

Universal Access Fund-Year 29

Tab 1 – Earnings Report

Schedule A

PUBLIC SERVICE TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 06/30/23

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		chk digit
	OPERATING REVENUES						
1	Local Service	Net Operating Income, Ln 1	$3,805,863		$3,805,863		$0
2	Access Charges	Net Operating Income, Ln 2, 3	$9,499,775	$8,740,621	$759,154		$0
3	LD Messages	Net Operating Income, Ln 5	($513)		($513)		$0
4	Billing & Collection	Net Operating Income, Ln 6, 7	$26,442	$7,415	$19,028		$0
5	Other Miscellaneous Revenue	Net Operating Income, Ln 8	$32,639		$32,639		$0
6	Less: Uncollectibles	Net Operating Income, Ln 11	($3,844)	$0	($3,844)		$0
7	**Total Regulated Operating Revenue**	**Ln 1+Ln 2+Ln 3+Ln 4+Ln 5-Ln 6**	$13,368,050	$8,748,036	$4,620,014		$0
	OPERATING EXPENSES						$0
8	Plant Specific	Net Operating Income, Ln 20	$5,164,281	$2,836,745	$2,327,536		$0
9	Plant Non-Specific	Net Operating Income, Ln 21,22,23	$2,274,903	$1,217,522	$1,057,381		$0
10	Depreciation & Amortization	Net Operating Income, Ln 29	$3,490,668	$1,687,078	$1,803,590		$0
11	Customer Operations	Net Operating Income, Ln 33	$1,048,160	$340,234	$707,926		$0
12	Corporate Operations	Net Operating Income, Ln 36	$2,106,195	$1,128,105	$978,090	YES	$0
13	**Total Operating Expenses**	**Ln 8+Ln 9+Ln 10+Ln 11+Ln 12**	$14,084,207	$7,209,684	$6,874,523	($175,668)	$0
	OPERATING TAXES						
14	Federal Income Tax -Booked	Net Operating Income, Ln 38,39,40	$167,392	$696,102	($528,710)		$0
15	Adjustment to Booked FIT	If Taxes are Imputed, Ln 16-Ln 14	($550,838)	($508,445)	($42,394)		$0
16	Imputed FIT @ %	(Ln 7-Ln 13-Ln24-Ln21-(Op Inc Ln48))* Rate + Amortization of Excess ADFIT	($383,446)	$187,657	($571,104)		$0
17	Adjustment to Imputed FIT	If Taxes are per book, Ln 14-Ln 16	$0	$0	$0		$0
18	Booked - Imputed FIT (Net of Adj)		$0	$0	$0		$0
19	State Income Tax -Booked	Net Operating Income, Ln 41,42	($112,645)	$40,953	($153,598)		$0
20	Adjustment to Booked SIT	If Taxes are Imputed, Ln 21-Ln 19	$34,650	$29,239	$5,410		$0
21	Imputed SIT @ %	(Ln 7-Ln 14-Ln24-(Op Inc. Ln48))* Rate	($77,995)	$70,192	($148,188)		$0
22	Adjustment to Imputed SIT	If Taxes are per book, Ln 14-Ln 16	$0	$0	$0		$0
23	Booked - Imputed SIT (Net of Adj)		$0	$0	$0		$0
24	Other Taxes	Net Operating Income, Ln 43,44,45	$316,074	$160,389	$155,685		$0
25	Total Booked Operating Taxes	Ln 14+Ln 15+Ln 19+Ln 20+ Ln 24	($145,368)	$418,238	($563,606)		$0
26	Total Imputed Operating Taxes	Ln 14+Ln 15+Ln 19+Ln 20+ Ln 24	($145,368)	$418,238	($563,606)		$0
	NET OPERATING INCOME						
27	**Net Operating Income (NOI)**	**Ln 7 - Ln 13 - Ln 25**	**($570,789)**	**$1,120,114**	**($1,690,903)**		$0
28	**N.O.I. Adjustment**	**Net Operating Income, Ln 56,57**	**$151,560**	**$151,560**	**$0**		$0
29	**Adjusted Net Operating Income (NOI)**	**Ln 27 + Ln 28**	**($419,229)**	**$1,271,674**	**($1,690,903)**		$0

RATE OF RETURN ON RATE BASE CALCULATION — **Average of End of Period with End of Prior Period**

