

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

IN RE:	)	
	)	
APPLICATION OF BRISTOL TENNESSEE	)	
ESSENTIAL SERVICES TO EXPAND ITS	)	
CERTIFICATE OF CONVENIENCE AND	)	DOCKET No. 12-00060
NECESSITY TO PROVIDE COMPETING	)	
TELECOMMUNICATIONS SERVICES	)	
STATEWIDE	)	

**SUPPLEMENTAL RESPONSES OF BRISTOL TENNESSEE ESSENTIAL SERVICES
TO
DISCOVERY REQUESTS OF
UNITED TELEPHONE SOUTHEAST LLC**

Bristol Tennessee Essential Services ("BTES") respectfully submits these supplemental responses to BTES' original responses to the discovery requests of United Telephone Southeast LLC ("CenturyLink") which were filed in this docket on October 5, 2012. In submitting these responses, BTES provides answers to the below requests subject to its on-going objections as outlined in its original response.

**INTERROGATORIES AND
REQUEST FOR PRODUCTION OF DOCUMENTS**

3. Reference Exhibit B of the Application (BTES 2011 Annual Report).
 - a) Provide an Excel spreadsheet of general ledger account detail supporting the business unit financials contained on pages 40 through 43.

SUPPLEMENTAL RESPONSE: Supplementing its prior responses and without waiver of its objections, BTES has attached trial balances supporting the general ledger account detail for each of its three business units.

ACCOUNT	DESCRIPTION	AMOUNT
101.00	ELECTRIC PLANT	101,831.17
107.00	CONSTRUCTION WORK IN PROGRESS	0.00
107.10	WORK IN PROGRESS	0.00
107.20	CONSTRUCTION WORK IN PROGRESS	1,045,443.80
107.21	CONSTRUCTION OVERHEAD	0.00
107.30	SPECIAL EQUIPMENT ACCOUNT	0.00
108.10	ACCUM PROV OF DEPR OF EPIS-DIST	0.00
108.20	ACCUM PROV FOR DEPR OF EPIS-GEN	0.00
108.30	ACCUM PROV FOR DEPR OF EPIS-TRAN	0.00
108.52	ACCUMULATED DEP. PLANT ACCT. 352	0.00
108.53	ACCUMULATED DEP. PLANT ACCT. 353	1,938,964.97
108.54	ACCUMULATED DEP. PLANT ACCT. 354	0.00
108.55	ACCUMULATED DEP. PLANT ACCT. 355	0.00
108.56	ACCUMULATED DEP. PLANT ACCT. 356	0.00
108.60	LOSS DUE TO RETIREMENT-DIST.	2,439.10
108.61	ACCUMULATED DEP. PLANT ACCT. 361	441.18
108.62	ACCUMULATED DEP. PLANT ACCT. 362	809,302.89
108.64	ACCUMULATED DEP. PLANT ACCT. 364	9,521,575.20
108.65	ACCUMULATED DEP. PLANT ACCT. 365	9,171,077.09
108.66	ACCUMULATED DEP. PLANT ACCT. 366	5,154,198.62
108.67	ACCUMULATED DEP. PLANT ACCT. 367	852,493.30
108.68	ACCUMULATED DEP. PLANT ACCT. 368	3,371,457.28
108.69	ACCUMULATED DEP. PLANT ACCT. 369	7,014,804.41
108.70	ACCUMULATED DEP. PLANT ACCT. 370	2,373,122.42
108.71	ACCUMULATED DEP. PLANT ACCT. 371	1,705,462.59
108.73	ACCUMULATED DEP. PLANT ACCT. 373	1,222,918.52
108.80	RETIREMENT WORK IN PROGRESS	2,832,204.04
108.90	LOSS DUE TO RETIREMENT-TRANS.	48,701.69
108.91	ACCUMULATED DEP. PLANT ACCT. 391	4,958.80
108.92	ACCUMULATED DEP. PLANT ACCT. 392	317,078.59
108.93	ACCUMULATED DEP. PLANT ACCT. 393	1,370,664.04
108.94	ACCUMULATED DEP. PLANT ACCT. 394	22,425.35
108.95	ACCUMULATED DEP. PLANT ACCT. 395	121,256.47
108.96	ACCUMULATED DEP. PLANT ACCT. 396	98,070.40
108.97	ACCUMULATED DEP. PLANT ACCT. 397	94,742.39
108.98	ACCUMULATED DEP. PLANT ACCT. 398	4,121,458.07
108.99	ACCUMULATED DEP. PLANT ACCT. 399	39,754.86
109.65	ACCUMULATED DEPRECIATION-397.65	585,477.26
121.00	NON-UTILITY PLANT	0.00
121.10	NON-UTILITY PLANT - RADER PROP	240,639.03
123.10	Investment in Broadband & Cable	10,795.00
123.11	INVESTMENT IN TELEPHONE	2,194,132.39
123.12	INVESTMENT IN ABS	0.04
123.15	INVESTMENTS IN SEDC	0.00
126.00	RENEWAL AND REPLACEMENT FUND	0.00
128.00	MEDICAL INSURANCE FUND	8,000,000.00
131.00	BANK OF TENNESSEE REVENUE ACCT.	200,000.00
131.10	AMSOUTH REVENUE ACCOUNT	165,765.84
131.15	PAYROLL ACCOUNT	10,452.09
		191.43

