

ANNUAL REPORT

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IDAHO PUBLIC
UTILITIES COMMISSION

OF *CAM-T*

Cambridge Telephone Company

NAME

PO Box 88, Cambridge, ID 83610

ADDRESS

TO THE

IDAHO PUBLIC

UTILITIES COMMISSION

FOR THE

YEAR ENDED December 31, 2006



1155 Kelly Johnson Blvd.
Suite 303
Colorado Springs, CO 80920

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ACCOUNTANT'S COMPILATION REPORT

The Board of Directors
Cambridge Telephone Company, Inc.
PO Box 88
Cambridge, Idaho 83610

We have compiled the accompanying balance sheets of Cambridge Telephone Company, Inc. as of December 31, 2006 and 2005, and the related income and retained earnings statement for the year ended December 31, 2006, included in the accompanying prescribed form, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary information, except for pages 1, 2, 18, 19, and 20.

Our compilation was limited to presenting in the form prescribed by the Idaho Public Utilities Commission information that is the representation of management. We have not audited or reviewed the financial statements referred to above and, accordingly; do not express an opinion or any other form of assurance on them.

These financial statements and the supplementary information are presented in accordance with the requirements of the Idaho Public Utilities Commission, which differ from generally accepted accounting principles. Accordingly, the financial statements and supplementary information are not designed for those who are not informed about such differences.

The information contained on pages 1, 2, 18, 19, and 20 has not been audited, reviewed, or compiled by us, and, accordingly, we assume no responsibility for that information.

Kiesling Amityy LLP

Colorado Springs, CO
April 16, 2007

**ANNUAL REPORT OF SMALL TELEPHONE COMPANIES TO
THE IDAHO PUBLIC UTILITIES COMMISSION
FOR THE YEAR ENDING DECEMBER 31, 2006**

COMPANY INFORMATION

Exact name of utility: Cambridge Telephone Company, Inc.
 Address of principal office: P.O. Box 69, Cambridge, ID 83610
 Telephone Number (Area Code 208) 257-3314
 Cities or towns served: Cambridge, Council, Indian Valley, Cuprum, Lowman

Name and title of officer having custody of the general corporate books of account: _____
Richard Wiggins, General Manager/President
 Address of office where corporate books are kept and phone number: _____
P.O. Box 88, 130 Superior Street, Cambridge, ID 83610, (208) 257-3314
 Organized under the laws of the State of: Idaho
 Date of organization: 1966
 Form of organization (proprietorship, association, corporation): Corporation
 If a Subchapter S Corporation, please specify: N/A
 Name and address of controlling company, if any: N/A

Names of affiliated companies. Give address and description of business: CTC Construction, Inc.,
P.O. Box 88, Cambridge, ID 83610-Construction Services; CTC Telecom, Inc., P.O. Box 69, Cambridge, ID
83610-Telecommunications, Internet and Wireless (CLEC)

OFFICERS

Report below the title, name and office address of each general officer of the utility at the end of the year. If there were any changes during the year, show the name, title, and address of the previous officer and the date of change.

Title	Name	Address
President	Richard Wiggins	P.O. Box 88, Cambridge, ID 83610
Vice President	Kermit Wiggins	P.O. Box 88, Cambridge, ID 83610
Secretary/Treasurer	Kristie Kanady	P.O. Box 353, Cambridge, ID 83610

DIRECTORS

List the name of each person who was a member of the Board of Directors at any given time during the year: (Fees related to meetings only.)

Name and Address	Term Expired or Current Term Will Expire	Meetings Attended This year	Fees Paid During Year
<u>Kermit Wiggins</u> <u>P.O. Box 88, Cambridge, ID 83610</u>	<u>Indefinite</u>	<u>1</u>	<u></u>
<u>Richard Wiggins</u> <u>P.O. Box 88, Cambridge, ID 83610</u>	<u>Indefinite</u>	<u>1</u>	<u></u>
<u>Joana Wiggins</u> <u>P.O. Box 88, Cambridge, ID 83610</u>	<u>Indefinite</u>	<u>1</u>	<u></u>
<u></u>	<u></u>	<u></u>	<u></u>

Name of Chairman of the Board: Kermit Wiggins
Name of Secretary (or Clerk) of Board: Kristie Kanady
Number of Meetings of the Board during the year: 1

MANAGERS

List the name of each person who performed management duties for the Company during the year, and the total wages and bonuses paid to those persons: (Do not include Director fees in these amounts.)

Name	Title	Wages and Bonuses Paid
<u>Richard Wiggins</u>	<u>President</u>	<u>131,787</u>
<u>Kermit Wiggins</u>	<u>Vice President</u>	<u>1,001</u>
<u>Kristie Kanady</u>	<u>Secretary/Treasurer</u>	<u>44,486</u>
<u>Jerry Piper</u>	<u>Assistant Manager</u>	<u>63,370</u>
<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>

NOTES TO THE FINANCIAL STATEMENTS

Please provide important information such as changes in accounting or depreciation practices, extensions or additions to the system; disposal of any substantial portion of the property of the utility; reorganization, mergers, or consolidations with other companies; leases executed; other contracts or agreements entered into; changes made in articles of incorporation or amendments; the occurrence of contingency losses or gains.

1 In 1998, CTC Telecom, Inc. (CTC), a wholly-owned subsidiary of Cambridge Telephone Company, was incorporated, with an initial investment of \$100,000. CTC operates as a Competitive Local Exchange Carrier in the state of Idaho. Additional capital investments of \$900,000 have been made through December 31, 2006.

In April, 1999, CTC secured a loan from CoBank, ACB in the amount of \$1,700,000, of which \$1,038,648 was advanced as of December 31, 2006. The loan is secured by a Leasehold Deed of Trust and Security Agreement covering all real and personal property. In addition, the loan is secured by Personal Guarantee of Payment Agreements by certain shareholders of Cambridge Telephone Company, and Pledge Agreements for stock of Cambridge Telephone Company owned by certain shareholders.

An additional loan from CoBank, ACB of \$800,000 was arranged for in 2001, of which \$432,334 was advanced as of December 31, 2006.

2 Cambridge Telephone Company (Pledgor) is a member of Syringa Networks, LLC, an Idaho Limited Liability Company. In 2002, as security for an extension of credit by Rural Telephone Finance Cooperative, a South Dakota cooperative association (Lender) to Syringa Networks, LLC (Borrower), in the principal amount of up to \$30,000,000, Pledgor executed and delivered to lender a Pledge and Security Agreement and a Guarantee Agreement. Under these agreements, Pledgor has pledged and granted a security interest in its 7% interest in Borrower as collateral for Borrower obligations under its loan agreement with Lender, and has agreed to guarantee up to \$2,100,000 of Borrower's principal payment obligations under the loan agreement. Pledgor's investment in Borrower as of December 31, 2006 was \$805,151. (See Note 4)

3 In 2003, the Company received approval from the Rural Utilities Service (RUS) for new loans from RUS and the Rural Telephone Bank (RTB) in the total amount of \$17,143,950. The loans were approved by the Idaho Public Utilities Commission by Order No. 29399 dated December 10, 2003. The loans were finalized in 2004, and notes dated April 4, 2004 in the total amount of \$17,143,950 were issued. Funds totaling \$7,021,690 were advanced, and \$6,878,375 were unpaid under these loans through December 31, 2006. From these advances, \$2,437,712 was used in 2004 to refinance the balance of the loan from CoBank, ACB.

4 In 2005, in accordance with Emerging Issues Task Force Issue 03-16, Cambridge Telephone Company (Company) began accounting for its 7.29% ownership in Syringa Networks, LLC (Syringa) under the equity method of accounting. Previously, the Company had used the cost method of accounting for Syringa. This change resulted in a retroactive recognition of cumulative equity loss in Syringa of \$11,494 through December 31, 2004, and equity income for the years ended December 31, 2005 of \$54,796 and 2006 of \$146,762.

NOTES TO THE FINANCIAL STATEMENTS

Please provide important information such as changes in accounting or depreciation practices, extensions or additions to the system; disposal of any substantial portion of the property of the utility; reorganization, mergers, or consolidations with other companies; leases executed; other contracts or agreements entered into; changes made in articles of incorporation or amendments; the occurrence of contingency losses or gains.

5 During 2006, the Company, through its 100% owned subsidiary CTC Telecom, made a prior period adjustment to reclassify \$21,375 of payments received in 2005 out of 2005 net income and into a deferred revenue account to be recognized over 10 years, the expected life of the assets. Had this reclassification not been made, 2005 net income (loss) would have been reduced by \$21,375 net of tax of \$7,550. Prior year balance sheet accounts were adjusted to reflect this prior period adjustment.

BALANCE SHEET
Assets and Other Debits

Title of Account	Balance Beginning of Year	Balance at End of Year	Increase or (Decrease)
Current Assets			
1120 Cash and Equivalents			
1130 Cash	5,268	(4,206)	(9,474)
1140 Special Cash Deposits	24,269	247,263	222,994
1150 Working Cash Advances			-
1160 Temporary Investments			-
1180 Telecommunications Accts. Receivable	196,661	206,225	9,564
1181 Accts. Rec. Allow. -Telecommunications			-
1190 Other Accounts Receivable	1,382,267	1,626,010	243,743
1191 Accounts Receivable Allow. - Other			-
1200 Notes Receivable	84,713	82,919	(1,794)
1201 Notes Receivable Allowance			-
1210 Interest & Dividends Receivable	6,406	3,007	(3,399)
1220 Material and Supplies	143,177	111,996	(31,181)
1280 Prepayments			-
1290 Prepaid Rents			-
1300 Prepaid Taxes	78,661	7,017	(71,644)
1310 Prepaid Insurance	1,181		(1,181)
1320 Prepaid Directory Expenses			-
1330 Other Prepayments	4,919	11,194	6,275
1350 Other Current Assets			-
Noncurrent Assets			
1401 Investment in Affiliated Companies	(100,831)	(139,406)	(38,575)
1402 Investment in Nonaffiliated Companies	1,583,883	1,827,400	243,517
1406 Nonregulated Investments	209,992	197,227	(12,765)
1407 Unamortized Debt Issuance Expense	6,546	6,275	(271)
1408 Sinking Funds			-
1410 Other Noncurrent Assets	82,583	71,526	(11,057)
1438 Deferred Maintenance & Retirements			-
1439 Deferred Charges	1,470	1,470	-
1500 Other Jurisdiction Assets - Net			-
Property, Plant and Equipment			
2001 Telecommunications Plants in Service	16,022,890	16,713,222	690,332
2002 Prop. Held for Future Telecom. Use			-
2003 Telecom. Plant under Constr. - Short Term	359,301	464,898	105,597
2004 Telecom. Plant under Constr. - Long Term			-
2005 Telecom. Plant Adjustment			-
2006 Nonoperating Plant			-
2007 Goodwill	1,691,657	1,691,657	-
Depreciation and Amortization Accounts			
3100 Accumulated Depreciated	(10,243,278)	(10,288,277)	(44,999)
3200 Accum. Depre. - Held for Future Use			-
3300 Accumulated Depreciation - Nonoperating			-
3400 Accumulated Amortization - Tangible			-
3410 Accum. Amort. - Capitalized Leases			-
3420 Accum. Amort. - Leasehold Improvements			-
3500 Accumulated Amortization - Intangible			-
3600 Accumulated Amortization - Other			-
TOTAL ASSETS	11,541,735	12,837,417	1,295,682

BALANCE SHEET
Liabilities & Stockholders' Equity

Title of Account	Balance Beginning of Year	Balance at End of Year	Increase or (Decrease)
Current Liabilities			
4010 Accounts Payable	602,236	241,554	(360,682)
4020 Notes Payable	281,349	-	(281,349)
4030 Advance Billings and Payments	93,469	91,177	(2,292)
4040 Customer Deposits	4,830	2,815	(2,015)
4050 Current Maturities - Long -Term Debt	370,800	786,300	415,500
4060 Current Maturities - Capital leases			-
4070 Income Taxes - Accrued	-		-
4080 Other Taxes - Accrued	25,156	19,195	(5,961)
4100 Net Current Defer. Oper. Income Taxes	(56,907)	(56,932)	(25)
4110 Net Current Defer. Nonoper. Income Taxes			-
4120 Other Accrued Liabilities	97,731	108,547	10,816
4130 Other Current Liabilities			-
Long-Term Debt			
4210 Funded Debt	6,694,460	7,971,010	1,276,550
4220 Premium on Long-Term Debt			-
4230 Discount on Long-Term Debt			-
4240 Reacquired Debt			-
4250 Obligations Under Capital Leases			-
4260 Advances from Affiliated Companies			-
4270 Other Long-Term Debt			-
Other Liabilities & Deferred Credits			
4310 Other Long-Term Liabilities			-
4320 Unamort. Oper. Invest. Tax Credits - Net	186,978	152,947	(34,031)
4330 Unamort. Nonoper. Invest. Tax Credits - Net			-
4340 Net Noncurrent Defer. Oper. Income Taxes	(11,603)	137,868	149,471
4350 Net Noncur. Defer. Nonoper. Income Taxes	154,251	168,976	14,725
4360 Other Deferred Credits	136,023	98,587	(37,436)
4370 Other Juris. Liab. & Def. Credits - Net			-
Stockholders' Equity			
4510 Capital Stock	30,000	30,000	-
4520 Additional Paid-In Capital			-
4530 Treasury Stock	(12,511)	(12,511)	-
4540 Other Capital			-
4550 Retained Earnings	2,945,473	3,097,884	152,411
TOTAL LIAB. & OTHER CREDITS	11,541,735	12,837,417	1,295,682

ANALYSIS OF TELECOMMUNICATIONS PLANT IN SERVICE

TOTAL Company Basis

Analysis of Telecommunications Plant in Service

	Balance Beginning of Year	Additions During year	Plant Retired or Sold	Transfers and Adjustments	Balance End of Year
2111 Land	102,302				102,302
2112 Motor Vehicles	537,623	142,803	(65,455)		614,971
2113 Aircraft	-				-
2114 Special Purpose Vehicles	-				-
2115 Garage Work Equipment	-				-
2116 Other Work Equipment	591,972	111,571	(86,840)		616,703
2121 Buildings	1,824,220	19,831	(29,811)		1,814,240
2122 Furniture	4,395	3,955	(1,088)		7,262
2123 Office Equipment	34,866	12,353	(6,295)		40,924
2124 General Purpose Computers	124,761	8,425	(29,930)		103,256
2211 Analog Electronic Switching	-				-
2212 Digital Electronic Switching	2,186,308	71,984	(353,665)	(2,693)	1,901,934
2215 Electro-Mechanical Switching	-				-
2220 Operator Systems	-				-
2231 Radio Systems	1,509,075	2,712			1,511,787
2232 Circuit Equipment	1,668,835	452,750	(452,004)	6,695	1,676,276
2311 Station Apparatus	-				-
2321 Customer Premises Wiring	-				-
2341 Large Private Branch Exchanges	-				-
2351 Public Telephone Terminal Equipment	2,760				2,760
2362 Other Terminal Equipment	-				-
2411 Poles	21,888				21,888
2421 Aerial Cable	-				-
2422 Underground Cable	37,662				37,662
2423 Buried Cable	7,255,004	968,960	(79,924)	(4,002)	8,140,038
2424 Submarine Cable	-				-
2426 Intrabuilding Network Cable	7,359				7,359
2431 Aerial Wire	-				-
2441 Conduit Systems	113,860				113,860
2681 Capital Leases	-				-
2682 Leasehold Improvements	-				-
2690 Intangibles	-				-
TOTAL PLANT ACCOUNTS	16,022,890	1,795,344	(1,105,012)	-	16,713,222

ANALYSIS OF TELECOMMUNICATIONS PLANT ACCOUNTS
IDAHO Operations Only

Analysis of Telecommunications Plant in Service

	Balance Beginning of Year	Additions During Year	Plant Retired or Sold	Transfers and Adjustments	Balance End of Year
2111 Land					
2112 Motor Vehicles					
2113 Aircraft					
2114 Special Purpose Vehicles					
2115 Garage Work Equipment					
2116 Other Work Equipment					
2121 Buildings					
2122 Furniture					
2123 Office Equipment					
2124 General Purpose Computers					
2211 Analog Electronic Switching					
2212 Digital Electronic Switching					
2215 Electro-Mechanical Switching					
2220 Operator Systems					
2231 Radio Systems					
2232 Circuit Equipment					
2311 Station Apparatus					
2321 Customer Premises Wiring					
2341 Large Private Branch Exchanges					
2351 Public Telephone Terminal Equipment					
2362 Other Terminal Equipment					
2411 Poles					
2421 Aerial Cable					
2422 Underground Cable					
2423 Buried Cable					
2424 Submarine Cable					
2426 Intrabuilding Network Cable					
2431 Aerial Wire					
2441 Conduit Systems					
2681 Capital Leases					
2682 Leasehold Improvements					
2690 Intangibles					
TOTAL PLANT ACCOUNTS					

SAME AS TOTAL COMPANY

ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION
Account 3100

	TOTAL Company Basis				
	Balance Beginning of Year	Depreciation Rate*	Credits During Year	Retirements and Adjustments	Balance End of Year
Analysis of Entries in Accumulated Depreciation					
2112 Motor Vehicles	384,400	25.00%	136,761	(46,955)	474,206
2113 Aircraft	-				-
2114 Special Purpose Vehicles	-				-
2115 Garage Work Equipment	304,549	12.50%	77,942	(49,302)	333,189
2116 Other Work Equipment	912,278	3.00%	54,784	(29,811)	937,251
2121 Buildings	4,395		87	(1,088)	3,394
2122 Furniture	34,866		6,425	(6,295)	34,996
2123 Office Equipment	118,847	20.00%	14,039	(29,930)	102,956
2124 General Purpose Computers	-				-
2211 Analog Electronic Switching	1,042,240	12.00%	244,164	(353,665)	932,739
2212 Digital Electronic Switching	-				-
2215 Electro-Mechanical Switching	-				-
2220 Operator Systems	-				-
2231 Radio Systems	1,509,074	12.00%	2,688		1,511,762
2232 Circuit Equipment	938,826	10.00%	100,335	(452,003)	587,158
2311 Station Apparatus	-				-
2321 Customer Premises Wiring	-				-
2341 Large Private Branch Exchanges	-				-
2351 Public Telephone Terminal Equipment	2,760				2,760
2362 Other Terminal Equipment	-				-
2411 Poles	21,888	6.50%			21,888
2421 Aerial Cable	-	6.50%			-
2422 Underground Cable	34,479	6.50%	2,448		36,927
2423 Buried Cable	4,884,421	6.50%	446,723	(80,227)	5,250,917
2424 Submarine Cable	-				-
2426 Intrabuilding Network Cable	159	6.50%	478		637
2431 Aerial Wire	-				-
2441 Conduit Systems	50,096	6.50%	7,401		57,497
TOTAL	10,243,278		1,094,275	(1,049,276)	10,288,277

*Please list individual depreciation rate for each account.

ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION
Account 3100

IDAHO Operations Only

	Balance Beginning of Year	Depreciation Rate*	Credits During Year	Retirements and Adjustments	Balance End of Year
Analysis of Entries in Accumulated Depreciation					
2112 Motor Vehicles		SAME AS TOTAL COMPANY			
2113 Aircraft					
2114 Special Purpose Vehicles					
2115 Garage Work Equipment					
2116 Other Work Equipment					
2121 Buildings					
2122 Furniture					
2123 Office Equipment					
2124 General Purpose Computers					
2211 Analog Electronic Switching					
2212 Digital Electronic Switching					
2215 Electro-Mechanical Switching					
2220 Operator Systems					
2231 Radio Systems					
2232 Circuit Equipment					
2311 Station Apparatus					
2321 Customer Premises Wiring					
2341 Large Private Branch Exchanges					
2351 Public Telephone Terminal Equipment					
2362 Other Terminal Equipment					
2411 Poles					
2421 Aerial Cable					
2422 Underground Cable					
2423 Buried Cable					
2424 Submarine Cable					
2426 Intrabuilding Network Cable					
2431 Aerial Wire					
2441 Conduit Systems					
TOTAL					

*Please list individual depreciation rate for each account.

INVESTMENTS

Report below the investments in Accounts 1401, 1402 and 1406. Identify each investment as to the account in which included. Minor amounts in Account 1406 may be grouped by classes.

<u>Description</u>	<u>Date Acquired</u>	<u>Book Cost of Investments Disposed of This year</u>	<u>Book Cost of Investments Held at End of Year</u>
CTC Telecom, Inc.	1998		(139,406)
Cash value life insurance			588,970
Coins			34,497
Land	Various		224,975
Syringa Networks, LLC	2000-2004		805,151
CoBank equity	1999-2004		170,661
Buried cable-leased to Syringa Networks, LLC			197,227
NRTC			3,146
Totals		-	1,885,221

RECEIVABLES

Itemize amounts show in Accounts 1180, 1190 and 1200. For notes receivable list each note separately and include the maturity date and interest rate. Minor amounts in Account 1210 may be combined.

<u>Name of Company</u>	<u>Amount at End of Year</u>	
	<u>Notes Receivable</u>	<u>Accounts Receivable</u>
Due from customers		206,225
Interexchange carriers		182,388
CTC Telecom, Inc.		1,259,123
CTC Construction		170,850
Other		13,649
R. & B. Crocket, 8.0%, due 2018	82,919	
Totals	82,919	1,832,235

NOTES PAYABLE

For Notes Payable, list each note separately and include the maturity date and interest rate.

<u>Name of Creditor</u>	<u>Date of Note</u>	<u>Interest Rate</u>	<u>Due Date</u>	<u>Face Amount</u>
NONE				
Totals				-

ACCOUNTS PAYABLE

Report below all Accounts Payable amounting to more than \$100.00

<u>Name of Creditor</u>	<u>Amount</u>
NECA	8,000
Else Construction Company	28,002
Lite Communications	15,981
Idaho Optic Transport Association	87,940
Tekelec	56,285
Taxes, 911 billing	15,884
Computer Technology, Inc.	3,389
Various other vendors	26,073
Totals	241,554

See Accountant's Compilation Report

LONG - TERM DEBT

Accounts 4210, 4240, 4250, 4260, 4270 and 4310

List the required data for each obligation included in these accounts, grouping them by account number and showing totals for each account. If any obligations mature serially or otherwise at various dates, give particulars in a note.

<u>Class & Series of Obligation</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Fact Amount Authorized</u>	<u>Outstanding Year-End</u>	<u>Premium/ Discount</u>		<u>Interest for year</u>	
					<u>Total</u>	<u>Amortized</u>	<u>Rate</u>	<u>Amount</u>
RUS Notes	1977	2012	975,000	270,201			5.00	Detail
RUS Notes	various	various	2,932,000	941,294			2.00	Not
RUS Notes	1985	2050	818,379	630,480			5.00	Available
RUS Notes	2004	various	13,596,000	6,878,375			various	
RTB Note	2004	2019	3,379,000	-			-	
Wells Fargo	2004	2009	67,886	36,960			7.15	
Less current maturities				(786,300)				
Total				7,971,010				334,113

INCOME & RETAINED EARNINGS STATEMENT

Item	Total Company	Idaho Only
Total Operating Income (from page 15)	3,612,366	Same as
Total Operating Expenses (from page 17)	3,163,154	total company
7100 Other Operating Income and Expense		
7210 Operating Investment Tax Credits-Net	(7,030)	
7220 Operating Federal Income Taxes	-	
7230 Operating State and Local Income Taxes	1,644	
7240 Operating Other Taxes	36,195	
7250 Provision for Deferred Operating Income Taxes-Net	24,480	
7200 Operating Taxes (Total)	55,289	
7310 Dividend Income	2,114	
7320 Interest Income	6,305	
7330 Income from Sinking and Other Funds		
7340 Allowance for Funds Used During Construction	23,053	
7350 Gains/Losses from the Disposition of Certain Property		
7360 Other Nonoperating Income	121,594	
7370 Special Charges	(14,567)	
7300 Nonoperating Income and Expense	138,499	
7410 Nonoperating Investment Tax Credits-Net		
7420 Nonoperating Federal Income Taxes	-	
7430 Nonoperating State and Local Income Taxes	-	
7440 Nonoperating Other Taxes		
7450 Provision for Deferred Nonoperating Income Taxes-Net	75,254	
7400 Nonoperating Taxes	75,254	
7510 Interest on Funded Debt	334,113	
7520 Interest Expense-Capital Leases		
7530 Amortization of Debt Issuance Expense	271	
7540 Other Interest Deductions	22,533	
7500 Interest and Related Items	356,917	
7610 Extraordinary Income Credits		
7620 Extraordinary Income Charges		
7630 Current Income Tax Effect of Extraordinary Items-Net		
7640 Provision for Deferred Income Tax Effect of Extraordinary Items-Net		
7600 Extraordinary Items		
7910 Income Effect of Jurisdictional Ratemaking Differences-Net		
7990 Nonregulated Net Income	52,160	
AMOUNT TRANSFERRED TO RETAINED EARNINGS	152,411	

OPERATING REVENUES

Item	Total Company	Idaho Only
Local Network Services Revenues		
5001 Basic Area Revenue	675,010	Same as
5002 Optional Extended Area Revenue		total company
5003 Cellular Mobile Revenue		
5004 Other Mobile Services Revenue		
5010 Public Telephone Revenue		
5040 Local Private Line Revenue		
5050 Customer Premises Revenue		
5060 Other Local Exchange Revenue	84,864	
5069 Other Local Exchange Settlements	469,418	
Network Access Services Revenues		
5081 End User Revenue (SLC)	187,502	
5082 Switched Access Revenue (Interstate)	1,768,089	
5083 Special Access Revenue	78,667	
5084 State Access Revenue (Intrastate)	332,926	
Long Distance Network Services Revenues		
5100 Long Distance Message Revenue - All		
Miscellaneous Revenues		
5230 Directory Revenue	8,740	
5240 Rent Revenue	6,516	
5250 Corporate Operations Revenue		
5261 Special Billing Arrangements Revenue		
5262 Customer Operations Revenue		
5263 Plant Operations Revenue		
5264 Other Incidental Regulated Revenue	635	
5269 Other Revenue Settlements		
5270 Carrier Billing & Collection Revenue	7	
Uncollectible Revenues		
5301 Uncollectible Revenue - Telecommunications	8	
5302 Uncollectible Revenue - Other		
TOTAL OPERATING REVENUES	3,612,366	

Please identify the following revenues:

NECA USF \$ __468,490___. To what account were they booked? 5069.1

State USF \$ __167,380___. To what account were they booked? 5084.52

OPERATING REVENUES

Item	Total Company	Idaho Only
Plant Specific Operations Expense		
6110 Network Support Expenses		Same as
6112 Motor Vehicle Expense	5,585	total company
6113 Aircraft Expense		
6114 Special Purpose Vehicles Expense		
6115 Garage Work Equipment Expense		
6116 Other Work Equipment Expense	98	
6120 General Support Expenses		
6121 Land and Building Expenses	82,277	
6122 Furniture and Artworks Expense		
6123 Office Equipment Expense	132	
6124 General Purpose Computers Expense	79,584	
6210 Central Office Switching Expenses		
6211 Analog Electronic Expense		
6212 Digital Electronic Expense	207,574	
6215 Electro-Mechanical Expense		
6220 Operators System Expense		
6230 Central Office Transmission Expenses	527,640	
6231 Radio Systems Expense		
6232 Circuit Equipment Expense	83,697	
6310 Information Origination/Termination Expense		
6311 Station Apparatus Expense		
6341 Large Private Branch Exchange Expense		
6351 Public Telephone Terminal Equipment Expense	2	
6362 Other Terminal Equipment Expense		
6410 Cable and Wire Facilities Expenses		
6411 Pole Expense		
6421 Aerial Cable Expense		
6422 Underground Cable Expense		
6423 Buried Cable Expense	250,946	
6424 Submarine Cable Expense		
6425 Deep Sea Cable Expense		
6426 Intrabuilding Network Cable Expense		
6431 Aerial Wire Expense		
6441 Conduit Systems Expense		
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	1,237,535	

OPERATING REVENUES

Item	Total Company	Idaho Only
Plant Nonspecific Operations Expense		
6510 Other Property/Plant/Equipment Expenses		Same as
6511 Property Held for Future Telecomm. Use Expenses		total company
6512 Provisioning Expense		
6530 Network Operations Expense		
6531 Power Expense	-	
6532 Network Administration Expense	1,503	
6533 Testing Expense	658	
6534 Plant Operations Administration Expense		
6535 Engineering Expense	18,467	
6540 Access Expense	25,905	
6560 Depreciation and Amortization Expenses		
6561 Depreciation Expense-Telecom. Plant in Service	1,094,275	
6562 Depreciation Expense-Property Held for Future Use		
6563 Amortization Expense - Tangible		
6564 Amortization Expense - Intangible		
6565 Amortization Expense - Other		
Total Plant Nonspecific Operations Expenses	1,140,808	
Customer Operations Expense		
6610 Marketing	8,335	
6611 Product Management		
6612 Sales		
6613 Product Advertising		
6620 Services		
6621 Call Completion Services	30	
6622 Number Services	6,825	
6623 Customer Services	154,066	
Total Customer Operations Expense	169,256	
Corporate Operations Expense		
6710 Executive and Planning		
6711 Executive	308,737	
6712 Planning		
6720 General and Administrative		
6721 Accounting and Finance	183,690	
6722 External Relations	381	
6723 Human Resources		
6724 Information Management		
6725 Legal	6,121	
6726 Procurement		
6727 Research and Development		
6728 Other General and Administrative	116,626	
6790 Provision for Uncollectible Notes Receivable		
Total Corporate Operations Expense	615,555	
TOTAL OPERATING EXPENSES	3,163,154	

CENTRAL OFFICE DATA
as of December 31, 2006 (unless otherwise indicated)

Name of Central Office: Council
 Prefix (es): 253

Central Office Switch Type: DCO-RLS & Tekelec T7000

Check all that apply:
 Stand Alone
 Host
 Remote X

Check one:
 Electronic X
 Electro-Mechanical
 Other:

Access Line Capacity
 Design: 1890 & 2208

Access Lines in Use
 Customer Lines: 1028
 (Include Centrex, PAL, Semi-Pub.)

Installed/Equipped: 1710 & 1536

Public Telephone Lines 4

Company Official Lines 10

Company Test Lines 0

	Residence			Business			Total Residence & Business
	Multi-Line 1-Party	Single Line 1-Party	Multi-Line 1-Party	Single Line 1-Party	Multi-Line Party	Subtotal Business	
Beginning of Year		835		212		212	1047
New Connects		69		17		17	86
Disconnects		95		10		10	105
End of Year		809		219		219	1028

Foreign Exchange:
 Dial Tone from this C.O.: 3
 Dial Tone from another C.O.: 0

Directory Listings:
 Number of Customers with Nonpublished or Nonlisted: 174

Custom Calling:
 Number of customers with at least one feature: 441
 Total number of features subscribed to: 28

CENTRAL OFFICE DATA
as of December 31, 2006 (unless otherwise indicated)

Name of Central Office: Indian Valley
 Prefix (es): 256

Central Office Switch Type: DLC

Check all that apply:
 Stand Alone
 Host
 Remote X

Check one:
 Digital X
 Analog

Check one:
 Electronic X
 Electro-Mechanical
 Other: Calix digital subscriber carrier (303 interface to Council)

Access Line Capacity
 Design: 1200

Access Lines in Use
 Customer Lines: 173
 (Include Centrex, PAL, Semi-Pub.)

Installed/Equipped: 288

Public Telephone Lines 0

Company Official Lines 7

Company Test Lines 0

Classification of Customer Access

	Residence			Business			Total Residence & Business
	Multi- Line 1-Party	Single Line Multi- Party	Subtotal Residence	Multi- Line 1-Party	Single Line Multi- Party	Subtotal Business	
Beginning of Year		157	157		11	11	168
New Connects		18	18		1	1	19
Disconnects		14	14		0	0	14
End of Year		161	161		12	12	173

Foreign Exchange:
 Dial Tone from this C.O.: 0
 Dial Tone from another C.O.: 0

Directory Listings:
 Number of Customers with Nonpublished or Nonlisted: 12

Custom Calling:
 Number of customers with at least one feature: 64
 Total number of features subscribed to: 12

CENTRAL OFFICE DATA
as of December 31, 2006 (unless otherwise indicated)

Name of Central Office: Cambridge
 Prefix (es): 257
 Central Office Switch Type: DCO AND TEKELEC T7000

Check all that apply:
 Stand Alone
 Host X
 Remote

Check one:
 Digital X
 Analog

Check one:
 Electronic X
 Electro-Mechanical
 Other:

Access Line Capacity
 Design: 1080 & 1536

Access Lines In Use
 Customer Lines: 494
 (Include Centrex, PAL, Semi-Pub.)

Public Telephone Lines 7

Company Official Lines 8

Company Test Lines 0

Classification of Customer Access

	Residence		Business		Total Residence & Business
	Single Line	Multi-Party	Single Line	Multi-Party	
Beginning of Year	417	26	106	0	523
New Connects	26	47	0	8	26
Disconnects	47	396	8	98	55
End of Year	396	417	98	106	494

Foreign Exchange:
 Dial Tone from this C.O.: 5
 Dial Tone from another C.O.: 0

Directory Listings:
 Number of Customers with Nonpublished or Nonlisted: 89

Custom Calling:
 Number of customers with at least one feature: 218
 Total number of features subscribed to: 19

CENTRAL OFFICE DATA
as of December 31, 2006 (unless otherwise indicated)

Name of Central Office: Cuprum
 Prefix (es): 258

Central Office Switch Type: DCO-RLG

Check all that apply:
 Stand Alone
 Host
 Remote X

Check one:
 Electronic X
 Electro-Mechanical
 Other:

Access Line Capacity
 Design: 90

Access Lines in Use
 Customer Lines: 49
 (Include Centrex, PAL, Semi-Pub.)
 Public Telephone Lines 1
 Company Official Lines 1
 Company Test Lines 0

Installed/Equipped: 90

Classification of Customer Access

	Residence			Business			Total Residence & Business
	Multi- Line 1-Party	Single Line Multi- Party	Subtotal Residence	Multi- Line 1-Party	Single Line Multi- Party	Subtotal Business	
Beginning of Year		53	53		1	1	54
New Connects		1	1		0	0	1
Disconnects		6	6		0	0	6
End of Year		48	48		1	1	49

Foreign Exchange:
 Dial Tone from this C.O.: 0
 Dial Tone from another C.O.: 0

Directory Listings:
 Number of Customers with Nonpublished or Nonlisted: 7

Custom Calling:
 Number of customers with at least one feature: 13
 Total number of features subscribed to: 6

CENTRAL OFFICE DATA
as of December 31, 2006 (unless otherwise indicated)

Name of Central Office: Lowman
Prefix (es): 259

Central Office Switch Type: Tekelec T7000

Check all that apply:
Stand Alone _____
Host X _____
Remote X _____

Check one:
Digital X _____
Analog _____

Check one:
Electronic X _____
Electro-Mechanical _____
Other: _____

Access Line Capacity
Design: 944

Access Lines in Use
Customer Lines: 266
(Include Centrex, PAL, Semi-Pub.)

Installed/Equipped: 416

Public Telephone Lines 3

Company Official Lines 10

Company Test Lines 0

Classification of Customer Access

	Residence			Business			Total Residence & Business
	Multi-Line 1-Party	Single Line Multi-Party	Subtotal Residence	Multi-Line 1-Party	Single Line Multi-Party	Subtotal Business	
Beginning of Year		229	229		37	37	266
New Connects		21	21		2	2	23
Disconnects		20	20		3	3	23
End of Year		230	230		36	36	266

Foreign Exchange:
Dial Tone from this C.O.: 2
Dial Tone from another C.O.: 0

Directory Listings:
Number of Customers with Nonpublished or Nonlisted: 50

Custom Calling:
Number of customers with at least one feature: 62
Total number of features subscribed to: 9

NUMBER OF CALLS COMPLETED BY CUSTOMERS DURING (Year) 2006

Local Exchange	Average # of Customer Lines in Use	Local Calls		Toll Calls Originated (Total of all Carriers)			Avg./ Line
		Number (1000s)	Avg./ Line	Intrastate	Interstate	Total	
1 253	1028			287,348	565,972	853,320	830
2 256	173			33,744	77,660	111,404	644
3 257	494			95,339	214,764	310,103	628
4 258	49			6,118	15,516	21,634	442
5 259	206			18,215	65,670	83,885	615
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							

**ANNUAL REPORT FOR SMALL TELEPHONE COMPANIES
YEAR ENDED DECEMBER 31, 2006.**

CUSTOMER RELATIONS RULES COMPLIANCE

Rule IDAPA 31.21.01.603
Rule IDAPA 31.41.01.105

Please provide copies of:

Summary of Customer Relations Rules for Telephone Corporations

Idaho Telephone Solicitation Act Notification

Method of Notification:

Mailed separately to customers Yes X No

Included in directory Yes No X

Date of notification 5/1/06

Alternate method of notification N/A

Rule IDAPA 31.41.01.403.02

Record of Complaints:

Number received by Company 25

Category of complaints (if known):

Deposit Disputes

Charges on Bill 12

Denial/Termination

Quality or Availability
of Service

Carrier Selection/Assignment

Miscellaneous 13

Rev 3/02

CERTIFICATE

State of Idaho)
) ss
County of Washington)

WE, the undersigned RICHARD WIGGINS

and _____

of the CAMBRIDGE TELEPHONE COMPANY, INC. utility,

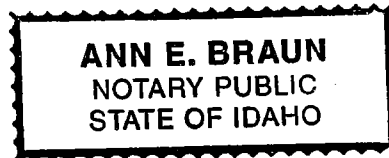
on our oath do severally say that the foregoing return has been prepared under our direction, from the original books, papers, and records of said utility; that we have carefully examined same, and declare the same to be a correct statement of the business affairs of said utility for the period covered by the return in respect to each and every matter and thing therein set forth, to the best of our knowledge, information and belief.

