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IDAHO PUBLIC
UTILITIES COMMISSION

ANNUAL REPORT

OF

RURAL TELEPHONE COMPANY
NAME

704 W. MADISON AVE, GLENNS FERRY, ID 83623
ADDRESS

TO THE

IDAHO PUBLIC

UTILITIES COMMISSION

FOR THE

YEAR ENDED December 31, 2001

**ANNUAL REPORT OF SMALL TELEPHONE COMPANIES TO
THE IDAHO PUBLIC UTILITIES COMMISSION
FOR THE YEAR ENDING _____**

COMPANY INFORMATION

Exact name of utility: Rural Telephone Company

Address of principal office: 704 W. Madison Ave., Glens Ferry, ID 83623

Telephone Number (Area Code 208) 366-2614

Cities or towns served: Shoup, Boise River, Tipanuk, Three Creek, Atlanta, & Prairie, ID;
Jarbridge, North Fork, Tuscarora & Red Rock, NV

Name and title of officer having custody of the general corporate books of account: _____
James R. Martell

Address of office where corporate books are kept and phone number: _____
704 W. Madison Ave., Glens Ferry, ID 83623, (208) 366-2614

Organized under the laws of the State of: Idaho

Date of organization: 7/27/1979

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

If a Subchapter S Corporation, please specify: _____

Name and address of controlling company, if any Martell Enterprises
704 W. Madison Ave., Glens Ferry, ID 83623, (208) 366-2614

Names of affiliated companies. Give address and description of business: Martell Telecommunications

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	James R. Martell	704 W. Madison Ave., Glens Ferry, ID 83623
Vice President	Michael J. Martell	Same
Sec/Treasurer	Carmela M. Martell	Same

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.)

Name and Address	Term Expired or Current Term Will Expire	Meetings Attended This year	Fees Paid During Year
James R Martell	Non-Terminating	12	17,100
Carmela M Martell	Non-Terminating	12	12,000
Michael J Martell	Non-Terminating	12	11,750
David A Carpenter	Non-Terminating	12	11,000
Andrea Roberts	Non-Terminating	12	16,668
Mark R Martell	Non-Terminating	12	11,000
Matthew J Martell	Non-Terminating	12	11,000

Name of Chairman of the Board: James R Martell

Name of Secretary (or Clerk) of Board: Carmella M Martell

Number of Meetings of the Board during the year: 12

MANAGERS

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

Name	Title	Wages and Bonuses Paid
James R Martell	President	104,400.08
Michael J Martell	Vice President	66,299.92
Carmela M Martell	Sec'y/Asst to President	52,499.92

BALANCE SHEET
Assets and Other Debits

Title of Account	Balance Beginning of Year	Balance at End of Year	Increase or (Decrease)
Current Assets			
1120 Cash and Equivalents	398150	501252.61	103102.61
1130 Cash	0	0	0
1140 Special Cash Deposits	0	0	0
1150 Working Cash Advances	184172	139649.17	-44522.83
1160 Temporary Investments	1247	1247	0
1180 Telecommunications Accts. Receivable	80271	53787.04	-26483.96
1181 Accts. Rec. Allow. -Telecommunications	0	0	0
1190 Other Accounts Receivable	1160227	1377760.3	217533.26
1191 Accounts Receivable Allow. - Other	0	0	0
1200 Notes Receivable	0	0	0
1201 Notes Receivable Allowance	0	0	0
1210 Interest & Dividends Receivable	56000	52750	-3250
1220 Material and Supplies	159868	534756.79	374888.79
1280 Prepayments	0	3090	3090
1290 Prepaid Rents	0	0	0
1300 Prepaid Taxes	0	0	0
1310 Prepaid Insurance	0	0	0
1320 Prepaid Directory Expenses	0	0	0
1330 Other Prepayments	0	0	0
1350 Other Current Assets	0	0	0
Noncurrent Assets			
1401 Investment in Affiliated Companies	-709378	0	709378
1402 Investment in Nonaffiliated Companies	0	0	0
1406 Nonregulated Investments	104550	633144.55	528594.55
1407 Unamortized Debt Issuance Expense	0	0	0
1408 Sinking Funds	0	0	0
1410 Other Noncurrent Assets	2288165	1196960.2	-1091204.78
1438 Deferred Maintenance & Retirements	0	0	0
1439 Deferred Charges	0	0	0
1500 Other Jurisdiction Assets - Net	0	0	0
Property, Plant and Equipment			
2001 Telecommunications Plants in Service	11600428	12794775	1194346.84
2002 Prop. Held for Future Telecom. Use	4000	4000	0
2003 Telecom. Plant under Constr. - Short Term	0	15452.9	15452.9
2004 Telecom. Plant under Constr. - Long Term	0	0	0
2005 Telecom. Plant Adjustment	0	0	0
2006 Nonoperating Plant	0	0	0
2007 Goodwill	0	0	0
Depreciation and Amortization Accounts			
3100 Accumulated Depreciated	-1107834	-1117984.2	-10150.16
3200 Accum. Depre. - Held for Future Use	-2152006	343084.97	2495090.97
3300 Accumulated Depreciation - Nonoperating	0	0	0
3400 Accumulated Amortization - Tangible	0	0	0
3410 Accum. Amort. - Capitalized Leases	-2346551	-2624276	-277724.97
3420 Accum. Amort. - Leasehold Improvements	0	0	0
3500 Accumulated Amortization - Intangible	0	0	0
3600 Accumulated Amortization - Other	0	0	0
TOTAL ASSETS	9721309	13909450	4188141.22

