BLUE RIDGE TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 06/30/22

NET OPERATING INCOME AND RATE OF RETURN ON RATE BASE CALCULATION

	NET OPERATING INCOME DEVELOPMENT	Source	(1) Subject To Separations	(2) Total Interstate	(3) Total Intrastate
	OPERATING REVENUES				
1	Local Service	Net Operating Income, Ln 1	$2,340,215	$0	$2,340,215
2	Access Charges	Net Operating Income, Ln 2, 3	$3,207,453	$2,582,544	$624,909
3	LD Messages	Net Operating Income, Ln 5	$0	$0	$0
4	Billing & Collection	Net Operating Income, Ln 6, 7	$143,078	$29,244	$113,834
5	Other Miscellaneous Revenue	Net Operating Income, Ln 8	$118,299	$1,916	$116,383
6	Less: Uncollectibles	Net Operating Income, Ln 11	($23,529)	$13,967	($37,496)
7	**Total Regulated Operating Revenue**	**Ln 1+Ln 2+Ln 3+Ln 4+Ln 5-Ln 6**	$5,832,574	$2,599,737	$3,232,837
	OPERATING EXPENSES				
8	Plant Specific	Net Operating Income, Ln 20	$2,181,988	$579,536	$1,602,452
9	Plant Non-Specific	Net Operating Income, Ln 21,22,23	$1,517,591	$546,321	$971,270
10	Depreciation & Amortization	Net Operating Income, Ln 29	$1,781,391	$497,367	$1,284,024
11	Customer Operations	Net Operating Income, Ln 33	$681,277	$255,206	$426,071
12	Corporate Operations	Net Operating Income, Ln 36	$1,886,501	$547,840	$1,338,661
13	**Total Operating Expenses**	**Ln 8+Ln 9+Ln 10+Ln 11+Ln 12**	$8,048,748	$2,426,270	$5,622,478
	OPERATING TAXES				
14	Federal Income Tax -Booked	Net Operating Income, Ln 38,39,40	($517,529)	($41,359)	($476,170)
15	Adjustment to Booked FIT	If Taxes are Imputed, Ln 16-Ln 14	$6,208	$54,952	($48,744)
16	Imputed FIT @ %	(Ln 7-Ln 13-Ln24-Ln21-(Op Inc Ln48))* Rate + Amortization of Excess ADFIT	($511,321)	$13,593	($524,915)
17	Adjustment to Imputed FIT	If Taxes are per book, Ln 14-Ln 16	$0	$0	$0
18	Booked - Imputed FIT (Net of Adj)		$0	$0	$0
19	State Income Tax -Booked	Net Operating Income, Ln 41,42	($134,990)	$5,954	($140,944)
20	Adjustment to Booked SIT	If Taxes are Imputed, Ln 21-Ln 19	$2,213	$2,213	$0
21	Imputed SIT @ %	(Ln 7-Ln 13-Ln24-(Op Inc. Ln48))* Rate	($132,777)	$8,167	($140,944)
22	Adjustment to Imputed SIT	If Taxes are per book, Ln 14-Ln 16	$0	$0	$0
23	Booked - Imputed SIT (Net of Adj)		$0	$0	$0
24	Other Taxes	Net Operating Income, Ln 43,44,45	$92,996	$31,429	$61,567
25	Total Booked Operating Taxes	Ln 14+Ln 15+Ln 19+Ln 20+ Ln 24	($551,103)	$53,189	($604,292)
26	Total Imputed Operating Taxes	Ln 14+Ln 15+Ln 19+Ln 20+ Ln 24	($551,103)	$53,189	($604,292)
	NET OPERATING INCOME				
27	**Net Operating Income (NOI)**	**Ln 7 - Ln 13 - Ln 25**	**($1,665,071)**	**$120,278**	**($1,785,349)**
28	**N.O.I. Adjustment**	**Net Operating Income, Ln 56,57**	**$98,990**	**$0**	**$98,990**
29	**Adjusted Net Operating Income (NOI)**	**Ln 27 + Ln 28**	**($1,566,081)**	**$120,278**	**($1,686,359)**
	RATE OF RETURN ON RATE BASE CALCULATION		**As of End of Period**		
	RATE BASE				
30	Land & Support	Rate Base Development, Ln 3	$2,275,881	$608,798	$1,667,083
31	Central Office Equipment	Rate Base Development, Ln 14	$12,761,624	$3,883,362	$8,878,262
32	Info. Orig. & Term. Equip.	Rate Base Development, Ln 20	$0	$0	$0
33	Cable & Wire Facilities	Rate Base Development, Ln 31	$41,859,038	$10,648,939	$31,210,099
34	Other Investment	Rate Base Development, Ln 34, 35	$659	$176	$483
35	Total Plant in Service	Ln 30 - Ln 34	$56,897,202	$15,141,275	$41,755,927
36	Accumulated Depreciation	Rate Base Development, Ln 46	$47,168,481	$12,511,948	$34,656,533
37	Net Plant in Service	Ln 35 - Ln 36	$9,728,721	$2,629,327	$7,099,394
38	Plant Held for Future Use	Rate Base Development, Ln 47	$0	$0	$0
39	Plant Under Construction	Rate Base Development, Ln 48	$3,817,358	$1,021,143	$2,796,215
40	RTB Class B Stock	Rate Base Development, Ln 49	$0	$0	$0
41	Prepayments	Rate Base Development, Ln 50	$9,016	$2,412	$6,604
42	Materials & Supplies	Rate Base Development, Ln 51	$233,356	$59,366	$173,990
43	Cash Working Capital	Cash Working Capital Develop Ln 3	$220,872	$75,443	$145,429
44	Deferred Income taxes	Rate Base Development, Ln 54	$2,491,807	$666,531	$1,825,276
45	Customer Deposits	Rate Base Development, Ln 55	$0	$0	$0
46	**Rate Base**	**Ln 37 + Ln 38-43, - Ln 44 - Ln 45**	**$11,517,516**	**$3,121,159**	**$8,396,356**
47	**Rate of Return on Rate Base**	**Ln 29 / Ln 46**	**-13.60%**	**3.85%**	**-20.08%**

