

BPS Telephone Company
List of Adjustments to Staff Revenue Requirement

Schedule RCS-1

Adjustment #	BPS Adjustment Descriptions	Location	Amount Different from Staff
	Expenses		
BPS Adj. #1	Increased Employee One-Time Pay	Account 6710	\$ 37,768
BPS Adj. #2	Increased Medical and Dental Premiums	Accounts 6120, 6530, 6620, 6720	\$ 26,681
BPS Adj. #3	Increased Non-Medical Insurance Premiums	Account 6720	\$ 4,926
BPS Adj. #4	Wage Increase 5%	Accounts 6120, 6530, 6620, 6720	\$ 31,256
BPS Adj. #5	Increase - Joint Pole Use, Actual Versus Accrual	Account 6410	\$ 1,651
BPS Adj. #6	Increase Property Taxes to Reflect Actual Invoices	Account 7240	\$ 1,087
BPS Adj. #7	Nortel Switch Feature Usage Increase	Account 6210	\$ 7,200
BPS Adj. #8	Martin Group Cost Increases	Accounts 6124 and 6627	\$ 3,701
BPS Adj. #9	LNP Costs	Accounts 6210, 6530, and 6720	\$ 47,274
BPS Adj. #10	Rate Case Expenses	Account 6720	\$ 40,000
BPS Adj. #11	Reverse Staff Adjustments - Dues and Memberships	Account 6710	\$ 12,655
BPS Adj. #12	Reverse Staff Adjustments - Advertising	Accounts 6710 and 6620	\$ 9,556
BPS Adj. #13	Reverse Staff Adjustments - Donations	Account 6710	\$ 9,177
BPS Adj. #14	Reverse Staff Adjustments - Salvage Cost	Account 6560	\$ (20,868)
BPS Adj. #15	Changed Depreciation Rates to FCC Prescribed	Depreciation Expenses	Varies
	Revenues		
BPS Adj. #16	Reduction in USF for 2005 versus 2004	Account 5082	\$ (105,167)
BPS Adj. #17	Reduce Revenue to Account For Cingular Agreement	Account 5084	\$ (53,482)
BPS Adj. #18	Reduction in ISP Circuits from 264 to 168 - actual	Account 50XX	\$ (15,562)
BPS Adj. #19	Access Line Decrease Adjustment	Accounts 5001 and 5060	\$ (15,653)
	Rate Base		
BPS Adj. #20	Modified Separations Factor	Various Accounts	Varies
BPS Adj. #21	Reverse Staff Adjustments - DSL Jurisdictional Adjustment	Account 2232	\$ 354,765
BPS Adj. #22	Reverse Staff Adjustments - DSL Depreciation Reserve	Account 2232.1	\$ 58,723
BPS Adj. #23	SONET Fiber and Bits Clock Installation	Accounts 2212 and 2232	\$ 140,157
BPS Adj. #24	Cash Working Capital	Add to Rate Base	\$ 78,473
BPS Adj. #25	Reverse Staff's Adj. for Deferred Taxes	Add to Rate Base	\$ 8,338
	Cost of Capital		
BPS Adj. #26	Increased Weighted Cost of Capital	Cost of Capital	2.82%

BPS Telephone
Test Year Ending 6/30/04
Revenue Requirement

Schedule RCS-2

*****	*****	*****
Line	Description	IntraState
#		Jurisdiction
*****	*****	*****
1	Net Orig. Cost Rate Base (Sch 2)	2,642,825
2	Rate of Return	11.25%
*****	*****	*****
3	Net Operating Income Requirement	297,355
4	Net Income Available Sch 3)	532,631
*****	*****	*****
5	Additional NOIBT Needed	(235,276)
6	Income Tax Requirement	
7	'Req'd Current Inc Tax (Sch 5)	170,156
8	'Test Year Current Inc Tax (Sch 5)	311,084
*****	*****	*****
9	Additional Current Tax Required	(140,928)
10	Required Deferred ITC	0
11	Test Year Deferred ITC	0
*****	*****	*****
12	Additional Deferred ITC Required	0
*****	*****	*****
13	Total Additional Tax Required	(140,928)
*****	*****	*****
14	Gross Revenue Requirement	(376,204)
*****	*****	*****

