

COS-1(P)
Filing Date: 6/16/2006
Filing Entity: Bluffton Telephone Company
Transmittal Number : 120
COSA: 0512AN06

Rate-of Return TRP
Cost Analysis Summary
Test Year, 7/06 - 7/07

Page 1 of 29

	Total Company (A)	Part 64 Adjustments (B)	Other Adjustments (C)	Subject to Separations (D)	Total Interstate (E)	Billing & Collection (F)	Interstate Inter- exchange (G)	Interstate WBIAS (H)	ROR Regulated I/S Access (I)
Revenues									
100 Network Access	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	7,126,404
110 Uncollectibles	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0
120 Common Line Support	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0
130 Long Term	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0
140 Transitional	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0
150 Miscellaneous	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0
160 Net Revenues	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	7,126,404
Expenses									
170 Plant Specific	n/a	n/a	n/a	n/a	819,316	0	0	0	819,316
171 Network Support	0	0	0	0	0	0	0	0	0
172 General Support	1,055,065	(64,360)	0	990,705	347,323	0	0	0	347,323
173 Central Office	220,000	(3,234)	103,229	319,995	163,913	0	0	0	163,913
174 Operator Systems	0	0	0	0	0	0	0	0	0
175 COE Switching	130,000	0	103,229	233,229	119,468	0	0	0	119,468
176 COE Transmission	90,000	(3,234)	0	86,766	44,445	0	0	0	44,445
177 IOT	195,000	(195,000)	0	0	0	0	0	0	0
178 Cable & Wire Facilities	1,185,679	(39,484)	0	1,146,195	308,080	0	0	0	308,080
180 Plant Non-Sp. Less Dep/Amor	n/a	n/a	n/a	n/a	704,259	0	0	0	704,259
190 Depreciation / Amortization	3,363,751	(123,357)	167,969	3,408,363	1,327,073	0	0	0	1,327,073
200 Customer Operations	n/a	n/a	n/a	n/a	1,238,340	662,964	0	0	575,376
201 Marketing	634,293	0	0	634,293	253,957	0	0	0	253,957
202 Local Business Office	739,892	0	(32,036)	707,856	236,226	169,401	0	0	66,825
203 Revenue Accounting	588,574	0	423,808	1,012,382	626,975	391,162	0	0	235,813
204 Other Billing & Collection	361,426	0	0	361,426	120,475	102,401	0	0	18,074
210 Access	n/a	n/a	n/a	n/a	0	n/a	0	0	n/a
220 Corporate Operations	n/a	n/a	n/a	n/a	1,785,321	428,544	0	0	1,356,777
230 AFUDC	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0
240 Other Exp. & Adjustments	n/a	n/a	n/a	n/a	1,060	0	0	0	1,060
250 Taxes Other than FIT	n/a	n/a	n/a	n/a	429,029	0	0	0	429,029
260 Total Exp and Other Taxes	n/a	n/a	n/a	n/a	6,304,398	1,091,508	0	0	5,212,890
FIT Adjustments									
270 Adjustment for FIT	0	0	0	0	0	0	0	0	0
280 Amortized ITC	0	0	0	0	0	0	0	0	0
290 Federal Income Taxes	n/a	n/a	n/a	n/a	0	n/a	n/a	n/a	650,595
300 Total Expenses & Taxes	n/a	n/a	n/a	n/a	6,304,398	n/a	n/a	n/a	5,863,485
Telephone Plant in Service									
310 General Support	4,772,594	(253,370)	0	4,519,224	1,584,353	0	0	0	1,584,353
320 Central Office Equip-Switch	2,588,701	0	2,045,152	4,633,853	2,943,766	0	0	0	2,943,766
321 Operator Systems	0	0	0	0	0	0	0	0	0
322 Tandem Switching	0	0	0	0	0	0	0	0	0
323 Local Switching Cat. 3	2,588,701	0	2,045,152	4,633,853	2,943,766	0	0	0	2,943,766
324 Equal Access	0	0	0	0	0	0	0	0	0
330 Central Office Equip-Trans	15,082,979	(581,159)	54,465	14,556,285	6,886,077	0	0	0	6,886,077
331 Subscriber Lines	10,419,978	(581,159)	54,465	9,893,284	2,500,189	0	0	0	2,500,189
332 Exchange Circuit	3,674,953	0	0	3,674,953	3,674,953	0	0	0	3,674,953
333 Interexchange Circuit	800,492	0	0	800,492	651,624	0	0	0	651,624
334 Host Remote	187,556	0	0	187,556	59,311	0	0	0	59,311
340 Cable & Wire	39,113,929	(1,188,384)	0	37,925,545	10,193,815	0	0	0	10,193,815
341 Subscriber Lines	38,196,193	(1,188,384)	0	37,007,809	9,352,457	0	0	0	9,352,457
342 Exchange	834,142	0	0	834,142	806,649	0	0	0	806,649
343 Interexchange	22,940	0	0	22,940	15,528	0	0	0	15,528
344 Host Remote	60,654	0	0	60,654	19,181	0	0	0	19,181
350 Info Orig/Term Equipment	545,010	(545,010)	0	0	0	0	0	0	0
360 Amortizable Assets	2,986	0	0	2,986	1,047	0	0	0	1,047
370 Total Plant In Service	62,106,199	(2,567,923)	2,099,617	61,637,893	21,609,058	0	0	0	21,609,058
Adjustments to TPIS									
380 Depr / Amor Reserve	21,114,357	672,044	0	21,786,401	8,791,636	0	0	0	8,791,636
390 Accum Deferred Income Tax	4,100,000	(150,360)	0	3,949,640	1,384,637	0	0	0	1,384,637
400 Other Rate Base Adjust.	n/a	n/a	n/a	n/a	(206,838)	0	0	0	(206,838)
Return Data									
410 Average Rate Base	n/a	n/a	n/a	n/a	11,225,947	n/a	n/a	n/a	11,225,947
420 Return	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1,262,919
430 Rate of Return	n/a	n/a	n/a	n/a	n/a	n/a	11.25%	11.25%	11.25%

