

INL-T

# ANNUAL REPORT

JOHN COONAN  
GRETA MORGAN  
INLAND TELEPHONE CO  
PO BOX 171  
ROSLYN WA 98941

IDAHO PUBLIC  
UTILITIES COMMISSION

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ADDRESS

TO THE  
  
IDAHO PUBLIC  
  
UTILITIES COMMISSION

FOR THE

YEAR ENDED 2012

**ANNUAL REPORT OF SMALL TELEPHONE COMPANIES TO  
THE IDAHO PUBLIC UTILITIES COMMISSION  
FOR THE YEAR ENDING DECEMBER 31, 2012**

**COMPANY INFORMATION**

Exact name of utility: Inland Telephone Company

Address of principal office: 103 South Second Street, Roslyn, Washington 98941

Telephone Number (509) 649-2211

Cities or towns served: Colton, Dewatto, Prescott, Roslyn, Ronald, & Uniontown, Washington & Gifford, Leon & Lenore, Idaho

Name and title of officer having custody of the general corporate books of account:  
James K. Brooks, Treasurer

Address of office where corporate books are kept and phone number: same as principal office

Organized under the laws of the State of: Washington

Date of organization: 07/02/63

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

If a Subchapter S Corporation, please specify: N/A

Name and address of controlling company, if any Western Elite Incorporated Services, P.O. Box 687, Roslyn, Washington 98941

Names of affiliated companies. Give address and description of business: (1) Inland Cellular Telephone Co. P.O. Box 688, Roslyn, WA 98941-cellular telephone company, (2) R & R Cable Co., P.O. Box 610, Roslyn, WA 98941-cable television company, (3) Inland Long Distance Telephone Company, P.O. Box 904, Roslyn, WA 98941-long distance resale, (4) Newport Hills Land Co., Inc., P.O. Box 687, Roslyn, WA-land company, (5) Easton Ridge Land Co., Inc., P.O. Box 687, Roslyn, WA-land company, (6) R & R Heights Land Co., Inc., P.O. Box 687, Roslyn, WA-land company, (7) Moses Lake Views Land Co., Inc., P.O. Box 687, Roslyn, WA-land company, (8) Central Cascade Land Co., Inc. P.O. Box 687, Roslyn, WA 98941-land company

**OFFICERS**

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

Title	Name	Address
President	Douglas W. Weis	P.O. Box 171, Roslyn, Washington 98941
Vice President	Nathan R. Weis	P.O. Box 171, Roslyn, Washington 98941
Secretary	Gregory A. Maras	P.O. Box 171, Roslyn, Washington 98941
Treasurer	James K. Brooks	P.O. Box 171, Roslyn, Washington 98941

**DIRECTORS**

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

Name and Address	Term Expired or Current Term	Meetings Attended This year	Fees Paid
Douglas W. Weis	Continuous	1	None
Nathan R. Weis	Continuous	1	None
Gregory A. Maras	Continuous	1	None
James K. Brooks	Continuous	1	None

Name of Chairman of the Board:           N/A            
 Name of Secretary (or Clerk) of Board:           Gregory A. Maras            
 Number of Meetings of the Board during the year:           1          

**MANAGERS**

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

Name	Title	Wages and Bonuses Paid
Douglas W. Weis	President	
Nathan R. Weis	Vice President	
Gregory A. Maras	Secretary	
James K. Brooks	Treasurer	



