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T.R.A. DOCKET ROOM

TRA DATA REQUEST

DOCKET 04-00173

FOR

UNITED TELEPHONE COMPANY

State of Tennessee
Tennessee Regulatory Authority
Telecommunications Division
Response to Information Request Dated July 8, 2004

TRA Docket No. 04-00173

1. A general explanation of the DEM factor, how it is calculated, and how changes in the factor affect United's interstate revenue requirement;

Dial equipment minutes of use (DEM) is defined as the minutes of holding time of the originating and terminating local switching equipment. The interstate allocation factor is the percentage of local switching investment apportioned to the interstate jurisdiction. The interstate DEM factor is the ratio of the interstate DEM to the total DEM. A weighted interstate DEM factor is the product of multiplying a weighting factor, to the DEM factor.

Changes in the factor decreased United's interstate revenue requirement by \$190,001 and \$863,000 in 2001 and 2002 respectively.

State of Tennessee
Tennessee Regulatory Authority
Telecommunications Division
Response to Information Request Dated July 8, 2004

TRA Docket No. 04-00173

2. All documentation received from NECA indicating the timeframe and amount that United's interstate access revenue requirement was overstated as a result of inaccurate DEM factors. Please include all supporting calculations provided by NECA.

The supporting calculations for the corrected DEM factor were prepared by traffic engineers and reviewed by NECA. Enclosed are work papers showing how the DEM factor is calculated. These work papers show the minutes of use from United Telephone Company's switch by jurisdiction and the corresponding calculations. NECA has accepted these calculations as final for the 2001 and 2002 study year. As a practical matter, NECA does not confirm acceptance of their member's studies in writing. The dollar impacts to United for the change in DEM factor has been stated in the response to questions one and three.

COMPANY
YEARUNITED TELEPHONE COMPANY
2003 TRAFFIC STUDY

CTA FORM T-3713

	A	B	C	D	E	F	G
	IS-ER	IS-RA	ST-RA	ST-ER	B-EAS	EXCH	TOTAL (A THRU F)
A = TOTAL IS-ER DEM MINS.	A = T-3612 LN 41						
B = TOTAL IS-RA DEM MINS.	B = T-3612 LN 42						
1 C = TOTAL ST-RA DEM MINS.	C = T-3612 LN 39		1,928,108				
D = TOTAL ST-ER DEM MINS.	D = T-3612 LN 43			4,841,186			
E = TOT B-EAS + ZUM MINS.	E = T-3612 LN 26				17,789,906		
F = TOT EXCH MINS. (-EAS)	F = T-3612 LN 24-1E						
	2A = 1A / 1G					30,666,765	62,928,037
2 DEM	2B = 1B / 1G						
FACTORS	2C = 1C / 1G		3,064,09				
	2D = 1D / 1G			7,69345			
	2E = 1E / 1G				28,27114		
	2F = 1F / 1G						
3 1996 DIFF/WEIGHTING	NOTE #1	2.5	2.5	2.5	1.0	48,73462	100,00000
4 DEM FACTOR	LN 2 X LN 3	30,5918	-	7,6602	28,2711	1.0	
5 ADJUSTED DEM FACTOR	NOTE #2, 3 & 4	30,5918	-	7,6602	28,2711	48,7346	134,4913
						14,2434	100,00000

NOTE #1:

1996 DIFF:

DIFFERENCE BETWEEN THE 1996 WIEGHTED AND UNWIEGHTED DEM FACTORS
WEIGHTING:

0-10,000 ACCESS LINES = WEIGHTING FACTOR OF 3.0.

10,001-20,000 ACCESS LINES = WEIGHTING FACTOR OF 2.5.

20,001-50,000 ACCESS LINES = WEIGHTING FACTOR OF 2.0.

50,001-OR MORE ACCESS LINES = WEIGHTING FACTOR OF 1.0.