	Pay Phone (J)	Inside Wire (K)	BFP (L)	Total Common Line (M)	Local Switching (N)	Equal Access (O)	SS7 (P)	Information (Q)	Tandem Switching (R)	Local Transport (S)	Host Remote (T)	Total Switched Traffic Sensitive (U)
Revenues												
100 Network Access	0	0	4,435,848	4,435,848	815,258	0	0	1,216	0	47,498	27,441	891,413
110 Uncollectibles	0	0	0	0	0	0	0	0	0	0	0	0
120 Common Line Support	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a
130 Long Term	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a
140 Transitional	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a
150 Miscellaneous	0	0	0	0	0	0	0	0	0	0	0	0
160 Net Revenues	0	0	4,435,848	4,435,848	815,258	0	0	1,216	0	47,498	27,441	891,413
Expenses												
170 Plant Specific	0	0	494,765	494,765	154,717	0	0	0	0	22,157	2,325	179,199
171 Network Support	0	0	0	0	0	0	0	0	0	0	0	0
172 General Support	0	0	201,671	201,671	51,062	0	0	0	0	4,395	1,362	56,819
173 Central Office	0	0	15,830	15,830	103,655	0	0	0	0	17,363	383	121,401
174 Operator Systems	0	0	0	0	0	0	0	0	0	0	0	0
175 COE Switching	0	0	0	0	103,655	0	0	0	0	15,813	0	119,468
176 COE Transmission	0	0	15,830	15,830	0	0	0	0	0	1,550	383	1,933
177 IOT	0	0	0	0	0	0	0	0	0	0	0	0
178 Cable & Wire Facilities	0	0	277,264	277,264	0	0	0	0	0	399	580	979
180 Plant Non-Sp. Less Dep/Amor	0	0	507,474	507,474	68,988	0	0	0	0	5,939	1,839	76,766
190 Depreciation / Amortization	0	0	632,377	632,377	256,049	0	0	0	0	21,860	6,119	284,028
200 Customer Operations	0	0	224,438	224,438	122,773	0	0	731	0	10,568	3,273	137,345
201 Marketing	0	0	147,460	147,460	37,335	0	0	0	0	3,214	995	41,544
202 Local Business Office	0	0	58,904	58,904	2,768	0	0	24	0	7,354	2,278	12,424
203 Revenue Accounting	0	0	0	0	82,670	0	0	0	0	0	0	82,670
204 Other Billing & Collection	0	0	18,074	18,074	0	0	0	0	0	0	0	0
210 Access	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
220 Corporate Operations	0	0	792,934	792,934	223,965	0	0	472	0	24,992	4,808	254,237
230 AFUDC	0	0	0	0	0	0	0	0	0	0	0	0
240 Other Exp. & Adjustments	0	0	185,574	185,574	(138,013)	0	0	13	0	14	4	(137,982)
250 Taxes Other than FIT	0	0	261,133	261,133	52,073	0	0	0	0	(60,059)	1,676	(6,310)
260 Total Exp and Other Taxes	0	0	3,098,695	3,098,695	740,552	0	0	1,216	0	25,471	20,044	787,283
FIT Adjustments												
270 Adjustment for FIT	0	0	0	0	0	0	0	0	0	0	0	0
280 Amortized ITC	0	0	0	0	0	0	0	0	0	0	0	0
290 Federal Income Taxes	0	0	454,632	454,632	25,400	0	0	0	0	7,489	2,515	35,404
300 Total Expenses & Taxes	0	0	3,553,327	3,553,327	765,952	0	0	1,216	0	32,960	22,559	822,687
Telephone Plant in Service												
310 General Support	0	0	919,949	919,949	232,923	0	0	0	0	20,049	6,211	259,183
320 Central Office Equip-Switch	0	0	0	0	2,943,766	0	0	0	0	0	0	2,943,766
321 Operator Systems	0	0	0	0	0	0	0	0	0	0	0	0
322 Tandem Switching	0	0	0	0	0	0	0	0	0	0	0	0
323 Local Switching Cat. 3	0	0	0	0	2,943,766	0	0	0	0	0	0	2,943,766
324 Equal Access	0	0	0	0	0	0	0	0	0	0	0	0
330 Central Office Equip-Trans	0	0	2,452,524	2,452,524	0	0	0	0	0	240,172	59,311	299,483
331 Subscriber Lines	0	0	0	0	0	0	0	0	0	0	0	0
332 Exchange Circuit	0	0	2,452,524	2,452,524	0	0	0	0	0	0	0	0
333 Interexchange Circuit	0	0	0	0	0	0	0	0	0	240,172	0	240,172
334 Host Remote	0	0	0	0	0	0	0	0	0	0	59,311	59,311
340 Cable & Wire	0	0	9,174,155	9,174,155	0	0	0	0	0	13,219	19,181	32,400
341 Subscriber Lines	0	0	0	0	0	0	0	0	0	0	0	0
342 Exchange	0	0	9,174,155	9,174,155	0	0	0	0	0	0	0	0
343 Interexchange	0	0	0	0	0	0	0	0	0	13,219	0	13,219
344 Host Remote	0	0	0	0	0	0	0	0	0	0	19,181	19,181
350 Info Orig/Term Equipment	0	0	0	0	0	0	0	0	0	0	0	0
360 Amortizable Assets	0	0	609	609	154	0	0	0	0	13	4	171
370 Total Plant In Service	0	0	12,547,237	12,547,237	3,176,843	0	0	0	0	273,453	84,707	3,535,003
Adjustments to TPIS												
380 Depr / Amor Reserve	0	0	3,780,635	3,780,635	2,504,544	0	0	0	0	124,095	35,072	2,663,711
390 Accum Deferred Income Tax	0	0	804,006	804,006	203,614	0	0	0	0	17,518	5,426	226,558
400 Other Rate Base Adjust.	0	0	(120,099)	(120,099)	(30,408)	0	0	0	0	(2,662)	(811)	(33,881)
Return Data												
410 Average Rate Base	0	0	7,842,497	7,842,497	438,277	0	0	0	0	129,178	43,398	610,853
420 Return	0	0	882,521	882,521	49,306	0	0	0	0	14,538	4,882	68,726
430 Rate of Return	0.00%	0.00%	11.25%	11.25%	11.25%	0.00%	0.00%	0.00%	0.00%	11.25%	11.25%	11.25%

COS-1(P)
Filing Date: 6/16/2006
Filing Entity: Bluffton Telephone Company
Transmittal Number : 120
COSA: 0512AN06

Page 3 of 29

	Special
	Access
	(V)
Revenues	
100 Network Access	1,799,507
110 Uncollectibles	0
120 Common Line Support	n/a
130 Long Term	n/a
140 Transitional	n/a
150 Miscellaneous	0
160 Net Revenues	1,799,507

Expenses	
170 Plant Specific	145,352
171 Network Support	0
172 General Support	88,833
173 Central Office	26,682
174 Operator Systems	0
175 COE Switching	0
176 COE Transmission	26,682
177 IOT	0
178 Cable & Wire Facilities	29,837
180 Plant Non-Sp. Less Dep/Amor	120,019
190 Depreciation / Amortization	410,668
200 Customer Operations	213,593
201 Marketing	64,953
202 Local Business Office	4,817
203 Revenue Accounting	143,823
204 Other Billing & Collection	0
210 Access	n/a
220 Corporate Operations	309,606
230 AFUDC	0
240 Other Exp. & Adjustments	18,840
250 Taxes Other than FIT	108,835
260 Total Exp and Other Taxes	1,326,913

FIT Adjustments	
270 Adjustment for FIT	0
280 Amortized ITC	0
290 Federal Income Taxes	160,682

300 Total Expenses & Taxes	1,487,595

Telephone Plant in Service	
310 General Support	405,221
320 Central Office Equip-Switch	0
321 Operator Systems	0
322 Tandem Switching	0
323 Local Switching Cat. 3	0
324 Equal Access	0
330 Central Office Equip-Trans	4,134,070
331 Subscriber Lines	47,665
332 Exchange Circuit	3,674,953
333 Interexchange Circuit	411,452
334 Host Remote	0
340 Cable & Wire	987,260
341 Subscriber Lines	178,302
342 Exchange	806,649
343 Interexchange	2,309
344 Host Remote	0
350 Info Orig/Term Equipment	0
360 Amortizable Assets	267
370 Total Plant In Service	5,526,818

Adjustments to TPIS	
380 Depr / Amor Reserve	2,347,290
390 Accum Deferred Income Tax	354,073
400 Other Rate Base Adjust.	(52,902)

Return Data	
410 Average Rate Base	2,772,553
420 Return	311,912
430 Rate of Return	11.25%