**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	715,207	481,419	(233,788)
1140 Special Cash Deposits			
1150 Working Cash Advances	2,400	2,750	350
1160 Temporary Investments	328,844	90,628	(238,216)
1180 Telecommunications Accts. Receivable	93,575	92,426	(1,149)
1181 Accts. Rec. Allow. -Telecommunications	(10,000)	(10,000)	0
1190 Other Accounts Receivable	651,293	954,847	303,554
1191 Accounts Receivable Allow. - Other			
1200 Notes Receivable			
1201 Notes Receivable Allowance			
1210 Interest & Dividends Receivable			
1220 Material and Supplies	356,598	259,636	(96,962)
1280 Prepayments	1,135	2,490	1,355
1290 Prepaid Rents			
1300 Prepaid Taxes			
1310 Prepaid Insurance			
1320 Prepaid Directory Expenses			
1330 Other Prepayments			
1350 Other Current Assets			
<b>Noncurrent Assets</b>			
1401 Investment in Affiliated Companies			
1402 Investment in Nonaffiliated Companies	37,363	40,443	3,080
1406 Nonregulated Investments	827,395	831,590	4,195
1407 Unamortized Debt Issuance Expense			
1408 Sinking Funds			
1410 Other Noncurrent Assets	131,783	137,930	6,147
1438 Deferred Maintenance & Retirements			
1439 Deferred Charges			
1500 Other Jurisdiction Assets - Net			
<b>Property, Plant and Equipment</b>			
2001 Telecommunications Plants in Service	22,405,110	22,584,411	179,301
2002 Prop. Held for Future Telecom. Use			0
2003 Telecom. Plant under Constr. - Short Term	146,943	323,657	176,714
2004 Telecom. Plant under Constr. - Long Term			
2005 Telecom. Plant Adjustment			
2006 Nonoperating Plant			
2007 Goodwill			
<b>Depreciation and Amortization Accounts</b>			
3100 Accumulated Depreciated	14,683,502	15,534,034	850,532
3200 Accum. Depre. - Held for Future Use	0		0
3300 Accumulated Depreciation - Nonoperating			
3400 Accumulated Amortization - Tangible			
3410 Accum. Amort. - Capitalized Leases			
3420 Accum. Amort. - Leasehold Improvements	407	543	136
3500 Accumulated Amortization - Intangible	123,288	123,334	46
3600 Accumulated Amortization - Other			
<b>TOTAL ASSETS</b>	<b>10,880,449</b>	<b>10,134,316</b>	<b>(746,133)</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	304,540	192,641	(111,899)
4020 Notes Payable	164,165	0	(164,165)
4030 Advance Billings and Payments			
4040 Customer Deposits	1,524	2,090	566
4050 Current Maturities - Long -Term Debt	635,625	673,300	37,675
4060 Current Maturities - Capital leases			
4070 Income Taxes - Accrued			
4080 Other Taxes - Accrued	160,001	78,559	(81,442)
4100 Net Current Defer. Oper. Income Taxes	40	20	(20)
4110 Net Current Defer. Nonoper. Income Taxes			
4120 Other Accrued Liabilities	680,341	772,311	91,970
4130 Other Current Liabilities	45,635	4,458	(41,177)
<b>Long-Term Debt</b>			
4210 Funded Debt	1,224,896	1,096,322	(128,574)
4220 Premium on Long-Term Debt			
4230 Discount on Long-Term Debt			
4240 Reacquired Debt			
4250 Obligations Under Capital Leases			
4260 Advances from Affiliated Companies	120,750	210,795	90,045
4270 Other Long-Term Debt			
<b>Other Liabilities &amp; Deferred Credits</b>			
4310 Other Long-Term Liabilities			
4320 Unamort. Oper. Invest. Tax Credits - Net			
4330 Unamort. Nonoper. Invest. Tax Credits - Net			
4340 Net Noncurrent Defer. Oper. Income Taxes	808,121	716,612	(91,509)
4350 Net Noncur. Defer. Nonoper. Income Taxes			
4360 Other Deferred Credits			
4370 Other Juris. Liab. & Def. Credits - Net			
<b>Stockholders' Equity</b>			
4510 Capital Stock	93,150	93,150	0
4520 Additional Paid-In Capital	7,175	7,175	0
4530 Treasury Stock			
4540 Other Capital			
4550 Retained Earnings	6,634,486	6,286,883	(347,603)
<b>TOTAL LIAB. &amp; OTHER CREDITS</b>	<b>10,880,449</b>	<b>10,134,316</b>	<b>(746,133)</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	651,786	35,858			687,644
2112 Motor Vehicles	1,282,824	14,026	110,425		1,186,425
2113 Aircraft	0				0
2114 Special Purpose Vehicles	0				0
2115 Garage Work Equipment	25,295				25,295
2116 Other Work Equipment	907,742	18,189			925,931
2121 Buildings	2,401,463	17,582			2,419,045
2122 Furniture	183,486	1,175	231		184,430
2123 Office Equipment	278,282	9,074			287,356
2124 General Purpose Computers	403,952	320,000	294,086		429,866
2211 Analog Electronic Switching	0				0
2212 Digital Electronic Switching	2,937,185				2,937,185
2215 Electro-Mechanical Switching	0				0
2220 Operator Systems	0				0
2231 Radio Systems	36,842				36,842
2232 Circuit Equipment	2,802,028	14,909			2,816,937
2311 Station Apparatus	0				0
2321 Customer Premises Wiring	0				0
2341 Large Private Branch Exchanges	0				0
2351 Public Telephone Terminal Equipment	0				0
2362 Other Terminal Equipment	0				0
2411 Poles	38,563				38,563
2421 Aerial Cable	456,098	(2,000)			454,098
2422 Underground Cable	0				0
2423 Buried Cable	9,857,953	416,255			10,274,208
2424 Submarine Cable	0				0
2426 Intrabuilding Network Cable	0				0
2431 Aerial Wire	6,695				6,695
2441 Conduit Systems	0				0
2681 Capital Leases	0				0
2682 Leasehold Improvements	8,609				8,609
2690 Intangibles	126,308				126,308
<b>TOTAL PLANT ACCOUNTS</b>	<b>22,405,110</b>	<b>845,068</b>	<b>404,742</b>	<b>0</b>	<b>22,845,436</b>

**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	104,816			19,564 *	124,380
2112	Motor Vehicles	127,068			(413) *	126,655
2113	Aircraft	0				0
2114	Special Purpose Vehicles	0			9 *	1,845
2115	Garage Work Equipment	1,836			1,783 *	109,357
2116	Other Work Equipment	107,574			1,869 *	590,328
2121	Buildings	588,459			(77) *	26,072
2122	Furniture	26,149			988 *	55,552
2123	Office Equipment	54,564			3,459 *	58,164
2124	General Purpose Computers	54,705				0
2211	Analog Electronic Switching	0			64 *	439,489
2212	Digital Electronic Switching	439,425				0
2215	Electro-Mechanical Switching	0				0
2220	Operator Systems	0				0
2231	Radio Systems	1,788			5 *	1,793
2232	Circuit Equipment	295,528			195 *	295,723
2311	Station Apparatus	0				0
2321	Customer Premises Wiring	0				0
2341	Large Private Branch Exchanges	0				0
2351	Public Telephone Terminal Equipment	0				0
2362	Other Terminal Equipment	0				0
2411	Poles	1,577				1,577
2421	Aerial Cable	29,530				29,530
2422	Underground Cable	0				0
2423	Buried Cable	2,020,686			18,883 *	2,039,569
2424	Submarine Cable	0				0
2426	Intrabuilding Network Cable	0				0
2431	Aerial Wire	4,821				4,821
2441	Conduit Systems	0				0
2681	Capital Leases	0				0
2682	Leasehold Improvements	0				0
2690	Intangibles	4,764				4,764
<b>TOTAL PLANT ACCOUNTS</b>		<b>3,863,290</b>	<b>0</b>	<b>0</b>	<b>46,329 *</b>	<b>3,909,619</b>

\*Represents adjustments to the allocation of Washington plant to Idaho based upon jurisdictional procedures.



**ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION**  
Account 3100

**TOTAL Company Basis**

**Analysis of Entries in Accumulated Depreciation**

	Balance Beginning of Year	Depreciation Rate*	Credits During Year	Retirements and Adjustments	Balance End of Year
2112 Motor Vehicles	1,039,321	12.50		(59,890)**	979,431
2113 Aircraft	0				0
2114 Special Purpose Vehicles	0				0
2115 Garage Work Equipment	25,295	12.50			25,295
2116 Other Work Equipment	664,426	12.50		48,923**	713,349
2121 Buildings	1,330,621	2.50		93,327**	1,423,948
2122 Furniture	176,712	15.00		1,111**	177,823
2123 Office Equipment	250,155	5.00		10,490**	260,645
2124 General Purpose Computers	384,914	25.00		(246,664)**	138,250
2211 Analog Electronic Switching	0				0
2212 Digital Electronic Switching	1,476,793	9.00		264,347**	1,741,140
2215 Electro-Mechanical Switching	0				0
2220 Operator Systems	0				0
2231 Radio Systems	36,842	13.00			36,842
2232 Circuit Equipment	1,763,482	11.19		280,512**	2,043,994
2311 Station Apparatus	0				0
2321 Customer Premises Wiring	0				0
2341 Large Private Branch Exchanges	0				0
2351 Public Telephone Terminal Equipment	0				0
2362 Other Terminal Equipment	0				0
2411 Poles	32,331	5.00		2,860**	35,191
2421 Aerial Cable	200,725	4.00		14,025**	214,750
2422 Underground Cable	0				0
2423 Buried Cable	7,295,189	4.00		441,491**	7,736,680
2424 Submarine Cable	0				0
2426 Intra Building Network Cable	0				0
2431 Aerial Wire	6,696	8.00			6,696
2441 Conduit Systems	0				0
<b>TOTAL</b>	<b>14,683,502</b>		<b>0</b>	<b>850,532</b>	<b>15,534,034</b>

\*Please list individual depreciation rate for each account.

\*\*Represents Adjustments to the allocation of Washington plant to Idaho based upon jurisdictional separation procedures.

**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
<b>Analysis of Entries in Accumulated Depreciation</b>					
2112 Motor Vehicles	112,844	12.50		3,137 **	115,981
2113 Aircraft	0				0
2114 Special Purpose Vehicles	0				0
2115 Garage Work Equipment	1,836	12.50		9 **	1,845
2116 Other Work Equipment	106,403	12.50		867 **	107,270
2121 Buildings	289,561	2.50		21,108 **	310,669
2122 Furniture	25,324	15.00		(48) **	25,276
2123 Office Equipment	50,695	5.00		1,639 **	52,334
2124 General Purpose Computers	52,387	25.00		(30,049) **	22,338
2211 Analog Electronic Switching	0				0
2212 Digital Electronic Switching	265,099	9.00		39,582 **	304,681
2215 Electro-Mechanical Switching	0				0
2220 Operator Systems	0				0
2231 Radio Systems	1,788	13.00		5 **	1,793
2232 Circuit Equipment	220,078	11.19		30,450 **	250,528
2311 Station Apparatus	0				0
2321 Customer Premises Wiring	0				0
2341 Large Private Branch Exchanges	0				0
2351 Public Telephone Terminal Equipment	0				0
2362 Other Terminal Equipment	0				0
2411 Poles	1,449	5.00		79 **	1,528
2421 Aerial Cable	13,827	4.00		1,182 **	15,009
2422 Underground Cable	0				0
2423 Buried Cable	1,416,030	4.00		80,399 **	1,496,429
2424 Submarine Cable	0				0
2426 Intrabuilding Network Cable	0				0
2431 Aerial Wire	4,821	8.00			4,821
2441 Conduit Systems	0				0
<b>TOTAL</b>	<b>2,562,142</b>		<b>0</b>	<b>148,360 **</b>	<b>2,710,502</b>

\* Please list individual depreciation rate for each account.

\*\*Represents adjustments to the allocation of Washington plant to Idaho based upon jurisdictional separation procedures.

## 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>
1402-Verizon	2005		36,568
1406-Paging Equip./CPE/ Mobile CPE	Various		831,590
Rural Telephone Finance Cooperative Capital Certificates			3,875
<b>Totals</b>		<u>0</u>	<u>872,033</u>

## 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>
1180-Due From Customers		92,426
1190-Other A/R-Interexchange Carriers & Exchange Carrier Association		406,945
1190-Other A/R-Affiliated Companies		501,466
1190-Other A/R		46,436
<b>Totals</b>		<u>1,047,273</u>

**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>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
<b>Totals</b>				<u><u>0</u></u>

**ACCOUNTS PAYABLE**

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

<u>Name of Creditor</u>	<u>Amount</u>
Trade Payables	192,641
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
<b>Totals</b>	<u><u>192,641</u></u>

**LONG - TERM DEBT**

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

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

Class & Series of Obligation	Date of Issue	Date of Maturity	Fact Amount Authorized	Outstanding Year-End	Premium/ Discount		Interest for year	
					Total	Year Amortized		Rate
RUS 12070	May 1983	May 2018	1,129,000	250,162	1		2%	5,480
RUS 12140	Oct. 1979	Oct. 2014	581,000	129,707	1		5%	7,393
RUS 12150	Apr. 1995	Apr. 2014	947,000	112,973	1		7%	11,126
RUS 12151	Apr. 1995	Apr. 2014	270,000	32,033	1		6.91%	3,116
RUS 12152	Apr. 1995	Apr. 2014	329,000	37,823	1		6.26%	3,340
RTB S010	Oct. 1979	Oct. 2014	345,450	54,979	1		8%	5,631
RTB S022	Dec. 1986	Jan. 2018	261,467	103,018	1		8%	8,956
RTB S030	Apr. 1995	Jan. 2018	324,952	38,517	1		5.54%	3,020
RUS 12153	Apr. 1995	Apr. 2014	451,478	51,068	1		4.86%	3,491
RUS 12154	Apr. 1995	Apr. 2014	289,522	36,838	1		5.71%	2,795
RTB S031	Apr. 1995	Jan. 2018	729,611	142,541	1		5.49%	11,048
RTB S032	Apr. 1995	Jan. 2018	1,158,911	217,954	1		5.10%	15,684
RTB S033	Apr. 1995	Jan. 2018	74,858	20,241	1		5.13%	1,465
FTB 3017	Oct. 2011	Dec. 2029	541,768	541,768	1		1.702%	2,569
			<u>7,434,017</u>	<u>1,769,622</u>				<u>85,114</u>

### 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 &amp; 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 Stock	10,000	10	9,315	93,150

