

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO**

RE: THE INVESTIGATION AND SUSPENSION)
OF TARIFF SHEETS FILED BY DELTA COUNTY) Docket No. 06S-456T
TELE-COMM, INC. WITH ADVICE LETTER NO. 123)

STIPULATION AND SETTLEMENT AGREEMENT

This Stipulation and Settlement Agreement (Agreement) is entered into by and between Delta County Tele-Comm, Inc. (Delta) d/b/a TDS Telecom, Staff of the Public Utilities Commission (Staff), and the Colorado Office of Consumer Counsel (OCC). Delta, Staff and OCC are referred to herein collectively as the "Parties" and individually as a "Party." This Agreement sets forth the terms and conditions by which the Parties have agreed to resolve all issues that have or could have been contested in this Docket. The Parties jointly state as follows:

Introduction

Prior to Delta filing Advice Letter No. 123 on June 30, 2006, Delta, Staff and OCC worked together cooperatively to resolve all financial issues. This effort by the Parties was to minimize the cost of the rate proceeding expenses including, but not limited to, legal expenses. Due to such pre-filing negotiations by the Parties, Delta's Advice Letter No. 123, the accompanying tariff sheets, and Exhibits A through E provide support for and reflect the negotiated revenue requirement and price changes to rates for both local exchange customers and long distance carriers. In addition, Delta is requesting additional funds from the Colorado High Cost Support Mechanism (CHCSM).

On July 19, 2006, Delta filed an amended Advice Letter No. 123 to extend the effective date of the original tariff filing from August 10, 2006 to August 20, 2006. In its

filing, Delta sought authority, pursuant to the Commission's Rules Prescribing the CHCSM and Prescribing the Procedures for the Colorado High Cost Administration Fund (CHCSM Rules), 4 *Code of Colorado Regulations* (CCR) 723-2-2840, to increase its annual CHCSM support from \$129,895 to \$165,721; an approximate increase of 27.58 percent.

The filing was made to comply with Commission Rule 4 CCR 723-2-2855, which requires companies requesting a change in their CHCSM support to make a filing with proper supporting documentation. Delta also requested rate increases which would result in additional company revenue as follows:

- switched access revenues of \$103,203 over the existing switched access revenues of \$854,533;
- local revenues of \$279,914 over the existing local revenues of \$1,988,524; and,
- vertical services revenues of \$62,205 over the existing vertical services revenues of \$624,207.¹

On July 31, 2006, Delta filed with the Commission its Customer Notice Certification and copies of the customer notices to retail end user customers and intrastate long distance carriers who purchase switched access services from Delta. The notice to retail customers was direct mailed on July 14, 2006 and noticed an effective date of August 20, 2006 for the new tariff changes. The notice to long distance customers was included in Carrier Access Billing System invoices on July 10, 2006 and noticed an effective date of August 10, 2006 for changes in switched access rates.

¹ For the purposes of this Agreement, calendar year 2005 is the test year.

On July 31, 2006, the OCC filed its Protest to Advice Letter No. 123 and Request for Hearing. As the OCC explained in its filing, it had been in settlement negotiations with the other parties but the OCC filed its Protest and Request for Hearing to preserve its rights herein in a timely manner.

The tariffs accompanying Amended Advice Letter No. 123 were suspended by the Commission on August 18, 2006 per Decision No. C06-0966 in this docket. The Commission suspended the effective date of the tariffs accompanying Amended Advice Letter No. 123 for 120 days through December 18, 2006.

Staff timely filed its intervention on August 23, 2006 and the OCC timely filed its intervention on September 6, 2006. On September 27, 2006, the Parties filed this Agreement with the Administrative Law Judge. As stated earlier, the Parties met in settlement discussions, exchanged proposals and counter-proposals and agreed upon a stipulated resolution prior to the Delta filing.

The following terms and conditions set forth the Parties' agreement in resolution of this proceeding.

Settlement Agreement Terms

During the initial discussions, Delta sought additional revenues of \$1,119,084. Delta's initial request for its revenue requirement calculation was based on a proposed overall rate of return of 10.15 percent using a ratio of equity to debt of 60/40. Delta proposed a return on equity of 12.79 percent. The settled and filed amount of additional revenues from increases to switched access rates, local exchange rates, vertical services rates and an increase in Delta's CHCSM support under this Agreement collectively totals \$611,043, and is reflected in Exhibit A.² This is a reduction of approximately 45 percent from Delta's initial request.

1. Cost of Capital, Capital Structure, Return on Equity, and CHCSM and Rate Design Calculations. For purposes of this settlement only, subject to all of the conditions set out below, including those concerning the non-precedential effect of the terms of this agreement, and to avoid the cost and uncertainty of litigation, the Parties agree as follows:

A. Cost of Capital, Capital Structure, and Return on Equity. Delta's actual equity to debt ratio is approximately 99/1. In an effort to minimize the rate increases, the Parties agreed to impute a capital structure that is consistent with utility industry standards and with previous Commission decisions in rural local exchange carriers' rate proceedings. The Parties agree to an imputed capital structure of 60/40 equity to debt.

The Parties agree to a rate of return on equity of 10.00%. The 10.00% is based on a Discounted Cash Flow analysis for comparable companies.

² The settled revenue requirement is \$611,091. The difference between the revenue requirement and revenues of \$48 is due to rounding associated with switched access rate design.

The Parties agree that the cost of debt is 6.19%, which was Delta's actual cost of debt during the 2005 test year. The Parties agree that the weighted average cost of capital is 8.48%.

B. CHCSM Supported Amount. For purposes of this Agreement, the Parties agree that Delta's request for CHCSM funding is governed by § 40-15-208, C.R.S., and the Commission's CHCSM Rules. The Parties agree that Delta has provided proper support for an increase consistent with Rules 4 CCR 723-2-2855. The CHCSM funding received by Delta in the test year was \$129,895. The Parties further agree that, based upon the provision of Paragraph 1.A. above, Delta will receive an additional \$35,826 in CHCSM support, for a total support amount of \$165,721 for the one-year period from October 1, 2006 through September 30, 2007. This is a 27.58 percent increase over the test year amount.

The Parties agree that, upon a final Commission decision approving this Agreement, this CHCSM support amount shall be effective October 1, 2006, and shall continue for one year, unless otherwise amended by subsequent legislation or rule change. The Parties agree that the settled upon CHCSM support amount of \$165,721 is in the public interest.

C. Rate Design.

1) Switched Access Revenues. Delta's test year switched access revenues were \$852,169. Pursuant to Rule 2416 (a), Delta will receive an increase in switched access revenues of \$103,203. The current average rate per minute is approximately 4.90 cents. The proposed average rate per minute for Delta under this Agreement will be

approximately 5.50 cents. The 5.50-cent rate is the result of the Federal Communications Commission (FCC) Part 36 (*i.e.*, Separations) and Part 69 (*i.e.*, Access Charge Development) cost studies which prescribe the allocation methods for investment and expenses. The 5.50-cent rate equates to the statewide average for Colorado rural local exchange carriers. This rate change results in a 12.24 percent increase in Delta's per minute switched access rate.

