Citizens Telephone Company
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Revenue Requirement

Line	(A)		11.08% Return (B)
1	Net Orig Cost Rate Base (Sch 2)	$	5,472,730
2	Rate of Return		11.08%
3	Net Operating Income Requirement	$	606,378
4	Net Income Available (Sch 8)	$	721,007
5	Additional NOIBT Needed	$	(114,629)
6	Income Tax Requirement (Sch 10)		
7	Required Current Income Tax	$	347,260
8	Test Year Current Income Tax	$	415,922
9	Additional Current Tax Required	$	(68,662)
10	Required Deferred ITC	$	0
11	Test Year Deferred ITC	$	0
12	Additional Deferred ITC Required	$	0
13	Total Additional Tax Required	$	(68,662)
14	Gross Revenue Requirement	$	(183,291)

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Total Plant in Service

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment		Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)		(F)
		Detail Accounts						
1	2111.000	Land	$ 119,840	$ 0	62.7822	$ 0	P-1	$ 75,238
2	2112.000	Motor Vehicles	311,318	6,148	62.7822	0	P-2	199,312
3	2116.000	Other Work Equipment	178,425	4,183	62.7822	0	P-3	114,645
4	2121.000	Buildings	987,972	12,959	62.7822	0	P-4	628,407
5	2122.000	Furniture	140,907	0	62.7822	0	P-5	88,465
6	2123.100	Office Equipment - Basic	25,258	(5,114)	62.7822	0	P-6	12,647
7	2123.200	Office Equipment	66,149	1,761	62.7822	0	P-7	42,635
8	2124.000	General Purpose Computers	579,596	3,658	62.7822	0	P-8	366,180
9		Total	$ 2,409,465	$ 23,595		$ 0		$ 1,527,529
		Operating Plant Accounts						
10	2212.000	Digital Electronic Switching	$ 3,075,114	$ 92,036	38.3996	$ 0	P-9	$ 1,216,173
11	2232.100	Circuit Equipment - Subscriber	1,590,317	0	60.4171	0	P-10	960,823
12	2232.200	Circuit Equipment - Toll Carrier	151,772	125,187	60.4171	0	P-11	167,331
13	2423.300	Buried Cable - Fiber	1,147,431	0	72.5927	0	P-18	832,951
14	2411.000	Poles	50	0	0.0000	0	P-21	0
15	2421.000	Aerial Cable	4,847	0	72.5927	0	P-12	3,519
16	2422.100	Underground Cable - Metallic	360,100	0	72.5927	0	P-14	261,406
17	2423.100	Buried Cable	4,143,722	90,341	72.5927	0	P-16	3,073,621
18	2412.200	Aerial Drops	10,328	(1,550)	72.5927	0	P-13	6,372
19	2422.200	Underground Cable - Fiber	154,224	0	72.5927	0	P-15	111,955
20	2423.200	Buried Cable Drops	907,818	44,020	72.5927	0	P-17	690,965
21	2431.000	Aerial Wire	210	0	0.0000	0	P-19	0
22	2441.000	Conduit Systems	644,233	0	72.5927	0	P-20	467,666
23		Total	$ 12,190,166	$ 350,034		$ 0		$ 7,792,782

Attachment B-2

Accounting Schedule: 3
Winter
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Citizens Telephone Company
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Total Plant in Service

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)	(F)
		Amortizable Assets					
24	2680.000	Amortizable Tangible Assets	$ 0	$ 0	100.0000	$ 0	$ 0
25	2681.000	Capital Leases	0	0	100.0000	0	0
26	2682.000	Leasehold Improvements	0	0	100.0000	0	0
27	2690.000	Intangibles	0	0	100.0000	0	0
28		Total	$ 0	$ 0		$ 0	$ 0
29		Total Plant In Service	$ 14,599,631	$ 373,629		$ 0	$ 9,320,311

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Adjustments to Total Plant

Adj No	Description		Total Co Adjustment	Mo Juris Adjustment
	Motor Vehicles	P-2	$ 6,148	
	1. To reflect net plant additions. (Winter)		$ 6,148	
	Other Work Equipment	P-3	$ 4,183	
	1. To reflect plant additions. (Winter)		$ 4,183	
	Buildings	P-4	$ 12,959	
	1. To adjust for plant additions. (Winter)		$ 12,959	
	Office Equipment - Basic	P-6	$ (5,114)	
	1. To adjust for plant additions. (Winter)		$ (5,114)	
	Office Equipment	P-7	$ 1,761	
	1. To adjust for plant additions. (Winter)		$ 1,761	
	General Purpose Computers	P-8	$ 3,658	
	1. To adjust for plant additions. (Winter)		$ 3,658	

