Pacific Bell
Interstate BFP Factor Development, Pt 3

Based on ARMIS 43-04 + CAPAY96 (Pay Tel Adjustment)

		1997	1998
RATE BASE			
1	Acct 2001 - Plant in Service	12.96%	12.96%
2	Acct 2002 - Plant Held Future Use	13.15%	13.15%
3	Acct 2003 - Construction Short Term	12.98%	12.98%
4	Acct 2005 - Plant Acquisition Adj	11.47%	11.47%
5	Acct 1220 - Inventories	15.08%	15.08%
6	Acct 1439 - Other Deferred Charges	0.00%	0.00%
7	FCC Inv Adj incl CWC	#N/A	#N/A
8	Acct 3100/3200 - Depreciation Rsv	13.69%	13.69%
9	Acct 3400 - Amortization Rsv	11.54%	11.54%
10	Acct 4100/4340 - Def Tax Rsv	9.75%	9.75%
11	Acct 4310	11.39%	11.39%
12	FCC Reserve Adj	#N/A	#N/A
13	RATE BASE (FCC 492 Basis)	#N/A	#N/A
EXPENSE & OTHER TAX			
14	Plant Specific Exp (61XX-64XX)	12.76%	12.76%
15	Plant Non-Specific (651X-654X)	11.66%	11.66%
16	Marketing (661X)	13.22%	13.22%
17	Services (662X)	3.50%	3.50%
18	Corporate w/o EA (67XX)	10.04%	10.04%
19	Other (7370)	11.05%	11.05%
20	Expense excl Depreciation (14T19)		
21	FCC Expense Adjustment	#N/A	#N/A
22	Depreciation (656X)	10.90%	10.90%
23	Total Expense (20T22)	#N/A	#N/A
24	Other Tax (7240)	13.49%	13.49%
25	EXPENSE & OTHER TAX (23+24)	#N/A	#N/A
TAX ADJUSTMENTS			
26	Fixed Charges (75XX)	13.04%	13.04%
27	IRS Income Adjustments	12.74%	12.74%
28	CCFT Income Adjustments	23.85%	23.85%
29	Investment Tax Credit (7210)	12.98%	12.98%

Pacific Bell
Part 65 Calculations - Interstate Base Factor Portion

$000s

		1996	1997	1998
A.	FCC Expense Adjustment			
1	AFUDC	(4,193)	(4,193)	(4,190)
2	Acct 7160 - Oth Gains & Losses *		776	776
3	Net Expense Adjustment	(4,193)	(3,417)	(3,414)
B.	FCC Investment Adjustment			
1	PSV Disallowance	0	0	0
2	Diff Inv Prime Less Cost of Cap	0	0	0
3	Cash Working Capital	(23,416)	(23,416)	(23,416)
4	Reserved	0		
5	Net Investment Adjustment	(23,416)	(23,416)	(23,416)
C.	FCC Reserve Adjustment			
1	Acct 4360 - Oth Def Credits	8,332	8,332	8,332
2	Reserved		-	-
3	Acct 4040 - Customer Deposits	5,392	5,392	5,392
4	Net Reserve Adjustment	13,724	13,724	13,724

Note: Acct 7160 budget is actually interstate factor times budget amounts (5,900).
Other items are the 1996 amounts, carried forward into future years.

PACIFIC BELL
BUDGET: Subject to Separations
$Millions

		1997	1998
RATE BASE			
1	Acct 2001 - Plant in Service	26,853	28,065
2	Acct 2002 - Plant Held Future Use	39	39
3	Acct 2003 - Construction Short Term	354	308
4	Acct 2005 - Plant Acquisition Adj	(0)	(0)
5	Acct 1220 - Inventories	67	67
6	Acct 1439 - Other Deferred Charges	0	0
7	FCC Inv Adj incl CWC		
8	Acct 3100/3200 - Depreciation Rsv	12,861	13,948
9	Acct 3400 - Amortization Rsv	195	224
10	Acct 4100/4340 - Def Tax Rsv	1,514	1,420
11	Acct 4310	1,525	1,319
12	FCC Reserve Adj		
13	RATE BASE (FCC 492 Basis)		
EXPENSE & OTHER TAX			
14	Plant Specific Exp (61XX-64XX)	911	787
15	Plant Non-Specific (651X-654X)	964	952
16	Marketing (661X)	417	410
17	Services (662X)	1,184	1,170
18	Corporate (67XX)	1,041	1,030
19	Other (7370)	15	15
20	Expense excl Depreciation (14T19)	4,531	4,364
21	FCC Expense Adjustment	0	0
22	Depreciation (656X)	1,903	2,009
23	Total Expense (20T22)	6,434	6,373
24	Other Tax (7240)	169	178
25	EXPENSE & OTHER TAX (23+24)	6,603	6,551
TAX ADJUSTMENTS			
26	Fixed Charges (75XX)	395	394
27	IRS Income Adjustments	106	22
28	CCFT Income Adjustments	(70)	(63)
29	Investment Tax Credit (7210)	36	32

PACIFIC BELL
BUDGET: Interstate BFP
$000s

		1997	1998	1997-98
RATE BASE				
1	Acct 2001 - Plant in Service	3,481,017	3,638,058	3,559,538
2	Acct 2002 - Plant Held Future Use	5,068	5,068	5,068
3	Acct 2003 - Construction Short Term	45,939	40,029	42,984
4	Acct 2005 - Plant Acquisition Adj	(3)	(3)	(3)
5	Acct 1220 - Inventories	10,046	10,046	10,046
6	Acct 1439 - Other Deferred Charges	0	0	0
7	FCC Inv Adj incl CWC	(23,416)	(23,416)	(23,416)
8	Acct 3100/3200 - Depreciation Rsv	1,761,147	1,909,959	1,835,553
9	Acct 3400 - Amortization Rsv	22,525	25,860	24,193
10	Acct 4100/4340 - Def Tax Rsv	147,546	138,395	142,971
11	Acct 4310	173,763	150,262	162,013
12	FCC Reserve Adj	13,724	13,724	13,724
13	RATE BASE (FCC 492 Basis)	1,399,945	1,431,582	1,415,763
EXPENSE & OTHER TAX				
14	Plant Specific Exp (61XX-64XX)	116,285	100,453	108,369
15	Plant Non-Specific (651X-653X)	112,375	110,975	111,675
16	Marketing (661X)	55,137	54,198	54,668
17	Services (662X)	41,421	40,941	41,181
18	Corporate (67XX)	104,523	103,509	104,016
19	Other (7370)	1,629	1,629	1,629
20	Expense excl Depreciation (14T19)	431,369	411,705	421,537
21	FCC Expense Adjustment	(3,417)	(3,414)	(3,415)
22	Depreciation (656X)	207,478	218,985	213,232
23	Total Expense (20T22)	635,431	627,276	631,353
24	Other Tax (7240)	22,768	24,067	23,417
25	EXPENSE & OTHER TAX (23+24)	658,199	651,343	654,771
TAX ADJUSTMENTS				
26	Fixed Charges (75XX)	51,458	51,435	51,446
27	IRS Income Adjustments	13,529	2,764	8,147
28	CCFT Income Adjustments	(16,661)	(15,070)	(15,866)
29	Investment Tax Credit (7210)	4,735	4,210	4,473
REVENUE REQUIREMENT				
30	Return @ 11.25%	157,494	161,053	159,273
31	FIT Allowance	42,526	51,060	46,793
32	CCFT Allowance	16,002	17,022	16,512
33	Revenue Requirement	874,221	880,478	877,349

Numbers shown take Interstate BFP factors multiplied by Subject to Separations budget.
FCC Adjustment items are the 1996 amounts from the Part 65 Calculations sheet.
1997-98 is the average of the two annual amounts.

