

**ANNUAL REPORT OF SMALL TELEPHONE COMPANIES TO  
THE IDAHO PUBLIC UTILITIES COMMISSION  
FOR THE YEAR ENDING DECEMBER 13, 2003**

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**COMPANY INFORMATION**

Exact name of utility: Fremont Telcom

Address of principal office: 110 East Main Street, Saint Anthony, ID 83445-1543

Telephone Number (Area Code 208) 624-7300

Cities or towns served: Saint Anthony, Ashton, Teton, and Island Park, ID

Name and title of officer having custody of the general corporate books of account: \_\_\_\_\_

Thomas P. Gorman, President

Address of office where corporate books are kept and phone number: \_\_\_\_\_

305 N. Ruby, Ellensburg, WA 98926

Organized under the laws of the State of: Idaho

Date of organization: March 9, 1994

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

If a Subchapter S Corporation, please specify: \_\_\_\_\_

Name and address of controlling company, if an FairPoint Communications, 521 East Morehead,

Charlotte, NC 28202

Names of affiliated companies. Give address and description of busin None

**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
Chairman and CEO	Eugene B. Johnson	521 E. Morehead; Suite 250 Charlotte, NC 28202
COO	Peter G. Nixon	521 E. Morehead; Suite 250 Charlotte, NC 28202
President/GM	Thomas P. Gorman	P.O. Box 308; Ellensburg, WA 98926
CFO & Sr. VP	Walter E. Leach, Jr.	521 E. Morehead; Suite 250 Charlotte, NC 28202
VP, Secretary & General Counsel	Shirley J. Linn	521 E. Morehead; Suite 250 Charlotte, NC 28202
VP & Controller	Lisa R. Hood	908 W. Frontview; PO Box 199 Dodge City, KS 67801
VP of Finance, Treasurer & Asst. Sec.	Timothy W. Henry	521 E. Morehead; Suite 250 Charlotte, NC 28202
VP of Regulatory Affairs	Patrick L. Morse	908 W. Frontview; PO Box 199 Dodge City, KS 67801
Vice President	Michael J. Stein	908 W. Frontview; PO Box 199 Dodge City, KS 67801
Asst. Treasurer & Asst. Sec.	Thomas E. Griffin	521 E. Morehead; Suite 250 Charlotte, NC 28202
Assistant Secretary	John LaPenta	521 E. Morehead; Suite 250 Charlotte, NC 28202
Assistant Secretary	Neil A. Torpey	
Assistant Secretary	Thomas E. Kruger	

**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>
Frank K. Bynum, Jr.			
Anthony J. DiNovi			
George E. Matelich			
Kent R. Weldon			

Name of Chairman of the Board: Eugene B. Johnson  
 Name of Secretary (or Clerk) of Board: Shirley J. Linn  
 Number of Meetings of the Board during the year: 4

**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>
Mike Dolezal	Local Manager	86,585.35
Don Coleman	Operations Manager	76,166.56
Rita Morton	Business Office Manager	52,084.86



