

DIRECT TESTIMONY
OF
MARY H. EVERSON

FINANCIAL ANALYSIS DIVISION
ILLINOIS COMMERCE COMMISSION

IN THE MATTER OF GENESEO TELEPHONE COMPANY, CAMBRIDGE
TELEPHONE COMPANY AND HENRY COUNTY TELEPHONE COMPANY
PETITION FOR UNIVERSAL SERVICE SUPPORT AND
ILLINOIS INDEPENDENT TELEPHONE ASSOCIATION PETITION TO UPDATE
THE SECTION 13-301(1)(D) ILLINOIS UNIVERSAL SERVICE FUND AND TO
IMPLEMENT INTRASTATE SWITCHED ACCESS CHARGE REFORM AS
DESCRIBED HEREIN AND FOR OTHER RELIEF

DOCKET NO. 11-0210/11-0211 (Consolidated)

August 30, 2011

1 **Witness Identification**

2 **Q. Please state your name and business address.**

3 A. My name is Mary H. Everson. My business address is 527 East Capitol
4 Avenue, Springfield, Illinois 62701.

5 **Q. By whom are you employed and in what capacity?**

6 A. I am employed as an Accountant in the Accounting Department of the
7 Financial Analysis Division of the Illinois Commerce Commission
8 (“Commission”).

9 **Q. Please describe your background and professional affiliations.**

10 **A.** I have a Bachelor of Science in Accounting from the University of Central
11 Florida. I am a Certified Public Accountant licensed to practice in the State
12 of Illinois. I joined the Staff of the Illinois Commerce Commission in
13 February 1999. Prior to joining Staff, I was employed in industry as a
14 financial analyst and in government as an internal auditor.

15 **Q. What is the purpose of your testimony?**

16 A. The purpose of my testimony is to:

- 17 1) Present the Staff Calculated Funding Requirement for the
18 Companies comprising the Illinois Independent Telephone
19 Association (“Company” or collectively “Companies”), and
20 2) Propose adjustments to the Funding Requirement for individual
21 companies’ concerning Net Plant with all necessary associated

22 adjustments, Revenues, Operating Expense, and Income Taxes
23 and

24 3) Present the adjustment to the Funding Requirement proposed by
25 Staff witness Dr. James Zolnierek.

26 **Schedule Identification**

27 **Q. Are you sponsoring any schedules as part of ICC Staff Exhibit 2.0?**

28 A. Yes. I am sponsoring the following schedules:

- 29 • Schedule 2.01 - Summary of Staff Calculated Funding
30 Requirement
- 31 • Schedules 2.02- Staff Funding Requirement (by Company)
- 32 • Schedules 2.03-Adjustment to Operating Revenues (by Company)
- 33 • Schedules 2.04-Adjustment to State Income Tax Rate (by
34 Company)
- 35 • Schedules 2.05-Adjustment to Net Plant (by Company)
- 36 • Schedules 2.06-Adjustment to S-Corporation Income Taxes (by
37 Company)
- 38 • Schedule 2.07-Adjustment to Operating Expense (by Company)
- 39 • Schedule 2.08-LaHarpe-Adjustment to Rental Revenues
40

41 Each of the schedules 2.02-2.08 are labeled with the individual company's
42 name (for example: 2.03 Adams) since Schedules 2.03-2.07 apply to
43 multiple companies.

44
45 **Q. Please explain ICC Staff Exhibit 2.0, Schedule 2.01, Summary of Staff**
46 **Calculated Funding Requirement.**

47 A. ICC Staff Exhibit 2.0, Schedule 2.01 presents a summary of Staff's
48 funding requirement for each of the companies that are requesting funding
49 in this case. The total Staff funding requirement for those companies is
50 presented on page 5, column (h), line 28.

51 **Q. Please explain ICC Staff Exhibit 2.0, Schedules 2.02 Staff Calculated**
52 **Funding Requirement (by Company).**

53 A. Schedules 2.02-Company presents each company's Schedule 1.01 data
54 for 2009 in Column (b) that includes the adjustments to the 2009 rate
55 base, revenues and expenses proposed by each company. Column (c)
56 presents Staff's adjustments to rate base, and to revenues and expense
57 components of the funding requirement. Column (d) presents Staff
58 amounts resulting from the combination of Columns (b) and (c).

59 **Operating Revenues**

60 **Q. Please explain ICC Staff Schedule 2.03, Adjustment to Operating**
61 **Revenues**

62 A. ICC Staff Schedules 2.03, present the adjustment proposed by Staff
63 witness Dr. James Zolnierrek that is applied to each of the companies. The
64 rational for this adjustment is explained in the direct testimony of Dr.
65 James Zolnierrek, ICC Staff Exhibit 4.0.

66 **Income Tax Rate**

67 **Q. Please explain ICC Staff Schedule 2.04, Adjustment to State Income**
68 **Tax Rate.**

69 A. ICC Staff Schedules 2.04 present my adjustment to correct the state
70 corporate income tax rate used by all of the companies subject to the state
71 corporate income tax. The current Illinois corporate state income tax rate
72 is 9.5%. The Companies used 7.3% in Schedules 1.01. My adjustment
73 corrects for this error for each of the taxable companies.

74 **Net Plant**

75 **Q. Please explain ICC Staff Schedule 2.05 Net Plant Adjustment.**

76 A. Staff Schedules 2.05 present my adjustment for net plant additions that
77 are not known and measurable. I will discuss my adjustment to each of
78 the company's separately since they each arise from a different situation.

79 **Q. Please explain ICC Staff Schedule 2.05-Adams.**

80 A. Schedule 2.05-Adams presents my adjustment to eliminate Adams'
81 Telephone Company ("Adams") Net Plant pro forma adjustment because
82 1) the facilities being constructed could be used for services other than the
83 Illinois Universal Service Fund ("IUSF") supported services and 2) it is not
84 reasonably certain that these projected expenditures will be incurred yet in
85 2011.

86 Adams stated in a response to Geneseo Telephone Company, Cambridge
87 Telephone Company and Henry County Telephone Company
88 (collectively, "GCH") data request ("DR") 1.10 that: "The facilities being
89 built will be *jointly used to provide transmission capabilities for both voice*

90 *and regulated broadband services* and cannot be broken down into the
91 two segments as requested.” Since the facilities that are being constructed
92 could be used for services other than the IUSF supported services, I
93 cannot recommend that the Commission include those amounts in Adams’
94 funding requirement until Adams can demonstrate that the portion of the
95 facilities that would be used for unsupported services has been removed
96 from the project amounts. Should Adams demonstrate that a portion of
97 the project costs relates only to supported services, it then must
98 demonstrate that the amounts are known and measurable. Neither Phase
99 I nor Phase II of the project is completed and the current progress
100 (through June 30, 2011) does not convince me that the budgeted amounts
101 are reasonably certain to occur within the time frame indicated by Adams.
102 The actual expenditures for Phase I as of June 30, 2011 are 75%
103 complete. Phase II actual expenditures as of June 30, 2011 are 18%
104 complete. With only 6 months left in 2011, it does not appear to be
105 reasonably certain that these projected amounts will be incurred in 2011.
106 Schedule 2.05 Adams presents the adjustment to eliminate the pro forma
107 net plant adjustment proposed by Adams.

108 **Q. Please explain ICC Staff Schedule 2.05-Alhambra-Grantfork.**

109 A. Schedule 2.05-Alhambra-Grantfork presents my adjustment to reduce
110 Alhambra-Grantfork Telephone Company’s (“Alhambra”) Net Plant since
111 the Company’s original Schedule 1.01 contains an overstated net plant

112 balance due to an oversight. In the Companies' response to GCH DR 1.10
113 and MHE 3.01, Alhambra-Grantfork provided a revised Schedule 1.01.
114 Those changes to net plant are included in my schedule as an adjustment
115 to Alhambra-Grantfork's original filed Schedule 1.01.

116 **Q. Please explain ICC Staff Schedule 2.05-Metamora.**

117 A. Schedule 2.05-Metamora presents my adjustment to reduce Metamora
118 Telephone Company's ("Metamora") Net Plant and the associated
119 depreciation expense for a parcel of property that was included in
120 Metamora's Schedule 1.01. In the Company's response to Staff DR MHE
121 2.19, Metamora stated that the parcel at 209 N. Davenport St., Metamora,
122 Illinois is property held for future use and was incorrectly included in the
123 rate base presented on its Schedule 1.01.

124 **S-Corporations-LaHarpe, Leaf River and Madison**

125 **Q. Please explain ICC Staff Schedule 2.06-LaHarpe, Leaf River and**
126 **Madison, Adjustment to S-Corporation Income Taxes.**

127 A. ICC Staff Schedules 2.06 present my adjustments to the federal and state
128 income taxes and the Gross Revenue Conversion Factor for LaHarpe
129 Telephone Company ("LaHarpe"), Leaf River Telephone Company ("Leaf
130 River") and Madison Telephone Company ("Madison") since each of the
131 companies are S-Corporations. Each of these companies included state
132 and federal income taxes and also used a gross revenue conversion
133 factor ("GRCF") that included provision for income taxes in its Schedule

134 1.01. In the Companies' response to DRs GCH 1.10 and 1.11, LaHarpe,
135 and Leaf River each acknowledge that the company was an S-
136 Corporation. Similarly, in the Company's response to DR GCH 1.11,
137 Madison stated that it was an S-Corporation. S-Corporations are not
138 subject to state or federal income tax and, therefore, those amounts
139 should not be included in Schedule 1.01. Furthermore, since LaHarpe,
140 Leaf River and Madison are companies that are not subject to state and
141 federal income taxes, the net operating income does not need to be
142 "grossed up" via the GRCF to account for additional income taxes. My
143 adjustments correct for this.

144 **Operating Expense**

145 **Q. Please explain ICC Staff Schedule 2.07-Metamora, Adjustment to**
146 **Operating Expense.**

147 A. Schedule 2.07-Metamora presents my adjustment to operating expenses
148 to reduce the Company's pro forma adjustment amount for items that have
149 not been adequately supported. I am removing an increase to the
150 allocation of corporate costs allocated to Metamora from its parent that
151 was presented with minimal explanation. The Company has not
152 demonstrated that this is an accurate estimate.

153 In addition, I am also reducing operating expense for the estimated cost of
154 a new marketing program and for estimated bonuses that are undefined
155 and unsupported in the Company's proposal. The Company has not

156 demonstrated that this is an accurate estimate or that these are expenses
157 that should be included in Metamora's funding requirement. The individual
158 amounts for these 3 items have been aggregated into one amount on Staff
159 Schedule 2.07 Metamora.

160 **Q. Please explain ICC Staff Schedule 2.07-Viola Home, Adjustment to**
161 **Operating Expense.**

162 A. Schedule 2.07-Viola Home presents my adjustment to reduce operating
163 expenses for items such as flowers, floral arrangements, advertisement
164 for wireless, croissants for Christmas, and Christmas party expenses.
165 These types of expenses are not necessary expenses of providing service
166 and are not of a type that should be used to determine a necessary IUSF
167 funding level. Each of the costs that comprise my adjustment is listed on
168 page 2 of Schedule 2.07- Viola Home.

169 **Q. Are you adjusting operating expense for other companies?**

170 A. Not at this time. After reviewing many DR responses, however, I do have
171 concerns about corporate operating expenses of other companies.

172 **Q. Please explain.**

173 A. In response to several GCH DRs I noticed that several companies
174 included large amounts of general and administrative expense relative to
175 the total of operating expense. I have outstanding DRs which may provide
176 information for further adjustments or may alleviate my concerns. I am

177 reserving the right to present additional adjustments to additional
178 companies' operating expense in rebuttal testimony.

179 **Rental Revenues**

180 **Q. Please explain ICC Staff Schedule 2.08 LaHarpe, Adjustment to**
181 **Rental Revenues.**

182 A. ICC Staff Schedule 2.08 LaHarpe presents my adjustment to increase
183 revenues for rental revenues from an affiliate that LaHarpe received but
184 did not include in its Schedule 1.01. In the Company's response to DR
185 GCH 1.01, LaHarpe stated that the revenues were not booked but were
186 received in 2009 and were not included in Schedule 1.01.

187 The rental revenues are received from an affiliated company, LaHarpe
188 Video and Data Services Company, Inc. for rental of building space in
189 LaHarpe Telephone Company's rate base and, therefore, revenues
190 derived from the rental should also be included in operating revenues.

191 **Forms 23A/RUS Schedule 1.01 Differences**

192 **Q. Did you find amounts listed on Schedules 1.01 referenced as being**
193 **from Form 23A which do not agree with the amounts in Form 23A?**

194 A. Yes. Four companies' Schedules 1.01 (Metamora, McNabb, Mid Century,
195 and Wabash) contain amounts on certain lines that do not agree with the
196 referenced source, Form 23A. Form RUS (USDA Form RUS Operating
197 Report for Telecommunications Borrowers) is filed with the Commission

198 by certain companies with outstanding debt. These RUS reports also do
199 not contain the referenced amounts from Schedules 1.01. I have not made
200 an adjustment to these items at this time pending receipt of responses to
201 an outstanding DR to each company requesting a reconciliation of the
202 amounts. I am reserving the right to sponsor any necessary adjustments
203 in my rebuttal testimony for these discrepancies.

204 **Other Federal and State Sources of Public Funding**

205 **Q. Did you include Funding Requirement schedules for Shawnee**
206 **Telephone Company Inc. or Wabash Telephone Coop., Inc. in your**
207 **Exhibit 2.0?**

208 A. No. As described in the direct testimony of Staff witness Jeffrey Hoag, ICC
209 Staff Exhibit 1.0, Staff is aware that Shawnee and Wabash will be
210 receiving additional federal support for broadband services. Due to the
211 concerns expressed in Mr. Hoagg's direct testimony, I am not presenting
212 any funding requirement schedules for these two companies. I have
213 outstanding DRs to obtain a detailed accounting of how this and other
214 potential funding sources are accounted for in the companies' requests for
215 IUSF. I am reserving the right to sponsor any necessary adjustments in
216 my rebuttal testimony for these discrepancies.

217 **Conclusion**

218 **Q. Does this conclude your prepared direct testimony?**

219 A. Yes.

Illinois Universal Service Funding Calculation
 Summary of Staff Calculated Funding Requirement*

Line No.	Description	Adams Telephone Cooperative	Alhambra- Grantfork Telephone Company	Cass Telephone Company	Egyptian Telephone Cooperative Association	Flat Rock Telephone Co-Op, Inc.	Grafton Telephone Company	Subtotal
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	Net Regulated Plant	\$ 5,430,169	\$ 1,907,817	\$ 1,612,629	\$ 6,646,607	\$ 461,160	\$ 1,730,192	\$ 12,358,405
2	Materials and Supplies Inventory	601,462	37,398	48,758	167,118	58,737	29,259	341,270
3	Customer Deposits	77,905	5,850	2,550	9,099	1,402	1,800	20,701
4	ADIT - Regulated Plant	-	753,354	-	(92,047)	-	(50,610)	610,697
5	Rate Base before Working Capital	5,953,726	1,186,011	1,658,837	6,896,673	518,495	1,808,261	12,068,277
6	Working Capital Requirement							
7	Total Operating Expenses	5,547,324	909,044	2,981,026	5,162,564	464,836	1,095,991	10,613,461
8	Less: Depreciation Expense	1,085,033	244,272	305,931	1,322,699	94,471	272,825	2,240,198
9	Total WC Operating Expense	4,462,291	664,772	2,675,095	3,839,865	370,365	823,166	8,373,263
10	WC OE Requirement	557,786	83,097	334,387	479,983	46,296	102,896	1,046,658
11	Commission-Ordered Cash Balance Req.	-	-	-	-	-	-	-
12	Total Working Capital Requirement	557,786	83,097	334,387	479,983	46,296	102,896	1,046,658
13	Total Rate Base	6,511,512	1,269,108	1,993,224	7,376,656	564,791	1,911,157	13,114,935
14	Total Operating Revenues	6,325,823	1,149,822	3,324,252	6,175,216	601,652	1,412,358	12,663,300
15	Less: Illinois High Cost Fund	-	62,712	538,887	1,120,092	108,480	197,064	2,027,235
16	Net Operating Revenues	6,325,823	1,087,110	2,785,365	5,055,124	493,172	1,215,294	10,636,065
17	Total Operating Expenses	5,547,324	909,044	2,981,026	5,162,564	469,844	1,095,991	10,618,469
18	Other Operating Inc and Exp - Net	-	-	-	-	-	-	-
19	Other Operating Taxes	35,279	8,960	10,271	12,573	16,238	13,937	61,979
20	Net Op Inc before Income Taxes	743,220	169,106	(205,932)	(120,013)	7,090	105,366	(44,383)
21	Income Tax Expense	-	66,236	(138,541)	-	-	43,621	(28,684)
22	Net Operating Income	743,220	102,870	(67,391)	(120,013)	7,090	61,745	(15,699)
23	Return on Rate Base	11.41%	8.11%	-3.38%	-1.63%	1.26%	3.23%	
24	After-tax Cost of Capital	9.34%	9.34%	9.34%	9.34%	9.34%	9.34%	
25	Target Net Operating Income	608,175	118,535	186,167	688,980	52,751	178,502	
26	Adj to Achieve Target Return on RB	(135,045)	15,665	253,558	808,993	45,661	116,757	
27	Gross Revenue Conversion Factor	1.0000	1.6742	1.6742	1.0000	1.0000	1.6742	
28	Staff ROR Deficiency	-	26,226	424,507	808,993	45,661	195,475	\$ 1,500,862
29	Calculation of Income Tax Expense							
30	Net Op Inc before Inc Taxes	743,220	169,106	(205,932)	(120,013)	7,090	105,366	
31	Illinois Income Tax Expense	-	16,065	(19,564)	-	-	10,010	
32	Net Op Inc before Fed Inc Tax	743,220	153,041	(186,368)	(120,013)	7,090	95,356	
33	Federal Income Tax Expense	-	52,034	(63,365)	-	-	32,421	
34	Total Imputed Income Tax Expense	-	68,099	(82,929)	-	-	42,431	
35	Gross Revenue Conversion Factor	1.0000	1.6742	1.6742	1.0000	1.0000	1.6742	

