

DCM-T

# ***ANNUAL REPORT***

OF

DIRECT COMMUNICATIONS ROCKLAND, INC.  
**NAME**

150 SOUTH MAIN  
ROCKLAND, ID 83271  
ADDRESS

TO THE

**IDAHO PUBLIC**

**UTILITIES COMMISSION**

FOR THE

YEAR ENDED 2018

**ANNUAL REPORT OF SMALL TELEPHONE COMPANIES TO  
THE IDAHO PUBLIC UTILITIES COMMISSION  
FOR THE YEAR ENDING December 31, 2018**

**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: \_\_\_\_\_

Tim May, General Manager

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 Cedar Valley, 150 South Main Rockland, Idaho 83271, ILEC

**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.

<b>Title</b>	<b>Name</b>	<b>Address</b>
President/GM	Tim May	P.O. Box 269 Rockland, Idaho 83271
Vice President	Jeremy Smith	P.O. Box 269 Rockland, Idaho 83271
Secretary	Kip Wilson	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.)

<b>Name and Address</b>	<b>Term Expired or Current Term Will Expire</b>	<b>Meetings Attended This year</b>	<b>Fees Paid During Year</b>
Timothy May	Jul-19	3	
Jeremy Smith	Jul-19	3	
Kip Wilson	Jul-19	3	
Scott Hendrickson	Jul-19	3	
Marc Dunn	Jul-19	3	
PO Box 269, Rockland, ID 83271		3	

Name of Chairman of the Board: \_\_\_\_\_ Tim May  
 Name of Secretary (or Clerk) of Board: \_\_\_\_\_ Kip Wilson  
 Number of Meetings of the Board during the year: \_\_\_\_\_ 3

**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.)

<b>Name</b>	<b>Title</b>	<b>Wages and Bonuses Paid</b>
Tim May	General Manager	Information is Confidential





**BALANCE SHEET**  
**Assets and Other Debits**

Title of Account	Balance Beginning of Year	Balance at End of Year	Increase or (Decrease)
<b>Current Assets</b>			
1120 Cash and Equivalents			
1130 Cash	635,630	287,602	(348,028)
1140 Special Cash Deposits	2,500	3,880	1,380
1150 Working Cash Advances	300	300	0
1160 Temporary Investments	-		0
1180 Telecommunications Accts. Receivable	1,086,379	2,664,834	1,578,455
1181 Accts. Rec. Allow. -Telecommunications	(15,000)	(15,000)	0
1190 Other Accounts Receivable	-	-	0
1191 Accounts Receivable Allow. - Other			0
1200 Notes Receivable	-	502,018	502,018
1201 Notes Receivable Allowance			0
1210 Interest & Dividends Receivable			0
1220 Material and Supplies	283,625	475,238	191,613
1280 Prepayments			0
1290 Prepaid Rents			0
1300 Prepaid Taxes	63,764	165,449	101,685
1310 Prepaid Insurance	23,557	67,499	43,942
1320 Prepaid Directory Expenses			0
1330 Other Prepayments	27,857	23,571	(4,286)
1350 Other Current Assets	851,922	-	(851,922)
<b>Noncurrent Assets</b>			
1401 Investment in Affiliated Companies	20,838,480	21,814,759	976,279
1402 Investment in Nonaffiliated Companies		371,121	371,121
1406 Nonregulated Investments	7,624,718	8,808,832	1,184,114
1407 Unamortized Debt Issuance Expense			0
1408 Sinking Funds			0
1410 Other Noncurrent Assets	12,444,097	12,448,012	3,915
1438 Deferred Maintenance & Retirements			0
1439 Deferred Charges			0
1500 Other Jurisdiction Assets - Net			0
<b>Property, Plant and Equipment</b>			
2001 Telecommunications Plants in Service	29,179,103	27,810,775	(1,368,328)
2002 Prop. Held for Future Telecom. Use			0
2003 Telecom. Plant under Constr. - Short Term	211,140	306,756	95,616
2004 Telecom. Plant under Constr. - Long Term			0
2005 Telecom. Plant Adjustment			0
2006 Nonoperating Plant	1,176,943	-	(1,176,943)
2007 Goodwill			0
<b>Depreciation and Amortization Accounts</b>			
3100 Accumulated Depreciated	21,180,950	19,527,596	(1,653,354)
3200 Accum. Depre. - Held for Future Use			0
3300 Accumulated Depreciation - Nonoperating	2,238,653	2,798,266	559,613
3400 Accumulated Amortization - Tangible			0
3410 Accum. Amort. - Capitalized Leases			0
3420 Accum. Amort. - Leasehold Improvements			0
3500 Accumulated Amortization - Intangible			0
3600 Accumulated Amortization - Other			0
<b>TOTAL ASSETS</b>	<b>51,015,412</b>	<b>53,409,786</b>	<b>2,394,374</b>



**BALANCE SHEET**  
**Liabilities & Stockholders' Equity**

Title of Account	Balance Beginning of Year	Balance at End of Year	Increase or (Decrease)
<b>Current Liabilities</b>			
4010 Accounts Payable	1,966,191	966,538	(999,653)
4020 Notes Payable	0	0	0
4030 Advance Billings and Payments	0	0	0
4040 Customer Deposits	0	0	0
4050 Current Maturities - Long -Term Debt	2,084,268	2,150,516	66,248
4060 Current Maturities - Capital leases	0	0	0
4070 Income Taxes - Accrued	0	0	0
4080 Other Taxes - Accrued	0	0	0
4100 Net Current Defer. Oper. Income Taxes	0	0	0
4110 Net Current Defer. Nonoper. Income Taxes	0	0	0
4120 Other Accrued Liabilities	2,555,502	2,571,210	15,708
4130 Other Current Liabilities	0	0	0
<b>Long-Term Debt</b>			
4210 Funded Debt	26,354,612	22,489,078	(3,865,534)
4220 Premium on Long-Term Debt	0	0	0
4230 Discount on Long-Term Debt	0	0	0
4240 Reacquired Debt	0	0	0
4250 Obligations Under Capital Leases	0	0	0
4260 Advances from Affiliated Companies	0	0	0
4270 Other Long-Term Debt	0	0	0
<b>Other Liabilities &amp; Deferred Credits</b>			
4310 Other Long-Term Liabilities	0	0	0
4320 Unamort. Oper. Invest. Tax Credits - Net	0	0	0
4330 Unamort. Nonoper. Invest. Tax Credits - Net	0	0	0
4340 Net Noncurrent Defer. Oper. Income Taxes	1,538,050	1,538,050	0
4350 Net Noncur. Defer. Nonoper. Income Taxes	0	0	0
4360 Other Deferred Credits	0	1,554,170	1,554,170
4370 Other Juris. Liab. & Def. Credits - Net	0	0	0
<b>Stockholders' Equity</b>			
4510 Capital Stock	425,687	425,687	0
4520 Additional Paid-In Capital	0	0	0
4530 Treasury Stock	(1,215,684)	(1,215,684)	(0)
4540 Other Capital	0	0	0
4550 Retained Earnings	17,306,787	22,930,222	5,623,435
	0	0	0
<b>TOTAL LIAB. &amp; OTHER CREDITS</b>	<b>51,015,413</b>	<b>53,409,786</b>	<b>2,394,373</b>

**ANALYSIS OF TELECOMMUNICATIONS PLANT IN SERVICE**

**TOTAL Company Basis**

	Balance Beginning of Year	Additions During year	Plant Retired or Sold	Transfers and Adjustments	Balance End of Year
<b>Analysis of Telecommunications Plant in Service</b>					
2111 Land	192,320				192,320
2112 Motor Vehicles	2,981,648	255,526	869,940		2,367,234
2113 Aircraft					
2114 Special Purpose Vehicles	118,025		12,488		105,537
2115 Garage Work Equipment	8,676		5,676		3,000
2116 Other Work Equipment	1,403,092	68,897	228,171		1,243,818
2121 Buildings	2,289,496		20,026		2,269,470
2122 Furniture	64,352				64,352
2123 Office Equipment	11,572				11,572
2124 General Purpose Computers	208,229	53,672	774		261,127
2211 Analog Electronic Switching					
2212 Digital Electronic Switching	1,260,775		227,508		1,033,267
2215 Electro-Mechanical Switching					
2220 Operator Systems					
2231 Radio Systems	13,886		13,886		0
2232 Circuit Equipment	3,309,801	341,908	184,201		3,467,508
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	17,326,501	19,107	554,038		16,791,570
2424 Submarine Cable					
2426 IntraBuilding Network Cable					
2431 Aerial Wire					
2441 Conduit Systems					
2681 Capital Leases					
2682 Leasehold Improvements	1,170,090			(1,170,090)	0
2690 Intangibles	6,853			(6,853)	0
Non-regulated Telephone Plant					
<b>TOTAL PLANT ACCOUNTS</b>	<b>30,365,316</b>	<b>739,109</b>	<b>2,116,707</b>	<b>(1,176,943)</b>	<b>27,810,775</b>



**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
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**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	Retirements	Balance
	Balance	Depreciation	During	and	End
	Beginning	Rate*	Year	Adjustments	of Year
	of Year				
<b>Analysis of Entries in Accumulated Depreciation</b>					
2112 Motor Vehicles	1,262,198	25.0%	383,803	869,940	776,061
2113 Aircraft					0
2114 Special Purpose Vehicles	114,700	10.0%		12,488	102,212
2115 Garage Work Equipment	8,677	11.0%		5,676	3,001
2116 Other Work Equipment	1,150,613	12.5%	43,410	228,171	965,852
2121 Buildings	1,205,467	3.0%	68,685	20,026	1,254,126
2122 Furniture	64,352	12.5%			64,352
2123 Office Equipment	11,572	12.5%			11,572
2124 General Purpose Computers	173,223	20.0%	18,052	774	190,501
2211 Analog Electronic Switching					0
2212 Digital Electronic Switching	816,696	12.0%	126,037	227,508	715,225
2215 Electro-Mechanical Switching					0
2220 Operator Systems					0
2231 Radio Systems	13,886			13,886	0
2232 Circuit Equipment	2,396,748	10.0%	272,329	184,201	2,484,876
2311 Station Apparatus					0
2321 Customer Premises Wiring					0
2341 Large Private Branch Exchanges					0
2351 Public Telephone Terminal Equipment					0
2362 Other Terminal Equipment					0
2411 Poles					0
2421 Aerial Cable					0
2422 Underground Cable					0
2423 Buried Cable	12,565,388	6.5%	718,711	554,038	12,730,062
2424 Submarine Cable					0
2426 Intrabuilding Network Cable					0
2431 Aerial Wire					0
2441 Conduit Systems	1,167,942			1,167,942	0
Non-regulated Telephone Plant					0
<b>TOTAL</b>	20,951,462		1,631,026	3,284,649	19,297,839

\*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
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**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 Intra-building 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>
RTFC & FREC	1993-94		242,921
INDEPENDENT CABLE SYSTEM	2003		111,160
CEDAR VALLEY	2004		2,910,929
SYRINGA NETWORK	2000		3,191,212
ANPI & SOLEX	2002		17,800
NEWSTREETS, INC.	2002		20,000
CoBank	2017		64,490
NRTC	2017		25,910
Star Telephone			15,601,458
<b>Totals</b>			<b>22,095,480</b>

## 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		59,361
Interexcahnge Carriers & Others		723,630
Affiliates		1,866,844
N/R - 2M Brand	1,717,400	
N/R - DC Cedar Valley	10,730,612	
<b>Totals</b>	<b>12,448,012</b>	<b>2,649,834</b>



<u>Vendor Name</u>	<u>Current</u>	<u>31 to 60 Days</u>	<u>61 to 90 Days</u>	<u>Over 90 Days</u>
Adva Optical Networking	\$ 50,920.88	\$ -	\$ -	\$ -
ATC	\$ 10,266.67	\$ -	\$ -	\$ -
BANKCARD CENTER	\$ 33,359.61	\$ -	\$ -	\$ -
BEAR LAKE COUNTY SANITATION	\$ 579.00	\$ -	\$ -	\$ -
BEAR LAKE COUNTY CLERK	\$ 765.45	\$ -	\$ -	\$ -
CALIX NETWORKS, INC	\$ 5,869.60	\$ -	\$ -	\$ -
CDW	\$ -	\$ 19,000.55	\$ -	\$ -
CITY OF SODA SPRINGS	\$ 308.69	\$ -	\$ -	\$ -
CODALE ELECTRIC SUPPLY, INC.	\$ 206,288.96	\$ 161,596.29	\$ -	\$ -
DIGLINE, INC.	\$ 157.52	\$ -	\$ -	\$ -
DIRECT COMMUNICATIONS LONG DISTANCE	\$ 1,124.49	\$ -	\$ -	\$ -
DITCH WITCH OF THE ROCKIES	\$ 3,029.10	\$ -	\$ -	\$ -
DRYCREEK UNDERGROUND UTILITIES	\$ -	\$ -	\$ 42,335.00	\$ -
EVOLUTION DIGITAL, LLC	\$ 204.35	\$ -	\$ -	\$ -
EXPERIAN	\$ -	\$ 380.61	\$ -	\$ -
GLASS CONNECTIONS CONSULTING	\$ 10,400.00	\$ -	\$ -	\$ -
GWNW CONSULTING, INC.	\$ 45.00	\$ 45.00	\$ 65.00	\$ -
HEMMING VILLAGE	\$ 300.00	\$ -	\$ -	\$ -
HERITAGE FARMS, LLC	\$ 180.00	\$ -	\$ -	\$ -
ICS OF IDAHO	\$ 45,477.96	\$ -	\$ -	\$ -
IDAHO POWER	\$ 1,373.24	\$ -	\$ -	\$ -
IDAHO STATE TAX COMMISSION	\$ 604.16	\$ -	\$ -	\$ -
IDAHO UNIVERSAL SERVICE FUND	\$ 230.02	\$ -	\$ -	\$ -
INTERSTATE TRS FUND	\$ 1,817.49	\$ -	\$ -	\$ -
J & J Auto Body, Inc.	\$ 871.32	\$ -	\$ -	\$ -
Lamar Adv	\$ 375.00	\$ -	\$ -	\$ -
BARNARD'S CLEANING, LLC	\$ 1,374.87	\$ -	\$ -	\$ -
LDA SECURITY	\$ 3,123.42	\$ -	\$ -	\$ -
MAILFINANCE	\$ 2,666.64	\$ -	\$ -	\$ -
MOSS ADAMS LLP	\$ 6,210.56	\$ -	\$ -	\$ -
NEONOVA NETWORKS SERVICES	\$ 257.40	\$ -	\$ -	\$ -
OREGON TELEPHONE CORPORATION	\$ 1,426.99	\$ -	\$ -	\$ -
POWER & TELEPHONE SUPPLY	\$ 267.80	\$ -	\$ -	\$ -
POWER COUNTY CLERK	\$ 344.08	\$ -	\$ -	\$ -
POWER PRODUCT SERVICES, INC.	\$ 459.14	\$ -	\$ -	\$ -
VALLEY WIDE COOP - BRIGHT GAS	\$ 591.33	\$ 279.83	\$ -	\$ -
SCOTT HENDRICKSON	\$ -	\$ -	\$ -	\$ 10,000.00
SERVIAM LLC	\$ 274.11	\$ -	\$ -	\$ -
SILVER STAR COMMUNICATIONS	\$ 691.57	\$ -	\$ -	\$ -
MOMENTUM TELCOM	\$ 6,678.04	\$ -	\$ -	\$ -
SOURCE REFRIGERATION & HVAC, INC.	\$ 18,679.68	\$ -	\$ -	\$ -
TELCORDIA TECHNOLOGIES	\$ 129.59	\$ -	\$ -	\$ -
Thomtek LLC	\$ 1,294.10	\$ -	\$ -	\$ -
TIMOTHY MAY	\$ -	\$ -	\$ -	\$ 5,000.00
TRI TOWER TELECOM CORPORATION	\$ 8,745.00	\$ -	\$ -	\$ -
UNIVERSAL SERVICE ADMINISTRATIVE CO	\$ 10,678.74	\$ -	\$ -	\$ -
VALLEY OFFICE SYSTEMS INC.	\$ 117.58	\$ -	\$ -	\$ -
WEX BANK	\$ 12,119.93	\$ -	\$ -	\$ -
YESCO Outdoor Media	\$ 495.00	\$ -	\$ -	\$ -
ZIONS BANK	\$ 20,000.00	\$ -	\$ -	\$ -

**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 &amp; 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 Total</u>	<u>Year Amortized</u>	<u>Interest for year Rate</u>	<u>Amount</u>
Cobank	2016	2023	16,000,000	13,333,300			Variable	229,860
Ally	2017	2022	39,805	28,045			4.89%	1,486
Bank of America	2017	2022	47,490	34,342			4.59%	1,802
Cobank	2017	2024	12,000,000	10,928,500			Variable	347,085
Zion's	2017	Feb-20	75,000	30,585			Variable	2,334
Ally	Mar-18	Mar-22	36,148	30,436			3.24%	728
Chase	Feb-18	Feb-23	42,555	36,828			5.09%	1,531
Ford Motor	Jun-18	Jun-23	61,751	56,258			7.94%	2,033
Ford Motor	Jun-18	Jun-24	58,799	54,906			7.94%	2,303
Ditch Wich	Nov-18	Nov-22	47,758	45,498			6.99%	
Toyota Credit	Nov-18	Nov-23	44,852	44,230			7.39%	277
Ford Credit	Jan-18	Apr-20	28,691	16,666			3.39%	50





**INCOME & RETAINED EARNINGS STATEMENT**

Item	Total Company	Idaho Only
Total Operating Income (from page 15)	4,859,269	
Total Operating Expenses (from page 17)	3,923,233	
7100 Other Operating Income and Expense		SAME
7210 Operating Investment Tax Credits-Net		AS
7220 Operating Federal Income Taxes		TOTAL
7230 Operating State and Local Income Taxes		
7240 Operating Other Taxes	64,972	
7250 Provision for Deferred Operating Income Taxes-Net		
7200 Operating Taxes (Total)	64,972	
7310 Dividend Income	296,288	
7320 Interest Income	0	
7330 Income from Sinking and Other Funds		
7340 Allowance for Funds Used During Construction		
7350 Gains/Losses from the Disposition of Certain Property	0	
7360 Other Nonoperating Income	2,368,576	
7370 Special Charges		
7300 Nonoperating Income and Expense	2,664,864	
7410 Nonoperating Investment Tax Credits-Net		
7420 Nonoperating Federal Income Taxes		
7430 Nonoperating State and Local Income Taxes	4	
7440 Nonoperating Other Taxes		
7450 Provision for Deferred Nonoperating Income Taxes-Net	0	
7400 Nonoperating Taxes	4	
7510 Interest on Funded Debt	560,798	
7520 Interest Expense-Capital Leases		
7530 Amortization of Debt Issuance Expense		
7540 Other Interest Deductions	125,866	
7500 Interest and Related Items	686,664	
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	0	
7600 Extraordinary Items		
7910 Income Effect of Jurisdictional Ratemaking Differences-Net		
7990 Nonregulated Net Income	2,441,187	
<b>AMOUNT TRANSFERRED TO RETAINED EARNINGS</b>	<b>5,290,452</b>	

