

EXHIBIT NO.: \_\_\_\_\_  
ISSUE: REVENUE REQUIREMENT, RATE STRUCTURE,  
COST OF CAPITAL, DEPRECIATION, TARIFFS  
WITNESS: ROBERT C. SCHOONMAKER  
TYPE OF EXHIBIT: DIRECT TESTIMONY  
SPONSORING PARTY: FIDELITY TELEPHONE COMPANY  
CASE NO.: \_\_\_\_\_  
DATE: December 30, 2003

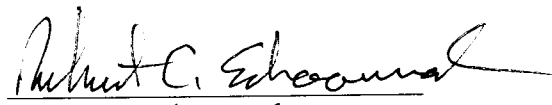
BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

In the Matter of the Application )  
of FIDELITY TELEPHONE COMPANY for )  
authority to file, establish, and ) Case No. \_\_\_\_\_  
put into effect new, increased, or )  
revised rates and charges for )  
telephone service. )

AFFIDAVIT OF ROBERT C. SCHOONMAKER

Robert C. Schoonmaker, of lawful age, being duly sworn, deposes and states as follows:

1. My name is Robert C. Schoonmaker. I am employed by GVNW Consulting, Inc. as its President and Chief Executive Officer.
2. Attached hereto and made a part of hereof for all purposes is my direct testimony and accompanying schedules.
3. I hereby affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my knowledge and belief and that the information contained in the attached schedules is also true and correct to the best of my knowledge and belief.

  
Robert C. Schoonmaker

Subscribed and sworn to before me this 29th day of December, 2003.

Notary Public

My Commission expires: 2-13-2005

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1 Direct Testimony of Robert C. Schoonmaker

2  
3 Q. Please state your name and address.

4 A. My name is Robert C. Schoonmaker. My business address is 2270 La Montana  
5 Way, Colorado Springs, Colorado 80918.  
6

7 Q. By whom are you employed and in what capacity?

8 A. I am President and CEO of GVNW Consulting, Inc., a consulting firm  
9 specializing in working with small telephone companies.  
10

11 CREDENTIALS  
12

13 Q. Would you please outline your educational background and business experience?

14 A. I obtained my Masters of Accountancy degree from Brigham Young University in  
15 1973 and joined GTE Corporation in June of that year. After serving in several  
16 positions in the revenue and accounting areas of GTE Service Corporation and  
17 General Telephone Company of Illinois, I was appointed Director of Revenue and  
18 Earnings of General Telephone Company of Illinois in May, 1977 and continued  
19 in that position until March, 1981. In September, 1980, I also assumed the same  
20 responsibilities for General Telephone Company of Wisconsin. In March, 1981, I  
21 was appointed Director of General Telephone Company of Michigan and in  
22 August, 1981 was elected Controller of that company and General Telephone  
23 Company of Indiana, Inc. In May, 1982, I was elected Vice President-Revenue

1 Requirements of General Telephone Company of the Midwest. In July, 1984, I  
2 assumed the position of Regional Manager of GVNW Inc./Management (the  
3 predecessor company to GVNW Consulting, Inc.) and was later promoted to the  
4 position of Vice President. I served in that position until October 1, 2003 except  
5 for the period between December 1988 and November, 1989 when I left GVNW  
6 to serve as Vice President-Finance of Fidelity and Bourbeuse Telephone  
7 Companies. I was elected to the position of President and Chief Executive Officer  
8 effective October 1, 2003. In summary, I have had over 30 years of experience in  
9 the telecommunications industry working with incumbent local exchange carrier  
10 companies.

11  
12 Q. What are your responsibilities in your present position?

13 A. In my current position I have overall responsibility for the management and  
14 direction of GVNW Consulting, Inc. In addition, I consult with independent  
15 telephone companies and provide financial analysis and management advice in  
16 areas of concern to these companies. Specific activities which I perform for client  
17 companies include regulatory analysis, consultation on regulatory policy, financial  
18 analysis, business planning, rate design and tariff matters, interconnection  
19 agreement analysis, and general management consulting.

20  
21 Q. Have you previously testified in regulatory proceedings?

22 A. Yes, I have submitted testimony and/or testified on regulatory policy, local  
23 competition, rate design, accounting, compensation, tariff, rate of return,

1 interconnection agreements, and separations related issues before the Illinois  
2 Commerce Commission, the Public Service Commission of Wisconsin, the  
3 Michigan Public Service Commission, the Iowa Utilities Board, the Tennessee  
4 Public Service Commission, the New Mexico Public Regulation Commission, the  
5 Public Utilities Commission of the state of South Dakota and the Missouri Public  
6 Service Commission. In addition, I have filed written comments on behalf of our  
7 firm on a number of issues with the Federal Communications Commission and  
8 have testified before the Federal-State Joint Board in CC Docket #96-45 on  
9 Universal Service issues.

10  
11 PURPOSE OF TESTIMONY

12  
13 Q. Would you please describe the purpose of your testimony?

14 A. I am testifying on behalf of Fidelity Telephone Company ("Fidelity" or "the  
15 Company"). I will present testimony on the Company's revenue requirement for the  
16 test period including related issues such as the tariffs that have been filed,  
17 depreciation rates, and the cost of capital used in the development of the revenue  
18 requirement. In addition, I will present testimony on the rate design proposed by  
19 the Company to recover the revenue requirement presented and associated changes  
20 in the structure of certain rate elements.

21  
22 Q. Have you prepared any schedules to accompany your testimony?

23 A. Yes. I have prepared and am sponsoring the following schedules:

1	Schedule RCS-1	Test Year Revenue Requirement Statement
2	Schedule RCS-2	Test Year Rate Base
3	Schedule RCS-3	Test Year Income Statement
4	Schedule RCS-4	Test Year Plant in Service
5	Schedule RCS-5	Test Year Depreciation Expense
6	Schedule RCS-6	Test Year Depreciation Reserve
7	Schedule RCS-7	Known and Measurable Adjustments
8	Schedule RCS-8	Depreciation Reserve Issues
9	Schedule RCS-9	Proposed Depreciation Rates
10	Schedule RCS-10	Summary of Rate Changes
11	Schedule RCS-11	Switched Access Rate Development

12

# 13 REVENUE REQUIREMENT

14

15 Q. What test period do you propose for use in this proceeding?

16 A. I propose that the twelve months ending August 31, 2003, be the test year for this  
17 proceeding. The financial data filed with my direct testimony is based on actual  
18 data for this time-period as recorded on the Company's books in accordance with  
19 either Generally Accepted Accounting Principles (GAAP) or Part 32 of the FCC's  
20 rules. This test period was chosen because it provided the latest available financial  
21 data for the Company that could be used to complete preparation of the rate case  
22 filing. In addition, I have updated the test year information to reflect certain known  
23 and measurable items that impact the Company's revenues, expenses, and rate base.

1

2 Q. Please describe Schedule RCS-1 in greater detail.

3 A. Schedule 1 presents a summary of the development of the Company's revenue  
4 requirement or revenue deficiency. On this schedule and on the additional  
5 schedules discussed below, I demonstrate the need for an additional \$2,359,972 in  
6 intrastate revenue. I have based my calculation on a return on rate base of 12.0%,  
7 whereas the Company's actual intrastate results during the test period produce a  
8 negative 0.016% return on rate base.

9

10 Q. Mr. Robinson's testimony on cost of equity arrived at a range of 11.72% to 17.89%  
11 with a mid-point of 14.8%. Why is the revenue requirement you propose based on  
12 a 12% cost of capital?

13 A. Fidelity Telephone Company is 100% equity financed so Mr. Robinson's proposed  
14 return on equity translates specifically into its cost of capital as well. However, in  
15 order to minimize the impact on customers, the Company decided to limit its  
16 revenue requirement based on a 12% cost of capital, near the low end of the range  
17 Mr. Robinson recommends.

18

19 RATE BASE

20

21 Q. Have you prepared a schedule showing the Company's rate base for the test year?

22 A. Yes. Schedule RCS-2 illustrates the rate base for the test year on both a total  
23 company and an intrastate separated basis. The end-of-year rate base as of August

1 31, 2003 on an intrastate basis is \$11,112,460. The intrastate rate base is calculated  
2 by taking the intrastate plant in service (Schedule RCS-4) less the intrastate  
3 depreciation reserve (Schedule RCS-6) and adding the intrastate portion of certain  
4 other balance sheet accounts as identified on Schedule RCS-2.

5

6

7 PLANT IN SERVICE & DEPRECIATION RESERVE

8

9 Q. Have you prepared schedules providing detail supporting the plant in service and  
10 associated depreciation reserve amounts?

11 A. Yes, I have. Schedule RCS-4 presents the Company's plant in service detail and  
12 Schedule RCS-6 presents the associated depreciation reserve detail.

13

14 Q. Would you briefly provide additional descriptions of the columns in these two  
15 schedules that need further explanation?

16 A. Yes. In general, the schedules provide August 31, 2003, plant and reserve account  
17 detail by FCC primary account level. The "Jurisdictional Adjustment" column  
18 captures items that were not in the general ledger account balance at the close of the  
19 test period but should have been included, and items that were included in the  
20 general ledger account balance that should not have been included. These amounts  
21 may be either reclassifications between accounts or known and measurable  
22 adjustments as discussed on my Schedule RCS-7 – Known and Measurable



1 Adjustments. I believe the other column headings provide adequate descriptions of  
2 the information contained in those columns.

3  
4 Q Have you prepared a schedule showing the Company's income statement for the test  
5 year?

