

Bulloch County Rural Telephone Cooperative, Inc.

Agreed-Upon Procedures Applied to the Universal Access Fund
Application for the period ending 6/30/2023

May 3, 2024

Independent Accountant's Report on Applying Agreed-Upon Procedures

BULLOCH COUNTY RURAL TELEPHONE COOPERATIVE, INC.

To the Georgia Public Service Commission:

We have performed the procedures enumerated below on the application for funding from the Georgia Universal Access Fund provided to us by management of Bulloch County Rural Telephone Cooperative, Inc. (or the "Cooperative"). The responsible party Bulloch County Rural Telephone Cooperative, Inc. is responsible for the application.

The engaging party, Georgia Public Service Commission ("GPSC") has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assessing the application's reasonableness prior to funds being distributed to as of June 30, 2023. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures are listed below with associated findings listed on the following pages.

AUP Agreed-Upon Procedures

- 1 Obtain UAF Cooperative pre-filed information and schedules filed with the GPSC
- 2 Issue specific Contractor data requests to the UAF Companies and schedule field work
- 3 Audit the Cooperative's UAF model (printed version as well as spreadsheet testing)
- 4 Trace amounts on the Applicant's Form M back to Cooperative prepared schedules matching their General Ledger
- 5 Trace Form M data to the UAF Model column entitled Balance Per Books
- 6 Trace amounts in the "subject to separations" adjustment column of the UAF Model to Net Operating Income (NOI) and Rate of Return (ROR) on rate base calculations
- 7 Trace amounts in the "non-regulated" adjustment column of UAF Model to supporting journal entries of cost study. Selected supporting work papers are reviewed for reasonableness, accuracy, and conformance.
- 8 Test the FCC Part 36 study and review allocation/traffic factors
- 9 Test and recalculate the Revenue Requirement Section on the UAF Model
- 10 Review each invoice over \$250 and select those invoices that appear unreasonable
- 11 Review corporate allocations and the Cooperative's Cost Allocation Manual

- 12 Verify fixed asset amounts in the Cooperative's Continuing Property Record and identify those assets that are inappropriately included in rate base in the UAF application. If applicant is a recipient of Federal or state Broadband Grants, determine whether the grants were to be used as revenue, expense offsets, or for capital acquisitions. To the extent such grants are/were used for capital acquisition, review books to ensure that such purchased assets are excluded from the rate base for UAF purposes
- 13 Verify the amounts of Federal universal service fund support reported in the UAF Application. Review UAF Applicant work
- 14 Verify that any long-term debt interest costs treated as AFUDC (Allowance for Funds Used During Construction) were treated either as current year income or as a reduction to interest rates
- 15 Verify that any Patronage Dividends credited (not necessarily received in cash) from long term lenders are treated as a reduction to the cost of debt
- 16 Review the outside auditor's report on the financial statements and report any adverse findings or qualified opinions
- 17 Review and test the requested amount for Executive Compensation and Corporate Operations Expense and compared the amount shown in the UAF application to the GPSC caps
- 18 Review depreciation rates used for the UAF application and compare to the rates adopted by the GPSC
- 19 Review cost allocation manual, verify that it is being used, test a sample of allocations and report when the manual was last updated
- 20 Incorporate revised factors or methods adopted by GPSC, such as cost of equity, into the UAF model
- 21 Prepare exhibits of financial results and support mechanisms. Analyze as to why increases/decreases occurred
- 22 Identify Construction Work in Progress and Retirement amounts for the test year
- 23 Identify the Cooperative's affiliates and non-regulated services
- 24 Identify the total costs charged to the regulated Cooperative by the affiliate or parent Cooperative. Quantified costs by FCC USOA Account and determined the per access line amount over the past 3 years. If the costs appear unreasonable, propose adjustments or informed GPSC staff and recommend an affiliated transactions engagement be performed
- 25 For ACAM UAF companies only, obtain the Cooperative spreadsheet depicting calculated amounts, review Cooperative prepared adjustments, trace adjustments in the UAF application model to the spreadsheet and identify impact of the adjustment
- 26 Test and review the Approved Cost of Equity and Cost of Capital Rates of Tier II local exchange carriers for the purpose of evaluating applications for reimbursement from the UAF. The rate of return on rate base will be limited to the lesser of 8.0% or the level computed based on a 9.25% return on equity, using the applicant's actual cost of debt and the applicant's actual debt/equity structure. Verify that the above calculation was used in the respective UAF Model
- 27 Finalize work papers and prepare final report
- 28 Prepare testimony if requested.

