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ANNUAL REPORT

IDAHO PUBLIC
UTILITIES COMMISSION

OF

NAME

STEVE CHILD
MIDVALE TELEPHONE EXCH
PO BOX 7
MIDVALE ID 83645-0007

TO THE

IDAHO PUBLIC

UTILITIES COMMISSION

FOR THE

YEAR ENDED 2011

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

COMPANY INFORMATION

Exact name of utility: MIDVALE TELEPHONE EXCHANGE, INC.

Address of principal office: 2205 KEITHLEY CREEK ROAD, PO BOX 7 MIDVALE, ID 83645

Telephone Number (Area Code) 208 355-2211

Cities or towns served: MIDVALE, LAKEVIEW, STANLEY, WARREN, WARM LAKE, YELLOW PINE

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

STEVE CHILE, CEO

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

2205 KEITHLEY CREEK ROAD, MIDVALE, ID 83645

Organized under the laws of the State of: IDAHO

Date of organization: 19-Mar-59

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

If a Subchapter S Corporation, please specify: _____

Name and address of controlling company, if any: _____

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

SYRINGA NETWORKS, 3795 DEVELOPMENT AVE., BOISE, ID 83705

DATA AND TELECOMMUNICATIONS NETWORK SERVICE PROVIDER

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
CEO	STEPHEN G CHILD	380 HILL RD., WEISER, ID 83672
PRES	LANE WILLIAMS	PO BOX 7, MIDVALE
VICE PRES	CONLEY WARD	5208 HOODOO LANE, KUNA ID 83634
SEC/TREAS	LINDA KLIND	PO BOX 783, MCCALL ID 83638
DIRECTOR	EMMA GROSS	1866 S LINCOLN ST, SALT LAKE CITY UT 84105

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
LANE WILLIAMS			
CONLEY WARD			
EMMA GROSS			
LINDA KLIND			
STEVE CHILD			

Name of Chairman of the Board: _____
 Name of Secretary (or Clerk) of Board: _____
 Number of Meetings of the Board during the year: _____

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
STEPHEN G CHILD	CHIEF EXECUTIVE OFFICER	142,098
JOHN STUART	OPERATIONS MANAGER	90,494
DENNIS FARRINGTON	SW OPERATIONS MANAGER	82,256
ANN E SHARP	CONTROLLER	77,443
JOE DELATORRE	NW OPERATIONS MANAGER	53,307
FRED BRUCE	SWITCH MANAGER	75,120
ROB VOWELL	PLANT RECORDS MANAGER	54,000
SAM MCCLARY	IT MANAGER	68,775
DIANA HOLMES	HR MANAGER	51,057
GARY COFFELT	CONSTRUCTION MANAGER	62,749

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	262,374	238,204	-24,170
1130 Cash			
1140 Special Cash Deposits			
1150 Working Cash Advances			
1160 Temporary Investments			
1180 Telecommunications Accts. Receivable	140,613	224,443	83,830
1181 Accts. Rec. Allow. -Telecommunications			
1190 Other Accounts Receivable	645,639	1,357,873	712,234
1191 Accounts Receivable Allow. - Other			
1200 Notes Receivable	356,827	0	-356,827
1201 Notes Receivable Allowance			
1210 Interest & Dividends Receivable			
1220 Material and Supplies	388,994	413,001	24,007
1280 Prepayments	178,337	85,265	-93,072
1290 Prepaid Rents			
1300 Prepaid Taxes			
1310 Prepaid Insurance			
1320 Prepaid Directory Expenses			
1330 Other Prepayments			
1350 Other Current Assets		0	0
Noncurrent Assets			
1401 Investment in Affiliated Companies	1,386,920	1,748,969	362,049
1402 Investment in Nonaffiliated Companies	111,323	100,169	-11,154
1406 Nonregulated Investments			
1407 Unamortized Debt Issuance Expense			
1408 Sinking Funds			
1410 Other Noncurrent Assets	107,164	0	-107,164
1438 Deferred Maintenance & Retirements			
1439 Deferred Charges			
1500 Other Jurisdiction Assets - Net			
Property, Plant and Equipment			
2001 Telecommunications Plants in Service	32,988,784	36,465,173	3,476,389
2002 Prop. Held for Future Telecom. Use	24,306	145,295	120,989
2003 Telecom. Plant under Constr. - Short Term			
2004 Telecom. Plant under Constr. - Long Term	1,245,219	659,074	-586,145
2005 Telecom. Plant Adjustment			
2006 Nonoperating Plant	1,117,154	880,875	-236,279
2007 Goodwill			
Depreciation and Amortization Accounts			
3100 Accumulated Depreciated	-15,939,585	-18,177,272	-2,237,687
3200 Accum. Depre. - Held for Future Use			
3300 Accumulated Depreciation - Nonoperating	-769,085	-611,669	157,416
3400 Accumulated Amortization - Tangible			
3410 Accum. Amort. - Capitalized Leases			
3420 Accum. Amort. - Leasehold Improvements			
3500 Accumulated Amortization - Intangible			
3600 Accumulated Amortization - Other			
TOTAL ASSETS	22,244,984	23,529,400	1,284,416

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	389950	428273	-38323
4020 Notes Payable			
4030 Advance Billings and Payments	68890	83976	-15086
4040 Customer Deposits	397	1010	-613
4050 Current Maturities - Long -Term Debt	1454036	1385414	68622
4060 Current Maturities - Capital leases	25201	25201	0
4070 Income Taxes - Accrued			
4080 Other Taxes - Accrued			
4100 Net Current Defer. Oper. Income Taxes	-44291	-58792	14501
4110 Net Current Defer. Nonoper. Income Taxes			
4120 Other Accrued Liabilities	617768	650034	-32266
4130 Other Current Liabilities	500471	455000	45471
Long-Term Debt			
4210 Funded Debt	11776546	12132336	-355790
4220 Premium on Long-Term Debt			
4230 Discount on Long-Term Debt			
4240 Reacquired Debt			
4250 Obligations Under Capital Leases	35496	10421	25075
4260 Advances from Affiliated Companies			
4270 Other Long-Term Debt			
Other Liabilities & Deferred Credits			
4310 Other Long-Term Liabilities			
4320 Unamort. Oper. Invest. Tax Credits - Net			
4330 Unamort. Nonoper. Invest. Tax Credits - Net			
4340 Net Noncurrent Defer. Oper. Income Taxes	2326380	2326380	0
4350 Net Noncur. Defer. Nonoper. Income Taxes			
4360 Other Deferred Credits			
4370 Other Juris. Liab. & Def. Credits - Net			
Stockholders' Equity			
4510 Capital Stock	25000	25000	0
4520 Additional Paid-In Capital	7910	7910	0
4530 Treasury Stock	-64000	-64000	0
4540 Other Capital			
4550 Retained Earnings	5125231	6121237	-996006
TOTAL LIAB. & OTHER CREDITS	22244985	23529400	-1284415