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Adjustments to Total Plant

Adj No	Description		Total Co Adjustment		Mo Juris Adjustment
	Digital Electronic Switching	P-9	$	92,036	
1.	To increase plant for LNP hardware and software costs.		$	100,000	
2.	To adjust for plant additions. (Winter)		$	(7,964)	
	Circuit Equipment - Toll Carrier	P-11	$	125,187	
1.	To adjust for plant additions. (Winter)		$	125,187	
	Aerial Drops	P-13	$	(1,550)	
1.	To adjust for plant additions. (Winter)		$	(1,550)	
	Buried Cable	P-16	$	90,341	
1.	To adjust for plant additions. (Winter)		$	90,341	
	Buried Cable Drops	P-17	$	44,020	
1.	To adjust for plant additions. (Winter)		$	44,020	

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Depreciation Expense

Line No	Acct	Description		Adjusted Jurisdictional	Depreciation Rate		Depreciation Expense
		(A)		(B)	(C)		(D)
		Detail Accounts					
1	2111.000	Land	$	75,238	0.0000	$	0
2	2112.000	Motor Vehicles		199,312	14.0000		27,904
3	2116.000	Other Work Equipment		114,645	7.1400		8,186
4	2121.000	Buildings		628,407	2.8600		17,972
5	2122.000	Furniture		88,465	7.1400		6,316
6	2123.100	Office Equipment - Basic		12,647	2.0000		253
7	2123.200	Office Equipment		42,635	11.9000		5,074
8	2124.000	General Purpose Computers		366,180	11.0000		40,280
9		Total	$	1,527,529		$	105,985
		Operating Plant Accounts					
10	2212.000	Digital Electronic Switching	$	1,216,173	6.6700	$	81,119
11	2232.100	Circuit Equipment - Subscriber		960,823	10.0000		96,082
12	2232.200	Circuit Equipment - Toll Carrier		167,331	10.0000		16,733
13	2423.300	Buried Cable - Fiber		832,951	3.5700		29,736
14	2411.000	Poles		0	0.0000		0
15	2421.000	Aerial Cable		3,519	4.7600		168
16	2422.100	Underground Cable - Metallic		261,406	3.8500		10,064
17	2423.100	Buried Cable		3,073,621	3.5700		109,728
18	2412.200	Aerial Drops		6,372	4.7600		303
19	2422.200	Underground Cable - Fiber		111,955	3.5700		3,997
20	2423.200	Buried Cable Drops		690,965	3.5700		24,667
21	2431.000	Aerial Wire		0	0.0000		0
22	2441.000	Conduit Systems		467,666	2.0000		9,353
23		Total	$	7,792,782		$	381,950

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Depreciation Expense

Line No	Acct	Description	Adjusted Jurisdictional	Depreciation Rate	Depreciation Expense
		(A)	(B)	(C)	(D)
		Amortizable Assets			
24	2680.000	Amortizable Tangible Assets	$ 0	0.0000	$ 0
25	2681.000	Capital Leases	0	0.0000	0
26	2682.000	Leasehold Improvements	0	0.0000	0
27	2690.000	Intangibles	0	0.0000	0
28		Total	$ 0		$ 0
29		Total Depreciation Expense	$ 9,320,311		$ 487,935

Accounting Schedule: 6
Winter
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Depreciation Reserve

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment		Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)		(F)
		Detail Accounts						
1	2112.000	Motor Vehicles	$ (11,338)	$ 0	58.4548	$ 0	R-1	$ (6,628)
2	2123.200	Office Equipment - Communications	57,522	0	58.4548	0	R-6	33,624
3	2116.000	Other Work Equipment	83,730	0	58.4548	0	R-2	48,944
4	2121.000	Buildings	191,070	0	58.4548	0	R-3	111,690
5	2122.000	Furniture	34,913	0	58.4548	0	R-4	20,408
6	2123.100	Office Equipment - Basic	25,258	0	58.4548	0	R-5	14,765
7	2124.000	General Purpose Computers	233,184	0	58.4545	0	R-7	136,307
8		Total	$ 614,339	$ 0		$ 0		$ 359,110
		Operating Plant Accounts						
9	2212.000	Digital Electronic Switching	$ 1,790,565	$ 0	58.4548	$ 0	R-8	$ 1,046,671
10	2232.000	Circuit Equipment	894,079	0	58.4548	0	R-9	522,632
11	2423.200	Buried Cable - Drops	255,392	0	58.4548	0	R-16	149,289
12	2422.200	Underground Cable - FO	28,707	0	58.4548	0	R-14	16,781
13	2411.000	Poles	50	0	0.0000	0	R-10	0
14	2421.100	Aerial Cable	(6,114)	0	58.4548	0	R-11	(3,574)
15	2422.100	Underground Cable	93,872	0	58.4548	0	R-13	54,873
16	2423.100	Buried Cable	1,204,112	0	58.4548	0	R-15	703,861
17	2421.200	Aerial Cable - Aerial Drops	891	0	58.4548	0	R-12	521
18	2431.000	Aerial Wire	210	0	0.0000	0	R-17	0
19	2441.000	Conduit Systems	131,547	0	58.4548	0	R-18	76,896
20	2423.300	Buried Cable - FO	220,240	0	58.4548	0	R-19	128,741
21		Total	$ 4,613,551	$ 0		$ 0		$ 2,696,691
		Amortizable Assets						
22	2680.000	Amortizable Tangible Assets	$ 0	$ 0	100.0000	$ 0		$ 0
23	2681.000	Capital Leases	0	0	100.0000	0		0
24	2682.000	Leasehold Improvements	0	0	100.0000	0		0
25	2690.000	Intangibles	0	0	100.0000	0		0
26		Total	$ 0	$ 0		$ 0		$ 0
27		Total Plant In Service	$ 5,227,890	$ 0		$ 0		$ 3,055,801

