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IDAHO PUBLIC  
UTILITIES COMMISSION

# **ANNUAL REPORT**

OF

*MTD-T*

**MIDVALE TELEPHONE EXCHANGE, INC.**

**P.O. Box 7, Midvale, Idaho 83645**

**TO THE**

**IDAHO PUBLIC UTILITIES COMMISSION**

**FOR THE**

**YEAR ENDED DECEMBER 31, 2008**

**ANNUAL REPORT OF SMALL TELEPHONE COMPANIES TO  
THE IDAHO PUBLIC UTILITIES COMMISSION  
FOR THE YEAR ENDING DECEMBER 31, 2008**

**COMPANY INFORMATION**

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 E-Mail address: ann@midvaletelephone.com

Cities or towns served: MIDVALE, LAKEVIEW, WARREN, YELLOW PINE, WARM LAKE AND STANLEY,  
IDAHO; HARPER AND JUNTURA, OREGON; CASCABEL, YOUNG, ELOY,  
PRESCOTT AND EAST OF SCOTTSDALE, ARIZONA

Name and title of officer having custody of the general corporate books of account: \_\_\_\_\_  
LANE R. WILLIAMS, President

Address of office where corporate books are kept and phone number: \_\_\_\_\_  
P.O. BOX 7, MIDVALE, IDAHO 83645 208-355-2211

Organized under the laws of the State of: IDAHO

Date of organization: 1/9/1908

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

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

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

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Names of affiliated companies. Give address and description of business: M&L ENTERPRISES, INC., dba  
SKYLINE TELEPHONE COMPANY, P.O. BOX 7, MIDVALE, IDAHO 83645.  
CLEC IN STATE OF 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.

Title	Name	Address
PRESIDENT	LANE R. WILLIAMS	P.O. BOX 7, MIDVALE, IDAHO 83645
SEC/TREAS	SHIRLEY ARCHER	P.O. BOX 7, MIDVALE, IDAHO 83645
DIRECTOR	JULIANNE JOHNSON	P.O. BOX 7, MIDVALE, IDAHO 83645
VICE PRESIDENT **	CONLEY WARD	P.O. BOX 7, MIDVALE, IDAHO 83645
SEC/TREAS *	EMMA GROSS	P. O. BOX 7, MIDVALE IDAHO 83645

\* SHIRLEY ARCHER DIED APRIL OF 2008 AND REPLACED BY EMMA GROSS MAY 16, 2008  
\*\* CONLEY WARD REPLACED JULIANNE JOHNSON IN JULY AND JULIANNE BECAME A DIRECTOR

**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>
<u>LANE R. WILLIAMS</u>	<u></u>	<u>4</u>	<u>93,854</u>
<u>SHIRLEY ARCHER</u>	<u></u>	<u>2</u>	<u>11,625</u>
<u>JULIANNE JOHNSON</u>	<u></u>	<u>3</u>	<u>36,771</u>
<u>P.O. BOX 7, MIDVALE, IDAHO 83645</u>	<u></u>	<u></u>	<u></u>
<u>CONLEY WARD</u>	<u></u>	<u>4</u>	<u>21,693</u>
<u>P.O. BOX 7 MIDVALE, IDAHO 83645</u>	<u></u>	<u></u>	<u></u>
<u>EMMA GROSS</u>	<u></u>	<u>3</u>	<u>15,271</u>
<u>P.O. BOX 7 MIDVALE, IDAHO 83645</u>	<u></u>	<u></u>	<u></u>
Name of Chairman of the Board:	<u>LANE R. WILLIAMS</u>	<u></u>	<u></u>
Name of Secretary (or Clerk) of Board:	<u>EMMA GROSS</u>	<u></u>	<u></u>
Number of Meetings of the Board during the year:	<u>4</u>	<u></u>	<u></u>

**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>
<u>STEVE CHILD</u>	<u>CEO</u>	<u>52,334</u>
<u>ANN SHARP</u>	<u>CONTROLLER</u>	<u>14,583</u>
<u>John A. Stuart</u>	<u>Operations Manager</u>	<u>80,036</u>
<u>Rob Vowell</u>	<u>PLANT ADMINISTRATOR</u>	<u>50,518</u>
<u>Dennis Farrington</u>	<u>SW Operations Manager</u>	<u>67,963</u>
<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>



**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	18,239	264,725	\$246,486
1130 Cash			
1140 Special Cash Deposits			
1150 Working Cash Advances			
1160 Temporary Investments			
1180 Telecommunications Accts. Receivable	68,007	82,955	14,948
1181 Accts. Rec. Allow. - Telecommunications			
1190 Other Accounts Receivable	759,184	895,089	135,905
1191 Accounts Receivable Allow. - Other		(258,042)	(258,042)
1200 Notes Receivable	103,151	27,530	(75,621)
1201 Notes Receivable Allowance			
1210 Interest & Dividends Receivable			
1220 Material and Supplies	80,751	112,050	31,299
1280 Prepayments	35,507	37,999	2,492
1290 Prepaid Rents			
1300 Prepaid Taxes			
1310 Prepaid Insurance			
1320 Prepaid Directory Expenses			
1330 Other Prepayments			
1350 Other Current Assets			
<b>Noncurrent Assets</b>			
1401 Investment in Affiliated Companies	602,405	602,405	0
1402 Investment in Nonaffiliated Companies	1,380,119	1,634,150	254,031
1406 Nonregulated Investments	291,410	357,310	65,900
1407 Unamortized Debt Issuance Expense			
1408 Sinking Funds			
1410 Other Noncurrent Assets	188,043	53,047	(134,996)
1438 Deferred Maintenance & Retirements			
1439 Deferred Charges			
1500 Other Jurisdiction Assets - Net			
<b>Property, Plant and Equipment</b>			
2001 Telecommunications Plants in Service	27,730,662	30,853,416	3,122,754
2002 Prop. Held for Future Telecom. Use			
2003 Telecom. Plant under Constr. - Short Term	696,139	826,932	130,793
2004 Telecom. Plant under Constr. - Long Term			
2005 Telecom. Plant Adjustment			
2006 Nonoperating Plant			
2007 Goodwill	1,017,240	1,017,240	0
<b>Depreciation and Amortization Accounts</b>			
3100 Accumulated Depreciation	(14,986,466)	(15,759,883)	(773,417)
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			
<b>TOTAL ASSETS</b>	<b>\$ 17,984,391</b>	<b>\$ 20,746,923</b>	<b>\$ 2,762,532</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	\$ 441,289	\$ 1,178,525	\$ 737,236
4020 Notes Payable	113,485	238,136	124,651
4030 Advance Billings and Payments			-
4040 Customer Deposits	760	1,000	240
4050 Current Maturities - Long -Term Debt	965,295	1,169,611	204,316
4060 Current Maturities - Capital leases			-
4070 Income Taxes - Accrued			-
4080 Other Taxes - Accrued	121,111	38,793	(82,318)
4100 Net Current Defer. Oper. Income Taxes	55,000	35,733	(19,267)
4110 Net Current Defer. Nonoper. Income Taxes			-
4120 Other Accrued Liabilities			-
4130 Other Current Liabilities	16,499	8,795	(7,704)
<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	9,771,902	11,260,969	1,489,067
<b>Other Liabilities &amp; Deferred Credits</b>			
4310 Other Long-Term Liabilities			-
4320 Unamort. Oper. Invest. Tax Credits - Net			-
4330 Unamort. Nonoper. Invest. Tax Credits - Net			-
4340 Net Noncurrent Defer. Oper. Income Taxes	1,697,205	1,932,985	235,780
4350 Net Noncur. Defer. Nonoper. Income Taxes			-
4360 Other Deferred Credits			-
4370 Other Juris. Liab. & Def. Credits - Net			-
<b>Stockholders' Equity</b>			
4510 Capital Stock	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	4,832,935	4,913,466	80,531
<b>TOTAL LIAB. &amp; OTHER CREDITS</b>	<b>17,984,391</b>	<b>20,746,923</b>	<b>\$ 2,762,532</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	148,692				148,692
2112 Motor Vehicles	321,824		(36,500)		285,324
2113 Aircraft					
2114 Special Purpose Vehicles					
2115 Garage Work Equipment					
2116 Other Work Equipment	664,782	16,898			681,680
2121 Buildings	952,451	2,457			954,908
2122 Furniture					
2123 Office Equipment	72,338				72,338
2124 General Purpose Computers	156,467	67,205			223,672
2211 Analog Electronic Switching					
2212 Digital Electronic Switching					
2215 Electro-Mechanical Switching	3,998,229	894,124	(735,629)		4,156,724
2220 Operator Systems					
2231 Radio Systems					
2232 Circuit Equipment	5,509,553	1,010,229			6,519,782
2311 Station Apparatus	27,232				27,232
2321 Customer Premises Wiring					
2341 Large Private Branch Exchanges					
2361 Public Telephone Terminal Equipment	928				928
2362 Other Terminal Equipment					
2411 Poles					
2421 Aerial Cable					
2422 Underground Cable					
2423 Buried Cable	15,878,166	1,903,971			17,782,137
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>	<b>27,730,662</b>	<b>3,894,884</b>	<b>(772,129)</b>	<b>0</b>	<b>30,853,417</b>

**ANALYSIS OF TELECOMMUNICATIONS PLANT ACCOUNTS**  
**IDAHO Operations Only**

	Balance Beginning of Year	Additions During Year	Plant Retired or Sold	Transfers and Adjustments	Balance End of Year
<b>Analysis of Telecommunications Plant in Service</b>					
2111 Land	77,361				77,361
2112 Motor Vehicles	281,898		(36,500)		245,398
2113 Aircraft					
2114 Special Purpose Vehicles					
2115 Garage Work Equipment					
2116 Other Work Equipment	504,344	9,792		(5,058)	509,078
2121 Buildings	843,498				843,498
2122 Furniture	58,127				58,127
2123 Office Equipment					
2124 General Purpose Computers	136,348	65,500			201,848
2211 Analog Electronic Switching	0				0
2212 Digital Electronic Switching	1,517,296	355,672	(368,062)		1,504,906
2215 Electro-Mechanical Switching	0				0
2220 Operator Systems	0				0
2231 Radio Systems	0				0
2232 Circuit Equipment	2,542,082	297,821			2,839,903
2311 Station Apparatus	27,232				27,232
2321 Customer Premises Wiring	0				0
2341 Large Private Branch Exchanges	0				0
2351 Public Telephone Terminal Equipment	928				928
2362 Other Terminal Equipment	12,754				12,754
2411 Poles	0				0
2421 Aerial Cable	0				0
2422 Underground Cable	0				0
2423 Buried Cable	6,906,137	209,885			7,116,022
2424 Submarine Cable	0				0
2426 Intrabuilding Network Cable	0				0
2431 Aerial Wire	0				0
2441 Conduit Systems	0				0
2681 Capital Leases	0				0
2682 Leasehold Improvements	0				0
2690 Intangibles	0				0
<b>TOTAL PLANT ACCOUNTS</b>	<b>12,908,005</b>	<b>938,670</b>	<b>(404,562)</b>	<b>(5,058)</b>	<b>13,437,055</b>
	12,908,005				



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

Analysis of Entries in Accumulated Depreciation	TOTAL Company Basis			Credits During Year	Retirements and Adjustments	Balance End of Year
	Balance Beginning of Year	Depreciation Rate*	VAR			
2112 Motor Vehicles	321,824			7,500	36,500	292,824
2113 Aircraft						
2114 Special Purpose Vehicles						
2115 Garage Work Equipment						
2116 Other Work Equipment	604,680			28,847		633,527
2121 Buildings	387,200			30,407		417,607
2122 Furniture						
2123 Office Equipment	39,914			9,168		49,082
2124 General Purpose Computers	146,915			7,827		154,742
2211 Analog Electronic Switching						
2212 Digital Electronic Switching	2,525,578			289,057	734,100	2,080,535
2215 Electro-Mechanical Switching						
2220 Operator Systems						
2231 Radio Systems						
2232 Circuit Equipment	3,681,691			396,372		4,078,063
2311 Station Apparatus	16,797					16,797
2321 Customer Premises Wiring						
2341 Large Private Branch Exchanges						
2351 Public Telephone Terminal Equipment	97			464		561
2362 Other Terminal Equipment						
2411 Poles						
2421 Aerial Cable						
2422 Underground Cable						
2423 Buried Cable	7,261,772			774,373		8,036,145
2424 Submarine Cable						
2426 Intrabuilding Network Cable						
2431 Aerial Wire						
2441 Conduit Systems						
<b>TOTAL</b>	<b>14,986,468</b>			<b>1,544,015</b>	<b>770,600</b>	<b>15,759,883</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	281,897	25%	6,969	35,969	252,897
2113 Aircraft					
2114 Special Purpose Vehicles					
2115 Garage Work Equipment	485,306	20%	19,452		504,758
2116 Other Work Equipment	361,714	3%	27,667		389,381
2121 Buildings					
2122 Furniture					
2123 Office Equipment	34,230	14%	8,555		42,785
2124 General Purpose Computers	135,223	20%	2,548		137,771
2211 Analog Electronic Switching					
2212 Digital Electronic Switching	1,292,891	13%	53,592	368,062	978,421
2215 Electro-Mechanical Switching					
2220 Operator Systems					
2231 Radio Systems					
2232 Circuit Equipment	2,326,575	10%	28,278		2,354,853
2311 Station Apparatus	16,797				16,797
2321 Customer Premises Wiring					
2341 Large Private Branch Exchanges					
2351 Public Telephone Terminal Equipment	97	10%	464		561
2362 Other Terminal Equipment	319		1,674		1,993
2411 Poles					
2421 Aerial Cable					
2422 Underground Cable					
2423 Buried Cable	4,759,351	7%	189,365		4,948,716
2424 Submarine Cable					
2426 Intrabuilding Network Cable					
2431 Aerial Wire					
2441 Conduit Systems					
<b>TOTAL</b>	<b>9,694,400</b>		<b>338,564</b>	<b>404,031</b>	<b>9,628,933</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>
RTFC			125,571
NECA Services, Inc.			3,000
Syringa Networks, LLC			1,123,769
Note Receivable Rural Network Services			381,810
Investment in M & L Enterprises, Inc.			602,405
Net Non-regulated Cable TV and Internet plant			357,310
<b>Totals</b>		<b>0</b>	<b>2,593,865</b>

## RECEIVABLES

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

<u>Name of Company</u>	<u>Amount at End of Year</u>	
	<u>Notes Receivable</u>	<u>Accounts</u>
NECA		419,732
Idaho Universal Fund		31,638
Rural Network Services, Inc.	381,810	75,007
Various carriers for access charges		91,294
Other Miscellaneous		
<b>Totals</b>		<b>617,671</b>

**NOTES PAYABLE**

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

<u>Name of Creditor</u>	<u>Date of Note</u>	<u>Interest Rate</u>	<u>Due Date</u>	<u>Face Amount</u>
<u>Bank of the Cascades-Line of Credit</u>	<u>6/16/2008</u>	<u>var-bank index rate + .25%</u>	<u>6/16/2009</u>	<u>238,136</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
<b>Totals</b>	_____	_____	_____	<b>238,136</b>

