

INL-T

# ***ANNUAL REPORT***

OF

INLAND TELEPHONE COMPANY

**NAME**

PO BOX 171, ROSLYN, WA 98941

**ADDRESS**

TO THE

**IDAHO PUBLIC**

**UTILITIES COMMISSION**

FOR THE

YEAR ENDED DECEMBER 31, 2004

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**ANNUAL REPORT OF SMALL TELEPHONE COMPANIES TO  
THE IDAHO PUBLIC UTILITIES COMMISSION  
FOR THE YEAR ENDING DECEMBER 31, 2003**

**COMPANY INFORMATION**

Exact name of utility: Inland Telephone Company  
 Address of principal office: 103 South Second Street, Roslyn, Washington 98941  
 Telephone Number (509) 649-2211  
 Cities or towns served: Colton, Dewatto, Prescott, Roslyn & Uniontown, Washington & Gifford & Lenore, Idaho

Name and title of officer having custody of the general corporate books of account: \_\_\_\_\_  
James K. Brooks, Controller  
 Address of office where corporate books are kept and phone number: same as principal office

Organized under the laws of the State of: Washington  
 Date of organization: 07/02/63  
 Form of organization (proprietorship, association, corporation): Corporation  
 If a Subchapter S Corporation, please specify: N/A  
 Name and address of controlling company, if any Western Elite Incorporated Services, P.O. Box 687,  
 Roslyn, Washington 98941

Names of affiliated companies. Give address and description of business: (1) Inland Cellular Telephone Co.,  
 P.O. Box 688, Roslyn, WA 98941-cellular telephone company, (2) R & R Cable Co., P.O. Box 610, Roslyn, WA  
 98941-cable television company, (3) Inland Long Distance Telephone Company, P.O. Box 904, Roslyn, WA  
 98941-long distance resale, (4) Newport Hills Land Co., Inc., P.O. Box 687, Roslyn, WA-land company,  
 (5) Easton Ridge Land Co., Inc., P.O. Box 687, Roslyn, WA-land company, (6) R & R Heights Land Co., Inc.,  
 P.O. Box 687, Roslyn, WA-land company, (7) Moses Lake Views Land Co., Inc., P.O. Box 687, Roslyn, WA-  
 land company, (8) Central Cascade Land Co., Inc. P.O. Box 687, Roslyn, WA 98941-land company

**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.

<b>Title</b>	<b>Name</b>	<b>Address</b>
President	Douglas W. Weis	P.O. Box 171, Roslyn, Washington 98941
Vice President	Nathan R. Weis	P.O. Box 171, Roslyn, Washington 98941
Controller	James K. Brooks	P.O. Box 171, Roslyn, Washington 98941
Treasurer	John P. Coonan	P.O. Box 171, Roslyn, Washington 98941
Secretary	Gregory A. Maras	P.O. Box 171, Roslyn, Washington 98941

**DIRECTORS**

List the name of each person who was a member of the Board of Directors at any given time during the year: (Fees related to meetings only.)

<b>Name and Address</b>	<b>Term Expired or Current Term Will Expire</b>	<b>Meetings Attended This year</b>	<b>Fees Paid During Year</b>
Douglas W. Weis	Continuous	1	None
Nathan R. Weis	Continuous	1	None
John P. Coonan	Continuous	1	None
Gregory A. Maras	Continuous	1	None

Name of Chairman of the Board:           N/A            
 Name of Secretary (or Clerk) of Board:           Gregory A. Maras            
 Number of Meetings of the Board during the year:           1          

**MANAGERS**

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

<b>Name</b>	<b>Title</b>	<b>Wages and Bonuses Paid</b>
Douglas W. Weis	President	\$149,996
Nathan R. Weis	Vice President	\$142,131
James K. Brooks	Controller	\$88,386
John P. Coonan	Treasurer	\$146,325
Gregory A. Maras	Secretary	\$144,912



**BALANCE SHEET**  
**Assets and Other Debits**

Title of Account	Balance Beginning of Year	Balance at End of Year	Increase or (Decrease)
<b>Current Assets</b>			
1120 Cash and Equivalents			
1130 Cash	290,309	438,123	147,814
1140 Special Cash Deposits			
1150 Working Cash Advances	1,400	1,800	400
1160 Temporary Investments	1,079,240	1,042,932	(36,308)
1180 Telecommunications Accts. Receivable	102,037	94,212	(7,825)
1181 Accts. Rec. Allow. -Telecommunications	(10,000)	(10,000)	0
1190 Other Accounts Receivable	6,423,238	6,293,509	(129,729)
1191 Accounts Receivable Allow. - Other			
1200 Notes Receivable			
1201 Notes Receivable Allowance			
1210 Interest & Dividends Receivable			
1220 Material and Supplies	208,495	230,158	21,663
1280 Prepayments	73,057	37,486	(35,571)
1290 Prepaid Rents			
1300 Prepaid Taxes			
1310 Prepaid Insurance	18,256	19,865	1,609
1320 Prepaid Directory Expenses			
1330 Other Prepayments			
1350 Other Current Assets			
<b>Noncurrent Assets</b>			
1401 Investment in Affiliated Companies			
1402 Investment in Nonaffiliated Companies	1,360,215	1,899,237	539,022
1406 Nonregulated Investments	160,624	151,672	(8,952)
1407 Unamortized Debt Issuance Expense	800	375	(425)
1408 Sinking Funds			
1410 Other Noncurrent Assets	90,416	95,185	4,769
1438 Deferred Maintenance & Retirements			
1439 Deferred Charges			
1500 Other Jurisdiction Assets - Net			
<b>Property, Plant and Equipment</b>			
2001 Telecommunications Plants in Service	15,492,951	16,899,751	1,406,800
2002 Prop. Held for Future Telecom. Use			
2003 Telecom. Plant under Constr. - Short Term	327,834	274,958	(52,876)
2004 Telecom. Plant under Constr. - Long Term			
2005 Telecom. Plant Adjustment			
2006 Nonoperating Plant			
2007 Goodwill			
<b>Depreciation and Amortization Accounts</b>			
3100 Accumulated Depreciated	9,503,944	10,759,784	1,255,840
3200 Accum. Depre. - Held for Future Use			
3300 Accumulated Depreciation - Nonoperating			
3400 Accumulated Amortization - Tangible			
3410 Accum. Amort. - Capitalized Leases			
3420 Accum. Amort. - Leasehold Improvements			
3500 Accumulated Amortization - Intangible	3	50	47
3600 Accumulated Amortization - Other			
<b>TOTAL ASSETS</b>	<b>16,114,925</b>	<b>16,709,429</b>	<b>594,504</b>

