

BRISTOL TENNESSEE ESSENTIAL SERVICES
STATEMENT OF INCOME AND EXPENSES
TELEPHONE BUSINESS UNIT
June 2008
\$(000)

LINE NO.	June 2008	ACTUAL YTD	BUDGET YTD	FY 2007 ACTUAL YTD	FY 2008 BUDGET
<u>Operating Revenue</u>					
1 Telephone Revenue	\$163.4	\$1,420.3	\$1,172.3	\$390.1	\$1,172.3
2 Taxes and Fees	\$4.7	\$42.0	\$0.0	\$9.5	\$0.0
3 Total Operating Revenue	168.1	1,462.3	1,172.3	399.6	1,172.3
<u>Cost of Goods Sold</u>					
4 Cost of Goods Sold	14.6	85.7	80.2	35.6	80.2
5 Network Trunk Interconnection	10.3	121.5	104.4	33.8	104.4
6 Plant Allocation Factor	39.7	362.1	273.5	98.2	273.5
7 Total Cost of Goods Sold	64.6	569.3	458.1	167.6	458.1
<u>Operating & Maintenance Expense</u>					
8 Customer Service Expense	34.7	85.0	97.2	25.9	97.2
9 Marketing Expense	0.6	15.7	49.2	0.0	49.2
10 Administrative & General Expense	17.5	128.8	169.8	21.0	169.8
11 System Operations & Maintenance	1.1	23.0	0.0	0.0	0.0
12 Total Operating & Maintenance	53.9	252.5	316.2	46.9	316.2
<u>Other Operating Expense</u>					
13 Depreciation Expense	9.0	104.0	77.3	47.6	77.3
14 Taxes other than income taxes	0.6	5.6	0.0	4.5	0.0
15 Amortization Expense	6.3	57.9	53.5	18.6	53.5
16 Total Other Operating Expense	15.9	167.5	130.8	70.7	130.8
17 Total Operating Expense	134.4	989.3	905.1	285.2	905.1
<u>Income</u>					
18 Operating Income	33.7	473.0	267.2	114.4	267.2
<u>Non Operating Revenues and Expenses</u>					
19 Interest Expense	1.6	38.9	52.3	40.2	52.3
20 NET INCOME	\$32.1	\$434.1	\$214.9	\$74.2	\$214.9