BALANCE SHEET
Liabilities & Stockholders' Equity

Title of Account	Balance Beginning of Year	Balance at End of Year	Increase or (Decrease)
Current Liabilities			
4010 Accounts Payable	179140	-714637.5	-893777.5
4020 Notes Payable	-223883	-389750.92	-165867.92
4030 Advance Billings and Payments		152.83	152.83
4040 Customer Deposits	-12616	-14161.94	-1545.94
4050 Current Maturities - Long -Term Debt			0
4060 Current Maturities - Capital leases	-1447	-667.45	779.55
4070 Income Taxes - Accrued	0	200.85	200.85
4080 Other Taxes - Accrued	-3787	-0.05	3786.95
4100 Net Current Defer. Oper. Income Taxes			0
4110 Net Current Defer. Nonoper. Income Taxes			0
4120 Other Accrued Liabilities	-134283	-145716.02	-11433.02
4130 Other Current Liabilities	-77968	-98931.04	-20963.04
Long-Term Debt			
4210 Funded Debt	-5683128	-6102002.12	-418874.12
4220 Premium on Long-Term Debt			0
4230 Discount on Long-Term Debt			0
4240 Reacquired Debt			0
4250 Obligations Under Capital Leases			0
4260 Advances from Affiliated Companies			0
4270 Other Long-Term Debt			0
Other Liabilities & Deferred Credits			
4310 Other Long-Term Liabilities			0
4320 Unamort. Oper. Invest. Tax Credits - Net			0
4330 Unamort. Nonoper. Invest. Tax Credits - Net			0
4340 Net Noncurrent Defer. Oper. Income Taxes			0
4350 Net Noncur. Defer. Nonoper. Income Taxes			0
4360 Other Deferred Credits			0
4370 Other Juris. Liab. & Def. Credits - Net			0
Stockholders' Equity			
4510 Capital Stock	-56900	-56900	0
4520 Additional Paid-In Capital			0
4530 Treasury Stock			0
4540 Other Capital	-141887	-1092397.2	-950510.2
4550 Retained Earnings	-1518368	-1518368	0
TOTAL LIAB. & OTHER CREDITS	-7675127	-10133178.56	-2458051.56

