

FRE-T

ANNUAL REPORT

OF

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IDAHO PUBLIC UTILITIES COMMISSION

NAME

COREY PACKER
FREMONT TELCOM INC.
110 E MAIN STREET
ST ANTHONY ID 83445

TO THE

IDAHO PUBLIC

UTILITIES COMMISSION

FOR THE

YEAR ENDED 2010

**ANNUAL REPORT OF SMALL TELEPHONE COMPANIES TO
THE IDAHO PUBLIC UTILITIES COMMISSION
FOR THE YEAR ENDING December 31, 2010**

COMPANY INFORMATION

Exact name of utility: Fremont Telcom

Address of principal office: 110 East Main Street, Saint Anthony, ID 83445-1543

Telephone Number _____

Cities or towns served: Saint Anthony, Ashton, Teton, and Island Park, ID

Name and title of officer having custody of the general corporate books of account: _____
Angela Unruh, Regional Controller

Address of office where corporate books are kept and phone number: _____
908 W. Frontview, Dodge City, KS 67801-0199 (620) 227-4400

Organized under the laws of the State of: Idaho

Date of organization: March 9, 1994

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

If a Subchapter S Corporation, please specify: _____

Name and address of controlling company, if any: FairPoint Communications, 521 East Morehead,
Charlotte, NC 28202

Names of affiliated companies. Give address and description of business: None

OFFICERS

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

Title	Name	Address
Chairman and CEO 8/18/10-12/31/10	Paul H Sunu	521 E. Morehead; Suite 500 Charlotte, NC 28202
Chairman and CEO 1/1/10-8/17/10	David L. Hauser	521 E. Morehead; Suite 500 Charlotte, NC 28202
President	Peter G. Nixon	521 E. Morehead; Suite 250 Charlotte, NC 28202
Senior VP & General Counsel	Shirley J. Linn	521 E. Morehead; Suite 250 Charlotte, NC 28202
Exec VP, Sales & Marketing	Jeffrey Allen	4 Davis Farm Rd; Portland, ME 04103
Senior VP	Lisa R. Hood	908 W. Frontview; PO Box 199 Dodge City, KS 67801
Exec VP/CFO	Ajay Sabherwal	521 E. Morehead; Suite 500 Charlotte, NC 28202
SR VP Governmental Affairs	Patrick L. Morse	908 W. Frontview; PO Box 199 Dodge City, KS 67801
Sr VP, Human Resources	Gary C. Garvey	521 E. Morehead; Suite 250 Charlotte, NC 28202
VP, Internal Audit	David M. Remele	521 E. Morehead; Suite 250 Charlotte, NC 28202
VP & Treasurer	Thomas E. Griffin	521 E. Morehead; Suite 250 Charlotte, NC 28202
VP, Corporate Controller	John Hogshire	521 E. Morehead; Suite 500 Charlotte, NC 28202
VP, Asst Secretary & Asst Gen Counsel	Susan L. Sowell	521 E. Morehead; Suite 250 Charlotte, NC 28202
Executive VP, Operations	Ken Amburn	521 E. Morehead; Suite 500 Charlotte, NC 28202
Executive VP, Chief Information Officer	Kathleen McLean	521 E. Morehead; Suite 500 Charlotte, NC 28202

DIRECTORS

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

Name	Term Expired or Current Term Will Expire	Meetings Attended This year	Fees Paid During Year
and Address			
D. Bret Ellis			
Thomas E Griffin			
Shirley J Linn			
Peter G Nixon			
Ajay Sabherwal			
Susan L Sowell			
Paul J Sunu			

Name of Chairman of the Board: D. Bret Ellis
 Name of Secretary (or Clerk) of Board: Shirley Linn
 Number of Meetings of the Board during the year: 4

MANAGERS

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

Name	Title	Wages and Bonuses Paid
N/A		

BALANCE SHEET
Assets and Other Debits

Title of Account	Balance Beginning of Year	Balance at End of Year	Increase or (Decrease)
Current Assets			
1120 Cash and Equivalents	20,353	6,900	(13,453)
1130 Cash			
1140 Special Cash Deposits			
1150 Working Cash Advances	700	700	-
1160 Temporary Investments			
1180 Telecommunications Accts. Receivable	32,824	27,978	(4,846)
1181 Accts. Rec. Allow. -Telecommunications	(12,103)	(9,569)	2,534
1190 Other Accounts Receivable	2,345,597	1,736,535	(609,062)
1191 Accounts Receivable Allow. - Other			
1200 Notes Receivable			
1201 Notes Receivable Allowance			
1210 Interest & Dividends Receivable			
1220 Material and Supplies	148,194	124,271	(23,923)
1280 Prepayments			
1290 Prepaid Rents	95,033	66,733	(28,300)
1300 Prepaid Taxes			
1310 Prepaid Insurance			
1320 Prepaid Directory Expenses			
1330 Other Prepayments			
1350 Other Current Assets	10,325	8,672	(1,653)
Noncurrent Assets			
1401 Investment in Affiliated Companies	112,360	112,360	-
1402 Investment in Nonaffiliated Companies	2,296,221	2,590,284	294,063
1406 Nonregulated Investments	-	-	-
1407 Unamortized Debt Issuance Expense			
1408 Sinking Funds			
1410 Other Noncurrent Assets			
1438 Deferred Maintenance & Retirements	487,821	487,821	-
1439 Deferred Charges			
1500 Other Jurisdiction Assets - Net			
Property, Plant and Equipment			
2001 Telecommunications Plants in Service	31,200,120	32,103,319	903,199
2002 Prop. Held for Future Telecom. Use			
2003 Telecom. Plant under Constr. - Short Term	446,093	(1,516)	(447,609)
2004 Telecom. Plant under Constr. - Long Term			
2005 Telecom. Plant Adjustment			
2006 Nonoperating Plant	-	24,051	24,051
2007 Goodwill	3,998,088	3,998,088	-
Depreciation and Amortization Accounts			
3100 Accumulated Depreciated	(28,859,487)	(29,602,840)	(743,353)
3200 Accum. Depre. - Held for Future Use			
3300 Accumulated Depreciation - Nonoperating	2,723,437	3,533,466	810,029
3400 Accumulated Amortization - Tangible			
3410 Accum. Amort. - Capitalized Leases			
3420 Accum. Amort. - Leasehold Improvements			
3500 Accumulated Amortization - Intangible			
3600 Accumulated Amortization - Other			
TOTAL ASSETS	15,045,576	15,207,253	161,677