## INCOME & RETAINED EARNINGS STATEMENT

Item	Total Company	Idaho Only
Total Operating Income (from page 15)	5,605,917	720,977
Total Operating Expenses (from page 17)	5,384,788	875,668
7100 Other Operating Income and Expense		
7210 Operating Investment Tax Credits-Net		
7220 Operating Federal Income Taxes	140,512	(35,161)
7230 Operating State and Local Income Taxes	20	0
7240 Operating Other Taxes	130,333	25,164
7250 Provision for Deferred Operating Income Taxes-Net	(139,533)	(32,500)
7200 <b>Operating Taxes (Total)</b>	131,332	(42,497)
7310 Dividend Income	2,482	299
7320 Interest Income	1,249	0
7330 Income from Sinking and Other Funds		
7340 Allowance for Funds Used During Construction		
7350 Gains/Losses from the Disposition of Certain Property	22,217	7,353
7360 Other Nonoperating Income	892	107
7370 Special Charges	(27,839)	(3,354)
7300 <b>Nonoperating Income and Expense</b>	(999)	4,405
7410 Nonoperating Investment Tax Credits-Net		
7420 Nonoperating Federal Income Taxes	(175,636)	0
7430 Nonoperating State and Local Income Taxes		
7440 Nonoperating Other Taxes	0	0
7450 Provision for Deferred Nonoperating Income Taxes-Net		
7400 <b>Nonoperating Taxes</b>	(175,636)	0
7510 Interest on Funded Debt	85,114	14,705
7520 Interest Expense-Capital Leases		
7530 Amortization of Debt Issuance Expense		
7540 Other Interest Deductions	14,655	1,767
7500 <b>Interest and Related Items</b>	99,769	16,472
7610 Extraordinary Income Credits		
7620 Extraordinary Income Charges		
7630 Current Income Tax Effect of Extraordinary Items-Net		
7640 Provision for Deferred Income Tax Effect of Extraordinary Items-Net		
7600 <b>Extraordinary Items</b>	0	0
7910 Income Effect of Jurisdictional Ratemaking Differences-Net		
7990 Nonregulated Net Income	(513,764)	26,525
<b>AMOUNT TRANSFERRED TO RETAINED EARNINGS</b>	<b>(349,099)</b>	<b>(97,736)</b>

**OPERATING REVENUES**

Item	Total Company	Idaho Only
<b>Local Network Services Revenues</b>		
5001 Basic Area Revenue	590,821	98,786
5002 Optional Extended Area Revenue		
5003 Cellular Mobile Revenue		
5004 Other Mobile Services Revenue		
5010 Public Telephone Revenue		
5040 Local Private Line Revenue	106	0
5050 Customer Premises Revenue		
5060 Other Local Exchange Revenue	94,794	11,236
5069 Other Local Exchange Settlements	27,584	0
<b>Network Access Services Revenues</b>		
5081 End User Revenue (SLC)	207,426	22,278
5082 Switched Access Revenue (Interstate)	2,133,603	440,349
5083 Special Access Revenue	1,503,539	112,319
5084 State Access Revenue (Intrastate)	876,254	31,934
<b>Long Distance Network Services Revenues</b>		
5100 Long Distance Message Revenue - All	18,094	(5,873)
<b>Miscellaneous Revenues</b>		
5230 Directory Revenue	9,247	1,060
5240 Rent Revenue	82,243	0
5250 Corporate Operations Revenue		
5261 Special Billing Arrangements Revenue		
5262 Customer Operations Revenue	17,225	3,461
5263 Plant Operations Revenue		
5264 Other Incidental Regulated Revenue	760	90
5269 Other Revenue Settlements		
5270 Carrier Billing & Collection Revenue	49,017	4,954
<b>Uncollectible Revenues</b>		
5301 Uncollectible Revenue - Telecommunications	4,796	(383)
5302 Uncollectible Revenue - Other		
<b>TOTAL OPERATING REVENUES</b>	<b>5,605,917</b>	<b>720,977</b>

Please identify the following revenues:

NECA USF \$459,544 To what account were they booked?  
A/C 5082.13-Interstate Switched Access Revenue-USF (Idaho only)

State USF \$11,502 To what account were they booked?  
A/C 5084.12-Intrastate Switched Access Revenue-USF (Idaho only)



**OPERATING REVENUES**

Item	Total Company	Idaho Only
<b>Plant Specific Operations Expense</b>		
6110 Network Support Expenses		
6112 Motor Vehicle Expense	1,498	163
6113 Aircraft Expense		
6114 Special Purpose Vehicles Expense		
6115 Garage Work Equipment Expense	56,043	6,106
6116 Other Work Equipment Expense	1,019	0
6120 General Support Expenses		
6121 Land and Building Expenses	423,014	93,362
6122 Furniture and Artworks Expense	216	48
6123 Office Equipment Expense	27,652	6,103
6124 General Purpose Computers Expense	271,124	59,839
6210 Central Office Switching Expenses	460,362	88,679
6211 Analog Electronic Expense		
6212 Digital Electronic Expense		
6215 Electro-Mechanical Expense		
6220 Operators System Expense		
6230 Central Office Transmission Expenses	238,602	15,766
6231 Radio Systems Expense		
6232 Circuit Equipment Expense		
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	7,510	914
6421 Aerial Cable Expense	87,308	11,527
6422 Underground Cable Expense		
6423 Buried Cable Expense	664,920	141,955
6424 Submarine Cable Expense		
6425 Deep Sea Cable Expense		
6426 Intrabuilding Network Cable Expense		
6431 Aerial Wire Expense	753	542
6441 Conduit Systems Expense		
<b>TOTAL PLANT SPECIFIC OPERATIONS EXPENSE</b>	<b>2,240,021</b>	<b>425,004</b>

