NELSON-BALL GROUND 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	$1,177,471	$0	$1,177,471
2	Access Charges	Net Operating Income, Ln 2, 3	$1,211,083	$1,029,365	$181,718
3	LD Messages	Net Operating Income, Ln 5	$0	$0	$0
4	Billing & Collection	Net Operating Income, Ln 6, 7	$22,998	$5,289	$17,709
5	Other Miscellaneous Revenue	Net Operating Income, Ln 8	$52,901	$2,331	$50,570
6	Less: Uncollectibles	Net Operating Income, Ln 11	$3,661	($31)	$3,692
7	**Total Regulated Operating Revenue**	**Ln 1+Ln 2+Ln 3+Ln 4+Ln 5-Ln 6**	$2,460,792	$1,037,016	$1,423,776
	OPERATING EXPENSES				
8	Plant Specific	Net Operating Income, Ln 20	$1,105,003	$484,323	$620,680
9	Plant Non-Specific	Net Operating Income, Ln 21,22,23	$862,703	$443,638	$419,065
10	Depreciation & Amortization	Net Operating Income, Ln 29	$889,347	$420,745	$468,602
11	Customer Operations	Net Operating Income, Ln 33	$379,706	$130,961	$248,745
12	Corporate Operations	Net Operating Income, Ln 36	$1,081,522	$462,134	$619,388
13	**Total Operating Expenses**	**Ln 8+Ln 9+Ln 10+Ln 11+Ln 12**	$4,318,281	$1,941,801	$2,376,480
	OPERATING TAXES				
14	Federal Income Tax -Booked	Net Operating Income, Ln 38,39,40	($342,699)	($154,198)	($188,501)
15	Adjustment to Booked FIT	If Taxes are Imputed, Ln 16-Ln 14	($36,265)	($30,308)	($5,957)
16	Imputed FIT @ %	(Ln 7-Ln 13-Ln24-Ln21-(Op Inc Ln48))* Rate + Amortization of Excess ADFIT	($378,964)	($184,505)	($194,459)
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	($88,178)	($36,448)	($51,730)
20	Adjustment to Booked SIT	If Taxes are Imputed, Ln 21-Ln 19	($12,633)	($12,633)	$0
21	Imputed SIT @ %	(Ln 7-Ln 13-Ln24-(Op Inc. Ln48))* Rate	($100,811)	($49,082)	($51,730)
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	$47,914	$22,893	$25,021
25	Total Booked Operating Taxes	Ln 14+Ln 15+Ln 19+Ln 20+ Ln 24	($431,862)	($210,694)	($221,168)
26	Total Imputed Operating Taxes	Ln 14+Ln 15+Ln 19+Ln 20+ Ln 24	($431,862)	($210,694)	($221,168)
	NET OPERATING INCOME				
27	**Net Operating Income (NOI)**	**Ln 7 - Ln 13 - Ln 25**	**($1,425,627)**	**($694,091)**	**($731,536)**
28	**N.O.I. Adjustment**	**Net Operating Income, Ln 56,57**	**$29,360**	**$0**	**$29,360**
29	**Adjusted Net Operating Income (NOI)**	**Ln 27 + Ln 28**	**($1,396,267)**	**($694,091)**	**($702,176)**
	RATE OF RETURN ON RATE BASE CALCULATION		**As of End of Period**		
	RATE BASE				
30	Land & Support	Rate Base Development, Ln 3	$2,127,446	$967,137	$1,160,309
31	Central Office Equipment	Rate Base Development, Ln 14	$11,372,326	$7,109,978	$4,262,348
32	Info. Orig. & Term. Equip.	Rate Base Development, Ln 20	$0	$0	$0
33	Cable & Wire Facilities	Rate Base Development, Ln 31	$27,552,731	$10,552,696	$17,000,035
34	Other Investment	Rate Base Development, Ln 34, 35	$0	$0	$0
35	Total Plant in Service	Ln 30 - Ln 34	$41,052,503	$18,629,811	$22,422,692
36	Accumulated Depreciation	Rate Base Development, Ln 46	$32,924,456	$15,069,524	$17,854,932
37	Net Plant in Service	Ln 35 - Ln 36	$8,128,047	$3,560,287	$4,567,760
38	Plant Held for Future Use	Rate Base Development, Ln 47	$0	$0	$0
39	Plant Under Construction	Rate Base Development, Ln 48	$257,433	$117,029	$140,404
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	$86,665	$33,193	$53,472
43	Cash Working Capital	Cash Working Capital Develop Ln 3	$126,137	$56,052	$70,085
44	Deferred Income taxes	Rate Base Development, Ln 54	$1,720,810	$782,624	$938,186
45	Customer Deposits	Rate Base Development, Ln 55	$0	$0	$0
46	**Rate Base**	**Ln 37 + Ln 38-43, - Ln 44 - Ln 45**	**$6,877,472**	**$2,983,937**	**$3,893,535**
47	**Rate of Return on Rate Base**	**Ln 29 / Ln 46**	**-20.30%**	**-23.26%**	**-18.03%**