2) Local Exchange Revenues. Delta seeks approval for an increase in its basic local exchange revenues. The specific rates proposed by Delta are set forth in Exhibit B. Delta's test year basic local exchange revenues were \$1,988,524 and Delta seeks additional local exchange revenues under this Agreement in the amount of \$279,914. If this Agreement is approved, Delta's overall local exchange revenue requirement will increase by 14 percent. The average increase in Delta's monthly local exchange rates is 15 percent.

Delta's current basic local exchange rates for residence and business access lines are comparable to other rural local exchange carriers' basic local exchange rates operating within Colorado. *See* Exhibit C. Delta has not had an increase in its basic local exchange rates since 1997. Further, by approving these local exchange rate increases for residential and business access lines, Delta's basic local exchange service revenues will be more predictable than if Delta were to rely on funding from the CHCSM because the current CHCSM rules are

currently being investigated in Docket No. 05I-431T and the outcome of that investigation as well as any subsequent rulemaking is uncertain at this time.

Delta has invested approximately \$7.7 million in network improvements in order to meet customer growth and enhance customer service over the past six years. The investments in network improvement are reflected in Exhibit D. Delta's service territory consists of six exchanges serving a rural area of Western Colorado. In 2005, Delta had 8,097 residential access lines and 2,361 business access lines.

Delta has consistently modernized and upgraded its plant. In 2002, the company built a state-of-the-art Wide Area Network to interconnect the school systems of Hotchkiss, Paonia, Cedaredge and Crawford.

During this time period, Delta installed additional equipment to provide access to basic and advanced services. The company added approximately 300 miles of aerial and buried cable and installed 18 digital remotes to improve the quality and reliability of service. During the test year, Delta had no held orders or network outages.

As to the individual exchanges, the company replaced and upgraded the optical transport facilities to provide additional bandwidth and established a hub for provisioning additional services in the Hotchkiss exchange. It also improved facilities so that customers have access to advanced services in Paonia, as well as areas in Silos, Lamborn Mesa, Stewart Mesa, Bone Mesa, Paonia Airport, Midway and Stucker Mesa.

This proposed increase in basic local exchange rates is necessary for Delta to recover costs associated with investments for network upgrades which were not previously included in the calculation of basic residential or business local exchange service rates. The Parties agree that the increase in basic local exchange rates is just and reasonable under § 40-15-502(3)(b)(III), C.R.S., because the aforementioned investment is associated with the provisioning of basic local exchange service.

3) Vertical and Miscellaneous Services. Delta seeks approval for an increase in selected vertical services and miscellaneous rates. The test year's vertical and miscellaneous services revenues, including non-recurring charges, were \$624,207. If the proposed increase in rates is approved, the additional revenues for these vertical and miscellaneous services are \$62,205.

The specific rates proposed by Delta are set forth in Exhibit B. If approved, November 10, 2006 would be the earliest opportunity in which Delta can reflect the rate changes on the customers' bills. Therefore, the Parties request that upon final Commission order approving the Agreement, Delta's revised tariff and the various rate changes reflected therein become effective not earlier than November 10, 2006. The Parties also request that the Advice Letter and accompanying tariff pages be filed by Delta on not less than four days notice to the Commission.

2. Schedule Reflecting the Agreement of the Parties. Exhibit E reflects the Parties' agreement regarding Delta's revenue requirement. The following agreed-upon adjustments are adjustments to the revenue requirement as originally requested by Delta:

A. Revenues.

- 1) Uncollectible: Removed uncollectible and non-recurring revenues of \$13,238 for prior period from the test year.
- 2) Directory Assistance: Removed non-regulated revenues of \$16,265.
- 3) Special Access: Reclassified revenues of \$71,614 from regulated to deregulated services.
- 4) Reciprocal Compensation: Removed non-recurring revenues of \$8,467 associated with a Competitive Local Exchange Carrier (CLEC) who is no longer operating. Removed revenues of \$14,745 associated with a Commercial Mobile Radio Service provider.
- 5) Federal Universal Service: Reduced revenues of \$74,647 to reflect known and measurable changes in the Federal Universal Service Fund.

B. Investment.

- 1) Deregulated Services: Removed investment and accumulated depreciation for non-regulated services of \$176,102.
- 2) RTB Stock: Removed the amount associated with RTB Stock from the rate base of \$255,689.
- 2) Cash Working Capital: Removed the amount associated with Cash Working Capital of \$165,895 from the rate base.

4) Mobile Equipment: Removed non-regulated investment of \$5,204 and accumulated depreciation of \$4,831.

C. Expenses.

1) Advertising and Consulting Expenses: Eliminated non-regulated advertising expenses of \$84,217 and non-recurring consulting expenses of \$12,715.

2) Depreciation Expense: Removed depreciation expense on Digital Remote equipment that is fully depreciated as well as depreciation on non-regulated mobile equipment, in the total amount of \$40,218.

3) Rate Proceeding Expense: Included a rate proceeding expense of \$25,500 that was actually incurred and reflects the cost of a negotiated settlement, compared to Delta's prior litigated rate proceeding.

4) Reciprocal Compensation: Removed out-of-period adjustments on expenses of \$6,320 and access expense of \$2,570, for a CLEC that is no longer operating.

5) Reclassification of Employee Telephone Discount: Reclassified employee telephone discounts of \$16,088 from Corporate Overhead expenses to non-regulated expenses.

6) Administrative Expense: Removed one-time non-recurring expense of \$16,316.

7) Property Taxes: Adjusted property tax expense to reflect a decrease in rate assessment for test year of \$23,180.

8) Payroll Expense: Removed wages and overhead in the amount of \$89,412 associated with three employees who left the company in the test year and who will not be replaced.

9) Employee Retirement Incentive Plan Expenses: Removed one-time retirement incentive plan expenses of \$87,487 plus an accrual amount of \$20,760.

10) Long Term Disability: Removed one-time expenses of \$95,552 associated with long term disability expenses.

11) Signaling System 7 Expense: Normalized test year expenses of \$5,875 that were not paid during the test year.

12) Directory Assistance: Reclassified expenses of \$6,336 from regulated to non-regulated services.

13) Special Access: Reclassified \$16,028 from regulated to non-regulated services.

14) Non-regulated Services: Removed and reclassified non-regulated expenses of \$113,850.

D. Miscellaneous Adjustments

1) Compliance with FCC rules: Made various debits and credits to the accounts to comply with Part 36 (*i.e.*, Separations).

Additional Miscellaneous Settlement Terms

1. This Agreement has been entered into solely to resolve issues in this proceeding involving the Parties. Therefore, the issues and matters resolved by this

Agreement apply only to this Docket and the issues raised herein. Notwithstanding the resolution of the issues set forth in this Agreement, no methodology or principle contained herein shall be deemed or construed as a settled practice or of precedential value for the purposes of any other proceeding. No Party shall be deemed or construed to have agreed to any principle or methodology by entering into this Agreement, other than for the purpose of settling this Docket without further litigation. The Parties reserve the right to advocate positions different from those stated in this Agreement in the future. Nothing herein shall constitute a waiver by any Party with respect to any matter not specifically addressed in this Agreement.

2. The Parties agree that this Agreement is just and reasonable, reasonably balances the interests of the Parties, and is in the public interest. In addition, the Parties submit that reaching the Agreement set forth herein by means of a negotiated settlement, rather than through a formal adversarial process, is also in the public interest.

