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# ***ANNUAL REPORT***

OF

Direct Communications Rockland Inc  
**NAME**

PO Box 269 Rockland, ID 83271  
**ADDRESS**

TO THE

**IDAHO PUBLIC**

**UTILITIES COMMISSION**

FOR THE

YEAR ENDED December 31, 2009

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IDAHO PUBLIC  
UTILITIES COMMISSION

**ANNUAL REPORT OF SMALL TELEPHONE COMPANIES TO  
THE IDAHO PUBLIC UTILITIES COMMISSION  
FOR THE YEAR ENDING December 31, 2009**

**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.

<b>Title</b>	<b>Name</b>	<b>Address</b>
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.)

<b>Name and Address</b>	<b>Term Expired or Current Term Will Expire</b>	<b>Meetings Attended This year</b>	<b>Fees Paid During Year</b>
Leonard May Rockland ID	May-10	12	
Marilyn May Rockland ID	May-10	12	
Garrin Bott Rockland ID	May-10	12	
Kip Wilson Rockland ID	May-10	12	
Jeremy Smith Rockland ID	May-10	12	
Scott Hendrickson Rockland ID	May-10	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.)

<b>Name</b>	<b>Title</b>	<b>Wages and Bonuses Paid</b>
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)
<b>Current Assets</b>			
1120 Cash and Equivalents			
1130 Cash	311,366	644,744	333,378
1140 Special Cash Deposits	8,538	8,632	94
1150 Working Cash Advances	300	300	0
1160 Temporary Investments	52,849	102,858	50,009
1180 Telecommunications Accts. Receivable	103,980	84,623	(19,357)
1181 Accts. Rec. Allow. - Telecommunications	(3,500)	(3,500)	0
1190 Other Accounts Receivable	881,627	708,673	(172,954)
1191 Accounts Receivable Allow. - Other	(30,529)	(42,000)	(11,471)
1200 Notes Receivable	0	0	0
1201 Notes Receivable Allowance			
1210 Interest & Dividends Receivable			
1220 Material and Supplies	43,368	60,576	17,208
1280 Prepayments			
1290 Prepaid Rents			
1300 Prepaid Taxes	20,000	20,000	0
1310 Prepaid Insurance	21,197	20,597	(600)
1320 Prepaid Directory Expenses			
1330 Other Prepayments			
1350 Other Current Assets		30,000	30,000
<b>Noncurrent Assets</b>			
1401 Investment in Affiliated Companies	2,211,283	2,294,950	83,668
1402 Investment in Nonaffiliated Companies			
1406 Nonregulated Investments	6,854	1,678	
1407 Unamortized Debt Issuance Expense			
1408 Sinking Funds			
1410 Other Noncurrent Assets	9,787	9,787	0
1438 Deferred Maintenance & Retirements			
1439 Deferred Charges	87,021	59,961	(27,060)
1500 Other Jurisdiction Assets - Net			
<b>Property, Plant and Equipment</b>			
2001 Telecommunications Plants in Service	27,088,348	27,324,861	236,513
2002 Prop. Held for Future Telecom. Use			
2003 Telecom. Plant under Constr. - Short Term	61,503	89,078	27,575
2004 Telecom. Plant under Constr. - Long Term			
2005 Telecom. Plant Adjustment			
2006 Nonoperating Plant	1,502,566	1,241,866	(260,700)
2007 Goodwill			
<b>Depreciation and Amortization Accounts</b>			
3100 Accumulated Depreciated	17,066,230	17,127,544	61,314
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			
<b>TOTAL ASSETS</b>	<b>15,310,327</b>	<b>15,530,140</b>	<b>219,813</b>

