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ANNUAL REPORT

IDAHO PUBLIC
UTILITIES COMMISSION

OF

RURAL TELEPHONE COMPANY
NAME

892 W. MADISON AVE. GLENN'S FERRY, ID
ADDRESS

TO THE

IDAHO PUBLIC

UTILITIES COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2002

**ANNUAL REPORT OF SMALL TELEPHONE COMPANIES TO
THE IDAHO PUBLIC UTILITIES COMMISSION
FOR THE YEAR ENDING December 31, 2002**

COMPANY INFORMATION

Exact name of utility: Rural Telephone Company

Address of principal office: 892 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:
Jarbidge, North Fork, Tuscarora & Red Rock, NV

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

James R. Martell, President

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

892 W. Madison Ave. Glens Ferry, ID 83623

Organized under the laws of the State of: Idaho

Date of organization: 7/27/79

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

If a Subchapter S Corporation, please specify: _____

Name and address of controlling company, if any: Martell Enterprise

892 W. Madison Ave. Glens Ferry, ID 83623

Names of affiliated companies. Give address and description of business: _____

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	892 W. Madison Ave., Glens Ferry, ID 83623
Vice-President	Michael J. Martell	Same as above
Sec/Treasurer	Carmela M. Martell	Same as above

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	16,500
Carmela M. Martell	Non-terminating	12	11,000
Michael J. Martell	Non-terminating	12	12,600
Angela Carpenter	Non-terminating	12	5,000
Andrea Roberts	Non-terminating	12	16,500
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: Carmela 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	100,500
Michael J. Martell	Vice-President	65,500
Carmela M. Martell	Sec./Treasurer	50,500

NOTES TO THE FINANCIAL STATEMENTS

Please provide important information such as changes in accounting or depreciation practices, extensions or additions to the system; disposal of any substantial portion of the property of the utility; reorganization, mergers, or consolidations with other companies; leases executed; other contracts or agreements entered into; changes made in articles of incorporation or amendments; the occurrence of contingency losses or gains.

Lined area for providing information.

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	501252.61	353479	-147773.61
1130 Cash	0	0	0
1140 Special Cash Deposits	0	0	0
1150 Working Cash Advances	139649.17	101597	-38052.17
1160 Temporary Investments	1247	1247	0
1180 Telecommunications Accts. Receivable	53787.04	86678	32890.96
1181 Accts. Rec. Allow. -Telecommunications	0	0	0
1190 Other Accounts Receivable	1377760.3	344939	-1032821.3
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	52750	12500	-40250
1220 Material and Supplies	534756.79	335774	-198982.79
1280 Prepayments	3090	0	-3090
1290 Prepaid Rents	0	3501	3501
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	0	0	0
1402 Investment in Nonaffiliated Companies	0	0	0
1406 Nonregulated Investments	633144.55	604198	-28946.55
1407 Unamortized Debt Issuance Expense	0	0	0
1408 Sinking Funds	0	0	0
1410 Other Noncurrent Assets	1196960.2	495303	-701657.2
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	12794775	16085105	3290330
2002 Prop. Held for Future Telecom. Use	4000	4000	0
2003 Telecom. Plant under Constr. - Short Term	15452.9	543086	527633.1
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	-1117984.2	-7108119	-5990134.8
3200 Accum. Depre. - Held for Future Use	343084.97	0	-343084.97
3300 Accumulated Depreciation - Nonoperating	0	0	0
3400 Accumulated Amortization - Tangible	0	0	0
3410 Accum. Amort. - Capitalized Leases	-2624276	0	2624276
3420 Accum. Amort. - Leasehold Improvements	0	0	0
3500 Accumulated Amortization - Intangible	0	0	0
3600 Accumulated Amortization - Other	0	0	0
TOTAL ASSETS	13909450.33	11863288	-2046162.33

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	-714637.5	-1571655	857017.5
4020 Notes Payable	-389750.92	-115894	-273856.92
4030 Advance Billings and Payments	152.83	-13836	13988.83
4040 Customer Deposits	-14161.94	-17037	2875.06
4050 Current Maturities - Long -Term Debt		-3250	3250
4060 Current Maturities - Capital leases	-667.45	0	-667.45
4070 Income Taxes - Accrued	200.85	180	20.85
4080 Other Taxes - Accrued	-0.05	838	-838.05
4100 Net Current Defer. Oper. Income Taxes			0
4110 Net Current Defer. Nonoper. Income Taxes			0
4120 Other Accrued Liabilities	-145716.02	-112587	-33129.02
4130 Other Current Liabilities	-98931.04	-191147	92215.96
Long-Term Debt			
4210 Funded Debt	-6102002.12	-5788999	-313003.12
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	-1092397.2	-389348	-703049.2
4550 Retained Earnings	-1518368	-3603653	2085285
TOTAL LIAB. & OTHER CREDITS	-10133178.56	-11863288.00	1730109.44