* This Schedule does not include amounts for the following:
 Shawnee Telephone Company
 Wabash Telephone Cooperative

Illinois Universal Service Funding Calculation
 Summary of Staff Calculated Funding Requirement*

Line No.	Description	Subtotal from Page	Gridley Telephone	Hamilton County	Harrisonville	Home Telephone	LaHarpe	Subtotal
		<u>1</u>	Company	Telephone Co-op	Telephone Company	Company	Company	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	Net Regulated Plant	\$ 12,358,405	\$ 2,198,843	\$ 4,052,363	\$ 39,073,371	\$ 4,726,690	\$ 2,841,332	\$ 65,251,004
2	Materials and Supplies Inventory	341,270	70,686	523,655	472,913	104,467	78,016	1,591,007
3	Customer Deposits	20,701	2,195	9,225	8,687	1,650	225	42,683
4	ADIT - Regulated Plant	<u>610,697</u>	-	-	<u>4,371,912</u>	<u>598,713</u>	-	<u>5,581,322</u>
5	Rate Base before Working Capital	12,068,277	2,267,334	4,566,793	35,165,685	4,230,794	2,919,123	61,218,006
6	Working Capital Requirement							
7	Total Operating Expenses	10,613,461	1,903,647	2,148,141	15,568,714	3,476,235	1,605,649	35,315,847
8	Less: Depreciation Expense	<u>2,240,198</u>	<u>410,925</u>	<u>843,693</u>	<u>3,885,211</u>	<u>659,285</u>	<u>355,654</u>	<u>8,394,966</u>
9	Total WC Operating Expense	<u>8,373,263</u>	<u>1,492,722</u>	<u>1,304,448</u>	<u>11,683,503</u>	<u>2,816,950</u>	<u>1,249,995</u>	<u>26,920,881</u>
10	WC OE Requirement	1,046,658	186,590	163,056	1,460,438	352,119	156,249	3,365,110
11	Commission-Ordered Cash Balance Req.	-	-	-	-	-	-	-
12	Total Working Capital Requirement	<u>1,046,658</u>	<u>186,590</u>	<u>163,056</u>	<u>1,460,438</u>	<u>352,119</u>	<u>156,249</u>	<u>3,365,110</u>
13	Total Rate Base	<u>13,114,935</u>	<u>2,453,924</u>	<u>4,729,849</u>	<u>36,626,123</u>	<u>4,582,913</u>	<u>3,075,372</u>	<u>64,583,116</u>
14	Total Operating Revenues	12,663,300	2,285,212	2,330,902	20,196,557	3,958,567	2,022,769	43,457,307
15	Less: Illinois High Cost Fund	<u>2,027,235</u>	<u>329,796</u>	-	<u>595,008</u>	<u>633,540</u>	<u>209,028</u>	<u>3,794,607</u>
16	Net Operating Revenues	10,636,065	1,955,416	2,330,902	19,601,549	3,325,027	1,813,741	39,662,700
17	Total Operating Expenses	10,618,469	1,903,647	2,148,141	15,568,714	3,476,235	1,605,649	35,320,855
18	Other Operating Inc and Exp - Net	-	-	-	10,769	-	-	10,769
19	Other Operating Taxes	<u>61,979</u>	<u>16,136</u>	<u>5,599</u>	<u>126,068</u>	<u>19,701</u>	<u>3,977</u>	<u>233,460</u>
20	Net Op Inc before Income Taxes	(44,383)	35,633	177,162	3,895,998	(170,909)	204,115	4,097,616
21	Income Tax Expense	<u>(28,684)</u>	<u>21,737</u>	-	<u>1,430,641</u>	<u>(15,581)</u>	<u>58,525</u>	<u>1,466,638</u>
22	Net Operating Income	<u>(15,699)</u>	<u>13,896</u>	<u>177,162</u>	<u>2,465,357</u>	<u>(155,328)</u>	<u>145,590</u>	<u>2,630,978</u>
23	Return on Rate Base		<u>0.57%</u>	<u>3.75%</u>	<u>6.73%</u>	<u>-3.39%</u>	<u>4.73%</u>	
24	After-tax Cost of Capital		<u>9.34%</u>	<u>9.34%</u>	<u>9.34%</u>	<u>9.34%</u>	<u>9.34%</u>	
25	Target Net Operating Income		<u>229,197</u>	<u>441,768</u>	<u>3,420,880</u>	<u>428,044</u>	<u>287,240</u>	
26	Adj to Achieve Target Return on RB		215,301	264,606	955,523	583,372	141,650	
27	Gross Revenue Conversion Factor		<u>1.6742</u>	<u>1.0000</u>	<u>1.6742</u>	<u>1.6742</u>	<u>1.0000</u>	
28	Staff ROR Deficiency	<u>1,500,862</u>	<u>360,456</u>	<u>264,606</u>	<u>1,599,737</u>	<u>976,682</u>	<u>141,650</u>	<u>4,843,992</u>
29	Calculation of Income Tax Expense							
30	Net Op Inc before Inc Taxes		35,633	177,162	3,895,998	(170,909)	204,115	
31	Illinois Income Tax Expense		<u>3,385</u>	-	<u>370,120</u>	<u>(16,236)</u>	-	
32	Net Op Inc before Fed Inc Tax		32,248	177,162	3,525,878	(154,673)	204,115	
33	Federal Income Tax Expense		<u>10,964</u>	-	<u>1,198,799</u>	<u>(52,589)</u>	-	
34	Total Imputed Income Tax Expense		<u>14,349</u>	-	<u>1,568,918</u>	<u>(68,825)</u>	-	
35	Gross Revenue Conversion Factor		<u>1.6742</u>	<u>1.0000</u>	<u>1.6742</u>	<u>1.6742</u>	<u>1.0000</u>	

Illinois Universal Service Funding Calculation
 Summary of Staff Calculated Funding Requirement*

Line No.	Description	Subtotal from Page 2	Leaf River Telephone Company	Madison Telephone Company	Metamora Telephone Company	McDonough Telephone Coop	McNabb Telephone Company	Subtotal
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	Net Regulated Plant	\$ 65,251,004	\$ 2,713,515	\$ 18,004,953	\$ 5,404,676	\$ 12,269,894	\$ 499,397	\$104,143,439
2	Materials and Supplies Inventory	1,591,007	93,366	95,821	324,246	322,997	16,384	2,443,821
3	Customer Deposits	42,683	2,050	15,084	24,126	375	5,030	89,348
4	ADIT - Regulated Plant	<u>5,581,322</u>	-	-	<u>410,637</u>	-	<u>35,775</u>	<u>6,027,734</u>
5	Rate Base before Working Capital	61,218,006	2,804,831	18,085,690	5,294,159	12,592,516	474,976	100,470,178
6	Working Capital Requirement							
7	Total Operating Expenses	35,315,847	1,285,124	8,751,592	2,259,944	5,416,535	674,527	53,703,569
8	Less: Depreciation Expense	<u>8,394,966</u>	<u>338,757</u>	<u>1,513,818</u>	<u>790,104</u>	<u>1,493,331</u>	<u>107,361</u>	<u>12,638,337</u>
9	Total WC Operating Expense	<u>26,920,881</u>	<u>946,367</u>	<u>7,237,774</u>	<u>1,469,840</u>	<u>3,923,204</u>	<u>567,166</u>	<u>41,065,232</u>
10	WC OE Requirement	3,365,110	118,296	904,722	183,730	490,400	70,896	5,133,153
11	Commission-Ordered Cash Balance Req.	-	-	-	-	-	-	-
12	Total Working Capital Requirement	<u>3,365,110</u>	<u>118,296</u>	<u>904,722</u>	<u>183,730</u>	<u>490,400</u>	<u>70,896</u>	<u>5,133,153</u>
13	Total Rate Base	<u>64,583,116</u>	<u>2,923,127</u>	<u>18,990,412</u>	<u>5,477,889</u>	<u>13,082,916</u>	<u>545,872</u>	<u>105,603,331</u>
14	Total Operating Revenues	43,457,307	1,596,680	9,856,017	2,893,939	6,818,976	578,624	65,201,543
15	Less: Illinois High Cost Fund	<u>3,794,607</u>	<u>264,360</u>	<u>783,924</u>	<u>354,556</u>	<u>926,664</u>	<u>62,940</u>	<u>6,187,051</u>
16	Net Operating Revenues	39,662,700	1,332,320	9,072,093	2,539,383	5,892,312	515,684	59,014,492
17	Total Operating Expenses	35,320,855	1,285,124	8,751,592	2,259,944	5,416,535	674,527	53,708,577
18	Other Operating Inc and Exp - Net	10,769	-	-	-	-	-	10,769
19	Other Operating Taxes	<u>233,460</u>	<u>18,633</u>	<u>31,271</u>	<u>51,664</u>	<u>19,445</u>	<u>10,571</u>	<u>365,044</u>
20	Net Op Inc before Income Taxes	4,097,616	28,563	289,230	227,775	456,332	(169,414)	4,930,102
21	Income Tax Expense	<u>1,466,638</u>	<u>23,420</u>	<u>175,873</u>	<u>9,628</u>	-	<u>(51,993)</u>	<u>1,623,566</u>
22	Net Operating Income	<u>2,630,978</u>	<u>5,143</u>	<u>113,357</u>	<u>218,147</u>	<u>456,332</u>	<u>(117,421)</u>	<u>3,306,536</u>
23	Return on Rate Base		0.18%	0.60%	3.98%	3.49%	-21.51%	
24	After-tax Cost of Capital		9.34%	9.34%	9.34%	9.34%	9.34%	
25	Target Net Operating Income		<u>273,020</u>	<u>1,773,704</u>	<u>511,635</u>	<u>1,221,944</u>	<u>50,984</u>	
26	Adj to Achieve Target Return on RB		267,877	1,660,347	293,488	765,612	168,405	
27	Gross Revenue Conversion Factor		<u>1.0000</u>	<u>1.0000</u>	<u>1.6742</u>	<u>1.0000</u>	<u>1.6742</u>	
28	Staff ROR Deficiency	<u>4,843,992</u>	<u>267,877</u>	<u>1,660,347</u>	<u>491,357</u>	<u>765,612</u>	<u>281,944</u>	<u>8,311,131</u>
29	Calculation of Income Tax Expense							
30	Net Op Inc before Inc Taxes		28,563	289,230	227,775	456,332	(169,414)	
31	Illinois Income Tax Expense		-	-	21,639	-	(16,094)	
32	Net Op Inc before Fed Inc Tax		28,563	289,230	206,136	456,332	(153,320)	
33	Federal Income Tax Expense		-	-	70,086	-	(52,129)	
34	Total Imputed Income Tax Expense		-	-	91,725	-	(68,223)	
35	Gross Revenue Conversion Factor		<u>1.0000</u>	<u>1.0000</u>	<u>1.6742</u>	<u>1.0000</u>	<u>1.6742</u>	

Illinois Universal Service Funding Calculation
 Summary of Staff Calculated Funding Requirement*

Line No.	Description	Subtotal from Page 3	MidCentury	Montrose Mutual	Moultrie	New Windsor	Oneida	Subtotal
			Telephone Cooperative, Inc.	Telephone Company	Independent Telephone Company	Telephone Company	Telephone Exchange	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	Net Regulated Plant	\$ 104,143,439	\$ 15,946,283	\$ 1,211,283	\$ 1,749,579	\$ 1,281,930	\$ 1,109,026	\$ 125,441,540
2	Materials and Supplies Inventory	2,443,821	42,825	286,850	46,485	28,377	32,167	2,880,525
3	Customer Deposits	89,348	-	1,600	-	6,486	3,500	100,934
4	ADIT - Regulated Plant	<u>6,027,734</u>	-	<u>322,676</u>	-	<u>252,788</u>	-	<u>6,603,198</u>
5	Rate Base before Working Capital	100,470,178	15,989,108	1,173,857	1,796,064	1,051,033	1,137,693	121,617,933
6	Working Capital Requirement							-
7	Total Operating Expenses	53,703,569	4,971,800	1,558,097	1,969,627	520,792	752,089	63,475,974
8	Less: Depreciation Expense	<u>12,638,337</u>	<u>1,707,653</u>	<u>228,193</u>	<u>277,671</u>	<u>166,234</u>	<u>230,348</u>	<u>15,248,436</u>
9	Total WC Operating Expense	<u>41,065,232</u>	<u>3,264,147</u>	<u>1,329,904</u>	<u>1,691,956</u>	<u>354,558</u>	<u>521,741</u>	<u>48,227,538</u>
10	WC OE Requirement	5,133,153	408,018	166,238	211,495	44,320	65,218	6,028,441
11	Commission-Ordered Cash Balance Req.	-	-	-	-	-	-	-
12	Total Working Capital Requirement	<u>5,133,153</u>	<u>408,018</u>	<u>166,238</u>	<u>211,495</u>	<u>44,320</u>	<u>65,218</u>	<u>6,028,441</u>
13	Total Rate Base	<u>105,603,331</u>	<u>16,397,126</u>	<u>1,340,095</u>	<u>2,007,559</u>	<u>1,095,353</u>	<u>1,202,911</u>	<u>127,646,374</u>
14	Total Operating Revenues	65,201,543	5,662,286	1,547,590	2,098,080	645,874	883,551	76,038,924
15	Less: Illinois High Cost Fund	<u>6,187,051</u>	<u>166,464</u>	<u>257,688</u>	<u>593,724</u>	<u>85,714</u>	<u>122,486</u>	<u>7,413,127</u>
16	Net Operating Revenues	59,014,492	5,495,822	1,289,902	1,504,356	560,160	761,065	68,625,797
17	Total Operating Expenses	53,708,577	4,971,800	1,558,097	1,969,627	520,792	752,089	63,480,982
18	Other Operating Inc and Exp - Net	10,769	-	-	-	-	-	10,769
19	Other Operating Taxes	<u>365,044</u>	<u>83,748</u>	<u>7,889</u>	<u>1,607</u>	<u>9,065</u>	<u>7,681</u>	<u>475,034</u>
20	Net Op Inc before Income Taxes	4,930,102	440,274	(276,084)	(466,878)	30,303	1,295	4,659,012
21	Income Tax Expense	<u>1,623,566</u>	-	<u>(76,793)</u>	<u>(16,800)</u>	<u>26,327</u>	-	<u>1,556,300</u>
22	Net Operating Income	<u>3,306,536</u>	<u>440,274</u>	<u>(199,291)</u>	<u>(450,078)</u>	<u>3,976</u>	<u>1,295</u>	<u>3,102,712</u>
23	Return on Rate Base	<u>0.00%</u>	<u>2.69%</u>	<u>-14.87%</u>	<u>-22.42%</u>	<u>0.36%</u>	<u>0.11%</u>	
24	After-tax Cost of Capital		<u>9.34%</u>	<u>9.34%</u>	<u>9.34%</u>	<u>9.34%</u>	<u>9.34%</u>	
25	Target Net Operating Income		<u>1,531,492</u>	<u>125,165</u>	<u>187,506</u>	<u>102,306</u>	<u>112,352</u>	
26	Adj to Achieve Target Return on RB		1,091,218	324,456	637,584	98,330	111,057	
27	Gross Revenue Conversion Factor		<u>1.0000</u>	<u>1.6742</u>	<u>1.6742</u>	<u>1.6742</u>	<u>1.0000</u>	
28	Staff ROR Deficiency	<u>8,311,131</u>	<u>1,091,218</u>	<u>543,204</u>	<u>1,067,443</u>	<u>164,624</u>	<u>111,057</u>	<u>11,288,677</u>
29	Calculation of Income Tax Expense							
30	Net Op Inc before Inc Taxes		440,274	(276,084)	(466,878)	30,303	1,295	
31	Illinois Income Tax Expense		-	<u>(26,228)</u>	<u>(44,353)</u>	<u>2,879</u>	-	
32	Net Op Inc before Fed Inc Tax		440,274	(249,856)	(422,525)	27,424	1,295	
33	Federal Income Tax Expense		-	<u>(84,951)</u>	<u>(143,658)</u>	<u>9,324</u>	-	
34	Total Imputed Income Tax Expense		-	<u>(111,179)</u>	<u>(188,012)</u>	<u>12,203</u>	-	
35	Gross Revenue Conversion Factor		<u>1.0000</u>	<u>1.6742</u>	<u>1.6742</u>	<u>1.6742</u>	<u>1.0000</u>	

Illinois Universal Service Funding Calculation
 Summary of Staff Calculated Funding Requirement*

