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IDAHO PUBLIC
UTILITIES COMMISSION

ANNUAL REPORT

OF **DCM-T**

Direct Communications Rockland

NAME

PO Box 269 Rockland, ID 83271

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 December 31, 2008**

COMPANY INFORMATION

Exact name of utility: DIRECT COMMUNICATIONS ROCKLAND, INC
 Address of principal office: 150 South Main Rockland, Idaho 83271
 Telephone Number (Area Code 208) 548 - 2345
 Cities or towns served: Rockland, Arbon, Paris, Bloomington, St. Charles, & Fish Haven

Name and title of officer having custody of the general corporate books of account: _____
Leonard May, President

Address of office where corporate books are kept and phone number: _____
150 South Main Rockland, Idaho 83271 (208) 548 - 2345

Organized under the laws of the State of: Idaho

Date of organization:: 1973

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: _____
Direct Communciations Cable, 150 South Main Rockland, Idaho 83271, Cable T.V.
Direct Communciations Cedar Valley, 150 South Main Rockland, Idaho 83271, Phone company

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 - Treasurer	Leonard May	P.O. Box 269 Rockland, Idaho 83271
Vice Pres. - Secretary	Marilyn May	P.O. Box 269 Rockland, Idaho 83271

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
Leonard May Rockland ID	May-09	12	
Marilyn May Rockland ID	May-09	12	
Garrin Bott Rockland ID	May-09	12	
Kip Wilson Rockland ID	May-09	12	
Jeremy Smith Rockland ID	May-09	12	
Scott Hendrickson Rockland ID	May-09	12	

Name of Chairman of the Board: Leonard May
 Name of Secretary (or Clerk) of Board: Marilyn May
 Number of Meetings of the Board during the year: 12

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
Leonard May	President - Treasurer	Information is Confidential
Marilyn May	Vice Pres. - Secretary	

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	4,236	311,366	307,130
1140 Special Cash Deposits	2,548	8,538	5,990
1150 Working Cash Advances	300	300	0
1160 Temporary Investments	51,597	52,849	1,251
1180 Telecommunications Accts. Receivable	256,872	103,980	(152,892)
1181 Accts. Rec. Allow. -Telecommunications	(3,500)	(3,500)	0
1190 Other Accounts Receivable	484,665	881,627	396,962
1191 Accounts Receivable Allow. - Other	(5,529)	(30,529)	(25,000)
1200 Notes Receivable	239,217	0	(239,217)
1201 Notes Receivable Allowance			
1210 Interest & Dividends Receivable			
1220 Material and Supplies	35,936	43,368	7,431
1280 Prepayments			
1290 Prepaid Rents			
1300 Prepaid Taxes	60,000	20,000	(40,000)
1310 Prepaid Insurance	16,153	21,197	5,044
1320 Prepaid Directory Expenses			
1330 Other Prepayments			
1350 Other Current Assets			
Noncurrent Assets			
1401 Investment in Affiliated Companies	2,727,356	2,211,283	(516,074)
1402 Investment in Nonaffiliated Companies			
1406 Nonregulated Investments		6,854	
1407 Unamortized Debt Issuance Expense			
1408 Sinking Funds			
1410 Other Noncurrent Assets	9,787	9,787	0
1438 Deferred Maintenance & Retirements			
1439 Deferred Charges	110,438	87,021	(23,417)
1500 Other Jurisdiction Assets - Net			
Property, Plant and Equipment			
2001 Telecommunications Plants in Service	26,323,636	27,088,348	764,712
2002 Prop. Held for Future Telecom. Use			
2003 Telecom. Plant under Constr. - Short Term	6,169	61,503	55,334
2004 Telecom. Plant under Constr. - Long Term			
2005 Telecom. Plant Adjustment			
2006 Nonoperating Plant	1,176,943	1,502,566	325,623
2007 Goodwill			
Depreciation and Amortization Accounts			
3100 Accumulated Depreciated	14,982,961	17,066,230	2,083,269
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	16,513,863	15,310,327	(1,203,536)

