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# ***ANNUAL REPORT***

OF

DIRECT COMMUNICATIONS  
ROCKLAND, INC.

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**NAME**

150 SOUTH MAIN  
ROCKLAND, IDAHO 83271

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**ADDRESS**

TO THE

**IDAHO PUBLIC**

**UTILITIES COMMISSION**

FOR THE

YEAR ENDED 2017

**ANNUAL REPORT OF SMALL TELEPHONE COMPANIES TO  
THE IDAHO PUBLIC UTILITIES COMMISSION  
FOR THE YEAR ENDING December 31, 2017**

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IDAHO PUBLIC UTILITIES COMMISSION

**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: \_\_\_\_\_  
Tim May, General Manager

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 Cedar Valley, 150 South Main Rockland, Idaho 83271, ILEC

**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/GM	Tim May	P.O. Box 269 Rockland, Idaho 83271
Vice President	Jeremy Smith	P.O. Box 269 Rockland, Idaho 83271
Secretary	Kip Wilson	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>
Timothy May	Jul-18	3	
Jeremy Smith	Jul-18	3	
Kip Wilson	Jul-18	3	
Scott Hendrickson	Jul-18	3	
Marc Dunn	Jul-18	3	
PO Box 269, Rockland, ID 83271		3	

Name of Chairman of the Board: Tim May

Name of Secretary (or Clerk) of Board: Kip Wilson

Number of Meetings of the Board during the year: 3

**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>
Tim May	General Manager	Information is Confidential



**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	1,555,314	635,630	(919,684)
1140 Special Cash Deposits	22,070	2,500	(19,570)
1150 Working Cash Advances	300	300	0
1160 Temporary Investments	-		0
1180 Telecommunications Accts. Receivable	824,390	1,086,379	261,989
1181 Accts. Rec. Allow. -Telecommunications	(15,000)	(15,000)	0
1190 Other Accounts Receivable	-	-	0
1191 Accounts Receivable Allow. - Other	-	-	0
1200 Notes Receivable	-	-	0
1201 Notes Receivable Allowance	-	-	0
1210 Interest & Dividends Receivable	-	-	0
1220 Material and Supplies	173,463	283,625	110,162
1280 Prepayments	-	-	0
1290 Prepaid Rents	-	-	0
1300 Prepaid Taxes	-	63,764	63,764
1310 Prepaid Insurance	20,785	23,557	2,772
1320 Prepaid Directory Expenses	-	-	0
1330 Other Prepayments	25,566	27,857	2,291
1350 Other Current Assets	851,922	851,922	0
<b>Noncurrent Assets</b>			
1401 Investment in Affiliated Companies	4,138,114	20,838,480	16,700,366
1402 Investment in Nonaffiliated Companies	-	-	0
1406 Nonregulated Investments	5,868,723	7,624,718	1,755,995
1407 Unamortized Debt Issuance Expense	-	-	0
1408 Sinking Funds	-	-	0
1410 Other Noncurrent Assets	12,720,162	12,444,097	(276,065)
1438 Deferred Maintenance & Retirements	-	-	0
1439 Deferred Charges	-	-	0
1500 Other Jurisdiction Assets - Net	-	-	0
<b>Property, Plant and Equipment</b>			
2001 Telecommunications Plants in Service	27,900,735	29,179,103	1,278,368
2002 Prop. Held for Future Telecom. Use	-	-	0
2003 Telecom. Plant under Constr. - Short Term	91,476	211,140	119,664
2004 Telecom. Plant under Constr. - Long Term	-	-	0
2005 Telecom. Plant Adjustment	-	-	0
2006 Nonoperating Plant	1,176,943	1,176,943	0
2007 Goodwill	-	-	0
<b>Depreciation and Amortization Accounts</b>			
3100 Accumulated Depreciated	20,651,610	21,180,950	529,340
3200 Accum. Depre. - Held for Future Use	-	-	0
3300 Accumulated Depreciation - Nonoperating	2,757,419	2,238,653	(518,766)
3400 Accumulated Amortization - Tangible	-	-	0
3410 Accum. Amort. - Capitalized Leases	-	-	0
3420 Accum. Amort. - Leasehold Improvements	-	-	0
3500 Accumulated Amortization - Intangible	-	-	0
3600 Accumulated Amortization - Other	-	-	0
<b>TOTAL ASSETS</b>	<b>31,945,933</b>	<b>51,015,412</b>	<b>19,069,479</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	660,791	1,966,191	1,305,400
4020 Notes Payable	0	0	0
4030 Advance Billings and Payments	0	0	0
4040 Customer Deposits	0	0	0
4050 Current Maturities - Long -Term Debt	1,197,946	2,084,268	886,322
4060 Current Maturities - Capital leases	0	0	0
4070 Income Taxes - Accrued	0	0	0
4080 Other Taxes - Accrued	0	0	0
4100 Net Current Defer. Oper. Income Taxes	0	0	0
4110 Net Current Defer. Nonoper. Income Taxes	0	0	0
4120 Other Accrued Liabilities	89,669	2,555,502	2,465,833
4130 Other Current Liabilities	0	0	0
<b>Long-Term Debt</b>			
4210 Funded Debt	14,517,618	26,354,612	11,836,994
4220 Premium on Long-Term Debt	0	0	0
4230 Discount on Long-Term Debt	0	0	0
4240 Reacquired Debt	0	0	0
4250 Obligations Under Capital Leases	0	0	0
4260 Advances from Affiliated Companies	0	0	0
4270 Other Long-Term Debt	0	0	0
<b>Other Liabilities &amp; Deferred Credits</b>			
4310 Other Long-Term Liabilities	0	0	0
4320 Unamort. Oper. Invest. Tax Credits - Net	0	0	0
4330 Unamort. Nonoper. Invest. Tax Credits - Net	0	0	0
4340 Net Noncurrent Defer. Oper. Income Taxes	1,864,649	1,538,050	(326,599)
4350 Net Noncur. Defer. Nonoper. Income Taxes	0	0	0
4360 Other Deferred Credits	0	0	0
4370 Other Juris. Liab. & Def. Credits - Net	0	0	0
<b>Stockholders' Equity</b>			
4510 Capital Stock	425,687	425,687	0
4520 Additional Paid-In Capital	0	0	0
4530 Treasury Stock	(826,132)	(1,215,684)	(389,552)
4540 Other Capital	0	0	0
4550 Retained Earnings	14,015,706	17,306,787	3,291,081
	0	0	0
<b>TOTAL LIAB. &amp; OTHER CREDITS</b>	<b>31,945,934</b>	<b>51,015,412</b>	<b>19,069,478</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	192,320				192,320
2112 Motor Vehicles	886,283	2,178,850	83,485		2,981,648
2113 Aircraft					
2114 Special Purpose Vehicles	127,525		9,500		118,025
2115 Garage Work Equipment	8,676				8,676
2116 Other Work Equipment	1,423,583	40,789	61,280		1,403,092
2121 Buildings	2,260,504	28,992			2,289,496
2122 Furniture	70,493		6,141		64,352
2123 Office Equipment	11,572				11,572
2124 General Purpose Computers	228,870	13,009	28,936		212,943
2211 Analog Electronic Switching					
2212 Digital Electronic Switching	1,265,678		4,903		1,260,775
2215 Electro-Mechanical Switching					
2220 Operator Systems					
2231 Radio Systems	13,886		13,886		(0)
2232 Circuit Equipment	2,954,233	428,496	72,928		3,309,801
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	18,457,210	64,955	1,195,664		17,326,501
2424 Submarine Cable					
2426 Intrabuilding Network Cable					
2431 Aerial Wire					
2441 Conduit Systems					
2681 Capital Leases					
2682 Leasehold Improvements	1,170,090				1,170,090
2690 Intangibles	6,853				6,853
Non-regulated Telephone Plant					
<b>TOTAL PLANT ACCOUNTS</b>	<b>29,077,776</b>	<b>2,755,091</b>	<b>1,476,723</b>	<b>0</b>	<b>30,356,144</b>

ANALYSIS OF TELECOMMUNICATIONS PLANT ACCOUNTS  
 IDAHO Operations Only

Analysis of Telecommunications Plant in Service

	Balance Beginning of Year	Additions During Year	Plant Retired or Sold	Transfers and Adjustments	Balance End of Year
2111 Land					
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	Retirements and Adjustments	Balance End of Year
<b>Analysis of Entries in Accumulated Depreciation</b>					
2112 Motor Vehicles	567,659	25.0%	778,024	83,485	1,262,198
2113 Aircraft					0
2114 Special Purpose Vehicles	123,250	10.0%	950	9,500	114,700
2115 Garage Work Equipment	8,677	11.0%			8,677
2116 Other Work Equipment	1,165,440	12.5%	46,453	61,280	1,150,613
2121 Buildings	1,137,000	3.0%	68,467		1,205,467
2122 Furniture	70,493	12.5%		6,141	64,352
2123 Office Equipment	11,572	12.5%			11,572
2124 General Purpose Computers	185,326	20.0%	16,833	28,936	173,223
2211 Analog Electronic Switching					0
2212 Digital Electronic Switching					816,696
2215 Electro-Mechanical Switching		12.0%	4,903	126,589	0
2220 Operator Systems					0
2231 Radio Systems	13,886			13,886	0
2232 Circuit Equipment	2,267,239	10.0%	202,437	72,928	2,396,748
2311 Station Apparatus					0
2321 Customer Premises Wiring					0
2341 Large Private Branch Exchanges					0
2351 Public Telephone Terminal Equipment					0
2362 Other Terminal Equipment					0
2411 Poles					0
2421 Aerial Cable					0
2422 Underground Cable					0
2423 Buried Cable	12,994,743	6.5%	766,309	1,195,664	12,565,388
2424 Submarine Cable					0
2426 Intrabuilding Network Cable					0
2431 Aerial Wire					0
2441 Conduit Systems	1,167,942				1,167,942
Non-regulated Telephone Plant					0
<b>TOTAL</b>	20,651,609		1,884,376	1,598,409	20,937,577

\*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
<b>Analysis of Entries in Accumulated Depreciation</b>					
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					
<b>TOTAL</b>					

**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>
RTFC & FREC	1993-94	51202.43	231,473
INDEPENDENT CABLE SYSTEM	2003		111,160
CEDAR VALLEY	2004		1,732,555
SYRINGA NETWORK	2000		2,753,304
ANPI & SOLEX & OTHER	2002		27,587
NEWSTREETS, INC.	2002		20,000
CoBank	2017		9,606
NRTC	2017		25,910
Star Telephone			15,926,884
<b>Totals</b>			<b>20,802,964</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>Notes Receivable</u>	<u>Amount at End of Year Accounts Receivable</u>
Customers		54,987
Interexcahnge Carriers & Others		292,411
Affiliates		707,066
N/R - 2M Brand	1,504,000	
N/R - DC Cedar Valley	10,940,094	
<b>Totals</b>	<b>12,444,094</b>	<b>1,054,464</b>



Vendor ID	Vendor Name	Date	Per Year	Type	Status	Current 12/2017	Period 11/2017	Period 10/2017	Period 9/2017 and Prior	Total
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BANK200	BANKCARD CENTER	12/12/2017	12	2017	Invoice	Paid	40,690.32				
<b>BANKCARD CENTER Totals:</b>							<b>\$40,690.32</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$40,690.32</b>

BING208	BINGHAM CO-OP INC	12/15/2017	12	2017	Invoice	Paid	1,166.47				
387339		12/15/2017	12	2017	Invoice	Paid	1,283.95				
<b>BINGHAM CO-OP INC Totals:</b>							<b>\$2,450.42</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$2,450.42</b>

BJAC201	B JACKSON CONSTRUCTION & ENGINEERING INC	09/11/2017	09	2017	Invoice	Paid					
B-26529		10/23/2017	10	2017	Invoice	Hold					
<b>B JACKSON CONSTRUCTION &amp; ENGINEERING INC Totals:</b>							<b>\$0.00</b>	<b>\$0.00</b>	<b>\$402,572.15</b>	<b>\$164,333.09</b>	<b>\$566,905.24</b>

CENT317	CENTURYLINK	12/07/2017	12	2017	Invoice	Paid	5,300.00				
1427423772											
<b>CENTURYLINK Totals:</b>							<b>\$5,300.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$5,300.00</b>

CITY225	CITY OF ABERDEEN	12/31/2017	12	2017	Invoice	Paid	507.29				
12312017											
<b>CITY OF ABERDEEN Totals:</b>							<b>\$507.29</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$507.29</b>

CITY226	CITY OF MONTPELIER	12/31/2017	12	2017	Invoice	Paid	4,820.92				
12312017											
<b>CITY OF MONTPELIER Totals:</b>							<b>\$4,820.92</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$4,820.92</b>

CITY227	CITY OF MCCAMMON	12/31/2017	12	2017	Invoice	Paid	64.61				
12312017											
<b>CITY OF MCCAMMON Totals:</b>							<b>\$64.61</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$64.61</b>



Vendor ID	Vendor Name	Date	Per Year	Type	Status	Current 12/2017	Period 11/2017	Period 10/2017	Period 9/2017 and Prior	Total
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CITY325 CITY OF ROCKLAND											
12312017		12/31/2017	12	2017	Invoice	Paid	74.50				
12312017A		12/31/2017	12	2017	Invoice	Paid	96.00				
12312017B		12/31/2017	12	2017	Invoice	Paid	96.00				
<b>CITY OF ROCKLAND Totals:</b>							<b>\$266.50</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$266.50</b>

CITY326 CITY OF SODA SPRINGS											
12252017		12/25/2017	12	2017	Invoice	Paid	260.98				
<b>CITY OF SODA SPRINGS Totals:</b>							<b>\$260.98</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$260.98</b>

CITY327 CITY OF LAVA HOT SPRINGS											
12312017		12/31/2017	12	2017	Invoice	Paid	728.49				
<b>CITY OF LAVA HOT SPRINGS Totals:</b>							<b>\$728.49</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$728.49</b>

CITY341 CITY OF IDAHO FALLS											
52195		12/13/2017	12	2017	Invoice	Paid	2,330.00				
52242		12/13/2017	12	2017	Invoice	Paid	1,442.25				
<b>CITY OF IDAHO FALLS Totals:</b>							<b>\$3,772.25</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$3,772.25</b>

CODA332 CODALE ELECTRIC SUPPLY, INC.											
S6174659.002		11/08/2017	11	2017	Invoice	Paid		8,987.59			
S6163050.001		11/13/2017	11	2017	Invoice	Paid		3,276.02			
S6189886.001		11/19/2017	12	2017	Invoice	Paid	6,026.42				
S6171374.001		11/21/2017	12	2017	Invoice	Paid	9,470.46				
S6189886.003		12/05/2017	12	2017	Invoice	Paid	467.30				
S6203192.001		12/05/2017	12	2017	Invoice	Paid	3,001.78				
<b>CODALE ELECTRIC SUPPLY, INC. Totals:</b>							<b>\$18,965.96</b>	<b>\$12,263.61</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$31,229.57</b>

Vendor ID	Vendor Name	Date	Per Year	Type	Status	Current 12/2017	Period 11/2017	Period 10/2017	Period 9/2017 and Prior	Total
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COMP335	COMPUTER TECHNOLOGY, INC.	12/31/2017	12	2017	Invoice	Paid	54.72				
							<b>\$54.72</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$54.72</b>
<b>COMPUTER TECHNOLOGY, INC. Totals:</b>											

DIGL409	DIGLINE, INC.	12/31/2017	12	2017	Invoice	Paid	169.29				
0057397-IN		12/31/2017	12	2017	Invoice	Paid	138.51				
							<b>\$307.80</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$307.80</b>
<b>DIGLINE, INC. Totals:</b>											

DIRE415	DIRECT COMMUNICATIONS LONG DISTANCE	11/30/2017	12	2017	Invoice	Paid	1,405.01				
11302017											
							<b>\$1,405.01</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,405.01</b>
<b>DIRECT COMMUNICATIONS LONG DISTANCE Totals:</b>											

DIRE417	DIRECT COMMUNICATIONS STAR WEST	12/01/2017	12	2017	Invoice	Paid	31,300.00				
DCSW-678											
							<b>\$31,300.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$31,300.00</b>
<b>DIRECT COMMUNICATIONS STAR WEST Totals:</b>											

DITC420	DITCH WITCH OF THE ROCKIES	12/06/2017	12	2017	Invoice	Paid	1,119.13				
PO2061											
							<b>\$1,119.13</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,119.13</b>
<b>DITCH WITCH OF THE ROCKIES Totals:</b>											

EVOL5001	EVOLUTION DIGITAL, LLC	12/31/2017	12	2017	Invoice	Paid	231.15				
0000019083											
							<b>\$231.15</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$231.15</b>
<b>EVOLUTION DIGITAL, LLC Totals:</b>											

EXPE510	EXPERIAN	12/29/2017	12	2017	Invoice	Paid	382.26				
CD1809001255											
							<b>\$382.26</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$382.26</b>
<b>EXPERIAN Totals:</b>											



Vendor ID	Vendor Name	Date	Per Year	Type	Status	Current 12/2017	Period 11/2017	Period 10/2017	Period 9/2017 and Prior	Total
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FED608	FEDERATED RURAL ELECTRIC INSURANCE	11 BD 019-17-002	12	2017	Invoice	Paid	100.00				
<b>FEDERATED RURAL ELECTRIC INSURANCE Totals:</b>							<b>\$100.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$100.00</b>

FIB610	FIBER INSTRUMENT SALES	849933	11/17/2017	12	2017	Invoice	Paid	174.52			
<b>FIBER INSTRUMENT SALES Totals:</b>							<b>\$174.52</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$174.52</b>

GARR107	GARRIN BOTT	11012017	11/01/2017	11	2017	Invoice	Paid	23,336.17			
12012017			12/01/2017	12	2017	Invoice	Paid	23,336.17			
<b>GARRIN BOTT Totals:</b>							<b>\$23,336.17</b>	<b>\$23,336.17</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$46,672.34</b>

GLAS701	GLASS CONNECTIONS CONSULTING	102019-r	11/01/2017	11	2017	Invoice	Paid	10,400.00			
102022-r			12/06/2017	12	2017	Invoice	Paid	10,400.00			
<b>GLASS CONNECTIONS CONSULTING Totals:</b>							<b>\$10,400.00</b>	<b>\$10,400.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$20,800.00</b>

GRAN701	GRAND TETON COUNCIL	11012017	11/01/2017	11	2017	Invoice	Paid	1,600.00			
12012017			12/01/2017	12	2017	Invoice	Paid	1,600.00			
<b>GRAND TETON COUNCIL Totals:</b>							<b>\$1,600.00</b>	<b>\$1,600.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$3,200.00</b>

GRAY706	GRAYBAR	9301208112	11/22/2017	12	2017	Invoice	Paid	159.38			
<b>GRAYBAR Totals:</b>							<b>\$159.38</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$159.38</b>

Vendor ID	Vendor Name	Date	Per	Year	Type	Status	Current	Period	Period	Period	Total
Invoice No.							12/2017	11/2017	10/2017	9/2017 and Prior	

HUNT803	HUNT ELECTRIC, INC	12/31/2017	12	2017	Invoice	Paid	1,480.37	\$0.00	\$0.00	\$0.00	\$1,480.37
<b>HUNT ELECTRIC, INC Totals:</b>							<b>\$1,480.37</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,480.37</b>

