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IDAHO PUBLIC
UTILITIES COMMISSION

ANNUAL REPORT

OF

MIDVALE TELEPHONE EXCHANGE, INC.

NAME

P. O. BOX 7, MIDVALE, IDAHO 83645

ADDRESS

TO THE

IDAHO PUBLIC

UTILITIES COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2000

ANNUAL REPORT OF SMALL TELEPHONE COMPANIES TO
THE IDAHO PUBLIC UTILITIES COMMISSION
FOR THE YEAR ENDING DECEMBER 31, 2000

Exact name of utility: **Midvale Telephone Exchange, Inc.**

Address of principal office: **P.O. Box 7, Midvale, Idaho, 83645**

Telephone Number (Area Code 208) **355-2211**

Cities or towns served: **Midvale, Lakeview, Warren, Yellow Pine and Warm Lake, Idaho;
Harper and Juntura, Oregon and Cascabel and Young, Arizona**

Name and title of officer having custody of the general corporate books of account:
Lane R. Williams, P.O. Box 7, Midvale, Idaho, 83645

Address of office where corporate books are kept and phone number: **(208) 355-2211**

Organized under the laws of the State of Idaho

Date of organization: **January 9, 1908**

Form of organization: **Corporation**

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

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

Names of affiliated companies. Give address and description of business: **M & L Enterprises, Inc.
P.O. Box 7, Midvale Idaho 83645. Property leasing, constructions and CLEC in Washington.**

OFFICERS

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

<u>Title</u>	<u>Name</u>	<u>Address</u>
President/General Manager	Lane R. Williams	P.O. Box 7, Midvale, Idaho, 83645
Secretary/Treasurer	Mary G. Williams	P.O. Box 7, Midvale, Idaho, 83645
Vice President	Shirley Archer	P.O. Box 7, Midvale, Idaho, 83645

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).

<u>Name and Address</u>	Term Expired or Current Term <u>Will Expire:</u>	Meetings Attended <u>This Year</u>	Fees Paid <u>During Year</u>
Lane R. Williams		All	None
Mary G. Williams		All	None
Shirley C. Archer		All	None

Name of Chairman of the Board: **Lane R. Williams**

Name of Secretary (or Clerk) of Board: **Mary G. Williams**

Number of Meetings of the Board during the year: **Two**

MANAGERS

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

<u>Name</u>	<u>Title</u>	<u>Wages and Bonuses Paid</u>
Lane R. Williams	President	60,748
Mary G. Williams	Sec./Treasury	47,512
Shirley C. Archer	Vice President	25,846
John Stuart	Manager	69,331
Karen Williams	Manager	63,947

NOTES TO THE FINANCIAL STATEMENTS

Per Idaho PUC Order merging Sawtooth Telephone Company's operations with its parent, Midvale Telephone Exchange, Inc., the financial statements and all other reports herein reflect their combined operations.

The deferred taxes have been restated for prior years to record the tax benefit attributed to related net operating losses. The result of this restatement increases the 1999 net income by \$182,859 and prior period retained earnings by \$103,375.

