NELSON-BALL GROUND TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 6/30/2022

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	$1,283,853	$0	$1,283,853
2	Access Charges	Net Operating Income, Ln 2, 3	$1,363,972	$1,166,875	$197,097
3	LD Messages	Net Operating Income, Ln 5	$0	$0	$0
4	Billing & Collection	Net Operating Income, Ln 6, 7	$40,744	$9,937	$30,807
5	Other Miscellaneous Revenue	Net Operating Income, Ln 8	$54,976	$1,950	$53,026
6	Less: Uncollectibles	Net Operating Income, Ln 11	$902	$4,131	($3,229)
7	**Total Regulated Operating Revenue**	**Ln 1+Ln 2+Ln 3+Ln 4+Ln 5-Ln 6**	$2,742,643	$1,174,631	$1,568,012
	OPERATING EXPENSES				
8	Plant Specific	Net Operating Income, Ln 20	$1,333,522	$532,342	$801,180
9	Plant Non-Specific	Net Operating Income, Ln 21,22,23	$832,261	$407,888	$424,373
10	Depreciation & Amortization	Net Operating Income, Ln 29	$863,295	$444,785	$418,510
11	Customer Operations	Net Operating Income, Ln 33	$363,322	$127,780	$235,542
12	Corporate Operations	Net Operating Income, Ln 36	$1,123,073	$450,015	$673,058
13	**Total Operating Expenses**	**Ln 8+Ln 9+Ln 10+Ln 11+Ln 12**	$4,515,473	$1,962,810	$2,552,663
	OPERATING TAXES				
14	Federal Income Tax -Booked	Net Operating Income, Ln 38,39,40	($341,766)	($145,774)	($195,992)
15	Adjustment to Booked FIT	If Taxes are Imputed, Ln 16-Ln 14	($15,351)	($13,139)	($2,212)
16	Imputed FIT @ %	(Ln 7-Ln 13-Ln24-Ln21-(Op Inc Ln48))* Rate + Amortization of Excess ADFIT	($357,117)	($158,913)	($198,204)
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	($101,057)	($43,476)	($57,581)
20	Adjustment to Booked SIT	If Taxes are Imputed, Ln 21-Ln 19	($2,691)	($2,691)	$0
21	Imputed SIT @ %	(Ln 7-Ln 14-Ln24-(Op Inc. Ln48))* Rate	($103,748)	($46,166)	($57,581)
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	$31,475	$14,716	$16,759
25	Total Booked Operating Taxes	Ln 14+Ln 15+Ln 19+Ln 20+ Ln 24	($429,389)	($190,363)	($239,026)
26	Total Imputed Operating Taxes	Ln 14+Ln 15+Ln 19+Ln 20+ Ln 24	($429,389)	($190,363)	($239,026)
	NET OPERATING INCOME				
27	**Net Operating Income (NOI)**	**Ln 7 - Ln 13 - Ln 25**	**($1,343,441)**	**($597,816)**	**($745,625)**
28	**N.O.I. Adjustment**	**Net Operating Income, Ln 56,57**	**$67,615**	**$0**	**$67,615**
29	**Adjusted Net Operating Income (NOI)**	**Ln 27 + Ln 28**	**($1,275,826)**	**($597,816)**	**($678,010)**
	RATE OF RETURN ON RATE BASE CALCULATION		**As of End of Period**		
	RATE BASE				
30	Land & Support	Rate Base Development, Ln 3	$1,706,130	$731,589	$974,541
31	Central Office Equipment	Rate Base Development, Ln 14	$12,496,225	$6,892,918	$5,603,307
32	Info. Orig. & Term. Equip.	Rate Base Development, Ln 20	$0	$0	$0
33	Cable & Wire Facilities	Rate Base Development, Ln 31	$21,446,603	$7,589,953	$13,856,650
34	Other Investment	Rate Base Development, Ln 34, 35	$463	$199	$264
35	Total Plant in Service	Ln 30 - Ln 34	$35,649,422	$15,214,659	$20,434,763
36	Accumulated Depreciation	Rate Base Development, Ln 46	$32,984,903	$13,851,694	$19,133,209
37	Net Plant in Service	Ln 35 - Ln 36	$2,664,519	$1,362,965	$1,301,554
38	Plant Held for Future Use	Rate Base Development, Ln 47	$0	$0	$0
39	Plant Under Construction	Rate Base Development, Ln 48	$2,046,916	$877,718	$1,169,198
40	RTB Class B Stock	Rate Base Development, Ln 49	$0	$0	$0
41	Prepayments	Rate Base Development, Ln 50	$0	$0	$0
42	Materials & Supplies	Rate Base Development, Ln 51	$206,407	$73,058	$133,349
43	Cash Working Capital	Cash Working Capital Develop Ln 3	$131,549	$54,510	$77,039
44	Deferred Income taxes	Rate Base Development, Ln 54	$695,322	$298,295	$397,027
45	Customer Deposits	Rate Base Development, Ln 55	$0	$0	$0
46	**Rate Base**	**Ln 37 + Ln 38-43, - Ln 44 - Ln 45**	**$4,354,069**	**$2,069,956**	**$2,284,113**
47	**Rate of Return on Rate Base**	**Ln 29 / Ln 46**	**-29.30%**	**-28.88%**	**-29.68%**