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

Title of Account	Balance Beginning of Year	Balance at End of Year	Increase or (Decrease)
<b>Current Liabilities</b>			
4010 Accounts Payable	176,349	162,674	(13,675)
4020 Notes Payable			
4030 Advance Billings and Payments	32,175	27,580	(4,595)
4040 Customer Deposits			
4050 Current Maturities - Long -Term Debt	1,300,195	1,465,220	165,025
4060 Current Maturities - Capital leases			
4070 Income Taxes - Accrued	10	0	(10)
4080 Other Taxes - Accrued	32,548	23,663	(8,885)
4100 Net Current Defer. Oper. Income Taxes			
4110 Net Current Defer. Nonoper. Income Taxes			
4120 Other Accrued Liabilities	73,160	38,759	(34,400)
4130 Other Current Liabilities			
<b>Long-Term Debt</b>			
4210 Funded Debt	10,007,126	9,271,574	(735,552)
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	314,096	698,782	384,686
<b>Other Liabilities &amp; Deferred Credits</b>			
4310 Other Long-Term Liabilities			
4320 Unamort. Oper. Invest. Tax Credits - Net			
4330 Unamort. Nonoper. Invest. Tax Credits - Net			
4340 Net Noncurrent Defer. Oper. Income Taxes	1,039,256	1,159,982	120,726
4350 Net Noncur. Defer. Nonoper. Income Taxes			
4360 Other Deferred Credits			
4370 Other Juris. Liab. & Def. Credits - Net			
<b>Stockholders' Equity</b>			
4510 Capital Stock	439,555	439,555	0
4520 Additional Paid-In Capital			
4530 Treasury Stock			
4540 Other Capital			
4550 Retained Earnings	1,895,856	2,242,350	346,494
<b>TOTAL LIAB. &amp; OTHER CREDITS</b>	<b>15,310,327</b>	<b>15,530,140</b>	<b>219,813</b>

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	137,538	30,000			167,538
2112 Motor Vehicles	575,243	36,858	11,128		600,973
2113 Aircraft					
2114 Special Purpose Vehicles	91,865	26,216			118,080
2115 Garage Work Equipment	17,415				17,415
2116 Other Work Equipment	666,654	56,339			722,993
2121 Buildings	1,599,157	577,060			2,176,217
2122 Furniture	74,441		2,351		72,090
2123 Office Equipment	141,458		105,403		36,055
2124 General Purpose Computers	192,947	3,505	58,493		137,959
2211 Analog Electronic Switching					
2212 Digital Electronic Switching	2,608,967	34,426	88,293		2,555,100
2215 Electro-Mechanical Switching					
2220 Operator Systems					
2231 Radio Systems	13,886				13,886
2232 Circuit Equipment	4,258,984	808,668	1,568,981	(104,688)	3,393,983
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	16,280,327	570,356			16,850,683
2424 Submarine Cable					
2426 Intrabuilding Network Cable					
2431 Aerial Wire					
2441 Conduit Systems					
2681 Capital Leases					
2682 Leasehold Improvements	1,502,566		260,700		1,241,866
2690 Intangibles	429,466	50,917	123,181	104,688	461,890
Non-regulated Telephone Plant					
<b>TOTAL PLANT ACCOUNTS</b>	<b>28,161,448</b>	<b>2,143,427</b>	<b>2,095,349</b>	<b>(0)</b>	<b>28,566,728</b>

ANALYSIS OF TELECOMMUNICATIONS PLANT ACCOUNTS  
IDAHO Operations Only

	Balance Beginning of Year	Additions During Year	Plant Retired or Sold	Transfers and Adjustments	Balance End of Year
<b>Analysis of Telecommunications Plant in Service</b>					
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					
<b>TOTAL PLANT ACCOUNTS</b>					