**OPERATING REVENUES**

<b>Item</b>	<b>Total Company</b>	<b>Idaho Only</b>
<b>Plant Nonspecific Operations Expense</b>		
6510 Other Property/Plant/Equipment Expenses		
6511 Property Held for Future Telecomm. Use Expenses		
6512 Provisioning Expense	555	96
6530 Network Operations Expense		
6531 Power Expense	36,348	2,090
6532 Network Administration Expense	17,114	2,958
6533 Testing Expense	42,631	7,367
6534 Plant Operations Administration Expense	127,807	22,087
6535 Engineering Expense	9,964	1,722
6540 Access Expense	104,432	0
6560 Depreciation and Amortization Expenses		
6561 Depreciation Expense-Telecom. Plant in Service	1,255,274	184,777
6562 Depreciation Expense-Property Held for Future Use		
6563 Amortization Expense - Tangible	182	0
6564 Amortization Expense - Intangible		
6565 Amortization Expense - Other		
<b>Total Plant Nonspecific Operations Expenses</b>	<b>1,594,307</b>	<b>221,097</b>
<b>Customer Operations Expense</b>		
6610 Marketing	16,473	1,985
6611 Product Management		
6612 Sales		
6613 Product Advertising		
6620 Services		
6621 Call Completion Services		
6622 Number Services	14,405	1,735
6623 Customer Services	486,990	58,669
<b>Total Customer Operations Expense</b>	<b>517,868</b>	<b>62,389</b>
<b>Corporate Operations Expense</b>		
6710 Executive and Planning	143,416	23,219
6711 Executive		
6712 Planning		
6720 General and Administrative		
6721 Accounting and Finance	463,590	75,056
6722 External Relations	17,213	2,787
6723 Human Resources	74,528	12,066
6724 Information Management		
6725 Legal	33,370	5,403
6726 Procurement		
6727 Research and Development		
6728 Other General and Administrative	300,475	48,647
6790 Provision for Uncollectible Notes Receivable		
<b>Total Corporate Operations Expense</b>	<b>1,032,592</b>	<b>167,178</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>5,384,788</b>	<b>875,668</b>

**CENTRAL OFFICE DATA**  
as of December 31, 2012 (unless otherwise indicated)

Name of Central Office: Leon, Idaho (shares Uniontown, Washington switch)  
Prefix (es): (208)224

Central Office Switch Metaswitch

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

**Access Line Capacity**  
Design: 10,000

**Access Lines in Use**  
Customer Lines: 26  
(Include Centrex, PAL, Semi-Pub.)

Public Telephone Lines 0

Company Official Lines 1

Company Test Lines 2

**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	0	26	0	0	1	0	1
New Connects	0	4	0	0	0	0	4
Disconnects	0	5	0	0	0	0	5
End of Year	0	25	0	0	0	0	26

**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: 0

**Custom Calling:**  
Number of customers with at least one feature: 11  
Total number of features subscribed to: 5

**NUMBER OF CALLS COMPLETED BY CUSTOMERS DURING 2012**

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 Leon, Idaho	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2 Lenore, Idaho	N/A	N/A	N/A	N/A	N/A	N/A	N/A
3							
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, 2012

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 <u> X </u>
Included in directory	Yes <u> X </u>	No _____
Date of notification	<u>December, 2011 through December, 2012</u>	
Alternate method of notification	<u>None</u>	

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Rule IDAPA 31.41.01.403.02

Record of Complaints:

Number received by Company  6

Category of complaints (if known):

Deposit Disputes  0

Charges on Bill  1

Denial/Termination  1

Quality or Availability  
of Service  2

Carrier Selection/Assignment  0

Miscellaneous  2

Rev 3/02

CERTIFICATE

FOR THE YEAR ENDING DECEMBER 31, 2012 )  
 ) ss  
County of Kittitas )

WE, the undersigned Gregory A. Maras, Secretary

and James K. Brooks, Treasurer

of the Inland Telephone Company 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.

Gregory A. Maras  
Secretary  
Gregory A. Maras  
James K. Brooks  
Treasurer  
James K. Brooks

Subscribed and Sworn to Before Me this 12 day of April, 2013

Pamela R. Nelson  
Notary Public  
Pamela R. Nelson



My Commission expires Sept. 9, 2015

FORM I INPUT MASTER

COMPANY NAME: Inland Telephone Co.

For The Year Ended: December 31, 2012

Separated Results of Idaho Operations

FCC Account and Description	Note No.	Line No.	Total Idaho Operations Subject To Separations	Interstate Operation			Intrastate Operation			Total
				MTS & WATS Switched Access	TOLL PLS Special Access	TOLL PLS Special Access	MTS & WATS Switched Access	TOLL PLS Special Access	EAS (other)	
<b>SUMMARY</b>										
Operating Revenues										
50XX Local -Billed	(1)	1.	110,023							0
-EAS Billed	(1)	2.	0							0
-EAS Settlement	(1)	3.	0							0
508X Access-SLC (End User)+ARC	(2)	4.	22,397	22,397						22,397
-Switched (TS+NTS)	(2)	5.	472,164	440,230						440,230
-Special	(2)	6.	112,319		112,319					112,319
51XX Toll -Message	(3a)	7.	0							0
-Private Line	(3b)	8.	0							0
-Settlement	(3c)	9.	-5,873							0
52XX Misc. -Billing & Collection	(4)	11.	4,954	2,315						2,315
-Directory Advertising		11.	1,060							0
-Operating Rents		12.	0							0
-Other Misc.		13.	3,691							0
530X Less: Uncollectible Rev. (-)		14.	383	0						0
<b>Total Revenues</b>		15.	<b>721,118</b>	<b>464,942</b>	<b>112,319</b>	<b>112,319</b>	<b>28,700</b>	<b>0</b>	<b>115,157</b>	<b>577,261</b>
Operating Expenses										
61XX-64XX Plant Specific Oper.	(5a)	16.	372,418	126,273	41,493					167,766
65XX Plant Nonspecific Operations	(5a)	17.	36,760	11,570	3,256					14,826
656X Depreciation & Amortization	(5a)	18.	171,715	60,184	22,572					82,756
66XX Customer Operations	(5a)	19.	53,869	22,422	0					22,422
67XX Corporate Operations	(5a)	20.	171,092	62,093	16,812					78,905
---- Other Operating	(5a)	21.	12,170	12,170	0					12,170
<b>Total Expenses</b>	(5a)	22.	<b>818,024</b>	<b>294,712</b>	<b>84,133</b>	<b>151,563</b>	<b>1,840</b>	<b>0</b>	<b>285,776</b>	<b>378,845</b>
Operating Taxes:	(6)									
7240 General Taxes		23.	24,300	7,746	2,084					9,830
7230 State/Local Inc. Tax (Current)		24.	-8,792	10,473	1,656					12,129
7220 Federal Income Tax (Current)		25.	8,732	51,872	0					51,872
7250 Net Deferred Income Taxes		26.	0	0	0					0
7210 Net Investment Tax Credits		27.	0	0	0					0
<b>Total Taxes</b>		28.	<b>24,241</b>	<b>70,091</b>	<b>3,740</b>	<b>-46,144</b>	<b>-696</b>	<b>0</b>	<b>-2,751</b>	<b>73,831</b>
<b>Net Operating Income</b>		29.	<b>-121,147</b>	<b>100,139</b>	<b>24,446</b>	<b>-76,719</b>	<b>-1,144</b>	<b>0</b>	<b>-167,868</b>	<b>124,585</b>
										<b>-245,732</b>

FORM I INPUT MASTER

COMPANY NAME: Inland Telephone Co.

