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IDAHO PUBLIC
UTILITIES COMMISSION

Annual Report

OF

COLT

Columbine Telephone Company, Inc.

NAME

PO Box 226, 104101 Hwy 89, Freedom, WY 83120

ADDRESS

TO THE

IDAHO PUBLIC

UTILITIES COMMISSION

FOR THE

YEAR ENDED

December 31, 2008

**ANNUAL REPORT OF SMALL TELEPHONE COMPANIES TO
THE IDAHO PUBLIC UTILITIES COMMISSION
FOR THE YEAR ENDING 2008**

COMPANY INFORMATION

Exact name of utility: Columbine Telephone Company, Inc.

Address of principal office: PO Box 226 104101 Hwy 89 Freedom, WY 83120

Telephone Number Area Code (307) 883-2411 E-mail address:

Cities or towns served: Idaho: Driggs, Victor, Tetonia; Wyoming: Alta, Leigh Canyon

Name and title of officer having custody of the general corporate books of account: _____

Allen R. Hoopes

Address of office where corporate books are kept and phone number: _____

PO Box 226 104101 Hwy 89 Freedom, WY 83120

Organized under the laws of the State of: Wyoming

Date of organization: Domesticated 12/23/04

Form of organization (proprietorship, association, corporation): Corporation

If a Subchapter S Corporation, please specify: _____

Name and address of controlling company, if any: _____

Names of affiliated companies. Give address and description of business: Telecommunication Services

Silver Star Telephone Company, Inc.

PO Box 226 104101 Hwy 89 Freedom, WY 83120

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	Allen R. Hoopes	P.O. Box 226, Freedom, WY 83120
Chief Operation Officer	Ron B. McCue	P.O. Box 226, Freedom, WY 83120
VP Finance	Chad Turner	P.O. Box 226, Freedom, WY 83120

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
Melvin R. Hoopes	Indefinite	6	\$ 1,400
Allen R. Hoopes	Indefinite	8	\$ 1,825
Jack Bentley	Indefinite	8	\$ 1,825
Bob Foster	Indefinite	8	\$ 1,825
Rod R. Jensen	Indefinite	7	\$ 1,675
Peggy Zimmer	Indefinite	6	\$ 1,425
Name of Chairman of the Board:		Melvin R. Hoopes	
Name of Secretary (or Clerk) of Board:		Michelle Motzkus	
Number of Meetings of the Board during the year:		8	

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
Allen R. Hoopes	General Manager	Confidential
Ron B. McCue	Chief Operation Officer	Confidential
Caryl Wilkerson	Customer Service Manager	Confidential
Chad H. Turner	VP Finance	Confidential
Robert S. Tanguay	Network Manager	Confidential
Karen Ricks	Engineering/Plant Manager	Confidential
Jennifer Brannen	Marketing Manager	Confidential
George Scherer	Human Resource	Confidential
Brad Madison	Operation/Plant Manager	Confidential

Note: These wages include all dollars paid to managers performing work for Silver Star Telephone as well as those dollars allocated to Columbine Telephone Company, dba Teton Telecom.