ANALYSIS OF TELECOMMUNICATIONS PLANT IN SERVICE

TOTAL Company Basis

Analysis of Telecommunications Plant in Service

	Balance Beginning of Year	Additions During year	Plant Retired or Sold	Transfers and Adjustments	Balance End of Year
2111 Land	68024.5	90418.68			158443.18
2112 Motor Vehicles	390095.77	313793.64		-400561.12	303328.29
2113 Aircraft					
2114 Special Purpose Vehicles					
2115 Garage Work Equipment					
2116 Other Work Equipment	912899.71	371287.1		-816334.82	467851.99
2121 Buildings	636284.99	69628.45			705913.44
2122 Furniture	64086.46	21494.75			85581.21
2123 Office Equipment					
2124 General Purpose Computers	219968.22	73222.57			293190.79
2211 Analog Electronic Switching					
2212 Digital Electronic Switching	2178385.92	219589.48			2397975.4
2215 Electro-Mechanical Switching					
2220 Operator Systems					
2231 Radio Systems	1984547.66	109069.13			2093616.79
2232 Circuit Equipment					
2311 Station Apparatus					
2321 Customer Premises Wiring					
2341 Large Private Branch Exchanges					
2351 Public Telephone Terminal Equipment					
2362 Other Terminal Equipment					
2411 Poles					
2421 Aerial Cable					
2422 Underground Cable					
2423 Buried Cable	5036733.07	1118620.63			6155353.7
2424 Submarine Cable					
2426 Intra-building Network Cable					
2431 Aerial Wire					
2441 Conduit Systems	72971.08	24117.99			97089.07
2681 Capital Leases					
2682 Leasehold Improvements	40430.98				40430.98
2690 Intangibles					
TOTAL PLANT ACCOUNTS	11604428.36	2411242.42	0	-1216895.94	12798774.84

ANALYSIS OF TELECOMMUNICATIONS PLANT ACCOUNTS
IDAHO Operations Only

Analysis of Telecommunications Plant in Service

	Balance Beginning of Year	Additions During Year	Plant Retired or Sold	Transfers and Adjustments	Balance End of Year
2111 Land	18476.5	90418.68			108895.18
2112 Motor Vehicles	339366	273000.47		-348488.18	263895.62
2113 Aircraft					
2114 Special Purpose Vehicles					
2115 Garage Work Equipment					
2116 Other Work Equipment					
2121 Buildings	269183.69	69628.45			338812.14
2122 Furniture	64086.46	21494.75			85581.21
2123 Office Equipment	912899.71	371287.1		-816334.82	467851.99
2124 General Purpose Computers	219968.22	73222.57			293190.79
2211 Analog Electronic Switching					
2212 Digital Electronic Switching	995372.74	22377.9			1017750.64
2215 Electro-Mechanical Switching					
2220 Operator Systems					
2231 Radio Systems	967557.24	74554.13			1042111.37
2232 Circuit Equipment					
2311 Station Apparatus					
2321 Customer Premises Wiring					
2341 Large Private Branch Exchanges					
2351 Public Telephone Terminal Equipment					
2362 Other Terminal Equipment					
2411 Poles					
2421 Aerial Cable					
2422 Underground Cable					
2423 Buried Cable	1998771.39	701442.5			2700213.89
2424 Submarine Cable					
2426 Intrabuilding Network Cable					
2431 Aerial Wire					
2441 Conduit Systems	67867.01				67867.01
2681 Capital Leases					
2682 Leasehold Improvements	40430.98				40430.98
2690 Intangibles					
TOTAL PLANT ACCOUNTS	5893979.94	1697426.55	0	-1164823	6426600.82

ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION
Account 3100

	TOTAL Company Basis				
	Balance Beginning of Year	Depreciation Rate*	Credits During Year	Retirements and Adjustments	Balance End of Year
Analysis of Entries in Accumulated Depreciation					
2112 Motor Vehicles	310500.95	115559.12	115559.12	89471.12	266715.04
2113 Aircraft					
2114 Special Purpose Vehicles					
2115 Garage Work Equipment					
2116 Other Work Equipment					
2121 Buildings	132733.21	20530.85	20530.85	1066.85	153264.06
2122 Furniture	41620.1	9354.23	9354.23	1650.23	50974.33
2123 Office Equipment	436641.91	96147.76	96147.76	-21800.24	405773.64
2124 General Purpose Computers	186338.42	54918.68	54918.68	15162.68	241257.1
2211 Analog Electronic Switching					
2212 Digital Electronic Switching	1279368	188200.56	188200.56	9184.56	1467568.56
2215 Electro-Mechanical Switching					
2220 Operator Systems					
2231 Radio Systems	872637.54	154884.87	154884.87	11304.87	1027522.41
2232 Circuit Equipment					
2311 Station Apparatus					
2321 Customer Premises Wiring					
2341 Large Private Branch Exchanges					
2351 Public Telephone Terminal Equipment					
2362 Other Terminal Equipment					
2411 Poles					
2421 Aerial Cable					
2422 Underground Cable					
2423 Buried Cable	2344074.92	272286.84	272286.84	37926.84	2616361.76
2424 Submarine Cable					
2426 Intrabuilding Network Cable					
2431 Aerial Wire					
2441 Conduit Systems	2477	5437.21	5437.21	2941.21	7914.21
TOTAL	5606392.05	917320.12	917320.12	146908.12	6237351.11