BPS Telephone
Test Year Ending 6/30/04
Rate Base

Schedule RCS-3

*****	*****	*****	*****	*****	*****
Line	Description	11.25% Jurisd	Jurisdiction IntraState		
#		7/1/03-6/30/04 Adjust	Factor	Jurisdiction	
*****	*****	*****	*****	*****	*****
1	Total Plant In Service (Sch 7)	8,831,838			5,249,871
	Subtract from Total Plant				
2	3XXX Depr Reserve (Sch 10)	4,426,081			2,521,490
		-----			-----
3	Net Plant In Service	4,405,757			2,728,381
	Add To Net Plant In Service				
4	Cash Working Capital	78,473	0.58280		45,734
5	Materials & Supplies	33,907	0.73087		24,781
6	1300 Prepaid Tax	0	0.58280		-
7	13XX Other Prepays	48,966	0.73087		35,788
	Subtract From Net Plant				
8	Federal Tax Offset 0.0000 %	0	0		0
9	'State Tax Offset 0.0000%	0	0		0
10	City Tax offset 0.0000%	0	0		0
11	Interest Expense Offset 0.0000%	0	0		0
12	Customer advances for Const.	0	0		0
13	Contribution in aid of Const.	0	0		0
14	4340 Def Income Taxes-Deprec.	0	0.64656		-
15	Customer Deposits	28,941	0.64656		18,712
16	4320 Unamortized Operating ITC	0	0.00000		
17	4360 Deferred Operating Taxes	266,394	0.64997		173,147

18	Total Rate Base	4,271,769			2,642,825

BPS Telephone
Test Year Ending 6/30/04
Income Statement

Schedule RCS-4

Line #	Description	11.25% 7/1/03-6/30/04	Jurisdictional Adjustment	Adjusted Jurisdictional	Jurisdictional Factor	IntraState Jurisdiction
Operating Revenues						
1	5001.000 Basic Area Service	368,390	(10,199)	358,191	1.00000	358,191
2	5010.000 Public Telephone Revenue	0	0	0	1.00000	-
3	5060.000 Customer Premises Revenue	197,022	(5,454)	191,568	1.00000	191,568
4	5081.000 fed usf - going level	337,308	0	337,308	0.00000	-
5	5082.000 Switched Access Revenue	1,122,498	(928,610)	193,888	1.00000	193,888
6	5083.000 Special Access Revenue	111,677	0	111,677	0.00000	-
7	5084.000 State Access Revenue	1,428,400	(63,557)	1,364,843	1.00000	1,364,843
8	50XX.000 All Other 5000 Account Rev.	83,474	(15,562)	67,912	1.00000	67,912
9	5100.000 Long Distance Revenue	11,221	0	11,221	1.00000	11,221
10	5230.000 Directory Revenue	60,367	0	60,367	1.00000	60,367
11	5240.000 Rent Revenue	810	0	810	1.00000	810
12	5260.000 Other Revenue Settlements	31,596	0	31,596	1.00000	31,596
13	5270.000 Carrier B&C Revenue	44,795	(2,001)	42,794	1.00000	42,794
14	52XX.000 All Other 5200 Acct. Rev.	4,175	0	4,175	0.00000	-
15	5300.000 Uncollectable Revenue	(4,080)	0	(4,080)	1.00000	(4,080)
16	Total	3,797,655	(1,025,383)	2,772,272		2,319,111
Operation & Maintenance Expense						
17	6110.000 Network Support Expense	9,906	0	9,906	0.61055	6,048
18	6120.000 General Support Expense	121,801	13,765	135,566	0.61055	82,770
19	6210.000 Central Office Switch Expense	199,422	34,620	234,042	0.38393	89,857
20	6230.000 Central Office Transmission	39,139	0	39,139	0.38393	15,027
21	6310.100 IOT Expense	0	0	0	0.00000	0
22	6310.200 CPE Expense	0	0	0	0.00000	0
23	6410.000 Cable & Wire Expense	126,969	1,651	128,620	0.73065	93,976
24	6510.000 Other PPE Expense	93	0	93	0.00000	0
25	6530.000 Network Operations Expense	394,308	34,387	428,695	0.61055	261,741
26	6540.000 Access Expense	30,501	0	30,501	0.00000	0
27	Total	922,138	84,423	1,006,561		549,418
Depreciation Expense						
28	6560.000 Depreciation Expense (Actual)	454,416	(454,416)	0		
	Depreciation Expense (Calculated)		310,751	310,751		310,751
29	Other Depr. and Amortization	0	0	0	0.55389	0
30	Total	454,416	(143,665)	310,751		310,751
Other Operating Expense						
31	6610.000 Marketing Expense	7,747	0	7,747	0.661405	5,124
32	6612.000 Sales Expense	772	0	772	0.661405	511
33	6620.000 Service Expense	280,284	10,380	290,664	0.643038	186,908
34	6710.000 Exec. & Planning	115,393	14,030	129,423	0.587147	75,990
35	6720.000 General & Admin.	374,002	66,127	440,129	0.587147	258,421
36	6565.000 Amort. Exp. - Acct 2005	0	0	0	0.000000	-
37	7240.000 Operating Other Taxes	136,697	8,401	145,098	0.608376	88,274
38	7540.100 Interest on Customer Depo.	0	0	0	0.608376	-
39	Total	914,894	98,938	1,013,832		615,227
40	Total Operating Expenses	2,291,449	39,696	2,331,145		1,475,396
41	Net Income Before Taxes	1,506,207	(1,065,079)	441,127		843,715
42	Total Income Tax	328,000	0	157,235		311,084
43	Net Operating Income	1,178,207	(1,065,079)	283,892		532,631