UNITED TELEPHONE COMPANY
2003 TRAFFIC STUDY

Development of SLU Factors

CTA Form T-3811

TOTAL COMPANY MINUTES OF USE (Note 1)		SOURCE (ALL OFFICES)	STUDY YEAR	
				Note
1	Total IS-ER	T-3713 LN 1A	7,700,073	
2	Total IS-RA	T-3713 LN 1B	0	
3	Total ST-RA	T-3713 LN 1C	1,928,108	
4	Total ST-ER	T-3713 LN 1D	4,841,186	
5	Total Toll	1+2+3+4	14,469,367	
6	Total Exchange (Includes EAS)	T-3713 LN 1F	48,456,670	
7	Total Min. for SLU Factor	5+6	62,926,037	
Note 1: Any served office Foreign Exchange Minutes of Use should be included in total minutes on line 6.				
Toll SLU Factors				
8	IS-ER	1/6X100	12.2367	
9	IS-RA	2/6X100	0.0000	
10	ST-RA	3/6X100	3.0641	
11	ST-ER	4/6X100	7.6935	
12	Total Toll	8+9+10+11	22.9943	
Subscriber Plant Factors				
13	SPF - IS-ER	FROZEN	25.0000	
14	SPF - IS-RA	FROZEN	0.0000	
15	SPF - ST-RA	Line 10	3.0641	
16	SPF - ST-ER	Line 11	7.6935	
17	SPF Total	13+14+15+16	35.7576	
18	Total B-I EAS + ZUM Minutes	T-3713 LN 1E	17,789,905	
19	Ratio B-I EAS + ZUM to Exch Mins.	Line 18 / Line 6	0.3671	
20	B-I EAS + ZUM SLU Factor	(Line 18 / Line 7) X 100	28.2711	
21	B-I EAS + ZUM SPF	Line 19 X (100%- Ln 17)	23.5834	

NOTE: TOTAL TOLL SPF CANNOT EXCEED 100%

UNITED TELEPHONE COMPANY
2003 TRAFFIC STUDY

Conversation Minute-Mile (CMM) Study C & WF
Conversation Minute (CM) Study COE

CTA Form T-485.1

Computation of Basic Study Factors		Source		Observation Period (Note 2)	
COMPANY					
1	IS-ER Conversation Minutes	Access Minute Data	CM	X MILES	= CMM
2	IS-RA Conversation Minutes		34,072,419	1	34,072,419
3	ST-ER Conversation Minutes		-	1	0
4	ST-RA Conversation Minutes		10,972,715	1	10,972,715
EXCHANGE #2			17,963,199	1	17,963,199
5	IS-ER Conversation Minutes	Access Minute Data		-	-
6	IS-RA Conversation Minutes			-	-
7	ST-ER Conversation Minutes			-	-
8	ST-RA Conversation Minutes			-	-
EXCHANGE #3				-	-
9	IS-ER Conversation Minutes	Access Minute Data		-	-
10	IS-RA Conversation Minutes			-	-
11	ST-ER Conversation Minutes			-	-
12	ST-RA Conversation Minutes			-	-
EXCHANGE #4				-	-
13	IS-ER Conversation Minutes	Access Minute Data		-	-
14	IS-RA Conversation Minutes			-	-
15	ST-ER Conversation Minutes			-	-
16	ST-RA Conversation Minutes			-	-
17	Total Company IS-ER	(1 + 5 + 9 + 13)	34,072,419	-	34,072,419
18	Total Company IS-RA	(2 + 6 + 10 + 14)	-	-	-
19	Total Company ST-ER	(3 + 7 + 11 + 15)	10,972,715	-	10,972,715
20	Total Company ST-RA	(4 + 8 + 12 + 16)	17,963,199	-	17,963,199
21	Total	(LN17 + LN18 + LN19 + LN20)	63,008,333	-	63,008,333
22	% IS-ER of Total CM	(LN 17 / LN 21)	54.0761	-	-
23	% IS-RA of Total CM	(LN 18 / LN 21)	-	-	-
24	% ST-ER of Total CM	(LN 19 / LN 21)	17.4147	-	-
25	% ST-RA of Total CM	(LN 20 / LN 21)	28.5092	-	-
26	% IS-ER of Total CMM	(LN 17 / LN 21)	54.0761	-	-
27	% IS-RA of Total CMM	(LN 18 / LN 21)	-	-	-
28	% ST-ER of Total CMM	(LN 19 / LN 21)	17.4147	-	-
29	% ST-RA of Total CMM	(LN 20 / LN 21)	28.5092	-	-

