

GCH JZ 1.01 Attach 01

Geneseo Telephone Company
Illinois Universal Service Funding Calculation
Based upon ICC Form 23A Report Data for December 31, 2010

<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	\$ 7,214,902	\$ -	\$ 7,214,902
2	Materials and Supplies Inventory	Page 2, 13-Month Average	64,039	-	64,039
3	Customer Deposits	Form 23A, P 8, 4040	9,052	-	9,052
4	ADIT - Regulated Plant	Form 23A, P 8, 4100 + 4340	761,190	-	761,190
5	Rate Base before Working Capital	line 1 + line 2 - line 3 - line 4			6,508,699
6	Working Capital Requirement				
7	Total Operating Expenses	Form 23A, P 11, Total	5,381,411	-	5,381,411
8	Less: Depreciation Expense	Form 23A, P 11, 6560	1,351,095	-	1,351,095
9	Total WC Operating Expense	line 7 - line 8	4,030,316	-	4,030,316
10	WC OE Requirement	line 9 * 45 / 360			503,790
11	Commission-Ordered Cash Balance Requirement		-	-	-
12	Total Working Capital Requirement	line 10 + line 11			503,790
13	Total Rate Base	line 5 + line 12			7,012,489
14	Total Operating Revenues	Form 23A, P 9, Total	6,188,164	-	6,188,164
15	Less: Illinois Universal Service Fund	Page 3, Line 4	-	-	-
16	Net Operating Revenues	line 14 - line 15	6,188,164	-	6,188,164
17	Total Operating Expenses	Form 23A, P 11, Total	5,381,411	-	5,381,411
18	Other Operating Inc and Exp - Net	Form 23A, P 12, 7100		-	-
19	Other Operating Taxes	Form 23A, P 12, 7240	42,525	-	42,525
20	Net Op Inc before Income Taxes	line 16 - lines 17, 18, & 19	764,228	-	764,228
21	Income Tax Expense	line 34			296,658
22	Net Operating Income	line 20 - line 21			467,570
23	Return on Rate Base	line 22 / line 13			6.67%
24	After-tax Cost of Capital				11.21%
25	Target Net Operating Income	line 24 * line 13			786,100
26	Adj to Achieve Target Return on RB	line 25 - line 22			318,530
27	Gross Revenue Conversion Factor	line 35			1.6345
28	ROR Funding Deficiency Including Inc Taxes	line 26 * line 27			520,637
29	Calculation of Income Tax Expense				
30	Net Op Inc before Inc Taxes	line 20			764,228
31	Illinois Inc & Rep Tax Expense	line 30 * 7.30%			55,789
32	Net Op Inc before Fed Inc Tax	line 30 - line 31			708,439
33	Federal Income Tax Expense	line 32 * 34.00%			240,869
34	Total Imputed Income Tax Expense	line 31 + line 33			296,658
35	Gross Revenue Conversion Factor	1 / ((1 - .0730) * (1 - .34))			1.6345

* Provide detail on Page 4 for all adjustments.

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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	\$ 1,749,302
2	State Subscriber Line Charges **	Trial Balance 12/31/09	\$ -
3	State Access Revenues	Trial Balance 12/31/09	\$ 672,968
4	State Universal Service Support	Trial Balance 12/31/09	\$ -
5	State Special Access Revenues	Trial Balance 12/31/09	\$ 93,851
6	Total State Access & Local Revenues	Sum (Ln 1 - 5)	<u>\$ 2,516,121</u>
7	Federal Subscriber Lines Charges	Trial Balance 12/31/09	\$ 477,134
8	Federal Access Revenues	Trial Balance 12/31/09	\$ 2,449,878
9	Federal High Cost Loop Support	Trial Balance 12/31/09	\$ -
10	Federal Special Access Revenues	Trial Balance 12/31/09	\$ 729,581
11	Total Federal Access Revenues	Sum (Ln 7 - 10)	<u>\$ 3,656,593</u>
12	Misc Revenues	Trial Balance 12/31/09	\$ 15,450
13	Total Operating Revenues	Ln 6 + Ln 11 + Ln 12	<u><u>\$ 6,188,164</u></u>

** Included in Line 1 above

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Description of Adjustments

Description of Adjustment	Debit	Credit
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Rate Base Adjustments

Revenue Adjustments
Affordable Rate Reduction

Expense Adjustments

Note: Carry all adjustments forward to Page 1