	RATE BASE					
30	Land & Support	Rate Base Development, Ln 3	$12,733,210	$6,390,467	$6,342,743	$0
31	Central Office Equipment	Rate Base Development, Ln 14	$15,844,453	$10,453,346	$5,391,107	$0
32	Info. Orig. & Term. Equip.	Rate Base Development, Ln 20	$14,044	$3,511	$10,533	$0
33	Cable & Wire Facilities	Rate Base Development, Ln 31	$101,146,640	$48,122,537	$53,024,103	$0
34	Other Investment	Rate Base Development, Ln 34, 35	$0	$0	$0	$0
35	Total Plant in Service	Ln 30 - Ln 34	$129,738,347	$64,969,861	$64,768,486	$0
36	Accumulated Depreciation	Rate Base Development, Ln 46	$99,678,357	$50,579,191	$49,099,166	$0
37	Net Plant in Service	Ln 35 - Ln 36	$30,059,990	$14,390,670	$15,669,320	$0
38	Plant Held for Future Use	Rate Base Development, Ln 47	$0	$0	$0	$0
39	Plant Under Construction	Rate Base Development, Ln 48	$4,198,661	$2,107,199	$2,091,462	$0
40	RTB Class B Stock	Rate Base Development, Ln 49	$0	$0	$0	$0
41	Prepayments	Rate Base Development, Ln 50	$166,440	$83,532	$82,908	$0
42	Materials & Supplies	Rate Base Development, Ln 51	$2,039,508	$970,337	$1,069,171	$0
43	Cash Working Capital	Cash Working Capital Develop Ln 3	$404,444	$239,002	$165,442	$0
44	Deferred Income taxes	Rate Base Development, Ln 54	$2,393,804	$1,123,451	$1,270,353	$0
45	Customer Deposits	Rate Base Development, Ln 55	$20,646	$10,362	$10,284	$0
46	**Rate Base**	**Ln 37 + Ln 38-43, - Ln 44 - Ln 45**	**$34,454,593**	**$16,656,927**	**$17,797,665**	$0
47	**Rate of Return on Rate Base**	**Ln 29 / Ln 46**	**-1.21676%**	**7.63451%**	**-9.50070%**	$0

PUBLIC SERVICE TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 06/30/23

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	0.00000%	0.00000%	0.00000%
2	Long Term Debt	Rate Base, Ln 59	$7,063,853	14.77939%	6.45804%	0.95446%
3	Other	Rate Base, Ln 53	$20,646	0.04320%	7.00000%	0.00302%
4	Equity	Rate Base, Ln 64	$40,710,791	85.17741%	-2.55260%	-2.17424%
5	Total Capital		$47,795,290	100.00000%		-1.21676%

ACTUAL COST OF CAPITAL - INTRASTATE ONLY

			Amount	% Total	Rate	Weighted Cost Rate
1	Short Term Debt	Rate Base, Ln 56	$0	0.00000%	0.00000%	0.00000%
2	Long Term Debt	Rate Base, Ln 59	$7,063,853	14.77939%	6.45804%	0.95446%
3	Other	Rate Base, Ln 53	$20,646	0.04320%	7.00000%	0.00302%
4	Equity	Rate Base, Ln 64	$40,710,791	85.17741%	-12.27812%	-10.45818%
5	Total Capital		$47,795,290	100.00000%		-9.50070%

ALLOWED CAPITAL STRUCTURE - INTRASTATE

			Amount	% Total	Rate	Weighted Cost Rate
1	Short Term Debt	Rate Base, Ln 56	$0	0.00000%	0.00000%	0.00000%
2	Long Term Debt	Rate Base, Ln 59	$7,063,853	14.77939%	6.45804%	0.95446%
3	Other	Rate Base, Ln 53	$20,646	0.04320%	7.00000%	0.00302%
4	Equity	Rate Base, Ln 64	$40,710,791	85.17741%	9.25000%	7.87891%
5	Total Capital		$47,795,290	100.00000%		8.83639%

REVENUE REQUIREMENT CALCULATION

1	Rate Base (Adjusted Rate Base)	Earnings Report, Ln 46		$17,797,665
2	Allowed Rate of Return on Rate Base	Per GA PSC	Capped	8.00000%
3	Net Operating Income Requirement	Line 1 x Ln 2		$1,423,813
4	Net Operating Income Available (Imputed Adjusted NO	Earnings Report, Ln 29		($1,690,903)
5	Operating Income Excess (Deficiency)	Ln 4 - Ln 3		($3,114,716)
6	Income Expansion Factor	1-SIT-FIT+FITxSIT		74.458%
7	Revenue Excess (Deficiency)	Ln 5 / Ln 6		($4,183,214)