**OPERATING REVENUES**

Item	Total Company	Idaho Only
<b>Local Network Services Revenues</b>		
5001 Basic Area Revenue	277,363	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	37,687	
5069 Other Local Exchange Settlements	_____	
<b>Network Access Services Revenues</b>		
5081 End User Revenue (SLC)	75,913	_____
5082 Switched Access Revenue (Interstate)	4,011,054	_____
5083 Special Access Revenue	627,104	_____
5084 State Access Revenue (Intrastate)	255,860	_____
Long Distance Network Services Revenues		
5100 Long Distance Message Revenue - All	_____	_____
<b>Miscellaneous Revenues</b>		
5230 Directory Revenue	_____	_____
5240 Rent Revenue	42,920	_____
5250 Corporate Operations Revenue	_____	_____
5261 Special Billing Arrangements Revenue	_____	_____
5262 Customer Operations Revenue	_____	_____
5263 Plant Operations Revenue	_____	_____
5264 Other Incidental Regulated Revenue	(30,409)	_____
5269 Other Revenue Settlements	_____	_____
5270 Carrier Billing & Collection Revenue	1,453	_____
<b>Uncollectible Revenues</b>		
5301 Uncollectible Revenue - Telecommunications	_____	_____
5302 Uncollectible Revenue - Other	_____	_____
<b>TOTAL OPERATING REVENUES</b>	<b>5,298,945</b>	_____

Please identify the following revenues:

NECA USF \$ 756,722.00. To what account were they booked? 5082.22

State USF \$ 202,401.00. To what account were they booked? 5084.60

**OPERATING REVENUES**

Item	Total Company	Idaho Only
<b>Plant Specific Operations Expense</b>		
6110 Network Support Expenses	_____	_____
6112 Motor Vehicle Expense	_____	<b>SAME AS TOTAL</b>
6113 Aircraft Expense	_____	
6114 Special Purpose Vehicles Expense	_____	
6115 Garage Work Equipment Expense	_____	
6116 Other Work Equipment Expense	10,031	
6120 General Support Expenses	_____	
6121 Land and Building Expenses	59,754	
6122 Furniture and Artworks Expense	18,136	
6123 Office Equipment Expense	_____	
6124 General Purpose Computers Expense	46,180	
6210 Central Office Switching Expenses	7,337	
6211 Analog Electronic Expense	_____	
6212 Digital Electronic Expense	2,613	
6215 Electro-Mechanical Expense	_____	
6220 Operators System Expense	_____	
6230 Central Office Transmission Expenses	_____	
6231 Radio Systems Expense	_____	
6232 Circuit Equipment Expense	559,783	
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	572,245	
6424 Submarine Cable Expense	_____	
6425 Deep Sea Cable Expense	_____	
6426 Intra-building Network Cable Expense	_____	
6431 Aerial Wire Expense	_____	
6441 Conduit Systems Expense	_____	
<b>TOTAL PLANT SPECIFIC OPERATIONS EXPENSE</b>	<b>1,276,079</b>	

**OPERATING REVENUES**

Item	Total Company	Idaho Only
<b>Plant Nonspecific Operations Expense</b>		
6510 Other Property/Plant/Equipment Expenses		
6511 Property Held for Future Telecomm. Use Expenses		SAME AS TOTAL
6512 Provisioning Expense		
6530 Network Operations Expense		
6531 Power Expense	79,226	
6532 Network Administration Expense	450,681	
6533 Testing Expense		
6534 Plant Operations Administration Expense		
6535 Engineering Expense	305,247	
6540 Access Expense	129,647	
6560 Depreciation and Amortization Expenses		
6561 Depreciation Expense-Telecom. Plant in Service	1,617,026	
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	2,581,827	
<b>Customer Operations Expense</b>		
6610 Marketing		
6611 Product Management	186,727	
6612 Sales		
6613 Product Advertising		
6620 Services		
6621 Call Completion Services		
6622 Number Services	266	
6623 Customer Services	413,293	
<b>Total Customer Operations Expense</b>	600,286	
<b>Corporate Operations Expense</b>		
6710 Executive and Planning		
6711 Executive	441,056	
6712 Planning		
6720 General and Administrative		
6721 Accounting and Finance	297,628	
6722 External Relations		
6723 Human Resources	9,604	
6724 Information Management	14,066	
6725 Legal	1,822	
6726 Procurement		
6727 Research and Development		
6728 Other General and Administrative	399,107	
6790 Provision for Uncollectible Notes Receivable		
<b>Total Corporate Operations Expense</b>	1,163,284	
<b>TOTAL OPERATING EXPENSES</b>	5,621,476	



**CENTRAL OFFICE DATA**  
as of December 31, 2018 (unless otherwise indicated)

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

Central Office Switch Type: AZTEK

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

**Access Line Capacity**  
Design: 300 **Access Lines in Use**  
Customer Lines: 88  
(Include Centrex, PAL, Semi-Pub.)

Installed/Equipped: 100  
Public Telephone Lines 0  
Company Official Lines 1  
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		79	79	3	4	7	86
New Connects		6	6			0	6
Disconnects		4	4			0	4
End of Year		81	81	3	4	7	88

**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: 4

**Custom Calling:**

Number of customers with at least one feature: 72  
Total number of features subscribed to: 20

**CENTRAL OFFICE DATA**  
as of December 31, 2018 (unless otherwise indicated)

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

Central Office Switch Type: METASWITCH

**Check all that apply:**  
Stand Alone X **Check one:** Electronic X  
Host \_\_\_\_\_ Electro-Mechanical \_\_\_\_\_  
Remote X \_\_\_\_\_ Other: \_\_\_\_\_ Softswitch \_\_\_\_\_

**Access Line Capacity**  
Design: 2000 **Access Lines in Use**  
Customer Lines: 597  
(Include Centrex, PAL, Semi-Pub.)

Installed/Equipped: 1000  
Public Telephone Lines 0  
Company Official Lines 4  
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		586	586	55	19	74	660
New Connects		69	69		5	5	74
Disconnects		133	133	4		4	137
End of Year		522	522	51	24	75	597

**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: 21

**Custom Calling:**

Number of customers with at least one feature: 304  
Total number of features subscribed to: 21

**CENTRAL OFFICE DATA**  
as of December 31, 2018 (unless otherwise indicated)

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

Central Office Switch Type: Metaswitch - Host

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

**Access Line Capacity**  
Design: 400  
**Access Lines in Use**  
Customer Lines: 171  
(Include Centrex, PAL, Semi-Pub.)

Installed/Equipped: 300  
Public Telephone Lines 0  
Company Official Lines 6  
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	163	10	173	15	10	25	188
New Connects	10	27	37	0	0	0	37
Disconnects	146	146	292	15	10	25	317
End of Year	163	10	173	15	10	25	188

**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: 2

**Custom Calling:**

Number of customers with at least one feature: 117  
Total number of features subscribed to: 26

NUMBER OF CALLS COMPLETED BY CUSTOMERS DURING (Year) 2017.

Local Exchange	Average # of Customer Lines in Use	Local Calls		Toll Calls Originated (Total of all Carriers)			
		Number (1000s)	Avg./ Line	Intrastate	Interstate	Total	Avg./ Line
1 <u>ARBON</u>	<u>80</u>			<u>3,353</u>	<u>24,723</u>	<u>28,076</u>	<u>351</u>
2 <u>ROCKLAND</u>	<u>155</u>			<u>2,411</u>	<u>37,860</u>	<u>40,271</u>	<u>260</u>
3 <u>PARIS</u>	<u>554</u>			<u>11,813</u>	<u>90,321</u>	<u>102,134</u>	<u>184</u>
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, 2018.

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 X

Included in directory Yes \_\_\_\_\_ No X

Date of notification 3/1/2018 & 12/1/2018

Alternate method of notification Posted on our website and included as annual bill message

Rule IDAPA 31.41.01.403.02

Record of Complaints:

Number received by Company 1

Category of complaints (if known):

Deposit Disputes 0

Charges on Bill 0

Denial/Termination 0

Quality or Availability  
of Service 0

Carrier Selection/Assignment 0

Miscellaneous 1

Rev 3/02



CERTIFICATE

State of Idaho )  
 ) ss  
County of )

WE, the undersigned \_\_\_\_\_ Tim May \_\_\_\_\_

and \_\_\_\_\_ R. Michael Parrish \_\_\_\_\_

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.

\_\_\_\_\_  
(General Manager)

\_\_\_\_\_  
(Chief Financial Officer)

Subscribed and Sworn to Before Me this 11 day of April, 2019

\_\_\_\_\_  
Notary Public

My Commission expires \_\_\_\_\_ 11 June \_\_\_\_\_, (Year) 2022.



Rev 3/02

gdk/excel/jnelson/anulrpts/telannualrpt







MOSSADAMS

# Direct Communications - Rockland

2017 Cost Study

2018-1 HCLS Data Collection

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# Part 36

REVENUE REQUIREMENT SUMMARY

LINE	DESCRIPTION	SOURCE	TOTAL COMPANY (a)	INTERSTATE				INTRASTATE				LOCAL		
				MSG (b)	IntnlATA PL (c)	MSG (d)	IntnlATA PL (e)	MSG (f)	IntnlATA PL (g)	MSG (h)	IntnlATA PL (i)	EAS (j)	User Defined (k)	Other (l)
1	Net Telecom Plant	S-2 Ln46	6,627,948	1,655,319	1,623,525	-	-	42,356	-	872,445	386,705	72,731	-	1,974,767
2	CWC Corporate Operations Limitation	Records Ln1-2	6,627,925	1,655,395	1,623,525	-	-	42,356	-	872,445	386,705	72,731	-	1,974,767
3	RATE BASE	Records Ln3-4	7,583,191	1,800,024	1,765,588	10.8750%	10.8750%	1,847	4.3600%	38,039	16,860	3,171	4.3600%	4,360.0%
4	Rate of Return	Records Ln3-4	502,599	180,024	176,558	10.8750%	10.8750%	1,847	4.3600%	38,039	16,860	3,171	4.3600%	4,360.0%
5	RETURN ON RATE BASE	Records Ln5-6	502,599	180,024	176,558	10.8750%	10.8750%	1,847	4.3600%	38,039	16,860	3,171	4.3600%	4,360.0%
6	Return Adjustment #1	Records Ln5-6	502,599	180,024	176,558	10.8750%	10.8750%	1,847	4.3600%	38,039	16,860	3,171	4.3600%	4,360.0%
7	NET RETURN	Records Ln5-6	502,599	180,024	176,558	10.8750%	10.8750%	1,847	4.3600%	38,039	16,860	3,171	4.3600%	4,360.0%
8	Fixed Charges	S-10 Ln24	121,957	29,948	30,116	-	-	785	-	16,252	7,199	1,360	-	36,297
9	Amortization of Excess Def Taxes	S-10 Ln47	-	-	-	-	-	-	-	-	-	-	-	-
10	Capitalized Payroll Taxes	S-10 Ln50	-	-	-	-	-	-	-	-	-	-	-	-
11	Depreciation Adjustment	S-10 Ln53	-	-	-	-	-	-	-	-	-	-	-	-
12	Schedule M Income Tax Adjustments	S-14 Ln22	-	-	-	-	-	-	-	-	-	-	-	-
13	FTT Allowances/Disallowances	S-10 Ln59+60	-	-	-	-	-	-	-	-	-	-	-	-
14	Inc Adj Alloc on 2001	S-10 Ln61+62	-	-	-	-	-	-	-	-	-	-	-	-
15	Inc Adj Alloc on Big 3 Exp	S-10 Ln63	-	-	-	-	-	-	-	-	-	-	-	-
16	Total Misc Inc Adjustment	None 1	380,642	150,076	146,442	-	-	1,062	-	21,787	9,662	1,811	-	49,803
17	AFTER TAX INCOME	None 1	380,642	150,076	146,442	-	-	1,062	-	21,787	9,662	1,811	-	49,803
18	State Income Tax	Ln 53	51,687	20,379	19,885	-	-	144	-	2,958	1,312	246	-	6,763
19	State ITC Amortization	S-10 Ln45	-	-	-	-	-	-	-	-	-	-	-	-
20	Net Federal Income Tax	Ln 44	196,086	77,312	75,440	-	-	547	-	11,224	4,977	933	-	25,656
21	Federal ITC Amortization	S-10 Ln44	-	-	-	-	-	-	-	-	-	-	-	-
22	Operating Expenses & Taxes	S-3 Ln18	4,425,661	1,405,644	952,279	-	-	24,957	-	469,490	211,514	35,898	-	1,325,879
23	Nonoperating Expenses	S-10 Ln17+18	-	-	-	-	-	-	-	-	-	-	-	-
24	Uncollectibles	S-10 Ln57	-	-	-	-	-	-	-	-	-	-	-	-
25	NET REVENUE REQUIREMENT	Ln 7+18, 24	5,176,036	1,683,359	1,224,163	-	-	27,495	-	521,711	234,664	40,248	-	1,444,397
26	Gross Receipts Tax	None 2	-	-	-	-	-	-	-	-	-	-	-	-
27	7340 Aw Fds Used Dur Constr	S-10 Ln15	-	-	-	-	-	-	-	-	-	-	-	-
28	REVENUE REQUIREMENT	Ln 25+26+27	5,176,036	1,683,359	1,224,163	-	-	27,495	-	521,711	234,664	40,248	-	1,444,397
29	Distribution of Line 28	Ln 28/29/30	100,000.0%	32.5222%	23.6506%	-	-	0.5912%	-	10.0793%	4.5537%	0.776%	-	27,905.5%
INCOME TAXES														
30	Net Return	Ln 7	502,599	180,024	176,558	-	-	1,847	-	38,039	16,860	3,171	-	86,100
31	Fixed Charges	Ln 8	121,957	29,948	30,116	-	-	785	-	16,252	7,199	1,360	-	36,297
32	Amortization of Excess Deferred Taxes	Ln 9	-	-	-	-	-	-	-	-	-	-	-	-
33	Capitalized Payroll Taxes	Ln 10	-	-	-	-	-	-	-	-	-	-	-	-
34	Depreciation Adjustment	Ln 11	-	-	-	-	-	-	-	-	-	-	-	-
35	Schedule M Income Tax Adjustments	Ln 12	-	-	-	-	-	-	-	-	-	-	-	-
36	FTT Allowances/Disallowances	Ln 13	-	-	-	-	-	-	-	-	-	-	-	-
37	Inc Adj Alloc on 2001	Ln 14	-	-	-	-	-	-	-	-	-	-	-	-
38	Inc Adj Alloc on Big 3 Exp	Ln 15	-	-	-	-	-	-	-	-	-	-	-	-
39	Federal ITC Amortization	S-10 Ln44	-	-	-	-	-	-	-	-	-	-	-	-
40	Total Income Adjustments	Ln 31+36, 39	121,957	29,948	30,116	-	-	785	-	16,252	7,199	1,360	-	36,297
41	Federal Taxable Income	Ln 30+40	576,730	227,387	221,882	-	-	1,609	-	33,010	14,639	2,744	-	75,459
42	Federal Income Tax	Records Ln 41	196,088	77,312	75,440	-	-	547	-	11,224	4,977	933	-	25,656
43	Federal Sur-Tax Allocation	Records Ln 42+43	196,088	77,312	75,440	-	-	547	-	11,224	4,977	933	-	25,656
44	Net Federal Income Tax	Ln 30	502,599	180,024	176,558	-	-	1,847	-	38,039	16,860	3,171	-	86,100
45	Net Return	Ln 30	502,599	180,024	176,558	-	-	1,847	-	38,039	16,860	3,171	-	86,100
46	Fixed Charges	Ln 31	121,957	29,948	30,116	-	-	785	-	16,252	7,199	1,360	-	36,297
47	Other SIT Adjustments	Ln 37+38	-	-	-	-	-	-	-	-	-	-	-	-
48	State ITC Amortization	S-10 Ln45	-	-	-	-	-	-	-	-	-	-	-	-
49	Federal Income Tax Net of ITC	Ln 20+21	196,088	77,312	75,440	-	-	547	-	11,224	4,977	933	-	25,656
50	State Taxable Income	Gross Up Calculation	623,418	247,766	241,768	-	-	1,753	-	35,969	15,951	2,999	-	82,221
51	State Income Tax	Records Ln 50	51,687	20,379	19,885	-	-	144	-	2,958	1,312	246	-	6,763
52	State Sur-Tax Allocation	Records Ln 51-52	51,687	20,379	19,885	-	-	144	-	2,958	1,312	246	-	6,763
53	Net State Income Tax	Ln 51-52	51,687	20,379	19,885	-	-	144	-	2,958	1,312	246	-	6,763

MA36 118 15A 15YR.khm  
 Forecast 5 Year - CS (Revised)  
 Cost Study Inputs 15 Year - CS (Revised)