6 A. Yes. Schedule RCS-3 shows the derivation of the proposed test year income  
7 statement including the actual data for the year, proposed adjustments, and the  
8 separated income statements for the test year. The schedule indicates an intrastate  
9 net operating loss of \$182,387 for the test year.

10  
11 Q. Would you briefly provide additional descriptions of the columns on Schedule  
12 RCS-3 that need further explanation?

13 A. Yes. In general the schedules provide test period revenue and expense account  
14 detail by FCC primary account level. The "Jurisdictional Adjustment" column  
15 captures items that were not in the general ledger account balance at the close of the  
16 test period but should have been included, and items that were included in the  
17 general ledger account balance that should not have been included. These amounts  
18 may be either reclassifications between accounts or known and measurable  
19 adjustments as discussed on my Schedule RCS-7, Known and Measurable  
20 Adjustments. I believe the other column headings provide adequate descriptions of  
21 the information contained in those columns.

1 DEPRECIATION EXPENSE

2  
3 Q. Have you prepared a schedule showing the development of the Company's  
4 depreciation expense for the test year?

5 A. Schedule RCS-5 shows the derivation of the proposed test year depreciation  
6 expense. With a couple of notable exceptions, the depreciation expense is derived  
7 using the depreciation rates last approved for use by the Company by the Missouri  
8 Public Service Commission in 1996 in Telephone Authority Order #998. The  
9 schedule indicates an intrastate depreciation expense of \$1,700,664 for the test  
10 year.

11  
12 Q. Could you please explain where you used depreciation rates different from those  
13 currently authorized by the Commission?

14 A. Yes. In my review of the Company's detailed financial information, I identified  
15 three accounts where an imbalance between the current authorized depreciation rate  
16 and the depreciation reserve balance has developed. I have detailed this  
17 information on Schedule RCS-8, Depreciation Reserve Issues. The specific issues  
18 with these accounts are as follows:

19  
20 Account 2122 -- Furniture, includes a significant portion of assets where the  
21 Company determined at September, 1997 that the capitalized cost had been fully  
22 depreciated. However, the assets remain in productive use. Since that time  
23 additional assets have been purchased. For this account, I recommend using a

1 weighted depreciation rate so as to not over depreciate the account on a going  
2 forward basis. As shown on Schedule RCS-8, the weighted rate of 4.55% is  
3 approximately two-thirds of the currently authorized rate of 6.71%.

4  
5 Account 2411 – Pole Lines, is nearly fully depreciated with a reserve ratio of 96%,  
6 as of the end of the test period. With the current depreciation rate of 6.19%, the  
7 reserve is likely to surpass the depreciable plant balance this year. The Company  
8 determined at September, 1997 that the plant balance of \$363,671 at that time had  
9 been fully depreciated. Since that time new plant additions have been recorded  
10 bringing the total account balance to \$406,382. I would recommend reducing the  
11 current depreciation rate to 1% in order to avoid creating a situation where the  
12 reserve balance grows to a level in excess of the plant-in-service balance.

13  
14 Account 2431 – Aerial Wire is for all practical purposes fully depreciated. Over the  
15 past several years only \$165 has been capitalized to this account. I recommend that  
16 the Company discontinue the application of a depreciation rate to this account. I  
17 recommend that any future additions to this account be accounted for in a unique  
18 sub-account. This sub-account should receive a depreciation accrual based on the  
19 currently authorized depreciation rate for the aerial wire account.

20  
21 Q. Have you prepared a schedule of the depreciation rates that you would request the  
22 Commission approve as Fidelity Telephone Company's minimum depreciation  
23 rates in this case?

1 A. Yes. Schedule RCS-9 displays the depreciation rates for all accounts that the  
2 Company requests the Commission approve in this case and upon which the  
3 depreciation expense in the revenue requirement is based.  
4

5 JURISDICTIONAL FACTORS  
6

7 Q. How did you determine the state jurisdictional factors shown on Schedules RCS-2,  
8 3, 4, 5, and 6?

9 A. The jurisdictional factors for the revenue accounts were determined by reviewing  
10 the accounts and identifying or analyzing the jurisdiction of the revenues. The  
11 jurisdictional percentages for expense and investment accounts were determined by  
12 performing a jurisdictional separations study using FCC Part 36 rules. The factors  
13 used are based on the Company's 2002 annual cost study as submitted to the  
14 National Exchange Carrier Association (NECA) for use in its Common Line pool  
15 settlements.  
16

17 KNOWN AND MEASURABLE ADJUSTMENTS  
18

19 Q. Schedule RCS-7 details the Known and Measurable Adjustments you are proposing  
20 for consideration. Would you please describe this Schedule?

21 A. Yes. Schedule RCS-7 presents a number of Known and Measurable Adjustments  
22 categorized as revenue, expense or plant adjustments. I will address each of the  
23 three categories separately. Each adjustment contains an identifying number, the

1 standard account number, a description, the amount of the adjustment, and an  
2 indication of which detailed schedule the adjustment is posted to.

3  
4 REVENUE ADJUSTMENTS

5  
6 Q. Would you please address the revenue adjustments?

7 A. Yes. The revenue adjustments are numbered 1 through 6, on page 1 of Schedule  
8 RCS-7. Adjustment 1a removes revenue from the test period associated with the  
9 recurring monthly fees for ISDN PRI lines no longer in service. The Company had  
10 a major customer subscribe to 40 ISDN PRIs in October 2002. The customer  
11 subsequently discontinued service on 25 of those lines in October 2003. The  
12 adjustment of \$160,991, removes from the test period the revenue associated with  
13 the 25 lines that are no longer in service. The second adjustment, labeled 1b,  
14 removes the non-recurring installation charge associated with the 40 ISDN PRIs  
15 discussed above. This large service order was a unique event and the Company's  
16 management does not anticipate any significant subsequent orders for this service.  
17 The amount of the adjustment for non-recurring revenue is \$12,000. The sum of  
18 adjustments 1a and 1b is \$172,991, which is posted to the income statement.

19  
20 Q. Please describe adjustment number 2.

21 A. Adjustment number 2 reduces the revenue Fidelity receives from application of its  
22 terminating wireless access tariff. The current tariff rate, and the rate applied  
23 throughout the test period, is \$0.0572. However, Fidelity has executed

1 interconnection agreements with Sprint PCS and Verizon Wireless during the test  
2 period with a \$0.035 rate per minute. Other wireless carriers have requested  
3 interconnection agreements with Fidelity, and Fidelity currently is in negotiations  
4 and has a draft agreement with Cingular Wireless which is anticipated to also have  
5 a rate of \$0.035. Cingular accounts for over 80% of the Company's terminating  
6 wireless minutes. Therefore, I have reduced the test period revenue to reflect the  
7 negotiated rate of \$0.035. The amount of the revenue reduction is \$279,797, which  
8 is posted to the income statement.

9  
10 Q. Please describe adjustment 3.

11 A. Adjustment 3 is comprised of three subparts. Subpart 3a reduces test period  
12 revenue in recognition that the Company's intrastate toll revenue has been  
13 decreasing throughout the test period. The adjustment of \$38,574 reduces the test  
14 period revenue to an annualized level equal to the final three months of the test  
15 period. The second subpart (3b) adjusts the test period revenue to recognize the  
16 recent loss of a major intraLATA toll customer. The customer left Fidelity in  
17 November 2003 and had generated \$18,257 of toll revenue in the test period. Since  
18 this revenue will no longer be available to Fidelity, I have removed it from the test  
19 period. The third subpart (3c) removes the interstate intraLATA toll revenue,  
20 which was accounted for in account 5100 during the test period. The three subparts  
21 equal \$66,675, which I removed from the test period revenues. The total is posted  
22 to the test period income statement.

1 Q. Please explain adjustment number 4.

2 A. The test period revenues include Federal High Cost Loop (HCL) USF support of  
3 \$195,047. Based on the most recent information available from NECA, the HCL  
4 USF support level in calendar year 2004 for Fidelity will be \$130,960. This  
5 reduction is due to a decrease in the net plant and expenses for the Company  
6 relevant to the HCL and to an increase in the national average loop cost calculated  
7 by NECA necessary to maintain the overall USF funding under its prescribed cap  
8 level. The difference of \$64,087 will no longer be available to the Company and I  
9 have removed it from the test period revenues. This adjustment is posted to the  
10 income statement.

11

12 Q. Please explain adjustment number 5.

13 A. Summary level account 5270 – Billing and Collection Revenue, includes both state  
14 and interstate revenue amounts. This adjustment removes the interstate amount,  
15 which was identified as \$38,497, and was posted to the income statement.

16

17 Q. Please explain adjustment number 6.

18 A. This adjustment removes from the uncollectible account the interstate amounts  
19 associated with interstate subscriber line charge (SLC) and switched access write-  
20 offs. The total of \$22,050 is posted to the income statement.

21

22

23

1 EXPENSE ADJUSTMENTS

2

3 Q. Would you please address the expense adjustments?

4 A. Yes. The expense adjustments are numbered 7 through 15, on page 2 of Schedule  
5 RCS-7. Most of the adjustments in this section address the specific account  
6 treatment of two wage increases by the Company. The larger of the two increases  
7 was effective July 1, 2003, and resulted in an annualized loaded expense increase to  
8 the Company of \$191,151. The second increase is scheduled for implementation on  
9 January 1, 2004, and will result in an annualized loaded expense increase to the  
10 Company of \$79,502. The January 1, 2004 increase is based on "step schedules"  
11 published in Company policy documents applicable to employees based on their  
12 time in service. The following adjustments from Schedule RCS-7, increase the test  
13 period expense levels in recognition of the two wage increases: 7, 8, 9, 10, 12, 13,  
14 14a, 14b, 15a and 15b.