ACCOUNT	DESCRIPTION	AMOUNT
131.20	ACCOUNTS PAYABLE BANK ACCOUNT	2,204.11
131.21	TRISUMMIT A/P	37,111.34
131.22	TRISUMMIT REVENUE	0.00
131.25	DEPOSIT REFUND	4,616.45
131.26	BOTN DEPOSIT REFUND	67.41
131.30	BANK OF AMERICA REVENUE ACCOUNT	0.00
131.35	CITIZENS BANK REVENUE	62,374.52
131.40	FIRST VANTAGE REVENUE ACCOUNT	0.00
131.50	FIRST BRISTOL BANK	358,728.68
131.60	CONSTRUCTION FUND-BONDS	0.00
131.61	BANK OF TN MONEY MARKET	21,891.10
131.65	CASH CABLE/ISP	0.00
131.66	FTNB HEATH INSURANCE	863.11
131.70	FTNB REVENUE ACCOUNT	97,932.24
131.71	BANK OF TENNESSEE	281,117.18
131.90	CASH CLEARING/BALANCING ACCOUNT	0.00
135.00	CASHIERS' WORKING FUND	2,150.00
135.10	PETTY CASH FUND	2,805.75
135.15	PETTY CASH DRAWER	594.13
135.30	BANK OF AMERICA LIFE INS. ESCROW	77,936.13
135.60	ELECTRICAL INSPECTION ACCOUNT	3,977.31
136.00	TEMPORARY CASH INVESTMENTS	5,400,000.00
136.10	ET BUSINESS ACCOUNT	0.00
136.20	TEMPORARY CASH INVESTMENTS - TVA	0.00
142.00	ACCOUNTS RECEIVABLE	5,794,900.62
142.65	A/R CABLE /ISP	0.00
143.00	A/R - WATER HEATER CONTRACTOR	0.00
143.10	ACCOUNTS RECEIVABLE - MISC.	181,323.65
143.11	UNIFORM DEDUCTIONS CLEARING	200,000.00
143.20	A/R OPEB Trust	0.00
143.30	A/R ENHANCED CONSULTING	0.00
143.40	A/R MISCELLANEOUS BILLING	391,598.42
143.42	CONTRACTS BILLS/MISC BILLING	26,084.68
143.50	A/R - TVA HP INCENTIVE PROGRAM	1,700.00
143.60	A/R CASH RECEIPTS SUSPENSE	147,516.52
143.70	A/R - UETHDA FUEL PROGRAM	2,238.36
143.75	MTN VIEW APTS - CUSTOMER CREDIT	0.00
143.80	SALVATION ARMY/HYN VOUCHERS	1,696.94
143.85	HELP YOUR NEIGHBOR - VOUCHERS	976.81
143.90	A/R REC - RHIP REIMBURSEMENT	0.00
143.95	ASSISTANCE	858.79
143.97	BFA	2,056.18
144.00	ALLOWANCE FOR DOUBTFUL ACCOUNTS	457,793.82
154.10	MATERIALS AND SUPPLIES - GARAGE	44,951.17
154.20	MATERIALS AND SUPPLIES - CONSTR.	1,119,092.54
154.30	MATERIALS AND SUPPLIES - COMM.	470.87
154.80	MATERIALS BALANCING ACCOUNT	0.00
163.00	STORES EXPENSE - UNDISTRIBUTED	31.44
163.10	STORES EXPENSE DISTRIBUTION	0.00

ACCOUNT	DESCRIPTION	AMOUNT
165.10	PREPAID INSURANCE	114,012.70
165.20	PREPAID EXPENSE - MGMT AGREEMENT	0.00
165.30	PREPAID IN LIEU OF TAX	0.00
165.40	PREPAID MAINTENANCE EXPENSE	12,514.30
165.80	PREPAYMENTS - TVA	8,878,633.41
165.90	PREPAYMENT - CARINA	2,200,000.00
171.10	INTEREST RECEIVABLE	10,155.18
171.65	DUE FROM CABLE /ISP	0.00
184.00	CLEARING ACCOUNT - VEHICLES	8,152.73
184.01	VEHICLE OH-NO SPECIFIC VEHICLE	695.02-
184.10	DEPRECIATION VEHICLES-PLANT 392	0.00
184.40	CLEARING ACCOUNT - ASPLUNDH	0.00
184.50	CLEARING ACCOUNT - SUPERVISION	0.00
184.60	CLEARING ACCOUNT - ADMIN. LABOR	0.00
184.70	CLEARING ACCOUNT - ENGINEERING	0.00
184.90	CLEARING ACCOUNT- EMP. BENEFITS	0.00
186.20	TCS PENSION ASSET	397,821.61
186.25	OPEB Asset	0.00
186.30	EMPLOYEE LOAN	62,328.85
186.35	MISC A/R BILLED ON 142.00	3,226.68
186.40	WATER HEATER LOAN	202,695.05
186.50	MISC DEFERRED DEBITS - CDS	2,042.83-
186.52	DEFERRED DEBIT - NEW BUSINESS	0.00
186.55	PREPAID POWER COST - DEU	1,499,909.31
186.60	DEFERRED DEBITS-TVA PRE-PAYMENT	0.00
186.61	CAPITALIZED INTEREST LTD BONDS	909,099.58
186.70	R.H.I.P. INACTIVE	0.00
186.71	DEFERRED FUEL ASSISTANCE	0.00
186.75	Deferred Debit - New Business P	4.85
186.76	UNAMORTIZED BOND ISSUE COSTS	290,555.44
186.80	NON INTEREST BEARING LOAN	7,090.56
186.90	HEAT PUMP LOANS	2,409,188.40
186.95	ENERGY SAVINGS LOANS	450,291.81
186.96	American Phoenix Contract	0.00
216.00	ACCUM NET INCOME-BEG. OF PERIOD	68,596,912.79-
220.10	INTEREST ON HEAT PUMP LOANS	0.00
220.15	Interest on Energy Savings Loans	0.00
220.16	Intst-American Phoenix Contract	0.00
221.10	LONG TERM DEBT-BONDS 2005	22,060,000.00-
221.11	UNAMORTIZED BOND PREMIUM	365,614.41-
228.65	LIABILITY CABLE/ISP	4.85-
228.75	LIABILITY TELEPHONE	0.00
232.00	ACC. PAYABLE-GIFT CERTIFICATES	0.00
232.10	ACCOUNTS PAYABLE - GENERAL	9,455.16-
232.11	ACCOUNTS PAYABLE MISC CLEARING	190,118.64-
232.12	ACCOUNTS PAYABLE-RETAINAGE AEG	430,036.00-
232.15	ACCOUNTS PAYABLE-TVA POWER BILL	0.00
232.16	ACCOUNTS PAYABLE MISCELLANEOUS	10,792,991.26-
232.20	A/P - WAGES AND SALARIES	0.01-
		0.00

