TC99-064

KC/HB/KS

TC99-064

DOCKET NO.

In the Matter of — IN THE MATTER OF THE ESTABLISHMENT OF SWITCHED ACCESS REVENUE REQUIREMENT FOR MIDSTATE TELEPHONE COMPANY AND HEARTLAND COMMUNICATIONS, INC.

Public Utilities Commission of the State of South Dakota

DATE		MEMORANDA
6/23	99	Filed and Docketed;
6/24	99	Weekly Filing;
7/16	99	Order Assessing Filing Fee;
1/14	00	Order Approving Revenue Requirement;
1/14	00	Docket Closed.

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TC99-064

Martin and Associates, Inc.
CONSULTANTS • PROFESSIONAL ENGINEERS • COMPUTER SPECIALISTS

RECEIVED
JUN 23 1999
SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

June 22, 1999

Mr. William Bullard, Jr.
Executive Director
Public Utilities Commission
State of South Dakota
500 East Capitol
Pierre, South Dakota 57501

Ref: SD 5248 - 1.7
1998 Separations Study Access Filing

Dear Mr. Bullard:

On behalf of Midstate Telephone Company enclosed are five (5) copies of their Intrastate Access Separations Study pursuant to the rules established by the Commission. The following documentation is included in the study:

1. Five (5) hard copies of the PUC Summary Forms
2. One (1) copy of the program disk

The enclosed Intrastate Access Separations Study revenue requirement has been forwarded to the Local Exchange Carrier Association (LECA). The LECA Access Tariff, with which they concur, will include the attached Intrastate Access revenue requirement in the development of the LECA Access Tariff rates.

This study includes both the Midstate Telephone Company and Heartland Communications, Inc. in a single study.

If you have any questions or comments, please feel free to contact me at 605-995-2573.

Sincerely,
Martin and Associates, Inc.

Don Lee

Don Lee

JKW/srd
Attachments: Access Study (5)
Program Disk (1)
cc: Mark Benton, Manager

1515 NORTH SANBORN BOULEVARD • MITCHELL, SOUTH DAKOTA 57301-1021 • 605-996-9646 • FAX: 605-995-2577

Martin and Associates, Inc.
CONSULTANTS • PROFESSIONAL ENGINEERS • COMPUTER SPECIALISTS

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SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

I am Don Lee. I hereby certify that I have overall responsibility for the preparation of all data in the attached 1998 Intrastate Switched Access filing for

Midstate Telephone Company

Heartland Communications, Inc.

and that I am authorized to execute this certification. Based on information known to me or provided to me by employees responsible for the preparation of the data in this submission, I hereby certify that the data has been examined and reviewed and is complete, accurate, and consistent with the rules of the South Dakota Public Utilities Commission, to the best of my knowledge.

Date: 6-16-99

Certifying Signature: Don Lee

Name: Don Lee

Title: Director of Settlements

Certification.doc

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1998 INTRASTATE SWITCHED ACCESS FILING
FOR
MIDSTATE TELEPHONE COMPANY
AND
HEARTLAND COMMUNICATIONS, INC.
KIMBALL, SD

PREPARED BY:

MARTIN AND ASSOCIATES, INC.
1515 NORTH SANBORN BOULEVARD
MITCHELL, SOUTH DAKOTA 57301-1021
(605)996-9646

Sheet "A" 18-Jun-99 03:09:33 PM
ENDING DECEMBER 31, 1998 WITH KNOWN & MEASURABLE CHANGES
Revised 5/6/98

MIDSTATE TELEPHONE COMPANY & HEARTLAND COMMUNICATIONS, INC.

	******* FCC PART 69 ******* Intrastate Toll Revenue Requirement Summary	Part 36 Total	Source	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
	INTRALATA:									
15	Net Investment	$3,868,397	J13	$1,306,633	$505,802	$0	$1,729,739	$0	$46,224	O.K.
16	Rate of Return	10.00%		10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	
17										
18	Return on Rate Base	$386,840		$130,663	$80,580	$0	$172,974	$0	$4,622	O.K.
19	Return Adjustments	(13,236)	J18-20	(5,096)	(2,701)	0	(5,272)	0	(167)	O.K.
20										
21	Net Return on Rate Base	$375,603		$125,567	$77,879	$0	$167,702	30	$4,456	O.K.
22	Income Taxes	13,457	J31-32	6,153	3,826	0	8,257	0	219	O.K.
23	Expenses and Other Taxes	1,550,186	J33-35, 40	232,027	213,160	4,529	481,633	41,340	577,498	O.K.
24										
25	Total IntraLATA Rev. Req.	$1,944,247		$363,747	$294,867	$4,529	$657,592	$41,340	$582,172	O.K.
26										
27										
28										
29	INTERLATA:									
30										
31	Net Investment	$0	P13	$0	$0	$0	$0	$0	$0	O.K.
32	Rate of Return	10.00%		10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	
33										
34	Return on Rate Base	$0		$0	$0	$0	$0	$0	$0	O.K.
35	Return Adjustments	0	P18-20	0	0	0	0	0	0	O.K.
36										
37	Net Return on Rate Base	$0		$0	$0	$0	$0	$0	$0	O.K.
38	Income Taxes	0	P31-32	0	0	0	0	0	0	O.K.
39	Expenses and Other Taxes	0	P33-35, 40	0	0	0	0	0	0	O.K.
40										
41	Total InterLATA Rev. Req.	$0		$0	$0	$0	$0	$0	$0	O.K.
42										
43										
44										
45	TOTAL INTRASTATE REV. REQ.	$1,944,247		$363,747	$294,867	$4,529	$657,592	$41,340	$582,172	
	ACCESS ELEMENT MINUTES OF USE			12,369,126	12,369,126	12,369,126	12,369,126			
	ACCESS RATE PER MINUTE	$0.106411		$0.029406	$0.023839		$0.053164			

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ENDING DECEMBER 31, 1998 WITH KNOWN & MEASURABLE CHANGES

MIDSTATE TELEPHONE COMPANY & HEARTLAND COMMUNICATIONS, INC.

	******* FCC PART 36 ******* Revenue Requirement Summary	TOTAL COMPANY	Source/ Allocator	Interstate and Other	Intrastate					
					Message Telephone Service		Private Line		TOTAL INTRASTATE	
					InterLATA	IntraLATA	InterLATA	IntraLATA		
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
13	State Income Tax Rate	0.00%	---	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
14	Federal Income Tax Rate	7.07%	---	7.07%	7.07%	7.07%	7.07%	7.07%	7.07%	
15	Gross Receipts Tax Rate	3.52%	---	3.52%	3.52%	3.52%	3.52%	3.52%	3.52%	
16										
17										
18	Net Investment	$12,647,605	C85	$8,759,208	$0	$3,846,551	$0	$41,846	$3,888,397	O.K.
19	Rate of Return	10.00%	---	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	
20										
21	Return on Rate Base	$1,264,760		$875,921	$0	$384,855	$0	$4,185	$389,040	O.K.
22										
23	AFUDC	(44,010)	H43	-30773.7305831	0	-13062.8073586	0	-153.462056357	(13,236)	O.K.
24	ITC Amortization	0	H36	0	0	0	0	0	0	O.K.
25	Other Return Adjustments	0	V242	0	0	0	0	0	0	O.K.
26										
27	Net Return	$1,220,750		$845,147	$0	$371,572	$0	$4,031	$375,603	O.K.
28										
29	Contributions	27	H52	16	0	11	0	0	11	O.K.
30	Interest Expense	433,256	H44	300,417	0	131,412	0	1,429	132,841	O.K.
31	Capital Lease Expense	0	H46	0	0	0	0	0	0	O.K.
32	Capitalized Payroll taxes	0	H38	0	0	0	0	0	0	O.K.
33	Depreciation Adjustment	0	H35	0	0	0	0	0	0	O.K.
34	Other Income Adjustments	0	V248	0	0	0	0	0	0	O.K.
35										
36	After Tax Income	$787,465		$544,714	$0	$240,150	$0	$2,602	$242,751	O.K.
37										
38	State Income Taxes	$0	Formula	$0	$0	$0	$0	$0	$0	O.K.
39	Federal Income Taxes	69,873	Formula	41,416	0	18,259	0	198	18,457	O.K.
40	Operating Expenses and Taxes	3,676,472	I198	2,194,729	0	1,472,133	0	9,616	1,481,749	O.K.
41	Uncollectibles	0	V249	0	0	0	0	0	0	O.K.
42	Other Revenue Adjustments	0	V250	0	0	0	0	0	0	O.K.
43										
44	Net Revenue	$4,967,101		$3,081,292	$0	$1,861,964	$0	$13,846	$1,875,810	O.K.
45	Gross Receipts Taxes	190,856	Formula	112,419	0	67,932	0	505	68,437	O.K.
46	Other Revenue Taxes	0	V251	0	0	0	0	0	0	O.K.
47										
	TOTAL REVENUE REQUIREMENT	$5,157,958		$3,193,710	$0	$1,929,897	$0	$14,350	$1,944,247	O.K.

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ENDING DECEMBER 31, 1998 WITH KNOWN & MEASURABLE CHANGES

MIDSTATE TELEPHONE COMPANY & HEARTLAND COMMUNICATIONS, INC.

	******* FCC PART 36 ******* Investment Summary	TOTAL COMPANY	Source/ Allocator	Interstate and Other	Intrastate: Message Telephone Service: InterLATA	Intrastate: Message Telephone Service: IntraLATA	Intrastate: Private Line: InterLATA	Intrastate: Private Line: IntraLATA	TOTAL INTRASTATE	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
13	Land and Support Investment	$2,672,751	D33	$1,868,905	$0	$794,526	$0	$9,320	$803,846	O.K.
14										
15	COE Operator Equipment	$0	D43	$0	$0	$0	$0	$0	$0	O.K.
16	COE Switching Equipment	4,714,036	D66	3,142,000	0	1,572,036	0	0	1,572,036	O.K.
17	COE Transmission Equipment	2,930,058	D95	1,830,565	0	1,093,201	0	6,291	1,099,493	O.K.
18										
19	Total COE	$7,644,094		$4,972,565	$0	$2,665,236	$0	$6,291	$2,671,529	O.K.
20	Info. Orig./Term. Equipment	0	D94	0	0	0	0	0	0	O.K.
21	Cable and Wire Facilities	12,537,984	D137	9,139,633	0	3,334,268	0	64,083	3,398,351	O.K.
22										
23	Total COE, IOT, C&WF	$20,182,078		$14,112,198	$0	$5,999,506	$0	$70,375	$6,069,880	O.K.
24										
25	Total Capital Leases	$0	D173	$0	$0	$0	$0	$0	$0	O.K.
26										
27	Leasehold Improvements	$0	D186	$0	$0	$0	$0	$0	$0	O.K.
28										
29	Intangible Assets	$0	D209	$0	$0	$0	$0	$0	$0	O.K.
30										
31										
32	Total Tele. Plt. In Service	$22,854,829		$15,981,103	$0	$6,794,031	$0	$79,694	$6,873,726	O.K.
33										
34	Plant Held, Future Use	$0	D214-215	$0	$0	$0	$0	$0	$0	O.K.
35	TPUC, Short-term	0	D216-217	0	0	0	0	0	0	O.K.
36	TPUC, Long-term	19,240	D218-219	13,453	0	5,719	0	67	5,787	O.K.
37	Tel. Plt. Adjustment	0	D220-221	0	0	0	0	0	0	O.K.
38										
39	Total Other Tel. Plt.	$19,240		$13,453	$0	$5,719	$0	$67	$5,787	O.K.
40										
41										
42	TOTAL TELEPHONE PLANT	$22,874,069		$15,994,557	$0	$6,799,751	$0	$79,761	$6,879,512	O.K.

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ENDING DECEMBER 31, 1998 WITH KNOWN & MEASURABLE CHANGES

MIDSTATE TELEPHONE COMPANY & HEARTLAND COMMUNICATIONS, INC.

				Intrastate						
				Message Telephone Service		Private Line				
	******* FCC PART 36 ******* Investment Summary	TOTAL COMPANY	Source/ Allocator	Interstate	InterLATA	IntraLATA	InterLATA	IntraLATA	TOTAL INTRASTATE	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
56	Other Assets, Net	0	V105	0	0	0	0	0	0	O.K.
57	Accumulated Depr./Amort.	(10,446,186)	E54	(7,376,440)	0	(3,029,909)	0	(38,757)	(3,068,665)	O.K.
58	Accum. Def. Inc. Taxes, Net	0	E47	0	0	0	0	0	0	O.K.
59	Oth. Liab. & Def. Cr., Net	0	V106	0	0	0	0	0	0	O.K.
60										
61	TOTAL NET PLANT	$12,420,864		$8,618,117	$0	$3,769,842	$0	$41,005	$3,810,847	O.K.
62										
63	Materials and Supplies	100,328	H31	79,695	0	29,074	0	559	29,633	O.K.
64	Rural Tel. Bank Stock	0	H36	0	0	0	0	0	0	O.K.
65	Cash Working Capital	103,315	Formula	61,396	0	47,635	0	282	47,917	O.K.
66	Equal Access Investment	0	---	0	0	0	0	0	0	O.K.
67										
68	TOTAL NET INVESTMENT	$12,647,655		$8,759,208	$0	$3,846,551	$0	$41,846	$3,888,397	O.K.
69										

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ENDING DECEMBER 31, 1998 WITH KNOWN & MEASURABLE CHANGES

MIDSTATE TELEPHONE COMPANY & HEARTLAND COMMUNICATIONS, INC.

	******* FCC PART 36 ******* Plant Investment Detail	TOTAL COMPANY	Source/ Allocator	Interstate and Other	Intrastate: Message Telephone Service: InterLATA	Intrastate: Message Telephone Service: IntraLATA	Intrastate: Private Line: InterLATA	Intrastate: Private Line: IntraLATA	TOTAL INTRASTATE	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
13	LAND AND SUPPORT ASSETS:									
14										
15	Land, Allocable	$0	H33	$0	$0	$0	$0	$0	$0	O.K.
16	Land, Direct	0	V22	0	0	0	0	0	0	O.K.
17										
18	Total Land	$0		$0	$0	$0	$0	$0	$0	O.K.
19										
20	Motor Vehicles	$0	H33	$0	$0	$0	$0	$0	$0	O.K.
21	Aircraft	0	H33	0	0	0	0	0	0	O.K.
22	Special Purpose Vehicles	0	H33	0	0	0	0	0	0	O.K.
23	Garage Work Equipment	0	H33	0	0	0	0	0	0	O.K.
24	Other Work Equipment	2,672,751	H33	1,868,905	0	794,526	0	9,320	803,846	O.K.
25	Buildings, Allocable	0	H33	0	0	0	0	0	0	O.K.
26	Buildings, Direct	0	V29	0	0	0	0	0	0	O.K.
27	Furniture	0	H33	0	0	0	0	0	0	O.K.
28	Office Equipment	0	H33	0	0	0	0	0	0	O.K.
29	General Purpose Computers	0	H33	0	0	0	0	0	0	O.K.
30										
31	Total Support Assets	$2,672,751		$1,868,905	$0	$794,526	$0	$9,320	$803,846	O.K.
32										
33	Tot. Land and Support Assets	$2,672,751		$1,868,905	$0	$794,526	$0	$9,320	$803,846	O.K.
34										
35										
36	CENTRAL OFFICE EQUIPMENT:									
37										
38	CAT 1 Oper. Sys., TSPS	$0	G22	$0	$0	$0	$0	$0	$0	O.K.
39	CAT 1 Oper. Sys., Other TSPS	0	G21	0	0	0	0	0	0	O.K.
40	CAT 1 Oper. Sys., Aux. Pos.	0	G23	0	0	0	0	0	0	O.K.
41	CAT 1 Oper. Sys., Other	0	V36	0	0	0	0	0	0	O.K.
42										
43	Total CAT 1	$0		$0	$0	$0	$0	$0	$0	O.K.
44										
45										
46	CAT 2 Tandem Sw. Allocable	$1,023,550	G26	$591,509	$0	$432,041	$0	$0	$432,041	O.K.
47	CAT 2 Tandem Sw. Direct	0	V38	0	0	0	0	0	0	O.K.
48										
49	Total CAT 2	$1,023,550		$591,509	$0	$432,041	$0	$0	$432,041	O.K.

