

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of

February 22, 2018 Access Charge
Tariff Filing

Iowa Network Services, Inc. d/b/a
Aureon Network Services
Tariff F.C.C. No. 1.

Transmittal No. 36

DECLARATION OF BRIAN SULLIVAN

I, BRIAN SULLIVAN, hereby declare as follows:

1. I am the Vice President of John Staurulakis, Inc. ("JSI"), with headquarters located in Greenbelt, Maryland. I am primarily responsible for overseeing the completion, review, and submission of jurisdictional cost studies along with related filings and studies, including Universal Service Fund and FCC Access Tariff filings. I have served as a presenter for JSI seminars covering separations, access, and Part 32/64 accounting. Over the past several years, I have given presentations for NTCA, USTA, and numerous other state telephone associations. I have been employed at JSI for more than 25 years.

2. I was awarded a Bachelor of Science degree in economics, with a minor in English, from James Madison University in 1988. I received a Master of Business Administration from Bowie State University in 1994. I received my CPA certification from the State of Maryland in February 1998. I am an active member of both the American Institute of Certified Public Accountants (AICPA) and the Maryland Association of Certified Public Accountants (MACPA).

3. I make this declaration voluntarily in support of Aureon's Reply to the Petitions to Reject or to Suspend and Investigate filed by AT&T Corp. ("AT&T") and Sprint Communications

Company L.P. in the above-captioned proceeding. The information provided herein is based on my personal knowledge.

4. Aureon retained JSI to perform the cost and traffic studies to support its February 22, 2018 tariff filing with the FCC. I conducted the cost and traffic studies for Aureon consistent with Section 61.38 and Parts 36, 64, and 69 of the Commission's rules in order to develop its new tariff rate. It is important to note that in determining the revenue requirement for Aureon's Access Division, I removed the uncollectible amounts included in Aureon's previous cost support and traffic studies.

5. In its Petition, AT&T's witness, Mr. Daniel Rhinehart alleges that Aureon did not use an appropriate methodology to allocate CWF fiber costs to Aureon's CEA service. Mr. Rhinehart appears to believe that all network plant and other assets are owned by another Aureon affiliate, and Aureon's Access Division then leases those facilities in total, with a computation being made to translate a total lease to DS-1 costs applicable to CEA service. In reality, the underlying assets are not owned by another Aureon entity, but rather, they are assigned to the Network Division, and included on Aureon's financial statements and underlying assignments. All of the assets are assigned to non-CEA services, and the lease to the Access Division is derived from the operational expenses ("OPEX") related to CEA service. It is important to note that because overheads are presumably included in the lease expense rate, no additional overheads are allocated in addition to the lease expense in the Part 64 level allocation.

6. AT&T asserts that the CWF Facility Lease cost amount set forth on Schedule 5, page 3, line 68a of Aureon's cost support is suspect because there is no explanation as to why the lease cost amount declined by approximately \$5 million between 2017 and the 2018 test period. The lease rate to the Access Division is projected to decline materially as a function of overall cost

declines seen for Aureon. Net Plant Investment has been declining, and is projected to continue to decline. OPEX and taxes on a "Total Company" basis – exclusive of the lease, are as follows:

2016 Filing:	\$62.5 million
2017 Prior Year Cost of Service:	\$46.0 million
2018 Test Year Cost of Service:	\$44.4 million

7. AT&T also points out a typographical error on line 68 of Section 5 of the cost support. Instead of \$22,377,185, the amount on line 68 under the "Total Company" column should have been \$18,359,629. The \$22,377,185 incorrect amount was not used in any calculation, and therefore, did not have any impact on Aureon's proposed CEA revenue requirement or proposed CEA tariff rate. Instead, the amount on line 68a of Section 5 under the column "Access Division" of \$13,430,525 for CWF Facility Lease expenses was shown correctly and that amount was used to calculate the CEA revenue requirement. The amounts on lines 68a and 68b of Section 5 under the column "Other" were also accurately shown in the original cost support filed with the Commission (\$1,627,473 on line 68a for CWF Facility Lease expenses and \$3,301,632 on line 68b for CWF Other Expenses are correct).

8. AT&T states that Aureon's cost support materials are also suspect because of the variation in Net Telephone Plant Investment for the 2018 test year as compared to Net Telephone Plant Investment for 2016 and 2017. The primary cause for the reduction in net investment in the test year cost of service when compared to previous years is the exclusion of uncollectible revenues from the revenue requirement development. Due to the fact that uncollectible revenues are excluded from the OPEX and Taxes components, Aureon also excluded the Deferred Tax Asset that relates to those items. The Deferred Tax Asset is valued at $\$24,032,106 \text{ (FIT)} + \$4,234,957 \text{ (SIT)} = \$28,267,063$ for the prior year cost of service year of 2017. This treatment is consistent

with traditional ratemaking approaches, and also serves to materially reduce the revenue requirement, which, in turn reduces the CEA rate.

9. I also performed an analysis of the CEA revenue requirement under the Commission's rules if there was no lease in order to verify the reasonableness of the Access Division's revenue requirement proposed in this tariff filing. I compared the revenue requirement for the Access Division as filed for the proposed tariff rate, and the revenue requirement for the Access Division if there was no lease and Aureon's assets and costs were assigned to that division in accordance with the Commission's rules and on a fully distributed basis. Assigning assets and costs on a fully distributed basis necessarily assigns overhead expenses to the CEA revenue requirement that would have otherwise been included in the lease expense. My analysis shows that the revenue requirement for the Access Division utilizing the asset assignment methodology increases the revenue requirement for the Access Division from \$14,962,151 to \$17,021,380. The increased revenue requirement results in a CEA rate of \$0.00655 per minute, rather than the \$0.00576 rate as proposed. A table summarizing my analysis is shown in the table below.

Table A

	Rate Development:	
	With Lease Expenses	No Lease - Underlying Assets
Net Investment	(\$297,238)	\$35,073,922
Return on Net Investment @10.625%	(\$31,582)	\$3,726,604
FIT and SIT Per Filings:	(\$9,830)	\$1,479,182
Operating Expenses and Tax:	\$15,004,562	\$11,816,593
Total Revenue Requirement	\$14,963,151	\$17,022,380
Less: Misc. Revenues	\$1,000	\$1,000
Revenue Requirement for Rates:	\$14,962,151	\$17,021,380
IS CEA MOU:	2,599,778,953	2,599,778,953
IS CEA Rate per MOU:	\$0.00576	\$0.00655

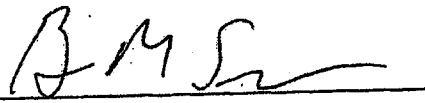
10. Attached to my declaration as Annex 1 is the detailed rate development analysis I performed to calculate the CEA rate per MOU shown in Table A above with lease expenses, and

without a lease between the divisions. The summary information in Table A is derived directly from the rate development analysis in Annex 1. Attached to my declaration as Annex 2 are the Excel spreadsheets showing the "Alternate Scenario" cost allocation model used to determine the revenue requirement for the Access Division if there was no lease and Aureon's assets and costs were assigned to that division in accordance with the Commission's rules and on a fully distributed basis.

11. Attached to my declaration as Annex 3 is the calculation of how the 2018 circuit lease expense of \$13,430,525 was allocated to the CEA revenue requirement. That amount is shown on Aureon's cost support, lines 68 and 68a of Section 5 under the column "Access Division" for CWF Facility Lease expenses.

I certify under penalty of perjury that the foregoing is true and correct.

Executed on February 28, 2018.


