

# **AT&T Exhibit 16**

**Aureon 2012 Tariff Filing (filed June  
26, 2012)**

**[AT&T Exhibit 19 to Complaint Proceeding]**



575 SEVENTH STREET NW WASHINGTON, DC 20004  
T 202.344.4000 F 202.344.8300 www.Venable.com

June 28, 2012

Marlene H. Dortch  
Office of the Secretary  
Federal Communications Commission  
445 Twelfth Street, S.W.  
Washington, D.C. 20554

Attention: Wireline Competition Bureau

**Amended Transmittal No. 29**

**FRN: 0002-5807-10**  
**Iowa Network Services, Inc.**

**FRN: 0011-5755-03**  
**Venable LLP**

Dear Ms. Dortch:

On June 26, 2012, Iowa Network Services filed its 2012 Annual Access Tariff pursuant to the procedures set forth in *July 3, 2012 Annual Access Charge Tariff Filings, Order*, DA 12-482 (rel. Mar. 28, 2012) (the "*Tariff Order*"), and included cost support required by *Material to be Filed in Support of 2012 Annual Access Tariff Filings*, DA 12-575 (rel. Apr. 19, 2012). The cost support materials included with that filing were in PDF format. INS now files this Amended Transmittal No. 29 to submit the cost support in Excel format. All other aspects of the original filing, including the effective date of the tariff, remain the same.

This submission is being made using the Commission's Electronic Tariff Filing System ("ETFS"). It is our understanding that no fee is required for this Amended Transmittal filing.

Should you have any questions concerning this matter, please contact James U. Troup at (202) 344-8066. Petitions or comments should be faxed to (202) 344-8300.

Sincerely,

A handwritten signature in black ink, appearing to read "James U. Troup", written over a horizontal line.

James U. Troup

Counsel for Iowa Network Services, Inc.

Attachments

AUREON\_01542



575 SEVENTH STREET NW WASHINGTON, DC 20004  
T 202.344.4000 F 202.344.8300 www.Venable.com

**Filed Pursuant to  
§ 204(a)(3) of the  
Communications Act  
on 7 Days' Notice**

June 26, 2012

Marlene H. Dortch  
Office of the Secretary  
Federal Communications Commission  
445 Twelfth Street, S.W.  
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Attention: Wireline Competition Bureau

**Transmittal No. 29**

**FRN: 0002-5807-10**  
**Iowa Network Services, Inc.**

**FRN: 0011-5755-03**  
**Venable LLP**

Dear Ms. Dortch:

The accompanying 2012 Annual Access Tariff Filing of Iowa Network Services, Inc. ("INS"), effective July 3, 2012, is sent to you for filing in compliance with the requirements of the Communications Act of 1934, as amended. This tariff filing consists of the following Check Sheets:

Tariff F.C.C. No.  
1

Check Sheet Revision No.  
25<sup>th</sup> Revised Page 1  
10<sup>th</sup> Revised Page 1.1

This 2012 Annual Access Tariff Filing is filed in accordance with the procedures set forth in *July 3, 2012 Annual Access Charge Tariff Filings, Order*, DA 12-482 (rel. Mar. 28, 2012) (the "*Tariff Order*") and includes cost support required by *Material to be Filed in Support of 2012 Annual Access Tariff Filings*, DA 12-575 (rel. Apr. 19, 2012). Pursuant to the attached study for the test period ending June 30, 2013, INS is reducing its switched transport rate.

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LLP

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June 26, 2012

Page 2

As required by the *Tariff Order*, INS is submitting its 2012 Annual Tariff Review Plan and associated tariff changes electronically, using the Commission's Electronic Tariff Filing System ("ETFS"). The statutory processing fee in the amount of \$845.00 is being delivered via overnight mail to the Federal Communications Commission (Tariff Filings, P.O. Box 979091, St. Louis, MO 63197-9000) along with the original transmittal letter and FCC Form 159.

Acknowledgement and date of receipt of this filing is requested. A duplicate copy of this letter is provided for this purpose.

Should you have any questions concerning this matter, please contact James U. Troup at (202) 344-8066. Petitions or comments should be faxed to (202) 344-8300.

Sincerely,



James U. Troup

Counsel for  
Iowa Network Services, Inc.

Attachments



***IOWA NETWORK SERVICES, INC.***

***IOWA NETWORK ACCESS DIVISION***

***DESCRIPTION AND JUSTIFICATION***

***COST SUPPORT MATERIAL***

***TARIFF REVIEW PLAN***

***JULY 3, 2012 ANNUAL ACCESS CHARGE TARIFF FILING***

***JUNE 26, 2012***

**IOWA NETWORK ACCESS DIVISION**

**INTERSTATE ACCESS TARIFF FILING**

**PROSPECTIVE PERIOD  
JULY 3, 2012 - JUNE 30, 2013**

**INDEX**

<b>Section</b>	<b>Description</b>
	Transmittal Letter
1	Introduction, Overview and Rate Development
2	Development of Switched Transport Charge and Study Period Projected Access Minutes
3	Projected Revenue Requirement Summary - Total Interstate (Part 69)
4	Projected Part 36 Revenue Requirement Summary
5	Projected Part 64 Revenue Requirement Summary
6	Tariff Review Plan (TRP)

## IOWA NETWORK ACCESS DIVISION

### INTRODUCTION, OVERVIEW AND RATE DEVELOPMENT

#### INTRODUCTION

This filing supports revisions to Iowa Network Access Division Tariff F.C.C. No. 1 in accordance with the Federal Communications Commission's (FCC) Order, In the Matter of July 3, 2012 Annual Access Charge Tariff Filings, DA 12-482, WCB/Pricing File No. 12-07 (released March 28, 2012). This Order establishes procedures for the 2012 filing of annual access charge tariffs and Tariff Review Plans (TRPs) for incumbent local exchange carriers (ILECs) subject to price caps and those ILECs subject to Section 61.38 of the Commission's rules. The requirements for summary cost support material to support the annual access charge filings to be submitted on or before June 26, 2012 are presented in the Commission's Order, In the Matter of Material to be Filed in Support of 2012 Annual Access Tariff Filings, DA 12-575, WCB/Pricing File No. 12-08 (released April 19, 2012).

This 2012 Annual Access Charge Tariff Filing covers the scheduled effective period from July 3, 2012 through June 30, 2013. This documentation volume contains the introduction, overview, rate development narrative, access rate development and corresponding cost support material to be filed with the FCC on June 26, 2012.

#### OVERVIEW

Schedule A of Section 2 presents a summary of the proposed rate to be effective July 3, 2012. Iowa Network Access Division ("INAD") proposes to reduce its existing switched transport rate of \$0.00819 per minute of use to a rate of \$0.00623 effective July 3, 2012. The Company's proposed switched transport rate of \$0.00623 per access minute is projected to generate switched transport revenues of \$20,805,902. When combined with nonrecurring revenues of \$23,148, total test period revenues are projected in the amount of \$20,829,050 resulting in a return of 10.92% on interstate investments for the projected twelve-month period ending June 30, 2013.

For the year 2011, INAD's regulated revenue from interstate access services amounted to \$31,419,869 which resulted in a return of 9.74% on its interstate investment. For the 2009/2010 monitoring period, INAD experienced a return of negative 2.00%. During this period, the FCC authorized a maximum rate of return for interstate access operations of 11.50% with a target of 11.25%.

## PUBLIC VERSION

Interstate access minutes grew at a rate of 4.18% during 2011 to 3,833,504,867 from 3,679,806,752 in 2010. During the year 2010, INAD recorded interstate traffic growth of 23.39% over the year 2009. For the year 2012, INAD began experiencing reductions in MOUs from both ILEC and call aggregator traffic<sup>1</sup> when compared with historical MOUs reflected during 2011. For the test period ending June 30, 2012, INAD projected interstate access minutes of 3,450,907,011 reflecting a decrease of 9.98% from the year 2011. For the test period ending June 30, 2013, INAD is projecting interstate access minutes of 3,339,631,164, representing a decrease of 3.22% from projected access minutes of 3,450,907,011 for the projected period ending June 30, 2012. The decrease in interstate traffic for the projected test period results primarily from continued reductions in interstate access minutes by independent local exchange carriers that originate or terminate calls over the INS network. LEC traffic is projected to decrease approximately 16.7% during this time frame while aggregator traffic is projected to increase 1.2%. In its 2012 annual access tariff filing, NECA has forecast a reduction in interstate switched access traffic of 11.9% for the 2012-2013 test period. As most of the local exchange carriers that originate or terminate traffic over the INS network are NECA members, INS' traffic volume will be impacted by the reduction in traffic that those local exchange carriers expect to deliver to INS' network.

Over the years, Iowa Network Services, Inc. ("INS") has implemented a state of the art fiber network throughout the state of Iowa that is being used to provide equal access services to interexchange carriers serving nearly all rural Independent Local Exchange Carriers (ILECs) in the state. This state of the art network provides full switching and transport redundancy for interexchange carriers serving rural Iowa. As this network ages, INS has plans to upgrade its fiber routes and electronics to bring newer technologies and increased capacity in areas where needed. Approximately \$9.6 million has been expended since 2009 and an additional \$11.3 million is planned for 2012.

During 2007, INAD began to experience an increase in its uncollectible revenues from an Interexchange Carrier ("IXC") as a result of billing disputes over the classification and quantification of interstate access minutes related to call aggregator traffic terminated by the IXC to ILEC locations in Iowa. The disputed traffic is being terminated by the IXC to ILEC locations in Iowa using the equal access network of INAD. During the year 2011, INAD recorded a provision for uncollectibles relating to the interstate billing for this traffic in the amount of \$3,868,851. INAD continues to bill the IXC for all traffic terminated over its network and includes this disputed traffic in its minute of use and revenue projections for the twelve month period ending June 30, 2013. The interstate provision for uncollectibles related to this traffic is estimated to be \$2,461,934 and is reflected in INAD's cost of operations for the projected period ending June 30, 2013.

INAD's proposed tariff rate of \$0.00623 is targeted to generate a return of 10.92% on investment for the projected test period ended June 30, 2013. INAD's cost support material has

<sup>1</sup> The term call aggregator refers to businesses that generate high-volume traffic, such as conference call companies, chat line providers, and fax broadcasters.

## PUBLIC VERSION

been developed using procedures prescribed by the Federal Communications Commission as follows:

- A) Financial reporting is in accordance with the Uniform Systems of Accounts and Financial Reporting Requirements of Class A and Class B Telephone Companies, CC Docket 78-196 (Part 32 Order) and all subsequent revisions to the rules adopted through the period June 15, 2012.
- B) Jurisdictional allocation is in accordance with Federal Communications Commission's Rules adopted in CC Docket Nos. 78-72, 80-286, 86-297 and FCC Docket 87-134 released August 18, 1987 (Part 36 Order) and all subsequent revisions to the rules adopted through the period June 15, 2012.
- C) Access rate development is performed in accordance with CC Docket No. 87-113 released August 18, 1987 (Part 69 Conformance Notice) and subsequent modifications including CC Docket No. 00-256, Second Report and Order and Notice of Proposed Rulemaking, 16 FCC Rcd 19613 (2001), ("Rate-of-Return Access Charge Reform Order").

The proposed access service tariff maintains the method of charging for interstate access by major rate element. INAD proposes a centralized equal access switched transport rate of \$0.00623 and anticipates this rate will remain in effect through June 30, 2014.

### **RATE DEVELOPMENT**

Development of cost support as contained in the tariff filing was accomplished as follows:

- 1) Projection of test period investment, revenue and expense was determined based on the best estimates of management using fixed, known and measurable amounts from INAD's 2012 and 2013 operating budgets. Anticipated changes in investments and reserves were reflected in conjunction with INAD's ongoing construction and modernization programs. Revenues were adjusted to reflect the projected decrease in access minutes during the test period from the year 2011.
- 2) Projection of the test period INAD revenue requirement was accomplished using FCC Part 64 cost allocation procedures applied to total company projected investment and expense amounts determined in (1) above. INAD's revenue requirement summary data is contained in Section 5 of the cost support material.
- 3) Projection of the test period interstate access revenue requirement was accomplished using Parts 36/69 separation procedures applied to projected total INAD investment and expense amounts determined in (2) above. INAD's interstate access revenue requirement was determined using a return on

## PUBLIC VERSION

investment of 11.25% which reflects the rate of return currently authorized by the FCC for interstate ratemaking purposes. The summary Part 36 and Part 69 revenue requirements are contained in Sections 3 and 4 of the cost support material.

- 4) Projected interstate access minutes for the period ending June 30, 2013 reflect a decrease of 12.88% from the historical period ending December 31, 2011. Interstate access minutes for the period ending June 30, 2013 are projected to be 3,339,631,164 compared to 3,450,907,011 for the projected period ending June 30, 2012 and 3,833,504,867 for the actual period ended December 31, 2011. Projected access minutes for the test period ending June 30, 2013 are presented on Schedule B following. The decrease in test period projected interstate access minutes from actual interstate access minutes for the year 2011 results primarily from anticipated decreases in independent local exchange carrier traffic, including call aggregator traffic, carried over the INS network that are being recovered through access charges billed to long distance companies. In its 2012 annual access tariff filing, NECA has forecast a reduction in interstate switched access traffic of 11.9% during the 2012-2013 test period. As most of the local exchange carriers that originate or terminate traffic over the INS network are NECA members, INS' traffic volume will be impacted by the reduction in traffic that those local exchange carriers expect to deliver to INS' network. INAD's projected change in access minutes for the test period ending June 30, 2013 appears to be consistent with changes being recognized by NECA and other telecommunication service providers in the industry during the time periods reflected above.
- 5) INAD's interstate access revenue requirement determined in (3) above for the projected period ending June 30, 2013 amounts to \$20,839,116 and is presented in Section 3 of the cost support material. The interstate revenue requirement was reduced by the amount of projected interstate revenues from nonrecurring charges of \$23,148 to arrive at the amount of \$20,815,968 representing the target revenue requirement to be recovered from the recurring centralized equal access switched transport rate.
- 6) The allowable projected switched transport charge supported by the projected costs of INAD is determined by dividing the remaining interstate revenue requirement of \$20,815,968 determined in (5) above by projected access minutes of 3,339,631,164 determined in (4) above resulting in a cost of \$0.00623 per access minute. An analysis of the development of the allowable interstate switched transport rate is presented on Schedule A in Section 2. INAD proposes to reduce its existing interstate switched transport rate of \$0.00819 to the rate of \$0.00623 effective for access billings on July 3, 2012.

**SUMMARY**

The 2012 annual access tariff filing is supplemented by the enclosed cost support material. Schedule A reflects INAD's existing switched transport charge of \$0.00819 compared with its supported rate of \$0.00623. Through this filing, INAD proposes to reduce its existing switched transport charge of \$0.00819 to the supported rate of \$0.00623 based on the test period ending June 30, 2013. The proposed rate of \$0.00623 will become effective for access billings on July 3, 2012. The proposed switched transport charge will produce revenues that will generate a rate of return on investment of 10.95 % for the test period ended June 30, 2013.

Included in the cost support material are schedules depicting projected investment and expense data, demand quantities, jurisdictional cost allocations and rate calculations for the twelve-month period ending June 30, 2013. Cost and revenue data for the historical period from January 1 through December 31, 2011 is contained in the Company's Tariff Review Plan (TRP) which has been filed under separate cover.

This filing is presented to comply with the Commission's Order, July 3, 2012 Annual Access Tariff Filings, DA 12-482, and Material to be Filed in Support of 2012 Annual Access Tariff Filings, DA 12-575, establishing the Tariff Review Plan (TRP) schedules to be filed in support of the annual access charge tariff filing. With this filing, INAD proposes to reduce its switched transport charge from the existing rate of \$0.00819 to the proposed rate of \$0.00623 effective July 3, 2012 through June 30, 2014.

## **SECTION 2**



PUBLIC VERSION

IOWA NETWORK SERVICES, INC.  
IOWA NETWORK ACCESS DIVISION  
INTERSTATE ACCESS RATE DEVELOPMENT  
TRANSMITTAL NO. 29  
PROJECTED TEST PERIOD ENDED

6/30/2013

SECTION 2  
SCHEDULE A

	SOURCE	CURRENT RATE	COST SUPPORT	DIFFERENCE
1 SWITCHED TRANSPORT RATE	(BELOW)	\$0.00819	\$0.00623	(\$0.00196)
2 STUDY PERIOD ACCESS MINUTES	SCHEDULE B	<u>3,339,631,164</u>	<u>3,339,631,164</u>	
3 STUDY PERIOD ACCESS REVENUE	LN 1*LN 2	<u>\$27,351,579</u>	<u>\$20,805,902</u>	<u>(\$6,545,677)</u>

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ACCESS RATE DEVELOPMENT

	SOURCE	AMOUNT
4 PROJECTED REVENUE REQUIREMENT	SECTION 4	\$20,839,116 (1)
5 LESS: MISCELLANEOUS REVENUE	RECORDS	<u>23,148</u>
7 ACCESS REVENUE REQUIREMENT	LN 4-LN 5	\$20,815,968
8 PROJECTED ACCESS MINUTES	SCHEDULE B	<u>3,339,631,164</u>
9 PROJECTED ACCESS RATE PER MOU	LN 4/LN 5	<u>\$0.00623</u>

(1) - Includes bad debt expense of \$2,461,934

# PUBLIC VERSION

IOWA NETWORK SERVICES, INC.  
IOWA NETWORK ACCESS DIVISION  
EQUAL ACCESS MOU SUMMARY  
TRANSMITTAL NO. 29  
PROJECTED TEST PERIOD ENDED

SECTION 2  
SCHEDULE B

6/30/2013

PRO FORMA ALL CARRIERS	DAYS	TOTAL INTERSTATE		
		ORIGINATING MINUTES	TERMINATING MINUTES	REVENUES
7/1/2012 - 7/31/2012	31	24,214,739	302,129,446	\$2,033,124.27
8/1/2012 - 8/31/2012	31	17,539,472	218,841,557	\$1,472,653.82
9/1/2012 - 9/30/2012	30	20,306,220	253,362,519	\$1,704,956.25
10/1/2012 - 10/31/2012	31	21,017,832	262,241,354	\$1,764,704.73
11/1/2012 - 11/30/2012	30	20,365,862	254,106,675	\$1,709,963.91
12/1/2012 - 12/31/2012	31	21,065,673	262,838,280	\$1,768,721.63
1/1/2013 - 1/31/2013	31	21,083,691	263,063,094	\$1,770,234.47
2/1/2013 - 2/28/2013	28	19,057,274	237,779,303	\$1,600,091.88
3/1/2013 - 3/31/2013	31	21,111,467	263,409,657	\$1,772,566.60
4/1/2013 - 4/30/2013	30	20,442,187	255,058,989	\$1,716,372.33
5/1/2013 - 5/31/2013	31	21,134,176	263,692,999	\$1,774,473.30
6/1/2013 - 6/30/2013	30	20,462,037	255,306,659	\$1,718,038.97
TOTAL		247,800,632	3,091,830,532	\$20,805,902.15
		=====	=====	=====
3rd QUARTER		62,060,431	774,333,523	\$5,210,734.33
4th QUARTER		62,449,367	779,186,309	\$5,243,390.26
1st QUARTER		61,252,433	764,252,054	\$5,142,892.95
2nd QUARTER		62,038,401	774,058,646	\$5,208,884.60
TOTAL COMPANY		247,800,632	3,091,830,532	\$20,805,902.15

## **SECTION 3**

PUBLIC VERSION

COST SUPPORT MATERIAL  
PART 89 COST ALLOCATION - TOTAL INTERSTATE

INDEX TO DETAIL PART 89 ALLOCATION FORMS

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PUBLIC VERSION

COST SUPPORT MATERIAL  
PART 69 COST ALLOCATION - TOTAL INTERSTATE

SUMMARY OF REVENUE REQUIREMENT BY ACCESS ELEMENT

LN	A/C	DESCRIPTION	TOTAL COMPANY	SOURCE	COMMON LINE		TRAFFIC SENSITIVE		SWITCHING	INFO	COMMON TRANSPORT		DEDICATED		SPECIAL ACCESS		B&C	IX CATEGORY	
					LIMITED PAY	COMMON LINE	COMMON TERM	TRANSPORT FACILITY			TRANSPORT FACILITY	TRANSPORT TERM	TRANSPORT FACILITY	TRANSPORT TERM	CHANNEL MILEAGE TERM	FACILITY		MSG	P.L.
1		NET INVESTMENT FOR SETTLEMENTS	1,986,259	(NOTE A)	0	0	0	652,713	1,343,546	11,2500%	11,2500%	0	0	0	0	0	0	0	0
2		RATE OF RETURN	11,2500%	LN 1*LN 2	11,2500%	11,2500%	11,2500%	11,2500%	0	11,2500%	11,2500%	11,2500%	11,2500%	11,2500%	11,2500%	11,2500%	11,2500%	11,2500%	11,2500%
3		RETURN ON INVESTMENT	224,579	A-8*LN 29	0	0	0	151,149	0	73,430	0	0	0	0	0	0	0	0	0
4		ALLOW FOR FUNDS USED DURING CONSTR	0	LN 3-LN 4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5		NET RETURN FOR SETTLEMENTS	224,579	RECORDS	0	0	0	151,149	0	73,430	0	0	0	0	0	0	0	0	0
6		FEDERAL OPERATING INCOME TAX - ACTUAL	0	LN 30	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7		FEDERAL OPERATING INCOME TAX - OPTION	115,692	A-12*LN 22	0	0	0	77,865	0	37,828	0	0	0	0	0	0	0	0	0
8		FEDERAL ITC AMORTIZATION	0	RECORDS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9		STATE OPERATING INCOME TAX - ACTUAL	0	LN 36	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10		STATE OPERATING INCOME TAX - OPTION	38,513	A-12*LN 23	0	0	0	25,920	0	12,592	0	0	0	0	0	0	0	0	0
11		STATE ITC AMORTIZATION	0	RECORDS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12		PROVISION FOR DEFERRED INCOME TAX	0	A-8*LN 18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13		OPERATING EXPENSE & OTHER TAXES	17,927,639	A-8*LN 23	0	0	0	5,142,487	0	10,286,862	0	0	0	0	0	0	0	0	0
14		NONOPERATING EXP	70,760	UNCOLLECTIBLES	0	0	0	47,624	0	23,136	0	0	0	0	0	0	0	0	0
15		BASIS FOR GROSS RECEIPTS TAX	2,461,934	A-8*LN 28	0	0	0	1,656,960	0	804,974	0	0	0	0	0	0	0	0	0
16		GROSS RECEIPTS TAX RATE	20,839,116	LN16*LN17	0	0	0	7,102,005	0	3,450,249	0	0	0	0	0	0	0	0	0
17		GROSS RECEIPTS TAX	0.0000%	LN16+LN18	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
18		TOTAL REVENUE REQUIREMENT	20,839,116		0	0	0	7,102,005	0	0	0	0	0	0	0	0	0	0	0
19					0	0	0	3,450,249	0	10,286,862	0	0	0	0	0	0	0	0	0

NOTE A: INCLUDES A-2, LN 31 LESS AC 2004, TPUC - LONG TERM

20		OPTIONAL GROSS UP INCOME TAX CALCULATION		LN 3	0	0	0	0	151,149	0	73,430	0	0	0	0	0	0	0	0
21		RETURN ON INVESTMENT	224,579	A-12*LN 16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22		INTEREST AND RELATED ITEMS	0	A-12*LN 20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23		OTHER INCOME ADJUSTMENTS	0	LN21+LN22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24		TOTAL INCOME ADJUSTMENTS	224,579	LN20-LN23	0	0	0	73,430	0	0	0	0	0	0	0	0	0	0	0
25		RETURN LESS INCOME ADJ	0	A-12*LN 22	0	0	0	0	151,149	0	0	0	0	0	0	0	0	0	0
26		FEDERAL ITC AMORTIZATION	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27		FIT BASE	224,579		0	0	0	151,149	0	73,430	0	0	0	0	0	0	0	0	0
28	34.00%	FEDERAL TAXABLE INCOME	340,271	LN 27*FTR	0	0	0	229,014	0	111,258	0	0	0	0	0	0	0	0	0
29		FEDERAL INCOME TAX	115,692	/LN 26	0	0	0	77,865	0	37,828	0	0	0	0	0	0	0	0	0
30		FEDERAL SURTAX ALLOCATION	0	LN28-LN29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31		NET FEDERAL TAX BEFORE ITC AMORT	115,692	A-12*LN 23	0	0	0	77,865	0	37,828	0	0	0	0	0	0	0	0	0
32		STATE ITC AMORTIZATION	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
33		SIT BASE	340,271		0	0	0	229,014	0	111,258	0	0	0	0	0	0	0	0	0
34		STATE TAXABLE INCOME	386,672	LN 33*STR	0	0	0	260,243	0	126,429	0	0	0	0	0	0	0	0	0
35	12.00%	STATE INCOME TAX	38,513	/LN 32	0	0	0	25,920	0	12,592	0	0	0	0	0	0	0	0	0
36		STATE SURTAX ALLOCATION	0	LN34-LN35	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		NET STATE INCOME TAX BEFORE ITC AMORT	38,513		0	0	0	25,920	0	12,592	0	0	0	0	0	0	0	0	0
37		FEDERAL TAX AT MAXIMUM RATE	115,692		0	0	0	77,865	0	37,828	0	0	0	0	0	0	0	0	0
38		INCOME ADJUSTMENT FOR FIT	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

PUBLIC VERSION

COST SUPPORT MATERIAL  
PART 69 COST ALLOCATION - TOTAL INTERSTATE

A-2,1d1f

A-2,1d1f

SUMMARY OF TELEPHONE PLANT AND RESERVES

LN	A/C	DESCRIPTION	TOTAL COMPANY	SOURCE	COMMON LINE		SWITCHING	TRAFFIC SENSITIVE		COMMON TRANSPORT		DEDICATED		SPECIAL ACCESS		B&C	IX CATEGORY	
					LIMITED PAY	COMMON LINE		INFO	TERM	FACILITY	TRANSPORT	TRANSPORT	ALLOCATION	TERM	CHANNEL MILEAGE		MSG	P.L.
1		NET INVESTMENT SUMMARY																
2		GENERAL SUPPORT FACILITIES	5,517,041	A-3, LN 6C	0	0	3,713,145	0	1,803,896	0	0	0	0	0	0	0	0	0
3		CENTRAL OFFICE SWITCHING	26,001,379	A-4, LN 21+25	0	0	17,499,760	0	8,501,618	0	0	0	0	0	0	0	0	0
4		CENTRAL OFFICE SYSTEMS	0	A-4, LN 17	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5		CENTRAL OFFICE TRANSMISSION	0	A-4, LN 41	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6		INFORMATION ORIG/TERM	0	A-5, LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7		CABLE AND WIRE FACILITIES	949,856	A-5, LN 21	0	0	639,283	0	310,572	0	0	0	0	0	0	0	0	0
8		TANGIBLE ASSETS	0	A-3, LN 14	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9		INTANGIBLE ASSETS	0	A-3, LN 15	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10		TOTAL PLANT IN SERVICE	32,468,276		0.0000%	0.0000%	21,852,189	0.0000%	10,616,087	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
11		% DISTRIBUTION	100.0000%		0.0000%	0.0000%	67.3032%	0.0000%	32.6968%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
12		PROPERTY HELD FOR FUTURE USE	0	A-6, LN 6	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13		PLANT UNDER CONSTRUCT - SHORT TERM	174,680	A-6, LN 13	0	0	117,565	0	57,115	0	0	0	0	0	0	0	0	0
14		PLANT UNDER CONSTRUCT - LONG TERM	0	A-6, LN 20	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15		TELEPHONE PLANT ADJUSTMENT	0	A-6, LN 27	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16		TOTAL PROPORTY, PLANT & EQUIP.	32,642,956		0.0000%	0.0000%	21,969,754	0.0000%	10,673,201	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
17		% DISTRIBUTION	100.0000%		0.0000%	0.0000%	67.3032%	0.0000%	32.6968%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
18		ACCUM DEPRECIATION - PLANT IN SERVICE	28,342,578	A-7, LN 7	0	0	19,075,462	0	9,267,115	0	0	0	0	0	0	0	0	0
19		ACCUM DEPRECIATION - FUTURE USE	0	A-7, LN 8	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20		ACCUM AMORTIZATION - TANGIBLE PROPERTY	796,936	A-7, LN 15	0	0	536,364	0	260,573	0	0	0	0	0	0	0	0	0
21		ACCUM AMORTIZATION - INTANGIBLE PROP.	0	A-7, LN 16	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22		ACCUM AMORTIZATION - TEL PLANT ADJ.	0	A-7, LN 17	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23		OPERATING DEFERRED INCOME TAX	2,184,244	A-7, LN 17	0	0	1,470,066	0	714,178	0	0	0	0	0	0	0	0	0
24		OTHER DEFERRED CREDITS - NET	0	A-7, LN 34	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25		NET TELEPHONE PLANT	1,319,197		0.0000%	0.0000%	887,862	0.0000%	431,335	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
26		% DISTRIBUTION	100.0000%		0.0000%	0.0000%	67.3032%	0.0000%	32.6968%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
27		MATERIALS AND SUPPLIES	0	A-3, LN 16	0	0	0	0	0	0	0	0	0	0	0	0	0	0
28		RTB STOCK	0	A-3, LN 17	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29		EQUAL ACCESS EQUIPMENT	0	A-3, LN 8	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30		OTHER JURISDICTIONAL ASSETS	0	A-3, LN 18	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31		CASH WORKING CAPITAL	677,062	A-3, LN 10	0	0	455,684	0	221,378	0	0	0	0	0	0	0	0	0
32		NET TELEPHONE PLANT, M&S AND CASH WORKING CAPITAL	1,996,259		0.0000%	0.0000%	1,343,546	0.0000%	652,713	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
		% DISTRIBUTION	100.0000%		0.0000%	0.0000%	67.3032%	0.0000%	32.6968%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%

PUBLIC VERSION

COST SUPPORT MATERIAL  
PART 69 COST ALLOCATION - TOTAL INTERSTATE

A-3,1of1

GENERAL SUPPORT FACILITIES AND MISCELLANEOUS PLANT ALLOCATION

A-3,1 of1

LN	A/C	DESCRIPTION	TOTAL COMPANY	SOURCE	COMMON LINE		SWITCHING	INFO	TRAFFIC SENSITIVE		DEDICATED		SPECIAL ACCESS		B&C	IX CATEGORY	
					LIMITED PAY	COMMON LINE			COMMON TERM	TRANSPORT FACILITY	TRANSPORT FACILITY	TRANSPORT ALLOCATED	TERM	CHANNEL MILEAGE FACILITY		MSG	P.L.
1		BASIS FOR GENERAL SUPPORT FACILITIES	26,001,379	A-4,LN 42	0	0	17,499,760	0	8,501,618	0	0	0	0	0	0	0	0
2		CENTRAL OFFICE EQUIPMENT	0	A-5,LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0
3		INFORMATION ORIG/TERM	0	A-5,LN 23	0	0	17,499,760	0	8,501,618	0	0	0	0	0	0	0	0
4		CWF EXCL CAT 1.3	26,001,379		0	0	67,3032%	0.0000%	32.6968%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
5		% DISTRIBUTION	100,0000%		0.0000%	0.0000%											
GENERAL SUPPORT ASSETS																	
6a		ALLOCATED	5,517,041	LN 5	0	0	3,713,145	0	1,803,896	0	0	0	0	0	0	0	0
6b		DIRECT NON ACCESS	0	DIRECT	0	0	3,713,145	0	1,803,896	0	0	0	0	0	0	0	0
6c		TOTAL GENERAL SUPPORT ASSETS	5,517,041		0.0000%	0.0000%	67,3032%	0.0000%	32.6968%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
7		% DISTRIBUTION	100,0000%		0.0000%	0.0000%											
8		EQUAL ACCESS EQUIPMENT	0	DIRECT	0	0	0	0	0	0	0	0	0	0	0	0	0
9		COE,IOT,CWF GENERAL SUPPORT	31,518,420		0	0	21,212,906	0	10,305,514	0	0	0	0	0	0	0	0
10		AND EQUAL ACCESS EQUIPMENT	100,0000%		0.0000%	0.0000%	67,3032%	0.0000%	32.6968%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
TANGIBLE ASSETS																	
11		CAPITAL LEASES	0	LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0
12		LEASEHOLD IMPROVEMENTS	949,856	LN 10	0	0	639,283	0	310,572	0	0	0	0	0	0	0	0
13		TOTAL	949,856		0	0	639,283	0	310,572	0	0	0	0	0	0	0	0
14																	
15		INTANGIBLE ASSETS	0	LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0
16		MATERIALS AND SUPPLIES	0	LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0
17		RTB STOCK	0	LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0
18		OTHER JURISDICTIONAL ASSETS	0	LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0
19		COE,IOT,CWF GEN SUPP & EQUAL ACCESS	31,518,420		0	0	21,212,906	0	10,305,514	0	0	0	0	0	0	0	0
20		FOR APPORTIONING PRESUBSCRIPTION	100,0000%		0.0000%	0.0000%	67,3032%	0.0000%	32.6968%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
21		% DISTRIBUTION															
22		COE,IOT & CWF EXCL CCL FOR ASSIGNING	26,001,379		0	0	17,499,760	0	8,501,618	0	0	0	0	0	0	0	0
		CARRIER ACCESS BILLING EXPENSES	100,0000%		0.0000%	0.0000%	67,3032%	0.0000%	32.6968%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
		% DISTRIBUTION															

PUBLIC VERSION

COST SUPPORT MATERIAL  
PART 69 COST ALLOCATION - TOTAL INTERSTATE

A-4,1of2

CENTRAL OFFICE EQUIPMENT ALLOCATION

A-4,1of2

LN	A/C	DESCRIPTION	TOTAL COMPANY	SOURCE	LIMITED PAY	COMMON LINE	SWITCHING	COMMON TRANSPORT		DEDICATED TRANSPORT	NIEL TERMINATION		SPECIAL ACCESS		B&C	IX CATEGORY	
								TERM	FACILITY		INFO	COMMON TERM	FACILITY	ALLOCA- TION		TERM	CHANNEL MILEAGE
ALLOCATION FACTORS																	
1		STANDARD WORK SECONDS															
2		- MANUAL BOARDS	100.0000%	AL-1,LN 9			0.0000%	0.0000%								100.0000%	
3		- TSPS COMPLEX	100.0000%	AL-1,LN 10			0.0000%	0.0000%								100.0000%	
4		EQUIVALENT ACCESS LINES - MSG COE	0.0000%	AL-1,LN 2													
5		IX CIRCUIT TERMINATIONS - MSG COE	100.0000%	AL-1,LN 6	0.0000%	0.0000%			100.0000%	0.0000%							
CENTRAL OFFICE EQUIPMENT																	
6	2220	OPERATOR SYSTEMS															
7		MANUAL SWITCHBOARDS	0	LN 2			0	0								0	
8		AUXILIARY SWITCHBOARDS															
9		- DIRECTORY ASSISTANCE	0	DIRECT			0										
10		- INTERCEPT	0	DIRECT			0										
11		- OTHER	0	DIRECT												0	
12		SERVICE OBSERVING BOARDS	0	LN 27			0	0	0	0						0	
13		TSPS															
14		- OPERATOR	0	LN 3			0	0								0	
15		- RTA	0	LN 27			0	0	0	0						0	
16		- OTHER	0	LN 27			0	0	0	0						0	
17		TOTAL OPERATOR SYSTEMS	0				0	0	0	0						0	
18	2210	TANDEM SWITCHING EQUIPMENT															
19		ACCESS	8,501,618	DIRECT					8,501,618							XXX	0
20		NON ACCESS	XXX	DIRECT													
21		TOTAL TANDEM SWITCH	8,501,618						8,501,618								
22	2210	LOCAL SWITCHING EQUIPMENT															
23		ACCESS	17,499,760	DIRECT			17,499,760									0	
24		DEDICATED	0	DIRECT												0	
25		TOTAL LOCAL SWITCH	17,499,760				17,499,760										
26		TOTAL CAT1 EXCL SVC OBS, CAT 2 AND 3	26,001,379				17,499,760	0	8,501,618							0	
27		% DISTRIBUTION	100.0000%	LN 26			67.3032%	0.0000%	32.6968%							0.0000%	0



A-4,2012

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CENTRAL OFFICE EQUIPMENT ALLOCATION

LN	A/C	DESCRIPTION	COMMON LINE		SOURCE	TRAFFIC SENSITIVE		SWITCHING	COMMON TRANSPORT		SPECIAL ACCESS		B&C	IX CATEGORY	
			LIMITED PAY	COMMON LINE		COMMON TERM	INFO		COMMON FACILITY	DEDICATED TRANSPORT	INEL TERMINATION ALLOCATED	CHANNEL MILEAGE TERM		MSG	P.L.
28	2230	CENTRAL OFFICE TRANSMISSION													
29		EXCHANGE WIDEBAND			0										
30		EXCHANGE TRUNK - BASIC			0										
31		EXCHANGE TRUNK - SPECIAL			0										
32		SUBSCRIBER LINE		0	0										
33		INTEREXCHANGE CIRCUIT													
34		FURNISHED OTHERS			0										
35		ACCESS - BASIC			0										
36		ACCESS - SPECIAL			0										
37		NON ACCESS			0										
38		TOTAL IX CIRCUIT			0									xxx	0
39		HOST/REMOTE CIRCUIT			0									0	0
40		EQUIPMENT RENTED OTHERS			0									0	0
41		TOTAL CENTRAL OFFICE TRANSMISSION		0	0									0	0
42		TOTAL CENTRAL OFFICE EQUIPMENT	26,001,379	0	0	17,495,760	0	8,501,618	0	0	0	0	0	0	0
43		% DISTRIBUTION	100.0000%	0.0000%	0.0000%	67.3032%	0.0000%	32.6968%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
COE RATIOS															
44		OPERATOR SYSTEMS	0.0000%			0.0000%	0.0000%			0.0000%				0.0000%	
45		TANDEM SWITCHING	100.0000%			100.0000%	100.0000%			0.0000%				0.0000%	
46		LOCAL SWITCHING	100.0000%			100.0000%				0.0000%				0.0000%	
47		CENTRAL OFFICE SWITCHING	100.0000%			67.3032%				0.0000%				0.0000%	
48		CENTRAL OFFICE TRANSMISSION	100.0000%	0.0000%	0.0000%					0.0000%	0.0000%	0.0000%		0.0000%	0.0000%

PUBLIC VERSION

COST SUPPORT MATERIAL  
PART 69 COST ALLOCATION - TOTAL INTERSTATE

A-5,1of1

INFORMATION ORIGINATOR:TERMINATION AND CABLE AND WIRE FACILITIES

A-5,1of1

LN	A/C	DESCRIPTION	TOTAL COMPANY	SOURCE	COMMON LINE			SWITCHING	TRAFFIC SENSITIVE			SPECIAL ACCESS			B&C		IX CATEGORY	
					LIMITED PAY	COMMON LINE	0.00000%		COMMON TERM	TRANSPORT FACILITY	DEDICATED TRANSPORT	INEL TERMINATION TRANSPORT	CHANNEL MILEAGE TERM	FACILITY			MSG	P.L.
1		ALLOCATION FACTORS																
2		EQUIVALENT ACCESS LINES - MSG CWF	0.00000%	AL-1,LN 4	0.00000%	0.00000%	0.00000%			100.00000%	0.00000%	0.00000%						
		IX CIRCUIT MILES - MSG CWF	100.00000%	AL-1,LN 8														
3	2310	INFORMATION ORIG/TERM																
4		OTHER IOT EQUIPMENT																
5		COIN PUBLIC TELEPHONE	0	DIRECT		0												
6		COINLESS PUBLIC TELEPHONE	0	DIRECT		0												
7		OTHER	0	DIRECT		0												
8		SUBTOTAL	0			0												
9		NEW CUSTOMER PREMISE EQUIP	0	DIRECT		0												
10		TOTAL ORIG/TERM EQUIP	0			0												
11		% DISTRIBUTION	0.00000%			0.00000%						0.00000%						
12	2410	CABLE AND WIRE FACILITIES																
13		SUBSCRIBER LINE	0	LN 1/DIRECT	0	0						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					0								
17b		IX TRUNK - SPECIAL	0	DIRECT						0								
18		IX TRUNK - NON ACCESS	0	DIRECT						0						XXX		0
19		HOST/REMOTE	0	DIRECT														0
20		EQUIPMENT FURNISHED OTHERS	0	DIRECT		0				0								0
21		TOTAL CABLE AND WIRE FACILITIES	0			0.00000%				100.00000%	0.00000%	0.00000%		0.00000%			0.00000%	0
22		% DISTRIBUTION	100.00000%			0.00000%												0.00000%
23		TOTAL CWF EXCLUDING CAT 1.3	0			0				0		0		0			0	0
24		% DISTRIBUTION	100.00000%			0.00000%				100.00000%	0.00000%	0.00000%		0.00000%			0.00000%	0.00000%

**PUBLIC VERSION**

COST SUPPORT MATERIAL  
PART 69 COST ALLOCATION - TOTAL INTERSTATE

SECTION 3

A-6, 1of1

OTHER TELECOMMUNICATIONS PLANT ALLOCATION

A-6, 1of1

LN	AC	DESCRIPTION	TOTAL COMPANY	SOURCE	COMMON LINE		SWITCHING	INFO	TRAFFIC SENSITIVE		COMMON TRANSPORT		DEDICATED		SPECIAL ACCESS		B&C	IX CATEGORY	
					LIMITED PAY	COMMON LINE			TERM	FACILITY	TRANSPORT	ALLOTTED	TERM	FACILITY	MSG	PL			
OTHER TELECOMMUNICATIONS PLANT																			
1	2002	PROPERTY HELD FOR FUTURE USE																	
2		GENERAL SUPPORT	0	A-3.LN 7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3		CABLE AND WIRE FACILITIES	0	A-4.LN 43	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4		UNDISTRIBUTED	0	A-5.LN 22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5		TOTAL	0	A-3.LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6		% DISTRIBUTION	0.0000%		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
7																			
PLANT UNDER CONSTR. - SHORT TERM																			
8	2003	GENERAL SUPPORT	0	A-3.LN 7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9		CABLE AND WIRE FACILITIES	0	A-4.LN 43	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10		UNDISTRIBUTED	174,680	A-5.LN 22	0	0	117,565	0	57,115	0	0	0	0	0	0	0	0	0	0
11		TOTAL	174,680	A-3.LN 10	0	0	117,565	0	57,115	0	0	0	0	0	0	0	0	0	0
12		% DISTRIBUTION	100.0000%		0.0000%	0.0000%	67.3032%	0.0000%	32.6968%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
13																			
14																			
PLANT UNDER CONSTR. - LONG TERM																			
15	2004	GENERAL SUPPORT	0	A-3.LN 7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16		CABLE AND WIRE FACILITIES	0	A-4.LN 43	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17		UNDISTRIBUTED	0	A-5.LN 22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18		TOTAL	0	A-3.LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19		% DISTRIBUTION	0.0000%		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
20																			
21																			
TELECOMMUNICATIONS PLANT ADJUST.																			
22	2005	GENERAL SUPPORT	0	A-3.LN 7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23		CABLE AND WIRE FACILITIES	0	A-4.LN 43	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24		UNDISTRIBUTED	0	A-5.LN 22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25		TOTAL	0	A-3.LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
26		% DISTRIBUTION	0.0000%		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
27																			
28																			

PUBLIC VERSION

COST SUPPORT MATERIAL  
PART 69 COST ALLOCATION - TOTAL INTERSTATE

A-7,1of1

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ACCUMULATED DEPRECIATION, AMORTIZATION AND DEFERRED INCOME TAXES

LN	A/C	DESCRIPTION	TOTAL COMPANY	SOURCE	COMMON LINE		SWITCHING	INFO	TRAFFIC SENSITIVE		DEDICATED		SPECIAL ACCESS		B&C	IX CATEGORY	
					LIMITED PAY	COMMON LINE			COMMON TERM	TRANSPORT FACILITY	TRANSPORT FACILITY	INEL TERMINATION TRANSPORT ALLOCATED	CHANNEL TERM	MILEAGE FACILITY		MSG	P.L.
1	3100	ACCUM DEPRECIATION - PLANT IN SERVICE															
2		GENERAL SUPPORT	4,463,091	A-3,LN 10	0	0	3,003,803	0	1,459,288	0	0	0	0	0	0	0	0
3		CENTRAL OFFICE SWITCHING EQUIPMENT	23,879,487	A-3,LN 10	0	0	16,071,659	0	7,807,828	0	0	0	0	0	0	0	0
4		OPERATOR SYSTEMS EQUIPMENT	0	A-3,LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0
5		CENTRAL OFFICE TRANSMISSION	0	A-3,LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0
6		UNDISTRIBUTED COE	0	A-3,LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0
7		INFORMATION ORIG/TERM	0	A-3,LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0
8		CABLE AND WIRE FACILITIES	0	A-3,LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0
9		TOTAL ACCUM DEPR - TPIS	28,342,578		0	0	19,075,462	0	9,267,115	0	0	0	0	0	0	0	0
10	3200	ACCUM DEPRECIATION - FUTURE USE	0	A-3,LN 10	0	0	0	0	9,267,115	0	0	0	0	0	0	0	0
11		TOTAL ACCUM DEPRECIATION	28,342,578		0	0	19,075,462	0	9,267,115	0	0	0	0	0	0	0	0
12		% DISTRIBUTION	100.0000%		0.0000%	0.0000%	67.3032%	0.0000%	32.6968%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
ACCUMULATED AMORTIZATION																	
13	3400	TANGIBLE ASSETS															
14		CAPITAL LEASES	0	A-3,LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0
15		LEASEHOLD IMPROVEMENTS	796,936	A-3,LN 10	0	0	536,364	0	260,573	0	0	0	0	0	0	0	0
16		UNDISTRIBUTED	0	A-3,LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0
17		TOTAL ACCUM AMORT - TANGIBLE	796,936		0	0	536,364	0	260,573	0	0	0	0	0	0	0	0
18	3500	INTANGIBLE ASSETS	0	A-3,LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0
19	3600	TELEPHONE PLANT ADJUSTMENT	0	A-3,LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0
20		TOTAL ACCUM AMORTIZATION	796,936		0	0	536,364	0	260,573	0	0	0	0	0	0	0	0
21		% DISTRIBUTION	100.0000%		0.0000%	0.0000%	67.3032%	0.0000%	32.6968%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
NET OPERATING DEFERRED INC TAX																	
22	4100x	GENERAL SUPPORT	0	A-3,LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0
23	4340	CENTRAL OFFICE EQUIP	0	A-3,LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0
24		INFORMATION ORIG/TERM	0	A-3,LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0
25		CABLE AND WIRE FACILITIES	0	A-3,LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0
26		UNDISTRIBUTED	2,184,244	A-3,LN 10	0	0	1,470,066	0	714,178	0	0	0	0	0	0	0	0
27		TOTAL NET DEFERRED INC TAX	2,184,244		0	0	1,470,066	0	714,178	0	0	0	0	0	0	0	0
28		% DISTRIBUTION	100.0000%		0.0000%	0.0000%	67.3032%	0.0000%	32.6968%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
29																	
OTHER DEFERRED CREDITS - NET																	
30	4360	GENERAL SUPPORT	0	A-3,LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0
31		CENTRAL OFFICE EQUIP	0	A-3,LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0
32		INFORMATION ORIG/TERM	0	A-3,LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0
33		CABLE AND WIRE FACILITIES	0	A-3,LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0
34		UNDISTRIBUTED	0	A-3,LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0
35		TOTAL OTHER DEFERRED CREDITS	0		0	0	0	0	0	0	0	0	0	0	0	0	0
36		% DISTRIBUTION	0.0000%		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
37																	

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COST SUPPORT MATERIAL  
PART 69 COST ALLOCATION - TOTAL INTERSTATE

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SUMMARY OF OPERATING EXPENSE AND TAX AND MISCELLANEOUS TAX ITEMS

LN	A/C	DESCRIPTION	TOTAL COMPANY	SOURCE	COMMON LINE		SWITCHING	INFO	TRAFFIC SENSITIVE		DEDICATED		SPECIAL ACCESS			B&C	IX CATEGORY	
					LIMITED PAY	COMMON LINE			COMMON TERM	FACILITY	TRANSPORT	INEL TERMINATION	CHANNEL MILEAGE	MSG	P.L.			
1	6110	OPERATING EXPENSE AND TAX	0	A-9, LN 6	0	0	0	0	0	0	0	0	0	0	0	0	0	
2	6120	NETWORK SUPPORT EXPENSE	943,253	A-9, LN 7	0	0	634,839	0	0	308,413	0	0	0	0	0	0	0	
3	6210	GENERAL SUPPORT EXPENSE	918,888	A-9, LN 15	0	0	618,441	0	0	300,447	0	0	0	0	0	0	0	
4	6310	CENTRAL OFFICE EXPENSE	0	A-9, LN 22	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	6410	INFORMATION ORIG/TERM EXP	8,256,765	A-9, LN 24	0	0	0	0	8,256,765	0	0	0	0	0	0	0	0	
6	6510	CABLE AND WIRE FACILITIES EXP	0	A-10, LN 6	0	0	0	0	0	0	0	0	0	0	0	0	0	
7	6530	OTHER PLANT EXPENSE	0	A-10, LN 7	0	0	0	0	0	0	0	0	0	0	0	0	0	
8	6540	NETWORK OPERATIONS EXPENSE	1,051,777	A-10, LN 8	0	0	707,879	0	0	343,897	0	0	0	0	0	0	0	
9	6610	ACCESS CHARGE EXPENSE	0	A-10, LN 8	0	0	0	0	0	0	0	0	0	0	0	0	0	
10	6620	MARKETING EXPENSE	0	A-11, LN 1	0	0	0	0	0	0	0	0	0	0	0	0	0	
11	6710	SERVICES EXPENSE	34,622	A-11, LN 29	0	0	23,302	0	0	11,320	0	0	0	0	0	0	0	
12	6720	EXECUTIVE AND PLANNING EXP	496,499	A-12, LN 8	0	0	87,930	0	0	142,718	365,851	0	0	0	0	0	0	
13		GENERAL AND ADMINISTRATIVE EXP	2,258,557	A-12, LN 9	0	0	399,991	0	0	194,321	1,664,245	0	0	0	0	0	0	
14		SUBTOTAL OPERATING EXPENSE	13,960,361		0	0	2,472,382	0	0	1,201,117	10,286,862	0	0	0	0	0	0	
15		% DISTRIBUTION	100.0000%		0.0000%	0.0000%	17.7100%	0.0000%	0.0000%	8.6038%	73.6862%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	
16	6660	DEPRECIATION AND AMORTIZATION	3,751,194	A-10, LN 19+27	0	0	2,524,674	0	0	1,226,520	0	0	0	0	0	0	0	
17	7200	OTHER OPERATING TAX	216,083	A-12, LN 24	0	0	145,431	0	0	70,652	0	0	0	0	0	0	0	
18		EQUAL ACCESS EXPENSE	0		0	0	0	0	0	0	0	0	0	0	0	0	0	
19		TOTAL OPERATING EXP & TAX	17,927,639		0	0	5,142,487	0	2,498,289	10,286,862	0	0	0	0	0	0	0	
		% DISTRIBUTION	100.0000%		0.0000%	0.0000%	28.6847%	0.0000%	13.9354%	57.3799%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	
20	7370	NON OPERATING EXPENSE	0	A-3, LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	
21		ABANDONED CONSTRUCTION	0	A-3, LN 10	0	0	47,624	0	0	23,136	0	0	0	0	0	0	0	
22		CONTRIBUTIONS	70,760		0	0	47,624	0	0	23,136	0	0	0	0	0	0	0	
23		TOTAL NON OPERATING EXP	70,760		0	0	47,624	0	0	23,136	0	0	0	0	0	0	0	
24		UNCOLLECTIBLES	0	A-3, LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	
25	5310	END USER MSG TOLL	0	DIRECT	0	0	0	0	0	0	0	0	0	0	0	0	0	
26	5320	END USER COMMON LINE	0	A-3, LN 22	0	0	1,656,960	0	0	804,974	0	0	0	0	0	0	0	
27	5330	IX CARRIER	2,461,934		0	0	1,656,960	0	0	804,974	0	0	0	0	0	0	0	
28		TOTAL UNCOLLECTIBLES	2,461,934		0	0	1,656,960	0	0	804,974	0	0	0	0	0	0	0	
29	7340	ALLOWANCE FOR FUNDS USED	0	A-3, LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	

PUBLIC VERSION

COST SUPPORT MATERIAL  
PART 69 COST ALLOCATION - TOTAL INTERSTATE

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PLANT SPECIFIC EXPENSE ALLOCATION

A-9, 1of1

LN	A/C	DESCRIPTION	TOTAL COMPANY	SOURCE	COMMON LINE		SWITCHING	TRAFFIC SENSITIVE		COMMON TRANSPORT		DEDICATED		SPECIAL ACCESS		B&C	IX CATEGORY	
					LIMITED PAY	COMMON LINE		INFO	TERM	FACILITY	TRANSPORT	INEL TERMINATION	TERM	CHANNEL MILEAGE	TERM		MSG	P.L.
1		BASIS FOR NETWORK SUPPORT EXPENSE	31,518,420	VARIOUS	0	0	0	21,212,906	0	10,305,514	0	0	0	0	0	0	0	0
2		GEN SUPPORT, COE, IOT AND C&WF	0	A-3, LN 8	0	0	0	21,212,906	0	10,305,514	0	0	0	0	0	0	0	0
3		EQUAL ACCESS EQUIPMENT	31,518,420		0	0	0	21,212,906	0	10,305,514	0	0	0	0	0	0	0	0
4		TOTAL	100,000%		0.0000%	0.0000%	67.3032%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
		% DISTRIBUTION																
PLANT SPECIFIC EXPENSES																		
5		GENERAL SUPPORT EXPENSE	0	LN 4	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	6110	NETWORK SUPPORT	943,253	A-3, LN 7	0	0	634,839	0	0	308,413	0	0	0	0	0	0	0	0
7	6120	GENERAL SUPPORT	943,253		0	0	634,839	0	0	308,413	0	0	0	0	0	0	0	0
8		TOTAL GENERAL SUPPORT EXP	100,000%		0.0000%	0.0000%	67.3032%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
9		% DISTRIBUTION																
10		CENTRAL OFFICE EXPENSE	918,888	A-4, LN 43	0	0	618,441	0	0	300,447	0	0	0	0	0	0	0	0
11	6210	CENTRAL OFFICE SWITCHING EXPENSE	0	A-4, LN 43	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12	6220	OPERATOR SYSTEMS EXPENSE	0	A-4, LN 43	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	6230	CENTRAL OFFICE TRANSMISSION EXPENSE	0	A-4, LN 43	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14		UNDISTRIBUTED	0	A-4, LN 43	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15		TOTAL CENTRAL OFFICE EXPENSE	918,888		0	0	618,441	0	0	300,447	0	0	0	0	0	0	0	0
16		% DISTRIBUTION	100,000%		0.0000%	0.0000%	67.3032%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
17	6310	INFORMATION ORIG/TERM EXPENSE	0	DIRECT	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18		COIN PAY TELEPHONE	0	DIRECT	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19		COINLESS PAY TELEPHONE	0	DIRECT	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20		OTHER	0	DIRECT	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21		CPE	0	DIRECT	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22		TOTAL INFORMATION ORIG/TERM EXP	0		0.0000%	0.0000%	0	0	0	0	0	0	0	0	0	0	0	0
23		% DISTRIBUTION	0.0000%															
24	6410	CABLE AND WIRE FACILITIES EXPENSE	8,256,765	A-5, LN 22	0	0	0	0	0	8,256,765	0	0	0	0	0	0	0	0
25		TOTAL PLANT SPECIFIC EXPENSE	10,118,905		0	0	1,253,280	0	608,860	608,860	0	0	0	0	0	0	0	0
26		% DISTRIBUTION	100,000%		0.0000%	0.0000%	12.3855%	0.0000%	6.0171%	81.5974%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%

PUBLIC VERSION

COST SUPPORT MATERIAL  
PART 69 COST ALLOCATION - TOTAL INTERSTATE

A-10,1d1

A-10,1d1

PLANT NON SPECIFIC EXPENSE ALLOCATION

LN	A/C	DESCRIPTION	TOTAL COMPANY	SOURCE	COMMON LINE		SWITCHING	TRAFFIC SENSITIVE		COMMON TRANSPORT		DEDICATED		SPECIAL ACCESS		B&C	IX CATEGORY	
					LIMITED PAY	COMMON LINE		INFO	TERM	FACILITY	TRANSPORT	TRANSPORT ALLOCATED	INEL TERMINATION	CHANNEL MILEAGE	TERM		MSG	P.L.
1		CENTRAL OFFICE EQUIPMENT	26,001,379	A-4.LN 38	0	0	17,499,760	0	8,501,618	0	0	0	0	0	0	0	0	0
2		INFORMATION ORIG/TERM	0	A-5.LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3		CABLE AND WIRE FACILITIES	0	A-5.LN 21	0	0	17,499,760	0	8,501,618	0	0	0	0	0	0	0	0	0
4		TOTAL	26,001,379		0	0	17,499,760	0.0000%	8,501,618	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
5		% DISTRIBUTION	100.0000%		0.0000%	0.0000%	67.3032%	0.0000%	32.6968%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
PLANT NONSPECIFIC EXPENSE																		
6	6510	OTHER PROP PLANT & EQUIP EXPENSE	0	LN 5	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7	6530	NETWORK OPERATIONS EXPENSE	1,051,777	LN 5	0	0	707,879	0	343,897	0	0	0	0	0	0	0	0	0
8	6540	ACCESS CHARGE EXPENSE	0	DIRECT	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	6560	DEPRECIATION EXPENSE																
10		GENERAL SUPPORT	731,968	A-3.LN 7	0	0	492,638	0	239,330	0	0	0	0	0	0	0	0	0
11		CENTRAL OFFICE SWITCHING EQUIPMENT	2,924,241	A-4.LN 47	0	0	1,968,108	0	956,133	0	0	0	0	0	0	0	0	0
12		OPERATOR SYSTEMS EQUIPMENT	0	A-4.LN 44	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13		CENTRAL OFFICE TRANSMISSION	0	A-4.LN 48	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14		UNDISTRIBUTED COE	0	A-4.LN 43	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15		INFORMATION ORIG/TERM	0	A-5.LN 11	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16		CABLE AND WIRE FACILITIES	0	A-5.LN 22	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17		TOTAL DEP EXP - PLANT IN SERVICE	3,656,209		0	0	2,460,746	0	1,195,463	0	0	0	0	0	0	0	0	0
18		PROPERTY HELD FOR FUTURE USE	0	A-6.LN 7	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19		TOTAL DEPRECIATION EXPENSE	3,656,209		0	0	2,460,746	0	1,195,463	0	0	0	0	0	0	0	0	0
20		% DISTRIBUTION	100.0000%		0.0000%	0.0000%	67.3032%	0.0000%	32.6968%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
AMORTIZATION EXPENSE																		
21	6563	CAPITAL LEASE	0	A-3.LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22	6563	LEASEHOLD IMPROVEMNTS	94,986	A-3.LN 10	0	0	63,928	0	31,057	0	0	0	0	0	0	0	0	0
23	6563	UNDISTRIBUTED	0	A-3.LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24		SUBTOTAL	94,986		0	0	63,928	0	31,057	0	0	0	0	0	0	0	0	0
25	6564	INTANGIBLE ASSETS	0	A-3.LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0
26	6565	OTHER - TEL PLANT ADJUSTMENT	0	A-6.LN 28	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27		TOTAL AMORTIZATION EXPENSE	94,986		0	0	63,928	0	31,057	0	0	0	0	0	0	0	0	0
28		% DISTRIBUTION	100.0000%		0.0000%	0.0000%	67.3032%	0.0000%	32.6968%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
29		TOTAL PLANT NON SPECIFIC EXPENSE	4,802,371		0	0	3,232,553	0	1,570,418	0	0	0	0	0	0	0	0	0
30		% DISTRIBUTION	100.0000%		0.0000%	0.0000%	67.3032%	0.0000%	32.6968%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%

PUBLIC VERSION

COST SUPPORT MATERIAL  
PART 69 COST ALLOCATION - TOTAL INTERSTATE

A-11,1of1

CUSTOMER OPERATIONS EXPENSE ALLOCATION

A-11,1of1

LN	A/C	DESCRIPTION	TOTAL COMPANY	SOURCE	COMMON LINE		SWITCHING	TRAFFIC SENSITIVE		COMMON TRANSPORT		DEDICATED		SPECIAL ACCESS		B&C	IX CATEGORY	
					LIMITED PAY	COMMON LINE		INFO	TERM	FACILITY	TERM	TRANSPORT ALLOCATED	TERM	CHANNEL MILEAGE	FACILITY		MSG	P.L.
1	6610	CUSTOMER OPERATIONS EXPENSES	0	A-3, LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2		MARKETING																
3	6621	TELEPHONE OPERATOR SERVICES	0	SWS-OPERATORS	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4		- CALL COMPLETION INCL DA	0	DIRECT	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	6622	- OPERATOR SERVICES UNDER CONTRACT	0	DIRECT	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	6623	PUBLISHED DIRECTORY LISTINGS	0															
7	1.0	ALL OTHER																
8		LOCAL BUSINESS OFFICE																
9		- END USER SVC ORDER PROCESSING	0	A-3, LN 20	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10		- PRESUBSCRIPTION	0	AL-1, LN 12	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11		- OTHER	0	AL-1, LN 13	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12		- END USER PAYMENT & COLLECTION	0	AL-1, LN 14	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13		- END USER BILLING INQUIRY	0	AL-1, LN 15	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14		- IX CARRIER SVC ORDER PROCESSING	0	AL-1, LN 16	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15		- IX CARRIER PAYMENT & COLLECTION	30,048	AL-1, LN 17	0	0	20,224	0	9,825	0	0	0	0	0	0	0	0	0
16		- IX CARRIER BILLING INQUIRY	0	AL-1, LN 18	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17		- COIN COLLECT AND ADMINISTRATION	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	2.0	SUBTOTAL LOCAL BUSINESS OFFICE	30,048		0	0	20,224	0	9,825	0	0	0	0	0	0	0	0	0
19		CUSTOMER SERVICES (REV ACCTG)																
20		- MESSAGE PROCESSING	0															
21		- TOLL TICKET PROCESSING	0	DIRECT	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22		- LOCAL MESSAGE PROCESSING	0	DIRECT	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23		- OTHER BILLING & COLLECTION	0	DIRECT	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24		- END USER COMMON LINE	0	A-3, LN 22	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25		- CARRIER ACCESS BILLING (CABS)	4,451		0	0	2,995	0	1,455	0	0	0	0	0	0	0	0	0
26		SUBTOTAL CUSTOMER SERVICES	34,499		0	0	2,995	0	1,455	0	0	0	0	0	0	0	0	0
27		TOTAL CAT 1 AND CAT 2	100,000%		0.0000%	0.0000%	67,3032%	0.0000%	32,6968%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
28	3.0	% DISTRIBUTION	123	/LN 34	0	0	83	0	40	0	0	0	0	0	0	0	0	0
29		ALL OTHER CUSTOMER SERVICE	34,622		0	0	23,302	0	11,320	0	0	0	0	0	0	0	0	0
30		TOTAL SERVICES EXPENSE	100,000%		0.0000%	0.0000%	67,3032%	0.0000%	32,6968%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
31		% DISTRIBUTION	34,622		0	0	23,302	0	11,320	0	0	0	0	0	0	0	0	0
32		TOTAL CUSTOMER OPERATIONS EXPENSE	100,000%		0.0000%	0.0000%	67,3032%	0.0000%	32,6968%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
33		% DISTRIBUTION	34,499		0	0	23,219	0	11,280	0	0	0	0	0	0	0	0	0
34		CUSTOMER OPERATIONS EXCL MARKETING	100,000%		0.0000%	0.0000%	67,3032%	0.0000%	32,6968%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%



**PUBLIC VERSION**

COST SUPPORT MATERIAL  
PART 69 COST ALLOCATION - TOTAL INTERSTATE

A-12,1d1

CORPORATE OPERATIONS EXPENSE ALLOCATION

A-12,1d1

LN	A/C	DESCRIPTION	TOTAL COMPANY	SOURCE	COMMON LINE		SWITCHING	TRAFFIC SENSITIVE		COMMON TRANSPORT		DEDICATED		SPECIAL ACCESS		B&C	IX CATEGORY	
					LIMITED PAY	COMMON LINE		INFO	TERM	FACILITY	TERM	TRANSPORT FACILITY	INEL TERMINATION TRANSPORT ALLOCATED	TERM	CHANNEL MILEAGE FACILITY		MSG	P.L.
1		BIG THREE EXPENSES																
2		PLANT SPECIFIC EXPENSE	10,118,905	A-9,LN 25	0	0	1,253,280	0	608,860	8,256,765	0	0	0	0	0	0	0	0
3		OTHER PLANT EXPENSE	0	A-10,LN 7	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4		NETWORK OPERATIONS EXPENSE	1,051,777	A-10,LN 8	0	0	707,879	0	343,897	0	0	0	0	0	0	0	0	0
5		ACCESS CHARGE EXPENSE	0	A-10,LN 9	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6		CUSTOMER OPERATIONS EXPENSE	34,622	A-11,LN 31	0	0	23,302	0	11,320	0	0	0	0	0	0	0	0	0
7		TOTAL BIG THREE EXPENSES	11,205,304		0	0	1,984,461	0	964,078	8,256,765	0	0	0	0	0	0	0	0
		% DISTRIBUTION	100.0000%		0.0000%	0.0000%	17.7100%	0.0000%	8.6038%	73.6862%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
CORPORATE OPERATING EXPENSE																		
8	6710	EXECUTIVE AND PLANNING	496,499	LN 7	0	0	87,930	0	42,718	385,851	0	0	0	0	0	0	0	0
9	6720	GENERAL AND ADMINISTRATIVE	2,258,557	LN 7	0	0	399,991	0	194,321	1,664,245	0	0	0	0	0	0	0	0
10		TOTAL CORPORATE OPERATIONS	2,755,056		0	0	487,921	0	237,039	2,030,097	0	0	0	0	0	0	0	0
11		% DISTRIBUTION	100.0000%		0.0000%	0.0000%	17.7100%	0.0000%	8.6038%	73.6862%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
12		EQUAL ACCESS EXPENSE	0	DIRECT			0											
13		INTEREST EXPENSE																
14	7500	CAPITAL LEASE	0	A-3,LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15		OTHER	0	A-3,LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16		TOTAL	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0
17		OTHER INCOME ADJUSTMENTS																
18		BASED ON PLANT	0	A-2,LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19		BASED ON EXPENSE	0	LN 7	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20		TOTAL	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0
21		OPERATING TAXES																
22	7210	FEDERAL ITC AMORTIZATION	0	A-3,LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	7210	STATE ITC AMORTIZATION	0	A-3,LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	7240	OTHER OPERATING TAXES	216,083	A-3,LN 10	0	0	145,431	0	70,652	0	0	0	0	0	0	0	0	0
25		TOTAL OPERATING TAXES	216,083		0	0	145,431	0	70,652	0	0	0	0	0	0	0	0	0

PUBLIC VERSION

COST SUPPORT MATERIAL  
PART 69 COST ALLOCATION - TOTAL INTERSTATE

AL-1,1of1

DEVELOPMENT OF JOINT USE FACILITIES ALLOCATION FACTORS

AL-1,1of1

LN	A/C	DESCRIPTION	TOTAL COMPANY	SOURCE	LIMITED PAY	COMMON LINE		SWITCHING	INFO	COMMON TRANSPORT		DEDICATED TRANSPORT	INEL TERMINATION		CHANNEL MILEAGE		B&C	IX CATEGORY	
						COMMON PAY	COMMON LINE			TERM	FACILITY		ALLOCATED	TERM	TERM	FACILITY		MSG	P.L.
1		EQUIVALENT ACCESS LINES - MSG COE	0		0	0	0						0						
2		% DISTRIBUTION	0.0000%		0.0000%	0.0000%	0.0000%						0.0000%						
3		EQUIVALENT ACCESS LINES - MSG CWF	0		0	0	0						0						
4		% DISTRIBUTION	0.0000%		0.0000%	0.0000%	0.0000%						0.0000%						
5		IX CIRCUIT TERMINATIONS - MSG COE	2,024							2,024									
6		% DISTRIBUTION	100.0000%							100.0000%		0.0000%							
7		IX CIRCUIT MILES - MSG CWF	1,011,879								1011879.00		0.00						
8		% DISTRIBUTION	100.0000%								100.0000%		0.0000%						
DISTRIBUTION FACTORS																			
9		STD WORK SECONDS - MANUAL BOARDS	100.0000%					0.0000%										100.0000%	
10		STD WORK SECONDS - TSPS	100.0000%					0.0000%										100.0000%	
11		STD WORK SECONDS - OPERATORS	100.0000%					0.0000%										100.0000%	
12		END USER SVC ORDER CONTACTS	0.0000%					0.0000%									0.0000%		
13		END USER PAYMENT & COLLECTION	0.0000%					0.0000%									0.0000%		
14		END USER BILLING INQUIRY CONTACTS	0.0000%					0.0000%									0.0000%		
15		IX CARRIER SVC ORDER CONTACTS	100.0000%		0.0000%	0.0000%	0.0000%	67.3032%	0.0000%		0.0000%						0.0000%		
16		IX CARRIER PAYMENT & COLLECTION	100.0000%		0.0000%	0.0000%	0.0000%	67.3032%	0.0000%		0.0000%						0.0000%		
17		IX CARRIER BILLING INQUIRY CONTACTS	100.0000%		0.0000%	0.0000%	0.0000%	67.3032%	0.0000%		0.0000%						0.0000%		
18		PUBLIC TELEPHONE REVENUE	0.0000%		0.0000%	0.0000%	0.0000%										0.0000%		
19		END USER BILLING & COLLECTION	0.0000%					0.0000%	0.0000%								0.0000%		
20		OPERATOR SERVICES UNDER CONTRACT	0.0000%															0.0000%	

\*\*\* PROPRIETARY INFORMATION \*\*\*

## SECTION 4

## PUBLIC VERSION

IOWA NETWORK SERVICES, INC.  
FILING PERIOD: 7/1/12 - 6/30/13

PART 36 TOTAL INTERSTATE  
ACCESS DIVISION

SECTION 4  
6/22/2012

S-1,1of1

## REVENUE REQUIREMENT SUMMARY

S-1,1of1

LN	ALLOCATION RATIOS	IOWA				
		TOTAL COMPANY	ALLOCATION BASIS	INTERSTATE MSG TOLL		OTHER
				INTRALATA	INTERLATA	
REVENUE REQUIREMENT SUMMARY						
1	NET INVESTMENT FOR SETTLEMENTS	2,321,669	NOTE A	0	1,996,259	325,410
2	RATE OF RETURN			11.2500%	11.2500%	11.2500%
3	RETURN ON INVESTMENT	255,493	LN1*LN 2	0	224,579	30,914
4	ALLOWANCE FOR FUNDS USED DURING CONSTR	0	S-8,LN 29	0	0	0
5	NET RETURN FOR SETTLEMENTS	255,493	LN3-LN4	0	224,579	30,914
6	TOTAL ITC AMORTIZATION	0	S-12,LN 28+29	0	0	0
7	FEDERAL OPERATING INCOME TAX (ACTUAL)	0	S-12,LN 30	0	0	0
8	FEDERAL OPERATING INCOME TAX (OPTION)	131,618	LN28-LN11	0	115,692	15,925
9	STATE AND LOCAL INCOME TAX (ACTUAL)	0	S-12,LN 31	0	0	0
10	STATE AND LOCAL INCOME TAX (OPTION)	43,814	LN 33	0	38,513	5,301
11	PROVISION FOR DEFERRED INCOME TAX	0	S-12,LN 33	0	0	0
13	OPERATING EXPENSE AND TAX	20,998,080	S-8,LN 18	0	17,927,639	3,070,441
14	NONOPERATING EXPENSE	83,292	S-8,LN 23	0	70,760	12,533
15	UNCOLLECTIBLES	2,690,638	S-8,LN 28	0	2,461,934	228,704
16	BASIS FOR GROSS RECEIPTS TAX	24,202,934		0	20,839,116	3,363,818
17	GROSS RECEIPTS TAX RATE (GROSS UP)			0.0000%	0.0000%	0.0000%
18	GROSS RECEIPTS TAX	0		0	0	0
19	TOTAL REVENUE REQUIREMENT	24,202,934		0	20,839,116	3,363,818

NOTE A: INCLUDES NET TEL PLANT FROM SCH S-2,LN 33 LESS A/C's 2004 ,2006 ,2007 AND 1402 OTHER THAN RTB STOCK.