PUBLIC SERVICE TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT **DEVELOPMENT OF TOTAL COMPANY RATE BASE**
YEAR ENDING 06/30/23

CALCULATION OF RATE BASE: 1=AVERAGE, 2= YEAI 1

CURRENT YEAR - 06/30/23

	PLANT IN SERVICE	ACCT	BALANCE PER BOOK	LESS: NON-REG.	OTHER ADJUST	SUBJECT TO SEPARATIONS	INTERSTATE ALLOCATION %
1	LAND	2108	728,060	(51,222)	0	676,838	
2	OTHER SUPPORT	2109	13,890,150	(1,879,545)	0	12,010,604	
3	TOTAL LAND & OTHER SUPPORT	2110	14,618,210	(1,930,767)	0	12,687,442	50.18740%
4	CENTRAL OFFICE - ANALOG SWITCH	2211	0	0	0	0	
5	- DIGITAL SWITCH	2212	2,476,001	(60,666)	0	2,415,335	
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	2,476,001	(60,666)	0	2,415,335	
10	CENTRAL OFFICE - OPERATOR SYS	2220	0	0	0	0	
11	- RADIO	2231	1,113,421	0	0	1,113,421	
12	- CIRCUIT	2232	12,417,606	0	0	12,417,606	
13	CENTRAL OFFICE - TOTAL TRANS.	2230	13,531,027	0	0	13,531,027	
14	TOTAL CENTRAL OFFICE EQUIP		16,007,028	(60,666)	0	15,946,362	65.97480%
15	STATION APPARATUS	2311	197,896	(197,896)	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	14,044	0	0	14,044	
20	TOTAL ORIG/TERM EQUIP	2310	211,940	(197,896)	0	14,044	25.00000%
21	POLES	2411	2,166,688	(27,708)	0	2,138,980	
22	TOWERS	2412	0	0	0	0	
23	AERIAL CABLE	2421	4,759,229	(64,154)	0	4,695,075	
24	UNDERGROUND CABLE	2422	6,151,751	(278,196)	0	5,873,555	
25	BURIED CABLE	2423	85,893,572	(834,522)	0	85,059,050	
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	140,456	0	0	140,456	
30	CONDUIT SYSTEM	2441	11,784,721	(533,044)	0	11,251,677	
31	TOTAL CABLE AND WIRE	2410	110,896,417	(1,737,624)	0	109,158,793	47.57700%
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	0	0	0	0	
36	TOTAL PLANT IN SERVICE	2001	141,733,595	(3,926,954)	0	137,806,641	50.18740%

PUBLIC SERVICE TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT **DEVELOPMENT OF TOTAL COMPANY RATE BASE**
YEAR ENDING 06/30/23

CALCULATION OF RATE BASE: 1=AVERAGE, 2= YEAI 1

CURRENT YEAR - 06/30/23

	ACCUMULATED DEPRECIATION AND AMORT	ACCT	BALANCE PER BOOK	LESS: NON-REG.	OTHER ADJUST	SUBJECT TO SEPARATIONS	INTERSTATE ALLOCATION %
37	OTHER SUPPORT	3100-2109	13,733,652	(1,845,092)	0	11,888,560	
38	CENTRAL OFFICE - TOTAL SWITCH	2210	2,277,082	(55,793)	0	2,221,289	
39	CENTRAL OFFICE - OPERATOR SYS	2220	0	0	0	0	
40	CENTRAL OFFICE - TOTAL TRANS.	2230	13,472,975	0	0	13,472,975	
41	TOTAL ORIG/TERM EQUIP	2310	211,940	(197,896)	0	14,044	
42	TOTAL CABLE AND WIRE	2410	74,491,881	(832,155)	0	73,659,726	
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	104,187,530	(2,930,936)	0	101,256,594	50.74240%
47	PROPERTY HELD FOR FUTURE USE	2002	0	0	0	0	50.18740%
48	PLANT UNDER CONSTRUCTION	2003	2,840,376	0	0	2,840,376	50.18740%
49	RTB CLASS B STOCK	1402	0	0	0	0	50.18740%
50	PREPAYMENTS	1280-1330	152,606	0	0	152,606	50.18740%
51	MATERIALS & SUPPLIES	1220	2,479,146	(69,652)	0	2,409,495	47.57700%
52	CASH WORKING CAPITAL		404,444			404,444	Calculated
53	CUSTOMER DEPOSITS	4040	19,172		0	19,172	50.18740%
55	DEFERRED INCOME TAXES	4340	3,382,684	0	(114,973)	3,267,711	46.93160%
56	TOTAL RATE BASE		40,020,780	(1,065,670)	114,973	39,070,084	
	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	7,300,768	0	0	7,300,768	
60	TOTAL LONG TERM DEBT	4500	7,300,768	0	0	7,300,768	
61	COMMON STOCK	4510	100,000	0	0	100,000	
62	ADDITIONAL PAID-IN CAPITAL	4520	15,554,865	0	0	15,554,865	
63	OTHER CAPITAL	4540	0	0	0	0	
64	RETAINED EARNINGS	4550	32,611,849	0	0	32,611,849	
65	TOTAL COMMON EQUITY	4500	48,266,714	0	0	48,266,714	