BLUE RIDGE TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 06/30/22

COST OF CAPITAL STRUCTURE & RETURN ON EQUITY CALCULATION

ACTUAL COST OF CAPITAL - TOTAL COMPANY

			Amount	% Total	Rate	Weighted Cost Rate
1	Short Term Debt	Rate Base, Ln 56	$0	0.00%	0.000%	0.000%
2	Long Term Debt	Rate Base, Ln 59	$0	0.00%	0.000%	0.000%
3	Other	Rate Base, Ln 53	$0	0.00%	7.000%	0.000%
4	Equity	Rate Base, Ln 64	$11,772,197	100.00%	-13.597%	-13.597%
5	Total Capital		$11,772,197	100.00%		-13.597%

ACTUAL COST OF CAPITAL - INTRASTATE ONLY

			Amount	% Total	Rate	Weighted Cost Rate
1	Short Term Debt	Rate Base, Ln 56	$0	0.00%	0.000%	0.000%
2	Long Term Debt	Rate Base, Ln 59	$0	0.00%	0.000%	0.000%
3	Other	Rate Base, Ln 53	$0	0.00%	7.000%	0.000%
4	Equity	Rate Base, Ln 64	$11,772,197	100.00%	-20.084%	-20.084%
5	Total Capital		$11,772,197	100.00%		-20.084%

ALLOWED CAPITAL STRUCTURE - INTRASTATE

			Amount	% Total	Rate	Weighted Cost Rate
1	Short Term Debt	Rate Base, Ln 56	$0	0.00%	0.000%	0.000%
2	Long Term Debt	Rate Base, Ln 59	$0	0.00%	0.000%	0.000%
3	Other	Rate Base, Ln 53	$0	0.00%	7.000%	0.000%
4	Equity	Rate Base, Ln 64	$11,772,197	100.00%	9.250%	9.250%
5	Total Capital		$11,772,197	100.00%		9.250%

REVENUE REQUIREMENT CALCULATION

1	Rate Base (Adjusted Rate Base)	Earnings Report, Ln 46		$8,396,356
2	Allowed Rate of Return on Rate Base	Per GA PSC	Capped	8.00%
3	Net Operating Income Requirement	Line 1 x Ln 2		$671,709
4	Net Operating Income Available (Imputed Adjusted NOI)	Earnings Report, Ln 29		($1,686,359)
5	Operating Income Excess (Deficiency)	Ln 4 - Ln 3		($2,358,068)
6	Income Expansion Factor	1-SIT-FIT+FITxSIT		74.458%
7	Revenue Excess (Deficiency)	Ln 5 / Ln 6		($3,166,998)