BPS Telephone
Test Year Ending 6/30/04
Income Taxes

Schedule RCS-5

Line #	Description	Return Test Year	11.25% 7/1/03-6/30/04	IntraSt Juris Test Yr Return	IntraSt Juris 11.25%
1	Income Before Taxes (From Sched 3)	441,127	755,716	843,715	467,510
2	Adjustments to Net Income Before Tax Book Depreciation Expense	310,751	310,751	310,751	310,751
3	Total	310,751	310,751	310,751	310,751
4	Subtract from Net Income Before Tax Imputed Interest Expense (Sched 11)	21,263	21,263	13,155	13,155
5	Accelerated Tax Depreciation	310,751	310,751	310,751	310,751
6	Amortization of ITC	0	0	0	0
7	Total	332,014	332,014	323,906	323,906
8	Net Taxable Income	419,865	734,454	830,560	454,356
9	Provision For Federal Income Tax Net Taxable Income	419,865	734,454	830,560	454,356
10	Deduct State Income Tax 100 %	22,016	38,511	43,550	23,825
11	Deduct City Income Tax	0	0	0	0
12	Federal Taxable Income	397,849	695,943	787,010	430,531
13	Total Federal Tax	135,219	236,570	267,534	146,331
14	Provision for State Income Tax Net Taxable Income	419,865	734,454	830,560	454,356
15	Deduct Federal Income Tax 50%	67,610	118,285	133,767	73,166
16	Deduct City Income Tax	0	0	0	0
17	State Taxable Income	352,255	616,169	696,793	381,190
18	Total State Tax	22,016	38,511	43,550	23,825
19	Provision For City Taxes Net Taxable Income	419,865	734,454		
20	Deduct Federal Income Tax	135,219	236,570		
21	Deduct State Income Tax	22,016	38,511		
22	City Taxable Income	262,630	459,373		
23	Total City Tax	0	0	0	0
24	Summary for Provision for Income Tax Federal Income Tax	135,219	236,570	267,534	146,331
25	State Income Tax	22,016	38,511	43,550	23,825
26	City Income Tax	0	0	0	0
27	Total	157,235	275,081	311,084	170,156
28	Deferred Income Tax Deferred ITC	0	0	0	0
29	Deferred Repair Allow	0	0	0	0
30	Deferred Tax Depreciation	0	0	0	0
31	Amort. of Deferred Tax Deprec.	0	0	0	0
32	Amort. of Repair Allow	0	0	0	0
33	Amort. of Deferred ITC	0	0	0	0
34	Deferred Unbilled	0	0	0	0
35	Total	0	0	0	0
36	Total Income Tax	157,235	275,081	311,084	170,156