PUBLIC SERVICE TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT **DEVELOPMENT OF TOTAL COMPANY RATE BASE**
YEAR ENDING 06/30/23

USED IN DEVELOPMENT OF AVG. RATE BASE

PRIOR YEAR - 6/30/22

	PLANT IN SERVICE	ACCT	BALANCE PER BOOK	LESS: NON-REG.	OTHER ADJUST	SUBJECT TO SEPARATIONS
1	LAND	2108	725,560	(62,846)	0	662,714
2	OTHER SUPPORT	2109	13,970,965	(1,854,701)	0	12,116,264
3	TOTAL LAND & OTHER SUPPORT	2110	14,696,525	(1,917,547)	0	12,778,978
4	CENTRAL OFFICE - ANALOG SWITCH	2211	0	0	0	0
5	- DIGITAL SWITCH	2212	2,476,001	(60,625)	0	2,415,376
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	2,476,001	(60,625)	0	2,415,376
10	CENTRAL OFFICE - OPERATOR SYS	2220	0	0	0	0
11	- RADIO	2231	1,113,421	0	0	1,113,421
12	- CIRCUIT	2232	12,213,746	0	0	12,213,746
13	CENTRAL OFFICE - TOTAL TRANS.	2230	13,327,167	0	0	13,327,167
14	TOTAL CENTRAL OFFICE EQUIP		15,803,168	(60,625)	0	15,742,543
15	STATION APPARATUS	2311	197,896	(197,896)	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	14,044	0	0	14,044
20	TOTAL ORIG/TERM EQUIP	2310	211,940	(197,896)	0	14,044
21	POLES	2411	2,148,255	(29,650)	0	2,118,605
22	TOWERS	2412	0	0	0	0
23	AERIAL CABLE	2421	4,634,177	(76,332)	0	4,557,845
24	UNDERGROUND CABLE	2422	6,161,164	(468,172)	0	5,692,992
25	BURIED CABLE	2423	70,218,002	(417,821)	0	69,800,181
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	143,959	0	0	143,959
30	CONDUIT SYSTEM	2441	11,710,633	(889,728)	0	10,820,905
31	TOTAL CABLE AND WIRE	2410	95,016,190	(1,881,703)	0	93,134,487
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	0	0	0	0
36	TOTAL PLANT IN SERVICE	2001	125,727,824	(4,057,771)	0	121,670,052

PUBLIC SERVICE TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT **DEVELOPMENT OF TOTAL COMPANY RATE BASE**
YEAR ENDING 06/30/23