BLUE RIDGE TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 06/30/22

CALCULATION OF RATE BASE: 1=AVERAGE **2**
2= YEAR END

DEVELOPMENT OF TOTAL COMPANY RATE BASE

CURRENT YEAR - 06/30/22

	PLANT IN SERVICE	ACCT	BALANCE PER BOOK	LESS: NON-REG.	OTHER ADJUST	SUBJECT TO SEPARATIONS	INTERSTATE ALLOCATION %
1	LAND	2108	60,857	0	0	60,857	
2	OTHER SUPPORT	2109	2,277,853	(54,749)	(8,080)	2,215,024	
3	TOTAL LAND & OTHER SUPPORT	2110	2,338,710	(54,749)	(8,080)	2,275,881	26.75%
4	CENTRAL OFFICE - ANALOG SWITCH	2211	0	0	0	0	
5	- DIGITAL SWITCH	2212	609,341	0	(226,623)	382,718	
6	- ELECTROMECHANICAL SW	2215	0	0	0	0	
7	- OTHER SWITCH	2216	0	0	0	0	
8	- OTHER SWITCH	2217	0	0	0	0	
9	CENTRAL OFFICE - TOTAL SWITCH	2210	609,341	0	(226,623)	382,718	
10	CENTRAL OFFICE - OPERATOR SYS	2220	0	0	0	0	
11	- RADIO	2231	0	0	0	0	
12	- CIRCUIT	2232	12,225,756	0	153,150	12,378,906	
13	CENTRAL OFFICE - TOTAL TRANS.	2230	12,225,756	0	153,150	12,378,906	
14	TOTAL CENTRAL OFFICE EQUIP		12,835,097	0	(73,473)	12,761,624	30.43%
15	STATION APPARATUS	2311	0	0	0	0	
16	CUSTOMER PREMISE WIRING	2321	0	0	0	0	
17	LARGE PBX	2341	0	0	0	0	
18	PUBLIC TELEPHONE EQUIPMENT	2351	0	0	0	0	
19	OTHER TERMINAL EQUIPMENT	2362	739,414	(739,414)	0	0	
20	TOTAL ORIG/TERM EQUIP	2310	739,414	(739,414)	0	0	0.00%
21	POLES	2411	1,137,758	0	0	1,137,758	
22	TOWERS	2412	0	0	0	0	
23	AERIAL CABLE	2421	10,124,873	0	0	10,124,873	
24	UNDERGROUND CABLE	2422	805,521	0	0	805,521	
25	BURIED CABLE	2423	26,886,048	0	(14,132)	26,871,916	
26	SUBMARINE CABLE	2424	0	0	0	0	
27	DEEP SEA CABLE	2425	0	0	0	0	
28	INTRABUILDING CABLE	2426	0	0	0	0	
29	AERIAL WIRE	2431	103,339	0	0	103,339	
30	CONDUIT SYSTEM	2441	2,815,631	0	0	2,815,631	
31	TOTAL CABLE AND WIRE	2410	41,873,170	0	(14,132)	41,859,038	25.44%
32	CAPITAL LEASES	2681	0	0	0	0	
33	LEASE HOLD IMPROVEMENTS	2682	0	0	0	0	
34	TOTAL AMORTIZABLE ASSETS	2680	0	0	0	0	
35	INTANGIBLES	2690	11,720	(11,061)	0	659	26.75%
36	TOTAL PLANT IN SERVICE	2001	57,798,111	(805,224)	(95,685)	56,897,202	26.75%

	ACCUMULATED DEPRECIATION AND AMORT	ACCT	BALANCE PER BOOK	LESS: NON-REG.	OTHER ADJUST	SUBJECT TO SEPARATIONS	INTERSTATE ALLOCATION %
37	OTHER SUPPORT	3100-2109	1,907,955	(51,171)	(7,394)	1,849,390	
38	CENTRAL OFFICE - TOTAL SWITCH	2210	594,056	0	(220,256)	373,800	
39	CENTRAL OFFICE - OPERATOR SYS	2220	0	0	0	0	
40	CENTRAL OFFICE - TOTAL TRANS.	2230	8,234,449	0	185,272	8,419,721	
41	TOTAL ORIG/TERM EQUIP	2310	320,503	(320,503)	0	0	
42	TOTAL CABLE AND WIRE	2410	36,537,935	0	(12,365)	36,525,570	
43	CAPITAL LEASES	2681	0	0	0	0	
44	LEASE HOLD IMPROVEMENTS	2682	0	0	0	0	
45	INTANGIBLES	2690	0	0	0	0	
46	TOTAL ACCUMULATED DEP. And AMORT	3100	47,594,898	(371,674)	(54,743)	47,168,481	26.53%