BALANCE SHEET
Assets and Other Debits

Title of Account	Balance Beginning of Year	Balance at End of Year	Increase or (Decrease)
Current Assets			
1120 Cash and Equivalents	\$ 271,450	\$ 300,408	\$28,958
1130 Cash			
1140 Special Cash Deposits			
1150 Working Cash Advances			
1160 Temporary Investments			
1180 Telecommunications Accounts Receivable	147,026	162,702	15,676
1181 Accts. Rec. Allow. - Telecommunications			
1190 Other Accounts Receivable	470,393	676,673	206,280
1191 Accounts Receivable Allowance - Other			
1200 Notes Receivable			
1201 Notes Receivable Allowance			
1210 Interest & Dividends Receivable			
1220 Material and Supplies	164,800	166,110	1,310
1280 Prepayments	7,356	8,719	1,363
1290 Prepaid Rents			
1300 Prepaid Taxes			
1310 Prepaid Insurance			
1320 Prepaid Directory Expenses			
1330 Other Prepayments			
1350 Other Current Assets	3,173	4,827	1,654
Noncurrent Assets			
1401 Investment in Affiliated Companies		140,050	140,050
1402 Investment in Nonaffiliated Companies	237,337	214,500	(22,837)
1406 Nonregulated Investments			
1407 Unamortized Debt Issuance Expense			
1408 Sinking Funds			
1410 Other Noncurrent Assets	283,098	501,217	218,119
1438 Deferred Maintenance & Retirements			
1439 Deferred Charges	112,099	149,718	37,619
1500 Other Jurisdiction Assets - Net			
Property, Plant and Equipment			
2001 Telecommunications Plant In Service	14,977,174	15,507,623	530,449
2002 Prop. Held for Future Telecomm. Use			
2003 Telecom. Plant Under Constr. - Short Term		70,678	70,678
2004 Telecom. Plant Under Constr. - Long Term			
2005 Telecommunications Plant Adjustment	1,297,232	1,162,836	(134,396)
2006 Nonoperating Plant			
2007 Goodwill			
Depreciation and Amortization Accounts			
3100 Accumulated Depreciation	(7,221,027)	(8,279,285)	(1,058,258)
3200 Accum. Depr. - Held For Future Use			
3300 Accumulated Depreciation - Nonoperating			
3400 Accumulated Amortization - Tangible			
3410 Accum. Amort. - Capitalized Leases			
3420 Accum. Amort. - Leasehold Improvements			
3500 Accumulated Amortization - Intangible			
3600 Accumulated Amortization - Other			
Total Assets	\$ 10,750,111	\$ 10,786,776	\$ 36,665

BALANCE SHEET
Liabilities & Stockholders' Equity

<u>Title of Account</u>	<u>Balance Beginning of Year</u>	<u>Balance at End of Year</u>	<u>Increase or (Decrease)</u>
Current Liabilities			
4010 Accounts Payable	\$ 200,721	\$ 300,054	\$ 99,333
4020 Notes Payable	301,000	286,000	(15,000)
4030 Advance Billings and Payments			
4040 Customer Deposits	2,550	1,453	(1,097)
4050 Current Maturities - Long-Term Debt	486,707	458,620	(28,087)
4060 Current Maturities - Capital Leases		32,366	32,366
4070 Income Taxes - Accrued	20	20	-
4080 Other Taxes - Accrued	110,886	79,747	(31,139)
4100 Net Current Defer. Oper. Income Taxes			
4110 Net Current Defer. Nonoper. Income Taxes			
4120 Other Accrued liabilities			-
4130 Other Current Liabilities	64,463	59,969	(4,494)
Long-Term Debt			
4210 Funded Debt			
4220 Premium on Long-Term Debt			
4230 Discount on Long-Term Debt			
4240 Reacquired Debt			
4250 Obligations Under Capital Leases		17,898	17,898
4260 Advances from Affiliated Companies			
4270 Other Long-Term Debt	7,202,793	6,755,931	(446,862)
Other Liabilities and Deferred Credits			
4310 Other Long-Term Liabilities			
4320 Unamort. Oper. Invest. Tax Credits - Net			
4330 Unamort. Nonoper. Invest. Tax Credits - Net			
4340 Net Noncurrent Defer. Oper. Income Taxes	367,243	599,810	232,567
4350 Net Noncur. Defer. Nonoper. Income Taxes			-
4360 Other Deferred Credits			
4370 Other Juris. Liab. & Def. Credits - Net			
Stockholders' Equity			
4510 Capital Stock	25,000	25,000	-
4520 Additional Paid-in Capital	7,910	7,910	-
4530 Treasury Stock	(64,000)	(64,000)	-
4540 Other Capital			-
4550 Retained Earnings	2,044,818	2,225,998	181,180
Total Liabilities & Other Credits	\$ 10,750,111	\$ 10,786,776	\$ 36,665

