BLUE RIDGE TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 06/30/25

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	$2,408,840	$0	$2,408,840
2	Access Charges	Net Operating Income, Ln 2, 3	$2,331,720	$1,797,217	$534,503
3	LD Messages	Net Operating Income, Ln 5	$0	$0	$0
4	Billing & Collection	Net Operating Income, Ln 6, 7	$87,805	$16,357	$71,448
5	Other Miscellaneous Revenue	Net Operating Income, Ln 8	$119,245	$1,971	$117,274
6	Less: Uncollectibles	Net Operating Income, Ln 11	$6,221	($53)	$6,274
7	**Total Regulated Operating Revenue**	**Ln 1+Ln 2+Ln 3+Ln 4+Ln 5-Ln 6**	$4,941,389	$1,815,598	$3,125,791
	OPERATING EXPENSES				
8	Plant Specific	Net Operating Income, Ln 20	$1,890,234	$509,040	$1,381,194
9	Plant Non-Specific	Net Operating Income, Ln 21,22,23	$1,606,328	$568,447	$1,037,881
10	Depreciation & Amortization	Net Operating Income, Ln 29	$1,918,417	$526,169	$1,392,248
11	Customer Operations	Net Operating Income, Ln 33	$752,528	$279,940	$472,588
12	Corporate Operations	Net Operating Income, Ln 36	$2,208,411	$649,935	$1,558,476
13	**Total Operating Expenses**	**Ln 8+Ln 9+Ln 10+Ln 11+Ln 12**	$8,375,918	$2,533,531	$5,842,387
	OPERATING TAXES				
14	Federal Income Tax -Booked	Net Operating Income, Ln 38,39,40	($678,245)	($141,784)	($536,461)
15	Adjustment to Booked FIT	If Taxes are Imputed, Ln 16-Ln 14	($13,422)	($4,260)	($9,163)
16	Imputed FIT @ %	(Ln 7-Ln 13-Ln24-Ln21-(Op Inc Ln48))* Rate + Amortization of Excess ADFIT	($691,667)	($146,044)	($545,624)
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	($197,476)	($52,330)	($145,146)
20	Adjustment to Booked SIT	If Taxes are Imputed, Ln 21-Ln 19	$13,480	$13,480	$0
21	Imputed SIT @ %	(Ln 7-Ln 13-Ln24-(Op Inc. Ln48))* Rate	($183,996)	($38,850)	($145,146)
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	$43,122	$16,365	$26,757
25	Total Booked Operating Taxes	Ln 14+Ln 15+Ln 19+Ln 20+ Ln 24	($832,542)	($168,530)	($664,012)
26	Total Imputed Operating Taxes	Ln 14+Ln 15+Ln 19+Ln 20+ Ln 24	($832,542)	($168,530)	($664,012)
	NET OPERATING INCOME				
27	**Net Operating Income (NOI)**	**Ln 7 - Ln 13 - Ln 25**	**($2,601,987)**	**($549,403)**	**($2,052,584)**
28	**N.O.I. Adjustment**	**Net Operating Income, Ln 56,57**	**$67,614**	**$0**	**$67,614**
29	**Adjusted Net Operating Income (NOI)**	**Ln 27 + Ln 28**	**($2,534,373)**	**($549,403)**	**($1,984,970)**
	RATE OF RETURN ON RATE BASE CALCULATION		**As of End of Period**		
	RATE BASE				
30	Land & Support	Rate Base Development, Ln 3	$4,432,274	$1,177,212	$3,255,062
31	Central Office Equipment	Rate Base Development, Ln 14	$14,022,823	$4,244,709	$9,778,114
32	Info. Orig. & Term. Equip.	Rate Base Development, Ln 20	$0	$0	$0
33	Cable & Wire Facilities	Rate Base Development, Ln 31	$48,989,643	$12,462,965	$36,526,678
34	Other Investment	Rate Base Development, Ln 34, 35	$0	$0	$0
35	Total Plant in Service	Ln 30 - Ln 34	$67,444,740	$17,884,886	$49,559,854
36	Accumulated Depreciation	Rate Base Development, Ln 46	$51,338,341	$13,568,724	$37,769,617
37	Net Plant in Service	Ln 35 - Ln 36	$16,106,399	$4,316,162	$11,790,237
38	Plant Held for Future Use	Rate Base Development, Ln 47	$0	$0	$0
39	Plant Under Construction	Rate Base Development, Ln 48	$929,445	$246,861	$682,584
40	RTB Class B Stock	Rate Base Development, Ln 49	$0	$0	$0
41	Prepayments	Rate Base Development, Ln 50	$17,893	$4,752	$13,141
42	Materials & Supplies	Rate Base Development, Ln 51	$238,650	$60,713	$177,937
43	Cash Working Capital	Cash Working Capital Develop Ln 3	$233,668	$75,856	$157,812
44	Deferred Income taxes	Rate Base Development, Ln 54	$3,104,229	$824,483	$2,279,746
45	Customer Deposits	Rate Base Development, Ln 55	$0	$0	$0
46	**Rate Base**	**Ln 37 + Ln 38-43, - Ln 44 - Ln 45**	**$14,421,826**	**$3,879,860**	**$10,541,965**
47	**Rate of Return on Rate Base**	**Ln 29 / Ln 46**	**-17.57%**	**-14.16%**	**-18.83%**