BLUE RIDGE TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 06/30/22

CALCULATION OF RATE BASE: 1=AVERAGE **2**
2= YEAR END

DEVELOPMENT OF TOTAL COMPANY RATE BASE

CURRENT YEAR - 06/30/22
PLANT IN SERVICE

		ACCT	BALANCE PER BOOK	LESS: NON-REG.	OTHER ADJUST	SUBJECT TO SEPARATIONS	INTERSTATE ALLOCATION %
47	PROPERTY HELD FOR FUTURE USE	2002	0	0	0	0	26.75%
48	PLANT UNDER CONSTRUCTION	2003	3,827,487	(10,129)	0	3,817,358	26.75%
49	RTB CLASS B STOCK	1402	0	0	0	0	26.75%
50	PREPAYMENTS	1280-1330	9,016	0	0	9,016	26.75%
51	MATERIALS & SUPPLIES	1220	233,356	0	0	233,356	25.44%
52	CASH WORKING CAPITAL				220,872	220,872	Calculated
53	CUSTOMER DEPOSITS	4040	0	0	0	0	26.75%
54	DEFERRED INCOME TAXES	4340	2,590,044	(98,237)	0	2,491,807	26.75%
55	TOTAL RATE BASE		11,683,028	(345,442)	179,930	11,517,516	
	Other Balance Sheet Accounts:						
56	SHORT TERM DEBT	4020	0	0	0	0	
57	CURRENT MATURITIES - LTD	4050	0	0	0	0	
58	LONG TERM DEBT	4200	0	0	0	0	
59	TOTAL LONG TERM DEBT	4500	0	0	0	0	
60	COMMON STOCK	4510	20,400	0	0	20,400	
61	ADDITIONAL PAID-IN CAPITAL	4520	273,690	0	0	273,690	
62	OTHER CAPITAL	4540	128,180	0	0	128,180	
63	RETAINED EARNINGS	4550	11,349,927	0	0	11,349,927	
64	TOTAL COMMON EQUITY	4500	11,772,197	0	0	11,772,197	

BLUE RIDGE TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 06/30/22

		RATE BASE ADJUSTMENTS DEBIT	CREDIT
	Non-Regulated Adjustments:		
1	Nonreg		7,652
	2109		54,749
	2690		11,061
	3100-2109	51,171	
	4340	22,291	
	Part 64 Adjustment to remove non-regulated portion of GSA (#1).		
2	4340	75,946	
	Exclude		75,946
	Exclude non-regulated asset portion of deferred income taxes (#7).		
3	2362		739,414
	Exclude	739,414	
	3100-2310	320,503	
	Exclude		320,503
	Exclude non-regulated investment and reserve.		
4	2003		10,129
	Exclude	10,129	
	Exclude nonregulated plant under construction.		
	Other Adjustments		
5	4340		
	Exclude		-
	Exclude non-plant related deferred income taxes (#6).		
6	2232		81,553
	2423		14,132
	3100-2230	42,378	
	3100-2410	12,365	
	Exclude	40,942	
	Adjust Lease, Multi Gig and IPCP Piece of Multi Gig (#10 & 11).		
7	3100-2210	220,256	
	3100-2230		220,256
	2210		226,623
	2230	226,623	
	Transfer investment and reserve to match asset from detail provided on CPR (#9).		
8	2232	8,080	
	2109		8,080
	3100-2230		7,394
	3100-2109	7,394	
	Transfer IPCP router from GSA to COE Transmission (#12).		
9	4340		-
	Exclude	-	
	Record Interstate Excess ADFIT not in SAP as of 6/30/21.		

BLUE RIDGE TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 06/30/22

NOT USED IN RATE BASE CALCULATION

DEVELOPMENT OF TOTAL COMPANY RATE BASE

PRIOR YEAR - 06/30/21

	PLANT IN SERVICE	ACCT	BALANCE PER BOOK	LESS: NON-REG.	OTHER ADJUST	SUBJECT TO SEPARATIONS	INTERSTATE ALLOCATION %
1	LAND	2108	60,857	0	0	60,857	
2	OTHER SUPPORT	2109	2,334,474	(60,544)	(8,080)	2,265,850	
3	TOTAL LAND & OTHER SUPPORT	2110	2,395,331	(60,544)	(8,080)	2,326,707	26.95%
4	CENTRAL OFFICE - ANALOG SWITCH	2211	0	0	0	0	
5	- DIGITAL SWITCH	2212	702,626	0	(2,263)	700,363	
6	- ELECTROMECHANICAL SW	2215	0	0	0	0	
7	- OTHER SWITCH	2216	0	0	0	0	
8	- OTHER SWITCH	2217	0	0	0	0	
9	CENTRAL OFFICE - TOTAL SWITCH	2210	702,626	0	(2,263)	700,363	
10	CENTRAL OFFICE - OPERATOR SYS	2220	0	0	0	0	
11	- RADIO	2231	0	0	0	0	
12	- CIRCUIT	2232	11,828,246	0	(71,210)	11,757,036	
13	CENTRAL OFFICE - TOTAL TRANS.	2230	11,828,246	0	(71,210)	11,757,036	
14	TOTAL CENTRAL OFFICE EQUIP		12,530,872	0	(73,473)	12,457,399	30.55%
15	STATION APPARATUS	2311	0	0	0	0	
16	CUSTOMER PREMISE WIRING	2321	0	0	0	0	
17	LARGE PBX	2341	0	0	0	0	
18	PUBLIC TELEPHONE EQUIPMENT	2351	0	0	0	0	
19	OTHER TERMINAL EQUIPMENT	2362	412,294	(412,294)	0	0	
20	TOTAL ORIG/TERM EQUIP	2310	412,294	(412,294)	0	0	0.00%
21	POLES	2411	1,135,396	0	0	1,135,396	
22	TOWERS	2412	0	0	0	0	
23	AERIAL CABLE	2421	9,621,262	0	0	9,621,262	
24	UNDERGROUND CABLE	2422	567,039	0	0	567,039	
25	BURIED CABLE	2423	25,338,818	0	(14,132)	25,324,686	
26	SUBMARINE CABLE	2424	0	0	0	0	
27	DEEP SEA CABLE	2425	0	0	0	0	
28	INTRABUILDING CABLE	2426	0	0	0	0	
29	AERIAL WIRE	2431	103,339	0	0	103,339	
30	CONDUIT SYSTEM	2441	2,257,010	0	0	2,257,010	
31	TOTAL CABLE AND WIRE	2410	39,022,864	0	(14,132)	39,008,732	25.44%
32	CAPITAL LEASES	2681	0	0	0	0	
33	LEASE HOLD IMPROVEMENTS	2682	0	0	0	0	
34	TOTAL AMORTIZABLE ASSETS	2680	0	0	0	0	
35	INTANGIBLES	2690	73,602	(34,389)	0	39,213	26.95%
36	TOTAL PLANT IN SERVICE	2001	54,434,963	(507,227)	(95,685)	53,832,051	26.95%

