BLUE RIDGE 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
	OPERATING REVENUES				
1	Local Service	Net Operating Income, Ln 1	$2,245,714	$0	$2,245,714
2	Access Charges	Net Operating Income, Ln 2, 3	$2,891,518	$2,295,224	$596,294
3	LD Messages	Net Operating Income, Ln 5	$0	$0	$0
4	Billing & Collection	Net Operating Income, Ln 6, 7	$123,328	$24,441	$98,887
5	Other Miscellaneous Revenue	Net Operating Income, Ln 8	$103,744	$1,950	$101,794
6	Less: Uncollectibles	Net Operating Income, Ln 11	$2,547	$6,049	($3,502)
7	**Total Regulated Operating Revenue**	**Ln 1+Ln 2+Ln 3+Ln 4+Ln 5-Ln 6**	$5,361,757	$2,315,566	$3,046,191
	OPERATING EXPENSES				
8	Plant Specific	Net Operating Income, Ln 20	$2,431,220	$647,920	$1,783,300
9	Plant Non-Specific	Net Operating Income, Ln 21,22,23	$1,468,412	$515,054	$953,358
10	Depreciation & Amortization	Net Operating Income, Ln 29	$1,802,497	$433,340	$1,369,157
11	Customer Operations	Net Operating Income, Ln 33	$745,249	$255,844	$489,405
12	Corporate Operations	Net Operating Income, Ln 36	$2,123,115	$560,078	$1,563,037
13	**Total Operating Expenses**	**Ln 8+Ln 9+Ln 10+Ln 11+Ln 12**	$8,570,493	$2,412,236	$6,158,257
	OPERATING TAXES				
14	Federal Income Tax -Booked	Net Operating Income, Ln 38,39,40	($648,296)	($25,291)	($623,005)
15	Adjustment to Booked FIT	If Taxes are Imputed, Ln 16-Ln 14	($10,064)	($27)	($10,037)
16	Imputed FIT @ %	(Ln 7-Ln 13-Ln24-Ln21-(Op Inc Ln48))* Rate + Amortization of Excess ADFIT	($658,360)	($25,319)	($633,041)
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	($169,495)	$14,412	($183,907)
20	Adjustment to Booked SIT	If Taxes are Imputed, Ln 21-Ln 19	($21,768)	($21,768)	($0)
21	Imputed SIT @ %	(Ln 7-Ln 13-Ln24-(Op Inc. Ln48))* Rate	($191,263)	($7,355)	($183,907)
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	$117,575	$31,251	$86,324
25	Total Booked Operating Taxes	Ln 14+Ln 15+Ln 19+Ln 20+ Ln 24	($732,048)	($1,423)	($730,625)
26	Total Imputed Operating Taxes	Ln 14+Ln 15+Ln 19+Ln 20+ Ln 24	($732,048)	($1,423)	($730,625)
	NET OPERATING INCOME				
27	**Net Operating Income (NOI)**	**Ln 7 - Ln 13 - Ln 25**	**($2,476,688)**	**($95,247)**	**($2,381,441)**
28	**N.O.I. Adjustment**	**Net Operating Income, Ln 56,57**	**$68,327**	**$0**	**$68,327**
29	**Adjusted Net Operating Income (NOI)**	**Ln 27 + Ln 28**	**($2,408,361)**	**($95,247)**	**($2,313,114)**
	RATE OF RETURN ON RATE BASE CALCULATION		**As of End of Period**		
	RATE BASE				
30	Land & Support	Rate Base Development, Ln 3	$2,662,388	$707,663	$1,954,725
31	Central Office Equipment	Rate Base Development, Ln 14	$12,971,326	$3,927,718	$9,043,608
32	Info. Orig. & Term. Equip.	Rate Base Development, Ln 20	$0	$0	$0
33	Cable & Wire Facilities	Rate Base Development, Ln 31	$43,385,273	$11,037,213	$32,348,060
34	Other Investment	Rate Base Development, Ln 34, 35	($196)	($52)	($144)
35	Total Plant in Service	Ln 30 - Ln 34	$59,018,791	$15,672,542	$43,346,249
36	Accumulated Depreciation	Rate Base Development, Ln 46	$48,540,779	$12,805,058	$35,735,721
37	Net Plant in Service	Ln 35 - Ln 36	$10,478,012	$2,867,484	$7,610,528
38	Plant Held for Future Use	Rate Base Development, Ln 47	$0	$0	$0
39	Plant Under Construction	Rate Base Development, Ln 48	$6,265,935	$1,665,486	$4,600,449
40	RTB Class B Stock	Rate Base Development, Ln 49	$0	$0	$0
41	Prepayments	Rate Base Development, Ln 50	$16,229	$4,314	$11,915
42	Materials & Supplies	Rate Base Development, Ln 51	$270,225	$68,745	$201,480
43	Cash Working Capital	Cash Working Capital Develop Ln 3	$229,782	$76,958	$152,824
44	Deferred Income taxes	Rate Base Development, Ln 54	$2,880,736	$765,700	$2,115,036
45	Customer Deposits	Rate Base Development, Ln 55	$0	$0	$0
46	**Rate Base**	**Ln 37 + Ln 38-43, - Ln 44 - Ln 45**	**$14,379,447**	**$3,917,287**	**$10,462,160**
47	**Rate of Return on Rate Base**	**Ln 29 / Ln 46**	**-16.75%**	**-2.43%**	**-22.11%**