**ACCOUNTS PAYABLE**

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

<u>Name of Creditor</u>	<u>Amount</u>
<u>SEE SUPPLEMENTAL SHEET</u>	<u>1,138,286</u>
_____	_____
<u>Misc less than \$100</u>	<u>1,573</u>
_____	_____
<u>OTHER MISC ACCURALS</u>	<u>38,666</u>
_____	_____
<u>TOTALS</u>	<u>1,178,525</u>

**Midvale Telephone Inc.**  
**IPUC REPORT - ACCOUNTS PAYABLE**  
**DECEMBER 31, 2008**

VENDOR	Total
SRP	864.62
VETERANS MEMORIAL HALL	225.00
ASAP	115.30
ESPN	473.61
ESOP	400,000.00
AGM SALES & SERVICE	1,245.57
APEX COMMUNICATIONS	477.00
ARAMARK	364.89
AVISTA UTILITIES	261.37
ARIZONA PUBLIC SERVICE	2,169.26
BANKCARD CENTER - ZIONS	22,073.64
MARSHA BONHAM	15,453.56
CALIX NETWORKS	8,070.75
CASCABEL COMMUNITY	300.00
CENTER FOR EDUCATION	274.95
CHEVRON & TEXACO	309.54
CINTAS	311.35
CLEAR CREEK DISPOSAL	127.88
CODALE ELECTRIC	4,802.01
COMSEARCH	834.00
COMPUTER TECH	5,580.88
COUNCIL MOUNTAIN MACHINES	497.55
COYOTE LEASING	20,988.11
BRAD & KRISTIN CROAK	2,019.66
CULTURAL & ENVIRONMENTAL	7,205.00
DELL BUSINESS CREDIT	2,393.53
DELL FINANCING	50,296.00
DIG LINE	112.00
EAGLE TELEPHONE SYSTEM	7,858.53
EMBARQ LOGISTICS	587.79
EMPLOYEE SAVINGS W/H	5,463.00
DENNIS FARRINGTON	120.00
FARMER'S SUPPLY COOP	1,471.50
FIBER INSTRUMENT SALES	132.01
BETH FORD-PIMA CO	2,083.40
FOX SPORTS NET ARIZONA	175.42
FRANKLIN ELECTRIC	145.20
ANN FREI	10,395.92
FUJITSU NETWORK	3,157.00
GILA COUNTY TREASURER	9,365.57
STEVE GILBERT	708.00
GIVENS PURSLEY	5,145.75
GLENN DICK EQUIPMENT	19,064.54
BRUCE GOSLOVICH	1,891.25
GRAYBAR ELECTRIC	4,821.67
STEVE'S HOMETOWN TOYOTA	760.69
GARY HORTON	3,000.00

**Midvale Telephone Inc.**  
**IPUC REPORT - ACCOUNTS PAYABLE**  
**DECEMBER 31, 2008**

IDAHO OPTIC TRANSPORT	33,045.00
IDAHO POWER	1,544.19
IDAHO POWER	309.84
ROSS D JACOBS	17,191.12
VAUGHN T JAMES	900.00
JERRYS AUTO PARTS	944.17
JERRYS COUNTRY STORE	153.76
JUPITER COMMUNICATIONS	309.71
K&L GATES	3,682.25
LES SCHWAB TIRE CENTER	1,582.38
LUBE EXPRESS	151.80
MALHEUR BELL	122.83
MALHEUR COUNTY TAX COLLECT	1,432.69
MARICOPA COUNTY TREASURER	4,429.79
MID-STATE CONSULTANTS	155.32
MOBILE MINI	190.33
MONTE R LEE & COMPANY	23,188.80
MOSS ADAMS	16,761.00
MOUNTAINLAND BUSINESS	159.00
MOUNTAIN VILLAGE RESORT	331.60
MTV NETWORKS	178.83
NATIONAL CABLE TV COOP	594.11
NEUSTAR	212.09
NORMS AUTO ELECTRIC	209.95
ONTARIO TOOL & RENTAL	183.00
OREGON TELECOMMUNICATIONS	3,675.00
OUS FUND	1,241.27
PAYETTE PRINTING	580.42
PINAL COUNTY TREASURER	11,004.36
PLATINUM CARD PLUS	3,692.49
PLEASANT VALLEY AUTO PARTS	588.40
PLEASANT VALLEY PROPANE	715.13
POWER PRODUCT SERVICES	4,695.00
PRINCIPAL FINANCIAL GROUP	955.72
PV MECHANICAL	250.00
QWEST	12,779.76
QUALITY AUTO REPAIR	113.22
QUILL CORP	395.77
RDO EQUIPMENT	2,913.00
RURAL NETWORK SERVICES	49,437.70
SALMON RIVER PROPANE	305.83
SALMON RIVER ELECTRIC	1,291.89
SIGNART	286.20
SULPHUR SPRINGS	849.49
DIXIE SUTTON	420.90
SYME ELECTRIC	1,211.00
SYRINGA NETWORKS	25,232.54
TAQUA INC	237,778.78

**Midvale Telephone Inc.  
IPUC REPORT - ACCOUNTS PAYABLE  
DECEMBER 31, 2008**

TELLABS NORTH AMERICA	7,867.51	
TEREX UTILITIES	927.50	
TRAVIS JEFFRIES	11,658.00	
TURNER NETWORK SALES	104.10	
UNITED FUEL & ENERGY	1,323.60	
UNIVERSAL SERVICE ADMIN	4,203.59	
USA NETWORK	269.10	
VERIZON WIRELESS	2,534.42	
WASTE MANAGEMENT OF AZ	101.83	
WEISER SIGNAL AMERICAN	365.70	
WESTERN TELECOMMUNICATIONS	3,137.00	
KEN WEYERS	9,809.92	
LANE R WILLIAMS	2,412.81	
ZIONS BANK	998.83	
<b>Total Accounts Payable over \$100</b>	<b><u>1,138,285.61</u></b>	
<b>Accounts payable under \$100</b>		<b><u>1,573.04</u></b>
		<b><u>1,139,858.65</u></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>Year Amortized</u>	
RTFC	var	2006-2013		688,903		var	58,534
RUS	var	2014-2020		11,556,937		2%-5%	459,751
L. Williams	7/1/2002	7/1/2012		148,669		8%	13,345
Coyote Leasing	6/13/2003	6/13/2008		499		6%	55
Zions Bank	3/7/2007	3/7/2012		35,572		var	2,514
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<b>TOTALS</b>				<b>12,430,580</b>			<b>534,199</b>



### 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	250	100	250	25,000

**INCOME & RETAINED EARNINGS STATEMENT**

Item	Total Company	Idaho Only
Total Operating Income (from page 15)	<u>7,287,288</u>	<u>2,869,222</u>
Total Operating Expenses (from page 17)	<u>6,524,202</u>	<u>2,784,998</u>
7100 Other Operating Income and Expense	<u>763,086</u>	<u>84,224</u>
7210 Operating Investment Tax Credits-Net	<u>                    </u>	<u>                    </u>
7220 Operating Federal Income Taxes	<u>                    </u>	<u>                    </u>
7230 Operating State and Local Income Taxes	<u>                    </u>	<u>                    </u>
7240 Operating Other Taxes	<u>161,424</u>	<u>29,806</u>
7250 Provision for Deferred Operating Income Taxes-Net	<u>72,494</u>	<u>                    </u>
7200 Operating Taxes (Total)	<u>233,918</u>	<u>29,806</u>
7310 Dividend Income	<u>                    </u>	<u>                    </u>
7320 Interest Income	<u>                    </u>	<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	<u>                    </u>	<u>                    </u>
7370 Special Charges	<u>                    </u>	<u>                    </u>
7300 Nonoperating Income and Expense	<u>                    </u>	<u>                    </u>
7410 Nonoperating Investment Tax Credits-Net	<u>                    </u>	<u>                    </u>
7420 Nonoperating Federal Income Taxes	<u>                    </u>	<u>                    </u>
7430 Nonoperating State and Local Income Taxes	<u>                    </u>	<u>                    </u>
7440 Nonoperating Other Taxes	<u>                    </u>	<u>                    </u>
7450 Provision for Deferred Nonoperating Income Taxes-Net	<u>                    </u>	<u>                    </u>
7400 Nonoperating Taxes	<u>                    </u>	<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	<u>383,227</u>	<u>245,382</u>
7500 Interest and Related Items	<u>                    </u>	<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	<u>(65,410)</u>	<u>299,317</u>
<b>AMOUNT TRANSFERRED TO RETAINED EARNINGS</b>	<u><b>80,531</b></u>	<u><b>108,353</b></u>

**OPERATING REVENUES**

<b>Item</b>	<b>Total Company</b>	<b>Idaho Only</b>
<b>Local Network Services Revenues</b>		
5001 Basic Area Revenue	775,703	324,028
5002 Optional Extended Area Revenue		
5003 Cellular Mobile Revenue		
5004 Other Mobile Services Revenue		
5010 Public Telephone Revenue		
5040 Local Private Line Revenue	17,291	14,901
5050 Customer Premises Revenue		
5060 Other Local Exchange Revenue	80,431	28,071
5069 Other Local Exchange Settlements		
<b>Network Access Services Revenues</b>		
5081 End User Revenue (SLC)	222,284	89,209
5082 Switched Access Revenue (Interstate)	5,496,242	2,138,099
5083 Special Access Revenue		
5084 State Access Revenue (Intrastate)	860,647	486,338
<b>Long Distance Network Services Revenues</b>		
5100 Long Distance Message Revenue - All		
<b>Miscellaneous Revenues</b>		
5230 Directory Revenue	9,177	2,591
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	78,618	41,553
5269 Other Revenue Settlements	6,567	409
5270 Carrier Billing & Collection Revenue		
<b>Uncollectible Revenues</b>		
5301 Uncollectible Revenue - Telecommunications	1,630	(2,065)
5302 Uncollectible Revenue - Other	258,042	258,042
<b>TOTAL OPERATING REVENUES</b>	<b>7,287,288</b>	<b>2,869,222</b>

Please identify the following revenues:

NECA USF \$5,021,913. To what account were they booked? # 5082

State USF \$379,660. To what account were they booked? # 5084

**OPERATING REVENUES**

Item	Total Company	Idaho Only
<b>Plant Specific Operations Expense</b>		
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	<u>133,572</u>	<u>62,549</u>
6121 Land and Building Expenses	_____	_____
6122 Furniture and Artworks Expense	_____	_____
6123 Office Equipment Expense	_____	_____
6124 General Purpose Computers Expense	_____	_____
6210 Central Office Switching Expenses	<u>886,998</u>	<u>485,132</u>
6211 Analog Electronic Expense	_____	_____
6212 Digital Electronic Expense	_____	_____
6215 Electro-Mechanical Expense	_____	_____
6220 Operators System Expense	_____	_____
6230 Central Office Transmission Expenses	<u>637,140</u>	<u>399,733</u>
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	_____	_____
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	<u>1,467,898</u>	<u>818,984</u>
6424 Submarine Cable Expense	_____	_____
6425 Deep Sea Cable Expense	_____	_____
6426 Intrabuilding Network Cable Expense	_____	_____
6431 Aerial Wire Expense	_____	_____
6441 Conduit Systems Expense	_____	_____
<b>TOTAL PLANT SPECIFIC OPERATIONS EXPENSE</b>	<u><b>3,125,608</b></u>	<u><b>1,766,398</b></u>

**OPERATING REVENUES**

Item	Total Company	Idaho Only
<b>Plant Nonspecific Operations Expense</b>		
6510 Other Property/Plant/Equipment Expenses		
6511 Property Held for Future Telecomm. Use Expenses		
6512 Provisioning Expense		
6530 Network Operations Expense	97,799	40,678
6531 Power Expense		
6532 Network Administration Expense		
6533 Testing Expense		
6534 Plant Operations Administration Expense		
6535 Engineering Expense	19,567	8,622
6540 Access Expense	65,394	17,864
6560 Depreciation and Amortization Expenses	1,544,015	338,564
6561 Depreciation Expense-Telecom. Plant in Service		
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>1,726,775</b>	<b>405,728</b>
<b>Customer Operations Expense</b>		
6610 Marketing		
6611 Product Management		
6612 Sales		
6613 Product Advertising		
6620 Services		
6621 Call Completion Services	650	550
6622 Number Services	3,995	2,302
6623 Customer Services	310,734	138,205
<b>Total Customer Operations Expense</b>	<b>315,379</b>	<b>141,057</b>
<b>Corporate Operations Expense</b>		
6710 Executive and Planning	458,127	183,978
6711 Executive		
6712 Planning		
6720 General and Administrative		
6721 Accounting and Finance	535,641	175,491
6722 External Relations		
6723 Human Resources		
6724 Information Management		
6725 Legal		
6726 Procurement		
6727 Research and Development		
6728 Other General and Administrative	362,672	112,346
6790 Provision for Uncollectible Notes Receivable		
<b>Total Corporate Operations Expense</b>	<b>1,356,440</b>	<b>471,815</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>6,524,202</b>	<b>2,784,998</b>

**CENTRAL OFFICE DATA**  
As of December 31, 2008

Name of Central Office: MIDVALE

Prefix (es): 222 - 355 - 632 - 633 - 636 - 774

Central Office Switch Type: Redcom MDX, TEKELEC T7000

Check all that apply:

Stand Alone X

Host

Remote

Check one:

Digital X

Analog

Check one:

Electronic X

Electro-Mechanical

Other

Access Line Capacity

NXX: 222 - 355 - 632 - 633 - 636 - 774

Design: 384 - 2048 - 384 - 384 - 384 - 800

Installed/Equipped: 100 - 2048 - 100 - 150 - 160 - 750

Access Lines in Use

Customer Lines: 1103

(Include Centrex, PAL, Semi-Pub.)

Public Telephone Lines 17

Company Official Lines 53

Company Test Lines 64

Classification of Customer Access

Residence

Multi-Line 1-Party

Single Line 1-Party

Multi-Party

Subtotal Residence

Beginning of Year

New Connects

Disconnects

End of Year

Centrex N.A.R.

Multi-Line 1-Party

Single Line 1-Party

Multi-Party

Subtotal Business

Beginning of Year

New Connects

Disconnects

Foreign Exchange:

Dial Tone from this C. 0

Dial Tone from another 0

Custom Calling:

Number of customers with at least one feature: N/A

Total number of features subscribed to: N/A

Directory Listings:

Number of Customers with Nonpublished or Nonlisted: 85

**NUMBER OF CALLS COMPLETED BY CUSTOMERS DURING (YEAR) 2008**

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	48	N/A		7788	14861	22649	471.85
2 355	357	N/A		49,497	46,979	96,476	270.24
3 632	49	N/A		8,884	16,727	25,611	522.67
4 633	85	N/A		15,956	26,293	42,249	497.05
5 636	87	N/A		15,978	15,305	31,283	359.57
6 774	562	N/A		131,593	262,796	394,389	701.76
7							
8							
9							
<b>TOTALS</b>	<b>1188</b>			<b>229,696</b>	<b>382,961</b>	<b>612,657</b>	<b>515.70</b>
11							
<b>LOCAL CALLS ARE NOT MEASURED</b>							
13							
14							
15							
16							
17							
18							

**ANNUAL REPORT FOR SMALL TELEPHONE COMPANIES  
YEAR ENDED DECEMBER 31, 2008**

**CUSTOMER RELATIONS RULES COMPLIANCE**

Rule IDAPA 31.21.01.603

Rule IDAPA 31.41.01.105

Please provide copies of:

Summary of Customer Relations Rules for Telephone Corporations

Idaho Telephone Solicitation Act Notification

Method of Notification:

Mailed separately to customers                      Yes  No

Included in directory                                      Yes  No

Date of notification

Alternate method of notification    ON WEB SITE AND MAIL STUFFER

APPLICATION PROCEDURES.