3. The Parties acknowledge that this Agreement represents a compromise of the positions each would assert if the issues resolved herein were litigated. Accordingly, evidence of conduct or statements made in negotiations and discussions in connection with this Agreement shall not be admissible in any proceeding. The Parties further agree that nothing contained in this Agreement shall constitute any precedent, admission, concession, acknowledgment or agreement that may be used by or against the Parties in any subsequent proceedings before the Commission or otherwise.

4. The Parties agree to present, to support and to defend this Agreement before the Commission and urge the Commission to approve the same, without

modification. The Parties agree, if necessary, to present testimony and additional exhibits to the Commission to secure the approval of this Agreement.

5. This Agreement is an integrated whole. To the extent that any individual term is later determined to be unlawful or administratively unenforceable, this entire Agreement shall be declared null and void and have no further effect.

6. This Agreement shall not become effective until the issuance of a final Commission order approving this Agreement, which does not contain any modification of the terms and conditions of this Agreement that is unacceptable to any Party hereto. In the event that the Commission imposes modified terms or conditions that are unacceptable to any Party hereto, then this Agreement shall be considered null and void and of no force and effect in this or any other proceeding. Notice of unacceptability shall be provided to the Commission and the other Parties to this Agreement in writing within ten (10) days of the date of the Commission order. In the event that this Agreement is not approved, the settlement terms and conditions, as well as the negotiations or discussions undertaken in conjunction with the Agreement, shall not be admissible into evidence in this or any other proceeding.

7. This Agreement may be executed in separate counterparts, including facsimile. The counterparts taken together shall constitute the Agreement.

8. The signatories represent that they have full authority to bind their respective Parties to the terms of the Agreement.

DATED this ____ day of September, 2006.

APPROVED:

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By: Gail Long
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DATED this 27th day of September, 2006.

APPROVED:

APPROVED AS TO FORM:

DELTA County Tele-Comm, Inc.

By: _____

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DELTA'S ADDITIONAL REVENUES
FOR THE TEST YEAR

Docket No. 06S-456T
Stipulation and Agreement
Exhibit A
Page 1 of 1

	Current Test Year Revenues	Additional Annual Revenues
LOCAL ACCESS LINE REVENUE - RESIDENTIAL	\$1,363,377	\$204,168
LOCAL ACCESS LINE REVENUE - BUSINESS	\$625,147	\$75,746
CUSTOM CALLING REVENUE	\$123,316	\$9,312
ADVANCED CALLING SERVICE	\$270,893	\$45,360
NON-RECURRING REVENUE	\$111,600	\$0
MISCELLANEOUS REVENUE	\$81,102	\$135
DIRECTORY LISTING REVENUE	\$37,296	\$7,398
TOTAL REVENUES	\$2,612,731	\$342,119
<i>Total Revenue Requirement Requested:</i>		\$611,091
<i>Monies Received from CHCSM:</i>		(\$165,721)
<i>Net Revenue Requirement:</i>		\$445,370
<i>Net Revenue Requirement:</i>		\$445,370
<i>Total Additional Revenue (Access Rate Increases):</i>		(\$103,203)
<i>Total Additional Revenue (Local Rate Increases):</i>		(\$279,914)
<i>Total Additional Revenue (Vertical Services):</i>		(\$62,205)
<i>Net Revenue Shortfall/ (Surplus):</i>	(Note 1)	\$48
<i>Note 1: The difference is due to rounding of the switched access rate development.</i>		

DELTA'S CURRENT AND PROPOSED RATES

Docket No. 06S-456T
Stipulation and Agreement
Exhibit B
Page 1 of 1

Service Description	Current Rates	Proposed Rates	Percent Change
LOCAL ACCESS LINES			
RESIDENCE ACCESS LINE - 1-PARTY	\$14.09	\$16.20	14.98%
RESIDENCE ACCESS LINE - VACATION	7.05	8.10	14.98%
ISDN - BRI RESIDENCE	14.09	16.20	14.98%
BUSINESS ACCESS LINE 1-PARTY	\$24.95	\$28.70	15.03%
BUSINESS ACCESS LINE 1-VACATION	12.48	14.35	15.03%
KEY SYSTEM	24.95	28.70	15.03%
PBX ACCESS TRUNK	24.95	28.70	15.03%
CUSTOMER-OWNED COIN-OPERATED TELEPHONE	24.95	28.70	15.03%
ISDN - BRI BUSINESS	24.95	28.70	15.03%
CUSTOM CALLING SERVICES			
CALL WAITING/CANCEL CALL WAITING	\$3.50	\$4.00	14.29%
ADVANCED CALLING SERVICES			
CALLER ID - Basic	\$5.50	\$6.50	18.18%
CALLER ID - Deluxe	7.50	8.50	13.33%
CALL TRACE - Per Activation	1.00	2.00	100.00%
REPEAT DIAL - PAY-PER-USE SERVICE *66	0.50	0.75	50.00%
REPEAT DIAL - PAY-PER-USE SERVICE MONTHLY CAP	5.50	6.00	9.09%
CALL RETURN - PAY-PER-USE SERVICE *69	0.50	0.75	50.00%
CALL RETURN - PAY-PER-USE SERVICE MONTHLY CAP	5.50	6.00	9.09%
NON-RECURRING REVENUE			
LINE CONNECTION - BUSINESS	\$20.00	\$15.00	-25.00%
LINE CONNECTION - RESIDENCE	20.00	15.00	-25.00%
CENTRAL OFFICE CONNECTION - BUSINESS	-	5.00	0.00%
CENTRAL OFFICE CONNECTION - RESIDENCE	-	5.00	0.00%
MISCELLANEOUS REVENUE			
SIMULATED FACILITY GROUP	\$24.96	\$28.70	14.98%
DIRECTORY ASSISTANCE & LISTING REVENUE			
NONPUBLISHED NUMBER	\$2.00	\$2.50	25.00%
INTRASTATE SWITCHED ACCESS			
LOCAL SWITCHING - Per Minute of Use	\$0.009800	\$0.017238	75.90%
TRANSPORT - Per Minute of Use	0.009800	0.008200	-16.33%
DIRECTORY ASSISTANCE INFORMATION SURCHARGE - Per Query	0.005600	0.017300	208.93%