Sheet "D" 16-Jun-99 03:09:33 PM
ENDING DECEMBER 31, 1998 WITH KNOWN & MEASURABLE CHANGES
MIDSTATE TELEPHONE COMPANY & HEARTLAND COMMUNICATIONS, INC.

	******* FCC PART 36 ******* Plant Investment Detail	TOTAL COMPANY	Source/ Allocator	Interstate and Other	Intrastate: Message Telephone Service: InterLATA	Intrastate: Message Telephone Service: IntraLATA	Intrastate: Private Line: InterLATA	Intrastate: Private Line: IntraLATA	TOTAL INTRASTATE	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
63	CAT 3 Local Sw. Allocable	$3,690,486	G15	$2,550,491	$0	$1,139,995	$0	$0	$1,139,995	O.K.
64	CAT 3 Local Sw. Direct	0	V40	0	0	0	0	0	0	O.K.
65										
66	Total CAT 3	$3,690,486		$2,550,491	$0	$1,139,995	$0	$0	$1,139,995	O.K.
67										O.K.
68	Total COE Sw. CAT 2&3	$4,714,038		$3,142,000	$0	$1,572,036	$0	$0	$1,572,036	O.K.
69										
70										
71	COE TRANSMISSION:									
72										
73	CAT 4.12 Exchange Trunk	$535,615	123	$535,615	$0	$0	$0	$0	$0	O.K.
74	CAT 4.12 Exch. Tr. Direct	0	V42	0	0	0	0	0	0	O.K.
75	CAT 4.13 Exch. Ln. Message	212,255	G13	159,191	0	53,064	0	0	53,064	O.K.
76	CAT 4.13 PL, WATS, Local	3,931	F18	2,859	0	0	0	1,072	1,072	O.K.
77	CAT 4.13 Direct	0	V45	0	0	0	0	0	0	O.K.
78	CAT 4.23 Message	2,166,218	G18	1,126,080	0	1,040,138	0	0	1,040,138	O.K.
79	CAT 4.23 PL, WATS	0	F24	0	0	0	0	0	0	O.K.
80	CAT 4.23 Direct	12,039	V48	6,820	0	0	0	5,219	5,219	O.K.
81	CAT 4.3 H/R Message	0	G29	0	0	0	0	0	0	O.K.
82	CAT 4.3 WATS	0	V50	0	0	0	0	0	0	O.K.
83	CAT 4.3 Direct	0	V51	0	0	0	0	0	0	O.K.
84										
85	Total COE CAT 4	$2,930,058		$1,830,565	$0	$1,093,201	$0	$6,291	$1,099,493	O.K.
86										
87										
88	INFORMATION ORIGINATION/TERMINATION:									
89										
90	CAT 1 Other IOT Equipment	$0	G13	$0	$0	$0	$0	$0	$0	O.K.
91	CAT 1 Centrex Pay Phones	0	G18	0	0	0	0	0	0	O.K.
92	CAT 2 CP Equipment	0	V70	0	0	0	0	0	0	O.K.
93										
94	Total IOT Equipment	$0		$0	$0	$0	$0	$0	$0	O.K.
95										
96										

Sheet "D"
ENDING DECEMBER 31, 1998 WITH I 18-Jun-99 03:09:33 PM

MIDSTATE TELEPHONE COMPANY & HEARTLAND COMMUNICATIONS, INC.

	******* FCC PART 36 ******* Plant Investment Detail	TOTAL COMPANY	Source/ Allocator	Interstate and Other	Intrastate: Message Telephone Service: InterLATA	Intrastate: Message Telephone Service: IntraLATA	Intrastate: Private Line: InterLATA	Intrastate: Private Line: IntraLATA	TOTAL INTRASTATE	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
111	CABLE AND WIRE FACILITIES:									
112										
113	CAT 1.1 IntraLATA PL/WATS	191,251	F31	$139,092	$0	$0	$0	$52,159	$52,159	O.K.
114	CAT 1.2 InterLATA PL/WATS	0	F31	0	0	0	0	0	0	O.K.
115	CAT 1.3 Joint Message	10,325,371	G13	7,744,028	0	2,581,343	0	0	2,581,343	O.K.
116	Other CAT 1 C&WF	0	V74	0	0	0	0	0	0	O.K.
117										
118	Total CAT 1 C&WF	$10,516,622		$7,883,120	$0	$2,581,343	$0	$52,159	$2,633,502	O.K.
119										
120	CAT 2 C&WF	$428,911	G28	$428,911	$0	$0	$0	$0	$0	O.K.
121	CAT 2 C&WF, Wideband	0	V76	0	0	0	0	0	0	O.K.
122										
123	Total CAT 2 C&WF	$428,911		$428,911	$0	$0	$0	$0	$0	O.K.
124										
125	CAT 3 Joint Message	1,557,819	G17	804,894	0	752,925	0	0	$752,925	O.K.
126	CAT 3 PL/WATS etc.	0	F36	0	0	0	0	0	0	O.K.
127	CAT 3 Direct	34,632	V79	22,708	0	0	0	11,924	11,924	O.K.
128										
129	Total CAT 3 C&WF	$1,592,451		$827,602	$0	$752,925	$0	$11,924	$764,849	O.K.
130										
131	CAT 4 Message	$0	G29	$0	$0	$0	$0	$0	$0	O.K.
132	CAT 4 WATS	0	V81	0	0	0	0	0	0	O.K.
133	CAT 4 Direct	0	V82	0	0	0	0	0	0	O.K.
134										
135	Total CAT 4 C&WF	$0		$0	$0	$0	$0	$0	$0	O.K.
136										
137	TOTAL C&WF	$12,537,984		$9,139,633	$0	$3,334,268	$0	$64,083	$3,398,351	O.K.
138										
139										
140	CAPITAL LEASES:									
141										
142	Allocable Support Leases	$0	H14	$0	$0	$0	$0	$0	$0	O.K.
143	Direct Support Leases	0	V84	0	0	0	0	0	0	O.K.
144										
145	Total Support Leases	$0		$0	$0	$0	$0	$0	$0	O.K.

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MIDSTATE TELEPHONE COMPANY & HEARTLAND COMMUNICATIONS, INC.

	******* FCC PART 36 ******* Plant Investment Detail	TOTAL COMPANY	Source/ Allocator	Interstate and Other	Intrastate: Message Telephone Service: InterLATA	Intrastate: Message Telephone Service: IntraLATA	Intrastate: Private Line: InterLATA	Intrastate: Private Line: IntraLATA	TOTAL INTRASTATE	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
160										
161	COE Operator	$0	H16	$0	$0	$0	$0	$0	$0	O.K.
162	COE Tandem Switch	0	H17	0	0	0	0	0	0	O.K.
163	COE Local Switch	0	H18	0	0	0	0	0	0	O.K.
164	COE Transmission	0	H20	0	0	0	0	0	0	O.K.
165	COE Direct	0	V89	0	0	0	0	0	0	O.K.
166										
167	Total COE Leases	$0		$0	$0	$0	$0	$0	$0	O.K.
168										
169	IOT Leases	$0	V90	$0	$0	$0	$0	$0	$0	O.K.
170										
171	C&WF Leases	$0	V91	$0	$0	$0	$0	$0	$0	O.K.
172										
173	TOTAL CAPITAL LEASES	$0		$0	$0	$0	$0	$0	$0	O.K.
174										
175										
176	LEASEHOLD IMPROVEMENTS:									
177										
178	Land and Support Assets	$0	H14	$0	$0	$0	$0	$0	$0	O.K.
179	COE Switching	0	H18	0	0	0	0	0	0	O.K.
180	COE Operator	0	H16	0	0	0	0	0	0	O.K.
181	COE Transmission	0	H20	0	0	0	0	0	0	O.K.
182	IOT	0	V96	0	0	0	0	0	0	O.K.
183	C&WF	0	V97	0	0	0	0	0	0	O.K.
184	Other	0	V98	0	0	0	0	0	0	O.K.
185										
186	TOTAL LEASEHOLD IMPROVEMEN'	$0		$0	$0	$0	$0	$0	$0	O.K.
187										
188										
189	TPIS, EXCL. ACCT. No. 2690	$22,854,829		$15,961,103	$0	$6,794,031	$0	$79,694	$6,873,726	O.K.

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MIDSTATE TELEPHONE COMPANY & HEARTLAND COMMUNICATIONS, INC.

	******* FCC PART 36 ******* Plant Investment Detail	TOTAL COMPANY	Source/ Allocator	Interstate and Other	Intrastate: Message Telephone Service: InterLATA	Intrastate: Message Telephone Service: IntraLATA	Intrastate: Private Line: InterLATA	Intrastate: Private Line: IntraLATA	TOTAL INTRASTATE	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
204	INTANGIBLE ASSETS:									
205										
206	Allocable Acct. No. 2690	$0	H36	$0	$0	$0	$0	$0	$0	O.K.
207	Direct Acct. No. 2690	0	V100	0	0	0	0	0	0	O.K.
208										
209	Total Intangible Assets	$0		$0	$0	$0	$0	$0	$0	O.K.
210										
211										
212	OTHER TELEPHONE PLANT:									
213										
214	Held for Fut. Use - Alloc.	$0	---	$0	$0	$0	$0	$0	$0	O.K.
215	Held for Fut. Use - Direct	0	---	0	0	0	0	0	0	O.K.
216	TPUC, Short-term - Alloc.	0	H36	0	0	0	0	0	0	O.K.
217	TPUC, Short-term - Direct	0	V124	0	0	0	0	0	0	O.K.
218	TPUC, Long-term - Alloc.	19,240	H36	13,453	0	5,719	0	67	5,787	O.K.
219	TPUC, Long-term - Direct	0	V126	0	0	0	0	0	0	O.K.
220	Tele. Plt. Adjust. - Alloc.	0	H36	0	0	0	0	0	0	O.K.
221	Tele. Plt. Adjust. - Direct	0	V104	0	0	0	0	0	0	O.K.
222										
223	Total Other Telephone Plant	$19,240		$13,453	$0	$5,719	$0	$67	$5,787	O.K.

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ENDING DECEMBER 31, 1998 WITH KNOWN & MEASURABLE CHANGES

MIDSTATE TELEPHONE COMPANY & HEARTLAND COMMUNICATIONS, INC.

	******* FCC PART 36 ******* Reserves and Deferrals	TOTAL COMPANY	Source/ Allocator	Interstate and Other	Intrastate					
					Message Telephone Service		Private Line		TOTAL INTRASTATE	
					InterLATA	IntraLATA	InterLATA	IntraLATA		
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
13	ACCUM. DEPRECIATION, TPIS:									
14										
15	Support Assets	$1,031,038	H13	$720,947	$0	$306,496	$0	$3,595	$310,091	O.K.
16	COE Switching	2,119,463	H19	1,412,565	0	706,798	0	0	706,798	O.K.
17	COE Operator	0	H16	0	0	0	0	0	0	O.K.
18	COE Transmission	716,054	H20	447,358	0	267,159	0	1,537	268,696	O.K.
19	IOT Equipment	0	H25	0	0	0	0	0	0	O.K.
20	Cable and Wire Facilities	6,578,550	H31	4,795,470	0	1,749,456	0	33,624	1,783,080	O.K.
21	Other Plant	0	V135	0	0	0	0	0	0	O.K.
22										
23	Total Accum. Depr., TPIS	$10,445,105		$7,376,440	$0	$3,029,909	$0	$38,757	$3,068,665	O.K.
24										
25	ACCUM. AMORTIZATION:									
26										
27	Accum. Depreciation, FHFU	$0	H38	$0	$0	$0	$0	$0	$0	O.K.
28	Accum. Amort., Tangible Inv.	0	H40	0	0	0	0	0	0	O.K.
29	Accum. Amort., Intang. Inv.	0	H41	0	0	0	0	0	0	O.K.
30	Accum. Amort., Other	0	V138	0	0	0	0	0	0	O.K.
31										
32	Tot. Accum. Amortization	$0		$0	$0	$0	$0	$0	$0	O.K.
33										
34	Total Accum. Depr./Amort.	$10,445,105		$7,376,440	$0	$3,029,909	$0	$38,757	$3,068,665	O.K.
35										
36										
37	ACCUM. DEF. INC. TAXES, NET:									
38										
39	Support Assets	0	H13	$0	$0	$0	$0	$0	$0	O.K.
40	COE Switching	0	H19	0	0	0	0	0	0	O.K.
41	COE Operator	0	H16	0	0	0	0	0	0	O.K.
42	COE Transmission	0	H20	0	0	0	0	0	0	O.K.
43	IOT Equipment	0	H25	0	0	0	0	0	0	O.K.
44	Cable and Wire Fac.	0	H31	0	0	0	0	0	0	O.K.
45	Unclassified	0	V145	0	0	0	0	0	0	O.K.
46										
47	Total Accum. Def. Inc. Taxes	$0		$0	$0	$0	$0	$0	$0	O.K.

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MIDSTATE TELEPHONE COMPANY & HEARTLAND COMMUNICATIONS, INC.

	******* FCC PART 36 ******* Functional Distribution of Selected Investments	TOTAL COMPANY	Joint Use Message	Private Line: Interstate InterLATA	Private Line: Interstate IntraLATA	Private Line: Intrastate InterLATA	Private Line: Intrastate IntraLATA	Extended Area Service	Other	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
13	TRANS. CCT EQUIPMENT:									
14										
15	Working Loops	4,839	4,751	0	0	0	24	0	64	O.K.
16	Avg. Cost per Loop	44.68	44.68	44.68	44.68	44.68	44.68	44.68	44.68	
17										
18	CAT 4.13 Exch Ln. Invest.	$216,186	$212,255	$0	$0	$0	$1,072	$0	$2,859	
19										
20										
21	Circuit Terminations	998	998	0	0	0	0	0	0	O.K.
22	Avg. Cost per Termination	2,170.56	2,170.56	2,170.56	2,170.56	2,170.56	2,170.56	2,170.56	2,170.56	
23										
24	CAT 4.23 Other IX	$2,166,218	$2,166,218	$0	$0	$0	$0	$0	$0	
25										
26										
27	C&WF INVESTMENT:									
28										
29	Working Loops	4,839	4,751	0	0	0	24	0	64	
30	Loops Factor	1.000000	0.981814	0.000000	0.000000	0.000000	0.004960	0.000000	0.013226	
31	CAT 1 Exchange C&WF	$10,516,622	$10,325,371	$0	$0	$0	$52,159	$0	$139,092	O.K.
32										
33										
34	Equivalent IX Circuit Miles	53,837	53,837	0	0	0	0	0	0	O.K.
35	IX Cct. Miles Factor	1.000000	1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
36	CAT 3 Interexch. C&WF	$1,557,819	$1,557,819	$0	$0	$0	$0	$0	$0	

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ENDING DECEMBER 31, 1998 WITH KNOWN & MEASURABLE CHANGES

MIDSTATE TELEPHONE COMPANY & HEARTLAND COMMUNICATIONS, INC.