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	568,820	143,882	(424,938)
1140 Special Cash Deposits			-
1150 Working Cash Advances	400	400	-
1160 Temporary Investments	291,862	239,360	(52,501)
1180 Telecommunications Accts. Receivable	119,622	189,795	70,173
1181 Accts. Rec. Allow. - Telecommunications	-	(30,000)	(30,000)
1190 Other Accounts Receivable	(254,936)	1,507,830	1,762,765
1191 Accounts Receivable Allow. - Other	14,000	14,000	-
1200 Notes Receivable	-	-	-
1201 Notes Receivable Allowance			-
1210 Interest & Dividends Receivable			-
1220 Material and Supplies	391,449	100,019	(291,430)
1280 Prepayments			-
1290 Prepaid Rents	3,350	3,350	-
1300 Prepaid Taxes			-
1310 Prepaid Insurance	17,852	112,869	95,017
1320 Prepaid Directory Expenses			-
1330 Other Prepayments			-
1350 Other Current Assets			-
Noncurrent Assets			
1401 Investment in Affiliated Companies			-
1402 Investment in Nonaffiliated Companies	2,367,469	2,613,181	245,712
1406 Nonregulated Investments	2,003,651	610,330	(1,393,321)
1407 Unamortized Debt Issuance Expense			-
1408 Sinking Funds			-
1410 Other Noncurrent Assets	75,144	86,027	10,883
1438 Deferred Maintenance & Retirements			-
1439 Deferred Charges			-
1500 Other Jurisdiction Assets - Net			-
Property, Plant and Equipment			
2001 Telecommunications Plants in Service	31,178,382	33,556,826	2,378,444
2002 Prop. Held for Future Telecom. Use	30,000	30,000	-
2003 Telecom. Plant under Constr. - Short Term	789,697	657,198	(132,499)
2004 Telecom. Plant under Constr. - Long Term			-
2005 Telecom. Plant Adjustment	2,637,771	2,637,771	-
2006 Nonoperating Plant			-
2007 Goodwill			-
Depreciation and Amortization Accounts			
3100 Accumulated Depreciated	(17,519,573)	(19,672,992)	(2,153,419)
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	(1,868,385)	(2,044,233)	(175,848)
3600 Accumulated Amortization - Other	(75,144)	(86,027)	(10,883)
TOTAL ASSETS	20,771,431	20,669,586	(101,845)

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	421,155	237,585	(183,570)
4020 Notes Payable	155,000	300,000	145,000
4030 Advance Billings and Payments			-
4040 Customer Deposits	12,172	58,840	46,668
4050 Current Maturities - Long -Term Debt			-
4060 Current Maturities - Capital leases			-
4070 Income Taxes - Accrued	-	-	-
4080 Other Taxes - Accrued	6,795	6,654	(141)
4100 Net Current Defer. Oper. Income Taxes	(5,205)	(10,084)	(4,879)
4110 Net Current Defer. Nonoper. Income Taxes			-
4120 Other Accrued Liabilities	222,410	251,362	28,952
4130 Other Current Liabilities			-
Long-Term Debt			
4210 Funded Debt	4,806,929	3,893,654	(913,275)
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	156,295	141,295	(15,000)
4330 Unamort. Nonoper. Invest. Tax Credits - Net			-
4340 Net Noncurrent Defer. Oper. Income Taxes	318,120	290,587	(27,533)
4350 Net Noncur. Defer. Nonoper. Income Taxes	277,899	13,377	(264,522)
4360 Other Deferred Credits	2,701,690	3,005,633	303,943
4370 Other Juris. Liab. & Def. Credits - Net			-
Stockholders' Equity			
4510 Capital Stock	11,483	11,483	-
4520 Additional Paid-In Capital	7,276,573	8,486,310	1,209,737
4530 Treasury Stock			-
4540 Other Capital	539,446	25,961	(513,485)
4550 Retained Earnings	3,870,669	3,956,929	86,260
			-
TOTAL LIAB. & OTHER CREDITS	20,771,431	20,669,586	(101,845)