USED IN DEVELOPMENT OF AVG. RATE BASE

PRIOR YEAR - 6/30/22

	ACCUMULATED DEPRECIATION AND AMORT	ACCT	BALANCE PER BOOK	LESS: NON-REG.	OTHER ADJUST	SUBJECT TO SEPARATIONS
37	OTHER SUPPORT	3100-2109	13,815,605	(1,842,171)	0	11,973,434
38	CENTRAL OFFICE - TOTAL SWITCH	2210	2,054,242	(50,298)	0	2,003,944
39	CENTRAL OFFICE - OPERATOR SYS	2220	0	0	0	0
40	CENTRAL OFFICE - TOTAL TRANS.	2230	13,327,167	0	0	13,327,167
41	TOTAL ORIG/TERM EQUIP	2310	211,940	(197,896)	0	14,044
42	TOTAL CABLE AND WIRE	2410	71,788,891	(1,007,360)	0	70,781,531
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	101,197,845	(3,097,725)	0	98,100,120
47	PROPERTY HELD FOR FUTURE USE	2002	0	0	0	0
48	PLANT UNDER CONSTRUCTION	2003	5,556,947	0	0	5,556,947
49	RTB CLASS B STOCK	1402	0	0	0	0
50	PREPAYMENTS	1280-1330	180,274	0	0	180,274
51	MATERIALS & SUPPLIES	1220	1,731,658	(62,136)	0	1,669,522
52	CASH WORKING CAPITAL		750,360			750,360
53	CUSTOMER DEPOSITS	4040	22,120		0	22,120
54	DEFERRED INCOME TAXES	4340	1,645,666	(10,795)	(114,973)	1,519,898
55	TOTAL RATE BASE		31,081,431	(1,011,387)	114,973	30,185,018
	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	6,826,938	0	0	6,826,938
59	TOTAL LONG TERM DEBT	4500	6,826,938	0	0	6,826,938
60	COMMON STOCK	4510	100,000	0	0	100,000
61	ADDITIONAL PAID-IN CAPITAL	4520	294,865	0	0	294,865
62	OTHER CAPITAL	4540	0	0	0	0
63	RETAINED EARNINGS	4550	32,760,003	0	0	32,760,003
64	TOTAL COMMON EQUITY	4500	33,154,868	0	0	33,154,868

PUBLIC SERVICE TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 06/30/23

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	1,348,461	50,933	213,775	2,192,694	3,805,863
2	INTERSTATE ACCESS REVENUE *(INCLUDING USF HCL REVENUES)*	5081-5083	11,131,686	0	(198,371)	(2,192,694)	8,740,621
3	INTRASTATE ACCESS REVENUE	5084	3,541,169	0	(2,782,015)		759,154
4	FEDERAL USF HIGH COST LOOP REV.		2,192,694	0	0		2,192,694
5	LONG DISTANCE NETWORK SERVICES	5100	(513)	0	0		(513)
6	INTERSTATE BILLING AND COLLECTION	5271	7,415	0	0		7,415
7	INTRASTATE BILLING AND COLLECTION	5272	19,028	0	0		19,028
8	OTHER MISC REVENUES	5200	32,639	0	0		32,639
9	TOTAL MISCELLANEOUS REVENUES	5200	59,081	0	0		59,081
10	NON REGULATED REVENUES	5280	536,095	(536,095)			0
11	UNCOLLECTIBLES - Total	5300	(4,157)	313	0		(3,844)
	Uncollectibles - Interstate (included in Ln 11)		0	0	0		0
12	TOTAL OPERATING REVENUES		**16,620,137**	**(485,476)**	**(2,766,611)**	**0**	**13,368,050**

	OPERATING EXPENSES AND TAXES	ACCOUNT	BALANCE PER BOOK	NON REG ADJUST	OTHER ADJUST	SUBJECT TO SEPARATIONS	INTERSTATE ALLOCATION %
							PER 2022 TCS
13	NETWORK SUPPORT EXPENSE	6110	44,427	(8,562)	0	35,865	
14	GENERAL SUPPORT EXPENSE	6120	1,907,055	(118,512)	0	1,788,543	
15	C.O. SWITCHING EXPENSE	6210	491,119	(9,328)	0	481,791	
16	C.O. OPERATOR EXPENSE	6220	0				
17	C.O. TRANSMISSION EXPENSE	6230	1,246,366	0	0	1,246,366	
18	INFOR. ORIG. & TERM. EXPENSE	6310	139,715	(139,715)	0	(0)	
19	CABLE & WIRE FACILITIES EXPENSE	6410	1,626,440	(14,724)	0	1,611,716	
20	**TOTAL PLANT SPECIFIC EXPENSE**	**6999**	**5,455,122**	**(290,841)**	**0**	**5,164,281**	54.930100%
21	OTHER PROPERTY & EQPT EXPENSE	6510	(4,586)	0	0	(4,586)	50.187400%
22	NETWORK OPERATIONS EXPENSE	6530	2,175,338	(51,503)	(300)	2,123,535	50.187400%
23	ACCESS EXPENSE	6540	155,955	0	0	155,955	98.7961%
24	DEPRECIATION EXPENSE	6561	3,618,043	(127,375)	0	3,490,668	48.331100%
25	DEP. EXPENSE OTHER PROPERTY	6562	1,000	(1,000)	0	(0)	50.187400%
26	AMORTIZATION EXP - TANGIBLE	6563	0	0	0	0	50.187400%
27	AMORTIZATION EXP - INTANGIBLE	6564	0	0	0	0	50.187400%
28	AMORTIZATION EXP - ACQUISITION	6565	0	0	0	0	50.187400%
29	**DEPRECIATION & AMORTIZATION EXP**	**6560**	**3,619,043**	**(128,375)**	**0**	**3,490,668**	
30	**TOTAL PLANT NON-SPFC OPER EXP**	**6599**	**5,945,749**	**(179,878)**	**(300)**	**5,765,571**	