**BALANCE SHEET**  
**Liabilities & Stockholders' Equity**

Title of Account	Balance Beginning of Year	Balance at End of Year	Increase or (Decrease)
<b>Current Liabilities</b>			
4010 Accounts Payable	242,548	149,543	(93,005)
4020 Notes Payable			
4030 Advance Billings and Payments			
4040 Customer Deposits	7,595	5,786	(1,809)
4050 Current Maturities - Long -Term Debt	261,673	272,878	11,205
4060 Current Maturities - Capital leases			
4070 Income Taxes - Accrued	101,460	167,780	66,320
4080 Other Taxes - Accrued	112,907	119,089	6,182
4100 Net Current Defer. Oper. Income Taxes			
4110 Net Current Defer. Nonoper. Income Taxes			
4120 Other Accrued Liabilities	405,701	582,622	176,921
4130 Other Current Liabilities	67,051	32,320	(34,731)
<b>Long-Term Debt</b>			
4210 Funded Debt	3,378,789	3,105,786	(273,003)
4220 Premium on Long-Term Debt			
4230 Discount on Long-Term Debt			
4240 Reacquired Debt			
4250 Obligations Under Capital Leases			
4260 Advances from Affiliated Companies			
4270 Other Long-Term Debt			
<b>Other Liabilities &amp; Deferred Credits</b>			
4310 Other Long-Term Liabilities			
4320 Unamort. Oper. Invest. Tax Credits - Net	17,201	11,428	(5,773)
4330 Unamort. Nonoper. Invest. Tax Credits - Net			
4340 Net Noncurrent Defer. Oper. Income Taxes	512,092	581,814	69,722
4350 Net Noncur. Defer. Nonoper. Income Taxes	81,958	177,274	95,316
4360 Other Deferred Credits			
4370 Other Juris. Liab. & Def. Credits - Net			
<b>Stockholders' Equity</b>			
4510 Capital Stock	93,150	93,150	0
4520 Additional Paid-In Capital	7,175	7,175	0
4530 Treasury Stock			
4540 Other Capital			
4550 Retained Earnings	10,825,625	11,402,784	577,159
<b>TOTAL LIAB. &amp; OTHER CREDITS</b>	<b>16,114,925</b>	<b>16,709,429</b>	<b>594,504</b>

**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	99,994				99,994
2112 Motor Vehicles	1,153,198	99,238	3,532		1,248,904
2113 Aircraft	0				0
2114 Special Purpose Vehicles	0				0
2115 Garage Work Equipment	21,925				21,925
2116 Other Work Equipment	597,743	23,399	46,776		574,366
2121 Buildings	1,766,625	1,860			1,768,485
2122 Furniture	121,015	6,635			127,650
2123 Office Equipment	211,748	5,812			217,560
2124 General Purpose Computers	664,106	60,778			724,884
2211 Analog Electronic Switching	0				0
2212 Digital Electronic Switching	2,099,720	737,780			2,837,500
2215 Electro-Mechanical Switching	0				0
2220 Operator Systems	0				0
2231 Radio Systems	36,842				36,842
2232 Circuit Equipment	1,558,619	129,896			1,688,515
2311 Station Apparatus	0				0
2321 Customer Premises Wiring	0				0
2341 Large Private Branch Exchanges	0				0
2351 Public Telephone Terminal Equipment	0				0
2362 Other Terminal Equipment	0				0
2411 Poles	24,807				24,807
2421 Aerial Cable	198,229				198,229
2422 Underground Cable	0				0
2423 Buried Cable	6,923,077	391,710			7,314,787
2424 Submarine Cable	0				0
2426 Intra-building Network Cable	0				0
2431 Aerial Wire	6,695				6,695
2441 Conduit Systems	0				0
2681 Capital Leases	0				0
2682 Leasehold Improvements	0				0
2690 Intangibles	8,608				8,608
<b>TOTAL PLANT ACCOUNTS</b>	<b>15,492,951</b>	<b>1,457,108</b>	<b>50,308</b>	<b>0</b>	<b>16,899,751</b>

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

	Balance Beginning of Year	Additions During Year	Plant Retired or Sold	Transfers and Adjustments	Balance End of Year
<b>Analysis of Telecommunications Plant in Service</b>					
2111 Land	19,818			287 *	20,105
2112 Motor Vehicles	0				0
2113 Aircraft	0				0
2114 Special Purpose Vehicles	0			70 *	1,768
2115 Garage Work Equipment	1,698				13,119
2116 Other Work Equipment	13,119				399,066
2121 Buildings	387,086			11,980 *	18,932
2122 Furniture	17,347			1,585 *	43,841
2123 Office Equipment	41,291			2,550 *	96,665
2124 General Purpose Computers	85,519			11,146 *	0
2211 Analog Electronic Switching	0			1,047 *	319,889
2212 Digital Electronic Switching	318,842				0
2215 Electro-Mechanical Switching	0				0
2220 Operator Systems	0			77	1,676
2231 Radio Systems	1,599				297,863
2232 Circuit Equipment	408,897			(111,034) *	0
2311 Station Apparatus	0				0
2321 Customer Premises Wiring	0				0
2341 Large Private Branch Exchanges	0				0
2351 Public Telephone Terminal Equipment	0				0
2362 Other Terminal Equipment	0				0
2411 Poles	1,577				1,577
2421 Aerial Cable	29,530				29,530
2422 Underground Cable	0				0
2423 Buried Cable	1,557,688	48,597		(1) *	1,606,284
2424 Submarine Cable	0				0
2426 Intra-building Network Cable	0				0
2431 Aerial Wire	4,821				4,821
2441 Conduit Systems	0				0
2681 Capital Leases	0				0
2682 Leasehold Improvements	0				0
2690 Intangibles	4,764				4,764
<b>TOTAL PLANT ACCOUNTS</b>	<b>2,893,596</b>	<b>48,597</b>	<b>0</b>	<b>(82,293) *</b>	<b>2,859,900</b>

\*Represents adjustments to the allocation of Washington plant to Idaho based upon jurisdictional procedures.