PACIFIC BELL
Impact of Account 4310 Rule Change (FCC 97-65)
on 1997-98 BFP Revenue Requirement
$000s

Ln	Description	Source	Amount
1	Total Acct 4310 Subject to Separations, 1996	Local Records	1,685,746
2	Account 4310.1 & .5, 1996	BFP-12, Page 1, Line 11	998,773
3	Unrecognized portion of Account 4310	Line 1 - Line 2	686,973
4	Account 4310, Interstate BFP Include Pay Line, 1996	BFP-11, 3421 (g)	114,098
5	Account 4310 IS BFP Factor Include Pay Line, 1996	Line 4 / Line 2	11.42%
6	Account 4310 BFP Change	Line 3 * Line 5	78,479
7	Return @ 11.25%	Line 6 * 0.1125	8,829
8	Composite Tax Factor	0.0884 + (0.35 * (1-0.0884))	0.40746
9	Tax Allowance	Line 7 * Line 8 / (1 - Line 8)	6,071
10	Revenue Requirement	Line 7 + Line 9	14,900

Notes: Composite tax factor includes both the state income tax rate effective 1/1/97 (8.84%) and the federal income tax rate (35%). State income tax is deductible in calculating federal income tax.

PACIFIC BELL
1997-98 Base Factor Portion Revenue Requirement
($000s)

Description	95 OB&C CL Adjustment (a)	96 OB&C CL Adjustment (b)	Growth Factor (c)	OB&C Adjustment (d)	97-98 BFP Excl OB&C (e)	**1997-98 Forecast (f=d+e)**
Access Revenue Requirement	7,746	6,754		6,874	875,650	**882,526**
Miscellaneous Income	-	-		-	5,453	**5,453**
Uncollectibles	-	-		-	3,755	**3,755**
Net Revenue	7,746	6,754		6,874	877,348	**884,224**
Total Expenses	5,028	4,384	0.79%	4,418	631,353	**635,772**
Taxes less FIT	378	330	7.95%	356	39,929	**40,286**
Federal Income Taxes	568	495	5.30%	521	46,793	**47,314**
Return @ 11.25%	1,772	1,545	2.13%	1,578	159,273	**160,852**
Rate Base	15,754	13,736	2.13%	14,028	1,415,763	**1,429,792**
1996 CL Revenue Req for OBC	6,758					
1995 CL Revenue Req Chg OBC	7,751					
Rto: 1996/1995 CL RR Chg OBC	87.1887%					

Notes:

Column (a) derived from difference between two ISAACS runs for 1995, YEAR and WOBC. WOBC has the new rule. See Attachment OBC-8.
Column (b) converts the 1995 revenue requirement change for OBC by line item to 1996 change based on the ratio at the bottom of Column (a).
Column (c) is from Workpaper IVC-1 filed in Transmittal No. 1925, Column (h).
Column (d) is Column (b) * (1 + Column (c))
Column (e) is from Attachment BFP - 12, "Column 1997-98".

PACIFIC BELL

CC Docket No. 97-149: End User Demand Projections

Customer Premise Termination Forecasts vs. Average Growth

Exhibit 1

		1991-1992	1992-1993	1993-1994	1994-1995	1995-1996	1996-1997
1	Residence - Lifeline	1,482,263	1,735,157	1,988,424	2,150,111	2,335,196	2,417,125
2	% Growth		17.06%	14.60%	8.13%	8.61%	3.51%
3	Residence - Non Lifeline	7,494,518	7,427,782	7,300,502	7,300,025	7,363,690	7,615,999
4	% Growth		-0.89%	-1.71%	-0.01%	0.87%	3.43%
5	**Total Residence**	8,976,781	9,162,939	9,288,926	9,450,136	9,698,886	10,033,124
6	**% Growth**		2.07%	1.37%	1.74%	2.63%	3.45%
7	Single Line Business	389,395	380,702	384,791	390,761	396,553	387,097
8	% Growth		-2.23%	1.07%	1.55%	1.48%	-2.38%
9	Multiline Business	4,429,186	4,559,413	4,743,017	4,986,938	5,275,227	5,637,665
10	% Growth		2.94%	4.03%	5.14%	5.78%	6.87%
11	Special Access Subj. to Surcharge	5,550	4,623	5,732	6,668	7,176	7,739
12	% Growth		-16.70%	23.99%	16.32%	7.62%	7.83%
13	**Total Avg Lines per Tariff Year**	**13,800,912**	**14,107,677**	**14,422,467**	**14,834,503**	**15,377,843**	**16,065,625**
14	% Growth Actual		2.22%	2.23%	2.86%	3.66%	4.47%
15	CPT Forecast	13,946,474	14,162,510	14,316,287	14,610,316	14,828,009	15,093,236
16	% Growth Forecast vs Actuals		2.55%	1.46%	1.29%	-0.04%	-1.89%
17	Difference (ln 13 - ln 15)	-145,562	-54,833	106,180	224,187	549,834	972,389
18	% Difference (Ln 14 - Ln 16)		-0.33%	0.77%	1.57%	3.71%	6.36%
19	% Difference (Forecast Variance Relative to Actual Percentage Growth (|ln18 / ln14|)						
20			14.87%	34.70%	55.00%	101.20%	142.16%

PACIFIC BELL

CC Docket No. 97-149: End User Demand Projections

Historical Averages from ARMIS Data

Exhibit 2

QTR Ending	Single-Line Business	Residence Lifeline	Residence Non-Lifeln	Multiline Business	Special Access Subj to Srchg	Total Access
Jun-91	386,110	1,409,483	7,439,172	4,315,931	5,795	13,556,491
Sep-91	396,115	1,443,013	7,489,919	4,331,151	5,554	13,665,752
Dec-91	391,117	1,459,626	7,527,198	4,318,878	5,767	13,702,586
Mar-92	386,386	1,514,277	7,521,343	4,559,085	5,916	13,987,007
Jun-92	387,246	1,584,918	7,494,958	4,620,885	4,719	14,092,726
AVG	389,395	1,482,263	7,494,518	4,429,186	5,550	13,800,912
Sep-92	366,666	1,644,450	7,504,379	4,431,836	4,580	13,951,911
Dec-92	383,105	1,766,153	7,399,413	4,530,383	4,488	14,083,542
Mar-93	383,220	1,816,131	7,393,689	4,581,398	3,902	14,178,340
Jun-93	383,272	1,864,131	7,346,473	4,632,563	5,427	14,231,866
AVG	380,702	1,735,157	7,427,782	4,559,413	4,623	14,107,677
Sep-93	383,675	1,919,623	7,350,606	4,693,533	5,678	14,353,115
Dec-93	379,964	2,035,205	7,259,535	4,737,775	5,358	14,417,837
Mar-94	392,484	2,054,018	7,274,678	4,790,887	5,636	14,517,703
Jun-94	384,562	2,069,143	7,271,218	4,860,328	6,563	14,591,814
AVG	384,791	1,988,424	7,300,502	4,743,017	5,732	14,422,467
Sep-94	399,468	2,107,397	7,326,655	4,922,187	6,466	14,762,173
Dec-94	392,764	2,166,543	7,290,172	4,978,881	6,884	14,835,244
Mar-95	380,078	2,197,674	7,314,825	5,051,502	7,031	14,951,110
Jun-95	396,932	2,209,797	7,297,255	5,121,792	6,397	15,032,173
AVG	390,761	2,150,111	7,300,025	4,986,938	6,668	14,834,503
Sep-95	379,737	2,310,474	7,312,416	5,196,226	5,742	15,204,595
Dec-95	402,899	2,338,148	7,344,945	5,260,997	8,030	15,355,019
Mar-96	402,892	2,364,834	7,420,279	5,331,748	7,924	15,527,677
Jun-96	400,306	2,452,728	7,443,556	5,465,373	7,789	15,769,752
AVG	396,553	2,335,196	7,363,690	5,275,227	7,176	15,377,843
Sep-96	392,601	2,463,207	7,525,131	5,565,070	6,441	15,952,450
Dec-96	386,216	2,410,585	7,614,328	5,629,296	8,924	16,049,349
Mar-96 (1)	380,175	2,393,298	7,675,507	5,713,954	7,770	16,170,704
Jun-96 (2)	376,187	2,365,806	7,821,474	5,814,633	7,770	16,385,870
AVG	387,097	2,417,125	7,615,999	5,637,665	7,739	16,065,625