Accounting Schedule: 6-1

Accounting Schedule: 8
Winter
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Citizens Telephone Company
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Income Statement

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment		Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)		(F)
		Operating Revenues						
1	5000.000	Local Network Revenue	$ 723,584	$ (32,285)	100.0000	$ 0	S-1	$ 691,299
2	5081.000	End User Access Charges	348,389	0	0.0000	0	S-2	0
3	5082.000	Switched Access Revenue	1,283,757	0	0.0000	0	S-3	0
4	5083.000	Special Access Revenue	198,764	0	0.0000	0	S-4	0
5	5084.000	State Access Revenue	1,268,239	(45,719)	100.0000	0	S-5	1,222,520
6	5100.000	Long Distance Network Revenue	21,562	0	100.0000	0	S-6	21,562
7	5210.000	Reciprocal Compensation	1,903	0	100.0000	0	S-7	1,903
8	5230.000	Directory Revenue	106,953	0	100.0000	0	S-8	106,953
9	5240.000	Rent Revenue	3,717	0	100.0000	0	S-9	3,717
10	5260.000	Miscellanous	20,249	0	100.0000	0	S-10	20,249
11	5265.000	NECA/USF	843,974	18,238	100.0000	0	S-11	862,212
12	5274.000	Interstate B&C	9,666	0	0.0000	0	S-12	0
13	5284.000	Intrastate IntraLata B&C	3,680	0	100.0000	0	S-13	3,680
14	5285.000	Intrastate IntraLata B&C	50,887	0	100.0000	0	S-14	50,887
15	5286.000	OSP Billing & Collection	7,919	0	100.0000	0	S-15	7,919
16	5300.000	Uncollectible Operating Revenue	(136,598)	108,987	100.0000	0	S-16	(27,611)
17	5005.000	Wireless Termination Revenue	185,589	(80,166)	100.0000	0	S-17	105,423
18	5040.000	Local Private Line Revenue	11,032	0	100.0000	0	S-18	11,032
19		Total	$ 4,953,266	$ (30,945)		$ 0		$ 3,081,745
		Operation & Maintenance Expense						
20		Plant Specific Expense	$ 738,027	$ 35,000	60.4162	$ 0	S-24	$ 467,034
21		Plant Nonspecific Operations	262,234	4,715	59.5447	0	S-25	158,954
22		Customer Operations	410,447	0	49.3502	0	S-19	202,556
23		Corporate Operations	816,076	32,085	56.8281	10,000	S-23	491,994
24		Total	$ 2,226,784	$ 71,800		$ 10,000		$ 1,320,538
		Depreciation Expense						
25		Depreciation Expense	$ 868,416	$ 0	59.7356	$ (30,819)	S-20	$ 487,935
26		Cost of Removal	20,000	0	59.7356	0		11,947
27		Total	$ 888,416	$ 0		$ (30,819)		$ 499,882
		Other Operating Expenses						
28	7240.000	Other Operating Taxes	$ 185,120	$ 0	63.5520	$ 0	S-22	$ 117,647
29		Total	$ 185,120	$ 0		$ 0		$ 117,647

Accounting Schedule: 8-1

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Income Statement

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment		Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)		(F)
30		Total Operating Expenses	$ 3,300,320	$ 71,800		$ (20,819)		$ 1,938,067
31		Net Income Before Taxes	$ 1,652,946	$ (102,745)		$ 20,819		$ 1,143,678
		Current Income Taxes						
32		Current Income Taxes	$ 11,681	$ 0	62.7154	$ 408,596	S-21	$ 415,922
33		Total	$ 11,681	$ 0		$ 408,596		$ 415,922
		Deferred Income Taxes						
34		Deferred Income Taxes	$ 0	$ 0	100.0000	$ 6,749		$ 6,749
35		Total	$ 0	$ 0		$ 6,749		$ 6,749
36		Total Income Taxes	$ 11,681	$ 0		$ 415,345		$ 422,671
37		Net Operating Income	$ 1,641,265	$ (102,745)		$ (394,526)		$ 721,007