ACCOUNT	DESCRIPTION	AMOUNT
232.25	WATER PAYMENTS FORWARDED TO CITY	0.00
232.30	A/P - BTES PAYROLL	0.00
232.40	A/P - DEPOSIT REFUND ACCOUNT	0.00
232.50	PURCHASES - SUSPENSE	0.00
232.60	A/P - EXIDE R & D	0.00
232.70	MISC PAYROLL DEDUCTIONS	332.77
232.80	A/P - FLEX PLAN CON	7,924.49-
232.90	ACCTS PAYABLE - HEAT PUMP CONTR.	94,313.37-
234.00	A/P CITY OF BRISTOL TN-ECON DEV	0.00
234.10	A/P CITY OF BRISTOL TN- ECON DEV	0.00
234.20	ECONOMIC DEV LOAN PROGRAM	0.00
234.50	A/P - TN HIGH/VIKING HALL	0.00
235.00	CUSTOMER DEPOSITS	1,700,748.57-
235.01	INTEREST ON CUSTOMER DEPOSIT	53,908.24-
236.10	ACCURED TAXES PAYABLE	0.00
236.11	ACCURED TAXES PAYABLE COB	0.00
236.20	EMPLOYER FICA TAX PAYABLE	5,526.68
237.30	INTEREST ACCRUED LTD-OTHER	332,945.86-
241.10	A/P - FIT WITHHELD	903.39
241.20	A/P - FOAB WITHHELD	137.10-
241.25	A/P 401K Employer Portion	17,844.26
241.30	SALES TAX NON-ELECTRIC SALES	0.00
241.40	SALES TAX ELECTRICITY	118,385.11-
241.50	WASHINGTON CO, VA UTILITIES TAX	6,706.67-
241.60	CITY OF BRISTOL - FRANCHISE FEE	0.00
241.65	TAXES PAYABLE CABLE/ISP	0.00
242.30	HELP YOUR NEIGHBOR	0.00
242.50	A/P-UNITED WAY EMP. CONTRIBUTION	574.09-
242.60	A/P-RETIRE PLAN - EMP CONTR.	7,597.44-
242.70	TVA GROWTH CREDIT - DEFERRED	590.75-
242.80	EMP 401K PLAN CONTRIBUTION	0.00
242.90	A/P-BTES CREDIT UNION-EMP WITH	12,768.06-
243.00	MEDICAL INSURANCE LIABILITY	0.00
243.10	CUR & ACCRUED LIAB-SICK LEAVE	0.00
243.15	ACCURED LABOR	0.00
243.20	CUR & ACCRUED LIAB - VACATION	142,176.23-
243.30	CUR & ACCRUED LIAB - HOLIDAY	337,477.29-
243.40	CUR & ACCRUED LIAB-INCL WEATHER	101.84
243.50	CUR & ACCRUED LIAB - JURY DUTY	0.00
243.60	MILITARY LEAVE	0.00
243.70	ON-CALL BONUS PAY	0.00
243.80	EMP LIFE INS PAYABLE	278.64
243.90	POWER LIABILITY - TVA	0.00
252.00	REFUNDABLE ADVS FOR CONSTRUCTION	0.00
253.10	DEFERRED CREDIT	0.00
253.11	DEFERRED CREDIT ACCT INVENTORY	0.00
253.12	DEF CREDIT VEHICLE PARTS INVENTO	0.00
253.20	MISC DEF CRED-REV BILLED, NOT BK	0.00
253.30	DEFERRED CREDIT-EMP RETIREES INS	66,400.00-

ACCOUNT	DESCRIPTION	AMOUNT
253.40	DEFERRED CREDIT-RETIREE LIFE INS	237,250.00-
350.00	LAND AND LAND RIGHTS	94,696.14
350.10	LAND-TRANS-BLUFF CITY	0.00
350.30	LAND - TRANS - BRISTOL	0.00
350.50	LAND - TRANS - SULLIVAN COUNTY	0.00
350.70	LAND - TRANS - WASHINGTON CO., VA	0.00
350.90	LAND - TRANS - KINGSPORT	0.00
352.00	STRUCTURES & IMPROVEMENTS-TRANS	0.00
352.10	STRUCTURES -TRANS- BLUFF CITY	0.00
352.30	STRUCTURES -TRANS- BRISTOL	0.00
352.50	STRUCTURES-TRANS- SULLIVAN CO.	0.00
352.70	STRUCTURES-TRANS-WASH. CO., VA	0.00
353.00	SUBSTATION EQUIPMENT-TRANS	2,823,268.49
353.10	STATION EQUIP.-TRANS-BLUFF CITY	0.00
353.30	STATION EQUIP.-TRANS-BRISTOL	0.00
353.50	STATION EQUIP-TRANS-SULL. CO.	0.00
353.70	STATION EQUIP-TRANS-WASH. CO., VA	0.00
354.00	TOWERS AND FIXTURES-TRANS	0.00
354.10	TOWERS & FIXTURES-TRANS- B.C.	0.00
354.30	TOWERS & FIXTURES-TRANS-BRISTOL	0.00
354.50	TOWERS & FIXTURES-TRANS-SULL.CO.	0.00
354.70	TOWERS & FIXTURES-TRANS-WASH. VA	0.00
355.00	POLES AND FIXTURES- TRANS	0.00
355.10	POLES & FIXTURES-TRANS- B.C.	0.00
355.30	POLES & FIXTURES-TRANS- BRISTOL	0.00
355.50	POLES & FIXTURES-TRANS-SULL. CO.	0.00
355.70	POLES & FIXTURES-TRANS-WASH. VA	0.00
356.00	OH CONDUCTORS & DEVICES- TRANS	0.00
356.10	OH CONDUCTORS-DIST- BLUFF CITY	0.00
356.30	OH CONDUCTORS-TRANS- BRISTOL	0.00
356.50	OH CONDUCTORS-TRANS-SULLIVAN CO.	0.00
356.70	OH CONDUCTORS-TRANS-WASH. CO., VA	0.00
360.00	LAND & LAND RIGHTS - DIST	881,764.83
360.10	LAND-DIST.-BLUFF CITY	0.00
360.30	LAND-DIST.-BRISTOL	0.00
360.50	LAND-DIST.-SULLIVAN CO.	0.00
360.70	LAND-DIST.-WASHINGTON CO.,VA	0.00
361.00	STRUCTURES & IMPROVEMENTS-DIST	862,539.28
361.10	STRUCTURES-DIST-BLUFF CITY	202.27
361.30	STRUCTURES-DIST-BRISTOL	0.00
361.50	STRUCTURES-DIST-SULLIVAN COUNTY	0.00
361.70	STRUCTURES-DIST-WASH. CO., VA	0.00
362.00	STATION EQUIPMENT - DISTRIBUTION	12,141,863.39
362.10	STATION EQUIP.-DIST.-BLUFF CITY	0.00
362.30	STATION EQUIP.-DIST-BRISTOL	0.00
362.50	STATION EQUIP.-DIST.-SULL. CO.	0.00
362.65	CABLE/INTERNET STATION EQUIPMENT	0.00
362.70	STATION EQUIP.-DIST-WASH.CO.,VA	0.00
364.00	POLES, TOWERS, & FIXTURES-DIST.	11,365,644.63