(1) Special Access Subject to Surcharge is estimated for both Mar-96 and Jun-96.

(2) Preliminary Data

PACIFIC BELL

CC Docket No. 97-149: End User Demand Projections

Forecasted Growth 1997-1998 vs. Linear and Logarithmic Trending of Historical Data

Exhibit 3

6 Year Trend:1991-96	Historical Linear Trend (1)	Historically-Based Logarithmic Trend (2)	Historically-Based CPT Projection	Actual CPT Forecast	% Difference vs. Lin Trend	% Difference vs. Log Trend
Mar-97	15,926,734	16.5858	15,962,997			
Jun-97	16,033,833	16.5931	16,080,134			
Sep-97	16,140,933	16.6004	16,198,131			
Dec-97	16,248,032	16.6077	16,316,993			
Mar-98	16,355,132	16.6150	16,436,728			
Jun-98	16,462,231	16.6223	16,557,341			
Average: Sep 97 thru Jun 98	16,248,032		16,317,866			
Adjustment for ISDN PRI (3)	13,260		13,317			
	16,261,293		16,331,183	16,434,236	1.06%	0.63%

5 Year Trend:1992-96	Historical Linear Trend (1)	Historically-Based Logarithmic Trend (2)	Historically-Based CPT Projection	Actual CPT Forecast	% Difference vs. Lin Trend	% Difference vs. Log Trend
Mar-97	15,953,444	16.5867	15,977,013			
Jun-97	16,064,031	16.5941	16,096,146			
Sep-97	16,174,619	16.6015	16,216,167			
Dec-97	16,285,207	16.6089	16,337,083			
Mar-98	16,395,795	16.6164	16,458,900			
Jun-98	16,506,383	16.6238	16,581,626			
Average: Sep 97 thru Jun 98	16,285,207		16,337,984			
Adjustment for ISDN PRI (3)	13,260		13,317			
	16,298,467		16,351,302	16,434,236	0.83%	0.51%

4 Year Trend:1993-96	Historical Linear Trend (1)	Historically-Based Logarithmic Trend (2)	Historically-Based CPT Projection	Actual CPT Forecast	% Difference vs. Lin Trend	% Difference vs. Log Trend
Mar-97	16,056,330	16.5930	16,078,552			
Jun-97	16,182,587	16.6014	16,214,041			
Sep-97	16,308,845	16.6098	16,350,672			
Dec-97	16,435,103	16.6182	16,488,454			
Mar-98	16,561,361	16.6266	16,627,397			
Jun-98	16,687,618	16.6350	16,767,510			
Average: Sep 97 thru Jun 98	16,435,103		16,489,615			
Adjustment for ISDN PRI (3)	13,260		13,317			
	16,448,363		16,502,932	16,434,236	-0.09%	-0.42%

1. Linear Trend is computed using the EXCEL "Trend" function. The projection represents 5 quarters of trended data.

2. The Logarithmic Trend is computed by applying the EXCEL "Trend" Function to the natural log of the historical line counts. The results are consistent with results achieved using the EXCEL "Growth" function.

3. The adjustment for ISDN PRI is calculated by multiplying the number of ISDN EUCLs as of 12/31/96 (4,366) by a factor of 3 and then adjusting for linear and logarithmic projected growth. The factor is chosen because the PRI EUCL count included in Base Year Access Lines reflects the number of EUCLs per exchange service provided by ISDN. The average ISDN line supports two exchange services, therefore, three additional EUCLs must be incorporated to fulfill the FCC Order 97-158 requirement of 5 EUCLs per ISDN.

4. Prior to April 15, 1996 public and semi-public payphones were charged a single-line business EUCL charge. Payphones are now charged a multi-line business EUCL charge.
From 1995 to 1996 the number of payphones increased 0.52% from 139,916 to 140,638. Since Pacific Bell does not forecast individual line classes, the actual number of public payphones projected for the 1997-98 tariff year cannot be isolated from the aggregate actual CPT forecast cited above.

PACIFIC BELL

CC Docket No. 97-149: End User Demand Projections

Historical Calendar Year Data from ARMIS Reports

Exhibit 4

QTR Ending	Single-Line Business	Residence Lifeline	Residence Non-Lifeln	Multiline Business	Spec. Access Subject to Surcharge	Total Access
Mar-91	382,837	1,121,868	7,575,284	4,255,804	5,735	13,341,528
Jun-91	386,110	1,409,483	7,439,172	4,315,931	5,795	13,556,491
Sep-91	396,115	1,443,013	7,489,919	4,331,151	5,554	13,665,752
Dec-91	391,117	1,459,626	7,527,198	4,318,878	5,767	13,702,586
Mar-92	386,386	1,514,277	7,521,343	4,559,085	5,916	13,987,007
Jun-92	387,246	1,584,918	7,494,958	4,620,885	4,719	14,092,726
Sep-92	366,666	1,644,450	7,504,379	4,431,836	4,580	13,951,911
Dec-92	383,105	1,766,153	7,399,413	4,530,383	4,488	14,083,542
Mar-93	383,220	1,816,131	7,393,689	4,581,398	3,902	14,178,340
Jun-93	383,272	1,864,131	7,346,473	4,632,563	5,427	14,231,866
Sep-93	383,675	1,919,623	7,350,606	4,693,533	5,678	14,353,115
Dec-93	379,964	2,035,205	7,259,535	4,737,775	5,358	14,417,837
Mar-94	392,484	2,054,018	7,274,678	4,790,887	5,636	14,517,703
Jun-94	384,562	2,069,143	7,271,218	4,860,328	6,563	14,591,814
Sep-94	399,468	2,107,397	7,326,655	4,922,187	6,466	14,762,173
Dec-94	392,764	2,166,543	7,290,172	4,978,881	6,884	14,835,244
Mar-95	380,078	2,197,674	7,314,825	5,051,502	7,031	14,951,110
Jun-95	396,932	2,209,797	7,297,255	5,121,792	6,397	15,032,173
Sep-95	379,737	2,310,474	7,312,416	5,196,226	5,742	15,204,595
Dec-95	402,899	2,338,148	7,344,945	5,260,997	8,030	15,355,019
Mar-96	402,892	2,364,834	7,420,279	5,331,748	7,924	15,527,677
Jun-96	400,306	2,452,728	7,443,556	5,465,373	7,789	15,769,752
Sep-96	392,601	2,463,207	7,525,131	5,565,070	6,441	15,952,450
Dec-96	386,216	2,410,585	7,614,328	5,629,296	8,924	16,049,349

