

McDonough Telephone Cooperative, Inc.
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement

Line #	Description	<u>Compan</u> <u>Amount</u>	<u>Staf</u> <u>Adjustment</u>	<u>Staff Adjusted</u> <u>Amount</u>	
(a)	(b)	(c)	(d)	(e)	
1	Net Regulated Plant	\$ 13,025,996		\$ 13,025,996	
2	Materials and Supplies Inventory	203,360		203,360	
3	Customer Deposits	9,725	-	9,725	
4	ADIT - Regulated Plant	-	-	-	
5	Rate Base before Working Capital	13,219,631	-	13,219,631	line 1 + line 2 - line 3 - line 4
6	Working Capital Requirement				
7	Total Operating Expenses	3,592,927		3,592,927	
8	Less: Depreciation Expense	1,236,397	-	1,236,397	
9	Total WC Operating Expense	2,356,530	-	2,356,530	line 7 - line 8
10	WC OE Requirement	294,566	-	294,566	line 9 * 45 / 360
11	Commission-Ordered Cash Balance Requir	-	-	-	
12	Total Working Capital Requirement	294,566	-	294,566	line 10 + line 11
13	Total Rate Base	13,514,197	-	13,514,197	line 5 + line 12
14	Total Operating Revenues	4,414,627	57,756	4,472,383	
15	Less: Illinois High Cost Fund	69,156	-	69,156	
16	Net Operating Revenues	4,345,471	57,756	4,403,227	line 14 - line 15
17	Total Operating Expenses	3,592,927	-	3,592,927	
18	Other Operating Inc and Exp - Net	-	-	-	
19	Other Operating Taxes	21,377	-	21,377	
20	Net Op Inc before Income Taxes	731,167	57,756	788,923	line 16 - lines 17, 18, & 19
21	Income Tax Expense	-	-	-	line 34
22	Net Operating Income	731,167	57,756	788,923	line 20 - line 21
23	Return on Rate Base	5.41%		5.84%	line 22 / line 13
24	After-tax Cost of Capital	12.60%	12.60%	12.60%	
25	Target Net Operating Income	1,702,789	-	1,702,789	line 24 * line 13
26	Adj to Achieve Target Return on RB	971,622	(57,756)	913,866	line 25 - line 22
27	Gross Revenue Conversion Factor	1.0000	1.0000	1.0000	line 35
28	Staff ROR Deficiency	971,622	(57,756)	913,866	line 26 * line 27
29	Calculation of Income Tax Expense				
30	Net Op Inc before Inc Taxes	731,167	57,756	788,923	line 20
31	Illinois Inc & Rep Tax Expense	-	-	-	line 30 * 7.18%
32	Net Op Inc before Fed Inc Tax	731,167	57,756	788,923	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	1.0000	1.0000	1.0000	1 / ((1 - .0718) * (1 - .34))

McDonough Telephone Cooperative, Inc.
Illinois Universal Service Funding Calculation
Staff Calculated Funding Requirement

<u>Line #</u>	<u>Description</u>	
(a)	(b)	(c)
	Funding Difference-FTHCF Support	
1	2001 Annualized FTHCF Support	\$ 766,758
2	2000 Total FTHCF Support	<u>609,897</u>
3	Funding Difference	156,861
4	Reverse Company Adjustment	<u>(99,105)</u>
5	Adjustment	<u>\$ 57,756</u>

Sources:

Lines 1 and 2 -- ICC Staff Exhibit 7.0, Schedule 7.20, Page 1 of 2

Line 4 -- McConough Telephone Cooperative, Inc., Exhibit 1.0, Schedule 1.02

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

<u>Line #</u>	<u>Description</u>	<u>Compan</u> <u>Amount</u>	<u>Staf</u> <u>Adjustment</u>	<u>Staff Adjusted</u> <u>Amount</u>	
(a)	(b)	(c)	(d)	(e)	
1	Net Regulated Plant	\$ 984,834		\$ 984,834	
2	Materials and Supplies Inventory	10,354		10,354	
3	Customer Deposits	2,825		2,825	
4	ADIT - Regulated Plant	<u>135,603</u>	-	<u>135,603</u>	
5	Rate Base before Working Capital	856,760	-	856,760	line 1 + line 2 - line 3 - line 4
6	Working Capital Requirement				
7	Total Operating Expenses	587,003		587,003	
8	Less: Depreciation Expense	<u>173,960</u>		<u>173,960</u>	
9	Total WC Operating Expense	<u>413,043</u>	-	<u>413,043</u>	line 7 - line 8
10	WC OE Requirement	51,630	-	51,630	line 9 * 45 / 360
11	Commission-Ordered Cash Balance Requir	-	-	-	
12	Total Working Capital Requirement	<u>51,630</u>	-	<u>51,630</u>	line 10 + line 11
13	Total Rate Base	<u>908,390</u>	-	<u>908,390</u>	line 5 + line 12
14	Total Operating Revenues	787,000	(1,068)	785,932	
15	Less: Illinois High Cost Fund	<u>98,586</u>	-	<u>98,586</u>	
16	Net Operating Revenues	688,414	(1,068)	687,346	line 14 - line 15
17	Total Operating Expenses	587,003		587,003	
18	Other Operating Inc and Exp - Net	-	-	-	
19	Other Operating Taxes	<u>5,529</u>	-	<u>5,529</u>	
20	Net Op Inc before Income Taxes	95,882	(1,068)	94,814	line 16 - lines 17, 18, & 19
21	Income Tax Expense	<u>37,143</u>	(414)	<u>36,730</u>	line 34
22	Net Operating Income	<u>58,739</u>	(654)	<u>58,084</u>	line 20 - line 21
23	Return on Rate Base	<u>6.47%</u>		<u>6.39%</u>	line 22 / line 13
24	After-tax Cost of Capital	<u>11.21%</u>	<u>11.21%</u>	<u>11.21%</u>	
25	Target Net Operating Income	<u>101,831</u>	-	<u>101,831</u>	line 24 * line 13
26	Adj to Achieve Target Return on RB	43,092	654	43,747	line 25 - line 22
27	Gross Revenue Conversion Factor	<u>1.6324</u>	<u>1.6324</u>	<u>1.6324</u>	line 35
28	Staff ROR Deficiency	<u>70,343</u>	<u>1,068</u>	<u>71,413</u>	line 26 * line 27
29	Calculation of Income Tax Expense				
30	Net Op Inc before Inc Taxes	95,882	(1,068)	94,814	line 20
31	Illinois Inc & Rep Tax Expense	<u>6,884</u>	(77)	<u>6,808</u>	line 30 * 7.18%
32	Net Op Inc before Fed Inc Tax	88,998	(991)	88,006	line 30 - line 31
33	Federal Income Tax Expense	<u>30,259</u>	(337)	<u>29,922</u>	line 32 * 34.00%
34	Total Imputed Income Tax Expense	<u>37,143</u>	(414)	<u>36,730</u>	line 31 + line 33
35	Gross Revenue Conversion Factor	<u>1.6324</u>	<u>1.6324</u>	<u>1.6324</u>	1 / ((1 - .0718) * (1 - .34))

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

<u>Line #</u>	<u>Description</u>	
(a)	(b)	(c)
	Funding Difference-FTHCF Support	
1	2001 Annualized FTHCF Support	\$ 178,026
2	2000 Total FTHCF Support	<u>173,430</u>
3	Funding Difference	4,596
4	Reverse Company Adjustment	<u>(5,664)</u>
5	Adjustment	<u>\$ (1,068)</u>