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
<u>ANALYSIS OF TELECOMMUNICATIONS PLANT IN SERVICE</u>					
2111 Land	\$ 101,805				\$ 101,805
2112 Motor Vehicles	493,571				493,571
2113 Aircraft					
2114 Special Purpose Vehicles					
2115 Garage Work Equipment					
2116 Other Work Equipment	473,436	6,782			480,218
2121 Buildings	632,158	9,162			641,320
2122 Furniture	71,064				71,064
2123 Office Equipment	3,348				3,348
2124 General Purpose Computers	265,332	71,325			336,657
2211 Analog Electronic Switching					
2212 Digital Electronic Switching	2,759,209	24,858			2,784,067
2215 Electro-Mechanical Switching					
2220 Operator Systems					
2231 Radio Systems					
2232 Circuit equipment	3,059,173	191,327			3,250,500
2311 Station Apparatus	27,232				27,232
2321 Customer Premises Wiring					
2341 Large Private Branch Exchanges					
2351 Public Telephone Terminal Equipment	36,187				36,187
2362 Other Terminal Equipment					
2411 Poles					
2421 Aerial Cable					
2422 Underground Cable					
2423 Buried Cable					
2424 Submarine Cable	7,054,659	226,997			7,281,656
2426 Intra-building Network Cable					
2431 Aerial Wire					
2441 Conduit Systems					
2681 Capital Leases					
2682 Leasehold Improvements					
2690 Intangibles					
Total Plant Accounts	\$ 14,977,174	\$ 530,451	\$ -	\$ -	\$ 15,507,625

ANALYSIS OF TELEPHONE PLANT ACCOUNTS

IDAHO OPERATIONS ONLY

	Balance Beginning of Year	Additions During Year	Plant Retired or Sold	Transfers and Adjustments	Balance End of Year
<u>ANALYSIS OF TELECOMMUNICATIONS PLANT IN SERVICE</u>					
2111 Land	\$ 77,361				\$ 77,361
2112 Motor Vehicles	439,206				439,206
2113 Aircraft					
2114 Special Purpose Vehicles					
2115 Garage Work Equipment					
2116 Other Work Equipment	451,456	6,782			458,238
2121 Buildings	602,430	9,161			611,591
2122 Furniture	70,564				70,564
2123 Office Equipment	3,348				3,348
2124 General Purpose Computers	256,389	71,324			327,713
2211 Analog Electronic Switching					
2212 Digital Electronic Switching	1,979,840	108,144			2,087,984
2215 Electro-Mechanical Switching					
2220 Operator Systems					
2231 Radio Systems					
2232 Circuit Equipment	1,006,851				1,006,851
2311 Station Apparatus	2,107,083				2,107,083
2321 Customer Premises Wiring					
2341 Large Private Branch Exchanges					
2351 Public Telephone Terminal Equipment	27,399				27,399
2362 Other Terminal Equipment					
2411 Poles					
2421 Aerial Cable					
2422 Underground Cable					
2423 Buried Cable					
2424 Submarine Cable	4,586,557	140,297			4,726,854
2426 Intrabuilding Network Cable					
2431 Aerial Wire					
2441 Conduit Systems					
2681 Capital Leases					
2682 Leasehold Improvements					
2690 Intangibles					
Total Plant Accounts	\$ 11,608,484	\$ 335,708	\$ -	\$ -	\$ 11,944,192

ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION

Account 3100

TOTAL COMPANY BASIS

ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION

	Balance Beginning of Year	Depreciation Rate*	Credits During Year	Retirements and Adjustments	Balance End of Year
2112 Motor Vehicles	\$ 321,023		60,336		\$ 381,359
2113 Aircraft					
2114 Special Purpose Vehicles		All Var			
2115 Garage Work Equipment					
2116 Other Work Equipment	377,538		44,777		422,315
2121 Buildings	184,147		19,419		203,566
2122 Furniture	62,880		4,723		67,603
2123 Office Equipment					
2124 General Purpose Computers	179,476		37,701		217,177
2211 Analog Electronic Switching					
2212 Digital Electronic Switching	1,310,186		286,809		1,596,995
2215 Electro-Mechanical Switching					
2220 Operator Systems					
2231 Radio Systems					
2232 Circuit Equipment	1,768,708		217,454		1,986,162
2311 Station Apparatus	16,797				16,797
2321 Customer Premises Wiring					
2341 Large Private Branch Exchanges					
2351 Public Telephone Terminal Equipment	36,186				36,186
2362 Other Terminal Equipment					
2411 Poles					
2421 Aerial Cable					
2422 Underground Cable					
2423 Buried Cable					
2424 Submarine Cable	2,964,086		387,040		3,351,126
2426 Infrabuilding Network Cable					
2431 Aerial Wire					
2441 Conduit Systems					
Total	\$ 7,221,027		\$ 1,058,259	\$ -	\$ 8,279,286

