

PROPRIETARY
FC Orion
 Illinois Universal Service Funding Calculation
 Based upon ICC Form 23A Report Data for December 31, 2009

<u>Line #</u>	<u>Description</u>	<u>Source</u>	<u>Amount</u>	<u>Adjustment*</u>	<u>Adjusted Amount</u>
1	Net Regulated Plant	Form 23A, P 8, Net Plant			
2	Materials and Supplies Inventory	Page 2, 13-Month Average			
3	Customer Deposits	Form 23A, P 8, 4040			
4	ADIT - Regulated Plant	Form 23A, P 8, 4100 + 4340			
5	Rate Base before Working Capital	line 1 + line 2 - line 3 - line 4			
6	Working Capital Requirement				
7	Total Operating Expenses	Form 23A, P 11, Total			
8	Less: Depreciation Expense	Form 23A, P 11, 6560			
9	Total WC Operating Expense	line 7 - line 8			
10	WC OE Requirement	line 9 * 45 / 360			
11	Commission-Ordered Cash Balance Requirement				
12	Total Working Capital Requirement	line 10 + line 11			
13	Total Rate Base	line 5 + line 12			
14	Total Operating Revenues	Form 23A, P 9, Total			
15	Less: Illinois Universal Service Fund	Page 3, Line 4			
16	Net Operating Revenues	line 14 - line 15			
17	Total Operating Expenses	Form 23A, P 11, Total			
18	Other Operating Inc and Exp - Net	Form 23A, P 12, 7100			
19	Other Operating Taxes	Form 23A, P 12, 7240			
20	Net Op Inc before Income Taxes	line 16 - lines 17, 18, & 19			
21	Income Tax Expense	line 34			
22	Net Operating Income	line 20 - line 21			
23	Return on Rate Base	line 22 / line 13			
24	After-tax Cost of Capital				
25	Target Net Operating Income	line 24 * line 13			
26	Adj to Achieve Target Return on RB	line 25 - line 22			
27	Gross Revenue Conversion Factor	line 35			
28	ROR Funding Deficiency Including Inc Taxes	line 26 * line 27			<u>263,040</u>
29	Calculation of Income Tax Expense				
30	Net Op Inc before Inc Taxes	line 20			
31	Illinois Inc & Rep Tax Expense	line 30 * 7.30%			
32	Net Op Inc before Fed Inc Tax	line 30 - line 31			
33	Federal Income Tax Expense	line 32 * 34.00%			
34	Total Imputed Income Tax Expense	line 31 + line 33			
35	Gross Revenue Conversion Factor	1 / ((1 - .0730) * (1 - .34))			

* Provide detail on Page 4 for all adjustments.

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Material & Supplies Worksheet and Other Information

Line #

- 1 December-08
- 2 January-09
- 3 February-09
- 4 March-09
- 5 April-09
- 6 May-09
- 7 June-09
- 8 July-09
- 9 August-09
- 10 September-09
- 11 October-09
- 12 November-09
- 13 December-09

- 14 13 Month Average



Sale/Lease Back Arrangement

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

Lease Agreement with Affiliates

The company does not have any lease agreements with affiliates.
The company does have lease agreements with affiliates.

Tax Status (1=Taxable, 2=Coop) 1

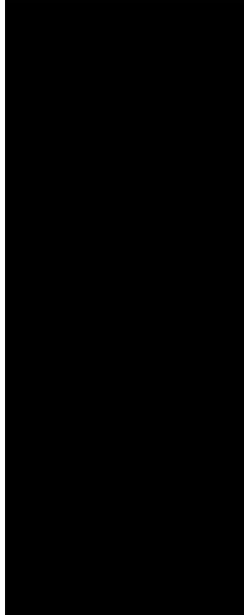
After Tax Return-Taxable 11.50%
After Tax Return-Coop 13.08%

Frontier Communications Exhibit 2.03
 Schedule 6, p. 3 of 4
 Docket No. 11-0211 Cons.

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 Operating Revenues By Category

<u>Line #</u>		<u>Source</u>	<u>Amount</u>
1	Local Revenues	Form 23A, P 9, Total Local Network Service Revenues	
2	State Subscriber Line Charges	Trial Balance 12/31/09	
3	State Access Revenues	Trial Balance 12/31/09	
4	State Universal Service Support	Trial Balance 12/31/09	
5	State Special Access Revenues	Trial Balance 12/31/09	
6	Total State Access & Local Revenues	Sum (Ln 1 - 5)	
7	Federal Subscriber Lines Charges	Trial Balance 12/31/09	
8	Federal Access Revenues	Trial Balance 12/31/09	
9	Federal High Cost Loop Support	Trial Balance 12/31/09	
10	Federal Special Access Revenues	Trial Balance 12/31/09	
11	Total Federal Access Revenues	Sum (Ln 7 - 10)	
12	Misc Revenues	Trial Balance 12/31/09	
13	Total Operating Revenues	Ln 6 + Ln 11 + Ln 12	

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Description of Adjustments

Description of Adjustment	Debit	Credit
<u>Rate Base Adjustments</u>		
<u>Revenue Adjustments</u>		
True-up 2009 Local Switching Support for understatement in 2009		\$31,072
Intrastate impact of mirroring interstate originating access rates	\$3,677	

Expense Adjustments