ICSO901	ICS OF IDAHO	07/26/2017	12	2017	Invoice	Paid	2,857.69				
ICS 367-1		09/20/2017	12	2017	Invoice	Paid	1,543.91				
ICS 371-2		10/12/2017	12	2017	Invoice	Paid	766.90				
ICS 381-1		11/20/2017	12	2017	Invoice	Paid	568.99				
ICS 381-2		11/20/2017	12	2017	Invoice	Paid	3,418.63				
ICS 381-3		11/22/2017	12	2017	Invoice	Paid	1,852.90				
ICS-381		12/14/2017	12	2017	Invoice	Paid	30,583.92				
ICS-385		12/27/2017	12	2017	Invoice	Paid	10,584.41				
<b>ICS OF IDAHO Totals:</b>							<b>\$52,177.35</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$52,177.35</b>

IDAHI1920	IDAHO CHILD SUPPORT RECEIPTING	12/29/2017	12	2017	Invoice	Paid	40.38				
<b>IDAHO CHILD SUPPORT RECEIPTING Totals:</b>							<b>\$40.38</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$40.38</b>

Vendor ID	Vendor Name	Date	Per Year	Type	Status	Current 12/2017	Period 11/2017	Period 10/2017	Period 9/2017 and Prior	Total
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IDAHO POWER											
2202389249	1217	12/20/2017	12	2017	Invoice	Paid	953.56				
2204728964	1217	12/20/2017	12	2017	Invoice	Paid	32.42				
2200019046	1217	12/21/2017	12	2017	Invoice	Paid	364.02				
2202893570	1217	12/21/2017	12	2017	Invoice	Paid	12.57				
2204038182	1217	12/21/2017	12	2017	Invoice	Paid	422.82				
2221837202	1217	12/27/2017	12	2017	Invoice	Paid	894.59				
2222291250	1217	12/27/2017	12	2017	Invoice	Paid	8.91				
2201736614	1217	01/04/2018	12	2017	Invoice	Paid	9.54				
2201769284	1218	01/04/2018	12	2017	Invoice	Paid	238.02				
2204955617	1217	01/05/2018	12	2017	Invoice	Paid	100.00				
2205912955	1217	01/05/2018	12	2017	Invoice	Paid	290.17				
<b>IDAHO POWER Totals:</b>							<b>\$3,326.62</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$3,326.62</b>

INTERMOUNTAIN POWER SOURCE											
7694		12/22/2017	12	2017	Invoice	Paid	334.00				
7695		12/22/2017	12	2017	Invoice	Paid	724.14				
<b>INTERMOUNTAIN POWER SOURCE Totals:</b>							<b>\$1,058.14</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,058.14</b>

JULIE PARRISH											
4		12/19/2017	12	2017	Invoice	Paid	400.58				
<b>JULIE PARRISH Totals:</b>							<b>\$400.58</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$400.58</b>

KGP LOGISTICS											
INNV13339063		12/01/2017	12	2017	Invoice	Paid	620.97				
<b>KGP LOGISTICS Totals:</b>							<b>\$620.97</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$620.97</b>

Vendor ID	Vendor Name	Date	Per Year	Type	Status	Current 12/2017	Period 11/2017	Period 10/2017	Period 9/2017 and Prior	Total
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KORY1104 SATELLITE SOLUTIONS						900.00				
11302017		11/30/2017	12	2017	Invoice	Paid				
<b>SATELLITE SOLUTIONS Totals:</b>						<b>\$900.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$900.00</b>

LARO1200 BARNARD'S CLEANING, LLC						263.76				
12142017		12/14/2017	12	2017	Invoice	Paid				
206		12/25/2017	12	2017	Invoice	Paid	375.00			
12262017		12/26/2017	12	2017	Invoice	Paid	124.75			
<b>BARNARD'S CLEANING, LLC Totals:</b>						<b>\$763.51</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$763.51</b>

LAST12001 Last Mile inc						2,942.14				
606035		10/09/2017	12	2017	Invoice	Paid				
<b>Last Mile inc Totals:</b>						<b>\$2,942.14</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$2,942.14</b>

LDAS12001 LDA Security LLC						15,838.03				
1764		12/26/2017	12	2017	Invoice	Paid				
<b>LDA Security LLC Totals:</b>						<b>\$15,838.03</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$15,838.03</b>

LEON1201 LEONARD MAY						17,683.84	17,683.84			
11012017		11/01/2017	11	2017	Invoice	Paid				
12012017		12/01/2017	12	2017	Invoice	Paid	17,683.84			
<b>LEONARD MAY Totals:</b>						<b>\$17,683.84</b>	<b>\$17,683.84</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$35,367.68</b>

MARJ1204 MARJORIE CLIFFORD						8,731.34				
12012017		12/01/2017	12	2017	Invoice	Paid				
<b>MARJORIE CLIFFORD Totals:</b>						<b>\$8,731.34</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$8,731.34</b>

Vendor ID	Vendor Name	Date	Per Year	Type	Status	Current 12/2017	Period 11/2017	Period 10/2017	Period 9/2017 and Prior	Total
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MIDA1305	MID AMERICA COMPUTER CORPORATION									
INV123001		12/15/2017	12	2017	Invoice	Paid	7,430.36			
INV123070		12/15/2017	12	2017	Invoice	Paid	245.58			

**MID AMERICA COMPUTER CORPORATION Totals:** \$7,675.94 \$0.00 \$0.00 \$0.00 \$7,675.94

MOSS1301	MOSS ADAMS LLP									
3402549		11/30/2017	11	2017	Invoice	Paid		4,297.00		
3420412		12/30/2017	12	2017	Invoice	Paid	4,866.00			

**MOSS ADAMS LLP Totals:** \$4,866.00 \$4,297.00 \$0.00 \$0.00 \$9,163.00

MRV001	MRV COMMUNICATIONS AMERICAS, INC.									
30116814		10/26/2017	10	2017	Invoice	Paid			18,199.18	
3017044		11/22/2017	12	2017	Invoice	Paid	4,843.40			
3017151		12/04/2017	12	2017	Invoice	Paid	1,795.81			
3017166		12/05/2017	12	2017	Invoice	Paid	120.00			
3017249		12/18/2017	12	2017	Invoice	Paid	2,109.75			

**MRV COMMUNICATIONS AMERICAS, INC. Totals:** \$8,868.96 \$0.00 \$18,199.18 \$0.00 \$27,068.14

NAT11405	NATIONAL DIRECTORY ASSISTANCE									
480298		12/31/2017	12	2017	Invoice	Paid	14.95			

**NATIONAL DIRECTORY ASSISTANCE Totals:** \$14.95 \$0.00 \$0.00 \$0.00 \$14.95

NEON1405	NEONOVA NETWORKS SERVICES									
NNS12968		12/31/2017	12	2017	Invoice	Paid	269.10			

**NEONOVA NETWORKS SERVICES Totals:** \$269.10 \$0.00 \$0.00 \$0.00 \$269.10

Vendor ID	Vendor Name	Date	Per Year	Type	Status	Current 12/2017	Period 11/2017	Period 10/2017	Period 9/2017 and Prior	Total
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NEUSTAR, INC.										
9476	12312017	12/31/2017	12	2017	Invoice	Paid	328.79			
TIC-0000061849		12/31/2017	12	2017	Invoice	Paid	35.98			
<b>NEUSTAR, INC. Totals:</b>						<b>\$364.77</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$364.77</b>

NRTC										
40717742r		08/14/2017	10	2017	Invoice	Paid	261.12			
40817742		09/13/2017	10	2017	Invoice	Paid	261.12			
40917742		10/15/2017	10	2017	Invoice	Paid	261.12			
41017742		11/14/2017	10	2017	Invoice	Paid	261.12			
41117742		12/13/2017	11	2017	Invoice	Paid	261.12			
41217742		01/12/2018	12	2017	Invoice	Paid	261.12			
<b>NRTC Totals:</b>						<b>\$261.12</b>	<b>\$261.12</b>	<b>\$1,044.48</b>	<b>\$0.00</b>	<b>\$1,566.72</b>

NTCA RETIREMENT & SECURITY										
09012017		09/01/2017	09	2017	Debit MemoPaid					(3,982.48)
10012017		10/01/2017	10	2017	Invoice	Paid	2,740.47			
11012017		11/01/2017	11	2017	Debit MemoPaid					(625.31)
12012017		12/01/2017	12	2017	Debit MemoPaid					(2,081.17)
<b>NTCA RETIREMENT &amp; SECURITY Totals:</b>						<b>-\$2,081.17</b>	<b>-\$625.31</b>	<b>\$2,740.47</b>	<b>-\$3,982.48</b>	<b>-\$3,948.49</b>

PHIL PRATT										
12012017		12/01/2017	12	2017	Invoice	Paid	8,668.13			
<b>PHIL PRATT Totals:</b>						<b>\$8,668.13</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$8,668.13</b>

PLAS1611 PLASTIC INDUSTRIES, INC										
10087		11/02/2017	11	2017	Invoice	Paid	2,200.00			
<b>PLASTIC INDUSTRIES, INC Totals:</b>						<b>\$0.00</b>	<b>\$2,200.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$2,200.00</b>

Vendor ID	Vendor Name	Date	Per Year	Type	Status	Current 12/2017	Period 11/2017	Period 10/2017	Period 9/2017 and Prior	Total
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QWES1702 CENTURYLINK											
003M	12012017	12/01/2017	12	2017	Invoice	Paid	3,130.82				
307M	12012017	12/01/2017	12	2017	Invoice	Paid	3,458.08				
003M	12182017 C	12/18/2017	12	2017	Debit MemcPaid		(1,204.16)				
<b>CENTURYLINK Totals:</b>							<b>\$5,384.74</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$5,384.74</b>

RAFT1801 RAFT RIVER RURAL ELECTRIC											
12312017		12/31/2017	12	2017	Invoice	Paid	24.05				
<b>RAFT RIVER RURAL ELECTRIC Totals:</b>							<b>\$24.05</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$24.05</b>

ROCK1808 ROCKY MOUNTAIN POWER											
50635851-002	8 1217	12/27/2017	12	2017	Invoice	Paid	65.32				
36373022-001	1 1217	01/02/2018	12	2017	Invoice	Paid	962.74				
38986983-001	5 1217	01/03/2018	12	2017	Invoice	Paid	652.13				
99356165-001	7 1217	01/03/2018	12	2017	Invoice	Paid	1,716.17				
99356165-002	5 1218	01/10/2018	12	2017	Invoice	Paid	25.41				
<b>ROCKY MOUNTAIN POWER Totals:</b>							<b>\$3,421.77</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$3,421.77</b>

SCOTT1909 SCOTT HENDRICKSON											
11012017		11/01/2017	11	2017	Invoice	Paid		7,000.00			
12012017		12/01/2017	12	2017	Invoice	Paid	7,000.00				
<b>SCOTT HENDRICKSON Totals:</b>							<b>\$7,000.00</b>	<b>\$7,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$14,000.00</b>

SIGN1911 SIGN UP INC.											
43962		12/13/2017	12	2017	Invoice	Paid	872.94				
<b>SIGN UP INC. Totals:</b>							<b>\$872.94</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$872.94</b>

Vendor ID	Vendor Name	Date	Per	Year	Type	Status	Current 12/2017	Period 11/2017	Period 10/2017	Period 9/2017 and Prior	Total
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SING1901	MOMENTUM TELCOM										
54612		12/01/2017	11	2017	Invoice	Paid	6,138.00	4,756.81			
56674		01/01/2018	12	2017	Invoice	Paid					
<b>MOMENTUM TELCOM Totals:</b>							<b>\$6,138.00</b>	<b>\$4,756.81</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$10,894.81</b>

SOUR1916	SOURCE REFRIGERATION & HVAC, INC.										
150277339		12/18/2017	12	2017	Invoice	Paid	310.60				
<b>SOURCE REFRIGERATION &amp; HVAC, INC. Totals:</b>							<b>\$310.60</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$310.60</b>

SYR11925	SYRINGA NETWORKS, LLC										
17NOV0006		11/01/2017	11	2017	Invoice	Paid		5,363.00			
17DEC0006		12/01/2017	12	2017	Invoice	Paid	5,667.66				
17DEC0007		12/01/2017	12	2017	Invoice	Paid	1,682.23				
17DEC0157		12/01/2017	12	2017	Invoice	Paid	1,000.00				
<b>SYRINGA NETWORKS, LLC Totals:</b>							<b>\$8,349.89</b>	<b>\$5,363.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$13,712.89</b>

TIMO2010	TIMOTHY MAY										
11012017		11/01/2017	11	2017	Invoice	Paid		3,000.00			
12012017		12/01/2017	12	2017	Invoice	Paid	3,000.00				
<b>TIMOTHY MAY Totals:</b>							<b>\$3,000.00</b>	<b>\$3,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$6,000.00</b>

TOTA2010	TOTALFUNDS BY HASLER										
01012018		01/01/2018	12	2017	Invoice	Paid	539.00				
<b>TOTALFUNDS BY HASLER Totals:</b>							<b>\$539.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$539.00</b>

TWOE20001	Two Explorers										
1026		11/17/2017	12	2017	Invoice	Paid	10,753.63				
<b>Two Explorers Totals:</b>							<b>\$10,753.63</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$10,753.63</b>



Vendor ID	Vendor Name	Date	Per Year	Type	Status	Current 12/2017	Period 11/2017	Period 10/2017	Period 9/2017 and Prior	Total
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UNIV2101 UNIVERSAL SERVICE ADMINISTRATIVE CO  
 UBDI0000946883 12/15/2017 12 2017 Invoice Paid 10,246.72  
**UNIVERSAL SERVICE ADMINISTRATIVE CO Totals: \$10,246.72 \$0.00 \$0.00 \$0.00 \$10,246.72**

VARDD202 VARDDATA, LLC  
 INV-40192 12/11/2017 12 2017 Invoice Paid 913.33  
 INV-40329 12/22/2017 12 2017 Invoice Paid 7,904.40  
**VARDDATA, LLC Totals: \$8,817.73 \$0.00 \$0.00 \$0.00 \$8,817.73**

WALKK2300 WALKER & ASSOCIATES INC  
 IN00873398 12/01/2017 12 2017 Invoice Paid 866.82  
**WALKER & ASSOCIATES INC Totals: \$866.82 \$0.00 \$0.00 \$0.00 \$866.82**

WIGG2309 WIGGINS & CO.  
 97714 12/31/2017 12 2017 Invoice Paid 612.50  
**WIGGINS & CO. Totals: \$612.50 \$0.00 \$0.00 \$0.00 \$612.50**

Report Totals: \$352,401.32 \$91,536.24 \$424,556.28 \$160,350.61 \$1,028,844.45  
 34.25 % 8.90 % 41.27 % 15.59 %

**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 &amp; 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>	
CoBank	2016	2023	16,000,000	14,518,500		Variable	168,868
Ally	2017	2022	39,805	35,234		4.89%	1,181
Bank of America	2017	2022	47,490	43,207			1,051
CoBank	2017	2024	12,000,000	11,785,700		Variable	259,589
Zion's	2017	2021	75,000	55,343			2,932



## INCOME & RETAINED EARNINGS STATEMENT

Item	Total Company	Idaho Only
Total Operating Income (from page 15)	4,859,269	
Total Operating Expenses (from page 17)	3,923,233	
7100 Other Operating Income and Expense		SAME
7210 Operating Investment Tax Credits-Net		AS
7220 Operating Federal Income Taxes	234,091	TOTAL
7230 Operating State and Local Income Taxes	18,940	
7240 Operating Other Taxes	72,976	
7250 Provision for Deferred Operating Income Taxes-Net	(330,485)	
7200 Operating Taxes (Total)	(4,478)	
7310 Dividend Income	711,713	
7320 Interest Income	0	
7330 Income from Sinking and Other Funds		
7340 Allowance for Funds Used During Construction		
7350 Gains/Losses from the Disposition of Certain Property	0	
7360 Other Nonoperating Income	899,974	
7370 Special Charges		
7300 Nonoperating Income and Expense	1,611,687	
7410 Nonoperating Investment Tax Credits-Net		
7420 Nonoperating Federal Income Taxes	532,713	
7430 Nonoperating State and Local Income Taxes	24,115	
7440 Nonoperating Other Taxes		
7450 Provision for Deferred Nonoperating Income Taxes-Net	0	
7400 Nonoperating Taxes	556,828	
7510 Interest on Funded Debt	473,730	
7520 Interest Expense-Capital Leases		
7530 Amortization of Debt Issuance Expense		
7540 Other Interest Deductions	0	
7500 Interest and Related Items	473,730	
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	3,886	
7600 Extraordinary Items	3,886	
7910 Income Effect of Jurisdictional Ratemaking Differences-Net		
7990 Nonregulated Net Income	2,378,535	
<b>AMOUNT TRANSFERRED TO RETAINED EARNINGS</b>	<b>2,682,729</b>	

**OPERATING REVENUES**

Item	Total Company	Idaho Only
<b>Local Network Services Revenues</b>		
5001 Basic Area Revenue	<u>282,593</u>	SAME AS TOTAL
5002 Optional Extended Area Revenue	<u>                    </u>	
5003 Cellular Mobile Revenue	<u>                    </u>	
5004 Other Mobile Services Revenue	<u>                    </u>	
5010 Public Telephone Revenue	<u>                    </u>	
5040 Local Private Line Revenue	<u>                    </u>	
5050 Customer Premises Revenue	<u>                    </u>	
5060 Other Local Exchange Revenue	<u>38,474</u>	
5069 Other Local Exchange Settlements	<u>                    </u>	
<b>Network Access Services Revenues</b>		
5081 End User Revenue (SLC)	<u>76,609</u>	
5082 Switched Access Revenue (Interstate)	<u>3,688,785</u>	
5083 Special Access Revenue	<u>599,667</u>	
5084 State Access Revenue (Intrastate)	<u>61,275</u>	
<b>Long Distance Network Services Revenues</b>		
5100 Long Distance Message Revenue - All	<u>                    </u>	
<b>Miscellaneous Revenues</b>		
5230 Directory Revenue	<u>                    </u>	
5240 Rent Revenue	<u>45,120</u>	
5250 Corporate Operations Revenue	<u>                    </u>	
5261 Special Billing Arrangements Revenue	<u>                    </u>	
5262 Customer Operations Revenue	<u>                    </u>	
5263 Plant Operations Revenue	<u>                    </u>	
5264 Other Incidental Regulated Revenue	<u>12,038</u>	
5269 Other Revenue Settlements	<u>                    </u>	
5270 Carrier Billing & Collection Revenue	<u>1,622</u>	
<b>Uncollectible Revenues</b>		
5301 Uncollectible Revenue - Telecommunications	<u>                    </u>	
5302 Uncollectible Revenue - Other	<u>                    </u>	
<b>TOTAL OPERATING REVENUES</b>	<u>4,806,182</u>	

Please identify the following revenues:

NECA USF \$ 619,740.00 . To what account were they booked? 5082.22

State USF \$ 202,401.00 . 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	_____	_____
6113 Aircraft Expense	_____	SAME
6114 Special Purpose Vehicles Expense	_____	AS
6115 Garage Work Equipment Expense	_____	TOTAL
6116 Other Work Equipment Expense	12,187	_____
6120 General Support Expenses	_____	_____
6121 Land and Building Expenses	60,478	_____
6122 Furniture and Artworks Expense	8,769	_____
6123 Office Equipment Expense	_____	_____
6124 General Purpose Computers Expense	34,813	_____
6210 Central Office Switching Expenses	42,059	_____
6211 Analog Electronic Expense	_____	_____
6212 Digital Electronic Expense	3,140	_____
6215 Electro-Mechanical Expense	_____	_____
6220 Operators System Expense	_____	_____
6230 Central Office Transmission Expenses	_____	_____
6231 Radio Systems Expense	3,772	_____
6232 Circuit Equipment Expense	614,323	_____
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	376,992	_____
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>1,156,533</b>	_____

## OPERATING REVENUES

Item	Total Company	Idaho Only
<b>Plant Nonspecific Operations Expense</b>		
6510 Other Property/Plant/Equipment Expenses		SAME AS TOTAL
6511 Property Held for Future Telecomm. Use Expenses		
6512 Provisioning Expense		
6530 Network Operations Expense		
6531 Power Expense	72,090	
6532 Network Administration Expense	176,130	
6533 Testing Expense		
6534 Plant Operations Administration Expense		
6535 Engineering Expense	138,001	
6540 Access Expense	119,925	
6560 Depreciation and Amortization Expenses		
6561 Depreciation Expense-Telecom. Plant in Service	1,431,917	
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>1,938,063</b>	
<b>Customer Operations Expense</b>		
6610 Marketing		
6611 Product Management	84,835	
6612 Sales		
6613 Product Advertising		
6620 Services		
6621 Call Completion Services		
6622 Number Services	262	
6623 Customer Services	240,928	
<b>Total Customer Operations Expense</b>	<b>326,024</b>	
<b>Corporate Operations Expense</b>		
6710 Executive and Planning		
6711 Executive	457,979	
6712 Planning		
6720 General and Administrative		
6721 Accounting and Finance	258,321	
6722 External Relations		
6723 Human Resources	5,626	
6724 Information Management	84,371	
6725 Legal	23,663	
6726 Procurement		
6727 Research and Development		
6728 Other General and Administrative	204,578	
6790 Provision for Uncollectible Notes Receivable		
<b>Total Corporate Operations Expense</b>	<b>1,034,539</b>	
<b>TOTAL OPERATING EXPENSES</b>	<b>4,455,160</b>	

**CENTRAL OFFICE DATA**  
as of December 31, 2017 (unless otherwise indicated)

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

Central Office Switch Type: AZTEK

**Check all that apply:**  
Stand Alone X      **Check one:**  
Host \_\_\_\_\_      Digital X  
Remote X          Analog \_\_\_\_\_  
Other: \_\_\_\_\_

**Access Line Capacity**  
Design: 300      **Access Lines in Use**  
Customer Lines: 84  
(Include Centrex, PAL, Semi-Pub.)