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## OPTIONAL GROSS UP INCOME TAX CALCULATION

20	RETURN ON INVESTMENT	255,493	LN 3	0	224,579	30,914
21	INTEREST AND RELATED ITEMS	0	S-12,LN 19	0	0	0
22	OTHER INCOME ADJUSTMENTS	0	S-12,LN 24+25	0	0	0
23	TOTAL INCOME ADJUSTMENTS	0	LN 21+22	0	0	0
24	FEDERAL ITC AMORTIZATION	0	S-12,LN 28	0	0	0
25	FEDERAL TAXABLE INCOME	387,111		0	340,271	46,839
26	FEDERAL INCOME TAX @ 34.00%	131,618	LN 25*FIT	0	115,692	15,925
27	FEDERAL SURTAX ALLOCATION	0	S-2,LN 34	0	0	0
28	NET FEDERAL INCOME TAX BEFORE ITC	131,618	LN26-LN27	0	115,692	15,925
29	STATE ITC AMORTIZATION	0	S-12,LN 29	0	0	0
30	STATE TAXABLE INCOME	365,116		0	320,938	44,178
31	STATE INCOME TAX @ 12.00%	43,814	LN 30*SIT	0	38,513	5,301
32	STATE SURTAX EXEMPTION	0	S-2,LN 34	0	0	0
33	NET STATE INCOME TAX BEFORE ITC	43,814		0	38,513	5,301

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**PUBLIC VERSION**

IOWA NETWORK SERVICES, INC.  
FILING PERIOD: 7/1/12 - 6/30/13

PART 36 TOTAL INTERSTATE  
ACCESS DIVISION

SECTION 4  
6/22/2012

S-2,1of1

SUMMARY OF NET TELEPHONE PLANT, M&S AND WORKING CAPITAL

S-2,1of1

LN	ALLOCATION RATIOS	IOWA					
		TOTAL COMPANY	ALLOCATION BASIS	INTERSTATE MSG TOLL		NONACCESS	
				INTRALATA	INTERLATA		
NET INVESTMENT SUMMARY							
1	GENERAL SUPPORT FACILITIES 2110	6,376,433	S-3,LN 10	0	5,517,041	859,392	
2	CENTRAL OFFICE SWITCHING EQUIPMEN 2210	30,051,625	S-4,LN 52	0	26,001,379	4,050,246	
3	OPERATOR SYSTEMS EQUIPMENT 2220	0	S-4,LN 41	0	0	0	
4	CENTRAL OFFICE TRANSMISSION EQUIPM 2230	0	S-4,LN 78	0	0	0	
5	INFORMATION ORIG/TERM EQUIPMENT 2310	0	S-5,LN 17	0	0	0	
6	CABLE AND WIRE FACILITIES 2410	0	S-5,LN 42	0	0	0	
7	TANGIBLE ASSETS 2680	1,097,815	S-3,LN 29	0	949,856	147,959	
8	INTANGIBLE ASSETS 2690	0	S-3,LN 36	0	0	0	
9	TOTAL PLANT IN SERVICE A/C 2001	37,525,874		0	32,468,276	5,057,598	
10	% DISTRIBUTION	100.0000%		0.0000%	86.5224%	13.4776%	
11	PROPERTY HELD FOR FUTURE USE 2002	0	S-6,LN 9	0	0	0	
12	PLANT UNDER CONSTR - SHORT TERM 2003	201,890	S-6,LN 15	0	174,680	27,210	
13	PLANT UNDER CONSTR - LONG TERM 2004	0	S-6,LN 21	0	0	0	
14	TELEPHONE PLANT ADJUSTMENT 2005	0	S-6,LN 27	0	0	0	
15	NONOPERATING PLANT 2006	0	DIRECT			0	
16	GOODWILL 2007	0	DIRECT			0	
17	TOTAL PROPERTY, PLANT & EQUIPMENT	37,727,763		0	32,642,956	5,084,808	
18	% DISTRIBUTION	100.0000%		0.0000%	86.5224%	13.4776%	
19	ACCUM DEPRECIATION - PLANT IN SERVIC 3100	32,757,513	S-7,LN 18	0	28,342,578	4,414,936	
20	ACCUM DEPRECIATION - FUTURE USE 3200	0	S-7,LN 19	0	0	0	
21	ACCUM AMORTIZATION - TANGIBLE PROP 3400	921,076	S-7,LN 23	0	796,936	124,139	
22	ACCUM AMORTIZATION - INTANGIBLE PRO 3500	0	S-7,LN 24	0	0	0	
23	ACCUM AMORTIZATION - TEL PLANT ADJL 3600	0	S-7,LN 25	0	0	0	
24	OPERATING DEFERRED INCOME TAX - NE VAR	2,524,485	S-7,LN 32	0	2,184,244	340,241	
25	OTHER DEFERRED CREDITS - NET 4360	0	S-7,LN 38	0	0	0	
26	NET TELEPHONE PLANT	1,524,689		0	1,319,197	205,492	
27	% DISTRIBUTION	100.0000%		0.0000%	86.5224%	13.4776%	
28	MATERIALS AND SUPPLIES 1220	0	S-6,LN 31	0	0	0	
29	INVESTMENT IN NONAFFILIATED CO'S 1402	0	S-6,LN 35	0	0	0	
30	EQUAL ACCESS EQUIPMENT 1439	0	S-6,LN 36	0	0	0	
31	OTHER JURISDICTIONAL ASSETS 1500	0	S-6,LN 37	0	0	0	
32	CASH WORKING CAPITAL XXXX	796,980	S-3,LN 3	0	677,062	119,918	
33	NET TEL PLANT, M&S AND CASH WORKING CAPITAL	2,321,669		0	1,996,259	325,410	
34	% DISTRIBUTION	100.0000%		0.0000%	85.9838%	14.0162%	

**PUBLIC VERSION**

IOWA NETWORK SERVICES, INC.  
FILING PERIOD: 7/1/12 - 6/30/13

PART 36 TOTAL INTERSTATE  
ACCESS DIVISION

SECTION 4  
6/22/2012

S-8,1of1

SUMMARY OF OPERATING EXPENSE AND TAX

S-8,1of1

LN	ALLOCATION RATIOS	IOWA					
		TOTAL COMPANY	ALLOCATION BASIS	INTERSTATE MSG TOLL		NONACCESS	
				INTRALATA	INTERLATA		
OPERATING EXPENSE AND TAX SUMMARY							
1	NETWORK SUPPORT EXPENSE	6110	0	S-9,LN 7	0	0	
2	GENERAL SUPPORT EXPENSE	6120	1,090,184	S-9,LN 8	0	943,253	146,931
3	CENTRAL OFFICE EXPENSE	6210	1,062,023	S-9,LN 15	0	918,888	143,136
4	INFORMATION ORIG/TERM EXPENSE	6310	0	S-9,LN 21	0	0	0
5	CABLE AND WIRE FACILITIES EXPENSE	6410	9,754,800	S-9,LN 25	0	8,256,765	1,498,035
6	OTHER PLANT EXPENSE	6510	0	S-10,LN 11	0	0	0
7	NETWORK OPERATIONS EXPENSE	6530	1,215,613	S-10,LN 13	0	1,051,777	163,836
8	ACCESS CHARGE EXPENSE	6540	0	S-10,LN 14	0	0	0
9	MARKETING EXPENSE	6610	0	S-11,LN 13	0	0	0
10	SERVICES EXPENSE	6620	47,180	S-11,LN 44	0	34,622	12,557
11	EXECUTIVE AND PLANNING EXPENSE	6710	584,437	S-12,LN 8+9	0	496,499	87,937
12	GENERAL AND ADMINISTRATIVE EXPENSE	6720	2,658,582	S-12,LN 11+12	0	2,258,557	400,024
13	SUBTOTAL OPERATING EXPENSES		16,412,817		0	13,960,361	2,452,456
14	% DISTRIBUTION		100.0000%		0.0000%	85.0577%	14.9423%
15	DEPRECIATION AND AMORTIZATION	6560	4,335,520	S-10,LN 22+29	0	3,751,194	584,325
16	OTHER OPERATING TAX	7240	249,743	S-12,LN 32	0	216,083	33,659
17	EQUAL ACCESS EXPENSE		0	S-12,LN 15	0	0	0
18	TOTAL OPERATING EXPENSE AND TAX		20,998,080		0	17,927,639	3,070,441
19	% DISTRIBUTION		100.0000%		0.0000%	85.3775%	14.6225%
NON OPERATING EXPENSE		7370					
20	ABANDONED CONSTRUCTION		0	S-2,LN 10	0	0	0
21	CONTRIBUTIONS		83,292	S-12,LN 14	0	70,760	12,533
22	OTHER NON OPERATING EXPENSE		0	DIRECT			0
23	TOTAL NON OPERATING EXPENSE		83,292		0	70,760	12,533
24	% DISTRIBUTION		100.0000%		0.0000%	84.9535%	15.0465%
UNCOLLECTIBLES							
25	END USER MSG TOLLS	5310	0	DIRECT	0	0	0
26	END USER COMMON LINE	5320	0	DIRECT	0	0	0
27	IX CARRIER	5330	2,690,638	S-11,LN 5	0	2,461,934	228,704
28	TOTAL UNCOLLECTIBLES		2,690,638		0	2,461,934	228,704
29	ALLOWANCE FOR FUNDS USED DURING C	7340	0	S-12,LN 3	0	0	0

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## **SECTION 5**

## PUBLIC VERSION

IOWA NETWORK SERVICES, INC.  
FILING PERIOD: 7/1/12 - 6/30/13

COST SUPPORT MATERIAL  
PART 64 SEPARATIONS

SECTION 5  
6/22/2012

S-1,1of1

## REVENUE REQUIREMENT SUMMARY

S-1,1of1

LN	DESCRIPTION	A/C	CAT	TOTAL COMPANY	ALLOCATION BASIS	ACCESS DIVISION	OTHER
	REVENUE REQUIREMENT SUMMARY						
1	NET INVESTMENT FOR SETTLEMENTS			39,137,373	NOTE A	2,321,669	36,815,704
2	RATE OF RETURN					11.0047%	-11.0047%
3	RETURN ON INVESTMENT			3,773,788	LN1*LN 2	255,493	3,518,295
4	ALLOWANCE FOR FUNDS USED DURING CONSTR			0	S-8, LN 30	0	0
5	NET RETURN FOR SETTLEMENTS			3,773,788	LN 3-LN 4	255,493	3,518,295
6	TOTAL ITC AMORTIZATION			0	S-12, LN 32	0	0
7	FEDERAL OPERATING INCOME TAX	(ACTUAL)		0		0	0
8	FEDERAL OPERATING INCOME TAX	(OPTION)		1,944,073	LN28-LN11	131,618	1,812,455
9	STATE AND LOCAL INCOME TAX	(ACTUAL)		0		0	0
10	STATE AND LOCAL INCOME TAX	(OPTION)		647,158	LN 32	43,814	603,344
11	PROVISION FOR DEFERRED INCOME TAX			0	S-12, LN 36	0	0
13	OPERATING EXPENSE AND TAX			91,963,040	S-8, LN 20	20,998,080	70,964,961
14	NONOPERATING EXPENSE			435,516	S-8, LN 25	83,292	352,224
15	UNCOLLECTIBLES			2,690,638	S-8, LN 29	2,690,638	0
16	BASIS FOR GROSS RECEIPTS TAX			101,454,212		24,202,934	77,251,278
17	GROSS RECEIPTS TAX RATE	(GROSS UP)				0.0000%	0.0000%
18	GROSS RECEIPTS TAX			0		0	0
19	TOTAL REVENUE REQUIREMENT			101,454,212		24,202,934	77,251,278

NOTE A: INCLUDES NET TEL PLANT FROM SCH S-2, LN 33 LESS A/C's 2004 ,2006 ,2007 AND 1402.

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	OPTIONAL GROSS UP INCOME TAX CALCULATION						
20	RETURN ON INVESTMENT			3,773,788	LN 3	255,493	3,518,295
21	INTEREST AND RELATED ITEMS			0	S-12, LN 22	0	0
22	OTHER INCOME ADJUSTMENTS			0	S-12, LN 27+28	0	0
23	TOTAL INCOME ADJUSTMENTS			0	LN 21+22	0	0
24	FEDERAL ITC AMORTIZATION			0	S-12, LN 32	0	0
25	FEDERAL TAXABLE INCOME			5,717,860		387,111	5,330,750
26	FEDERAL INCOME TAX @	34.00%		1,944,073	LN 25*FIT	131,618	1,812,455
27	FEDERAL SURTAX ALLOCATION			0	S-2, LN 32	0	0
28	NET FEDERAL INCOME TAX BEFORE ITC			1,944,073	LN26-LN27	131,618	1,812,455
29	STATE TAXABLE INCOME			5,392,982		365,116	5,027,866
30	STATE INCOME TAX @	12.00%		647,158	LN 29*SIT	43,814	603,344
31	STATE SURTAX EXEMPTION			0	S-2, LN 32	0	0
32	NET STATE INCOME TAX BEFORE ITC			647,158	LN30-LN31	43,814	603,344



## PUBLIC VERSION

IOWA NETWORK SERVICES, INC.  
FILING PERIOD: 7/1/12 - 6/30/13

PART 64 SEPARATIONS

SECTION 5  
6/22/2012

S-2,1of1

## SUMMARY OF NET TELEPHONE PLANT, M&amp;S AND WORKING CAPITAL

S-2,1of1

LN	DESCRIPTION	A/C	CAT	TOTAL COMPANY	ALLOCATION BASIS	ACCESS DIVISION	OTHER
	NET INVESTMENT SUMMARY						
1	GENERAL SUPPORT FACILITIES	2110		20,843,092	S-3, LN 27	6,376,433	14,466,659
2	CENTRAL OFFICE SWITCHING EQUIPMEN	2210		48,150,998	S-4, LN 17	30,051,625	18,099,372
3	CENTRAL OFFICE TRANSMISSION EQUIPI	2230		53,529,244	S-4, LN 31	0	53,529,244
4	CABLE AND WIRE FACILITIES	2410		43,102,372	S-5, LN 16	0	43,102,372
5	TANGIBLE ASSETS	2680		3,588,505	S-3, LN 54	1,097,815	2,490,690
6	INTANGIBLE ASSETS	2690		0	S-3, LN 61	0	0
7	TOTAL PLANT IN SERVICE A/C 2001			169,214,210		37,525,874	131,688,337
8	% DISTRIBUTION			100.0000%		22.1765%	77.8235%
9	PROPERTY HELD FOR FUTURE USE	2002		0	S-6, LN 9	0	0
10	PLANT UNDER CONSTR - SHORT TERM	2003		910,375	S-6, LN 15	201,890	708,485
11	PLANT UNDER CONSTR - LONG TERM	2004		0	S-6, LN 21	0	0
12	TELEPHONE PLANT ADJUSTMENT	2005		0	S-6, LN 27	0	0
13	NONOPERATING PLANT	2006		2,173,393	DIRECT		2,173,393
14	GOODWILL	2007		0	DIRECT		0
15	TOTAL PROPERTY, PLANT & EQUIPMENT			172,297,978		37,727,763	134,570,215
16	% DISTRIBUTION			100.0000%		21.8968%	78.1032%
17	ACCUM DEPRECIATION - PLANT IN SERVI	3100		120,307,976	S-7, LN 30	32,757,513	87,550,462
18	ACCUM DEPRECIATION - FUTURE USE	3200		0	S-7, LN 31	0	0
19	ACCUM AMORTIZATION - TANGIBLE PROF	3400		3,010,784	S-7, LN 36	921,076	2,089,709
20	ACCUM AMORTIZATION - INTANGIBLE PR	3500		0	S-7, LN 37	0	0
21	ACCUM AMORTIZATION - TEL PLANT ADJI	3600		0	S-7, LN 38	0	0
22	OPERATING DEFERRED INCOME TAX - NE	VAR		11,477,954	S-7, LN 44	2,524,485	8,953,470
23	OTHER DEFERRED CREDITS - NET	4360		0	S-7, LN 49	0	0
24	NET TELEPHONE PLANT			37,501,264		1,524,689	35,976,575
25	% DISTRIBUTION			100.0000%		4.0657%	95.9343%
26	MATERIALS AND SUPPLIES	1220		307,655	S-6, LN 32	0	307,655
27	PREPAID EXPENSES	1300		0	S-6, LN 37	0	0
28	INVESTMENT IN NONAFFILIATED CO'S	1402		141,370,086	S-6, LN 38	0	141,370,086
29	OTHER JURISDICTIONAL ASSETS	1500		0	S-6, LN 39	0	0
30	CASH WORKING CAPITAL	XXXX		3,501,846	COMPUTED	796,980	2,704,867
31	NET TEL PLANT, M&S AND CASH WORKING CAPITAL			182,680,852		2,321,669	180,359,183
32	% DISTRIBUTION			100.0000%		1.2709%	98.7291%

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## PUBLIC VERSION

IOWA NETWORK SERVICES, INC.  
FILING PERIOD: 7/1/12 - 6/30/13

PART 64 SEPARATIONS

SECTION 5  
6/22/2012

S-8,1of1

## SUMMARY OF OPERATING EXPENSE AND TAX

S-8,1of1

LN	DESCRIPTION	A/C	CAT	TOTAL COMPANY	ALLOCATION BASIS	ACCESS DIVISION	OTHER
OPERATING EXPENSE AND TAX SUMMARY							
1	NETWORK SUPPORT EXPENSE	6110		293,801	S-9,LN 13-23	86,914	206,887
2	GENERAL SUPPORT EXPENSE	6120		3,024,002	S-9,LN 24-27	1,003,270	2,020,732
3	CENTRAL OFFICE EXPENSE	6210		3,939,307	S-9,LN 33	1,062,023	2,877,284
4	CABLE AND WIRE FACILITIES EXPENSE	6410		14,457,480	S-9,LN 35	9,754,800	4,702,680
5	OTHER PLANT EXPENSE	6510		24,138,817	S-10,LN 6	0	24,138,817
6	NETWORK OPERATIONS EXPENSE	6530		6,198,435	S-10,LN 13	1,215,613	4,982,822
7	ACCESS CHARGE EXPENSE	6540		7,469,084	S-10,LN 15	0	7,469,084
8	MARKETING EXPENSE	6610		5,011,363	S-11,LN 15	0	5,011,363
9	SERVICES EXPENSE	6620		3,001,025	S-11,LN 39	47,180	2,953,845
10	EXECUTIVE AND PLANNING EXPENSE	6710		1,585,123	S-12,LN 7	584,437	1,000,686
11	GENERAL AND ADMINISTRATIVE EXPENS	6720		7,042,248	S-12,LN 8-15	2,658,582	4,383,666
12	SUBTOTAL OPERATING EXPENSES			76,160,685		16,412,817	59,747,868
13	% DISTRIBUTION			100.0000%		21.5502%	78.4498%
14	DEPRECIATION - PLANT IN SERVICE	6561		14,511,982	S-10,LN 33	4,225,738	10,286,243
15	DEPRECIATION - FUTURE USE	6562		0	S-10,LN 34	0	0
16	AMORTIZATION - TANGIBLES	6563		358,851	S-3,LN42-44	109,782	249,069
17	AMORTIZATION - INTANGIBLES	6564		0	S-3,LN 45	0	0
18	AMORTIZATION - OTHER	6565		0	S-3,LN 46	0	0
19	OTHER OPERATING TAX	7240		931,523	S-12,LN 35	249,743	681,780
20	TOTAL OPERATING EXPENSE AND TAX			91,963,040		20,998,080	70,964,961
21	% DISTRIBUTION			100.0000%		22.8332%	77.1668%
NON OPERATING EXPENSE							
22	ABANDONED CONSTRUCTION	7370		0	S-2,LN 8	0	0
23	CONTRIBUTIONS			364,391	S-12,LN 2	83,292	281,099
24	ALL OTHER			71,125	S-12,LN 2	0	71,125
25	TOTAL NON OPERATING EXPENSE			435,516		83,292	352,224
26	% DISTRIBUTION			100.0000%		19.1250%	80.8750%
UNCOLLECTIBLES							
27	END USER MSG TOLLS	5310		0	DIRECT	XXX	0
28	IX CARRIER	5330		2,690,638	DIRECT	2,690,638	0
29	TOTAL UNCOLLECTIBLES			2,690,638		2,690,638	0
30	ALLOWANCE FOR FUNDS USED DURING C	7340		0	S-12,LN 4	0	0

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TARIFF REVIEW PLAN

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Certification

## **SECTION 6**

	Total Company (A)	Part 64 Adjustments (B)	Other Adjustments (C)	Subject to Separations (D)	Total Interstate (E)	Billing & Collection (F)
<b>Revenues</b>						
100 Network Access	n/a	n/a	n/a	n/a	n/a	n/a
110 Uncollectibles	n/a	n/a	n/a	n/a	n/a	n/a
120 Common Line Support	n/a	n/a	n/a	n/a	n/a	n/a
130 Long Term	n/a	n/a	n/a	n/a	n/a	n/a
140 Transitional	n/a	n/a	n/a	n/a	n/a	n/a
150 Miscellaneous	n/a	n/a	n/a	n/a	n/a	n/a
160 Net Revenues	-----	-----	-----	-----	-----	-----
<b>Expenses</b>						
170 Plant Specific	n/a	n/a	n/a	n/a	10,118,906	0
171 Network Support	0	0	0	0	0	0
172 General Support	1,090,184	0	0	1,090,184	943,253	0
173 Central Office	1,062,023	0	0	1,062,023	918,888	0
174 Operator Systems	0	0	0	0	0	0
175 COE Switching	1,062,023	0	0	1,062,023	918,888	0
176 COE Transmission	0	0	0	0	0	0
177 IOT	0	0	0	0	0	0
178 Cable & Wire Facilities	9,754,800	0	0	9,754,800	8,256,765	0
180 Plant Non-Sp. Less DeprAmor	n/a	n/a	n/a	n/a	1,051,777	0
190 Depreciation / Amortization	4,335,520	0	0	4,335,520	3,751,194	0
200 Customer Operations	n/a	n/a	n/a	n/a	34,622	0
201 Marketing	0	0	0	0	0	0
202 Local Business Office	38,110	0	0	38,110	30,048	0
203 Revenue Accounting	8,902	0	0	8,902	4,451	0
204 Other Billing & Collection	168	0	0	168	123	0
210 Access	n/a	n/a	n/a	n/a	0	n/a
220 Corporate Operations	n/a	n/a	n/a	n/a	2,755,056	0
230 AFUDC	n/a	n/a	n/a	n/a	n/a	n/a
240 Other Exp. & Adjustments	n/a	n/a	n/a	n/a	2,532,694	0
250 Taxes Other than FIT	n/a	n/a	n/a	n/a	254,596	0
260 Total Exp and Other Taxes	-----	-----	-----	-----	20,498,845	0
<b>FIT Adjustments</b>						
270 Adjustment for FIT	0	0	0	0	0	0
280 Amortized ITC	0	0	0	0	0	0
290 Federal Income Taxes	n/a	n/a	n/a	n/a	0	n/a
300 Total Expenses & Taxes	-----	-----	-----	-----	20,498,845	n/a
<b>Telephone Plant In Service</b>						
310 General Support	6,376,433	0	0	6,376,433	5,517,041	0
320 Central Office Equip-Switch	30,051,625	0	0	30,051,625	26,001,379	0
321 Operator Systems	0	0	0	0	0	0
322 Tandem Switching	0	0	0	0	0	0
323 Local Switching Cat. 3	0	0	0	0	0	0
324 Equal Access	30,051,625	0	0	30,051,625	26,001,379	0
330 Central Office Equip-Trans	0	0	0	0	0	0
331 Subscriber Lines	0	0	0	0	0	0
332 Exchange Circuit	0	0	0	0	0	0
333 Interexchange Circuit	0	0	0	0	0	0
334 Host Remote	0	0	0	0	0	0
340 Cable & Wire	0	0	0	0	0	0
341 Subscriber Lines	0	0	0	0	0	0
342 Exchange	0	0	0	0	0	0
343 Interexchange	0	0	0	0	0	0
344 Host Remote	0	0	0	0	0	0
350 Info Orig/Term Equipment	0	0	0	0	0	0
360 Amortizable Assets	1,097,815	0	0	1,097,815	949,856	0
370 Total Plant In Service	37,525,873	0	0	37,525,873	32,468,276	0
<b>Adjustments to TPIS</b>						
380 Depr / Amor Reserve	33,675,589	0	0	33,675,589	29,130,514	0
390 Accum Deferred Income Tax	2,524,485	0	0	2,524,485	2,184,244	0
400 Other Rate Base Adjust.	n/a	n/a	n/a	n/a	851,742	0
<b>Return Data</b>						
410 Average Rate Base	n/a	n/a	n/a	n/a	1,996,260	n/a
420 Return	n/a	n/a	n/a	n/a	n/a	n/a
430 Rate of Return	n/a	n/a	n/a	n/a	n/a	n/a

COS-1(P)  
Filing Date: 6/26/2012  
Filing Entity: Telephone Company  
Transmittal Number : 29  
COSA: INIAAN12

	Interstate Inter- exchange (G)	ROR Regulated I/S Access (H)	Pay Phone (I)	Inside Wire (J)	BFP (K)	Total Common Line (L)
<b>Revenues</b>						
100 Network Access	n/a	20,805,902	0	0	0	0
110 Uncollectibles	n/a	0	0	0	0	0
120 Common Line Support	n/a	0	0	0	0	0
130 Long Term	n/a	0	0	0	0	0
140 Transitional	n/a	0	0	0	0	0
150 Miscellaneous	n/a	23,148	0	0	0	0
160 Net Revenues	n/a	20,829,050	0	0	0	0
<b>Expenses</b>						
170 Plant Specific	0	10,118,906	0	0	0	0
171 Network Support	0	0	0	0	0	0
172 General Support	0	943,253	0	0	0	0
173 Central Office	0	918,888	0	0	0	0
174 Operator Systems	0	0	0	0	0	0
175 COE Switching	0	918,888	0	0	0	0
176 COE Transmission	0	0	0	0	0	0
177 IOT	0	0	0	0	0	0
178 Cable & Wire Facilities	0	8,256,765	0	0	0	0
180 Plant Non-Sp. Less DeplAmor	0	1,051,777	0	0	0	0
190 Depreciation / Amortization	0	3,751,194	0	0	0	0
200 Customer Operations	0	34,622	0	0	0	0
201 Marketing	0	0	0	0	0	0
202 Local Business Office	0	30,048	0	0	0	0
203 Revenue Accounting	0	4,451	0	0	0	0
204 Other Billing & Collection	0	123	0	0	0	0
210 Access	0	n/a	n/a	n/a	n/a	n/a
220 Corporate Operations	0	2,755,056	0	0	0	0
230 AFUDC	n/a	0	0	0	0	0
240 Other Exp. & Adjustments	0	2,532,694	0	0	0	0
250 Taxes Other than FIT	0	254,596	0	0	0	0
260 Total Exp and Other Taxes	0	20,498,845	0	0	0	0
<b>FIT Adjustments</b>						
270 Adjustment for FIT	0	0	0	0	0	0
280 Amortized ITC	0	0	0	0	0	0
290 Federal Income Taxes	n/a	112,270	0	0	0	0
300 Total Expenses & Taxes	n/a	20,611,115	0	0	0	0
<b>Telephone Plant In Service</b>						
310 General Support	0	5,517,041	0	0	0	0
320 Central Office Equip-Switch	0	26,001,379	0	0	0	0
321 Operator Systems	0	0	0	0	0	0
322 Tandem Switching	0	0	0	0	0	0
323 Local Switching Cat. 3	0	0	0	0	0	0
324 Equal Access	0	26,001,379	0	0	0	0
330 Central Office Equip-Trans	0	0	0	0	0	0
331 Subscriber Lines	0	0	0	0	0	0
332 Exchange Circuit	0	0	0	0	0	0
333 Interexchange Circuit	0	0	0	0	0	0
334 Host Remote	0	0	0	0	0	0
340 Cable & Wire	0	0	0	0	0	0
341 Subscriber Lines	0	0	0	0	0	0
342 Exchange	0	0	0	0	0	0
343 Interexchange	0	0	0	0	0	0
344 Host Remote	0	0	0	0	0	0
350 Info Orig/Term Equipment	0	0	0	0	0	0
360 Amortizable Assets	0	949,856	0	0	0	0
370 Total Plant In Service	0	32,468,276	0	0	0	0
<b>Adjustments to TPIS</b>						
380 Depr / Amor Reserve	0	29,139,514	0	0	0	0
390 Accum Deferred Income Tax	0	2,184,244	0	0	0	0
400 Other Rate Base Adjust.	0	851,742	0	0	0	0
<b>Return Data</b>						
410 Average Rate Base	n/a	1,996,260	0	0	0	0
420 Return	n/a	217,935	0	0	0	0
430 Rate of Return	11.25%	10.92%	0.00%	0.00%	0.00%	0.00%

COS-1(P)  
Filing Date: 6/26/2012  
Filing Entity: Telephone Company  
Transmittal Number : 29  
COSA: INIAAN12

Revenues

100 Network Access	0	0	0	0	0	20,805,902
110 Uncollectibles	0	0	0	0	0	0
120 Common Line Support	0	n/a	n/a	n/a	n/a	n/a
130 Long Term	0	n/a	n/a	n/a	n/a	n/a
140 Transitional	0	0	0	0	0	23,143
150 Miscellaneous	0	0	0	0	0	20,829,050
160 Net Revenues	0	0	0	0	0	0

Expenses

170 Plant Specific	0	0	0	0	0	10,118,906
171 Network Support	0	0	0	0	0	0
172 General Support	0	0	0	0	0	943,253
173 Central Office	0	0	0	0	0	918,888
174 Operator Systems	0	0	0	0	0	0
175 COE Switching	0	0	0	0	0	918,888
176 COE Transmission	0	0	0	0	0	0
177 IOT	0	0	0	0	0	0
178 Cable & Wire Facilities	0	0	0	0	0	8,256,765
180 Plant Non-Sp. Less Dep/Amor	0	0	0	0	0	1,051,777
190 Depreciation / Amortization	0	0	0	0	0	3,751,194
200 Customer Operations	0	0	0	0	0	34,622
201 Marketing	0	0	0	0	0	0
202 Local Business Office	0	0	0	0	0	30,048
203 Revenue Accounting	0	0	0	0	0	4,451
204 Other Billing & Collection	0	0	0	0	0	123
210 Access	n/a	n/a	n/a	n/a	n/a	n/a
220 Corporate Operations	0	0	0	0	0	2,755,056
230 AFUDC	0	0	0	0	0	0
240 Other Exp. & Adjustments	0	0	0	0	0	2,532,694
250 Taxes Other than FIT	0	0	0	0	0	254,596
260 Total Exp and Other Taxes	0	0	0	0	0	20,498,845

FIT Adjustments

270 Adjustment for FIT	0	0	0	0	0	0
280 Amortized ITC	0	0	0	0	0	112,270
290 Federal Income Taxes	0	0	0	0	0	0
300 Total Expenses & Taxes	0	0	0	0	0	20,611,115

Telephone Plant In Service

310 General Support	0	0	0	0	0	5,517,041
320 Central Office Equip-Switch	0	0	0	0	0	26,001,379
321 Operator Systems	0	0	0	0	0	0
322 Tandem Switching	0	0	0	0	0	0
323 Local Switching Cat. 3	0	0	0	0	0	0
324 Equal Access	0	0	0	0	0	26,001,379
330 Central Office Equip-Trans	0	0	0	0	0	0
331 Subscriber Lines	0	0	0	0	0	0
332 Exchange Circuit	0	0	0	0	0	0
333 Interexchange Circuit	0	0	0	0	0	0
334 Host Remote	0	0	0	0	0	0
340 Cable & Wire	0	0	0	0	0	0
341 Subscriber Lines	0	0	0	0	0	0
342 Exchange	0	0	0	0	0	0
343 Interexchange	0	0	0	0	0	0
344 Host Remote	0	0	0	0	0	0
350 Info Orig/Term Equipment	0	0	0	0	0	0
360 Amortizable Assets	0	0	0	0	0	949,856
370 Total Plant In Service	0	0	0	0	0	32,468,276

Adjustments to TPIS

380 Depr / Amor Reserve	0	0	0	0	0	29,139,514
390 Accum Deferred Income Tax	0	0	0	0	0	2,184,244
400 Other Rate Base Adjust.	0	0	0	0	0	851,742

Return Data

410 Average Rate Base	0	0	0	0	0	1,996,260
420 Return	0	0	0	0	0	217,935
430 Rate of Return	0.00%	0.00%	0.00%	0.00%	0.00%	10.92%

COS-1(P)  
Filing Date: 6/26/2012  
Filing Entity: Telephone Company  
Transmittal Number : 29  
COSA: INIAAN12

	Host Remote (S)	Total Switched Traffic Sensitive (T)	Special Access (U)
<b>Revenues</b>			
100 Network Access	0	20,805,902	0
110 Uncollectibles	0	0	0
120 Common Line Support	n/a	n/a	n/a
130 Long Term	n/a	n/a	n/a
140 Transitional	n/a	n/a	n/a
150 Miscellaneous	0	23,148	0
160 Net Revenues	0	20,829,050	0
<b>Expenses</b>			
170 Plant Specific	0	10,118,906	0
171 Network Support	0	0	0
172 General Support	0	943,253	0
173 Central Office	0	918,888	0
174 Operator Systems	0	0	0
175 COE Switching	0	918,888	0
176 COE Transmission	0	0	0
177 IOT	0	0	0
178 Cable & Wire Facilities	0	8,266,765	0
180 Plant Non-Sp. Less Dep/Amor	0	1,051,777	0
190 Depreciation / Amortization	0	3,751,194	0
200 Customer Operations	0	34,622	0
201 Marketing	0	0	0
202 Local Business Office	0	30,048	0
203 Revenue Accounting	0	4,451	0
204 Other Billing & Collection	0	123	0
210 Access	n/a	n/a	n/a
220 Corporate Operations	0	2,765,056	0
230 AFUDC	0	0	0
240 Other Exp. & Adjustments	0	2,532,694	0
250 Taxes Other than FIT	0	254,596	0
260 Total Exp and Other Taxes	0	20,498,845	0
<b>FIT Adjustments</b>			
270 Adjustment for FIT	0	0	0
280 Amortized ITC	0	0	0
290 Federal Income Taxes	0	112,270	0
300 Total Expenses & Taxes	0	20,611,115	0
<b>Telephone Plant In Service</b>			
310 General Support	0	5,517,041	0
320 Central Office Equip-Switch	0	26,001,379	0
321 Operator Systems	0	0	0
322 Tandem Switching	0	0	0
323 Local Switching Cat. 3	0	0	0
324 Equal Access	0	26,001,379	0
330 Central Office Equip-Trans	0	0	0
331 Subscriber Lines	0	0	0
332 Exchange Circuit	0	0	0
333 Interexchange Circuit	0	0	0
334 Host Remote	0	0	0
340 Cable & Wire	0	0	0
341 Subscriber Lines	0	0	0
342 Exchange	0	0	0
343 Interexchange	0	0	0
344 Host Remote	0	0	0
350 Info Orig/Term Equipment	0	0	0
360 Amortizable Assets	0	949,856	0
370 Total Plant In Service	0	32,468,276	0
<b>Adjustments to TPIS</b>			
380 Depr / Amor Reserve	0	29,139,514	0
390 Accum Deferred Income Tax	0	2,184,244	0
400 Other Rate Base Adjust.	0	851,742	0
<b>Return Data</b>			
410 Average Rate Base	0	1,996,260	0
420 Return	0	217,935	0
430 Rate of Return	0.00%	10.92%	0.00%



COS-1(H)  
Filing Date: 6/26/2012  
Filing Entity: Telephone Company  
Transmittal Number : 29  
COSA: INIAAN12

Rate-of Return TRP  
Cost Analysis Summary  
Historical, Calendar Year 2011

PUBLIC VERSION

	Total Company (A)	Part 64 Adjustments (B)	Other Adjustments (C)	Subject to Separations (D)	Total Interstate (E)	Billing & Collection (F)
<b>Revenues</b>						
100 Network Access	n/a	n/a	n/a	n/a	n/a	n/a
110 Uncollectibles	n/a	n/a	n/a	n/a	n/a	n/a
120 Common Line Support	n/a	n/a	n/a	n/a	n/a	n/a
130 Long Term	n/a	n/a	n/a	n/a	n/a	n/a
140 Transitional	n/a	n/a	n/a	n/a	n/a	n/a
150 Miscellaneous	n/a	n/a	n/a	n/a	n/a	n/a
160 Net Revenues	-----	-----	-----	-----	-----	-----
<b>Expenses</b>						
170 Plant Specific	n/a	n/a	n/a	n/a	18,758,344	0
171 Network Support	0	0	0	0	0	0
172 General Support	1,502,192	0	0	1,502,192	1,302,594	0
173 Central Office	843,257	0	0	843,257	731,212	0
174 Operator Systems	0	0	0	0	0	0
175 COE Switching	843,257	0	0	843,257	731,212	0
176 COE Transmission	0	0	0	0	0	0
177 IOT	0	0	0	0	0	0
178 Cable & Wire Facilities	19,579,137	0	0	19,579,137	16,724,538	0
180 Plant Non-Sp. Less Depr/Amor	1,225,280	n/a	n/a	n/a	1,062,476	0
190 Depreciation / Amortization	4,184,653	0	0	4,184,653	3,628,632	0
200 Customer Operations	n/a	n/a	n/a	n/a	17,063	0
201 Marketing	0	0	0	0	0	0
202 Local Business Office	10,246	0	0	10,246	8,361	0
203 Revenue Accounting	17,326	0	0	17,326	8,663	0
204 Other Billing & Collection	29	0	0	29	19	0
210 Access	n/a	n/a	n/a	n/a	n/a	n/a
220 Corporate Operations	n/a	n/a	n/a	n/a	3,101,214	0
230 AFUDC	n/a	n/a	n/a	n/a	n/a	n/a
240 Other Exp. & Adjustments	n/a	n/a	n/a	n/a	3,612,568	0
250 Taxes Other than FIT	n/a	n/a	n/a	n/a	574,851	0
260 Total Exp and Other Taxes	-----	-----	-----	-----	30,755,148	0
<b>FIT Adjustments</b>						
270 Adjustment for FIT	0	0	0	0	0	0
280 Amortized ITC	0	0	0	0	0	0
290 Federal Income Taxes	n/a	n/a	n/a	n/a	0	n/a
300 Total Expenses & Taxes	-----	-----	-----	-----	30,755,148	n/a
<b>Telephone Plant In Service</b>						
310 General Support	7,162,384	0	0	7,162,384	6,210,710	0
320 Central Office Equip-Switch	30,378,674	0	0	30,378,674	26,342,227	0
321 Operator Systems	0	0	0	0	0	0
322 Tandem Switching	0	0	0	0	0	0
323 Local Switching Cat. 3	0	0	0	0	0	0
324 Equal Access	30,378,674	0	0	30,378,674	26,342,227	0
330 Central Office Equip-Trans	0	0	0	0	0	0
331 Subscriber Lines	0	0	0	0	0	0
332 Exchange Circuit	0	0	0	0	0	0
333 Interexchange Circuit	0	0	0	0	0	0
334 Host Remote	0	0	0	0	0	0
340 Cable & Wire	0	0	0	0	0	0
341 Subscriber Lines	0	0	0	0	0	0
342 Exchange	0	0	0	0	0	0
343 Interexchange	0	0	0	0	0	0
344 Host Remote	0	0	0	0	0	0
350 Info Orig/Term Equipment	0	0	0	0	0	0
360 Amortizable Assets	1,496,894	0	0	1,496,894	1,297,999	0
370 Total Plant In Service	39,037,952	0	0	39,037,952	33,850,936	0
<b>Adjustments to TPIS</b>						
380 Depr / Amor Reserve	32,433,711	0	0	32,433,711	28,124,207	0
390 Accum Deferred Income Tax	2,875,809	n/a	n/a	2,875,809	2,469,688	0
400 Other Rate Base Adjust.	n/a	-----	-----	n/a	1,269,119	0
<b>Return Data</b>						
410 Average Rate Base	n/a	n/a	n/a	n/a	4,502,150	n/a
420 Return	n/a	n/a	n/a	n/a	n/a	n/a
430 Rate of Return	n/a	n/a	n/a	n/a	n/a	n/a

COS-1(H)  
Filing Date: 6/26/2012  
Filing Entity: Telephone Company  
Transmittal Number : 29  
COSA: INIAAN12

	Interstate Inter- exchange (G)	ROR Regulated I/S Access (H)	Pay Phone (I)	Inside Wire (J)	BFP (K)	Total Common Line (L)
<b>Revenues</b>						
100 Network Access	n/a	31,396,405	0	0	0	0
110 Uncollectibles	n/a	0	0	0	0	0
120 Common Line Support	n/a	0	0	0	0	0
130 Long Term	n/a	0	0	0	0	0
140 Transitional	n/a	0	0	0	0	0
150 Miscellaneous	n/a	23,464	0	0	0	0
160 Net Revenues	n/a	31,419,869	0	0	0	0
<b>Expenses</b>						
170 Plant Specific	---	---	---	---	---	---
171 Network Support	0	18,758,344	0	0	0	0
172 General Support	0	0	0	0	0	0
173 Central Office	0	1,302,594	0	0	0	0
174 Operator Systems	0	731,212	0	0	0	0
175 COE Switching	0	0	0	0	0	0
176 COE Transmission	0	731,212	0	0	0	0
177 IOT	0	0	0	0	0	0
178 Cable & Wire Facilities	0	0	0	0	0	0
180 Plant Non-Sp. Less Dep/Amor	0	16,724,538	0	0	0	0
190 Depreciation / Amortization	0	1,062,476	0	0	0	0
200 Customer Operations	0	3,628,632	0	0	0	0
201 Marketing	0	17,063	0	0	0	0
202 Local Business Office	0	0	0	0	0	0
203 Revenue Accounting	0	8,381	0	0	0	0
204 Other Billing & Collection	0	8,663	0	0	0	0
210 Access	0	19	0	0	0	0
220 Corporate Operations	0	n/a	n/a	n/a	n/a	n/a
230 AFUDC	n/a	3,101,214	0	0	0	0
240 Other Exp. & Adjustments	0	0	0	0	0	0
250 Taxes Other than FIT	0	3,612,568	0	0	0	0
260 Total Exp and Other Taxes	0	574,851	0	0	0	0
	---	30,755,148	0	0	0	0
<b>FIT Adjustments</b>						
270 Adjustment for FIT	---	---	---	---	---	---
280 Amortized ITC	0	0	0	0	0	0
290 Federal Income Taxes	n/a	226,005	0	0	0	0
300 Total Expenses & Taxes	n/a	30,981,153	0	0	0	0
<b>Telephone Plant In Service</b>						
310 General Support	0	6,210,710	0	0	0	0
320 Central Office Equip-Switch	0	26,342,227	0	0	0	0
321 Operator Systems	0	0	0	0	0	0
322 Tandem Switching	0	0	0	0	0	0
323 Local Switching Cat. 3	0	0	0	0	0	0
324 Equal Access	0	26,342,227	0	0	0	0
330 Central Office Equip-Trans	0	0	0	0	0	0
331 Subscriber Lines	0	0	0	0	0	0
332 Exchange Circuit	0	0	0	0	0	0
333 Interexchange Circuit	0	0	0	0	0	0
334 Host Remote	0	0	0	0	0	0
340 Cable & Wire	0	0	0	0	0	0
341 Subscriber Lines	0	0	0	0	0	0
342 Exchange	0	0	0	0	0	0
343 Interexchange	0	0	0	0	0	0
344 Host Remote	0	0	0	0	0	0
350 Info Orig/Term Equipment	0	0	0	0	0	0
360 Amortizable Assets	0	1,297,999	0	0	0	0
370 Total Plant In Service	0	33,850,936	0	0	0	0
<b>Adjustments to TPIS</b>						
380 Depr / Amor Reserve	0	28,124,207	0	0	0	0
390 Accum Deferred Income Tax	0	2,493,698	0	0	0	0
400 Other Rate Base Adjust.	---	1,269,119	---	---	---	---
<b>Return Data</b>						
410 Average Rate Base	n/a	4,502,150	0	0	0	0
420 Return	n/a	438,716	0	0	0	0
430 Rate of Return	0.00%	9.74%	0.00%	0.00%	0.00%	0.00%

COS-1(H)  
Filing Date: 6/26/2012  
Filing Entity: Telephone Company  
Transmittal Number: 29  
COSA: IN/AAN12

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COS-1(H)  
Filing Date: 6/26/2012  
Filing Entity: Telephone Company  
Transmittal Number : 29  
COSA: INIAAN12

	Host Remote (S)	Total Switched Traffic Sensitive (T)	Special Access (U)
<b>Revenues</b>			
100 Network Access	0	31,396,405	0
110 Uncollectibles	0	0	0
120 Common Line Support	n/a	n/a	n/a
130 Long Term	n/a	n/a	n/a
140 Transitional	n/a	n/a	n/a
150 Miscellaneous	0	23,464	0
160 Net Revenues	0	31,419,869	0
<b>Expenses</b>			
170 Plant Specific	0	18,758,344	0
171 Network Support	0	0	0
172 General Support	0	1,302,594	0
173 Central Office	0	731,212	0
174 Operator Systems	0	0	0
175 COE Switching	0	731,212	0
176 COE Transmission	0	0	0
177 IOT	0	0	0
178 Cable & Wire Facilities	0	0	0
180 Plant Non-Sp. Less Dep/Amor	0	16,724,538	0
190 Depreciation / Amortization	0	1,062,476	0
200 Customer Operations	0	3,628,632	0
201 Marketing	0	17,063	0
202 Local Business Office	0	0	0
203 Revenue Accounting	0	8,381	0
204 Other Billing & Collection	0	8,663	0
210 Access	n/a	19	n/a
220 Corporate Operations	0	3,101,214	0
230 AFUDC	0	0	0
240 Other Exp. & Adjustments	0	3,612,568	0
250 Taxes Other than FIT	0	574,851	0
260 Total Exp and Other Taxes	0	30,755,148	0
<b>FIT Adjustments</b>			
270 Adjustment for FIT	0	0	0
280 Amortized ITC	0	0	0
290 Federal Income Taxes	0	228,005	0
300 Total Expenses & Taxes	0	30,981,153	0
<b>Telephone Plant In Service</b>			
310 General Support	0	6,210,710	0
320 Central Office Equip-Switch	0	26,342,227	0
321 Operator Systems	0	0	0
322 Tandem Switching	0	0	0
323 Local Switching Cat. 3	0	0	0
324 Equal Access	0	26,342,227	0
330 Central Office Equip-Trans	0	0	0
331 Subscriber Lines	0	0	0
332 Exchange Circuit	0	0	0
333 Interexchange Circuit	0	0	0
334 Host Remote	0	0	0
340 Cable & Wire	0	0	0
341 Subscriber Lines	0	0	0
342 Exchange	0	0	0
343 Interexchange	0	0	0
344 Host Remote	0	0	0
350 Info Orig/Term Equipment	0	0	0
360 Amortizable Assets	0	1,297,999	0
370 Total Plant In Service	0	33,850,936	0
<b>Adjustments to TPIS</b>			
380 Depr / Amor Reserve	0	28,124,207	0
390 Accum Deferred Income Tax	0	2,493,698	0
400 Other Rate Base Adjust.	0	1,269,119	0
<b>Return Data</b>			
410 Average Rate Base	0	4,502,150	0
420 Return	0	438,716	0
430 Rate of Return	0.00%	9.74%	0.00%

## PUBLIC VERSION

COS-2  
Filing Date: 6/26/2012  
Filing Entity: Telephone Company  
Transmittal Number: 29  
COSA: INIAAN12

Rate-of-Return TRP  
7/12 - 6/13  
Versus 2011 Actual

## Forecast, 7/12 - 6/13

Revenue Requirement						
Common Line (A)	Traffic Sensitive Switched (B)	Traffic Sensitive Special (C)	Other Interstate (D)	Total Interstate (E)	Total Co. Subject to Separations (F)	
100 Depreciation/Amortization	0	3,751,194	0	0	3,751,194	4,335,520
105 Expense Less Dep & Amor	0	16,493,055	0	0	20,244,249	n/a
110 Taxes Less FIT	0	254,596	0	0	n/a	n/a
115 Return	0	217,935	0	n/a	n/a	n/a
120 FIT	0	112,270	0	n/a	n/a	n/a
125 Uncol., IDC & Other Adj.	0	0	0	n/a	n/a	n/a
130 Revenue Requirement	0	20,829,050	0	n/a	n/a	n/a
135 Access Service Revenue	0	20,829,050	0	n/a	n/a	n/a
Rate Base						
140 Telephone Plant in Service	0	32,468,276	0	0	32,468,276	37,525,873
145 Rate Base Adjustments	0	851,742	0	0	851,742	n/a
150 Depreciation Reserves	0	29,139,514	0	0	29,139,514	33,678,589
155 Accum Deferred Income Tax	0	2,184,244	0	0	2,184,244	2,524,485
160 Average Rate Base	0	1,996,260	0	0	1,996,260	n/a

## Actual,

1/11-12/11

Revenue Requirement						
Common Line (A)	Traffic Sensitive Switched (B)	Traffic Sensitive Special (C)	Other Interstate (D)	Total Interstate (E)	Total Co. Subject to Separations (F)	
200 Depreciation/Amortization	0	3,628,632	0	0	3,628,632	4,184,653
205 Expense Less Dep & Amor	0	26,551,665	0	0	26,551,665	n/a
210 Taxes Less FIT	0	574,851	0	0	n/a	n/a
215 Return	0	438,716	0	n/a	n/a	n/a
220 FIT	0	226,005	0	n/a	n/a	n/a
225 Uncol., IDC & Other Adj.	0	0	0	n/a	n/a	n/a
230 Revenue Requirement	0	31,419,869	0	n/a	n/a	n/a
235 Access Service Revenue	0	31,419,869	0	n/a	n/a	n/a
Rate Base						
240 Telephone Plant in Service	0	33,850,936	0	0	33,850,936	39,037,952
245 Rate Base Adjustments	0	1,269,119	0	0	1,269,119	n/a
250 Depreciation Reserves	0	28,124,207	0	0	28,124,207	32,433,711
255 Accum Deferred Income Tax	0	2,493,698	0	0	2,493,698	2,875,809
260 Average Rate Base	0	4,502,150	0	0	4,502,150	n/a

PUBLIC VERSION

COS-2  
Filing Date: 6/26/2012  
Filing Entity: Telephone Company  
Transmittal Number: 29  
COSA: INIAAN12

Rate-of-Return TRP  
7/12 - 6/13  
Versus 2011 Actual

Forecast, 7/11 - 6/12		Common Line (A)	Traffic Sensitive Switched (B)	Traffic Sensitive Special (C)	Other Interstate (D)	Total Interstate (E)	Total Co. Subject to Separations (F)
Revenue Requirement							
100	Depreciation/Amortization	0	4,306,713	0	0	4,306,713	5,011,589
105	Expense Less Dep & Amor	0	22,522,475	0	0	22,522,475	n/a
110	Taxes Less FIT	0	324,104	0	0	n/a	n/a
115	Return	0	732,360	0	0	n/a	n/a
120	FIT	0	377,276	0	0	n/a	n/a
125	Uncol., IDC & Other Adj.	0	0	0	0	n/a	n/a
130	Revenue Requirement	0	28,262,928	0	0	n/a	n/a
135	Access Service Revenue	0	28,262,928	0	0	n/a	n/a
Rate Base							
140	Telephone Plant in Service	0	33,172,547	0	0	33,172,547	38,906,390
145	Rate Base Adjustments	0	1,324,916	0	0	1,324,916	n/a
150	Depreciation Reserves	0	25,634,772	0	0	25,634,772	29,830,396
155	Accum Deferred Income Tax	0	2,352,822	0	0	2,352,822	2,737,907
160	Average Rate Base	0	6,509,869	0	0	6,509,869	n/a
Actual, 1/10 - 12/10							
Revenue Requirement							
200	Depreciation/Amortization	0	3,389,736	0	0	3,389,736	4,027,230
205	Expense Less Dep & Amor	0	26,190,942	0	0	26,190,942	n/a
210	Taxes Less FIT	0	307,679	0	0	307,679	n/a
215	Return	0	608,769	0	0	608,769	n/a
220	FIT	0	313,609	0	0	313,609	n/a
225	Uncol., IDC & Other Adj.	0	0	0	0	0	n/a
230	Revenue Requirement	0	30,810,735	0	0	30,810,735	n/a
235	Access Service Revenue	0	30,810,735	0	0	n/a	n/a
Rate Base							
240	Telephone Plant in Service	0	33,971,435	0	0	33,971,435	40,360,318
245	Rate Base Adjustments	0	1,273,100	0	0	1,273,100	n/a
250	Depreciation Reserves	0	26,263,522	0	0	26,263,522	31,202,806
255	Accum Deferred Income Tax	0	2,394,721	0	0	2,394,721	2,845,087
260	Average Rate Base	0	6,586,292	0	0	6,586,292	n/a

PUBLIC VERSION

COS-2  
Filing Date: 6/26/2012  
Filing Entity: Telephone Company  
Transmittal Number: 29  
COSA: INIAAN12

Rate-of-Return TRP  
7/12 - 6/13  
Versus 2011 Actual

Forecast, 7/10 - 6/11		Common Line (A)	Traffic Sensitive Switched (B)	Traffic Sensitive Special (C)	Other Interstate (D)	Total Interstate (E)	Total Co. Subject to Separations (F)
Revenue Requirement							
100	Depreciation/Amortization	0	3,504,047	0	0	3,504,047	4,211,191
105	Expense Less Dep & Amor	0	23,536,753	0	0	0	n/a
110	Taxes Less FIT	0	346,313	0	0	n/a	n/a
115	Return	0	772,231	0	0	n/a	n/a
120	FIT	0	397,816	0	0	n/a	n/a
125	Uncol., IDC & Other Adj.	0	0	0	0	n/a	n/a
130	Revenue Requirement	0	28,557,160	0	0	n/a	n/a
135	Access Service Revenue	0	28,557,160	0	0	n/a	n/a
Rate Base							
140	Telephone Plant in Service	0	36,170,229	0	0	36,170,229	43,469,664
145	Rate Base Adjustments	0	1,010,060	0	0	1,010,060	n/a
150	Depreciation Reserves	0	27,572,924	0	0	27,572,924	33,137,357
155	Accum Deferred Income Tax	0	2,072,405	0	0	2,072,405	2,490,632
160	Average Rate Base	0	7,534,960	0	0	7,534,960	n/a
Actual, 1/09 - 12/09							
Revenue Requirement							
200	Depreciation/Amortization	0	2,699,028	0	0	2,699,028	3,371,420
205	Expense Less Dep & Amor	0	22,793,220	0	0	22,793,220	n/a
210	Taxes Less FIT	0	343,489	0	0	343,489	n/a
215	Return	0	(904,622)	0	0	(904,622)	n/a
220	FIT	0	(466,018)	0	0	(466,018)	n/a
225	Uncol., IDC & Other Adj.	0	0	0	0	0	n/a
230	Revenue Requirement	0	24,465,097	0	0	24,465,097	n/a
235	Access Service Revenue	0	24,465,095	0	n/a	n/a	n/a
Rate Base							
240	Telephone Plant in Service	0	32,888,752	0	0	32,888,752	41,082,143
245	Rate Base Adjustments	0	912,096	0	0	912,096	n/a
250	Depreciation Reserves	0	23,382,628	0	0	23,382,628	29,207,811
255	Accum Deferred Income Tax	0	2,026,871	0	0	2,026,871	2,531,813
260	Average Rate Base	0	8,391,349	0	0	8,391,349	n/a

PUBLIC VERSION

MAG-1	Rate-of Return TRP
Filing Date:	MAG Adjustments
Filing Entity:	Test Year, 7/12 to 6/13
Transmittal Number :	
COSA:	

6/26/2012  
Telephone Company  
29  
INIAAN12

Access Element	Interstate Revenue Requirement Prior to Adjustments (A) Note 1	Frozen Line Port Transfer (B) Note 2	Universal Service Fund Contribution (C) Note 3	Frozen TIC Revenue (D) Note 4	Interstate Revenue Requirement Subject to TIC Re-allocation (E) Cols. (A)+(B)+(C)+(D)	Frozen TIC Re- allocation (F) Note 5	Interstate Revenue Requirement Subject to Rate Making (G)
Carrier Common Line	\$0		\$0		\$0		\$0
Local Switching	\$0				\$0		\$0
Information	\$0				\$0		\$0
Transport	\$20,805,902			\$0	\$20,805,902		\$20,805,902
Special Access	\$0				\$0		\$0
Total	\$20,805,902	\$0	\$0	\$0	\$20,805,902	\$0	\$20,805,902

Note 1: Source of Revenue Requirements Column (A)

Carrier Common Line TRP COS-1(P) Line 100, Column (L)  
Local Switching TRP COS-1(P) Line 100, Column (M)  
Information TRP COS-1(P) Line 100, Column (P)  
Transport TRP COS-1(P) Line 100, Column (QS)  
Special Access TRP COS-1(P) Line 100, Column U

Note 2: Enter amounts equal to the amounts on the most recently filed Form MAG-1.

The Local Switching amount is a negative number. The Carrier Common Line amount is a positive number.

Note 3: Projected Amount per Account 6540

Note 4: Enter an amount equal to the amount on the most recently filed Form MAG-1.

Note 5: Enter an amount equal to the amount on the most recently filed Form MAG-1.



REV-1  
Filing Date: 6/26/2012  
Filing Entity: Telephone Company  
Transmittal Number: 29  
COSA: INIAAN12

Rate-of-Return TRP  
Switched Access Revenue  
Test Year, 7/12 to 6/13

PUBLIC VERSION

	Minute or Message Rate (A)	Minute Miles Rate (B)	Line or Trunk Rate (C)	Minute or Message Demand (D)	Minute Miles Demand (E)	Line or Trunk Demand (F)	Access Revenue (G)	Revenue Requirement (H)
<b>Common Line</b>								
100 Multi-line Business EUCL	n/a	n/a	0.00	n/a	n/a	n/a	0	n/a
110 Single Line Business EUCL	n/a	n/a	0.00	n/a	n/a	0	0	n/a
120 Residential EUCL	n/a	n/a	0.00	n/a	n/a	0	0	n/a
130 Special Access Surcharge	n/a	n/a	0.00	n/a	n/a	0	0	n/a
140 Terminating CCL Premium	0.000000	n/a	n/a	0	0	n/a	0	n/a
150 Terminating CCL Non-Prem.	0.000000	n/a	n/a	0	0	n/a	0	n/a
160 Originating CCL Premium	0.000000	n/a	n/a	0	0	n/a	0	n/a
170 Originating CCL Non-Prem.	0.000000	n/a	n/a	0	0	n/a	0	n/a
180 Common Line - - Total	n/a	n/a	n/a	n/a	n/a	n/a	0	0
<b>Information</b>								
190 Directory Assistance	0.000000	n/a	n/a	0	0	n/a	0	n/a
200 White Page Surcharge Prem.	0.000000	n/a	n/a	0	0	n/a	0	n/a
210 White Pg. Surcharge Non-Prem.	0.000000	n/a	n/a	0	0	n/a	0	n/a
220 Other Information	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
230 Information - - Total	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0
<b>Local Switching</b>								
240 Premium	0.000000	n/a	n/a	0	0	n/a	0	n/a
250 Non-Premium	0.000000	n/a	n/a	0	0	n/a	0	n/a
260 Equal Access	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
270 Switching - - Total	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0
<b>Local Transport</b>								
280 Premium LT Term.	0.006230	n/a	n/a	3,339,631,164	n/a	n/a	20,805,902	n/a
290 Non-Prem. LT Term	0.000000	n/a	n/a	0	n/a	n/a	0	n/a
300 Premium LT Facility	n/a	0.000000	n/a	n/a	0	n/a	0	n/a
310 Non-Prem. LT Facility	n/a	0.000000	n/a	0	0	n/a	0	n/a
320 Tandem Switching	0.000000	n/a	n/a	0	0	n/a	0	n/a
330 TST Termination	0.000000	n/a	n/a	n/a	0	n/a	0	n/a
340 TST Facility	n/a	0.000000	n/a	0	0	n/a	0	n/a
350 Premium Interconnection	0.000000	n/a	n/a	0	n/a	n/a	0	n/a
360 Non-Prem. Interconnection	0.000000	n/a	n/a	0	n/a	n/a	0	n/a
370 Installation NRC per Trunk	n/a	n/a	0.00	n/a	n/a	0	0	0

REV-1

Filing Date:

6/26/2012

Telephone Company

Rate-of-Return TRP

Filing Entity:

29

Switched Access Revenue

Transmittal Number:

INIAAN12

Test Year, 7/12 to 6/13

COSA:

PUBLIC VERSION

Local Transport (Cont.)									
Termination Rate (A)	Circuit Rate (B)	Mileage Rate (C)	Termination Demand (D)	Circuit Demand (E)	Mileage Demand (F)	Access Revenue (G)	Revenue Requirement (H)		
380 DS3 Entrance Facility	n/a	0	n/a	0	n/a	n/a	0	n/a	
390 DS3 Direct Term.	0.00	n/a	n/a	0	n/a	n/a	0	n/a	
400 DS3 Direct Facility	n/a	n/a	n/a	n/a	n/a	0	0	n/a	
410 DS1 Entrance Facility	n/a	0	n/a	0	n/a	n/a	0	n/a	
420 DS1 Direct Term.	0	n/a	n/a	n/a	n/a	0	0	n/a	
430 DS1 Direct Facility	n/a	0.00	n/a	0	n/a	0	0	n/a	
440 VG Entrance Facility	n/a	0.00	n/a	0	n/a	0	0	n/a	
450 VG Direct Term.	0.00	n/a	n/a	0	n/a	0	0	n/a	
460 VG Direct Facility	n/a	0.00	n/a	n/a	0	0	0	n/a	
470 Other Transport	n/a	n/a	n/a	n/a	n/a	23,143	0	n/a	
480 Local Transport - - Total	n/a	n/a	n/a	n/a	n/a	20,829,050	0	n/a	
Special - - Voice Grade									
490 2-Wire Chan. Term.	n/a	0	n/a	0	n/a	n/a	0	n/a	
500 4-Wire Chan. Term.	n/a	0	n/a	0	n/a	n/a	0	n/a	
510 Channel Mileage Term.	0	n/a	n/a	0	n/a	n/a	0	n/a	
520 Channel Mileage Facility	n/a	n/a	n/a	n/a	0	0	0	n/a	
530 Non-Recurring	n/a	0	n/a	0	n/a	0	0	n/a	
Special - - High Capacity									
540 High Capacity Chan. Term.	n/a	0	n/a	0	n/a	n/a	0	n/a	
550 Channel Mileage Term.	0	n/a	n/a	0	n/a	n/a	0	n/a	
560 Channel Mileage Facility	n/a	n/a	n/a	n/a	0	0	0	n/a	
570 Non-Recurring	n/a	0	n/a	0	n/a	n/a	0	n/a	
580 Special Access - - Total	n/a	n/a	n/a	n/a	n/a	n/a	0	0	

Notes: A composite special access NRC should be used if the installation rates vary among the services. If the company does not file a particular rate, then the rate and demand = 0. Col. G equals Cols. ( A x D) + (B x E) + (C x F).

REV-2  
Filing Date: 6/26/2012  
Filing Entity: Telephone Company  
Transmittal Number: 29  
COSA: INIAAN12

Rate-of-Return TRP  
Revenues Summary  
Test Year, 7/12 to 6/13

	Total Network Access (A)	Recurring without ICB (B)	Non-Recurring without ICB (C)	ICB (D)
100 Carrier Common Line	0	0	0	0
110 Special Access	0	0	0	0
120 Local Switching	0	0	0	0
130 Equal Access	0	0	0	0
140 Information	0	0	0	0
150 Local Transport	20,829,050	20,805,902	23,148	0
160 Total TS - Switched	20,829,050	20,805,902	23,148	0

Notes : Col. A = Cols. B + C + D. If a particular category is inapplicable, then that category equals 0.

RTE-1  
Filing Date: 6/26/2012  
Filing Entity: Telephone Company  
Transmittal Number: 29  
COSA: INIAAN12

PUBLIC VERSION

Rate-of-Return TRP  
Percent Change in  
Historical Rate Levels

		7/1/2011 Rate (A)	Current Effective Rate (B)	Proposed 7/1/2012 Rate (C)	% Change 7/1/2011 7/1/2012 (D)	% Change Current 7/1/2012 (E)
<b>Switched Access</b>						
100	Premium CCL Term. (\$/MOU)	0.000000000	0.000000000	0.000000000	0.00%	0.00%
110	N.P. CCL Term. (\$/MOU)	0.000000000	0.000000000	0.000000000	0.00%	0.00%
120	Premium Switching (\$/MOU)	0.000000000	0.000000000	0.000000000	0.00%	0.00%
130	N.P. Switching (\$/MOU)	0.000000000	0.000000000	0.000000000	0.00%	0.00%
140	Equal Access	0.000000000	0.000000000	0.000000000	0.00%	0.00%
<b>End User Common Line</b>						
150	Multi-line Business (\$/Month)	0	0.00	0.00	0.00%	0.00%
160	Residential & Single Line Bus.	0	0.00	0.00	0.00%	0.00%

RTE-1  
Filing Date: 6/26/2012  
Filing Entity: Telephone Company  
Transmittal Number: 29  
COSA: INIAAN12

PUBLIC VERSION

Rate-of-Return TRP  
Percent Change in  
Historical Rate Levels

Local Transport Rates

	7/1/2011 Rate (A)	Current Effective Rate (B)	Proposed 7/1/2012 Rate (C)	% Change 7/1/2012 (D)	% Change 7/1/2012 Current (E)
170 Prem. LT (\$/MOU, Avg. Mileage)	0.00819000	0.00819000	0.00623000	-23.93%	-23.93%
180 N.P. LT (\$/MOU, Avg. Mileage)	0.00000000	0.00000000	0.00000000	0.00%	0.00%
190 DS1 Entr. Facility ( \$/Circuit)	0	0.00	0.00	0.00%	0.00%
200 DS1 Direct Trunk (\$/Circuit)	0	0.00	0.00	0.00%	0.00%
210 Tdm Sw. Transport ((\$/Circuit)	0	0.00	0.00	0.00%	0.00%
220 Tdm. Switching (\$/Tdm. MOU)	0.000000	0.000000	0.000000	0.00%	0.00%
230 Prem. Interconnection (\$/MOU)	0.000000	0.000000	0.000000	0.00%	0.00%
240 N.P. Interconnection (\$/MOU)	0.000000	0.000000	0.000000	0.00%	0.00%
250 NRC (\$/Tk. Or Tks. Activated)	0.00	0.00	0.00	0.00%	0.00%
260 2-Wire VG (\$/Cir., Avg. Mileage)	0.00	0.00	0.00	0.00%	0.00%
270 4-Wire VG (\$/Cir., Avg. Mileage)	0.00	0.00	0.00	0.00%	0.00%

Notes: If Lines 170 & 180 or any other entry is inapplicable, then that rate = 0.

PUBLIC VERSION

RTE-2  
Filing Date: 6/26/2012  
Filing Entity: Telephone Company  
Transmittal Number: 29  
COSA: INIAAN12

Rate-of-Return  
Revenue Price-outs  
Using 2011 Demand

	Revenue at 7/1/2011 Rates (A)	Revenue at Current Rate (B)	Change in Revenue, Cols. B-A (C)	Revenue at 7/1/2012 Rates (D)	Change in Revenue, Cols. D-B (E)
Switched Access					
100 Multi-Line Business	0	0	0	0	0
110 Residential & Single Line Bus.	0	0	0	0	0
120 Carrier Common Line	0	0	0	0	0
130 Special Access	0	0	0	0	0
140 Local Switching	0	0	0	0	0
150 Equal Access	0	0	0	0	0
160 Information	0	0	0	0	0
170 Local Transport	27,375,043	27,375,043	0	20,829,050	(6,545,993)

Notes: If company belongs to the NECA common line pool, then revenue = 0.

**PUBLIC VERSION**

RTE-3

**Filing Date:**

**Filing Entity:** Telephone Company

Tel

Telephone Company

Transmittal Number: 29  
COSA: INIAAN12

COSA:

### Rate-of-Return TRP COSA's for which Rates are Averaged or Pooled

Carrier Common Line (C)	Residential & Single Line Business (B)	Multi-line Business (A)
-------------------------	--	-------------------------

**COSA**

100

110

120

120  
130130  
140140  
150150  
160160  
170170  
180180  
190

190 200

200

210

220

Notes: Companies should list all  
COSA's which are averaged or pooled.

PUBLIC VERSION

RTE-3

Filing Date: 6/26/2012

Filing Entity: Telephone C

Transmittal Number: 29

COSA: INIAAN12

Rate-of-Return TRP

COSA's for Which Rates

are Averaged or Pooled

	Local Switching (D)	Local Transport (E)	Information (F)	Equal Access (G)	Special Access (H)
COSA					
100					
110					
120					
130					
140					
150					
160					
170					
180					
190					
200					
210					
220					
230					

Notes: Companies should list all  
COSA's which are averaged



# PUBLIC VERSION

DMD-1  
Filing Date: 6/26/2012  
Filing Entity: Telephone Company  
Transmittal Number: 29  
COSA: INIAAN12  
Page

Rate-of-Return TRP  
Traffic Sensitive  
Minutes-of-Use

	Premium Local Switching (A)	Non-Premium Local Switching (B)	Total Local Switching (C)	Total Chargeable Switching (D)	Total Tandem Switching* (E)	Tandem Switching Transport** (F)
<b>Historical</b>						
100 1st Qtr. 2008	0	0	0	0	0	462,642,762
110 2nd Qtr. 2008	0	0	0	0	0	494,506,220
120 3rd Qtr. 2008	0	0	0	0	0	587,375,504
130 4th Qtr. 2008	0	0	0	0	0	626,529,936
140 1st Qtr. 2009	0	0	0	0	0	685,314,359
150 2nd Qtr. 2009	0	0	0	0	0	723,798,568
160 3rd Qtr. 2009	0	0	0	0	0	761,152,928
170 4th Qtr. 2009	0	0	0	0	0	812,004,085
180 1st Qtr. 2010	0	0	0	0	0	955,256,222
190 2nd Qtr. 2010	0	0	0	0	0	855,486,278
200 3rd Qtr. 2010	0	0	0	0	0	920,662,690
210 4th Qtr. 2010	0	0	0	0	0	948,391,562
220 Pycos Year, 1/1-12/11	0	0	0	0	0	3,833,504,867
230 Test Year, 7/12-6/13	0	0	0	0	0	3,339,631,164

Notes: Local switching MOU are the same as the billable units for the interconnection charge.

\* Refers to the MOU switched at a company tandem, as discussed in Part 69. 11(f-g).

\*\* Refers to the MOU carried over non-dedicated trunks; i.e., tandem switched transport or common trunks.

PUBLIC VERSION

DMD-2  
Filing Date: 6/26/2012  
Filing Entity: Telephone Company  
Transmittal Number: 29  
COSA: INIAAN12

Rate-of-Return TRP  
Special Access  
Demand

	1/11 - 12/11 Channel Terminations (A)	1/11/- 12/11 Number of Circuits (B)	1/11 - 12/11 Interoffice Miles (C)	7/12 - 6/13 Channel Terminations (D)	7/12 - 6/13 Number of Circuits (E)	7/12 - 6/13 Interoffice Miles (F)
100 Metallic	0	0	0	0	0	0
110 Telegraph	0	0	0	0	0	0
120 VG less WATS	0	0	0	0	0	0
130 WATS	0	0	0	0	0	0
140 full-time Audio	0	0	0	0	0	0
150 High Capacity	0	0	0	0	0	0

PUBLIC VERSION

DMD-3  
Filing Date: 6/26/2012  
Filing Entity: Telephone Company  
Transmittal Number: 29  
COSA: INIAAN12

Rate-of-Return TRP  
Common Line  
Revenue and Demand

	1/11-12/11 Historical Revenue (A)	1/11-12/11 Historical MOU or Lines (B)	7/12 - 6/13 Test Year Revenue (C)	7/12 - 6/13 Test Year MOU or Lines (D)
100 End User Common Line, Total	0	0	0	0
110 Residential	0	0	0	0
120 Single Line Business	0	0	0	0
130 Multi-line Business	0	0	0	0
140 Special Access Surcharge	0	0	0	0
160 Total Common Line Revenue	0	n/a	0	n/a

PUBLIC VERSION

Rate-of-Return TRP  
Minutes-of-Use  
Historical vs. Forecast

DMD-4  
Filing Date: 6/26/2012  
Filing Entity: Telephone Company  
Transmittal Number: 29  
COSA: INIAAN12

Traffic  
Sensitive  
MOU

100 Test Year	7/12 - 6/13	3,339,631,164
110 Pycos Year,	1/11-12/11	3,833,504,867
120 Test Year	7/11- 6/12	---
130 Pycos Year,	1/10 - 12/10	3,450,907,011
		3,679,806,752
140 Test Year	7/10 - 6/11	---
150 Pycos Year,	1/09 - 12/09	3,481,819,561
		2,982,269,940
160 Test Year	7/09 - 6/10	---
170 Pycos Year,	1/08 - 12/08	2,970,603,151
		2,171,054,422

Notes: Actual operating statistics should be reported for the PYCOS years.  
These data should be consistent with those in Chart DMD-4 in previous TRPs.  
If a forecast was not reported for any particular test year, then enter 0.

DMD-5  
Filing Date: 6/26/2012  
Filing Entity: Telephone Company  
Transmittal Number: 29  
COSA: INIAAN12

PUBLIC VERSION

Rate-of-Return TRP  
Demand  
Direct Trunked Transport

	1/11-12/11	1/11-12/11	1/11-12/11	Test Year	Test Year	Test Year
	VG	DSI	DS3	7/12 - 6/13	7/12 - 6/13	7/12 - 6/13
	(A)	(B)	(C)	VG	DS1	DS3
				(D)	(E)	(F)
100 Entrance Facility	0.00	0.00	0.00	0.00	0.00	0.00
110 Direct Trunked Transport	0.00	0.00	0.00	0.00	0.00	0.00

Notes: Demand should be annualized and reflect application of the percent interstate usage factor (PIU).

ERN-1  
Filing Date: 6/26/2012  
Filing Entity: Telephone Company  
Transmittal Number: 29  
COSA: INIAAN12

Rate-of-Return TRP  
Rate-of-Return  
Summary

PUBLIC VERSION

2009/2010 FCC Monitoring Period (A)		2011 Calendar Year (B)	7/12 - 6/13 Test Year (C)
100	Interstate Access, Total	-2.00%	n/a
110	Carrier Common Line	0.00%	0.00%
120	Special Access	0.00%	0.00%
130	Local Switching	0.00%	n/a
140	Information	0.00%	n/a
150	Local Transport	-2.00%	n/a
160	Traffic Sensitive Switched, Total	9.74%	n/a

PUBLIC VERSION

BSF-1  
Filing Entity: Telephone Company  
Filing Date: 6/26/2012  
Transmittal Number: 29  
COSA: INIAAN12

Rate-of-Return TRP  
Base Study Factor

	Actual 2007 (A)	Actual 2008 (B)	Actual 2009 (C)	Actual 2010 (D)	Actual 2011 (E)	Prospective 2013 (F)
<b>Relative MOU's - Tandem Switching</b>						
100 Interstate	-	-	-	-	-	-
110 Total Company	-	-	-	-	-	-
120 IS Factor	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
<b>Host/Remote MOU's</b>						
130 Interstate	-	-	-	-	-	-
140 Total Company	-	-	-	-	-	-
150 IS Factor	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
<b>Host/Remote MOU Miles</b>						
160 Interstate	-	-	-	-	-	-
170 Total Company	-	-	-	-	-	-
180 IS Factor	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
<b>Conversation Minutes</b>						
190 Interstate	1,844,725,157	2,171,054,422	2,882,269,940	3,679,806,752	3,833,504,867	3,339,631,164
200 Total Company	3,769,513,369	3,511,079,888	3,854,597,574	4,498,543,861	4,535,675,135	3,961,855,832
210 IS Factor	48.9380%	61.8344%	77.3694%	81.8000%	84.5189%	84.2946%
<b>Conversation Minute Miles (000's)</b>						
220 Interstate	237,595,577	252,814,009	121,349,856	149,762,759	224,101,394	196,794,311
230 Total Company	488,553,782	376,460,878	154,906,296	181,370,670	262,351,997	232,495,043
240 IS Factor	48.6324%	67.1555%	78.3376%	82.5728%	85.4201%	84.6431%

The above Base Study Factors apportion on the following investment:

	Part 32 Account	Part 36 Category
Relative MOU's-Tandem Switching	2210	COE Cat. 3
	2230	COE Cat. 4.3
	2410	C&WF Cat. 4
	2230	COE Cat. 4.23
Conversation Minutes Miles	2410	C&WF Cat. 3

RORDEM-1  
Filing Date: 6/26/2012  
Filing Entity: Telephone Company  
Transmittal Number: 29  
COSA: INIAAN12

PUBLIC VERSION

Rate-of-Return TRP  
Verification of WDEM

Year	Interstate DEM MOU (A)	Intrastate DEM MOU (B)	Local DEM MOU (C)	Total DEM MOU (D)	Interstate MDEM Factor (E)	No. of Switched Access Lines (F)	Historical Weighting (G)	Interstate WDEM Factor (H)
2004	-	-	-	-	0.0000%	-	0	0.0000%
2005	-	-	-	-	0.0000%	-	0	0.0000%
2006	-	-	-	-	0.0000%	-	0	0.0000%
2007	-	-	-	-	0.0000%	-	0	0.0000%
2008	-	-	-	-	0.0000%	-	0	0.0000%
2009	-	-	-	-	0.0000%	-	0	0.0000%
2010	-	-	-	-	0.0000%	-	0	0.0000%



**CERTIFICATION**

I certify that I am the Chief Financial Officer of Iowa Network Services, Inc., have overall responsibility for the preparation of the 2012 Annual Access Charge Tariff Filing, and am authorized to execute this certification. Based upon information provided to me by employees or outside accountants responsible for the preparation of, or for supervision of the preparation of, the data submitted in support of the rates contained in the proposed tariff, I hereby certify that the data have been examined and reviewed and are true, correct and complete.