**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	488048	725793	237745
1130 Cash			
1140 Special Cash Deposits			
1150 Working Cash Advances	700	700	0
1160 Temporary Investments			
1180 Telecommunications Accts. Receivable	148564	183957	35393
1181 Accts. Rec. Allow. -Telecommunications	-2170	-23177	-21007
1190 Other Accounts Receivable	2243734	1754609	-489125
1191 Accounts Receivable Allow. - Other			
1200 Notes Receivable			
1201 Notes Receivable Allowance			
1210 Interest & Dividends Receivable			
1220 Material and Supplies	90864	128665	37801
1280 Prepayments			
1290 Prepaid Rents	87761	87761	0
1300 Prepaid Taxes			
1310 Prepaid Insurance			
1320 Prepaid Directory Expenses			
1330 Other Prepayments			
1350 Other Current Assets		28765	
<b>Noncurrent Assets</b>			
1401 Investment in Affiliated Companies			
1402 Investment in Nonaffiliated Companies	1009908	959217	-50691
1406 Nonregulated Investments	92539		-92539
1407 Unamortized Debt Issuance Expense			
1408 Sinking Funds			
1410 Other Noncurrent Assets			
1438 Deferred Maintenance & Retirements	185886	525625	339739
1439 Deferred Charges			
1500 Other Jurisdiction Assets - Net			
<b>Property, Plant and Equipment</b>			
2001 Telecommunications Plants in Service	27761855	29090828	1328973
2002 Prop. Held for Future Telecom. Use			
2003 Telecom. Plant under Constr. - Short Term	70008	91745	21737
2004 Telecom. Plant under Constr. - Long Term			
2005 Telecom. Plant Adjustment			
2006 Nonoperating Plant		136474	
2007 Goodwill	3998088	3998088	0
<b>Depreciation and Amortization Accounts</b>			
3100 Accumulated Depreciated	-14915346	-17561493	-2646147
3200 Accum. Depre. - Held for Future Use			0
3300 Accumulated Depreciation - Nonoperating	-82461	-89022	-6561
3400 Accumulated Amortization - Tangible			
3410 Accum. Amort. - Capitalized Leases			
3420 Accum. Amort. - Leasehold Improvements			
3500 Accumulated Amortization - Intangible			
3600 Accumulated Amortization - Other			
<b>TOTAL ASSETS</b>	<b>21177978</b>	<b>20038535</b>	<b>-1139443</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	1622298	1831042	208744
4020 Notes Payable			
4030 Advance Billings and Payments			
4040 Customer Deposits	503336	535515	32179
4050 Current Maturities - Long -Term Debt			
4060 Current Maturities - Capital leases			
4070 Income Taxes - Accrued	-4476	-18373	-13897
4080 Other Taxes - Accrued	85802	78219	-7583
4100 Net Current Defer. Oper. Income Taxes			
4110 Net Current Defer. Nonoper. Income Taxes			
4120 Other Accrued Liabilities	207778	50054	-157724
4130 Other Current Liabilities			
<b>Long-Term Debt</b>			
4210 Funded Debt			
4220 Premium on Long-Term Debt			
4230 Discount on Long-Term Debt			
4240 Reacquired Debt			
4250 Obligations Under Capital Leases			
4260 Advances from Affiliated Companies			
4270 Other Long-Term Debt			
<b>Other Liabilities &amp; Deferred Credits</b>			
4310 Other Long-Term Liabilities			
4320 Unamort. Oper. Invest. Tax Credits - Net			
4330 Unamort. Nonoper. Invest. Tax Credits - Net			
4340 Net Noncurrent Defer. Oper. Income Taxes	-27021	255953	282974
4350 Net Noncur. Defer. Nonoper. Income Taxes	308188	753315	445127
4360 Other Deferred Credits			
4370 Other Juris. Liab. & Def. Credits - Net			
<b>Stockholders' Equity</b>			
4510 Capital Stock	6120	6120	0
4520 Additional Paid-In Capital	16275508	16275508	0
4530 Treasury Stock			
4540 Other Capital			
4550 Retained Earnings	2200445	271182	-1929263
<b>TOTAL LIAB. &amp; OTHER CREDITS</b>	<b>21177978</b>	<b>20038535</b>	<b>-1139443</b>

**ANALYSIS OF TELECOMMUNICATIONS PLANT IN SERVICE**

**TOTAL Company Basis**

	Balance Beginning of Year	Additions During year	Plant Retired or Sold	Transfers and Adjustments	Balance End of Year
<b>Analysis of Telecommunications Plant in Service</b>					
2111 Land	39421				39421
2112 Motor Vehicles	146682	43676			190358
2113 Aircraft					0
2114 Special Purpose Vehicles					0
2115 Garage Work Equipment					80327
2116 Other Work Equipment	73777	6550			729122
2121 Buildings	729122				0
2122 Furniture					4776
2123 Office Equipment	4776				177921
2124 General Purpose Computers	175602	2319			0
2211 Analog Electronic Switching					2925731
2212 Digital Electronic Switching	3234911			-309180	1505465
2212 Digital Switching Software	1442773	62692			0
2220 Operator Systems					1061241
2231 Radio Systems	851024	210217			6116566
2232 Circuit Equipment	5277498	839068			0
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	137874				137874
2421 Aerial Cable	358436	3145			361581
2422 Underground Cable	2333813	9462			2343275
2423 Buried Cable	12653813	460931			13114744
2424 Submarine Cable					
2426 Intrabuilding Network Cable					
2431 Aerial Wire	3000				3000
2441 Conduit Systems	299334				299334
2681 Capital Leases					
2682 Leasehold Improvements					
2690 Intangibles					
<b>TOTAL PLANT ACCOUNTS</b>	<b>27761856</b>	<b>1638060</b>	<b>0</b>	<b>-309180</b>	<b>29090736</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	Same as Total Company				
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>					