*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
Analysis of Entries in Accumulated Depreciation					
2112 Motor Vehicles	259771	97069.66	97069.66	75155.74	224040.64
2113 Aircraft					
2114 Special Purpose Vehicles					
2115 Garage Work Equipment					
2116 Other Work Equipment					
2121 Buildings	65405.81	10252.01	10252.01	1072.01	75657.82
2122 Furniture	41620.1	9354.23	9354.23	1650.23	50974.33
2123 Office Equipment	436641.91	96147.76	96147.76	-21800.24	405773.64
2124 General Purpose Computers	186338.42	54918.68	54918.68	15162.68	241257.1
2211 Analog Electronic Switching					
2212 Digital Electronic Switching	791472	120787.4	102787.4	3223.4	912259.4
2215 Electro-Mechanical Switching					
2220 Operator Systems					
2231 Radio Systems	566525.82	100483.43	100483.43	9247.43	667009.25
2232 Circuit Equipment					
2311 Station Apparatus					
2321 Customer Premises Wiring					
2341 Large Private Branch Exchanges					
2351 Public Telephone Terminal Equipment					
2362 Other Terminal Equipment					
2411 Poles					
2421 Aerial Cable					
2422 Underground Cable					
2423 Buried Cable	994451.38	142424.81	142424.81	28016.81	1136876.19
2424 Submarine Cable					
2426 Intrabuilding Network Cable					
2431 Aerial Wire					
2441 Conduit Systems	2375	4750.69	4750.69	2374.69	7125.69
TOTAL	3344601.44	636188.67	618188.67	114102.75	3720974.06

*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>
Investment in Subsidiary	Mar-97	0	1,196,960
Syringa Partnership	2001	0	154,000
Internet	Dec-00	0	35,912
NECA Independent Services	_____	0	10,000
PCS and Internet	2001	0	225,220
CATV	2001	0	48,638
_____	_____	_____	_____
_____	_____	_____	_____
Totals	_____	_____	1,830,105

RECEIVABLES

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

<u>Name of Company</u>	<u>Amount at End of Year</u>	
	<u>Notes Receivable</u>	<u>Accounts Receivable</u>
Customer Accounts Receivable		53,787
NECA		259,880
Carrier Accounts Receivable		400,776
Idaho USF		41,309
Related Parties		366,626
Various Employee	52,750	
Martell Winery		298,963
Misc.		10,206
Totals	52,750	1,431,547

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>
Ford Motor Credit	Oct-98	9.50%	2003	9,223
Ford Motor Credit	Dec-98	8.90%	2003	10,087
Ford Motor Credit	Dec-01	0%	2004	36,633
Ford Motor Credit	Jan-98	9.50%	2003	8,217
Ford Motor Credit	Dec-01	0%	2004	38,687
GMAC	Dec-01	0%	2004	41,857
Farmers Bank	Jul-98	10.00%	2002	2,707
Ore-Ida		7.25%	2004	33,718
John Deere AC	Jan-00	9.10%	2005	133,189
John Deere AB	Jan-00	9.10%	2005	36,235
Western Bank	Jul-98	9.50%	2002	12,970
Washington Mutual			2004	38,779
Washington Mutual			2005	56,278
Washington Mutual			2006	*111,587
Farmers Bank		7.50%	2002	119,638
Totals				683,392

*(6413)=105,174 unlocated difference

ACCOUNTS PAYABLE

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

<u>Name of Creditor</u>	<u>Amount</u>
Redcom Laboratories	177,652
Sprint Communications	126,607
Nortel Networks, Inc.	146,955
Other General Trade Payables	259,421
Totals	710,635