SAME AS TOTAL  
COMPANY



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

	TOTAL Company Basis			
	Balance Beginning of Year	Depreciation Rate*	Credits During Year	Balance End of Year
<b>Analysis of Entries in Accumulated Depreciation</b>				
2112 Motor Vehicles	421,961	25.0%	84,114	506,075
2113 Aircraft				
2114 Special Purpose Vehicles	63,024	10.0%	22,859	85,883
2115 Garage Work Equipment	10,333	11.0%	1,081	11,414
2116 Other Work Equipment	583,645	12.5%	36,777	620,422
2121 Buildings	527,496	3.0%	147,972	675,468
2122 Furniture	69,685	12.5%	1,324	68,796
2123 Office Equipment	131,655	12.5%	2,763	29,119
2124 General Purpose Computers	167,803	20.0%	12,548	120,931
2211 Analog Electronic Switching				
2212 Digital Electronic Switching	2,115,599	12.0%	308,586	2,335,892
2215 Electro-Mechanical Switching				
2220 Operator Systems				
2231 Radio Systems	11,572		2,315	13,887
2232 Circuit Equipment	2,989,605	10.0%	382,135	1,808,049
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	8,612,011	6.5%	894,802	9,506,813
2424 Submarine Cable				
2426 Intra-building Network Cable				
2431 Aerial Wire				
2441 Conduit Systems	318,971		68,390	265,969
Non-regulated Telephone Plant				
<b>TOTAL</b>	<b>15,704,389</b>		<b>1,897,275</b>	<b>16,048,717</b>

\*Please list individual depreciation rate for each account.

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

IDAHO Operations Only

	Balance Beginning of Year	Depreciation Rate*	Credits During Year	Retirements and Adjustments	Balance End of Year
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**Analysis of Entries in Accumulated Depreciation**

- 2112 Motor Vehicles
- 2113 Aircraft
- 2114 Special Purpose Vehicles
- 2115 Garage Work Equipment
- 2116 Other Work Equipment
- 2121 Buildings
- 2122 Furniture
- 2123 Office Equipment
- 2124 General Purpose Computers
- 2211 Analog Electronic Switching
- 2212 Digital Electronic Switching
- 2215 Electro-Mechanical Switching
- 2220 Operator Systems
- 2231 Radio Systems
- 2232 Circuit Equipment
- 2311 Station Apparatus
- 2321 Customer Premises Wiring
- 2341 Large Private Branch Exchanges
- 2351 Public Telephone Terminal Equipment
- 2362 Other Terminal Equipment
- 2411 Poles
- 2421 Aerial Cable
- 2422 Underground Cable
- 2423 Buried Cable
- 2424 Submarine Cable
- 2426 Intrabuilding Network Cable
- 2431 Aerial Wire
- 2441 Conduit Systems

**SAME AS TOTAL  
COMPANY**

**TOTAL**

\*Please list individual depreciation rate for each account.

## INVESTMENTS

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

<u>Description</u>	<u>Date Acquired</u>	<u>Book Cost of Investments Disposed of This year</u>	<u>Book Cost of Investments Held at End of Year</u>
NRTC Patronage	2009		6,799
RTFC CERTIFICATES & NRTC	1993, 94, & 96		294,100
INDEPENDENT CABLE SYSTEM	2003		136,308
CEDAR VALLEY	2004		260,240
SYRINGA NETWORK	2000		1,257,438
ANPI & SOLEX	2002		17,800
NEWSTREETS, INC.	2002		20,000
SYRINGA WIRELESS	2006		332,264
<b>Totals</b>			<b>2,324,950</b>

## RECEIVABLES

Itemize amounts show in Accounts 1180, 1190 and 1200. For notes receivable list each note separately and include the maturity date and interest rate. Minor amounts in Account 1210 may be combined.

<u>Name of Company</u>	<u>Amount at End of Year</u>	
	<u>Notes Receivable</u>	<u>Accounts Receivable</u>
CUSTOMERS		84,623
INTEREXCHANGE CARRIERS AND OTHERS		708,673
<b>Totals</b>	<b>0</b>	<b>793,296</b>

