

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

Exhibit A
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Switched Access & Long Distance Contribution - 9/30/02 [(Footnote (a))]: \$ 2,041,920

	<u>Switched Lines as of 11/30/02</u>	<u>Factor</u>	<u>Equivalents</u>
Res. Lines (less LL) *	205,481	1	205,481
Business Lines	50,081	1	50,081
ISDN PRI	14	5	70
DCS/Flexgrow **	81	24	1,933
Centranet	4,033	0.111111111	448
Total	<u>259,690</u>		<u>258,013</u>

* Excludes Lifeline

** Billed by Channels (activations /17)

Fee considering Equivalents:

Annual Fee per Line
Monthly Fee per Line

Rate Development	
\$	7.91
\$	0.66

Annual Recovery:

	<u>Lines</u>	<u>Annual Rate Per Line</u>		<u>Recovery of Each Category</u>		<u>Monthly Rate Per Line</u>
Residence Lines	205,481	\$ 7.91	\$	1,626,180	\$	0.66
Business Lines	50,081	\$ 7.91		396,342	\$	0.66
ISDN PRI	14	\$ 39.57		554	\$	3.30
DCS/Flexgrow	81	\$ 189.94		15,298	\$	15.83 *
Centranet	4,033	\$ 0.88		3,546	\$	0.07
Total Switched	<u>259,690</u>		\$	<u>2,041,920</u>		

* Billed on an arrangement basis of \$15.83 per month.

Footnotes:

a) Revenue Base used to Develop Surcharge Rates:

	<u>Retail Revenue Base for 1st Qtr. 2003</u>
07/01/02 thru 09/30/02 Revenue - Form 499 -Q	\$ 7,438,422
Less Special Access @ 9/30/02	522,330
Less Toll Revenue @ 09/30/02	(1,204,707)
Total Revenues Less Special and Toll	6,756,045
Annualization Factor	<u>X 4</u>
Estimated Annual Revenues	\$ 27,024,180
Quarterly Amount	\$ 6,756,045
1st Quarter 2003 Contribution Factor plus overhead	<u>0.075559</u>
Quarterly Contribution Effective 1/01/03	\$ 510,480
Annualized USF Contribution Amount	<u>\$ 2,041,920</u>

Contribution Factor is .072805

Overheads are \$19,000 per quarter which equates to .2754% of Quarterly Revenues

.072805 + .002754= 0.075559