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
Analysis of Telecommunications Plant in Service					
2111 Land	144,455	10,000			154,455
2112 Motor Vehicles	208,239				208,239
2113 Aircraft					0
2114 Special Purpose Vehicles					0
2115 Garage Work Equipment					0
2116 Other Work Equipment	732,539	28,271		-76,764	684,046
2116 Test Equipment	0	14,231		76,764	90,995
2116					
2121 Buildings	1,045,464	102,083			1,147,547
2122 Furniture	74,351				74,351
2123 Office Equipment					0
2124 General Purpose Computers	234,813	69,969			304,782
2211 Analog Electronic Switching					0
2212 Digital Electronic Switching	3,412,711	80,414			3,493,125
2215 Electro-Mechanical Switching					0
2220 Operator Systems					0
2231 Radio Systems					0
2232 Circuit Equipment	7,120,942	199,133		-270,510	7,049,565
2232 ONT Equipment		211,528		534,861	746,389
2311 Station Apparatus	27,232				27,232
2321 Customer Premises Wiring					0
2341 Large Private Branch Exchanges					0
2351 Public Telephone Terminal Equipment	928				928
2362 Other Terminal Equipment	180			-180	0
2411 Poles					0
2421 Aerial Cable					0
2422 Underground Cable					0
2423 Buried Cable	19,986,930	1,687,412		-298,625	21,375,717
2424 Submarine Cable					0
2426 Intrabuilding Network Cable					0
2431 Aerial Wire					0
2441 Conduit Systems					0
2681 Capital Leases					0
2682 Leasehold Improvements		5,430			5,430
2690 Intangibles					0
					0
TOTAL PLANT ACCOUNTS	32,988,784	2,408,471		-34,454	35,362,801

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	77,360	10,000			87,360
2112	Motor Vehicles	178,498				178,498
2113	Aircraft					0
2114	Special Purpose Vehicles					0
2115	Garage Work Equipment					0
2116	Other Work Equipment	569,243	28,129		-72,582	524,790
2116	Test Equipment		6,821		102,071	108,892
2121	Buildings	828,621	102,083			930,704
2122	Furniture					0
2123	Office Equipment	60,141				60,141
2124	General Purpose Computers	161,625	67,449			229,074
2211	Analog Electronic Switching					0
2212	Digital Electronic Switching	1,646,460	53,328			1,699,788
2215	Electro-Mechanical Switching					0
2220	Operator Systems					0
2231	Radio Systems					0
2232	Circuit Equipment	3,286,540	35,368		-72,505	3,249,403
2232	ONT Equipment		2,041		187,665	189,706
2311	Station Apparatus	27,232				27,232
2321	Customer Premises Wiring					0
2341	Large Private Branch Exchanges					0
2351	Public Telephone Terminal Equipment	928				928
2362	Other Terminal Equipment	180			-180	0
2411	Poles					0
2421	Aerial Cable					0
2422	Underground Cable					0
2423	Buried Cable	7,928,542	51,564		-147,547	7,832,559
2424	Submarine Cable					0
2426	Intrabuilding Network Cable					0
2431	Aerial Wire					0
2441	Conduit Systems					0
2681	Capital Leases					0
2682	Leasehold Improvements					0
2690	Intangibles					0
						0
	TOTAL PLANT ACCOUNTS	14,765,370	356,783		-3,078	15,119,075

ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION
Account 3100

		TOTAL Company Basis				
		Balance	Depreciation	Credits	Retirements	Balance
		Beginning	Rate*	During	and	End
		of Year		Year	Adjustments	of Year
Analysis of Entries in Accumulated Depreciation						
2112	Motor Vehicles	219,238	25.00%	0	0	219,238
2113	Aircraft					0
2114	Special Purpose Vehicles					0
2115	Garage Work Equipment					0
2116	Other Work Equipment	713,230	20.00%	30,379	-70,862	672,747
2116	Test Equipment		20.00%	92,813		92,813
2116	Lease Hold Equipment			815		815
2121	Buildings	462,912	3.00%	32,414		495,326
2122	Furniture					0
2123	Office Equipment	65,713	14.30%	2,689		68,402
2124	General Purpose Computers	164,989	20.00%	52,183		217,172
2211	Analog Electronic Switching					0
2212	Digital Electronic Switching	1,082,103	12.00%	314,869		1,396,972
2215	Electro-Mechanical Switching					0
2220	Operator Systems					0
2231	Radio Systems					0
2232	Circuit Equipment	4,410,098	10.00%	700,633	-31,281	5,079,450
2311	Station Apparatus	22,243	10.00%	2,723		24,966
2300	ONT Equipment		20.00%	68,321		68,321
2321	Customer Premises Wiring					0
2341	Large Private Branch Exchanges					0
2351	Public Telephone Terminal Equipmen	747	23.00%	93		840
2362	Other Terminal Equipment					0
2411	Poles					0
2421	Aerial Cable					0
2422	Underground Cable					0
2423	Buried Cable	8,790,202	6.50%	965,953	-6,539	9,749,616
2424	Submarine Cable					0
2426	Intrabuilding Network Cable					0
2431	Aerial Wire					0
2441	Conduit Systems					0
	TOTAL	15,931,475		2,263,885	-108,682	18,086,678

*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	189,499	25.00%	0	0	189,499
2113 Aircraft					
2114 Special Purpose Vehicles					
2115 Garage Work Equipment					
2116 Other Work Equipment	567,265	20.00%	26,811	-70,235	523,841
2116 Test Equipment		20.00%	21,324	70,235	91,559
2121 Buildings	439,101	3.00%	23,777	0	462,878
2122 Furniture					
2123 Office Equipment	58,127	14.30%	2,014	0	60,141
2124 General Purpose Computers	133,825	20.00%	44,879	0	178,704
2211 Analog Electronic Switching					
2212 Digital Electronic Switching	754,685	12.00%	160,312	0	914,997
2215 Electro-Mechanical Switching					
2220 Operator Systems					
2231 Radio Systems					
2232 Circuit Equipment	2,330,640	10.00%	261,236	-23,810	2,568,066
2311 Station Apparatus	22,243	10.00%	2,723	0	24,966
2230 ONT Equipment					
2321 Customer Premises Wiring					
2341 Large Private Branch Exchanges					
2351 Public Telephone Terminal Equipment	747	23.00%	93	0	840
2362 Other Terminal Equipment					
2411 Poles					
2421 Aerial Cable					
2422 Underground Cable					
2423 Buried Cable	5,400,882	6.50%	242,870	-1,844	5,641,908
2424 Submarine Cable					
2426 Intrabuilding Network Cable					
2431 Aerial Wire					
2441 Conduit Systems					
	9,897,014		786,039	-25,654	10,657,399
TOTAL					