**NOTES PAYABLE**

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

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

**ACCOUNTS PAYABLE**

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

<u>Name of Creditor</u>	<u>Amount</u>
<b>Totals</b>	<u><u>0.00</u></u>

## ACCOUNTS PAYABLE

<u>NAME OF CREDITOR</u>	<u>AMOUNT</u>
A.N.P.I.	7,571.56
ARIN	1,250.00
DigitalBridge Communications	8,057.45
Direct Communciations Cedar Valley	52,639.80
Direct Communciations Star West	3,960.00
Direct Communications Long Distance	10,623.32
Direct Internet	2,710.65
Double Radius	118.29
Employee Garnishment	548.40
Employee Payroll	13,851.41
Excise Tax	511.64
Franchise Fees	15,577.73
GVNW	8,006.66
IBF Group	1,219.53
ICS of Idaho	14,816.53
Newstreets	627.25
Norcom NW Inc.	679.23
NRTC	1,940.18
Power County 911	548.40
South Side Electric, Inc.	195.85
State Sales Taxes	129.62
State Withholding Taxes	1,308.60
Syringa Wireless	5,648.21
V-1 Oil Company	2,468.71
Wiggins & Co.	1,700.00
WirelessBeehive.Com LLC	3,975.00
All others under \$100	1,989.98
Totals	<u>162,674.00</u>

**LONG - TERM DEBT**

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

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

Class & Series of Obligation	Date of Issue	Date of Maturity	Fact Amount Authorized	Outstanding Year-End	Premium/ Discount		Interest for year Rate	Interest for year Amount
					Total	Year Amortized		
RTFC	1995	2012	3,030,202	515,133		VARIES		44,772
RUS	1979	2011	1,608,421	657,968			2.00%	339,141
RUS	1990	2012	5,080,583	6,312,921			5.00%	
RTFC	2004	2011	1,775,699	1,270,246		VARIES		94,929
RTB	2002	2017	1,653,749	1,715,307			6.05%	83,870
FORD CREDIT	2006	2012	50,986	27,101			8.94%	252
ZIONS BANK	2006	2010	76,951	46,482			6.5% & 8.5%	2,465
WESTERN STATES CAT	2008	2011	48,388	32,259			0.00%	0
TOYOTA	2008	2012	57,253	29,429			7.70%	1,352
GMAC	2008	2012	27,887	30,800			0.00%	0
ZIONS BANK	2008	2011	313,348	198,412		VARIES		14,427
CEDAR VALLEY	2009	2010	100,000	35,787			2.50%	554
FARM CREDIT LEASING	2009	2011	614,913	563,732		VARIES		20,667

# CAPITAL STOCK

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

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

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

<u>Class &amp; Series of Stock</u>	<u>Number of Shares Authorized</u>	<u>Par Value per Share</u>	<u>Outstanding per Balance Sheet</u>	
			<u>Shares</u>	<u>Amount</u>
COMMON VOTING STOCK	100,000		12,500	43,956
COMMON NONVOTING STOCK	900,000		112,500	395,600

**INCOME & RETAINED EARNINGS STATEMENT**

Item	Total Company	Idaho Only
Total Operating Income (from page 16)	4,624,676	
Total Operating Expenses (from page 18)	4,327,916	
7100 Other Operating Income and Expense		SAME
7210 Operating Investment Tax Credits-Net		AS
7220 Operating Federal Income Taxes		TOTAL
7230 Operating State and Local Income Taxes		
7240 Operating Other Taxes	49,125	
7250 Provision for Deferred Operating Income Taxes-Net	147,786	
7200 Operating Taxes (Total)	196,911	
7310 Dividend Income	(23,277)	
7320 Interest Income	(1,371)	
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	153,389	
7370 Special Charges	33,738	
7300 Nonoperating Income and Expense	162,479	
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	562,712	
7520 Interest Expense-Capital Leases		
7530 Amortization of Debt Issuance Expense		
7540 Other Interest Deductions	6,864	
7500 Interest and Related Items	569,576	
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	(978,700)	
<b>AMOUNT TRANSFERRED TO RETAINED EARNINGS</b>	<b>346,493</b>	