Brian Sullivan

ANNEX 1

Recap of Alternative Filing (No Lease) with Study as Filed

Aureon Tariff Filing
2/27/2018

2018 TYCOS - w/Lease		2018 TYCOS - w/Assets	
Total Company	IS CEA Allocated	Total Company	IS CEA Allocated

Computed Rate	\$0.00576		\$0.00655
Filed Rate			

Interstate CEA MOU	2,599,778,953	2,599,778,953	
Total CEA MOU	2,765,367,150	2,765,367,150	
Interstate %	94%	94%	

Gross Plant in Service	215,465,725	215,465,725	132,861,203
Depreciation Reserve	142,385,420	142,385,420	88,756,159
Net Plant	61,632,757	61,632,757	34,563,690
Net Investment	64,148,669	64,148,669	35,073,922

CEA Allocation:			
Gross Plant in Service	14%		62%
Depreciation Reserve	20%		62%
Net Plant	-1%		56%
Net Investment	0%		55%

Operating Expenses- Total	59,451,087	59,451,087	11,816,593
Facilities Lease	15,057,998	15,057,998	0
Depreciation and Amort	5,265,309	5,265,309	3,232,033
Total Operating Exp and Tax - w/Lease	59,451,087	59,451,087	11,816,593
Total Operating Exp and Tax - w/out Lease:	44,393,090	44,393,090	11,816,593

Note: In Alt Scenario, Lease remains in expenses but is not assigned to Interstate CEA

Uncollectibles:	0	0	0
Total Op Exp and Tax for Rates:	59,534,561	59,534,561	11,816,593

Rate Development:

Rate Development:		No Lease- Underlying Assets	
With Lease Expenses			
Net Investment	\$64,148,669	\$64,148,669	\$35,073,922
Return on Net Investment @10.625%	(\$297,238)	(\$297,238)	\$3,726,604
FIT and SIT Per Filings:	\$6,815,796	\$6,815,796	\$1,479,182
Operating Expenses and Tax:	(\$10,456)	(\$9,830)	\$11,816,593
Total Revenue Requirement	\$59,534,561	\$15,004,562	\$17,022,380
Less: Misc Revenues	\$66,339,901	\$14,963,151	\$0
Revenue Requirement for Rates:	\$1,000	\$1,000	\$1,000
IS CEA MOU:	\$14,962,151	\$14,962,151	\$17,021,380
IS CEA Rate per MOU:	2,599,778,953	2,599,778,953	\$0.00655
	\$0.00576	\$0.00576	\$0.00655

ANNEX 2

Recap of Alternative Filing (No Lease) with Study as Filed

Aureon Tariff Filing
2/27/2018

2018 TYCOS - w/Lease
IS CEA Allocated

2018 TYCOS - w/Assets
IS CEA Allocated

Computed Rate
Filed Rate

Interstate CEA MOU
Total CEA MOU
Interstate %
Gross Plant in Service
Depreciation Reserve
Net Plant
Net Investment

CEA Allocation:
Gross Plant in Service
Depreciation Reserve
Net Plant
Net Investment

Operating Expenses- Total
Facilities Lease
Depreciation and Amort
Total Operating Exp and Tax - w/Lease
Total Operating Exp and Tax - w/out Lease:

Note: In Alt Scenario, Lease remains in expenses but is not assigned to Interstate CEA

Uncollectibles:
Total Op Exp and Tax for Rates:

Rate Development:

Net Investment
Return on Net Investment @10.625%
FIT and SIT Per Filings:
Operating Expenses and Tax:
Total Revenue Requirement
Less: Misc Revenues
Revenue Requirement for Rates:
IS CEA MOU:
IS CEA Rate per MOU:

IOWA NETWORK SERVICES, INC.
IOWA NETWORK ACCESS DIVISION
INTERSTATE ACCESS RATE DEVELOPMENT
TRANSMITTAL NO.
PROJECTED TEST PERIOD ENDED

Rate Development

YE 2/28/2019

	SOURCE	CURRENT RATE	YE 2/2019 TYCOS COST SUPPORT	YE 12/2017 PYCOS COST SUPPORT
1	SWITCHED TRANSPORT RATE	(BELOW)	\$0.00896	\$0.00655
2	STUDY PERIOD ACCESS MINUTES	SCHEDULE B	2,508,443,160	2,979,771,329
3	STUDY PERIOD ACCESS REVENUE	LN 1*LN 2	\$22,475,651	\$38,114,894

ACCESS RATE DEVELOPMENT

	SOURCE	Previous	YE 2/2019 TYCOS AMOUNT	YE 12/2017 PYCOS AMOUNT
4	PROJECTED REVENUE REQUIREMENT	Part 69 Model	\$33,428,538	\$38,116,894
5	LESS: MISCELLANEOUS REVENUE	TBD	\$20,731	\$2,000
6	ACCESS REVENUE REQUIREMENT	LN 4-LN 5	\$33,407,807	\$38,114,894
7	PROJECTED ACCESS MINUTES	Line X Below	2,508,443,160	2,979,771,329
8	PROJECTED ACCESS RATE PER MOU	LN 6/LN 7	\$0.01332	\$0.00655

Total CEA Minutes 2017 Minutes		Total MOU		
	Source	Interstate	Intrastate	Total
Jan-17	Actual	276,350,023	16,339,670	292,689,693
Feb-17	Actual	241,792,374	14,877,014	256,669,388
Mar-17	Actual	253,173,174	16,381,279	269,554,453
Apr-17	Actual	219,145,294	14,775,437	233,920,731
May-17	Actual	241,699,296	16,620,563	258,319,859
Jun-17	Actual	257,595,328	14,561,874	272,157,202
Jul-17	Actual	251,695,845	14,023,382	265,719,227
Aug-17	Actual	287,109,880	15,458,154	302,568,034
Sep-17	Actual	241,070,718	13,987,417	255,058,135
Oct-17	Actual	253,307,156	15,270,810	268,577,966
Nov-17	Actual	238,988,410	14,567,895	253,556,305
Dec-17	Actual	217,843,831	13,875,167	231,718,998
2017 Total		2,979,771,329	180,738,662	3,160,509,991

Total 2016 - Actual	Per CEA History	2,753,184,617	194,836,006	2,948,020,623
Change 2017 vs. 2016:	Calc	8.23%	-7.24%	7.21%

Projected 2018		CEA History		
Jan-18	Projected-Aureon	217,656,503	13,863,235	231,519,739
Feb-18	Projected-Aureon	217,470,112	13,851,364	231,321,475
Mar-18	Projected-Aureon	217,284,652	13,839,551	231,124,204
Apr-18	Projected-Aureon	217,100,120	13,827,798	230,927,918
May-18	Projected-Aureon	216,916,511	13,816,103	230,732,614
Jun-18	Projected-Aureon	216,733,820	13,804,467	230,538,286
Jul-18	Projected-Aureon	216,552,042	13,792,889	230,344,931
Aug-18	Projected-Aureon	216,371,173	13,781,369	230,152,541
Sep-18	Projected-Aureon	216,191,208	13,769,906	229,961,114
Oct-18	Projected-Aureon	216,012,143	13,758,501	229,770,644
Nov-18	Projected-Aureon	215,833,974	13,747,153	229,581,127
Dec-18	Projected-Aureon	215,656,695	13,735,861	229,392,556
TOTAL		2,599,778,953	165,588,197	2,765,367,150

Change 2018 vs. 2017:		-12.75%	-8.38%	-12.50%
(YE 2018 will stand for PYCOS Period YE 2/2019)		94.01%	5.99%	100.00%
Test Period MOU Allocation:				