NELSON-BALL GROUND TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 6/30/2022

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	$3,635,623	100.00%	-29.302%	-29.302%
5	Total Capital		$3,635,623	100.00%		-29.302%

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	$3,635,623	100.00%	-29.684%	-29.684%
5	Total Capital		$3,635,623	100.00%		-29.684%

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	$3,635,623	100.00%	9.250%	9.250%
5	Total Capital		$3,635,623	100.00%		9.250%

REVENUE REQUIREMENT CALCULATION

1	Rate Base (Adjusted Rate Base)	Earnings Report, Ln 46		$2,284,113
2	Allowed Rate of Return on Rate Base	Per GA PSC	Capped	8.00%
3	Net Operating Income Requirement	Line 1 x Ln 2		$182,729
4	Net Operating Income Available (Imputed Adjusted NOI)	Earnings Report, Ln 29		($678,010)
5	Operating Income Excess (Deficiency)	Ln 4 - Ln 3		($860,739)
6	Income Expansion Factor	1-SIT-FIT+FITxSIT		74.458%
7	Revenue Excess (Deficiency)	Ln 5 / Ln 6		($1,156,014)

NELSON-BALL GROUND TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 6/30/2022

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	142,342	0	0	142,342	
2	OTHER SUPPORT	2109	1,586,545	(22,757)	0	1,563,788	
3	TOTAL LAND & OTHER SUPPORT	2110	1,728,887	(22,757)	0	1,706,130	42.88%
4	CENTRAL OFFICE - ANALOG SWITCH	2211	0	0	0	0	
5	- DIGITAL SWITCH	2212	4,056,973	0	(525,701)	3,531,272	
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	4,056,973	0	(525,701)	3,531,272	
10	CENTRAL OFFICE - OPERATOR SYS	2220	0	0	0	0	
11	- RADIO	2231	0	0	0	0	
12	- CIRCUIT	2232	8,498,739	0	466,214	8,964,953	
13	CENTRAL OFFICE - TOTAL TRANS.	2230	8,498,739	0	466,214	8,964,953	
14	TOTAL CENTRAL OFFICE EQUIP		12,555,712	0	(59,487)	12,496,225	55.16%
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	446,148	(446,148)	0	0	
20	TOTAL ORIG/TERM EQUIP	2310	446,148	(446,148)	0	0	0.00%
21	POLES	2411	945,136	0	0	945,136	
22	TOWERS	2412	0	0	0	0	
23	AERIAL CABLE	2421	7,480,793	0	0	7,480,793	
24	UNDERGROUND CABLE	2422	469,460	0	0	469,460	
25	BURIED CABLE	2423	11,392,289	0	(3,947)	11,388,342	
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	28,932	0	0	28,932	
30	CONDUIT SYSTEM	2441	1,133,940	0	0	1,133,940	
31	TOTAL CABLE AND WIRE	2410	21,450,550	0	(3,947)	21,446,603	35.39%
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	7,022	(6,559)	0	463	42.88%
36	TOTAL PLANT IN SERVICE	2001	36,188,320	(475,464)	(63,434)	35,649,422	42.88%