BLUE RIDGE 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	0.00%	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	$14,581,366	100.00%	-16.749%	-16.749%
5	Total Capital		$14,581,366	100.00%		-16.749%

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	$14,581,366	100.00%	-22.109%	-22.109%
5	Total Capital		$14,581,366	100.00%		-22.109%

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	$14,581,366	100.00%	9.250%	9.250%
5	Total Capital		$14,581,366	100.00%		9.250%

REVENUE REQUIREMENT CALCULATION

1	Rate Base (Adjusted Rate Base)	Earnings Report, Ln 46		$10,462,160
2	Allowed Rate of Return on Rate Base	Per GA PSC	Capped	8.00%
3	Net Operating Income Requirement	Line 1 x Ln 2		$836,973
4	Net Operating Income Available (Imputed Adjusted NOI)	Earnings Report, Ln 29		($2,313,114)
5	Operating Income Excess (Deficiency)	Ln 4 - Ln 3		($3,150,086)
6	Income Expansion Factor	1-SIT-FIT+FITxSIT		74.458%
7	Revenue Excess (Deficiency)	Ln 5 / Ln 6		($4,230,717)

BLUE RIDGE TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 06/30/23

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

DEVELOPMENT OF TOTAL COMPANY RATE BASE

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	60,857	0	0	60,857	
2	OTHER SUPPORT	2109	2,674,350	(64,739)	(8,080)	2,601,531	
3	TOTAL LAND & OTHER SUPPORT	2110	2,735,207	(64,739)	(8,080)	2,662,388	26.58%
4	CENTRAL OFFICE - ANALOG SWITCH	2211	0	0	0	0	
5	- DIGITAL SWITCH	2212	605,544	0	(222,357)	383,187	
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	605,544	0	(222,357)	383,187	
10	CENTRAL OFFICE - OPERATOR SYS	2220	0	0	0	0	
11	- RADIO	2231	0	0	0	0	
12	- CIRCUIT	2232	12,439,255	0	148,884	12,588,139	
13	CENTRAL OFFICE - TOTAL TRANS.	2230	12,439,255	0	148,884	12,588,139	
14	TOTAL CENTRAL OFFICE EQUIP		13,044,799	0	(73,473)	12,971,326	30.28%
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	968,107	(968,107)	0	0	
20	TOTAL ORIG/TERM EQUIP	2310	968,107	(968,107)	0	0	0.00%
21	POLES	2411	1,240,001	0	0	1,240,001	
22	TOWERS	2412	0	0	0	0	
23	AERIAL CABLE	2421	10,495,764	0	0	10,495,764	
24	UNDERGROUND CABLE	2422	907,700	0	0	907,700	
25	BURIED CABLE	2423	27,506,350	0	(14,132)	27,492,218	
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	3,146,251	0	0	3,146,251	
31	TOTAL CABLE AND WIRE	2410	43,399,405	0	(14,132)	43,385,273	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	0	(196)	0	(196)	26.58%
36	TOTAL PLANT IN SERVICE	2001	60,147,518	(1,033,042)	(95,685)	59,018,791	26.58%