BPS Telephone
Test Year Ending 6/30/04
Total Plant In Service

Schedule RCS-6

Line #	Description	State Jurisdictional	Jurisdictional Adjustment	Adjustment Jurisdictional	Jurisdictional Factor	IntraState Jurisdiction
Detailed Accounts						
1	2111.000 Land	28,051	0	28,051	0.610553	17,127
2	2112.000 Motor Vehicles	229,168	0	229,168	0.610553	139,919
3	2114.000 Special Purpose Vehicles	0	0	0	0.610553	-
4	2115.000 Garage Work Equipment	0	0	0	0.610553	-
5	2116.000 Other Work Equipment	59,533	0	59,533	0.610553	36,348
6	2121.000 Buildings	529,230	0	529,230	0.610553	323,123
7	2122.000 Furniture & Office Equipment	27,184	0	27,184	0.610553	16,597
8	2123.100 Office Support Equipment	38,369	0	38,369	0.610553	23,427
9	2123.200 Company Comm Equip	0	0	0	0.610553	-
10	2124.000 Gen Purpose Computers	188,798	0	188,798	0.610553	115,271
11	Total Gen Support	1,100,334	0	1,100,334		671,812
Operating Accounts						
13	2210.000 Central Office Switching	1,430,445	55,334	1,485,779	0.297232	441,621
14	2231.000 Radio Systems	0	0	0		-
15	2232.000 Circuit Equipment	1,142,894	84,823	1,227,717	0.495873	608,792
16	2351.000 Public Tel Term Eq.	0	0	0		-
17	2362.000 Other Terminal Equipment	0	0	0		-
18	2410.000 Cable & Wire Facilities	0	0	0		-
19	2411.000 Poles	257,738	0	257,738	0.730646	188,315
20	2421.000 Aerial Cable	764,353	0	764,353	0.730646	558,472
21	2422.000 Underground Cable	0	0	0	0.730646	-
22	2423.000 Buried Cable	3,805,471	0	3,805,471	0.730646	2,780,452
23	2426.000 Intra Build Network	0	0	0	0.730646	-
24	2431.000 Aerial Wire	557	0	557	0.730646	407
25	2441.000 Conduit Systems	0	0	0		-
26	Total	8,501,793	140,157	8,641,950		5,249,871
Amortizable Assets						
27	2690.000 Intangibles	189,889	0	189,889	0.00000	-
28	Total	189,889	0	189,889		-
29	Total Plant In Service	8,691,681	140,157	8,831,838	0.59443	5,249,871

BPS Telephone
Test Year Ending 6/30/04
Depreciation Expense

Schedule RCS-7

Line #	Description	Test Yr. Input	Depreciation Rate	Adjustment Jurisdictional	Jurisdictional Factor	IntraState Jurisdiction
Detailed Accounts						
1	2111.000 Land	17,127	0.00%	-	0.61055	-
2	2112.000 Motor Vehicles	139,919	11.63%	16,273	0.61055	9,935
3	2114.000 Special Purpose Vehicles	0	0.00%	-	0.61055	-
4	2115.000 Garage Work Equipment	0	0.00%	-	0.61055	-
5	2116.000 Other Work Equipment	36,348	7.14%	2,595	0.61055	1,585
6	2121.000 Buildings	323,123	2.86%	9,241	0.61055	5,642
7	2122.000 Furniture & Office Equipment	16,597	7.14%	1,185	0.61055	724
8	2123.100 Office Support Equipment	23,427	10.00%	2,343	0.61055	1,430
9	2123.200 Company Comm Equipment	0	0.00%	-	0.61055	-
10	2124.000 Gen Purpose Computers	115,271	15.63%	18,017	0.61055	11,000
11	Total Gen Support	671,812		49,654		30,316
Operating Accounts						
12	2210.000 Central Office Switching	441,621	7.92%	34,976	0.29482	10,312
13	2231.000 Radio Systems	0	0.00%	-	0.49587	-
14	2232.000 Circuit Equipment	608,792	8.20%	49,921	0.49587	24,754
15	2351.000 Public Tel Term Eq.	0	0.00%	-	0.00000	-
16	2362.000 Other Terminal Equipment	0	0.00%	-	0.00000	-
17	2410.000 Cable & Wire Facilities	0	0.00%	-	0.73065	-
18	2411.000 Poles	188,315	4.76%	8,964	0.73065	6,549
19	2421.000 Aerial Cable	558,472	5.50%	30,716	0.73065	22,442
20	2422.000 Underground Cable	0	0.00%	-	0.73065	-
21	2423.000 Buried Cable	2,780,452	4.91%	136,520	0.73065	99,748
22	2426.000 Intra Build Network	0	0.00%	-	0.73065	-
23	2431.000 Aerial Wire	407	0.00%	-	0.73065	-
24	2441.000 Conduit Systems	0	0.00%	-	0.73065	-
25	Total	5,249,871		310,751		194,122
Amortizable Assets						
26	2690.000 Intangibles	189,889	0.00%	-	0.00000	-
27	Total	189,889		-		-
28	Total Plant In Service	5,439,760		310,751		194,122

