

Docket Nos. 00-0233 & 00-0335 (Consolidated)--Phase II
 ICC Staff Exhibit 15.0, Schedule 15.01

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

Line #	Description	Company Amount	Staff Adjustment	Staff Adjusted Amount	Source
	(a)	(b)	(c)	(d)	(e)
1	Net Regulated Plant	\$ 5,238,530		\$ 5,238,530	
2	Materials and Supplies Inventory	429,681		429,681	
3	Customer Deposits	33,946	-	33,946	
4	ADIT - Regulated Plant	-	-	-	
5	Rate Base before Working Capital	5,634,265	-	5,634,265	line 1 + line 2 - line 3 - line 4
6	Working Capital Requirement				
7	Total Operating Expenses	4,192,562		4,192,562	
8	Less: Depreciation Expense	826,245	-	826,245	
9	Total WC Operating Expense	3,366,317	-	3,366,317	line 7 - line 8
10	WC OE Requirement	420,790	-	420,790	line 9 * 45 / 360
11	Commission-Ordered Cash Balance Require	-	-	-	
12	Total Working Capital Requirement	420,790	-	420,790	line 10 + line 11
13	Total Rate Base	6,055,055	-	6,055,055	line 5 + line 12
14	Total Operating Revenues	4,793,069	96,021	4,889,090	page 2, line 4
15	Less: Illinois High Cost Fund	52,356	-	52,356	
16	Net Operating Revenues	4,740,713	96,021	4,836,734	line 14 - line 15
17	Total Operating Expenses	4,192,562	-	4,192,562	
18	Other Operating Inc and Exp - Net	-	-	-	
19	Other Operating Taxes	-	-	-	
20	Net Op Inc before Income Taxes	548,151	96,021	644,172	line 16 - lines 17, 18, & 19
21	Income Tax Expense	-	-	-	line 34
22	Net Operating Income	548,151	96,021	644,172	line 20 - line 21
23	Return on Rate Base	9.05%		10.64%	line 22 / line 13
24	After-tax Cost of Capital	12.60%	12.60%	12.60%	
25	Target Net Operating Income	762,937	-	762,937	line 24 * line 13
26	Adj to Achieve Target Return on RB	214,786	(96,021)	118,765	line 25 - line 22
27	Gross Revenue Conversion Factor	1.0000	1.0000	1.0000	line 35
28	Staff ROR Deficiency	214,786	(96,021)	118,765	line 26 * line 27
29	Calculation of Income Tax Expense				
30	Net Op Inc before Inc Taxes	548,151	96,021	644,172	line 20
31	Illinois Inc & Rep Tax Expense	-	-	-	
32	Net Op Inc before Fed Inc Tax	548,151	96,021	644,172	line 30 - line 31
33	Federal Income Tax Expense	-	-	-	
34	Total Imputed Income Tax Expense	-	-	-	line 31 + line 33
35	Gross Revenue Conversion Factor	1.0000	1.0000	1.0000	

ICC STAFF REPORT NO. 00-0233/0335
 ICC Staff Exhibit No. 15.0
 Date 6/20/01 Reporter [Signature]

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

<u>Line #</u>	<u>Description</u>	<u>Amount</u>			<u>Source</u>
	(a)	(b)	(c)	(d)	(e)
1	Funding Difference--High Cost Loop Fund Support				
2	2001 Annualized HCLF Support	\$ 264,426			IITA Ex 4, Att 6, col d
3	2000 Total HCLF Support	<u>168,405</u>			IITA Ex 4, Att 6, col c
4	Adjustment	<u>\$ 96,021</u>			line 1 - line 2
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Alhambra-Grantfork Telephone Company
Illinois Universal Service Funding Calculation
Staff Calculated Funding Requirement

Line #	Description (a)	Company Amount (b)	Staff Adjustment (c)	Staff Adjusted Amount (d)	Source (e)
1	Net Regulated Plant	\$ 1,343,087		\$ 1,343,087	
2	Materials and Supplies Inventory	26,942		26,942	
3	Customer Deposits	6,677	-	6,677	
4	ADIT - Regulated Plant	96,878	-	96,878	
5	Rate Base before Working Capital	1,266,474	-	1,266,474	line 1 + line 2 - line 3 - line 4
6	Working Capital Requirement				
7	Total Operating Expenses	892,204	(15,693)	876,511	
8	Less: Depreciation Expense	214,165	-	214,165	
9	Total WC Operating Expense	678,039	(15,693)	662,346	line 7 - line 8
10	WC OE Requirement	84,755	(1,962)	82,793	line 9 * 45 / 360
11	Commission-Ordered Cash Balance Require	-	-	-	
12	Total Working Capital Requirement	84,755	(1,962)	82,793	line 10 + line 11
13	Total Rate Base	1,351,229	(1,962)	1,349,267	line 5 + line 12
14	Total Operating Revenues	1,443,946	147	1,444,093	page 2, line 4
15	Less: Illinois High Cost Fund	311,199	-	311,199	
16	Net Operating Revenues	1,132,747	147	1,132,894	line 14 - line 15
17	Total Operating Expenses	892,204	(15,693)	876,511	
18	Other Operating Inc and Exp - Net	-	-	-	
19	Other Operating Taxes	14,689	-	14,689	
20	Net Op Inc before Income Taxes	225,854	15,840	241,694	line 16 - lines 17, 18, & 19
21	Income Tax Expense	87,493	6,136	93,630	line 34
22	Net Operating Income	138,361	9,704	148,064	line 20 - line 21
23	Return on Rate Base	10.24%		10.97%	line 22 / line 13
24	After-tax Cost of Capital	11.21%	11.21%	11.21%	
25	Target Net Operating Income	151,473	(220)	151,253	line 24 * line 13
26	Adj to Achieve Target Return on RB	13,112	(9,924)	3,189	line 25 - line 22
27	Gross Revenue Conversion Factor	1.6324	1.6324	1.6324	line 35
28	Staff ROR Deficiency	21,404	(16,200)	5,206	line 26 * line 27
29	Calculation of Income Tax Expense				
30	Net Op Inc before Inc Taxes	225,854	15,840	241,694	line 20
31	Illinois Inc & Rep Tax Expense	16,216	1,137	17,354	line 30 * 7.18%
32	Net Op Inc before Fed Inc Tax	209,638	14,703	224,340	line 30 - line 31
33	Federal Income Tax Expense	71,277	4,999	76,276	line 32 * 34.00%
34	Total Imputed Income Tax Expense	87,493	6,136	93,630	line 31 + line 33
35	Gross Revenue Conversion Factor	1.6324	1.6324	1.6324	1 / ((1 - .0718) * (1 - .34))

Docket Nos. 00-0233 & 00-0335 (Consolidated)--Phase II
 ICC Staff Exhibit 15.0, Schedule 15.02

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

<u>Line #</u>	<u>Description</u>	<u>Amount</u>			<u>Source</u>
	(a)	(b)	(c)	(d)	(e)
1	Funding Difference--High Cost Loop Fund Support				
2	2001 Annualized HCLF Support	\$ 52,002			IITA Ex 4, Att 6, col d
3	2000 Total HCLF Support	<u>51,855</u>			IITA Ex 4, Att 6, col c
4	Adjustment	<u>\$ 147</u>			line 1 - line 2
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6	Station Apparatus Expense				
7	Station Apparatus Expense per Staff	\$ -			A-G's 2000 ICC Form 23A, p. 12, Account 6311
8	Station Apparatus Expense per Company	<u>15,693</u>			
9	Adjustment	<u>\$ (15,693)</u>			line 7- line 8
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Docket Nos. 00-0233 & 00-0335 (Consolidated)--Phase II
ICC Staff Exhibit 15.0, Schedule 15.03

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

Line #	Description (a)	Company Amount (b)	Staff Adjustment (c)	Staff Adjusted Amount (d)	Source (e)
1	Net Regulated Plant	\$ 1,286,171		\$ 1,286,171	
2	Materials and Supplies Inventory	-		-	
3	Customer Deposits	4,148	-	4,148	
4	ADIT - Regulated Plant	21,279	-	21,279	
5	Rate Base before Working Capital	1,260,744	-	1,260,744	line 1 + line 2 - line 3 - line 4
6	Working Capital Requirement				
7	Total Operating Expenses	1,200,762		1,200,762	
8	Less: Depreciation Expense	284,160	-	284,160	
9	Total WC Operating Expense	916,602	-	916,602	line 7 - line 8
10	WC OE Requirement	114,575	-	114,575	line 9 * 45 / 360
11	Commission-Ordered Cash Balance Require	-	-	-	
12	Total Working Capital Requirement	114,575	-	114,575	line 10 + line 11
13	Total Rate Base	1,375,319	-	1,375,319	line 5 + line 12
14	Total Operating Revenues	1,386,094	(4,242)	1,381,852	page 2, line 4
15	Less: Illinois High Cost Fund	22,836	-	22,836	
16	Net Operating Revenues	1,363,258	(4,242)	1,359,016	line 14 - line 15
17	Total Operating Expenses	1,200,762	-	1,200,762	
18	Other Operating Inc and Exp - Net	-	-	-	
19	Other Operating Taxes	1,255	-	1,255	
20	Net Op Inc before Income Taxes	161,241	(4,242)	156,999	line 16 - lines 17, 18, & 19
21	Income Tax Expense	62,463	(1,644)	60,820	line 34
22	Net Operating Income	98,778	(2,598)	96,179	line 20 - line 21
23	Return on Rate Base	7.18%		6.99%	line 22 / line 13
24	After-tax Cost of Capital	11.21%	11.21%	11.21%	
25	Target Net Operating Income	154,173	-	154,173	line 24 * line 13
26	Adj to Achieve Target Return on RB	55,395	2,598	57,994	line 25 - line 22
27	Gross Revenue Conversion Factor	1.6324	1.6324	1.6324	line 35
28	Staff ROR Deficiency	90,427	4,241	94,669	line 26 * line 27
29	Calculation of Income Tax Expense				
30	Net Op Inc before Inc Taxes	161,241	(4,242)	156,999	line 20
31	Illinois Inc & Rep Tax Expense	11,577	(305)	11,273	line 30 * 7.18%
32	Net Op Inc before Fed Inc Tax	149,664	(3,937)	145,726	line 30 - line 31
33	Federal Income Tax Expense	50,886	(1,339)	49,547	line 32 * 34.00%
34	Total Imputed Income Tax Expense	62,463	(1,644)	60,820	line 31 + line 33
35	Gross Revenue Conversion Factor	1.6324	1.6324	1.6324	1 / ((1 - .0718) * (1 - .34))