	ACCUMULATED DEPRECIATION AND AMORT	ACCT	BALANCE PER BOOK	LESS: NON-REG.	OTHER ADJUST	SUBJECT TO SEPARATIONS	INTERSTATE ALLOCATION %
37	OTHER SUPPORT	3100-2109	1,937,190	(58,584)	(7,671)	1,870,935	
38	CENTRAL OFFICE - TOTAL SWITCH	3100-2210	593,927	0	(217,418)	376,509	
39	CENTRAL OFFICE - OPERATOR SYS	3100-2220	0	0	0	0	
40	CENTRAL OFFICE - TOTAL TRANS.	3100-2230	8,693,905	0	178,622	8,872,527	
41	TOTAL ORIG/TERM EQUIP	3100-2310	426,732	(426,732)	0	0	
42	TOTAL CABLE AND WIRE	3100-2410	37,431,992	0	(11,184)	37,420,808	
43	CAPITAL LEASES	3100-2681	0	0	0	0	
44	LEASE HOLD IMPROVEMENTS	3100-2682	0	0	0	0	
45	INTANGIBLES	3100-2690	0	0	0	0	
46	TOTAL ACCUMULATED DEP. And AMORT	3100	49,083,746	(485,316)	(57,651)	48,540,779	26.38%

BLUE RIDGE TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 06/30/23

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

DEVELOPMENT OF TOTAL COMPANY RATE BASE

CURRENT YEAR - 06/30/23
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	26.58%
48	PLANT UNDER CONSTRUCTION	2003	6,419,329	(153,394)	0	6,265,935	26.58%
49	RTB CLASS B STOCK	1402	0	0	0	0	26.58%
50	PREPAYMENTS	1280-1330	16,229	0	0	16,229	26.58%
51	MATERIALS & SUPPLIES	1220	270,225	0	0	270,225	25.44%
52	CASH WORKING CAPITAL				229,782	229,782	Calculated
53	CUSTOMER DEPOSITS	4040	0	0	0	0	26.58%
54	DEFERRED INCOME TAXES	4340	3,060,637	(179,901)	0	2,880,736	26.58%
55	TOTAL RATE BASE		14,708,918	(521,219)	191,748	14,379,447	
	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	1,893,690	0	0	1,893,690	
62	OTHER CAPITAL	4540	39,009	0	0	39,009	
63	RETAINED EARNINGS	4550	12,628,267	0	0	12,628,267	
64	TOTAL COMMON EQUITY	4500	14,581,366	0	0	14,581,366	

BLUE RIDGE TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 06/30/23

		RATE BASE ADJUSTMENTS DEBIT	CREDIT
	Non-Regulated Adjustments:		
1	Nonreg		34,594
	2109		64,739
	2690		196
	3100-2109	58,584	
	4340	40,945	
	Part 64 Adjustment to remove non-regulated portion of GSA (#1).		
2	4340	138,956	
	Exclude		138,956
	Exclude non-regulated asset portion of deferred income taxes (#7).		
3	2362		968,107
	Exclude	968,107	
	3100-2310	426,732	
	Exclude		426,732
	Exclude non-regulated investment and reserve.		
4	2003		153,394
	Exclude	153,394	
	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	46,467	
	3100-2410	11,184	
	Exclude	38,034	
	Adjust Lease, Multi Gig and IPCP Piece of Multi Gig (#10 & 11).		
7	3100-2210	217,418	
	3100-2230		217,418
	2210		222,357
	2230	222,357	
	Transfer investment and reserve to match asset from detail provided on CPR (#9).		
8	2232	8,080	
	2109		8,080
	3100-2230		7,671
	3100-2109	7,671	
	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 06/30/23