Richard Wiggins
(Chief Officer)

Richard Wiggins
(Officer in Charge of Accounts)

Subscribed and Sworn to Before Me this 19th day of April, (Year) 2007.

Ann E. Braun
Notary Public



My Commission expires July 8, (Year) 2011.

Rev 3/02

gdk/excel/jnelson/anulrpts/telannualrpt

What if a Deposit is required?

If we require a deposit or deny you service, you may request a written explanation and will be given a chance to discuss that decision with us. If you pay a deposit, you have the right to a receipt. Interest will be paid from the date the deposit is taken and until refunded or applied. Deposits, with interest, will be refunded promptly when you maintain good credit for twelve consecutive months. If a deposit is required, you have two alternatives available. You can either pay the deposit in cash or present a guarantee from a third party.

The amount of the deposit shall not exceed two (2) months charges for basic local telephone service plus two (2) months estimated or average charges for long distance service.

Guarantee in Lieu of Deposit

If you cannot pay the deposit, we will accept a guarantee from another customer who has twelve months of good credit. The third party must guarantee and is liable for an amount equal to the deposit that would otherwise be required. The guarantor is released from this obligation when you have established good credit.

Complaint Procedure

You may, at any time, file a complaint and request a conference with us. After we receive a complaint, we will start an investigation immediately. The results will be given to you and you will be given the opportunity to discuss the results. If you are still dissatisfied, a complaint may be taken to the Idaho Public Utilities Commission for review. Service will not be turned off during any part of this complaint procedure IF ALL UNDISPUTED BILLS ARE PAID.

Important Notice Concerning Purchase of Goods and Services by Telephone

You have important rights under the Idaho Telephone Solicitation Act. Under this Act, it is illegal for persons attempting to sell you goods or services by telephone (telephone solicitors):

- To intimidate or harass you in connection with the attempted sale.
- To refuse to hang up and free your telephone line immediately once you request them to do so.
- To misstate the price, quality, or availability of goods or services, or to fail to reveal all material terms relating to the sale of goods or services.
- To advertise, represent or imply that they have the endorsement of any government office or agency when they do not.

- To advertise, represent or imply that they have a valid registration number with the Attorney General when they do not.

- To use any unfair method of competition or unfair or deceptive practice.

Any person not yet 18 years old who purchases goods or services pursuant to a telephone solicitation may cancel the purchase within a reasonable time after the purchase is made. No parent or legal guardian having custody of a person not yet 18 years old is liable for the purchase of goods or services by a person not yet 18 years old pursuant to telephone solicitation.

When you agree to purchase goods or services over the telephone, you may have a right to reconsider and cancel your agreement for three business days after receiving a written confirmation of the sale.

A person whose rights are violated by telephone solicitors may have the right to declare a contract of purchase null and void or invoke other remedies under the Idaho Consumer Protection Act.

If you believe that a telephone solicitor has done any unlawful acts, you may contact the Attorney General's office for assistance and information at:

1-800-432-3545 (toll free) or
334-2424 (Boise area)

Idaho Telecommunications Relay Service

The Idaho Telecommunications Relay Service allows individuals with a speech and/or hearing disability and hearing individuals to communicate via the telephone. Calls may be initiated by either text telephone or voice customers. Twenty-four hours a day and seven days a week, the Idaho Telecommunications Relay Service is ready to provide you with efficient, confidential communications services. If you would like more information about the Idaho Telecommunications Relay Service, please call 1-800-368-6185 (Voice or TT), or as of October 1, 2001, by dialing 711.

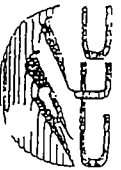
To Access the Relay Toll-Free Dial:

1-800-377-3529 (TT)

1-800-377-1363 (Voice)

711 (After October 1, 2001)

See Accountant's Complaint Report



CONSUMER INFORMATION
CONSUMER INFORMATION
CONSUMER INFORMATION
CONSUMER INFORMATION
CONSUMER INFORMATION
CONSUMER INFORMATION

The Residential Service

This is a summary of the Idaho Public Utility Commission's rules and regulations regarding customer relations.

It is intended for your information only. We hope it will make you aware of your rights as a CTC Telecom customer and will better acquaint you with some of our operating procedures. This is only a summary. Should you need detailed information, the CTC Telecom office has a copy of the complete rules available for your use. Please contact us if you have questions.

CUSTOMER BILLING INFORMATION

The charge for monthly local telephone service is billed one month in advance. All charges for long distance, message units, installation and changes in service on file at the time the bill is printed will be shown on your current bill.

RULES FOR TERMINATION OF SERVICE

CTC Telecom must follow stringent guidelines before terminating basic local telephone service. Basic local service cannot be terminated for failure to pay long distance charges owed to other companies, which may appear on CTC Telecom's monthly bill, if measures to prevent access to the other companies' services are available. Whether such measures are available depends upon the type of CTC Telecom equipment serving the customer.

Basic local telephone service cannot be terminated if you let us know that you dispute any charges on your telephone bill until the dispute is resolved, but you must continue to pay the undisputed parts of the bill. Telephone service can be disconnected with proper notification for one of the following reasons:

- Not paying undisputed delinquent charges or paying a delinquent bill with a check not honored by the bank.
- Failure to make a security deposit or failure to provide a deposit guarantee.
- Misrepresentation of identity to receive service.
- Failure to abide by the terms of a payment arrangement.
- Intentionally wasting or interfering with service through improper equipment or otherwise.
- Failure to apply for service with the telephone company.

PROPER NOTIFICATION

Service cannot be disconnected without first notifying you in writing at least seven (7) days in advance. We must diligently try to notify you in person or by telephone 24 hours before disconnecting service. Only 24 hour notice will be given if you pay a bill with an insufficient funds check in order to avoid termination, or as the initial payment of a payment arrangement, or if you do not make an initial payment according to a payment arrangement.

Restrictions on Terminations

Your telephone service cannot be disconnected if:

- A past due balance is less than \$50.00 or for two (2) months service, whichever is smaller.

- You are being charged for another customer's bill (unless you have a legal obligation to pay the other customer's bill or you are being charged for any other class of service).
- You fail to pay for purchase of services such as the following:

- Directory advertising.
- Services not provided by CTC Telecom even though they may be billed with CTC Telecom services (e.g., 900 charges, operator charges from another company).
- Equipment payments.
- Inside wire maintenance.
- Written guarantee for another customer.
- Long distance charges by other companies, if we can block access to the other companies' services.

Your telephone service can be disconnected between the hours of 8:00 a.m. and 4:00 p.m., Monday through Thursday, and before noon on Friday. Service cannot be turned off after noon on Fridays, weekends, legally recognized Idaho holidays, or after noon any day before a legally recognized Idaho holiday.

Termination Without Notification

CTC Telecom can terminate service without notification only under the five following conditions:

- A dangerous or hazardous condition exists.
- Service was obtained without authorization or knowledge of the telephone company.
- By order of any court, the Public Utilities Commission, or any other authorized public authority.
- If we have diligently tried to notify you but have been unsuccessful in our attempts to contact you.
- You have misrepresented your identity, have inadequate security with the company, and have an outstanding bill exceeding \$100.00.

PAYMENT ARRANGEMENTS/ PARTIAL PAYMENTS/DISPUTED CHARGES

If you cannot pay the entire bill, payment arrangements can be made with us to pay part of the amount immediately and the remainder in installments.

A payment schedule will be developed that is individually tailored to your need and ability to pay. If you cannot pay a bill in full, or if you dispute a portion of the charges, you may tell us how to apply your partial payment to charges for local service, long distance and other services. When you make partial payments without directing how they are to be applied, we automatically prorate your payment among all

you have not notified us of the dispute). If you want to avoid disconnection of your local service, it is wise to direct that your partial payment first be applied to the charges for that service.

UNAUTHORIZED CHANGE TO ANOTHER LONG DISTANCE CARRIER

The Federal Communications Commission has revised the existing rules related to authorization and verification for changes in preferred long distance providers. If you have been slammed (unauthorized change of your long distance carrier) you may be absolved from paying unpaid charges for 30 days after an unauthorized change. The FCC rules prohibit CTC Telecom from verifying carrier changes submitted by long distance carriers. If you do not currently have a preferred carrier freeze, you may choose this option to eliminate an unauthorized change of your long distance carrier. If you do have a preferred carrier freeze and want to change your carrier, you must call our office or give written notice to lift any preferred carrier freeze. If you have any questions about these new rules you may contact our business office.

MEDICAL EMERGENCIES

You can delay termination of service for 30 days by obtaining a certificate from a doctor or public health official stating that a medical emergency exists or would be aggravated if your phone service were disconnected. A second extension may be granted if another certificate is presented. Payment arrangements must be made before the 30-day expiration date. The certificate must be signed by the person diagnosing the medical condition and must name the person affected.

RULES FOR DEPOSIT

We may ask you to pay a deposit if a deposit is required. A deposit is required only if:

- You have not paid an undisputed bill with any telephone company for service received in the past four years.
- Your service was terminated for one of the following reasons:
 - Nonpayment of any undisputed delinquent bills.
 - Misrepresentation of your identity for the purpose of obtaining telephone service.
 - Failure to pay for damages caused by negligence.
 - Obtaining or using service without authorization.
 - You file bankruptcy.
 - You do not have verifiable previous telephone service and do not pass objective credit screen.
 - You provide materially false information on your application.
 - You request service at a residence where a former customer still resides and a balance is past due or still owing on the former customer's bill.

2005 FORM I INPUT MASTER		For The Year Ended: December 31, 2005		Separated Results of Idaho Operations					
COMPANY NAME: Cambridge Telephone Company, Inc.		Interstate Operation		Intrastate Operation					
FCC Account and Description	Note No.	Line No.	MTS & WATS Switched Access	TOLL PLS Special Access	MTS & WATS Switched Access	TOLL PLS Special Access	EAS	Local (Other)	Total
SUMMARY									
Operating Revenues									
50XX Local-Billed	(1)	1.	1,334,227	0	0	0	0	1334226.72	1,334,227
-EAS Billed	(1)	2.	0	0	0	0	0	0	0
-EAS Settlement	(1)	3.	0	0	0	0	0	0	0
508X Access-SLC (End User)	(2)	4.	193,177	193,177	193,177	0	0	0	134,829
-Switched (TS+NTS)	(2)	5.	1,825,200	1690370.31	1,690,370	134829.31	32133	0	32,133
-Special	(2)	6.	142,232	110099	110,099	0	0	0	0
51XX Toll -Message	(3a)	7.	21	21	0	0	0	0	0
-Private Line	(3b)	8.	0	0	0	0	0	0	0
-Settlement	(3c)	9.	0	0	0	0	0	0	0
52XX Misc.-Billing & Collection	(4)	10.	23	0	0	23	0	9008.63	9,009
-Directory Advertising		11.	9,009	0	0	0	0	9828	9,828
-Operating Rents		12.	9,828	0	0	0	0	86452.9	86,453
-Other Misc.		13.	86,453	0	0	0	0	194	194
530X Less: Uncollectible Rev. (-)		14.	194	0	0	0	0	0	0
Total Revenues		15.	3,600,363	1,883,568	1,993,667	134,852	32,133	1,439,710	1,606,896
Operating Expenses									
61XX-64XX Plant Specific Oper.	(5a)	16.	821,767	335,273	366,913	186,129	10,424	23,894	454,854
65XX Plant Nonspecific Operations	(5a)	17.	41,073	29,942	30,681	4,248	240	559	10,392
656X Depreciation & Amortization	(5a)	18.	1,069,143	484,592	26786	219,677	8,319	23,359	557,765
66XX Customer Operations	(5a)	19.	184,736	66,271	67,237	55,423	584	61,492	117,499
67XX Corporate Operations	(5a)	20.	567,385	251,684	16,312	127,048	5,556	11,868	299,389
- Other Operating	(5a)	21.	0	0	0	0	0	0	0
Total Expenses	(5a)	22.	2,684,104	1,167,762	1,244,205	592,525	25,123	59,680	1,439,899
Operating Taxes:	(6)								
7240 General Taxes		23.	0	0	0	0	0	0	0
7230 State/Local Inc. Tax (Current)		24.	13,110	5713	387	2915	126	304	7,010
7220 Federal Income Tax (Current)		25.	94,508	41185	2789	21014	910	2191	50,534
7250 Net Deferred Income Taxes		26.	-80,331	-35007	-2371	-17862	-773	-1862	-42,953
7210 Net Investment Tax Credits		27.	0	0	0	0	0	0	0
Total Taxes		28.	27,287	11,891	805	6,067	263	7,628	14,591
Net Operating Income		29.	888,972	703,915	736,766	-463,740	6,747	669,511	152,206

SUMMARY (continued)										
Average Rate Base										
2001 Telecom. Plant in Service	(5b)									
2005 Plant Acquisition Adjustment										
3100 Less: Accumulated Depr. (-)										
34xx-36xx Accumulated Amort. (-)	(5c)									
4100-4340 Accum. Deferred Tax (-)	(5)									
1220 Materials and Supplies										
Equal Access Equipment	(7)									
Other Rate Base										
Total Average Rate Base										
		16,604,386	6,806,094	650,794	7,456,888	3,739,233	211,232	491,658	4,705,375	9,147,498
		0	-3,817,828	-376,014	-4,193,842	-2,114,130	-127,948	-258,079	-3,299,562	-5,799,719
		-9,993,561								0
		0								0
		-40,459	-16584	-1586	-18,170	-9111	-515	-1198	-11465	-22,289
		110689	40130	2435	42,565	28509	1307	1809	36499	68,124
		0			0					0
		586,583	242708	21987	264,695	132951	7174	16583	165180	321,888
		7,267,638	3,254,520	297,616	3,562,136	1,777,452	91,250	250,773	1,596,027	3,715,502

OPERATING EXPENSE DETAIL										
61XX-64XX Plant Specific Operations										
6110-20 General Support Facilities	1.	173,853	71,262	6614	78,076	39151	2212	5148	49266	95,777
621X Central Office Switching	2.	156,196	77247	10923	88,170	26137	2242	8330	31317	68,026
6220 Operator Systems	3.	0			0					0
623X Central Office Transmission	4.	64,351	31825	4500	36,325	10768	924	3432	12902	28,026
63XX Information Orig./Term. Equip.	5.	0			0					0
64XX Cable & Wire Facilities	6.	427,368	154939	9403	164,342	110074	5047	6984	140921	263,026
Total Plant Specific	7.	821,768	335,273	31,640	366,913	186,130	10,425	23,894	234,406	454,855
65XX Plant Nonspecific Operations	(8)	0			0					0
6512 Provisioning	8.	0			0					0
653X Network Operations	9.	18,863	7732	739	8,471	4248	240	559	5345	10,392
6540 Access Paid to LECs	10.	22,210	22210		22,210					0
Total Plant Nonspecific	(5a)	41,073	29,942	739	30,681	4,248	240	559	5,345	10,392
656X Depreciation & Amortization	(8)									
6561 General Support Facilities	12.	239,360	98113	9382	107,495	53903	3045	7087	67630	131,865
6561 Central Office Switching	13.	179,706	152750		152,750				26956	26,956
6561 Operator Systems	14.	0			0					0
6561 Central Office Transmission	15.	108,649	39561	10386	49,947	24852	2131	7921	23798	58,702
6561 Information Orig./Term. Equip.	16.	0			0					0
6561 Cable & Wire Facilities	17.	541,429	194168	7019	201,187	140922	3143	8351	187826	340,242
6563 Capital Leases	18.	0			0					0
6563 Leasehold Improvements	19.	0			0					0
6564 Intangibles	20.	0			0					0
6565 Acquisition Adjustment	21.	0			0					0
Total Depreciation & Amortization	(5a)	1,069,144	484,592	26,787	511,379	219,677	8,319	23,359	306,410	557,765

OPERATING EXPENSE (continued)										
66XX	Customer Operations									
661X	Marketing	10,989	4169	966	5,135	2095	584		3175	5,854
662X	Operator Services	431			0				431	431
662X	Directory Publishing-Alpha	8,849	2844		2,844	1842			4163	6,005
662X	Directory Publishing-Classified	0			0					0
662X	Directory Publishing-Foreign	0			0					0
6623	Service Order Proc.-End User	28,629	11646		11,646	919			16064	16,983
6623	Payment & Collection-End User	21,472	5845		5,845	5895			9732	15,627
6623	Billing Inquiry-End User	21,472	5847		5,847	5895			9730	15,625
6623	Service Order Proc.-CXR	0			0					0
6623	Payment & Collection-CXR	0			0					0
6623	Billing Inquiry-CXR	0			0					0
6623	Coin Administration	0			0					0
6623	Rev. Acctg.-Toll Ticket Proc.	0			0					0
6623	Rev. Acctg.-Local Mess. Proc.	9,854	2661		2,661	7193			7193	7,193
6623	Rev. Acctg.-Other Bill & Coll.	51,859	15467		15,467	18196			18196	36,392
6623	Rev. Acctg.-SLC Billing	2,729	2729		2,729					0
6623	B & C Amts Paid to LECs	26,779	13389		13,389					13,390
6623	Other Customer Service	1,675	1675		1,675					0
(5a)	Total Customer Operations	184,738	66,272	966	67,238	55,425	584	0	61,491	117,500
67XX	Corporate Operations:									
671X	Executive & Planning	261,838	103939	8158	112,097	63544	2779	5936	77482	149,741
672X	General & Administrative	305,548	147746	8153	155,899	63505	2777	5932	77435	149,649
6728	EAS Settlement Expense	0			0					0
(5a)	Total Corporate Operations	567,386	251,685	16,311	267,996	127,049	5,556	11,868	154,917	299,390
(10)	Other Operating Expenses:									
(11)	Equal Access Provision	0			0					0
(11)	Universal Service Fund	0			0					0
(12)	Lifeline Connection Assistance	0			0					0
(5a)	Total Other	0	0	0	0	0	0	0	0	0
(5a)	Total Operating Expenses	2,884,109	1,167,764	76,443	1,244,207	592,529	25,124	59,680	762,569	1,439,902