June 26, 2012

Date

  
\_\_\_\_\_  
Dennis M. Creveling  
**IOWA NETWORK SERVICES, INC.**

**PUBLIC VERSION**

IOWA NETWORK ACCESS DIVISION

TARIFF F.C.C. NO. 1  
25<sup>th</sup> Revised Page 1  
Cancels 24<sup>rd</sup> Revised Page 1

**CENTRALIZED EQUAL ACCESS SERVICE**

**CHECK SHEET**

Title Page 1 and Page 1 to 188 and Supplement No. 7, inclusive, of this tariff are effective as of the date shown. Original and revised pages as named below contain all changes from the original tariff that are in effect on the date hereof.

Page	Number of Revision Except as Indicated	Page	Number of Revision Except as Indicated	Page	Number of Revision Except as Indicated	Page	Number of Revision Except as Indicated
1*	25th	28	1st	54	Original	79	Original
1.1*	10th	29	1st	55	Original	80	Original
2	1st	30	Original	56	1st	81	Original
3	Original	31	Original	57	Original	82	Original
4	1st	32	Original	58	1st	83	2nd
5	3rd	33	1st	59	1st	84	1st
6	3rd	34	Original	60	Original	85	1st
7	1st	35	Original	61	3rd	86	2nd
8	1st	36	Original	61.1	Original	87	1st
9	Original	37	2nd	62	1st	87.1	Original
10	1st	38	1st	63	3rd	88	4th
11	2nd	39	3rd	63.1	1st	88.1	Original
12	2nd	40	3rd	64	1st	88.2	Original
13	6th	40.1	Original	64.1	2nd	89	4th
13.1	1st	41	Original	65	2nd	89.1	1st
14	1st	42	1st	66	Original	89.2	1st
15	1st	43	3rd	67	Original	89.3	1st
16	2nd	43.1	Original	68	Original	89.4	1st
17	Original	44	Original	69	1st	90	2nd
18	Original	45	1st	69.1	1st	91	Original
19	1st	46	1st	70	Original	92	2nd
20	1st	46.1	Original	71	Original	93	2nd
21	2nd	47	Original	72	3rd	94	1st
21.1	1st	48	Original	72.1	1st	95	1st
22	Original	49	Original	73	1st	96	1st
23	Original	50	1st	74	Original	97	1st
24	Original	51	2nd	75	Original	98	1st
25	Original	52	2nd	76	1st		
26	Original	53	2nd	77	Original		
27	Original	53.1	Original	78	1st		

\* New or Revised page

Issued: June 26, 2012

Effective: July 3, 2012

4201 Corporate Drive  
West Des Moines, Iowa 50266-5906

AUREON\_01610

**PUBLIC VERSION**

IOWA NETWORK ACCESS DIVISION

TARIFF F.C.C. NO. 1  
10<sup>th</sup> Revised Page 1.1  
Cancels 9<sup>th</sup> Revised Page 1.1

**CENTRALIZED EQUAL ACCESS SERVICE**

**CHECK SHEET**

Title Page 1 and Page 1 to 188 and Supplement No. 7, inclusive, of this tariff are effective as of the date shown. Original and revised pages as named below contain all changes from the original tariff that are in effect on the date hereof.

Page	Number of Revision Except as Indicated	Page	Number of Revision Except as Indicated	Page	Number of Revision Except as Indicated	Page	Number of Revision Except as Indicated
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107	Original	133	Original	154	2nd	183	Original
108	2nd	134	1st	155	3rd	184	Original
109	Original	135	1st	156	2nd	185	Original
110	Original	136	2nd	157	Original	186	Original
111	Original	136.1	2nd	158	Original	187	Original
112	1st	136.1.1	Original	159	Original	188	Original
113	1st	136.2	1st	160	Original		
114	1st	137	1st	161	Original		
115	1st	138	2nd	162	Original		
116	1st	139	1st	163	Original		
117	Original	140	2nd	164	Original		
118	1st	140.1	Original	165	Original		
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4201 Corporate Drive  
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AUREON\_01611

PUBLIC VERSION

IOWA NETWORK ACCESS DIVISION

TARIFF F.C.C. NO. 1  
11th Revised Page 145  
Cancels 10th Revised Page 145

CENTRALIZED EQUAL ACCESS SERVICE

6. Switched Access Service (Cont'd)

6.8 Rates and Charges

6.8.1 Switched Transport

(A) Rate

Rate  
Per Access Minute

\$ 0.00623 (R)

Rate  
Per Call Blocked

(B) Network Blocking Charge +

\$ 0.0070

(C) Nonrecurring Charges

(1) Installation

Rate  
Per Trunk

Activation of the first  
trunk or SNAC contained  
in the order

\$ 514.68

Activation of each  
additional trunk or SNAC  
contained in an order

\$ 12.55

(2) Interim NXX Translation

Rate  
Per Order

Activation or deactivation  
of the first NXX code  
contained in an order

\$ 213.70

Activation or deactivation  
of each additional NXX code  
contained in an order

\$ 23.81

+Applies to FGD

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West Des Moines, Iowa 50266-5906

AUREON\_01612

# **AT&T Exhibit 17**

**Aureon 2013 Tariff Filing (filed June  
17, 2013)**

**[AT&T Exhibit 20 to Complaint Proceeding]**



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TROUP@FHHLAW.COM

**Filed Pursuant to  
§ 204(a)(3) of the  
Communications Act  
on 15 Days' Notice**

June 17, 2013

**SUBMITTED ELECTRONICALLY**

Marlene H. Dortch  
Office of the Secretary  
Federal Communications Commission  
445 Twelfth Street, S.W.  
Washington, D.C. 20554

Attention: Wireline Competition Bureau

**Transmittal No. 30**

**FRN: 0002-5807-10**  
**Iowa Network Services, Inc.**

**FRN: 0005-0110-69**  
**Fletcher, Heald & Hildreth**

Dear Ms. Dortch:

The accompanying 2013 Annual Access Tariff Filing of Iowa Network Services, Inc. ("INS"), effective July 2, 2013, is sent to you for filing in compliance with the requirements of the Communications Act of 1934, as amended. This tariff filing consists of the following Check Sheets:

Tariff F.C.C. No.  
1

Check Sheet Revision No.  
26<sup>th</sup> Revised Page 1  
11<sup>th</sup> Revised Page 1.1

This 2013 Annual Access Tariff Filing is filed in accordance with the procedures set forth in *July 2, 2013 Annual Access Charge Tariff Filings, Order*, DA 13-553 (rel. March 26, 2013) (the "*Tariff Order*") and includes cost support required by *Material to be Filed in Support of*

**PUBLIC VERSION**

*2013 Annual Access Tariff Filings*, DA 13-789 (rel. April 19, 2013). Pursuant to the attached study for the test period ending June 30, 2014, INS is adjusting its switched transport rate.

As required by the *Tariff Order*, INS is submitting its 2013 Annual Tariff Review Plan and associated tariff changes electronically, using the Commission's Electronic Tariff Filing System ("ETFS"). The required Form 159 and statutory processing fee in the amount of \$845.00 are also being transmitted electronically today via the FCC's Fee Filer System.

Should you have any questions concerning this matter, please contact James U. Troup at (703) 812-0511. Petitions or comments should be faxed to (703) 812-0486.

Sincerely,



James U. Troup

Counsel for  
Iowa Network Services, Inc.

Attachments



**PUBLIC VERSION**

IOWA NETWORK ACCESS DIVISION

TARIFF F.C.C. NO. 1  
26<sup>th</sup> Revised Page 1  
Cancels 25<sup>th</sup> Revised Page 1

**CENTRALIZED EQUAL ACCESS SERVICE**

**CHECK SHEET**

Title Page 1 and Page 1 to 188 and Supplement No. 7, inclusive, of this tariff are effective as of the date shown. Original and revised pages as named below contain all changes from the original tariff that are in effect on the date hereof.

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4	1st	32	Original	58	1st	83	2nd
5	3rd	33	1st	59	1st	84	1st
6	3rd	34	Original	60	Original	85	1st
7	1st	35	Original	61	3rd	86	2nd
8	1st	36	Original	61.1	Original	87	1st
9	Original	37	2nd	62	1st	87.1	Original
10	1st	38	1st	63	3rd	88	4th
11	2nd	39	3rd	63.1	1st	88.1	Original
12	2nd	40	3rd	64	1st	88.2	Original
13	6th	40.1	Original	64.1	2nd	89	4th
13.1	1st	41	Original	65	2nd	89.1	1st
14	1st	42	1st	66	Original	89.2	1st
15	1st	43	3rd	67	Original	89.3	1st
16	2nd	43.1	Original	68	Original	89.4	1st
17	Original	44	Original	69	1st	90	2nd
18	Original	45	1st	69.1	1st	91	Original
19	1st	46	1st	70	Original	92	2nd
20	1st	46.1	Original	71	Original	93	2nd
21	2nd	47	Original	72	3rd	94	1st
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PUBLIC VERSION

IOWA NETWORK ACCESS DIVISION

TARIFF F.C.C. NO. 1  
11<sup>th</sup> Revised Page 1.1  
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CENTRALIZED EQUAL ACCESS SERVICE

CHECK SHEET

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117	Original	140	2nd	164	Original		
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IOWA NETWORK ACCESS DIVISION

TARIFF F.C.C. NO. 1  
12<sup>th</sup> Revised Page 145  
Cancels 11<sup>th</sup> Revised Page 145

CENTRALIZED EQUAL ACCESS SERVICE

6. Switched Access Service (Cont'd)

6.8 Rates and Charges

6.8.1 Switched Transport

(A) Rate

Rate  
Per Access Minute  
\$ 0.00896 (I)

Rate  
Per Call Blocked

(B) Network Blocking Charge + \$ 0.0070

(C) Nonrecurring Charges

(1) Installation

Rate  
Per Trunk

Activation of the first  
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Rate  
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Activation or deactivation  
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+Applies to FGD

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4201 Corporate Drive  
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AUREON\_01690

***IOWA NETWORK SERVICES, INC.***

***IOWA NETWORK ACCESS DIVISION***

***DESCRIPTION AND JUSTIFICATION***

***COST SUPPORT MATERIAL***

***TARIFF REVIEW PLAN***

***JULY 2, 2013 ANNUAL ACCESS CHARGE TARIFF FILING***

***JUNE 17, 2013***

**IOWA NETWORK ACCESS DIVISION**

**INTERSTATE ACCESS TARIFF FILING**

**PROSPECTIVE PERIOD  
JULY 2, 2013 - JUNE 30, 2014**

**INDEX**

<b>Section</b>	<b>Description</b>
	Transmittal Letter
1	Introduction, Overview and Rate Development
2	Development of Switched Transport Charge and Study Period Projected Access Minutes
3	Projected Revenue Requirement Summary - Total Interstate (Part 69)
4	Projected Part 36 Revenue Requirement Summary
5	Projected Part 64 Revenue Requirement Summary
6	Tariff Review Plan (TRP)

## IOWA NETWORK ACCESS DIVISION

### INTRODUCTION, OVERVIEW AND RATE DEVELOPMENT

#### INTRODUCTION

This filing supports revisions to Iowa Network Access Division Tariff F.C.C. No. 1 in accordance with the Federal Communications Commission's (FCC) Order, In the Matter of July 2, 2013 Annual Access Charge Tariff Filings, DA 13-553, WC Docket No. 13-76 (released March 26, 2013). This Order establishes procedures for the 2013 filing of annual access charge tariffs and Tariff Review Plans (TRPs) for incumbent local exchange carriers (ILECs) subject to price caps, as well as rate of return ILECs subject to Section 61.39 of the Commission's rules<sup>1</sup> and those carriers subject to Section 61.38 of the Commission's rules that are either required to or choose to revise their Access Recovery Charge (ARC) and/or revise their rates.<sup>2</sup> The requirements for summary cost material to support the annual access charge filings to be submitted on or before June 17, 2013 are presented in the Commission's Order, In the Matter of Material to be Filed in Support of 2013 Annual Access Tariff Filings, DA 13-789, WC Docket No. 13-76 (released April 19, 2013).

This 2013 Annual Access Charge Tariff Filing covers the scheduled effective period from July 2, 2013 through June 30, 2014. This documentation volume contains the introduction, overview, rate development narrative, access rate development and corresponding cost support material to be filed with the FCC on June 17, 2013.

#### OVERVIEW

Schedule A of Section 2 presents a summary of the proposed rate to be effective July 2, 2013. Iowa Network Access Division ("INAD") proposes to increase its existing switched transport rate from its existing rate of \$0.00623 per minute of use to a rate of \$0.00896 effective July 2, 2013. The Company's proposed switched transport rate of \$0.00896 per access minute is projected to generate switched transport revenues of \$26,212,794 resulting in a return of 10.79% on interstate investments for the projected twelve-month period ending June 30, 2014.

For the year 2012, INAD's regulated revenue from interstate access services amounted to \$25,537,382 which resulted in a return of 64.57% on its interstate investment. INAD is currently projecting a loss for the year 2013 which will offset the overearnings for the year 2012. For the 2010/2011 monitoring period, INAD experienced a return of 9.45%. During this period, the FCC

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<sup>1</sup> 47 C.F.R. § 61.39 (rate of return carriers that file tariffs based on historical costs and demand).

<sup>2</sup> 47 C.F.R. § 51.915(e) and 61.38 (rate of return carriers that file tariffs based on projected costs and demand).

## PUBLIC VERSION

authorized a maximum rate of return for interstate access operations of 11.50% with a target of 11.25%.

Interstate access minutes declined at the rate of 7.54% during 2012 to 3,544,392,104 from 3,833,504,867 in 2011. During the year 2011, INAD recorded interstate traffic growth of 4.17% over the year 2010. For the year 2012, INAD began experiencing reductions in MOUs when compared with historical MOUs reflected during 2011. For the test period ending June 30, 2013, INAD projected interstate access minutes of 3,339,631,164 reflecting a decrease of 5.78% from the year 2012. For the test period ending June 30, 2014, INAD is projecting interstate access minutes of 2,925,535,070, representing a decrease of 12.40% from projected access minutes of 3,339,631,164 for the projected period ending June 30, 2013. The decrease in interstate traffic for the projected test period results primarily from continued reductions in interstate access minutes by independent local exchange carriers that originate or terminate calls over the INS network. In its 2012 annual access tariff filing, NECA forecast a reduction in interstate switched access traffic of 11.9% for the 2012-2013 test period. INAD anticipates that NECA will report further reductions in interstate switched access minutes in its 2013 annual access tariff filing. As most of the local exchange carriers that originate or terminate traffic over the INS network are NECA members, INS' traffic volume will be impacted by the reduction in traffic that those local exchange carriers expect to exchange with interexchange carriers using INS' network.

Over the years, Iowa Network Services, Inc. ("INS") has implemented a state of the art fiber network throughout the state of Iowa that is being used to provide equal access services to interexchange carriers serving nearly all rural Independent Local Exchange Carriers (ILECs) in the state. This state of the art network provides full switching and transport redundancy for interexchange carriers serving rural Iowa. As this network ages, INS has plans to upgrade its fiber routes and electronics to bring newer technologies and increased capacity in areas where needed. Approximately \$20.3 million has been expended since 2010<sup>3</sup> and an additional \$22.5 million is planned for 2013.

During 2007, INAD began to experience an increase in its uncollectible revenues from an Interexchange Carrier ("IXC") as a result of billing disputes over the classification and quantification of interstate access minutes related to high volume traffic terminated by the IXC to ILEC locations in Iowa. The disputed traffic is being terminated by the IXC to ILEC locations in Iowa using the equal access network of INAD. During the year 2012, INAD recorded a provision for uncollectibles relating to the interstate billing for this traffic in the amount of \$4,881,005. INAD continues to bill the IXC for all traffic terminated over its network and includes this disputed traffic in its minute of use and revenue projections for the twelve month period ending June 30, 2014. The interstate provision for uncollectibles related to this traffic is estimated to be \$3,961,008 and is reflected in INAD's cost of operations for the projected period ending June 30, 2014.

INAD's proposed tariff rate of \$0.00896 is targeted to generate a return of 10.79% on investment for the projected test period ended June 30, 2014. INAD's cost support material has

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<sup>3</sup> Plant additions amounted to \$7.1 million in 2011 and \$13.2 million in 2012.

## PUBLIC VERSION

been developed using procedures prescribed by the Federal Communications Commission as follows:

- A) Financial reporting is in accordance with the Uniform Systems of Accounts and Financial Reporting Requirements of Class A and Class B Telephone Companies, CC Docket 78-196 (Part 32 Order) and all subsequent revisions to the rules adopted through the period June 15, 2013.
- B) Jurisdictional allocation is in accordance with Federal Communications Commission's Rules adopted in CC Docket Nos. 78-72, 80-286, 86-297 and FCC Docket 87-134 released August 18, 1987 (Part 36 Order) and all subsequent revisions to the rules adopted through the period June 15, 2013.
- C) Access rate development is performed in accordance with CC Docket No. 87-113 released August 18, 1987 (Part 69 Conformance Notice) and subsequent modifications to the extent applicable to INAD including CC Docket No. 00-256, Second Report and Order and Notice of Proposed Rulemaking, 16 FCC Rcd 19613 (2001), (“Rate-of-Return Access Charge Reform Order”) and WC Docket No. 10-90 et al., Report and Order and Further Notice of Proposed Rulemaking, FCC 11-161 (rel Nov. 18, 2011) (“USF/ICC Transformation Order”).

The proposed access service tariff maintains the method of charging for interstate access by major rate element. INAD proposes a centralized equal access switched transport rate of \$0.00896 and anticipates this rate will remain in effect through June 30, 2014.

### **RATE DEVELOPMENT**

Development of cost support as contained in the tariff filing was accomplished as follows:

- 1) Projection of test period investment, revenue and expense was determined based on the best estimates of management using fixed, known and measurable amounts from the 2013 and 2014 operating budgets of Iowa Network Services, Inc. (“INS”) and INAD. Anticipated changes in investments and reserves were reflected in conjunction with INS and INAD's ongoing construction and modernization programs. INAD revenues were adjusted to reflect the projected decrease in access minutes during the test period from the year 2012.
- 2) Projection of the test period INAD revenue requirement was accomplished using FCC Part 64 cost allocation procedures applied to total company projected investment and expense amounts determined in (1) above. INAD's revenue requirement summary data is contained in Section 5 of the cost support material.



## PUBLIC VERSION

- 3) Projection of the test period interstate access revenue requirement was accomplished using Parts 36/69 separation procedures applied to projected total INAD investment and expense amounts determined in (2) above. INAD's interstate access revenue requirement was determined using a return on investment of 11.25% which reflects the rate of return currently authorized by the FCC for interstate ratemaking purposes. The summary Part 36 and Part 69 revenue requirements are contained in Sections 3 and 4 of the cost support material.
- 4) Projected interstate access minutes for the period ending June 30, 2014 reflect a decrease of 17.46% from the historical period ending December 31, 2012. Interstate access minutes for the period ending June 30, 2014 are projected to be 2,925,535,070 compared to 3,339,631,164 for the projected period ending June 30, 2013 and 3,544,392,104 for the actual period ended December 31, 2012. Projected access minutes for the test period ending June 30, 2014 are presented on Schedule B following. The decrease in test period projected interstate access minutes from actual interstate access minutes for the year 2012 results primarily from anticipated decreases in traffic exchanged between interexchange carriers and independent local exchange carriers carried over the INS network that are being recovered through access charges billed to long distance companies. In its 2012 annual access tariff filing, NECA forecast a reduction in interstate switched access traffic of 11.9% during the 2012-2013 test period. INAD anticipates that NECA will report further reductions in interstate switched access minutes in its 2013 annual access tariff filing. As most of the local exchange carriers that originate or terminate traffic over the INS network are NECA members, INS' traffic volume will be impacted by the reduction in traffic that those local exchange carriers expect to deliver to INS' network. INAD's projected change in access minutes for the test period ending June 30, 2014 appears to be consistent with changes being recognized by NECA and other telecommunication service providers in the industry during the time periods reflected above.
- 5) INAD's interstate access revenue requirement determined in (3) above for the projected period ending June 30, 2014 amounts to \$26,254,447 and is presented in Section 3 of the cost support material. The interstate revenue requirement was reduced by the amount of projected interstate revenues from nonrecurring charges of \$25,450 to arrive at the amount of \$26,228,997 representing the target revenue requirement to be recovered from the recurring centralized equal access switched transport rate. INAD's revenue requirement reflects an increase in transport costs that INS will incur to transport the traffic of interexchange carriers the additional mileage resulting from the Commission's decision in *AT&T Corp. v. Alpine Communications, LLC*, 27 FCC Rcd 11511 (2012), *recon. denied* 27 FCC Rcd 16606 (2012).
- 6) The allowable projected switched transport charge supported by the projected costs of INAD is determined by dividing the remaining interstate revenue



## PUBLIC VERSION

requirement of \$26,228,997 determined in (5) above by projected test period access minutes of 2,925,535,070 determined in (4) above resulting in a cost of \$0.00896 per access minute. An analysis of the development of the allowable interstate switched transport rate is presented on Schedule A in Section 2. INAD proposes to increase its existing interstate switched transport rate of \$0.00623 to the rate of \$0.00896 effective for access billings on July 2, 2013.

### **SUMMARY**

The 2013 annual access tariff filing is supplemented by the enclosed cost support material. Schedule A reflects INAD's existing switched transport charge of \$0.00623 compared with its supported rate of \$0.00896. Through this filing, INAD proposes to increase its existing switched transport charge of \$0.00623 to the supported rate of \$0.00896 based on the test period ending June 30, 2014. The proposed rate of \$0.00896 will become effective for access billings on July 2, 2013. The proposed switched transport charge will produce revenues that will generate a rate of return on investment of 10.79 % for the projected test period ended June 30, 2014.

Included in the cost support material are schedules depicting projected investment and expense data, demand quantities, jurisdictional cost allocations and rate calculations for the projected twelve-month period ending June 30, 2014. Cost and revenue data for the historical period from January 1 through December 31, 2012 is contained in the Company's Tariff Review Plan (TRP) which has been filed under separate cover.

This filing is presented to comply with the Commission's Orders, July 2, 2013 Annual Access Charge Tariff Filings, DA 13-553, and Material to be Filed in Support of 2013 Annual Access Tariff Filings, DA 13-76, establishing the Tariff Review Plan (TRP) schedules to be filed in support of the annual access charge tariff filing. With this filing, INAD proposes to increase its switched transport charge from the existing rate of \$0.00623 to the proposed rate of \$0.00896 effective July 2, 2013 through June 30, 2014.

TARIFF REVIEW PLAN

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Certification	

CERTIFICATION

I certify that I am Chief Operations Officer of Iowa Network Services, Inc., have overall responsibility for the preparation of the 2013 Annual Access Charge Tariff Filing, and am authorized to execute this certification. Based upon information provided to me by employees or outside accountants responsible for the preparation of, or for supervision of the preparation of, the data submitted in support of the rates contained in the proposed tariff, I hereby certify that the data have been examined and reviewed and are true, correct and complete.

6/17/13  
June 17, 2013

  
Michael S. Eggley  
**IOWA NETWORK SERVICES, INC.**

## PUBLIC VERSION

IOWA NETWORK SERVICES, INC.  
 IOWA NETWORK ACCESS DIVISION  
 INTERSTATE ACCESS RATE DEVELOPMENT  
 TRANSMITTAL NO. 30  
 PROJECTED TEST PERIOD ENDED

6/30/2014

SECTION 2  
 SCHEDULE A

	SOURCE	CURRENT RATE	COST SUPPORT	DIFFERENCE
1 SWITCHED TRANSPORT RATE	(BELOW)	\$0.00623	\$0.00896	\$0.00273
2 STUDY PERIOD ACCESS MINUTES	SCHEDULE B	<u>2,925,535,070</u>	<u>2,925,535,070</u>	
3 STUDY PERIOD ACCESS REVENUE	LN 1*LN 2	<u>\$18,226,083</u>	<u>\$26,212,794</u>	<u>\$7,986,711</u>

**ACCESS RATE DEVELOPMENT**

	SOURCE	AMOUNT
4 PROJECTED REVENUE REQUIREMENT	SECTION 4	\$26,254,447 (1)
5 LESS: MISCELLANEOUS REVENUE	RECORDS	<u>25,450</u>
7 ACCESS REVENUE REQUIREMENT	LN 4-LN 5	\$26,228,997
8 PROJECTED ACCESS MINUTES	SCHEDULE B	<u>2,925,535,070</u>
9 PROJECTED ACCESS RATE PER MOU	LN 4/LN 5	<u>\$0.00896</u>

(1) - Includes bad debt expense of \$3,961,008

## PUBLIC VERSION

IOWA NETWORK SERVICES, INC.  
IOWA NETWORK ACCESS DIVISION  
EQUAL ACCESS MOU SUMMARY  
TRANSMITTAL NO. 30  
PROJECTED TEST PERIOD ENDED

SECTION 2  
SCHEDULE B

6/30/2014

PRO FORMA ALL CARRIERS	DAYS	TOTAL INTERSTATE		
		ORIGINATING MINUTES	TERMINATING MINUTES	REVENUES
7/1/2013 - 7/31/2013	31	24,999,984	257,217,846	\$2,528,671.76
8/1/2013 - 8/31/2013	31	23,444,850	241,217,509	\$2,371,374.74
9/1/2013 - 9/30/2013	30	22,036,323	226,725,561	\$2,228,906.48
10/1/2013 - 10/31/2013	31	22,325,900	229,704,940	\$2,258,196.32
11/1/2013 - 11/30/2013	30	21,279,392	218,937,718	\$2,152,345.31
12/1/2013 - 12/31/2013	31	21,730,334	223,577,332	\$2,197,956.69
1/1/2014 - 1/31/2014	31	21,510,940	221,320,048	\$2,175,765.65
2/1/2014 - 2/28/2014	28	19,261,358	198,174,729	\$1,948,227.34
3/1/2014 - 3/31/2014	31	21,177,825	217,892,716	\$2,142,072.04
4/1/2014 - 4/30/2014	30	20,355,717	209,434,274	\$2,058,918.31
5/1/2014 - 5/31/2014	31	20,909,849	215,135,592	\$2,114,967.15
6/1/2014 - 6/30/2014	30	20,123,125	207,041,209	\$2,035,392.43
TOTAL		259,155,599	2,666,379,472	\$26,212,794.23
		=====	=====	=====
3rd QUARTER		70,481,157	725,160,915	\$7,128,952.97
4th QUARTER		65,335,627	672,219,990	\$6,608,498.32
1st QUARTER		61,950,123	637,387,493	\$6,266,065.04
2nd QUARTER		61,388,691	631,611,074	\$6,209,277.90
TOTAL COMPANY		259,155,599	2,666,379,472	\$26,212,794.23

PUBLIC VERSION  
COST SUPPORT MATERIAL  
PART 69 COST ALLOCATION - TOTAL INTERSTATE  
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PUBLIC VERSION

COST SUPPORT MATERIAL  
PART 69 COST ALLOCATION - TOTAL INTERSTATE

A-1,1dfl

SUMMARY OF REVENUE REQUIREMENT BY ACCESS ELEMENT

A-1,1dfl

LN	AC	DESCRIPTION	TOTAL COMPANY	COMMON LINE		SWITCHING	TRAFFIC SENSITIVE			DEDICATED			SPECIAL ACCESS			IX CATEGORY	
				LIMITED PAY	COMMON LINE		INFO	COMMON TERM	TRANSPORT FACILITY	TRANSPORT FACILITY	CHANNEL MILEAGE ALLOCA TED	CHANNEL MILEAGE TERM	CHANNEL MILEAGE TERM	CHANNEL MILEAGE TERM	B&C	MSG	P.L.
1		NET INVESTMENT FOR SETTLEMENTS	2,333,129	0	0	0	1,535,269	0	797,860	0	0	0	0	0	0	0	0
2		RATE OF RETURN	11,2500%	11,2500%	11,2500%	11,2500%	11,2500%	11,2500%	11,2500%	11,2500%	11,2500%	11,2500%	11,2500%	11,2500%	11,2500%	11,2500%	11,2500%
3		RETURN ON INVESTMENT	262,477	0	0	0	172,718	0	89,759	0	0	0	0	0	0	0	0
4		ALLOW FOR FUNDS USED DURING CONSTR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5		NET RETURN FOR SETTLEMENTS	262,477	0	0	0	172,718	0	89,759	0	0	0	0	0	0	0	0
6		FEDERAL OPERATING INCOME TAX - ACTUAL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7		FEDERAL OPERATING INCOME TAX - OPTION	135,215	0	0	0	88,976	0	46,240	0	0	0	0	0	0	0	0
8		FEDERAL ITC AMORTIZATION	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9		STATE OPERATING INCOME TAX - ACTUAL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10		STATE OPERATING INCOME TAX - OPTION	45,012	0	0	0	29,619	0	15,393	0	0	0	0	0	0	0	0
11		STATE ITC AMORTIZATION	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12		PROVISION FOR DEFERRED INCOME TAX	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13		OPERATING EXPENSE & OTHER TAXES	21,783,632	0	0	0	5,179,847	0	2,691,900	13,911,885	0	0	0	0	0	0	0
14		NONOPERATING EXP	67,103	0	0	0	44,196	0	22,947	0	0	0	0	0	0	0	0
15		UNCOLLECTIBLES	3,961,008	0	0	0	2,606,463	0	1,354,545	0	0	0	0	0	0	0	0
16		BASIS FOR GROSS RECEIPTS TAX	26,254,447	0	0	0	8,121,779	0	4,220,783	13,911,885	0	0	0	0	0	0	0
17		GROSS RECEIPTS TAX RATE	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
18		GROSS RECEIPTS TAX	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19		TOTAL REVENUE REQUIREMENT	26,254,447	0	0	0	8,121,779	0	4,220,783	13,911,885	0	0	0	0	0	0	0

NOTE A: INCLUDES A-2,LN 31 LESS A/C 2004, TPUC - LONG TERM

*****																	
OPTIONAL GROSS UP INCOME TAX CALCULATION																	
20		RETURN ON INVESTMENT	262,477	0	0	0	172,718	0	89,759	0	0	0	0	0	0	0	0
21		INTEREST AND RELATED ITEMS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22		OTHER INCOME ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23		TOTAL INCOME ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24		RETURN LESS INCOME ADJ	262,477	0	0	0	172,718	0	89,759	0	0	0	0	0	0	0	0
25		FEDERAL ITC AMORTIZATION	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
26		FIT BASE	262,477	0	0	0	172,718	0	89,759	0	0	0	0	0	0	0	0
27		FEDERAL TAXABLE INCOME	397,692	0	0	0	261,694	0	135,999	0	0	0	0	0	0	0	0
28		FEDERAL INCOME TAX	135,215	0	0	0	88,976	0	46,240	0	0	0	0	0	0	0	0
29		FEDERAL SURTAX ALLOCATION	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30		NET FEDERAL TAX BEFORE ITC AMORT	135,215	0	0	0	88,976	0	46,240	0	0	0	0	0	0	0	0
31		STATE ITC AMORTIZATION	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
32		SIT BASE	397,692	0	0	0	261,694	0	135,999	0	0	0	0	0	0	0	0
33		STATE TAXABLE INCOME	451,923	0	0	0	297,379	0	154,544	0	0	0	0	0	0	0	0
34		STATE INCOME TAX	45,012	0	0	0	29,619	0	15,393	0	0	0	0	0	0	0	0
35		STATE SURTAX ALLOCATION	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
36		NET STATE INCOME TAX BEFORE ITC AMORT	45,012	0	0	0	29,619	0	15,393	0	0	0	0	0	0	0	0
37		FEDERAL TAX AT MAXIMUM RATE	135,215	0	0	0	88,976	0	46,240	0	0	0	0	0	0	0	0
38		INCOME ADJUSTMENT FOR FIT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

PUBLIC VERSION

COST SUPPORT MATERIAL  
PART 69 COST ALLOCATION - TOTAL INTERSTATE

A-2,1of1

SUMMARY OF TELEPHONE PLANT AND RESERVES

A-2,1of1

LN	A/C	DESCRIPTION	TOTAL COMPANY	COMMON LINE		SWITCHING	INFO	TRAFFIC SENSITIVE			DEDICATED		SPECIAL ACCESS		B&C	IX CATEGORY	
				LIMITED PAY	COMMON LINE			COMMON TERM	COMMON FACILITY	TRANSPORT	CHANNEL MILEAGE ALLOCATED	CHANNEL MILEAGE TERM	MSG	P.L.			
NET INVESTMENT SUMMARY																	
1		GENERAL SUPPORT FACILITIES	6,506,998	0	0	4,281,801	0	2,225,197	0	0	0	0	0	0	0	0	0
2		CENTRAL OFFICE SWITCHING	27,440,760			18,056,849		9,383,911								0	0
3		OPERATOR SYSTEMS	0			0	0	0								0	0
4		CENTRAL OFFICE TRANSMISSION	0								0	0	0	0		0	0
5		INFORMATION ORIG/TERM	0														
6		CABLE AND WIRE FACILITIES	0														
7		TANGIBLE ASSETS	1,084,474														
8		INTANGIBLE ASSETS	0														
9		TOTAL PLANT IN SERVICE	35,032,232	0	0	23,052,267	0	11,979,965	0	0	0	0	0	0	0	0	0
10		% DISTRIBUTION	100.00000%	0.00000%	0.00000%	65.8030%	0.0000%	34.1970%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
11		PROPERTY HELD FOR FUTURE USE	0														
12		PLANT UNDER CONSTRUCT - SHORT TERM	0														
13		PLANT UNDER CONSTRUCT - LONG TERM	0														
14		TELEPHONE PLANT ADJUSTMENT	0														
15		TOTAL PROPERTY PLANT & EQUIP.	35,032,232	0	0	23,052,267	0	11,979,965	0	0	0	0	0	0	0	0	0
16		% DISTRIBUTION	100.00000%	0.00000%	0.00000%	65.8030%	0.0000%	34.1970%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
17		ACCUM DEPRECIATION - PLANT IN SERVICE	31,230,617			20,550,690		10,679,927									
18		ACCUM DEPRECIATION - FUTURE USE	0														
19		ACCUM AMORTIZATION - TANGIBLE PROPERTY	1,084,474			713,617		370,857									
20		ACCUM AMORTIZATION - INTANGIBLE PROP.	0														
21		ACCUM AMORTIZATION - TEL PLANT ADJ.	0														
22		OPERATING DEFERRED INCOME TAX	1,117,838			735,571		382,267									
23		OTHER DEFERRED CREDITS - NET	0														
24		NET TELEPHONE PLANT	1,599,303			1,052,390		546,913									
25		% DISTRIBUTION	100.00000%	0.00000%	0.00000%	65.8030%	0.0000%	34.1970%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
26		MATERIALS AND SUPPLIES	0														
27		RTB STOCK	0														
28		EQUAL ACCESS EQUIPMENT	0														
29		OTHER JURISDICTIONAL ASSETS	0														
30		CASH WORKING CAPITAL	733,826			482,880		250,946									
31		NET TELEPHONE PLANT M&S AND CASH WORKING CAPITAL	2,333,129	0	0	1,535,269	0	797,860	0	0	0	0	0	0	0	0	0
32		% DISTRIBUTION	100.00000%	0.00000%	0.00000%	65.8030%	0.0000%	34.1970%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%



PUBLIC VERSION

COST SUPPORT MATERIAL  
PART 69 COST ALLOCATION - TOTAL INTERSTATE

A-3.1d1

GENERAL SUPPORT FACILITIES AND MISCELLANEOUS PLANT ALLOCATION

A-3.1d1

LN	A/C	DESCRIPTION	TOTAL COMPANY	SOURCE	COMMON LINE			SWITCHING	INFO	TRAFFIC SENSITIVE			DEDICATED			SPECIAL ACCESS			B&C	IX CATEGORY	
					LIMITED PAY	COMMON LINE				COMMON TERM	COMMON FACILITY	COMMON TRANSPORT	TRANSPORT FACILITY	TRANSPORT	ALLOCATED	CHANNEL MILEAGE	CHANNEL MILEAGE	TERM		MSG	P.L.
1		BASIS FOR GENERAL SUPPORT FACILITIES	27,440,760	A-4,LN 42	0	0	0	18,056,849	0	9,383,911	0	0	0	0	0	0	0	0	0		
2		CENTRAL OFFICE EQUIPMENT	0	A-5,LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
3		INFORMATION ORIG/TERM	0	A-5,LN 23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
4		CWF EXCL CAT 1,3	27,440,760		0	0	0	18,056,849	0	9,383,911	0	0	0	0	0	0	0	0	0		
5		TOTAL	100.00000%		0.00000%	0.00000%	0.00000%	65,8030%	0.0000%	34,1970%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%		
		% DISTRIBUTION																			
GENERAL SUPPORT ASSETS																					
6a		ALLOCATED	6,506,998	LN 5	0	0	0	4,281,801	0	2,225,197	0	0	0	0	0	0	0	0	0	0	0
6b		DIRECT NON ACCESS	0	DIRECT	0	0	0	4,281,801	0	2,225,197	0	0	0	0	0	0	0	0	0	0	0
6c		TOTAL GENERAL SUPPORT ASSETS	6,506,998		0.00000%	0.00000%	0.00000%	65,8030%	0.0000%	34,1970%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
7		% DISTRIBUTION	100.00000%																		
8		EQUAL ACCESS EQUIPMENT	0	DIRECT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9		COE/IOT,CWF, GENERAL SUPPORT	33,947,758		0	0	0	22,338,650	0	11,609,107	0	0	0	0	0	0	0	0	0	0	0
10		AND EQUAL ACCESS EQUIPMENT	100.00000%		0.00000%	0.00000%	0.00000%	65,8030%	0.0000%	34,1970%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
		% DISTRIBUTION																			
11		TANGIBLE ASSETS	0	LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12		CAPITAL LEASES	0	LN 10	0	0	0	713,617	0	370,857	0	0	0	0	0	0	0	0	0	0	0
13		LEASEHOLD IMPROVEMENTS	1,084,474		0	0	0	713,617	0	370,857	0	0	0	0	0	0	0	0	0	0	0
14		TOTAL	1,084,474		0	0	0	713,617	0	370,857	0	0	0	0	0	0	0	0	0	0	0
15		INTANGIBLE ASSETS	0	LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16		MATERIALS AND SUPPLIES	0	LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17		RTB STOCK	0	LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18		OTHER JURISDICTIONAL ASSETS	0	LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19		COE/IOT,CWF, GEN SUPP & EQUAL ACCESS	33,947,758		0	0	0	22,338,650	0	11,609,107	0	0	0	0	0	0	0	0	0	0	0
20		FOR APPORTIONING PRESUBSCRIPTION	100.00000%		0.00000%	0.00000%	0.00000%	65,8030%	0.0000%	34,1970%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
		% DISTRIBUTION																			
21		COE/IOT & CWF EXCL CCL FOR ASSIGNING	27,440,760		0	0	0	18,056,849	0	9,383,911	0	0	0	0	0	0	0	0	0	0	0
22		CARRIER ACCESS BILLING EXPENSES	100.00000%		0.00000%	0.00000%	0.00000%	65,8030%	0.0000%	34,1970%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
		% DISTRIBUTION																			

A-4.1d2

CENTRAL OFFICE EQUIPMENT ALLOCATION

A-4.1d2

LN	A/C	DESCRIPTION	TOTAL COMPANY	SOURCE	COMMON LINE		TRAFFIC SENSITIVE				SPECIAL ACCESS				IX CATEGORY		
					LIMITED PAY	COMMON LINE	SWITCHING	INFO	COMMON TRANSPORT		CHANNEL MILEAGE		B&C	MSG	P.L.		
									TERM	FACILITY	TRANSPORT	ALLOCATED				TERM	FACILITY
ALLOCATION FACTORS																	
1		STANDARD WORK SECONDS															
2		- MANUAL BOARDS	100.0000%	AL-1, LN 9			0.0000%		0.0000%							100.0000%	
3		- TSPS COMPLEX	100.0000%	AL-1, LN 10			0.0000%		0.0000%							100.0000%	
4		EQUIVALENT ACCESS LINES - MSG COE	0.0000%	AL-1 LN 2													
5		IX CIRCUIT TERMINATIONS - MSG COE	100.0000%	AL-1 LN 6	0.0000%	0.0000%		100.0000%		0.0000%							
CENTRAL OFFICE EQUIPMENT																	
6	2220	OPERATOR SYSTEMS															
7		MANUAL SWITCHBOARDS	0	LN 2			0	0								0	
8		AUXILIARY SWITCHBOARDS															
9		- DIRECTORY ASSISTANCE	0	DIRECT				0									
10		- INTERCEPT	0	DIRECT				0								0	
11		- OTHER	0	DIRECT												0	
12		SERVICE OBSERVING BOARDS	0	LN 27				0	0		0					0	
13		TSPS															
14		- OPERATOR	0	LN 3				0	0							0	
15		- RTA	0	LN 27				0	0							0	
16		- OTHER	0	LN 27				0	0							0	
17		TOTAL OPERATOR SYSTEMS	0					0	0		0					0	
18		2210 TANDEM SWITCHING EQUIPMENT															
19		ACCESS	9,383,911	DIRECT					9,383,911								0
20		NON ACCESS	0	DIRECT													0
21		TOTAL TANDEM SWITCH	9,383,911						9,383,911								
22		2210 LOCAL SWITCHING EQUIPMENT															
23		ACCESS	18,056,849	DIRECT				18,056,849									
24		DEDICATED	0	DIRECT													
25		TOTAL LOCAL SWITCH	18,056,849					18,056,849									
26		TOTAL CAT1 EXCL SVC OBS, CAT 2 AND 3	27,440,760					18,056,849	0	9,383,911		0				0	
27		% DISTRIBUTION	100.0000%	LN 26				65.8030%	0.0000%	34.1970%		0.0000%				0.0000%	

PUBLIC VERSION

COST SUPPORT MATERIAL  
PART 69 COST ALLOCATION - TOTAL INTERSTATE

A-4.2d2

CENTRAL OFFICE EQUIPMENT ALLOCATION

A-4.2d2

LN	A/C	DESCRIPTION	COMMON LINE		SOURCE	TRAFFIC SENSITIVE			DEDICATED			SPECIAL ACCESS			B&C		IX CATEGORY	
			LIMITED PAY	COMMON LINE		SWITCHING	INFO	COMMON TERM	TRANSPORT FACILITY	TRANSPORT	ALLOCATED	CHANNEL MILEAGE	TERM	FACILITY			MSG	P.L.
28		2230 CENTRAL OFFICE TRANSMISSION																
29		EXCHANGE WIDEBAND			0									0				
30		EXCHANGE TRUNK - BASIC			0									0				
31		EXCHANGE TRUNK - SPECIAL			0									0				
32		SUBSCRIBER LINE - SPECIAL		0	0					0			0					
33		INTEREXCHANGED CIRCUIT																
34		FURNISHED OTHERS			0									0				
35		ACCESS - BASIC			0									0				
36		ACCESS - SPECIAL			0									0				
37		NON ACCESS			0									0				
38		TOTAL IX CIRCUIT			0									0				
39		HOST/REMOTE CIRCUIT			0									0				
40		EQUIPMENT RENTED OTHERS			0									0				
41		TOTAL CENTRAL OFFICE TRANSMISSION		0	0									0				
42		TOTAL CENTRAL OFFICE EQUIPMENT	0	0	27,440,760	18,056,849	0	9,383,911		0	0	0	0	0	0	0	0	0
43		% DISTRIBUTION	0.0000%	0.0000%	100.0000%	65.8030%	0.0000%	34.1970%		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
COE RATIOS																		
44		OPERATOR SYSTEMS			0.0000%	0.0000%	0.0000%	0.0000%		0.0000%							0.0000%	
45		TANDEM SWITCHING			100.0000%			100.0000%									0.0000%	
46		LOCAL SWITCHING			100.0000%					0.0000%							0.0000%	
47		CENTRAL OFFICE SWITCHING			100.0000%	65.8030%		34.1970%		0.0000%							0.0000%	
48		CENTRAL OFFICE TRANSMISSION		0.0000%	0.0000%			100.0000%		0.0000%	0.0000%		0.0000%				0.0000%	

PUBLIC VERSION

COST SUPPORT MATERIAL  
PART 69 COST ALLOCATION - TOTAL INTERSTATE

A-5.1d1

INFORMATION ORIGINATOR/TERMINATION AND CABLE AND WIRE FACILITIES

A-5.1d1

LN	AC	DESCRIPTION	TOTAL COMPANY	COMMON LINE		SWITCHING	TRAFFIC SENSITIVE			DEDICATED		SPECIAL ACCESS		B&C	IX CATEGORY	
				LIMITED PAY	COMMON LINE		COMMON TERM	TRANSPORT FACILITY	INFO	TRANSPORT FACILITY	TRANSPORT	CHANNEL ALLOCATED	CHANNEL MILEAGE		MSG	P.L.
1		ALLOCATION FACTORS														
2		EQUIVALENT ACCESS LINES - MSG CWF	0.0000%	0.0000%	0.0000%						0.0000%	0.0000%				
3	2310	IX CIRCUIT MILES - MSG CWF	100.0000%							100.0000%	0.0000%					
4		INFORMATION ORIGINATOR														
5		OTHER IOT EQUIPMENT														
6		COIN PUBLIC TELEPHONE	0													
7		COINLESS PUBLIC TELEPHONE	0	0												
8		OTHER	0	0									0			
9		SUBTOTAL	0	0									0			
10		NEW CUSTOMER PREMISE EQUIP	0	0									0			
11		TOTAL ORIG/TERM EQUIP	0	0									0			
		% DISTRIBUTION	0.0000%	0.0000%									0.0000%			
12	2410	CABLE AND WIRE FACILITIES														
13		SUBSCRIBER LINE	0	0								0				
14		EXCHANGE WIDEBAND	0							0						
15a		EXCHANGE TRUNK - BASIC	0							0						
15b		EXCHANGE TRUNK - SPECIAL	0							0						
16		INTEREXCHANGE WIDEBAND	0							0						
17a		IX TRUNK - ACCESS	0							0						
17b		IX TRUNK - SPECIAL	0							0						
18		IX TRUNK - NON ACCESS	0							0					0	0
19		HOST/REMOTE	0							0					0	0
20		EQUIPMENT FURNISHED OTHERS	0							0					0	0
21		TOTAL CABLE AND WIRE FACILITIES	0	0						0					0	0
22		% DISTRIBUTION	100.0000%	0.0000%						100.0000%	0.0000%	0.0000%	0.0000%		0.0000%	0.0000%
23		TOTAL CWF EXCLUDING CAT 1.3	0	0						0					0	0
24		% DISTRIBUTION	100.0000%	0.0000%						100.0000%	0.0000%	0.0000%	0.0000%		0.0000%	0.0000%

PUBLIC VERSION

COST SUPPORT MATERIAL  
PART 69 COST ALLOCATION - TOTAL INTERSTATE

A-6.1d1

OTHER TELECOMMUNICATIONS PLANT ALLOCATION

A-6.1d1

LN	A/C	DESCRIPTION	TOTAL COMPANY	COMMON LINE		SWITCHING	INFO	TRAFFIC SENSITIVE			DEDICATED			SPECIAL ACCESS			B&C		IX CATEGORY	
				LIMITED PAY	COMMON LINE			COMMON TERM	FACILITY	TRANSPORT	TRANSPORT	ALLOCATED	TERM	CHANNEL MILEAGE	TERM	FACILITY	MSG	P.L.		
OTHER TELECOMMUNICATIONS PLANT																				
1	2002	PROPERTY HELD FOR FUTURE USE																		
2		GENERAL SUPPORT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3		CENTRAL OFFICE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4		CABLE AND WIRE FACILITIES	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5		UNDISTRIBUTED	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6		TOTAL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7		% DISTRIBUTION	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
PLANT UNDER CONSTR. - SHORT TERM																				
8	2003	GENERAL SUPPORT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9		CENTRAL OFFICE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10		CABLE AND WIRE FACILITIES	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11		UNDISTRIBUTED	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12		TOTAL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13		% DISTRIBUTION	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
PLANT UNDER CONSTR. - LONG TERM																				
15	2004	GENERAL SUPPORT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16		CENTRAL OFFICE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17		CABLE AND WIRE FACILITIES	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18		UNDISTRIBUTED	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19		TOTAL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20		% DISTRIBUTION	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
TELECOMMUNICATIONS PLANT ADJUST.																				
22	2005	GENERAL SUPPORT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23		CENTRAL OFFICE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24		CABLE AND WIRE FACILITIES	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25		UNDISTRIBUTED	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
26		TOTAL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27		% DISTRIBUTION	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
28																				

PUBLIC VERSION

COST SUPPORT MATERIAL  
PART 69 COST ALLOCATION - TOTAL INTERSTATE

ACCUMULATED DEPRECIATION, AMORTIZATION AND DEFERRED INCOME TAXES

A-7.1d1

LN	A/C	DESCRIPTION	TOTAL COMPANY	SOURCE	COMMON LINE		SWITCHING	INFO	TRAFFIC SENSITIVE		DEDICATED TRANSPORT	SPECIAL ACCESS				IX CATEGORY	
					LIMITED PAY	COMMON LINE			COMMON TERM	TRANSPORT FACILITY		CHANNEL MILEAGE ALLOCATED	CHANNEL MILEAGE TERM	CHANNEL MILEAGE FACILITY	B&C	MSG	P.L.
1	3100	ACCUM DEPRECIATION - PLANT IN SERVICE															
2		GENERAL SUPPORT	5,629,906	A-3.LN 10	0	0	3,704,648	0	1,925,258	0	0	0	0	0	0	0	0
3		CENTRAL OFFICE SWITCHING EQUIPMENT	25,900,711	A-3.LN 10	0	0	16,846,042	0	8,754,670	0	0	0	0	0	0	0	0
4		OPERATOR SYSTEMS EQUIPMENT	0	A-3.LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0
5		CENTRAL OFFICE TRANSMISSION	0	A-3.LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0
6		UNIDISTRIBUTED COE	0	A-3.LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0
7		INFORMATION ORIG/TERM	0	A-3.LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0
8		CABLE AND WIRE FACILITIES	0	A-3.LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0
9		TOTAL ACCUM DEPR - TPIS	31,230,617		0	0	20,550,690	0	10,679,927	0	0	0	0	0	0	0	0
10	3200	ACCUM DEPRECIATION - FUTURE USE	31,230,617	A-3.LN 10	0	0	20,550,690	0	10,679,927	0	0	0	0	0	0	0	0
11		TOTAL ACCUM DEPRECIATION	100,00000%		0.00000%	0.00000%	65,8030%	0.0000%	34,1970%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0	0.0000%	0.00000%
12		% DISTRIBUTION															
ACCUMULATED AMORTIZATION																	
13	3400	TANGIBLE ASSETS															
14		CAPITAL LEASES	0	A-3.LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0
15		LEASEHOLD IMPROVEMENTS	1,084,474	A-3.LN 10	0	0	713,617	0	370,857	0	0	0	0	0	0	0	0
16		UNIDISTRIBUTED	0	A-3.LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0
17		TOTAL ACCUM AMORT - TANGIBLE	1,084,474		0	0	713,617	0	370,857	0	0	0	0	0	0	0	0
18	3500	INTANGIBLE ASSETS	0	A-3.LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0
19		TELEPHONE PLANT ADJUSTMENT	0	A-3.LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0
20	3600	TOTAL ACCUM AMORTIZATION	1,084,474		0	0	713,617	0	370,857	0	0	0	0	0	0	0	0
21		% DISTRIBUTION	100.00000%		0.00000%	0.00000%	65,8030%	0.0000%	34,1970%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0	0.0000%	0.00000%
NET OPERATING DEFERRED INC TAX																	
22	4100&	GENERAL SUPPORT	0	A-3.LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0
23	4340	CENTRAL OFFICE EQUIP	0	A-3.LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0
24		INFORMATION ORIG/TERM	0	A-3.LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0
25		CABLE AND WIRE FACILITIES	0	A-3.LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0
26		UNIDISTRIBUTED	1,117,838	A-3.LN 10	0	0	735,571	0	382,267	0	0	0	0	0	0	0	0
27		TOTAL NET DEFERRED INC TAX	1,117,838		0	0	735,571	0	382,267	0	0	0	0	0	0	0	0
28		% DISTRIBUTION	100.00000%		0.00000%	0.00000%	65,8030%	0.0000%	34,1970%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0	0.0000%	0.00000%
29																	
OTHER DEFERRED CREDITS - NET																	
30	4360	GENERAL SUPPORT	0	A-3.LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0
31		CENTRAL OFFICE EQUIP	0	A-3.LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0
32		INFORMATION ORIG/TERM	0	A-3.LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0
33		CABLE AND WIRE FACILITIES	0	A-3.LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0
34		UNIDISTRIBUTED	0	A-3.LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0
35		TOTAL OTHER DEFERRED CREDITS	0		0.00000%	0.00000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0	0.0000%	0.00000%
36		% DISTRIBUTION															
37			0.00000%		0.00000%	0.00000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0	0.0000%	0.00000%

PUBLIC VERSION

COST SUPPORT MATERIAL  
PART 69 COST ALLOCATION - TOTAL INTERSTATE

SUMMARY OF OPERATING EXPENSE AND TAX AND MISCELLANEOUS TAX ITEMS

A-8.1d1

LN	AC	DESCRIPTION	TOTAL COMPANY	COMMON LINE		SWITCHING	INFO	TRAFFIC SENSITIVE			DEDICATED TRANSPORT		CHANNEL MILEAGE		B&C	IX CATEGORY	
				LIMITED PAY	COMMON LINE			COMMON	TERM	FACILITY	TRANSPORT	ALLOCATED	TERM	CHANNEL MILEAGE		MSG	P.L.
1	6110	OPERATING EXPENSE AND TAX	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2	6120	NETWORK SUPPORT EXPENSE	1,285,029	0	0	0	0	0	440,457	0	0	0	0	0	0	0	0
3	6210	GENERAL SUPPORT EXPENSE	1,179,991	0	0	0	0	0	403,521	0	0	0	0	0	0	0	0
4	6310	GENERAL OFFICE EXPENSE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	6410	INFORMATION ORG/TERM EXP	0	0	0	0	0	0	0	11,669,499	0	0	0	0	0	0	0
6	6510	CABLE AND WIRE FACILITIES EXP	11,669,499	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7	6530	OTHER PLANT EXPENSE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	6540	NETWORK OPERATIONS EXPENSE	999,366	0	0	0	0	0	341,753	0	0	0	0	0	0	0	0
9	6610	ACCESS CHARGE EXPENSE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	6620	MARKETING EXPENSE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	6630	SERVICES EXPENSE	55,899	0	0	0	0	0	19,116	0	0	0	0	0	0	0	0
12	6710	EXECUTIVE AND PLANNING EXP	1,153,526	0	0	0	0	0	91,480	886,017	0	0	0	0	0	0	0
13	6720	GENERAL AND ADMINISTRATIVE EXP	1,765,887	0	0	0	0	0	140,043	1,356,369	0	0	0	0	0	0	0
14	6730	SUB TOTAL OPERATING EXPENSE	18,112,198	0	0	0	0	0	1,436,380	13,911,885	0	0	0	0	0	0	0
15	6560	% DISTRIBUTION	100,0000%	0.00000%	0.00000%	0.0000%	0.0000%	0.0000%	7,9305%	76,8095%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
16	7200	DEPRECIATION AND AMORTIZATION	3,482,111	0	0	0	0	0	1,190,777	0	0	0	0	0	0	0	0
17		OTHER OPERATING TAX	189,323	0	0	0	0	0	64,743	0	0	0	0	0	0	0	0
18		EQUAL ACCESS EXPENSE	0	0	0	0	0	0	2,691,900	13,911,885	0	0	0	0	0	0	0
19		TOTAL OPERATING EXP & TAX	21,783,632	0.00000%	0.00000%	23.7786%	0.0000%	0.0000%	12.3574%	63.8639%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
20		% DISTRIBUTION	100,0000%														
21	7370	NON OPERATING EXPENSE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22		ABANDONED CONSTRUCTION	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23		CONTRIBUTIONS	67,103	0	0	44,156	0	0	22,947	0	0	0	0	0	0	0	0
24		TOTAL NON OPERATING EXP	67,103	0	0	44,156	0	0	22,947	0	0	0	0	0	0	0	0
25		UNCOLLECTIBLES	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
26	5310	END USER MSG TOLL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27	5320	END USER COMMON LINE	3,961,008	0	0	2,606,463	0	0	1,354,545	0	0	0	0	0	0	0	0
28	5330	IX CARRIER	3,961,008	0	0	2,606,463	0	0	1,354,545	0	0	0	0	0	0	0	0
29	7340	TOTAL UNCOLLECTIBLES	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

PUBLIC VERSION

COST SUPPORT MATERIAL  
PART 69 COST ALLOCATION - TOTAL INTERSTATE

A-9,1df1

PLANT SPECIFIC EXPENSE ALLOCATION

A-9,1df1

LN	A/C	DESCRIPTION	TOTAL COMPANY	SOURCE	COMMON LINE		SWITCHING	INFO	TRAFFIC SENSITIVE		DEDICATED		SPECIAL ACCESS				IX CATEGORY	
					LIMITED PAY	COMMON LINE			COMMON TERM	FACILITY	TRANSPORT	TRANSPORT	INEL TERMINATION ALLOCATED	TERM	CHANNEL MILEAGE TERM	FACILITY	B&C	MSG
1		BASIS FOR NETWORK SUPPORT EXPENSE	33,947,758	VARIOUS	0	0	22,338,650	0	11,609,107	0	0	0	0	0	0	0	0	0
2		GEN SUPPORT, COE LOT AND C&WF	0	A-3,LN 8	0	0	0	0	11,609,107	0	0	0	0	0	0	0	0	0
3		EQUAL ACCESS EQUIPMENT	33,947,758		0	0	22,338,650	0	11,609,107	0	0	0	0	0	0	0	0	0
4		TOTAL	100.0000%		0.0000%	0.0000%	65.8030%	0.0000%	34.1970%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
		% DISTRIBUTION																
PLANT SPECIFIC EXPENSES																		
5		GENERAL SUPPORT EXPENSES																
6	6110	NETWORK SUPPORT	0	LN 4	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7	6120	GENERAL SUPPORT	1,288,029	A-3,LN 7	0	0	847,562	0	440,467	0	0	0	0	0	0	0	0	0
8		TOTAL GENERAL SUPPORT EXP	1,288,029		0.0000%	0.0000%	847,562	0	440,467	0	0	0	0	0	0	0	0	0
9		% DISTRIBUTION	100.0000%		0.0000%	0.0000%	65.8030%	0.0000%	34.1970%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
10		CENTRAL OFFICE EXPENSE																
11	6210	CENTRAL OFFICE SWITCHING EXPENSE	1,179,991	A-4,LN 43	0	0	776,470	0	403,521	0	0	0	0	0	0	0	0	0
12	6220	OPERATOR SYSTEMS EXPENSE	0	A-4,LN 43	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	6230	CENTRAL OFFICE TRANSMISSION EXPENSE	0	A-4,LN 43	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14		UNDISTRIBUTED	0	A-4,LN 43	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15		TOTAL CENTRAL OFFICE EXPENSE	1,179,991		0	0	776,470	0	403,521	0	0	0	0	0	0	0	0	0
16		% DISTRIBUTION	100.0000%		0.0000%	0.0000%	65.8030%	0.0000%	34.1970%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
17		INFORMATION ORIG/TERM EXPENSE																
18	6310	COIN PAY TELEPHONE	0	DIRECT	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19		COINLESS PAY TELEPHONE	0	DIRECT	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20		OTHER	0	DIRECT	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21		CPE	0	DIRECT	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22		TOTAL INFORMATION ORIG/TERM EXP	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0
23		% DISTRIBUTION	0.0000%		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
24	6410	CABLE AND WIRE FACILITIES EXPENSE	11,669,499	A-5,LN 22	0	0	11,669,499	0	0	0	0	0	0	0	0	0	0	0
25		TOTAL PLANT SPECIFIC EXPENSE	14,137,519		0	0	1,624,032	0	843,988	0	0	0	0	0	0	0	0	0
26		% DISTRIBUTION	100.0000%		0.0000%	0.0000%	11.4874%	0.0000%	5.9698%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%



PUBLIC VERSION

COST SUPPORT MATERIAL  
PART 69 COST ALLOCATION - TOTAL INTERSTATE

A-10,1of1

PLANT NON SPECIFIC EXPENSE ALLOCATION

A-10,1of1

LN	A/C	DESCRIPTION	TOTAL COMPANY	COMMON LINE		SOURCE	TRAFFIC SENSITIVE		SWITCHING	INFO	COMMON TRANSPORT		DEDICATED		SPECIAL ACCESS				IX CATEGORY	
				LIMITED PAY	COMMON LINE		TERM	FACILITY			TRANSPORT	CHANNEL MILEAGE	CHANNEL MILEAGE	TERM	TERM	TERM	FACILITY	B&C	MSG	P.L.
1		CENTRAL OFFICE EQUIPMENT	27,440,760	0	0	A-4,LN 38	0	18,056,849	0	9,383,911	0	0	0	0	0	0	0	0	0	
2		INFORMATION ORIG/TERM	0	0	0	A-5,LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	
3		CABLE AND WIRE FACILITIES	0	0	0	A-5,LN 21	0	18,056,849	0	9,383,911	0	0	0	0	0	0	0	0	0	
4		TOTAL	27,440,760	0	0		0	18,056,849	0	9,383,911	0	0	0	0	0	0	0	0	0	
5		% DISTRIBUTION	100.0000%	0.0000%	0.0000%		0.0000%	65.8030%	0.0000%	34.1970%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	
PLANT NONSPECIFIC EXPENSE																				
6	6510	OTHER PROP PLANT & EQUIP EXPENSE	0	0	0	LN 5	0	0	0	0	0	0	0	0	0	0	0	0	0	
7	6530	NETWORK OPERATIONS EXPENSE	999,366	0	0	LN 5	0	657,613	0	341,753	0	0	0	0	0	0	0	0	0	
8	6540	ACCESS CHARGE EXPENSE	0	0	0	DIRECT	0	0	0	0	0	0	0	0	0	0	0	0	0	
DEPRECIATION EXPENSE																				
9	6560	GENERAL SUPPORT	680,248	0	0	A-3,LN 7	0	447,624	0	232,624	0	0	0	0	0	0	0	0	0	
10		CENTRAL OFFICE SWITCHING EQUIPMENT	2,733,416	0	0	A-4,LN 47	1,798,670	0	934,746	0	0	0	0	0	0	0	0	0	0	
11		OPERATOR SYSTEMS EQUIPMENT	0	0	0	A-4,LN 44	0	0	0	0	0	0	0	0	0	0	0	0	0	
12		CENTRAL OFFICE TRANSMISSION	0	0	0	A-4,LN 48	0	0	0	0	0	0	0	0	0	0	0	0	0	
13		UNDISTRIBUTED COE	0	0	0	A-4,LN 43	0	0	0	0	0	0	0	0	0	0	0	0	0	
14		INFORMATION ORIG/TERM	0	0	0	A-5,LN 11	0	0	0	0	0	0	0	0	0	0	0	0	0	
15		CABLE AND WIRE FACILITIES	0	0	0	A-5,LN 22	0	0	0	0	0	0	0	0	0	0	0	0	0	
16		TOTAL DEP EXP - PLANT IN SERVICE	3,413,664	0	0		0	2,246,294	0	1,167,370	0	0	0	0	0	0	0	0	0	
17		PROPERTY HELD FOR FUTURE USE	0	0	0	A-6,LN 7	0	0	0	0	0	0	0	0	0	0	0	0	0	
18		TOTAL DEPRECIATION EXPENSE	3,413,664	0	0		0	2,246,294	0	1,167,370	0	0	0	0	0	0	0	0	0	
19		% DISTRIBUTION	100.0000%	0.0000%	0.0000%		0.0000%	65.8030%	0.0000%	34.1970%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	
AMORTIZATION EXPENSE																				
21	6563	CAPITAL LEASE	0	0	0	A-3,LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	
22		LEASEHOLD IMPROVEMENTS	68,447	0	0	A-3,LN 10	0	45,040	0	23,407	0	0	0	0	0	0	0	0	0	
23	6563	UNDISTRIBUTED	0	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	
24		SUBTOTAL	68,447	0	0		0	45,040	0	23,407	0	0	0	0	0	0	0	0	0	
25	6564	INTANGIBLE ASSETS	0	0	0	A-3,LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	
26		OTHER - TEL PLANT ADJUSTMENT	0	0	0	A-6,LN 28	0	0	0	0	0	0	0	0	0	0	0	0	0	
27	6565	TOTAL AMORTIZATION EXPENSE	68,447	0	0		0	45,040	0	23,407	0	0	0	0	0	0	0	0	0	
28		% DISTRIBUTION	100.0000%	0.0000%	0.0000%		0.0000%	65.8030%	0.0000%	34.1970%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	
TOTAL PLANT NON SPECIFIC EXPENSE																				
29			4,481,477	0	0		0	2,948,947	0	1,532,530	0	0	0	0	0	0	0	0	0	
30		% DISTRIBUTION	100.0000%	0.0000%	0.0000%		0.0000%	65.8030%	0.0000%	34.1970%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	

PUBLIC VERSION

COST SUPPORT MATERIAL  
PART 69 COST ALLOCATION - TOTAL INTERSTATE

A-11,1of1

CUSTOMER OPERATIONS EXPENSE ALLOCATION

A-11,1of1

LN	AC	DESCRIPTION	TOTAL COMPANY	COMMON LINE		SWITCHING	INFO	TRAFFIC SENSITIVE			DEDICATED		SPECIAL ACCESS		B&C	IX CATEGORY	
				LIMITED PAY	COMMON LINE			COMMON TERM	TRANSPORT FACILITY	TRANSPORT FACILITY	TRANSPORT	ALLOCATED	CHANNEL MILEAGE TERM	CHANNEL MILEAGE FACILITY		MSG	P.L.
1	6610	CUSTOMER OPERATIONS EXPENSES															
2		MARKETING OPERATOR SERVICES			0	0	0	0	0	0	0	0	0	0	0	0	0
3	6621	- TELEPHONE OPERATOR SERVICES															
4		- CALL COMPLETION INCL DA	0		0	0	0									0	
5	6622	- OPERATOR SERVICES UNDER CONTRACT	0		0	0	0									0	
6	6623	- PUBLISHED DIRECTORY LISTINGS	0		0	0	0										
7		ALL OTHER															
8	1.0	LOCAL BUSINESS OFFICE															
9		- END USER SVC ORDER PROCESSING															
10		- PRESUBSCRIPTION			0	0	0	0	0	0	0	0	0	0	0	0	0
11		- OTHER															
12		- END USER PAYMENT & COLLECTION			0	0	0								0	0	0
13		- END USER BILLING INQUIRY			0	0	0								0	0	0
14		- IX CARRIER SVC ORDER PROCESSING			0	0	0	0	0	0	0	0	0	0	0	0	0
15		- IX CARRIER PAYMENT & COLLECTION	54,939		0	0	0	18,788	0	0	0	0	0	0	0	0	0
16		- IX CARRIER BILLING INQUIRY	0		0	0	0	0	0	0	0	0	0	0	0	0	0
17		- COIN COLLECT AND ADMINISTRATION	0		0	0	0	0	0	0	0	0	0	0	0	0	0
18		SUBTOTAL LOCAL BUSINESS OFFICE	54,939		0	0	0	18,788	0	0	0	0	0	0	0	0	0
19	2.0	CUSTOMER SERVICES (REV ACCTG)															
20		- MESSAGE PROCESSING															
21		- TOLL TICKET PROCESSING	0		0	0	0	0	0	0	0	0	0	0	0	0	0
22		- LOCAL MESSAGE PROCESSING	0		0	0	0	0	0	0	0	0	0	0	0	0	0
23		- OTHER BILLING & COLLECTION	0		0	0	0	0	0	0	0	0	0	0	0	0	0
24		- END USER COMMON LINE	0		0	0	0	0	0	0	0	0	0	0	0	0	0
25		- CARRIER ACCESS BILLING (CABS)	917		0	603	0	314	0	0	0	0	0	0	0	0	0
26		SUBTOTAL CUSTOMER SERVICES	55,856		0	603	0	314	0	0	0	0	0	0	0	0	0
27		TOTAL CAT 1 AND CAT 2	100,000.00%		0	36,755	0	19,101	0	0	0	0	0	0	0	0	0
28		% DISTRIBUTION			0.0000%	65.8030%	0.0000%	34.1970%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
29		ALL OTHER CUSTOMER SERVICE	43		0	28	0	15	0	0	0	0	0	0	0	0	0
30		TOTAL SERVICES EXPENSE	55,899		0	36,783	0	19,116	0	0	0	0	0	0	0	0	0
31		% DISTRIBUTION			0.0000%	65.8030%	0.0000%	34.1970%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
32		TOTAL CUSTOMER OPERATIONS EXPENSE	55,899		0	36,783	0	19,116	0	0	0	0	0	0	0	0	0
33		% DISTRIBUTION			0.0000%	65.8030%	0.0000%	34.1970%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
34		CUSTOMER OPERATIONS EXCL MARKETING	55,856		0	36,755	0	19,101	0	0	0	0	0	0	0	0	0
		% DISTRIBUTION			0.0000%	65.8030%	0.0000%	34.1970%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%

PUBLIC VERSION

COST SUPPORT MATERIAL  
PART 69 COST ALLOCATION - TOTAL INTERSTATE

A-12, 1of1

CORPORATE OPERATIONS EXPENSE ALLOCATION

A-12, 1of1

LN	AC	DESCRIPTION	TOTAL COMPANY	COMMON LINE		SWITCHING	INFO	TRAFFIC SENSITIVE			DEDICATED		SPECIAL ACCESS				B&C		IX CATEGORY	
				LIMITED PAY	COMMON LINE			COMMON TERM	FACILITY	TRANSPORT	TRANSPORT	ALLOCATED	CHANNEL TERMINATION	TERM	CHANNEL MILEAGE	FACILITY			MSG	P.L.
1		BIG THREE EXPENSES																		
2		PLANT SPECIFIC EXPENSE	14,137,519	0	0	0	1,624,032	0	843,988	11,669,499	0	0	0	0	0	0	0	0	0	0
3		OTHER PLANT EXPENSE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4		NETWORK OPERATIONS EXPENSE	999,366	0	0	0	657,613	0	341,753	0	0	0	0	0	0	0	0	0	0	0
5		ACCESS CHARGE EXPENSE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6		CUSTOMER OPERATIONS EXPENSE	55,899	0	0	0	36,783	0	19,116	0	0	0	0	0	0	0	0	0	0	0
7		TOTAL BIG THREE EXPENSES	15,192,785	0	0	0	2,318,428	0	1,204,857	11,669,499	0	0	0	0	0	0	0	0	0	0
		% DISTRIBUTION	100.0000%	0.0000%	0.0000%	0.0000%	15.2601%	0.0000%	7.9305%	76.8095%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
8	6710	CORPORATE OPERATING EXPENSE	1,153,528	0	0	0	176,029	0	91,480	886,017	0	0	0	0	0	0	0	0	0	0
9		EXECUTIVE AND PLANNING	1,765,887	0	0	0	269,476	0	140,043	1,356,369	0	0	0	0	0	0	0	0	0	0
10	6720	GENERAL AND ADMINISTRATIVE	2,919,413	0	0	0	445,504	0	231,523	2,242,396	0	0	0	0	0	0	0	0	0	0
11		TOTAL CORPORATE OPERATIONS	100.0000%	0.0000%	0.0000%	15.2601%	0.0000%	0.0000%	7.9305%	76.8095%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
12		% DISTRIBUTION																		
		EQUAL ACCESS EXPENSE	0				0													
13		INTEREST EXPENSE																		
14	7500	CAPITAL LEASE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15		OTHER	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16		TOTAL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17		OTHER INCOME ADJUSTMENTS																		
18		BASED ON PLANT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19		BASED ON EXPENSE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20		TOTAL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21		OPERATING TAXES																		
22	7210	FEDERAL ITC AMORTIZATION	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23		STATE ITC AMORTIZATION	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	7240	OTHER OPERATING TAXES	189,323	0	0	0	124,580	0	64,743	0	0	0	0	0	0	0	0	0	0	0
25		TOTAL OPERATING TAXES	189,323	0	0	0	124,580	0	64,743	0	0	0	0	0	0	0	0	0	0	0

PUBLIC VERSION

COST SUPPORT MATERIAL  
PART 69 COST ALLOCATION - TOTAL INTERSTATE

AL-1,1of1

DEVELOPMENT OF JOINT USE FACILITIES ALLOCATION FACTORS

AL-1,1of1

LN	A/C	DESCRIPTION	TOTAL COMPANY	SOURCE	COMMON LINE		SWITCHING	INFO	TRAFFIC SENSITIVE			DEDICATED		INEL TERMINATION		SPECIAL ACCESS		B&C	IX CATEGORY	
					LIMITED PAY	COMMON LINE			COMMON TERM	TRANSPORT FACILITY	TRANSPORT	ALLOCATED	TERM	TERM	FACILITY	MSG	P.L.			
1		EQUIVALENT ACCESS LINES - MSG COE	0		0	0								0						
2		% DISTRIBUTION	0.0000%		0.0000%	0.0000%								0.0000%						
3		EQUIVALENT ACCESS LINES - MSG CWF	0		0	0								0						
4		% DISTRIBUTION	0.0000%		0.0000%	0.0000%								0.0000%						
5		IX CIRCUIT TERMINATIONS - MSG COE	57,899						57,899											
6		% DISTRIBUTION	100.0000%						100.0000%					0						
7		IX CIRCUIT MILES - MSG CWF	20,752,293							20,752,293				0						
8		% DISTRIBUTION	100.0000%							100.0000%				0.0000%						
DISTRIBUTION FACTORS																				
9		STD WORK SECONDS - MANUAL BOARDS	100.0000%				0.0000%	0.0000%												100.0000%
10		STD WORK SECONDS - TSPS	100.0000%				0.0000%	0.0000%												100.0000%
11		STD WORK SECONDS - OPERATORS	100.0000%				0.0000%	0.0000%												100.0000%
12		END USER SVC ORDER CONTACTS	0.0000%				0.0000%	0.0000%								0.0000%				0.0000%
13		END USER PAYMENT & COLLECTION	0.0000%				0.0000%	0.0000%								0.0000%				0.0000%
14		END USER BILLING INQUIRY CONTACTS	0.0000%				0.0000%	0.0000%								0.0000%				0.0000%
15		IX CARRIER SVC ORDER CONTACTS	100.0000%		0.0000%		0.0000%	0.0000%								0.0000%				0.0000%
16		IX CARRIER PAYMENT & COLLECTION	100.0000%		0.0000%		0.0000%	0.0000%								0.0000%				0.0000%
17		IX CARRIER BILLING INQUIRY CONTACTS	100.0000%		0.0000%		0.0000%	0.0000%								0.0000%				0.0000%
18		PUBLIC TELEPHONE REVENUE	0.0000%		0.0000%		0.0000%	0.0000%								0.0000%				0.0000%
19		END USER BILLING & COLLECTION	0.0000%				0.0000%	0.0000%								0.0000%				0.0000%
20		OPERATOR SERVICES UNDER CONTRACT	0.0000%				0.0000%	0.0000%								0.0000%				0.0000%



## PUBLIC VERSION

IOWA NETWORK SERVICES, INC.  
FILING PERIOD: 7/1/13 - 6/30/14PART 36 TOTAL INTERSTATE  
ACCESS DIVISIONSECTION 4  
6/17/2013

S-2,1of1

SUMMARY OF NET TELEPHONE PLANT, M&amp;S AND WORKING CAPITAL

S-2,1of1

LN	ALLOCATION RATIOS	A/C	COMMENT	TOTAL COMPANY	ALLOCATION BASIS	INTERSTATE MSG TOLL		OTHER
						INTRALATA	INTERLATA	
1	NET INVESTMENT SUMMARY							
2	GENERAL SUPPORT FACILITIES	2110		7,534,063	S-3,LN 10	0	6,506,998	1,027,065
3	CENTRAL OFFICE SWITCHING EQUIPMENT	2210		31,772,012	S-4,LN 52	0	27,440,760	4,331,252
4	OPERATOR SYSTEMS EQUIPMENT	2220		0	S-4,LN 41	0	0	0
5	CENTRAL OFFICE TRANSMISSION EQUIPMENT	2230		0	S-4,LN 78	0	0	0
6	INFORMATION ORIG/TERM EQUIPMENT	2310		0	S-5,LN 17	0	0	0
7	CABLE AND WIRE FACILITIES	2410		0	S-5,LN 42	0	0	0
8	TANGIBLE ASSETS	2680		1,255,648	S-3,LN 29	0	1,084,474	171,174
9	INTANGIBLE ASSETS	2690		0	S-3,LN 36	0	0	0
10	TOTAL PLANT IN SERVICE A/C 2001			40,561,723		0	35,032,232	5,529,491
11	% DISTRIBUTION			100.0000%		0.0000%	86.3677%	13.6323%
12	PROPERTY HELD FOR FUTURE USE	2002		0	S-6,LN 9	0	0	0
13	PLANT UNDER CONSTR - SHORT TERM	2003		0	S-6,LN 15	0	0	0
14	PLANT UNDER CONSTR - LONG TERM	2004		0	S-6,LN 21	0	0	0
15	TELEPHONE PLANT ADJUSTMENT	2005		0	S-6,LN 27	0	0	0
16	NONOPERATING PLANT	2006		0	DIRECT			0
17	GOODWILL	2007		0	DIRECT			0
18	TOTAL PROPERTY, PLANT & EQUIPMENT			40,561,723		0	35,032,232	5,529,491
19	% DISTRIBUTION			100.0000%		0.0000%	86.3677%	13.6323%
20	ACCUM DEPRECIATION - PLANT IN SERVICE	3100		36,160,061	S-7,LN 18	0	31,230,617	4,929,444
21	ACCUM DEPRECIATION - FUTURE USE	3200		0	S-7,LN 19	0	0	0
22	ACCUM AMORTIZATION - TANGIBLE PROPERTY	3400		1,255,648	S-7,LN 23	0	1,084,474	171,174
23	ACCUM AMORTIZATION - INTANGIBLE PROPERTY	3500		0	S-7,LN 24	0	0	0
24	ACCUM AMORTIZATION - TEL PLANT ADJUSTMENT	3600		0	S-7,LN 25	0	0	0
25	OPERATING DEFERRED INCOME TAX - NET	VAR		1,294,277	S-7,LN 32	0	1,117,838	176,440
26	OTHER DEFERRED CREDITS - NET	4360		0	S-7,LN 38	0	0	0
27	NET TELEPHONE PLANT			1,851,737		0	1,599,303	252,434
28	% DISTRIBUTION			100.0000%		0.0000%	86.3677%	13.6323%
29	MATERIALS AND SUPPLIES	1220		0	S-6,LN 31	0	0	0
30	INVESTMENT IN NONAFFILIATED CO'S	1402		0	S-6,LN 35	0	0	0
31	EQUAL ACCESS EQUIPMENT	1439		0	S-6,LN 36	0	0	0
32	OTHER JURISDICTIONAL ASSETS	1500		0	S-6,LN 37	0	0	0
33	CASH WORKING CAPITAL	XXXX		867,687		0	733,826	133,861
34	NET TEL PLANT, M&S AND CASH WORKING CAPITAL			2,719,424	S-3,LN 3	0	2,333,129	386,295
	% DISTRIBUTION			100.0000%		0.0000%	85.7950%	14.2050%

## PUBLIC VERSION

IOWA NETWORK SERVICES, INC.  
FILING PERIOD: 7/1/13 - 6/30/14PART 36 TOTAL INTERSTATE  
ACCESS DIVISIONSECTION 4  
6/17/2013

S-8,1of1

## SUMMARY OF OPERATING EXPENSE AND TAX

S-8,1of1

LN	ALLOCATION RATIOS	A/C	COMMENT	TOTAL COMPANY	ALLOCATION BASIS	INTERSTATE MSG TOLL		OTHER
						INTRALATA	INTERLATA	
OPERATING EXPENSE AND TAX SUMMARY								
1	NETWORK SUPPORT EXPENSE	6110		0	S-9,LN 7	0	0	0
2	GENERAL SUPPORT EXPENSE	6120		1,491,331	S-9,LN 8	0	1,288,029	203,303
3	CENTRAL OFFICE EXPENSE	6210		1,366,241	S-9,LN 15	0	1,179,991	186,250
4	INFORMATION ORIG/TERM EXPENSE	6310		0	S-9,LN 21	0	0	0
5	CABLE AND WIRE FACILITIES EXPENSE	6410		13,843,200	S-9,LN 25	0	11,669,499	2,173,701
6	OTHER PLANT EXPENSE	6510		0	S-10,LN 11	0	0	0
7	NETWORK OPERATIONS EXPENSE	6530		1,157,106	S-10,LN 13	0	999,366	157,740
8	ACCESS CHARGE EXPENSE	6540		0	S-10,LN 14	0	0	0
9	MARKETING EXPENSE	6610		0	S-11,LN 13	0	0	0
10	SERVICES EXPENSE	6620		74,650	S-11,LN 44	0	55,899	18,751
11	EXECUTIVE AND PLANNING EXPENSE	6710		1,363,947	S-12,LN 8+9	0	1,153,526	210,421
12	GENERAL AND ADMINISTRATIVE EXPENSE	6720		2,088,012	S-12,LN 11+12	0	1,765,887	322,125
13	SUBTOTAL OPERATING EXPENSES			21,384,488		0	18,112,198	3,272,290
14	% DISTRIBUTION			100.0000%		0.0000%	84.6978%	15.3022%
15	DEPRECIATION AND AMORTIZATION	6560		4,031,728	S-10,LN 22+29	0	3,482,111	549,617
16	OTHER OPERATING TAX	7240		219,206	S-12,LN 32	0	189,323	29,883
17	EQUAL ACCESS EXPENSE			0	S-12,LN 15	0	0	0
18	TOTAL OPERATING EXPENSE AND TAX			25,635,422		0	21,783,632	3,851,790
19	% DISTRIBUTION			100.0000%		0.0000%	84.9747%	15.0253%
NON OPERATING EXPENSE								
20	ABANDONED CONSTRUCTION	7370		0	S-2,LN 10	0	0	0
21	CONTRIBUTIONS			79,344	S-12,LN 14	0	67,103	12,241
22	OTHER NON OPERATING EXPENSE			0	DIRECT			0
23	TOTAL NON OPERATING EXPENSE			79,344		0	67,103	12,241
24	% DISTRIBUTION			100.0000%		0.0000%	84.5726%	15.4274%
UNCOLLECTIBLES								
25	END USER MSG TOLLS	5310		0	DIRECT	0	0	0
26	END USER COMMON LINE	5320		0	DIRECT	0	0	0
27	IX CARRIER	5330		4,320,000	S-11,LN 5	0	3,961,008	358,992
28	TOTAL UNCOLLECTIBLES			4,320,000		0	3,961,008	358,992
29	ALLOWANCE FOR FUNDS USED DURING CONSTR	7340		0	S-12,LN 3	0	0	0

LN	DESCRIPTION	A/C	NOTE	TOTAL COMPANY	ALLOCATION BASIS	ACCESS DIVISION	OTHER
	REVENUE REQUIREMENT SUMMARY						
1	NET INVESTMENT FOR SETTLEMENTS			54,031,602	NOTE A	2,719,424	51,312,178
2	RATE OF RETURN					11.0014%	9.5369%
3	RETURN ON INVESTMENT			5,192,744	LN1*LN 2	299,175	4,893,569
4	ALLOWANCE FOR FUNDS USED DURING CONSTR			0	S-8,LN 30	0	0
5	NET RETURN FOR SETTLEMENTS			5,192,744	LN 3-LN 4	299,175	4,893,569
6	TOTAL ITC AMORTIZATION			0	S-12,LN 32	0	0
7	FEDERAL OPERATING INCOME TAX		(ACTUAL)			0	0
8	FEDERAL OPERATING INCOME TAX		(OPTION)	2,675,050	LN28-LN11	154,120	2,520,930
9	STATE AND LOCAL INCOME TAX		(ACTUAL)	0		0	0
10	STATE AND LOCAL INCOME TAX		(OPTION)	890,491	LN 32	51,305	839,186
11	PROVISION FOR DEFERRED INCOME TAX			0	S-12,LN 36	0	0
13	OPERATING EXPENSE AND TAX			94,061,261	S-8,LN 20	25,635,422	68,425,839
14	NONOPERATING EXPENSE			265,380	S-8,LN 25	79,344	186,036
15	UNCOLLECTIBLES			4,320,000	S-8,LN 29	4,320,000	0
16	BASIS FOR GROSS RECEIPTS TAX			107,404,926		30,539,366	76,865,561
17	GROSS RECEIPTS TAX RATE		(GROSS UP)			0.0000%	0.0000%
18	GROSS RECEIPTS TAX			0		0	0
19	TOTAL REVENUE REQUIREMENT			107,404,926		30,539,366	76,865,561

NOTE A: INCLUDES NET TEL PLANT FROM SCH S-2, LN 33 LESS A/C's 2004 ,2006 ,2007 AND 1402.