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 & Series of Obligation</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Fact Amount Authorized</u>	<u>Outstanding Year-End</u>	<u>Premium/ Discount</u>		<u>Interest for year</u>	
					<u>Total</u>	<u>Year Amortized</u>	<u>Rate</u>	<u>Amount</u>
RUS 12010	Sep-82	2017	60,000	32,500	0	n/a	2.00%	672
RUS 12020	Sep-82	2017	971,000	554,537	0	n/a	2.00%	11,458
RUS 12030	Oct-84	2019	957,000	704,085	0	n/a	5.00%	35,855
RUS 12040	May-86	2021	2,739,000	1,845,353	0	n/a	5.00%	93,769
RUS 12041	Jun-89	2021	198,000	227,385	0	n/a	5.00%	11,554
RUS 12051	May-86	2024	281,000	151,412	0	n/a	5.00%	7,695
RUS 12060	Dec-92	2027	964,000	489,979	0	n/a	5.00%	26,296
RUS 12070	Feb-94	2029	306,000	232,562	0	n/a	5.00%	11,927
RUS 12080	Jul-95	2030	27,000	21,625	0	n/a	5.00%	1,113
RUS12081	Nov-95	2030	132,000	105,720	0	n/a	5.00%	5,440
RUS 12082	Dec-96	2031	294,000	235,004	0	n/a	5.00%	12,095
RUS 12083	May-97	2010	89,300	71,863	0	n/a	5.00%	3,747
RUS 12084	Oct-97	2014	141,320	117,076	0	n/a	5.00%	6,020
RUS 12085	Apr-98	2014	160,000	135,035	0	n/a	5.00%	6,948
RUS 12086	Sep-98	2014	182,900	156,925	0	n/a	5.00%	8,074
RUS 12087	Nov-98	2014	223,759	193,255	0	n/a	5.00%	9,945
RUS 12088	Sep-99	2015	45,184	40,458	0	n/a	5.00%	2,088
RUS 12580			485,308	470,436	0	n/a	5.00%	15,103
Total			8,256,771	5,785,210	0	n/a	5.00%	269,799

CAPITAL STOCK

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

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

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

<u>Class & Series of Stock</u>	<u>Number of Shares Authorized</u>	<u>Par Value per Share</u>	<u>Outstanding per Balance Sheet</u>	
			<u>Shares</u>	<u>Amount</u>
Common Stock	2,500	\$1	569	\$56,900

INCOME & RETAINED EARNINGS STATEMENT

Item	Total Company	Idaho Only
Total Operating Income (from page 16)	4475915.53	1541637.92
Total Operating Expenses (from page 18)	2128658.65	1232286.3
7100 Other Operating Income and Expense	76692.92	34511.82
7210 Operating Investment Tax Credits-Net	_____	_____
7220 Operating Federal Income Taxes	_____	_____
7230 Operating State and Local Income Taxes	_____	_____
7240 Operating Other Taxes	88490.44	57136.97
7250 Provision for Deferred Operating Income Taxes-Net	_____	_____
7200 Operating Taxes (Total)	_____	_____
7310 Dividend Income	0	0
7320 Interest Income	13302.21	5986
7330 Income from Sinking and Other Funds	_____	_____
7340 Allowance for Funds Used During Construction	_____	_____
7350 Gains/Losses from the Disposition of Certain Property	_____	_____
7360 Other Nonoperating Income	35429.43	15943.25
7370 Special Charges	38959.78	17531.91
7300 Nonoperating Income and Expense	_____	_____
7410 Nonoperating Investment Tax Credits-Net	_____	_____
7420 Nonoperating Federal Income Taxes	_____	_____
7430 Nonoperating State and Local Income Taxes	_____	_____
7440 Nonoperating Other Taxes	_____	_____
7450 Provision for Deferred Nonoperating Income Taxes-Net	_____	_____
7400 Nonoperating Taxes	_____	_____
7510 Interest on Funded Debt	240288.86	108129.99
7520 Interest Expense-Capital Leases	34570.04	15556.52
7530 Amortization of Debt Issuance Expense	_____	_____
7540 Other Interest Deductions	_____	_____
7500 Interest and Related Items	_____	_____
7610 Extraordinary Income Credits	_____	_____
7620 Extraordinary Income Charges	_____	_____
7630 Current Income Tax Effect of Extraordinary Items-Net	_____	_____
7640 Provision for Deferred Income Tax Effect of Extraordinary Items-Net	_____	_____
7600 Extraordinary Items	_____	_____
7910 Income Effect of Jurisdictional Ratemaking Differences-Net	_____	_____
7990 Nonregulated Net Income	_____	_____
AMOUNT TRANSFERRED TO RETAINED EARNINGS	_____	_____