Page 1

SUMMARY OF REVENUE REQUIREMENT BY ACCESS ELEMENT

LN	A/C	DESCRIPTION	TOTAL INTERSTATE	SOURCE	SWITCHING	INFO	TRAFFIC SENSITIVE			DEDICATED TRANSPORT
							COMMON	TRANSPORT	FACILITY	
1		NET INVESTMENT FOR SETTLEMENTS	35,073,922	(NOTE A)	-26,570,608	10.6250%	0	-16,214,710	0	0
2		RATE OF RETURN	10.6250%	LN 1 LN 2	-2,823,127	0	0	-1,722,813	10.6250%	10.6250%
3		RETURN ON INVESTMENT	3,726,604	Page 9, LN 29	-2,823,127	0	0	-1,722,813	0	0
4		ALLOW FOR BONDS USED DURING CONSTR	0	LN 3 LN 4	-2,823,127	0	0	-1,722,813	0	0
5		NET RETURN FOR SETTLEMENTS	3,726,604	LN 30	-679,401	0	0	-414,604	0	0
6		FEDERAL OPERATING INCOME TAX - ACTUAL	896,827	LN 36	-441,169	0	0	-269,223	0	0
7		FEDERAL ITC AMORTIZATION	0	Page 13, LN 23	0	0	0	0	0	0
8		STATE OPERATING INCOME TAX - ACTUAL	582,355	Page 9, LN 18	2,634,599	0	0	1,405,434	0	0
9		STATE ITC FOR DEFERRED INCOME TAX	0	Page 9, LN 23	0	0	0	0	0	0
10		STATE OPERATING INCOME TAX - OPTION	0	Page 9, LN 28	-1,305,098	0.0000%	0	-1,001,206	2,487,712	0
11		PROVISION FOR DEFERRED INCOME TAX	11,816,593	LN16 LN17	0	0.0000%	0	0	0	0.0000%
12		OPERATING EXPENSE & OTHER TAXES	0	LN16 LN18	-1,305,098	0	0	-1,001,206	2,487,712	0
13		NONRECURRING	0		0	0	0	0	0	0
14		COLLECTIBLES	0		0	0	0	0	0	0
15		BASES FOR GROSS RECEIPTS TAX	17,022,380		0	0	0	0	0	0
16		GROSS RECEIPTS TAX RATE	0.0000%		0	0	0	0	0	0
17		GROSS RECEIPTS TAX	0		0	0	0	0	0	0
18		GROSS RECEIPTS TAX	17,022,380		-1,305,098	0	0	-1,001,206	2,487,712	0
19		TOTAL REVENUE REQUIREMENT	0						181,408	-16,840,972
NOTE A: INCLUDES Page 2, LN 31 LESS A/C 2004, TPUC - LONG TERM										
20		OPTIONAL GROSS UP INCOME TAX CALCULATION	3,726,604	LN 3	-2,823,127	0	0	-1,722,813	0	0
21		RETURN ON INVESTMENT	91,652	Page 13, LN 16	2,118	0	0	10,812	0	0
22		INTEREST AND RELATED ITEMS	0	Page 13, LN 20	2,118	0	0	10,812	0	0
23		OTHER INCOME ADJUSTMENTS	91,652	LN21 LN22	-2,844,309	0	0	-1,733,625	0	0
24		TOTAL INCOME ADJUSTMENTS	3,634,952	LN20 LN23	-2,844,309	0	0	-1,733,625	0	0
25		RETURN LESS INCOME ADJ	0	Page 13, LN 22	-2,844,309	0	0	-1,733,625	0	0
26		FEDERAL ITC AMORTIZATION	3,634,952	LN 24 LN 25	-2,555,840	0	0	-1,559,701	0	0
27		FIT BASE	3,373,778	LN 27 YTR	-679,401	0	0	-414,604	0	0
28	21.00%	FEDERAL TAXABLE INCOME	896,827	LN28 LN29	-679,401	0	0	-414,604	0	0
29	26.58%	FEDERAL SURTAX ALLOCATION	896,827	Page 13, LN 23	-2,844,309	0	0	-1,733,625	0	0
30		NET FEDERAL TAX BEFORE ITC AMORT	0		-2,844,309	0	0	-1,733,625	0	0
31		STATE ITC AMORTIZATION	3,634,952		-2,295,241	0	0	-1,974,305	0	0
32		SIT BASE	4,270,606	LN 33 STR	-441,169	0	0	-269,223	0	0
33		STATE TAXABLE INCOME	582,355	LN34 LN35	-441,169	0	0	-269,223	0	0
34	12.00%	STATE SURTAX ALLOCATION	582,355		-441,169	0	0	-269,223	0	0
35	13.64%	NET STATE INCOME TAX BEFORE ITC AMORT	0		-679,401	0	0	-414,604	0	0
36		FEDERAL TAX AT MAXIMUM RATE	896,827		0	0	0	0	0	0
37		INCOME ADJUSTMENT FOR FIT	0		0	0	0	0	0	0

LN	A/C	DESCRIPTION	TOTAL INTERSTATE	SOURCE	SWITCHING	TRAFFIC SENSITIVE			DEDICATED TRANSPORT
						INFO	COMMON TRANSPORT	FACILITY	
		NET INVESTMENT SUMMARY							
39		GENERAL SUPPORT FACILITIES	13,790,958	Page 3, LN 6c	3,187,216	0	1,635,828	0	0
40		CENTRAL OFFICE SWITCHING	26,153,961	Page 3, LN 4	17,314,990	0	8,837,970	0	0
41		OPERATOR SYSTEMS	0	Page 4, LN 17	0	0	0	0	0
42		CENTRAL OFFICE TRANSMISSION	41,667,568	Page 5, LN 41			41,667,568		
43		INFORMATION ORIG/TERM	0						
44		CABLE AND WIRE FACILITIES	48,768,326	Page 3, LN 14	573,472	0	292,713	0	48,768,326
45		TANGIBLE ASSETS	2,481,390	Page 3, LN 15	0	0	0	0	0
46		INTANGIBLE ASSETS	132,861,203	Page 7, LN 6	21,075,673	0.0000%	52,425,080	48,768,326	0.0000%
47		TOTAL PLANT IN SERVICE	300,000%	Page 7, LN 20	13,862,926	0.0000%	39,458,951	36,706,274	0.0000%
48		% DISTRIBUTION	0	Page 7, LN 27	769	0	1,864	0	0
49		PROPERTY HELD FOR FUTURE USE	15,416	Page 8, LN 9	0	0	0	0	0
50		PLANT UNDER CONSTRUCT. - SHORT TERM	0	Page 8, LN 10	0	0	0	0	0
51		PLANT UNDER CONSTRUCT. - LONG TERM	0	Page 8, LN 11	0	0	0	0	0
52		PLANT UNDER PLANT ADJUSTMENT	0	Page 8, LN 22	21,076,427	0.0000%	52,426,943	0	0
53		TOTAL PROPERTY, PLANT & EQUIP.	132,876,618	Page 8, LN 23	15,861,776	0.0000%	39,458,944	0.0000%	0.0000%
54		% DISTRIBUTION	100.0000%	Page 8, LN 24	45,556,298	0	67,574,493	0.0000%	0.0000%
55		ACCUM DEPRECIATION - PLANT IN SERVICE	88,756,169	Page 8, LN 25	0	0	0	0	0
56		ACCUM DEPRECIATION - FUTURE USE	0	Page 8, LN 26	0	0	0	0	0
57		ACCUM AMORTIZATION - TANGIBLE PROPERTY	1,098,290	Page 8, LN 27	253,835	0	129,558	0	0
58		ACCUM AMORTIZATION - INTANGIBLE PROP.	0	Page 8, LN 28	0	0	0	0	0
59		ACCUM AMORTIZATION - TEL PLANT ADJ.	8,458,479	Page 8, LN 29	1,954,831	0	997,791	0	0
60		OPERATING DEFERRED INCOME TAX	0	Page 8, LN 30	-26,688,528	0.0000%	-16,274,898	0	0
61		OTHER DEFERRED PLANT	34,563,690	Page 8, LN 31	-77,2135%	0	-47,086,771	0.0000%	0.0000%
62		NET TELEPHONE PLANT, M&S AND	100.0000%	Page 8, LN 32	36,935	0	18,853	0	0
63		% DISTRIBUTION	159,817	Page 3, LN 16	0	0	0	0	0
64		MATERIALS AND SUPPLIES	0	Page 3, LN 17	0	0	0	0	0
65		INSTRUMENTS	0	Page 3, LN 18	0	0	0	0	0
66		EQUAL ACCESS EQUIPMENT	0	Page 3, LN 19	0	0	0	0	0
67		OTHER INFRASTRUCTURAL ASSETS	0	Page 3, LN 20	0	0	0	0	0
68		CASH WORKING CAPITAL	350,415	Page 3, LN 21	80,384	0	41,326	0	0
69		NET TELEPHONE PLANT, M&S AND	35,073,922	Page 3, LN 22	-26,570,608	0.0000%	-16,214,710	0	0
70		CASH WORKING CAPITAL	100.0000%	Page 3, LN 23	-75.7500%	0.0000%	-46,3301%	0.0000%	0.0000%
71		% DISTRIBUTION							