*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
<u>ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION</u>					
2112 Motor Vehicles	\$ 281,198	25%	54,116		\$ 335,314
2113 Aircraft					
2114 Special Purpose Vehicles					
2115 Garage Work Equipment					
2116 Other Work Equipment	334,165	20%	44,777		378,942
2121 Buildings	124,077	3%	18,479		142,556
2122 Furniture	54,164	14%	4,652		58,816
2123 Office Equipment	3,348	14%			3,348
2124 General Purpose Computers	151,057	20%	36,012		187,069
2211 Analog Electronic Switching					
2212 Digital Electronic Switching	964,426	13%	209,158		1,173,584
2215 Electro-Mechanical Switching					
2220 Operator Systems					
2231 Radio Systems					
2232 Circuit Equipment	798,690	10%	165,826		964,516
2311 Station Apparatus	16,797				16,797
2321 Customer Premises Wiring					
2341 Large Private Branch Exchanges					
2351 Public Telephone Terminal Equipment	11,684				11,684
2362 Other Terminal Equipment					
2411 Poles					
2421 Aerial Cable					
2422 Underground Cable					
2423 Buried Cable					
2424 Submarine Cable	1,889,332	7%	277,067		2,166,399
2426 Intra Building Network Cable					
2431 Aerial Wire					
2441 Conduit Systems					
Total	\$ 3,880,166		\$ 810,087	\$ -	\$ 5,439,026

*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 During Year</u>	<u>Book Cost of Investments Held at End of Year</u>
Idaho Company			3,000
Radio Shack Franchise			5,000
RTFC			180,500
Western Teledata			2,000
System Seven			14,000
Snake River Cellular		39,187	
Castle Rock Cellular	2000		10,000
Note Receivable Rural Network Services	2000		325,000
Net Non-regulated Cable TV and Internet plant			176,217
Totals		39,187	715,717

RECEIVABLES

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

<u>Name of Company</u>	<u>Amount at End of Year</u>	
	<u>Notes Receivable</u>	<u>Accounts Receivable</u>
NECA		234,103
Idaho Universal Fund		32,503
OECA		2,297
Rural Network Services, Inc.		200,203
Various carriers for access charges		157,018
Quest		5,549
M & L Enterprises, Inc.		45,000
Totals		676,673

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>
RTFC	10-00	9.1% VAR	10-01	286,000
Totals				\$ 286,000

ACCOUNTS PAYABLE

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

<u>Name of Creditor</u>	<u>Amount</u>
SEE ATTACHED LISTING	300,054
Totals	\$ 300,054

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 the particulars in a note.

<u>Class & Series of Obligation</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Fact Amount Authorized</u>	<u>Outstanding Year-End</u>	<u>Premium/Discount</u>		<u>Interest for Year</u>	
					<u>Total</u>	<u>Year Amortized</u>	<u>Rate</u>	<u>Amount</u>
RUS	VAR	9-14 TO 12-20		4,962,699			VAR	235,527
RTFC	VAR	10-02 TO 4-13		2,194,953			VAR	203,520
BANK OF THE WEST	VAR	01-01		44,517			VAR	13,692
U.S. BANK	10-97	09-01		12,328			9.42%	2,162
IBM CAPITAL LEASE	06-00	06-02		50,264			13.6%	3,740

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 & 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	250	100	250	\$ 25,000