NELSON-BALL GROUND 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	$8,222,428	100.00%	-20.302%	-20.302%
5	Total Capital		$8,222,428	100.00%		-20.302%

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	$8,222,428	100.00%	-18.034%	-18.034%
5	Total Capital		$8,222,428	100.00%		-18.034%

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	$8,222,428	100.00%	9.250%	9.250%
5	Total Capital		$8,222,428	100.00%		9.250%

REVENUE REQUIREMENT CALCULATION

1	Rate Base (Adjusted Rate Base)	Earnings Report, Ln 46		$3,893,535
2	Allowed Rate of Return on Rate Base	Per GA PSC	Capped	8.00%
3	Net Operating Income Requirement	Line 1 x Ln 2		$311,483
4	Net Operating Income Available (Imputed Adjusted NOI)	Earnings Report, Ln 29		($702,176)
5	Operating Income Excess (Deficiency)	Ln 4 - Ln 3		($1,013,659)
6	Income Expansion Factor	1-SIT-FIT+FITxSIT		74.820%
7	Revenue Excess (Deficiency)	Ln 5 / Ln 6		($1,354,792)

NELSON-BALL GROUND 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	142,342	0	0	142,342	
2	OTHER SUPPORT	2109	2,020,878	(35,774)	0	1,985,104	
3	TOTAL LAND & OTHER SUPPORT	2110	2,163,220	(35,774)	0	2,127,446	45.46%
4	CENTRAL OFFICE - ANALOG SWITCH	2211	0	0	0	0	
5	- DIGITAL SWITCH	2212	1,565,089	0	(1,178,248)	386,841	
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	1,565,089	0	(1,178,248)	386,841	
10	CENTRAL OFFICE - OPERATOR SYS	2220	0	0	0	0	
11	- RADIO	2231	0	0	0	0	
12	- CIRCUIT	2232	9,861,529	0	1,123,956	10,985,485	
13	CENTRAL OFFICE - TOTAL TRANS.	2230	9,861,529	0	1,123,956	10,985,485	
14	TOTAL CENTRAL OFFICE EQUIP		11,426,618	0	(54,292)	11,372,326	62.52%
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	676,222	(676,222)	0	0	
20	TOTAL ORIG/TERM EQUIP	2310	676,222	(676,222)	0	0	0.00%
21	POLES	2411	1,030,340	0	0	1,030,340	
22	TOWERS	2412	0	0	0	0	
23	AERIAL CABLE	2421	9,485,898	0	0	9,485,898	
24	UNDERGROUND CABLE	2422	919,723	0	0	919,723	
25	BURIED CABLE	2423	13,304,257	0	(3,936)	13,300,321	
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	2,787,517	0	0	2,787,517	
31	TOTAL CABLE AND WIRE	2410	27,556,667	0	(3,936)	27,552,731	38.30%
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	45.46%
36	TOTAL PLANT IN SERVICE	2001	41,822,727	(711,996)	(58,228)	41,052,503	45.46%

	ACCUMULATED DEPRECIATION AND AMORT	ACCT	BALANCE PER BOOK	LESS: NON-REG.	OTHER ADJUST	SUBJECT TO SEPARATIONS	INTERSTATE ALLOCATION %
37	OTHER SUPPORT	3100-2109	1,523,614	(28,849)	0	1,494,765	
38	CENTRAL OFFICE - TOTAL SWITCH	3100-2210	1,565,089	0	(1,178,248)	386,841	
39	CENTRAL OFFICE - OPERATOR SYS	3100-2220	0	0	0	0	
40	CENTRAL OFFICE - TOTAL TRANS.	3100-2230	7,890,593	0	1,137,945	9,028,538	
41	TOTAL ORIG/TERM EQUIP	3100-2310	448,843	(448,843)	0	0	
42	TOTAL CABLE AND WIRE	3100-2410	22,017,365	0	(3,053)	22,014,312	
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	33,445,504	(477,692)	(43,356)	32,924,456	45.77%