*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		13588	19169
NECA SERVICES			3000
SYRINGA NETWORKS			1748969
RNS		329297	0
NET NON REGULATED			510639
DEF REC LIFE INS		107167	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>
SUBSCRIBERS		224,443
IDAHO USF		29,232
NECA		1,219,386
CARRIERS		62,651
USAC		2,009
MISC NON REG		44,352
EMPLOYEE LOANS		143
Totals		1,582,216

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>
WELLS FARGO	8/1/2011	PRIME+2.25	7/31/2012	455,000
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Totals	_____	_____	_____	_____

ACCOUNTS PAYABLE

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

<u>Name of Creditor</u>	<u>Amount</u>
See attached list	559,248
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
Totals	_____

MTE COMMUNICATIONS
ACCOUNTS PAYABLE > \$100

VENDOR	DECEMBER 31, 2011	AMOUNT
SRP		498.29
ALECA		2500.00
Jeanne Alexander		209.79
Aviat Networks		2352.64
Avista Utilities		495.23
AZ Dept of Revenue		2043.24
AZ Public Service Co		591.66
Bankcard Center-Zions		40655.13
Nate Basey		600.00
Bennett Oil		1538.55
Bo's Barn		121.71
Fred Bruce		100.00
Buckaroo's Potties & Septic		135.00
Calix Networks, Inc.		1228.50
Cambridge Litho		1033.50
John Whitener		348.39
Cascabel Community Center		300.00
Centurylink		584.78
City of Weiser		206.74
Clear Creek Disposal		127.88
Computer Technology, Inc.		5022.35
Commercial Tire, Inc.		2780.97
Cultural & Environment		1008.25
Ditch Witch of AZ		2295.30
EC Power Systems of Idaho		198.78
Electrical District No 4		134.13
ESPN 3		112.71
Farmer Brothers Company		214.33
Farmer's Supply Cooperative		4463.82
Gentry Auto Group		762.98
Kathryn E Gilbert		708.00
Brian Graham		550.00
Graybar Electric Co, Inc.		566.56
Diane Higgins		550.00
Diana Holmes		500.00
Gary H Horton		1726.11
Bridget Hostetler		2240.64
Idaho Optic Transport Assn		34908.17
Idaho Power		1833.25
Idaho State Tax Commission		6035.00
Intermountain Gas Company		268.79
Jerrys Auto Parts		237.15
Jerry's Country Store		377.55
Jupiter Communications LL		2147.93
Kennedy Fuel & Feed Supply		208.79
KGP Logistics		373.24

MTE COMMUNICATIONS
ACCOUNTS PAYABLE > \$100

	DECEMBER 31, 2011	
Lube Express		111.10
Geraldine Maloney		165.00
Mapcom LLC		337.50
Sam McClary		5611.01
Cynthia A Melillo PLLC		1994.65
Jeff Mills		100.00
Millennium Technology Part		94470.25
Monte R. Lee & Company		25845.26
Stacy Morris		500.00
Moss Adams LLP		9054.75
MTV Networks		211.33
National Cable TV Coop		524.02
NECA		500.52
Neustar, Inc.		620.86
Norco		601.04
Birtg /ciybtrt /creatuibs		270.00
IPUC/OUSF		639.33
Payette Printing Company		200.03
CRA Payment Center		171.34
Pleasant Valley Propane		488.65
Power and Telephone Supply		1341.44
Centurylink		4506.92
Centurylink		1552.43
Quill Corporation		116.53
Centurylink		115.21
Centurylink		1241.49
Shannons Auto Parts		138.03
Shirts N Stuff Embroidery		1177.59
Sulphur Springs Valley		1188.55
Sunstate Equipment Co		107.00
Syringa Networks, LLC		77406.94
Vernon or Joyce Talley		850.00
Cheryl Terry		1568.21
Con Thrall		2400.00
Toshiba Financial Service		225.61
Tom Williams Machine, Inc.		3954.36
Transaction Network Service		1098.63
Universal Service Administration		4281.93
UNS Gas, Inc.		177.45
USDA-RUS		165955.82
Verizon Wireless		2630.55
Visa		1132.57
Weiser Auto Parts		183.12
Weiser Signal American		809.60
Western Telecommunication		3623.00
Ken Weyers		1535.00
Whitman Truss & Lumber		259.06

MTE COMMUNICATIONS
ACCOUNTS PAYABLE > \$100

Lane R. Williams	DECEMBER 31, 2011	133.00
Zions Bank		998.83
ANPI/ZONE		10226.75
	Total	559248.09

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>
RTFC SWITCH LOAN	7/17/2009	7/17/2013		57,974			5.35	7,464
RTFC ACQUISITION	7/17/2009	7/17/2011		0			5.35	INCL ABV
RUS	8/17/1980	8/17/2005		162,807			2.00	658,468
RUS	12/19/1985	12/19/2020		73,506			5.00	INCL ABV
RUS	6/1/1992	6/1/2016		74,289			5.00	INCL ABV
RUS	9/29/1994	9/29/2014		588,888			5.00	INCL ABV
RUS	2/1/2002	2/1/2016		2,375,259			5.00	INCL ABV
RUS	4/30/2009	4/30/2021		10,131,399			5.00	INCL ABV
STIMULUS AWARD LOAN	9/15/2011	2036		19,976			COST OF \$\$	46
ZIONS BANK	3/7/2007	3/7/2012		1,021			VAR	363
DEFERRD FED TAX				2,126,245				
DEFERRED ID TAX				208,681				

