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ANNUAL REPORT

OF

MIDVALE TELEPHONE EXCHANGE, INC.

NAME

P. O. BOX 7, MIDVALE, IDAHO 83645

ADDRESS

TO THE

IDAHO PUBLIC

UTILITIES COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2003

**ANNUAL REPORT OF SMALL TELEPHONE COMPANIES TO
THE IDAHO PUBLIC UTILITIES COMMISSION
FOR THE YEAR ENDING DECEMBER 31, 2003**

COMPANY INFORMATION

Exact name of utility: MIDVALE TELEPHONE EXCHANGE, INC.

Address of principal office: P.O. BOX 7, MIDVALE, IDAHO 83645

Telephone Number (Area Code 208) 355-2211

Cities or towns served: MIDVALE, LAKEVIEW, WARREN, YELLOW PINE, WARM LAKE AND STANLEY,
IDAHO; HARPER AND JUATURA, OREGON; CASCABEL, YOUNG, SILVERBELL,
GRANITE MOUNTAIN, AND MILLSITE, ARIZONA

Name and title of officer having custody of the general corporate books of account: _____
LANE R. WILLIAMS

Address of office where corporate books are kept and phone number: _____
P.O. BOX 7, MIDVALE, IDAHO 83645 208-355-2211

Organized under the laws of the State of: IDAHO

Date of organization: 9-Jan-08

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

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

Name and address of controlling company, if any: N/A

Names of affiliated companies. Give address and description of business: M&L ENTERPRISES, INC., dba
SKYLINE TELEPHONE COMPANY, P.O. BOX 7, MIDVALE, IDAHO 83645.
CLEC IN STATE OF WASHINGTON

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	LANE R. WILLIAMS	P.O. BOX 7, MIDVALE, IDAHO 83645
SEC/TREAS	MARY G. WILLIAMS (deceased 8/16/03)	P.O. BOX 7, MIDVALE, IDAHO 83646
VICE PRES./SEC/TREAS	SHIRLEY ARCHER	P.O. BOX 7, MIDVALE, IDAHO 83647

DIRECTORS

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

Name and Address	Term Expired or Current Term Will Expire	Meetings Attended This year	Fees Paid During Year
<u>LANE R. WILLIAMS</u>	<u></u>	<u>ALL</u>	<u>NONE</u>
<u>MARY G. WILLIAMS</u>	<u></u>	<u>1</u>	<u>NONE</u>
<u>SHIRLEY ARCHER</u>	<u></u>	<u>ALL</u>	<u>NONE</u>
<u>P.O. BOX 7, MIDVALE, IDAHO 83645</u>	<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>	<u></u>

Name of Chairman of the Board: LANE R. WILLIAMS
 Name of Secretary (or Clerk) of Board: SHIRLEY ARCHER
 Number of Meetings of the Board during the year: TWO

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
<u>Lane R. Williams</u>	<u>President</u>	<u>69,915</u>
<u>Mary G. Williams</u>	<u>Sec./Treasurer</u>	<u>33,125</u>
<u>Shirley C. Archer</u>	<u>Vice Pres./Sec./Treas.</u>	<u>27,245</u>
<u>John Stuart</u>	<u>Ass. Manager</u>	<u>76,491</u>
<u>Karen Williams</u>	<u>Ass. Manager</u>	<u>60,574</u>
<u>Bruce Goslovich</u>	<u>Controller</u>	<u>59,417</u>
<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>

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	328,780	126,484	(\$202,296)
1130 Cash			
1140 Special Cash Deposits			
1150 Working Cash Advances			
1160 Temporary Investments			
1180 Telecommunications Accts. Receivable	69,508	71,170	1,662
1181 Accts. Rec. Allow. - Telecommunications			
1190 Other Accounts Receivable	940,600	887,343	(53,257)
1191 Accounts Receivable Allow. - Other			
1200 Notes Receivable		35,550	35,550
1201 Notes Receivable Allowance			
1210 Interest & Dividends Receivable			
1220 Material and Supplies	99,275	89,574	(9,701)
1280 Prepayments	50,761	30,480	(20,281)
1290 Prepaid Rents			
1300 Prepaid Taxes			
1310 Prepaid Insurance			
1320 Prepaid Directory Expenses			
1330 Other Prepayments			
1350 Other Current Assets			
Noncurrent Assets			
1401 Investment in Affiliated Companies	601,911	601,911	0
1402 Investment in Nonaffiliated Companies	591,608	643,308	51,700
1406 Nonregulated Investments		687,646	687,646
1407 Unamortized Debt Issuance Expense			
1408 Sinking Funds			
1410 Other Noncurrent Assets	580,259	166,881	(413,378)
1438 Deferred Maintenance & Retirements			
1439 Deferred Charges			
1500 Other Jurisdiction Assets - Net			
Property, Plant and Equipment			
2001 Telecommunications Plants in Service	18,273,075	22,268,257	3,995,182
2002 Prop. Held for Future Telecom. Use			
2003 Telecom. Plant under Constr. - Short Term	2,011,784	767,012	(1,244,772)
2004 Telecom. Plant under Constr. - Long Term			
2005 Telecom. Plant Adjustment	65,599	40,493	(25,106)
2006 Nonoperating Plant			
2007 Goodwill	1,017,240	1,017,240	0
Depreciation and Amortization Accounts			
3100 Accumulated Depreciation	(10,532,038)	(11,685,019)	(1,152,981)
3200 Accum. Depre. - Held for Future Use			
3300 Accumulated Depreciation - Nonoperating			
3400 Accumulated Amortization - Tangible			
3410 Accum. Amort. - Capitalized Leases			
3420 Accum. Amort. - Leasehold Improvements			
3500 Accumulated Amortization - Intangible			
3600 Accumulated Amortization - Other			
TOTAL ASSETS	\$ 14,098,362	\$ 15,748,330	\$ 1,649,968

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	\$ 730,445	\$ 572,451	\$ (157,994)
4020 Notes Payable	-	-	-
4030 Advance Billings and Payments	-	-	-
4040 Customer Deposits	1,200	2,790	1,590
4050 Current Maturities - Long -Term Debt	542,369	809,313	266,944
4060 Current Maturities - Capital leases	-	-	-
4070 Income Taxes - Accrued	-	-	-
4080 Other Taxes - Accrued	94,208	20,376	(73,832)
4100 Net Current Defer. Oper. Income Taxes	-	-	-
4110 Net Current Defer. Nonoper. Income Taxes	-	-	-
4120 Other Accrued Liabilities	-	-	-
4130 Other Current Liabilities	53,731	20,418	(33,313)
Long-Term Debt			
4210 Funded Debt	-	-	-
4220 Premium on Long-Term Debt	-	-	-
4230 Discount on Long-Term Debt	-	-	-
4240 Reacquired Debt	-	-	-
4250 Obligations Under Capital Leases	-	-	-
4260 Advances from Affiliated Companies	-	-	-
4270 Other Long-Term Debt	9,198,913	10,240,568	1,041,655
Other Liabilities & Deferred Credits			
4310 Other Long-Term Liabilities	-	-	-
4320 Unamort. Oper. Invest. Tax Credits - Net	-	-	-
4330 Unamort. Nonoper. Invest. Tax Credits - Net	-	-	-
4340 Net Noncurrent Defer. Oper. Income Taxes	880,382	1,073,176	192,794
4350 Net Noncur. Defer. Nonoper. Income Taxes	-	-	-
4360 Other Deferred Credits	-	-	-
4370 Other Juris. Liab. & Def. Credits - Net	-	-	-
Stockholders' Equity			
4510 Capital Stock	25,000	25,000	-
4520 Additional Paid-In Capital	7,910	7,910	-
4530 Treasury Stock	(64,000)	(64,000)	-
4540 Other Capital	-	-	-
4550 Retained Earnings	2,628,204	3,040,328	412,124
TOTAL LIAB. & OTHER CREDITS	\$ 14,098,362	15,748,330	\$ 1,649,968

ANALYSIS OF TELECOMMUNICATIONS PLANT IN SERVICE

TOTAL Company Basis

Analysis of Telecommunications Plant in Service

	Balance Beginning of Year	Additions During year	Plant Retired or Sold	Transfers and Adjustments	Balance End of Year
2111 Land	101,805	5,600			107,405
2112 Motor Vehicles	540,397	1,541	(37,055)		504,883
2113 Aircraft					
2114 Special Purpose Vehicles					
2115 Garage Work Equipment					
2116 Other Work Equipment	679,770				679,770
2121 Buildings	789,299	54,954			844,253
2122 Furniture	66,693	2,615			69,308
2123 Office Equipment	3,348				3,348
2124 General Purpose Computers	345,691	28,489			374,180
2211 Analog Electronic Switching					
2212 Digital Electronic Switching	2,802,850	1,355,666	(187,974)		3,970,542
2215 Electro-Mechanical Switching					
2220 Operator Systems					
2231 Radio Systems					
2232 Circuit Equipment	4,070,387	683,321			4,753,708
2311 Station Apparatus	27,232				27,232
2321 Customer Premises Wiring					
2341 Large Private Branch Exchanges					
2351 Public Telephone Terminal Equipment	36,187				36,187
2362 Other Terminal Equipment					
2411 Poles					
2421 Aerial Cable					
2422 Underground Cable					
2423 Buried Cable	8,809,415	2,117,553	(29,527)		10,897,441
2424 Submarine Cable					
2426 Intrabuilding Network Cable					
2431 Aerial Wire					
2441 Conduit Systems					
2681 Capital Leases					
2682 Leasehold Improvements					
2690 Intangibles					
TOTAL PLANT ACCOUNTS	18,273,074	4,249,739	(254,556)	0	22,268,257

ANALYSIS OF TELECOMMUNICATIONS PLANT ACCOUNTS
IDAHO Operations Only

	Balance Beginning of Year	Additions During Year	Plant Retired or Sold	Transfers and Adjustments	Balance End of Year
Analysis of Telecommunications Plant in Service					
2111 Land	77,361				77,361
2112 Motor Vehicles	486,755		(22,058)		464,697
2113 Aircraft	0				0
2114 Special Purpose Vehicles	0				0
2115 Garage Work Equipment	0				0
2116 Other Work Equipment	570,886				570,886
2121 Buildings	759,569				759,569
2122 Furniture	66,194	2,614			68,808
2123 Office Equipment	3,348				3,348
2124 General Purpose Computers	328,762	19,415			348,177
2211 Analog Electronic Switching	0				0
2212 Digital Electronic Switching	1,998,623				1,998,623
2215 Electro-Mechanical Switching	0				0
2220 Operator Systems	0				0
2231 Radio Systems	0				0
2232 Circuit Equipment	2,931,463	43,500			2,974,963
2311 Station Apparatus	27,232				27,232
2321 Customer Premises Wiring	0				0
2341 Large Private Branch Exchanges	0				0
2351 Public Telephone Terminal Equipment	27,399				27,399
2362 Other Terminal Equipment	0				0
2411 Poles	0				0
2421 Aerial Cable	0				0
2422 Underground Cable	0				0
2423 Buried Cable	0				0
2424 Submarine Cable	6,111,649	39,320			6,150,969
2426 Intrabuilding Network Cable					0
2431 Aerial Wire					0
2441 Conduit Systems					0
2681 Capital Leases					0
2682 Leasehold Improvements					0
2690 Intangibles					0
TOTAL PLANT ACCOUNTS	13,389,241	104,849	(22,058)	0	13,472,032

ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION
Account 3100

	TOTAL Company Basis			Credits During Year	Retirements and Adjustments	Balance End of Year
	Balance Beginning of Year	Depreciation Rate*				
Analysis of Entries in Accumulated Depreciation						
2112 Motor Vehicles	398,093			53,607	(36,058)	415,642
2113 Aircraft		VAR				
2114 Special Purpose Vehicles						
2115 Garage Work Equipment	379,427			69,329		448,756
2116 Other Work Equipment	248,770			24,889		273,659
2121 Buildings	52,481			3,624		56,105
2122 Furniture						
2123 Office Equipment						
2124 General Purpose Computers	236,256			43,235		279,491
2211 Analog Electronic Switching						
2212 Digital Electronic Switching	2,171,056			298,668	(176,300)	2,293,424
2215 Electro-Mechanical Switching						
2220 Operator Systems						
2231 Radio Systems						
2232 Circuit Equipment	2,756,255			395,952		3,152,207
2311 Station Apparatus	16,797					16,797
2321 Customer Premises Wiring						
2341 Large Private Branch Exchanges						
2351 Public Telephone Terminal Equipment	36,186					36,186
2362 Other Terminal Equipment						
2411 Poles						
2421 Aerial Cable						
2422 Underground Cable						
2423 Buried Cable	4,236,718			505,562	(29,527)	4,712,753
2424 Submarine Cable						
2426 Intrabuilding Network Cable						
2431 Aerial Wire						
2441 Conduit Systems						
TOTAL	10,532,039			1,394,866	(241,885)	11,685,020

*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	356,856	25%	48,925	(22,060)	383,721
2113 Aircraft					
2114 Special Purpose Vehicles					
2115 Garage Work Equipment	342,472	20%	51,948		394,420
2116 Other Work Equipment	234,924	3%	23,033		257,957
2121 Buildings	48,628	14%	3,623		52,251
2122 Furniture	3,348	14%			3,348
2123 Office Equipment	225,496	20%	40,634		266,130
2124 General Purpose Computers					
2211 Analog Electronic Switching	1,719,630	13%	160,964		1,880,594
2212 Digital Electronic Switching					
2215 Electro-Mechanical Switching					
2220 Operator Systems					
2231 Radio Systems					
2232 Circuit Equipment	1,985,317	10%	270,360		2,255,677
2311 Station Apparatus	16,797				16,797
2321 Customer Premises Wiring					
2341 Large Private Branch Exchanges					
2351 Public Telephone Terminal Equipment	27,399				27,399
2362 Other Terminal Equipment					
2411 Poles					
2421 Aerial Cable					
2422 Underground Cable					
2423 Buried Cable	2,950,689	7%	333,665		3,284,354
2424 Submarine Cable					
2426 Intra-building Network Cable					
2431 Aerial Wire					
2441 Conduit Systems					
TOTAL	7,911,556		933,152	(22,060)	8,822,648

*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>
Idaho Company			3,000
Radio Shack Franchise			5,000
RTFC		3,996	188,199
Western Teledata			2,000
PCS			68
Syringa Networks, LLC			459,252
Note Receivable Rural Network Services			643,308
Investment in M & L Enterprises, Inc.			601,911
Net Non-regulated Cable TV and Internet plant			30,127
Totals		3,996	1,932,865

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>
NECA		262,769
Idaho Universal Fund		30,197
Telecommunications accounts receivable		71,170
Rural Network Services, Inc.		301,081
Various carriers for access charges		80,458
M & L Enterprises, Inc.		174,449
Other Miscellaneous		73,939
Totals		994,063

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	_____	_____	_____	0

ACCOUNTS PAYABLE

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

<u>Name of Creditor</u>	<u>Amount</u>
SEE SUPPLEMENTAL SHEET	567,496
Misc less than \$100	4,955
_____	_____
_____	_____
_____	_____
Totals	572,451

Midvale Telephone Inc.
IPUC REPORT - ACCOUNTS PAYABLE
DECEMBER 31, 2003

<u>VENDOR</u>	<u>Total</u>
Action Chrysler Dodge	1,608
Advanced Fibre Communications	(113)
American Express	976
Weiser Auto Plex	424
Avista Utilities	101
AZ Dept of Rev (billing & use)	2,722
AZ DES	180
AZ Public Service	389
AZ State Compensation	1,848
Bankcard Center - Zions	20,321
Barnett's Propane	262
E-911 Trust Account	105
Blooston,Mordkofsky	3,549
Bonner County Tax Collector	1,161
Marsha Bonham	11,210
Border States Electric	6,188
John Whitener	898
Cascabel Community Center	100
Chevron	262
Choices Education Group	157
City of Midvale	111
Clearinghouse Atlas No 00	356
Comsearch	1,930
Computer Technology Inc	1,752
Court State Automotive	360
Sharon Cox	794
Coyote Leasing	18,419
Susan Crutcher	955
Cultural & Environmental	1,890
Custer County Tax Collector	6,207
Custer Septic Service	114
Lawerence Denney	169
Vickie L Dick	962
Karen Ellison	531
Phillip Ellison	428
Farmer's Supply	2,749
Federal Highway Admin	101
Ferrellgas	194
Beth Ford, Pima County Treasurer	1,840
Ann Frei	7,894
Fruitland Nursery	159
FWT Inc	3,942
Givens Pursley	450
Glenn Dick Equipment	17,086
Granillo Construction	715
Graybar Electric Co	16,415