COLORADO RESIDENTIAL LOCAL RATE COMPARISON

No. 06S-456T
Stipulation and Agreement
Exhibit C
Page 1 of 2

COMPANY	LINES*	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
AGATE	151	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 4.97	\$ 4.97	\$ 4.97	\$ 4.97	\$ 4.96	\$ 4.96	\$ 4.94	\$ 4.94	\$ 4.94	\$ 4.94	\$ 9.52	\$14.09	\$14.09	\$14.09
BIG SANDY	1,056	\$ 7.25	\$ 7.25	\$ 6.75	\$ 6.75	\$ 6.75	\$ 6.75	\$15.50	\$13.38	\$15.47	\$15.47	\$15.47	\$15.46	\$15.46	\$15.44	\$15.44	\$15.44	\$15.44	\$15.44	\$15.44	\$15.44	\$15.44
BIJOU	1,551	\$ 6.40	\$ 6.40	\$ 6.40	\$ 6.40	\$ 6.40	\$ 6.40	\$13.90	\$12.24	\$13.62	\$13.62	\$13.62	\$13.61	\$13.61	\$13.59	\$13.59	\$13.59	\$13.59	\$13.59	\$13.59	\$13.59	\$13.59
BLANCA	1,351	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$16.10	\$16.17	\$16.17	\$16.17	\$16.14	\$16.14	\$16.14	\$16.11	\$16.11	\$16.11	\$16.11	\$16.11	\$16.11	\$16.11	\$16.11
CENTURYTEL*	10,859	\$ 4.75	\$ 4.75	\$ 4.75	\$ 4.75	\$ 4.75	\$ 4.75	\$ 9.50	\$ 9.50	\$ 9.50	\$ 9.97	\$ 9.97	\$ 9.97	\$ 9.97	\$11.77	\$11.77	\$11.77	\$11.77	\$11.77	\$11.77	\$11.77	\$11.77
COLUMBINE	1,499	\$ 6.70	\$ 6.70	\$ 6.70	\$ 6.70	\$ 6.70	\$ 6.70	\$17.56	\$18.00	\$19.00	\$19.00	\$19.00	\$19.00	\$19.00	\$18.98	\$18.98	\$18.98	\$18.98	\$18.98	\$18.98	\$18.98	\$18.98
DELTA	10,689	\$ 9.25	\$ 9.25	\$ 9.25	\$10.60	\$10.60	\$10.60	\$10.60	\$10.60	\$13.33	\$13.33	\$13.33	\$14.09	\$14.09	\$14.07	\$14.07	\$14.07	\$14.07	\$14.07	\$14.07	\$14.07	\$14.07
EASTERN	5,395	\$ 5.20	\$ 5.20	\$ 5.20	\$ 5.20	\$ 5.20	\$ 5.20	\$13.30	\$13.27	\$13.39	\$13.39	\$13.39	\$13.38	\$13.38	\$13.36	\$13.36	\$13.36	\$13.36	\$13.36	\$13.36	\$13.36	\$13.36
EL PASO	4,854	\$ 8.20	\$ 8.20	\$ 8.20	\$ 8.20	\$ 8.20	\$ 8.20	\$17.05	\$15.40	\$15.40	\$15.40	\$15.40	\$15.40	\$15.40	\$15.40	\$15.40	\$15.40	\$15.40	\$15.40	\$15.40	\$15.40	\$15.40
FARMERS	511	\$ 9.50	\$ 9.50	\$ 9.50	\$ 9.50	\$ 9.50	\$ 9.50	\$12.23	\$16.33	\$16.77	\$16.77	\$16.77	\$16.77	\$16.77	\$16.76	\$16.74	\$16.74	\$16.74	\$16.74	\$16.74	\$16.74	\$16.74
HAXTUN	1,627	\$ 6.75	\$ 6.75	\$ 6.75	\$ 6.75	\$ 6.75	\$ 6.75	\$13.60	\$13.60	\$13.60	\$13.60	\$13.60	\$13.70	\$13.70	\$13.70	\$13.70	\$13.70	\$13.70	\$13.70	\$13.70	\$13.70	\$13.70
NUCLA	1,854	\$11.70	\$11.70	\$11.70	\$11.70	\$11.70	\$11.70	\$14.76	\$13.60	\$15.73	\$15.73	\$15.73	\$15.72	\$15.72	\$16.95	\$16.95	\$16.95	\$16.95	\$16.95	\$16.95	\$16.95	\$16.95
NUNN	680	\$ 7.75	\$ 7.75	\$ 7.75	\$ 7.75	\$ 7.75	\$ 7.75	\$11.37	\$18.44	\$20.59	\$20.59	\$20.59	\$20.58	\$20.58	\$20.56	\$20.56	\$20.56	\$20.56	\$20.56	\$20.56	\$20.56	\$20.56
PEETZ	237	\$ 7.00	\$ 7.00	\$ 7.00	\$ 7.00	\$ 7.00	\$ 7.00	\$13.05	\$15.20	\$15.50	\$15.50	\$15.50	\$15.50	\$15.50	\$15.50	\$15.50	\$15.50	\$15.50	\$15.50	\$15.50	\$15.50	\$15.50
PHILLIPS	1,975	\$ 4.15	\$ 4.15	\$ 4.15	\$ 4.15	\$ 4.15	\$ 4.15	\$ 4.15	\$ 4.18	\$ 4.18	\$ 4.18	\$ 4.18	\$ 4.17	\$ 4.17	\$ 4.15	\$ 4.15	\$ 8.08	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00
PINE DRIVE	935	\$ 8.50	\$ 8.50	\$ 8.50	\$ 8.50	\$ 8.50	\$ 8.50	\$17.05	\$17.05	\$17.05	\$17.05	\$17.05	\$17.05	\$17.05	\$17.05	\$17.05	\$17.05	\$17.05	\$17.05	\$17.05	\$17.05	\$17.05
PLAINS	1,475	\$ 7.05	\$ 7.05	\$ 7.05	\$ 7.05	\$ 7.05	\$ 7.05	\$15.40	\$15.40	\$18.05	\$20.65	\$20.65	\$20.64	\$20.64	\$20.62	\$20.62	\$20.62	\$20.62	\$20.62	\$20.62	\$20.62	\$20.62
RICO	182	\$ 5.50	\$ 5.50	\$ 5.50	\$ 5.50	\$ 5.50	\$ 5.50	\$16.75	\$19.75	\$19.75	\$19.75	\$19.75	\$19.75	\$19.75	\$20.65	\$20.65	\$20.65	\$20.65	\$20.65	\$20.65	\$20.65	\$20.65
ROGGEN	285	\$12.00	\$12.00	\$12.00	\$11.60	\$11.60	\$11.60	\$14.46	\$16.46	\$10.50	\$10.50	\$10.50	\$10.50	\$10.50	\$10.50	\$10.50	\$10.50	\$10.50	\$10.50	\$10.50	\$10.50	\$10.50
RYE	2,525	\$14.50	\$14.50	\$14.50	\$14.50	\$14.50	\$14.50	\$14.50	\$16.50	\$19.70	\$19.70	\$19.70	\$19.70	\$19.70	\$19.70	\$19.70	\$19.70	\$19.70	\$19.70	\$19.70	\$19.70	\$19.70
SOUTH PARK	210															\$29.98	\$29.98	\$29.98	\$29.98	\$29.98	\$29.98	\$29.98
STONEHAM	77	\$ 4.50	\$ 4.50	\$ 4.50	\$ 4.50	\$ 4.50	\$ 4.50	\$17.58	\$16.26	\$16.26	\$16.26	\$16.26	\$16.26	\$16.26	\$16.26	\$16.26	\$16.26	\$16.26	\$16.26	\$16.26	\$16.26	\$16.26
STRASBURG	1,954	\$ 9.50	\$ 9.50	\$ 9.50	\$ 9.50	\$ 9.50	\$ 9.50	\$16.40	\$16.40	\$16.40	\$16.40	\$16.40	\$16.40	\$16.40	\$16.40	\$16.40	\$16.40	\$16.40	\$16.40	\$16.40	\$16.40	\$16.40
SUNFLOWER	338	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$13.75	\$13.13	\$12.25	\$12.25	\$12.25	\$12.24	\$12.24	\$12.22	\$12.22	\$12.22	\$12.22	\$12.22	\$12.22	\$12.22	\$12.22
WIGGINS	1,766	\$12.10	\$12.10	\$12.10	\$12.10	\$12.10	\$12.10	\$19.90	\$19.87	\$19.87	\$19.87	\$19.87	\$19.86	\$19.86	\$19.84	\$19.84	\$19.84	\$19.84	\$19.84	\$19.84	\$19.84	\$19.84
WILLARD	64	\$ 3.00	\$ 3.00	\$ 3.00	\$ 1.00	\$ 1.00	\$ 1.00	\$17.69	\$16.27	\$16.27	\$16.27	\$16.27	\$16.27	\$16.27	\$16.27	\$16.27	\$16.27	\$16.27	\$16.27	\$16.27	\$16.27	\$16.27
AVG STATE***	2,081	\$ 7.77	\$ 7.77	\$ 7.75	\$ 7.71	\$ 7.71	\$ 7.71	\$14.05	\$14.48	\$14.93	\$15.06	\$15.05	\$15.08	\$15.08	\$15.23	\$15.80	\$15.95	\$16.10	\$16.28	\$16.45	\$16.45	\$16.45
CENTURYTEL**		\$ 6.30	\$ 6.30	\$ 6.30	\$ 6.30	\$ 6.30	\$ 6.30	\$12.00	\$12.00	\$12.00	\$12.09	\$12.09	\$12.21	\$12.22	\$12.22	\$12.22	\$12.22	\$12.22	\$12.22	\$12.22	\$12.22	\$12.22
CENTURYTEL***	81,426											\$14.73	\$14.80	\$14.74	\$14.74	\$14.74	\$14.74	\$14.74	\$14.74	\$14.74	\$14.74	\$14.74
QWEST	2,291,974	\$ 7.26	\$ 7.26	\$11.25	\$10.74	\$10.85	\$11.40	\$14.22	\$14.48	\$14.68	\$14.79	\$14.79	\$14.93	\$14.93	\$14.91	\$14.91	\$14.91	\$14.92	\$14.94	\$14.88	\$14.88	\$14.88