	******* FCC PART 36 ******* Physical Allocation Factors	TOTAL COMPANY	Source/ Allocator	Interstate and Other	Intrastate: Message Telephone Service: InterLATA	Intrastate: Message Telephone Service: IntraLATA	Intrastate: Private Line: InterLATA	Intrastate: Private Line: IntraLATA	TOTAL INTRASTATE	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
13	Subscriber Plant Fact. (SPF)	1.000000	SPF	0.750000	0.000000	0.250000	0.000000	0.000000	0.250000	O.K.
14										
15	Dial Equipment Minutes (DEM)	1.000000	DEM	0.691099	0.000000	0.308901	0.000000	0.000000	0.308901	O.K.
16										
17	Conversation Minute-Miles	1.000000	CMM	0.516680	0.000000	0.483320	0.000000	0.000000	0.483320	O.K.
18	Conversation Minutes	1.000000	CM	0.519837	0.000000	0.480163	0.000000	0.000000	0.480163	O.K.
19	Subscriber Minutes (SLU)	1.000000	SLU	0.800093	0.000000	0.199907	0.000000	0.000000	0.199907	O.K.
20										
21	TSPS Processor Time	0.000000	TSP	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
22	Wtd. Stand. Work Sec., Toll	0.000000	WST	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
23	Wtd. Stand. Work Sec., Aux.	0.000000	WSA	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
24	Wtd. Stand. Work Sec., Comb.	0.000000	WSC	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
25										
26	COE CAT 2 Minutes	1.000000	CT2	0.577899	0.000000	0.422101	0.000000	0.000000	0.422101	O.K.
27										
28	Exchange Trunk Minutes	1.000000	ETM	1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
29	MOU-ML, Host/Remote	0.000000	HRM	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
30										
31	C&WF CAT 4, WATS	0.000000	CT4	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
32										
33	Equal Access MOU	0.000000	EAM	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
34										
35	Current Billings	0.000000	CB	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
36	EU Presubscription Factor	1.000000	EPRE	1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
37	EU MTS & WATS Factor	1.000000	EMTS	0.475351	0.000000	0.524649	0.000000	0.000000	0.524649	O.K.
38	EU Access, P/L and All Other Factor	1.000000	EPLO	0.988041	0.000000	0.000000	0.000000	0.011959	0.011959	O.K.
39	IX Special Access Factor	1.000000	ISPA	1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
40	IX Switched Access Factor	1.000000	ISWA	0.508325	0.000000	0.491675	0.000000	0.000000	0.491675	O.K.
41	IX Billing & Collection Services Factor	1.000000	IBC	0.265193	0.000000	0.734807	0.000000	0.000000	0.734807	O.K.
42	Coin Revenue Percent	1.000000	CR	1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
43	Relative Toll/Local Msgs.	1.000000	TLM	0.217133	0.000000	0.782867	0.000000	0.000000	0.782867	O.K.
44	Relative Users Percent	1.000000	RUP	0.650055	0.000000	0.347481	0.000000	0.002464	0.349945	O.K.
45	CABS Percent	1.000000	CAB	0.500000	0.000000	0.500000	0.000000	0.000000	0.500000	O.K.
46	Foreign Directories Percent	0.000000	FD	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.

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ENDING DECEMBER 31, 1998 WITH KNOWN & MEASURABLE CHANGES

MIDSTATE TELEPHONE COMPANY & HEARTLAND COMMUNICATIONS, INC.

	******* FCC PART 36 ******* Internal Allocation Factors	TOTAL COMPANY	Source/ Allocator	Interstate and Other	Interstate: Message Telephone Service: InterLATA	Interstate: Message Telephone Service: IntraLATA	Interstate: Private Line: InterLATA	Interstate: Private Line: IntraLATA	TOTAL INTRASTATE	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
13	Support Assets	1.000000	D31	0.699244	0.000000	0.297269	0.000000	0.003487	0.300756	O.K.
14	Land and Support Assets	1.000000	D33	0.699244	0.000000	0.297269	0.000000	0.003487	0.300756	O.K.
15										
16	COE Operator	0.000000	D43	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
17	COE Tandem Switching	1.000000	D49	0.577899	0.000000	0.422101	0.000000	0.000000	0.422101	O.K.
18	COE Local Switching	1.000000	D58	0.691099	0.000000	0.308901	0.000000	0.000000	0.308901	O.K.
19	COE Total Switching	1.000000	D68	0.666520	0.000000	0.333480	0.000000	0.000000	0.333480	O.K.
20	COE Transmission	1.000000	D85	0.624754	0.000000	0.373099	0.000000	0.002147	0.375246	O.K.
21	Total COE	1.000000	C19	0.650511	0.000000	0.349466	0.000000	0.000023	0.349489	O.K.
22										
23	Info. Orig./Term. CAT 1	0.000000	D90	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
24	Info. Orig./Term. CAT 2	0.000000	D92	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
25	Total IOT	0.000000	D94	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
26										
27	C&WF CAT 1	1.000000	D118	0.749587	0.000000	0.245454	0.000000	0.004960	0.250413	O.K.
28	C&WF CAT 2	1.000000	D120	1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
29	C&WF CAT 3	1.000000	D129	0.519703	0.000000	0.472809	0.000000	0.007488	0.480297	O.K.
30	C&WF CAT 4	0.000000	D135	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
31	Total C&WF	1.000000	D137	0.728956	0.000000	0.265833	0.000000	0.006111	0.271044	O.K.
32										
33	Total Equipment	1.000000	C23	0.699244	0.000000	0.297269	0.000000	0.003487	0.300756	O.K.
34										
35	TPIS	1.000000	C32	0.699244	0.000000	0.297269	0.000000	0.003487	0.300756	O.K.
36	TPIS, excl. Acct. No. 2680	1.000000	D189	0.699244	0.000000	0.297269	0.000000	0.003487	0.300756	O.K.
37										
38	Pft. Held, Fut. Use	0.000000	D215	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
39										
40	Total Tangible Assets	0.000000	C25	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
41	Total Intangible Assets	0.000000	C29	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
42										
43	Long-term PUC	1.000000	C36	0.699244	0.000000	0.297269	0.000000	0.003487	0.300753	O.K.
44	Net Telephone Plant	1.000000	C61	0.693390	0.000000	0.303311	0.000000	0.003299	0.306610	O.K.
45	Total Net Investment	1.000000	C68	0.692559	0.000000	0.304133	0.000000	0.003309	0.307441	O.K.
46	Capital Leases	0.000000	D173	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
47										
48	Tot. Bus. Ofc., Cust. Serv.	1.000000	I141	0.750622	0.000000	0.243791	0.000000	0.005587	0.249378	O.K.
49										
50	Total "BIG THREE" Expenses	1.000000	I170	0.679371	0.000000	0.317147	0.000000	0.003482	0.320629	O.K.
51										
52	Corporate Operations Expense	1.000000	I185	0.606690	0.000000	0.390398	0.000000	0.002913	0.393310	O.K.

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ENDING DECEMBER 31, 1998 WITH KNOWN & MEASURABLE CHANGES

MIDSTATE TELEPHONE COMPANY & HEARTLAND COMMUNICATIONS, INC.

	******* FCC PART 36 ******* Operating Expenses and Taxes	TOTAL COMPANY	Source/ Allocator	Interstate and Other	Interstate: Message Telephone Service: InterLATA	Interstate: Message Telephone Service: IntraLATA	Interstate: Private Line: InterLATA	Interstate: Private Line: IntraLATA	TOTAL INTRASTATE	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
13	PLANT SPEC. OPER. EXPENSE:									
14										
15	Network Support, Alloc.	$0	H14	$0	$0	$0	$0	$0	$0	O.K.
16	Network Support, Direct	0	V149	0	0	0	0	0	0	O.K.
17										
18	Total Network Support Exp.	$0		$0	$0	$0	$0	$0	$0	O.K.
19										
20	General Support, Alloc.	$60,945	H14	$35,623	$0	$15,144	$0	$178	$15,322	O.K.
21	General Support, Direct	0	V151	0	0	0	0	0	0	O.K.
22										
23	Total General Support Exp.	$60,945		$35,623	$0	$15,144	$0	$178	$15,322	O.K.
24										
25	Central Office Eq., Alloc.	$126,313	H21	$82,168	$0	$44,041	$0	$104	$44,145	O.K.
26	Central Office Eq., Direct	0	V153	0	0	0	0	0	0	O.K.
27										
28	Total COE Exp.	$126,313		$82,168	$0	$44,041	$0	$104	$44,145	O.K.
29										
30	Cust. Premises Equip.	$0	H24	$0	$0	$0	$0	$0	$0	O.K.
31	Contesa Pay Phone	0	G18	0	0	0	0	0	0	O.K.
32	Other IOT	0	H23	0	0	0	0	0	0	O.K.
33	IOT Direct	0	V157	0	0	0	0	0	0	O.K.
34										
35	Total IOT Exp.	$0		$0	$0	$0	$0	$0	$0	O.K.
36										
37	Cable & Wire, Alloc.	$203,453	H31	$148,308	$0	$54,105	$0	$1,040	$55,145	O.K.
38	Cable & Wire, Direct	227,020	V159	115,055	0	111,965	0	0	111,965	O.K.
39										
40	Total C&WF Exp.	$430,473		$263,363	$0	$166,070	$0	$1,040	$167,110	O.K.
41										
42	TOTAL PLT. SPEC. OPER. EXP.	$607,731		$361,154	$0	$225,255	$0	$1,321	$226,577	O.K.
43										
44	TOTAL PLT. SPEC., ex SUPPORT	$556,786		$345,531	$0	$210,111	$0	$1,144	$211,255	O.K.

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MIDSTATE TELEPHONE COMPANY & HEARTLAND COMMUNICATIONS, INC.

	******* FCC PART 36 ******* Operating Expenses and Taxes	TOTAL COMPANY	Source/ Allocator	Interstate and Other	Intrastate: Message Telephone Service InterLATA	Intrastate: Message Telephone Service IntraLATA	Intrastate: Private Line InterLATA	Intrastate: Private Line IntraLATA	TOTAL INTRASTATE	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
58	NON-SPECIFIC OPER. EXP.:									
59										
60	Oth. Pit. and Equip., Alloc.	$0	H36	$0	$0	$0	$0	$0	$0	O.K.
61	Oth. Pit. and Equip., Direct	0	V177	0	0	0	0	0	0	O.K.
62										
63	Total Oth. Pit. & Equip.	$0		$0	$0	$0	$0	$0	$0	O.K.
64										
65	Network Operations, Alloc.	$108,623	H33	$74,555	$0	$31,696	$0	$372	$32,068	O.K.
66	Network Operations, Direct	0	V179	0	0	0	0	0	0	O.K.
67										
68	Total Network Oper. Exp.	$108,623		$74,555	$0	$31,696	$0	$372	$32,068	O.K.
69										
70	Total Access Expenses	$578,997	V190	$110,621	$0	$465,376	$0	$0	$465,376	O.K.
71										
72	Depr., Support Assets	$154,597	H13	$108,101	$0	$45,957	$0	$539	$46,496	O.K.
73	Depr., COE Switching	485,111	H19	323,336	0	161,775	0	0	161,775	O.K.
74	Depr., COE Operator	0	H16	0	0	0	0	0	0	O.K.
75	Depr., COE Transmission	157,178	H20	98,198	0	58,643	0	337	58,980	O.K.
76	Depr., IOT Equipment	0	H25	0	0	0	0	0	0	O.K.
77	Depr., C&W Facilities	644,837	H31	470,057	0	171,484	0	3,296	174,780	O.K.
78	Depr., PHFU	0	H38	0	0	0	0	0	0	O.K.
79										
80	Total Depreciation Expense	$1,441,723		$999,692	$0	$437,858	$0	$4,172	$442,031	O.K.
81										
82	Amort., Tangible Assets	$0	H40	$0	$0	$0	$0	$0	$0	O.K.
83	Amort., Intangible Assets	0	H41	0	0	0	0	0	0	O.K.
84	Other Amortization	0	V189	0	0	0	0	0	0	O.K.
85	Direct Assigned Amort.	0	V190	0	0	0	0	0	0	O.K.
86										
87	Total Amortization Exp.	$0		$0	$0	$0	$0	$0	$0	O.K.
88										
89	Total Depr. and Amort.	$1,441,723		$999,692	$0	$437,858	$0	$4,172	$442,031	O.K.
90										
91	TOTAL NON-SPEC. OPER. EXP.	$2,127,343		$1,184,869	$0	$937,930	$0	$4,544	$942,474	O.K.

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ENDING DECEMBER 31, 1998 WITH KNOWN & MEASURABLE CHANGES
MIDSTATE TELEPHONE COMPANY & HEARTLAND COMMUNICATIONS, INC.

	******* FCC PART 36 ******* Operating Expenses and Taxes	TOTAL COMPANY	Source/ Allocator	Interstate and Other	Intrastate: Message Telephone Service InterLATA	Intrastate: Message Telephone Service IntraLATA	Intrastate: Private Line InterLATA	Intrastate: Private Line IntraLATA	TOTAL INTRASTATE	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
106	CUSTOMER OPERATIONS EXPENSE:									
107	Marketing, Allocaste	$0	G35	$0	$0	$0	$0	$0	$0	O.K.
108	Marketing, Direct	0	V192	0	0	0	0	0	0	O.K.
110	Total Marketing Expense	$0		$0	$0	$0	$0	$0	$0	O.K.
112	Operator Service, Alloc.	$0	G24	$0	$0	$0	$0	$0	$0	O.K.
113	Operator Service, Direct	0	V194	0	0	0	0	0	0	O.K.
115	Total Operator Service	$0		$0	$0	$0	$0	$0	$0	O.K.
117	Classified Directory	$0	V195	$0	$0	$0	$0	$0	$0	O.K.
118	Alphabetical Directory	14,651	G19	11,722	0	2,929	0	0	2,929	O.K.
119	Foreign Directory	0	G46	0	0	0	0	0	0	O.K.
121	Total Directory	$14,651		$11,722	$0	$2,929	$0	$0	$2,929	O.K.
123	Bus. Ofc., EU Presubscription	$15,885	G36	$15,885	$0	$0	$0	$0	$0	O.K.
124	Bus. Ofc., EU MTS & WATS	47,060	G37	22,370	0	24,690	0	0	24,690	O.K.
125	Bus. Ofc., EU Access, PAL & all Other	167,913	G38	165,905	0	0	0	2,008	2,008	O.K.
126	Bus. Ofc., IXC Special Access	193	G39	193	0	0	0	0	0	O.K.
127	Bus. Ofc., IXC Switched Access	8,753	G40	4,449	0	4,304	0	0	4,304	O.K.
128	Bus. Ofc., IXC B & C Services	181	G41	48	0	133	0	0	133	O.K.
129	Coin Collect & Admin.	0	G42	0	0	0	0	0	0	O.K.
131	Total Business Office	$239,985		$209,850	$0	$29,127	$0	$2,008	$31,135	O.K.
133	Cust. Svc., Direct	$0	V208	$0	$0	$0	$0	$0	$0	O.K.
134	Cust. Serv., Msg. Process	0	G43	0	0	0	0	0	0	O.K.
135	Cust. Serv., Other B&C	18,898	G44	12,069	0	6,451	0	46	6,497	O.K.
136	Cust. Serv., CABS	108,027	G45	54,044	0	54,044	0	0	54,044	O.K.
137	Cust. Serv., EU Common Line	977	V209	977	0	0	0	0	0	O.K.
139	Total Customer Service	$127,930		$67,089	$0	$60,495	$0	$46	$60,541	O.K.
141	Total Bus. Ofc., Cust. Serv.	$367,615		$276,940	$0	$89,621	$0	$2,054	$91,675	O.K.