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
1410 Internet Equipment	75,144	10,883	-		86,027
2111 Land	718,557	-	-		718,557
2112 Motor Vehicles	599,950	4,861	(23,598)		581,213
2113 Aircraft		-	-		
2114 Special Purpose Vehicles		-	-		
2115 Garage Work Equipment		-	-		
2116 Other Work Equipment	550,640	123,935	(52,430)		622,146
2121 Buildings	4,246,982	202,273	-		4,449,255
2122 Furniture	246,478	-	-		246,478
2123 Office Equipment	103,412	21,489	-		124,901
2124 General Purpose Computers	241,144	32,451	-		273,595
2211 Analog Electronic Switching		-	-		
2212 Digital Electronic Switching	940,936	52,090	(17,799)		975,227
2215 Electro-Mechanical Switching		-	-		
2220 Operator Systems		-	-		
2231 Radio Systems	623,492	-	(54,301)		569,191
2232 Circuit Equipment	4,740,496	738,334	(248,166)		5,230,663
2311 Station Apparatus		-	-		
2321 Customer Premises Wiring		-	-		
2341 Large Private Branch Exchanges		-	-		
2351 Public Telephone Terminal Equipment		-	-		
2362 Other Terminal Equipment		-	-		
2411 Poles	103,273	-	-		103,273
2421 Aerial Cable	126,340	-	-		126,340
2422 Underground Cable	196,868	-	-		196,868
2423 Buried Cable	17,269,371	1,599,305	-		18,868,676
2424 Submarine Cable		-	-		
2426 Intrabuilding Network Cable	11,044	-	-		11,044
2431 Aerial Wire	21,608	-	-		21,608
2441 Conduit Systems	416,150	-	-		416,150
2681 Capital Leases		-	-		
2682 Leasehold Improvements	21,640	-	-		21,640
2690 Intangibles		-	-		
TOTAL PLANT ACCOUNTS	31,253,526	2,785,621	(396,294)	-	33,642,853

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
1410	Internet Equipment	75,144	10,883	-		86,027
2111	Land	718,557	-	-		718,557
2112	Motor Vehicles	599,950	4,861	(23,598)		581,213
2113	Aircraft		-	-		
2114	Special Purpose Vehicles		-	-		
2115	Garage Work Equipment		-	-		
2116	Other Work Equipment	550,640	123,935	(52,430)		622,146
2121	Buildings	4,128,488	193,934	-		4,322,421
2122	Furniture	246,478	-	-		246,478
2123	Office Equipment	103,412	21,489	-		124,901
2124	General Purpose Computers	241,144	32,451	-		273,595
2211	Analog Electronic Switching		-	-		
2212	Digital Electronic Switching	940,936	52,090	(17,799)		975,227
2215	Electro-Mechanical Switching		-	-		
2220	Operator Systems		-	-		
2231	Radio Systems	550,206	-	(54,301)		495,905
2232	Circuit Equipment	4,631,529	699,154	(225,244)		5,105,439
2311	Station Apparatus		-	-		
2321	Customer Premises Wiring		-	-		
2341	Large Private Branch Exchanges		-	-		
2351	Public Telephone Terminal Equipment		-	-		
2362	Other Terminal Equipment		-	-		
2411	Poles	103,273	-	-		103,273
2421	Aerial Cable	125,881	-	-		125,881
2422	Underground Cable	196,868	-	-		196,868
2423	Buried Cable	16,535,695	1,594,382	-		18,130,077
2424	Submarine Cable		-	-		
2426	Intrabuilding Network Cable	11,044	-	-		11,044
2431	Aerial Wire	21,608	-	-		21,608
2441	Conduit Systems	416,150	-	-		416,150
2681	Capital Leases		-	-		
2682	Leasehold Improvements	21,640	-	-		21,640
2690	Intangibles		-	-		
TOTAL PLANT ACCOUNTS		30,218,644	2,733,179	(373,372)	-	32,578,452