UNITED TELEPHONE COMPANY
2003 TRAFFIC STUDY

HOST/REMOTE COMPLEX INTERFACE
CHANNEL MINUTES OF USE/MILES

MOU-M
WORKSHEET 1

HOST:

ITEM		SOURCE	UNIONVILLE REMOTE 1		NOLANSVILLE REMOTE 2		ESTILL SPGS REMOTE 3		HOST/REMOTE COMPLEX
			A	B		C		D=A+B+C	
1	INTERFACE CHANNEL MINUTES OF USE	TOTAL	4,338,464	12,951,897		5,998,558		-	
2		TOLL	1,925,290	5,747,691		2,661,993			
3		EXCHANGE	46,055	137,492		63,678			
4		B-I EAS	2,367,119	7,066,714		3,272,887			
5	ORIGINATING PLUS TERMINATING CONVERSATION MINUTES	LDI ERLATA	586,752	1,637,948		601,100		-	
6		LDI RALATA	-	-		-			
7		LDS ERLATA	218,774	369,107		228,083			
8		LDS RALATA	513,373	452,662		558,916			
9	TOTAL		1,318,899	2,459,717		1,388,099			
10	PERCENT DISTRIBUTION		0.4449	0.6659		0.4330			
11		LN 5/LN 9	-	-		-			
12		LN 6/LN 9	0.1659	0.1501		0.1643			
13		LN 7/LN 9	0.3892	0.1840		0.4026			
14	INTERFACE CHANNEL TOLL MINUTES OF USE		856,561	3,827,388		1,152,643		0	
15		LDI ERLATA	0	0		0			
16		LDI RALATA	319,406	862,728		437,365			
17		LDS ERLATA	749,323	1,057,575		1,071,718			
18	AVGE ROUTE MILES		25	7		50		105,560,380	
19		LOCAL RECORDS							
20		LN 14XLN 18	21,300,959	26,592,692		57,666,729			
21		LN 15XLN 18	-	-		-			
22	INTERFACE CHANNEL MOU MILES	LDS ERLATA	7,942,988	5,994,234		21,881,371		35,818,593	
23		LDS RALATA	18,634,164	7,348,031		53,618,052			
24		EXCHANGE	1,145,300	955,291		3,185,810			
25		B-I EAS	58,865,526	49,099,530		163,742,542			
26	TOTAL							497,973,219	
27	LDI ERLATA	LN 19 / LN 25							
28	LDI RALATA	LN 20 / LN 25							
29	LDS ERLATA	LN 21 / LN 25							
30	HOST REMOTE FACTORS	LDS RALATA	LN 22 / LN 25					7.1929	
31		EXCHANGE	LN 23 / LN 25						
		B-I EAS	LN 24 / LN 25					15.9848	
								1.0616	
								54.5627	

ANNUAL.xls

COMPANY NAME UNITED TELEPHONE COMPANY
STUDY PERIOD: SEPTEMBER 2003

RELATIVE MINUTES OF USE
(FOR MIXED TRUNK GROUPS)