	OPTIONAL GROSS UP INCOME TAX CALCULATION					
20	RETURN ON INVESTMENT					
21	INTEREST AND RELATED ITEMS					
22	OTHER INCOME ADJUSTMENTS					
23	TOTAL INCOME ADJUSTMENTS					
24	FEDERAL ITC AMORTIZATION					
25	FEDERAL TAXABLE INCOME					
26	FEDERAL INCOME TAX @					
27	FEDERAL SURTAX ALLOCATION					
28	NET FEDERAL INCOME TAX BEFORE ITC					
29	STATE TAXABLE INCOME					
30	STATE INCOME TAX @					
31	STATE SURTAX EXEMPTION					
32	NET STATE INCOME TAX BEFORE ITC					



## PUBLIC VERSION

IOWA NETWORK SERVICES, INC.  
FILING PERIOD: 7/1/13 - 6/30/14

COST SUPPORT MATERIAL  
PART 64 SEPARATIONS

SECTION 5  
6/17/2013

S-2,1of1

SUMMARY OF NET TELEPHONE PLANT, M&S AND WORKING CAPITAL

S-2,1of1

LN	DESCRIPTION	A/C	NOTE	TOTAL COMPANY	ALLOCATION BASIS	ACCESS DIVISION	OTHER
1	NET INVESTMENT SUMMARY						
2	GENERAL SUPPORT FACILITIES	2110		21,580,322	S-3,LN 27	7,534,063	14,046,259
3	CENTRAL OFFICE SWITCHING EQUIPMENT	2210		50,741,993	S-4,LN 17	31,772,012	18,969,981
4	CENTRAL OFFICE TRANSMISSION EQUIPMENT	2230		57,030,241	S-4,LN 31	0	57,030,241
5	CABLE AND WIRE FACILITIES	2410		57,085,004	S-5,LN 16	0	57,085,004
6	TANGIBLE ASSETS	2680		3,596,636	S-3,LN 54	1,255,648	2,340,988
7	INTANGIBLE ASSETS	2690		0	S-3,LN 61	0	0
8	TOTAL PLANT IN SERVICE A/C 2001			190,034,197		40,561,723	149,472,473
9	% DISTRIBUTION			100.0000%		21.3444%	78.6556%
10	PROPERTY HELD FOR FUTURE USE	2002		0	S-6,LN 9	0	0
11	PLANT UNDER CONSTR - SHORT TERM	2003		0	S-6,LN 15	0	0
12	PLANT UNDER CONSTR - LONG TERM	2004		0	S-6,LN 21	0	0
13	TELEPHONE PLANT ADJUSTMENT	2005		0	S-6,LN 27	0	0
14	NONOPERATING PLANT	2006		2,173,393	DIRECT		2,173,393
15	GOODWILL	2007		0	DIRECT		0
16	TOTAL PROPERTY, PLANT & EQUIPMENT			192,207,590		40,561,723	151,645,866
17	% DISTRIBUTION			100.0000%		21.1031%	78.8969%
18	ACCUM DEPRECIATION - PLANT IN SERVICE	3100		130,352,472	S-7,LN 30	36,160,061	94,192,411
19	ACCUM DEPRECIATION - FUTURE USE	3200		0	S-7,LN 31	0	0
20	ACCUM AMORTIZATION - TANGIBLE PROPERTY	3400		3,596,636	S-7,LN 36	1,255,648	2,340,988
21	ACCUM AMORTIZATION - INTANGIBLE PROPERTY	3500		0	S-7,LN 37	0	0
22	ACCUM AMORTIZATION - TEL PLANT ADJUSTMENT	3600		0	S-7,LN 38	0	0
23	OPERATING DEFERRED INCOME TAX - NET	VAR		6,139,049	S-7,LN 44	1,294,277	4,844,772
24	OTHER DEFERRED CREDITS - NET	4360		0	S-7,LN 49	0	0
25	NET TELEPHONE PLANT			52,119,432		1,851,737	50,267,695
26	% DISTRIBUTION			100.0000%		3.5529%	96.4471%
27	MATERIALS AND SUPPLIES	1220		522,899	S-6,LN 32	0	522,899
28	PREPAID EXPENSES	1300		0	S-6,LN 37	0	0
29	INVESTMENT IN NONAFFILIATED CO'S	1402		164,464,153	S-6,LN 38	0	164,464,153
30	OTHER JURISDICTIONAL ASSETS	1500		0	S-6,LN 39	0	0
31	CASH WORKING CAPITAL	XXXX		3,562,664	COMPUTED	867,687	2,694,976
32	NET TEL PLANT, M&S AND CASH WORKING CAPITAL			220,669,148		2,719,424	217,949,724
	% DISTRIBUTION			100.0000%		1.2324%	98.7676%

PUBLIC VERSION

COST SUPPORT MATERIAL  
PART 64 SEPARATIONS

SECTION 5  
6/17/2013

S-8, 1of1

SUMMARY OF OPERATING EXPENSE AND TAX

S-8, 1of1

LN	DESCRIPTION	A/C	NOTE	TOTAL COMPANY	ALLOCATION BASIS	ACCESS DIVISION	OTHER
1	OPERATING EXPENSE AND TAX SUMMARY						
2	NETWORK SUPPORT EXPENSE	6110		313,675	S-9, LN 13-23	114,502	199,172
3	GENERAL SUPPORT EXPENSE	6120		3,479,648	S-9, LN 24-27	1,376,829	2,102,819
4	CENTRAL OFFICE EXPENSE	6210		4,158,714	S-9, LN 33	1,366,241	2,792,473
5	CABLE AND WIRE FACILITIES EXPENSE	6410		18,592,129	S-9, LN 35	13,843,200	4,748,929
6	OTHER PLANT EXPENSE	6510		21,337,396	S-10, LN 6	0	21,337,396
7	NETWORK OPERATIONS EXPENSE	6530		6,631,377	S-10, LN 13	1,157,106	5,474,270
8	ACCESS CHARGE EXPENSE	6540		7,702,156	S-10, LN 15	0	7,702,156
9	MARKETING EXPENSE	6610		4,884,436	S-11, LN 15	0	4,884,436
10	SERVICES EXPENSE	6620		2,861,545	S-11, LN 39	74,650	2,786,895
11	EXECUTIVE AND PLANNING EXPENSE	6710		3,094,017	S-12, LN 7	1,363,947	1,730,070
12	GENERAL AND ADMINISTRATIVE EXPENSE	6720		5,776,268	S-12, LN 8-15	2,088,012	3,688,255
13	SUBTOTAL OPERATING EXPENSES			78,831,360		21,384,488	57,446,872
14	% DISTRIBUTION			100.0000%		27.1269%	72.8731%
15	DEPRECIATION - PLANT IN SERVICE	6561		13,962,499	S-10, LN 33	3,952,477	10,010,022
16	DEPRECIATION - FUTURE USE	6562		0	S-10, LN 34	0	0
17	AMORTIZATION - TANGIBLES	6563		227,002	S-3, LN 42-44	79,250	147,752
18	AMORTIZATION - INTANGIBLES	6564		0	S-3, LN 45	0	0
19	AMORTIZATION - OTHER	6565		0	S-3, LN 46	0	0
20	OTHER OPERATING TAX	7240		1,040,400	S-12, LN 35	219,206	821,194
21	TOTAL OPERATING EXPENSE AND TAX			94,061,261		25,635,422	68,425,839
	% DISTRIBUTION			100.0000%		27.2540%	72.7460%
22	NON OPERATING EXPENSE	7370		0	S-2, LN 8	0	0
23	ABANDONED CONSTRUCTION						
24	CONTRIBUTIONS			265,380	S-12, LN 2	79,344	186,036
25	ALL OTHER			0	S-12, LN 2	0	0
26	TOTAL NON OPERATING EXPENSE			265,380		79,344	186,036
	% DISTRIBUTION			100.0000%		29.8981%	70.1019%
27	UNCOLLECTIBLES						
28	END USER MSG TOLLS	5310		0	DIRECT	XXX	XXX
29	IX CARRIER	5330		4,320,000	DIRECT	4,320,000	0
	TOTAL UNCOLLECTIBLES			4,320,000		4,320,000	0
30	ALLOWANCE FOR FUNDS USED DURING CONSTR	7340		0	S-12, LN 4	0	0

Rate-of Return TRP  
Cost Analysis Summary  
Test Year, 7/13 to 6/14

	Total Company (A)	Part 64 Adjustments (B)	Other Adjustments (C)	Subject to Separations (D)	Total Interstate (E)	Billing & Collection (F)
<b>Revenues</b>						
100 Network Access	n/a	n/a	n/a	n/a	n/a	n/a
110 Uncollectibles	n/a	n/a	n/a	n/a	n/a	n/a
120 Common Line Support	n/a	n/a	n/a	n/a	n/a	n/a
130 Long Term	n/a	n/a	n/a	n/a	n/a	n/a
140 Transitional	n/a	n/a	n/a	n/a	n/a	n/a
150 Miscellaneous	n/a	n/a	n/a	n/a	n/a	n/a
160 Net Revenues	n/a	n/a	n/a	n/a	n/a	n/a
<b>Expenses</b>						
170 Plant Specific	n/a	n/a	n/a	n/a	14,137,519	0
171 Network Support	0	0	0	0	0	0
172 General Support	1,491,331	0	0	1,491,331	1,288,029	0
173 Central Office	1,366,241	0	0	1,366,241	1,179,991	0
174 Operator Systems	0	0	0	0	0	0
175 COE Switching	1,366,241	0	0	1,366,241	1,179,991	0
176 COE Transmission	0	0	0	0	0	0
177 IOT	0	0	0	0	0	0
178 Cable & Wire Facilities	13,843,200	0	0	13,843,200	11,669,499	0
180 Plant Non-Sp. Less Dep/Amor	n/a	n/a	n/a	n/a	999,366	0
190 Depreciation / Amortization	4,031,728	0	0	4,031,728	3,482,111	0
200 Customer Operations	n/a	n/a	n/a	n/a	55,899	0
201 Marketing	0	0	0	0	0	0
202 Local Business Office	0	0	0	0	0	0
203 Revenue Accounting	0	0	0	0	55,899	0
204 Other Billing & Collection	0	0	0	0	0	0
210 Access	n/a	n/a	n/a	n/a	0	n/a
220 Corporate Operations	n/a	n/a	n/a	n/a	2,919,413	0
230 AFUDC	n/a	n/a	n/a	n/a	n/a	n/a
240 Other Exp. & Adjustments	n/a	n/a	n/a	n/a	4,028,111	0
250 Taxes Other than FIT	n/a	n/a	n/a	n/a	234,335	0
260 Total Exp and Other Taxes	n/a	n/a	n/a	n/a	25,856,754	0
<b>FIT Adjustments</b>						
270 Adjustment for FIT	0	0	0	0	0	0
280 Amortized ITC	0	0	0	0	0	0
290 Federal Income Taxes	n/a	n/a	n/a	n/a	n/a	n/a
300 Total Expenses & Taxes	n/a	n/a	n/a	n/a	25,856,754	n/a
<b>Telephone Plant in Service</b>						
310 General Support	7,534,063	0	0	7,534,063	6,506,998	0
320 Central Office Equip-Switch	31,772,012	0	0	31,772,012	27,440,760	0
321 Operator Systems	0	0	0	0	0	0
322 Tandem Switching	0	0	0	0	0	0
323 Local Switching Cat. 3	0	0	0	0	0	0
324 Equal Access	31,772,012	0	0	31,772,012	27,440,760	0
330 Central Office Equip-Trans	0	0	0	0	0	0
331 Subscriber Lines	0	0	0	0	0	0
332 Exchange Circuit	0	0	0	0	0	0
333 Interexchange Circuit	0	0	0	0	0	0
334 Host Remote	0	0	0	0	0	0
340 Cable & Wire	0	0	0	0	0	0
341 Subscriber Lines	0	0	0	0	0	0
342 Exchange	0	0	0	0	0	0
343 Interexchange	0	0	0	0	0	0
344 Host Remote	0	0	0	0	0	0
350 Info Orig/Term Equipment	0	0	0	0	0	0
360 Amortizable Assets	1,255,648	0	0	1,255,648	1,084,474	0
370 Total Plant in Service	40,561,723	0	0	40,561,723	35,032,232	0
<b>Adjustments to TPIS</b>						
380 Depr / Amor Reserve	37,415,709	0	0	37,415,709	32,315,091	0
390 Accum Deferred Income Tax	1,294,277	0	0	1,294,277	1,117,838	0
400 Other Rate Base Adjust.	n/a	n/a	n/a	n/a	733,826	0
<b>Return Data</b>						

COS-1(P)  
Filing Date: 6/17/2013  
Filing Entity: Telephone Company  
Transmittal Number : 30  
COSA: INJAN13  
410 Average Rate Base  
420 Return  
430 Rate of Return

Rate-of Return TRP  
Cost Analysis Summary  
Test Year, 7/13 to 6/14

n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a

n/a	2,333,129	n/a	n/a
n/a		n/a	n/a
n/a		n/a	n/a

COS-1(P)  
Filing Date: 6/17/2013  
Filing Entity: Telephone Company  
Transmittal Number : 30  
COSA: INIAAN13

	Interstate Inter- exchange (G)	ROR Regulated I/S Access (H)	Pay Phone (I)	Inside Wire (J)	BFP (K)	Total Common Line (L)
<b>Revenues</b>						
100 Network Access	n/a	26,212,794	0	0	0	0
110 Uncollectibles	n/a	0	0	0	0	0
120 Common Line Support	n/a	0	0	0	0	0
130 Long Term	n/a	0	0	0	0	0
140 Transitional	n/a	0	0	0	0	0
150 Miscellaneous	n/a	25,450	0	0	0	0
160 Net Revenues	n/a	26,238,244	0	0	0	0
<b>Expenses</b>						
170 Plant Specific	0	14,137,519	0	0	0	0
171 Network Support	0	0	0	0	0	0
172 General Support	0	1,288,029	0	0	0	0
173 Central Office	0	1,179,991	0	0	0	0
174 Operator Systems	0	0	0	0	0	0
175 COE Switching	0	1,179,991	0	0	0	0
176 COE Transmission	0	0	0	0	0	0
177 IOT	0	0	0	0	0	0
178 Cable & Wire Facilities	0	11,869,499	0	0	0	0
180 Plant Non-Sp. Less Dep/Amor	0	999,366	0	0	0	0
190 Depreciation / Amortization	0	3,482,111	0	0	0	0
200 Customer Operations	0	55,899	0	0	0	0
201 Marketing	0	0	0	0	0	0
202 Local Business Office	0	0	0	0	0	0
203 Revenue Accounting	0	55,899	0	0	0	0
204 Other Billing & Collection	0	0	0	0	0	0
210 Access	0	n/a	n/a	n/a	n/a	n/a
220 Corporate Operations	0	2,919,413	0	0	0	0
230 AFUDC	n/a	0	0	0	0	0
240 Other Exp. & Adjustments	0	4,028,111	0	0	0	0
250 Taxes Other than FIT	0	234,335	0	0	0	0
260 Total Exp and Other Taxes	0	25,856,754	0	0	0	0
<b>FIT Adjustments</b>						
270 Adjustment for FIT	0	0	0	0	0	0
280 Amortized ITC	0	0	0	0	0	0
290 Federal Income Taxes	n/a	129,707	0	0	0	0
300 Total Expenses & Taxes	n/a	25,986,461	0	0	0	0
<b>Telephone Plant In Service</b>						
310 General Support	0	6,506,998	0	0	0	0
320 Central Office Equip-Switch	0	27,440,760	0	0	0	0
321 Operator Systems	0	0	0	0	0	0
322 Tandem Switching	0	0	0	0	0	0
323 Local Switching Cat. 3	0	0	0	0	0	0
324 Equal Access	0	27,440,760	0	0	0	0
330 Central Office Equip-Trans	0	0	0	0	0	0
331 Subscriber Lines	0	0	0	0	0	0
332 Exchange Circuit	0	0	0	0	0	0
333 Interexchange Circuit	0	0	0	0	0	0
334 Host Remote	0	0	0	0	0	0
340 Cable & Wire	0	0	0	0	0	0
341 Subscriber Lines	0	0	0	0	0	0
342 Exchange	0	0	0	0	0	0
343 Interexchange	0	0	0	0	0	0
344 Host Remote	0	0	0	0	0	0
350 Info Orig/Term Equipment	0	0	0	0	0	0
360 Amortizable Assets	0	1,084,474	0	0	0	0
370 Total Plant In Service	0	35,032,232	0	0	0	0
<b>Adjustments to TPIS</b>						
380 Depr / Amor Reserve	0	32,315,091	0	0	0	0
390 Accum Deferred Income Tax	0	1,117,838	0	0	0	0
400 Other Rate Base Adjust.	0	733,826	0	0	0	0
<b>Return Data</b>						

COS-1(P)  
Filing Date: 6/17/2013  
Filing Entity: Telephone Company  
Transmittal Number : 30  
COSA: INJAN13  
410 Average Rate Base  
420 Return  
430 Rate of Return

PUBLIC VERSION

n/a	2,333,129	0	0	0	0
n/a	251,783	0	0	0	0
0.00%	10.79%	0.00%	0.00%	0.00%	0.00%

COS-1(P)  
Filing Date: 6/17/2013  
Filing Entity: Telephone Company  
Transmittal Number : 30  
COSA: INIAAN13

	Local Switching (M)	Equal Access (N)	SS7 (O)	Information (P)	Tandem Switching (Q)	Local Transport (R)
<b>Revenues</b>						
100 Network Access	0		0	0	0	26,212,794
110 Uncollectibles	0		0	0	0	0
120 Common Line Support	0	n/a	n/a	n/a	n/a	n/a
130 Long Term	0	n/a	n/a	n/a	n/a	n/a
140 Transitional	0	n/a	n/a	n/a	n/a	0
150 Miscellaneous	0	0	0	0	0	26,212,794
160 Net Revenues	---	---	---	---	---	---
<b>Expenses</b>						
170 Plant Specific	0	0	0	0	0	14,137,519
171 Network Support	0	0	0	0	0	0
172 General Support	0	0	0	0	0	1,288,029
173 Central Office	0	0	0	0	0	1,179,991
174 Operator Systems	0	0	0	0	0	0
175 COE Switching	0	0	0	0	0	1,179,991
176 COE Transmission	0	0	0	0	0	0
177 IOT	0	0	0	0	0	0
178 Cable & Wire Facilities	0	0	0	0	0	11,669,499
180 Plant Non-Sp. Less Dep/Amor	0	0	0	0	0	999,366
190 Depreciation / Amortization	0	0	0	0	0	3,482,111
200 Customer Operations	0	0	0	0	0	55,899
201 Marketing	0	0	0	0	0	0
202 Local Business Office	0	0	0	0	0	0
203 Revenue Accounting	0	0	0	0	0	55,899
204 Other Billing & Collection	0	0	0	0	0	0
210 Access	n/a	n/a	n/a	n/a	n/a	n/a
220 Corporate Operations	0	0	0	0	0	2,919,413
230 AFUDC	0	0	0	0	0	0
240 Other Exp. & Adjustments	0	0	0	0	0	4,028,111
250 Taxes Other than FIT	0	0	0	0	0	234,335
260 Total Exp and Other Taxes	0	0	0	0	0	25,856,754
<b>FIT Adjustments</b>						
270 Adjustment for FIT	0	0	0	0	0	0
280 Amortized ITC	0	0	0	0	0	0
290 Federal Income Taxes	0	0	0	0	0	121,054
300 Total Expenses & Taxes	0	0	0	0	0	25,977,808
<b>Telephone Plant In Service</b>						
310 General Support	0	0	0	0	0	6,506,998
320 Central Office Equip-Switch	0	0	0	0	0	27,440,760
321 Operator Systems	0	0	0	0	0	0
322 Tandem Switching	0	0	0	0	0	0
323 Local Switching Cat. 3	0	0	0	0	0	0
324 Equal Access	0	0	0	0	0	27,440,760
330 Central Office Equip-Trans	0	0	0	0	0	0
331 Subscriber Lines	0	0	0	0	0	0
332 Exchange Circuit	0	0	0	0	0	0
333 Interexchange Circuit	0	0	0	0	0	0
334 Host Remote	0	0	0	0	0	0
340 Cable & Wire	0	0	0	0	0	0
341 Subscriber Lines	0	0	0	0	0	0
342 Exchange	0	0	0	0	0	0
343 Interexchange	0	0	0	0	0	0
344 Host Remote	0	0	0	0	0	0
350 Info Orig/Term Equipment	0	0	0	0	0	0
360 Amortizable Assets	0	0	0	0	0	1,084,474
370 Total Plant In Service	0	0	0	0	0	35,032,232
<b>Adjustments to TPIS</b>						
380 Depr / Amor Reserve	0	0	0	0	0	32,315,091
390 Accum Deferred Income Tax	0	0	0	0	0	1,117,838
400 Other Rate Base Adjust.	0	0	0	0	0	733,826
<b>Return Data</b>						

COS-1(P)  
Filing Date: 6/17/2013  
Filing Entity: Telephone Company  
Transmittal Number : 30  
COSA: INJAN13  
410 Average Rate Base  
420 Return  
430 Rate of Return

PUBLIC VERSION

0	0	0	0	0	2,333,129
0	0	0	0	0	234,986
0.00%	0.00%	0.00%	0.00%	0.00%	10.07%



COS-1(P)  
Filing Date: 6/17/2013  
Filing Entity: Telephone Company  
Transmittal Number : 30  
COSA: INIAAN13

	Host Remote (S)	Total Switched Traffic Sensitive (T)	Special Access (U)
<b>Revenues</b>			
100 Network Access	0	26,212,794	0
110 Uncollectibles	0	0	0
120 Common Line Support	n/a	n/a	n/a
130 Long Term	n/a	n/a	n/a
140 Transitional	n/a	n/a	n/a
150 Miscellaneous	0	0	0
160 Net Revenues	0	26,212,794	0
<b>Expenses</b>			
170 Plant Specific	0	14,137,519	0
171 Network Support	0	0	0
172 General Support	0	1,288,029	0
173 Central Office	0	1,179,991	0
174 Operator Systems	0	0	0
175 COE Switching	0	1,179,991	0
176 COE Transmission	0	0	0
177 IOT	0	0	0
178 Cable & Wire Facilities	0	11,669,499	0
180 Plant Non-Sp. Less Dep/Amor	0	999,366	0
190 Depreciation / Amortization	0	3,482,111	0
200 Customer Operations	0	55,899	0
201 Marketing	0	0	0
202 Local Business Office	0	0	0
203 Revenue Accounting	0	55,899	0
204 Other Billing & Collection	0	0	0
210 Access	n/a	n/a	n/a
220 Corporate Operations	0	2,919,413	0
230 AFUDC	0	0	0
240 Other Exp. & Adjustments	0	4,028,111	0
250 Taxes Other than FIT	0	234,335	0
260 Total Exp and Other Taxes	0	25,856,754	0
<b>FIT Adjustments</b>			
270 Adjustment for FIT	0	0	0
280 Amortized ITC	0	0	0
290 Federal Income Taxes	0	121,054	0
300 Total Expenses & Taxes	0	25,977,808	0
<b>Telephone Plant In Service</b>			
310 General Support	0	6,506,998	0
320 Central Office Equip-Switch	0	27,440,760	0
321 Operator Systems	0	0	0
322 Tandem Switching	0	0	0
323 Local Switching Cat. 3	0	0	0
324 Equal Access	0	27,440,760	0
330 Central Office Equip-Trans	0	0	0
331 Subscriber Lines	0	0	0
332 Exchange Circuit	0	0	0
333 Interexchange Circuit	0	0	0
334 Host Remote	0	0	0
340 Cable & Wire	0	0	0
341 Subscriber Lines	0	0	0
342 Exchange	0	0	0
343 Interexchange	0	0	0
344 Host Remote	0	0	0
350 Info Orig/Term Equipment	0	0	0
360 Amortizable Assets	0	1,084,474	0
370 Total Plant In Service	0	35,032,232	0
<b>Adjustments to TPIS</b>			
380 Depr / Amor Reserve	0	32,315,091	0
390 Accum Deferred Income Tax	0	1,117,838	0
400 Other Rate Base Adjust.	0	733,826	0
<b>Return Data</b>			

COS-1(P)  
Filing Date: 6/17/2013  
Filing Entity: Telephone Company  
Transmittal Number : 30  
COSA: INJAN13  
410 Average Rate Base  
420 Return  
430 Rate of Return

PUBLIC VERSION

0	2,333,129	0
0	234,986	0
0.00%	10.07%	0.00%

	Total Company (A)	Part 64 Adjustments (B)	Other Adjustments (C)	Subject to Separations (D)	Total Interstate (E)	Billing & Collection (F)
<b>Revenues</b>						
100 Network Access	n/a	n/a	n/a	n/a	n/a	n/a
110 Uncollectibles	n/a	n/a	n/a	n/a	n/a	n/a
120 Common Line Support	n/a	n/a	n/a	n/a	n/a	n/a
130 Long Term	n/a	n/a	n/a	n/a	n/a	n/a
140 Transitional	n/a	n/a	n/a	n/a	n/a	n/a
150 Miscellaneous	n/a	n/a	n/a	n/a	n/a	n/a
160 Net Revenues	n/a	n/a	n/a	n/a	n/a	n/a
<b>Expenses</b>						
170 Plant Specific	n/a	n/a	n/a	n/a	10,496,321	0
171 Network Support	0	0	0	0	0	0
172 General Support	1,114,686	0	0	1,114,686	977,019	0
173 Central Office	1,047,989	0	0	1,047,989	918,560	0
174 Operator Systems	0	0	0	0	0	0
175 COE Switching	1,047,989	0	0	1,047,989	918,560	0
176 COE Transmission	0	0	0	0	0	0
177 IOT	0	0	0	0	0	0
178 Cable & Wire Facilities	10,091,475	0	0	10,091,475	8,600,742	0
180 Plant Non-Sp. Less Dep/Amor	n/a	n/a	n/a	n/a	1,032,884	0
190 Depreciation / Amortization	3,802,464	0	0	3,802,464	3,332,850	0
200 Customer Operations	n/a	n/a	n/a	n/a	75,715	0
201 Marketing	0	0	0	0	0	0
202 Local Business Office	0	0	0	0	0	0
203 Revenue Accounting	94,741	0	0	94,741	75,715	0
204 Other Billing & Collection	0	0	0	0	0	0
210 Access	n/a	n/a	n/a	n/a	0	n/a
220 Corporate Operations	n/a	n/a	n/a	n/a	2,182,292	0
230 AFUDC	n/a	n/a	n/a	n/a	n/a	0
240 Other Exp. & Adjustments	n/a	n/a	n/a	n/a	4,895,005	0
250 Taxes Other than FIT	n/a	n/a	n/a	n/a	783,349	0
260 Total Exp and Other Taxes	n/a	n/a	n/a	n/a	22,798,416	0
<b>FIT Adjustments</b>						
270 Adjustment for FIT	0	0	0	0	0	0
280 Amortized ITC	0	0	0	0	0	0
290 Federal Income Taxes	n/a	n/a	n/a	n/a	0	n/a
300 Total Expenses & Taxes	n/a	n/a	n/a	n/a	22,798,416	n/a
<b>Telephone Plant In Service</b>						
310 General Support	5,524,660	0	0	5,524,660	4,842,350	0
320 Central Office Equip-Switch	29,520,236	0	0	29,520,236	25,874,410	0
321 Operator Systems	0	0	0	0	0	0
322 Tandem Switching	0	0	0	0	0	0
323 Local Switching Cat. 3	0	0	0	0	0	0
324 Equal Access	29,520,236	0	0	29,520,236	25,874,410	0
330 Central Office Equip-Trans	0	0	0	0	0	0
331 Subscriber Lines	0	0	0	0	0	0
332 Exchange Circuit	0	0	0	0	0	0
333 Interexchange Circuit	0	0	0	0	0	0
334 Host Remote	0	0	0	0	0	0
340 Cable & Wire	0	0	0	0	0	0
341 Subscriber Lines	0	0	0	0	0	0
342 Exchange	0	0	0	0	0	0
343 Interexchange	0	0	0	0	0	0
344 Host Remote	0	0	0	0	0	0
350 Info Orig/Term Equipment	0	0	0	0	0	0
360 Amortizable Assets	1,101,408	0	0	1,101,408	965,381	0
370 Total Plant In Service	36,146,304	0	0	36,146,304	31,682,141	0
<b>Adjustments to TPIS</b>						
380 Depr / Amor Reserve	32,445,411	0	0	32,445,411	28,438,317	0
390 Accum Deferred Income Tax	1,312,760	0	0	1,312,760	1,150,631	0
400 Other Rate Base Adjust.	n/a	n/a	n/a	n/a	722,121	0
<b>Return Data</b>						
410 Average Rate Base	n/a	n/a	n/a	n/a	2,815,314	n/a
420 Return	n/a	n/a	n/a	n/a	n/a	n/a
430 Rate of Return	n/a	n/a	n/a	n/a	n/a	n/a

COS-1(H)  
Filing Date: 6/17/2013  
Filing Entity: Telephone Company  
Transmittal Number : 30  
COSA: INIAAN13

	Interstate Inter- exchange (G)	ROR Regulated I/S Access (H)	Pay Phone (I)	Inside Wire (J)	BFP (K)	Total Common Line (L)
<b>Revenues</b>						
100 Network Access	n/a	25,537,382	0	0	0	0
110 Uncollectibles	n/a	0	0	0	0	0
120 Common Line Support	n/a	0	0	0	0	0
130 Long Term	n/a	0	0	0	0	0
140 Transitional	n/a	0	0	0	0	0
150 Miscellaneous	n/a	15,336	0	0	0	0
160 Net Revenues	n/a	25,552,718	0	0	0	0
<b>Expenses</b>						
170 Plant Specific	0	10,496,321	0	0	0	0
171 Network Support	0	0	0	0	0	0
172 General Support	0	977,019	0	0	0	0
173 Central Office	0	918,560	0	0	0	0
174 Operator Systems	0	0	0	0	0	0
175 COE Switching	0	918,560	0	0	0	0
176 COE Transmission	0	0	0	0	0	0
177 IOT	0	0	0	0	0	0
178 Cable & Wire Facilities	0	8,600,742	0	0	0	0
180 Plant Non-Sp. Less Dep/Amor	0	1,032,884	0	0	0	0
190 Depreciation / Amortization	0	3,332,850	0	0	0	0
200 Customer Operations	0	75,715	0	0	0	0
201 Marketing	0	0	0	0	0	0
202 Local Business Office	0	0	0	0	0	0
203 Revenue Accounting	0	75,715	0	0	0	0
204 Other Billing & Collection	0	0	0	0	0	0
210 Access	0	n/a	n/a	n/a	n/a	n/a
220 Corporate Operations	0	2,182,292	0	0	0	0
230 AFUDC	n/a	0	0	0	0	0
240 Other Exp. & Adjustments	0	4,895,005	0	0	0	0
250 Taxes Other than FIT	0	783,349	0	0	0	0
260 Total Exp and Other Taxes	0	22,798,416	0	0	0	0
<b>FIT Adjustments</b>						
270 Adjustment for FIT	0	0	0	0	0	0
280 Amortized ITC	0	0	0	0	0	0
290 Federal Income Taxes	n/a	936,463	0	0	0	0
300 Total Expenses & Taxes	n/a	23,734,879	0	0	0	0
<b>Telephone Plant In Service</b>						
310 General Support	0	4,842,350	0	0	0	0
320 Central Office Equip-Switch	0	25,874,410	0	0	0	0
321 Operator Systems	0	0	0	0	0	0
322 Tandem Switching	0	0	0	0	0	0
323 Local Switching Cat. 3	0	0	0	0	0	0
324 Equal Access	0	25,874,410	0	0	0	0
330 Central Office Equip-Trans	0	0	0	0	0	0
331 Subscriber Lines	0	0	0	0	0	0
332 Exchange Circuit	0	0	0	0	0	0
333 Interexchange Circuit	0	0	0	0	0	0
334 Host Remote	0	0	0	0	0	0
340 Cable & Wire	0	0	0	0	0	0
341 Subscriber Lines	0	0	0	0	0	0
342 Exchange	0	0	0	0	0	0
343 Interexchange	0	0	0	0	0	0
344 Host Remote	0	0	0	0	0	0
350 Info Orig/Term Equipment	0	0	0	0	0	0
360 Amortizable Assets	0	965,381	0	0	0	0
370 Total Plant In Service	0	31,682,141	0	0	0	0
<b>Adjustments to TPIS</b>						
380 Depr / Amor Reserve	0	28,438,317	0	0	0	0
390 Accum Deferred Income Tax	0	1,150,631	0	0	0	0
400 Other Rate Base Adjust.	0	722,121	0	0	0	0
<b>Return Data</b>						
410 Average Rate Base	n/a	2,815,314	0	0	0	0
420 Return	n/a	1,817,839	0	0	0	0
430 Rate of Return	0.00%	64.57%	0.00%	0.00%	0.00%	0.00%

COS-1(H)  
Filing Date: 6/17/2013  
Filing Entity: Telephone Company  
Transmittal Number : 30  
COSA: INIAAN13

	Local Switching (M)	Equal Access (N)	SS7 (O)	Information (P)	Tandem Switching (Q)	Local Transport (R)
<b>Revenues</b>						
100 Network Access	0	0	0	0	0	25,537,382
110 Uncollectibles	0	0	0	0	0	0
120 Common Line Support	0	n/a	n/a	n/a	n/a	n/a
130 Long Term	0	n/a	n/a	n/a	n/a	n/a
140 Transitional	0	n/a	n/a	n/a	n/a	n/a
150 Miscellaneous	0	0	0	0	0	15,336
160 Net Revenues	0	0	0	0	0	25,552,718
<b>Expenses</b>						
170 Plant Specific	0	0	0	0	0	10,496,321
171 Network Support	0	0	0	0	0	0
172 General Support	0	0	0	0	0	977,019
173 Central Office	0	0	0	0	0	918,560
174 Operator Systems	0	0	0	0	0	0
175 COE Switching	0	0	0	0	0	918,560
176 COE Transmission	0	0	0	0	0	0
177 IOT	0	0	0	0	0	0
178 Cable & Wire Facilities	0	0	0	0	0	8,600,742
180 Plant Non-Sp. Less Dep/Amor	0	0	0	0	0	1,032,884
190 Depreciation / Amortization	0	0	0	0	0	3,332,850
200 Customer Operations	0	0	0	0	0	75,715
201 Marketing	0	0	0	0	0	0
202 Local Business Office	0	0	0	0	0	0
203 Revenue Accounting	0	0	0	0	0	75,715
204 Other Billing & Collection	0	0	0	0	0	0
210 Access	n/a	n/a	n/a	n/a	n/a	n/a
220 Corporate Operations	0	0	0	0	0	2,182,292
230 AFUDC	0	0	0	0	0	0
240 Other Exp. & Adjustments	0	0	0	0	0	4,895,005
250 Taxes Other than FIT	0	0	0	0	0	783,349
260 Total Exp and Other Taxes	0	0	0	0	0	22,798,416
<b>FIT Adjustments</b>						
270 Adjustment for FIT	0	0	0	0	0	0
280 Amortized ITC	0	0	0	0	0	0
290 Federal Income Taxes	0	0	0	0	0	936,463
300 Total Expenses & Taxes	0	0	0	0	0	23,734,879
<b>Telephone Plant In Service</b>						
310 General Support	0	0	0	0	0	4,842,350
320 Central Office Equip-Switch	0	0	0	0	0	25,874,410
321 Operator Systems	0	0	0	0	0	0
322 Tandem Switching	0	0	0	0	0	0
323 Local Switching Cat. 3	0	0	0	0	0	0
324 Equal Access	0	0	0	0	0	25,874,410
330 Central Office Equip-Trans	0	0	0	0	0	0
331 Subscriber Lines	0	0	0	0	0	0
332 Exchange Circuit	0	0	0	0	0	0
333 Interexchange Circuit	0	0	0	0	0	0
334 Host Remote	0	0	0	0	0	0
340 Cable & Wire	0	0	0	0	0	0
341 Subscriber Lines	0	0	0	0	0	0
342 Exchange	0	0	0	0	0	0
343 Interexchange	0	0	0	0	0	0
344 Host Remote	0	0	0	0	0	0
350 Info Orig/Term Equipment	0	0	0	0	0	0
360 Amortizable Assets	0	0	0	0	0	965,381
370 Total Plant In Service	0	0	0	0	0	31,682,141
<b>Adjustments to TPIS</b>						
380 Depr / Amor Reserve	0	0	0	0	0	28,438,317
390 Accum Deferred Income Tax	0	0	0	0	0	1,150,631
400 Other Rate Base Adjust.	0	0	0	0	0	722,121
<b>Return Data</b>						
410 Average Rate Base	0	0	0	0	0	2,815,314
420 Return	0	0	0	0	0	1,817,839
430 Rate of Return	0.00%	0.00%	0.00%	0.00%	0.00%	64.57%

COS-1(H)  
Filing Date: 6/17/2013  
Filing Entity: Telephone Company  
Transmittal Number : 30  
COSA: INIAAN13

	Host Remote (S)	Total Switched Traffic Sensitive (T)	Special Access (U)
<b>Revenues</b>			
100 Network Access	0	25,537,382	0
110 Uncollectibles	0	0	0
120 Common Line Support	n/a	n/a	n/a
130 Long Term	n/a	n/a	n/a
140 Transitional	n/a	n/a	n/a
150 Miscellaneous	0	15,336	0
160 Net Revenues	0	25,552,718	0
<b>Expenses</b>			
170 Plant Specific	0	10,496,321	0
171 Network Support	0	0	0
172 General Support	0	977,019	0
173 Central Office	0	918,560	0
174 Operator Systems	0	0	0
175 COE Switching	0	918,560	0
176 COE Transmission	0	0	0
177 IOT	0	0	0
178 Cable & Wire Facilities	0	8,600,742	0
180 Plant Non-Sp. Less Dep/Amor	0	1,032,884	0
190 Depreciation / Amortization	0	3,332,850	0
200 Customer Operations	0	75,715	0
201 Marketing	0	0	0
202 Local Business Office	0	0	0
203 Revenue Accounting	0	75,715	0
204 Other Billing & Collection	0	0	0
210 Access	n/a	n/a	n/a
220 Corporate Operations	0	2,182,292	0
230 AFUDC	0	0	0
240 Other Exp. & Adjustments	0	4,895,005	0
250 Taxes Other than FIT	0	783,349	0
260 Total Exp and Other Taxes	0	22,798,416	0
<b>FIT Adjustments</b>			
270 Adjustment for FIT	0	0	0
280 Amortized ITC	0	0	0
290 Federal Income Taxes	0	936,463	0
300 Total Expenses & Taxes	0	23,734,879	0
<b>Telephone Plant In Service</b>			
310 General Support	0	4,842,350	0
320 Central Office Equip-Switch	0	25,874,410	0
321 Operator Systems	0	0	0
322 Tandem Switching	0	0	0
323 Local Switching Cat. 3	0	0	0
324 Equal Access	0	25,874,410	0
330 Central Office Equip-Trans	0	0	0
331 Subscriber Lines	0	0	0
332 Exchange Circuit	0	0	0
333 Interexchange Circuit	0	0	0
334 Host Remote	0	0	0
340 Cable & Wire	0	0	0
341 Subscriber Lines	0	0	0
342 Exchange	0	0	0
343 Interexchange	0	0	0
344 Host Remote	0	0	0
350 Info Orig/Term Equipment	0	0	0
360 Amortizable Assets	0	965,381	0
370 Total Plant In Service	0	31,682,141	0
<b>Adjustments to TPIS</b>			
380 Depr / Amor Reserve	0	28,438,317	0
390 Accum Deferred Income Tax	0	1,150,631	0
400 Other Rate Base Adjust.	0	722,121	0
<b>Return Data</b>			
410 Average Rate Base	0	2,815,314	0
420 Return	0	1,817,839	0
430 Rate of Return	0.00%	64.57%	0.00%

COS-2  
Filing Date: 6/17/2013  
Filing Entity: Telephone Company  
Transmittal Number: 30  
COSA: INIAAN13

Rate-of-Return TRP  
7/13 - 6/14  
Versus 2012 Actual

### Forecast, 7/13 - 6/14

Revenue Requirement		Common Line (A)	Traffic Sensitive Switched (B)	Traffic Sensitive Special (C)	Other Interstate (D)	Total Interstate (E)	Total Co. Subject to Separations (F)
100 Depreciation/Amortization	0	0	3,482,111	0	0	3,482,111	4,031,728
105 Expense Less Dep & Amor	0	0	22,140,308	0	0	25,622,419	n/a
110 Taxes Less FIT	0	0	234,335	0	0	n/a	n/a
115 Return	0	0	234,986	0	0	n/a	n/a
120 FIT	0	0	121,054	0	0	n/a	n/a
125 Uncol., IDC & Other Adj.	0	0	0	0	0	n/a	n/a
130 Revenue Requirement	0	0	26,212,794	0	0	n/a	n/a
135 Access Service Revenue	0	0	26,212,794	0	0	n/a	n/a
<b>Rate Base</b>							
140 Telephone Plant in Service	0	0	35,032,232	0	0	35,032,232	40,561,723
145 Rate Base Adjustments	0	0	733,826	0	0	733,826	n/a
150 Depreciation Reserves	0	0	32,315,091	0	0	32,315,091	37,415,709
155 Accum Deferred Income Tax	0	0	1,117,838	0	0	1,117,838	1,294,277
160 Average Rate Base	0	0	2,333,129	0	0	2,333,129	n/a

### Actual, 1/12- 12/12

Revenue Requirement		Common Line (A)	Traffic Sensitive Switched (B)	Traffic Sensitive Special (C)	Other Interstate (D)	Total Interstate (E)	Total Co. Subject to Separations (F)
200 Depreciation/Amortization	0	0	3,332,850	0	0	3,332,850	3,802,464
205 Expense Less Dep & Amor	0	0	18,682,217	0	0	18,682,217	n/a
210 Taxes Less FIT	0	0	783,349	0	0	n/a	n/a
215 Return	0	0	1,817,839	0	0	n/a	n/a
220 FIT	0	0	936,463	0	0	n/a	n/a
225 Uncol., IDC & Other Adj.	0	0	0	0	0	n/a	n/a
230 Revenue Requirement	0	0	25,552,718	0	0	n/a	n/a
235 Access Service Revenue	0	0	25,552,718	0	0	n/a	n/a
<b>Rate Base</b>							
240 Telephone Plant in Service	0	0	31,682,141	0	0	31,682,141	36,146,304
245 Rate Base Adjustments	0	0	722,121	0	0	722,121	n/a
250 Depreciation Reserves	0	0	28,438,317	0	0	28,438,317	32,445,411
255 Accum Deferred Income Tax	0	0	1,150,631	0	0	1,150,631	1,312,760
260 Average Rate Base	0	0	2,815,314	0	0	2,815,314	n/a

Forecast, 7/12 - 6/13

	Common Line (A)	Traffic Sensitive Switched (B)	Traffic Sensitive Special (C)	Other Interstate (D)	Total Interstate (E)	Total Co. Subject to Separations (F)
<b>Revenue Requirement</b>						
100 Depreciation/Amortization	0	3,751,194	0	0	3,751,194	4,335,520
105 Expense Less Dep & Amor	0	16,493,055	0	0	16,493,055	n/a
110 Taxes Less FIT	0	254,596	0	0	n/a	n/a
115 Return	0	217,935	0	n/a	n/a	n/a
120 FIT	0	112,270	0	n/a	n/a	n/a
125 Uncol., IDC & Other Adj.	0	0	0	n/a	n/a	n/a
130 Revenue Requirement	0	20,829,050	0	n/a	n/a	n/a
135 Access Service Revenue	0	20,829,050	0	n/a	n/a	n/a
<b>Rate Base</b>						
140 Telephone Plant in Service	0	32,468,276	0	0	32,468,276	37,525,873
145 Rate Base Adjustments	0	851,742	0	0	851,742	n/a
150 Depreciation Reserves	0	29,139,514	0	0	29,139,514	33,678,589
155 Accum Deferred Income Tax	0	2,184,244	0	0	2,184,244	2,524,485
160 Average Rate Base	0	1,996,260	0	0	1,996,260	n/a

Actual, 1/11 - 12/11

<b>Revenue Requirement</b>						
200 Depreciation/Amortization	0	3,628,632	0	0	3,628,632	4,184,653
205 Expense Less Dep & Amor	0	26,551,665	0	0	26,551,665	n/a
210 Taxes Less FIT	0	574,851	0	0	n/a	n/a
215 Return	0	438,716	0	0	n/a	n/a
220 FIT	0	226,005	0	0	n/a	n/a
225 Uncol., IDC & Other Adj.	0	0	0	0	n/a	n/a
230 Revenue Requirement	0	31,419,869	0	0	n/a	n/a
235 Access Service Revenue	0	31,419,869	0	0	n/a	n/a
<b>Rate Base</b>						
240 Telephone Plant in Service	0	33,850,936	0	0	33,850,936	39,037,952
245 Rate Base Adjustments	0	1,269,119	0	0	1,269,119	n/a
250 Depreciation Reserves	0	28,124,207	0	0	28,124,207	32,433,711
255 Accum Deferred Income Tax	0	2,493,698	0	0	2,493,698	2,875,809
260 Average Rate Base	0	4,502,150	0	0	4,502,150	n/a



## Forecast, 7/11 - 6/12

## Revenue Requirement

100 Depreciation/Amortization	0	4,306,713	0	0	0	5,011,589
105 Expense Less Dep & Amor	0	22,522,475	0	0	0	n/a
110 Taxes Less FIT	0	324,104	0	0	0	n/a
115 Return	0	732,360	0	0	0	n/a
120 FIT	0	377,276	0	0	0	n/a
125 Uncol., IDC & Other Adj.	0	0	0	0	0	n/a
130 Revenue Requirement	0	28,262,928	0	0	0	n/a
135 Access Service Revenue	0	28,262,928	0	0	0	n/a

## Rate Base

140 Telephone Plant in Service	0	33,172,547	0	0	33,172,547	38,906,390
145 Rate Base Adjustments	0	1,324,916	0	0	1,324,916	n/a
150 Depreciation Reserves	0	25,634,772	0	0	25,634,772	29,830,396
155 Accum Deferred Income Tax	0	2,352,822	0	0	2,352,822	2,737,907
160 Average Rate Base	0	6,509,869	0	0	6,509,869	n/a

## Actual,

## 1/10 - 12/10

## Revenue Requirement

200 Depreciation/Amortization	0	3,389,736	0	0	3,389,736	4,027,230
205 Expense Less Dep & Amor	0	26,190,942	0	0	26,190,942	n/a
210 Taxes Less FIT	0	307,679	0	0	307,679	n/a
215 Return	0	608,769	0	0	608,769	n/a
220 FIT	0	313,609	0	0	313,609	n/a
225 Uncol., IDC & Other Adj.	0	0	0	0	0	n/a
230 Revenue Requirement	0	30,810,735	0	0	30,810,735	n/a
235 Access Service Revenue	0	30,810,735	0	0	n/a	n/a

## Rate Base

240 Telephone Plant in Service	0	33,971,435	0	0	33,971,435	40,360,318
245 Rate Base Adjustments	0	1,273,100	0	0	1,273,100	n/a
250 Depreciation Reserves	0	26,263,522	0	0	26,263,522	31,202,806
255 Accum Deferred Income Tax	0	2,394,721	0	0	2,394,721	2,845,087
260 Average Rate Base	0	6,586,292	0	0	6,586,292	n/a

PUBLIC VERSION

MAG-1

Filing Date: 6/17/2013

Filing Entity: Telephone Company

Transmittal Number : 30

COSA: INIAAN13

Rate-of Return TRP

MAG Adjustments

Test Year, 7/13 to 6/14

Access Element	Interstate Revenue Requirement Prior to Adjustments (A) Note 1	Frozen Line Port Transfer (B) Note 2	Universal Service Fund Contribution (C) Note 3	Frozen TIC Revenue (D) Note 4	Interstate Revenue Requirement Subject to TIC Re-allocation (E) Cols. (A)+(B)+(C)+(D)	Frozen TIC Re- allocation (F) Note 5	Interstate Revenue Requirement Subject to Rate Making (G)
Carrier Common Line	\$0		\$0		\$0		\$0
Local Switching	\$0			\$0			\$0
Information	\$0			\$0			\$0
Transport	\$26,212,794			\$0	\$26,212,794		\$26,212,794
Special Access	<u>\$0</u>				<u>\$0</u>		<u>\$0</u>
Total	\$26,212,794	\$0	\$0	\$0	\$26,212,794	\$0	\$26,212,794

Note 1: Source of Revenue Requirements Column (A)

Carrier Common Line TRP COS-1(P) Line 100, Column (L)

Local Switching TRP COS-1(P) Line 100, Column (M)

Information TRP COS-1(P) Line 100, Column (P)

Transport TRP COS-1(P) Line 100, Column (QS)

Special Access TRP COS-1(P) Line 100, Column U

Note 2: Enter amounts equal to the amounts on the most recently filed Form MAG-1.

The Local Switching amount is a negative number. The Carrier Common Line amount is a positive number.

Note 3: Projected Amount per Account 6540

Note 4: Enter an amount equal to the amount on the most recently filed Form MAG-1.

Note 5: Enter an amount equal to the amount on the most recently filed Form MAG-1.

	Minute or Message Rate (A)	Minute Miles Rate (B)	Line or Trunk Rate (C)	Minute or Message Demand (D)	Minute Miles Demand (E)	Line or Trunk Demand (F)	Access Revenue (G)	Revenue Requirement (H)
<b>Common Line</b>								
100 Multi-line Business EUCL	n/a	n/a	n/a	n/a	n/a	n/a	0	n/a
110 Single Line Business EUCL	n/a	n/a	0.00	n/a	n/a	0	0	n/a
120 Residential EUCL	n/a	n/a	0.00	n/a	n/a	0	0	n/a
130 Special Access Surcharge	n/a	n/a	0.00	n/a	n/a	12	0	n/a
140 Terminating CCL Premium	0.000000	n/a	n/a	0	n/a	n/a	0	n/a
150 Terminating CCL Non-Prem.	0.000000	n/a	n/a	0	n/a	n/a	0	n/a
160 Originating CCL Premium	0.000000	n/a	n/a	0	n/a	n/a	0	n/a
170 Originating CCL Non-Prem.	0.000000	n/a	n/a	0	n/a	n/a	0	n/a
180 Common Line - - Total	n/a	n/a	n/a	n/a	n/a	n/a	0	0
<b>Information</b>								
190 Directory Assistance	0.000000	n/a	n/a	0	n/a	n/a	0	n/a
200 White Page Surcharge Prem.	0.000000	n/a	n/a	0	n/a	n/a	0	n/a
210 White Pg. Surcharge Non-Prem.	0.000000	n/a	n/a	0	n/a	n/a	0	n/a
220 Other Information	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
230 Information - - Total	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0
<b>Local Switching</b>								
240 Premium	0.000000	n/a	n/a	0	n/a	n/a	0	n/a
250 Non-Premium	0.000000	n/a	n/a	0	n/a	n/a	0	n/a
260 Equal Access	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
270 Switching - - Total	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0
<b>Local Transport</b>								
280 Premium LT Term.	0.000000	n/a	n/a	0	n/a	n/a	0	n/a
290 Non-Prem. LT Term	0.000000	n/a	n/a	0	n/a	n/a	0	n/a
300 Premium LT Facility	n/a	0.000000	n/a	n/a	0	n/a	0	n/a
310 Non-Prem. LT Facility	n/a	0.000000	n/a	n/a	0	n/a	0	n/a
320 Tandem Switching	0.000000	n/a	n/a	0	n/a	n/a	0	n/a
330 TST Termination	0.000000	n/a	n/a	0	n/a	n/a	0	n/a
340 TST Facility	n/a	0.000000	n/a	n/a	0	n/a	0	n/a
350 Premium Interconnection	0.000000	n/a	n/a	0	n/a	n/a	0	n/a
360 Non-Prem. Interconnection	0.000000	n/a	n/a	0	n/a	n/a	0	n/a
370 Installation NRC per Trunk	n/a	n/a	0.00	n/a	n/a	0	0	0

Filing Date: 6/17/2013  
Filing Entity: Telephone Company  
Transmittal Number: 30  
COSA: INIAAN13

Rate-of-Return TRP  
Switched Access Revenue  
Test Year, 7/13 to 6/14

PUBLIC VERSION

	Termination Rate (A)	Circuit Rate (B)	Mileage Rate (C)	Termination Demand (D)	Circuit Demand (E)	Mileage Demand (F)	Access Revenue (G)	Revenue Requirement (H)
<b>Local Transport (Cont.)</b>								
380 DS3 Entrance Facility	n/a	0	n/a	n/a	0	n/a	0	n/a
390 DS3 Direct Term.	0.00	n/a	n/a	0	n/a	n/a	0	n/a
400 DS3 Direct Facility	n/a	n/a	0.00	n/a	n/a	0	0	n/a
410 DS1 Entrance Facility	n/a	0	n/a	n/a	0	n/a	0	n/a
420 DS1 Direct Term.	0	n/a	n/a	0	n/a	n/a	0	n/a
430 DS1 Direct Facility	n/a	n/a	0.00	n/a	n/a	0	0	n/a
440 VG Entrance Facility	n/a	0.00	n/a	n/a	0	n/a	0	n/a
450 VG Direct Term.	0.00	n/a	n/a	0	n/a	n/a	0	n/a
460 VG Direct Facility	n/a	n/a	0.00	n/a	n/a	0	0	n/a
470 Other Transport	n/a	n/a	n/a	n/a	n/a	n/a	0	n/a
480 Local Transport - - Total	n/a	n/a	n/a	n/a	n/a	n/a	0	n/a
<b>Special - -Voice Grade</b>								
490 2-Wire Chan. Term.	n/a	0	n/a	n/a	0	n/a	0	n/a
500 4-Wire Chan. Term.	n/a	0	n/a	n/a	0	n/a	0	n/a
510 Channel Mileage Term.	0	n/a	n/a	0	n/a	n/a	0	n/a
520 Channel Mileage Facility	n/a	n/a	0.00	n/a	n/a	0	0	n/a
530 Non-Recurring	n/a	0	n/a	n/a	0	n/a	0	n/a
<b>Special - -High Capacity</b>								
540 High Capacity Chan. Term.	n/a	0	n/a	n/a	0	n/a	0	n/a
550 Channel Mileage Term.	0	n/a	n/a	0	n/a	n/a	0	n/a
560 Channel Mileage Facility	n/a	n/a	0.00	n/a	n/a	0	0	n/a
570 Non-Recurring	n/a	0	n/a	n/a	n/a	n/a	0	n/a
580 Special Access - - Total	n/a	n/a	n/a	n/a	n/a	n/a	0	0

Notes: A composite special access NRC should be used if the installation rates vary among the services. If the company does not file a particular rate, then the rate and demand = 0. Col. G equals Cols. ( A x D) + (B x E) + (C x F).

REV-2  
Filing Date: 6/17/2013  
Filing Entity: Telephone Company  
Transmittal Number: 30  
COSA: INIAAN13

Rate-of-Return TRP  
Revenues Summary  
Test Year, 7/13 to 6/14

	Total Network Access (A)	Recurring without ICB (B)	Non-Recurring without ICB (C)	ICB (D)
100 Carrier Common Line	0	0	0	0
110 Special Access	0	0	0	0
120 Local Switching	0	0	0	0
130 Equal Access	0	0	0	0
140 Information	0	0	0	0
150 Local Transport	26,238,244	26,212,794	25,450	0
160 Total TS - Switched	26,238,244	26,212,794	25,450	0

Notes : Col. A = Cols. B + C + D. If a particular category is inapplicable, then that category equals 0.

RTE-1  
Filing Date: 6/17/2013  
Filing Entity: Telephone Company  
Transmittal Number: 30  
COSA: INIAANY3

Rate-of-Return TRP  
Percent Change in  
Historical Rate Levels

PUBLIC VERSION

	7/1/2012 Rate (A)	Current Effective Rate (B)	Proposed 7/1/2013 Rate (C)	% Change 7/1/2012 7/1/2013 (D)	% Change Current 7/1/2013 (E)
<b>Switched Access</b>					
100 Premium CCL Term (\$/MOU)	0.000000000	0.000000000	0.000000000	0.00%	0.00%
110 N.P. CCL Term (\$/MOU)	0.000000000	0.000000000	0.000000000	0.00%	0.00%
120 Premium Switching (\$/MOU)	0.000000000	0.000000000	0.000000000	0.00%	0.00%
130 N.P. Switching (\$/MOU)	0.000000000	0.000000000	0.000000000	0.00%	0.00%
140 Equal Access	0.000000000	0.000000000	0.000000000	0.00%	0.00%
<b>End User Common Line</b>					
150 Multi-line Business (\$/Month)	0	0.00	0.00	0.00%	0.00%
160 Residential & Single Line Bus.	0	0.00	0.00	0.00%	0.00%

RTE-1  
Filing Date: 6/17/2013  
Filing Entity: Telephone Company  
Transmittal Number: 30  
COSA: INIAANY3

PUBLIC VERSION

Rate-of-Return TRP  
Percent Change in  
Historical Rate Levels

Local Transport Rates

	7/1/2012 Rate (A)	Current Effective Rate (B)	Proposed 7/1/2013 Rate (C)	% Change 7/1/2012 7/1/2013 (D)	% Change Current 7/1/2013 (E)
170 Prem. LT (\$/MOU, Avg. Mileage)	0.00623000	0.00623000	0.00623000	43.82%	43.82%
180 N.P. LT (\$/MOU, Avg. Mileage)	0.00000000	0.00000000	0.00000000	0.00%	0.00%
190 DS1 Entr. Facility ( \$/Circuit)	0	0.00	0.00	0.00%	0.00%
200 DS1 Direct Trunk (\$/Circuit)	0	0.00	0.00	0.00%	0.00%
210 Tdm Sw. Transport (\$/Circuit)	0	0.00	0.00	0.00%	0.00%
220 Tdm. Switching (\$/Tdm. MOU)	0.00000000	0.00000000	0.00000000	0.00%	0.00%
230 Prem. Interconnection (\$/MOU)	0.00000000	0.00000000	0.00000000	0.00%	0.00%
240 N.P. Interconnection (\$/MOU)	0.00000000	0.00000000	0.00000000	0.00%	0.00%
250 NRC (\$/Tk. Or Tks. Activated)	0.00	0.00	0.00	0.00%	0.00%
260 2-Wire VG (\$/Cir., Avg. Mileage)	0.00	0.00	0.00	0.00%	0.00%
270 4-Wire VG (\$/Cir., Avg. Mileage)	0.00	0.00	0.00	0.00%	0.00%

Notes: If Lines 170 & 180 or any other entry is inapplicable, then that rate = 0.

RTE-2  
Filing Date: 6/17/2013  
Filing Entity: Telephone Company  
Transmittal Number: 30  
COSA: INIAANY3

Rate-of-Return  
Revenue Price-outs  
Using 2012 Demand

PUBLIC VERSION

	Revenue at 7/1/2012 Rates (A)	Revenue at Current Rate (B)	Change in Revenue, Cols. B-A (C)	Revenue at 7/1/2013 Rates (D)	Change in Revenue, Cols. D-B (E)
<b>Switched Access</b>					
100 Multi-line Business	0	0	0	0	0
110 Residential & Single Line Bus.	0	0	0	0	0
120 Carrier Common Line	0	0	0	0	0
130 Special Access	0	0	0	0	0
140 Local Switching	0	0	0	0	0
150 Equal Access	0	0	0	0	0
160 Information	0	0	0	0	0
170 Local Transport	22,096,899	22,096,899	0	31,757,753	9,660,854

Notes: If company belongs to the NECA common line pool, then revenue = 0.



	Multi-line Business (A)	Residential & Single Line Business (B)	Carrier Common Line (C)
--	-------------------------------	---	----------------------------------

COSA			
100			
110			
120			
130			
140			
150			
160			
170			
180			
190			
200			
210			
220			
230			

Notes: Companies should list all  
COSAs which are averaged or pooled.

RTE-3  
Filing Date: 6/17/2013  
Filing Entity: Telephone C  
Transmittal Number: 30  
COSA: INIAAN13

Rate-of-Return TRP  
COSAs for Which Rates  
are Averaged or Pooled

	Local Switching (D)	Local Transport (E)	Information (F)	Equal Access (G)	Special Access (H)
--	---------------------------	---------------------------	--------------------	------------------------	--------------------------

COSA

100  
110  
120  
130  
140  
150  
160  
170  
180  
190  
200  
210  
220  
230

Notes: Companies should list all  
COSAs which are avera

Historical	Premium		Non-Premium		Total		Total		Total		Tandem	
	Local	Switching	Local	Switching	Local	Switching	Chargeable	Switching	Local	Switching	Local	Switching
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)
100 1st Qtr. 2009	0	0	0	0	0	0	0	0	0	0	0	685,314,359
110 2nd Qtr. 2009	0	0	0	0	0	0	0	0	0	0	0	723,798,568
120 3rd Qtr. 2009	0	0	0	0	0	0	0	0	0	0	0	761,152,928
130 4th Qtr. 2009	0	0	0	0	0	0	0	0	0	0	0	812,004,085
140 1st Qtr. 2010	0	0	0	0	0	0	0	0	0	0	0	955,256,222
150 2nd Qtr. 2010	0	0	0	0	0	0	0	0	0	0	0	855,496,278
160 3rd Qtr. 2010	0	0	0	0	0	0	0	0	0	0	0	920,662,690
170 4th Qtr. 2010	0	0	0	0	0	0	0	0	0	0	0	948,391,562
180 1st Qtr. 2011	0	0	0	0	0	0	0	0	0	0	0	1,054,655,400
190 2nd Qtr. 2011	0	0	0	0	0	0	0	0	0	0	0	1,037,103,385
200 3rd Qtr. 2011	0	0	0	0	0	0	0	0	0	0	0	952,232,593
210 4th Qtr. 2011	0	0	0	0	0	0	0	0	0	0	0	789,513,489
220 Pycos Year, 1/12-12/12	0	0	0	0	0	0	0	0	0	0	0	3,544,392,104
230 Test Year, 7/13-6/14	0	0	0	0	0	0	0	0	0	0	0	2,925,535,070

Notes: Local switching MOU are the same as the billable units for the interconnection charge.

\* Refers to the MOU switched at a company tandem, as discussed in Part 69, 11(f-g).

\*\* Refers to the MOU carried over non-dedicated trunks; i.e., tandem switched transport or common trunks.

DMD-2  
Filing Date: 6/17/2013  
Filing Entity: Telephone Company  
Transmittal Number: 30  
COSA: NIAAM13

Rate-of-Return TRP  
Special Access  
Demand

PUBLIC VERSION

	1/12 - 12/12 Channel Terminations (A)	1/12- 12/12 Number of Circuits (B)	1/12 - 12/12 Interoffice Miles (C)	7/13 - 6/14 Channel Terminations (D)	7/13 - 6/14 Number of Circuits (E)	7/13 - 6/14 Interoffice Miles (F)
100 Metallic	0	0	0	0	0	0
110 Telegraph	0	0	0	0	0	0
120 VG less WATS	0	0	0	0	0	0
130 WATS	0	0	0	0	0	0
140 full-time Audio	0	0	0	0	0	0
150 High Capacity	0	0	0	0	0	0

DMD-3  
Filing Date: 6/17/2013  
Filing Entity: Telephone Company  
Transmittal Number: 30  
COSA: NIAAM13

Rate-of-Return TRP  
Common Line  
Revenue and Demand

PUBLIC VERSION

	1/12-12/12 Historical Revenue (A)	1/12-12/12 Historical MOU or Lines (B)	7/13 - 6/14 Test Year Revenue (C)	7/13 - 6/14 Test Year MOU or Lines (D)
100 End User Common Line, Total	0	0	0	0
110 Residential	0	0	0	0
120 Single Line Business	0	0	0	0
130 Multi-line Business	0	0	0	0
140 Special Access Surcharge	0	0	0	0
160 Total Common Line Revenue	0	n/a	0	n/a

DMD-4  
Filing Date:  
Filing Entity:  
Transmittal Number:  
COSA:

6/17/2013  
Telephone Company  
30  
INIAAM13

Rate-of-Return TRP  
Minutes-of-Use  
Historical vs. Forecast

Traffic  
Sensitive  
MOU

100 Test Year	7/13 - 6/14	2,925,535,070
110 Pycos Year,	1/12-12/12	3,544,392,104
120 Test Year	7/12- 6/13	---
130 Pycos Year,	1/11 - 12/11	3,339,631,164
		3,833,504,867
140 Test Year	7/11 - 6/12	---
150 Pycos Year,	1/10 - 12/10	3,450,907,011
		3,679,806,752
160 Test Year	7/10 - 6/11	---
170 Pycos Year,	1/09 - 12/09	3,481,819,561
		2,982,269,940

Notes: Actual operating statistics should be reported for the PYCOS years.  
These data should be consistent with those in Chart DMD-4 in previous TRPs.  
If a forecast was not reported for any particular test year, then enter 0.