CONJUNIAL  
 MOSS ADAMS LLP

SEPARATED TELECOMMUNICATIONS PLANT SUMMARY

LINE	DESCRIPTION	SOURCE	TOTAL COMPANY (a)	INTERSTATE				INTRASTATE				LOCAL		
				InterLATA MSG (b)	PL (c)	IntraLATA MSG (d)	PL (e)	InterLATA MSG (f)	PL (g)	IntraLATA MSG (h)	PL (i)	EAS (j)	User Defined (k)	Other (l)
1	2110 Land & Support Assets	S-4, Ln13	5,835,590	1,469,965	1,434,994	-	-	36,998	-	766,304	340,450	63,689	-	1,723,189
2	2210 COE-Switching	S-5, Ln36	1,016,025	863,621	-	-	-	-	-	-	-	-	-	152,404
3	2220 COE-Operator	S-5, Ln23	-	-	-	-	-	-	-	-	-	-	-	-
4	2230 COE-Transmission	S-5, Ln80	3,386,162	559,380	1,172,948	-	-	20,689	-	431,738	216,674	24,842	-	959,891
5	2310 Intra-Plant Equip	S-6, Ln11	-	-	-	-	-	-	-	-	-	-	-	-
6	2410 COE-WF	S-7, Ln47	17,463,742	4,084,952	4,203,968	-	-	117,943	-	2,439,600	1,058,992	213,800	-	5,344,487
7	Total COE IOT C&WF	Ln2, 6	21,865,928	5,507,953	5,376,915	-	-	138,632	-	2,871,338	1,275,666	238,642	-	6,456,782
8	Distribution of Line 7	Ln77a	100,000%	25,1897%	24,5904%	-	-	0,6340%	-	13,1316%	5,8340%	1,0914%	-	29,5290%
9	Equal Access - Investment	S-9, Ln22	-	-	-	-	-	-	-	-	-	-	-	-
10	2680 Tangible Assets	S-8, Ln31	-	-	-	-	-	-	-	-	-	-	-	-
11	TELECOM PLT IN SVC-EXCL 2690	Ln17+7+9+10	27,701,519	6,977,918	6,811,909	-	-	175,631	-	3,637,643	1,616,117	302,331	-	8,179,971
12	Distribution of Line 11	Ln11/11a	100,000%	25,1897%	24,5904%	-	-	0,6340%	-	13,1316%	5,8340%	1,0914%	-	29,5290%
13	2690 Intangible Assets	S-8, ln35	-	-	-	-	-	-	-	-	-	-	-	-
14	2001 TELECOM PLANT IN SVC	Ln11+13	27,701,519	6,977,918	6,811,909	-	-	175,631	-	3,637,643	1,616,117	302,331	-	8,179,971
15	Distribution of Line 14	Ln14/14a	100,000%	25,1897%	24,5904%	-	-	0,6340%	-	13,1316%	5,8340%	1,0914%	-	29,5290%
16	2110 Land Assets	S-4, Ln12	192,320	48,445	47,292	-	-	1,219	-	23,265	11,220	2,089	-	56,730
17	2001 TRS XLand	Ln14-16	27,509,199	6,929,473	6,764,617	-	-	174,411	-	3,612,388	1,604,897	300,232	-	8,123,181
18	Distribution of Line 17	Ln17/17a	100,000%	25,1897%	24,5904%	-	-	0,6340%	-	13,1316%	5,8340%	1,0914%	-	29,5290%
19	2002 Prop-Hld Fui Telecom Use	S-9, Ln6	-	-	-	-	-	-	-	-	-	-	-	-
20	2003 Plant Under Construction	S-9, Ln10	104,401	26,298	25,673	-	-	662	-	13,710	6,091	1,139	-	30,829
21	2005 Telecom Plant Adjustment	S-9, Ln14	-	-	-	-	-	-	-	-	-	-	-	-
22	TOTAL TELECOM PLANT	Ln14+19, 21	27,805,920	7,004,217	6,837,582	-	-	176,292	-	3,651,352	1,622,208	303,470	-	8,210,800
23	1220 Materials and Supplies	S-9, Ln20	228,544	53,459	55,016	-	-	1,543	-	31,926	13,859	2,798	-	69,942
24	1500 Other Juris Assets-Net	S-15, Ln14	-	-	-	-	-	-	-	-	-	-	-	-
25	3100 Accumulated Depreciation	S-15, Ln106	19,218,566	4,877,058	4,718,175	-	-	121,342	-	2,513,320	1,117,405	208,532	-	5,662,735
26	Equal Access - Accum Depreciation	S-9, Ln24	-	-	-	-	-	-	-	-	-	-	-	-
27	3200 Acc Dep-Hld for Fair Use	S-15, Ln108	-	-	-	-	-	-	-	-	-	-	-	-
28	3400 Accum Amort-Tangible	S-15, Ln109, 110	-	-	-	-	-	-	-	-	-	-	-	-
29	3500 Accum Amort-Intangible	S-15, Ln111	-	-	-	-	-	-	-	-	-	-	-	-
30	3600 Accum Amort-Other	S-15, Ln112	-	-	-	-	-	-	-	-	-	-	-	-
31	4100 Net Cur Dep Inc Taxes	S-15, Ln124	-	-	-	-	-	-	-	-	-	-	-	-
32	4340 Noncur Def Oper Inc Tax	S-15, Ln144	2,485,420	628,069	611,174	-	-	15,758	-	326,375	145,000	27,126	-	733,919
33	Equal Access - Deferred Oper Inc Taxes	S-9, Ln25	-	-	-	-	-	-	-	-	-	-	-	-
34	4360 Other Deferred Credits-Net	S-15, Ln145	-	-	-	-	-	-	-	-	-	-	-	-
35	4370 Other Jur Libs & Def Credits-Net	S-15, Ln147	6,330,478	1,554,549	1,563,249	-	-	40,736	-	843,584	373,661	70,610	-	1,894,038
36	NET TELECOM PLANT	Ln22+23+24, 35	100,000%	24,566%	24,690%	-	-	0,6435%	-	13,328%	5,902%	1,1154%	-	29,7622%
37	Distribution of Line 36	Ln36/36a	-	-	-	-	-	-	-	-	-	-	-	-
38	1410 Other Noncur Assets & 1438 Deferred Charges	S-9, Ln16, 17	-	-	-	-	-	-	-	-	-	-	-	-
39	Cash Working Capital	S-9, Ln21	297,371	100,770	60,277	-	-	1,620	-	28,800	13,044	2,120	-	90,679
40	Equal Access - Unauthorized Expenses	S-9, Ln26	-	-	-	-	-	-	-	-	-	-	-	-
41	Investment Allow/Disallow	S-9, Ln31	-	-	-	-	-	-	-	-	-	-	-	-
42	Accum Dep/Amort Allow/Disallow	S-15, Ln150	-	-	-	-	-	-	-	-	-	-	-	-
43	4000 Customer Deposits	S-15, Ln115	-	-	-	-	-	-	-	-	-	-	-	-
44	4310 Other Long-Term Liab	S-15, Ln135	-	-	-	-	-	-	-	-	-	-	-	-
45	Other Telecom Pl Adjust	Records	-	-	-	-	-	-	-	-	-	-	-	-
46	NET TELECOM PLT & OTH RATE BASE ITEMS	A+B, F+H+G+H	6,627,848	1,655,319	1,623,525	-	-	42,356	-	872,445	386,705	72,731	-	1,974,767
47	Distribution of Line 46	Ln46/46a	100,000%	24,9752%	24,9755%	-	-	0,6391%	-	13,1633%	5,834%	1,0974%	-	29,7950%

SEPARATED EXPENSE SUMMARY

LINE	DESCRIPTION	SOURCE	TOTAL COMPANY (a)	INTERSTATE				INTRASTATE				LOCAL		
				MSG (b)	PL (c)	MSG (d)	PL (e)	MSG (f)	PL (g)	MSG (h)	PL (i)	EAS (j)	User Defined (k)	Other (l)
1	Plt Spec Exp Accts 6210.6220	S-11, Ln30	1,075,923	314,789	277,175	-	-	5,815	-	120,895	57,175	8,509	-	291,565
2	6230.6310.6410	S-12, Ln19	469,649	118,303	115,489	-	-	2,978	-	61,672	27,400	5,126	-	138,683
3	P1 Nonspc Account 6530	S-13, Ln67	317,310	144,808	9	-	-	1,780	-	4,380	-	166,333	-	166,333
4	Clst Oper Accts 6610.6520	Ln2, 4	1,862,882	577,900	392,673	-	-	10,573	-	186,946	84,575	13,635	-	596,580
5	TOTAL BIG THREE EXPENSES	Ln5/5a	100,000.0%	31,021.8%	21,078.9%	-	-	0.5676%	-	10,035.9%	4,540.0%	0.7319%	-	32,024.6%
6	Distribution of Line 5	S-11, Ln31	1,192,169	344,071	305,760	-	-	6,552	-	136,160	63,957	9,778	-	325,891
7	Plant Specific Expenses	S-12, Ln17	1,960,977	598,531	450,966	-	-	11,391	-	236,006	105,467	19,342	-	535,275
8	Plant Nonspecific Expenses	S-13, Ln57	317,310	144,808	9	-	-	1,780	-	4,380	-	166,333	-	166,333
9	Customer Operations Expenses	S-14, Ln16	931,380	311,422	189,451	-	-	5,101	-	90,195	40,804	6,578	-	287,829
10	Corporate Operations Expenses	S-10, Ln16	4,401,836	1,398,831	946,186	-	-	24,824	-	466,740	210,228	35,698	-	1,319,328
11	7300 Contributions	Ln7, 11	3,012,878	1,020,973	610,709	-	-	16,411	-	292,406	132,161	21,482	-	918,736
12	TOTAL OPERATING EXPENSES	Ln12 less dep. exp.	68,945	17,367	16,954	-	-	437	-	9,054	4,022	752	-	20,359
13	TOTAL CASH OPERATING EXPENSES	S-14, Ln26	45,120	10,554	10,862	-	-	305	-	6,303	2,736	552	-	13,808
14	Operating Taxes	S-14, Ln35	4,425,661	1,405,644	952,279	-	-	24,957	-	469,490	211,514	35,898	-	1,325,879
15	Equal Access Expenses	S-10, Ln40	121,957	29,948	30,116	-	-	785	-	16,252	7,199	1,300	-	36,297
16	Expense Allowances/Disallowances	Ln21	213,444	1,508,936	(382,728)	-	-	(25,742)	-	(471,713)	(171,122)	(37,259)	-	(206,930)
17	5240 Rent Revenues	Ln22, 26	100,000.0%	706,948.3%	(179,311.2%)	-	-	(12,060.2%)	-	(221,001.1%)	(80,171.8%)	(17,456.0%)	-	(96,948.1%)
18	TOTAL OPERATING EXP & TAXES	Ln27/27a	1,388,959	377,859	335,478	-	-	8,413	-	174,333	78,067	14,216	-	400,592
19	Distribution of Line 18	S-12, Ln120	121,957	29,948	30,116	-	-	785	-	16,252	7,199	1,360	-	36,297
20	Total Depr & Amort	S-10, Ln24	4,761,062	2,944,529	599,667	-	-	24,957	-	14,029	47,591	35,898	-	1,155,246
21	Fixed Charges	Ln18	4,425,661	1,405,644	952,279	-	-	24,957	-	469,490	211,514	35,898	-	1,325,879
22	Total Operating Revenue	S-10, Ln15	121,957	29,948	30,116	-	-	785	-	16,252	7,199	1,300	-	36,297
23	Total Operating Expense & Taxes	S-10, Ln16	213,444	1,508,936	(382,728)	-	-	(25,742)	-	(471,713)	(171,122)	(37,259)	-	(206,930)
24	Uncollectibles	Ln22, 26	100,000.0%	706,948.3%	(179,311.2%)	-	-	(12,060.2%)	-	(221,001.1%)	(80,171.8%)	(17,456.0%)	-	(96,948.1%)
25	Fixed Charges	Ln27/27a	3,203,780	1,068,288	657,779	-	-	17,633	-	317,712	143,361	23,595	-	975,392
26	Income Adjustments	Ln29/29a	100,000.0%	33,344.6%	20,531.3%	-	-	0.5504%	-	9,916.8%	4,475.4%	0.7365%	-	30,445.0%
27	Net Income	Ln18+17-20+21	3,203,780	1,068,288	657,779	-	-	17,633	-	317,712	143,361	23,595	-	975,392
28	Distribution of Line 27	Ln29/29a	100,000.0%	33,344.6%	20,531.3%	-	-	0.5504%	-	9,916.8%	4,475.4%	0.7365%	-	30,445.0%
29	TOTAL CASH OPER EXPENSES	Ln18+17-20+21	3,203,780	1,068,288	657,779	-	-	17,633	-	317,712	143,361	23,595	-	975,392
30	Distribution of Line 29	Ln29/29a	100,000.0%	33,344.6%	20,531.3%	-	-	0.5504%	-	9,916.8%	4,475.4%	0.7365%	-	30,445.0%
INCOME TAX CALCULATION														
31	Other Operating Income	S-14, Ln32	-	-	-	-	-	-	-	-	-	-	-	-
32	AFUDC	S-10, Ln15	-	-	-	-	-	-	-	-	-	-	-	-
33	Operating Revenue	S-14, Ln33	4,761,062	2,944,529	599,667	-	-	24,957	-	14,029	47,591	35,898	-	1,155,246
34	Uncollectible Revenue	S-10, Ln16	-	-	-	-	-	-	-	-	-	-	-	-
35	Income Effect Jurisdictional Difference	S-10, Ln60	-	-	-	-	-	-	-	-	-	-	-	-
36	IRS Income Adjustment	S-10, Ln62	-	-	-	-	-	-	-	-	-	-	-	-
37	TOTAL REVENUE & OTHER INCOME	Ln31, 36	4,761,062	2,944,529	599,667	-	-	24,957	-	14,029	47,591	35,898	-	1,155,246
38	Contributions	S-10, Ln16	-	-	-	-	-	-	-	-	-	-	-	-
39	Operating Expenses	Ln12, Ln11	4,401,836	1,398,831	946,186	-	-	24,824	-	466,740	210,228	35,698	-	1,319,328
40	Operating Taxes	S-14, Ln26	68,945	17,367	16,954	-	-	437	-	9,054	4,022	752	-	20,359
41	Fixed Charges	S-10, Ln24	121,957	29,948	30,116	-	-	785	-	16,252	7,199	1,300	-	36,297
42	TOTAL OPERATING EXPENSES	Ln38, 41	4,592,738	1,446,147	993,256	-	-	26,046	-	492,045	221,449	37,811	-	1,375,984
43	State Taxable Income	Ln37, Ln42	168,324	1,498,382	(393,590)	-	-	(26,046)	-	(478,016)	(173,858)	(37,811)	-	(220,738)
44	State Income Tax	Ln37, Ln42	13,845	123,242	(32,373)	-	-	(2,142)	-	(39,317)	(14,300)	(3,110)	-	(18,156)
45	Federal Taxable Income	Ln37, Ln42	168,324	1,498,382	(393,590)	-	-	(26,046)	-	(478,016)	(173,858)	(37,811)	-	(220,738)
46	State Income Tax	Ln44	13,845	123,242	(32,373)	-	-	(2,142)	-	(39,317)	(14,300)	(3,110)	-	(18,156)
47	Net Federal Taxable Income	Ln45, Ln46	154,479	1,375,140	(361,217)	-	-	(23,904)	-	(438,699)	(159,558)	(34,701)	-	(202,582)
48	Federal Income Tax	34,000.0%	52,523	467,548	(122,814)	-	-	(8,127)	-	(149,158)	(54,230)	(11,798)	-	(68,878)
49	Amortization of Investment Tax Credit	S-10, Ln44	-	-	-	-	-	-	-	-	-	-	-	-
50	Federal Income Tax	Ln48, Ln49	52,523	467,548	(122,814)	-	-	(8,127)	-	(149,158)	(54,230)	(11,798)	-	(68,878)

GENERAL SUPPORT FACILITIES

LINE	DESCRIPTION	SOURCE	TOTAL COMPANY (a)	INTERSTATE			INFRASTATE			LOCAL				
				MSG (b)	PL (c)	MSG (d)	PL (e)	MSG (f)	PL (g)	MSG (h)	PL (i)	EAS (j)	User Defined (k)	Other (l)
1	Carrier Classification	Records	100.00000%	31.0218%	21.0788%	-	-	0.5676%	-	10.0353%	4.5400%	0.7319%	-	32.0246%
2	By Three Expenses Dist	S-3, Line	100.00000%	25.1897%	24.5904%	-	-	0.6340%	-	13.1316%	5.8340%	1.0914%	-	29.5290%
3	Total COE, IOT, O&WF Dist	S-2, Line	100.00000%	-	-	-	-	-	-	-	-	-	-	-
LAND & SUPPORT ASSETS SEPARATION														
4	2110 Land & Support Assets		5,643,271	1,421,521	1,387,702	-	-	35,779	-	741,050	329,230	61,590	-	1,666,399
5	Support Assets-Joint w/GSF - B&C	Note 1	-	-	-	-	-	-	-	-	-	-	-	-
6	General Support Facilities - B&C	Note 1	-	-	-	-	-	-	-	-	-	-	-	-
7	Direct Assignment	Direct	5,643,271	1,421,521	1,387,702	-	-	35,779	-	741,050	329,230	61,590	-	1,666,399
8	Total Support Assets	Ln5, 7	100.00000%	25.1897%	24.5904%	-	-	0.6340%	-	13.1316%	5.8340%	1.0914%	-	29.5290%
9	Distribution of Line 8	Ln8/8a	-	-	-	-	-	-	-	-	-	-	-	-
10	Land	Note 1	192,320	48,445	47,292	-	-	1,219	-	25,255	11,220	2,099	-	56,790
11	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-
12	Total Land	Ln10, 11	192,320	48,445	47,292	-	-	1,219	-	25,255	11,220	2,099	-	56,790
13	TOTAL LAND & SUPPORT ASSETS	Ln8+12	5,835,590	1,469,965	1,434,994	-	-	36,988	-	766,304	340,450	63,689	-	1,723,189
14	Distribution of Line 13	Ln13/13a	100.00000%	25.1897%	24.5904%	-	-	0.6340%	-	13.1316%	5.8340%	1.0914%	-	29.5290%

Note 1: If Carrier Classification = A, then  
If Carrier Classification = B, then