TOLL USAGE:									
(FOR MIXED TRUNK GROUPS)									
RELATIVE MINUTES OF USE									
CUMULATIVE MINUTES OF USE									
SEPTEMBER 2003									
TOLL USAGE:									
CONV/BILLED MINS (1 MONTH)									
ALLOCATION FACTORS									
MONTHLY 2-WAY TOLL MOU									
ALLOCATED TOLL MOU									
TOLL ON MIXED TRUNKS									
TERM 800 SWITCHED									
FGB ON EAS FACILITIES									
FGB ON TOLL FACILITIES									
FGB TOTAL									
FGA ON EAS FACILITIES									
FGA-FX-O & LOCAL									
FGA-LATAWIDE									
FGA TOTAL									
TOTAL TOLL MOU									
LOCAL USAGE:									
INTRAOFFICE									
INTEROFFICE (LOCAL)									
I-I EAS ON TOLL FACILITIES									
B-I EAS ON TOLL FACILITIES									
I-I EAS DIRECT									
B-I EAS DIRECT									
FGB MOU ADJUSTMENT									
FGA MOU ADJUSTMENT									
TOTAL LOCAL & EAS MOU									
INPUT SECTION									
REPORTS: (1 MONTH)									
MTS									
ORIG OUTWATS									
TERM 800 SERVICE									
FGB-ORIG EAS &/OR SHARED									
FGB-TOLL &/OR SHARED									
FGA-ORIG EAS &/OR SHARED									
FGA-FX/LOCAL &/OR SHARED									
FGA-LATAWIDE &/OR SHARED									
USAGE STUDY:									
2-WAY TOLL									
INTRAOFFICE									
INTEROFFICE (LOCAL)									
EAS SHARED									
EAS DIRECT									
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NOTE 1: SOURCE USED MUST HAVE COMPLETE DATA FOR ALL JURISDICTIONS

COMPANY NAME: UNITED TELEPHONE COMPANY STUDY PERIOD: 2003										RELATIVE MINUTES OF USE (FOR MIXED TRUNK GROUPS)							
TOLL USAGE:										TOTAL	IS-ER	IS-RA	ST-ER	ST-RA	B-1 EAS	I-1 EAS	LOCAL
1	CONV/BILLED MINS (1 MONTH)									63,008,333	34,072,419	0	10,972,715	17,963,199			
2	ALLOCATION FACTORS									1 0000	0.540761		0 174147	0 285092			
3	MONTHLY 2-WAY TOLL MOU									13,940,157							
4	ALLOCATED TOLL MOU									13,940,150							
5	TOLL ON MIXED TRUNKS									529,217	7,170,856	0	1,928,108	4,841,186			
6	TERM 800 SWITCHED									0	0	0	0	0			
7A	FGB ON EAS FACILITIES									0	0	0	0	0			
7B	FGB ON TOLL FACILITIES									0	0	0	0	0			
7	FGB TOTAL									0	0	0	0	0			
8A	FGA ON EAS FACILITIES									0	0	0	0	0			
8B	FGA-FX-O & LOCAL									0	0	0	0	0			
8C	FGA-LATAWIDE									0	0	0	0	0			
8	FGA TOTAL									0	0	0	0	0			
9	TOTAL TOLL MOU									14,469,367	7,700,073	0	1,928,108	4,841,186			
LOCAL USAGE:																	
10	INTRA OFFICE									30,666,765							30,666,765
11	INTER OFFICE (LOCAL)									0							0
12	I-1 EAS ON TOLL FACILITIES									0						0	
13	B-1 EAS ON TOLL FACILITIES									0							
14	I-1 EAS DIRECT									0					0		
15	B-1 EAS DIRECT									0							
16	FGB MOU ADJUSTMENT									17,789,905					17,789,905		
17	FGA MOU ADJUSTMENT									0					0		0
18	TOTAL LOCAL & EAS MOU									48,456,670	0	0	0	0	17,789,905	0	30,666,765
INPUT SECTION																	
REPORTS: (1 MONTH)										SOURCE	IS-ER	IS-RA	ST-ER	ST-RA	B-1 EAS	I-1 EAS	LOCAL
MTS										NOTE 1	34,072,419	0	10,972,715	17,963,199			
ORIG OUTWATS											0	0	0	0			
TERM 800 SERVICE											0	0	0	0			
FGB-ORIG EAS &/OR SHARED											0	0	0	0			
FGB-TOLL &/OR SHARED											0	0	0	0			
FGA-ORIG EAS &/OR SHARED											0	0	0	0			
FGA-FX/LOCAL &/OR SHARED											0	0	0	0			
FGA-LATAWIDE &/OR SHARED											0	0	0	0			
USAGE STUDY:											0	0	0	0			
2-WAY TOLL																	
INTRA OFFICE														529,217			
INTER OFFICE (LOCAL)																	
EAS SHARED																	30,666,765
EAS DIRECT															17,789,905	0	0