INCOME & RETAINED EARNINGS STATEMENT

<u>Item</u>	<u>Total Company</u>	<u>Idaho Only</u>
Total Operating Income (from page 16)	4,009,546	2,493,015
Total Operating Expenses (from page 18)	3,145,376	2,034,205
7100 Other Operating Income and Expense		
7210 Operating Investment Tax Credits - Net		
7220 Operating Federal Income Taxes		
7230 Operating State and Local Income Taxes		
7240 Operating Other Taxes	46,928	31,410
7250 Provision for Deferred Operating Income Taxes - Net	264,875	26,352
7200 Operating Taxes (total)	311,803	57,762
7310 Dividend Income		
7320 Interest Income		
7330 Income from Sinking and Other Funds		
7340 Allowance for Funds Used During Construction		
7350 Gains/Losses from the Disposition of Certain Property		
7360 Other nonoperating Income		
7370 Special Charges		
7300 Nonoperational Income and Expense		
7410 Nonoperating Investment Tax Credits - Net		
7420 Nonoperating Federal Income Taxes		
7430 Nonoperating State and Local Income Taxes		
7440 Nonoperating Other Taxes		
7450 Provision for Deferred Nonoperating Income Taxes - Net		
7400 Nonoperating Taxes		
7510 Interest on Funded Debt		
7520 Interest Expense - Capital Leases	2,164	2,164
7530 Amortization of Debt Issuance Expense		
7540 Other Interested Deductions	456,477	377,885
7500 Interest and Related Items	458,641	380,049
7610 Extraordinary Income Credits		
7620 Extraordinary Income Charges		
7630 Current Income Tax Effect of Extraordinary Items - Net		
7640 Provision for Deferred Income Tax Effect of Extraordinary Items - Net		
7600 Extraordinary Items		
7910 Income Effect of Jurisdictional Ratemaking Differences - Net		
7990 Nonregulated Net Income	87,454	59,773
Amount Transferred to Retained Earnings	181,180	80,772

OPERATING REVENUES

	<u>Item</u>	<u>Total Company</u>	<u>Idaho Only</u>
	<u>Local Network Services Revenues</u>		
5001	Basic Area Revenue	528,400	315,585
5002	Optional Extended Area Revenue		
5003	Cellular Mobile Revenue		
5004	Other Mobile Services Revenue		
5010	Public Telephone Revenue	2,379	1,467
5040	Local Private Line Revenue		
5050	Customer Premises Revenue		
5060	Other Local Exchange Revenue	45,472	22,625
5069	Other Local Exchange Revenue Settlements		
	<u>Network Access Services Revenues</u>		
5081	End User Revenue (SLC)	95,688	57,015
5082	Switched Access Revenue (Interstate)	2,612,696	1,652,981
5083	Special Access Revenue		
5084	State Access Revenue (Intrastate)	611,640	368,280
	<u>Long Distance Network Services Revenues</u>		
5100	Long Distance Message Revenue - All	24,248	412
	<u>Miscellaneous Revenues</u>		
5230	Directory Revenue	5,526	3,402
5240	Rent Revenue		
5250	Corporate Operations Revenue		
5261	Special Billing Arrangements Revenue		
5262	Customer Operations Revenue		
5263	Plant Operations Revenue		
5264	Other Incidental Regulated Revenue	56,362	54,899
5269	Other Revenue Settlements	3,591	2,728
5270	Carrier Billing & Collection Revenue	26,189	15,632
	<u>Uncollectible Revenues</u>		
5301	Uncollectible Revenue - Telecommunications	(2,645)	(2,011)
5302	Uncollectible Revenue - Other		
	Total Operating Revenues	4,009,546	2,493,015

Please identify the following revenues:

NECA USF \$ 2,258,322 . To what account were thy booked? #5082

State USF \$ 195,021 . To what account were the booked? #5084

OPERATING EXPENSES

<u>Item</u>	<u>Total Company</u>	<u>Idaho Only</u>
<u>Plant Specific Operations Expense</u>		
6110 Network Support Expenses		
6112 Motor Vehicle Expense		
6113 Aircraft Expense		
6114 Special Purpose Vehicles Expense		
6115 Garage Work Equipment Expense		
6116 Other Work Equipment Expense		
6120 General Support Expenses	125,959	38,145
6121 Land and Building Expenses		
6122 Furniture and Artworks Expense		
6123 Office Equipment Expense		
6124 General Purpose Computers Expense		
6210 Central Office Switching Expenses	366,294	286,072
6211 Analog Electronic Expense		
6212 Digital Electronic Expense		
6215 Electro-Mechanical Expense		
6220 Operators System Expense		
6230 Central Office Transmission Expenses	130,699	84,365
6231 Radio Systems Expense		
6232 Circuit Equipment Expense		
6310 Information Origination/Termination Expense		
6311 Station Apparatus Expense		
6341 Large Private Branch Exchange Expense		
6351 Public Telephone Terminal Equipment Expense	494	414
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	119,223	73,985
6424 Submarine Cable Expense		
6425 Deep Sea Cable Expense		
6426 Intrabuilding Network Cable Expense		
6431 Aerial Wire Expense		
6441 Conduit Systems Expense		
Total Plant Specific Operations Expense	742,669	482,981