ACCOUNT	DESCRIPTION	AMOUNT
364.10	POLES & FIXTURES-DIST-BLUFF CITY	0.00
364.30	POLES & FIXTURES-DIST-BRISTOL	0.00
364.50	POLES & FIXTURES-DIST.-SULL. CO.	0.00
364.69	Poles, Multiple Use Powerlines	2,878,888.55
364.70	POLES & FIXTURE-DIST-WASH.CO.,VA	0.00
365.00	OVERHEAD CONDUCTORS/DEVICES-DIST	7,237,031.68
365.10	OVERHEAD CONDUCTORS-DIST- B.C.	0.00
365.30	OVERHEAD CONDUCTOR-DIST-BRISTOL	0.00
365.50	OVERHEAD CONDUCTOR-DIST-SULL.CO.	0.00
365.55	Distribution Overhead Multi-Use	0.00
365.70	OVERHEAD CONDUCTOR-DIST-WASH.,VA	9.92
366.00	UNDERGROUND CONDUCTORS - DIST.	1,174,453.10
366.10	UG CONDUCTORS-DIST.-BLUFF CITY	0.00
366.30	UG CONDUCTORS-DIST.-BRISTOL	0.00
366.50	UG CONDUCTORS-DIST.-SULL. CO.	0.00
366.70	UG CONDUCTORS-DIST.-WASH.CO.,VA	0.00
367.00	UG CONDUCTORS & DEVICES - DIST	4,155,717.93
367.10	UG CON. & DEVICES-DIST-BLUFF CITY	1,081.08
367.30	UG CON. & DEVICES-DIST-BRISTOL	1,081.08-
367.50	UG CON. & DEVICES-DIST-SULL. CO.	349.35
367.70	UG CON. & DEVICES-DIST-WASH.CO.VA	0.00
368.00	TRANSFORMERS - DISTRIBUTION	12,560,054.07
368.10	TRANSFORMERS-DIST-BLUFF CITY	0.00
368.30	TRANSFORMERS-DIST-BRISTOL	0.00
368.50	TRANSFORMERS-DIST-SULLIVAN CO.	0.00
368.70	TRANSFORMERS-DIST-WASH CO., VA	0.00
369.00	SERVICES - DISTRIBUTION	0.00
369.10	SERVICE-DIST- BLUFF CITY	3,482,181.73
369.30	SERVICES-DIST.- BRISTOL	129.92-
369.50	SERVICES-DIST.- SULLIVAN CO.	0.00
369.70	SERVICES-DIST.-WASH. CO., VA	0.00
370.00	METERS	4,167,914.89
370.10	METERS-DIST- BLUFF CITY	0.00
370.30	METERS-DIST- BRISTOL	0.00
370.50	METERS-DIST- SULLIVAN COUNTY	0.00
370.70	METERS-DIST.-WASH. CO., VA	0.00
371.00	SECURITY LIGHTS	1,089,558.80
371.10	SECURITY LIGHTS-DIST.-BLUFF CITY	0.00
371.30	SECURITY LIGHTS-DIST.-BLUFF CITY	0.00
371.50	SECURITY LIGHTS-DIST-SULL. CO.	0.00
371.70	SECURITY LIGHTS-DIST-WASH.CO.,VA	0.00
373.00	STREET & TRAFFIC LIGHTS - DIST	3,308,870.52
373.10	STREET/TRAFFIC LIGHTS-DIST.-B.C.	0.00
373.30	STREET/TRAFFIC LIGHTS-DIST-BRIS.	0.00
373.50	STREET/TRAFFIC LIGHTS-DIST-SULL.	0.00
373.70	STREET/TRAFFIC LIGHTS-DIST-WASH.	0.00
389.00	LAND & LAND RIGHTS	0.00
390.00	STRUCTURES & IMPROVEMENTS	1,158,942.60
391.00	OFFICE FURNITURE & EQUIPMENT	787,557.25

ACCOUNT	DESCRIPTION	AMOUNT
392.00	TRANSPORTATION EQUIPMENT	2,456,423.04
393.00	STORES & EQUIPMENT	24,142.86
394.00	TOOLS, SHOP & GARAGE	131,389.41
395.00	LABORATORY EQUIPMENT	104,035.09
396.00	POWER OPERATED EQUIPMENT	104,945.54
397.00	COMMUNICATION EQUIPMENT	1,465,565.01
397.01	COMMUNICATION EQUIPMENT	14,643,879.04
397.02	COMMUNICATION EQUIPMENT	31,667,919.04
397.15	ELECTRIC COMMUNICATIONS FIBER	0.00
397.55	COMMUNICATIONS MULTI USE	0.00
397.65	COMMUNICATIONS CABLE/INTERNET	0.00
397.75	COMMUNICATIONS PLANT TELEPHONE	0.00
398.00	MISC. EQUIPMENT	43,407.46
403.00	DEPRECIATION EXPENSE	0.00
403.10	DEPR. DIST. PLANT ITEMS	0.00
403.20	DEPR. GENERAL PLANT ITEMS	0.00
403.30	DEPR. TRANSMISSION PLANT ITEMS	0.00
403.52	DEPRECIATION PLANT ACCOUNT 352	0.00
403.53	DEPRECIATION PLANT ACCOUNT 353	112,817.76
403.54	DEPRECIATION PLANT ACCOUNT 354	0.00
403.55	DEPRECIATION PLANT ACCOUNT 355	0.00
403.56	DEPRECIATION PLANT ACCOUNT 356	0.00
403.61	DEPRECIATION PLANT ACCOUNT 361	28,049.76
403.62	DEPRECIATION PLANT ACCOUNT 362	239,795.72
403.64	DEPRECIATION PLANT ACCOUNT 364	530,482.61
403.65	DEPRECIATION PLANT ACCOUNT 365	215,372.02
403.66	DEPRECIATION PLANT ACCOUNT 366	23,374.19
403.67	DEPRECIATION PLANT ACCOUNT 367	162,178.65
403.68	DEPRECIATION PLANT ACCOUNT 368	310,552.71
403.69	DEPRECIATION PLANT ACCOUNT 369	119,179.48
403.70	DEPRECIATION PLANT ACCOUNT 370	123,529.58
403.71	DEPRECIATION PLANT ACCOUNT 371	65.33
403.73	DEPRECIATION PLANT ACCOUNT 373	104,837.86
403.90	DEPRECIATION PLANT ACCOUNT 390	2,867.88
403.91	DEPRECIATION PLANT ACCOUNT 391	20,607.12
403.93	DEPRECIATION PLANT ACCOUNT 393	0.00
403.94	DEPRECIATION PLANT ACCOUNT 394	0.00
403.95	DEPRECIATION PLANT ACCOUNT 395	0.00
403.96	DEPRECIATION PLANT ACCOUNT 396	0.00
403.97	DEPRECIATION PLANT ACCOUNT 397	1,373,573.25
403.98	DEPRECIATION PLANT ACCOUNT 398	0.00
404.00	AMORTIZATION EXPENSE	37,360.32
404.65	DEPRECIATION - PLANT 397.65	0.00
408.10	PAYMENT IN LIEU OF TAXES	463,156.00
408.11	PAYMENT IN LIEU OF TAXES COB	1,549,794.00
408.30	FICA TAX EXPENSE	293,771.49
415.00	SURGE PROTECTION KIT SALES	25.00-
416.00	SURGE PROTECTION - COST	0.00
419.00	INTEREST INCOME - BANK ACCOUNTS	7,368.86-