*Lines Include Residence and Business Lines at Year End, 2004.

**Information Not Available for this Year

***Does Not Include Qwest or Centurytel of Eagle

Monthly rates do not include taxes, surcharges, zone or mileage charges.

* Formerly, Universal, now Centurytel of Colorado, Rate Group III

** This subset of Centurytel of Eagle includes 9 exchanges and comprises their Rate Group II

*** This subset of Centurytel of Eagle includes the majority of Centurytel exchanges and comprises their Rate Group I

COLORADO BUSINESS LOCAL RATE COMPARISON

Docket No. 06S-456T
Stipulation and Agreement
Exhibit C
Page 2 of 2

COMPANY	LINES*	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
AGATE	151	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 4.97	\$ 4.97	\$ 4.97	\$ 4.97	\$ 4.97	\$ 4.96	\$ 4.96	\$ 4.94	\$ 4.94	\$ 4.94	\$ 4.94	\$ 9.52	\$ 14.09	\$ 14.09	\$ 14.09
BIG SANDY	1,056	\$ 11.50	\$ 11.50	\$ 11.00	\$ 11.00	\$ 11.00	\$ 11.00	\$ 25.25	\$ 21.83	\$ 25.21	\$ 25.21	\$ 25.21	\$ 25.20	\$ 25.20	\$ 25.18	\$ 25.18	\$ 25.18	\$ 25.18	\$ 25.18	\$ 25.18	\$ 25.18	\$ 25.18
BIJOU	1,551	\$ 7.90	\$ 7.90	\$ 7.90	\$ 7.90	\$ 7.90	\$ 7.90	\$ 20.85	\$ 18.38	\$ 20.43	\$ 20.43	\$ 20.43	\$ 20.42	\$ 20.42	\$ 20.14	\$ 20.14	\$ 20.14	\$ 20.14	\$ 20.14	\$ 20.14	\$ 20.14	\$ 20.14
BLANCA	1,351	\$ 18.00	\$ 18.00	\$ 18.00	\$ 18.00	\$ 18.00	\$ 18.00	\$ 22.10	\$ 22.17	\$ 22.17	\$ 22.17	\$ 22.14	\$ 22.14	\$ 22.14	\$ 22.11	\$ 22.11	\$ 22.11	\$ 22.11	\$ 22.11	\$ 22.11	\$ 22.11	\$ 22.11
CENTURYTEL*	10,859	\$ 7.55	\$ 7.55	\$ 7.55	\$ 7.75	\$ 7.75	\$ 7.75	\$ 15.90	\$ 15.90	\$ 15.90	\$ 16.57	\$ 16.57	\$ 16.57	\$ 16.57	\$ 24.31	\$ 24.31	\$ 24.31	\$ 24.31	\$ 24.31	\$ 24.31	\$ 24.31	\$ 24.31
COLUMBINE	1,499	\$ 9.50	\$ 9.50	\$ 9.50	\$ 9.50	\$ 9.50	\$ 9.50	\$ 26.31	\$ 30.60	\$ 32.30	\$ 32.30	\$ 32.30	\$ 32.30	\$ 32.30	\$ 32.28	\$ 32.28	\$ 32.28	\$ 32.28	\$ 32.28	\$ 32.28	\$ 32.28	\$ 32.28
DELTA	10,689	\$ 13.25	\$ 13.25	\$ 13.25	\$ 18.85	\$ 18.85	\$ 18.85	\$ 18.85	\$ 18.85	\$ 23.60	\$ 23.60	\$ 23.60	\$ 24.95	\$ 24.95	\$ 24.93	\$ 24.93	\$ 24.93	\$ 24.93	\$ 24.93	\$ 24.93	\$ 24.93	\$ 24.93
EASTERN	5,395	\$ 7.95	\$ 7.95	\$ 7.95	\$ 7.95	\$ 7.95	\$ 7.95	\$ 13.30	\$ 13.27	\$ 16.06	\$ 16.06	\$ 16.06	\$ 16.05	\$ 16.05	\$ 16.03	\$ 16.03	\$ 16.03	\$ 16.03	\$ 16.03	\$ 16.03	\$ 16.03	\$ 16.03
EL PASO	4,854	\$ 12.10	\$ 12.10	\$ 12.10	\$ 12.10	\$ 12.10	\$ 12.10	\$ 33.65	\$ 30.60	\$ 30.60	\$ 30.60	\$ 30.60	\$ 30.60	\$ 30.60	\$ 30.60	\$ 30.60	\$ 30.60	\$ 30.60	\$ 30.60	\$ 30.60	\$ 30.60	\$ 30.60
FARMERS	511	\$ 13.00	\$ 13.00	\$ 13.00	\$ 13.00	\$ 13.00	\$ 13.00	\$ 16.75	\$ 22.38	\$ 25.15	\$ 25.15	\$ 25.15	\$ 25.15	\$ 25.16	\$ 25.12	\$ 25.12	\$ 25.12	\$ 25.12	\$ 25.12	\$ 25.12	\$ 25.12	\$ 25.12
HAXTUN	1,627	\$ 10.75	\$ 10.75	\$ 10.75	\$ 10.75	\$ 10.75	\$ 10.75	\$ 18.80	\$ 18.80	\$ 18.80	\$ 18.80	\$ 18.80	\$ 20.55	\$ 20.55	\$ 20.55	\$ 20.55	\$ 20.55	\$ 20.55	\$ 20.55	\$ 20.55	\$ 20.55	\$ 20.55
NUCLA	1,854	\$ 17.40	\$ 17.40	\$ 17.40	\$ 17.40	\$ 17.40	\$ 17.40	\$ 22.14	\$ 20.42	\$ 23.59	\$ 23.59	\$ 23.59	\$ 23.58	\$ 23.58	\$ 24.81	\$ 24.81	\$ 24.81	\$ 24.81	\$ 24.81	\$ 24.81	\$ 24.81	\$ 24.81
NUNN	680	\$ 12.05	\$ 12.05	\$ 12.05	\$ 12.05	\$ 12.05	\$ 12.05	\$ 17.06	\$ 27.67	\$ 30.89	\$ 30.89	\$ 30.89	\$ 30.88	\$ 30.88	\$ 30.86	\$ 30.86	\$ 30.86	\$ 30.86	\$ 30.86	\$ 30.86	\$ 30.86	\$ 30.86