PACIFIC BELL

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Forecasted Growth 1997-1998 vs. the Logarithmic Trending of Historical Data

Exhibit 5

QTR Ending	Total Access	Natural Log of Total
Mar-91	13,341,528	16.4064
Jun-91	13,556,491	16.4224
Sep-91	13,665,752	16.4304
Dec-91	13,702,586	16.4331
Mar-92	13,987,007	16.4536
Jun-92	14,092,726	16.4612
Sep-92	13,951,911	16.4511
Dec-92	14,083,542	16.4605
Mar-93	14,178,340	16.4672
Jun-93	14,231,866	16.4710
Sep-93	14,353,115	16.4795
Dec-93	14,417,837	16.4840
Mar-94	14,517,703	16.4909
Jun-94	14,591,814	16.4960
Sep-94	14,762,173	16.5076
Dec-94	14,835,244	16.5125
Mar-95	14,951,110	16.5203
Jun-95	15,032,173	16.5257
Sep-95	15,204,595	16.5371
Dec-95	15,355,019	16.5470
Mar-96	15,527,677	16.5581
Jun-96	15,769,752	16.5736
Sep-96	15,952,450	16.5851
Dec-96	16,049,349	16.5912

PACIFIC BELL

CC Docket No. 97-149: End User Demand Projections

Per Line BFP Revenue Comparison: Actuals vs Forecast

Exhibit 6

(A)	(B)	(C)	(E)	(F)	(G)	(H)	(I)
					Per Line		
Tariff	BFP		Demand		Revenue		%
Period	Forecast	Actual	Forecast	Actual*	Forecast	Actual	Difference
	($000)	($000)			(=B/E)	(=C/F)	(=(H-G)/H)
1991-92	692,952	678,773	13,946,474	13,800,912	$4.14	$4.10	-1.02%
1992-93	669,613	731,745	14,162,510	14,107,677	$3.94	$4.32	8.85%
1993-94	801,594	802,661	14,316,287	14,422,467	$4.67	$4.64	-0.61%
1994-95	828,146	845,251	14,610,316	14,834,503	$4.72	$4.75	0.52%
1995-96	820,333	870,834	14,828,009	15,377,843	$4.61	$4.72	2.31%
1996-97	855,304	916,947	15,093,236	16,065,625	$4.72	$4.76	0.71%

* Tariff Year Demand averaged over 5 quarters.

NEVADA BELL

Exhibit NV-BFP-1

Appendix B Calculation of BFP Revenue Requirement

Actual Revenue Requirements for Calendar Years 1991 - 1996

$000

Ln #	ARMIS Ln #	Description	Source	1991	1992	1993	1994	1995	1996
		Actual Revenue Requirement Calculation							
1.	1190	Total Operating Exp		12,462	11,234	11,900	12,389	13,619	14,737
2.	1490	Total Other Taxes	Ln 30	492	477	405	465	513	551
3.		FIT	Ln 21	1,025	895	796	1,058	1,227	1,257
4.	1910	Average Net Inv	Note 3	37,079	31,390	30,129	32,067	34,111	35,174
5.		Auth Rate of Return	0.1125	0.1125	0.1125	0.1125	0.1125	0.1125	0.1125
6.		Return on Investment	Ln 4 x Ln 5	4,171	3,531	3,390	3,608	3,837	3,957
7.	1060	Uncollectible Revenues	Ln 28	70	132	101	91	76	96
8.	1040	Misc. Revenues	Ln 26	0	0	0	0	0	0
9.	1290	Other Oper Inc/Loss		194	3	140	6	5	(3)
10.	1390	Total Non-Oper Items		26	29	29	26	(87)	(23)
11.		Revenue Requirement	Note 1	18,052	16,295	16,481	17,631	19,181	20,577
		FIT Calculation							
12.	1910	Avg Net Inv	Ln 4	37,079	31,390	30,129	32,067	34,111	35,174
13.		Auth Rate of Return	0.1125	0.1125	0.1125	0.1125	0.1125	0.1125	0.1125
14.		Return on Investment	Ln 12 x Ln 13	4,171	3,531	3,390	3,608	3,837	3,957
15.	1510	Fixed Charges		1,314	1,051	1,024	1,112	1,180	1,157
16.	1520	Irs Income Adjustments		(286)	(222)	(456)	(279)	(95)	(69)
17.	1530	FCC Taxable Inc Adj		0	0	0	0	0	0
18.	1540	ITC Amortization		234	209	151	88	99	139
19.	1550	FCC ITC Adj		0	0	0	0	0	0
20.		Tax Rate	(.35/.65)	0.538462	0.538462	0.538462	0.538462	0.538462	0.538462
21.		Calculated FIT	Note 2	1,025	895	796	1,058	1,227	1,257
		BFP Factor Development							
22.	1190	Total Oper Exp-BFP-Col K		12,462	11,234	11,900	12,389	13,619	14,737
23.	1190	Total Oper Exp-Total CCL-Col M		13,745	12,494	13,067	13,322	14,603	15,874
24.		Total Oper Exp-Ratio	Ln 22/Ln 23	0.906657	0.899152	0.910691	0.929965	0.932617	0.928373
25.	1040	Misc. Rev.-Total CCL-Col M		0	0	0	0	0	0
26.		Misc. Rev. - Calc BFP	Ln 25 x Ln 24	0	0	0	0	0	0
27.	1060	Uncollectible Rev-Total CCL-Col M		77	147	111	98	82	103
28.		Uncollectible Rev-Calc BFP	Ln 27 x Ln 24	70	132	101	91	76	96
29.	1490	Total Other Taxes-Total CCL-Col M		543	530	445	500	550	593
30.		Total Other Taxes-Calc BFP	Ln 29 x Ln 24	492	477	405	465	513	551

Note 1: L1+L2+L3+L6+L7-L8-L9+L10

Note 2: [{L14-L15+L16+L17-L18-L19}xL20]-L18-L19

Note 3: Appendix B requires LECs to calculate the average net investment by taking the average of each year's quarterly data.
Since 4th quarter data is an average of all four quarters only this data is reported for the calendar year revenue requirement calculation.

Note 4: All data is sourced from the ARMIS 43-01, Column K unless otherwise noted.