DMD-5  
Filing Date: 6/17/2013  
Filing Entity: Telephone Company  
Transmittal Number: 30  
COSA: NIAAM13

Rate-of-Return TRP  
Demand  
Direct Trunked Transport

PUBLIC VERSION

	1/12-12/12	1/12-12/12	1/12-12/12	Test Year	Test Year	Test Year
	VG (A)	DSI (B)	DS3 (C)	7/13 - 6/14 VG (D)	7/13 - 6/14 DS1 (E)	7/13 - 6/14 DS3 (F)
100 Entrance Facility	0.00	0.00	0.00	0.00	0.00	0.00
110 Direct Trunked Transport	0.00	0.00	0.00	0.00	0.00	0.00

Notes: Demand should be annualized and reflect application of the percent interstate usage factor (PIU).

ERN-1  
Filing Date: 6/17/2013  
Filing Entity: Telephone Company  
Transmittal Number: 30  
COSA: INIAAN13

Rate-of-Return TRP  
Rate-of-Return  
Summary

	2010/2011 FCC Monitoring Period (A)	2012 Calendar Year (B)	7/13 - 6/14 Test Year (C)
100 Interstate Access, Total	0.00%	0.00%	n/a
110 Carrier Common Line	0.00%	0.00%	0.00%
120 Special Access	0.00%	0.00%	0.00%
130 Local Switching	0.00%	0.00%	n/a
140 Information	0.00%	0.00%	n/a
150 Local Transport	9.45%	64.57%	n/a
160 Traffic Sensitive Switched, Total	9.45%	64.57%	n/a



Rate-of-Return TRP  
Base Study Factor

Relative MOU's - Tandem Switching

100 Interstate	-	-	-	-	-	-	-	-	-
110 Total Company	-	-	-	-	-	-	-	-	-
120 IS Factor	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%

Host/Remote MOU's

130 Interstate	-	-	-	-	-	-	-	-	-
140 Total Company	-	-	-	-	-	-	-	-	-
150 IS Factor	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%

Host/Remote MOU Miles

160 Interstate	-	-	-	-	-	-	-	-	-
170 Total Company	-	-	-	-	-	-	-	-	-
180 IS Factor	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%

Conversation Minutes

190 Interstate	2,171,054.422	2,982,269.940	3,679,806.752	3,833,504.867	3,544,392.104	2,925,535.070
200 Total Company	3,511,079.888	3,854,587.574	4,498,543.861	4,535,675.135	4,146,201.732	3,485,972.819
210 IS Factor	61.8344%	77.3694%	81.8000%	84.5189%	85.4853%	83.9231%

Conversation Minute Miles

220 Interstate	-	-	-	-	-	-	-	-	-
230 Total Company	-	-	-	-	-	-	-	-	-
240 IS Factor	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%

The above Base Study Factors apportion on the following investment:

	Part 32 Account	Part 36 Category
Relative MOU's-Tandem Switching	2210	COE Cat. 3
Host/Remote MOU's	2230	COE Cat. 4.3
Host/Remote MOU Miles	2410	C&WF Cat. 4
Conversation Minutes	2230	COE Cat. 4.23
Conversation Minutes Miles	2410	C&WF Cat. 3

Year	Interstate DEM		Intrastate DEM		Local DEM		Total DEM		Interstate		No. of		Part 36.125(e)		Interstate	
	MOU	(A)	MOU	(B)	MOU	(C)	MOU	(D)	MDEM Factor	(E)	Switched	(F)	Historical	(G)	WDEM Factor	(H)
2005	-		-		-		-		0.0000%		-		-		0	0.0000%
2006	-		-		-		-		0.0000%		-		-		0	0.0000%
2007	-		-		-		-		0.0000%		-		-		0	0.0000%
2008	-		-		-		-		0.0000%		-		-		0	0.0000%
2009	-		-		-		-		0.0000%		-		-		0	0.0000%
2010	-		-		-		-		0.0000%		-		-		0	0.0000%
2011	-		-		-		-		0.0000%		-		-		0	0.0000%

# **AT&T Exhibit 18**

**Aureon 2014 Tariff Filing (filed June  
16, 2014)**

**[AT&T Exhibit 21 to Complaint Proceeding]**



## **Fletcher, Heald & Hildreth**

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**Filed Pursuant to  
§ 204(a)(3) of the  
Communications Act  
on 15 Days' Notice**

June 16, 2014

### **SUBMITTED ELECTRONICALLY**

Marlene H. Dortch  
Office of the Secretary  
Federal Communications Commission  
445 Twelfth Street, S.W.  
Washington, D.C. 20554

Attention: Wireline Competition Bureau

**Re: Iowa Network Services, Inc. FRN: 0002-5807-10  
Tariff F.C.C. No. 1  
July 1, 2014 Annual Access Charge Tariff Filing**

Dear Ms. Dortch:

The accompanying 2014 Annual Access Charge Tariff Filing of Iowa Network Services, Inc. ("INS") is sent to you for filing in compliance with the requirements of the Communications Act of 1934, as amended.

This 2014 Annual Access Tariff Filing is filed in accordance with the procedures set forth in *July 1, 2014 Annual Access Charge Tariff Filings, Order*, WC Docket No. 14-48, DA-404 (Pricing Pol. Div. rel. Mar. 25, 2014) (the "*Procedures Order*") and includes cost support required by *Material to be Filed in Support of 2014 Annual Access Tariff Filings, Tariff Review Plans*, Order, WC Docket No. 14-48, DA-14-494 (Pricing Pol. Div. rel. Apr. 14, 2014). Pursuant to the attached study for the test period ending June 30, 2015, INS proposes to maintain its existing switched transport rate of \$0.00896 per access minute.

As required by the *Procedures Order*, INS is submitting its 2014 Annual Tariff Review Plan and associated documents electronically, using the Commission's Electronic Tariff Filing System ("ETFS"). Since INS is not proposing any new or revised rates or regulations at this time,

PUBLIC VERSION

 **Fletcher, Heald & Hildreth**

Marlene H. Dortch

June 16, 2014

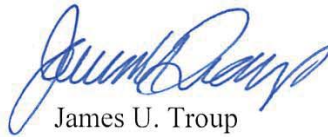
Page 2

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no tariff pages are included with this filing. A filing fee is not required to be submitted with this submission, as set forth in Section 61.15(i) of the Commission's rules, 47 C.F.R. § 61.15(i).

All inquires in connection with this publication should be addressed to Iowa Network Services, Inc.'s counsel, James U. Troup, Fletcher, Heald & Hildreth, 1300 North 17<sup>th</sup> Street, 11<sup>th</sup> Floor, Arlington, VA 22209, Telephone: (703) 812-0511; Facsimile: (703) 812-0486.

Sincerely,



James U. Troup

Counsel for  
Iowa Network Services, Inc.

Attachments

***IOWA NETWORK SERVICES, INC.***

***IOWA NETWORK ACCESS DIVISION***

***DESCRIPTION AND JUSTIFICATION***

***COST SUPPORT MATERIAL***

***TARIFF REVIEW PLAN***

***JULY 1, 2014 ANNUAL ACCESS CHARGE TARIFF FILING***

***JUNE 16, 2014***

**IOWA NETWORK ACCESS DIVISION**

**INTERSTATE ACCESS TARIFF FILING**

**PROSPECTIVE PERIOD  
JULY 1, 2014 - JUNE 30, 2015**

**INDEX**

<b>Section</b>	<b>Description</b>
	Transmittal Letter
1	Introduction, Overview and Rate Development
2	Development of Switched Transport Charge and Study Period Projected Access Minutes
3	Projected Revenue Requirement Summary - Total Interstate (Part 69)
4	Projected Part 36 Revenue Requirement Summary
5	Projected Part 64 Revenue Requirement Summary
6	Tariff Review Plan (TRP)



## IOWA NETWORK ACCESS DIVISION

### INTRODUCTION, OVERVIEW AND RATE DEVELOPMENT

#### INTRODUCTION

This filing supports Iowa Network Access Division Tariff F.C.C. No. 1 in accordance with the Federal Communications Commission's (FCC) Order, In the Matter of July 1, 2014 Annual Access Charge Tariff Filings, DA 14-404, WC Docket No. 14-48 (released March 25, 2014). This Order establishes procedures for the 2014 filing of annual access charge tariffs and Tariff Review Plans (TRPs) for incumbent local exchange carriers (ILECs) subject to price cap regulation, rate of return ILECs subject to Section 61.39, and dominant carriers (like Iowa Network Access Division) subject to Section 61.38 of the Commission's rules. The requirements for summary cost support material to support the annual access charge filings to be submitted on or before June 16, 2014 are presented in the Commission's Order, In the Matter of Material to be Filed in Support of 2014 Annual Access Tariff Filings, DA 14-494, WC Docket No. 14-48 (released April 14, 2014).

This 2014 Annual Access Charge Tariff Filing covers the scheduled effective period from July 1, 2014 through June 30, 2015. This documentation volume contains the introduction, overview, rate development narrative, access rate development and corresponding cost support material to be filed with the FCC on June 16, 2014.

#### OVERVIEW

Schedule A of Section 2 presents a summary of the proposed rate to be effective July 1, 2014. Iowa Network Access Division ("INAD") proposes to maintain its existing switched transport rate of \$0.00896 per minute of use effective July 1, 2014. The Company's proposed switched transport rate of \$0.00896 per access minute is projected to generate switched transport revenues of \$18,093,128. When combined with nonrecurring revenues of \$26,706, total test period revenues are projected in the amount of \$18,119,834 resulting in a return of -202.18% on interstate investments for the projected twelve-month period ending June 30, 2015.

For the year 2013, INAD's regulated revenue from interstate Centralized Equal Access ("CEA") services amounted to \$20,922,280 which resulted in a return of 3.03% on its interstate investment. For the 2011/2012 monitoring period, INAD experienced a return of 30.84% which represents revenues of approximately \$2 million in excess of its authorized return and 3.5% of revenues for the monitoring period. During this period, the FCC authorized a maximum rate of return for interstate access operations of 11.50% with a target of 11.25%.



## PUBLIC VERSION

Interstate CEA minutes-of-use (“MOUs”) declined at a rate of 21.37% during 2013 to 2,786,846,408 from 3,544,392,104 in 2012. During the year 2012, INAD interstate traffic declined at the rate of 7.54% from the year 2011. For the year 2012, INAD began experiencing reductions in MOUs for interexchange carrier (“IXC”) traffic connecting with both ILEC and call aggregators<sup>1</sup> when compared with historical MOUs reflected during 2011. For the test period ending June 30, 2013, INAD projected interstate CEA minutes of 3,339,631,164, reflecting a decrease of 5.78% from actual CEA minutes for the year 2012. For the test period ending June 30, 2014, INAD projected interstate CEA minutes of 2,925,535,070, reflecting a decrease of 4.98% from actual CEA minutes for the year 2013. For the test period ending June 30, 2015, INAD is projecting interstate CEA minutes of 2,019,322,322, representing a decrease of 30.98% from projected CEA minutes of 2,925,535,070 for the projected period ending June 30, 2014. The decrease in interstate traffic for the projected test period results primarily from continued reductions in interstate CEA minutes by IXCs routing traffic over the INS network between the IXCs’ facilities and the networks of independent local exchange carriers. IXC traffic exchanged with LECs is projected to decrease approximately 10.47% during this time frame while IXC traffic delivered to aggregators is projected to decrease 10.42%.

Beginning in the year 2007, INAD experienced an increase in its uncollectible revenues from an IXC as a result of billing disputes over the classification and quantification of interstate CEA minutes related to call aggregator traffic terminated by the IXC to ILEC locations in Iowa. The disputed traffic is being terminated by multiple IXCs to ILEC locations in Iowa using the CEA network of INAD. During each of the years 2010 through 2013, INAD recorded a provision for uncollectibles relating to the interstate billing for this traffic in the total amount of \$16,570,046. INAD continues to bill the IXCs for all traffic terminated over its network and includes this disputed traffic in its MOU and revenue projections for the twelve month period ending June 30, 2015. The interstate provision for uncollectibles related to this traffic is estimated to be \$3,454,456 for the projected period ending June 30, 2015 and is reflected in INAD’s cost of operations and rate development calculations.

INAD’s proposed tariff rate of \$0.00896 is targeted to generate a return of negative 202.18% on investment for the projected test period ended June 30, 2015. INAD’s cost support material has been developed using procedures prescribed by the Federal Communications Commission as follows:

- A) Financial reporting is in accordance with the Uniform Systems of Accounts and Financial Reporting Requirements of Class A and Class B Telephone Companies, CC Docket 78-196 (Part 32 Order) and all subsequent revisions to the rules adopted through the period ending June 15, 2014.
- B) Jurisdictional allocation is in accordance with Federal Communications Commission’s Rules adopted in CC Docket Nos. 78-72, 80-286, 86-297 and FCC

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<sup>1</sup> The term call aggregator refers to businesses that generate high-volume traffic, such as conference call companies, chat line providers, and fax broadcasters.

## PUBLIC VERSION

Docket 87-134 released August 18, 1987 (Part 36 Order) and all subsequent revisions to the rules adopted through the period ending June 15, 2014.

- C) CEA rate development is performed in accordance with CC Docket No. 87-113 released August 18, 1987 (Part 69 Conformance Notice) and subsequent modifications including CC Docket No. 00-256, Second Report and Order and Notice of Proposed Rulemaking, 16 FCC Rcd 19613 (2001), ("Rate-of-Return Access Charge Reform Order").

The proposed CEA tariff maintains the method of charging for interstate CEA by major rate element. INAD proposes a centralized equal access switched transport rate of \$0.00896 and anticipates this rate will remain in effect through June 30, 2015.

### RATE DEVELOPMENT

Development of cost support as contained in the tariff filing was accomplished as follows:

- 1) Projection of test period investment, revenue and expense was determined based on the best estimates of management using fixed, known and measurable amounts from INAD's 2014 and 2015 operating budgets. Anticipated changes in investments and reserves were reflected in conjunction with INAD's ongoing plant modernization programs. Revenues were adjusted to reflect the projected decrease in CEA minutes during the test period from the year 2013.
- 2) Projection of the test period INAD revenue requirement was accomplished using FCC Part 64 cost allocation procedures applied to total company projected investment and expense amounts determined in (1) above. INAD's revenue requirement summary data is contained in Section 5 of the cost support material.
- 3) Projection of the test period interstate CEA revenue requirement was accomplished using Parts 36/69 separation procedures applied to projected total INAD investment and expense amounts determined in (2) above. INAD's interstate CEA revenue requirement was determined using a return on investment of 11.25% which reflects the rate of return currently authorized by the FCC for interstate ratemaking purposes. The summary Part 36 and Part 69 revenue requirements are contained in Sections 3 and 4 of the cost support material.
- 4) Projected interstate CEA minutes for the period ending June 30, 2015 reflect a decrease of 27.54% from the historical period ending December 31, 2013. Interstate CEA minutes for the period ending June 30, 2015 are projected to be 2,019,322,322 compared to 2,925,535,070 for the projected period ending June 30, 2014 and 2,786,846,408 for the actual period ended December 31, 2013. Projected CEA minutes for the test period ending June 30, 2015 are presented on



## PUBLIC VERSION

Schedule B following. The decrease in projected test period interstate CEA minutes from actual interstate CEA minutes for the year 2013 results primarily from anticipated decreases in IXC traffic exchanged with independent local exchange carriers, including call aggregators, carried over the INS network.

- 5) INAD's interstate CEA revenue requirement determined in (3) above for the projected period ending June 30, 2015 amounts to \$26,211,200 and is presented in Section 3 of the cost support material. The interstate revenue requirement was reduced by the amount of projected interstate revenues from nonrecurring charges of \$26,706 to arrive at the amount of \$26,184,494 representing the target revenue requirement to be recovered from the recurring centralized equal access switched transport rate.
- 6) The allowable projected switched transport charge supported by the projected costs of INAD is determined by dividing the remaining interstate revenue requirement of \$26,184,494 determined in (5) above by projected CEA minutes of 2,019,322,322 determined in (4) above resulting in a cost of \$0.01297 per CEA minute. An analysis of the development of the allowable interstate switched transport rate is presented on Schedule A in Section 2. However, rather than increase its switched transport rate based on its cost support, INAD proposes to maintain its existing interstate switched transport rate of \$0.00896 effective for CEA billings on July 1, 2014. INAD projects it will forgo revenues of \$8,097,483 by maintaining its existing switched transport rate of \$0.00896 in lieu of its supported rate of \$0.01297 for the projected test period ending June 30, 2015.

### SUMMARY

The 2014 annual CEA tariff filing is supplemented by the enclosed cost support material. Schedule A reflects INAD's existing switched transport charge of \$0.00896 compared with its supported rate of \$0.01297. Through this filing, INAD proposes to maintain its existing switched transport charge of \$0.00896 and forgo the supported rate of \$0.01297 based on the cost support for the projected test period ending June 30, 2015. The existing rate of \$0.00896 will remain in effect for CEA billings on July 1, 2014. The proposed switched transport charge will produce revenues that will generate a rate of return on investment of negative 202.18% for the projected test period ended June 30, 2015.

Included in the cost support material are schedules depicting projected investment and expense data, demand quantities, jurisdictional cost allocations and rate calculations for the projected twelve-month period ending June 30, 2015. Cost and revenue data for the historical period from January 1 through December 31, 2013 is contained in the Company's Tariff Review Plan ("TRP") which has been filed under separate cover.

**PUBLIC VERSION**

This filing is presented to comply with the Commission's Order, July 1, 2014 Annual Access Tariff Filings, DA 14-404, and Material to be Filed in Support of 2014 Annual Access Tariff Filings, DA 14-494, establishing the Tariff Review Plan (TRP) schedules to be filed in support of the annual CEA tariff filing of INAD. With this filing, INAD proposes to maintain its existing switched transport rate of \$0.00896 effective July 1, 2014 through June 30, 2015.

## TARIFF REVIEW PLAN

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Certification	

**CERTIFICATION**

I certify that I am the Vice-President of Finance of Iowa Network Services, Inc., have overall responsibility for the preparation of the 2014 Annual Access Charge Tariff Filing, and am authorized to execute this certification. Based upon information provided to me by employees or outside accountants responsible for the preparation of, or for supervision of the preparation of, the data submitted in support of the rates contained in the proposed tariff, I hereby certify that the data have been examined and reviewed and are true, correct and complete.

June 16, 2014

Date

  
\_\_\_\_\_  
Jeffrey P. Schill  
IOWA NETWORK SERVICES, INC.

## PUBLIC VERSION

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

6/30/2015

SECTION 2  
SCHEDULE A

	SOURCE	CURRENT RATE	COST SUPPORT	DIFFERENCE
1 SWITCHED TRANSPORT RATE	(BELOW)	\$0.00896	\$0.01297	\$0.00401
2 STUDY PERIOD ACCESS MINUTES	SCHEDULE B	2,019,322,322	2,019,322,322	
3 STUDY PERIOD ACCESS REVENUE	LN 1*LN 2	\$18,093,128	\$26,190,611	\$8,097,483

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ACCESS RATE DEVELOPMENT	SOURCE	AMOUNT
4 PROJECTED REVENUE REQUIREMENT	SECTION 4	\$26,211,200
5 LESS: MISCELLANEOUS REVENUE	RECORDS	26,706
7 ACCESS REVENUE REQUIREMENT	LN 4-LN 5	\$26,184,494
8 PROJECTED ACCESS MINUTES	SCHEDULE B	2,019,322,322
9 PROJECTED ACCESS RATE PER MOU	LN 4/LN 5	\$0.01297

## PUBLIC VERSION

IOWA NETWORK SERVICES, INC.  
 IOWA NETWORK ACCESS DIVISION  
 EQUAL ACCESS MOU SUMMARY  
 TRANSMITTAL NO.  
 PROJECTED TEST PERIOD ENDED

SECTION 2  
 SCHEDULE B

6/30/2015

PRO FORMA ALL CARRIERS	DAYS	TOTAL INTERSTATE	
		TOTAL MINUTES	REVENUES
7/1/2014 - 7/31/2014	31	173,297,817	\$1,552,748.44
8/1/2014 - 8/31/2014	31	172,359,816	\$1,544,343.95
9/1/2014 - 9/30/2014	30	171,429,523	\$1,536,008.53
10/1/2014 - 10/31/2014	31	170,506,859	\$1,527,741.46
11/1/2014 - 11/30/2014	30	169,591,742	\$1,519,542.01
12/1/2014 - 12/31/2014	31	168,684,095	\$1,511,409.49
1/1/2015 - 1/31/2015	31	167,783,837	\$1,503,343.18
2/1/2015 - 2/28/2015	28	166,890,893	\$1,495,342.40
3/1/2015 - 3/31/2015	31	166,005,186	\$1,487,406.47
4/1/2015 - 4/30/2015	30	165,126,640	\$1,479,534.69
5/1/2015 - 5/31/2015	31	164,255,180	\$1,471,726.41
6/1/2015 - 6/30/2015	30	163,390,734	\$1,463,980.98
TOTAL		2,019,322,322	\$18,093,128.01
3rd QUARTER		517,087,156	\$4,633,100.92
4th QUARTER		508,782,696	\$4,558,692.96
1st QUARTER		500,679,916	\$4,486,092.05
2nd QUARTER		492,772,554	\$4,415,242.08
TOTAL COMPANY		2,019,322,322	\$18,093,128.01



COST SUPPORT MATERIAL  
PART 69 COST ALLOCATION - TOTAL INTERSTATE  
INDEX TO DETAIL PART 69 ALLOCATION FORMS

DESCRIPTION	SCHEDULE
REVENUE REQUIREMENT SUMMARY, INCOME TAXES	A-1
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LN	AC	DESCRIPTION	TOTAL COMPANY	SOURCE	COMMON LINE		SWITCHING	INFO	TRAFFIC SENSITIVE		DEDICATED TRANSPORT	SPECIAL ACCESS		CHANNEL MILEAGE	B&C	IX CATEGORY	
					LIMITED PAY	COMMON LINE			COMMON	TRANSFACILITY		CHANNEL MILEAGE	TERM			CHANNEL MILEAGE	TERM
1		NET INVESTMENT FOR SETTLEMENTS	2,486,380	(NOTE A)	0	1,624,278	0	862,102	0	0	0	0	0	0	0	0	0
2		RATE OF RETURN	11,2500%	LN 1*LN 2	11,2500%	11,2500%	11,2500%	11,2500%	11,2500%	11,2500%	11,2500%	11,2500%	11,2500%	11,2500%	11,2500%	11,2500%	0
3		RETURN ON INVESTMENT	279,718	A-8,LN 29	0	182,731	0	96,986	0	0	0	0	0	0	0	0	0
4		ALLOW FOR FUNDS USED DURING CONSTR	0	LN 3*LN 4	0	182,731	0	96,986	0	0	0	0	0	0	0	0	0
5		NET RETURN FOR SETTLEMENTS	279,718	RECORDS	0	182,731	0	96,986	0	0	0	0	0	0	0	0	0
6		FEDERAL OPERATING INCOME TAX - ACTUAL	102,983	LN 30	0	67,276	0	35,707	0	0	0	0	0	0	0	0	0
7		FEDERAL OPERATING INCOME TAX - OPTION	0	A-12,LN 22	0	0	0	0	0	0	0	0	0	0	0	0	0
8		FEDERAL ITC AMORTIZATION	0	RECORDS	0	0	0	0	0	0	0	0	0	0	0	0	0
9		STATE OPERATING INCOME TAX - ACTUAL	0	LN 36	0	22,395	0	11,887	0	0	0	0	0	0	0	0	0
10		STATE OPERATING INCOME TAX - OPTION	34,282	A-12,LN 23	0	0	0	0	0	0	0	0	0	0	0	0	0
11		STATE ITC AMORTIZATION	0	RECORDS	0	0	0	0	0	0	0	0	0	0	0	0	0
12		PROVISION FOR DEFERRED INCOME TAX	0	A-8,LN 18	0	3,783,028	0	2,007,879	16,477,847	0	0	0	0	0	0	0	0
13		OPERATING EXPENSE & OTHER TAXES	22,268,754	A-8,LN 23	0	46,387	0	24,620	0	0	0	0	0	0	0	0	0
14		NONOPERATING EXP	71,007	A-8,LN 28	0	2,256,693	0	1,197,762	0	0	0	0	0	0	0	0	0
15		UNCOLLECTIBLES	3,454,456	0	0	6,358,510	0	3,374,842	16,477,847	0	0	0	0	0	0	0	0
16		BASIS FOR GROSS RECEIPTS TAX	26,211,200	0	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0
17		GROSS RECEIPTS TAX RATE	0.0000%	LN16*LN17	0	0	0	0	0	0	0	0	0	0	0	0	0
18		GROSS RECEIPTS TAX	0	LN16+LN18	0	6,358,510	0	3,374,842	16,477,847	0	0	0	0	0	0	0	0
19		TOTAL REVENUE REQUIREMENT	26,211,200		0												
NOTE A - INCLUDES A-2,LN 31 LESS A/C 2004, TPUC - LONG TERM																	
OPTIONAL GROSS UP INCOME TAX CALCULATION																	
20		RETURN ON INVESTMENT	279,718	LN 3	0	182,731	0	96,986	0	0	0	0	0	0	0	0	0
21		INTEREST AND RELATED ITEMS	79,809	A-12,LN 16	0	52,137	0	27,672	0	0	0	0	0	0	0	0	0
22		OTHER INCOME ADJUSTMENTS	0	A-12,LN 20	0	0	0	0	0	0	0	0	0	0	0	0	0
23		TOTAL INCOME ADJUSTMENTS	79,809	LN21+LN22	0	52,137	0	27,672	0	0	0	0	0	0	0	0	0
24		RETURN LESS INCOME ADJ	199,908	LN20-LN23	0	130,594	0	69,314	0	0	0	0	0	0	0	0	0
25		FEDERAL ITC AMORTIZATION	0	A-12,LN 22	0	0	0	0	0	0	0	0	0	0	0	0	0
26		FIT BASE	199,908	0	0	130,594	0	69,314	0	0	0	0	0	0	0	0	0
27		FEDERAL TAXABLE INCOME	302,891	LN 27*FTR	0	197,870	0	105,021	0	0	0	0	0	0	0	0	0
28		FEDERAL INCOME TAX	102,983	/LN 26	0	67,276	0	35,707	0	0	0	0	0	0	0	0	0
29	34.00%	FEDERAL SURTAX ALLOCATION	0	LN 28-LN29	0	0	0	0	0	0	0	0	0	0	0	0	0
30		NET FEDERAL TAX BEFORE ITC AMORT	102,983	A-12, LN23	0	67,276	0	35,707	0	0	0	0	0	0	0	0	0
31		STATE ITC AMORTIZATION	0	LN 28-LN29	0	0	0	0	0	0	0	0	0	0	0	0	0
32		SIT BASE	302,891	STATE TAXABLE INCOME	0	197,870	0	105,021	0	0	0	0	0	0	0	0	0
33		STATE TAXABLE INCOME	344,195	STATE INCOME TAX	0	224,852	0	119,343	0	0	0	0	0	0	0	0	0
34		STATE INCOME TAX	34,282	STATE SURTAX ALLOCATION	0	22,395	0	11,887	0	0	0	0	0	0	0	0	0
35	12.00%	STATE SURTAX ALLOCATION	0	LN 32	0	0	0	0	0	0	0	0	0	0	0	0	0
36		NET STATE INCOME TAX BEFORE ITC AMORT	34,282	LN34-LN35	0	22,395	0	11,887	0	0	0	0	0	0	0	0	0
37		FEDERAL TAX AT MAXIMUM RATE	102,983		0	67,276	0	35,707	0	0	0	0	0	0	0	0	0
38		INCOME ADJUSTMENT FOR FIT	0		0	0	0	0	0	0	0	0	0	0	0	0	0

LN	AC	DESCRIPTION	TOTAL COMPANY	SOURCE	COMMON LINE		SWITCHING	INFO	TRAFFIC SENSITIVE			SPECIAL ACCESS			IX CATEGORY	
					LIMITED PAY	COMMON LINE			COMMON TERM	COMMON FACILITY	DEDICATED TRANSPORT	CHANNEL MILEAGE ALLOCATED	CHANNEL MILEAGE TERM	FACILITY	B&C	MSG
NET INVESTMENT SUMMARY																
1		GENERAL SUPPORT FACILITIES	8,652,288	A-3,LN 6C	0	0	5,652,283	0	3,000,005	0	0	0	0	0	0	0
2		CENTRAL OFFICE SWITCHING	25,008,399	A-4,LN 21+25	0	0	16,337,245	0	8,671,154	0	0	0	0	0	0	0
3		OPERATOR SYSTEMS	0	A-4,LN 17	0	0	0	0	0	0	0	0	0	0	0	0
4		CENTRAL OFFICE TRANSMISSION	0	A-4,LN 41	0	0	0	0	0	0	0	0	0	0	0	0
5		INFORMATION ORIG/TERM	0	A-5,LN 10	0	0	0	0	0	0	0	0	0	0	0	0
6		CABLE AND WIRE FACILITIES	0	A-5,LN 21	0	0	0	0	0	0	0	0	0	0	0	0
7		TANGIBLE ASSETS	1,228,010	A-3,LN 14	0	0	802,222	0	425,787	0	0	0	0	0	0	0
8		INTANGIBLE ASSETS	0	A-3,LN 15	0	0	0	0	0	0	0	0	0	0	0	0
9		TOTAL PLANT IN SERVICE	34,888,696		0	0	22,791,750	0	12,066,947	0	0	0	0	0	0	0
10		% DISTRIBUTION	100,000%		0.0000%	0.0000%	65.3270%	0.0000%	34.6730%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
11		PROPERTY HELD FOR FUTURE USE	0	A-6,LN 6	0	0	0	0	0	0	0	0	0	0	0	0
12		PLANT UNDER CONSTRUCT - SHORT TERM	0	A-6,LN 13	0	0	0	0	0	0	0	0	0	0	0	0
13		PLANT UNDER CONSTRUCT - LONG TERM	0	A-6,LN 20	0	0	0	0	0	0	0	0	0	0	0	0
14		TELEPHONE PLANT ADJUSTMENT	0	A-6,LN 27	0	0	0	0	0	0	0	0	0	0	0	0
15		TOTAL PROPERTY PLANT & EQUIP.	34,888,696		0	0	22,791,750	0	12,066,947	0	0	0	0	0	0	0
16		% DISTRIBUTION	100,000%		0.0000%	0.0000%	65.3270%	0.0000%	34.6730%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
17		ACCUM DEPRECIATION - PLANT IN SERVICE	31,276,714	A-7,LN 7	0	0	20,432,149	0	10,844,565	0	0	0	0	0	0	0
18		ACCUM DEPRECIATION - FUTURE USE	0	A-7,LN 8	0	0	0	0	0	0	0	0	0	0	0	0
19		ACCUM AMORTIZATION - TANGIBLE PROPERTY	1,228,010	A-7,LN 15	0	0	802,222	0	425,787	0	0	0	0	0	0	0
20		ACCUM AMORTIZATION - INTANGIBLE PROP.	0	A-7,LN 16	0	0	0	0	0	0	0	0	0	0	0	0
21		ACCUM AMORTIZATION - TEL PLANT ADJ.	0	A-7,LN 17	0	0	0	0	0	0	0	0	0	0	0	0
22		OPERATING DEFERRED INCOME TAX	701,875	A-7,LN 26	0	0	458,514	0	243,361	0	0	0	0	0	0	0
23		OTHER DEFERRED CREDITS - NET	0	A-7,LN 34	0	0	0	0	0	0	0	0	0	0	0	0
24		NET TELEPHONE PLANT	1,682,098		0.0000%	0.0000%	1,098,865	0.0000%	583,233	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
25		% DISTRIBUTION	100,000%		0.0000%	0.0000%	65.3270%	0.0000%	34.6730%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
26		MATERIALS AND SUPPLIES	0	A-3,LN 16	0	0	0	0	0	0	0	0	0	0	0	0
27		RTE STOCK	0	A-3,LN 17	0	0	0	0	0	0	0	0	0	0	0	0
28		EQUAL ACCESS EQUIPMENT	0	A-3,LN 8	0	0	0	0	0	0	0	0	0	0	0	0
29		OTHER JURISDICTIONAL ASSETS	0	A-3,LN 18	0	0	0	0	0	0	0	0	0	0	0	0
30		CASH WORKING CAPITAL	804,282	A-3,LN 10	0	0	525,413	0	278,868	0	0	0	0	0	0	0
31		NET TELEPHONE PLANT M&S AND % DISTRIBUTION	2,486,380		0	0	1,624,278	0.0000%	862,102	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
32			100,000%		0.0000%	0.0000%	65.3270%	0.0000%	34.6730%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%

[illegible]

CENTRAL OFFICE EQUIPMENT ALLOCATION

LN	A/C	DESCRIPTION	TOTAL COMPANY	SOURCE	COMMON LINE		SWITCHING	INFO	TRAFFIC SENSITIVE			SPECIAL ACCESS			B&C	IX CATEGORY	
					LIMITED PAY	COMMON LINE			COMMON TERM	TRANSPORT FACILITY	TRANSPORT	CHANNEL MILEAGE ALLOCATED	CHANNEL MILEAGE TERM	CHANNEL MILEAGE FACILITY		MSG	P.L.
ALLOCATION FACTORS																	
1		STANDARD WORK SECONDS															
2		- MANUAL BOARDS	100.0000%	AL-1 LN 9			0.0000%	0.0000%									100.0000%
3		- TSPS COMPLEX	100.0000%	AL-1 LN 10			0.0000%	0.0000%									100.0000%
4		EQUIVALENT ACCESS LINES - MSG COE	0.0000%	AL-1 LN 2	0.0000%	0.0000%						0.0000%					
5		IX CIRCUIT TERMINATIONS - MSG COE	100.0000%	AL-1 LN 6					100.0000%								
CENTRAL OFFICE EQUIPMENT																	
6	2220	OPERATOR SYSTEMS															
7		MANUAL SWITCHBOARDS	0	LN 2			0	0									0
8		AUXILIARY SWITCHBOARDS															
9		- DIRECTORY ASSISTANCE	0	DIRECT			0	0									0
10		- INTERCEPT	0	DIRECT													0
11		- OTHER	0	DIRECT													0
12		SERVICE OBSERVING BOARDS	0	LN 27			0	0	0		0						0
13		TSPS															
14		- OPERATOR	0	LN 3			0	0									0
15		- RTA	0	LN 27			0	0	0		0						0
16		- OTHER	0	LN 27			0	0	0		0						0
17		TOTAL OPERATOR SYSTEMS	0				0	0	0		0						0
18	2210	TANDEM SWITCHING EQUIPMENT															
19		ACCESS	8,671,154	DIRECT					8,671,154								0
20		NON ACCESS	0	DIRECT													0
21		TOTAL TANDEM SWITCH	8,671,154						8,671,154								
22	2210	LOCAL SWITCHING EQUIPMENT															
23		ACCESS	16,337,245	DIRECT			16,337,245										0
24		DEDICATED	0	DIRECT			16,337,245										0
25		TOTAL LOCAL SWITCH	16,337,245														
26		TOTAL CAT1 EXCL SVC OBS, CAT 2 AND 3	25,008,399				16,337,245	0	8,671,154								0
27		% DISTRIBUTION	100.0000%	LN 26			65.3270%	0.0000%	34.6730%		0.0000%						0.0000%

IOWA NETWORK ACCESS DIVISION  
PROJECTED JUNE 30, 2015

COST SUPPORT MATERIAL  
PART 69 COST ALLOCATION - TOTAL INTERSTATE

SECTION 3  
6/13/2014

A-4.2of2

CENTRAL OFFICE EQUIPMENT ALLOCATION

A-4.2of2

LN	A/C	DESCRIPTION	TOTAL COMPANY	SOURCE	COMMON LINE		SWITCHING	INFO	TRAFFIC SENSITIVE		COMMON TRANSPORT		DEDICATED		CHANNEL MILEAGE		SPECIAL ACCESS		B&C	IX CATEGORY	
					LIMITED PAY	COMMON LINE			TERM	FACILITY	TERM	FACILITY	TRANSPORT	TRANSPORT	ALLOCATED	TERM	CHANNEL MILEAGE	FACILITY		MSG	P.L.
28	2230	CENTRAL OFFICE TRANSMISSION																			
29		EXCHANGE WIDEBAND	0	DIRECT													0				
30		EXCHANGE TRUNK - BASIC	0	DIRECT													0				
31		EXCHANGE TRUNK - SPECIAL	0	DIRECT													0				
32		SUBSCRIBER LINE	0	LN 4/DIRECT													0				
33		INTEREXCHANGE CIRCUIT	0		0	0	0										0				
34		FURNISHED OTHERS	0	DIRECT													0				
35		ACCESS - BASIC	0	LN 5/DIRECT													0				
36		ACCESS - SPECIAL	0	DIRECT													0				
37		NON ACCESS	0	DIRECT													0				
38		TOTAL IX CIRCUIT	0														0			0	0
39		HOST/REMOTE CIRCUIT	0	DIRECT													0			0	0
40		EQUIPMENT RENTED OTHERS	0	DIRECT													0			0	0
41		TOTAL CENTRAL OFFICE TRANSMISSION	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
42		TOTAL CENTRAL OFFICE EQUIPMENT	25,008,399		0		16,337,245	0	8,671,154				0	0	0	0	0	0		0	0
43		% DISTRIBUTION	100.0000%		0.0000%	0.0000%	65.3270%	0.0000%	34.6730%				0.0000%	0.0000%	0.0000%	0.0000%	0.0000%		0.0000%	0.0000%	0.0000%
44		COE RATIOS																			
45		OPERATOR SYSTEMS	0.0000%	LN 17			0.0000%	0.0000%	0.0000%				0.0000%							0.0000%	
46		TANDEM SWITCHING	100.0000%	LN 21			100.0000%		100.0000%											0.0000%	
47		LOCAL SWITCHING	100.0000%	LN 25			100.0000%		34.6730%											0.0000%	
48		CENTRAL OFFICE SWITCHING	100.0000%	LN 21+25			65.3270%		100.0000%											0.0000%	
		CENTRAL OFFICE TRANSMISSION	100.0000%	LN 37		0.0000%									0.0000%	0.0000%				0.0000%	0.0000%

IOWA NETWORK ACCESS DIVISION  
PROJECTED JUNE 30, 2015

COST SUPPORT MATERIAL  
PART 69 COST ALLOCATION - TOTAL INTERSTATE

SECTION 3  
6/13/2014

A-5,1of1

INFORMATION ORIGINATOR/TERMINATION AND CABLE AND WIRE FACILITIES

A-5,1of1

LN	A/C	DESCRIPTION	TOTAL COMPANY	SOURCE	COMMON LINE		SWITCHING	INFO	TRAFFIC SENSITIVE		DEDICATED		SPECIAL ACCESS		B&C		IX CATEGORY	
					LIMITED PAY	COMMON LINE			COMMON TERM	TRANSPORT FACILITY	TRANSPORT TERM	CHANNEL MILEAGE ALLOCATED	CHANNEL MILEAGE TERM	CHANNEL MILEAGE FACILITY			MSG	P.L.
1		ALLOCATION FACTORS																
2		EQUIVALENT ACCESS LINES - MSG CWF	0.0000%	AL-1,LN 4	0.0000%	0.0000%						0.0000%						
3	2310	IX CIRCUIT MILES - MSG CWF	100.0000%	AL-1,LN 8						100.0000%	0.0000%							
4		INFORMATION ORIG/TERM																
5		OTHER IOT EQUIPMENT																
6		COIN PUBLIC TELEPHONE	0	DIRECT		0												
7		COINLESS PUBLIC TELEPHONE	0	DIRECT		0												
8		OTHER	0	DIRECT		0												
9		SUBTOTAL	0			0												
10		NEW CUSTOMER PREMISE EQUIP	0	DIRECT		0												
11		TOTAL ORIG/TERM EQUIP	0			0												
		% DISTRIBUTION	0.0000%			0.0000%							0.0000%					
12	2410	CABLE AND WIRE FACILITIES																
13		SUBSCRIBER LINE	0	LN 1/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	0			0												
22		% DISTRIBUTION	100.0000%			0.0000%				100.0000%	0.0000%	0	0.0000%	0		0	0.0000%	0
23		TOTAL CWF EXCLUDING CAT 1.3	0			0				0	0.0000%	0	0.0000%	0		0	0.0000%	0
24		% DISTRIBUTION	100.0000%			0.0000%				100.0000%	0.0000%	0	0.0000%	0		0	0.0000%	0

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LN	AC	DESCRIPTION	TOTAL COMPANY	SOURCE	COMMON LINE		SWITCHING	INFO	TRAFFIC SENSITIVE			DEDICATED			SPECIAL ACCESS			IX CATEGORY	
					LIMITED PAY	COMMON LINE			COMMON TERM	FACILITY	TRANSPORT	ALLOCATED	TERM	CHANNEL MILEAGE	FACILITY	B&C	MSG	P.L.	
1	3100	ACUM DEPRECIATION - PLANT IN SERVICE																	
2		GENERAL SUPPORT	6,733,771	A-3-LIN 10	0	0	4,398,973	0	2,334,798	0	0	0	0	0	0	0	0	0	0
3		CENTRAL OFFICE SWITCHING EQUIPMENT	24,542,943	A-3-LIN 10	0	0	16,033,176	0	8,509,767	0	0	0	0	0	0	0	0	0	0
4		OPERATOR SYSTEMS EQUIPMENT	0	A-3-LIN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5		CENTRAL OFFICE TRANSMISSION	0	A-3-LIN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6		UNIDISTRIBUTED COE	0	A-3-LIN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7		INFORMATION ORIG/TERM	0	A-3-LIN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8		CABLE AND WIRE FACILITIES	0	A-3-LIN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9		TOTAL ACUM DEPR - TPIS	31,276,714	A-3-LIN 10	0	0	20,432,149	0	10,844,565	0	0	0	0	0	0	0	0	0	0
10	3200	ACUM DEPRECIATION - FUTURE USE	31,276,714	A-3-LIN 10	0	0	20,432,149	0	10,844,565	0	0	0	0	0	0	0	0	0	0
11		TOTAL ACUM DEPRECIATION	100.0000%		0.0000%	0.0000%	65.3270%	0.0000%	34.6730%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
12		% DISTRIBUTION																	
13		ACCUMULATED AMORTIZATION																	
14	3400	TANGIBLE ASSETS																	
15		CAPITAL LEASES	0	A-3-LIN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16		LEASEHOLD IMPROVEMENTS	1,228,010	A-3-LIN 10	0	0	802,222	0	425,787	0	0	0	0	0	0	0	0	0	0
17		UNIDISTRIBUTED	0	A-3-LIN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	3500	TOTAL ACUM AMORT - TANGIBLE	1,228,010	A-3-LIN 10	0	0	802,222	0	425,787	0	0	0	0	0	0	0	0	0	0
19	3600	INTANGIBLE ASSETS	0	A-3-LIN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20		TELEPHONE PLANT ADJUSTMENT	0	A-3-LIN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21		TOTAL ACUM AMORTIZATION	1,228,010	A-3-LIN 10	0	0	802,222	0	425,787	0	0	0	0	0	0	0	0	0	0
22	4100&	NET OPERATING DEFERRED INC TAX	100.0000%		0.0000%	0.0000%	65.3270%	0.0000%	34.6730%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
23	4340	GENERAL SUPPORT	0	A-3-LIN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24		CENTRAL OFFICE EQUIP	0	A-3-LIN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25		INFORMATION ORIG/TERM	0	A-3-LIN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
26		CABLE AND WIRE FACILITIES	0	A-3-LIN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27		UNIDISTRIBUTED	701,875	A-3-LIN 10	0	0	458,514	0	243,361	0	0	0	0	0	0	0	0	0	0
28		TOTAL NET DEFERRED INC TAX	701,875		0.0000%	0.0000%	458,514	0	243,361	0	0	0	0	0	0	0	0	0	0
29		% DISTRIBUTION	100.0000%		0.0000%	0.0000%	65.3270%	0.0000%	34.6730%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
30	4360	OTHER DEFERRED CREDITS - NET	0	A-3-LIN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31		GENERAL SUPPORT	0	A-3-LIN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
32		CENTRAL OFFICE EQUIP	0	A-3-LIN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
33		INFORMATION ORIG/TERM	0	A-3-LIN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
34		CABLE AND WIRE FACILITIES	0	A-3-LIN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
35		UNIDISTRIBUTED	0	A-3-LIN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
36		TOTAL OTHER DEFERRED CREDITS	0	A-3-LIN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
37		% DISTRIBUTION	0.0000%		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%

[illegible]

IOWA NETWORK ACCESS DIVISION  
PROJECTED JUNE 30, 2015

A-9,10f1

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LN	AC	DESCRIPTION	TOTAL COMPANY	SOURCE	COMMONLINE		SWITCHING	TRAFFIC SENSITIVE			SPECIAL ACCESS			IX CATEGORY		
					LIMITED PAY	COMMON LINE		INFO	COMMON TERM	TRANSPORT FACILITY	DEDICATED TRANSPORT	CHANNEL TERMINATION ALLOCATED	CHANNEL MILEAGE TERM	FACILITY	B&C	MSG
<hr/>																
1		BIG THREE EXPENSES	16,715,262	A-9,LN 25	0	0	1,236,567	0	657,913	14,817,782	0	0	0	0	0	0
2		PLANT SPECIFIC EXPENSE	0	A-10,LN 7	0	0	0	0	0	0	0	0	0	0	0	0
3		OTHER PLANT EXPENSE	0	A-10,LN 8	0	0	360,384	0	191,277	0	0	0	0	0	0	0
4		NETWORK OPERATIONS EXPENSE	551,662	A-10,LN 9	0	0	0	0	0	0	0	0	0	0	0	0
5		ACCESS CHARGE EXPENSE	0	A-10,LN 8	0	0	0	0	0	0	0	0	0	0	0	0
6		CUSTOMER OPERATIONS EXPENSE	81,194	A-11,LN 31	0	0	53,041	0	28,152	0	0	0	0	0	0	0
7		TOTAL BIG THREE EXPENSES	17,348,117		0	0	1,652,993	0	877,342	14,817,782	0	0	0	0	0	0
		% DISTRIBUTION	100.000%		0.000%	0.0000%	9.5284%	0.0000%	5.0573%	85.4144%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
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8	6710	CORPORATE OPERATING EXPENSE														
9		EXECUTIVE AND PLANNING	790,376	LN 7	0	0	75,310	0	39,972	675,095	0	0	0	0	0	0
10	6720	GENERAL AND ADMINISTRATIVE	1,153,167	LN 7	0	0	109,878	0	58,319	984,970	0	0	0	0	0	0
11		TOTAL CORPORATE OPERATIONS	1,943,544		0	0	185,188	0	98,290	1,660,065	0	0	0	0	0	0
		% DISTRIBUTION	100.000%		0.000%	0.0000%	9.5284%	0.0000%	5.0573%	85.4144%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
12		EQUAL ACCESS EXPENSE	0	DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
13	7500	INTEREST EXPENSE														
14		CAPITAL LEASE	0	A-3,LN 10	0	0	0	0	0	0	0	0	0	0	0	0
15		OTHER	79,809	A-3,LN 10	0	0	52,137	0	27,672	0	0	0	0	0	0	0
16		TOTAL	79,809		0	0	52,137	0	27,672	0	0	0	0	0	0	0
17		OTHER INCOME ADJUSTMENTS														
18		BASED ON PLANT	0	A-2,LN 10	0	0	0	0	0	0	0	0	0	0	0	0
19		BASED ON EXPENSE	0	LN 7	0	0	0	0	0	0	0	0	0	0	0	0
20		TOTAL	0		0	0	0	0	0	0	0	0	0	0	0	0
21		OPERATING TAXES														
22	7210	FEDERAL ITC AMORTIZATION	0	A-3,LN 10	0	0	0	0	0	0	0	0	0	0	0	0
23	7210	STATE ITC AMORTIZATION	0	A-3,LN 10	0	0	0	0	0	0	0	0	0	0	0	0
24	7240	OTHER OPERATING TAXES	188,274	A-3,LN 10	0	0	122,994	0	65,280	0	0	0	0	0	0	0
25		TOTAL OPERATING TAXES	188,274		0	0	122,994	0	65,280	0	0	0	0	0	0	0

## DEVELOPMENT OF JOINT USE FACILITIES ALLOCATION FACTORS

LN	A/C	DESCRIPTION	TOTAL COMPANY	SOURCE	COMMON LINE		SWITCHING	INFO	TRAFFIC SENSITIVE			SPECIAL ACCESS			IX CATEGORY	
					LIMITED PAY	COMMON LINE			COMMON TERM	TRANSPORT FACILITY	DEDICATED TRANSPORT	INEL TERMINATION ALLOCATED	CHANNEL TERM	MILEAGE FACILITY	B&C	MSG
1		EQUIVALENT ACCESS LINES - MSG COE	0		0	0					0					
2		% DISTRIBUTION	0.0000%		0.0000%	0.0000%					0.0000%					
3		EQUIVALENT ACCESS LINES - MSG CWF	0		0	0					0					
4		% DISTRIBUTION	0.0000%		0.0000%	0.0000%					0.0000%					
5		IX CIRCUIT TERMINATIONS - MSG COE	56,766													
6		% DISTRIBUTION	100.0000%				56,766									
7		IX CIRCUIT MILES - MSG CWF	20,244,849				100.0000%			20244849	0					
8		% DISTRIBUTION	100.0000%							100.0000%	0.0000%					
DISTRIBUTION FACTORS																
9		STD WORK SECONDS - MANUAL BOARDS	100.0000%				0.0000%	0.0000%								100.0000%
10		STD WORK SECONDS - TSPS	100.0000%				0.0000%	0.0000%								100.0000%
11		STD WORK SECONDS - OPERATORS	100.0000%				0.0000%	0.0000%								100.0000%
12		END USER SVC ORDER CONTACTS	0.0000%				0.0000%	0.0000%						0.0000%		0.0000%
13		END USER PAYMENT & COLLECTION	0.0000%				0.0000%	0.0000%						0.0000%		0.0000%
14		END USER BILLING INQUIRY CONTACTS	0.0000%				0.0000%	0.0000%						0.0000%		0.0000%
15		IX CARRIER SVC ORDER CONTACTS	100.0000%				0.0000%	0.0000%						0.0000%		0.0000%
16		IX CARRIER PAYMENT & COLLECTION	100.0000%				0.0000%	0.0000%						0.0000%		0.0000%
17		IX CARRIER BILLING INQUIRY CONTACTS	100.0000%				0.0000%	0.0000%						0.0000%		0.0000%
18		PUBLIC TELEPHONE REVENUE	0.0000%				0.0000%	0.0000%						0.0000%		0.0000%
19		END USER BILLING & COLLECTION	0.0000%				0.0000%	0.0000%						0.0000%		0.0000%
20		OPERATOR SERVICES UNDER CONTRACT	0.0000%				0.0000%	0.0000%						0.0000%		0.0000%

## PUBLIC VERSION

IOWA NETWORK SERVICES, INC.  
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## REVENUE REQUIREMENT SUMMARY

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LN	ALLOCATION RATIOS	A/C	COMMENT	TOTAL COMPANY	ALLOCATION BASIS	INTERSTATE MSG TOLL		OTHER
						INTRALATA	INTERLATA	
	REVENUE REQUIREMENT SUMMARY							
1	NET INVESTMENT FOR SETTLEMENTS			3,006,095	NOTE A	0	2,486,380	519,715
2	RATE OF RETURN					11.2500%	11.2500%	9.5000%
3	RETURN ON INVESTMENT			329,091	LN1*LN 2	0	279,718	49,373
4	ALLOWANCE FOR FUNDS USED DURING CONSTR			0	S-8,LN 29	0	0	0
5	NET RETURN FOR SETTLEMENTS			329,091	LN3-LN4	0	279,718	49,373
6	TOTAL ITC AMORTIZATION			0	S-12,LN 28+29	0	0	0
7	FEDERAL OPERATING INCOME TAX		(ACTUAL)	0	S-12,LN 30	0	0	0
8	FEDERAL OPERATING INCOME TAX		(OPTION)	120,221	LN28-LN11	0	102,983	17,238
9	STATE AND LOCAL INCOME TAX		(ACTUAL)	0	S-12,LN 31	0	0	0
10	STATE AND LOCAL INCOME TAX		(OPTION)	40,020	LN 33	0	34,282	5,738
11	PROVISION FOR DEFERRED INCOME TAX			0	S-12,LN 33	0	0	0
13	OPERATING EXPENSE AND TAX			27,252,558	S-8,LN 18	0	22,268,754	4,983,804
14	NONOPERATING EXPENSE			87,286	S-8,LN 23	0	71,007	16,278
15	UNCOLLECTIBLES			3,992,932	S-8,LN 28	0	3,454,456	538,476
16	BASIS FOR GROSS RECEIPTS TAX			31,822,108		0	26,211,200	5,610,908
17	GROSS RECEIPTS TAX RATE		(GROSS UP)			0.0000%	0.0000%	0.0000%
18	GROSS RECEIPTS TAX			0		0	0	0
19	TOTAL REVENUE REQUIREMENT			31,822,108		0	26,211,200	5,610,908

NOTE A: INCLUDES NET TEL PLANT FROM SCH S-2, LN 33 LESS A/C's 2004 ,2006 ,2007 AND 1402 OTHER THAN RTB STOCK.

***** ****								
OPTIONAL GROSS UP INCOME TAX CALCULATION								
20	RETURN ON INVESTMENT			329,091	LN 3	0	279,718	49,373
21	INTEREST AND RELATED ITEMS			95,720	S-12, LN 19	0	79,809	15,910
22	OTHER INCOME ADJUSTMENTS			0	S-12, LN 24+25	0	0	0
23	TOTAL INCOME ADJUSTMENTS			95,720	LN 21+22	0	79,809	15,910
24	FEDERAL ITC AMORTIZATION			0	S-12, LN 28	0	0	0
25	FEDERAL TAXABLE INCOME			353,592		0	302,891	50,701
26	FEDERAL INCOME TAX		34.00%	120,221	LN 25*FIT	0	102,983	17,238
27	FEDERAL SURTAX ALLOCATION			0	S-2, LN 34	0	0	0
28	NET FEDERAL INCOME TAX BEFORE ITC			120,221	LN26-LN27	0	102,983	17,238
29	STATE ITC AMORTIZATION			0	S-12, LN 29	0	0	0
30	STATE TAXABLE INCOME			333,502		0	285,682	47,820
31	STATE INCOME TAX		12.00%	40,020	LN 30*SIT	0	34,282	5,738
32	STATE SURTAX EXEMPTION			0	S-2, LN 34	0	0	0
33	NET STATE INCOME TAX BEFORE ITC			40,020		0	34,282	5,738



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SUMMARY OF NET TELEPHONE PLANT, M&S AND WORKING CAPITAL

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LN	ALLOCATION RATIOS	A/C	COMMENT	TOTAL COMPANY	ALLOCATION BASIS	INTERSTATE MSG TOLL		OTHER
						INTRALATA	INTERLATA	
1	NET INVESTMENT SUMMARY							
2	GENERAL SUPPORT FACILITIES	2110		10,377,156	S-3,LN 10	0	8,652,288	1,724,869
3	CENTRAL OFFICE SWITCHING EQUIPMENT	2210		29,993,925	S-4,LN 52	0	25,008,399	4,985,526
4	OPERATOR SYSTEMS EQUIPMENT	2220		0	S-4,LN 41	0	0	0
5	CENTRAL OFFICE TRANSMISSION EQUIPMENT	2230		0	S-4,LN 78	0	0	0
6	INFORMATION ORIG/TERM EQUIPMENT	2310		0	S-5,LN 17	0	0	0
7	CABLE AND WIRE FACILITIES	2410		0	S-5,LN 42	0	0	0
8	TANGIBLE ASSETS	2680		1,472,819	S-3,LN 29	0	1,228,010	244,809
9	INTANGIBLE ASSETS	2690		0	S-3,LN 36	0	0	0
10	TOTAL PLANT IN SERVICE A/C 2001			41,843,900		0	34,888,696	6,955,204
11	% DISTRIBUTION			100.0000%		0.0000%	83.3782%	16.6218%
12	PROPERTY HELD FOR FUTURE USE	2002		0	S-6,LN 9	0	0	0
13	PLANT UNDER CONSTR - SHORT TERM	2003		0	S-6,LN 15	0	0	0
14	PLANT UNDER CONSTR - LONG TERM	2004		0	S-6,LN 21	0	0	0
15	TELEPHONE PLANT ADJUSTMENT	2005		0	S-6,LN 27	0	0	0
16	NONOPERATING PLANT	2006		0	DIRECT	0	0	0
17	GOODWILL	2007		0	DIRECT	0	0	0
18	TOTAL PROPERTY, PLANT & EQUIPMENT			41,843,900		0	34,888,696	6,955,204
19	% DISTRIBUTION			100.0000%		0.0000%	83.3782%	16.6218%
20	ACCUM DEPRECIATION - PLANT IN SERVICE	3100		37,511,854	S-7,LN 18	0	31,276,714	6,235,141
21	ACCUM DEPRECIATION - FUTURE USE	3200		0	S-7,LN 19	0	0	0
22	ACCUM AMORTIZATION - TANGIBLE PROPERTY	3400		1,472,819	S-7,LN 23	0	1,228,010	244,809
23	ACCUM AMORTIZATION - INTANGIBLE PROPERTY	3500		0	S-7,LN 24	0	0	0
24	ACCUM AMORTIZATION - TEL PLANT ADJUSTMENT	3600		0	S-7,LN 25	0	0	0
25	OPERATING DEFERRED INCOME TAX - NET	VAR		841,797	S-7,LN 32	0	701,875	139,922
26	OTHER DEFERRED CREDITS - NET	4360		0	S-7,LN 38	0	0	0
27	NET TELEPHONE PLANT			2,017,431		0	1,682,098	335,333
28	% DISTRIBUTION			100.0000%		0.0000%	83.3782%	16.6218%
29	MATERIALS AND SUPPLIES	1220		0	S-6,LN 31	0	0	0
30	INVESTMENT IN NONAFFILIATED CO'S	1402		0	S-6,LN 35	0	0	0
31	EQUAL ACCESS EQUIPMENT	1439		0	S-6,LN 36	0	0	0
32	OTHER JURISDICTIONAL ASSETS	1500		0	S-6,LN 37	0	0	0
33	CASH WORKING CAPITAL	XXXX		988,664	S-3,LN 3	0	804,282	184,382
34	NET TEL PLANT, M&S AND CASH WORKING CAPITAL			3,006,095		0	2,486,380	519,715
	% DISTRIBUTION			100.0000%		0.0000%	82.7113%	17.2887%

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IOWA NETWORK SERVICES, INC.  
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## SUMMARY OF OPERATING EXPENSE AND TAX

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LN	ALLOCATION RATIOS	A/C	COMMENT	TOTAL COMPANY	ALLOCATION BASIS	INTERSTATE MSG TOLL		OTHER
						INTRALATA	INTERLATA	
1	OPERATING EXPENSE AND TAX SUMMARY							
2	NETWORK SUPPORT EXPENSE	6110		0	S-9,LN 7	0	0	0
3	GENERAL SUPPORT EXPENSE	6120		1,296,341	S-9,LN 8	0	1,080,866	215,475
4	CENTRAL OFFICE EXPENSE	6210		979,410	S-9,LN 15	0	816,614	162,795
5	INFORMATION ORIG/TERM EXPENSE	6310		0	S-9,LN 21	0	0	0
6	CABLE AND WIRE FACILITIES EXPENSE	6410		18,248,747	S-9,LN 25	0	14,817,782	3,430,965
7	OTHER PLANT EXPENSE	6510		0	S-10,LN 11	0	0	0
8	NETWORK OPERATIONS EXPENSE	6530		661,638	S-10,LN 13	0	551,662	109,976
9	ACCESS CHARGE EXPENSE	6540		0	S-10,LN 14	0	0	0
10	MARKETING EXPENSE	6610		0	S-11,LN 13	0	0	0
11	SERVICES EXPENSE	6620		106,732	S-11,LN 44	0	81,194	25,538
12	EXECUTIVE AND PLANNING EXPENSE	6710		971,571	S-12,LN 8+9	0	790,376	181,194
13	GENERAL AND ADMINISTRATIVE EXPENSE	6720		1,417,531	S-12,LN 11+12	0	1,153,167	264,364
14	SUBTOTAL OPERATING EXPENSES			23,681,968		0	19,291,660	4,390,308
15	% DISTRIBUTION			100.0000%		0.0000%	81.4614%	18.5386%
16	DEPRECIATION AND AMORTIZATION	6560		3,344,782	S-10,LN 22+29	0	2,788,820	555,963
17	OTHER OPERATING TAX	7240		225,808	S-12,LN 32	0	188,274	37,533
18	EQUAL ACCESS EXPENSE			0	S-12,LN 15	0	0	0
19	TOTAL OPERATING EXPENSE AND TAX			27,252,558		0	22,268,754	4,983,804
	% DISTRIBUTION			100.0000%		0.0000%	81.7125%	18.2875%
20	NON OPERATING EXPENSE	7370						
21	ABANDONED CONSTRUCTION			0	S-2,LN 10	0	0	0
22	CONTRIBUTIONS			87,286	S-12,LN 14	0	71,007	16,278
23	OTHER NON OPERATING EXPENSE			0	DIRECT	0	0	0
24	TOTAL NON OPERATING EXPENSE			87,286		0	71,007	16,278
	% DISTRIBUTION			100.0000%		0.0000%	81.3504%	18.6496%
25	UNCOLLECTIBLES							
26	END USER MSG TOLLS	5310		0	DIRECT	0	0	0
27	END USER COMMON LINE	5320		0	DIRECT	0	0	0
28	IX CARRIER	5330		3,992,932	S-11,LN 5	0	3,454,456	538,476
	TOTAL UNCOLLECTIBLES			3,992,932		0	3,454,456	538,476
29	ALLOWANCE FOR FUNDS USED DURING CONSTR	7340		0	S-12,LN 3	0	0	0

## PUBLIC VERSION

IOWA NETWORK SERVICES, INC.  
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COST SUPPORT MATERIAL  
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REVENUE REQUIREMENT SUMMARY

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LN	DESCRIPTION	A/C	NOTE	TOTAL COMPANY	ALLOCATION BASIS	ACCESS DIVISION	OTHER
REVENUE REQUIREMENT SUMMARY							
1	NET INVESTMENT FOR SETTLEMENTS			51,742,219	NOTE A	3,006,095	48,736,125
2	RATE OF RETURN					10.9475%	9,5319%
3	RETURN ON INVESTMENT			4,974,559	LN1*LN 2	329,091	4,645,469
4	ALLOWANCE FOR FUNDS USED DURING CONSTR			0	S-8,LN 30	0	0
5	NET RETURN FOR SETTLEMENTS			4,974,559	LN 3-LN 4	329,091	4,645,469
6	TOTAL ITC AMORTIZATION			0	S-12, LN 32	0	0
7	FEDERAL OPERATING INCOME TAX		(ACTUAL)	0		0	0
8	FEDERAL OPERATING INCOME TAX		(OPTION)	2,412,062	LN28-LN11	120,221	2,291,840
9	STATE AND LOCAL INCOME TAX		(ACTUAL)	0		0	0
10	STATE AND LOCAL INCOME TAX		(OPTION)	802,946	LN 32	40,020	762,925
11	PROVISION FOR DEFERRED INCOME TAX			0	S-12, LN 36	0	0
13	OPERATING EXPENSE AND TAX			93,626,257	S-8, LN 20	27,252,558	66,373,699
14	NONOPERATING EXPENSE			375,000	S-8, LN 25	87,286	287,714
15	UNCOLLECTIBLES			3,992,932	S-8, LN 29	3,992,932	0
16	BASIS FOR GROSS RECEIPTS TAX			106,183,756		31,822,108	74,361,648
17	GROSS RECEIPTS TAX RATE		(GROSS UP)			0.0000%	0.0000%
18	GROSS RECEIPTS TAX			0		0	0
19	TOTAL REVENUE REQUIREMENT			106,183,756		31,822,108	74,361,648

NOTE A: INCLUDES NET TEL PLANT FROM SCH S-2, LN 33 LESS A/C's 2004 ,2006 ,2007 AND 1402.