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

**TOTAL Company Basis**

**Analysis of Entries in Accumulated Depreciation**

	Balance Beginning of Year	Depreciation Rate*	Credits During Year	Retirements and Adjustments	Balance End of Year
2112 Motor Vehicles	946,320	16.00/12.50	188,891	143	1,135,354
2113 Aircraft	0				0
2114 Special Purpose Vehicles	0				0
2115 Garage Work Equipment	21,864	12.5	61		21,925
2116 Other Work Equipment	518,663	16.00/12.50	41,435	(34,196)	525,902
2121 Buildings	694,523	4.00/2.50	68,967		763,490
2122 Furniture	96,306	15.00/6.00	16,830		113,136
2123 Office Equipment	211,361	20.00/5.00 & 6.00	5,831		217,192
2124 General Purpose Computers	663,028	25.00/12.50	61,413		724,441
2211 Analog Electronic Switching	0				0
2212 Digital Electronic Switching	1,272,893	9.00/27.37	374,231		1,647,124
2215 Electro-Mechanical Switching	0				0
2220 Operator Systems	0				0
2231 Radio Systems	29,606		4,123		33,729
2232 Circuit Equipment	943,417	11.19/27.37	148,289		1,091,706
2311 Station Apparatus	0				0
2321 Customer Premises Wiring	0				0
2341 Large Private Branch Exchanges	0				0
2351 Public Telephone Terminal Equipment	0				0
2362 Other Terminal Equipment	0				0
2411 Poles	24,048	7.59/5.00	79		24,127
2421 Aerial Cable	173,077	20.40/4.00	1,181		174,258
2422 Underground Cable	0				0
2423 Buried Cable	3,902,142	5.00&6.00/4.00&6.00	378,562		4,280,704
2424 Submarine Cable	0				0
2426 Intra-building Network Cable	0				0
2431 Aerial Wire	6,696	42.06/8.00			6,696
2441 Conduit Systems	0				0
<b>TOTAL</b>	<b>9,503,944</b>		<b>1,289,893</b>	<b>(34,053)</b>	<b>10,759,784</b>

\*Please list individual depreciation rate for each account.

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

**IDAHO Operations Only**

	Balance Beginning of Year	Depreciation Rate*	Credits During Year	Retirements and Adjustments	Balance End of Year
<b>Analysis of Entries in Accumulated Depreciation</b>					
2112 Motor Vehicles	0				0
2113 Aircraft	0				0
2114 Special Purpose Vehicles	0				0
2115 Garage Work Equipment	1,698	12.50		70 **	1,768
2116 Other Work Equipment	8,321	12.50	1,640		9,961
2121 Buildings	149,474	2.50	2,852	15,861 **	168,187
2122 Furniture	14,415	6.00		2,689 **	17,104
2123 Office Equipment	41,245	5.00/6.00		2,517 **	43,762
2124 General Purpose Computers	85,391	12.50		11,220 **	96,611
2211 Analog Electronic Switching	0				0
2212 Digital Electronic Switching	305,016	27.37		6,646 **	311,662
2215 Electro-Mechanical Switching	0				0
2220 Operator Systems	0				0
2231 Radio Systems	1,285			249	1,534
2232 Circuit Equipment	308,468	27.37		(26,062) **	282,406
2311 Station Apparatus	0				0
2321 Customer Premises Wiring	0				0
2341 Large Private Branch Exchanges	0				0
2351 Public Telephone Terminal Equipment	0				0
2362 Other Terminal Equipment	0				0
2411 Poles	818	5.00	79		897
2421 Aerial Cable	4,378	4.00	1,181		5,559
2422 Underground Cable	0				0
2423 Buried Cable	834,214	4.00/6.00	62,074	834 **	897,122
2424 Submarine Cable	0				0
2426 Intrabuilding Network Cable	0				0
2431 Aerial Wire	4,821	8.00			4,821
2441 Conduit Systems	0				0
<b>TOTAL</b>	<b>1,759,544</b>		<b>67,826</b>	<b>14,024 **</b>	<b>1,841,394</b>

\* Please list individual depreciation rate for each account.

\*\*Represents adjustments to the allocation of Washington plant to Idaho based upon jurisdictional separation procedures.

## 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>
1402-Partnership Investment	Various		798,454
1402-RTB Class B Stock	Various		52,874
1402-RTB Class C Stock	1974		1,000
1402-Illuminet	1981		1,046,909
1406-Paging Equip./CPE/ Mobile CPE	Various		151,672
<b>Totals</b>			<b>2,050,909</b>

## RECEIVABLES

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

<u>Name of Company</u>	<u>Amount at End of Year</u>	
	<u>Notes Receivable</u>	<u>Accounts Receivable</u>
1180-Due From Customers		94,212
1190-Other A/R-Interexchange Carriers & Exchange Carrier Association		195,888
1190-Other A/R-Western Elite Inc. Services		6,097,621
<b>Totals</b>		<b>6,387,721</b>

**NOTES PAYABLE**

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

<u>Name of Creditor</u>	<u>Date of Note</u>	<u>Interest Rate</u>	<u>Due Date</u>	<u>Face Amount</u>
None				
<b>Totals</b>				

**ACCOUNTS PAYABLE**

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

<u>Name of Creditor</u>	<u>Amount</u>
Trade Payables	149,543
<b>Totals</b>	<b>149,543</b>

**LONG - TERM DEBT**

**Accounts 4210, 4240, 4250, 4260, 4270 and 4310**

List the required data for each obligation included in these accounts, grouping them by account number and showing totals for each account. If any obligations mature serially or otherwise at various dates, give particulars in a note.