15

16 Q. Please explain adjustment number 11.

17 A. Adjustment 11 is comprised of two subparts. Item 11a reduces test period expense  
18 levels in order to capture a lower level of intrastate access expense as the result of  
19 the reduced intrastate toll revenue discussed in the revenue section above. Item 11b  
20 removes from the test period expense levels the USF contribution payments Fidelity  
21 made to USAC for the federal USF fund during the test period, because these  
22 expenses are directly assigned to the interstate jurisdiction. These two items total  
23 \$129,748, and are posted to the income statement.



1

2 Q. Please explain item number 14.

3 A. The first two subparts, items 14a and 14b, are associated with the wage adjustments  
4 discussed above. Item 14c increases the test period expense level for Account 6710  
5 to remove a one-time reduction to expense as the result of a life insurance policy  
6 being paid to the Company. The Company owned a life insurance policy on the life  
7 of a member of its Board of Directors. This Board member died and the policy  
8 proceeds were paid to the Company. The life benefit paid was \$248,856, whereas  
9 the cash surrender value was booked at \$212,488. The difference of \$36,368 was  
10 booked as a reduction in Account 6710 expenses. Since this is a non-recurring  
11 transaction, I have removed it from the test period expenses, thereby increasing  
12 expenses. Item 14d removes from the test period expenses, \$28,784 in charitable  
13 contributions made by the Company.

14

15 Q. Please explain item number 15.

16 A. The first two subparts, items 15a and 15b, are associated with the wage adjustments  
17 discussed above. Item 15c represents the Company's current estimated level of  
18 legal and consulting fees associated with the current rate filing. The estimated total  
19 cost of \$222,600 has been amortized over three years. Item 15d removes lobbying  
20 expenses from the test period. Item 15e increases test period expenses to remove  
21 an extraordinary reduction booked to test period expense as the result of forfeited  
22 deferred compensation resulting from an employee termination. The extraordinary

1 gain was booked as a reduction to expenses. Since it is a non-recurring item, I have  
2 removed the impact from the test period.

3  
4 PLANT-IN-SERVICE ADJUSTMENTS

5  
6 Q. Would you please address the plant adjustments?

7 A. Yes. The plant adjustments are numbered 16 through 21, on page 3 of Schedule  
8 RCS-7. All of the plant adjustments described below increase telephone plant in  
9 service and are posted to the Test Year Plant in Service Schedule. Generally, they  
10 represent plant additions that were placed in service after August 31, 2003, but  
11 before November 15, 2003.

12  
13 Q. Please explain adjustment number 16.

14 A. Adjustment 16 represents the capitalized cost of three vehicles placed in service  
15 following the close of the August 31, 2003 test period.

16  
17 Q. Please explain adjustment number 17.

18 A. Adjustment 17 represents a building warehouse addition and a new building  
19 security system both of which have been placed in service subsequent to the close  
20 of the test period.

21  
22 Q. Please explain adjustment number 18.

1 A. Adjustment 18a represents general purpose computers with a cost of \$13,888.  
2 Adjustment 18b represents the cost of a Solomon accounting system upgrade  
3 program costing \$280,327. The assets included in both of these items were placed  
4 in service subsequent to the close of the test period.

5  
6 Q. Please explain adjustment number 19.

7 A. Several central office construction and upgrade programs were completed and  
8 placed in service subsequent to the close of the test period. The capitalized value of  
9 these projects was \$264,016.

10

11 Q. Please explain adjustment number 20.

12 A. Various transmission circuit construction and upgrade programs were completed  
13 and placed in service subsequent to the close of the test period. The capitalized  
14 value of these projects was \$136,809.

15

16 Q. Please explain adjustment number 21.

17 A. Various buried cable construction and upgrade programs were completed and  
18 placed in service subsequent to the close of the test period. The capitalized value of  
19 these projects was \$75,353.

20

21 Q. Can you summarize your discussion of the Company's revenue requirement?

22 A. Yes. Based on the analysis I have done, the Company shows a need to increase its  
23 annual revenues by \$2,359,972.

1 RATE DESIGN

2

3 Q. Have you prepared a schedule summarizing the proposal of the Company to  
4 increase its revenues by \$2,359,972?

5 A. I have prepared Schedule RCS-10 to both show the Company's detailed proposal to  
6 adjust all rates except state access rates and to summarize the Company's proposals  
7 by a number of major groups of services. In summary, the Company's proposal  
8 will increase intrastate revenues by approximately 30%.

9

10 Q. What are the major groups of services for which rate increases are proposed?

11 A. The major groups of services for which rate increases are proposed are:

- 12 a. Phone lines
- 13 b. Dedicated local services
- 14 c. Payphone
- 15 d. Non-recurring charges
- 16 e. Calling Features
- 17 f. IntraLATA toll calling plans
- 18 g. Directory/Operator services
- 19 h. Other
- 20 i. Access Services

21

22 Q. Is the Company proposing increases in the rates for all of its services?

1 A. No, while the proposed increases impact services that provide a majority of the  
2 Company's current state revenues, not all rate elements were increased. In a  
3 number of cases, while there are rates for certain services or service features in  
4 Fidelity's tariffs, there are very few or no subscribers to these services and thus  
5 they provide either no, or minimal amounts of, revenue. Increases are not  
6 proposed for these elements. There were a few other elements where specific  
7 circumstances related to that particular service led the Company to decide not to  
8 recommend increases in these rates. A prime example are the wireless terminating  
9 rates which have not been changed because in most cases, contracts have or are  
10 expected to replace the use of the tariffs.

11  
12 Q. What process did the Company use in developing its rate design for rates other than  
13 access rates?

14 A. The initial step in developing the rate design was gathering data on all the  
15 Company's general exchange rate elements including both the current rate and  
16 monthly billing units for recurring revenue items, or annual billing units for non-  
17 recurring charges. Recurring revenue billing units were derived from August 31,  
18 2003 subscriber counts, the subscribers at the end of the test period. Non-recurring  
19 units were developed for the twelve months of the test period.

20  
21 The Company then reviewed each individual rate element including the current rate  
22 and the revenue generated from that rate element. As indicated earlier, if there  
23 were only a few or no billing units for a given rate element, the Company generally

1 did not make changes in the rates. Other rates or rate categories were reviewed in  
2 comparison with similar services offered by other telephone companies in the area,  
3 in comparison with competitive offerings by other types of providers, if applicable,  
4 and revised rates were initially assigned. An initial calculation was made of the  
5 revenues that would result from these increases. Evaluations were then made of  
6 the revenues that would be generated both by individual rate elements and within  
7 major revenue groups. Comparisons were also made of revenue changes with the  
8 overall revenue deficiency to avoid undue impacts on individual revenue groups.  
9 This process was reviewed and updated after various internal reviews and with the  
10 updating of the revenue deficiency and more complete revenue calculations.

11  
12 In the final proposal presented, the Company did have an objective of keeping  
13 individual rate element increases at less than 50% and in keeping a reasonable  
14 balance in increases for general exchange service revenues in comparison with  
15 increases for access services.

16  
17 PHONE LINE RATES

18  
19 Q. Let's turn now to the category titled "Phone Lines", frequently referred to as basic  
20 local service rates. Can you briefly describe the service that Fidelity local  
21 customers receive for their basic local service rates?

22 A. Yes. Fidelity's local customers can make and receive unlimited calls within their  
23 local calling area, which covers all the Company's local customers. Thus, the

1 customers can call approximately 16,700 access lines within a calling area that  
2 encompasses parts of several counties. Based on my understanding of local calling  
3 areas around the state, I believe that geographically this is one of the largest local  
4 calling areas in the state outside the metropolitan areas. All customers have touch  
5 tone dialing service as part of their local exchange service rate.

6  
7 Q. What is Fidelity's proposal for increasing residence service rates?

8 A. The Company proposes increasing these rates from the current tariffed rate of \$7.55  
9 to \$11.25 a month, an increase of \$3.70 which results in an increase of slightly less  
10 than 50%. I believe it is important for the Commission to realize that the local  
11 tariffed rate does not reflect the total amount the customer is required to pay for  
12 local service. Each subscriber also is required to pay a federal subscriber line  
13 charge (SLC) of \$6.50 per month as well as various surcharges for 911 and  
14 telecommunications relay service along with various federal and state taxes. If  
15 consideration is given to the federal SLC, in addition to the tariffed local residence  
16 rate, customers will see an increase from a current combined charge of \$14.05 to a  
17 proposed combined charge of \$17.75. The increase in the combined charge would  
18 equal approximately 25%.

19  
20 Q. What increase is proposed for one-party business service?

21 A. The Company proposed that one-party business service rates be increased from the  
22 current tariff rate of \$14.25 to a proposed rate of \$18.95. This increase is \$1.00  
23 more than the proposed residence line increase but amounts to approximately a

1 35% increase. Other business phone line increases were generally between 30%  
2 and 35%.

3  
4 Q. Can you briefly describe business trunking service?

5 A. These services are provided to business customers with multiple lines and provide  
6 additional features such as trunk hunting capabilities so that a call to that business  
7 customer's published telephone number will be switched to any unused line the  
8 company has in the trunk group. Rates for these services are proposed to increase  
9 from \$21.40 to \$28.70.

10  
11 Q. Can you discuss why the proposed increases for local business services is  
12 somewhat less than residence service on a percentage basis?