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

	TOTAL Company Basis				Credits During Year	Retirements and Adjustments	Balance End of Year
	Balance Beginning of Year	Depreciation Rate*					
<b>Analysis of Entries in Accumulated Depreciation</b>							
2112 Motor Vehicles	136544	33.3		46968		183512	
2113 Aircraft							
2114 Special Purpose Vehicles							
2115 Garage Work Equipment							
2116 Other Work Equipment	47833	20		14810		62643	
2121 Buildings	383459	5		36456		419915	
2122 Furniture						0	
2123 Office Equipment	3882	20		894		4776	
2124 General Purpose Computers	175602	33.3		2319		177921	
2211 Analog Electronic Switching						0	
2212 Digital Electronic Switching	772976	12		329635		1102611	
2212 Digital Switching Software	898379	33.3		481502		1379881	
2220 Operator Systems						0	
2231 Radio Systems	851024	20		9944		860968	
2232 Circuit Equipment	3066205	12.5		2023945	-1524968	3565182	
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	137874	12.5				137874	
2421 Aerial Cable	222136	8.6		30159		252295	
2421 Aerial Fiber	2757	6		602		3359	
2422 Underground Cable	35469	10		18864		54333	
2422 Underground Fiber	379896	6		128925		508821	
2423 Buried Cable	6869103	6.5		684189		7553292	
2423 Buried Fiber	204556	6.7		64920		269476	
2423 Buried Cable - Line Extensions	573951	20		280462		854413	
2431 Aerial Wire	3000	14.6				3000	
2441 Conduit Systems	150698	5.5		16523		167221	
<b>TOTAL</b>	<b>14915344</b>			<b>4171117</b>	<b>-1524968</b>	<b>17561493</b>	

\*Please list individual depreciation rate for each account.



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

IDAHO Operations Only

	Balance Beginning of Year	Depreciation Rate*	Credits During Year	Retirements and Adjustments	Balance End of Year
<b>Analysis of Entries in Accumulated Depreciation</b>					
2112 Motor Vehicles	Same as Total Company				
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					
<b>TOTAL</b>					

\*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>
Internet, Lease, Payphone Eq	1997-2000	_____	136475
Linktel	Oct-98	_____	35699
Fall River Electric Dividends	Mar-00	_____	3239
Syringa Network	2001-2002	_____	955978
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
<b>Totals</b>	_____	_____	1131391

## RECEIVABLES

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

<u>Name of Company</u>	<u>Amount at End of Year</u>	
	<u>Notes Receivable</u>	<u>Accounts Receivable</u>
Customers	_____	160799
CABS	_____	147832
NECA/USAC	_____	341337
State USF	_____	9173
Related Party	_____	1253629
Miscellaneous	_____	2636
_____	_____	_____
<b>Totals</b>	_____	1915406

**NOTES PAYABLE**

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

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

**ACCOUNTS PAYABLE**

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

<u>Name of Creditor</u>	<u>Amount</u>
A/P Trade	70534
NECA	801814
Related Party	953693
<b>Totals</b>	<b>1826041</b>

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>Amortized</u>	<u>Rate</u>	<u>Amount</u>	
None									

### CAPITAL STOCK

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

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

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

<u>Class &amp; Series of Stock</u>	<u>Number of Shares Authorized</u>	<u>Par Value per Share</u>	<u>Outstanding per Balance Sheet</u>	
			<u>Shares</u>	<u>Amount</u>
Common	100000	0	5155.5	6120