BPS Telephone
Test Year Ending 6/30/04
Depreciation Reserve

Schedule RCS-8

Line #	Description	Missouri Jurisdictional	Jurisdictional Adjustment	Adjustment Jurisdictional	Jurisdictional Factor	IntraState Jurisdiction
Detailed Accounts						
1	2111.000 Land	0	0	-	61.0553%	-
2	2112.000 Motor Vehicles	(6,451)	0	(6,451)	61.0553%	(3,939)
3	2114.000 Special Purpose Vehicles	0	0	-	61.0553%	-
4	2115.000 Garage Work Equipment	0	0	-	61.0553%	-
5	2116.000 Other Work Equipment	32,675	0	32,675	61.0553%	19,950
6	2121.000 Buildings	138,193	0	138,193	61.0553%	84,374
7	2122.000 Furniture & Office Equipment	10,783	0	10,783	61.0553%	6,583
8	2123.100 Office Support Equipment	24,316	0	24,316	61.0553%	14,846
9	2123.200 Company Comm Equipment	0	0	-	61.0553%	-
10	2124.000 Gen Purpose Computers	58,969	0	58,969	61.0553%	36,004
11	Total Gen Support	258,484	0	258,484		157,818
Operating Accounts						
12	2210.000 Central Office Switching	959,931	0	959,931	29.4822%	283,009
13	2231.000 Radio Systems	0	0	0	49.5873%	0
14	2232.000 Circuit Equipment	529,290	0	529,290	49.5873%	262,461
15	2351.000 Public Tel Term Equipment	0	0	0	0.0000%	0
16	2362.000 Other Terminal Equipment	0	0	0	0.0000%	0
17	2410.000 Cable and Wire Facilities	0	0	0	73.0646%	0
18	2411.000 Poles	247,483	0	247,483	73.0646%	180,822
19	2421.000 Aerial Cable	622,004	0	622,004	73.0646%	454,464
20	2422.000 Underground Cable	0	0	0	73.0646%	0
21	2423.000 Buried Cable	1,618,443	0	1,618,443	73.0646%	1,182,509
22	2426.000 Intra Building Network	0	0	0	73.0646%	0
23	2431.000 Aerial Wire	557	0	557	73.0646%	407
24	2441.000 Conduit Systems	0	0	0	73.0646%	0
25	Total	4,236,192	0	4,236,192		2,521,490
Amortizable Assets						
26	2690.000 Intangibles	189,889	0	189,889	0.00000	-
27	Total	189,889	0	189,889		0
28	Total Depreciation Reserve	4,426,081	0	4,426,081	0.569689	2,521,490

Schedule RCS-9

BPS Telephone Company
List of Contributions/Donations Eliminated by Staff
in Staff Adjustment S-22.2