BLUE RIDGE TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 06/30/25

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	$18,619,196	100.00%	-17.573%	-17.573%
5	Total Capital		$18,619,196	100.00%		-17.573%

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	$18,619,196	100.00%	-18.829%	-18.829%
5	Total Capital		$18,619,196	100.00%		-18.829%

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	$18,619,196	100.00%	9.250%	9.250%
5	Total Capital		$18,619,196	100.00%		9.250%

REVENUE REQUIREMENT CALCULATION

1	Rate Base (Adjusted Rate Base)	Earnings Report, Ln 46		$10,541,965
2	Allowed Rate of Return on Rate Base	Per GA PSC	Capped	8.00%
3	Net Operating Income Requirement	Line 1 x Ln 2		$843,357
4	Net Operating Income Available (Imputed Adjusted NOI)	Earnings Report, Ln 29		($1,984,970)
5	Operating Income Excess (Deficiency)	Ln 4 - Ln 3		($2,828,327)
6	Income Expansion Factor	1-SIT-FIT+FITxSIT		74.820%
7	Revenue Excess (Deficiency)	Ln 5 / Ln 6		($3,780,162)

BLUE RIDGE TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 06/30/25

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

DEVELOPMENT OF TOTAL COMPANY RATE BASE

CURRENT YEAR - 06/30/25

	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	4,478,980	(99,483)	(8,080)	4,371,417	
3	TOTAL LAND & OTHER SUPPORT	2110	4,539,837	(99,483)	(8,080)	4,432,274	26.56%
4	CENTRAL OFFICE - ANALOG SWITCH	2211	0	0	0	0	
5	- DIGITAL SWITCH	2212	589,104	0	(210,036)	379,068	
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	589,104	0	(210,036)	379,068	
10	CENTRAL OFFICE - OPERATOR SYS	2220	0	0	0	0	
11	- RADIO	2231	0	0	0	0	
12	- CIRCUIT	2232	13,507,192	0	136,563	13,643,755	
13	CENTRAL OFFICE - TOTAL TRANS.	2230	13,507,192	0	136,563	13,643,755	
14	TOTAL CENTRAL OFFICE EQUIP		14,096,296	0	(73,473)	14,022,823	30.27%
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	1,558,829	(1,558,829)	0	0	
20	TOTAL ORIG/TERM EQUIP	2310	1,558,829	(1,558,829)	0	0	0.00%
21	POLES	2411	1,333,121	0	0	1,333,121	
22	TOWERS	2412	0	0	0	0	
23	AERIAL CABLE	2421	12,222,321	0	0	12,222,321	
24	UNDERGROUND CABLE	2422	1,323,994	0	0	1,323,994	
25	BURIED CABLE	2423	29,637,897	0	(14,132)	29,623,765	
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	4,383,103	0	0	4,383,103	
31	TOTAL CABLE AND WIRE	2410	49,003,775	0	(14,132)	48,989,643	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	0	0	0	26.56%
36	TOTAL PLANT IN SERVICE	2001	69,198,737	(1,658,312)	(95,685)	67,444,740	26.56%