INCOME & RETAINED EARNINGS STATEMENT

Item	Total Company	Idaho Only
Total Operating Income (from page 16)	-12,985,652	-4,268,473
Total Operating Expenses (from page 18)	11,728,878	2,520,762
7100 Other Operating Income and Expense	464,626	203,766
7210 Operating Investment Tax Credits-Net		
7220 Operating Federal Income Taxes	-59,637	
7230 Operating State and Local Income Taxes	10,167	110
7240 Operating Other Taxes	217,757	28,631
7250 Provision for Deferred Operating Income Taxes-Net		
7200 Operating Taxes (Total)		
7310 Dividend Income		
7320 Interest Income	-195	-195
7330 Income from Sinking and Other Funds		
7340 Allowance for Funds Used During Construction	-37,477	-37,477
7350 Gains/Losses from the Disposition of Certain Property		
7360 Other Nonoperating Income	-271,936	-271,936
7370 Special Charges		
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		688,142
7520 Interest Expense-Capital Leases		
7530 Amortization of Debt Issuance Expense		
7540 Other Interest Deductions		13,232
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	-20,578	-39,424
AMOUNT TRANSFERRED TO RETAINED EARNINGS	954,047	1,162,862

OPERATING REVENUES

Item	Total Company	Idaho Only
Local Network Services Revenues		
5001 Basic Area Revenue	791,252	371,208
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)	167,784	78,761
5082 Switched Access Revenue (Interstate)	10,199,924	2,998,253
5083 Special Access Revenue	455,206	170,436
5084 State Access Revenue (Intrastate)	714,793	465,384
Long Distance Network Services Revenues		
5100 Long Distance Message Revenue - All	170,960	64,150
Miscellaneous Revenues		
5230 Directory Revenue	7,240	2,072
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	223,003	220,193
5269 Other Revenue Settlements	_____	_____
5270 Carrier Billing & Collection Revenue	_____	_____
Uncollectible Revenues		
5301 Uncollectible Revenue - Telecommunications	255,490	258,016
5302 Uncollectible Revenue - Other	_____	_____
TOTAL OPERATING REVENUES	12,985,652	4,628,473

Please identify the following revenues:

NECA USF \$ _____ 2,860,234

5082.81-5082.83

State USF \$ _____ 350,785

5084.11

OPERATING REVENUES

Item	Total Company	Idaho Only
Plant Specific Operations Expense		
6110 Network Support Expenses	103,832	51,553
6112 Motor Vehicle Expense	28,049	27,118
6113 Aircraft Expense	_____	_____
6114 Special Purpose Vehicles Expense	_____	_____
6115 Garage Work Equipment Expense	_____	_____
6116 Other Work Equipment Expense	_____	_____
6120 General Support Expenses	_____	_____
6121 Land and Building Expenses	_____	_____
6122 Furniture and Artworks Expense	_____	_____
6123 Office Equipment Expense	_____	_____
6124 General Purpose Computers Expense	121,976	66,574
6210 Central Office Switching Expenses	1,254,572	643,556
6211 Analog Electronic Expense	_____	_____
6212 Digital Electronic Expense	_____	_____
6215 Electro-Mechanical Expense	_____	_____
6220 Operators System Expense	_____	_____
6230 Central Office Transmission Expenses	5,006,504	792,716
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	1,091,202	542,705
6424 Submarine Cable Expense	_____	_____
6425 Deep Sea Cable Expense	_____	_____
6426 Intrabuilding Network Cable Expense	_____	_____
6427 Syringa Sonnett	396,540	396,540
6431 Aerial Wire Expense	_____	_____
6441 Conduit Systems Expense	_____	_____
	8,002,675	2,520,762
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	_____	_____

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	33,815	
6530 Network Operations Expense		
6531 Power Expense		
6532 Network Administration Expense	74,093	32,204
6533 Testing Expense		
6534 Plant Operations Administration Expense		
6535 Engineering Expense	24,788	4,512
6540 Access Expense	52,502	28,428
6560 Depreciation and Amortization Expenses		
6561 Depreciation Expense-Telecom. Plant in Service	2,152,402	792,321
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	2,337,600	857,465
Customer Operations Expense		
6610 Marketing	4,013	2,303
6611 Product Management		
6612 Sales		
6613 Product Advertising		
6620 Services		
6621 Call Completion Services	550	550
6622 Number Services	4,687	3,528
6623 Customer Services	254,102	119,240
Total Customer Operations Expense	263,352	125,621
Corporate Operations Expense		
6710 Executive and Planning	282,027	136,366
6711 Executive		
6712 Planning		
6720 General and Administrative		
6721 Accounting and Finance	454,852	226,403
6722 External Relations		
6723 Human Resources		
6724 Information Management		
6725 Legal	26,461	13,491
6726 Procurement		
6727 Research and Development		
6728 Other General and Administrative	361,911	176,947
6790 Provision for Uncollectible Notes Receivable		
Total Corporate Operations Expense	1,125,251	553,207
Plant Specific Expenses	8,002,675	2,520,762
Total Operating Expenses	11,728,878	3,503,758

NUMBER OF CALLS COMPLETED BY CUSTOMERS DURING (Year) 2011

Local Exchange	Average # of Customer Lines in Use	Local Calls		Toll Calls Originated (Total of all Carriers)			
		Number (1000s)	Avg./ Line	Intrastate	Interstate	Total	Avg./ Line
1 212-ARIZONA	101	NA		20158	5964	26122	259
2 222-IDAHO	31	NA		1280	997	2227	72
3 253-IDAHO	6	NA		20	76	96	16
4 256-IDAHO	5	NA		161	433	594	119
5 257-IDAHO	2	NA		80	187	264	132
6 262 - OREGON	3	NA		6	98	104	35
7 277-OREGON	22	NA		4873	1648	6521	296
8 278-IDAHO	3	NA		69	182	251	84
9 283 WASHINGTON	1	NA		2	32	34	34
10 336-IDAHO	1	NA		30	130	160	160
11 339-OREGON	3	NA		929	2203	3132	1044
12 345-IDAHO	1	NA		1	1	2	2
13 355-IDAHO	245	NA		18529	21939	40468	165
14 358-OREGON	68	NA		15005	15680	30685	451
15 364-ARIZONA	1	NA		11	78	89	89
16 365-IDAHO	1	NA		0	10	10	10
17 368-OREGON	5	NA		2708	1407	4115	823
18 372-OREGON	1	NA		104	263	367	367
19 378- ARIZONA	1	NA		5	2	7	7
20 384-IDAHO	1	NA		0	159	159	159
22 446-OREGON	17	NA		1137	1668	2805	165
23 452-IDAHO	5	NA		27	257	284	57
24 462-ARIZONA	208	NA		27753	4610	32364	156
22 466-IDAHO	1	NA		2	5	7	7
23 467-OREGON	34	NA		1890	860	2750	81
24 473-OREGON	2	NA		29	25	54	27
25 495 - IDAHO	1	NA			67	67	67
26 522-IDAHO	1	NA		1	2	3	3
27 556-WASHINGTON	72	NA		18172	4319	22481	312
28 583-IDAHO	2	NA		1072	591	1663	832
29 584-IDAHO	2	NA		9		9	5
30 586-ARIZONA	12	NA		832	438	1270	106
31 586-OREGON	4	NA		389	1130	1519	380
32 622-IDAHO	1	NA		3	3	6	6
33 632-IDAHO	41	NA		5752	73	5825	142
34 633-IDAHO	69	NA		12975	4493	17468	253
35 634-Idaho	1	NA		33	0	33	33
36 636-IDAHO	73	NA		7480	2017	9494	130
37 642-IDAHO	11	NA		569	735	1304	119
38 683-ARIZONA	128	NA		1392	7929	7321	57
39 720-ARIZONA	2	NA		460	36	496	248