13 A. Yes. Historically this Commission has set business rates at a level of  
14 approximately two or more times greater than residence rates based on "value of  
15 service" principles. Basically the concept was that the service was of more value  
16 to the business customer, partially because their costs would be tax deductible, and  
17 therefore they could and would pay more for the service. It has been my  
18 observation from reviewing various cost studies of local service and the rationale  
19 behind them that the cost of business service is fairly close to that of residence  
20 service. In fact, since businesses are generally located closer to the telephone  
21 company switching office, on average, than are residence customers, one key cost  
22 factor, the length of the local loop, may, on average, be less for business than for  
23 residence customers. Recognizing this general observation about costs in the



1 telephone industry, the Company's proposal is a step toward reducing the  
2 percentage difference between the residence and business rates, though the dollar  
3 difference between the rates actually increases under the Company's proposal.

4

## 5 DEDICATED SERVICES

6

7 Q. Please briefly describe the Loop Charge service?

8 A. This service provides the use of a local loop between two different locations within  
9 the same exchange either on a directly connected basis or through a bridge  
10 mechanism in the central office. This service is typically used either as a local  
11 private line to directly connect two points within the exchange, or as an extension  
12 so the called number can be answered in a different location in addition to the  
13 primary location where the telephone service is located.

14

15 Q. What is the rationale for the increase proposed for this service?

16 A. The proposed increase would bring the rate for this service to the same level as the  
17 proposed rate for residence one-party service.

18

19 Q. Please describe the direct inward dial (DID) services and the increases proposed for  
20 them.

21 A. DID service provides a customer a specific block of telephone numbers in a  
22 numbering group for current or future use. This service is used by business  
23 customers to provide a related set of numbers for dialing in to departments or

1 individuals within the business organization. Most often it is used in conjunction  
2 with business trunking service so that the business customer may have a large  
3 number of individual numbers that can be dialed, but a smaller number of trunks  
4 from the central office to its key or PBX system which provides switching of the  
5 calls to the specific location associated with the DID number. Companies  
6 frequently “reserve” DID numbers for future growth so that as their need for DID  
7 lines increase, numbers are available within the identified numbering group.

8  
9 The proposed increases impact only a small number of customers and are designed,  
10 on a percentage basis, to be similar to the level of increases for basic business  
11 services.

12  
13 Q. Could you describe briefly the Integrated Services Digital Network (ISDN)  
14 services?

15 A. Yes. ISDN service is a specialized digital switching service which provides greater  
16 bandwidth for the customer’s use. The standard service provides a bandwidth of  
17 128 kilobits with two subchannels within the bandwidth so that the customer may  
18 use the service for a voice conversation and a dial-up data connection to the  
19 internet at the same time. The primary rate interface (PRI) service provides 1.544  
20 megabits of bandwidth, the equivalent of a T-1 service that can be used for  
21 multiple voice or data channels.

22  
23 Q. What changes is the Company proposing in the offering of ISDN service?

1 A. Increases are proposed for residence and business standard ISDN service to the new  
2 proposed rates of \$50.00 and \$62.50 respectively, a 25% increase.

3  
4 The Company is proposing some restructuring in regard to the ISDN PRI service.  
5 Under the current tariff language, ISDN-PRI could be either a one-way or two-way  
6 service. The Company is proposing that the tariff be modified to offer separate  
7 two-way and one-way services. At the present time, the current customers are  
8 presumed to be subscribed to and using two-way service. Rates for the two-way  
9 ISDN PRI service are proposed at \$862.00, \$930.00, and \$1035.00 for five-year  
10 contract, three-year contract, and six-month contract rates respectively. These  
11 increases are designed to recognize the value of two-way ISDN service and are  
12 substantial increases over the current rates, but are still somewhat lower than the  
13 rates for comparable services offered by Southwestern Bell Telephone Co.  
14 (SWBT) and Sprint Missouri, Inc. (Sprint). In addition Fidelity is filing additional  
15 provisions to offer a one-way ISDN service at individual case basis (ICB) rates,  
16 lower than the two-way rates. The Company will be individually contacting its  
17 existing ISDN PRI customers to see whether they want to use the two-way or one-  
18 way service offering.

19  
20 PAYPHONE SERVICES

21  
22 Q. Would you describe the payphone service offerings and the rates proposed for these  
23 services?

1 A. Yes. The payphone service offerings provide the local number, switching, and  
2 local loop facility (but not the instrument) for the provision of payphone services.  
3 The proposed rates increase the payphone rates to \$18.95, the same rate proposed  
4 for single-line business service.

5

## 6 NON-RECURRING CHARGES

7

8 Q. The next category of services shown on Schedule RCS-10 is the Nonrecurring  
9 Charge category. Can you provide an overall description of this category of  
10 services?

11 A. Yes. These charges are for various activities associated with installing and  
12 changing customer service offerings. They are generally designed to recover a  
13 substantial portion of the cost associated with establishing or changing customer  
14 service, costs that are incurred because of the customer's request. These costs  
15 include customer service representative costs, record updates associated with the  
16 request, and the cost of making the necessary changes in the central office switch  
17 (if required) for the request. The title of each rate describes the basic change in  
18 service that it applies to. More specific descriptions of the application of these  
19 rates are contained in the local service tariff.

20

21 Q. Can you provide the rationale underlying the proposed rate increases?

1 A. Yes. The increases were based on a review of the individual services categories  
2 and a reasoned determination of appropriate increases for each service. The  
3 increases are focused in the 20% to 35% range.

4

#### 5 CALLING FEATURES

6

7 Q. Please describe in general terms the Calling Features category of services and the  
8 underlying rationale for the increases proposed for these services?

9 A. The Calling Features category of services are features that customers can have  
10 added to their basic local service to provide specific features which make the  
11 service more useful and robust. The most popular features include call waiting,  
12 call forwarding, caller ID-number, and caller ID-name and number.

13

14 In determining the rate increases that would be applied to these services, each  
15 service was reviewed by the Company and an individual determination of the  
16 increase to propose was made. Factors taken into consideration included the  
17 current subscriber levels for the service, the rates charged by other telephone  
18 companies in the state, and the charges for such services imposed by competitive  
19 carriers such as Commercial Mobile Radio Service (CMRS) providers. The  
20 increases proposed reflect the judgment of the Company of appropriate rates for  
21 these services in view of these factors.

22

23

1   INTRALATA TOLL SERVICES

2

3   Q.   Please describe the Company's provision of intraLATA toll services?

4   A.   Since the inception of the Primary Toll Carrier plan in 1988 Fidelity Telephone  
5       Company has provided intraLATA toll service under its own tariffs. The Company  
6       was one of five telephone companies in the state to assume the responsibility of a  
7       Primary Toll Carrier and provide intraLATA toll service at that time. The  
8       Company's rates for that service have declined somewhat since 1988 but are  
9       currently substantially higher than the rates offered by other carriers for this  
10      service. Pursuant to the Telecommunications Act of 1996 and ensuing FCC rules  
11      regarding dialing parity, the Company implemented intraLATA dialing parity and  
12      presubscription in 1999. Since that time the Company has seen a steady and  
13      considerable decline in intraLATA toll service as customers have chosen other toll  
14      providers for this service in conjunction with interLATA toll service which the  
15      Company does not offer. Consequently, the Company is proposing no increase in  
16      most of its intraLATA toll service offerings.

17

18      In 1993 the Commission ordered and the Company implemented the Outstate  
19      Calling Area (OCA) plan as part of its intraLATA toll service offering. This is a  
20      block-of-time calling plan to exchanges within 23 miles of each exchange rate  
21      center which provided some discount from regular intraLATA toll rates. The  
22      Company has proposed a modest (10% to 12%) increase for these services.

23

1     DIRECTORY AND OPERATOR SERVICES

2

3     Q.    Can you describe the changes proposed for Directory Assistance (DA) service?

4     A.    When Fidelity implemented charging for DA service a number of years ago, the  
5           imposition of such charges was fairly new in the industry. The Commission  
6           required that the Company provide the first three calls to DA each month without a  
7           charge, but that calls above three per month could be charged the DA rate. The  
8           Company's tariff continues to contain this provision. However, times have  
9           changed and directory assistance service is now offered by a variety of providers,  
10          many under rates that are not regulated, and free call allowances are generally not  
11          provided. Fidelity's primary proposal regarding DA service in this case is to  
12          eliminate the three free call allowance. The Company also proposes to raise the  
13          DA service rate from \$0.45 to \$0.50.

14

15    Q.    What is the Company's proposal regarding "busy line" operator services?

16    A.    Busy Line status verification and busy line interrupt are two operator services that  
17          are provided to assist customers trying to call an end user whose line is busy. The  
18          Busy Line status verification is normally used when a customer has been trying to  
19          reach another end user for some time and has been unable to do so because the line  
20          is busy. The operator enters the line to verify whether a conversation is taking  
21          place on the line or not and reports back to the caller requesting the verification.  
22          Busy line interrupt is generally used in an emergency situation when a caller needs  
23          to reach the end user being called, but the line is busy. In this case the operator

1 interrupts the conversation and reports that someone with an emergency is trying to  
2 reach the end user. The Company proposes to raise the rate for each of these  
3 services by \$0.50.

4

5 Q. What is the Company proposing in regard to optional directory listing services?

6 A. The Company proposes that the rates for this optional service such as non-  
7 published service, non-list service, and additional listings be increased by \$0.50 per  
8 month.

9

#### 10 LATE PAYMENT CHARGE

11

12 Q. What is the proposed increase for the Company's late payment charge?

13 A. The Company is proposing a rate increase from \$5.00 to \$5.50 for this charge that  
14 is applied when a customer does not pay his/her bill on time. I view both the  
15 increase and the overall rate as quite modest in comparison with rates charged by  
16 credit card companies today that are often in the \$20 to \$30 range.

