

BLUFFTON TELEPHONE COMPAN - SAC 240512
PROPOSED REVISED HIGH SPEED INTERNET ACCESS (HSI) RATES
COST SUPPORT: REVENUE REQUIREMENT
TWELVE MONTHS JANUARY 1, 2006 THROUGH DECEMBER 31, 2006

Recast Revenue Requirement

		Up to 1.5 Mbps	2 Mbps	6 Mbps	Combined or Average
1 Test Year Cost of Service from 2005 Annual Filing	Line 4 (Per July 1, 2005 Filing)				
<u>Incremental Annual Cost per Line:</u>					
2 Incremental Investment per Line	Per Engineering Analysis	\$355.57	\$948.19	\$1,362.22	\$927.22 Average
3 Carrying Charge Factor	Per July 1, 2005 Filing TYCOS	0.334	0.334	0.334	0.334
4 Revenue Requirement per Additional Line	Line 2 * Line 3	\$118.76	\$316.70	\$454.98	\$309.69 Average
5 Number of additional average lines	Exhibit 1, Lines 5 thru 7	37	407	29	473 Combined
6 Additional Revenue Requirement	Line 4 * Line 5	\$4,394	\$128,897	\$13,194	\$146,485 Combined
<u>Recast Revenue Requirement</u>					
7 Revenue Requirement for 12 Months Ended June 30, 2006	Exhibit 1, Line 4				\$904,131
8 Additional revenue Requirement for Increased Demand	Line 6				\$146,485
9 Projected Annual Revenue Requirement January 2006 through December 2006					<u>\$1,050,616</u>

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 COST SUPPORT: DEMAND AND REVENUE
 TWELVE MONTHS JANUARY 1, 2006 THROUGH DECEMBER 31, 2006

<u>ELEMENT</u>	<u>DEMAND SOURCE</u>	<u>MONTHLY DEMAND</u>	<u>ANNUALIZED DEMAND</u>	<u>RATE</u>	<u>ANNUAL BILLING AMOUNT</u>
<u>Annual Filing July 1, 2005</u>					
1 Monthly HSI Line Charge- Up to 1.5 Meg	Per Annual Filing	0	0	\$18.31	\$0.00
2 Monthly HSI Line Charge- 2 Meg	Per Annual Filing	0	0	\$124.80	\$0.00
3 Monthly HSI Line Charge- 6 Meg	Per Annual Filing	0	0	\$362.39	\$0.00
4 TVP HSI Line Charge- Up to 1.5 Meg	Per Annual Filing	6,063	72,752	\$12.31	\$895,577.12
5 TVP HSI Line Charge- 2 Meg	Per Annual Filing	3	36	\$118.80	\$4,276.80
6 TVP HSI Line Charge- 6 Meg	Per Annual Filing	1	12	\$356.39	\$4,276.68
7 Total Lines	Sum Lines 1 thru 6	<u>6,067</u>			<u>\$904,130.60</u>
<u>Projected Incremental Demand</u>					
8 Monthly HSI Line Charge- Up to 1.5 Meg	Forecast	0			
9 Monthly HSI Line Charge- 2 Meg	Forecast	0			
10 Monthly HSI Line Charge- 6 Meg	Forecast	0			
11 TVP HSI Line Charge- Up to 1.5 Meg	Forecast	37			
12 TVP HSI Line Charge- 2 Meg	Forecast	407			
13 TVP HSI Line Charge- 6 Meg	Forecast	29			
14 Total Incremental Lines	Sum Lines 8 thru 13	<u>473</u>			
<u>Recast Demand - January 2006 thru December 2006 at Current Rates</u>					
15 Monthly HSI Line Charge- Up to 1.5 Meg	Line 1 + Line 8	0	0	\$18.31	\$0.00
16 Monthly HSI Line Charge- 2 Meg	Line 2 + Line 9	0	0	\$124.80	\$0.00
17 Monthly HSI Line Charge- 6 Meg	Line 3 + Line 10	0	0	\$362.39	\$0.00
18 TVP HSI Line Charge- Up to 1.5 Meg	Line 4 + Line 11	6,100	73,200	\$12.31	\$901,092.00
19 TVP HSI Line Charge- 2 Meg	Line 5 + Line 12	410	4,920	\$118.80	\$584,496.00
20 TVP HSI Line Charge- 6 Meg	Line 6 + Line 13	30	360	\$356.39	\$128,300.40
21 Total Lines	Sum Lines 15 thru 20	<u>6,540</u>			<u>\$1,613,888.40</u>
<u>Recast Demand - January 2006 thru December 2006 at Proposed Rates</u>					
22 Monthly HSI Line Charge- Up to 1.5 Meg	Line 15	0	0	\$18.31	\$0.00
23 Monthly HSI Line Charge- 2 Meg	Line 16	0	0	\$33.31	\$0.00
24 Monthly HSI Line Charge- 6 Meg	Line 17	0	0	\$48.31	\$0.00
25 TVP HSI Line Charge- Up to 1.5 Meg	Line 18	6,100	73,200	\$12.31	\$901,092.00
26 TVP HSI Line Charge- 2 Meg	Line 19	410	4,920	\$27.31	\$134,365.20
27 TVP HSI Line Charge- 6 Meg	Line 20	30	360	\$42.31	\$15,231.60
28 Total Lines	Sum Lines 22 thru 27	<u>6,540</u>			<u>\$1,050,688.80</u>
29 Recast Revenue Requirement	Exhibit 2, Line 9				\$1,050,616.00
30 Projected Revenue at Proposed Rates Over Revenue Requirement	Line 28 Less Line 29				<u>\$72.80</u>
16 Estimated Overearnings Without Rate Revision	Line 21 - Line 29				\$563,272.40