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

<u>Line #</u>	<u>Description</u>	<u>Amount</u>			<u>Source</u>
	(a)	(b)	(c)	(d)	(e)
1	Funding Difference--High Cost Loop Fund Support				
2	2001 Annualized HCLF Support	\$ 21,102			IITA Ex 4, Att 6, col d
3	2000 Total HCLF Support	<u>25,344</u>			IITA Ex 4, Att 6, col c
4	Adjustment	<u>\$ (4,242)</u>			line 1 - line 2
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Cass Telephone Company
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement

<u>Line #</u>	<u>Description</u>	<u>Company</u> <u>Amount</u>	<u>Staff</u> <u>Adjustment</u>	<u>Staff Adjusted</u> <u>Amount</u>	<u>Source</u>
	(a)	(b)	(c)	(d)	(e)
1	Net Regulated Plant	\$ 2,195,389		\$ 2,195,389	
2	Materials and Supplies Inventory	62,082		62,082	
3	Customer Deposits	3,925	-	3,925	
4	ADIT - Regulated Plant	-	-	-	
5	Rate Base before Working Capital	2,253,546	-	2,253,546	line 1 + line 2 - line 3 - line 4
6	Working Capital Requirement				
7	Total Operating Expenses	2,749,342	-	2,749,342	
8	Less: Depreciation Expense	317,143	-	317,143	
9	Total WC Operating Expense	2,432,199	-	2,432,199	line 7 - line 8
10	WC OE Requirement	304,025	-	304,025	line 9 * 45 / 360
11	Commission-Ordered Cash Balance Requirement	-	-	-	
12	Total Working Capital Requirement	304,025	-	304,025	line 10 + line 11
13	Total Rate Base	2,557,571	-	2,557,571	line 5 + line 12
14	Total Operating Revenues	3,147,792	38,598	3,186,390	page 2, line 4
15	Less: Illinois High Cost Fund	516,084	-	516,084	
16	Net Operating Revenues	2,631,708	38,598	2,670,306	line 14 - line 15
17	Total Operating Expenses	2,749,342	-	2,749,342	
18	Other Operating Inc and Exp - Net	-	-	-	
19	Other Operating Taxes	5,625	-	5,625	
20	Net Op Inc before Income Taxes	(123,259)	38,598	(84,661)	line 16 - lines 17, 18, & 19
21	Income Tax Expense	(47,749)	14,952	(32,797)	line 34
22	Net Operating Income	(75,510)	23,646	(51,864)	line 20 - line 21
23	Return on Rate Base	-2.95%		-2.03%	line 22 / line 13
24	After-tax Cost of Capital	11.21%	11.21%	11.21%	
25	Target Net Operating Income	286,704	-	286,704	line 24 * line 13
26	Adj to Achieve Target Return on RB	362,214	(23,646)	338,568	line 25 - line 22
27	Gross Revenue Conversion Factor	1.6324	1.6324	1.6324	line 35
28	Staff ROR Deficiency	591,278	(38,600)	552,678	line 26 * line 27
29	Calculation of Income Tax Expense				
30	Net Op Inc before Inc Taxes	(123,259)	38,598	(84,661)	line 20
31	Illinois Inc & Rep Tax Expense	(8,850)	2,771	(6,079)	line 30 * 7.18%
32	Net Op Inc before Fed Inc Tax	(114,409)	35,827	(78,582)	line 30 - line 31
33	Federal Income Tax Expense	(38,899)	12,181	(26,718)	line 32 * 34.00%
34	Total Imputed Income Tax Expense	(47,749)	14,952	(32,797)	line 31 + line 33
35	Gross Revenue Conversion Factor	1.6324	1.6324	1.6324	1 / ((1 - .0718) * (1 - .34))

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

<u>Line #</u>	<u>Description</u>	<u>Amount</u>			<u>Source</u>
	(a)	(b)	(c)	(d)	(e)
1	Funding Difference--High Cost Loop Fund Support				
2	2001 Annualized HCLF Support	\$ 165,888			IITA Ex 4, Att 6, col d
3	2000 Total HCLF Support	<u>127,290</u>			IITA Ex 4, Att 6, col c
4	Adjustment	<u>\$ 38,598</u>			line 1 - line 2
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C-R Telephone Company
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement

Line #	Description	<u>Company</u> <u>Amount</u>	<u>Staff</u> <u>Adjustment</u>	<u>Staff Adjusted</u> <u>Amount</u>	<u>Source</u>
	(a)	(b)	(c)	(d)	(e)
1	Net Regulated Plant	\$ 2,282,689	\$ (268,750)	\$ 2,013,939	page 2, line 9
2	Materials and Supplies Inventory	14,966		14,966	
3	Customer Deposits	4,250	-	4,250	
4	ADIT - Regulated Plant	<u>139,101</u>	<u>-</u>	<u>139,101</u>	
5	Rate Base before Working Capital	2,154,304	(268,750)	1,885,554	line 1 + line 2 - line 3 - line 4
6	Working Capital Requirement				
7	Total Operating Expenses	1,440,145		1,440,145	
8	Less: Depreciation Expense	<u>282,810</u>	<u>-</u>	<u>282,810</u>	
9	Total WC Operating Expense	<u>1,157,335</u>	<u>-</u>	<u>1,157,335</u>	line 7 - line 8
10	WC OE Requirement	144,667	-	144,667	line 9 * 45 / 360
11	Commission-Ordered Cash Balance Require	<u>-</u>	<u>-</u>	<u>-</u>	
12	Total Working Capital Requirement	<u>144,667</u>	<u>-</u>	<u>144,667</u>	line 10 + line 11
13	Total Rate Base	<u>2,298,971</u>	<u>(268,750)</u>	<u>2,030,221</u>	line 5 + line 12
14	Total Operating Revenues	1,904,485	-	1,904,485	page 2, line 6
15	Less: Illinois High Cost Fund	<u>215,861</u>	<u>-</u>	<u>215,861</u>	
16	Net Operating Revenues	1,688,624	-	1,688,624	line 14 - line 15
17	Total Operating Expenses	1,440,145		1,440,145	
18	Other Operating Inc and Exp - Net	-	-	-	
19	Other Operating Taxes	<u>2,520</u>	<u>-</u>	<u>2,520</u>	
20	Net Op Inc before Income Taxes	245,959	-	245,959	line 16 - lines 17, 18, & 19
21	Income Tax Expense	<u>95,282</u>	<u>-</u>	<u>95,282</u>	line 34
22	Net Operating Income	<u>150,677</u>	<u>-</u>	<u>150,677</u>	line 20 - line 21
23	Return on Rate Base	6.55%		7.42%	line 22 / line 13
24	After-tax Cost of Capital	11.21%	11.21%	11.21%	
25	Target Net Operating Income	<u>257,715</u>	<u>(30,127)</u>	<u>227,588</u>	line 24 * line 13
26	Adj to Achieve Target Return on RB	107,038	(30,127)	76,911	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>174,729</u>	<u>(49,179)</u>	<u>125,550</u>	line 26 * line 27
29	Calculation of Income Tax Expense				
30	Net Op Inc before Inc Taxes	245,959	-	245,959	line 20
31	Illinois Inc & Rep Tax Expense	<u>17,660</u>	<u>-</u>	<u>17,660</u>	line 30 * 7.18%
32	Net Op Inc before Fed Inc Tax	228,299	-	228,299	line 30 - line 31
33	Federal Income Tax Expense	<u>77,622</u>	<u>-</u>	<u>77,622</u>	line 32 * 34.00%
34	Total Imputed Income Tax Expense	<u>95,282</u>	<u>-</u>	<u>95,282</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))

C-R Telephone Company
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement

<u>Line #</u>	<u>Description</u> (a)	<u>Amount</u> (b)	(c)	(d)	<u>Source</u> (e)
1	Funding Difference--High Cost Loop Fund Support				
2	2001 Annualized HCLF Support	\$ 419,334			IITA Ex 4, Att 6, col d
3	2000 Total HCLF Support	<u>397,419</u>			IITA Ex 4, Att 6, col c
4	Funding Difference	\$ 21,915			line 1 - line 2
	Reverse C-R Adjustment for Federal High				
5	Cost Loop Funding	<u>21,915</u>			C-R Exhibit 1.0, Schedule 1.02
6	Adjustment	<u>\$ -</u>			line 4 - line 5
7					
8	Change in Net Regulated Plant for Intangibles				
9	Net Regulated Plant per Staff	\$ 2,013,939			Response to SDR-C-R-004
10	Net Regulated Plant per Company	<u>2,282,689</u>			Response to SDR-C-R-004
11	Adjustment	<u>\$ (268,750)</u>			line 7 - line 8
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Crossville Telephone Company
Illinois Universal Service Funding Calculation
Staff Calculated Funding Requirement

Line #	Description	Company Amount	Staff Adjustment	Staff Adjusted Amount	Source
	(a)	(b)	(c)	(d)	(e)
1	Net Regulated Plant	\$ 891,628		\$ 891,628	
2	Materials and Supplies Inventory	1,496		1,496	
3	Customer Deposits	1,520	-	1,520	
4	ADIT - Regulated Plant	<u>98,104</u>	-	<u>98,104</u>	
5	Rate Base before Working Capital	793,500	-	793,500	line 1 + line 2 - line 3 - line 4
6	Working Capital Requirement				
7	Total Operating Expenses	472,673		472,673	
8	Less: Depreciation Expense	<u>89,157</u>		<u>89,157</u>	
9	Total WC Operating Expense	<u>383,516</u>	-	<u>383,516</u>	line 7 - line 8
10	WC OE Requirement	47,940	-	47,940	line 9 * 45 / 360
11	Commission-Ordered Cash Balance Requirement	-	-	-	
12	Total Working Capital Requirement	<u>47,940</u>	-	<u>47,940</u>	line 10 + line 11
13	Total Rate Base	<u>841,440</u>	-	<u>841,440</u>	line 5 + line 12
14	Total Operating Revenues	624,768	6,474	631,242	page 2, line 4
15	Less: Illinois High Cost Fund	<u>12,696</u>	-	<u>12,696</u>	
16	Net Operating Revenues	612,072	6,474	618,546	line 14 - line 15
17	Total Operating Expenses	472,673		472,673	
18	Other Operating Inc and Exp - Net	-	-	-	
19	Other Operating Taxes	<u>2,218</u>	-	<u>2,218</u>	
20	Net Op Inc before Income Taxes	137,181	6,474	143,655	line 16 - lines 17, 18, & 19
21	Income Tax Expense	<u>53,143</u>	<u>2,508</u>	<u>55,650</u>	line 34
22	Net Operating Income	<u>84,038</u>	<u>3,966</u>	<u>88,005</u>	line 20 - line 21
23	Return on Rate Base	<u>9.99%</u>		<u>10.46%</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>94,325</u>	-	<u>94,325</u>	line 24 * line 13
26	Adj to Achieve Target Return on RB	10,287	(3,966)	6,320	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>16,792</u>	<u>(6,474)</u>	<u>10,317</u>	line 26 * line 27
29	Calculation of Income Tax Expense				
30	Net Op Inc before Inc Taxes	137,181	6,474	143,655	line 20
31	Illinois Inc & Rep Tax Expense	<u>9,850</u>	<u>465</u>	<u>10,314</u>	line 30 * 7.18%
32	Net Op Inc before Fed Inc Tax	127,331	6,009	133,341	line 30 - line 31
33	Federal Income Tax Expense	<u>43,293</u>	<u>2,043</u>	<u>45,336</u>	line 32 * 34.00%
34	Total Imputed Income Tax Expense	<u>53,143</u>	<u>2,508</u>	<u>55,650</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))