	ACCUMULATED DEPRECIATION AND AMORT	ACCT	BALANCE PER BOOK	LESS: NON-REG.	OTHER ADJUST	SUBJECT TO SEPARATIONS	INTERSTATE ALLOCATION %
37	OTHER SUPPORT	3100-2109	1,926,667	(56,166)	(7,329)	1,863,172	
38	CENTRAL OFFICE - TOTAL SWITCH	2210	690,156	0	(2,254)	687,902	
39	CENTRAL OFFICE - OPERATOR SYS	2220	0	0	0	0	
40	CENTRAL OFFICE - TOTAL TRANS.	2230	7,486,967	0	(28,446)	7,458,521	
41	TOTAL ORIG/TERM EQUIP	2310	206,930	(206,930)	0	0	
42	TOTAL CABLE AND WIRE	2410	35,696,150	0	(11,986)	35,684,164	
43	CAPITAL LEASES	2681	0	0	0	0	
44	LEASE HOLD IMPROVEMENTS	2682	0	0	0	0	
45	INTANGIBLES	2690	0	0	0	0	
46	TOTAL ACCUMULATED DEP. And AMORT	3100	46,006,870	(263,096)	(50,015)	45,693,759	26.72%

BLUE RIDGE TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 06/30/22

NOT USED IN RATE BASE CALCULATION

DEVELOPMENT OF TOTAL COMPANY RATE BASE

PRIOR YEAR - 06/30/21
PLANT IN SERVICE

		ACCT	BALANCE PER BOOK	LESS: NON-REG.	OTHER ADJUST	SUBJECT TO SEPARATIONS	INTERSTATE ALLOCATION %
47	PROPERTY HELD FOR FUTURE USE	2002	0	0	0	0	26.95%
48	PLANT UNDER CONSTRUCTION	2003	1,479,115	(918)	0	1,478,197	26.95%
49	RTB CLASS B STOCK	1402	0	0	0	0	26.95%
50	PREPAYMENTS	1280-1330	14,720	0	0	14,720	26.95%
51	MATERIALS & SUPPLIES	1220	141,026	0	0	141,026	25.44%
52	CASH WORKING CAPITAL				197,460	212,484	Calculated
53	CUSTOMER DEPOSITS	4040	0	0	0	0	26.95%
54	DEFERRED INCOME TAXES	4340	2,250,234	(82,781)	13,935	2,181,388	26.95%
55	TOTAL RATE BASE		7,812,720	(162,268)	152,879	7,803,331	
	Other Balance Sheet Accounts:						
56	SHORT TERM DEBT	4020	0	0	0	0	
57	CURRENT MATURITIES - LTD	4050	0	0	0	0	
58	LONG TERM DEBT	4200	0	0	0	0	
59	TOTAL LONG TERM DEBT	4500	0	0	0	0	
60	COMMON STOCK	4510	20,400	0	0	20,400	
61	ADDITIONAL PAID-IN CAPITAL	4520	73,690	0	0	73,690	
62	OTHER CAPITAL	4540	59,268	0	0	59,268	
63	RETAINED EARNINGS	4550	9,559,077	0	0	9,559,077	
64	TOTAL COMMON EQUITY	4500	9,712,435	0	0	9,712,435	

BLUE RIDGE TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 06/30/22

CALCULATION OF CASH WORKING CAPITAL (CWC)