OPERATING TAXES DETAIL												
7240	General Taxes											
7240	Property	51,510	21,114	2019	23,133	11,600	655	1525	14,597			28,377
7240	Gross Receipts	0	0		0							0
7240	PUC Fee	0			0							0
7240	Franchise Fees	0			0							0
7240	Other	722	722		722							0
	Total General Taxes	52,232	21,836	2,019	23,855	11,600	655	1,525	14,597			28,377
72XX	Income Taxes (Calculated)											
	Net Income Before SIT & FIT	864,022	693,968	31,637	725,605	-469,277	6,354	-61,205	662,544			138,417
	Less Fixed Charges (-)	192,485	86,531	7,974	94,505	47,084	2,426	6736	41734			97,980
	Subtotal (lines 7-8)	671,537	607,437	23,663	631,100	-516,361	3,928	-67,941	620,810			40,437
	Other SIT Base Add/Ded. (+-)	0	0		0							0
	SIT Taxable Inc. (lines 9+-10)	671,537	607,437	23,663	631,100	-516,361	3,928		620,810			40,437
	7230 SIT-Current (at 8%)	59,158	48,595	1,893	50,488	-41,309	314	0	49,665			8,670
	Other FIT Base Add/Ded. (+-)	0	0		0							0
	FIT Taxable Inc. (lines 9-12+-13)	612,379	558,842	21,770	580,612	-475,052	3,614		571,145			99,707
	Gross FIT	231,309	190,006	7,402	197,408	-161,518	1,229	0	194,189			33,901
	7210P Claimed ITC. (-)	0	0		0							0
	Surtax Elimination (-)	0	0		0							0
	7220 FIT-Current (lines 15-16-17)	231,309	190,006	7,402	197,408	-161,518	1,229	0	194,189			33,901

2005 FORM I INPUT MASTER		For The Year Ended: December 31, 2005				Separated Results of Idaho Operations			
COMPANY NAME: Cambridge Telephone Company, Inc.		Total Idaho		Intrastate		Operation			
Description	Note No.	Line No.	Operations Subject To Separations	Interstate Toll	Intrastate Toll	EAS	Local (Other)		
Separation Parameters									
Plant	(19)								
SLU Minutes of Use (MOU)		1.	0						
SLU Factor		2.	1.000000	0.32138	0.20816		0.47046		
Base SPF - January 1		3.	1.000000	0.25	0.25		0.5		
Base SPF - December 31		4.	1.000000	0.25	0.25		0.5		
Current Composite SPF	(20)	5.	1.000000	0.25	0.25		0.5		
1996 Weighted DEM		6.	1.000000	0.85			0.15		
1996 Unweighted DEM		7.	0.329249	0.329249	0		0		
Current CAT 3 Dial Equipment Minutes	(21)	8.	0						
Current Composite DEM Factor		9.	1.000000	0.85			0.15		
Exchange Trunk - Joint Use MOU	(22)	10.	0						
Host/Remote MOU Kilometers	(23)	11.	0						
Equal Access MOU	(24)	12.	0						
Operator Standard Work Seconds	(25)	13.	0						
Tandem Switching MOU	(26)	14.	0						
IX Conversation MOU		15.	0						
IX Conversation Minute Kilometers		16.	0						
Other Parameters									
Access Lines		17.	2044						
Unseparated Loop Cost @ 11.1 ROR	(27)	18.							
Gross Billed Revenues									
-Marketing Allocation Basis	(28a)	19.	0						
-Payment & Collection-End User	(28b)	20.	1,082,275	294661	297150		490464		
-Payment & Collection-CXR	(28c)	21.	3	1	2				
Service Order Contacts									
-Service Order Proc.-End User	(29a)	22.	8,199	1714	351		6134		
-Service Order Proc.-CXR	(29b)	23.	0						
Billing Inquiry Contacts									
-Billing Inquiry-End User	(30a)	24.	1,082,275	294661	297150		490464		
-Billing Inquiry-CXR	(30b)	25.	3	1	2				
SP-RC Toll Messages	(31)	26.	447,617	120894	326723				
EAS/Local Messages (Msg. Proc.)		27.	0						
'BIG 3' Expense Factor-Message	(32)	28.	0.96	0.396958	0.242684		0.022671		0.295918
-PLS & Special Access		29.	0.04	0.031158	0.00612				
Operator Services Expense - Factor		30.	0						
Access Minutes of Use (End Office)		31.	11,325,736	8823944	2501792				

Cambridge Telephone Company, Inc.
 Study Area: 472215
 Study Year: 2005

REVENUE REQUIREMENT SUMMARY

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LINE	DESCRIPTION	SOURCE	INTERSTATE						INTRASTATE				LOCAL		
			TOTAL COMPANY (a)	MSG (b)	InterLATA PL (c)	MSG (d)	IntraLATA PL (e)	MSG (f)	InterLATA PL (g)	MSG (h)	IntraLATA PL (i)	EAS (j)	User Defined (k)	Other (l)	
1	Net Telecom Plant	S-2, Ln46	7,267,640	3,254,519	297,617	-	-	-	390,256	1,387,197	91,251	250,773	-	-	1,586,026
2	Rate Base Adjustment #1	Records	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Rate Base Adjustment #2	Records	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Rate Base Adjustment #3	Ln1-2, 4	7,267,640	3,254,519	297,617	-	-	-	390,256	1,387,197	91,251	250,773	-	-	1,586,026
5	RATE BASE														
6	Rate of Return	Records	9.4709%	11.2500%	11.2500%	11.2500%	11.2500%	11.2500%	7.7700%	7.7700%	7.7700%	7.7700%	7.7700%	7.7700%	7.7700%
7	RETURN ON RATE BASE	Ln5*6	688,310	366,133	33,482	-	-	-	30,323	107,785	7,090	19,485	-	-	124,011
8	Return Adjustment #1	Records	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Return Adjustment #2	Records	-	-	-	-	-	-	-	-	-	-	-	-	-
10	NET RETURN	Ln7-8, 9	688,310	366,133	33,482	-	-	-	30,323	107,785	7,090	19,485	-	-	124,011
11	Fixed Charges														
12	Amortization of Excess Def Taxes	S-10, Ln24	192,486	86,531	7,974	-	-	-	10,437	36,647	2,426	6,736	-	-	41,734
13	Capitalized Payroll Taxes	S-10, Ln47	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Depreciation Adjustment	S-10, Ln50	-	-	-	-	-	-	-	-	-	-	-	-	-
15	FIT Allowances/Disallowances	S-10, Ln63	-	-	-	-	-	-	-	-	-	-	-	-	-
16	FIT Allowances/Disallowances	S-14, Ln22	-	-	-	-	-	-	-	-	-	-	-	-	-
17	FIT Alloc on Exp 3 Exp	S-10, Ln59+60	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Total Misc. Inc Adjustment	S-10, Ln61+62	-	-	-	-	-	-	-	-	-	-	-	-	-
19	AFTER TAX INCOME	Note 1	495,824	279,602	25,508	-	-	-	19,886	71,138	4,664	12,749	-	-	82,277
20	State Income Tax	Ln51	67,328	37,967	3,464	-	-	-	2,700	9,660	633	1,731	-	-	11,172
21	State ITC Amortization	S-10, Ln45	255,424	144,037	13,141	-	-	-	10,244	36,647	2,403	6,568	-	-	42,385
22	Federal Income Tax	Ln42	2,761,625	1,200,816	79,190	-	-	-	94,848	514,941	26,027	61,735	-	-	784,057
23	Federal ITC Amortization	S-3, Ln17	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Operating Expenses & Taxes	S-10, Ln17+18	-	-	-	-	-	-	-	-	-	-	-	-	-
25	Nonoperating Expenses	S-10, Ln17+18	-	-	-	-	-	-	-	-	-	-	-	-	-
26	Uncollectibles	S-10, Ln17	-	-	-	-	-	-	-	-	-	-	-	-	-
27	Other Adjustments (Net RR)	Records	-	-	-	-	-	-	-	-	-	-	-	-	-
28	NET REVENUE REQUIREMENT	Ln19+20, 26-27	3,772,687	1,748,954	129,277	-	-	-	138,116	669,032	36,153	89,519	-	-	961,636
29	Gross Receipts Tax	Note 2	28,942	11,963	1,134	-	-	-	1,054	5,463	368	857	-	-	8,202
30	7340 Altr Fds Used Dur Constr	S-10, Ln15	3,743,745	1,737,091	128,142	-	-	-	137,062	663,569	35,784	88,662	-	-	963,435
31	REVENUE REQUIREMENT	Ln28+29-30	100,0000%	46,9998%	3,4226%	-	-	-	3,6611%	17,7247%	0,9589%	2,3663%	-	-	25,4674%
32	Distribution of Line 31	Ln31+32a													
33	Net Return	Ln10	688,310	366,133	33,482	-	-	-	30,323	107,785	7,090	19,485	-	-	124,011
34	Fixed Charges	Ln11	192,486	86,531	7,974	-	-	-	10,437	36,647	2,426	6,736	-	-	41,734
35	Amortization of Excess Deferred Taxes	Ln12	-	-	-	-	-	-	-	-	-	-	-	-	-
36	Capitalized Payroll Taxes	Ln13	-	-	-	-	-	-	-	-	-	-	-	-	-
37	Depreciation Adjustment	Ln14	-	-	-	-	-	-	-	-	-	-	-	-	-
38	FIT Allowances/Disallowances	Ln15	-	-	-	-	-	-	-	-	-	-	-	-	-
39	FIT Allowances/Disallowances	Ln16	-	-	-	-	-	-	-	-	-	-	-	-	-
40	FIT Alloc on Exp 3 Exp	Ln17	-	-	-	-	-	-	-	-	-	-	-	-	-
41	Federal ITC Amortization	S-10, Ln44	-	-	-	-	-	-	-	-	-	-	-	-	-
42	Total Income Adjustments	Ln34+38, 40	192,486	86,531	7,974	-	-	-	10,437	36,647	2,426	6,736	-	-	41,734
43	Federal Taxable Income	Ln33-42 Gross Up	751,248	423,640	38,649	-	-	-	30,131	107,784	7,086	19,316	-	-	124,662
44	Federal Income Tax	34,0000%	255,424	144,037	13,141	-	-	-	10,244	36,647	2,403	6,568	-	-	42,385
45	Federal Sur-Tax Allocation	Records	255,424	144,037	13,141	-	-	-	10,244	36,647	2,403	6,568	-	-	42,385
46	Net Federal Income Tax	Ln44-45-41	688,310	366,133	33,482	-	-	-	30,323	107,785	7,090	19,485	-	-	124,011
47	State Income Tax	Ln33	192,486	86,531	7,974	-	-	-	10,437	36,647	2,426	6,736	-	-	41,734
48	State Income Tax	Records	255,424	144,037	13,141	-	-	-	10,244	36,647	2,403	6,568	-	-	42,385
49	State Sur-Tax Allocation	Ln44	255,424	144,037	13,141	-	-	-	10,244	36,647	2,403	6,568	-	-	42,385
50	State ITC Amortization	Ln45-46 Gross Up	818,576	481,607	42,112	-	-	-	32,831	117,444	7,700	21,048	-	-	135,835
51	Net State Income Tax	8,2250% Records S-10, Ln45 Ln46-49-50	67,328	37,967	3,464	-	-	-	2,700	9,660	633	1,731	-	-	11,172
			67,328	37,967	3,464	-	-	-	2,700	9,660	633	1,731	-	-	11,172

Cambridge Telephone Company, Inc.
 Study Area: 472215
 Study Year: 2005

SEPARATED TELECOMMUNICATIONS PLANT SUMMARY

S-2

LINE	DESCRIPTION	SOURCE	INTERSTATE TOLL				INTRASTATE TOLL				LOCAL				
			TOTAL COMPANY (a)	MSG (b)	IntraLATA (c)	PL (c)	MSG (d)	IntraLATA (e)	PL (e)	MSG (f)	IntraLATA (f)	PL (f)	EAS (g)	User Defined (k)	Other (l)
1	2110 Land & Support Assets	S-4, Ln13	2,986,878	1,224,313	117,068	-	-	108,815	563,816	37,998	-	88,442	-	-	846,436
2	2210 COE-Switching	S-5, Ln36	1,311,324	1,114,625	-	-	-	-	-	-	-	-	-	-	196,699
3	2220 COE-Operator	S-5, Ln23	3,573,430	1,301,162	341,585	-	-	151,695	665,686	70,103	260,513	-	-	782,895	
4	2230 COE-Transmission	S-5, Ln16	8,732,765	3,168,003	192,141	-	-	344,405	1,904,816	103,132	142,703	-	-	2,879,555	
5	2310 Into Orig/Term Equip	S-4, Ln2	5,581,759	5,581,759	533,726	-	-	496,100	2,970,502	173,235	403,216	-	-	3,858,949	
6	2410 C&WF	S-4, Ln2	100,000%	40,9897%	3,9194%	-	-	3,6431%	18,8764%	1,2721%	2,9610%	-	-	28,3381%	
7	Total COE, IOT, C&WF	Ln17a	-	-	-	-	-	-	-	-	-	-	-	-	
8	Distribution of Line 7		-	-	-	-	-	-	-	-	-	-	-	-	
9	Equal Access - Investment	S-9, Ln22	-	-	-	-	-	-	-	-	-	-	-	-	
10	Equal Access - Leases	S-8, Ln31	-	-	-	-	-	-	-	-	-	-	-	-	
11	TELECOM PLANT IN SVC-EXCL 2690	Ln17+9+10	16,604,387	6,806,084	650,794	-	-	604,915	3,134,318	211,232	491,658	-	-	4,705,375	
12	Distribution of Line 11	Ln11+11a	100,000%	40,9897%	3,9194%	-	-	3,6431%	18,8764%	1,2721%	2,9610%	-	-	28,3381%	
13	2800 Intangible Assets	S-8, Ln35	-	-	-	-	-	-	-	-	-	-	-	-	
14	2001 TELECOM PLANT IN SVC	Ln11+13	16,604,387	6,806,084	650,794	-	-	604,915	3,134,318	211,232	491,658	-	-	4,705,375	
15	Distribution of Line 14	Ln14+14a	100,000%	40,9897%	3,9194%	-	-	3,6431%	18,8764%	1,2721%	2,9610%	-	-	28,3381%	
16	2110 Land Assets	S-4, Ln2	16,604,387	6,806,084	650,794	-	-	604,915	3,134,318	211,232	491,658	-	-	4,705,375	
17	2001 TPIS xLand	Ln14-16	100,000%	40,9897%	3,9194%	-	-	3,6431%	18,8764%	1,2721%	2,9610%	-	-	28,3381%	
18	Distribution of Line 17	Ln17+17a	-	-	-	-	-	-	-	-	-	-	-	-	
19	2002 Prop Hld Fut Telecom Use	S-9, Ln16	-	186,078	17,793	-	-	16,538	85,692	5,775	13,442	-	-	128,645	
20	2003 Plant Under Construction	S-8, Ln10	453,864	-	-	-	-	-	-	-	-	-	-	-	
21	2005 Telecom Plant Adjustment	S-8, Ln14	17,058,351	6,992,172	668,587	-	-	621,464	3,220,011	217,007	505,100	-	-	4,834,020	
22	TOTAL TELECOM PLANT	Ln14+15.21	-	-	-	-	-	-	-	-	-	-	-	-	
23	1220 Materials and Supplies	S-8, Ln20	110,889	40,130	2,435	-	-	4,365	24,144	1,307	1,809	-	-	36,469	
24	1500 Other Juns Assets-Net	S-15, Ln14	-	-	-	-	-	-	-	-	-	-	-	-	
25	3100 Accumulated Depreciation	S-15, Ln28	9,993,361	3,817,828	376,014	-	-	239,122	1,875,008	127,948	258,079	-	-	3,299,562	
26	Equal Access - Accum Depreciation	S-9, Ln24	-	-	-	-	-	-	-	-	-	-	-	-	
27	3200 Acc Dep-Hld for Fut Use	S-15, Ln30	-	-	-	-	-	-	-	-	-	-	-	-	
28	3400 Accum Amort-Tangible	S-15, Ln31..32	-	-	-	-	-	-	-	-	-	-	-	-	
29	3500 Accum Amort-Intangible	S-15, Ln33	-	-	-	-	-	-	-	-	-	-	-	-	
30	3600 Accum Amort-Other	S-15, Ln34	-	-	-	-	-	-	-	-	-	-	-	-	
31	4100 Net Cur Dir Op Inc Taxes	S-15, Ln46	40,469	18,584	1,586	-	-	1,474	7,637	515	1,198	-	-	11,465	
32	4340 Noncur Dir Oper Inc Tax	S-15, Ln46	-	-	-	-	-	-	-	-	-	-	-	-	
33	Equal Access - Deferred Oper Inc Taxes	S-9, Ln22	-	-	-	-	-	-	-	-	-	-	-	-	
34	4360 Other Deferred Credits-Net	S-15, Ln28	-	-	-	-	-	-	-	-	-	-	-	-	
35	4970 Other Jur Lido & Def Credits-Net	S-15, Ln69	7,135,020	3,197,890	293,423	-	-	385,223	1,361,509	89,852	247,632	-	-	1,559,491	
36	NET TELECOM PLANT	Ln22+23-24..35	100,000%	44,8196%	4,1124%	-	-	5,3991%	19,0821%	1,2593%	3,4707%	-	-	21,8569%	
37	Distribution of Line 36	Ln36+36a	-	-	-	-	-	-	-	-	-	-	-	-	
38	1402 Rural Tel Bank Stock	S-9, Ln16	-	-	-	-	-	-	-	-	-	-	-	-	
39	Cash Working Capital	S-9, Ln21	137,432	58,602	4,383	-	-	5,208	26,596	1,460	3,283	-	-	37,699	
40	Equal Access - Unamortized Expenses	S-9, Ln26	-	-	-	-	-	-	-	-	-	-	-	-	
41	Investment Allow/Disallow	S-9, Ln31	-	-	-	-	-	-	-	-	-	-	-	-	
42	Accum Dep/Amort Allow/Disallow	S-15, Ln72	-	-	-	-	-	-	-	-	-	-	-	-	
43	4040 Customer Deposits	S-15, Ln37	4,812	1,972	189	-	-	175	908	61	142	-	-	1,364	
44	4310 Other Long-Term Liab.	S-15, Ln57	-	-	-	-	-	-	-	-	-	-	-	-	
45	Other Telecom Pl Adjust	Records	-	-	-	-	-	-	-	-	-	-	-	-	
46	NET TELECOM PLT & OTH RATE BASE ITEMS	A+B..F+(G+H)	7,267,640	3,254,519	297,617	-	-	390,286	1,387,197	91,251	260,773	-	-	1,596,036	
47	Distribution of Line 46	Ln46+46a	100,000%	44,7810%	4,0951%	-	-	5,3695%	19,0873%	1,2356%	3,4505%	-	-	21,9607%	