<u>Class &amp; Series of Obligation</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Fact Amount Authorized</u>	<u>Outstanding Year-End</u>	<u>Premium/ Discount Year Amortized</u>	<u>Interest for year Rate</u>	<u>Amount</u>
RUS 2030	Oct. 1969	Oct. 2004	84,000	0		2%	26
RUS 2040	Jun. 1971	Jun. 2006	53,000	2,489		2%	70
RUS 2050	Jun. 1971	Jun. 2006	129,000	8,244		2%	219
RUS 12060	May 1976	May 2011	578,000	149,514		2%	3,213
RUS 12070	May 1983	May 2018	1,129,000	579,439		2%	11,965
RUS 12140	Oct. 1979	Oct. 2014	581,000	326,557		5%	16,817
RUS 12150	Apr. 1995	Apr. 2014	947,000	648,212		7%	47,891
RUS 12151	Apr. 1995	Apr. 2014	270,000	184,374		6.91%	13,217
RUS 12152	Apr. 1995	Apr. 2014	329,000	223,079		6.26%	14,506
RTB S010	Oct. 1979	Oct. 2014	345,450	205,294		8%	16,941
RTB S020	Dec. 1986	Apr. 2011	439,950	294,863		8%	24,319
RTB S023	Dec. 1986	Dec. 2011	324,952	234,036		5.54%	13,489
RUS 12153	Apr. 1995	Apr. 2014	451,478	313,321		4.86%	15,864
RUS 12154	Apr. 1995	Apr. 2014	289,522	209,242		5.71%	12,426
			<u>5,951,352</u>	<u>3,378,664</u>			<u>190,963</u>

**CAPITAL STOCK**

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

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

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

<u>Class &amp; Series of Stock</u>	<u>Number of Shares Authorized</u>	<u>Par Value per Share</u>	<u>Outstanding per Balance Sheet</u>	
			<u>Shares</u>	<u>Amount</u>
Common Stock	10,000	10	9,315	93,150

## INCOME & RETAINED EARNINGS STATEMENT

Item	Total Company	Idaho Only
Total Operating Income (from page 15)	5,590,590	747,147
Total Operating Expenses (from page 17)	4,387,199	617,442
7100 Other Operating Income and Expense		
7210 Operating Investment Tax Credits-Net	(5,773)	(1,289)
7220 Operating Federal Income Taxes	673,684	70,015
7230 Operating State and Local Income Taxes	73,618	73,618
7240 Operating Other Taxes	69,336	(69,362)
7250 Provision for Deferred Operating Income Taxes-Net	69,722	11,371
7200 <b>Operating Taxes (Total)</b>	<b>880,587</b>	<b>84,353</b>
7310 Dividend Income	331	41
7320 Interest Income	38,689	4,770
7330 Income from Sinking and Other Funds		
7340 Allowance for Funds Used During Construction	(24,903)	(4,510)
7350 Gains/Losses from the Disposition of Certain Property		
7360 Other Nonoperating Income	161,685	144,005
7370 Special Charges	(82,030)	(5,259)
7300 <b>Nonoperating Income and Expense</b>	<b>93,772</b>	<b>139,047</b>
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	(87,952)	0
7400 <b>Nonoperating Taxes</b>	<b>(87,952)</b>	<b>0</b>
7510 Interest on Funded Debt	190,963	34,581
7520 Interest Expense-Capital Leases		
7530 Amortization of Debt Issuance Expense	425	77
7540 Other Interest Deductions	156	28
7500 <b>Interest and Related Items</b>	<b>191,544</b>	<b>34,686</b>
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 <b>Extraordinary Items</b>	<b>0</b>	<b>0</b>
7910 Income Effect of Jurisdictional Ratemaking Differences-Net		
7990 Nonregulated Net Income	(91,579)	(622)
<b>AMOUNT TRANSFERRED TO RETAINED EARNINGS</b>	<b>221,405</b>	<b>149,091</b>

**OPERATING REVENUES**

Item	Total Company	Idaho Only
<b>Local Network Services Revenues</b>		
5001 Basic Area Revenue	698,266	100,466
5002 Optional Extended Area Revenue		
5003 Cellular Mobile Revenue		
5004 Other Mobile Services Revenue		
5010 Public Telephone Revenue		
5040 Local Private Line Revenue	317	
5050 Customer Premises Revenue		
5060 Other Local Exchange Revenue	84,937	9,084
5069 Other Local Exchange Settlements		
<b>Network Access Services Revenues</b>		
5081 End User Revenue (SLC)	252,124	28,955
5082 Switched Access Revenue (Interstate)	3,060,904	522,737
5083 Special Access Revenue	(100,863)	5,520
5084 State Access Revenue (Intrastate)	1,540,767	78,236
<b>Long Distance Network Services Revenues</b>		
5100 Long Distance Message Revenue - All	6,969	325
<b>Miscellaneous Revenues</b>		
5230 Directory Revenue	11,911	1,402
5240 Rent Revenue	12,000	
5250 Corporate Operations Revenue		
5261 Special Billing Arrangements Revenue		
5262 Customer Operations Revenue	33,516	
5263 Plant Operations Revenue		
5264 Other Incidental Regulated Revenue	170	30
5269 Other Revenue Settlements		
5270 Carrier Billing & Collection Revenue	7,103	1,306
<b>Uncollectible Revenues</b>		
5301 Uncollectible Revenue - Telecommunications	17,531	914
5302 Uncollectible Revenue - Other		
<b>TOTAL OPERATING REVENUES</b>	<b>5,590,590</b>	<b>747,147</b>

Please identify the following revenues:

NECA USF \$504,227 To what account were they booked?  
A/C 5082.13-Interstate Switched Access Revenue-USF (Idaho only)

State USF \$43,161 To what account were they booked?  
A/C 5084.12-Intrastate Switched Access Revenue-USF (Idaho only)



**OPERATING REVENUES**

Item	Total Company	Idaho Only
<b>Plant Specific Operations Expense</b>		
6110 Network Support Expenses		
6112 Motor Vehicle Expense	67,600	8,320
6113 Aircraft Expense		
6114 Special Purpose Vehicles Expense		
6115 Garage Work Equipment Expense	58,074	7,147
6116 Other Work Equipment Expense	0	0
6120 General Support Expenses		
6121 Land and Building Expenses	280,557	34,528
6122 Furniture and Artworks Expense	1,937	238
6123 Office Equipment Expense	5,420	667
6124 General Purpose Computers Expense	121,201	14,916
6210 Central Office Switching Expenses	286,226	47,934
6211 Analog Electronic Expense		
6212 Digital Electronic Expense		
6215 Electro-Mechanical Expense		
6220 Operators System Expense		
6230 Central Office Transmission Expenses	89,418	14,975
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	1,332	293
6421 Aerial Cable Expense	45,113	9,932
6422 Underground Cable Expense		
6423 Buried Cable Expense	298,696	65,761
6424 Submarine Cable Expense		
6425 Deep Sea Cable Expense		
6426 Intrabuilding Network Cable Expense		
6431 Aerial Wire Expense	322	71
6441 Conduit Systems Expense		
<b>TOTAL PLANT SPECIFIC OPERATIONS EXPENSE</b>	<b>1,255,896</b>	<b>204,782</b>