BALANCE SHEET
Liabilities & Stockholders' Equity

Title of Account	Balance Beginning of Year	Balance at End of Year	Increase or (Decrease)
Current Liabilities			
4010 Accounts Payable	1,416,148	1,421,703	5,555
4020 Notes Payable			
4030 Advance Billings and Payments	-	-	-
4040 Customer Deposits	-	-	-
4050 Current Maturities - Long -Term Debt			
4060 Current Maturities - Capital leases			
4070 Income Taxes - Accrued	95,835	49,707	(46,128)
4080 Other Taxes - Accrued	-	14,019	14,019
4100 Net Current Defer. Oper. Income Taxes			
4110 Net Current Defer. Nonoper. Income Taxes			
4120 Other Accrued Liabilities	7,674	37,352	29,678
4130 Other Current Liabilities			
Long-Term Debt			
4210 Funded Debt			
4220 Premium on Long-Term Debt			
4230 Discount on Long-Term Debt			
4240 Recquired Debt			
4250 Obligations Under Capital Leases			
4260 Advances from Affiliated Companies			
4270 Other Long-Term Debt			
Other Liabilities & Deferred Credits			
4310 Other Long-Term Liabilities	760,236	374,547	(385,689)
4320 Unamort. Oper. Invest. Tax Credits - Net			
4330 Unamort. Nonoper. Invest. Tax Credits - Net			
4340 Net Noncurrent Defer. Oper. Income Taxes	(1,515,342)	(1,483,230)	32,112
4350 Net Noncur. Defer. Nonoper. Income Taxes	2,982,550	3,495,915	513,365
4360 Other Deferred Credits			
4370 Other Juris. Liab. & Def. Credits - Net			
Stockholders' Equity			
4510 Capital Stock	6,120	6,120	-
4520 Additional Paid-In Capital	16,275,508	16,275,508	-
4530 Treasury Stock			
4540 Other Capital			
4550 Retained Earnings	(4,983,153)	(4,984,388)	(1,235)
TOTAL LIAB. & OTHER CREDITS	15,045,576	15,207,253	161,677

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
Analysis of Telecommunications Plant in Service					
2111 Land	39,421				39,421
2112 Motor Vehicles	287,704	50,402	(31,539)		306,567
2113 Aircraft	-				-
2114 Special Purpose Vehicles	-				-
2115 Garage Work Equipment	-				-
2116 Other Work Equipment	167,287	6,302	(3,921)		169,668
2121 Buildings	759,034	17,500			776,534
2122 Furniture	-				-
2123 Office Equipment	4,776				4,776
2124 General Purpose Computers	250,742	2,391	-		253,133
2124 Computer Software	3,800	-			3,800
2211 Analog Electronic Switching	-				-
2212 Digital Electronic Switching	1,938,813	-	(1,411)		1,937,402
2212 Digital Switching Software	1,458,807				1,458,807
2220 Operator Systems	-				-
2231 Radio Systems	350,501				350,501
2232 Circuit Equipment	8,112,783	848,688	(136,469)		8,825,002
2311 Station Apparatus	-				-
2321 Customer Premises Wiring	-				-
2341 Large Private Branch Exchanges	-				-
2351 Public Telephone Terminal Equipment	-				-
2362 Other Terminal Equipment	-				-
2411 Poles	137,823				137,823
2421 Aerial Cable	333,495	-	(25,787)		307,708
2422 Underground Cable	2,499,346	52,501	(82,488)		2,469,359
2423 Buried Cable	14,488,779	189,206	(24,726)		14,653,259
2424 Submarine Cable	-				-
2426 Intrabuilding Network Cable	-				-
2431 Aerial Wire	2,570	-			2,570
2441 Conduit Systems	364,439	42,550			406,989
2681 Capital Leases	-				-
2682 Leasehold Improvements	-				-
2690 Intangibles	-				-
TOTAL PLANT ACCOUNTS	31,200,120	1,209,540	(306,341)	-	32,103,319

ANALYSIS OF TELECOMMUNICATIONS PLANT ACCOUNTS
IDAHO Operations Only

Analysis of Telecommunications Plant in Service		Balance Beginning of Year	Additions During Year	Plant Retired or Sold	Transfers and Adjustments	Balance End of Year
2111	Land	Same as Total Company				
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						

ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION
Account 3100

	TOTAL Company Basis					
	Balance Beginning of Year	Depreciation Rate*	Credits During Year	Retirements and Adjustments	Balance End of Year	
Analysis of Entries in Accumulated Depreciation						
2112 Motor Vehicles	287,704	33.36	8,690	(31,140)	265,254	
2113 Aircraft						
2114 Special Purpose Vehicles						
2115 Garage Work Equipment						
2116 Other Work Equipment	164,794	20.00	8,795	(3,921)	169,668	
2121 Buildings	640,629	5.00	38,098		678,727	
2122 Furniture						
2123 Office Equipment	4,776	20.00	-		4,776	
2124 General Purpose Computers	250,742	33.36	753	-	251,495	
2124 Computer Software	760	20.00	760		1,520	
2211 Analog Electronic Switching						
2212 Digital Electronic Switching	2,983,187	12.00	232,559	(1,411)	3,214,335	
2215 Electro-Mechanical Switching						
2220 Operator Systems						
2231 Radio Systems	350,501	12.48	-		350,501	
2232 Circuit Equipment	7,647,470	10.56	370,182	(136,469)	7,881,183	
2311 Station Apparatus						
2321 Customer Premises Wiring						
2341 Large Private Branch Exchanges						
2351 Public Telephone Terminal Equipment						
2362 Other Terminal Equipment						
2411 Poles	137,823	12.48		-	137,823	
2421 Aerial Cable	321,249	8.64	2,220	(25,787)	297,682	
2421 Aerial Fiber	6,968	6.00	602		7,570	
2422 Underground Cable	185,160	9.96	25,636	(82,488)	128,308	
2422 Underground Fiber	1,318,124	6.00	136,004		1,454,128	
2423 Buried Cable	13,751,697	6.48	160,400	(24,725)	13,887,372	
2423 Buried Fiber	529,684	6.72	43,422		573,106	
2423 Buried Cable - Line Extensions						
2431 Aerial Wire	3,000	10.00	-		3,000	
2441 Conduit Systems	275,219	5.52	21,173		296,392	
TOTAL	28,859,487		1,049,294	(305,941)	29,602,840	

*Please list individual depreciation rate for each account.

ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION
Account 3100

IDAHO Operations Only

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

*Please list individual depreciation rate for each account.

INVESTMENTS

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

<u>Description</u>	<u>Date Acquired</u>	<u>Book Cost of Investments Disposed of This year</u>	<u>Book Cost of Investments Held at End of Year</u>
Fall River Electric Dividends	Jan-00	_____	_____
Syringa Network	2001-2002	_____	2,590,284
Fremont Broadband	2004	_____	112,360
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Totals	_____	_____	2,702,644

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	_____	27,978
CABS	_____	96,408
NECA/USAC	_____	58,440
State USF	_____	4,772
Related Party	_____	1,576,680
Miscellaneous	_____	235
_____	_____	_____
_____	_____	_____
Totals	_____	1,764,513

NOTES PAYABLE

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

<u>Name of Creditor</u>	<u>Date of Note</u>	<u>Interest Rate</u>	<u>Due Date</u>	<u>Face Amount</u>
Totals				

ACCOUNTS PAYABLE

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

<u>Name of Creditor</u>	<u>Amount</u>
A/P Trade	17,835
NECA	227,178
Related Party	1,176,690
Totals	1,421,703

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.

Class & Series of Obligation	Date of Issue	Date of Maturity	Fact Amount Authorized	Outstanding Year-End	Premium/ Discount		Interest for year	
					Total	Amortized	Rate	Amount
None								

CAPITAL STOCK

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

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

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

<u>Class & Series of Stock</u>	<u>Number of Shares Authorized</u>	<u>Par Value per Share</u>	<u>Outstanding per Balance Sheet</u>	
			<u>Shares</u>	<u>Amount</u>
Common	100,000.00	0	5155.5	6120

INCOME & RETAINED EARNINGS STATEMENT

Item	Total Company	Idaho Only
Total Operating Income (from page 15)	<u>6,551,583</u>	Same as
Total Operating Expenses (from page 17)	<u>5,494,082</u>	Total Company
7100 Other Operating Income and Expense	<u> </u>	<u> </u>
7210 Operating Investment Tax Credits-Net	<u> </u>	<u> </u>
7220 Operating Federal Income Taxes	<u>305,750</u>	<u> </u>
7230 Operating State and Local Income Taxes	<u>75,963</u>	<u> </u>
7240 Operating Other Taxes	<u>33,255</u>	<u> </u>
7250 Provision for Deferred Operating Income Taxes-Net	<u>(111,431)</u>	<u> </u>
7200 Operating Taxes (Total)	<u>303,537</u>	<u> </u>
7310 Dividend Income	<u> </u>	<u> </u>
7320 Interest Income	<u>-</u>	<u> </u>
7330 Income from Sinking and Other Funds	<u> </u>	<u> </u>
7340 Allowance for Funds Used During Construction	<u> </u>	<u> </u>
7350 Gains/Losses from the Disposition of Certain Property	<u> </u>	<u> </u>
7360 Other Nonoperating Income	<u>-</u>	<u> </u>
7370 Special Charges	<u> </u>	<u> </u>
7300 Nonoperating Income and Expense	<u>-</u>	<u> </u>
7410 Nonoperating Investment Tax Credits-Net	<u> </u>	<u> </u>
7420 Nonoperating Federal Income Taxes	<u>333,668</u>	<u> </u>
7430 Nonoperating State and Local Income Taxes	<u>51,491</u>	<u> </u>
7440 Nonoperating Other Taxes	<u> </u>	<u> </u>
7450 Provision for Deferred Nonoperating Income Taxes-Net	<u>658,561</u>	<u> </u>
7400 Nonoperating Taxes	<u>1,043,720</u>	<u> </u>
7510 Interest on Funded Debt	<u> </u>	<u> </u>
7520 Interest Expense-Capital Leases	<u> </u>	<u> </u>
7530 Amortization of Debt Issuance Expense	<u> </u>	<u> </u>
7540 Other Interest Deductions	<u>20</u>	<u> </u>
7500 Interest and Related Items	<u>20</u>	<u> </u>
7610 Extraordinary Income Credits	<u> </u>	<u> </u>
7620 Extraordinary Income Charges	<u> </u>	<u> </u>
7630 Current Income Tax Effect of Extraordinary Items-Net	<u> </u>	<u> </u>
7640 Provision for Deferred Income Tax Effect of Extraordinary Items-Net	<u> </u>	<u> </u>
7600 Extraordinary Items	<u> </u>	<u> </u>
7910 Income Effect of Jurisdictional Ratemaking Differences-Net	<u> </u>	<u> </u>
7990 Nonregulated Net Income (includes GAAP adj)	<u>1,920,541</u>	<u> </u>
AMOUNT TRANSFERRED TO RETAINED EARNINGS	<u>1,630,765</u>	<u> </u>

OPERATING REVENUES

Item	Total Company	Idaho Only
Local Network Services Revenues		
5001 Basic Area Revenue	<u>1,440,819</u>	Same as Total Company
5002 Optional Extended Area Revenue	<u> </u>	<u> </u>
5003 Cellular Mobile Revenue	<u>89,230</u>	<u> </u>
5004 Other Mobile Services Revenue	<u> </u>	<u> </u>
5010 Public Telephone Revenue	<u> </u>	<u> </u>
5040 Local Private Line Revenue	<u>88,037</u>	<u> </u>
5050 Customer Premises Revenue	<u> </u>	<u> </u>
5060 Other Local Exchange Revenue	<u>262,048</u>	<u> </u>
5069 Other Local Exchange Settlements	<u>1,313,938</u>	<u> </u>
Network Access Services Revenues		
5081 End User Revenue (SLC)	<u>425,419</u>	<u> </u>
5082 Switched Access Revenue (Interstate)	<u>2,072,976</u>	<u> </u>
5083 Special Access Revenue	<u>467,567</u>	<u> </u>
5084 State Access Revenue (Intrastate)	<u>336,636</u>	<u> </u>
Long Distance Network Services Revenues		
5100 Long Distance Message Revenue - All	<u> </u>	<u> </u>
Miscellaneous Revenues		
5230 Directory Revenue	<u>19,263</u>	<u> </u>
5240 Rent Revenue	<u>4,800</u>	<u> </u>
5250 Corporate Operations Revenue	<u> </u>	<u> </u>
5261 Special Billing Arrangements Revenue	<u> </u>	<u> </u>
5262 Customer Operations Revenue	<u> </u>	<u> </u>
5263 Plant Operations Revenue	<u> </u>	<u> </u>
5264 Other Incidental Regulated Revenue	<u>3,946</u>	<u> </u>
5269 Other Revenue Settlements	<u> </u>	<u> </u>
5270 Carrier Billing & Collection Revenue	<u>40,848</u>	<u> </u>
Uncollectible Revenues		
5301 Uncollectible Revenue - Telecommunications	<u> </u>	<u> </u>
5302 Uncollectible Revenue - Other	<u>(13,944)</u>	<u> </u>
TOTAL OPERATING REVENUES	<u>6,551,583</u>	<u> </u>