NEVADA BELL

Exhibit NV-BFP-2

Appendix B Calculation of BFP Revenue Requirement

Actual Revenue Requirements for Tariff Years 1991/92 - 1996/97 (avg of 2 years)

$000

Ln #	ARMIS Ln #	Description	Source	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97
		Actual Revenue Requirement Calculation							
1.	1190	Total Operating Exp		11,848	11,567	12,145	13,004	14,178	15,258
2.	1490	Total Other Taxes	Ln 30	485	441	435	489	532	562
3.		FIT	Ln 21	960	845	927	1,143	1,242	1,317
4.	1910	Average Net Inv		34,235	30,760	31,098	33,089	34,643	35,777
5.		Auth Rate of Return	0.1125	0.1125	0.1125	0.1125	0.1125	0.1125	0.1125
6.		Return on Investment	Ln 4 x Ln 5	3,851	3,460	3,499	3,723	3,897	4,025
7.	1060	Uncollectible Revenues	Ln 28	101	117	96	84	86	593
8.	1040	Misc. Revenues	Ln 26	0	0	0	0	0	0
9.	1290	Other Oper Inc/Loss		99	72	73	6	1	(2)
10.	1390	Total Non-Oper Items		28	29	28	(31)	(55)	(19)
11.		Revenue Requirement	Note 1	17,174	16,388	17,056	18,406	19,879	21,738
		FIT Calculation							
12.	1910	Avg Net Inv	Ln 4	34,235	30,760	31,098	33,089	34,643	35,777
13.		Auth Rate of Return	0.1125	0.1125	0.1125	0.1125	0.1125	0.1125	0.1125
14.		Return on Investment	Ln 12 x Ln 13	3,851	3,460	3,499	3,723	3,897	4,025
15.	1510	Fixed Charges		1,183	1,038	1,068	1,146	1,169	1,203
16.	1520	Irs Income Adjustments		(254)	(339)	(368)	(187)	(82)	(42)
17.	1530	FCC Taxable Inc Adj		0	0	0	0	0	0
18.	1540	ITC Amortization		222	180	120	94	119	118
19.	1550	FCC ITC Adj		0	0	0	0	0	0
20.		Tax Rate	(.35/.65)	0.538462	0.538462	0.538462	0.538462	0.538462	0.538462
21.		Calculated FIT	Note 2	960	845	927	1,143	1,242	1,317
		BFP Factor Development							
22.	1190	Total Oper Exp-BFP-Col K		11,848	11,567	12,145	13,004	14,178	15,258
23.	1190	Total Oper Exp-Total CCL-Col M		13,120	12,781	13,195	13,963	15,239	15,828
24.		Total Oper Exp-Ratio	Ln 22/Ln 23	0.903083	0.905051	0.920421	0.931352	0.930407	0.963987
25.	1040	Misc. Rev.-Total CCL-Col M		0	0	0	0	0	0
26.		Misc. Rev. - Calc BFP	Ln 25 x Ln 24	0	0	0	0	0	0
27.	1060	Uncollectible Rev-Total CCL-Col M		112	129	105	90	93	616
28.		Uncollectible Rev-Calc BFP	Ln 27 x Ln 24	101	117	96	84	86	593
29.	1490	Total Other Taxes-Total CCL-Col M		537	488	473	525	572	584
30.		Total Other Taxes-Calc BFP	Ln 29 x Ln 24	485	441	435	489	532	562

Note 1: L1+L2+L3+L6+L7-L8-L9+L10

Note 2: [{L14-L15+L16+L17-L18-L19}xL20]-L18-L19

Note 3: ARMIS 43-01, Table 1 data is cumulative. Therefore, 4Q data represents the entire year and 2Q data represents the first half of the year. With the exception of 96/97, split year data is calculated by averaging the full two years. 1997 annual data was developed by annualizing the first 6 months of 1997 using Company Records. Averaging 4Q data captures the final separated results for each year.

Note 4: All data is sourced from the ARMIS 43-01, Table 1, Column K unless otherwise noted.

NEVADA BELL

Appendix B Calculation of BFP Revenue Requirement

Analysis of Tariff Years 1991/92 - 1996/97 (avg of 2 years)

$000

Ln #	Description	Source	A 1991-92	B 1992-93	C 1993-94	D 1994-95	E 1995-96	F 1996-97	G
1.	Actual Revenue Req.	Exhibit NV-BFP-2, Ln 11	17,174	16,388	17,056	18,406	19,879	21,738	
2.	Projected Rev Req	Various Access Tariff Filings	16,741	15,192	16,803	17,627	17,759	18,564	
3.	Difference	Ln 2 - Ln 1	(433)	(1,196)	(253)	(779)	(2,120)	(3,174)	
4.	Percent Difference	Ln 3 / Ln 2	-2.52%	-7.30%	-1.48%	-4.23%	-10.67%	-14.60%	
5.	Actual Demand (whole no.)	Exhibit NV-BFP-11, Ln 5	230,670	242,053	251,696	265,531	282,527	303,808	
6.	Forecasted Demand (whole no.)	Exhibit NV-BFP-11, Ln 11	229,538	240,293	249,910	262,827	278,670	296,318	
7.	EUCL Rate based on Actual	(Ln 1/12mo)/(Ln 5/1000)	6.20	5.64	5.65	5.78	5.86	5.96	
8.	EUCL Rate in Tariff Filings	(Ln 2/12mo)/(Ln 6/1000)	6.08	5.27	5.60	5.59	5.31	5.22	

% Increase over Prior Period

	H	I 1992-93	J 1993-94	K 1994-95	L 1995-96	M 1996-97
Source Ln 1 %		(B-A)/A -4.57%	(C-B)/B 4.07%	(D-C)/C 7.92%	(E-D)/D 8.00%	(F-E)/E 9.35%
Source Ln 2 %		(2B-1A)/1A -11.54%	(2C-1B)/1B 2.53%	(2D-1C)/1C 3.35%	(2E-1D)/1D -3.52%	(2F-1E)/1E -6.62%
		-6.96%	-1.54%	-4.57%	-11.52%	-15.97%
		60.36%	-60.89%	-136.36%	327.64%	241.33%

NEVADA BELL

Exhibit NV-BFP-4

Normalized Actual BFP Revenue Requirements for Calendar Years 1991 - 1996 & Tariff Year 97/98
to Conform with Rules as of 12/31/96
$000

Ln #	Description	Source	Effective Date	1991	1992	1993	1994	1995	1996	97/98	
1.	Actual Rev Req	Exhibit NV-BFP-1		18,052	16,295	16,481	17,631	19,181	20,577	22,783	
2.	GSF	Exhibit NV-BFP-5	7/1/93	2,686	2,424	1,121	N/A	N/A	N/A	N/A	
3.	SPF	Exhibit NV-BFP-6	Jan 1 of '91 and '92	(4,715)	(2,358)	N/A	N/A	N/A	N/A	N/A	
4.	DEM	Exhibit NV-BFP-7	Jan 1 of '91 and '92	25	8	N/A	N/A	N/A	N/A	N/A	
5A.	Normalized Rev Req, Series 1	Ln 1..4		16,047	16,369	17,601	17,631	19,181	20,577	22,783	
5B.	Year over Year Growth	Ln 5A, (Cur yr-prior yr)/prior yr			2.01%	7.53%	0.17%	8.79%	7.28%	7.15%	
6A.	RAO 20 (OPEB)	Exhibit NV-BFP-8	'93, Rescinded '95	0	0	42	149	0	0	N/A	
6B.	Amendment to Part 65 (OPEB) Docket 96-22	Exhibit NV-BFP-8	4/30/97	N/A	N/A	N/A	N/A	N/A	N/A	283	
7.	Other (Note 2)	Exhibit NV-BFP-9		0	0	0	0	0	0	(396)	
8.	Normalized Rev Req, Series 2	Lns 5A+6+7		16,047	16,369	17,643	17,779	19,181	20,577	22,670	
9.	Year over Year Growth	Ln 8, (Cur yr-prior yr)/prior yr			2.01%	7.78%	0.77%	7.89%	7.28%	6.78%	(97/98 is annualized)
10.	Isolated Occurrence (Note 1)					681					
11.	Adjusted Rev Req.	Ln 8 - Ln 10		16,047	16,369	16,962	17,779	19,181	20,577	22,670	
12.	Year over Year Growth	Ln 11, (Cur yr-prior yr)/prior yr			2.01%	3.62%	4.82%	7.89%	7.28%	6.78%	(97/98 is annualized)

Note 1: In 1993 the Early Retirement Offering was a very large one time event. $6,400K x .106445 = $681K.
Note 2: The 97/98 rev req is adjusted so that a normalized trend can be seen. The adjustment is for the Payphone Reconsideration Order and the OB&C Order effective after 12/31/96.