Cambridge Telephone Company, Inc.
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SEPARATED EXPENSE SUMMARY

LINE	DESCRIPTION	SOURCE	INTERSTATE TOLL				INTRASTATE TOLL				LOCAL						
			TOTAL COMPANY (a)	MSG (b)	InterLATA (c)	PL (c)	MSG (d)	InterLATA (e)	PL (e)	MSG (f)	InterLATA (g)	PL (g)	MSG (h)	PL (h)	EAS (i)	User Defined (k)	Other (l)
1	PI Spec Exp Accts 6210.6220																
2	6230,6310,6410	S-11,Ln30	647,914	284,011	24,826										18,746		185,141
3	PI Nonspec Account 6530	S-12,Ln19	18,963	7,732	738										5,599		5,345
4	Cust Oper Accts 6610.6620	S-13,Ln57	184,736	68,271	666												61,492
5	TOTAL BIG THREE EXPENSES	Ln2..4	651,913	336,015	26,591										19,304		251,978
6	Distribution of Line 5	Ln56a	100.0000%	33.1537%	3.11537%										2,2671%		29,53918%
7	Plant Specific Expenses																
8	Plant Nonspecific Expenses	S-11,Ln31	821,766	335,973	31,640												234,407
9	Customer Operations Expenses	S-12,Ln44	1,110,217	514,534	27,926												311,755
10	Corporate Operations Expenses	S-14,Ln67	184,735	68,271	666												61,492
11	7300 Contributions	S-14,Ln16	567,386	251,684	16,312												154,917
12	TOTAL OPERATING EXPENSES	S-10,Ln16	2,769,299	1,178,938	77,168												6,879
13	Operating Taxes	Ln7..11															769,460
14	Equal Access Expenses	S-14,Ln26	52,232	21,836	2,019												14,997
15	Expense Allocations/Disallowances	S-14,Ln35															
16	5240 Rent Revenues	S-14,Ln40	94	42	4												
17	TOTAL OPERATING EXP & TAXES	S-10,Ln43	2,781,625	1,200,816	79,190												784,067
18	Distribution of Line 17	Ln12*13..15-16 Ln17/17a	100.0000%	43.4822%	2.8675%												28,3919%
19	Total Depr & Amort	S-12,Ln43	1,069,144	484,592	26,786												306,410
20	Fixed Charges	S-10,Ln24	192,486	86,531	7,974												41,734
21	Total Operating Revenue	S-14,Ln33															
22	Total Operating Expense & Taxes	Ln17	2,781,625	1,200,816	79,190												784,067
23	Uncollectibles	S-10,Ln57	192,486	86,531	7,974												41,734
24	Fixed Charges	Ln20															
25	Income Adjustments	S-10,Ln63	(2,964,111)	(1,287,348)	(87,164)												(825,802)
26	Net Income	Ln21..25	100.0000%	43.3762%	2.9506%												27.9543%
27	Distribution of Line 26	Ln26/26a															
28	TOTAL CASH OPER EXPENSES	Ln17*16-19*20	1,894,967	803,755	60,378												519,392
29	Distribution of Line 28	Ln28/28a	100.0000%	42.5872%	3.2031%												27,5544%
INCOME TAX CALCULATION																	
31	Other Operating Income	S-14,Ln32															
32	AFUDC	S-14,Ln33	28,942	11,863	1,134												8,202
33	Operating Revenue	S-14,Ln33,Ln31															
34	Uncollectible Revenue	S-10,Ln67															
35	Income Effect Jurisdictional Difference	S-10,Ln62															
36	IRS Income Adjustment	Ln31..34															
37	TOTAL REVENUE & OTHER INCOME		28,942	11,863	1,134												8,202
38	Contributions	S-10,Ln16	25,194	11,176	724												8,879
39	Operating Expenses	Ln12,Ln11	2,694,105	1,167,763	76,443												762,246
40	Operating Taxes	S-14,Ln26	52,232	21,836	2,019												14,997
41	Fixed Charges	S-10,Ln24	192,486	86,531	7,974												41,734
42	TOTAL OPERATING EXPENSES	Ln36..39	2,954,017	1,287,305	87,160												825,784
43	State Income Tax	Ln35-Ln40	(2,925,075)	(1,275,442)	(86,028)												(817,590)
44	Federal Income Tax	Ln42	(240,957)	(104,905)	(7,076)												(67,246)
45	Net Federal Taxable Income	Ln43-Ln44	(2,694,488)	(1,170,537)	(78,950)												(750,334)
46	Federal Income Tax	S-10,Ln44	(912,726)	(387,965)	(26,843)												(255,119)
47	Amortization of Investment Tax Credit	Ln45-Ln47															
48	Federal Income Tax		(912,726)	(387,965)	(26,843)												(255,119)

Cambridge Telephone Company, Inc.
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GENERAL SUPPORT FACILITIES

LINE	DESCRIPTION	SOURCE	INTERSTATE TOLL						INTRASTATE TOLL			LOCAL					
			TOTAL COMPANY (a)	MSG (b)	InterLATA (c)	PL (c)	MSG (c)	PL (c)	InterLATA (d)	MSG (d)	PL (d)	EAS (j)	User Defined (k)	Other (l)			
SEPARATIONS FACTORS																	
1	Carrier Classification	Records															
2	Big Three Expenses Distr	S-3, Ln6															
3	Total COE, IOT, CRMF Distr	S-2, Ln8															
LAND & SUPPORT ASSETS SEPARATION																	
4	2110 Land & Support Assets	Note 1															
5	Support Assets-Joint w/GSP - B&C	Note 1															
6	General Support Facilities - B&C	Direct															
7	Direct Assignment	Ln8-11															
8	Total Support Assets	Ln8-11															
9	Distribution of Line 8	Ln8-11															
10	Land	Note 1															
11	Direct Assignment	Direct															
12	Total Land	Ln10, 11															
13	TOTAL LAND & SUPPORT ASSETS	Ln8-12															
14	Distribution of Line 13	Ln12/13a															
			100,000.00%	39,655.6%	3,153.9%	3,919.4%											
			100,000.00%	40,995.7%	3,919.4%	3,919.4%											
			2,986,878	1,224,313	117,068	117,068											
			2,986,878	1,224,313	117,068	117,068											
			100,000.00%	40,995.7%	3,919.4%	3,919.4%											
			2,986,878	1,224,313	117,068	117,068											
			100,000.00%	40,995.7%	3,919.4%	3,919.4%											
			2,986,878	1,224,313	117,068	117,068											
			100,000.00%	40,995.7%	3,919.4%	3,919.4%											
			2,986,878	1,224,313	117,068	117,068											
			100,000.00%	40,995.7%	3,919.4%	3,919.4%											
			2,986,878	1,224,313	117,068	117,068											
			100,000.00%	40,995.7%	3,919.4%	3,919.4%											
			2,986,878	1,224,313	117,068	117,068											
			100,000.00%	40,995.7%	3,919.4%	3,919.4%											
			2,986,878	1,224,313	117,068	117,068											
			100,000.00%	40,995.7%	3,919.4%	3,919.4%											
			2,986,878	1,224,313	117,068	117,068											
			100,000.00%	40,995.7%	3,919.4%	3,919.4%											
			2,986,878	1,224,313	117,068	117,068											
			100,000.00%	40,995.7%	3,919.4%	3,919.4%											
			2,986,878	1,224,313	117,068	117,068											
			100,000.00%	40,995.7%	3,919.4%	3,919.4%											
			2,986,878	1,224,313	117,068	117,068											
			100,000.00%	40,995.7%	3,919.4%	3,919.4%											
			2,986,878	1,224,313	117,068	117,068											
			100,000.00%	40,995.7%	3,919.4%	3,919.4%											
			2,986,878	1,224,313	117,068	117,068											
			100,000.00%	40,995.7%	3,919.4%	3,919.4%											
			2,986,878	1,224,313	117,068	117,068											
			100,000.00%	40,995.7%	3,919.4%	3,919.4%											
			2,986,878	1,224,313	117,068	117,068											
			100,000.00%	40,995.7%	3,919.4%	3,919.4%											
			2,986,878	1,224,313	117,068	117,068											
			100,000.00%	40,995.7%	3,919.4%	3,919.4%											
			2,986,878	1,224,313	117,068	117,068											
			100,000.00%	40,995.7%	3,919.4%	3,919.4%											
			2,986,878	1,224,313	117,068	117,068											
			100,000.00%	40,995.7%	3,919.4%	3,919.4%											
			2,986,878	1,224,313	117,068	117,068											
			100,000.00%	40,995.7%	3,919.4%	3,919.4%											
			2,986,878	1,224,313	117,068	117,068											
			100,000.00%	40,995.7%	3,919.4%	3,919.4%											
			2,986,878	1,224,313	117,068	117,068											
			100,000.00%	40,995.7%	3,919.4%	3,919.4%											
			2,986,878	1,224,313	117,068	117,068											
			100,000.00%	40,995.7%	3,919.4%	3,919.4%											
			2,986,878	1,224,313	117,068	117,068											
			100,000.00%	40,995.7%	3,919.4%	3,919.4%											
			2,986,878	1,224,313	117,068	117,068											
			100,000.00%	40,995.7%	3,919.4%	3,919.4%											
			2,986,878	1,224,313	117,068	117,068											
			100,000.00%	40,995.7%	3,919.4%	3,919.4%											
			2,986,878	1,224,313	117,068	117,068											
			100,000.00%	40,995.7%	3,919.4%	3,919.4%											
			2,986,878	1,224,313	117,068	117,068											
			100,000.00%	40,995.7%	3,919.4%	3,919.4%											
			2,986,878	1,224,313	117,068	117,068											
			100,000.00%	40,995.7%	3,919.4%	3,919.4%											
			2,986,878	1,224,313	117,068	117,068											
			100,000.00%	40,995.7%	3,919.4%	3,919.4%											
			2,986,878	1,224,313	117,068	117,068											
			100,000.00%	40,995.7%	3,919.4%	3,919.4%											
			2,986,878	1,224,313	117,068	117,068											
			100,000.00%	40,995.7%	3,919.4%	3,919.4%											
			2,986,878	1,224,313	117,068	117,068											
			100,000.00%	40,995.7%	3,919.4%	3,919.4%											
			2,986,878	1,224,313	117,068	117,068											
			100,000.00%	40,995.7%	3,919.4%	3,919.4%											
			2,986,878	1,224,313	117,068	117,068											
			100,000.00%	40,995.7%	3,919.4%	3,919.4%											
			2,986,878	1,224,313	117,068	117,068											
			100,000.00%	40,995.7%	3,919.4%	3,919.4%											
			2,986,878	1,224,313	117,068	117,068											
			100,000.00%	40,995.7%	3,919.4%	3,919.4%											
			2,986,878	1,224,313	117,068	117,068											
			100,000.00%	40,995.7%	3,919.4%	3,919.4%											
			2,986,878	1,224,313	117,068	117,068											

Cambridge Telephone Company, Inc.
 Study Area: 472215
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 Sheet 2 of 3

CENTRAL OFFICE EQUIPMENT

SEPARATIONS FACTORS	INTERSTATE TOLL				INTRASTATE TOLL				LOCAL		
	TOTAL COMPANY (a)	InterLATA MSG (b)	InterLATA PL (c)	IntraLATA MSG (d)	InterLATA MSG (f)	InterLATA PL (g)	IntraLATA MSG (h)	InterLATA PL (i)	EAS (j)	User Defined (k)	Other (l)
38 WB Line											
39 Ex Trk WB											
40 REL MOUs - Exchange Trunk											
41 Gross Allocator (Trans SPF)	100.0000%	25.0000%			0.7650%		24.2160%				50.0000%
42 COE Cat 4.2-Fun to Others Pct											
43 Interexchange Trk WB											
COE CATEGORY 4 SEPARATION											
44 2230 Central Office - Transmission											
45 Cat 4.1-Exchange Circuit											
46 4.1T Wideband-Line											
47 Direct Assignment	136,217		132,307					3,910			
48 Ex Trk WB - EAS	260,513								260,513		
49 Ex Trk WB - Basic											
50 Ex Trk WB - Basic DA											
51 Ex Trk WB											
52 Exch Trk WB - Direct Assignment											
53 4.13 Ex Line xWB	1,258,716	314,679	6,050		9,881		304,788	3,045			629,358
54 Joint MSG	9,134										
55 PL & Local											
56 Direct Assignment - Basic/Special											
57 Cat 4.2-Interexchange											
58 4.21 Fun to Others											
59 4.22 Wideband											
60 Joint MSG											
61 PL											
62 Direct Assignment	232,372		181,950								

LINE	DESCRIPTION	SOURCE	INTERSTATE TOLL				INTRASTATE TOLL				LOCAL					
			Joint MSG (a)	InterLATA PL (b)	InterLATA PL (c)	IntraLATA MSG (d)	InterLATA MSG (f)	InterLATA PL (g)	IntraLATA MSG (h)	InterLATA PL (i)	EAS (j)	User Defined (k)	Other (l)			
63	COE Cat 4.13 Working Loops	Records	2,082		10											
64	COE Cat 4.13 Assigned Invest	NOTE 1	1,267,651	1,256,716	6,050											
Note 1: Cost per loop =			608.96													

Cambridge Telephone Company, Inc.
 Study Area: 472215
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CENTRAL OFFICE EQUIPMENT

LINE	DESCRIPTION	SOURCE	INTERSTATE TOLL				INTRASTATE TOLL				LOCAL			
			MSG (b)	PL (c)	MSG (d)	IntraLATA PL (e)	MSG (f)	IntraLATA PL (g)	MSG (h)	IntraLATA PL (i)	EAS (j)	User Defined (k)	Other (l)	
65	SEPARATIONS FACTORS	Records												
66	Conversation Minutes Pct	Records												
67	Hos/Remote MOU Miles Pct	Records												
COE CATEGORY 4 SEPARATION (Cont)														
67	4.23 All Other													
68	Joint MSG	Ln87-84												
69	PL, TWX & Local	Ln82c.1												
70	Direct Assignment - Nonaccess	Direct												
71	Cat 4, 3-Hos/Remote MSG	Ln72a*86												
72	Joint (WATS)	Direct												
73	WATS	Direct												
74	Direct Assignment	Direct												
75	Total Cat 4	Ln46.62+67.74												
76	TOTAL COE-TRANSMISSION	Ln75												
77	Distribution of Line 76	Ln76/76a												
78	TOTAL CENTRAL OFFICE EQUIP	Ln23+36+76												
79	Distribution of Line 78	Ln78/78a												

LINE	DESCRIPTION	SOURCE	INTERSTATE TOLL				INTRASTATE TOLL				LOCAL			
			MSG (b)	PL (c)	MSG (d)	IntraLATA PL (e)	MSG (f)	IntraLATA PL (g)	MSG (h)	IntraLATA PL (i)	EAS (j)	User Defined (k)	Other (l)	
80	COE Cat 4.23 Terms -	Records												
81	COE Cat 4.23 - Terms	Note 1												
82	COE Cat 4.23 - Terms	Note 1												
Note 1: Cost per termination = 4,245.65														

Cambridge Telephone Company, Inc.
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INFORMATION ORIGIN/TERM EQUIPMENT

LINE	DESCRIPTION	SOURCE	INTERSTATE TOLL			INTRASTATE TOLL			LOCAL				
			MSG (b)	PL (c)	IntraLATA MSG (g)	MSG (f)	PL (h)	IntraLATA MSG (i)	PL (j)	User Defined (k)	Other (l)		
	TOTAL COMPANY		(a)										
	100.0000%											50.0000%	
SEPARATIONS FACTORS													
1	Gross Allocator (Trans SPF)	Records											
2	REL MOJ's - Coinless Pub Tel	Records											
IOT EQUIPMENT SEPARATION													
3	2310 Info Orig/Term Equip												
4	Cat 1-Other IOT	Lr4a-1											
5	Coinless Pub Tel Eq	Lr5a-2											
6	Direct Assignment	Direct											
7	Total Category 1	Lr4,5											
8	Distribution of Line 7	Lr77a											
9	Cat 2-Cust Prem Equip	Direct											
10	Distribution of Line 9	Lr98a											
11	TOTAL INFO ORIGIN/TERM EQUIP	Lr7+9											
12	Distribution of Line 11	Lr11/11a											

Cambridge Telephone Company, Inc.
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 Study Year: 2005

CABLE AND WIRE FACILITIES

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 Sheet 1 of 2

LINE	DESCRIPTION	SOURCE	INTERSTATE TOLL				INTRASTATE TOLL				LOCAL			
			TOTAL COMPANY (a)	MSG (b)	InterLATA PL (c)	InterLATA MSG (d)	InterLATA PL (e)	InterLATA MSG (f)	InterLATA PL (g)	InterLATA MSG (h)	EAS (i)	User Defined (k)	Other (l)	
SEPARATIONS FACTORS														
1	Gross Allocator Pct (Trans SPFF)	Records	100.0000%	25.0000%	-	-	-	-	-	-	-	-	-	50.0000%
2	REL MOUs - Exchange Trunk	Records	-	-	-	-	-	-	-	-	-	-	-	-
3	WB Line	Records	-	-	-	-	-	-	-	-	-	-	-	-
4	MOL Pct-Ex Trk-WB	Records	-	-	-	-	-	-	-	-	-	-	-	-
C&WF CAT 1-2 SEPARATION														
5	2410 Cable & Wire Facilities													
6	Cat 1-Exch Line xWB	Ln22a, j	13,583											
7	1:1 Intra PL & WATS	Ln22c, d	27,166											
8	1:2 Intra PL & WATS	Ln22b*1	5,615,271	1,403,818	27,166					44,080	1,359,738			2,807,635
9	1:3 Jointly Used	Direct												
10	Direct Assignment	Ln7, 10												
11	Total Category 1		5,656,020	1,403,818	27,166					44,080	1,359,738			2,807,635
12	Cat 2-WB & Exch Trunk													
13	Ex Trk - joint message	Ln13a*2	142,703										142,703	
14	Ex Trk - EAS	Direct												
15	Ex Line-WB	Ln15a*3	59,841											
16	WB Line	Direct												
17	WB Trunk	Ln17a*4			44,167									
18	WB Trunk DA	Direct												
19	Total Category 2		202,544		44,167								142,703	