Installed/Equipped: 100  
Public Telephone Lines 0  
Company Official Lines 1  
Company Test Lines 0

**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		77	77	4	3	7	84
New Connects		5			1	1	1
Disconnects		3		1		1	1
End of Year		79	79	3	4	7	84

**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: 4

**Custom Calling:**

Number of customers with at least one feature: 78  
Total number of features subscribed to: 32



**CENTRAL OFFICE DATA**  
as of December 31, 2017 (unless otherwise indicated)

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

Central Office Switch Type: METASWITCH

**Check all that apply:**  
Stand Alone X **Check one:** Electronic X  
Host \_\_\_\_\_ Electro-Mechanical \_\_\_\_\_  
Remote X \_\_\_\_\_ Other: Softswitch \_\_\_\_\_

**Access Line Capacity**  
Design: 2000 **Access Lines in Use**  
Customer Lines: 666  
(Include Centrex, PAL, Semi-Pub.)

Installed/Equipped: 1000  
Public Telephone Lines 0  
Company Official Lines 4  
Company Test Lines 0

**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	596	44	596		56	22	674
New Connects		44	44		2	1	47
Disconnects		54	54		3	4	61
End of Year	586	586	586		55	19	660

**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: 21

**Custom Calling:**

Number of customers with at least one feature: 499  
Total number of features subscribed to: 32

**CENTRAL OFFICE DATA**  
as of December 31, 2017 (unless otherwise indicated)

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

Central Office Switch Type: Metaswitch - Host

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

**Access Line Capacity**  
Design: 400 **Access Lines in Use**  
300 Customer Lines: 183  
(Include Centrex, PAL, Semi-Pub.)

Installed/Equipped: 300  
Public Telephone Lines 0  
Company Official Lines 6  
Company Test Lines 0

**Classification of Customer Access**

	Residence			Business			Total
	Multi-Line	Single Line	Subtotal	Multi-Line	Single Line	Subtotal	
	1-Party	1-Party	Residence	1-Party	1-Party	Business	Residence & Business
Beginning	167	167	167	14	10	24	191
New Connects	10	10	10	2	2	2	12
Disconnects	14	14	14	1	1	1	15
End of Year	163	163	163	15	10	25	188

**Foreign Exchange:**

Dial Tone from this C.O.: 0  
Dial Tone from another C.O.: 0  
Number of Customers with Nonpublished or Nonlisted: 4

**Custom Calling:**

Number of customers with at least one feature: 161  
Total number of features subscribed to: 32

NUMBER OF CALLS COMPLETED BY CUSTOMERS DURING (Year) 2017.

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>78</u>			<u>6,266</u>	<u>22,035</u>	<u>28,301</u>	<u>363</u>
2 <u>ROCKLAND</u>	<u>165</u>			<u>11,349</u>	<u>72,423</u>	<u>83,772</u>	<u>508</u>
3 <u>PARIS</u>	<u>591</u>			<u>20,949</u>	<u>200,432</u>	<u>221,381</u>	<u>375</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, 2017.

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 \_\_\_\_\_ No X

Date of notification 6/1/17 & 7/1/17

Alternate method of notification Posted on our website and included as annual bill messa

Rule IDAPA 31.41.01.403.02

Record of Complaints:

Number received by Company 3

Category of complaints (if known):

Deposit Disputes 0

Charges on Bill 2

Denial/Termination 0

Quality or Availability  
of Service 0

Carrier Selection/Assignment 0

Miscellaneous 1

Rev 3/02

CERTIFICATE

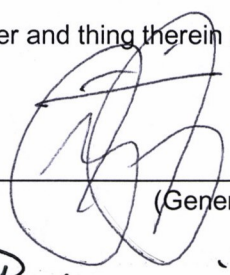
State of Idaho )  
 ) ss  
County of POWER )

WE, the undersigned \_\_\_\_\_ Tim May

and \_\_\_\_\_ R. Michael Parrish

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.



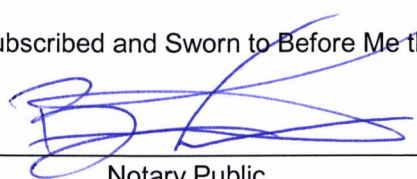
\_\_\_\_\_  
(General Manager)



\_\_\_\_\_  
(Chief Financial Officer)



Subscribed and Sworn to Before Me this 11 day of April, 2018.



\_\_\_\_\_  
Notary Public

My Commission expires \_\_\_\_\_ 11 June \_\_\_\_\_, (Year) 2022.

Rev 3/02

THE  
MUSEUM OF  
ART AND HISTORY  
OF THE  
CITY OF  
NEW YORK

# Part 36

REVENUE REQUIREMENT SUMMARY

LINE	DESCRIPTION	SOURCE	INTERSTATE			INTRASTATE			LOCAL				
			TOTAL COMPANY (a)	MSG (b)	PL (c)	MSG (d)	PL (e)	MSG (f)	PL (g)	MSG (h)	PL (i)	EAS (j)	User Defined (k)
1	Net Telecom Plant	S-2 Ln46	6,622,000	1,620,628	1,590,379	-	-	-	838,938	570,140	44,627	-	1,916,941
2	CWC Corporate Operations Limitation	Records Ln1-2	(451)	(451)	-	-	-	-	838,938	570,140	44,627	-	1,916,941
3	RATE BASE		6,621,549	1,620,178	1,590,379	-	-	-	838,938	570,140	44,627	-	1,916,941
4	Rate of Return	Records Ln3-4	7,640%	11,1250%	11,1250%	11,1250%	11,1250%	4,3600%	4,3600%	4,3600%	4,3600%	4,3600%	4,3600%
5	RETURN ON RATE BASE		505,894	180,245	176,930	-	-	-	36,578	24,858	1,946	-	83,579
6	Return Adjustment #1	Records Ln5-6	505,894	180,245	176,930	-	-	-	36,578	24,858	1,946	-	83,579
7	NET RETURN		61,304	14,642	14,962	-	-	-	7,866	5,381	414	-	17,664
8	Fixed Charges	S-10 Ln24											
9	Amortization of Excess Def Taxes	S-10 Ln47											
10	Capitalized Payroll Taxes	S-10 Ln50											
11	Depreciation Adjustment	S-10 Ln53											
12	Schedule M Income Tax Adjustments	S-14 Ln22											
13	FIT Allowances/Disallowances	S-10 Ln59+60											
14	Inc Adj Alloc on 2001	S-10 Ln61+62											
15	Inc Adj Alloc on Big 3 Exp	S-10 Ln63											
16	Total Misc Inc Adjustment	Note 1	444,590	165,603	161,968	-	-	-	28,712	19,477	1,531	-	65,915
17	AFTER TAX INCOME		60,371	22,487	21,994	-	-	-	3,899	2,645	208	-	8,951
18	Slate Income Tax	S-10 Ln45											
19	Slate ITC Amortization	Ln 44	229,031	85,311	83,438	-	-	-	14,791	10,034	789	-	33,956
20	Net Federal Income Tax	S-10 Ln44											
21	Federal ITC Amortization	S-3 Ln18	3,895,654	1,280,457	726,371	-	-	-	409,297	241,797	26,229	-	1,189,597
22	Operating Expenses & Taxes	S-10 Ln17+18	9,000	-	-	-	-	-	-	-	-	-	9,000
23	Nonoperating Expenses	S-10 Ln57											
24	Uncollectibles	Ln7+18..24	4,699,950	1,568,500	1,008,732	-	-	-	464,564	279,334	29,171	-	1,325,082
25	NET REVENUE REQUIREMENT	Note 2											
26	Gross Receipts Tax	S-10 Ln15	4,699,950	1,568,500	1,008,732	-	-	-	464,564	279,334	29,171	-	1,325,082
27	7340 Alw Fds Used Dur Constr		100,0000%	33,3727%	21,4626%	-	-	-	0,5227%	5,9433%	0,6207%	-	28,1935%
28	REVENUE REQUIREMENT	Ln25-26-27											
29	Distribution of Line 28	Ln28/28a											
30	NET RETURN		505,894	180,245	176,930	-	-	-	1,759	24,858	1,946	-	83,579
31	Fixed Charges	Ln8											
32	Amortization of Excess Deferred Taxes	Ln9											
33	Capitalized Payroll Taxes	Ln10											
34	Depreciation Adjustment	Ln11											
35	Schedule M Income Tax Adjustments	Ln12											
36	FIT Allowances/Disallowances	Ln13											
37	Inc Adj Alloc on 2001	Ln14											
38	Inc Adj Alloc on Big 3 Exp	Ln15											
39	Federal ITC Amortization	S-10 Ln44	61,304	14,642	14,962	-	-	-	7,866	5,381	414	-	17,664
40	Total Income Adjustments	Ln 31+36..39											
41	Federal Taxable Income	Ln30-40 Gross Up	673,621	250,914	245,406	-	-	-	2,096	29,511	2,320	-	99,871
42	Federal Income Tax	34,0000%	229,031	85,311	83,438	-	-	-	713	10,034	789	-	33,956
43	Federal Sur-Tax Allocation	Records Ln 42-43	229,031	85,311	83,438	-	-	-	713	10,034	789	-	33,956
44	Net Federal Income Tax		505,894	180,245	176,930	-	-	-	1,759	24,858	1,946	-	83,579
45	NET RETURN	Ln30											
46	Fixed Charges	Ln31											
47	Other SIT Adjustments	Ln 37+38											
48	Slate ITC Amortization	S-10 Ln45											
49	Federal Income Tax Net of ITC	Ln 20+21	229,031	85,311	83,438	-	-	-	713	10,034	789	-	33,956
50	State Taxable Income	Gross Up Calculation	733,992	273,401	267,400	-	-	-	2,284	32,156	2,528	-	108,821
51	State Income Tax	8,2250%	60,371	22,487	21,994	-	-	-	188	2,645	208	-	8,951
52	State Sur-Tax Allocation	Records Ln 51-52	60,371	22,487	21,994	-	-	-	188	2,645	208	-	8,951
53	Net State Income Tax		60,371	22,487	21,994	-	-	-	188	2,645	208	-	8,951



SEPARATED TELECOMMUNICATIONS PLANT SUMMARY

Direct Communications - Rockland  
Study Area: 472232  
2016

LINE	DESCRIPTION	SOURCE	INTERSTATE				INTRASTATE				LOCAL						
			TOTAL COMPANY (a)	MSG (b)	InterLATA (c)	PL (c)	MSG (d)	InterLATA (e)	PL (e)	MSG (f)	InterLATA (g)	PL (g)	MSG (h)	IntraLATA (h)	PL (h)	EAS (i)	User Defined (k)
1	2110 Land & Support Assets	S-4, Ln13	4,657,835	1,113,276	1,134,862	-	-	-	28,584	599,160	405,464	32,250	-	-	-	-	1,344,439
2	2210 COE-Switching	S-5, Ln36	1,014,639	862,443	-	-	-	-	-	-	-	-	-	-	-	-	152,196
3	2220 COE-Operator	S-5, Ln23	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	2230 COE-Transmission	S-5, Ln80	3,145,376	739,845	721,038	-	-	-	21,231	454,306	184,650	43,450	-	-	-	-	980,856
5	2310 Info Orig/Term Equip	S-6, Ln11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	2410 C&WF	S-7, Ln47	17,803,179	3,647,169	4,629,258	-	-	-	113,553	2,370,924	1,727,242	108,619	-	-	-	-	5,205,414
7	Total COE, IOT, C&WF	Ln2,.6	21,963,195	5,249,458	5,350,296	-	-	-	134,784	2,825,231	1,911,892	152,069	-	-	-	-	6,339,466
8	Distribution of Line 7	Ln1/7a	100,000%	23,9012%	24,3603%	-	-	-	0,6137%	12,8635%	8,7050%	0,6924%	-	-	-	-	28,8640%
9	Equal Access - Investment	S-9, Ln22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	2680 Tangible Assets	S-8, Ln31	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	TELECOM PLT IN SVC-EXCL 2690	Ln1+7+9+10	26,621,029	6,362,734	6,484,957	-	-	-	163,368	3,424,390	2,317,355	184,319	-	-	-	-	7,683,905
12	Distribution of Line 11	Ln1/11a	100,0000%	23,9012%	24,3603%	-	-	-	0,6137%	12,8635%	8,7050%	0,6924%	-	-	-	-	28,8640%
13	2690 Intangible Assets	S-8, Ln35	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	2001 TELECOM PLANT IN SVC	Ln1+13	26,621,029	6,362,734	6,484,957	-	-	-	163,368	3,424,390	2,317,355	184,319	-	-	-	-	7,683,905
15	Distribution of Line 14	Ln1/14a	100,0000%	23,9012%	24,3603%	-	-	-	0,6137%	12,8635%	8,7050%	0,6924%	-	-	-	-	28,8640%
16	2110 Land Assets	S-4, Ln12	192,320	45,967	46,850	-	-	-	1,780	24,739	16,741	1,332	-	-	-	-	55,511
17	2001 TPIIS x/Land	Ln 14-16	26,428,709	6,316,768	6,438,107	-	-	-	162,188	3,399,651	2,300,614	182,987	-	-	-	-	7,628,394
18	Distribution of Line 17	Ln17/17a	100,0000%	23,9012%	24,3603%	-	-	-	0,6137%	12,8635%	8,7050%	0,6924%	-	-	-	-	28,8640%
19	2002 Prop Hld Fut Telecom Use	S-9, Ln6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Plant Under Construction	S-9, Ln10	66,689	15,939	16,246	-	-	-	409	8,579	5,805	462	-	-	-	-	19,249
21	2005 Telecom Plant Adjustment	S-9, Ln14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	TOTAL TELECOM PLANT	Ln14+19,.21	26,687,718	6,378,674	6,501,203	-	-	-	163,778	3,432,969	2,323,160	184,780	-	-	-	-	7,703,155
23	1220 Materials and Supplies	S-9, Ln20	139,754	28,630	36,339	-	-	-	891	18,612	13,559	853	-	-	-	-	40,870
24	1500 Other Juris Assets-Net	S-15, Ln14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25	3100 Accumulated Depreciation	S-15, Ln106	18,366,078	4,386,029	4,473,460	-	-	-	112,820	2,365,212	1,595,588	128,081	-	-	-	-	5,304,887
26	Equal Access - Accum Depreciation	S-9, Ln24	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	3200 Acc Dep-Hld for Fut Use	S-15, Ln108	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	3400 Accum Amort-Intangible	S-15, Ln109..110	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	3500 Accum Amort-Intangible	S-15, Ln111	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	3600 Accum Amort-Other	S-15, Ln112	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	4100 Net Cur Def Op Inc Taxes	S-15, Ln124	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	4340 Noncur Def Op Inc Tax	S-15, Ln144	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33	Equal Access - Deferred Oper Inc Taxes	S-9, Ln25	2,154,999	515,070	524,964	-	-	-	13,225	277,208	187,592	14,921	-	-	-	-	622,020
34	4360 Other Deferred Credits-Net	S-15, Ln145	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35	4370 Other Jur Liab & Def Credits-Net	S-15, Ln147	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
36	NET TELECOM PLANT	Ln22+23-24,.35	6,306,395	1,506,205	1,539,118	-	-	-	38,624	809,161	553,539	42,631	-	-	-	-	1,817,117
37	Distribution of Line 36	Ln36/36a	100,0000%	23,8838%	24,4057%	-	-	-	0,6125%	12,8308%	8,7774%	0,6760%	-	-	-	-	28,8139%
38	1410 Other Noncurrent Assets	S-9, Ln16	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
39	Cash Working Capital	S-9, Ln21	315,604	114,424	51,261	-	-	-	1,721	29,777	16,602	1,996	-	-	-	-	99,824
40	Equal Access - Unamortized Expenses	S-9, Ln26	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
41	Investment Allow/Disallow	S-9, Ln31	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
42	Accum Depr/Amort Allow/Disallow F	S-15, Ln150	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
43	4040 Customer Deposits	S-15, Ln115	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
44	4310 Other Long-Term Liab.	S-15, Ln135	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
45	Other Telecom PI Adjust	Records	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
46	NET TELECOM PLT & OTH RATE BASE ITEMS	A+B,.F+H(G+H)	6,622,000	1,620,628	1,590,379	-	-	-	40,346	838,938	570,140	44,627	-	-	-	-	1,916,941
47	Distribution of Line 46	Ln46/46a	100,0000%	24,4734%	24,0166%	-	-	-	0,6093%	12,6690%	8,6098%	0,6739%	-	-	-	-	28,9481%