NEVADA BELL
GSF Adjustment
$000

Exhibit NV-BFP-5

Ln #	Description	Source	1991	1992	1993
1.	1993 BFP Rev Req with 12 mo. of GSF Change	Exhibit NV-BFP-5A, Pg 1, Ln 31t			17,305
2.	1993 BFP Rev Req with 0 mo. of GSF Change	Exhibit NV-BFP-5B, Pg 1, Ln 31t			15,064
3.	Annual GSF Impact to BPF	Ln 1-Ln 2			2,241
4.	Additional 6 mo '93 BFP Rev Req due to GSF change	Ln 3 x .5			1,121
5.	Ratio of Ln 1 to Ln 2 to Gross up 92 & 91	Ln 1/Ln 2			1.1488
6.	1992 Actual BFP Rev Req	Act Rev Req, Ln 11		16,295	
7.	1992 BFP Rev Req grossed up for GSF	Ln 6 x Ln 5		18,719	
8.	Additional '92 BFP Rev Req due to GSF change	Ln 7 - Ln 6		2,424	
9.	1991 Actual BFP Rev Req	Act Rev Req, Ln 11	18,052		
10.	1991 BFP Rev Req grossed up for GSF	Ln 9 x Ln 5	20,738		
11.	Additional '91 BFP Rev Req due to GSF change	Ln 10 - Ln 9	2,686		

NEVADA BELL
Calculation of SPF Phase Down Effect on BFP
$000

Exhibit NV-BFP-6

TRANSITIONAL SPF IMPACT ON REVENUE REQUIREMENT

	REVENUE REQUIREMENT	SOURCE	PAY	BFP	CCL=PAY+BFP	TS	SA	IX	TOTAL
1.	91 Actuals with 91/92 SPF		1,376	16,885	18,262	24,747	4,533	2	65,805
2.	91 Actuals with 92/93 SPF		1,192	14,528	15,720	24,675	4,510	2	60,627
3.	Difference		(184)	(2,358)	(2,542)	(73)	(23)	0	(5,178)
4.	Distribution of Line 1		7.54%	92.46%	100.00%				
5.	Distribution of Line 2		7.59%	92.41%	100.00%				
6.	1991 Requires 2 Adj to get to .25 SPF	2 x Ln 3		(4,715)					
7.	1992 Requires 1 Adj to get to .25 SPF	Ln 3		(2,358)					

Note: The 1993 Actuals contain a 25% Interstate SPF.
The 1992 Annual Tariff Filing Exogenous impacts were used to calculate the 1991 and 1992 SPF Adjustments.
The CCL SPF Exogenous adjustment, Ln 3, of ($2542) ties to the 1992 EXG-1.

NEVADA BELL
Calculation of Transitional DEM Effect on BFP
$000

Exhibit NV-BFP-7

TRANSITIONAL DEM IMPACT ON REVENUE REQUIREMENT

	REVENUE REQUIREMENT	SOURCE	A PAY	B BFP	C CCL	D TS	E SA	F IX	G TOTAL
1.	91 Actuals with 91/92 DEM				19,546	24,409	4,556	2	48,512
2.	91 Actuals with 92/93 DEM				19,570	23,843	4,574	2	47,988
3.	Difference	Ln 2 - Ln 1			24	(566)	18	0	(525)
4.	Distribution to Pay and BFP	SFP Adj Sh, Ln 4	7.54%	92.46%	100.00%				
5.	Distribution to Pay and BFP	SFP Adj Sh, Ln 5	7.59%	92.41%	100.00%				
6.	91 Actuals with 91/92 DEM	Ln 4 x Ln 1C	1,473	18,073	19,546				
7.	91 Actuals with 92/93 DEM	Ln 5 x Ln 2C	1,484	18,085	19,570				
8.	Difference	Ln 7 - Ln 6	11	13	24				
9.	1991 Requires 2 Adj to get to full DEM	2 x Ln 8		25					
10.	1992 Requires .67 Adj to get to full DEM	.67 x Ln 8		8					

Note: The 1993 Actuals contain a full DEM (transition complete).
The 1992 Annual Tariff Filing Exogenous impacts were used to calculate the 1991 and 1992 DEM Adjustments.
The CCL DEM Exogenous adjustment, Ln 8, of $24 ties to the 1992 EXG-1.

NEVADA BELL
Calculation of OPEB (RAO 20) Effect on BFP
$000

Exhibit NV-BFP-8

	Description	Source	1993	1994	1997/98
1.	Account 4310 Related to OPEB, Interstate BFP	Local Records	244	858	1,634
2.	Return at 11.25%	Ln 1 x .1125	27	97	184
3.	Tax Factor	.35/.65	0.538462	0.538462	0.538462
4.	Tax Allowance	Ln 2 x Ln 3	15	52	99
5.	Revenue Requirement of Acct 4310 OPEB in IS BFP	Ln 2 + Ln 4	42	149	283

Note: Nevada does not have state income tax so only the federal tax rate is used.

NEVADA BELL
1997/1998 Revenue Requirement Detail
$000

Exhibit NV-BFP-9

Ln #	Description	Source	1997/1998
1.	97/98 BFP Rev Req without the OB&C rule change	Note 1	22,387
2.	97/98 BFP Rev Req with the OB&C rule change	Note 2	22,405
3.	OB&C rule change effect	Ln 2-Ln 1	18
4.	97/98 Pay Rev Req prior to becoming non-regulated	Note 3	1,259
5.	Percent Line to Total Pay based on Payphone Filing	Note 4	30%
6.	Additional Line Revenue Requirement per Payphone Reconsideration Order	Ln 4 x Ln 5	378
7.	Reported 97/98 Revenue Requirement (Note 5)	Ln 2 + Ln 6	22,783
8.	97/98 Rev Req associated with rule changes after 12/31/96 (Data is used on Exhibit NV-BFP-4)	Ln 3 + Ln 6	396

Note 1: Line 1 rev req was calculated using Nevada Bell's Part 36/69 separations model with the OB&C allocator set at the 1996 allocator.
Note 2: Line 2 revenue requirement was calculated using Nevada Bell's Part 36/69 separations model with the new OB&C allocator.
Note 3: Line 4 Pay revenue requirement came from the run used for Line 2.
Note 4: Line 5 percent came from Transmittal 223, Attachment 1A which showed for 1995 $784K (70%) in Set and $337K (30%) in Line.
Note 5: This ties to Nevada Bell's Exhibit 13, Line 1c, revised June 30, 1997 on Application No. 87.