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OPTIONAL GROSS UP INCOME TAX CALCULATION

20	RETURN ON INVESTMENT			4,974,559	LN 3	329,091	4,645,469
21	INTEREST AND RELATED ITEMS			292,322	S-12, LN 22	95,720	196,602
22	OTHER INCOME ADJUSTMENTS			0	S-12, LN 27+28	0	0
23	TOTAL INCOME ADJUSTMENTS			292,322	LN 21+22	95,720	196,602
24	FEDERAL ITC AMORTIZATION			0	S-12, LN 32	0	0
25	FEDERAL TAXABLE INCOME			7,094,299		353,592	6,740,707
26	FEDERAL INCOME TAX		34.00%	2,412,062	LN 25*FIT	120,221	2,291,840
27	FEDERAL SURTAX ALLOCATION			0	S-2, LN 32	0	0
28	NET FEDERAL INCOME TAX BEFORE ITC			2,412,062	LN26-LN27	120,221	2,291,840
29	STATE TAXABLE INCOME			6,691,214		333,502	6,357,712
30	STATE INCOME TAX		12.00%	802,946	LN 29*SIT	40,020	762,925
31	STATE SURTAX EXEMPTION			0	S-2, LN 32	0	0
32	NET STATE INCOME TAX BEFORE ITC			802,946	LN30-LN31	40,020	762,925

IOWA NETWORK SERVICES, INC.  
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COST SUPPORT MATERIAL  
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SUMMARY OF NET TELEPHONE PLANT, M&S AND WORKING CAPITAL

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LN	DESCRIPTION	A/C	NOTE	TOTAL COMPANY	ALLOCATION BASIS	ACCESS DIVISION	OTHER
1	NET INVESTMENT SUMMARY						
2	GENERAL SUPPORT FACILITIES	2110		25,341,110	S-3,LN 27	10,377,156	14,963,954
3	CENTRAL OFFICE SWITCHING EQUIPMENT	2210		44,014,651	S-4,LN 17	29,993,925	14,020,726
4	CENTRAL OFFICE TRANSMISSION EQUIPMENT	2230		51,552,721	S-4,LN 31	0	51,552,721
5	CABLE AND WIRE FACILITIES	2410		59,282,926	S-5,LN 16	0	59,282,926
6	TANGIBLE ASSETS	2680		3,596,636	S-3,LN 54	1,472,819	2,123,818
7	INTANGIBLE ASSETS	2690		0	S-3,LN 61	0	0
8	TOTAL PLANT IN SERVICE A/C 2001			183,788,044		41,843,900	141,944,144
9	% DISTRIBUTION			100.0000%		22.7675%	77.2325%
10	PROPERTY HELD FOR FUTURE USE	2002		0	S-6,LN 9	0	0
11	PLANT UNDER CONSTR - SHORT TERM	2003		0	S-6,LN 15	0	0
12	PLANT UNDER CONSTR - LONG TERM	2004		0	S-6,LN 21	0	0
13	TELEPHONE PLANT ADJUSTMENT	2005		0	S-6,LN 27	0	0
14	NONOPERATING PLANT	2006		2,173,393	DIRECT		2,173,393
15	GOODWILL	2007		0	DIRECT		0
16	TOTAL PROPERTY, PLANT & EQUIPMENT			185,961,437		41,843,900	144,117,536
17	% DISTRIBUTION			100.0000%		22.5014%	77.4986%
18	ACCUM DEPRECIATION - PLANT IN SERVICE	3100		128,713,980	S-7,LN 30	37,511,854	91,202,125
19	ACCUM DEPRECIATION - FUTURE USE	3200		0	S-7,LN 31	0	0
20	ACCUM AMORTIZATION - TANGIBLE PROPERTY	3400		3,596,636	S-7,LN 36	1,472,819	2,123,818
21	ACCUM AMORTIZATION - INTANGIBLE PROPERTY	3500		0	S-7,LN 37	0	0
22	ACCUM AMORTIZATION - TEL PLANT ADJUSTMENT	3600		0	S-7,LN 38	0	0
23	OPERATING DEFERRED INCOME TAX - NET	VAR		3,757,257	S-7,LN 44	841,797	2,915,461
24	OTHER DEFERRED CREDITS - NET	4360		0	S-7,LN 49	0	0
25	NET TELEPHONE PLANT			49,893,564		2,017,431	47,876,133
26	% DISTRIBUTION			100.0000%		4.0435%	95.9565%
27	MATERIALS AND SUPPLIES	1220		621,079	S-6,LN 32	0	621,079
28	PREPAID EXPENSES	1300		0	S-6,LN 37	0	0
29	INVESTMENT IN NONAFFILIATED CO'S	1402		162,795,796	S-6,LN 38	0	162,795,796
30	OTHER JURISDICTIONAL ASSETS	1500		0	S-6,LN 39	0	0
31	CASH WORKING CAPITAL	XXXX		3,400,969	COMPUTED	988,664	2,412,306
32	NET TEL PLANT, M&S AND CASH WORKING CAPITAL			216,711,408		3,006,095	213,705,314
	% DISTRIBUTION			100.0000%		1.3871%	98.6129%

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SUMMARY OF OPERATING EXPENSE AND TAX

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LN	DESCRIPTION	A/C	NOTE	TOTAL COMPANY	ALLOCATION BASIS	ACCESS DIVISION	OTHER
1	OPERATING EXPENSE AND TAX SUMMARY						
2	NETWORK SUPPORT EXPENSE	6110		314,787	S-9,LN 13-23	107,100	207,687
3	GENERAL SUPPORT EXPENSE	6120		2,790,496	S-9,LN 24-27	1,189,240	1,601,256
4	CENTRAL OFFICE EXPENSE	6210		3,380,124	S-9,LN 33	979,410	2,400,714
5	CABLE AND WIRE FACILITIES EXPENSE	6410		22,946,170	S-9,LN 35	18,248,747	4,697,423
6	OTHER PLANT EXPENSE	6510		22,746,723	S-10,LN 6	0	22,746,723
7	NETWORK OPERATIONS EXPENSE	6530		5,621,071	S-10,LN 13	661,638	4,959,433
8	ACCESS CHARGE EXPENSE	6540		6,411,600	S-10,LN 15	0	6,411,600
9	MARKETING EXPENSE	6610		4,229,836	S-11,LN 15	0	4,229,836
10	SERVICES EXPENSE	6620		3,030,438	S-11,LN 39	106,732	2,923,706
11	EXECUTIVE AND PLANNING EXPENSE	6710		2,376,412	S-12,LN 7	971,571	1,404,841
12	GENERAL AND ADMINISTRATIVE EXPENSE	6720		6,832,519	S-12,LN 8-15	1,417,531	5,414,988
13	SUBTOTAL OPERATING EXPENSES			80,680,176		23,681,968	56,998,208
14	% DISTRIBUTION			100.0000%		29.3529%	70.6471%
15	DEPRECIATION - PLANT IN SERVICE	6561		11,919,017	S-10,LN 33	3,344,782	8,574,235
16	DEPRECIATION - FUTURE USE	6562		0	S-10,LN 34	0	0
17	AMORTIZATION - TANGIBLES	6563		0	S-3,LN42-44	0	0
18	AMORTIZATION - INTANGIBLES	6564		0	S-3,LN 45	0	0
19	AMORTIZATION - OTHER	6565		0	S-3,LN 46	0	0
20	OTHER OPERATING TAX	7240		1,027,064	S-12,LN 35	225,808	801,256
21	TOTAL OPERATING EXPENSE AND TAX			93,626,257		27,252,558	66,373,699
	% DISTRIBUTION			100.0000%		29.1078%	70.8922%
22	NON OPERATING EXPENSE	7370					
23	ABANDONED CONSTRUCTION			0	S-2,LN 8	0	0
24	CONTRIBUTIONS			266,565	S-12,LN 2	87,286	179,279
25	ALL OTHER			108,435	S-12,LN 2	0	108,435
26	TOTAL NON OPERATING EXPENSE			375,000		87,286	287,714
	% DISTRIBUTION			100.0000%		23.2762%	76.7238%
27	UNCOLLECTIBLES						
28	END USER MSG TOLLS	5310		0	DIRECT	XXX	XXX
29	IX CARRIER	5330		3,992,932	DIRECT	3,992,932	0
	TOTAL UNCOLLECTIBLES			3,992,932		3,992,932	0
30	ALLOWANCE FOR FUNDS USED DURING CONSTR	7340		0	S-12,LN 4	0	0

	Total Company (A)	Part 64 Adjustments (B)	Other Adjustments (C)	Subject to Separations (D)	Total Interstate (E)	Billing & Collection (F)	Interstate Inter- exchange (G)	ROR Regulated IS Access (H)	Pay Phone (I)	Inside Wire (J)	BFP (K)	Total Common Line (L)	Total Switched Traffic Sensitive (M)	Special Access (N)
<b>Revenues</b>														
100 Network Access	n/a	n/a	n/a	n/a	n/a	n/a	n/a	18,093,128	0	0	0	0	18,093,128	0
110 Uncollectibles	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	0	0	0	0	0	0
120 Common Line Support	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	0	0	0	0	n/a	n/a
130 Long Term	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	0	0	0	0	n/a	n/a
140 Transitional	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	0	0	0	0	n/a	n/a
150 Miscellaneous	n/a	n/a	n/a	n/a	n/a	n/a	n/a	26,706	0	0	0	0	26,706	0
160 Net Revenues	n/a	n/a	n/a	n/a	n/a	n/a	n/a	18,119,834	0	0	0	0	18,119,834	0
<b>Expenses</b>														
170 Plant Specific	n/a	n/a	n/a	n/a	16,715,262	0	0	16,715,262	0	0	0	0	16,715,262	0
171 Network Support	0	0	0	0	0	0	0	0	0	0	0	0	0	0
172 General Support	1,296,341	0	0	1,296,341	1,080,866	0	0	1,080,866	0	0	0	0	1,080,866	0
173 Central Office	979,410	0	0	979,410	816,614	0	0	816,614	0	0	0	0	816,614	0
174 Operator Systems	0	0	0	0	0	0	0	0	0	0	0	0	0	0
175 COE Switching	979,410	0	0	979,410	816,614	0	0	816,614	0	0	0	0	816,614	0
176 COE Transmission	0	0	0	0	0	0	0	0	0	0	0	0	0	0
177 IOT	0	0	0	0	0	0	0	0	0	0	0	0	0	0
178 Cable & Wire Facilities	18,248,747	0	0	18,248,747	14,817,782	0	0	14,817,782	0	0	0	0	14,817,782	0
180 Plant Non-Sp. Less Dep/Amor	n/a	n/a	n/a	n/a	551,662	0	0	551,662	0	0	0	0	551,662	0
190 Depreciation / Amortization	3,344,782	0	0	3,344,782	2,788,820	0	0	2,788,820	0	0	0	0	2,788,820	0
200 Customer Operations	n/a	n/a	n/a	n/a	81,194	0	0	81,194	0	0	0	0	81,194	0
201 Marketing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
202 Local Business Office	0	0	0	0	0	0	0	0	0	0	0	0	0	0
203 Revenue Accounting	106,732	0	0	106,732	81,194	0	0	81,194	0	0	0	0	81,194	0
204 Other Billing & Collection	0	0	0	0	0	0	0	0	0	0	0	0	0	0
210 Access	n/a	n/a	n/a	n/a	0	n/a	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a
220 Corporate Operations	n/a	n/a	n/a	n/a	1,943,544	0	0	1,943,544	0	0	0	0	1,943,544	0
230 AFUDC	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	0	0	0	0	0	0
240 Other Exp. & Adjustments	n/a	n/a	n/a	n/a	3,525,463	0	0	3,525,463	0	0	0	0	9,138,929	0
250 Taxes Other than FIT	n/a	n/a	n/a	n/a	171,757	0	0	171,757	0	0	0	0	171,757	0
260 Total Exp and Other Taxes	n/a	n/a	n/a	n/a	25,777,702	0	0	25,777,702	0	0	0	0	31,391,168	0
<b>FIT Adjustments</b>														
270 Adjustment for FIT	95,720	0	0	95,720	79,809	0	0	79,809	0	0	0	0	79,809	0
280 Amortized ITC	0	0	0	0	0	0	0	0	0	0	0	0	0	0
290 Federal Income Taxes	n/a	n/a	n/a	n/a	0	n/a	n/a	(2,630,810)	0	0	0	0	(4,539,389)	0
300 Total Expenses & Taxes	n/a	n/a	n/a	n/a	25,697,893	n/a	n/a	23,067,083	0	0	0	0	26,771,970	0
<b>Telephone Plant in Service</b>														
310 General Support	10,377,156	0	0	10,377,156	8,652,288	0	0	8,652,288	0	0	0	0	8,652,288	0
320 Central Office Equip-Switch	29,993,925	0	0	29,993,925	25,008,399	0	0	25,008,399	0	0	0	0	25,008,399	0
321 Operator Systems	0	0	0	0	0	0	0	0	0	0	0	0	0	0
322 Tandem Switching	0	0	0	0	0	0	0	0	0	0	0	0	0	0
323 Local Switching Cat. 3	0	0	0	0	0	0	0	0	0	0	0	0	0	0
324 Equal Access	29,993,925	0	0	29,993,925	25,008,399	0	0	25,008,399	0	0	0	0	25,008,399	0
330 Central Office Equip-Trans	0	0	0	0	0	0	0	0	0	0	0	0	0	0
331 Subscriber Lines	0	0	0	0	0	0	0	0	0	0	0	0	0	0
332 Exchange Circuit	0	0	0	0	0	0	0	0	0	0	0	0	0	0
333 Interexchange Circuit	0	0	0	0	0	0	0	0	0	0	0	0	0	0
334 Host Remote	0	0	0	0	0	0	0	0	0	0	0	0	0	0
340 Cable & Wire	0	0	0	0	0	0	0	0	0	0	0	0	0	0
341 Subscriber Lines	0	0	0	0	0	0	0	0	0	0	0	0	0	0
342 Exchange	0	0	0	0	0	0	0	0	0	0	0	0	0	0
343 Interexchange	0	0	0	0	0	0	0	0	0	0	0	0	0	0
344 Host Remote	0	0	0	0	0	0	0	0	0	0	0	0	0	0
350 Info Orig/Term Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
360 Amortizable Assets	1,472,819	0	0	1,472,819	1,228,010	0	0	1,228,010	0	0	0	0	1,228,010	0
370 Total Plant In Service	41,843,900	0	0	41,843,900	34,888,697	0	0	34,888,697	0	0	0	0	34,888,697	0
<b>Adjustments to TPIS</b>														
380 Depr / Amor Reserve	38,984,673	0	0	38,984,673	32,504,724	0	0	32,504,724	0	0	0	0	32,504,724	0
390 Accum Deferred Income Tax	841,797	0	0	841,797	701,875	0	0	701,875	0	0	0	0	701,875	0
400 Other Rate Base Adjust.	n/a	n/a	n/a	n/a	804,282	0	0	804,282	0	0	0	0	804,282	0
<b>Return Data</b>														
410 Average Rate Base	n/a	n/a	n/a	n/a	2,486,380	n/a	n/a	2,486,380	0	0	0	0	2,486,380	0
420 Return	n/a	n/a	n/a	n/a	n/a	n/a	n/a	(5,027,058)	0	0	0	0	(8,731,945)	0
430 Rate of Return	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-202.18%	0.00%	0.00%	0.00%	0.00%	-351.19%	0.00%

	Total Company (A)	Part 64 Adjustments (B)	Other Adjustments (C)	Subject to Separations (D)	Total Interstate (E)	Billing & Collection (F)	Inter- exchange (G)	Regulated I/S Access (H)	Pay Phone (I)	Inside Wire (J)	BFP (K)	Common Line (L)	Total Switched Traffic Sensitive (M)	Special Access (N)
Revenues														
100 Network Access	n/a	n/a	n/a	n/a	n/a	n/a	n/a	20,897,089	0	0	0	0	20,897,089	0
110 Uncollectibles	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	0	0	0	0	0	0
120 Common Line Support	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	0	0	0	n/a	n/a
130 Long Term	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	0	0	0	0	n/a	n/a
140 Transitional	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	0	0	0	0	n/a	n/a
150 Miscellaneous	n/a	n/a	n/a	n/a	n/a	n/a	n/a	25,191	0	0	0	0	25,191	0
160 Net Revenues	n/a	n/a	n/a	n/a	n/a	n/a	n/a	20,922,280	0	0	0	0	20,922,280	0
Expenses														
170 Plant Specific	n/a	n/a	n/a	n/a	13,096,812	0	0	13,096,812	0	0	0	0	13,096,812	0
171 Network Support	0	0	0	0	0	0	0	0	0	0	0	0	0	0
172 General Support	1,070,396	0	0	1,070,396	912,680	0	0	912,680	0	0	0	0	912,680	0
173 Central Office	1,152,089	0	0	1,152,089	982,335	0	0	982,335	0	0	0	0	982,335	0
174 Operator Systems	0	0	0	0	0	0	0	0	0	0	0	0	0	0
175 COE Switching	1,152,089	0	0	1,152,089	982,335	0	0	982,335	0	0	0	0	982,335	0
176 COE Transmission	0	0	0	0	0	0	0	0	0	0	0	0	0	0
177 IOT	0	0	0	0	0	0	0	0	0	0	0	0	0	0
178 Cable & Wire Facilities	13,219,456	0	0	13,219,456	11,201,797	0	0	11,201,797	0	0	0	0	11,201,797	0
180 Plant Non-Sp. Less Dep/Amor	n/a	n/a	n/a	n/a	571,433	0	0	571,433	0	0	0	0	571,433	0
190 Depreciation / Amortization	2,754,522	0	0	2,754,522	2,348,660	0	0	2,348,660	0	0	0	0	2,348,660	0
200 Customer Operations	n/a	n/a	n/a	n/a	82,628	0	0	82,628	0	0	0	0	82,628	0
201 Marketing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
202 Local Business Office	0	0	0	0	0	0	0	0	0	0	0	0	0	0
203 Revenue Accounting	109,836	0	0	109,836	82,628	0	0	82,628	0	0	0	0	82,628	0
204 Other Billing & Collection	0	0	0	0	0	0	0	0	0	0	0	0	0	0
210 Access	n/a	n/a	n/a	n/a	0	n/a	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a
220 Corporate Operations	n/a	n/a	n/a	n/a	1,764,084	0	0	1,764,084	0	0	0	0	1,764,084	0
230 AFUDC	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	0	0	0	0	0	0
240 Other Exp. & Adjustments	n/a	n/a	n/a	n/a	2,642,672	0	0	2,642,672	0	0	0	0	2,642,672	0
250 Taxes Other than FIT	n/a	n/a	n/a	n/a	320,674	0	0	320,674	0	0	0	0	320,674	0
260 Total Exp and Other Taxes	n/a	n/a	n/a	n/a	20,826,963	0	0	20,826,963	0	0	0	0	20,826,963	0
FIT Adjustments														
270 Adjustment for FIT	8,717	0	0	8,717	7,433	0	0	7,433	0	0	0	0	7,433	0
280 Amortized ITC	0	0	0	0	0	0	0	0	0	0	0	0	0	0
290 Federal Income Taxes	n/a	n/a	n/a	n/a	57,974	n/a	n/a	29,881	0	0	0	0	29,881	0
300 Total Expenses & Taxes	n/a	n/a	n/a	n/a	20,877,504	n/a	n/a	20,849,411	0	0	0	0	20,849,411	0
Telephone Plant in Service														
310 General Support	6,493,252	0	0	6,493,252	5,536,510	0	0	5,536,510	0	0	0	0	5,536,510	0
320 Central Office Equip-Switch	29,487,983	0	0	29,487,983	25,143,106	0	0	25,143,106	0	0	0	0	25,143,106	0
321 Operator Systems	0	0	0	0	0	0	0	0	0	0	0	0	0	0
322 Tandem Switching	0	0	0	0	0	0	0	0	0	0	0	0	0	0
323 Local Switching Cat. 3	0	0	0	0	0	0	0	0	0	0	0	0	0	0
324 Equal Access	29,487,983	0	0	29,487,983	25,143,106	0	0	25,143,106	0	0	0	0	25,143,106	0
330 Central Office Equip-Trans	0	0	0	0	0	0	0	0	0	0	0	0	0	0
331 Subscriber Lines	0	0	0	0	0	0	0	0	0	0	0	0	0	0
332 Exchange Circuit	0	0	0	0	0	0	0	0	0	0	0	0	0	0
333 Interexchange Circuit	0	0	0	0	0	0	0	0	0	0	0	0	0	0
334 Host Remote	0	0	0	0	0	0	0	0	0	0	0	0	0	0
340 Cable & Wire	0	0	0	0	0	0	0	0	0	0	0	0	0	0
341 Subscriber Lines	0	0	0	0	0	0	0	0	0	0	0	0	0	0
342 Exchange	0	0	0	0	0	0	0	0	0	0	0	0	0	0
343 Interexchange	0	0	0	0	0	0	0	0	0	0	0	0	0	0
344 Host Remote	0	0	0	0	0	0	0	0	0	0	0	0	0	0
350 Info Orig/Term Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
360 Amortizable Assets	1,222,043	0	0	1,222,043	1,041,982	0	0	1,041,982	0	0	0	0	1,041,982	0
370 Total Plant in Service	37,203,278	0	0	37,203,278	31,721,598	0	0	31,721,598	0	0	0	0	31,721,598	0
Adjustments to TPIS														
380 Depr / Amor Reserve	34,687,644	0	0	34,687,644	29,576,628	0	0	29,576,628	0	0	0	0	29,576,628	0
390 Accum Deferred Income Tax	833,519	0	0	833,519	710,705	0	0	710,705	0	0	0	0	710,705	0
400 Other Rate Base Adjust.	n/a	n/a	n/a	n/a	728,196	0	0	728,196	0	0	0	0	728,196	0
Return Data														
410 Average Rate Base	n/a	n/a	n/a	n/a	2,162,461	n/a	n/a	2,162,461	0	0	0	0	2,162,461	0
420 Return	n/a	n/a	n/a	n/a	n/a	n/a	n/a	65,436	0	0	0	0	65,436	0
430 Rate of Return	n/a	n/a	n/a	n/a	n/a	n/a	n/a	3.03%	0.00%	0.00%	0.00%	0.00%	3.03%	0.00%

COS-2		6/15/2014	Rate-of-Return TRP		
Filing Date:	Iowa Network Access Division	7/14 - 6/15	Versus 2013 Actual		
Filing Entity:	INIAAN14				
Transmittal Number:					
COSA:					
Forecast, 7/14 - 6/15					
Revenue Requirement					
100 Depreciation/Amortization	0	Traffic Sensitive Switched (B)	2,788,820	Traffic Sensitive Special (C)	0
105 Expense Less Dep & Amor	0		28,430,591		0
110 Taxes Less FIT	0		171,757		0
115 Return	0		(8,731,945)		0
120 FIT	0		(4,539,389)		0
125 Uncl., IDC & Other Adj.	0		0		0
130 Revenue Requirement	0		18,119,834		0
135 Access Service Revenue	0		18,119,834		0
Rate Base					
140 Telephone Plant in Service	0		34,888,697		0
145 Rate Base Adjustments	0		804,282		0
150 Depreciation Reserves	0		32,504,724		0
155 Accum Deferred Income Tax	0		701,875		0
160 Average Rate Base	0		2,486,380		0
Actual, 1/13- 12/13					
Revenue Requirement					
200 Depreciation/Amortization	0		2,348,660		0
205 Expense Less Dep & Amor	0		18,157,629		0
210 Taxes Less FIT	0		320,674		0
215 Return	0		65,436		0
220 FIT	0		29,881		0
225 Uncl., IDC & Other Adj.	0		0		0
230 Revenue Requirement	0		20,922,280		0
235 Access Service Revenue	0		20,922,280		0
Rate Base					
240 Telephone Plant in Service	0		31,721,598		0
245 Rate Base Adjustments	0		728,196		0
250 Depreciation Reserves	0		29,576,628		0
255 Accum Deferred Income Tax	0		710,705		0
260 Average Rate Base	0		2,162,461		0



COS-2		6/15/2014	Rate-of-Return TRP				
Filing Date:		6/15/2014	7/14 - 6/15				
Filing Entity:		Iowa Network Access Division	Versus 2013 Actual				
Transmittal Number:		INIAAN14					
COSA:							
		Common Line (A)	Traffic Sensitive Switched (B)	Traffic Sensitive Special (C)	Other Interstate (D)	Total Interstate (E)	Total Co. Subject to Separations (F)
Forecast, 7/13 - 6/14							
Revenue Requirement							
100	Depreciation/Amortization	0	3,482,111	0	0	3,482,111	4,031,728
105	Expense Less Dep & Amor	0	22,140,308	0	0	22,140,308	n/a
110	Taxes Less FIT	0	234,335	0	0	n/a	n/a
115	Return	0	234,986	0	0	n/a	n/a
120	FIT	0	121,054	0	0	n/a	n/a
125	Uncol., IDC & Other Adj.	0	0	0	0	n/a	n/a
130	Revenue Requirement	0	26,212,794	0	0	n/a	n/a
135	Access Service Revenue	0	26,212,794	0	0	n/a	n/a
Rate Base							
140	Telephone Plant in Service	0	35,032,232	0	0	35,032,232	40,561,723
145	Rate Base Adjustments	0	733,826	0	0	733,826	n/a
150	Depreciation Reserves	0	32,315,091	0	0	32,315,091	37,415,709
155	Accum Deferred Income Tax	0	1,117,838	0	0	1,117,838	1,294,277
160	Average Rate Base	0	2,333,129	0	0	2,333,129	n/a
Actual, 1/12 - 12/12							
Revenue Requirement							
200	Depreciation/Amortization	0	3,332,850	0	0	3,332,850	3,802,464
205	Expense Less Dep & Amor	0	18,682,217	0	0	18,682,217	n/a
210	Taxes Less FIT	0	783,349	0	0	783,349	n/a
215	Return	0	1,817,839	0	0	1,817,839	n/a
220	FIT	0	936,463	0	0	936,463	n/a
225	Uncol., IDC & Other Adj.	0	0	0	0	0	n/a
230	Revenue Requirement	0	25,552,718	0	0	25,552,718	n/a
235	Access Service Revenue	0	25,552,718	0	0	n/a	n/a
Rate Base							
240	Telephone Plant in Service	0	31,682,141	0	0	31,682,141	36,146,304
245	Rate Base Adjustments	0	722,121	0	0	722,121	n/a
250	Depreciation Reserves	0	28,438,317	0	0	28,438,317	32,445,411
255	Accum Deferred Income Tax	0	1,150,631	0	0	1,152,760	1,312,760
260	Average Rate Base	0	2,815,314	0	0	2,815,314	n/a
							56,972,587
							0.0351046

COS-2  
Filing Date: 6/15/2014  
Filing Entity: Iowa Network Access Division  
Transmittal Number: INIAAN14  
COSA:

Rate-of-Return TRP  
7/14 - 6/15  
Versus 2013 Actual

Forecast, 7/12 - 6/13

Revenue Requirement		Common Line (A)	Traffic Sensitive Switched (B)	Traffic Sensitive Special (C)	Other Interstate (D)	Total Interstate (E)	Total Co. Subject to Separations (F)
100 Depreciation/Amortization	0	3,751,194	0	0	0	3,751,194	4,335,520
105 Expense Less Dep & Amor	0	16,493,055	0	0	0	16,493,055	n/a
110 Taxes Less FIT	0	254,596	0	0	0	n/a	n/a
115 Return	0	217,935	0	0	0	n/a	n/a
120 FIT	0	112,270	0	0	0	n/a	n/a
125 Uncl., IDC & Other Adj.	0	0	0	0	0	n/a	n/a
130 Revenue Requirement	0	20,829,050	0	0	0	n/a	n/a
135 Access Service Revenue	0	20,829,050	0	0	0	n/a	n/a
Rate Base							
140 Telephone Plant in Service	0	32,468,276	0	0	0	32,468,276	37,525,873
145 Rate Base Adjustments	0	851,742	0	0	0	851,742	n/a
150 Depreciation Reserves	0	29,139,514	0	0	0	29,139,514	33,678,589
155 Accum Deferred Income Tax	0	2,184,244	0	0	0	2,184,244	2,524,485
160 Average Rate Base	0	1,996,260	0	0	0	1,996,260	n/a

Actual, 1/11 - 12/11

Revenue Requirement		Common Line (A)	Traffic Sensitive Switched (B)	Traffic Sensitive Special (C)	Other Interstate (D)	Total Interstate (E)	Total Co. Subject to Separations (F)
200 Depreciation/Amortization	0	3,628,632	0	0	0	3,628,632	4,184,653
205 Expense Less Dep & Amor	0	26,551,665	0	0	0	26,551,665	n/a
210 Taxes Less FIT	0	574,851	0	0	0	574,851	n/a
215 Return	0	438,716	0	0	0	438,716	n/a
220 FIT	0	226,005	0	0	0	226,005	n/a
225 Uncl., IDC & Other Adj.	0	0	0	0	0	0	n/a
230 Revenue Requirement	0	31,419,869	0	0	0	31,419,869	n/a
235 Access Service Revenue	0	31,419,869	0	0	n/a	n/a	n/a
Rate Base							
240 Telephone Plant in Service	0	33,850,936	0	0	0	33,850,936	39,037,952
245 Rate Base Adjustments	0	1,269,119	0	0	0	1,269,119	n/a
250 Depreciation Reserves	0	28,124,207	0	0	0	28,124,207	32,433,711
255 Accum Deferred Income Tax	0	2,493,698	0	0	0	2,493,698	2,875,809
260 Average Rate Base	0	4,502,150	0	0	0	4,502,150	n/a

MAG-1

Filing Date: 6/15/2014

Filing Entity: Iowa Network Access Division

Transmittal Number : INIAAN14

COSA:

Access Element	Interstate Revenue Requirement Prior to Adjustments (A) Note 1	Frozen Line Port Transfer (B) Note 2	Universal Service Fund Contribution (C) Note 3	Interstate Revenue Requirement Subject to TIC Re-allocation (D) Cols. (A)+(B)+(C)	Frozen TIC Re-allocation (E) Note 4	Interstate Revenue Requirement Subject to Rate Making (F) Cols. (D)+(E)
Carrier Common Line	\$0		\$0	\$0		\$0
Special Access	\$0			\$0		\$0

Note 1: Source of Revenue Requirements in Column (A)  
Carrier Common Line TRP COS-1(P) Line 100, Column (L)  
Special Access TRP COS-1(P) Line 100, Column U  
Note 2: Enter an amount equal to the amounts on the most recently filed Form MAG-1.  
Note 3: Projected Amount per Account 6540  
Note 4: Enter amounts equal to the amounts on the most recently filed Form MAG-1.

REV-1  
Filing Date: 6/15/2014  
Filing Entity: Iowa Network Access Division  
Transmittal Number: INIAAN14  
COSA

Rate-of-Return TRP  
Switched Access Revenue  
Test Year 7/14-6/15

	Minute or Message Rate (A)	Minute Miles Rate (B)	Line or Trunk Rate (C)	Minute or Message Demand (D)	Minute Miles Demand (E)	Line or Trunk Demand (F)	Access Revenue (G)	Revenue Requirement (H)
<b>Common Line</b>								
100 Multi-line Business EUCL	n/a	n/a	n/a	n/a	n/a	n/a	0	n/a
110 Single Line Business EUCL	n/a	n/a	0.00	n/a	n/a	0	0	n/a
120 Residential EUCL	n/a	n/a	0.00	n/a	n/a	0	0	n/a
130 Special Access Surcharge	n/a	n/a	0.00	n/a	n/a	0	0	n/a
140 Terminating CCL Premium	0.000000	n/a	n/a	0	n/a	n/a	0	n/a
150 Terminating CCL Non-Prem.	0.000000	n/a	n/a	0	n/a	n/a	0	n/a
160 Originating CCL Premium	0.000000	n/a	n/a	0	n/a	n/a	0	n/a
170 Originating CCL Non-Prem.	0.000000	n/a	n/a	n/a	n/a	n/a	0	n/a
180 Common Line - - Total	n/a		n/a	n/a	n/a	n/a	0	0



REV-2

Filing Date:

6/15/2014

Filing Entity:

Iowa Network Access Division

Transmittal Number:

INIAAN14

COSA

Rate-of-Return TRP Revenues Summary

Test Year 7/14 to 6/15

	Total Network Access (A)	Recurring without ICB (B)	Non-Recurring without ICB (C)	ICB (D)
100 Common Line	0	0	0	0
110 Special Access	0	0	0	0

Notes : Col. (A) = Cols. (B) +(C) + (D). If a particular category is inapplicable, then that category = 0.

RTE-1  
Filing Date: 6/15/2014  
Filing Entity: Iowa Network Access Division  
Transmittal Number: INIAAN14  
COSA

Rate-of-Return TRP  
Percent Change in  
Historical Rate Levels

	7/1/2013 Rate (A)	Current Effective Rate (B)	Proposed 7/1/2014 Rate (C)	% Change 7/1/2013 7/1/2014 (D)	% Change Current 7/1/2014 (E)
End User Common Line	---	---	---	---	---
150 Multi-line Business (\$/Month)	0	0.00	0.00	0.00%	0.00%
160 Residential & Single Line Bus.	0	0.00	0.00	0.00%	0.00%

RTE-2

Filing Date:

6/15/2014

Filing Entity:

Iowa Network Access Division

Transmittal Number:

INIAAN14

COSA

Rate-of-Return  
Revenue Price-outs  
Using 2013 Demand

	Revenue at 7/1/2013 Rates (A)	Revenue at Current Rate (B)	Change in Revenue, Cols. B-A (C)	Revenue at 7/1/2014 Rates (D)	Change in Revenue, Cols.(B)-(D) (E)
Switched Access					
100 Multi-line Business	0	0	0	0	0
110 Residential & Single Line Bus.	0	0	0	0	0
120 Common Line	0	0	0	0	0
130 Special Access	0	0	0	0	0

Notes: If company belongs to the NECA common line pool, then revenue = 0.



<b>RTE-3</b>		<b>Rate-of-Return TRP</b>	
<b>Filing Date:</b>	6/15/2014	<b>COSA's for which Rates</b>	
<b>Filing Entity:</b>	Iowa Network Access Division	<b>are Averaged or Pooled</b>	
Transmittal Number:	INIAAN14		
COSA			
		<b>Multi-line Business (A)</b>	<b>Residential &amp; Single Line Business (B)</b>
			<b>Special Access New (C ) Old(H)</b>
<b>COSA</b>			
100			
110			
120			
130			
140			
150			
160			
170			
180			
190			
200			
210			
220			
230			

Notes: Companies should list all COSA's for which rates are averages or pooled.

DMD-2  
Filing Date: 6/15/2014  
Filing Entity: Iowa Network Access Division  
Transmittal Number: INIAAN14  
COSA

Rate-of-Return TRP  
Special Access  
Demand

	1/13-12/13 Channel Terminations (A)	1/13-12/13 Number of Circuits (B)	1/13-12/13 Interoffice Miles (C)	7/14 - 6/15 Channel Terminations (D)	7/14 - 6/15 Number of Circuits (E)	7/14 - 6/15 Interoffice Miles (F)
100 Metallic	0	0	0	0	0	0
110 Telegraph	0	0	0	0	0	0
120 VG less WATS	0	0	0	0	0	0
130 WATS	0	0	0	0	0	0
140 full-time Audio	0	0	0	0	0	0
150 High Capacity	0	0	0	0	0	0

DMD-3

Filing Date:

6/15/2014

Filing Entity:

Iowa Network Access Division

Transmittal Number:

INIAAN14

COSA

Rate-of-Return TRP  
Common Line  
Revenue and Demand

	1/13-12/13 Historical Revenue (A)	1/13-12/13 Historical MOU or Lines (B)	7/14 - 6/15 Test Year Revenue (C)	7/14 - 6/15 Test Year MOU or Lines (D)
100 End User Common Line, Total	0	0	0	0
110 Residential	0	0	0	0
120 Single Line Business	0	0	0	0
130 Multi-line Business	0	0	0	0
140 Special Access Surcharge	0	0	0	0
150 Carrier Common Line	0	0	0	0
160 Total Common Line Revenue	0	n/a	0	n/a

ERN-1

Filing Date:

6/15/2014

Filing Entity:

Iowa Network Access Division

Transmittal Number:

INIAAN14

#REF!

Page 1 of 1

Rate-of-Return TRP  
Rate-of-Return  
Summary

	2011/2012 FCC Monitoring Period (A)	2013 Calendar Year (B)	7/14 - 6/15 Test Year (C)
100 Interstate Access, Total	0.00%	0.00%	0.00%
110 Carrier Common Line	0.00%	0.00%	0.00%
120 Special Access	0.00%	0.00%	0.00%
130 Local Switching	0.00%	0.00%	0.00%
140 Information	0.00%	0.00%	0.00%
150 Local Transport	30.84%	3.03%	-202.18%
160 Traffic Sensitive Switched, Total	30.84%	3.03%	-202.18%

# **AT&T Exhibit 19**

**Aureon 2016 Tariff Filing (filed June  
16, 2016)**

**[AT&T Exhibit 22 to Complaint Proceeding]**



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June 16, 2016

**SUBMITTED ELECTRONICALLY**

Marlene H. Dortch  
Office of the Secretary  
Federal Communications Commission  
445 Twelfth Street, S.W.  
Washington, D.C. 20554  
Attention: Wireline Competition Bureau

**Re: Iowa Network Services, Inc. d/b/a Aureon Network Services**  
**FRN: 0002-5807-10**  
**Tariff F.C.C. No. 1**  
**July 1, 2016 Annual Access Charge Tariff Filing**

Dear Ms. Dortch:

The accompanying 2016 Annual Access Charge Tariff Filing of Iowa Network Services, Inc. d/b/a Aureon Network Services ("INS"), effective July 1, 2016, is sent to you for filing in compliance with the requirements of the Communications Act of 1934, as amended. INS is a dominant carrier, and therefore, it is subject to Section 61.38 of the Commission's rules. As set forth in Subpart E of Part 61, entitled "General Rules for Dominant Carriers," Section 61.38 applies to all dominant carriers, including those such as INS, that are neither incumbent local exchange carriers ("ILECs") nor competitive local exchange carriers ("CLECs"). Accordingly, INS submits its 2016 Annual Access Charge Tariff Filing pursuant to the procedures established by the Commission for dominant carriers.

In 1988, the FCC granted Section 214 authority to INS to provide rural areas with centralized equal access ("CEA") and advanced telecommunications services, and classified INS as a dominant carrier. *Application of Iowa Network Access Division for Authority Pursuant to Section 214 of the Communications Act of 1934 and Section 63.01 of the Commission's Rules and Regulations*, 3 FCC Rcd 1468, 1469 ¶ 10 (1988). It is important to note that although INS is a dominant carrier, INS is not an ILEC. INS is not a Rate-of-Return Carrier (as defined by Section 51.903(g) of the Commission's rules), and INS is not an ILEC (as defined by 47 U.S.C. § 251(h)) as INS has never been a member of NECA and does not provide telephone exchange service. Because INS is not a Rate-of-Return carrier or an ILEC, it is not subject to the pricing parity and rate caps rules for such carriers adopted in the FCC's *Connect America Order*. See *Connect America Fund*, 26 FCC Rcd 17663 ¶¶ 800-01 (2011) ("*Connect America Order*").

 **Fletcher, Heald & Hildreth**

Marlene H. Dortch

June 16, 2016

Page 2

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Furthermore, INS is not a CLEC because INS is a dominant carrier. CLEC rates are regulated under Section 61.26 of the Commission's rules, which is contained in Subpart C of Part 61, entitled "General Rules for Nondominant Carriers." CLECs are subject to rate regulations for non-dominant carriers, which permit a CLEC's rates to be set by benchmarks that avoid the burden of preparing cost and traffic usage studies. *Connect America Fund*, 26 FCC Rcd 17663, 17888 ¶ 694 (2011). The FCC has never regulated INS' CEA service rates under the Commission's CLEC rate benchmarking rules, which require competitive carriers to ensure that their switched access services rates are no higher than the competing ILEC. Because INS, as a dominant carrier, is not permitted to use CLEC rate benchmarking, and it is not an ILEC that is subject to the pricing parity and rate caps rules adopted in the *Connect America Order*, INS is calculating its CEA tariff rates on the basis of cost studies and call volume data in compliance with Section 61.38 of the Commission's rules. This practice is consistent with tariff filings that INS has made in the past utilizing procedures for the submission of cost support materials for dominant carriers, and INS' annual tariff filings under the dominant carrier rules have been accepted by the FCC for nearly 30 years.

In light of the foregoing, this 2016 Annual Access Tariff Filing is submitted consistent with the procedures set forth in *July 1, 2016 Annual Access Charge Tariff Filings*, Order, 31 FCC Rcd. 2002, WC Docket No. 16-71, DA 16-274 (Pricing Pol. Div. rel. Mar. 16, 2016) (the "*Procedures Order*") and includes cost support consistent with *Material to be Filed in Support of 2016 Annual Access Tariff Filings*, Order, WC Docket No. 16-71, DA 16-399 (Pricing Pol. Div. rel. Apr. 13, 2016). Pursuant to the attached study for the test period ending June 30, 2017, INS proposes to maintain its existing switched transport rate of \$0.00896 per access minute.

Pursuant to the *Procedures Order*, INS is submitting its 2016 Annual Tariff Review Plan and associated documents electronically, using the Commission's Electronic Tariff Filing System ("ETFS"). Since INS is not proposing any new or revised rates or regulations at this time, no tariff pages are included with this filing. A filing fee is not required to be submitted with this submission, as set forth in Section 61.15(i) of the Commission's rules, 47 C.F.R. § 61.15(i).

All inquiries in connection with this publication should be addressed to INS' counsel, James U. Troup, Fletcher, Heald & Hildreth, 1300 North 17<sup>th</sup> Street, 11<sup>th</sup> Floor, Arlington, VA 22209, Telephone: (703) 812-0511; Facsimile: (703) 812-0486.

Sincerely,

  
James U. Troup

Counsel for Iowa Network Services, Inc. d/b/a  
Aureon Network Services

Attachments

**TARIFF REVIEW PLAN**

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2016 ROR ILEC 2016-17 Summary TRP	Not Applicable
2016 Rate Ceiling CAF Final	Not Applicable
2016 Rate Ceiling No CAF Final	Not Applicable
2016 Tariff Rate Comp CAF Final	Not Applicable
2016 Tariff Rate Comp No CAF Final	Not Applicable
2016 True Up Final BRI-RES	Not Applicable
2016 True Up Final BRI-SLB	Not Applicable
Certification	



***IOWA NETWORK SERVICES, INC.  
dba AUREON NETWORK SERVICES***

***IOWA NETWORK ACCESS DIVISION***

***DESCRIPTION AND JUSTIFICATION***

***COST SUPPORT MATERIAL***

***TARIFF REVIEW PLAN***

***JULY 1, 2016 ANNUAL ACCESS CHARGE TARIFF FILING***

***JUNE 16, 2016***

**IOWA NETWORK ACCESS DIVISION**

**INTERSTATE ACCESS TARIFF FILING**

**PROSPECTIVE PERIOD  
JULY 1, 2016 - JUNE 30, 2017**

**INDEX**

<b>Section</b>	<b>Description</b>
	Transmittal Letter
1	Introduction, Overview and Rate Development
2	Development of Switched Transport Charge and Study Period Projected Access Minutes
3	Projected Revenue Requirement Summary - Total Interstate (Part 69)
4	Projected Part 36 Revenue Requirement Summary
5	Projected Part 64 Revenue Requirement Summary
6	Tariff Review Plan (TRP)

## IOWA NETWORK ACCESS DIVISION

### INTRODUCTION, OVERVIEW AND RATE DEVELOPMENT

#### INTRODUCTION

This filing supports Iowa Network Access Division Tariff F.C.C. No. 1, which is subject to Section 61.38 of the Commission's rules. Set forth in Subpart E of Part 61, entitled "General Rules for Dominant Carriers," Section 61.38 applies to all dominant carriers even those, like Iowa Network Access Division ("INAD"), which are neither incumbent local exchange carriers ("ILECs") nor competitive local exchange carriers ("CLECs").

When granting Section 214 authority to INAD, the Commission classified INAD as a dominant carrier providing centralized equal access ("CEA") service. Application of Iowa Network Access Division for Authority Pursuant to Section 214 of the Communications Act of 1934 and Section 63.01 of the Commission's Rules and Regulations, 3 FCC Rcd 1468, 1469 ¶ 10 (1988). However, INAD is neither an ILEC nor a CLEC. INAD is not a Rate-of-Return Carrier (as defined by Section 51.903(g) of the Commission's rules), and INAD is not an ILEC (as defined by 47 U.S.C. § 251(h)), because INAD has never been a member of NECA and does not provide telephone exchange service. Furthermore, INAD is not a CLEC because INAD is a dominant carrier. CLEC rates are regulated under Section 61.26 of the Commission's rules, which is contained in Subpart C of Part 61, entitled "General Rules for Nondominant Carriers." Rather than CLEC rate benchmarking, INAD has always calculated its CEA tariff rates on the basis of cost studies and call volume data, as INAD is doing today, in compliance with Section 61.38 of the Commission's rules.

Although INAD is not an ILEC or CLEC, INAD has strived to file its cost support today in a format that is familiar to the Commission in order to facilitate the Commission's review. Accordingly, INAD is providing data as consistent as possible with the Commission's Order, In the Matter of July 1, 2016 Annual Access Charge Tariff Filings, DA 16-274, WC Docket No. 16-71 (released March 16, 2016). That Order established procedures for the 2016 filing of annual access charge tariffs and Tariff Review Plans (TRPs) for ILECs subject to price cap regulation, as well as rate of return ILECs subject to Section 61.39, and dominant carriers (like INAD) subject to Section 61.38 of the Commission's rules. The requirements for summary cost support material to support the annual access charge filings to be submitted on or before June 16, 2016 are presented in the Commission's Order, In the Matter of Material to be Filed in Support of 2016 Annual Access Tariff Filings, DA 16-399, WC Docket No. 16-71 (released April 13, 2016).

This 2016 Annual Access Charge Tariff Filing covers the scheduled effective period from July 1, 2016 through June 30, 2017. This documentation volume contains the introduction,

overview, rate development narrative, access rate development and corresponding cost support material to be filed with the FCC on June 16, 2016.

## **OVERVIEW**

Schedule A of Section 2 presents a summary of the proposed rate to be effective July 1, 2016. INAD proposes to maintain its existing switched transport rate of \$0.00896 per minute of use effective July 1, 2016. The Company's proposed switched transport rate of \$0.00896 per access minute is projected to generate switched transport revenues of \$22,475,651. When combined with nonrecurring revenues of \$20,731, total test period revenues are projected in the amount of \$22,496,381 resulting in a return of -171.69% on interstate investments for the projected twelve-month period ending June 30, 2017.

For the year 2015, INAD's regulated revenue from interstate CEA services amounted to \$20,115,957 which resulted in a return of -343.36% on its interstate investment. For the 2014/2015 monitoring period, INAD experienced a return of -219.08%. During this period, the FCC authorized a maximum rate of return for interstate access operations of 11.50% with a target of 11.25%.

Interstate CEA minutes-of-use ("MOUs") declined at a rate of 16.90% during 2015 to 2,242,892,301 from 2,699,087,868 in 2014. During the year 2014, INAD interstate traffic declined at the rate of 3.15% from the year 2013. For the year 2015, INAD experienced reductions in MOUs for interexchange carrier ("IXC") traffic connecting with ILECs and CLECs, including LECs providing service to call aggregators,<sup>1</sup> when compared with historical MOUs reflected during 2014. For the test period ending June 30, 2015, INAD projected interstate CEA minutes of 2,019,322,322, reflecting a decrease of 25.19% from actual CEA minutes for the year 2014. For the test period ending June 30, 2016, INAD projected interstate CEA minutes of 2,399,948,978, reflecting an increase of 7.00% from actual CEA minutes for the year 2015. For the test period ending June 30, 2017, INAD is projecting interstate CEA minutes of 2,508,443,160, representing an increase of 4.52% over projected CEA minutes of 2,399,948,978 for the projected period ending June 30, 2016. The change in interstate traffic for the projected test period results from slight fluctuations in interstate CEA minutes by IXCs routing traffic over the CEA network between the IXCs' facilities and the networks of independent local exchange carriers. IXC traffic exchanged with LECs that do not provide service to call aggregators is projected to decrease approximately 2.90% during this time frame, while IXC traffic delivered to LECs providing service to call aggregators is projected to increase 6.53%.

Beginning in the year 2007, INAD began to experience uncollectible revenues from IXCs as a result of billing disputes over the classification and quantification of interstate CEA minutes related to call aggregator traffic terminated by the IXCs to LEC locations in Iowa. The disputed traffic is being terminated by multiple IXCs to LEC locations in Iowa using the CEA network of

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<sup>1</sup> The term call aggregator refers to businesses that generate high-volume traffic, such as conference call companies, chat line providers, and fax broadcasters.



## PUBLIC VERSION

INAD. During each of the years 2010 through 2015, INAD recorded a provision for uncollectibles relating to the interstate billing for this traffic in the total amount of \$52,869,683. INAD continues to bill the IXC's for all traffic terminated over its network and includes this disputed traffic in its MOU and revenue projections for the twelve month period ending June 30, 2017. The interstate provision for uncollectibles related to this traffic is estimated to be \$16,525,230 for the projected period ending June 30, 2017 and is reflected in INAD's cost of operations and rate development calculations.

INAD's proposed tariff rate of \$0.00896 is targeted to generate a return of negative 171.69% on investment for the projected test period ended June 30, 2017.

Because the Commission has not adopted procedures specifically for the preparation of cost support material filed by CEA service providers, INAD has tailored the procedures for other dominant carriers to reflect the unique characteristics of a CEA network. Therefore, despite the fact that INAD is not an ILEC, INAD has developed its cost support consistent with the following procedures in order to help the Commission follow the methodology that was used to calculate the tariff rate for CEA service:

- A) Financial reporting is in accordance with the Uniform Systems of Accounts and Financial Reporting Requirements of Class A and Class B Telephone Companies, CC Docket 78-196 (Part 32 Order) and all subsequent revisions to the rules adopted through the period ending June 15, 2016.
- B) Jurisdictional allocation is in accordance with Federal Communications Commission's Rules adopted in CC Docket Nos. 78-72, 80-286, 86-297 and FCC Docket 87-134 released August 18, 1987 (Part 36 Order) and all subsequent revisions to the rules adopted through the period ending June 15, 2016.
- C) CEA rate development is performed in accordance with CC Docket No. 87-113 released August 18, 1987 (Part 69 Conformance Notice) and subsequent modifications including CC Docket No. 00-256, Second Report and Order and Notice of Proposed Rulemaking, 16 FCC Rcd 19613 (2001), ("Rate-of-Return Access Charge Reform Order").

The proposed CEA tariff maintains the method of charging for interstate CEA by major rate element. INAD proposes a CEA switched transport rate of \$0.00896 and anticipates this rate will remain in effect through June 30, 2017.

### **RATE DEVELOPMENT**

Development of cost support as contained in the tariff filing was accomplished as follows:

- 1) Projection of test period investment, revenue and expense was determined based on the best estimates of management using fixed, known and measurable amounts

## PUBLIC VERSION

from INAD's 2016 and 2017 operating budgets. Anticipated changes in investments and reserves were reflected in conjunction with INAD's ongoing plant modernization and upgrade programs. Revenues were adjusted to reflect the projected increase in CEA minutes during the test period from the year 2015.

- 2) Projection of the test period INAD revenue requirement was accomplished using FCC Part 64 cost allocation procedures applied to total company projected investment and expense amounts determined in (1) above. INAD's revenue requirement summary data is contained in Section 5 of the cost support material.
- 3) Projection of the test period interstate CEA revenue requirement was accomplished using Parts 36/69 separation procedures applied to projected total INAD investment and expense amounts determined in (2) above. INAD's interstate CEA revenue requirement was determined using a return on investment of 11.00% which reflects the rate of return currently authorized by the FCC for interstate ratemaking purposes. The summary Part 36 and Part 69 revenue requirements are contained in Sections 3 and 4 of the cost support material.
- 4) Projected interstate CEA minutes for the period ending June 30, 2017 reflect an increase of 11.84% from the historical period ending December 31, 2015. Interstate CEA minutes for the period ending June 30, 2017 are projected to be 2,508,443,160 compared to 2,399,948,978 for the projected period ending June 30, 2016 and 2,242,892,301 for the actual period ended December 31, 2015. Projected CEA minutes for the test period ending June 30, 2017 are presented in Section 2, Schedule B following. The increase in projected test period interstate CEA minutes from actual interstate CEA minutes for the year 2015 results primarily from anticipated increases in IXC traffic exchanged with independent LECs, including LECs with call aggregator end user customers, carried over the CEA network.
- 5) INAD's interstate CEA revenue requirement determined in (3) above for the projected period ending June 30, 2017 amounts to \$33,428,539 and is presented in Section 3 of the cost support material. The interstate revenue requirement was reduced by the amount of projected interstate revenues from nonrecurring charges of \$20,731 to arrive at the amount of \$33,407,808 representing the target revenue requirement to be recovered from the recurring CEA switched transport rate.
- 6) The allowable projected switched transport charge supported by the projected costs of INAD is determined by dividing the remaining interstate revenue requirement of \$33,407,808 determined in (5) above by projected CEA minutes of 2,508,443,160 determined in (4) above resulting in a cost of \$0.01332 per CEA minute. An analysis of the development of the allowable interstate switched transport rate is presented on Schedule A in Section 2. However, rather than increase its switched transport rate based on its cost support, INAD proposes to maintain its existing interstate switched transport rate of \$0.00896 effective for CEA billings on July 1, 2016. INAD projects it will forgo revenues of

## PUBLIC VERSION

\$10,936,812 by maintaining its existing switched transport rate of \$0.00896 in lieu of its supported rate of \$0.01332 for the projected test period ending June 30, 2017.

### **SUMMARY**

The 2016 annual CEA tariff filing is supplemented by the enclosed cost support material. Schedule A reflects INAD's existing switched transport charge of \$0.00896 compared with its supported rate of \$0.01332. Through this filing, INAD proposes to maintain its existing switched transport charge of \$0.00896 and forgo the supported rate of \$0.01332 based on the cost support for the projected test period ending June 30, 2017. The existing rate of \$0.00896 will remain in effect for CEA billings on July 1, 2016. The proposed switched transport charge will produce revenues that will generate a rate of return on investment of negative 171.69% for the projected test period ended June 30, 2017.

Included in the cost support material are schedules depicting projected investment and expense data, demand quantities, jurisdictional cost allocations and rate calculations for the projected twelve-month period ending June 30, 2017. Cost and revenue data for the historical period from January 1 through December 31, 2015 is contained in the Company's Tariff Review Plan ("TRP") which has been filed under separate cover.

Even though INAD is neither an ILEC nor a CLEC, INAD is making this filing as a dominant CEA carrier in a format familiar to the Commission that is consistent with the Commission's orders In the Matter of July 1, 2016 Annual Access Tariff Filings, DA 16-274, and In the Matter of Material to be Filed in Support of 2016 Annual Access Tariff Filings, DA 16-399, establishing the TRP schedules. With this filing, INAD proposes to maintain its existing switched transport rate of \$0.00896 effective July 1, 2016 through June 30, 2017.



**CERTIFICATION**

I certify that I am the Vice-President of Finance of Iowa Network Services, Inc., have overall responsibility for the preparation of the 2016 Annual Access Charge Tariff Filing, and am authorized to execute this certification. Based upon information provided to me by employees or outside accountants responsible for the preparation of, or for supervision of the preparation of, the data submitted in support of the rates contained in the proposed tariff, I hereby certify that the data have been examined and reviewed and are true, correct and complete.

June 16, 2016

Date

  
Jeffrey P. Schill  
**IOWA NETWORK SERVICES, INC. dba**  
**AUREON NETWORK SERVICES**



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

06/30/17

SECTION 2  
 SCHEDULE A

	<u>SOURCE</u>	<u>CURRENT RATE</u>	<u>COST SUPPORT</u>	<u>DIFFERENCE</u>
1 SWITCHED TRANSPORT RATE	(BELOW)	\$0.00896	\$0.01332	\$0.00436
2 STUDY PERIOD ACCESS MINUTES	SCHEDULE B	<u>2,508,443,160</u>	<u>2,508,443,160</u>	
3 STUDY PERIOD ACCESS REVENUE	LN 1*LN 2	<u>\$22,475,651</u>	<u>\$33,412,463</u>	<u>\$10,936,812</u>

**ACCESS RATE DEVELOPMENT**

	<u>SOURCE</u>	<u>AMOUNT</u>
4 PROJECTED REVENUE REQUIREMENT	SECTION 4	\$33,428,538
5 LESS: MISCELLANEOUS REVENUE	RECORDS	<u>20,731</u>
7 ACCESS REVENUE REQUIREMENT	LN 4-LN 5	<u>\$33,407,807</u>
8 PROJECTED ACCESS MINUTES	SCHEDULE B	<u>2,508,443,160</u>
9 PROJECTED ACCESS RATE PER MOU	LN 4/LN 5	<u>\$0.01332</u>

## PUBLIC VERSION

IOWA NETWORK SERVICES, INC.  
 IOWA NETWORK ACCESS DIVISION  
 INTERSTATE ACCESS BILLING SUMMARY  
 TRANSMITTAL NO.  
 PROJECTED TEST PERIOD ENDED

06/30/17

SECTION 2  
 SCHEDULE B

PRO FORMA ALL CARRIERS	DAYS	TOTAL INTERSTATE	
		MINUTES	REVENUES
12/29/2016-1/28/2017	31	198,343,099	\$1,777,154
1/29/2017-2/28/2017	31	200,848,466	\$1,799,602
3/1/2017-3/30/2017	30	201,117,919	\$1,802,017
3/31/2017-4/30/2017	31	210,614,815	\$1,887,109
5/1/2017-5/30/2017	30	205,937,911	\$1,845,204
5/31/2017-6/30/2017	31	214,522,187	\$1,922,119
7/1/2017-7/31/2017	31	216,011,744	\$1,935,465
8/1/2017-8/28/2017	28	196,266,793	\$1,758,550
8/29/2017-9/28/2017	31	218,327,292	\$1,956,213
9/29/2017-10/28/2017	30	212,269,665	\$1,901,936
10/29/2017-11/28/2017	31	220,237,427	\$1,973,327
11/29/2017-12/28/2017	30	213,945,841	\$1,916,955
TOTAL	365	2,508,443,160	\$22,475,651
3rd QUARTER		600,309,485	\$5,378,773
4th QUARTER		631,074,913	\$5,654,431
1st QUARTER		630,605,829	\$5,650,228
2nd QUARTER		646,452,933	\$5,792,218
TOTAL COMPANY		2,508,443,160	\$22,475,651

COST SUPPORT MATERIAL  
PART 69 COST ALLOCATION - TOTAL INTERSTATE  
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NOTE A: INCLUDES A-2, LN 31 LESS A/C 2004, TPUC - LONG TERM

LN	A/C	DESCRIPTION	TOTAL COMPANY	SOURCE	COMMONLINE		SWITCHING	INFO	TRAFFIC SENSITIVE		COMMON TRANSPORT		DEDICATED TRANSPORT		NET TERMINATION		SPECIAL ACCESS		IX CATEGORY	
					LIMITED PAY	COMMON LINE			TERM	FACILITY	TERM	ALLOCATION	TERM	CHANNEL	MILEAGE			MSG	P.L.	
1		NET INVESTMENT SUMMARY	6,699,384	A-3-LN 6C	0	0	4,435,435	0	2,263,948	0	0	0	0	0	0	0	0	0	0	
2		GENERAL SUPPORT SUMMARY	25,063,431	A-4-LN 21+25			16,587,029		8,466,402											
3		CENTRAL OFFICE SWITCHING	0	A-4-LN 17			0		0											
4		OPERATORS SYSTEMS	0	A-4-LN 41	0	0	0		0		0	0	0	0	0	0	0	0	0	
5		CENTRAL OFFICE TRANSMISSION	0	A-5-LN 10	0	0	0		0		0	0	0	0	0	0	0	0	0	
6		INFORMATION ORIG/TERM	0	A-5-LN 21	0	0	0		0		0	0	0	0	0	0	0	0	0	
7		CABLE AND WIRE FACILITIES	1,109,826	A-5-LN 14	0	0	734,778		0		0	0	0	0	0	0	0	0	0	
8		TANGIBLE ASSETS	0	A-3-LN 14	0	0	0		0		0	0	0	0	0	0	0	0	0	
9		INTANGIBLE ASSETS	0	A-3-LN 15	0	0	0		0		0	0	0	0	0	0	0	0	0	
10		TOTAL PLANT IN SERVICE	32,862,640		0.0000%	0.0000%	21,757,242	0.0000%	11,105,398	0.0000%	0	0.0000%	0	0	0	0	0	0	0	
11		% DISTRIBUTION	100.0000%		0.0000%	0.0000%	66.2066%	0.0000%	33.7934%	0.0000%	0	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	
12		PROPERTY HELD FOR FUTURE USE	0	A-6-LN 6	0	0	0		0		0	0	0	0	0	0	0	0	0	
13		PLANT UNDER CONSTRUCT - SHORT TERM	8,695	A-6-LN 13	0	0	5,756		0		0	0	0	0	0	0	0	0	0	
14		PLANT UNDER CONSTRUCT - LONG TERM	0	A-6-LN 20	0	0	0		0		0	0	0	0	0	0	0	0	0	
15		TELEPHONE PLANT ADJUSTMENT	0	A-6-LN 27	0	0	0		0		0	0	0	0	0	0	0	0	0	
16		TOTAL PROPERTY, PLANT & EQUIP.	32,871,335		0.0000%	0.0000%	21,762,999	0.0000%	11,108,336	0.0000%	0	0.0000%	0	0	0	0	0	0	0	
17		% DISTRIBUTION	100.0000%		0.0000%	0.0000%	66.2066%	0.0000%	33.7934%	0.0000%	0	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	
18		ACCUM DEPRECIATION - PLANT IN SERVICE	29,270,649	A-7-LN 7	0	0	19,379,107		9,891,543		0	0	0	0	0	0	0	0	0	
19		ACCUM DEPRECIATION - FUTURE USE	0	A-7-LN 8	0	0	0		0		0	0	0	0	0	0	0	0	0	
20		ACCUM AMORTIZATION - TANGIBLE PROPERTY	1,087,274	A-7-LN 15	0	0	719,847		367,427		0	0	0	0	0	0	0	0	0	
21		ACCUM AMORTIZATION - INTANGIBLE PROP.	0	A-7-LN 16	0	0	0		0		0	0	0	0	0	0	0	0	0	
22		ACCUM AMORTIZATION - TEL PLANT ADJ.	0	A-7-LN 17	0	0	0		0		0	0	0	0	0	0	0	0	0	
23		OPERATING DEFERRED INCOME TAX	-771,230	A-7-LN 26	0	0	-510,605		-260,625		0	0	0	0	0	0	0	0	0	
24		OTHER DEFERRED CREDITS - NET	0	A-7-LN 34	0	0	0		0		0	0	0	0	0	0	0	0	0	
25		NET TELEPHONE PLANT	32,884,641		0.0000%	0.0000%	2,174,650	0.0000%	1,109,991	0.0000%	0	0.0000%	0.0000%	0	0	0	0	0	0	
26		% DISTRIBUTION	100.0000%		0.0000%	0.0000%	66.2066%	0.0000%	33.7934%	0.0000%	0	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	
27		MATERIALS AND SUPPLIES	0	A-3-LN 16	0	0	0		0		0	0	0	0	0	0	0	0	0	
28		RTB STOCK	0	A-3-LN 17	0	0	0		0		0	0	0	0	0	0	0	0	0	
29		EQUAL ACCESS EQUIPMENT	0	A-3-LN 8	0	0	0		0		0	0	0	0	0	0	0	0	0	
30		OTHER JURISDICTIONAL ASSETS	0	A-3-LN 18	0	0	0		0		0	0	0	0	0	0	0	0	0	
31		CASH WORKING CAPITAL	580,186	A-3-LN 10	0	0	384,122		196,065		0	0	0	0	0	0	0	0	0	
32		NET TELEPHONE PLANT M&S AND CASH WORKING CAPITAL	3,864,827		0.0000%	0.0000%	2,558,771	0.0000%	1,306,056	0.0000%	0	0.0000%	0	0	0	0	0	0	0	
		% DISTRIBUTION	100.0000%		0.0000%	0.0000%	66.2066%	0.0000%	33.7934%	0.0000%	0	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	

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IOWA NETWORK ACCESS DIVISION  
PROJECTED JUNE 30, 2017

COST SUPPORT MATERIAL  
PART 69 COST ALLOCATION - TOTAL INTERSTATE

SECTION 3  
6/10/2016

A-4.2 of 2

CENTRAL OFFICE EQUIPMENT ALLOCATION

A-4.2 of 2

LN	A/C	DESCRIPTION	TOTAL COMPANY	SOURCE	LIMITED PAY	COMMON LINE	SWITCHING	INFO	COMMON TRANSPORT		DEDICATED NEL TERMINATION		CHANNEL MILEAGE		B&C	IX CATEGORY	
									TERM	FACILITY	TRANSPORT	ALLOCATED	TERM	FACILITY		MSG	P.L.
28	2230	CENTRAL OFFICE TRANSMISSION															
29		EXCHANGE WIDEBAND	0	DIRECT					0					0			
30		EXCHANGE TRUNK - BASIC	0	DIRECT					0					0			
31		EXCHANGE TRUNK - SPECIAL	0	DIRECT										0			
32		SUBSCRIBER LINE	0	LN 4/DIRECT	0	0	0			0	0						
33		INTEREXCHANGE CIRCUIT	0	UNRATED OTHERS													
34		FURNISHED OTHERS	0	DIRECT						0				0			
35		ACCESS - BASIC	0	LN 5/DIRECT					0					0			
36		ACCESS - SPECIAL	0	DIRECT						0				0			
37		NON ACCESS	0	DIRECT													
38		TOTAL IX CIRCUIT	0						0					0		0	0
39		HOST/REMOTE CIRCUIT	0	DIRECT					0					0		0	0
40		EQUIPMENT RENTED OTHERS	0	DIRECT										0		0	0
41		TOTAL CENTRAL OFFICE TRANSMISSION	0		0	0	0			0	0	0	0	0		0	0
42		TOTAL CENTRAL OFFICE EQUIPMENT	25,053,431		0	0	16,587,029	0	8,466,402	0	0	0	0	0		0	0
43		% DISTRIBUTION	100.0000%		0.0000%	0.0000%	66.2066%	0.0000%	33.7934%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%		0.0000%	0.0000%

44	COE RATIOS																
45	OPERATOR SYSTEMS	LN 17	0.0000%			0.0000%			0.0000%							0.0000%	
46	TANDEM SWITCHING	LN 21	100.0000%			100.0000%			100.0000%							0.0000%	
47	LOCAL SWITCHING	LN 25	100.0000%			66.2066%			33.7934%							0.0000%	
48	CENTRAL OFFICE SWITCHING	LN 21+25	100.0000%			100.0000%			100.0000%							0.0000%	
	CENTRAL OFFICE TRANSMISSION	LN 37	100.0000%	0.0000%	0.0000%					0.0000%	0.0000%	0.0000%	0.0000%	0.0000%		0.0000%	0.0000%





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LN		A/C	DESCRIPTION	TOTAL COMPANY	SOURCE	COMMON LINE		SWITCHING	TRAFFIC SENSITIVE			DEDICATED			SPECIAL ACCESS			B&C	IX CATEGORY	
LIMITED PAY	COMMON LINE	INFO				TERM	FACILITY		TRANSPORT	ALLOCATED	TERM	CHANNEL	MILEAGE	FACILITY	MSG	P.L.				
1	3100		ACCUM DEPRECIATION - PLANT IN SERVICE																	
2			GENERAL SUPPORT	5,091,019	A-3.LN 10	0	0	3,370,591	0	1,720,427	0	0	0	0	0	0	0	0	0	
3			CENTRAL OFFICE SWITCHING EQUIPMENT	24,179,631	A-3.LN 10	0	0	16,006,516	0	8,171,115	0	0	0	0	0	0	0	0	0	
4			OPERATOR SYSTEMS EQUIPMENT	0	A-3.LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
5			CENTRAL OFFICE TRANSMISSION	0	A-3.LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
6			UNDISTRIBUTED COE	0	A-3.LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
7			INFORMATION ORIG/TERM	0	A-3.LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
8			CABLE AND WIRE FACILITIES	0	A-3.LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
9			TOTAL ACCUM DEPR - THIS	29,270,649		0	0	19,379,107	0	9,891,543	0	0	0	0	0	0	0	0	0	
10	3200		ACCUM DEPRECIATION - FUTURE USE	0	A-3.LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
11			TOTAL ACCUM DEPRECIATION	29,270,649		0	0	19,379,107	0	9,891,543	0	0	0	0	0	0	0	0	0	
12			% DISTRIBUTION	100.0000%		0.0000%	0.0000%	66.2066%	0.0000%	33.7934%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	
ACCUMULATED AMORTIZATION																				
13	3400		TANGIBLE ASSETS																	
14			CAPITAL LEASES	0	A-3.LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
15			LEASEHOLD IMPROVEMENTS	1,087,274	A-3.LN 10	0	0	719,847	0	367,427	0	0	0	0	0	0	0	0	0	
16			UNDISTRIBUTED	0	A-3.LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
17			TOTAL ACCUM AMORT - TANGIBLE	1,087,274		0	0	719,847	0	367,427	0	0	0	0	0	0	0	0	0	
18	3500		INTANGIBLE ASSETS	0	A-3.LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
19	3600		TELEPHONE PLANT ADJUSTMENT	0	A-3.LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
20			TOTAL ACCUM AMORTIZATION	1,087,274		0	0	719,847	0	367,427	0	0	0	0	0	0	0	0	0	
21			% DISTRIBUTION	100.0000%		0.0000%	0.0000%	66.2066%	0.0000%	33.7934%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	
NET OPERATING DEFERRED INC TAX																				
22	4100&		GENERAL SUPPORT	0	A-3.LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
23	4340		CENTRAL OFFICE EQUIP	0	A-3.LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
24			INFORMATION ORIG/TERM	0	A-3.LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
25			CABLE AND WIRE FACILITIES	0	A-3.LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
26			UNDISTRIBUTED	-771,230	A-3.LN 10	0	0	-510,605	0	-260,625	0	0	0	0	0	0	0	0	0	
27			TOTAL NET DEFERRED INC TAX	-771,230		0	0	-510,605	0	-260,625	0	0	0	0	0	0	0	0	0	
28			% DISTRIBUTION	100.0000%		0.0000%	0.0000%	66.2066%	0.0000%	33.7934%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	
OTHER DEFERRED CREDITS - NET																				
30	4360		GENERAL SUPPORT	0	A-3.LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
31			CENTRAL OFFICE EQUIP	0	A-3.LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
32			INFORMATION ORIG/TERM	0	A-3.LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
33			CABLE AND WIRE FACILITIES	0	A-3.LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
34			UNDISTRIBUTED	0	A-3.LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
35			TOTAL OTHER DEFERRED CREDITS	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
36			% DISTRIBUTION	0.0000%		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	

A-7,101

A-7,101

## SUMMARY OF OPERATING EXPENSE AND TAX AND MISCELLANEOUS TAX ITEMS

A-8, 1 of 1

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IOWA NETWORK ACCESS DIVISION  
PROJECTED JUNE 30, 2017

COST SUPPORT MATERIAL  
PART 69 COST ALLOCATION - TOTAL INTERSTATE

SECTION 3  
6/10/2016

A-9,1of1

PLANT SPECIFIC EXPENSE ALLOCATION

A-9,1of1

LN	A/C	DESCRIPTION	TOTAL COMPANY	SOURCE	COMMON LINE		TRAFFIC SENSITIVE		DEDICATED		SPECIAL ACCESS		IX CATEGORY	
					LIMITED PAY	COMMON LINE	SWITCHING	INFO	TERM	FACILITY	TRANSPORT	CHANNEL MILEAGE	B&C	P.L.
1		BASIS FOR NETWORK SUPPORT EXPENSE	31,752,814	VARIOUS	0	0	21,022,464	0	0	0	0	0	0	0
2		GEN SUPPORT; COE IOT AND C&WF	0	A-3 LN 8	0	0	21,022,464	0	0	0	0	0	0	0
3		EQUAL ACCESS EQUIPMENT	31,752,814		0	0.0000%	66.2066%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
4		TOTAL	100.0000%		0.0000%	0.0000%	66.2066%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
		% DISTRIBUTION												
PLANT SPECIFIC EXPENSES														
5		GENERAL SUPPORT EXPENSE	0	LN 4	0	0	0	0	0	0	0	0	0	0
6		NETWORK SUPPORT	65,013	A-3 LN 7	0	0	43,043	0	0	0	0	0	0	0
7		GENERAL SUPPORT	65,013		0	0.0000%	43,043	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
8		TOTAL GENERAL SUPPORT EXP	100.0000%		0.0000%	0.0000%	66.2066%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
9		% DISTRIBUTION												
10		CENTRAL OFFICE EXPENSE	299,173	A-4 LN 43	0	0	198,072	0	101,101	0	0	0	0	0
11		CENTRAL OFFICE SWITCHING EXPENSE	0	A-4 LN 43	0	0	0	0	0	0	0	0	0	0
12		OPERATOR SYSTEMS EXPENSE	0	A-4 LN 43	0	0	4,703	0	2,400	0	0	0	0	0
13		CENTRAL OFFICE TRANSMISSION EXPENSE	7,103	A-4 LN 43	0	0	0	0	0	0	0	0	0	0
14		UNDISTRIBUTED	0		0	0	0	0	0	0	0	0	0	0
15		TOTAL CENTRAL OFFICE EXPENSE	306,276		0	0.0000%	202,775	0.0000%	103,501	0	0.0000%	0.0000%	0.0000%	0.0000%
16		% DISTRIBUTION	100.0000%		0.0000%	0.0000%	66.2066%	0.0000%	33.7934%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
17		INFORMATION ORIGTERM EXPENSE	0	DIRECT	0	0	0	0	0	0	0	0	0	0
18		COIN PAY TELEPHONE	0	DIRECT	0	0	0	0	0	0	0	0	0	0
19		COINLESS PAY TELEPHONE	0	DIRECT	0	0	0	0	0	0	0	0	0	0
20		OTHER	0	DIRECT	0	0	0	0	0	0	0	0	0	0
21		CPE	0		0	0.0000%	0	0	0	0	0	0	0	0
22		TOTAL INFORMATION ORIGTERM EXP	0.0000%		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
23		% DISTRIBUTION												
24	6410	CABLE AND WIRE FACILITIES EXPENSE	11,604,439	A-5 LN 22	0	0	0	0	11,604,439	0	0	0	0	0
25		TOTAL PLANT SPECIFIC EXPENSE	11,975,728		0	0.0000%	245,818	0.0000%	125,471	11,604,439	0	0	0	0
26		% DISTRIBUTION	100.0000%		0.0000%	0.0000%	2.0526%	0.0000%	1.0477%	96.8997%	0.0000%	0.0000%	0.0000%	0.0000%

PLANT NON SPECIFIC EXPENSE ALLOCATION																	A-10,10r1	
LN	A/C	DESCRIPTION	TOTAL COMPANY	SOURCE	COMMON LINE		SWITCHING	TRAFFIC SENSITIVE			SPECIAL ACCESS				B&C	IX CATEGORY		
					LIMITED PAY	COMMON LINE		INFO	TERM	FACILITY	TRANSPORT	ALLOCATION	TERM	CHANNEL MILEAGE		FACILITY	MSG	P/L
1		CENTRAL OFFICE EQUIPMENT	25,063,431	A-4,LN 38	0	0	16,587,029	0	8,466,402	0	0	0	0	0	0	0	0	
2		INFORMATION ORG/TERM	0	A-5,LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	
3		CABLE AND WIRE FACILITIES	0	A-5,LN 21	0	0	16,587,029	0	8,466,402	0	0	0	0	0	0	0	0	
4		TOTAL	25,063,431		0	0	66,2066%	0.0000%	33,7934%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	
5		% DISTRIBUTION	100.0000%		0.0000%													
PLANT NONSPECIFIC EXPENSE																		
6	6510	OTHER PROP PLANT & EQUIP EXPENSE	3870	LN 5	0	0	2,562	0	1,308	0	0	0	0	0	0	0	0	
7	6530	NETWORK OPERATIONS EXPENSE	211,350	LN 5	0	0	139,928	0	71,422	0	0	0	0	0	0	0	0	
8	6540	ACCESS CHARGE EXPENSE	0	DRECT													0	
DEPRECIATION EXPENSE																		
9	6560	GENERAL SUPPORT	510,256	A-3,LN 7	0	0	337,820	0	172,431	0	0	0	0	0	0	0	0	
10		CENTRAL OFFICE SWITCHING EQUIPMENT	720,376	A-4,LN 47			476,936		243,439								0	
11		OPERATOR SYSTEMS EQUIPMENT	0	A-4,LN 44	0	0	0	0	0	0	0	0	0	0	0	0	0	
12		CENTRAL OFFICE TRANSMISSION	0	A-4,LN 48	0	0	0	0	0	0	0	0	0	0	0	0	0	
13		UNIDISTRIBUTED COE	0	A-4,LN 43	0	0	0	0	0	0	0	0	0	0	0	0	0	
14		INFORMATION ORG/TERM	0	A-5,LN 11	0	0	0	0	0	0	0	0	0	0	0	0	0	
15		CABLE AND WIRE FACILITIES	0	A-5,LN 22	0	0	814,756	0	415,870	0	0	0	0	0	0	0	0	
16		TOTAL DEP EXP - PLANT IN SERVICE	1,230,626		0	0	0	0	0	0	0	0	0	0	0	0	0	
17		PROPERTY HELD FOR FUTURE USE	1,230,626	A-6,LN 7	0	0	814,756	0	415,870	0	0	0	0	0	0	0	0	
18		TOTAL DEPRECIATION EXPENSE	100.0000%		0.0000%		66,2066%	0.0000%	33,7934%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	
19		% DISTRIBUTION																
20																		
AMORTIZATION EXPENSE																		
21	6563	CAPITAL LEASE	0	A-3,LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	
22	6563	LEASEHOLD IMPROVEMENTS	0	A-3,LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	
23	6563	UNDISTRIBUTED	0	A-3,LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	
24		SUBTOTAL	0		0	0	0	0	0	0	0	0	0	0	0	0	0	
25	6564	INTANGIBLE ASSETS	0	A-3,LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	
26	6565	OTHER - TEL PLANT ADJUSTMENT	0	A-6,LN 28	0	0	0	0	0	0	0	0	0	0	0	0	0	
27		TOTAL AMORTIZATION EXPENSE	0		0	0	0	0	0	0	0	0	0	0	0	0	0	
28		% DISTRIBUTION	0.0000%		0.0000%		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	
TOTAL PLANT NON SPECIFIC EXPENSE																		
29		% DISTRIBUTION	1,445,846		0	0	957,245	0	488,600	0	0	0	0	0	0	0	0	
30			100.0000%		0.0000%		66,2066%	0.0000%	33,7934%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	

A-11,10r1		CUSTOMER OPERATIONS EXPENSE ALLOCATION														A-11,10r1	
LN	A/C	DESCRIPTION	TOTAL COMPANY	SOURCE	COMMON LINE		SWITCHING	TRAFFIC SENSITIVE			SPECIAL ACCESS			IX CATEGORY			
					LIMITED PAY	COMMON LINE		INFO	COMMON TERM	TRANSPORT FACILITY	DEDICATED TRANSPORT	NET TERMINATION	CHANNEL MILEAGE	B&C	MSG	P.L.	
1	6610	CUSTOMER OPERATIONS EXPENSES															
2		MARKETING	0	A-3,LN 10	0	0	0	0	0	0	0	0	0	0	0	0	
3		TELEPHONE OPERATOR SERVICES															
4	6621	- CALL COMPLETION INCL DA	0	SWS-OPERATORS	0	0	0	0	0	0	0	0	0	0	0	0	
5	6622	- OPERATOR SERVICES UNDER CONTRACT	0	DIRECT	0	0	0	0	0	0	0	0	0	0	0	0	
6	6623	PUBLISHED DIRECTORY LISTINGS	0	DIRECT	0	0	0	0	0	0	0	0	0	0	0	0	
7		ALL OTHER															
8	1.0	LOCAL BUSINESS OFFICE															
9		- END USER SVC ORDER PROCESSING															
10		- PRESUBSCRIPTION	0	A-3,LN 20	0	0	0	0	0	0	0	0	0	0	0	0	
11		- OTHER	0	AL-1,LN 12	0	0	0	0	0	0	0	0	0	0	0	0	
12		- END USER PAYMENT & COLLECTION	0	AL-1,LN 13	0	0	0	0	0	0	0	0	0	0	0	0	
13		- END USER BILLING INQUIRY	0	AL-1,LN 14	0	0	0	0	0	0	0	0	0	0	0	0	
14		- IX CARRIER SVC ORDER PROCESSING	0	AL-1,LN 15	0	0	0	0	0	0	0	0	0	0	0	0	
15		- IX CARRIER PAYMENT & COLLECTION	77,681	AL-1,LN 16	0	0	51,430	0	26,251	0	0	0	0	0	0	0	
16		- IX CARRIER BILLING INQUIRY	0	AL-1,LN 17	0	0	0	0	0	0	0	0	0	0	0	0	
17		- COIN COLLECT AND ADMINISTRATION	0	AL-1,LN 18	0	0	0	0	0	0	0	0	0	0	0	0	
18	2.0	SUBTOTAL LOCAL BUSINESS OFFICE	77,681		0	0	51,430	0	26,251	0	0	0	0	0	0	0	
19		CUSTOMER SERVICES (REV ACCTG)															
20		- MESSAGE PROCESSING															
21		- TOLL TICKET PROCESSING	0	DIRECT	0	0	0	0	0	0	0	0	0	0	0	0	
22		- LOCAL MESSAGE PROCESSING	0	DIRECT	0	0	0	0	0	0	0	0	0	0	0	0	
23		- OTHER BILLING & COLLECTION	0	DIRECT	0	0	0	0	0	0	0	0	0	0	0	0	
24		- END USER COMMON LINE	0	DIRECT	0	0	0	0	0	0	0	0	0	0	0	0	
25		- CARRIER ACCESS BILLING (CABS)	2	A-3,LN 22	0	0	1	0	0	0	0	0	0	0	0	0	
26		SUBTOTAL CUSTOMER SERVICES	2		0	0	0	0	0	0	0	0	0	0	0	0	
27		TOTAL CAT 1 AND CAT 2	77,683		0	0	51,431	0	26,252	0	0	0	0	0	0	0	
28		% DISTRIBUTION	100.00000%		0	0	66.2066%	0.00000%	33.7934%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	
29	3.0	ALL OTHER CUSTOMER SERVICE	0	/LN 34	0	0	0	0	0	0	0	0	0	0	0	0	
30		TOTAL CUSTOMER EXPENSE	77,684		0	0	51,432	0	26,252	0	0	0	0	0	0	0	
31		% DISTRIBUTION	100.00000%		0	0	66.2066%	0.00000%	33.7934%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	
32		TOTAL CUSTOMER OPERATIONS EXPENSE	77,684		0	0	51,432	0	26,252	0	0	0	0	0	0	0	
33		% DISTRIBUTION	100.00000%		0	0	66.2066%	0.00000%	33.7934%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	
34		CUSTOMER OPERATIONS EXCL MARKETING	77,683		0	0	51,431	0	26,252	0	0	0	0	0	0	0	
35		% DISTRIBUTION	100.00000%		0	0	66.2066%	0.00000%	33.7934%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	