SEPTEMBER

2003

CLEARING COUNTERS.
 DAYS COLLECTED.
 DAYS IN MONTH:
 MULTIPLIER

30
 30
 1.0000

Group		Peg Count	Switch CCS	Minutes	HT
1	LOCAL	687,669	3,718,109	6,196,848	9 01
100	1+Toll INTRA-LATA	412,079	838,791	1,397,985	3 39
101	1+Toll INTER-LATA	179,505	518,352	863,920	4 81
102	1+Toll FREE	332,926	840,617	1,401,028	4.21
200	Inc Toll ATT	-	-	-	-
201	Inc Toll MCI	-	-	-	-
202	Inc Toll SPRINT	-	-	-	-
203	Inc Toll WILTEL	-	-	-	-
204	Inc Toll IRIS	947,197	1,912,127	3,186,878	3 36
205	Inc Toll FRONTIER	14,199	18,465	30,775	2 17
206	Inc Toll LCI	-	-	-	-
207	Spare 2	-	-	-	-
208	Inc Toll CABLE WIRELESS	-	-	-	-
209	Inc Toll CINCI BELL	-	-	-	-
210	Inc Toll MCI DATA	392	136	227	0.58
211	Inc Toll MCI MEMPHIS	-	-	-	-
212	Inc Toll ATT01	-	-	-	-
213	Inc Toll ICG	-	-	-	-
214	Inc 800 ULD MCMINN	8,663	23,451	39,085	4 51
215	Spare 1	-	-	-	-
216	Inc Toll DOMM	184	165	275	1 49
217	Inc Toll ICG	217	346	577	2 66
218	Inc LOCAL CLEC TCG	4,221	5,982	9,970	2 36
219	Inc Toll ITC/DELTACOM	-	-	-	-
220	Inc Toll WILLIAMS	1,406	3,774	6,290	4.47
300	Inc EAS	645,819	1,622,501	2,704,168	4 19
301	Inc EAS/TOLL BELL INTRA	845,145	1,619,472	2,699,120	3 19
400	AWC 1+TOLL INTRA	88,499	209,952	349,920	3 95
401	AWC 1+TOLL INTER	5,839	17,288	28,813	4 94
402	AWC 1+TOLL FREE	10,493	20,833	34,722	3 31
500	NSH/INTRA/EAS/NOTIC	486,736	3,541,009	5,901,682	12 13
501	NASH EAS	425,575	1,618,295	2,697,158	6 34
502	METRO AREA CALL	16,934	46,102	76,837	4.54
503	FRANKLIN EAS	70,566	157,473	262,455	3 72
504	MURF EAS	33,168	76,045	126,742	3 82
505	WINCH EAS	128,353	621,340	1,035,567	8 07
506	W/INTRA/EAS/NOTIC	74	7	12	0.16
507	LEWIS EAS	99,779	326,983	544,972	5.46
508	L/INTRA/EAS/NOTIC	14,438	15,263	25,472	1 76
509	SHELBY EAS	183,660	723,268	1,205,447	6 56
510	S/INTRA/EAS/NOTIC	3,487	3,928	6,547	1 88
Total		5,547,423	18,500,094	30 853,490	5 46

Mixed Trunks	1,349,880	5,179,699	8,632,832
% Interstate on Mixed Trunks	3%	3%	3%
Interstate on Mixed Trunks	40,496	155,391	258,985
State on Mixed Trunks	1,309,384	5,024,308	8,373,847