**OPERATING REVENUES**

Item	Total Company	Idaho Only
<b>Local Network Services Revenues</b>		
5001 Basic Area Revenue	377,523	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	41,863	
5069 Other Local Exchange Settlements		
<b>Network Access Services Revenues</b>		
5081 End User Revenue (SLC)	103,041	
5082 Switched Access Revenue (Interstate)	3,725,294	
5083 Special Access Revenue		
5084 State Access Revenue (Intrastate)	348,512	
<b>Long Distance Network Services Revenues</b>		
5100 Long Distance Message Revenue - All		
<b>Miscellaneous Revenues</b>		
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	25,773	
5269 Other Revenue Settlements		
5270 Carrier Billing & Collection Revenue	7,031	
<b>Uncollectible Revenues</b>		
5301 Uncollectible Revenue - Telecommunications	(4,361)	
5302 Uncollectible Revenue - Other		
<b>TOTAL OPERATING REVENUES</b>	<b>4,624,676</b>	

Please identify the following revenues:

NECA USF \$ 574,680 . 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
<b>Plant Specific Operations Expense</b>		
6110 Network Support Expenses		
6112 Motor Vehicle Expense	0	SAME AS TOTAL
6113 Aircraft Expense		
6114 Special Purpose Vehicles Expense		
6115 Garage Work Equipment Expense		
6116 Other Work Equipment Expense	6,759	
6120 General Support Expenses		
6121 Land and Building Expenses	128,453	
6122 Furniture and Artworks Expense	2,952	
6123 Office Equipment Expense		
6124 General Purpose Computers Expense	186,797	
6210 Central Office Switching Expenses	141,700	
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	5,702	
6232 Circuit Equipment Expense	250,689	
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	774,208	
6424 Submarine Cable Expense		
6425 Deep Sea Cable Expense		
6426 Intra-building Network Cable Expense		
6431 Aerial Wire Expense		
6441 Conduit Systems Expense		
<b>TOTAL PLANT SPECIFIC OPERATIONS EXPENSE</b>	<b>1,497,260</b>	

**OPERATING REVENUES**

Item	Total Company	Idaho Only
<b>Plant Nonspecific Operations Expense</b>		
6510 Other Property/Plant/Equipment Expenses		
6511 Property Held for Future Telecomm. Use Expenses		SAME AS TOTAL
6512 Provisioning Expense	9,605	
6530 Network Operations Expense		
6531 Power Expense	33,992	
6532 Network Administration Expense	52,109	
6533 Testing Expense		
6534 Plant Operations Administration Expense		
6535 Engineering Expense	124,131	
6540 Access Expense	26,914	
6560 Depreciation and Amortization Expenses	78,006	
6561 Depreciation Expense-Telecom. Plant in Service	1,561,419	
6562 Depreciation Expense-Property Held for Future Use		
6563 Amortization Expense - Tangible		
6564 Amortization Expense - Intangible		
6565 Amortization Expense - Other		
<b>Total Plant Nonspecific Operations Expenses</b>	<b>1,886,176</b>	
<b>Customer Operations Expense</b>		
6610 Marketing		
6611 Product Management	34,333	
6612 Sales		
6613 Product Advertising	12	
6620 Services		
6621 Call Completion Services		
6622 Number Services	1,608	
6623 Customer Services	253,374	
<b>Total Customer Operations Expense</b>	<b>289,327</b>	
<b>Corporate Operations Expense</b>		
6710 Executive and Planning		
6711 Executive	276,097	
6712 Planning		
6720 General and Administrative		
6721 Accounting and Finance	322,926	
6722 External Relations		
6723 Human Resources	1,399	
6724 Information Management	4,833	
6725 Legal	901	
6726 Procurement		
6727 Research and Development		
6728 Other General and Administrative	48,998	
6790 Provision for Uncollectible Notes Receivable		
<b>Total Corporate Operations Expense</b>	<b>655,154</b>	
<b>TOTAL OPERATING EXPENSES</b>	<b>4,327,916</b>	

**CENTRAL OFFICE DATA**  
as of December 31, 2009 (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 X      **Check one:**      Electronic X  
Host \_\_\_\_\_      Digital X      Electro-Mechanical \_\_\_\_\_  
Remote X      Analog \_\_\_\_\_      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 3

