

Provisional IUSF Calculation Assuming No Income Tax Allowance for Subchapter S Corporations
Leaf River Telephone Company Docket No. 11-0211 Cons.
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	\$ 2,735,045	\$ (21,530)	\$ 2,713,515
2	Materials and Supplies Inventory	Page 2, 13-Month Average	93,366		93,366
3	Customer Deposits	Form 23A, P 8, 4040	2,050	-	2,050
4	ADIT - Regulated Plant	Form 23A, P 8, 4100 + 4340	-	-	-
5	Rate Base before Working Capital	line 1 + line 2 - line 3 - line 4			2,804,831
6	Working Capital Requirement				
7	Total Operating Expenses	Form 23A, P 11, Total	1,294,842	(9,718)	1,285,124
8	Less: Depreciation Expense	Form 23A, P 11, 6560	340,663	(1,906)	338,757
9	Total WC Operating Expense	line 7 - line 8	954,179	(7,812)	946,367
10	WC OE Requirement	line 9 * 45 / 360			118,296
11	Commission-Ordered Cash Balance Requirement		-	-	-
12	Total Working Capital Requirement	line 10 + line 11			118,296
13	Total Rate Base	line 5 + line 12			2,923,127
14	Total Operating Revenues	Form 23A, P 9, Total	1,575,052	27,659	1,602,711
15	Less: Illinois Universal Service Fund	Page 3, Line 4	264,360	-	264,360
16	Net Operating Revenues	line 14 - line 15	1,310,692	27,659	1,338,351
17	Total Operating Expenses	Form 23A, P 11, Total	1,294,842	(9,718)	1,285,124
18	Other Operating Inc and Exp - Net	Form 23A, P 12, 7100	-	-	-
19	Other Operating Taxes	Form 23A, P 12, 7240	18,761	(128)	18,633
20	Net Op Inc before Income Taxes	line 16 - lines 17, 18, & 19	(2,911)	37,505	34,594
21	Income Tax Expense	line 34			519
22	Net Operating Income	line 20 - line 21			34,075
23	Return on Rate Base	line 22 / line 13			1.17%
24	After-tax Cost of Capital				9.34%
25	Target Net Operating Income	line 24 * line 13			273,020
26	Adj to Achieve Target Return on RB	line 25 - line 22			238,945
27	Gross Revenue Conversion Factor	line 35			1.0152
28	ROR Funding Deficiency Including Inc Taxes	line 26 * line 27			242,584
29	Calculation of Income Tax Expense				
30	Net Op Inc before Inc Taxes	line 20			34,594
31	Illinois Inc & Rep Tax Expense	line 30 * 1.5%			519
32	Net Op Inc before Fed Inc Tax	line 30 - line 31			34,075
33	Federal Income Tax Expense	line 32 * 0%			-
34	Total Imputed Income Tax Expense	line 31 + line 33			519
35	Gross Revenue Conversion Factor	1 / ((1 - .015) * (1 - .0))			1.0152