

ANNUAL REPORT

OF

DCM-T

DIRECT COMMUNICATIONS ROCKLAND, INC.

NAME

P.O. Box 269 ROCKLAND, ID 83271

ADDRESS

TO THE

IDAHO PUBLIC

UTILITIES COMMISSION

FOR THE

YEAR ENDED

DECEMBER 31, 2006

**ANNUAL REPORT OF SMALL TELEPHONE COMPANIES TO
THE IDAHO PUBLIC UTILITIES COMMISSION
FOR THE YEAR ENDING December 31, 2006**

COMPANY INFORMATION

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

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

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

Organized under the laws of the State of: Idaho

Date of organization: 1973

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

If a Subchapter S Corporation, please specify: _____

Name and address of controlling company, if any: _____

Names of affiliated companies. Give address and description of business: _____
Direct Communciations Cable, 150 South Main Rockland, Idaho 83271, Cable T.V.
Direct Communciations Cedar Valley, 150 South Main Rockland, Idaho 83271, Phone company

OFFICERS

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

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

DIRECTORS

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

Name and Address	Term Expired or Current Term Will Expire	Meetings Attended This year	Fees Paid During Year
Leonard May P.O. Box 269 Rockland, Idaho 83271	May-07	12	
Marilyn May P.O. Box 269 Rockland, Idaho 83271	May-07	12	

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

MANAGERS

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

Name	Title	Wages and Bonuses Paid
Leonard May	President - Treasurer	Information is Confidential
Marilyn May	Vice Pres. - Secretary	

BALANCE SHEET
Assets and Other Debits

Title of Account	Balance Beginning of Year	Balance at End of Year	Increase or (Decrease)
Current Assets			
1120 Cash and Equivalents			
1130 Cash	302,472	29,377	(273,095)
1140 Special Cash Deposits	10,684	11,020	336
1150 Working Cash Advances	300	300	0
1160 Temporary Investments	358,206	111,530	(246,676)
1180 Telecommunications Accts. Receivable	142,414	172,370	29,956
1181 Accts. Rec. Allow. -Telecommunications	(3,500)	(3,500)	0
1190 Other Accounts Receivable	840,719	636,958	(203,760)
1191 Accounts Receivable Allow. - Other	(42)	(42)	0
1200 Notes Receivable	221,470	784,285	562,815
1201 Notes Receivable Allowance			
1210 Interest & Dividends Receivable			
1220 Material and Supplies	124,133	113,558	(10,575)
1280 Prepayments			
1290 Prepaid Rents			
1300 Prepaid Taxes	60,000	60,000	0
1310 Prepaid Insurance	14,612	18,074	3,462
1320 Prepaid Directory Expenses			
1330 Other Prepayments			
1350 Other Current Assets			
Noncurrent Assets			
1401 Investment in Affiliated Companies	2,540,476	3,502,859	962,383
1402 Investment in Nonaffiliated Companies			
1406 Nonregulated Investments			
1407 Unamortized Debt Issuance Expense			
1408 Sinking Funds			
1410 Other Noncurrent Assets	9,787	9,787	0
1438 Deferred Maintenance & Retirements			
1439 Deferred Charges	85,511	110,438	24,927
1500 Other Jurisdiction Assets - Net			
Property, Plant and Equipment			
2001 Telecommunications Plants in Service	23,355,234	22,876,317	(478,917)
2002 Prop. Held for Future Telecom. Use			
2003 Telecom. Plant under Constr. - Short Term	60,771	79,873	19,102
2004 Telecom. Plant under Constr. - Long Term			
2005 Telecom. Plant Adjustment			
2006 Nonoperating Plant	1,176,943	1,176,943	0
2007 Goodwill			
Depreciation and Amortization Accounts			
3100 Accumulated Depreciated	11,354,734	12,667,085	1,312,351
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	17,945,455	17,023,063	(922,393)