Ln5a+2, Ln6a+2, Ln10a+2  
Ln5a+3, Ln6a+3, Ln10a+3



CENTRAL OFFICE EQUIPMENT

LINE	DESCRIPTION	SOURCE	TOTAL COMPANY (a)	INTERSTATE				INTRASTATE				LOCAL	
				InterLATA MSG (b)	PL (c)	IntraLATA MSG (d)	PL (e)	InterLATA MSG (f)	PL (g)	IntraLATA MSG (h)	PL (i)	EAS (j)	User Defined (k)
SEPARATIONS FACTORS:													
1	WSWS-Pct-Switchboards	Records	100.0000%	-	-	-	-	-	-	-	-	-	100.0000%
2	WSWS-Pct-Directory Assistance	Records	-	-	-	-	-	-	-	-	-	-	-
3	Sub Line MOU Pct	Records	100.0000%	21.8935%	-	-	-	-	-	-	-	-	78.1065%
4	SOB Toll MOU Pct	Records	-	-	-	-	-	-	-	-	-	-	-
5	WSWS-Pct-TSPS Oper Position	Records	-	-	-	-	-	-	-	-	-	-	-
6	Real Processor Time Pct-RTA	Records	-	-	-	-	-	-	-	-	-	-	-
7	Real Processor Time Pct-TSPS	Records	-	-	-	-	-	-	-	-	-	-	-
8	REL MOU's - Tandem Switching	Records	100.0000%	26.1230%	-	-	-	-	-	-	-	-	41.7889%
9	Trans Measure DEM Pct	Records	100.0000%	85.0000%	-	-	-	-	-	-	-	-	15.0000%
COE CATEGORIES-T3 SEPARATION													
10	2220 Operator Systems	Ln13a*1	-	-	-	-	-	-	-	-	-	-	-
11	Cat 1-Operator Systems	Ln14a*2	-	-	-	-	-	-	-	-	-	-	-
12	Loc Toll DSA, DSB, and Traffic Switchboards	Ln15a*3	-	-	-	-	-	-	-	-	-	-	-
13	Loc Toll DSA, DSB, and Traffic Switchboards	Ln16a*4	-	-	-	-	-	-	-	-	-	-	-
14	SOB Toll MOU Pct	Ln17a*5	-	-	-	-	-	-	-	-	-	-	-
15	Aux-Intercept	Ln18a*6	-	-	-	-	-	-	-	-	-	-	-
16	Jl Eech & Toll SOB	Ln19a*7	-	-	-	-	-	-	-	-	-	-	-
17	TSPS-Oper Position	Direct	-	-	-	-	-	-	-	-	-	-	-
18	TSPS-RTA	Ln13.20	-	-	-	-	-	-	-	-	-	-	-
19	TSPS-Other	Ln21	-	-	-	-	-	-	-	-	-	-	-
20	Direct Assignment	Ln23/23a	-	-	-	-	-	-	-	-	-	-	-
21	Total Cat 1	-	-	-	-	-	-	-	-	-	-	-	-
22	Distribution of Line 21	-	-	-	-	-	-	-	-	-	-	-	-
23	TOTAL COE-OPERATOR	-	-	-	-	-	-	-	-	-	-	-	-
24	Distribution of Line 23	-	-	-	-	-	-	-	-	-	-	-	-
25	2210 Central Office Switching	Ln26a*8	-	-	-	-	-	-	-	-	-	-	-
26	Cat 2-Fandem Switching	Direct	-	-	-	-	-	-	-	-	-	-	-
27	Direct Assignment	Ln26.27	-	-	-	-	-	-	-	-	-	-	-
28	Total Cat 2	Ln28/28a	-	-	-	-	-	-	-	-	-	-	-
29	Distribution of Line 28	-	-	-	-	-	-	-	-	-	-	-	-
30	Distribution of Line 28	-	-	-	-	-	-	-	-	-	-	-	-
31	Cat 3-Local Switching - TS	Ln31a*9	1,016,025	863,621	-	-	-	-	-	-	-	-	152,404
32	Cat 3-Local Switching - NTS	Ln32a*9	-	-	-	-	-	-	-	-	-	-	-
33	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-
34	Total Cat 3	Ln31.33	1,016,025	863,621	-	-	-	-	-	-	-	-	152,404
35	Distribution of Line 34	Ln34/34a	100.0000%	85.0000%	-	-	-	-	-	-	-	-	15.0000%
36	TOTAL COE-SWITCHING	Ln28+34	1,016,025	863,621	-	-	-	-	-	-	-	-	152,404
37	Distribution of Line 36	Ln36/36a	100.0000%	85.0000%	-	-	-	-	-	-	-	-	15.0000%

CENTRAL OFFICE EQUIPMENT

LINE	DESCRIPTION	SOURCE	INTERSTATE										INTRASTATE			LOCAL			
			TOTAL COMPANY (a)	MSG (b)	IntraLATA PL (c)	IntraLATA MSG (d)	IntraLATA PL (e)	IntraLATA MSG (f)	IntraLATA PL (g)	IntraLATA MSG (h)	IntraLATA PL (i)	EAS (j)	User Defined (k)	Other (l)	EAS (m)	User Defined (n)	Other (o)		
																		Joint MSG (b)	IntraLATA PL (c)
SEPARATIONS FACTORS:																			
38	WB Line	Records	100.0000%	-	63.2653%	-	-	-	-	-	-	-	-	-	-	-	-		
39	EX TRK WB	Records	100.0000%	-	63.2653%	-	-	-	-	-	-	-	-	-	-	-	-		
40	REL MOUs - Exchange Trunk	Records	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
41	Gross Allocator (Trans SPF)	Records	100.0000%	25.0000%	-	-	-	-	1.1013%	-	-	-	22.6687%	-	-	-	51.2300%		
42	COE Cat 4 21-Furn to Others Pct	Records	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
43	Interexchange TRK WB	Records	100.0000%	-	63.2653%	-	-	-	-	-	-	-	-	-	-	-	-		
COE CATEGORY 4 SEPARATION																			
44	2230 Central Office - Transmission	Ln60a 38	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
45	Cat 4 1-Exchange Circuit	Direct	47,464	-	12,030	-	-	-	-	-	-	-	-	-	-	-	-		
46	4 11 Wideband-Line	Direct	52,184	-	52,184	-	-	-	-	-	-	-	-	-	-	-	-		
47	Direct Assignment	Direct	723,651	-	723,651	-	-	-	-	-	-	-	-	-	-	-	-		
48	4 11 Ethernet	Direct	24,842	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
49	4 12 Wideband-DSL Line	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
50	4 12 Exch Trunk - EAS	Ln51a 40	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
51	Ex TRK xWB - Basic	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
52	Ex TRK xWB - Basic DA	Ln53a 39	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
53	Ex TRK WB	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
54	Exch TRK WB - Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
55	4 13 Ex Line xWB	Ln67b 41	1,854,450	463,612	-	-	-	-	20,423	-	-	-	420,380	-	-	-	950,035		
56	Joint MSG	Ln67c 1	10,669	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
57	PL & Local	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
58	Direct Assignment - Basic/Special	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
59	Cat 4 2-Interexchange	Ln60a 42	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
60	4 21 Furn to Others	Direct	64,598	-	64,598	-	-	-	-	-	-	-	-	-	-	-	-		
61	4 22 Wideband	Ln63a 43	167,270	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
62	Interexchange DSL	Direct	320,485	-	320,485	-	-	-	-	-	-	-	-	-	-	-	-		
63	Interexchange PL	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
64	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
65	4 22 Ethernet	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
ASSIGNMENT OF COE CAT 4 13			INTERSTATE TOLL														INTRASTATE TOLL		
66	COE Cat 4 13 Working Loops	Records	961.5	936.0	-	-	-	-	-	-	-	-	-	-	-	-	-		
67	COE Cat 4 13 Assigned Invest	Note 1	1,865,119	1,854,450	-	-	-	-	-	-	-	-	10,669	-	-	-	-		

Note 1: Cost per loop = 1,939.8011



INFORMATION ORIGIN/TERM EQUIPMENT

LINE	DESCRIPTION	SOURCE	TOTAL COMPANY		INTERSTATE		INTRASTATE		LOCAL			
			(a)	(b)	InterLATA	PL	InterLATA	PL	InterLATA	PL	EAS	User Defined (k)
<b>SEPARATIONS FACTORS</b>												
1	Gross Allocation (Trans SPF)	Records	100.0000%	25.0000%	-	-	1.1013%	22.6687%	-	-	-	51.2300%
2	REL MODS - Comless Pub Tel	Records	-	-	-	-	-	-	-	-	-	-
<b>IoT EQUIPMENT SEPARATION</b>												
3	2310 Into Org/Team Equip	LndA 1	-	-	-	-	-	-	-	-	-	-
4	Cat 1-Other IoT	LndB 2	-	-	-	-	-	-	-	-	-	-
5	Coms Pub Tel Eq	Direct	-	-	-	-	-	-	-	-	-	-
6	Direct Assignment	Lnd 6	-	-	-	-	-	-	-	-	-	-
7	Total Category 1	Lnd7/a	-	-	-	-	-	-	-	-	-	-
8	Distribution of Line 7	Direct	-	-	-	-	-	-	-	-	-	-
9	Cat 2-Cust Prem Equip	Lnd9/a	-	-	-	-	-	-	-	-	-	-
10	Distribution of Line 9	Lnd7+9	-	-	-	-	-	-	-	-	-	-
11	TOTAL INFO ORIG/TERM EQUIP	Lnd7+9	-	-	-	-	-	-	-	-	-	-
12	Distribution of Line 11	Lnd11/11a	-	-	-	-	-	-	-	-	-	-

CABLE AND WIRE FACILITIES

LINE	DESCRIPTION	SOURCE	TOTAL COMPANY (a)	INTERSTATE				INTRASTATE				LOCAL				
				MSG (b)	PL (c)	MSG (d)	PL (e)	MSG (f)	PL (g)	MSG (h)	PL (i)	EAS (j)	User Defined (k)	Other (l)		
															INTERSTATE TOLL	INTRASTATE TOLL
SEPARATIONS FACTORS																
1	Gross Allocator Pct (Trans SPF)	Records	100.0000%	25.0000%	-	-	-	-	-	1.1013%	-	22.6687%	-	-	-	51.2300%
2	REL MOU's - Exchange Trunk	Records	100.0000%	-	63.2653%	-	-	-	-	-	-	-	36.7347%	-	-	-
3	WB Line	Records	100.0000%	-	63.2653%	-	-	-	-	-	-	-	36.7347%	-	-	-
4	MOU Pct-Ex Trk WB	Records	100.0000%	-	-	-	-	-	-	-	-	-	-	-	-	-
C&WF CAT 1-2 SEPARATION																
5	2410 Cable & Wire Facilities	Records	53.824	-	-	-	-	-	-	-	-	-	-	-	-	53.824
6	Cat 1 Exch Line XWB	Ln256.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	1.1 Intra PL & WATS	Ln256.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	1.2 Inter PL & WATS	Ln250.1	9,355,605	2,338,901	-	-	-	-	-	103,033	-	2,120,794	-	-	-	4,792,876
9	1.3 Jointly Used	Direct	-	2,338,901	-	-	-	-	-	103,033	-	2,120,794	-	-	-	4,792,876
10	Direct Assignment	Ln7.10	9,409,429	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Total Category 1															
12	Cat 2 WB & Exch Trunk	Ln138.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Ex Trk - EAS	Direct	213,800	-	-	-	-	-	-	-	-	-	-	-	-	213,800
14	Ex Line WB - Data Only DSL	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Ex Line WB - VOICEDATA	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Ex Line WB - VOICEDATA	Direct	244,242	-	244,242	-	-	-	-	-	-	-	-	-	-	-
17	Ex Line Ethernet	Ln188.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Ex Line WB	Direct	239,647	-	60,777	-	-	-	-	-	-	-	-	-	-	178,870
19	WB Line	Ln208.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	WB Trunk	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	WB Trunk DA	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Total Category 2		697,688	-	305,018	-	-	-	-	-	-	-	-	-	-	178,870
ASSIGNMENT OF C&WF CAT 1																
23	C&WF Cat 1 Working Hours	Records	962	966	-	-	-	-	-	6	-	-	-	-	-	-
24	Distribution of Line Z1	Ln231.238	100.0000%	99.4280%	-	-	-	-	-	0.5720%	-	-	-	-	-	-
25	Cat 1-Ex Line XWB	Ln258.24	9,409,429	9,355,605	-	-	-	-	-	53,824	-	-	-	-	-	-

Note 1: Cost per loop = 9.786 1976

CABLE AND WIRE FACILITIES

LINE	DESCRIPTION	SOURCE	TOTAL COMPANY (a)	INTERSTATE				INTRASTATE				LOCAL			
				InterLATA		IntraLATA		InterLATA		IntraLATA		EAS		User Defined	Other
				MSG (b)	PL (c)	MSG (d)	PL (e)	MSG (f)	PL (g)	MSG (h)	PL (i)	EAS (j)	Defined (k)	(l)	
<b>SEPARATIONS FACTORS:</b>															
26	Interexchange TRB WB	Records	100.00000%		63.2653%										
27	CMM Pch-X/WB	Records	100.00000%	92.1020%											
28	C&W TWX Connect Min Miles Pch-IT	Records	100.00000%	92.1020%											
29	C&W TWX Connect Min Miles Pch-Rnt	Records	100.00000%	92.1020%											
30	Host/Remote MOU Miles Pch	Records	100.00000%	40.7767%				1.1295%							41.7883%
<b>C&amp;W CAT 3-4 SEPARATION:</b>															
31	Cat 3 Interchange C&W	Direct	-												
32	WB PL - Direct Assignment	Ln33a 26	-												
33	WB - Joint Message	Ln33b 27	-												
34	Joint MSG x/WB	Ln34 27	1,311,365	1,207,793							103,572				
35	PL TWX & Local x/WB	Ln54c 1	36,409									36,409			
36	Joint TWX-IT	Ln54f 28	-												
37	Joint TWX-Rnt	Ln54k 29	-												
38	Interexchange - DA	Direct	789,889									789,889			
39	DSL Interexchange	Direct	2,337,340												
40	Ethernet Interexchange	Direct	1,561,610												
41	Total Category 3	Ln31 39	6,036,612	1,207,793	2,337,340	1,561,610	3,898,950				103,572	826,298			
42	Cat 4-Host/Remote C&W	Ln43a 30	1,320,013	538,258				14,910			215,235				551,611
43	Joint (X/WATS)	Direct	-												
44	WATS	Direct	-												
45	Direct Assignment	Ln43 45	1,320,013	538,258				14,910			215,235				551,611
46	Total Category 4														
47	TOTAL CABLE & WIRE FACILITIES	Ln11+22+41+46	17,463,742	4,084,952	4,203,968	24,072,59%		117,943			2,439,600	1,058,992	213,800	5,344,487	30,603,33%
48	Distribution of Line 47	Ln47/47a	100.00000%	23.3910%				0.6754%			13.9695%	6.0639%	1.2242%		
<b>ASSIGNMENT OF C&amp;W CAT 3</b>															
49	Equip IX Circ Miles-MSG	Records	9,810	9,545.10				265.01							
50	PL TWX&Local	Ln49/49a	100.00000%	97.2986%				2.7014%							
51	Distribution of Line 45	Ln50/50a													
52	Distribution of Line 46	Ln53a 51	1,347,774	1,311,365				36,409							
53	Cat 3-All Other x/WB-MSG	Ln53a 52													
54	PL TWX&Local														

Note 1 Cost per circuit mile = 137.39

AMORTIZABLE ASSETS

LINE	DESCRIPTION	SOURCE	TOTAL COMPANY (a)	INTERSTATE		INTRASTATE		LOCAL						
				MSG (b)	PL (c)	MSG (d)	PL (e)	MSG (f)	PL (g)	MSG (h)	PL (i)	EAS (j)	User Defined (k)	Other (l)
<b>SEPARATIONS FACTORS</b>														
1	Land & Support Assets Distr	S-4, Ln14	100.0000%	25.1897%	24.5904%	-	-	-	-	13.1316%	5.8340%	1.0914%	-	29.5290%
2	2210 COE-Switch Distr	S-5, Ln37	100.0000%	85.0000%	-	-	-	-	-	-	-	-	-	15.0000%
3	2220 COE-Operator Systems Distr	S-5, Ln24	-	16.5196%	34.6394%	-	-	-	-	12.7501%	6.3988%	0.7336%	-	28.3475%
4	2230 COE-Transmission Distr	S-5, Ln81	100.0000%	-	-	-	-	-	-	13.9895%	6.0639%	1.2242%	-	30.6033%
5	2310 IOT Distr	S-6, Ln12	-	23.3910%	24.0725%	-	-	-	-	13.1316%	5.8340%	1.0914%	-	29.5290%
6	2410 C&WF Distr	S-7, Ln8	100.0000%	25.1897%	24.5904%	-	-	-	-	13.1316%	5.8340%	1.0914%	-	29.5290%
7	2001 TFS	S-2, Ln8	100.0000%	-	-	-	-	-	-	-	-	-	-	-
8	2001 TFS, not 2680	S-2, Ln11	100.0000%	25.1897%	24.5904%	-	-	-	-	13.1316%	5.8340%	1.0914%	-	29.5290%
<b>TANGIBLE ASSETS-CAPITAL LEASES SEPARATIONS FACTORS</b>														
9	2680 Tangible Assets - Capital Leases	Ln10a-1	-	-	-	-	-	-	-	-	-	-	-	-
10	2110 Land & Supl Assets	Ln11a-2	-	-	-	-	-	-	-	-	-	-	-	-
11	2210 COE-Switching	Ln12a-3	-	-	-	-	-	-	-	-	-	-	-	-
12	2220 COE-Operator	Ln13a-4	-	-	-	-	-	-	-	-	-	-	-	-
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	Ln10, 17	-	-	-	-	-	-	-	-	-	-	-	-
18	TOTAL CAPITAL LEASES	Ln10, 17	-	-	-	-	-	-	-	-	-	-	-	-
19	Distribution of Line 18	Ln18/18a	-	-	-	-	-	-	-	-	-	-	-	-
<b>TANGIBLE ASSETS-LEASEHOLD IMPROVEMENTS</b>														
20	2680 Tangible Assets - Leasehold Improve	Ln21a-1	-	-	-	-	-	-	-	-	-	-	-	-
21	2110 Land & Supl 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	Ln21, 28	-	-	-	-	-	-	-	-	-	-	-	-
29	TOTAL LEASEHOLD IMPROVEMENTS	Ln29/29a	-	-	-	-	-	-	-	-	-	-	-	-
30	Distribution of Line 29	Ln18+29	-	-	-	-	-	-	-	-	-	-	-	-
31	TOTAL TANGIBLE ASSETS	Ln31/31a	-	-	-	-	-	-	-	-	-	-	-	-
32	Distribution of Line 31	Ln33a-8	-	-	-	-	-	-	-	-	-	-	-	-
<b>INTANGIBLE ASSETS SEPARATION</b>														
33	2690 Intangible Assets	Ln33a-8	-	-	-	-	-	-	-	-	-	-	-	-
34	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-
35	TOTAL INTANGIBLE ASSETS	Ln33, 34	-	-	-	-	-	-	-	-	-	-	-	-
36	Distribution of Line 35	Ln35/35a	-	-	-	-	-	-	-	-	-	-	-	-