## OPERATING REVENUES

Item	Total Company	Idaho Only
<b>Plant Nonspecific Operations Expense</b>		
6510 Other Property/Plant/Equipment Expenses		
6511 Property Held for Future Telecomm. Use Expenses		
6512 Provisioning Expense	1,693	341
6530 Network Operations Expense		
6531 Power Expense	34,818	7,023
6532 Network Administration Expense	13,434	2,710
6533 Testing Expense	28,451	5,739
6534 Plant Operations Administration Expense	107,302	21,644
6535 Engineering Expense	46,164	9,312
6540 Access Expense	22,263	4,491
6560 Depreciation and Amortization Expenses		
6561 Depreciation Expense-Telecom. Plant in Service	1,289,895	108,242
6562 Depreciation Expense-Property Held for Future Use		
6563 Amortization Expense - Tangible	45	
6564 Amortization Expense - Intangible		
6565 Amortization Expense - Other		
<b>Total Plant Nonspecific Operations Expenses</b>	<b>1,544,065</b>	<b>159,502</b>
<b>Customer Operations Expense</b>		
6610 Marketing	3,929	484
6611 Product Management		
6612 Sales		
6613 Product Advertising		
6620 Services		
6621 Call Completion Services		
6622 Number Services	20,449	2,521
6623 Customer Services	407,572	50,254
<b>Total Customer Operations Expense</b>	<b>431,950</b>	<b>53,259</b>
<b>Corporate Operations Expense</b>		
6710 Executive and Planning	227,032	39,283
6711 Executive		
6712 Planning		
6720 General and Administrative		
6721 Accounting and Finance	493,578	85,404
6722 External Relations	38,071	6,587
6723 Human Resources	61,275	10,602
6724 Information Management		
6725 Legal	44,748	7,743
6726 Procurement		
6727 Research and Development		
6728 Other General and Administrative	290,584	50,280
6790 Provision for Uncollectible Notes Receivable		
<b>Total Corporate Operations Expense</b>	<b>1,155,288</b>	<b>199,899</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>4,387,199</b>	<b>617,442</b>

**CENTRAL OFFICE DATA**  
as of December 31, 2004 (unless otherwise indicated)

Name of Central Office: Leon, Idaho (shares Uniontown, Washington switch)  
Prefix (es): (208)224

Central Office Switch Type: Mitel GX5000

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

**Access Line Capacity**  
Design: 10,000  
Installed/Equipped: 764

**Access Lines in Use**  
Customer Lines: 33  
(Include Centrex, PAL, Semi-Pub.)  
Public Telephone Lines 0  
Company Official Lines 1  
Company Test Lines 1

**Classification of Customer Access**

	Residence			Business			Total Residence & Business
	Multi-Line 1-Party	Single Line 1-Party	Multi-Party	Multi-Line 1-Party	Centrex N.A.R.	Multi-Party	
Beginning of Year	0	30	0	0	0	2	32
New Connects	0	3	0	0	1	0	4
Disconnects	0	3	0	0	0	0	3
End of Year	0	30	0	0	1	2	33

**Foreign Exchange:**  
Dial Tone from this C.O.: 0  
Dial Tone from another C.O.: 0

**Directory Listings:**  
Number of Customers with Nonpublished or Nonlisted: 1

**Custom Calling:**  
Number of customers with at least one feature: 10  
Total number of features subscribed to: 5

**CENTRAL OFFICE DATA**  
as of December 31, 2003 (unless otherwise indicated)

Name of Central Office: Lenore, Idaho  
Prefix (es): (208)836

Central Office Switch Type: Mitel GX5000

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

**Access Line Capacity**  
Design: 10,000

**Access Lines in Use**  
Customer Lines: 339  
(Include Centrex, PAL, Semi-Pub.)  
Public Telephone Lines 0  
Company Official Lines 28  
Company Test Lines 0

Installed/Equipped: 375

**Classification of Customer Access**

	Residence			Business			Total Residence & Business		
	Multi-Line 1-Party	Single Line Multi-Party	Subtotal Residence	Centrex N.A.R.	Multi-Line 1-Party	Single Line Multi-Party		Subtotal Business	
Beginning of Year	0	302	0	302	0	14	8	0	22
New Connects	0	46	0	46	0	1	0	0	1
Disconnects	0	32	0	32	0	0	0	0	0
End of Year	0	316	0	316	0	15	8	0	23

**Foreign Exchange:**

Dial Tone from this C.O.: 0  
Dial Tone from another C.O.: 0

**Directory Listings:**

Number of Customers with Nonpublished or Nonlisted: 25

**Custom Calling:**

Number of customers with at least one feature: 118  
Total number of features subscribed to: 12

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 Leon, Idaho	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2 Lenore, Idaho	N/A	N/A	N/A	N/A	N/A	N/A	N/A
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							

ANNUAL REPORT FOR SMALL TELEPHONE COMPANIES  
YEAR ENDED DECEMBER 31, 2003

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 <u> X </u>
Included in directory	Yes <u> X </u>	No _____
Date of notification	<u>December, 2003 through December, 2004</u>	
Alternate method of notification	<u>None</u>	

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Rule IDAPA 31.41.01.403.02

Record of Complaints:

Number received by Company  43

Category of complaints (if known):

Deposit Disputes  0

Charges on Bill  1

Denial/Termination  0

Quality or Availability  
of Service  35

Carrier Selection/Assignment  0

Miscellaneous  7

Rev 3/02

CERTIFICATE

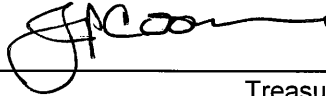
State of Washington )  
 ) ss  
County of Kittitas )

WE, the undersigned John P. Coonan, Treasurer

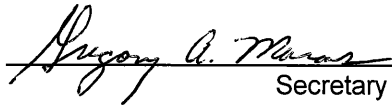
and Gregory A. Maras, Secretary

of the Inland 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.