Please identify the following revenues:

NECA USF \$ 1,313,938	To what account were they booked?	5069
State USF \$ 51,705	To what account were they booked?	5084

OPERATING REVENUES

Item	Total Company	Idaho Only
Plant Specific Operations Expense		
6110 Network Support Expenses	-	<u>Same as Total Company</u>
6112 Motor Vehicle Expense	-	
6113 Aircraft Expense	-	
6114 Special Purpose Vehicles Expense	-	
6115 Garage Work Equipment Expense	-	
6116 Other Work Equipment Expense	-	
6120 General Support Expenses	-	
6121 Land and Building Expenses	113,429	
6122 Furniture and Artworks Expense	-	
6123 Office Equipment Expense	20,124	
6124 General Purpose Computers Expense	1,321,645	
6210 Central Office Switching Expenses		
6211 Analog Electronic Expense	-	
6212 Digital Electronic Expense	177,755	
6215 Electro-Mechanical Expense	-	
6220 Operators System Expense	-	
6230 Central Office Transmission Expenses		
6231 Radio Systems Expense	-	
6232 Circuit Equipment Expense	220,637	
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	8,656	
6421 Aerial Cable Expense	5,206	
6422 Underground Cable Expense	45	
6423 Buried Cable Expense	1,097,069	
6424 Submarine Cable Expense	-	
6425 Deep Sea Cable Expense	-	
6426 Intrabuilding Network Cable Expense	-	
6431 Aerial Wire Expense	209	
6441 Conduit Systems Expense	-	
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	<u>2,964,775</u>	

OPERATING REVENUES

Item	Total Company	Idaho Only
Plant Nonspecific Operations Expense		
6510 Other Property/Plant/Equipment Expenses		Same as Total Company
6511 Property Held for Future Telecomm. Use Expenses		
6512 Provisioning Expense	-	
6530 Network Operations Expense		
6531 Power Expense	67,406	
6532 Network Administration Expense	5,019	
6533 Testing Expense	114,307	
6534 Plant Operations Administration Expense	158,614	
6535 Engineering Expense	16,675	
6540 Access Expense	115,976	
6560 Depreciation and Amortization Expenses		
6561 Depreciation Expense-Telecom. Plant in Service	1,049,294	
6562 Depreciation Expense-Property Held for Future Use		
6563 Amortization Expense - Tangible		
6564 Amortization Expense - Intangible		
6565 Amortization Expense - Other		
Total Plant Nonspecific Operations Expenses	1,527,291	
Customer Operations Expense		
6610 Marketing		
6611 Product Management	12,727	
6612 Sales	7,561	
6613 Product Advertising	39,792	
6620 Services		
6621 Call Completion Services	633	
6622 Number Services	1,716	
6623 Customer Services	251,408	
Total Customer Operations Expense	313,837	
Corporate Operations Expense		
6710 Executive and Planning		
6711 Executive	93,039	
6712 Planning	10,097	
6720 General and Administrative		
6721 Accounting and Finance	469,712	
6722 External Relations	35,459	
6723 Human Resources	16,573	
6724 Information Management	4,481	
6725 Legal	24,835	
6726 Procurement		
6727 Research and Development		
6728 Other General and Administrative	33,983	
6790 Provision for Uncollectible Notes Receivable		
Total Corporate Operations Expense	688,179	
TOTAL OPERATING EXPENSES	5,494,082	

CENTRAL OFFICE DATA
as of December 31, 2010 (unless otherwise indicated)

Name of Central Office: Saint Anthony, ID
 Prefix (es): (208) 624, 458, 558, 652
 Central Office Switch Type: Nortel DMS 500

Check all that apply: Check one:
 Stand Alone _____ Digital X
 Host X Analog _____
 Remote _____ Other: _____

Access Line Capacity
 Design: Nortel DMS 500 **Access Lines in Use**
 Customer Lines: 3820
 (Include Centrex, PAL, Semi-Pub.)
 Installed/Equipped: 2794/3780 Public Telephone Lines 18
 Company Official Lines 59
 Company Test Lines 24

Classification of Customer Access

	Residence			Business			Total Residence & Business
	Multi- Line 1-Party	Single Line Multi- Party	Subtotal Residence	Centrex N.A.R.	Multi- Line 1-Party	Single Line Multi- Party	
Beginning of Year		3226	3226	25	530	437	992
New Connects							
Disconnects							
End of Year	0	2818	2818	25	543	434	1002

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

Directory Listings:
 Number of Customers with Nonpublished or Nonlis: 1009

Custom Calling:
 Number of customers with at least one feature: 1972
 Total number of features subscribed to: 42

NUMBER OF CALLS COMPLETED BY CUSTOMERS DURING (Year)_2010__.

Local Exchange	Average # of Customer Lines in Use	Local Calls		Toll Calls Originated (Total of all Carriers)			Avg./ Line
		Number (1000s)	Avg./ Line	Intrastate	Interstate	Total	
1 Teton - 458	426	Not Available		7266	16038	23304	54.70
2 Island Park - 558	880	Not Available		18303	77925	96228	109.35
3 Saint Anthony - 624	1577	Not Available		41416	88711	130127	82.52
4 Ashton - 652	1042	Not Available		24010	57264	81274	78.00
5 _____							
6 _____							
7 _____							
8 _____							
9 _____							
10 _____							
11 _____							
12 _____							
13 _____							
14 _____							
15 _____							
16 _____							
17 _____							
18 _____							

ANNUAL REPORT FOR SMALL TELEPHONE COMPANIES
YEAR ENDED DECEMBER 31, 2010

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 X No ___

Date of notification ___ October, 2010 ___ Hanson Directory _____

Alternate method of notification _____

Rule IDAPA 31.41.01.403.02

Record of Complaints:

Number received by Company 2

Category of complaints (if known):

Deposit Disputes

Charges on Bill 1

Denial/Termination

Quality or Availability
of Service 1

Carrier Selection/Assignment

Miscellaneous 0

Rev 3/02

How To Reach FairPoint Communications

Customer Service 800-400-5568
 (Servicio Nuevo, cambios, desconectos, Sobre Cuentas)

Office Location:
 110 East Main Street, St. Anthony, ID 83445
 Office Hours (Horas de oficina):
 8:30 a.m. - 5:00 p.m.
 Monday - Friday (Lunes a Viernes)

Mail Payments to:
 For service in Fremont County
 640 FairPoint Communications
 PO Box 580028
 Charlotte, NC 28258-0028

For service in Idaho Falls, Rexburg and Pocatello
 658 FairPoint Communications
 PO Box 580028
 Charlotte, NC 28258-0028

Or call to set up other payment options.

