

**2003 AT&T CALCULATION OF REVENUE REQUIREMENT OVERSTATEMENT DUE TO
OVERSTATEMENT OF CASH WORKING CAPITAL (CWC) REQUIREMENTS**

A	B	C	D	E	F	G	H	I	J
COMPANY	TOTAL INTERSTATE EXPENSES(1)	DEPRECIATION & AMORTIZATION (2)	DAILY EXPENSES (3) (B - C) / 365	FILED CWC (4)	COMPUTED LAG DAYS (5) E / D	AT&T CALCULATED CWC @ 15 DAYS (6) D x 15	EXCESS CWC E - G	EFFECT ON INTERSTATE INCOME (7) H x .1125	EFFECT ON INTERSTATE REV. REQ. (8) I x 1.538462 (9)
CHILLICOTHE TELEPHONE COMPANY, THE	\$9,003,393	\$2,186,162	\$18,677	\$467,282	25	\$280,160	\$187,122	\$21,051	\$32,386
VIRGIN ISLANDS TELEPHONE CORPORATION (Vitelco)	\$19,015,580	\$6,659,080	\$33,853	\$681,237	20	\$507,801	\$173,436	\$19,512	\$30,018
Total =							\$360,557		\$62,404

NOTES:

- (1) See Col. B - TRP, COS(P), Column E, Line 300, Total Interstate
- (2) See Col. C - TRP, COS(P), Column E, Line 190, Total Interstate
- (3) Daily Expenses = (Total Interstate Expenses - Depreciation and Amortization) / 365 Days
- (4) See Cost Support, Part 69 (Prospective), Cash Working Capital, Total Interstate
- (5) Company Filed CWC / Daily Expenses = LEC's Proposed Lead/Lag
- (6) Standard Cash Working Capital Allowance = Daily Expenses * 15 Days
- (7) Effect on Interstate Income = Excess CWC * LEC's Return at 11.25% rate of return
- (8) Effect on Interstate Revenue Requirement = LEC's Return * Gross Up Factor for Federal Income Taxes (35%)
- (9) Gross Up Factor = 1 + (0.35 / (1 - 0.35))

SOURCES:

- Col. B - TRP, COS(P), Col E, Line 300, Total Interstate
- Col. C - TRP, COS(P), Col E, Line 190, Total Interstate
- Col. E - Cost Support, Part 69 (Prospective), Cash Working Capital, Total Interstate