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	30,672	33,302	2,630
4020 Notes Payable			
4030 Advance Billings and Payments	33,575	33,984	409
4040 Customer Deposits			
4050 Current Maturities - Long -Term Debt	1,037,969	1,067,899	29,930
4060 Current Maturities - Capital leases			
4070 Income Taxes - Accrued	1,424	10	(1,414)
4080 Other Taxes - Accrued	64,386	41,866	(22,519)
4100 Net Current Defer. Oper. Income Taxes			
4110 Net Current Defer. Nonoper. Income Taxes			
4120 Other Accrued Liabilities	61,290	68,062	6,772
4130 Other Current Liabilities			
Long-Term Debt			
4210 Funded Debt	12,830,280	12,049,966	(780,314)
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		72,555	72,555
Other Liabilities & Deferred Credits			
4310 Other Long-Term Liabilities			
4320 Unamort. Oper. Invest. Tax Credits - Net			
4330 Unamort. Nonoper. Invest. Tax Credits - Net			
4340 Net Noncurrent Defer. Oper. Income Taxes	1,255,413	1,247,302	(8,111)
4350 Net Noncur. Defer. Nonoper. Income Taxes			
4360 Other Deferred Credits			
4370 Other Juris. Liab. & Def. Credits - Net			
Stockholders' Equity			
4510 Capital Stock	50,000	50,000	0
4520 Additional Paid-In Capital			
4530 Treasury Stock			
4540 Other Capital			
4550 Retained Earnings	2,580,447	2,358,117	(222,330)
TOTAL LIAB. & OTHER CREDITS	17,945,455	17,023,063	(922,393)

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	114,488		300		114,188
2112 Motor Vehicles	349,595	144,508	96,015		398,089
2113 Aircraft					
2114 Special Purpose Vehicles	36,084	20,781			56,865
2115 Garage Work Equipment	11,415				11,415
2116 Other Work Equipment	742,273	9,989			752,262
2121 Buildings	1,591,586				1,591,586
2122 Furniture	74,441				74,441
2123 Office Equipment	134,250				134,250
2124 General Purpose Computers	159,224	2,788			162,012
2211 Analog Electronic Switching					
2212 Digital Electronic Switching	2,541,275	46,882			2,588,157
2215 Electro-Mechanical Switching					
2220 Operator Systems					
2231 Radio Systems					
2232 Circuit Equipment	3,491,077	183,360	855,350		2,819,087
2311 Station Apparatus					
2321 Customer Premises Wiring					
2341 Large Private Branch Exchanges					
2351 Public Telephone Terminal Equipment					
2362 Other Terminal Equipment					
2411 Poles					
2421 Aerial Cable					
2422 Underground Cable					
2423 Buried Cable	14,109,526	159,649	95,208		14,173,967
2424 Submarine Cable					
2426 Intra-building Network Cable					
2431 Aerial Wire					
2441 Conduit Systems					
2681 Capital Leases					
2682 Leasehold Improvements					
2690 Intangibles	1,176,943				1,176,943
TOTAL PLANT ACCOUNTS	24,532,177	567,956	1,046,872	0	24,053,260

ANALYSIS OF TELECOMMUNICATIONS PLANT ACCOUNTS
IDAHO Operations Only

Analysis of Telecommunications Plant in Service

	Balance Beginning of Year	Additions During Year	Plant Retired or Sold	Transfers and Adjustments	Balance End of Year
2111 Land					
2112 Motor Vehicles					
2113 Aircraft					
2114 Special Purpose Vehicles					
2115 Garage Work Equipment					
2116 Other Work Equipment					
2121 Buildings					
2122 Furniture					
2123 Office Equipment					
2124 General Purpose Computers					
2211 Analog Electronic Switching					
2212 Digital Electronic Switching					
2215 Electro-Mechanical Switching					
2220 Operator Systems					
2231 Radio Systems					
2232 Circuit Equipment					
2311 Station Apparatus					
2321 Customer Premises Wiring					
2341 Large Private Branch Exchanges					
2351 Public Telephone Terminal Equipment					
2362 Other Terminal Equipment					
2411 Poles					
2421 Aerial Cable					
2422 Underground Cable					
2423 Buried Cable					
2424 Submarine Cable					
2426 Intrabuilding Network Cable					
2431 Aerial Wire					
2441 Conduit Systems					
2681 Capital Leases					
2682 Leasehold Improvements					
2690 Intangibles					
TOTAL PLANT ACCOUNTS					