Line No.	Description	Subtotal from	Reynolds	Viola Home	Woodhull	Total Staff-
		Page 4	Telephone Company	Telephone Company	Telephone Company	Calculated Funding Requirement
	(a)	(b)	(c)	(d)	(e)	(f)
1	Net Regulated Plant	\$ 125,441,540	\$ 1,743,549	\$ 1,226,901	\$ 1,972,723	\$ 165,074,041
2	Materials and Supplies Inventory	2,880,525	22,793	21,427	24,901	3,516,044
3	Customer Deposits	100,934	2,800	208	-	226,791
4	ADIT - Regulated Plant	6,603,198	142,446	108,689	106,260	6,960,593
5	Rate Base before Working Capital	121,617,933	1,621,096	1,139,431	1,891,364	161,402,701
6	Working Capital Requirement					
7	Total Operating Expenses	63,475,974	492,280	656,659	763,559	78,943,885
8	Less: Depreciation Expense	15,248,436	138,331	143,832	172,504	19,466,145
9	Total WC Operating Expense	48,227,538	353,949	512,827	591,055	59,477,740
10	WC OE Requirement	6,028,441	44,244	64,103	73,882	7,434,716
11	Commission-Ordered Cash Balance Req.	-	-	-	-	-
12	Total Working Capital Requirement	6,028,441	44,244	64,103	73,882	7,434,716
13	Total Rate Base	127,646,374	1,665,340	1,203,534	1,965,246	168,837,417
14	Total Operating Revenues	76,038,924	508,760	597,019	837,951	95,206,955
15	Less: Illinois High Cost Fund	7,413,127	-	32,860	51,614	9,019,285
16	Net Operating Revenues	68,625,797	508,760	564,159	786,337	86,187,670
17	Total Operating Expenses	63,480,982	492,280	656,659	763,559	78,948,893
18	Other Operating Inc and Exp - Net	10,769	-	-	-	10,769
19	Other Operating Taxes	475,034	3,438	9,786	6,310	557,553
20	Net Op Inc before Income Taxes	4,659,012	13,042	(102,286)	16,468	6,670,455
21	Income Tax Expense	1,556,300	12,639	(33,147)	29,433	2,410,621
22	Net Operating Income	3,102,712	403	(69,139)	(12,965)	4,259,834
23	Return on Rate Base		0.02%	-5.74%	-0.66%	
24	After-tax Cost of Capital		9.34%	9.34%	9.34%	
25	Target Net Operating Income	-	155,543	112,410	183,554	
26	Adj to Achieve Target Return on RB	-	155,140	181,549	196,519	
27	Gross Revenue Conversion Factor		1.6742	1.6742	1.6742	
28	Staff ROR Deficiency	11,288,677	259,735	303,949	329,012	\$ 12,181,374
29	Calculation of Income Tax Expense					
30	Net Op Inc before Inc Taxes		13,042	(102,286)	16,468	
31	Illinois Income Tax Expense		1,239	(9,717)	1,564	
32	Net Op Inc before Fed Inc Tax		11,803	(92,569)	14,904	
33	Federal Income Tax Expense		4,013	(31,473)	5,067	
34	Total Imputed Income Tax Expense		5,252	(41,190)	6,632	
35	Gross Revenue Conversion Factor		1.6742	1.6742	1.6742	

Adams Telephone Cooperative
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement

<u>Line No.</u>	<u>Description</u>	<u>2009 Company Adjusted Amount</u>	<u>Staff Adjustment</u>	<u>Staff Amount</u>
	(a)	(b)	(c)	(d)
1	Net Regulated Plant	\$ 17,786,107	\$ (12,355,938)	\$ 5,430,169
2	Materials and Supplies Inventory	601,462	-	601,462
3	Customer Deposits	77,905	-	77,905
4	ADIT - Regulated Plant	-	-	-
5	Rate Base before Working Capital	18,309,664	(12,355,938)	5,953,726
6	Working Capital Requirement	-	-	-
7	Total Operating Expenses	5,547,324	-	5,547,324
8	Less: Depreciation Expense	1,523,232	(438,199)	1,085,033
9	Total WC Operating Expense	4,024,092	438,199	4,462,291
10	WC OE Requirement	503,012	54,775	557,786
11	Commission-Ordered Cash Balance Requirement	-	-	-
12	Total Working Capital Requirement	503,012	54,775	557,786
13	Total Rate Base	18,812,676	(12,301,163)	6,511,512
14	Total Operating Revenues	6,953,282	(627,459)	6,325,823
15	Less: Illinois High Cost Fund	-	-	-
16	Net Operating Revenues	6,953,282	(627,459)	6,325,823
17	Total Operating Expenses	5,547,324	-	5,547,324
18	Other Operating Inc and Exp - Net	-	-	-
19	Other Operating Taxes	35,279	-	35,279
20	Net Op Inc before Income Taxes	1,370,679	(627,459)	743,220
21	Income Tax Expense	-	-	-
22	Net Operating Income	1,370,679	(627,459)	743,220
23	Return on Rate Base	7.29%	5.10%	11.41%
24	After-tax Cost of Capital	9.34%	9.34%	9.34%
25	Target Net Operating Income	1,757,104	(1,148,929)	608,175
26	Adj to Achieve Target Return on RB	386,425	(521,470)	(135,045)
27	Gross Revenue Conversion Factor	1.0000	1.0000	1.0000
28	Staff ROR Deficiency	386,425	(521,470)	-*
29	Calculation of Income Tax Expense			
30	Net Op Inc before Inc Taxes	1,370,679	(627,459)	743,220
31	Illinois Income Tax Expense	-	-	-
32	Net Op Inc before Fed Inc Tax	1,370,679	(627,459)	743,220
33	Federal Income Tax Expense	-	-	-
34	Total Imputed Income Tax Expense	-	-	-
35	Gross Revenue Conversion Factor	1.0000	1.0000	1.0000

Note:

* Staff adjustments to Adams IUSF Funding Req are greater than the Co. calculated ROR deficiency. The Staff IUSF Funding Req is \$0

Adams Telephone Cooperative
Illinois Universal Service Funding Calculation
Staff Calculated Funding Requirement
Adjustment to Operating Revenues

<u>Line No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)
1	Operating Revenues per Staff	\$ -
2	Operating Revenues per Adams	<u>627,459</u>
3	Difference-Staff Adjustment	<u><u>\$ (627,459)</u></u>

Sources:
Line 1: Staff Exhibit 3.0, Sch. JZ 3.8
Line 2: Co. Sch. 1.01
Line 3: Line 1 minus line 2

Adams Telephone Cooperative
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement
 Net Plant Adjustment

<u>Line No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)
<u>Rate Base Adjustment</u>		
1	Net Plant Facility Upgrades-Phase I & II per Staff	\$ -
2	Net Plant Facility Upgrades-Phase I & II per Adams	<u>12,355,938</u>
3	Difference-Staff Adjustment	<u>\$ (12,355,938)</u>
<u>Depreciation Expense</u>		
4	Depreciation Expense per Staff	\$ -
5	Depreciation Expense per Adams	<u>438,199</u>
6	Difference-Staff Adjustment	<u>\$ (438,199)</u>

Sources:

- Line 1: Staff Exhibit 2.0
- Line 2: Co. Sch. 1.01
- Line 3: Line 1 - line 2
- Line 4: Staff Exhibit 2.0
- Line 5: Co. Sch. 1.01
- Line 6: Line 4 - line 5

Alhambra-Grantfork Telephone Company
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement

<u>Line No.</u>	<u>Description</u>	<u>2009 Company</u>		
		<u>Amount</u>	<u>Staff Adjustment</u>	<u>Staff Amount</u>
	(a)	(b)	(c)	(d)
1	Net Regulated Plant	\$ 2,146,387	\$ (238,570)	\$ 1,907,817
2	Materials and Supplies Inventory	37,398	-	37,398
3	Customer Deposits	5,850	-	5,850
4	ADIT - Regulated Plant	<u>587,686</u>	<u>165,668</u>	<u>753,354</u>
5	Rate Base before Working Capital	1,590,249	(404,238)	1,186,011
6	Working Capital Requirement			
7	Total Operating Expenses	909,044	-	909,044
8	Less: Depreciation Expense	<u>244,272</u>	<u>-</u>	<u>244,272</u>
9	Total WC Operating Expense	<u>664,772</u>	<u>-</u>	<u>664,772</u>
10	WC OE Requirement	83,097	-	83,097
11	Commission-Ordered Cash Balance Requirement	-	-	-
12	Total Working Capital Requirement	<u>83,097</u>	<u>-</u>	<u>83,097</u>
13	Total Rate Base	<u>1,673,346</u>	<u>(404,238)</u>	<u>1,269,108</u>
14	Total Operating Revenues	1,151,348	(1,526)	1,149,822
15	Less: Illinois High Cost Fund	<u>62,712</u>	<u>-</u>	<u>62,712</u>
16	Net Operating Revenues	1,088,636	(1,526)	1,087,110
17	Total Operating Expenses	909,044	-	909,044
18	Other Operating Inc and Exp - Net	-	-	-
19	Other Operating Taxes	<u>8,960</u>	<u>-</u>	<u>8,960</u>
20	Net Op Inc before Income Taxes	170,632	(1,526)	169,106
21	Income Tax Expense	<u>66,236</u>	<u>-</u>	<u>66,236</u>
22	Net Operating Income	<u>104,396</u>	<u>(1,526)</u>	<u>102,870</u>
23	Return on Rate Base	<u>6.24%</u>	<u>0.38%</u>	<u>8.11%</u>
24	After-tax Cost of Capital	<u>9.34%</u>	<u>9.34%</u>	<u>9.34%</u>
25	Target Net Operating Income	<u>156,290</u>	<u>(37,756)</u>	<u>118,535</u>
26	Adj to Achieve Target Return on RB	51,894	(36,230)	15,665
27	Gross Revenue Conversion Factor	<u>1.6345</u>	<u>1.6742</u>	<u>1.6742</u>
28	Staff ROR Deficiency	<u>84,822</u>	<u>(60,656)</u>	<u>26,226</u>
29	Calculation of Income Tax Expense			
30	Net Op Inc before Inc Taxes	170,632	(1,526)	169,106
31	Illinois Income Tax Expense	<u>12,456</u>	<u>3,609</u>	<u>16,065</u>
32	Net Op Inc before Fed Inc Tax	158,176	(5,135)	153,041
33	Federal Income Tax Expense	<u>53,780</u>	<u>(1,746)</u>	<u>52,034</u>
34	Total Imputed Income Tax Expense	<u>66,236</u>	<u>1,863</u>	<u>68,099</u>
35	Gross Revenue Conversion Factor	<u>1.6345</u>	<u>1.6742</u>	<u>1.6742</u>

Alhambra-Grantfork Telephone Company
Illinois Universal Service Funding Calculation
Staff Calculated Funding Requirement
Adjustment to Operating Revenues

<u>Line No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)
1	Operating Revenues per Staff	\$ -
2	Operating Revenues per Alhambra-Grantfork	<u>1,526</u>
3	Difference-Staff Adjustment	<u>\$ (1,526)</u>

Sources:

Line 1: Staff Exhibit 3.0, Sch. JZ 3.8

Line 2: Co. Sch. 1.01

Line 3: Line 1 minus line 2

Alhambra-Grantfork Telephone Company
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement
 Adjustment to State Income Tax Rate

<u>Line No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)
1	State Corporate Income Tax per Staff	\$ 16,065
2	State Corporate Income Tax per Alhambra-Grantfork	<u>12,456</u>
3	Difference-Staff Adjustment to State Income Tax	<u>\$ 3,609</u>
4	Federal Income Tax per Staff	\$ 52,034
5	Federal Income Tax per Alhambra-Grantfork	<u>53,780</u>
6	Difference-Staff Adjustment to Federal Income Tax	<u>\$ (1,746)</u>

Sources:

Line 1: Sch. 2.02, Col. (c), Line 30 * .095

Line 2: Co. Schedule 1.01

Line 3: Line 1 minus line 2

Line 4: Sch. 2.02, Col. (c), Line 32 * .34

Line 5: Co. Schedule 1.01

Line 6: Line 4 minus line 5

Alhambra-Grantfork Telephone Company
 Illinois Universal Service Funding Calculation
 Adjustment to Net Plant

<u>Line No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)
<u>Net Plant Adjustment</u>		
1	Net Plant per Staff	\$ 2,146,387
2	Net Plant per Alhambra-Grantfork	<u>2,384,957</u>
3	Difference-Staff Adjustment	<u><u>\$ (238,570)</u></u>
<u>Accumulated Deferred Income Taxes</u>		
4	Accumulated Deferred Income Taxes per Staff	\$ 587,686
5	Accumulated Deferred Income Taxes per Alhambra-Grantfork	<u>422,018</u>
6	Difference-Staff Adjustment	<u><u>\$ 165,668</u></u>

Sources:

Lines 1 and 4: Alhambra-Grantfork response to MHE 3.01
 Lines 2 and 5: Original Alhambra-Grantfork Schedule 1.01
 Line 3: Line 1 minus Line 2
 Line 6: Line 4 minus Line 5

Cass Telephone Company
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement

<u>Line No.</u>	<u>Description</u> (a)	<u>2009 Company Amount</u> (b)	<u>Staff Adjustment</u> (c)	<u>Staff Amount</u> (d)
1	Net Regulated Plant	\$ 1,612,629	\$ -	\$ 1,612,629
2	Materials and Supplies Inventory	48,758	-	48,758
3	Customer Deposits	2,550	-	2,550
4	ADIT - Regulated Plant	-	-	-
5	Rate Base before Working Capital	1,658,837	-	1,658,837
6	Working Capital Requirement			
7	Total Operating Expenses	2,981,026	-	2,981,026
8	Less: Depreciation Expense	305,931	-	305,931
9	Total WC Operating Expense	2,675,095	-	2,675,095
10	WC OE Requirement	334,387	-	334,387
11	Commission-Ordered Cash Balance Requirement	-	-	-
12	Total Working Capital Requirement	334,387	-	334,387
13	Total Rate Base	1,993,224	-	1,993,224
14	Total Operating Revenues	3,173,286	150,966	3,324,252
15	Less: Illinois High Cost Fund	538,887	-	538,887
16	Net Operating Revenues	2,634,399	150,966	2,785,365
17	Total Operating Expenses	2,981,026	-	2,981,026
18	Other Operating Inc and Exp - Net	-	-	-
19	Other Operating Taxes	10,271	-	10,271
20	Net Op Inc before Income Taxes	(356,898)	150,966	(205,932)
21	Income Tax Expense	(138,541)	-	(138,541)
22	Net Operating Income	(218,357)	150,966	(67,391)
23	Return on Rate Base	-10.95%	0.00%	-3.38%
24	After-tax Cost of Capital	9.34%	9.34%	9.34%
25	Target Net Operating Income	186,167	-	186,167
26	Adj to Achieve Target Return on RB	404,524	(150,966)	253,558
27	Gross Revenue Conversion Factor	1.6345	1.6742	1.6742
28	Staff ROR Deficiency	661,195	(252,747)	424,507
29	Calculation of Income Tax Expense			
30	Net Op Inc before Inc Taxes	(356,898)	150,966	(205,932)
31	Illinois Income Tax Expense	(26,054)	(6,490)	(19,564)
32	Net Op Inc before Fed Inc Tax	(330,844)	144,476	(186,368)
33	Federal Income Tax Expense	(112,487)	(49,122)	(63,365)
34	Total Imputed Income Tax Expense	(138,541)	(55,612)	(82,929)
35	Gross Revenue Conversion Factor	1.6345	1.6742	1.6742

Cass Telephone Company
Illinois Universal Service Funding Calculation
Staff Calculated Funding Requirement
Adjustment to Operating Revenues

<u>Line No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)
1	Operating Revenues per Staff	\$ -
2	Operating Revenues per Cass	<u>(150,966)</u>
3	Difference-Staff Adjustment	<u><u>\$ 150,966</u></u>

Sources:

Line 1: Staff Exhibit 3.0, Sch. JZ 3.8

Line 2: Co. Sch. 1.01

Line 3: Line 1 minus line 2

Cass Telephone Company
Illinois Universal Service Funding Calculation
Staff Calculated Funding Requirement
Adjustment to State Income Tax Rate

<u>Line No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)
1	State Corporate Income Tax per Staff	\$ (19,564)
2	State Corporate Income Tax per Cass	<u>(26,054)</u>
3	Difference-Staff Adjustment to State Income Tax	<u>\$ (6,490)</u>
4	Federal Income Tax per Staff	\$ (63,365)
5	Federal Income Tax per Cass	<u>(112,487)</u>
6	Difference-Staff Adjustment to Federal Income Tax	<u>\$ (49,122)</u>

Sources:

- Line 1: Sch. 2.02, Col. (c), Line 30 * .095
- Line 2: Co. Schedule 1.01
- Line 3: Line 1 minus line 2
- Line 4: Sch. 2.02, Col. (c), Line 32 * .34
- Line 5: Co. Schedule 1.01
- Line 6: Line 4 minus line 5

Egyptian Telephone Cooperative
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement

<u>Line No.</u>	<u>Description</u> (a)	<u>2009 Company Amount</u> (b)	<u>Staff Adjustment</u> (c)	<u>Staff Amount</u> (d)
1	Net Regulated Plant	\$ 6,646,607	\$ -	\$ 6,646,607
2	Materials and Supplies Inventory	167,118	-	167,118
3	Customer Deposits	9,099	-	9,099
4	ADIT - Regulated Plant	<u>(92,047)</u>	-	<u>(92,047)</u>
5	Rate Base before Working Capital	6,896,673	-	6,896,673
6	Working Capital Requirement			
7	Total Operating Expenses	5,162,564	-	5,162,564
8	Less: Depreciation Expense	<u>1,322,699</u>	-	<u>1,322,699</u>
9	Total WC Operating Expense	<u>3,839,865</u>	-	<u>3,839,865</u>
10	WC OE Requirement	479,983	-	479,983
11	Commission-Ordered Cash Balance Requirement	-	-	-
12	Total Working Capital Requirement	<u>479,983</u>	-	<u>479,983</u>
13	Total Rate Base	<u>7,376,656</u>	-	<u>7,376,656</u>
14	Total Operating Revenues	6,221,246	(46,030)	6,175,216
15	Less: Illinois High Cost Fund	<u>1,120,092</u>	-	<u>1,120,092</u>
16	Net Operating Revenues	5,101,154	(46,030)	5,055,124
17	Total Operating Expenses	5,162,564	-	5,162,564
18	Other Operating Inc and Exp - Net	-	-	-
19	Other Operating Taxes	<u>12,573</u>	-	<u>12,573</u>
20	Net Op Inc before Income Taxes	(73,983)	(46,030)	(120,013)
21	Income Tax Expense	-	-	-
22	Net Operating Income	<u>(73,983)</u>	<u>(46,030)</u>	<u>(120,013)</u>
23	Return on Rate Base	<u>-1.00%</u>	<u>0.00%</u>	<u>-1.63%</u>
24	After-tax Cost of Capital	<u>9.34%</u>	<u>9.34%</u>	<u>9.34%</u>
25	Target Net Operating Income	<u>688,980</u>	-	<u>688,980</u>
26	Adj to Achieve Target Return on RB	762,963	46,030	808,993
27	Gross Revenue Conversion Factor	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>
28	Staff ROR Deficiency	<u>762,963</u>	<u>46,030</u>	<u>808,993</u>
29	Calculation of Income Tax Expense			
30	Net Op Inc before Inc Taxes	(73,983)	(46,030)	(120,013)
31	Illinois Income Tax Expense	-	-	-
32	Net Op Inc before Fed Inc Tax	(73,983)	(46,030)	(120,013)
33	Federal Income Tax Expense	-	-	-
34	Total Imputed Income Tax Expense	-	-	-
35	Gross Revenue Conversion Factor	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>

