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# ANNUAL REPORT

OF

*INL-t*

INLAND TELEPHONE COMPANY

**NAME**

PO BOX 171, ROSLYN, WA 98941

**ADDRESS**

TO THE

**IDAHO PUBLIC**

**UTILITIES COMMISSION**

FOR THE

YEAR ENDED

DECEMBER 31, 2005

**INLAND TELEPHONE COMPANY**

Corporate Offices

103 S. 2nd St.  
P.O. Box 171  
Roslyn, WA 98941

**INLAND  
TELEPHONE**

Telephone: (509) 649-2211  
Fax: (509) 649-3300

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IDAHO PUBLIC UTILITIES COMMISSION

VIA CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

April 17, 2006

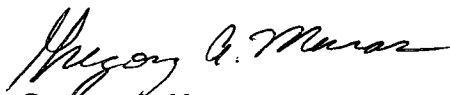
Randy Lobb, Administrator  
Utilities Division  
Idaho Public Utilities Commission  
P. O. Box 83720  
Boise, Idaho 83720-0074

Dear Mr. Lobb:

Enclosed please find a hard copy of the Annual Report of Inland Telephone Company ("Company") to the Idaho Public Utilities Commission for the year ended December 31, 2005 and a completed annual report on disk. Also included are the Company's Idaho separation factors for 2005 and the Idaho Separated Results of Operations (Form I) per your request.

Questions regarding this report should be directed to the attention of either Greta L. Morgan or myself at (509) 649-2211.

Very truly yours,



Gregory A. Maras  
Secretary

GAM:glm

Enclosures

cc: Dean Koch - Johnson, Stone & Pagano, P.S.

**ANNUAL REPORT OF SMALL TELEPHONE COMPANIES TO  
THE IDAHO PUBLIC UTILITIES COMMISSION  
FOR THE YEAR ENDING DECEMBER 31, 2005**

**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 for the year ending December 31, 2005

<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	
Nathan R. Weis	Vice President	
James K. Brooks	Controller	
John P. Coonan	Treasurer	
Gregory A. Maras	Secretary	



**BALANCE SHEET**  
**Assets and Other Debits**  
**FOR THE YEAR ENDING DECEMBER 31, 2005**

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	438,123	482,221	44,098
1140 Special Cash Deposits			
1150 Working Cash Advances	1,800	1,800	0
1160 Temporary Investments	1,042,932	57,504	(985,428)
1180 Telecommunications Accts. Receivable	94,212	82,974	(11,238)
1181 Accts. Rec. Allow. -Telecommunications	(10,000)	(10,000)	0
1190 Other Accounts Receivable	6,293,509	7,391,471	1,097,962
1191 Accounts Receivable Allow. - Other			
1200 Notes Receivable			
1201 Notes Receivable Allowance			
1210 Interest & Dividends Receivable			
1220 Material and Supplies	230,158	242,286	12,128
1280 Prepayments	37,486	155,503	118,017
1290 Prepaid Rents			
1300 Prepaid Taxes	131,883	0	(131,883)
1310 Prepaid Insurance	19,865	0	(19,865)
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	1,902,298	1,563,501	(338,797)
1406 Nonregulated Investments	151,672	157,530	5,858
1407 Unamortized Debt Issuance Expense	375	0	(375)
1408 Sinking Funds			
1410 Other Noncurrent Assets	92,124	97,557	5,433
1438 Deferred Maintenance & Retirements			
1439 Deferred Charges			
1500 Other Jurisdiction Assets - Net			
<b>Property, Plant and Equipment</b>			
2001 Telecommunications Plants in Service	16,899,751	17,839,415	939,664
2002 Prop. Held for Future Telecom. Use			
2003 Telecom. Plant under Constr. - Short Term	274,958	924,826	649,868
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	10,759,784	11,738,481	978,697
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	50	96	46
3600 Accumulated Amortization - Other			
<b>TOTAL ASSETS</b>	<b>16,841,312</b>	<b>17,248,011</b>	<b>406,699</b>