Midvale Telephone Inc.
IPUC REPORT - ACCOUNTS PAYABLE
DECEMBER 31, 2003

<u>VENDOR</u>	<u>Total</u>
Idaho Optic Transport Assn	13,764
Idaho Power	979
Idaho Power (poles)	1,334
Idaho Transportation Dept	198
Idaho Dept of Labor	1,453
Idaho Tractor	525
Idaho State Tax Commission	239
Idaho State Tax Commission	751
Idaho Universal Service Fund	101
Illuminet	3,196
Jag Tool & Equipment Rental	842
Jerry's Auto	746
Pris Knuckey-Ralls	9,380
Les Schwab Tire Center	509
M & L Enterprises	2,863
Malheur County Tax	6,732
Management Solutions	5,917
Maxim Crane	1,972
Milford Engineering	72,392
Moss Adams	4,775
Mountain Village Resort	150
Movaz	47,549
National Cable Television	1,281
NECA Services	100
Northern Arizona Concrete	47,052
Sprint North Supply	(2,924)
OECA	194
Ontario Diesel Service	1,711
Oregon Emergency Communication	615
Panike Auto Body Repair	844
Piper Jaffray	3,952
Power and Telephone Supply	8,654
Qwest Communications	2,030
Radio Shack	199
Red Bud Supply	394
Redcom Laboratories	75,598
Regence Blue Shield	40,157
Ringler Excavation	493
Salmon River Propane	231
Scottsdale Airpark Suites	1,120
Sherman & Reilly	105
Sluder Construction	3,653
SRP	171
Steve's Backhoe & Welding	520
John Stuart	220
Sulphur Springs Valley	540

Midvale Telephone Inc.
IPUC REPORT - ACCOUNTS PAYABLE
DECEMBER 31, 2003

<u>VENDOR</u>	<u>Total</u>
Syme Electric	525
Syringa Networks	5,081
Transtector System	1,034
Universal Service Admin	1,734
U S Bank	16,321
USDA-Forest Service	3,623
Valley County Tax Collector	1,366
David Vega	140
Verizon	149
Viking Office Products	159
Washington County	346
Weiser Auto Parts	314
Western Telecommunication	1,500
Ken Weyers	1,118
Whitman Truss & Lumber	330
Lane R Williams	25,134
Lane Williams	1,246
Chuck Wiese Treasurer ALECA	5,000
Yanke Machine Shop	227
Total Accounts Payable over \$100	<u>567,496</u>

INCOME & RETAINED EARNINGS STATEMENT

Item	Total Company	Idaho Only
Total Operating Income (from page 15)	5,337,220	3,184,259
Total Operating Expenses (from page 17)	4,266,102	2,601,234
7100 Other Operating Income and Expense	1,071,118	583,025
7210 Operating Investment Tax Credits-Net	_____	_____
7220 Operating Federal Income Taxes	123,740	_____
7230 Operating State and Local Income Taxes	19,864	10
7240 Operating Other Taxes	104,051	41,787
7250 Provision for Deferred Operating Income Taxes-Net	_____	_____
7200 Operating Taxes (Total)	247,655	41,797
7310 Dividend Income	_____	_____
7320 Interest Income	_____	_____
7330 Income from Sinking and Other Funds	_____	_____
7340 Allowance for Funds Used During Construction	_____	_____
7350 Gains/Losses from the Disposition of Certain Property	_____	_____
7360 Other Nonoperating Income	_____	_____
7370 Special Charges	_____	_____
7300 Nonoperating Income and Expense	_____	_____
7410 Nonoperating Investment Tax Credits-Net	_____	_____
7420 Nonoperating Federal Income Taxes	_____	_____
7430 Nonoperating State and Local Income Taxes	_____	_____
7440 Nonoperating Other Taxes	_____	_____
7450 Provision for Deferred Nonoperating Income Taxes-Net	_____	_____
7400 Nonoperating Taxes	_____	_____
7510 Interest on Funded Debt	_____	_____
7520 Interest Expense-Capital Leases	_____	_____
7530 Amortization of Debt Issuance Expense	_____	_____
7540 Other Interest Deductions	564,780	349,518
7500 Interest and Related Items	_____	_____
7610 Extraordinary Income Credits	_____	_____
7620 Extraordinary Income Charges	_____	_____
7630 Current Income Tax Effect of Extraordinary Items-Net	_____	_____
7640 Provision for Deferred Income Tax Effect of Extraordinary Items-Net	_____	_____
7600 Extraordinary Items	_____	_____
7910 Income Effect of Jurisdictional Ratemaking Differences-Net	_____	_____
7990 Nonregulated Net Income	153,441	0
AMOUNT TRANSFERRED TO RETAINED EARNINGS	412,124	191,710

OPERATING REVENUES

Item	Total Company	Idaho Only
Local Network Services Revenues		
5001 Basic Area Revenue		
5002 Optional Extended Area Revenue	678,683	412,788
5003 Cellular Mobile Revenue	_____	_____
5004 Other Mobile Services Revenue	_____	_____
5010 Public Telephone Revenue	14,076	12,401
5040 Local Private Line Revenue	_____	_____
5050 Customer Premises Revenue	_____	_____
5060 Other Local Exchange Revenue	63,131	29,235
5069 Other Local Exchange Settlements	_____	_____
Network Access Services Revenues		
5081 End User Revenue (SLC)	165,195	87,443
5082 Switched Access Revenue (Interstate)	3,432,478	2,050,517
5083 Special Access Revenue	_____	_____
5084 State Access Revenue (Intrastate)	886,284	542,809
Long Distance Network Services Revenues		
5100 Long Distance Message Revenue - All	_____	_____
Miscellaneous Revenues		
5230 Directory Revenue	4,692	2,044
5240 Rent Revenue	_____	_____
5250 Corporate Operations Revenue	_____	_____
5261 Special Billing Arrangements Revenue	_____	_____
5262 Customer Operations Revenue	_____	_____
5263 Plant Operations Revenue	_____	_____
5264 Other Incidental Regulated Revenue	87,728	44,245
5269 Other Revenue Settlements	(153)	
5270 Carrier Billing & Collection Revenue	(717)	2,139
Uncollectible Revenues		
5301 Uncollectible Revenue - Telecommunications	5,823	638
5302 Uncollectible Revenue - Other	_____	_____
TOTAL OPERATING REVENUES	5,337,220	3,184,259

Please identify the following revenues:

NECA USF \$ 1,150,200. To what account were they booked? # 5082

State USF \$ 362,366. To what account were they booked? # 5084

OPERATING REVENUES

Item	Total Company	Idaho Only
Plant Specific Operations Expense		
6110 Network Support Expenses		
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	126,306	70,953
6121 Land and Building Expenses		
6122 Furniture and Artworks Expense		
6123 Office Equipment Expense		
6124 General Purpose Computers Expense	1,911	1,019
6210 Central Office Switching Expenses	545,085	274,120
6211 Analog Electronic Expense		
6212 Digital Electronic Expense		
6215 Electro-Mechanical Expense		
6220 Operators System Expense		
6230 Central Office Transmission Expenses	318,329	227,057
6231 Radio Systems Expense		
6232 Circuit Equipment Expense		
6310 Information Origination/Termination Expense	647	
6311 Station Apparatus Expense		
6341 Large Private Branch Exchange Expense		
6351 Public Telephone Terminal Equipment Expense		
6362 Other Terminal Equipment Expense		
6410 Cable and Wire Facilities Expenses		
6411 Pole Expense		
6421 Aerial Cable Expense		
6422 Underground Cable Expense		
6423 Buried Cable Expense	534,960	345,843
6424 Submarine Cable Expense		
6425 Deep Sea Cable Expense		
6426 Intrabuilding Network Cable Expense		
6431 Aerial Wire Expense		
6441 Conduit Systems Expense		
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	1,527,238	918,992

OPERATING REVENUES

Item	Total Company	Idaho Only
Plant Nonspecific Operations Expense		
6510 Other Property/Plant/Equipment Expenses		
6511 Property Held for Future Telecomm. Use Expenses		
6512 Provisioning Expense		
6530 Network Operations Expense		
6531 Power Expense		
6532 Network Administration Expense		
6533 Testing Expense		
6534 Plant Operations Administration Expense		
6535 Engineering Expense		
6540 Access Expense	23,494	12,723
6560 Depreciation and Amortization Expenses	1,419,971	954,394
6561 Depreciation Expense-Telecom. Plant in Service		
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	1,443,465	967,117
Customer Operations Expense		
6610 Marketing		
6611 Product Management		
6612 Sales		
6613 Product Advertising		
6620 Services		
6621 Call Completion Services		
6622 Number Services		
6623 Customer Services	341,736	187,348
Total Customer Operations Expense	341,736	187,348
Corporate Operations Expense		
6710 Executive and Planning	197,449	112,025
6711 Executive		
6712 Planning		
6720 General and Administrative	289,059	156,117
6721 Accounting and Finance	467,155	259,635
6722 External Relations		
6723 Human Resources		
6724 Information Management		
6725 Legal		
6726 Procurement		
6727 Research and Development		
6728 Other General and Administrative		
6790 Provision for Uncollectible Notes Receivable		
Total Corporate Operations Expense	953,663	527,777
TOTAL OPERATING EXPENSES	4,266,102	2,601,234

NUMBER OF CALLS COMPLETED BY CUSTOMERS DURING (YEAR) 2003.

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	
1 222	57	N/A		6,895	21,260	28,155	494
2 355	385	N/A		52,355	113,831	166,186	432
3 632	50	N/A		8,162	17,127	25,289	506
4 633	94	N/A		12,641	26,989	39,630	422
5 636	72	N/A		11,879	22,168	34,047	473
6 774	630	N/A		187,642	447,985	635,627	1,009
7 _____	_____	_____	_____	_____	_____	_____	_____
8 _____	_____	_____	_____	_____	_____	_____	_____
9 _____	_____	_____	_____	_____	_____	_____	_____
TOTALS	1,288	_____	_____	_____	_____	_____	_____
11 _____	_____	_____	_____	_____	_____	_____	_____
LOCAL CALLS ARE NOT MEASURED							
13 _____	_____	_____	_____	_____	_____	_____	_____
14 _____	_____	_____	_____	_____	_____	_____	_____
15 _____	_____	_____	_____	_____	_____	_____	_____
16 _____	_____	_____	_____	_____	_____	_____	_____
17 _____	_____	_____	_____	_____	_____	_____	_____
18 _____	_____	_____	_____	_____	_____	_____	_____

ANNUAL REPORT FOR SMALL TELEPHONE COMPANIES
YEAR ENDED DECEMBER 31, 2003.

CUSTOMER RELATIONS RULES COMPLIANCE

Rule IDAPA 31.21.01.603
Rule IDAPA 31.41.01.105

Please provide copies of:

Summary of Customer Relations Rules for Telephone Corporations

Idaho Telephone Solicitation Act Notification

Method of Notification:

Mailed separately to customers Yes_____ No_____

Included in directory Yes__X__ No_____

Date of notification _____

Alternate method of notification PROVIDED TO ALL NEW CUSTOMERS DURING
APPLICATION PROCEDURES.

Rule IDAPA 31.41.01.403.02

Record of Complaints:

Number received by Company 0

Category of complaints (if known):

Deposit Disputes 0

Charges on Bill 0

Denial/Termination 0

Quality or Availability
of Service 0

Carrier Selection/Assignment 0

Miscellaneous _____

Rev 3/02

CERTIFICATE

State of Idaho)
) ss
County of)

WE, the undersigned **LANE R. WILLIAMS**

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

Lane Williams
(Chief Officer)

Lane Williams
(Officer in Charge of Accounts)

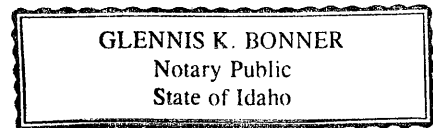
Subscribed and Sworn to Before Me this 17th day of May, (Year) 2004.

Glenn K. Bonner
Notary Public

My Commission expires 4/6, (Year) 06.

Rev 3/02

gdk/excel/jnelson/anulrpts/telannualrpt



REVENUE REQUIREMENT SUMMARY

LN	DESCRIPTION	TOTAL OPERATING	ALLOCATION BASIS	INTERSTATE			INTRASTATE			EXCHANGE PVT LINE	EXCHANGE MESSAGE	
				MESSAGE TOLL	SPECIAL ACCESS	INTRALATA	MESSAGE TOLL	SPECIAL ACCESS	INTRALATA			
1	REVENUE REQUIREMENT SUMMARY											
2	NET INVESTMENT FOR SETTLEMENTS	5,250,961	NOTE A	67,183	1,813,760	0	91,504	1,210,241	134,184	107,824	0	8,583
3	RATE OF RETURN	7,909% 415,333	LN1*LN 2	11,25000%	11,25000%	11,25000%	11,25000%	5,90000%	5,90000%	5,90000%	5,90000%	5,90000%
4	ALLOW FOR FUNDS USED DUR CONSTR (Normalized)	0	S-8, LN 31	7,558	204,048	0	10,294	71,404	7,917	6,362	0	506
5	NET RETURN FOR SETTLEMENTS	415,333	LN3-LN4	7,558	204,048	0	10,294	71,404	7,917	6,362	0	506
6	FEDERAL OPERATING INCOME TAX	78,453	LN 28	2,161	58,419	0	2,933	5,558	621	485	0	38
7	LESS: FEDERAL ITC AMORTIZATION	0	S-12, LN 29	0	0	0	0	0	0	0	0	0
8	NET FEDERAL INCOME TAX	78,453	LN 6-LN 7	2,161	58,419	0	2,933	5,558	621	485	0	38
9	STATE AND LOCAL INCOME TAX	21,977	LN 33	605	16,364	0	822	1,557	174	136	0	11
10	LESS: STATE ITC AMORTIZATION	0	S-12, LN 30	0	0	0	0	0	0	0	0	0
11	NET STATE INCOME TAX	21,977	LN 9-LN 10	605	16,364	0	822	1,557	174	136	0	11
12	OPERATING EXPENSE AND TAX	2,567,982	S-8, LN 20	39,120	1,154,994	0	37,324	550,891	64,734	44,802	0	2,572
13	OTHER ALLOWABLE EXPENSES	-60,741	S-8, LN 30	0	0	0	0	0	0	0	0	0
14	UNCOLLECTIBLES	3,023,014	S-8+11thru15	49,445	1,433,825	0	51,373	629,410	73,446	51,784	0	3,127
15	BASIS FOR GROSS RECEIPTS TAX	0	LN 16*LN 17a	0	0	0	0	0	0	0	0	0
16	GROSS RECEIPTS TAX RATE	0		0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%
17a	GROSS RECEIPTS TAX	0		0	0	0	0	0	0	0	0	0
17b	LESS: B+1 EAS CREDIT	0		0	0	0	0	0	0	0	0	0
18	TOTAL REVENUE REQUIREMENT	3,023,014		49,445	1,433,825	0	51,373	629,410	73,446	51,784	0	3,127
19												
20	NOTE A: INCLUDES NET TEL PLANT FROM SCH S-2, LN 38 LESS A/C'S 2006 ,2007 AND 1402 OTHER THAN RTB STOCK											
21	OPTIONAL GROSS UP INCOME TAX CALC											
22	NET RETURN FOR SETTLEMENTS	415,333	LN 3	7,558	204,048	0	10,294	71,404	7,917	6,362	0	506
23	INTEREST AND RELATED ITEMS EXCL NON-OPER	263,041	S-12, LN 16+18	3,362	90,647	0	4,600	60,615	6,712	5,421	0	432
24	OTHER INCOME ADJUSTMENTS	0	S-12, LN 25+26	0	0	0	0	0	0	0	0	0
25	TOTAL INCOME ADJUSTMENTS	263,041	LN 21+22	3,362	90,647	0	4,600	60,615	6,712	5,421	0	432
26	FEDERAL ITC AMORTIZATION	230,745	S-12, LN 29	6,357	171,819	0	8,627	16,347	1,825	1,425	0	113
27	FEDERAL TAXABLE INCOME	78,453	LN 25FIT	2,161	58,419	0	2,933	5,558	621	485	0	38
28	FEDERAL SURTAX ALLOC- OPERATING	0	/S-2, LN 34	0	0	0	0	0	0	0	0	0
29	NET FED INCOME TAX BEFORE ITC	78,453	LN26-LN27	2,161	58,419	0	2,933	5,558	621	485	0	38
30	STATE ITC AMORTIZATION	252,732	S-12, LN 30	0	0	0	0	0	0	0	0	0
31	STATE TAXABLE INCOME	21,977	LN 30SIT	6,963	188,184	0	9,448	17,904	1,999	1,561	0	124
32	STATE INCOME TAX	0	/S-2, LN 34	605	16,364	0	822	1,557	174	136	0	11
33	NET STATE INCOME TAX BEFORE ITC	21,977		605	16,364	0	822	1,557	174	136	0	11