NELSON-BALL GROUND TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 6/30/2022

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

DEVELOPMENT OF TOTAL COMPANY RATE BASE

CURRENT YEAR - 06/30/22

	ACCUMULATED DEPRECIATION AND AMORT	ACCT	BALANCE PER BOOK	LESS: NON-REG.	OTHER ADJUST	SUBJECT TO SEPARATIONS	INTERSTATE ALLOCATION %
37	OTHER SUPPORT	3100-2109	1,491,082	(20,697)	0	1,470,385	
38	CENTRAL OFFICE - TOTAL SWITCH	2210	4,056,973	0	(525,701)	3,531,272	
39	CENTRAL OFFICE - OPERATOR SYS	2220	0	0	0	0	
40	CENTRAL OFFICE - TOTAL TRANS.	2230	7,002,330	0	481,842	7,484,172	
41	TOTAL ORIG/TERM EQUIP	2310	313,776	(313,776)	0	0	
42	TOTAL CABLE AND WIRE	2410	20,503,015	0	(3,941)	20,499,074	
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	33,367,176	(334,473)	(47,800)	32,984,903	41.99%
47	PROPERTY HELD FOR FUTURE USE	2002	0	0	0	0	42.88%
48	PLANT UNDER CONSTRUCTION	2003	2,296,287	(249,371)	0	2,046,916	42.88%
49	RTB CLASS B STOCK	1402	0	0	0	0	42.88%
50	PREPAYMENTS	1280-1330	0	0	0	0	42.88%
51	MATERIALS & SUPPLIES	1220	206,407	0	0	206,407	35.40%
52	CASH WORKING CAPITAL				131,549	131,549	Calculated
53	CUSTOMER DEPOSITS	4040	0	0	0	0	42.88%
55	DEFERRED INCOME TAXES	4340	633,398	61,924	0	695,322	42.90%
56	TOTAL RATE BASE		4,690,440	(452,286)	115,915	4,354,069	
	Other Balance Sheet Accounts:						
57	SHORT TERM DEBT	4020	0	0	0	0	
58	CURRENT MATURITIES - LTD	4050	0	0	0	0	
59	LONG TERM DEBT	4200	0	0	0	0	
60	TOTAL LONG TERM DEBT	4500	0	0	0	0	
61	COMMON STOCK	4510	1,000	0	0	1,000	
62	ADDITIONAL PAID-IN CAPITAL	4520	29,593	0	0	29,593	
63	OTHER CAPITAL	4540	(126,243)	0	0	(126,243)	
64	RETAINED EARNINGS	4550	3,731,273	0	0	3,731,273	
65	TOTAL COMMON EQUITY	4500	3,635,623	0	0	3,635,623	

NELSON-BALL GROUND TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 6/30/2022

RATE BASE ADJUSTMENTS

		DEBIT	CREDIT
	Non-Regulated Adjustments:		
1	Nonreg	3,130	
	2109		22,757
	2690		6,559
	3100-2109	20,697	
	4340	5,489	
	Part 64 Adjustment to remove non-regulated portion of GSA (#1).		
2	4340		67,413
	Exclude	67,413	
	Exclude non-regulated asset portion of deferred income taxes (#7).		
3	2362		446,148
	3100-2310	313,776	
	Exclude	132,372	
	Exclude non-regulated investment and reserve.		
	Other Adjustments		
4	Not Used.		
5	2003		249,371
	Exclude	249,371	
	Exclude non-regulated plant under construction.		
6	4340		-
	Exclude	-	
	Exclude non-plant related deferred income taxes (#6).		
7	3100-2210	525,701	
	3100-2230		525,701
	2210		525,701
	2230	525,701	
	Transfer Investment and Reserve to Match Asset from Detail Provided on CPR (#9).		
8	2230		59,487
	2423		3,947
	3100-2230	43,859	
	3100-2410	3,941	
	Exclude	15,634	
	Exclude Leased, IPCP Router and Multi Gig net investment (#10 &11).		
9	4340		-
	Exclude	-	
	Record Interstate Excess ADFIT not in SAP as of 6/30/20.		