	ACCUMULATED DEPRECIATION AND AMORT	ACCT	BALANCE PER BOOK	LESS: NON-REG.	OTHER ADJUST	SUBJECT TO SEPARATIONS	INTERSTATE ALLOCATION %
37	OTHER SUPPORT	3100-2109	2,092,080	(52,811)	(8,080)	2,031,189	
38	CENTRAL OFFICE - TOTAL SWITCH	3100-2210	584,464	0	(207,915)	376,549	
39	CENTRAL OFFICE - OPERATOR SYS	3100-2220	0	0	0	0	
40	CENTRAL OFFICE - TOTAL TRANS.	3100-2230	9,346,634	0	167,125	9,513,759	
41	TOTAL ORIG/TERM EQUIP	3100-2310	993,373	(993,373)	0	0	
42	TOTAL CABLE AND WIRE	3100-2410	39,426,994	0	(10,150)	39,416,844	
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	52,443,545	(1,046,184)	(59,020)	51,338,341	26.43%

BLUE RIDGE TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 06/30/25

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

DEVELOPMENT OF TOTAL COMPANY RATE BASE

CURRENT YEAR - 06/30/25
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	26.56%
48	PLANT UNDER CONSTRUCTION	2003	942,209	(12,764)	0	929,445	26.56%
49	RTB CLASS B STOCK	1402	0	0	0	0	26.56%
50	PREPAYMENTS	1280-1330	17,893	0	0	17,893	26.56%
51	MATERIALS & SUPPLIES	1220	238,650	0	0	238,650	25.44%
52	CASH WORKING CAPITAL				233,668	233,668	Calculated
53	CUSTOMER DEPOSITS	4040	0	0	0	0	26.56%
54	DEFERRED INCOME TAXES	4340	3,303,892	(199,663)	0	3,104,229	26.56%
55	TOTAL RATE BASE		14,650,052	(425,229)	197,003	14,421,826	
	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	2,003,690	0	0	2,003,690	
62	OTHER CAPITAL	4540	127,802	0	0	127,802	
63	RETAINED EARNINGS	4550	16,467,304	0	0	16,467,304	
64	TOTAL COMMON EQUITY	4500	18,619,196	0	0	18,619,196	

BLUE RIDGE TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 06/30/25

		RATE BASE ADJUSTMENTS DEBIT	CREDIT
	Non-Regulated Adjustments:		
1	Nonreg		26,979
	2109		99,483
	2690		-
	3100-2109	52,811	
	4340	73,651	
	Part 64 Adjustment to remove non-regulated portion of GSA (#1).		
2	4340	126,012	
	Exclude		126,012
	Exclude non-regulated asset portion of deferred income taxes (#7).		
3	2362		1,558,829
	Exclude	1,558,829	
	3100-2310	993,373	
	Exclude		993,373
	Exclude non-regulated investment and reserve.		
4	2003		12,764
	Exclude	12,764	
	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	48,870	
	3100-2410	10,150	
	Exclude	36,665	
	Adjust Lease, Multi Gig and IPCP Piece of Multi Gig (#10 & 11).		
7	3100-2210	207,915	
	3100-2230		207,915
	2210		210,036
	2230	210,036	
	Transfer investment and reserve to match asset from detail provided on CPR (#9).		
8	2232	8,080	
	2109		8,080
	3100-2230		8,080
	3100-2109	8,080	
	Transfer IPCP router from GSA to COE Transmission (#12).		
9	Not Used.		