PART 36 SEPARATIONS

Midvale Telephone Exchange, Inc. - ID - 12/31/02
472226

SUMMARY OF NET TELEPHONE PLANT, M&S AND WORKING CAPITAL

S-2, 1 of 1

LN	DESCRIPTION	A/C	CAT	TOTAL COMPANY	ALLOCATION BASIS		INTERSTATE		INTRASTATE		EXCHANGE ACCESS		EXCHANGE MESSAGE	OTHER
					MESSAGE TOLL	SPECIAL ACCESS	MESSAGE TOLL	SPECIAL ACCESS	INTRALATA	INTERLATA	INTRALATA	INTERLATA		
1	NET INVESTMENT SUMMARY													
2	GENERAL SUPPORT FACILITIES	2110		2,165,940	869,142	0	34,956	468,325	48,859	41,448	0	2,988	20,110	648,485
3	CENTRAL OFFICE SWITCHING EQUIP	2210		1,794,967	53,311	1,472,412	0	0	0	0	0	0	0	269,245
4	OPERATOR SYSTEMS EQUIPMENT	2220		2,888,731	36,116	1,172,678	0	83,870	824,171	103,385	0	2,821	0	580,359
5	CENTRAL OFFICE TRUNKS EQUIP	2310		6,014,915	66,793	1,648,018	0	88,796	1,489,108	101,447	0	11,937	99,334	2,353,574
6	INFORMATION ORIG/TERM EQUIPMENT	2410		0	0	0	0	0	0	0	0	0	0	0
7	CABLE AND WIRE FACILITIES	2680		0	0	0	0	0	0	0	0	0	0	0
8	TANGIBLE ASSETS	2690		12,864,553	187,846	5,162,250	0	207,622	2,781,604	246,180	0	17,746	119,444	3,851,662
9	TOTAL PLANT IN SERVICE A/C 2001			100,000,000	1,460,277	40,127,777	0	1,613,395	21,622,222	2,255,898	0	0.1379%	0.9285%	29,940,01%
10	% DISTRIBUTION													0.0000%
11	PROPERTY HELD FOR FUTURE USE	2002		0	0	0	0	0	0	0	0	0	0	0
12	PLANT UNDER CONSTRUCTION	2003		0	0	0	0	0	0	0	0	0	0	0
13	RESERVED FOR FUTURE USE	XXXX		0	0	0	0	0	0	0	0	0	0	0
14	TELEPHONE PLANT ADJUSTMENT	2005		0	0	0	0	0	0	0	0	0	0	0
15	NONOPERATING PLANT	2006		0	0	0	0	0	0	0	0	0	0	0
16	GOODWILL	2007		0	0	0	0	0	0	0	0	0	0	0
17	TOTAL PROPERTY, PLANT & EQUIPMENT			12,864,553	187,846	5,162,250	0	207,622	2,781,604	246,180	0	17,746	119,444	3,851,662
18	% DISTRIBUTION			100,000,000	1,460,277	40,127,777	0.0000%	1,613,395	21,622,222	2,255,898	0.0000%	0.1379%	0.9285%	29,940,01%
19	ACCUM DEPR - PLANT IN SERVICE	3100		7,318,087	117,267	3,257,113	0	112,335	1,452,880	133,865	0	8,845	56,228	2,028,074
20	ACCUM DEPR - PLANT IN SERVICE	3200		0	0	0	0	0	0	0	0	0	0	0
21	ACCUM DEPR - FUTURE USE	3400		0	0	0	0	0	0	0	0	0	0	0
22	ACCUM AMORT - TANGIBLE PROPERTY	3500		0	0	0	0	0	0	0	0	0	0	0
23	ACCUM AMORT - TEL PLANT ADJ	3600		0	0	0	0	0	0	0	0	0	0	0
24	OPER. DEFERRED INCOME TAX - NET	VAR		399,391	4,784	131,388	0	5,266	142,629	6,242	0	452	3,055	98,196
25	CUSTOMER DEPOSITS	4040		750	11	301	0	12	162	17	0	1	7	225
26	OTHER LT LIAB - POST RET BENEFITS	4310		0	0	0	0	0	0	0	0	0	0	0
27	OTHER DEFERRED CREDITS - NET	4360		5,146,325	65,784	1,773,448	0	90,009	1,185,932	106,058	0	8,448	60,155	1,725,167
28	NET TELEPHONE PLANT			100,000,000	1,2783%	34,4605%	0.0000%	1,7490%	23,0443%	2,5518%	0.0000%	0.1641%	1,16659%	33,5223%
29	MATERIALS AND SUPPLIES	1220		31,421	349	8,609	0	464	7,779	814	0	62	519	12,295
30	INVESTMENT IN NONAFFILIATED COS	1402		0	0	0	0	0	0	0	0	0	0	0
31	NONCURRENT ASSETS-POST RET BENE	1410		0	0	0	0	0	0	0	0	0	0	0
32	EQUAL ACCESS EQUIPMENT	1439		0	0	0	0	0	0	0	0	0	0	0
33	OTHER JURISDICTIONAL ASSETS	1500		73,214	1,050	31,703	0	1,031	16,530	2,044	0	73	429	19,118
34	CASH WORKING CAPITAL	XXXX		5,250,961	67,183	1,813,760	0	91,504	1,210,241	134,184	0	8,563	61,102	1,756,580
35	NET TEL PLANT, M&S AND CWC			100,000,000	1,2794%	34,5415%	0.0000%	1,7425%	23,0480%	2,5554%	0.0000%	0.1635%	1,1635%	33,4525%
37	% DISTRIBUTION													0.0000%

PART 36 SEPARATIONS

S-3, 1 of 1

OTHER TELECOMMUNICATIONS PLANT

LN	DESCRIPTION	A/C	CAT	TOTAL COMPANY	ALLOCATION BASIS	INTERSTATE			INTRASTATE			EXCHANGE PVT LINE	EXCHANGE MESSAGE	OTHER	
						MESSAGE TOLL	SPECIAL ACCESS	SPECIAL ACCESS	MESSAGE TOLL	SPECIAL ACCESS	SPECIAL ACCESS				
						INTRALATA	INTERLATA	INTRALATA	INTERLATA	INTRALATA	INTERLATA				
BASIS FOR GENERAL SUPPORT FACILITIES															
1	- CLASS A SEPARATIONS			903,053		13,468	397,610	0	12,215	205,332	25,640	14,716	0	4,096	225,196
2	BIG THREE EXPENSES			100,000,000%		1,491,4%	44,0296%	0,0000%	1,3526%	23,0697%	2,9500%	1,6295%	0,0000%	0,4535%	24,9372%
3	% DISTRIBUTION														
4	- CLASS B SEPARATIONS			10,698,613		156,219	4,293,108	0	172,666	2,313,279	241,340	204,732	0	99,334	3,203,177
5	COE, IOT AND C&WF			100,000,000%		1,4602%	40,1277%	0,0000%	1,6139%	21,6222%	2,2558%	1,9136%	0,0000%	0,9285%	29,9401%
6	% DISTRIBUTION														
LAND AND SUPPORT ASSETS															
7	CLASS A COMPANIES	2110		2,165,940	LN 3+ DIRECT	0	869,142	0	34,956	468,325	48,859	41,448	0	20,110	648,485
8	CLASS B COMPANIES			0	LN 6+ DIRECT	0	0	0	0	0	0	0	0	0	0
9	DIRECT ASSIGNED NON ACCESS			2,165,940	DIRECT	0	869,142	0	34,956	468,325	48,859	41,448	0	20,110	648,485
10	TOTAL LAND AND SUPPORT ASSETS			100,000,000%		1,4602%	40,1277%	0,0000%	1,6139%	21,6222%	2,2558%	1,9136%	0,0000%	0,9285%	29,9401%
11	% DISTRIBUTION														
GEN SUPPORT ASSETS, COE, INFORMATION															
12	ORIGTERM, AND C&WF			12,864,553		187,846	5,162,250	0	207,622	2,781,604	290,200	246,180	0	17,746	3,851,662
13	% DISTRIBUTION			100,000,000%		1,4602%	40,1277%	0,0000%	1,6139%	21,6222%	2,2558%	1,9136%	0,0000%	0,1379%	29,9401%
TANGIBLE ASSETS															
15	CAPITAL LEASES	2681		0		0	0	0	0	0	0	0	0	0	0
16	GENERAL SUPPORT			0	LN 11+DIR	0	0	0	0	0	0	0	0	0	0
17	CENTRAL OFFICE EQUIP			0	S-4 LN 81+DIR	0	0	0	0	0	0	0	0	0	0
18	INFORMATION ORIGTERM			0	S-5 LN 18+DIR	0	0	0	0	0	0	0	0	0	0
19	CABLE AND WIRE FACILITIES			0	S-5 LN 43+DIR	0	0	0	0	0	0	0	0	0	0
20	UNDISTRIBUTED			0	LN 14+DIR	0	0	0	0	0	0	0	0	0	0
21	SUBTOTAL CAPITAL LEASES			0		0	0	0	0	0	0	0	0	0	0
22	LEASEHOLD IMPROVEMENTS	2682		0		0	0	0	0	0	0	0	0	0	0
23	GENERAL SUPPORT			0	LN 11+DIR	0	0	0	0	0	0	0	0	0	0
24	CENTRAL OFFICE EQUIP			0	S-4 LN 81+DIR	0	0	0	0	0	0	0	0	0	0
25	INFORMATION ORIGTERM			0	S-5 LN 18+DIR	0	0	0	0	0	0	0	0	0	0
26	CABLE AND WIRE FACILITIES			0	S-5 LN 43+DIR	0	0	0	0	0	0	0	0	0	0
27	UNDISTRIBUTED			0	LN 14+DIR	0	0	0	0	0	0	0	0	0	0
28	SUBTOTAL LEASEHOLD IMPROVEMENTS			0		0	0	0	0	0	0	0	0	0	0
29	TOTAL TANGIBLE ASSETS			0,000,000%		0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%
30	% DISTRIBUTION														
GEN SUPPORT ASSETS, COE, INFORMATION															
31	ORIGTERM, CWF AND TANGIBLE ASSETS			12,864,553		187,846	5,162,250	0	207,622	2,781,604	290,200	246,180	0	17,746	3,851,662
32	% DISTRIBUTION			100,000,000%		1,4602%	40,1277%	0,0000%	1,6139%	21,6222%	2,2558%	1,9136%	0,0000%	0,1379%	29,9401%
INTANGIBLE ASSETS															
34	ALLOCATED	2690		0	LN 33	0	0	0	0	0	0	0	0	0	0
35	DIRECT ASSIGNMENT			0	DIRECT	0	0	0	0	0	0	0	0	0	0
36	TOTAL INTANGIBLES			0,000,000%		0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%
37	% DISTRIBUTION														

CENTRAL OFFICE EQUIPMENT SEPARATIONS

LN	DESCRIPTION	A/C	CAT	TOTAL COMPANY	ALLOCATION BASIS	INTERSTATE			INTRASTATE			EXCHANGE PVT LINE	EXCHANGE MESSAGE	OTHER
						MESSAGE TOLL INTRALATA	INTERLATA	SPECIAL ACCESS	MESSAGE TOLL INTRALATA	INTERLATA	SPECIAL ACCESS			
SEPARATION FACTORS														
1	STANDARD WORK SECONDS			0.0000%		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
2	- COMBINED TOLL AND LOCAL BOARDS			0.0000%		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
3	- SEPARATE TOLL AND LOCAL BOARDS			0.0000%		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
4	- DSA BOARDS			0.0000%		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
5	- DSB BOARDS			0.0000%		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
6	- DIRECTORY ASSISTANCE BOARDS			0.0000%		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
7	- TSPS COMPLEX			0.0000%		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
8	SERVICE OBSERVING TOLL MOU'S			0.0000%		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
9	PROCESSOR REAL TIME - RTA			0.0000%		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
10	PROCESSOR REAL TIME - TSPS COMPLEX			0.0000%		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
11	REL MOU'S - TANDEM SWITCHING			0.0000%		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
12	REL MOU'S - TANDEM SWITCH TRANSPORT			100.0000%		2.9700%	82.0300%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	15.0000%	0.0000%
13	DIAL EQUIPMENT MOU'S (DEM)			0.0000%		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
14a	REL MOU'S - EXCHANGE TRUNK			100.0000%		1.8300%	56.0020%	0.0000%	38.2050%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
14b	TOLL CONVERSATION MINUTES			0.0000%		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
15	HOT/REMOTE MOU MILES			0.0000%		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
16	EQUIPMENT FURNISHED OTHERS FACTOR			0.0000%		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
COE BOOK COST														
OPERATOR SYSTEMS EQUIPMENT														
17	MANUAL SWITCHBOARDS	2220	1.1	0	LN 2	0	0	0	0	0	0	0	0	0
18	COMBINED TOLL AND LOCAL			0	LN 3	0	0	0	0	0	0	0	0	0
19	SEPARATE TOLL SWBD			0	LN 4	0	0	0	0	0	0	0	0	0
20	SEPARATE DSA BOARDS			0	LN 5	0	0	0	0	0	0	0	0	0
21	SEPARATE DSB BOARDS			0	DIRECT	0	0	0	0	0	0	0	0	0
22	DIRECT ASSIGNMENT			0		0	0	0	0	0	0	0	0	0
23	SUBTOTAL MANUAL BOARDS			0.0000%		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
24	% DISTRIBUTION													
25	AUXILIARY SWITCHBOARDS	2220	1.2	0	LN 6+DIR	0	0	0	0	0	0	0	0	0
26	DIRECTORY ASSISTANCE			0	SLU	0	0	0	0	0	0	0	0	0
27	INTERCEPT			0	LN 3+DIR	0	0	0	0	0	0	0	0	0
28	TOLL RATE AND ROUTE			0		0	0	0	0	0	0	0	0	0
29	SUBTOTAL AUXILIARY BOARDS			0.0000%		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
30	% DISTRIBUTION													
31	SERVICE OBSERVING	2220	1.3	0	LN 8	0	0	0	0	0	0	0	0	0
32	TOLL			0	DIRECT	0	0	0	0	0	0	0	0	0
33	EXCHANGE			0	DIRECT	0	0	0	0	0	0	0	0	0
34	DIRECT ASSIGNMENT			0		0	0	0	0	0	0	0	0	0
35	SUBTOTAL SERVICE OBSERVING			0.0000%		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
36	% DISTRIBUTION													
TRAFFIC SERVICE POSITIONS														
37	OPERATOR	2220	1.4	0	LN 7+DIR	0	0	0	0	0	0	0	0	0
38	REMOTE TRUNK ARRANGEMENT			0	LN 9+DIR	0	0	0	0	0	0	0	0	0
39	OTHER			0	LN 10+DIR	0	0	0	0	0	0	0	0	0
40	SUBTOTAL TSPS			0.0000%		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
41	% DISTRIBUTION													
42	TOTAL OPERATOR SYSTEMS EQUIPMENT			0.0000%		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%