We were engaged by the GPSC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the application. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Bulloch County Rural Telephone Cooperative, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements related to our agreed-upon procedures engagement. This report is intended solely for the information and use of the Georgia Public Service Commission and Bulloch County Rural Telephone Cooperative, Inc. and is not intended to be, and should not be, used by anyone other than these specified parties.

Vic Hurlbert, CPA
Hurlbert CPA LLC
Liberty, Missouri
May 3, 2024

Current Request for UAF Disbursements – Summary of Findings

Bulloch County Rural Telephone Cooperative, Inc.’s final revenue deficiency is \$722,153.

Table 1
Bulloch County Rural Telephone Cooperative, Inc.

Georgia UAF Summary	Amounts
Original Cooperative Requested Amount from Georgia Universal Access Fund	\$722,153
Total Adjustments	\$0
Revised Deficiency for the Cooperative	\$722,153
Final Amount Recommended by Staff	\$722,153

As presented in Table 1, we propose Bulloch County Rural Telephone Cooperative, Inc. receive a UAF disbursement of \$722,153 based upon the test year for the twelve months ending June 30, 2023.

Profile of Bulloch County Rural Telephone Cooperative, Inc.

Bulloch County Rural Telephone Cooperative, Inc. is a small, rural telephone cooperative serving 3,523 access lines. Bulloch County Rural Telephone Cooperative, Inc. is a rural telephone cooperative located in Statesboro, Georgia, serving subscribers in Bulloch and Bryan Counties. The Cooperative operates six exchanges located in Brooklet, Portal, Nevils, Anderson, Clito and Stilson. The business and maintenance offices are located in Statesboro, Georgia. The Cooperative offers a complete line of telephone services. Bulloch directly offers both regulated and non-regulated products and services to its customers. Additional non-regulated products and services (e.g. internet and long distance) are available from its subsidiaries.

Agreed Upon Procedures

Procedure 1: Obtained UAF Cooperative pre-filed information and schedules filed with the GPSC.

Conclusion – We reviewed pre-filed files downloaded from the GPSC web site. There were no discrepancies noted.

Procedure 2: Issued specific Contractor data requests to the UAF Companies and scheduled field work.

Conclusion – Data requests were sent to the Cooperative and the Cooperative responded to all data requests.

Procedure 3: Audited the Cooperative's UAF model (printed version as well as spreadsheet testing).

Conclusion – There were no discrepancies noted.

Procedure 4: Traced amounts on the Applicant's Form M back to Cooperative prepared schedules matching their General Ledger.

Conclusion – There were no discrepancies noted.

Procedure 5: Traced Form M data to the UAF Model column entitled Balance Per Books

Conclusion – There were no discrepancies noted.

Procedure 6: Traced amounts in the "subject to separations" adjustment column of the UAF Model to Net Operating Income (NOI) and Rate of Return (ROR) on rate base calculations.

Conclusion – There were no discrepancies noted.

Procedure 7: Traced amounts in the "non-regulated" adjustment column of UAF Model to supporting journal entries of cost study. Selected supporting work papers are reviewed for reasonableness, accuracy, and conformance.

Conclusion – There were no discrepancies noted.

Procedure 8 Tested the FCC Part 36 study and review allocation/traffic factors.

Conclusion – The factors appeared reasonable.

Procedure 9: Tested and recalculated the Revenue Requirement Section on the UAF Model.

Conclusion – There were no discrepancies noted.

Procedure 10: Reviewed each invoice over \$250 and selected those invoices that appeared unreasonable.

Conclusion – Of the selected sampled items, we found invoices that were unreasonable to us totaling \$37,709, however, Bulloch exceeded the Georgia PSC Executive Compensation Cap by \$151,839 and that amount was deducted from Bulloch's request for Universal Access Funds.

Procedure 11: Reviewed corporate allocations and the Cooperative's Cost Allocation Manual

Conclusion – The Cooperative does not employ a cost allocation manual. The Cooperative directly assigns costs to cost functions.

Procedure 12 Verified fixed asset amounts in the Cooperative's Continuing Property Record and identify those assets that are inappropriately included in rate base in the UAF application. If applicant is a recipient of Federal or state Broadband Grants, determined whether the grants were to be used as revenue, expense offsets, or for capital acquisitions. To the extent such grants are/were used for capital acquisition, review books to ensure that such purchased assets are excluded from the rate base for UAF purposes.