Sources:

Lines 1 and 2 -- ICC Staff Exhibit 7.0, Schedule 7.20, Page 1 of 2

Line 4 -- McNabb Telephone Company, Exhibit 1.0, Schedule 1.02

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

<u>Line #</u>	<u>Descriptio</u>	<u>Compan</u>	<u>Staf</u>	<u>Staff Adjusted</u>	
(a)	(b)	<u>Amount</u>	<u>Adjustment</u>	<u>Amount</u>	
		(c)	(d)	(e)	
1	Net Regulated Plant	\$ 6,104,647		\$ 6,104,647	
2	Materials and Supplies Inventory	89,238		89,238	
3	Customer Deposits	24,657	-	24,657	
4	ADIT - Regulated Plant	508,047	-	508,047	
5	Rate Base before Working Capital	5,661,181	-	5,661,181	line 1 + line 2 - line 3 - line 4
6	Working Capital Requirement				
7	Total Operating Expenses	2,597,279	-	2,597,279	
8	Less: Depreciation Expense	761,741	-	761,741	
9	Total WC Operating Expense	1,835,538	-	1,835,538	line 7 - line 8
10	WC OE Requirement	229,442	-	229,442	line 9 * 45 / 360
11	Commission-Ordered Cash Balance Requir	-	-	-	
12	Total Working Capital Requirement	229,442	-	229,442	line 10 + line 11
13	Total Rate Base	5,890,623	-	5,890,623	line 5 + line 12
14	Total Operating Revenues	3,428,024	(16,500)	3,411,524	
15	Less: Illinois High Cost Fund	77,940	-	77,940	
16	Net Operating Revenues	3,350,084	(16,500)	3,333,584	line 14 - line 15
17	Total Operating Expenses	2,597,279	-	2,597,279	
18	Other Operating Inc and Exp - Net	-	-	-	
19	Other Operating Taxes	29,444	-	29,444	
20	Net Op Inc before Income Taxes	723,361	(16,500)	706,861	line 16 - lines 17, 18, & 19
21	Income Tax Expense	280,221	(6,392)	273,830	line 34
22	Net Operating Income	443,140	(10,108)	433,031	line 20 - line 21
23	Return on Rate Base	7.52%		7.35%	line 22 / line 13
24	After-tax Cost of Capital	11.21%	11.21%	11.21%	
25	Target Net Operating Income	660,339	-	660,339	line 24 * line 13
26	Adj to Achieve Target Return on RB	217,199	10,108	227,308	line 25 - line 22
27	Gross Revenue Conversion Factor	1.6324	1.6324	1.6324	line 35
28	Staff ROR Deficiency	354,556	16,500	371,058	line 26 * line 27
29	Calculation of Income Tax Expense				
30	Net Op Inc before Inc Taxes	723,361	(16,500)	706,861	line 20
31	Illinois Inc & Rep Tax Expense	51,937	(1,185)	50,753	line 30 * 7.18%
32	Net Op Inc before Fed Inc Tax	671,424	(15,315)	656,108	line 30 - line 31
33	Federal Income Tax Expense	228,284	(5,207)	223,077	line 32 * 34.00%
34	Total Imputed Income Tax Expense	280,221	(6,392)	273,830	line 31 + line 33
35	Gross Revenue Conversion Factor	1.6324	1.6324	1.6324	1 / ((1 - .0718) * (1 - .34))

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

<u>Line #</u>	<u>Description</u>	
(a)	(b)	(c)
	Funding Difference-FTHCF Support	
1	2001 Annualized FTHCF Support	\$ 393,048
2	2000 Total FTHCF Support	<u>409,548</u>
3	Adjustment	<u>\$ (16,500)</u>

Source: ICC Staff Exhibit 7.0, Schedule 7.20, Page 1 of 2

**Mid Century Telephone Co-operative
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement**

<u>Line #</u>	<u>Description</u>	<u>Compan Amount</u>	<u>Staf Adjustment</u>	<u>Staff Adjusted Amount</u>	
(a)	(b)	(c)	(d)	(e)	
1	Net Regulated Plant	\$ 8,042,626		\$ 8,042,626	
2	Materials and Supplies Inventory	47,768		47,768	
3	Customer Deposits	17,167	-	17,167	
4	ADIT - Regulated Plant	-	-	-	
5	Rate Base before Working Capital	8,073,227	-	8,073,227	line 1 + line 2 - line 3 - line 4
6	Working Capital Requirement				
7	Total Operating Expenses	3,597,936		3,597,936	
8	Less: Depreciation Expense	703,366	-	703,366	
9	Total WC Operating Expense	2,894,570	-	2,894,570	line 7 - line 8
10	WC OE Requirement	361,821	-	361,821	line 9 * 45 / 360
11	Commission-Ordered Cash Balance Requir	-	-	-	
12	Total Working Capital Requirement	361,821	-	361,821	line 10 + line 11
13	Total Rate Base	8,435,048	-	8,435,048	line 5 + line 12
14	Total Operating Revenues	4,322,277	16,332	4,338,609	
15	Less: Illinois High Cost Fund	109,584	-	109,584	
16	Net Operating Revenues	4,212,693	16,332	4,229,025	line 14 - line 15
17	Total Operating Expenses	3,597,936	-	3,597,936	
18	Other Operating Inc and Exp - Net	-	-	-	
19	Other Operating Taxes	14,097	-	14,097	
20	Net Op Inc before Income Taxes	600,660	16,332	616,992	line 16 - lines 17, 18, & 19
21	Income Tax Expense	-	-	-	line 34
22	Net Operating Income	600,660	16,332	616,992	line 20 - line 21
23	Return on Rate Base	7.12%		7.31%	line 22 / line 13
24	After-tax Cost of Capital	12.60%	12.60%	12.60%	
25	Target Net Operating Income	1,062,816	-	1,062,816	line 24 * line 13
26	Adj to Achieve Target Return on RB	462,156	(16,332)	445,824	line 25 - line 22
27	Gross Revenue Conversion Factor	1.0000	1.0000	1.0000	line 35
28	Staff ROR Deficiency	462,156	(16,332)	445,824	line 26 * line 27
29	Calculation of Income Tax Expense				
30	Net Op Inc before Inc Taxes	600,660	16,332	616,992	line 20
31	Illinois Inc & Rep Tax Expense	-	-	-	line 30 * 7.18%
32	Net Op Inc before Fed Inc Tax	600,660	16,332	616,992	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	1.0000	1.0000	1.0000	1 / ((1 - .0718) * (1 - .34))

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

<u>Line #</u>	<u>Description</u>	
(a)	(b)	(c)
	Funding Difference-FTHCF Support	
1	2001 Annualized FTHCF Support	\$ 777,192
2	2000 Total FTHCF Support	<u>664,125</u>
3	Funding Difference	113,067
4	Reverse Company Adjustment	<u>(96,735)</u>
5	Adjustment	<u>\$ 16,332</u>

Sources:

Lines 1 and 2 -- ICC Staff Exhibit 7.0, Schedule 7.20, Page 1 of 2
Line 4 -- Mid Century Telephone Co-operative, Exhibit 1.0, Schedule 1.02