Recipient	Account	Amount	Allowed	Disallowed
Muscular Dystrophy Assoc.	6722	50.00		(50.00)
Bernie Police Dept Calendar	6722	150.00		(150.00)
Malden Lion Club	6722	1,000.00		(1,000.00)
Foundation for Rural Service	6722	1,266.00		(1,266.00)
Foundation for Rural Service	6722	800.00		(800.00)
Parma Housing Project	6722	2,000.00		(2,000.00)
Bernie Pee Wee League	6722	25.00		(25.00)
Bootheel Youth Museum	6722	500.00		(500.00)
MO Assoc. of the Deaf	6722	250.00		(250.00)
Steele Youth Soccer League	6722	200.00		(200.00)
S. Tarkington Scholarship Fund	6722	100.00		(100.00)
D. Wooldridge Scholarship Fun	6722	100.00		(100.00)
Bernie Girl Scouts	6722	25.00		(25.00)
Bernie School	6722	200.00		(200.00)
Tom Passarella Scholarship	6722	100.00		(100.00)
Saint Jukes Hospital	6722	70.00		(70.00)
American Fibromyalgia Assoc.	6722	100.00		(100.00)
Cooter Chamber of Commerce	6722	100.00		(100.00)
Bootheel Youth Museum	6722	50.00		(50.00)
Salvation Army	6722	200.00		(200.00)
Mason Lodge in Bernie	6722	100.00		(100.00)
Memorial Donation	6722	50.00		(50.00)
Bernie Little League	6722	60.00		(60.00)
Bernie Youth League Scoreboard	6722	1,000.00		(1,000.00)
Foundation for Rural Service	6722	258.70		(258.70)
Foundation for Rural Service	6722	100.00		(100.00)
Four Seasons For Little People	6722	227.29		(227.29)
Miss Bernie Pageant	6722	20.00		(20.00)
2003 MTIA Chariman's Classic	6722	75.00		(75.00)
Adjustment S-22.2	TOTAL	\$ 9,176.99	\$ -	\$ (9,176.99)

BPS Telephone Company
Depreciation Rate Information

Schedule RCS-10

Description (a)	Current Rate (b)	Staff Proposed Rate (c)	Change from Current Rate (d)	Company Proposed Rate (e)	Change from Current Rate (f)	Difference from Staff Proposed Rate (g)
Motor Vehicles	10.23%	11.63%	1.40%	11.63%	1.40%	0.00%
Other Work Equipment	6.71%	7.14%	0.43%	7.14%	0.43%	0.00%
Buildings	2.80%	2.86%	0.06%	2.86%	0.06%	0.00%
Furniture	6.71%	7.14%	0.43%	7.14%	0.43%	0.00%
Office Equipment/Office Equip-Office Support	9.70%	10.00%	0.30%	10.00%	0.30%	0.00%
Office Equipment-Company Communications		11.90%	11.90%		0.00%	
General Purpose Computers	13.59%	15.63%	2.04%	15.63%	2.04%	0.00%
Digital Electronic Switching	10.00%	6.67%	-3.33%	8.33%	-1.67%	1.66%
Digital Switching Power & Common	10.00%	6.67%	-3.33%	8.33%	-1.67%	1.66%
Remote Digital Switching	10.00%	6.67%	-3.33%	8.33%	-1.67%	1.66%
Analog Circuit Equipment	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Digital Subscriber Circuit Equipment	10.30%	10.00%	-0.30%	10.00%	-0.30%	0.00%
DSL Subscriber Circuit Equipment	10.30%	10.00%	-0.30%	10.00%	-0.30%	0.00%
Digital Interexchange Circuit Equipment	10.30%	10.00%	-0.30%	10.00%	-0.30%	0.00%
Digital Circuit Testing Equipment	10.30%	10.00%	-0.30%	10.00%	-0.30%	0.00%
Lightwave Circuit Equipment	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Poles	6.19%	4.76%	-1.43%	4.76%	-1.43%	0.00%
Aerial Cable	5.52%	4.76%	-0.76%	5.50%	-0.02%	0.74%
Aerial Block & Drop	5.52%	4.76%	-0.76%	5.50%	-0.02%	0.74%
Buried Metallic Cable	4.29%	4.17%	-0.12%	5.00%	0.71%	0.83%
Buried Fiber Optic Cable	3.68%	3.57%	-0.11%	4.00%	0.32%	0.43%
Buried Block & Drop	4.29%	4.17%	-0.12%	5.00%	0.71%	0.83%
Buried Fiber Subscriber Cable	3.68%	3.57%	-0.11%	4.00%	0.32%	0.43%

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Schedule RCS-11