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	158443.18	17562	-9219		176005.18
2112 Motor Vehicles	303328.29			54457	348566.29
2113 Aircraft					0
2114 Special Purpose Vehicles					0
2115 Garage Work Equipment	487851.99	11743		-46566	433028.99
2116 Other Work Equipment	705913.44	104984			810897.44
2121 Buildings	85581.21	21135			106716.21
2122 Furniture					0
2123 Office Equipment	293190.79	63633			356823.79
2124 General Purpose Computers					0
2211 Analog Electronic Switching	2397975.4	117203		14082	2529260.4
2212 Digital Electronic Switching					0
2215 Electro-Mechanical Switching					0
2220 Operator Systems	2093616.79	269769		40068	2403453.79
2231 Radio Systems					0
2232 Circuit Equipment					0
2311 Station Apparatus					0
2321 Customer Premises Wiring					0
2341 Large Private Branch Exchanges					0
2351 Public Telephone Terminal Equipment					0
2362 Other Terminal Equipment					0
2411 Poles					0
2421 Aerial Cable					0
2422 Underground Cable					0
2423 Buried Cable	6155353.7	2628800		2681	8766834.7
2424 Submarine Cable					0
2426 Intrabuilding Network Cable					0
2431 Aerial Wire					0
2441 Conduit Systems	97089.07				97089.07
2681 Capital Leases					0
2682 Leasehold Improvements					0
2690 Intangibles	40430.98				40430.98
TOTAL PLANT ACCOUNTS	12798774.84	3234829	-9219	64722	16089106.84

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
Analysis of Telecommunications Plant in Service					
2111 Land	108895.18	17562			126457.18
2112 Motor Vehicles	263895.62			84670.12	348565.74
2113 Aircraft					0
2114 Special Purpose Vehicles					0
2115 Garage Work Equipment					0
2116 Other Work Equipment	0	11742.92		421285.99	433028.91
2121 Buildings	338812.14	97445.37			436257.51
2122 Furniture	85581.21	21134.49			106715.7
2123 Office Equipment	467851.99			-467851.99	0
2124 General Purpose Computers	293190.79	63633			356823.79
2211 Analog Electronic Switching					0
2212 Digital Electronic Switching	1017750.64			14953.52	1032704.16
2215 Electro-Mechanical Switching					0
2220 Operator Systems					0
2231 Radio Systems	1042111.37	228038.63			1270150
2232 Circuit Equipment					0
2311 Station Apparatus					0
2321 Customer Premises Wiring					0
2341 Large Private Branch Exchanges					0
2351 Public Telephone Terminal Equipment					0
2362 Other Terminal Equipment					0
2411 Poles					0
2421 Aerial Cable					0
2422 Underground Cable					0
2423 Buried Cable	2700213.89	2284489.11		2681.39	4987384.39
2424 Submarine Cable					0
2426 IntraBuilding Network Cable					0
2431 Aerial Wire					0
2441 Conduit Systems	67867.01				67867.01
2681 Capital Leases					0
2682 Leasehold Improvements	40430.96	7538.49			47969.47
2690 Intangibles					0
TOTAL PLANT ACCOUNTS	6426600.82	2731584.01 0	0 0	55739.03	9213923.86

ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION
Account 3100

	TOTAL Company Basis				Credits During Year	Retirements and Adjustments	Balance End of Year
	Balance Beginning of Year	Depreciation Rate*					
Analysis of Entries in Accumulated Depreciation							
2112 Motor Vehicles	266715.04	33.33		82850.7		349565.74	
2113 Aircraft							
2114 Special Purpose Vehicles							
2115 Garage Work Equipment							
2116 Other Work Equipment		14.3		32088.21	405773.64	437861.85	
2121 Buildings	153264.06	3		21704		174968.06	
2122 Furniture	50974.33	12.5		12411		63385.33	
2123 Office Equipment	405773.64				-405773.64	0	
2124 General Purpose Computers	241257.1	20		64693.83		305950.93	
2211 Analog Electronic Switching						0	
2212 Digital Electronic Switching	1467568.56	12		193198.76		1660767.32	
2215 Electro-Mechanical Switching						0	
2220 Operator Systems						0	
2231 Radio Systems	1027522.41	10		159570		1187092.41	
2232 Circuit Equipment						0	
2311 Station Apparatus						0	
2321 Customer Premises Wiring						0	
2341 Large Private Branch Exchanges						0	
2351 Public Telephone Terminal Equipment						0	
2362 Other Terminal Equipment						0	
2411 Poles						0	
2421 Aerial Cable						0	
2422 Underground Cable						0	
2423 Buried Cable	2616361.76	5		298337		2914698.76	
2424 Submarine Cable						0	
2426 Intra Building Network Cable						0	
2431 Aerial Wire						0	
2441 Conduit Systems	7914.21	7		5916		13830.21	
TOTAL	6237351.11			870769.5	0	7108120.61	

*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	224040.64	33.33	82850.7	42674.4	349565.74
2113 Aircraft					0
2114 Special Purpose Vehicles					0
2115 Garage Work Equipment					0
2116 Other Work Equipment		14.3	32088.21	405773.64	437861.85
2121 Buildings	75657.82	3	11420		87077.82
2122 Furniture	50974.33	12.5	12411		63385.33
2123 Office Equipment	405773.64	12.5		-405773.64	0
2124 General Purpose Computers	241257.1	20	64693.83		305950.93
2211 Analog Electronic Switching					0
2212 Digital Electronic Switching	912259.4	12	120444.76		1032704.16
2215 Electro-Mechanical Switching					0
2220 Operator Systems					0
2231 Radio Systems	667009.25	10	104260		771269.25
2232 Circuit Equipment					0
2311 Station Apparatus					0
2321 Customer Premises Wiring					0
2341 Large Private Branch Exchanges					0
2351 Public Telephone Terminal Equipment					0
2362 Other Terminal Equipment					0
2411 Poles					0
2421 Aerial Cable					0
2422 Underground Cable					0
2423 Buried Cable	1136876.19	6.5	160133		1297009.19
2424 Submarine Cable					0
2426 Intrabuilding Network Cable					0
2431 Aerial Wire					0
2441 Conduit Systems	7125.69	7	4752		11877.69
TOTAL	3720974.06		593053.50	42674.40	4356701.96

*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	965303
Syringa Partnership	2001	0	300000
Internet	Dec-00	0	39930
Neca Independent Services	_____	0	10000
PCS & Internet	2001	0	264168
CATV	2001	0	_____
_____	_____	_____	_____
_____	_____	_____	_____
Totals	_____	_____	_____

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>
Cust. Acct. Rec.	_____	86678
Neca	_____	-70829
Carrier Accts. Rec.	_____	298199
Idaho USF	_____	52688
Related Parties	_____	17439
Various Employee	51622	_____
Martell Winery	_____	_____
Misc.	_____	8321
Totals	51622	392496

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	Dec-01	0.00%	2004	24422.16
GMAC	Dec-01	0.00%	2004	27904.66
Ida Ore	_____	7.25%	2004	24729.59
Washington Mutual	Nov-02	5.5%	2006	96000.00
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Totals	_____	_____	_____	173056.41

ACCOUNTS PAYABLE

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

<u>Name of Creditor</u>	<u>Amount</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
Totals	_____

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.

Class & Series of Obligation	Date of Issue	Date of Maturity	Fact Amount Authorized	Outstanding Year-End	Premium/ Discount		Interest for year	
					Total	Year Amortized	Rate	Amount
RUS 12010	Sep-82	2017	60000	30729.45	n/a	n/a	2%	711
RUS 12020	Sep-82	2017	971000	524311.26	n/a	n/a	2%	12135
RUS 12030	Oct-84	2019	957000	678612.21	n/a	n/a	5%	37010
RUS 12040	May-86	2021	2739000	1786990.45	n/a	n/a	5%	96568
RUS 12041	Jun-89	2021	198000	220222.44	n/a	n/a	5%	11897
RUS 12051	May-86	2024	281000	146594.48	n/a	n/a	5%	7926
RUS 12060	Dec-92	2027	964000	420222.84	n/a	n/a	5%	29550
RUS 12070	Feb-94	2029	306000	220946.92	n/a	n/a	5%	12477
RUS 12080	Jul-95	2030	27000	20397.5	n/a	n/a	5%	1171
RUS 12081	Nov-95	2030	132000	99721.24	n/a	n/a	5%	5724
RUS 12082	Dec-96	2031	294000	221618.57	n/a	n/a	5%	12727
RUS 12083	May-97	2010	89300	68701.14	n/a	n/a	5%	4904
RUS 12084	Oct-97	2014	141320	110361.6	n/a	n/a	5%	6245
RUS 12085	Apr-98	2014	160000	127382.57	n/a	n/a	5%	7303
RUS 12086	Sep-98	2014	182900	148038.54	n/a	n/a	5%	8486
RUS 12087	Nov-98	2014	223759	182346.1	n/a	n/a	5%	10485
RUS 12088	Sep-99	2015	45184	38290.86	n/a	n/a	5%	2324
RUS 12580	Sep-01		485308	443787.62	n/a	n/a	5%	15103
RUS 12581	Jan-02		261000	247339.98	n/a	n/a	5%	8488.95
			8517771	5736615.77				291234.95