OPERATING REVENUES

Item	Total Company	Idaho Only
Local Network Services Revenues		
5001 Basic Area Revenue	371981.13	182185.75
5002 Optional Extended Area Revenue	_____	_____
5003 Cellular Mobile Revenue	0	0
5004 Other Mobile Services Revenue	_____	_____
5010 Public Telephone Revenue	_____	_____
5040 Local Private Line Revenue	_____	_____
5050 Customer Premises Revenue	_____	_____
5060 Other Local Exchange Revenue	_____	_____
5069 Other Local Exchange Settlements	_____	_____
Network Access Services Revenues		
5081 End User Revenue (SLC)	740968.78	382132.5
5082 Switched Access Revenue (Interstate)	1425550.87	646702.31
5083 Special Access Revenue	25201.57	3552.49
5084 State Access Revenue (Intrastate)	1788729.19	312465.31
Long Distance Network Services Revenues	42540.49	6288.89
5100 Long Distance Message Revenue - All	5179.43	117.87
Miscellaneous Revenues		
5230 Directory Revenue	659.94	821.17
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	_____	_____
5269 Other Revenue Settlements	-1475.47	-1971.52
5270 Carrier Billing & Collection Revenue	76459	8928.65
Uncollectible Revenues		
5301 Uncollectible Revenue - Telecommunications	120.6	414.5
5302 Uncollectible Revenue - Other	_____	_____
TOTAL OPERATING REVENUES	4475915.53	1541637.92

Please identify the following revenues:

NECA USF \$ _1796829_____. To what account were they booked?

State USF \$ _247854_____. To what account were they booked? 5084.21

OPERATING REVENUES

Item	Total Company	Idaho Only
Plant Specific Operations Expense		
6110 Network Support Expenses		
6112 Motor Vehicle Expense	64.22	28.9
6113 Aircraft Expense		
6114 Special Purpose Vehicles Expense		
6115 Garage Work Equipment Expense		
6116 Other Work Equipment Expense		
6120 General Support Expenses	82317.06	37042.68
6121 Land and Building Expenses	323765.18	311515.01
6122 Furniture and Artworks Expense		
6123 Office Equipment Expense		
6124 General Purpose Computers Expense		
6210 Central Office Switching Expenses	57265.9	41777.76
6211 Analog Electronic Expense		
6212 Digital Electronic Expense		
6215 Electro-Mechanical Expense		
6220 Operators System Expense		
6230 Central Office Transmission Expenses	61986.85	33482.4
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	335886.02	184480.66
6411 Pole Expense		
6421 Aerial Cable Expense		
6422 Underground Cable Expense		
6423 Buried Cable Expense		
6424 Submarine Cable Expense		
6425 Deep Sea Cable Expense		
6426 Intra-building Network Cable Expense		
6431 Aerial Wire Expense		
6441 Conduit Systems Expense		
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	861285.23	608327.41

OPERATING REVENUES

Item	Total Company	Idaho Only
Plant Nonspecific Operations Expense		
6510 Other Property/Plant/Equipment Expenses		
6511 Property Held for Future Telecomm. Use Expenses		
6512 Provisioning Expense	13943.88	6274.75
6530 Network Operations Expense		
6531 Power Expense	35310.13	19707.31
6532 Network Administration Expense	128551.58	79401.24
6533 Testing Expense		
6534 Plant Operations Administration Expense		
6535 Engineering Expense	19941.18	9353.35
6540 Access Expense		
6560 Depreciation and Amortization Expenses	917320.11	654702.12
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		
Total Plant Nonspecific Operations Expenses		
Customer Operations Expense		
6610 Marketing	8870	3391.5
6611 Product Management		
6612 Sales		
6613 Product Advertising		
6620 Services		
6621 Call Completion Services	3632.84	2184.48
6622 Number Services	614.42	364.42
6623 Customer Services	75545.1	38304.58
Total Customer Operations Expense		
Corporate Operations Expense		
6710 Executive and Planning	383798.29	172709.23
6711 Executive		
6712 Planning		
6720 General and Administrative	363184.71	163433.12
6721 Accounting and Finance	173293.12	77981.91
6722 External Relations		
6723 Human Resources		
6724 Information Management		
6725 Legal	4653.29	4478.29
6726 Procurement		
6727 Research and Development		
6728 Other General and Administrative		
6790 Provision for Uncollectible Notes Receivable		
Total Corporate Operations Expense		
TOTAL OPERATING EXPENSES	2128658.65	1232286.3

CENTRAL OFFICE DATA
as of December 31, 2001 (unless otherwise indicated)

Name of Central Office: ___ Shoup, ID _____
Prefix (es): ___ 208-394 _____

Central Office Switch Type: _____

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

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

Access Line Capacity
Design: ___ 1200 _____

Access Lines in Use
Customer Lines: ___ 55 _____
(Include Centrex, PAL, Semi-Pub.)