PART 36 SEPARATIONS

Midvale Telephone Exchange, Inc. - ID - 12/31/02
472226

CENTRAL OFFICE EQUIPMENT SEPARATIONS

S-4, 2 of 2

LN	DESCRIPTION	A/C	CAT	COMPANY	ALLOCATION BASIS	INTERSTATE			INTRASTATE			EXCHANGE PVT LINE	EXCHANGE MESSAGE	OTHER			
						MESSAGE TOLL			MESSAGE TOLL						EXCHANGE	MESSAGE	OTHER
						INTRALATA	INTERLATA	INTRA/INTERLATA	INTRALATA	INTERLATA	INTRA/INTERLATA						
43	TANDEM SWITCHING EQUIPMENT	2210	2.0			0	0	0	0	0	0	0	0	0	0	0	
44	ACCESS	2.1	2.1		LN 11+DIR	0	0	0	0	0	0	0	0	0	0	0	
45	NON ACCESS	2.2	2.2		DIRECT	0	0	0	0	0	0	0	0	0	0	0	
46	TANDEM SWITCH TRANSPORT	2.3	2.3		LN 12+DIR	0	0	0	0	0	0	0	0	0	0	0	
47	SUBTOTAL TANDEM SWITCHING % DISTRIBUTION			0.0000%		0	0	0	0	0	0	0	0	0.0000%	0	0.0000%	
48a	LOCAL SWITCHING EQUIPMENT	2210	3.0	1,794,967	LN 13+DIR	53,311	1,472,412	0	0	0	0	0	269,245	0	0	0	
48b	ACCESS - TS	3.11	3.11		LN 13+DIR	0	0	0	0	0	0	0	0	0	0	0	
48c	ACCESS - NTS	3.12	3.12		LN 13+DIR	0	0	0	0	0	0	0	0	0	0	0	
48d	EQUAL ACCESS	3.2	3.2		S-6 LN 3	0	0	0	0	0	0	0	0	0	0	0	
49	SS7 SWITCHING	3.3	3.3	1,794,967	LN 13+DIR	53,311	1,472,412	0	0	0	0	0	269,245	0	0	0	
50	SUBTOTAL LOCAL SWITCHING % DISTRIBUTION			100.0000%		53,311	1,472,412	0	0	0	0	0	269,245	0	0	0	
51	% DISTRIBUTION			100.0000%		53,311	1,472,412	0	0	0	0	0	269,245	0	0	0	
52	TOTAL SWITCHING EQUIPMENT % DISTRIBUTION			100.0000%		2,9700%	82,0300%	0	0	0	0	0	15,0000%	0	0	0	
53	% DISTRIBUTION			100.0000%		2,9700%	82,0300%	0	0	0	0	0	15,0000%	0	0	0	
54	CENTRAL OFFICE TRANS EQUIP EXCHANGE CIRCUIT	2230	4.0			0	64,613	0	0	0	0	0	0	0	0	0	
55	EXCHANGE CIRCUIT	4.1	4.1	67,872	AL-1, LN10+DIR	0	0	0	0	0	0	0	0	0	0	0	
56	EXCH TRUNK - WIDEBAND	4.11	4.11	24,140	DIRECT	0	0	0	0	0	0	0	0	0	0	0	
57	EXCH TRUNK - WIDEBAND	4.121	4.121		AL-1, LN12+DIR	0	0	0	0	0	0	0	0	0	0	0	
58	EXCH TRUNK - BASIC	4.122	4.122		LN 14a+DIR	0	0	0	0	0	0	0	0	0	0	0	
59	EXCH TRUNK - SPECIAL	4.123	4.123		DIRECT	0	0	0	0	0	0	0	0	0	0	0	
60	SUBSCRIBER LINE - BASIC	4.124	4.124	1,149,111	AL-1, LN 2+DIR	8,710	269,399	0	0	0	0	0	0	0	0	0	
61	SUBSCRIBER LINE - SPECIAL	4.131	4.131		DIRECT	0	0	0	0	0	0	0	0	0	0	0	
62	SUBTOTAL EXCHANGE CIRCUIT % DISTRIBUTION			1,241,123		8,710	334,012	0	0	0	0	0	0	0	0	0	
63	INTEREXCHANGE CIRCUIT	4.2	4.2	100.0000%		0.7018%	26.9121%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	
64	FURNISHED OTHERS - INTERSTATE	4.21	4.21	4,128	DIRECT	0	0	0	0	0	0	0	0	0	0	0	
65	WIDEBAND	4.22	4.22	1,643,481	AL-1, LN14+DIR	27,405	838,666	0	0	0	0	0	0	0	0	0	
67a	OTHER - BASIC	4.231	4.231		LN 11+DIR	0	0	0	0	0	0	0	0	0	0	0	
67b	OTHER - TANDEM MULTIPLEXING	4.232	4.232		LN 14b+DIR	0	0	0	0	0	0	0	0	0	0	0	
67c	OTHER - VOICE GRADE MULTIPLEXING	4.233	4.233		AL-1, LN6+DIR	0	0	0	0	0	0	0	0	0	0	0	
68	OTHER - SS7	4.234	4.234		DIRECT	0	0	0	0	0	0	0	0	0	0	0	
69	NON ACCESS	4.24	4.24	1,647,609		27,405	838,666	0	0	0	0	0	0	0	0	0	
70	SUBTOTAL INTEREXCHANGE CIRCUIT % DISTRIBUTION			100.0000%		1.6533%	50.9020%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	
71	HOST/REMOTE CIRCUIT	4.3	4.3		LN 15+DIR	0	0	0	0	0	0	0	0	0	0	0	
72	EXCLUDING WATS	4.31	4.31		DIRECT	0	0	0	0	0	0	0	0	0	0	0	
73	CLOSED END WATS	4.32	4.32			0	0	0	0	0	0	0	0	0	0	0	
74	SUBTOTAL HOST/REMOTE CIRCUIT % DISTRIBUTION			0.0000%		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	
75	EQUIPMENT RENTED OTHERS	77	77	2,888,731	LN 16+DIR	36,116	1,172,678	0	0	0	0	0	0	0	0	0	
76	TOTAL TRANSMISSION EQUIPMENT % DISTRIBUTION			100.0000%		1.2502%	40.5949%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	
77	% DISTRIBUTION			100.0000%		1.2502%	40.5949%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	
78	TOTAL CENTRAL OFFICE EQUIPMENT % DISTRIBUTION			4,693,698		89,426	2,645,090	0	0	0	0	0	0	0	0	0	
80	% DISTRIBUTION			100.0000%		1.9093%	56.4744%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	
81	% DISTRIBUTION			100.0000%		1.9093%	56.4744%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	

PART 36 SEPARATIONS

Midvale Telephone Exchange, Inc. - ID - 12/31/02
472226

INFORMATION ORIGIN/TERM AND C&WF SEPARATIONS

LN	DESCRIPTION	A/C	CAT	TOTAL COMPANY	ALLOCATION BASIS	INTERSTATE		INTRASTATE		EXCHANGE PVT LINE	EXCHANGE MESSAGE	OTHER		
						MESSAGE TOLL		MESSAGE TOLL					EAS	EXCHANGE MESSAGE
						INTRALATA	INTERLATA	INTRALATA	INTERLATA					
1	SUBSCRIBER PLANT FACTOR (SPF)			100.00000%	INPUT	0.7630%	24.2170%	22.65000%	2.35000%	0.00000%	0.00000%	0.00000%		
2	RELATIVE MOU'S - COINLESS PAY TEL			0.00000%	INPUT	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%		
3	EQUIVALENT CHANNELS - CWF			100.00000%	AL-1, LN 4	0.75600%	23.4441%	21.8271%	2.2750%	0.00000%	0.00000%	0.00000%		
4	EQUIVALENT CHANNELS - EXCH WIDEBAND			0.00000%	AL-1, LN 12	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%		
5	EQUIVALENT CHANNELS - IX WIDEBAND			0.00000%	AL-1, LN 14	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%		
6	IX CIRCUIT MILES - CWF			100.00000%	AL-1, LN 8	2.8802%	48.8834%	40.6912%	4.3575%	0.00000%	0.00000%	0.00000%		
7	REL MOU'S - EXCHANGE TRUNK			0.00000%	INPUT	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%		
8	HOST/REMOTE MOU MILES			0.00000%	INPUT	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%		
9	EQUIPMENT FURNISHED OTHERS FACTOR			0.00000%	INPUT	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%		
INFORMATION ORIGIN/TERMINATION														
10	OTHER IOT EQUIPMENT		1.0	0		0	0	0	0	0	0	0		
11	PUBLIC INTEREST PAYSTATION EQUIP		1.1	0	S-11, LN 6	0	0	0	0	0	0	0		
12	COINLESS PUBLIC TELEPHONE		1.2	0	LN 2+DIRECT	0	0	0	0	0	0	0		
13	OTHER		1.3	0	LN 1+DIRECT	0	0	0	0	0	0	0		
14	SUBTOTAL			0.00000%		0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%		
15	% DISTRIBUTION			0.00000%		0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%		
16	NEW CUSTOMER PREMISE EQUIPMENT		2.0	0	DIRECT	0	0	0	0	0	0	0		
17	TOTAL INFO ORIGIN/TERM EQUIP			0.00000%		0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%		
18	% DISTRIBUTION			0.00000%		0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%		
CABLE AND WIRE FACILITIES														
19	SUBSCRIBER LINE - JOINT		2410	4,862,328	LN 3	36,857	1,139,930	63,664	1,066,169	110,618	79,580	0		
20	SUBSCRIBER LINE - DIRECT			0	DIRECT	0	0	0	0	0	0	0		
21	SUBTOTAL SUBSCRIBER LINE			4,862,328		36,857	1,139,930	63,664	1,066,169	110,618	79,580	0		
22	EXCHANGE LINE WIDEBAND - JOINT			12,192	AL-1, LN 10	0	0	0	0	0	0	0		
23	EXCHANGE LINE WIDEBAND - DIRECT			12,192	DIRECT	0	0	12,192	0	0	0	0		
24	SUBTOTAL EXCHANGE WIDEBAND			24,384		0	0	12,192	0	0	0	0		
25a	EXCHANGE TRUNK - JOINT		2.1	99,334	LN 7	0	0	0	0	0	0	0		
25b	EXCHANGE TRUNK - DIRECT			0	LN 4+DIRECT	0	0	0	0	0	0	0		
26	SUBTOTAL EXCHANGE TRUNK			99,334		0	0	0	0	0	0	0		
27	INTEREXCHANGE WIDEBAND - JOINT		2.2	1,674	LN 5	0	0	0	0	0	0	0		
28	INTEREXCHANGE WIDEBAND - DIRECT			0	DIRECT	0	0	0	0	0	0	0		
29	SUBTOTAL INTEREXCHANGE WIDEBAND			1,674		0	0	0	0	0	0	0		
30	SUBTOTAL INTEREXCHANGE WIDEBAND		3.1	1,674		0	0	0	0	0	0	0		
31a	IX TRUNK - ACCESS - JOINT			1,039,387	LN 6	29,936	508,088	11,266	422,939	45,292	21,867	0		
31b	IX TRUNK - ACCESS - DIRECT			0	DIRECT	0	0	0	0	0	0	0		
32	SUBTOTAL IX TRUNK - ACCESS - SS7			1,039,387	LN 6+DIRECT	29,936	508,088	11,266	422,939	45,292	21,867	0		
33	SUBTOTAL INTEREXCHANGE ACCESS		3.2	1,039,387		29,936	508,088	11,266	422,939	45,292	21,867	0		
34	IX TRUNK - NON ACCESS - DIRECT		3.3	0	DIRECT	0	0	0	0	0	0	0		
35	HOST/REMOTE - JOINT			0	LN 8	0	0	0	0	0	0	0		
36	HOST/REMOTE - DIRECT			0	DIRECT	0	0	0	0	0	0	0		
37	SUBTOTAL HOST/REMOTE EXCL WATS		4.1	0		0	0	0	0	0	0	0		
38	HOST/REMOTE - CLOSED END WATS		4.2	0	DIRECT	0	0	0	0	0	0	0		
39	EQUIPMENT FURNISHED OTHERS - JOINT			0	LN 9	0	0	0	0	0	0	0		
40	EQUIPMENT FURNISHED OTHERS - DIRECT			0	DIRECT	0	0	0	0	0	0	0		
41	SUBTOTAL EQUIP. FURNISHED OTHERS		5.0	0		0	0	0	0	0	0	0		
42	TOTAL CABLE AND WIRE FACILITIES			6,014,915		66,793	1,648,018	88,796	1,489,108	155,909	101,447	0		
43	% DISTRIBUTION			100.00000%		1.1105%	27.3989%	1.4763%	24.7569%	2.5920%	1.6866%	0.00000%		

OTHER TELEPHONE PLANT AND DEFERRED CHARGES

LN	DESCRIPTION	A/C	CAT	TOTAL COMPANY	INTERSTATE		INTRA-STATE		EXCHANGE PVT LINE	EAS	EXCHANGE MESSAGE	OTHER
					MESSAGE TOLL	SPECIAL ACCESS	MESSAGE TOLL	SPECIAL ACCESS				
					INTRALATA	INTERLATA	INTRALATA	INTERLATA				
1	TELEPHONE PLANT IN SERVICE	2001		100.0000%	1.4602%	40.1277%	0.0000%	1.6139%	0.0000%	0.1379%	0.9285%	29.9401%
2	CABLE AND WIRE FACILITIES	2410		100.0000%	1.1105%	27.3989%	0.0000%	1.4763%	0.0000%	0.1985%	1.6515%	39.1290%
3	EQUAL ACCESS MOUS			0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
OTHER TELECOMMUNICATIONS PLANT												
4	PROPERTY HELD FOR FUTURE USE	2002		0	0	0	0	0	0	0	0	0
5	GENERAL SUPPORT FACILITIES			0	0	0	0	0	0	0	0	0
6	CENTRAL OFFICE EQUIPMENT			0	0	0	0	0	0	0	0	0
7	CABLE AND WIRE FACILITIES			0	0	0	0	0	0	0	0	0
8	UNDISTRIBUTED			0	0	0	0	0	0	0	0	0
9	PROPERTY HELD FOR FUTURE USE	2003		0	0	0	0	0	0	0	0	0
10	PLANT UNDER CONSTRUCTION			0	0	0	0	0	0	0	0	0
11	GENERAL SUPPORT FACILITIES			0	0	0	0	0	0	0	0	0
12	CENTRAL OFFICE EQUIPMENT			0	0	0	0	0	0	0	0	0
13	CABLE AND WIRE FACILITIES			0	0	0	0	0	0	0	0	0
14	UNDISTRIBUTED			0	0	0	0	0	0	0	0	0
15	TOTAL PLANT UNDER CONSTRUCTION			0	0	0	0	0	0	0	0	0
16	RESERVED FOR FUTURE USE	XXXX		0	0	0	0	0	0	0	0	0
17	GENERAL SUPPORT FACILITIES			0	0	0	0	0	0	0	0	0
18	CENTRAL OFFICE EQUIPMENT			0	0	0	0	0	0	0	0	0
19	CABLE AND WIRE FACILITIES			0	0	0	0	0	0	0	0	0
20	UNDISTRIBUTED			0	0	0	0	0	0	0	0	0
21	TOTAL			0	0	0	0	0	0	0	0	0
22	TELECOMMUNICATIONS PLANT ADJ	2005		0	0	0	0	0	0	0	0	0
23	GENERAL SUPPORT FACILITIES			0	0	0	0	0	0	0	0	0
24	CENTRAL OFFICE EQUIPMENT			0	0	0	0	0	0	0	0	0
25	CABLE AND WIRE FACILITIES			0	0	0	0	0	0	0	0	0
26	UNDISTRIBUTED			0	0	0	0	0	0	0	0	0
27	TOTAL TEL PLANT ADJUSTMENT			0	0	0	0	0	0	0	0	0
28	TOTAL OTHER TELEPHONE PLANT			0	0	0	0	0	0	0	0	0
29	MATERIALS AND SUPPLIES	1220		0	8,609	8,609	0	464	7,779	814	519	12,295
30	CPE			31,421	349	349	0	464	7,779	62	519	12,295
31	OTHER			31,421	349	349	0	464	7,779	62	519	12,295
32	TOTAL			100.0000%	1.1105%	27.3989%	0.0000%	1.4763%	24.7569%	0.1985%	1.6515%	39.1290%
% DISTRIBUTION												
33	INVESTMENT IN NONAFFILIATED CO.	1402		0	0	0	0	0	0	0	0	0
34	RTB STOCK			0	0	0	0	0	0	0	0	0
35	OTHER			0	0	0	0	0	0	0	0	0
36	TOTAL			0	0	0	0	0	0	0	0	0
37	NONCURRENT ASSETS-POST RET BENE	1410		0	0	0	0	0	0	0	0	0
38	EQUAL ACCESS EQUIPMENT - NET	1439		0	0	0	0	0	0	0	0	0
	OTHER JURISDICTIONAL ASSETS	1500		0	0	0	0	0	0	0	0	0