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						
1410	Internet	75,144	33.33%	10,883		86,027
2112	Motor Vehicles	358,943	25.00%	65,211	(23,598)	400,555
2113	Aircraft			-	-	
2114	Special Purpose Vehicles			-	-	
2115	Garage Work Equipment			-	-	
2116	Other Work Equipment	546,822	20.00%	83,498	(52,430)	577,891
2121	Buildings	576,597	5.00%	220,380	-	796,977
2122	Furniture	69,435	14.00%	34,507	-	103,942
2123	Office Equipment	53,770	20.00%	20,682	-	74,453
2124	General Purpose Computers	241,144	33.33%	29,633	-	270,777
2211	Analog Electronic Switching			-	-	
2212	Digital Electronic Switching	571,979	12.00%	115,669	(17,799)	669,849
2215	Electro-Mechanical Switching			-	-	
2220	Operator Systems			-	-	
2231	Radio Systems	616,976	20.00%	6,516	(54,301)	569,191
2232	Circuit Equipment	3,461,365	12.50%	612,687	(248,166)	3,825,886
2311	Station Apparatus			-	-	
2321	Customer Premises Wiring			-	-	
2341	Large Private Branch Exchanges			-	-	
2351	Public Telephone Terminal Equipment			-	-	
2362	Other Terminal Equipment			-	-	
2411	Poles	103,273	7.50%	-	-	103,273
2421	Aerial Cable	126,340	8.60%	-	-	126,340
2422	Underground Cable	180,447	10.00%	12,982	-	193,428
2423	Buried Cable	10,411,860	6.50%	1,326,992	-	11,738,851
2682	Amortize Leasehold Improvemnts	21,640	Amortize 18 Months	-	-	21,640
2426	Intrabuilding Network Cable	11,044	6.50%	-	-	11,044
2431	Aerial Wire	21,459		148	-	21,608
2441	Conduit Systems	146,477	5.00%	20,808	-	167,285
	TOTAL	17,594,717		2,560,596	(396,294)	19,759,018

*Please list individual depreciation rate for each account.

ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION
Account 3100

	IDAHO Operations Only			Credits	Retirements	Balance
	Balance	Depreciation	During	and	End	
	Beginning	Rate*	Year	Adjustments	of	
	of Year		Year	Year	Year	Year
Analysis of Entries in Accumulated Depreciation						
1410 Internet	75,144	33.33%	10,883	-	86,027	
2112 Motor Vehicles	358,943	25.00%	65,211	(23,598)	400,555	
2113 Aircraft			-	-		
2114 Special Purpose Vehicles			-	-		
2115 Garage Work Equipment	546,822	20.00%	83,498	(52,430)	577,891	
2116 Other Work Equipment	517,522	5.00%	214,073	-	731,594	
2121 Buildings	69,435	14.00%	34,507	-	103,942	
2122 Furniture	53,770	20.00%	20,682	-	74,453	
2123 Office Equipment	241,144	33.33%	29,633	-	270,777	
2124 General Purpose Computers			-	-		
2211 Analog Electronic Switching	571,979	12.00%	115,669	(17,799)	669,849	
2212 Digital Electronic Switching			-	-		
2215 Electro-Mechanical Switching			-	-		
2220 Operator Systems			-	-		
2231 Radio Systems	550,206	20.00%	-	(54,301)	495,905	
2232 Circuit Equipment	3,390,111	12.50%	599,179	(225,244)	3,764,046	
2311 Station Apparatus			-	-		
2321 Customer Premises Wiring			-	-		
2341 Large Private Branch Exchanges			-	-		
2351 Public Telephone Terminal Equipment			-	-		
2362 Other Terminal Equipment			-	-		
2411 Poles	103,273	7.50%	-	-	103,273	
2421 Aerial Cable	125,881	8.60%	-	-	125,881	
2422 Underground Cable	180,447	10.00%	12,982	-	193,428	
2423 Buried Cable	9,731,526	6.50%	1,280,493	-	11,012,019	
2682 Amortize Leasehold Improvements	21,640	Amortize 18 Months	-	-	21,640	
2426 IntraBuilding Network Cable	11,044	6.50%	-	-	11,044	
2431 Aerial Wire	21,459		148	-	21,608	
2441 Conduit Systems	146,477	5.00%	20,808	-	167,285	
TOTAL	16,716,825		2,487,765	(373,372)	18,831,218	