**INCOME & RETAINED EARNINGS STATEMENT**

Item	Total Company	Idaho Only
Total Operating Income (from page 15)	<u>9686163</u>	Same as
Total Operating Expenses (from page 17)	<u>6944665</u>	Total Company
7100 Other Operating Income and Expense	<u>                    </u>	<u>                    </u>
7210 Operating Investment Tax Credits-Net	<u>                    </u>	<u>                    </u>
7220 Operating Federal Income Taxes	959233	<u>                    </u>
7230 Operating State and Local Income Taxes	74245	<u>                    </u>
7240 Operating Other Taxes	150117	<u>                    </u>
7250 Provision for Deferred Operating Income Taxes-Net	-117826	<u>                    </u>
7200            Operating Taxes (Total)	1065769	<u>                    </u>
7310 Dividend Income	<u>                    </u>	<u>                    </u>
7320 Interest Income	1133	<u>                    </u>
7330 Income from Sinking and Other Funds	<u>                    </u>	<u>                    </u>
7340 Allowance for Funds Used During Construction	<u>                    </u>	<u>                    </u>
7350 Gains/Losses from the Disposition of Certain Property	<u>                    </u>	<u>                    </u>
7360 Other Nonoperating Income	-50681	<u>                    </u>
7370 Special Charges	<u>                    </u>	<u>                    </u>
7300            Nonoperating Income and Expense	-49548	<u>                    </u>
7410 Nonoperating Investment Tax Credits-Net	<u>                    </u>	<u>                    </u>
7420 Nonoperating Federal Income Taxes	-37246	<u>                    </u>
7430 Nonoperating State and Local Income Taxes	-9526	<u>                    </u>
7440 Nonoperating Other Taxes	<u>                    </u>	<u>                    </u>
7450 Provision for Deferred Nonoperating Income Taxes-Net	265380	<u>                    </u>
7400            Nonoperating Taxes	218608	<u>                    </u>
7510 Interest on Funded Debt	<u>                    </u>	<u>                    </u>
7520 Interest Expense-Capital Leases	<u>                    </u>	<u>                    </u>
7530 Amortization of Debt Issuance Expense	<u>                    </u>	<u>                    </u>
7540 Other Interest Deductions	1356	<u>                    </u>
7500            Interest and Related Items	1356	<u>                    </u>
7610 Extraordinary Income Credits	<u>                    </u>	<u>                    </u>
7620 Extraordinary Income Charges	<u>                    </u>	<u>                    </u>
7630 Current Income Tax Effect of Extraordinary Items-Net	<u>                    </u>	<u>                    </u>
7640 Provision for Deferred Income Tax Effect of Extraordinary Items-Net	<u>                    </u>	<u>                    </u>
7600            Extraordinary Items	<u>                    </u>	<u>                    </u>
7910 Income Effect of Jurisdictional Ratemaking Differences-Net	<u>                    </u>	<u>                    </u>
7990 Nonregulated Net Income	609520	<u>                    </u>
<b>AMOUNT TRANSFERRED TO RETAINED EARNINGS</b>	<u>2015737</u>	<u>                    </u>