ACCUMULATED DEPRECIATION/AMORTIZATION SEPARATIONS

LN	DESCRIPTION	A/C	CAT	TOTAL COMPANY	ALLOCATION BASIS	INTERSTATE			INTRASTATE			EXCHANGE			OTHER		
						MESSAGE TOLL	SPECIAL ACCESS	EXCHANGE ACCESS	MESSAGE TOLL	SPECIAL ACCESS	EXCHANGE ACCESS	MESSAGE	EAS	MESSAGE			
						INTRALATA	INTERLATA	INTRALATA	INTERLATA	INTRALATA	INTERLATA	INTRALATA	INTERLATA	PVT LINE			
1	GENERAL SUPPORT FACILITIES	2110		100,000.00	S-3, LN 11	1,460.2%	40,127.7%	0.0000%	1,613.9%	21,622.2%	2,255.8%	1,913.6%	0.0000%	0.1379%	0.9285%	29,940.1%	0.0000%
2	CENTRAL OFFICE EQUIPMENT	2230		100,000.00	S-4, LN 81	1,509.3%	56,474.4%	0.0000%	1,790.7%	17,596.6%	1,824.0%	2,205.2%	0.0000%	0.0602%	0.0000%	18,139.6%	0.0000%
3	INFORMATION ORIG/TERM EQUIPMENT	2310		0.0000%	S-5, LN 18	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
4	CABLE & WIRE FACILITIES	2410		100,000.00	S-5, LN 43	1,110.5%	27,398.9%	0.0000%	1,476.3%	24,756.9%	2,592.0%	1,686.6%	0.0000%	0.1983%	1.6515%	39,129.0%	0.0000%
5	GEN SUPPORT, COE, IOT AND C&W	2410		100,000.00	S-3, LN 14	1,460.2%	40,127.7%	0.0000%	1,613.9%	21,622.2%	2,255.8%	1,913.6%	0.0000%	0.1379%	0.9285%	29,940.1%	0.0000%
6	CAPITAL LEASES	2681		0.0000%	S-3, LN 21	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
7	LEASEHOLD IMPROVEMENTS	2682		0.0000%	S-3, LN 28	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
8	TANGIBLE ASSETS	2680		0.0000%	S-3, LN 30	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
9	PLANT HELD FOR FUTURE USE	2002		0.0000%	S-6, LN 9	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
10	TELECOMMUNICATIONS PLANT ADJ	2005		0.0000%	S-6, LN 27	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
	ACCUM DEPR - PLANT IN SERVICE	3100															
11	GENERAL SUPPORT			1,155,195	LN 1+ DIRECT	16,868	463,853	0	18,644	249,779	25,059	22,106	0	1,594	10,726	345,867	0
12	CENTRAL OFFICE SWITCHING EQUIP			1,581,575	S-4, LN53+DIR	46,973	1,297,366	0	0	0	0	0	0	0	0	237,236	0
13	OPERATOR SERVICES EQUIPMENT			0	S-4, LN42+DIR	0	0	0	0	0	0	0	0	0	0	0	0
14	CENTRAL OFFICE TRANSMISSION			1,826,038	S-4, LN79+DIR	22,830	741,279	0	53,016	520,979	54,003	65,269	0	1,783	0	366,859	0
15	UNDISTRIBUTED COE			0	LN 2+DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
16	INFORMATION ORIG/TERM			0	LN 3+DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
17	CABLE AND WIRE FACILITIES			2,755,279	LN 4+DIRECT	30,596	754,915	0	40,675	682,122	71,418	46,470	0	5,468	45,502	1,078,112	0
18	TOTAL ACCUM DEP - PLANT IN SERVICE			7,318,087		117,267	3,257,113	0	112,335	1,452,980	151,480	133,865	0	8,845	56,228	2,028,074	0
19	ACCUM DEPRECIATION - FUTURE USE	3200		0	LN 9+DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
	ACCUMULATED AMORTIZATION																
20	TANGIBLE ASSETS	3400															
21	CAPITAL LEASES			66,588	LN 1+DIRECT	789	21,681	0	872	24,240	1,219	1,034	0	75	502	16,177	0
22	LEASEHOLD IMPROVEMENTS			55,887	S-4, LN63+DIR	1,369	37,818	0	0	9,784	0	0	0	0	0	6,915	0
23	UNDISTRIBUTED			0	LN 7+DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
24	TOTAL ACCUM AMORT-TANGIBLE ASSETS			89,604	S-4, LN42+DIR	910	29,534	0	2,112	37,609	2,152	2,601	0	71	0	14,616	0
25	INTANGIBLE ASSETS	3500		187,312	LN 3+DIRECT	1,717	42,355	0	2,282	70,987	4,007	2,607	0	307	2,553	60,488	0
26	TELECOMMUNICATIONS PLANT ADJ	3600		399,391	LN 10+DIRECT	4,784	131,388	0	5,266	142,629	7,377	6,242	0	452	3,055	98,196	0
27	NET OPERATING DEFERRED INC TAX	4100 &															
28	GENERAL SUPPORT	4340															
29	CENTRAL OFFICE SWITCHING EQUIP																
30	OPERATOR SERVICES EQUIPMENT																
31	CENTRAL OFFICE TRANSMISSION																
32	INFORMATION ORIG/TERM																
33	CABLE AND WIRE FACILITIES																
34	UNDISTRIBUTED																
	TOTAL NET DEFERRED INCOME TAX																

PART 36 SEPARATIONS

Midvale Telephone Exchange, Inc. - ID - 12/31/02
472226

ACCUMULATED DEPRECIATION/AMORTIZATION SEPARATIONS

S-7, 2 of 2

LN	DESCRIPTION	A/C	CAT	TOTAL COMPANY	ALLOCATION BASIS	INTERSTATE				INTRASTATE				EXCHANGE PVT LINE	EXCHANGE MESSAGE	OTHER
						MESSAGE TOLL		SPECIAL ACCESS		MESSAGE TOLL		SPECIAL ACCESS				
						INTRALATA	INTERLATA	INTRALATA	INTERLATA	INTRALATA	INTERLATA	INTRALATA	INTERLATA			
	OTHER DEFERRED CREDITS - NET	4360														
35	GENERAL SUPPORT			0	LN 1+DIRECT	0	0	0	0	0	0	0	0	0	0	0
36	CENTRAL OFFICE SWITCHING EQUIPMENT			0	S-4, LN53+DIR	0	0	0	0	0	0	0	0	0	0	0
37	OPERATOR SERVICES EQUIPMENT			0	S-4, LN42+DIR	0	0	0	0	0	0	0	0	0	0	0
38	CENTRAL OFFICE TRANSMISSION			0	S-4, LN79+DIR	0	0	0	0	0	0	0	0	0	0	0
39	INFORMATION ORIG/TERM			0	LN 3+DIRECT	0	0	0	0	0	0	0	0	0	0	0
40	CABLE AND WIRE FACILITIES			0	LN 4+DIRECT	0	0	0	0	0	0	0	0	0	0	0
41	UNDISTRIBUTED			0	LN 5+DIRECT	0	0	0	0	0	0	0	0	0	0	0
42	TOTAL OTHER DEFERRED CREDITS			0		0	0	0	0	0	0	0	0	0	0	0
43	OTHER LT LIAB - POST RET BENEFIT	4310		0	S-3, LN 3	0	0	0	0	0	0	0	0	0	0	0

SUMMARY OF OPERATING EXPENSE AND TAX

LN	DESCRIPTION	A/C	CAT	TOTAL COMPANY	ALLOCATION BASIS	INTERSTATE			INTRASTATE			SPECIAL ACCESS			EXCHANGE PVT LINE	EAS	EXCHANGE MESSAGE	OTHER			
						MESSAGE TOLL		SPECIAL ACCESS		MESSAGE TOLL		SPECIAL ACCESS		INTRALATA					INTERLATA		
						INTRALATA	INTERLATA	INTRALATA	INTERLATA	INTRALATA	INTERLATA	INTRALATA	INTERLATA	INTRALATA					INTERLATA	INTRALATA	INTERLATA
1	OPERATING EXPENSE AND TAX SUMMARY																				
2	NETWORK SUPPORT EXPENSE	6110		0	S-9, LN 7	0	0	0	0	0	0	0	0	0	0	0	0	0			
3	GENERAL SUPPORT EXPENSE	5120		73,369	S-9, LN 8	1,071	29,441	0	1,184	15,864	1,655	1,404	0	681	21,987	0	0	0			
4	CENTRAL OFFICE EXPENSE	6210		477,667	S-9, LN 15	9,120	289,759	0	8,554	84,053	8,713	10,534	0	288	86,647	0	0	0			
5	INFORMATION ORIGINATOR EXPENSE	6310		0	S-9, LN 21	0	0	0	0	0	0	0	0	0	0	0	0	0			
6	CABLE AND WIRE FACILITIES EXPENSE	6410		247,995	S-9, LN 25	2,754	67,948	0	3,661	61,396	6,428	4,183	0	492	97,038	0	0	0			
7	OTHER PLANT EXPENSE	6510		0	S-10, LN 11	0	0	0	0	0	0	0	0	0	0	0	0	0			
8	NETWORK OPERATIONS EXPENSE	6530		15	S-10, LN 13	0	6	0	0	3	0	0	0	0	0	0	0	0			
9	ACCESS CHARGE EXPENSE	6540		3,915	S-10, 14a+14b	0	3,915	0	0	0	0	0	0	0	0	0	0	0			
10	MARKETING EXPENSE	6610		177,376	S-11, LN 12	1,594	59,897	0	0	62,880	11,499	0	0	0	41,507	0	0	0			
11	SERVICES EXPENSE	6620		109,293	S-11, LN 44	1,630	48,121	0	1,478	25,214	3,224	1,781	0	94	27,255	0	0	0			
12	EXECUTIVE AND PLANNING EXPENSE	6710		354,930	S-12, LN 8+9	4,917	170,398	0	4,460	76,060	9,726	5,373	0	285	82,217	0	0	0			
13	GENERAL AND ADMINISTRATIVE EXP	6720		1,444,560	S-12, LN 11+12	21,086	649,486	0	19,337	325,469	41,245	23,274	0	1,260	356,634	0	0	0			
14	SUBTOTAL OPERATING EXPENSES			100,000.00%		1,459,746	44,960,886	0.00000%	1,338,669	22,530,719	2,855,279	1,611,226	0.00000%	0.0872%	24,688,116	0.00000%	0	0.00000%			
15	% DISTRIBUTION			1,083,159	S-10, LN 24+31	17,446	489,333	0	17,338	216,719	22,581	20,757	0	1,256	290,262	0	0	0			
16	DEPRECIATION AND AMORTIZATION	6560		40,273	S-12, LN 33	588	16,176	0	650	8,703	908	770	0	56	12,050	0	0	0			
17	OTHER OPERATING TAX	7240		0	S-12, LN 15	0	0	0	0	0	0	0	0	0	0	0	0	0			
18	EQUAL ACCESS EXPENSE	7250		0	S-12, LN 17	0	0	0	0	0	0	0	0	0	0	0	0	0			
19	INTEREST ON CUSTOMER DEPOSITS	5240		2,587,992	S-10, LN 47	39,120	1,154,994	0	37,324	550,891	64,734	44,802	0	2,572	658,946	0	0	0			
20	RENT REVENUE			100,000.00%		1,523,444	44,976,559	0.00000%	1,454,244	21,452,222	2,520,888	1,744,656	0.00000%	0.1001%	25,660,000	0.00000%	0	0.00000%			
21	TOTAL OPERATING EXPENSE AND TAX			100,000.00%																	
22	NON OPERATING EXPENSE	7370		0	S-2, LN 10	0	0	0	0	0	0	0	0	0	0	0	0	0			
23	ABANDONED CONSTRUCTION			0	S-12, LN 14	0	0	0	0	0	0	0	0	0	0	0	0	0			
24	CONTRIBUTIONS			0	DIRECT	0	0	0	0	0	0	0	0	0	0	0	0	0			
25	OTHER NON OPERATING EXPENSE			0	DIRECT	0	0	0	0	0	0	0	0	0	0	0	0	0			
26	TOTAL NON OPERATING EXPENSE			0.00000%		0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%			
27	% DISTRIBUTION																				
28	UNCOLLECTIBLES			-60,741	DIRECT	0	0	0	0	0	0	0	0	0	-60,741	0	0	0			
29	END USER MSG TOLLS	5310		0	DIRECT	0	0	0	0	0	0	0	0	0	0	0	0	0			
30	END USER COMMON LINE	5320		0	DIRECT	0	0	0	0	0	0	0	0	0	0	0	0	0			
31	IX CARRIER	5330		0	DIRECT	0	0	0	0	0	0	0	0	0	0	0	0	0			
32	TOTAL UNCOLLECTIBLES			-60,741		0	0	0	0	0	0	0	0	0	-60,741	0	0	0			
33	ALLOW. FOR FUNDS USED DUR. CONST.	7340		0	S-12, LN 3	0	0	0	0	0	0	0	0	0	0	0	0	0			

PART 36 SEPARATIONS

PLANT SPECIFIC OPERATIONS EXPENSE SEPARATIONS

LN	DESCRIPTION	A/C	CAT	TOTAL COMPANY	ALLOCATION BASIS	INTERSTATE			INTRASTATE			EXCHANGE PVT LINE	EAS	EXCHANGE MESSAGE	OTHER		
						MESSAGE TOLL			MESSAGE TOLL								
						INTRALATA	INTERLATA	SPECIAL ACCESS	INTRALATA	INTERLATA	SPECIAL ACCESS						
1	ALLOCATION FACTORS																
2	GENERAL SUPPORT ASSETS	2110		100,000.00%	S-3, LN 11	1,460.2%	40,127.7%	0.0000%	1,613.9%	21,622.2%	2,255.8%	1,913.6%	0.0000%	0.1379%	0.9285%	29,940.1%	0.0000%
3	CENTRAL OFFICE EQUIPMENT	VAR		100,000.00%	S-4, LN 81	1,909.3%	56,474.4%	0.0000%	1,790.7%	17,596.6%	1,824.0%	2,205.2%	0.0000%	0.0602%	0.0000%	18,139.6%	0.0000%
4	PUBLIC SERVICE TELEPHONE EQUIP	2310		0.0000%	S-5, LN 11	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
5	COINLESS PUBLIC TELEPHONE EQUIP	2310		0.0000%	S-5, LN 12	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
6	OTHER IOT EQUIPMENT	2310		0.0000%	S-5, LN 13	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
7	CABLE AND WIRE FACILITIES	2410		100,000.00%	S-5, LN 43	1,110.5%	27,399.9%	0.0000%	1,476.3%	24,756.9%	2,592.0%	1,686.6%	0.0000%	0.1985%	1,651.5%	39,129.0%	0.0000%
8	GENERAL SUPPORT EXPENSE	6110		0	LN 1+DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
9	NETWORK SUPPORT	6120		73,369	LN 1+DIRECT	1,071	29,441	0	1,184	15,864	1,655	1,404	0	101	681	21,967	0
10	TOTAL GENERAL SUPPORT EXP			73,369		1,071	29,441	0	1,184	15,864	1,655	1,404	0	101	681	21,967	0
11	% DISTRIBUTION			100,000.00%		1,460.2%	40,127.7%	0.0000%	1,613.9%	21,622.2%	2,255.8%	1,913.6%	0.0000%	0.1379%	0.9285%	29,940.1%	0.0000%
12	CENTRAL OFFICE SWITCHING EXPENSE	6210		292,677	LN 2+DIRECT	5,588	165,288	0	5,241	51,501	5,338	6,454	0	176	0	53,090	0
13	OPERATOR SYSTEMS EXPENSE	6220		0	LN 2+DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
14	CENTRAL OFFICE TRANSMISSION EXP	6230		184,950	LN 2+DIRECT	3,532	104,472	0	3,313	32,552	3,374	4,079	0	111	0	33,556	0
15	COE EXPENSE - SST LEASE	6230		477,667	LN 2+DIRECT	9,120	269,759	0	8,554	84,053	8,713	10,534	0	288	0	85,647	0
16	TOTAL CENTRAL OFFICE EXPENSE			100,000.00%		1,909.3%	56,474.4%	0.0000%	1,790.7%	17,596.6%	1,824.0%	2,205.2%	0.0000%	0.0602%	0.0000%	18,139.6%	0.0000%
17	% DISTRIBUTION			100,000.00%		1,460.2%	40,127.7%	0.0000%	1,613.9%	21,622.2%	2,255.8%	1,913.6%	0.0000%	0.1379%	0.9285%	29,940.1%	0.0000%
18	INFORMATION ORIG/TERM EXPENSE	6310		0	LN 3	0	0	0	0	0	0	0	0	0	0	0	0
19	LOT EXP - PUBLIC INTEREST PAY TEL			0	LN 4	0	0	0	0	0	0	0	0	0	0	0	0
20	LOT EXP - COINLESS PAY TEL			0	LN 5+DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
21	LOT EXP - OTHER			0	DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
22	TOTAL INFORMATION ORIG/TERM EXP			0		0	0	0	0	0	0	0	0	0	0	0	0
23	% DISTRIBUTION			0.0000%		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
24	CABLE AND WIRE FACILITIES EXPENSE	6410		247,995	LN 6	2,754	67,948	0	3,661	61,396	6,428	4,183	0	492	4,096	97,033	0
25	OT EXP - UN-DISTRIBUTED			0	LN 6+DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
26	OT EXP - SST LEASE			0	DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
27	OT EXP - DIRECT ASSIGNED			247,995		2,754	67,948	0	3,661	61,396	6,428	4,183	0	492	4,096	97,033	0
28	TOTAL CWF EXPENSE			100,000.00%		1,110.5%	27,399.9%	0.0000%	1,476.3%	24,756.9%	2,592.0%	1,686.6%	0.0000%	0.1985%	1,651.5%	39,129.0%	0.0000%
29	% DISTRIBUTION			100,000.00%		1,110.5%	27,399.9%	0.0000%	1,476.3%	24,756.9%	2,592.0%	1,686.6%	0.0000%	0.1985%	1,651.5%	39,129.0%	0.0000%
30	TOTAL PLANT SPECIFIC EXPENSE			799,031		12,945	367,149	0	13,399	161,313	16,796	16,120	0	881	4,777	205,651	0
31	% DISTRIBUTION			100,000.00%		1,620.1%	45,949.2%	0.0000%	1,676.5%	20,186.6%	2,102.0%	2,017.5%	0.0000%	0.1103%	0.5978%	25,737.6%	0.0000%
32	PLANT SPECIFIC EXP EXCLUDING GSF			725,662		11,874	337,707	0	12,215	145,449	15,141	14,716	0	780	4,096	183,685	0
33	% DISTRIBUTION			100,000.00%		1,636.3%	46,537.8%	0.0000%	1,683.2%	20,043.6%	2,086.5%	2,028.0%	0.0000%	0.1075%	0.5644%	25,312.7%	0.0000%