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

Line #	Description	Compan Amount	Staf Adjustment	Staff Adjusted Amount	
(a)	(b)	(c)	(d)	(e)	
1	Net Regulated Plant	\$ 1,873,963		\$ 1,873,963	
2	Materials and Supplies Inventory	73,848		73,848	
3	Customer Deposits	3,880	-	3,880	
4	ADIT - Regulated Plant	<u>266,596</u>	-	<u>266,596</u>	
5	Rate Base before Working Capital	1,677,335	-	1,677,335	line 1 + line 2 - line 3 - line 4
6	Working Capital Requirement				
7	Total Operating Expenses	1,444,446		1,444,446	
8	Less: Depreciation Expense	<u>372,249</u>	<u>(118,110)</u>	<u>254,139</u>	
9	Total WC Operating Expense	<u>1,072,197</u>	<u>118,110</u>	<u>1,190,307</u>	line 7 - line 8
10	WC OE Requirement	134,025	14,764	148,788	line 9 * 45 / 360
11	Commission-Ordered Cash Balance Requirement	-	-	-	
12	Total Working Capital Requirement	<u>134,025</u>	<u>14,764</u>	<u>148,788</u>	line 10 + line 11
13	Total Rate Base	<u>1,811,360</u>	<u>14,764</u>	<u>1,826,123</u>	line 5 + line 12
14	Total Operating Revenues	1,795,100	24,144	1,819,244	
15	Less: Illinois High Cost Fund	<u>315,964</u>	-	<u>315,964</u>	
16	Net Operating Revenues	1,479,136	24,144	1,503,280	line 14 - line 15
17	Total Operating Expenses	1,444,446		1,444,446	
18	Other Operating Inc and Exp - Net	-	-	-	
19	Other Operating Taxes	<u>6,430</u>	-	<u>6,430</u>	
20	Net Op Inc before Income Taxes	28,260	24,144	52,404	line 16 - lines 17, 18, & 19
21	Income Tax Expense	<u>10,948</u>	<u>9,353</u>	<u>20,301</u>	line 34
22	Net Operating Income	<u>17,312</u>	<u>14,791</u>	<u>32,103</u>	line 20 - line 21
23	Return on Rate Base	<u>0.96%</u>		<u>1.76%</u>	line 22 / line 13
24	After-tax Cost of Capital	<u>11.21%</u>	<u>11.21%</u>	<u>11.21%</u>	
25	Target Net Operating Income	<u>203,053</u>	<u>1,655</u>	<u>204,708</u>	line 24 * line 13
26	Adj to Achieve Target Return on RB	185,741	(13,136)	172,605	line 25 - line 22
27	Gross Revenue Conversion Factor	<u>1.6324</u>	<u>1.6324</u>	<u>1.6324</u>	line 35
28	Staff ROR Deficiency	<u>303,204</u>	<u>(21,443)</u>	<u>281,760</u>	line 26 * line 27
29	Calculation of Income Tax Expense				
30	Net Op Inc before Inc Taxes	28,260	24,144	52,404	line 20
31	Illinois Inc & Rep Tax Expense	<u>2,029</u>	<u>1,734</u>	<u>3,763</u>	line 30 * 7.18%
32	Net Op Inc before Fed Inc Tax	26,231	22,410	48,641	line 30 - line 31
33	Federal Income Tax Expense	<u>8,919</u>	<u>7,619</u>	<u>16,538</u>	line 32 * 34.00%
34	Total Imputed Income Tax Expense	<u>10,948</u>	<u>9,353</u>	<u>20,301</u>	line 31 + line 33
35	Gross Revenue Conversion Factor	<u>1.6324</u>	<u>1.6324</u>	<u>1.6324</u>	1 / ((1 - .0718) * (1 - .34))

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

<u>Line #</u>	<u>Description</u>	
(a)	(b)	(c)
	Funding Difference-FTHCF Support	
1	2001 Annualized FTHCF Support	\$ 175,704
2	2000 Total FTHCF Support	<u>164,550</u>
3	Funding Difference	11,154
4	Reverse Company Adjustment	<u>12,990</u>
5	Adjustment	<u>\$ 24,144</u>

Sources:

Lines 1 and 2 -- ICC Staff Exhibit 7.0, Schedule 7.20, Page 1 of 2
 Line 4 -- Montrose Telephone Company, Exhibit 1.0, Schedule 1.02

	Working Capital Adjustment	
1	Depreciation for Working Capital per Staff	\$254,139
2	Depreciation for Working Capital per Company	<u>372,249</u>
	Adjustment	<u>(\$118,110)</u>

Source: Response to Staff Data Request SDR-Montrose-003

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

Line#	Description	Compan Amount	Staf Adjustment	Staff Adjusted Amount	
(a)	(b)	(c)	(d)	(e)	
1	Net Regulated Plant	\$ 465,723		\$ 465,723	
2	Materials and Supplies Inventory	59,992		59,992	
3	Customer Deposits	-	-	-	
4	ADIT - Regulated Plant	<u>(84,339)</u>	-	<u>(84,339)</u>	
5	Rate Base before Working Capital	610,054	-	610,054	line 1 + line 2 - line 3 - line 4
6	Working Capital Requirement				
7	Total Operating Expenses	1,731,452	(233,290)	1,498,162	
8	Less: Depreciation Expense	<u>175,221</u>		<u>175,221</u>	
9	Total WC Operating Expense	<u>1,556,231</u>	<u>(233,290)</u>	<u>1,322,941</u>	line 7 - line 8
10	WC OE Requirement	194,529	(29,161)	165,368	line 9 * 45 / 360
11	Commission-Ordered Cash Balance Requir	-	-	-	
12	Total Working Capital Requirement	<u>194,529</u>	<u>(29,161)</u>	<u>165,368</u>	line 10 + line 11
13	Total Rate Base	<u>804,583</u>	<u>(29,161)</u>	<u>775,422</u>	line 5 + line 12
14	Total Operating Revenues	1,665,901	(115,116)	1,550,785	
15	Less: Illinois High Cost Fund	<u>513,300</u>	-	<u>513,300</u>	
16	Net Operating Revenues	1,152,601	(115,116)	1,037,485	line 14 - line 15
17	Total Operating Expenses	1,731,452	(233,290)	1,498,162	
18	Other Operating Inc and Exp - Net	-	-	-	
19	Other Operating Taxes	<u>1,570</u>	-	<u>1,570</u>	
20	Net Op Inc before Income Taxes	(580,421)	118,174	(462,247)	line 16 - lines 17, 18, & 19
21	Income Tax Expense	<u>(224,848)</u>	<u>45,779</u>	<u>(179,069)</u>	line 34
22	Net Operating Income	<u>(355,573)</u>	<u>72,395</u>	<u>(283,178)</u>	line 20 - line 21
23	Return on Rate Base	<u>-44.19%</u>		<u>-36.52%</u>	line 22 / line 13
24	After-tax Cost of Capital	<u>11.21%</u>	<u>11.21%</u>	<u>11.21%</u>	
25	Target Net Operating Income	<u>90,194</u>	<u>(3,269)</u>	<u>86,925</u>	line 24 * line 13
26	Adj to Achieve Target Return on RB	445,767	(75,664)	370,103	line 25 - line 22
27	Gross Revenue Conversion Factor	<u>1.6324</u>	<u>1.6324</u>	<u>1.6324</u>	line 35
28	Staff ROR Deficiency	<u>727,670</u>	<u>(123,514)</u>	<u>604,156</u>	line 26 * line 27
29	Calculation of Income Tax Expense				
30	Net Op Inc before Inc Taxes	(580,421)	118,174	(462,247)	line 20
31	Illinois Inc & Rep Tax Expense	<u>(41,674)</u>	<u>8,485</u>	<u>(33,189)</u>	line 30 * 7.18%
32	Net Op Inc before Fed Inc Tax	(538,747)	109,689	(429,058)	line 30 - line 31
33	Federal Income Tax Expense	<u>(183,174)</u>	<u>37,294</u>	<u>(145,880)</u>	line 32 * 34.00%
34	Total Imputed Income Tax Expense	<u>(224,848)</u>	<u>45,779</u>	<u>(179,069)</u>	line 31 + line 33
35	Gross Revenue Conversion Factor	<u>1.6324</u>	<u>1.6324</u>	<u>1.6324</u>	1 / ((1 - .0718) * (1 - .34))