TELECOMMUNICATIONS PLANT - OTHER ACCOUNTS

LINE	DESCRIPTION	SOURCE	TOTAL COMPANY (a)	INTERSTATE		INTRASTATE		LOCAL		
				MSG (b)	PL (c)	MSG (d)	PL (e)	MSG (f)	PL (g)	EAS (h)
<b>SEPARATIONS FACTORS</b>										
1	2001 TPIS Disr	S-2, Ln15	100.0000%	25.1897%	24.5904%	0.6340%	13.1316%	5.8340%	1.0914%	29.5290%
2	2410 C&WF Disr	S-7, Ln48	100.0000%	23.3910%	24.0725%	0.6754%	13.9695%	6.0639%	1.2242%	30.6033%
3	Equal Access MOU Pd	Records	100.0000%	96.3946%	-	3.6054%	-	-	-	-
<b>OTHER ACCOUNTS SEPARATION</b>										
4	2002 Prop Hld Fut Telecom Use	Ln4a1	-	-	-	-	-	-	-	-
5	Direct Assignment	Direct	-	-	-	-	-	-	-	-
6	TOTAL PROP HLD FUT TELECOM USE	Ln4.5	-	-	-	-	-	-	-	-
7	Distribution of Line 6	Ln6/6a	-	-	-	-	-	-	-	-
8	2003 Pll Under Constr	Ln8a1	104.401	26.298	25.673	662	13.710	6.091	1.139	30.829
9	Direct Assignment	Direct	-	-	-	-	-	-	-	-
10	TOTAL Pll UNDER CONSTR	Ln8.9	104.401	26.298	25.673	662	13.710	6.091	1.139	30.829
11	Distribution of Line 10	Ln10/10a	100.0000%	25.1897%	24.5904%	0.6340%	13.1316%	5.8340%	1.0914%	29.5290%
12	2005 Telecom Plant Adjust	Ln12a1	-	-	-	-	-	-	-	-
13	Direct Assignment	Direct	-	-	-	-	-	-	-	-
14	TOTAL TELECOM PLANT ADJUST	Ln12.13	-	-	-	-	-	-	-	-
15	Distribution of Line 14	Ln14/14a	-	-	-	-	-	-	-	-
<b>MISC ACCOUNTS SEPARATION</b>										
16	1410 Other Noncurrent Assets	Ln16a S-3, Ln6	-	-	-	-	-	-	-	-
17	1438 Deferred Charges	Ln17a1	-	-	-	-	-	-	-	-
18	1220 Material & Suppl X/CPE	Ln18a2	228.544	53.459	55.016	1,543	31.926	13.859	2.798	69.942
19	Direct Assignment	Direct	-	-	-	-	-	-	-	-
20	TOTAL MATERIALS AND SUPPLIES	Ln18.19	228.544	53.459	55.016	1,543	31.926	13.859	2.798	69.942
21	Cash Working Capital	CWC	297.371	100.770	60.277	1,620	28.860	13,044	2.120	90.679
<b>EQUAL ACCESS INVESTMENT SEPARATION</b>										
22	Equal Access Gross Investment	Ln22a3	-	-	-	-	-	-	-	-
23	Equal Access Gross Investment - DA	Direct	-	-	-	-	-	-	-	-
24	Accum Depreciation	Ln24a3	-	-	-	-	-	-	-	-
25	Deferred Oper Inc Taxes	Ln25a3	-	-	-	-	-	-	-	-
26	Unamortized Expenses	Ln26a3	-	-	-	-	-	-	-	-
27	TOTAL NET EQUAL ACCESS INVESTMENT	Ln22-24-25+26	-	-	-	-	-	-	-	-
28	Distribution of Line 27	Ln27/27a	-	-	-	-	-	-	-	-
<b>INVEST ALLOW/DISALLOW SEPARATION</b>										
29	Investment Allow/Disallowances	Ln29a1	-	-	-	-	-	-	-	-
30	Direct Assignment	Direct	-	-	-	-	-	-	-	-
31	TOTAL INVEST ALLOW/DISALLOWANCES	Ln29.30	-	-	-	-	-	-	-	-



CERTAIN INCOME ACCOUNTS AND ADJUSTMENTS

LINE	DESCRIPTION	SOURCE	TOTAL COMPANY (a)	INTERSTATE				INTRASTATE				LOCAL		
				MSG (b)	IntraLATA PL (c)	IntraLATA MSG (d)	IntraLATA PL (e)	MSG (f)	IntraLATA PL (g)	MSG (h)	IntraLATA PL (i)	EAS (j)	User Defined (k)	Other (l)
<b>SEPARATIONS FACTORS</b>														
1	2001 TPIS Distr	S-2, Ln15	100.0000%	25.1897%	24.5904%	-	-	0.6340%	-	13.1316%	5.8340%	1.0914%	-	29.5290%
2	2003 PUC-Pd	S-9, Ln11	100.0000%	25.1897%	24.5904%	-	-	0.6340%	-	13.1316%	5.8340%	1.0914%	-	29.5290%
3	Corp Oper Expenses Distr	S-14, Ln17	100.0000%	33.4369%	20.3408%	-	-	0.5477%	-	9.6840%	4.3810%	0.7063%	-	30.9035%
4	2680 Capital Leases Distr	S-8, Ln19	-	-	-	-	-	-	-	-	-	-	-	-
5	Nel Telecom Plant Distr 4040, 4310	S-2, Ln37	100.0000%	24.5566%	24.6340%	-	-	0.6435%	-	13.3258%	5.9026%	1.1154%	-	29.7622%
6	2110 Support Assets Distr	S-4, Ln9	100.0000%	25.1897%	24.5904%	-	-	0.6340%	-	13.1316%	5.8340%	1.0914%	-	29.5290%
7	2210 COE-Switching Distr	S-5, Ln37	100.0000%	85.0000%	-	-	-	-	-	-	-	-	-	15.0000%
8	2220 COE-Operator Distr	S-5, Ln24	-	-	-	-	-	-	-	-	-	-	-	-
9	2230 COE-Transmission Distr	S-5, Ln81	100.0000%	16.5196%	34.6394%	-	-	0.6110%	-	12.7501%	6.3988%	0.7336%	-	28.3475%
10	2310 IOT Distr	S-6, Ln12	-	-	-	-	-	-	-	-	-	-	-	-
11	2410 C&WF Distr	S-7, Ln48	100.0000%	23.3910%	24.0725%	-	-	0.6754%	-	13.9695%	6.0639%	1.2242%	-	30.6033%
12	COE IOT C&WF	S-2, Ln8	100.0000%	25.1897%	24.5904%	-	-	0.6340%	-	13.1316%	5.8340%	1.0914%	-	29.5290%
13	Bul Three Expenses Distr	S-3, Ln6	100.0000%	31.0218%	21.0786%	-	-	0.5676%	-	10.0353%	4.5407%	0.7319%	-	32.0246%
<b>OTHER INCOME SEPARATION</b>														
14	7300 Nonoper Inc & Expenses	Ln15a-2	-	-	-	-	-	-	-	-	-	-	-	-
15	Aw Fds Used Dir Constr	Ln16a-3	-	-	-	-	-	-	-	-	-	-	-	-
16	Contributions	Ln16a-3	-	-	-	-	-	-	-	-	-	-	-	-
17	Abandoned Construction	Ln17a-1	-	-	-	-	-	-	-	-	-	-	-	-
18	Other Nonoperating Expense	Direct	-	-	-	-	-	-	-	-	-	-	-	-
<b>Fixed Charges</b>														
19	Interest on Capital Leases	Ln20a-4	-	-	-	-	-	-	-	-	-	-	-	-
20	Interest on Capital Leases	Ln21a-5	121.957	29.948	30.116	-	-	785	-	16.252	7.199	1.360	-	36.297
21	Fixed Charges Excl Capital Leases	Ln22a-5	-	-	-	-	-	-	-	-	-	-	-	-
22	Amortization of Debt Discount	Ln23a-5	-	-	-	-	-	-	-	-	-	-	-	-
23	Other Interest	Ln20, 21	121.957	29.948	30.116	-	-	785	-	16.252	7.199	1.360	-	36.297
24	TOTAL FIXED CHARGES													
<b>5240 Rent Revenues</b>														
25	Support Assets	Ln26a-6	-	-	-	-	-	-	-	-	-	-	-	-
26	COE-Switching	Ln27a-7	-	-	-	-	-	-	-	-	-	-	-	-
27	COE-Operator	Ln28a-8	-	-	-	-	-	-	-	-	-	-	-	-
28	COE-Transmission	Ln29a-9	-	-	-	-	-	-	-	-	-	-	-	-
29	Into OrigTerm Equip	Ln30a-10	-	-	-	-	-	-	-	-	-	-	-	-
30	C&WF	Ln31a-11	45.120	10.554	10.862	-	-	305	-	6.303	2.736	562	-	13.808
31	Not Classified by Acct	Ln32a-1	-	-	-	-	-	-	-	-	-	-	-	-
32	UNBUNDLED NETWORK ELEMENTS													
33	C&WF - Unbundled Loop	S-5, Ln41, Ln34	-	-	-	-	-	-	-	-	-	-	-	-
34	Operator Systems	S-5, Ln24, Ln35	-	-	-	-	-	-	-	-	-	-	-	-
35	Local Switching	S-5, Ln34, Ln36	-	-	-	-	-	-	-	-	-	-	-	-
36	Transport Termination	S-5, Ln87, Ln38	-	-	-	-	-	-	-	-	-	-	-	-
37	Transport Facility	S-5, Ln79, Ln40	-	-	-	-	-	-	-	-	-	-	-	-
38	OSS	Direct	-	-	-	-	-	-	-	-	-	-	-	-
39	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-
40	TOTAL RENT REVENUES	Ln26, 42	45.120	10.554	10.862	-	-	305	-	6.303	2.736	562	-	13.808

CERTAIN INCOME ACCOUNTS AND ADJUSTMENTS

LINE	DESCRIPTION	SOURCE	TOTAL COMPANY (a)	INTERSTATE			INTRASTATE			LOCAL						
				MSG (b)	IntnlATA (c)	PL (d)	MSG (e)	IntnlATA (f)	PL (g)	MSG (h)	IntnlATA (i)	PL (j)	EAS (k)	User Defined (l)	Other (m)	
<b>INCOME TAX ADJUSTMENTS SEPARATIONS</b>																
44	ITC Amortization - Federal	S-14, Ln5, Ln44	-	-	-	-	-	-	-	-	-	-	-	-	-	-
45	ITC Amortization - State	S-14, Ln5, Ln45	-	-	-	-	-	-	-	-	-	-	-	-	-	-
46	TOTAL ITC AMORTIZATION	Ln44, 45	-	-	-	-	-	-	-	-	-	-	-	-	-	-
47	Amortization of Excess Def Taxes	Ln17g1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
48	Capitalized Payroll Taxes	Ln48a1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
49	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-
50	TOTAL CAPITALIZED PAYROLL TAXES	Ln48, 49	-	-	-	-	-	-	-	-	-	-	-	-	-	-
51	Depreciation Adjustments	Ln51a1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
52	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-
53	TOTAL DEPRECIATION ADJUSTMENTS	Ln51, 52	-	-	-	-	-	-	-	-	-	-	-	-	-	-
54	Uncollectibles - Joint Message	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-
55	Uncollectibles - Eird User CCL	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-
56	Uncollectibles - Interexchange Carrier	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-
57	TOTAL UNCOLLECTIBLES	Ln54, 56	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>58 Misc/Inc Adjustments</b>																
59	Inc Adj Alloc on 2001	Ln59a1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
60	Inc Adj Alloc on 2001 - Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-
61	Inc Adj Alloc on Big 3 Exp	Ln61a13	-	-	-	-	-	-	-	-	-	-	-	-	-	-
62	Inc Adj Alloc on Big 3 Exp - Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-
63	TOTAL MISC INC ADJUSTMENTS	Ln59, 61	-	-	-	-	-	-	-	-	-	-	-	-	-	-

PLANT SPECIFIC EXPENSES

LINE	DESCRIPTION	SOURCE	TOTAL COMPANY (a)	INTERSTATE				INTRASTATE				LOCAL		
				MSG (b)	IntraLATA PL (c)	IntraLATA MSG (d)	IntraLATA PL (e)	MSG (f)	IntraLATA PL (g)	MSG (h)	IntraLATA PL (i)	EAS (j)	User Defined (k)	Other (l)
<b>SEPARATIONS FACTORS</b>														
1	2110 Land & Supp Assis Distr	S-4, Ln14	100.0000%	25.1897%	24.5904%	-	-	0.6340%	-	13.1316%	5.8340%	1.0314%	-	29.5290%
2	Total COE Distr + EA Distr	S-5, Ln82 incl EA	100.0000%	32.3249%	26.6447%	-	-	0.4700%	-	9.8074%	4.9220%	0.5643%	-	25.2669%
3	2310 IOT Cal 1-Other Distr	S-6, Ln1	100.0000%	25.0000%	-	-	-	1.1013%	-	22.6687%	-	-	-	51.2300%
4	2310 IOT Cal 2-CPE Distr	S-6, Ln10	-	-	-	-	-	-	-	-	-	-	-	-
5	2410 C&WF Distr	S-7, Ln48	100.0000%	23.3910%	24.0725%	-	-	0.6754%	-	13.9695%	6.0639%	1.2242%	-	30.6033%
<b>PLANT SPECIFIC EXPENSES SEPARATION</b>														
6	6110 Network Support Expenses	Ln6a.1	12.187	3.070	2.997	-	-	77	-	1.600	711	133	-	3.569
7	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-
8	TOTAL NETWORK SUPPORT EXPENSES	Ln6.7	12.187	3.070	2.997	-	-	77	-	1.600	711	133	-	3.569
9	6120 General Support Expenses	Ln9a.1	104.060	26.212	25.589	-	-	660	-	13.665	6.071	1.136	-	30.728
10	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-
11	TOTAL GENERAL SUPPORT EXPENSES	Ln9.10	104.060	26.212	25.589	-	-	660	-	13.665	6.071	1.136	-	30.728
12	6210 COE Switching Expenses	Ln12a.2	76.270	24.654	20.322	-	-	358	-	7.480	3.754	430	-	19.271
13	Direct Assignment	Ln12.13	-	-	-	-	-	-	-	-	-	-	-	-
14	TOTAL COE SWITCHING EXPENSES	Ln12.13	76.270	24.654	20.322	-	-	358	-	7.480	3.754	430	-	19.271
15	6220 COE Operator Systems Expenses	Ln15a.2	-	-	-	-	-	-	-	-	-	-	-	-
16	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-
17	TOTAL COE OPERATOR SYS EXPENSES	Ln15.16	-	-	-	-	-	-	-	-	-	-	-	-
18	6230 COE Transmission Expenses	Ln18a.2	630.252	203.728	167.928	-	-	2,962	-	61.811	31.021	3,557	-	159.245
19	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-
20	TOTAL COE TRANSMISSION EXPENSES	Ln18.19	630.252	203.728	167.928	-	-	2,962	-	61.811	31.021	3,557	-	159.245
21	TOTAL COE EXPENSES	Ln14+17+20	706.522	228.382	188.250	-	-	3,321	-	69.291	34.775	3,987	-	178.516
22	6310 IOT Equip Expenses	Ln23a.3	-	-	-	-	-	-	-	-	-	-	-	-
23	Cal 1-Other IOT Eq Expenses	Ln23a.4	-	-	-	-	-	-	-	-	-	-	-	-
24	Cal 2-Other Prem Equip Exp	Direct	-	-	-	-	-	-	-	-	-	-	-	-
25	Direct Assignment	Ln23.25	-	-	-	-	-	-	-	-	-	-	-	-
26	TOTAL IOT EXPENSES	Ln23.25	-	-	-	-	-	-	-	-	-	-	-	-
27	6410 C&WF Expenses	Ln27a.5	369,400	86,407	88,924	-	-	2,495	-	51,603	22,400	4,522	-	113,049
28	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-
29	TOTAL C&WF EXPENSES	Ln27.28	369,400	86,407	88,924	-	-	2,495	-	51,603	22,400	4,522	-	113,049
30	Pl. Spec Exp x(6110,6120)	Ln21+26+29	1,075,923	314,789	277,175	-	-	5,815	-	120,895	57,175	8,509	-	291,565
31	TOTAL PLANT SPEC OPER EXP	Ln8+11+30	1,192,169	344,071	305,760	-	-	6,552	-	136,160	63,957	9,778	-	325,891
32	Distribution of Line 31	Ln31/31a	100.0000%	28.8609%	25.6474%	-	-	0.5496%	-	11.4212%	5.3617%	0.8202%	-	27.3360%