PUBLIC SERVICE TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 06/30/23

	OPERATING EXPENSES (CON'T)	ACCOUNT	BALANCE PER BOOK	NON REG ADJUST	OTHER ADJUST	ADJUST FED HCL REVENUE	SUBJECT TO SEPARATIONS
31	MARKETING EXPENSE	6610	195,851	(444)	(16,762)	178,644	
32	SERVICE EXPENSE	6620	869,516	0	0	869,516	
33	**TOTAL CUSTOMER OPERATIONS EXP**	**6699**	**1,065,367**	**(444)**	**(16,762)**	**1,048,160**	32.460100%
34	EXECUTIVE EXPENSE	6710	314,108	(2,216)	(75)	311,817	
35	GENERAL & ADMINISTRATION EXPENSE	6720	2,090,258	(69,355)	(50,857)	1,970,046	
36	**TOTAL CORPORATE OPERATIONS EXP**	**6799**	**2,404,366**	**(71,571)**	**(50,932)**	**2,281,863**	53.561300%
37	**TOTAL OPERATING EXPENSES**		**14,870,604**	**(542,734)**	**(67,994)**	**14,259,875**	
38	INVESTMENT TAX CREDIT (ENTER AS NEG)	7210	0	0	0	0	
39	FEDERAL INCOME TAX	7220	(1,464,742)	9,332	0	(1,455,411)	
40	FEDERAL INCOME TAX (DEFERRED)	7250	1,737,776	0	(114,973)	1,622,803	
41	STATE INCOME TAX	7230	(115,199)	2,554	0	(112,645)	
42	STATE INCOME TAX (DEFERRED)	7250	0	0	0	0	
43	AD VALOREM TAX	7240	323,905	(7,831)	0	316,074	50.744100%
44	GROSS RECEIPTS TAX	7240	0	0	0	0	0.000000%
45	PSC FEES	7240	0	0	0	0	0.000000%
46	TOTAL OPERATING TAXES	**7200**	**481,739**	**4,055**	**(114,973)**	**370,821**	
47	**NET OPERATING INCOME**		**1,267,793**	**53,204**	**(2,583,643)**	**(1,262,646)**	$0

Additional Items:

48	FIXED CHARGES	7500	467,405	(143,197)	0	324,208	48.495900%

49	FIT / SIT Methodology (1=Imputed, 2=Per Book)	1			
50	FIT IMPUTED AT:	21.00%			
51	SIT IMPUTED AT:	5.75%	11,218	(non funded debt)	
52	SHORT TERM DEBT RATE:	0.0%	Comments	Imputed per Weighted Average Cost of Debt	
53	LONG TERM DEBT RATE:	6.46%	Comments	Imputed per Weighted Average Cost of Debt	
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	$151,560	Note: Must be computed after Tax if taxes apply.		
57	Net Operating Income (NOI) Adjustment - Intrastate	$0	Note: Must be computed after Tax if taxes apply.		
				USF Growth Factor	1.316708
58.	Access Lines at 12/31/22	3,620			
59.	Allowed Executive Expense: ($200,000 + Ln 58 x $7	$482,360		Calculation of USF Corporate Cap:	FCC Formula:
60.	Base Executive Expense Per Study	$311,817			
61.	Is Executive Cap Exceeded ?	NO	Under 6,000 Lps	(42.337 - (.00328 x Ln 65)) x Ln65 x 12 mo x GDPCPI	2,106,195
62	Amount Removed from UAF Application:	$0		(63,000 / Ln 65) x Ln 65 x 12 (mo) x GDPCPI	995,431
63	Executive Expense for UAF Application:	$311,817		(Use Higher of Above)	2,106,195
64	USF 1.3 Loops @ 12/31/22	5,379			
65	Total USF Loops @ 12/31/22	5,448	6,000 to 17,886	((117,990 / Ln65) + 3.007)) x Ln 65 x 12 (mo) x 1.316708	2,123,147
	(Ln 64 and Ln 65 Includes CBOL Lines Per 2018 FCC Order)				
			Over 17,886	(9.562 x Ln 65 x 12) x 1.316708	823,107
				Value Selected Based on Access Line Size:	2,106,195
	Total Removal Under Exec Cap:	$0		Base Corporate Expense Per Filing:	2,281,863
	Total Removal Under FCC Cap:	($175,668)			
	Greatest Reduction: FCC vs. Exec:	($175,668)		Reduction Based on USF Corporate Cap	(175,668)
	Is Corporate or Executive Cap Exceeded ?	YES			