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

<u>Line #</u>	<u>Description</u>	
(a)	(b)	(c)
	Funding Difference-FTHCF Support	
1	2001 Annualized FTHCF Support	\$ 753,954
2	2000 Total FTHCF Support	869,070
3	Adjustment	<u>\$ (115,116)</u>

Source: ICC Staff Exhibit 7.0, Schedule 7.20, Page 1 of 2

	Affiliated Lease Adjustment	
1	Reduction in Affiliated Lease per Staff	\$ (233,290)
2	Reduction in Affiliated Lease per Company	<u>-</u>
3	O & M Adjustment	<u>\$ (233,290)</u>

Source: Moultrie Independent Telephone Company Exhibit 1.0, Schedule 1.01, Line 14

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

<u>Line #</u>	<u>Description</u>	<u>Company Amount</u>	<u>Staff Adjustment</u>	<u>Staff Adjusted Amount</u>	
(a)	(b)	(c)	(d)	(e)	
1	Net Regulated Plant	\$ 1,448,549	\$ -	\$ 1,448,549	
2	Materials and Supplies Inventory	11,359	-	11,359	
3	Customer Deposits	7,446	-	7,446	
4	ADIT - Regulated Plant	<u>168,699</u>	-	<u>168,699</u>	
5	Rate Base before Working Capital	1,283,763	-	1,283,763	line 1 + line 2 - line 3 - line 4
6	Working Capital Requirement				
7	Total Operating Expenses	436,531	-	436,531	
8	Less: Depreciation Expense	<u>124,476</u>	-	<u>124,476</u>	
9	Total WC Operating Expense	<u>312,055</u>	-	<u>312,055</u>	line 7 - line 8
10	WC OE Requirement	39,007	-	39,007	line 9 * 45 / 360
11	Commission-Ordered Cash Balance Requirement	-	-	-	
12	Total Working Capital Requirement	<u>39,007</u>	-	<u>39,007</u>	line 10 + line 11
13	Total Rate Base	<u>1,322,770</u>	-	<u>1,322,770</u>	line 5 + line 12
14	Total Operating Revenues	562,928	9,222	572,150	
15	Less: Illinois High Cost Fund	<u>12,048</u>	-	<u>12,048</u>	
16	Net Operating Revenues	550,880	9,222	560,102	line 14 - line 15
17	Total Operating Expenses	436,531	-	436,531	
18	Other Operating Inc and Exp - Net	-	-	-	
19	Other Operating Taxes	<u>1,845</u>	-	<u>1,845</u>	
20	Net Op Inc before Income Taxes	112,504	9,222	121,726	line 16 - lines 17, 1
21	Income Tax Expense	<u>43,583</u>	<u>3,572</u>	<u>47,155</u>	line 34
22	Net Operating Income	<u>68,921</u>	<u>5,650</u>	<u>74,571</u>	line 20 - line 21
23	Return on Rate Base	<u>5.21%</u>		<u>5.64%</u>	line 22 / line 13
24	After-tax Cost of Capital	<u>11.21%</u>	<u>11.21%</u>	<u>11.21%</u>	
25	Target Net Operating Income	<u>148,283</u>	-	<u>148,283</u>	line 24 * line 13
26	Adj to Achieve Target Return on RB	79,362	(5,650)	73,712	line 25 - line 22
27	Gross Revenue Conversion Factor	<u>1.6324</u>	<u>1.6324</u>	<u>1.6324</u>	line 35
28	Staff ROR Deficiency	<u>129,551</u>	<u>(9,223)</u>	<u>120,327</u>	line 26 * line 27
29	Calculation of Income Tax Expense				
30	Net Op Inc before Inc Taxes	112,504	9,222	121,726	line 20
31	Illinois Inc & Rep Tax Expense	<u>8,078</u>	<u>662</u>	<u>8,740</u>	line 30 * 7.18%
32	Net Op Inc before Fed Inc Tax	104,426	8,560	112,986	line 30 - line 31
33	Federal Income Tax Expense	<u>35,505</u>	<u>2,910</u>	<u>38,415</u>	line 32 * 34.00%
34	Total Imputed Income Tax Expense	<u>43,583</u>	<u>3,572</u>	<u>47,155</u>	line 31 + line 33
35	Gross Revenue Conversion Factor	<u>1.6324</u>	<u>1.6324</u>	<u>1.6324</u>	1 / ((1 - .0718) * (1

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

<u>Line #</u> (a)	<u>Description</u> (b)	(c)
	Funding Difference-FTHCF Support	
1	2001 Annualized FTHCF Support	\$ 94,806
2	2000 Total FTHCF Support	<u>85,584</u>
3	Adjustment	<u>\$ 9,222</u>

Source: ICC Staff Exhibit 7.0, Schedule 7.20, Page 1 of 2

Odin Telephone Exchange, Inc.
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement

Line #	Description	Adjusted Amount	Adjustment	Adjusted Amount	
(a)	(b)	(c)	(d)	(e)	
1	Net Regulated Plant	\$ 1,421,077		\$ 1,421,077	
2	Materials and Supplies Inventory	11,089		11,089	
3	Customer Deposits	10,700	-	10,700	
4	ADIT - Regulated Plant	<u>181,343</u>	-	<u>181,343</u>	
5	Rate Base before Working Capital	1,240,123	-	1,240,123	line 1 + line 2 - line 3 - line 4
6	Working Capital Requirement				
7	Total Operating Expenses	1,487,787		1,487,787	
8	Less: Depreciation Expense	<u>191,949</u>		<u>191,949</u>	
9	Total WC Operating Expense	<u>1,295,838</u>	-	<u>1,295,838</u>	line 7 - line 8
10	WC OE Requirement	161,980	-	161,980	line 9 * 45 / 360
11	Commission-Ordered Cash Balance Requir	-	-	-	
12	Total Working Capital Requirement	<u>161,980</u>	-	<u>161,980</u>	line 10 + line 11
13	Total Rate Base	<u>1,402,103</u>	-	<u>1,402,103</u>	line 5 + line 12
14	Total Operating Revenues	2,051,091	(552)	2,050,539	
15	Less: Illinois High Cost Fund	<u>350,985</u>	-	<u>350,985</u>	
16	Net Operating Revenues	1,700,106	(552)	1,699,554	line 14 - line 15
17	Total Operating Expenses	1,487,787		1,487,787	
18	Other Operating Inc and Exp - Net	-	-	-	
19	Other Operating Taxes	<u>6,848</u>	-	<u>6,848</u>	
20	Net Op Inc before Income Taxes	205,471	(552)	204,919	line 16 - lines 17, 18, & 19
21	Income Tax Expense	<u>79,597</u>	(214)	<u>79,383</u>	line 34
22	Net Operating Income	<u>125,874</u>	(338)	<u>125,536</u>	line 20 - line 21
23	Return on Rate Base	<u>8.98%</u>		<u>8.95%</u>	line 22 / line 13
24	After-tax Cost of Capital	<u>11.21%</u>	<u>11.21%</u>	<u>11.21%</u>	
25	Target Net Operating Income	<u>157,176</u>	-	<u>157,176</u>	line 24 * line 13
26	Adj to Achieve Target Return on RB	31,302	338	31,640	line 25 - line 22
27	Gross Revenue Conversion Factor	<u>1.6324</u>	<u>1.6324</u>	<u>1.6324</u>	line 35
28	Staff ROR Deficiency	<u>51,097</u>	<u>552</u>	<u>51,649</u>	line 26 * line 27
29	Calculation of Income Tax Expense				
30	Net Op Inc before Inc Taxes	205,471	(552)	204,919	line 20
31	Illinois Inc & Rep Tax Expense	<u>14,753</u>	(40)	<u>14,713</u>	line 30 * 7.18%
32	Net Op Inc before Fed Inc Tax	190,718	(512)	190,206	line 30 - line 31
33	Federal Income Tax Expense	<u>64,844</u>	(174)	<u>64,670</u>	line 32 * 34.00%
34	Total Imputed Income Tax Expense	<u>79,597</u>	(214)	<u>79,383</u>	line 31 + line 33
35	Gross Revenue Conversion Factor	<u>1.6324</u>	<u>1.6324</u>	<u>1.6324</u>	1 / ((1 - .0718) * (1 - .34))

Odin Telephone Exchange, Inc.
Illinois Universal Service Funding Calculation
Staff Calculated Funding Requirement

<u>Line #</u>	<u>Description</u>	
(a)	(b)	(c)
	Funding Difference-FTHCF Support	
1	2001 Annualized FTHCF Support	\$ 673,194
2	2000 Total FTHCF Support	<u>717,918</u>
3	Funding Difference	(44,724)
4	Reverse Company Adjustment	<u>44,172</u>
5	Adjustment	<u>\$ (552)</u>

Sources:

Lines 1 and 2 -- ICC Staff Exhibit 7.0, Schedule 7.20, Page 1 of 2
Line 4 -- Odin Telephone Exchange, Inc. , Exhibit 1.0, Schedule 1.02

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

<u>Line #</u>	<u>Description</u>	<u>Compan</u> <u>Amount</u>	<u>Staf</u> <u>Adjustment</u>	<u>Staff Adjusted</u> <u>Amount</u>	
(a)	(b)	(c)	(d)	(e)	
1	Net Regulated Plant	\$ 1,091,306		\$ 1,091,306	
2	Materials and Supplies Inventory	20,111		20,111	
3	Customer Deposits	8,652		8,652	
4	ADIT - Regulated Plant	-	-	-	
5	Rate Base before Working Capital	1,102,765	-	1,102,765	line 1 + line 2 - line 3 - line 4
6	Working Capital Requirement				
7	Total Operating Expenses	500,019		500,019	
8	Less: Depreciation Expense	143,905		143,905	
9	Total WC Operating Expense	356,114	-	356,114	line 7 - line 8
10	WC OE Requirement	44,514	-	44,514	line 9 * 45 / 360
11	Commission-Ordered Cash Balance Requir	-	-	-	
12	Total Working Capital Requirement	44,514	-	44,514	line 10 + line 11
13	Total Rate Base	1,147,279	-	1,147,279	line 5 + line 12
14	Total Operating Revenues	580,617	43,320	623,937	
15	Less: Illinois High Cost Fund	104,885	-	104,885	
16	Net Operating Revenues	475,732	43,320	519,052	line 14 - line 15
17	Total Operating Expenses	500,019		500,019	
18	Other Operating Inc and Exp - Net	-	-	-	
19	Other Operating Taxes	4,596	-	4,596	
20	Net Op Inc before Income Taxes	(28,883)	43,320	14,437	line 16 - lines 17, 18, & 19
21	Income Tax Expense	-	-	-	line 34
22	Net Operating Income	(28,883)	43,320	14,437	line 20 - line 21
23	Return on Rate Base	-2.52%		1.26%	line 22 / line 13
24	After-tax Cost of Capital	12.60%	12.60%	12.60%	
25	Target Net Operating Income	144,557	-	144,557	line 24 * line 13
26	Adj to Achieve Target Return on RB	173,440	(43,320)	130,120	line 25 - line 22
27	Gross Revenue Conversion Factor	1.0000	1.0000	1.0000	line 35
28	Staff ROR Deficiency	173,440	(43,320)	130,120	line 26 * line 27
29	Calculation of Income Tax Expense				
30	Net Op Inc before Inc Taxes	(28,883)	43,320	14,437	line 20
31	Illinois Inc & Rep Tax Expense	-	-	-	line 30 * 7.18%
32	Net Op Inc before Fed Inc Tax	(28,883)	43,320	14,437	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	1.0000	1.0000	1.0000	1 / ((1 - .0718) * (1 - .34))

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

<u>Line #</u>	<u>Description</u>	
(a)	(b)	(c)
	Funding Difference-FTHCF Support	
1	2001 Annualized FTHCF Support	\$ 128,028
2	2000 Total FTHCF Support	<u>84,708</u>
3	Adjustment	<u>\$ 43,320</u>