ENDING DECEMBER 31, 1998 WITH KNOWN & MEASURABLE CHANGES

MIDSTATE TELEPHONE COMPANY & HEARTLAND COMMUNICATIONS, INC.

	******* FCC PART 36 ******* Operating Expenses and Taxes	TOTAL COMPANY	Source/ Allocator	Interstate and Other	Intrastate: Message Telephone Service: IntraLATA	Intrastate: Message Telephone Service: IntraLATA	Intrastate: Private Line: IntraLATA	Intrastate: Private Line: IntraLATA	TOTAL INTRASTATE	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
156	Other Cust. Serv., Alloc.	$34,862	H48	$26,166	$0	$8,499	$0	$196	$8,694	O.K.
157	Other Cust. Serv., Direct	527	V211	527	0	0	0	0	0	O.K.
158										
159	Total Other Cust. Serv.	$35,389		$26,695	$0	$8,499	$0	$196	$8,694	O.K.
160										
161	TOTAL CUSTOMER OPER. EXP.	$417,655		$314,357	$0	$101,049	$0	$2,249	$103,298	O.K.
162										
163										
164	"SIG-THREE" EXPENSES:									
165										
166	Total Pl. Spec., ex Support	$556,768	44	$345,531	$0	$210,111	$0	$1,144	$211,255	O.K.
167	Total Network Oper. Exp.	106,623	66	74,565	0	31,696	0	372	32,068	O.K.
168	Total Customer Operations	417,655	161	314,357	0	101,049	0	2,249	103,298	O.K.
169										
170	TOTAL "SIG THREE" EXPENSES	$1,081,064		$734,444	$0	$342,856	$0	$3,764	$346,620	O.K.
171										
172										
173	CORPORATE OPERATIONS EXPENSE:									
174										
175	Exec. and Planning, Alloc.	$181,588	H50	$123,366	$0	$57,590	$0	$632	$58,222	O.K.
176	Exec. and Planning, Direct	0	V213	0	0	0	0	0	0	O.K.
177										
178	Total Exec. and Planning	$181,588		$123,366	$0	$57,590	$0	$632	$58,222	O.K.
179										
180	Admin. & General, Allocable	$249,812	H50	$169,715	$0	$79,227	$0	$870	$80,097	O.K.
181	Admin. & General, Direct	84,285	V231	19,780	0	64,505	0	0	64,505	O.K.
182										
183	Total Admin. and Gen.	$334,097		$189,495	$0	$143,732	$0	$870	$144,602	O.K.
184										
185	TOTAL CORPORATE OPERATIONS	$515,685		$312,861	$0	$201,322	$0	$1,502	$202,824	O.K.
186										
187										
188	NON-INCOME TAXES:									
189										
190	Non-Income Taxes, Allocable	$0	H36	$0	$0	$0	$0	$0	$0	O.K.
191	Non-Income Taxes, Direct	8,064	V233	1,488	0	6,576	0	0	6,576	O.K.
192										
193	Total Non-Income Taxes	$8,064		$1,488	$0	$6,576	$0	$0	$6,576	O.K.
194										
195										
196	TOTAL OPER. EXP. AND TAXES	$3,676,478		$2,194,729	$0	$1,472,133	$0	$9,616	$1,481,749	O.K.

ENDING DECEMBER 31, 1998 WITH KNOWN & MEASURABLE CHANGES

MIDSTATE TELEPHONE COMPANY & HEARTLAND COMMUNICATIONS, INC.

	******* FCC PART 36 ******* Operating Expenses and Taxes	TOTAL COMPANY	Source/ Allocator	Interstate and Other	Intrastate: Message Telephone Service: IntraLATA	Intrastate: Message Telephone Service: IntraLATA	Intrastate: Private Line: IntraLATA	Intrastate: Private Line: IntraLATA	TOTAL INTRASTATE	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
156	Other Cust. Serv., Alloc.	$34,862	H48	$26,166	$0	$8,499	$0	$196	$8,694	O.K.
157	Other Cust. Serv., Direct	527	V211	527	0	0	0	0	0	O.K.
158										
159	Total Other Cust. Serv.	$35,389		$26,695	$0	$8,499	$0	$196	$8,694	O.K.
160										
161	TOTAL CUSTOMER OPER. EXP.	$417,655		$314,357	$0	$101,049	$0	$2,249	$103,298	O.K.
162										
163										
164	"SIG-THREE" EXPENSES:									
165										
166	Total Pl. Spec., ex Support	$556,768	44	$345,531	$0	$210,111	$0	$1,144	$211,255	O.K.
167	Total Network Oper. Exp.	106,623	66	74,565	0	31,696	0	372	32,068	O.K.
168	Total Customer Operations	417,655	161	314,357	0	101,049	0	2,249	103,298	O.K.
169										
170	TOTAL "SIG THREE" EXPENSES	$1,081,064		$734,444	$0	$342,856	$0	$3,764	$346,620	O.K.
171										
172										
173	CORPORATE OPERATIONS EXPENSE:									
174										
175	Exec. and Planning, Alloc.	$181,588	H50	$123,366	$0	$57,590	$0	$632	$58,222	O.K.
176	Exec. and Planning, Direct	0	V213	0	0	0	0	0	0	O.K.
177										
178	Total Exec. and Planning	$181,588		$123,366	$0	$57,590	$0	$632	$58,222	O.K.
179										
180	Admin. & General, Allocable	$249,812	H50	$169,715	$0	$79,227	$0	$870	$80,097	O.K.
181	Admin. & General, Direct	84,285	V231	19,780	0	64,505	0	0	64,505	O.K.
182										
183	Total Admin. and Gen.	$334,097		$189,495	$0	$143,732	$0	$870	$144,602	O.K.
184										
185	TOTAL CORPORATE OPERATIONS	$515,685		$312,861	$0	$201,322	$0	$1,502	$202,824	O.K.
186										
187										
188	NON-INCOME TAXES:									
189										
190	Non-Income Taxes, Allocable	$0	H36	$0	$0	$0	$0	$0	$0	O.K.
191	Non-Income Taxes, Direct	8,064	V233	1,488	0	6,576	0	0	6,576	O.K.
192										
193	Total Non-Income Taxes	$8,064		$1,488	$0	$6,576	$0	$0	$6,576	O.K.
194										
195										
196	TOTAL OPER. EXP. AND TAXES	$3,676,478		$2,194,729	$0	$1,472,133	$0	$9,616	$1,481,749	O.K.

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ENDING DECEMBER 31, 1998 WITH KNOWN & MEASURABLE CHANGES

MIDSTATE TELEPHONE COMPANY & HEARTLAND COMMUNICATIONS, INC.

	******* FCC PART 69 ******* IntraLATA Revenue Requirement Summary	Part 36 IntraLATA Total	Source	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
13	Net Investment	$3,888,397	K52	$1,306,633	$805,802	$0	$1,729,739	$0	$46,224	O.K.
14	Rate of Return	10.00%	B19	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	O.K.
15										
16	Return on Rate Base	$388,840		$130,663	$80,580	$0	$172,974	$0	$4,622	O.K.
17										
18	AFUDC	(13,236)	N37	(5,096)	(2,701)	0	(5,272)	0	(167)	O.K.
19	ITC Amortization	0	N37	0	0	0	0	0	0	O.K.
20	Other Return Adjustments	0	Direct	0	0	0	0	0	0	O.K.
21										
22	Net Return	$375,603		$125,567	$77,879	$0	$167,702	$0	$4,456	O.K.
23										
24	Interest Expense	132,841	N67	44,639	27,529	0	59,094	0	1,579	O.K.
25	Capitalized Payroll Taxes	0	N37	0	0	0	0	0	0	O.K.
26	Depreciation Adjustment	0	N37	0	0	0	0	0	0	O.K.
27	Other Income Adjustments	0	Direct	0	0	0	0	0	0	O.K.
28										
29	After Tax Income	$242,762		$80,928	$50,350	$0	$108,608	$0	$2,876	O.K.
30										
31	State Income Taxes	$0	29	0	0	0	0	0	0	O.K.
32	Federal Income Taxes	18,457	29	6,153	3,828	0	8,257	0	219	O.K.
33	Operating Expenses and Taxes	1,481,749	O195	219,132	202,756	4,371	458,458	39,895	557,138	O.K.
34	Uncollectibles	0	Direct	0	0	0	0	0	0	O.K.
35	Other Revenue Adjustments	0	Direct	0	0	0	0	0	0	O.K.
36										
37	Basis for Gross Receipts Tax	1,889,046	16+31+32+33	355,948	287,164	4,371	639,689	39,895	561,979	O.K.
38										
39										
40	Gross Receipts Tax	68,437	37	12,895	10,404	158	23,175	1,445	20,360	O.K.
41										
42										
43	TOTAL REVENUE REQUIREMENT	$1,944,247		$363,747	$294,667	$4,529	$657,592	$41,340	$582,172	O.K.
44										

MIDSTATE TELEPHONE COMPANY & HEARTLAND COMMUNICATIONS, INC.

	******* FCC PART 69 ******* IntraLATA Investment Summary	Part 33 IntraLATA Total	Source	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
13	Land and Support Assets	$803,846	L25	$12,227	$862,663	$0	$612,719	$0	$16,216	O.K.
14										
15	Central Office Equipment	$2,671,529	L70	$53,054	$1,139,995	$0	$1,472,179	$0	$6,291	O.K.
16	Info. Term./Orig. Equipment	0	L78	0	0	0	0	0	0	O.K.
17	Cable and Wire Facilities	3,398,361	L117	2,581,343	0	0	752,925	0	64,083	O.K.
18										
19	Total COE, IOT, C&WF	$6,069,890		$2,634,406	$1,139,995	$0	$2,225,104	$0	$70,375	O.K.
20										
21	Total Tangible Assets	$0	L141	$0	$0	$0	$0	$0	$0	O.K.
22										
23	Total Tele. Plt. ex Intang.	$6,873,726		$2,646,634	$1,402,678	$0	$2,737,824	$0	$86,591	O.K.
24	Total Intangible Assets	0	L144	0	0	0	0	0	0	O.K.
25										
26	Total Plant In Service	$6,873,726		$2,646,634	$1,402,678	$0	$2,737,824	$0	$86,591	O.K.
27	Total Plt. Held Future Use	0	L147	0	0	0	0	0	0	O.K.
28	Total ST PUC	0	L153	0	0	0	0	0	0	O.K.
29	Total LT PUC	5,787	L164	2,228	1,181	0	2,305	0	73	O.K.
30	Total Tel. Plt. Adjust.	0	L169	0	0	0	0	0	0	O.K.
31										
32	TOTAL TELEPHONE PLANT	$6,879,512		$2,648,862	$1,403,859	$0	$2,740,128	$0	$86,663	O.K.
33										
34	less:									
35	Accum. Depr., Plt. In Serv.	3,068,965	M23	1,372,088	613,882	0	1,041,278	0	41,417	O.K.
36	Accum. Depr. PHFU	0	M27	0	0	0	0	0	0	O.K.
37	Accum. Amort. Tangible Plt.	0	M28	0	0	0	0	0	0	O.K.
38	Accum. Amort. Intangibles	0	M29	0	0	0	0	0	0	O.K.
39	Accum. Amort. Other	0	M30	0	0	0	0	0	0	O.K.
40	Accum. Def. Inc. Taxes, Net	0	M47	0	0	0	0	0	0	O.K.
41										
42	plus:									
43	Other Assets	0	Direct	0	0	0	0	0	0	O.K.
44										
45	NET TELEPHONE PLANT	$3,810,847		$1,276,773	$789,977	$0	$1,698,850	$0	$45,247	O.K.
46	plus:									
47	Class B RTB Stock	0	L171	0	0	0	0	0	0	O.K.
48	Materials and Supplies	29,933	L173	11,410	6,047	0	11,803	0	373	O.K.
49	Cash Working Capital	47,917	L175	18,450	9,778	0	19,088	0	604	O.K.
50	Equal Access Investment	0	L177	0	0	0	0	0	0	O.K.
51										
52	NET INVESTMENT	$3,888,387		$1,306,633	$805,802	$0	$1,729,739	$0	$46,224	O.K.
53										

MIDSTATE TELEPHONE COMPANY & HEARTLAND COMMUNICATIONS, INC.

	******* FCC PART 69 ******* IntraLATA Investment Detail	Part 36 IntraLATA Total	Source or Apportion	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
13	LAND AND SUPPORT ASSETS:									
14										
15	Land Assets, Message	$0	N28	0	0	0	0	0	0	O.K.
16	Land Assets, Private Line	0	N28	0	0	0	0	0	0	O.K.
17										
18	Total Land Assets	$0		$0	$0	$0	$0	$0	$0	O.K.
19										
20	Support Assets, Message	$794,826	N28	$12,085	$250,638	$0	$506,775	$0	$16,029	O.K.
21	Support Assets, Private Line	9,320	N28	142	3,046	0	5,944	0	188	O.K.
22										
23	Total Support Assets	$803,846		$12,227	$253,683	$0	$512,719	$0	$16,216	O.K.
24										
25	Total Land and Supp. Assets	$803,846		$12,227	$253,683	$0	$512,719	$0	$16,216	O.K.
26										
27	CENTRAL OFFICE EQUIPMENT:									
28										
29	Operator Sys., DA	$0	(F)	0	0	0	0	0	0	O.K.
30	Operator Sys., Other	0	(I)	0	0	0	0	0	0	O.K.
31										
32	Total Operator Systems	$0		$0	$0	$0	$0	$0	$0	O.K.
33										
34	Tandem Switching	$432,041	(G)	$0	$0	$0	$432,041	$0	$0	O.K.
35	Tandem Assigned	0	Direct	0	0	0	0	0	0	O.K.
36										
37	Total Tandem Switching	$432,041		$0	$0	$0	$432,041	$0	$0	O.K.
38										
39	Local Switching	$1,139,995	(E)	$0	$1,139,995	$0	$0	$0	$0	O.K.
40	Local Assigned	0	Direct	0	0	0	0	0	0	O.K.
41										
42	Total Local Switching	$1,139,995		$0	$1,139,995	$0	$0	$0	$0	O.K.
43										
44	Total Switching	$1,572,036		$0	$1,139,995	$0	$432,041	$0	$0	O.K.