Page 3

LN	A/C	DESCRIPTION	TOTAL INTERSTATE	SOURCE	SWITCHING	INFO	TRAFFIC SENSITIVE		DEDICATED TRANSPORT
							COMMON	FACILITY	
							TERM		
1		BASIS FOR GENERAL SUPPORT FACILITIES							
2		CENTRAL OFFICE EQUIPMENT	26,152,960	Page 5, LN 42	17,314,990	0	8,837,970	0	0
3		INFORMATION ORIG/TERM	0	Page 6, LN 10	0	0	0	0	0
4		CWF EXCL CAT 1.3	48,768,326	Page 6, LN 23	17,314,990	0	8,837,970	0	0
5		TOTAL	74,921,286		23,110,990	0.0000%	11,7963%	0.0000%	0.0000%
		% DISTRIBUTION	100.0000%						
6a		GENERAL SUPPORT ASSETS							
6b		ALLOCATED	13,790,958	LN 5	3,187,216	0	1,626,828	0	0
6c		DIRECT NON ACCESS	0	DIRECT	3,187,216	0	1,626,828	0	0
7		TOTAL GENERAL SUPPORT ASSETS	13,790,958		23,110,990	0.0000%	11,7963%	0.0000%	0.0000%
		% DISTRIBUTION	100.0000%						
8		EQUAL ACCESS EQUIPMENT	0	DIRECT	0	0	0	0	0
9		COE/OT,CWF GENERAL SUPPORT	39,943,919		9,231,403	0	4,711,921	0	0
10		AND EQUAL ACCESS EQUIPMENT	100.0000%		23,110,990	0.0000%	11,7963%	0.0000%	0.0000%
		% DISTRIBUTION	100.0000%						
11		TANGIBLE ASSETS	0	LN 10	0	0	0	0	0
12		CAPITAL LEASES	2,481,390	LN 10	573,472	0	292,713	0	0
13		LEASEHOLD IMPROVEMENTS	2,481,390		573,472	0	292,713	0	0
14		TOTAL	2,481,390						
15		INTANGIBLE ASSETS	0	LN 10	0	0	0	0	0
16		MATERIALS AND SUPPLIES	159,817	LN 10	36,935	0	18,853	0	0
17		RTB STOCK	0	LN 10	0	0	0	0	0
18		OTHER JURISDICTIONAL ASSETS	0	LN 10	0	0	0	0	0
19		COE/OT,CWF GEN SUPP & EQUAL ACCESS	39,943,919		9,231,403	0	4,711,921	0	0
20		FOR APPORTIONING PRESCRIPTION	100.0000%		23,110,990	0.0000%	11,7963%	0.0000%	0.0000%
		% DISTRIBUTION	100.0000%						
21		COE/OT & CWF EXCL CCL FOR ASSIGNING	26,152,961		17,314,990	0	8,837,970	0	0
22		CARRIER ACCESS BILLING EXPENSES	100.0000%		66,2066%	0.0000%	33,7934%	0.0000%	0.0000%
		% DISTRIBUTION	100.0000%						

Page 4

LN	A/C	DESCRIPTION	TOTAL INTERSTATE	SOURCE	SWITCHING	INFO	TRAFFIC SENSITIVE		DEDICATED TRANSPORT
							COMMON TERM	FACTORY	
ALLOCATION FACTORS									
1		STANDARD WORK SECONDS							
2		- MANUAL BOARDS	100.0000%	Inputs	0.0000%	0.0000%			
3		- TS'S COMPLEX	100.0000%	Inputs	0.0000%	0.0000%			
4		EQUIVALENT ACCESS LINES - MSG COE	0.0000%	Inputs					
5		IX CIRCUIT TERMINATIONS - MSG COE	100.0000%	Inputs			100.0000%		0.0000%
CENTRAL OFFICE EQUIPMENT									
6	2220	OPERATOR SYSTEMS							
7		MANUAL SWITCHBOARDS	0	LN 2	0	0			
8		AUXILIARY SWITCHBOARDS	0						
9		- DIRECTORY ASSISTANCE	0	DIRECT	0	0			
10		- INTERCEPT	0	DIRECT					
11		- OTHER	0	LN 27	0	0		0	0
12		SERVICE OBSERVING BOARDS	0						
13		TS'S	0	LN 3	0	0		0	0
14		- OPERATOR	0	LN 27	0	0		0	0
15		- RTA	0	LN 27	0	0		0	0
16		- OTHER	0	LN 27	0	0		0	0
17		TOTAL OPERATOR SYSTEMS	0		0	0		0	0
18	2210	TANDEM SWITCHING EQUIPMENT							
19		ACCESS	8,837,970						
20		NON ACCESS	0	DIRECT					
21		TOTAL TANDEM SWITCH	8,837,970				8,837,970		
22	2210	LOCAL SWITCHING EQUIPMENT							
23		ACCESS	17,314,990						0
24		DEDICATED	0	DIRECT	17,314,990				0
25		TOTAL LOCAL SWITCH	17,314,990						
26		TOTAL CAT1 EXCL SVC OBS, CAT 2 AND 3	26,152,960						
27		% DISTRIBUTION	100.0000%	LN 26	66.2065%	0.0000%	8,837,970		0
28							33,7934%		0.0000%