NELSON-BALL GROUND 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	45.46%
48	PLANT UNDER CONSTRUCTION	2003	293,554	(36,121)	0	257,433	45.46%
49	RTB CLASS B STOCK	1402	0	0	0	0	45.46%
50	PREPAYMENTS	1280-1330	0	0	0	0	45.46%
51	MATERIALS & SUPPLIES	1220	86,665	0	0	86,665	38.30%
52	CASH WORKING CAPITAL				126,137	126,137	Calculated
53	CUSTOMER DEPOSITS	4040	0	0	0	0	45.46%
54	DEFERRED INCOME TAXES	4340	1,677,557	43,253	0	1,720,810	45.48%
55	TOTAL RATE BASE		7,079,885	(313,678)	111,265	6,877,472	
	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	1,000	0	0	1,000	
61	ADDITIONAL PAID-IN CAPITAL	4520	3,629,593	0	0	3,629,593	
62	OTHER CAPITAL	4540	106,602	0	0	106,602	
63	RETAINED EARNINGS	4550	4,485,233	0	0	4,485,233	
64	TOTAL COMMON EQUITY	4500	8,222,428	0	0	8,222,428	

NELSON-BALL GROUND TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 06/30/25

		RATE BASE ADJUSTMENTS DEBIT	CREDIT
	Non-Regulated Adjustments:		
1	Nonreg		21,785
	2109		35,774
	2690		-
	3100-2109	28,849	
	4340	28,710	
	Part 64 Adjustment to remove non-regulated portion of GSA (#1).		
2	4340		71,963
	Exclude	71,963	-
	Exclude non-regulated asset portion of deferred income taxes (#7).		
3	2362		676,222
	3100-2310	448,843	
	Exclude	227,379	
	Exclude non-regulated investment and reserve.		
	Other Adjustments		
4	Not Used.		
5	2003		36,121
	Exclude	36,121	
	Exclude non-regulated plant under construction.		
6	4340		-
	Exclude	-	
	Exclude non-plant related deferred income taxes (#6).		
7	3100-2210	1,178,248	
	3100-2230		1,178,248
	2210		1,178,248
	2230	1,178,248	
	Transfer Investment and Reserve to Match Asset from Detail Provided on CPR (#9).		
8	2230		54,292
	2423		3,936
	3100-2230	40,303	
	3100-2410	3,053	
	Exclude	14,872	
	Exclude Leased, IPCP Router and Multi Gig net investment (#10 &11).		
9	Not Used.		

NELSON-BALL GROUND 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	142,342	0	0	142,342	
2	OTHER SUPPORT	2109	1,992,794	(37,541)	0	1,955,253	
3	TOTAL LAND & OTHER SUPPORT	2110	2,135,136	(37,541)	0	2,097,595	43.75%
4	CENTRAL OFFICE - ANALOG SWITCH	2211	0	0	0	0	
5	- DIGITAL SWITCH	2212	1,606,613	0	(1,176,718)	429,895	
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	1,606,613	0	(1,176,718)	429,895	
10	CENTRAL OFFICE - OPERATOR SYS	2220	0	0	0	0	
11	- RADIO	2231	0	0	0	0	
12	- CIRCUIT	2232	9,748,363	0	1,122,426	10,870,789	
13	CENTRAL OFFICE - TOTAL TRANS.	2230	9,748,363	0	1,122,426	10,870,789	
14	TOTAL CENTRAL OFFICE EQUIP		11,354,976	0	(54,292)	11,300,684	58.94%
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	605,763	(605,763)	0	0	
20	TOTAL ORIG/TERM EQUIP	2310	605,763	(605,763)	0	0	0.00%
21	POLES	2411	1,017,814	0	0	1,017,814	
22	TOWERS	2412	0	0	0	0	
23	AERIAL CABLE	2421	9,446,840	0	0	9,446,840	
24	UNDERGROUND CABLE	2422	885,042	0	0	885,042	
25	BURIED CABLE	2423	13,026,704	0	(3,936)	13,022,768	
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	2,754,309	0	0	2,754,309	
31	TOTAL CABLE AND WIRE	2410	27,159,641	0	(3,936)	27,155,705	36.58%
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	43.75%
36	TOTAL PLANT IN SERVICE	2001	41,255,516	(643,304)	(58,228)	40,553,984	43.75%