- Telephone Repair
 (para reparacion de servicio) 800-400-5568
- Internet Technical Support 800-400-5568
- Business Services 866-886-4344
- Buried Cable Location 800-342-1585
- Directory Assistance 411 or
 1-Area Code-555-1212
- Idaho State Relay Service
 TDD/TTY (Text) 800-377-3529
 Voice 800-377-1363

General Information

Doing Business With FairPoint Communications

confidential personal account information are fully protected. Therefore, only the customer(s) listed on the account are able to inquire, add, change or delete services on the account. If you have questions regarding service please contact us at 800-400-5568.

When is my bill due?
 Bills are due and payable when presented and become delinquent 15 days after presentation. We will provide you with written notification of pending disconnection prior to disconnection of your service.

Late Fees
 A late payment charge will be applied to any amount on a customer's bill carried over to the next billing statement.

Payment Arrangements
 If you cannot pay the entire bill, payment arrangements can be made with us to pay part of the amount immediately and the remainder in installments. A payment schedule will be developed that is individually tailored to your need and ability to pay.

Disputed Charges
 If you cannot pay a bill in full, or if you dispute a portion of the charges, you may tell us how to apply your partial payment to charges for local service, FairPoint long distance and other services. When you make partial payments without directing how they are to be applied, we automatically prorate your payment among all outstanding charges including those disputed by you if you have not notified us of the dispute. If you want to avoid disconnection of your local service, it is wise to direct that your partial payment first be applied to the charges for that services.

Important Long Distance Information
 If there is an error on the long distance portion of your bill, contact our office immediately. The primary long-distance (1+) company cannot be changed without your permission. If your service is changed without your permission and the change results in a charge, you must notify us. We will remove the charge from your bill and change long distance service back to your original long distance company.

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

Ordering Telephone Service
What Information Do I Need?
 To help expedite the scheduling of your new telephone service, please have the following information ready when you contact us:

- Credit information
- Previous telephone information
- Employment status
- How you want your name in the directory
- Complete street address (apartment or lot/division number)

Will I Be Asked to Pay A Deposit?
 Deposits are not requested if the customer has maintained a satisfactory credit record on their previous telephone service, or if the customer can provide satisfactory credit references. We may ask you to pay a deposit if:

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

Disconnecting Your Telephone Service
 Call our office at 800-400-5568 in advance to move or disconnect your service. A reconnection charge will be applied to all accounts that have been disconnected for any reason.

Billing Information
How Am I Billed?
 The monthly charge of your local telephone service is billed one month in advance. Long distance charges are billed from the previous month. Installation or maintenance charges are billed in the month following the completion of work. When paying by mail, please enclose the bill stub with your check. Customers will be held responsible for all toll calls originated and/or terminated at their telephone, whether calls are made by themselves, family members, guests or employees. Customer service records, credit information and related

Complaints and Disputes

Our Customer Service department is specially trained to solve your telephone problems. However, if you are not satisfied, please ask for a supervisor. If at that time you feel we have not satisfactorily resolved your problem, you may contact the Idaho Public Utilities Commission for further review at 208-334-0300. Service will not be turned off during any part of this complaint procedure IF ALL UNDISPUTED BILLS ARE PAID.

Rules For Termination of Telephone Service

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

Basic local telephone service cannot be terminated if you let us know that you dispute any charges on your telephone bill until the dispute is resolved, but you must continue to pay the undisputed parts of the bill.

Telephone service can be disconnected with proper notification for one of the following reasons:

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

Proper Notification

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

Restrictions on Termination

- Your telephone service cannot be disconnected if:
 - A past due balance is less than \$50.00 or for two (2) months service, whichever is smaller.
 - You are being charged for another customer's bill (unless you have a legal obligation to pay the other customer's bill or you are being charged for any other class of service).

You fail to pay for purchase of services such as the following:

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

Your telephone service can be disconnected between the hours of 8:00 a.m. and 4:00 p.m., Monday through Thursday, and before noon on Fridays, weekends, legally recognized Idaho holidays, or after noon any day before a legally recognized Idaho holiday.

Termination Without Notification

FairPoint Communications can terminate service without notification only under the five following conditions:

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

Rates, Rules and Regulations

Telephone companies are considered a public utility and are regulated by the Idaho Public Utilities Commission. Your local telephone company's rates, rules and regulations applicable to its services are regulated and are available for inspection at our business office. Copies of these regulations can be obtained by contacting the business office. If you have a problem with telephone service or billing, please contact FairPoint Communications at 800-400-5568. If you are not satisfied with the explanation that is provided, you may make an informal or formal complaint with the Idaho Public Utilities Commission for further review. To contact the IPUC for inquiries, complaints, investigation and mediation:

Idaho Public Utilities Commission
PO Box 83720, Boise, ID 83720-0074
208-334-0500

Pay Phone Use for Emergency

It is unlawful under penalty of fine or imprisonment for any person willfully to refuse to immediately yield or surrender use of a public pay telephone to another person for the purpose of permitting such other person to report a fire or summon police, medical or other aid in case of emergency. Likewise, it is unlawful for any person to ask for, or request the use of a public pay telephone on pretext that an emergency exists. The law defines an "emergency" as a situation in which property or human life is in jeopardy and the prompt summoning of aid is essential.

Guarding Against Fraud

For your protection, new equipment and procedures enable the telephone company to detect and investigate fraudulent calls.