PUBLIC SERVICE TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 06/30/23

CALCULATION OF CASH WORKING CAPITAL (CWC)

			Total Company	Interstate	Intrastate
1.	CASH OPERATING EXPENSES	SOURCE			
	A. Total Operating Expenses	Net Income Development, Ln 37	$14,259,875	$7,209,684	$7,050,191
	B. Depreciation & Amortization	Net Income Development, Ln 29	$3,490,668	$1,687,078	$1,803,590
	C. Fixed Charges	Net Income Development, Ln 48	$324,208	$157,228	$166,980
	D. Cash Operating Federal Income Taxes	Net Income Development, Ln 38, Ln 39	($1,455,411)	($65,479)	($1,389,931)
	E. Cash Operating State & Local Taxes	Net Income Development, Ln 41	($112,645)	$40,953	($153,598)
	F. Other Operating Taxes	Net Income Development, Ln 43, Ln 44, Ln 45	$316,074	$160,389	$155,685
	G. Total Cash Operating Expenses	(a-b+c+d+e+f)	$9,841,434	$5,815,697	$4,025,738
2.	% LAG	Per LAG Study	4.1096%	4.1096%	4.1096%
3.	TOTAL CASH WORKING CAPITAL		$404,444	$239,002	$165,442

PUBLIC SERVICE TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 06/30/23

Calculation of Prior Period Interstate NOI Adjustment

1. Revenue Booked in YE 06/30/23 for Prior Periods:

a	2021 Cost Study (7/2021)		$9,082
b			
c			
d	Total		$9,082

'2. YE 06/30/23 Revenue Booked in Other Periods:

a	2022 Cost Study (7/2022)	July- September 2022	$215,990
b			
c			
d	Total		$215,990

3. NOI Adjustment Calculation:

a	Remove Revenue From YE 06/30/23 Associated w/ Other pe	(Ln 1 d)	($9,082)
b	Add Revenue to YE 06/30/23 Booked in other Periods	(Ln 2 c)	$215,990
c	Gross Addition (reduction) of YE 06/30/23 Revenues	(3a + 3b)	$206,909
d	Income Tax Effect of Add' Rev. @ FIT + SIT	(3c-3b)*FIT & SIT	$55,348
e	Net Operating Income Adjustment - Net of Tax	(3c - 3d)	$151,560

PUBLIC SERVICE TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 06/30/23

RATE BASE ADJUSTMENTS

		DEBIT	CREDIT
Current Year			
1	**Disallow**	**1,065,670**	
	3100-2109	**1,845,092**	
	3100-2210	**55,793**	
	3100-2230	**-**	
	3100-2310	**197,896**	
	3100-2410	**832,155**	
	4340	**-**	
	2108		**51,222**
	2109		**1,879,545**
	2212		**60,666**
	2231		**-**
	2232		**-**
	2311		**197,896**
	2411		**27,708**
	2421		**64,154**
	2422		**278,196**
	2423		**834,522**
	2441		**533,044**
	1220		**69,652**
	To Remove Nonregulated Investment and Reserve per Form M.		
2	**4340**	**114,973**	
	7250 (Fed)		**114,973**
	Amortize Excess ADFIT for July 2022 - June 2023		
Prior Year			
1	**Disallow**	**1,011,387**	
	3100-2109	**1,842,171**	
	3100-2210	**50,298**	
	3100-2230	**-**	
	3100-2310	**197,896**	
	3100-2410	**1,007,360**	
	4340	**10,795**	
	2108		**62,846**
	2109		**1,854,701**
	2212		**60,625**
	2231		**-**
	2232		**-**
	2311		**197,896**
	2411		**29,650**
	2421		**76,332**
	2422		**468,172**
	2423		**417,821**
	2441		**889,728**
	1220		**62,136**
	To Remove Nonregulated Investment and Reserve per Form M.		
2	**4340**	**114,973**	
	7250 (Fed)		**114,973**
	Amortize Excess ADFIT for July 2021 - June 2022		