Egyptian Telephone Cooperative
Illinois Universal Service Funding Calculation
Staff Calculated Funding Requirement
Adjustment to Operating Revenues

<u>Line No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)
1	Operating Revenues per Staff	\$ -
2	Operating Revenues per Egyptian	<u>46,030</u>
3	Difference-Staff Adjustment	<u>\$ (46,030)</u>

Sources:

Line 1: Staff Exhibit 3.0, Sch. JZ 3.8

Line 2: Co.Sch. 1.01

Line 3: Line 1 minus line 2

Flat Rock Telephone Co-Op
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement

<u>Line No.</u>	<u>Description</u>	<u>2009 Company Amount</u>	<u>Staff Adjustment</u>	<u>Staff Amount</u>
	(a)	(b)	(c)	(d)
1	Net Regulated Plant	\$ 461,160	\$ -	\$ 461,160
2	Materials and Supplies Inventory	58,737	-	58,737
3	Customer Deposits	1,402	-	1,402
4	ADIT - Regulated Plant	-	-	-
5	Rate Base before Working Capital	<u>518,495</u>	-	<u>518,495</u>
6	Working Capital Requirement			
7	Total Operating Expenses	464,836	-	464,836
8	Less: Depreciation Expense	<u>94,471</u>	-	<u>94,471</u>
9	Total WC Operating Expense	<u>370,365</u>	-	<u>370,365</u>
10	WC OE Requirement	46,296	-	46,296
11	Commission-Ordered Cash Balance Requirement	-	-	-
12	Total Working Capital Requirement	<u>46,296</u>	-	<u>46,296</u>
13	Total Rate Base	<u>564,791</u>	-	<u>564,791</u>
14	Total Operating Revenues	615,917	(14,265)	601,652
15	Less: Illinois High Cost Fund	<u>108,480</u>	-	<u>108,480</u>
16	Net Operating Revenues	507,437	(14,265)	493,172
17	Total Operating Expenses	469,844	-	469,844
18	Other Operating Inc and Exp - Net	-	-	-
19	Other Operating Taxes	<u>16,238</u>	-	<u>16,238</u>
20	Net Op Inc before Income Taxes	21,355	(14,265)	7,090
21	Income Tax Expense	-	-	-
22	Net Operating Income	<u>21,355</u>	<u>(14,265)</u>	<u>7,090</u>
23	Return on Rate Base	<u>3.78%</u>	<u>0.00%</u>	<u>1.26%</u>
24	After-tax Cost of Capital	<u>9.34%</u>	<u>9.34%</u>	<u>9.34%</u>
25	Target Net Operating Income	<u>52,751</u>	-	<u>52,751</u>
26	Adj to Achieve Target Return on RB	31,396	14,265	45,661
27	Gross Revenue Conversion Factor	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>
28	Staff ROR Deficiency	<u>31,396</u>	<u>14,265</u>	<u>45,661</u>
29	Calculation of Income Tax Expense			
30	Net Op Inc before Inc Taxes	21,355	(14,265)	7,090
31	Illinois Income Tax Expense	-	-	-
32	Net Op Inc before Fed Inc Tax	21,355	(14,265)	7,090
33	Federal Income Tax Expense	-	-	-
34	Total Imputed Income Tax Expense	-	-	-
35	Gross Revenue Conversion Factor	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>

Flat Rock Telephone Co-op
Illinois Universal Service Funding Calculation
Staff Calculated Funding Requirement
Adjustment to Operating Revenues

<u>Line No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)
1	Operating Revenues per Staff	\$ -
2	Operating Revenues per Flat Rock	<u>14,265</u>
3	Difference-Staff Adjustment	<u>\$ (14,265)</u>

Sources:

Line 1: Staff Exhibit 3.0, Sch. JZ 3.8

Line 2: Co.Sch. 1.01

Line 3: Line 1 minus line 2

Grafton Telephone Company
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement

<u>Line</u> <u>No.</u>	<u>Description</u>	<u>2009 Company</u> <u>Adjusted Amount</u>	<u>Staff Adjustment</u>	<u>Staff Amount</u>
	(a)	(b)	(c)	(d)
1	Net Regulated Plant	\$ 1,730,192	\$ -	\$ 1,730,192
2	Materials and Supplies Inventory	29,259	-	29,259
3	Customer Deposits	1,800	-	1,800
4	ADIT - Regulated Plant	<u>(50,610)</u>	<u>-</u>	<u>(50,610)</u>
5	Rate Base before Working Capital	1,808,261	-	1,808,261
6	Working Capital Requirement			
7	Total Operating Expenses	1,095,991	-	1,095,991
8	Less: Depreciation Expense	<u>272,825</u>	<u>-</u>	<u>272,825</u>
9	Total WC Operating Expense	<u>823,166</u>	<u>-</u>	<u>823,166</u>
10	WC OE Requirement	102,896	-	102,896
11	Commission-Ordered Cash Balance Requirement	-	-	-
12	Total Working Capital Requirement	<u>102,896</u>	<u>-</u>	<u>102,896</u>
13	Total Rate Base	<u>1,911,157</u>	<u>-</u>	<u>1,911,157</u>
14	Total Operating Revenues	1,419,365	(7,007)	1,412,358
15	Less: Illinois High Cost Fund	<u>197,064</u>	<u>-</u>	<u>197,064</u>
16	Net Operating Revenues	1,222,301	(7,007)	1,215,294
17	Total Operating Expenses	1,095,991	-	1,095,991
18	Other Operating Inc and Exp - Net	-	-	-
19	Other Operating Taxes	<u>13,937</u>	<u>-</u>	<u>13,937</u>
20	Net Op Inc before Income Taxes	112,373	(7,007)	105,366
21	Income Tax Expense	<u>43,621</u>	<u>-</u>	<u>43,621</u>
22	Net Operating Income	<u>68,752</u>	<u>(7,007)</u>	<u>61,745</u>
23	Return on Rate Base	<u>3.60%</u>	<u>0.00%</u>	<u>3.23%</u>
24	After-tax Cost of Capital	<u>9.34%</u>	<u>9.34%</u>	<u>9.34%</u>
25	Target Net Operating Income	<u>178,502</u>	<u>-</u>	<u>178,502</u>
26	Adj to Achieve Target Return on RB	109,750	7,007	116,757
27	Gross Revenue Conversion Factor	<u>1.6345</u>	<u>1.6742</u>	<u>1.6742</u>
28	Staff ROR Deficiency	<u>179,386</u>	<u>11,731</u>	<u>195,475</u>
29	Calculation of Income Tax Expense			
30	Net Op Inc before Inc Taxes	112,373	(7,007)	105,366
31	Illinois Income Tax Expense	<u>8,203</u>	<u>(1,807)</u>	<u>10,010</u>
32	Net Op Inc before Fed Inc Tax	104,170	(8,814)	95,356
33	Federal Income Tax Expense	<u>35,418</u>	<u>(2,997)</u>	<u>32,421</u>
34	Total Imputed Income Tax Expense	<u>43,621</u>	<u>43,621</u>	<u>42,431</u>
35	Gross Revenue Conversion Factor	<u>1.6345</u>	<u>1.6742</u>	<u>1.6742</u>

Grafton Telephone Company
Illinois Universal Service Funding Calculation
Staff Calculated Funding Requirement
Adjustment to Operating Revenues

<u>Line No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)
1	Operating Revenues per Staff	\$ -
2	Operating Revenues per Grafton	<u>7,007</u>
3	Difference-Staff Adjustment	<u>\$ (7,007)</u>

Sources:

- Line 1: Staff Exhibit 3.0, Sch. JZ 3.8
- Line 2: Co. Sch. 1.01
- Line 3: Line 1 minus line 2

Grafton Telephone Company
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement
 Adjustment to State Income Tax Rate

<u>Line No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)
1	State Corporate Income Tax per Staff	\$ 10,010
2	State Corporate Income Tax per Grafton	<u>8,203</u>
3	Difference-Staff Adjustment to State Income Tax	<u>\$ (1,807)</u>
4	Federal Income Tax per Staff	\$ 32,421
5	Federal Income Tax per Grafton	<u>35,418</u>
6	Difference-Staff Adjustment to Federal Income Tax	<u>\$ (2,997)</u>

Sources:

- Line 1: Sch. 2.02, Col. (c), Line 30 * .095
- Line 2: Co. Schedule 1.01
- Line 3: Line 1 minus line 2
- Line 4: Sch. 2.02, Col. (c), Line 32 * .34
- Line 5: Co. Schedule 1.01
- Line 6: Line 4 minus line 5

Gridley Telephone Company
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement

<u>Line</u> <u>No.</u>	<u>Description</u> (a)	<u>2009 Company</u> <u>Amount</u> (b)	<u>Staff Adjustment</u> (c)	<u>Staff Amount</u> (d)
1	Net Regulated Plant	\$ 2,198,843	\$ -	\$ 2,198,843
2	Materials and Supplies Inventory	70,686	-	70,686
3	Customer Deposits	2,195	-	2,195
4	ADIT - Regulated Plant	-	-	-
5	Rate Base before Working Capital	<u>2,267,334</u>	-	<u>2,267,334</u>
6	Working Capital Requirement			
7	Total Operating Expenses	1,903,647	-	1,903,647
8	Less: Depreciation Expense	<u>410,925</u>	-	<u>410,925</u>
9	Total WC Operating Expense	<u>1,492,722</u>	-	<u>1,492,722</u>
10	WC OE Requirement	186,590	-	186,590
11	Commission-Ordered Cash Balance Requirement	-	-	-
12	Total Working Capital Requirement	<u>186,590</u>	-	<u>186,590</u>
13	Total Rate Base	<u>2,453,924</u>	-	<u>2,453,924</u>
14	Total Operating Revenues	2,305,577	(20,365)	2,285,212
15	Less: Illinois High Cost Fund	<u>329,796</u>	-	<u>329,796</u>
16	Net Operating Revenues	1,975,781	(20,365)	1,955,416
17	Total Operating Expenses	1,903,647	-	1,903,647
18	Other Operating Inc and Exp - Net	-	-	-
19	Other Operating Taxes	<u>16,136</u>	-	<u>16,136</u>
20	Net Op Inc before Income Taxes	55,998	(20,365)	35,633
21	Income Tax Expense	<u>21,737</u>	-	<u>21,737</u>
22	Net Operating Income	<u>34,261</u>	<u>(20,365)</u>	<u>13,896</u>
23	Return on Rate Base	<u>1.40%</u>	<u>0.00%</u>	<u>0.57%</u>
24	After-tax Cost of Capital	9.34%	9.34%	9.34%
25	Target Net Operating Income	<u>229,197</u>	-	<u>229,197</u>
26	Adj to Achieve Target Return on RB	194,936	20,365	215,301
27	Gross Revenue Conversion Factor	<u>1.6345</u>	<u>1.6742</u>	<u>1.6742</u>
28	Staff ROR Deficiency	<u>318,622</u>	<u>34,095</u>	<u>360,456</u>
29	Calculation of Income Tax Expense			
30	Net Op Inc before Inc Taxes	55,998	(20,365)	35,633
31	Illinois Income Tax Expense	<u>4,088</u>	<u>(703)</u>	<u>3,385</u>
32	Net Op Inc before Fed Inc Tax	51,910	(21,068)	32,248
33	Federal Income Tax Expense	<u>17,649</u>	<u>(6,685)</u>	<u>10,964</u>
34	Total Imputed Income Tax Expense	<u>21,737</u>	<u>(7,388)</u>	<u>14,349</u>
35	Gross Revenue Conversion Factor	<u>1.6345</u>	<u>1.6742</u>	<u>1.6742</u>

Gridley Telephone Company
Illinois Universal Service Funding Calculation
Staff Calculated Funding Requirement
Adjustment to Operating Revenues

<u>Line No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)
1	Operating Revenues per Staff	\$ -
2	Operating Revenues per Gridley	<u>20,365</u>
3	Difference-Staff Adjustment	<u>\$ (20,365)</u>

Sources:

Line 1: Staff Exhibit 3.0, Sch. JZ 3.8

Line 2: Co. Sch. 1.01

Line 3: Line 1 minus line 2

Gridley Telephone Company
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement
 Adjustment to State Income Tax Rate

<u>Line No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)
1	State Corporate Income Tax per Staff	\$ 3,385
2	State Corporate Income Tax per Gridley	<u>4,088</u>
3	Difference-Staff Adjustment to State Income Tax	<u>\$ (703)</u>
4	Federal Income Tax per Staff	\$ 10,964
5	Federal Income Tax per Gridley	<u>17,649</u>
6	Difference-Staff Adjustment to Federal Income Tax	<u>\$ (6,685)</u>

Sources:

- Line 1: Sch. 2.02, Col. (c), Line 30 * .095
- Line 2: Co. Schedule 1.01
- Line 3: Line 1 minus line 2
- Line 4: Sch. 2.02, Col. (c), Line 32 * .34
- Line 5: Co. Schedule 1.01
- Line 6: Line 4 minus line 5

Hamilton County Telephone Co-op
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement

<u>Line No.</u>	<u>Description</u>	<u>2009 Company Amount</u>	<u>Staff Adjustment</u>	<u>Staff Amount</u>
	(a)	(b)	(c)	(d)
1	Net Regulated Plant	\$ 4,052,363	\$ -	\$ 4,052,363
2	Materials and Supplies Inventory	523,655	-	523,655
3	Customer Deposits	9,225	-	9,225
4	ADIT - Regulated Plant	-	-	-
5	Rate Base before Working Capital	4,566,793	-	4,566,793
6	Working Capital Requirement			
7	Total Operating Expenses	2,148,141	-	2,148,141
8	Less: Depreciation Expense	843,693	-	843,693
9	Total WC Operating Expense	1,304,448	-	1,304,448
10	WC OE Requirement	163,056	-	163,056
11	Commission-Ordered Cash Balance Requirement	-	-	-
12	Total Working Capital Requirement	163,056	-	163,056
13	Total Rate Base	4,729,849	-	4,729,849
14	Total Operating Revenues	2,370,433	(39,531)	2,330,902
15	Less: Illinois High Cost Fund	-	-	-
16	Net Operating Revenues	2,370,433	(39,531)	2,330,902
17	Total Operating Expenses	2,148,141	-	2,148,141
18	Other Operating Inc and Exp - Net	-	-	-
19	Other Operating Taxes	5,599	-	5,599
20	Net Op Inc before Income Taxes	216,693	(39,531)	177,162
21	Income Tax Expense	-	-	-
22	Net Operating Income	216,693	(39,531)	177,162
23	Return on Rate Base	4.58%	0.00%	3.75%
24	After-tax Cost of Capital	9.34%	9.34%	9.34%
25	Target Net Operating Income	441,768	-	441,768
26	Adj to Achieve Target Return on RB	225,075	39,531	264,606
27	Gross Revenue Conversion Factor	1.0000	1.0000	1.0000
28	Staff ROR Deficiency	225,075	39,531	264,606
29	Calculation of Income Tax Expense			
30	Net Op Inc before Inc Taxes	216,693	(39,531)	177,162
31	Illinois Income Tax Expense	-	-	-
32	Net Op Inc before Fed Inc Tax	216,693	(39,531)	177,162
33	Federal Income Tax Expense	-	-	-
34	Total Imputed Income Tax Expense	-	-	-
35	Gross Revenue Conversion Factor	1.0000	1.0000	1.0000

Hamilton County Telephone Co-op
Illinois Universal Service Funding Calculation
Staff Calculated Funding Requirement
Adjustment to Operating Revenues

<u>Line</u> <u>No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)
1	Operating Revenues per Staff	\$ -
2	Operating Revenues per Hamilton	<u>39,531</u>
3	Difference-Staff Adjustment	<u>\$ (39,531)</u>

Sources:

Line 1: Staff Exhibit 3.0, Sch. JZ 3.8

Line 2: Co. Sch. 1.01

Line 3: Line 1 minus line 2

Harrisonville Telephone Company
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement

<u>Line</u> <u>No.</u>	<u>Description</u> (a)	<u>2009 Company</u> <u>Amount</u> (b)	<u>Staff Adjustment</u> (c)	<u>Staff Amount</u> (d)
1	Net Regulated Plant	\$ 39,073,371	\$ -	\$ 39,073,371
2	Materials and Supplies Inventory	472,913	-	472,913
3	Customer Deposits	8,687	-	8,687
4	ADIT - Regulated Plant	<u>4,371,912</u>	<u>-</u>	<u>4,371,912</u>
5	Rate Base before Working Capital	35,165,685	-	35,165,685
6	Working Capital Requirement			
7	Total Operating Expenses	15,568,714	-	15,568,714
8	Less: Depreciation Expense	<u>3,885,211</u>	<u>-</u>	<u>3,885,211</u>
9	Total WC Operating Expense	<u>11,683,503</u>	<u>-</u>	<u>11,683,503</u>
10	WC OE Requirement	1,460,438	-	1,460,438
11	Commission-Ordered Cash Balance Requirement	-	-	-
12	Total Working Capital Requirement	<u>1,460,438</u>	<u>-</u>	<u>1,460,438</u>
13	Total Rate Base	<u>36,626,123</u>	<u>-</u>	<u>36,626,123</u>
14	Total Operating Revenues	19,986,069	210,488	20,196,557
15	Less: Illinois High Cost Fund	<u>595,008</u>	<u>-</u>	<u>595,008</u>
16	Net Operating Revenues	19,391,061	210,488	19,601,549
17	Total Operating Expenses	15,568,714	-	15,568,714
18	Other Operating Inc and Exp - Net	10,769	-	10,769
19	Other Operating Taxes	<u>126,068</u>	<u>-</u>	<u>126,068</u>
20	Net Op Inc before Income Taxes	3,685,510	210,488	3,895,998
21	Income Tax Expense	<u>1,430,641</u>	<u>-</u>	<u>1,430,641</u>
22	Net Operating Income	<u>2,254,869</u>	<u>210,488</u>	<u>2,465,357</u>
23	Return on Rate Base	<u>6.16%</u>	<u>0.00%</u>	<u>6.73%</u>
24	After-tax Cost of Capital	<u>9.34%</u>	<u>9.34%</u>	<u>9.34%</u>
25	Target Net Operating Income	<u>3,420,880</u>	<u>-</u>	<u>3,420,880</u>
26	Adj to Achieve Target Return on RB	1,166,011	(210,488)	955,523
27	Gross Revenue Conversion Factor	<u>1.6345</u>	<u>1.6742</u>	<u>1.6742</u>
28	Staff ROR Deficiency	<u>1,905,845</u>	<u>(352,399)</u>	<u>1,599,737</u>
29	Calculation of Income Tax Expense			
30	Net Op Inc before Inc Taxes	3,685,510	210,488	3,895,998
31	Illinois Income Tax Expense	<u>269,042</u>	<u>101,078</u>	<u>370,120</u>
32	Net Op Inc before Fed Inc Tax	3,416,468	109,410	3,525,878
33	Federal Income Tax Expense	<u>1,161,599</u>	<u>37,200</u>	<u>1,198,799</u>
34	Total Imputed Income Tax Expense	<u>1,430,641</u>	<u>138,277</u>	<u>1,568,918</u>
35	Gross Revenue Conversion Factor	<u>1.6345</u>	<u>1.6742</u>	<u>1.6742</u>