SEPARATED EXPENSE SUMMARY

LINE	DESCRIPTION	SOURCE	TOTAL COMPANY			INTERSTATE			INTRASTATE			LOCAL		
			MSG	InterLATA	PL	MSG	InterLATA	PL	MSG	InterLATA	PL	EAS	User Defined	Other
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	Pft Spec Exp Accts 6210.6220	S-11, Ln30	856,899	278,317	173,397	-	-	-	-	100,456	53,135	-	7,704	239,151
2	6230.6310.6410	S-12, Ln19	324,963	77,670	79,162	-	-	-	-	41,802	28,288	-	2,250	93,797
3	PI NonSpec Account 6530	S-13, Ln57	315,123	140,756	14	-	-	-	-	5,054	-	-	-	167,457
4	Cust Oper Accts 6610.6620	Ln2.4	1,495,985	496,744	252,572	-	-	-	-	147,312	81,423	-	9,954	500,405
5	TOTAL BIG THREE EXPENSES	Ln9/5a	100,000,000%	33,182,939	16,872,121	-	-	-	-	9,840,676	5,439,117	-	0,664,939	33,427,515
6	Distribution of Line 5													
7	Plant Specific Expenses	S-11, Ln31	928,466	295,423	190,831	-	-	-	-	109,662	59,365	-	8,199	259,808
8	Plant Nonspecific Expenses	S-12, Ln121	1,778,161	393,653	393,653	-	-	-	-	211,745	136,823	-	12,398	482,074
9	Customer Operations Expenses	S-13, Ln57	315,123	140,756	14	-	-	-	-	5,054	-	-	-	167,457
10	Corporate Operations Expenses	S-14, Ln16	851,155	304,462	138,046	-	-	-	-	4,687	44,503	-	5,440	273,502
11	7300 Contributions	S-10, Ln16	11,381	4,071	1,846	-	-	-	-	1,077	585	-	73	3,657
12	TOTAL OPERATING EXPENSES	Ln7.11	3,884,286	1,276,102	724,389	-	-	-	-	408,052	241,286	-	26,111	1,186,498
13	TOTAL CASH OPERATING EXPENSES	Ln12 less dep. exp.	2,523,674	914,967	409,898	-	-	-	-	238,109	132,751	-	15,962	798,221
14	Operating Taxes	S-14, Ln26	59,321	14,179	14,451	-	-	-	-	7,631	5,164	-	411	17,123
15	Equal Access Expenses	S-14, Ln35	-	-	-	-	-	-	-	-	-	-	-	-
16	Expense Allowances/Disallowances	S-14, Ln40	-	-	-	-	-	-	-	-	-	-	-	-
17	5240 Rent Revenues	S-10, Ln43	47,954	9,824	12,469	-	-	-	-	6,386	4,652	-	293	14,024
18	TOTAL OPERATING EXP & TAXES	Ln12+14.16-17	3,895,654	1,280,457	726,371	-	-	-	-	409,297	241,797	-	26,229	1,189,597
19	Distribution of Line 18	Ln18/18a	100,000,000%	32,868,999	18,645,776	-	-	-	-	10,506,655	6,206,888	-	0,673,333	30,536,655
20	Total Depr & Amort	S-12, Ln120	1,360,613	361,135	314,491	-	-	-	-	169,943	108,535	-	10,148	388,276
21	Fixed Charges	S-10, Ln24	61,304	14,642	14,962	-	-	-	-	7,866	5,381	-	414	17,664
22	Total Operating Revenue	S-14, Ln33	4,868,269	2,971,501	572,666	-	-	-	-	14,314	109,459	-	-	1,200,330
23	Total Operating Expense & Taxes	Ln18	3,895,654	1,280,457	726,371	-	-	-	-	409,297	241,797	-	26,229	1,189,597
24	Uncollectibles	S-10, Ln57	9,000	-	-	-	-	-	-	-	-	-	-	9,000
25	Fixed Charges	Ln21	61,304	14,642	14,962	-	-	-	-	7,866	5,381	-	414	17,664
26	Income Adjustments	S-10, Ln63	-	-	-	-	-	-	-	-	-	-	-	-
27	Net Income	Ln22.26	902,312	1,676,402	(168,667)	-	-	-	-	(402,849)	(137,719)	-	(26,643)	(15,930)
28	Distribution of Line 27	Ln27/27a	100,000,000%	185,789,776	(18,692,898)	-	-	-	-	(44,646,633)	(15,262,929)	-	(2,952,898)	(1,765,555)
29	TOTAL CASH OPER EXPENSES	Ln18+17-20+21	2,644,299	943,787	439,311	-	-	-	-	253,606	143,296	-	16,788	833,008
30	Distribution of Line 29	Ln29/29a	100,000,000%	35,691,474	16,613,355	-	-	-	-	9,590,776	5,419,076	-	0,634,939	31,502,020
INCOME TAX CALCULATION														
31	Other Operating Income	S-14, Ln32	-	-	-	-	-	-	-	-	-	-	-	-
32	AFUDC	S-10, Ln15	-	-	-	-	-	-	-	-	-	-	-	-
33	Operating Revenue	S-14, Ln33, Ln31	4,868,269	2,971,501	572,666	-	-	-	-	14,314	109,459	-	-	1,200,330
34	Uncollectible Revenue	S-10, Ln57	(9,000)	-	-	-	-	-	-	-	-	-	-	(9,000)
35	Income Effect Jurisdictional Difference	S-10, Ln60	-	-	-	-	-	-	-	-	-	-	-	-
36	IRS Income Adjustment	S-10, Ln62	-	-	-	-	-	-	-	-	-	-	-	-
37	TOTAL REVENUE & OTHER INCOME	Ln31..36	4,859,269	2,971,501	572,666	-	-	-	-	14,314	109,459	-	-	1,191,330
38	Contributions	S-10, Ln16	11,381	4,071	1,846	-	-	-	-	1,077	595	-	73	3,657
39	Operating Expenses	Ln12-Ln11	3,872,905	1,272,031	722,543	-	-	-	-	406,976	240,691	-	26,038	1,182,841
40	Operating Taxes	S-14, Ln26	59,321	14,179	14,451	-	-	-	-	7,631	5,164	-	411	17,123
41	Fixed Charges	S-10, Ln24	61,304	14,642	14,962	-	-	-	-	7,866	5,381	-	414	17,664
42	TOTAL OPERATING EXPENSES	Ln38..41	4,004,911	1,304,922	753,802	-	-	-	-	423,549	251,831	-	26,936	1,221,284
43	State Taxable Income	Ln37-Ln42	854,358	1,666,579	(181,136)	-	-	-	-	(409,235)	(142,372)	-	(26,936)	(29,954)
44	State Income Tax	Ln37-Ln42	70,271	137,076	(14,898)	-	-	-	-	(33,660)	(11,710)	-	(2,215)	(2,464)
45	Federal Taxable Income	Ln37-Ln42	854,358	1,666,579	(181,136)	-	-	-	-	(409,235)	(142,372)	-	(26,936)	(29,954)
46	State Income Tax	Ln44	70,271	137,076	(14,898)	-	-	-	-	(33,660)	(11,710)	-	(2,215)	(2,464)
47	Net Federal Taxable Income	Ln45-Ln46	784,087	1,529,502	(166,238)	-	-	-	-	(375,576)	(130,662)	-	(24,720)	(27,490)
48	Federal Income Tax	Ln45-Ln46	286,590	520,031	(56,521)	-	-	-	-	(127,696)	(44,425)	-	(8,405)	(9,347)
49	Amortization of Investment Tax Credit	S-10, Ln44	-	-	-	-	-	-	-	-	-	-	-	-
50	Federal Income Tax	Ln48-Ln49	266,590	520,031	(56,521)	-	-	-	-	(127,696)	(44,425)	-	(8,405)	(9,347)

GENERAL SUPPORT FACILITIES

LINE	DESCRIPTION	SOURCE	INTERSTATE						INTRASTATE				LOCAL				
			TOTAL COMPANY (a)	MSG (b)	InterLATA (b)	PL (c)	MSG (d)	IntraLATA (d)	PL (e)	MSG (f)	InterLATA (g)	PL (g)	MSG (h)	IntraLATA (h)	PL (i)	EAS (j)	User Defined (k)
<b>SEPARATION FACTORS</b>																	
1	Carrier Classification	Records															
2	Big Three Expenses Distr	S-3, Ln6															
3	Total COE, IOT, C&WF Distr	S-2, Ln8	100.0000%	33.1829%	16.8721%	16.8721%	-	-	0.5728%	-	9.8406%	5.4391%	0.6649%	-	-	33.4275%	
			100.0000%	23.9012%	24.3603%	24.3603%	-	-	0.6137%	-	12.8635%	8.7050%	0.6924%	-	-	28.8640%	
<b>LAND &amp; SUPPORT ASSETS SEPARATION</b>																	
4	2110 Land & Support Assets		4,465,515	1,067,310	1,087,812	1,087,812	-	-	27,404	-	574,421	388,722	30,918	-	-	1,288,928	
5	Support Assets-Joint x/GSF - B&C	Note 1															
6	General Support Facilities - B&C	Note 1															
7	Direct Assignment	Direct															
8	Total Support Assets	Ln5,7	4,465,515	1,067,310	1,087,812	1,087,812	-	-	27,404	-	574,421	388,722	30,918	-	-	1,288,928	
9	Distribution of Line 8	Ln8/8a	100.0000%	23.9012%	24.3603%	24.3603%	-	-	0.6137%	-	12.8635%	8.7050%	0.6924%	-	-	28.8640%	
10	Land	Note 1	192,320	45,967	46,850	46,850	-	-	1,180	-	24,739	16,741	1,332	-	-	55,511	
11	Direct Assignment	Direct															
12	Total Land	Ln10,11	192,320	45,967	46,850	46,850	-	-	1,180	-	24,739	16,741	1,332	-	-	55,511	
13	TOTAL LAND & SUPPORT ASSETS	Ln8+12	4,657,835	1,113,276	1,134,662	1,134,662	-	-	28,584	-	599,160	405,464	32,250	-	-	1,344,439	
14	Distribution of Line 13	Ln13/13a	100.0000%	23.9012%	24.3603%	24.3603%	-	-	0.6137%	-	12.8635%	8.7050%	0.6924%	-	-	28.8640%	

Note 1: If Carrier Classification = A, then  
If Carrier Classification = B, then

Ln5a\*2, Ln6a\*2, Ln10a\*2  
Ln5a\*3, Ln6a\*3, Ln10a\*3

LINE	DESCRIPTION	SOURCE	INTERSTATE			INTRASTATE			LOCAL					
			MSG (b)	InterLATA PL (c)	MSG (d)	IntraLATA PL (e)	MSG (f)	InterLATA PL (g)	MSG (h)	IntraLATA PL (i)	EAS (j)	User Defined (k)	Other (l)	
1	WSWS Pct-Switchboards	Records	-	-	-	-	-	-	-	-	-	-	-	100.0000%
2	WSWS Pct-Directory Assistance	Records	-	-	-	-	-	-	-	-	-	-	-	-
3	Sub Line MOU Pct	Records	21.8935%	-	-	-	-	-	-	-	-	-	-	-
4	SOB Toll MOU Pct	Records	-	-	-	-	-	-	-	-	-	-	-	-
5	WSWS Pct-TSPS Oper Position	Records	-	-	-	-	-	-	-	-	-	-	-	-
6	Real Processor Time Pct-RTA	Records	-	-	-	-	-	-	-	-	-	-	-	-
7	Real Processor Time Pct-TSPS	Records	26.1230%	-	-	-	-	-	-	-	-	-	-	-
8	REL MOU's - Tandem Switching	Records	85.0000%	-	15.0294%	-	-	-	-	-	-	-	-	41.7883%
9	Trans Measured DEM Pct	Records	85.0000%	-	-	-	-	-	-	-	-	-	-	15.0000%
COE CATEGORIES 1-3 SEPARATION														
10	2220 Operator Systems		-	-	-	-	-	-	-	-	-	-	-	-
11	Cat 1-Operator Systems		-	-	-	-	-	-	-	-	-	-	-	-
12	Loc.Toll.DSA.DSB and		-	-	-	-	-	-	-	-	-	-	-	-
13	Traffic Switchboards		-	-	-	-	-	-	-	-	-	-	-	-
14	Aux-Direct Assist	Ln13a*1	-	-	-	-	-	-	-	-	-	-	-	-
15	Aux-Intercept	Ln14a*2	-	-	-	-	-	-	-	-	-	-	-	-
16	Jl Exch & Toll SOB	Ln15a*3	-	-	-	-	-	-	-	-	-	-	-	-
17	TSPS-Oper Position	Ln16a*4	-	-	-	-	-	-	-	-	-	-	-	-
18	TSPS-RTA	Ln17a*5	-	-	-	-	-	-	-	-	-	-	-	-
19	TSPS-Other	Ln18a*6	-	-	-	-	-	-	-	-	-	-	-	-
20	Direct Assignment	Ln19a*7	-	-	-	-	-	-	-	-	-	-	-	-
21	Total Cat 1	Direct	-	-	-	-	-	-	-	-	-	-	-	-
22	Distribution of Line 21	Ln13..20	-	-	-	-	-	-	-	-	-	-	-	-
23	TOTAL COE-OPERATOR	Ln21/21a	-	-	-	-	-	-	-	-	-	-	-	-
24	Distribution of Line 23	Ln21	-	-	-	-	-	-	-	-	-	-	-	-
25	2210 Central Office Switching	Ln23/23a	-	-	-	-	-	-	-	-	-	-	-	-
26	Cat 2-Tandem Switching		-	-	-	-	-	-	-	-	-	-	-	-
27	Direct Assignment	Ln26a*8	-	-	-	-	-	-	-	-	-	-	-	-
28	Total Cat 2	Direct	-	-	-	-	-	-	-	-	-	-	-	-
29	Distribution of Line 28	Ln26..27	-	-	-	-	-	-	-	-	-	-	-	-
30		Ln28/28a	-	-	-	-	-	-	-	-	-	-	-	-
31	Cat 3-Local Switching - TS		862.443	-	-	-	-	-	-	-	-	-	-	152,196
32	Cat 3-Local Switching - NTS	Ln31a*9	-	-	-	-	-	-	-	-	-	-	-	-
33	Direct Assignment	Ln32a*9	-	-	-	-	-	-	-	-	-	-	-	-
34	Total Cat 3	Direct	862.443	-	-	-	-	-	-	-	-	-	-	152,196
35	Distribution of Line 34	Ln31..33	85.0000%	-	-	-	-	-	-	-	-	-	-	15,0000%
36	TOTAL COE-SWITCHING	Ln34/34a	862.443	-	-	-	-	-	-	-	-	-	-	152,196
37	Distribution of Line 36	Ln28*34	85.0000%	-	-	-	-	-	-	-	-	-	-	15,0000%
		Ln36/36a	-	-	-	-	-	-	-	-	-	-	-	-

CENTRAL OFFICE EQUIPMENT

SEPARATIONS FACTORS	TOTAL COMPANY (a)	INTERSTATE			INTRASTATE			LOCAL					
		MSG (b)	InterLATA PL (c)	IntraLATA MSG (d)	IntraLATA PL (e)	MSG (f)	InterLATA PL (g)	MSG (h)	IntraLATA PL (i)	EAS (j)	User Defined (k)	Other (l)	
38 WB Line	100.00000%												
39 Ex Trk WB	100.00000%		58.6207%										41.3793%
40 REL MOU's - Exchange Trunk	100.00000%		58.6207%										41.3793%
41 Gross Allocator (Trans SPF)	100.00000%	25.0000%								1.1013%			
42 COE Cat 4.21-Furn to Others Pct	100.00000%												51.2300%
43 Interexchange Trk WB	100.00000%		58.6207%										41.3793%
COE CATEGORY 4 SEPARATION													
44 2230 Central Office - Transmission													
45 Cat 4.1-Exchange Circuit													
46 4.11 Wideband-Line	62,601		15,800										46,801
47 Direct Assignment	54,230		54,230										
48 4.11 Ethernet	578,697		578,697										
49 4.12 Exch Trunk - EAS	43,450												43,450
50 4.12 Exch Trunk - Basic													
51 Ex Trk x/WB - Basic													
52 Ex Trk x/WB - Basic DA													
53 Ex Trk WB													
54 Exch Trk WB - Direct Assignment													
55 4.13 Ex Line x/WB	1,863,397		465,849							20,522			422,408
56 Joint MSG	19,451												19,451
57 PL & Local													
58 Direct Assignment - Basic/Special													
59 Cat 4.2-Interexchange													
60 4.21 Furn to Others													
61 4.22 Wideband													
62 Interexchange DSL	41,293		41,293										
63 Interexchange PL													
64 Direct Assignment	103,395												
65 4.22 Ethernet	31,019		31,019										

LINE	DESCRIPTION	SOURCE	INTERSTATE TOLL			INTRASTATE TOLL			EAS (g)	User Defined (h)	Other (i)
			Joint MSG (b)	InterLATA PL (c)	IntraLATA PL (d)	InterLATA PL (e)	IntraLATA PL (f)				
66	COE Cat 4.13 Working Loops	Records	968.0	-	-	-	-	10.0	-	-	
67	COE Cat 4.13 Assigned Invest	Note 1	1,863.397	-	-	-	-	19.451	-	-	
Note 1: Cost per loop =			1,945.0910								

CENTRAL OFFICE EQUIPMENT

SEPARATIONS FACTORS	TOTAL COMPANY (a)	INTERSTATE				INTRASTATE				LOCAL		
		MSG (b)	InterLATA (c)	PL (e)	IntraLATA (d)	MSG (f)	InterLATA (g)	PL (h)	IntraLATA (i)	EAS (j)	User Defined (k)	Other (l)
68 Conversation Minutes Pct	100.0000%	91.9791%	40.7767%	-	-	1.1295%	-	8.0209%	-	-	-	41.7883%
69 Host/Remote MOU Miles Pct	100.0000%	40.7767%	-	-	-	-	-	16.3055%	-	-	-	-
COE CATEGORY 4 SEPARATION (Cont)												
70 4.23 All Other	270,055	248,394	-	-	-	-	-	21,661	-	-	-	-
71 Joint MSG	-	-	-	-	-	-	-	-	-	-	-	-
72 Interexchange MSG/PL - DA	-	-	-	-	-	-	-	-	-	-	-	-
73 PL, TWX & Local	15,003	-	-	-	-	-	-	-	15,003	-	-	-
74 PL - DA	-	-	-	-	-	-	-	-	-	-	-	-
75 Cat 4.3-Host/Remote MSG	62,787	25,602	-	-	-	-	-	10,238	-	-	-	26,237
76 Joint (XWATS)	-	-	-	-	-	-	-	-	-	-	-	-
77 WATS	-	-	-	-	-	-	-	-	-	-	-	-
78 Direct Assignment	-	-	-	-	-	-	-	-	-	-	-	-
79 Total Cat 4	3,145,376	739,845	721,038	-	-	21,231	-	454,306	-	43,450	-	980,856
80 TOTAL COE-TRANSMISSION	3,145,376	739,845	721,038	-	-	21,231	-	454,306	-	43,450	-	980,856
81 Distribution of Line 80	100.0000%	23.5217%	22.9237%	-	-	0.6750%	-	14.4436%	-	1.3814%	-	31.1841%
82 TOTAL CENTRAL OFFICE EQUIP	4,160,015	1,602,289	721,038	-	-	21,231	-	454,306	-	43,450	-	1,133,052
83 Distribution of Line 82	100.0000%	38.5164%	17.3326%	-	-	0.5104%	-	10.9208%	-	1.0445%	-	27.2367%

LINE DESCRIPTION	TOTAL COMPANY (a)	INTERSTATE				INTRASTATE				LOCAL		
		MSG (b)	InterLATA (c)	PL (e)	IntraLATA (d)	MSG (f)	InterLATA (g)	PL (h)	IntraLATA (i)	EAS (j)	User Defined (k)	Other (l)
ASSIGNMENT OF COE CAT 4.23	152.00	-	-	-	-	-	-	-	-	-	-	-
84 COE Cat 4.23 Terms -	144	-	-	-	-	-	-	-	-	8.00	-	-
-Joint Message Total Terminations	285,058	-	-	-	-	-	-	-	-	-	-	-
85 COE Cat 4.23 - Terms	270,055	-	-	-	-	-	-	-	-	15,003	-	-
86 -Joint Message Total Allocated Investment	1,875.38	-	-	-	-	-	-	-	-	-	-	-