PUBLIC SERVICE TELEPHONE COMPANY
ADJUSTMENT FOR INTRASTATE PORTION OF ARC/CAF REVENUES
YEAR ENDING 06/30/23

1. Adjustment Per UAF Filing:

5.	**5082**		**413,754**	
	5084			**413,754**
	To reclassify NECA revenues pertaining to Intrastate Revenue Requirements.			
	(net of Rev Req and billed revenues per NECA EC 2060-L)			

2. Intrastate Revenue Requirements received from NECA during the Test Period:
(Per NECA EC-2060-L, Page 7 of 16, Attached)

Date	SW Intrastate Terminating Acc + Recip Comp Revenue Requirement (Ln 30)
June	$52,503
May	$52,503
April	$52,503
Mar	$52,503
Feb	$52,503
Jan	$52,503
Dec 22	$52,503
Nov 22	$52,503
Oct 22	$52,503
Sep 22	$52,503
Aug 22	$52,503
July 22	$52,503
Total	$630,036

This revenue is Intrastate in nature, but is not being booked by the company to Interstate due to it being a component of their NECA settlements (Account 5082). However, the company also "reports" billed access and reciprocal compensation revenue to NECA, which is booked in Intrastate (Account 5084). So the revenue requirement shown above needs to be reduced by the reported revenues. The result is that only the amount received above billed revenues is shifted to Intrastate.

3. Billed Intrastate Terminating Access and Recip Comp Revenue (Per NECA EC-2060-L, Page 6 of 16, Attached)

Date	Intra Term Acc + Recip Comp Revenue (Ln 26)	(Ln 2 - Ln 3) Net
June	$20,236	$32,267
May	$19,436	$33,067
April	$18,177	$34,326
Mar	$18,036	$34,467
Feb	$18,192	$34,311
Jan	$17,966	$34,537
Dec 22	$17,681	$34,822
Nov 22	$17,773	$34,730
Oct 22	$17,697	$34,806
Sep 22	$17,033	$35,470
Aug 22	$17,029	$35,474
July 22	$17,026	$35,477
Total	$216,282	$413,754

PUBLIC SERVICE TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 06/30/23 **Revenue and Expense Adjustments**

				DEBIT	CREDIT
Non-Regulated Adjustments					
1	5000			(50,933)	
	5280			536,095	
	5300			313	
	Disallow				485,476
	To Remove Deregulated Revenues Per Form M.				
2	Disallow			681,876	
	7250	FIT		-	
	7250	SIT		-	
	7220			9,332	
	7230			2,554	
	6110				8,562
	6120				118,512
	6210				9,328
	6230				-
	6310				139,715
	6410				14,724
	6530				51,503
	6561				127,375
	6562				1,000
	6610				444
	6620				-
	6710				2,216
	6720				69,355
	7240				7,831
	7500				143,197
	To Remove Deregulated Expenses per Form M.				
Other Adjustments:					
			Sep Factor		
1	5000	429,158	0.4981260		213,775
	5081	429,158	0.5018740		215,383
	7340		1.0000000	429,158	
	To reflect AFUDC using Revenue Offset Method.				
2	5084			3,195,769	
	Record Only				3,195,769
	To remove UAF Revenues received during test period.				
3	Disallow			67,994	
	6530				300
	6610				16,762
	6620				-
	6710				75
	6720				50,857
	To Remove Dues, Donations and Miscellaneous expenses.				
4.	5082			413,754	
	5084				413,754
	To Transfer Intrastate Switched Access Settlement from NECA for Earnings Report purposes.				
5	4340			114,973	
	7250 (Fed)				114,973
	Amortize Excess ADFIT for 2023 test period. Also subtracted from imputed income taxes in Earnings Report tab to reduce UAF revenue requirement.				