	Total Company (A)	Part 64 Adjustments (B)	Other Adjustments (C)	Subject to Separations (D)	Total Interstate (E)	Billing & Collection (F)	Interstate Inter- exchange (G)	Interstate WBIAS (H)	ROR Regulated I/S Access (I)
Revenues									
100 Network Access	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	6,931,078
110 Uncollectibles	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0
120 Common Line Support	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0
130 Long Term	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0
140 Transitional	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0
150 Miscellaneous	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0
160 Net Revenues	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	6,931,078
Expenses									
170 Plant Specific	n/a	n/a	n/a	n/a	738,769	0	0	0	738,769
171 Network Support	0	0	0	0	0	0	0	0	0
172 General Support	951,875	(58,066)	0	893,809	316,351	0	0	0	316,351
173 Central Office	203,793	(10,872)	113,904	306,825	160,250	0	0	0	160,250
174 Operator Systems	0	0	0	0	0	0	0	0	0
175 COE Switching	53,559	0	113,904	167,463	87,463	0	0	0	87,463
176 COE Transmission	150,234	(10,872)	0	139,362	72,787	0	0	0	72,787
177 IOT	(75,354)	75,354	0	0	0	0	0	0	0
178 Cable & Wire Facilities	1,022,871	(47,679)	0	975,192	262,168	0	0	0	262,168
180 Plant Non-Sp. Less Dep/Amor	n/a	n/a	n/a	n/a	701,702	0	0	0	701,702
190 Depreciation / Amortization	2,650,046	(139,751)	167,969	2,678,264	1,058,366	0	0	0	1,058,366
200 Customer Operations	n/a	n/a	n/a	n/a	1,085,335	530,608	0	0	554,727
201 Marketing	629,838	0	0	629,838	252,174	0	0	0	252,174
202 Local Business Office	427,595	0	(18,514)	409,081	162,245	88,048	0	0	74,197
203 Revenue Accounting	501,079	0	422,887	923,966	562,182	350,739	0	0	211,443
204 Other Billing & Collection	307,870	0	0	307,870	108,027	91,821	0	0	16,206
210 Access	n/a	n/a	n/a	n/a	0	n/a	0	0	n/a
220 Corporate Operations	n/a	n/a	n/a	n/a	1,510,127	317,240	0	0	1,192,887
230 AFUDC	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0
240 Other Exp. & Adjustments	n/a	n/a	n/a	n/a	(5,460)	0	0	0	(5,460)
250 Taxes Other than FIT	n/a	n/a	n/a	n/a	431,117	0	0	0	431,117
260 Total Exp and Other Taxes	n/a	n/a	n/a	n/a	5,519,956	847,848	0	0	4,672,108
FIT Adjustments									
270 Adjustment for FIT	0	0	0	0	0	0	0	0	0
280 Amortized ITC	0	0	0	0	0	0	0	0	0
290 Federal Income Taxes	n/a	n/a	n/a	n/a	0	n/a	n/a	n/a	768,050
300 Total Expenses & Taxes	n/a	n/a	n/a	n/a	5,519,956	n/a	n/a	n/a	5,440,158
Telephone Plant in Service									
310 General Support	4,497,700	(235,796)	1,631	4,263,535	1,509,013	0	0	0	1,509,013
320 Central Office Equip-Switch	2,507,638	0	2,189,549	4,697,187	2,984,001	0	0	0	2,984,001
321 Operator Systems	0	0	0	0	0	0	0	0	0
322 Tandem Switching	0	0	0	0	0	0	0	0	0
323 Local Switching Cat. 3	2,507,638	0	2,189,549	4,697,187	2,984,001	0	0	0	2,984,001
324 Equal Access	0	0	0	0	0	0	0	0	0
330 Central Office Equip-Trans	11,357,203	(750,389)	177,139	10,783,953	5,101,518	0	0	0	5,101,518
331 Subscriber Lines	0	0	0	0	1,852,253	0	0	0	1,852,253
332 Exchange Circuit	10,625,212	(750,389)	177,139	10,051,962	2,722,571	0	0	0	2,722,571
333 Interexchange Circuit	593,041	0	0	593,041	482,753	0	0	0	482,753
334 Host Remote	138,950	0	0	138,950	43,941	0	0	0	43,941
340 Cable & Wire	31,843,201	(1,216,989)	0	30,626,212	8,233,471	0	0	0	8,233,471
341 Subscriber Lines	0	0	0	0	7,551,728	0	0	0	7,551,728
342 Exchange	31,774,907	(1,216,989)	0	30,557,918	653,388	0	0	0	653,388
343 Interexchange	18,741	0	0	18,741	12,685	0	0	0	12,685
344 Host Remote	49,553	0	0	49,553	15,670	0	0	0	15,670
350 Info Orig/Term Equipment	455,682	(455,682)	0	0	0	0	0	0	0
360 Amortizable Assets	2,986	0	0	2,986	1,057	0	0	0	1,057
370 Total Plant In Service	50,664,410	(2,658,856)	2,368,319	50,373,873	17,829,060	0	0	0	17,829,060
Adjustments to TPIS									
380 Depr / Amor Reserve	14,496,406	(965,442)	1,606,834	15,137,798	6,247,747	0	0	0	6,247,747
390 Accum Deferred Income Tax	3,825,839	(174,517)	0	3,651,322	1,292,495	0	0	0	1,292,495
400 Other Rate Base Adjust.	n/a	n/a	n/a	n/a	(1,242)	0	0	0	(1,242)
Return Data									
410 Average Rate Base	n/a	n/a	n/a	n/a	10,287,576	n/a	n/a	n/a	10,287,576
420 Return	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1,490,920
430 Rate of Return	n/a	n/a	n/a	n/a	n/a	n/a	0.00%	0.00%	14.49%

	Pay Phone (J)	Inside Wire (K)	BFP (L)	Total Common Line (M)	Local Switching (N)	Equal Access (O)	SS7 (P)	Information (Q)	Tandem Switching (R)	Local Transport (S)	Host Remote (T)	Total Switched Traffic Sensitive (U)
Revenues												
100 Network Access	0	0	3,928,652	3,928,652	760,149	0	0	4,954	0	13,708	0	778,811
110 Uncollectibles	0	0	0	0	0	0	0	0	0	0	0	0
120 Common Line Support	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a
130 Long Term	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a
140 Transitional	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a
150 Miscellaneous	0	0	0	0	0	0	0	0	0	0	0	0
160 Net Revenues	0	0	3,928,652	3,928,652	760,149	0	0	4,954	0	13,708	0	778,811
Expenses												
170 Plant Specific	0	0	440,625	440,625	133,732	0	0	0	0	20,400	0	154,132
171 Network Support	0	0	0	0	0	0	0	0	0	0	0	0
172 General Support	0	0	178,826	178,826	57,846	0	0	0	0	4,814	0	62,660
173 Central Office	0	0	25,923	25,923	75,886	0	0	0	0	14,743	0	90,629
174 Operator Systems	0	0	0	0	0	0	0	0	0	0	0	0
175 COE Switching	0	0	0	0	75,886	0	0	0	0	11,577	0	87,463
176 COE Transmission	0	0	25,923	25,923	0	0	0	0	0	3,166	0	3,166
177 IOT	0	0	0	0	0	0	0	0	0	0	0	0
178 Cable & Wire Facilities	0	0	235,876	235,876	0	0	0	0	0	843	0	843
180 Plant Non-Sp. Less Dep/Amor	0	0	500,235	500,235	84,741	0	0	0	0	7,052	0	91,793
190 Depreciation / Amortization	0	0	483,192	483,192	248,407	0	0	0	0	20,798	0	269,205
200 Customer Operations	0	0	218,389	218,389	146,304	0	0	721	0	12,177	0	159,202
201 Marketing	0	0	142,547	142,547	46,111	0	0	0	0	3,838	0	49,949
202 Local Business Office	0	0	59,636	59,636	11,257	0	0	14	0	0	0	11,271
203 Revenue Accounting	0	0	0	0	88,936	0	0	0	0	8,339	0	97,275
204 Other Billing & Collection	0	0	16,206	16,206	0	0	0	0	0	0	0	0
210 Access	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
220 Corporate Operations	0	0	693,091	693,091	218,092	0	0	431	0	23,693	0	242,216
230 AFUDC	0	0	0	0	0	0	0	0	0	0	0	0
240 Other Exp. & Adjustments	0	0	189,414	189,414	(146,659)	0	0	14	0	(65,572)	0	(212,217)
250 Taxes Other than FIT	0	0	237,789	237,789	57,786	0	0	191	0	4,246	0	62,223
260 Total Exp and Other Taxes	0	0	2,762,735	2,762,735	742,403	0	0	1,357	0	22,794	0	766,554
FIT Adjustments												
270 Adjustment for FIT	0	0	0	0	0	0	0	0	0	0	0	0
280 Amortized ITC	0	0	0	0	0	0	0	0	0	0	0	0
290 Federal Income Taxes	0	0	396,412	396,412	6,034	0	0	1,223	0	(3,089)	0	4,167
300 Total Expenses & Taxes	0	0	3,159,147	3,159,147	748,437	0	0	2,580	0	19,705	0	770,721
Telephone Plant in Service												
310 General Support	0	0	853,005	853,005	275,930	0	0	0	0	22,964	0	298,894
320 Central Office Equip-Switch	0	0	0	0	2,984,001	0	0	0	0	0	0	2,984,001
321 Operator Systems	0	0	0	0	0	0	0	0	0	0	0	0
322 Tandem Switching	0	0	0	0	0	0	0	0	0	0	0	0
323 Local Switching Cat. 3	0	0	0	0	2,984,001	0	0	0	0	0	0	2,984,001
324 Equal Access	0	0	0	0	0	0	0	0	0	0	0	0
330 Central Office Equip-Trans	0	0	1,816,940	1,816,940	0	0	0	0	0	221,871	0	221,871
331 Subscriber Lines	0	0	1,816,940	1,816,940	0	0	0	0	0	0	0	0
332 Exchange Circuit	0	0	0	0	0	0	0	0	0	0	0	0
333 Interexchange Circuit	0	0	0	0	0	0	0	0	0	177,930	0	177,930
334 Host Remote	0	0	0	0	0	0	0	0	0	43,941	0	43,941
340 Cable & Wire	0	0	7,407,756	7,407,756	0	0	0	0	0	26,469	0	26,469
341 Subscriber Lines	0	0	7,407,756	7,407,756	0	0	0	0	0	0	0	0
342 Exchange	0	0	0	0	0	0	0	0	0	0	0	0
343 Interexchange	0	0	0	0	0	0	0	0	0	10,799	0	10,799
344 Host Remote	0	0	0	0	0	0	0	0	0	15,670	0	15,670
350 Info Orig/Term Equipment	0	0	0	0	0	0	0	0	0	0	0	0
360 Amortizable Assets	0	0	597	597	193	0	0	0	0	16	0	209
370 Total Plant In Service	0	0	10,078,298	10,078,298	3,260,124	0	0	0	0	271,320	0	3,531,444
Adjustments to TPIS												
380 Depr / Amor Reserve	0	0	2,507,157	2,507,157	2,131,965	0	0	0	0	101,841	0	2,233,806
390 Accum Deferred Income Tax	0	0	730,395	730,395	236,693	0	0	0	0	19,661	0	256,354
400 Other Rate Base Adjust.	0	0	(701)	(701)	(228)	0	0	0	0	(19)	0	(247)
Return Data												
410 Average Rate Base	0	0	6,840,045	6,840,045	891,238	0	0	0	0	149,799	0	1,041,037
420 Return	0	0	769,505	769,505	11,712	0	0	2,374	0	(5,997)	0	8,090
430 Rate of Return	0.00%	0.00%	11.25%	11.25%	1.31%	0.00%	0.00%	0.00%	0.00%	-4.00%	0.00%	0.78%