ACCOUNT	DESCRIPTION	AMOUNT
419.10	INTEREST INCOME - INVESTMENTS	417,803.46-
419.15	INTEREST INCOME - DIVIDENDS	0.00
419.20	INTEREST INCOME - DEU	110,530.11-
419.30	INTEREST INCOME - OTHER	0.00
421.15	INCOME - SEDC	0.00
421.20	INCOME - GRANT	181,323.65-
427.30	INTEREST ON LONG TERM DEBT-BONDS	982,647.10
427.31	INTEREST LONG TERM DEBT ISSUE CS	10,617.75
427.40	INTEREST EXPENSE	159.41
431.00	INTEREST ON CUSTOMER DEPOSITS	12,970.43
440.00	RESIDENTIAL CLASS 22	44,501,742.69-
440.20	RES. CLASS 22-RESIDNTL EFFIC. CR	0.00
440.40	RESIDENTIAL CLASS 22 GREEN POWER	2,289.00-
440.60	RESIDENTIAL CLASS-GP SOLAR PREMI	0.00
441.00	GENERAL POWER CLASS 40, 0-50KW	5,832,560.25-
441.01	GEN POWER CLASS 49, 0-50KW SEASON	0.00
441.10	GEN POWER CLASS 40, 0-50KW GR PWR	9,977.33-
441.40	GREEN POWER - SMALL COMMERCIAL	0.00
441.60	GEN PWR CLASS 40-GP SOLAR PREMI	0.00
442.00	GENERAL POWER CLASS 50,50-1000KW	15,901,801.20-
442.01	GEN PWR CLASS 57,50-1000KW SEASO	25,067.34-
442.02	GEN POWER CLASS 54,1001-2500KW	6,071,270.33-
442.03	GEN PWR CLASS 59,1001-2500KW SEAS	0.00
442.04	GEN POWER CLASS 55,2500-5000KW	4,917,836.69-
442.05	GEN POWER CLASS56,5001-15000KW	0.00
442.06	GEN POWER CLASS 58,15001-25000KW	0.00
442.07	INTR PWR CL 63,UPTO 15000ESP/VPI	7,730,409.20-
442.08	INT PWR 64,15001-25000KW ESP/VPI	0.00
442.09	CIR C99 CONVTO C54-TVA STAR&WHSL	0.00
442.10	ENHANCED GROWTH CREDIT	145,990.20
442.20	LARGE MANUFACTURERS CREDIT	0.00
442.30	EXPANDED MANUFACTURERS CREDIT	292,433.42
442.40	GREEN POWER - LARGE INDUSTRIAL	0.00
444.00	STREET LIGHTING CLASS 72	557,363.31-
444.01	ATHLETIC FIELD LIGHTING CLASS 73	30,242.84-
444.02	TRAFFIC SIGNAL SYSTEMS CLASS 74	0.00
444.03	IND. OUTDOOR LIGHT CLASS 77(+O/S)	576,123.08-
444.04	IND OUTDOOR LIGHT CL78(LIGHT ONLY)	115,523.97-
450.00	PENALTIES AKA LATE FEES	519,916.11-
451.10	TEMPORARY SERVICE	27,348.06-
451.20	COST OF TEMPORARY SERVICE	19,707.50
451.30	SERVICE FEE	127,185.61-
451.40	NSF CHECK	24,751.48-
451.50	TURNON/TURN OFF	336,997.69
451.55	CHECK FEES	2,526.00-
451.60	METER TAMPERING FEE	14,453.63-
451.70	PAYMENT EXTENSION FEES	0.00
451.90	RECONNECTION FEE	26,605.00-
454.10	RENT - CDS/RMSA	0.00

ACCOUNT	DESCRIPTION	AMOUNT
454.20	RENT - BVU	0.00
454.30	JOINT POLE AGREEMENT - CHARTER	404,050.76-
454.50	EXCESS CAPACITY	1,555,221.49-
454.51	SPECIAL MINIMUMS	70.00-
454.52	INVEST CHRG O/THAN LGHT INV.CHR	537,445.95-
454.53	MOBILE HOME PEDESTALS	52,862.13-
454.60	JOINT POLE AGREEMENT - SPRINT	839,113.11-
454.70	JOINT POLE AGREEMENT - OTHER	8,143.76-
454.80	JOINT POLE AGREEMENT - KMC	33,017.24-
454.90	POLE RENTAL - ADVANCED BROADBAND	0.00
456.00	OTHER REVENUE	975.45-
456.10	SURGE PROTECTION MONTHLY RENTAL	2,498.89-
456.20	SURGE PROTECTION - INSTALLATION	0.00
456.65	PLANT ALLOCATION FACTOR CABLE/IS	3,101,821.48-
456.75	PLANT ALLOCATION FACTOR TELE	1,198,438.29-
555.00	PURCHASED POWER	75,426,055.40
555.65	PROGRAMMING EXPENSE	0.00
560.10	OPERATION SUPERVISION-TRANS	0.00
560.20	OPERATION ENGINEERING - TRANS	0.00
562.10	STATION OPERATION - TRANS	0.00
563.00	OVERHEAD LINE EXPENSE - TRANS	0.00
566.10	TRANSMISSION EXPENSE - OPERATION	0.00
567.00	TRANSMISSION - 69 KV OPERATIONS	0.00
568.10	MAINTENANCE SUPERVISION - OPER.	0.00
568.20	MAINTENANCE ENGINEERING - TRANS	0.00
570.00	MAINT STATION EQUIP - TRANS	0.00
570.10	MAINT SUB STATION GROUNDS	0.00
571.10	MAINT OH LINES - TRANS	243.99
571.20	TREE TRIMMING - TRANS	0.00
573.00	MAJOR MISC MAINT - TRANSMISSION	0.00
573.10	MINOR MISC MAINT. - TRANSMISSION	0.00
580.10	OPERATION SUPERVISION - DIST	0.00
580.20	OPERATION ENGR - DIST	337,701.00
580.30	LOAD DEVELOPMENT	1,128.62
581.00	LOAD DISPATCHING - DIST	36,883.02
582.10	STATION OPERATION - DISTRIBUTION	50,880.49
583.10	O.H. LINE EXP - DIST	8,519.56
583.20	LINE TRANS INST & REM EXP-DIST	366.67-
584.10	U.G. LINE EXP - DIST	0.00
584.20	U.G. TRANS INST & REM EXP - DIST	0.00
585.10	STREET LIGHTING EXP - DIST	138.24
585.30	SIGNAL SYSTEM EXP - DIST	0.00
586.00	METER TEST FEES	32,897.94
586.20	METER TEST EXP	0.00
586.30	Meter Installation Exp	122.97
587.00	CUST INSTALLATIONS EXP	0.00
587.10	WATER HEATER PROGRAM EXPENSE	163,796.06
587.11	Water Heater - TVA credit	163,796.06-
588.10	MAPS & RECORDS- EXP	15,260.87

