NELSON-BALL GROUND TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 6/30/2023

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	$1,265,684	$0	$1,265,684
2	Access Charges	Net Operating Income, Ln 2, 3	$1,309,014	$1,107,367	$201,647
3	LD Messages	Net Operating Income, Ln 5	$0	$0	$0
4	Billing & Collection	Net Operating Income, Ln 6, 7	$34,975	$8,477	$26,498
5	Other Miscellaneous Revenue	Net Operating Income, Ln 8	$60,354	$2,148	$58,206
6	Less: Uncollectibles	Net Operating Income, Ln 11	$4,613	$1,942	$2,671
7	**Total Regulated Operating Revenue**	**Ln 1+Ln 2+Ln 3+Ln 4+Ln 5-Ln 6**	$2,665,414	$1,116,050	$1,549,364
	OPERATING EXPENSES				
8	Plant Specific	Net Operating Income, Ln 20	$1,521,751	$622,548	$899,203
9	Plant Non-Specific	Net Operating Income, Ln 21,22,23	$883,711	$431,239	$452,472
10	Depreciation & Amortization	Net Operating Income, Ln 29	$875,737	$463,707	$412,030
11	Customer Operations	Net Operating Income, Ln 33	$382,130	$137,490	$244,640
12	Corporate Operations	Net Operating Income, Ln 36	$1,200,722	$490,015	$710,707
13	**Total Operating Expenses**	**Ln 8+Ln 9+Ln 10+Ln 11+Ln 12**	$4,864,051	$2,144,999	$2,719,052
	OPERATING TAXES				
14	Federal Income Tax -Booked	Net Operating Income, Ln 38,39,40	($426,930)	($187,100)	($239,830)
15	Adjustment to Booked FIT	If Taxes are Imputed, Ln 16-Ln 14	($17,466)	($20,824)	$3,358
16	Imputed FIT @ %	(Ln 7-Ln 13-Ln24-Ln21-(Op Inc Ln48))* Rate + Amortization of Excess ADFIT	($444,396)	($207,924)	($236,472)
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	($119,890)	($51,191)	($68,699)
20	Adjustment to Booked SIT	If Taxes are Imputed, Ln 21-Ln 19	($9,213)	($9,213)	$0
21	Imputed SIT @ %	(Ln 7-Ln 14-Ln24-(Op Inc. Ln48))* Rate	($129,103)	($60,405)	($68,699)
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	$46,640	$21,571	$25,069
25	Total Booked Operating Taxes	Ln 14+Ln 15+Ln 19+Ln 20+ Ln 24	($526,860)	($246,758)	($280,102)
26	Total Imputed Operating Taxes	Ln 14+Ln 15+Ln 19+Ln 20+ Ln 24	($526,860)	($246,758)	($280,102)
	NET OPERATING INCOME				
27	**Net Operating Income (NOI)**	**Ln 7 - Ln 13 - Ln 25**	**($1,671,777)**	**($782,191)**	**($889,586)**
28	**N.O.I. Adjustment**	**Net Operating Income, Ln 56,57**	**$46,408**	**$0**	**$46,408**
29	**Adjusted Net Operating Income (NOI)**	**Ln 27 + Ln 28**	**($1,625,369)**	**($782,191)**	**($843,178)**
	RATE OF RETURN ON RATE BASE CALCULATION		**As of End of Period**		
	RATE BASE				
30	Land & Support	Rate Base Development, Ln 3	$1,916,128	$819,145	$1,096,983
31	Central Office Equipment	Rate Base Development, Ln 14	$10,504,575	$5,872,057	$4,632,518
32	Info. Orig. & Term. Equip.	Rate Base Development, Ln 20	$0	$0	$0
33	Cable & Wire Facilities	Rate Base Development, Ln 31	$23,964,580	$8,495,444	$15,469,136
34	Other Investment	Rate Base Development, Ln 34, 35	($124)	($53)	($71)
35	Total Plant in Service	Ln 30 - Ln 34	$36,385,159	$15,186,593	$21,198,566
36	Accumulated Depreciation	Rate Base Development, Ln 46	$31,245,075	$13,185,422	$18,059,654
37	Net Plant in Service	Ln 35 - Ln 36	$5,140,084	$2,001,171	$3,138,912
38	Plant Held for Future Use	Rate Base Development, Ln 47	$0	$0	$0
39	Plant Under Construction	Rate Base Development, Ln 48	$2,991,887	$1,279,032	$1,712,855
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	$195,609	$69,343	$126,266
43	Cash Working Capital	Cash Working Capital Develop Ln 3	$117,681	$49,218	$68,463
44	Deferred Income taxes	Rate Base Development, Ln 54	$1,298,612	$555,027	$743,585
45	Customer Deposits	Rate Base Development, Ln 55	$0	$0	$0
46	**Rate Base**	**Ln 37 + Ln 38-43, - Ln 44 - Ln 45**	**$7,146,648**	**$2,843,737**	**$4,302,911**
47	**Rate of Return on Rate Base**	**Ln 29 / Ln 46**	**-22.74%**	**-27.51%**	**-19.60%**