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	285,622	176,349	(109,272)
4020 Notes Payable			
4030 Advance Billings and Payments	32,198	32,175	(23)
4040 Customer Deposits			
4050 Current Maturities - Long -Term Debt	1,067,899	1,300,195	232,296
4060 Current Maturities - Capital leases			
4070 Income Taxes - Accrued		10	10
4080 Other Taxes - Accrued	40,035	32,548	(7,487)
4100 Net Current Defer. Oper. Income Taxes			
4110 Net Current Defer. Nonoper. Income Taxes			
4120 Other Accrued Liabilities	51,967	73,160	21,193
4130 Other Current Liabilities			
Long-Term Debt			
4210 Funded Debt	10,998,456	10,007,126	(991,330)
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	98,716	314,096	215,381
Other Liabilities & Deferred Credits			
4310 Other Long-Term Liabilities			
4320 Unamort. Oper. Invest. Tax Credits - Net			
4330 Unamort. Nonoper. Invest. Tax Credits - Net			
4340 Net Noncurrent Defer. Oper. Income Taxes	1,247,302	1,039,256	(208,046)
4350 Net Noncur. Defer. Nonoper. Income Taxes			
4360 Other Deferred Credits			
4370 Other Juris. Liab. & Def. Credits - Net			
Stockholders' Equity			
4510 Capital Stock	50,000	439,555	389,555
4520 Additional Paid-In Capital			
4530 Treasury Stock			
4540 Other Capital			
4550 Retained Earnings	2,641,668	1,895,856	(745,812)
TOTAL LIAB. & OTHER CREDITS	16,513,863	15,310,327	(1,203,536)

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	137,538				137,538
2112 Motor Vehicles	448,117	19,611		107,515	575,243
2113 Aircraft					
2114 Special Purpose Vehicles	56,865			35,000	91,865
2115 Garage Work Equipment	17,415				17,415
2116 Other Work Equipment	746,026	53,388	132,759		666,654
2121 Buildings	1,597,136	2,021			1,599,157
2122 Furniture	74,441				74,441
2123 Office Equipment	141,458				141,458
2124 General Purpose Computers	169,416	2,028		21,503	192,947
2211 Analog Electronic Switching					
2212 Digital Electronic Switching					
2215 Electro-Mechanical Switching	2,608,967				2,608,967
2220 Operator Systems					
2231 Radio Systems				13,886	13,886
2232 Circuit Equipment	4,252,861	20,009		(13,886)	4,258,984
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	16,073,398	206,929			16,280,327
2424 Submarine Cable					
2426 Intrabuilding Network Cable					
2431 Aerial Wire					
2441 Conduit Systems					
2681 Capital Leases					
2682 Leasehold Improvements					
2690 Intangibles	1,176,943			325,623	1,502,566
Non-regulated Telephone Plant				429,466	429,466
TOTAL PLANT ACCOUNTS	27,500,581	303,986	132,759	919,107	28,590,914

ANALYSIS OF TELECOMMUNICATIONS PLANT ACCOUNTS
IDAHO Operations Only

	Balance Beginning of Year	Additions During Year	Plant Retired or Sold	Transfers and Adjustments	Balance End of Year
Analysis of Telecommunications Plant in Service					
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				Credits During Year	Retirements and Adjustments	Balance End of Year
	Balance Beginning of Year	Depreciation Rate*					
Analysis of Entries in Accumulated Depreciation							
2112 Motor Vehicles	326,605	25.0%		95,356		421,961	
2113 Aircraft							
2114 Special Purpose Vehicles	35,227	10.0%		27,797		63,024	
2115 Garage Work Equipment	9,251	11.0%		1,082		10,333	
2116 Other Work Equipment	652,978	12.5%		63,427	(132,759)	583,645	
2121 Buildings	479,219	3.0%		48,277		527,496	
2122 Furniture	61,623	12.5%		8,062		69,685	
2123 Office Equipment	128,419	12.5%		3,236		131,655	
2124 General Purpose Computers	135,664	20.0%		32,139		167,803	
2211 Analog Electronic Switching							
2212 Digital Electronic Switching	1,810,112	12.0%		305,487		2,115,599	
2215 Electro-Mechanical Switching							
2220 Operator Systems							
2231 Radio Systems							
2232 Circuit Equipment	2,733,973	10.0%		2,777	8,794	11,572	
2311 Station Apparatus				246,837	(8,794)	2,989,605	
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	7,729,592	6.5%		882,419		8,612,011	
2424 Submarine Cable							
2426 Intrauilding Network Cable							
2431 Aerial Wire							
2441 Conduit Systems							
Non-regulated Telephone Plant					318,971	318,971	
TOTAL	14,102,663			1,716,897	186,212	16,023,361	

*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					
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					

**SAME AS TOTAL
COMPANY**

*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>
CTT COMMUNICATIONS	1991		160,861
RTFC CERTIFICATES & NRTC	1993, 94, & 96		310,168
INDEPENDENT CABLE SYSTEM	2003		127,414
CEDAR VALLEY	2004		104,925
SYRINGA NETWORK	2000		1,166,230
ANPI & SOLEX	2002		17,800
NEWSTREETS, INC.	2002		20,000
SYRINGA WIRELESS	2006		303,885
Totals			2,211,283