**OPERATING REVENUES**

Item	Total Company	Idaho Only
<b>Local Network Services Revenues</b>		
5001 Basic Area Revenue	<u>1996728</u>	Same as Total Compa
5002 Optional Extended Area Revenue	<u>                    </u>	<u>                    </u>
5003 Cellular Mobile Revenue	<u>                    </u>	<u>                    </u>
5004 Other Mobile Services Revenue	<u>                    </u>	<u>                    </u>
5010 Public Telephone Revenue	<u>                    </u>	<u>                    </u>
5040 Local Private Line Revenue	<u>                    </u>	<u>                    </u>
5050 Customer Premises Revenue	<u>                    </u>	<u>                    </u>
5060 Other Local Exchange Revenue	<u>199710</u>	<u>                    </u>
5069 Other Local Exchange Settlements	<u>2001847</u>	<u>                    </u>
<b>Network Access Services Revenues</b>		
5081 End User Revenue (SLC)	<u>509528</u>	<u>                    </u>
5082 Switched Access Revenue (Interstate)	<u>3599459</u>	<u>                    </u>
5083 Special Access Revenue	<u>709387</u>	<u>                    </u>
5084 State Access Revenue (Intrastate)	<u>532228</u>	<u>                    </u>
Long Distance Network Services Revenues		
5100 Long Distance Message Revenue - All	<u>                    </u>	<u>                    </u>
<b>Miscellaneous Revenues</b>		
5230 Directory Revenue	<u>46423</u>	<u>                    </u>
5240 Rent Revenue	<u>7186</u>	<u>                    </u>
5250 Corporate Operations Revenue	<u>                    </u>	<u>                    </u>
5261 Special Billing Arrangements Revenue	<u>                    </u>	<u>                    </u>
5262 Customer Operations Revenue	<u>                    </u>	<u>                    </u>
5263 Plant Operations Revenue	<u>                    </u>	<u>                    </u>
5264 Other Incidental Regulated Revenue	<u>98524</u>	<u>                    </u>
5269 Other Revenue Settlements	<u>                    </u>	<u>                    </u>
5270 Carrier Billing & Collection Revenue	<u>15271</u>	<u>                    </u>
<b>Uncollectible Revenues</b>		
5301 Uncollectible Revenue - Telecommunications	<u>-30128</u>	<u>                    </u>
5302 Uncollectible Revenue - Other	<u>                    </u>	<u>                    </u>
<b>TOTAL OPERATING REVENUES</b>	<u>9686163</u>	<u>                    </u>

Please identify the following revenues:

NECA USF \$ 2,001,847 \_\_\_\_\_. To what account were they booked? 5069

State USF \$ 110,081 \_\_\_\_\_. To what account were they booked? 5084

**OPERATING REVENUES**

Item	Total Company	Idaho Only
<b>Plant Specific Operations Expense</b>		
6110 Network Support Expenses		Same as Total Cor
6112 Motor Vehicle Expense	1018	
6113 Aircraft Expense		
6114 Special Purpose Vehicles Expense		
6115 Garage Work Equipment Expense		
6116 Other Work Equipment Expense		
6120 General Support Expenses		
6121 Land and Building Expenses	142168	
6122 Furniture and Artworks Expense		
6123 Office Equipment Expense	23351	
6124 General Purpose Computers Expense	231359	
6210 Central Office Switching Expenses		
6211 Analog Electronic Expense		
6212 Digital Electronic Expense	434537	
6215 Electro-Mechanical Expense		
6220 Operators System Expense		
6230 Central Office Transmission Expenses		
6231 Radio Systems Expense	4973	
6232 Circuit Equipment Expense	136082	
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	5914	
6422 Underground Cable Expense	5031	
6423 Buried Cable Expense	1270164	
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>2254597</b>	



**OPERATING REVENUES**

Item	Total Company	Idaho Only
<b>Plant Nonspecific Operations Expense</b>		
6510 Other Property/Plant/Equipment Expenses		Same as Total Company
6511 Property Held for Future Telecomm. Use Expenses		
6512 Provisioning Expense	5405	
6530 Network Operations Expense		
6531 Power Expense	38736	
6532 Network Administration Expense	3288	
6533 Testing Expense	33850	
6534 Plant Operations Administration Expense	156353	
6535 Engineering Expense	8218	
6540 Access Expense	68477	
6560 Depreciation and Amortization Expenses		
6561 Depreciation Expense-Telecom. Plant in Service	2633573	
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>2947900</b>	
<b>Customer Operations Expense</b>		
6610 Marketing		
6611 Product Management	19191	
6612 Sales	174	
6613 Product Advertising	1746	
6620 Services		
6621 Call Completion Services	1259	
6622 Number Services	28523	
6623 Customer Services	302981	
<b>Total Customer Operations Expense</b>	<b>353874</b>	
<b>Corporate Operations Expense</b>		
6710 Executive and Planning		
6711 Executive	568653	
6712 Planning	37699	
6720 General and Administrative		
6721 Accounting and Finance	444721	
6722 External Relations	129630	
6723 Human Resources	36008	
6724 Information Management		
6725 Legal	81041	
6726 Procurement		
6727 Research and Development		
6728 Other General and Administrative	90542	
6790 Provision for Uncollectible Notes Receivable		
<b>Total Corporate Operations Expense</b>	<b>1388294</b>	
<b>TOTAL OPERATING EXPENSES</b>	<b>6944665</b>	