NELSON-BALL GROUND TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 6/30/2023

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	$7,425,194	100.00%	-22.743%	-22.743%
5	Total Capital		$7,425,194	100.00%		-22.743%

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	$7,425,194	100.00%	-19.596%	-19.596%
5	Total Capital		$7,425,194	100.00%		-19.596%

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	$7,425,194	100.00%	9.250%	9.250%
5	Total Capital		$7,425,194	100.00%		9.250%

REVENUE REQUIREMENT CALCULATION

1	Rate Base (Adjusted Rate Base)	Earnings Report, Ln 46		$4,302,911
2	Allowed Rate of Return on Rate Base	Per GA PSC	Capped	8.00%
3	Net Operating Income Requirement	Line 1 x Ln 2		$344,233
4	Net Operating Income Available (Imputed Adjusted NOI)	Earnings Report, Ln 29		($843,178)
5	Operating Income Excess (Deficiency)	Ln 4 - Ln 3		($1,187,411)
6	Income Expansion Factor	1-SIT-FIT+FITxSIT		74.458%
7	Revenue Excess (Deficiency)	Ln 5 / Ln 6		($1,594,750)

NELSON-BALL GROUND TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 6/30/2023

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	142,342	0	0	142,342	
2	OTHER SUPPORT	2109	1,803,431	(29,645)	0	1,773,786	
3	TOTAL LAND & OTHER SUPPORT	2110	1,945,773	(29,645)	0	1,916,128	42.75%
4	CENTRAL OFFICE - ANALOG SWITCH	2211	0	0	0	0	
5	- DIGITAL SWITCH	2212	1,570,273	0	(572,013)	998,260	
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	1,570,273	0	(572,013)	998,260	
10	CENTRAL OFFICE - OPERATOR SYS	2220	0	0	0	0	
11	- RADIO	2231	0	0	0	0	
12	- CIRCUIT	2232	8,988,594	0	517,721	9,506,315	
13	CENTRAL OFFICE - TOTAL TRANS.	2230	8,988,594	0	517,721	9,506,315	
14	TOTAL CENTRAL OFFICE EQUIP		10,558,867	0	(54,292)	10,504,575	55.90%
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	536,234	(536,234)	0	0	
20	TOTAL ORIG/TERM EQUIP	2310	536,234	(536,234)	0	0	0.00%
21	POLES	2411	1,012,692	0	0	1,012,692	
22	TOWERS	2412	0	0	0	0	
23	AERIAL CABLE	2421	8,286,548	0	0	8,286,548	
24	UNDERGROUND CABLE	2422	682,502	0	0	682,502	
25	BURIED CABLE	2423	12,012,250	0	(3,936)	12,008,314	
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	1,945,593	0	0	1,945,593	
31	TOTAL CABLE AND WIRE	2410	23,968,516	0	(3,936)	23,964,580	35.45%
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	(124)	0	(124)	42.75%
36	TOTAL PLANT IN SERVICE	2001	37,009,390	(566,003)	(58,228)	36,385,159	42.75%