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

<u>Line #</u>	<u>Description</u>	<u>Amount</u>			<u>Source</u>
	(a)	(b)	(c)	(d)	(e)
1	Funding Difference--High Cost Loop Fund Support				
2	2001 Annualized HCLF Support	\$ 22,464			IITA Ex 4, Att 6, col d
3	2000 Total HCLF Support	<u>15,990</u>			IITA Ex 4, Att 6, col c
4	Adjustment	<u>\$ 6,474</u>			line 1 - line 2
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Egyptian Telephone Cooperative
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement

<u>Line #</u>	<u>Description</u>	<u>Company</u> <u>Amount</u>	<u>Staff</u> <u>Adjustment</u>	<u>Staff Adjusted</u> <u>Amount</u>	<u>Source</u>
	(a)	(b)	(c)	(d)	(e)
1	Net Regulated Plant	\$ 5,364,148		\$ 5,364,148	
2	Materials and Supplies Inventory	59,252		59,252	
3	Customer Deposits	3,420	-	3,420	
4	ADIT - Regulated Plant	-		-	
5	Rate Base before Working Capital	5,419,980	-	5,419,980	line 1 + line 2 - line 3 - line 4
6	Working Capital Requirement				
7	Total Operating Expenses	4,624,154		4,624,154	
8	Less: Depreciation Expense	<u>1,156,292</u>		<u>1,156,292</u>	
9	Total WC Operating Expense	<u>3,467,862</u>	-	<u>3,467,862</u>	line 7 - line 8
10	WC OE Requirement	433,483	-	433,483	line 9 * 45 / 360
11	Commission-Ordered Cash Balance Requirement	-		-	
12	Total Working Capital Requirement	<u>433,483</u>	-	<u>433,483</u>	line 10 + line 11
13	Total Rate Base	<u>5,853,463</u>	-	<u>5,853,463</u>	line 5 + line 12
14	Total Operating Revenues	5,353,298	-	5,353,298	
15	Less: Illinois High Cost Fund	<u>1,368,309</u>	-	<u>1,368,309</u>	
16	Net Operating Revenues	3,984,989	-	3,984,989	line 14 - line 15
17	Total Operating Expenses	4,624,154	-	4,624,154	
18	Other Operating Inc and Exp - Net	-	-	-	
19	Other Operating Taxes	<u>7,564</u>	-	<u>7,564</u>	
20	Net Op Inc before Income Taxes	(646,729)	-	(646,729)	line 16 - lines 17, 18, & 19
21	Income Tax Expense	-	-	-	line 34
22	Net Operating Income	<u>(646,729)</u>	-	<u>(646,729)</u>	line 20 - line 21
23	Return on Rate Base	<u>-11.05%</u>		<u>-11.05%</u>	line 22 / line 13
24	After-tax Cost of Capital	<u>12.60%</u>	<u>12.60%</u>	<u>12.60%</u>	
25	Target Net Operating Income	<u>737,536</u>	-	<u>737,536</u>	line 24 * line 13
26	Adj to Achieve Target Return on RB	1,384,265	-	1,384,265	line 25 - line 22
27	Gross Revenue Conversion Factor	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	line 35
28	Staff ROR Deficiency	<u>1,384,265</u>	-	<u>1,384,265</u>	line 26 * line 27
29	Calculation of Income Tax Expense				
30	Net Op Inc before Inc Taxes	(646,729)	-	(646,729)	line 20
31	Illinois Inc & Rep Tax Expense	-	-	-	
32	Net Op Inc before Fed Inc Tax	(646,729)	-	(646,729)	line 30 - line 31
33	Federal Income Tax Expense	-	-	-	
34	Total Imputed Income Tax Expense	-	-	-	line 31 + line 33
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

<u>Line #</u>	<u>Description</u>	<u>Amount</u>			<u>Source</u>
	(a)	(b)	(c)	(d)	(e)
1	Funding Difference--High Cost Loop Fund Support				
2	2001 Annualized HCLF Support	\$ 418,632			IITA Ex 4, Att 6, col d
3	2000 Total HCLF Support	<u>534,378</u>			IITA Ex 4, Att 6, col c
4	Funding Difference	\$ (115,746)			line 1 - line 2
	Reverse Egyptian Adjustment for Federal				Egyptian Exhibit 1.0, Schedule
5	High Cost Loop Funding	<u>(115,746)</u>			1.02
6	Adjustment	<u>\$ -</u>			line 4 - line 5
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Docket Nos. 00-0233 & 00-0335 (Consolidated)--Phase II
ICC Staff Exhibit 15.0, Schedule 15.08

El Paso Telephone Company
Illinois Universal Service Funding Calculation
Staff Calculated Funding Requirement

Line #	Description	<u>Company</u> <u>Amount</u>	<u>Staff</u> <u>Adjustment</u>	<u>Staff Adjusted</u> <u>Amount</u>	<u>Source</u>
	(a)	(b)	(c)	(d)	(e)
1	Net Regulated Plant	\$ 1,623,137	\$ (70,902)	\$ 1,552,235	page 2, line 11
2	Materials and Supplies Inventory	11,088		11,088	
3	Customer Deposits	9,857	-	9,857	
4	ADIT - Regulated Plant	<u>73,930</u>	<u>-</u>	<u>73,930</u>	
5	Rate Base before Working Capital	1,550,438	(70,902)	1,479,536	line 1 + line 2 - line 3 - line 4
6	Working Capital Requirement				
7	Total Operating Expenses	1,642,949		1,642,949	
8	Less: Depreciation Expense	<u>393,546</u>	<u>-</u>	<u>393,546</u>	
9	Total WC Operating Expense	<u>1,249,403</u>	<u>-</u>	<u>1,249,403</u>	line 7 - line 8
10	WC OE Requirement	156,175	-	156,175	line 9 * 45 / 360
11	Commission-Ordered Cash Balance Require	-	-	-	
12	Total Working Capital Requirement	<u>156,175</u>	<u>-</u>	<u>156,175</u>	line 10 + line 11
13	Total Rate Base	<u>1,706,613</u>	<u>(70,902)</u>	<u>1,635,711</u>	line 5 + line 12
14	Total Operating Revenues	2,306,492	-	2,306,492	page 2, line 6
15	Less: Illinois High Cost Fund	<u>396,951</u>	<u>-</u>	<u>396,951</u>	
16	Net Operating Revenues	1,909,541	-	1,909,541	line 14 - line 15
17	Total Operating Expenses	1,642,949		1,642,949	
18	Other Operating Inc and Exp - Net	-	-	-	
19	Other Operating Taxes	<u>9,839</u>	<u>-</u>	<u>9,839</u>	
20	Net Op Inc before Income Taxes	256,753	-	256,753	line 16 - lines 17, 18, & 19
21	Income Tax Expense	<u>99,463</u>	<u>-</u>	<u>99,463</u>	line 34
22	Net Operating Income	<u>157,290</u>	<u>-</u>	<u>157,290</u>	line 20 - line 21
23	Return on Rate Base	<u>9.22%</u>		<u>9.62%</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>191,311</u>	<u>(7,948)</u>	<u>183,363</u>	line 24 * line 13
26	Adj to Achieve Target Return on RB	34,021	(7,948)	26,073	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>55,536</u>	<u>(12,974)</u>	<u>42,562</u>	line 26 * line 27
29	Calculation of Income Tax Expense				
30	Net Op Inc before Inc Taxes	256,753	-	256,753	line 20
31	Illinois Inc & Rep Tax Expense	<u>18,435</u>	<u>-</u>	<u>18,435</u>	line 30 * 7.18%
32	Net Op Inc before Fed Inc Tax	238,318	-	238,318	line 30 - line 31
33	Federal Income Tax Expense	<u>81,028</u>	<u>-</u>	<u>81,028</u>	line 32 * 34.00%
34	Total Imputed Income Tax Expense	<u>99,463</u>	<u>-</u>	<u>99,463</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))

El Paso Telephone Company
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement

<u>Line #</u>	<u>Description</u>	<u>Amount</u>			<u>Source</u>
	(a)	(b)	(c)	(d)	(e)
1	Funding Difference--High Cost Loop Fund Support				
2	2001 Annualized HCLF Support	\$ 34,260			IITA Ex 4, Att 6, col d
3	2000 Total HCLF Support	<u>94,257</u>			IITA Ex 4, Att 6, col c
4	Funding Difference	\$ (59,997)			line 1 - line 2
5	Reverse El Paso Adjustment for Federal High Cost Loop Funding	<u>(59,997)</u>			El Paso Exhibit 1.U, Schedule 1.02
6	Adjustment	<u>\$ -</u>			line 4 - line 5
7					
8	Change in Net Regulated Plant for Intangibles				
9	Net Regulated Plant per Staff	\$ 1,552,235			Response to SDR-El Paso-004
10	Net Regulated Plant per Company	<u>1,623,137</u>			Response to SDR-El Paso-004
11	Adjustment	<u>\$ (70,902)</u>			line 7 - line 8
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Docket Nos. 00-0233 & 00-0335 (Consolidated)--Phase II
 ICC Staff Exhibit 15.0, Schedule 15.09

Frontier Communications of DePue, Inc.
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement

<u>Line #</u>	<u>Description</u>	<u>Company</u> <u>Amount</u>	<u>Staff</u> <u>Adjustment</u>	<u>Staff Adjusted</u> <u>Amount</u>	<u>Source</u>
	(a)	(b)	(c)	(d)	(e)
1	Net Regulated Plant	\$ 840,962	\$ 4,897	\$ 845,859	
2	Materials and Supplies Inventory	127	-	127	
3	Customer Deposits	-	-	-	
4	ADIT - Regulated Plant	<u>117,926</u>	<u>15,482</u>	<u>133,408</u>	
5	Rate Base before Working Capital	723,163	(10,585)	712,578	line 1 + line 2 - line 3 - line 4
6	Working Capital Requirement				
7	Total Operating Expenses	540,558	1,034	541,592	
8	Less: Depreciation Expense	<u>89,085</u>	<u>(4,897)</u>	<u>84,188</u>	
9	Total WC Operating Expense	<u>451,473</u>	<u>5,931</u>	<u>457,404</u>	line 7 - line 8
10	WC OE Requirement	56,434	741	57,176	line 9 * 45 / 360
11	Commission-Ordered Cash Balance Require	<u>534,471</u>	<u>(534,471)</u>	<u>-</u>	page 2, line 4
12	Total Working Capital Requirement	<u>590,905</u>	<u>(533,730)</u>	<u>57,176</u>	line 10 + line 11
13	Total Rate Base	<u>1,314,068</u>	<u>(544,315)</u>	<u>769,754</u>	line 5 + line 12
14	Total Operating Revenues	772,352	13,542	785,894	
15	Less: Illinois High Cost Fund	<u>35,544</u>	<u>-</u>	<u>35,544</u>	
16	Net Operating Revenues	736,808	13,542	750,350	line 14 - line 15
17	Total Operating Expenses	540,558	1,034	541,592	
18	Other Operating Inc and Exp - Net	-	-	-	
19	Other Operating Taxes	<u>8,131</u>	<u>-</u>	<u>8,131</u>	
20	Net Op Inc before Income Taxes	188,119	12,508	200,627	line 16 - lines 17, 18, & 19
21	Income Tax Expense	<u>74,621</u>	<u>4,962</u>	<u>79,583</u>	line 34
22	Net Operating Income	<u>113,498</u>	<u>7,546</u>	<u>121,044</u>	line 20 - line 21
23	Return on Rate Base	8.64%		15.73%	line 22 / line 13
24	After-tax Cost of Capital	10.45%	10.45%	10.45%	
25	Target Net Operating Income	<u>137,320</u>	<u>(56,881)</u>	<u>80,439</u>	line 24 * line 13
26	Adj to Achieve Target Return on RB	23,822	(64,427)	(40,605)	line 25 - line 22
27	Gross Revenue Conversion Factor	<u>1.6575</u>	<u>1.6575</u>	<u>1.6575</u>	line 35
28	Staff ROR Deficiency	<u>39,485</u>	<u>(106,788)</u>	<u>(67,303)</u>	line 26 * line 27
29	Calculation of Income Tax Expense				
30	Net Op Inc before Inc Taxes	188,119	12,508	200,627	line 20
31	Illinois Inc & Rep Tax Expense	<u>13,507</u>	<u>898</u>	<u>14,405</u>	line 30 * 7.18%
32	Net Op Inc before Fed Inc Tax	174,612	11,610	186,222	line 30 - line 31
33	Federal Income Tax Expense	<u>61,114</u>	<u>4,064</u>	<u>65,178</u>	line 32 * 35.00%
34	Total Imputed Income Tax Expense	<u>74,621</u>	<u>4,962</u>	<u>79,583</u>	line 31 + line 33
35	Gross Revenue Conversion Factor	<u>1.6575</u>	<u>1.6575</u>	<u>1.6575</u>	1 / ((1 - .0718) * (1 - .35))

Frontier Communications of DePue, Inc.
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement

Line #	Description	Amount	(c)	(d)	Source
	(a)	(b)			(e)
1	Commission-Ordered Cash Balance Requirement				
2	Cash Balance Requirement per Staff	\$ -			
3	Cash Balance Requirement per Company	<u>534,471</u>			FC Ex. 1.0, Sch 1.09, line 3
4	Adjustment	<u>\$ (534,471)</u>			line 2 - line 3
5					
6	Yellow Pages Directory Advertising Revenue				
7	Revenue per Staff	\$ 11,787			FC Ex. 1.0, Sch. 1.10, p. 1, line 4
8	Revenue per Company	<u>-</u>			
9	Adjustment	<u>\$ 11,787</u>			line 7 - line 8
10					
11	Yellow Pages Directory Advertising Expense				
12	Expense per Staff	\$ 5,931			FC Ex. 1.0, Sch. 1.11, p. 1, line 4
13	Expense per Company	<u>-</u>			
14	Adjustment	<u>\$ 5,931</u>			line 12 - line 13
15					
16	Correction of Depreciation Expense Adjustment				
17	Depreciation Expense per Staff	\$ 15,673			ICC Staff Ex. 7.0, Sch. 7.21, line 12
18	Depreciation Expense per Company	<u>20,570</u>			FC Ex. 1.0, Sch. 1.11, p. 2, line 3
19	Adjustment	<u>\$ (4,897)</u>			line 17 - line 18
20					
21	Funding Difference--High Cost Loop Fund Support				
22	2001 Annualized HCLF Support	\$ 16,932			IITA Ex 4, Att 6, col d
23	2000 Total HCLF Support	<u>15,177</u>			IITA Ex 4, Att 6, col c
24	Funding Difference	<u>\$ 1,755</u>			line 22 - line 23
25		<u>-</u>			
26	Adjustment	<u>\$ 1,755</u>			line 24 - line 25
27					
28	Accumulated Deferred Income Taxes				
29	ADIT per Staff	\$ (133,408)			FC Ex. 2.0, Sch. 2.10
30	ADIT per Company	<u>(117,926)</u>			FC Ex. 1.0, Sch. 1.08, line 7
31	Adjustment	<u>\$ (15,482)</u>			line 29 - line 30
32					
33	Adjustment to Depreciation Reserve	<u>\$ 4,897</u>			FC Ex. 2.0, Sch. 2.06, p. 2, l. 2 (See line 19.)
34					

Docket Nos. 00-0233 & 00-0335 (Consolidated)--Phase II
ICC Staff Exhibit 15.0, Schedule 15.10

Page 1 of 2

Frontier Communications of Illinois, Inc.
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>	<u>Source</u>
	(a)	(b)	(c)	(d)	(e)
1	Net Regulated Plant	\$ 7,649,721	\$ 36,371	\$ 7,686,092	
2	Materials and Supplies Inventory	-		-	
3	Customer Deposits	-		-	
4	ADIT - Regulated Plant	<u>245,672</u>	<u>422,238</u>	<u>667,910</u>	
5	Rate Base before Working Capital	7,404,049	(385,867)	7,018,182	line 1 + line 2 - line 3 - line 4
6	Working Capital Requirement				
7	Total Operating Expenses	1,995,493	(8,249)	1,987,244	
8	Less: Depreciation Expense	<u>671,588</u>	<u>(36,371)</u>	<u>635,217</u>	
9	Total WC Operating Expense	<u>1,323,905</u>	<u>28,122</u>	<u>1,352,027</u>	line 7 - line 8
10	WC OE Requirement	165,488	3,515	169,003	line 9 * 45 / 360
11	Commission-Ordered Cash Balance Requirement	<u>4,759,444</u>	<u>(4,759,444)</u>	-	page 2, line 4
12	Total Working Capital Requirement	<u>4,924,932</u>	<u>(4,755,929)</u>	<u>169,003</u>	line 10 + line 11
13	Total Rate Base	<u>12,328,981</u>	<u>(5,141,796)</u>	<u>7,187,185</u>	line 5 + line 12
14	Total Operating Revenues	3,925,157	110,257	4,035,414	
15	Less: Illinois High Cost Fund	<u>893,613</u>	-	<u>893,613</u>	
16	Net Operating Revenues	3,031,544	110,257	3,141,801	line 14 - line 15
17	Total Operating Expenses	1,995,493	(8,249)	1,987,244	
18	Other Operating Inc and Exp - Net	-	-	-	
19	Other Operating Taxes	<u>3,204</u>	-	<u>3,204</u>	
20	Net Op Inc before Income Taxes	1,032,847	118,506	1,151,353	line 16 - lines 17, 18, & 19
21	Income Tax Expense	<u>409,699</u>	<u>47,008</u>	<u>456,707</u>	line 34
22	Net Operating Income	<u>623,148</u>	<u>71,498</u>	<u>694,646</u>	line 20 - line 21
23	Return on Rate Base	<u>5.05%</u>		<u>9.67%</u>	line 22 / line 13
24	After-tax Cost of Capital	<u>10.45%</u>	<u>10.45%</u>	<u>10.45%</u>	
25	Target Net Operating Income	<u>1,288,379</u>	<u>(537,318)</u>	<u>751,061</u>	line 24 * line 13
26	Adj to Achieve Target Return on RB	665,231	(608,816)	56,415	line 25 - line 22
27	Gross Revenue Conversion Factor	<u>1.6575</u>	<u>1.6575</u>	<u>1.6575</u>	line 35
28	Staff ROR Deficiency	<u>1,102,620</u>	<u>(1,009,113)</u>	<u>93,508</u>	line 26 * line 27
29	Calculation of Income Tax Expense				
30	Net Op Inc before Inc Taxes	1,032,847	118,506	1,151,353	line 20
31	Illinois Inc & Rep Tax Expense	<u>74,158</u>	<u>8,509</u>	<u>82,667</u>	line 30 * 7.18%
32	Net Op Inc before Fed Inc Tax	958,689	109,997	1,068,686	line 30 - line 31
33	Federal Income Tax Expense	<u>335,541</u>	<u>38,499</u>	<u>374,040</u>	line 32 * 35.00%
34	Total Imputed Income Tax Expense	<u>409,699</u>	<u>47,008</u>	<u>456,707</u>	line 31 + line 33
35	Gross Revenue Conversion Factor	<u>1.6575</u>	<u>1.6575</u>	<u>1.6575</u>	1 / ((1 - .0718) * (1 - .35))

Docket Nos. 00-0233 & 00-0335 (Consolidated)--Phase II
 ICC Staff Exhibit 15.0, Schedule 15.10

Frontier Communications of Illinois, Inc.
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement

<u>Line #</u>	<u>Description</u>	<u>Amount</u>	<u>Source</u>
	(a)	(b)	(c) (d) (e)
1	Commission-Ordered Cash Balance Requirement		
2	Cash Balance Requirement per Staff	\$ -	
3	Cash Balance Requirement per Company	<u>4,759,444</u>	FC Ex. 1.0, Sch 1.09, line 3
4	Adjustment	<u>\$ (4,759,444)</u>	line 2 - line 3
5			
6	Yellow Pages Directory Advertising Revenue		
			FC Ex. 1.0, Sch. 1.10, p. 1,
7	Revenue per Staff	\$ 64,747	line 4
8	Revenue per Company	<u>-</u>	
9	Adjustment	<u>\$ 64,747</u>	line 7 - line 8
10			
11	Yellow Pages Directory Advertising Expense		
			FC Ex. 1.0, Sch. 1.11, p. 1,
12	Expense per Staff	\$ 28,122	line 4
13	Expense per Company	<u>-</u>	
14	Adjustment	<u>\$ 28,122</u>	line 12 - line 13
15			
16	Correction of Depreciation Expense Adjustment		
			ICC Staff Ex. 7.0. Sch. 7.21,
17	Depreciation Expense per Staff	\$ 120,590	line 12
			FC Ex. 1.0, Sch. 1.11, p. 2,
18	Depreciation Expense per Company	<u>156,961</u>	line 3
19	Adjustment	<u>\$ (36,371)</u>	line 17 - line 18
20			
21	Funding Difference--High Cost Loop Fund Support		
22	2001 Annualized HCLF Support	\$ 79,770	IITA Ex 4, Att 6, col d
23	2000 Total HCLF Support	<u>34,260</u>	IITA Ex 4, Att 6, col c
24	Funding Difference	\$ 45,510	line 22 - line 23
25		<u>-</u>	
26	Adjustment	<u>\$ 45,510</u>	line 24 - line 25
27			
28	Accumulated Deferred Income Taxes		
29	ADIT per Staff	\$ (667,910)	FC Ex. 2.0, Sch. 2.10
30	ADIT per Company	<u>(245,672)</u>	FC Ex. 1.0, Sch. 1.08, line 7
31	Adjustment	<u>\$ (422,238)</u>	line 29 - line 30
32			
33	Adjustment to Depreciation Reserve	<u>\$ 36,371</u>	FC Ex. 2.0, Sch. 2.01, p. 2, l. 2 (See line 19.)
34			

Frontier Communications of Lakeside, Inc.
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement

<u>Line #</u>	<u>Description</u>	<u>Adjusted Amount</u>	<u>Adjustment</u>	<u>Adjusted Amount</u>	<u>Source</u>
	(a)	(b)	(c)	(d)	(e)
1	Net Regulated Plant	\$ 1,020,701		\$ 1,020,701	
2	Materials and Supplies Inventory	-		-	
3	Customer Deposits	-		-	
4	ADIT - Regulated Plant	<u>77,845</u>	<u>38,054</u>	<u>115,899</u>	
5	Rate Base before Working Capital	942,856	(38,054)	904,802	line 1 + line 2 - line 3 - line 4
6	Working Capital Requirement				
7	Total Operating Expenses	371,961	2,125	374,086	
8	Less: Depreciation Expense	<u>102,454</u>		<u>102,454</u>	
9	Total WC Operating Expense	<u>269,507</u>	<u>2,125</u>	<u>271,632</u>	line 7 - line 8
10	WC OE Requirement	33,688	266	33,954	line 9 * 45 / 360
11	Commission-Ordered Cash Balance Requirement	<u>257,886</u>	<u>(257,886)</u>	-	page 2, line 4
12	Total Working Capital Requirement	<u>291,574</u>	<u>(257,620)</u>	<u>33,954</u>	line 10 + line 11
13	Total Rate Base	<u>1,234,430</u>	<u>(295,674)</u>	<u>938,756</u>	line 5 + line 12
14	Total Operating Revenues	624,434	2,229	626,663	
15	Less: Illinois High Cost Fund	<u>83,731</u>	-	<u>83,731</u>	
16	Net Operating Revenues	540,703	2,229	542,932	line 14 - line 15
17	Total Operating Expenses	371,961	2,125	374,086	
18	Other Operating Inc and Exp - Net	-	-	-	
19	Other Operating Taxes	<u>1,495</u>	-	<u>1,495</u>	
20	Net Op Inc before Income Taxes	167,247	104	167,351	line 16 - lines 17, 18, & 19
21	Income Tax Expense	<u>66,342</u>	<u>41</u>	<u>66,383</u>	line 34
22	Net Operating Income	<u>100,905</u>	<u>63</u>	<u>100,968</u>	line 20 - line 21
23	Return on Rate Base	<u>8.17%</u>		<u>10.76%</u>	line 22 / line 13
24	After-tax Cost of Capital	<u>10.45%</u>	<u>10.45%</u>	<u>10.45%</u>	
25	Target Net Operating Income	<u>128,998</u>	<u>(30,898)</u>	<u>98,100</u>	line 24 * line 13
26	Adj to Achieve Target Return on RB	28,093	(30,961)	(2,868)	line 25 - line 22
27	Gross Revenue Conversion Factor	<u>1.6575</u>	<u>1.6575</u>	<u>1.6575</u>	line 35
28	Staff ROR Deficiency	<u>46,564</u>	<u>(51,318)</u>	<u>(4,754)</u>	line 26 * line 27
29	Calculation of Income Tax Expense				
30	Net Op Inc before Inc Taxes	167,247	104	167,351	line 20
31	Illinois Inc & Rep Tax Expense	<u>12,008</u>	<u>7</u>	<u>12,016</u>	line 30 * 7.18%
32	Net Op Inc before Fed Inc Tax	155,239	97	155,335	line 30 - line 31
33	Federal Income Tax Expense	<u>54,334</u>	<u>34</u>	<u>54,367</u>	line 32 * 35.00%
34	Total Imputed Income Tax Expense	<u>66,342</u>	<u>41</u>	<u>66,383</u>	line 31 + line 33
35	Gross Revenue Conversion Factor	<u>1.6575</u>	<u>1.6575</u>	<u>1.6575</u>	1 / ((1 - .0718) * (1 - .35))

Frontier Communications of Lakeside, Inc.
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement

<u>Line #</u>	<u>Description</u>	<u>Amount</u>	<u>Source</u>
	(a)	(b)	(c) (d) (e)
1	Commission-Ordered Cash Balance Requirement		
2	Cash Balance Requirement per Staff	\$ -	
3	Cash Balance Requirement per Company	<u>257,886</u>	FC Ex. 1.0, Sch. 1.09, line 3
4	Adjustment	<u>\$ (257,886)</u>	line 2 - line 3
5			
6	Yellow Pages Directory Advertising Revenue		
			FC Ex. 1.0, Sch. 1.10, p. 1,
7	Revenue per Staff	\$ 2,229	line 4
8	Revenue per Company	<u>-</u>	
9	Adjustment	<u>\$ 2,229</u>	line 7 - line 8
10			
11	Yellow Pages Directory Advertising Expense		
			FC Ex. 1.0, Sch. 1.11, p. 1,
12	Expense per Staff	\$ 2,125	line 4
13	Expense per Company	<u>-</u>	
14	Adjustment	<u>\$ 2,125</u>	line 12 - line 13
15			
16			
17			
18			
19			
20			
21	Funding Difference--High Cost Loop Fund Support		
22	2001 Annualized HCLF Support	\$ -	IITA Ex 4, Att 6, col d
23	2000 Total HCLF Support	<u>-</u>	IITA Ex 4, Att 6, col c
24	Funding Difference	<u>\$ -</u>	line 22 - line 23
25		<u>-</u>	
26	Adjustment	<u>\$ -</u>	line 24 - line 25
27			
28	Accumulated Deferred Income Taxes		
29	ADIT per Staff	\$ (115,899)	FC Ex. 2.0, Sch. 2.10
30	ADIT per Company	<u>(77,845)</u>	FC Ex. 1.0, Sch. 1.08, line 7
31	Adjustment	<u>\$ (38,054)</u>	line 29 - line 30
32			
33			
34			

Frontier Communications-Midland, Inc.
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement

<u>Line #</u>	<u>Description</u>	<u>Company</u> <u>Amount</u>	<u>Staff</u> <u>Adjustment</u>	<u>Staff Adjusted</u> <u>Amount</u>	<u>Source</u>
	(a)	(b)	(c)	(d)	(e)
1	Net Regulated Plant	\$ 5,725,750		\$ 5,725,750	
2	Materials and Supplies Inventory	4,422	-	4,422	
3	Customer Deposits	-	-	-	
4	ADIT - Regulated Plant	<u>531,545</u>	<u>215,527</u>	<u>747,072</u>	
5	Rate Base before Working Capital	5,198,627	(215,527)	4,983,100	line 1 + line 2 - line 3 - line 4
6	Working Capital Requirement				
7	Total Operating Expenses	2,210,205	10,157	2,220,362	
8	Less: Depreciation Expense	<u>648,313</u>		<u>648,313</u>	
9	Total WC Operating Expense	<u>1,561,892</u>	<u>10,157</u>	<u>1,572,049</u>	line 7 - line 8
10	WC OE Requirement	195,237	1,270	196,506	line 9 * 45 / 360
11	Commission-Ordered Cash Balance Require	<u>980,039</u>	<u>(980,039)</u>	<u>-</u>	page 2, line 4
12	Total Working Capital Requirement	<u>1,175,276</u>	<u>(978,769)</u>	<u>196,506</u>	line 10 + line 11
13	Total Rate Base	<u>6,373,903</u>	<u>(1,194,296)</u>	<u>5,179,606</u>	line 5 + line 12
14	Total Operating Revenues	3,762,327	(27,453)	3,734,874	
15	Less: Illinois High Cost Fund	<u>950,825</u>	<u>-</u>	<u>950,825</u>	
16	Net Operating Revenues	2,811,502	(27,453)	2,784,049	line 14 - line 15
17	Total Operating Expenses	2,210,205	10,157	2,220,362	
18	Other Operating Inc and Exp - Net	-	-	-	
19	Other Operating Taxes	<u>9,067</u>	<u>-</u>	<u>9,067</u>	
20	Net Op Inc before Income Taxes	592,230	(37,610)	554,620	line 16 - lines 17, 18, & 19
21	Income Tax Expense	<u>234,920</u>	<u>(14,919)</u>	<u>220,001</u>	line 34
22	Net Operating Income	<u>357,310</u>	<u>(22,691)</u>	<u>334,619</u>	line 20 - line 21
23	Return on Rate Base	<u>5.61%</u>		<u>6.46%</u>	line 22 / line 13
24	After-tax Cost of Capital	<u>10.45%</u>	<u>10.45%</u>	<u>10.45%</u>	
25	Target Net Operating Income	<u>666,073</u>	<u>(124,804)</u>	<u>541,269</u>	line 24 * line 13
26	Adj to Achieve Target Return on RB	308,763	(102,113)	206,650	line 25 - line 22
27	Gross Revenue Conversion Factor	<u>1.6575</u>	<u>1.6575</u>	<u>1.6575</u>	line 35
28	Staff ROR Deficiency	<u>511,775</u>	<u>(169,252)</u>	<u>342,522</u>	line 26 * line 27
29	Calculation of Income Tax Expense				
30	Net Op Inc before Inc Taxes	592,230	(37,610)	554,620	line 20
31	Illinois Inc & Rep Tax Expense	<u>42,522</u>	<u>(2,700)</u>	<u>39,822</u>	line 30 * 7.18%
32	Net Op Inc before Fed Inc Tax	549,708	(34,910)	514,798	line 30 - line 31
33	Federal Income Tax Expense	<u>192,398</u>	<u>(12,219)</u>	<u>180,179</u>	line 32 * 35.00%
34	Total Imputed Income Tax Expense	<u>234,920</u>	<u>(14,919)</u>	<u>220,001</u>	line 31 + line 33
35	Gross Revenue Conversion Factor	<u>1.6575</u>	<u>1.6575</u>	<u>1.6575</u>	1 / ((1 - .0718) * (1 - .35))