ACCOUNT	DESCRIPTION	AMOUNT
588.20	MISC SERVICE CENTER EXP - DIST	2,636.19
588.30	MISC DIST EXP - DIST	113,222.99
588.50	SAFETY MTG EXP - DIST	44,474.61
588.60	MISC DAMAGE EXP - DIST (BILLED)	23,136.87
588.65	Jobs Purchased by customer	0.00
590.10	MAINT SUPERVISION - DIST	0.00
590.20	MAINT ENG - DIST	35,260.42
591.00	MAINT OF STRUCTURES - DIST	1,484.60
591.10	MAINT STRUCTURES-SERVICE CENTER	234,440.42
592.00	MAINT STATION EQUIP - DIST	141,048.95
592.20	MAINT STATION GROUNDS	1.00-
593.00	ON CALL PAY	94,171.46
593.10	MAINT OH LINES - DIST	18,829.71
593.20	TREE TRIMMING EXP - DIST	762,259.76
593.30	MAINT OH LINES STORM DAMAGE	371,062.41
593.40	MISC DIST EXP	21,195.46
593.60	POLE MAINTENANCE	1,388,693.05
593.70	OVERHEAD LINES MAINT - DIST	66,146.92
594.00	MAINT U.G. LINES-DIST	203,403.96
595.10	MAINT LINE TRANSFORMERS - DIST	43,817.87
595.20	MAINT LINE TRANS - STORM	0.00
596.10	MAINT STREET LIGHTS	76,670.82
596.20	MAINT SECURITY LIGHTS	83,595.22
596.30	MAINT SIGNAL SYSTEM - DIST	18,552.87
597.00	MAINT OF METERS	97,488.50
598.00	MAINT EXP SERVICE CENTER - DIST	9,170.73
598.10	LOAD MANAGEMENT MAINT	43,810.92
598.20	MAINTENANCE - FIBER SYSTEM	124,545.47
599.99	ACCOUNT BALANCE FORWARD DUMMY	0.00
777.77	CATCH ALL-CASH REGISTER	0.00
901.00	SUPERVISION EXP - CUST ACCTG	0.00
901.65	PLANT ALLOCATION FACTOR CABLE/IS	0.00
902.00	METER READING	0.00
903.10	RECORD RETRIEVAL FEES	498,178.16
903.15	CASH SHORT/OVER	290,742.25
903.20	BILLING EXPENSE	3,390.53
903.30	MISC EDP EXP	179,540.26
903.40	OUTSIDE COLLECTION EXP	36,170.92
903.50	INSIDE COLLECTION EXPENSE	70,372.95
903.60	COLLECTION TRIP CHARGE	16,676.91
903.65	CUSTOMER SERVICE CABLE/ISP	103,363.50-
904.00	UNCOLLECTIBLE ACCOUNTS	0.00
905.00	MISC CUSTOMER SERVICE EXP	62,691.74
906.10	CUSTOMER SERVICE - INFORMATION	17,357.94
906.20	CUSTOMER NEWSLETTER EXP	15,344.96
907.00	CUST SERVICE INFO - SUPERVISION	2,968.34
908.00	CUSTOMER ASSISTANCE EXP	0.00
908.30	ADVERTISING	75,646.15
912.00	PROMOTION & SELLING EXP	61,341.09
		44,120.10

ACCOUNT	DESCRIPTION	AMOUNT
916.00	IND DEVELOPMENT EXP	17,412.00
920.00	SALARIES	475,358.66
921.00	OFFICE SUPPLIES	403,377.60
923.10	LEGAL SERVICES	14,583.61
923.20	AUDITING SERVICES	56,052.70
923.40	DATA PROCESS SERVICE	0.00
924.00	PROPERTY INSURANCE	53,004.02
925.00	INJURIES & DAMAGES INSURANCE	62,947.22
926.10	EMPLOYEE GROUP INSURANCE	0.00
926.15	VACATION ACCRUAL EXPENSE	0.00
926.16	SICK LEAVE EXPENSE	0.00
926.20	EMPLOYEE RETIREMENT PLAN	0.00
926.21	TCRS PENSION ASSET EXPENSE	55,457.88
926.25	401K EMPLOYER CLEARING ACCOUNT	0.00
926.30	TELEWATT EXPENSE	3,392.50
926.40	EMPLOYEE CHRISTMAS PARTY	11,025.85
926.50	EMPLOYEE AWARDS BANQUET	6,397.54
926.60	EMPLOYEE PICNIC	3,908.96
926.65	A&G CABLE/ISP	0.00
926.70	MISC EMPLOYEE EXP	323,786.33
926.75	SPECIAL PAY	17,765.94
926.80	EMPLOYEE RETIRE INSURANCE	7,200.00
926.90	EMPLOYEE DENTAL PLAN	0.00
930.30	GENERAL CORPORATE EXP	9,568.56
930.40	INDUSTRY ASSOCIATION DUES	64,312.62
930.60	MISC OTHER EXP	41,754.19
932.00	MAINTENANCE OF GENERAL PLANT	53,911.07
933.65	PROGRAMMING EXPENSE CABLE/ISP	0.00
999.99	Fixed Journal Header	0.00