NELSON-BALL GROUND TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 6/30/2023

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

DEVELOPMENT OF TOTAL COMPANY RATE BASE

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	1,475,967	(25,726)	0	1,450,241	
38	CENTRAL OFFICE - TOTAL SWITCH	3100-2210	1,570,273	0	(572,013)	998,260	
39	CENTRAL OFFICE - OPERATOR SYS	3100-2220	0	0	0	0	
40	CENTRAL OFFICE - TOTAL TRANS.	3100-2230	7,402,836	0	530,422	7,933,258	
41	TOTAL ORIG/TERM EQUIP	3100-2310	275,742	(275,742)	0	0	
42	TOTAL CABLE AND WIRE	3100-2410	20,866,805	0	(3,488)	20,863,317	
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	31,591,622	(301,468)	(45,079)	31,245,075	42.20%
47	PROPERTY HELD FOR FUTURE USE	2002	0	0	0	0	42.75%
48	PLANT UNDER CONSTRUCTION	2003	3,371,745	(379,858)	0	2,991,887	42.75%
49	RTB CLASS B STOCK	1402	0	0	0	0	42.75%
50	PREPAYMENTS	1280-1330	0	0	0	0	42.75%
51	MATERIALS & SUPPLIES	1220	195,609	0	0	195,609	35.45%
52	CASH WORKING CAPITAL				117,681	117,681	Calculated
53	CUSTOMER DEPOSITS	4040	0	0	0	0	42.75%
55	DEFERRED INCOME TAXES	4340	1,251,403	47,209	0	1,298,612	42.74%
56	TOTAL RATE BASE		7,733,719	(691,602)	104,532	7,146,648	
	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	3,329,593	0	0	3,329,593	
63	OTHER CAPITAL	4540	37,759	0	0	37,759	
64	RETAINED EARNINGS	4550	4,056,842	0	0	4,056,842	
65	TOTAL COMMON EQUITY	4500	7,425,194	0	0	7,425,194	

NELSON-BALL GROUND TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 6/30/2023

RATE BASE ADJUSTMENTS

		DEBIT	CREDIT
	Non-Regulated Adjustments:		
1	Nonreg		9,655
	2109		29,645
	2690		124
	3100-2109	25,726	
	4340	13,698	
	Part 64 Adjustment to remove non-regulated portion of GSA (#1).		
2	4340		60,907
	Exclude	60,907	
	Exclude non-regulated asset portion of deferred income taxes (#7).		
3	2362		536,234
	3100-2310	275,742	
	Exclude	260,492	
	Exclude non-regulated investment and reserve.		
	Other Adjustments		
4	Not Used.		
5	2003		379,858
	Exclude	379,858	
	Exclude non-regulated plant under construction.		
6	4340		-
	Exclude	-	
	Exclude non-plant related deferred income taxes (#6).		
7	3100-2210	572,013	
	3100-2230		572,013
	2210		572,013
	2230	572,013	
	Transfer Investment and Reserve to Match Asset from Detail Provided on CPR (#9).		
8	2230		54,292
	2423		3,936
	3100-2230	41,591	
	3100-2410	3,488	
	Exclude	13,149	
	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 6/30/2023

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	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 6/30/2023

NOT USED IN RATE BASE CALCULATION

DEVELOPMENT OF TOTAL COMPANY RATE BASE

PRIOR 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 6/30/2023

CALCULATION OF CASH WORKING CAPITAL (CWC)