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>
CUSTOMERS		103,980
INTEREXCHANGE CARRIERS AND OTHERS		881,627
Totals	0	985,607

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>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Totals	_____	_____	_____	_____

ACCOUNTS PAYABLE

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

<u>Name of Creditor</u>	<u>Amount</u>
_____	_____
_____	_____
_____	_____
SEE ATTACHED LISTING	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
Totals	<u>0.00</u>

ACCOUNTS PAYABLE

<u>NAME OF CREDITOR</u>	<u>AMOUNT</u>
American Falls NAPA	225.82
Bear Lake Motor	296.15
Brigham Co-op	2,321.65
Computer Technology, Inc.	5,028.40
Data Solutions	869.20
Digital Bridge Communications	10,048.28
Direct Communciations Cedar Valley	15,869.54
Direct Communciations Rockland	1,437.70
Direct Communications Long Distance	5,628.10
Direct Internet	25,552.46
Employee Flex Plan	167.58
Equinox Information Systems	1,800.00
Ford Credit	1,058.81
Franchise Fees	14,511.68
GMAC	393.85
Graybar	937.33
ICS of Idaho	48,528.35
Intermountain Power Source	436.47
P.P.S. Company	873.48
Pitney Bowes	2,488.37
Project Mutual Telephone	534.60
Rocky Mountain Power	1,470.67
Services Management Corp.	350.00
State Sales Taxes	4,093.41
State Withholding Taxes	6,936.00
Trango Systems	9,966.00
USAC	1,204.14
Wiggins & Co.	3,500.00
Yellow Book USA	359.00
Zions Bank	8,059.77
All others under \$100	1,402.19
Totals	<u>176,349.00</u>

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>	
RTFC	1994	2009	465,305	12,450		VARIES	2,201
RTFC	1995	2012	3,030,202	805,393		VARIES	69,633
RUS	1979	2011	1,608,421	667,155		2.00%	368,858
RUS	1990	2012	5,080,583	6,927,130		5.00%	
RTFC	2004	2011	1,775,699	1,376,635		VARIES	103,630
RTB	2002	2017	1,653,749	1,439,087		6.05%	78,182
FORD CREDIT	2006	2012	50,986	37,827		0.00%	0
ZIONS BANK	2006	2010	76,951	37,467		6.5% & 8.5%	4,830
WESTERN STATES CAT	2008	2011	48,388	48,388		0.00%	0
TOYOTA	2008	2012	57,253	41,156		7.70%	1,766
GMAC	2008	2012	27,887	24,169		0.00%	0
ZIONS BANK	2008	2011	313,348	199,560		VARIES	20,229

CAPITAL STOCK

Report below the particulars called for concerning common and preferred stock at end of year, designating separate series of any general class. Show totals separately for common and preferred.

For each class of preferred stock, show the dividend rate and whether dividends are cumulative or noncumulative.

Show details in a footnote of capital stock sold during the year. Include number of shares, consideration received, premium or discount, and expenses incurred.

<u>Class & Series of Stock</u>	<u>Number of Shares Authorized</u>	<u>Par Value per Share</u>	<u>Outstanding per Balance Sheet</u>	
			<u>Shares</u>	<u>Amount</u>
COMMON VOTING STOCK	100,000		12,500	43,956
COMMON NONVOTING STOCK	900,000		112,500	395,600

INCOME & RETAINED EARNINGS STATEMENT

Item	Total Company	Idaho Only
Total Operating Income (from page 16)	4,618,082	
Total Operating Expenses (from page 18)	4,425,118	
7100 Other Operating Income and Expense		SAME AS TOTAL
7210 Operating Investment Tax Credits-Net		
7220 Operating Federal Income Taxes		
7230 Operating State and Local Income Taxes		
7240 Operating Other Taxes	65,097	
7250 Provision for Deferred Operating Income Taxes-Net	48,153	
7200 Operating Taxes (Total)	113,250	
7310 Dividend Income	(27,423)	
7320 Interest Income	(9,786)	
7330 Income from Sinking and Other Funds		
7340 Allowance for Funds Used During Construction	(3,791)	
7350 Gains/Losses from the Disposition of Certain Property		
7360 Other Nonoperating Income	(5,939)	
7370 Special Charges	34,202	
7300 Nonoperating Income and Expense	(12,736)	
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		
7400 Nonoperating Taxes		
7510 Interest on Funded Debt	618,697	
7520 Interest Expense-Capital Leases		
7530 Amortization of Debt Issuance Expense		
7540 Other Interest Deductions	12,370	
7500 Interest and Related Items	631,067	
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	(638,232)	
AMOUNT TRANSFERRED TO RETAINED EARNINGS	99,614	