For The Year Ended: December 31, 2012

Seperated Results of Idaho Operations

FCC Account and Description	Note No.	Line No.	Total Idaho Operations Subject To Separations	Interstate Operation			Intrastate Operation			Total	
				MTS & WATS Switched Access	TOLL PLS Special Access	Total	MTS & WATS Switched Access	TOLL PLS Special Access	Local (other)		
<b>SUMMARY (continued)</b>											
Average Rate Base											
2001 Telecom. Plant in Service	(5b)	1.	3,528,177	1,110,453	312,447	1,422,900	677,367	9,825	0	1,418,085	2,105,277
2005 Plant Acquisition Adjustment		2.	0			0					0
3100 Less: Accumulated Depr. (-)	(5c)	3.	-2,470,628	-773,939	-223,757	-997,696	-474,017	-6,879	0	-992,036	-1,472,932
34xx-36xx Accumulated Amort. (-)	(5)	4.	0	0	0	0	0	0	0	0	0
4100-4340 Accum. Deferred Tax (-)		5.	-165,288	-53,685	-13,649	-67,334	-28,578	-413	0	-68,963	-97,954
1220 Materials and Supplies		6.	0			0					0
---- Equal Access Equipment	(7)	7.	0			0					0
---- Other Rate Base		8.	37,045	20,364	3,281	23,645				13,400	13,400
Total Average Rate Base		9.	929,306	303,193	78,322	381,515	174,772	2,533	0	370,486	547,791



FORM I INPUT MASTER		For The Year Ended: December 31, 2012				Separated Results of Idaho Operations			
COMPANY NAME: Inland Telephone Co.		Total Idaho Operations Subject To Separations		Interstate Operation		Intrastate Operation			
FCC Account and Description	Note No.	Line No.	MTS & WATS Switched Access	TOLL PLS Special Access	Total	MTS & WATS Switched Access	TOLL PLS Special Access	EAS	Total
<b>PLANT IN SERVICE DETAIL</b>									
21XX General Support Facilities		1.	768,305		309,854	147,505	2,140	0	458,451
22XX Central Office Equipment:									
CAT 1-Operator Systems		2.	0		0				0
CAT 2-Tandem Switching (Alloc.)		3.	0		0				0
CAT 2-Tandem Switching (Assign.)		4.	0		0				0
CAT 3-Local Switching		5.	378,749		308,547	13,390			70,202
CAT 4.12-Exch. Trunk (Joint Use)		6.	9,230		0				9,230
CAT 4.12-Exch. Trunk (Ded. Use)		7.	0		0				0
CAT 4.13-Subscr. Line (Joint Use)		8.	126,120		31,434	31,434	383		94,686
CAT 4.13-Subscr. Line (Ded. Use)		9.	0		0				0
CAT 4.23-IX Trunk (Joint Use)		10.	13,903		806	4,073	201		4,274
CAT 4.23-IX Trunk Ckt. (Ded. Use)		11.	0		0				0
CAT 4.3 -Host/Remote Trunk Ckt.		12.	0		0				0
Other COE		13.	179,884		179,884				0
<b>Total COE</b>		14.	<b>707,886</b>		<b>529,494</b>	<b>48,897</b>	<b>584</b>	<b>0</b>	<b>178,392</b>
23XX Information Orig./Term. Equipment:									
CAT 1-Regulated CPE		15.	0		0				0
Other IOT		16.	0		0				0
<b>Total IOT</b>		17.	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
24XX Cable & Wire Facilities:									
CAT 1.3-Subscriber Line (Common)		18.	1,798,894		449,724	449,724	5,476	899,446	1,349,170
CAT 1.1,2-Subscriber Line (Ded.)		19.	5,476		0				5,476
CAT 2-Exch. Trunk (Joint Use)		20.	0		0				0
CAT 2-Exch. Trunk (Ded. Use)		21.	135,853		56,846			79,007	79,007
CAT 3-IX Trunk (Joint Use)		22.	106,999		6,450	30,326	1,612		31,938
CAT 3-IX Trunk (Ded. Use)		23.	0		0				0
CAT 4-Host/Remote Trunk		24.	0		0				0
Other C&WF		25.	0		0				0
<b>Total C&amp;WF</b>		26.	<b>2,047,222</b>		<b>581,631</b>	<b>480,050</b>	<b>7,088</b>	<b>0</b>	<b>1,465,591</b>
26XX Other Assets:									
Capital Leases		27.	0		0				0
Leasehold Improvements		28.	0		0				0
Intangibles		29.	4,764		1,921	915	13	1,915	2,843
<b>Total Other Assets</b>		30.	<b>4,764</b>		<b>1,921</b>	<b>915</b>	<b>13</b>	<b>0</b>	<b>2,843</b>
<b>Total Telecom. Plant in Service</b>	(5b)	31.	<b>3,528,177</b>		<b>1,422,900</b>	<b>677,367</b>	<b>9,825</b>	<b>0</b>	<b>2,105,277</b>

FORM I INPUT MASTER

COMPANY NAME: Inland Telephone Co.