---

Rule IDAPA 31.41.01.403.02

Record of Complaints:

Number received by Company            NONE

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 Idaho )  
 ) ss  
County of Washington )

WE, the undersigned Steve Child

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.

*[Handwritten Signature]*  
\_\_\_\_\_  
(Chief Officer)

*[Handwritten Signature]*  
\_\_\_\_\_  
(Officer in Charge of Accounts)

Subscribed and Sworn to Before Me this 5th day of May, (Year) 2009

*[Handwritten Signature]*  
\_\_\_\_\_  
Notary Public State of Idaho, *residing in Midvale*

*4/6 April*  
My Commission expires ~~May~~ 6, (Year) 2012.

GLENNIS K. BONNER  
Notary Public  
State of Idaho

Rev 3/02

REVENUE REQUIREMENT SUMMARY

S-1

LINE	DESCRIPTION	SOURCE	INTERSTATE				INTRASTATE				LOCAL		
			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)	Other (l)
1	Net Telecom Plant	Ln46 Records	5,038,084	1,930,279	197,282	82,724	130,214	1,227,869	22,841	73,664	-	-	1,371,221
2	Rate Base Adjustment #1	Ln1-2	5,038,084	1,930,279	197,282	82,724	130,214	1,227,869	22,841	73,664	-	-	1,371,221
3	RATE BASE	Records	8,248,168	11,250,000	11,250,000	11,250,000	5,900,000	5,900,000	5,900,000	5,900,000	-	-	5,900,000
4	Rate of Return	Ln3*4	415,380	217,156	22,194	9,306	7,683	72,444	1,348	4,346	-	-	80,902
5	RETURN ON RATE BASE	Records	415,380	217,156	22,194	9,306	7,683	72,444	1,348	4,346	-	-	80,902
6	Return Adjustment #1	Ln5-6	217,949	83,055	8,363	3,591	5,628	53,421	983	3,228	-	-	59,670
7	NET RETURN	Ln24	217,949	83,055	8,363	3,591	5,628	53,421	983	3,228	-	-	59,670
8	Fixed Charges	Ln47	-	-	-	-	-	-	-	-	-	-	-
9	Amortization of Excess Def Taxes	Ln48	-	-	-	-	-	-	-	-	-	-	-
10	Capitalized Payroll Taxes	Ln49	-	-	-	-	-	-	-	-	-	-	-
11	Depreciation Adjustment	Ln50	-	-	-	-	-	-	-	-	-	-	-
12	FTT Allowance/Disallowances	Ln51	-	-	-	-	-	-	-	-	-	-	-
13	FTT Allowance/Disallowances	Ln52-60	-	-	-	-	-	-	-	-	-	-	-
14	Inc Adj Alloc on Big 3 Exp	Ln61-62	-	-	-	-	-	-	-	-	-	-	-
15	Total Misc Inc Adjustment	Ln63	-	-	-	-	-	-	-	-	-	-	-
16	AFTER TAX INCOME	Note 1	197,631	134,102	13,832	5,716	2,055	19,023	355	1,118	-	-	21,232
17	State Income Tax	Ln52	28,809	18,210	1,878	776	279	2,593	48	152	-	-	2,883
18	State ITC Amortization	Ln45	101,707	66,083	7,125	2,944	1,058	9,800	183	576	-	-	10,837
19	Net Federal Income Tax	Ln43	101,707	66,083	7,125	2,944	1,058	9,800	183	576	-	-	10,837
20	Federal ITC Amortization	Ln44	2,388,687	1,047,869	152,413	36,231	69,004	603,647	9,636	23,459	-	-	652,228
21	Operating Expenses & Taxes	Ln17	2,388,687	1,047,869	152,413	36,231	69,004	603,647	9,636	23,459	-	-	652,228
22	Nonoperating Expenses	S-10, Ln17+18	-	-	-	-	-	-	-	-	-	-	-
23	Uncollectibles	Ln57	-	-	-	-	-	-	-	-	-	-	-
24	Other Adjustments (Net RR)	Records	-	-	-	-	-	-	-	-	-	-	-
25	NET REVENUE REQUIREMENT	Ln7+17, 25-24	2,892,593	1,352,918	183,611	49,258	72,024	588,474	11,414	28,533	-	-	646,951
26	Gross Receipts Tax	Note 2	-	-	-	-	-	-	-	-	-	-	-
27	7540 Adv Fds Used Dur Constr	Ln15	-	-	-	-	-	-	-	-	-	-	-
28	REVENUE REQUIREMENT	Ln25+26-27	2,892,593	1,352,918	183,611	49,258	72,024	588,474	11,414	28,533	-	-	646,951
29	Distribution of Line 30	Ln28/28a	100,000.00%	46.1135%	6.2811%	1.6797%	2.4580%	20.0698%	0.3952%	0.9730%	-	-	22.0609%
30	Net Return	Ln7	415,380	217,156	22,194	9,306	7,683	72,444	1,348	4,346	-	-	80,902
31	Fixed Charges	Ln8	217,949	83,055	8,363	3,591	5,628	53,421	983	3,228	-	-	59,670
32	Amortization of Excess Deferred Taxes	Ln9	-	-	-	-	-	-	-	-	-	-	-
33	Capitalized Payroll Taxes	Ln10	-	-	-	-	-	-	-	-	-	-	-
34	Depreciation Adjustment	Ln11	-	-	-	-	-	-	-	-	-	-	-
35	FTT Allowance/Disallowances	Ln12	-	-	-	-	-	-	-	-	-	-	-
36	Inc Adj Alloc on 2001	Ln13	-	-	-	-	-	-	-	-	-	-	-
37	Inc Adj Alloc on Big 3 Exp	Ln14	-	-	-	-	-	-	-	-	-	-	-
38	Federal ITC Amortization	Ln44	-	-	-	-	-	-	-	-	-	-	-
39	Total Income Adjustments	Ln31+35, 37	217,949	83,055	8,363	3,591	5,628	53,421	983	3,228	-	-	59,670
40	Federal Taxable Income	Ln30-39 Gross Up	298,138	203,184	20,957	8,660	3,113	28,822	537	1,694	-	-	32,169
41	Federal Income Tax	Records	101,707	66,083	7,125	2,944	1,058	9,800	183	576	-	-	10,837
42	Federal Sur-Tax Allocation	Ln41-42-38	101,707	66,083	7,125	2,944	1,058	9,800	183	576	-	-	10,837
43	Net Federal Income Tax	Ln30	415,380	217,156	22,194	9,306	7,683	72,444	1,348	4,346	-	-	80,902
44	Net Return	Ln30	415,380	217,156	22,194	9,306	7,683	72,444	1,348	4,346	-	-	80,902
45	Fixed Charges	Ln31	217,949	83,055	8,363	3,591	5,628	53,421	983	3,228	-	-	59,670
46	Other SIT Adjustments	Records	-	-	-	-	-	-	-	-	-	-	-
47	Federal Income Tax	Ln41	101,707	66,083	7,125	2,944	1,058	9,800	183	576	-	-	10,837
48	State Taxable Income	Ln44-47 Gross Up	325,947	221,394	22,835	9,436	3,392	31,406	588	1,846	-	-	35,052
49	State Income Tax	Records	35,052	22,835	2,300	876	322	2,953	55	152	-	-	3,283
50	State Sur-Tax Allocation	Ln45	35,052	22,835	2,300	876	322	2,953	55	152	-	-	3,283
51	State ITC Amortization	Ln46	-	-	-	-	-	-	-	-	-	-	-
52	Net State Income Tax	Ln46-50-51	28,809	18,210	1,878	776	279	2,593	48	152	-	-	2,883

Midvale Telephone Exchange - ID/NECA Forecast  
 Study Area: 472226  
 Study Year: 2008

SEPARATED TELECOMMUNICATIONS PLANT SUMMARY

S-2

LINE	DESCRIPTION	SOURCE	INTERSTATE TOLL				INTRASTATE TOLL				LOCAL		
			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)	Other (L)
1	2110 Land & Support Assets	Ln13	758,982	107,578	31,386	-	48,839	464,775	9,219	26,309	-	-	501,423
2	2210 COE-Switching	Ln36	-	-	-	-	-	-	-	-	-	-	-
3	2220 COE-Operator	Ln23	1,391,970	-	50,398	-	-	-	-	-	-	-	254,536
4	2230 COE-Transmission	Ln76	895,889	420,768	29,191	-	69,757	672,936	17,766	24,566	-	-	503,404
5	2310 Info Orig/Term/Equip	Ln11	-	-	-	-	-	-	-	-	-	-	-
6	2410 C&WF	Ln42	2,730,021	290,482	127,921	-	253,139	2,396,928	43,183	148,374	-	-	2,557,220
7	Total COE, IOT, C&WF	Ln2,6	12,892,451	711,250	5,017,879	-	322,897	3,072,864	60,951	173,940	-	-	3,315,160
8	Distribution of Line 7	Ln7/7a	38,9513%	5,5211%	1,6108%	-	2,5065%	23,8531%	0,4731%	1,3502%	-	-	26,7339%
9	Equal Access - Investment	Ln22	-	-	-	-	-	-	-	-	-	-	-
10	2680 Tangible Assets	Ln31	-	-	-	-	-	-	-	-	-	-	-
11	TELECOM PLT IN SVC-EXCL 2690	Ln17+9+10	-	-	-	-	-	-	-	-	-	-	-
12	Distribution of Line 11	Ln17/11a	5,776,841	918,827	238,867	-	371,735	3,537,839	70,170	200,249	-	-	3,816,582
13	2690 Intangible Assets	Ln35	38,9513%	5,5211%	1,6108%	-	2,5065%	23,8531%	0,4731%	1,3502%	-	-	26,7339%
14	TELECOM PLANT IN SVC	Ln14/13	14,830,841	818,827	238,867	-	371,735	3,537,839	70,170	200,249	-	-	3,816,582
15	Distribution of Line 14	Ln14/14a	38,9513%	5,5211%	1,6108%	-	2,5065%	23,8531%	0,4731%	1,3502%	-	-	26,7339%
16	2110 Land Assets	Ln12	-	-	-	-	-	-	-	-	-	-	-
17	2001 TRS VLand	Ln14+6	14,830,841	818,827	238,867	-	371,735	3,537,839	70,170	200,249	-	-	3,816,582
18	Distribution of Line 17	Ln17/17a	38,9513%	5,5211%	1,6108%	-	2,5065%	23,8531%	0,4731%	1,3502%	-	-	26,7339%
19	2002 Prop Hld Fut Telecom Use	Ln6	-	-	-	-	-	-	-	-	-	-	-
20	2003 Plant Under Construction	Ln10	65,973	9,351	2,728	-	4,245	40,400	801	2,287	-	-	43,566
21	2005 Telecom Plant Adjustment	Ln14	-	-	-	-	-	-	-	-	-	-	-
22	TOTAL TELECOM PLANT	Ln14+19,21	5,842,814	828,178	241,625	-	375,981	3,578,039	70,972	202,538	-	-	3,980,168
23	1220 Materials and Supplies	Ln20	14,726	500	220	-	436	4,133	74	257	-	-	4,404
24	1500 Other Juns Assets-Net	Ln14	-	-	-	-	-	-	-	-	-	-	-
25	3100 Accumulated Depreciation	Ln28	3,875,322	625,667	156,976	-	243,449	2,319,833	47,665	128,786	-	-	2,457,310
26	Equal Access - Accum Depreciation	Ln24	-	-	-	-	-	-	-	-	-	-	-
27	3200 Acc Dep-Hld for Fut Use	Ln30	-	-	-	-	-	-	-	-	-	-	-
28	Accum Amort-Tangible	Ln31,32	-	-	-	-	-	-	-	-	-	-	-
29	Accum Amort-Intangible	Ln33	-	-	-	-	-	-	-	-	-	-	-
30	3600 Accum Amort-Chg	Ln34	-	-	-	-	-	-	-	-	-	-	-
31	4100 Net Cur Def Oper Inc Taxes	Ln46	-	-	-	-	-	-	-	-	-	-	-
32	4340 Noncur Def Oper Inc Tax	Ln66	117,349	16,633	4,853	-	7,551	71,802	1,425	4,068	-	-	77,529
33	Equal Access - Deferred Oper Inc Taxes	Ln25	-	-	-	-	-	-	-	-	-	-	-
34	4360 Other Deferred Credits-Net	Ln67	-	-	-	-	-	-	-	-	-	-	-
35	4370 Other Jur Liab & Def Credits-Net	Ln69	-	-	-	-	-	-	-	-	-	-	-
36	NET TELECOM PLANT	Ln22+23-24,35	1,850,844	186,358	80,016	-	125,417	1,190,476	22,126	71,939	-	-	1,329,733
37	Distribution of Line 36	Ln36/36a	38,1074%	3,8370%	1,9475%	-	2,5622%	24,5110%	0,4556%	1,4812%	-	-	27,3762%
38	1402 Rural Tel Bank Stock	Ln18	-	-	-	-	-	-	-	-	-	-	-
39	Cash Working Capital	Ln21	79,591	10,947	2,714	-	4,807	37,488	717	1,730	-	-	41,591
40	Equal Access - Unamortized Expenses	Ln26	-	-	-	-	-	-	-	-	-	-	-
41	Investment Allow/Disallow	Ln31	-	-	-	-	-	-	-	-	-	-	-
42	Accum Dep/Amort Allow/Disallow	Ln72	-	-	-	-	-	-	-	-	-	-	-
43	4400 Customer Deposits	Ln67	156	22	6	-	10	85	2	5	-	-	103
44	4310 Other Jur Liab	Ln67	-	-	-	-	-	-	-	-	-	-	-
45	Other Telecom Pl Adjust	Rpts	-	-	-	-	-	-	-	-	-	-	-
46	NET TELECOM PLT & OTH RATE BASE ITEMS	A+B, F+H(G+H)	1,930,279	197,282	82,724	-	130,214	1,227,869	22,841	73,664	-	-	1,371,221
47	Distribution of Line 46	Ln46/46a	38,3288%	3,9174%	1,6426%	-	2,5655%	24,3814%	0,4535%	1,4627%	-	-	27,2279%