PART 35 SEPARATIONS

S-10, 1 of 1

PLANT NONSPECIFIC OPERATIONS EXPENSE SEPARATIONS

S-10, 1 of

LN	DESCRIPTION	A/C	CAT	TOTAL COMPANY	ALLOCATION BASIS	INTERSTATE		INTRASTATE		MESSAGE TOLL		SPECIAL ACCESS		EXCHANGE		EXCHANGE MESSAGE	OTHER
						INTRALATA	INTERLATA	INTRALATA	INTERLATA	INTRALATA	INTERLATA	INTRALATA	INTERLATA	INTRALATA	INTERLATA		
1	TELEPHONE PLANT IN SERVICE	2001		100.0000%	S-2, LN 10	1.4602%	40.1277%	0.0000%	1.6139%	21.6222%	2.2556%	1.9136%	0.0000%	0.1379%	0.9285%	29.9401%	0.0000%
2	CAPITAL LEASES	2681		0.0000%	S-7, LN 5	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
3	LEASEHOLD IMPROVEMENTS	2682		0.0000%	S-7, LN 7	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
4	TANGIBLE PROPERTY	2680		0.0000%	S-3, LN 30	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
5	INTANGIBLE PROPERTY	2680		0.0000%	S-3, LN 37	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
6	TELEPHONE PLANT ADJUSTMENT	2005		0.0000%	S-7, LN 10	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.1379%	0.9285%	29.9401%	0.0000%
7	COE, IOT AND C&WF	2005		100.0000%	S-3, LN 7	1.4602%	40.1277%	0.0000%	1.6139%	21.6222%	2.2556%	1.9136%	0.0000%	0.1379%	0.9285%	29.9401%	0.0000%
8	OTHER PROPERTY PLANT & EQUIP EXP.	6510		0	LN 1+DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
9	UNDISTRIBUTED	6511		0	LN 1+DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
10	PROPERTY HELD FOR FUTURE USE	6511		0	LN 1+DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
11	MATERIALS & SUPPLIES PROVISIONING	6512		0	LN 1+DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
12	TOTAL OTHER PROP PLANT & EQUIP EXP.			0.0000%		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
13	% DISTRIBUTION																
14	NETWORK OPERATIONS EXPENSE	6530		15	LN 7+DIRECT	0	0	0	0	3	0	0	0	0	0	0	0
14a	ACCESS CHARGE EXPENSE	6540	1.0	0	DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
14b	FEDERAL SUPPORT CHARGES	6540	2.0	3,915	DIRECT	0	3,915	0	0	0	0	0	0	0	0	0	0
15	DEPRECIATION EXPENSE	6560		180,469	S-3, LN 11	2,635	72,418	0	2,913	39,021	4,071	3,454	0	249	1,676	54,033	0
16	GENERAL SUPPORT	6563		233,477	S-4, LN 53	6,934	191,521	0	0	0	0	0	0	0	0	35,022	0
17	CENTRAL OFFICE SWITCHING EQUIPMENT	6563		0	S-4, LN 42	0	0	0	0	0	0	0	0	0	0	0	0
18	OPERATOR SYSTEMS EQUIPMENT	6563		318,557	S-4, LN 79	3,983	129,318	0	9,249	90,886	9,421	11,390	0	311	0	63,999	0
19	CENTRAL OFFICE TRANSMISSION	6564		0	S-4, LN 81	0	0	0	0	0	0	0	0	0	0	0	0
20	UNDISTRIBUTED COE	6565		0	S-4, LN 81	0	0	0	0	0	0	0	0	0	0	0	0
21	INFORMATION ORIG/TERM	6565		350,656	S-5, LN 18	3,894	96,076	0	5,177	86,812	9,089	5,914	0	696	5,791	137,208	0
22	CABLE AND WIRE FACILITIES	6565		1,083,159	S-5, LN 43	17,446	489,333	0	17,338	216,719	22,561	20,757	0	1,256	7,467	290,262	0
23	TOTAL DEP EXP - PLANT IN SERVICE			1,083,159	LN 1+DIRECT	17,446	489,333	0	17,338	216,719	22,561	20,757	0	1,256	7,467	290,262	0
24	PROPERTY HELD FOR FUTURE USE			1,083,159	LN 1+DIRECT	17,446	489,333	0	17,338	216,719	22,561	20,757	0	1,256	7,467	290,262	0
25	TOTAL DEPRECIATION EXPENSE			100.0000%		1.6107%	45.1765%	0.0000%	1.6007%	20.0081%	2.0848%	1.9164%	0.0000%	0.1160%	0.6953%	26.7977%	0.0000%
26	% DISTRIBUTION																
26	AMORTIZATION EXPENSE	6563		0	LN 2+DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
27	CAPITAL LEASE	6563		0	LN 3+DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
28	LEASEHOLD IMPROVEMENTS	6563		0	LN 4+DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
29	UNDISTRIBUTED	6564		0	LN 5+DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
30	INTANGIBLE ASSETS	6564		0	LN 6+DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
31	OTHER - TPA	6565		0	LN 6+DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
32	TOTAL AMORTIZATION EXPENSE			0.0000%		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
33	% DISTRIBUTION																
33	RENT REVENUES	5240		0	S-3, LN 11+DIR	0	0	0	0	0	0	0	0	0	0	0	0
34	GEN SUPPORT ASSETS	5240		0	S-4, LN 81+DIR	0	0	0	0	0	0	0	0	0	0	0	0
35	CENTRAL OFFICE EQUIPMENT	5240		0	S-5, LN 43+DIR	0	0	0	0	0	0	0	0	0	0	0	0
36	CABLE & WIRE FACILITIES	5240		0	S-2, LN 10+DIR	0	0	0	0	0	0	0	0	0	0	0	0
37	UNDISTRIBUTED	5240		0	S-5, LN 3+DIR	0	0	0	0	0	0	0	0	0	0	0	0
38	UNBUNDLED INTERCONNECTION:	5240		0	S-4, LN 42+DIR	0	0	0	0	0	0	0	0	0	0	0	0
39	- UNBUNDLED LOOP	5240		0	S-4, LN 47+DIR	0	0	0	0	0	0	0	0	0	0	0	0
40	- OPERATOR SYSTEMS	5240		0	S-4, LN 51+DIR	0	0	0	0	0	0	0	0	0	0	0	0
41	- TANDEM SWITCHING	5240		0	AL-1, LN 6+DIR	0	0	0	0	0	0	0	0	0	0	0	0
42	- LOCAL SWITCHING	5240		0	AL-1, LN 8+DIR	0	0	0	0	0	0	0	0	0	0	0	0
43	- TRANSPORT TERMINATION	5240		0	DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
44	- TRANSPORT FACILITY	5240		0	DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
45	- SS7/800 DATABASE	5240		0	S-11, LN 45+DIR	0	0	0	0	0	0	0	0	0	0	0	0
46	- OSS	5240		0	DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
47	MISCELLANEOUS RENT REVENUE	5240		0	DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
48	TOTAL RENT REVENUES			0		0	0	0	0	0	0	0	0	0	0	0	0

CUSTOMER OPERATIONS EXPENSE SEPARATIONS

LN	DESCRIPTION	A/C	CAT	TOTAL COMPANY	ALLOCATION BASIS	INTERSTATE			INTRASTATE			SPECIAL ACCESS			EXCHANGE PVT LINE	EXCHANGE MESSAGE	OTHER
						MESSAGE TOLL INTRALATA	MESSAGE TOLL INTERLATA	MESSAGE TOLL INTRALATA	MESSAGE TOLL INTERLATA	MESSAGE TOLL INTRALATA	MESSAGE TOLL INTERLATA	MESSAGE TOLL INTRALATA	MESSAGE TOLL INTERLATA	MESSAGE TOLL INTRALATA			
1	SWS - OPERATOR SERVICES EXCL DA			100.0000%	INPUT	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
2	SWS - DIRECTORY ASSISTANCE BOARDS			0.0000%	INPUT	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
3	SUBSCRIBER LINE USE (SUL)			100.0000%	INPUT	0.9900%	30.6290%	0.0000%	0.0000%	20.8170%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	45.4040%	0.0000%
4	END USER BILLED REVENUE INCL CCL			100.0000%	INPUT	0.0000%	31.1396%	0.0000%	0.0000%	31.6767%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	34.7897%	0.0000%
5	IX CARRIER BILLED REVENUE			100.0000%	INPUT	0.0000%	50.0000%	0.0000%	0.0000%	50.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
6	PUBLIC INTEREST PAYSTATION REVENUE			0.0000%	INPUT	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
7	BUSINESS OFFICE CONTACTS			100.0000%	INPUT	0.0000%	27.0000%	0.0000%	0.0000%	11.5000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	50.0000%	0.0000%
8	BILLING INQUIRY CONTACTS			100.0000%	INPUT	0.0000%	25.0000%	0.0000%	0.0000%	17.5000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	40.0000%	0.0000%
9	IX CARRIER SVC ORDER CONTACTS			100.0000%	INPUT	0.0000%	50.0000%	0.0000%	0.0000%	50.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
10	IX CARRIER BILLING INQUIRY CONTACTS			100.0000%	INPUT	0.0000%	50.0000%	0.0000%	0.0000%	25.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
11	CARRIER ACCESS BILLING FACTOR			100.0000%	INPUT	0.0000%	50.0000%	0.0000%	0.0000%	25.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
CUSTOMER OPERATIONS EXPENSES																	
12	MARKETING		6610	0	INPUT	0	0	0	0	0	0	0	0	0	0	0	0
13	TELEPHONE OPERATOR SERVICES			893	LN 1+DIRECT	0	0	0	0	893	0	0	0	0	0	0	0
14	- CALL COMPLETION INCL DA		6621	0	DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
15	- OPERATOR SERV. UNDER CONTRACT			0		0	0	0	0	0	0	0	0	0	0	0	0
16	PUBLISHED DIRECTORY LISTINGS		6622	0	DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
17	- CLASSIFIED			0	DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
18	- TWX			0	DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
19	- ALPHA			0	LN 3	0	0	0	0	0	0	0	0	0	0	0	0
20	- FOREIGN			0	DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
21	SUBTOTAL			0		0	0	0	0	0	0	0	0	0	0	0	0
22	LOCAL BUSINESS OFFICE		6623	76,078	LN 6+DIR	0	26,583	0	0	13,848	0	0	0	0	28,481	0	0
23	- END USER SVC ORDER PROCESSING			7,608	DIRECT	0	7,608	0	0	2,625	0	0	0	0	11,412	0	0
24	- PRESUBSCRIPTION			22,823	LN 7	0	5,162	0	0	2,625	0	0	0	0	7,940	0	0
25	- OTHER			22,823	LN 4	0	7,107	0	0	7,230	0	0	0	0	9,129	0	0
26	- END USER PAYMENT & COLLECTION			22,823	LN 8	0	5,706	0	0	3,994	0	0	0	0	0	0	0
27	- END USER BILLING INQUIRY			0	LN 9	0	0	0	0	0	0	0	0	0	0	0	0
28	- IX CARRIER SVC ORDER PROCESSING			0	LN 5	0	0	0	0	0	0	0	0	0	0	0	0
29	- IX CARRIER PAYMENT & COLLECTION			0	LN 5	0	0	0	0	0	0	0	0	0	0	0	0
30	- IX CARRIER BILLING INQUIRY			0	LN 10	0	0	0	0	0	0	0	0	0	0	0	0
31	- COIN COLLECT AND ADMIN - PUB INT			0	LN 6+DIR	0	0	0	0	0	0	0	0	0	0	0	0
32	SUBTOTAL LOCAL BUSINESS OFFICE			76,078		0	26,583	0	0	13,848	0	0	0	0	28,481	0	0
33	CUSTOMER SERVICES (REV ACCTG)		6623	45,632	AL-1, LN16+DIR	1,584	11,337	0	0	31,690	0	0	0	0	0	0	0
34	- MESSAGE PROCESSING			0	DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
35	- TOLL TICKET PROCESSING			39,077	AL-1, LN18+DIR	0	13,026	0	0	13,026	0	0	0	0	13,026	0	0
36	- LOCAL MESSAGE PROCESSING			2,057	DIRECT	0	2,057	0	0	0	0	0	0	0	0	0	0
37	- OTHER BILLING & COLLECTION			13,689	LN 11	0	6,845	0	0	3,422	0	0	0	0	13,026	0	0
38	- END USER COMMON LINE			100,355	LN 11	0	33,264	0	0	48,138	0	0	0	0	41,507	0	0
39	- CARRIER ACCESS BILLING (CABS)			176,433	LN 32+LN 40	1,584	59,847	0	0	61,987	0	0	0	0	23,525	0	0
40	SUBTOTAL CUSTOMER SERVICES			100,000.00%		0.9033%	33.9205%	0.0000%	0.0000%	35.1332%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
41	TOTAL CAT 1 AND CAT 2			50	LN 42+DIRECT	0	50	0	0	0	0	0	0	0	0	0	0
42	% DISTRIBUTION			177,376		1,584	59,897	0	0	62,880	0	0	0	0	41,507	0	0
43	ALL OTHER CUSTOMER SERVICE			100,000.00%		0.8985%	33.7684%	0.0000%	0.0000%	35.4498%	0.0000%	0.0000%	0.0000%	0.0000%	23.4005%	0.0000%	0.0000%
44	TOTAL SERVICES EXPENSE			177,376	LN 12+LN 44	1,584	59,897	0	0	62,880	0	0	0	0	41,507	0	0
45	% DISTRIBUTION			100,000.00%		0.8985%	33.7684%	0.0000%	0.0000%	35.4498%	0.0000%	0.0000%	0.0000%	0.0000%	23.4005%	0.0000%	0.0000%
46	TOTAL CUSTOMER OPERATIONS EXP.			100,000.00%		0.8985%	33.7684%	0.0000%	0.0000%	35.4498%	0.0000%	0.0000%	0.0000%	0.0000%	23.4005%	0.0000%	0.0000%
47	% DISTRIBUTION																

PART 36 SEPARATIONS

OTHER OPERATING EXPENSE AND TAX SEPARATIONS

LN	DESCRIPTION	A/C	CAT	TOTAL COMPANY	ALLOCATION BASIS	INTERSTATE			INTRASTATE			EXCHANGE PVT LINE	EAS	EXCHANGE MESSAGE	OTHER	
						MESSAGE TOLL			MESSAGE TOLL							
						INTRALATA	INTERLATA	SPECIAL ACCESS	INTRALATA	INTERLATA	SPECIAL ACCESS					
1	SEPARATION FACTORS			100.0000%	S-3, LN 3	1.4914%	44.0296%	0.0000%	1.3526%	23.0697%	2.9500%	1.6296%	0.0000%	0.4535%	24.9372%	0.0000%
2	BIG THREE EXPENSES	2001		100.0000%	S-2, LN 10	1.4602%	40.1277%	0.0000%	1.5139%	21.6222%	2.2558%	1.9136%	0.0000%	0.9285%	29.9401%	0.0000%
3	TELEPHONE PLANT IN SERVICE	2003		0.0000%	S-6, LN 15	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
4	PLANT UNDER CONSTRUCTION	2680		0.0000%	S-3, LN 21	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
5	CAPITAL LEASES			0.0000%	S-6, LN 3	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
6	EQUAL ACCESS INVESTMENT			100.0000%	S-2, LN 29	1.2783%	34.4613%	0.0000%	1.7490%	23.0440%	2.5518%	2.0609%	0.1641%	1.1688%	33.5218%	0.0000%
7	NET TELEPHONE PLANT EXCL 4040.4310															
7	CORPORATE OPERATIONS EXPENSE	6710		0	DIRECT	0	48.121	0	1.478	25.214	3.224	1.781	0	0	0	0
8	EXECUTIVE AND PLANNING			109,293	LN 1	1,630								496	27,255	0
9	OTHER															
10	GENERAL & ADMINISTRATIVE	6720		25,234	DIRECT	0	25,234	0	0	76,060	9,726	5,373	0	1,495	82,217	0
11	DIRECT ASSIGNED			329,686	LN 1	4,917	145,164	0	4,460	101,274	12,960	7,154	0	1,991	109,472	0
12	OTHER			464,223		6,547	218,519	0	5,938					0.4289%	23,5817%	0.0000%
13	TOTAL CORPORATE OPERATIONS EXP			100.0000%		1,4103%	47.0720%	0.0000%	1,2791%	21,8157%	2,7896%	1,5411%	0.0000%	0.0817%		0.0000%
14	% DISTRIBUTION															
15	EQUAL ACCESS EXPENSE			0	LN 5+DIRECT	0	0	0	0	0	0	0	0	0	0	0
16	INTEREST AND RELATED ITEMS	7500		0	LN 4+DIRECT	0	0	0	0	0	0	0	0	0	0	0
17	CAPITAL LEASES			263,041	LN 6	3,362	90,647	0	4,600	60,615	6,712	5,421	0	3,075	88,176	0
18	CUSTOMER DEPOSITS		100.00%													
19	OTHER FIXED CHARGES - OPERATING		0.00%	263,041	DIRECT	3,362	90,647	0	4,600	60,615	6,712	5,421	0	3,075	88,176	0
20	OTHER FIXED CHARGES - NON OPERATING		100.00%	263,041												
21	TOTAL															
21	BASIS FOR ACTUAL INCOME TAX ALLOC.			0	RECORDS	0	0	0	0	0	0	0	0	0	0	0
22	TOTAL OPERATING REVENUES			2,507,251	VARIOUS	39,120	1,154,994	0	37,324	550,891	64,734	44,802	0	14,608	598,205	0
23	LESS: OPERATING EXPENSE AND TAX			0	LN 16	0	0	0	0	0	0	0	0	0	0	0
24	: INTEREST - CAPITAL LEASE			263,041	LN 17	3,362	90,647	0	4,600	60,615	6,712	5,421	0	3,075	88,176	0
25	: OPERATING FIXED CHARGES			0	LN 2+DIRECT	0	0	0	0	0	0	0	0	0	0	0
26	: OTHER INCOME ADJ BASED ON PLANT			-2,770,292	LN 1+DIRECT	-42,482	-1,245,641	0	-41,925	-611,506	-71,447	-50,223	0	-17,683	-686,381	0
27	: OTHER INCOME ADJ BASED ON EXP			100,000,000%		1,5333%	44,9643%	0.0000%	1,5134%	22,0737%	2,5790%	1,8129%	0.0000%	0.6383%	24,7765%	0
28	NET TAXABLE INCOME				% DISTRIBUTION											
29	OPERATING TAXES	7210		0	LN 2+DIRECT	0	0	0	0	0	0	0	0	0	0	0
30	FEDERAL ITC AMORTIZATION	7210		0	LN 2+DIRECT	0	0	0	0	0	0	0	0	0	0	0
31	STATE ITC AMORTIZATION	7220		33,600	LN 28	514	15,063	0	507	7,395	864	607	0	214	8,300	0
32	OPERATING FEDERAL INCOME TAX	7230		40,248	LN 28	588	16,151	0	650	8,703	908	770	0	374	12,050	0
33	OPERATING STATE & LOCAL INC. TAX	7240		0	LN 2+DIRECT	0	0	0	0	0	0	0	0	0	0	0
34	OPERATING TAXES - OTHER	7243		73,773	DIRECT	1,101	31,239	0	1,157	16,097	1,772	1,378	0	588	20,350	0
35	TOTAL OPERATING TAXES															