PLANT NONSPECIFIC EXPENSES

LINE	DESCRIPTION	SOURCE	TOTAL COMPANY (a)	INTERSTATE		INTRASTATE		LOCAL						
				InterLATA MSG (b)	PL (c)	IntraLATA MSG (d)	PL (e)	InterLATA MSG (f)	PL (g)	IntraLATA MSG (h)	PL (i)	EAS (j)	User Defined (k)	Other (l)
<b>SEPARATIONS FACTORS</b>														
1	2001 FTS/Dir	S-2, Ln15	100.0000%	25.1897%	24.5904%	-	-	0.6340%	-	13.1316%	5.8340%	1.0914%	-	29.5230%
2	Total COE, IOT, C&WF Dir	S-2, Ln7-9	100.0000%	25.1897%	24.5904%	-	-	0.6340%	-	13.1316%	5.8340%	1.0914%	-	29.5230%
3	2110 Support Assets Dir	S-4, Ln9	100.0000%	25.1897%	24.5904%	-	-	0.6340%	-	13.1316%	5.8340%	1.0914%	-	29.5230%
4	2210 COE-Switching Dir	S-15, Ln127	100.0000%	85.0000%	-	-	-	-	-	-	-	-	-	15.0000%
5	2220 COE-Operator Dir	S-5, Ln24	-	-	-	-	-	-	-	-	-	-	-	-
6	2230 COE-Transmission Dir	S-5, Ln81	100.0000%	16.5196%	34.6394%	-	-	0.6110%	-	12.7501%	6.3989%	0.7336%	-	28.3475%
7	2310 IOT Dir	S-6, Ln12	-	-	-	-	-	-	-	-	-	-	-	-
8	2410 C&WF Dir	S-7, Ln48	100.0000%	23.3910%	24.0725%	-	-	0.6754%	-	13.9695%	6.0639%	1.2242%	-	30.6033%
9	2002 Prop Hld Ft Tel Use Dir	S-9, Ln7	-	-	-	-	-	-	-	-	-	-	-	-
10	2680 Capital Leases Dir	S-8, Ln19	-	-	-	-	-	-	-	-	-	-	-	-
11	2680 Leasehold Improvements Dir	S-8, Ln30	-	-	-	-	-	-	-	-	-	-	-	-
12	2690 Intangible Assets Dir	S-8, Ln36	-	-	-	-	-	-	-	-	-	-	-	-
13	2005 Telecom Pft Adjustment	S-9, Ln15	-	-	-	-	-	-	-	-	-	-	-	-
<b>PLANT NONSPECIFIC EXP SEPARATION</b>														
14	6510 Oln Prop Plant & Eq Exp	Ln14a*1	-	-	-	-	-	-	-	-	-	-	-	-
15	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-
16	TOTAL OTH PROP PLANT & EO EXP	Ln14, *15	-	-	-	-	-	-	-	-	-	-	-	-
17	6530 Network Operations Exp	Ln17a*2	469.649	118.303	115.489	-	-	2.978	-	61.672	27.400	5.126	-	138.683
18	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-
19	TOTAL NETWORK OPERATIONS EXP	Ln17, *18	469.649	118.303	115.489	-	-	2.978	-	61.672	27.400	5.126	-	138.683
20	6540 Access Expenses	Direct	-	-	-	-	-	-	-	-	-	-	-	-
21	Access Expense x/Federal Support	Direct	102.369	102.369	-	-	-	-	-	-	-	-	-	-
22	Federal & State Support	Ln21, *22	102.369	102.369	-	-	-	-	-	-	-	-	-	-
23	TOTAL ACCESS EXPENSES	Ln21, *22	102.369	102.369	-	-	-	-	-	-	-	-	-	-
24	6560 Depr and Amort Expenses	Ln25a*3	320.863	80.824	78.901	-	-	2.034	-	42.134	18.719	3.502	-	94.747
25	Depr - Support Assets	Direct	-	-	-	-	-	-	-	-	-	-	-	-
26	Depr - Support Assets - Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-
27	Depr - COE-Switching	Ln27a*4	101.933	86.643	-	-	-	-	-	-	-	-	-	15.290
28	Cat-2-Tandem Switching	S-5, Ln8	-	-	-	-	-	-	-	-	-	-	-	-
29	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-
30	Cat-3-Local Switching - TS	S-5, Ln9	-	-	-	-	-	-	-	-	-	-	-	-
31	Cat-3-Local Switching - NTS	S-5, Ln9	-	-	-	-	-	-	-	-	-	-	-	-
32	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-
33	Depr - COE-Switching	Ln34a*5	101.933	86.643	-	-	-	-	-	-	-	-	-	15.290
34	Depr - COE-Operator	Ln34a*5	-	-	-	-	-	-	-	-	-	-	-	-
35	Cat-1-Operator Systems	S-5, Ln1	-	-	-	-	-	-	-	-	-	-	-	-
36	Loc Toll,DSA,DSB, and	S-5, Ln2	-	-	-	-	-	-	-	-	-	-	-	-
37	Traffic Switchboards	S-5, Ln3	-	-	-	-	-	-	-	-	-	-	-	-
38	Aux-Direct Assst	S-6, Ln3	-	-	-	-	-	-	-	-	-	-	-	-
39	Aux-Intercept	S-6, Ln3	-	-	-	-	-	-	-	-	-	-	-	-
40	JLEK&I & Toll SOB	S-5, Ln4	-	-	-	-	-	-	-	-	-	-	-	-
41	TSPS-Oper Position	S-5, Ln5	-	-	-	-	-	-	-	-	-	-	-	-
42	TSPS-RTA	S-5, Ln6	-	-	-	-	-	-	-	-	-	-	-	-
43	TSPS-Other	S-5, Ln7	-	-	-	-	-	-	-	-	-	-	-	-
44	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-
45	Total Cat 1	Ln35, *44	-	-	-	-	-	-	-	-	-	-	-	-
46	Depr - COE-Operator	-	-	-	-	-	-	-	-	-	-	-	-	-

PLANT NONSPECIFIC EXPENSES

LINE	DESCRIPTION	SOURCE	TOTAL COMPANY (a)	INTERSTATE		INTRASTATE		LOCAL				
				MSG (b)	InterLATA PL (c)	MSG (d)	InterLATA PL (e)	MSG (f)	InterLATA PL (g)	EAS (h)	User Defined (k)	Other (l)
47	PLANT NONSPECIFIC EXP SEPARATION	Ln47a16	227,092	37,515	78,663	-	-	28,954	14,531	1,666	-	64,375
48	Depr - COE-Transmission	S-5, Ln38	-	-	-	-	-	-	-	-	-	-
49	Cat 4 1-Exchange Circuit	Direct	-	-	-	-	-	-	-	-	-	-
50	4 11 Wideband-Line	Direct	-	-	-	-	-	-	-	-	-	-
51	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-
52	4 11 Ethernet-Line	Direct	-	-	-	-	-	-	-	-	-	-
53	Wideband-DSL Line	Direct	-	-	-	-	-	-	-	-	-	-
54	4 12 Exch Trunk - EAS	Direct	-	-	-	-	-	-	-	-	-	-
55	Ex Trk XWB - Basic	S-5, Ln41	-	-	-	-	-	-	-	-	-	-
56	Ex Trk XWB - Basic DA	Direct	-	-	-	-	-	-	-	-	-	-
57	Ex Trk WB	S-5, Ln39	-	-	-	-	-	-	-	-	-	-
58	Exch Trk XWB - Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-
59	4 13 Ex Line XWB	S-15, Ln50	-	-	-	-	-	-	-	-	-	-
60	Joint MSG/PL & Local	Direct	-	-	-	-	-	-	-	-	-	-
61	Cat 4 2-Interexchange	Ln62a45	-	-	-	-	-	-	-	-	-	-
62	4 21 Furn to Others	Direct	-	-	-	-	-	-	-	-	-	-
63	4 22 Wideband	S-5, Ln43	-	-	-	-	-	-	-	-	-	-
64	Interexchange PL	Direct	-	-	-	-	-	-	-	-	-	-
65	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-
66	4 22 Ethernet	Direct	-	-	-	-	-	-	-	-	-	-
67	4 23 All Other	S-15, Ln59	-	-	-	-	-	-	-	-	-	-
68	Joint MSG/PL	Direct	-	-	-	-	-	-	-	-	-	-
69	Interexchange MSG/PL - DA	Direct	-	-	-	-	-	-	-	-	-	-
70	PL - DA	Direct	-	-	-	-	-	-	-	-	-	-
71	4 22 DSL exchange	Direct	-	-	-	-	-	-	-	-	-	-
72	Cat 4 3-Host/Remote MSG	S-5, Ln69	-	-	-	-	-	-	-	-	-	-
73	Joint (W/MATS)	Direct	-	-	-	-	-	-	-	-	-	-
74	WATS	Direct	-	-	-	-	-	-	-	-	-	-
75	Direct Assignment	Ln48_75	-	-	-	-	-	-	-	-	-	-
76	Total Cat 4	Ln48_75	227,092	37,515	78,663	-	-	28,954	14,531	1,666	-	64,375
77	Depr - Info Orig/Trm Equip	Ln77a7	-	-	-	-	-	-	-	-	-	-
78	Cat 1-Other IOT	S-6, Ln1	-	-	-	-	-	-	-	-	-	-
79	Comps Pub Tel Eq	S-6, Ln2	-	-	-	-	-	-	-	-	-	-
80	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-
81	Total Category 1	Ln78_80	-	-	-	-	-	-	-	-	-	-
82	Cat 2-Cust Prem Equip	Direct	-	-	-	-	-	-	-	-	-	-
83	Depr - Info Orig/Trm Equip	Direct	-	-	-	-	-	-	-	-	-	-

PLANT NONSPECIFIC EXPENSES

LINE	DESCRIPTION	SOURCE	TOTAL COMPANY (a)	INTERSTATE		INTRASTATE		LOCAL						
				MSG (b)	PL (c)	MSG (d)	PL (e)	MSG (f)	PL (g)	EAS (h)	User Defined (k)	Other (l)		
84	Dept - Cable & Wire Facilities	Ln84a8	739,070	172,876	177,913	-	-	4,991	-	103,245	44,817	9,048	-	226,180
85	Cal 1-Exch Line xWB	S-15, Ln78	-	-	-	-	-	-	-	-	-	-	-	-
86	1,1,2 - PL, 1,3 Jointly Used	Direct	-	-	-	-	-	-	-	-	-	-	-	-
87	Direct Assignment	Ln86a87	-	-	-	-	-	-	-	-	-	-	-	-
88	Total Category 1	-	-	-	-	-	-	-	-	-	-	-	-	-
89	Cal 2-WB & Exch Trunk	-	-	-	-	-	-	-	-	-	-	-	-	-
90	Ex Trk - joint message	S-7, Ln2	-	-	-	-	-	-	-	-	-	-	-	-
91	Ex Trk - EAS	Direct	-	-	-	-	-	-	-	-	-	-	-	-
92	Ex Line WB - Data Only DSL	Direct	-	-	-	-	-	-	-	-	-	-	-	-
93	Ex Line WB - VOICEDATA	Direct	-	-	-	-	-	-	-	-	-	-	-	-
94	Ex Line Ethernet	Direct	-	-	-	-	-	-	-	-	-	-	-	-
95	Ex Line WB	S-7, Ln3	-	-	-	-	-	-	-	-	-	-	-	-
96	WB Line	Direct	-	-	-	-	-	-	-	-	-	-	-	-
97	WB Trunk DA	S-7, Ln4	-	-	-	-	-	-	-	-	-	-	-	-
98	Total Category 2	Direct	-	-	-	-	-	-	-	-	-	-	-	-
99	Cal 3-Interchange C&WF	-	-	-	-	-	-	-	-	-	-	-	-	-
100	WB PL - Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-
101	WB - Joint Message	S-7, Ln26	-	-	-	-	-	-	-	-	-	-	-	-
102	Joint MSG, PL, TWX& Local xWB	S-15, Ln3	-	-	-	-	-	-	-	-	-	-	-	-
103	Joint TWX-IT	S-7, Ln28	-	-	-	-	-	-	-	-	-	-	-	-
104	Joint TWX-Rail	S-7, Ln29	-	-	-	-	-	-	-	-	-	-	-	-
105	Interchange - DA	Direct	-	-	-	-	-	-	-	-	-	-	-	-
106	DSL Interchange	Direct	-	-	-	-	-	-	-	-	-	-	-	-
107	Ethernet Interchange	Ln98, Ln5	-	-	-	-	-	-	-	-	-	-	-	-
108	Total Category 3	-	-	-	-	-	-	-	-	-	-	-	-	-
109	Cal 4-Hot/Renote C&WF	S-7, Ln30	-	-	-	-	-	-	-	-	-	-	-	-
110	Joint (xWATS)	Direct	-	-	-	-	-	-	-	-	-	-	-	-
111	WATS	Direct	-	-	-	-	-	-	-	-	-	-	-	-
112	Direct Assignment	Ln109, Ln11	-	-	-	-	-	-	-	-	-	-	-	-
113	Total Category 4	-	-	-	-	-	-	-	-	-	-	-	-	-
114	Dep - Cable & Wire Facilities	-	739,070	172,876	177,913	-	-	4,991	-	103,245	44,817	9,048	-	226,180
115	Dep-Prop Hld Ft Tel Use	Ln114a9	-	-	-	-	-	-	-	-	-	-	-	-
116	Amort-Capital Leases	Ln115a10	-	-	-	-	-	-	-	-	-	-	-	-
117	Amort-Leasehold Improvements	Ln116a11	-	-	-	-	-	-	-	-	-	-	-	-
118	Amort-Intangible Assets	Ln117a12	-	-	-	-	-	-	-	-	-	-	-	-
119	Amort-Other	Ln118a13	-	-	-	-	-	-	-	-	-	-	-	-
120	Amort-Other	Direct	-	-	-	-	-	-	-	-	-	-	-	-
121	TOTAL DEPR & AMORT EXPENSES	Ln25, Ln9	1,388,959	377,859	335,478	-	-	8,413	-	174,333	78,067	14,216	-	400,592
122	TOTAL PLANT NONSPEC OPER EXP	Ln16+19+23+120	1,960,977	598,531	450,966	-	-	11,391	-	236,006	105,467	19,342	-	539,275
	Distribution of Line 121	Ln121/121a	100.0000%	30.5221%	22.9970%	-	-	0.5809%	-	12.0351%	5.3783%	0.9663%	-	27.5003%

CUSTOMER OPERATIONS EXPENSES

LINE	DESCRIPTION	SOURCE	TOTAL COMPANY (a)	INTERSTATE		INTRASTATE		LOCAL							
				MSG (b)	PL (c)	MSG (d)	PL (e)	MSG (f)	PL (g)	MSG (h)	PL (i)	EAS (j)	User Defined (k)	Other (l)	
<b>SEPARATIONS FACTORS</b>															
1	Marketing expense factor	Records	100.0000%	41.9951%	0.0111%	-	-	-	-	-	-	-	-	-	58.9938%
2	WSSWS-Tel Oper Svcs	Records	100.0000%	-	-	-	-	-	-	-	-	-	-	-	100.0000%
3	Subscriber-Tel Mktg	Records	100.0000%	21.8939%	-	-	-	-	-	-	-	-	-	-	78.1065%
4	EU Service Order Contacts	Records	100.0000%	17.7294%	-	-	-	-	-	-	-	-	-	-	82.2706%
5	EU Billed Revenue and CCL	Records	100.0000%	30.7029%	-	-	-	-	-	-	-	-	-	-	69.2971%
6	EU Billed Inquiry Contacts	Records	100.0000%	30.7149%	-	-	-	-	-	-	-	-	-	-	69.2851%
7	IX Svc Ord Proc Contacts	Records	100.0000%	82.6190%	-	-	-	-	-	-	-	-	-	-	-
8	IX Billed Revenue	Records	100.0000%	50.0017%	-	-	-	-	-	-	-	-	-	-	49.9983%
9	IX Bill Inv Contacts	Records	100.0000%	50.0000%	-	-	-	-	-	-	-	-	-	-	50.0000%
10	Public Interest Paystation Revenue	Records	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>MARKETING EXPENSES SEPARATION</b>															
11	6610 Marketing Expenses	Lnt11a1	84.835	34.863	9	-	-	-	-	-	-	-	-	-	49.962
12	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-
13	TOTAL MARKETING EXPENSES	Lnt11.12	84.835	34.863	9	-	-	-	-	-	-	-	-	-	49.962
<b>SERVICES EXPENSES SEPARATION</b>															
14	6620 Services Expenses	Lnt16a2	5	-	-	-	-	-	-	-	-	-	-	-	5
15	Telephone Operator Service	Lnt16a2	5	-	-	-	-	-	-	-	-	-	-	-	5
16	Tel Operator Svc	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Direct Assignment	Lnt16.17	5	-	-	-	-	-	-	-	-	-	-	-	-
18	Total Tel Oper Svc Exp	Lnt16.17	5	-	-	-	-	-	-	-	-	-	-	-	-
19	Classified Direct Listings	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Twix	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Alpha	Lnt22a3	257	56	-	-	-	-	-	-	-	-	-	-	201
22	Foreign	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Total Publ Direct List	Lnt20.23	257	56	-	-	-	-	-	-	-	-	-	-	201
24	All Other	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-
25	Cal 1-LBOE EU Svc Ord Proc	Direct	24.196	24.196	-	-	-	-	-	-	-	-	-	-	41.098
26	Presubscription	Lnt28a4	49.955	8.857	-	-	-	-	-	-	-	-	-	-	-
27	Other	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-
28	Cal 1-LBOE EU Print & Col	Lnt29a5	-	11.366	-	-	-	-	-	-	-	-	-	-	25.654
29	- CII	Direct	37.020	-	-	-	-	-	-	-	-	-	-	-	-
30	Cal 1-LBOE EU Bill Inv	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-
31	- CII	Lnt32a6	-	2.843	-	-	-	-	-	-	-	-	-	-	6.413
32	Cal 1-LBOE IX Svc Ord Proc	Lnt33a7	9.256	-	-	-	-	-	-	-	-	-	-	-	-
33	- CII	Lnt33a7	-	-	-	-	-	-	-	-	-	-	-	-	-
34	Cal 1-LBOE IX Svc Ord Proc	Lnt36a8	37.798	18.900	-	-	-	-	-	-	-	-	-	-	18.998
35	Cal 1-LBOE IX Print & Col	Lnt37a9	46.691	23.346	-	-	-	-	-	-	-	-	-	-	23.346
36	Cal 1-LBOE IX Bill Inv	Lnt38a10	-	89.507	-	-	-	-	-	-	-	-	-	-	-
37	Cal 1-LBOE Cn Col & Admin	Lnt26.38	204.916	-	-	-	-	-	-	-	-	-	-	-	115.409
38	Total Cal 1-LBOE														
39															

CUSTOMER OPERATIONS EXPENSES

LINE	DESCRIPTION	SOURCE	TOTAL COMPANY (a)	INTERSTATE		INTRASTATE		LOCAL						
				MSG (b)	PL (c)	MSG (d)	PL (e)	MSG (f)	PL (g)	EAS (h)	User Defined (k)	Other (l)		
<b>SEPARATIONS FACTORS</b>														
40	Relative Toll & Local Msgs Pct	Records	100.00000%	77.2936%	0.00000%	-	0.00000%	22.7064%	0.00000%	-	-	-	-	-
41	CABS Pct	Records	100.00000%	50.00000%	0.00000%	-	0.00000%	13.3566%	0.00000%	36.6434%	0.00000%	-	-	-
<b>SERVICES EXP SEPARATION (CONT'D)</b>														
42	Cal 2-CSE Msg Proc	Ln42a+40	-	-	-	-	-	-	-	-	-	-	-	-
43	Joint message	Direct	-	-	-	-	-	-	-	-	-	-	-	-
44	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-
45	Cal 2-CSE Other B&C	Direct	-	-	-	-	-	-	-	-	-	-	-	-
46	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-
47	End User Common Line	Ln48a+41	11.952	5.976	-	-	-	1.596	-	4.380	-	-	-	-
48	Cal 2-CSE CABS	Ln42, 48	11.952	5.976	-	-	-	1.596	-	4.380	-	-	-	-
49	Total Cal 2-CSE													
50	Total All Other Cal 1 & 2	Ln39+49	216.867	95.483	-	-	-	1.596	-	4.380	-	-	-	115.409
51	Distribution of Line 50	Ln50/50a	100.00000%	44.0281%	-	-	-	0.7361%	-	2.0159%	-	-	-	53.2164%
52	Cal 3-All Other CSE	Ln52a+51	-	-	-	-	-	-	-	-	-	-	-	-
53	Cal 3-Direct Assignment	Direct	15.346	14.406	-	-	-	184	-	-	-	-	-	756
54	Total All Other Cal 3	Ln52, 53	15.346	14.406	-	-	-	184	-	-	-	-	-	756
55	Total All Other-Cal 1,2,3	Ln50+54	232.214	109.889	-	-	-	1.780	-	4.380	-	-	-	116.165
<b>56 TOTAL SERVICES EXPENSES</b>														
		Ln18+24+55	232.475	109.945	-	-	-	1.780	-	4.380	-	-	-	116.371
<b>57 TOTAL CUSTOMER OPER EXPENSES</b>														
		Ln13+56	317.310	144.808	9	-	-	1.780	-	4.380	-	-	-	166.333
<b>58 Distribution of Line 57</b>														
		Ln57/57a	100.00000%	45.6361%	0.00300%	-	-	0.5610%	-	1.3802%	-	-	-	52.4197%