SEPARATED EXPENSE SUMMARY

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LINE	DESCRIPTION	SOURCE	INTERSTATE TOLL			INTRASTATE TOLL			LOCAL						
			TOTAL COMPANY (C)	MSG (G)	IntraLATA (G)	PL (C)	MSG (G)	IntraLATA (G)	PL (G)	MSG (G)	IntraLATA (G)	PL (G)	EAS (G)	User Defined (G)	Other (G)
1	PH Spec Exp Accts 6210.6220	Ln30	-	-	-	-	-	-	-	-	-	-	-	-	-
2	6220.6310.6410	Ln31	1,125,291	507,873	83,157	19,283	23,713	-	228,716	5,009	11,267	-	-	248,291	
3	PH Nonrec Account 6530	Ln19	35,402	13,790	1,955	570	867	-	8,444	187	478	-	-	9,110	
4	Cust Oper Accts 6810.6820	Ln57	138,078	48,385	-	-	11,283	-	34,959	-	-	-	-	42,451	
5	TOTAL BIG THREE EXPENSES	Ln2,4	1,298,771	571,048	85,112	19,834	35,884	-	270,120	5,176	11,745	-	-	289,853	
6	Distribution of Line 5	Ln55a	100.0000%	43.9683%	6.5533%	1.5271%	2.7629%	-	20.7981%	0.3985%	0.9044%	-	-	23.0874%	
7	Plant Specific Expenses	Ln31	1,174,805	527,160	85,891	20,061	24,954	-	238,527	5,243	11,936	-	-	281,033	
8	Plant Nonspecific Expenses	Ln44	569,942	236,042	35,350	8,909	13,571	-	129,331	2,656	7,044	-	-	137,039	
9	Customer Operations Expenses	Ln57	138,078	48,385	-	-	11,283	-	34,959	-	-	-	-	42,451	
10	Corporate Operations Expenses	Ln16	475,282	222,927	29,516	6,878	12,444	-	93,674	1,785	4,073	-	-	103,985	
11	7300 Contributions	Ln16	-	-	-	-	-	-	-	-	-	-	-	-	
12	TOTAL OPERATING EXPENSES	Ln7,11	2,358,017	1,035,514	150,757	35,749	62,252	-	496,491	9,694	23,054	-	-	544,898	
13	Operating Taxes	Ln28	30,670	12,385	1,656	483	752	-	7,156	142	405	-	-	7,720	
14	Equal Access Expenses	Ln35	-	-	-	-	-	-	-	-	-	-	-	-	
15	Expans Allowances/Challowances	Ln30	-	-	-	-	-	-	-	-	-	-	-	-	
16	Expans Allowances/Challowances	Ln30	-	-	-	-	-	-	-	-	-	-	-	-	
17	TOTAL OPERATING EXP & TAXES	Ln12-13,15-16	2,388,687	1,047,899	152,412	36,231	63,004	-	503,647	9,836	23,459	-	-	552,228	
18	Distribution of Line 17	Ln17/17b	100.0000%	43.8680%	6.369%	1.5168%	2.6378%	-	21.0847%	0.4118%	0.9821%	-	-	23.1185%	
19	Total Depr & Amort	Ln43	516,698	204,509	33,395	8,239	12,683	-	120,887	2,488	6,566	-	-	127,929	
20	Fixed Charges	Ln24	217,949	83,055	8,363	3,591	5,628	-	53,421	963	3,228	-	-	59,670	
21	Total Operating Revenue	Ln33	2,388,687	1,047,899	152,413	36,231	63,004	-	503,647	9,836	23,459	-	-	552,228	
22	Total Operating Expense & Taxes	Ln17	-	-	-	-	-	-	-	-	-	-	-	-	
23	Uncollectibles	Ln57	217,949	83,055	8,363	3,591	5,628	-	53,421	963	3,228	-	-	59,670	
24	Fixed Charges	Ln20	-	-	-	-	-	-	-	-	-	-	-	-	
25	Income Adjustments	Ln65	(2,606,636)	(1,130,924)	(160,776)	(39,822)	(68,632)	-	(657,069)	(10,828)	(26,687)	-	-	(611,899)	
26	Net Income	Ln21,25	100.0000%	43.3853%	6.1679%	1.5277%	2.6330%	-	21.3712%	0.4154%	1.0238%	-	-	23.4746%	
27	Distribution of Line 26	Ln26/26a	-	-	-	-	-	-	-	-	-	-	-	-	
28	TOTAL CASH OPER EXPENSES	Ln17+18-19+20	2,089,940	828,415	127,390	31,583	55,948	-	438,182	8,340	28,120	-	-	483,670	
29	Distribution of Line 28	Ln28/28a	100.0000%	44.3273%	6.0949%	1.5112%	2.8770%	-	20.8709%	0.3891%	0.6627%	-	-	23.1571%	
INCOME TAX CALCULATION															
31	Other Operating Income	Ln32	-	-	-	-	-	-	-	-	-	-	-	-	
32	AFUDC	Ln15	-	-	-	-	-	-	-	-	-	-	-	-	
33	Operating Revenue	Ln33-Ln31	-	-	-	-	-	-	-	-	-	-	-	-	
34	Uncollectible Revenue	Ln57	-	-	-	-	-	-	-	-	-	-	-	-	
35	Income Effect Jurisdictional Difference	Ln60	-	-	-	-	-	-	-	-	-	-	-	-	
36	IRS Income Adjustment	Ln62	-	-	-	-	-	-	-	-	-	-	-	-	
37	TOTAL REVENUE & OTHER INCOME	Ln31,34	-	-	-	-	-	-	-	-	-	-	-	-	
38	Contributions	Ln16	-	-	-	-	-	-	-	-	-	-	-	-	
39	Operating Expenses	Ln2-Ln11	2,358,017	1,035,514	150,757	35,749	62,252	-	496,491	9,694	23,054	-	-	544,898	
40	Operating Taxes	Ln26	30,670	12,385	1,656	483	752	-	7,156	142	405	-	-	7,720	
41	Fixed Charges	Ln24	217,949	83,055	8,363	3,591	5,628	-	53,421	963	3,228	-	-	59,670	
42	TOTAL OPERATING EXPENSES	Ln35,39	2,606,636	1,130,924	160,776	39,822	68,632	-	657,069	10,828	26,687	-	-	611,899	
43	State Taxable Income	Ln35-Ln40	(2,606,636)	(1,130,924)	(160,776)	(39,822)	(68,632)	-	(657,069)	(10,828)	(26,687)	-	-	(611,899)	
44	State Income Tax	Ln41	(214,396)	(83,018)	(13,224)	(3,275)	(5,645)	-	(45,819)	(891)	(2,195)	-	-	(50,329)	
45	Federal Taxable Income	Ln35-Ln40	(2,606,636)	(1,130,924)	(160,776)	(39,822)	(68,632)	-	(657,069)	(10,828)	(26,687)	-	-	(611,899)	
46	State Income Tax	Ln42	(214,396)	(83,018)	(13,224)	(3,275)	(5,645)	-	(45,819)	(891)	(2,195)	-	-	(50,329)	
47	Federal Income Tax	Ln43-Ln44	(2,392,240)	(1,037,905)	(147,552)	(36,547)	(62,987)	-	(511,250)	(9,938)	(24,492)	-	-	(561,570)	
48	Federal Investment Tax Credit	Ln44	(813,382)	(352,888)	(50,169)	(12,286)	(21,416)	-	(173,825)	(3,379)	(8,327)	-	-	(190,534)	
49	Federal Income Tax	Ln46-Ln47	(813,382)	(352,888)	(50,169)	(12,286)	(21,416)	-	(173,825)	(3,379)	(8,327)	-	-	(190,534)	

GENERAL SUPPORT FACILITIES

LINE	DESCRIPTION FACTORS	SOURCE	INTERSTATE TOLL			INTRASTATE TOLL			LOCAL			
			MSG (b)	PL (c)	IntnlATA (d)	MSG (f)	IntnlATA (g)	PL (h)	MSG (i)	User Defined (k)	Other (l)	
<b>SEPARATIONS FACTORS</b>												
1	Carrier Classification	Records										
2	Big Three Expenses Distr	Ln6	43,968.93%	6,553.3%	1,527.1%	-	2,762.9%	-	0.3985%	-	0.9044%	23,087.4%
3	Total COE, TOT. C&WF Distr	Ln8	38,951.3%	5,521.1%	1,610.8%	-	2,506.5%	-	0.4731%	-	1.3502%	25,733.9%
<b>LAND &amp; SUPPORT ASSETS SEPARATION</b>												
4	2110 Land & Support Assets	Ln5	758,962	107,578	31,386	-	48,839	-	9,219	-	26,309	501,423
5	Support Assets-Joint v/GSF - B&C	Note 1	-	-	-	-	-	-	-	-	-	-
6	General Support Facilities - B&C	Note 1	-	-	-	-	-	-	-	-	-	-
7	Direct Assignment	Direct	758,962	107,578	31,386	-	48,839	-	9,219	-	26,309	501,423
8	Total Support Assets	Ln5-.7	38,951.3%	5,521.1%	1,610.8%	-	2,506.5%	-	0.4731%	-	1.3502%	25,733.9%
9	Distribution of Line 8	Ln8/8a										
10	Land	Note 1	-	-	-	-	-	-	-	-	-	-
11	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-
12	Total Land	Ln10-.11	758,962	107,578	31,386	-	48,839	-	9,219	-	26,309	501,423
13	TOT.LAND & SUPPORT ASSETS	Ln10/12	38,951.3%	5,521.1%	1,610.8%	-	2,506.5%	-	0.4731%	-	1.3502%	25,733.9%
14	Distribution of Line 13	Ln13/13a										

Note 1: If Carrier Classification = A, then  
 Ln5a\*2, Ln6a\*2, Ln10a\*2  
 Ln5a\*3, Ln6a\*3, Ln10a\*3

Note 1: If Carrier Classification = A, then  
 Ln5a\*2, Ln6a\*2, Ln10a\*2  
 Ln5a\*3, Ln6a\*3, Ln10a\*3

Midvale Telephone Exchange - ID NECA Forecast  
 Study Area: 472226  
 Study Year: 2006

CENTRAL OFFICE EQUIPMENT

Sheet 1 of 3

LINE	DESCRIPTION	SOURCE	INTERSTATE TOLL			INTRASTATE TOLL			LOCAL			
			MSG (b)	IntraLATA PL (c)	IntraLATA MSG (d)	MSG (f)	IntraLATA PL (g)	IntraLATA MSG (h)	PL (i)	User Defined (k)	Other (l)	
			TOTAL COMPANY (a)									
1	MSWAS Pct-Switchboards	Records	100.0000%	-	-	-	-	-	-	-	-	-
2	MSWAS Pct-Directory Assistance	Records	-	-	-	-	-	-	-	-	-	-
3	Sub Line MOU Pct	Records	100.0000%	30.6230%	0.9900%	100.0000%	2.1600%	20.8170%	-	-	-	45.4040%
4	SOB Toll MOU Pct	Records	-	-	-	-	-	-	-	-	-	-
5	MSWAS Pct-TSPS Other Position	Records	-	-	-	-	-	-	-	-	-	-
6	Real Processor Time Pct-RTA	Records	-	-	-	-	-	-	-	-	-	-
7	Real Processor Time Pct-TSPS	Records	-	-	-	-	-	-	-	-	-	-
8	REL MOU's - Tandem Switching	Records	-	-	-	-	-	-	-	-	-	-
9	Trens Measured DEM Pct	Records	100.0000%	82.0300%	2.9700%	-	-	-	-	-	-	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											
15	Rec-Interact											
16	Rec-Interact SOB											
17	TSPS-Other Position											
18	TSPS-RTA											
19	TSPS-Other											
20	Direct Assignment											
21	Total Cat 1											
22	Distribution of Line 21											
23	TOTAL COE-OPERATOR											
24	Distribution of Line 23											
25	2210 Central Office Switching											
26	Cat 2-Tandem Switching											
27	Direct Assignment											
28	Total Cat 2											
29	Distribution of Line 28											
30	Cat 3-Local Switching - TS											
31	Cat 3-Local Switching - NTS											
32	Direct Assignment											
33	Total Cat 3											
34	Distribution of Line 34											
35	TOTAL COE-SWITCHING											
36	Distribution of Line 36											
37	Distribution of Line 36											

Midvale Telephone Exchange - ID NECA Forecast  
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 Study Year: 2006

CENTRAL OFFICE EQUIPMENT

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 Sheet 2 of 3

LINE	DESCRIPTION	SOURCE	INTERSTATE TOLL			INTRASTATE TOLL			LOCAL					
			MSG (b)	PL (c)	Other (i)	MSG (d)	PL (e)	Other (j)	MSG (f)	PL (g)	Other (k)			
38	WB Line	Records												
39	Ex Trk WB	Records												
40	REL MOU's - Exchange Trunk	Records												
41	Gross Allocator (Trans SPF)	Records												
42	COE Cat 4.21-Fun to Others Pet	Records	24,217.0%			0.7830%			2,350.0%					50.0000%
43	Interexchange Trk WB	Records												
COE CATEGORY 4 SEPARATION														
44	2230 Central Office - Transmission													
45	Cat 4.1-Exchange Circuit													
46	4.11 Wideband-Line													
47	Direct Assignment													
48	4.12 Exch Trunk - EAS													
49	Ex Trk-xWB - Basic													
50	Ex Trk-xWB - Basic DA													
51	Ex Trk-xWB													
52	Ex Trk-xWB - Direct Assignment													
53	4.13 Ex Line xWB													
54	Joint MSG		243,819			7,883			23,660					503,404
55	PL & Local		7,309			3,654								
56	Direct Assignment - Basic/Special													
57	Cat 4.2-Interexchange													
58	4.21 Fun to Others													
59	4.22 Wideband													
60	Joint MSG													
61	PL													
62	Direct Assignment													
TOTAL COMPANY			1,006,809	12,548		7,883	3,654		23,660					503,404
TOTAL COMPANY			1,014,118	1,006,809	3,654	4	4	3,654	4	3,654	4	3,654	4	3,654

913.6194  
 Note 1: Cost per loop =

Midvale Telephone Exchange - ID NECA Forecast  
 Study Area: 472226  
 Study Year: 2005

CENTRAL OFFICE EQUIPMENT

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 Sheet 3 of 3

LINE	DESCRIPTION	SOURCE	INTERSTATE TOLL			INTRASTATE TOLL			LOCAL			
			MSG (b)	InterLATA (c)	IntraLATA (d)	MSG (f)	InterLATA (g)	IntraLATA (h)	MSG (i)	User Defined (k)	Other (l)	
65	Conversation Minutes Pct	Records	56.0020%		1.8300%		3.9500%	38.2000%				
66	Host/Remote MOU Miles Pct	Records										
COE CATEGORY 4 SEPARATION (Cont)												
67	4.23 All Other											
68	Joint MSG	Ln82764	652,070		21,306		46,087	444,894				
69	PL, TWX & Local	Ln82c.j		7,057					14,114			
70	Direct Assignment - Nonaccess	Direct										
71	Cat 4.3-Host/Remote MSG	Ln72a'86										
72	Joint (W/WATS)	Direct										
73	WATS	Direct										
74	Direct Assignment	Direct										
75	Total Cat 4	Ln46.62-67.74	895,889	420,768	29,191		68,757	672,936	17,768		24,566	503,404
76	TOTAL COE-TRANSMISSION	Ln75	2,634,279	420,768	29,191		68,757	672,936	17,768		24,566	503,404
77	Distribution of Line 76	Ln76/76a	100.0000%	15.9729%	1.0811%		2.6481%	25.5453%	0.8745%		0.9326%	18.1008%
78	TOTAL CENTRAL OFFICE EQUIP	Ln23-36-76	4,331,183	420,768	79,689		68,757	672,936	17,768		24,566	757,940
79	Distribution of Line 78	Ln78/78a	100.0000%	9.7149%	1.8376%		1.6106%	15.5370%	0.4102%		0.5672%	17.4888%