Harrisonville Telephone Company
Illinois Universal Service Funding Calculation
Staff Calculated Funding Requirement
Adjustment to Operating Expense

<u>Line</u> <u>No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)
1	Operating Revenues per Staff	\$ -
2	Operating Revenues per Adams	<u>(210,488)</u>
3	Difference-Staff Adjustment	<u>\$ 210,488</u>

Sources:

Line 1: Staff Exhibit 3.0, Sch. JZ 3.8

Line 2: Co. Sch. 1.01

Line 3: Line 1 minus line 2

Harrisonville Telephone Company
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement
 Adjustment to State Income Tax Rate

<u>Line No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)
1	State Corporate Income Tax per Staff	\$ 370,120
2	State Corporate Income Tax per Harrisonville	<u>269,042</u>
3	Difference-Staff Adjustment to State Income Tax	<u>\$ 101,078</u>
4	Federal Income Tax per Staff	\$ 1,198,799
5	Federal Income Tax per Harrisonville	<u>1,161,599</u>
6	Difference-Staff Adjustment to Federal Income Tax	<u>\$ 37,200</u>

Sources:

- Line 1: Sch. 2.02, Col. (c), Line 30 * .095
- Line 2: Co. Schedule 1.01
- Line 3: Line 1 minus line 2
- Line 4: Sch. 2.02, Col. (c), Line 32 * .34
- Line 5: Co. Schedule 1.01
- Line 6: Line 4 minus line 5

Home Telephone Company
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement

<u>Line No.</u>	<u>Description</u>	<u>2009 Company Amount</u>	<u>Staff Adjustment</u>	<u>Staff Amount</u>
	(a)	(b)	(c)	(d)
1	Net Regulated Plant	\$ 4,726,690	\$ -	\$ 4,726,690
2	Materials and Supplies Inventory	104,467	-	104,467
3	Customer Deposits	1,650	-	1,650
4	ADIT - Regulated Plant	<u>598,713</u>	<u>-</u>	<u>598,713</u>
5	Rate Base before Working Capital	4,230,794	-	4,230,794
6	Working Capital Requirement			
7	Total Operating Expenses	3,476,235	-	3,476,235
8	Less: Depreciation Expense	<u>659,285</u>	<u>-</u>	<u>659,285</u>
9	Total WC Operating Expense	<u>2,816,950</u>	<u>-</u>	<u>2,816,950</u>
10	WC OE Requirement	352,119	-	352,119
11	Commission-Ordered Cash Balance Requirement	-	-	-
12	Total Working Capital Requirement	<u>352,119</u>	<u>-</u>	<u>352,119</u>
13	Total Rate Base	<u>4,582,913</u>	<u>-</u>	<u>4,582,913</u>
14	Total Operating Revenues	4,089,338	(130,771)	3,958,567
15	Less: Illinois High Cost Fund	<u>633,540</u>	<u>-</u>	<u>633,540</u>
16	Net Operating Revenues	3,455,798	(130,771)	3,325,027
17	Total Operating Expenses	3,476,235	-	3,476,235
18	Other Operating Inc and Exp - Net	-	-	-
19	Other Operating Taxes	<u>19,701</u>	<u>-</u>	<u>19,701</u>
20	Net Op Inc before Income Taxes	(40,138)	(130,771)	(170,909)
21	Income Tax Expense	<u>(15,581)</u>	<u>-</u>	<u>(15,581)</u>
22	Net Operating Income	<u>(24,557)</u>	<u>(130,771)</u>	<u>(155,328)</u>
23	Return on Rate Base	-0.54%	0.00%	-3.39%
24	After-tax Cost of Capital	9.34%	9.34%	9.34%
25	Target Net Operating Income	<u>428,044</u>	<u>-</u>	<u>428,044</u>
26	Adj to Achieve Target Return on RB	452,601	130,771	583,372
27	Gross Revenue Conversion Factor	<u>1.6345</u>	<u>1.6742</u>	<u>1.6742</u>
28	Staff ROR Deficiency	<u>739,776</u>	<u>218,937</u>	<u>976,682</u>
29	Calculation of Income Tax Expense			
30	Net Op Inc before Inc Taxes	(40,138)	(130,771)	(170,909)
31	Illinois Income Tax Expense	<u>(2,930)</u>	<u>(13,306)</u>	<u>(16,236)</u>
32	Net Op Inc before Fed Inc Tax	(37,208)	(117,465)	(154,673)
33	Federal Income Tax Expense	<u>(12,651)</u>	<u>(39,938)</u>	<u>(52,589)</u>
34	Total Imputed Income Tax Expense	<u>(15,581)</u>	<u>(53,244)</u>	<u>(68,825)</u>
35	Gross Revenue Conversion Factor	<u>1.6345</u>	<u>1.6742</u>	<u>1.6742</u>

Home Telephone Company
Illinois Universal Service Funding Calculation
Staff Calculated Funding Requirement
Adjustment to Operating Revenues

<u>Line</u> <u>No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)
1	Operating Revenues per Staff	\$ -
2	Operating Revenues per Home	<u>130,771</u>
3	Difference-Staff Adjustment	<u>\$ (130,771)</u>

Sources:

- Line 1: Staff Exhibit 3.0, Sch. JZ 3.8
- Line 2: Co. Sch. 1.01
- Line 3: Line 1 minus line 2

Home Telephone Company
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement
 Adjustment to State Income Tax Rate

<u>Line No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)
1	State Corporate Income Tax per Staff	\$ (16,236)
2	State Corporate Income Tax per Home	<u>(2,930)</u>
3	Difference-Staff Adjustment to State Income Tax	<u>\$ (13,306)</u>
4	Federal Income Tax per Staff	\$ (52,589)
5	Federal Income Tax per Home	<u>(12,651)</u>
6	Difference-Staff Adjustment to Federal Income Tax	<u>\$ (39,938)</u>

Sources:

- Line 1: Sch. 2.02, Col. (c), Line 30 * .095
- Line 2: Co. Schedule 1.01
- Line 3: Line 1 minus line 2
- Line 4: Sch. 2.02, Col. (c), Line 32 * .34
- Line 5: Co. Schedule 1.01
- Line 6: Line 4 minus line 5

LaHarpe Telephone Company
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement

Line No.	Description (a)	2009 Company		
		Amount (b)	Staff Adjustment (c)	Staff Amount (d)
1	Net Regulated Plant	\$ 2,841,332	\$ -	\$ 2,841,332
2	Materials and Supplies Inventory	78,016	-	78,016
3	Customer Deposits	225	-	225
4	ADIT - Regulated Plant	-	-	-
5	Rate Base before Working Capital	2,919,123	-	2,919,123
6	Working Capital Requirement			
7	Total Operating Expenses	1,605,649	-	1,605,649
8	Less: Depreciation Expense	355,654	-	355,654
9	Total WC Operating Expense	1,249,995	-	1,249,995
10	WC OE Requirement	156,249	-	156,249
11	Commission-Ordered Cash Balance Requirement	-	-	-
12	Total Working Capital Requirement	156,249	-	156,249
13	Total Rate Base	3,075,372	-	3,075,372
14	Total Operating Revenues	1,969,422	53,347	2,022,769
15	Less: Illinois High Cost Fund	209,028	-	209,028
16	Net Operating Revenues	1,760,394	53,347	1,813,741
17	Total Operating Expenses	1,605,649	-	1,605,649
18	Other Operating Inc and Exp - Net	-	-	-
19	Other Operating Taxes	3,977	-	3,977
20	Net Op Inc before Income Taxes	150,768	53,347	204,115
21	Income Tax Expense	58,525	-	58,525
22	Net Operating Income	92,243	53,347	145,590
23	Return on Rate Base	3.00%	0.00%	4.73%
24	After-tax Cost of Capital	9.34%	9.34%	9.34%
25	Target Net Operating Income	287,240	-	287,240
26	Adj to Achieve Target Return on RB	194,997	(53,347)	141,650
27	Gross Revenue Conversion Factor	1.6345	(0.6345)	1.0000
28	Staff ROR Deficiency	318,722	33,849	141,650
29	Calculation of Income Tax Expense			
30	Net Op Inc before Inc Taxes	150,768	53,347	204,115
31	Illinois Income Tax Expense	11,006	(11,006)	-
32	Net Op Inc before Fed Inc Tax	139,762	64,353	204,115
33	Federal Income Tax Expense	47,519	(47,519)	-
34	Total Imputed Income Tax Expense	58,525	(58,525)	-
35	Gross Revenue Conversion Factor	1.6345	1.0000	1.0000

LaHarpe Telephone Company
Illinois Universal Service Funding Calculation
Staff Calculated Funding Requirement
Adjustment to Operating Revenues

<u>Line No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)
1	Operating Revenues per Staff	\$ -
2	Operating Revenues per Adams	<u>(50,647)</u>
3	Difference-Staff Adjustment	<u>\$ 50,647</u>

Sources:

Line 1: Staff Exhibit 3.0, Sch. JZ 3.8

Line 2: Co. Sch. 1.01

Line 3: Line 1 minus line 2

LaHarpe Telephone Company
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement
 Adjustment to S-Corporation Income Taxes

<u>Line No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)	<u>Source</u> (c)
<u>State Income Taxes</u>			
1	State Income Taxes per Staff	\$ -	Staff Ex. 2.0
2	State Income Taxes per LaHarpe	<u>11,006</u>	Co. Sch. 1.01
3	Difference-Staff Adjustment	<u>\$ (11,006)</u>	Line 1 minus line 2
<u>Federal Income Taxes</u>			
4	Federal Income Taxes per Staff	\$ -	Staff Ex. 2.0
5	Federal Income Taxes per LaHarpe	<u>47,519</u>	Co. Sch. 1.01
6	Difference-Staff Adjustment	<u>\$ (47,519)</u>	Line 4 minus line 5
<u>GCRF</u>			
7	Gross Revenue Conversion Factor per Staff	1.0000	Staff Ex. 2.0
8	Gross Revenue Conversion Factor per LaHarpe	<u>1.6345</u>	Co. Sch. 1.01
9	Difference-Staff Adjustment	<u>-0.6345</u>	Line 7 minus line 8

LaHarpe Telephone Company
Illinois Universal Service Funding Calculation
Staff Calculated Funding Requirement
Adjustment to Rental Revenues

<u>Line No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)
1	Rental Revenues per Staff	\$ 2,700
2	Rental Revenues per La Harp	\$ <u> -</u>
3	Difference-Staff Adjustment	\$ <u> 2,700</u>

Sources:

Line 1: Co. Response to GCH 1.01

Line 2: Co. Sch. 1.01

Line 3: Line 1 minus line 2

Leaf River Telephone Company
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement

<u>Line No.</u>	<u>Description</u>	<u>2009 Company Amount</u>	<u>Staff Adjustment</u>	<u>Staff Amount</u>
	(a)	(b)	(c)	(d)
1	Net Regulated Plant	\$ 2,713,515	\$ -	\$ 2,713,515
2	Materials and Supplies Inventory	93,366	-	93,366
3	Customer Deposits	2,050	-	2,050
4	ADIT - Regulated Plant	<u>45,754</u>	<u>(45,754)</u>	<u>-</u>
5	Rate Base before Working Capital	2,759,077	45,754	2,804,831
6	Working Capital Requirement			
7	Total Operating Expenses	1,285,124	-	1,285,124
8	Less: Depreciation Expense	<u>338,757</u>	<u>-</u>	<u>338,757</u>
9	Total WC Operating Expense	<u>946,367</u>	<u>-</u>	<u>946,367</u>
10	WC OE Requirement	118,296	-	118,296
11	Commission-Ordered Cash Balance Requirement	-	-	-
12	Total Working Capital Requirement	<u>118,296</u>	<u>-</u>	<u>118,296</u>
13	Total Rate Base	<u>2,877,373</u>	<u>45,754</u>	<u>2,923,127</u>
14	Total Operating Revenues	1,628,451	(31,771)	1,596,680
15	Less: Illinois High Cost Fund	<u>264,360</u>	<u>-</u>	<u>264,360</u>
16	Net Operating Revenues	1,364,091	(31,771)	1,332,320
17	Total Operating Expenses	1,285,124	-	1,285,124
18	Other Operating Inc and Exp - Net	-	-	-
19	Other Operating Taxes	<u>18,633</u>	<u>-</u>	<u>18,633</u>
20	Net Op Inc before Income Taxes	60,334	(31,771)	28,563
21	Income Tax Expense	<u>23,420</u>	<u>-</u>	<u>23,420</u>
22	Net Operating Income	<u>36,914</u>	<u>(31,771)</u>	<u>5,143</u>
23	Return on Rate Base	1.28%	-69.44%	0.18%
24	After-tax Cost of Capital	9.34%	9.34%	9.34%
25	Target Net Operating Income	<u>268,747</u>	<u>4,273</u>	<u>273,020</u>
26	Adj to Achieve Target Return on RB	231,833	36,044	267,877
27	Gross Revenue Conversion Factor	<u>1.6345</u>	<u>(0.6345)</u>	<u>1.0000</u>
28	Staff ROR Deficiency	<u>378,930</u>	<u>(22,870)</u>	<u>267,877</u>
29	Calculation of Income Tax Expense			
30	Net Op Inc before Inc Taxes	60,334	(31,771)	28,563
31	Illinois Income Tax Expense	<u>4,404</u>	<u>(4,404)</u>	<u>-</u>
32	Net Op Inc before Fed Inc Tax	55,930	(27,367)	28,563
33	Federal Income Tax Expense	<u>19,016</u>	<u>(19,016)</u>	<u>-</u>
34	Total Imputed Income Tax Expense	<u>23,420</u>	<u>(23,420)</u>	<u>-</u>
35	Gross Revenue Conversion Factor	<u>1.6345</u>	<u>(0.6345)</u>	<u>1.0000</u>

Leaf River Telephone Company
Illinois Universal Service Funding Calculation
Staff Calculated Funding Requirement
Adjustment to Operating Revenues

<u>Line No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)
1	Operating Revenues per Staff	\$ -
2	Operating Revenues per Leaf River	<u>31,771</u>
3	Difference-Staff Adjustment	<u>\$ (31,771)</u>

Sources:

- Line 1: Staff Exhibit 3.0, Sch. JZ 3.8
- Line 2: Co Sch. 1.01
- Line 3: Line 1 minus line 2

Leaf River Telephone Company
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement
 Adjustment to S-Corporation Income Taxes

<u>Line</u> <u>No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)	<u>Source</u> (c)
<u>State Income Taxes</u>			
1	State Income Taxes per Staff	\$ -	Staff Ex. 2.0
2	State Income Taxes per Leaf River	<u>4,404</u>	Co. Sch. 1.01
3	Difference-Staff Adjustment	<u>\$ (4,404)</u>	Line 1 minus line 2
<u>Federal Income Taxes</u>			
4	Federal Income Taxes per Staff	\$ -	Staff Ex. 2.0
5	Federal Income Taxes per Leaf River	<u>19,016</u>	Co. Sch. 1.01
6	Difference-Staff Adjustment	<u>\$ (19,016)</u>	Line 4 minus line 5
<u>Accumulated Deferred Income Taxes</u>			
7	Accumulated Deferred Income Taxes per Staff	\$ -	Staff Ex. 2.0
8	Accumulated Deferred Income Taxes per Leaf River	<u>45,754</u>	Co. Sch. 1.01
9	Difference-Staff Adjustment	<u>\$ (45,754)</u>	Line 7 minus line 8
<u>GCRF</u>			
10	Gross Revenue Conversion Factor per Staff	1.0000	Staff Ex. 2.0
11	Gross Revenue Conversion Factor per Leaf River	<u>1.6345</u>	Sch. 1.01
12	Difference-Staff Adjustment	<u>-0.6345</u>	Line 10 minus line 11

Madison Telephone Company
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement

<u>Line No.</u>	<u>Description</u>	<u>2009 Company Amount</u>	<u>Staff Adjustment</u>	<u>Staff Amount</u>
	(a)	(b)	(c)	(d)
1	Net Regulated Plant	\$ 18,004,953	\$ -	\$ 18,004,953
2	Materials and Supplies Inventory	95,821	-	95,821
3	Customer Deposits	15,084	-	15,084
4	ADIT - Regulated Plant	-	-	-
5	Rate Base before Working Capital	18,085,690	-	18,085,690
6	Working Capital Requirement			
7	Total Operating Expenses	8,751,592	-	8,751,592
8	Less: Depreciation Expense	1,513,818	-	1,513,818
9	Total WC Operating Expense	7,237,774	-	7,237,774
10	WC OE Requirement	904,722	-	904,722
11	Commission-Ordered Cash Balance Requirement	-	-	-
12	Total Working Capital Requirement	904,722	-	904,722
13	Total Rate Base	18,990,412	-	18,990,412
14	Total Operating Revenues	10,019,858	(163,841)	9,856,017
15	Less: Illinois High Cost Fund	783,924	-	783,924
16	Net Operating Revenues	9,235,934	(163,841)	9,072,093
17	Total Operating Expenses	8,751,592	-	8,751,592
18	Other Operating Inc and Exp - Net	-	-	-
19	Other Operating Taxes	31,271	-	31,271
20	Net Op Inc before Income Taxes	453,071	(163,841)	289,230
21	Income Tax Expense	175,873	-	175,873
22	Net Operating Income	277,198	(163,841)	113,357
23	Return on Rate Base	1.46%	0.00%	0.60%
24	After-tax Cost of Capital	9.34%	9.34%	9.34%
25	Target Net Operating Income	1,773,704	-	1,773,704
26	Adj to Achieve Target Return on RB	1,496,506	163,841	1,660,347
27	Gross Revenue Conversion Factor	1.6345	(0.6345)	1.0000
28	Staff ROR Deficiency	2,446,040	(103,957)	1,660,347
29	Calculation of Income Tax Expense			
30	Net Op Inc before Inc Taxes	453,071	(163,841)	289,230
31	Illinois Income Tax Expense	33,074	(33,074)	-
32	Net Op Inc before Fed Inc Tax	419,997	(130,767)	289,230
33	Federal Income Tax Expense	142,799	(142,799)	-
34	Total Imputed Income Tax Expense	175,873	(175,873)	-
35	Gross Revenue Conversion Factor	1.6345	(0.6345)	1.0000

Madison Telephone Company
Illinois Universal Service Funding Calculation
Staff Calculated Funding Requirement
Adjustment to Operating Revenues

<u>Line</u> <u>No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)
1	Operating Revenues per Staff	\$ -
2	Operating Revenues per Madison	<u>163,841</u>
3	Difference-Staff Adjustment	<u>\$ (163,841)</u>

Sources:

- Line 1: Staff Exhibit 3.0, Sch. JZ 3.8
- Line 2: Co. Sch. 1.01
- Line 3: Line 1 minus line 2

Madison Telephone Company
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement
 Adjustment to S-Corporation Income Taxes

<u>Line No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)	<u>Source</u> (c)
<u>State Income Taxes</u>			
1	State Income Taxes per Staff	\$ -	Staff Ex. 2.0
2	State Income Taxes per Madison	<u>33,074</u>	Co. Sch. 1.01
3	Difference-Staff Adjustment	<u>\$ (33,074)</u>	Line 1 minus line 2
<u>Federal Income Taxes</u>			
4	Federal Income Taxes per Staff	\$ -	Staff Ex. 2.0
5	Federal Income Taxes per Madison	<u>142,799</u>	Co. Sch. 1.01
6	Difference-Staff Adjustment	<u>\$ (142,799)</u>	Line 4 minus line 5
<u>GCRF</u>			
7	Gross Revenue Conversion Factor per Staff	1.0000	Staff Ex. 2.0
8	Gross Revenue Conversion Factor per Madison	<u>1.6345</u>	Co. Sch. 1.01
9	Difference-Staff Adjustment	<u>-0.6345</u>	Line 7 minus line 8

Metamora Telephone Company
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement

<u>Line No.</u>	<u>Description</u>	<u>2009 Company Amount</u>	<u>Staff Adjustment</u>	<u>Staff Amount</u>
(a)	(b)	(c)	(d)	
1	Net Regulated Plant	\$ 5,474,443	\$ (69,767)	\$ 5,404,676
2	Materials and Supplies Inventory	324,246	-	324,246
3	Customer Deposits	24,126	-	24,126
4	ADIT - Regulated Plant	<u>410,637</u>	<u>-</u>	<u>410,637</u>
5	Rate Base before Working Capital	5,363,926	(69,767)	5,294,159
6	Working Capital Requirement			
7	Total Operating Expenses	2,561,938	(301,994)	2,259,944
8	Less: Depreciation Expense	<u>792,817</u>	<u>(2,713)</u>	<u>790,104</u>
9	Total WC Operating Expense	<u>1,769,121</u>	<u>(299,281)</u>	<u>1,469,840</u>
10	WC OE Requirement*	221,140	(37,410)	183,730
11	Commission-Ordered Cash Balance Requirement	-	-	-
12	Total Working Capital Requirement	<u>221,140</u>	<u>(37,410)</u>	<u>183,730</u>
13	Total Rate Base	<u>5,585,066</u>	<u>(107,177)</u>	<u>5,477,889</u>
14	Total Operating Revenues	2,992,960	(99,021)	2,893,939
15	Less: Illinois High Cost Fund	<u>354,556</u>	<u>-</u>	<u>354,556</u>
16	Net Operating Revenues	2,638,404	(99,021)	2,539,383
17	Total Operating Expenses	2,561,938	(301,994)	2,259,944
18	Other Operating Inc and Exp - Net	-	-	-
19	Other Operating Taxes	<u>51,664</u>	<u>-</u>	<u>51,664</u>
20	Net Op Inc before Income Taxes	24,802	202,973	227,775
21	Income Tax Expense	<u>9,628</u>	<u>-</u>	<u>9,628</u>
22	Net Operating Income	<u>15,174</u>	<u>202,973</u>	<u>218,147</u>
23	Return on Rate Base	<u>0.27%</u>	<u>-189.38%</u>	<u>3.98%</u>
24	After-tax Cost of Capital	<u>9.34%</u>	<u>9.34%</u>	<u>9.34%</u>
25	Target Net Operating Income	<u>521,645</u>	<u>(10,010)</u>	<u>511,635</u>
26	Adj to Achieve Target Return on RB	506,471	(212,983)	293,488
27	Gross Revenue Conversion Factor	<u>1.6345</u>	<u>1.6742</u>	<u>1.6742</u>
28	Staff ROR Deficiency	<u>827,827</u>	<u>(356,577)</u>	<u>491,357</u>
29	Calculation of Income Tax Expense			
30	Net Op Inc before Inc Taxes	24,802	202,973	227,775
31	Illinois Income Tax Expense	<u>1,811</u>	<u>19,828</u>	<u>21,639</u>
32	Net Op Inc before Fed Inc Tax	22,991	183,145	206,136
33	Federal Income Tax Expense	<u>7,817</u>	<u>62,269</u>	<u>70,086</u>
34	Total Imputed Income Tax Expense	<u>9,628</u>	<u>82,097</u>	<u>91,725</u>
35	Gross Revenue Conversion Factor	<u>1.6345</u>	<u>1.6742</u>	<u>1.6742</u>

Metamora Telephone Company
Illinois Universal Service Funding Calculation
Staff Calculated Funding Requirement
Adjustment to Operating Revenues

<u>Line</u> <u>No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)
1	Operating Revenues per Staff	\$ -
2	Operating Revenues per Metamora	<u>99,021</u>
3	Difference-Staff Adjustment	<u>\$ (99,021)</u>

Sources:

- Line 1: Staff Exhibit 3.0, Sch. JZ 3.8
- Line 2: Co. Sch. 1.01
- Line 3: Line 1 minus line 2

Metamora Telephone Company
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement
 Adjustment to State Income Tax Rate

<u>Line No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)
1	State Corporate Income Tax per Staff	\$ 21,639
2	State Corporate Income Tax per Metamora	<u>1,811</u>
3	Difference-Staff Adjustment to State Income Tax	<u>\$ 19,828</u>
4	Federal Income Tax per Staff	\$ 70,086
5	Federal Income Tax per Metamora	<u>7,817</u>
6	Difference-Staff Adjustment to Federal Income Tax	<u>\$ 62,269</u>

Sources:

- Line 1: Sch. 2.02, Col. (c), Line 30 * .095
- Line 2: Co. Schedule 1.01
- Line 3: Line 1 minus line 2
- Line 4: Sch. 2.02, Col. (c), Line 32 * .34
- Line 5: Co. Schedule 1.01
- Line 6: Line 4 minus line 5

Metamora Telephone Company
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement
 Adjustment to Rate Base

<u>Line No.</u>	<u>Description</u> <u>(a)</u>	<u>Amount</u> <u>(b)</u>
<u>Rate Base</u>		
1	Net Plant-209 N. Davenport St. Metamora, IL per Staff	\$ -
2	Net Plant -209 N. Davenport St. Metamora, IL per Metamora	<u>69,767</u>
3	Difference-Staff Adjustment	<u>\$ (69,767)</u>
<u>Expense</u>		
4	Depreciation Expense per Staff	\$ -
5	Depreciation Expense per Metamora	<u>2,713</u>
6	Difference-Staff Adjustment	<u>\$ (2,713)</u>

Sources:

- Line 1: Staff Ex. 2.0
- Line 2: Co. Response to MHE 2.19
- Line 3: Line 1 minus line 2
- Line 4: Staff Ex. 2.0
- Line 5: Co. Response to MHE 2.19
- Line 6: Line 4 minus line 5

Metamora Telephone Company
Illinois Universal Service Funding Calculation
Staff Calculated Funding Requirement
Adjustment to Operating Expense

<u>Line</u> <u>No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)
	<u>Operating Expense</u>	
1	Operating Expense per Staff	\$ -
2	Operating Expense per Metamora	<u>301,994</u>
3	Difference-Staff Adjustment	<u>\$ (301,994)</u>

Source:

Line 1: Staff Exhibit 2.0

Line 2: Co. Response to DR MHE 2.12-2.19

McDonough Telephone Cooperative
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement

<u>Line No.</u>	<u>Description</u>	<u>2009 Company Amount</u>	<u>Staff Adjustment</u>	<u>Staff Amount</u>
	(a)	(b)	(c)	(d)
1	Net Regulated Plant	\$ 12,269,894	\$ -	\$ 12,269,894
2	Materials and Supplies Inventory	322,997	-	322,997
3	Customer Deposits	375	-	375
4	ADIT - Regulated Plant	-	-	-
5	Rate Base before Working Capital	<u>12,592,516</u>	-	<u>12,592,516</u>
6	Working Capital Requirement			
7	Total Operating Expenses	5,416,535	-	5,416,535
8	Less: Depreciation Expense	<u>1,493,331</u>	-	<u>1,493,331</u>
9	Total WC Operating Expense	<u>3,923,204</u>	-	<u>3,923,204</u>
10	WC OE Requirement	490,400	-	490,400
11	Commission-Ordered Cash Balance Requirement	-	-	-
12	Total Working Capital Requirement	<u>490,400</u>	-	<u>490,400</u>
13	Total Rate Base	<u>13,082,916</u>	-	<u>13,082,916</u>
14	Total Operating Revenues	6,647,553	171,423	6,818,976
15	Less: Illinois High Cost Fund	<u>926,664</u>	-	<u>926,664</u>
16	Net Operating Revenues	5,720,889	171,423	5,892,312
17	Total Operating Expenses	5,416,535	-	5,416,535
18	Other Operating Inc and Exp - Net	-	-	-
19	Other Operating Taxes	<u>19,445</u>	-	<u>19,445</u>
20	Net Op Inc before Income Taxes	284,909	171,423	456,332
21	Income Tax Expense	-	-	-
22	Net Operating Income	<u>284,909</u>	<u>171,423</u>	<u>456,332</u>
23	Return on Rate Base	<u>2.18%</u>	<u>0.00%</u>	<u>3.49%</u>
24	After-tax Cost of Capital	<u>9.34%</u>	<u>9.34%</u>	<u>9.34%</u>
25	Target Net Operating Income	<u>1,221,944</u>	-	<u>1,221,944</u>
26	Adj to Achieve Target Return on RB	937,035	(171,423)	765,612
27	Gross Revenue Conversion Factor	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>
28	Staff ROR Deficiency	<u>937,035</u>	<u>(171,423)</u>	<u>765,612</u>
29	Calculation of Income Tax Expense			
30	Net Op Inc before Inc Taxes	284,909	171,423	456,332
31	Illinois Income Tax Expense	-	-	-
32	Net Op Inc before Fed Inc Tax	284,909	171,423	456,332
33	Federal Income Tax Expense	-	-	-
34	Total Imputed Income Tax Expense	-	-	-
35	Gross Revenue Conversion Factor	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>

McDonough Telephone Cooperative
Illinois Universal Service Funding Calculation
Staff Calculated Funding Requirement
Adjustment to Operating Revenues

<u>Line</u> <u>No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)
1	Operating Revenues per Staff	\$ -
2	Operating Revenues per McDonough	<u>(171,423)</u>
3	Difference-Staff Adjustment	<u>\$ 171,423</u>

Sources:

- Line 1: Staff Exhibit 3.0, Sch. JZ 3.8
- Line 2: Co. Sch. 1.01
- Line 3: Line 1 minus line 2

McNabb Telephone Company
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement

<u>Line No.</u>	<u>Description</u>	<u>2009 Company Amount</u>	<u>Staff Adjustment</u>	<u>Staff Amount</u>
	(a)	(b)	(c)	(d)
1	Net Regulated Plant	\$ 499,397	\$ -	\$ 499,397
2	Materials and Supplies Inventory	16,384	-	16,384
3	Customer Deposits	5,030	-	5,030
4	ADIT - Regulated Plant	<u>35,775</u>	<u>-</u>	<u>35,775</u>
5	Rate Base before Working Capital	474,976	-	474,976
6	Working Capital Requirement			
7	Total Operating Expenses	674,527	-	674,527
8	Less: Depreciation Expense	<u>107,361</u>	<u>-</u>	<u>107,361</u>
9	Total WC Operating Expense	<u>567,166</u>	<u>-</u>	<u>567,166</u>
10	WC OE Requirement	70,896	-	70,896
11	Commission-Ordered Cash Balance Requirement	-	-	-
12	Total Working Capital Requirement	<u>70,896</u>	<u>-</u>	<u>70,896</u>
13	Total Rate Base	<u>545,872</u>	<u>-</u>	<u>545,872</u>
14	Total Operating Revenues	614,097	(35,473)	578,624
15	Less: Illinois High Cost Fund	<u>62,940</u>	<u>-</u>	<u>62,940</u>
16	Net Operating Revenues	551,157	(35,473)	515,684
17	Total Operating Expenses	674,527	-	674,527
18	Other Operating Inc and Exp - Net	-	-	-
19	Other Operating Taxes	<u>10,571</u>	<u>-</u>	<u>10,571</u>
20	Net Op Inc before Income Taxes	(133,941)	(35,473)	(169,414)
21	Income Tax Expense	<u>(51,993)</u>	<u>-</u>	<u>(51,993)</u>
22	Net Operating Income	<u>(81,948)</u>	<u>(35,473)</u>	<u>(117,421)</u>
23	Return on Rate Base	<u>-15.01%</u>	<u>0.00%</u>	<u>-21.51%</u>
24	After-tax Cost of Capital	<u>9.34%</u>	<u>9.34%</u>	<u>9.34%</u>
25	Target Net Operating Income	<u>50,984</u>	<u>-</u>	<u>50,984</u>
26	Adj to Achieve Target Return on RB	132,932	35,473	168,405
27	Gross Revenue Conversion Factor	<u>1.6345</u>	<u>1.6742</u>	<u>1.6742</u>
28	Staff ROR Deficiency	<u>217,278</u>	<u>59,389</u>	<u>281,944</u>
29	Calculation of Income Tax Expense			
30	Net Op Inc before Inc Taxes	(133,941)	(35,473)	(169,414)
31	Illinois Income Tax Expense	<u>(9,778)</u>	<u>(6,316)</u>	<u>(16,094)</u>
32	Net Op Inc before Fed Inc Tax	(124,163)	(29,157)	(153,320)
33	Federal Income Tax Expense	<u>(42,215)</u>	<u>(9,914)</u>	<u>(52,129)</u>
34	Total Imputed Income Tax Expense	<u>(51,993)</u>	<u>(16,230)</u>	<u>(68,223)</u>
35	Gross Revenue Conversion Factor	<u>1.6345</u>	<u>1.6742</u>	<u>1.6742</u>

McNabb Telephone Company
Illinois Universal Service Funding Calculation
Staff Calculated Funding Requirement
Adjustment to Operating Revenues

<u>Line</u> <u>No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)
1	Operating Revenues per Staff	\$ -
2	Operating Revenues per McNabb	<u>35,473</u>
3	Difference-Staff Adjustment	<u>\$ (35,473)</u>

Sources:

- Line 1: Staff Exhibit 3.0, Sch. JZ 3.8
- Line 2: Co. Sch. 1.01
- Line 3: Line 1 minus line 2

McNabb Telephone Company
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement
 Adjustment to State Income Tax Rate

<u>Line No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)
1	State Corporate Income Tax per Staff	\$ (16,094)
2	State Corporate Income Tax per McNabb	<u>(9,778)</u>
3	Difference-Staff Adjustment to State Income Tax	<u>\$ (6,316)</u>
4	Federal Income Tax per Staff	\$ (52,129)
5	Federal Income Tax per McNabb	<u>(42,215)</u>
6	Difference-Staff Adjustment to Federal Income Tax	<u>\$ (9,914)</u>

Sources:

- Line 1: Sch. 2.02, Col. (c), Line 30 * .095
- Line 2: Co. Schedule 1.01
- Line 3: Line 1 minus line 2
- Line 4: Sch. 2.02, Col. (c), Line 32 * .34
- Line 5: Co. Schedule 1.01
- Line 6: Line 4 minus line 5

Mid-Century Telephone Cooperative
Illinois Universal Service Funding Calculation
Staff Calculated Funding Requirement