	1. CASH OPERATING EXPENSES	SOURCE	Total Company	Interstate	Intrastate
	A. Total Operating Expenses	Net Income Development, Ln 37	$4,864,051	$2,144,999	$2,719,052
	B. Depreciation & Amortization	Net Income Development, Ln 29	$875,737	$463,707	$412,030
	C. Fixed Charges	Net Income Development, Ln 48	$0	$0	$0
	D. Cash Operating Federal Income Taxes	Net Income Development, Ln 38, Ln 39	($1,079,433)	($465,980)	($613,453)
	E. Cash Operating State & Local Taxes	Net Income Development, Ln 41	($91,964)	($39,256)	($52,708)
	F. Other Operating Taxes	Net Income Development, Ln 43, Ln 44, Ln 45	$46,640	$21,571	$25,069
	G. Total Cash Operating Expenses	(a-b+c+d+e+f)	$2,863,557	$1,197,628	$1,665,929
2.	% LAG	FCC Default	4.1096%	4.1096%	4.1096%
3.	TOTAL CASH WORKING CAPITAL		$117,681	$49,218	$68,463

NELSON-BALL GROUND TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 6/30/2023

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	991,784	0	273,900	0	1,265,684
2	INTERSTATE ACCESS REVENUE *(INCLUDING USF HCL REVENUES)*	5081-5083	1,111,978	0	(4,611)	0	1,107,367
3	INTRASTATE ACCESS REVENUE	5084	1,568,711	0	(1,367,064)		201,647
4	FEDERAL USF HIGH COST LOOP REV.		0	0			0
5	LONG DISTANCE NETWORK SERVICES	5100	0	0	0		0
6	INTERSTATE MISCELLANEOUS	52701	8,477	0	0		8,477
7	INTRASTATE MISCELLANEOUS	52702	26,498	0	0		26,498
8	OTHER MISC REVENUES (Interstate)	5200	2,148	0	0		2,148
8a	OTHER MISC REVENUES (Intrastate)	5200	172,526		(114,320)		58,206
9	TOTAL MISCELLANEOUS REVENUES	5200	209,649	0	(114,320)		95,329
10	NON REGULATED REVENUES	5280	3,102,451	(3,102,451)			0
11	UNCOLLECTIBLES - Total	5300	4,613	0	0		4,613
	Uncollectibles - Interstate (included in Ln 11)		1,942	0	0		1,942
12	TOTAL OPERATING REVENUES		**6,979,960**	**(3,102,451)**	**(1,212,095)**	**0**	**2,665,414**

	OPERATING EXPENSES AND TAXES	ACCOUNT	BALANCE PER BOOK	NON REG ADJUST	OTHER ADJUST	SUBJECT TO SEPARATIONS	INTERSTATE ALLOCATION %
13	NETWORK SUPPORT EXPENSE	6110	24,130	0	897	25,027	
14	GENERAL SUPPORT EXPENSE	6120	142,610	0	18,837	161,447	
15	C.O. SWITCHING EXPENSE	6210	110,524		(320)	110,204	
16	C.O. OPERATOR EXPENSE	6220	0				
17	C.O. TRANSMISSION EXPENSE	6230	162,624	0	40,212	202,836	
18	INFOR. ORIG. & TERM. EXPENSE	6310/7990	2,175,865	(2,175,865)		0	
19	CABLE & WIRE FACILITIES EXPENSE	6410	952,004	0	70,233	1,022,237	
20	**TOTAL PLANT SPECIFIC EXPENSE**	**6999**	**3,567,757**	**(2,175,865)**	**129,859**	**1,521,751**	40.91%
21	OTHER PROPERTY & EQPT EXPENSE	6510	0	0	0	0	0.00%
22	NETWORK OPERATIONS EXPENSE	6530	624,418	0	93,200	717,618	42.75%
23	ACCESS EXPENSE	6540	164,245	0	1,848	166,093	74.93%
24	DEPRECIATION EXPENSE	6561	706,690	0	163,118	869,808	53.02%
25	DEP. EXPENSE OTHER PROPERTY	6562	0	0	0	0	42.75%
26	AMORTIZATION EXP - TANGIBLE	6563	0	0	0	0	42.75%
27	AMORTIZATION EXP - INTANGIBLE	6564	(4,192)	0	8,127	3,935	42.75%
28	AMORTIZATION EXP - OTHER	6565	1,994	0	0	1,994	42.75%
29	**DEPRECIATION & AMORTIZATION EXP**	**6560**	**704,492**	**0**	**171,245**	**875,737**	
30	**TOTAL PLANT NON-SPFC OPER EXP**	**6599**	**1,493,155**	**0**	**266,293**	**1,759,448**	