Telephone Fraud

Whoever, by means of telephone, (1) makes any comment, request, suggestion or proposal which is obscene, lewd, lascivious, filthy or indecent, (2) makes a telephone call, whether or not conversation ensues, without disclosing his/her identity and with intent to annoy, threaten or harass any person at the called number, or whoever knowingly permits any telephone under his/her control to be used for any purpose prohibited by this section, shall be guilty of a misdemeanor. The offense may be prosecuted either at the place the call is made or where it is received.

Long Distance Fraud

Whoever obtains long distance telephone service by intentionally requesting of the operator that the cost thereof be charged to a raise calling card number or to the calling card number of another without his authority may be sentenced to imprisonment for not more than 90 days or to a payment of a fine of not more than \$300.00, or both, when the value of the telephone service obtained is not more than \$100.00, and to imprisonment for not more than 5 years or to payment of a fine of not more than \$5,000, or both, if the value of the telephone service obtained in a single transaction, or in separate transactions within any six month period, is more than \$100.00.

Directory Accuracy

FairPoint Communications assumes no liability whatsoever for damages arising from errors or omissions in the preparation or printing of this directory. However, the utmost care is used in listing all customers correctly. The primary purpose of this directory is to furnish a means of obtaining telephone numbers of subscribers in this area. Addresses are included in the listing to assist in identifying subscribers. It is not intended that this directory be used as a mailing guide. Not all addresses given are correct for mailing purposes.

Every subscriber may be listed once in the alphabetical section of the directory without charge. Additional listings are available at an additional charge.

How To Handle Annoyance Calls

It is against the law to make an obscene telephone call. If you receive such a call, follow these suggestions:

- (1) When answering your telephone, say hello twice. If no answer, HANG UP.
- (2) Do not give information until you are absolutely certain you know who you are speaking to.
- (3) Instruct children not to give any information to strangers over the phone.
- (4) Hang up when you hear something off-color or obscene.
- (5) Never reveal that you are alone.
- (6) Calls of a threatening nature should be reported to the local law enforcement agency immediately.
- (7) Use Call Trace #57.

National Do-Not-Call List

The Federal Communications Commission (FCC) and the Federal Trade Commission (FTC) are now sharing responsibility for enforcing the National Do-Not-Call List. Consumers who have not already registered for the list may do so at www.donotcall.gov or by calling 888-382-1222 (TTY 866-290-4236).

- If you are called by telemarketers, you can do the following:
 - If you have registered your telephone number on the National Do-Not-Call list, tell the telemarketer that you are on the list. Make note of the time and date of the call, and the identity of the telemarketer for your records. You will need this information if you elect to file a complaint; OR
 - If you are not registered on the National Do-Not-Call list, you can still instruct the telemarketer to place you on its company-specified do-not-call list; if you do not want to receive further calls from that company. For your own reference, make a note of the date and time you asked to be put on the company-specific list. Having this information may be helpful if you get called again by the same company and wish to file a complaint with the FCC; OR
 - Explore whether your state has its own do-not-call list. Contact your State Attorney General or State office that administers the list for more information.

The FCC and FTC will both accept complaints and share information, so consumers may file complaints with either agency. In addition to complaints alleging violations of the National Do-Not-Call list, you may also file a complaint against a telemarketer who is calling for commercial purpose (e.g., not charitable organizations) if:

- The telemarketer calls before 8AM or after 9PM; OR
- The telemarketer leaves a message, but fails to leave a phone number that you can call to sign up for their company-specific do-not-call list; OR
- You receive a telemarketing call from an organization whom you have previously requested not call you; OR
- The telemarketing firm fails to identify itself; OR
- You receive a pre-recorded commercial message from someone with whom you do not have an established business relationship and to whom you haven't given permission to call you.

Idaho Telephone Solicitation Act

Impoverished Notice Concerning Purchase of Goods And Services By Telephone

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

- To intimidate or harass you in connection with the attempted sale.
- To refuse to hang up and free your telephone line immediately once you request them to do so.
- To mis-state the price, quality, or availability of goods or services, or to fail to reveal all material terms relating to the sale of goods or services.
- To advertise, represent or imply that they have the endorsement of any government office or agency when they do not.
- To advertise, represent or imply that they have a valid registration number with the Attorney General when they do not.
- To use any unfair method of competition or unfair or deceptive practice.

Any person not yet 18 years old who purchases goods or services pursuant to a telephone solicitation may cancel the purchase within a reasonable time after the purchase is made.

No parent or legal guardian having custody of a person not yet 18 years old is liable for the purchase of the goods or services by a person not yet 18 years old pursuant to a telephone solicitation.

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

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

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

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

General Information Continued

Your Privacy Is Important

We make every effort to protect your telecommunications services from unlawful wiretapping or other illegal interceptions. Customer service records, credit information and related confidential personal account information are fully protected. Therefore, only the customer listed on the account is able to inquire, add, change or delete on the account.

Illegal Wiretapping

It is a crime under federal law for any person to wiretap or otherwise intercept a telephone call unless that person has first obtained a court order or the consent of one or both people participating in the call. The penalty for illegal wiretapping can be imprisonment and/or fine.

Telephone Recording Machine

A short high "beep" heard on the telephone line about every 15 seconds means that the person with whom you are talking is recording your conversation by means of his or her electrical recording machine connected to the telephone line.

This signal is provided by the telephone company for your protection. If you do not want a record made of what you are saying, ask the person with whom you are talking to disconnect his or her recording machine. When the party disconnects their recorder, the signal is no longer heard.

The "beep" is produced automatically by the device used to connect the recorder to the telephone line. It stops when the recorder is disconnected. Use of the recorder without this signal is unlawful.

Emergency 911

The 9-1-1 telephone number has been developed to quickly summon emergency service in a crisis situation. Callers should realize that when reporting an emergency by dialing 9-1-1, their telephone number (including non-published numbers), and the name and address associated with the telephone number, will automatically display on a viewing screen at emergency dispatch centers. This display enables the emergency agency to quickly locate the caller if the call is disrupted by the crisis and will be used only for handling and responding to the emergency.

Idaho Telephone Assistance Program

Lifeline, Link-Up and Toll Limitation Services
These programs provide discounts to eligible low-income consumers to help them establish and maintain telephone service.

What type of discount is available?