Toll	1,896,768	4,156,224	6,927,040
Interstate on Mixed Trunks	40,496	155,391	258,985
EAS	1,604,055	5,192,007	8,553,345
AWC	104,530	248,073	413,455
Local	2,001,274	8,746,399	14,500,665
Total	5,647,423	18,500,094	30,533,490

AUGUST

2003

CLEARING COUNTERS

DAYS COLLECTED:

30

DAYS IN MONTH:

31

MULTIPLIER:

1,0333

Group		Peg Count	Switch CCS	Minutes	HT
1	LOCAL	727,971	3,909,924	6,516,540	8.95
100	1+Toll INTRA-LATA	450,142	864,247	1,440,412	3.20
101	1+Toll INTER-LATA	186,940	530,483	884,138	4.73
102	1+Toll FREE	348,972	840,179	1,400,298	4.01
200	Inc Toll ATT	-	-	-	-
201	Inc Toll MCI	-	-	-	-
202	Inc Toll SPRINT	-	-	-	-
203	Inc Toll WILTEL	-	-	-	-
204	Inc Toll IRIS	943,323	1,889,535	3,149,225	3.34
205	Inc Toll FRONTIER	33,079	45,122	75,203	2.27
206	Inc Toll LCI	-	-	-	-
207	Spare 2	-	-	-	-
208	Inc Toll CABLE WIRELESS	-	-	-	-
209	Inc Toll CINCI BELL	-	-	-	-
210	Inc Toll MCI DATA	1,993	477	795	0.40
211	Inc Toll MCI MEMPHIS	-	-	-	-
212	Inc Toll ATT01	-	-	-	-
213	Inc Toll ICG	1	-	-	-
214	Inc 800 ULD MCMINN	7,901	18,905	31,510	3.99
215	Spare 1	-	-	-	-
216	Inc Toll DOMM	92	318	530	5.76
217	Inc Toll ICG	214	341	568	2.66
218	Inc LOCAL CLEC TCG	4,624	6,272	10,453	2.26
219	Inc Toll ITC/DELTACOM	-	-	-	-
220	Inc Toll WILLIAMS	5,928	18,262	30,437	5.13
300	Inc EAS	699,424	1,746,391	2,910,652	4.16
301	Inc EAS/TOLL BELL INTRA	907,885	1,699,322	2,832,203	3.12
400	AWC 1+TOLL INTRA	94,363	203,450	339,083	3.59
401	AWC 1+TOLL INTER	6,554	17,793	29,655	4.52
402	AWC 1+TOLL FREE	13,740	23,653	39,422	2.87
500	NSH/INTRA/EAS/NOTIC	534,736	3,684,409	6,140,682	11.48
501	NASH EAS	450,867	1,686,736	2,811,227	6.24
502	METRO AREA CALL	17,946	53,301	88,835	4.95
503	FRANKLIN EAS	78,821	176,027	293,378	3.72
504	MURF EAS	35,141	77,221	128,702	3.66
505	WINCH EAS	142,835	643,165	1,071,942	7.50
506	W/INTRA/EAS/NOTIC	86	17	28	0.33
507	LEWIS EAS	109,868	356,150	593,583	5.40
508	L/INTRA/EAS/NOTIC	16,464	15,523	25,872	1.57
509	SHELBY EAS	202,451	742,945	1,238,242	6.12
510	S/INTRA/EAS/NOTIC	4,357	5,363	8,938	2.05
Total		6,026,718	19,255,532	32,092,553	5.33

Mixed Trunks	1,463,528	5,404,634	9,007,723
% Interstate on Mixed Trunks	3%	3%	3%
Interstate on Mixed Trunks	43,906	162,139	270,232
State on Mixed Trunks	1,419,622	5,242,495	8,737,492

Toll	1,976,585	4,207,670	7,013,117
Interstate on Mixed Trunks	43,906	162,139	270,232
EAS	1,737,353	5,481,936	9,136,560
AWC	114,657	244,896	409,180
Local	2,152,217	9,158,691	15,264,485
Total	6,026,718	19,255,532	32,092,553

State of Tennessee
Tennessee Regulatory Authority
Telecommunications Division
Response to Information Request Dated July 8, 2004

TRA Docket No. 04-00173

3. A comparison of the forecasted interstate access amounts adopted by the TRA for years 2001 and 2002 in Docket No. 01-00451 (United's Petition to Increase Certain Rates and Charges) with actual amounts received by United as adjusted by the revised NECA calculations

Two spreadsheets are attached.

