

Exhibit 2 - Cost of Providing SABNT > 1 Gig

	A	B	C	D
		12 Months Ending 12/31/2017 Per Cost Study Balance	Ratios	Annual Total
	Source			
<u>INVESTMENT</u>				
1 Total Gross Investment	Engr. Forecast			\$ 3,300.00
2 Number of subscribers	Avg 2017 NECA Access Lines			1
3 Gross Investment per subscriber	L1/L2			\$ 3,300.00
4 Total Company Plant in Service	Financials	\$ 369,559,082		
5 Plant Account Total Company Balance	Financials	\$ 1		
6 Depr. Reserve Total Company Balance	Financials	\$ -		
7 Reserve Ratio	L6B/L5B	0.00%		
8 Depreciation Reserve	L3D*L7B			\$ -
<u>OPERATING EXPENSES AND TAXES</u>				
9 Plant Specific	Financials L9B/L4B	\$ 9,980,085	2.70%	\$ 89.12
10 Plant Non-Specific	Financials L10B/L4B	\$ 7,303,099	1.98%	\$ 65.21
11 Customer Operations	Financials L11B/L4B	\$ 3,826,401	1.04%	\$ 34.17
12 Corporate Operations	Financials L12B/L4B	\$ 8,005,730	2.17%	\$ 71.49
13 Ad Valorem Taxes	Financials L13B/L4B	\$ 155,202	0.04%	\$ 1.39
14 Special Charges	Financials L14B/L4B	\$ -	0.00%	\$ -
15 Sub-Total	Sum L9:L14			\$ 261.38
<u>FIXED CHARGES, INVESTMENT TAX CREDIT, AFUDC, DEPRECIATION</u>				
16 Fixed Charges	Financials	\$ -	0.00%	\$ -
17 Amortization of Investment Tax Credit	Financials	\$ -	0.00%	\$ -
18 Depreciation Expense	Annual Rate L18C*L3		10.00%	\$ 330.00
19 Interest Charged Construction (AFUDC)	Financials	\$ -	0.00%	\$ -
<u>INCOME TAXES</u>				
20 Net Investment	L3 - L8			\$ 3,300.00
21 Return on Net Investment	L21C*L20	Rate of Return:	10.375%	\$ 342.38
22 Fixed Charges	L16-L18-L19			\$ -
23 Amortization of Investment Tax Credit	L17			\$ -
24 AFUDC	L19			\$ -
25 Amount Subject to Federal Income Tax	L21-L22-L23			\$ 342.38
26 Federal Income Tax	L26C*L25	Grossed Up Rate	0.000%	\$ -
27 Amount Subject to State Income Tax	L25+L26			\$ 342.38
28 State Income Tax	L28C*L27	Grossed Up Rate	0.000%	\$ -
29 Total Federal and State Income Tax	L26+L28			\$ -
<u>DEVELOPMENT OF REVENUE REQUIREMENT</u>				<u>Per Customer</u>
30 Operating Expenses and Taxes	L15			\$ 261.38
31 Depreciation Expense	L18			\$ 330.00
32 Return on Net Investment	L21			\$ 342.38
33 Federal and State Income Tax	L29			\$ -
34 Amortization of Investment Tax Credit	L23			\$ -
35 AFUDC	L24			\$ -
36 Subtotal	L30+L31+L32+L33-L34-L35			\$ 933.76
37 Gross Earnings Tax		Grossed Up Rate	0.00%	\$ -
38 Annual Revenue Requirement Per Customer	L36+L37			\$ 933.76
39 Monthly Revenue Requirement Per Customer	L38/12			\$ 77.81