NOT USED IN RATE BASE CALCULATION

DEVELOPMENT OF TOTAL COMPANY RATE BASE

PRIOR 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 06/30/23

NOT USED IN RATE BASE CALCULATION

DEVELOPMENT OF TOTAL COMPANY RATE BASE

PRIOR 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 06/30/23

CALCULATION OF CASH WORKING CAPITAL (CWC)

1. CASH OPERATING EXPENSES	SOURCE	Total Company	Interstate	Intrastate
A. Total Operating Expenses	Net Income Development, Ln 37	$8,570,493	$2,412,236	$6,158,257
B. Depreciation & Amortization	Net Income Development, Ln 29	$1,802,497	$433,340	$1,369,157
C. Fixed Charges	Net Income Development, Ln 48	$0	$0	$0
D. Cash Operating Federal Income Taxes	Net Income Development, Ln 38, Ln 39	($1,059,637)	($134,626)	($925,011)
E. Cash Operating State & Local Taxes	Net Income Development, Ln 41	($234,591)	($2,890)	($231,701)
F. Other Operating Taxes	Net Income Development, Ln 43, Ln 44, Ln 45	$117,575	$31,251	$86,324
G. Total Cash Operating Expenses	(a-b+c+d+e+f)	$5,591,343	$1,872,631	$3,718,712
2. % LAG	FCC Default	4.1096%	4.1096%	4.1096%
3. TOTAL CASH WORKING CAPITAL		$229,782	$76,958	$152,824

BLUE RIDGE 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	1,631,174	0	614,540	0	2,245,714
2	INTERSTATE ACCESS REVENUE *(INCLUDING USF HCL REVENUES)*	5081-5083	2,301,190	0	(5,966)	0	2,295,224
3	INTRASTATE ACCESS REVENUE	5084	3,184,534	0	(2,588,240)		596,294
4	FEDERAL USF HIGH COST LOOP REV.		0	0			0
5	LONG DISTANCE NETWORK SERVICES	5100	0	0	0		0
6	INTERSTATE MISCELLANEOUS	52701	24,441	0	0		24,441
7	INTRASTATE MISCELLANEOUS	52702	98,887	0	0		98,887
8	OTHER MISC REVENUES (Interstate)	5200	1,950	0			1,950
8a	OTHER MISC REVENUES (Intrastate)	5200	296,850	0	(195,056)		101,794
9	TOTAL MISCELLANEOUS REVENUES	5200	422,128	0	(195,056)		227,072
10	NON REGULATED REVENUES	5280	6,173,361	(6,173,361)			0
11	UNCOLLECTIBLES - Total	5300	2,547	0	0		2,547
	Uncollectibles - Interstate (included in Ln 11)		6,049	0	0		6,049
12	TOTAL OPERATING REVENUES		**13,709,840**	**(6,173,361)**	**(2,174,722)**	**0**	**5,361,757**

	OPERATING EXPENSES AND TAXES	ACCOUNT	BALANCE PER BOOK	NON REG ADJUST	OTHER ADJUST	SUBJECT TO SEPARATIONS	INTERSTATE ALLOCATION %
13	NETWORK SUPPORT EXPENSE	6110	(53,663)	0	(722)	(54,385)	
14	GENERAL SUPPORT EXPENSE	6120	398,521	0	5,193	403,714	
15	C.O. SWITCHING EXPENSE	6210	105,848	0	(1,180)	104,668	
16	C.O. OPERATOR EXPENSE	6220	0				
17	C.O. TRANSMISSION EXPENSE	6230	387,954	0	18,236	406,190	
18	INFOR. ORIG. & TERM. EXPENSE	6310/7990	3,381,147	(3,381,147)	0	0	
19	CABLE & WIRE FACILITIES EXPENSE	6410	1,557,475	0	13,558	1,571,033	
20	**TOTAL PLANT SPECIFIC EXPENSE**	**6999**	**5,777,282**	**(3,381,147)**	**35,085**	**2,431,220**	26.65%
21	OTHER PROPERTY & EQPT EXPENSE	6510	0	0	0	0	0.00%
22	NETWORK OPERATIONS EXPENSE	6530	1,147,560	0	25,628	1,173,188	24.30%
23	ACCESS EXPENSE	6540	293,510	0	1,714	295,224	77.90%
24	DEPRECIATION EXPENSE	6561	1,734,742	0	60,008	1,794,750	24.04%
25	DEP. EXPENSE OTHER PROPERTY	6562	0	0	0	0	24.30%
26	AMORTIZATION EXP - TANGIBLE	6563	0	0	0	0	24.30%
27	AMORTIZATION EXP - INTANGIBLE	6564	(6,550)	0	14,297	7,747	24.30%
28	AMORTIZATION EXP - OTHER	6565	0	0	0	0	24.30%
29	**DEPRECIATION & AMORTIZATION EXP**	**6560**	**1,728,192**	**0**	**74,305**	**1,802,497**	
30	**TOTAL PLANT NON-SPFC OPER EXP**	**6599**	**3,169,262**	**0**	**101,647**	**3,270,909**	