Frontier Communications-Midland, Inc.
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement

Line #	Description (a)	Amount (b)	(c)	(d)	Source (e)
1	Commission-Ordered Cash Balance Requirement				
2	Cash Balance Requirement per Staff	\$ -			
3	Cash Balance Requirement per Company	<u>980,039</u>			FC Ex. 1.0, Sch. 1.09, line 3
4	Adjustment	<u>\$ (980,039)</u>			line 2 - line 3
5					
6	Yellow Pages Directory Advertising Revenue				
7	Revenue per Staff	\$ 29,992			FC Ex. 1.0, Sch. 1.10, p. 1, line 4
8	Revenue per Company	<u>-</u>			
9	Adjustment	<u>\$ 29,992</u>			line 7 - line 8
10					
11	Yellow Pages Directory Advertising Expense				
12	Expense per Staff	\$ 10,157			FC Ex. 1.0, Sch. 1.11, p. 1, line 4
13	Expense per Company	<u>-</u>			
14	Adjustment	<u>\$ 10,157</u>			line 12 - line 13
15					
16					
17					
18					
19					
20					
21	Funding Difference--High Cost Loop Fund Support				
22	2001 Annualized HCLF Support	\$ 209,604			IITA Ex 4, Att 6, col d
23	2000 Total HCLF Support	<u>267,049</u>			IITA Ex 4, Att 6, col c
24	Funding Difference	\$ (57,445)			line 22 - line 23
25		<u>-</u>			
26	Adjustment	<u>\$ (57,445)</u>			line 24 - line 25
27					
28	Accumulated Deferred Income Taxes				
29	ADIT per Staff	\$ (747,072)			FC Ex. 2.0, Sch. 2.10
30	ADIT per Company	<u>(531,545)</u>			FC Ex. 1.0, Sch. 1.08, line 7
31	Adjustment	<u>\$ (215,527)</u>			line 29 - line 30
32					
33					
34					

Frontier Communications-Prairie, Inc.
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement

Line #	Description (a)	Company Amount (b)	Staff Adjustment (c)	Staff Adjusted Amount (d)	Source (e)
1	Net Regulated Plant	\$ 1,263,850	\$ 2,665	\$ 1,266,515	
2	Materials and Supplies Inventory	-	-	-	
3	Customer Deposits	-	-	-	
4	ADIT - Regulated Plant	42,697	50,442	93,139	
5	Rate Base before Working Capital	1,221,153	(47,777)	1,173,376	line 1 + line 2 - line 3 - line 4
6	Working Capital Requirement				
7	Total Operating Expenses	282,942	(955)	281,987	
8	Less: Depreciation Expense	128,301	(2,665)	125,636	
9	Total WC Operating Expense	154,641	1,710	156,351	line 7 - line 8
10	WC OE Requirement	19,330	214	19,544	line 9 * 45 / 360
11	Commission-Ordered Cash Balance Require	839,187	(839,187)	-	page 2, line 4
12	Total Working Capital Requirement	858,517	(838,973)	19,544	line 10 + line 11
13	Total Rate Base	2,079,670	(886,750)	1,192,920	line 5 + line 12
14	Total Operating Revenues	595,226	2,388	597,614	
15	Less: Illinois High Cost Fund	113,592	-	113,592	
16	Net Operating Revenues	481,634	2,388	484,022	line 14 - line 15
17	Total Operating Expenses	282,942	(955)	281,987	
18	Other Operating Inc and Exp - Net	-	-	-	
19	Other Operating Taxes	5,585	-	5,585	
20	Net Op Inc before Income Taxes	193,107	3,343	196,450	line 16 - lines 17, 18, & 19
21	Income Tax Expense	76,600	1,326	77,926	line 34
22	Net Operating Income	116,507	2,017	118,524	line 20 - line 21
23	Return on Rate Base	5.60%		9.94%	line 22 / line 13
24	After-tax Cost of Capital	10.45%	10.45%	10.45%	
25	Target Net Operating Income	217,326	(92,665)	124,660	line 24 * line 13
26	Adj to Achieve Target Return on RB	100,819	(94,682)	6,136	line 25 - line 22
27	Gross Revenue Conversion Factor	1.6575	1.6575	1.6575	line 35
28	Staff ROR Deficiency	167,107	(156,935)	10,170	line 26 * line 27
29	Calculation of Income Tax Expense				
30	Net Op Inc before Inc Taxes	193,107	3,343	196,450	line 20
31	Illinois Inc & Rep Tax Expense	13,865	240	14,105	line 30 * 7.18%
32	Net Op Inc before Fed Inc Tax	179,242	3,103	182,345	line 30 - line 31
33	Federal Income Tax Expense	62,735	1,086	63,821	line 32 * 35.00%
34	Total Imputed Income Tax Expense	76,600	1,326	77,926	line 31 + line 33
35	Gross Revenue Conversion Factor	1.6575	1.6575	1.6575	1 / ((1 - .0718) * (1 - .35))

Docket Nos. 00-0233 & 00-0335 (Consolidated)--Phase II
 ICC Staff Exhibit 15.0, Schedule 15.13

Frontier Communications-Prairie, Inc.
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement

Line #	Description	Amount	(c)	(d)	Source
	(a)	(b)			(e)
1	Commission-Ordered Cash Balance Requirement				
2	Cash Balance Requirement per Staff	\$ -			
3	Cash Balance Requirement per Company	<u>839,187</u>			FC Ex. 1.0, Sch 1.09, line 3
4	Adjustment	<u>\$ (839,187)</u>			line 2 - line 3
5					
6	Yellow Pages Directory Advertising Revenue				
7	Revenue per Staff	\$ 2,388			FC Ex. 1.0, Sch. 1.10, p. 1, line 4
8	Revenue per Company	<u>-</u>			
9	Adjustment	<u>\$ 2,388</u>			line 7 - line 8
10					
11	Yellow Pages Directory Advertising Expense				
12	Expense per Staff	\$ 1,710			FC Ex. 1.0, Sch. 1.11, p. 1, line 4
13	Expense per Company	<u>-</u>			
14	Adjustment	<u>\$ 1,710</u>			line 12 - line 13
15					
16	Correction of Depreciation Expense Adjustment				
17	Depreciation Expense per Staff	\$ 21,413			ICC Staff Ex. 7.0, Sch. 7.21, line 12
18	Depreciation Expense per Company	<u>24,078</u>			FC Ex. 1.0, Sch. 1.11, p. 2, line 3
19	Adjustment	<u>\$ (2,665)</u>			line 17 - line 18
20					
21	Funding Difference--High Cost Loop Fund Support				
22	2001 Annualized HCLF Support	\$ -			IITA Ex 4, Att 6, col d
23	2000 Total HCLF Support	<u>-</u>			IITA Ex 4, Att 6, col c
24	Funding Difference	\$ -			line 22 - line 23
25		<u>-</u>			
26	Adjustment	<u>\$ -</u>			line 24 - line 25
27					
28	Accumulated Deferred Income Taxes				
29	ADIT per Staff	\$ (93,139)			FC Ex. 2.0, Sch. 2.10
30	ADIT per Company	<u>(42,697)</u>			FC Ex. 1.0, Sch. 1.08, line 7
31	Adjustment	<u>\$ (50,442)</u>			line 29 - line 30
32					
33	Adjustment to Depreciation Reserve	<u>\$ 2,665</u>			FC Ex. 2.0, Sch. 2.04, p. 2, l. 2 (See line 19.)
34					

Frontier Communications-Schuyler, Inc.
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement

<u>Line #</u>	<u>Description</u> (a)	<u>Company</u> <u>Amount</u> (b)	<u>Staff</u> <u>Adjustment</u> (c)	<u>Staff Adjusted</u> <u>Amount</u> (d)	<u>Source</u> (e)
1	Net Regulated Plant	\$ 4,650,688		\$ 4,650,688	
2	Materials and Supplies Inventory	-		-	
3	Customer Deposits	-		-	
4	ADIT - Regulated Plant	32,343	190,359	222,702	
5	Rate Base before Working Capital	4,618,345	(190,359)	4,427,986	line 1 + line 2 - line 3 - line 4
6	Working Capital Requirement				
7	Total Operating Expenses	1,316,437	42,945	1,359,382	
8	Less: Depreciation Expense	278,383		278,383	
9	Total WC Operating Expense	1,038,054	42,945	1,080,999	line 7 - line 8
10	WC OE Requirement	129,757	5,368	135,125	line 9 * 45 / 360
11	Commission-Ordered Cash Balance Require	599,109	(599,109)	-	page 2, line 4
12	Total Working Capital Requirement	728,866	(593,741)	135,125	line 10 + line 11
13	Total Rate Base	5,347,211	(784,100)	4,563,111	line 5 + line 12
14	Total Operating Revenues	2,057,200	196,702	2,253,902	
15	Less: Illinois High Cost Fund	245,457	-	245,457	
16	Net Operating Revenues	1,811,743	196,702	2,008,445	line 14 - line 15
17	Total Operating Expenses	1,316,437	42,945	1,359,382	
18	Other Operating Inc and Exp - Net	-	-	-	
19	Other Operating Taxes	42,652	-	42,652	
20	Net Op Inc before Income Taxes	452,654	153,757	606,411	line 16 - lines 17, 18, & 19
21	Income Tax Expense	179,555	60,991	240,545	line 34
22	Net Operating Income	273,099	92,766	365,866	line 20 - line 21
23	Return on Rate Base	5.11%		8.02%	line 22 / line 13
24	After-tax Cost of Capital	10.45%	10.45%	10.45%	
25	Target Net Operating Income	558,784	(81,938)	476,845	line 24 * line 13
26	Adj to Achieve Target Return on RB	285,685	(174,704)	110,979	line 25 - line 22
27	Gross Revenue Conversion Factor	1.6575	1.6575	1.6575	line 35
28	Staff ROR Deficiency	473,523	(289,572)	183,948	line 26 * line 27
29	Calculation of Income Tax Expense				
30	Net Op Inc before Inc Taxes	452,654	153,757	606,411	line 20
31	Illinois Inc & Rep Tax Expense	32,501	11,040	43,540	line 30 * 7.18%
32	Net Op Inc before Fed Inc Tax	420,153	142,717	562,871	line 30 - line 31
33	Federal Income Tax Expense	147,054	49,951	197,005	line 32 * 35.00%
34	Total Imputed Income Tax Expense	179,555	60,991	240,545	line 31 + line 33
35	Gross Revenue Conversion Factor	1.6575	1.6575	1.6575	1 / ((1 - .0718) * (1 - .35))