1. CASH OPERATING EXPENSES	SOURCE	Total Company	Interstate	Intrastate
A. Total Operating Expenses	Net Income Development, Ln 37	$8,048,748	$2,426,270	$5,622,478
B. Depreciation & Amortization	Net Income Development, Ln 29	$1,781,391	$497,367	$1,284,024
C. Fixed Charges	Net Income Development, Ln 48	$0	$0	$0
D. Cash Operating Federal Income Taxes	Net Income Development, Ln 38, Ln 39	($792,420)	($114,892)	($677,528)
E. Cash Operating State & Local Taxes	Net Income Development, Ln 41	($193,401)	($9,670)	($183,731)
F. Other Operating Taxes	Net Income Development, Ln 43, Ln 44, Ln 45	$92,996	$31,429	$61,567
G. Total Cash Operating Expenses	(a-b+c+d+e+f)	$5,374,532	$1,835,770	$3,538,762
2. % LAG	FCC Default	4.1096%	4.1096%	4.1096%
3. TOTAL CASH WORKING CAPITAL		$220,872	$75,443	$145,429

BLUE RIDGE TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 06/30/22

DEVELOPMENT OF NET OPERATING INCOME

	OPERATING REVENUES	ACCOUNT	BALANCE PER BOOK	NON REG ADJUST	OTHER ADJUST	ADJUST FED HCL REVENUE	SUBJECT TO SEPARATIONS
1	LOCAL REVENUE	5000	1,644,294	0	695,921	0	2,340,215
2	INTERSTATE ACCESS REVENUE *(INCLUDING USF HCL REVENUES)*	5081-5083	2,615,101	0	(32,557)	0	2,582,544
3	INTRASTATE ACCESS REVENUE	5084	3,082,976	0	(2,458,067)		624,909
4	FEDERAL USF HIGH COST LOOP REV.		0	0			0
5	LONG DISTANCE NETWORK SERVICES	5100	0	0	0		0
6	INTERSTATE MISCELLANEOUS	5200	29,244	0	0		29,244
7	INTRASTATE MISCELLANEOUS	5200	113,834	0	0		113,834
8	OTHER MISC REVENUES (Interstate)	5200	1,916	0			1,916
8a	OTHER MISC REVENUES (Intrastate)	5200	311,814	0	(195,431)		116,383
9	TOTAL MISCELLANEOUS REVENUES	5200	456,808	0	(195,431)		261,377
10	NON REGULATED REVENUES	5280	5,584,973	(5,584,973)			0
11	UNCOLLECTIBLES - Total	5300	(23,529)	0	0		(23,529)
	Uncollectibles - Interstate (included in Ln 11)		13,967	0	0		13,967
12	TOTAL OPERATING REVENUES		**13,407,681**	**(5,584,973)**	**(1,990,134)**	**0**	**5,832,574**

	OPERATING EXPENSES AND TAXES	ACCOUNT	BALANCE PER BOOK	NON REG ADJUST	OTHER ADJUST	SUBJECT TO SEPARATIONS	INTERSTATE ALLOCATION %
13	NETWORK SUPPORT EXPENSE	6110	36,611	0	282	36,893	
14	GENERAL SUPPORT EXPENSE	6120	316,011	0	11,110	327,121	
15	C.O. SWITCHING EXPENSE	6210	99,295	0	(1,100)	98,195	
16	C.O. OPERATOR EXPENSE	6220	0				
17	C.O. TRANSMISSION EXPENSE	6230	333,647	0	17,388	351,035	
18	INFOR. ORIG. & TERM. EXPENSE	6310/7990	3,024,882	(3,024,882)	0	0	
19	CABLE & WIRE FACILITIES EXPENSE	6410	1,359,068	0	9,676	1,368,744	
20	**TOTAL PLANT SPECIFIC EXPENSE**	**6999**	**5,169,514**	**(3,024,882)**	**37,356**	**2,181,988**	26.56%
21	OTHER PROPERTY & EQPT EXPENSE	6510	0	0	0	0	26.75%
22	NETWORK OPERATIONS EXPENSE	6530	1,214,958	0	29,714	1,244,672	26.75%
23	ACCESS EXPENSE	6540	269,998	0	2,921	272,919	78.20%
24	DEPRECIATION EXPENSE	6561	1,658,190	0	78,927	1,737,117	27.95%
25	DEP. EXPENSE OTHER PROPERTY	6562	0	0	0	0	26.75%
26	AMORTIZATION EXP - TANGIBLE	6563	0	0	0	0	26.75%
27	AMORTIZATION EXP - INTANGIBLE	6564	28,655	0	15,619	44,274	26.75%
28	AMORTIZATION EXP - OTHER	6565	0	0	0	0	26.75%
29	**DEPRECIATION & AMORTIZATION EXP**	**6560**	**1,686,845**	**0**	**94,546**	**1,781,391**	
30	**TOTAL PLANT NON-SPFC OPER EXP**	**6599**	**3,171,801**	**0**	**127,181**	**3,298,982**	