**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	93	3	93	7	3	10	103
New Connects	3	0	3	0	0	0	3
Disconnects	2	0	2	1	0	1	3
End of Year	94	3	94	6	3	9	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: 61  
Total number of features subscribed to: 34

**CENTRAL OFFICE DATA**  
as of December 31, 2009 (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      Check one:  
Host \_\_\_\_\_      Digital X  
Remote X          Analog \_\_\_\_\_  
Other: \_\_\_\_\_

Access Line Capacity Design: 735  
Access Lines in Use Customer Lines: 243  
(Include Centrex, PAL, Semi-Pub.)

Installed/Equipped: 663  
Public Telephone Lines 0  
Company Official Lines 24  
Company Test Lines 5

**Classification of Customer Access**

	Residence			Business			Total Residence & Business
	Multi-Line 1-Party	Single Line Party	Subtotal Residence	Multi-Line 1-Party	Single Line Party	Subtotal Business	
Beginning	210	4	210	66	11	77	287
New Connects	4	4	4	0	2	2	6
Disconnects	34	34	34	12	4	16	50
End of Year	180	180	180	54	9	63	243

**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: 135  
Total number of features subscribed to: 34

**CENTRAL OFFICE DATA**  
as of December 31, 2009 (unless otherwise indicated)

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

Central Office Switch Type: SIEMENS EWSD ONE - UP

Check all that apply:  
Stand Alone X  
Host X  
Remote \_\_\_\_\_

Check one:  
Digital X  
Analog \_\_\_\_\_

Check one:  
Electronic X  
Electro-Mechanical \_\_\_\_\_  
Other: \_\_\_\_\_

Access Line Capacity  
Design: 1520

Access Lines in Use  
Customer Lines: 742  
(Include Centrex, PAL, Semi-Pub.)  
Public Telephone Lines 0  
Company Official Lines 8  
Company Test Lines 15

**Classification of Customer Access**

	Residence			Business			Total Residence & Business
	Multi-Line 1-Party	Single Line Multi-Party	Subtotal Residence	Centrex N.A.R.	Multi-Line 1-Party	Single Line Multi-Party	
Beginning of Year		750	750		85	23	858
New Connects		3	3		3	3	9
Disconnects		103	103		13	9	125
End of Year		650	650		75	17	742

**Foreign Exchange:**

Dial Tone from this C.O.: 1  
Dial Tone from another C.O.: 0

**Directory Listings:**

Number of Customers with Nonpublished or Nonlisted: 37

**Custom Calling:**

Number of customers with at least one feature: 380  
Total number of features subscribed to: 34

NUMBER OF CALLS COMPLETED BY CUSTOMERS DURING (Year) 2009

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 ARBON	103			21,490	62,079	83,569	811
2 ROCKLAND	243			51,007	173,450	224,457	924
3 PARIS	742			71,663	536,543	608,206	820
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, 2009.

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  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 50

Category of complaints (if known):

Deposit Disputes 0

Charges on Bill 29

Denial/Termination

Quality or Availability  
of Service 11

Carrier Selection/Assignment 3

Miscellaneous 7

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CERTIFICATE

State of Idaho )  
 ) ss  
County of )

WE, the undersigned Leonard May

and Bruce Steed

of the Direct Communications Rockland, Inc. utility,

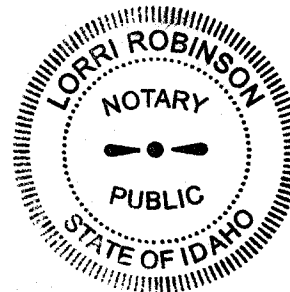
on our oath do severally say that the foregoing return has been prepared under our direction, from the original books, papers, and records of said utility; that we have carefully examined same, and declare the same to be a correct statement of the business affairs of said utility for the period covered 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 14 day of April, (Year) 2010.

Lorri Robinson  
Notary Public



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

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