

BPS Telephone Company  
Case No. TC-2002-1076 Updated  
Test Year Ending June 30, 2004  
Settlement Reconciliation

Staff's Updated Filed Revenue Requirement	\$	(852,419)
Elimination of DSL Plant Adjustment		76,977
Inclusion of New in Plant Separation Factors		2,215
Elimination of DSL Depr. Reserve Adjustment		(5,653)
Inclusion of New Depr. Reserve Separation Factors		21,470
Change in Depr. Rates		31,821
Inclusion of Revenue Access Line Decrease Adjustment		15,653
Inclusion of Revenue ISP Circuit Decrease Adjustment		15,562
Inclusion of New USF Estimate		105,167
Inclusion of Cingular Wireless Agreement Adjustment		53,482
Inclusion of Poles Adjustment		991
Inclusion of Nortel Switch Audit Costs Adjustment		1,441
Inclusion of Martin Group Increase Adjustment		9,748
Inclusion of LNP Costs Adjustment		10,097
Elimination of NTCA (Dues) Adjustment		5,338
Inclusion of Employee Bonus Pay and Wage Increase Adjustments		30,373
Inclusion of Increases in Benefits Adjustment		5,621
Inclusion of Rate Case Expense Adjustment		12,347
Inclusion of Increase in Non-Medical Insurance Adjustment		10,019
Elimination of Cost of Removal and Salvage Adjustment		(20,095)
Inclusion of Increase to Property Taxes Adjustment		822
Inclusion of New Income Statement Separation Factors		<u>(90,468)</u>
Staff's Revenue Requirement for Settlement Purposes	\$	<u><u>(559,491)</u></u>