PEETZ	237	\$ 8.50	\$ 8.50	\$ 8.50	\$ 8.50	\$ 8.50	\$ 8.50	\$ 16.65	\$ 19.50	\$ 19.85	\$ 19.85	\$ 19.85	\$ 19.85	\$ 19.85	\$ 19.85	\$ 19.85	\$ 19.85	\$ 19.85	\$ 19.85	\$ 19.85	\$ 19.85	\$ 19.85
PHILLIPS	1,975	\$ 7.20	\$ 7.20	\$ 7.20	\$ 7.20	\$ 7.20	\$ 7.20	\$ 7.20	\$ 7.23	\$ 7.23	\$ 7.23	\$ 7.23	\$ 7.22	\$ 7.22	\$ 7.20	\$ 7.20	\$ 11.10	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00
PINE DRIVE	935	N/A	N/A	N/A	N/A	N/A	N/A	\$ 18.63	\$ 18.63	\$ 18.63	\$ 18.63	\$ 18.63	\$ 18.63	\$ 18.63	\$ 18.63	\$ 18.63	\$ 18.63	\$ 18.63	\$ 18.63	\$ 18.63	\$ 18.63	\$ 18.63
PLAINS	1,475	\$ 10.75	\$ 10.75	\$ 10.75	\$ 10.75	\$ 10.75	\$ 10.75	\$ 18.90	\$ 18.90	\$ 22.10	\$ 25.28	\$ 25.28	\$ 25.27	\$ 25.27	\$ 25.25	\$ 25.25	\$ 25.25	\$ 25.25	\$ 25.25	\$ 25.25	\$ 25.25	\$ 25.25
RICO	182	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 21.20	\$ 25.05	\$ 25.05	\$ 25.05	\$ 25.05	\$ 25.05	\$ 25.05	\$ 25.05	\$ 25.05	\$ 25.05	\$ 25.05	\$ 25.05	\$ 25.05	\$ 25.05	\$ 25.05
ROGGEN	285	\$ 12.00	\$ 12.00	\$ 12.00	\$ 11.60	\$ 11.60	\$ 11.60	\$ 14.46	\$ 16.46	\$ 10.50	\$ 10.50	\$ 10.50	\$ 10.50	\$ 10.50	\$ 10.50	\$ 10.50	\$ 10.50	\$ 10.50	\$ 10.50	\$ 10.50	\$ 10.50	\$ 10.50
RYE	2,525	\$ 21.80	\$ 21.80	\$ 21.80	\$ 21.80	\$ 21.80	\$ 21.80	\$ 21.80	\$ 25.00	\$ 39.40	\$ 39.40	\$ 39.40	\$ 39.40	\$ 39.40	\$ 39.40	\$ 39.40	\$ 39.40	\$ 39.40	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00
SOUTH PARK	210															\$ 39.98	\$ 39.98	\$ 39.98	\$ 39.98	\$ 39.98	\$ 39.98	\$ 39.98
STONEHAM	77	\$ 4.50	\$ 4.50	\$ 4.50	\$ 4.50	\$ 4.50	\$ 4.50	\$ 17.58	\$ 16.26	\$ 16.26	\$ 16.26	\$ 16.26	\$ 16.26	\$ 16.25	\$ 16.26	\$ 16.26	\$ 16.26	\$ 16.26	\$ 16.26	\$ 16.26	\$ 16.26	\$ 16.26
STRASBURG	1,954	\$ 14.25	\$ 14.25	\$ 14.25	\$ 14.25	\$ 14.25	\$ 14.25	\$ 26.40	\$ 26.40	\$ 26.40	\$ 26.40	\$ 26.40	\$ 26.40	\$ 26.40	\$ 26.40	\$ 26.40	\$ 26.40	\$ 26.40	\$ 26.40	\$ 26.40	\$ 26.40	\$ 26.40
SUNFLOWER	338	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 20.63	\$ 19.70	\$ 18.37	\$ 18.37	\$ 18.37	\$ 18.37	\$ 18.36	\$ 18.34	\$ 18.34	\$ 18.34	\$ 18.34	\$ 18.34	\$ 18.34	\$ 18.34	\$ 18.34
WIGGINS	1,766	\$ 15.60	\$ 15.60	\$ 15.60	\$ 15.60	\$ 15.60	\$ 15.60	\$ 23.90	\$ 23.87	\$ 23.87	\$ 23.87	\$ 23.87	\$ 23.86	\$ 23.86	\$ 23.84	\$ 23.84	\$ 23.84	\$ 23.84	\$ 23.84	\$ 23.84	\$ 23.84	\$ 23.84
WILLARD	64	\$ 3.00	\$ 3.00	\$ 3.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 17.69	\$ 16.27	\$ 16.27	\$ 16.27	\$ 16.27	\$ 16.27	\$ 16.27	\$ 16.27	\$ 16.27	\$ 16.27	\$ 16.27	\$ 16.27	\$ 16.27	\$ 16.27	\$ 16.27
AVG STATE***	2,081	\$ 10.81	\$ 10.81	\$ 10.79	\$ 10.94	\$ 10.94	\$ 10.94	\$ 19.24	\$ 19.96	\$ 21.34	\$ 21.50	\$ 21.50	\$ 21.62	\$ 21.62	\$ 21.99	\$ 22.68	\$ 22.83	\$ 22.98	\$ 22.80	\$ 22.97	\$ 22.97	\$ 22.97
CENTURYTEL**		\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00	\$ 24.00	\$ 24.00	\$ 24.00	\$ 24.18	\$ 24.18	\$ 24.31	\$ 24.31	\$ 24.31	\$ 24.31	\$ 24.31	\$ 24.31	\$ 24.31	\$ 24.31	\$ 24.31	\$ 24.31
CENTURYTEL***	81,426											\$ 36.78	\$ 36.79	\$ 36.79	\$ 36.79	\$ 36.79	\$ 36.79	\$ 36.79	\$ 36.79	\$ 36.79	\$ 36.79	\$ 36.79
QWEST	2,291,974	\$ 24.60	\$ 24.60	\$ 32.02	\$ 30.78	\$ 30.89	\$ 32.39	\$ 36.63	\$ 36.93	\$ 37.16	\$ 37.23	\$ 37.23	\$ 37.37	\$ 37.37	\$ 37.37	\$ 34.60	\$ 34.60	\$ 34.61	\$ 34.63	\$ 34.51	\$ 35.02	\$ 35.02

*Lines Include Residence and Business Lines at Year End, 2004.