*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>
RTFC Certificates	1997	_____	218,185
RTFC Certificates	2003	_____	199,226
Syringa	2000	_____	1,465,890
Valley Wireless	2003	_____	580,096
Wells Fargo-New Century	2003	_____	610,330
_____	_____	_____	_____
_____	_____	_____	_____
Totals	_____	_____	3,073,727

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 (1180)	_____	189,795
Bad Debt (1181)	_____	(30,000)
Neca (1190)	_____	671,619
Sprint (1190)	_____	-
ATT (1190)	_____	93,607
Other Interexchange Carriers)	_____	91,456
Other (1190)	_____	19,821
Schools & Libraries (1190)	_____	5,653
Affiliates (1190)	_____	653,673
Prepaid Income Taxes (1190)	_____	0
Bad Debt (1191)	_____	(14,000)
Shareholders (1210)	-	_____
_____	_____	_____
_____	_____	_____
Totals	-	1,681,625

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>
Rural Telephone Finance				300,000
Totals				300,000

ACCOUNTS PAYABLE

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

<u>Name of Creditor</u>	<u>Amount</u>
Affiliates	89,063
Neca	13,252
Taxes	12,379
U.S. West	482
Other Carriers	(17,183)
Employee Payroll / Benefits	145,949
Totals	243,943

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>Year Amortized</u>	<u>Rate</u>	<u>Amount</u>
RTFC Note	5/7/1997	2012	10,000,000	3,442,983			5.50%	256,250
Four Star	2003	2010	435,902	450,671			1.68%	6,970
Less Current Portion								
Total Long Term Debt (Page 5)				3,893,654				

INCOME & RETAINED EARNINGS STATEMENT

Item	Total Company	Idaho Only
Total Operating Income (from page 16)	9,217,338	8,719,602
Total Operating Expenses (from page 18)	(7,677,350)	(7,262,773)
7100 Other Operating Income and Expense	-	-
7210 Operating Investment Tax Credits-Net	(15,000)	(14,190)
7220 Operating Federal Income Taxes	895,769	847,397
7230 Operating State and Local Income Taxes	(54,184)	(51,258)
7240 Operating Other Taxes	72,933	68,994
7250 Provision for Deferred Operating Income Taxes-Net	61,283	57,974
7200 Operating Taxes (Total)	960,801	908,918
7310 Dividend Income	(27,224)	(25,754)
7320 Interest Income	(16,561)	(15,666)
7330 Income from Sinking and Other Funds	-	-
7340 Allowance for Funds Used During Construction	-	-
7350 Gains/Losses from the Disposition of Certain Property	-	-
7360 Other Nonoperating Income	(1,288,683)	(1,219,094)
7370 Special Charges	20,039	18,957
7300 Nonoperating Income and Expense	(1,312,429)	(1,241,557)
7410 Nonoperating Investment Tax Credits-Net	-	-
7420 Nonoperating Federal Income Taxes	30,144	28,516
7430 Nonoperating State and Local Income Taxes	70,271	66,476
7440 Nonoperating Other Taxes	-	-
7450 Provision for Deferred Nonoperating Income Taxes-Net	(100,415)	(94,993)
7400 Nonoperating Taxes	-	-
7510 Interest on Funded Debt	257,922	243,994
7520 Interest Expense-Capital Leases	-	-
7530 Amortization of Debt Issuance Expense	-	-
7540 Other Interest Deductions	17,278	16,345
7500 Interest and Related Items	275,200	260,339
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	592,531	560,534
AMOUNT TRANSFERRED TO RETAINED EARNINGS	2,208,946	2,089,663