OPERATING EXPENSES

<u>Item</u>	<u>Total Company</u>	<u>Idaho Only</u>
<u>Plant Nonspecific Operations Expense</u>		
6510 Other Property/Plant/Equipment Expenses		
6511 Property Held for Future Telecomm. Use Expenses		
6512 Provisioning Expense		
6530 Network Operations Expense	116,870	73,799
6531 Power Expense		
6532 Network Administration Expense		
6533 Testing Expense		
6534 Plant Operations Administration Expense		
6535 Engineering Expense		
6540 Access Expense		
6560 Depreciation and Amortization Expenses		
6561 Depreciation Expense - Telecomm. Plant in Service	1,058,258	804,851
6562 Depreciation Expense - Property Held for Future Use		
6563 Amortization Expense - Tangible	134,395	115,689
6564 Amortization Expense - Intangible		
6565 Amortization Expense - Other		
Total Plant Nonspecific Operations Expenses	1,309,523	994,339
<u>Customer Operations Expense</u>		
6610 Marketing		
6611 Product Management		
6612 Sales		
6613 Product Advertising		
6620 Services	270,786	141,301
6621 Call Completion Services		
6622 Number Services		
6623 Customer Services		
Total Customer Operations Expense	270,786	141,301
<u>Corporate Operations Expense</u>		
6710 Executive and Planning	167,197	82,180
6711 Executive		
6712 Planning		
6720 General and Administrative	655,201	333,404
6721 Accounting and Finance		
6722 External Relations		
6723 Human Resources		
6724 Information Management		
6725 Legal		
6726 Procurement		
6727 Research and Development		
6728 Other General and Administrative		
6790 Provision for Uncollectible Notes Receivable		
Total Corporate Operations Expense	822,398	415,584
Total Operating Expenses	\$ 3,145,376	\$ 2,034,205

CENTRAL OFFICE DATA
as of December 31, 2000 (unless otherwise indicated)

Name of Central Office: Midvale
 Prefix (es): 222 - 355 - 632 - 633 - 636
 Stanley 774
 Central Office Switch Type: _____

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

Check one:
Digital X
 Analog _____

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

Access Line Capacity
 Design: 384 - 760 - 384 - 384 - 384 - N/A
 Installed/Equipped: 100 - 375 - 75 - 100 - 75 - 704

Access Lines in Use
 Customer Lines: 1298
 (Include Centrex, PAL, Semi-Pub.)
 Public Telephone Lines 36
 Company Official Lines 38
 Company Test Lines 71

Classification of Customer Access

	Residence			Business			Total Residence & Business
	Multi- Line 1-Party	Single Line 1-Party	Multi- Party	Multi- Line 1-Party	Single Line 1-Party	Multi- Party	
Beginning of Year	80	797		126	132		1135
New Connects			Subtotal Residence			Subtotal Business	301
Disconnects			877			100	224
End of Year			201			84	1212
			140			274	
			938				

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: 87

Custom Calling:
 Number of customers with at least one feature: N/A
 Total number of features subscribed to: N/A

NUMBER OF CALLS COMPLETED BY CUSTOMERS DURING (Year) 2000.

Local Exchange	Average # of Customer Lines in Use	Local Calls		Toll Calls Originated (Total of all Carriers)			Avg./ Line
		Number (1000s)	Avg./ Line	Intrastate	Interstate	Total	
1 222	56	n/a		8,237	8,677	16,914	302.04
2 355	389	n/a		149,172	146,508	295,680	760.10
3 632	32	n/a		6,179	9,296	15,475	483.59
4 633	80	n/a		13,795	21,524	35,319	441.49
5 636	71	n/a		27,979	49,908	77,887	1,097.00
6 774	645	n/a		148,872	384,170	533,042	826.42
7 _____	_____	_____	_____	_____	_____	_____	_____
TOTALS	1273	_____	_____	354,234	620,083	974,317	765.37

LOCAL CALLS ARE NOT MEASURED

9 _____	_____	_____	_____	_____	_____	_____	_____
11 _____	_____	_____	_____	_____	_____	_____	_____
12 _____	_____	_____	_____	_____	_____	_____	_____
13 _____	_____	_____	_____	_____	_____	_____	_____
14 _____	_____	_____	_____	_____	_____	_____	_____
15 _____	_____	_____	_____	_____	_____	_____	_____
16 _____	_____	_____	_____	_____	_____	_____	_____
17 _____	_____	_____	_____	_____	_____	_____	_____
18 _____	_____	_____	_____	_____	_____	_____	_____