Note 1: Cost per termination =



CABLE AND WIRE FACILITIES

SEPARATIONS FACTORS	SOURCE	INTERSTATE				INTRASTATE				LOCAL			
		TOTAL COMPANY (a)	MSG (b)	InterLATA PL (c)	InterLATA MSG (d)	InterLATA PL (e)	MSG (f)	InterLATA PL (g)	MSG (h)	IntraLATA PL (i)	EAS (j)	User Defined (k)	Other (l)
1 Gross Allocator Pct (Trans SPF)	Records	100.0000%	25.0000%	-	-	-	-	1.1013%	22.6687%	-	-	-	51.2300%
2 REL MOU's - Exchange Trunk	Records	100.0000%	-	-	-	-	-	-	-	-	-	-	-
3 WB Line	Records	100.0000%	-	58.6207%	-	-	-	-	-	-	-	41.3793%	-
4 MOU Pct-Ex Trk WB	Records	100.0000%	-	58.6207%	-	-	-	-	-	-	-	41.3793%	-
<b>C&amp;WF CAT 1-2 SEPARATION</b>													
5 2410 Cable & Wire Facilities													
6 Cat 1-Exch Line xWB													
7 1.1 Intra PL & WATS	Ln25e..i	100.079	-	-	-	-	-	-	-	-	-	100.079	-
8 1.2 Inter PL & WATS	Ln25c..d	9,587,596	2,396,899	-	-	-	-	105,568	2,173,383	-	-	-	4,911,726
9 1.3 Jointly Used	Ln25b*1	-	-	-	-	-	-	-	-	-	-	-	-
10 Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-
11 Total Category 1	Ln7..10	9,687,676	2,396,899	-	-	-	-	105,568	2,173,383	-	-	100,079	4,911,726
12 Cat 2-WB & Exch Trunk	Ln13a*2	-	-	-	-	-	-	-	-	-	-	-	-
13 Ex Trk - joint message	Direct	-	-	-	-	-	-	-	-	-	-	-	-
14 Ex Trk - EAS	Direct	108,619	-	-	-	-	-	-	-	-	-	-	-
15 Ex Line WB - Data Only DSL	Direct	-	-	-	-	-	-	-	-	-	-	-	-
16 Ex Line WB - VOICE/DATA	Direct	-	-	-	-	-	-	-	-	-	-	-	-
17 Ex Line Ethernet	Direct	259,960	-	259,960	-	-	-	-	-	-	-	-	-
18 Ex Line WB	Ln18a*3	-	-	-	-	-	-	-	-	-	-	-	-
19 WB Line	Direct	320,979	-	80,549	-	-	-	-	-	-	-	240,430	-
20 WB Trunk	Ln20a*4	-	-	-	-	-	-	-	-	-	-	-	-
21 WB Trunk DA	Direct	-	-	-	-	-	-	-	-	-	-	-	-
22 Total Category 2		689,558	-	340,509	-	-	-	-	-	-	-	240,430	108,619

LINE	DESCRIPTION	SOURCE	INTERSTATE TOLL				INTRASTATE TOLL				Other (l)	
			TOTAL COMPANY (a)	Joint MSG (b)	InterLATA PL (c)	InterLATA MSG (d)	InterLATA PL (e)	InterLATA MSG (f)	EAS (g)	User Defined (h)		
<b>ASSIGNMENT OF C&amp;WF CAT 1</b>												
23	C&WF Cat 1 Working Loops	Records	968	958	-	-	-	-	-	10	-	-
24	Distribution of Line 21	Ln23/23a	100.0000%	98.9669%	-	-	-	-	-	1.0331%	-	-
25	Cat. 1-Ex Line xWB	Ln25a*24	9,687,676	9,587,596	-	-	-	-	-	100,079	-	-
10,007.9292												

Note 1: Cost per loop =



CABLE AND WIRE FACILITIES

SEPARATIONS FACTORS	TOTAL COMPANY (a)	INTERSTATE			INTRASTATE			LOCAL						
		MSG (b)	InterLATA (c)	PL (e)	MSG (d)	InterLATA (f)	PL (g)	MSG (h)	InterLATA (i)	PL (j)	EAS (k)	User Defined (l)	Other (m)	
26 Interexchange Trk WB	100.0000%	92.1020%	58.6207%	-	-	-	-	-	-	-	-	-	-	-
27 CMM Pct-IX xWB	100.0000%	92.1020%	-	-	-	-	-	-	-	-	-	-	-	-
28 C&WF TWX Connect Min Miles Pct-IT	100.0000%	92.1020%	-	-	-	-	-	-	-	-	-	-	-	-
29 C&WF TWX Connect Min Miles Pct-Rmt	100.0000%	92.1020%	-	-	-	-	-	-	-	-	-	-	-	-
30 Host/Remote MOU Miles Pct	100.0000%	40.7767%	-	-	-	-	-	-	-	-	-	-	-	41.7883%
<b>C&amp;WF CAT 3-4 SEPARATION</b>														
31 Cat. 3-Interexchange C&WF	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32 WB PL - Direct Assignment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33 Ln33a*26	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34 WB - Joint Message	1,045,270	962,715	-	-	-	-	-	-	-	-	-	-	-	-
35 Joint MSG xWB	56,680	-	-	-	-	-	-	-	-	-	-	-	-	-
36 PL, TWX & Local xWB	-	-	-	-	-	-	-	-	-	-	-	-	-	-
37 Ln54c.i	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38 Joint TWX-IT	-	-	-	-	-	-	-	-	-	-	-	-	-	-
39 Ln54k*28	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40 Joint TWX-Rmt	1,330,053	-	-	-	-	-	-	-	-	-	-	-	-	-
41 Direct	3,838,364	3,838,364	-	-	-	-	-	-	-	-	-	-	-	-
42 Interexchange - DA	450,385	450,385	-	-	-	-	-	-	-	-	-	-	-	-
43 DSL Interexchange	6,720,751	4,288,749	-	-	-	-	-	-	-	-	-	-	-	-
44 Ethernet Interexchange	-	-	-	-	-	-	-	-	-	-	-	-	-	-
45 Total Category 3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
46 Cat. 4-Host/Remote C&WF	705,195	287,555	-	-	-	-	-	-	-	-	-	-	-	-
47 Ln43a*30	-	-	-	-	-	-	-	-	-	-	-	-	-	-
48 Joint (x/WATS)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
49 WATS	-	-	-	-	-	-	-	-	-	-	-	-	-	-
50 Direct Assignment	705,195	287,555	-	-	-	-	-	-	-	-	-	-	-	-
51 Total Category 4	-	-	-	-	-	-	-	-	-	-	-	-	-	-
52 Ln11+22+41+46	17,803,179	3,647,169	4,629,258	-	-	-	-	-	-	-	-	-	-	-
53 Ln47/47a	100.0000%	20.4861%	26.0024%	-	-	-	-	-	-	-	-	-	-	-
54 Total CABLE & WIRE FACILITIES	-	-	-	-	-	-	-	-	-	-	-	-	-	-
55 Distribution of Line 47	-	-	-	-	-	-	-	-	-	-	-	-	-	-
56	-	-	-	-	-	-	-	-	-	-	-	-	-	-
57	-	-	-	-	-	-	-	-	-	-	-	-	-	-
58	-	-	-	-	-	-	-	-	-	-	-	-	-	-
59	-	-	-	-	-	-	-	-	-	-	-	-	-	-
60	-	-	-	-	-	-	-	-	-	-	-	-	-	-
61	-	-	-	-	-	-	-	-	-	-	-	-	-	-
62	-	-	-	-	-	-	-	-	-	-	-	-	-	-
63	-	-	-	-	-	-	-	-	-	-	-	-	-	-
64	-	-	-	-	-	-	-	-	-	-	-	-	-	-
65	-	-	-	-	-	-	-	-	-	-	-	-	-	-
66	-	-	-	-	-	-	-	-	-	-	-	-	-	-
67	-	-	-	-	-	-	-	-	-	-	-	-	-	-
68	-	-	-	-	-	-	-	-	-	-	-	-	-	-
69	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71	-	-	-	-	-	-	-	-	-	-	-	-	-	-
72	-	-	-	-	-	-	-	-	-	-	-	-	-	-
73	-	-	-	-	-	-	-	-	-	-	-	-	-	-
74	-	-	-	-	-	-	-	-	-	-	-	-	-	-
75	-	-	-	-	-	-	-	-	-	-	-	-	-	-
76	-	-	-	-	-	-	-	-	-	-	-	-	-	-
77	-	-	-	-	-	-	-	-	-	-	-	-	-	-
78	-	-	-	-	-	-	-	-	-	-	-	-	-	-
79	-	-	-	-	-	-	-	-	-	-	-	-	-	-
80	-	-	-	-	-	-	-	-	-	-	-	-	-	-
81	-	-	-	-	-	-	-	-	-	-	-	-	-	-
82	-	-	-	-	-	-	-	-	-	-	-	-	-	-
83	-	-	-	-	-	-	-	-	-	-	-	-	-	-
84	-	-	-	-	-	-	-	-	-	-	-	-	-	-
85	-	-	-	-	-	-	-	-	-	-	-	-	-	-
86	-	-	-	-	-	-	-	-	-	-	-	-	-	-
87	-	-	-	-	-	-	-	-	-	-	-	-	-	-
88	-	-	-	-	-	-	-	-	-	-	-	-	-	-
89	-	-	-	-	-	-	-	-	-	-	-	-	-	-
90	-	-	-	-	-	-	-	-	-	-	-	-	-	-
91	-	-	-	-	-	-	-	-	-	-	-	-	-	-
92	-	-	-	-	-	-	-	-	-	-	-	-	-	-
93	-	-	-	-	-	-	-	-	-	-	-	-	-	-
94	-	-	-	-	-	-	-	-	-	-	-	-	-	-
95	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96	-	-	-	-	-	-	-	-	-	-	-	-	-	-
97	-	-	-	-	-	-	-	-	-	-	-	-	-	-
98	-	-	-	-	-	-	-	-	-	-	-	-	-	-
99	-	-	-	-	-	-	-	-	-	-	-	-	-	-
100	-	-	-	-	-	-	-	-	-	-	-	-	-	-
101	-	-	-	-	-	-	-	-	-	-	-	-	-	-
102	-	-	-	-	-	-	-	-	-	-	-	-	-	-
103	-	-	-	-	-	-	-	-	-	-	-	-	-	-
104	-	-	-	-	-	-	-	-	-	-	-	-	-	-
105	-	-	-	-	-	-	-	-	-	-	-	-	-	-
106	-	-	-	-	-	-	-	-	-	-	-	-	-	-
107	-	-	-	-	-	-	-	-	-	-	-	-	-	-
108	-	-	-	-	-	-	-	-	-	-	-	-	-	-
109	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110	-	-	-	-	-	-	-	-	-	-	-	-	-	-
111	-	-	-	-	-	-	-	-	-	-	-	-	-	-
112	-	-	-	-	-	-	-	-	-	-	-	-	-	-
113	-	-	-	-	-	-	-	-	-	-	-	-	-	-
114	-	-	-	-	-	-	-	-	-	-	-	-	-	-
115	-	-	-	-	-	-	-	-	-	-	-	-	-	-
116	-	-	-	-	-	-	-	-	-	-	-	-	-	-
117	-	-	-	-	-	-	-	-	-	-	-	-	-	-
118	-	-	-	-	-	-	-	-	-	-	-	-	-	-
119	-	-	-	-	-	-	-	-	-	-	-	-	-	-
120	-	-	-	-	-	-	-	-	-	-	-	-	-	-
121	-	-	-	-	-	-	-	-	-	-	-	-	-	-
122	-	-	-	-	-	-	-	-	-	-	-	-	-	-
123	-	-	-	-	-	-	-	-	-	-	-	-	-	-
124	-	-	-	-	-	-	-	-	-	-	-	-	-	-
125	-	-	-	-	-	-	-	-	-	-	-	-	-	-
126	-	-	-	-	-	-	-	-	-	-	-	-	-	-
127	-	-	-	-	-	-	-	-	-	-	-	-	-	-
128	-	-	-	-	-	-	-	-	-	-	-	-	-	-
129	-	-	-	-	-	-	-	-	-	-	-	-	-	-
130	-	-	-	-	-	-	-	-	-	-	-	-	-	-
131	-	-	-	-	-	-	-	-	-	-	-	-	-	-
132	-	-	-	-	-	-	-	-	-	-	-	-	-	-
133	-	-	-	-	-	-	-	-	-	-	-	-	-	-
134	-	-	-	-	-	-	-	-	-	-	-	-	-	-
135	-	-	-	-	-	-	-	-	-	-	-	-	-	-
136	-	-	-	-	-	-	-	-	-	-	-	-	-	-
137	-	-	-	-	-	-	-	-	-	-	-	-	-	-
138	-	-	-	-	-	-	-	-	-	-	-	-	-	-
139	-	-	-	-	-	-	-	-	-	-	-	-	-	-
140	-	-	-	-	-	-	-	-	-	-	-	-	-	-
141	-	-	-	-										

AMORTIZABLE ASSETS

LINE	DESCRIPTION	SOURCE	INTERSTATE				INTRASTATE				LOCAL					
			TOTAL COMPANY (a)	MSG (b)	InterLATA (c)	PL (e)	InterLATA (d)	MSG (f)	PL (g)	IntraLATA (h)	MSG (i)	PL (j)	User Defined (k)	Other (l)		
<b>SEPARATIONS FACTORS</b>																
1	Land & Support Assets Distr	S-4, Ln14	100.0000%	23.9012%	24.3603%	-	-	-	-	0.6137%	-	12.8635%	8.7050%	0.6924%	-	28.8640%
2	2210 COE-Switch Distr	S-5, Ln37	100.0000%	85.0000%	-	-	-	-	-	-	-	-	-	-	-	15.0000%
3	2220 COE-Operator Systems Distr	S-5, Ln24	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	2230 COE-Transmission Distr	S-5, Ln81	100.0000%	23.5217%	22.9237%	-	-	-	-	0.6750%	-	14.4436%	5.8705%	1.3814%	-	31.1841%
5	2310 IOT Distr	S-6, Ln12	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	2410 C&WF Distr	S-7, Ln48	100.0000%	20.4861%	26.0024%	-	-	-	-	0.6378%	-	13.3174%	9.7019%	0.6101%	-	29.2443%
7	2001 TPIS	S-2, Ln8	100.0000%	23.9012%	24.3603%	-	-	-	-	0.6137%	-	12.8635%	8.7050%	0.6924%	-	28.8640%
8	2001 TPIS ind 2680	S-2, Ln11	100.0000%	23.9012%	24.3603%	-	-	-	-	0.6137%	-	12.8635%	8.7050%	0.6924%	-	28.8640%
<b>TANGIBLE ASSETS-CAPITAL LEASES SEP</b>																
9	2680 Tangible Assets - Capital Leases	Ln10a*1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	2110 Land & Supt Assets	Ln11a*2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	2210 COE-Switching	Ln12a*3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	2220 COE-Operator	Ln13a*4	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	2230 COE-Transmission	Ln14a*5	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	2310 IOT	Ln15a*6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	2410 C&WF	Ln16a*7	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Not classified by account	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Direct Assignment	Ln10...17	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	TOTAL CAPITAL LEASES	Ln18/18a	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Distribution of Line 18		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TANGIBLE ASSETS-LEASEHOLD IMPROVE SEP</b>																
20	2680 Tangible Assets - Leasehold Improve	Ln21a*1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	2110 Land & Supt Assets	Ln22a*2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	2210 COE-Switching	Ln23a*3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	2220 COE-Operator	Ln24a*4	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	2230 COE-Transmission	Ln25a*5	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25	2310 IOT	Ln26a*6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26	2410 C&WF	Ln27a*7	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	Not classified by account	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	Direct Assignment	Ln21...28	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	TOTAL LEASEHOLD IMPROVEMENTS	Ln29/29a	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Distribution of Line 29		-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	TOTAL TANGIBLE ASSETS	Ln18+29	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Distribution of Line 31	Ln31/31a	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>INTANGIBLE ASSETS SEPARATION</b>																
33	2690 Intangible Assets	Ln33a*8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35	TOTAL INTANGIBLE ASSETS	Ln33...34	-	-	-	-	-	-	-	-	-	-	-	-	-	-
36	Distribution of Line 35	Ln35/35a	-	-	-	-	-	-	-	-	-	-	-	-	-	-

TELECOMMUNICATIONS PLANT - OTHER ACCOUNTS

LINE	DESCRIPTION	SOURCE	INTERSTATE			INTRASTATE			LOCAL					
			TOTAL COMPANY (a)	MSG (b)	InterLATA PL (c)	MSG (d)	InterLATA PL (e)	MSG (f)	InterLATA PL (g)	MSG (h)	IntraLATA PL (i)	EAS (j)	User Defined (k)	Other (l)
<b>SEPARATIONS FACTORS</b>														
1	2001 TPIS Distr	S-2, Ln15	100.0000%	23.9012%	24.3603%	-	-	-	-	-	-	-	-	-
2	2410 C&WF Distr	S-7, Ln48	100.0000%	20.4861%	26.0024%	-	-	-	-	-	-	-	-	-
3	Equal Access MOU Pct	Records	100.0000%	96.3946%	-	-	-	-	-	-	-	-	-	-
<b>OTHER ACCOUNTS SEPARATION</b>														
4	2002 Prop Hld Fut Telecom Use	Ln4a*1	-	-	-	-	-	-	-	-	-	-	-	-
5	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-
6	TOTAL PROP HLD FUT TELECOM USE	Ln4.5	-	-	-	-	-	-	-	-	-	-	-	-
7	Distribution of Line 6	Ln6/6a	-	-	-	-	-	-	-	-	-	-	-	-
8	2003 Ptl Under Constr	Ln8a*1	66.689	15.939	16.246	-	-	-	-	-	-	-	-	-
9	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-
10	TOTAL PTL UNDER CONSTR	Ln8.9	66.689	15.939	16.246	-	-	-	-	-	-	-	-	-
11	Distribution of Line 10	Ln10/10a	100.0000%	23.9012%	24.3603%	-	-	-	-	-	-	-	-	-
12	2005 Telecom Plant Adjust	Ln12a*1	-	-	-	-	-	-	-	-	-	-	-	-
13	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-
14	TOTAL TELECOM PLANT ADJUST	Ln12.13	-	-	-	-	-	-	-	-	-	-	-	-
15	Distribution of Line 14	Ln14/14a	-	-	-	-	-	-	-	-	-	-	-	-
<b>MSC ACCOUNTS SEPARATION</b>														
16	1410 Other Noncurrent Assets	Ln16a*S-3, Ln6	-	-	-	-	-	-	-	-	-	-	-	-
17	1438 Deferred Charges	Ln17a*1	-	-	-	-	-	-	-	-	-	-	-	-
18	1220 Material & Supl x/CPE	Ln18a*2	139,754	28,630	36,339	-	-	-	-	-	-	-	-	-
19	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-
20	TOTAL MATERIALS AND SUPPLIES	Ln18.19	139,754	28,630	36,339	-	-	-	-	-	-	-	-	-
21	Cash Working Capital	CWC	315,604	114,424	51,261	-	-	-	-	-	-	-	-	-
<b>EQUAL ACCESS INVESTMENT SEPARATION</b>														
22	Equal Access Gross Investment	Ln22a*3	-	-	-	-	-	-	-	-	-	-	-	-
23	Equal Access Gross Investment - DA	Direct	-	-	-	-	-	-	-	-	-	-	-	-
24	Accum Depreciation	Ln24a*3	-	-	-	-	-	-	-	-	-	-	-	-
25	Deferred Oper Inc Taxes	Ln25a*3	-	-	-	-	-	-	-	-	-	-	-	-
26	Unamortized Expenses	Ln26a*3	-	-	-	-	-	-	-	-	-	-	-	-
27	TOTAL NET EQUAL ACCESS INVESTMENT	Ln22-24-25+26	-	-	-	-	-	-	-	-	-	-	-	-
28	Distribution of Line 27	Ln27/27a	-	-	-	-	-	-	-	-	-	-	-	-
<b>INVEST ALLOW/DISALLOW SEPARATION</b>														
29	Investment Allow/Disallowances	Ln29a*1	-	-	-	-	-	-	-	-	-	-	-	-
30	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-
31	TOTAL INVEST ALLOW/DISALLOWANCES	Ln29.30	-	-	-	-	-	-	-	-	-	-	-	-

