

REVISED EXHIBIT A
Interstate Telecommunications Cooperative, Inc.

Year 2005 Federal Universal Service Receipts:

ESTIMATED 2007

High Cost Loop Support	\$1,035,126	\$1,100,000
Local Switching Support	\$ 524,832	\$ 525,000
Safety Net Additive support	\$ 38,256	\$ 38,256
Safety Valve Loop Cost Adjustment	\$ <u>0</u>	\$ <u>0</u>
TOTAL	\$1,598,214	\$1,663,256

Expenditures For Provision, Maintenance, and Upgrading Of Facilities and Services Supported By Federal Universal Service Funding:

	<u>Actual</u> 2005	<u>Estimated</u> 2007
Plant Specific Operations Expenses		
Network support (Accts 6110-16)	\$ 11,446	\$ 11,446
General support (Accts 6120-24)	\$ 455,219	\$ 477,980
Central office (Accts 6210-6232)	\$ 851,649	\$ 902,748
Cable and wire facilities (Accts 6410-41)	\$ 1,018,646	\$ 1,069,579
Network operations (Accts 6530-35)	\$ 319,419	\$ 335,390
Depreciation and amortization (Accts 6560-65)	\$ 4,932,189	\$ 5,332,189
Customer Operations Expenses		
Customer services (Accts 6620-23)	\$ 976,177	\$ 1,024,986
Corporate Operations Expenses		
Executive and planning (Accts 6710-12)	\$ 473,903	\$ 497,598
General and administrative (Accts 6720-28)	\$ 1,130,425	\$ 1,186,947
Total Years Supported Expenses, Before Return on Investment	\$10,169,073	\$10,838,863
 Additions		
Switching (Acct 2210)	\$ 258,158	(See <i>Exhibit B</i> ,
Cable and wire (Acct 2410)	\$ 849,102	<i>Two-Year Plan</i>)
Total	\$ 1,107,260	
 Total Supported Expenditures, Before Return on Investment	 \$11,276,333	

REVISED EXHIBIT B - TWO-YEAR PLAN

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As part of its ongoing plan to upgrade and enhance its network, the Company anticipates the following capital expenditures over the next two years. The Company believes that its planned capital additions will improve the reliability of switched calls for its customers, assure CALEA compliance and increase the Company's network capacity to serve remote customers. The upgraded facilities will also be more cost-effective for the Company to maintain. Any federal high-cost universal service support the Company receives will help defray the following estimated costs for plant improvements and upgrades.

Wire Center	Description of Capital Improvement	Estimated Population Served by Improvement	Start Date	Completion Date	Estimated Capital Expenditures Each Year	
					2007	2008
Brandt	Cable Facilities	160	3/07	12/07	\$850,000	\$
Toronto	Cable Facilities	297	3/07	12/07	\$800,000	\$
Astoria	Cable Facilities	187	3/07	12/07	\$800,000	\$
White	Cable Facilities	454	3/07	12/07	\$900,000	\$
Gary	Switch Upgrade	442	4/07	5/07	\$250,000	\$
Estelline	Switch Upgrade	750	5/07	6/07	\$250,000	\$
Clear Lake	Cable Facilities	1192	3/08	12/08	\$	\$1,700,000
Elkton	Cable Facilities	566	3/08	12/08	\$	\$1,000,000
Brookings	Cable Facilities	1800	3/08	12/08	\$	\$2,000,000
Bradley	Cable Facilities	148	3/08	12/08	\$	\$900,000
Clear Lake	Switch Upgrade	1192	1/08	4/08	\$	\$1,000,000

No capital improvements are planned in the following wire centers but nonetheless may be necessary in connection with the provision of service to new customers.

Wire Center
Bryant
Castlewood
Chester
Clark/Henry/Garden City/Raymond
Florence
Goodwin
Hayti
Lake Norden
Nunda/Rutland
Sinai
Waubay
Webster
Wentworth
Willow Lake

ARSD 20:10:32:43:04 ADDITIONAL INFORMATION (CONSUMER PROTECTION AND SERVICE QUALITY STANDARDS)

Consumer Protection –

20:10:33:31 – Failure to pay for services other than local exchange services not grounds to terminate local exchange service. ITC applies payments to local service first. If full payment is not received by disconnect time, local service would continue and the customer would lose services such as video, internet and toll in that order depending on what was paid for.

20:10:34:09 Billing requirements. ITC on a monthly basis provides an itemized billing to each customer. The bill identifies ITC with addresses and toll free numbers for billing questions and service changes.

20:10:34:10 Notification in increase in rates. ITC uses different avenues to notify the consumer of any rate increase. Written notification is given by Company Newsletter, bill inserts, notice in the bill and separate letters.

Service Quality Standards -

ITC satisfies service quality standards outlined in section 20:10:33. ITC continues to follow and exceed all RUS equipment, facilities and engineering standards. We have continually upgraded our equipment and facilities in order to provide our customers with the highest level of service possible. We are continually adding staff to maintain the level of service due to the increase complexity of the equipment and the industry. We have increased our processes and procedures and continue to upgrade our fiber ring facilities in an effort to focus on preventative outages. ITC's low complaint history has proven our dedication to our service quality and we will continue to take great pride in customer satisfaction.