COS-1(H)
Filing Date: 6/16/2006
Filing Entity: Bluffton Telephone Company
Transmittal Number : 120
COSA: 0512AN06

Page 6 of 29

	Special Access (V)
Revenues	
100 Network Access	2,223,615
110 Uncollectibles	0
120 Common Line Support	n/a
130 Long Term	n/a
140 Transitional	n/a
150 Miscellaneous	0
160 Net Revenues	2,223,615

Expenses	
170 Plant Specific	144,012
171 Network Support	0
172 General Support	74,865
173 Central Office	43,698
174 Operator Systems	0
175 COE Switching	0
176 COE Transmission	43,698
177 IOT	0
178 Cable & Wire Facilities	25,449
180 Plant Non-Sp. Less Dep/Amor	109,674
190 Depreciation / Amortization	305,969
200 Customer Operations	177,136
201 Marketing	59,678
202 Local Business Office	2,353
203 Revenue Accounting	115,105
204 Other Billing & Collection	0
210 Access	n/a
220 Corporate Operations	257,580
230 AFUDC	0
240 Other Exp. & Adjustments	17,344
250 Taxes Other than FIT	131,105
260 Total Exp and Other Taxes	1,142,820

FIT Adjustments	
270 Adjustment for FIT	0
280 Amortized ITC	0
290 Federal Income Taxes	367,470

300 Total Expenses & Taxes	1,510,290

Telephone Plant in Service	
310 General Support	357,114
320 Central Office Equip-Switch	0
321 Operator Systems	0
322 Tandem Switching	0
323 Local Switching Cat. 3	0
324 Equal Access	0
330 Central Office Equip-Trans	3,062,707
331 Subscriber Lines	35,313
332 Exchange Circuit	2,722,571
333 Interexchange Circuit	304,823
334 Host Remote	0
340 Cable & Wire	799,246
341 Subscriber Lines	143,972
342 Exchange	653,388
343 Interexchange	1,886
344 Host Remote	0
350 Info Orig/Term Equipment	0
360 Amortizable Assets	251
370 Total Plant In Service	4,219,318

Adjustments to TPIS	
380 Depr / Amor Reserve	1,506,783
390 Accum Deferred Income Tax	305,746
400 Other Rate Base Adjust.	(294)

Return Data	
410 Average Rate Base	2,406,495
420 Return	713,325
430 Rate of Return	29.64%

COS-2

Filing Date:

6/16/2006

Filing Entity:

Bluffton Telephone Company

Transmittal Number:

120

COSA:

0512AN06

Rate-of-Return TRP

7/06 - 6/07

Versus 2005 Actual

Page 7 of 29

	Common Line (A)	Traffic Sensitive Switched (B)	Traffic Sensitive Special (C)	Other Interstate (D)	Total Interstate (E)	Total Co. Subject to Separations (F)
Forecast, 7/06 - 6/07						
Revenue Requirement						
100 Depreciation/Amortization	632,377	284,028	410,668	0	1,327,073	3,408,363
105 Expense Less Dep & Amor	2,205,185	509,565	807,410	1,091,508	5,875,369	n/a
110 Taxes Less FIT	261,133	(6,310)	108,835	0	n/a	n/a
115 Return	882,521	68,726	311,912	n/a	n/a	n/a
120 FIT	454,632	35,404	160,682	n/a	n/a	n/a
125 Uncol., IDC & Other Adj.	0	0	0	n/a	n/a	n/a
130 Revenue Requirement	4,435,848	891,413	1,799,507	n/a	n/a	n/a
135 Access Service Revenue	4,435,848	891,413	1,799,507	n/a	n/a	n/a
	----	----	----	----	----	----
Rate Base	----	----	----	----	----	----
140 Telephone Plant in Service	12,547,237	3,535,003	5,526,818	0	21,609,058	61,637,893
145 Rate Base Adjustments	(120,099)	(33,881)	(52,902)	0	(206,882)	n/a
150 Depreciation Reserves	3,780,635	2,663,711	2,347,290	0	8,791,636	21,786,401
155 Accum Deferred Income Tax	804,006	226,558	354,073	0	1,384,637	3,949,640
160 Average Rate Base	7,842,497	610,853	2,772,553	0	11,225,903	n/a
Actual, 1/05- 12/05						
Revenue Requirement						
200 Depreciation/Amortization	483,192	269,205	305,969	0	1,058,366	2,678,264
205 Expense Less Dep & Amor	2,041,754	435,126	705,746	847,848	4,030,473	n/a
210 Taxes Less FIT	237,789	62,223	131,105	0	n/a	n/a
215 Return	769,505	8,090	713,325	n/a	n/a	n/a
220 FIT	396,412	4,167	367,470	n/a	n/a	n/a
225 Uncol., IDC & Other Adj.	0	0	0	n/a	n/a	n/a
230 Revenue Requirement	3,928,652	778,811	2,223,615	n/a	n/a	n/a
235 Access Service Revenue	3,928,652	778,811	2,223,615	n/a	n/a	n/a
	----	----	----	----	----	----
Rate Base	----	----	----	----	----	----
240 Telephone Plant in Service	10,078,298	3,531,444	4,219,318	0	17,829,060	50,373,873
245 Rate Base Adjustments	(701)	(247)	(294)	0	(1,242)	n/a
250 Depreciation Reserves	2,507,157	2,233,806	1,506,783	0	6,247,747	15,137,798
255 Accum Deferred Income Tax	730,395	256,354	305,746	0	1,292,495	3,651,322
260 Average Rate Base	6,840,045	1,041,037	2,406,495	0	10,287,577	n/a

COS-2

Filing Date:

6/16/2006

Filing Entity:

Bluffton Telephone Company

Transmittal Number:

120

COSA:

0512AN06

Rate-of-Return TRP

7/06 - 6/07

Versus 2005 Actual

Page 8 of 29

	Common Line (A)	Traffic Sensitive Switched (B)	Traffic Sensitive Special (C)	Other Interstate (D)	Total Interstate (E)	Total Co. Subject to Separations (F)
Forecast, 7/05 - 6/06						
Revenue Requirement						
100 Depreciation/Amortization	518,031	290,027	296,775	0	1,104,833	2,836,514
105 Expense Less Dep & Amor	1,961,056	441,807	563,376	1,064,109	4,030,348	n/a
110 Taxes Less FIT	220,680	62,802	80,793	0	n/a	n/a
115 Return	791,858	99,282	247,894	0	n/a	n/a
120 FIT	407,927	51,145	127,703	0	n/a	n/a
125 Uncol., IDC & Other Adj.	0	0	0	0	n/a	n/a
130 Revenue Requirement	3,899,552	945,063	1,316,541	0	n/a	n/a
135 Access Service Revenue	3,899,552	945,063	1,316,541	0	n/a	n/a
	----	----	----	----	----	----
Rate Base						
140 Telephone Plant in Service	10,631,355	3,698,256	4,116,487	0	18,446,098	52,673,563
145 Rate Base Adjustments	27,063	9,414	10,479	0	46,956	n/a
150 Depreciation Reserves	2,921,266	2,581,564	1,652,544	0	7,155,374	17,455,676
155 Accum Deferred Income Tax	698,418	243,601	270,970	0	1,212,989	3,461,907
160 Average Rate Base	7,038,734	882,505	2,203,452	0	10,124,691	n/a
Actual, 1/04 - 12/04						
Revenue Requirement						
200 Depreciation/Amortization	454,100	356,025	271,165	0	1,081,290	2,546,318
205 Expense Less Dep & Amor	2,120,243	518,517	573,711	869,596	4,082,067	n/a
210 Taxes Less FIT	209,171	83,993	81,825	0	374,989	n/a
215 Return	748,253	181,369	266,234	0	1,195,855	n/a
220 FIT	385,463	93,432	137,151	0	616,047	n/a
225 Uncol., IDC & Other Adj.	0	0	0	0	0	n/a
230 Revenue Requirement	3,917,230	1,233,336	1,330,086	0	6,480,652	n/a
235 Access Service Revenue	3,917,230	1,233,336	1,330,086	0	n/a	n/a
	----	----	----	----	----	----
Rate Base						
240 Telephone Plant in Service	9,250,194	4,295,463	3,748,091	0	17,293,748	46,306,420
245 Rate Base Adjustments	241,220	112,015	97,740	0	450,975	n/a
250 Depreciation Reserves	2,063,864	2,435,199	1,164,145	0	5,663,208	12,508,633
255 Accum Deferred Income Tax	776,413	360,119	315,160	0	1,451,692	3,891,831
260 Average Rate Base	6,651,137	1,612,160	2,366,526	0	10,629,823	n/a

COS-2

Filing Date:

6/16/2006

Filing Entity:

Bluffton Telephone Company

Transmittal Number:

120

COSA:

0512AN06

Rate-of-Return TRP

7/06 - 6/07

Versus 2005 Actual

Page 9 of 29

	Common Line (A)	Traffic Sensitive Switched (B)	Traffic Sensitive Special (C)	Other Interstate (D)	Total Interstate (E)	Total Co. Subject to Separations (F)
Forecast, 7/03 - 6/04						
Revenue Requirement						
100 Depreciation/Amortization	0	0	0	0	0	0
105 Expense Less Dep & Amor	0	0	0	0	0	n/a
110 Taxes Less FIT	0	0	0	0	n/a	n/a
115 Return	0	0	0	0	n/a	n/a
120 FIT	0	0	0	0	n/a	n/a
125 Uncol., IDC & Other Adj.	0	0	0	0	n/a	n/a
130 Revenue Requirement	0	0	0	0	n/a	n/a
135 Access Service Revenue	0	0	0	0	n/a	n/a
	----	----	----	----	----	----
Rate Base						
140 Telephone Plant in Service	0	0	0	0	0	0
145 Rate Base Adjustments	0	0	0	0	0	n/a
150 Depreciation Reserves	0	0	0	0	0	0
155 Accum Deferred Income Tax	0	0	0	0	0	0
160 Average Rate Base	0	0	0	0	0	n/a
	----	----	----	----	----	----
	----	----	----	----	----	----
	----	----	----	----	----	----
Actual, 1/03 - 12/03						
Revenue Requirement						
200 Depreciation/Amortization	0	0	0	0	0	0
205 Expense Less Dep & Amor	0	0	0	0	0	n/a
210 Taxes Less FIT	0	0	0	0	0	n/a
215 Return	0	0	0	0	0	n/a
220 FIT	0	0	0	0	0	n/a
225 Uncol., IDC & Other Adj.	0	0	0	0	0	n/a
230 Revenue Requirement	0	0	0	0	0	n/a
235 Access Service Revenue	0	0	0	n/a	n/a	n/a
	----	----	----	----	----	----
Rate Base						
240 Telephone Plant in Service	0	0	0	0	0	0
245 Rate Base Adjustments	0	0	0	0	0	n/a
250 Depreciation Reserves	0	0	0	0	0	0
255 Accum Deferred Income Tax	0	0	0	0	0	0
260 Average Rate Base	0	0	0	0	0	n/a

MAG-1
Filing Date: 6/16/2006
Filing Entity: Bluffton Telephone Company
Transmittal Number : 1/0/1900
COSA: 0512AN06

Rate-of Return TRP
MAG Adjustments
Test Year, 7/06 - 7/07

Access Element	Interstate Revenue Requirement Prior to Adjustments (A) Note 1	Local Switching Support (B) Note 2	Sub-Total (C) Cols. A-B	Line Port Transfer (D) Note 3	Universal Service Fund Contribution (E) Note 4	Frozen TIC Revenue (F) Note 5	Interstate Revenue Requirement Subject to TIC Re- allocation (G) Cols. C+D+E+F	Frozen TIC Re-allocation (G) Note 6	Interstate Revenue Requirement Subject to Rate Making
Carrier Common Line	\$4,250,526		\$4,250,526	\$141,614	(\$235,000)		\$4,157,140	\$43,345	\$4,435,485
Local Switching	\$953,427	\$481,381	\$472,046	(\$141,614)			\$330,432	\$3,445	\$815,258
Information	\$1,203		\$1,203				\$1,203	\$13	\$1,216
Transport	\$140,311		\$140,311			(\$66,145)	\$74,166	\$773	\$74,939
Special Access	\$1,780,937		\$1,780,937				\$1,780,937	\$18,569	\$1,799,506
Total	\$7,126,404	\$481,381	\$6,645,023	\$0	(\$235,000)	(\$66,145)	\$6,343,878	\$66,145	\$7,126,404

Note 1: Source of Revenue Requirements Column (A)

Factor Used for Line Port Adjustment:

30.0000%

Carrier Common Line TRP COS-1(P) Line 100, Column L
Local Switching TRP COS-1(P) Line 100, Column M
Information TRP COS-1(P) Line 100, Column P
Transport TRP COS-1(P) Line 100, Column Q,R,S
Special Access TRP COS-1(P) Line 100, Column U

Note 2: Calculated using USAC Algorithm for Test Period

Note 3: Column C, Local Switching * Port Adjustment Factor

Note 4: Projected Amount per Account 6540

Note 5: From TRP Form MAG-2

Note 6: Distributed on Column G Totals

MAG-2		Rate-of Return TRP
Filing Date:	6/16/2006	TIC Revenues
Filing Entity:	Bluffton Telephone Company	Test Year, 7/06 - 7/07
Transmittal Number :	120	
COSA:	0512AN06	

DEVELOPMENT FROZEN TIC REVENUE JULY 00 TO JUNE 01

Month	Transport Interconnection Charge Minutes Billed	Rate in Effect	Calculated Revenues
	UNKNOWN	UNKNOWN	Company was in the NECA at 7/1/01.
Jul-00	0	0.000000	\$0
Aug-00	0	0.000000	\$0
Sep-00	0	0.000000	\$0
Oct-00	0	0.000000	\$0
Nov-00	0	0.000000	\$0
Dec-00	0	0.000000	\$0
Jan-01	0	0.000000	\$0
Feb-01	0	0.000000	\$0
Mar-01	0	0.000000	\$0
Apr-01	0	0.000000	\$0
May-01	0	0.000000	\$0
Jun-01	0	0.000000	<u>\$159,381</u> PER NECA

Total Frozen TIC Revenues	\$159,381
(Development based on FCC Order 01-304, Paragraph 103)	

Or - Override (No Greater than Above):	\$66,145
(Actual TIC Revenue Used in December 17, 2001 Filing should be listed here)	

Override = Actual TIC Revenues from Last Filing
 (Development based on FCC Order 01-304, Paragraph 103)

<i>Actual TIC Revenue Requirement from Filing Prior to MAG Filing in December 2006</i>	\$84,961
---	-----------------

REV-1

Filing Date:

6/16/2006

Filing Entity:

Bluffton Telephone Company

Transmittal Number:

120

COSA:

0512AN06

Page 12 of 29

Rate-of-Return TRP

Switched Access Revenue

Test Year, 7/06 - 7/07

	Minute or Message Rate (A)	Minute Miles Rate (B)	Line or Trunk Rate (C)	Minute or Message Demand (D)	Minute Miles Demand (E)	Line or Trunk Demand (F)	Access Revenue (G)	Revenue Requirement (H)
Common Line								
100 Multi-line Business EUCL	n/a	n/a	0.00	n/a	n/a	0	0	n/a
110 Single Line Business EUCL	n/a	n/a	0.00	n/a	n/a	0	0	n/a
120 Residential EUCL	n/a	n/a	0.00	n/a	n/a	0	0	n/a
130 Special Access Surcharge	n/a	n/a	0.00	n/a	n/a	12	0	n/a
140 Terminating CCL Premium	0.000000	n/a	n/a	0	n/a	n/a	0	n/a
150 Terminating CCL Non-Prem.	0.000000	n/a	n/a	0	n/a	n/a	0	n/a
160 Originating CCL Premium	0.000000	n/a	n/a	0	n/a	n/a	0	n/a
170 Originating CCL Non-Prem.	0.000000	n/a	n/a	0	n/a	n/a	0	n/a
180 Common Line - - Total	n/a	n/a	n/a	n/a	n/a	n/a	0	0
Information	----	----	----	----	----	----	----	----
190 Directory Assistance	0.000000	n/a	n/a	0	n/a	n/a	0	n/a
200 White Page Surcharge Prem.	0.001174	n/a	n/a	103,583,465	n/a	n/a	1,216	n/a
210 White Pg. Surcharge Non-Prem.	0.000528	n/a	n/a	0	n/a	n/a	0	n/a
220 Other Information	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
230 Information - - Total	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1,216
Local Switching	----	----	----	----	----	----	----	----
240 Premium	0.003220	n/a	n/a	103,583,465	n/a	n/a	333,539	n/a
250 Non-Premium	0.001449	n/a	n/a	0	n/a	n/a	0	n/a
260 Equal Access	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
270 Switching - - Total	n/a	n/a	n/a	n/a	n/a	n/a	n/a	333,877
Local Transport	----	----	----	----	----	----	----	----
280 Premium LT Term.	0.000000	n/a	n/a	0	n/a	n/a	0	n/a
290 Non-Prem. LT Term	0.000000	n/a	n/a	0	n/a	n/a	0	n/a
300 Premium LT Facility	n/a	0.000000	n/a	n/a	0	n/a	0	n/a
310 Non-Prem. LT Facility	n/a	0.000000	n/a	n/a	0	n/a	0	n/a
320 Tandem Switching	0.000000	n/a	n/a	0	n/a	n/a	0	n/a
330 TST Termination	0.000440	n/a	n/a	103,583,465	n/a	n/a	45,577	n/a
340 TST Facility	n/a	0.000089	n/a	n/a	16,573,354	n/a	1,475	n/a
350 Premium Interconnection	0.000000	n/a	n/a	0	n/a	n/a	0	n/a
360 Non-Prem. Interconnection	0.000000	n/a	n/a	0	n/a	n/a	0	n/a
370 Installation NRC per Trunk	n/a	n/a	122.87	n/a	n/a	0	0	n/a

REV-1

Filing Date:

6/16/2006

Filing Entity:

Bluffton Telephone Company

Transmittal Number:

120

COSA:

0512AN06

Page 13 of 29

Rate-of-Return TRP

Switched Access Revenue

Test Year, 7/06 - 7/07

	Termination Rate (A)	Circuit Rate (B)	Mileage Rate (C)	Termination Demand (D)	Circuit Demand (E)	Mileage Demand (F)	Access Revenue (G)	Revenue Requirement (H)
Local Transport (Cont.)								
380 DS3 Entrance Facility	n/a	0	n/a	n/a	0	n/a	0	n/a
390 DS3 Direct Term.	0.00	n/a	n/a	0	n/a	n/a	0	n/a
400 DS3 Direct Facility	n/a	n/a	0.00	n/a	n/a	0	0	n/a
410 DS1 Entrance Facility	n/a	0	n/a	n/a	0	n/a	0	n/a
420 DS1 Direct Term.	0	n/a	n/a	0	n/a	n/a	0	n/a
430 DS1 Direct Facility	n/a	n/a	0.00	n/a	n/a	0	0	n/a
440 VG Entrance Facility	n/a	0.00	n/a	n/a	0	n/a	0	n/a
450 VG Direct Term.	0.00	n/a	n/a	0	n/a	n/a	0	n/a
460 VG Direct Facility	n/a	n/a	0.00	n/a	n/a	0	0	n/a
470 Other Transport	n/a	n/a	n/a	n/a	n/a	n/a	28,005	n/a
480 Local Transport - - Total	n/a	n/a	n/a	n/a	n/a	n/a	75,057	74,939
Special - - Voice Grade	----	----	----	----	----	----	----	----
490 2-Wire Chan. Term.	n/a	0	n/a	n/a	0	n/a	0	n/a
500 4-Wire Chan. Term.	n/a	0	n/a	n/a	0	n/a	0	n/a
510 Channel Mileage Term.	0	n/a	n/a	0	n/a	n/a	0	n/a
520 Channel Mileage Facility	n/a	n/a	0.00	n/a	n/a	0	0	n/a
530 Non-Recurring	n/a	0	n/a	n/a	0	n/a	0	n/a
Special - - High Capacity	----	----	----	----	----	----	----	----
540 High Capacity Chan. Term.	n/a	122.87	n/a	n/a	1890	n/a	232,224	n/a
550 Channel Mileage Term.	65.58	n/a	n/a	2374	n/a	n/a	155,687	n/a
560 Channel Mileage Facility	n/a	n/a	13.30	n/a	n/a	894	11,890	n/a
570 Non-Recurring	n/a	0	n/a	n/a	0	n/a	0	n/a
580 Special Access - - Total	n/a	n/a	n/a	n/a	n/a	n/a	488,748	1,799,506

Notes: A composite special access NRC should be used if the installation rates vary among the services. If the company does not file a particular rate, then the rate and demand = 0. Col. G equals Cols. (A x D) + (B x E) + (C x F).

REV-2

Filing Date: 6/16/2006

Filing Entity: Bluffton Telephone Company

Transmittal Number: 120

COSA: 0512AN06

Page 14 of 29

Rate-of-Return TRP

Revenues Summary

Test Year, 7/06 - 7/07

	Total Network Access (A)	Recurring without ICB (B)	Non-Recurring without ICB (C)	ICB (D)
100 Carrier Common Line	4,435,485	4,435,485	0	0
110 Special Access	1,799,506	1,799,506	0	0
120 Local Switching	815,258	815,258	0	0
130 Equal Access	0	0	0	0
140 Information	1,216	1,216	0	0
150 Local Transport	74,939	74,939	0	0
160 Total TS - Switched	891,413	891,413	0	0

Notes : Col. A = Cols. B + C + D. If a particular category is inapplicable, then that category equals 0.

RTE-1

Filing Date: 6/16/2006

Filing Entity: Bluffton Telephone Company

Transmittal Number: 120

COSA: 0512AN06

Rate-of-Return TRP

Percent Change in
Historical Rate Levels

Page 15 of 29

	7/1/2005 Rate (A)	Current Effective Rate (B)	Proposed 7/1/2006 Rate (C)	% Change 7/1/2005 7/1/2006 (D)	% Change Current 7/1/2006 (E)
Switched Access					
100 Premium CCL Term. (\$/MOU)	0.00000000	0.00000000	0.00000000	0.00%	0.00%
	----	----	----	----	----
110 N.P. CCL Term. (\$/MOU)	0.00000000	0.00000000	0.00000000	0.00%	0.00%
	----	----	----	----	----
120 Premium Switching (\$/MOU)	0.00352000	0.00352000	0.00322000	-8.52%	-8.52%
	----	----	----	----	----
130 N.P. Switching (\$/MOU)	0.00158400	0.00158400	0.00144900	-8.52%	-8.52%
	----	----	----	----	----
140 Equal Access	0.00000000	0.00000000	0.00000000	0.00%	0.00%
	----	----	----	----	----
End User Common Line					
150 Multi-line Business (\$/Month)	0	0.00	0.00	0.00%	0.00%
	----	----	----	----	----
160 Residential & Single Line Bus.	0	0.00	0.00	0.00%	0.00%

RTE-1

Filing Date:

6/16/2006

Filing Entity:

Bluffton Telephone Company

Transmittal Number: 120

COSA:

0512AN06

Rate-of-Return TRP

Percent Change in
Historical Rate Levels

Page 16 of 29

	7/1/2005 Rate (A)	Current Effective Rate (B)	Proposed 7/1/2006 Rate (C)	% Change 7/1/2005 7/1/2006 (D)	% Change Current 7/1/2006 (E)
Local Transport Rates					
170 Prem. LT (\$/MOU, Avg. Mileage)	0.00000000	0.00000000	0.00000000	0.00%	0.00%
	----	----	----	----	----
180 N.P. LT (\$/MOU, Avg. Mileage)	0.00000000	0.00000000	0.00000000	0.00%	0.00%
	----	----	----	----	----
190 DS1 Entr. Facility (\$/Circuit)	112.99	112.99	122.87	8.74%	8.74%
	----	----	----	----	----
200 DS1 Direct Trunk (\$/Circuit)	60.31	60.31	65.58	8.74%	8.74%
	----	----	----	----	----
210 Tdm Sw. Transport ((\$/Circuit)	0.000596	0.00	0.000440	-26.17%	-26.17%
	----	----	----	----	----
220 Tdm. Switching (\$/Tdm. MOU)	0.000000	0.000000	0.000000	0.00%	0.00%
	----	----	----	----	----
230 Prem. Interconnection (\$/MOU)	0.000000	0.000000	0.000000	0.00%	0.00%
	----	----	----	----	----
240 N.P. Interconnection (\$/MOU)	0.000000	0.000000	0.000000	0.00%	0.00%
	----	----	----	----	----
250 NRC (\$/Tk. Or Tks. Activated)	0.00	0.00	0.00	0.00%	0.00%
	----	----	----	----	----
260 2-Wire VG (\$/Cir., Avg. Mileage)	64.08	64.08	69.64	8.68%	8.68%
	----	----	----	----	----
270 4-Wire VG (\$/Cir., Avg. Mileage)	79.91	79.91	86.85	8.68%	8.68%

Notes: If Lines 170 & 180 or any other entry is inapplicable, then that rate = 0.

RTE-2

Filing Date:

6/16/2006

Filing Entity:

Bluffton Telephone Company

Transmittal Number:

120

COSA:

0512AN06

Rate-of-Return

Revenue Price-outs

Using 2007 Demand

Page 17 of 29

	Revenue at 7/1/2005 Rates (A)	Revenue at Current Rate (B)	Change in Revenue, Cols. B-A (C)	Revenue at 7/1/2006 Rates (D)	Change in Revenue, Cols. D-B (E)
Switched Access					
100 Multi-line Business	0	0	0	0	0
	----	----	----	----	----
110 Residential & Single Line Bus.	0	0	0	0	0
	----	----	----	----	----
120 Carrier Common Line	0	0	0	0	0
	----	----	----	----	----
130 Special Access	449,457	449,457	0	488,748	39,291
	----	----	----	----	----
140 Local Switching	364,614	364,614	0	333,539	(31,075)
	----	----	----	----	----
150 Equal Access	0	0	0	0	0
	----	----	----	----	----
160 Information	3,715	3,715	0	1,216	(2,499)
	----	----	----	----	----
170 Local Transport	96,647	96,647	0	75,057	(21,590)

Notes: If company belongs to the NECA common line pool, then revenue = 0.

RTE-3

Filing Date:

6/16/2006

Filing Entity:

Bluffton Telephone Company

Transmittal Number:

120

COSA:

0512AN06

Page 18 of 29

Rate-of-Return TRP

**COSA's for which Rates
are Averaged or Pooled**

	Multi-line Business (A)	Residential & Single Line Business (B)	Carrier Common Line (C)
COSA			
100			
110			
120			
130			
140			
150			
160			
170			
180			
190			
200			
210			
220			
230			

Notes: Companies should list all COSA's for which rates are averages or pooled.

RTE-3

Filing Date: 6/16/2006

Filing Entity: Bluffton T

Transmittal Number: 120

COSA: 0512AN06

Page 19 of 29

Rate-of-Return TRP
COSA's for Which Rates
are Averaged or Pooled

COSA	Local Switching (D)	Local Transport (E)	Information (F)	Equal Access (G)	Special Access (H)
100					
110					
120					
130					
140					
150					
160					
170					
180					
190					
200					
210					
220					
230					

Notes: Companies should list all (

DMD-1

Filing Date:

6/16/2006

Filing Entity:

Bluffton Telephone Company

Transmittal Number:

120

COSA:

0512AN06

Page 1 of 3

Rate-of-Return TRP

Common Line

Minutes-of-Use

	Premium Originating (A)	Premium Terminating (B)	Premium Total (C)	Non-Premium Originating (D)	Non-Premium Terminating (E)	Non-Premium Total (F)
Historical						
100 1st Qtr. 2002	0	0	0	0	0	0
110 2nd Qtr. 2002	0	0	0	0	0	0
120 3rd Qtr. 2002	0	0	0	0	0	0
130 4th Qtr. 2002	0	0	0	0	0	0
140 1st Qtr. 2003	0	0	0	0	0	0
150 2nd Qtr. 2003	0	0	0	0	0	0
160 3rd Qtr. 2003	0	0	0	0	0	0
170 4th Qtr. 2003	0	0	0	0	0	0
180 1st Qtr. 2004	0	0	0	0	0	0
190 2nd Qtr. 2004	0	0	0	0	0	0
200 3rd Qtr. 2004	0	0	0	0	0	0
210 4th Qtr. 2004	0	0	0	0	0	0
	----	----	----	----	----	----
220 Pycos Year, 1/05- 12/05	0	0	0	0	0	0
	----	----	----	----	----	----
230 Test Year, 7/06 - 6/07	0	0	0	0	0	0

DMD-1

Filing Date:

6/16/2006

Filing Entity:

Bluffton Telephone Company

Transmittal Number:

120

COSA:

0512AN06

Page 2 of 3

Rate-of-Return TRP

Common Line

Minutes-of-Use

Historical	Total Originating (A)	Total Terminating (B)	Grand Total (C)	Chargeable Originating (D)	Chargeable Terminating (E)
100 1st Qtr. 2002	0	0	0	0	0
110 2nd Qtr. 2002	0	0	0	0	0
120 3rd Qtr. 2002	0	0	0	0	0
130 4th Qtr. 2002	0	0	0	0	0
140 1st Qtr. 2003	0	0	0	0	0
150 2nd Qtr. 2003	0	0	0	0	0
160 3rd Qtr. 2003	0	0	0	0	0
170 4th Qtr. 2003	0	0	0	0	0
180 1st Qtr. 2004	0	0	0	0	0
190 2nd Qtr. 2004	0	0	0	0	0
200 3rd Qtr. 2004	0	0	0	0	0
210 4th Qtr. 2004	0	0	0	0	0
	----	----	----	----	----
220 Pycos Year, 1/05- 12/05	0	0	0	0	0
	----	----	----	----	----
230 Test Year, 7/06 - 6/07	0	0	0	0	0

DMD-1

Filing Date:

6/16/2006

Filing Entity:

Bluffton Telephone Company

Transmittal Number: 120

COSA:

0512AN06

Page 22 of 29

Rate-of-Return TRP

Traffic Sensitive

Minutes-of-Use

Historical	Premium Local Switching (A)	Non-Premium Local Switching (B)	Total Local Switching (C)	Total Chargeable Switching (D)	Total Tandem Switching* (E)	Tandem Switching Transport ** (F)
100 1st Qtr. 2002	17,758,698	0	17,758,698	17,758,698	0	728,371
110 2nd Qtr. 2002	17,602,755	0	17,602,755	17,602,755	0	852,098
120 3rd Qtr. 2002	19,214,236	0	19,214,236	19,214,236	0	1,085,867
130 4th Qtr. 2002	18,616,260	0	18,616,260	18,616,260	0	1,186,394
140 1st Qtr. 2003	19,066,112	0	19,066,112	19,066,112	0	939,120
150 2nd Qtr. 2003	19,150,161	0	19,150,161	19,150,161	0	1,015,209
160 3rd Qtr. 2003	19,936,022	0	19,936,022	19,936,022	0	1,907,287
170 4th Qtr. 2003	20,318,809	0	20,318,809	20,318,809	0	1,565,329
180 1st Qtr. 2004	21,098,758	0	21,098,758	21,098,758	0	1,862,709
190 2nd Qtr. 2004	21,354,057	0	21,354,057	21,354,057	0	1,900,140
200 3rd Qtr. 2004	21,731,647	0	21,731,647	21,731,647	0	2,334,326
210 4th Qtr. 2004	23,292,671	0	23,292,671	23,292,671	0	3,229,563
	----	----	----	----	----	----
220 Pycos Year, 1/05- 12/05	96,873,075	0	96,873,075	96,873,075	0	8,226,138
	----	----	----	----	----	----
230 Test Year, 7/06 - 6/07	103,583,465	0	103,583,465	103,583,465	0	103,583,465

Notes: Local switching MOU are the same as the billable units for the interconnection charge.

