



0000151054

COMMISSIONERS

- BOB STUMP, Chairman
- GARY PIERCE
- BRENDA BURNS
- BOB BURNS
- SUSAN BITTER SMITH

RECEIVED

2014 JAN 29 P 12:08

ARIZONA CORP COMMISSION
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF
TABLE TOP TELEPHONE COMPANY, INC., A
NEVADA CORPORATION, FOR A HEARING
TO DETERMINE THE EARNINGS OF THE
COMPANY, THE FAIR VALUE OF THE
COMPANY FOR RATEMAKING PURPOSES,
AND TO INCREASE RESIDENTIAL RATES AS
NECESSARY TO COMPENSATE FOR THE
RATE IMPACTS OF THE FCC'S USE/ICC
TRANSFORMATION ORDER

DOCKET NO. T-02724A-13-0416

REVISED SCHEDULES

ORIGINAL

1 Table Top Telephone Company, Inc. hereby files at the request of Commission Staff a
2 schedule showing return on rate base assuming that the Wireline Competition Bureau sets \$17.50
3 as the monthly residential rate floor to be in effect for June 1, 2014. At \$17.50, the return would
4 be 7.23% versus 7.46% if the rate floor is set at \$19.00 per month.

5 Respectfully submitted on January 29, 2014.

6
7
8 Craig A. Marks
9 Craig A. Marks, PLC
10 10645 N. Tatum Blvd., Ste. 200-676
11 Phoenix, Arizona 85028
12 (480) 367-1956 (Direct)
13 (480) 304-4821 (Fax)
14 Craig.Marks@azbar.org
15 Attorney for Table Top Telephone Company, Inc.
16

Original and 13 copies filed
on January 29, 2014 with:

Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

Arizona Corporation Commission

DOCKETED

JAN 29 2014

DOCKETED BY

Table Top Telephony Company, Inc.
as of December 2, 2013

REGULATED 2012 RESULTS OF OPERATIONS
REFLECTS CHANGES EFFECTIVE WITH ARC AND CAF IMPLEMENTATION - YEAR 2

	2012 TOTAL TELEPHONE OPERATIONS (a)	ADJUSTMENTS (b)	Ref (c)	ADJUSTED 2012 RESULTS (d)	INTERSTATE (e)	INTRASTATE (f)
1 Local	1,267,128	(3,131)	#6	1,263,997	-	1,263,997
2 Universal Service Fund (USF-HCL) and Safety Net Additive (SNA)	2,610,564	(30,717)	#11, 12	2,579,847	-	2,579,847
3 Access Revenues	6,254,917	(193,453)	#6, 7, 8, 9, 10	6,061,464	5,552,635	508,829
4 Billing & Collecting	8,358			8,358	1,940	6,418
5 Other Misc., Uncollectibles	29,626			29,626	-	29,626
6 Total Operating Revenues	10,170,593	(227,301)		9,943,292	5,554,575	4,388,717
7 Plant Specific Expenses	1,755,627	30,597	#1, 3	1,786,224	1,018,446	767,778
8 Plant Nonspecific Expenses	732,810	3,860	#4, 5, 6	736,670	436,958	299,712
9 Depreciation & Amortization Expenses	2,422,087			2,422,087	1,173,995	1,248,092
10 Customer Operations Expenses	400,254	5,403	#2	405,657	203,267	202,390
11 Corporate Operations Expenses	1,189,848	(5,403)	#2	1,184,445	668,252	516,193
12 Other Operating Taxes and (Income)	445,004			445,004	228,838	216,166
13 Total Operating Expenses	6,945,630	34,457		6,980,087	3,729,756	3,250,331
14 OPERATING RETURN BEFORE TAXES	3,224,963	(261,758)		2,963,205	1,824,819	1,138,386
15 State Income Taxes (SIT) (6.968%)	182,597	(11,110)	#13	171,487	110,902	60,585
16 Federal Income Taxes (FIT) (34%)	828,320	(49,864)	#13	778,456	503,432	275,024
17 Total Operating Income Taxes	1,010,917	(60,974)		949,482	614,334	335,609
18 Total Expenses and Income Taxes	7,956,547	(26,517)		7,930,030	4,344,090	3,585,940
19 Net Operating Income	2,214,046	(200,784)		2,013,262	1,210,485	802,777
20 Total Year-End Rate Base	21,998,051			21,998,051	10,189,539	11,808,512
21 Return on Rate Base (Ln 19/Ln 20)						6.80%
22 Estimated Revenue from Local Rate Increase						83,460
23 State Income Taxes (SIT) (6.968%)						5,815
24 Federal Income Taxes (FIT) (34%)						26,399
25 Increase in Net Operating Income						51,245
26 Net Operating Income After Increase (Ln 19 + Ln 25)						854,022
27 Return on Rate Base After Increase (Ln 26 / Ln20)						7.23%

ASSUMPTIONS

Used 2012 Cost Study run dated 7/29/13 for Part 36 separations
Separated results based upon frozen 2000 traffic factors
Separated results based upon 2012 financials, interstate rules, adjusted for Part 64 activities
Working Capital included for all jurisdictions