CERTAIN INCOME ACCOUNTS AND ADJUSTMENTS

LINE	DESCRIPTION	SOURCE	INTERSTATE			INTRASTATE			LOCAL					
			TOTAL COMPANY (a)	MSG (b)	InterLATA (c)	MSG (d)	InterLATA (e)	MSG (f)	InterLATA (g)	MSG (h)	IntraLATA (i)	EAS (j)	User Defined (k)	Other (l)
<b>SEPARATIONS FACTORS</b>														
1	2001 TPIS Distr	S-2, Ln15	100.0000%	23.9012%	24.3603%	-	-	-	0.6137%	-	8.7050%	0.6924%	-	28.8640%
2	2003 PUC-Pct	S-9, Ln11	100.0000%	23.9012%	24.3603%	-	-	-	0.6137%	-	8.7050%	0.6924%	-	28.8640%
3	Corp. Oper Expenses Distr	S-14, Ln17	100.0000%	35.7705%	16.2187%	-	-	-	0.5507%	-	5.2285%	0.6392%	-	32.1330%
4	2680 Capital Leases Distr	S-8, Ln19	100.0000%	-	-	-	-	-	-	-	-	-	-	-
5	Net Telecom Plant Distrexcl 4040, 4310	S-2, Ln37	100.0000%	23.8838%	24.4057%	-	-	-	0.6125%	-	8.7774%	0.6760%	-	28.8139%
6	2110 Support Assets Distr	S-4, Ln9	100.0000%	23.9012%	24.3603%	-	-	-	0.6137%	-	8.7050%	0.6924%	-	28.8640%
7	2210 COE-Switching Distr	S-5, Ln37	100.0000%	85.0000%	-	-	-	-	-	-	-	-	-	15.0000%
8	2220 COE-Operator Distr	S-5, Ln24	100.0000%	-	-	-	-	-	-	-	-	-	-	-
9	2230 COE-Transmission Distr	S-5, Ln81	100.0000%	23.5217%	22.9237%	-	-	-	0.6750%	-	5.8705%	1.3814%	-	31.1841%
10	2310 IOT Distr	S-6, Ln12	100.0000%	-	-	-	-	-	-	-	-	-	-	-
11	2410 C&WF Distr	S-7, Ln48	100.0000%	20.4861%	26.0024%	-	-	-	0.6378%	-	9.7019%	0.6101%	-	29.2443%
12	COE, IOT, C&WF	S-2, Ln8	100.0000%	23.9012%	24.3603%	-	-	-	0.6137%	-	8.7050%	0.6924%	-	28.8640%
13	Big Three Expenses Distr	S-3, Ln6	100.0000%	33.1825%	16.8721%	-	-	-	0.5728%	-	5.4391%	0.6649%	-	33.4275%
<b>OTHER INCOME SEPARATION</b>														
14	7300 Nonoper Inc & Expenses	Ln15a*2	-	-	-	-	-	-	-	-	-	-	-	-
15	Atw Fds Used Dur Constr	Ln16a*3	11.381	4.071	1.846	-	-	-	63	-	1,077	73	-	3,657
16	Contributions	Ln17a*1	-	-	-	-	-	-	-	-	-	-	-	-
17	Abandoned Construction	Direct	-	-	-	-	-	-	-	-	-	-	-	-
18	Other Nonoperating Expense		-	-	-	-	-	-	-	-	-	-	-	-
<b>Fixed Charges</b>														
19	Interest on Capital Leases	Ln20a*4	-	-	-	-	-	-	-	-	-	-	-	-
20	Fixed Charges Excl Capital Leases	Ln21a*5	61.304	14.642	14.962	-	-	-	375	-	7,866	414	-	17,664
21	Amortization of Debt Discount	Ln22a*5	-	-	-	-	-	-	-	-	-	-	-	-
22	Other Interest	Ln23a*5	-	-	-	-	-	-	-	-	-	-	-	-
23	TOTAL FIXED CHARGES	Ln20..21	61.304	14,642	14,962	-	-	-	375	-	7,866	414	-	17,664
<b>UNBUNDLED NETWORK ELEMENTS</b>														
25	5240 Rent Revenues	Ln26a*6	-	-	-	-	-	-	-	-	-	-	-	-
26	Support Assets	Ln27a*7	-	-	-	-	-	-	-	-	-	-	-	-
27	COE-Switching	Ln28a*8	-	-	-	-	-	-	-	-	-	-	-	-
28	COE-Operator	Ln29a*9	-	-	-	-	-	-	-	-	-	-	-	-
29	COE-Transmission	Ln30a*10	-	-	-	-	-	-	-	-	-	-	-	-
30	Info.Orig/Term Equip	Ln31a*11	47.954	9.824	12,469	-	-	-	306	-	6,386	293	-	14,024
31	C&WF	Ln32a*1	-	-	-	-	-	-	-	-	-	-	-	-
32	Not Classified by Acct	S-5, Ln41* Ln34	-	-	-	-	-	-	-	-	-	-	-	-
33	UNBUNDLED NETWORK ELEMENTS	S-5, Ln24* Ln35	-	-	-	-	-	-	-	-	-	-	-	-
34	C&WF - Unbundled Loop	S-5, Ln29* Ln36	-	-	-	-	-	-	-	-	-	-	-	-
35	Operator Systems	S-5, Ln34* Ln37	-	-	-	-	-	-	-	-	-	-	-	-
36	Tandem Switching	S-5, Ln68* Ln38	-	-	-	-	-	-	-	-	-	-	-	-
37	Local Switching	S-5, Ln79* Ln40	-	-	-	-	-	-	-	-	-	-	-	-
38	Transport Termination	Direct	-	-	-	-	-	-	-	-	-	-	-	-
39	Transport Facility	Ln26..42	47.954	9.824	12,469	-	-	-	306	-	6,386	293	-	14,024
40	SS7		-	-	-	-	-	-	-	-	-	-	-	-
41	OSS		-	-	-	-	-	-	-	-	-	-	-	-
42	Direct Assignment		-	-	-	-	-	-	-	-	-	-	-	-
43	TOTAL RENT REVENUES		47.954	9.824	12,469	-	-	-	306	-	6,386	293	-	14,024

LINE	DESCRIPTION	SOURCE	INTERSTATE			INTRASTATE			LOCAL					
			TOTAL COMPANY (a)	InterLATA MSG (b)	InterLATA PL (c)	IntraLATA MSG (d)	IntraLATA PL (e)	MSG (f)	InterLATA PL (g)	MSG (h)	IntraLATA PL (i)	EAS (j)	User Defined (k)	Other (l)
<b>INCOME TAX ADJUSTMENTS SEPARATIONS</b>														
44	ITC Amortization - Federal	S-14, Ln5*, Ln44	-	-	-	-	-	-	-	-	-	-	-	-
45	ITC Amortization - State	S-14, Ln5*, Ln45	-	-	-	-	-	-	-	-	-	-	-	-
46	TOTAL ITC AMORTIZATION	Ln44...45	-	-	-	-	-	-	-	-	-	-	-	-
47	Amortization of Excess Def Taxes	Ln47a*1	-	-	-	-	-	-	-	-	-	-	-	-
48	Capitalized Payroll Taxes	Ln48a*1	-	-	-	-	-	-	-	-	-	-	-	-
49	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-
50	TOTAL CAPITALIZED PAYROLL TAXES	Ln48..49	-	-	-	-	-	-	-	-	-	-	-	-
51	Depreciation Adjustments	Ln51a*1	-	-	-	-	-	-	-	-	-	-	-	-
52	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-
53	TOTAL DEPRECIATION ADJUSTMENTS	Ln51...52	-	-	-	-	-	-	-	-	-	-	-	-
54	Uncollectibles - Joint Message	Direct	9,000	-	-	-	-	-	-	-	-	-	-	9,000
55	Uncollectibles - End User CCL	Direct	-	-	-	-	-	-	-	-	-	-	-	-
56	Uncollectibles - Interexchange Carrier	Direct	-	-	-	-	-	-	-	-	-	-	-	-
57	TOTAL UNCOLLECTIBLES	Ln54...56	9,000	-	-	-	-	-	-	-	-	-	-	9,000
58	Misc Inc Adjustments		-	-	-	-	-	-	-	-	-	-	-	-
59	Inc Adj Alloc on 2001	Ln59a*1	-	-	-	-	-	-	-	-	-	-	-	-
60	Inc Adj Alloc on 2001 - Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-
61	Inc Adj Alloc on Bldg 3 Exp	Ln61a*13	-	-	-	-	-	-	-	-	-	-	-	-
62	Inc Adj Alloc on Bldg 3 Exp - Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-
63	TOTAL MISC INC ADJUSTMENTS	Ln59..61	-	-	-	-	-	-	-	-	-	-	-	-



PLANT NONSPECIFIC EXPENSES

LINE	DESCRIPTION	SOURCE	INTERSTATE			INTRASTATE			LOCAL				
			MSG (b)	InletLATA PL (c)	MSG (d)	InletLATA PL (e)	MSG (f)	InletLATA PL (g)	MSG (h)	InletLATA PL (i)	EAS (j)	User Defined (k)	Other (l)
<b>SEPARATIONS FACTORS</b>													
1	2001 TPIS Distr	S-2, Ln15											
2	Total COE, IOT, CAXWF Distr	S-2, Ln7+9	23.9012%	24.3603%									
3	2110 Support Assets Distr	S-4, Ln9	23.9012%	24.3603%									
4	2210 COE-Switching Distr	S-15, Ln127	23.9012%	24.3603%									
5	2220 COE-Operator Distr	S-5, Ln24	85.0000%										
6	2230 COE-Transmission Distr	S-5, Ln81	23.5217%	22.9237%									
7	2310 IOT Distr	S-6, Ln12											
8	2410 C&WF Distr	S-7, Ln48	20.4861%	26.0024%									
9	2002 Prop Hld Ft Use Distr	S-9, Ln7											
10	2680 Capital Leases Distr	S-8, Ln19											
11	2680 Leasehold Improvements Distr	S-8, Ln30											
12	2690 Intangible Assets Distr	S-8, Ln36											
13	2005 Telecom Ft Adjustment	S-9, Ln15											
<b>PLANT NONSPECIFIC EXP SEPARATION</b>													
14	6510 Oth Prop Plant & Eq Exp	Ln14a*1											
15	Direct Assignment	Direct											
16	TOTAL OTH PROP PLANT & EQ EXP	Ln14..15											
17	6530 Network Operations Exp	Ln17a*2	77.670	79.162									
18	Direct Assignment	Direct											
19	TOTAL NETWORK OPERATIONS EXP	Ln17..18	77.670	79.162									
20	6540 Access Expenses	Direct											
21	Access Expense w/Federal Support	Direct											
22	Federal & State Support	Ln21..22											
23	TOTAL ACCESS EXPENSES		92.585										
24	6560 Depr and Amort Expenses	Ln25a*3	58.160	59.277									
25	Depr - Support Assets	Direct											
26	Depr - Support Assets - Direct Assignment												
27	Depr - COE-Switching	Ln27a*4											
28	Cat 2-Tandem Switching	S-5, Ln8	85.880										
29	Direct Assignment	Direct											
30	Cat 3-Local Switching - TS	S-5, Ln9											
31	Cat 3-Local Switching - NTS	S-5, Ln9											
32	Direct Assignment	Direct											
33	Depr - COE-Switching		85.880										
34	Depr - COE-Operator	Ln34a*5											
35	Cat 1-Operator Systems												
36	Loc.Toll.DSA,DSB and												
37	Traffic Switchboards	S-5, Ln1											
38	Aux-Direct Assist	S-5, Ln2											
39	Aux-Intercept	S-5, Ln3											
40	Jl Exch & Toll SOB	S-5, Ln4											
41	TSPS-Oper Position	S-5, Ln5											
42	TSPS-RTA	S-5, Ln6											
43	TSPS-Other	S-5, Ln7											
44	Direct Assignment	Direct											
45	Total Cat 1												
46	Depr - COE-Operator	Ln35..44											

PLANT NONSPECIFIC EXPENSES

LINE	DESCRIPTION	SOURCE	TOTAL COMPANY		INTERSTATE		INTRASTATE		LOCAL														
			MSG (a)	PL (a)	MSG (b)	PL (b)	MSG (c)	PL (c)	MSG (d)	PL (d)	MSG (e)	PL (e)	MSG (f)	PL (f)	MSG (g)	PL (g)	MSG (h)	PL (h)	EAS (i)	User Defined (k)	Other (l)		
47	PLANT NONSPECIFIC EXP SEPARATION		293,423		69,018	67,264	-	-	-	-	-	-	-	-	-	-	-	-	-	4,053	-	-	91,501
48	Depr - COE- Transmission	Ln47a*6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
49	Cat 4.1-Exchange Circuit	S-5, Ln38	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
50	4.11 Wideband-Line	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
51	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
52	4.11 Ethernet-Line	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
53	Wideband-DSL Line	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
54	4.12 Exch Trunk -EAS	S-5, Ln41	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
55	Ex Trk xWB - Basic	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
56	Ex Trk WB	S-5, Ln39	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
57	Exch Trk WB - Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
58	4.13 Ex Line xWB	S-15, Ln50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
59	Joint MSG/PL & Local	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
60	Direct Assignment - Basic/Special		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
61	Cat 4.2-Interexchange		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
62	4.21 Furn to Others	Ln62a*45	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
63	4.22 Wideband		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
64	Interexchange PL	S-5, Ln43	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
65	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
66	4.22 Ethernet	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
67	4.23 All Other	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
68	Joint MSG/PL	S-15, Ln59	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
69	Interexchange MSG/PL - DA	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70	PL - DA	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71	4.22 DSL exchange	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
72	Cat 4.3-Host/Remote MSG		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
73	Joint (xWATS)	S-5, Ln69	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
74	WATS	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
75	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
76	Total Cat 4	Ln48..75	293,423	67,264	69,018	67,264	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
77	Depr - COE-Transmission		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
78	Depr - Info Orig/Term Equip	Ln77a*7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
79	Cat 1-Other IOT	S-6, Ln1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
80	Coins Pub Tel Eq	S-6, Ln2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
81	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
82	Total Category 1	Ln78..80	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
83	Cat 2-Cust Prem Equip	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
83	Depr - Info Orig/Term Equip		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



PLANT NONSPECIFIC EXPENSES

LINE	DESCRIPTION	SOURCE	INTERSTATE				INTRASTATE				LOCAL					
			TOTAL COMPANY (a)	MSG (b)	InterLATA PL (c)	MSG (d)	IntraLATA PL (e)	MSG (f)	InterLATA PL (g)	MSG (h)	IntraLATA PL (i)	EAS (j)	User Defined (k)	Other (l)		
84	PLANT NONSPECIFIC EXP SEPARATION															
85	Depr - Cable & Wire Facilities	Ln84a*8	722,818	148,077	187,950	-	-	-	-	-	4,610	-	96,261	70,127	4,410	211,383
86	Cat 1-Exch Line x/WB	S-15, Ln78	-	-	-	-	-	-	-	-	-	-	-	-	-	-
87	1,1,1,2 - PL, 1,3 Jointly Used	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-
88	Direct Assignment	Ln86*-87	-	-	-	-	-	-	-	-	-	-	-	-	-	-
89	Total Category 1		-	-	-	-	-	-	-	-	-	-	-	-	-	-
90	Cat 2-WB & Exch Trunk	S-7, Ln2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
91	Ex Trk - joint message	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-
92	Ex Trk - EAS	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-
93	Ex Line WB - Data Only DSL	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-
94	Ex Line WB - VOICE/DATA	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-
95	Ex Line Ethermet	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96	Ex Line WB	S-7, Ln3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
97	WB Line	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-
98	WB Trunk	S-7, Ln4	-	-	-	-	-	-	-	-	-	-	-	-	-	-
99	WB Trunk DA	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-
100	Total Category 2		-	-	-	-	-	-	-	-	-	-	-	-	-	-
101	Cat 3-Interexchange C&WF	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-
102	WB PL - Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-
103	WB - Joint Message	S-7, Ln26	-	-	-	-	-	-	-	-	-	-	-	-	-	-
104	Joint MSG, PL, TWX& Local x/WB	S-15, Ln93	-	-	-	-	-	-	-	-	-	-	-	-	-	-
105	Joint TWX-IT	S-7, Ln28	-	-	-	-	-	-	-	-	-	-	-	-	-	-
106	Joint TWX-Rmt	S-7, Ln29	-	-	-	-	-	-	-	-	-	-	-	-	-	-
107	Interexchange - DA	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-
108	DSL Interexchange	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-
109	Ethernet Interexchange	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110	Total Category 3	Ln98..105	-	-	-	-	-	-	-	-	-	-	-	-	-	-
111	Cat 4-Host/Remote C&WF	Ln98..105	-	-	-	-	-	-	-	-	-	-	-	-	-	-
112	Joint (x/WATS)	S-7, Ln30	-	-	-	-	-	-	-	-	-	-	-	-	-	-
113	WAYS	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-
114	Direct Assignment	Ln109...111	-	-	-	-	-	-	-	-	-	-	-	-	-	-
115	Total Category 4		722,818	148,077	187,950	-	-	-	-	-	4,610	-	96,261	70,127	4,410	211,383
116	Depr - Cable & Wire Facilities		-	-	-	-	-	-	-	-	-	-	-	-	-	-
117	Depr-Prop Hld Ft Tel Use	Ln114a*9	-	-	-	-	-	-	-	-	-	-	-	-	-	-
118	Amort-Capital Leases	Ln115a*10	-	-	-	-	-	-	-	-	-	-	-	-	-	-
119	Amort-Leasehold Improvements	Ln116a*11	-	-	-	-	-	-	-	-	-	-	-	-	-	-
120	Amort-Intangible Assets	Ln117a*12	-	-	-	-	-	-	-	-	-	-	-	-	-	-
121	Amort-Other	Ln118a*13	-	-	-	-	-	-	-	-	-	-	-	-	-	-
122	Amort-Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-
123	TOTAL DEPR & AMORT EXPENSES	Ln25..119	1,360,613	361,135	314,491	-	-	-	-	-	8,084	-	169,943	108,535	10,148	388,276
124	TOTAL PLANT NONSPEC OPER EXP	Ln16+19+23+120	1,778,161	531,390	393,653	-	-	-	-	-	10,078	-	211,745	136,823	12,398	482,074
125	Distribution of Line 121	Ln121/121a	100.0000%	29.8642%	22.1382%	-	-	-	-	-	0.5668%	-	11.9081%	7.6948%	0.6972%	27.1109%