BLUE RIDGE TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 06/30/23 **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	477,355	0	5,709	483,064	
32	SERVICE EXPENSE	6620	346,340	0	(84,155)	262,185	
33	**TOTAL CUSTOMER OPERATIONS EXP**	**6699**	**823,695**	**0**	**(78,446)**	**745,249**	34.33%
34	EXECUTIVE EXPENSE	6710	341,550	0	(3,113)	338,437	
35	GENERAL & ADMINISTRATION EXPENSE	6720	1,777,608	0	7,070	1,784,678	
36	**TOTAL CORPORATE OPERATIONS EXP**	**6799**	**2,119,158**	**0**	**3,957**	**2,123,115**	26.38%
37	**TOTAL OPERATING EXPENSES**		**11,889,397**	**(3,381,147)**	**62,243**	**8,570,493**	
38	INVESTMENT TAX CREDIT (ENTER AS NEG)	7210	0	0	0	0	
39	FEDERAL INCOME TAX	7220	(76,110)	(555,926)	(427,601)	(1,059,637)	
40	FEDERAL INCOME TAX (DEFERRED)	72501	415,855	1,268	(5,782)	411,341	
41	STATE INCOME TAX	7230	56,839	(151,126)	(140,304)	(234,591)	
42	STATE INCOME TAX (DEFERRED)	72502	49,629	386	15,081	65,096	
43	AD VALOREM TAX	7240	135,401	0	(17,826)	117,575	26.58%
44	GROSS RECEIPTS TAX	7240		0	0	0	0.00%
45	PSC FEES	7240		0	0	0	0.00%
46	TOTAL OPERATING TAXES	**7200**	**581,614**	**(705,398)**	**(576,432)**	**(700,216)**	
47	**NET OPERATING INCOME**		**1,238,829**	**(2,086,816)**	**(1,660,533)**	**(2,508,520)**	

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	$68,327	Note: Must be computed after Tax if taxes apply.		
				GDPCPI (USF Growth Factor):	1.316708
58	Access Lines at 12/31/22	8,547			
59	Allowed Executive Expense: ($200,000 + Ln 58 x $78)	$866,666		Calculation of USF Corporate Cap:	FCC Formula:
60	Base Executive Expense Per Study	$338,437			
61	Is Cap Exceeded ?	NO	Under 6,000 Lps	(42.337 - (.00328 x Ln 70)) x Ln70 x 12 mo x GDPCPI	1,763,783
62	Amount Removed from UAF Application:	$0		(63,000 / Ln 70) x Ln 70 x 12 (mo) x GDPCPI	995,431
63	Executive Expense for UAF Application:	$338,437		(Use Higher of Above)	1,763,783
64	Overall Corporate Operations Expense	$2,123,115	6,000 to 17,886	((117,990 / Ln70) + 3.007)) x Ln 70 x 12 (mo) x GDPCPI	2,302,077
65	Total Annual Maximum Corp Ops (cap)	$2,302,077			
66	Is Cap Exceeded ?	NO	Over 17,886	(9.562 x Ln 70 x 12)*GDPCPI	1,392,091
67	Amount Removed from UAF Application:	$0			
68	Corporate Expense for UAF Application:	$2,123,115		Value Selected Based on Access Line Size:	2,302,077
69	USF 1.3 Loops at 12/31/22	8,438		Base Corporate Expense Per Filing:	2,123,115
70	Total Loops at 12/31/22	9,214		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 06/30/23