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	2500	\$1.00	569	\$56,900.00

INCOME & RETAINED EARNINGS STATEMENT

Item	Total Company	Idaho Only
Total Operating Income (from page 16)	4748223	1733893
Total Operating Expenses (from page 18)	613294	357299.3
7100 Other Operating Income and Expense	443996	199798.2
7210 Operating Investment Tax Credits-Net	_____	_____
7220 Operating Federal Income Taxes	_____	_____
7230 Operating State and Local Income Taxes	_____	_____
7240 Operating Other Taxes	97191	55593
7250 Provision for Deferred Operating Income Taxes-Net	_____	_____
7200 Operating Taxes (Total)	_____	_____
7310 Dividend Income	847	381.15
7320 Interest Income	6283	2827.35
7330 Income from Sinking and Other Funds	_____	_____
7340 Allowance for Funds Used During Construction	_____	_____
7350 Gains/Losses from the Disposition of Certain Property	_____	_____
7360 Other Nonoperating Income	_____	_____
7370 Special Charges	132491	59620
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	272675	122703.75
7520 Interest Expense-Capital Leases	_____	_____
7530 Amortization of Debt Issuance Expense	_____	_____
7540 Other Interest Deductions	-65114	-29301.3
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	392276	200847
5002 Optional Extended Area Revenue	_____	_____
5003 Cellular Mobile Revenue	_____	_____
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)	108818	44145
5082 Switched Access Revenue (Interstate)	2129058	1059470
5083 Special Access Revenue	35818	9064
5084 State Access Revenue (Intrastate)	1989990	428478
Long Distance Network Services Revenues		
5100 Long Distance Message Revenue - All	4196	56
Miscellaneous Revenues		
5230 Directory Revenue	676	773
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	-2378	-3364
5270 Carrier Billing & Collection Revenue	102823	7185
Uncollectible Revenues		
5301 Uncollectible Revenue - Telecommunications	-13054	-12761
5302 Uncollectible Revenue - Other	_____	_____
TOTAL OPERATING REVENUES	4748223	1733893

Please identify the following revenues:

NECA USF \$ 195652.90 _____ . To what account were they booked? 5081 & 5082

State USF \$ 373023.00 _____ . To what account were they booked? 5084.21

OPERATING REVENUES

Item	Total Company	Idaho Only
Plant Specific Operations Expense		
6110 Network Support Expenses	0	0
6112 Motor Vehicle Expense	-64	-28.9
6113 Aircraft Expense	_____	_____
6114 Special Purpose Vehicles Expense	_____	_____
6115 Garage Work Equipment Expense	_____	_____
6116 Other Work Equipment Expense	_____	_____
6120 General Support Expenses	52616	23677.2
6121 Land and Building Expenses	134394	124383
6122 Furniture and Artworks Expense	_____	_____
6123 Office Equipment Expense	_____	_____
6124 General Purpose Computers Expense	_____	_____
6210 Central Office Switching Expenses	111990	52616
6211 Analog Electronic Expense	_____	_____
6212 Digital Electronic Expense	_____	_____
6215 Electro-Mechanical Expense	_____	_____
6220 Operators System Expense	_____	_____
6230 Central Office Transmission Expenses	91185	67360
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	223173	89292
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 Intrabuilding Network Cable Expense	_____	_____
6431 Aerial Wire Expense	_____	_____
6441 Conduit Systems Expense	_____	_____
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	613294	357299.3