40 724-OREGON	6	NA	762	612	1374	229
41 734-IDAHO	1	NA	4	3	7	7
42 737-IDAHO	1	NA	12	102	114	114
43 755-OREGON	1	NA	201	26	227	227
44 774-IDAHO	282	NA	39575	12326	51901	184
45 820-OREGON	33	NA	3177	1172	4349	132
46 824-ARIZONA	2	NA	1206	123	1329	665
47 881-OREGON	1	NA	138	209	347	347
48 889-OREGON	7	NA	232	1947	2179	311
49 893-OREGON	8	NA	1322	733	2055	257
50 898-ARIZONA	36	NA	2403	998	3401	94
51 922-IDAHO	1	NA	0	3	3	3
52 932-OREGON	54	NA	7626	2230	9856	183
53 987-OREGON	12	NA	1470	755	2225	185
54-999-ARIZONA	114	NA	4639	2794	7433	65

Rev 3/02

**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 X No _____

Included in directory Yes X No _____

Date of notification _____ 2/1/2011

Alternate method of notification _____

Rule IDAPA 31.41.01.403.02

Record of Complaints:

Number received by Company 1

Category of complaints (if known):

Deposit Disputes _____

Charges on Bill _____

Denial/Termination _____

Quality or Availability
of Service _____

Carrier Selection/Assignment X

Miscellaneous _____

Rev 3/02

CERTIFICATE

State of Idaho)
County of Washington) ss

WE, the undersigned STEPHEN G CHILD
and ANN E. BRAUN
of the MIDVALE TELEPHONE EXCHANGE, INC.

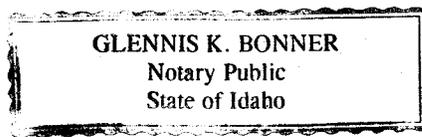
on our oath do severally say that the foregoing return has been prepared under our direction, from the original books, papers, and records of said utility; that we have carefully examined same, and declare the same to be a correct statement of the business affairs of said utility for the period covered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

[Signature]
(Chief Officer)

[Signature]
(Officer in Charge of Accounts)

Subscribed and Sworn to Before Me this 20th day of April, (Year) 2012.

[Signature]
Notary Public



My Commission expires 4/6, (Year) 2018.

Rev 3/02

0 FORM I INPUT MASTER

MPANY NAME: Midvale Telephone Company, Inc.

For The Year Ended: December 31, 2010

Seperated Results of Idaho Operations

FCC Account and Description	Note No.	Line No.	Total Idaho Operations Subject To Separations	Interstate Operation			Intrastate Operation				
				MTS & WATS Switched Access	TOLL PLS Special Access	Total	MTS & WATS Switched Access	TOLL PLS Special Access	EAS	Local (other)	Total
MMARY											
Operating Revenues											
X Local -Billed	(1)	1.	358,896			-				358,896	358,896
-EAS Billed	(1)	2.	-			-				-	-
-EAS Settlement	(1)	3.	-			-				-	-
X Access-SLC (End User)	(2)	4.	456,248	107,869		107,869				348,379	348,379
-Switched (TS+NTS)	(2)	5.	2,716,789	2,132,348		2,132,348	82,942			501,499	584,441
-Special	(2)	6.	181,428		156,336	156,336		25,092			25,092
X Toll -Message	(3a)	7.	-			-				-	-
-Private Line	(3b)	8.	-			-				-	-
-Settlement	(3c)	9.	-			-				-	-
X Misc. -Billing & Collection	(4)	10.	-			-				-	-
-Directory Advertising		11.	2,352			-				2,352	2,352
-Operating Rents		12.	-			-				-	-
-Other Misc.		13.	27,356			-				27,356	27,356
X Less: Uncollectible Rev. (-)		14.	302			-				302	302
al Revenues		15.	3,743,371	2,240,217	156,336	2,396,553	82,942	25,092	-	1,238,784	1,348,818
Operating Expenses											
X-64XX Plant Specific Oper.	(5a)	16.	1,721,564	756,425	234,116	990,541	321,566	47,371	14,664	347,422	731,023
X Plant Nonspecific Operations	(5a)	17.	108,853	53,301	9,459	62,760	20,809	1,644	1,103	22,537	46,093
X Depreciation & Amortization	(5a)	18.	678,289	314,132	72,272	386,404	143,094	9,147	8,750	130,894	291,885
X Customer Operations	(5a)	19.	158,577	56,046	-	56,046	49,781	-	-	52,750	102,531
X Corporate Operations	(5a)	20.	575,314	261,628	69,105	330,733	108,928	14,015	4,268	117,370	244,581
Other Operating	(5a)	21.	-	-	-	-	-	-	-	-	-
Total Expenses	(5a)	22.	3,242,597	1,441,532	384,952	1,826,484	644,178	72,177	28,785	670,973	1,416,113
Operating Taxes:											
0 General Taxes	(6)	23.	28,878	11,367	2,982	14,349	6,559	518	348	7,104	14,529
0 State/Local Inc. Tax (Current)		24.	19	9	2	11	4	-	-	4	8
0 Federal Income Tax (Current)		25.	293,986	130,219	35,022	165,241	58,923	6,453	2,673	60,696	128,745
0 Net Deferred Income Taxes		26.	-	-	-	-	-	-	-	-	-
0 Net Investment Tax Credits		27.	-	-	-	-	-	-	-	-	-
Total Taxes		28.	322,883	141,595	38,006	179,601	65,486	6,971	3,021	67,804	143,282
Net Operating Income		29.	177,891	657,090	(266,622)	390,468	(626,722)	(54,056)	(31,806)	500,007	(212,577)
MMARY (continued)											
Average Rate Base											
1 Telecom. Plant in Service	(5b)	1.	15,646,875	5,764,218	1,682,811	7,447,029	3,701,952	292,401	196,180	4,009,313	8,199,846
5 Plant Acquisition Adjustment		2.	-	-	-	-	-	-	-	-	-
0 Less: Accumulated Depr. (-)	(5c)	3.	(9,662,373)	(3,333,943)	(850,472)	(4,184,415)	(2,199,635)	(215,531)	(104,172)	(2,958,620)	(5,477,958)
x-36xx Accumulated Amort. (-)	(5)	4.	-	-	-	-	-	-	-	-	-
0-4340 Accum. Deferred Tax (-)		5.	(535,066)	(197,115)	(57,546)	(254,661)	(126,593)	(9,999)	(6,709)	(137,104)	(280,405)
0 Materials and Supplies		6.	94,622	28,603	7,870	36,273	26,776	990	1,541	29,042	58,349
Equal Access Equipment	(7)	7.	-	-	-	-	-	-	-	-	-
Other Rate Base		8.	860,039	330,599	95,337	425,936	195,894	17,092	9,934	211,183	434,103
Total Average Rate Base		9.	6,404,097	2,592,362	877,800	3,470,162	1,598,394	84,953	96,774	1,153,814	2,933,935