LINE	DESCRIPTION	SOURCE	INTERSTATE TOLL			INTRASTATE TOLL			LOCAL			
			MSG (b)	InterLATA (c)	IntraLATA (d)	MSG (f)	InterLATA (g)	IntraLATA (h)	MSG (i)	User Defined (k)	Other (l)	
80	COE Cat 4.23 Terms -	Records										
81	COE Cat 4.23 - Terms	Note 1										
82	COE Cat 4.23 - Terms	Note 1										
ASSIGNMENT OF COE CAT 4.23			336									
-Joint Message Total Terminations			330									
-Joint Message Total Allocated Investment			1,165,539									
Note 1				7,057					14,114			
Note 1												
Note 1: Cost per termination =			3,528.39									



Midvale Telephone Exchange - ID NECA Forecast  
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 Study Year: 2008

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INFORMATION ORIGIN/TERM EQUIPMENT

LINE	DESCRIPTION	SOURCE	INTERSTATE TOLL			INTRA-STATE TOLL			LOCAL					
			MSG (b)	IntraLATA PL (c)	MSG (d)	IntraLATA PL (e)	MSG (f)	IntraLATA PL (g)	EAS (h)	User Defined (k)	Other (l)			
1	Gross Allocator (Trans. SPP)	Records	24.2170%		0.7830%									
2	REL. MOUs - Coinless Pub. Tel	Records					2.3500%			22.6500%				50.0000%
3	2310 Info Orig/Term Equip	Records												
4	Cat 1-Other IOT	Lr4a*1												
5	Coinls Pub Tel Eq	Lr5a*2												
6	Direct Assignment	Direct												
7	Total Category 1	Lr4..6												
8	Distribution of Line 7	Lr77a												
9	Cat 2-Cust Prem Equip	Direct												
10	Distribution of Line 9	Lr9/9a												
11	TOTAL INFO ORIGIN/TERM EQUIP	Lr7+9												
12	Distribution of Line 11	Lr11/11a												
TOTAL COMPANY			(b)	(c)	(d)	(e)	(f)	(g)	(h)	(k)	(l)			
			100.0000%											

CABLE AND WIRE FACILITIES

SOURCE	INTERSTATE TOLL				INTRASTATE TOLL				LOCAL			
	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)	Other (l)	
<b>TOTAL COMPANY</b>	<b>100,000%</b>	<b>24.2170%</b>	<b>0.7830%</b>	<b>-</b>	<b>2.3500%</b>	<b>-</b>	<b>22.6500%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50.0000%</b>	
<b>SEPARATIONS FACTORS</b>												
1 Gross Allocator Pct (Trans SRF)												
2 REL MOU's - Exchange Trunk												
3 WB Line												
4 MOU Pct-Ex Trk WB												
<b>CBWF CAT 1-2 SEPARATION</b>												
5 2410 Cable & Wire Facilities												
6 Cat 1-Exch Line xWB												
7 1.1 Intra PL & WATS	18,564											
8 1.2 Inter PL & WATS	18,564	18,564										
9 1.3 Jointly Used	5,114,440	1,238,564	40,046		120,189		1,188,421				2,557,220	
10 Direct Assignment												
11 Total Category 1	5,151,568	1,238,564	40,046		120,189		1,188,421				2,557,220	
12 Cat 2-WB & Exch Trunk												
13 Ex Trk - Int message												
14 Ex Trk - EAS	148,374								148,374			
15 Ex Line MB												
16 WB Line	37,128											
17 WB Trunk												
18 WB Trunk DA												
19 Total Category 2	186,503								148,374			

LINE	DESCRIPTION	SOURCE	INTERSTATE TOLL				INTRASTATE TOLL				Other (l)
			Joint MSG (b)	IntraLATA PL (c)	IntraLATA PL (d)	IntraLATA PL (e)	MSG (f)	IntraLATA PL (g)	MSG (h)	User Defined (k)	
<b>TOTAL COMPANY</b>			<b>1,110</b>	<b>0.3604%</b>	<b>4</b>	<b>18,564</b>	<b>0.3904%</b>	<b>18,564</b>	<b>-</b>	<b>-</b>	<b>-</b>
20 CBWF Cat 1 Working Loops	Records		1,102	0.3604%	4						
21 Distribution of Line 21	Lnc2020a		96,2793%	0.3604%							
22 Cat 1-Ex Line xWB	Lnc28*21		5,114,440	18,564							
			4,641,0523								

Note 1: Cost per loop =

MiValve Telephone Exchange - ID NECA Forecast  
 Study Area: 472226  
 Study Year: 2008

CABLE AND WIRE FACILITIES

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 Sheet 2 of 2

LINE	DESCRIPTION	SOURCE	INTERSTATE TOLL			INTRASTATE TOLL			LOCAL					
			MSG (b)	Intra LATA (c)	Inter LATA (e)	MSG (d)	Intra LATA (f)	Inter LATA (g)	MSG (h)	Intra LATA (i)	Inter LATA (j)	Other (k)	Other (l)	
23	Interexchange Trk WB	Records												
24	C&WF TWX Connect Min Miles P&R-IT	Records	50.4930%			2,9750%			42.0310%					
25	C&WF TWX Connect Min Miles P&R-RT	Records	50.4930%			2,9750%			42.0310%					
26	C&WF TWX Connect Min Miles P&R-RT	Records	50.4930%			2,9750%			42.0310%					
27	Host/Remote MOU Miles Pct	Records												
SEPARATIONS FACTORS														
28	Cat 3-Interexchange C&WF	Direct												
29	WB PL - Direct Assignment	Ln30a*23		223,369										
30	WB - Joint Message	Ln48b*24				87,875			1,241,507					
31	Joint MSG xWB	Ln49c..1	1,491,457	11,420										
32	PL, TWX & Local xWB	Ln49f*25												
33	Joint TWX-IT	Ln49k*26												
34	Joint TWX-Rmt	Direct												
35	Direct Assignment - Nonaccess	Ln28..35	1,461,457	234,769		87,875			1,241,507					
36	Total Category 3													
37	Cat 4-Host/Remote C&WF	Ln38a*27												
38	Joint (xWBATS)	Direct												
39	WATS	Direct												
40	Direct Assignment	Direct												
41	Total Category 4													
42	TOTAL CABLE & WIRE FACILITIES	Ln11+19+36+41	2,730,021	290,482		127,921			2,398,928				149,374	2,557,220
43	Distribution of Line 42	Ln42/42a	31.92533%	3,3969%		1,4859%			28.0652%				1,7468%	28,9046%

LINE	DESCRIPTION	SOURCE	INTERSTATE TOLL			INTRASTATE TOLL			LOCAL					
			Joint MSG Excl TWX (b)	Intra LATA (c)	Inter LATA (e)	MSG (d)	Intra LATA (f)	Inter LATA (g)	MSG (h)	Intra LATA (i)	Inter LATA (j)	Other (k)	Other (l)	
44	Equip IX Circ Miles-MSG	Records	14,452											
45	Distribution of Line 44	Ln44/44a		55										
46	Distribution of Line 44	Ln44/44a		0.3820%										
47	Distribution of Line 45	Ln45/44a												
48	Cat 5-All Other xWB-MSG	Ln48a*45	2,969,829	2,963,790										
49	-PL, TWX&Local	Ln48a*47		11,420										

Note 1: Cost per circuit mile = 206.88

AMORTIZABLE ASSETS

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LINE	DESCRIPTION	SOURCE	INTERSTATE TOLL			INTRASTATE TOLL			LOCAL					
			MSG (b)	InerLATA (c)	PL (e)	MSG (d)	InerLATA (f)	PL (g)	MSG (h)	InerLATA (i)	PL (j)	EAS (k)	User Defined (l)	Other (m)
TOTAL COMPANY (a)														
<b>SEPARATIONS FACTORS</b>														
1	Land & Support Assets Distr	Ln14	38.9513%	5.5211%	1.6108%	2.9700%	1.3502%	23.8531%	0.4731%	1.3502%	-	-	25.7339%	-
2	2210 COE-Switch Distr	Ln87	82.0300%	-	2.9700%	-	-	-	-	-	-	-	15.0000%	-
3	2220 COE-Operator Systems Distr	Ln24	-	-	-	-	-	-	-	-	-	-	-	-
4	2230 COE-Transmission Distr	Ln77	34.0089%	15.9728%	1.1081%	-	0.9328%	25.5453%	0.6745%	-	-	-	19.1089%	-
5	2310 IOT Distr	Ln12	-	-	-	-	-	-	-	-	-	-	-	-
6	2410 C&WF Distr	Ln43	31.9253%	3.3969%	1.4659%	-	2.9603%	28.0652%	0.5050%	1.7468%	-	-	29.9046%	-
7	2001 TPIS	Ln8	38.9513%	5.5211%	1.6108%	-	2.5065%	23.8531%	0.4731%	1.3502%	-	-	25.7339%	-
8	2001 TPIS Ind 2680	S-2, Ln11	38.9513%	5.5211%	1.6108%	-	2.5065%	23.8531%	0.4731%	1.3502%	-	-	25.7339%	-
<b>TANGIBLE ASSETS-CAPITAL LEASES SEP</b>														
9	2680 Tangible Assets - Capital Leases		-	-	-	-	-	-	-	-	-	-	-	-
10	2110 Land & Supt Assets	Ln10a*1	-	-	-	-	-	-	-	-	-	-	-	-
11	2210 COE-Switching	Ln11a*2	-	-	-	-	-	-	-	-	-	-	-	-
12	2220 COE-Operator	Ln12a*3	-	-	-	-	-	-	-	-	-	-	-	-
13	2230 COE-Transmission	Ln13a*4	-	-	-	-	-	-	-	-	-	-	-	-
14	2410 C&WF	Ln14a*5	-	-	-	-	-	-	-	-	-	-	-	-
15	Not classified by account	Ln15a*6	-	-	-	-	-	-	-	-	-	-	-	-
16	Direct Assignment	Ln16a*7	-	-	-	-	-	-	-	-	-	-	-	-
17	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-
18	TOTAL CAPITAL LEASES	Ln10, 17	-	-	-	-	-	-	-	-	-	-	-	-
19	Distribution of Line 18	Ln18/18a	-	-	-	-	-	-	-	-	-	-	-	-
<b>TANGIBLE ASSETS-LEASEHLD IMPROVE SEP</b>														
20	2680 Tangible Assets - Leasehold Improve		-	-	-	-	-	-	-	-	-	-	-	-
21	2110 Land & Supt Assets	Ln21a*1	-	-	-	-	-	-	-	-	-	-	-	-
22	2210 COE-Switching	Ln22a*2	-	-	-	-	-	-	-	-	-	-	-	-
23	2220 COE-Operator	Ln23a*3	-	-	-	-	-	-	-	-	-	-	-	-
24	2230 COE-Transmission	Ln24a*4	-	-	-	-	-	-	-	-	-	-	-	-
25	2310 IOT	Ln25a*5	-	-	-	-	-	-	-	-	-	-	-	-
26	2410 C&WF	Ln26a*6	-	-	-	-	-	-	-	-	-	-	-	-
27	Not classified by account	Ln27a*7	-	-	-	-	-	-	-	-	-	-	-	-
28	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-
29	TOTAL LEASEHOLD IMPROVEMENTS	Ln21, 28	-	-	-	-	-	-	-	-	-	-	-	-
30	Distribution of Line 29	Ln28/28a	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL TANGIBLE ASSETS</b>														
31	TOTAL TANGIBLE ASSETS	Ln18-29	-	-	-	-	-	-	-	-	-	-	-	-
32	Distribution of Line 31	Ln31/31a	-	-	-	-	-	-	-	-	-	-	-	-
<b>INTANGIBLE ASSETS SEPARATION</b>														
33	2680 Intangible Assets	Ln33a*8	-	-	-	-	-	-	-	-	-	-	-	-
34	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-
35	TOTAL INTANGIBLE ASSETS	Ln33, 34	-	-	-	-	-	-	-	-	-	-	-	-
36	Distribution of Line 35	Ln35/35a	-	-	-	-	-	-	-	-	-	-	-	-

Miwaite Telephone Exchange - ID NECA Forecast  
 Study Area: 472226  
 Study Year: 2008

TELECOMMUNICATIONS PLANT - OTHER ACCOUNTS

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LINE	DESCRIPTION	SOURCE	INTERSTATE TOLL			INTRASTATE TOLL			LOCAL			
			TOTAL COMPANY (B)	IntraLATA (C)	MSG (D)	IntraLATA (E)	MSG (F)	IntraLATA (G)	EAS (H)	User Defined (I)	Other (J)	
<b>SEPARATIONS FACTORS</b>												
1	2001 TRIS Distr	Ln15	100.0000%	38.9513%	1.6108%	23.8631%	1.3502%	25.7339%				
2	2410 C&WF Distr	Ln43	100.0000%	5.5211%	1.4959%	28.8652%	1.7468%	29.9048%				
3	Equal Access MOU Pct	Records		3.3969%								
<b>OTHER ACCOUNTS SEPARATION</b>												
4	2002 Prop Hld Fut Telecom Use	Ln4*1										
5	Direct Assignment	Direct										
6	TOTAL PROP HLD FUT TELECOM USE	Ln4..5										
7	Distribution of Line 6	Ln6/6a										
8	2003 PR Under Constr	Ln8a*1	169.372	85.973	2.728	40.400	2.287	43.586				
9	Direct Assignment	Direct										
10	TOTAL PLT UNDER CONSTR	Ln8..9	169.372	85.973	2.728	40.400	2.287	43.586				
11	Distribution of Line 10	Ln10/10a	100.0000%	38.9513%	1.6108%	23.8631%	1.3502%	25.7339%				
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>MISC ACCOUNTS SEPARATION</b>												
16	1402 Class B RTB Stock	Ln16a*1										
17	1438 Deferred Charges	Ln17a*1										
18	1220 Material & Supl w/CPPE	Ln18a*2	14.726	4.701	220	4.133	257	4.404				
19	Direct Assignment	Direct										
20	TOTAL MATERIALS AND SUPPLIES	Ln18..19	14.726	4.701	220	4.133	257	4.404				
21	Cash Working Capital	OWC	179.584	79.591	2,714	37,488	1,730	41,581				
<b>EQUAL ACCESS INVESTMENT SEPARATION</b>												
22	Equal Access Gross Investment	Ln22a*3										
23	Accum Depreciation	Direct										
24	Unamortized Int Rates	Ln24a*3										
25	Unamortized Int Rates	Ln25a*3										
26	Unamortized Int Rates	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	Ln28a*1										
30	Direct Assignment	Direct										
31	TOTAL INVEST ALLOW/DISALLOWANCES	Ln28..30										

Midvale Telephone Exchange - ID NECA Forecast  
 Study Area: 472226  
 Study Year: 2006