OPERATING REVENUES

Item	Total Company	Idaho Only
Local Network Services Revenues		
5001 Basic Area Revenue	396,449	SAME AS TOTAL
5002 Optional Extended Area Revenue	_____	
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	46,402	
5069 Other Local Exchange Settlements	_____	
Network Access Services Revenues		
5081 End User Revenue (SLC)	109,792	
5082 Switched Access Revenue (Interstate)	3,762,708	
5083 Special Access Revenue	_____	
5084 State Access Revenue (Intrastate)	280,107	
Long Distance Network Services Revenues		
5100 Long Distance Message Revenue - All	_____	
Miscellaneous Revenues		
5230 Directory Revenue	_____	
5240 Rent Revenue	_____	
5250 Corporate Operations Revenue	_____	
5261 Special Billing Arrangements Revenue	_____	
5262 Customer Operations Revenue	_____	
5263 Plant Operations Revenue	_____	
5264 Other Incidental Regulated Revenue	16,997	
5269 Other Revenue Settlements	_____	
5270 Carrier Billing & Collection Revenue	7,968	
Uncollectible Revenues		
5301 Uncollectible Revenue - Telecommunications	(2,341)	
5302 Uncollectible Revenue - Other	_____	
TOTAL OPERATING REVENUES	4,618,082	

Please identify the following revenues:

NECA USF \$ 668,394 . To what account were they booked? 5082.22

State USF \$ 221,847 . To what account were they booked? 5084.60

OPERATING REVENUES

Item	Total Company	Idaho Only
Plant Specific Operations Expense		
6110 Network Support Expenses	_____	SAME AS TOTAL
6112 Motor Vehicle Expense	0	
6113 Aircraft Expense	_____	
6114 Special Purpose Vehicles Expense	_____	
6115 Garage Work Equipment Expense	_____	
6116 Other Work Equipment Expense	1,344	
6120 General Support Expenses	_____	
6121 Land and Building Expenses	125,793	
6122 Furniture and Artworks Expense	9,160	
6123 Office Equipment Expense	_____	
6124 General Purpose Computers Expense	158,713	
6210 Central Office Switching Expenses	175,953	
6211 Analog Electronic Expense	_____	
6212 Digital Electronic Expense	_____	
6215 Electro-Mechanical Expense	_____	
6220 Operators System Expense	_____	
6230 Central Office Transmission Expenses	_____	
6231 Radio Systems Expense	4,036	
6232 Circuit Equipment Expense	279,217	
6310 Information Origination/Termination Expense	_____	
6311 Station Apparatus Expense	_____	
6341 Large Private Branch Exchange Expense	_____	
6351 Public Telephone Terminal Equipment Expense	_____	
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	803,463	
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	1,557,680	

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		SAME AS TOTAL
6512 Provisioning Expense	11,596	
6530 Network Operations Expense		
6531 Power Expense	30,722	
6532 Network Administration Expense	43,708	
6533 Testing Expense		
6534 Plant Operations Administration Expense		
6535 Engineering Expense	123,642	
6540 Access Expense	19,410	
6560 Depreciation and Amortization Expenses	78,006	
6561 Depreciation Expense-Telecom. Plant in Service	1,604,304	
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	1,911,388	
Customer Operations Expense		
6610 Marketing		
6611 Product Management	57,878	
6612 Sales		
6613 Product Advertising		
6620 Services		
6621 Call Completion Services		
6622 Number Services	4,681	
6623 Customer Services	256,273	
Total Customer Operations Expense	318,832	
Corporate Operations Expense		
6710 Executive and Planning		
6711 Executive	224,836	
6712 Planning		
6720 General and Administrative		
6721 Accounting and Finance	349,649	
6722 External Relations		
6723 Human Resources	4,501	
6724 Information Management		
6725 Legal	2,582	
6726 Procurement		
6727 Research and Development		
6728 Other General and Administrative	55,650	
6790 Provision for Uncollectible Notes Receivable		
Total Corporate Operations Expense	637,218	
TOTAL OPERATING EXPENSES	4,425,118	

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

Name of Central Office: ARBON
Prefix (es): 335

Central Office Switch Type: SIEMENS EWSD - RLS 1000

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

Access Line Capacity
Design: 180 **Access Lines in Use**
Customer Lines: 103
(Include Centrex, PAL, Semi-Pub.)