Lifeline assistance lowers the cost of basic, monthly local telephone service. Eligible consumers can receive monthly discounts. Eligible residents of Indian reservations or tribal lands can receive up to an additional \$25 in Lifeline support, but must pay at least \$1 for basic monthly service. Link-Up reduces the cost of initiating new telephone service. Eligible consumers can receive a 50% discount off of the one-time costs associated with initiating telephone service, up to a maximum of \$30. Eligible consumers also qualify for a deferred payment schedule for remaining costs of up to \$200.

Eligible low-income consumers living on tribal lands are eligible for an additional discount of up to \$70 to cover 100% of the charges between \$60 and \$130. Toll Limitation Service (TLS) support allows eligible consumers who wish to avoid incurring large long distance fees to choose toll blocking or toll control at no cost.

How do I know whether I am eligible?

Eligibility for Lifeline, Link-Up and TLS support varies by state. Individuals who reside in states that have their own discount programs qualify for federal Lifeline. Link-Up and

by their state. In Idaho, Lifeline allows substantial discounts on telephone service to be offered to households who qualify under the following criteria. Your income is at or below 135% of the U.S. Census Bureau Poverty Level Guidelines, and you are on one of the following Department of Public Welfare programs: Food Stamps, Medicaid, Federal Public Housing Assistance, Low Income Home Energy Assistance, Temporary Assistance for Needy Families (TANF), General Assistance (GA) or Supplemental Security Income (SSI), and no one claims you as a dependent on their federal income tax, unless you are 60 or older. For more information contact Customer Service at 800-400-5568. You can sign up for the Lifeline and Link-Up telephone assistance programs at any time. There is an annual renewal that is required for all participants to continue receiving assistance.

If you care to make a contribution to the Universal Telephone Assistance Corporation on a monthly basis, please contact FairPoint Communications at 800-400-5568.

The Universal Service Administrative Company's (USAC) web site contains state-specific Lifeline information for many companies at www.lifelinesupport.org.

Nine Essential Services

FairPoint Communications complies with FCC rule 54.101 regarding the Nine Essential Services. The following services or functionalities shall be supported:

- Voice grade access to the public switched network
- Local usage
- Touch tone
- Single-party service
- Access to emergency services
- Access to operator services
- Access to interexchange service
- Access to directory assistance
- Toll limitation for qualifying low-income consumers

Statement of Nondiscrimination

FairPoint Communications has filed with the Federal Government a Compliance Assurance in which it assures the Rural Electrification Administration that it will comply fully with all requirements of Title VI of the Civil Rights Act of 1964 and the Rules and Regulations of the Department of Agriculture issued thereunder, to the end that no person in the United States shall, on the ground of race, color, or national origin; handicapped or basis of sex, be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the conduct of its program and the operation of its facilities. Under this Assurance, this organization is committed not to discriminate against any person on the ground of race, color or national origin in its policies and practices relating to applications for service or any other policies and practices relating to treatment of beneficiaries and participants including rates, conditions and extension service, use of any of its facilities, attendance at and participation in any meetings of beneficiaries and participants or the exercise of any right of such beneficiaries and participants in the conduct of the operations of this organization.

"Any person who believes himself, or any specific class of individuals, to be subjected by this organization to discrimination prohibited by Title VI of the Act and the Rules and Regulations issued thereunder may, by himself or representative, file with the Secretary of Agriculture, Washington D.C., 20250, or this organization, or file a written complaint. Such complaint must be filed not later than 180 days after the alleged discrimination, or by such later date to which the Secretary of Agriculture or the Rural Electrification Administration extends the time for filing. Identity of complainants will be kept confidential except to the extent necessary to carry out the purposes of this Act."

General Information Continued

Health and Human Services



211

**Get Help.
Give Help.**

Dial 2-1-1 for easy access to statewide Health and Human Services information and referral. (or 1-800-926-2588)

Repair Service

Reporting A Telephone Problem
Call our repair service 24-hour number at 800-400-5568.

Why Won't My Telephone Work?

That depends on whether the problem is in your telephone set, the wiring inside your home or office, or in the outside lines and switching equipment that the telephone company uses to provide you with service. Simple tests can help you determine whether or not to call us for repair assistance, see below for further instructions.

How To Connect Or Disconnect Your Telephone

Illustration one, two, three and four: Receptacles or standard jacks can accommodate modular telephone cords. To install your telephone, match the plug at the end of the telephone cord with the receptacle and insert. To disconnect the telephone, squeeze the clip on the plug and pull out of the receptacle.

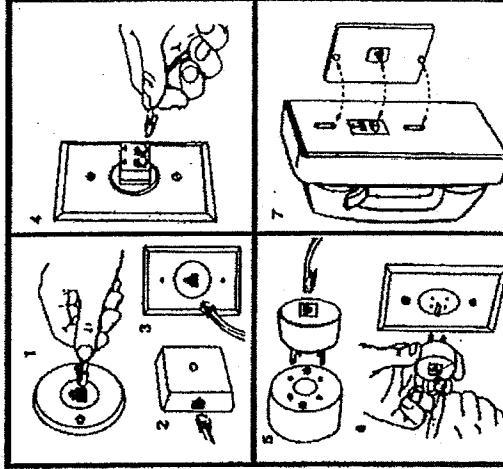
Illustration five and six: Receptacles or non-standard jacks can be made to accommodate standard jacks or modular telephone cords by the use of adapters. The adapters simply plug into the receptacle. With the adapter in place, follow the above steps to install your telephone.

Illustration seven: To connect your wall telephone, match the holes in the back of the telephone with the rivets on the wall mounting, push the telephone lightly against the mounting while sliding down into place over the rivets. To disconnect, slide the telephone up to lift it off the rivets; then pull the telephone away from the receptacle.

How To Troubleshoot Telephone And Telephone Equipment

These tests can help you determine why your telephone isn't working:

- 1) Check to see if all your telephones are plugged in and the handset is hung up properly.
- 2) Perform a visual inspection of all exposed wiring and connections for damaged or loose connections.
- 3) If you have telephone accessories—such as answering machines, speaker telephones, cordless telephones, security systems or night bells—make sure that equipment is working. If your telephone service works without any of the added equipment, the problem may be with the accessories.
- 4) If you have only one telephone and it unplugs, take it to a friend's home or office and plug it in. If it doesn't work there, you probably have a telephone equipment problem.
- 5) If you have two or more telephones, unplug all of them. Then try each one—one at a time—in each telephone jack or outlet. If one telephone doesn't work anywhere, you probably have a telephone equipment problem. If none of the telephones work in a particular jack, you may



General Information Continued

If The Problem Is In Your Telephone Set
Follow the instruction on your warranty or contact your equipment retailer. FairPoint Communications cannot repair your telephone equipment.