	ACCUMULATED DEPRECIATION AND AMORT	ACCT	BALANCE PER BOOK	LESS: NON-REG.	OTHER ADJUST	SUBJECT TO SEPARATIONS	INTERSTATE ALLOCATION %
37	OTHER SUPPORT	3100-2109	1,580,964	(30,593)	0	1,550,371	
38	CENTRAL OFFICE - TOTAL SWITCH	3100-2210	1,606,613	0	(1,176,718)	429,895	
39	CENTRAL OFFICE - OPERATOR SYS	3100-2220	0	0	0	0	
40	CENTRAL OFFICE - TOTAL TRANS.	3100-2230	7,698,798	0	1,137,288	8,836,086	
41	TOTAL ORIG/TERM EQUIP	3100-2310	359,551	(359,551)	0	0	
42	TOTAL CABLE AND WIRE	3100-2410	21,533,117	0	(3,038)	21,530,079	
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	32,779,043	(390,144)	(42,468)	32,346,431	43.73%

NELSON-BALL GROUND 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	43.75%
48	PLANT UNDER CONSTRUCTION	2003	511,484	(46,113)	0	465,371	43.75%
49	RTB CLASS B STOCK	1402	0	0	0	0	43.75%
50	PREPAYMENTS	1280-133(	0	0	0	0	43.75%
51	MATERIALS & SUPPLIES	1220	135,327	0	0	135,327	36.58%
52	CASH WORKING CAPITAL				116,131	116,131	Calculated
53	CUSTOMER DEPOSITS	4040	0	0	0	0	43.75%
54	DEFERRED INCOME TAXES	4340	1,705,908	(60,296)	0	1,645,612	43.65%
55	TOTAL RATE BASE		7,417,376	(238,977)	100,371	7,278,770	
	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	1,000	0	0	1,000	
61	ADDITIONAL PAID-IN CAPITAL	4520	3,629,593	0	0	3,629,593	
62	OTHER CAPITAL	4540	76,228	0	0	76,228	
63	RETAINED EARNINGS	4550	4,283,132	0	0	4,283,132	
64	TOTAL COMMON EQUITY	4500	7,989,953	0	0	7,989,953	

NELSON-BALL GROUND 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	$4,318,281	$1,941,801	$2,376,480
B. Depreciation & Amortization	Net Income Development, Ln 29	$889,347	$420,745	$468,602
C. Fixed Charges	Net Income Development, Ln 48	$0	$0	$0
D. Cash Operating Federal Income Taxes	Net Income Development, Ln 38, Ln 39	($267,303)	($119,907)	($147,396)
E. Cash Operating State & Local Taxes	Net Income Development, Ln 41	($140,212)	($60,113)	($80,099)
F. Other Operating Taxes	Net Income Development, Ln 43, Ln 44, Ln 45	$47,914	$22,893	$25,021
G. Total Cash Operating Expenses	(a-b+c+d+e+f)	$3,069,333	$1,363,928	$1,705,405
2. % LAG	FCC Default	4.1096%	4.1096%	4.1096%
3. TOTAL CASH WORKING CAPITAL		$126,137	$56,052	$70,085

NELSON-BALL GROUND 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	927,227	0	250,244	0	1,177,471
2	INTERSTATE ACCESS REVENUE *(INCLUDING USF HCL REVENUES)*	5081-5083	1,026,040	0	3,325	0	1,029,365
3	INTRASTATE ACCESS REVENUE	5084	1,776,267	0	(1,594,549)		181,718
4	FEDERAL USF HIGH COST LOOP REV.		0	0			0
5	LONG DISTANCE NETWORK SERVICES	5100	0	0	0		0
6	INTERSTATE MISCELLANEOUS	52701	5,289	0	0		5,289
7	INTRASTATE MISCELLANEOUS	52702	17,709	0	0		17,709
8	OTHER MISC REVENUES (Interstate)	5200	2,331	0	0		2,331
8a	OTHER MISC REVENUES (Intrastate)	5200	165,562		(114,992)		50,570
9	TOTAL MISCELLANEOUS REVENUES	5200	190,891	0	(114,992)		75,899
10	NON REGULATED REVENUES	5280	3,154,673	(3,154,673)			0
11	UNCOLLECTIBLES - Total	5300	3,661	0	0		3,661
	Uncollectibles - Interstate (included in Ln 11)		(31)	0	0		(31)
12	TOTAL OPERATING REVENUES		**7,071,437**	**(3,154,673)**	**(1,455,972)**	**0**	**2,460,792**