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ENDING DECEMBER 31, 1998 WITH KNOWN & MEASURABLE CHANGES

MIDSTATE TELEPHONE COMPANY & HEARTLAND COMMUNICATIONS, INC.

	******* FCC PART 69 ******* IntraLATA Investment Detail	Part 36 IntraLATA Total	Source or Apportion	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
58	COE Exch. Trunk	$0	Direct	$0	$0	$0	$0	$0	$0	O.K.
59	COE Exch. Line - Message	53,064	(D)	53,064	0	0	0	0	0	O.K.
60	COE Exch. Line - PL etc.	1,072	(I)	0	0	0	0	0	1,072	O.K.
61	COE Exch. Line - Assigned	0	Direct	0	0	0	0	0	0	O.K.
62	COE Interexchange, Message	1,040,138	(G)	0	0	0	1,040,138	0	0	O.K.
63	COE Interexchange, PL	0	(I)	0	0	0	0	0	0	O.K.
64	COE Interexchange, Assigned	5,219	(G)	0	0	0	0	0	5,219	O.K.
65	COE H/R Message	0	(G)	0	0	0	0	0	0	O.K.
66	COE H/R Assigned	0	Direct	0	0	0	0	0	0	O.K.
67										
68	Total COE Transmission	$1,099,493		$53,064	$0	$0	$1,040,138	$0	$6,291	O.K.
69										
70	Total Central Office Equip.	$2,671,529		$53,064	$1,139,995	$0	$1,472,179	$0	$6,291	O.K.
71										
72	IOT EQUIPMENT:									
73										
74	Public Telephone	$0	N43	$0	$0	$0	$0	$0	$0	O.K.
75	Coinless Pay Phone	0	(D)	0	0	0	0	0	0	O.K.
76	Customer Premises Equipment	0	N60	0	0	0	0	0	0	O.K.
77										
78	Total IOT Equipment	$0		$0	$0	$0	$0	$0	$0	O.K.
79										
80	CABLE AND WIRE FACILITIES:									
81										
82	Exchange PL and WATS	$52,159	(I)	$0	$0	$0	$0	$0	$52,159	O.K.
83	Exchange Message	2,581,343	(D)	2,581,343	0	0	0	0	0	O.K.
84	Exchange Assigned	0	Direct	0	0	0	0	0	0	O.K.
85										
86	Total Exchange Line C&WF	$2,633,502		$2,581,343	$0	$0	$0	$0	$52,159	O.K.
87										
88	Exchange Trunk, Message	$0	Direct	$0	$0	$0	$0	$0	$0	O.K.
89	Exchange Trunk, PL	0	Direct	0	0	0	0	0	0	O.K.
90										
91	Total Exchange Trunk C&WF	$0		$0	$0	$0	$0	$0	$0	O.K.
92										
93	Interexchange Message	$752,925	(G)	$0	$0	$0	$752,925	$0	$0	O.K.
94	Interexchange PL, WATS	0	(I)	0	0	0	0	0	0	O.K.
95	Interexchange Assigned	11,924	(G)	0	0	0	0	0	11,924	O.K.
96										
97	Total Interexchange C&WF	$764,849		$0	$0	$0	$752,925	$0	$11,924	O.K.

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ENDING DECEMBER 31, 1999 WITH KNOWN & MEASURABLE CHANGES

MIDSTATE TELEPHONE COMPANY & HEARTLAND COMMUNICATIONS, INC.

	******* FCC PART 69 ******* IntraLATA Investment Detail	Part 36 IntraLATA Total	Source or Apportion	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
111	H/R C&WF, Message	$0	(G)	$0	$0	$0	$0	$0	$0	O.K.
112	H/R C&WF, WATS	0	(I)	0	0	0	0	0	0	O.K.
113	H/R C&WF, Assigned	0	Direct	0	0	0	0	0	0	O.K.
114										
115	Total Host/Remote C&WF	$0		$0	$0	$0	$0	$0	$0	O.K.
116										
117	Total Cable and Wire Fact.	$3,366,361		$2,561,343	$0	$0	$752,925	$0	$64,093	O.K.
118										
119	TANGIBLE ASSETS:									
120										
121	Land and Support Leases	$0	N26	0	0	0	0	0	0	O.K.
122										
123	COE Operator Leases	$0	32	$0	$0	$0	$0	$0	$0	O.K.
124	COE Tandem Switching Leases	0	34	0	0	0	0	0	0	O.K.
125	COE Local Switching Leases	0	39	0	0	0	0	0	0	O.K.
126	COE Transmission Leases	0	68	0	0	0	0	0	0	O.K.
127										
128	Total COE Leases	$0		$0	$0	$0	$0	$0	$0	O.K.
129										
130	IOT Equipment Leases	$0	78	0	0	0	0	0	0	O.K.
131										
132	C&WF Leases	$0	117	0	0	0	0	0	0	O.K.
133										
134	Total Capital Leases	$0		$0	$0	$0	$0	$0	$0	O.K.
135										
136	Leasehold Impr., Alloc.	$0	N37	0	0	0	0	0	0	O.K.
137	Leasehold Impr., Direct	0	Direct	0	0	0	0	0	0	O.K.
138										
139	Total Leasehold Improvements	$0		$0	$0	$0	$0	$0	$0	O.K.
140										
141	Total Tangible Assets	$0		$0	$0	$0	$0	$0	$0	O.K.
142										
143										
144	TOTAL INTANGIBLE ASSETS	$0	N37	$0	$0	$0	$0	$0	$0	O.K.
145										
146										
147	PROPERTY HELD FOR FUTURE US	$0	N46	0	0	0	0	0	0	O.K.

MIDSTATE TELEPHONE COMPANY & HEARTLAND COMMUNICATIONS, INC.

	******* FCC PART 69 ******* IntraLATA Investment Detail	Part 36 IntraLATA Total	Source or Apportion	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
161	PLANT UNDER CONSTRUCTION:									
162										
163	Short-term	$0	N46	$0	$0	$0	$0	$0	$0	O.K.
164	Long-term	5,787	N46	2,228	1,181	0	2,305	0	73	O.K.
165										
166	Total Plt. Under Const.	$5,787		$2,228	$1,181	$0	$2,305	$0	$73	O.K.
167										
168										
169	TELEPHONE PLANT ADJUSTMENT	$0	N46	$0	$0	$0	$0	$0	$0	O.K.
170										
171	CLASS B RTB STOCK	$0	N37	$0	$0	$0	$0	$0	$0	O.K.
172										
173	MATERIALS AND SUPPLIES	$29,633	N37	$11,410	$6,047	$0	$11,803	$0	$373	O.K.
174										
175	CASH WORKING CAPITAL	$47,917	N37	$18,450	$9,778	$0	$19,086	$0	$604	O.K.
176										
177	EQUAL ACCESS INVESTMENT	$0	Direct	$0	$0	$0	$0	$0	$0	O.K.

MIDSTATE TELEPHONE COMPANY & HEARTLAND COMMUNICATIONS, INC.

	******* FCC PART 69 ******* IntraLATA Reserves and Deferrals	Part 36 IntraLATA Total	Source or Apportion	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
13	ACCUM. DEPRECIATION, TPIS:									
14										
15	Support Assets	$310,091	N28	$4,717	$101,532	$0	$197,786	$0	$6,255	O.K.
16	COE Switching	706,798	L44	0	$12,550	0	194,249	0	0	O.K.
17	COE Operator	0	L32	0	0	0	0	0	0	O.K.
18	COE Transmission	268,696	L68	12,968	0	0	254,191	0	1,537	O.K.
19	IOT Equipment	0	L78	0	0	0	0	0	0	O.K.
20	Cable and Wire Facilities	1,783,080	L117	1,354,404	0	0	395,052	0	33,624	O.K.
21	Other Plant	0	N37	0	0	0	0	0	0	O.K.
22										
23	Total Accum. Depr., TPIS	$3,068,665		$1,372,088	$613,882	$0	$1,041,278	$0	$41,417	O.K.
24										
25	ACCUM. AMORTIZATION:									
26										
27	Accum. Depreciation, PHFU	$0	N37	$0	$0	$0	$0	$0	$0	O.K.
28	Accum. Amort., Tangible Inv.	0	N37	$0	$0	$0	$0	$0	$0	O.K.
29	Accum. Amort., Intang. Inv.	0	N37	$0	$0	$0	$0	$0	$0	O.K.
30	Accum. Amort., Other	0	N37	$0	$0	$0	$0	$0	$0	O.K.
31										
32	Tot. Accum. Amortization	$0		$0	$0	$0	$0	$0	$0	O.K.
33										
34	Total Accum. Depr./Amort.	$3,068,665		$1,372,088	$613,882	$0	$1,041,278	$0	$41,417	O.K.
35										
36										
37	ACCUM. DEF. INC. TAXES, NET:									
38										
39	Support Assets	$0	N28	$0	$0	$0	$0	$0	$0	O.K.
40	COE Switching	0	L44	0	0	0	0	0	0	O.K.
41	COE Operator	0	L32	0	0	0	0	0	0	O.K.
42	COE Transmission	0	L68	0	0	0	0	0	0	O.K.
43	IOT Equipment	0	L78	0	0	0	0	0	0	O.K.
44	Cable and Wire Fac.	0	L117	0	0	0	0	0	0	O.K.
45	Unclassified	0	N37	0	0	0	0	0	0	O.K.
46										
47	Total Accum. Def. Inc. Taxes	$0		$0	$0	$0	$0	$0	$0	O.K.

MIDSTATE TELEPHONE COMPANY & HEARTLAND COMMUNICATIONS, INC.

	******* FCC PART 69 ******* IntraLATA Reserves and Deferrals	Part 36 IntraLATA Total	Source or Apportion	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
13	ACCUM. DEPRECIATION, TPIS:									
14										
15	Support Assets	$310,091	N28	$4,717	$101,332	$0	$197,786	$0	$6,255	O.K.
16	COE Switching	706,798	L44	0	$12,550	0	194,249	0	0	O.K.
17	COE Operator	0	L32	0	0	0	0	0	0	O.K.
18	COE Transmission	268,696	L68	12,968	0	0	54,191	0	1,537	O.K.
19	IOT Equipment	0	L73	0	0	0	0	0	0	O.K.
20	Cable and Wire Facilities	1,763,080	L117	1,354,404	0	0	395,052	0	33,624	O.K.
21	Other Plant	0	N37	0	0	0	0	0	0	O.K.
22										
23	Total Accum. Depr., TPIS	$3,058,665		$1,372,088	$613,882	$0	$1,041,278	$0	$41,417	O.K.
24										
25	ACCUM. AMORTIZATION:									
26										
27	Accum. Depreciation, PHFU	$0	N37	$0	$0	$0	$0	$0	$0	O.K.
28	Accum. Amort., Tangible Inv.	0	N37	$0	$0	$0	$0	$0	$0	O.K.
29	Accum. Amort., Intang. Inv.	0	N37	$0	$0	$0	$0	$0	$0	O.K.
30	Accum. Amort., Other	0	N37	$0	$0	$0	$0	$0	$0	O.K.
31										
32	Tot. Accum. Amortization	$0		$0	$0	$0	$0	$0	$0	O.K.
33										
34	Total Accum. Depr./Amort.	$3,058,665		$1,372,088	$613,882	$0	$1,041,278	$0	$41,417	O.K.
35										
36										
37	ACCUM. DEF. INC. TAXES, NET:									
38										
39	Support Assets	$0	N28	$0	$0	$0	$0	$0	$0	O.K.
40	COE Switching	0	L44	0	0	0	0	0	0	O.K.
41	COE Operator	0	L32	0	0	0	0	0	0	O.K.
42	COE Transmission	0	L68	0	0	0	0	0	0	O.K.
43	IOT Equipment	0	L73	0	0	0	0	0	0	O.K.
44	Cable and Wire Fac.	0	L117	0	0	0	0	0	0	O.K.
45	Unclassified	0	N37	0	0	0	0	0	0	O.K.
46										
47	Total Accum. Def. inc. Taxes	$0		$0	$0	$0	$0	$0	$0	O.K.

MIDSTATE TELEPHONE COMPANY & HEARTLAND COMMUNICATIONS, INC.

	******* FCC PART 69 ******* Apportionment Factors	Part 36 IntraLATA Total	Source	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
12	Central Office Equipment	$2,671,529	L70	$53,064	$1,139,995	$0	$1,472,179	$0	$6,291	O.K.
14	Info. Orig./Term. Eqpt.	0	L78	0	0	0	0	0	0	O.K.
15	C&W Facilities	3,398,361	L117	2,581,343	0	0	752,925	0	64,083	O.K.
16										
17	Total	$6,069,890		$2,634,406	$1,139,995	$0	$2,225,104	$0	$70,375	O.K.
18	Factor	1.000000		0.434013	0.187812	0.000000	0.366561	0.000000	0.011594	O.K.
19										
20	Sum: Sw., Trans., Other	$3,436,474	17	$0	$1,139,995	$0	$2,225,104	$0	$70,375	O.K.
21	Factor	1.000000		0.000000	0.331830	0.000000	0.647685	0.000000	0.020485	O.K.
22										
23	Central Office Equipment	$2,671,529	L70	$53,064	$1,139,995	$0	$1,472,179	$0	$6,291	O.K.
24	Info. Orig./Term. Eqpt.	0	L78	0	0	0	0	0	0	O.K.
25	C&WF, Excl. Exch. Message	$17,008	L117-63	0	0	0	752,925	0	64,083	O.K.
26										
27	Total	$3,486,537		$53,064	$1,139,995	$0	$2,225,104	$0	$70,375	O.K.
28	Factor	1.000000		0.015211	0.326783	0.000000	0.637833	0.000000	0.020173	O.K.
29										
30	General Support Facilities	$803,846	L25	$12,227	$262,683	$0	$512,719	$0	$16,216	O.K.
31	Central Office Equipment	2,671,529	13	53,064	1,139,995	0	1,472,179	0	6,291	O.K.
32	Info. Orig./Term. Eqpt.	0	14	0	0	0	0	0	0	O.K.
33	C&W Facilities	3,398,361	15	2,581,343	0	0	752,925	0	64,083	O.K.
34	Equal Access Investment	0	L177	0	0	0	0	0	0	O.K.
35										
36	Total	$6,873,726		$2,646,634	$1,402,678	$0	$2,737,824	$0	$86,591	O.K.
37	Factor	1.000000		0.385036	0.204064	0.000000	0.398303	0.000000	0.012597	O.K.
38										
39	Sum: Com. Ln., Sw., Trans.	$6,873,726	36	$2,646,634	$1,402,678	$0	$2,737,824	$0	$86,591	O.K.
40	Factor	1.000000		0.385036	0.204064	0.000000	0.398303	0.000000	0.012597	O.K.
41										
42	COE Cat. 2 Factor	1.000000	Direct	0.000000	0.000000	0.000000	1.000000	0.000000	0.000000	O.K.
43	IOT Cat. 1 Factor	1.000000	Direct	1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
44										
45	Total TPIS	$6,873,726	K26	$2,646,634	$1,402,678	$0	$2,737,824	$0	$86,591	O.K.
46	Factor	1.000000		0.385036	0.204064	0.000000	0.398303	0.000000	0.012597	O.K.