**CENTRAL OFFICE DATA**  
as of December 31, 2003 (unless otherwise indicated)

Name of Central Office: Teton, ID  
Prefix (es): (208) 458

Central Office Switch Type: Nortel Access Nodes

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

**Access Line Capacity**  
Design: Nortel Access Nodes 635

Installed/Equipped: 668/884  
Public Telephone Lines 1  
Company Official Lines 0  
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		582	582	35	29	64	646
New Connects							
Disconnects							
End of Year		573	573	32	30	62	635

**Foreign Exchange:**  
Dial Tone from this C.O.: \_\_\_\_\_  
Dial Tone from another C.O.: \_\_\_\_\_

**Directory Listings:**  
Number of Customers with Nonpublished or Nonlisted: 23

**Custom Calling:**  
Number of customers with at least one feature: 292  
Total number of features subscribed to: 33

**CENTRAL OFFICE DATA**  
as of December 31, 2003 (unless otherwise indicated)

Name of Central Office: Island Park, ID  
Prefix (es): (208) 558

Central Office Switch Type: Nortel Access Nodes

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

**Access Line Capacity**  
Design: Nortel Access Nodes  
**Access Lines in Use**  
Customer Lines: 1212  
(Include Centrex, PAL, Semi-Pub.)

Installed/Equipped: 1671/3389  
Public Telephone Lines 8  
Company Official Lines 0  
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		1001	1001	141	102	243	1244
New Connects							
Disconnects							
End of Year		984	984	134	94	228	1212

**Foreign Exchange:**  
Dial Tone from this C.O.: \_\_\_\_\_  
Dial Tone from another C.O.: \_\_\_\_\_

**Directory Listings:**  
Number of Customers with Nonpublished or Nonlisted: 50

**Custom Calling:**  
Number of customers with at least one feature: 315  
Total number of features subscribed to: 37

**CENTRAL OFFICE DATA**  
as of December 31, 2003 (unless otherwise indicated)

Name of Central Office: Saint Anthony, ID  
Prefix (es): (208) 624

Central Office Switch Type: Nortel DMS 500

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

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

**Access Line Capacity**  
Design: Nortel DMS 500

**Access Lines in Use**  
Customer Lines: 2572  
(Include Centrex, PAL, Semi-Pub.)

Installed/Equipped: 2794/3780

Public Telephone Lines 6  
Company Official Lines 54  
Company Test Lines 204

**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	2123	2123	2123	40	359	138	497
New Connects							
Disconnects							
End of Year	2051	2051	2051	40	347	174	521
							2620
							2572

**Foreign Exchange:**

Dial Tone from this C.O.: \_\_\_\_\_  
Dial Tone from another C.O.: \_\_\_\_\_

**Directory Listings:**

Number of Customers with Nonpublished or Nonlisted: 116

**Custom Calling:**

Number of customers with at least one feature: 1354  
Total number of features subscribed to: 40

**CENTRAL OFFICE DATA**  
as of December 31, 2003 (unless otherwise indicated)

Name of Central Office: Ashton, ID  
Prefix (es): (208) 652

Central Office Switch Type: Nortel Access Nodes

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

**Access Line Capacity**  
Design: Nortel Access Nodes  
Installed/Equipped: 1260/1891

**Access Lines in Use**  
Customer Lines: 1183  
(Include Centrex, PAL, Semi-Pub.)

Public Telephone Lines 5  
Company Official Lines 0  
Company Test Lines 0

**Classification of Customer Access**

	Residence			Business			Total Residence & Business
	Multi- Line 1-Party	Single Line	Multi- Party	Multi- Line 1-Party	Single Line	Multi- Party	
Beginning of Year	917	917	193	193	83	276	1193
New Connects							
Disconnects							
End of Year	908	908	189	189	86	275	1183