COST SUPPORT MATERIAL
PART 69 COST ALLOCATION - TOTAL INTERSTATE

LOWA NETWORK ACCESS DIVISION
 FILING PERIOD: TYCOS: FY 2/28/2019

Page 5

LN	A/C	DESCRIPTION	TOTAL INTERSTATE	SOURCE	SWITCHING	INFO	TRAFFIC SENSITIVE			DEDICATED TRANSPORT
							COMMON	TERM	FACILITY	
28		2230 CENTRAL OFFICE TRANSMISSION								
29		EXCHANGE WIRELINE	0	DIRECT			0			0
30		EXCHANGE TRUNK - BASIC	0	DIRECT			0			0
31		EXCHANGE TRUNK - SPECIAL	0	DIRECT						
32		SUBSCRIBER LINE	0	LN 4/DIRECT						
33		INTEREXCHANGE CIRCUIT	0	DIRECT			0			0
34		INTEREXCHANGE OTHERS	0	LN 5/DIRECT			0			0
35		ACCESS - BASIC	0	DIRECT			0			0
36		ACCESS - SPECIAL	0	DIRECT			0			0
37		NON ACCESS	0	DIRECT			0			0
38		TOTAL IX CIRCUIT	0	DIRECT			0			0
39		HOST/REMOTE CIRCUIT	0	DIRECT			0			0
40		EQUIPMENT RENTED OTHERS	0	DIRECT			0			0
41		TOTAL CENTRAL OFFICE TRANSMISSION	26,152,960		17,314,990	0	8,837,970			0
42		TOTAL CENTRAL OFFICE EQUIPMENT	100.0000%		66.2066%	0.0000%	33.7934%			0.0000%
43		% DISTRIBUTION								
COE RATIOS										
44		OPERATOR SYSTEMS	0.0000%	LN 17	0.0000%	0.0000%	0.0000%			0.0000%
45		TANDDEM SWITCHING	100.0000%	LN 21	100.0000%	100.0000%	100.0000%			0.0000%
46		LOCAL SWITCHING	100.0000%	LN 25	100.0000%	33.7934%	33.7934%			0.0000%
47		CENTRAL OFFICE SWITCHING	100.0000%	LN 27	66.2066%	100.0000%	100.0000%			0.0000%
48		CENTRAL OFFICE TRANSMISSION	100.0000%	LN 37						

IOWA NETWORK ACCESS DIVISION
 COST SUPPORT MATERIAL
 PART 69 COST ALLOCATION - TOTAL INTERSTATE

FILING PERIOD: FY05 - FY06/2013

Page 6

LN	A/C	DESCRIPTION	TOTAL INTERSTATE	SOURCE	SWITCHING	INFO	TRAFFIC SENSITIVE		DEDICATED TRANSPORT
							COMMON TRANSPORT	FACILITY	
1		ALLOCATION FACTORS							
2		EQUIVALENT ACCESS LINES - MSG CWF	0.0000%	Input					0.0000%
3	2310	IX CIRCUIT MILES - MSG CWF	100.0000%				100.0000%		
4		INFORMATION ORIG/TERM							
5		OTHER IOT EQUIPMENT		DIRECT					
6		COIN PUBLIC TELEPHONE	0	DIRECT					
7		COINLESS PUBLIC TELEPHONE	0	DIRECT					
8		OTHER	0	DIRECT					
9		SUBTOTAL	0						
10		NEW CUSTOMER PREMISE EQUIP	0	DIRECT					
11		TOTAL ORIG/TERM EQUIP	0.0000%						
12	2410	CABLE AND WIRE FACILITIES		LN 1/DIRECT					
13		SUBSCRIBER LINE	48,768,326	DIRECT					0
14		EXCHANGE WIDEBAND	0	DIRECT					0
15a		EXCHANGE TRUNK - BASIC	0	DIRECT					0
15b		EXCHANGE TRUNK - SPECIAL	0	DIRECT					0
16		INTEREXCHANGE WIDEBAND	0	DIRECT					0
17a		IX TRUNK - ACCESS	0	LN 2/DIRECT					0
17b		IX TRUNK - SPECIAL	0	DIRECT					0
18		IX TRUNK - NON ACCESS	0	DIRECT					0
19		HOST/REMOTE	0	DIRECT					0
20		EQUIPMENT FURNISHED OTHERS	0	DIRECT					0
21		TOTAL CABLE AND WIRE FACILITIES	48,768,326				100.0000%		0.0000%
22		% DISTRIBUTION	100.0000%						
23		TOTAL CWF EXCLUDING CAT 1,3	48,768,326				100.0000%		0.0000%
24		% DISTRIBUTION	100.0000%						

LN	A/C	DESCRIPTION	TOTAL INTERSTATE	SOURCE	SWITCHING	TRAFFIC SENSITIVE			DEDICATED TRANSPORT
						INFO	TERM	FACILITY	
1	2002	OTHER TELECOMMUNICATIONS PLANT							
2		PROPERTY HELD FOR FUTURE USE							
3		GENERAL SUPPORT	0		0	0	0	0	0
4		CENTRAL OFFICE EQUIPMENT	0		0	0	0	0	0
5		CABLE AND WIRE FACILITIES	0		0	0	0	0	0
6		UNDISTRIBUTED	0		0	0	0	0	0
7		TOTAL	0		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
8		% DISTRIBUTION	0.0000%						
9	2003	PLANT UNDER CONSTR. - SHORT TERM							
10		GENERAL SUPPORT	1,631	Page 2, LN 10	359	0	643	0	0
11		CENTRAL OFFICE EQUIPMENT	3,092	Page 2, LN 10	491	0	1,220	0	0
12		CABLE AND WIRE FACILITIES	5,668		0	0	0	0	0
13		UNDISTRIBUTED	0	Page 2, LN 10	749	0	1,864	0	0
14		TOTAL	10,391		7,2166%	0.0000%	17,9511%	0.0000%	0.0000%
15		% DISTRIBUTION	100.0000%						
16	2004	PLANT UNDER CONSTR. - LONG TERM							
17		GENERAL SUPPORT	0		0	0	0	0	0
18		CENTRAL OFFICE EQUIPMENT	0		0	0	0	0	0
19		CABLE AND WIRE FACILITIES	0		0	0	0	0	0
20		UNDISTRIBUTED	0		0	0	0	0	0
21		TOTAL	0		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
22		% DISTRIBUTION	0.0000%						
23	2005	TELECOMMUNICATIONS PLANT ADJUST.							
24		GENERAL SUPPORT	0		0	0	0	0	0
25		CENTRAL OFFICE EQUIPMENT	0		0	0	0	0	0
26		CABLE AND WIRE FACILITIES	0		0	0	0	0	0
27		UNDISTRIBUTED	0		0	0	0	0	0
28		TOTAL	0		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
29		% DISTRIBUTION	0.0000%						

LN	A/C	DESCRIPTION	TOTAL INTERSTATE	SOURCE	SWITCHING	TRAFFIC SENSITIVE			DEDICATED TRANSPORT
						INFO	COMMON	TRANSPORT	
1	3100	ACCUM DEPRECIATION - PLANT IN SERVICE							
2		GENERAL SUPPORT	30,643,775	Page 3, LN 7	7,082,055	0	3,614,444	0	0
3		CENTRAL OFFICE SWITCHING EQUIPMENT	58,111,383	Page 4, LN 27	38,474,243	0	19,638,140	0	0
4		OPERATOR SYSTEMS EQUIPMENT	0		0	0	0	0	0
5		CENTRAL OFFICE TRANSMISSION	44,321,508		0	0	44,321,508	0	0
6		UNDISTRIBUTED COE	0		0	0	0	0	0
7		INFORMATION ORIG/TERM	0		0	0	0	0	0
8		CABLE AND WIRE FACILITIES	48,768,326		0	0	48,768,326	0	0
9		TOTAL ACCUM DEPR - TPIS	181,846,593		45,556,298	0	67,574,493	48,768,326	0
10	3200	ACCUM DEPRECIATION - FUTURE USE			45,556,298	0	67,574,493	48,768,326	0
11		TOTAL ACCUM DEPRECIATION	181,846,593		25,052,11%	0.0000%	37,1603%	26.8185%	0.0000%
12		% DISTRIBUTION	100.0000%						
13	3400	ACCUMULATED AMORTIZATION							
14		TANGIBLE ASSETS	0		0	0	0	0	0
15		CAPITAL LEASES	1,098,290	Page 3, LN 10	253,825	0	129,558	0	0
16		LEASEHOLD IMPROVEMENTS	0		0	0	0	0	0
17		UNDISTRIBUTED	1,098,290		253,825	0	129,558	0	0
18	3500	TOTAL ACCUM AMORT - TANGIBLE			0	0	0	0	0
19		INTANGIBLE ASSETS	0		0	0	0	0	0
20	3600	TELEPHONE PLANT ADJUSTMENT	1,098,290		253,825	0	129,558	0	0
21		TOTAL ACCUM AMORTIZATION	1,098,290		23,1109%	0.0000%	11.7963%	0.0000%	0.0000%
22	4100%	NET OPERATING DEFERRED INCTAX							
23		GENERAL SUPPORT	0		0	0	0	0	0
24	4340	CENTRAL OFFICE EQUIP	0		0	0	0	0	0
25		INFORMATION ORIG/TERM	0		0	0	0	0	0
26		CABLE AND WIRE FACILITIES	8,458,479	Page 3, LN 5	1,954,831	0	997,791	0	0
27		UNDISTRIBUTED	8,458,479		1,954,831	0	997,791	0	0
28		TOTAL NET DEFERRED INCTAX	8,458,479		23,1109%	0.0000%	11.7963%	0.0000%	0.0000%
29		% DISTRIBUTION	100.0000%						
30	4360	OTHER DEFERRED CREDITS - NET							
31		GENERAL SUPPORT	0		0	0	0	0	0
32		CENTRAL OFFICE EQUIP	0		0	0	0	0	0
33		INFORMATION ORIG/TERM	0		0	0	0	0	0
34		CABLE AND WIRE FACILITIES	0		0	0	0	0	0
35		UNDISTRIBUTED	0		0	0	0	0	0
36		TOTAL OTHER DEFERRED CREDITS	0		0	0	0	0	0
37		% DISTRIBUTION	0.0000%		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%