Source: ICC Staff Exhibit 7.0, Schedule 7.20, Page 1 of 2

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

<u>Line #</u>	<u>Description</u>	<u>Compan</u> <u>Amount</u>	<u>Staf</u> <u>Adjustment</u>	<u>Staff Adjusted</u> <u>Amount</u>	
(a)	(b)	(c)	(d)	(e)	
1	Net Regulated Plant	\$ 1,198,988		\$ 1,198,988	
2	Materials and Supplies Inventory	58,384		58,384	
3	Customer Deposits	7,503	-	7,503	
4	ADIT - Regulated Plant	<u>63,399</u>		<u>63,399</u>	
5	Rate Base before Working Capital	1,186,470	-	1,186,470	line 1 + line 2 - line 3 - line 4
6	Working Capital Requirement				
7	Total Operating Expenses	390,103	-	390,103	
8	Less: Depreciation Expense	<u>123,739</u>		<u>123,739</u>	
9	Total WC Operating Expense	<u>266,364</u>	-	<u>266,364</u>	line 7 - line 8
10	WC OE Requirement	33,296	-	33,296	line 9 * 45 / 360
11	Commission-Ordered Cash Balance Requir	-	-	-	
12	Total Working Capital Requirement	<u>33,296</u>	-	<u>33,296</u>	line 10 + line 11
13	Total Rate Base	<u>1,219,766</u>	-	<u>1,219,766</u>	line 5 + line 12
14	Total Operating Revenues	593,540	15,750	609,290	
15	Less: Illinois High Cost Fund	<u>10,452</u>	-	<u>10,452</u>	
16	Net Operating Revenues	583,088	15,750	598,838	line 14 - line 15
17	Total Operating Expenses	390,103	-	390,103	
18	Other Operating Inc and Exp - Net	-	-	-	
19	Other Operating Taxes	<u>2,042</u>	-	<u>2,042</u>	
20	Net Op Inc before Income Taxes	190,943	15,750	206,693	line 16 - lines 17, 18, & 19
21	Income Tax Expense	<u>73,969</u>	<u>6,101</u>	<u>80,071</u>	line 34
22	Net Operating Income	<u>116,974</u>	<u>9,649</u>	<u>126,622</u>	line 20 - line 21
23	Staff ROR Deficiency	<u>9.59%</u>		<u>10.38%</u>	line 22 / line 13
24	After-tax Cost of Capital	<u>11.21%</u>	<u>11.21%</u>	<u>11.21%</u>	
25	Target Net Operating Income	<u>136,736</u>	-	<u>136,736</u>	line 24 * line 13
26	Adj to Achieve Target Return on RB	19,762	(9,649)	10,114	line 25 - line 22
27	Gross Revenue Conversion Factor	<u>1.6324</u>	<u>1.6324</u>	<u>1.6324</u>	line 35
28	ROR Funding Deficiency Including Inc Taxes	<u>32,259</u>	<u>(15,751)</u>	<u>16,510</u>	line 26 * line 27
29	Calculation of Income Tax Expense				
30	Net Op Inc before Inc Taxes	190,943	15,750	206,693	line 20
31	Illinois Inc & Rep Tax Expense	<u>13,710</u>	<u>1,131</u>	<u>14,841</u>	line 30 * 7.18%
32	Net Op Inc before Fed Inc Tax	177,233	14,619	191,852	line 30 - line 31
33	Federal Income Tax Expense	<u>60,259</u>	<u>4,970</u>	<u>65,230</u>	line 32 * 34.00%
34	Total Imputed Income Tax Expense	<u>73,969</u>	<u>6,101</u>	<u>80,071</u>	line 31 + line 33
35	Gross Revenue Conversion Factor	<u>1.6324</u>	<u>1.6324</u>	<u>1.6324</u>	1 / ((1 - .0718) * (1 - .34))

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

<u>Line #</u>	<u>Description</u>	
(a)	(b)	(c)
	Funding Difference-FTHCF Support	
1	2001 Annualized FTHCF Support	\$ 98,838
2	2000 Total FTHCF Support	<u>83,088</u>
3	Adjustment	<u>\$ 15,750</u>

Source: ICC Staff Exhibit 7.0, Schedule 7.20, Page 1 of 2

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

Line #	Description	<u>Compan</u> <u>Amount</u>	<u>Staf</u> <u>Adjustment</u>	<u>Staff Adjusted</u> <u>Amount</u>	
(a)	(b)	(c)	(d)	(e)	
1	Net Regulated Plant	\$ 6,125,515		\$ 6,125,515	
2	Materials and Supplies Inventory	252,594		252,594	
3	Customer Deposits	54,758	-	54,758	
4	ADIT - Regulated Plant	<u>479,669</u>	<u>-</u>	<u>479,669</u>	
5	Rate Base before Working Capital	5,843,682	-	5,843,682	line 1 + line 2 - line 3 - line 4
6	Working Capital Requirement				
7	Total Operating Expenses	3,955,534	-	3,955,534	
8	Less: Depreciation Expense	<u>1,027,052</u>		<u>1,027,052</u>	
9	Total WC Operating Expense	<u>2,928,482</u>	<u>-</u>	<u>2,928,482</u>	line 7 - line 8
10	WC OE Requirement	366,060	-	366,060	line 9 * 45 / 360
11	Commission-Ordered Cash Balance Requir	<u>-</u>	<u>-</u>	<u>-</u>	
12	Total Working Capital Requirement	<u>366,060</u>	<u>-</u>	<u>366,060</u>	line 10 + line 11
13	Total Rate Base	<u>6,209,742</u>	<u>-</u>	<u>6,209,742</u>	line 5 + line 12
14	Total Operating Revenues	4,671,655	299,964	4,971,619	
15	Less: Illinois High Cost Fund	<u>678,480</u>		<u>678,480</u>	
16	Net Operating Revenues	3,993,175	299,964	4,293,139	line 14 - line 15
17	Total Operating Expenses	3,955,534	-	3,955,534	
18	Other Operating Inc and Exp - Net	-	-	-	
19	Other Operating Taxes	<u>58,497</u>	<u>-</u>	<u>58,497</u>	
20	Net Op Inc before Income Taxes	(20,856)	299,964	279,108	line 16 - lines 17, 18, & 19
21	Income Tax Expense	<u>(8,079)</u>	<u>116,202</u>	<u>108,123</u>	line 34
22	Net Operating Income	<u>(12,777)</u>	<u>183,762</u>	<u>170,985</u>	line 20 - line 21
23	Return on Rate Base	<u>-0.21%</u>		<u>2.75%</u>	line 22 / line 13
24	After-tax Cost of Capital	<u>11.21%</u>	<u>11.21%</u>	<u>11.21%</u>	
25	Target Net Operating Income	<u>696,112</u>	<u>-</u>	<u>696,112</u>	line 24 * line 13
26	Adj to Achieve Target Return on RB	708,889	(183,762)	525,127	line 25 - line 22
27	Gross Revenue Conversion Factor	<u>1.6324</u>	<u>1.6324</u>	<u>1.6324</u>	line 35
28	Staff ROR Deficiency	<u>1,157,190</u>	<u>(299,973)</u>	<u>857,217</u>	line 26 * line 27
29	Calculation of Income Tax Expense				
30	Net Op Inc before Inc Taxes	(20,856)	299,964	279,108	line 20
31	Illinois Inc & Rep Tax Expense	<u>(1,497)</u>	<u>21,537</u>	<u>20,040</u>	line 30 * 7.18%
32	Net Op Inc before Fed Inc Tax	(19,359)	278,427	259,068	line 30 - line 31
33	Federal Income Tax Expense	<u>(6,582)</u>	<u>94,665</u>	<u>88,083</u>	line 32 * 34.00%
34	Total Imputed Income Tax Expense	<u>(8,079)</u>	<u>116,202</u>	<u>108,123</u>	line 31 + line 33
35	Gross Revenue Conversion Factor	<u>1.6324</u>	<u>1.6324</u>	<u>1.6324</u>	1 / ((1 - .0718) * (1 - .34))

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

<u>Line #</u>	<u>Description</u>	
(a)	(b)	(c)
	Funding Difference-FTHCF Support	
1	2001 Annualized FTHCF Support	\$ 995,844
2	2000 Total FTHCF Support	<u>695,880</u>
3	Adjustment	<u>\$ 299,964</u>