CORPORATE OPERATIONS, TAXES, & EQUAL ACCESS EXPENSES

LINE	DESCRIPTION	SOURCE	TOTAL COMPANY (a)	INTERSTATE						INTRASTATE			LOCAL	
				MSG (b)	InterLATA (c)	PL (d)	InterLATA (e)	PL (f)	InterLATA (g)	PL (h)	MSG (i)	EAS (j)	User Defined (k)	Other (l)
<b>SEPARATIONS FACTORS</b>														
1	Big Three Expenses Distr	S-3, Ln6	100.0000%	31.0218%	21.0789%	-	-	-	-	-	10.0353%	4.5400%	0.7319%	32.0246%
2	2001 FTS Distr	S-2, Ln15	100.0000%	25.1897%	24.5904%	-	-	-	-	-	13.1316%	5.8340%	1.0914%	29.5290%
3	Equal Access Invest Distr	S-9, Ln28	-	-	-	-	-	-	-	-	-	-	-	29.7307%
4	Net Telecom Plant Distr excl 1220, EA	S-2, Ln36	100.0000%	24.6002%	24.7173%	-	-	-	-	-	13.3017%	5.8965%	1.1113%	(96.9481%)
5	Income Tax Distribution	S-3, Ln 28	100.0000%	706.9483%	(179.3112%)	-	-	-	-	-	(221.0011%)	(80.1718%)	(17.4560%)	-
<b>CORPORATE OPER EXP SEPARATIONS</b>														
6	6710 Exec & Planning Expenses	Direct	-	-	-	-	-	-	-	-	-	-	-	-
7	EAS	Ln8a*1	457.979	142.073	96.536	-	-	-	-	-	45.960	20.792	3.352	146.666
8	All Other	Direct	-	-	-	-	-	-	-	-	-	-	-	-
9	Direct Assignment	Ln7 9	457.979	142.073	96.536	-	-	-	-	-	45.960	20.792	3.352	146.666
10	TOTAL EXEC & PLANNING EXPENSES		-	-	-	-	-	-	-	-	-	-	-	-
11	6720 Genl and Admin Expenses	Direct	-	-	-	-	-	-	-	-	-	-	-	-
12	EAS	Ln13a*1	440.756	136.743	92.914	-	-	-	-	-	44.235	20.012	3.226	141.163
13	All Other	Direct	-	-	-	-	-	-	-	-	-	-	-	-
14	Direct Assignment	Ln12, 14	440.756	136.743	92.914	-	-	-	-	-	44.235	20.012	3.226	141.163
15	TOTAL GENL & ADMIN EXPENSES		-	-	-	-	-	-	-	-	-	-	-	-
16	TOTAL CORPORATE OPER EXPENSES	Ln10+15	931.380	311.422	189.451	-	-	-	-	-	90.195	40.804	6.578	287.829
17	Distribution of Line 16	Ln16+16a	100.0000%	33.4366%	20.3408%	-	-	-	-	-	9.6840%	4.3810%	0.7063%	30.9035%
<b>OPERATING TAXES SEPARATIONS</b>														
18	7200 Operating Taxes (Actual)	Ln19a*5	(491.448)	(3.474281)	881.221	-	-	-	-	-	1,086.104	394.003	85.787	476.449
19	Federal Income Taxes	Ln20a*5	(17.556)	124.110	(31.479)	-	-	-	-	-	(38.798)	(14.075)	(3.065)	(17.020)
20	State & Local Income Taxes	Ln20a*5	(473.892)	(3,350.171)	849.741	-	-	-	-	-	1,047.306	379.928	82.722	459.429
21	OP FED, STATE, LOCAL TAXES - CWC		-	-	-	-	-	-	-	-	-	-	-	-
22	Schedule M Income Tax Adjustments	Ln22a*2	-	-	-	-	-	-	-	-	-	-	-	-
23	Operating Taxes - Property	Ln23a*2	68.945	17.367	16.954	-	-	-	-	-	9.054	4.022	752	20.359
24	Operating Taxes - Other	Direct	-	-	-	-	-	-	-	-	-	-	-	-
25	Operating Taxes - Direct Assignment	Ln23, 25	68.945	17.367	16.954	-	-	-	-	-	9.054	4.022	752	20.359
26	TOTAL OPER TAXES XFIT SIT		-	-	-	-	-	-	-	-	-	-	-	-
<b>OPERATING REVENUE SEPARATIONS</b>														
27	5000 Basic Local Revenue	Direct	321,067	2,943,253	599,667	-	-	-	-	-	13,684	47,591	-	321,067
28	5080 Interstate Access/End User Revenue	Direct	4,162,660	2,943,253	599,667	-	-	-	-	-	13,684	47,591	-	619,740
29	5084 State Access/End User Revenue	Direct	263,676	1,276	-	-	-	-	-	-	346	-	-	202,401
30	5100 Long Distance Message Revenue	Direct	13,660	-	-	-	-	-	-	-	346	-	-	12,038
31	5200 Miscellaneous Operating Revenue	Direct	-	-	-	-	-	-	-	-	-	-	-	-
32	7100 Other Operating Income	Ln27, 32	4,761,062	2,944,529	599,667	-	-	-	-	-	14,029	47,591	-	1,155,246
33	TOTAL OPERATING REVENUE		-	-	-	-	-	-	-	-	-	-	-	-
<b>EQUAL ACCESS EXPENSES SEPARATION</b>														
34	Equal Access Expenses	Ln34a*3	-	-	-	-	-	-	-	-	-	-	-	-
35	TOTAL EQUAL ACCESS EXPENSES	Ln34, 34	-	-	-	-	-	-	-	-	-	-	-	-
<b>ALLOWANCES AND DISALLOWANCES</b>														
36	Expense Allowances/Disallowances	Ln37a*4	-	-	-	-	-	-	-	-	-	-	-	-
37	Interest on Customer Deposits	Ln37a*4	-	-	-	-	-	-	-	-	-	-	-	-
38	Other Interest Deduction	Ln37a*4	-	-	-	-	-	-	-	-	-	-	-	-
39	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-
40	TOTAL EXPENSE ALLOW/DISALLOWANCES	Ln37, 38	-	-	-	-	-	-	-	-	-	-	-	-

Note 1 FIT and SIT Calculated on the S-1

RESERVES & DEFERRALS

LINE	DESCRIPTION	SOURCE	TOTAL COMPANY (a)	INTERSTATE				INTRASTATE				LOCAL		
				MSG (b)	Intel/LATA PL (c)	MSG (d)	Intel/LATA PL (e)	MSG (f)	Intel/LATA PL (g)	MSG (h)	Intel/LATA PL (i)	EAS (j)	User Defined (k)	Other (l)
1 2210	Support Assets Distr	S-4, Ln9	100.0000%	25.1897%	24.5904%	-	-	0.6340%	-	13.1316%	5.8340%	1.0914%	-	29.5290%
2 2210	COE-Switching and EA Distr	S-5, Ln36+S-9, Ln27	100.0000%	85.0000%	-	-	-	-	-	-	-	-	-	15.0000%
3 2230	COE-Operator Distr	S-5, Ln24	-	-	-	-	-	-	-	-	-	-	-	-
4 2230	COE-Transmission Distr	S-5, Ln81	100.0000%	16.5196%	34.6394%	-	-	0.6110%	-	12.7591%	6.3988%	0.7336%	-	28.3475%
5 2310	LOT Distr	S-6, Ln12	-	-	-	-	-	-	-	-	-	-	-	-
6 2410	C&WF Distr	S-7, Ln48	100.0000%	23.3910%	24.0725%	-	-	0.6754%	-	13.9895%	6.0639%	1.2242%	-	30.6033%
7 2001	TPS-XLland	S-2, Ln18	100.0000%	25.1897%	24.5904%	-	-	0.6340%	-	13.1316%	5.8340%	1.0914%	-	29.5290%
8 2002	General Support, COE, LOT, C&WF	S-2, Ln1+7+9	100.0000%	25.1897%	24.5904%	-	-	0.6340%	-	13.1316%	5.8340%	1.0914%	-	29.5290%
9 2002	Prop HD Fir Ter User Distr	S-9, Ln7	-	-	-	-	-	-	-	-	-	-	-	-
10 2680	Capital Leases Distr	S-8, Ln19	-	-	-	-	-	-	-	-	-	-	-	-
11 2680	Leasehold Improvements	S-8, Ln30	-	-	-	-	-	-	-	-	-	-	-	-
12 2690	Intangible Assets Distr	S-8, Ln36	-	-	-	-	-	-	-	-	-	-	-	-
13 2005	Telecom Pll Adjustment	S-9, Ln15	-	-	-	-	-	-	-	-	-	-	-	-
<b>RESERVES &amp; DEFERRALS SEPARATION</b>													-	-
14 1500	Other Juns Assets - Net	Direct	-	-	-	-	-	-	-	-	-	-	-	-
15 3100	Accum Dep-Ter Pll in Svc	Ln16a+1	3,369.655	848.805	828.611	-	-	21.364	-	442.488	196.587	36.776	-	995.024
16	Support Assets	Direct	-	-	-	-	-	-	-	-	-	-	-	-
17	Support Assets - Direct Assignment	Ln18a+2	803.744	683.183	-	-	-	-	-	-	-	-	-	120.562
18	COE - Switching	S-5, Ln8	-	-	-	-	-	-	-	-	-	-	-	-
19	Cal 2-Tandem Switching	Direct	-	-	-	-	-	-	-	-	-	-	-	-
20	Direct Assignment	S-5, Ln9	-	-	-	-	-	-	-	-	-	-	-	-
21	Cal 3-Local Switching - TS	S-5, Ln9	-	-	-	-	-	-	-	-	-	-	-	-
22	Cal 3-Local Switching - NTS	Direct	-	-	-	-	-	-	-	-	-	-	-	-
23	Direct Assignment	Direct	803.744	683.183	-	-	-	-	-	-	-	-	-	120.562
24	COE - Switching	-	-	-	-	-	-	-	-	-	-	-	-	-
25	COE - Operator	-	-	-	-	-	-	-	-	-	-	-	-	-
26	Cal 1-Operator Systems	-	-	-	-	-	-	-	-	-	-	-	-	-
27	Loc Toll DSA, DSA and	-	-	-	-	-	-	-	-	-	-	-	-	-
28	Traffic Switchboards	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Aux-Direct Assst	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Aux-Intercept	-	-	-	-	-	-	-	-	-	-	-	-	-
31	Jl Exch & Toll SOB	-	-	-	-	-	-	-	-	-	-	-	-	-
32	TSPS-Oper Position	-	-	-	-	-	-	-	-	-	-	-	-	-
33	TSPS-RTA	-	-	-	-	-	-	-	-	-	-	-	-	-
34	TSPS-Other	-	-	-	-	-	-	-	-	-	-	-	-	-
35	Direct Assignment	-	-	-	-	-	-	-	-	-	-	-	-	-
36	Total Cal 1	-	-	-	-	-	-	-	-	-	-	-	-	-
37	COE - Operator	-	-	-	-	-	-	-	-	-	-	-	-	-

RESERVES & DEFERRALS

LINE	DESCRIPTION	TOTAL COMPANY (a)	INTERSTATE				INTRASTATE				LOCAL		
			MSG (b)	InterLATA PL (c)	MSG (d)	InterLATA PL (e)	MSG (f)	InterLATA PL (g)	MSG (h)	InterLATA PL (i)	EAS (j)	User Defined (k)	Other (l)
38	COE-Transmission	2,534,418	418,675	877,908	-	-	15,485	-	323,140	162,172	18,594	-	718,443
39	Cat 4 1-Exchange Circuit	-	-	-	-	-	-	-	-	-	-	-	-
40	4 11 Wideband-Line	-	-	-	-	-	-	-	-	-	-	-	-
41	Direct Assignment	-	-	-	-	-	-	-	-	-	-	-	-
42	4 11 Ethernet-Line	-	-	-	-	-	-	-	-	-	-	-	-
43	4 11 Wideband-DSL Line	-	-	-	-	-	-	-	-	-	-	-	-
44	4 12 Exch Trunk - EAS	-	-	-	-	-	-	-	-	-	-	-	-
45	Ex TR x/WB - Basic	-	-	-	-	-	-	-	-	-	-	-	-
46	Ex TR x/WB - Basic DA	-	-	-	-	-	-	-	-	-	-	-	-
47	Ex TR WB	-	-	-	-	-	-	-	-	-	-	-	-
48	Exch TR, WB - Direct Assignment	-	-	-	-	-	-	-	-	-	-	-	-
49	4 13 Ex Line x/WB	-	-	-	-	-	-	-	-	-	-	-	-
50	Joint MSG/PL & Local	-	-	-	-	-	-	-	-	-	-	-	-
51	Direct Assignment - Basic/Special	-	-	-	-	-	-	-	-	-	-	-	-
52	Cat 4 2-Interexchange	-	-	-	-	-	-	-	-	-	-	-	-
53	4 21 Fim to Others	-	-	-	-	-	-	-	-	-	-	-	-
54	4 22 Wideband	-	-	-	-	-	-	-	-	-	-	-	-
55	Interexchange PL	-	-	-	-	-	-	-	-	-	-	-	-
56	Direct Assignment	-	-	-	-	-	-	-	-	-	-	-	-
57	4 22 Ethernet	-	-	-	-	-	-	-	-	-	-	-	-
58	4 23 All Other	-	-	-	-	-	-	-	-	-	-	-	-
59	Joint MSG/PL	-	-	-	-	-	-	-	-	-	-	-	-
60	Interexchange MSG/PL - DA	-	-	-	-	-	-	-	-	-	-	-	-
61	PL - DA	-	-	-	-	-	-	-	-	-	-	-	-
62	4 11 DSL exchange	-	-	-	-	-	-	-	-	-	-	-	-
63	Cat 4 3-Host/Remote MSG	-	-	-	-	-	-	-	-	-	-	-	-
64	Joint (x/WATS)	-	-	-	-	-	-	-	-	-	-	-	-
65	WATS	-	-	-	-	-	-	-	-	-	-	-	-
66	Direct Assignment	-	-	-	-	-	-	-	-	-	-	-	-
67	Total Cat 4	2,534,418	418,675	877,908	-	-	15,485	-	323,140	162,172	18,594	-	718,443
68	COE-Transmission	-	-	-	-	-	-	-	-	-	-	-	-
69	Info Orig/Term Equip	-	-	-	-	-	-	-	-	-	-	-	-
70	Cat 1-Other IOT	-	-	-	-	-	-	-	-	-	-	-	-
71	Comis Pub Tel Eq	-	-	-	-	-	-	-	-	-	-	-	-
72	Direct Assignment	-	-	-	-	-	-	-	-	-	-	-	-
73	Total Category 1	-	-	-	-	-	-	-	-	-	-	-	-
74	Cat 2-Cust Prem Equip	-	-	-	-	-	-	-	-	-	-	-	-
75	Info Orig/Term Equip	-	-	-	-	-	-	-	-	-	-	-	-

RESERVES & DEFERRALS

LINE	DESCRIPTION	TOTAL COMPANY (a)	INTERSTATE		INFRASTATE		LOCAL				
			MSG (b)	IntraLATA PL (c)	MSG (d)	IntraLATA PL (e)	MSG (f)	IntraLATA PL (g)	EAS (h)	User Defined (k)	Other (l)
76	C&WF	12,510,749	2,926,395	3,011,656	-	-	1,747,691	758,645	153,163	-	3,828,706
77	Cat 1-Exch Line xWB	-	-	-	-	-	-	-	-	-	-
78	1.1.2 - PL, 1.3 Jointly Used	-	-	-	-	-	-	-	-	-	-
79	Direct Assignment	-	-	-	-	-	-	-	-	-	-
80	Total Category 1	-	-	-	-	-	-	-	-	-	-
81	Cat 2-WB & Exch Trunk	-	-	-	-	-	-	-	-	-	-
82	Ex Trk - Joint message	-	-	-	-	-	-	-	-	-	-
83	Ex Trk - EAS	-	-	-	-	-	-	-	-	-	-
84	Ex Line WB - Data Only DSL	-	-	-	-	-	-	-	-	-	-
85	Ex Line WB - VOICEDATA	-	-	-	-	-	-	-	-	-	-
86	Ex Line WB	-	-	-	-	-	-	-	-	-	-
87	WB Line	-	-	-	-	-	-	-	-	-	-
88	WB Line	-	-	-	-	-	-	-	-	-	-
89	WB Trunk DA	-	-	-	-	-	-	-	-	-	-
90	Total Category 2	-	-	-	-	-	-	-	-	-	-
91	Cat 3-Interexchange C&WF	-	-	-	-	-	-	-	-	-	-
92	WB PL - Direct Assignment	-	-	-	-	-	-	-	-	-	-
93	WB - Joint Message	-	-	-	-	-	-	-	-	-	-
94	Joint MSG, PL, TWX& Local xWB	-	-	-	-	-	-	-	-	-	-
95	Joint TWX-IT	-	-	-	-	-	-	-	-	-	-
96	Joint TWX-Rmt	-	-	-	-	-	-	-	-	-	-
97	Interexchange - DA	-	-	-	-	-	-	-	-	-	-
98	DSL Interexchange	-	-	-	-	-	-	-	-	-	-
99	Ethernet Interexchange	-	-	-	-	-	-	-	-	-	-
100	Total Category 3	-	-	-	-	-	-	-	-	-	-
101	Cat 4-Host/Remote C&WF	-	-	-	-	-	-	-	-	-	-
102	Joint(xWB/ATS)	-	-	-	-	-	-	-	-	-	-
103	WATS	-	-	-	-	-	-	-	-	-	-
104	Direct Assignment	-	-	-	-	-	-	-	-	-	-
105	Total Category 4	12,510,749	2,926,395	3,011,656	-	-	1,747,691	758,645	153,163	-	3,828,706
	C&WF	-	-	-	-	-	-	-	-	-	-
106	TOTAL ACCUMULATED DEPRECIATION	19,218,566	4,877,058	4,718,175	-	-	2,513,320	1,117,405	208,632	-	5,662,735
107	3200 Accun Dear Property Held	-	-	-	-	-	-	-	-	-	-
108	For Future Telecom Use	-	-	-	-	-	-	-	-	-	-
109	3400 Accun Annot-Capital Leases	-	-	-	-	-	-	-	-	-	-
110	3400 Accun Annot-Leasehold Improvements	-	-	-	-	-	-	-	-	-	-
111	3500 Accun Annot-Intangible	-	-	-	-	-	-	-	-	-	-
112	3600 Accun Annot-Other	-	-	-	-	-	-	-	-	-	-
113	4040 Customer Deposits	-	-	-	-	-	-	-	-	-	-
114	Direct Assignment	-	-	-	-	-	-	-	-	-	-
115	TOTAL CUSTOMER DEPOSITS	-	-	-	-	-	-	-	-	-	-
116	4100 Net Cur Der Op Inc Taxes	-	-	-	-	-	-	-	-	-	-
117	Support Assets	-	-	-	-	-	-	-	-	-	-
118	COE-Switching	-	-	-	-	-	-	-	-	-	-
119	COE-Operator	-	-	-	-	-	-	-	-	-	-
120	COE-Transmission	-	-	-	-	-	-	-	-	-	-
121	Info Orig/Term Equip	-	-	-	-	-	-	-	-	-	-
122	C&WF	-	-	-	-	-	-	-	-	-	-
123	Not Classified by Acct	-	-	-	-	-	-	-	-	-	-
124	TOTAL NET CUR DEF OP INC TAXES	-	-	-	-	-	-	-	-	-	-