CORPORATE OPERATIONS EXPENSE ALLOCATION																	A-12,16d1		
LN	A/C	DESCRIPTION	TOTAL COMPANY	SOURCE	COMMON LINE		SWITCHING	TRAFFIC SENSITIVE			DEDICATED			SPECIAL ACCESS			B&C	IX CATEGORY	
					LIMITED PAY	COMMON LINE		INFO	TERM	FACILITY	TRANSPORT	ALLOCATION	TERM	FACILITY	MSG	PL			
1		BIG THREE EXPENSES	11,975,728	A-9,LN 25	0	0	245,818	0	125,471	11,604,439	0	0	0	0	0	0	0	0	
2		PLANT SPECIFIC EXPENSE	3,870	A-10,LN 7	0	0	2,562	0	1,308	0	0	0	0	0	0	0	0	0	
3		OTHER PLANT EXPENSE	211,350	A-10,LN 8	0	0	139,928	0	71,422	0	0	0	0	0	0	0	0	0	
4		NETWORK OPERATIONS EXPENSE	0	A-10,LN 9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
5		ACCESS CHARGE EXPENSE	77,684	A-11,LN 31	0	0	51,432	0	26,252	0	0	0	0	0	0	0	0	0	
6		CUSTOMER OPERATIONS EXPENSE	12,268,631		0	0	439,739	0	224,453	11,604,439	0	0	0	0	0	0	0	0	
7		TOTAL BIG THREE EXPENSES	100,00000%		0.00000%	0.00000%	3,58433%	0.00000%	1,82950%	94,58633%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	
CORPORATE OPERATING EXPENSE																			
8	6710	EXECUTIVE AND PLANNING	418,469	LN 7	0	0	14,999	0	7,656	395,815	0	0	0	0	0	0	0	0	
9	6720	GENERAL AND ADMINISTRATIVE	2,018,263	LN 7	0	0	72,340	0	36,924	1,908,999	0	0	0	0	0	0	0	0	
10		TOTAL CORPORATE OPERATIONS	2,436,732		0	0	87,339	0	44,580	2,304,814	0	0	0	0	0	0	0	0	
11		% DISTRIBUTION	100,00000%		0.00000%	0.00000%	3,58433%	0.00000%	1,82950%	94,58633%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	
12		EQUAL ACCESS EXPENSE	0	DIRECT			0												
13	7500	INTEREST EXPENSE			0	0	0	0	0	0	0	0	0	0	0	0	0	0	
14		CAPITAL LEASE	91,652	A-3,LN 10	0	0	60,680	0	30,972	0	0	0	0	0	0	0	0	0	
15		OTHER	91,652	A-3,LN 10	0	0	60,680	0	30,972	0	0	0	0	0	0	0	0	0	
16		TOTAL			0	0	0	0	0	0	0	0	0	0	0	0	0	0	
17		OTHER INCOME ADJUSTMENTS			0	0	0	0	0	0	0	0	0	0	0	0	0	0	
18		BASED ON PLANT	0	A-2,LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
19		BASED ON EXPENSE	0	LN 7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
20		TOTAL			0	0	0	0	0	0	0	0	0	0	0	0	0	0	
21	7210	OPERATING TAXES			0	0	0	0	0	0	0	0	0	0	0	0	0	0	
22		FEDERAL ITC AMORTIZATION	0	A-3,LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
23	7210	STATE ITC AMORTIZATION	0	A-3,LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
24	7240	OTHER OPERATING TAXES	270,117	A-3,LN 10	0	0	178,835	0	91,282	0	0	0	0	0	0	0	0	0	
25		TOTAL OPERATING TAXES	270,117		0	0	178,835	0	91,282	0	0	0	0	0	0	0	0	0	





20	RETURN ON INVESTMENT	470,849	LN 3	0	425,131	45,718
21	INTEREST AND RELATED ITEMS	103,291	S-12, LN 19	0	91,652	11,638
22	OTHER INCOME ADJUSTMENTS	0	S-12, LN 24+25	0	0	0
23	TOTAL INCOME ADJUSTMENTS	103,291	LN 21+22	0	91,652	11,638
24	FEDERAL ITC AMORTIZATION	0	S-12, LN 28	0	0	0
25	FEDERAL TAXABLE INCOME	556,906		0	505,271	51,635
26	FEDERAL INCOME TAX	189,348	LN 25*FIT	0	171,792	17,556
27	FEDERAL SURTAX ALLOCATION @	0	S-2, LN 34	0	0	0
28	NET FEDERAL INCOME TAX BEFORE ITC	189,348	LN26-LN27	0	171,792	17,556
29	STATE ITC AMORTIZATION	0	S-12, LN 29	0	0	0
30	STATE TAXABLE INCOME	525,263		0	476,562	48,701
31	STATE INCOME TAX @	63,032	LN 30*SIT	0	57,187	5,844
32	STATE SURTAX EXEMPTION	0	S-2, LN 34	0	0	0
33	NET STATE INCOME TAX BEFORE ITC	63,032		0	57,187	5,844

PUBLIC VERSION

IOWA NETWORK SERVICES, INC.  
FILING PERIOD: 7/1/16 - 6/30/17

PART 36 TOTAL INTERSTATE  
ACCESS DIVISION

SECTION 4  
6/10/2016

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SUMMARY OF NET TELEPHONE PLANT, M&S AND WORKING CAPITAL

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LN	ALLOCATION RATIOS	TOTAL COMPANY				ALLOCATION BASIS		INTERSTATE MSG TOLL		OTHER
		INTRALATA		INTERLATA		INTRALATA		INTERLATA		
	NET INVESTMENT SUMMARY									
1	GENERAL SUPPORT FACILITIES	2110	7,550,098	S-3,LN 10	0	6,699,384	850,714			
2	CENTRAL OFFICE SWITCHING EQUIPMENT	2210	28,234,815	S-4,LN 52	0	25,053,431	3,181,385			
3	OPERATOR SYSTEMS EQUIPMENT	2220	0	S-4,LN 41	0	0	0			
4	CENTRAL OFFICE TRANSMISSION EQUIPMENT	2230	0	S-4,LN 78	0	0	0			
5	INFORMATION ORIG/TERM EQUIPMENT	2310	0	S-5,LN 17	0	0	0			
6	CABLE AND WIRE FACILITIES	2410	0	S-5,LN 42	0	0	0			
7	TANGIBLE ASSETS	2680	1,250,756	S-3,LN 29	0	1,109,826	140,930			
8	INTANGIBLE ASSETS	2690	0	S-3,LN 36	0	0	0			
9	TOTAL PLANT IN SERVICE A/C 2001		37,035,669		0	32,862,640	4,173,029			
10	% DISTRIBUTION		100.0000%		0.0000%	88.7324%	11.2676%			
11	PROPERTY HELD FOR FUTURE USE	2002	0	S-6,LN 9	0	0	0			
12	PLANT UNDER CONSTR - SHORT TERM	2003	9,799	S-6,LN 15	0	8,695	1,104			
13	PLANT UNDER CONSTR - LONG TERM	2004	0	S-6,LN 21	0	0	0			
14	TELEPHONE PLANT ADJUSTMENT	2005	0	S-6,LN 27	0	0	0			
15	NONOPERATING PLANT	2006	0	DIRECT			0			
16	GOODWILL	2007	0	DIRECT			0			
17	TOTAL PROPERTY, PLANT & EQUIPMENT		37,045,468		0	32,871,335	4,174,133			
18	% DISTRIBUTION		100.0000%		0.0000%	88.7324%	11.2676%			
19	ACCUM DEPRECIATION - PLANT IN SERVICE	3100	32,987,553	S-7,LN 18	0	29,270,649	3,716,904			
20	ACCUM DEPRECIATION - FUTURE USE	3200	0	S-7,LN 19	0	0	0			
21	ACCUM AMORTIZATION - TANGIBLE PROPERTY	3400	1,225,340	S-7,LN 23	0	1,087,274	138,066			
22	ACCUM AMORTIZATION - INTANGIBLE PROPERTY	3500	0	S-7,LN 24	0	0	0			
23	ACCUM AMORTIZATION - TEL PLANT ADJUSTMENT	3600	0	S-7,LN 25	0	0	0			
24	OPERATING DEFERRED INCOME TAX - NET	VAR	-869,163	S-7,LN 32	0	-771,230	-97,934			
25	OTHER DEFERRED CREDITS - NET	4360	0	S-7,LN 38	0	0	0			
26	NET TELEPHONE PLANT		3,701,738		0	3,284,641	417,097			
27	% DISTRIBUTION		100.0000%		0.0000%	88.7324%	11.2676%			
28	MATERIALS AND SUPPLIES	1220	0	S-6,LN 31	0	0	0			
29	INVESTMENT IN NONAFFILIATED CO'S	1402	0	S-6,LN 35	0	0	0			
30	EQUAL ACCESS EQUIPMENT	1439	0	S-6,LN 36	0	0	0			
31	OTHER JURISDICTIONAL ASSETS	1500	0	S-6,LN 37	0	0	0			
32	CASH WORKING CAPITAL	XXXX	644,327	S-3,LN 3	0	580,186	64,140			
33	NET TEL PLANT, M&S AND CASH WORKING CAPITAL		4,346,064		0	3,864,827	481,237			
34	% DISTRIBUTION		100.0000%		0.0000%	88.9271%	11.0729%			

PUBLIC VERSION

IOWA NETWORK SERVICES, INC.  
FILING PERIOD: 7/1/16 - 6/30/17

PART 36 TOTAL INTERSTATE  
ACCESS DIVISION

SECTION 4  
6/10/2016

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SUMMARY OF OPERATING EXPENSE AND TAX

S-8,1of1

LN	ALLOCATION RATIOS	TOTAL COMPANY	ALLOCATION BASIS	INTERSTATE MSG TOLL		OTHER
				INTRALATA	INTERLATA	
	OPERATING EXPENSE AND TAX SUMMARY					
1	NETWORK SUPPORT EXPENSE	0	S-9,LN 7	0	0	0
2	GENERAL SUPPORT EXPENSE	73,269	S-9,LN 8	0	65,013	8,256
3	CENTRAL OFFICE EXPENSE	345,168	S-9,LN 15	0	306,276	38,892
4	INFORMATION ORIG/TERM EXPENSE	0	S-9,LN 21	0	0	0
5	CABLE AND WIRE FACILITIES EXPENSE	12,840,050	S-9,LN 25	0	11,604,439	1,235,611
6	OTHER PLANT EXPENSE	4,361	S-10,LN 11	0	3,870	491
7	NETWORK OPERATIONS EXPENSE	238,188	S-10,LN 13	0	211,350	26,838
8	ACCESS CHARGE EXPENSE	0	S-10,LN 14	0	0	0
9	MARKETING EXPENSE	32,276	S-11,LN 13	0	0	32,276
10	SERVICES EXPENSE	92,764	S-11,LN 44	0	77,684	15,080
11	EXECUTIVE AND PLANNING EXPENSE	464,732	S-12,LN 8+9	0	418,469	46,262
12	GENERAL AND ADMINISTRATIVE EXPENSE	2,241,384	S-12,LN 11+12	0	2,018,263	223,121
13	SUBTOTAL OPERATING EXPENSES	16,332,191		0	14,705,363	1,626,828
14	% DISTRIBUTION	100.0000%		0.0000%	90.0391%	9.9609%
15	DEPRECIATION AND AMORTIZATION	1,386,896	S-10,LN 22+29	0	1,230,626	156,270
16	OTHER OPERATING TAX	304,418	S-12,LN 32	0	270,117	34,301
17	EQUAL ACCESS EXPENSE	0	S-12,LN 15	0	0	0
18	TOTAL OPERATING EXPENSE AND TAX	18,023,505		0	16,206,107	1,817,398
19	% DISTRIBUTION	100.0000%		0.0000%	89.9165%	10.0835%
	NON OPERATING EXPENSE					
20	ABANDONED CONSTRUCTION	0	S-2,LN 10	0	0	0
21	CONTRIBUTIONS	47,855	S-12,LN 14	0	43,091	4,764
22	OTHER NON OPERATING EXPENSE	0	DIRECT			0
23	TOTAL NON OPERATING EXPENSE	47,855		0	43,091	4,764
24	% DISTRIBUTION	100.0000%		0.0000%	90.0454%	9.9546%
	UNCOLLECTIBLES					
25	END USER MSG TOLLS	0	DIRECT	0	0	0
26	END USER COMMON LINE	0	DIRECT	0	0	0
27	IX CARRIER	16,816,800	S-11,LN 5	0	16,525,230	291,570
28	TOTAL UNCOLLECTIBLES	16,816,800		0	16,525,230	291,570
29	ALLOWANCE FOR FUNDS USED DURING CONSTR	0	S-12,LN 3	0	0	0

IOWA NETWORK SERVICES, INC.  
FILING PERIOD: 7/1/16 - 6/30/17

COST SUPPORT MATERIAL  
PART 64 SEPARATIONS

SECTION 5  
6/10/2016

S-1,1of1

## REVENUE REQUIREMENT SUMMARY

S-1,1of1

LN	DESCRIPTION	A/C	NOTE	TOTAL COMPANY	ALLOCATION BASIS	ACCESS DIVISION	OTHER
	REVENUE REQUIREMENT SUMMARY						
1	NET INVESTMENT FOR SETTLEMENTS			73,736,360	NOTE A	4,346,064	69,390,296
2	RATE OF RETURN					10.8339%	9.5000%
3	RETURN ON INVESTMENT			7,062,927	LN1*LN 2	470,849	6,592,078
4	ALLOWANCE FOR FUNDS USED DURING CONSTR			0	S-8, LN 30	0	0
5	NET RETURN FOR SETTLEMENTS			7,062,927	LN 3-LN 4	470,849	6,592,078
6	TOTAL ITC AMORTIZATION			0	S-12, LN 32	0	0
7	FEDERAL OPERATING INCOME TAX		(ACTUAL)	0		0	0
8	FEDERAL OPERATING INCOME TAX		(OPTION)	2,883,226	LN28-LN11	189,348	2,693,878
9	STATE AND LOCAL INCOME TAX		(ACTUAL)	0		0	0
10	STATE AND LOCAL INCOME TAX		(OPTION)	959,790	LN 32	63,032	896,759
11	PROVISION FOR DEFERRED INCOME TAX			0	S-12, LN 36	0	0
13	OPERATING EXPENSE AND TAX			75,322,079	S-8, LN 20	18,023,505	57,298,574
14	NONOPERATING EXPENSE			513,132	S-8, LN 25	47,855	465,277
15	UNCOLLECTIBLES			16,816,800	S-8, LN 29	16,816,800	0
16	BASIS FOR GROSS RECEIPTS TAX			103,557,954		35,611,388	67,946,566
17	GROSS RECEIPTS TAX RATE		(GROSS UP)			0.0000%	0.0000%
18	GROSS RECEIPTS TAX			0		0	0
19	TOTAL REVENUE REQUIREMENT			103,557,954		35,611,388	67,946,566

NOTE A: INCLUDES NET TEL PLANT FROM SCH S-2, LN 33 LESS A/C's 2004 ,2006 ,2007 AND 1402.

\*\*\*\*\*

	OPTIONAL GROSS UP INCOME TAX CALCULATION						
20	RETURN ON INVESTMENT			7,062,927	LN 3	470,849	6,592,078
21	INTEREST AND RELATED ITEMS			1,466,076	S-12, LN 22	103,291	1,362,785
22	OTHER INCOME ADJUSTMENTS			0	S-12, LN 27+28	0	0
23	TOTAL INCOME ADJUSTMENTS			1,466,076	LN 21+22	103,291	1,362,785
24	FEDERAL ITC AMORTIZATION			0	S-12, LN 32	0	0
25	FEDERAL TAXABLE INCOME			8,480,077		556,906	7,923,171
26	FEDERAL INCOME TAX @		34.00%	2,883,226	LN 25*FIT	189,348	2,693,878
27	FEDERAL SURTAX ALLOCATION			0	S-2, LN 32	0	0
28	NET FEDERAL INCOME TAX BEFORE ITC			2,883,226	LN26-LN27	189,348	2,693,878
29	STATE TAXABLE INCOME			7,998,254		525,263	7,472,991
30	STATE INCOME TAX @		12.00%	959,790	LN 29*SIT	63,032	896,759
31	STATE SURTAX EXEMPTION			0	S-2, LN 32	0	0
32	NET STATE INCOME TAX BEFORE ITC			959,790	LN30-LN31	63,032	896,759

## PUBLIC VERSION

IOWA NETWORK SERVICES, INC.  
FILING PERIOD: 7/1/16 - 6/30/17

COST SUPPORT MATERIAL  
PART 64 SEPARATIONS

SECTION 5  
6/10/2016

S-2,1of1

## SUMMARY OF NET TELEPHONE PLANT, M&amp;S AND WORKING CAPITAL

S-2,1of1

LN	DESCRIPTION	A/C	NOTE	TOTAL COMPANY	ALLOCATION BASIS	ACCESS DIVISION	OTHER
	NET INVESTMENT SUMMARY						
1	GENERAL SUPPORT FACILITIES	2110		22,161,159	S-3, LN 27	7,550,098	14,611,061
2	CENTRAL OFFICE SWITCHING EQUIPMENT	2210		39,349,851	S-4, LN 17	28,234,815	11,115,036
3	CENTRAL OFFICE TRANSMISSION EQUIPMENT	2230		60,653,072	S-4, LN 31	0	60,653,072
4	CABLE AND WIRE FACILITIES	2410		74,886,654	S-5, LN 16	0	74,886,654
5	TANGIBLE ASSETS	2680		3,671,236	S-3, LN 54	1,250,756	2,420,481
6	INTANGIBLE ASSETS	2690		0	S-3, LN 61	0	0
7	TOTAL PLANT IN SERVICE A/C 2001			200,721,973		37,035,669	163,686,304
8	% DISTRIBUTION			100.0000%		18.4512%	81.5488%
9	PROPERTY HELD FOR FUTURE USE	2002		0	S-6, LN 9	0	0
10	PLANT UNDER CONSTR - SHORT TERM	2003		52,535	S-6, LN 15	9,799	42,736
11	PLANT UNDER CONSTR - LONG TERM	2004		0	S-6, LN 21	0	0
12	TELEPHONE PLANT ADJUSTMENT	2005		0	S-6, LN 27	0	0
13	NONOPERATING PLANT	2006		2,173,393	DIRECT		2,173,393
14	GOODWILL	2007		0	DIRECT		0
15	TOTAL PROPERTY, PLANT & EQUIPMENT			202,947,900		37,045,468	165,902,432
16	% DISTRIBUTION			100.0000%		18.2537%	81.7463%
17	ACCUM DEPRECIATION - PLANT IN SERVICE	3100		131,467,475	S-7, LN 30	32,987,553	98,479,922
18	ACCUM DEPRECIATION - FUTURE USE	3200		0	S-7, LN 31	0	0
19	ACCUM AMORTIZATION - TANGIBLE PROPERTY	3400		3,596,636	S-7, LN 36	1,225,340	2,371,296
20	ACCUM AMORTIZATION - INTANGIBLE PROPERTY	3500		0	S-7, LN 37	0	0
21	ACCUM AMORTIZATION - TEL PLANT ADJUSTMENT	3600		0	S-7, LN 38	0	0
22	OPERATING DEFERRED INCOME TAX - NET	VAR		-4,786,075	S-7, LN 44	-869,163	-3,916,912
23	OTHER DEFERRED CREDITS - NET	4360		0	S-7, LN 49	0	0
24	NET TELEPHONE PLANT			72,669,863		3,701,738	68,968,126
25	% DISTRIBUTION			100.0000%		5.0939%	94.9061%
26	MATERIALS AND SUPPLIES	1220		405,656	S-6, LN 32	0	405,656
27	PREPAID EXPENSES	1300		0	S-6, LN 37	0	0
28	INVESTMENT IN NONAFFILIATED CO'S	1402		210,923,907	S-6, LN 38	0	210,923,907
29	OTHER JURISDICTIONAL ASSETS	1500		0	S-6, LN 39	0	0
30	CASH WORKING CAPITAL	XXXX		2,834,234	COMPUTED	644,327	2,189,907
31	NET TEL PLANT, M&S AND CASH WORKING CAPITAL			286,833,660		4,346,064	282,487,596
32	% DISTRIBUTION			100.0000%		1.5152%	98.4848%

## PUBLIC VERSION

IOWA NETWORK SERVICES, INC.  
FILING PERIOD: 7/1/16 - 6/30/17

COST SUPPORT MATERIAL  
PART 64 SEPARATIONS

SECTION 5  
6/10/2016

S-8,1of1

## SUMMARY OF OPERATING EXPENSE AND TAX

S-8,1of1

LN	DESCRIPTION	A/C	NOTE	TOTAL COMPANY	ALLOCATION BASIS	ACCESS DIVISION	OTHER
	OPERATING EXPENSE AND TAX SUMMARY						
1	NETWORK SUPPORT EXPENSE	6110		324,745	S-9,LN 13-23	9,162	315,583
2	GENERAL SUPPORT EXPENSE	6120		1,357,545	S-9,LN 24-27	64,107	1,293,438
3	CENTRAL OFFICE EXPENSE	6210		3,139,573	S-9,LN 33	345,168	2,794,405
4	CABLE AND WIRE FACILITIES EXPENSE	6410		17,861,701	S-9,LN 35	12,840,050	5,021,651
5	OTHER PLANT EXPENSE	6510		19,040,771	S-10,LN 6	4,361	19,036,410
6	NETWORK OPERATIONS EXPENSE	6530		6,700,630	S-10,LN 13	238,188	6,462,442
7	ACCESS CHARGE EXPENSE	6540		3,490,509	S-10,LN 15	0	3,490,509
8	MARKETING EXPENSE	6610		3,854,898	S-11,LN 15	32,276	3,822,622
9	SERVICES EXPENSE	6620		745,921	S-11,LN 39	92,764	653,157
10	EXECUTIVE AND PLANNING EXPENSE	6710		2,700,631	S-12,LN 7	464,732	2,235,899
11	GENERAL AND ADMINISTRATIVE EXPENSE	6720		8,385,205	S-12,LN 8-15	2,241,384	6,143,821
12	SUBTOTAL OPERATING EXPENSES			67,602,129		16,332,191	51,269,938
13	% DISTRIBUTION			100.0000%		24.1593%	75.8407%
14	DEPRECIATION - PLANT IN SERVICE	6561		6,651,998	S-10,LN 33	1,386,896	5,265,102
15	DEPRECIATION - FUTURE USE	6562		0	S-10,LN 34	0	0
16	AMORTIZATION - TANGIBLES	6563		0	S-3,LN42-44	0	0
17	AMORTIZATION - INTANGIBLES	6564		0	S-3,LN 45	0	0
18	AMORTIZATION - OTHER	6565		0	S-3,LN 46	0	0
19	OTHER OPERATING TAX	7240		1,067,952	S-12,LN 35	304,418	763,534
20	TOTAL OPERATING EXPENSE AND TAX			75,322,079		18,023,505	57,298,574
21	% DISTRIBUTION			100.0000%		23.9286%	76.0714%
	NON OPERATING EXPENSE	7370					
22	ABANDONED CONSTRUCTION			0	S-2,LN 8	0	0
23	CONTRIBUTIONS			190,131	S-12,LN 2	47,855	142,276
24	ALL OTHER			323,001	S-12,LN 2	0	323,001
25	TOTAL NON OPERATING EXPENSE			513,132		47,855	465,277
26	% DISTRIBUTION			100.0000%		9.3261%	90.6739%
	UNCOLLECTIBLES						
27	END USER MSG TOLLS	5310		0	DIRECT	XXX	XXX
28	IX CARRIER	5330		16,816,800	DIRECT	16,816,800	0
29	TOTAL UNCOLLECTIBLES			16,816,800		16,816,800	0
30	ALLOWANCE FOR FUNDS USED DURING CONSTR	7340		0	S-12,LN 4	0	0

# **AT&T Exhibit 20**

**Aureon April 2017 Revised Tariff  
Filing (filed Apr. 14, 2017)**

**[AT&T Exhibit 46 to Complaint Proceeding]**





**Fletcher, Heald & Hildreth**

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**Filed Pursuant to  
§ 204(a)(3) of the  
Communications Act on  
15 Days Notice**

April 14, 2017

**FILED ELECTRONICALLY**

Marlene H. Dortch, Secretary  
Federal Communications Commission  
Office of the Secretary  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Attention: Wireline Competition Bureau

**Transmittal No. 33**

**FRN: 0002-5807-10**  
**Iowa Network Services, Inc.**

**FRN: 0005-0110-69**  
**Fletcher, Heald & Hildreth**

Re: Revisions to Tariff F.C.C. No. 1 of Iowa Network Access Division

Dear Ms. Dortch:

The accompanying tariff material, issued on behalf of Iowa Network Access Division ("INAD"), and bearing Tariff F.C.C. No. 1, Access Services, is sent to you for filing in compliance with the requirements of the Communications Act of 1934, as amended.

This filing, containing tariff material to become effective on April 29, 2017, consists of tariff pages as indicated on the following check sheets:

**PUBLIC VERSION**

Marlene H. Dortch, Secretary  
April 14, 2017  
Page 2

Tariff F.C.C. No.  
1

Check Sheet Revision No.  
29<sup>th</sup> Revised Page 1  
14<sup>th</sup> Revised Page 1.1

This filing adds High-Volume Traffic Contract Tariff No. 1, which is based upon a contract that was negotiated with and voluntarily agreed to by an interexchange carrier that has not previously purchased centralized equal access (“CEA”) service. High-Volume Traffic Contract Tariff No. 1 offers access tandem switching and transport services at a rate and on terms and conditions that differ from the existing interstate tandem switching and transport tariff rate, terms, and conditions applicable to standard tariff-only CEA service. With the filing and approval of this contract tariff, INAD is making the same contract rate, terms, and conditions generally available to similarly situated interexchange carriers that execute the same contract.

In support of the new contract tariff rate, cost support and a Description and Justification are being filed contemporaneously in accordance with Section 61.38 of the Commission’s rules.

This filing has been submitted electronically through the Commission’s Electronic Tariff Filing System (“ETFS”), in accordance with Section 61.13(b) of the Commission’s rules and regulations. 47 C.F.R. § 61.13(b). The statutory processing fee in the amount of \$925.00 is being delivered via overnight mail to the Federal Communications Commission (Tariff Filings, P.O. Box 979091, St. Louis, MO 63197-9000) along with the original transmittal letter and FCC Form 159, in accordance with Section 61.15(b)(1). 47 C.F.R. § 61.15(b)(1).

Acknowledgement and date of receipt of this filing is requested. A duplicate copy of this letter is provided for this purpose.

Should you have any questions concerning this matter, please contact James U. Troup at (703) 812-0511. Petitions or comments should be faxed to (703) 812-0486.

Sincerely,



James U. Troup

Counsel for  
Iowa Network Services, Inc.

Attachments

***IOWA NETWORK SERVICES, INC.  
dba AUREON NETWORK SERVICES***

***IOWA NETWORK ACCESS DIVISION***

***TARIFF F.C.C. NO. 1***

***TRANSMITTAL NO. 33***

***DESCRIPTION AND JUSTIFICATION***

***COST SUPPORT MATERIAL***

***APRIL 14, 2017***

**IOWA NETWORK ACCESS DIVISION**

**TARIFF F.C.C. NO. 1**

**TRANSMITTAL NO. 33**

**PROSPECTIVE PERIOD  
JANUARY 1, 2017 – DECEMBER 31, 2017**

**INDEX**

<b>Section</b>	<b>Description</b>
	Transmittal Letter
1	Introduction, Overview and Rate Development
2	Development of Switched Transport Charge and Study Period Projected Access Minutes
3	Projected Part 36 Revenue Requirement Summary
4	Projected Part 64 Revenue Requirement Summary



## IOWA NETWORK ACCESS DIVISION

### INTRODUCTION, OVERVIEW AND RATE DEVELOPMENT

#### INTRODUCTION

Iowa Network Access Division ("INAD") presents this filing to support its High-Volume Traffic Contract Tariff No. 1, which is based upon a contract that was negotiated with and voluntarily agreed to by an interexchange carrier that has not previously purchased centralized equal access ("CEA") service. High-Volume Traffic Contract Tariff No. 1 offers access tandem switching and transport services at a rate and on terms and conditions that differ from its existing interstate tandem switching and transport tariff rate, terms, and conditions applicable to CEA service contained in Tariff F.C.C. No. 1. With the filing and approval of this contract tariff, INAD is making the same contract rate, terms, and conditions generally available to similarly situated interexchange carriers that execute the same contract. By ordering service under High-Volume Traffic Contract Tariff No. 1, the customer agrees to provisioning flexibility for INAD and other terms that will result in the customer receiving a switching and transport service that is not like the CEA service that is not subject to those additional terms and conditions.

This filing is subject to Section 61.38 of the Commission's rules. Set forth in Subpart E of Part 61, entitled "General Rules for Dominant Carriers," Section 61.38 applies to all dominant carriers even those, like INAD, which are neither incumbent local exchange carriers ("ILECs") nor competitive local exchange carriers ("CLECs").

When granting Section 214 authority to INAD, the Commission classified INAD as a dominant carrier providing CEA service. Application of Iowa Network Access Division for Authority Pursuant to Section 214 of the Communications Act of 1934 and Section 63.01 of the Commission's Rules and Regulations, 3 FCC Rcd 1468, 1469 ¶ 10 (1988). However, INAD is neither an ILEC nor a CLEC. INAD is not a Rate-of-Return Carrier (as defined by Section 51.903(g) of the Commission's rules), and INAD is not an ILEC (as defined by 47 U.S.C. § 251(h)), because INAD has never been a member of NECA and does not provide telephone exchange service. Furthermore, INAD is not a CLEC because INAD is a dominant carrier. CLEC rates are regulated under Section 61.26 of the Commission's rules, which is contained in Subpart C of Part 61, entitled "General Rules for Nondominant Carriers." Rather than CLEC rate benchmarking, INAD has always calculated its CEA tariff rates on the basis of cost studies and call volume data in compliance with Section 61.38 of the Commission's rules.

Although INAD is not an ILEC or CLEC, INAD has strived to file its cost support in a format that is familiar to the Commission in order to facilitate the Commission's review. Accordingly, INAD is providing data as consistent as possible with established procedures for the filing of tariffs for dominant carriers subject to rate of return regulation pursuant to Section

61.38 of the Commission's rules. This documentation volume contains the introduction, overview, rate development narrative, access rate development and corresponding cost support material filed with the FCC on April 14, 2017.

## OVERVIEW

Schedule A of Section 2 presents a summary of the proposed tandem switching and transport contract tariff rate to be effective on April 29, 2017. INAD proposes to implement a switched transport rate under contract of \$0.00649 per minute of use which exceeds its fully distributed cost of \$0.00604 per minute. The Company's proposed switched transport rate under contract of \$0.00649 per access minute is projected to generate annual switched transport revenues under contract of \$1,168,200 and exceeds its corresponding projected annual revenue requirement of \$1,087,200 by \$81,000. As evidenced by these results, INAD submits that its proposed switched transport contract service offering provides revenues in excess of fully distributed cost and is therefore not being subsidized by its standard CEA service that is only offered under tariff.

In consideration for the customer voluntarily agreeing to greater provisioning flexibility for INAD and other terms that are not currently imposed upon standard CEA service, High-Volume Traffic Contract Tariff No. 1 establishes a negotiated switched transport rate that is lower than the switched transport rate set forth for standard CEA service in section 6.8.1 of Tariff F.C.C. No. 1. Estimated minutes-of-use (MOUs) discussed during contractual negotiations are presented in the cost support material accompanying this filing. Since this is a request for a new service offering, there is no historical MOU data available to present for comparative analysis.

Because the Commission has not adopted procedures specifically for the preparation of cost support material filed by providers of CEA service, INAD has tailored the procedures for other dominant carriers to reflect the unique characteristics of its switched transport network. Therefore, despite the fact that INAD is not an ILEC, INAD has developed its cost support consistent with the following procedures in order to help the Commission follow the methodology that was used to calculate the proposed contract tariff rate for switched transport service:

- A) Financial reporting is in accordance with the Uniform Systems of Accounts and Financial Reporting Requirements of Class A and Class B Telephone Companies, CC Docket 78-196 (Part 32 Order) and all subsequent revisions to the rules adopted through the period ending April 13, 2017.
- B) Jurisdictional allocation is in accordance with Federal Communications Commission's Rules adopted in CC Docket Nos. 78-72, 80-286, 86-297 and FCC Docket 87-134 released August 18, 1987 (Part 36 Order) and all subsequent revisions to the rules adopted through the period ending April 13, 2017.



### **RATE DEVELOPMENT**

Development of the switched transport contract rate is provided for comparative analysis only since the proposed switched transport contract rate was negotiated in a competitive marketplace. INAD is presenting its cost support material to verify that its switched access service under contract is being provided at a rate that generates revenues in excess of its fully distributed cost of providing the contract service. Development of the fully distributed cost associated with the switched transport contract service reflected in the contract tariff filing was accomplished as follows:

- 1) Projection of test period investment, revenue and expense was determined based on the best estimates of management using fixed, known and measurable amounts from INAD's 2016 operations and estimates from its 2017 operating budget.
- 2) Projection of the test period INAD revenue requirement was accomplished using FCC Part 64 cost allocation procedures applied to total company projected investment and expense amounts determined in (1) above. INAD's revenue requirement summary data is contained in Section 5 of the cost support material.
- 3) Projection of the test period switched transport revenue requirement for contract service was accomplished using Part 36 separation procedures applied to projected total INAD investment and expense amounts determined in (2) above. INAD's switched transport revenue requirement for contract service was determined using a return on investment of 11.00% which reflects the rate of return currently authorized by the FCC for interstate ratemaking purposes. The summary Part 36 revenue requirement is contained in Section 3 of the cost support material.
- 4) Projected switched transport minutes for contract service represents an estimate of management based on contract negotiations. Projected switched transport minutes under contract for a representative twelve month period are presented in Section 2, Schedule B following.
- 5) INAD's annual switched transport revenue requirement for contract service determined in (3) above for the projected test period amounts to \$1,087,200 and is presented in Section 3 of the cost support material.
- 6) The projected switched transport charge for contract service supported by the projected costs of INAD is determined by dividing the annual switched transport revenue requirement for contract service of \$1,087,200 determined in (5) above by projected annual switched transport contract minutes of 180,000,000 determined in (4) above resulting in a cost of \$0.00604 per contracted switched transport minute. An analysis of the development of the switched transport contract rate based on fully distributed cost is presented on Schedule A in Section 2. However, since the proposed switched transport contract tariff rate of \$0.00649 exceeds the fully distributed cost of \$0.00604 per contracted switched

transport minute, INAD submits that its proposed switched transport contract service offering is not being subsidized by its standard tariff-only CEA service offering.

### **SUMMARY**

INAD's switched transport contract tariff filing is supplemented by the enclosed cost support material. Schedule A compares INAD's proposed switched transport contract tariff charge of \$0.00649 with its fully distributed cost of \$0.00604 per minute for the contract service. Through this filing, INAD requests that the Commission permit the proposed switched transport contract tariff service offering and rate to become effective and deemed lawful, as the contract tariff offering is in the public interest, was negotiated in a competitive environment, and the negotiated rate is above fully distributed costs.

Included in the cost support material are schedules depicting projected investment and expense data, estimated demand quantities, jurisdictional cost allocations and rate calculations for the test period based on 2016 historical operations and estimates from INAD's 2017 operating budget.



# SECTION 2

# PUBLIC VERSION

IOWA NETWORK SERVICES, INC.  
IOWA NETWORK ACCESS DIVISION  
SWITCHED TRANSPORT CONTRACT RATE DEVELOPMENT  
FOR THE YEAR ENDED 2017 Pro Forma

SECTION 2  
SCHEDULE A

	<u>SOURCE</u>	<u>CURRENT RATE</u>	<u>COST SUPPORT</u>	<u>DIFFERENCE</u>
1 SWITCHED TRANSPORT RATE	(BELOW)	\$0.00649	\$0.00604	(\$0.0005)
2 STUDY PERIOD ACCESS MINUTES	SCHEDULE B	<u>180,000,000</u>	<u>180,000,000</u>	
3 STUDY PERIOD ACCESS REVENUE	LN 1*LN 2	<u>\$1,168,200</u>	<u>\$1,087,200</u>	<u>(\$81,000)</u>

<u>ACCESS RATE DEVELOPMENT</u>	<u>SOURCE</u>	<u>AMOUNT</u>
4 REVENUE REQUIREMENT	SECTION 4	\$1,087,152
5 LESS: MISCELLANEOUS REVENUE	RECORDS	<u>0</u>
7 ACCESS REVENUE REQUIREMENT	LN 4-LN 5	<u>\$1,087,152</u>
8 ACCESS MINUTES	SCHEDULE B	<u>180,000,000</u>
9 ACCESS RATE PER MOU	LN 4/LN 5	<u>\$0.00604</u>

# PUBLIC VERSION

IOWA NETWORK SERVICES, INC.  
 IOWA NETWORK ACCESS DIVISION  
 SWITCHED TRANSPORT CONTRACT RATE DEVELOPMENT  
 FOR THE YEAR ENDED 2017 Pro Forma

SECTION 2  
 SCHEDULE B

PRO FORMA ALL CARRIERS	DAYS	CONTRACTED MINUTES	
		MINUTES	REVENUES
5/1/2017-5/31/2017	31	13,770,000	\$89,367
6/1/2017-6/30/2017	30	13,656,822	\$88,633
7/1/2017-7/31/2017	31	13,929,958	\$90,405
8/1/2017-8/31/2017	31	14,208,558	\$92,214
9/1/2017-9/30/2017	30	14,492,729	\$94,058
10/1/2017-10/31/2017	31	14,782,583	\$95,939
11/1/2017-11/30/2017	30	15,078,235	\$97,858
12/1/2017-12/31/2017	31	15,379,800	\$99,815
1/1/2018-1/31/2018	31	15,687,396	\$101,811
2/1/2018-2/28/2018	28	16,001,144	\$103,847
3/1/2018-3/31/2018	31	16,321,166	\$105,924
4/1/2018-4/30/2018	30	16,691,609	\$108,329
<b>TOTAL</b>	<b>365</b>	<b>180,000,000</b>	<b>\$1,168,200</b>

# SECTION 3

### SECTION 3

S-1.1 of 1

TOTAL COMPANY	ALLOCATION BASIS	CONTRACT TRAFFIC	OTHER
1,602,871	NOTE A	88,458	1,514,414
173,856	LN1*LN 2	11,0000%	10,8376%
0	S-8, LN 29	9,730	164,125
173,856	LN3-LN4	9,730	164,125
0	S-12, LN 28+29	0	0
0	S-12, LN 30	0	0
80,874	LN28-LN11	4,534	76,340
0	S-12, LN 31	0	0
26,922	LN 33	1,509	25,413
0	S-12, LN 33	0	0
19,081,503	S-8, LN 18	1,066,559	18,014,944
78,806	S-8, LN 23	4,820	73,986
18,642,577	S-8, LN 28	0	18,642,577
38,084,537		1,087,152	36,997,385
0		0.0000%	0.0000%
38,084,537		1,087,152	36,997,385

## OPTIONAL GROSS UP INCOME TAX CALCULATION

[illegible]

# PUBLIC VERSION

IOWA NETWORK SERVICES, INC.  
d/b/a AUREON NETWORK SERVICES  
FILING PERIOD: PRO FORMA 2017

COST SUPPORT MATERIAL  
PART 36 JURISDICTIONAL SEPARATIONS  
ACCESS DIVISION

SECTION 3

S-2,10f1

SUMMARY OF NET TELEPHONE PLANT, M&S AND WORKING CAPITAL

S-2,10f1

LN	ALLOCATION RATIOS	TOTAL COMPANY	ALLOCATION BASIS	CONTRACT TRAFFIC	OTHER
1	NET INVESTMENT SUMMARY				
2	GENERAL SUPPORT FACILITIES	8,129,852	S-3, LN 10	448,284	7,681,567
3	CENTRAL OFFICE SWITCHING EQUIPMENT	27,884,416	S-4, LN 52	1,537,562	26,346,854
4	OPERATOR SYSTEMS EQUIPMENT	0	S-4, LN 41	0	0
5	CENTRAL OFFICE TRANSMISSION EQUIPMENT	0	S-4, LN 78	0	0
6	INFORMATION ORIG/TERM EQUIPMENT	0	S-5, LN 17	0	0
7	CABLE AND WIRE FACILITIES	0	S-5, LN 42	0	0
8	TANGIBLE ASSETS	1,415,841	S-3, LN 29	78,070	1,337,770
9	INTANGIBLE ASSETS	0	S-3, LN 36	0	0
10	TOTAL PLANT IN SERVICE A/C 2001	37,430,108		2,063,917	35,366,191
11	% DISTRIBUTION	100.0000%		5.5141%	94.4859%
12	PROPERTY HELD FOR FUTURE USE	0	S-6, LN 9	0	0
13	PLANT UNDER CONSTR - SHORT TERM	0	S-6, LN 15	0	0
14	PLANT UNDER CONSTR - LONG TERM	0	S-6, LN 21	0	0
15	TELEPHONE PLANT ADJUSTMENT	0	S-6, LN 27	0	0
16	NONOPERATING PLANT	0	DIRECT	0	0
17	GOODWILL	0	DIRECT	0	0
18	TOTAL PROPERTY, PLANT & EQUIPMENT	37,430,108		2,063,917	35,366,191
19	% DISTRIBUTION	100.0000%		5.5141%	94.4859%
20	ACCUM DEPRECIATION - PLANT IN SERVICE	33,191,338	S-7, LN 18	1,830,189	31,361,149
21	ACCUM DEPRECIATION - FUTURE USE	0	S-7, LN 19	0	0
22	ACCUM AMORTIZATION - TANGIBLE PROPERTY	1,368,509	S-7, LN 23	75,460	1,293,049
23	ACCUM AMORTIZATION - INTANGIBLE PROPERTY	0	S-7, LN 24	0	0
24	ACCUM AMORTIZATION - TEL PLANT ADJUSTMENT	0	S-7, LN 25	0	0
25	OPERATING DEFERRED INCOME TAX - NET	1,815,804	S-7, LN 32	100,124	1,715,680
26	OTHER DEFERRED CREDITS - NET	0	S-7, LN 38	0	0
27	NET TELEPHONE PLANT	1,054,457		58,143	996,313
28	% DISTRIBUTION	100.0000%		5.5141%	94.4859%
29	MATERIALS AND SUPPLIES	0	S-6, LN 31	0	0
30	INVESTMENT IN NONAFFILIATED CO'S	0	S-6, LN 35	0	0
31	EQUAL ACCESS EQUIPMENT	0	S-6, LN 36	0	0
32	OTHER JURISDICTIONAL ASSETS	0	S-6, LN 37	0	0
33	CASH WORKING CAPITAL	548,415	S-3, LN 3	30,314	518,100
34	NET TEL PLANT, M&S AND CASH WORKING CAPITAL	1,602,871		88,458	1,514,414
	% DISTRIBUTION	100.0000%		5.5187%	94.4813%



# PUBLIC VERSION

IOWA NETWORK SERVICES, INC.  
d/b/a AUREON NETWORK SERVICES  
FILING PERIOD: PRO FORMA 2017

COST SUPPORT MATERIAL  
PART 36 JURISDICTIONAL SEPARATIONS  
ACCESS DIVISION

SECTION 3

S-8,1of1

SUMMARY OF OPERATING EXPENSE AND TAX

S-8,1of1

LN	ALLOCATION RATIOS	TOTAL COMPANY	ALLOCATION BASIS	CONTRACT TRAFFIC	OTHER
1	OPERATING EXPENSE AND TAX SUMMARY				
2	NETWORK SUPPORT EXPENSE	0	S-9,LN 7	0	0
3	GENERAL SUPPORT EXPENSE	137,250	S-9,LN 8	7,568	129,682
4	CENTRAL OFFICE EXPENSE	425,886	S-9,LN 15	23,484	402,402
5	INFORMATION ORIG/TERM EXPENSE	0	S-9,LN 21	0	0
6	CABLE AND WIRE FACILITIES EXPENSE	14,675,151	S-9,LN 25	807,486	13,867,665
7	OTHER PLANT EXPENSE	0	S-10,LN 11	0	0
8	NETWORK OPERATIONS EXPENSE	125,943	S-10,LN 13	6,945	118,998
9	ACCESS CHARGE EXPENSE	0	S-10,LN 14	0	0
10	MARKETING EXPENSE	0	S-11,LN 13	0	0
11	SERVICES EXPENSE	3,884	S-11,LN 44	3,995	-112
12	EXECUTIVE AND PLANNING EXPENSE	641,987	S-12,LN 8+9	35,487	606,500
13	GENERAL AND ADMINISTRATIVE EXPENSE	1,402,744	S-12,LN 11+12	89,584	1,313,160
14	SUBTOTAL OPERATING EXPENSES	17,412,844		974,548	16,438,296
15	% DISTRIBUTION	100.0000%		5.5967%	94.4033%
16	DEPRECIATION AND AMORTIZATION	1,364,924	S-10,LN 22+29	75,263	1,289,662
17	OTHER OPERATING TAX	303,734	S-12,LN 32	16,748	286,986
18	EQUAL ACCESS EXPENSE	0	S-12,LN 15	0	0
19	TOTAL OPERATING EXPENSE AND TAX	19,081,503		1,066,559	18,014,944
	% DISTRIBUTION	100.0000%		5.5895%	94.4105%
20	NON OPERATING EXPENSE				
21	ABANDONED CONSTRUCTION	0	S-2,LN 10	0	0
22	CONTRIBUTIONS	78,806	S-12,LN 14	4,820	73,986
23	OTHER NON OPERATING EXPENSE	0	DIRECT	0	0
24	TOTAL NON OPERATING EXPENSE	78,806		4,820	73,986
	% DISTRIBUTION	100.0000%		6.1167%	93.8833%
25	UNCOLLECTIBLES				
26	END USER MSG TOLLS	0	DIRECT	0	0
27	END USER COMMON LINE	0	DIRECT	0	0
28	IX CARRIER	18,642,577	S-11,LN 5	0	18,642,577
	TOTAL UNCOLLECTIBLES	18,642,577		0	18,642,577
29	ALLOWANCE FOR FUNDS USED DURING CONSTR	0	S-12,LN 3	0	0

# SECTION 4



PUBLIC VERSION

IOWA NETWORK SERVICES, INC.  
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FILING PERIOD: PRO FORMA 2017

COST SUPPORT MATERIAL  
PART 64 SEPARATIONS  
ACCESS DIVISION

SECTION 4

S-1, 1of1

REVENUE REQUIREMENT SUMMARY

S-1, 1of1

LN	DESCRIPTION	A/C	NOTE	TOTAL COMPANY	ALLOCATION BASIS	ACCESS DIVISION	ALL OTHER
REVENUE REQUIREMENT SUMMARY							
1	NET INVESTMENT FOR SETTLEMENTS			51,202,349	NOTE A	1,602,871	49,599,478
2	RATE OF RETURN					10.8465%	9,5128%
3	RETURN ON INVESTMENT			4,892,131	LN1*LN 2	173,856	4,718,275
4	ALLOWANCE FOR FUNDS USED DURING CONSTR			0	S-8, LN 30	0	0
5	NET RETURN FOR SETTLEMENTS			4,892,131	LN 3-LN 4	173,856	4,718,275
6	TOTAL ITC AMORTIZATION			0	S-12, LN 32	0	0
7	FEDERAL OPERATING INCOME TAX		(ACTUAL)	0		0	0
8	FEDERAL OPERATING INCOME TAX		(OPTION)	2,124,884	LN28-LN11	80,874	2,044,010
9	STATE AND LOCAL INCOME TAX		(ACTUAL)	0		0	0
10	STATE AND LOCAL INCOME TAX		(OPTION)	707,348	LN 32	26,922	680,426
11	PROVISION FOR DEFERRED INCOME TAX			0	S-12, LN 36	0	0
13	OPERATING EXPENSE AND TAX			74,351,901	S-8, LN 20	19,081,503	55,270,398
14	NONOPERATING EXPENSE			552,676	S-8, LN 25	76,806	473,870
15	UNCOLLECTIBLES			18,642,577	S-8, LN 29	18,642,577	0
16	BASIS FOR GROSS RECEIPTS TAX			101,271,516		38,084,538	63,186,979
17	GROSS RECEIPTS TAX RATE		(GROSS UP)	0		0.0000%	0.0000%
18	GROSS RECEIPTS TAX			101,271,516		38,084,538	63,186,979
19	TOTAL REVENUE REQUIREMENT					0	0

NOTE A: INCLUDES NET TEL PLANT FROM SCH S-2, LN 33 LESS A/C's 2004 ,2006 ,2007 AND 1402.

OPTIONAL GROSS UP INCOME TAX CALCULATION

20	RETURN ON INVESTMENT	4,892,131	LN 3			173,856	4,718,275
21	INTEREST AND RELATED ITEMS	767,357	S-12, LN 22			16,866	750,491
22	OTHER INCOME ADJUSTMENTS	0	S-12, LN 27+28			0	0
23	TOTAL INCOME ADJUSTMENTS	767,357	LN 21+22			16,866	750,491
24	FEDERAL ITC AMORTIZATION	0	S-12, LN 32			0	0
25	FEDERAL TAXABLE INCOME	6,249,658				237,864	6,011,794
26	FEDERAL INCOME TAX	2,124,884	LN 25*FIT			80,874	2,044,010
27	FEDERAL SURTAX ALLOCATION	0	S-2, LN 32			0	0
28	NET FEDERAL INCOME TAX BEFORE ITC	2,124,884	LN26-LN27			80,874	2,044,010
29	STATE TAXABLE INCOME	5,894,564				224,349	5,670,215
30	STATE INCOME TAX	707,348	LN 29*SIT			26,922	680,426
31	STATE SURTAX EXEMPTION	0	S-2, LN 32			0	0
32	NET STATE INCOME TAX BEFORE ITC	707,348	LN30-LN31			26,922	680,426

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COST SUPPORT MATERIAL  
PART 64 SEPARATIONS  
ACCESS DIVISION

SECTION 4

S-2, 1of1

SUMMARY OF NET TELEPHONE PLANT, M&S AND WORKING CAPITAL

S-2, 1of1

LN	DESCRIPTION	A/C	NOTE	TOTAL COMPANY	ALLOCATION BASIS	ACCESS DIVISION	ALL OTHER
NET INVESTMENT SUMMARY							
1	GENERAL SUPPORT FACILITIES	2110		21,403,908	S-3, LN 27	8,129,852	13,274,057
2	CENTRAL OFFICE SWITCHING EQUIPMENT	2210		37,959,193	S-4, LN 17	27,884,416	10,074,777
3	CENTRAL OFFICE TRANSMISSION EQUIPMENT	2230		59,229,180	S-4, LN 31	0	59,229,180
4	CABLE AND WIRE FACILITIES	2410		68,284,259	S-5, LN 16	0	68,284,259
5	TANGIBLE ASSETS	2680		3,727,562	S-3, LN 54	1,415,841	2,311,721
6	INTANGIBLE ASSETS	2690		0	S-3, LN 61	0	0
7	TOTAL PLANT IN SERVICE A/C 2001			190,604,102		37,430,108	153,173,994
8	% DISTRIBUTION			100.0000%		19.6376%	80.3624%
9	PROPERTY HELD FOR FUTURE USE	2002		0	S-6, LN 9	0	0
10	PLANT UNDER CONSTR - SHORT TERM	2003		0	S-6, LN 15	0	0
11	PLANT UNDER CONSTR - LONG TERM	2004		0	S-6, LN 21	0	0
12	TELEPHONE PLANT ADJUSTMENT	2005		0	S-6, LN 27	0	0
13	NONOPERATING PLANT	2006		2,244,868	DIRECT	0	2,244,868
14	GOODWILL	2007		0	DIRECT	0	0
15	TOTAL PROPERTY, PLANT & EQUIPMENT			192,848,970		37,430,108	155,418,862
16	% DISTRIBUTION			100.0000%		19.4090%	80.5910%
17	ACCUM DEPRECIATION - PLANT IN SERVICE	3100		129,603,777	S-7, LN 30	33,191,338	96,412,439
18	ACCUM DEPRECIATION - FUTURE USE	3200		0	S-7, LN 31	0	0
19	ACCUM AMORTIZATION - TANGIBLE PROPERTY	3400		3,602,949	S-7, LN 36	1,368,509	2,234,440
20	ACCUM AMORTIZATION - INTANGIBLE PROPERTY	3500		0	S-7, LN 37	0	0
21	ACCUM AMORTIZATION - TEL PLANT ADJUSTMENT	3600		0	S-7, LN 38	0	0
22	OPERATING DEFERRED INCOME TAX - NET	VAR		9,422,132	S-7, LN 44	1,815,804	7,606,328
23	OTHER DEFERRED CREDITS - NET	4360		0	S-7, LN 49	0	0
24	NET TELEPHONE PLANT			50,220,112		1,054,457	49,165,655
25	% DISTRIBUTION			100.0000%		2.0997%	97.9003%
26	MATERIALS AND SUPPLIES	1220		265,618	S-6, LN 32	0	265,618
27	PREPAID EXPENSES	1300		0	S-6, LN 37	0	0
28	INVESTMENT IN NONAFFILIATED CO'S	1402		231,232,529	S-6, LN 38	0	231,232,529
29	OTHER JURISDICTIONAL ASSETS	1500		0	S-6, LN 39	0	0
30	CASH WORKING CAPITAL	XXXX		2,961,486	COMPUTED	548,415	2,413,072
31	NET TEL PLANT, M&S AND CASH WORKING CAPITAL			284,679,746		1,602,871	283,076,874
32	% DISTRIBUTION			100.0000%		0.5630%	99.4370%

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IOWA NETWORK SERVICES, INC.  
d/b/a AUREON NETWORK SERVICES  
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COST SUPPORT MATERIAL  
PART 64 SEPARATIONS  
ACCESS DIVISION

SECTION 4

S-8, 1of1

SUMMARY OF OPERATING EXPENSE AND TAX

S-8, 1of1

LN	DESCRIPTION	A/C	NOTE	TOTAL COMPANY	ALLOCATION BASIS	ACCESS DIVISION	ALL OTHER
OPERATING EXPENSE AND TAX SUMMARY							
1	NETWORK SUPPORT EXPENSE	6110		155,409	S-9, LN 13-23	5,059	150,351
2	GENERAL SUPPORT EXPENSE	6120		1,696,702	S-9, LN 24-27	132,191	1,564,511
3	CENTRAL OFFICE EXPENSE	6210		2,776,841	S-9, LN 33	425,886	2,350,955
4	CABLE AND WIRE FACILITIES EXPENSE	6410		19,816,729	S-9, LN 35	14,675,151	5,141,578
5	OTHER PLANT EXPENSE	6510		16,466,203	S-10, LN 6	0	16,466,203
6	NETWORK OPERATIONS EXPENSE	6530		5,597,475	S-10, LN 13	125,943	5,471,532
7	ACCESS CHARGE EXPENSE	6540		3,464,196	S-10, LN 15	0	3,464,196
8	MARKETING EXPENSE	6610		3,737,462	S-11, LN 15	0	3,737,462
9	SERVICES EXPENSE	6620		792,351	S-11, LN 39	3,884	788,467
10	EXECUTIVE AND PLANNING EXPENSE	6710		3,994,184	S-12, LN 7	641,987	3,352,197
11	GENERAL AND ADMINISTRATIVE EXPENSE	6720		8,472,742	S-12, LN 8-15	1,402,744	7,069,998
12	SUBTOTAL OPERATING EXPENSES			66,970,294		17,412,844	49,557,450
13	% DISTRIBUTION			100.0000%		26.0008%	73.9992%
14	DEPRECIATION - PLANT IN SERVICE	6561		6,361,912	S-10, LN 33	1,362,403	4,999,509
15	DEPRECIATION - FUTURE USE	6562		0	S-10, LN 34	0	0
16	AMORTIZATION - TANGIBLES	6563		6,638	S-3, LN 42-44	2,521	4,117
17	AMORTIZATION - INTANGIBLES	6564		0	S-3, LN 45	0	0
18	AMORTIZATION - OTHER	6565		0	S-3, LN 46	0	0
19	OTHER OPERATING TAX	7240		1,013,057	S-12, LN 35	303,734	709,323
20	TOTAL OPERATING EXPENSE AND TAX			74,351,901		19,081,503	55,270,398
21	% DISTRIBUTION			100.0000%		25.6636%	74.3362%
NON OPERATING EXPENSE							
22	ABANDONED CONSTRUCTION	7370		0	S-2, LN 8	0	0
23	CONTRIBUTIONS			272,726	S-12, LN 2	78,806	193,920
24	ALL OTHER			279,950	S-12, LN 2	0	279,950
25	TOTAL NON OPERATING EXPENSE			552,676		78,806	473,870
26	% DISTRIBUTION			100.0000%		14.2590%	85.7410%
UNCOLLECTIBLES							
27	END USER MSG TOLLS	5310		0	DIRECT	XXX	0
28	IX CARRIER	5330		18,642,577	DIRECT	18,642,577	0
29	TOTAL UNCOLLECTIBLES			18,642,577		18,642,577	0
30	ALLOWANCE FOR FUNDS USED DURING CONSTR	7340		0	S-12, LN 4	0	0

**CERTIFICATION**

I certify that I am the Senior Vice President – Corporate Finance of Iowa Network Services, Inc. dba Aureon Network Services, have overall responsibility for the preparation of High-Volume Traffic Contract Tariff No. 1, and am authorized to execute this certification. Based upon information provided to me by employees or outside accountants responsible for the preparation of, or for supervision of the preparation of, the data submitted in support of the rates contained in the proposed contract tariff, I hereby certify that the data have been examined and reviewed and are true, correct and complete.

April 14, 2017

Date

  
Jeffrey P. Schill

**IOWA NETWORK SERVICES, INC. dba  
AUREON NETWORK SERVICES**



PUBLIC VERSION

IOWA NETWORK ACCESS DIVISION

TARIFF F.C.C. NO. 1  
29<sup>th</sup> Revised Page 1  
Cancels 28<sup>th</sup> Revised Page 1

CENTRALIZED EQUAL ACCESS SERVICE

CHECK SHEET

Title Page 1 and Page 1 to 188 and Supplement No. 7, inclusive, of this tariff are effective as of the date shown. Original and revised pages as named below contain all changes from the original tariff that are in effect on the date hereof.

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2	1st	29	1st	55	Original	80	Original
3	Original	30	Original	56	1st	81	Original
4	1st	31	Original	57	Original	82	Original
5	3rd	32	Original	58	1st	83	2nd
6	3rd	33	1st	59	1st	84	1st
7	1st	34	Original	60	Original	85	1st
8*	2nd	35	Original	61	3rd	86	2nd
8.1*	Original	36	Original	61.1	Original	87	1st
9	Original	37	2nd	62	1st	87.1	Original
10	1st	38	1st	63	3rd	88	4th
11	2nd	39	3rd	63.1	1st	88.1	Original
12	2nd	40	3rd	64	1st	88.2	Original
13	7th	40.1	Original	64.1	2nd	89	4th
13.1	1st	41	Original	65	2nd	89.1	1st
14	1st	42	1st	66	Original	89.2	1st
15	1st	43	3rd	67	Original	89.3	1st
16	2nd	43.1	Original	68	Original	89.4	1st
17	Original	44	Original	69	1st	90	2nd
18	Original	45	1st	69.1	1st	91	Original
19	1st	46	1st	70	Original	92	2nd
20	1st	46.1	Original	71	Original	93	2nd
21	2nd	47	Original	72	3rd	94	1st
21.1	1st	48	Original	72.1	1st	95	1st
22	Original	49	Original	73	1st	96	1st
23	Original	50	1st	74	Original	97	1st
24	Original	51	2nd	75	Original	98	1st
25	Original	52	2nd	76	1st		
26	Original	53	2nd	77	Original		

\* New or Revised page

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7760 Office Plaza Drive South  
West Des Moines, Iowa 50266-5906

PUBLIC VERSION

IOWA NETWORK ACCESS DIVISION

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CENTRALIZED EQUAL ACCESS SERVICE

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106	Original	136	2nd	146.19*	Original	169	Original
107	Original	136.1	2nd	146.20*	Original	170	Original
108	2nd	136.1.1	Original	146.21*	Original	171	Original
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110	Original	137	1st	147.1	Original	173	1st
111	Original	138	2nd	148	4th	174	1st
112	1st	139	1st	148.1	Original	175	Original
113	1st	140	2nd	149	4th	176	Original
114	1st	140.1	Original	149.1	1st	177	1st
115	1st	141	1st	150	4th	178	1st
116	1st	142	3rd	150.1	Original	179	Original
117	Original	143	Original	151	4th	180	1st
118	1st	144	Original	151.1	2nd	181	1st
118.1	Original	145	12th	151.2	Original	182	Original
119	1st	146*	1st	152	3rd	183	Original
120	1st	146.1*	Original	153	4th	184	Original
120.1	2nd	146.2*	Original	153.1	2nd	185	Original
121	1st	146.3*	Original	153.2	Original	186	Original
122	Original	146.4*	Original	154	3rd	187	Original
123	Original	146.5*	Original	155	4th	188	Original
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CENTRALIZED EQUAL ACCESS SERVICE

7. Contract Tariffs

(N)

7.1 High-Volume Traffic Contract Tariff No. 1

High-Volume Traffic Contract Tariff No. 1 provides an optional alternative that provides switching and transport for the interstate, interLATA terminating traffic that Customer routes to Iowa Network's facilities and that Iowa Network transports to the meet point with the facilities of a Routing Exchange Carrier assigned one of the following OCNs:

739d  
156c  
345d  
3620  
7094  
860E  
904D  
4560

This service is offered on a non-discriminatory, generally available basis to any similarly situated telecommunications carrier willing and able to meet the terms of this High-Volume Traffic Contract Tariff No. 1. As a prerequisite to receiving service under this Section 7.1, the Customer must voluntarily agree to the rates, terms, and conditions in this Section 7.1 by separately signing a contract with Iowa Network containing the same rates, terms, and conditions that are set forth in this Section 7.1.

7.1.1 General

High-Volume Traffic Contract Tariff No. 1 offers a switching and transport service to Customer for interstate interLATA terminating High-Volume Traffic, as defined in Section 7.1.2, which virtually extends Customer's network from the point where it interconnects with Iowa Network's facilities to the networks of Routing Exchange Carriers, and enables Customer to deliver interstate interLATA High-Volume Traffic to the end offices of Routing Exchange Carriers. High-Volume Traffic Contract Tariff No. 1 applies to all two-way and one-way terminating trunks that Iowa Network currently provides Customer as well as new terminating trunks that Iowa Network, at its sole discretion, installs in the future for Customer.

(N)

CENTRALIZED EQUAL ACCESS SERVICE7. Contract Tariffs (Cont'd)

(N)

7.1 High-Volume Traffic Contract Tariff No. 1 (Cont'd)7.1.1 General (Cont'd)

All existing and future rates, terms, and conditions stated elsewhere in this tariff, as amended from time to time, that do not conflict with the rates and terms in this Section 7.1 apply to the service provided under High-Volume Traffic Contract Tariff No. 1, are incorporated herein by reference, and Customer agrees to comply with such rates, terms, and conditions in this tariff. To the extent there is a conflict between the rates, terms, and conditions of this Section 7.1 and the rates, terms, and conditions set forth elsewhere in this tariff, the rates, terms, and conditions set forth in this Section 7.1 shall control.

High-Volume Traffic Contract Tariff No. 1 is provided subject to additional terms and conditions that are not applicable to centralized equal access service. Therefore, by ordering service under High-Volume Traffic Contract Tariff No. 1, Customer agrees to provisioning flexibility for Iowa Network and other terms that will result in the Customer receiving a switching and Transport service that is not like the centralized equal access service that is not subject to those additional terms and conditions.

The rates and terms in this tariff for centralized equal access service, rather than the terms and conditions in this Section 7.1, shall apply to all originating traffic or traffic that does not qualify as High-Volume Traffic, as defined in Section

7.1.2 Definitions

The following terms shall have the meanings specified in this Section 7.1.

Access Tandem

The term "Access Tandem" denotes Iowa Network's switching system that is used to connect and switch trunk circuits between and among the end office switches of Routing Exchange Carriers for the exchange of access traffic.

Act

The term "Act" denotes the Communications Act of 1934 (47 U.S.C. 151 et seq.), as amended, including the Telecommunications Act of 1996.

(N)

CENTRALIZED EQUAL ACCESS SERVICE

7. Contract Tariffs (Cont'd)

(N)

7.1 High-Volume Traffic Contract Tariff No. 1 (Cont'd)

7.1.2 Definitions (Cont'd)

Board

The term "Board" denotes the Iowa Utilities Board.

FCC

The term "FCC" denotes the Federal Communications Commission.

High-Volume Traffic

The term "High-Volume Traffic" denotes all interstate interLATA traffic that Customer or a Customer's customer routes to Iowa Network's facilities and that Iowa Network Transports to the meet point with the facilities of a terminating Routing Exchange Carrier assigned one of the following OCNs:

739d  
156c  
345d  
3620  
7094  
860E  
904D  
4560

Point of Interconnection ("POI")

The terms "Point of Interconnection" or "POI" denote the physical location where Iowa Network's facilities directly interconnect with Customer's facilities.

Termination or Terminating

The terms "Termination" or "Terminating" denote the switching of Customer's traffic at the terminating Routing Exchange Carrier's end office switch, or equivalent facility, and delivery of such traffic to the conference bridge or other person assigned the called telephone number.

(N)



CENTRALIZED EQUAL ACCESS SERVICE

7. Contract Tariffs (Cont'd)

(N)

7.1 High-Volume Traffic Contract Tariff No. 1 (Cont'd)

7.1.2 Definitions (Cont'd)

Transport(s)

The term "Transport(s)" denotes the transmission and any necessary access tandem switching by Iowa Network of the Customer's traffic from the Point of Interconnection to the terminating Routing Exchange Carrier's meet point with Iowa Network's facilities.

7.1.3 Direct Interconnection Facilities

Iowa Network shall solely determine the Point of Interconnection, the interconnection circuit design, trunk capacity, and directional routing.

- (A) Customer shall establish and maintain a direct connection with the Point of Interconnection designated by Iowa Network with Iowa Network's Access Tandem. While the location of the Point of Interconnection shall initially be at Iowa Network's access tandem in Des Moines, Iowa, Iowa Network may in the future at its sole discretion designate its Access Tandem in Kamrar, Iowa as the Point of Interconnection.
- (B) Customer is solely responsible for providing its own facilities that directly connect with the Point of Interconnection designated by Iowa Network with Iowa Network's Access Tandem.
- (C) Customer is solely responsible for programming and updating its own switches and network systems as specified by Iowa Network.
- (D) Customer shall send signaling to Iowa Network's Access Tandem that provides sufficient originating call detail to determine the jurisdiction of each call. If feasible, the signaling from the Customer's switch shall contain the Jurisdiction Information Parameter ("JIP") in NPANXX format, which can be used by Iowa Network to identify the originating switch.

(N)

CENTRALIZED EQUAL ACCESS SERVICE7. Contract Tariffs (Cont'd)

(N)

7.1 High-Volume Traffic Contract Tariff No. 1 (Cont'd)7.1.4 Installation of Additional Trunks

To the extent that any trunk group is utilized at a time-consistent busy hour of eighty percent (80%) or greater, Customer shall negotiate in good faith with Iowa Network for the installation of augmented facilities. Trunk utilization shall be separately measured for trunk groups associated with each carrier identification code ("CIC"). For example, if the trunk group associated with one CIC is 90 percent utilized, while the trunk group associated with a different CIC is only 70 percent utilized Customer shall negotiate in good faith for the installation of augmented facilities for the trunk group associated with the CIC that is 90 percent utilized. The installation of additional trunks or capacity is solely within Iowa Network's discretion and is contingent upon the availability of spare port and/or facility capacity.

(A) If sufficient capacity is not available, Iowa Network will provide Customer with a quote for the non-recurring construction costs and recurring trunk costs required to install and operate additional trunks. If Customer requests that Iowa Network proceed with the installation of the additional trunks at the quoted costs, Customer shall pay Iowa Network such costs upon the installation of the additional trunks.

(B) Any additional trunks installed by Iowa Network must remain in service for at least ninety (90) days.

(N)

CENTRALIZED EQUAL ACCESS SERVICE7. Contract Tariffs (Cont'd)

(N)

7.1 High-Volume Traffic Contract Tariff No. 1 (Cont'd)7.1.5 Disconnection of Trunks

To the extent that any trunk group is utilized at a time-consistent busy hour of fifty percent (50%) or less, Iowa Network will notify Customer regarding the number of trunks that Iowa Network intends to disconnect. Iowa Network will call Customer's designated contact person, and provide supporting information either by email or facsimile to the designated Customer contact person. Customer shall provide concurrence with the disconnection within seven (7) business days or provide specific information to Iowa Network supporting additional traffic that Customer will bring onto the trunk group. Such supporting information shall include expected traffic volumes and the timeframes within which Customer expects to need such trunks. After reviewing the supporting information received from Customer, Iowa Network will render a final decision on how many trunks will be disconnected. Customer shall fully cooperate and assist Iowa Network with the disconnection of trunks that Iowa Network decides to disconnect.

- (A) Trunk utilization shall be separately measured for trunk groups associated with each CIC. For example, if the trunk group associated with one CIC is 30 percent utilized, while the trunk group associated with a different CIC is 60 percent utilized, Iowa Network may disconnect the trunk group associated with the CIC that is only 30 percent utilized, while keeping the trunk group operational that is associated with the other CIC.
- (B) Iowa Network, at its sole discretion, may disconnect trunks if Customer fails to render payment to Iowa Network in accordance with this Section 7.1 either of (i) an undisputed amount within sixty (60) days after the payment Due Date or (ii) a disputed amount within sixty (60) days after an arbitrator's decision determining in accordance with Section 7.1.16 that the disputed charge was billed correctly. Customer shall indemnify and hold Iowa Network harmless for any liability related to such disconnection.

(N)



CENTRALIZED EQUAL ACCESS SERVICE

7. Contract Tariffs (Cont'd)

(N)

7.1 High-Volume Traffic Contract Tariff No. 1 (Cont'd)

7.1.5 Disconnection of Trunks (Cont'd)

- (1) If, on the date the Customer orders service under High-Volume Traffic Contract Tariff No. 1, Customer's payment of any Iowa Network invoice is already past due and has not been received by Iowa Network within sixty (60) days after the payment Due Date, Customer shall negotiate in good faith with Iowa Network on a dollar amount to be paid to Iowa Network that resolves the past due balance. While such negotiations continue in good faith and remain actively engaged with teleconferences, videoconferences, or face-to-face meetings occurring at least once per week, Iowa Network shall not disconnect any existing trunks over which Customer routes traffic.

7.1.6 General Responsibilities

Customer is responsible for the provision of facilities within its network necessary for the switching, routing, and transport of the traffic subject to this Section 7.1.

7.1.7 Notice of Changes.

If Customer makes a change in its network that will materially affect the inter-operability of its network with Iowa Network's facilities, Customer shall make reasonable efforts to notify Iowa Network to ensure the continuation of inter-network operability.

7.1.8 Rate Regulations

In consideration for Customer agreeing in this Section 7.1 to the greater provisioning flexibility for Iowa Network and other terms that are not applicable to centralized equal access service, this Section 7.1 establishes a switched transport rate of \$0.00649 per access minute (the "Contract Tariff Rate") for High-Volume Traffic. The Contract Tariff Rate is in lieu of the switched transport rate stated in section 6.8.1 of this tariff.

(N)

CENTRALIZED EQUAL ACCESS SERVICE

7. Contract Tariffs (Cont'd)

(N)

7.1 High-Volume Traffic Contract Tariff No. 1 (Cont'd)

7.1.8 Rate Regulations (Cont'd)

- (A) Customer shall pay Iowa Network the switched transport rate stated in section 6.8.1 of this tariff for all traffic that is not defined as High-Volume Traffic in this Section 7.1.
- (B) Except when the Contract Tariff Rate applies in lieu of the switched transport rate, all other rates in this tariff apply, are incorporated into this Section 7.1 by reference, and shall be paid by Customer.
- (C) Customer agrees to fully pay undisputed amounts to Iowa Network within thirty (30) days of receipt any and all bills issued by Iowa Network to Customer.
- (D) During the term of this High-Volume Traffic Contract Tariff No. 1, Customer shall not challenge before any court, administrative agency, arbitral board, or any other tribunal (each a "Governmental Body") whatsoever the Contract Tariff Rate charged by Iowa Network to Customer or the rates and terms of this tariff; provided, however, that nothing limits Customer's right to take the position and argue to any Governmental Body with respect to an industry-wide laws, rules, regulations or similar, even if such action may indirectly affect the Contract Tariff Rate or the rates and terms of this tariff.
- (E) In bills rendered to Customer, Iowa Network shall not increase the Contract Rate or other rates contained in this tariff for services ordered by Customer during the term of this High-Volume Traffic Contract Tariff No. 1.
- (F) The Contract Rate is the charge for only the switching and Transport service that Iowa Network provides Customer for High-Volume Traffic. Services provided by other service providers, including but not limited to Routing Exchange Carriers, are not included in this High-Volume Traffic Contract Tariff No. 1, and Customer must separately pay those other service providers for the services they provide.

(N)



CENTRALIZED EQUAL ACCESS SERVICE7. Contract Tariffs (Cont'd)

(N)

7.1 High-Volume Traffic Contract Tariff No. 1 (Cont'd)7.1.9 Billing.

Iowa Network shall bill Customer on a monthly basis for services rendered under this Section 7.1. Customer agrees to accept delivery of invoices via electronic mail to the email address designated by the Customer. Iowa Network will measure the total monthly traffic delivered by Customer to Iowa Network's facilities. These measurements will be used as the basis for the submission of a bill to the Customer that includes both High-Volume Traffic and other traffic that does not qualify as High-Volume Traffic.

(A) After the rates and terms of this Section 7.1 have become effective, billing of the Contract Tariff Rate shall begin for High-Volume Traffic generated on the first day of the billing cycle after Customer orders service under this High-Volume Traffic Contract Tariff No. 1. Until such new billing under this Section 7.1, Iowa Network shall bill and Customer shall pay the switched transport rate set forth in Section 6.8.1 in lieu of the Contract Tariff Rate.

(B) All bills for services rendered to the Customer by Iowa Network, are due thirty (30) days after the invoice date ("Due Date"). If Customer fails to fully pay any part of any undisputed invoice by the Due Date, or makes payment in funds not immediately available to Iowa Network, Iowa Network may charge and recover interest at the lesser of one and one-half percent (1.5%) per month or the maximum amount allowable by law, compounded daily, beginning with the day following the date on which payment was due, and continuing until paid in full, if such failure continues for five (5) days past the Due Date. Interest shall be calculated from the Due Date.

(N)

CENTRALIZED EQUAL ACCESS SERVICE

7. Contract Tariffs (Cont'd)

(N)

7.1 High-Volume Traffic Contract Tariff No. 1 (Cont'd)

7.1.9 Billing (Cont'd).

(C) For Customer to dispute a charge hereunder, Customer's written notice to Iowa Network must be in receipt within one hundred eighty (180) days after the invoice date, and must specifically identify the charge in dispute and provide a complete written explanation of the basis for the dispute. If such notice is received, Customer may withhold the amount, which, in good faith, is disputed provided that Customer otherwise timely pays in full the undisputed portion of the invoice; and Customer cooperates and assists Iowa Network in its efforts to investigate and/or resolve the dispute. For Iowa Network to backbill or obligate Customer to pay a revised invoice for services provided in the past, Customer must receive the backbill or revised invoice within one hundred eighty (180) days after the original invoice date.

(D) If, following the dispute resolution process identified in Section 7.1.16, it is determined by the arbitrator, or mutually agreed by Iowa Network and Customer, that the disputed charge(s) was billed in error, Iowa Network shall issue a credit to reverse the amount incorrectly billed. If it is determined by the arbitrator, or mutually agreed by Iowa Network and Customer, that the disputed charge(s) was billed correctly, then payment, including interest, shall be due from Customer to Iowa Network within ten (10) calendar days after resolution of the dispute.

