

TENINO TELEPHONE COMPANY
 DEFERRED FEDERAL INCOME TAX CALCULATION
 DECEMBER 31, 2017

ACCOUNTS 4310-00, 4311-00, 7200-03, & 7990-75

| | <u>REGULATED</u> | <u>NON- REGULATED</u> | <u>TOTAL</u> |
|--|-------------------|---------------------------|-------------------|
| ACCUMULATED TAX DEPRECIATION: | | | |
| 12/31/2016 Pre ACRS, ACRS & MACRS per FAS Report | 20,436,919 | 133,450 | 20,570,369 |
| ACCUMULATED BOOK DEPRECIATION - 12/31/2016 | <u>22,371,222</u> | <u>133,454</u> | <u>22,504,676</u> |
| EXCESS ACCUMULATED (BOOK) TAX DEPRECIATION | -1,934,303 | -4 | -1,934,307 |
| CONTRIBUTION IN AID OF CONSTRUCTION | <u>0</u> | <u>0</u> | <u>0</u> |
| ACCUMULATED BOOK/TAX TIMING DIFFERENCE | -1,934,303 | -4 | -1,934,307 |
| TAX RATE | <u>21.00%</u> | <u>21.00%</u> | |
| | <u>Account</u> | <u>4310-00</u> | <u>4311-00</u> |
| ACCUMULATED DEFERRED FEDERAL INCOME TAX AT 21% | -406,204 | -1 | -406,205 |
| BALANCE PER GENERAL LEDGER (AT 34%) | <u>-657,663</u> | <u>-1</u> | <u>-657,664</u> |
| EXCESS DEFERRED FIT AT 1/1/2017 | <u>251,459</u> | <u>0</u> | <u>251,459</u> |
| | <u>Account</u> | <u>7200-03</u> | <u>7990-75</u> |
| JUNE 30 ADJUSTMENT | 0 | 0 | 0 |
| DECEMBER 31 ADJUSTMENT | <u>251,459</u> | <u>0</u> | <u>251,459</u> |
| DEFERRED FEDERAL INCOME TAX EXPENSE FOR YEAR | <u>251,459</u> | <u>0</u> | <u>251,459</u> |

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ACCOUNTS 4310-00, 4311-00, 7200-03, & 7990-75

| | <u>REGULATED</u> | <u>NON- REGULATED</u> | <u>TOTAL</u> |
|---|-------------------|---------------------------|-------------------|
| ACCUMULATED TAX DEPRECIATION: | | | |
| Pre ACRS, ACRS & MACRS per FAS Report | 21,061,991 | 133,450 | 21,195,441 |
| ACCUMULATED BOOK DEPRECIATION | <u>23,184,194</u> | <u>133,454</u> | <u>23,317,648</u> |
| EXCESS ACCUMULATED TAX DEPRECIATION | -2,122,203 | -4 | -2,122,207 |
| CONTRIBUTION IN AID OF CONSTRUCTION | <u>0</u> | <u>0</u> | <u>0</u> |
| ACCUMULATED BOOK/TAX TIMING DIFFERENCE | -2,122,203 | -4 | -2,122,207 |
| TAX RATE | <u>21.00%</u> | <u>21.00%</u> | |
| | Account | 4310-00 | 4311-00 |
| ACCUMULATED DEFERRED FEDERAL INCOME TAX | -445,663 | -1 | -445,664 |
| BALANCE PER GENERAL LEDGER | <u>-406,204</u> | <u>-1</u> | <u>-406,205</u> |
| CURRENT PERIOD ADJUSTMENT | <u>-39,459</u> | <u>0</u> | <u>-39,459</u> |
| | Account | 7200-03 | 7990-75 |
| JUNE 30 ADJUSTMENT | 0 | 0 | 0 |
| DECEMBER 31 ADJUSTMENT | <u>-39,459</u> | <u>0</u> | <u>-39,459</u> |
| DEFERRED FEDERAL INCOME TAX EXPENSE FOR YEAR | <u>-39,459</u> | <u>0</u> | <u>-39,459</u> |
| | Account | 4310-00 | 4311-00 |
| ACCUMULATED DEFERRED FEDERAL INCOME TAX - DECEMBER 31, 2017 | -445,663 | -1 | -445,664 |
| ALLOCATION OF ACCUMULATED DEFERRED FEDERAL INCOME TAX TO INTERSTATE PER 2017 COST STUDY | <u>-156,936</u> | <u>0</u> | <u>-156,936</u> |
| REMAINDER OF ACCUMULATED DEFERRED FEDERAL INCOME TAX ASSIGNED TO INTRASTATE (WASHINGTON) | <u>-288,727</u> | <u>-1</u> | <u>-288,728</u> |