<u>Line No.</u>	<u>Description</u>	<u>2009 Company Amount</u>	<u>Staff Adjustment</u>	<u>Staff Amount</u>
	(a)	(b)	(c)	(d)
1	Net Regulated Plant	\$ 15,946,283	\$ -	\$ 15,946,283
2	Materials and Supplies Inventory	42,825	-	42,825
3	Customer Deposits	-	-	-
4	ADIT - Regulated Plant	-	-	-
5	Rate Base before Working Capital	15,989,108	-	15,989,108
6	Working Capital Requirement			
7	Total Operating Expenses	4,971,800	-	4,971,800
8	Less: Depreciation Expense	1,707,653	-	1,707,653
9	Total WC Operating Expense	3,264,147	-	3,264,147
10	WC OE Requirement	408,018	-	408,018
11	Commission-Ordered Cash Balance Requirement	-	-	-
12	Total Working Capital Requirement	408,018	-	408,018
13	Total Rate Base	16,397,126	-	16,397,126
14	Total Operating Revenues	5,648,068	14,218	5,662,286
15	Less: Illinois High Cost Fund	166,464	-	166,464
16	Net Operating Revenues	5,481,604	14,218	5,495,822
17	Total Operating Expenses	4,971,800	-	4,971,800
18	Other Operating Inc and Exp - Net	-	-	-
19	Other Operating Taxes	83,748	-	83,748
20	Net Op Inc before Income Taxes	426,056	14,218	440,274
21	Income Tax Expense	-	-	-
22	Net Operating Income	426,056	14,218	440,274
23	Return on Rate Base	2.60%	0.00%	2.69%
24	After-tax Cost of Capital	9.34%	9.34%	9.34%
25	Target Net Operating Income	1,531,492	-	1,531,492
26	Adj to Achieve Target Return on RB	1,105,436	(14,218)	1,091,218
27	Gross Revenue Conversion Factor	1.0000	1.0000	1.0000
28	Staff ROR Deficiency	1,105,436	(14,218)	1,091,218
29	Calculation of Income Tax Expense			
30	Net Op Inc before Inc Taxes	426,056	14,218	440,274
31	Illinois Income Tax Expense	-	-	-
32	Net Op Inc before Fed Inc Tax	426,056	14,218	440,274
33	Federal Income Tax Expense	-	-	-
34	Total Imputed Income Tax Expense	-	-	-
35	Gross Revenue Conversion Factor	1.0000	1.0000	1.0000

Mid-Century Telephone Cooperative
Illinois Universal Service Funding Calculation
Staff Calculated Funding Requirement
Adjustment to Operating Revenues

<u>Line</u> <u>No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)
1	Operating Revenues per Staff	\$ -
2	Operating Revenues per Mid Century	<u>(14,218)</u>
3	Difference-Staff Adjustment	<u><u>\$ 14,218</u></u>

Sources:

Line 1: Staff Exhibit 3.0, Sch. JZ 3.8

Line 2: Co. Sch. 1.01

Line 3: Line 1 minus line 2

Montrose Mutual Telephone Company
Illinois Universal Service Funding Calculation
Staff Calculated Funding Requirement

<u>Line No.</u>	<u>Description</u>	<u>2009 Company Amount</u>	<u>Staff Adjustment</u>	<u>Staff Amount</u>
	(a)	(b)	(c)	(d)
1	Net Regulated Plant	\$ 1,211,283	\$ -	\$ 1,211,283
2	Materials and Supplies Inventory	286,850	-	286,850
3	Customer Deposits	1,600	-	1,600
4	ADIT - Regulated Plant	<u>322,676</u>	<u>-</u>	<u>322,676</u>
5	Rate Base before Working Capital	1,173,857	-	1,173,857
6	Working Capital Requirement			
7	Total Operating Expenses	1,558,097	-	1,558,097
8	Less: Depreciation Expense	<u>228,193</u>	<u>-</u>	<u>228,193</u>
9	Total WC Operating Expense	<u>1,329,904</u>	<u>-</u>	<u>1,329,904</u>
10	WC OE Requirement	166,238	-	166,238
11	Commission-Ordered Cash Balance Requirement	-	-	-
12	Total Working Capital Requirement	<u>166,238</u>	<u>-</u>	<u>166,238</u>
13	Total Rate Base	<u>1,340,095</u>	<u>-</u>	<u>1,340,095</u>
14	Total Operating Revenues	1,625,846	(78,256)	1,547,590
15	Less: Illinois High Cost Fund	<u>257,688</u>	<u>-</u>	<u>257,688</u>
16	Net Operating Revenues	1,368,158	(78,256)	1,289,902
17	Total Operating Expenses	1,558,097	-	1,558,097
18	Other Operating Inc and Exp - Net	-	-	-
19	Other Operating Taxes	<u>7,889</u>	<u>-</u>	<u>7,889</u>
20	Net Op Inc before Income Taxes	(197,828)	(78,256)	(276,084)
21	Income Tax Expense	<u>(76,793)</u>	<u>-</u>	<u>(76,793)</u>
22	Net Operating Income	<u>(121,035)</u>	<u>(78,256)</u>	<u>(199,291)</u>
23	Return on Rate Base	<u>-9.03%</u>	<u>0.00%</u>	<u>-14.87%</u>
24	After-tax Cost of Capital	<u>9.34%</u>	<u>9.34%</u>	<u>9.34%</u>
25	Target Net Operating Income	<u>125,165</u>	<u>-</u>	<u>125,165</u>
26	Adj to Achieve Target Return on RB	246,200	78,256	324,456
27	Gross Revenue Conversion Factor	<u>1.6345</u>	<u>1.6742</u>	<u>1.6742</u>
28	Staff ROR Deficiency	<u>402,414</u>	<u>131,016</u>	<u>543,204</u>
29	Calculation of Income Tax Expense			
30	Net Op Inc before Inc Taxes	(197,828)	(78,256)	(276,084)
31	Illinois Income Tax Expense	<u>(14,441)</u>	<u>(11,787)</u>	<u>(26,228)</u>
32	Net Op Inc before Fed Inc Tax	(183,387)	(66,469)	(249,856)
33	Federal Income Tax Expense	<u>(62,352)</u>	<u>(22,599)</u>	<u>(84,951)</u>
34	Total Imputed Income Tax Expense	<u>(76,793)</u>	<u>(34,386)</u>	<u>(111,179)</u>
35	Gross Revenue Conversion Factor	<u>1.6345</u>	<u>1.6742</u>	<u>1.6742</u>

Montrose Mutual Telephone Company
Illinois Universal Service Funding Calculation
Staff Calculated Funding Requirement
Adjustment to Operating Revenues

<u>Line</u> <u>No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)
1	Operating Revenues per Staff	\$ -
2	Operating Revenues per Montrose Mutual	<u>78,256</u>
3	Difference-Staff Adjustment	<u>\$ (78,256)</u>

Sources:

- Line 1: Staff Exhibit 3.0, Sch. JZ 3.8
- Line 2: Co. Sch. 1.01
- Line 3: Line 1 minus line 2

Montrose Mutual Telephone Company
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement
 Adjustment to State Income Tax Rate

<u>Line No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)
1	State Corporate Income Tax per Staff	\$ (26,228)
2	State Corporate Income Tax per Montrose Mutual	<u>(14,441)</u>
3	Difference-Staff Adjustment to State Income Tax	<u>\$ (11,787)</u>
4	Federal Income Tax per Staff	\$ (84,951)
5	Federal Income Tax per Montrose Mutual	<u>(62,352)</u>
6	Difference-Staff Adjustment to Federal Income Tax	<u>\$ (22,599)</u>

Sources:

- Line 1: Sch. 2.02, Col. (c), Line 30 * .095
- Line 2: Co. Schedule 1.01
- Line 3: Line 1 minus line 2
- Line 4: Sch. 2.02, Col. (c), Line 32 * .34
- Line 5: Co. Schedule 1.01
- Line 6: Line 4 minus line 5

Moultrie Independent Telephone Company
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement

<u>Line No.</u>	<u>Description</u>	<u>2009 Company Amount</u>	<u>Staff Adjustment</u>	<u>Staff Amount</u>
	(a)	(b)	(c)	(d)
1	Net Regulated Plant	\$ 1,749,579	\$ -	\$ 1,749,579
2	Materials and Supplies Inventory	46,485	-	46,485
3	Customer Deposits	-	-	-
4	ADIT - Regulated Plant	-	-	-
5	Rate Base before Working Capital	<u>1,796,064</u>	-	<u>1,796,064</u>
6	Working Capital Requirement			
7	Total Operating Expenses	1,969,627	-	1,969,627
8	Less: Depreciation Expense	<u>277,671</u>	-	<u>277,671</u>
9	Total WC Operating Expense	<u>1,691,956</u>	-	<u>1,691,956</u>
10	WC OE Requirement	211,495	-	211,495
11	Commission-Ordered Cash Balance Requirement	-	-	-
12	Total Working Capital Requirement	<u>211,495</u>	-	<u>211,495</u>
13	Total Rate Base	<u>2,007,559</u>	-	<u>2,007,559</u>
14	Total Operating Revenues	2,521,678	(423,598)	2,098,080
15	Less: Illinois High Cost Fund	<u>593,724</u>	-	<u>593,724</u>
16	Net Operating Revenues	1,927,954	(423,598)	1,504,356
17	Total Operating Expenses	1,969,627	-	1,969,627
18	Other Operating Inc and Exp - Net	-	-	-
19	Other Operating Taxes	<u>1,607</u>	-	<u>1,607</u>
20	Net Op Inc before Income Taxes	(43,280)	(423,598)	(466,878)
21	Income Tax Expense	<u>(16,800)</u>	-	<u>(16,800)</u>
22	Net Operating Income	<u>(26,480)</u>	<u>(423,598)</u>	<u>(450,078)</u>
23	Return on Rate Base	-1.32%	0.00%	-22.42%
24	After-tax Cost of Capital	<u>9.34%</u>	<u>9.34%</u>	<u>9.34%</u>
25	Target Net Operating Income	<u>187,506</u>	-	<u>187,506</u>
26	Adj to Achieve Target Return on RB	213,986	423,598	637,584
27	Gross Revenue Conversion Factor	<u>1.6345</u>	<u>1.6742</u>	<u>1.6742</u>
28	Staff ROR Deficiency	<u>349,760</u>	<u>709,188</u>	<u>1,067,443</u>
29	Calculation of Income Tax Expense			
30	Net Op Inc before Inc Taxes	(43,280)	(423,598)	(466,878)
31	Illinois Income Tax Expense	<u>(3,159)</u>	<u>(41,194)</u>	<u>(44,353)</u>
32	Net Op Inc before Fed Inc Tax	(40,121)	(382,404)	(422,525)
33	Federal Income Tax Expense	<u>(13,641)</u>	<u>(130,017)</u>	<u>(143,658)</u>
34	Total Imputed Income Tax Expense	<u>(16,800)</u>	<u>(171,212)</u>	<u>(188,012)</u>
35	Gross Revenue Conversion Factor	<u>1.6345</u>	<u>1.6742</u>	<u>1.6742</u>

Moultrie Independent Telephone Company
Illinois Universal Service Funding Calculation
Staff Calculated Funding Requirement
Adjustment to Operating Revenues

<u>Line</u> <u>No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)
1	Operating Revenues per Staff	\$ -
2	Operating Revenues per Moultrie Independent	<u>423,598</u>
3	Difference-Staff Adjustment	<u><u>\$ (423,598)</u></u>

Sources:

Line 1: Staff Exhibit 3.0, Sch. JZ 3.8

Line 2: Co. Sch. 1.01

Line 3: Line 1 minus line 2

Moultrie Telephone Company
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement
 Adjustment to State Income Tax Rate

<u>Line No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)
1	State Corporate Income Tax per Staff	\$ (44,353)
2	State Corporate Income Tax per Moultrie	<u>(3,159)</u>
3	Difference-Staff Adjustment to State Income Tax	<u>\$ (41,194)</u>
4	Federal Income Tax per Staff	\$ (143,658)
5	Federal Income Tax per Moultrie	<u>(13,641)</u>
6	Difference-Staff Adjustment to Federal Income Tax	<u>\$ (130,017)</u>

Sources:

- Line 1: Sch. 2.02, Col. (c), Line 30 * .095
- Line 2: Co. Schedule 1.01
- Line 3: Line 1 minus line 2
- Line 4: Sch. 2.02, Col. (c), Line 32 * .34
- Line 5: Co. Schedule 1.01
- Line 6: Line 4 minus line 5

New Windsor Telephone Company
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement

<u>Line No.</u>	<u>Description</u>	<u>2009 Company Amount</u>	<u>Staff Adjustment</u>	<u>Staff Amount</u>
	(a)	(b)	(c)	(d)
1	Net Regulated Plant	\$ 1,281,930	\$ -	\$ 1,281,930
2	Materials and Supplies Inventory	28,377	-	28,377
3	Customer Deposits	6,486	-	6,486
4	ADIT - Regulated Plant	<u>252,788</u>	-	<u>252,788</u>
5	Rate Base before Working Capital	1,051,033	-	1,051,033
6	Working Capital Requirement			
7	Total Operating Expenses	520,792	-	520,792
8	Less: Depreciation Expense	<u>166,234</u>	-	<u>166,234</u>
9	Total WC Operating Expense	<u>354,558</u>	-	<u>354,558</u>
10	WC OE Requirement	44,320	-	44,320
11	Commission-Ordered Cash Balance Requirement	-	-	-
12	Total Working Capital Requirement	<u>44,320</u>	-	<u>44,320</u>
13	Total Rate Base	<u>1,095,353</u>	-	<u>1,095,353</u>
14	Total Operating Revenues	683,393	(37,519)	645,874
15	Less: Illinois High Cost Fund	<u>85,714</u>	-	<u>85,714</u>
16	Net Operating Revenues	597,679	(37,519)	560,160
17	Total Operating Expenses	520,792	-	520,792
18	Other Operating Inc and Exp - Net	-	-	-
19	Other Operating Taxes	<u>9,065</u>	-	<u>9,065</u>
20	Net Op Inc before Income Taxes	67,822	(37,519)	30,303
21	Income Tax Expense	<u>26,327</u>	-	<u>26,327</u>
22	Net Operating Income	<u>41,495</u>	<u>(37,519)</u>	<u>3,976</u>
23	Return on Rate Base	3.79%	0.00%	0.36%
24	After-tax Cost of Capital	9.34%	9.34%	9.34%
25	Target Net Operating Income	<u>102,306</u>	-	<u>102,306</u>
26	Adj to Achieve Target Return on RB	60,811	37,519	98,330
27	Gross Revenue Conversion Factor	<u>1.6345</u>	<u>1.6742</u>	<u>1.6742</u>
28	Staff ROR Deficiency	<u>99,395</u>	<u>62,814</u>	<u>164,624</u>
29	Calculation of Income Tax Expense			
30	Net Op Inc before Inc Taxes	67,822	(37,519)	30,303
31	Illinois Income Tax Expense	<u>4,951</u>	<u>(2,072)</u>	<u>2,879</u>
32	Net Op Inc before Fed Inc Tax	62,871	(35,447)	27,424
33	Federal Income Tax Expense	<u>21,376</u>	<u>(12,052)</u>	<u>9,324</u>
34	Total Imputed Income Tax Expense	<u>26,327</u>	<u>(14,124)</u>	<u>12,203</u>
35	Gross Revenue Conversion Factor	<u>1.6345</u>	<u>1.6742</u>	<u>1.6742</u>

New Windsor Telephone Company
Illinois Universal Service Funding Calculation
Staff Calculated Funding Requirement
Adjustment to Operating Revenues

<u>Line No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)
1	Operating Revenues per Staff	\$ -
2	Operating Revenues per New Windsor	<u>37,519</u>
3	Difference-Staff Adjustment	<u>\$ (37,519)</u>

Sources:

- Line 1: Staff Exhibit 3.0, Sch. JZ 3.8
- Line 2: Co. Sch. 1.01
- Line 3: Line 1 minus line 2

New Windsor Telephone Company
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement
 Adjustment to State Income Tax Rate

<u>Line No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)
1	State Corporate Income Tax per Staff	\$ 2,879
2	State Corporate Income Tax per New Windsor	<u>4,951</u>
3	Difference-Staff Adjustment to State Income Tax	<u>\$ (2,072)</u>
4	Federal Income Tax per Staff	\$ 9,324
5	Federal Income Tax per New Windsor	<u>21,376</u>
6	Difference-Staff Adjustment to Federal Income Tax	<u>\$ (12,052)</u>

Sources:

- Line 1: Sch. 2.02, Col. (c), Line 30 * .095
- Line 2: Co. Schedule 1.01
- Line 3: Line 1 minus line 2
- Line 4: Sch. 2.02, Col. (c), Line 32 * .34
- Line 5: Co. Schedule 1.01
- Line 6: Line 4 minus line 5

Oneida Telephone Exchange
Illinois Universal Service Funding Calculation
Staff Calculated Funding Requirement

<u>Line</u> <u>No.</u>	<u>Description</u>	<u>2009 Company</u> <u>Amount</u>	<u>Staff Adjustment</u>	<u>Staff Amount</u>
	(a)	(b)	(c)	(d)
1	Net Regulated Plant	\$ 1,109,026	\$ -	\$ 1,109,026
2	Materials and Supplies Inventory	32,167	-	32,167
3	Customer Deposits	3,500	-	3,500
4	ADIT - Regulated Plant	-	-	-
5	Rate Base before Working Capital	1,137,693	-	1,137,693
6	Working Capital Requirement			
7	Total Operating Expenses	752,089	-	752,089
8	Less: Depreciation Expense	230,348	-	230,348
9	Total WC Operating Expense	521,741	-	521,741
10	WC OE Requirement	65,218	-	65,218
11	Commission-Ordered Cash Balance Requirement	-	-	-
12	Total Working Capital Requirement	65,218	-	65,218
13	Total Rate Base	1,202,911	-	1,202,911
14	Total Operating Revenues	907,042	(23,491)	883,551
15	Less: Illinois High Cost Fund	122,486	-	122,486
16	Net Operating Revenues	784,556	(23,491)	761,065
17	Total Operating Expenses	752,089	-	752,089
18	Other Operating Inc and Exp - Net	-	-	-
19	Other Operating Taxes	7,681	-	7,681
20	Net Op Inc before Income Taxes	24,786	(23,491)	1,295
21	Income Tax Expense	-	-	-
22	Net Operating Income	24,786	(23,491)	1,295
23	Return on Rate Base	2.06%	0.00%	0.11%
24	After-tax Cost of Capital	9.34%	9.34%	9.34%
25	Target Net Operating Income	112,352	-	112,352
26	Adj to Achieve Target Return on RB	87,566	23,491	111,057
27	Gross Revenue Conversion Factor	1.0000	1.0000	1.0000
28	Staff ROR Deficiency	87,566	23,491	111,057
29	Calculation of Income Tax Expense			
30	Net Op Inc before Inc Taxes	24,786	(23,491)	1,295
31	Illinois Income Tax Expense	-	-	-
32	Net Op Inc before Fed Inc Tax	24,786	(23,491)	1,295
33	Federal Income Tax Expense	-	-	-
34	Total Imputed Income Tax Expense	-	-	-
35	Gross Revenue Conversion Factor	1.0000	1.0000	1.0000