SAME AS TOTAL
COMPANY

ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION
Account 3100

Analysis of Entries in Accumulated Depreciation

	TOTAL Company Basis				
	Balance Beginning of Year	Depreciation Rate*	Credits During Year	Retirements and Adjustments	Balance End of Year
2112 Motor Vehicles	265,023	25.0%	70,943	93,743	242,223
2113 Aircraft					
2114 Special Purpose Vehicles	26,332	10.0%	3,928		30,260
2115 Garage Work Equipment	8,354	11.0%	421		8,775
2116 Other Work Equipment	566,688	12.5%	46,992		613,680
2121 Buildings	383,492	3.0%	47,748		431,240
2122 Furniture	43,013	12.5%	9,305		52,318
2123 Office Equipment	117,350	12.5%	6,527		123,877
2124 General Purpose Computers	97,701	20.0%	19,087		116,788
2211 Analog Electronic Switching	1,203,143	12.0%	302,423		1,505,566
2212 Digital Electronic Switching					
2215 Electro-Mechanical Switching					
2220 Operator Systems					
2231 Radio Systems					
2232 Circuit Equipment	1,875,315	10.0%	355,432	275,283	1,955,464
2311 Station Apparatus					
2321 Customer Premises Wiring					
2341 Large Private Branch Exchanges					
2351 Public Telephone Terminal Equipment					
2362 Other Terminal Equipment					
2411 Poles					
2421 Aerial Cable					
2422 Underground Cable					
2423 Buried Cable	6,044,038	6.5%	762,537	21,973	6,784,602
2424 Submarine Cable					
2426 Intra-building Network Cable					
2431 Aerial Wire					
2441 Conduit Systems					
TOTAL	10,630,449		1,625,344	390,999	11,864,794

*Please list individual depreciation rate for each account.

ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION
Account 3100

IDAHO Operations Only

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

**SAME AS TOTAL
COMPANY**

*Please list individual depreciation rate for each account.

INVESTMENTS

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

<u>Description</u>	<u>Date Acquired</u>	<u>Book Cost of Investments Disposed of This year</u>	<u>Book Cost of Investments Held at End of Year</u>
CTT COMMUNICATIONS	1991		160,861
RTFC CERTIFICATES	1993, 94, & 96		343,900
INDEPENDENT CABLE SYSTEM	2003		1,765,225
EAGLE MOUNTAIN	2004		211,988
SYRINGA NETWORK	2000		707,962
ANPI & SOLEX	2002		17,800
NEWSTREETS, INC. & NRTC'S ;	2002		24,908
SYRINGA WIRELESS	2006		431,250
Totals			3,663,894

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>Notes Receivable</u>	<u>Amount at End of Year Accounts Receivable</u>
CUSTOMERS		168,870
INTEREXCHANGE CARRIERS AND OTHERS		636,916
BEAVER CREEK TELEPHONE	243,375	
CEDAR VALLEY	518,075	
NEW FLORENCE	22,835	
Totals	784,285	805,786

NOTES PAYABLE

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

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

ACCOUNTS PAYABLE

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

<u>Name of Creditor</u>	<u>Amount</u>
American Falls Napa Auto Parts	145.10
Bankcard Center (Zions Bank)	578.65
Bingham Co-op Inc.	1,020.24
CNH Capital	205.81
Computer Technology, Inc.	3,061.95
Employee Flex Plan	553.83
Federal Excise Tax	1,725.36
Gunderson True Value (Farm Plan)	150.02
GVNW, Inc.	22,916.75
Office Depot	159.43
Oregon Telephone	1,745.83
Parkers OK Tire, Inc.	431.83
Power County Clerk (E911)	402.70
All others under \$100	204.73
Totals	33,302.23