BLUE RIDGE TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 06/30/25

NOT USED IN RATE BASE CALCULATION

DEVELOPMENT OF TOTAL COMPANY RATE BASE

PRIOR YEAR - 06/30/24

	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	4,266,976	(94,698)	(8,080)	4,164,198	
3	TOTAL LAND & OTHER SUPPORT	2110	4,327,833	(94,698)	(8,080)	4,225,055	26.56%
4	CENTRAL OFFICE - ANALOG SWITCH	2211	0	0	0	0	
5	- DIGITAL SWITCH	2212	605,544	0	(206,972)	398,572	
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	(206,972)	398,572	
10	CENTRAL OFFICE - OPERATOR SYS	2220	0	0	0	0	
11	- RADIO	2231	0	0	0	0	
12	- CIRCUIT	2232	13,292,213	0	133,499	13,425,712	
13	CENTRAL OFFICE - TOTAL TRANS.	2230	13,292,213	0	133,499	13,425,712	
14	TOTAL CENTRAL OFFICE EQUIP		13,897,757	0	(73,473)	13,824,284	30.27%
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	1,225,232	(1,225,232)	0	0	
20	TOTAL ORIG/TERM EQUIP	2310	1,225,232	(1,225,232)	0	0	0.00%
21	POLES	2411	1,303,773	0	0	1,303,773	
22	TOWERS	2412	0	0	0	0	
23	AERIAL CABLE	2421	11,984,177	0	0	11,984,177	
24	UNDERGROUND CABLE	2422	1,147,091	0	0	1,147,091	
25	BURIED CABLE	2423	28,943,789	0	(14,132)	28,929,657	
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	4,049,309	0	0	4,049,309	
31	TOTAL CABLE AND WIRE	2410	47,531,478	0	(14,132)	47,517,346	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	0	0	0	26.56%
36	TOTAL PLANT IN SERVICE	2001	66,982,300	(1,319,930)	(95,685)	65,566,685	26.56%

	ACCUMULATED DEPRECIATION AND AMORT	ACCT	BALANCE PER BOOK	LESS: NON-REG.	OTHER ADJUST	SUBJECT TO SEPARATIONS	INTERSTATE ALLOCATION %
37	OTHER SUPPORT	3100-210	1,938,668	(57,953)	(7,984)	1,872,731	
38	CENTRAL OFFICE - TOTAL SWITCH	3100-221	597,594	0	(203,628)	393,966	
39	CENTRAL OFFICE - OPERATOR SYS	3100-222	0	0	0	0	
40	CENTRAL OFFICE - TOTAL TRANS.	3100-223	9,248,723	0	164,479	9,413,202	
41	TOTAL ORIG/TERM EQUIP	3100-231	630,660	(630,660)	0	0	
42	TOTAL CABLE AND WIRE	3100-241	38,487,225	0	(10,222)	38,477,003	
43	CAPITAL LEASES	3100-268	0	0	0	0	
44	LEASE HOLD IMPROVEMENTS	3100-268	0	0	0	0	
45	INTANGIBLES	3100-269	0	0	0	0	
46	TOTAL ACCUMULATED DEP. And AMORT	3100	50,902,870	(688,613)	(57,355)	50,156,902	26.40%

BLUE RIDGE TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 06/30/25

NOT USED IN RATE BASE CALCULATION

DEVELOPMENT OF TOTAL COMPANY RATE BASE

PRIOR YEAR - 06/30/24
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	26.56%
48	PLANT UNDER CONSTRUCTION	2003	2,229,793	(122,138)	0	2,107,655	26.56%
49	RTB CLASS B STOCK	1402	0	0	0	0	26.56%
50	PREPAYMENTS	1280-133(	26,692	0	0	26,692	26.56%
51	MATERIALS & SUPPLIES	1220	269,364	0	0	269,364	25.44%
52	CASH WORKING CAPITAL				212,024	212,024	Calculated
53	CUSTOMER DEPOSITS	4040	0	0	0	0	26.56%
54	DEFERRED INCOME TAXES	4340	3,394,344	(236,532)	0	3,157,812	26.55%
55	TOTAL RATE BASE		15,210,935	(516,923)	173,694	14,867,706	
	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	2,003,690	0	0	2,003,690	
62	OTHER CAPITAL	4540	79,225	0	0	79,225	
63	RETAINED EARNINGS	4550	15,053,543	0	0	15,053,543	
64	TOTAL COMMON EQUITY	4500	17,156,858	0	0	17,156,858	