	OPERATING EXPENSES AND TAXES	ACCOUNT	BALANCE PER BOOK	NON REG ADJUST	OTHER ADJUST	SUBJECT TO SEPARATIONS	INTERSTATE ALLOCATION %
13	NETWORK SUPPORT EXPENSE	6110	(1,662)	0	640	(1,022)	
14	GENERAL SUPPORT EXPENSE	6120	147,890	0	27,967	175,857	
15	C.O. SWITCHING EXPENSE	6210	49,215		(720)	48,495	
16	C.O. OPERATOR EXPENSE	6220	0				
17	C.O. TRANSMISSION EXPENSE	6230	106,305	0	40,559	146,864	
18	INFOR. ORIG. & TERM. EXPENSE	6310/7990	2,534,159	(2,534,159)		0	
19	CABLE & WIRE FACILITIES EXPENSE	6410	599,941	0	134,868	734,809	
20	**TOTAL PLANT SPECIFIC EXPENSE**	**6999**	**3,435,848**	**(2,534,159)**	**203,314**	**1,105,003**	43.83%
21	OTHER PROPERTY & EQPT EXPENSE	6510	122	0	0	122	45.46%
22	NETWORK OPERATIONS EXPENSE	6530	562,913	0	119,155	682,068	45.46%
23	ACCESS EXPENSE	6540	180,752	0	(239)	180,513	73.96%
24	DEPRECIATION EXPENSE	6561	741,581	0	149,451	891,032	47.22%
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	(60)	0	120	60	0.00%
28	AMORTIZATION EXP - OTHER	6569	(1,745)	0	0	(1,745)	0.00%
29	**DEPRECIATION & AMORTIZATION EXP**	**6560**	**739,776**	**0**	**149,571**	**889,347**	
30	**TOTAL PLANT NON-SPFC OPER EXP**	**6599**	**1,483,563**	**0**	**268,487**	**1,752,050**	

NELSON-BALL GROUND TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 06/30/25

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	187,496	0	24,410	211,906	
32	SERVICE EXPENSE	6620	157,678	0	10,122	167,800	
33	**TOTAL CUSTOMER OPERATIONS EXP**	**6699**	**345,174**	**0**	**34,532**	**379,706**	34.49%
34	EXECUTIVE EXPENSE	6710	236,010	0	(3,408)	232,602	
35	GENERAL & ADMINISTRATION EXPENSE	6720	758,970	0	89,950	848,920	
36	**TOTAL CORPORATE OPERATIONS EXP**	**6799**	**994,980**	**0**	**86,542**	**1,081,522**	42.73%
37	**TOTAL OPERATING EXPENSES**		**6,259,565**	**(2,534,159)**	**592,875**	**4,318,281**	
38	INVESTMENT TAX CREDIT (ENTER AS NEG)	7210	0	0	0	0	
39	FEDERAL INCOME TAX	7220	257,992	(119,711)	(405,584)	(267,303)	
40	FEDERAL INCOME TAX (DEFERRED)	72501	(71,329)	(3,997)	(70)	(75,396)	
41	STATE INCOME TAX	7230	(2,462)	(30,154)	(107,596)	(140,212)	
42	STATE INCOME TAX (DEFERRED)	72502	47,545	(1,102)	5,591	52,034	
43	AD VALOREM TAX	7240	63,119	0	(15,205)	47,914	47.78%
44	GROSS RECEIPTS TAX	7240		0	0	0	0.00%
45	PSC FEES	7240		0	0	0	0.00%
46	TOTAL OPERATING TAXES	**7200**	**294,865**	**(154,964)**	**(522,864)**	**(382,963)**	
47	**NET OPERATING INCOME**		**517,007**	**(465,550)**	**(1,525,983)**	**(1,474,526)**	