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	7955	3580
6530 Network Operations Expense		
6531 Power Expense	44852	27319
6532 Network Administration Expense	86444	50784
6533 Testing Expense		
6534 Plant Operations Administration Expense		
6535 Engineering Expense	60030	33458
6540 Access Expense		
6560 Depreciation and Amortization Expenses	871899	594173
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	1071180	709314
Customer Operations Expense		
6610 Marketing		
6611 Product Management		
6612 Sales		
6613 Product Advertising		
6620 Services		
6621 Call Completion Services	2140	1582
6622 Number Services	1000	500
6623 Customer Services	51632	26668
Total Customer Operations Expense	54772	28750
Corporate Operations Expense		
6710 Executive and Planning	484006	217765.5
6711 Executive		
6712 Planning		
6720 General and Administrative	404855	182073.9
6721 Accounting and Finance	245327	110397.15
6722 External Relations		
6723 Human Resources		
6724 Information Management		
6725 Legal	10464	8756
6726 Procurement		
6727 Research and Development		
6728 Other General and Administrative		
6790 Provision for Uncollectible Notes Receivable		
Total Corporate Operations Expense	1144652	518992.55
TOTAL OPERATING EXPENSES	4541208	2514113.1

CENTRAL OFFICE DATA
as of December 31, 2002 (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
Host x
Remote

Check one:
Electronic x
Electro-Mechanical
Other:

Access Line Capacity
Design: 1200
Customer Lines: 43
(Include Centrex, PAL, Semi-Pub.)

Installed/Equipped: 64/72

Public Telephone Lines: 2

Company Official Lines: 1

Company Test Lines: 5

Classification of Customer Access

	Residence			Business		
	Multi-Line	Single Line	Subtotal	Multi-Line	Single Line	Subtotal
Beginning of Year	1-Party	1-Party	Residence	1-Party	1-Party	Business
New Connects	36	36	36	4	4	4
Disconnects						
End of Year		39	39	4	4	4

Business
Total Residence & Business 40
43

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

Directory Listings:
Number of Customers with Nonpublished or Nonlisted: 2

Custom Calling:
Number of customers with at least one feature: 5
Total number of features subscribed to: 1

CENTRAL OFFICE DATA
as of December 31, 2002 (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 x
Remote _____

Check one:
Electronic x
Electro-Mechanical _____
Other _____

Access Line Capacity
Design: 1200 _____
Installed/Equipped: 152/152 _____

Access Lines in Use
Customer Lines: 119 _____
(Include Centrex, PAL, Semi-Pub.)
Public Telephone Lines: 0 _____
Company Official Lines: 1 _____
Company Test Lines: 4 _____

Classification of Customer Access

	Residence		Business			Subtotal Business	Subtotal Residence & Business
	Multi- Line 1-Party	Single Line	Multi- Line 1-Party	Centrex N.A.R.	Multi- Party		
Beginning of Year		98			6	10	
New Connects							
Disconnects							
End of Year		112		4	3	7	119

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, 2002 (unless otherwise indicated)

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

Central Office Switch Type: Redcom

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

Access Line Capacity
Design: 1200
Customer Lines: 53
(Include Centrex, PAL, Semi-Pub.)

Installed/Equipped: 80/120
Public Telephone Lines: 1
Company Official Lines: 2
Company Test Lines: 4

Classification of Customer Access

	Residence			Business			Total Residence & Business
	Multi- Line 1-Party	Multi- Party	Subtotal Residence	Multi- Line 1-Party	Multi- Party	Subtotal Business	
Beginning of Year	37		37	7	7	14	51
New Connects							
Disconnects							
End of Year	38		38	6	9	15	53

Foreign Exchange:
Dial Tone from this C.O.: _____
Dial Tone from another C.O.: _____
Directory Listings:
Number of Customers with Nonpublished or Nonlisted: 0

Custom Calling:
Number of customers with at least one feature: 4
Total number of features subscribed to: 1

CENTRAL OFFICE DATA
as of December 31, 2002 (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 _____
 Host _____
 Remote _____

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

Access Line Capacity
 Design: 1200 _____
 Customer Lines: 38 _____
 (Include Centrex, PAL, Semi-Pub.)

Installed/Equipped: 68/68 _____

Public Telephone Lines: 3 _____

Company Official Lines: 1 _____

Company Test Lines: 4 _____

Classification of Customer Access

	Residence		Business			Total Residence & Business
	Multi- Line	Single Line	Multi- Line	1-Party	Multi- Party	
Beginning of Year	34	34	4	6	10	44
New Connects						
Disconnects						
End of Year	33	33	1	4	5	38

Foreign Exchange:
 Dial Tone from this C.O.: _____
 Dial Tone from another C.O.: _____

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

Custom Calling:
 Number of customers with at least one feature: 2 _____
 Total number of features subscribed to: 1 _____

CENTRAL OFFICE DATA
as of December 31, 2002 (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 x
Remote x

Check one:
Electronic x
Electro-Mechanical
Other

Access Line Capacity
Design: 1200
Customer Lines: 54
(Include Centrex, PAL, Semi-Pub.)