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ENDING DECEMBER 31, 1998 WITH KNOWN & MEASURABLE CHANGES

MIDSTATE TELEPHONE COMPANY & HEARTLAND COMMUNICATIONS, INC.

	******* FCC PART 69 ******* Apportionment Factors	Part 36 IntraLATA Total	Source	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
60	Interstate Equiv. Factor	0.000000	Direct	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
61	Wtd. Std. Work Seconds	1.000000	Direct	1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
62										
63	"BIG THREE" Expenses	$630,318	O171	$55,725	$50,408	$3,198	$210,139	$34,198	$473,862	O.K.
64	Factor	1.000000		0.070725	0.080709	0.003852	0.253070	0.041187	0.570456	(0)
65										
66	Net Investment	$3,988,397	J13	$1,306,833	$805,902	$0	$1,729,739	$0	$46,224	O.K.
67	Factor	1.000000		0.338034	0.207232	0.000000	0.444846	0.000000	0.011888	O.K.

MIDSTATE TELEPHONE COMPANY & HEARTLAND COMMUNICATIONS, INC.

	******* FCC PART 69 ******* Operating Expenses and Taxes	Part 36 IntraLATA Total	Apportion	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
13	PLANT SPEC. OPER. EXPENSE:									
14										
15	Network Support, Alloc.	$0	N37	$0	$0	$0	$0	$0	$0	O.K.
16	Network Support, Direct	0	Direct	0	0	0	0	0	0	O.K.
17										
18	Total Network Support Exp.	$0		$0	$0	$0	$0	$0	$0	O.K.
19										
20	General Support, Alloc.	$15,322	N30	$233	$6,007	$0	$9,773	$0	$309	O.K.
21	General Support, Direct	0	Direct	0	0	0	0	0	0	O.K.
22										
23	Total General Support Exp.	$15,322		$233	$6,007	$0	$9,773	$0	$309	O.K.
24										
25	Central Office Eq., Alloc.	$44,145	N31	$877	$18,838	$0	$24,327	$0	$104	O.K.
26	Central Office Eq., Direct	0	Direct	0	0	0	0	0	0	O.K.
27										
28	Total COE Exp.	$44,145		$877	$18,838	$0	$24,327	$0	$104	O.K.
29										
30	Cust. Premises Equip.	$0	L76	$0	$0	$0	$0	$0	$0	O.K.
31	Other IOT	0	N43	0	0	0	0	0	0	O.K.
32	IOT Direct	0	Direct	0	0	0	0	0	0	O.K.
33										
34	Total IOT Exp.	$0		$0	$0	$0	$0	$0	$0	O.K.
35										
36	Cable & Wire, Alloc.	$56,145	N33	$41,887	$0	$0	$12,218	$0	$1,040	O.K.
37	Cable & Wire, Direct	111,965	Direct	0	0	0	111,965	0	0	O.K.
38										
39	Total C&WF Exp.	$167,110		$41,887	$0	$0	$124,183	$0	$1,040	O.K.
40										
41	TOTAL PLT. SPEC. OPER. EXP.	$226,577		$42,997	$23,845	$0	$158,282	$0	$1,453	O.K.
42										
43	TOTAL PLT. SPEC., ex SUPPORT	$211,255		$42,764	$18,838	$0	$148,509	$0	$1,144	O.K.

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ENDING DECEMBER 31, 1998 WITH KNOWN & MEASURABLE CHANGES

MIDSTATE TELEPHONE COMPANY & HEARTLAND COMMUNICATIONS, INC.

	******* FCC PART 69 ******* Operating Expenses and Taxes	Part 36 IntraLATA Total	Apportion	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
57	NON-SPECIFIC OPER. EXP.:									
58										
59	Oth. Pit. and Equip., Alloc.	$0	N18	$0	$0	$0	$0	$0	$0	O.K.
60	Oth. Pit. and Equip., Direct	0	Direct	0	0	0	0	0	0	O.K.
61										
62	Total Oth. Pit. & Equip.	$0		$0	$0	$0	$0	$0	$0	O.K.
63										
64	Network Operations, Alloc.	$32,068	N18	$13,918	$6,023	$0	$11,755	$0	$372	O.K.
65	Network Operations, Direct	0	Direct	0	0	0	0	0	0	O.K.
66										
67	Total Network Oper. Exp.	$32,068		$13,918	$6,023	$0	$11,755	$0	$372	O.K.
68										
69	Total Access Expenses	$468,376	Direct	$0	$0	$0	$0	$0	$468,376	O.K.
70										
71	Depr., Support Assets	$46,496	L23	$707	$15,194	$0	$29,657	$0	$938	O.K.
72	Depr., COE Switching	161,775	L44	0	117,314	0	44,460	0	0	O.K.
73	Depr., COE Operator	0	L32	0	0	0	0	0	0	O.K.
74	Depr., COE Transmission	58,960	L58	2,847	0	0	55,796	0	337	O.K.
75	Depr., IOT Equipment	0	L78	0	0	0	0	0	0	O.K.
76	Depr., C&W Facilities	174,780	L117	132,760	0	0	38,723	0	3,296	O.K.
77	Depr., PHFU	0	L147	0	0	0	0	0	0	O.K.
78										
79	Total Depreciation Expense	$442,031		$136,314	$132,508	$0	$168,637	$0	$4,571	O.K.
80										
81	Amort., Tangible Assets	$0	L141	$0	$0	$0	$0	$0	$0	O.K.
82	Amort., Intangible Assets	0	L144	0	0	0	0	0	0	O.K.
83	Other Amortization	0	Direct	0	0	0	0	0	0	O.K.
84	Direct Assigned Amort.	0	Direct	0	0	0	0	0	0	O.K.
85										
86	Total Amortization Exp.	$0		$0	$0	$0	$0	$0	$0	O.K.
87										
88	Total Depr. and Amort.	$442,031		$136,314	$132,508	$0	$168,637	$0	$4,571	O.K.
89										
90	TOTAL NON-SPEC. OPER. EXP.	$942,474		$150,232	$138,531	$0	$180,392	$0	$473,319	O.K.

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MIDSTATE TELEPHONE COMPANY & HEARTLAND COMMUNICATIONS, INC.

	******* FCC PART 69 ******* Operating Expenses and Taxes	Part 36 IntraLATA Total	Apportion	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
104	CUSTOMER OPERATIONS EXPENSE:									
105										
106	Marketing, Allocable	$0	N37	$0	$0	$0	$0	$0	$0	O.K.
107	Marketing, Direct	0	Direct	0	0	0	0	0	0	O.K.
108										
109	Total Marketing Expense	$0		$0	$0	$0	$0	$0	$0	O.K.
110										
111	Operator Service, Alloc.	$0	N61	$0	$0	$0	$0	$0	$0	O.K.
112	Operator Service, Direct	0	Direct	0	0	0	0	0	0	O.K.
113										
114	Total Operator Service	$0		$0	$0	$0	$0	$0	$0	O.K.
115										
116	Classified Directory	$0	Direct	$0	$0	$0	$0	$0	$0	O.K.
117	Alphabetical Directory	2,929	(F)	0	0	2,929	0	0	0	O.K.
118	Foreign Directory	0	Direct	0	0	0	0	0	0	O.K.
119										
120	Total Directory	$2,929		$0	$0	$2,929	$0	$0	$0	O.K.
121										
122	Bus. Ofc., EU Presubscription	0	N40	$0	$0	$0	$0	$0	$0	O.K.
123	Bus. Ofc., Reserved	0	(I)	0	0	0	0	0	0	O.K.
124	Bus. Ofc., EU Access PL & All Other	2,008	(H)	0	0	0	0	0	2,008	O.K.
125	Bus. Ofc., EU Message	24,690	(H)	0	0	0	0	24,690	0	O.K.
126	Bus. Ofc., EU Reserved	0	(I)	0	0	0	0	0	0	O.K.
127	Bus. Ofc., IX Special Access	0	(I)	0	0	0	0	0	0	O.K.
128	Bus. Ofc., IX Switched Access	4,304	N40	1,857	878	0	1,714	0	54	O.K.
129	Bus. Ofc., IX Billing and Collection	133	(H)	0	0	0	0	133	0	O.K.
130	Bus. Ofc., Coin Collection & Administr.	0	(D)	0	0	0	0	0	0	O.K.
131	Bus. Ofc., Reserved	0	(I)	0	0	0	0	0	0	O.K.
132										
133	Total Business Office	$31,135		$1,857	$878	$0	$1,714	$24,823	$2,062	O.K.
134										
135	Cust. Serv., Mag. Process	$0	(H)	0	0	0	0	0	0	O.K.
136	Cust. Serv., Other B&C	6,497	(H)	0	0	0	0	6,497	0	O.K.
137	Cust. Serv., CABS	54,044	N21	0	17,933	0	35,003	0	1,107	O.K.
138	Cust. Serv., EU Common Line	0	(H)	0	0	0	0	0	0	O.K.
139										
140	Total Customer Service	$60,541		$0	$17,933	$0	$35,003	$6,497	$1,107	O.K.
141										
142	Total BO, CS, OS, Dir.	$94,604		$1,857	$18,811	$2,929	$36,717	$31,320	$3,169	O.K.

MIDSTATE TELEPHONE COMPANY & HEARTLAND COMMUNICATIONS, INC.

	******* FCC PART 69 ******* Operating Expenses and Taxes	Part 36 IntraLATA Total	Apportion	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
158	Other Cust. Serv., Alloc.	$8,694	142	$152	$1,729	$269	$3,374	$2,878	$291	O.K.
159	Other Cust. Serv., Direct	0	Direct	0	0	0	0	0	0	O.K.
160										
161	Total Other Cust. Serv.	$8,694		$152	$1,729	$269	$3,374	$2,878	$291	O.K.
162										
163	TOTAL CUSTOMER OPER. EXP.	$103,298		$1,809	$20,540	$3,198	$40,092	$34,198	$3,461	O.K.
164										
165	"BIG-THREE" EXPENSES:									
166										
167	Total Plt. Specific Exp.	$226,577	41	$42,997	$23,845	$0	$158,282	$0	$1,453	O.K.
168	Total Plt Non-specific Exp.	500,444	62 + 67 +69	13,918	6,023	0	11,755	0	468,748	O.K.
169	Total Customer Operations	103,298	163	1,809	20,540	3,198	40,092	34,198	3,461	O.K.
170										
171	TOTAL "BIG THREE" EXPENSES	$830,318		$58,725	$50,408	$3,198	$210,129	$34,198	$473,662	O.K.
172										
173	CORPORATE OPERATIONS EXPENSE:									
174										
175	Exec. and Planning, Alloc.	$58,222	N64	$4,118	$3,535	$224	$14,734	$2,398	$33,213	O.K.
176	Exec. and Planning, Direct	0	Direct	0	0	0	0	0	0	O.K.
177										
178	Total Exec. and Planning	$58,222		$4,118	$3,535	$224	$14,734	$2,398	$33,213	O.K.
179										
180	Admin. & General, Allocable	$80,097	N64	$5,665	$4,863	$308	$20,270	$3,299	$45,692	O.K.
181	Admin. & General, Direct	64,505	Direct	11,747	10,084	640	42,034	0	0	O.K.
182										
183	Total Admin. and Gen.	$144,602		$17,412	$14,947	$948	$62,304	$3,299	$45,692	O.K.
184										
185	TOTAL CORPORATE OPERATIONS	$202,824		$21,530	$18,481	$1,173	$77,038	$5,697	$78,905	O.K.
186										
187	NON-INCOME TAXES:									
188										
189	Non-Income Taxes, Allocable	$0	N37	$0	$0	$0	$0	$0	$0	O.K.
190	Non-Income Taxes, Direct	8,576	Direct	2,564	1,359	0	2,653	0	0	O.K.
191										O.K.
192										
193	Total Non-Income Taxes	$8,576		$2,564	$1,359	$0	$2,653	$0	$0	O.K.
194										
195	TOTAL OPER. EXP. AND TAXES	$1,481,749		$219,132	$202,756	$4,371	$458,458	$39,895	$557,138	O.K.

SOUTH DAKOTA PUC INTRASTATE ACCESS COST MODEL

COMPANY NAME ..... MIDSTATE TELEPHONE COMPANY & HEARTLAND COMMUNICATIONS, INC.
PERIOD ADDRESSED ..... ENDING DECEMBER 31, 1999 WITH KNOWN & MEASURABLE CHANGES
RUN DATE AND TIME ..... 19-Jun-99 ..... 03:09:33 PM

NOTES: SEE SHEET "G" TO INPUT PART 36 ALLOCATION FACTORS.

	******* FCC PART 36 *******	TOTAL COMPANY	Source/ Allocator	Interstate and Other	Intrastate: Message Telephone Service: InterLATA	Intrastate: Message Telephone Service: IntraLATA	Intrastate: Private Line: InterLATA	Intrastate: Private Line: IntraLATA	TOTAL INTRASTATE
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
	PLANT INVESTMENT DETAIL:								
21	Land, Allocable	0	---	---	---	---	---	---	---
22	Land, Direct	0	---	0	0	0	0	0	0
23	Motor Vehicles	0	---	---	---	---	---	---	---
24	Aircraft	0	---	---	---	---	---	---	---
25	Special Purpose Vehicles	0	---	---	---	---	---	---	---
26	Garage Work Equipment	0	---	---	---	---	---	---	---
27	Other Work Equipment	2,672,751	---	---	---	---	---	---	---
28	Buildings, Allocable	0	---	---	---	---	---	---	---
29	Buildings, Direct	0	---	0	0	0	0	0	0
30	Furniture	0	---	---	---	---	---	---	---
31	Office Equipment	0	---	---	---	---	---	---	---
32	General Purpose Computers	0	---	---	---	---	---	---	---
33	CAT 1 Oper. Sys., TSPS	0	---	---	---	---	---	---	---
34	CAT 1 Oper. Sys., Other TSPS	0	---	---	---	---	---	---	---
35	CAT 1 Oper. Sys., Aux. Pos.	0	---	---	---	---	---	---	---
36	CAT 1 Oper. Sys., Other	0	---	0	0	0	0	0	0
37	CAT 2 Tandem Sw. Allocable	1,023,550	---	---	---	---	---	---	---
38	CAT 2 Tandem Sw. Direct	0	---	0	0	0	0	0	0
39	CAT 3 Local Sw. Allocable	3,690,486	---	---	---	---	---	---	---
40	CAT 3 Local Sw. Direct	0	---	0	0	0	0	0	0
41	CAT 4.12 Exchange Trunk	535,615	---	---	---	---	---	---	---
42	CAT 4.12 Exch. Tr. Direct	0	---	0	0	0	0	0	0
43	CAT 4.13 Exch. Ln. Mag., PL & WATS	216,186	---	---	---	---	---	---	---
44	Reserved	0	---	---	---	---	---	---	---
45	CAT 4.13 Direct	0	---	0	0	0	0	0	0
46	CAT 4.23 Message, PL & WATS	2,160,218	---	---	---	---	---	---	---
47	Reserved	0	---	---	---	---	---	---	---
48	CAT 4.23 Direct	12,039	---	6,820	0	0	0	5,219	5,219
49	CAT 4.3 H/R Message	0	---	---	---	---	---	---	---
50	CAT 4.3 WATS	0	---	0	0	0	0	0	0
51	CAT 4.3 Direct	0	---	0	0	0	0	0	0
52	CAT 1 Other IOT Equipment	0	---	---	---	---	---	---	---
53	CAT 1 Coinless Pay Phones	0	---	0	0	0	0	0	0