Filename:NV-BFP-A.wk4

97/98 Budget

Exhibit NV-BFP-A

	BUDSUM TELEBASE INPUT	A MR	B EA	C RESERVED	D NON-REG	E SB	F OTHER	G=A-B-C-D-E-F SUBJ TO SEP	H=G TELEBASE INPUT
	ADDS & DEDUCTS								
	ALLOCATED BASED ON 2001	1,810.857	0.000	0.000	0.000	0.000	0.000	1,810.857	1,810.857
	ALLOCATED BASED ON NET PLANT	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	ALLOCATED BASED ON BIG 3 EXPENSE	98.500	0.000	0.000	0.000	0.000	0.000	98.500	98.500
	PLANT IN SERVICE								
2110	SUPPORT PLANT	60,721.118	0.000	0.000	702.687	0.000	0.000	60,018.431	60,018.431
2210	COE SWITCHING	103,042.202	732.018	0.000	112.684	0.000	0.000	102,197.500	102,197.500
2220	OPERATOR SYSTEMS EQUIPMENT	1,714.320	0.000	0.000	0.000	0.000	33.943	1,748.263	1,748.263
2230	COE TRANSMISSION	89,475.444	60.680	0.000	0.000	0.000	(33.943)	89,380.821	89,380.821
2310	IOT EQUIPMENT	6,279.137	0.000	0.000	0.428	0.000	0.000	6,278.710	6,278.710
2410	CABLE/WIRE	287,870.041	0.000	0.000	0.000	0.000	0.000	287,870.041	287,870.041
2680	AMORTIZABLE ASSETS	2,710.737	0.000	0.000	99.958	0.000	0.000	2,610.779	2,610.779
	TOTAL PLANT IN SERVICE	551,813.000	792.698	0.000	915.756	0.000	0.000	550,104.546	
								0.000	
2003	ST TPUC	3,851.000	0.000	0.000	(545.582)	0.000	0.000	4,396.582	4,396.582
2004	LT TPUC	0.000	0.000	0.000		0.000	0.000	0.000	0.000
1220	MAT & SUPPLIES	1,116.013	0.000	0.000	0.000	0.000	0.000	1,116.013	1,116.013
	CASH WORKING CAPITAL						0.000	3,430.922	3,430.922
	EQUAL ACCESS GROSS		(792.698)					792.698	792.698
	EQUAL ACCESS ACUM DEPR		65.083					(65.083)	(65.083)
	EQUAL ACCESS DEF. INC. TAX		(68.884)					68.884	68.884
	EQUAL ACCESS UNAMORT. EXPENSE		0.000		0.000			0.000	0.000
7100	OPER INC/LOSS	(546.500)	0.000	0.000	0.000	0.000	0.000	(546.500)	546.500
	Non-Oper - Contributions	200.000	0.000	0.000	15.704	0.000	0.000	184.296	
	Non-Oper - AFUDC	0.000	0.000	0.000	(13.751)	0.000	0.000	13.751	
7300	NON-OPER INC & EXPENSES	200.000	0.000	0.000	1.953	0.000	0.000	198.047	198.047
7520	INTEREST ON CAPITAL LEASES	27.000	0.000	0.000	0.585	0.000	0.000	26.416	26.416
7500	INT & RELATED ITEMS (Fixed Charges)	0.000	0.000	0.000	17.666	0.000	0.000	(17.666)	(17.666)
	ITC AMORTIZATION	554.500	0.000	0.000	0.589	0.000	0.000	553.911	553.911
	AMORTIZATION OF EXCESS DEFERRED TAX	628.425	0.000	0.000	0.000	0.000	0.000	628.425	628.425
	7300 DISALLOWANCE - FOR 1995 ONLY	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	EXPENSE								
6112-6116	NETWORK SUPPORT	118.500	0.000	0.000	0.630	0.000	0.000	117.870	117.870
6121-6124	GENERAL SUPPORT	8,532.500	0.000	0.000	160.852	0.000	0.000	8,371.648	8,371.648
6210	C.O. SWITCHING	6,441.835	0.000	0.000	237.973	0.000	0.000	6,203.863	6,203.863
6220	OPERATOR SYSTEMS	0.165	0.000	0.000	0.000	0.000	0.000	0.165	0.165
6231-6232	C.O. TRANSMISSION	2,365.000	0.000	0.000	0.000	0.000	0.000	2,365.000	2,365.000
6311-6362	INFO. ORIG/TERM	6,933.000	0.000	0.000	3,800.651	0.000	0.000	3,132.349	3,132.349
6411-6441	CABLE & WIRE FACILITIES	11,331.000	0.000	0.000	0.000	0.000	0.000	11,331.000	11,331.000
6511-6512	OTHER PROPERTY PLANT	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
6531-6535	NETWORK OPERATIONS EXPENSE	21,321.000	0.000	0.000	164.701	0.000	0.000	21,156.299	21,156.299
6540	ACCESS EXPENSE	7,045.500	0.000	0.000	0.000	0.000	0.000	7,045.500	7,045.500
							100.00%		
6561	Support Assets	3,809.931	0.000	0.000	64.890	0.000	0.000	3,745.042	3,745.042
6561	COE - Switching	6,849.516	(4.000)	0.000	21.666	0.000	0.000	6,831.850	6,831.850
6561	COE - Operator	297.129	0.000	0.000	0.000	0.000	0.000	297.129	297.129
6561	COE - Transmission	9,939.616	0.000	0.000	0.000	0.000	0.000	9,939.616	9,939.616
6561	Info Orig/Term Equip.	576.959	0.000	0.000	0.000	0.000	0.000	576.959	576.959
6561	Cable & Wire Facilities	13,189.556	0.000	0.000	0.000	0.000	0.000	13,189.556	13,189.556
	Depr-Tel Plt in Svc	34,662.708	(4.000)	0.000	86.556	0.000	0.000	34,580.152	
6563	Amort. Tangible	183.292	0.000	0.000	6.830	0.000	0.000	176.462	176.462
	TOTAL DEPRECIATION & AMORTIZATION	34,846.000	(4.000)	0.000	93.386	0.000	0.000	34,756.614	
6611-6613	MARKETING	4,922.000	0.000	0.000	1,730.106	0.000	0.000	3,191.894	3,191.894
6621-6623	CUSTOMER SERVICES	22,619.500	0.000	0.000	7,541.820	0.000	0.000	15,077.680	15,077.680
6711,6712	EXECUTIVE & PLANNING	1,543.500	0.000	0.000	58.074	0.000	0.000	1,485.426	1,485.426
6721-6728	GENERAL ADMINISTRATIVE	26,049.000	0.000	0.000	2,273.618	0.000	0.000	23,775.382	23,775.382
							0.000		
	TOTAL EXPENSE	154,068.500	(4.000)	0.000	16,061.809	0.000	0.000	138,010.691	
	CHECK TOTAL	154,068.500	56.310	0.000	16,061.809	0.000	0.000	137,950.381	
	Check Total	0.000	60.310	0.000	(0.000)	0.000	0.000	(60.310)	
							1.0000		
							0.0000		
							0.0000		