Installed/Equipped: 92/124

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 Multi- Party	Multi- Line 1-Party	Single Line Multi- Party	
Beginning of Year	41	41	4	10	55
New Connects					
Disconnects					
End of Year	40	40	4	10	54

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, 2002 (unless otherwise indicated)

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

Central Office Switch _____ Type: Redcom

Check all that apply:
Stand Alone x **Check one:** Digital x
Host _____ Analog _____
Remote _____ Other: _____

Access Line Capacity
Design: 1200
Access Lines in Use
Customer Lines: 287
(Include Centrex, PAL, Semi-Pub.)

Installed/Equipped: 408/456
Public Telephone Lines 14
Company Official Lines 6
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		248		19	16		283
New Connects							
Disconnects							
End of Year		251		18	18	36	287

Foreign Exchange:
Dial Tone from this C.O.: _____
Dial Tone from another C.O.: _____

Directory Listings:
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

NUMBER OF CALLS COMPLETED BY CUSTOMERS DURING (Year)_2002_____.

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_____	54	_____	_____	20054	28529	48583	900
2_ 653-Boise River_____	289	_____	_____	30158	66202	96360	333
3_ 796-Tipanuk_____	119	_____	_____	5139	27189	32328	272
4_ 857-Three Creek_____	53	_____	_____	23846	18193	42039	793
5_ 864-Atlanta_____	38	_____	_____	17210	23065	40275	1060
6_ 868-Prairie_____	43	_____	_____	3557	9187	12744	296
7_____	_____	_____	_____	_____	_____	_____	_____
8_____	_____	_____	_____	_____	_____	_____	_____
9_____	_____	_____	_____	_____	_____	_____	_____
10_____	_____	_____	_____	_____	_____	_____	_____
11_____	_____	_____	_____	_____	_____	_____	_____
12_____	_____	_____	_____	_____	_____	_____	_____
13_____	_____	_____	_____	_____	_____	_____	_____
14_____	_____	_____	_____	_____	_____	_____	_____
15_____	_____	_____	_____	_____	_____	_____	_____
16_____	_____	_____	_____	_____	_____	_____	_____
17_____	_____	_____	_____	_____	_____	_____	_____
18_____	_____	_____	_____	_____	_____	_____	_____

**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 _____ Feb-02

Alternate method of notification _____

Rule IDAPA 31.41.01.403.02

Record of Complaints:

Number received by Company 0

Category of complaints (if known):

Deposit Disputes _____

Charges on Bill _____

Denial/Termination _____

Quality or Availability
of Service _____

Carrier Selection/Assignment _____

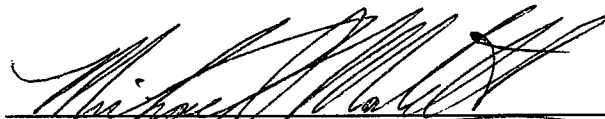
Miscellaneous _____


Rev 3/02

CERTIFICATE

State of Idaho)
) ss
County of Elmore)

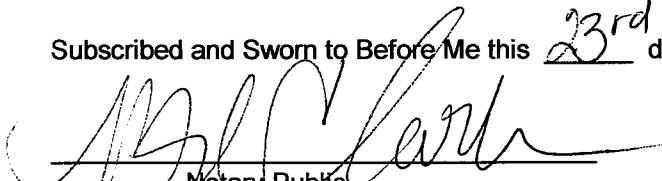
WE, the undersigned _____ Michael J. Martell, Vice-President
and _____ Mark R. Martell, Assistant Manager
of the _____ Rural Telephone Company _____ utility,
on our oath do severally say that the foregoing return has been prepared under our direction, from
the original books, papers, and records of said utility; that we have carefully examined same, and
declare the same to be a correct statement of the business affairs of said utility for the period
covered by the return in respect to each and every matter and thing therein set forth, to the best of
our knowledge, information and belief.



(Chief Officer)


(Officer in Charge of Accounts)

Subscribed and Sworn to Before Me this 23rd day of May, (Year) 2003.



Notary Public

My Commission expires July, (Year) 2004.