BLUE RIDGE TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 06/30/22

DEVELOPMENT OF NET OPERATING INCOME

	OPERATING EXPENSES (CON'T)	ACCOUNT	BALANCE PER BOOK	NON REG ADJUST	OTHER ADJUST	SUBJECT TO SEPARATIONS	INTERSTATE ALLOCATION %
31	MARKETING EXPENSE	6610	416,574	0	6,235	422,809	
32	SERVICE EXPENSE	6620	357,028	0	(98,560)	258,468	
33	**TOTAL CUSTOMER OPERATIONS EXP**	**6699**	**773,602**	**0**	**(92,325)**	**681,277**	37.46%
34	EXECUTIVE EXPENSE	6710	316,990	0	(2,269)	314,721	
35	GENERAL & ADMINISTRATION EXPENSE	6720	1,555,036	0	16,744	1,571,780	
36	**TOTAL CORPORATE OPERATIONS EXP**	**6799**	**1,872,026**	**0**	**14,475**	**1,886,501**	29.04%
37	**TOTAL OPERATING EXPENSES**		**10,986,943**	**(3,024,882)**	**86,687**	**8,048,748**	
38	INVESTMENT TAX CREDIT (ENTER AS NEG)	7210	0	0	0	0	
39	FEDERAL INCOME TAX	7220	109,754	(511,574)	(390,600)	(792,420)	
40	FEDERAL INCOME TAX (DEFERRED)	7250	322,177	3,082	(50,368)	274,891	
41	STATE INCOME TAX	7230	110,433	(139,371)	(164,463)	(193,401)	
42	STATE INCOME TAX (DEFERRED)	7250	11,387	937	46,087	58,411	
43	AD VALOREM TAX	7240	99,103	0	(6,107)	92,996	33.80%
44	GROSS RECEIPTS TAX	7240	0	0	0	0	0.00%
45	PSC FEES	7240	0	0	0	0	0.00%
46	TOTAL OPERATING TAXES	**7200**	**652,854**	**(646,926)**	**(565,451)**	**(559,523)**	
47	**NET OPERATING INCOME**		**1,767,884**	**(1,913,165)**	**(1,511,370)**	**(1,656,651)**	

Additional Items:

48	FIXED CHARGES	7500	0	0	0	0	0.00%

49	FIT / SIT Methodology (1=Imputed, 2=Per Book)	1			
50	FIT IMPUTED AT:	21.00%			
51	SIT IMPUTED AT:	5.75%			
52	SHORT TERM DEBT RATE:	0.00%	Comments		
53	LONG TERM DEBT RATE:	0.00%	Comments		
54	CUSTOMER DEPOSIT RATE:	7.00%	Comments	Per GA PSC	
55	AUTHORIZED ROE:	9.250%	Source:	Per GA PSC	
56	Net Operating Income (NOI) Adjustment - Interstate	$0	Note: Must be computed after Tax if taxes apply.		
57	Net Operating Income (NOI) Adjustment - Intrastate	$98,990	Note: Must be computed after Tax if taxes apply.		
				GDPCPI (USF Growth Factor):	1.230568
58	Access Lines at 12/31/21	8,739			
59	Allowed Executive Expense: ($200,000 + Ln 58 x $78)	$881,642		Calculation of USF Corporate Cap:	FCC Formula:
60	Base Executive Expense Per Study	$314,721			
61	Is Cap Exceeded ?	NO	Under 6,000 Lps	(42.337 - (.00328 x Ln 70)) x Ln70 x 12 mo x GDPCPI	1,634,361
62	Amount Removed from UAF Application:	$0		(63,000 / Ln 70) x Ln 70 x 12 (mo) x GDPCPI	930,309
63	Executive Expense for UAF Application:	$314,721		(Use Higher of Above)	1,634,361
64	Overall Corporate Operations Expense	$1,886,501	6,000 to 17,886	((117,990 / Ln70) + 3.007)) x Ln 70 x 12 (mo) x GDPCPI	2,153,782
65	Total Annual Maximum Corp Ops (cap)	$2,153,782			
66	Is Cap Exceeded ?	NO	Over 17,886	(9.562 x Ln 70 x 12)*GDPCPI	1,308,362
67	Amount Removed from UAF Application:	$0			
68	Corporate Expense for UAF Application:	$1,886,501		Value Selected Based on Access Line Size:	2,153,782
69	USF 1.3 Loops at 12/31/21	8,630		Base Corporate Expense Per Filing:	1,886,501
70	Total Loops at 12/31/21	9,266		Reduction Based on USF Corporate Cap	0

(Ln 69 and Ln 70 include CBOL Lines Per 2018 FCC Order)