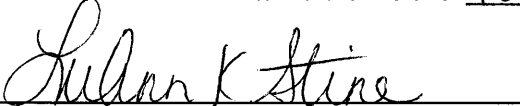


Treasurer  
John P. Coonan



Secretary  
Gregory A. Maras

Subscribed and Sworn to Before Me this 15<sup>th</sup> day of April, 2004



Notary Public  
LuAnn K. Stine



My Commission expires 08/01/07

Rev 3/02

gdk/excel/jnelson/anulrpts/telannualrpt

FORM I INPUT MASTER

COMPANY NAME: Inland Telephone Co.

For The Year Ended: December 31, 2004

Seperated Results of Idaho Operations

FCC Account and Description	Note No.	Line No.	Total Idaho Operations Subject To Separations	Interstate Operation			Intrastate Operation			Total
				MTS & WATS Switched Access	TOLL PLS Special Access	Total	MTS & WATS Switched Access	TOLL PLS Special Access	Local (other)	
<b>SUMMARY</b>										
<b>Operating Revenues</b>										
50XX Local -Billed	(1)	1.	109,550							109,550
-EAS Billed	(1)	2.	0							0
-EAS Settlement	(1)	3.	0							0
508X Access-SLC (End User)	(2)	4.	28,955	28,955						0
-Switched (TS+NTS)	(2)	5.	600,973	522,737			78,236			78,236
-Special	(2)	6.	5,520	5,520						0
51XX Toll -Message	(3a)	7.	0							0
-Private Line	(3b)	8.	0							0
-Settlement	(3c)	9.	325				325			325
52XX Misc.-Billing & Collection	(4)	10.	1,306	-2,421			3,727			3,727
-Directory Advertising		11.	0							0
-Operating Rents		12.	0							0
-Other Misc.		13.	1,432						1,432	1,432
530X Less: Uncollectible Rev. (-)		14.	-1,425							-874
<b>Total Revenues</b>		15.	<b>746,636</b>	<b>548,720</b>	<b>5,520</b>	<b>81,964</b>	<b>0</b>	<b>110,431</b>	<b>192,395</b>	
<b>Operating Expenses</b>										
61XX-64XX Plant Specific Oper.	(5a)	16.	179,417	64,245	403			913		77,147
65XX Plant Nonspecific Operations	(5a)	17.	42,037	14,143	97			222		18,650
66XX Depreciation & Amortization	(5a)	18.	93,724	29,967	217			502		42,593
66XX Customer Operations	(5a)	19.	52,127	20,192	0			8		15,198
67XX Corporate Operations	(5a)	20.	184,663	74,727	296			678		68,766
Other Operating	(5a)	21.	4,036	4,036	0			0		0
<b>Total Expenses</b>	(5a)	22.	<b>556,004</b>	<b>207,310</b>	<b>1,013</b>	<b>123,004</b>	<b>2,323</b>	<b>222,354</b>	<b>347,681</b>	
<b>Operating Taxes:</b>	(6)									
7240 General Taxes		23.	15,745	5,203	35			80		6,736
7230 State/Local Inc. Tax (Current)		24.	13,718	22,766	301			-146		-9,349
7220 Federal Income Tax (Current)		25.	100,122	113,175	3			-715		-545
7250 Net Deferred Income Taxes		26.	-8,595	-2,892	-20			-45		-3,813
7210 Net Investment Tax Credits		27.	-1,226	-412	-3			-6		-545
<b>Total Taxes</b>		28.	<b>119,764</b>	<b>137,840</b>	<b>316</b>	<b>-12,623</b>	<b>-832</b>	<b>-4,937</b>	<b>-18,392</b>	
<b>Net Operating Income</b>		29.	<b>70,868</b>	<b>203,570</b>	<b>4,192</b>	<b>-28,417</b>	<b>-1,491</b>	<b>-106,986</b>	<b>-136,894</b>	



**FORM I INPUT MASTER**

**COMPANY NAME:** Inland Telephone Co. **For The Year Ended:** December 31, 2004 **Seperated Results of Idaho Operations**

FCC Account and Description	Note No.	Line No.	Total Idaho Operations Subject To Separations	Interstate Operation			Intrastate Operation			Total	
				MTS & WATS Switched Access	TOLL PLS Special Access	TOLL PLS	MTS & WATS Switched Access	TOLL PLS Special Access	TOLL PLS		
<b>PLANT IN SERVICE DETAIL</b>											
<b>21XX General Support Facilities</b>											
<b>22XX Central Office Equipment:</b>											
CAT 1-Operator Systems			443,962	149,370	1,024	150,394	94,259	2,339	0	196,970	293,568
CAT 2-Tandem Switching (Alloc.)			0			0					0
CAT 2-Tandem Switching (Assign.)			0			0					0
CAT 3-Local Switching			275,032	223,560		223,560	10,819			40,653	51,472
CAT 4.12 -Exch. Trunk (Joint Use)			0			0					0
CAT 4.12 -Exch. Trunk (Ded. Use)			23,762			0				23,762	23,762
CAT 4.13 -Subscr. Line (Joint Use)			279,251	69,643		69,643	69,643	679		139,286	209,608
CAT 4.13 -Subscr. Line (Ded. Use)			0			0					0
CAT 4.23 -IX Trunk (Joint Use)			37,879	24,038	1,098	25,136	11,096	1,647		0	12,743
CAT 4.23 -IX Trunk Ckt. (Ded. Use)			0			0					0
CAT 4.3 -Host/Remote Trunk Ckt.			0			0					0
Other COE			0			0					0
<b>Total COE</b>			<b>615,924</b>	<b>317,241</b>	<b>1,098</b>	<b>318,339</b>	<b>91,558</b>	<b>2,326</b>	<b>0</b>	<b>203,701</b>	<b>297,585</b>
<b>23XX Information Orig./Term. Equipment:</b>											
CAT 1-Regulated CPE			0			0					0
Other IOT			0			0					0
<b>Total IOT</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>24XX Cable &amp; Wire Facilities:</b>											
CAT 1.3-Subscriber Line (Common)			1,354,146	337,713		337,713	337,713	3,295		675,425	1,016,433
CAT 1.1,2-Subscriber Line (Ded.)			0			0					0
CAT 2-Exch. Trunk (Joint Use)			95,937			0				95,937	95,937
CAT 2-Exch. Trunk (Ded. Use)			131,738	84,473	3,971	88,444	37,338	5,956		0	43,294
CAT 3-IX Trunk (Joint Use)			0			0					0
CAT 3-IX Trunk (Ded. Use)			0			0					0
CAT 4-Host/Remote Trunk			0			0					0
Other C&WF			0			0					0
<b>Total C&amp;WF</b>			<b>1,581,821</b>	<b>422,186</b>	<b>3,971</b>	<b>426,157</b>	<b>375,051</b>	<b>9,251</b>	<b>0</b>	<b>771,362</b>	<b>1,155,664</b>
<b>26XX Other Assets:</b>											
Capital Leases			0			0					0
Leasehold Improvements			0			0					0
Intangibles			4,764	1,603	11	1,614	1,011	25		2,114	3,150
<b>Total Other Assets</b>			<b>4,764</b>	<b>1,603</b>	<b>11</b>	<b>1,614</b>	<b>1,011</b>	<b>25</b>	<b>0</b>	<b>2,114</b>	<b>3,150</b>
<b>Total Telecom. Plant in Service</b>			<b>2,646,471</b>	<b>890,400</b>	<b>6,104</b>	<b>896,504</b>	<b>561,879</b>	<b>13,941</b>	<b>0</b>	<b>1,174,147</b>	<b>1,749,967</b>