LINE	DESCRIPTION	SOURCE	INTERSTATE TOLL				INTRASTATE TOLL				LOCAL			
			TOTAL COMPANY (a)	Joint MSG (b)	InterLATA PL (c)	InterLATA MSG (d)	InterLATA PL (e)	InterLATA MSG (f)	InterLATA PL (g)	InterLATA MSG (h)	EAS (i)	User Defined (k)	Other (l)	
ASSIGNMENT OF C&WF CAT 1														
20	C&WF Cat 1 Working Loops	Records	2,092	2,057	10									
21	Distribution of Line 21	Ln20/20a	100.0000%	99.2795%	0.4603%									
22	1-Ex Line xWB	Ln22a*21	5,656,020	5,615,271	27,166									13,583

Note 1: Cost per loop = 2,716.6282

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CABLE AND WIRE FACILITIES

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 Sheet 2 of 2

LINE	DESCRIPTION	SOURCE	INTERSTATE TOLL						INTRASTATE TOLL						LOCAL			
			Joint MSG Excl TWX (a)	Intra LATA (b)	Inter LATA (c)	Intra LATA (d)	Inter LATA (e)	PL (f)	MSG (g)	IntraLATA (h)	InterLATA (i)	PL (j)	MSG (k)	IntraLATA (l)	InterLATA (m)	PL (n)	User Defined (o)	Other (p)
23	Interexchange Trk WB	Records	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	CMI Post-IX xWB	Records	100.0000%	68.0680%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25	C&WF TWX Connect Min Miles Pct-IT	Records	100.0000%	68.0680%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26	C&WF TWX Connect Min Miles Pct-Rmt	Records	100.0000%	68.0680%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	Hdsl/Remate MOU Miles Pct	Records	100.0000%	42.8500%	-	-	-	-	-	-	-	-	-	-	-	-	-	29.3940%
C&WF CAT 3-4 SEPARATION																		
28	Cat 3-Interexchange C&WF	Direct	151,536	89,447	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	WB PL - Direct Assignment	Lr38a*23	2,434,832	1,657,342	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	WB - Joint Message	Lr38b*24	43,147	21,352	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	Joint MSG xWB	Lr48*25	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	PL TWX & Local xWB	Lr48a*26	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33	Joint TWX-IT	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34	Joint TWX-Rmt	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35	Direct Assignment - Nonaccess	Lr28i.35	2,629,515	1,657,342	120,808	-	-	-	-	-	-	-	-	-	-	-	-	-
36	Total Category 3																	
37	Cat 4-Hdsl/Remate C&WF	Lr38a*27	244,677	104,844	-	-	-	-	-	-	-	-	-	-	-	-	-	71,920
38	Joint (xWB/ATS)	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
39	WATS	Lr38i.40	244,677	104,844	-	-	-	-	-	-	-	-	-	-	-	-	-	71,920
40	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
41	Total Category 4																	
42	TOTAL CABLE & WIRE FACILITIES	Lr11*19+36*41	8,732,755	3,166,003	192,141	-	-	-	-	-	-	-	-	-	-	-	-	2,879,555
43	Distribution of Line 42	Lr42i/42a	100.0000%	35.2543%	2.2002%	-	-	-	-	-	-	-	-	-	-	-	-	32.3742%
ASSIGNMENT OF C&WF CAT 3																		
44	Equip IX Ctrc Miles-MSG	Records	42,673	41,930	-	-	-	-	-	-	-	-	-	-	-	-	-	-
45	-PL TWX&Local	Lr44/44a	100.0000%	98.2568%	0.8570%	-	-	-	-	-	-	-	-	-	-	-	-	-
46	Distribution of Line 44	Lr48a*46	2,477,979	2,434,832	21,352	-	-	-	-	-	-	-	-	-	-	-	-	-
47	Distribution of Line 45	Lr48a*46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
48	Cat 3-All Other xWB-MSG	Lr48a*47	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
49	-PL TWX&Local	Lr48a*47	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note 1: Cost per circuit mile = 58.07

Cambridge Telephone Company, Inc.
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AMORTIZABLE ASSETS

LINE	DESCRIPTION	SOURCE	INTERSTATE TOLL						INTRASTATE TOLL			LOCAL			
			TOTAL COMPANY (a)	InterLATA (b)	PL (c)	MSG (d)	InitialLATA (e)	PL (f)	MSG (g)	InterLATA (h)	PL (i)	MSG (j)	EAS (k)	User Defined (l)	Other (m)
SEPARATIONS FACTORS															
1	Land & Support Assets Distr	S-4, Ln14	100.0000%	40.9897%	3.9194%	-	-	-	-	-	-	-	-	-	-
2	2210 COE-Switch Distr	S-5, Ln37	100.0000%	85.0000%	-	-	-	-	-	-	-	-	-	-	-
3	2220 COE-Operator Systems Distr	S-5, Ln24	100.0000%	36.4118%	9.5567%	-	-	-	-	-	-	-	-	-	-
4	2230 COE-Transmission Distr	S-5, Ln77	100.0000%	38.2545%	2.202%	-	-	-	-	-	-	-	-	-	-
5	2310 IOT Distr	S-6, Ln12	100.0000%	40.3697%	2.1904%	-	-	-	-	-	-	-	-	-	-
6	2410 C&WF Distr	S-7, Ln43	100.0000%	40.3697%	3.9194%	-	-	-	-	-	-	-	-	-	-
7	2001 TPIS	S-2, Ln6	100.0000%	40.3697%	3.9194%	-	-	-	-	-	-	-	-	-	-
8	2001 TPIS Ind 2660	S-2, Ln11	100.0000%	40.3697%	3.9194%	-	-	-	-	-	-	-	-	-	-
TANGIBLE ASSETS-CAPITAL LEASES SEP															
9	2660 Tangible Assets - Capital Leases	Ln10a*1	-	-	-	-	-	-	-	-	-	-	-	-	-
10	2110 Land & Supt Assets	Ln11a*2	-	-	-	-	-	-	-	-	-	-	-	-	-
11	2210 COE-Switching	Ln12a*3	-	-	-	-	-	-	-	-	-	-	-	-	-
12	2220 COE-Operator	Ln13a*3	-	-	-	-	-	-	-	-	-	-	-	-	-
13	2230 COE-Transmission	Ln14a*5	-	-	-	-	-	-	-	-	-	-	-	-	-
14	2310 IOT	Ln15a*6	-	-	-	-	-	-	-	-	-	-	-	-	-
15	2410 C&WF	Ln16a*7	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Not classified by account	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-
18	TOTAL CAPITAL LEASES	Ln10, 17	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Distribution of Line 18	Ln18/18a	-	-	-	-	-	-	-	-	-	-	-	-	-
TANGIBLE ASSETS-LEASEHLD IMPROVE SEP															
20	2660 Tangible Assets - Leasehold Improve	Ln21a*1	-	-	-	-	-	-	-	-	-	-	-	-	-
21	2110 Land & Supt Assets	Ln22a*2	-	-	-	-	-	-	-	-	-	-	-	-	-
22	2210 COE-Switching	Ln23a*3	-	-	-	-	-	-	-	-	-	-	-	-	-
23	2220 COE-Operator	Ln24a*4	-	-	-	-	-	-	-	-	-	-	-	-	-
24	2230 COE-Transmission	Ln25a*5	-	-	-	-	-	-	-	-	-	-	-	-	-
25	2310 IOT	Ln26a*6	-	-	-	-	-	-	-	-	-	-	-	-	-
26	2410 C&WF	Ln27a*7	-	-	-	-	-	-	-	-	-	-	-	-	-
27	Not classified by account	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-
28	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-
29	TOTAL LEASEHOLD IMPROVEMENTS	Ln21, 28	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Distribution of Line 29	Ln29/29a	-	-	-	-	-	-	-	-	-	-	-	-	-
31	TOTAL TANGIBLE ASSETS	Ln18+29	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Distribution of Line 31	Ln31/31a	-	-	-	-	-	-	-	-	-	-	-	-	-
INTANGIBLE ASSETS SEPARATION															
33	2890 Intangible Assets	Ln33a*8	-	-	-	-	-	-	-	-	-	-	-	-	-
34	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-
35	TOTAL INTANGIBLE ASSETS	Ln33, 34	-	-	-	-	-	-	-	-	-	-	-	-	-
36	Distribution of Line 35	Ln35/35a	-	-	-	-	-	-	-	-	-	-	-	-	-

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TELECOMMUNICATIONS PLANT - OTHER ACCOUNTS

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LINE	DESCRIPTION	SOURCE	INTERSTATE TOLL						INTRASTATE TOLL				LOCAL				
			TOTAL COMPANY (a)	MSG (b)	PL (c)	MSG (d)	PL (e)	MSG (f)	PL (g)	InterLATA MSG (h)	PL (i)	MSG (j)	PL (k)	User Denied (l)	Other (l)		
SEPARATIONS FACTORS																	
1	2001 TRIS Dist	S-2, Ln15	100.0000%	40.9897%	3.9194%	-	-	-	-	-	3.6431%	-	-	-	2.9610%	-	28.3391%
2	2410 C&WF Dist	S-7, Ln43	100.0000%	36.2543%	2.2002%	-	-	-	-	-	3.9439%	-	-	-	1.6341%	-	32.9742%
3	Equal Access MOU Pct	Records	100.0000%	98.0590%	-	-	-	-	-	-	-	-	-	-	-	-	-
OTHER ACCOUNTS SEPARATION																	
4	2002 Prop Hld Fut Telecom Use	Ln4a*1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	TOTAL PROP HLD FUT TELECOM USE	Ln4.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Distribution of Line 6	Ln6Ba	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	2003 Pt Under Constr	Ln8a*1	453.964	186.078	17.793	-	-	-	-	-	16.538	-	-	-	13.442	-	128.645
9	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	TOTAL PLT UNDER CONSTR	Ln8b	453.964	186.078	17.793	-	-	-	-	-	16.538	-	-	-	13.442	-	128.645
11	Distribution of Line 10	Ln10f10a	100.0000%	40.9897%	3.9194%	-	-	-	-	-	3.6431%	-	-	-	2.9610%	-	28.3381%
12	2005 Telecom Plant Adjust	Ln12a*1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	TOTAL TELECOM PLANT ADJUST	Ln12.13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Distribution of Line 14	Ln14/14a	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MISC ACCOUNTS SEPARATION																	
16	1402 Class B RTB Stock	Ln16a*1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	1438 Deferred Charges	Ln17a*1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	1220 Material & Suppl x/CPE	Ln18a*2	110.689	40.130	2.435	-	-	-	-	-	4.365	-	-	-	1.809	-	36.499
19	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	TOTAL MATERIALS AND SUPPLIES	Ln18.19	110.689	40.130	2.435	-	-	-	-	-	4.365	-	-	-	1.809	-	36.499
21	Cash Working Capital	CWC	137.432	59.602	4.993	-	-	-	-	-	5.208	-	-	-	3.283	-	37.899
EQUAL ACCESS INVESTMENT SEPARATION																	
22	Equal Access Gross Investment	Ln22a*3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Equal Access Gross Investment - DA	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Accum Depreciation	Ln24a*3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25	Deferred Oper Inc Taxes	Ln25a*3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26	Unamortized Expenses	Ln26a*3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	TOTAL NET EQUAL ACCESS INVESTMENT	Ln25-26-25-26	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	Distribution of Line 27	Ln27/27a	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
INVEST ALLOW/DISALLOW SEPARATION																	
29	Investment Allow/Disallowances	Ln29a*1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	TOTAL INVEST ALLOW/DISALLOWANCES	Ln29.30	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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CERTAIN INCOME ACCOUNTS AND ADJUSTMENTS

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LINE	DESCRIPTION	SOURCE	INTERSTATE TOLL						INTRASTATE TOLL			LOCAL					
			TOTAL COMPANY (a)	MSG (b)	InterLATA (c)	PL (c)	MSG (d)	InterLATA (e)	PL (e)	MSG (f)	InterLATA (g)	PL (g)	MSG (h)	InitialLATA (h)	PL (h)	EAS (i)	User Defined (k)
SEPARATIONS FACTORS																	
1	2001 TPIS Distr	S-2, Ln15	100.0000%	40.9897%	3.9194%	-	-	-	3.6431%	-	-	18.8764%	1.2721%	2.9610%	-	-	28.3381%
2	2003 PUC-Pct	S-9, Ln11	100.0000%	40.9897%	3.9194%	-	-	-	3.6431%	-	-	18.8764%	1.2721%	2.9610%	-	-	28.3381%
3	Corp Other Expenses Distr	S-14, Ln17	100.0000%	44.3586%	2.8748%	-	-	-	3.4893%	-	-	18.6927%	0.9792%	2.0918%	-	-	27.3037%
4	2680 Capital Leases Distr	S-8, Ln19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Net Telecom Plant Distrexd 4040, 4310	S-2, Ln37	100.0000%	44.3586%	4.1426%	-	-	-	5.4220%	-	-	19.0390%	1.2605%	3.4986%	-	-	21.6817%
6	2110 Support Assets Distr	S-4, Ln9	100.0000%	40.9897%	3.9194%	-	-	-	3.6431%	-	-	18.8764%	1.2721%	2.9610%	-	-	28.3381%
7	2210 COE-Switching Distr	S-3, Ln37	100.0000%	83.0007%	-	-	-	-	-	-	-	-	-	-	-	-	15.0000%
8	2220 COE-Transmission Distr	S-3, Ln77	100.0000%	36.4118%	9.5590%	-	-	-	4.2461%	-	-	18.6289%	1.9618%	7.2903%	-	-	21.9032%
9	2310 IOT Distr	S-7, Ln12	100.0000%	36.2543%	2.2002%	-	-	-	3.9438%	-	-	21.8123%	1.1810%	1.6341%	-	-	32.9742%
10	2410 C&WF Distr	S-7, Ln6	100.0000%	40.9897%	3.9194%	-	-	-	3.6431%	-	-	18.8764%	1.2721%	2.9610%	-	-	28.3381%
11	2410 C&WF Distr	S-2, Ln8	100.0000%	39.6958%	3.1159%	-	-	-	3.7925%	-	-	20.4759%	1.0612%	2.2671%	-	-	29.5918%
12	COE, IOT, C&WF	S-2, Ln8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Three Expenses Distr	S-3, Ln6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OTHER INCOME SEPARATION																	
14	7200 Non-Operating Expenses	Ln15a*2	28,942	11,863	1,134	-	-	-	1,054	-	-	5,463	368	857	-	-	8,202
15	Abn Fdr. Invt Dnr Constr	Ln16a*3	25,194	11,176	724	-	-	-	882	-	-	4,760	247	527	-	-	6,879
16	Contributors	Ln17a*1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Abandoned Construction	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Other Nonoperating Expense	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
INCOME TAX ADJUSTMENTS SEPARATIONS																	
19	Fixed Charges	Ln20a*4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Interest on Capital Leases	Ln20a*4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Fixed Charges Excl Capital Leases	Ln21a*12	192,335	86,463	7,569	-	-	-	10,428	-	-	36,619	2,424	6,731	-	-	41,701
22	Amortization of Debt Discount	Ln22a*5	151	68	6	-	-	-	8	-	-	29	2	5	-	-	33
23	Other Interest	Ln23a*5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	TOTAL FIXED CHARGES	Ln20, 21	192,486	86,531	7,574	-	-	-	10,437	-	-	36,647	2,426	6,736	-	-	41,734
UNBUNDLED NETWORK ELEMENTS																	
25	5240 Rent Revenues	Ln26a*6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26	Support Assets	Ln27a*7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	COE-Switching	Ln28a*8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	COE-Operator	Ln28a*9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	COE-Transmission	Ln30a*10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Info Orig/Term Equip	Ln31a*11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	C&WF	Ln32a*1, Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Not Classified by Accr	S-5, Ln41* Ln34	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33	UNBUNDLED NETWORK ELEMENTS	S-3, Ln24* Ln36	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34	C&WF - Unbundled Loop	S-5, Ln24* Ln37	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35	Operator Systems	S-5, Ln24* Ln37	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
36	Tandem Switching	S-5, Ln24* Ln37	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
37	Local Switching	S-5, Ln24* Ln37	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38	Transport Termination	S-5, Ln24* Ln37	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
39	Transport Facility	S-5, Ln24* Ln37	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40	OS	S-5, Ln24* Ln37	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
41	OS	S-5, Ln24* Ln37	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
42	Direct Assignment	Ln41a*1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
43	Direct Assignment	Ln26, 42	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
INCOME TAX ADJUSTMENTS SEPARATIONS																	
44	ITC Amortization - Federal	Ln44a*1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
45	ITC Amortization - State	Ln45a*1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
46	TOTAL ITC AMORTIZATION	Ln44, 45	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amortization of Excess Def Taxes																	
47	Amortization of Excess Def Taxes	Ln47a*1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capitalized Payroll Taxes																	
48	Capitalized Payroll Taxes	Ln48a*1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
49	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
50	TOTAL CAPITALIZED PAYROLL TAXES	Ln46, 49	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation Adjustments																	
51	Depreciation Adjustments	Ln51a*1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
52	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
53	TOTAL DEPRECIATION ADJUSTMENTS	Ln51, 52	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Uncollectibles - Joint Message																	
54	Uncollectibles - Joint Message	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Uncollectibles - Erid User CCL																	
55	Uncollectibles - Erid User CCL	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Uncollectibles - Interchange Carrier																	
56	Uncollectibles - Interchange Carrier	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
57	TOTAL UNCOLLECTIBLES	Ln54, 56	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Misc Inc Adjustments																	
58	Misc Inc Adjustments	Ln58a*1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
59	Inc Adj Alloc on 2001	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
60	Inc Adj Alloc on 2001 - Direct Assignment	Ln60a*13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
61	Inc Adj Alloc on Big 3 Exp	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
62	Inc Adj Alloc on Big 3 Exp	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
63	TOTAL MISC INC ADJUSTMENTS	Ln58, 61	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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PLANT SPECIFIC EXPENSES