LONG - TERM DEBT

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

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

<u>Class & Series of Obligation</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Fact Amount Authorized</u>	<u>Outstanding Year-End</u>	<u>Premium/ Discount</u>		<u>Interest for year</u>
					<u>Total</u>	<u>Year Amortized</u>	
RTFC	1994	2009	465,305	75,084		VARIES	7,409
RTFC	1995	2012	3,030,202	1,304,017		VARIES	127,057
RUS	1979	2011	1,608,421	687,120		2.00%	425,722
RUS	1990	2012	5,080,583	8,066,378		5.00%	
RTFC	2004	2011	1,775,699	1,598,060		VARIES	136,496
RTB	2002	2017	1,398,000	1,367,206		6.05%	72,168
FORD CREDIT	2006	2012	31,375	30,067		0.00%	0
ZIONS BANK	2006	2010	76,951	62,487		6.5% & 8.5%	3,996

INCOME & RETAINED EARNINGS STATEMENT

Item	Total Company	Idaho Only
Total Operating Income (from page 16)	4,711,822	
Total Operating Expenses (from page 18)	4,347,689	
7100 Other Operating Income and Expense	0	SAME AS TOTAL
7210 Operating Investment Tax Credits-Net	0	
7220 Operating Federal Income Taxes	0	
7230 Operating State and Local Income Taxes	10	
7240 Operating Other Taxes	83,586	
7250 Provision for Deferred Operating Income Taxes-Net	(33,037)	
7200 Operating Taxes (Total)	50,559	
7310 Dividend Income	(23,124)	
7320 Interest Income	(44,624)	
7330 Income from Sinking and Other Funds		
7340 Allowance for Funds Used During Construction	0	
7350 Gains/Losses from the Disposition of Certain Property		
7360 Other Nonoperating Income	(8,252)	
7370 Special Charges	35,763	
7300 Nonoperating Income and Expense	(40,237)	
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	0	
7510 Interest on Funded Debt	768,854	
7520 Interest Expense-Capital Leases		
7530 Amortization of Debt Issuance Expense		
7540 Other Interest Deductions	3,996	
7500 Interest and Related Items	772,850	
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	0	
7910 Income Effect of Jurisdictional Ratemaking Differences-Net		
7990 Nonregulated Net Income	(196,708)	
AMOUNT TRANSFERRED TO RETAINED EARNINGS	(222,330)	

OPERATING REVENUES

Item	Total Company	Idaho Only
Local Network Services Revenues		
5001 Basic Area Revenue	423,213	SAME AS TOTAL
5002 Optional Extended Area Revenue		
5003 Cellular Mobile Revenue		
5004 Other Mobile Services Revenue		
5010 Public Telephone Revenue		
5040 Local Private Line Revenue		
5050 Customer Premises Revenue		
5060 Other Local Exchange Revenue	49,792	
5069 Other Local Exchange Settlements		
Network Access Services Revenues		
5081 End User Revenue (SLC)	121,575	
5082 Switched Access Revenue (Interstate)	3,836,784	
5083 Special Access Revenue		
5084 State Access Revenue (Intrastate)	265,764	
Long Distance Network Services Revenues		
5100 Long Distance Message Revenue - All		
Miscellaneous Revenues		
5230 Directory Revenue		
5240 Rent Revenue		
5250 Corporate Operations Revenue		
5261 Special Billing Arrangements Revenue		
5262 Customer Operations Revenue		
5263 Plant Operations Revenue		
5264 Other Incidental Regulated Revenue	6,914	
5269 Other Revenue Settlements		
5270 Carrier Billing & Collection Revenue	8,789	
Uncollectible Revenues		
5301 Uncollectible Revenue - Telecommunications	(1,010)	
5302 Uncollectible Revenue - Other		
TOTAL OPERATING REVENUES	4,711,822	

Please identify the following revenues:

