

JANUARY 16, 2003 INTERSTATE TARIFF FILING

HARGRAY TELEPHONE COMPANY, INC.

HIGH SPEED INTERNET (HSI) ACCESS SERVICE

COST SUPPORT - REVENUE REQUIREMENT

	A	B	C	D
		12 Months Ending 9/30/2001		Annual Total
	Source	Cost Study Balance	Ratios	
<u>INVESTMENT</u>				
1 Total Gross Investment - New Service	Engr. Forecast			\$ 1,209,740.08
2 Total Company Plant in Service	Financials	\$ 135,401,229		
3 Plant Account Total Company Balance	Financials	\$ 135,401,229		
4 Depr. Reserve Total Company Balance	Financials	\$ 87,558,029		
5 Reserve Ratio	L4B/L3B	64.67%		
6 Depreciation Reserve	L1D*L5B			\$ 782,285.79
<u>OPERATING EXPENSES AND TAXES</u>				
7 Plant Specific	Financials L7B/L2E	\$ 7,871,719	5.81%	\$ 70,329.75
8 Plant Non-Specific	Financials L8B/L2E	\$ 2,806,984	2.07%	\$ 25,078.95
9 Customer Operations	Financials L9B/L2E	\$ 4,925,876	3.64%	\$ 44,010.16
10 Corporate Operations	Financials L10B/L2	\$ 11,577,032	8.55%	\$ 103,434.80
11 Ad Valorem Taxes	Financials L11B/L2	\$ 1,504,802	1.11%	\$ 13,444.63
12 Special Charges	Financials L12B/L2	\$ 96,668	0.07%	\$ 863.68
13 Sub-Total	Sum L7:L12			\$ 257,161.97
<u>FIXED CHARGES, INVESTMENT TAX CREDIT, AFUDC, DEPRECIATION</u>				
14 Fixed Charges	Financials	\$ 1,008,053	0.74%	\$ 9,006.43
15 Amortization of Investment Tax Credit	Financials	\$ -	0.00%	\$ -
16 Depreciation Expense	Annual Rate L16C*L1		20.00%	\$ 241,948.02
17 Interest Charged Construction (AFUDC)	Financials	\$ 295,933	0.22%	\$ 2,644.01
<u>INCOME TAXES</u>				
18 Net Investment	L1 - L6			\$ 427,454.29
19 Return on Net Investment	L19C*L18	Rate of Return:	11.25%	\$ 48,088.61
20 Fixed Charges	L14			\$ 9,006.43
21 Amortization of Investment Tax Credit	L15			\$ -
22 AFUDC	L17			\$ 2,644.01
23 Amount Subject to Federal Income Tax	L19-L20-L21			\$ 39,082.18
24 Federal Income Tax	L24C*L23	Grossed Up Rat	51.52%	\$ 20,133.24
25 Amount Subject to State Income Tax	L23+L24			\$ 59,215.42
26 State Income Tax	L26C*L25	Grossed Up Rat	5.26%	\$ 3,116.60
27 Total Federal and State Income Tax	L24+L26			\$ 23,249.84
<u>DEVELOPMENT OF REVENUE REQUIREMENT</u>				
28 Operating Expenses and Taxes	L13			\$ 257,161.97
29 Depreciation Expense	L16			\$ 241,948.02
30 Return on Net Investment	L19			\$ 48,088.61
31 Federal and State Income Tax	L27			\$ 23,249.84
32 Amortization of Investment Tax Credit	L21			\$ -
33 AFUDC	L22			\$ 2,644.01
34 Subtotal	L28+L29+L30+L31-L32-L33			\$ 567,804.43
35 Gross Earnings Tax		Grossed Up Rate	0.00%	\$ -
36 Annual Revenue Requirement for Service	L34+L35			\$ 567,804.43

TRANSMITTAL NO. 75, JSI TARIFF FCC NO. 1 - ATTACHMENT #1, Page 2 of 2
JANUARY 16, 2002 INTERSTATE TARIFF FILING
HARGRAY TELEPHONE COMPANY (SC)
HIGH SPEED INTERNET (HSI) ACCESS SERVICE
COST SUPPORT - DEVELOPMENT OF 2003 HSI ACCESS SERVICE REVISED RATES