Oneida Telephone Exchange
Illinois Universal Service Funding Calculation
Staff Calculated Funding Requirement
Adjustment to Operating Expense

<u>Line No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)
1	Operating Revenues per Staff	\$ -
2	Operating Revenues per Oneida	<u>23,491</u>
3	Difference-Staff Adjustment	<u><u>\$ (23,491)</u></u>

Sources:

Line 1: Staff Exhibit 3.0, Sch. JZ 3.8

Line 2: Co. Sch. 1.01

Line 3: Line 1 minus line 2

Reynolds Telephone Company
Illinois Universal Service Funding Calculation
Staff Calculated Funding Requirement

<u>Line No.</u>	<u>Description</u>	<u>2009 Company Amount</u>	<u>Staff Adjustment</u>	<u>Staff Amount</u>
	(a)	(b)	(c)	(d)
1	Net Regulated Plant	\$ 1,743,549	\$ -	\$ 1,743,549
2	Materials and Supplies Inventory	22,793	-	22,793
3	Customer Deposits	2,800	-	2,800
4	ADIT - Regulated Plant	<u>142,446</u>	-	<u>142,446</u>
5	Rate Base before Working Capital	1,621,096	-	1,621,096
6	Working Capital Requirement			
7	Total Operating Expenses	492,280	-	492,280
8	Less: Depreciation Expense	<u>138,331</u>	-	<u>138,331</u>
9	Total WC Operating Expense	<u>353,949</u>	-	<u>353,949</u>
10	WC OE Requirement	44,244	-	44,244
11	Commission-Ordered Cash Balance Requirement	-	-	-
12	Total Working Capital Requirement	<u>44,244</u>	-	<u>44,244</u>
13	Total Rate Base	<u>1,665,340</u>	-	<u>1,665,340</u>
14	Total Operating Revenues	528,278	(19,518)	508,760
15	Less: Illinois High Cost Fund	<u>-</u>	-	<u>-</u>
16	Net Operating Revenues	528,278	(19,518)	508,760
17	Total Operating Expenses	492,280	-	492,280
18	Other Operating Inc and Exp - Net	-	-	-
19	Other Operating Taxes	<u>3,438</u>	-	<u>3,438</u>
20	Net Op Inc before Income Taxes	32,560	(19,518)	13,042
21	Income Tax Expense	<u>12,639</u>	-	<u>12,639</u>
22	Net Operating Income	<u>19,921</u>	<u>(19,518)</u>	<u>403</u>
23	Return on Rate Base	<u>1.20%</u>	<u>0.00%</u>	<u>0.02%</u>
24	After-tax Cost of Capital	<u>9.34%</u>	<u>9.34%</u>	<u>9.34%</u>
25	Target Net Operating Income	<u>155,543</u>	-	<u>155,543</u>
26	Adj to Achieve Target Return on RB	135,622	19,518	155,140
27	Gross Revenue Conversion Factor	<u>1.6345</u>	<u>1.6742</u>	<u>1.6742</u>
28	Staff ROR Deficiency	<u>221,674</u>	<u>32,677</u>	<u>259,735</u>
29	Calculation of Income Tax Expense			
30	Net Op Inc before Inc Taxes	32,560	(19,518)	13,042
31	Illinois Income Tax Expense	<u>2,377</u>	<u>(1,138)</u>	<u>1,239</u>
32	Net Op Inc before Fed Inc Tax	30,183	(18,380)	11,803
33	Federal Income Tax Expense	<u>10,262</u>	<u>(6,249)</u>	<u>4,013</u>
34	Total Imputed Income Tax Expense	<u>12,639</u>	<u>(7,387)</u>	<u>5,252</u>
35	Gross Revenue Conversion Factor	<u>1.6345</u>	<u>1.6742</u>	<u>1.6742</u>

Reynolds Telephone Company
Illinois Universal Service Funding Calculation
Staff Calculated Funding Requirement
Adjustment to Operating Revenues

<u>Line</u> <u>No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)
1	Operating Revenues per Staff	\$ -
2	Operating Revenues per Adams	<u>19,518</u>
3	Difference-Staff Adjustment	<u>\$ (19,518)</u>

Sources:

- Line 1: Staff Exhibit 3.0, Sch. JZ 3.8
- Line 2: Co. Sch. 1.01
- Line 3: Line 1 minus line 2

Reynolds Telephone Company
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement
 Adjustment to State Income Tax Rate

<u>Line No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)
1	State Corporate Income Tax per Staff	\$ 1,239
2	State Corporate Income Tax per Reynolds	<u>2,377</u>
3	Difference-Staff Adjustment to State Income Tax	<u>\$ (1,138)</u>
4	Federal Income Tax per Staff	\$ 4,013
5	Federal Income Tax per Reynolds	<u>10,262</u>
6	Difference-Staff Adjustment to Federal Income Tax	<u>\$ (6,249)</u>

Sources:

- Line 1: Sch. 2.02, Col. (c), Line 30 * .095
- Line 2: Co. Schedule 1.01
- Line 3: Line 1 minus line 2
- Line 4: Sch. 2.02, Col. (c), Line 32 * .34
- Line 5: Co. Schedule 1.01
- Line 6: Line 4 minus line 5

Viola Home Telephone Company
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement

<u>Line No.</u>	<u>Description</u>	<u>2009 Company Amount</u>	<u>Staff Adjustment</u>	<u>Staff Amount</u>
	(a)	(b)	(c)	(d)
1	Net Regulated Plant	\$ 1,226,901	\$ -	\$ 1,226,901
2	Materials and Supplies Inventory	21,427	-	21,427
3	Customer Deposits	208	-	208
4	ADIT - Regulated Plant	<u>108,689</u>	-	<u>108,689</u>
5	Rate Base before Working Capital	1,139,431	-	1,139,431
6	Working Capital Requirement			
7	Total Operating Expenses	664,574	(7,915)	656,659
8	Less: Depreciation Expense	<u>143,832</u>	-	<u>143,832</u>
9	Total WC Operating Expense	<u>520,742</u>	<u>(7,915)</u>	<u>512,827</u>
10	WC OE Requirement	65,093	(989)	64,103
11	Commission-Ordered Cash Balance Requirement	-	-	-
12	Total Working Capital Requirement	<u>65,093</u>	<u>(989)</u>	<u>64,103</u>
13	Total Rate Base	<u>1,204,524</u>	<u>(989)</u>	<u>1,203,534</u>
14	Total Operating Revenues	621,829	(24,810)	597,019
15	Less: Illinois High Cost Fund	<u>32,860</u>	-	<u>32,860</u>
16	Net Operating Revenues	588,969	(24,810)	564,159
17	Total Operating Expenses	664,574	(7,915)	656,659
18	Other Operating Inc and Exp - Net	-	-	-
19	Other Operating Taxes	<u>9,786</u>	-	<u>9,786</u>
20	Net Op Inc before Income Taxes	(85,391)	(16,895)	(102,286)
21	Income Tax Expense	<u>(33,147)</u>	-	<u>(33,147)</u>
22	Net Operating Income	<u>(52,244)</u>	<u>(16,895)</u>	<u>(69,139)</u>
23	Return on Rate Base	-4.34%	0.00%	-5.74%
24	After-tax Cost of Capital	9.34%	9.34%	9.34%
25	Target Net Operating Income	<u>112,503</u>	<u>(92)</u>	<u>112,410</u>
26	Adj to Achieve Target Return on RB	164,747	16,802	181,549
27	Gross Revenue Conversion Factor	<u>1.6345</u>	<u>1.6742</u>	<u>1.6742</u>
28	Staff ROR Deficiency	<u>269,278</u>	<u>28,130</u>	<u>303,949</u>
29	Calculation of Income Tax Expense			
30	Net Op Inc before Inc Taxes	(85,391)	(16,895)	(102,286)
31	Illinois Income Tax Expense	<u>(6,234)</u>	<u>(3,483)</u>	<u>(9,717)</u>
32	Net Op Inc before Fed Inc Tax	(79,157)	(13,412)	(92,569)
33	Federal Income Tax Expense	<u>(26,913)</u>	<u>(4,560)</u>	<u>(31,473)</u>
34	Total Imputed Income Tax Expense	<u>(33,147)</u>	<u>(8,043)</u>	<u>(41,190)</u>
35	Gross Revenue Conversion Factor	<u>1.6345</u>	<u>1.6742</u>	<u>1.6742</u>

Viola Home Telephone Company
Illinois Universal Service Funding Calculation
Staff Calculated Funding Requirement
Adjustment to Operating Revenues

<u>Line</u> <u>No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)
1	Operating Revenues per Staff	\$ -
2	Operating Revenues per Viola Home	<u>24,810</u>
3	Difference-Staff Adjustment	<u>\$ (24,810)</u>

Sources:

- Line 1: Staff Exhibit 3.0, Sch. JZ 3.8
- Line 2: Co. Sch. 1.01
- Line 3: Line 1 minus line 2

Viola Home Telephone Company
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement
 Adjustment to State Income Tax Rate

<u>Line No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)
1	State Corporate Income Tax per Staff	\$ (9,717)
2	State Corporate Income Tax per Viola Home	<u>(6,234)</u>
3	Difference-Staff Adjustment to State Income Tax	<u>\$ (3,483)</u>
4	Federal Income Tax per Staff	\$ (31,473)
5	Federal Income Tax per Viola Home	<u>(26,913)</u>
6	Difference-Staff Adjustment to Federal Income Tax	<u>\$ (4,560)</u>

Sources:

- Line 1: Sch. 2.02, Col. (c), Line 30 * .095
- Line 2: Co. Schedule 1.01
- Line 3: Line 1 minus line 2
- Line 4: Sch. 2.02, Col. (c), Line 32 * .34
- Line 5: Co. Schedule 1.01
- Line 6: Line 4 minus line 5

Viola Home Telephone Company
Illinois Universal Service Funding Calculation
Staff Calculated Funding Requirement
Adjustment to Operating Expense

<u>Line</u> <u>No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)
1	Operating Expense per Staff	\$ -
2	Operating Expense per Viola Home	<u>7,915</u>
3	Difference-Staff Adjustment	<u>\$ (7,915)</u>

Sources:

Line 1: Staff Exhibit 2.0

Line 2: Staff Schedule 2.07 Viola Home, page 2

Line 3: Line 1 minus Line 2

Viola Home Telephone Company
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement
 Adjustment to Operating Expense

<u>Line</u> <u>No.</u>	<u>Payee</u> (a)	<u>Description</u> (b)	<u>Amount</u> (c)
<u>Operating Expense per G/L Detail</u>			
1	The Flower Mill	Floral Arrangement for S...	\$ 44.74
2	The Times RECO...	HOLIDAY & SPORTS TAB	206.50
3	Athletic Poster Pu	Spring 09	199.95
4	employee	Service Charge	5.00
5	VIOLA Area Cha	Membership Dues	135.00
6	WRMJ	8 ads for Grow Illinois	82.96
7	WRMJ	Ads for Grow Illinois	103.70
8	SHERRARD HIGH	Ad for Yearbook	60.00
9	employee	Retirement Gift	500.00
10	WRMJ-FM	Ad for Wireless	41.48
11	The Times RECO...	Ad for prom safety and fai...	121.00
12	RIO PRINTING CO	1200 TICKETS FOR Chamber...	76.00
13	IL Telecommunications...	Registration for	378.00
14	The Flower Mill	Floral Arrangement for F...	53.13
15	The Times RECO...	Grad Tabs	100.00
16	MPetro Ventures	Preliminary Cost Settleme	1,500.00
17	WRMJ-FM	Ad for sectional bb & sb	74.00
18	The Flower Mill	Planter for	42.50
19	The Times RECO...	Ad for Rodeo Book	22.00
20	MPetro Ventures	Federal Stimulus Pkg	200.00
21	The Flower Mill	Flowers for...	53.12
22	WRMJ-FM	Order # 15479 High schoo	127.50
23	The Times RECO...	Fall Sports Tab & Sherrar...	115.00
24	employee	Retirement bonus	2,500.00
25	RIO PRINTING CO	Ad for ...Retirement	24.75
26	WRMJ-FM	High School Sports Ads f...	127.50
27	The Times RECO...	Ad for MC and United Ho...	50.00
28		Service Charge	5.00
29	employee	Supplies for Christmas w....	129.45
30	WRMJ-FM	Ad for football playoffs	124.20
31		Croissants for Christmas	64.96
32	HOMESTEAD RE...	Christmas party	647.90
33			<u>\$ 7,915.34</u>

Source: Co. response to GCH 1.12

Woodhull Telephone Company
Illinois Universal Service Funding Calculation
Staff Calculated Funding Requirement

<u>Line No.</u>	<u>Description</u>	<u>2009 Company Amount</u>	<u>Staff Adjustment</u>	<u>Staff Amount</u>
	(a)	(b)	(c)	(d)
1	Net Regulated Plant	\$ 1,972,723	\$ -	\$ 1,972,723
2	Materials and Supplies Inventory	24,901	-	24,901
3	Customer Deposits	-	-	-
4	ADIT - Regulated Plant	<u>106,260</u>	-	<u>106,260</u>
5	Rate Base before Working Capital	1,891,364	-	1,891,364
6	Working Capital Requirement			
7	Total Operating Expenses	763,559	-	763,559
8	Less: Depreciation Expense	<u>172,504</u>	-	<u>172,504</u>
9	Total WC Operating Expense	<u>591,055</u>	-	<u>591,055</u>
10	WC OE Requirement	73,882	-	73,882
11	Commission-Ordered Cash Balance Requirement	-	-	-
12	Total Working Capital Requirement	<u>73,882</u>	-	<u>73,882</u>
13	Total Rate Base	<u>1,965,246</u>	-	<u>1,965,246</u>
14	Total Operating Revenues	897,307	(59,356)	837,951
15	Less: Illinois High Cost Fund	<u>51,614</u>	-	<u>51,614</u>
16	Net Operating Revenues	845,693	(59,356)	786,337
17	Total Operating Expenses	763,559	-	763,559
18	Other Operating Inc and Exp - Net	-	-	-
19	Other Operating Taxes	<u>6,310</u>	-	<u>6,310</u>
20	Net Op Inc before Income Taxes	75,824	(59,356)	16,468
21	Income Tax Expense	<u>29,433</u>	-	<u>29,433</u>
22	Net Operating Income	<u>46,391</u>	<u>(59,356)</u>	<u>(12,965)</u>
23	Return on Rate Base	<u>2.36%</u>	<u>0.00%</u>	<u>-0.66%</u>
24	After-tax Cost of Capital	<u>9.34%</u>	<u>9.34%</u>	<u>9.34%</u>
25	Target Net Operating Income	<u>183,554</u>	-	<u>183,554</u>
26	Adj to Achieve Target Return on RB	137,163	59,356	196,519
27	Gross Revenue Conversion Factor	<u>1.6345</u>	<u>1.6742</u>	<u>1.6742</u>
28	Staff ROR Deficiency	<u>224,193</u>	<u>99,374</u>	<u>329,012</u>
29	Calculation of Income Tax Expense			
30	Net Op Inc before Inc Taxes	75,824	(59,356)	16,468
31	Illinois Income Tax Expense	<u>5,535</u>	<u>(3,971)</u>	<u>1,564</u>
32	Net Op Inc before Fed Inc Tax	70,289	(55,385)	14,904
33	Federal Income Tax Expense	<u>23,898</u>	<u>(18,831)</u>	<u>5,067</u>
34	Total Imputed Income Tax Expense	<u>29,433</u>	<u>(22,801)</u>	<u>6,632</u>
35	Gross Revenue Conversion Factor	<u>1.6345</u>	<u>1.6742</u>	<u>1.6742</u>

Woodhull Telephone Company
Illinois Universal Service Funding Calculation
Staff Calculated Funding Requirement
Adjustment to Operating Revenues

<u>Line</u> <u>No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)
1	Operating Revenues per Staff	\$ -
2	Operating Revenues per Woodhull	<u>59,356</u>
3	Difference-Staff Adjustment	<u><u>\$ (59,356)</u></u>

Sources:

Line 1: Staff Exhibit 3.0, Sch. JZ 3.8

Line 2: Co. Sch. 1.01

Line 3: Line 1 minus line 2

Woodhull Telephone Company
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement
 Adjustment to State Income Tax Rate

<u>Line No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)
1	State Corporate Income Tax per Staff	\$ 1,564
2	State Corporate Income Tax per Woodhull	<u>5,535</u>
3	Difference-Staff Adjustment to State Income Tax	<u>\$ (3,971)</u>
4	Federal Income Tax per Staff	\$ 5,067
5	Federal Income Tax per Woodhull	<u>23,898</u>
6	Difference-Staff Adjustment to Federal Income Tax	<u>\$ (18,831)</u>

Sources:

- Line 1: Sch. 2.02, Col. (c), Line 30 * .095
- Line 2: Co. Schedule 1.01
- Line 3: Line 1 minus line 2
- Line 4: Sch. 2.02, Col. (c), Line 32 * .34
- Line 5: Co. Schedule 1.01
- Line 6: Line 4 minus line 5