BLUE RIDGE TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 06/30/25

CALCULATION OF CASH WORKING CAPITAL (CWC)

1. CASH OPERATING EXPENSES	SOURCE	Total Company	Interstate	Intrastate
A. Total Operating Expenses	Net Income Development, Ln 37	$8,375,918	$2,533,531	$5,842,387
B. Depreciation & Amortization	Net Income Development, Ln 29	$1,918,417	$526,169	$1,392,248
C. Fixed Charges	Net Income Development, Ln 48	$0	$0	$0
D. Cash Operating Federal Income Taxes	Net Income Development, Ln 38, Ln 39	($557,838)	($109,804)	($448,034)
E. Cash Operating State & Local Taxes	Net Income Development, Ln 41	($256,888)	($68,110)	($188,778)
F. Other Operating Taxes	Net Income Development, Ln 43, Ln 44, Ln 45	$43,122	$16,365	$26,757
G. Total Cash Operating Expenses	(a-b+c+d+e+f)	$5,685,897	$1,845,813	$3,840,084
2. % LAG	FCC Default	4.1096%	4.1096%	4.1096%
3. TOTAL CASH WORKING CAPITAL		$233,668	$75,856	$157,812

BLUE RIDGE TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 06/30/25

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	1,827,365	0	581,475	0	2,408,840
2	INTERSTATE ACCESS REVENUE *(INCLUDING USF HCL REVENUES)*	5081-5083	1,801,802	0	(4,585)	0	1,797,217
3	INTRASTATE ACCESS REVENUE	5084	4,765,340	0	(4,230,837)		534,503
4	FEDERAL USF HIGH COST LOOP REV.		0	0			0
5	LONG DISTANCE NETWORK SERVICES	5100	0	0	0		0
6	INTERSTATE MISCELLANEOUS	52701	16,357	0	0		16,357
7	INTRASTATE MISCELLANEOUS	52702	71,448	0	0		71,448
8	OTHER MISC REVENUES (Interstate)	5200	1,971	0			1,971
8a	OTHER MISC REVENUES (Intrastate)	5200	319,390	0	(202,116)		117,274
9	TOTAL MISCELLANEOUS REVENUES	5200	409,166	0	(202,116)		207,050
10	NON REGULATED REVENUES	5280	6,648,798	(6,648,798)			0
11	UNCOLLECTIBLES - Total	5300	6,221	0	0		6,221
	Uncollectibles - Interstate (included in Ln 11)		(53)	0	0		(53)
12	TOTAL OPERATING REVENUES		**15,446,250**	**(6,648,798)**	**(3,856,063)**	**0**	**4,941,389**

	OPERATING EXPENSES AND TAXES	ACCOUNT	BALANCE PER BOOK	NON REG ADJUST	OTHER ADJUST	SUBJECT TO SEPARATIONS	INTERSTATE ALLOCATION %
13	NETWORK SUPPORT EXPENSE	6110	49,931	0	(7,369)	42,562	
14	GENERAL SUPPORT EXPENSE	6120	307,609	0	5,882	313,491	
15	C.O. SWITCHING EXPENSE	6210	104,155	0	(1,678)	102,477	
16	C.O. OPERATOR EXPENSE	6220	0				
17	C.O. TRANSMISSION EXPENSE	6230	375,819	0	22,463	398,282	
18	INFOR. ORIG. & TERM. EXPENSE	6310/7990	3,755,936	(3,755,936)	0	0	
19	CABLE & WIRE FACILITIES EXPENSE	6410	1,027,350	0	6,072	1,033,422	
20	**TOTAL PLANT SPECIFIC EXPENSE**	**6999**	**5,620,800**	**(3,755,936)**	**25,370**	**1,890,234**	26.93%
21	OTHER PROPERTY & EQPT EXPENSE	6510	425	0	0	425	26.56%
22	NETWORK OPERATIONS EXPENSE	6530	1,265,225	0	20,422	1,285,647	26.56%
23	ACCESS EXPENSE	6540	320,983	0	(727)	320,256	70.84%
24	DEPRECIATION EXPENSE	6561	1,863,791	0	54,434	1,918,225	27.43%
25	DEP. EXPENSE OTHER PROPERTY	6562	0	0	0	0	0.00%
26	AMORTIZATION EXP - TANGIBLE	6563	0	0	0	0	0.00%
27	AMORTIZATION EXP - INTANGIBLE	6564	(102)	0	204	102	0.00%
28	AMORTIZATION EXP - OTHER	6569	90	0	0	90	0.00%
29	**DEPRECIATION & AMORTIZATION EXP**	**6560**	**1,863,779**	**0**	**54,638**	**1,918,417**	
30	**TOTAL PLANT NON-SPFC OPER EXP**	**6599**	**3,450,412**	**0**	**74,333**	**3,524,745**	