NECA USF \$ 816,777. To what account were they booked? 5082.22

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

OPERATING REVENUES

Item	Total Company	Idaho Only
Plant Specific Operations Expense		
6110 Network Support Expenses	_____	SAME AS TOTAL
6112 Motor Vehicle Expense	1,152	
6113 Aircraft Expense	_____	
6114 Special Purpose Vehicles Expense	_____	
6115 Garage Work Equipment Expense	_____	
6116 Other Work Equipment Expense	5,795	
6120 General Support Expenses	_____	
6121 Land and Building Expenses	165,513	
6122 Furniture and Artworks Expense	13,586	
6123 Office Equipment Expense	_____	
6124 General Purpose Computers Expense	101,115	
6210 Central Office Switching Expenses	162,144	
6211 Analog Electronic Expense	_____	
6212 Digital Electronic Expense	_____	
6215 Electro-Mechanical Expense	_____	
6220 Operators System Expense	_____	
6230 Central Office Transmission Expenses	_____	
6231 Radio Systems Expense	21,501	
6232 Circuit Equipment Expense	260,404	
6310 Information Origination/Termination Expense	_____	
6311 Station Apparatus Expense	_____	
6341 Large Private Branch Exchange Expense	_____	
6351 Public Telephone Terminal Equipment Expense	_____	
6362 Other Terminal Equipment Expense	_____	
6410 Cable and Wire Facilities Expenses	_____	
6411 Pole Expense	_____	
6421 Aerial Cable Expense	_____	
6422 Underground Cable Expense	_____	
6423 Buried Cable Expense	890,402	
6424 Submarine Cable Expense	_____	
6425 Deep Sea Cable Expense	_____	
6426 Intra-building Network Cable Expense	_____	
6431 Aerial Wire Expense	_____	
6441 Conduit Systems Expense	_____	
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	1,621,611	

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	19,206	SAME AS TOTAL
6530 Network Operations Expense		
6531 Power Expense	27,296	
6532 Network Administration Expense	14,810	
6533 Testing Expense		
6534 Plant Operations Administration Expense		
6535 Engineering Expense	89,108	
6540 Access Expense	15,431	
6560 Depreciation and Amortization Expenses	78,006	
6561 Depreciation Expense-Telecom. Plant in Service	1,544,930	
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	1,788,787	
Customer Operations Expense		
6610 Marketing		
6611 Product Management	38,495	
6612 Sales		
6613 Product Advertising	604	
6620 Services		
6621 Call Completion Services		
6622 Number Services	2,322	
6623 Customer Services	225,439	
Total Customer Operations Expense	266,860	
Corporate Operations Expense		
6710 Executive and Planning		
6711 Executive	183,175	
6712 Planning		
6720 General and Administrative		
6721 Accounting and Finance	412,595	
6722 External Relations	605	
6723 Human Resources	12,603	
6724 Information Management		
6725 Legal	28,240	
6726 Procurement		
6727 Research and Development		
6728 Other General and Administrative	33,213	
6790 Provision for Uncollectible Notes Receivable		
Total Corporate Operations Expense	670,431	
TOTAL OPERATING EXPENSES	4,347,689	

CENTRAL OFFICE DATA
as of December 31, 2006 (unless otherwise indicated)

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

Central Office Switch Type: SIEMENS EWSD - RLS 1000

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

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

Installed/Equipped: 138
Public Telephone Lines 0
Company Official Lines 2
Company Test Lines 4

Classification of Customer Access

	Residence			Business			Total Residence & Business
	Multi- Line 1-Party	Single Line Multi- Party	Subtotal Residence	Multi- Line 1-Party	Single Line Multi- Party	Subtotal Business	
Beginning of Year		92	92	7	3	10	102
New Connects		1	1	0	1	1	2
Disconnects		0	0	0	1	1	1
End of Year		93	93	7	3	10	103

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

Directory Listings:
Number of Customers with Nonpublished or Nonlisted: 7

Custom Calling:
Number of customers with at least one feature: 81
Total number of features subscribed to: 34

CENTRAL OFFICE DATA
as of December 31, 2006 (unless otherwise indicated)

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

Central Office Switch Type: SIEMENS EWSD ONE - UP REMOTE

Check all that apply:
Stand Alone X
Host _____
Remote X

Check one:
Electronic X
Electro-Mechanical _____
Other: _____

Access Line Capacity
Design: 735

Access Lines in Use
Customer Lines: 287
(Include Centrex, PAL, Semi-Pub.)