+ Formerly, Universal, now Centurytel of Colorado, Rate Group III

**Information Not Available for this Year

** This subset of Centurytel of Eagle includes 9 exchanges and comprises their Rate Group II

***Does Not Include Qwest or Centurytel of Eagle

*** This subset of Centurytel of Eagle includes the majority of Centurytel exchanges and comprises their Rate Group I

Monthly rates do not include taxes, surcharges, zone or mileage charges.

**DELTA COUNTY TELECOM INVESTMENT LEVELS
2000-2005**

Docket No. 06S-456T
Stipulation and Agreement
Exhibit D
Page 1 of 1

Major Investment Categories	2000	2001	2002	2003	2004	2005	Total
General Support Assets	\$ 177,546	\$ 128,748	\$ 139,221	\$ 32,056	\$ 75,123	\$ 27,251	\$ 579,945
Central Office Assets - Switching	168,425	75,926	27,671	94,380	160,809	27,005	\$ 554,216
Central Office Assets - Transmission	399,078	288,002	271,898	235,159	466,579	96,404	\$ 1,757,120
Cable and Wire Facilities	1,338,818	1,220,891	828,841	589,691	568,801	278,061	\$ 4,825,103
Total Additions	\$ 2,083,867	\$ 1,713,567	\$ 1,267,631	\$ 951,286	\$ 1,271,312	\$ 428,721	\$ 7,716,384

DELTA'S REVENUE REQUIREMENT USING 2005 TEST YEAR

Docket No. 06S-456T
Stipulation and Agreement
Exhibit E

Page 1 of 3

REVENUE REQUIREMENT SUMMARY

INTRASTATE

LN	DESCRIPTION	ACCOUNT NUMBER	TOTAL OPERATING	INTERSTATE	INTRALATA MESSAGE TOLL (Note 1)	INTERLATA MESSAGE TOLL (Note 1)	INTRALATA SPECIAL ACCESS (Note 2)	INTERLATA SPECIAL ACCESS (Note 2)	EXCHANGE (Part 3)
	REVENUE REQUIREMENT SUMMARY								
1	NET INVESTMENT FOR SETTLEMENTS		\$ 11,963,300	\$ 3,500,182	\$ 1,811,780	\$ 262,178	\$ 35,655	\$ 9,538	\$ 6,343,967
2	RATE OF RETURN		9.29%	11.25%	8.48%	8.48%	8.48%	8.48%	8.48%
3	RETURN ON INVESTMENT		\$ 1,111,443	\$ 393,771	\$ 153,639	\$ 22,233	\$ 3,024	\$ 809	\$ 537,968
4	ALLOWANCE FOR FUNDS USED DURING CONSTR		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	NET RETURN FOR SETTLEMENTS		\$ 1,111,443	\$ 393,771	\$ 153,639	\$ 22,233	\$ 3,024	\$ 809	\$ 537,968
6	FEDERAL OPERATING INCOME TAX		\$ 539,706	\$ 194,739	\$ 73,869	\$ 10,688	\$ 1,454	\$ 389	\$ 258,566
7	LESS: FEDERAL ITC AMORTIZATION		\$ 17,500	\$ 5,302	\$ 2,576	\$ 375	\$ 50	\$ 13	\$ 9,183
8	NET FEDERAL INCOME TAX		\$ 522,206	\$ 189,437	\$ 71,293	\$ 10,313	\$ 1,404	\$ 376	\$ 249,383
9	STATE AND LOCAL INCOME TAX		\$ 74,861	\$ 27,012	\$ 10,246	\$ 1,483	\$ 202	\$ 54	\$ 35,865
10	LESS: STATE ITC AMORTIZATION		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	NET STATE INCOME TAX		\$ 74,861	\$ 27,012	\$ 10,246	\$ 1,483	\$ 202	\$ 54	\$ 35,865
13	OPERATING EXPENSE AND TAX		\$ 5,325,306	\$ 1,694,482	\$ 753,177	\$ 168,424	\$ 12,623	\$ 2,968	\$ 2,693,633
14	OTHER ALLOWABLE EXPENSES		\$ 3,819	\$ 1,144	\$ 518	\$ 154	\$ 8	\$ 2	\$ 1,993
15	UNCOLLECTIBLES		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	BASIS FOR GROSS RECEIPTS TAX		\$ 7,037,635	\$ 2,305,846	\$ 988,873	\$ 202,606	\$ 17,260	\$ 4,208	\$ 3,518,843
17	GROSS RECEIPTS/PSC TAX RATE			0%	0%	0%	0%	0%	0%
18	GROSS RECEIPTS/PSC TAX		\$ 5,513	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,513
19	TOTAL REVENUE REQUIREMENT		\$ 7,043,148	\$ 2,305,846	\$ 988,873	\$ 202,606	\$ 17,260	\$ 4,208	\$ 3,524,356

Note 1: Revenue Requirement includes \$233,696 for Billing and Collections (B&C). B&C is a non-regulated service.

Note 2: Revenue Requirement is associated with non-regulated services.

Note 3: Revenue Requirement has not been offset by Federal High Cost Support. The amount is \$384,903 for the test year.

Some accounts with zero (\$0) entries were deleted for formatting and printing purposes.

DELTA'S REVENUE REQUIREMENT USING 2005 TEST YEAR

Docket No. 06S-456T
Stipulation and Agreement
Exhibit E

Page 2 of 3

SUMMARY OF NET TELEPHONE PLANT

INTRASTATE

INTRALATA
MESSAGE TOLL

INTERLATA
MESSAGE TOLL

INTRALATA
SPECIAL
ACCESS (Note
1)

INTERLATA
SPECIAL
ACCESS (Note
1)

EXCHANGE

LN

DESCRIPTION

ACCOUNT
NUMBER

TOTAL
OPERATING

INTERSTATE

INTRALATA
MESSAGE TOLL

INTERLATA
MESSAGE TOLL

INTRALATA
SPECIAL
ACCESS (Note
1)

INTERLATA
SPECIAL
ACCESS (Note
1)