CUSTOMER OPERATIONS EXPENSES

LINE	DESCRIPTION	SOURCE	INTERSTATE			INTRASTATE			LOCAL				
			TOTAL COMPANY (a)	MSG (b)	IntraLATA PL (c)	MSG (d)	IntraLATA PL (e)	MSG (f)	IntraLATA PL (g)	MSG (h)	IntraLATA PL (i)	EAS (j)	User Defined (k)
<b>SEPARATIONS FACTORS</b>													
1	Marketing expense factor	Records	100.0000%	41.0951%	0.0111%	-	-	-	-	-	-	-	58.8938%
2	WSWS-Tel Oper Svcs	Records	100.0000%	-	-	-	-	-	-	-	-	-	100.0000%
3	Subscriber Line MOU	Records	100.0000%	21.8935%	-	-	-	-	-	-	-	-	78.1065%
4	EU Service Order Contacts	Records	100.0000%	17.7294%	-	-	-	-	-	-	-	-	82.2706%
5	EU Billed Revenue Incl CCL	Records	100.0000%	30.7029%	-	-	-	-	-	-	-	-	69.2971%
6	EU Billed Inquiry Contacts	Records	100.0000%	30.7149%	-	-	-	-	-	-	-	-	69.2851%
7	IX Svc Ord Proc Contacts	Records	100.0000%	82.6190%	-	-	3.4601%	-	-	5.1035%	-	-	-
8	IX Billed Revenue	Records	100.0000%	50.0017%	-	-	-	-	-	-	-	-	49.9983%
9	IX Bill Inq Contacts	Records	100.0000%	50.0000%	-	-	-	-	-	-	-	-	50.0000%
10	Public Interest Paystation Revenue	Records	-	-	-	-	-	-	-	-	-	-	-
<b>MARKETING EXPENSES SEPARATION</b>													
11	6610 Marketing Expenses	Ln11a*1	121,658	49,995	14	-	-	-	-	-	-	-	71,649
12	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-
13	TOTAL MARKETING EXPENSES	Ln11..12	121,658	49,995	14	-	-	-	-	-	-	-	71,649
<b>SERVICES EXPENSES SEPARATION</b>													
14	6620 Services Expenses		2	-	-	-	-	-	-	-	-	-	2
15	Telephone Operator Service:	Ln16a*2	-	-	-	-	-	-	-	-	-	-	-
16	Tel Operator Svc	Direct	-	-	-	-	-	-	-	-	-	-	-
17	Direct Assignment	Ln16..17	2	-	-	-	-	-	-	-	-	-	2
18	Total Tel Oper Svc Exp		2	-	-	-	-	-	-	-	-	-	2
19	Published Direct Listings:		-	-	-	-	-	-	-	-	-	-	-
20	Classified	Direct	-	-	-	-	-	-	-	-	-	-	-
21	TWX	Direct	-	-	-	-	-	-	-	-	-	-	-
22	Alpha	Ln22a*3	296	-	-	-	-	-	-	-	-	-	-
23	Foreign	Direct	-	65	-	-	-	-	-	-	-	-	232
24	Total Pub Direct List	Ln20..23	296	65	-	-	-	-	-	-	-	-	232
25	All Other:		-	-	-	-	-	-	-	-	-	-	-
26	Cat 1-LBOE EU Svc Ord Proc	Direct	20,037	20,037	-	-	-	-	-	-	-	-	-
27	Presubscription	Ln28a*4	41,370	7,335	-	-	-	-	-	-	-	-	-
28	Other		-	-	-	-	-	-	-	-	-	-	-
29	Cat 1-LBOE EU Pmt & Col	Direct	-	-	-	-	-	-	-	-	-	-	-
30	- CII	Ln29a*5	30,657	9,413	-	-	-	-	-	-	-	-	-
31	- Other		-	-	-	-	-	-	-	-	-	-	-
32	Cat 1-LBOE EU Bill Inq	Direct	-	-	-	-	-	-	-	-	-	-	-
33	- CII	Ln32a*6	7,665	2,354	-	-	-	-	-	-	-	-	-
34	- Other	Ln35a*7	-	-	-	-	-	-	-	-	-	-	-
35	Cat 1-LBOE IX Svc Ord Proc	Ln36a*8	31,302	15,651	-	-	-	-	-	-	-	-	5,311
36	Cat 1-LBOE IX Pmt & Col	Ln37a*9	38,667	19,333	-	-	-	-	-	-	-	-	15,650
37	Cat 1-LBOE IX Bill Inq	Ln38a*10	-	-	-	-	-	-	-	-	-	-	19,333
38	Cat 1-LBOE Ch Col & Admin	Ln26..38	169,698	74,124	-	-	-	-	-	-	-	-	-
39	Total Cat 1-LBOE		-	-	-	-	-	-	-	-	-	-	95,574

CUSTOMER OPERATIONS EXPENSES

LINE	DESCRIPTION	SOURCE	INTERSTATE			INTRASTATE			LOCAL				
			TOTAL COMPANY (a)	InterLATA MSG (b)	InterLATA PL (c)	MSG (d)	IntraLATA PL (e)	InterLATA MSG (f)	InterLATA PL (g)	MSG (h)	IntraLATA PL (i)	EAS (j)	User Defined (k)
<b>SEPARATIONS FACTORS</b>													
40	Relative Toll & Local Msgs Pct	Records	100.0000%	77.2936%	0.0000%	-	-	-	-	-	-	-	-
41	CABS Pct	Records	100.0000%	50.0000%	0.0000%	-	-	-	-	-	-	-	-
<b>SERVICES EXP SEPARATION (CONTD)</b>													
42	Cat 2-CSE Msg Proc		-	-	-	-	-	-	-	-	-	-	-
43	Joint Message	Ln42a*40	-	-	-	-	-	-	-	-	-	-	-
44	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-
45	Cat 2-CSE Other B&C	Direct	-	-	-	-	-	-	-	-	-	-	-
46	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-
47	End User Common Line	Ln48a*41	13,792	6,896	-	-	-	-	-	1,842	-	-	-
48	Cat 2-CSE CABS	Ln42..48	13,792	6,896	-	-	-	-	-	1,842	-	-	-
49	Total Cat 2-CSE		-	-	-	-	-	-	-	-	-	-	-
50	Total All Other Cat 1 & 2	Ln39+49	183,490	81,020	-	-	-	-	-	1,842	-	-	95,574
51	Distribution of Line 50	Ln50/50a	100.0000%	44.1549%	-	-	-	-	-	1.0040%	-	-	52.0868%
52	Cat 3-All Other CSE	Ln52a*51	-	-	-	-	-	-	-	-	-	-	-
53	Cat 3-Direct Assignment	Direct	9,677	9,677	-	-	-	-	-	-	-	-	-
54	Total All Other Cat 3	Ln52..53	9,677	9,677	-	-	-	-	-	-	-	-	-
55	Total All Other-Cat 1, 2, 3	Ln50+54	193,166	90,696	-	-	-	-	-	1,842	-	-	95,574
56	TOTAL SERVICES EXPENSES	Ln18+24+55	193,465	90,761	-	-	-	-	-	1,842	-	-	95,808
57	TOTAL CUSTOMER OPER EXPENSES	Ln13+56	315,123	140,756	14	-	-	-	-	1,842	-	-	167,457
58	Distribution of Line 57	Ln57/57a	100.0000%	44.6672%	0.0043%	-	-	-	-	0.5846%	-	-	53.1401%

CORPORATE OPERATIONS, TAXES, & EQUAL ACCESS EXPENSES

LINE	DESCRIPTION	SOURCE	TOTAL COMPANY (a)	INTERSTATE				INTRASTATE				LOCAL			
				MSG (b)	InterLATA PL (c)	MSG (d)	InterLATA PL (e)	MSG (f)	InterLATA PL (g)	MSG (h)	InterLATA PL (i)	EAS (j)	User Defined (k)	Other (l)	
<b>SEPARATIONS FACTORS</b>															
1	Big Three Expenses Distr	S-3, Ln6	100,00000%	33,1829%	16,8721%	-	-	0,5728%	-	9,8406%	5,4391%	0,6649%	-	33,4275%	
2	2001 TPIS Distr	S-2, Ln15	100,00000%	23,9012%	24,3603%	-	-	0,6137%	-	12,8635%	8,7050%	0,6924%	-	28,8640%	
3	Equal Access Invest Distr	S-9, Ln28	-	-	-	-	-	-	-	-	-	-	-	-	
4	Net Telecom Plant Distr excl 1220, EA	S-2, Ln36	100,00000%	23,9608%	24,3695%	-	-	0,6119%	-	12,8198%	8,7565%	0,6775%	-	28,8041%	
5	Income Tax Distribution	S-3, Ln28	100,00000%	185,7897%	(18,6928%)	-	-	(2,4694%)	-	(44,6463%)	(15,2629%)	(2,9528%)	-	(1,7655%)	
<b>CORPORATE OPER EXP SEPARATIONS</b>															
6	Exec & Planning Expenses	Direct	-	-	-	-	-	-	-	-	-	-	-	-	
7	EAS	Ln8a*1	318,984	105,848	53,819	-	-	1,827	-	31,390	17,350	2,121	-	106,628	
8	All Other	Direct	-	-	-	-	-	-	-	-	-	-	-	-	
9	Direct Assignment	Ln7..9	318,984	105,848	53,819	-	-	1,827	-	31,390	17,350	2,121	-	106,628	
10	TOTAL EXEC & PLANNING EXPENSES														
11	Gen'l and Admin Expenses	Direct	-	-	-	-	-	-	-	-	-	-	-	-	
12	EAS	Ln13a*1	499,210	165,653	84,227	-	-	2,860	-	49,125	27,153	3,319	-	166,874	
13	All Other	Direct	32,962	32,962	-	-	-	-	-	-	-	-	-	-	
14	Direct Assignment	Ln12..14	532,172	198,614	84,227	-	-	2,860	-	49,125	27,153	3,319	-	166,874	
15	TOTAL GEN'L & ADMIN EXPENSES														
16	TOTAL CORPORATE OPER EXPENSES	Ln10+15	851,155	304,462	138,046	-	-	4,687	-	80,515	44,503	5,440	-	273,502	
17	Distribution of Line 16	Ln16/16a	100,00000%	35,7705%	16,2187%	-	-	0,5507%	-	9,4595%	5,2285%	0,6392%	-	32,1330%	
<b>OPERATING TAXES SEPARATIONS</b>															
18	Operating Taxes (Actual)	Ln22a*2	-	-	-	-	-	-	-	-	-	-	-	-	
19	Federal Income Taxes	Ln19a*5	178,759	332,117	(33,415)	-	-	(4,414)	-	(79,809)	(27,284)	(5,278)	-	(3,156)	
20	State & Local Income Taxes	Ln20a*5	74,215	137,884	(13,873)	-	-	(1,833)	-	(33,134)	(11,327)	(2,191)	-	(1,310)	
21	OP FED, STATE, LOCAL TAXES - CWC		252,975	470,001	(47,288)	-	-	(6,247)	-	(112,944)	(38,611)	(7,470)	-	(4,466)	
22	Schedule M Income Tax Adjustments	Ln22a*2	-	-	-	-	-	-	-	-	-	-	-	-	
23	Operating Taxes - Property	Ln23a*2	59,321	14,179	14,451	-	-	364	-	7,631	5,164	411	-	17,123	
24	Operating Taxes - Other	Ln24a*2	-	-	-	-	-	-	-	-	-	-	-	-	
25	Operating Taxes - Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-	
26	TOTAL OPER TAXES XFIT SIT	Ln23..25	59,321	14,179	14,451	-	-	364	-	7,631	5,164	411	-	17,123	
<b>OPERATING REVENUE SEPARATIONS</b>															
27	Basic Local Revenue	Direct	325,352	-	-	-	-	-	-	-	-	-	-	325,352	
28	Interstate Access/End User Revenue	Direct	4,182,870	2,970,121	572,666	-	-	-	-	-	-	-	-	640,083	
29	State Access/End User Revenue	Direct	325,756	-	-	-	-	-	-	13,897	109,459	-	-	202,401	
30	Long Distance Message Revenue	Direct	-	-	-	-	-	-	-	-	-	-	-	-	
31	Miscellaneous Operating Revenue	Direct	34,291	1,380	-	-	-	-	-	417	-	-	-	32,494	
32	Other Operating Income	Direct	-	-	-	-	-	-	-	-	-	-	-	-	
33	TOTAL OPERATING REVENUE	Ln27..32	4,868,269	2,971,501	572,666	-	-	-	-	14,314	109,459	-	-	1,200,330	
34	Equal Access Expenses	Ln34a*3	-	-	-	-	-	-	-	-	-	-	-	-	
35	TOTAL EQUAL ACCESS EXPENSES	Ln34..34	-	-	-	-	-	-	-	-	-	-	-	-	
<b>ALLOWANCES AND DISALLOWANCES</b>															
36	Expense Allowances/Disallowances	Ln37a*4	-	-	-	-	-	-	-	-	-	-	-	-	
37	Interest on Customer Deposits	Ln37a*4	-	-	-	-	-	-	-	-	-	-	-	-	
38	Other Interest Deduction	Direct	-	-	-	-	-	-	-	-	-	-	-	-	
39	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-	
40	TOTAL EXPENSE ALLOW/DISALLOWANCES	Ln37..38	-	-	-	-	-	-	-	-	-	-	-	-	

Note 1: FIT and SIT Calculated on the S-1

RESERVES & DEFERRALS

LINE	DESCRIPTION	SOURCE	INTERSTATE			INTRASTATE			LOCAL					
			TOTAL COMPANY (a)	MSG (b)	PL (c)	MSG (d)	PL (e)	MSG (f)	PL (g)	MSG (h)	PL (i)	EAS (j)	User Defined (k)	Other (l)
<b>SEPARATIONS FACTORS</b>														
1	2110 Support Assets Distr	S-4, Ln9	100,0000%	23,9012%	24,3603%	-	-	-	-	-	-	-	-	28,8640%
2	2210 COE Switching, Incl. EA Distr	S-5, Ln36+S-9, Ln27	100,0000%	85,0000%	-	-	-	-	-	-	-	-	-	15,0000%
3	2220 COE Operator Distr	S-5, Ln24	-	-	-	-	-	-	-	-	-	-	-	-
4	2230 COE Transmission Distr	S-5, Ln81	100,0000%	23,5217%	22,9237%	-	-	-	-	-	-	-	-	31,1841%
5	2310 IOT Distr	S-6, Ln12	-	-	-	-	-	-	-	-	-	-	-	-
6	2410 C&WF Distr	S-7, Ln48	100,0000%	20,4861%	26,0024%	-	-	-	-	-	-	-	-	29,2443%
7	2001 TPIS x/Land	S-2, Ln18	100,0000%	23,9012%	24,3603%	-	-	-	-	-	-	-	-	28,8640%
8	General Support, COE, IOT, C&WF	S-2, Ln1+7+9	100,0000%	23,9012%	24,3603%	-	-	-	-	-	-	-	-	28,8640%
9	2002 Prop Hld Ftr Tel Use Distr	S-9, Ln7	-	-	-	-	-	-	-	-	-	-	-	-
10	2660 Capital Leases Distr	S-8, Ln19	-	-	-	-	-	-	-	-	-	-	-	-
11	2660 Leasehold Improvements	S-8, Ln30	-	-	-	-	-	-	-	-	-	-	-	-
12	2690 Intangible Assets Distr	S-8, Ln36	-	-	-	-	-	-	-	-	-	-	-	-
13	2005 Telecom P/L Adjustment	S-9, Ln15	-	-	-	-	-	-	-	-	-	-	-	-
<b>RESERVES &amp; DEFERRALS SEPARATION</b>														
14	1500 Other Junis Assets - Net	Direct	-	-	-	-	-	-	-	-	-	-	-	-
15	3100 Accum Depr-Tel P/L in Svc	Ln16a*1	-	-	-	-	-	-	-	-	-	-	-	-
16	Support Assets	Ln16a*1	2,935,348	701,582	715,059	-	-	-	-	-	-	-	-	847,260
17	Support Assets - Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-
18	COE - Switching	Ln18a*2	701,961	596,667	-	-	-	-	-	-	-	-	-	105,294
19	Cat 2-Tandem Switching	S-5, Ln8	-	-	-	-	-	-	-	-	-	-	-	-
20	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-
21	Cat 3-Local Switching - TS	S-5, Ln9	-	-	-	-	-	-	-	-	-	-	-	-
22	Cat 3-Local Switching - NTS	S-5, Ln9	-	-	-	-	-	-	-	-	-	-	-	-
23	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-
24	COE - Switching	Direct	701,961	596,667	-	-	-	-	-	-	-	-	-	105,294
25	COE - Operator	Direct	-	-	-	-	-	-	-	-	-	-	-	-
26	Cat 1-Operator Systems	Direct	-	-	-	-	-	-	-	-	-	-	-	-
27	Loc Toll DSA, DSB, and Traffic Switchboards	Direct	-	-	-	-	-	-	-	-	-	-	-	-
28	Aux-Direct Assis	Direct	-	-	-	-	-	-	-	-	-	-	-	-
29	Aux-Intercept	Direct	-	-	-	-	-	-	-	-	-	-	-	-
30	Jl Exch & Toll SOB	Direct	-	-	-	-	-	-	-	-	-	-	-	-
31	TS/PS-Oper Position	Direct	-	-	-	-	-	-	-	-	-	-	-	-
32	TS/PS-RTA	Direct	-	-	-	-	-	-	-	-	-	-	-	-
33	TS/PS-Other	Direct	-	-	-	-	-	-	-	-	-	-	-	-
34	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-
35	Total Cat 1	Direct	-	-	-	-	-	-	-	-	-	-	-	-
36	COE - Operator	Direct	-	-	-	-	-	-	-	-	-	-	-	-
37	COE - Operator	Direct	-	-	-	-	-	-	-	-	-	-	-	-



