

Iowa Telecom
Rate Development for Federal
End User Universal Service Fund Charge

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Switched Access Contribution - 10/1/00 [(Footnote (a))]: \$ 919,686

	Switched Lines as of 12/31/99	Factor	Equivalents
Res. Lines (less LL) *	220,512	1	220,512
Business Lines	55,262	1	55,262
ISDN PRI	113	5	565
DCS/Flexgrow **	122	24	2,928
Centranet	4,600	0.1111111111	511
Total	280,609		279,778

* Excludes Life Line

** Billed by Channels (activations/17)

Fee considering Equivalents:

Annual Fee per Line

Monthly Fee per Line

Rate Development

\$	3.29
\$	0.27

Annual Recovery:

	Lines		Annual Rate Per Line		Recovery of Each Category		Monthly Rate Per Line
Residence Lines	220,512	\$	3.29	\$	724,867	\$	0.27
Business Lines	55,262	\$	3.29		181,657	\$	0.27
ISDN PRI	113	\$	16.44		1,857	\$	1.37
DCS/Flexgrow	2,067	\$	78.89		163,071	\$	6.57
Centranet	4,600	\$	0.37		1,680	\$	0.03
Total Switched	282,554			\$	1,073,133		

* Billed on a channel basis of \$6.57 per month

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Footnotes:

a) Revenue Base used to Develop Surcharge Rates:

		Retail Revenue Base for 1999
I/S Retail 12/31/99 Revenue - Form 499 -A	\$	18,257,951
Less Special Access @ 12/31/99		(2,205,310)
Form 499-S Retail Revenue @ 6/30/99	\$	8,957,964
Annualization Factor		<u>X 2</u>
Estimated Annual Revenues	\$	17,915,928
Actual 12/31/99 Retail Revenues		<u>18,257,951</u>
Adjustment for Last Six Months /2		<u>171,012</u>
Annualized Last Six Months Base	\$	16,223,653
Quarterly Amount	\$	4,055,913
3rd Quarter's Contribution Rate		<u>0.056688</u>
Quarterly Contribution Effective 7/1/00	\$	<u>229,922</u>
Annualized USF Contribution Amount	\$	<u>919,686</u>