EXCHANGE

NET INVESTMENT SUMMARY

1	GENERAL SUPPORT FACILITIES	2110	\$ 1,470,384	\$ 443,315	\$ 216,918	\$ 31,578	\$ 4,213	\$ 1,120	\$ 773,241
2	CENTRAL OFFICE SWITCHING EQUIPMENT	2210	\$ 2,824,557	\$ 1,498,408	\$ 173,817	\$ 25,312	\$ -	\$ -	\$ 1,127,021
4	CENTRAL OFFICE TRANSMISSION EQUIPMENT	2230	\$ 5,109,194	\$ 1,641,204	\$ 733,386	\$ 106,714	\$ 33,024	\$ 5,712	\$ 2,589,155
6	CABLE AND WIRE FACILITIES	2410	\$ 21,778,274	\$ 5,818,439	\$ 3,476,052	\$ 506,060	\$ 52,114	\$ 16,919	\$ 11,908,691
7	TANGIBLE ASSETS	2680	\$ 66,680	\$ 66,680	\$ -	\$ -	\$ -	\$ -	\$ -
8	INTANGIBLE ASSETS	2690	\$ 769,149	\$ 233,042	\$ 113,226	\$ 16,483	\$ 2,199	\$ 585	\$ 403,615
9	TOTAL PLANT IN SERVICE A/C 2001		\$ 32,018,238	\$ 9,701,086	\$ 4,713,398	\$ 686,146	\$ 91,550	\$ 24,336	\$ 16,801,722
10	% DISTRIBUTION		100%	30.30%	14.72%	2.14%	0.29%	0.08%	52.48%
17	TOTAL PROPERTY, PLANT & EQUIPMENT		\$ 32,018,238	\$ 9,701,086	\$ 4,713,398	\$ 686,146	\$ 91,550	\$ 24,336	\$ 16,801,722
18	% DISTRIBUTION		100%	30.30%	14.72%	2.14%	0.29%	0.08%	52.48%
19	ACCUM DEPRECIATION - PLANT IN SERVICE	3100	\$ 18,308,328	\$ 5,662,389	\$ 2,647,678	\$ 385,433	\$ 50,969	\$ 13,503	\$ 9,548,356
20	ACCUM DEPRECIATION - FUTURE USE	3200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	ACCUM AMORTIZATION - TANGIBLE PROPERTY	3400	\$ 14,385	\$ 14,385	\$ -	\$ -	\$ -	\$ -	\$ -
22	ACCUM AMORTIZATION - INTANGIBLE PROPERTY	3500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	ACCUM AMORTIZATION - TEL PLANT ADJUSTMENT	3600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	OPERATING DEFERRED INCOME TAX - NET	VAR	\$ 1,696,872	\$ 511,746	\$ 250,296	\$ 36,436	\$ 4,862	\$ 1,292	\$ 892,239
25	CUST. DEP., OTHER DEF CRS-NET & L-T LIAB.		\$ 91,153	\$ 27,291	\$ 12,551	\$ 3,396	\$ 197	\$ 45	\$ 47,672
26	NET TELEPHONE PLANT		\$ 11,907,501	\$ 3,485,275	\$ 1,802,873	\$ 260,881	\$ 35,522	\$ 9,495	\$ 6,313,455
27	% DISTRIBUTION		100%	29.27%	15.14%	2.19%	0.30%	0.08%	53.02%
28	MATERIALS AND SUPPLIES	1220	\$ 55,799	\$ 14,908	\$ 8,906	\$ 1,297	\$ 134	\$ 43	\$ 30,512
29	INVESTMENT IN NONAFFILIATED CO'S	1402	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30	OTHER NONCURRENT ASSETS	1410	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
31	DEFERRED MAINTENANCE & RETIREMENTS	1438	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
32	EQUAL ACCESS EQUIPMENT	1439	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33	OTHER JURISDICTIONAL ASSETS	1500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
34	CASH WORKING CAPITAL	XXXX	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
35	NET TEL PLANT, M&S AND CASH WORKING CAPITAL		\$ 11,963,300	\$ 3,500,182	\$ 1,811,780	\$ 262,178	\$ 35,655	\$ 9,538	\$ 6,343,967
36	% DISTRIBUTION		100%	29.26%	15.14%	2.19%	0.30%	0.08%	53.03%

Some accounts with zero (\$0) entries were deleted for formatting and printing purposes.

DELTA'S REVENUE REQUIREMENT USING 2005 TEST YEAR

Docket No. 06S-456T
Stipulation and Agreement
Exhibit E

Page 3 of 3

SUMMARY OF OPERATING EXPENSE AND TAX

INTRASTATE

INTRALATA
MESSAGE TOLL

INTERLATA
MESSAGE TOLL

INTRALATA
SPECIAL
ACCESS (Note
1)

INTERLATA
SPECIAL
ACCESS (Note
1)

EXCHANGE

LN

DESCRIPTION

ACCOUNT
NUMBER

TOTAL
OPERATING

INTERSTATE

INTRALATA
MESSAGE TOLL

INTERLATA
MESSAGE TOLL

INTRALATA
SPECIAL
ACCESS (Note
1)

INTERLATA
SPECIAL
ACCESS (Note
1)

EXCHANGE

OPERATING EXPENSE AND TAX SUMMARY

1	NETWORK SUPPORT EXPENSE	6110	\$ 18,164	\$ 5,476	\$ 2,680	\$ 390	\$ 52	\$ 14	\$ 9,552
2	GENERAL SUPPORT EXPENSE	6120	\$ 53,622	\$ 16,167	\$ 7,911	\$ 1,152	\$ 154	\$ 41	\$ 28,199
3	CENTRAL OFFICE EXPENSE	6210	\$ 193,104	\$ 76,417	\$ 22,081	\$ 3,213	\$ 804	\$ 139	\$ 90,450
4	INFORMATION ORIG/TERM EXPENSE	6310	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	CABLE AND WIRE FACILITIES EXPENSE	6410	\$ 279,854	\$ 74,768	\$ 44,668	\$ 6,503	\$ 670	\$ 217	\$ 153,028
6	OTHER PLANT EXPENSE	6510	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	NETWORK OPERATIONS EXPENSE	6530	\$ 587,018	\$ 176,983	\$ 86,600	\$ 12,607	\$ 1,682	\$ 447	\$ 308,699
8	ACCESS / USF EXPENSE	6540	\$ 142,354	\$ 109,078	\$ 32,866	N/A	N/A	N/A	\$ 410
9	MARKETING EXPENSE	6610	\$ 183,626	\$ 67,951	\$ -	\$ -	\$ -	\$ -	\$ 115,675
10	SERVICES EXPENSE	6620	\$ 582,300	\$ 149,312	\$ 94,741	\$ 51,234	\$ 553	\$ 8	\$ 286,452
11	EXECUTIVE AND PLANNING EXPENSE	6710	\$ 201,829	\$ 60,290	\$ 27,423	\$ 8,131	\$ 410	\$ 90	\$ 105,486
12	GENERAL AND ADMINISTRATIVE EXPENSE	6720	\$ 1,073,876	\$ 321,979	\$ 145,679	\$ 43,193	\$ 2,178	\$ 477	\$ 560,371
13	SUBTOTAL OPERATING EXPENSES		\$ 3,315,747	\$ 1,058,421	\$ 464,647	\$ 126,423	\$ 6,502	\$ 1,433	\$ 1,658,322
14	% DISTRIBUTION		100%	31.92%	14.01%	3.81%	0.20%	0.04%	50.01%
15	DEPRECIATION AND AMORTIZATION	6560	\$ 1,899,641	\$ 599,923	\$ 273,073	\$ 39,751	\$ 5,803	\$ 1,453	\$ 979,638
16	OTHER OPERATING TAX	7240	\$ 153,627	\$ 48,430	\$ 22,218	\$ 3,234	\$ 432	\$ 115	\$ 79,199
17	EQUAL ACCESS EXPENSE		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	INTEREST ON CUSTOMER DEPOSITS	7250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	RENT REVENUES/ OTHER INC/ G+L	5240/7100/75	\$ (43,709)	\$ (12,292)	\$ (6,760)	\$ (984)	\$ (113)	\$ (34)	\$ (23,526)
20	TOTAL OPERATING EXPENSE AND TAX		\$ 5,325,306	\$ 1,694,482	\$ 753,177	\$ 168,424	\$ 12,623	\$ 2,968	\$ 2,693,633
21	% DISTRIBUTION		100%	31.82%	14.14%	3.16%	0.24%	0.06%	50.58%

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