Conclusion – There were no discrepancies noted.

Procedure 13 Verified the amounts of Federal universal service fund support reported in the UAF Application. Reviewed UAF Applicant work.

Conclusion – There were no discrepancies noted.

Procedure 14: Verified that any long-term debt interest costs treated as AFUDC (Allowance for Funds Used During Construction) were treated either as current year income or as a reduction to interest rates.

Conclusion – Not applicable.

Procedure 15: Verified that any Patronage Dividends credited (not necessarily received in cash) from long term lenders are treated as a reduction to the cost of debt.

Conclusion – Not applicable.

Procedure 16: Reviewed the outside auditor's report on the financial statements and report any adverse findings or qualified opinions.

Conclusion – The Cooperative's outside auditor's 2023 report provided an unqualified opinion.

Procedure 17: Reviewed and tested the requested amount for Executive Compensation and Corporate Operations Expense and compared the amount shown in the UAF application to the GPSC caps.

Conclusion – The Cooperative was above the GPSC Corporate Operations Cap and, therefore, it made an adjustment in the UAF model of \$151,839 reducing the Executive expense requested.

Procedure 18: Reviewed depreciation rates used for the UAF application and compared to the rates adopted by the GPSC.

Conclusion – The Cooperative’s depreciation rates matched or were less than the rates prescribed by the GPSC. Regulated Depreciation Expense was \$2,912,574 in the UAF application. Per the UAF model, Total Plant in Service was \$60,529,209. Composite depreciation rate equals depreciation per year divided by total historical cost. The composite rate is shown below.

Depreciation Expense	\$2,912,574
Total Plant in Service	\$60,529,209
Composite Rate	4.81%

Procedure 19: Reviewed cost allocation manual, verify that it is being used, test a sample of allocations and report when the manual was last updated.

Conclusion – The Cooperative does not employ a cost allocation manual. The Cooperative directly assigns costs to cost functions.

Procedure 20: Incorporated revised factors or methods adopted by GPSC, such as cost of equity, into the UAF model.

Conclusion - The current cost of equity approved by the GPSC is 9.25%. Using the Cooperative’s actual debt/equity ratio and actual cost of debt, the Cooperative’s weighted average cost of capital (“WACC”) is 9.25%. Because the Cooperative’s WACC did exceed the GPSC’s 8% cap, the allowed return on rate base was 8.0%.

Procedure 21: Prepared exhibits of financial results and support mechanisms. Analyzed as to why increases/decreases occurred.

Receipt of Federal Universal Service Support 2018 – 2023

<u>Support</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
HCLS	\$458,011	\$830,075	\$883,061	\$1,226,433	\$1,089,915	\$585,036
ICLS	1,421,874	2,563,422	3,188,012	3,024,600	4,621,997	4,595,706
LSS	0	0	0	0	0	0
SNA	0	0	0	0	0	0
SVS	0	0	0	0	0	0
Lifeline	<u>2,268</u>	<u>2,832</u>	<u>2,845</u>	<u>2,845</u>	<u>2,383</u>	<u>2,135</u>
Total	\$1,882,153	\$3,396,329	\$4,073,918	\$4,253,878	\$5,714,295	\$5,182,877

Financial Results 2018 – 2023

Conclusion – The Cooperative had decreases of plant investment, revenues and expenses.

<u>Description</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Net telecom plant	\$33,990,422	\$20,620,761	\$18,732,342	\$18,978,129	\$17,534,514	\$16,289,192
Regulated Revenue	\$9,701,250	\$8,385,668	\$10,762,984	\$13,141,201	\$12,869,825	\$12,284,821
Regulated Expenses	\$8,840,905	\$8,523,050	\$11,731,120	\$11,790,636	\$9,751,956	\$9,732,987
Total access lines	8,472	6,400	9,321	4,881	4,344	3,523

Procedure 22: Identified Construction Work in Progress and Retirement amounts for the test year.

Conclusion – The Cooperative had Construction Work in Progress and Plant Retirements at 6/30/2023 of \$4,939,129 and \$938,949, respectively.

Procedure 23 Identified the Cooperative's affiliates and non-regulated services.