**Foreign Exchange:**  
Dial Tone from this C.O.: \_\_\_\_\_  
Dial Tone from another C.O.: \_\_\_\_\_  
**Directory Listings:**  
Number of Customers with Nonpublished or Nonlisted: 47

**Custom Calling:**  
Number of customers with at least one feature: 436  
Total number of features subscribed to: 43

**NUMBER OF CALLS COMPLETED BY CUSTOMERS DURING (Year) \_\_\_\_\_.**

Local Exchange	Average # of Customer Lines in Use	Local Calls		Toll Calls Originated (Total of all Carriers)			Avg./ Line
		Number (1000s)	Avg./ Line	Intrastate	Interstate	Total	
1 Teton - 458	641	Not Available		18485	160620	179105	279.41
2 Island Park - 558	1397	Not Available		39274	579579	618853	442.99
3 Saint Anthony - 624	2612	Not Available		119985	880517	1000502	383.04
4 Ashton - 652	1216	Not Available		52581	497638	550219	452.48
5 _____	_____	_____	_____	_____	_____	_____	_____
6 _____	_____	_____	_____	_____	_____	_____	_____
7 _____	_____	_____	_____	_____	_____	_____	_____
8 _____	_____	_____	_____	_____	_____	_____	_____
9 _____	_____	_____	_____	_____	_____	_____	_____
10 _____	_____	_____	_____	_____	_____	_____	_____
11 _____	_____	_____	_____	_____	_____	_____	_____
12 _____	_____	_____	_____	_____	_____	_____	_____
13 _____	_____	_____	_____	_____	_____	_____	_____
14 _____	_____	_____	_____	_____	_____	_____	_____
15 _____	_____	_____	_____	_____	_____	_____	_____
16 _____	_____	_____	_____	_____	_____	_____	_____
17 _____	_____	_____	_____	_____	_____	_____	_____
18 _____	_____	_____	_____	_____	_____	_____	_____

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

CUSTOMER RELATIONS RULES COMPLIANCE

Rule IDAPA 31.21.01.603  
Rule IDAPA 31.41.01.105

Please provide copies of:

Summary of Customer Relations Rules for Telephone Corporations

Idaho Telephone Solicitation Act Notification

Method of Notification:

Mailed separately to customers Yes \_\_\_\_\_ No X \_\_\_\_\_

Included in directory Yes X \_\_\_\_\_ No \_\_\_\_\_

Date of notification December 1, 2002 \_\_\_\_\_

Alternate method of notification \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Rule IDAPA 31.41.01.403.02

Record of Complaints:

Number received by Company 0

Category of complaints (if known):

Deposit Disputes \_\_\_\_\_

Charges on Bill \_\_\_\_\_

Denial/Termination \_\_\_\_\_

Quality or Availability  
of Service \_\_\_\_\_

Carrier Selection/Assignment \_\_\_\_\_

Miscellaneous \_\_\_\_\_

Rev 3/02

CERTIFICATE

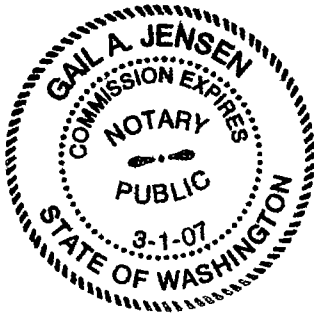
State of Washington )  
 ) ss  
County of Kittitas )

WE, the undersigned \_\_\_\_\_ Thomas P. Gorman

and \_\_\_\_\_

of the Fremont Telcom 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.



[Signature]  
(Chief Officer)

[Signature]  
(Officer in Charge of Accounts)

Subscribed and Sworn to Before Me this 9<sup>th</sup> day of March, (Year) 2004.

[Signature]  
Notary Public

My Commission expires March 1, (Year) 2007.