(N)

CENTRALIZED EQUAL ACCESS SERVICE7. Contract Tariffs (Cont'd)

(N)

7.1 High-Volume Traffic Contract Tariff No. 1 (Cont'd)7.1.10 Deposits

Iowa Network may require Customer to pay a deposit under the following circumstances:

- (1) The Customer's credit rating becomes impaired after the Customer orders service under this High-Volume Traffic Contract Tariff No. 1 or a bankruptcy proceeding is about to be filed, can be filed, or has been filed.
- (2) The Customer has unpaid Iowa Network invoices or portions thereof, outstanding for more than sixty (60) days from the invoice date.

If Iowa Network requires a deposit, and the deposit is received, Iowa Network will issue a receipt to be returned by U.S. mail. The deposit may not exceed three times the highest billing amount in the last six months. The deposit will be held until there is a credit history of six consecutive months of timely payments from the date of the receipt of the deposit. Interest will be paid on the deposit at the annual rate of 1.0% until date of return.

- (A) Iowa Network may include a termination notice with the deposit request. If the deposit is not received as requested, the termination of service may take effect on or after the day following the last day of the request period. The two request periods are as follows:

- (1) The request period for a deposit due to late or non-payment is five (5) calendar days.
- (2) The request period for a deposit due to credit rating or bankruptcy is twelve (12) calendar days.

(N)



CENTRALIZED EQUAL ACCESS SERVICE7. Contract Tariffs (Cont'd)

(N)

7.1 High-Volume Traffic Contract Tariff No. 1 (Cont'd)7.1.11 Costs of Initiating Contract Tariff No. 1

Customer and Iowa Network shall be responsible for their own costs and expenses incurred in obtaining approval for the Customer to obtain service from Iowa Network pursuant to this High-Volume Traffic Contract Tariff No. 1 from any regulatory agency. In the event a regulatory agency assesses Iowa Network for the agency's costs and expenses in approving and/or arbitrating the provision of service to Customer pursuant to this High-Volume Traffic Contract Tariff No. 1, Customer shall reimburse one half of any and all costs assessed within 30 days from notification by Iowa Network. Unpaid billings after 30 days that are not disputed in good faith and not paid when due shall accrue interest at the rate of the lesser of one and one-half percent (1.5%) per month or the maximum amount allowable by law, compounded daily, beginning with the day following the date on which payment was due, and continuing until paid in full.

7.1.12 Term

This High-Volume Traffic Contract Tariff No. 1 shall have an initial term of ninety (90) days for each trunk Customer orders or uses. It shall thereafter remain in full force and effect for successive terms of ninety (90) days each, subject to the right of either Customer or Iowa Network to give the other party written notice of its intent to terminate Iowa Network's provision of service to Customer under this Section 7.1. ("Notice") not less than thirty (30) days prior to the expiration of the then current term. Customer's obligation to pay Iowa Network the rates and charges set forth in this Section 7.1 and to comply with the terms and conditions set forth in this Section 7.1 shall survive termination or expiration for so long as Customer's traffic continues to traverse Iowa Network's facilities.

- (A) Customer may reduce the number of trunks by providing Iowa Network with thirty (30) days' prior written notice.

(N)

CENTRALIZED EQUAL ACCESS SERVICE

7. Contract Tariffs (Cont'd)

(N)

7.1 High-Volume Traffic Contract Tariff No. 1 (Cont'd)

7.1.13 Termination Without Written Notice

Service to Customer under this High-Volume Traffic Contract Tariff No. 1 and this Section 7.1 shall be terminated in the event that:

- (1) A court or regulatory agency revokes, cancels, does not renew or otherwise terminates Customer's authorization to provide service in the State of Iowa, or a court or regulatory agency revokes, cancels, or otherwise terminates Iowa Network's authorization to provide service; or

Either Customer or Iowa Network files for bankruptcy or becomes insolvent, makes a general assignment for the benefit of, or enters into any arrangement with creditors, files a voluntary petition under any bankruptcy, insolvency or similar laws, or proceedings are instituted under any such laws seeking the appointment of a receiver, trustee or liquidator instituted against it which are not terminated within sixty (60) days of such commencement.

7.1.14 Termination With Written Notice

Iowa Network shall have the right to terminate service to Customer under this High-Volume Traffic Contract Tariff No. 1 and this Section 7.1 at any time upon written notice to Customer in the event:

- (1) Customer fails to pay any undisputed amount when due and such failure is not corrected within a period of thirty (30) days after Iowa Network notifies Customer of such payment failure; or
- (2) Customer is in material breach or default of the provisions of this High-Volume Traffic Contract Tariff No. 1 and this Section 7.1 other than (a) above and that breach/default continues for a period of thirty (30) days after Iowa Network notifies Customer of such breach/default, including a reasonably detailed statement of the nature of the breach/default. A breach/default is a breaking of an obligation of this Section 7.1.

(N)

CENTRALIZED EQUAL ACCESS SERVICE

7. Contract Tariffs (Cont'd)

(N)

7.1 High-Volume Traffic Contract Tariff No. 1 (Cont'd)

7.1.15 Liability Upon Termination

Termination of service to Customer under this High-Volume Traffic Contract Tariff No. 1 and this Section 7.1 for any cause shall not release either Customer or Iowa Network from any liability, which at the time of termination had already accrued or which accrues thereafter in any respect of any act of omission or commission occurring prior to the termination date relating to an obligation that is expressly stated in this Section 7.1. The obligations under this 7.1, which by their nature are intended to continue beyond the termination or expiration of service to Customer under this High-Volume Traffic Contract Tariff No. 1 shall survive such termination or expiration.

7.1.16 Dispute Resolution Process

Customer and Iowa Network desire to resolve disputes arising out of this High-Volume Traffic Contract Tariff No. 1 without litigation. Accordingly, Customer and Iowa Network agree to use the following dispute resolution procedures as their primary remedy with respect to any controversy or claim arising out of or relating to this High-Volume Traffic Contract No. 1.

(N)



CENTRALIZED EQUAL ACCESS SERVICE

7. Contract Tariffs (Cont'd)

(N)

7.1 High-Volume Traffic Contract Tariff No. 1 (Cont'd)

7.1.16 Dispute Resolution Process (Cont'd)

- (A) At the written request of a party commencing the dispute resolution process described herein, each party will appoint within 10 days of the date of the delivery of the written request, a representative to meet and negotiate in good faith for a period up to sixty (60) days (unless it becomes clear that a voluntary resolution is unlikely) after the request to resolve any dispute arising under this High-Volume Traffic Contract No. 1. Good faith is meant to include teleconferencing, videoconferencing, and face-to-face meetings between the Customer and Iowa Network. Customer and Iowa Network intend that these negotiations be conducted by non-lawyer, knowledgeable, business representatives. Nothing prevents either party from consulting an attorney, as an advisor, in the process so long as such attorney is not present at negotiations. Both parties must have responsible parties that can and are authorized to speak for the party and negotiate the settlement. Discussions and correspondence among the representatives for purposes of these negotiations shall be treated as confidential information developed for purposes of settlement, exempt from discovery and production, which shall not be admissible in the arbitration described below or in any lawsuit without the concurrence of both Customer and Iowa Network. Documents identified in or provided with such communications, which are not prepared for purposes of the negotiations, are not so exempted and may be admitted in evidence in the arbitration or lawsuit. The location, format, frequency, duration and conclusion of these discussions shall be left to the discretion of the representatives.

(N)

CENTRALIZED EQUAL ACCESS SERVICE

7. Contract Tariffs (Cont'd)

(N)

7.1 High-Volume Traffic Contract Tariff No. 1 (Cont'd)

7.1.16 Dispute Resolution Process (Cont'd)

- (B) If the negotiations do not resolve the dispute within sixty (60) days from the date of the receipt of the written request commencing the resolution process, (sooner if it becomes clear that a voluntary resolution is unlikely provided both parties agree), the dispute may be submitted to binding arbitration by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association or such other rules to which the parties may agree. The arbitration hearing shall be commenced within forty-five (45) days after demand for arbitration and shall be held in Des Moines, Iowa. The arbitrator shall control the scheduling so as to process the matter expeditiously. The parties may submit written briefs if permitted by the arbitrator. The arbitrator shall rule on the dispute by issuing a written opinion within thirty (30) days after the close of hearings or meetings. The decision of the arbitrator shall be final and binding upon Customer and Iowa Network, and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction.
- (C) Each party to the arbitration shall bear its own costs and attorneys' fees as well as an equal share of the arbitrator's costs. If a matter is submitted to the FCC or the Iowa Utilities Board for resolution, Customer and Iowa Network shall share the costs equally and shall so request in any initial filing with the FCC or the Board.

(N)



CENTRALIZED EQUAL ACCESS SERVICE7. Contract Tariffs (Cont'd)

(N)

7.1 High-Volume Traffic Contract Tariff No. 1 (Cont'd)7.1.17 Participation in Legal Proceedings

Subject to the proviso in Section 7.1.8(D), with the exception that Iowa Network will be permitted to make changes to its tariffs by filing tariff revisions with the FCC or appropriate state regulatory authorities, neither Customer nor Iowa Network shall directly, indirectly, or in any other way or manner, initiate, pursue, or prosecute any claim, grievance, petition, proceeding, or other legal action or process of any sort or nature whatsoever, nor offer any testimony, before any federal or state executive, legislative, judicial or administrative commission or other body, or before any arbitration or mediation panel, seeking to change the Contract Rate or Iowa Network's tariff rates that will be paid by Customer during the term of this High-Volume Traffic Contract No. 1, or solicit, encourage, or otherwise cooperate with any other person or entity to do so, nor otherwise voluntarily participate in any such proceeding in any manner.

7.1.18 Warranty

Iowa Network does not guarantee or warrant that its service and facilities are error-free or interruption free. This High-Volume Traffic Contract No. 1 excludes all warranties of whatever kind, express or implied, including but not limited to warranties of merchantability and fitness for a particular purpose. Iowa Network does not authorize anyone to make a warranty of any kind on Iowa Network's behalf and Customer should not rely upon anyone making such statements. This provision shall not serve to eliminate, or otherwise limit any quality of service obligations imposed on Iowa Network or Customer pursuant to applicable Iowa or federal law.

7.1.19 Limitations of Liability

Under no circumstances shall either Iowa Network or Customer be liable to the other for any indirect, incidental, special, punitive or consequential damages (including but not limited to loss of business, loss of use, or loss of profits), arising in connection with this High-Volume Traffic Contract No. 1. Both parties have only a direct liability for actual damages resulting from the causing party's conduct or the conduct of its agents or contractors in performing the obligations contained in this High-Volume Traffic Contract No. 1.

(N)

CENTRALIZED EQUAL ACCESS SERVICE7. Contract Tariffs (Cont'd)

(N)

7.1 High-Volume Traffic Contract Tariff No. 1 (Cont'd)7.1.20 Indemnification

Customer and Iowa Network shall each indemnify and hold harmless the other with respect to any third-party claims, lawsuits, damages, or court actions arising from service under this High-Volume Traffic Contract No. 1, to the extent that the indemnifying party is liable or responsible for said third-party claims, losses, damages or court actions. Whenever any claim shall arise for indemnification hereunder, the party entitled to indemnification shall promptly notify the other party of the claim and, when known, the facts constituting the basis for such claim. In the event that one party disputes the other party's right to indemnification hereunder, the party disputing indemnification shall promptly notify the other party of the factual basis for disputing indemnification. Indemnification shall include but is not limited to costs and reasonable attorneys' fees. The indemnifying party shall have sole authority to defend any such action, including the selection of legal counsel (which legal counsel must be reasonably acceptable to the Indemnified Party), and the indemnified party may engage separate legal counsel only at its sole cost and expense. In no event shall the indemnifying party settle or consent to any judgment pertaining to any such action without the prior written consent of the indemnified party.

7.1.21 Confidentiality

Customer and Iowa Network recognize that they or their authorized representatives may come into possession of confidential and/or proprietary data about each other's business or networks as a result of implementing this High-Volume Traffic Contract No. 1. Customer and Iowa Network each agree to treat all such data as strictly confidential and to use such data only for the purpose of performance of its obligations under this High-Volume Traffic Contract No. 1. Customer and Iowa Network each agree not to disclose data about the other party's business, unless such disclosure is required by lawful subpoena or order, to any person without first securing the written consent of the other party.

(N)



CENTRALIZED EQUAL ACCESS SERVICE

7. Contract Tariffs (Cont'd)

(N)

7.1 High-Volume Traffic Contract Tariff No. 1 (Cont'd)

7.1.22 No Inducements

Iowa Network and Customer declare and represent that no promises, inducements, or agreements not herein expressed have been made with respect to the subject matter of this High-Volume Traffic Contract No. 1, and that the terms of this High-Volume Traffic Contract No. 1 are contractual and not a mere recital.

7.1.23 Disclaimer of Agency

Nothing in this High-Volume Traffic Contract No. 1 shall constitute a party as a legal representative or agent of the other party, nor shall a party have the right or authority to assume, create or incur any liability or any obligation of any kind, express or implied, against or in the name of or on behalf of the other party unless otherwise expressly permitted by such other party. No party undertakes to perform any obligation of the other party whether regulatory or contractual, or to assume any responsibility for the management of the other party's business.

7.1.24 Business Records

Each party to this High-Volume Traffic Contract No. 1 is responsible for the accuracy of its data as submitted to the other party. Upon reasonable written notice, each party or its authorized representative shall have the right to conduct a review of the relevant data possessed by the other party to assure compliance with the provisions of this High-Volume Traffic Contract No. 1. The review will consist of any examination and verification of data involving records, systems, procedures and other information related to the services performed by either party as it relates to charges or payments made in connection with this High-Volume Traffic Contract No. 1. Each party's right to access information for a verification or review purpose is limited to data not in excess of twelve (12) months from date of billing. The party requesting a verification review shall fully bear its own costs associated with conducting a review. The party being reviewed will provide reasonable access to necessary and applicable information at no charge to the reviewing party during normal business hours.

(N)

CENTRALIZED EQUAL ACCESS SERVICE

7. Contract Tariffs (Cont'd)

(N)

7.1 High-Volume Traffic Contract Tariff No. 1 (Cont'd)

7.1.25 Assignments, Successors and Assignees

A party to this High-Volume Traffic Contract No. 1 may not assign or transfer this High-Volume Traffic Contract No. 1 without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed. Notwithstanding the forgoing, a party may assign this High-Volume Traffic Contract No. 1, or any portion thereof, without consent, to any entity that controls, is controlled by, or is under common control with the assigning party. Any such assignment shall not in any way affect or limit the rights and obligations of Iowa Network and Customer under the terms of this High-Volume Traffic Contract No. 1. This High-Volume Traffic Contract No. 1 shall be binding upon Iowa Network and Customer and their lawful successors and assigns. A party making the assignment shall notify the other party sixty (60) days in advance of the effective date of the assignment.

7.1.26 Binding Effect

This High-Volume Traffic Contract No. 1 shall be binding upon and shall inure to the benefit of Iowa Network and Customer and their respective employees, agents, partners, shareholders, officers, directors, subsidiaries, affiliates, parent corporations, successors, and assigns.

7.1.27 Force Majeure

Neither party to this High-Volume Traffic Contract No. 1 shall be liable for any delay or failure in performance of any part of this High-Volume Traffic Contract No. 1 from any cause beyond its reasonable control, including, without limitation, acts of nature, acts of civil or military authority, government regulations, embargoes, riots, insurrections, fires, explosions, earthquakes, nuclear accidents, floods, power blackouts, other major environmental disturbances or unusually severe weather conditions (collectively, a "Force Majeure Event").

(N)



CENTRALIZED EQUAL ACCESS SERVICE

7. Contract Tariffs (Cont'd)

(N)

7.1 High-Volume Traffic Contract Tariff No. 1 (Cont'd)

7.1.28 No Third Party Beneficiaries

This High-Volume Traffic Contract No. 1 does not provide any person other than Customer and Iowa Network and their assignees or successors, and shall not be construed to provide any such third parties, with any remedy, claim, liability, reimbursement, cause of action, or other privilege in excess of those existing without reference to this High-Volume Traffic Contract No. 1.

7.1.29 Notices

Notices given by one party to this High-Volume Traffic Contract No. 1 to the other party shall be in writing to the addresses of the contact person provided by that other party and shall be:

- (i) delivered personally;
- (ii) delivered by express delivery service; or
- (iii) delivered by certified mail return receipt requested.

Any such notice given under this High-Volume Traffic Contract No. 1 shall be effective upon receipt by the other party.

7.1.30 Entire Agreement

This tariff constitutes the entire agreement between Iowa Network and Customer and supersede all prior oral or written agreements, representations, statement, negotiations, understandings, proposals and undertakings with respect to the services provided under this High-Volume Traffic Contract No. 1 or the rights and obligations relating to such services.

7.1.31 Continuing Effect

The invalidity, illegality or unenforceability of any provision or part of any provision of this High-Volume Traffic Contract No. 1 under any law shall not affect the other provisions or parts of this High-Volume Traffic Contract No. 1, which shall remain in full force and effect.

(N)

CENTRALIZED EQUAL ACCESS SERVICE

7. Contract Tariffs (Cont'd)

(N)

7.1 High-Volume Traffic Contract Tariff No. 1 (Cont'd)

7.1.32 Authority

Each party to this High-Volume Traffic Contract No. 1 further represents and warrants that it is duly constituted under applicable state laws, that it is validly existing and in good standing under applicable state laws, that it has all requisite corporate power and authority to perform its obligations under this High-Volume Traffic Contract No. 1, and that the performance of this High-Volume Traffic Contract No. 1 by it will not result in any violation or be in conflict with its certificate of incorporation, bylaws or of any agreement, order, judgment, decree, statute, rule or regulation applicable to it.

(N)

# **AT&T Exhibit 21**

**Aureon May 2017 Revised Tariff  
Filing (filed May 16, 2017)**

**[AT&T Exhibit 47 to Complaint Proceeding]**



**Fletcher, Heald & Hildreth**

1300 NORTH 17th STREET, 11th FLOOR  
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May 16, 2017

**FILED ELECTRONICALLY**

Marlene H. Dortch, Secretary  
Federal Communications Commission  
Office of the Secretary  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Attention: Wireline Competition Bureau

**Application No. 8**

**FRN: 0002-5807-10**  
**Iowa Network Services, Inc.**

**FRN: 0005-0110-69**  
**Fletcher, Heald & Hildreth**

Re: Application for Special Permission

Dear Ms. Dortch:

On April 14, 2017 Iowa Network Access Division ("INAD") issued Transmittal No. 33, which proposed to add High-Volume Traffic Contract Tariff No. 1. INAD subsequently filed Supplement No. 8 effective April 29, 2017, to defer the effective date of Transmittal No. 33 for twenty-one days from April 29, 2017 to May 20, 2017. Pursuant to Section 61.17 of the Commission's Rules, INAD respectfully requests special permission to withdraw revised pages submitted under Transmittal No. 33 prior to the scheduled effective date of May 20, 2017, and to replace those pages with the volume discount plan described in the illustrative proposed tariff pages enclosed herewith.

The tariff pages that were submitted under Transmittal No. 33 for Tariff F.C. C. No. 1 included 29th Revised Page 1, 14th Revised Page 1.1, 2nd Revised Page 8, Original Page 8.1, 1st Revised Page 146, and Original Pages 146.1 through 146.21. INAD respectfully requests authority to: (1) withdraw the forgoing tariff pages without them becoming effective; and (2) file the attached illustrative pages to enable those pages to go into effect on May 20, 2017.



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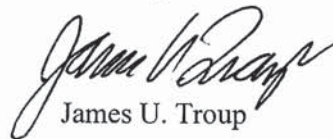
Marlene H. Dortch, Secretary  
May 16, 2017  
Page 2

For purposes of withdrawing the indicated tariff pages and filing the new illustrative tariff pages, waiver of Sections 61.58, 61.59, and 61.74 of the Commission's Rules is respectfully requested. Waiver of Section 61.58 is requested so that the revised tariff material may be filed on not less than one day's notice. Waiver of Section 61.59 is requested so that changes may be made to tariff material that has not yet been effective for 30 days. Waiver of Section 61.74 is requested so that the proposed tariff filing may reference the standard service agreement, which provides the procedures for the ordering and implementation of the volume discount plan. Granting the requested waivers would permit INAD to ensure that the provisions of its tariff are fully compliant with the applicable laws.

This filing has been submitted electronically through the Commission's Electronic Tariff Filing System ("ETFS"), in accordance with Section 61.13(b) of the Commission's rules and regulations. 47 C.F.R. § 61.13(b). The statutory processing fee in the amount of \$925.00 is being delivered via overnight mail to the Federal Communications Commission (Tariff Filings, P.O. Box 979091, St. Louis, MO 63197-9000) along with the original transmittal letter and FCC Form 159.

Should you have any questions concerning this matter, please contact James U. Troup at (703) 812-0511. Petitions or comments should be faxed to (703) 812-0486.

Sincerely,

A handwritten signature in black ink, appearing to read "James U. Troup", is written over a printed name.

James U. Troup

Counsel for  
Iowa Network Services, Inc.

Attachments



**Fletcher, Heald & Hildreth**

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May 17, 2017

**FILED ELECTRONICALLY**

Marlene H. Dortch, Secretary  
Federal Communications Commission  
Office of the Secretary  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Attention: Wireline Competition Bureau

**Transmittal No. 35**

**FRN: 0002-5807-10**  
**Iowa Network Services, Inc.**

**FRN: 0005-0110-69**  
**Fletcher, Heald & Hildreth**

Dear Ms. Dortch:

The accompanying tariff material, issued on behalf of Iowa Network Access Division ("INAD"), and bearing Tariff F.C.C. No. 1, Access Services, is sent to you for filing in compliance with the requirements of the Communications Act of 1934, as amended.

This filing, containing tariff material to become effective on May 20, 2017, consists of tariff pages as indicated on the following check sheets:

Tariff F.C.C. No.  
1

Check Sheet Revision No.  
31<sup>st</sup> Revised Page 1  
15<sup>th</sup> Revised Page 1.1

Pursuant to Special Permission No. 17-06, this filing adds a new volume discount plan and withdraws certain tariff regulations before they become effective.

This filing has been submitted electronically through the Commission's Electronic Tariff Filing System. The statutory processing fee in the amount of \$925.00 and Form 159 will be

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Marlene H. Dortch, Secretary  
May 17, 2017  
Page 2

submitted electronically to the U.S. Bank in St. Louis, Missouri through the FCC's fee filer system contemporaneously with this transmittal.

Should you have any questions concerning this matter, please contact James U. Troup at (703) 812-0511.

Sincerely,



James U. Troup

Counsel for  
Iowa Network Services, Inc.

Attachments

**PUBLIC VERSION**

IOWA NETWORK ACCESS DIVISION

TARIFF F.C.C. NO. 1  
31st Revised Page 1  
Cancels 30th Revised Page 1

**CENTRALIZED EQUAL ACCESS SERVICE**

**CHECK SHEET**

Title Page 1 and Page 1 to 188 and Supplement No. 8, inclusive, of this tariff are effective as of the date shown. Original and revised pages as named below contain all changes from the original tariff that are in effect on the date hereof.

Page	Number of Revision Except as Indicated	Page	Number of Revision Except as Indicated	Page	Number of Revision Except as Indicated	Page	Number of Revision Except as Indicated
1*	31st	27	Original	53.1	Original	78	1st
1.1*	15th	28	1st	54	Original	79	Original
2	1st	29	1st	55	Original	80	Original
3	Original	30	Original	56	1st	81	Original
4	1st	31	Original	57	Original	82	Original
5	3rd	32	Original	58	1st	83	2nd
6	3rd	33	1st	59	1st	84	1st
7	1st	34	Original	60	Original	85	1st
8*	3rd	35	Original	61	3rd	86	2nd
8.1*	1st	36	Original	61.1	Original	87	1st
9	Original	37	2nd	62	1st	87.1	Original
10	1st	38	1st	63	3rd	88	4th
11	2nd	39	3rd	63.1	1st	88.1	Original
12	2nd	40	3rd	64	1st	88.2	Original
13	7th	40.1	Original	64.1	2nd	89	4th
13.1	1st	41	Original	65	2nd	89.1	1st
14	1st	42	1st	66	Original	89.2	1st
15	1st	43	3rd	67	Original	89.3	1st
16	2nd	43.1	Original	68	Original	89.4	1st
17	Original	44	Original	69	1st	90	2nd
18	Original	45	1st	69.1	1st	91	Original
19	1st	46	1st	70	Original	92	2nd
20	1st	46.1	Original	71	Original	93	2nd
21	2nd	47	Original	72	3rd	94	1st
21.1	1st	48	Original	72.1	1st	95	1st
22	Original	49	Original	73	1st	96	1st
23	Original	50	1st	74	Original	97	1st
24	Original	51	2nd	75	Original	98	1st
25	Original	52	2nd	76	1st		
26	Original	53	2nd	77	Original		

\* New or Revised page

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PUBLIC VERSION

IOWA NETWORK ACCESS DIVISION

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15<sup>th</sup> Revised Page 1.1  
Cancels 14<sup>th</sup> Revised Page 1.1

CENTRALIZED EQUAL ACCESS SERVICE

CHECK SHEET

Title Page 1 and Page 1 to 188 and Supplement No. 8, inclusive, of this tariff are effective as of the date shown. Original and revised pages as named below contain all changes from the original tariff that are in effect on the date hereof.

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101	1st	129	1st	146.11*	1st	161	Original
102	Original	129.1	1st	146.12*	1st	162	Original
103	Original	130	1st	146.13*	1st	163	Original
104	2nd	131	3rd	146.14*	1st	164	Original
105	1st	132	1st	146.15*	1st	165	Original
105.1	1st	133	Original	146.16*	1st	166	Original
105.2	1st	134	1st	146.17*	1st	167	Original
105.3	Original	135	1st	146.18*	1st	168	Original
106	Original	136	2nd	146.19*	1st	169	Original
107	Original	136.1	2nd	146.20*	1st	170	Original
108	2nd	136.1.1	Original	146.21*	1st	171	Original
109	Original	136.2	1st	147	1st	172	Original
110	Original	137*	2nd	147.1	Original	173	1st
111	Original	138	2nd	148	4th	174	1st
112	1st	139	1st	148.1	Original	175	Original
113	1st	140	2nd	149	4th	176	Original
114	1st	140.1	Original	149.1	1st	177	1st
115	1st	141	1st	150	4th	178	1st
116	1st	142	3rd	150.1	Original	179	Original
117	Original	143	Original	151	4th	180	1st
118	1st	144	Original	151.1	2nd	181	1st
118.1	Original	145	12th	151.2	Original	182	Original
119	1st	146*	2nd	152	3rd	183	Original
120	1st	146.1*	1st	153	4th	184	Original
120.1	2nd	146.2*	1st	153.1	2nd	185	Original
121	1st	146.3*	1st	153.2	Original	186	Original
122	Original	146.4*	1st	154	3rd	187	Original
123	Original	146.5*	1st	155	4th	188	Original
124	1st	146.6*	1st	156	3rd		
125	1st	146.7*	1st	157	Original		
126	Original	146.8*	1st	158	Original		

\* New or Revised page

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TARIFF F.C.C. NO. 1  
3<sup>rd</sup> Revised Page 8  
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CENTRALIZED EQUAL ACCESS SERVICE6. Switched Access Service (Cont'd)6.7 Rate Regulations (Cont'd)6.7.1 Description and Application of Rates and Charges (Cont'd)

(D) Reserved for Future Use

(E) Reserved for Future Use

(F) Application of the Switched Transport Rate

The Switched Transport rate applies per access minute.

6.7.2 Minimum Period

Switched Access Service is provided for a minimum period of one (1) month.

6.7.3 Volume Discount Plan

The volume discount plan establishes a switched transport rate of \$0.00649 per access minute per month for Customers with a minimum monthly usage volume of at least 25 million interstate interlata terminating minutes-of-use and 80% or greater utilization of each trunk group. The switched transport rate specified in section 6.8.1.(A) will apply to all access minutes less than the minimum usage volume specified above. The Customer's request for this discount plan will commence upon a signed service agreement between Iowa Network and the Customer.

(N)(X)

(N)(X)

6.7.4 Reserved for Future Use6.7.5 Change of Feature Group Type

Changes from one type of Feature Group to another will be treated as a discontinuance of one type of service and a start of another. When a customer upgrades a Feature Group B service to Feature Group D service, minimum period obligations will not change, i.e., the time elapsed in the existing minimum period obligations will be credited to the minimum period obligations for Feature Group D service. For all other changes from one type of Feature Group to another, new minimum period obligations will be established.

6.7.6 Reserved for Future Use

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7. Reserved for Future Use

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(D)

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IOWA NETWORK ACCESS DIVISION

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IOWA NETWORK ACCESS DIVISION

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IOWA NETWORK ACCESS DIVISION

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IOWA NETWORK ACCESS DIVISION

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IOWA NETWORK ACCESS DIVISION

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IOWA NETWORK ACCESS DIVISION

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IOWA NETWORK ACCESS DIVISION

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IOWA NETWORK ACCESS DIVISION

TARIFF F.C.C. NO. 1  
1st Revised Page 146.16  
Cancels Original Page 146.16

CENTRALIZED EQUAL ACCESS SERVICE

(D)(X)

(D)(X)

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Issued: May 17, 2017

Effective: May 20, 2017

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1st Revised Page 146.17  
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# **AT&T Exhibit 22**

## **Calculation of CWF Costs Allocated on a T3 System Basis**

**[AT&T Exhibit 94 to Complaint Proceeding]**

# **AT&T Exhibit 23**

**Aureon Worksheet (Aureon\_02696-  
02708)**

**[AT&T Exhibit 2 to Complaint Proceeding]**



# **AT&T Exhibit 24**

## **GLCC-Aureon DS-3 Schedule “A” Agreements (AUREON\_00163-67)**

**[AT&T Exhibit 97 to Complaint Proceeding]**

# **AT&T Exhibit 25**

## **GLCC-Aureon OC-3 Schedule “A” Agreements**

**(AUREON\_00170-72)**

**[AT&T Exhibit 98 to Complaint Proceeding]**

# **AT&T Exhibit 26**

## **GLCC-Aureon Ethernet Schedule “A” Agreements (AUREON\_00120-26)**

**[AT&T Exhibit 99 to Complaint Proceeding]**

# **AT&T Exhibit 27**

## **BTC-Aureon Network Transport Agreements (AUREON\_00210-15)**

**[AT&T Exhibit 100 to Complaint  
Proceeding]**

# **AT&T Exhibit 28**

## **BTC-Aureon Dedicated Internet Access Agreements (AUREON\_00204-07)**

**[AT&T Exhibit 101 to Complaint  
Proceeding]**

# **AT&T Exhibit 29**

## **BTC-Aureon Ethernet Schedule “A” Agreements (AUREON\_00439-43)**

**[AT&T Exhibit 102 to Complaint  
Proceeding]**

# **AT&T Exhibit 30**

**BTC-Aureon IP Transit Service  
Agreement, dated Jan. 1, 2015  
(AUREON\_00208-09)**

**[AT&T Exhibit 103 to Complaint  
Proceeding]**

# **AT&T Exhibit 31**

**Omnitel-Aureon Fiber Optic Cable  
Facilities Lease Agreement,  
dated Aug. 1, 2013 (AUREON\_01004-  
09)**

**[AT&T Exhibit 104 to Complaint  
Proceeding]**



# **AT&T Exhibit 32**

**Omnitel-Aureon Dedicated Internet  
Access and Ethernet**

**Transport Agreement, dated June 1,  
2014**

**(AUREON\_00960-63)**

**[AT&T Exhibit 105 to Complaint  
Proceeding]**

# **AT&T Exhibit 33**

**Omnitel-Aureon Dedicated Internet  
Access Agreement, dated  
Feb. 1, 2015 (AUREON\_00968-69)**

**[AT&T Exhibit 106 to Complaint  
Proceeding]**

# **AT&T Exhibit 34**

## **Omnitel-Aureon Dedicated Internet Access Agreements (AUREON\_00956-59, 00964-67, 00972- 75)**

**[AT&T Exhibit 107 to Complaint  
Proceeding]**

# **AT&T Exhibit 35**

**Omnitel-Aureon Ethernet Schedule  
“A” Agreement, dated Jan.  
5, 2011 (AUREON\_00976)**

**[AT&T Exhibit 108 to Complaint  
Proceeding]**

# **AT&T Exhibit 36**

## **Omnitel-Aureon DS-3 Schedule “A” Agreements (AUREON\_00999-1001)**

**[AT&T Exhibit 109 to Complaint  
Proceeding]**

# **AT&T Exhibit 37**

## **Table of Access Stimulating CLEC Network Services**

**(AUREON\_02752-61)**

**[AT&T Exhibit 96 to Complaint Proceeding]**

# **AT&T Exhibit 38**

## **Habiak Complaint Declaration**

**PUBLIC VERSION  
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**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

**In the Matter of  
AT&T CORP.  
One AT&T Way  
Bedminster, NJ 07921  
(202) 457-3090**

*Complainant,*

**v.**

**IOWA NETWORK SERVICES, INC.  
d/b/a Aureon Network Services  
7760 Office Plaza Drive South  
West Des Moines, IA 50266  
(515) 830-0110**

*Defendant.*

**Proceeding Number 17-56  
File No. EB-17-MD-001**

**DECLARATION OF JOHN W. HABIAK**

I, John W. Habiak, of full age, hereby declare and certify as follows:

1. I am employed by Complainant AT&T Corp. ("AT&T"). My job title is Carrier Relations Director, and I am in AT&T's access management organization. My responsibilities include carrier relations and fraud monitoring and, in that connection, I have become very familiar with the services provided by access providers and the associated billing for such services, as well as various access stimulation and other arbitrage schemes related to switched access services. I am providing this Declaration in support of AT&T's Formal Complaint against Iowa Network Services, d/b/a Aureon ("INS"). The information provided in this Declaration is based on my personal knowledge and my review of documents and records kept by AT&T in the normal course



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of its business, as well as certain materials provided by INS.<sup>1</sup>

2. Based on my responsibilities, I am generally familiar with INS, its rates and operations as a centralized equal access (“CEA”) provider and INS’s billing of, and relationship with, AT&T. I am also generally familiar with the reforms implemented by the Commission in its November 18, 2011, Order in the *Connect America Fund* proceeding, *In re Connect America Fund*, 26 FCC Rcd. 17663 (2011) (“*Connect America Order*”), as they pertain to interstate and intrastate access rates. In addition, I have knowledge of INS’s transport of AT&T traffic bound for Great Lakes Communications Corp. (“Great Lakes”) and other competitive local exchange carriers (“CLECs”) engaged in access stimulation in Iowa. Further, I am generally familiar with Qwest Corporation d/b/a CenturyLink QC (“CentruryLink”), which is an incumbent local exchange carrier (“ILEC”) operating in various locations in the United States (including Iowa), and with its switched access services. And I am familiar with the volume of AT&T long distance calls handled by INS, as well as the volumes of AT&T calls directed to Great Lakes and other CLECs engaged in access stimulation that subtend the INS network.

3. AT&T’s dispute with INS in this matter concerns AT&T’s role as a purchaser of services from INS, and not its role as a common carrier providing services to customers.

4. AT&T’s claims in its Formal Complaint are primarily directed at access stimulation traffic, which INS delivers to Great Lakes and other access stimulating CLECs for ultimate delivery to free conference and chat companies (“Free Calling Parties”) that have partnered with the access stimulating CLECs.

<sup>1</sup> Documents referenced herein that are exhibits to AT&T’s Formal Complaint are referenced as “Ex. \_\_,” with additional page numbering or other citation information as appropriate.

**The Economics Of Access Stimulation.**

5. In my experience, access rates are generally higher in rural areas compared to urban areas because, among other things, rural local exchange carriers (“LECs”) have a smaller, more geographically-dispersed customer base than do LECs in urban areas.

6. To take advantage of those high rates, CLECs engaged in access stimulation have historically located their operations in jurisdictions where they can benchmark their access rates to the rates of a rural ILEC with high access rates. As a result, access stimulation schemes occur mostly in rural states, such as Iowa, which have a large number of rural ILECs with relatively high access rates.

7. In my experience, those CLECs engaged in access stimulation generally do not compete with the rural ILECs for local telecommunications customers. Rather, such CLECs focus almost entirely on partnering with Free Calling Parties to drive traffic to the Free Calling Parties’ chat and conferencing equipment, which is generally located in the access stimulating CLEC’s central office. The resulting increase in traffic generates significantly higher access revenues than would normally be expected in a rural area, which the access stimulating CLEC then shares with the Free Calling Parties with which it has partnered.

8. Because CLECs generally have bottleneck monopolies with respect to their end user customers, AT&T and other long distance carriers can only transmit calls directed to those customers via the CLEC’s network. Also, as I understand the Commission’s rules, AT&T is generally prohibited from “blocking” calls bound for CLECs (or any other carriers), even if a particular CLEC is engaged in a practice like access stimulation.

9. To make matters worse, CLECs generally insist that they have the right to select both the route and the manner in which calls directed to their customers will be connected to their

networks. Consequently, once a CLEC decides to engage in access stimulation and designates how access stimulation traffic is to be routed to its end office switch, AT&T and other long distance carriers are billed charges for all calls to that end office switch based on the routing chosen by the CLEC, regardless of whether the chosen route is efficient or cost-effective.

10. Further to that point, inefficient routing, by definition, generates higher access charges than efficient routing does. Therefore, because access stimulation involves the sharing of access revenues, there are obvious incentives for an access stimulating CLEC to route traffic in an inefficient way and thereby increase the access revenues available to be shared among the CLEC, its Free Calling Party partners, and other participants in the access stimulation scheme.

**INS Played A Key Role In The Growth Of Access Stimulation In Iowa.**

11. In Iowa, INS played an important role in the expansion of access stimulation, which grew rapidly after it first emerged in 2005. Based on my experience, it was imperative for CLECs who wanted to engage in access stimulation to enter into arrangements with INS to transport their traffic from Des Moines to the local exchanges in which those CLECs operated.

12. The reason access stimulating CLECs needed access to INS's network was not to obtain the ability to provide equal access service to local residential and business customers. For one thing, access stimulating CLECs, like Great Lakes, have few if any such customers. Also, as I discuss below, the Free Calling Parties with which access stimulating CLECs generally partner have no need for the 1+ dialing capability that is the primary benefit of equal access service. Their business model is based on receiving long distance calls, not originating such calls.

13. Rather, the reason access stimulating CLECs needed access to INS's network was because that network constituted the most attractive way to transport the huge volumes of access stimulation traffic to their remotely located end office switches. These entities did not then have

the financial resources to build their own transport networks. Further, the public Internet, which currently is used to transport some access stimulation traffic to the end office switches of access stimulating CLECs, was not available for such use in 2005.

14. Also, the CenturyLink network was not a viable option for a number of reasons. First, CenturyLink is not only the largest ILEC in Iowa, it also is a major long distance carrier that would be negatively impacted by access stimulation and therefore not likely inclined to facilitate that practice. Indeed, CenturyLink has actively opposed access stimulation in the courts, at the Commission and at various state commissions. Second, access stimulating CLECs have an incentive to engage in “mileage pumping” and thereby increase the access revenue available to be shared with their Free Calling Party partners. As a long distance carrier that would be the victim of such mileage pumping, CenturyLink would have no reason to facilitate that practice. By contrast, INS has been willing to lease capacity on its network to facilitate that practice.

15. The only other entity in Iowa that had a network that could accommodate the needs of the access stimulating CLECs was INS. As the informal discovery that has taken place in this case shows, INS has entered into traffic agreements (TAs) with a number of CLECs that are engaged in access stimulation, including **[[BEGIN CONFIDENTIAL]]** [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

---

<sup>2</sup> See e.g., **[[BEGIN CONFIDENTIAL]]** [REDACTED]

**[[END CONFIDENTIAL]]** Another LEC subtending the INS network that appears to be engaged in access stimulation is Reasnor Telephone Company.

████████████████████ [[END CONFIDENTIAL]]

16. As a result of these agreements, INS has transported massive volumes of access stimulation traffic on behalf of the access stimulating CLECs with which it has contracted. As explained below, AT&T's billing records indicate that approximately 90 percent of the AT&T traffic that AT&T delivers to INS is access stimulation traffic, with the remaining 10 percent legitimate CEA traffic. Further, information provided by INS shows that access stimulation traffic was more than [[BEGIN HIGHLY CONFIDENTIAL]] ██████████ [[END HIGHLY CONFIDENTIAL]] of INS's total access traffic (Ex. 2, INS Worksheet (Aureon\_02696–02708), at Aureon\_02698–99, and that [[BEGIN HIGHLY CONFIDENTIAL]] ██████████ [[END HIGHLY CONFIDENTIAL]] figure was higher than estimates reported in earlier INS worksheets (Exs. 74–76, INS Worksheets (Aureon\_01934–38; 02180–85 ; 02394–99)), indicating that such traffic is growing.

**Legitimate CEA Traffic Differs Markedly From Access Stimulation Traffic.**

17. Based on my experience and general industry knowledge, I understand that CEA service was designed to facilitate the roll-out of equal access service to small, widely-dispersed rural LECs, whose switches did not have the capability to provide 1+ dialing to multiple long distance carriers. Further, I understand that the networks of INS and other CEA providers were designed to create efficiencies by aggregating small volumes of long distance calls associated with a large number of rural LECs at a single connection point – the central tandem switch.

18. Access stimulation traffic, which the Commission has stated is a “wasteful

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arbitrage” practice and harmful to end user customers, differs markedly from legitimate CEA traffic in at least four ways.

19. *First*, the Free Calling Party partners of access stimulating CLECs have no need for equal access service. Equal access enables customers to use 1+ calling to reach their chosen (or presubscribed) long distance provider without dialing special access codes. As such, equal access is relevant to originating long distance calls. The business model of the Free Calling Parties, by contrast, depends on enticing large numbers of people to call them, and therefore traffic stimulated by the Free Calling Parties consists, almost exclusively, of long distance calls to the Free Calling Party conference and chat equipment located in the access stimulating CLECs’ central offices. The Free Calling Parties thus have no need to place any long distance calls, and therefore no need for equal access service. Equal access service is irrelevant to access stimulation.

20. *Second*, as previously noted, substantially all of the access stimulation traffic consists of terminating, not originating, traffic. By contrast, the small, rural LECs for which CEA service was designed generally have a more balanced mix of originating and terminating access traffic. Further, a key assumption underlying INS’s original application to provide CEA service in Iowa was that a “majority of network costs would be recovered from IntraLATA toll calls.” *In re Application of Iowa Network Access Division*, 3 FCC Rcd. 1468, ¶ 32 (1988). Access stimulation calls, by contrast, are almost exclusively interstate, terminating calls. Also, I have reviewed INS’s recent tariff filings, and they confirm that the vast majority of INS’s traffic consists of interstate, terminating calls.

21. *Third*, in stark contrast to CEA traffic, access stimulation involves delivering massive volumes of long distance traffic to a limited number of access stimulating CLECs. For instance, in 2016, AT&T delivered over four times more long distance traffic to Great Lakes’

single end office switch than it delivered to all of CenturyLink's end office switches in Iowa combined. Further, the volume of traffic that AT&T delivers to each of the small, rural LECs for which INS was created has remained relatively small, and in recent years has been declining.

22. *Fourth*, legitimate CEA traffic either originates from, or terminates to, residential and business customers in the communities served by small, rural ILECs. By contrast, the massive volumes of access stimulation traffic are terminated to the conference and chat equipment of the Free Calling Parties, who bear no resemblance to the residential and business customers of small, rural ILECs, and lack any connection to the communities in which their equipment is located.

**The Availability Of More Efficient Methods Of Transporting Access Stimulation Traffic.**

23. As a general rule, the most efficient method of delivering large volumes of long distance traffic to a single location is via a direct connection between the long distance carrier's point of presence (or "PoP") and the LEC's end office switch. In fact, it is AT&T's policy and practice to consider implementing a direct connection arrangement whenever switched access traffic to or from a LEC exceeds **[[BEGIN CONFIDENTIAL]]** [REDACTED] **[[END CONFIDENTIAL]]** minutes per month. The flat, rather than per-minute, rate used for direct connections generally provides the most efficient, least-cost way to route such large volumes of traffic. AT&T has also employed direct switching and transport arrangements, as well as facilities leases, that likewise avoid the high per-minute rates associated with tandem switching and transport services.

24. As explained below, such alternatives exist with respect to the traffic at issue in this proceeding and would result in significant savings for both AT&T and its customers. AT&T's ability to take advantage of such alternatives, however, has been thwarted by the conduct of both INS and the access stimulating CLECs that subtend INS's tandem switch.



25. **A Direct Connection Alternative.** As explained in my Declaration submitted in connection with the Formal Complaint proceedings AT&T brought against Great Lakes, during 2014 and 2015, AT&T transmitted to INS approximately **[[BEGIN CONFIDENTIAL]]** **[[END CONFIDENTIAL]]** minutes of traffic for delivery to Great Lakes. If Great Lakes supplied AT&T with a direct connection at the same rates offered by CenturyLink (which is the lowest-priced price-cap LEC in Iowa), or if AT&T obtained the necessary direct connection facilities from CenturyLink, the costs would be approximately \$2,800 per month for each DS-3 needed. Based on the volumes at issue, and depending on the engineering of the circuits, the per-minute cost of such a direct connection would fall into a range between **[[BEGIN CONFIDENTIAL]]** **[[END CONFIDENTIAL]]**. Attached to the Formal Complaint is a spreadsheet (Ex. 77) showing the calculations I made based on the traffic volumes at issue and the CenturyLink rates (Ex. 77 is the same as Exhibit 91 to AT&T's Formal Complaint against Great Lakes, currently pending before the Commission).

26. Even using the high end of that range, INS's interstate CEA rate imposes costs on AT&T that are over **[[BEGIN CONFIDENTIAL]]** **[[END CONFIDENTIAL]]** times higher than the cost of a direct connection. Accordingly, compared to INS's total billed charges to AT&T during 2014 and 2015 of approximately **[[BEGIN CONFIDENTIAL]]** **[[END CONFIDENTIAL]]** minutes of traffic bound for Great Lakes, the cost to AT&T of a direct connection (again at the high end of the range) would have been only **[[BEGIN CONFIDENTIAL]]** **[[END CONFIDENTIAL]]**.

27. **A Contract for Switching and Transport.** In 2014, AT&T entered a contractual arrangement with the CEA provider in South Dakota, South Dakota Network, LLC ("SDN"), to



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deliver traffic to Northern Valley Communications, LLC (“NVC”), which like Great Lakes is an access stimulating CLEC with large volumes of access stimulation traffic. The rate that AT&T pays SDN for that service is **[[BEGIN HIGHLY CONFIDENTIAL]]** **[[END HIGHLY CONFIDENTIAL]]**, which was based on the transport of over **[[BEGIN HIGHLY CONFIDENTIAL]]** **[[END HIGHLY CONFIDENTIAL]]** MOUs per month for a distance of 147 miles. Moreover, that rate is a conservative estimate for Great Lakes because (i) Great Lakes generates even higher volumes than does Northern Valley – **[[BEGIN CONFIDENTIAL]]** **[[END CONFIDENTIAL]]** minutes per month – which generally produces lower per-minute rates, and (ii) the distance between Des Moines and Great Lakes’ end office in Spencer (132 miles) is 15 fewer miles than the distance covered by the SDN rate (147 miles). Applying the **[[BEGIN HIGHLY CONFIDENTIAL]]** **[[END HIGHLY CONFIDENTIAL]]**

**[[END HIGHLY CONFIDENTIAL]]**

28. **[[BEGIN CONFIDENTIAL]]** **[[END CONFIDENTIAL]]**

**[[END CONFIDENTIAL]]**

[REDACTED] **[[END CONFIDENTIAL]]**

**INS's "Mandatory Use Requirement" And Its Impact On AT&T.**

29. It is my understanding that INS has taken the position that, under the terms of the Commission Order approving INS's CEA arrangement, long distance carriers are required to route all long distance traffic bound for CLECs in Iowa through INS's network. I further understand INS has **[[BEGIN CONFIDENTIAL]]** [REDACTED]

**[[END CONFIDENTIAL]]** [REDACTED] I have the following observations regarding INS's so-called "Mandatory Use Requirement."

30. *First*, based on my experience, INS's position that all long distance traffic must be routed through INS's network is not consistent with the facts as they currently exist with respect to long distance service in Iowa. I am, for example, specifically aware of a number of CLECs operating in Iowa, such as Level 3 Communications, LLC, YMAX Communications Corp. and Bandwith.com CLEC, LLC, that have connected to AT&T and other long distance carriers directly or through tandem switches other than INS's tandem switch. Further, I am aware of a number of access stimulating CLECs that subtend the INS network, **[[BEGIN HIGHLY CONFIDENTIAL]]** [REDACTED] **[[END HIGHLY CONFIDENTIAL]]** that currently bypass INS's network when they can extract a premium from the long distance carrier. In fact, as I explain below, AT&T has been offered such arrangements.

31. *Second*, INS's insistence that a "Mandatory Use Requirement" exists coupled with its having **[[BEGIN CONFIDENTIAL]]** [REDACTED]  
[REDACTED] **[[END CONFIDENTIAL]]** has suppressed competition as it relates to the provision of transport alternatives. In a number of discussions with CLECs regarding the possibility of installing a direct connection, AT&T has been told that direct connection arrangements were not permissible on account of either the **[[BEGIN CONFIDENTIAL]]** [REDACTED] **[[END CONFIDENTIAL]]** or INS's status as a CEA provider in Iowa. Further, in one discussion, the CLEC demanded that AT&T agree to indemnify it against any claims that INS might assert for bypassing the INS network.

32. *Finally*, INS's position that IXCs must use its network, combined with its high CEA rate, has created a pricing umbrella that has enabled access stimulating CLECs that are willing to bypass INS's network to attempt to extract premiums in exchange for agreeing to permit a direct connection. In the past few years, I have had a number of discussions with several entities that had the ability to deliver AT&T's traffic to the networks of access stimulating CLECs via Internet connections. In each instance, I was told that the access stimulating CLEC was only willing to accept the traffic via an Internet-based connection if it was permitted to dictate the price that AT&T would pay, and those prices were well above the prices of the alternatives that I discussed earlier, and thus not competitive. The reason that these CLECs could insist on prices significantly higher than the alternatives is because they have bottleneck monopolies, and absent their agreement to accept the traffic via a direct connection, AT&T has no choice but to use INS's network. The CLECs are thus in a position to set the bypass price at a level only slightly below INS's tariffed CEA rate.

**INS's Violation Of The Commission's Rate Cap, Rate Parity And Access Stimulation Rules.**

33. In late 2011, the Commission issued the *Connect America Order* in which it adopted new rules designed to curtail access stimulation. The Commission also capped the rates that LECs could charge for all switched access traffic – stimulated and ordinary, interstate and intrastate. As explained below, INS has failed to comply with any of these rules.

34. **The Commission's Rate Cap Rule.** In the *Connect America Order*, the Commission capped most interstate switched access rates at the level of the rates the carrier had in effect on December 29, 2011, which is the date on which the *Connect America Order* became effective.

35. On December 29, 2011, INS's tariffed interstate rate for CEA service was \$0.00819 per-minute. For the monthly bills dated January 2012 through July of 2012, INS billed AT&T for interstate CEA service at the \$0.00819 rate.

36. In mid-2012, INS lowered its tariffed interstate CEA service rate by 24%, to \$0.00623 per-minute, which was consistent with the Commission's reforms and the overall trend of reducing access rates. INS billed AT&T for interstate CEA service at the \$0.00623 rate for the bills dated August 2012 to July 2013.

37. In mid-2013, however, INS reversed course and *increased* its interstate rate for CEA service by over 44%, to \$0.00896 per-minute. That increase caused INS's CEA rate to exceed the \$0.00819 cap set by the Commission, and marked a dramatic departure from INS's prior reduction in rates. Beginning with the August 2013 invoice, INS has billed AT&T for interstate CEA service at the \$0.00896 rate in violation of the Commission's rate cap rule.

38. **The Commission's Rate Parity Rule.** INS is also in violation of the Commission's rate parity rule, which required INS to lower its intrastate CEA rates to the same level as its capped interstate CEA rate (\$0.00819 per-minute) by July 1, 2013. INS did not do so.

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In fact, INS has not revised its tariffed intrastate CEA and transport rates (which are significantly higher than its interstate CEA rate) since 1992.

39. INS's current intrastate tariff, filed with the Iowa Utilities Board, contains a rate for intrastate CEA service of \$0.0114 per-minute. *See* Ex. 54, INS Iowa Tariff (Iowa State Utilities Board) No. 1, at 242 (dated Dec. 2, 1988). In addition, unlike INS's federal tariff, INS imposes a separate tariffed transport charge on all intrastate CEA traffic at the rate of \$0.000103 per-minute, per-mile. These rates are well in excess of both INS's current rate of \$0.00896 per-minute and its capped rate of \$0.00819 per-minute. From the August 2013 bill to the present, INS has billed AT&T for intrastate CEA service at rates (\$0.0114 per-minute for CEA switching, plus \$0.000103 per-minute, per-mile for transport) in violation of the Commission's rate parity rule.

40. **The Commission's Access Stimulation Rules.** INS also is not complying with the Commission's access stimulation rules, which required LECs engaged in access stimulation to lower their rates to the rates of the functionally equivalent service provided by the lowest price cap LEC in the state, which in Iowa is CenturyLink. Given the volumes at issue, the functionally equivalent service offered by CenturyLink would be a direct connection, which as I explained earlier would result in an effective per-minute rate of between **[[BEGIN CONFIDENTIAL]]** [REDACTED] **[[END CONFIDENTIAL]]** per-minute. Suffice it to say, INS's rates exceed that rate.

41. I understand that, under the Commission's rules, a LEC is presumed to be engaged in access stimulation if the ratio of its terminating to originating access traffic is 3:1 or greater. INS's ratio of terminating to originating traffic easily exceeds the 3:1 ratio. For example, in July 2014, the number of minutes INS billed AT&T for terminating interstate CEA traffic was more than 30 times higher than the number of minutes INS billed AT&T for originating interstate CEA

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traffic. In fact, since 2012, INS's monthly ratio of terminating to originating traffic for AT&T's INS traffic has well exceeded the 3:1 ratio in each and every month.

42. Further, INS's internal reports show exactly the same thing. The following table sets forth traffic data for the period 2008 to 2015 which shows that the ratio of INS's terminating to originating access traffic has exceeded the 3:1 ratio in every year by a wide margin.<sup>3</sup>

**[[BEGIN HIGHLY CONFIDENTIAL]]**


**[[END HIGHLY CONFIDENTIAL]]**

**AT&T's Decision To Dispute INS's Bill And Withhold Payment.**

43. Each month INS sends AT&T a bill for CEA service that contains charges for the traffic exchanged during the month immediately preceding the month in which the bill was sent. For example, the bill INS issued to AT&T in December 2013 was for the traffic that AT&T delivered to INS in November 2013.

<sup>3</sup> The Originating and Terminating Minute data were extracted from Ex. 2, INS Worksheet, at Aureon\_02698-99.

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44. As discussed above, in mid-2013, INS raised its interstate CEA rate by 44 percent, and had failed to lower its intrastate CEA rates to the level of its capped interstate CEA rate. In addition, the ratio of INS's originating to terminating traffic remained well above the 3:1 ratio and INS had done nothing to comply with the Commission's access stimulation rules.

45. In August 2013, AT&T received the first bill from INS that reflected the 44 percent increase in INS's interstate CEA rate INS filed in July 2013. INS's September and October bills also reflected this higher rate.

46. At that juncture, AT&T decided to dispute INS's September and October bills, and to that end, I sent an email to Jon Hedgecock of INS notifying INS of **[[BEGIN CONFIDENTIAL]]** [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] **[[END CONFIDENTIAL]]** Ex. 78, Email from Jack Habiak to Jon Hedgecock (ATT-000740) (dated Nov. 8, 2013).

47. Following an exchange of correspondence and discussions between AT&T and INS personnel about the dispute, on February 28, 2014, I sent an e-mail to Dennis Creveling of INS **[[BEGIN CONFIDENTIAL]]** [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

48. Starting with INS's September 2013 invoice, AT&T also began withholding payment of the amounts that it believed were not being properly charged consistent with the Commission's rules and prior precedent. In calculating the amounts to be withheld, AT&T took the following steps:

50. *Second*, AT&T re-rated AT&T's intrastate traffic using the interstate capped CEA switching rate of \$0.00819 per-minute. In so doing, AT&T excluded all intrastate transport charges.

52. From January 2013 through March 2017, INS has billed AT&T for over **[[BEGIN CONFIDENTIAL]]** **[[END CONFIDENTIAL]]** minutes of access traffic. Regarding AT&T's withholding, from the September 2013 invoice through the March 2017 invoice, INS has billed AT&T a total of **[[BEGIN CONFIDENTIAL]]** **[[END CONFIDENTIAL]]**



[REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] [[END

CONFIDENTIAL]]

53. The following table sets forth data extracted from AT&T's billing records indicating the massive volumes of traffic that INS is currently transporting on behalf of the access stimulating CLECs with which INS has contracted.

[[BEGIN CONFIDENTIAL]]

	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

[[END CONFIDENTIAL]]

\* \* \* \* \*

54. In closing, I note that today INS is one of the nation's largest traffic pumpers. Its own records show that it is currently pumping more than [[BEGIN HIGHLY

CONFIDENTIAL]]

[[END HIGHLY CONFIDENTIAL]] See Ex. 2, INS Worksheet, at Aureon\_02698–99. Further, over 12 percent of AT&T’s *total*, nationwide terminating switched access charges<sup>4</sup> are currently billed by INS – a single carrier – and approximately 90 percent of the traffic AT&T sends to INS is access stimulation traffic (the remaining 10% or so is the legitimate CEA traffic for which INS was created). Given that AT&T currently receives bills for terminating switched access from approximately 1,300 LECs, the fact that one carrier accounts for almost 1/8<sup>th</sup> of the charges is a red flag that a problem exists that needs to be fixed. Finally, as can be seen from the following table, AT&T’s traffic on INS’s network has been steadily increasing since 2013, notwithstanding the Commission’s stated goal of “curtailing” access stimulation traffic.

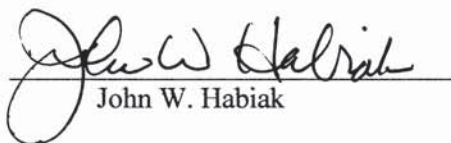
[[BEGIN CONFIDENTIAL]]


[[END CONFIDENTIAL]]

<sup>4</sup> This excludes traffic terminated to AT&T’s affiliated ILECs.

**CERTIFICATION**

I certify under penalty of perjury that the foregoing is true and correct. Executed on  
May 23 2017.

  
John W. Habiak

# **AT&T Exhibit 39**

## **NECA Reporting Guidelines**

**[Aureon Exhibit 63 to Complaint  
Proceeding]**

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**Guideline:**           **4.19**           **Categorization of Wideband and Special Access Services**

**Issue Date:**       **11/07**       **(Revised 12/08, 2/13)**

**Description**

What methods are acceptable or not acceptable for categorizing wideband or special access COE and CWF facilities and allocating costs? The purpose of this NECA Reporting Guideline is to provide a summary of acceptable cost allocation methods when facilities are providing multiple Title II special and switched access transport services.

Exhibit 1 illustrates a typical network configuration to which these guidelines apply. These guidelines apply to allocation of costs that have been identified as wideband and special access trunk facilities.

**Background**

Part 36 Definitions of Wideband and Special Access:

Wideband Definition: "A communication channel of a band width equivalent to twelve or more voice grade channels."

Special Access (Private Line) Services Definition: "A service for communications between specified locations for a continuous period or for regularly recurring periods at stated hours."

Since wideband is defined as twelve or more voice grade channels in Part 36, wideband would normally include the facilities providing unchannelized DS-1 /DS-3 and broadband or video service.

Broadband is wideband. Broadband is a high-speed communication channel over a packet transmission facility. DSL and Ethernet are broadband examples.

ECs provide loop and trunk facilities which have the capability to carry voice grade as well as wideband or special access services. For example, a fiber facility could be utilized to provide broadband service and a voice grade business line to a school. When different categories of plant are being provided over the same facility, such as a fiber strand or a copper pair, the costs of that facility (fiber or copper) must be allocated among the various categories of service. The bandwidth of a fiber strand is limited only by the complexity and cost of the optical interfaces (circuit equipment). Therefore, a variety of services can be provided over one fiber which necessitates that costs be allocated among the various categories of services.

Following is the applicable Part 36 rules for treating CWF plant using analog or digital technology, copper or fiber plant.

FCC 36.151(c) discusses the separation of cable and wire facilities:

"In the separation of the cost of cable and wire facilities among the

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operations, the first step is the assignment of the facilities to certain categories. The basic method of making this assignment is the identification of the facilities assignable to each category and the determination of the cost of the facilities so identified. Because of variations among companies in the character of the facilities and operating conditions, and in the accounting and engineering records maintained, the detailed methods followed, of necessity, will vary among the companies. The general principles to be followed, however, will be the same for all companies.”

The rules are not specific relative to the allocation of mixed use services over common plant. FCC rules tend to address how costs are allocated between the various jurisdictions more clearly than how costs are allocated between categories of plant.

**Analysis**

There are a variety of methodologies in use among companies to identify wideband and special access costs. The FCC rules do not state a particular methodology for categorizing these facilities. However, as is generally the case, the cost allocation methodology should produce reasonable results and be cost causative. This categorization affects special access costs, USF costs per loop, common line costs and transport costs so it is very important that the methodologies be consistent and reasonable. The categorization of wideband and special access services over mixed use facilities should be treated the same for CWF & COE. However, CWF will include a mileage component that is not applicable to COE.

One method used in the past that some have questioned as a reasonable form of cost allocation is the “voice grade equivalent” method. In this method, facilities carrying both voice grade services and wideband or special access services are allocated to the categories by identifying the number of voice grade equivalent lines for each service. In this manner, a wideband or special access service such as a state distance learning circuit, although only providing one end to end service, is equated to multiple voice grade equivalent lines.

The fundamental issue with this methodology is that the allocation of plant between a wideband special access service and telephone service using voice grade equivalent is not representative of the actual costs associated with the service. The results of this methodology assign a significant portion of the costs being allocated to the wideband or special access service. For example, since the bandwidth required for broadband service is many times greater than for voice grade telephone, the cost of a facility with one broadband circuit and one voice grade telephone circuit could be allocated hundreds to one. It could be as much as 99% to broadband and less than 1% to telephone (see Exhibit A: Wideband Allocation Methodology Comparison).

Interstate Special Access services cannot support the costs assigned to interstate special access using this methodology, simply because it would not be reasonable for those rates to reflect such an extreme disparity in costs allocated between voice grade and special access services.

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Many companies use circuits or circuit terminations as an allocator. Using this “path/circuit” methodology, the cost of the same facility carrying one wideband or special access circuit and one voice grade telephone circuit would be allocated equally between the two services. Since there is not inherently correct “cost causative” allocation of costs, it may be argued that the path/circuit allocation is more reasonable (see Exhibit B: Circuit Method).

The Commission defines a loop as “a transmission facility between a distribution frame, or its equivalent, in an incumbent LEC central office, and the network interface device at the customer premises.”<sup>1</sup> In addition, the Commission indicated in a universal service order that for loops served via concentrators, “count the actual number of customer lines served, not the transmission channels at the wire center.”<sup>2</sup> This suggests that the Commission intends LECs to count the actual number of working subscriber loops or channels, not the voice grade capacity available. In addition, because loop plant is allocated to categories based on a count of voice grade or private line loops....it suggests that exchange and interexchange plant should follow the same logic by using a count of circuit terminations.

Still another method that may be argued as cost causative is referred to as the “system method” which allocates cost based on the utilization of the electronics on the fiber such as DS3s and DS1s. The advantage of this method is that it recognizes that there may be additional costs associated with higher capacity services. (See Exhibit C: System Method).

There are also companies who have performed special studies to identify cost characteristics of wideband and special access services and use these studies to ‘weight’ the costs of these services accordingly. Cost characteristic differences between Time-Division Multiplexing (TDM) and packet technology prohibit development of a meaningful factor to derive a weighted packet technology cost based on TDM costs. In addition, companies always have the option of trying to identify the actual costs of their own services and assign the costs to the appropriate categories based upon the costs specific to their own company.

Packet technology includes frame relay, Asynchronous Transfer Mode (ATM), Internet Protocol (IP), Multi-Protocol Label Switching (MPLS) and Ethernet which can be transported over Synchronous Optical Networking (SONET). Exhibits D and E are examples of allocation methods for packet technology costs with Ethernet and SONET transport.

## **Conclusion**

Given the need for use of reasonable cost causative methodologies among companies participating in the NECA pools, the following represents examples of methodologies that are acceptable for assigning costs to CWF and COE for wideband and special access services where mixed use facilities are being used.

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<sup>1</sup> Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, CC Docket No. 96-98, First Report and Order, 11 FCC Rcd 15499 (1996) at ¶ 380.

<sup>2</sup> Federal-State Joint Board on Universal Service Order, CC Docket No. 96-45, 12 FCC Rcd 9803 (1997) at ¶ 7.



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- Cost assignment based on a count of working circuits or circuit terminations (Example B: Circuit Method)
- Cost assignment based on electronic utilization or systems (Example C: System Method)
- Cost assignment for packet technology transported over Ethernet (Example D: Circuit Method)
- Cost assignment for packet technology transported over SONET (Example E: System Method)
- Cost assignment based on a weighting of similar technologies or services used over the facility resulting from an actual study of cost relationships between services
- Cost assignment based on actual costs

NECA will not accept cost studies where COE and CWF cost allocation of plant which includes both voice services and data services is done using a voice grade equivalent or related capacity equivalent methodology. A count of voice grade equivalents is not considered an acceptable method as it assigns costs to categories that do not reasonably reflect costs differentials.<sup>3</sup>

The above methodologies are not all-inclusive; NECA will consider other methodologies that produce reasonable cost causative results.

The Federal Communication Commission (FCC) has authorized NECA to interpret FCC Rules where necessary.<sup>4</sup> Pursuant to this authorization, NECA has published this Reporting Guideline Paper. Notwithstanding NECA's recommended interpretation, the FCC retains the full authority to review NECA's Reporting Guideline Papers. In the event of such review, the FCC's findings, if contrary to NECA's position, will take precedence.

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<sup>3</sup> This methodology will not be accepted in cost studies after 2007 (effective with 2008 cost studies).

<sup>4</sup> *Safeguards to Improve the Interstate Access Tariff and Revenue Distribution Processes*, CC Docket 93-6, Report and Order to Show Cause, 10 FCC Rcd. 6243 (1995)

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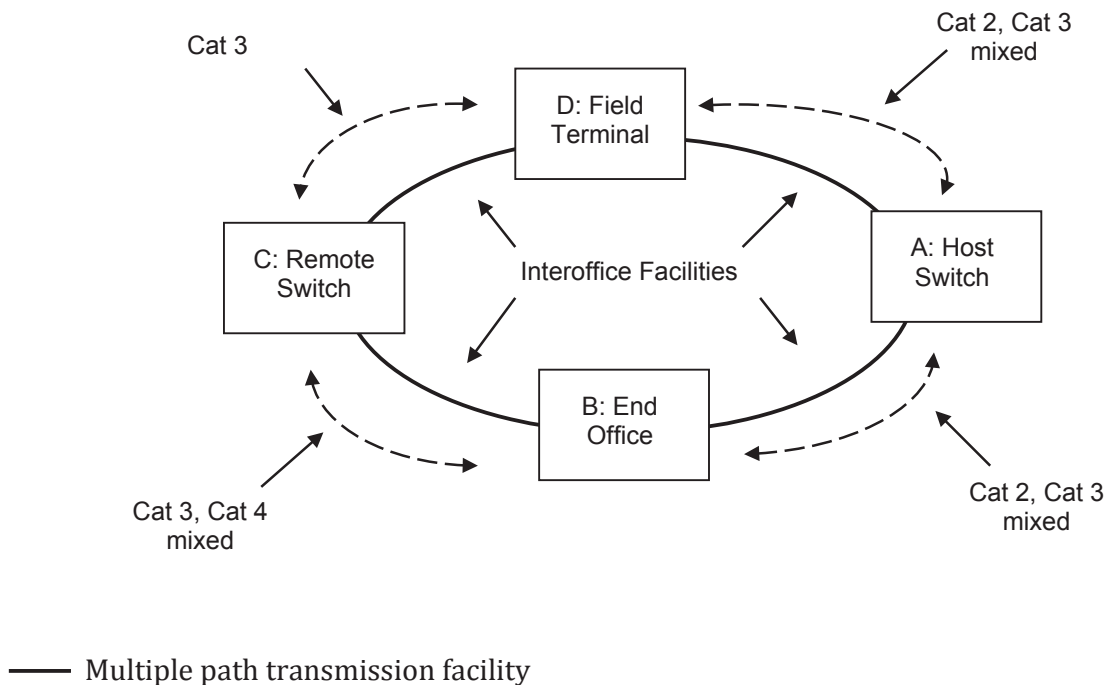
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**Exhibit 1 – Ring Network Carrying Mixed Category Traffic**

The diagram below illustrates the sections of a typical network carrying multiple Title II services. Exhibits B-E below address cost allocation to the individual services carried in Exhibit 1 sections. For example Exhibit B shows a cost allocation method for:

- Wideband interstate and intrastate carried in sections A-D, or A-B.
- Channelized interstate possibly carried in all sections.
- Exchange trunk message carried in A-D, or A-B.
- Toll trunk-message possibly carried in all sections.

**Exhibit 1**



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**Guideline: 4.19 Categorization of Wideband and Special Access Services**

Exhibit A

**Wideband Allocation Methodology Comparison**

Host Switch A		End Office B Field Terminal D
	Trunk Facility Fiber	
OC3		OC3

**Cable & Wire Distribution**

System	* VG/Channel Equivalent	DS1 Equivalent	DS3 Equivalent
DSO	1		
DS1	24	1	
DS3	672	28	1
OC3	2016	84	3
OC12	8964	336	12

Service	Circuit	% Alloc	DS1 Equiv	% Alloc	DSO Equiv	% Alloc	Category
6 DS3 wideband – interstate	6	2%	168	39%	4032	91%	Cat. 2
6 DS1 wideband – intrastate	6	2%	6	1%	144	3%	Cat. 2
5 DS1 PL channelized – interstate	120	43%	120	27%	120	2.7%	Cat. 3
6 DS1 Exch. Trunk – channelized-message	144	53%	144	33%	144	3.3%	Cat. 2
Total Circuits	276	100%	438	100%	4,402	100%	

**\*A voice grade equivalent or related capacity method is not acceptable**

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Exhibit B

**Circuit Method**

Host Switch A	Trunk Facility	End Office B
	Fiber	Field Terminal D
OC3		OC3

**Cable & Wire Distribution**

Service	Circuit Count	Percent Allocation	Category
1 DS3 Wideband – interstate	1	.2%	Cat. 2
6 DS1 Wideband – intrastate	6	1%	Cat. 2
5 DS1 PL Channelized – interstate	120	29%	Cat. 3
6 DS1 Exch. Trunk – Message	144	35%	Cat. 2
6 DS1 Toll Trunk – Message	144	35%	Cat. 3
Total Circuit Trunks	415	100%	

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Exhibit C

**System Method**

Host Switch A	Trunk Facility	End Office B
	Fiber	Field Terminal D
OC3		OC3

**Cable & Wire Distribution**

Circuit Count	Percent Allocation of Total	Service	Percent Allocation	Category
1	50%	DS3 Wideband – interstate	50%	Cat.2
1	50%	DS3		
		6 DS1 wideband - interstate [(6/23)* .5]	11%	Cat.2
		5 DS1PL channelized–interstate [(5/23)* .5]	13%	Cat 3
		6 DS1 Exch. Trunk [(6/23)* .5]	13%	Cat.2
		6 DS1Toll trunk [(6/23)* .5]	13%	Cat 3
		<u>23</u>		
Total	<u>2</u>		<u>100%</u>	

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Exhibit D

**Circuit Method**

Host Switch A	Trunk Facility	End Office B Field Terminal D
	Ethernet*	

**Cable and Wire Distribution**

Circuit Count	Percent Allocation of Total	Service		Percent Allocation	Category
1	12.5%	100 Mbps - TDM			
		1 DS3 Wideband Interstate	[(1/24)*.125]	.52%	Cat. 2
		6 DS1 Wideband Intrastate	[(6/24)*.125]	3.13%	Cat. 2
		5 DS1 PL Channelized – Interstate	[(5/24)*.125]	2.60%	Cat. 3
		6 DS1 Exch Trunk	[(6/24)*.125]	3.13%	Cat. 2
		6 DS1 Toll Trunk	[(6/24)*.125]	3.13%	Cat. 3
		24			
1	12.5%	1Gbps Aggregated DSL Transport	(1/8)	12.5%	Cat. 2
3	37.5%	100 Mbps ETS EVC**	(3/8)	37.50%	Cat. 3
1	12.5%	50 Mbps ETS EVC	(1/8)	12.50%	Cat. 2
1	12.5%	100 Mbps ETS EVC	(1/8)	12.50%	Cat. 3
1	12.5%	50 Mbps ETS EVC	(1/8)	12.50%	Cat. 2
<b>Total</b>	<b>8</b>			<b>100%</b>	

\* Intrastate and/or interstate services such as wireless backhaul special access and DSL transmission.

\*\* Ethernet virtual connection (EVC) is the technical equivalent of a circuit.

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**Guideline: 4.19 Categorization of Wideband and Special Access Services**

Exhibit E

**System Method**

Host Switch A

Trunk Facility

End Office B  
Field Terminal D

OC48	SONET	OC48
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**Cable and Wire Distribution**

Circuit Count	Percent Allocation of Total	Service		Percent Allocation	Category
1	17%	OC3 -TDM			
		1 DS3 Wideband Interstate	[(1/24)*.17]	.69%	Cat. 2
		6 DS1 Wideband Intrastate	[(6/24)*.17]	4.17%	Cat. 2
		5 DS1 PL Channelized - Interstate	[(5/24)*.17]	3.47%	Cat. 3
		6 DS1 Exc. Trunk	[(6/24)*.17]	4.17%	Cat. 2
		6 DS1 Toll Trunk	[(6/24)*.17]	4.14%	Cat. 3
		24			
4	67%	OC3 - Aggregated- DSL Transport		66.67%	Cat. 3
1	17%	OC12 -Ethernet Transport Service (ETS)*			
		3 100 Mbps ETS EVC**	[(3/6)*.17]	8.33%	Cat. 3
		1 50 Mbps ETS EVC	[(1/6)*.17]	2.78%	Cat. 2
		1 100 Mbps ETS EVC	[(1/6)*.17]	2.78%	Cat. 3
		1 50 Mbps ETS EVC	[(1/6)*.17]	2.78%	Cat. 2
		6			
Total	6			100%	

\* Intrastate and/or interstate services such as wireless backhaul special access and DSL transmission.

\*\* Ethernet virtual connection (EVC) is the technical equivalent of a circuit.