For The Year Ended: December 31, 2012

Seperated Results of Idaho Operations

FCC Account and Description	Note No.	Line No.	Total Idaho Operations Subject To Separations	Interstate Operation			Intrastate Operation			Total
				MTS & WATS Switched Access	TOLL PLS Special Access	TOLL PLS	MTS & WATS Switched Access	TOLL PLS Special Access	EAS Local (other)	
<b>Depreciation &amp; Amortization</b>										
<b>Accumulated Depreciation Detail</b>										
311X General Support Facilities		1.	-476,286	-149,906	-42,179	-192,085	-91,441	-1,326	-191,434	-284,201
312X Central Office Switching		2.	-269,813	-219,802		-219,802	-9,539		-40,472	-50,011
312X Operator Systems		3.	0			0				0
312X Central Office Transmission		4.	-247,573	-30,281	-135,913	-166,194	-26,708	-439	-54,232	-81,379
313X Information Orig./Term. Equip.		5.	0			0				0
314X Cable & Wire Facilities		6.	-1,476,956	-373,950	-45,665	-419,615	-346,329	-5,114	-705,898	-1,057,341
<b>Total Accumulated Depreciation</b>	(5c)	7.	<b>-2,470,628</b>	<b>-773,939</b>	<b>-223,757</b>	<b>-997,696</b>	<b>-474,017</b>	<b>-6,879</b>	<b>-992,036</b>	<b>-1,472,932</b>
<b>Accumulated Amortization Detail</b>										
3410 Capital Leases		8.	0			0				0
3420 Leasehold Improvements		9.	0			0				0
3500 Intangibles		10.	0			0				0
3600 Acquisition Adjustment		11.	0			0				0
<b>Total Accumulated Amortization</b>	(5c)	12.	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

FORM I INPUT MASTER

COMPANY NAME: Inland Telephone Co. For The Year Ended: December 31, 2012 Separated Results of Idaho Operations

FCC Account and Description	Note No.	Line No.	Total Idaho Operations Subject To Separations	Interstate Operation			Intrastate Operation			Total
				MTS & WATS Switched Access	TOLL PLS Special Access	Total	MTS & WATS Switched Access	TOLL PLS Special Access	Total	
<b>OPERATING EXPENSE DETAIL</b>										
61XX-64XX Plant Specific Operations										
6110-20 General Support Facilities		1.	113,577	35,747	10,059	45,806	21,806	316	45,649	67,771
621X Central Office Switching		2.	88,680	43,666	22,636	66,302	6,126	73	16,179	22,378
6220 Operator Systems		3.	0			0				0
623X Central Office Transmission		4.	15,766	7,769	4,024	11,793	1,089	13	2,871	3,973
63XX Information Orig./Term. Equip.		5.	0			0				0
64XX Cable & Wire Facilities		6.	154,395	39,091	4,774	43,865	36,204	535	73,791	110,530
Total Plant Specific	(5a)	7.	372,418	126,273	41,493	167,766	65,225	937	138,490	204,652
65XX Plant Nonspecific Operations	(8)									
6512 Provisioning		8.	96	30	9	39	18		39	57
653X Network Operations		9.	36,664	11,540	3,247	14,787	7,039	102	14,736	21,877
6540 Access Paid to LECs	(9)	10.	0			0				0
Total Plant Nonspecific	(5a)	11.	36,760	11,570	3,256	14,826	7,057	102	14,775	21,934
656X Depreciation & Amortization	(8)									
6561 General Support Facilities		12.	22,084	6,951	1,956	8,907	4,240	61	8,876	13,177
6561 Central Office Switching		13.	35,018	28,527		28,527	1,238		5,253	6,491
6561 Operator Systems		14.	0			0				0
6561 Central Office Transmission		15.	32,953	4,031	18,091	22,122	3,555	58	7,218	10,831
6561 Information Orig./Term. Equip.		16.	0			0				0
6561 Cable & Wire Facilities		17.	81,660	20,675	2,525	23,200	19,148	283	39,029	58,460
6563 Capital Leases		18.	0			0				0
6563 Leasehold Improvements		19.	0			0				0
6564 Intangibles		20.	0			0				0
6565 Acquisition Adjustment		21.	0			0				0
Total Depreciation & Amortization	(5a)	22.	171,715	60,184	22,572	82,756	28,181	402	60,376	88,959

FORM I INPUT MASTER

COMPANY NAME: Inland Telephone Co.

For The Year Ended: December 31, 2012

Separated Results of Idaho Operations

FCC Account and Description	Note No.	Line No.	Total Idaho Operations Subject To Separations	Interstate Operation			Intrastate Operation			Total
				MTS & WATS Switched Access	TOLL PLS Special Access	TOLL PLS Special Access	MTS & WATS Switched Access	TOLL PLS Special Access	EAS	
<b>OPERATING EXPENSE (continued)</b>										
66XX Customer Operations										
661X Marketing		1.	1,984	1,259			692	33		725
662X Operator Services		2.	0							0
662X Directory Publishing-Alpha		3.	1,735	420			187		1,128	1,315
662X Directory Publishing-Classified		4.	0							0
662X Directory Publishing-Foreign		5.	0							0
6623 Service Order Proc.-End User		6.	9,390	2,699			1,876		4,815	6,691
6623 Payment & Collection-End User		7.	5,221	2,133			1,094		1,994	3,088
6623 Billing Inquiry-End User		8.	2,905	1,714			1,191			1,191
6623 Service Order Proc.-CXR		9.	0							0
6623 Payment & Collection-CXR		10.	0							0
6623 Billing Inquiry-CXR		11.	0							0
6623 Coin Administration		12.	0							0
6623 Rev. Acctg.-Toll Ticket Proc.		13.	851	459			392			392
6623 Rev. Acctg.-Local Mess. Proc.		14.	0							0
6623 Rev. Acctg.-Other Bill & Coll.		15.	7,949	2,349			2,650		2,950	5,600
6623 Rev. Acctg.-SLC Billing		16.	418	418						0
6623 Rev. Acctg.-CXR B & C	(9)	17.	7,146	3,573			3,573			3,573
6623 B & C Amts Paid to LECs	(9)	18.	0							0
6623 Other Customer Service		19.	16,270	7,398			6,288		2,584	8,872
<b>Total Customer Operations</b>	(5a)	20.	53,869	22,422	0		17,943	33	13,471	31,447
<b>Corporate Operations:</b>										
671X Executive & Planning		21.	23,219	8,275	2,305		4,546	50	8,043	12,639
672X General & Administrative		22.	147,873	53,818	14,507		28,611	316	50,621	79,548
6728 EAS Settlement Expense		23.	0							0
<b>Total Corporate Operations</b>	(5a)	24.	171,092	62,093	16,812		33,157	366	58,664	92,187
<b>Other Operating Expenses:</b>										
Equal Access Provision	(10)	25.	0							0
Universal Service Fund	(11)	26.	12,170	12,170						0
Lifeline Connection Assistance	(12)	27.	0							0
<b>Total Other</b>	(5a)	28.	12,170	12,170	0		0	0	0	0
<b>Total Operating Expenses</b>	(5a)	29.	818,024	294,712	84,133		151,563	1,840	285,776	439,179

**FORM I INPUT MASTER**

COMPANY NAME: Inland Telephone Co.