RESERVES & DEFERRALS

LINE	DESCRIPTION	SOURCE	TOTAL COMPANY (a)	INTERSTATE		INTRASTATE		LOCAL				
				MSG (b)	PL (c)	MSG (d)	PL (e)	MSG (f)	PL (g)	EAS (h)	User Defined (k)	Other (l)
<b>SEPARATIONS FACTORS</b>												
125	Big Three Expenses Distr	S-3, Ln6	100.0000%	31.0218%	21.0788%	-	-	-	-	0.7319%	-	32.0246%
126	2110 Support Assets Distr	S-4, Ln9	100.0000%	25.1897%	24.5904%	-	-	10.0353%	-	1.0914%	-	29.5290%
127	2210 COE-Switching Distr	S-15, Ln2	100.0000%	85.0000%	-	-	-	13.1316%	-	1.0914%	-	15.0000%
128	2220 COE-Operator Distr	S-5, Ln24	-	-	-	-	-	-	-	-	-	-
129	2230 COE-Transmission Distr	S-5, Ln81	100.0000%	16.5195%	34.6394%	-	-	12.7501%	-	0.7366%	-	28.3475%
130	2310 IOT Distr	S-6, Ln12	-	-	-	-	-	-	-	-	-	-
131	2410 C&WF Distr	S-7, Ln18	100.0000%	23.3910%	24.0725%	-	-	13.9695%	-	1.2242%	-	30.6033%
132	2001 TRIS XLRand	S-2, Ln18	100.0000%	25.1897%	24.5904%	-	-	13.1316%	-	1.0914%	-	29.5290%
133	2001 TRIS Distr	S-2, Ln15	100.0000%	25.1897%	24.5904%	-	-	13.1316%	-	1.0914%	-	29.5290%
134	General Support, COE, IOT, C&WF	S-2, Ln17+9	100.0000%	25.1897%	24.5904%	-	-	13.1316%	-	1.0914%	-	29.5290%
<b>RESERVES &amp; DEFERRALS SEPARATION</b>												
135	4310 Other Long-Term Liabilities	Ln135a+125	-	-	-	-	-	-	-	-	-	-
136	4340 Net Noncurrent Def Taxes	-	-	-	-	-	-	-	-	-	-	-
137	Support Assets	Ln137a+126	-	-	-	-	-	-	-	-	-	-
138	COE-Switching	Ln138a+127	-	-	-	-	-	-	-	-	-	-
139	COE-Operator	Ln139a+128	-	-	-	-	-	-	-	-	-	-
140	COE-Transmission	Ln140a+129	-	-	-	-	-	-	-	-	-	-
141	Info Othg/Term Equip	Ln141a+130	-	-	-	-	-	-	-	-	-	-
142	C&WF	Ln142a+131	-	-	-	-	-	-	-	-	-	-
143	Not Classified by Act	Ln143a+132	2,485,420	626,069	611,174	-	-	326,375	-	27,126	-	733,919
144	TOTAL NET NONCURRENT DEF TAXES	Ln137, 143	2,485,420	626,069	611,174	-	-	326,375	-	27,126	-	733,919
145	4360 Other Deferred Credits-Net	Ln145a+133	-	-	-	-	-	-	-	-	-	-
146	4370 Other Juris Liabilities	-	-	-	-	-	-	-	-	-	-	-
147	& Deferred Credits - Net	Direct	-	-	-	-	-	-	-	-	-	-
<b>ACCUM DEPR &amp; AMORT ALLOW/DISALLOW</b>												
148	Accum Depr & Amort Allow/Disallow	Ln148a+132	-	-	-	-	-	-	-	-	-	-
149	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-
150	TOTAL ACC DEPR/AMORT ALW/DISALLOW	Ln148, 149	-	-	-	-	-	-	-	-	-	-

CASH WORKING CAPITAL

LINE	DESCRIPTION	SOURCE	INTERSTATE		INTRASTATE		LOCAL						
			TOTAL COMPANY (a)	MSG (b)	IntelLATA PL (c)	MSG (d)	IntelLATA PL (e)	MSG (f)	IntelLATA PL (g)	EAS (h)	User Defined (k)	Other (l)	
<b>CASH WORKING CAPITAL</b>													
1	Plant Specific Expenses	S-11, Ln31	1,192,169	344,071	305,760	-	-	6,552	136,160	63,957	9,778	-	325,891
2	Plant Nonspecific exp excl depreciation & amortization	S-12, Ln16a-23	572,018	220,672	115,489	-	-	2,978	61,672	27,400	5,126	-	138,683
3	Customer Operations Expense - Marketing	S-13, Ln13	84,835	34,863	9	-	-	-	-	-	-	-	49,962
4	Customer Operations Expense - Services	S-13, Ln66	232,475	109,945	9	-	-	1,780	4,380	-	-	-	116,371
5	Corporate Operations Expense	S-14, Ln16	931,380	311,422	189,451	-	-	5,101	90,195	40,804	6,578	-	287,829
6	Equal Access Expense	S-14, Ln34	-	-	-	-	-	-	-	-	-	-	-
7	Other Nonoperating Expense - Contributions	S-10, Ln16	-	-	-	-	-	-	-	-	-	-	-
8	Interest on Capital Leases	S-10, Ln20	-	-	-	-	-	-	-	-	-	-	-
9	Fixed Charges excl Capital Leases	S-10, Ln21	-	-	30,116	-	-	785	16,252	7,199	1,360	-	36,297
10	Interest on Customer Deposits	S-10, Ln17	121,957	-	-	-	-	-	-	-	-	-	-
11	Other Operating Tax - Property	S-10, Ln23	-	-	16,954	-	-	437	9,054	4,022	752	-	20,359
12	Other Operating Tax - Other	S-10, Ln24	-	-	-	-	-	-	-	-	-	-	-
13	Other Operating Tax - Direct Assignment	S-10, Ln25	-	-	-	-	-	-	-	-	-	-	-
14	Federal Income Tax (Actual)	S-10, Ln19	(491,448)	(3,474,281)	881,221	-	-	59,269	1,086,104	394,003	85,787	-	476,449
15	State Income Tax (Actual)	S-10, Ln20	17,556	124,110	(31,479)	-	-	(2,117)	(38,798)	(14,075)	(3,065)	-	(17,020)
16	Total Cash Working Capital Expenses	Ln1, Ln15	2,729,888	(2,281,882)	1,507,520	-	-	74,785	1,385,018	523,309	106,317	-	1,434,821
17	Cash Working Capital Factor	Records	-	10,8932%	10,8932%	-	-	10,8932%	10,8932%	10,8932%	10,8932%	-	10,8932%
18	Cash Working Capital	Ln15 - Ln17	297,371	(248,569)	164,216	-	-	8,146	148,693	57,005	11,581	-	156,297
19	Minimum Bank Balance	Records	-	-	-	-	-	-	-	-	-	-	-
20	Working Cash Advances	Records	-	-	-	-	-	-	-	-	-	-	-
21	Total Cash Working Capital	Ln21/21a	297,371	(248,569)	164,216	-	-	8,146	148,693	57,005	11,581	-	156,297
22	Distribution of Line 21	Ln21/21a	100.0000%	(83.5889%)	55.2228%	-	-	2.7395%	50.0027%	19.1696%	3.8946%	-	52.5597%



TAX FORM

LN	DESCRIPTION	SOURCE	Taxable		INCOME TAX		Surtax
			TOTAL	TOTAL	TOTAL		
1	AVERAGE NET INVESTMENT	S-1, Ln1	6,627,848				
2	ASSUMED RATE OF RETURN FOR ESTIMATING TAX RATE	S-1, Ln4	7,583%				
3	RETURN ON INVESTMENT	Ln1a,2	502,593				
4	INCOME ADJUSTMENT (FROM COST STUDY)		121,957				
5	INVESTMENT TAX CREDIT AMORTIZATION		-				
6	AFTER TAX INCOME BEFORE TAX CREDITS		380,636				
7	FT BEFORE TAX CREDITS (MUST EQUAL LN 17)		196,088				
8	TAXABLE INCOME		576,725				
9	FT ON 0 to 50,000 @ 15%	15%	50,000	7,500			
10	FT ON 50,000 to 75,000 @ 25%	25%	25,000	6,250	5,000		
11	FT ON 75,000 to 100,000 @ 34%	34%	25,000	8,500	11,750		
12	FT ON 100,000 to 335,000 @ 39%	39%	235,000	91,650	16,750		
13	FT ON 335,000 to 10,000,000 @ 34%	34%	241,725	82,186	-		
14	FT ON 10,000,000 to 15,000,000 @ 35%	35%	-	-	100,000		
15	FT ON 15,000,000 to 18,333,333 @ 38%	38%	-	-	590,000		
16	FT ON OVER 18,333,333 @ 35%	35%	-	-	-		
17	TOTAL TAXABLE INCOME/FT BEFORE TAX CREDITS	Ln8 9, 16	576,725	196,096	-		
18	EFFECTIVE FT TAX RATE			34.0000%			

DISTRIBUTION RATIOS FOR RATE BASE AND EXPENSES

ALLOCATION RATIOS	A/C Category	Total	INTERSTATE				INFRASTATE				LOCAL	
			InterLATA MSG (b)	PL (c)	InterLATA MSG (d)	PL (e)	InterLATA MSG (f)	PL (g)	InterLATA MSG (h)	PL (i)	EAS (j)	User Defined (k)
<b>Capital Investment Summary</b>												
General Support Facilities		2110	25.1897%	24.5904%	-	0.6340%	-	13.1316%	5.8340%	1.0914%	-	29.5290%
COE Switching Equipment		2210	85.0000%	-	-	-	-	-	-	-	-	15.0000%
Operator Systems Equipment		2220	-	-	-	-	-	-	-	-	-	-
COE Transmission Equipment		2230	16.5195%	34.6394%	-	0.6110%	-	12.7501%	6.3888%	0.7336%	-	28.3475%
Information Orig/Term Equipment		2310	-	-	-	-	-	-	-	-	-	-
Cable & Wire Facilities		2410	23.3910%	24.0725%	-	0.6754%	-	13.9695%	6.0633%	1.2242%	-	30.6033%
Tangible Assets		2680	-	-	-	-	-	-	-	-	-	-
Intangible Assets		2690	-	-	-	-	-	-	-	-	-	-
Total Plant in Service A/C 2001		2690	25.1897%	24.5904%	-	0.6340%	-	13.1316%	5.8340%	1.0914%	-	29.5290%
Property Held for Future Use		2002	-	-	-	-	-	-	-	-	-	-
Plant Under Construction		2003	25.1897%	24.5904%	-	0.6340%	-	13.1316%	5.8340%	1.0914%	-	29.5290%
Telephone Plant Adjustment		2005	25.1897%	24.5904%	-	0.6340%	-	13.1316%	5.8340%	1.0914%	-	29.5290%
Total Property, Plant and Equipment		2005	25.1897%	24.5904%	-	0.6340%	-	13.1316%	5.8340%	1.0914%	-	29.5290%
<b>Accumulated Depreciation - Plant in Service</b>												
Accumulated Depreciation - Property held for Future Use		3100	25.3768%	24.5901%	-	0.6314%	-	13.0776%	5.8142%	1.0851%	-	29.4643%
Accumulated Depreciation - Tangible Property		3200	-	-	-	-	-	-	-	-	-	-
Accumulated Amortization - Intangible Property		3400	-	-	-	-	-	-	-	-	-	-
Accumulated Amortization - Intangible Property		3500	-	-	-	-	-	-	-	-	-	-
Accumulated Amortization - Telephone Plant Adjustment		3600	-	-	-	-	-	-	-	-	-	-
Deferred Operating Taxes		4340	25.1897%	24.5904%	-	0.6340%	-	13.1316%	5.8340%	1.0914%	-	29.5290%
Other Long Term Liabilities		4310	-	-	-	-	-	-	-	-	-	-
Other Deferred Credits		4370	-	-	-	-	-	-	-	-	-	-
Customer Deposits		4370	-	-	-	-	-	-	-	-	-	-
Net Telephone Plant		4370	24.5566%	24.6940%	-	0.6435%	-	13.3258%	5.9026%	1.1154%	-	29.7622%
Investment Allow/Disallow		4370	-	-	-	-	-	-	-	-	-	-
Account Depr/Annot Allow/Disallow		4370	-	-	-	-	-	-	-	-	-	-
<b>Materials and Supplies</b>												
Investment in Nonaffiliated Companies		1220	23.3910%	24.0725%	-	0.6754%	-	13.9695%	6.0633%	1.2242%	-	30.6033%
Equal Access Equipment		1402	-	-	-	-	-	-	-	-	-	-
Other Jurisdictional Assets		1439	-	-	-	-	-	-	-	-	-	-
Cash Working Capital		1500	-	-	-	-	-	-	-	-	-	-
Net Telephone Plant, M&S and CWC		XXXX	(83.5889%)	55.2228%	-	2.7395%	-	50.0027%	19.1636%	3.8946%	-	52.5597%
		XXXX	24.9752%	24.4955%	-	0.6391%	-	13.1633%	5.8346%	1.0974%	-	29.7950%
<b>Operating Expenses and Taxes Summary</b>												
Network Support		6110	25.1897%	24.5904%	-	0.6340%	-	13.1316%	5.8340%	1.0914%	-	29.5290%
General Support		6120	25.1897%	24.5904%	-	0.6340%	-	13.1316%	5.8340%	1.0914%	-	29.5290%
Central Office		6210	32.3249%	26.6447%	-	0.4700%	-	9.8074%	4.9200%	0.5643%	-	25.2669%
Information Orig/Term		6310	-	-	-	-	-	-	-	-	-	-
Cable and Wire Facilities		6410	23.3910%	24.0725%	-	0.6754%	-	13.9695%	6.0633%	1.2242%	-	30.6033%
Other Plant		6510	28.8609%	25.6474%	-	0.5495%	-	11.4212%	5.3647%	0.8202%	-	27.3360%
Network Operations		6530	25.1897%	24.5904%	-	0.6340%	-	13.1316%	5.8340%	1.0914%	-	29.5290%
Access Charge		6540	-	-	-	-	-	-	-	-	-	-
Federal Support		6540	100.0000%	-	-	0.5205%	-	10.7815%	4.7900%	0.8561%	-	24.2444%
Plant Nonspecific Operations (excluding Depreciation)		6540	100.0000%	-	-	0.5205%	-	10.7815%	4.7900%	0.8561%	-	24.2444%
Marketing		6610	38.5778%	20.1897%	-	0.7657%	-	1.8839%	-	-	-	58.8938%
Customer Service		6610	41.0951%	0.0111%	-	0.7657%	-	1.8839%	-	-	-	50.0571%
Corporate Operations		6620	47.2953%	-	-	-	-	-	-	-	-	-
Customer Operations		6620	45.6361%	0.0030%	-	0.5610%	-	1.3802%	4.5400%	0.7319%	-	52.4197%
Corporate Operations - Executive and Planning		6710	31.0218%	21.0789%	-	0.5676%	-	10.0353%	3.3246%	0.6815%	-	32.0246%
Corporate Operations - General and Administrative		6720	35.7727%	19.6270%	-	0.5285%	-	9.3442%	4.2273%	0.6615%	-	29.8189%
Corporate Operations		6720	33.4366%	20.3409%	-	0.5477%	-	9.6840%	4.3810%	0.7063%	-	30.9055%
Subtotal Operations Expense		6730	31.7784%	21.4953%	-	0.5640%	-	10.6033%	4.7759%	0.8110%	-	29.9722%
<b>Depreciation and Amortization</b>												
Other Operating		6550	27.2045%	24.1532%	-	0.6057%	-	12.5514%	5.6206%	1.0235%	-	28.8412%
Equal Access		7240	25.1897%	24.5904%	-	0.6340%	-	13.1316%	5.8340%	1.0914%	-	29.5290%
Fixed Charges		7500	24.5566%	24.6940%	-	0.6435%	-	13.3258%	5.9026%	1.1154%	-	29.7622%
Rent Revenue		5240	23.3910%	24.0725%	-	0.6754%	-	13.9695%	6.0633%	1.2242%	-	30.6033%
Total Operating Expense and Tax		7370	31.7612%	21.5172%	-	0.5639%	-	10.6084%	4.7793%	0.8111%	-	29.9589%
Nonoperating Expense		7370	-	-	-	-	-	-	-	-	-	-
Abandoned Construction		7340	-	-	-	-	-	-	-	-	-	-
Contributions		7340	-	-	-	-	-	-	-	-	-	-
Other Nonoperating		7340	-	-	-	-	-	-	-	-	-	-
Allowance for Funds Used During Construction		7340	-	-	-	-	-	-	-	-	-	-
OM&M		XXXX	-	-	-	-	-	-	-	-	-	-
Forecast		XXXX	-	-	-	-	-	-	-	-	-	-