PLANT IN SERVICE DETAIL											
IX General Support Facilities		1.	1,879,960	692,566	202,188	894,754	444,787	35,132	23,571	481,716	985,206
IX Central Office Equipment:											
CAT 1-Operator Systems		2.	-	-	-	-	-	-	-	-	-
CAT 2-Tandem Switching (Alloc.)		3.	-	-	-	-	-	-	-	-	-
CAT 2-Tandem Switching (Assign.)		4.	-	-	-	-	-	-	-	-	-
CAT 3-Local Switching		5.	1,728,389	1,469,131	-	1,469,131	-	-	-	259,258	259,258
CAT 4.12 -Exch. Trunk (Joint Use)		6.	27,040	-	-	-	-	-	27,040	-	27,040
CAT 4.12 -Exch. Trunk (Ded. Use)		7.	860,713	-	725,011	725,011	-	135,702	-	-	135,702
CAT 4.13 -Subscr. Line (Joint Use)		8.	1,060,359	262,114	7,574	269,688	262,114	4,328	-	524,229	790,671
CAT 4.13 -Subscr. Line (Ded. Use)		9.	-	-	-	-	-	-	-	-	-
CAT 4.23 -IX Trunk (Joint Use)		10.	1,102,893	637,825	-	637,825	465,068	-	-	-	465,068
CAT 4.23 -IX Trunk Ckt. (Ded. Use)		11.	25,065	-	11,697	11,697	-	13,368	-	-	13,368
CAT 4.3 -Host/Remote Trunk Ckt.		12.	-	-	-	-	-	-	-	-	-
Other COE		13.	21,897	-	11,592	11,592	-	10,305	-	-	10,305
Total COE		14.	4,826,356	2,369,070	755,874	3,124,944	727,182	163,703	27,040	783,487	1,701,412
IX Information Orig./Term. Equipment:											
CAT 1-Regulated CPE		15.	-	-	-	-	-	-	-	-	-
Other IOT		16.	-	-	-	-	-	-	-	-	-
Total IOT		17.	-	-	-	-	-	-	-	-	-
IX Cable & Wire Facilities:											
CAT 1.3-Subscriber Line (Common)		18.	5,488,220	1,372,055	-	1,372,055	1,372,055	-	-	2,744,110	4,116,165
CAT 1.1,2-Subscriber Line (Ded.)		19.	62,302	-	39,847	39,647	-	22,655	-	-	22,655
CAT 2-Exch. Trunk (Joint Use)		20.	145,569	-	-	-	-	-	145,569	-	145,569
CAT 2-Exch. Trunk (Ded. Use)		21.	96,771	-	51,424	51,424	-	45,347	-	-	45,347
CAT 3-IX Trunk (Joint Use)		22.	3,110,420	1,330,527	616,740	1,947,267	1,157,928	5,225	-	-	1,163,153
CAT 3-IX Trunk (Ded. Use)		23.	37,277	-	16,938	16,938	-	20,339	-	-	20,339
CAT 4-Host/Remote Trunk		24.	-	-	-	-	-	-	-	-	-
Other C&WF		25.	-	-	-	-	-	-	-	-	-
Total C&WF		26.	8,940,559	2,702,582	724,749	3,427,331	2,529,983	93,566	145,569	2,744,110	5,513,228
IX Other Assets:											
Capital Leases		27.	-	-	-	-	-	-	-	-	-
Leasehold Improvements		28.	-	-	-	-	-	-	-	-	-
Intangibles		29.	-	-	-	-	-	-	-	-	-
Total Other Assets		30.	-	-	-	-	-	-	-	-	-
Total Telecom. Plant in Service	(5b)	31.	15,646,875	5,764,218	1,682,811	7,447,029	3,701,952	292,401	196,180	4,009,313	8,199,846