* Refers to the MOU switched at a company tandem, as discussed in Part 69. 11(f-g).

** Refers to the MOU carried over non-dedicated trunks; i.e., tandem switched transport or common trunks.

DMD-2

Filing Date: 6/16/2006

Filing Entity: Bluffton Telephone Company

Transmittal Number: 120

COSA: 0512AN06

Page 23 of 29

Rate-of-Return TRP

Special Access

Demand

	1/05- 12/05 Channel Terminations (A)	1/05- 12/05 Number of Circuits (B)	1/05- 12/05 Interoffice Miles (C)	7/06 - 6/07 Channel Terminations (D)	7/06 - 6/07 Number of Circuits (E)	7/06 - 6/07 Interoffice Miles (F)
100 Metallic	0	0	0	0	0	0
110 Telegraph	0	0	0	0	0	0
120 VG less WATS	45	45	48	39	39	38
130 WATS	0	0	0	0	0	0
140 full-time Audio	0	0	0	0	0	0
150 High Capacity	1793	2244	861	1902	2386	894

DMD-3

Filing Date: 6/16/2006

Filing Entity: Bluffton Telephone Company

Transmittal Number: 120

COSA: 0512AN06

Page 24 of 29

Rate-of-Return TRP

Common Line

Revenue and Demand

	1/05- 12/05 Historical Revenue (A)	1/05- 12/05 Historical MOU or Lines (B)	7/06 - 6/07 Test Year Revenue (C)	7/06 - 6/07 Test Year MOU or Lines (D)
100 End User Common Line, Total	0	0	0	0
110 Residential	0	0	0	0
120 Single Line Business	0	0	0	0
130 Multi-line Business	0	0	0	0
140 Special Access Surcharge	0	0	0	0
150 Carrier Common Line	0	0	0	0
160 Total Common Line Revenue	0	n/a	0	n/a

DMD-4**Filing Date:****6/16/2006****Filing Entity:****Bluffton Telephone Company****Transmittal Number:****120****COSA:****0512AN06****Page 1 of 1****Rate-of-Return TRP****Minutes-of-Use****Historical vs. Forecast**

		Common Line MOU (A)		Traffic Sensitive MOU (B)
100 Test Year	7/06 - 6/07		0	103,583,465
110 Pycos Year,	1/05- 12/05		0	96,873,075
		----		----
120 Test Year	7/04 - 6/05		0	0
130 Pycos Year,	1/04 - 12/04		0	87,477,133
		----		----
140 Test Year	7/03 - 6/04		0	0
150 Pycos Year,	1/03 - 12/03		0	78,471,104
		----		----
160 Test Year	7/02 - 6/03		0	0
170 Pycos Year,	1/02 - 12/02		0	73,191,949

Notes: Actual operating statistics should be reported for the PYCOS years.
 These data should be consistent with those in Chart DMD-4 in previous TRPs.
 If a forecast was not reported for any particular test year, then enter 0.

DMD-5

Filing Date: 6/16/2006

Filing Entity: Bluffton Telephone Company

Transmittal Number: 120

COSA: 0512AN06

Page 1 of 1

Rate-of-Return TRP

Minutes-of-Use

Direct Trunked Transport

	1/05- 12/05	1/05- 12/05	1/05- 12/05	Test Year 7/06 - 6/07	Test Year 7/06 - 6/07	Test Year 7/06 - 6/07
	VG	DSI	DS3	VG	DS1	DS3
	(A)	(B)	(C)	(D)	(E)	(F)
100 Entrance Facility	0.00	0.00	0.00	0.00	0.00	0.00
110 Direct Trunked Transport	0.00	0.00	0.00	0.00	0.00	0.00

Notes: Demand should be annualized and reflect application of the percent interstate usage factor (PIU).

ERN-1

Filing Date: 6/16/2006

Filing Entity: Bluffton Telephone Company

Transmittal Number: 120

COSA: 0512AN06

Page 1 of 1

Rate-of-Return TRP

Rate-of-Return

Summary

	2003/2004 FCC Monitoring Period (A)	2005 Calendar Year (B)	7/06 - 6/07 Test Year (C)
100 Interstate Access, Total	11.25%	14.49%	11.25%
110 Carrier Common Line	11.25%	11.25%	11.25%
120 Special Access	11.25%	29.63%	11.25%
130 Local Switching	11.25%	1.35%	11.25%
140 Information	11.25%	0.00%	11.25%
150 Local Transport	11.25%	-4.00%	11.25%
160 Traffic Sensitive Switched, Total	11.25%	0.77%	11.25%

Filing Entity: Bluffton Telephone Company
Filing Date: 6/16/2006
Transmittal Number: 120
COSA: 0512AN06
Page 1 of 1

Rate-of-Return TRP
Base Study Factor

	Actual 2000 (A)	Actual 2001 (B)	Actual 2002 (C)	Actual 2003 (D)	Actual 2004 (E)	Prospective 2006 (F)
Relative MOU's - Tandem Switching						
100 Interstate	-	-	-	-	-	-
110 Total Company	-	-	-	-	-	-
120 IS Factor	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Host/Remote MOU's						
130 Interstate	64,070,698	64,070,698	64,070,698	64,070,698	64,070,698	64,070,698
140 Total Company	202,605,929	202,605,929	202,605,929	202,605,929	202,605,929	202,605,929
150 IS Factor	31.6233%	31.6233%	31.6233%	31.6233%	31.6233%	31.6233%
Host/Remote MOU Miles						
160 Interstate	2,060,513,648	2,060,513,648	2,060,513,648	2,060,513,648	2,060,513,648	2,060,513,648
170 Total Company	6,515,806,678	6,515,806,678	6,515,806,678	6,515,806,678	6,515,806,678	6,515,806,678
180 IS Factor	31.6233%	31.6233%	31.6233%	31.6233%	31.6233%	31.6233%
Conversation Minutes						
190 Interstate	64,070,698	64,070,698	64,070,698	64,070,698	64,070,698	64,070,698
200 Total Company	83,179,378	83,179,378	83,179,378	83,179,378	83,179,378	83,179,378
210 IS Factor	77.0271%	77.0271%	77.0271%	77.0271%	77.0271%	77.0271%
Conversation Minute Miles						
220 Interstate	262,689,862	262,689,862	262,689,862	262,689,862	262,689,862	262,689,862
230 Total Company	341,035,451	341,035,451	341,035,451	341,035,451	341,035,451	341,035,451
240 IS Factor	77.0271%	77.0271%	77.0271%	77.0271%	77.0271%	77.0271%

The above Base Study Factors apportion on the following investment:

	Part 32 Account	Part 36 Category
Relative MOU's-Tandem Switching	2210	COE Cat. 3
Host/Remote MOU's	2230	COE Cat. 4.3
Host/Remote MOU Miles	2410	C&WF Cat. 4
Conversation Minutes	2230	COE Cat. 4.23
Conversation Minutes Miles	2410	C&WF Cat. 3

RORDEM-1

Filing Date:

6/16/2006

Filing Entity:

Bluffton Telephone Company

Transmittal Number:

120

COSA:

0512AN06

Page 1 of 1

Rate-of-Return TRP

Verification of WDEM

Year	Interstate DEM MOU (A)	Intrastate DEM MOU (B)	Local DEM MOU (C)	Total DEM MOU (D)	Interstate MDEM Factor (E)	No. of Switched Access Lines (F)	Part 36.125(e) Historical Weighting (G)	Interstate WDEM Factor (H)
1998	23,253,528	7,728,944	34,978,919	65,961,391	35.2532%	10,683	2.5	88.1331%
1999	23,253,528	7,728,944	34,978,919	65,961,391	35.2532%	13,643	2.5	88.1331%
2000	23,253,528	7,728,944	34,978,919	65,961,391	35.2532%	15,791	2.5	88.1331%
2001	64,070,698	15,570,664	146,964,217	226,605,579	28.2741%	17,240	2.5	70.6853%
2002	64,070,698	15,570,664	146,964,217	226,605,579	28.2741%	18,064	2.5	70.6853%
2003	64,070,698	15,570,664	146,964,217	226,605,579	28.2741%	19,089	2.5	70.6853%
2004	64,070,698	15,570,664	146,964,217	226,605,579	28.2741%	20,269	2.0	56.5482%