Source: ICC Staff Exhibit 7.0, Schedule 7.20, Page 1 of 2

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

Line #	Description	<u>Company</u> Amount	<u>Staff</u> Adjustment	<u>Staff Adjusted</u> Amount	
(a)	(b)	(c)	(d)	(e)	
1	Net Regulated Plant	\$ 960,244		\$ 960,244	
2	Materials and Supplies Inventory	1,634		1,634	
3	Customer Deposits	379	-	379	
4	ADIT - Regulated Plant	197,405	-	197,405	
5	Rate Base before Working Capital	764,094	-	764,094	line 1 + line 2 - line 3 - line 4
6	Working Capital Requirement				
7	Total Operating Expenses	408,296	-	408,296	
8	Less: Depreciation Expense	133,612	-	133,612	
9	Total WC Operating Expense	274,684	-	274,684	line 7 - line 8
10	WC OE Requirement	34,336	-	34,336	line 9 * 45 / 360
11	Commission-Ordered Cash Balance Requir	-	-	-	
12	Total Working Capital Requirement	34,336	-	34,336	line 10 + line 11
13	Total Rate Base	798,430	-	798,430	line 5 + line 12
14	Total Operating Revenues	522,619	(3,390)	519,229	
15	Less: Illinois High Cost Fund	20,004	-	20,004	
16	Net Operating Revenues	502,615	(3,390)	499,225	line 14 - line 15
17	Total Operating Expenses	408,296	-	408,296	
18	Other Operating Inc and Exp - Net	-	-	-	
19	Other Operating Taxes	3,251	-	3,251	
20	Net Op Inc before Income Taxes	91,068	(3,390)	87,678	line 16 - lines 17, 18, & 19
21	Income Tax Expense	35,279	(1,313)	33,965	line 34
22	Net Operating Income	55,789	(2,077)	53,713	line 20 - line 21
23	Return on Rate Base	6.99%		6.73%	line 22 / line 13
24	After-tax Cost of Capital	11.21%	11.21%	11.21%	
25	Target Net Operating Income	89,504	-	89,504	line 24 * line 13
26	Adj to Achieve Target Return on RB	33,715	2,077	35,791	line 25 - line 22
27	Gross Revenue Conversion Factor	1.6324	1.6324	1.6324	line 35
28	Staff ROR Deficiency	55,036	3,390	58,425	line 26 * line 27
29	Calculation of Income Tax Expense				
30	Net Op Inc before Inc Taxes	91,068	(3,390)	87,678	line 20
31	Illinois Inc & Rep Tax Expense	6,539	(243)	6,295	line 30 * 7.18%
32	Net Op Inc before Fed Inc Tax	84,529	(3,147)	81,383	line 30 - line 31
33	Federal Income Tax Expense	28,740	(1,070)	27,670	line 32 * 34.00%
34	Total Imputed Income Tax Expense	35,279	(1,313)	33,965	line 31 + line 33
35	Gross Revenue Conversion Factor	1.6324	1.6324	1.6324	1 / ((1 - .0718) * (1 - .34))

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

<u>Line #</u>	<u>Description</u>	
(a)	(b)	(c)
	Funding Difference-FTHCF Support	
1	2001 Annualized FTHCF Support	\$ 80,124
2	2000 Total FTHCF Support	<u>74,058</u>
3	Funding Difference	6,066
4	Reverse Company Adjustment	<u>(9,456)</u>
5	Adjustment	<u>\$ (3,390)</u>

Sources:

Lines 1 and 2 -- ICC Staff Exhibit 7.0, Schedule 7.20, Page 1 of 2
Line 4 -- Tonica Telephone Company, Exhibit 1, Schedule 1.01, line 14

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

<u>Line #</u>	<u>Description</u>	<u>Compan</u> <u>Amount</u>	<u>Staf</u> <u>Adjustment</u>	<u>Staff Adjusted</u> <u>Amount</u>	
(a)	(b)	(e)	(d)	(e)	
1	Net Regulated Plant	\$ 1,373,611		\$ 1,373,611	
2	Materials and Supplies Inventory	24,003		24,003	
3	Customer Deposits	4,604	-	4,604	
4	ADIT - Regulated Plant	<u>94,034</u>		<u>94,034</u>	
5	Rate Base before Working Capital	1,298,976	-	1,298,976	line 1 + line 2 - line 3 - line 4
6	Working Capital Requirement				
7	Total Operating Expenses	525,170		525,170	
8	Less: Depreciation Expense	<u>136,637</u>	-	<u>136,637</u>	
9	Total WC Operating Expense	<u>388,533</u>	-	<u>388,533</u>	line 7 - line 8
10	WC OE Requirement	48,567	-	48,567	line 9 * 45 / 360
11	Commission-Ordered Cash Balance Requirement	-	-	-	
12	Total Working Capital Requirement	<u>48,567</u>	-	<u>48,567</u>	line 10 + line 11
13	Total Rate Base	<u>1,347,543</u>	-	<u>1,347,543</u>	line 5 + line 12
14	Total Operating Revenues	670,798	12,108	682,906	
15	Less: Illinois High Cost Fund	<u>12,000</u>	-	<u>12,000</u>	
16	Net Operating Revenues	658,798	12,108	670,906	line 14 - line 15
17	Total Operating Expenses	525,170	-	525,170	
18	Other Operating Inc and Exp - Net	-	-	-	
19	Other Operating Taxes	<u>2,776</u>	-	<u>2,776</u>	
20	Net Op Inc before Income Taxes	130,852	12,108	142,960	line 16 - lines 17, 18, & 19
21	Income Tax Expense	<u>50,690</u>	<u>4,690</u>	<u>55,381</u>	line 34
22	Net Operating Income	<u>80,162</u>	<u>7,418</u>	<u>87,579</u>	line 20 - line 21
23	Return on Rate Base	<u>5.95%</u>		<u>6.50%</u>	line 22 / line 13
24	After-tax Cost of Capital	<u>11.21%</u>	<u>11.21%</u>	<u>11.21%</u>	
25	Target Net Operating Income	<u>151,060</u>	-	<u>151,060</u>	line 24 * line 13
26	Adj to Achieve Target Return on RB	70,898	(7,418)	63,481	line 25 - line 22
27	Gross Revenue Conversion Factor	<u>1.6324</u>	<u>1.6324</u>	<u>1.6324</u>	line 35
28	Staff ROR Deficiency	<u>115,734</u>	<u>(12,109)</u>	<u>103,626</u>	line 26 * line 27
29	Calculation of Income Tax Expense				
30	Net Op Inc before Inc Taxes	130,852	12,108	142,960	line 20
31	Illinois Inc & Rep Tax Expense	<u>9,395</u>	<u>869</u>	<u>10,265</u>	line 30 * 7.18%
32	Net Op Inc before Fed Inc Tax	121,457	11,239	132,695	line 30 - line 31
33	Federal Income Tax Expense	<u>41,295</u>	<u>3,821</u>	<u>45,116</u>	line 32 * 34.00%
34	Total Imputed Income Tax Expense	<u>50,690</u>	<u>4,690</u>	<u>55,381</u>	line 31 + line 33
35	Gross Revenue Conversion Factor	<u>1.6324</u>	<u>1.6324</u>	<u>1.6324</u>	1 / ((1 - .0718) * (1 - .34))

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

<u>Line #</u>	<u>Description</u>	
(a)	(b)	(c)
	Funding Difference-FTHCF Support	
1	2001 Annualized FTHCF Support	\$ 109,464
2	2000 Total FTHCF Support	<u>97,356</u>
3	Adjustment	<u>\$ 12,108</u>

Source: ICC Staff Exhibit 7.0, Schedule 7.20, Page 1 of 2

Wabash Telephone Cooperative, Inc.
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement

<u>Line #</u>	<u>Description</u>	<u>Compan</u> <u>Amount</u>	<u>Staf</u> <u>Adjustment</u>	<u>Staff Adjusted</u> <u>Amount</u>	
(a)	(b)	(c)	(d)	(e)	
1	Net Regulated Plant	\$ 6,880,289		\$ 6,880,289	
2	Materials and Supplies Inventory	271,108		271,108	
3	Customer Deposits	34,628	-	34,628	
4	ADIT - Regulated Plant	-	-	-	
5	Rate Base before Working Capital	7,116,769	-	7,116,769	line 1 + line 2 - line 3 - line 4
6	Working Capital Requirement				
7	Total Operating Expenses	3,760,983	-	3,760,983	
8	Less: Depreciation Expense	1,182,923		1,182,923	
9	Total WC Operating Expense	2,578,060	-	2,578,060	line 7 - line 8
10	WC OE Requirement	322,258	-	322,258	line 9 * 45 / 360
11	Commission-Ordered Cash Balance Requir	-	-	-	
12	Total Working Capital Requirement	322,258	-	322,258	line 10 + line 11
13	Total Rate Base	7,439,027	-	7,439,027	line 5 + line 12
14	Total Operating Revenues	4,509,603	(12)	4,509,591	
15	Less: Illinois High Cost Fund	611,173	-	611,173	
16	Net Operating Revenues	3,898,430	(12)	3,898,418	line 14 - line 15
17	Total Operating Expenses	3,760,983	-	3,760,983	
18	Other Operating Inc and Exp - Net	-	-	-	
19	Other Operating Taxes	14,592	-	14,592	
20	Net Op Inc before Income Taxes	122,855	(12)	122,843	line 16 - lines 17, 18, & 19
21	Income Tax Expense	-	-	-	line 34
22	Net Operating Income	122,855	(12)	122,843	line 20 - line 21
23	Return on Rate Base	1.65%		1.65%	line 22 / line 13
24	After-tax Cost of Capital	12.60%	12.60%	12.60%	
25	Target Net Operating Income	937,317	-	937,317	line 24 * line 13
26	Adj to Achieve Target Return on RB	814,462	12	814,474	line 25 - line 22
27	Gross Revenue Conversion Factor	1.0000	1.0000	1.0000	line 35
28	Staff ROR Deficiency	814,462	12	814,474	line 26 * line 27
29	Calculation of Income Tax Expense				
30	Net Op Inc before Inc Taxes	122,855	(12)	122,843	line 20
31	Illinois Inc & Rep Tax Expense	-	-	-	line 30 * 7.18%
32	Net Op Inc before Fed Inc Tax	122,855	(12)	122,843	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	1.0000	1.0000	1.0000	1 / ((1 - .0718) * (1 - .34))

Wabash Telephone Cooperative, Inc.
Illinois Universal Service Funding Calculation
Staff Calculated Funding Requirement

<u>Line #</u>	<u>Description</u>	
(a)	(b)	(c)
	Funding Difference-FTHCF Support	
1	2001 Annualized FTHCF Support	\$ 405,984
2	2000 Total FTHCF Support	<u>405,996</u>
3	Adjustment	<u>\$ (12)</u>

Source: ICC Staff Exhibit 7.0, Schedule 7.20, Page 1 of 2

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

<u>Line #</u>	<u>Description</u>	<u>Compan</u> <u>Amount</u>	<u>Staf</u> <u>Adjustment</u>	<u>Staff Adjusted</u> <u>Amount</u>	
(a)	(b)	(e)	(d)	(e)	
1	Net Regulated Plant	\$ 1,390,934		1,390,934	
2	Materials and Supplies Inventory	30,284		30,284	
3	Customer Deposits	9,938	-	9,938	
4	ADIT - Regulated Plant	<u>(4,063)</u>	-	<u>(4,063)</u>	
5	Rate Base before Working Capital	1,415,343	-	1,415,343	line 1 + line 2 - line 3 - line 4
6	Working Capital Requirement				
7	Total Operating Expenses	628,854	-	628,854	
8	Less: Depreciation Expense	<u>168,723</u>	-	<u>168,723</u>	
9	Total WC Operating Expense	<u>460,131</u>	-	<u>460,131</u>	line 7 - line 8
10	WC OE Requirement	57,516	-	57,516	line 9 * 45 / 360
11	Commission-Ordered Cash Balance Requir	-	-	-	
12	Total Working Capital Requirement	<u>57,516</u>	-	<u>57,516</u>	line 10 + line 11
13	Total Rate Base	<u>1,472,859</u>	-	<u>1,472,859</u>	line 5 + line 12
14	Total Operating Revenues	1,000,106	(5,562)	994,544	
15	Less: Illinois High Cost Fund	<u>215,909</u>	-	<u>215,909</u>	
16	Net Operating Revenues	784,197	(5,562)	778,635	line 14 - line 15
17	Total Operating Expenses	628,854	-	628,854	
18	Other Operating Inc and Exp - Net	-	-	-	
19	Other Operating Taxes	<u>5,811</u>	-	<u>5,811</u>	
20	Net Op Inc before Income Taxes	149,532	(5,562)	143,970	line 16 - lines 17, 18, & 19
21	Income Tax Expense	<u>57,927</u>	<u>(2,154)</u>	<u>55,772</u>	line 34
22	Net Operating Income	<u>91,605</u>	<u>(3,408)</u>	<u>88,198</u>	line 20 - line 21
23	Return on Rate Base	<u>6.22%</u>		<u>5.99%</u>	line 22 / line 13
24	After-tax Cost of Capital	<u>11.21%</u>	<u>11.21%</u>	<u>11.21%</u>	
25	Target Net Operating Income	<u>165,107</u>	-	<u>165,107</u>	line 24 * line 13
26	Adj to Achieve Target Return on RB	73,502	3,408	76,909	line 25 - line 22
27	Gross Revenue Conversion Factor	<u>1.6324</u>	<u>1.6324</u>	<u>1.6324</u>	line 35
28	Staff ROR Deficiency	<u>119,985</u>	<u>5,563</u>	<u>125,546</u>	line 26 * line 27
29	Calculation of Income Tax Expense				
30	Net Op Inc before Inc Taxes	149,532	(5,562)	143,970	line 20
31	Illinois Inc & Rep Tax Expense	<u>10,736</u>	<u>(399)</u>	<u>10,337</u>	line 30 * 7.18%
32	Net Op Inc before Fed Inc Tax	138,796	(5,163)	133,633	line 30 - line 31
33	Federal Income Tax Expense	<u>47,191</u>	<u>(1,755)</u>	<u>45,435</u>	line 32 * 34.00%
34	Total Imputed Income Tax Expense	<u>57,927</u>	<u>(2,154)</u>	<u>55,772</u>	line 31 + line 33
35	Gross Revenue Conversion Factor	<u>1.6324</u>	<u>1.6324</u>	<u>1.6324</u>	1 / ((1 - .0718) * (1 - .34))

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

<u>Line #</u>	<u>Description</u>	
(a)	(b)	(c)
	Funding Difference-FTHCF Support	
1	2001 Annualized FTHCF Support	\$ 163,950
2	2000 Total FTHCF Support	158,388
3	Adjustment	<u>\$ 5,562</u>

Source: ICC Staff Exhibit 7.0, Schedule 7.20, Page 1 of 2