ACCOUNTS 000.00 TO 399.99 5,719,405.52
ACCOUNTS 400.00 TO 999.99 5,719,405.52-

SUMMARIZED ACCOUNT TRIAL BALANCE
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ACCOUNT	DESCRIPTION	AMOUNT
109.75	ACCUMULATED DEPRECIATION -397.75	496,338.76-
131.75	CASH TELEPHONE	1,843,299.98
142.75	A/R TELEPHONE	272,732.38
142.76	LOAN TO ABS	0.00
144.75	ALLOWANCE FOR DOUBTFUL ACCT TELE	64,892.28-
165.75	PREPAID IN LIEU OF TAX TELEPHONE	0.00
165.76	PREPAID MAINTENANCE EXPENSE	12,514.29
184.00	CLEARING ACCOUNT - VEHICLES	7,755.08-
186.75	Deferred Debit - New Business P	4.85-
186.77	CAPITALIZED INTEREST TELEPHONE	23,918.24
216.75	ACCUM NET INCOME - TELEPHONE	1,815,920.62-
228.75	LIABILITY TELEPHONE	0.00
232.10	ACCOUNTS PAYABLE - GENERAL	30,466.85-
232.75	A/P CLEARING- TELEPHONE	4,297.43
232.76	A/P - CABS	2,711.84-
236.75	ACCURED TAXES TELEPHONE COB	0.00
236.76	ACCURED TAXES TELEPHONE	0.00
241.71	PHONE FED EXCISE TAX	4,253.59-
241.72	OTHER TAXES & FEES PAYABLE	13,267.40-
241.73	E911 FEES	14,906.09-
241.75	TAXES PAYABLE TELEPHONE	23,884.76-
243.15	ACCURED LABOR	397.14-
253.75	DEFERRED CREDIT PHONE INVENTORY	0.00
253.76	DEFERRED REVENUE	111,037.77-
397.75	COMMUNICATIONS PLANT TELEPHONE	1,200,065.19
403.75	DEPRECIATION TELEPHONE	118,335.66
404.75	AMORTIZATION-CAPITALIZED INT	856.80
408.75	USF CHARGE EXPENSE	4,657.17
408.76	PYMT IN LIEU OF TAXES PHONE COB	60,853.00
408.77	PYMT IN LIEU OF TAXES PHONE	17,667.00
419.75	INTEREST INCOME	0.00
431.75	INTEREST EXPENSE TELEPHONE	0.00
440.75	TELEPHONE REVENUE	0.00
441.75	LONG DISTANCE REVENUE	3,163,927.40-
442.75	TELEPHONE REV - ABS CUSTOMERS	171,190.84-
444.75	OTHER REVENUE-TELEPHONE	0.00
445.75	USF CHARGE	91,491.65-
555.75	COST OF GOODS SOLD	100,901.27-
557.75	NETWORK TRUNK INTERCONNECTION	449,044.90
558.75	CABS EXPENSE	112,113.56
903.75	CUSTOMER SERVICE EXPENSE TELE	26,174.38
904.75	UNCOLLECTIBLE EXP TELEPHONE	188,854.45
912.75	MARKETING EXP TELEPHONE	9,790.99
921.75	ADMIN AND GENERAL EXP TELEPHONE	56,669.12
923.75	OUTSIDE SERVICE EXP TELEPHONE	335,807.11
930.75	SYSTEM OPER & MAINT - TELEPHONE	0.00
931.75	PLANT ALLOCATION FACTOR TELE	139,814.71
932.75	MAINTENANCE - TELEPHONE	1,224,421.47
		11,460.36

ACCOUNT	DESCRIPTION	AMOUNT
	ACCOUNTS 000.00 TO 399.99	770,990.48
	ACCOUNTS 400.00 TO 999.99	770,990.48-

ACCOUNT	DESCRIPTION	AMOUNT
109.65	ACCUMULATED DEPRECIATION-397.65	1,412,564.35-
109.67	ACCUMULATED DEPRECIATION 397.66	97,757.63-
131.65	CASH CABLE/ISP	0.00
142.65	A/R CABLE /ISP	916,976.53
143.65	MISC A/R CABLE/ISP	0.00
144.65	ALLOWANCE FOR DOUBTFUL ACCT CISP	184,409.53-
154.65	CABLE & INTERNET INVENTORY	39,726.06
165.65	PREPAID IN LIEU OF TAX CABLE	0.00
165.66	PREPAID MAINTENANCE EXPENSE	17,305.29
184.00	CLEARING ACCOUNT - VEHICLES	360.00-
186.52	DEFERRED DEBIT - NEW BUSINESS	0.00
186.66	CAPITALIZED INTEREST CABLE/ISP	78,873.75
216.65	ACCUM NET INCOME - CABLE/ISP	2,834,453.10-
228.65	LIABILITY CABLE/ISP	2,194,127.57-
228.66	LIABILITY - LOAN FROM TELEPHONE	0.00
232.10	ACCOUNTS PAYABLE - GENERAL	443,613.64-
232.65	A/P CLEARING - CABLE/INTERNET	0.00
232.66	A/P - CABLE FRANCHISE FEE	45,397.09-
234.65	ECONOMIC DEV LOAN PROGRAM	0.00
236.65	ACCURED TAXES PAYABLE COB CABLE	0.00
236.66	ACCURED TAXES CABLE/ISP	0.00
236.67	ACCURED STATE EXCISE TAX	2,750.00
241.60	CITY OF BRISTOL - FRANCHISE FEE	45,015.86-
241.61	FEDERAL EXCISE TAX	836.93-
241.62	SULLIVAN COUNTY - FRANCHISE FEE	25,088.67-
241.63	BLUFF CITY - FRANCHISE FEE	1,373.14-
241.65	TAXES PAYABLE CABLE/ISP	37,938.53-
243.15	ACCURED LABOR	136.96-
253.65	DEFERRED REVENUE	483,324.26-
253.66	DEFERRED CREDIT ACCT INV CABLE	0.00
337.65	COMMUNICATIONS CABLE/INTERNET	6,644,450.47
397.65	COMMUNICATIONS CABLE INTERNET 10	1,481,734.62
397.66	DEPRECIATION - PLANT 397.65	470,882.77
404.65	AMORTIZATION-CAPITALIZED INT	470.90
404.67	DEPRECIATION-PLANT 397.66	97,757.63
408.65	PAYMENT IN LIEU OF TAXES COB	35,779.00
408.66	PAYMENT IN LIEU OF TAXES CABLE	10,387.00
408.67	STATE EXCISE TAX	121,840.80
408.70	COPYRIGHT TAX	15,589.27
431.65	INTEREST EXPENSE CABLE/ISP	33,436.70
440.65	CABLE REVENUE	6,128,169.11-
441.65	SET-TOP BOX REVENUE	532,395.51-
442.65	VOD REVENUE	0.00
443.65	INTERNET REVENUE	4,380,089.24-
444.65	OTHER REVENUE	85,121.46-
444.66	INSIDE WIRE MAINTENANCE	145,512.16-
456.66	OTHER REVENUE - CABLE/INTERNET	0.00
555.65	PROGRAMMING EXPENSE	4,435,366.70
556.65	SET TOP BOX REVENUE	0.00