PART 36 SEPARATIONS

DEVELOPMENT OF ALLOCATION RATIOS

LN	ALLOCATION RATIOS	TOTAL COMPANY	INTERSTATE			INTRASTATE			EXCHANGE PVT LINE	EAS	EXCHANGE MESSAGE	OTHER		
			MESSAGE TOLL		SPECIAL ACCESS		MESSAGE TOLL						SPECIAL ACCESS	
			INTRALATA	INTERLATA	INTRALATA	INTERLATA	INTRALATA	INTERLATA					INTRALATA	INTERLATA
1	ALLOCATED LOOPS - COE	1,222	9	266	0	16	268	28	20	0	592	0		
2	PERCENT DISTRIBUTION	100.0000%	0.7580%	23.4441%	0.0000%	1.3093%	21.9271%	2.2750%	1.6367%	0.0000%	48.4043%	0.0000%		
3	ALLOCATED LOOPS - CWF	1,222	9	266	0	16	268	28	20	0	592	0		
4	PERCENT DISTRIBUTION	100.0000%	0.7580%	23.4441%	0.0000%	1.3093%	21.9271%	2.2750%	1.6367%	0.0000%	48.4043%	0.0000%		
5	ALLOCATED CIRCUIT TERM - COE	214	4	109	0	8	75	6	11	0	0	0		
6	PERCENT DISTRIBUTION	100.0000%	1.6675%	51.0299%	0.0000%	3.7383%	34.8166%	3.6075%	5.1402%	0.0000%	0.0000%	0.0000%		
7	ALLOCATED CIRCUIT MILES - CWF	3127.64	90.08	1528.90	0.00	33.90	1272.67	196.29	65.80	0.00	0.00	0.00		
8	PERCENT DISTRIBUTION	100.0000%	2.8802%	48.8634%	0.0000%	1.0839%	40.6912%	4.3575%	2.1038%	0.0000%	0.0000%	0.0000%		
9	ALLOCATED EXCH WIDEBAND LOOPS	0	0	0	0	0	0	0	0	0	0	0		
10	PERCENT DISTRIBUTION	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%		
11	ALLOCH EXCH WIDEBAND CHAN (MOU's)	0	0	0	0	0	0	0	0	0	0	0		
12	PERCENT DISTRIBUTION	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%		
13	ALLOCH WIDEBAND CHAN (MOU MILES)	0	0	0	0	0	0	0	0	0	0	0		
14	PERCENT DISTRIBUTION	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%		
15	ALLOCATED TOLL MESSAGES (SP + RC)	367,609	12,835	91,659	0	255,883	69,8074%	7,232	0	0	0	0		
16	PERCENT DISTRIBUTION	100.0000%	3.4915%	24.9336%	0.0000%	69.8074%	1.9673%	1.9673%	0.0000%	0.0000%	0.0000%	0.0000%		
17	ALLOCATED USERS	0	0	0	0	0	0	0	0	0	0	0		
18	PERCENT DISTRIBUTION	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%		

PART 36 SEPARATIONS

Midvale Telephone Exchange, Inc. -ID -- 12/31/02
472226

CASH WORKING CAPITAL WORKSHEET

CWC-1

LN	DESCRIPTION	TOTAL COMPANY	ALLOCATION BASIS	INTERSTATE		INTRASTATE		EXCHANGE PVT LINE	EAS	EXCHANGE MESSAGE						
				MESSAGE TOLL		MESSAGE TOLL										
				INTRALATA	INTERLATA	INTRALATA	INTERLATA									
1	PLANT SPECIFIC EXPENSES	799,031	S-9, LN 27	12,945	367,149	0	13,399	0	161,313	16,796	16,120	0	881	4,777	205,651	4
2	PLANT NON SPECIFIC EXP EXCL DEP & AMORT	3,930	VARIOUS	0	3,921	0	0	0	3	0	0	0	0	0	0	0
3	CUSTOMER OPERATIONS EXP - MARKETING	0	S-11, LN 12	0	0	0	0	0	0	0	0	0	0	0	0	0
4	CUSTOMER OPERATIONS EXP - SERVICES	177,376	S-11, LN 44	1,594	59,897	0	0	0	62,880	11,499	0	0	0	0	41,507	0
5	CORPORATE OPERATIONS EXPENSE	464,223	S-12, LN 13	6,547	218,519	0	5,938	0	101,274	12,950	7,154	0	379	1,991	109,472	0
6	EQUAL ACCESS EXPENSE	0	S-12, LN 15	0	0	0	0	0	0	0	0	0	0	0	0	0
7	OTHER EXPENSE - CONTRIBUTIONS	0	S-12, LN 14	0	0	0	0	0	0	0	0	0	0	0	0	0
8	INTEREST ON CUSTOMER DEPOSITS	0	S-12, LN 17	0	0	0	0	0	0	0	0	0	0	0	0	0
9	FEDERAL INCOME TAX (ACTUAL)	33,500	S-12, LN 31	514	15,063	0	507	0	7,395	864	607	0	36	214	8,300	0
10	STATE INCOME TAX (ACTUAL)	40,248	S-12, LN 32	588	16,151	0	650	0	8,703	908	770	0	56	374	12,050	0
11	OTHER OPERATING TAX	25	S-12, LN 34	0	25	0	0	0	0	0	0	0	0	0	0	0
12	OTHER OPERATING TAX - DIRECT ASSIGN	0	RECORDS	0	0	0	0	0	0	0	0	0	0	0	0	0
13	GROSS RECEIPTS TAX (ACTUAL)	0	S-12, LN 16	0	0	0	0	0	0	0	0	0	0	0	0	0
14	INTEREST ON CAPITAL LEASES	263,041	S-12, LN 18	3,362	90,647	0	4,600	0	60,615	6,712	5,421	0	432	3,075	88,176	0
15	OTHER FIXED CHARGES - OPERATING	1,781,374	RECORDS	25,550	771,372	0	25,094	0	402,182	49,729	30,073	0	1,784	10,430	465,161	0
16	TOTAL CASH WORKING CAPITAL EXPENSES	1,781,374	RECORDS	0,04110	0,04110	0,04110	0,04110	0,04110	0,04110	0,04110	0,04110	0,04110	0,04110	0,04110	0,04110	0,04110
17	CASH WORKING CAPITAL RATIO	73,214	RECORDS	1,050	31,703	0	1,031	0	16,550	2,044	1,236	0	73	429	19,118	0
18	CASH WORKING CAPITAL	0	/LN 16	0	0	0	0	0	0	0	0	0	0	0	0	0
19	MINIMUM BANK BALANCE	0	/LN 16	0	0	0	0	0	0	0	0	0	0	0	0	0
20	WORKING CASH ADVANCES	0		0	0	0	0	0	0	0	0	0	0	0	0	0
21	TOTAL CASH WORKING CAPITAL	73,214		1,050	31,703	0	1,031	0	16,530	2,044	1,236	0	73	429	19,118	0

PART 36 SEPARATIONS

ALLOCATION RATIOS	A/C #	TOTAL	INTERSTATE			INTRA-STATE			EXCHANGE PVT LINE	EAS	EXCHANGE MESSAGE	OTHER		
			MESSAGE		SPECIAL ACCESS	MESSAGE		SPECIAL ACCESS						
			INTRALATA	INTERLATA	INTRALATA	INTERLATA	INTRALATA	INTERLATA						
NET INVESTMENT SUMMARY														
GENERAL SUPPORT FACILITIES	2110	100.0000%	1.4602%	40.1277%	0.0000%	1.6139%	21.6222%	2.2558%	1.9136%	0.0000%	0.1379%	0.9285%	29.9401%	0.0000%
CENTRAL OFFICE SWITCHING EQUIP	2210	100.0000%	2.9700%	82.0300%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	15.0000%	0.0000%
OPERATOR SYSTEMS EQUIPMENT	2220	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
CENTRAL OFFICE TRANSMISSION EQUIP	2230	100.0000%	1.2502%	40.5843%	0.0000%	2.8034%	28.5306%	2.9574%	3.5754%	0.0000%	0.0977%	0.0000%	20.0904%	0.0000%
INFORMATION ORIG/TERM EQUIPMENT	2310	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
CABLE AND WIRE FACILITIES	2410	100.0000%	1.1105%	27.3989%	0.0000%	1.4763%	24.7569%	2.5920%	1.8866%	0.0000%	0.1963%	1.6515%	39.1250%	0.0000%
TANGIBLE ASSETS	2680	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
INTANGIBLE ASSETS	2690	100.0000%	1.4602%	40.1277%	0.0000%	1.6139%	21.6222%	2.2558%	1.9136%	0.0000%	0.1379%	0.9285%	29.9401%	0.0000%
TOTAL PLANT IN SERVICE A/C 2001														
PROPERTY HELD FOR FUTURE USE	2002	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
PLANT UNDER CONSTRUCTION	2003	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
RESERVED FOR FUTURE USE	2004	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
TELEPHONE PLANT ADJUSTMENT	2005	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
NONOPERATING PLANT	2006	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
GOODWILL	2007	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
TOTAL PROPERTY, PLANT & EQUIP		100.0000%	1.4602%	40.1277%	0.0000%	1.6139%	21.6222%	2.2558%	1.9136%	0.0000%	0.1379%	0.9285%	29.9401%	0.0000%
ACCUM DEPR-PLANT IN SERVICE	3100	100.0000%	1.6024%	44.5077%	0.0000%	1.5350%	19.8533%	2.0699%	1.8292%	0.0000%	0.1209%	0.7683%	27.7132%	0.0000%
ACCUM DEPR-CONSTRUCTION	3200	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
ACCUM AMORT-TANGIBLE PROPERTY	3400	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
ACCUM AMORT-INTANGIBLE PROPERTY	3500	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
ACCUM AMORT-TEL PLANT ADJ	3600	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
ACCUM AMORT-TEL PLANT ADJ	4340	100.0000%	1.1979%	32.8971%	0.0000%	1.3186%	35.7116%	1.8471%	1.5650%	0.0000%	0.1133%	0.7648%	24.5866%	0.0000%
NONCURRENT DEFERRED INC TAX - NET	4370	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
OTHER DEFERRED CREDITS - NET		100.0000%	1.4602%	40.1277%	0.0000%	1.6139%	21.6222%	2.2558%	1.9136%	0.0000%	0.1379%	0.9285%	29.9401%	0.0000%
CUSTOMER DEPOSITS		100.0000%	1.2783%	34.4605%	0.0000%	1.7490%	23.0443%	2.5518%	2.0608%	0.0000%	0.1641%	1.1689%	33.5223%	0.0000%
NET TELEPHONE PLANT														
MATERIALS AND SUPPLIES	1220	100.0000%	1.1105%	27.3989%	0.0000%	1.4763%	24.7569%	2.5920%	1.8866%	0.0000%	0.1963%	1.6515%	39.1250%	0.0000%
INVESTMENT IN NONAFFILIATED CO'S	1402	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
EQUAL ACCESS EQUIPMENT	1439	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
OTHER JURISDICTIONAL ASSETS	1500	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
CASH WORKING CAPITAL	XXXX	100.0000%	1.4343%	43.3021%	0.0000%	1.4087%	22.8771%	2.7916%	1.8822%	0.0000%	0.1001%	0.5855%	26.1125%	0.0000%
NET TEL PLANT, M&S AND CWC		100.0000%	1.2794%	34.5415%	0.0000%	1.7426%	23.0490%	2.5554%	2.0554%	0.0000%	0.1635%	1.1636%	33.4525%	0.0000%

PART 36 SEPARATIONS

EFFECTIVE FEDERAL INCOME TAX RATE

TAX-1

LN	DESCRIPTION	SOURCE	TAXABLE INCOME		INCOME TAX	
			TOTAL	OPERATING	TOTAL	OPERATING
1	AVERAGE NET INVESTMENT	S-1 LN 1	5,250,961	5,250,961	7,500	7,500
2	ASSUMED RATE OF RETURN FOR ESTIMATING TAX RATE	LN 1*LN 2	7.9096%	7.9096%	6,250	6,250
3	RETURN ON INVESTMENT	LN 1*LN 2	415,333	415,333	8,500	8,500
4	FIT INCOME ADJUSTMENT (FROM COST STUDY)	S-12 LN 29	263,041	263,041	0	0
5	INVESTMENT TAX CREDIT AMORTIZATION	LN 3-4-5	152,292	152,292	0	0
6	AFTER TAX INCOME BEFORE TAX CREDITS	LN 6+LN 7	73,453	73,453	0	0
7	FIT BEFORE TAX CREDITS (MUST EQUAL LN 17)		230,745	230,745	0	0
8	TAXABLE INCOME		50,000	50,000	0	0
9	FIT ON \$0 to \$50,000 @ 15%		25,000	25,000	0	0
10	FIT ON \$50,000 to \$75,000 @ 25%		25,000	25,000	0	0
11	FIT ON \$75,000 to \$100,000 @ 34%		130,745	130,745	0	0
12	FIT ON \$100,000 to \$335,000 @ 39%		0	0	0	0
13	FIT ON \$335,000 to \$10,000,000 @ 34%		0	0	0	0
14	FIT ON \$10,000,000 to \$15,000,000 @ 35%		0	0	0	0
15	FIT ON \$15,000,000 to \$18,333,333 @ 38%		0	0	0	0
16	FIT ON OVER \$18,333,333 @ 35%	LN 9..16	230,745	230,745	73,240	73,240
17	TOTAL TAXABLE INCOME/FIT BEFORE TAX CREDITS		230,745	230,745	31,740	31,740
18	EFFECTIVE FIT TAX RATE				31.7403%	31.7403%

PART 36 SEPARATIONS

MONITOR,
1 of 1

REVENUE MONITORING SUMMARY

MONITOR,
1 of 1

LN	ANALYSIS OF INCOME FROM OPERATIONS	TOTAL OPERATING	ALLOCATION BASIS	INTERSTATE			INTRA-STATE			EXCHANGE				
				MESSAGE TOLL INTRALATA	SPECIAL ACCESS INTRALATA	MESSAGE TOLL INTERLATA	MESSAGE TOLL INTRALATA	SPECIAL ACCESS INTRALATA	MESSAGE TOLL INTERLATA	EXCHANGE PVT LINE	EAS	EXCHANGE MESSAGE		
1	OPERATING REVENUES RECEIVED	0	RECORDS	0	0	0	0	0	0	0	0	0	0	
2	OPERATING EXPENSE & OTHER TAXES	2,507,251		39,120	1,154,994	0	37,324	550,891	64,734	44,802	0	2,572	14,608	593,205
3	FEDERAL INCOME TAX NET OF ITC	-859,992		-13,188	-385,689	0	-13,015	-189,832	-22,179	-15,591	0	-932	-5,489	-213,076
4	STATE INCOME TAX NET OF ITC	-240,905		-3,694	-105,321	0	-3,646	-53,177	-6,213	-4,367	0	-261	-1,538	-59,688
5	TOTAL OPERATING EXPENSE & TAX	1,406,355	LN 2+3+4	22,238	659,984	0	20,664	307,882	36,342	24,844	0	1,378	7,561	325,442
6	OPERATING INCOME	-1,406,355	LN1-LN5	-22,238	-659,984	0	-20,664	-307,882	-36,342	-24,844	0	-1,378	-7,561	-325,442
7	FIXED CHARGES - OPERATING	263,041	S-12, LN16+17	3,362	90,647	0	4,600	60,615	6,712	5,421	0	432	3,075	86,176
8	NET INCOME FROM OPERATIONS	-1,669,396	LN6-LN7	-25,600	-750,631	0	-25,264	-366,496	-43,064	-30,265	0	-1,810	-10,656	-413,619
9	REALIZED RATE OF RETURN	-26.7828%	LN 6/S-1, LN 1	-33.1001%	-36.3876%	0.0000%	-22.5823%	-25.4395%	-27.0837%	-23.0411%	0.0000%	-16.0559%	-12.4073%	-18.5270%
11	ANALYSIS OF REVENUE EXCESS/DEFICIENCY	0	INPUT	0	0	0	0	0	0	0	0	0	0	0
12	REVENUE REQUIREMENT	3,023,014	S-1, LN19	49,445	1,433,825	0	51,373	629,410	73,446	51,784	0	3,127	18,563	712,040
13	REVENUE EXCESS/(DEFICIENCY)	-3,023,014		-49,445	-1,433,825	0	-51,373	-629,410	-73,446	-51,784	0	-3,127	-18,563	-712,040