17

#### 18 ACCESS SERVICES

19

20 Q. The final category shown on Schedule RCS-11 is the category of Access Services.  
21 Can you briefly describe these services?

22 A. Yes. Access services are services offered by the Company primarily to  
23 Interexchange Carriers (IXCs) for the use of the Company's network to originate or



1 terminate intrastate toll calls. In addition, special access services provided under  
2 the Company's Access Service tariff provide access to the use of the Company's  
3 network so these carriers can provide dedicated services to end user customers.  
4

## 5 ACCESS RATE RESTRUCTURE

6

7 Q. Does the Company propose rate structure changes in switched access rates in  
8 addition to changes in the rates?

9 A. Yes, there are two major rate structure changes that are proposed. The first is to  
10 consolidate the local switching, access line service termination, and directory  
11 assistance information elements into a single rate element. The second is to change  
12 the structure for local transport service from a per minute mileage banded structure  
13 to a single per minute rate element. I will discuss each of these in greater detail  
14 below.  
15

16 Q. Can you discuss the consolidation of the three rate elements into the local switching  
17 rate as you discussed above?

18 A. Yes. When access tariffs were initially established by the Company following the  
19 then current rate structure adopted by the FCC, these three rate elements were  
20 established separately. In 1988, the FCC modified its access rate structure to  
21 eliminate the access line service termination element and combine it with the local  
22 switching element consistent with changes that were made in the separations rules  
23 (Part 36 of the FCC rules) at that time. Since both these elements are charged on

1 the identical billing units, Fidelity is proposing to follow the FCC change made a  
2 number of years ago and combine the access line service termination element into  
3 the local switching element.

4  
5 The Directory Assistance Information Surcharge was established and is still  
6 maintained by the FCC in Part 69 of its rules to recover the cost of providing white  
7 pages listings that is allocated to the interstate jurisdiction. This element is also  
8 charged against the same rate units as local switching and provides a very small  
9 amount of revenue. Therefore, the Company is proposing to consolidate this  
10 element into the Local Switching element as well for administrative simplicity.

11  
12 Q. Would you please describe the current rate structure for the Local Transport  
13 element of switched access and the proposal for changing that structure?

14 A. Fidelity's current rate structure for Local Transport has five mileage bands with a  
15 specified rate for each mileage band. The description of the rate element identifies  
16 this rate as the cost of providing the local transport facilities within Fidelity's  
17 service area. At the time this structure was established, several of Fidelity's  
18 exchanges were served by stand-alone central office switches with varying  
19 transport distances to each office. The offices were fit into the mileage band  
20 structure and rates charged appropriately for each office.

21  
22 However, since that time Fidelity's central office switching network has been  
23 changed and now all the exchanges are served by remote switches or digital

1 concentrators off the host switch in Sullivan. As a result of this change and to  
2 simplify its local transport rate structure, the Company is proposing to replace the  
3 mileage band structure with a local transport similar to most of the other small  
4 telephone companies in Missouri. This structure would have a single rate per  
5 minute applied to all minutes regardless of the exchange from which the call  
6 originates or in which it terminates.

7  
8 Q. Have you prepared a schedule showing how the rate restructuring was done?

9 A. Yes. Schedule RCS-11 shows how this rate restructuring was calculated and how  
10 the proposed rates for switched access were derived. In the case of local transport,  
11 the total revenues for local transport based on the current rate structure were  
12 divided by the total minutes to arrive at the restructured local transport rate. For  
13 local switching, the three rate elements were added together to provide the  
14 restructured local switching rate. This is shown on lines 2 through 7 of this  
15 schedule.

16  
17 Q. Is the Company proposing any other structural changes in its access tariff?

18 A. Yes. The current access tariff contains provisions for charging a minimum monthly  
19 charge for switched access circuits. Similar provisions were removed from the  
20 interstate tariff several years ago at the direction of the FCC. The Company has  
21 not found occasions to apply these provisions and is proposing to remove these  
22 provisions from its intrastate access tariff as well.

23

1 SWITCHED ACCESS RATE INCREASE

2

3 Q. Can you discuss how the Company approached the development of the proposed  
4 switched access rates?

5 A. Yes. In this case, the Company's proposal is based on residually pricing switched  
6 access rates. That is, the rates for all other elements were developed as described  
7 above and the revenue increase resulting from those proposed rate elements was  
8 calculated. This amount was subtracted from the total revenue requirement to  
9 arrive at the access rate increase shown on line 10 of Schedule RCS-11. This  
10 amount was compared to the current revenue from these elements and it was  
11 determined that a 36.18% increase in access revenue was needed to provide the  
12 revenues to recover the total revenue requirement deficiency determined by the  
13 Company. The 36.18% increase was applied to each of the switched access rate  
14 elements (as restructured) to arrive at the proposed switched access rates shown on  
15 line 12 of Schedule RCS-11.

16

17 Q. Does this conclude your direct testimony?

18 A. Yes, it does.

**Fidelity Telephone Company**  
**August 2003 12mtd**  
**Revenue Requirement**

**Schedule RCS-1**

Line #	Description	Missouri Jurisdiction
1	Net Orig. Cost Rate Base (Sch RCS-2)	11,112,460
2	Rate of Return	12.00%
3	Net Operating Income Requirement	1,333,495
4	Net Income Available (Sch RCS-3)	-182,387
5	Additional NOI BT Needed	1,515,882
6	Income Tax Requirement	
7	'Req'd Current Inc Tax	798,672
8	'Test Year Current Inc Tax	(45,418)
9	Additional Current Tax Required	844,090
10	Required Deferred ITC	0
11	Test Year Deferred ITC	0
12	Additional Deferred ITC Required	0
13	Total Additional Tax Required	844,090
14	Gross Revenue Requirement	2,359,972

**Fidelity Telephone Company**  
**August 2003 12mtd**  
**Rate Base**

**Schedule RCS-2**

*****	*****	*****	*****	*****	*****
Line	Description	Total	Jurisd	Jurisdictional	Missouri
#		Company	Adjust	Factor	Jurisdiction
*****	*****	*****	*****	*****	*****
1	Total Plant In Service (Sch RCS-4)	38,928,747			26,740,814
2	Subtract from Total Plant 3XXX Depr Reserve (Sch RCS-6)	21,297,353			14,612,900
		-----			-----
3	Net Plant In Service	17,631,393			12,127,913
	Add To Net Plant In Service				
4	Cash Working Capital	0		0.00000	-
5	Materials & Supplies	935,579		0.71599	669,865
6	1300 Prepaid Tax	0	0	0.68217	-
7	13XX Other Prepays	138,110	0	0.68217	94,214
	Subtract From Net Plant				
8	Federal Tax Offset 0.0000 %	0	0		0
9	'State Tax Offset 0.0000%	0	0		0
10	City Tax offset 0.0000%	0	0		0
11	Interest Expense Offset 0.0000%	0	0		0
12	Customer advances for Const.	0	0		0
13	Contribution in aid of Const.	0	0		0
14	4340 Def Income Taxes-Deprec.	2,581,861		0.68772	1,775,597
15	Customer Deposits	0		0.68772	-
16	4320 Unamortized Operating ITC	5,769		0.68217	3,935
17	4360 Deferred Operating Taxes	0		0.68773	-
		-----			
18	Total Rate Base	<u>16,117,452</u>			<u>11,112,460</u>

**Fidelity Telephone Company**  
**August 2003 12mtd**  
**Income Statement**

*****	*****	*****	*****	*****	*****	*****
Line	Description	Total	Jurisdictional	Adjusted	Jurisdictional	Missouri
#		Company	Adjustment	Jurisdictional	Factor	Jurisdiction
*****	*****	*****	*****	*****	*****	*****
	Operating Revenues					
1	5001.000 Basic Area Service	2,629,860	(172,991)	2,456,869	1.00000	2,456,869
2	5010.000 Public Telephone Revenue	0	0	0	1.00000	-
3	5060.000 Customer Premises Revenue	0	0	0	1.00000	-
4	5081.000 End User	2,138,252	0	2,138,252	0.00000	-
5	5082.000 Switched Access Revenue	1,836,231	0	1,836,231	0.00000	-
6	5083.000 Special Access Revenue	960,159	0	960,159	0.00000	-
7	5084.000 State Access Revenue	4,340,018	(279,797)	4,060,221	1.00000	4,060,221
8	50XX.000 All Other 5000 Account Rev.	42,624	0	42,624	1.00000	42,624
9	5100.000 Long Distance Revenue	695,375	(66,675)	628,700	1.00000	628,700
10	5230.000 Directory Revenue	117,933	0	117,933	1.00000	117,933
11	5240.000 Rent Revenue	367,705	0	367,705	0.57632	211,915
12	5260.000 Federal High Cost Loop	195,047	(64,087)	130,960	1.00000	130,960
13	5270.000 Carrier B&C Revenue	166,772	(38,497)	128,275	1.00000	128,275
14	52XX.000 All Other 5200 Acct. Rev.	223,852	0	223,852	1.00000	223,852
15	5300.000 Uncollectable Revenue	(223,220)	22,050	(201,170)	1.00000	(201,170)
16	Total	13,490,607	(599,997)	12,890,610		7,800,179
	Operation & Maintenance Expense					
17	6110.000 Network Support Expense	736	0	736	0.68773	506
18	6120.000 General Support Expense	588,103	9,992	598,095	0.68773	411,326
19	6210.000 Central Office Switch Expense	571,346	25,199	596,545	0.63977	381,650
20	6230.000 Central Office Transmission	45,297	0	45,297	0.63977	28,980
21	6310.100 IOT Expense	5	0	5	0.00000	0
22	6310.200 CPE Expense	0	0	0	0.00000	0
23	6410.000 Cable & Wire Expense	622,936	0	622,936	0.71599	446,016
24	6510.000 Other PPE Expense	271,000	4,712	275,712	0.68773	189,614
25	6530.000 Network Operations Expense	1,857,851	98,427	1,956,278	0.68773	1,345,386
26	6540.000 Access Expense	271,131	(129,748)	141,383	0.99711	140,975
27	Total	4,228,405	8,582	4,236,987		2,944,453
	Depreciation Expense					
28	6560.000 Depreciation Expense (Actual)	2,295,867	(2,295,867)	0		
	Depreciation Expense (Calculated)		2,508,791	2,508,791		1,700,664
29	Other Depr. and Amortization	0	0	0	-	0
30	Total	2,295,867	212,925	2,508,791		1,700,664