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SOUTH DAKOTA PUC INTRASTATE ACCESS COST MODEL

MIDSTATE TELEPHONE COMPANY & HEARTLAND COMMUNICATIONS, INC.
ENDING DECEMBER 31, 1996 WITH KNOWN & MEASURABLE CHANGES

	******* FCC PART 36 *******	TOTAL COMPANY	Source/ Allocator	Interstate and Other	Intrastate: Message Telephone Service: InterLATA	Intrastate: Message Telephone Service: IntraLATA	Intrastate: Private Line: InterLATA	Intrastate: Private Line: IntraLATA	TOTAL INTRASTATE
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
70	CAT 2 CP Equipment	0	---	0	0	0	0	0	0
71	Reserved	0	---	---	---	---	---	---	---
72	Reserved	0	---	---	---	---	---	---	---
73	CAT 1.3 Joint Meg., Cat. 1.1 & 1.2 PL	10,516,022		---	---	---	---	---	---
74	Other CAT 1 C&WF	0	---	0	0	0	0	0	0
75	CAT 2 C&WF	428,911	---	---	---	---	---	---	---
76	CAT 2 C&WF, Wideband	0	---	0	0	0	0	0	0
77	CAT 3 Joint Message & PL/WATS	1,557,819	---	---	---	---	---	---	---
78	Reserved	0	---	---	---	---	---	---	---
79	CAT 3 Direct	34,632	---	22,708	0	0	0	11,924	11,924
80	CAT 4 Message	0	---	---	---	---	---	---	---
81	CAT 4 WATS	0	---	0	0	0	0	0	0
82	CAT 4 Direct	0	---	0	0	0	0	0	0
83	Allocable Support Leases	0	---	---	---	---	---	---	---
84	Direct Support Leases	0	---	0	0	0	0	0	0
85	COE Operator	0	---	---	---	---	---	---	---
86	COE Tandem Switch	0	---	---	---	---	---	---	---
87	COE Local Switch	0	---	---	---	---	---	---	---
88	COE Transmission	0	---	---	---	---	---	---	---
89	COE Direct	0	---	0	0	0	0	0	0
90	IOT Leases	0	---	0	0	0	0	0	0
91	C&WF Leases	0	---	0	0	0	0	0	0
92	Leasehold Imp. Land etc.	0	---	---	---	---	---	---	---
93	Leasehold Imp. COE Switching	0	---	---	---	---	---	---	---
94	Leasehold Imp. COE Operator	0	---	---	---	---	---	---	---
95	Leasehold Imp. COE Trans.	0	---	---	---	---	---	---	---
96	Leasehold Imp. IOT	0	---	0	0	0	0	0	0
97	Leasehold Imp. C&WF	0	---	0	0	0	0	0	0
98	Leasehold Imp. Other	0	---	0	0	0	0	0	0
99	Allocable Acct. No. 2690	0	---	---	---	---	---	---	---
100	Direct Acct. No. 2690	0	---	0	0	0	0	0	0
101	Materials and Supplies	109,328	---	---	---	---	---	---	---
102	RTB Stock	0	---	---	---	---	---	---	---
103	Tele. Plt. Adjust. - Alloc.	0	---	---	---	---	---	---	---
104	Tele. Plt. Adjust. - Direct	0	---	0	0	0	0	0	0
105	Other Assets, Net	0	---	0	0	0	0	0	0
106	Other Liab., Def. Cr., Net	0	---	0	0	0	0	0	0

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SOUTH DAKOTA PUC INTRASTATE ACCESS COST MODEL

MIDSTATE TELEPHONE COMPANY & HEARTLAND COMMUNICATIONS, INC.
ENDING DECEMBER 31, 1998 WITH KNOWN & MEASURABLE CHANGES

	******* FCC PART 36 *******	TOTAL COMPANY	Source/ Allocator	Interstate and Other	Intrastate: Message Telephone Service: InterLATA	Intrastate: Message Telephone Service: IntraLATA	Intrastate: Private Line: InterLATA	Intrastate: Private Line: IntraLATA	TOTAL INTRASTATE
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
123	TPUC -- Short Term, Alloc.	0	---	---	---	---	---	---	---
124	TPUC -- Short Term, Direct	0	---	0	0	0	0	0	0
125	TPUC -- Long Term, Alloc.	19,240	---	---	---	---	---	---	---
126	TPUC -- Long Term, Direct	0	---	0	0	0	0	0	0
127									
128	RESERVES AND DEFERRALS:								
129	Acc. Depr. Support Assets	1,031,038	---	---	---	---	---	---	---
130	Acc. Depr. COE Switching	2,119,463	---	---	---	---	---	---	---
131	Acc. Depr. COE Operator	0	---	---	---	---	---	---	---
132	Acc. Depr. COE Transmission	716,054	---	---	---	---	---	---	---
133	Acc. Depr. IOT Equipment	0	---	---	---	---	---	---	---
134	Acc. Depr. Cable and Wire Facilities	6,578,580	---	---	---	---	---	---	---
135	Acc. Depr. Other Plant	0	---	0	0	0	0	0	0
136	Accum. Amort., Tangible Inv.	0	---	---	---	---	---	---	---
137	Accum. Amort., Intang. Inv.	0	---	---	---	---	---	---	---
138	Accum. Amort., Other	0	---	0	0	0	0	0	0
139	Acc. Def. IT Support Assets	0	---	---	---	---	---	---	---
140	Acc. Def. IT COE Switching	0	---	---	---	---	---	---	---
141	Acc. Def. IT COE Operator	0	---	---	---	---	---	---	---
142	Acc. Def. IT COE Trans.	0	---	---	---	---	---	---	---
143	Acc. Def. IT IOT Equipment	0	---	---	---	---	---	---	---
144	Acc. Def. IT C&WF	0	---	---	---	---	---	---	---
145	Acc. Def. IT Unclassified	0	---	0	0	0	0	0	0
146									
147	OPERATING EXPENSES AND TAXES:								
148	Network Support, Alloc.	0	---	---	---	---	---	---	---
149	Network Support, Direct	0	---	0	0	0	0	0	0
150	General Support, Alloc.	50,945	---	---	---	---	---	---	---
151	General Support, Direct	0	---	0	0	0	0	0	0
152	Central Office Eq., Alloc.	126,313	---	---	---	---	---	---	---
153	Central Office Eq., Direct	0	---	0	0	0	0	0	0
154	Cust. Premises Equip.	0	---	---	---	---	---	---	---
155	Coinless Pay Phone Exp.	0	---	---	---	---	---	---	---
156	Other IOT	0	---	---	---	---	---	---	---
157	IOT Direct	0	---	0	0	0	0	0	0
158	Cable & Wire, Alloc.	203,453	---	---	---	---	---	---	---
159	Cable & Wire, Direct	227,020	---	115,055	0	111,965	0	0	111,965

SOUTH DAKOTA PUC INTRASTATE ACCESS COST MODEL

MIDSTATE TELEPHONE COMPANY & HEARTLAND COMMUNICATIONS, INC.
ENDING DECEMBER 31, 1998 WITH KNOWN & MEASURABLE CHANGES

	******* FCC PART 36 *******	TOTAL COMPANY	Source/ Allocator	Interstate and Other	Intrastate: Message Telephone Service: InterLATA	Intrastate: Message Telephone Service: IntraLATA	Intrastate: Private Line: InterLATA	Intrastate: Private Line: IntraLATA	TOTAL INTRASTATE
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
176	Oth. Plt. and Equip., Alloc.	0	---	---	---	---	---	---	---
177	Oth. Plt. and Equip., Direct	0	---	0	0	0	0	0	0
178	Network Operations, Alloc.	108,823	---	---	---	---	---	---	---
179	Network Operations, Direct	0	---	0	0	0	0	0	0
180	Total Access Expense	578,997	---	110,621	0	468,376	0	0	468,376
181	Depr., Support Assets	154,597	---	---	---	---	---	---	---
182	Depr., COE Switching	485,111	---	---	---	---	---	---	---
183	Depr., COE Operator	0	---	---	---	---	---	---	---
184	Depr., COE Transmission	157,178	---	---	---	---	---	---	---
185	Depr., IOT Equipment	0	---	---	---	---	---	---	---
186	Depr., C&W Facilities	644,837	---	---	---	---	---	---	---
187	Amort., Tangible Assets	0	---	---	---	---	---	---	---
188	Amort., Intangible Assets	0	---	---	---	---	---	---	---
189	Other Amortization	0	---	0	0	0	0	0	0
190	Direct Assigned Amort.	0	---	0	0	0	0	0	0
191	Marketing, Allocable	0	---	---	---	---	---	---	---
192	Marketing, Direct	0	---	0	0	0	0	0	0
193	Operator Service, Alloc.	0	---	---	---	---	---	---	---
194	Operator Service, Direct	0	---	0	0	0	0	0	0
195	Classified Directory	0	---	0	0	0	0	0	0
196	Alphabetical Directory	14,651	---	---	---	---	---	---	---
197	Foreign Directory	0	---	---	---	---	---	---	---
198	Bus. Ofc., EU Presubscription	15,865	---	---	---	---	---	---	---
199	Bus. Ofc., EU MTS & WATS	47,060	---	---	---	---	---	---	---
200	Bus. Ofc., EU Access, P/L & all Other	167,913	---	---	---	---	---	---	---
201	Bus. Ofc., IXC Special Access	193	---	---	---	---	---	---	---
202	Bus. Ofc., IXC Switched Access	8,753	---	---	---	---	---	---	---
203	Bus. Ofc., IXC B & C Services	181	---	---	---	---	---	---	---
204	Coin Collect & Admin.	0	---	---	---	---	---	---	---
205	Cust. Svc., Direct	0	---	0	0	0	0	0	0
206	Cust. Serv., Msg. Process	0	---	---	---	---	---	---	---
207	Cust. Serv., Other B&C	18,566	---	---	---	---	---	---	---
208	Cust. Serv., CABS	108,087	---	---	---	---	---	---	---
209	Cust. Serv., EU Common Line	977	---	977	0	0	0	0	0
210	Other Cust. Serv., Alloc.	34,862	---	---	---	---	---	---	---
211	Other Cust. Serv., Direct	527	---	527	0	0	0	0	0
212	Exec. and Planning, Alloc.	181,588	---	---	---	---	---	---	---
213	Exec. and Planning, Direct	0	---	0	0	0	0	0	0

SOUTH DAKOTA PUC INTRASTATE ACCESS COST MODEL 19-Jun-99 03:08:33 PM

MIDSTATE TELEPHONE COMPANY & HEARTLAND COMMUNICATIONS, INC.
ENDING DECEMBER 31, 1998 WITH KNOWN & MEASURABLE CHANGES

	******* FCC PART 36 *******	TOTAL COMPANY	Source/ Allocator	Interstate and Other	Intrastate					
					Message Telephone Service		Private Line			
	(A)	(B)	(C)	(D)	InterLATA (E)	IntraLATA (F)	InterLATA (G)	IntraLATA (H)	TOTAL INTRASTATE (I)
230	Admin. & General, Allocable	249,812	---	---	---	---	---	---	---
231	Admin. & General, Direct	84,285	---	19,780	0	64,505	0	0	64,505
232	Non-income Taxes, Allocable	0	---	---	---	---	---	---	---
233	Non-income Taxes, Direct	8,064	---	1,488	0	6,576	0	0	6,576
234									
235	OTHER INCOME STATEMENT:								
236	State Income Tax Rate	0.00%	---	---	---	---	---	---	---
237	Federal Income Tax Rate	7.07%	---	---	---	---	---	---	---
238	Gross Receipts Tax Rate	3.52%	---	---	---	---	---	---	---
239	Rate of Return	10.00%	---	---	---	---	---	---	---
240	AFUDC	(44,010)	---	---	---	---	---	---	---
241	ITC Amortization	0	---	---	---	---	---	---	---
242	Other Return Adjustments	0	---	---	---	---	---	---	---
243	Contributions	27	---	0	0	0	0	0	0
244	Interest Expense	433,258	---	---	---	---	---	---	---
245	Capital Lease Expense	0	---	---	---	---	---	---	---
246	Capitalized Payroll taxes	0	---	---	---	---	---	---	---
247	Depreciation Adjustment	0	---	---	---	---	---	---	---
248	Other Income Adjustments	0	---	---	---	---	---	---	---
249	Uncollectibles	0	---	0	0	0	0	0	0
250	Other Revenue Adjustments	0	---	0	0	0	0	0	0
251	Other Revenue Taxes	0	---	0	0	0	0	0	0
252									

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SOUTH DAKOTA PUC INTRASTATE ACCESS COST MODEL

MIDSTATE TELEPHONE COMPANY & HEARTLAND COMMUNICATIONS, INC.
ENDING DECEMBER 31, 1999 WITH KNOWN & MEASURABLE CHANGES

	******* FCC PART 36 *******	TOTAL COMPANY	Source/ Allocator	Other	Interstate Private Line InterLATA	Interstate Private Line IntraLATA	Intrastate Private Line InterLATA	Intrastate Private Line IntraLATA	TOTAL INTRASTATE
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
271	Working Loops	4,839	---	64	0	0	0	24	24
272	Equivalent Interexchange Cct. Miles	53,837	---	0	0	0	0	0	0
273	Interexchange Circuit Terminations	998	---	0	0	0	0	0	0

South Dakota Public Utilities Commission

WEEKLY FILINGS

For the Period of June 17, 1999 through June 23, 1999

If you need a complete copy of a filing faxed, overnight expressed, or mailed to you, please contact Delaine Kolbo within five business days of this filing.
Phone: 605-773-3705 Fax: 605-773-3809

CONSUMER COMPLAINTS

CT99-007 In the Matter of the Complaint filed by Philip and Darlene Bestgen, Whitewood, South Dakota, against U S WEST Communications, Inc. Regarding Lack of Easement for Facility Property.

The Complainants claim that U S WEST Communications buried a cable on their property without an easement. They further claim that when U S WEST Communications was informed of the issue, U S WEST Communications signed a contract to remove the cable by November 29, 1998 and paid $1600 for indemnification.

The cable has not been removed. The Complainants seek the following relief: "We ask that U S WEST pay the same daily indemnification from November 29, 1998, to the date of removal as they did from Aug. 29, 1998 to Nov. 29, 1998. We ask that this money be made payable to South Dakota schools of our choice and for the matter to be addressed as personal private property rights as the Constitution intended."

Consumer Affairs: Leni Healy
Staff Attorney: Camron Hoseck
Date Filed: 06/11/99
Intervention Deadline: NA

CT99-008 In the Matter of the Complaint filed by Brady and Tiffiny Cramer, Sioux Falls, South Dakota, against MCI WorldCom Regarding Unauthorized Switching of Long Distance Service.

The Complainants allege that their long distance telecommunications service was switched without their authorization. After several attempts to correct the problem over the past year, they remain unsatisfied. The Complainants are seeking a re-rating of their billing to 10 cents per minute plus an amount to hold the companies accountable for their difficulty.