<u>ELEMENT</u>	<u>TARIFF</u> <u>SEC-</u> <u>TION</u>	<u>CHARGE</u> <u>BASIS</u>	<u>PROJECTE</u> <u>D ANNUAL</u> <u>DEMAND</u>	<u>PROPOSED</u> <u>RATE</u>	<u>REVENUE AT</u> <u>PROPOSED</u> <u>RATES</u>
			Col # 1	Col # 2	Col # 3 (Col 1*Col 2)
HSI Access Service Arrangement Line - Residence- 384 K 17.4.8	Service	-	-	\$32.95	\$0.00
HSI Access Service Arrangement Line - Residence- 512 K 17.4.8	Service	-	-	\$32.95	\$0.00
HSI Access Service Arrangement Line - Residence- 768 K 17.4.8	Service	-	-	\$32.95	\$0.00
HSI Access Service Arrangement TVP - Residence- 384 K 17.4.8	Service	15,528	\$24.95	\$387,423.60	
HSI Access Service Arrangement TVP - Residence- 512 K 17.4.8	Service	2,664	\$24.95	\$66,466.80	
HSI Access Service Arrangement TVP - Residence- 768 K 17.4.8	Service	540	\$24.95	\$13,473.00	
HSI Access Service Arrangement Line - Business- 384 K 17.4.8	Service	-	\$32.95	\$0.00	
HSI Access Service Arrangement Line - Business- 512 K 17.4.8	Service	-	\$32.95	\$0.00	
HSI Access Service Arrangement Line - Business- 768 K 17.4.8	Service	-	\$32.95	\$0.00	
HSI Access Service Arrangement Line - Business- 1.024 M 17.4.8	Service	-	\$80.00	\$0.00	
HSI Access Service Arrangement Line - Business- 1.536 M 17.4.8	Service	-	\$110.00	\$0.00	
HSI Access Service Arrangement Line - Business- 2.048 M 17.4.8	Service	-	\$140.00	\$0.00	
HSI Access Service Arrangement Line - Business- 3.072 M 17.4.8	Service	-	\$200.00	\$0.00	
HSI Access Service Arrangement Line - Business- 4.096 M 17.4.8	Service	-	\$260.00	\$0.00	
HSI Access Service Arrangement Line - Business- 5.120 M 17.4.8	Service	-	\$320.00	\$0.00	
HSI Access Service Arrangement Line - Business- 6.144 M 17.4.8	Service	-	\$380.00	\$0.00	
HSI Access Service Arrangement TVP - Business- 384 K 17.4.8	Service	1,728	\$24.95	\$43,113.60	
HSI Access Service Arrangement TVP - Business- 512 K 17.4.8	Service	660	\$24.95	\$16,467.00	
HSI Access Service Arrangement TVP - Business- 768 K 17.4.8	Service	540	\$24.95	\$13,473.00	
HSI Access Service Arrangement TVP - Business- 1.024 M 17.4.8	Service	96	\$65.00	\$6,240.00	
HSI Access Service Arrangement TVP - Business- 1.536 M 17.4.8	Service	12	\$90.00	\$1,080.00	
HSI Access Service Arrangement TVP - Business- 2.048 M 17.4.8	Service	24	\$112.00	\$2,688.00	
HSI Access Service Arrangement TVP - Business- 3.072 M 17.4.8	Service	12	\$160.00	\$1,920.00	
HSI Access Service Arrangement TVP - Business- 4.096 M 17.4.8	Service	12	\$210.00	\$2,520.00	
HSI Access Service Arrangement TVP - Business- 5.120 M 17.4.8	Service	-	\$260.00	\$0.00	
HSI Access Service Arrangement TVP - Business- 6.144 M 17.4.8	Service	-	\$310.00	\$0.00	
HSI Access Service NRC - Residence - All Speeds 17.4.8	Service	92	\$99.95	\$9,195.40	
HSI Access Service NRC - Business - 384 Kbps to 1.536 M 17.4.8	Service	2	\$198.00	\$396.00	
HSI Access Service NRC - Business - 1.536 Mbps to 6.14 M 17.4.8	Service	1	\$298.00	\$298.00	
HSI Access Service Network Reconfiguration 17.4.8	Service	100	\$27.00	\$2,700.00	
HSI Access Service Connection - 1.544 Mbps 17.3.8	Service	1	\$180.00	\$180.00	
HSI Access Service Connection - 44.736 Mbps 17.3.8	Service	-	\$1,250.00	\$0.00	
TOTALS					\$567,634.40

- | | |
|---|--------------|
| 1. Total Revenue at Proposed Rates (Total, Col 3) | \$567,634.40 |
| 2. Total Cost Support Revenue Requirement (Per Revenue Requirement Sum) | \$567,804.00 |
| 3. Cost Ratio (Ln 1 / Ln 2) | 99.9701% |