OPERATING REVENUES

Item	Total Company	Idaho Only
Local Network Services Revenues		
5001 Basic Area Revenue	1,620,907	1,533,378
5002 Optional Extended Area Revenue		-
5003 Cellular Mobile Revenue		-
5004 Other Mobile Services Revenue		-
5010 Public Telephone Revenue	-	-
5040 Local Private Line Revenue	130,540	123,491
5050 Customer Premises Revenue		-
5060 Other Local Exchange Revenue	289,897	274,242
5069 Other Local Exchange Settlements	2,574,121	2,435,118
Network Access Services Revenues		
5081 End User Revenue (SLC)	471,865	446,384
5082 Switched Access Revenue (Interstate)	2,926,341	2,768,319
5083 Special Access Revenue	846,860	801,129
5084 State Access Revenue (Intrastate)	149,925	141,829
Long Distance Network Services Revenues		
5100 Long Distance Message Revenue - All	-	-
Miscellaneous Revenues		
5230 Directory Revenue	68,706	64,996
5240 Rent Revenue	55,071	52,098
5250 Corporate Operations Revenue		-
5261 Special Billing Arrangements Revenue		-
5262 Customer Operations Revenue		-
5263 Plant Operations Revenue		-
5264 Other Incidental Regulated Revenue	45,045	42,612
5269 Other Revenue Settlements		-
5270 Carrier Billing & Collection Revenue	87,601	82,870
Uncollectible Revenues		
5301 Uncollectible Revenue - Telecommunications	(43,727)	(41,366)
5302 Uncollectible Revenue - Other	(5,814)	(5,500)
		-
TOTAL OPERATING REVENUES	9,217,338	8,719,602

Please identify the following revenues:

NECA USF	\$ <u>2,573,365</u>	To what account were they booked?	5069.10
State USF	\$ <u>-</u>	To what account were they booked?	5069.22

OPERATING REVENUES

Item	Total Company	Idaho Only
Plant Specific Operations Expense		
6110 Network Support Expenses	-	-
6112 Motor Vehicle Expense	1,716	1,623
6113 Aircraft Expense	-	-
6114 Special Purpose Vehicles Expense	-	-
6115 Garage Work Equipment Expense	-	-
6116 Other Work Equipment Expense	-	-
6120 General Support Expenses	-	-
6121 Land and Building Expenses	220,719	208,800
6122 Furniture and Artworks Expense	13,127	12,419
6123 Office Equipment Expense	23,786	22,501
6124 General Purpose Computers Expense	218,056	206,281
6210 Central Office Switching Expenses	-	-
6211 Analog Electronic Expense	-	-
6212 Digital Electronic Expense	326,074	308,466
6215 Electro-Mechanical Expense	-	-
6220 Operators System Expense	-	-
6230 Central Office Transmission Expenses	-	-
6231 Radio Systems Expense	-	-
6232 Circuit Equipment Expense	193,954	183,481
6310 Information Origination/Termination Expense	-	-
6311 Station Apparatus Expense	-	-
6341 Large Private Branch Exchange Expense	-	-
6351 Public Telephone Terminal Equipment Expense	4,965	4,697
6362 Other Terminal Equipment Expense	-	-
6410 Cable and Wire Facilities Expenses	-	-
6411 Pole Expense	-	-
6421 Aerial Cable Expense	2,207	2,088
6422 Underground Cable Expense	-	-
6423 Buried Cable Expense	1,812,224	1,714,364
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	2,816,828	2,664,719