All future expenses incurred for each of the goods and/or services obtained from affiliates, that in the aggregate exceed \$50,000 annually, should be documented with analyses comparing cost to market data Bulloch Telephone Cooperative obtains wholesale Internet services from the affiliate, Bulloch Net in excess of \$50,000 annually. These services are used in providing non-regulated services for Bulloch Telephone Cooperative and are charged to account 6362.05 (Non-Regulated DSL Expense). The rate is based upon the wholesale NECA tariff rate. However, there is no market study analysis of the rate. Bulloch Telephone Cooperative obtains no services from the affiliate, Bulloch Cellular. All compensation received from the affiliates for goods and services are tariffed services or direct charges of labor and overheads created by the labor distribution process. The one exception is fiber and co-location leases that are priced based upon existing contracts with non-affiliated third-party companies.

Conclusion – Affiliated and non-regulated services were reviewed and found reasonable.

Procedure 24 Identified the total costs charged to the regulated Cooperative by the affiliate or parent.

Shown below are the intercompany charges.

BULLOCH TELEPHONE COOPERATIVE, INC			
INTERCOMPANY CHARGES TO SUBSIDIARIES			
JULY 1, 2022 THROUGH JUNE 30, 2023			
BULLOCH CELLULAR - CLEC			
			Total
Fiber Lease			\$121,019.52
Colocation			25,920.00
Interconnection			26,118.24
Broadband Connect Fees			863,935.00
Billing & Collection Fees			127,498.00
			<u>\$1,164,490.76</u>
Allocations			
Video Programming/Headend			\$410,842.36
Audit/Tax Preparation			18,000.00
			<u>\$428,842.36</u>
			<u>\$1,593,333.12</u>

Conclusion – There were no discrepancies noted.

Cost per Access Line

Quantified costs by FCC USOA Account and determined the per access line amount over the past 3 years. If the costs appeared unreasonable, proposed adjustments or informed GPSC staff and recommended an affiliated transactions engagement be performed.

Conclusion – Bulloch had neither the lowest or highest average of costs per access line of all UAF applicants.

Procedure 25 For ACAM UAF companies only, obtained the Cooperative spreadsheet depicting calculated amounts, Reviewed Cooperative prepared adjustments, trace adjustments in the UAF application model to the spreadsheet and identify impact of the adjustment.

Conclusion – Not applicable.

Procedure 26 Tested and Reviewed the Approved Cost of Equity and Cost of Capital Rates of Tier II local exchange carriers for the purpose of evaluating applications for reimbursement from the UAF. The rate of return on rate base will be limited to the lesser of 8.0% or the level computed based on a 9.25% return on equity, using the applicant's actual cost of debt and the applicant's actual debt/equity structure. Verify that the above calculation was used in the respective UAF Model.

Conclusion – There were no discrepancies noted.

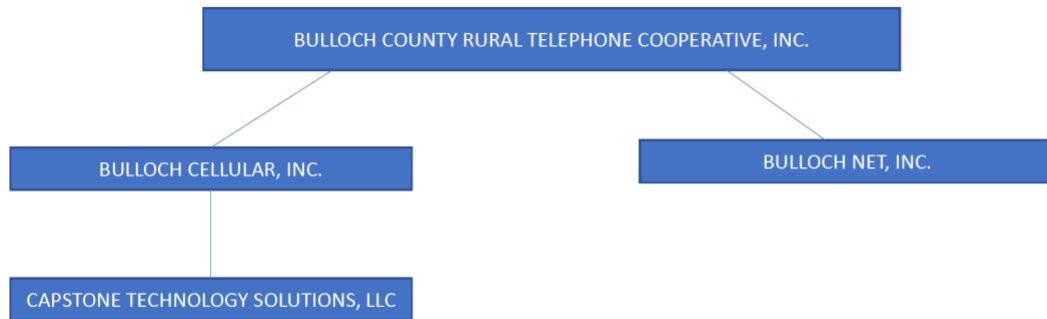
Procedure 27 Finalize work papers and prepare final report.

Procedure 28 Prepare testimony if requested.