CERTAIN INCOME ACCOUNTS AND ADJUSTMENTS

S-10

LINE	DESCRIPTION FACTORS	SOURCE	INTERSTATE TOLL			INTRA-STATE TOLL			LOCAL				
			TOTAL COMPANY (e)	MSG (b)	IntraLATA PL (c)	MSG (d)	IntraLATA PL (g)	MSG (h)	IntraLATA PL (i)	EAS (j)	User Defined (k)	Other (l)	
<b>SEPARATIONS FACTORS</b>													
1	2001 TPIS Distr	Ln15	100,000%	38,9513%	5,5211%	1,6108%	-	2,5065%	23,6531%	0,4731%	1,3502%	-	25,7339%
2	2003 PUC-Pct	Ln11	100,000%	38,9513%	5,5211%	1,6108%	-	2,5065%	23,6531%	0,4731%	1,3502%	-	25,7339%
3	Corp Oper Expenses Distr	Ln17	100,000%	46,9032%	6,2100%	1,4471%	-	2,6182%	18,7087%	0,3777%	0,6570%	-	21,9781%
4	2680 Capital Leases Distr	Ln19	100,000%	38,1074%	3,8370%	1,6475%	-	2,5622%	24,5110%	0,4556%	1,4812%	-	27,3762%
5	Net Telecom Plant Distrcd 4040, 4310	Ln37	100,000%	38,9513%	5,5211%	1,6108%	-	2,5065%	23,6531%	0,4731%	1,3502%	-	25,7339%
6	2110 Support Assets Distr	Ln9	100,000%	82,0300%	-	2,9700%	-	-	-	-	-	-	15,0000%
7	2210 COE-Switching Distr	Ln24	100,000%	34,0089%	15,9728%	1,1081%	-	2,6481%	25,5453%	0,6745%	0,9326%	-	19,1098%
8	2220 COE-Operator Distr	Ln77	100,000%	31,9253%	3,3969%	1,4959%	-	2,9603%	28,0652%	0,5050%	1,7469%	-	28,9046%
9	2310 IOT Distr	Ln12	100,000%	38,9513%	5,5211%	1,6108%	-	2,5065%	23,6531%	0,4731%	1,3502%	-	25,7339%
10	2310 IOT Distr	Ln43	100,000%	43,9693%	6,5533%	1,5271%	-	2,7629%	20,7981%	0,3985%	0,9044%	-	23,0874%
11	2410 C&MF Distr	Ln8	100,000%	-	-	-	-	-	-	-	-	-	-
12	COE, IOT, C&MF	Ln8	100,000%	-	-	-	-	-	-	-	-	-	-
13	Big Three Expenses Distr	Ln6	100,000%	-	-	-	-	-	-	-	-	-	-
<b>OTHER INCOME SEPARATION</b>													
14	7900 User Inc & Expenses	Ln15a+2	-	-	-	-	-	-	-	-	-	-	-
15	Adm User Defr Const	Ln16a+3	-	-	-	-	-	-	-	-	-	-	-
16	Contributed Const	Ln17a+1	-	-	-	-	-	-	-	-	-	-	-
17	Abandoned Construction	Direct	-	-	-	-	-	-	-	-	-	-	-
18	Other Nonoperating Expense	Direct	-	-	-	-	-	-	-	-	-	-	-
<b>FIXED CHARGES</b>													
19	Fixed Charges	Ln20a+4	-	-	-	-	-	-	-	-	-	-	-
20	Interest on Capital Leases	Ln21a+5	217,949	83,055	8,363	3,591	-	5,628	53,421	963	3,228	-	59,670
21	Fixed Charges Excl Capital Leases	Ln22a+5	-	-	-	-	-	-	-	-	-	-	-
22	Amortization of Debt Discount	Ln23a+5	-	-	-	-	-	-	-	-	-	-	-
23	Other Interest	Ln23a+5	-	-	-	-	-	-	-	-	-	-	-
24	TOTAL FIXED CHARGES	Ln20-.21	217,949	83,055	8,363	3,591	-	5,628	53,421	963	3,228	-	59,670
<b>RENT REVENUES</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	-	-	-	-	-	-	-	-	-	-	-
31	C&MF	Ln32a+11	-	-	-	-	-	-	-	-	-	-	-
32	Not Classified by Acct	Ln32a+11, Direct	-	-	-	-	-	-	-	-	-	-	-
33	UNBUNDLED NETWORK ELEMENTS	Ln41+ Ln34	-	-	-	-	-	-	-	-	-	-	-
34	C&MF - Unbundled Loop	Ln42+ Ln35	-	-	-	-	-	-	-	-	-	-	-
35	Operator Systems	Ln43+ Ln36	-	-	-	-	-	-	-	-	-	-	-
36	Tandem Switching	Ln44+ Ln37	-	-	-	-	-	-	-	-	-	-	-
37	Local Switching	Ln45+ Ln38	-	-	-	-	-	-	-	-	-	-	-
38	Transport Termination	Ln46+ Ln39	-	-	-	-	-	-	-	-	-	-	-
39	Transport Facility	Ln47+ Ln40	-	-	-	-	-	-	-	-	-	-	-
40	SS7	Ln48+ Ln41	-	-	-	-	-	-	-	-	-	-	-
41	OSS	Ln49+ Ln42	-	-	-	-	-	-	-	-	-	-	-
42	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-
43	TOTAL RENT REVENUES	Ln26-.42	-	-	-	-	-	-	-	-	-	-	-
<b>INCOME TAX ADJUSTMENTS SEPARATIONS</b>													
44	ITC Amortization - General	Ln44a+1	-	-	-	-	-	-	-	-	-	-	-
45	ITC Amortization - Special	Ln45a+1	-	-	-	-	-	-	-	-	-	-	-
46	TOTAL ITC AMORTIZATION	Ln44-.45	-	-	-	-	-	-	-	-	-	-	-
<b>AMORTIZATION OF EXCESS DEF TAXES</b>													
47	Amortization of Excess Def Taxes	Ln47a+1	-	-	-	-	-	-	-	-	-	-	-
<b>CAPITALIZED PAYROLL TAXES</b>													
48	Capitalized Payroll Taxes	Ln48a+1	-	-	-	-	-	-	-	-	-	-	-
49	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-
50	TOTAL CAPITALIZED PAYROLL TAXES	Ln48-.49	-	-	-	-	-	-	-	-	-	-	-
<b>DEPRECIATION ADJUSTMENTS</b>													
51	Depreciation Adjustments	Ln51a+1	-	-	-	-	-	-	-	-	-	-	-
52	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-
53	TOTAL DEPRECIATION ADJUSTMENTS	Ln51-.52	-	-	-	-	-	-	-	-	-	-	-
<b>UNCOLLECTIBLES - INTERCHANGE CARRIER</b>													
54	Uncollectibles - Joint Message	Direct	-	-	-	-	-	-	-	-	-	-	-
55	Uncollectibles - End User CCL	Direct	-	-	-	-	-	-	-	-	-	-	-
56	Uncollectibles - Interexchange Carrier	Direct	-	-	-	-	-	-	-	-	-	-	-
57	TOTAL UNCOLLECTIBLES	Ln54-.56	-	-	-	-	-	-	-	-	-	-	-
<b>MISC INC ADJUSTMENTS</b>													
58	Misc Inc Adjustments	Ln58a+1	-	-	-	-	-	-	-	-	-	-	-
59	Inc Adj Alloc on 2001	Direct	-	-	-	-	-	-	-	-	-	-	-
60	Inc Adj Alloc on 2001 - Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-
61	Inc Adj Alloc on Big 3 Exp	Direct	-	-	-	-	-	-	-	-	-	-	-
62	Inc Adj Alloc on Big 3 Exp - Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-
63	TOTAL MISC INC ADJUSTMENTS	Ln59-.61	-	-	-	-	-	-	-	-	-	-	-

PLANT SPECIFIC EXPENSES

S-11

LINE	DESCRIPTION FACTORS	SOURCE	INTERSTATE TOLL			INTRASTATE TOLL			LOCAL			
			MSC (b)	IntraLATA PL (c)	MSG (d)	MSC (e)	IntraLATA PL (f)	MSG (g)	EAS (h)	Used Deleted (k)	Other (l)	
1	2110 Land & Supt Area Distr	Ln14	38,951.9%	5,621.1%	1,610.9%	-	2,595.5%	23,853.1%	0.4731%	1,350.2%	-	25,733.9%
2	Total COE Distr + EA Distr	Ln79 and EA	52,822.9%	9,714.9%	1,837.6%	-	1,610.9%	15,537.0%	0.4102%	0,597.2%	-	17,498.8%
3	2310 IOT Cat 1-Other Distr	Ln1	24,217.0%	-	0,783.0%	-	2,350.0%	22,650.0%	-	-	-	50,000.0%
4	2310 IOT Cat 2-CPE Distr	Ln10	-	-	-	-	-	-	-	-	-	-
5	2410 C&WF Distr	Ln43	31,923.3%	3,398.9%	1,495.9%	-	2,960.3%	28,065.2%	0.5950%	1,748.8%	-	29,904.6%
6	6110 Network Support Expenses	Ln6a1	-	-	-	-	-	-	-	-	-	-
7	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-
8	TOTAL NETWORK SUPPORT EXPENSES	Ln6.7	-	-	-	-	-	-	-	-	-	-
9	6120 General Support Expenses	Ln6a1	19,286	2,734	798	-	1,241	11,811	234	689	-	12,742
10	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-
11	TOTAL GENERAL SUPPORT EXPENSES	Ln6.10	19,286	2,734	798	-	1,241	11,811	234	689	-	12,742
12	6210 COE Switching Expenses	Ln12a*2	222,758	40,968	7,749	-	6,792	65,521	1,730	2,392	-	73,797
13	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-
14	TOTAL COE SWITCHING EXPENSES	Ln12.13	222,758	40,968	7,749	-	6,792	65,521	1,730	2,392	-	73,797
15	6220 COE Operator Systems Expenses	Ln15a*2	-	-	-	-	-	-	-	-	-	-
16	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-
17	TOTAL COE OPERATOR SYS EXPENSES	Ln15.16	-	-	-	-	-	-	-	-	-	-
18	6230 COE Transmission Expenses	Ln18a*2	152,910	28,122	5,319	-	4,662	44,876	1,188	1,642	-	50,657
19	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-
20	TOTAL COE TRANSMISSION EXPENSES	Ln18.19	152,910	28,122	5,319	-	4,662	44,876	1,188	1,642	-	50,657
21	TOTAL COE EXPENSES	Ln14+17+20	375,668	89,090	13,069	-	11,454	110,497	2,918	4,034	-	124,454
22	6310 IOT Equip Expenses	Ln23a*3	-	-	-	-	-	-	-	-	-	-
23	Cat 1-Other IOT Eq Expenses	Ln23a*4	-	-	-	-	-	-	-	-	-	-
24	Cat 2-Cust Prem Equip Exp	Direct	-	-	-	-	-	-	-	-	-	-
25	Direct Assignment	Ln23.25	-	-	-	-	-	-	-	-	-	-
26	TOTAL IOT EXPENSES	Ln23.26	-	-	-	-	-	-	-	-	-	-
27	6410 C&WF Expenses	Ln27a*5	132,205	14,067	6,195	-	12,259	116,220	2,991	7,234	-	123,837
28	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-
29	TOTAL C&WF EXPENSES	Ln27.28	132,205	14,067	6,195	-	12,259	116,220	2,991	7,234	-	123,837
30	PR Spec Exp x/6110,6120	Ln21+26+29	507,873	83,157	19,283	-	23,713	228,716	5,009	11,267	-	248,291
31	TOTAL PLANT SPEC OPER EXP	Ln6+11+30	527,160	85,891	20,061	-	24,954	238,527	5,243	11,936	-	261,033
32	Distribution of Line 31	Ln31/31a	44,872.1%	7,311.1%	1,707.6%	-	2,124.1%	20,303.5%	0.4463%	1,016.0%	-	22,219.3%

PLANT NONSPECIFIC EXPENSES

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LINE	DESCRIPTION	SOURCE	INTERSTATE TOLL			INTRASTATE TOLL			LOCAL							
			MSG (b)	IntrALATA (c)	PL (e)	MSG (d)	IntrALATA (f)	PL (g)	MSG (h)	IntrALATA (i)	PL (j)	EAS (k)	User Defined (l)	Other (m)		
1	2001 TPIS Distr	Ln15														
2	Total COE IOT C&WF Distr	Ln7+8	38,9513%	5,5211%		1,8108%			2,5065%			23,8531%			1,3502%	25,7339%
3	2110 Support Assets Distr	Ln9	38,9513%	5,5211%		1,8108%			2,5065%			23,8531%			1,3502%	25,7339%
4	2210 COE-Switching Distr	Ln49														15,0000%
5	2220 COE-Operator Distr	Ln24	82,0300%			2,9700%										
6	2230 COE-Transmission Distr	Ln77														
7	2310 IOT Distr	Ln12	34,0089%	15,9728%		1,1081%			2,6481%			25,5453%			0,9328%	19,1098%
8	2410 C&WF Distr	Ln43														
9	2002 Prop Hld Ft Tel Use Distr	Ln7	31,9253%	3,3969%		1,4959%			2,9603%			28,0652%			1,7469%	29,9046%
10	2680 Capital Leases Distr	Ln19														
11	2680 Leasehold Improvements Distr	Ln30														
12	2680 Intangible Assets Distr	Ln36														
13	2005 Telecom P/R Adjustment	Ln15														
14	PLANT NONSPECIFIC EXP SEPARATION															
14	6570 C&WF Plant & Eq Exp	Ln14e*1														
15	Direct															
16	TOTAL C&WF PROP PLANT & EQ EXP	Ln14e..15														
17	6530 Network Operations Exp	Ln17a*2	13,790	1,955		570			887			8,444			478	9,110
18	Direct Assignment															
19	TOTAL NETWORK OPERATIONS EXP	Ln17..18	13,790	1,955		570			887			8,444			478	9,110
20	6540 Access Expenses															
21	Access Expense x/Federal Support	Direct														
22	Federal Support		17,744													
23	TOTAL ACCESS EXPENSES	Ln21..22	17,744													
24	6560 Depr and Amort Expenses															
25	Depr - Support Assets	Ln25a*3	26,780	3,796		1,107			1,723			16,399			928	17,993
26	Depr - Support Assets - Direct Assignment	Direct														
27	Depr - COE-Switching	Ln27a*4	52,396			1,896										9,574
28	Depr - COE-Switching - Direct Assignment	Direct														
29	Depr - COE-Operator	Ln29a*5														
30	Depr - COE-Operator - Direct Assignment	Direct														
31	Depr - COE-Transmission	Ln31a*6	44,759	21,022		1,456			3,485			33,820			1,227	25,150
32	Depr - COE-Transmission - Direct Assignment	Direct														
33	Depr - Info Chng/Term Equip	Ln33a*7														
34	Depr - Info Chng/Term Equip - Direct Assignment	Direct														
35	Depr - Cable & Wire Facilities	Ln35a*8	80,614	8,578		3,777			7,475			70,867			4,411	75,512
36	Depr - Cable & Wire Facilities - Direct Assignment	Direct														
37	Depr-Prop Hld Ft Tel Use	Ln37a*9														
38	Amort-Capital Leases	Ln38a*10														
39	Amort-Lesseehold Improvements	Ln39a*11														
40	Amort-Intangible Assets	Ln40a*12														
41	Amort-Other	Ln41a*13														
42	Amort-Other Assignment	Direct														
43	TOTAL DEPR & AMORT EXPENSES	Ln25..41	204,509	33,386		8,239			12,683			120,887			6,566	127,928
44	TOTAL PLANT NONSPEC OPER EXP	Ln16+19+23+43	298,042	35,350		8,909			13,571			129,331			7,044	137,039
45	Distribution of Line 39	Ln44+45	41,4224%	6,2034%		1,5458%			2,3815%			22,6800%			1,2862%	24,6485%