FORM I INPUT MASTER

COMPANY NAME: Inland Telephone Co.

For The Year Ended: December 31, 2004

Seperated Results of Idaho Operations

FCC Account and Description	Note No.	Line No.	Total Idaho Operations Subject To Separations	Interstate Operation			Intrastate Operation			Total
				MTS & WATS Switched Access	TOLL PLS Special Access	TOLL PLS	MTS & WATS Switched Access	TOLL PLS Special Access	EAS	
<b>Depreciation &amp; Amortization</b>										
<b>Accumulated Depreciation Detail</b>										
311X General Support Facilities		1.	-230,222	-77,458	-531	-77,989	-48,879	-1,213	-102,141	-152,233
312X Central Office Switching		2.	-288,645	-234,625		-234,625	-11,355		-42,665	-54,020
312X Operator Systems		3.	0			0				0
312X Central Office Transmission		4.	-299,363	-82,269	-964	-83,233	-70,903	-2,043	-143,184	-216,130
313X Information Orig./Term. Equip.		5.	0			0				0
314X Cable & Wire Facilities		6.	-878,115	-234,368	-2,204	-236,572	-208,202	-5,136	-428,205	-641,543
<b>Total Accumulated Depreciation</b>	(5c)	7.	<b>-1,696,345</b>	<b>-628,720</b>	<b>-3,699</b>	<b>-632,419</b>	<b>-339,339</b>	<b>-8,392</b>	<b>-716,195</b>	<b>-1,063,926</b>
<b>Accumulated Amortization Detail</b>										
3410 Capital Leases		8.	0			0				0
3420 Leasehold Improvements		9.	0			0				0
3500 Intangibles		10.	0			0				0
3600 Acquisition Adjustment		11.	0			0				0
<b>Total Accumulated Amortization</b>	(5c)	12.	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

FORM I INPUT MASTER

COMPANY NAME: Inland Telephone Co.

For The Year Ended: December 31, 2004

Seperated Results of Idaho Operations

FCC Account and Description	Note No.	Line No.	Total Idaho Operations Subject To Separations	Interstate Operation			Intrastate Operation			Total
				MTS & WATS Switched Access	TOLL PLS Special Access	Total	MTS & WATS Switched Access	TOLL PLS Special Access	Local (other)	
<b>OPERATING EXPENSE DETAIL</b>										
<b>61XX-64XX Plant Specific Operations</b>										
6110-20 General Support Facilities		1.	53,198	17,898	123	18,021	11,294	280	23,603	35,177
621X Central Office Switching		2.	38,869	20,020	69	20,089	5,778	147	12,855	18,780
6220 Operator Systems		3.	0			0				0
623X Central Office Transmission		4.	12,143	6,254	22	6,276	1,805	46	4,016	5,867
63XX Information Orig./Term. Equip.		5.	0			0				0
64XX Cable & Wire Facilities		6.	75,207	20,073	189	20,262	17,832	440	36,673	54,945
<b>Total Plant Specific</b>	(5a)	7.	<b>179,417</b>	<b>64,245</b>	<b>403</b>	<b>64,648</b>	<b>36,709</b>	<b>913</b>	<b>77,147</b>	<b>114,769</b>
<b>65XX Plant Nonspecific Operations</b>										
6512 Provisioning		8.	307	103	1	104	65	2	136	203
653X Network Operations		9.	41,730	14,040	96	14,136	8,860	220	18,514	27,594
6540 Access Paid to LECs		10.	0			0				0
<b>Total Plant Nonspecific</b>	(9)	11.	<b>42,037</b>	<b>14,143</b>	<b>97</b>	<b>14,240</b>	<b>8,925</b>	<b>222</b>	<b>18,650</b>	<b>27,797</b>
<b>656X Depreciation &amp; Amortization</b>										
6561 General Support Facilities	(8)	12.	19,185	6,455	44	6,499	4,073	101	8,512	12,686
6561 Central Office Switching		13.	6,574	5,344		5,344	259		971	1,230
6561 Operator Systems		14.	0			0				0
6561 Central Office Transmission		15.	3,633	998	12	1,010	860	25	1,738	2,623
6561 Information Orig./Term. Equip.		16.	0			0				0
6561 Cable & Wire Facilities		17.	64,332	17,170	161	17,331	15,253	376	31,372	47,001
6563 Capital Leases		18.	0			0				0
6563 Leasehold Improvements		19.	0			0				0
6564 Intangibles		20.	0			0				0
6565 Acquisition Adjustment		21.	0			0				0
<b>Total Depreciation &amp; Amortization</b>	(5a)	22.	<b>93,724</b>	<b>29,967</b>	<b>217</b>	<b>30,164</b>	<b>20,445</b>	<b>502</b>	<b>42,593</b>	<b>63,540</b>

FORM INPUT MASTER

COMPANY NAME: Inland Telephone Co.