SUMMARIZED ACCOUNT TRIAL BALANCE
FROM 07/10 TO 06/11 COMPANY 65

ACCOUNT	DESCRIPTION	AMOUNT
557.65	INTERNET REVENUE	0.00
901.65	PLANT ALLOCATION FACTOR CABLE/IS	0.00
903.65	CUSTOMER SERVICE CABLE/ISP	347,513.32
904.65	UNCOLLECTIBLE EXP CABLE/ISP	48,764.30
912.65	MARKETING EXPENSE	87,971.54
921.65	ADMIN & GENERAL EXP CABLE/ISP	669,133.83
926.65	A&G CABLE/ISP	0.00
930.65	SYSTEM OPER & MAINT - CABLE/ISP	162,355.13
931.65	PLANT ALLOCATION FACTOR	3,075,838.30
931.66	PLANT ALLOC FACTOR-TELE CUSTOMER	0.00
932.65	MAINTENANCE-CABLE/ISP	78,091.43
933.65	PROGRAMMING EXPENSE CABLE/ISP	0.00
934.65	CABLE PROGRAMMING	28,723.23
935.65	INTERNET ACCESS	233,412.63
	ACCOUNTS 000.00 TO 399.99	1,375,419.46
	ACCOUNTS 400.00 TO 999.99	1,375,419.46

8. Explain in detail how BTES assigns the costs of its fiber optic facilities and infrastructure between and among its business units. Explain in detail how BTES plans to allocate the costs of its proposed network expansion statewide. Provide a copy of all documents and agreements addressing how BTES plans to assign costs, including all assumptions used in the allocation process, if statewide certification is granted.

SUPPLEMENTAL RESPONSE: Supplementing its prior response and without waiver of its objections, BTES reiterates that it does not currently anticipate making capital investments in facilities or equipment located outside of its electric system footprint. It may enter into arrangements with other facilities based carriers to utilize their facilities.

If BTES were to invest in telephone facilities or equipment outside of its electric system that is dedicated to providing telephone service, then that investment would be assigned to its telephone business unit.

If BTES were to invest in broadband facilities or equipment that is utilized in its electric system operations and is utilized to provide broadband services (again, which BTES does not anticipate), then that investment would be assigned to one business unit and the joint and common costs of ownership would be allocated in accordance with the provisions of the BTES Cost Allocation Manual and collected from the appropriate business units in accordance with the applicable cost allocation principles.

10. Provide a copy of all documents and agreements addressing how BTES books revenues and expenses associated with providing telephone service versus any and all other services or products provided by BTES in Tennessee.

SUPPLEMENTAL RESPONSE: Supplementing its prior response and without waiver of its objections, BTES directly books revenue to each business unit. If a customer takes BTES' electric, telephone, cable and Internet services, BTES' billing system shows a breakdown of those revenues, which BTES books to the applicable business unit. If a customer purchases bundled broadband services from BTES, the billing system shows a breakdown by business unit

and the same process exists for booking revenues. BTES does not bundle electric services with broadband services.

BTES bills all services on a single bill, and the bill separates charges for services or, in the case of bundled services, separates electric charges from broadband charges. BTES' billing software allocates receivables across the various business units. If the customer submits insufficient proceeds, then BTES' billing system preliminarily applies revenues first to cable and Internet, then to telephone and then to electric business units. If, however, a customer account is terminated with uncollectible amounts remaining after termination and the uncollectable amount is ultimately written off, then the total uncollected amount is allocated among the business units where the receivables were initially booked in accordance with each business unit's share of the original receivables as applied to the uncollected amount.

31. Please reference BTES's June 23, 2006 letter to the TRA filed in response to Embarq's June 9, 2006 letter (*see attached*). In this letter, BTES states that "additional fiber optic plant installed by BTES was purchased for the benefit and use of the electric business unit and its customers." BTES goes on to state that it "recognized that the fiber-optic network could also be used to provide high quality telephone, cable television, and Internet access services and that revenues from those services could substantially offset the costs of installing and maintaining the fiber optic system."
 - a) Explain in detail how BTES allocated the initial investment in fiber optic between the electric, telephone, and cable business segments. Provide all workpapers and other documents that show how the allocation was made.

SUPPLEMENTAL RESPONSE: Supplementing its prior response and without waiver of its objections, BTES' investment in fiber optic facilities was booked to the electric system business unit, and BTES has recovered an access charge from its telephone and cable and internet business units for those respective business units' use of the system. This recovery is accomplished through BTES' Plant Allocation Factor. The Plant Allocation Factor is calculated based upon depreciation of fiber plant, pole attachment costs, a return on investment in fiber

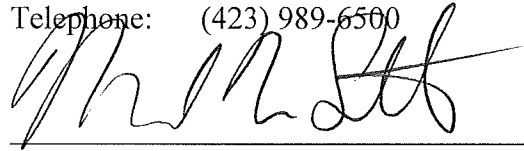
plant, and in lieu of tax payments on the fiber plant. For fiscal year 2012, the cable and internet business unit paid and the telephone business unit paid a total of approximately \$3.541 million to the electric business unit for those business units' uses of the fiber. This represented the total cost of depreciation, pole attachment costs, return on investment and in lieu of tax payments for this fiber for fiscal year 2012. Because all of these costs were recovered from the broadband business units, this amount substantially exceeds the amount that would have been recovered by applying the services allocator against these fiber costs and allocating those costs among the electric business unit and the two broadband business units.

- c) Has BTES purchased additional fiber facilities, over and above what was needed for the benefit and use of the electric business unit, to accommodate the needs of the telephone and cable business units? If yes, please explain. Also explain how BTES allocated the cost of the investment of the additional fiber facilities between the electric, telephone, and cable business segments.

SUPPLEMENTAL RESPONSE: Supplementing its prior response and without waiver of its objections, BTES has not purchased additional fiber facilities to accommodate the needs of the telephone and cable business units. If additional dedicated facilities were purchased for either the telephone or cable business units, then the facilities would be directly assigned to the applicable business unit in accordance with the Cost Allocation Manual.

Respectfully submitted,

C. THOMAS DAVENPORT, JR.
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A handwritten signature in black ink, appearing to read 'Mark W. Smith', written over a horizontal line.

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct electronic copy has been forwarded via e-mail to the following on this the 23rd day of October, 2012.

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