LINE	DESCRIPTION	SOURCE	INTERSTATE TOLL						INTRASTATE TOLL						LOCAL		
			TOTAL COMPANY (a)	MSG (b)	IntraLATA (c)	PL (d)	IntraLATA (e)	PL (f)	MSG (g)	IntraLATA (h)	PL (i)	MSG (j)	IntraLATA (k)	PL (l)	EAS (m)	User Defined (n)	Other (o)
SEPARATIONS FACTORS																	
1	2110 Land & Supl Assis Distr	S-4, Ln14	100.0000%	40.9897%	3.9194%	-	-	-	-	-	-	-	-	-	-	-	28.3381%
2	Total COE Distr. EA Distr	S-5, Ln79 ind EA	100.0000%	48.4555%	6.9225%	-	-	-	-	-	-	-	-	-	-	-	20.0500%
3	2310 IOT Cat 1-Other Distr	S-6, Ln8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	2310 IOT Cat 2-CPE Distr	S-6, Ln10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	2410 C&WF Distr	S-7, Ln43	100.0000%	36.2542%	2.2002%	-	-	-	-	-	-	-	-	-	-	-	32.9742%
PLANT SPECIFIC EXPENSES SEPARATION																	
6	6110 Network Support Expenses	Ln6a1	10,429	4,275	409	-	-	-	-	-	-	-	-	-	-	-	2,955
7	Direct Assignment	Ln6.7	10,429	4,275	409	-	-	-	-	-	-	-	-	-	-	-	2,955
8	TOTAL NETWORK SUPPORT EXPENSES		163,423	66,987	6,405	-	-	-	-	-	-	-	-	-	-	-	46,311
9	6120 General Support Expenses	Ln9a1	163,423	66,987	6,405	-	-	-	-	-	-	-	-	-	-	-	46,311
10	Direct Assignment	Ln9.10	163,423	66,987	6,405	-	-	-	-	-	-	-	-	-	-	-	46,311
11	TOTAL GENERAL SUPPORT EXPENSES		156,196	77,247	10,923	-	-	-	-	-	-	-	-	-	-	-	31,317
12	6210 COE Switching Expenses	Ln12a2	156,196	77,247	10,923	-	-	-	-	-	-	-	-	-	-	-	31,317
13	Direct Assignment	Ln12.13	156,196	77,247	10,923	-	-	-	-	-	-	-	-	-	-	-	31,317
14	TOTAL COE SWITCHING EXPENSES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	6220 COE Operator Systems Expenses	Ln15a2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Direct Assignment	Ln15.16	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	TOTAL COE OPERATOR SYS EXPENSES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	6230 COE Transmission Expenses	Ln18a2	64,350	31,825	4,500	-	-	-	-	-	-	-	-	-	-	-	12,502
19	Direct Assignment	Ln18.19	64,350	31,825	4,500	-	-	-	-	-	-	-	-	-	-	-	12,502
20	TOTAL COE TRANSMISSION EXPENSES		220,546	109,072	15,423	-	-	-	-	-	-	-	-	-	-	-	44,219
21	TOTAL COE EXPENSES	Ln14+17+20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	6310 IOT Equip Expenses	Ln23a3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Cat 1-Other IOT Eq Expenses	Ln24a4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Cat 2-Cust Prem Equip Exp	Ln24a4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25	Direct Assignment	Ln27.28	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26	TOTAL IOT EXPENSES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	6410 C&WF Expenses	Ln27a5	427,366	154,939	9,403	-	-	-	-	-	-	-	-	-	-	-	140,921
28	Direct Assignment	Ln27.28	427,366	154,939	9,403	-	-	-	-	-	-	-	-	-	-	-	140,921
29	TOTAL C&WF EXPENSES		647,914	264,011	24,826	-	-	-	-	-	-	-	-	-	-	-	185,141
30	PH Spec Exp x6110,6120	Ln21+26+29	821,766	335,273	31,640	-	-	-	-	-	-	-	-	-	-	-	234,407
31	TOTAL PLANT SPEC OPER EXP	Ln9+11+30	100.0000%	40.7397%	3.6502%	-	-	-	-	-	-	-	-	-	-	-	28.5248%
32	Distribution of Line 31	Ln31a	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Cambridge Telephone Company, Inc.
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CUSTOMER OPERATIONS EXPENSES
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 Sheet 1 of 2
 LOCAL

LINE	DESCRIPTION	SOURCE	INTERSTATE TOLL						INTRASTATE TOLL						EAS (j)	Year Defined (k)	Other (l)
			TOTAL COMPANY (a)	MSG (b)	InterLATA PL (c)	MSG (d)	InterLATA PL (e)	MSG (f)	InterLATA PL (g)	MSG (h)	InterLATA PL (i)	MSG (i)	InterLATA PL (i)				
SEPARATIONS FACTORS																	
1	Marketing expense factor	Records	100.0000%	37.5347%	8.7946%	-	-	-	-	-	-	-	-	-	-	-	28.8922%
2	WWSWS-Tel Oper Svcs	Records	100.0000%	-	-	-	-	-	-	-	-	-	-	-	-	-	47.0460%
3	Subscriber Line MOU	Records	100.0000%	32.1380%	-	-	-	-	-	-	-	-	-	-	-	-	74.9151%
4	EU Service Order Contacts	Records	100.0000%	20.3045%	-	-	-	-	-	-	-	-	-	-	-	-	45.3245%
5	EU Billed Revenue Incl CCL	Records	100.0000%	27.7202%	-	-	-	-	-	-	-	-	-	-	-	-	45.3180%
6	EU Billed Inquiry Contacts	Records	100.0000%	33.3333%	-	-	-	-	-	-	-	-	-	-	-	-	-
7	IX Svc Ord Proc Contacts	Records	100.0000%	33.3333%	-	-	-	-	-	-	-	-	-	-	-	-	-
8	IX Billed Revenue	Records	100.0000%	33.3333%	-	-	-	-	-	-	-	-	-	-	-	-	-
9	IX Bill Inq Contacts	Records	100.0000%	33.3333%	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Public Interest Registration Revenue	Records	100.0000%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MARKETING EXPENSES SEPARATION																	
11	6510 Marketing Expenses	Ln11a*1	10,989	4,169	966	-	-	-	-	-	-	-	-	-	-	-	3,175
12	Direct	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Ln11.12	Ln11.12	10,989	4,169	966	-	-	-	-	-	-	-	-	-	-	-	3,175
TOTAL MARKETING EXPENSES SEPARATION																	
14	6520 Service Expenses	Ln16a*2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Telephone Operator Service:	Ln16a*2	431	-	-	-	-	-	-	-	-	-	-	-	-	-	431
16	Tel Operator Svc	Direct	431	-	-	-	-	-	-	-	-	-	-	-	-	-	431
17	Direct Assignment	Direct	431	-	-	-	-	-	-	-	-	-	-	-	-	-	431
18	Total Tel Oper Svc Exp	Ln16.17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Published Direct Listings:																	
19	Classified	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Alpha	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Foreign	Ln22a*3	8,849	2,844	-	-	-	-	-	-	-	-	-	-	-	-	4,163
22	Foreign	Direct	8,849	2,844	-	-	-	-	-	-	-	-	-	-	-	-	4,163
23	Foreign	Ln20.23	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Total Publ Direct List	Ln20.23	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Other:																	
25	Cat 1-LBOE EU Svc Ord Proc	Direct	7,157	7,157	-	-	-	-	-	-	-	-	-	-	-	-	16,054
26	Presubscription	Ln25a*4	21,472	4,458	-	-	-	-	-	-	-	-	-	-	-	-	16,054
27	Other	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	Cat 1-LBOE EU Pmt & Col	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Other	Ln25a*4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	- CII	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	- Other	Ln25a*5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Cat 1-LBOE EU Bill Inq	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33	- CII	Ln25a*5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34	- Other	Ln25a*5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35	Cat 1-LBOE IX Svc Ord Proc	Ln25a*7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
36	Cat 1-LBOE IX Pmt & Col	Ln25a*8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
37	Cat 1-LBOE IX Bill Inq	Ln25a*9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38	Cat 1-LBOE IX Col & Admin	Ln25a*10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
39	Total Cat 1-LBOE	Ln25.38	71,572	23,337	-	-	-	-	-	-	-	-	-	-	-	-	35,527

Cambridge Telephone Company, Inc.
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 SHEET 2 of 2

CUSTOMER OPERATIONS EXPENSES

LINE	DESCRIPTION	SOURCE	INTERSTATE TOLL			INTRASTATE TOLL			LOCAL								
			TOTAL COMPANY (a)	MSG (b)	IntraLATA PL (c)	MSG (d)	IntraLATA PL (e)	MSG (f)	IntraLATA PL (g)	MSG (h)	IntraLATA PL (i)	EAS (j)	User Defined (k)	Other (l)			
40	Relative Toll & Local Msgs Pct	Records	100.00000%	27.00844%	-	-	-	-	-	-	-	-	-	-	-	-	
41	CABS Pct	Records	100.00000%	50.00000%	-	-	-	-	-	-	-	-	-	-	-	-	
SERVICES EXP SEPARATION (CONTD)																	
42	Cat 2-CSE Msg Proc	Ln42a*40	9,854	2,867	-	-	-	-	-	-	-	-	-	-	-	-	-
43	Joint Message	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
44	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
45	Cat 2-CSE Other B&C	Direct	51,859	15,467	-	-	-	-	-	-	-	-	-	-	-	-	18,196
46	Direct Assignment	Direct	2,728	2,729	-	-	-	-	-	-	-	-	-	-	-	-	-
47	End User Common Line	Ln38*41	26,778	13,389	-	-	-	-	-	-	-	-	-	-	-	-	18,196
48	Cat 2-CSE CABS	Ln42.48	91,220	34,246	-	-	-	-	-	-	-	-	-	-	-	-	-
49	Total Cat 2-CSE	Ln39-49	162,792	57,594	-	-	-	-	-	-	-	-	-	-	-	-	53,723
50	Total All Other Cat 1 & 2	Ln50/50a	100.00000%	35.3725%	-	-	-	-	-	-	-	-	-	-	-	-	33.0008%
51	Distribution of Line 50	Ln52a*51	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
52	Cat 3-All Other CSE	Direct	1,675	1,675	-	-	-	-	-	-	-	-	-	-	-	-	-
53	Cat 3-Direct Assignment	Ln52.53	1,675	1,675	-	-	-	-	-	-	-	-	-	-	-	-	-
54	Total All Other Cat 3	Ln50+54	164,467	59,259	-	-	-	-	-	-	-	-	-	-	-	-	53,723
55	Total All Other-Cat 1,2,3	Ln18+24+55	173,747	62,103	-	-	-	-	-	-	-	-	-	-	-	-	58,317
56	TOTAL SERVICES EXPENSES	Ln13+56	184,736	66,271	966	-	-	-	-	-	-	-	-	-	-	-	61,492
57	TOTAL CUSTOMER OPER EXPENSES	Ln57/57a	100.00000%	35.8735%	0.5231%	-	-	-	-	-	-	-	-	-	-	-	33.2852%
58	Distribution of Line 57		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Cambridge Telephone Company, Inc.
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CORP OPERATIONS, TAXES, & EQUAL ACCESS EXPENSES

S-14

LINE	DESCRIPTION	SOURCE	INTERSTATE TOLL						INTRASTATE TOLL						LOCAL		
			TOTAL COMPANY (a)	MSG (b)	InterLATA (c)	PL (c)	MSG (d)	InterLATA (e)	MSG (f)	InterLATA (g)	PL (g)	MSG (h)	InterLATA (i)	PL (i)	EAS (j)	User Defined (k)	Other (l)
SEPARATIONS FACTORS																	
1	Big Three Expenses Distr	S-3, Ln16	100.0000%	39.8958%	3.1158%	-	-	-	-	-	-	-	-	-	-	-	29.5918%
2	2001 TPIS Distr	S-2, Ln15	100.0000%	40.9987%	3.9194%	-	-	-	-	-	-	-	-	-	-	-	28.3381%
3	Equal Access Invest Distr	S-9, Ln28	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Net Telecom Plant Distr exd 1220, EA	S-2, Ln37	100.0000%	44.9546%	4.1428%	-	-	-	-	-	-	-	-	-	-	-	21.6817%
5	Income Tax Distribution	S-3, Ln27	100.0000%	43.9782%	2.6569%	-	-	-	-	-	-	-	-	-	-	-	27.9543%
CORPORATE OPER EXP SEPARATIONS																	
6	710 Exec & Planning Expenses	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	EAS	Ln8a1	261.838	103.939	8.153	-	-	-	-	-	-	-	-	-	-	-	77.482
8	All Other	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	TOTAL EXEC & PLANNING EXPENSES	Ln7..9	261.838	103.939	8.153	-	-	-	-	-	-	-	-	-	-	-	77.482
11	6720 Genl and Admin Expenses	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	EA	Ln13a1	261.677	103.875	8.153	-	-	-	-	-	-	-	-	-	-	-	77.435
13	All Other	Direct	43.871	43.871	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Direct Assignment	Ln12..14	305.548	147.746	8.153	-	-	-	-	-	-	-	-	-	-	-	77.435
15	TOTAL GENL & ADMIN EXPENSES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	TOTAL CORPORATE OPER EXPENSES	Ln10+15	567.386	251.684	16.312	-	-	-	-	-	-	-	-	-	-	-	154.917
17	Distribution of Line 16	Ln16/16a	100.0000%	44.3565%	2.8749%	-	-	-	-	-	-	-	-	-	-	-	27.3037%
OPERATING TAXES SEPARATIONS																	
18	7200 Operating Taxes (Actual)	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Federal Income Taxes	Ln19a5	107.618	46.898	3.175	-	-	-	-	-	-	-	-	-	-	-	30.084
20	State & Local Income Taxes	Ln20a5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	OP FED, STATE, LOCAL TAXES - CWC	Ln21a5	107.618	46.898	3.175	-	-	-	-	-	-	-	-	-	-	-	30.084
22	FIT Allowances/Disallowances	Ln22a2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Operating Taxes - Property	Ln23a2	51.510	21.114	2.019	-	-	-	-	-	-	-	-	-	-	-	14.597
24	Operating Taxes - Other	Ln24a2	722	722	-	-	-	-	-	-	-	-	-	-	-	-	-
25	Operating Taxes - Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26	TOTAL OPER TAXES w/FIT SIT	Ln23..25	52.232	21.636	2.019	-	-	-	-	-	-	-	-	-	-	-	14.597
OPERATING REVENUE SEPARATIONS																	
27	5000 Basic Local Revenue	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	5080 Interstate Access/End User Revenue	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	5084 State Access/End User Revenue	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	5100 Long Distance Message Revenue	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	5200 Miscellaneous Operating Revenue	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	7100 Other Operating Income	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33	TOTAL OPERATING REVENUE	Ln27..32	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EQUAL ACCESS EXPENSES SEPARATION																	
34	Equal Access Expenses	Ln34a3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35	TOTAL EQUAL ACCESS EXPENSES	Ln34..34	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ALLOWANCES AND DISALLOWANCES																	
36	Expense Allowances/Disallowances	Ln37a4	94	42	4	-	-	-	-	-	-	-	-	-	-	-	20
37	Interest on customer Deposits	Ln37a4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38	Other Interest Deduction	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
39	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40	TOTAL EXPENSE ALLOWANCES	Ln37..38	94	42	4	-	-	-	-	-	-	-	-	-	-	-	20

Note 1: FIT and SIT Calculated on the S-1

Cambridge Telephone Company, Inc.
 Study Area: 472215
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 Sheet 1 of 2

RESERVES & DEFERRALS

LINE	DESCRIPTION	SOURCE	INTERSTATE TOLL						INTRASTATE TOLL						LOCAL	
			TOTAL COMPANY (a)	MSG (b)	IntraLATA (c)	PL (C)	MSG (d)	IntraLATA (e)	PL (f)	MSG (g)	IntraLATA (h)	PL (i)	MSG (j)	IntraLATA (k)	PL (l)	User Defined (k)
SEPARATIONS FACTORS																
1	2110 Support Assets Distr	S-4, Ln9	100.0000%	40.9897%	3.9194%	-	-	-	-	-	-	-	-	-	-	-
2	2210 COE-Switching, Incl. EA Distr	S-5, Ln37+S-3, Ln26	100.0000%	85.0000%	-	-	-	-	-	-	-	-	-	-	-	-
3	2220 COE-Operator Distr	S-5, Ln24	100.0000%	36.4118%	9.5560%	-	-	-	-	-	-	-	-	-	-	-
4	2230 COE-Transmission Distr	S-5, Ln77	100.0000%	36.4118%	9.5560%	-	-	-	-	-	-	-	-	-	-	-
5	2310 IOT Distr	S-6, Ln12	100.0000%	36.7543%	2.2002%	-	-	-	-	-	-	-	-	-	-	-
6	2410 C&WF Distr	S-7, Ln43	100.0000%	40.2582%	5.0194%	-	-	-	-	-	-	-	-	-	-	-
7	2001 TPIS xLand	S-2, Ln18	100.0000%	40.3887%	3.9194%	-	-	-	-	-	-	-	-	-	-	-
8	General Support, COE, IOT, C&WF	S-2, Ln1+8	100.0000%	40.3887%	3.9194%	-	-	-	-	-	-	-	-	-	-	-
9	2002 Prop Hld Fir Tel Use Distr	S-3, Ln1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	2800 Capital Leases Distr	S-8, Ln19	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	2800 Leasehold Improvements	S-8, Ln19	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	2800 Intangible Assets Distr	S-8, Ln19	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	2005 Telecom PFI Adjustments	S-9, Ln15	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RESERVES & DEFERRALS SEPARATION																
14	1500 Other June Assets - Net	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	3100 Accum Depn-Tel Pkt in Svc	Ln16a*1	1,541,794	631,977	60,429	-	-	-	-	-	-	-	-	-	-	-
16	Support Assets - Direct Assignment	Direct	1,110,061	943,552	-	-	-	-	-	-	-	-	-	-	-	-
17	COE-Switching - Direct Assignment	Ln16a*2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	COE-Switching - Direct Assignment	Ln16a*2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	COE - Switching - Direct Assignment	Ln20a*3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	COE - Operator - Direct Assignment	Ln20a*3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	COE - Operator - Direct Assignment	Ln22a*4	2,429,621	894,670	232,248	-	-	-	-	-	-	-	-	-	-	-
22	COE - Transmission - Direct Assignment	Ln22a*4	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	COE - Transmission - Direct Assignment	Ln24a*5	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Info Orig/Term Equip - Direct Assignment	Ln24a*5	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25	Info Orig/Term Equip - Direct Assignment	Ln26a*6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26	C&WF	Ln26a*6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	C&WF - Direct Assignment	Ln16.27	4,912,096	1,357,650	83,337	-	-	-	-	-	-	-	-	-	-	-
28	TOTAL ACCUMULATED DEPRECIATION	Ln16.27	9,993,951	3,817,928	376,074	-	-	-	-	-	-	-	-	-	-	-
29	3200 Accum Deptr Property Held	Ln30a*9	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	For Future Telecom Use	Ln31a*10	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	3400 Accum Amort-Capital Leases	Ln32a*11	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	3400 Accum Amort-Leasehold Improvements	Ln33a*12	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33	3500 Accum Amort-Intangible	Ln34a*13	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34	3500 Accum Amort-Other	Ln35a*7	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35	4040 Customer Deposits	Ln35a*7	4,812	1,972	189	-	-	-	-	-	-	-	-	-	-	-
36	Direct Assignment	Ln35.36	4,812	1,972	189	-	-	-	-	-	-	-	-	-	-	-
37	TOTAL CUSTOMER DEPOSITS	Ln35.36	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38	4100 Net Cur Def Op Inc Taxes	Ln39a*1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
39	Support Assets	Ln40a*2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40	COE-Switching	Ln41a*3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
41	COE-Operating	Ln42a*4	-	-	-	-	-	-	-	-	-	-	-	-	-	-
42	COE-Transmission	Ln43a*5	-	-	-	-	-	-	-	-	-	-	-	-	-	-
43	Info Orig/Term Equip	Ln44a*6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
44	C&WF	Ln45a*8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
45	Not Classified by Acct	Ln35.45	-	-	-	-	-	-	-	-	-	-	-	-	-	-
46	TOTAL NET CUR DEF OP INC TAXES	Ln35.45	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Cambridge Telephone Company, Inc.
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RESERVES & DEFERRALS