Installed/Equipped: 138
Public Telephone Lines 0
Company Official Lines 2
Company Test Lines 3

Classification of Customer Access

	Residence			Business			Total Residence & Business
	Multi-Line 1-Party	Single Line Multi-Party	Subtotal Residence	Centrex N.A.R.	Multi-Line 1-Party	Single Line Multi-Party	
Beginning of Year		93	93		7	3	103
New Connects		3	3		0	0	3
Disconnects		3	3		0	0	3
End of Year		93	93		7	3	103

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

Custom Calling:
Number of customers with at least one feature: 62
Total number of features subscribed to: 34

Directory Listings:
Number of Customers with Nonpublished or Nonlisted: 8

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

Name of Central Office: PARIS
 Prefix (es): 945

Central Office Switch Type: SIEMENS EWSD ONE - UP

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

Access Line Capacity
 Design: 1520 **Access Lines in Use**
 Customer Lines: 809
 (Include Centrex, PAL, Semi-Pub.)

Installed/Equipped: 1442
 Public Telephone Lines 0
 Company Official Lines 4
 Company Test Lines 15

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		750	750	85	23	108	858
New Connects		15	15	3	6	9	24
Disconnects		62	62	11	0	11	73
End of Year		703	703	77	29	106	809

Foreign Exchange:
 Dial Tone from this C.O.: 1
 Dial Tone from another C.O.: 0
Directory Listings:
 Number of Customers with Nonpublished or Nonlisted: 39

Custom Calling:
 Number of customers with at least one feature: 384
 Total number of features subscribed to: 34

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

Name of Central Office: ROCKLAND
Prefix (es): 548

Central Office Switch Type: SIEMENS EWSD ONE - UP REMOTE

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

Access Line Capacity
Design: 735 **Access Lines in Use** 255
(Include Centrex, PAL, Semi-Pub.)

Installed/Equipped: 663
Public Telephone Lines 0
Company Official Lines 24
Company Test Lines 5

Classification of Customer Access

	Residence			Business			Total
	Multi-Line	Single Line	Subtotal	Multi-Line	Single Line	Subtotal	
	1-Party	Multi-Party	Residence	1-Party	Multi-Party	Business	Residence & Business
Beginning	210	4	210	66	11	77	287
New Connects	4	4	4	0	1	1	5
Disconnects	25	25	25	12	0	12	37
End of Year	189	189	189	54	12	66	255

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: 11

Custom Calling:
Number of customers with at least one feature: 138
Total number of features subscribed to: 34

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)			
		Number (1000s)	Avg./Line	Intrastate	Interstate	Total	
1 ARBON	103			6,082	38,481	44,563	433
2 ROCKLAND	255			14,269	81,652	95,921	376
3 PARIS	809			21,970	356,407	378,377	468
4							
5							
6							
7							
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 No

Date of notification Paris in January, Rockland & Arbon in June

Alternate method of notification Local newspaper annually

Rule IDAPA 31.41.01.403.02

Record of Complaints:

Number received by Company 58

Category of complaints (if known):

Deposit Disputes 0

Charges on Bill 33

Denial/Termination _____

Quality or Availability
of Service 13

Carrier Selection/Assignment 3

Miscellaneous 9

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CERTIFICATE

State of Idaho IDAHO)
) ss
County of POWER)

WE, the undersigned Leonard May

and Bruce Steed

of the Direct Communications Rockland, Inc. utility,

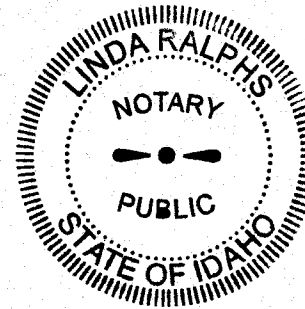
on our oath do severally say that the foregoing return has been prepared under our direction, from the original books, papers, and records of said utility; that we have carefully examined same, and declare the same to be a correct statement of the business affairs of said utility for the period covered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

Leonard May
(Chief Officer)
Bruce A. Steed
(Officer in Charge of Accounts)

Subscribed and Sworn to Before Me this 30 day of April, (Year) 2009.

Linda Ralphs
Notary Public

My Commission expires 1-24, (Year) 2014.



Rev 3/02

gdk/excel/jnelson/anulrpts/telannualrpt