RESERVES & DEFERRALS

LINE	DESCRIPTION	INTERSTATE			INTRA-STATE			LOCAL					
		TOTAL COMPANY (a)	MSG (b)	InterLATA PL (c)	MSG (d)	InterLATA PL (e)	MSG (f)	InterLATA PL (g)	MSG (h)	IntraLATA PL (i)	EAS (j)	User Defined (k)	Other (l)
76	RESERVES & DEFERRALS SEPARATION												
77	C&WF	12,408,451	2,542,002	3,226,498	-	-	-	-	-	-	75,705	-	3,628,764
78	Cat 1-Exch Line xWB	-	-	-	-	-	-	-	-	-	-	-	-
79	1.1,1.2 - PL, 1.3 Jointly Used	-	-	-	-	-	-	-	-	-	-	-	-
80	Direct Assignment	-	-	-	-	-	-	-	-	-	-	-	-
81	Total Category 1	-	-	-	-	-	-	-	-	-	-	-	-
82	Cat 2-WB & Exch Trunk	-	-	-	-	-	-	-	-	-	-	-	-
83	Ex Trk - joint message	-	-	-	-	-	-	-	-	-	-	-	-
84	Ex Trk - EAS	-	-	-	-	-	-	-	-	-	-	-	-
85	Ex Line WB - Data Only DSL	-	-	-	-	-	-	-	-	-	-	-	-
86	Ex Line WB - VOICE/DATA	-	-	-	-	-	-	-	-	-	-	-	-
87	Ex Line Ethernet	-	-	-	-	-	-	-	-	-	-	-	-
88	Ex Line WB	-	-	-	-	-	-	-	-	-	-	-	-
89	WB Line	-	-	-	-	-	-	-	-	-	-	-	-
90	WB Trunk	-	-	-	-	-	-	-	-	-	-	-	-
91	WB Trunk DA	-	-	-	-	-	-	-	-	-	-	-	-
92	Total Category 2	-	-	-	-	-	-	-	-	-	-	-	-
93	Cat 3-Interexchange C&WF	-	-	-	-	-	-	-	-	-	-	-	-
94	WB PL - Direct Assignment	-	-	-	-	-	-	-	-	-	-	-	-
95	WB - Joint Message	-	-	-	-	-	-	-	-	-	-	-	-
96	Joint MSG. PL, TWX & Local xWB	-	-	-	-	-	-	-	-	-	-	-	-
97	Joint TWX-IT	-	-	-	-	-	-	-	-	-	-	-	-
98	Interexchange - DA	-	-	-	-	-	-	-	-	-	-	-	-
99	DSL Interexchange	-	-	-	-	-	-	-	-	-	-	-	-
100	Ethernet Interexchange	-	-	-	-	-	-	-	-	-	-	-	-
101	Total Category 3	-	-	-	-	-	-	-	-	-	-	-	-
102	Cat 4-Host/Remote C&WF	-	-	-	-	-	-	-	-	-	-	-	-
103	Joint (xWB/WATS)	-	-	-	-	-	-	-	-	-	-	-	-
104	WATS	-	-	-	-	-	-	-	-	-	-	-	-
105	Direct Assignment	-	-	-	-	-	-	-	-	-	-	-	-
106	Total Category 4	12,408,451	2,542,002	3,226,498	-	-	-	-	-	-	75,705	-	3,628,764
107	C&WF	18,366,078	4,386,029	4,473,460	-	-	-	-	-	-	128,081	-	5,304,887
108	Ln16..76	-	-	-	-	-	-	-	-	-	-	-	-
109	Ln108a*9	-	-	-	-	-	-	-	-	-	-	-	-
110	Ln108a*10	-	-	-	-	-	-	-	-	-	-	-	-
111	Ln110a*11	-	-	-	-	-	-	-	-	-	-	-	-
112	Ln111a*12	-	-	-	-	-	-	-	-	-	-	-	-
113	Ln112a*13	-	-	-	-	-	-	-	-	-	-	-	-
114	Ln113a*7	-	-	-	-	-	-	-	-	-	-	-	-
115	Ln113..114	-	-	-	-	-	-	-	-	-	-	-	-
116	Ln117a*1	-	-	-	-	-	-	-	-	-	-	-	-
117	Ln118a*2	-	-	-	-	-	-	-	-	-	-	-	-
118	Ln119a*3	-	-	-	-	-	-	-	-	-	-	-	-
119	Ln120a*4	-	-	-	-	-	-	-	-	-	-	-	-
120	Ln121a*5	-	-	-	-	-	-	-	-	-	-	-	-
121	Ln122a*6	-	-	-	-	-	-	-	-	-	-	-	-
122	Ln123a*8	-	-	-	-	-	-	-	-	-	-	-	-
123	Ln117..123	-	-	-	-	-	-	-	-	-	-	-	-
124	TOTAL ACCUMULATED DEPRECIATION	-	-	-	-	-	-	-	-	-	-	-	-
125	Net Cur Def Op Inc Taxes	-	-	-	-	-	-	-	-	-	-	-	-
126	Support Assets	-	-	-	-	-	-	-	-	-	-	-	-
127	COE-Switching	-	-	-	-	-	-	-	-	-	-	-	-
128	COE-Operator	-	-	-	-	-	-	-	-	-	-	-	-
129	COE-Transmission	-	-	-	-	-	-	-	-	-	-	-	-
130	Info Orig/Term Equip	-	-	-	-	-	-	-	-	-	-	-	-
131	C&WF	-	-	-	-	-	-	-	-	-	-	-	-
132	Not Classified by Acct	-	-	-	-	-	-	-	-	-	-	-	-
133	TOTAL NET DEF OP INC TAXES	-	-	-	-	-	-	-	-	-	-	-	-

RESERVES & DEFERRALS

LINE	DESCRIPTION	SOURCE	INTERSTATE			INTRASTATE			LOCAL										
			TOTAL COMPANY (a)	InterLATA MSG (b)	InterLATA PL (c)	MSG (d)	IntraLATA PL (e)	InterLATA MSG (f)	InterLATA PL (g)	MSG (h)	IntraLATA PL (i)	EAS (j)	User Defined (k)	Other (l)					
<b>SEPARATIONS FACTORS</b>																			
125	Big Three Expenses Distr	S-3, Ln6	100.00000%	33.1929%	16.8721%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
126	2110 Support Assets Distr	S-4, Ln9	100.00000%	23.9012%	24.3603%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
127	2210 COE-Switching Distr	S-15, Ln2	100.00000%	85.0000%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
128	2220 COE-Operator Distr	S-5, Ln24	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
129	2230 COE-Transmission Distr	S-5, Ln81	100.00000%	23.5217%	22.9237%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
130	2310 IOT Distr	S-6, Ln12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
131	2410 C&WF Distr	S-7, Ln48	100.00000%	20.4861%	26.0024%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
132	2001 TPIS x/Land	S-2, Ln18	100.00000%	23.9012%	24.3603%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
133	2001 TPIS Distr	S-2, Ln15	100.00000%	23.9012%	24.3603%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
134	General Support, COE, IOT, C&WF	S-2, Ln1+7+9	100.00000%	23.9012%	24.3603%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>RESERVES &amp; DEFERRALS SEPARATION</b>																			
135	4310 Other Long-Term Liabilities	Ln135a*125	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
136	4340 Net Noncurrent Def Taxes	Ln137a*126	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
137	Support Assets	Ln138a*127	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
138	COE-Switching	Ln139a*128	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
139	COE-Operator	Ln140a*129	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
140	COE-Transmission	Ln141a*130	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
141	Info Orig/Term Equip	Ln142a*131	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
142	C&WF	Ln143a*132	2,154,999	515,070	524,964	-	-	-	-	-	-	-	-	-	-	-	-	-	-
143	Not Classified by Acct	Ln137..143	2,154,999	515,070	524,964	-	-	-	-	-	-	-	-	-	-	-	-	-	-
144	TOTAL NET NONCURRENT DEF TAXES																		
145	4360 Other Deferred Credits-Net	Ln145a*133	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
146	4370 Other Juris Liabilities	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
147	& Deferred Credits - Net	Ln148a*132	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>ACCUM DEPR &amp; AMORT ALLOW/DISALLOW</b>																			
148	Accum Depr & Amort Allow/Disallow	Direct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
149	Direct Assignment	Ln148..149	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150	TOTAL ACC DEPR/AMORT ALW/DISALLOW																		



CASH WORKING CAPITAL

LINE	DESCRIPTION	SOURCE	INTERSTATE						INTRASTATE						LOCAL			
			TOTAL COMPANY (a)	MSG (b)	InterLATA (c)	PL (c)	MSG (d)	IntraLATA (d)	PL (e)	MSG (f)	InterLATA (g)	PL (g)	MSG (h)	IntraLATA (h)	PL (i)	EAS (j)	User Defined (k)	Other (l)
1	Plant Specific Expenses	S-11, Ln31	928,466	295,423	190,831	-	-	-	-	-	-	-	-	-	-	-	-	259,808
2	Plant Nonspecific exp excl depreciation & amortization	S-12, Ln16a*23	417,548	170,255	79,162	-	-	-	-	-	-	-	-	-	-	-	-	93,797
3	Customer Operations Expense - Marketing	S-13, Ln13	121,658	49,995	14	-	-	-	-	-	-	-	-	-	-	-	-	71,649
4	Customer Operations Expense - Services	S-13, Ln56	193,465	90,761	-	-	-	-	-	-	-	-	-	-	-	-	-	95,808
5	Corporate Operations Expense	S-14, Ln16	851,155	304,462	138,046	-	-	-	-	-	-	-	-	-	-	-	-	273,502
6	Equal Access Expense	S-14, Ln34	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Other Nonoperating Expense - Contributions	S-10, Ln16	11,381	4,071	1,846	-	-	-	-	-	-	-	-	-	-	-	-	3,657
8	Interest on Capital Leases	S-10, Ln20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Fixed Charges excl Capital Leases	S-10, Ln21	61,304	14,642	14,962	-	-	-	-	-	-	-	-	-	-	-	-	17,664
10	Interest on Customer Deposits	S-10, Ln17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Other Operating Tax - Property	S-10, Ln23	59,321	14,179	14,451	-	-	-	-	-	-	-	-	-	-	-	-	17,123
12	Other Operating Tax - Other	S-10, Ln24	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Other Operating Tax - Direct Assignment	S-10, Ln25	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Federal Income Tax (Actual)	S-10, Ln19	178,759	332,117	(33,415)	-	-	-	-	-	-	-	-	-	-	-	-	(3,156)
15	State Income Tax (Actual)	S-10, Ln20	74,215	137,884	(13,873)	-	-	-	-	-	-	-	-	-	-	-	-	(2,191)
16	Total Cash Working Capital Expenses	Ln1-15	2,897,273	1,413,788	392,023	-	-	-	-	-	-	-	-	-	-	-	-	828,542
17	Cash Working Capital Factor	Records	315,604	10,8932%	10,8932%	-	-	-	-	-	-	-	-	-	-	-	-	10,8932%
18	Cash Working Capital	Ln15 * Ln17	-	154,006	42,704	-	-	-	-	-	-	-	-	-	-	-	-	90,254
19	Minimum Bank Balance	Records	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Working Cash Advances	Records	315,604	154,006	42,704	-	-	-	-	-	-	-	-	-	-	-	-	90,254
21	Total Cash Working Capital	Ln21/21a	100,0000%	48,7972%	13,5307%	-	-	-	-	-	-	-	-	-	-	-	-	28,5973%
22	Distribution of Line 21																	

LN	DESCRIPTION	SOURCE	TAXABLE		INCOME TAX		SurTax
			TOTAL	TOTAL	TOTAL	TOTAL	
1	AVERAGE NET INVESTMENT		6,622,000				
2	ASSUMED RATE OF RETURN FOR ESTIMATING TAX RATE	S-1 Ln1	7,6401%				
3	RETURN ON INVESTMENT	S-1 Ln4	505,928				
4	FIT INCOME ADJUSTMENT (FROM COST STUDY)	Ln1a'2	61,304				
5	INVESTMENT TAX CREDIT AMORTIZATION		-				
6	AFTER TAX INCOME BEFORE TAX CREDITS		444,624				
7	FIT BEFORE TAX CREDITS (MUST EQUAL LN 17)		229,031				
8	TAXABLE INCOME		673,656				
9	FIT ON 0 to 50,000 @ 15%	15%	50,000	7,500			
10	FIT ON 50,000 to 75,000 @ 25%	25%	25,000	6,250			5,000
11	FIT ON 75,000 to 100,000 @ 34%	34%	25,000	8,500			11,750
12	FIT ON 100,000 to 335,000 @ 39%	39%	235,000	91,650			16,750
13	FIT ON 335,000 to 10,000,000 @ 34%	34%	338,656	115,143			-
14	FIT ON 10,000,000 to 15,000,000 @ 35%	35%	-	-			100,000
15	FIT ON 15,000,000 to 18,333,333 @ 38%	38%	-	-			550,000
16	FIT ON OVER 18,333,333 @ 35%	35%	-	-			-
17	TOTAL TAXABLE INCOME/FIT BEFORE TAX CREDITS	LN8 9..16	673,656	229,043			-
18	EFFECTIVE FIT TAX RATE			34.00000%			

DISTRIBUTION RATIOS FOR RATE BASE AND EXPENSES

Direct Communications - Rockland  
Study Area: 472232  
2016

A/C Category	ALLOCATION RATIOS		INTERSTATE				INTRASTATE				LOCAL		
	Total	MSG (b)	InterLATA (c)	PL (d)	IntraLATA (e)	MSG (f)	PL (g)	IntraLATA (h)	PL (i)	EAS (j)	User Defined (k)	Other (l)	
<b>Capital Investment Summary</b>													
General Support Facilities	2110	100.0000%	23.9012%	24.3603%	-	0.6137%	-	12.8635%	8.7050%	0.6924%	-	28.8640%	
COE Switching Equipment	2210	100.0000%	85.0000%	-	-	-	-	-	-	-	-	15.0000%	
Operator Systems Equipment	2220	100.0000%	23.5217%	22.9237%	-	0.6750%	-	14.4436%	5.8705%	1.3814%	-	31.1841%	
COE Transmission Equipment	2310	100.0000%	-	-	-	-	-	-	-	-	-	-	
Information Orig/Term Equipment	2410	100.0000%	20.4861%	26.0024%	-	0.6378%	-	13.3174%	9.7019%	0.6101%	-	29.2443%	
Cable & Wire Facilities	2680	100.0000%	-	-	-	-	-	-	-	-	-	-	
Tangible Assets	2690	100.0000%	23.9012%	24.3603%	-	0.6137%	-	12.8635%	8.7050%	0.6924%	-	28.8640%	
<b>Total Plant in Service A/C 2001</b>													
Property Held for Future Use	2002	100.0000%	-	-	-	-	-	-	-	-	-	-	
Plant Under Construction	2003	100.0000%	23.9012%	24.3603%	-	0.6137%	-	12.8635%	8.7050%	0.6924%	-	28.8640%	
Telephone Plant Adjustment	2005	100.0000%	23.9012%	24.3603%	-	0.6137%	-	12.8635%	8.7050%	0.6924%	-	28.8640%	
<b>Total Property, Plant and Equipment</b>													
Accumulated Depreciation - Plant in Service	3100	100.0000%	23.8811%	24.3572%	-	0.6143%	-	12.8782%	8.6877%	0.6974%	-	28.8842%	
Accumulated Depreciation - Property held for Future Use]	3200	100.0000%	-	-	-	-	-	-	-	-	-	-	
Accumulated Amortization - Tangible Property	3400	100.0000%	-	-	-	-	-	-	-	-	-	-	
Accumulated Amortization - Intangible Property	3500	100.0000%	-	-	-	-	-	-	-	-	-	-	
Accumulated Amortization - Telephone Plant Adjustment	3600	100.0000%	23.9012%	24.3603%	-	0.6137%	-	12.8635%	8.7050%	0.6924%	-	28.8640%	
Deferred Operating Taxes	4340	100.0000%	-	-	-	-	-	-	-	-	-	-	
Other Long Term Liabilities	4310	100.0000%	-	-	-	-	-	-	-	-	-	-	
Other Deferred Credits	4370	100.0000%	-	-	-	-	-	-	-	-	-	-	
Customer Deposits	-	100.0000%	23.8838%	24.4057%	-	0.6125%	-	12.8308%	8.7774%	0.6760%	-	28.8139%	
Net Telephone Plant	-	100.0000%	-	-	-	-	-	-	-	-	-	-	
Investment Allow/Disallow	-	-	-	-	-	-	-	-	-	-	-	-	
Accum Depr/Amort Allow/Disallow	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Materials and Supplies</b>													
Investment in Nonaffiliated Companies	1220	100.0000%	20.4861%	26.0024%	-	0.6378%	-	13.3174%	9.7019%	0.6101%	-	29.2443%	
Equal Access Equipment	1402	100.0000%	-	-	-	-	-	-	-	-	-	-	
Other Jurisdictional Assets	1500	100.0000%	48.7972%	13.5307%	-	0.2850%	-	4.8550%	3.6132%	0.3216%	-	28.5973%	
Cash Working Capital	XXXX	100.0000%	24.4734%	24.0166%	-	0.6093%	-	12.6690%	8.6098%	0.6739%	-	28.9481%	
Net Telephone Plant, M&S and CWC	-	100.0000%	-	-	-	-	-	-	-	-	-	-	
<b>Operating Expenses and Taxes Summary</b>													
Network Support	6110	100.0000%	23.9012%	24.3603%	-	0.6137%	-	12.8635%	8.7050%	0.6924%	-	28.8640%	
General Support	6120	100.0000%	23.9012%	24.3603%	-	0.6137%	-	12.8635%	8.7050%	0.6924%	-	28.8640%	
Central Office	6210	100.0000%	38.5164%	17.3326%	-	0.5104%	-	10.9208%	4.4387%	1.0445%	-	27.2367%	
Information Orig/Term	6310	100.0000%	-	-	-	-	-	-	-	-	-	-	
Cable and Wire Facilities	6410	100.0000%	20.4861%	26.0024%	-	0.6378%	-	13.3174%	9.7019%	0.6101%	-	29.2443%	
Plant Specific Operations	6510	100.0000%	31.8183%	20.5533%	-	0.5577%	-	11.8111%	6.3939%	0.8831%	-	27.9825%	
Other Plant	6530	100.0000%	23.9012%	24.3603%	-	0.6137%	-	12.8635%	8.7050%	0.6924%	-	28.8640%	
Network Operations	6540	100.0000%	-	-	-	-	-	-	-	-	-	-	
Access Charge	6540	100.0000%	-	-	-	-	-	-	-	-	-	-	
Federal Support	6540	100.0000%	100.0000%	-	-	0.4776%	-	10.0112%	6.7748%	0.5389%	-	22.4639%	
Marketing	6610	100.0000%	40.7745%	18.9588%	-	0.9522%	-	2.6123%	-	-	-	56.8938%	
Customer Service	6620	100.0000%	46.9134%	0.0111%	-	0.5846%	-	1.6038%	-	-	-	49.5200%	
Plant Nonspecific Operations (excluding Depreciation)	6710	100.0000%	44.6672%	0.0043%	-	0.5728%	-	9.8406%	5.4391%	0.6649%	-	53.1401%	
Customer Operations	6720	100.0000%	33.1629%	16.8721%	-	0.5728%	-	9.8406%	5.4391%	0.6237%	-	33.4275%	
Corporate Operations - Executive and Planning	-	100.0000%	37.3214%	15.8270%	-	0.5374%	-	9.2311%	5.1023%	0.6392%	-	31.3571%	
Corporate Operations - General and Administrative	-	100.0000%	35.7705%	16.2187%	-	0.5507%	-	9.4595%	5.2285%	0.6392%	-	32.1330%	
Corporate Operations	-	100.0000%	32.8529%	18.6492%	-	0.5625%	-	10.5052%	6.2118%	0.6722%	-	30.5461%	
<b>Subtotal Operations Expense</b>													
Depreciation and Amortization	6560	100.0000%	26.5421%	23.1139%	-	0.5942%	-	12.4902%	7.9769%	0.7458%	-	28.5369%	
Other Operating	7240	100.0000%	23.9012%	24.3603%	-	0.6137%	-	12.8635%	8.7050%	0.6924%	-	28.8640%	
Equal Access	-	-	-	-	-	-	-	-	-	-	-	-	
Fixed Charges	7500	100.0000%	23.8838%	24.4057%	-	0.6125%	-	12.8308%	8.7774%	0.6760%	-	28.8139%	
Rent Revenue	5240	100.0000%	20.4861%	26.0024%	-	0.6378%	-	13.3174%	9.7019%	0.6101%	-	29.2443%	
Total Operating Expense and Tax	7370	100.0000%	32.8689%	18.6457%	-	0.5623%	-	10.5065%	6.2068%	0.6733%	-	30.5365%	
Nonoperating Expense	-	-	-	-	-	-	-	-	-	-	-	-	
Abandoned Construction	-	-	-	-	-	-	-	-	-	-	-	-	
Contributions	-	-	-	-	-	-	-	-	-	-	-	-	
Other Nonoperating	-	-	-	-	-	-	-	-	-	-	-	-	
Allowance for Funds Used During Construction	7340	100.0000%	35.7705%	16.2187%	-	0.5507%	-	9.4595%	5.2285%	0.6392%	-	32.1330%	
Other Nonoperating	XXXX	-	-	-	-	-	-	-	-	-	-	-	