ONTARIO NETWORK ACCESS DIVISION
 COST SUPPORT MATERIAL
 PART 68 COST ALLOCATION - TOTAL INTERSTATE

FILING PERIOD: FY2020-2023

Page 9

LN	A/C	DESCRIPTION	TOTAL INTERSTATE	SOURCE	SWITCHING	INFO	TRAFFIC SENSITIVE			DEDICATED TRANSPORT
							COMMON	TRANSPORT	FACILITY	
1	6110	OPERATING EXPENSE AND TAX	41,135	Page 10, LN 6	9,507	0	4,852	0	0	
2	6120	NETWORK SUPPORT EXPENSE	257,358	Page 10, LN 7	59,478	0	30,359	0	0	
3	6210	GENERAL OFFICE EXPENSE	1,217,223	Page 10, LN 15	805,882	0	411,341	0	0	
4	6310	CENTRAL OFFICE EXPENSE	0	0	0	0	0	0	0	
5	6410	INFORMATION ORG/TERM EXP	1,986,517	Page 10, LN 24	0	0	0	1,986,517	0	
6	6510	CABLE AND WIRE FACILITIES EXP	105,106	Page 11, LN 6	24,522	0	12,517	0	0	
7	6530	OTHER PLANT EXPENSE	2,897,659	Page 11, LN 7	669,675	0	341,818	0	0	
8	6540	NETWORK OPERATIONS EXPENSE	0	0	0	0	0	0	0	
9	6610	ACCESS CHARGE EXPENSE	0	Page 12, LN 1	0	0	0	0	0	
10	6620	MARKETING EXPENSE	131,267	Page 12, LN 33	95,634	0	95,634	0	0	
11	6710	SERVICES EXPENSE	396,703	Page 13, LN 8	98,606	0	53,104	117,668	0	
12	6720	EXECUTIVE AND PLANNING EXP	1,293,007	Page 13, LN 9	321,395	0	173,087	383,527	0	
13	6810	GENERAL AND ADMINISTRATIVE EXP	8,386,974	Page 13, LN 9	2,084,699	0	1,122,711	2,487,712	0	
14	6820	SALES AND MARKETING EXP	100,000,000		24,856,494	0.0000%	13,386,446	29,661,606	0.0000%	
15	6830	% DISTRIBUTION	3,232,033	Page 11, LN 19	508,237	0	258,416	0	0	
16	6840	DEPRECIATION AND AMORTIZATION	197,586	Page 13, LN 24	45,664	0	23,308	0	0	
17	7200	OTHER OPERATING TAX	0	0	0	0	0	0	0	
18		EQUAL ACCESS EXPENSE	11,816,593		2,638,599	0	1,405,434	2,487,712	0	
19		% DISTRIBUTION	100.0000%		22.3296%	0.0000%	11.8937%	21.0527%	0.0000%	
20	7370	NON OPERATING EXPENSE	0		0	0	0	0	0	
21		ABANDONED CONSTRUCTION	0		0	0	0	0	0	
22		CONTRIBUTIONS	0		0	0	0	0	0	
23		TOTAL NON OPERATING EXP	0		0	0	0	0	0	
24		UNCOLLECTIBLES	0		0	0	0	0	0	
25	5310	END USER MSG TOLL	0		0	0	0	0	0	
26	5320	END USER COMMON LINE	0		0	0	0	0	0	
27	5330	IX CARRIER	0		0	0	0	0	0	
28		TOTAL UNCOLLECTIBLES	0		0	0	0	0	0	
29	7340	ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION	0		0	0	0	0	0	

IONIA NETWORK ACCESS DIVISION
FUND PERIOD: FY03: YE 2/28/2019

COST SUPPORT MATERIAL
PART 09 COST ALLOCATION: TOTAL INTERSTATE

Page 10

LN	A/C	DESCRIPTION	TOTAL	INTERSTATE	SOURCE	SWITCHING	INFO	TRAFFIC SENSITIVE			DEDICATED
								COMMON	TERMINAL	FACILITY	
1		BAIS FOR NETWORK SUPPORT EXPENSE	39,943,919		Page 3, LN 18	9,231,403	0	4,711,921	0	0	0
2		GEN SUPPORT, COE LOT AND CMWF	0			0	0	4,711,921	0	0	0
3		EQUAL ACCESS EQUIPMENT	39,943,919			9,231,403	0.0000%	11.7963%	0.0000%	0.0000%	0.0000%
4		TOTAL	100.0000%			23,110,956	0.0000%	11.7963%	0.0000%	0.0000%	0.0000%
5		% DISTRIBUTION									
5		PLANT SPECIFIC EXPENSES									
6	6110	GENERAL SUPPORT EXPENSE	41,135		LN 4	9,507	0	4,852	0	0	0
7	6120	NETWORK SUPPORT	257,358		Page 3, LN 7	59,478	0	30,359	0	0	0
8	6120	GENERAL SUPPORT	298,493			68,984	0	35,211	0	0	0
9		TOTAL GENERAL SUPPORT EXP	300.0000%			23,110,956	0.0000%	11.7963%	0.0000%	0.0000%	0.0000%
10		% DISTRIBUTION									
10	6210	CENTRAL OFFICE EXPENSE	1,217,223		Page 5, LN 43	805,882	0	411,341	0	0	0
11	6220	CENTRAL OFFICE SWITCHING EXPENSE	0			0	0	0	0	0	0
12	6230	OPERATOR SYSTEMS EXPENSE	0			0	0	0	0	0	0
13	6230	CENTRAL OFFICE TRANSMISSION EXPENSE	0			0	0	0	0	0	0
14		UNDISTRIBUTED	0			0	0	0	0	0	0
15		TOTAL CENTRAL OFFICE EXPENSE	1,217,223			805,882	0	411,341	0	0	0
16		% DISTRIBUTION	100.0000%			66.2866%	0.0000%	33.7534%	0.0000%	0.0000%	0.0000%
17	6310	INFORMATION ORIG/TERM EXPENSE	0		DIRECT	0	0	0	0	0	0
18		COIN PAY TELEPHONE	0		DIRECT	0	0	0	0	0	0
19		CONLESS PAY TELEPHONE	0		DIRECT	0	0	0	0	0	0
20		OTHER	0		DIRECT	0	0	0	0	0	0
21		CPE	0			0	0	0	0	0	0
22		TOTAL INFORMATION ORIG/TERM EXP	0.0000%			0	0	0	0	0	0
23		% DISTRIBUTION									
24	6410	CABLE AND WIRE FACILITIES EXPENSE	1,986,517		Page 6, LN 2	874,867	0	446,552	1,986,517	0	0
25		TOTAL PLANT SPECIFIC EXPENSE	3,502,232			24,580,936	0.0000%	12.7505%	56.7214%	0.0000%	0.0000%
26		% DISTRIBUTION	100.0000%								