Installed/Equipped: 663
Public Telephone Lines 0
Company Official Lines 13
Company Test Lines 13

Classification of Customer Access

	Residence			Business			Total
	Multi-Line 1-Party	Multi-Party	Subtotal	Multi-Line 1-Party	Multi-Party	Subtotal	
Beginning	214	12	214	64	11	75	289
New Connects	12	16	12	4	0	4	16
Disconnects	16	210	16	2	0	2	18
End of Year	210	12	210	66	11	77	287

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

Directory Listings:
Number of Customers with Nonpublished or Nonlisted: 9

Custom Calling:
Number of customers with at least one feature: 182
Total number of features subscribed to: 34

NUMBER OF CALLS COMPLETED BY CUSTOMERS DURING (Year) 2006

Local Exchange	Average # of Customer Lines in Use	Local Calls		Toll Calls Originated (Total of all Carriers)			
		Number (1000s)	Avg./ Line	Intrastate	Interstate	Total	Avg./ Line
1 <u>ARBON</u>	<u>103</u>			<u>6,359</u>	<u>37,438</u>	<u>43,797</u>	<u>425</u>
2 <u>ROCKLAND</u>	<u>287</u>			<u>20,265</u>	<u>124,513</u>	<u>144,778</u>	<u>504</u>
3 <u>PARIS</u>	<u>899</u>			<u>28,790</u>	<u>466,742</u>	<u>495,532</u>	<u>551</u>
4 _____							
5 _____							
6 _____							
7 _____							
8 _____							
9 _____							
10 _____							
11 _____							
12 _____							
13 _____							
14 _____							
15 _____							
16 _____							
17 _____							
18 _____							

ANNUAL REPORT FOR SMALL TELEPHONE COMPANIES
YEAR ENDED DECEMBER 31, 2006.

CUSTOMER RELATIONS RULES COMPLIANCE

Rule IDAPA 31.21.01.603
Rule IDAPA 31.41.01.105

Please provide copies of:

Summary of Customer Relations Rules for Telephone Corporations

Idaho Telephone Solicitation Act Notification

Method of Notification:

Mailed separately to customers Yes _____ No X

Included in directory Yes X No _____

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

Alternate method of notification Local newspaper annually

Rule IDAPA 31.41.01.403.02

Record of Complaints:

Number received by Company 73

Category of complaints (if known):

Deposit Disputes 4

Charges on Bill 43

Denial/Termination _____

Quality or Availability
of Service 17

Carrier Selection/Assignment 2

Miscellaneous 7

CERTIFICATE

State of Idaho)
) ss
County of)

WE, the undersigned Leonard May
and Bruce Steed
of the Direct Communications Rockland Inc utility,

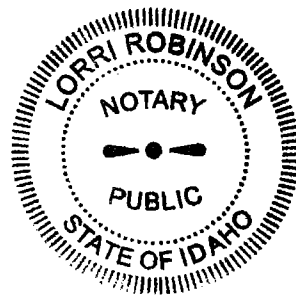
on our oath do severally say that the foregoing return has been prepared under our direction, from the original books, papers, and records of said utility; that we have carefully examined same, and declare the same to be a correct statement of the business affairs of said utility for the period covered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

Leonard May
(Chief Officer)

Bruce Steed
(Officer in Charge of Accounts)

Subscribed and Sworn to Before Me this 16 day of April, (Year) 2007.

Lorri Robinson
Notary Public



My Commission expires 7-23, (Year) 2010.

Rev 3/02

gdk/excel/jnelson/anulrpts/telannualrpt