Exhibit Nos. 1 – 3

1. Bulloch County Rural Telephone Cooperative, Inc. Organization Chart
2. Bulloch County Rural Telephone Cooperative, Inc. UAF Net Operating Income and Rate of Return on Rate Base Calculation
3. Bulloch County Rural Telephone Cooperative, Inc. UAF Cost of Capital Structure and Return on Equity Calculation

Bulloch Organization Chart



BULLOCH COUNTY RURAL TELEPHONE COOP., INC.					
RATE OF RETURN DEVELOPMENT					
YEAR ENDING 06/30/23					
NET OPERATING INCOME AND RATE OF RETURN ON RATE BASE CALCULATION					
		(1)	(2)	(3)	
NET OPERATING INCOME DEVELOPMENT	Source	Subject To Separations	Total Interstate	Total Intrastate	
OPERATING REVENUES					
Local Service	Net Operating Income, Ln 1	\$2,108,719		\$2,108,719	
Access Charges	Net Operating Income, Ln 2, 3	\$9,695,986	\$9,337,268	\$358,718	
LD Messages	Net Operating Income, Ln 5	\$28,713		\$28,713	
Billing & Collection	Net Operating Income, Ln 6, 7	\$405	\$0	\$405	
Other Miscellaneous Revenue	Net Operating Income, Ln 8	\$79,252		\$79,252	
Less: Uncollectibles	Net Operating Income, Ln 11	(\$371,746)	\$0	(\$371,746)	
Total Regulated Operating Revenue	Ln 1+Ln 2+Ln 3+Ln 4+Ln 5-Ln 6	\$12,284,821	\$9,337,268	\$2,947,553	
OPERATING EXPENSES					
Plant Specific	Net Operating Income, Ln 20	\$2,148,171	\$1,576,077	\$572,094	
Plant Non-Specific	Net Operating Income, Ln 21,22,23	\$1,635,981	\$1,151,659	\$484,322	
Depreciation & Amortization	Net Operating Income, Ln 29	\$2,912,574	\$2,089,909	\$822,665	
Customer Operations	Net Operating Income, Ln 33	\$966,582	\$425,552	\$541,030	
Corporate Operations	Net Operating Income, Ln 36	\$1,917,839	\$1,290,732	\$627,107	YES
Total Operating Expenses	Ln 8+Ln 9+Ln 10+Ln 11+Ln 12	\$9,581,148	\$6,533,929	\$3,047,219	(\$151,839)
OPERATING TAXES					
Federal Income Tax -Booked	Net Operating Income, Ln 38,39,40	\$0	\$0	\$0	
Adjustment to Booked FIT	If Taxes are Imputed, Ln 16-Ln 14	\$0	\$0	\$0	
Imputed FIT @ %	(Ln 7-Ln 14-Ln24-Ln21-(Op Inc Ln48))* Rate	\$0	\$0	\$0	
Adjustment to Imputed FIT	If Taxes are per book, Ln 14-Ln 16	\$0	\$0	\$0	
Booked - Imputed FIT (Net of Adj)		\$0	\$0	\$0	
State Income Tax -Booked	Net Operating Income, Ln 41,42	\$0	\$0	\$0	
Adjustment to Booked SIT	If Taxes are Imputed, Ln 21-Ln 19	\$0	\$0	\$0	
Imputed SIT @ %	(Ln 7-Ln 14-Ln24-(Op Inc. Ln48))* Rate	\$0	\$0	\$0	
Adjustment to Imputed SIT	If Taxes are per book, Ln 14-Ln 16	\$0	\$0	\$0	
Booked - Imputed SIT (Net of Adj)		\$0	\$0	\$0	
Other Taxes	Net Operating Income, Ln 43,44,45	\$269,746	\$194,231	\$75,515	
Total Booked Operating Taxes	Ln 14+Ln 15+Ln 19+Ln 20+ Ln 24	\$269,746	\$194,231	\$75,515	
Total Imputed Operating Taxes	Ln 14+Ln 15+Ln 19+Ln 20+ Ln 24	\$269,746	\$194,231	\$75,515	
NET OPERATING INCOME					
Net Operating Income (NOI)	Ln 7 - Ln 13 - Ln 25	\$2,433,927	\$2,609,108	(\$175,181)	
N.O.I. Adjustment	Net Operating Income, Ln 56,57	\$0	\$0	\$0	
Adjusted Net Operating Income (NOI)	Ln 27 + Ln 28	\$2,433,927	\$2,609,108	(\$175,181)	
RATE OF RETURN ON RATE BASE CALCULATION					
As of End of Period					
RATE BASE					
Land & Support	Rate Base Development, Ln 3	\$5,122,802	\$3,675,892	\$1,446,910	
Central Office Equipment	Rate Base Development, Ln 14	\$13,550,648	\$10,109,352	\$3,441,296	
Info. Origination & Termination Equipment	Rate Base Development, Ln 20	\$0	\$0	\$0	
Cable & Wire Facilities	Rate Base Development, Ln 31	\$41,850,310	\$29,630,145	\$12,220,165	
Other Investment	Rate Base Development, Ln 34, 35	\$5,449	\$0	\$5,449	
Total Plant in Service	Ln 30 - Ln 34	\$60,529,209	\$43,415,389	\$17,113,820	
Accumulated Depreciation	Rate Base Development, Ln 46	\$44,240,017	\$31,925,852	\$12,314,164	
Net Plant in Service	Ln 35 - Ln 36	\$16,289,192	\$11,489,537	\$4,799,656	
Plant Held for Future Use	Rate Base Development, Ln 47	\$0	\$0	\$0	
Plant Under Construction	Rate Base Development, Ln 48	\$4,074,194	\$2,923,459	\$1,150,736	
RTB Class B Stock	Rate Base Development, Ln 49	\$0	\$0	\$0	
Prepayments	Rate Base Development, Ln 50	\$445,286	\$319,517	\$125,769	
Materials & Supplies	Rate Base Development, Ln 51	\$2,261,101	\$1,600,866	\$660,235	
Cash Working Capital	Cash Working Capital Develop Ln 3	\$291,377	\$190,614	\$100,764	
Deferred Income taxes	Rate Base Development, Ln 54	\$0	\$0	\$0	
Customer Deposits	Rate Base Development, Ln 55	\$0	\$0	\$0	
Rate Base	Ln 37 + Ln 38-43, - Ln 44 - Ln 45	\$23,361,151	\$16,523,992	\$6,837,159	
Rate of Return on Rate Base	Ln 29 / Ln 46	10.41869%	15.78982%	-2.56218%	