LINE	DESCRIPTION	SOURCE	INTERSTATE TOLL						INTRASTATE TOLL			LOCAL				
			TOTAL COMPANY (a)	MSG (b)	InterLATA (c)	PL (c)	MSG (g)	InterLATA (h)	PL (g)	MSG (h)	InterLATA (i)	PL (i)	EAS (j)	User Defined (k)	Other (l)	
SEPARATIONS FACTORS																
47	Big Three Expenses Distr	S-3, Ln6	100.0000%	39.6858%	3.1158%	-	-	-	3.7925%	-	-	-	20.4759%	1.0612%	2.2671%	29.5918%
48	2110 Support Assets Distr	S-4, Ln9	100.0000%	40.9887%	3.9194%	-	-	-	3.6437%	-	-	-	18.8764%	1.2721%	2.8610%	28.3381%
49	2210 COE-Switching Distr	S-15, Ln2	100.0000%	85.0000%	-	-	-	-	-	-	-	-	-	-	-	15.0000%
50	2220 COE-Operator Distr	S-5, Ln24	100.0000%	-	-	-	-	-	-	-	-	-	-	-	-	-
51	2230 COE-Transmission Distr	S-5, Ln77	100.0000%	36.4118%	9.5560%	-	-	-	4.2451%	-	-	-	18.6288%	1.9618%	7.2903%	21.9032%
52	2310 IOT Distr	S-6, Ln12	100.0000%	36.7543%	2.7002%	-	-	-	3.9438%	-	-	-	21.8123%	1.1810%	1.6341%	32.8742%
53	2410 C&MF Distr	S-7, Ln43	100.0000%	40.9887%	3.9194%	-	-	-	3.6437%	-	-	-	18.8764%	1.2721%	2.8610%	28.3381%
54	2001 TPIS Aland	S-2, Ln18	100.0000%	40.9887%	3.9194%	-	-	-	3.6437%	-	-	-	18.8764%	1.2721%	2.8610%	28.3381%
55	2001 TPIS Distr	S-2, Ln15	100.0000%	40.9887%	3.9194%	-	-	-	3.6437%	-	-	-	18.8764%	1.2721%	2.8610%	28.3381%
56	2001 TPIS Distr	S-2, Ln14	100.0000%	40.9887%	3.9194%	-	-	-	3.6437%	-	-	-	18.8764%	1.2721%	2.8610%	28.3381%
RESERVES & DEFERRALS SEPARATION																
57	4310 Other Long-Term Liabilities	Ln57a*47	-	-	-	-	-	-	-	-	-	-	-	-	-	-
58	4340 Net Noncurrent Def Taxes	Ln59a*48	-	-	-	-	-	-	-	-	-	-	-	-	-	-
59	Support Assets	Ln60a*49	-	-	-	-	-	-	-	-	-	-	-	-	-	-
60	COE-Switching	Ln61a*50	-	-	-	-	-	-	-	-	-	-	-	-	-	-
61	COE-Operation	Ln62a*51	-	-	-	-	-	-	-	-	-	-	-	-	-	-
62	COE-Transmission	Ln63a*52	-	-	-	-	-	-	-	-	-	-	-	-	-	-
63	Int'l Orig/Term Equip	Ln64a*53	-	-	-	-	-	-	-	-	-	-	-	-	-	-
64	C&MF	Ln65a*54	40.459	16.594	1.596	-	-	-	1.474	-	-	-	7.637	515	1,198	11,465
65	Not Classified by Acct	Ln65a*54	40.459	16.594	1.596	-	-	-	1,474	-	-	-	7,637	515	1,198	11,465
66	TOTAL NET NONCURRENT DEF TAXES	Ln59..65	40.459	16.594	1.596	-	-	-	1,474	-	-	-	7,637	515	1,198	11,465
67	4360 Other Deferred Credits-Net	Ln67a*65	-	-	-	-	-	-	-	-	-	-	-	-	-	-
68	4370 Other Juris Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
69	& Deferred Credits - Net	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ACCUM DEPR & AMORT ALLOW/DISALLOW																
70	Accum Depr & Amort Allow/Disallow	Ln70a*64	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-
72	TOTAL ACC DEPR/AMORT ALW/DISALLOW	Ln70..71	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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CASH WORKING CAPITAL

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LINE	DESCRIPTION	SOURCE	INTERSTATE TOLL						INTRASTATE TOLL				LOCAL					
			TOTAL COMPANY (a)	MSG (b)	InterLATA PL (c)	MSG (d)	InterLATA PL (e)	MSG (f)	InterLATA PL (g)	MSG (h)	InterLATA PL (i)	MSG (j)	EAS (k)	User Demand (l)	Other (m)			
1	Plant Specific Expenses	S-11, Ln31	821,766	335,273	31,940	-	-	-	-	-	-	-	-	-	-	-	-	234,407
2	Plant Nonspecific exp excl depreciation & amortization	S-12, Ln16a*23	41,073	23,942	739	-	-	-	-	-	-	-	-	-	-	-	-	5,345
3	Customer Operations Expense - Marketing	S-13, Ln13	10,989	4,769	966	-	-	-	-	-	-	-	-	-	-	-	-	3,175
4	Customer Operations Expense - Services	S-13, Ln56	173,747	62,193	18,312	-	-	-	-	-	-	-	-	-	-	-	-	58,317
5	Corporate Operations Expense	S-14, Ln16	567,366	251,684	18,312	-	-	-	-	-	-	-	-	-	-	-	-	154,917
6	Equal Access Expense	S-14, Ln4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Other Nonoperating Expense - Contributions	S-10, Ln24	25,194	11,176	724	-	-	-	-	-	-	-	-	-	-	-	-	6,879
8	Interest on Capital Leases	S-10, Ln20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Fixed Charge excl Capital Leases	S-10, Ln21	192,335	86,463	7,869	-	-	-	-	-	-	-	-	-	-	-	-	41,701
10	Interest on Customer Deposits	S-10, Ln17	94	42	4	-	-	-	-	-	-	-	-	-	-	-	-	20
11	Other Operating Tax - Property	S-10, Ln23	51,510	21,114	2,019	-	-	-	-	-	-	-	-	-	-	-	-	14,597
12	Other Operating Tax - Other	S-10, Ln24	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Other Operating Tax - Direct Assignment	S-10, Ln25	722	722	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Federal & State Income Tax (Actual)	S-10, Ln21	107,618	46,898	3,175	-	-	-	-	-	-	-	-	-	-	-	-	30,084
15	Total Cash Working Capital Expenses	Ln1..14	1,992,434	849,585	63,547	-	-	-	-	-	-	-	-	-	-	-	-	549,443
16	Total Cash Working Capital	Records	-	6,8877%	6,8877%	-	-	-	-	-	-	-	-	-	-	-	-	6,8877%
17	Cash Working Capital Factor	Ln15 * Ln16	137,232	58,517	4,317	-	-	-	-	-	-	-	-	-	-	-	-	37,844
18	Minimum Bank Balances	Records	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Working Cash Advances	Records	200	85	6	-	-	-	-	-	-	-	-	-	-	-	-	55
20	Total Cash Working Capital	Ln20Zia	137,432	58,602	4,383	-	-	-	-	-	-	-	-	-	-	-	-	37,699
21	Distribution of Line 20		100.00000%	42.6406%	3.1894%	-	-	-	-	-	-	-	-	-	-	-	-	27.3765%

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TAX FORM

LN	DESCRIPTION	SOURCE	Taxable TOTAL	INCOME TAX	
				TOTAL	SurTax
1	AVERAGE NET INVESTMENT	S-1,Ln1	7,267,640		
2	ASSUMED RATE OF RETURN FOR ESTIMATING TAX RATE	S-1,Ln6	9,470,996		
3	RETURN ON INVESTMENT	Ln1a2	688,310		
4	FIT INCOME ADJUSTMENT (FROM COST STUDY)		192,466		
5	INVESTMENT TAX CREDIT AMORTIZATION		485,824		
6	AFTER TAX INCOME BEFORE TAX CREDITS		255,424		
7	FIT BEFORE TAX CREDITS (MUST EQUAL LN 17)		751,248		
8	TAXABLE INCOME		50,000	7,500	-
9	FIT ON \$0 to \$50,000 @ 15%	15%	25,000	6,250	5,000
10	FIT ON \$50,000 to \$75,000 @ 25%	25%	25,000	8,500	11,750
11	FIT ON \$75,000 to \$100,000 @ 34%	34%	25,000	8,500	8,500
12	FIT ON \$100,000 to \$333,000 @ 38%	38%	235,000	91,650	16,750
13	FIT ON \$333,000 to \$1,000,000 @ 34%	34%	416,248	141,524	-
14	FIT ON \$1,000,000 to \$18,333,333 @ 35%	35%	-	-	100,000
15	FIT ON \$18,333,333 to \$50,000,000 @ 38%	38%	-	-	550,000
16	TOTAL TAXABLE INCOME/FIT BEFORE TAX CREDITS	LN6 9, 16	751,248	255,424	-
17	TOTAL TAXABLE INCOME/FIT BEFORE TAX CREDITS				
18	EFFECTIVE FIT TAX RATE			34.00000%	

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DISTRIBUTION RATIOS FOR RATE BASE AND EXPENSES

	ALLOCATION RATIOS		INTERSTATE TOLL				INTRASTATE TOLL				LOCAL		
	A/C Category	Total	InterLATA MSG (b)	PL (c)	InitialLATA MSG (d)	PL (e)	InterLATA MSG (f)	PL (g)	InitialLATA MSG (h)	PL (i)	EAS (j)	User Defined (k)	Other (l)
Capital Investment Summary													
General Support Facilities	2110	100.0000%	40.9897%	3.9194%	-	-	3.6431%	-	18.8764%	1.2721%	2.9610%	-	28.3381%
COE Switching Equipment	2210	100.0000%	85.0000%	-	-	-	-	-	-	-	-	-	15.0000%
Operator Systems Equipment	2230	100.0000%	38.4118%	9.5566%	-	-	4.2465%	-	18.6288%	1.9618%	7.2903%	-	21.9032%
COE Transmission Equipment	2310	100.0000%	38.2543%	2.2002%	-	-	3.9438%	-	21.8123%	1.1810%	1.6341%	-	32.9742%
Information Orig/Term Equipment	2410	100.0000%	-	-	-	-	-	-	-	-	-	-	-
Cable & Wire Facilities	2860	100.0000%	40.9897%	3.9194%	-	-	3.6431%	-	18.8764%	1.2721%	2.9610%	-	28.3381%
Tangible Assets	2890	100.0000%	40.9897%	3.9194%	-	-	3.6431%	-	18.8764%	1.2721%	2.9610%	-	28.3381%
Total Plant in Service A/C 2001													
Property held for Future Use	2002	100.0000%	40.9897%	3.9194%	-	-	3.6431%	-	18.8764%	1.2721%	2.9610%	-	28.3381%
Plant Under Construction	2003	100.0000%	40.9897%	3.9194%	-	-	3.6431%	-	18.8764%	1.2721%	2.9610%	-	28.3381%
Telephone Plant Adjustment	2005	100.0000%	40.9897%	3.9194%	-	-	3.6431%	-	18.8764%	1.2721%	2.9610%	-	28.3381%
Total Property, Plant and Equipment													
Accumulated Depreciation - Plant in Service	3100	100.0000%	38.2029%	3.7628%	-	-	2.3928%	-	18.7622%	1.2903%	2.5625%	-	33.0169%
Accumulated Depreciation - Property held for Future Use	3200	100.0000%	-	-	-	-	-	-	-	-	-	-	-
Accumulated Depreciation - Tangible Property	3400	100.0000%	-	-	-	-	-	-	-	-	-	-	-
Accumulated Amortization - Intangible Property	3500	100.0000%	-	-	-	-	-	-	-	-	-	-	-
Accumulated Amortization - Telephone Plant Adjustment	3600	100.0000%	40.9897%	3.9194%	-	-	3.6431%	-	18.8764%	1.2721%	2.9610%	-	28.3381%
Deferred Operating Taxes	4340	100.0000%	-	-	-	-	-	-	-	-	-	-	-
Other Long Term Liabilities	4310	100.0000%	-	-	-	-	-	-	-	-	-	-	-
Other Deferred Credits	4370	100.0000%	40.9897%	3.9194%	-	-	3.6431%	-	18.8764%	1.2721%	2.9610%	-	28.3381%
Customer Deposits	4410	100.0000%	44.8196%	4.1124%	-	-	5.3891%	-	19.0821%	1.2593%	3.4707%	-	21.8569%
Net Telephone Plant													
Investment Allow/Disallow													
Accum Depr/Amort Allow/Disallow													
Materials and Supplies	1220	100.0000%	36.2543%	2.2002%	-	-	3.9438%	-	21.8123%	1.1810%	1.6341%	-	32.9742%
Investment in Nonaffiliated Companies	1402	100.0000%	-	-	-	-	-	-	-	-	-	-	-
Equal Access Equipment	1439	100.0000%	-	-	-	-	-	-	-	-	-	-	-
Other Jurisdictional Assets	1500	100.0000%	49.4555%	6.9925%	-	-	3.7898%	-	19.3522%	1.0524%	2.3881%	-	27.5765%
Cash Working Capital	XXXX	100.0000%	44.1810%	4.9851%	-	-	5.3688%	-	19.0873%	1.2566%	3.4505%	-	21.9807%
Net Telephone Plant, M&S and CWC													
Operating Expenses and Taxes Summary													
Network Support	6110	100.0000%	40.9897%	3.9194%	-	-	3.6431%	-	18.8764%	1.2721%	2.9610%	-	28.3381%
General Support	6120	100.0000%	40.9897%	3.9194%	-	-	3.6431%	-	18.8764%	1.2721%	2.9610%	-	28.3381%
Central Office	6210	100.0000%	49.4555%	6.9925%	-	-	3.1055%	-	13.6276%	1.4351%	5.3332%	-	20.0500%
Information Orig/Term	6310	100.0000%	-	-	-	-	-	-	-	-	-	-	-
Cable and Wire Facilities	6340	100.0000%	36.2543%	2.2002%	-	-	3.9438%	-	21.8123%	1.1810%	1.6341%	-	32.9742%
Other Plant	6510	100.0000%	40.9897%	3.9194%	-	-	3.6431%	-	18.8764%	1.2721%	2.9610%	-	28.3381%
Network Operations	6530	100.0000%	40.9897%	3.9194%	-	-	3.6431%	-	18.8764%	1.2721%	2.9610%	-	28.3381%
Access Charge	6540	100.0000%	-	-	-	-	-	-	-	-	-	-	-
Federal Support	6540	100.0000%	100.0000%	-	-	-	-	-	-	-	-	-	-
Marketing	6610	100.0000%	37.9347%	8.7946%	-	-	4.2779%	-	19.0612%	5.3173%	-	-	28.8622%
Customer Service	6620	100.0000%	35.8735%	0.5231%	-	-	3.2925%	-	20.4759%	1.0612%	2.2611%	-	29.5918%
Corporate Operations - Executive and Planning	6710	100.0000%	39.8958%	3.1158%	-	-	3.2980%	-	17.5359%	0.9689%	6.4168%	-	25.3425%
Corporate Operations - General and Administrative	6720	100.0000%	48.3543%	2.6848%	-	-	3.4514%	-	18.6469%	0.9394%	2.2222%	-	28.1003%
Subtotal Operations Expense			43.5145%	2.8482%	-	-	3.4514%	-	18.6469%	0.9394%	2.2222%	-	28.1003%
Depreciation and Amortization	6960	100.0000%	45.3253%	2.9544%	-	-	3.1430%	-	17.4040%	0.7781%	2.1849%	-	28.6593%
Other Operating	7240	100.0000%	41.8054%	3.8652%	-	-	3.5927%	-	18.6155%	1.2546%	2.9201%	-	27.9464%
Equal Access	7500	100.0000%	44.9546%	4.1428%	-	-	5.4205%	-	19.0390%	1.2605%	3.4956%	-	21.6817%
Fixed Charges	5240	100.0000%	43.4822%	2.8675%	-	-	3.4345%	-	18.6463%	0.9424%	2.2355%	-	28.3915%
Rent Revenue													
Total Operating Expense and Tax													
Nonoperating Expense	7370	100.0000%	44.3586%	2.8748%	-	-	3.4893%	-	18.8927%	0.9792%	2.0918%	-	27.3037%
Abandoned Construction													
Contributions													
Other Nonoperating													
Allowance for Funds Used During Construction	7340	100.0000%	40.9897%	3.9194%	-	-	3.6431%	-	18.8764%	1.2721%	2.9610%	-	28.3381%
Other Income Adjustments	XXXX	100.0000%	-	-	-	-	-	-	-	-	-	-	-