Midvale Telephone Exchange - ID NECA Forecast  
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 Sheet 1 of 2

CUSTOMER OPERATIONS EXPENSES

LINE	DESCRIPTION	SOURCE	INTERSTATE TOLL			INTRASTATE TOLL			LOCAL					
			MSG (b)	IntraLATA (c)	PL (c)	MSG (d)	IntraLATA (e)	PL (e)	MSG (f)	IntraLATA (f)	PL (f)	EAS (g)	User Defined (g)	Other (h)
<b>SEPARATIONS FACTORS</b>														
1	Marketing expense factor	Records												
2	VSMS-Tel Oper Svcs	Records	100.0000%											
3	Subscriber Line MOU	Records	30.6230%											
4	EU Service Order Contacts	Records	27.0000%											
5	EU Billed Revenue incl CCL	Records	31.1398%											
6	EU Billed Inquiry Contacts	Records	100.0000%											
7	IX Svc Ord Proc Contacts	Records	25.0000%											
8	IX Billed Revenue	Records	50.0000%											
9	IX Bill Inq Contacts	Records	50.0000%											
10	Public Interest Paystation Revenue	Records	50.0000%											
<b>MARKETING EXPENSES SEPARATION</b>														
11	6610 Marketing Expenses	Ln11a*1												
12	Direct Assignment	Direct												
13	TOTAL MARKETING EXPENSES	Ln11..12												
<b>SERVICES EXPENSES SEPARATION</b>														
14	6620 Services Expenses	Ln14a*2												
15	Tel Operator Svcs	Direct	3,117											
16	Tel Operator Svcs	Direct												
17	Direct Assignment	Ln16..17												
18	Total Tel Oper Svc Exp		3,117											
19	Publisher Direct Listings:													
20	Classified	Direct												
21	TWK	Direct												
22	Alpha	Ln22a*3												
23	Foreign	Direct												
24	Total Publ Direct List	Ln20..23												
25	All Other:													
26	Cat 1-LBOE EU Svc Ord Proc	Direct	8,089											
27	Preuscription	Ln26a*4	6,560											
28	Other													
29	Cat 1-LBOE EU Pmt & Col	Direct												
30	- CII	Ln29a*5												
31	- Other		7,566											
32	Cat 1-LBOE EU Bill Inq	Direct												
33	- CII	Ln32a*6												
34	- Other		6,074											
35	Cat 1-LBOE IX Svc Ord Proc	Ln35a*7												
36	Cat 1-LBOE IX Pmt & Col	Ln36a*8												
37	Cat 1-LBOE IX Bill Inq	Ln37a*9												
38	Cat 1-LBOE Cn Col & Admin	Ln38a*10												
39	Total Cat 1-LBOE	Ln26..36	28,299											

Midvale Telephone Exchange - ID NECA Forecast  
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CUSTOMER OPERATIONS EXPENSES  
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 Sheet 2 of 2

LINE	DESCRIPTION	SOURCE	INTERSTATE TOLL			INTRASTATE TOLL			LOCAL					
			TOTAL COMPANY	MSG	IntraLATA	PL	MSG	IntraLATA	PL	MSG	IntraLATA	PL	User Defined	Other
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
40	Records	Records	100.0000%	28.4030%	-	-	-	1.9673%	-	69.6257%	-	-	-	-
41	CABS Post	Records	100.0000%	50.0000%	-	-	-	25.0000%	-	25.0000%	-	-	-	-
42	Cat 2-CSE Msg Proc													
43	Joint Message	Ln42a*40	1,939	551	-	-	-	38	-	1,350	-	-	-	-
44	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-
45	Cat 2-CSE Other B&C	Direct	34,576	10,312	-	-	-	-	-	12,132	-	-	-	12,132
46	Direct Assignment	Direct	1,820	1,820	-	-	-	-	-	-	-	-	-	-
47	End User Common Line	Ln48a*41	14,471	7,236	-	-	-	3,618	-	3,618	-	-	-	-
48	Cat 2-CSE CABS	Ln42_48	52,806	18,918	-	-	-	3,656	-	17,100	-	-	-	12,132
49	Total Cat 2-CSE		133,783	48,217	-	-	-	11,283	-	31,842	-	-	-	42,451
50	Total All Other Cat 1 & 2	Ln50/50a	100.0000%	36.0384%	-	-	-	8.4335%	-	23.7894%	-	-	-	31.7288%
51	Distribution of Line 50													
52	Cat 3-All Other CSE	Ln52a*51	1,168	1,168	-	-	-	-	-	-	-	-	-	-
53	Cat 3-Direct Assignment	Direct	1,168	1,168	-	-	-	-	-	-	-	-	-	-
54	Total All Other Cat 3	Ln52_53	134,961	48,385	-	-	-	11,283	-	31,842	-	-	-	42,451
55	Total All Other-Cat 1,2,3	Ln50+54	138,078	49,365	-	-	-	11,283	-	34,659	-	-	-	42,451
56	TOTAL SERVICES EXPENSES	Ln18+24+55	138,078	49,365	-	-	-	11,283	-	34,659	-	-	-	42,451
57	TOTAL CUSTOMER OPER EXPENSES	Ln13+56	138,078	49,365	-	-	-	11,283	-	34,659	-	-	-	42,451
58	Distribution of Line 57	Ln57/57a	100.0000%	35.7659%	-	-	-	8.1717%	-	25.3182%	-	-	-	30.7441%

Midvale Telephone Exchange - ID NECA Forecast  
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CORPORATE OPERATIONS, TAXES, & EQUAL ACCESS EXPENSES

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LINE	DESCRIPTION	SOURCE	INTERSTATE TOLL				INTRASTATE TOLL				LOCAL			
			TOTAL COMPANY (c)	MSG (b)	IntraLATA PL (c)	MSG (d)	IntraLATA PL (c)	MSG (e)	IntraLATA PL (g)	MSG (f)	PL (i)	EAS (j)	User Defined (k)	Other (l)
<b>SEPARATIONS FACTORS</b>														
1	Bit Three Expenses Dthr	Ln6	100,000%	43,9683%	6,553%	1,527%	-	2,762%	0,398%	0,004%	-	-	23,087%	
2	2001 TPRS Dthr	Ln5	100,000%	38,9513%	5,521%	1,810%	-	2,568%	0,473%	1,350%	-	-	25,739%	
3	Equal Access Invest Dthr	Ln28	100,000%	-	-	-	-	-	-	-	-	-	-	
4	Net Telecom Plant Distr exd 1220, EA	Ln37	100,000%	38,1262%	3,839%	1,647%	-	2,581%	0,455%	1,480%	-	-	27,370%	
5	Income Tax Distribution	S-3, Ln 27	100,000%	43,3863%	6,167%	1,527%	-	2,633%	0,415%	1,023%	-	-	23,474%	
<b>CORPORATE OPER EXP SEPARATIONS</b>														
6	Exec & Planning Expenses	Direct	-	74,528	11,108	2,589	-	4,683	676	1,533	-	-	39,134	
7	EAS	Ln8a*1	169,504	-	-	-	-	-	-	-	-	-	-	
8	All Other	Direct	-	-	-	-	-	-	-	-	-	-	-	
9	Direct Assignment	Ln7.9	169,504	74,528	11,108	2,589	-	4,683	676	1,533	-	-	39,134	
10	TOTAL EXEC & PLANNING EXPENSES													
11	Gen'l and Admin Expenses	Direct	280,892	123,504	18,406	4,280	-	7,761	1,119	2,540	-	-	64,851	
12	EAS	Ln13a*1	24,986	-	-	-	-	-	-	-	-	-	-	
13	All Other	Direct	305,788	146,389	18,406	4,280	-	7,761	1,119	2,540	-	-	64,851	
14	Direct Assignment	Ln12.1, 14	-	-	-	-	-	-	-	-	-	-	-	
15	TOTAL GEN'L & ADMIN EXPENSES		475,232	222,927	29,516	6,878	-	12,444	1,795	4,073	-	-	103,985	
16	TOTAL CORPORATE OPER EXPENSES	Ln10+15	100,000%	46,9032%	6,210%	1,447%	-	2,8182%	0,377%	0,857%	-	-	21,878%	
17	Distribution of Lns 16	Ln18/16a	-	-	-	-	-	-	-	-	-	-	-	
<b>OPERATING TAXES SEPARATIONS</b>														
18	Operating Taxes (Actual)	Ln19a*5	12,800	5,553	789	196	-	337	53	131	-	-	3,005	
19	Federal Income Taxes	Ln20a*5	4,710	2,043	291	72	-	124	20	48	-	-	1,106	
20	State & Local Income Taxes		17,510	7,597	1,080	288	-	481	73	179	-	-	4,110	
21	OP FED, STATE, LOCAL TAXES - CWC		-	-	-	-	-	-	-	-	-	-	-	
22	FIT Allowances/Disallowances	Ln22a*2	-	-	-	-	-	-	-	-	-	-	-	
23	Operating Taxes - Property	Ln23a*2	30,001	11,686	1,656	483	-	752	142	405	-	-	7,720	
24	Operating Taxes - Other	Ln24a*2	-	-	-	-	-	-	-	-	-	-	-	
25	Operating Taxes - Direct Assignment	Direct	689	689	-	-	-	-	-	-	-	-	-	
26	TOTAL OPER TAXES/FIT/SIT	Ln23.25	30,670	12,355	1,656	483	-	752	142	405	-	-	7,720	
<b>LOCAL REVENUE SEPARATIONS</b>														
27	Equal Access Revenue	Direct	-	-	-	-	-	-	-	-	-	-	-	
28	Intrastate Access/End User Revenue	Direct	-	-	-	-	-	-	-	-	-	-	-	
29	State Access/End User Revenue	Direct	-	-	-	-	-	-	-	-	-	-	-	
30	Long Distance Message Revenue	Direct	-	-	-	-	-	-	-	-	-	-	-	
31	Miscellaneous Operating Revenue	Direct	-	-	-	-	-	-	-	-	-	-	-	
32	Other Operating Income	Direct	-	-	-	-	-	-	-	-	-	-	-	
33	TOTAL OPERATING REVENUE	Ln27.32	-	-	-	-	-	-	-	-	-	-	-	
<b>EQUAL ACCESS EXPENSE SEPARATION</b>														
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	Ln37a*4	-	-	-	-	-	-	-	-	-	-	-	
40	TOTAL EXPENSE ALLOWANCES/DISALLOWANCES	Ln37.38	-	-	-	-	-	-	-	-	-	-	-	

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

Microwave Telephone Exchange - ID MECA Forecast  
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 Study Year: 2008

RESERVES & DEFERRALS

Sheet 1 of 1

LINE	DESCRIPTION FACTORS	SOURCE	INTERSTATE TOLL			INTRASTATE TOLL			LOCAL				
			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)	Other (l)
1	2110 Support Assets Distr	Ln9	100,000%	5,521%	1,610%	38,951%	1,610%	2,506%	23,863%	0,473%	1,350%	25,733%	
2	2210 COE-Switching, Incl. EA Distr	S-5, Ln37+S-9, Ln28	100,000%	82,030%	2,970%	82,030%	2,970%	-	-	-	-	15,000%	
3	2230 COE-Operator Distr	Ln24	100,000%	15,972%	1,108%	34,008%	1,108%	2,848%	25,545%	0,674%	0,932%	19,108%	
4	2310 COE-Transmission Distr	Ln77	100,000%	3,998%	1,495%	31,925%	1,495%	2,963%	28,062%	0,505%	1,748%	28,904%	
5	2310 IOT Distr	Ln12	100,000%	38,951%	1,610%	38,951%	1,610%	2,506%	23,863%	0,473%	1,350%	25,733%	
6	2410 C&WF Distr	Ln43	100,000%	5,521%	1,610%	38,951%	1,610%	2,506%	23,863%	0,473%	1,350%	25,733%	
7	2001 TPIS XLand	Ln18	100,000%	5,521%	1,610%	38,951%	1,610%	2,506%	23,863%	0,473%	1,350%	25,733%	
8	General Support, COE, IOT, C&WF	Ln1+8	-	-	-	-	-	-	-	-	-	-	
9	2002 Prop Hld Ftr Tel Usa Distr	Ln7	-	-	-	-	-	-	-	-	-	-	
10	2680 Capital Leases Distr	Ln19	-	-	-	-	-	-	-	-	-	-	
11	2680 Leasehold Improvements	Ln30	-	-	-	-	-	-	-	-	-	-	
12	2690 Intangible Assets Distr	Ln36	-	-	-	-	-	-	-	-	-	-	
13	2005 Telecom Pr Adjustment	Ln15	-	-	-	-	-	-	-	-	-	-	
14	1500 Other Intang Assets - Net	Direct	-	-	-	-	-	-	-	-	-	-	
15	3100 Accum Deprec Tel Pr in Svc	Ln16a*1	1,395,399	75,905	22,058	533,397	22,058	34,324	328,643	6,479	18,490	352,369	
16	Support Assets - Direct Assignment	Direct	1,170,189	-	34,755	959,906	-	-	-	-	-	175,528	
17	COE-Switching - Direct Assignment	Ln18a*2	-	-	-	-	-	-	-	-	-	-	
18	COE-Switching - Direct Assignment	Ln20a*3	-	-	-	-	-	-	-	-	-	-	
19	COE-Operator - Direct Assignment	Ln22a*4	2,397,599	382,893	28,569	815,396	28,569	83,490	612,475	16,172	22,359	458,175	
20	COE-Operator - Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	
21	COE-Transmission - Direct Assignment	Ln24a*5	-	-	-	-	-	-	-	-	-	-	
22	COE-Transmission - Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	
23	Info Orig/Term Equip - Direct Assignment	Ln26a*6	4,919,676	167,119	73,595	1,570,623	73,595	145,635	1,380,715	24,844	85,937	1,471,208	
24	Info Orig/Term Equip - Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	
25	C&WF - Direct Assignment	Ln16, 27	9,856,869	625,687	158,976	3,879,322	158,976	243,449	2,318,833	47,495	126,786	2,457,310	
26	C&WF - Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	
27	C&WF - Direct Assignment	Ln30a*9	-	-	-	-	-	-	-	-	-	-	
28	TOTAL ACCUMULATED DEPRECIATION	Ln31a*10	-	-	-	-	-	-	-	-	-	-	
29	Accum Deprec Property Held For Future Telecom Use	Ln32a*11	-	-	-	-	-	-	-	-	-	-	
30	Accum Amort-Capital Leases	Ln33a*12	-	-	-	-	-	-	-	-	-	-	
31	Accum Amort-Leasehold Improvements	Ln34a*13	-	-	-	-	-	-	-	-	-	-	
32	Accum Amort-Intangible	Direct	-	-	-	-	-	-	-	-	-	-	
33	Accum Amort-Other	Ln35, 36	400	22	6	156	6	10	95	2	5	103	
34	Customer Deposits	Direct	-	-	-	-	-	-	-	-	-	-	
35	Direct Assignment	Ln35, 36	400	22	6	156	6	10	95	2	5	103	
36	TOTAL CUSTOMER DEPOSITS	Ln39a*1	-	-	-	-	-	-	-	-	-	-	
37	Net Cur. Def Op Inc Taxes	Ln40a*2	-	-	-	-	-	-	-	-	-	-	
38	Support Assets	Ln41a*3	-	-	-	-	-	-	-	-	-	-	
39	COE-Switching	Ln42a*4	-	-	-	-	-	-	-	-	-	-	
40	COE-Operator	Ln43a*5	-	-	-	-	-	-	-	-	-	-	
41	COE-Transmission	Ln44a*6	-	-	-	-	-	-	-	-	-	-	
42	Info Orig/Term Equip	Ln45a*8	-	-	-	-	-	-	-	-	-	-	
43	C&WF	Ln46a*9	-	-	-	-	-	-	-	-	-	-	
44	Not Classified by Acct	Ln47a*10	-	-	-	-	-	-	-	-	-	-	
45	TOTAL NET CUR DEF OP INC TAXES	Ln48a*11	-	-	-	-	-	-	-	-	-	-	