FORECASTED INCOME STATEMENT
ATTRITION YEAR ENDING DECEMBER 31, 2001

	TRA STAFF	COMPANY	ACTUAL	NECA ADJ	LESS NECA
LOCAL SERVICES	N/A	N/A	\$ 3,335,114		3,335,114
NETWORK ACCESS			6,760,179	190,001	6,570,178
LONG DISTANCE			37,333		39,064
MISCELLANEOUS			579,642		579,642
UNCOLLECTIBLES			(45,444)		(54,304)
TOTAL OPERATING REVENUE	\$ -	\$ -	\$ 10,666,824		\$ 10,469,694
PLANT SPECIFIC					
PLANT NON SPECIFIC			1,343,545		1,645,840
CUSTOMER OPERATIONS			351,480		411,834
CORPORATE OPERATIONS			966,631		1,009,201
OPERATIONS & MAINTENANCE			1,022,170		1,157,311
DEPRECIATION	\$ -	\$ -	\$ 3,683,826		\$ 4,224,186
OTHER OPERATING TAXES			2,770,715		3,163,445
FEDERAL INCOME TAXES			1,773,292	71,972	1,701,320
TOTAL OPERATING EXPENSES	\$ -	\$ -	\$ 8,227,833		\$ 9,088,951
NET OPERATING INCOME	\$ -	\$ -	\$ 2,438,991		\$ 1,380,743
RATE BASE			\$ 40,320,533		\$ 40,855,841
EARNED RATE OF RETURN	N/A	N/A	6 049%		3 380%

FORECASTED INCOME STATEMENT
ATTRITION YEAR ENDING DECEMBER 31, 2002

	TRA STAFF	COMPANY	ACTUAL	NECA ADJ	LESS NECA
LOCAL SERVICES	\$ 3,923,574	\$ 2,926,755	\$ 3,440,874		\$ 3,440,874
NETWORK ACCESS	6,992,759	6,589,406	8,620,456	863,000	7,757,456
LONG DISTANCE		(112,110)	39,064		39,064
MISCELLANEOUS	597,401	720,237	430,432		430,432
UNCOLLECTIBLES	(106,617)	(141,022)	(54,304)		(54,304)
TOTAL OPERATING REVENUE	\$ 11,407,117	\$ 9,983,266	\$ 12,476,522		\$ 11,613,522
PLANT SPECIFIC					
PLANT NON SPECIFIC	\$ 1,467,519	\$ 1,609,718	1,645,840		1,645,840
CUSTOMER OPERATIONS	338,648	391,629	411,834		411,834
CORPORATE OPERATIONS	940,999	1,131,974	1,009,201		1,009,201
OPERATIONS & MAINTENANCE	964,247	1,110,259	1,157,311		1,157,311
DEPRECIATION	\$ 3,711,413	\$ 4,243,580	\$ 4,224,186		\$ 4,224,186
OTHER OPERATING TAXES	2,064,228	2,855,886	3,163,445		3,163,445
FEDERAL INCOME TAXES	882,223	829,200	1,297,929	326,921	971,008
TOTAL OPERATING EXPENSES	\$ 7,565,882	\$ 8,076,086	\$ 8,685,560		\$ 8,358,639
NET OPERATING INCOME	\$ 3,841,235	\$ 1,907,180	\$ 3,790,962		\$ 3,254,883
RATE BASE	41,505,795	41,064,144	\$ 38,294,792		\$ 38,294,792
EARNED RATE OF RETURN	9 255%	4 644%	9 899%		8 500%