

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

Line #	Description	Source	Amount	Adjustment	Adjusted Amount
1	Net Regulated Plant	Form 23A, P 8, Net Plant	\$ 1,412,408	\$ 36,141	\$ 1,448,549
2	Materials and Supplies Inventory	Page 2, 13-Month Average	11,359		11,359
3	Customer Deposits	Form 23A, P 8, 4040	7,446	-	7,446
4	ADIT - Regulated Plant	Form 23A, P 8, 4100 + 4340	168,699	-	168,699
5	Rate Base before Working Capital	line 1 + line 2 - line 3 - line 4			1,283,763
6	Working Capital Requirement				
7	Total Operating Expenses	Form 23A, P 14, Total	436,531	-	436,531
8	Less: Depreciation Expense	Form 23A, P 13, 6560	124,476	-	124,476
9	Total WC Operating Expense	line 7 - line 8	312,055	-	312,055
10	WC OE Requirement	line 9 * 45 / 360			39,007
11	Commission-Ordered Cash Balance Requirement		-	-	-
12	Total Working Capital Requirement	line 10 + line 11			39,007
13	Total Rate Base	line 5 + line 12			1,322,770
14	Total Operating Revenues	Form 23A, P 11, Total	562,928	-	562,928
15	Less: Illinois High Cost Fund		12,048	-	12,048
16	Net Operating Revenues	line 14 - line 15	550,880	-	550,880
17	Total Operating Expenses	Form 23A, P 14, Total	436,531	-	436,531
18	Other Operating Inc and Exp - Net	Form 23A, P 15, 7100	-	-	-
19	Other Operating Taxes	Form 23A, P 15, 7240	1,845	-	1,845
20	Net Op Inc before Income Taxes	line 16 - lines 17, 18, & 19	112,504	-	112,504
21	Income Tax Expense	line 34			43,583
22	Net Operating Income	line 20 - line 21			68,921
23	Return on Rate Base	line 22 / line 13			5.21%
24	After-tax Cost of Capital				11.21%
25	Target Net Operating Income	line 24 * line 13			148,283
26	Adj to Achieve Target Return on RB	line 25 - line 22			79,362
27	Gross Revenue Conversion Factor	line 35			1.6324
28	ROR Funding Deficiency Including Inc Taxes	line 26 * line 27			129,551
29	Calculation of Income Tax Expense				
30	Net Op Inc before Inc Taxes	line 20			112,504
31	Illinois Inc & Rep Tax Expense	line 30 * 7.18%			8,078
32	Net Op Inc before Fed Inc Tax	line 30 - line 31			104,426
33	Federal Income Tax Expense	line 32 * 34.00%			35,505
34	Total Imputed Income Tax Expense	line 31 + line 33			43,583
35	Gross Revenue Conversion Factor	1 / ((1 - .0718) * (1 - .34))			1.6324

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**Illinois Universal Service Funding Calculation**  
**Based upon ICC Form 23A Report Data for December 31, 2000**  
**Material & Supplies Worksheet and Other Information**

<u>Line #</u>		
1	December-99	\$11,683
2	January-00	\$11,683
3	February-00	\$11,686
4	March-00	\$11,683
5	April-00	\$11,683
6	May-00	\$11,683
7	June-00	\$11,683
8	July-00	\$11,683
9	August-00	\$11,683
10	September-00	\$11,683
11	October-00	\$11,683
12	November-00	\$11,683
13	December-00	\$7,468
14	13 Month Average	\$11,359

**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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 Based upon ICC Form 23A Report Data for December 31, 2000  
 Operating Revenues By Category

<u>Line #</u>		<u>Source</u>	<u>Amount</u>
		Form 23A, P 10, Total Local	
1	Local Revenues	Network Service Revenues	\$ 57,471
2	State Subscriber Line Charges	Trial Balance 12/31/00	\$ 88,740
3	State Access Revenues	Trial Balance 12/31/00	\$ 135,658
4	State High Cost Support	Exhibit X, Line 15	\$ 12,048
5	State Special Access Revenues	Trial Balance 12/31/00	\$ 3,973
6	Total State Access & Local Revenues	Sum (Ln 1 - 5)	\$ 297,890
7	Federal Subscriber Lines Charges	Trial Balance 12/31/00	\$ 29,633
8	Federal Access Revenues	Trial Balance 12/31/00	\$ 125,818
9	Federal High Cost Support	Trial Balance 12/31/00	\$ 85,584
10	Federal Special Access Revenues	Trial Balance 12/31/00	\$ 8,866
11	Total Federal Access Revenues	Sum (Ln 7 - 10)	\$ 249,901
12	Misc Revenues	Trial Balance 12/31/00	\$ 15,137
13	Total Operating Revenues	Ln 6 + Ln 11 + Ln 12	<u>\$ 562,928</u>