Filename:NV-BFP-A.wk4

97/98 Budget

Exhibit NV-BFP-A

	BUDSUM TELEBASE INPUT	A MR	B EA	C RESERVED	D NON-REG	E SB	F OTHER	G=A-B-C-D-E-F SUBJ TO SEP	H=G TELEBASE INPUT
	TAXES						1.0000		
7240	OTHER TAXES	6,942.500	0.000	0.000	229.332	0.000	0.000	6,713.168	6,713.168
	EQUAL ACCESS								
	DEPRECIATION		(56.310)					56.310	56.310
	AMORTIZATION							0.000	0.000
	EXPENSE ALLOW/DISALLOW	16.000	0.000	0.000	0.141	0.000	0.000	15.859	15.859
	RESERVES								
	ACCUM DEPR./AMORT								
3100	Support Assets	24,398.094	0.000	0.000	324.353	0.000	0.000	24,073.741	24,073.741
3100	COE - Switching	37,575.115	(124.353)	0.000	63.921	0.000	0.000	37,635.548	37,635.548
3100	COE - Operator	613.560	0.000	0.000	0.000	0.000	0.000	613.560	613.560
3100	COE - Transmission	44,320.040	59.099	0.000	0.000	0.000	0.000	44,260.941	44,260.941
3100	Info Orig/Term Equip.	8,793.317	0.000	0.000	0.000	0.000	0.000	8,793.317	8,793.317
3100	Cable & Wire Facilities	146,567.873	0.171	0.000	0.000	0.000	0.000	146,567.702	146,567.702
	Total Accum Depr-Tel Plt in Svc(RV SIGN)	262,268.000	(65.083)	0.000	388.274	0.000	0.000	261,944.809	
3400	Accum Amort. Tangible	3,758.972	0.000	0.000	101.451	0.000	0.000	3,657.521	3,657.521
	Capital Leases	0.000	0.000	0.000	49.324	0.000	0.000	(49.324)	
	Leasehold Impr.	3,758.972	0.000	0.000	52.128	0.000	0.000	3,706.844	
4040	CUSTOMER DEPOSITS	315.791	0.000	0.000	6.697	0.000	0.000	309.094	309.094
4100	NET CURR DEF. OP INC TAXES	28,602.347	68.884	0.000	(48.681)	0.000	0.000	28,582.145	28,582.145
4340	NET NON-CURR DEF. OP INC TAXES	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
4310-1410	OTHER LONG TERM LIAB(unf pension)	35,192.637	0.000	0.000	0.000	0.000	0.000	35,192.637	35,192.637
4360	OTHER DEFERRED CREDITS	1,292.491	0.000	0.000	6.449	0.000	0.000	1,286.042	1,286.042
4310.1	Other LT liab Excl. OPEB (use for 94,95,96)	24,255.239	0.000	0.000	0.000	0.000	0.000	24,255.239	24,255.239 j
	RATIOS								
7300	NON-OPER INCOME/EXP								
	AFUDC								0.069431
	CONTRIBUTIONS								0.930569
									1.000000
7200	OPERATING TAXES								
	OTHER OPER TAXES								0.681846
	OPER TAXES #1 - GROSS RECEIPT								0.318154
	OPER TAXES #2 - FCC REG FEE								0.000000
									1.000000
3400	ACCUMULATED AMORTIZATION								
	CAPITAL LEASE								0.486867
	LEASEHOLD IMPROVEMENTS								0.513133
									1.000000
2680	TANGIBLE ASSETS								
6563	CAPITAL LEASE								0.486867
	LEASEHOLD IMPROVEMENTS								0.513133
									1.000000
2110	GENERAL SUPPORT FACILITIES								
	SUPPORT ASSETS								0.678095
	LAND								0.321905
									1.000000

4304 FACTOR

	UNFUNDED PENSIONS TB INPUT	35,192.637			
	1410 PORTION	(3,300.000)	-0.093770		
	4310 PORTION	38,492.637	1.093770		
7910	INCOME EFFECTS OF RATEMAKING	1,768.000		Input to ARMIS 4304 Line 4100, Col C (reverse sign)	(1,768.000)
1500	OTHER JURIS ASSETS - NET (Average)	0.000		Input to ARMIS 4304 Line 3000, Col B (reverse sign)	0.000
3400	LEASEHOLD IMPROVMENTS	3,706.844		Input to ARMIS 4304 Line 3420, Col C	3,706.844

Exhibit NV-BFP-C

NEVADA BELL
TOTAL SUBJECT TO SEPARATIONS BUDGET COMPARISON

LINE NO.	EXPENSES AND TAX	SOURCE	A 1996 ACTUAL	B OPEB ADJ.	C NORMALIZED 96 ACTUAL	D 1997/1998	E=D-C DIFF	F=E/C/18*12 PERCENT DIFF ANNUALIZED
1.	Depreciation Expense		31,734		31,734	34,757	3,023	6.35%
2.	Expenses w/o Depr.		95,494		95,494	103,655	8,161	5.70%
3.	Taxes less FIT		6,044		6,044	6,713	669	7.38%
	RATEBASE							
4.	Total Plant in Service		505,070		505,070	550,105	45,035	5.46%
5.	Ratebase Adjustment		(13,063)	(8,018)	(21,081)	(27,055)	(5,974)	14.72%
6.	Depreciation Reserve		227,002		227,002	265,603	38,601	9.69%
7.	Accum. Deferred Income Tax		30,128		30,128	28,582	(1,546)	-3.61%
8.	Net Ratebase	Ln 4+5-6-7	234,877	(8,018)	226,859	228,865	2,006	0.58%

Note: 1996 Actuals treat OPEB differently than 97/98. 1996 is adjusted to reflect 97 rules.

NEVADA BELL **Exhibit NV-BFP-D**

Development of 1997/1998 BFP Revenue Requirement

$000

Ln #	Description	Source		
1.	CCL Pay Revenue Requirement	Exhibit NV-BFP-B, Pg 21, Column s, Ln 31/1000	1,259	
2.	Percent Line of Pay	Note 1	30.00%	
3.	Pay Telephone Line Adjustment	Ln 1 x Ln 2	378	
4.	97/98 Telebase BFP Revenue Req.	Exhibit NV-BFP-B, Pg 21, Column t, Ln 31/1000	22,405	
5.	Adjusted Annual BFP Rev Req	Ln 3 + Ln 4	22,783	Note 2

Calculation of Pay Phone Line Portion using Appendix B Method

6.	1996 Actual BFP Rev Req	Exhibit NV-BFP-1, Ln 11	20,577	
7.	1996 Pay Phone Line Rev Req	Note 4	337	
8.	1996 BFP Rev Req incl Line	Ln 6 + Ln 7	20,914	
9.	Factor of '96 with Line to '96 w/o Line	Ln 8 / Ln 6	1.016366	
10.	97/98 BFP Rev Req with the OB&C rule change	Exhibit NV-BFP-9, Ln 2	22,405	
11.	Pay Telephone Line Adjustment	Ln 9 x Ln 10	22,772	
12.	Additional 97/98 Pay Phone Line Rev Req	Ln 11 - Ln 10	367	
13.	Difference in Nevada Bell Method and Appendix B	Ln 3 - Ln 12	11	Note 3

Note 1: Line 2 percent came from Transmittal 223, Attachment 1A which showed for 1995 $784K (70%) in Set and $337K (30%) in Line.

Note 2: This ties to Nevada Bell's Exhibit 13, Line 1c, revised June 30, 1997 on Application No. 87, of our 1997 Tariff Filing.

Note 3: Nevada Bell's method produced $11K more BFP revenue requirement than the Appendix B method due to the use of 1995 vs 1996 Pay Phone Line studies.

Note 4: The same worksheet that produced the percent in Note 1 was used with 1996 data. $934K (73%) in Set and $337 (27%) in Line.