OPERATING REVENUES

Item	Total Company	Idaho Only
Plant Nonspecific Operations Expense		
6510 Other Property/Plant/Equipment Expenses	-	-
6511 Property Held for Future Telecomm. Use Expenses	-	-
6512 Provisioning Expense	-	-
6530 Network Operations Expense	-	-
6531 Power Expense	-	-
6532 Network Administration Expense	27,573	26,084
6533 Testing Expense	12,270	11,608
6534 Plant Operations Administration Expense	68,407	64,713
6535 Engineering Expense	214,868	203,265
6540 Access Expense	48,993	46,347
6560 Depreciation and Amortization Expenses	-	-
6561 Depreciation Expense-Telecom. Plant in Service	2,530,889	2,394,221
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	2,903,001	2,746,239
Customer Operations Expense		
6610 Marketing	-	-
6611 Product Management	-	-
6612 Sales	133,495	126,286
6613 Product Advertising	15,285	14,459
6620 Services	-	-
6621 Call Completion Services	-	-
6622 Number Services	44,055	41,676
6623 Customer Services	618,492	585,094
Total Customer Operations Expense	811,327	767,515
Corporate Operations Expense		
6710 Executive and Planning	-	-
6711 Executive	243,166	230,035
6712 Planning	23,718	22,437
6720 General and Administrative	-	-
6721 Accounting and Finance	372,526	352,409
6722 External Relations	90,823	85,918
6723 Human Resources	109,153	103,259
6724 Information Management	-	-
6725 Legal	4,755	4,498
6726 Procurement	16,519	15,627
6727 Research and Development	-	-
6728 Other General and Administrative	285,536	270,117
6790 Provision for Uncollectible Notes Receivable	-	-
Total Corporate Operations Expense	1,146,195	1,084,301
TOTAL OPERATING EXPENSES	7,677,350	7,262,773

CENTRAL OFFICE DATA
as of December 31, 2008_ (unless otherwise indicated)

Name of Central Office: Driggs, Idaho
Prefix (es): 354, 787*, 456* *Served Via Concentrators

Central Office Switch Type: DMS 10

Check all that apply:
Stand Alone X **Check one:**
Host Digital X Electronic
Remote Analog Electro-Mechanical
Other:

Access Line Capacity
Design: **Access Lines in Use**
Customer Lines: 3965
(Include Centrex, PAL, Semi-Pub.)

Installed/Equipped: Public Telephone Lines 2
Company Official Lines 72
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		3103	3103	909	305	1214	4317
New Connects		15	15	21	23	44	59
Disconnects		343	343	49	19	68	411
End of Year		2775	2775	881	309	1190	3965

Foreign Exchange:
Dial Tone from this C.O.: **Directory Listings:** 181
Dial Tone from another C.O.: Number of Customers with Nonpublished or Nonlisted:

Custom Calling:
Number of customers with at least one feature: N/A
Total number of features subscribed to: N/A

NUMBER OF CALLS COMPLETED BY CUSTOMERS DURING (Year) 2008

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							
2							
3							
4							
5	208/354	713,630		100,053	1,151,998	1,252,051	
6	208/787	305,714		79,104	834,078	883,182	
7	208/456	170,837		22,881	317,287	340,168	
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							

ANNUAL REPORT FOR SMALL TELEPHONE COMPANIES
YEAR ENDED DECEMBER 31, 2008.

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 _____ No _____

Included in directory Yes X No _____

Date of notification _____

Alternate method of notification _____

Rule IDAPA 31.41.01.403.02

Record of Complaints:

Number received by Company 3

Category of complaints (if known):

Deposit Disputes

Charges on Bill 2

Denial/Termination _____

Quality or Availability
of Service _____

Carrier Selection/Assignment _____

Miscellaneous 1

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CERTIFICATE

State of ~~Idaho~~ Wyoming) ss
County of Lincoln)

WE, the undersigned _____

and _____

of the _____ utility,

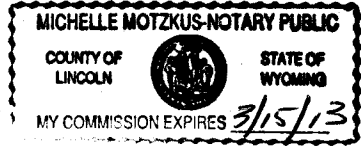
on our oath do severally say that the foregoing return has been prepared under our direction, from the original books, papers, and records of said utility; that we have carefully examined same, and declare the same to be a correct statement of the business affairs of said utility for the period covered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

Ulad Timmer
(Chief Officer)

Paul G. ...
(Officer in Charge of Accounts)

Subscribed and Sworn to Before Me this 23rd day of April, (Year) 2009.

Michelle Motzkus
Notary Public



My Commission expires 3/15, (Year) 2013.

Rev 3/02

gdk/excel/jnelson/anulrpts/telannualrpt