NELSON-BALL GROUND TELEPHONE COMPANY
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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	237,006	0	18,266	255,272	
32	SERVICE EXPENSE	6620	177,949	0	(51,091)	126,858	
33	**TOTAL CUSTOMER OPERATIONS EXP**	**6699**	**414,955**	**0**	**(32,825)**	**382,130**	35.98%
34	EXECUTIVE EXPENSE	6710	189,826	0	(1,738)	188,088	
35	GENERAL & ADMINISTRATION EXPENSE	6720	908,190	0	104,444	1,012,634	
36	**TOTAL CORPORATE OPERATIONS EXP**	**6799**	**1,098,016**	**0**	**102,706**	**1,200,722**	40.81%
37	**TOTAL OPERATING EXPENSES**		**6,573,883**	**(2,175,865)**	**466,033**	**4,864,051**	
38	INVESTMENT TAX CREDIT (ENTER AS NEG)	7210	0	0	0	0	
39	FEDERAL INCOME TAX	7220	(551,386)	(199,171)	(328,876)	(1,079,433)	
40	FEDERAL INCOME TAX (DEFERRED)	72501	637,984	15,976	(1,457)	652,503	
41	STATE INCOME TAX	7230	(13,639)	24,678	(103,003)	(91,964)	
42	STATE INCOME TAX (DEFERRED)	72502	42,388	(78,170)	7,856	(27,926)	
43	AD VALOREM TAX	7240	51,039	0	(4,399)	46,640	46.25%
44	GROSS RECEIPTS TAX	7240		0	0	0	0.00%
45	PSC FEES	7240		0	0	0	0.00%
46	TOTAL OPERATING TAXES	**7200**	**166,386**	**(236,687)**	**(429,879)**	**(500,180)**	
47	**NET OPERATING INCOME**		**239,691**	**(689,899)**	**(1,248,249)**	**(1,698,457)**	

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	$46,408	Note: Must be computed after Tax if taxes apply.	
			GDPCPI (USF Growth Factor):	1.316708
58	Access Lines at 12/31/22	4,439		
59	Allowed Executive Expense: ($200,000 + Ln 58 x $78)	$546,242	Calculation of USF Corporate Cap:	FCC Formula:
60	Base Executive Expense Per Study	$188,088		
61	Is Cap Exceeded ?	NO	Under 6,000 Lps (42.337 - (.00328 x Ln 70)) x Ln70 x 12 mo x GDPCPI	2,004,623
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:	$188,088	(Use Higher of Above)	2,004,623
64	Overall Corporate Operations Expense	$1,200,722	6,000 to 17,886 ((117,990 / Ln70) + 3.007)) x Ln 70 x 12 (mo) x GDPCPI	2,089,032
65	Total Annual Maximum Corp Ops (cap)	$2,004,623		
66	Is Cap Exceeded ?	NO	Over 17,886 (9.562 x Ln 70 x 12)*GDPCPI	714,629
67	Amount Removed from UAF Application:	$0		
68	Corporate Expense for UAF Application:	$1,200,722	Value Selected Based on Access Line Size:	2,004,623
69	USF 1.3 Loops at 12/31/22	4,277	Base Corporate Expense Per Filing:	1,200,722
70	Total Loops at 12/31/22	4,730	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
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Revenue and Expense Adjustments

