

Leaf River Telephone Company  
Illinois Universal Service Funding Calculation  
Based upon ICC Form 23A Report Data for December 31, 2000

<u>Line #</u>	<u>Description</u>	<u>Source</u>	<u>Amount</u>	<u>Adjustment</u>	<u>Adjusted Amount</u>
1	Net Regulated Plant	Form 23A, P 8, Net Plant	\$ 3,054,331	\$ 56,461	\$ 3,110,792
2	Materials and Supplies Inventory	Page 2, 13-Month Average	108,400		108,400
3	Customer Deposits	Form 23A, P 8, 4040	11,283	-	11,283
4	ADIT - Regulated Plant	Form 23A, P 8, 4100 + 4340	11,701	-	11,701
5	Rate Base before Working Capital	line 1 + line 2 - line 3 - line 4			3,196,207
6	Working Capital Requirement				
7	Total Operating Expenses	Form 23A, P 14, Total	1,104,317	-	1,104,317
8	Less: Depreciation Expense	Form 23A, P 13, 6560	360,488	-	360,488
9	Total WC Operating Expense	line 7 - line 8	743,829	-	743,829
10	WC OE Requirement	line 9 * 45 / 360			92,979
11	Commission-Ordered Cash Balance Requirement		-	-	-
12	Total Working Capital Requirement	line 10 + line 11			92,979
13	Total Rate Base	line 5 + line 12			3,289,186
14	Total Operating Revenues	Form 23A, P 11, Total	1,827,025	76,505	1,903,530
15	Less: Illinois High Cost Fund		450,672	-	450,672
16	Net Operating Revenues	line 14 - line 15	1,376,353	76,505	1,452,858
17	Total Operating Expenses	Form 23A, P 14, Total	1,104,317	-	1,104,317
18	Other Operating Inc and Exp - Net	Form 23A, P 15, 7100	-	-	-
19	Other Operating Taxes	Form 23A, P 15, 7240	10,582	-	10,582
20	Net Op Inc before Income Taxes	line 16 - lines 17, 18, & 19	261,454	76,505	337,959
21	Income Tax Expense	line 34			130,921
22	Net Operating Income	line 20 - line 21			207,038
23	Return on Rate Base	line 22 / line 13			6.29%
24	After-tax Cost of Capital				11.21%
25	Target Net Operating Income	line 24 * line 13			368,718
26	Adj to Achieve Target Return on RB	line 25 - line 22			161,680
27	Gross Revenue Conversion Factor	line 35			1.6324
28	ROR Funding Deficiency Including Inc Taxes	line 26 * line 27			263,926
29	Calculation of Income Tax Expense				
30	Net Op Inc before Inc Taxes	line 20			337,959
31	Illinois Inc & Rep Tax Expense	line 30 * 7.18%			24,265
32	Net Op Inc before Fed Inc Tax	line 30 - line 31			313,694
33	Federal Income Tax Expense	line 32 * 34.00%			106,656
34	Total Imputed Income Tax Expense	line 31 + line 33			130,921
35	Gross Revenue Conversion Factor	1 / ((1 - .0718) * (1 - .34))			1.6324

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Material & Supplies Worksheet and Other Information

<u>Line #</u>		
1	December-99	\$76,050
2	January-00	\$76,050
3	February-00	\$76,050
4	March-00	\$76,050
5	April-00	\$99,918
6	May-00	\$102,801
7	June-00	\$102,641
8	July-00	\$108,096
9	August-00	\$131,509
10	September-00	\$144,820
11	October-00	\$145,983
12	November-00	\$149,998
13	December-00	\$119,228
14	13 Month Average	\$108,400

Sale/Lease Back Arrangement

The company does not have any sale(s)/lease back arrangement.

The company does have sale(s)/lease back arrangement and has provided additional information to staff.

Lease Agreement with Affiliates

The company does not have any lease agreements with affiliates.

The company does have lease agreements with affiliates and has provided additional information to staff.

Trial Balances

The Company has provided a copy of its 12/31/2000 trial balance in support of the attached exhibits.

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 Operating Revenues By Category

<u>Line #</u>		<u>Source</u>	<u>Amount</u>
1	Local Revenues	Form 23A, P 10, Total Local Network Service Revenues	\$ 111,026
2	State Subscriber Line Charges	Trial Balance 12/31/00	\$ 89,615
3	State Access Revenues	Trial Balance 12/31/00	\$ 341,412
4	State High Cost Support	Exhibit X, Line 15	\$ 450,542
5	State Special Access Revenues	Trial Balance 12/31/00	\$ 1,818
6	Total State Access & Local Revenues	Sum (Ln 1 - 5)	\$ 994,413
7	Federal Subscriber Lines Charges	Trial Balance 12/31/00	\$ 27,076
8	Federal Access Revenues	Trial Balance 12/31/00	\$ 315,263
9	Federal High Cost Support	Trial Balance 12/31/00	\$ 390,192
10	Federal Special Access Revenues	Trial Balance 12/31/00	\$ 9,188
11	Total Federal Access Revenues	Sum (Ln 7 - 10)	\$ 741,719
12	Misc Revenues	Trial Balance 12/31/00	\$ 90,893
13	Total Operating Revenues	Ln 6 + Ln 11 + Ln 12	<u>\$ 1,827,025</u>