BLUE RIDGE TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 06/30/22

Revenue and Expense Adjustments

		DEBIT	CREDIT
Revenue Adjustments			
	Non-Regulated Adjustments:		
1	5280	5,584,973	
	Exclude		5,584,973
	To remove non-regulated operating revenue.		
	Other Adjustments:		
2	6410		5,451
	7160	5,451	
	Transfer Other Operating Gain(Loss) to Plant Specific Expense.		
3	5240		
	PPA		-
	To exclude PPA pole revenues.		
4	5082	1,177	
	5083	-	
	5084	3,839	
	PPA		5,016
	To remove CAF 2019-2020 true-up.		
5	5084	2,485,902	
	Exclude		2,485,902
	To remove state high cost UAF support.		
6	Not Used.		
7	Discount	294	
	5084		294
	To impute revenue to offset reductions associated with the allocation of end user bundle discounts.		
8	Exclude	695,921	
	5000		695,921
	To impute local revenues - impact of HB 168. See Tab 7.6.		
9	5081	-	
	5082	31,380	
	5084		31,380
	Jurisdictional transfer to intrastate for ICC-CAF revenue recording.		
10	Not Used.		
Expense Adjustments			
11	Exclude	40,344	
	7250 (Fed)		40,344
	Add amortization of interstate other than SPA for Jul 2020-Jun 2021 not recorded in SAP.		
12	Not Used.		
13	Exclude	3,024,882	
	6310/7990		3,024,882
	To exclude non-regulated operating expenses from test period.		

BLUE RIDGE TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 06/30/22

Revenue and Expense Adjustments

		DEBIT	CREDIT
14	Exclude	646,926	
	7220		511,574
	7230		139,371
	7250 (Fed)	3,082	
	7250 (State)	937	
	To exclude non-regulated taxes from test period.		
15	Exclude	-	15,756
	6110		
	6120	221	
	6530	357	
	6561	3,681	
	6564	15,619	
	6610		199
	6620		9,910
	6710	209	
	6720	6,224	
	7240		446
	To adjust Part 64 allocations (#10 & 11).		
16	Exclude	7,141	
	6561		7,141
	Remove IPCP Router and Multi Gig depreciation expenses (#17, 18, & 24).		
17	7240		93
	Exclude	93	
	Remove Multi Gig taxes (#19).		
18	6230		1,246
	6410		424
	Exclude	1,670	
	Exclude Maint Exp for Multi Gig (#20).		
19	6110	272	
	6120	4,037	
	6230	10,610	
	6530	11,111	
	6561	39,783	
	6610	6,785	
	6620	3,179	
	6720	14,995	
	7240	-	711
	Exclude		90,061
	Reverse WBI Adjustment for Part 36 calculation.		
20	5264	195,431	
	5240		-
	6210		1,100
	6620		91,685
	6720		25,440
	7240		11,456
	Exclude		65,750
	To net miscellaneous revenue items against expense for jurisdictional separations, exclude Multi Gig revenue related to excluded net investment and expenses and nonregulated late fees (#4).		

BLUE RIDGE TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 06/30/22

			Revenue and Expense Adjustments	
			DEBIT	**CREDIT**
21	7220			400,313
	7230			119,066
	7220		9,713	
	7230			45,397
	72501			10,024
	72502		46,087	
	Net Adjustment		519,000	
	To remove PPA for income taxes and reflect income tax effect of test year revenue and expense adjustments.			
22	6110		348	
	6120		6,852	
	6230		8,024	
	6410		15,551	
	6530		18,751	
	6540		1,544	
	6561		42,604	
	6720		23,518	
	7240			229
	Exclude			116,963
	Reverse Managed IP Adjustment for Part 36 calculation.			
23	6110		-	
	6120			6,852
	6230			8,024
	6410			15,551
	6530			18,751
	6561			42,604
	6720			23,518
	7100			17,648
	7240			-
	7220		26,314	
	7230		7,645	
	Intrastate NOI Adjustment		98,990	
	Move Managed IP Adjustment to nonreg in Net Income Dev. Cell C117.			
24	6110			84
	6120			
	6210			-
	6230			-
	6410			-
	6510			-
	6530			-
	6540		1,377	
	6610			
	6720			1,337
	7240		6,828	
	Net Adjustment		6,784	
	To remove prior period adjustments, meals, travel and entertainment.			
25	6110			254
	6530			505
	6610			351
	6620			144
	6710			2,478
	6720			1,216
	Exclude		4,948	
	To remove non-allowable expenses per FCC USF order (#26).			
26	For federal income tax calulation only to subtract the amortization of Excess ADFIT applicable to test year.			54,279
	This amount should not be included as an adjustment in the Net Income Dev. Included in Earnings Tab formula in row 108.			