LN	A/C	DESCRIPTION	TOTAL INTERSTATE	SOURCE	SWITCHING	COMMON TRANSPORT			DEDICATED TRANSPORT
						INFO	TERM	FACILITY	
1		CENTRAL OFFICE EQUIPMENT	26,152,961	Page 5, LN 42	17,314,990	0	8,837,970	0	0
2		INFORMATION ORIG/TERM	0					0	0
3		CABLE AND WIRE FACILITIES	48,768,376		17,314,990	0	8,837,970	0	0
4		TOTAL	74,921,286		23,110,956	0.0000%	11,7963%	0.0000%	0.0000%
5		% DISTRIBUTION	310.0000%						
PLANT NONSPECIFIC EXPENSE									
6	6510	OTHER PROP. PLANT & EQUIP EXPENSE	106,106	LN 5	24,522	0	12,517	0	0
7	6530	NETWORK OPERATIONS EXPENSE	2,897,659	LN 5	685,675	0	341,818	0	0
8	6540	ACCESS CHARGE EXPENSE	0	DIRECT					
DEPRECIATION EXPENSE									
9	6560	GENERAL SUPPORT	341,889	Page 3, LN 7	79,009	0	40,328	0	0
10		CENTRAL OFFICE SWITCHING EQUIPMENT	648,315	Page 5, LN 43	429,228	0	219,088	0	0
11		OPERATOR SYSTEMS EQUIPMENT	-		0	0	0	0	0
12		CENTRAL OFFICE TRANSMISSION	1,034,913		0	0	0	0	0
13		UNDISTRIBUTED COE							
14		INFORMATION ORIG/TERM	1,208,936		508,237	0	259,416	0	0
15		CABLE AND WIRE FACILITIES	3,232,033		0	0	0	0	0
16		TOTAL DEP EXP - PLANT IN SERVICE	1,208,936		508,237	0	259,416	0	0
17		PROPERTY HELD FOR FUTURE USE	3,232,033		15.7350%	0.0000%	8.0264%	0.0000%	0.0000%
18		TOTAL DEPRECIATION EXPENSE	100.0000%						
19		% DISTRIBUTION							
20									
AMORTIZATION EXPENSE									
21	6563	CAPITAL LEASE	0		0	0	0	0	0
22	6563	LEASEHOLD IMPROVEMENTS	0		0	0	0	0	0
23	6563	UNDISTRIBUTED	0		0	0	0	0	0
24		INTANGIBLE ASSETS	0		0	0	0	0	0
25		OTHER - TEL PLANT ADJUSTMENT	0		0	0	0	0	0
26	6565	TOTAL AMORTIZATION EXPENSE	0		0	0	0	0	0
27		% DISTRIBUTION	0.0000%		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
28									
TOTAL PLANT NON SPECIFIC EXPENSE									
29			6,235,798	Page 5, LN 44	1,202,434	0	613,750	0	0
30		% DISTRIBUTION	100.0000%		13.8218%	0.0000%	9.8424%	0.0000%	0.0000%

LN	A/C	DESCRIPTION	TOTAL INTERSTATE	SOURCE	SWITCHING	INFO	TRAFFIC SENSITIVE			DEDICATED TRANSPORT
							COMMON	TERM	FACILITY	
1	6610	CUSTOMER OPERATIONS EXPENSES	0		0	0	0	0	0	0
2		MARKETING								
3	6621	TELEPHONE OPERATOR SERVICES	0	Inputs	0	0	0	0	0	0
4		- CALL COMPLETION INCL DA	0	Inputs	0	0	0	0	0	0
5	6622	OPERATOR SERVICES UNDER CONTRACT	0	Inputs	0	0	0	0	0	0
6		PUBLISHED DIRECTORY LISTINGS								
7	6623	ALL OTHERS								
8	1.0	LOCAL BUSINESS OFFICE	0		0	0	0	0	0	0
9		- END USER SVC ORDER PROCESSING	0	Inputs	0	0	0	0	0	0
10		- PRESCRIPTION	0	Inputs	0	0	0	0	0	0
11		- OTHER	0	Inputs	0	0	0	0	0	0
12		- END USER PAYMENT & COLLECTION	0	Inputs	0	0	0	0	0	0
13		- END USER BILLING INQUIRY	0	Inputs	0	0	0	0	0	0
14		- RX CARRIER SVC ORDER PROCESSING	0	Inputs	0	0	0	0	0	0
15		- RX CARRIER PAYMENT & COLLECTION	0	Inputs	0	0	0	0	0	0
16		- RX CARRIER BILLING INQUIRY	0	Inputs	0	0	0	0	0	0
17		- COIN COLLECT AND ADMINISTRATION	0	Inputs	0	0	0	0	0	0
18	2.0	SUBTOTAL LOCAL BUSINESS OFFICE	0		0	0	0	0	0	0
19		CUSTOMER SERVICES (REV ACTG)								
20		- MESSAGE PROCESSING	0	Inputs	0	0	0	0	0	0
21		- TOLL TICKET PROCESSING	0	Inputs	0	0	0	0	0	0
22		- LOCAL MESSAGE PROCESSING	0	Inputs	0	0	0	0	0	0
23		- OTHER BILLING & COLLECTION	0	Inputs	0	0	0	0	0	0
24		- END USER COMMON LINE	0	Inputs	0	0	0	0	0	0
25		- CARRIER ACCESS BILLING (CABS)	191,267	Inputs	95,634	0	95,634	0	0	0
26		SUBTOTAL CUSTOMER SERVICES	191,267		95,634	0	95,634	0	0	0
27		TOTAL CAT 1 AND CAT 2	191,267		95,634	0	95,634	0	0	0
28		% DISTRIBUTION	100.0000%		50.0000%	0.0000%	50.0000%	0.0000%	0.0000%	0.0000%
29	3.0	ALL OTHER CUSTOMER SERVICE	0		0	0	0	0	0	0
30		- END USER COMMON LINE	191,267	Inputs	95,634	0	95,634	0	0	0
31		% DISTRIBUTION	100.0000%		50.0002%	0.0000%	50.0001%	0.0000%	0.0000%	0.0000%
32		TOTAL CUSTOMER OPERATIONS EXPENSE	191,267		95,634	0	95,634	0	0	0
33		% DISTRIBUTION	100.0000%		50.0002%	0.0000%	50.0001%	0.0000%	0.0000%	0.0000%
34		CUSTOMER OPERATIONS EXCL MARKETING	191,267		95,634	0	95,634	0	0	0
		% DISTRIBUTION	100.0000%		50.0002%	0.0000%	50.0001%	0.0000%	0.0000%	0.0000%