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Adjustments to Income Statement

Adj No	Description		Total Co Adjustment	Mo Juris Adjustment
	Local Network Revenue	S-1	$ (32,285)	
1.	To eliminate interLATA PIC charges. (Winter)		$ (4,285)	
2.	To account for the loss of a major business customer. (Winter)		$ (28,000)	
	State Access Revenue	S-5	$ (45,719)	
1.	To reflect unidentified/un-reimbursed terminating minutes of use - D/R No. 7. (Winter)		$ (31,200)	
2.	To adjust for reduced access revenue. (Winter)		$ (14,519)	
	NECA/USF	S-11	$ 18,238	
1.	To adjust NECA/USF to actual. (Winter)		$ 18,238	
	Uncollectible Operating Revenue	S-16	$ 108,987	
1.	To reflect 5 year average. (Winter)		$ 108,987	

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Adjustments to Income Statement

Adj No	Description		Total Co Adjustment	Mo Juris Adjustment
	Wireless Termination Revenue	S-17	$ (80,166)	
	1. To reflect wireless terminating agreements per Data Request No. 3. (Winter)		$ (80,166)	
	Depreciation Expense	S-20		$ (30,819)
	1. To adjust to depreciation expense. (Winter)			$ (30,819)
	Corporate Operations	S-23	$ 32,085	$ 10,000
	1. To reflect Staff's payroll annualization. (Winter)		$ (8,719)	
	2. To reflect medical insurance premuim increases. (Winter)		$ 15,804	
	3. To increase for yearly FCC LNP costs. (Winter)		$ 25,000	
	4. To increase expense for rate case expense. (Winter)			$ 10,000
	Plant Specific Expense	S-24	$ 35,000	
	1. To adjust for additional cost due to employee activation per D/R No. 3. (Winter)		$ 35,000	

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Adjustments to Income Statement

Adj No	Description		Total Co Adjustment	Mo Juris Adjustment
	Plant Nonspecific Operations	S-25	$ 4,715	
1.	To record miscellanous agreed to corrections. (Winter)		$ 4,715	

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Income Tax

Line		Test Year	11.08% Return
	(A)	(B)	
1	Net Income Before Taxes (Sch 8)	$ 1,143,678	$ 960,387
	Add to Net Income Before Taxes		
2	Book Depreciation Expense	$ 499,882	$ 499,882
3	Total	$ 499,882	$ 499,882
	Subtr from Net Income Before Taxes		
4	Interest Expense 0.6100 %	$ 33,384	$ 33,384
5	Book Depreciation Expense	499,882	499,882
6	Total	$ 533,266	$ 533,266
7	Net Taxable Income	$ 1,110,294	$ 927,003
	Provision for Federal Income Tax		
8	Net Taxable Income	$ 1,110,294	$ 927,003
9	Deduct Missouri Income Tax 100.0 %	$ 58,215	$ 48,605
10	Deduct City Income Tax	0	0
11	Federal Taxable Income	1,052,079	878,398
12	Total Federal Tax	$ 357,707	$ 298,655
	Provision for Missouri Income Tax		
13	Net Taxable Income	$ 1,110,294	$ 927,003
14	Deduct Federal Income Tax 50.0 %	$ 178,854	$ 149,328
15	Deduct City Income Tax	0	0
16	Missouri Taxable Income	931,441	777,676
17	Total Missouri Tax	$ 58,215	$ 48,605

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Income Tax

Line		Test Year	11.08% Return
	(A)	(B)	
	Provision for City Income Tax		
18	Net Taxable Income	$ 1,110,294	$ 927,003
19	Deduct Federal Income Tax	$ 357,707	$ 298,655
20	Deduct Missouri Income Tax	58,215	48,605
21	City Taxable Income	694,372	579,743
22	Total City Tax	$ 0	$ 0
	Summary of Provision for Income Tax		
23	Federal Income Tax	$ 357,707	$ 298,655
24	Missouri Income Tax	58,215	48,605
25	City Income Tax	0	0
26	Total	$ 415,922	$ 347,260
	Deferred Income Taxes		
27	Deferred Investment Tax Credit	$ 0	$ 0
28	Deferred Repair Allowance	0	0
29	Deferred Tax Depreciation	0	0
30	Amort of Deferred Tax Depreciation	0	0
31	Amort of Repair Allowance	0	0
32	Amort of Deferred ITC	6,749	6,749
33	Deferred Unbilled	0	0
34	Total	$ 6,749	$ 6,749
35	Total Income Tax	$ 422,671	$ 354,009