BULLOCH COUNTY RURAL TELEPHONE COOP., INC.
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
Short Term Debt	Rate Base, Ln 56	\$0	0.00000%	0.00000%	0.00000%
Long Term Debt	Rate Base, Ln 59	\$0	0.00000%	0.00000%	0.00000%
Other	Rate Base, Ln 53	\$0	0.00000%	7.00000%	0.00000%
Equity	Rate Base, Ln 64	\$97,872,415	100.00000%	10.41869%	10.41869%
Total Capital		\$97,872,415	100.00000%		10.41869%

ACTUAL COST OF CAPITAL - INTRASTATE ONLY

		Amount	% Total	Rate	Weighted Cost Rate
Short Term Debt	Rate Base, Ln 56	\$0	0.00000%	0.00000%	0.00000%
Long Term Debt	Rate Base, Ln 59	\$0	0.00000%	0.00000%	0.00000%
Other	Rate Base, Ln 53	\$0	0.00000%	7.00000%	0.00000%
Equity	Rate Base, Ln 64	\$97,872,415	100.00000%	-2.56218%	-2.56218%
Total Capital		\$97,872,415	100.00000%		-2.56218%

ALLOWED CAPITAL STRUCTURE - INTRASTATE

		Amount	% Total	Rate	Weighted Cost Rate
Short Term Debt	Rate Base, Ln 56	\$0	0.00000%	0.00000%	0.00000%
Long Term Debt	Rate Base, Ln 59	\$0	0.00000%	0.00000%	0.00000%
Other	Rate Base, Ln 53	\$0	0.00000%	7.00000%	0.00000%
Equity	Rate Base, Ln 64	\$97,872,415	100.00000%	9.25000%	9.25000%
Total Capital		\$97,872,415	100.00000%		9.25000%

REVENUE REQUIREMENT CALCULATION

Rate Base (Adjusted Rate Base)	Earnings Report, Ln 46	\$6,837,159
Allowed Rate of Return on Rate Base	Per GA PSC	8.00000%
Net Operating Income Requirement	Line 1 x Ln 2	\$546,973
Net Operating Income Available (Imputed Adjusted NOI)	Earnings Report, Ln 29	(\$175,181)
Operating Income Excess (Deficiency)	Ln 4 - Ln 3	(\$722,153)
Income Expansion Factor	1-SIT-FIT+FITxSIT	100.000%
Revenue Excess (Deficiency)	Ln 5 / Ln 6	(\$722,153)