S-2, 1 of 1

SUMMARY OF NET TELEPHONE PLANT, M&S AND WORKING CAPITAL

S-2, 1 of 1

LN	DESCRIPTION	A/C	CAT	TOTAL COMPANY	ALLOCATION BASIS	TOTAL INTERSTATE	INTERSTATE %	TOTAL INTRASTATE	INTRASTATE %
NET INVESTMENT SUMMARY									
1	GENERAL SUPPORT FACILITIES	2110		2,165,940	S-3, LN 10	935,725	43.2018%	1,230,215	56.7982%
2	CENTRAL OFFICE SWITCHING EQUIP	2210		1,794,967	S-4, LN 52	1,525,722	85.0000%	269,245	15.0000%
3	OPERATOR SYSTEMS EQUIPMENT	2220		0	S-4, LN 41	0	0.0000%	0	0.0000%
4	CENTRAL OFFICE TRANS EQUIP	2230		2,888,731	S-4, LN 76	1,292,864	44.7488%	1,595,867	55.2512%
5	INFORMATION ORIGTERM EQUIPMENT	2310		0	S-5, LN 17	0	0.0000%	0	0.0000%
6	CABLE AND WIRE FACILITIES	2410		6,014,915	S-5, LN 42	1,803,607	29.9856%	4,211,308	70.0144%
7	TANGIBLE ASSETS	2680		0	S-3, LN 29	0	0.0000%	0	0.0000%
8	INTANGIBLE ASSETS	2690		0	S-3, LN 36	0	0.0000%	0	0.0000%
9	TOTAL PLANT IN SERVICE A/C 2001			12,864,553		5,557,718	43.2018%	7,306,835	56.7982%
10	% DISTRIBUTION			100.0000%		0	43.2018%	1	56.7982%
11	PROPERTY HELD FOR FUTURE USE	2002		0	S-6, LN 9	0	0.0000%	0	0.0000%
12	PLANT UNDER CONSTRUCTION	2003		0	S-6, LN 15	0	0.0000%	0	0.0000%
13	RESERVED FOR FUTURE USE	XXXX		0	S-6, LN 21	0	0.0000%	0	0.0000%
14	TELEPHONE PLANT ADJUSTMENT	2005		0	S-6, LN 27	0	0.0000%	0	0.0000%
15	NONOPERATING PLANT	2006		0	DIRECT	0	0.0000%	0	0.0000%
16	GOODWILL	2007		0	DIRECT	0	0.0000%	0	0.0000%
17	TOTAL PROPERTY, PLANT & EQUIPMENT			12,864,553		5,557,718	43.2018%	7,306,835	56.7982%
18	% DISTRIBUTION			100.0000%		0	43.2018%	1	56.7982%
19	ACCUM DEPR - PLANT IN SERVICE	3100		7,318,087	S-7, LN 18	3,486,715	47.6452%	3,831,372	52.3548%
20	ACCUM DEPRECIATION - FUTURE USE	3200		0	S-7, LN 19	0	0.0000%	0	0.0000%
21	ACCUM AMORT - TANGIBLE PROPERTY	3400		0	S-7, LN 23	0	0.0000%	0	0.0000%
22	ACCUM AMORT-INTANGIBLE PROPERTY	3500		0	S-7, LN 24	0	0.0000%	0	0.0000%
23	ACCUM AMORT - TEL PLANT ADJ	3600		0	S-7, LN 25	0	0.0000%	0	0.0000%
24	OPER. DEFERRED INCOME TAX - NET VAR			395,391	S-7, LN 34	141,439	35.4136%	257,952	64.5864%
25	CUSTOMER DEPOSITS	4040		750	/LN 9+DIRECT	324	43.2018%	426	56.7982%
26	OTHER UT/LIAB - POST RET BENEFITS	4310		0	S-7, LN 43	0	0.0000%	0	0.0000%
27	OTHER DEFERRED CREDITS - NET	4360		0	S-7, LN 42	0	0.0000%	0	0.0000%
28	NET TELEPHONE PLANT			5,146,325		1,925,240	37.4877%	3,217,085	62.5123%
29	% DISTRIBUTION			100.0000%		0	37.4877%	1	62.5123%
30	MATERIALS AND SUPPLIES	1220		31,421	S-6, LN 31	9,422	29.9856%	21,999	70.0144%
31	INVESTMENT IN NONAFFILIATED CO'S	1402		0	S-6, LN 35	0	0.0000%	0	0.0000%
32	NONCURRENT ASSETS-POST RET BENE	1410		0	S-6, LN 36	0	0.0000%	0	0.0000%
33	EQUAL ACCESS EQUIPMENT	1439		0	S-6, LN 37	0	0.0000%	0	0.0000%
34	OTHER JURISDICTIONAL ASSETS	1500		0	S-6, LN 38	0	0.0000%	0	0.0000%
35	CASH WORKING CAPITAL	XXXX		73,214		33,785	46.1450%	39,430	53.8550%
36	NET TEL PLANT, M&S AND CWC			5,250,961		1,972,447	37.5635%	3,278,514	62.4365%
37	% DISTRIBUTION			100.0000%		0	37.5635%	1	62.4365%

PART 36 SEPARATIONS

S-8, 1 of 1 SUMMARY OF OPERATING EXPENSE AND TAX S-8, 1 of 1

LN	DESCRIPTION	A/C	CAT	TOTAL COMPANY	ALLOCATION BASIS	TOTAL INTERSTATE	INTERSTATE %	TOTAL INTRASTATE	INTRASTATE %
OPERATING EXPENSE AND TAX SUMMARY									
1	NETWORK SUPPORT EXPENSE	6110		0	S-9, LN 7	0	0.0000%	0	0.0000%
2	GENERAL SUPPORT EXPENSE	6120		73,369	S-9, LN 8	31,697	43.2018%	41,672	56.7982%
3	CENTRAL OFFICE EXPENSE	6210		477,667	S-9, LN 15	287,433	60.1744%	190,234	39.8256%
4	INFORMATION ORIG/TERM EXPENSE	6310		0	S-9, LN 21	0	0.0000%	0	0.0000%
5	CABLE AND WIRE FACILITIES EXPENSE	6410		247,965	S-8, LN 25	74,363	29.9856%	173,632	70.0144%
6	OTHER PLANT EXPENSE	6510		0	S-10, LN 11	0	0.0000%	0	0.0000%
7	NETWORK OPERATIONS EXPENSE	6530		15	S-10, LN 13	6	43.2018%	9	56.7982%
8	ACCESS CHARGE EXPENSE	6540		3,915	S-10, 14a+14b	3,915	100.0000%	0	0.0000%
9	MARKETING EXPENSE	6610		0	S-11, LN 12	0	0.0000%	0	0.0000%
10	SERVICES EXPENSE	6620		177,376	S-11, LN 44	61,491	34.6669%	115,885	65.3331%
11	EXECUTIVE AND PLANNING EXPENSE	6710		109,293	S-12, LN 8+9	51,230	46.8736%	58,063	53.1264%
12	GENERAL AND ADMINISTRATIVE EXP	6720		354,930	S-12, LN 11+12	179,774	50.6506%	175,156	49.3494%
13	SUBTOTAL OPERATING EXPENSES			1,444,580		689,909	47.7591%	754,671	52.2409%
14	% DISTRIBUTION			100.0000%		524,117	47.7591%	1	52.2409%
15	DEPRECIATION AND AMORTIZATION	6660		1,083,159	S-10, LN 24+31	17,413	43.2371%	559,042	51.6122%
16	OTHER OPERATING TAX	7240		40,273	S-12, LN 33	0	0.0000%	22,860	56.7629%
17	EQUAL ACCESS EXPENSE			0	S-12, LN 15	0	0.0000%	0	0.0000%
18	INTEREST ON CUSTOMER DEPOSITS	7250		0	S-12, LN 17	0	0.0000%	0	0.0000%
19	RENT REVENUE	5240		2,567,992	S-10, LN 47	1,231,438	47.9534%	1,336,554	52.0466%
20	TOTAL OPERATING EXPENSE AND TAX			100.0000%					
21	% DISTRIBUTION								
NON OPERATING EXPENSE									
22	ABANDONED CONSTRUCTION	7370		0	S-2, LN 10	0	0.0000%	0	0.0000%
23	CONTRIBUTIONS			0	S-12, LN 14	0	0.0000%	0	0.0000%
24	OTHER NON OPERATING EXPENSE			0	DIRECT	0	0.0000%	0	0.0000%
25	TOTAL NON OPERATING EXPENSE			0		0	0.0000%	0	0.0000%
26	% DISTRIBUTION			0.0000%					
UNCOLLECTIBLES									
27	END USER MSG TOLLS	5310		-60,741	DIRECT	0	0.0000%	-60,741	0.0000%
28	END USER COMMON LINE	5320		0	DIRECT	0	0.0000%	0	0.0000%
29	IX CARRIER	5330		0	DIRECT	0	0.0000%	0	0.0000%
30	TOTAL UNCOLLECTIBLES			-60,741		0	0.0000%	-60,741	0.0000%
31	ALLOW. FOR FUNDS USED DUR. CONST	7340		0	S-12, LN 3	0	0.0000%	0	0.0000%

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REVENUE REQUIREMENT SUMMARY

LN	DESCRIPTION	TOTAL OPERATING	ALLOCATION BASIS	TOTAL INTERSTATE	INTERSTATE %	TOTAL INTRASTATE	INTRASTATE %
REVENUE REQUIREMENT SUMMARY							
1	NET INVESTMENT FOR SETTLEMENTS	5,250,961	NOTE A	1,972,447	37.5635%	3,278,514	62.4365%
2	RATE OF RETURN	7,909,66					
3	RETURN ON INVESTMENT	415,333	LN1/LN 2	221,900	53.4271%	193,432	46.5729%
4	ALLOW FOR FUNDS USED DUR CONSTR (Normalized)	0	S-3/LN 31	0	0.0000%	0	0.0000%
5	NET RETURN FOR SETTLEMENTS	415,333	LN3-LN4	221,900	53.4271%	193,432	46.5729%
6	FEDERAL OPERATING INCOME TAX (OPTIONAL)	78,453	LN 28	63,513	80.9565%	14,940	19.0435%
7	LESS: FEDERAL ITC AMORTIZATION	0	S-12/LN 29	0	0.0000%	0	0.0000%
8	NET FEDERAL INCOME TAX (OPTIONAL)	78,453	LN 6-LN 7	63,513	80.9565%	14,940	19.0435%
9	STATE AND LOCAL INCOME TAX	21,977	LN 33	17,792	80.9565%	4,185	19.0435%
10	LESS: STATE ITC AMORTIZATION	0	S-12/LN 30	0	0.0000%	0	0.0000%
11	NET STATE INCOME TAX	21,977	LN 9-LN 10	17,792	80.9565%	4,185	19.0435%
13	OPERATING EXPENSE AND TAX	2,567,992	S-8/LN 20	1,231,438	47.9534%	1,336,554	52.0466%
14	OTHER ALLOWABLE EXPENSES	0	S-8/LN 22+23	0	0.0000%	0	0.0000%
15	UNCOLLECTIBLES	-60,741	S-8/LN 30	0	0.0000%	-60,741	0.0000%
16	BASIS FOR GROSS RECEIPTS TAX (GROSS UP)	3,023,014	5+8+11 thru 15	1,534,643	50.7653%	1,488,370	49.2347%
17a	GROSS RECEIPTS TAX RATE	0	LN 16/LN 17a	0	0.0000%	0	0.0000%
17b	GROSS RECEIPTS TAX	0		0	0.0000%	0	0.0000%
18	LESS: B-I LEAS CREDIT	0		0	0.0000%	0	0.0000%
19	TOTAL REVENUE REQUIREMENT	3,023,014		1,534,643	50.7653%	1,488,370	49.2347%
NOTE A: INCLUDES NET TEL PLANT FROM SCH S-2/LN 36 LESS A/C'S 2006, 2007 AND 1402 OTHER THAN RTB STOCK.							

OPTIONAL GROSS UP INCOME TAX CALC							
20	NET RETURN FOR SETTLEMENTS	415,333	LN 3	221,900	53.4271%	193,432	46.5729%
21	INTEREST AND RELATED ITEMS EXCL NON-OPER	263,041	S-12/LN 16+18	98,610	37.4886%	164,431	62.5114%
22	OTHER INCOME ADJUSTMENTS	0	S-12/LN 25+26	0	0.0000%	0	0.0000%
23	TOTAL INCOME ADJUSTMENTS	263,041	LN 21+22	98,610	37.4886%	164,431	62.5114%
24	FEDERAL ITC AMORTIZATION	0	S-12/LN 29	0	0.0000%	0	0.0000%
25	FEDERAL TAXABLE INCOME	230,745	LN 25*FIT	186,803	80.9565%	43,942	19.0435%
26	FEDERAL INCOME TAX @ 34.00%	78,453	/S-2/LN 34	63,513	80.9565%	14,940	19.0435%
27	FEDERAL SURTAX ALLOC-OPERATING	0	LN26-LN27	63,513	80.9565%	14,940	19.0435%
28	NET FED INCOME TAX BEFORE ITC	78,453	S-12/LN 30	0	0.0000%	0	0.0000%
29	STATE ITC AMORTIZATION	0		0	0.0000%	0	0.0000%
30	STATE TAXABLE INCOME	252,722	LN 30*SIT	204,595	80.9565%	48,127	19.0435%
31	STATE INCOME TAX @ 8.70%	21,977	LN 30*SIT	17,792	80.9565%	4,185	19.0435%
32	STATE SURTAX EXEMPTION	0	/S-2/LN 34	0	0.0000%	0	0.0000%
33	NET STATE INCOME TAX BEFORE ITC TAX: A	21,977		17,792	80.9565%	4,185	19.0435%

PART 36 SEPARATIONS

PROSPECTIVE COST ANALYSIS SUMMARY

	ADJUSTMENTS			TOTAL COMPANY SUBJECT TO SEPARATIONS A-B-C (D)
	TOTAL COMPANY (A)	PART 64 (B)	OTHER (C)	
TEST YEAR FORECAST				
7/93 THRU 6/94				
REVENUES				
100 Network Access	-60,741		0	-60,741
110 Uncollectibles				
120 Common Line Support				
130 Long-Term				
140 Transitional				
150 Miscellaneous				
160 Net Revenues				
EXPENSES				
170 Plant Specific	799,031		0	799,031
180 Plant Non Specific Excl Depr & Amort	15		0	15
190 Depreciation/Amortization	1,083,159		0	1,083,159
200 Customer Operations	177,376		0	177,376
210 Access	3,915		0	3,915
220 Corporate Operations	464,223		0	464,223
230 AFUDC	0		0	0
240 Other Expenses and Adjustments	0		0	0
250 Taxes Other than FIT	62,250		0	62,250
260 Total Expenses and Other Taxes	2,589,969	0	0	2,589,969
FIT ADJUSTMENTS				
270 Adjustments for FIT	263,041		0	263,041
280 Amortized ITC	0		0	0
290 Federal Income Taxes	78,453		0	78,453
300 TOTAL EXPENSES AND TAXES	2,668,422	0	0	2,668,422
TELEPHONE PLANT IN SERVICE				
310 General Support	2,165,940		0	2,165,940
320 Central Office Equipment - Switch	1,794,967		0	1,794,967
330 Central Office Equipment - Trans	2,888,731		0	2,888,731
340 Cable and Wire	6,014,915		0	6,014,915
350 Info Orig, Term Equipment	0		0	0
360 Amortizable Assets	0		0	0
370 Total Plant in Service	12,864,553	0	0	12,864,553
ADJUSTMENTS TO TPIS				
380 Depreciation, Amortization Reserve	7,318,087		0	7,318,087
390 Accum Deferred Income Tax	399,391		0	399,391
400 Other Rate Base Adjustments	103,885		0	103,885
RETURN DATA				
410 Average Rate Base	5,250,961		0	5,250,961
420 Return				
430 Rate of Return				