Page 13

LN	A/C	DESCRIPTION	TOTAL INTERSTATE	SOURCE	SWITCHING	INFO	TRAFFIC SENSITIVE			
							COMMON	TRAFFIC SENSITIVE	COMMON	TRAFFIC SENSITIVE
							TRANSPORT	COMMON	TRANSPORT	TRANSPORT
							TERMINAL	TERMINAL	TERMINAL	TERMINAL
1		BIG THREE EXPENSES								
2		PLANT SPECIFIC EXPENSE	3,502,232	Page 10, LN 25	874,867	0	446,552	1,986,517	0	0
3		OTHER PLANT EXPENSE	106,106	Page 11, LN 6	24,522	0	12,517	0	0	0
4		NETWORK OPERATIONS EXPENSE	2,897,659	Page 11, LN 7	669,675	0	341,818	0	0	0
5		ACCESS CHARGE EXPENSE	0							
6		CUSTOMER OPERATIONS EXPENSE	151,267	Page 9, LN 8	95,634	0	95,634	0	0	0
7		TOTAL BIG THREE EXPENSES	6,697,264		1,664,698	0	896,520	1,986,517	0	0
		% DISTRIBUTION	100.0000%		24.8564%	0.0000%	13.3864%	29.6616%	0.0000%	0.0000%
8	6710	CORPORATE OPERATING EXPENSE	396,703	LN 7	98,606	0	53,104	117,668	0	0
9	6720	EXECUTIVE AND PLANNING	1,293,007	LN 7	321,395	0	173,087	383,527	0	0
10		GENERAL AND ADMINISTRATIVE	1,689,710		420,001	0	226,191	501,195	0	0
11		TOTAL CORPORATE OPERATIONS	3,380,000		24,8564%	0.0000%	13.3864%	29.6616%	0.0000%	0.0000%
12		% DISTRIBUTION								
13		EQUAL ACCESS EXPENSE	0	DIRECT	0	0	0	0	0	0
14		INTEREST EXPENSE	0							
15	7500	CAPITAL LEASE	91,652	Page 3, LN 10	21,182	0	10,812	0	0	0
16		OTHER	91,652		21,182	0	10,812	0	0	0
17		TOTAL								
18		OTHER INCOME ADJUSTMENTS	0		0	0	0	0	0	0
19		BASED ON PLANT	0		0	0	0	0	0	0
20		BASED ON EXPENSE	0		0	0	0	0	0	0
21		TOTAL								
22	7210	OPERATING TAXES	0		0	0	0	0	0	0
23	7210	FEDERAL ITC AMORTIZATION	0		0	0	0	0	0	0
24	7240	STATE ITC AMORTIZATION	197,586	Page 3, LN 10	45,664	0	23,308	0	0	0
25		OTHER OPERATING TAXES	197,586		45,664	0	23,308	0	0	0
		TOTAL OPERATING TAXES								

COST SUPPORT MATERIAL
PART 69 COST ALLOCATION - TOTAL INTERSTATE

DWA NETWORK ACCESS DIVISION
PLING PERIOD: FY03S - YE 2/28/2019

Page 14

LN	A/C	DESCRIPTION	TOTAL INTERSTATE	SOURCE	SWITCHING	INFO	TRAFFIC SENSITIVE			DEDICATED TRANSPORT
							COMMON	TRANSPORT	FACILITY	
1		EQUIVALENT ACCESS LINES - MSG COE	0							
2		% DISTRIBUTION	0.0000%							
3		EQUIVALENT ACCESS LINES - MSG CWF	0							
4		% DISTRIBUTION	0.0000%							
5		IX CIRCUIT TERMINATIONS - MSG COE	1							
6		% DISTRIBUTION	100.0000%							
7		IX CIRCUIT MILES - MSG CWF	1							
8		% DISTRIBUTION	100.0000%							
DISTRIBUTION FACTORS										
9		STD WORK SECONDS - MANUAL BOARDS	100.0000%		0.0000%	0.0000%				
10		STD WORK SECONDS - TSPS	100.0000%		0.0000%	0.0000%				
11		STD WORK SECONDS - OPERATORS	100.0000%		0.0000%	0.0000%				
12		END USER SVC ORDER CONTACTS	0.0000%							
13		END USER PAYMENT & COLLECTION	0.0000%							
14		END USER BILLING INQUIRY CONTACTS	0.0000%							
15		IX CARRIER SVC ORDER CONTACTS	100.0000%		66.2066%	0.0000%	33.7934%	0.0000%	0.0000%	0.0000%
16		IX CARRIER PAYMENT & COLLECTION	100.0000%		66.2066%	0.0000%	33.7934%	0.0000%	0.0000%	0.0000%
17		IX CARRIER BILLING INQUIRY CONTACTS	100.0000%		66.2066%	0.0000%	33.7934%	0.0000%	0.0000%	0.0000%
18		PUBLIC TELEPHONE REVENUE	0.0000%							
19		END USER BILLING & COLLECTION	0.0000%		0.0000%					
20		OPERATOR SERVICES UNDER CONTRACT	0.0000%							

REVENUE REQUIREMENT SUMMARY

LN	ALLOCATION RATIOS	A/C	COMMENT	TOTAL COMPANY	ALLOCATION BASIS	INTERSTATE MSG TOLL		OTHER
						INTRALATA	INTERLATA	
REVENUE REQUIREMENT SUMMARY								
1	NET INVESTMENT FOR SETTLEMENTS			37,307,892	NOTE A	0	35,073,922	2,233,970
2	RATE OF RETURN			10.6250%		10.6250%	10.6250%	10.6250%
3	RETURN ON INVESTMENT			3,963,964	LN1*LN 2	0	3,726,604	237,359
4	ALLOWANCE FOR FUNDS USED DURING CONSTR			0		0	0	0
5	NET RETURN FOR SETTLEMENTS			3,963,964	LN3-LN4	0	3,726,604	237,359
6	TOTAL ITC AMORTIZATION			0		0	0	0
7	FEDERAL OPERATING INCOME TAX	21.00%	26.58%	953,949	Line 23	0	896,827	57,122
8	STATE AND LOCAL INCOME TAX	12.00%	13.64%	619,447	Line 25	0	582,355	37,092
9	PROVISION FOR DEFERRED INCOME TAX			0		0	0	0
10	OPERATING EXPENSE AND TAX			12,569,229	LN 77	0	11,816,593	752,636
11	NONOPERATING EXPENSE			0	LN 82	0	0	0
12	UNCOLLECTIBLES			0	LN 87	0	0	0
13	BASIS FOR GROSS RECEIPTS TAX			18,106,589		0	17,022,380	1,084,210
14	GROSS RECEIPTS TAX RATE					0.0000%	0.0000%	0.0000%
15	GROSS RECEIPTS TAX			0		0	0	0
16	TOTAL REVENUE REQUIREMENT			18,106,589	Total	0	17,022,380	1,084,210

NOTE A: INCLUDES NET TEL PLANT FROM LN 66 LESS A/C's 2004, 2006, 2007 AND 1402 OTHER THAN RTB STOCK.

***** * *****								
OPTIONAL GROSS UP INCOME TAX CALCULATION								
17	RETURN ON INVESTMENT			3,963,964	LN 3	0	3,726,604	237,359
18	INTEREST AND RELATED ITEMS			375,298	LN 52	0	352,826	22,473
19	OTHER INCOME ADJUSTMENTS			0		0	0	0
20	TOTAL INCOME ADJUSTMENTS			375,298	LN 18+19	0	352,826	22,473
21	FEDERAL ITC AMORTIZATION			0		0	0	0
22	FEDERAL TAXABLE INCOME			3,588,665	LN 42	0	3,373,778	214,887
23	FEDERAL INCOME TAX @	21.00%	26.58%	953,949	LN 22*FIT	0	896,827	57,122
24	STATE TAXABLE INCOME			4,542,614	LN 42	0	4,270,606	272,008
25	STATE INCOME TAX @	12.00%	13.64%	619,447	LN 24*FIT	0	582,355	37,092