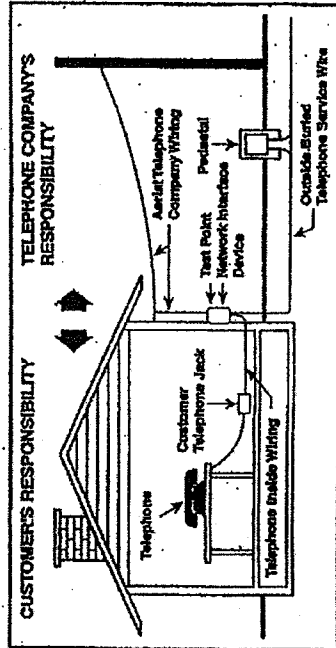
If The Problem Is In Your Jack Or Wire That Runs Through Your Home Or Office
You have several options to repair the problem:

- 1) Hire FairPoint Communications to repair your inside wiring. Call 800-400-5568 to schedule the repair. If you subscribe to our optional Wire Maintenance plan we will repair your jack or inside wiring at no charge. If you don't subscribe, we will be happy to repair the problem at our standard rate for labor and materials.
- 2) Hire an independent contractor or home repair expert to repair your jack or inside wiring.
- 3) Repair the problem yourself.

If The Problem Is In The Outside Lines Or Switching Equipment
We will take quick action to correct the problem at no charge.

Telephone Repair Responsibility

We know this can sometimes be confusing; to help clarify, we have included the diagram below to illustrate where FairPoint Communications responsibility ends and where your responsibility begins. If you have further questions, please contact us so we can help you resolve your telephone problem.



Telephone Repair

When you call us for your telephone repair we will do our best to locate and fix the problem. In some cases, we cannot identify the problem without sending a repair technician to your home or office. There may be a charge for this repair visit. A trip charge is applied when our repair technician makes a trip to your home or office at your request, and finds the telephone repair is your responsibility (telephone equipment, jacks and inside wiring). The trip charge is for travel costs; it is not a repair charge. Repair of your equipment or wiring is available at our standard rate for labor and materials.

If the trouble is found to be in our lines or switching equipment, we will take quick action to correct the problem at no charge.

How to Troubleshoot At The Network Interface Device

A NID device is located on the outside of your home or business. It enables the subscriber to determine whether a problem is on the customer premise. By testing the NID you can save the expense of an unnecessary service call.

- 1) Locate the NID on the outside of your home or business.
- 2) Remove the cover with a screwdriver.
- 3) Remove the plug-in by depressing the clip.
- 4) Insert telephone base cord into the jack. If you hear a dial tone and the telephone works, the trouble is in the house and the repair is your responsibility.

Products & Services

Telephone

Reliability is the #1 reason customers have a home telephone. Service from FairPoint Communications is protected by two levels of back up so when the power is out you can still use your phone. There are many great reasons to use your home telephone:

- Reliability: your home phone works when the power goes out.
- Security: you are less likely to have your conversation overheard while using your home phone
- Dependability: you don't have to worry about dropped calls or poor coverage.
- Affordability: telephone service is inexpensive.
- Hassle free: you don't have to recharge batteries or worry about misplacing equipment.
- FREE directory listing.

A cord phone with traditional service provided by FairPoint Communications can be your lifeline in a power outage. Because it doesn't require electricity, you can stay in touch with family and friends or call for help during or after a storm. Cordless phones require electricity and cell phones may not operate during an outage either (cellular systems and towers are not required to provide backup power). For your family's safety, FairPoint Communications urges you to have at least one corded phone.

Business Telephone

The use of telephone service for business purposes automatically subjects that service to business rates regardless of the type of premises on which the telephone is installed.

Calling Features

We offer a variety of convenient features that can be added to any telephone line, making your phone more useful and powerful. See instructions for using these features on pages 14-19. You can find more pricing and information at www.fairpoint.com.

Direct Dial

When you call station-to-station charges begin when the called telephone number answers. Dial your own long distance calls to pay the lowest rate. Operator handled calls have added surcharges.

Person-to-Person

When you call person-to-person the OPERATOR helps you place the call. Tell the OPERATOR who you wish to make a person-to-person call to and charges begin when the conversation begins. Rates are higher than direct dialed calls.

Collect

You can call collect if the person you are calling agrees to pay the charge. If you want to make a collect call, please be sure to tell the OPERATOR when you place the call.

Time And Charges

If you want the OPERATOR to quote time and charges on a call, be sure to ask the OPERATOR for time and charges when placing the call. Charges are the same as for an operator-handled call. Time and charges billing may not be available with all long distance companies.

Calling Card

If you have telephone calling cards, you may place calls and charge them to your calling card number. With FairPoint Long Distance a personal calling card is included. Call us at 800-400-5568 to request yours.

Third Party Billing

Customers may place calls and have the charge billed to another number. This service requires OPERATOR assistance and rates are higher than direct-dialed calls. This may be blocked on your line. If you wish to have the third party block removed please contact us.

Long Distance Information

Dial "1" plus the area code, plus 555-1212. Charges may apply for long distance information.

Long Distance Calling

At FairPoint Communications we take pride in being a complete phone service provider. FairPoint Long Distance simplifies your long distance needs and puts all your services on one bill. We offer a variety of rates and packages. We promise you one rate for all your calls any time of day and dependable customer service. Or you can choose a bundle of minutes that suits your long distance calling needs. Call us at 800-400-5568 or visit our website at www.fairpoint.com for more information about FairPoint Long Distance and our Home Phone bundles.

CERTIFICATE

State of Kansas)
) ss
County of Ford)

WE, the undersigned Angela Unruh

and _____

of the Fremont Telcom utility,

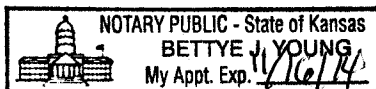
on our oath do severally say that the foregoing return has been prepared under our direction, from the original books, papers, and records of said utility; that we have carefully examined same, and declare the same to be a correct statement of the business affairs of said utility for the period covered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

(Chief Officer)

Angela Unruh, Regional Controller
(Officer in Charge of Accounts)

Subscribed and Sworn to Before Me this 30 day of March, (Year) 2011.

Betty J. Young
Bettye J. Young
Notary Public



My Commission expires November 16, (Year) 2014.