NELSON-BALL GROUND TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 6/30/2022

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	142,342	0	0	142,342	
2	OTHER SUPPORT	2109	1,605,598	(25,940)	0	1,579,658	
3	TOTAL LAND & OTHER SUPPORT	2110	1,747,940	(25,940)	0	1,722,000	42.39%
4	CENTRAL OFFICE - ANALOG SWITCH	2211	0	0	0	0	
5	- DIGITAL SWITCH	2212	4,056,973	0	(549,574)	3,507,399	
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	4,056,973	0	(549,574)	3,507,399	
10	CENTRAL OFFICE - OPERATOR SYS	2220	0	0	0	0	
11	- RADIO	2231	0	0	0	0	
12	- CIRCUIT	2232	9,270,750	0	496,180	9,766,930	
13	CENTRAL OFFICE - TOTAL TRANS.	2230	9,270,750	0	496,180	9,766,930	
14	TOTAL CENTRAL OFFICE EQUIP		13,327,723	0	(53,394)	13,274,329	54.27%
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	373,139	(373,139)	0	0	
20	TOTAL ORIG/TERM EQUIP	2310	373,139	(373,139)	0	0	0.00%
21	POLES	2411	931,106	0	0	931,106	
22	TOWERS	2412	0	0	0	0	
23	AERIAL CABLE	2421	7,381,206	0	0	7,381,206	
24	UNDERGROUND CABLE	2422	449,557	0	0	449,557	
25	BURIED CABLE	2423	10,973,530	0	(3,917)	10,969,613	
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	28,932	0	0	28,932	
30	CONDUIT SYSTEM	2441	1,091,775	0	0	1,091,775	
31	TOTAL CABLE AND WIRE	2410	20,856,106	0	(3,917)	20,852,189	34.70%
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	44,336	(21,038)	0	23,298	42.39%
36	TOTAL PLANT IN SERVICE	2001	36,349,244	(420,117)	(57,311)	35,871,816	42.39%

NELSON-BALL GROUND TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 6/30/2022

NOT USED IN RATE BASE CALCULATION

DEVELOPMENT OF TOTAL COMPANY RATE BASE

PRIOR YEAR - 06/30/21

	ACCUMULATED DEPRECIATION AND AMORT	ACCT	BALANCE PER BOOK	LESS: NON-REG.	OTHER ADJUST	SUBJECT TO SEPARATIONS	INTERSTATE ALLOCATION %
37	OTHER SUPPORT	3100-2109	1,547,665	(23,858)	0	1,523,807	
38	CENTRAL OFFICE - TOTAL SWITCH	2210	4,056,973	0	(549,574)	3,507,399	
39	CENTRAL OFFICE - OPERATOR SYS	2220	0	0	0	0	
40	CENTRAL OFFICE - TOTAL TRANS.	2230	7,443,375	0	511,609	7,954,984	
41	TOTAL ORIG/TERM EQUIP	2310	258,166	(258,166)	0	0	
42	TOTAL CABLE AND WIRE	2410	20,250,701	0	(3,857)	20,246,844	
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	33,556,880	(282,024)	(41,822)	33,233,034	41.36%
47	PROPERTY HELD FOR FUTURE USE	2002	0	0	0	0	42.39%
48	PLANT UNDER CONSTRUCTION	2003	596,457	(12,341)	0	584,116	42.39%
49	RTB CLASS B STOCK	1402	0	0	0	0	42.39%
50	PREPAYMENTS	1280-1330	0	0	0	0	42.39%
51	MATERIALS & SUPPLIES	1220	53,883	0	0	53,883	34.70%
52	CASH WORKING CAPITAL				146,975	146,975	Calculated
53	CUSTOMER DEPOSITS	4040	0	0	0	0	42.39%
54	DEFERRED INCOME TAXES	4340	606,419	58,092	0	664,511	42.42%
55	TOTAL RATE BASE		2,836,285	(208,526)	131,486	2,759,245	
	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	1,000	0	0	1,000	
61	ADDITIONAL PAID-IN CAPITAL	4520	29,593	0	0	29,593	
62	OTHER CAPITAL	4540	(239,200)	0	0	(239,200)	
63	RETAINED EARNINGS	4550	3,132,269	0	0	3,132,269	
64	TOTAL COMMON EQUITY	4500	2,923,662	0	0	2,923,662	