For The Year Ended: December 31, 2004

Seperated Results of Idaho Operations

FCC Account and Description	Note No.	Line No.	Total Idaho Operations Subject To Separations	Interstate Operation			Intrastate Operation			Total
				MTS & WATS Switched Access	TOLL PLS Special Access	TOLL PLS	MTS & WATS Switched Access	EAS	Local (other)	
<b>OPERATING EXPENSE (continued)</b>										
66XX Customer Operations										
661X Marketing		1.	484	307			169	8		177
662X Operator Services		2.	0							0
662X Directory Publishing-Alpha.		3.	2,821	683			305		1,833	2,138
662X Directory Publishing-Classified		4.	0							0
662X Directory Publishing-Foreign		5.	0							0
662X Service Order Proc.-End User		6.	8,295	2,384			1,657		4,254	5,911
6623 Payment & Collection-End User		7.	3,958	1,617			829		1,512	2,341
6623 Billing Inquiry-End User		8.	2,803	1,654			1,149		0	1,149
6623 Service Order Proc.-CXR		9.	0							0
6623 Payment & Collection-CXR		10.	0							0
6623 Billing Inquiry-CXR		11.	0							0
6623 Coin Administration		12.	0							0
6623 Rev. Acctg.-Toll Ticket Proc.		13.	1,322	713			609		0	609
6623 Rev. Acctg.-Local Mess. Proc.		14.	0							0
6623 Rev. Acctg.-Other Bill & Coll.		15.	12,890	3,810			4,296		4,784	9,080
6623 Rev. Acctg.-SLC Billing		16.	678	678						0
6623 Rev. Acctg.-CXR B & C	(9)	17.	8,372	4,186			4,186			4,186
6623 B & C Amts Paid to LECs	(9)	18.	0							0
6623 Other Customer Service		19.	10,504	4,160			3,529		2,815	6,344
<b>Total Customer Operations</b>		20.	<b>52,127</b>	<b>20,192</b>	<b>0</b>	<b>20,192</b>	<b>16,729</b>	<b>8</b>	<b>15,198</b>	<b>31,935</b>
<b>67XX Corporate Operations:</b>										
671X Executive & Planning		21.	36,391	13,324	62	13,386	8,434	142	14,429	23,005
672X General & Administrative		22.	148,272	61,403	234	61,637	31,762	536	54,337	86,635
6728 EAS Settlement Expense		23.	0			0				0
<b>Total Corporate Operations</b>		24.	<b>184,663</b>	<b>74,727</b>	<b>296</b>	<b>75,023</b>	<b>40,196</b>	<b>678</b>	<b>68,766</b>	<b>109,640</b>
<b>Other Operating Expenses:</b>										
Equal Access Provision	(10)	25.	0			0				0
Universal Service Fund	(11)	26.	4,036	4,036		4,036				0
Lifeline Connection Assistance	(12)	27.	0			0				0
<b>Total Other</b>	(5a)	28.	<b>4,036</b>	<b>4,036</b>	<b>0</b>	<b>4,036</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Operating Expenses</b>	(5a)	29.	<b>556,004</b>	<b>207,310</b>	<b>1,013</b>	<b>208,323</b>	<b>123,004</b>	<b>2,323</b>	<b>222,354</b>	<b>347,681</b>

FORM I INPUT MASTER

COMPANY NAME: Inland Telephone Co.

For The Year Ended: December 31, 2004

Separated Results of Idaho Operations

FCC Account and Description	Note No.	Line No.	Total Idaho Operations Subject To Separations	Interstate Operation			Intrastate Operation			Total
				MTS & WATS Switched Access	TOLL PLS Special Access	TOLL PLS Total	MTS & WATS Switched Access	TOLL PLS Special Access	TOLL PLS Total	
<b>7240 General Taxes</b>										
7240 Property		1.	0							0
7240 Gross Receipts		2.	0							0
7240 PUC Fee		3.	563	95					468	468
7240 Franchise Fees		4.	0							0
7240 Other		5.	15,182	5,108	35	5,143	80	6,736	10,039	10,039
<b>Total General Taxes</b>		6.	<b>15,745</b>	<b>5,203</b>	<b>35</b>	<b>5,238</b>	<b>80</b>	<b>6,736</b>	<b>10,507</b>	<b>10,507</b>
<b>72XX Income Taxes (Calculated)</b>										
Net Income Before SIT & FIT	(13)	7.	174,887	336,207	4,472	340,680	-2,403	0	-118,659	-165,793
Less Fixed Charges (-)		8.	-32,958	-8,738	-85	-8,823	-196		-16,085	-24,135
<b>Subtotal (lines 7-8)</b>	(14)	9.	<b>207,845</b>	<b>344,945</b>	<b>4,557</b>	<b>349,503</b>	<b>-2,207</b>	<b>0</b>	<b>-102,574</b>	<b>-141,658</b>
Other SIT Base Add/Ded. (+)	(15)	10.	0			0				0
<b>SIT Taxable Inc. (lines 9+-10)</b>	(16)	11.	<b>207,845</b>	<b>344,945</b>	<b>4,557</b>	<b>349,503</b>	<b>-2,207</b>	<b>0</b>	<b>-102,574</b>	<b>-141,658</b>
7230 SIT-Current (at 8%)	(17)	12.	13,718	22,766	301	23,067	-146	0	-6,770	-9,349
Other FIT Base Add/Ded. (+)		13.	0	0	0	0	0	0	0	0
<b>FIT Taxable Inc. (lines 9-12+-13)</b>	(18)	14.	<b>194,127</b>	<b>322,179</b>	<b>0</b>	<b>326,436</b>	<b>-2,061</b>	<b>0</b>	<b>0</b>	<b>-36,505</b>
Gross FIT		15.	99,986	112,763	0	112,763	-721	0	0	-12,777
7210P Claimed ITC (-)		16.	-1,226	-412	-3	-415	-6	0	-545	-811
Surtax Elimination (-)		17.	0	0	0	0	0	0	0	0
<b>7220 FIT-Current (lines 15-16-17)</b>		18.	<b>98,760</b>	<b>113,175</b>	<b>3</b>	<b>112,348</b>	<b>-715</b>	<b>0</b>	<b>-545</b>	<b>-13,588</b>