Frontier Communications-Schuyler, Inc.
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement

<u>Line #</u>	<u>Description</u>	<u>Amount</u>	<u>Source</u>
	(a)	(b)	(c) (d) (e)
1	Commission-Ordered Cash Balance Requirement		
2	Cash Balance Requirement per Staff	\$ -	
3	Cash Balance Requirement per Company	<u>599,109</u>	FC Ex. 1.0, Sch 1.09, line 3
4	Adjustment	<u>\$ (599,109)</u>	line 2 - line 3
5			
6	Yellow Pages Directory Advertising Revenue		
			FC Ex. 1.0, Sch. 1.10, p. 1,
7	Revenue per Staff	\$ 116,002	line 4
8	Revenue per Company	<u>-</u>	
9	Adjustment	<u>\$ 116,002</u>	line 7 - line 8
10			
11	Yellow Pages Directory Advertising Expense		
			FC Ex. 1.0, Sch. 1.11, p. 1,
12	Expense per Staff	\$ 42,945	line 4
13	Expense per Company	<u>-</u>	
14	Adjustment	<u>\$ 42,945</u>	line 12 - line 13
15			
16			
17			
18			
19			
20			
21	Funding Difference--High Cost Loop Fund Support		
22	2001 Annualized HCLF Support	\$ 80,700	IITA Ex 4, Att 6, col d
23	2000 Total HCLF Support	<u>-</u>	IITA Ex 4, Att 6, col c
24	Funding Difference	<u>\$ 80,700</u>	line 22 - line 23
25		<u>-</u>	
26	Adjustment	<u>\$ 80,700</u>	line 24 - line 25
27			
28	Accumulated Deferred Income Taxes		
29	ADIT per Staff	\$ (222,702)	FC Ex. 2.0, Sch. 2.10
30	ADIT per Company	<u>(32,343)</u>	FC Ex. 1.0, Sch. 1.08, line 7
31	Adjustment	<u>\$ (190,359)</u>	line 29 - line 30
32			
33			
34			

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

<u>Line #</u>	<u>Description</u>	<u>Company</u> <u>Amount</u>	<u>Staff</u> <u>Adjustment</u>	<u>Staff Adjusted</u> <u>Amount</u>	<u>Source</u>
	(a)	(b)	(c)	(d)	(e)
1	Net Regulated Plant	\$ 567,890		\$ 567,890	
2	Materials and Supplies Inventory	47,424	-	47,424	
3	Customer Deposits	1,800	-	1,800	
4	ADIT - Regulated Plant	-	-	-	
5	Rate Base before Working Capital	613,514	-	613,514	line 1 + line 2 - line 3 - line 4
6	Working Capital Requirement				
7	Total Operating Expenses	490,104	-	490,104	
8	Less: Depreciation Expense	169,696		169,696	
9	Total WC Operating Expense	320,408	-	320,408	line 7 - line 8
10	WC OE Requirement	40,051	-	40,051	line 9 * 45 / 360
11	Commission-Ordered Cash Balance Requirement	-	-	-	
12	Total Working Capital Requirement	40,051	-	40,051	line 10 + line 11
13	Total Rate Base	653,565	-	653,565	line 5 + line 12
14	Total Operating Revenues	585,529	2,316	587,845	
15	Less: Illinois High Cost Fund	123,869	-	123,869	
16	Net Operating Revenues	461,660	2,316	463,976	line 14 - line 15
17	Total Operating Expenses	490,104	-	490,104	
18	Other Operating Inc and Exp - Net	-	-	-	
19	Other Operating Taxes	-	-	-	
20	Net Op Inc before Income Taxes	(28,444)	2,316	(26,128)	line 16 - lines 17, 18, & 19
21	Income Tax Expense	-	-	-	line 34
22	Net Operating Income	(28,444)	2,316	(26,128)	line 20 - line 21
23	Return on Rate Base	-4.35%		-4.00%	line 22 / line 13
24	After-tax Cost of Capital	12.60%	12.60%	12.60%	
25	Target Net Operating Income	82,349	-	82,349	line 24 * line 13
26	Adj to Achieve Target Return on RB	110,793	(2,316)	108,477	line 25 - line 22
27	Gross Revenue Conversion Factor	1.0000	1.0000	1.0000	line 35
28	Staff ROR Deficiency	110,793	(2,316)	108,477	line 26 * line 27
29	Calculation of Income Tax Expense				
30	Net Op Inc before Inc Taxes	(28,444)	2,316	(26,128)	line 20
31	Illinois Inc & Rep Tax Expense	-	-	-	line 30 * 7.18%
32	Net Op Inc before Fed Inc Tax	(28,444)	2,316	(26,128)	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))

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

<u>Line #</u>	<u>Description</u> (a)	<u>Amount</u> (b)	(c)	(d)	<u>Source</u> (e)
1	Funding Difference--High Cost Loop Fund Support				
2	2001 Annualized HCLF Support	\$ 2,316			IITA Ex 4, Att 6, col d
3	2000 Total HCLF Support	-			IITA Ex 4, Att 6, col c
4	Adjustment	<u>\$ 2,316</u>			line 1 - line 2
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Glasford Telephone Company
Illinois Universal Service Funding Calculation
Staff Calculated Funding Deficiency

Line #	Description (a)	Company Amount (b)	Staff Adjustment (c)	Staff Adjusted Amount (d)	Source (e)
1	Net Regulated Plant	\$ 1,180,439		\$ 1,180,439	
2	Materials and Supplies Inventory	9,593		9,593	
3	Customer Deposits	12,730	-	12,730	
4	ADIT - Regulated Plant	-	-	-	
5	Rate Base before Working Capital	1,177,302	-	1,177,302	line 1 + line 2 - line 3 - line 4
6	Working Capital Requirement				
7	Total Operating Expenses	596,564	-	596,564	
8	Less: Depreciation Expense	130,131	-	130,131	
9	Total WC Operating Expense	466,433	-	466,433	line 7 - line 8
10	WC OE Requirement	58,304	-	58,304	line 9 * 45 / 360
11	Commission-Ordered Cash Balance Require	-	-	-	
12	Total Working Capital Requirement	58,304	-	58,304	line 10 + line 11
13	Total Rate Base	1,235,606	-	1,235,606	line 5 + line 12
14	Total Operating Revenues	748,392	(441)	747,951	
15	Less: Illinois High Cost Fund	11,196	-	11,196	
16	Net Operating Revenues	737,196	(441)	736,755	line 14 - line 15
17	Total Operating Expenses	596,564		596,564	
18	Other Operating Inc and Exp - Net	-	-	-	
19	Other Operating Taxes	4,329	-	4,329	
20	Net Op Inc before Income Taxes	136,303	(441)	135,862	line 16 - lines 17, 18, & 19
21	Income Tax Expense	-	-	-	line 34
22	Net Operating Income	136,303	(441)	135,862	line 20 - line 21
23	Return on Rate Base	11.03%		11.00%	line 22 / line 13
24	After-tax Cost of Capital	12.60%	12.60%	12.60%	
25	Target Net Operating Income	155,686	-	155,686	line 24 * line 13
26	Adj to Achieve Target Return on RB	19,383	441	19,824	line 25 - line 22
27	Gross Revenue Conversion Factor	1.0000	1.0000	1.0000	line 35
28	Staff ROR Deficiency	19,383	441	19,824	line 26 * line 27
29	Calculation of Income Tax Expense				
30	Net Op Inc before Inc Taxes	136,303	(441)	135,862	line 20
31	Illinois Inc & Rep Tax Expense	-	-	-	line 30 * 7.18%
32	Net Op Inc before Fed Inc Tax	136,303	(441)	135,862	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	1.6324	1.6324	1.6324	1 / ((1 - .0718) * (1 - .34))

Glasford Telephone Company
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Deficiency

<u>Line #</u>	<u>Description</u> (a)	<u>Amount</u> (b)	(c)	(d)	<u>Source</u> (e)
1	Funding Difference--High Cost Loop Fund Support				
2	2001 Annualized HCLF Support	\$ -			IITA Ex 4, Att 6, col d
3	2000 Total HCLF Support	441			IITA Ex 4, Att 6, col c
4	Adjustment	<u>\$ (441)</u>			line 1 - line 2
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Grafton Telephone Company
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement

<u>Line #</u>	<u>Description</u>	<u>Company</u> <u>Amount</u>	<u>Staff</u> <u>Adjustment</u>	<u>Staff Adjusted</u> <u>Amount</u>	<u>Source</u>
	(a)	(b)	(c)	(d)	(e)
1	Net Regulated Plant	\$ 2,448,718		\$ 2,448,718	
2	Materials and Supplies Inventory	48,525		48,525	
3	Customer Deposits	1,314	-	1,314	
4	ADIT - Regulated Plant	<u>(56,849)</u>		<u>(56,849)</u>	
5	Rate Base before Working Capital	2,552,778	-	2,552,778	line 1 + line 2 - line 3 - line 4
6	Working Capital Requirement				
7	Total Operating Expenses	906,379	-	906,379	
8	Less: Depreciation Expense	<u>287,257</u>		<u>287,257</u>	
9	Total WC Operating Expense	<u>619,122</u>	-	<u>619,122</u>	line 7 - line 8
10	WC OE Requirement	77,390	-	77,390	line 9 * 45 / 360
11	Commission-Ordered Cash Balance Require	-	-	-	
12	Total Working Capital Requirement	<u>77,390</u>	-	<u>77,390</u>	line 10 + line 11
13	Total Rate Base	<u>2,630,168</u>	-	<u>2,630,168</u>	line 5 + line 12
14	Total Operating Revenues	1,384,041	17,529	1,401,570	
15	Less: Illinois High Cost Fund	<u>208,440</u>	-	<u>208,440</u>	
16	Net Operating Revenues	1,175,601	17,529	1,193,130	line 14 - line 15
17	Total Operating Expenses	906,379		906,379	
18	Other Operating Inc and Exp - Net	-	-	-	
19	Other Operating Taxes	<u>11,370</u>	-	<u>11,370</u>	
20	Net Op Inc before Income Taxes	257,852	17,529	275,381	line 16 - lines 17, 18, & 19
21	Income Tax Expense	<u>99,889</u>	<u>6,791</u>	<u>106,679</u>	line 34
22	Net Operating Income	<u>157,963</u>	<u>10,738</u>	<u>168,702</u>	line 20 - line 21
23	Return on Rate Base	6.01%		6.41%	line 22 / line 13
24	After-tax Cost of Capital	11.21%	11.21%	11.21%	
25	Target Net Operating Income	<u>294,842</u>	-	<u>294,842</u>	line 24 * line 13
26	Adj to Achieve Target Return on RB	136,879	(10,738)	126,140	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>223,441</u>	<u>(17,529)</u>	<u>205,911</u>	line 26 * line 27
29	Calculation of Income Tax Expense				
30	Net Op Inc before Inc Taxes	257,852	17,529	275,381	line 20
31	Illinois Inc & Rep Tax Expense	<u>18,514</u>	<u>1,259</u>	<u>19,772</u>	line 30 * 7.18%
32	Net Op Inc before Fed Inc Tax	239,338	16,270	255,609	line 30 - line 31
33	Federal Income Tax Expense	<u>81,375</u>	<u>5,532</u>	<u>86,907</u>	line 32 * 34.00%
34	Total Imputed Income Tax Expense	<u>99,889</u>	<u>6,791</u>	<u>106,679</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))

Docket Nos. 00-0233 & 00-0335 (Consolidated)--Phase II
ICC Staff Exhibit 15.0, Schedule 15.17

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

<u>Line #</u>	<u>Description</u>	<u>Amount</u>			<u>Source</u>
	(a)	(b)	(c)	(d)	(e)
1	Funding Difference--High Cost Loop Fund Support				
2	2001 Annualized HCLF Support	\$ 179,892			IITA Ex 4, Att 6, col d
3	2000 Total HCLF Support	<u>162,363</u>			IITA Ex 4, Att 6, col c
4	Adjustment	<u>\$ 17,529</u>			line 1 - line 2
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Gridley Telephone Company
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement

Line #	Description (a)	Company Amount (b)	Staff Adjustment (c)	Staff Adjusted Amount (d)	Source (e)
1	Net Regulated Plant	\$ 2,270,734		\$ 2,270,734	
2	Materials and Supplies Inventory	56,712		56,712	
3	Customer Deposits	1,357	-	1,357	
4	ADIT - Regulated Plant	-		-	
5	Rate Base before Working Capital	2,326,089	-	2,326,089	line 1 + line 2 - line 3 - line 4
6	Working Capital Requirement				
7	Total Operating Expenses	2,160,506		2,160,506	
8	Less: Depreciation Expense	601,265	-	601,265	
9	Total WC Operating Expense	1,559,241	-	1,559,241	line 7 - line 8
10	WC OE Requirement	194,905	-	194,905	line 9 * 45 / 360
11	Commission-Ordered Cash Balance Require	-	-	-	
12	Total Working Capital Requirement	194,905	-	194,905	line 10 + line 11
13	Total Rate Base	2,520,994	-	2,520,994	line 5 + line 12
14	Total Operating Revenues	2,596,693	293,157	2,889,850	
15	Less: Illinois High Cost Fund	586,344	-	586,344	
16	Net Operating Revenues	2,010,349	293,157	2,303,506	line 14 - line 15
17	Total Operating Expenses	2,160,506	-	2,160,506	
18	Other Operating Inc and Exp - Net	-	-	-	
19	Other Operating Taxes	11,472	-	11,472	
20	Net Op Inc before Income Taxes	(161,629)	293,157	131,528	line 16 - lines 17, 18, & 19
21	Income Tax Expense	(62,613)	113,566	50,953	line 34
22	Net Operating Income	(99,016)	179,591	80,575	line 20 - line 21
23	Return on Rate Base	-3.93%		3.20%	line 22 / line 13
24	After-tax Cost of Capital	11.21%	11.21%	11.21%	
25	Target Net Operating Income	282,603	-	282,603	line 24 * line 13
26	Adj to Achieve Target Return on RB	381,619	(179,591)	202,028	line 25 - line 22
27	Gross Revenue Conversion Factor	1.6324	1.6324	1.6324	line 35
28	Staff ROR Deficiency	622,955	(293,164)	329,791	line 26 * line 27
29	Calculation of Income Tax Expense				
30	Net Op Inc before Inc Taxes	(161,629)	293,157	131,528	line 20
31	Illinois Inc & Rep Tax Expense	(11,605)	21,049	9,444	line 30 * 7.18%
32	Net Op Inc before Fed Inc Tax	(150,024)	272,108	122,084	line 30 - line 31
33	Federal Income Tax Expense	(51,008)	92,517	41,509	line 32 * 34.00%
34	Total Imputed Income Tax Expense	(62,613)	113,566	50,953	line 31 + line 33
35	Gross Revenue Conversion Factor	1.6324	1.6324	1.6324	1 / ((1 - .0718) * (1 - .34))

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

<u>Line #</u>	<u>Description</u>	<u>Amount</u>			<u>Source</u>
	(a)	(b)	(c)	(d)	(e)
1	Funding Difference--High Cost Loop Fund Support				
2	2001 Annualized HCLF Support	\$ 57,576			IITA Ex 4, Att 6, col d
3	2000 Total HCLF Support	<u>31,182</u>			IITA Ex 4, Att 6, col c
4	Funding Difference	<u>\$ 26,394</u>			line 1 - line 2
	Reverse Gridley Adjustment for Federal				
5	High Cost Loop Funding	<u>30,681</u>			Gridley Ex. 1.0, p. 8
6	Adjustment	<u>\$ (4,287)</u>			line 4 - line 5
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8	Access Revenues Adjustment				
	Adjustment to Special Access Revenues				
9	per Staff	\$ -			ICC Staff Ex. 14.0, Sch. 14.01
	Adjustment to Special Access Revenues				Gridley Exhibit 2, Sch. 2.01,
10	per Company	<u>(297,444)</u>			line 28, col. 7
11	Adjustment	<u>\$ 297,444</u>			line 8 - line 10
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Harrisonville Telephone Company
 Illinois Universal Service Funding Calculation
 Staff Calculated Funding Requirement

Line #	Description	Company Amount	Staff Adjustment	Staff Adjusted Amount	Source
	(a)	(b)	(c)	(d)	(e)
1	Net Regulated Plant	\$ 33,654,455		\$ 33,654,455	
2	Materials and Supplies Inventory	493,263		493,263	
3	Customer Deposits	49,153	-	49,153	
4	ADIT - Regulated Plant	<u>3,164,723</u>	-	<u>3,164,723</u>	
5	Rate Base before Working Capital	30,933,842	-	30,933,842	line 1 + line 2 - line 3 - line 4
6	Working Capital Requirement				
7	Total Operating Expenses	10,536,404	-	10,536,404	
8	Less: Depreciation Expense	<u>3,175,448</u>	-	<u>3,175,448</u>	
9	Total WC Operating Expense	<u>7,360,956</u>	-	<u>7,360,956</u>	line 7 - line 8
10	WC OE Requirement	920,120	-	920,120	line 9 * 45 / 360
11	Commission-Ordered Cash Balance Requirement	-	-	-	
12	Total Working Capital Requirement	<u>920,120</u>	-	<u>920,120</u>	line 10 + line 11
13	Total Rate Base	<u>31,853,962</u>	-	<u>31,853,962</u>	line 5 + line 12
14	Total Operating Revenues	16,465,073	-	16,465,073	
15	Less: Illinois High Cost Fund	<u>1,063,557</u>	-	<u>1,063,557</u>	
16	Net Operating Revenues	15,401,516	-	15,401,516	line 14 - line 15
17	Total Operating Expenses	10,536,404	-	10,536,404	
18	Other Operating Inc and Exp - Net	3,583	-	3,583	
19	Other Operating Taxes	<u>97,169</u>	-	<u>97,169</u>	
20	Net Op Inc before Income Taxes	4,764,360	-	4,764,360	line 16 - lines 17, 18, & 19
21	Income Tax Expense	<u>1,845,656</u>	-	<u>1,845,656</u>	line 34
22	Net Operating Income	<u>2,918,704</u>	-	<u>2,918,704</u>	line 20 - line 21
23	Return on Rate Base	9.16%		9.16%	line 22 / line 13
24	After-tax Cost of Capital	11.21%	11.21%	11.21%	
25	Target Net Operating Income	<u>3,570,829</u>	-	<u>3,570,829</u>	line 24 * line 13
26	Adj to Achieve Target Return on RB	652,125	-	652,125	line 25 - line 22
27	Gross Revenue Conversion Factor	<u>1.6324</u>	1.6324	<u>1.6324</u>	line 35
28	Staff ROR Deficiency	<u>1,064,529</u>	-	<u>1,064,529</u>	line 26 * line 27
29	Calculation of Income Tax Expense				
30	Net Op Inc before Inc Taxes	4,764,360	-	4,764,360	line 20
31	Illinois Inc & Rep Tax Expense	<u>342,081</u>	-	<u>342,081</u>	line 30 * 7.18%
32	Net Op Inc before Fed Inc Tax	4,422,279	-	4,422,279	line 30 - line 31
33	Federal Income Tax Expense	<u>1,503,575</u>	-	<u>1,503,575</u>	line 32 * 34.00%
34	Total Imputed Income Tax Expense	<u>1,845,656</u>	-	<u>1,845,656</u>	line 31 + line 33
35	Gross Revenue Conversion Factor	<u>1.6324</u>	1.6324	<u>1.6324</u>	1 / ((1 - .0718) * (1 - .34))

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

<u>Line #</u>	<u>Description</u>	<u>Amount</u>			<u>Source</u>
	(a)	(b)	(c)	(d)	(e)
1	Funding Difference--High Cost Loop Fund Support				
2	2001 Annualized HCLF Support	\$ 1,792,818			IITA Ex 4, Att 6, col d
3	2000 Total HCLF Support	<u>1,435,980</u>			IITA Ex 4, Att 6, col c
4	Funding Difference	<u>\$ 356,838</u>			line 1 - line 2
	Reverse Harrisonville Adjustment for				
5	Federal High Cost Loop Funding	356,838			Harrisonville Ex. 2, Sch. 2.02
6		<u>-</u>			
7	Adjustment	<u>\$ -</u>			line 4 - line 5 - line 6
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