Nelson-Ball Ground Telephone Company
Docket No. 32235

Tab 5 - Subjective support for booking decisions relative to regulated and non-regulated entries, as well as Federal and State entries.

Nelson-Ball Ground Telephone Company records revenues, expenses, assets and liabilities that are solely regulated or non-regulated directly to separate sub-accounts. For joint and common expenses, direct analysis or indirect analysis cost allocation methodologies, based upon the functional activities being performed and type of cost incurred, are routinely performed. The results are incorporated into either the Company's labor distribution process or monthly cost allocation accrual entries, resulting in direct posting to separate regulated and non-regulated sub-accounts during the monthly General Ledger process. This minimizes manual processes and the need for additional end of year or special regulatory reporting separation of regulated and non-regulated costs. For joint and common investments, annual Part 64 studies are performed to update the allocations between regulated and non-regulated operations. In sum, allocations of plant assets, accumulated depreciation reserves, deferred income taxes, depreciation expense, and related operating expenses are provided for. These direct and indirect non-regulated assignments, allocations, and adjustments from this comprehensive Part 64 Cost Allocation process are utilized by the Company in developing the proper Interstate Cost Study, Interstate USF filing and UAF model balances. The adjustments for the December 2023 UAF filings that were not already made in the monthly accounting process are documented in the Tab 1 Earnings model that is included in the filing.

With regard to the proper treatment of Federal and State entries, all revenues are directly assigned to the appropriate jurisdiction based on the nature of those revenues. Federal CAF-ICC revenues are recorded to both interstate and intrastate jurisdictions to match this replacement revenue with the base period revenues associated with each jurisdiction. All rate base and operating expenses are assigned to the Intrastate jurisdiction using the appropriate separations factors as developed in the most recent Interstate Cost Study, in this case the Year Ending December 31, 2022 Annual Study.