Consumer Affairs: Leni Healy
Staff Attorney: Camron Hoseck
Date Filed: 06/21/99
Intervention Deadline: NA

TELECOMMUNICATIONS

TC99-061 In the Matter of the Application of International Exchange Communications, Inc. d/b/a IE Com for a Certificate of Authority to Provide Telecommunications Services in South Dakota.

International Exchange Communications, Inc. d/b/a IE Com has filed a request for a Certificate of Authority to offer resold interexchange services, including, but not limited to , 1+ long distance message telecommunications services and prepaid and postpaid calling card services to business and residential customers.

Staff Analyst: Michele Farris
Staff Attorney: Camron Hoseck
Date Filed: 06/17/99
Intervention deadline: 07/09/99

TC99-062 In the Matter of the Application of DIECA Communications, Inc. d/b/a Covad Communications Company for a Certificate of Authority to Provide Telecommunications Services, Including Local Exchange Services, in South Dakota.

DIECA intends to provide both facilities-based and resold interexchange and local exchange services. DIECA requests authority to provide services throughout U S West and any other incumbent local exchange carrier territories not qualifying as small or rural local exchange carriers.

Staff Analyst: Keith Senger
Staff Attorney: Camron Hoseck
Date Filed: 06/17/99
Intervention Date: 07/09/99

TC99-063 In the Matter of the Establishment of Switched Access Revenue Requirement for Splitrock Telecom Cooperative, Inc.

Splitrock Telecom Cooperative, Inc. filed a switched access cost study developing a revenue requirement that is included in the revenue requirement used to determine the switched access rates for the Local Exchange Carrier Association.

Staff Analyst: Harlan Best/Keith Senger
Staff Attorney: Karen Cremer
Date Filed: 06/23/99
Intervention Deadline: 07/09/99

TC99-064 In the Matter of the Establishment of Switched Access Revenue Requirement for Midstate Telephone Company and Heartland Communications, Inc.

Midstate Telephone Company and Heartland Communications, Inc. filed a single switched access cost study developing a revenue requirement that is included in the revenue requirement used to determine the switched access rates for the Local Exchange Carrier Association.

Staff Analyst: Harlan Best/Keith Senger
Staff Attorney: Karen Cremer
Date Filed: 06/23/99
Intervention Deadline: 07/09/99

TC99-065 In the Matter of the Establishment of Switched Access Revenue Requirement for Valley Telecommunications Cooperative Association and Valley Cable & Satellite Communications.

Valley Telecommunications Cooperative Association and Valley Cable & Satellite Communications filed a single switched access cost study developing a revenue requirement that is included in the revenue requirement used to determine the switched access rates for the Local Exchange Carrier Association.

Staff Analyst: Harlan Best/Keith Senger
Staff Attorney: Karen Cremer
Date Filed: 06/23/99
Intervention Deadline: 07/09/99

TC99-066 In the Matter of the Establishment of Switched Access Revenue Requirement for Sully Buttes Telephone Cooperative, Inc. and Venture Communications, Inc.

Sully Buttes Telephone Cooperative, Inc. and Venture Communications, Inc. filed a single switched access cost study developing a revenue requirement that is included in the revenue requirement used to determine the switched access rates for the Local Exchange Carrier Association.

Staff Analyst: Harlan Best/Keith Senger
Staff Attorney: Karen Cremer
Date Filed: 06/23/99
Intervention Deadline: 07/09/99

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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE ESTABLISHMENT OF SWITCHED ACCESS REVENUE REQUIREMENT FOR MIDSTATE TELEPHONE COMPANY AND HEARTLAND COMMUNICATIONS, INC.	)))))	ORDER ASSESSING FILING FEE TC99-064

On June 23, 1999, Midstate Telephone Company and Heartland Communications, Inc. (Midstate/Heartland) filed for approval by the Public Utilities Commission (Commission) its 1998 Intrastate Switched Access Cost Study.

On June 24, 1999, the Commission electronically transmitted notice of the filing and the intervention deadline of July 9, 1999, to interested individuals and entities.

SDCL 49-31-12.6 authorizes the Commission to require a deposit of up to one hundred thousand dollars ($100,000) in the South Dakota Public Utilities Commission's (SDPUC) regulatory assessment fee fund to defray Commission expenses incident to analyzing and ruling upon this type of filing.

The Commission has jurisdiction over this matter pursuant to SDCL 1-26-17.1, 49-1A-9, 49-31-12.6, 49-31-18, 49-31-19 and ARSD 20:10:01:15.02, 20:10:01:15.05, 20:10:27:07 and 20:10:27:08.

On July 13, 1999, at its regularly scheduled meeting, the Commission, pursuant to SDCL 49-31-12.6, unanimously voted to assess Midstate/Heartland a filing fee as requested by the Executive Director up to the statutory limit of $100,000. It is therefore

ORDERED that Midstate/Heartland shall deposit in the SDPUC regulatory assessment fee fund an amount as requested by the Executive Director up to the statutory limit of $100,000.

Dated at Pierre, South Dakota, this 16th day of July, 1999.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.

By: Delaine Kolbo

Date: 7/19/99

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

James A. Burg

JAMES A. BURG, Chairman

Pam Nelson

PAM NELSON, Commissioner

Laska Schoenfelder

LASKA SCHOENFELDER, Commissioner

MEMORANDUM TO COMMISSIONERS BURG, NELSON AND SCHOENFELDER

FROM: Harlan Best

RE: Midstate Telephone Company and Heartland Communications, Inc., Kimball, SD
Switched Access Revenue Requirement, TC99-064

DATE: October 12, 1999

Midstate Telephone Company and Heartland Communications, Inc. (Midstate/Heartland) filed an Intrastate Switched Access Cost Study pursuant to the administrative rules on June 23, 1999, based on the twelve months ended December 31, 1998. The cost study submitted by Midstate/Heartland developed a revenue requirement of $1,320,735. Midstate/Heartland's minutes of use for 1998 was 12,369,126. Midstate/Heartland is a member of the Local Exchange Carrier Association (LECA). As a member of LECA, Midstate/Heartland's revenue requirement and minutes of use are part of the total revenue requirement and total minutes of use used in the determination of the Carrier Common Line, Local Switching, and Common Transport rate elements for LECA.

On June 24, 1999, the Commission electronically transmitted notice of the filing and the intervention deadline of July 9, 1999, to interested individuals and entities. No interventions were received by the Commission.

On July 16, 1999, the Commission ordered Midstate/Heartland to deposit an initial assessment in the SDPUC regulatory fee fund and to deposit any additional amounts as required by the executive director. (Sue Cichos should be contacted with any questions regarding the assessments.)

Staff requested supporting information from Midstate/Heartland on June 24, July 9, July 30, and August 19, 1999. Staff data requests were responded to by Midstate/Heartland in a timely manner. Staff reviewed external auditor reports for 1997 and 1998, supporting documentation for adjustments that were proposed by Midstate/Heartland in the cost study, long term debt, the 1998 general ledger, minutes of use, and traffic factor support.

Midstate/Heartland filed on August 16, 1999, to include an additional reclassification entry into the cost study based on a June 1999 audit wherein the auditor suggested that Midstate increase its depreciation rates for accounts 2232, COE Circuit Equipment, and 2232.1, COE Fiber Equipment, from 6% to 8%. This increases the revenue requirement by $10,938 to $1,331,673.

Staff has reviewed Midstate/Heartland's cost study filing and all of the data responses submitted by Midstate/Heartland and would recommend that the Intrastate Switched Access Cost Study for Midstate/Heartland be adjusted for the exclusion of gifts and donations in the amount of $2,443. If this recommendation is accepted by the Commissioners the Intrastate Switched Access Cost Study revenue requirement for Midstate/Heartland is reduced by $320, to $1,331,353. Midstate/Heartland has agreed to Staff's recommendations.

Respectively submitted: Harlan Best H Best

cc Don Lee, Martin and Associates

South Dakota
Public Utilities Commission

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Jim Burg
Chairman
Pam Nelson
Vice-Chairman
Laska Schoenfelder
Commissioner

William Bullard Jr.
Executive Director

Harlan Best
Martin C. Bettmann
Sue Cichos
Karen E. Cremer
Michele M. Farris
Marlette Fischbach
Heather K. Forney
Shirleen Fugitt
Mary Giddings
Lewis Hammond
Leni Healy
Cameron Hoveck
Lisa Hull
Dave Jacobson
Katie Johnson
Bob Knudle
Delaine Kolbo
Charlene Lund
Terry Nelson
Gregory A. Rislov
Keith Seager
Rolayne Ailts Wiest

December 15, 1999

Karen Cremer, Staff Attorney
South Dakota Public Utilities Commission
500 E. Capitol
Pierre SD 57501

RE: INTRASTATE SWITCHED ACCESS DOCKETS

Dear Ms. Cremer:

I hereby request a copy of all staff requests for data and company responses in the following dockets:

> TC99-049, TC99-050, TC99-054, TC99-058, TC99-063, [redacted], TC99-065, TC99-066, TC99-067, TC99-068, TC99-069, TC99-070, TC99-071, TC99-072, TC99-073, TC99-074, TC99-075, TC99-078, TC99-079, TC99-080, and TC99-081.

I understand that an extra copy has been provided and is available at the Commission offices.

Sincerely,

Greg Rislov

Greg Rislov, Commission Advisor
South Dakota Public Utilities Commission

c: All filing telecommunications companies

South Dakota
Public Utilities Commission

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Karen E. Cremer
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Marlette Fischbach
Heather K. Forney
Shirleen Fugitt
Mary Giddings
Lewis Hammond
Leni Healy
Cameron Hoseck
Lisa Hull
Dave Jacobson
Katie Johnson
Bob Kandle
Delaine Kolbo
Charlene Lund
Terry Norum
Gregory A. Rislov
Keith Senger
Rolayne Ailts Wiest

December 22, 1999

Don Lee, Consultant
Martin & Associates
Midstate Telephone Company
Heartland Communications
RE: DOCKET TC99-064, INTRASTATE SWITCHED ACCESS COST STUDY

Dear Mr. Lee:

The Public Utilities Commission's December 28, 1999 meeting agenda includes consideration of the above-named docket. Although it appears Commission Staff and the company have reached a settlement, the Commissioners must still approve the settlement. I, as an advisor to the Commissioners, have reviewed the filing and have questions that may be answered in writing before the meeting, or verbally during the meeting.

The questions are:

1. **Have all post-test year plant additions - reflected in the known change adjustments and included in the cost study - been placed into service?**
2. **If the answer to (1) is no, please explain any deviation.**
3. **Do the known-change adjustments to plant, to the extent they were estimated for cost study purposes, exceed the eventual booked amounts?**
4. **If the answer to (3) is yes, is this difference greater than 1%?**
5. **With regard to the Toll Line Rent Expense Adjustment:**
   a. **What is the purpose for expending these funds?**
   b. **Does the cost study reflect any offsetting benefits of this expenditure?**
   c. **If the answer to (b) is no, explain why.**

Staff and the filing company may wish to discuss how best to respond. I understand time is short between now and the Commission meeting and I am not concerned about which one of you answer.

Sincerely,

Greg Rislov

Greg Rislov, Commission Advisor
SDPUC

c: Harlan Best, Commission Staff
Commissioners
Commission Counsel Wiest

Kolbo, Delaine

From: Rislov, Greg
Sent: Monday, December 27, 1999 10:33 AM
To: Kolbo, Delaine
Subject: FW: Responses for Greg Rislov
Sensitivity: Private

TC 99-064

-----Original Message-----
From: Don Lee [mailto:DonLee@Martin-Associates.com]
Sent: Thursday, December 23, 1999 2:33 PM
To: 'greg.rislov@state.sd.us'
Cc: 'Rolayne.wiest@state.sd.us'; 'harlan.best@state.sd.us'; Jolyn Doering
Subject: FW: Responses for Greg Rislov
Sensitivity: Private

Our response in docket TC 99-064
Don Lee
Martin and Associates
Phone 605-995-2573
e-mail donlee@martin-associates.com
Fax 605-995-2577

> -----Original Message-----
> From: Jolyn Doering
> Sent: Thursday, December 23, 1999 2:22 PM
> To: Don Lee
> Subject: Responses for Greg Rislov
> Sensitivity: Private
>
> MIDSTATE TELEPHONE COMPANY AND HEARTLAND COMMUNICATIONS, INC.
> DOCKET NUMBER TC99-064
>
> 1. Have all post-test year plant additions - reflected in the known
> change adjustments and included in the cost study - been placed in
> service? Yes, all the known and measurable (K&M) changes will be in
> service as of 12/31/99.
>
> 2. If the answer to (1) is no, please explain any deviation. N/A
>
> 3. Do the known-change adjustments to plant, to the extent they were
> estimated for cost study purposes, exceed the eventual booked amounts?
> No, the estimated adjustments to plant do not exceed the actual booked
> amounts.
>
> 4. If the answer to (3) is yes, is this difference greater than 1%? N/A
>
> 5. With regard to the Toll Line Rent Expense Adjustment:
> a. What is the purpose for expending these funds? Per SDCL 49-31-60
> through 49-31-68, these funds were expended for
> the purpose of providing transport redundancy via diversified
> routing.
> b. Does the cost study reflect any offsetting benefits of this
> expenditure? Yes, the additional transport miles generate
> additional transport revenues for the LEC.
> c. If the answer to (b) is no, explain why. N/A
>
>
>

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE ESTABLISHMENT OF SWITCHED ACCESS REVENUE REQUIREMENT FOR MIDSTATE TELEPHONE COMPANY AND HEARTLAND COMMUNICATIONS, INC.	)))))	ORDER APPROVING REVENUE REQUIREMENT TC99-064

On June 23, 1999, Midstate Telephone Company and Heartland Communications, Inc. (Midstate/Heartland) filed for approval by the Public Utilities Commission (Commission) its 1998 Intrastate Switched Access Cost Study.

On June 24, 1999, the Commission electronically transmitted notice of the filing and the intervention deadline of July 9, 1999, to interested individuals and entities. On July 13, 1999, the Commission voted to assess a filing fee as requested by the Executive Director up to the statutory limit of $100,000. Staff filed a memorandum on October 12, 1999, with the concurrence of the company, setting forth a recommended revenue requirement and minutes of use. The Commission considered this matter at its December 28, 1999, meeting.

The Commission has jurisdiction over this matter pursuant to SDCL 1-26-17.1, 49-1A-9, 49-31-12.4, 49-31-12.6, 49-31-18, 49-31-19 and ARSD 20:10:01:15.02, 20:10:01:15.05, 20:10:27:07 and 20:10:27:08. Upon review of Midstate/Heartland's filing, the Commission found that the revenue requirement and minutes of use as depicted in Staff's memorandum were fair and reasonable and should be approved. As the Commission's final decision in this matter, it is therefore

ORDERED that Midstate/Heartland's revenue requirement and minutes of use are hereby approved as revised and shall be incorporated in the Local Exchange Carriers Association's determination of switched access rates. (See TC99-067.)

Dated at Pierre, South Dakota, this 14th day of January, 2000.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.

By: Delaine Kolbo

Date: 1/14/00

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

James A. Burg

JAMES A. BURG, Chairman

Pam Nelson

PAM NELSON, Commissioner

Laska Schoenfelder

LASKA SCHOENFELDER, Commissioner