Installed/Equipped: ___ 68 _____

Public Telephone Lines ___ 6 _____

Company Official Lines ___ 1 _____

Company Test Lines ___ 4 _____

Classification of Customer Access

	Residence			Business			Total Residence & Business
	Multi-Line 1-Party	Single Line 1-Party	Multi-Party	Multi-Line 1-Party	Single Line 1-Party	Multi-Party	
Beginning of Year	_____	40	_____	_____	8	_____	_____
New Connects	_____	_____	_____	_____	_____	_____	_____
Disconnects	_____	_____	_____	_____	_____	_____	_____
End of Year	_____	41	_____	4	10	_____	55
			Subtotal Residence			Subtotal Business	
			40			12	

Foreign Exchange:

Dial Tone from this C.O.: _____

Dial Tone from another C.O.: _____

Directory Listings:
Number of Customers with Nonpublished or Nonlisted: ___ 3 _____

Custom Calling:

Number of customers with at least one feature: ___ 1 _____

Total number of features subscribed to: ___ 1 _____

CENTRAL OFFICE DATA
as of December 31, 2001 (unless otherwise indicated)

Name of Central Office: Boise River, ID
Prefix (es): 208-653

Central Office Switch Type: Redcom

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

Access Line Capacity
Design: 1200
Access Lines in Use
Customer Lines: 283
(Include Centrex, PAL, Semi-Pub.)

Installed/Equipped: 278
Public Telephone Lines 16

Company Official Lines 4

Company Test Lines 5

Classification of Customer Access

	Residence			Business			Total Residence & Business
	Multi-Line 1-Party	Single Line 1-Party	Multi-Party	Multi-Line 1-Party	Single Line 1-Party	Multi-Party	
Beginning of Year		241			19	14	33
New Connects							
Disconnects							
End of Year		248			19	16	35

Foreign Exchange:

Dial Tone from this C.O.: _____
Dial Tone from another C.O.: _____
Number of Customers with Nonpublished or Nonlisted: 7

Custom Calling:

Number of customers with at least one feature: 16
Total number of features subscribed to: 4

CENTRAL OFFICE DATA
as of December 31, 2001 (unless otherwise indicated)

Name of Central Office: Tipanuk, ID
 Prefix (es): 208-796

Central Office Switch Type: Redcom

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

Access Line Capacity
 Design: 1200
Access Lines in Use
 Customer Lines: 108
 (Include Centrex, PAL, Semi-Pub.)

Installed/Equipped: 72
 Public Telephone Lines 0
 Company Official Lines 2
 Company Test Lines 7

Classification of Customer Access

	Residence			Business			Total
	Multi-Line 1-Party	Single Line 1-Party	Multi-Party	Multi-Line 1-Party	Single Line 1-Party	Multi-Party	Residence & Business
Beginning of Year		77		4	5		85
New Connects							
Disconnects							
End of Year		98		4	6		108
			Subtotal Residence			Subtotal Business	
			77			8	

Foreign Exchange:

Dial Tone from this C.O.: _____
 Dial Tone from another C.O.: _____
Directory Listings:
 Number of Customers with Nonpublished or Nonlisted: 1

Custom Calling:

Number of customers with at least one feature: 16
 Total number of features subscribed to: 6

CENTRAL OFFICE DATA
as of December 31, 2001 (unless otherwise indicated)

Name of Central Office: Three Creek, ID
Prefix (es): 208-857

Central Office Switch Type: _____

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

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

Access Line Capacity
Design: 1200

Access Lines in Use
Customer Lines: 51
(Include Centrex, PAL, Semi-Pub.)