**Fidelity Telephone Company**  
**August 2003 12mtd**  
**Income Statement**

*****	*****	*****	*****	*****	*****	*****
Line	Description	Total	Jurisdictional	Adjusted	Jurisdictional	Missouri
#		Company	Adjustment	Jurisdictional	Factor	Jurisdiction
*****	*****	*****	*****	*****	*****	*****
	Other Operating Expense					
31	6610.000 Marketing Expense	521,632	32,510	554,142	0.708709	392,725
32	6612.000 Sales Expense	0	0	0	0.708709	-
33	6620.000 Service Expense	860,241	40,802	901,043	0.822170	740,810
34	6710.000 Exec. & Planning	727,076	30,021	757,097	0.715830	541,953
35	6720.000 General & Admin.	1,914,246	121,492	2,035,738	0.679688	1,383,666
36	6565.000 Amort. Exp. - Acct 2005	0	0	0	0.000000	-
37	7240.000 Operating Other Taxes	468,599	0	468,599	0.685620	321,281
38	7540.100 Interest on Customer Depo.	3,532	0	3,532	0.688287	2,431
39	Total	4,495,325	224,825	4,720,150		3,382,867
40	Total Operating Expenses	11,019,598	446,332	11,465,929		8,027,984
*****	*****	*****	*****	*****	*****	*****
41	Net Income Before Taxes	2,471,010	(1,046,329)	1,424,681		(227,805)
*****	*****	*****	*****	*****	*****	*****
*****	*****	*****	*****	*****	*****	*****
42	Total Income Tax			533,644		(45,418)
*****	*****			*****	*****	*****
*****	*****			*****	*****	*****
43	Net Operating Income			891,037		(182,387)
*****	*****			*****	*****	*****



**Fidelity Telephone Company**  
**August 2003 12mtd**  
**Total Plant In Service**

**Schedule RCS-4**

*****	*****	*****	*****	*****	*****	*****
Line	Description	Total	Jurisdictional	Adjustment	Jurisdictional	Missouri
#		Company	Adjustment	Jurisdictional	Factor	Jurisdiction
*****	*****	*****	*****	*****	*****	*****
	Detailed Accounts					
1	2111.000 Land	825,265	0	825,265	0.68773	567,557
2	2112.000 Motor Vehicles	1,392,937	47,918	1,440,854	0.68773	990,915
3	2114.000 Special Purpose Vehicles	0	0	0	0.68773	-
4	2115.000 Garage Work Equipment	0	0	0	0.68773	-
5	2116.000 Other Work Equipment	1,532,033	0	1,532,033	0.68773	1,053,620
6	2121.000 Buildings	2,487,129	99,005	2,586,134	0.68773	1,778,554
7	2122.000 Furniture & Office Equipment	185,447	0	185,447	0.68773	127,537
8	2123.100 Office Support Equipment	103,881	0	103,881	0.68773	71,442
9	2123.200 Company Comm Equip	71,160	0	71,160	0.68773	48,939
10	2124.000 Gen Purpose Computers	3,517,886	294,215	3,812,101	0.68773	2,621,685
11	Total Gen Support	10,115,738	441,138	10,556,875		7,260,248
	Operating Accounts					
13	2210.000 Central Office Switching	5,044,404	264,016	5,308,420	0.63946	3,394,527
14	2231.000 Radio Systems	0	0	0	0.00000	-
15	2232.000 Circuit Equipment	5,485,409	136,809	5,622,219	0.64002	3,598,333
16	2351.000 Public Tel Term Eq.	0	0	0	0.00000	-
17	2362.000 Other Terminal Equipment	0	0	0	0.00000	-
18	2410.000 Cable & Wire Facilities	0	0	0	0.71599	-
19	2411.000 Poles	406,382	0	406,382	0.71599	290,965
20	2421.000 Aerial Cable metallic	1,288,250	0	1,288,250	0.71599	922,374
	2421.000 Aerial Cable fiber	133,822	0	133,822	0.71599	95,815
	2421.000 Aerial Cable drop	199,076	0	199,076	0.71599	142,536
21	2422.000 Underground Cable metallic	1,022,418	0	1,022,418	0.71599	732,041
	2422.000 Underground Cable fiber	927,624	0	927,624	0.71599	664,170
22	2423.000 Buried Cable metallic	10,081,388	31,436	10,112,824	0.71599	7,240,681
	2423.000 Buried Cable fiber	1,124,665	43,917	1,168,582	0.71599	836,693
	2423.000 Buried Cable drop	684,216	0	684,216	0.71599	489,892
23	2426.000 Intra Build Network	0	0	0	0.71599	-
24	2431.000 Aerial Wire	177,050	0	177,050	0.71599	126,766
25	2441.000 Conduit Systems	1,319,470	0	1,319,470	0.71599	944,727
26	Total	38,009,912	917,317	38,927,229		26,739,770
	Amortizable Assets					
27	2690.000 Intangibles	1,518	0	1,518	0.68773	1,044
28	Total	1,518	0	1,518		1,044
29	Total Plant In Service	38,011,430	917,317	38,928,747		26,740,814

**Fidelity Telephone Company**  
**August 2003 12mtd**  
**Depreciation Expense**

**Schedule RCS-5**

*****	*****	*****	*****	*****	*****	*****
Line	Description	Total	Depreciation	Adjustment	Jurisdictional	Missouri
#		Company	Rate	Jurisdictional	Factor	Jurisdiction
*****	*****	*****	*****	*****	*****	*****
	Detailed Accounts					
1	2111.000 Land	825,265	0.00%	-	0.68773	-
2	2112.000 Motor Vehicles	1,440,854	10.23%	147,399	0.68773	101,371
3	2114.000 Special Purpose Vehicles	0	0.00%	-	0.68773	-
4	2115.000 Garage Work Equipment	0	0.00%	-	0.68773	-
5	2116.000 Other Work Equipment	1,532,033	6.71%	102,799	0.68773	70,698
6	2121.000 Buildings	2,586,134	2.80%	72,412	0.68773	49,800
7	2122.000 Furniture & Office Equipment	185,447	4.55%	8,438	0.68773	5,803
8	2123.100 Office Support Equipment	103,881	9.70%	10,076	0.68773	6,930
9	2123.200 Company Comm Equipment	71,160	11.55%	8,219	0.68773	5,652
10	2124.000 Gen Purpose Computers	3,812,101	13.59%	518,065	0.68773	356,287
11	Total Gen Support	10,556,875		867,408		596,540
	Operating Accounts					
12	2210.000 Central Office Switching	5,308,420	6.67%	354,072	0.63946	226,415
13	2231.000 Radio Systems	0	0.00%	-	0.64002	-
14	2232.000 Circuit Equipment	5,622,219	10.30%	579,089	0.64002	370,628
15	2351.000 Public Tel Term Eq.	0	0.00%	-	0.00000	-
16	2362.000 Other Terminal Equipment	0	0.00%	-	0.00000	-
17	2410.000 Cable & Wire Facilities	0	0.00%	-	0.71599	-
18	2411.000 Poles	406,382	1.00%	4,064	0.71599	2,910
19	2421.000 Aerial Cable metallic	1,288,250	5.52%	71,111	0.71599	50,915
	2421.000 Aerial Cable fiber	133,822	5.24%	7,012	0.71599	5,021
	2421.000 Aerial Cable drop	199,076	6.76%	13,458	0.71599	9,635
20	2422.000 Underground Cable metallic	1,022,418	4.04%	41,306	0.71599	29,574
	2422.000 Underground Cable fiber	927,624	3.75%	34,786	0.71599	24,906
21	2423.000 Buried Cable metallic	10,112,824	4.29%	433,840	0.71599	310,625
	2423.000 Buried Cable fiber	1,168,582	3.68%	43,004	0.71599	30,790
	2423.000 Buried Cable drop	684,216	4.86%	33,253	0.71599	23,809
22	2426.000 Intra Build Network	0	0.00%	-	0.71599	-
23	2431.000 Aerial Wire	177,050	0.00%	-	0.71599	-
24	2441.000 Conduit Systems	1,319,470	2.00%	26,389	0.71599	18,895
25	Total	38,927,229		2,508,791		1,700,664
	Amortizable Assets					
26	2690.000 Intangibles	1,518	0.00%	-	0.68773	-
27	Total	1,518		-		-
28	Total Plant In Service	38,928,747		2,508,791		1,700,664
		=====		=====		=====