For The Year Ended: December 31, 2012

Separated Results of Idaho Operations

FCC Account and Description	Note No.	Line No.	Total Idaho Operations Subject To Separations	Interstate Operation			Intrastate Operation		
				MTS & WATS Switched Access	TOLL PLS Special Access	Total	MTS & WATS Switched Access	TOLL PLS Special Access	Local (other) Total
<b>OPERATING TAXES DETAIL</b>									
7240 General Taxes									
7240 Property		1.	0						0
7240 Gross Receipts		2.	0						0
7240 PUC Fee		3.	763	338					425
7240 Franchise Fees		4.	0						0
7240 Other		5.	23,537	7,408	2,084	9,492	4,519	66	9,460
<b>Total General Taxes</b>		6.	<b>24,300</b>	<b>7,746</b>	<b>2,084</b>	<b>9,830</b>	<b>4,944</b>	<b>66</b>	<b>9,460</b>
<b>72XX Income Taxes (Calculated)</b>									
Net Income Before SIT & FIT	(13)	7.	-121,206	162,484	26,102	188,586	-127,807	-1,906	0
Less Fixed Charges (-)		8.	12,005	3,804	1,012	4,816	2,220	34	4,935
<b>Subtotal (lines 7-8)</b>	(14)	9.	<b>-133,211</b>	<b>158,680</b>	<b>25,090</b>	<b>183,770</b>	<b>-130,027</b>	<b>-1,940</b>	<b>0</b>
Other SIT Base Add/Ded. (+-)	(15)	10.	0			0			
<b>SIT Taxable Inc. (lines 9+-10)</b>		11.	<b>-133,211</b>	<b>158,680</b>	<b>25,090</b>	<b>183,770</b>	<b>-130,027</b>	<b>-1,940</b>	<b>0</b>
7230 SIT-Current (at 6.6%)	(16)	12.	-8,792	10,473	1,656	12,129	-8,582	-128	0
Other FIT Base Add/Ded. (+-)	(17)	13.	0	0	0	0	0	0	0
<b>FIT Taxable Inc. (lines 9-12+-13)</b>		14.	<b>-124,419</b>	<b>148,207</b>	<b>0</b>	<b>171,641</b>	<b>-121,445</b>	<b>-1,812</b>	<b>0</b>
Gross FIT		15.	8,732	51,872	0	51,872	-42,506	-634	0
7210P Claimed ITC (-)		16.	0	0	0	0	0	0	0
Surtax Elimination (-)		17.	0	0	0	0	0	0	0
<b>7220 FIT-Current (lines 15-16-17)</b>	(18)	18.	<b>8,732</b>	<b>51,872</b>	<b>0</b>	<b>51,872</b>	<b>-42,506</b>	<b>-634</b>	<b>0</b>

FORM I INPUT MASTER		For The Year Ended: December 31, 2012				Seperated Results of Idaho Operations			
COMPANY NAME: Inland Telephone Co.		Total Idaho Operations Subject To Separations		Interstate Operation		Intrastate Operation		Intrastate Operation	
FCC Account and Description	Note No.	Line No.	MTS & WATS Switched Access	TOLL PLS Special Access	Total	MTS & WATS Switched Access	TOLL PLS Special Access	EAS	Total

FORM I INPUT MASTER		For The Year Ended: December 31, 2012				Seperated Results of Idaho Operations			
COMPANY NAME: Inland Telephone Co.		Total Idaho Operations Subject To Separations		Interstate Operation		Intrastate Operation		Intrastate Operation	
Description	Note No.	Line No.	Interstate Toll	Intrastate Toll	EAS	Local (Other)	MTS & WATS Switched Access	TOLL PLS Special Access	Total
<b>Separation Parameters</b>	(19)								
Plant									
SLU Minutes of Use (MOU)		1.	2,114,479	943,313		5,675,799			
SLU Factor		2.	0.242109	0.108009		0.649882			
Base SPF - January 1		3.							
Base SPF - December 31		4.							
Current Composite SPF	(20)	5.	0.250000	0.250000		0.500000			
1996 Weighted DEM		6.	0.858807			0.141193			
1996 Unweighted DEM		7.	0.286269	0.125012		0.588719			
Current CAT 3 Dial Equipment Minutes	(21)	8.	2,114,479	943,313		5,675,799			
Current Composite DEM Factor		9.	0.814647	0.035353		0.15			
Exchange Trunk - Joint Use MOU	(22)	10.							
Host/Remote MOU Kilometers	(23)	11.							
Equal Access MOU	(24)	12.							
Operator Standard Work Seconds	(25)	13.							
Tandem Switching MOU	(26)	14.							
IX Conversation MOU		15.	1,112,344	513,445					
IX Conversation Minute Kilometers		16.	12,033,796	5,318,990					
<b>Other Parameters</b>									
Access Lines		17.							
Unseparated Loop Cost @ 11.1 ROR	(27)	18.							
<b>Gross Billed Revenues</b>									
-Marketing Allocation Basis	(28a)	19.							
-Payment & Collection-End User	(28b)	20.	75,272	38,609					70,400
-Payment & Collection-CXR	(28c)	21.							
<b>Service Order Contacts</b>									
-Service Order Proc.-End User	(29a)	22.	195	135					347
-Service Order Proc.-CXR	(29b)	23.							
<b>Billing Inquiry Contacts</b>									
-Billing Inquiry-End User	(30a)	24.		224					
-Billing Inquiry-CXR	(30b)	25.							
SP+RC Toll Messages	(31)	26.	54,286	46,394					
EAS/Local Messages (Msg. Proc.)		27.							
'BIG 3' Expense Factor-Message	(32)	28.	90,865	56,693					96,426
-PLS & Special Access		29.		1,623					
Operator Services Expense -- Factor		30.							
Access Minutes of Use (End Office)		31.							