preciation & Amortization											
umulated Depreciation Detail											
X	General Support Facilities	1.	(1,358,351)	(500,409)	(146,090)	(646,499)	(321,377)	(25,384)	(17,031)	(348,060)	(711,852)
X	Central Office Switching	2.	(680,379)	(578,322)		(578,322)				(102,057)	(102,057)
X	Operator Systems	3.	-			-					-
X	Central Office Transmission	4.	(2,277,090)	(880,345)	(333,046)	(1,213,391)	(543,693)	(120,063)	(19,816)	(380,127)	(1,063,699)
X	Information Orig./Term. Equip.	5.	-			-					-
X	Cable & Wire Facilities	6.	(5,346,553)	(1,374,867)	(371,336)	(1,746,203)	(1,334,565)	(70,084)	(67,325)	(2,128,376)	(3,600,350)
	Total Accumulated Depreciation	(5c) 7.	(9,662,373)	(3,333,943)	(850,472)	(4,184,415)	(2,199,635)	(215,531)	(104,172)	(2,958,620)	(5,477,958)
umulated Amortization Detail											
0	Capital Leases	8.	-			-					-
0	Leasehold Improvements	9.	-			-					-
0	Intangibles	10.	-			-					-
0	Acquisition Adjustment	11.	-			-					-
	Total Accumulated Amortization	(5c) 12.	-	-	-	-	-	-	-	-	-
OPERATING EXPENSE DETAIL											
X-64XX Plant Specific Operations											
0-20	General Support Facilities	1.	122,499	45,128	13,175	58,303	28,982	2,289	1,536	31,389	64,196
X	Central Office Switching	2.	608,643	298,759	95,322	394,081	91,704	20,644	3,410	98,804	214,562
0	Operator Systems	3.	-			-					-
X	Central Office Transmission	4.	600,022	294,527	93,972	388,499	90,405	20,352	3,362	97,404	211,523
X	Information Orig./Term. Equip.	5.	-			-					-
X	Cable & Wire Facilities	6.	390,400	118,011	31,647	149,658	110,475	4,086	6,356	119,825	240,742
	Total Plant Specific	(5a) 7.	1,721,564	756,425	234,116	990,541	321,566	47,371	14,684	347,422	731,023
X Plant Nonspecific Operations											
2	Provisioning	8.	-			-					-
X	Network Operations	9.	87,954	32,402	9,459	41,861	20,809	1,644	1,103	22,537	46,093
0	Access Paid to LECs	(9) 10.	20,899	20,899		20,899					-
	Total Plant Nonspecific	(5a) 11.	108,853	53,301	9,459	62,760	20,809	1,644	1,103	22,537	46,093
X Depreciation & Amortization											
1	General Support Facilities	12.	92,961	34,246	9,998	44,244	21,994	1,737	1,166	23,820	48,717
1	Central Office Switching	13.	164,874	140,143		140,143				24,731	24,731
1	Operator Systems	14.	-			-					-
1	Central Office Transmission	15.	147,530	50,777	32,013	82,790	39,539	5,769	858	18,574	64,740
1	Information Orig./Term. Equip.	16.	-			-					-
1	Cable & Wire Facilities	17.	272,924	88,966	30,261	119,227	81,561	1,641	6,728	63,769	153,697
3	Capital Leases	18.	-			-					-
3	Leasehold Improvements	19.	-			-					-
4	Intangibles	20.	-			-					-
5	Acquisition Adjustment	21.	-			-					-
	Total Depreciation & Amortization	(5a) 22.	678,289	314,132	72,272	386,404	143,094	9,147	8,750	130,894	291,885

OPERATING EXPENSE (continued)											
Customer Operations											
X		1.	3,191			-			3,191	3,191	
X		2.	550			-	550		-	550	
X		3.	5,861	1,853		1,853	1,347		2,661	4,008	
X		4.	-			-				-	
X		5.	-			-				-	
3		6.	33,066	14,962		14,962	5,704		12,400	18,104	
3		7.	24,798	7,722		7,722	8,449		8,627	17,076	
3		8.	24,800	6,200		6,200	8,680		9,920	18,600	
3		9.	-			-				-	
3		10.	-			-				-	
3		11.	-			-				-	
3		12.	-			-				-	
3		13.	-			-				-	
3		14.	3,154	896		896	2,268			2,258	
3		15.	45,460	13,558		13,558	15,951		15,951	31,902	
3		16.	2,393	2,393		2,393				-	
3	(9)	17.	13,684	6,842		6,842	6,842			6,842	
3	(9)	18.	-			-				-	
3		19.	1,620	1,620		1,620				-	
	(5a)	20.	158,577	56,046	-	56,046	49,781	-	-	52,750	102,531
Corporate Operations:											
X		21.	155,891	67,552	19,461	87,013	30,676	3,947	1,202	33,053	68,878
X		22.	419,423	194,076	49,644	243,720	78,262	10,068	3,066	84,317	175,703
8		23.	-			-				-	-
	(5a)	24.	575,314	261,628	69,105	330,733	108,928	14,015	4,268	117,370	244,581
Other Operating Expenses:											
	(10)	25.	-			-				-	-
	(11)	26.	-			-				-	-
	(12)	27.	-			-				-	-
	(5a)	28.	-	-	-	-	-	-	-	-	-
	(5a)	29.	3,242,597	1,441,532	384,952	1,826,484	644,178	72,177	28,785	670,973	1,416,113

OPERATING TAXES DETAIL											
0 General Taxes											
0	Property	1.	27,724	10,213	2,982	13,195	6,559	518	348	7,104	14,529
0	Gross Receipts	2.	-	-	-	-	-	-	-	-	-
0	PUC Fee	3.	-	-	-	-	-	-	-	-	-
0	Franchise Fees	4.	-	-	-	-	-	-	-	-	-
0	Other	5.	1,154	1,154	-	1,154	-	-	-	-	-
	Total General Taxes	6.	28,878	11,367	2,982	14,349	6,559	518	348	7,104	14,529
0X Income Taxes (Calculated)											
	Net Income Before SIT & FIT	(13) 7.	471,896	787,318	(231,598)	555,720	(567,795)	(47,603)	(29,133)	560,707	(83,824)
	Less Fixed Charges (-)	8.	97,567	39,391	13,420	52,811	24,511	1,261	1,496	17,488	44,756
	Subtotal (lines 7-8)	(14) 9.	374,329	747,927	(245,018)	502,909	(592,306)	(48,864)	(30,629)	543,219	(128,580)
	Other SIT Base Add/Ded. (+-)	(15) 10.	-	-	-	-	-	-	-	-	-
	SIT Taxable Inc. (lines 9+-10)	11.	374,329	747,927	(245,018)	502,909	(592,306)	(48,864)	-	543,219	(128,580)
	7230 SIT-Current (at 8%)	(16) 12.	32,397	59,834	(19,601)	40,233	(47,384)	(3,909)	-	43,458	(7,836)
	Other FIT Base Add/Ded. (+-)	(17) 13.	-	-	-	-	-	-	-	-	-
	FIT Taxable Inc. (lines 9-12+-13)	14.	341,932	688,093	(225,417)	462,676	(544,922)	(44,955)	-	499,761	(90,115)
	Gross FIT	15.	126,671	233,952	(76,642)	157,310	(185,273)	(15,285)	-	169,919	(30,639)
	7210P Claimed ITC (-)	16.	-	-	-	-	-	-	-	-	-
	Surtax Elimination (-)	17.	-	-	-	-	-	-	-	-	-
	7220 FIT-Current (lines 15-16-17)	(18) 18.	126,671	233,952	(76,642)	157,310	(185,273)	(15,285)	-	169,919	(30,639)