**Fidelity Telephone Company**  
**August 2003 12mtd**  
**Depreciation Reserve**

**Schedule RCS-6**

Description	Total Company	Jurisdictional Adjustment	Adjustment Jurisdictional	Jurisdictional Factor	Missouri Jurisdiction
Detailed Accounts					
2111.000 Land	0	0	-	0.68773	-
2112.000 Motor Vehicles	905,642	0	905,642	0.68773	622,835
2114.000 Special Purpose Vehicles	0	0	-	0.68773	-
2115.000 Garage Work Equipment	0	0	-	0.68773	-
2116.000 Other Work Equipment	799,104	0	799,104	0.68773	549,565
2121.000 Buildings	1,148,505	0	1,148,505	0.68773	789,858
2122.000 Furniture & Office Equipment	77,262	0	77,262	0.68773	53,135
2123.100 Office Support Equipment	75,175	0	75,175	0.68773	51,700
2123.200 Company Comm Equipment	60,651	0	60,651	0.68773	41,712
2124.000 Gen Purpose Computers	2,495,081	0	2,495,081	0.68773	1,715,935
Total Gen Support	5,561,421	0	5,561,421		3,824,739
Operating Accounts					
2210.000 Central Office Switching	2,523,960	0	2,523,960	0.63946	1,613,974
2231.000 Radio Systems	0	0	0	0.64002	0
2232.000 Circuit Equipment	3,757,444	0	3,757,444	0.64002	2,404,839
2351.000 Public Tel Term Equipment	0	0	0	0.00000	0
2362.000 Other Terminal Equipment	0	0	0	0.00000	0
2410.000 Cable and Wire Facilities	0	0	0	0.71599	0
2411.000 Poles	389,727	0	389,727	0.71599	279,041
2421.000 Aerial Cable metallic	1,086,265	0	1,086,265	0.71599	777,755
2421.000 Aerial Cable fiber	44,535	0	44,535	0.71599	31,886
2421.000 Aerial Cable drop	155,283	0	155,283	0.71599	111,181
2422.000 Underground Cable metallic	476,925	0	476,925	0.71599	341,474
2422.000 Underground Cable fiber	223,620	0	223,620	0.71599	160,110
2423.000 Buried Cable metallic	5,776,446	0	5,776,446	0.71599	4,135,878
2423.000 Buried Cable fiber	698,962	0	698,962	0.71599	500,450
2423.000 Buried Cable drop	210,771	0	210,771	0.71599	150,910
2426.000 Intra Building Network	0	0	0	0.71599	0
2431.000 Aerial Wire	176,924	0	176,924	0.71599	126,676
2441.000 Conduit Systems	215,070	0	215,070	0.71599	153,988
Total	21,297,353	0	21,297,353		14,612,900
Amortizable Assets					
2690.000 Intangibles	0	0	-	0.68773	-
Total	0	0	0		0
Total Depreciation Reserve	21,297,353	0	21,297,353	0.686137	14,612,900

**Fidelity Telephone Company**  
**August 2003 12mtd**  
**Known and Measurable Adjustments**

<b>Account</b>	<b>Description</b>	<b>Amount</b>
<b>Revenue</b>		
1a	5001 Reduce ISDN PRI revenue due to customer disconnect in October 2003	(\$160,991)
1b	5013 Eliminate Nonrecurring charges for installing a large customer's ISDN PRIs	<u>(\$12,000)</u>
1	<b>Carry to Schedule 3, line 1</b>	<b><u>(\$172,991)</u></b>
2	5084 Reduce terminating wireless access revenue to \$.035/min	<b><u>(\$279,797)</u></b>
	<b>Carry to Schedule 3, line 7</b>	
3a	5104 Reduce intrastate toll revenue due to continued loss of subscribers	(\$38,574)
3b	5104 Loss of major intralata toll customer in November 2003	(\$18,257)
3c	5100 Remove interstate toll revenue	<u>(\$9,844)</u>
3	<b>Carry to Schedule 3, line 9</b>	<b><u>(\$66,675)</u></b>
4	5084 Reduce High Cost Loop USF revenue to 2004 projected level	<b><u>(\$64,087)</u></b>
	<b>Carry to Schedule 3, line 12</b>	
5	5270 Remove interstate B&C revenue	<b><u>(\$38,497)</u></b>
	<b>Carry to Schedule 3, line 13</b>	
6	5300 Remove interstate amounts	<b><u>\$22,050</u></b>
	<b>Carry to Schedule 3, line 15</b>	

**Fidelity Telephone Company**  
**August 2003 12mtd**  
**Known and Measurable Adjustments**

Account Expense	Description	Amount
7a	6120 Wage increase 7/03	\$5,490
7b	Wage increase 1/04	\$4,502
7	<b>Carry to Schedule 3, line 18</b>	<b>\$9,992</b>
8a	6210 Wage increase 7/03	\$16,963
8b	Wage increase 1/04	\$8,236
8	<b>Carry to Schedule 3, line 19</b>	<b>\$25,199</b>
9a	6510 Wage increase 7/03	\$2,499
9b	Wage increase 1/04	\$2,213
9	<b>Carry to Schedule 3, line 24</b>	<b>\$4,712</b>
10a	6530 Wage increase 7/03	\$63,522
10b	Wage increase 1/04	\$34,905
10	<b>Carry to Schedule 3, line 25</b>	<b>\$98,427</b>
11a	6540 Reduce intrastate access expense on intralata toll; see 3 above	(\$13,577)
11b	Remove USF payments	(\$116,171)
11	<b>Carry to Schedule 3, line 26</b>	<b>(\$129,748)</b>
12a	6610 Wage increase 7/03	\$31,546
12b	Wage increase 1/04	\$964
12	<b>Carry to Schedule 3, line 31</b>	<b>\$32,510</b>
13a	6620 Wage increase 7/03	\$18,849
13b	Wage increase 1/04	\$21,953
13	<b>Carry to Schedule 3, line 33</b>	<b>\$40,802</b>
14a	6710 Wage increase 7/03	\$19,125
14b	Wage increase 1/04	\$3,312
14c	Adjust for extraordinary income received via life insurance	\$36,368
14d	Eliminate contributions expense	(\$28,784)
14	<b>Carry to Schedule 3, line 34</b>	<b>\$30,021</b>
15a	6720 Wage increase 7/03	\$33,157
15b	Wage increase 1/04	\$3,417
15c	Expense for estimated rate case legal and consulting fees	\$74,200
15d	Remove lobbying expenses	(\$2,236)
15e	Adjust for extraordinary gain during test period; deferred compensation	\$12,954
15	<b>Carry to Schedule 3, line 35</b>	<b>\$121,492</b>

**Fidelity Telephone Company**  
**August 2003 12mtd**  
**Known and Measurable Adjustments**

<b>Account</b>	<b>Description</b>	<b>Amount</b>
<b>Plant</b>		
16	2112 Vehicles placed in service following August 31, 2003 <i>Carry to Schedule 4, line 2</i>	<u><u>\$47,918</u></u>
17	2121 Building addition and improvements placed in service after August 31, 2003 <i>Carry to Schedule 4, line 6</i>	<u><u>\$99,005</u></u>
18a	2124 General computers placed in service after August 31, 2003	\$13,888
18b	Solomon server upgrade placed in service after August 31, 2003	\$280,327
18	<i>Carry to Schedule 4, line 10</i>	<u><u>\$294,215</u></u>
19	2212 Switching Equipment placed in service after August 31, 2003 <i>Carry to Schedule 4, line 13</i>	<u><u>\$264,016</u></u>
20	2233 Transmission Circuit equipment placed in service after August 31, 2003 <i>Carry to Schedule 4, line 15</i>	<u><u>\$136,809</u></u>
21a	2423 Buried Cable - metallic placed in service after August 31, 2003	<u><u>\$31,436</u></u>
21b	2423 Buried Cable - fiber placed in service after August 31, 2003	<u><u>\$43,917</u></u>
21	<i>Carry to Schedule 4, line 22</i>	

**Fidelity Telephone Company**  
**Depreciation Reserve Issues**

**Schedule RCS-8**

G/L (a)	Description (b)	Fully Depreciated Assets (c)	New Additions being Depreciated (d)	Total Account Balance 8/31/03 (e)	Current Depreciation Rate (f)	Calculated Weighted Depreciation Rate (g)	Proposed Action (h)
1	2122 Furniture	\$59,705	\$125,741	\$185,447	6.71%	4.55%	<i>use weighted rate</i>
2	2411 Pole lines	\$363,671	\$42,711	\$406,382	6.19%	0.65%	<i>reduce rate to 1.0%</i>
3	2431 Aerial Wire	\$176,885	\$165	\$177,050	14.17%	0.01%	<i>discontinue depreciation accrual</i>

**Fidelity Telephone Company**  
Proposed Depreciation Rates

Account	Account Number	Depreciation Rate (%)
Vehicles - Combined	2112	10.23
Other Work Equipment	2116	6.71
Buildings	2121	2.80
Furniture	2122	4.55
Office Equipment - Office Support	2123.1	9.70
Company Communications Equipment	2123.2	11.55
General Purpose Computers	2124	13.59
Central Office Switching - Digital	2212	6.67
Circuit Equipment - Combined	2232	10.30
Public Telephone Terminal Equipment	2351	8.74
Poles	2411	1.00
Aerial Cable - Metallic	2421.1	5.52
Aerial Cable - Fiber	2421.2	5.24
Aerial Cable - Drop	2421.3	6.76
Underground Cable - Metallic	2422.1	4.04
Underground Cable - Fiber	2422.2	3.75
Buried Cable - Metallic	2423.1	4.29
Buried Cable - Fiber	2423.2	3.68
Buried Cable - Drop	2423.3	4.86
Aerial Wire - pre 12/31/2003 balance	2431.1	0.00
Aerial Wire - post 12/31/2003 additions	2431.2	14.17
Conduit Systems	2441	2.00