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	29,360	Note: Must be computed after Tax if taxes apply.		
				GDPCPI (USF Growth Factor):	1.396848
58	Access Lines at 12/31/24	3,433			
59	Allowed Executive Expense: ($200,000 + Ln 58 x $78)	$467,774		Calculation of USF Corporate Cap:	FCC Formula:
60	Base Executive Expense Per Study	$232,602			
61	Is Cap Exceeded ?	NO	Under 6,000 Lps	(42.337 - (.00328 x Ln 70)) x Ln70 x 12 mo x GDPCPI	1,975,742
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:	$232,602		(Use Higher of Above)	1,975,742
64	Overall Corporate Operations Expense	$1,081,522	6,000 to 17,886	((117,990 / Ln70) + 3.007)) x Ln 70 x 12 (mo) x GDPCP	2,182,560
65	Total Annual Maximum Corp Ops (cap)	$1,975,742			
66	Is Cap Exceeded ?	NO	Over 17,886	(9.562 x Ln 70 x 12)*GDPCPI	651,218
67	Amount Removed from UAF Application:	$0			
68	Corporate Expense for UAF Application:	$1,081,522		Value Selected Based on Access Line Size:	1,975,742
69	USF 1.3 Loops at 12/31/24	3,465		Base Corporate Expense Per Filing:	1,081,522
70	Total Loops at 12/31/24	4,063		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
YEAR ENDING 06/30/25

Revenue and Expense Adjustments

		DEBIT	CREDIT
Revenue Adjustments			
	Non-Regulated Adjustments		
1	5280	3,154,673	
	Exclude		3,154,673
	To remove non-regulated operating revenue.		
	Other Adjustments:		
2	6410		14,985
	7160	14,985	
	Transfer Other Operating Gain(Loss) to Plant Specific Expense.		
3	5240	136	
	PPA		136
	To remove PPA rent revenues.		
4	5082		3,325
	5083		-
	5084		149
	PPA	3,474	
	To remove CAF 2022-2023 true-up.		
5	Discount	250,244	
	5000		250,244
	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	1,594,750	
	PPA		1,594,750
	To remove state high cost UAF support.		
8	5200		-
	PPA	-	
	To remove out of period adjustments		
9	5081	-	
	5082	-	
	5084		-
	Jurisdictional transfer to intrastate for ICC-CAF revenue recording.		
Expense Adjustments			
	Non-Regulated Adjustments		
10	Exclude	2,534,159	
	6310/7990		2,534,159
	To exclude non-regulated operating expenses from test period.		
11	Exclude	154,964	
	7220		119,711
	7230		30,154
	7250 (Fed)		3,997
	7250 (State)		1,102
	To exclude nonregulated taxes from test period.		

NELSON-BALL GROUND TELEPHONE COMPANY
RATE OF RETURN DEVELOPMENT
YEAR ENDING 06/30/25

Revenue and Expense Adjustments

		DEBIT	CREDIT
	Other Expense Adjustments		
12	Exclude	6,001	
	6120		169
	6530	110	
	6561	571	
	6564	120	
	6610	-	
	6620		4,955
	6710		1,574
	6720	594	
	7240		698
	To adjust Part 64 allocations (#10&11).		
13	6110	66	
	6120	1,414	
	6230	5,950	
	6410		545
	6530	6,027	
	6540	-	
	6561	7,928	
	6720	5,342	
	7240	117	
	Exclude		26,299
	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	1,459	
	6120	26,722	
	6230	35,861	
	6410	155,519	
	6530	113,719	
	6561	145,365	
	6610	28,787	
	6620	15,798	
	6720	150,972	
	7240	4,040	
	Exclude		678,242
	Reverse WBI Adjustment for Part 36 calculation.		
16	7220		404,470
	7230		107,596
	7220		1,114
	7230		-
	72501		70
	72502	5,591	
	PPA	507,659	
	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 06/30/25

Revenue and Expense Adjustment

			DEBIT	CREDIT
17	5260		114,856	
	5240		-	-
	6210			720
	6620			-
	6720			61,988
	7240			6,353
	Exclude			45,795
	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			66
	6120			1,414
	6230			5,950
	6410		545	
	6530			6,027
	6561			7,928
	6720			5,342
	7100			12,942
	7240			117
	7220		7,805	
	7230		2,076	
	Intrastate NOI Adjustment		29,360	
	Move Managed IP Adjustment to nonreg in Net Income Dev. Cell C117.			
19	6110			-
	6120			-
	6210			-
	6230			-
	6410			5,010
	6510			-
	6530			-
	6540			239
	6720			594
	7240			12,220
	Exclude		18,063	
	To remove prior period adjustments and service awards.			
20	6110			885
	6530			701
	6610			4,377
	6620			721
	6710			1,834
	6720			4,376
	Exclude		12,894	
	To remove non-allowable expenses per FCC USF order (#26).			