BLUE RIDGE 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	431,317	0	(111)	431,206	
32	SERVICE EXPENSE	6620	329,188	0	(7,866)	321,322	
33	**TOTAL CUSTOMER OPERATIONS EXP**	**6699**	**760,505**	**0**	**(7,977)**	**752,528**	37.20%
34	EXECUTIVE EXPENSE	6710	600,447	0	(32,147)	568,300	
35	GENERAL & ADMINISTRATION EXPENSE	6720	1,734,934	0	(94,823)	1,640,111	
36	**TOTAL CORPORATE OPERATIONS EXP**	**6799**	**2,335,381**	**0**	**(126,970)**	**2,208,411**	29.43%
37	**TOTAL OPERATING EXPENSES**		**12,167,098**	**(3,755,936)**	**(35,244)**	**8,375,918**	
38	INVESTMENT TAX CREDIT (ENTER AS NEG)	7210	0	0	0	0	
39	FEDERAL INCOME TAX	7220	771,470	(573,775)	(755,533)	(557,838)	
40	FEDERAL INCOME TAX (DEFERRED)	72501	(109,360)	(3,220)	(7,827)	(120,407)	
41	STATE INCOME TAX	7230	88,486	(144,243)	(201,131)	(256,888)	
42	STATE INCOME TAX (DEFERRED)	72502	25,633	(915)	34,694	59,412	
43	AD VALOREM TAX	7240	62,613	0	(19,491)	43,122	37.95%
44	GROSS RECEIPTS TAX	7240		0	0	0	0.00%
45	PSC FEES	7240		0	0	0	0.00%
46	TOTAL OPERATING TAXES	**7200**	**838,842**	**(722,153)**	**(949,288)**	**(832,599)**	
47	**NET OPERATING INCOME**		**2,440,310**	**(2,170,709)**	**(2,871,531)**	**(2,601,930)**	

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:	5.29%	Updated for GA tax rate change on 1/1/25: 184 days at 5.39% and 181 days at 5.19%.	
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	$67,614	Note: Must be computed after Tax if taxes apply.	
				GDPCPI (USF Growth Factor): 1.396848
58	Access Lines at 12/31/24	7,424		
59	Allowed Executive Expense: ($200,000 + Ln 58 x $78)	$779,072	Calculation of USF Corporate Cap:	FCC Formula:
60	Base Executive Expense Per Study	$568,300		
61	Is Cap Exceeded ?	NO	Under 6,000 Lps	(42.337 - (.00328 x Ln 70)) x Ln70 x 12 mo x GDPCPI 2,088,132
62	Amount Removed from UAF Application:	$0		(63,000 / Ln 70) x Ln 70 x 12 (mo) x GDPCPI 1,056,017
63	Executive Expense for UAF Application:	$568,300		(Use Higher of Above) 2,088,132
64	Overall Corporate Operations Expense	$2,208,411	6,000 to 17,886	((117,990 / Ln70) + 3.007)) x Ln 70 x 12 (mo) x GDPCP 2,399,649
65	Total Annual Maximum Corp Ops (cap)	$2,399,649		
66	Is Cap Exceeded ?	NO	Over 17,886	(9.562 x Ln 70 x 12)*GDPCPI 1,341,543
67	Amount Removed from UAF Application:	$0		
68	Corporate Expense for UAF Application:	$2,208,411		Value Selected Based on Access Line Size: 2,399,649
69	USF 1.3 Loops at 12/31/24	7,460		Base Corporate Expense Per Filing: 2,208,411
70	Total Loops at 12/31/24	8,370		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
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Revenue and Expense Adjustments