Revenue and Expense Adjustments

		DEBIT	CREDIT
Revenue Adjustments			
	Non-Regulated Adjustments:		
1	5280	6,173,361	
	Exclude		6,173,361
	To remove non-regulated operating revenue.		
	Other Adjustments:		
2	6410		-
	7160	-	
	Transfer Other Operating Gain(Loss) to Plant Specific Expense.		
3	5240	59	
	PPA		59
	To exclude PPA pole revenues.		
4	5082	3,258	
	5083	-	
	5084	10,624	
	PPA		13,882
	To remove CAF 2020-2021 true-up.		
5	5084	2,580,611	
	Exclude		2,580,611
	To remove state high cost UAF support.		
6	Not Used.		
7	Discount	287	
	5084		287
	To impute revenue to offset reductions associated with the allocation of end user bundle discounts.		
8	Exclude	614,540	
	5000		614,540
	To impute local revenues - impact of HB 168. See Tab 7.6.		
9	5081	-	
	5082	2,708	
	5084		2,708
	Jurisdictional transfer to intrastate for ICC-CAF revenue recording.		
10	Not Used.		
Expense Adjustments			
11	Exclude	-	
	7250 (Fed)		-
	Add amortization of interstate other than SPA for Jul 2020-Jun 2021 not recorded in SAP.		
12	Not Used.		
13	Exclude	3,381,147	
	6310/7990		3,381,147
	To exclude non-regulated operating expenses from test period.		

BLUE RIDGE TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 06/30/23

Revenue and Expense Adjustments

		DEBIT	CREDIT
14	Exclude	705,398	
	7220		555,926
	7230		151,126
	7250 (Fed)	1,268	
	7250 (State)	386	
	To exclude non-regulated taxes from test period.		
15	Exclude	-	22,511
	6110		
	6120		941
	6530	745	
	6561	4,124	
	6564	14,297	
	6610	204	
	6620		1,339
	6710		155
	6720	7,080	
	7240		1,504
	To adjust Part 64 allocations (#10 & 11).		
16	Exclude	7,418	
	6561		7,418
	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	284	
	6120	2,891	
	6230	12,994	
	6530	11,920	
	6561	39,832	
	6610	6,615	
	6620	6,475	
	6720	14,391	
	7240	773	
	Exclude		96,175
	Reverse WBI Adjustment for Part 36 calculation.		
20	5264	194,997	
	5240		-
	6210		1,180
	6620		89,134
	6720		25,440
	7240		13,222
	Exclude		66,021
	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 06/30/23

Revenue and Expense Adjustments

			DEBIT	CREDIT
21	7220			436,555
	7230			127,600
	7220		8,954	
	7230			12,704
	72501			5,782
	72502		15,081	
	Net Adjustment		558,606	
	To remove PPA for income taxes and reflect income tax effect of test year revenue and expense adjustments.			
22	6110		315	
	6120		3,243	
	6230		6,488	
	6410		13,982	
	6530		13,424	
	6540		1,154	
	6561		23,470	
	6720		15,767	
	7240		639	
	Exclude			78,482
	Reverse Managed IP Adjustment for Part 36 calculation.			
23	6110		-	
	6120			3,243
	6230			6,488
	6410			13,982
	6530			13,424
	6561			23,470
	6720			15,767
	7100			14,754
	7240			639
	7220		18,163	
	7230		5,277	
	Intrastate NOI Adjustment		68,327	
	Move Managed IP Adjustment to nonreg in Net Income Dev. Cell C117.			
24	6110			661
	6120			
	6210			-
	6230			-
	6410			-
	6510			-
	6530			-
	6540		560	
	6610			
	6720			3,315
	7240			4,419
	Net Adjustment		7,835	
	To remove prior period adjustments, meals, travel and entertainment.			
25	6110			660
	6530			461
	6610			1,110
	6620			157
	6710			2,958
	6720			1,413
	Exclude		6,759	
	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.			-
	This amount should not be included as an adjustment in the Net Income Dev. Included in Earnings Tab formula in row 108.			