Public Telephone Lines 2

Company Official Lines 2

Company Test Lines 4

Classification of Customer Access

	Residence			Business			Total Residence & Business
	Multi-Line 1-Party	Single Line 1-Party	Multi-Party	Multi-Line 1-Party	Single Line 1-Party	Multi-Party	
Beginning of Year		36		7	7		50
New Connects							
Disconnects							
End of Year		37		7	7		51
			Subtotal Residence			Subtotal Business	
			36			14	
			37			14	

Foreign Exchange:
Dial Tone from this C.O.: 4
Dial Tone from another C.O.: 1

Directory Listings:
Number of Customers with Nonpublished or Nonlisted: 0

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

CENTRAL OFFICE DATA
as of December 31, 2001 (unless otherwise indicated)

Name of Central Office: Atlanta, ID
 Prefix (es): 208-864

Central Office Switch Type: Redcom

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

Access Line Capacity
 Design: 1200
Access Lines in Use
 Customer Lines: 44
 (Include Centrex, PAL, Semi-Pub.)

Installed/Equipped: 68
 Public Telephone Lines 3
 Company Official Lines 1
 Company Test Lines 4

Classification of Customer Access

	Residence			Business			Total Residence & Business
	Multi-Line 1-Party	Single Line Multi-Party	Subtotal Residence	Multi-Line 1-Party	Single Line Multi-Party	Subtotal Business	
Beginning of Year		34	34	6	8	14	
New Connects							
Disconnects							
End of Year		34	34	4	6	10	44

Foreign Exchange:

Dial Tone from this C.O.: 2
 Dial Tone from another C.O.: 1
Directory Listings:
 Number of Customers with Nonpublished or Nonlisted: 0

Custom Calling:

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

**CENTRAL OFFICE DATA
as of December 31, 2001 (unless otherwise indicated)**

Name of Central Office: _____ Prairie, ID _____
Prefix (es): _____ 208-868 _____

Central Office Switch Type: _____ Redcom _____

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

Access Line Capacity
Design: _____ **Access Lines in Use**
Installed/Equipped: _____ 72 _____ Customer Lines: _____ 40
(Include Centrex, PAL, Semi-Pub.)
Public Telephone Lines _____ 2

Company Official Lines _____ 1
Company Test Lines _____ 5

Classification of Customer Access

	Residence			Business			Total Residence & Business
	Multi- Line 1-Party	Single Line 1-Party	Multi- Party	Multi- Line 1-Party	Single Line 1-Party	Multi- Party	
Beginning of Year		36			6		
New Connects							
Disconnects		36			4		
End of Year			36			6	40

Foreign Exchange:

Dial Tone from this C.O.: _____ 5
Dial Tone from another C.O.: _____ 1
Directory Listings:
Number of Customers with Nonpublished or Nonlisted: _____ 2

Custom Calling:

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

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

Local Exchange	Average # of Customer Lines in Use	Local Calls		Toll Calls Originated (Total of all Carriers)			Avg./ Line
		Number (1000s)	Avg./ Line	Intrastate	Interstate	Total	
1. 394-Shoup	55	51172	930	18729	25695	44424	808
2. 653-Boise River	283	204059	721	34456	65827	100283	354
3. 796-Tipanuk	108	87406	809	20167	26572	46739	433
4. 857-Three Creek	51	62240	1220	25824	21949	47773	937
5. 864-Atlanta	44	87445	1987	17998	21920	39918	907
6. 868-Prairie	40	77050	1926	5972	8517	14489	362
7 _____							
8 _____							
9 _____							
10 _____							
11 _____							
12 _____							
13 _____							
14 _____							
15 _____							
16 _____							
17 _____							
Total	581	569372	7593	123146	170480	293626	3801

ANNUAL REPORT FOR SMALL TELEPHONE COMPANIES
YEAR ENDED DECEMBER 31, _____.

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 31-Dec

Alternate method of notification _____

Rule IDAPA 31.41.01.403.02

Record of Complaints:

Number received by Company _____ 0 _____

Category of complaints (if known):

Deposit Disputes _____ 0 _____

Charges on Bill _____ 0 _____

Denial/Termination _____ 0 _____

Quality or Availability
of Service _____ 0 _____

Carrier Selection/Assignment _____ 0 _____

Miscellaneous _____ 0 _____

CERTIFICATE

State of Idaho)
) ss
County of)

WE, the undersigned _____ Carmela M Martell

and _____

of the _____ Rural Telephone Company

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

(Chief Officer)

Carmela M. Martell

(Officer in Charge of Accounts)

Subscribed and Sworn to Before Me this 30th day of April, (Year) 2002.

[Handwritten Signature]

Notary Public

My Commission expires July, (Year) 2004.