NELSON-BALL GROUND TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 6/30/2022

CALCULATION OF CASH WORKING CAPITAL (CWC)

			Total Company	Interstate	Intrastate
1.	CASH OPERATING EXPENSES	SOURCE			
	A. Total Operating Expenses	Net Income Development, Ln 37	$4,515,473	$1,962,810	$2,552,663
	B. Depreciation & Amortization	Net Income Development, Ln 29	$863,295	$444,785	$418,510
	C. Fixed Charges	Net Income Development, Ln 48	$0	$0	$0
	D. Cash Operating Federal Income Taxes	Net Income Development, Ln 38, Ln 39	($363,117)	($154,934)	($208,183)
	E. Cash Operating State & Local Taxes	Net Income Development, Ln 41	($119,508)	($51,391)	($68,117)
	F. Other Operating Taxes	Net Income Development, Ln 43, Ln 44, Ln 45	$31,475	$14,716	$16,759
	G. Total Cash Operating Expenses	(a-b+c+d+e+f)	$3,201,028	$1,326,416	$1,874,612
2.	% LAG	FCC Default	4.1096%	4.1096%	4.1096%
3.	TOTAL CASH WORKING CAPITAL		$131,549	$54,510	$77,039

NELSON-BALL GROUND TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 6/30/2022

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	1,016,230	0	267,623	0	1,283,853
2	INTERSTATE ACCESS REVENUE *(INCLUDING USF HCL REVENUES)*	5081-5083	1,181,267	0	(14,392)	0	1,166,875
3	INTRASTATE ACCESS REVENUE	5084	1,565,470	0	(1,368,373)		197,097
4	FEDERAL USF HIGH COST LOOP REV.		0	0			0
5	LONG DISTANCE NETWORK SERVICES	5100	0	0	0		0
6	INTERSTATE MISCELLANEOUS	5200	9,937	0	0		9,937
7	INTRASTATE MISCELLANEOUS	5200	30,807	0	0		30,807
8	OTHER MISC REVENUES (Interstate)	5200	1,950	0	0		1,950
8a	OTHER MISC REVENUES (Intrastate)	5200	178,741		(125,715)		53,026
9	TOTAL MISCELLANEOUS REVENUES	5200	221,435	0	(125,715)		95,720
10	NON REGULATED REVENUES	5280	2,874,971	(2,874,971)			0
11	UNCOLLECTIBLES - Total	5300	902	0	0		902
	Uncollectibles - Interstate (included in Ln 11)		4,131	0	0		4,131
12	TOTAL OPERATING REVENUES		**6,858,471**	**(2,874,971)**	**(1,240,857)**	**0**	**2,742,643**

	OPERATING EXPENSES AND TAXES	ACCOUNT	BALANCE PER BOOK	NON REG ADJUST	OTHER ADJUST	SUBJECT TO SEPARATIONS	INTERSTATE ALLOCATION %
13	NETWORK SUPPORT EXPENSE	6110	8,369	0	1,257	9,626	
14	GENERAL SUPPORT EXPENSE	6120	141,805	0	41,145	182,950	
15	C.O. SWITCHING EXPENSE	6210	131,621		(360)	131,261	
16	C.O. OPERATOR EXPENSE	6220	0				
17	C.O. TRANSMISSION EXPENSE	6230	92,990	0	39,536	132,526	
18	INFOR. ORIG. & TERM. EXPENSE	6310/7990	2,074,786	(2,074,786)		0	
19	CABLE & WIRE FACILITIES EXPENSE	6410	814,119	0	63,039	877,158	
20	**TOTAL PLANT SPECIFIC EXPENSE**	**6999**	**3,263,691**	**(2,074,786)**	**144,617**	**1,333,522**	39.92%
21	OTHER PROPERTY & EQPT EXPENSE	6510	0	0	0	0	42.88%
22	NETWORK OPERATIONS EXPENSE	6530	594,509	0	83,059	677,568	42.88%
23	ACCESS EXPENSE	6540	154,907	0	(214)	154,693	75.87%
24	DEPRECIATION EXPENSE	6561	589,044	0	247,318	836,362	51.80%
25	DEP. EXPENSE OTHER PROPERTY	6562	0	0	0	0	42.88%
26	AMORTIZATION EXP - TANGIBLE	6563	0	0	0	0	42.88%
27	AMORTIZATION EXP - INTANGIBLE	6564	17,148	0	9,786	26,934	42.88%
28	AMORTIZATION EXP - OTHER	6565		0	0	0	42.88%
29	**DEPRECIATION & AMORTIZATION EXP**	**6560**	**606,191**	**0**	**257,104**	**863,295**	
30	**TOTAL PLANT NON-SPFC OPER EXP**	**6599**	**1,355,607**	**0**	**339,949**	**1,695,556**	