		DEBIT	CREDIT
Revenue Adjustments			
	Non-Regulated Adjustments:		
1	5280	6,648,798	
	Exclude		6,648,798
	To remove non-regulated operating revenue.		
	Other Adjustments:		
2	6410		-
	7160	-	
	Transfer Other Operating Gain(Loss) to Plant Specific Expense.		
3	5240	28	
	PPA		28
	To exclude PPA pole revenues.		
4	5082	4,585	
	5083	-	
	5084	254	
	PPA		4,839
	To remove ICC 2022-2023 true-up.		
5	5084	4,230,717	
	Exclude		4,230,717
	To remove state high cost UAF support.		
6	Not Used.		
7	Discount	134	
	5084		134
	To impute revenue to offset reductions associated with the allocation of end user bundle discounts.		
8	Exclude	581,475	
	5000		581,475
	To impute local revenues - impact of HB 168. See Tab 7.6.		
9	5081	-	
	5082	-	
	5084		-
	Jurisdictional transfer to intrastate for ICC-CAF revenue recording.		
10	Not Used.		
Expense Adjustments			
11	Not Used.		
12	Not Used.		
13	Exclude	3,755,936	
	6310/7990		3,755,936
	To exclude non-regulated operating expenses from test period.		
14	Exclude	722,153	
	7220		573,775
	7230		144,243
	7250 (Fed)		3,220
	7250 (State)		915
	To exclude non-regulated taxes from test period.		

BLUE RIDGE TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 06/30/25

Revenue and Expense Adjustments

		DEBIT	CREDIT
15	Exclude	39,274	
	6110	-	
	6120	258	
	6530	1	
	6561	2,205	
	6564	204	
	6610	492	
	6620		12,912
	6710		28,621
	6720		322
	7240		579
	To adjust Part 64 allocations (#10 & 11).		
16	Exclude	7,827	
	6561		7,827
	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		94
	6120	2,986	
	6230	17,081	
	6530	11,560	
	6561	39,227	
	6610	8,143	
	6620	6,484	
	6720	21,134	
	7240		857
	Exclude		105,664
	Reverse WBI Adjustment for Part 36 calculation.		
20	5264	202,088	
	5240		-
	6210		1,660
	6620		-
	6720		119,859
	7240		14,449
	Exclude		66,120
	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).		
21	7220		756,041
	7230		201,121
	7220	508	
	7230		10
	72501		7,827
	72502	34,694	
	Net Adjustment	929,797	
	To remove PPA for income taxes and reflect income tax effect of test year revenue and expense adjustments.		

BLUE RIDGE TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 06/30/25

Revenue and Expense Adjustments

			DEBIT	CREDIT
22	6110			88
	6120		2,638	
	6230		6,628	
	6410		8,922	
	6530		10,261	
	6540		-	
	6561		20,829	
	6720		15,103	
	7240			713
	Exclude			63,580
	Reverse Managed IP Adjustment for Part 36 calculation.			
23	6110		88	
	6120			2,638
	6230			6,628
	6410			8,922
	6530			10,261
	6561			20,829
	6720			15,103
	7100			26,789
	7240		713	
	7220		17,973	
	7230		4,781	
	Intrastate NOI Adjustment		67,614	
	Move Managed IP Adjustment to nonreg in Net Income Dev. Cell C117.			
24	6110			803
	6120			-
	6210			18
	6230			-
	6410			2,426
	6510			-
	6530			-
	6540			727
	6610			-
	6720			2,467
	7240			2,800
	Net Adjustment		9,241	
	To remove prior period adjustments, meals, travel and entertainment.			
25	6110			6,384
	6530			1,400
	6610			8,746
	6620			1,438
	6710			3,526
	6720			8,412
	Exclude		29,906	
	To remove non-allowable expenses per FCC USF order (#26).			
26	Not Used.			