ANNUAL REPORT FOR SMALL TELEPHONE COMPANIES
YEAR ENDED DECEMBER 31, 2000

CUSTOMER RELATIONS RULES COMPLIANCE

Rule IDAPA 31.21.01.603

Rule IDAPA 31.41.01.105

Please provide copies of:

Summary of Customer Relations Rules for Telephone Corporations

Idaho Telephone Solicitation Act Notification

Method of Notification:

Mailed separately to customers	Yes _____	No _____
Included in directory	Yes <u> x </u>	No _____
Date of notification	_____	
Alternate method of notification	<u>Provided to all new customers during application</u>	
	<u>procedures.</u>	

Rule IDAPA 31.41.01.403.02

Record of Complaints:

Number received by Company _____ 2

Category of complaints (if known):

Deposit Disputes _____ 0

Charges on Bill _____ 0

Denial/Termination _____ 0

Quality or Availability of Service _____

Carrier Selection/Assignment _____ 0

Miscellaneous _____ 0

CERTIFICATE

State of Idaho)
) SS
County of Ada)

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



Chief Officer



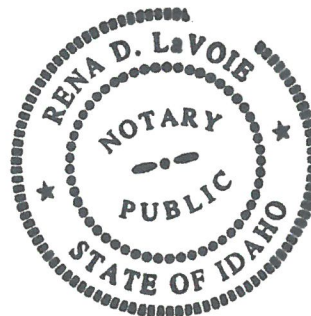
Officer in Charge of Accounts

Subscribed and Sworn to Before Me this 16th day of May, 2001



Notary Public

My Commission Expires 5-28-15



Midvale Telephone Inc.
IPUC REPORT - ACCOUNTS PAYABLE
DECEMBER 31, 2000

<u>VENDOR</u>	<u>Total</u>
Advanced Fibre Communications	9,796
Alltel	201
American Express	1,128
Arizon Public Service Co	280
AT&T	24,448
Bankcard Center	17,642
Ben Johnson Associates Inc.	27,035
City of Midvale	115
Cline, Francis	215
Computer Tech.	8,044
D. Fenn Enterprises	6,634
Ditch Witch of Arizona	2,868
Electronic Enterprises	750
Farmers Supply Cooperative	1,252
Fox Sports Arizona	136
Givens Pursley LLP	12,546
Graybar Elect.	9,674
GVNW	1,152
GVNW	3,464
GVNW	2,307
Harp Oil Co.	424
Holiday Inn	1,370
Idaho Power Co.	222
Idaho Power Co.	481
Idaho Power Co.	570
Jerry's Auto Parts	109
Kootenai Electric	141
Lucas LaFrance	1,784
Les Schwab Tire	248
Milford Engineering	26,535
Modern Machinery	21,024
Mountain Village Res	194
MTV Networks, Inc.	135
National Cable	1,240
Oasis Sanctuary	390
OntarioPhotocopy	309
Opastco	1,026
Piper Jaffray Inc.	1,158
Qwest	133
Qwest	473
Radio Shack-Tele&Com	2,211
Redcom Labs	1,584
Salmon River Elect.	462

Midvale Telephone Inc.
IPUC REPORT - ACCOUNTS PAYABLE
DECEMBER 31, 2000

<u>VENDOR</u>	<u>Total</u>
Shore & Shore Aviation	143
Sprint North Supply	47,726
Sulphur Springs Valley	195
Sulphur Springs Valley	163
Supra	123
System Seven, Inc.	5,886
Telcordia Tech.	314
Telmar NetworkTech.	654
Torf Environment Management	3,143
Travis Jeffries. P.A.	20,162
Trumble Greetings, Inc.	110
Tuscon Tractor Co.	4,019
Unisource Maintenance Supply	114
US Bank	2,116
US Intelco	5,979
US West Interprise	169
Verizon Wireless	2,448
Verizon Wireless	134
Viking Office Products	464
Watkins, Lois	116
Weiser Signal American	530
Weyers Consulting	8,758
Yellow Freight System	635
Total	<u><u>296,011</u></u>