NELSON-BALL GROUND TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 6/30/2022

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	214,590	0	18,733	233,323	
32	SERVICE EXPENSE	6620	199,959	0	(69,959)	130,000	
33	**TOTAL CUSTOMER OPERATIONS EXP**	**6699**	**414,548**	**0**	**(51,226)**	**363,322**	35.17%
34	EXECUTIVE EXPENSE	6710	184,741	0	(1,482)	183,259	
35	GENERAL & ADMINISTRATION EXPENSE	6720	838,862	0	100,952	939,814	
36	**TOTAL CORPORATE OPERATIONS EXP**	**6799**	**1,023,603**	**0**	**99,470**	**1,123,073**	40.07%
37	**TOTAL OPERATING EXPENSES**		**6,057,449**	**(2,074,786)**	**532,810**	**4,515,473**	
38	INVESTMENT TAX CREDIT (ENTER AS NEG)	7210	0	0	0	0	
39	FEDERAL INCOME TAX	7220	141,105	(160,416)	(343,806)	(363,117)	
40	FEDERAL INCOME TAX (DEFERRED)	7250	24,730	1,425	(4,804)	21,351	
41	STATE INCOME TAX	7230	46,268	(50,421)	(115,355)	(119,508)	
42	STATE INCOME TAX (DEFERRED)	7250	(6,393)	7,794	17,050	18,451	
43	AD VALOREM TAX	7240	33,439	0	(1,964)	31,475	46.76%
44	GROSS RECEIPTS TAX	7240		0	0	0	0.00%
45	PSC FEES	7240		0	0	0	0.00%
46	TOTAL OPERATING TAXES	**7200**	**239,149**	**(201,618)**	**(448,879)**	**(411,348)**	
47	**NET OPERATING INCOME**		**561,873**	**(598,567)**	**(1,324,788)**	**(1,361,482)**	

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	$67,615	Note: Must be computed after Tax if taxes apply.		
				GDPCPI (USF Growth Factor):	1.230568
58	Access Lines at 12/31/21	4,593			
59	Allowed Executive Expense: ($200,000 + Ln 58 x $78)	$558,254		Calculation of USF Corporate Cap:	FCC Formula:
60	Base Executive Expense Per Study	$183,259			
61	Is Cap Exceeded ?	NO	Under 6,000 Lps	(42.337 - (.00328 x Ln 70)) x Ln70 x 12 mo x GDPCPI	1,886,369
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:	$183,259		(Use Higher of Above)	1,886,369
64	Overall Corporate Operations Expense	$1,123,073	6,000 to 17,886	((117,990 / Ln70) + 3.007)) x Ln 70 x 12 (mo) x GDPCP	1,955,875
65	Total Annual Maximum Corp Ops (cap)	$1,886,369			
66	Is Cap Exceeded ?	NO	Over 17,886	(9.562 x Ln 70 x 12)*GDPCPI	679,032
67	Amount Removed from UAF Application:	$0			
68	Corporate Expense for UAF Application:	$1,123,073		Value Selected Based on Access Line Size:	1,886,369
69	USF 1.3 Loops at 12/31/21	4,413		Base Corporate Expense Per Filing:	1,123,073
70	Total Loops at 12/31/21	4,809		Reduction Based on USF Corporate Cap	0

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

NELSON-BALL GROUND TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 6/30/2022