**Fidelity Telephone Company**  
**Summary of Rate Changes**

(a)	SERVICE DESCRIPTION (b)	CURRENT RATE (c)	NEW RATE (d)	RATE CHANGE (e)	MONTHLY UNITS (f)	or ANNUAL UNITS (g)	Total Revenue Impact (h)	% Increase (i)	% of Total (j)
1	Phone lines								
2	Residential One Party Line	\$ 7.55	\$ 11.25	\$ 3.70	12,471		\$ 553,712	49.01%	
3	Business One Party Line	\$ 14.25	\$ 18.95	\$ 4.70	3,344		\$ 188,602	32.98%	
4	Trunking service	\$ 21.40	\$ 28.70	\$ 7.30	115		\$ 10,074	34.11%	
5	Total Phone Lines						\$ 752,388	44.18%	31.9%
6									
7									
8	Dedicated Services								
9	Direct Inward Dial (DID) - 1st 100 numbers	\$ 235.00	\$ 295.00	\$ 60.00	4		\$ 2,880	25.53%	
10	Direct Inward Dial (DID) - 2nd 100 numbers	\$ 50.00	\$ 65.00	\$ 15.00	2		\$ 360	30.00%	
11	Direct Inward Dial (DID) - 1st 20 numbers	\$ 60.00	\$ 80.00	\$ 20.00	10		\$ 2,400	33.33%	
12	ISDN Single Line - Residential	\$ 40.00	\$ 50.00	\$ 10.00	2		\$ 240	25.00%	
13	ISDN Single Line - Business	\$ 50.00	\$ 62.50	\$ 12.50	10		\$ 1,500	25.00%	
14	ISDN PRI 5 year contract	\$ 575.00	\$ 862.00	\$ 287.00	1		\$ 3,444	49.91%	
15	ISDN PRI 3 year contract	\$ 620.00	\$ 930.00	\$ 310.00	0		\$ -	50.00%	
16	ISDN PRI 6 month contract	\$ 690.00	\$ 1,035.00	\$ 345.00	15		\$ 62,100	50.00%	
17	Loop charge	\$ 8.00	\$ 11.25	\$ 3.25	400		\$ 15,600	40.63%	
18	Total Dedicated Services						\$ 88,524	45.13%	3.8%
19									
20									
21	Payphones								
22	Payphone Service - 2 way, 1 way & CO implemented	\$ 14.75	\$ 18.95	\$ 4.20	251		\$ 12,650	28.47%	
23	Total Payphones						\$ 12,650	28.47%	0.5%
24									
25									
26	Installations, Moves, Changes								
27	(Nonrecurring Charges)								
28	Installation Residential line	\$ 25.00	\$ 32.50	\$ 7.50		1,390	\$ 10,425	30.00%	
29	Move Residential service	\$ 15.00	\$ 20.00	\$ 5.00		758	\$ 3,790	33.33%	
30	Installation Loop	\$ 15.00	\$ 20.00	\$ 5.00		159	\$ 795	33.33%	
31	Installation Smartfeatures	\$ 5.00	\$ 6.25	\$ 1.25		1,285	\$ 1,606	25.00%	
32	Installation Business line	\$ 40.00	\$ 48.00	\$ 8.00		13	\$ 104	20.00%	
33	Installation Business - Additional lines	\$ 10.00	\$ 12.50	\$ 2.50		42	\$ 105	25.00%	
34	Move Business service	\$ 30.00	\$ 36.00	\$ 6.00		7	\$ 42	20.00%	
35	Move Business service - Additional lines	\$ 5.00	\$ 6.25	\$ 1.25		4	\$ 5	25.00%	
36	Name or number change	\$ 5.00	\$ 6.25	\$ 1.25		523	\$ 654	25.00%	
37	Reconnect charge after suspension	\$ 20.00	\$ 25.00	\$ 5.00		1,478	\$ 7,390	25.00%	
38	Total Installations, Moves, Changes						\$ 24,916	28.23%	1.1%

**Fidelity Telephone Company  
Summary of Rate Changes**

(a)	SERVICE DESCRIPTION (b)	CURRENT RATE (c)	NEW RATE (d)	RATE CHANGE (e)	MONTHLY UNITS (f)	or ANNUAL UNITS (g)	Total Revenue Impact (h)	% Increase (i)	% of Total (j)
39									
40	Calling Features								
41	EBS-I package of 6 add-on features	\$ 13.00	\$ 16.00	\$ 3.00	15		\$ 540	23.08%	
42	EBS-II package of 6 add-on features	\$ 15.00	\$ 18.00	\$ 3.00	14		\$ 504	20.00%	
43	Smart call forwarding	\$ 2.00	\$ 2.50	\$ 0.50	210		\$ 1,260	25.00%	
44	Smart call forwarding/busy line	\$ 0.75	\$ 1.25	\$ 0.50	614		\$ 3,684	66.67%	
45	Smart call waiting	\$ 2.75	\$ 3.25	\$ 0.50	2,593		\$ 15,558	18.18%	
46	Smart automatic call back	\$ 2.50	\$ 3.25	\$ 0.75	77		\$ 693	30.00%	
47	Smart caller ID number delivery	\$ 3.75	\$ 4.75	\$ 1.00	2,425		\$ 29,100	26.67%	
48	Smart caller ID name & number delivery - Res.	\$ 6.00	\$ 7.25	\$ 1.25	1,988		\$ 29,820	20.83%	
49	Smart caller ID name & number delivery - Bus.	\$ 10.00	\$ 12.00	\$ 2.00	91		\$ 2,184	20.00%	
50	Smart selective call rejection	\$ 2.50	\$ 3.25	\$ 0.75	104		\$ 936	30.00%	
51	Smart Economy package	\$ 6.00	\$ 6.95	\$ 0.95	79		\$ 901	15.83%	
52	Smart Family package	\$ 9.00	\$ 9.95	\$ 0.95	6		\$ 68	10.56%	
53	Smart The Ultimate package	\$ 10.00	\$ 10.95	\$ 0.95	275		\$ 3,135	9.50%	
54	Total Calling Features						\$ 88,383	21.61%	3.7%
55									
56									
57	Intralata Toll Calling Plans								
58	OCA 2 hour plan - business	\$ 10.80	\$ 12.00	\$ 1.20	15		\$ 216	11.11%	
59	OCA 5 hour plan - business	\$ 24.50	\$ 27.00	\$ 2.50	32		\$ 960	10.20%	
60	OCA 2 hour plan - residential	\$ 9.60	\$ 10.80	\$ 1.20	126		\$ 1,814	12.50%	
61	OCA 5 hour plan - residential	\$ 21.85	\$ 24.50	\$ 2.65	110		\$ 3,498	12.13%	
62	Total Intralata Toll Calling Plans						\$ 6,488	11.86%	0.3%
63									
64									
65	Directory/Operator								
66	Directory assistance - first 3 per month	\$ -	\$ 0.50	\$ 0.50		93,907	\$ 46,954		
67	Directory assistance per call after 3	\$ 0.45	\$ 0.50	\$ 0.05		37,214	\$ 1,861	11.11%	
68	Busy line status verification	\$ 1.00	\$ 1.50	\$ 0.50		714	\$ 357	50.00%	
69	Busy line interrupt	\$ 1.25	\$ 1.75	\$ 0.50		237	\$ 119	40.00%	
70	Directory Listing - Nonpublished	\$ 1.00	\$ 1.50	\$ 0.50	2,269		\$ 13,614	50.00%	
71	Directory Listing - Unlisted	\$ 1.00	\$ 1.50	\$ 0.50	188		\$ 1,128	50.00%	
72	Directory Listing - Additional-Vanity	\$ 1.00	\$ 1.50	\$ 0.50	6		\$ 36	50.00%	
73	Directory Listing - Additional-Extra	\$ 1.00	\$ 1.50	\$ 0.50	457		\$ 2,742	50.00%	
74	Total Directory/Operator						\$ 66,810	126.54%	2.8%
75									
76									
77	Other								
78	Late payment charge	\$ 5.00	\$ 5.50	\$ 0.50		29,340	\$ 14,670	10.00%	
79	Total Other						\$ 14,670	10.00%	0.6%
80									
81	Access Services						\$ 1,305,142	36.18%	55.3%
82									
83	Grand Total Rate Changes						\$ 2,359,972	29.93%	100.00%

**Fidelity Telephone Company**  
**Switched Access Rate Development**

	(a)	(b)	Local Transport (c)	Common Line (d)	Local Switching (e)	Directory Assistance Information Surcharge (f)	Access line term (g)	8xx queries (h)	Total (i)
1 Current rates			banded	0.038073	0.011083	0.000238	0.005075	0.003100	
2 Transport rate restructure									
3 Total local transport dollars billed for test period	\$	1,077,346.62							
4 Total minutes for the test period		46,414,088							
5 Combined local transport rate		0.023212	0.023212						
6 Local Switching rate consolidation					0.005313	(0.000238)	(0.005075)		
7 Restructured current rates			0.023212	0.038073	0.016396	0.000000	0.000000	0.003100	
8 Test Year billing units			46,414,088	46,414,088	46,414,088			694,831	
9 Total Test Year Revenue	\$	1,077,347	\$	1,767,124	\$	761,005	\$	2,154	\$ 3,607,630
10 Proposed Access Rate Increase									\$ 1,305,142
11 % Increase									36.18%
12 Proposed New Rates (Restructured rates X 1+ % Increase)	\$	0.031609	\$	0.051847	\$	0.022328	\$	0.004221	