0 FORM I INPUT MASTER'							
For The Year Ended: December 31,2010							
MPANY NAME: Midvale Telephone Company, Inc. Separated Results of Idaho Operations							
Description	Note No.	Line No.	Total Idaho	Intrastate		Operation	
			Subject To Separations	Interstate Toll	Intrastate Toll	EAS	Local (Other)
Separation Parameters							
nt	(19)						
ILU Minutes of Use (MOU)		1.	0				
ILU Factor		2.	1.000000	0.30629	0.23967		0.45404
ase SPF - January 1		3.	1.000000	0.25	0.25		0.5
ase SPF - December 31		4.	1.000000	0.25	0.25		0.5
urrent Composite SPF	(20)	5.	1.000000	0.25	0.25		0.5
996 Weighted DEM		6.	1.000000	0.85			0.15
996 Unweighted DEM		7.	0.319552	0.319552	0	0	0
urrent CAT 3 Dial Equipment Minutes	(21)	8.	0				
urrent Composite DEM Factor		9.	1.000000	0.85			0.15
Exchange Trunk - Joint Use MOU	(22)	10.	0				
ost/Remote MOU Kilometers	(23)	11.	0				
Equal Access MOU	(24)	12.	0				
Operator Standard Work Seconds	(25)	13.	0				
andem Switching MOU	(26)	14.	0				
X Conversation MOU		15.	0				
X Conversation Minute Kilometers		16.	0				
ier Parameters							
ccess Lines		17.	957				
Inseparated Loop Cost @ 11.1 ROR	(27)	18.	1,555,298				
ss Billed Revenues							
-Marketing Allocation Basis	(28a)	19.	0				
-Payment & Collection-End User	(28b)	20.	0				
-Payment & Collection-CXR	(28c)	21.	380,562	194,523	186,039		
vice Order Contacts							
-Service Order Proc.-End User	(29a)	22.	6,134				6,134
-Service Order Proc.-CXR	(29b)	23.	15	8	7		
ing Inquiry Contacts							
-Billing Inquiry-End User	(30a)	24.	12	12			
-Billing Inquiry-CXR	(30b)	25.	48	13	35		
iP+RC Toll Messages	(31)	26.	367,609	104,412	263,197		
AS/Local Messages (Msg. Proc.)		27.	0				
iG 3' Expense Factor-Message	(32)	28.	0.91	0.463614	0.228028	0.008565	0.212484
-PLS & Special Access		29.	0.09	0.070299	0.016989		
Operator Services Expense -- Factor		30.	0				
ccess Minutes of Use (End Office)		31.	10,554,195	6,496,070	4,058,125		



2205 Keithley Creek Road
P.O. Box 7
Midvale, ID 83645
208.355.2211
Fax 208.355.2222

Annual Notices
2011

General

MTE Communications (MTE) is a regulated local exchange carrier that provides telecommunication services in Idaho and Arizona. You may reach us at the telephone numbers listed above or at:

www.mtecom.net info@mtecom.net

MTE "Do Not Call" Policy

MTE does not call customers for sales or marketing purposes and thus does not maintain an internal "Do Not Call" listing. If we have new or additional services available, we will send you that information in the form of a bill stuffer and/or post the information on our website, www.mtecom.net. If you receive a call from someone claiming to be from MTE and they are asking you to buy or subscribe to something, you should be immediately suspicious. We may still contact you, however, for non-solicitation purposes. This would include things like surveys, billing and other service-related matters. For over a century, customers have counted on MTE to respect and protect the privacy of information we obtain in the normal course of providing service. While we are working hard to serve you in new and exciting ways, our commitment to protecting your privacy remains as strong as ever.

Limitations of Service

MTE provides dial-tone services to the customer premises, usually marked by a network interface device. Customers are responsible for all inside wiring and any telecommunication devices they choose to connect to our network. MTE is not responsible for any damage to same while connected to the network. If customer-owned wire or equipment is suspected of jeopardizing the integrity of the overall network, MTE will act to protect the network. All service orders and trouble reports will be responded to promptly, in the order they are received, and in accord with all state applicable rules and regulations. MTE cannot be responsible for any loss of business due to a service outage and cannot guarantee service at any specific time. Please see our tariff on file with your state utility commission for full disclosures and limitations.

Arizona Corporation Commission
1200 W Washington
Phoenix AZ 85007
www.cc.state.az.us

Idaho Public Utility Commission
472 W Washington 83702
PO Box 83720
Boise ID 83720-0074
www.puc.state.id.us

State Discount Programs

Each state, in which MTE offers service, has a telephone assistance program that is often paired with the Federal Lifeline program. Please contact your customer service representative at MTE, or visit your state's website to see if you qualify.

Idaho <http://www.puc.state.id.us/consumer/itsap.pdf>
Arizona Website not available. Contact MTE for more information.

Privacy Notice

With the exception of directory information, MTE does not sell or release any personal information about our customers to anyone. We hold all customer information in strictest confidence.

Credit Policy

Although rules vary by state, in most cases, new customers can establish credit simply by providing a copy of their last phone bill showing it was current. In lieu of that, customers may establish credit by paying a \$50 deposit, which is then credited back to your account six months later, provided your account is in good standing.

(Continued on back)

www.mtecom.net

Employee Owned, Community Focused, Customer Centered

Delinquent Payment Policy

All bills are due and payable by the 20th of the month they were issued. We do our best to notify customers (both by mail and by phone) when their service is in jeopardy; regardless, it is the customer's responsibility to ensure payment in full and on time. Please feel free to contact your customer service representative for help with managing your account.

National Do Not Call List

Registration of your telephone number on the National Do Not Call Registry is free-of-charge. Telephone numbers placed on the registry will remain on it permanently due to the Do-Not-Call Improvement Act of 2007, which became law in February 2008. You may remove your number from the list at any time. The Do Not Call Registry does not prevent all unwanted calls, such as the following:

- Calls from organizations with which you have established a business relationship;
- Calls for which you have given prior written permission;
- Calls which are not commercial or do not include unsolicited advertisements; or
- Calls by political organizations, charities or telephone surveyors

Subscribers may register their residential telephone number, *including wireless numbers*, on the national Do Not Call registry by calling (888) 382-1222 (TTY call (866)290-4236) or on the website: www.donotcall.gov. Subscribers must call from the number they wish to register. Telemarketers and sellers are required to search the registry at least once every month and drop from their call-list the phone numbers of subscribers who have registered.

How to File a Complaint: A complaint can be filed by completing the form provided on the website (www.donotcall.gov) or by calling (888) 225-5322 (TTY call (888) 835-5322). Your complaint should include:

- Name, address, and phone number where you can be reached during the business day;
- Phone number involved with the complaint; and
- As much specific information as possible, including the telemarketer or company contacting you, the date on which you placed your number on the Do-Not-Call registry or made a company-specific do-not-call request, and the dates of any subsequent telemarketing calls from that telemarketer or company.

Please do not hesitate to call if there is anything we can do or with questions you need answered.