Revenue and Expense Adjustments

		DEBIT	CREDIT
Revenue Adjustments			
	Non-Regulated Adjustments		
1	5280	2,874,971	
	Exclude		2,874,971
	To remove non-regulated operating revenue.		
	Other Adjustments:		
2	6410		-
	7160		
	Transfer Other Operating Gain(Loss) to Plant Specific Expense.		
3	5240	-	
	PPA		-
	To remove PPA rent revenues.		
4	5082	38	
	5083	-	
	5084	89	
	PPA		127
	To remove CAF 2019-2020 true-up.		
5	Discount	267,623	
	5000		267,623
	To impute revenue for end user bundles that resulted in local service revenue recording at less than the maximum R1 a la carte tariff rate and HB 168 determined rate. See Tab 7.5.		
6	Discount	52	
	5084		52
	To impute revenue to offset reductions associated with the allocation of end user bundle discounts.		
7	5084	1,382,690	
	PPA		1,382,690
	To remove state high cost UAF support.		
8	5200		1,207
	PPA	1,207	
	To remove out of period adjustments		
9	5081	-	
	5082	14,354	
	5084		14,354
	Jurisdictional transfer to intrastate for ICC-CAF revenue recording.		
Expense Adjustments			
	Non-Regulated Adjustments		
10	Exclude	2,074,786	
	6310/7990		2,074,786
	To exclude non-regulated operating expenses from test period.		

NELSON-BALL GROUND TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 6/30/2022

Revenue and Expense Adjustments

		DEBIT	CREDIT
11	Exclude	201,618	
	7220		160,416
	7230		50,421
	7250 (Fed)	1,425	
	7250 (State)	7,794	
	To exclude nonregulated taxes from test period.		
	Other Expense Adjustments		
12	Exclude		7,402
	6120	784	
	6530	154	
	6561	754	
	6564	9,786	
	6611	159	
	6620		10,127
	6710	-	
	6720	5,910	
	7240		18
	To adjust Part 64 allocations (#10&11).		
13	6110	196	
	6120	5,503	
	6230	7,882	
	6410	7,145	
	6530	11,471	
	6561	35,755	
	6720	12,839	
	7240	713	
	Exclude		81,504
	Reverse Managed IP Adjustment for Part 36 calculation.		
14	6561		5,827
	7240		68
	6230		1,082
	6410		121
	Exclude	7,098	
	Remove IPCP Router and Multi Gig expenses (#17-20).		
15	6110	1,203	
	6120	34,858	
	6230	32,736	
	6410	56,015	
	6530	71,720	
	6561	216,636	
	6610	18,772	
	6620	8,472	
	6720	84,976	
	7240	4,794	
	Exclude		530,182
	Reverse WBI Adjustment for Part 36 calculation.		
16	7220		347,833
	7230		101,873
	7220	4,027	
	7230		13,482
	72501		4,804
	72502	17,050	
	PPA	446,915	
	To remove PPA for income taxes and reflect income tax effect of test year revenue and expense adjustments.		

NELSON-BALL GROUND TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 6/30/2022

			Revenue and Expense Adjustments	
			DEBIT	CREDIT
17	5260		126,912	
	5240		10	-
	6210			360
	6620			68,223
	6720			2,063
	7240			6,727
	Exclude			49,549
	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).			
18	6110			196
	6120			5,503
	6230			7,882
	6410			7,145
	6530			11,471
	6561			35,755
	6720			12,839
	7100			9,306
	7240			713
	7220		17,974	
	7230		5,222	
	Intrastate NOI Adjustment		67,615	
	Move Managed IP Adjustment to nonreg in Net Income Dev. Cell C117.			
19	6110			
	6120			
	6210			
	6230			
	6410			
	6510			
	6530			
	6540			214
	6720		17	
	7240			658
	Exclude		855	
	To remove prior period adjustments and service awards.			
20	6110			142
	6530			286
	6610			198
	6620			81
	6710			1,482
	6720			727
	Exclude		2,916	
	To remove non-allowable expenses per FCC USF order (#26).			
21	Exclude		-	
	7250 (Fed)			-
	Add amortization of interstate other than SPA for Jul 2019-Jun 2020 not recorded in SAP.			
22	Not Used.			
23	For federal income tax calulation only to subtract the amortization of Excess ADFIT applicable to test year.			-
	This amount should not be included as an adjustment in the Net Income Dev. Included in Earnings Tab formula in row 108.			