		DEBIT	CREDIT
Revenue Adjustments			
	Non-Regulated Adjustments		
1	5280	3,102,451	
	Exclude		3,102,451
	To remove non-regulated operating revenue.		
	Other Adjustments:		
2	6410		-
	7160		
	Transfer Other Operating Gain(Loss) to Plant Specific Expense.		
3	5240	159	
	PPA		159
	To remove PPA rent revenues.		
4	5082	4,611	
	5083	-	
	5084	10,647	
	PPA		15,258
	To remove CAF 2020-2021 true-up.		
5	Discount	273,900	
	5000		273,900
	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	1,356,469	
	PPA		1,356,469
	To remove state high cost UAF support.		
8	5200		
	PPA	-	
	To remove out of period adjustments		
9	5081	-	
	5082		2,221
	5084	2,221	
	Jurisdictional transfer to intrastate for ICC-CAF revenue recording.		
Expense Adjustments			
	Non-Regulated Adjustments		
10	Exclude	2,175,865	
	6310/7990		2,175,865
	To exclude non-regulated operating expenses from test period.		

NELSON-BALL GROUND TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 6/30/2023

Revenue and Expense Adjustments

		DEBIT	CREDIT
11	Exclude	236,687	
	7220		199,171
	7230	24,678	
	7250 (Fed)	15,976	
	7250 (State)		78,170
	To exclude nonregulated taxes from test period.		
	Other Expense Adjustments		
12	Exclude		15,400
	6120	201	
	6530	120	
	6561	670	
	6564	8,127	
	6611	-	
	6620		2,549
	6710	-	56
	6720	8,985	
	7240		98
	To adjust Part 64 allocations (#10&11).		
13	6110	142	
	6120	1,715	
	6230	7,227	
	6410	3,592	
	6530	9,508	
	6540	903	
	6561	19,580	
	6720	9,668	
	7240	347	
	Exclude		52,682
	Reverse Managed IP Adjustment for Part 36 calculation.		
14	6561		4,413
	7240		91
	6230		1,252
	6410		111
	Exclude	5,867	
	Remove IPCP Router and Multi Gig expenses (#17-20).		
15	6110	1,278	
	6120	16,921	
	6230	34,237	
	6410	66,752	
	6530	83,820	
	6561	147,281	
	6610	18,863	
	6620	11,562	
	6720	90,242	
	7240	3,859	
	Exclude		474,815
	Reverse WBI Adjustment for Part 36 calculation.		
16	7220		329,852
	7230		96,239
	7220	976	
	7230		6,764
	72501		1,457
	72502	7,856	
	PPA	425,480	
	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 6/30/2023

		Revenue and Expense Adjustments	
		DEBIT	CREDIT
17	5260	114,161	
	5240	-	-
	6210		320
	6620		60,020
	6720		2,062
	7240		4,612
	Exclude		47,147
	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		142
	6120		1,715
	6230		7,227
	6410		3,592
	6530		9,508
	6561		19,580
	6720		9,668
	7100		10,549
	7240		347
	7220	12,336	
	7230	3,584	
	Intrastate NOI Adjustment	46,408	
	Move Managed IP Adjustment to nonreg in Net Income Dev. Cell C117.		
19	6110		316
	6120		
	6210		
	6230		
	6410		
	6510		
	6530		
	6540	945	-
	6720		1,585
	7240		3,804
	Exclude	4,760	
	To remove prior period adjustments and service awards.		
20	6110		207
	6530		248
	6610		597
	6620		84
	6710		1,682
	6720		804
	Exclude	3,622	
	To remove non-allowable expenses per FCC USF order (#26).		

NELSON-BALL GROUND TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
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Revenue and Expense Adjustments

		DEBIT	CREDIT
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.		