Midvale Telephone Exchange - ID NECA Forecast  
 Study Area: 472226  
 Study Year: 2006

RESERVES & DEFERRALS

S-15  
 Sheet 2 of 2

LINE	DESCRIPTION FACTORS	SOURCE	INTERSTATE TOLL			INTRASTATE TOLL			LOCAL					
			MSG (b)	InterLATA (c)	PL (e)	MSG (f)	InterLATA (g)	PL (i)	EAS (j)	User Defined (k)	Other (l)			
47	Big Three Expenses Distr	Ln9	43,9683%	6,5533%	1,5271%	-	-	-	-	-	-	-	-	-
48	Support Assets Distr	Ln9	38,9513%	5,5211%	1,5108%	-	-	-	-	-	-	-	-	-
49	2110 COE-Switching Distr	Ln2	82,0300%	-	2,9700%	-	-	-	-	-	-	-	-	-
50	2220 COE-Operator Distr	Ln24	-	-	-	-	-	-	-	-	-	-	-	-
51	2230 COE-Transmission Distr	Ln77	-	-	-	-	-	-	-	-	-	-	-	-
52	2310 IOT Distr	Ln12	34,0089%	15,9728%	1,1081%	-	-	-	-	-	-	-	-	-
53	2410 C&MF Distr	Ln43	31,8253%	3,3969%	1,4959%	-	-	-	-	-	-	-	-	-
54	2001 TPIIS X/Land	Ln18	38,9513%	5,5211%	1,5108%	-	-	-	-	-	-	-	-	-
55	2001 TPIIS Distr	Ln15	38,9513%	5,5211%	1,5108%	-	-	-	-	-	-	-	-	-
56	2001 TPIIS Distr	Ln1*8	38,9513%	5,5211%	1,5108%	-	-	-	-	-	-	-	-	-
57	RESERVES & DEFERRALS SEPARATION													
57	4310 Other Long-Term Liabilities	Ln57a*47	-	-	-	-	-	-	-	-	-	-	-	-
58	4340 Net Noncurrent Def Taxes													
58	Support Assets	Ln58a*48	-	-	-	-	-	-	-	-	-	-	-	-
59	Accumulating	Ln58a*48	-	-	-	-	-	-	-	-	-	-	-	-
60	COE-Other	Ln61a*50	-	-	-	-	-	-	-	-	-	-	-	-
61	COE-Transmission	Ln62a*51	-	-	-	-	-	-	-	-	-	-	-	-
62	Info Orig/Term Equip	Ln63a*52	-	-	-	-	-	-	-	-	-	-	-	-
63	C&MF	Ln64a*53	-	-	-	-	-	-	-	-	-	-	-	-
64	Net Classified by Acct	Ln65a*54	117,349	16,633	4,853	-	-	-	7,551	1,425	-	4,068	-	77,529
65	Net Classified by Acct	Ln65a*54	117,349	16,633	4,853	-	-	-	7,551	1,425	-	4,068	-	77,529
66	TOTAL NET NONCURRENT DEF TAXES	Ln65a*54	117,349	16,633	4,853	-	-	-	7,551	1,425	-	4,068	-	77,529
67	Other Deferred Credits-Net	Ln67a*55	-	-	-	-	-	-	-	-	-	-	-	-
68	Other Juris Liabilities													
68	4370 Other Juris Liabilities													
69	Accum Defrx & Amort Allow/Disallow													
70	Accum Defrx & Amort Allow/Disallow	Ln70a*54	-	-	-	-	-	-	-	-	-	-	-	-
71	Direct Assignment	Direct	-	-	-	-	-	-	-	-	-	-	-	-
72	TOTAL ACC DEPR/AMORT ALWD/ISALLOW	Ln70a*54	-	-	-	-	-	-	-	-	-	-	-	-

Micrel Telephone Exchange - ID NECA Forecast  
 Study Area: 47228  
 Study Year: 2008

CASH WORKING CAPITAL

S-16

LINE	DESCRIPTION	SOURCE	INTERSTATE TOLL			INTRASTATE TOLL			LOCAL			
			MSG (b)	InterLATA (c)	PL (e)	MSG (f)	InterLATA (g)	PL (h)	MSG (i)	InterLATA (j)	PL (k)	Other (l)
1	Plant Specific Expenses	Ln31	527,180	85,881	20,081	24,954	238,527	5,243	11,936	-	-	281,033
2	Plant Non-specific exp excl depreciation & amortization	S-12, Ln16a*23	31,534	1,955	570	887	8,444	187	478	-	-	9,110
3	Customer Operations Expense - Marketing	S-13, Ln13	-	-	-	-	-	-	-	-	-	-
4	Customer Operations Expense - Services	S-13, Ln56	48,385	-	-	11,283	34,959	-	-	-	-	42,451
5	Corporate Operations Expense	S-14, Ln16	222,927	28,516	6,878	12,444	93,874	1,795	4,073	-	-	103,985
6	Equal Access Expense	S-14, Ln34	-	-	-	-	-	-	-	-	-	-
7	Other Nonoperating Expense - Contributions	S-10, Ln16	-	-	-	-	-	-	-	-	-	-
8	Interest on Capital Leases	S-10, Ln20	-	-	-	-	-	-	-	-	-	-
9	Fixed Charges excl Capital Leases	S-10, Ln21	83,055	8,363	3,591	5,628	53,421	983	3,228	-	-	59,870
10	Interest on Customer Deposits	S-10, Ln17	-	-	-	-	-	-	-	-	-	-
11	Other Operating Tax - Property	S-10, Ln23	11,686	1,656	483	782	7,156	142	405	-	-	7,720
12	Other Operating Tax - Other	S-10, Ln24	-	-	-	-	-	-	-	-	-	-
13	Other Operating Tax - Direct Assignment	S-10, Ln25	689	-	-	-	-	-	-	-	-	-
14	Other Operating Tax - Other	S-10, Ln26	5,553	789	186	337	2,735	53	131	-	-	3,005
15	General Income Tax (Actual)	S-10, Ln20	7,110	1,110	312	574	4,627	87	216	-	-	2,484
16	Total Cash Working Capital Expenses	Ln1, Ln5	934,012	178,480	31,852	58,414	439,824	8,433	20,306	-	-	488,083
17	Cash Working Capital Factor	Records	8,4988%	8,4988%	8,4988%	8,4988%	8,4988%	8,4988%	8,4988%	-	-	8,4988%
18	Cash Working Capital	Ln15 * Ln17	78,378	10,917	2,707	4,794	37,388	715	1,725	-	-	41,880
19	Minimum Bank Balance	Records	-	-	-	-	-	-	-	-	-	-
20	Working Cash Advances	Records	480	213	7	13	100	2	5	-	-	111
21	Total Cash Working Capital	Ln2121a	179,584	79,591	2,714	4,807	37,488	717	1,730	-	-	41,591
22	Distribution of Line 20		100,00000%	44,3195%	1,5113%	2,6747%	20,8747%	0,3922%	0,9632%	-	-	23,158%

Milvare Telephone Exchange - ID NECA Forecast  
 Study Area: 472226  
 Study Year: 2008

TAX FORM

LN	DESCRIPTION	SOURCE	TAXABLE		INCOME TAX	
			TOTAL	TOTAL	TOTAL	Surf Tax
1	AVERAGE NET INVESTMENT		5,036,004			
2	ASSUMED RATE OF RETURN FOR ESTIMATING TAX RATE	Lp1	8,2481%			
3	RETURN ON INVESTMENT	Lp4	415,360			
4	FIT INCOME ADJUSTMENT (FROM COST STUDY)	LN18'2	217,949			
5	INVESTMENT TAX CREDIT AMORTIZATION					
6	AFTER TAX INCOME BEFORE TAX CREDITS		197,431			
7	FIT BEFORE TAX CREDITS (MUST EQUAL LN 17)		101,707			
8	TAXABLE INCOME		299,138			
9	FIT ON \$0 TO \$50,000 @ 15%	15%	50,000	7,500	5,000	
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	92,850	8,500	
13	FIT ON \$335,000 TO \$10,000,000 @ 34%	34%	199,138	77,864	16,750	
14	FIT ON \$10,000,000 TO \$15,000,000 @ 35%	35%	-	-	-	
15	FIT ON \$15,000,000 TO \$18,333,333 @ 38%	38%	-	-	-	
16	TOTAL TAXABLE INCOME BEFORE FIT	LN 9...16	299,138	98,614	550,000	
17	TOTAL TAXABLE INCOME BEFORE TAX CREDITS					
18	EFFECTIVE FIT TAX RATE			33.4608%		

DISTRIBUTION RATIOS FOR RATE BASE AND EXPENSES

A/C Category	ALLOCATION RATIOS		INTERSTATE TOLL				INTRASTATE TOLL				LOCAL		
	Total		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)	Other (l)
<b>Capital Investment Summary</b>													
General Support Facilities	2110	100.0000%	38.9513%	5.5211%	1.6108%	2.5065%	23.8531%	0.4731%	1.3502%	25.7339%			
COE Switching Equipment	2210	100.0000%	82.0300%	2.9700%						15.0000%			
Operator Systems Equipment	2220	100.0000%	34.0089%	15.9728%	1.1081%	2.6481%	25.5453%	0.6745%	0.9326%	19.1098%			
COE Transmission Equipment	2310	100.0000%	31.9253%	3.3969%	1.4859%	2.9603%	28.0652%	0.5050%	1.7468%	29.9046%			
Information Orig/Term Equipment	2410	100.0000%											
Cable & Wire Facilities	2650	100.0000%	38.9513%	5.5211%	1.6108%	2.5065%	23.8531%	0.4731%	1.3502%	25.7339%			
Tangible Assets	2680	100.0000%											
Intangible Assets	2890	100.0000%											
Total Plant in Service A/C 2001													
Property Held for Future Use	2002	100.0000%											
Plant Under Construction	2003	100.0000%											
Telephone Plant Adjustment	2005	100.0000%											
Total Property, Plant and Equipment													
Accumulated Depreciation - Plant in Service	3100	100.0000%											
Accumulated Depreciation - Property Held for Future Use	3200	100.0000%											
Accumulated Depreciation - Intangible Property	3400	100.0000%											
Accumulated Amortization - Intangible Property	3500	100.0000%											
Accumulated Amortization - Telephone Plant Adjustment	3600	100.0000%											
Deferred Operating Taxes	4340	100.0000%											
Other Long Term Liabilities	4310	100.0000%											
Other Deferred Credits	4370	100.0000%											
Customer Deposits		100.0000%	38.1074%	3.8370%	1.6475%	2.5822%	24.5110%	0.4556%	1.4812%	27.3782%			
Net Telephone Plant													
Investment Allow/Disallow													
Accum Depr/Amort Allow/Disallow													
Materials and Supplies	1220	100.0000%											
Investment in Nonaffiliated Companies	1420	100.0000%											
Other Investments	1430	100.0000%											
Other Jurisdictional Assets	1500	100.0000%											
Cash Working Capital	X3XX	100.0000%	44.3195%	6.0855%	1.5113%	2.6787%	20.6747%	0.3902%	0.9832%	23.1589%			
Net Telephone Plant, M&S and CWC			38.3289%	3.9174%	1.6426%	2.5856%	24.3814%	0.4535%	1.4627%	27.2279%			
<b>Operating Expenses and Taxes Summary</b>													
Network Support	6110	100.0000%											
General Support	6120	100.0000%	38.9513%	5.5211%	1.6108%	2.5065%	23.8531%	0.4731%	1.3502%	25.7339%			
Central Office	6210	100.0000%	52.8229%	9.7149%	1.8376%	1.6106%	15.5370%	0.4102%	0.5672%	17.4996%			
Information Orig/Term	6310	100.0000%											
Cable and Wire Facilities	6410	100.0000%	31.9253%	3.3969%	1.4959%	2.9603%	28.0652%	0.5050%	1.7468%	29.9046%			
Other Plant	6510	100.0000%											
Network Operations	6530	100.0000%	38.9513%	5.5211%	1.6108%	2.5065%	23.8531%	0.4731%	1.3502%	25.7339%			
Access Charge	6540	100.0000%											
Federal Support	6540	100.0000%											
Marketing Service	6610	100.0000%	100.0000%										
Other	6620	100.0000%											
Corporate Operations - Executive and Planning	6710	100.0000%	35.7659%	6.5533%	1.5271%	2.7629%	20.7681%	0.3985%	0.9044%	30.7441%			
Corporate Operations - General and Administrative	6720	100.0000%	48.5301%	8.0197%	1.4028%	2.5379%	19.1048%	0.3661%	0.8307%	21.2078%			
Subtotal Operations Expense			43.9146%	6.3954%	1.5160%	2.6400%	21.0555%	0.4111%	0.8777%	23.0919%			
Depreciation and Amortization	6590	100.0000%	39.5801%	6.4632%	1.5945%	2.4547%	23.9961%	0.4815%	1.2709%	24.7589%			
Other Operating	7240	100.0000%	40.2829%	5.4006%	1.5757%	2.4518%	23.3289%	0.4628%	1.3208%	25.1728%			
Equal Access													
Fixed Charges	7500	100.0000%											
Rent Revenue	5240	100.0000%	38.1074%	3.8370%	1.6475%	2.5822%	24.5110%	0.4556%	1.4812%	27.3782%			
Total Operating Expense and Tax			43.9680%	6.3906%	1.5168%	2.6376%	21.0847%	0.4118%	0.8621%	23.185%			
Nonoperating Expense													
Abandoned Construction													
Contributions													
Other Nonoperating													
Allowance for Funds Used During Construction	7340	100.0000%											
Other Income Adjustments	X3XX	100.0000%											