**BALANCE SHEET**  
**Liabilities & Stockholders' Equity**  
**FOR THE YEAR ENDING DECEMBER 31, 2005**

Title of Account	Balance Beginning of Year	Balance at End of Year	Increase or (Decrease)
<b>Current Liabilities</b>			
4010 Accounts Payable	149,543	538,323	388,780
4020 Notes Payable			
4030 Advance Billings and Payments			
4040 Customer Deposits	5,786	5,555	(231)
4050 Current Maturities - Long -Term Debt	272,800	283,000	10,200
4060 Current Maturities - Capital leases			
4070 Income Taxes - Accrued	0	0	0
4080 Other Taxes - Accrued	119,089	256,793	137,704
4100 Net Current Defer. Oper. Income Taxes		87,425	
4110 Net Current Defer. Nonoper. Income Taxes			
4120 Other Accrued Liabilities	582,622	572,586	(10,036)
4130 Other Current Liabilities	32,320	25,522	(6,798)
<b>Long-Term Debt</b>			
4210 Funded Debt	3,105,864	2,822,528	(283,336)
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	11,428	7,982	(3,446)
4330 Unamort. Nonoper. Invest. Tax Credits - Net			
4340 Net Noncurrent Defer. Oper. Income Taxes	581,814	353,247	(228,567)
4350 Net Noncur. Defer. Nonoper. Income Taxes	177,274	0	(177,274)
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	11,702,447	12,194,725	492,278
<b>TOTAL LIAB. &amp; OTHER CREDITS</b>	<b>16,841,312</b>	<b>17,248,011</b>	<b>319,274</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	1,248,904	95,861			1,344,765
2113	Aircraft	0				0
2114	Special Purpose Vehicles	0				0
2115	Garage Work Equipment	21,925	3,370			25,295
2116	Other Work Equipment	574,366	6,727			581,093
2121	Buildings	1,768,485	76,890			1,845,375
2122	Furniture	127,650	3,036			130,686
2123	Office Equipment	217,560	10,259			227,819
2124	General Purpose Computers	724,884	25,774			750,658
2211	Analog Electronic Switching	0				0
2212	Digital Electronic Switching	2,837,500	58,432			2,895,932
2215	Electro-Mechanical Switching	0				0
2220	Operator Systems	0				0
2231	Radio Systems	36,842				36,842
2232	Circuit Equipment	1,688,515	217,483	121,955		1,784,043
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	7,314,787	563,787			7,878,574
2424	Submarine Cable	0				0
2426	Intrabuilding 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>16,899,751</b>	<b>1,061,619</b>	<b>121,955</b>	<b>0</b>	<b>17,839,415</b>



**ANALYSIS OF TELECOMMUNICATIONS PLANT ACCOUNTS**  
**IDAHO Operations Only**  
**FOR THE YEAR ENDING DECEMBER 31, 2005**

	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	20,105			82 *	20,187
2112 Motor Vehicles	0				0
2113 Aircraft	0				0
2114 Special Purpose Vehicles	0				0
2115 Garage Work Equipment	1,768			36 *	1,804
2116 Other Work Equipment	13,119				13,119
2121 Buildings	399,066	10,758		26,077 *	435,901
2122 Furniture	18,932			571 *	19,503
2123 Office Equipment	43,841			3,572 *	47,413
2124 General Purpose Computers	96,665			3,841 *	100,506
2211 Analog Electronic Switching	0				0
2212 Digital Electronic Switching	319,889			250 *	320,139
2215 Electro-Mechanical Switching	0				0
2220 Operator Systems	0				0
2231 Radio Systems	1,676			19 *	1,695
2232 Circuit Equipment	297,863			281 *	298,144
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	1,606,284	64,568		1 *	1,670,853
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>2,859,900</b>	<b>75,326</b>	<b>0</b>	<b>34,730 *</b>	<b>2,969,956</b>

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

**ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION**  
**Account 3100**  
**FOR THE YEAR ENDING DECEMBER 31, 2005**  
**TOTAL Company Basis**

	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	1,135,354	16.00/12.50	144,535		1,279,889
2113 Aircraft	0				0
2114 Special Purpose Vehicles	0				0
2115 Garage Work Equipment	21,925	12.5	1,890		23,815
2116 Other Work Equipment	525,902	16.00/12.50	51,827		577,729
2121 Buildings	763,490	4.00/2.50	69,427		832,917
2122 Furniture	113,136	15.00/6.00	17,549		130,685
2123 Office Equipment	217,192	20.00/5.00 & 6.00	5,248		222,440
2124 General Purpose Computers	724,441	25.00/12.50	25,393		749,834
2211 Analog Electronic Switching	0				0
2212 Digital Electronic Switching	1,647,124	9.00/27.37	228,627		1,875,751
2215 Electro-Mechanical Switching	0				0
2220 Operator Systems	0				0
2231 Radio Systems	33,729		3,113		36,842
2232 Circuit Equipment	1,091,706	11.19/27.37	150,748	(121,955)	1,120,499
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	24,127	7.59/5.00	79		24,206
2421 Aerial Cable	174,258	20.40/4.00	1,181		175,439
2422 Underground Cable	0				0
2423 Buried Cable	4,280,704	5.00&6.00/4.00&6.00	401,035		4,681,739
2424 Submarine Cable	0				0
2426 Intrabuilding Network Cable	0				0
2431 Aerial Wire	6,696	42.06/8.00			6,696
2441 Conduit Systems	0				0
<b>TOTAL</b>	10,759,784		1,100,652	(121,955)	11,738,481

\*Please list individual depreciation rate for each account.

**ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION**  
**Account 3100**  
**FOR THE YEAR ENDING DECEMBER 31, 2005**  
**IDAHO Operations Only**

**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	0				0
2113 Aircraft	0				0
2114 Special Purpose Vehicles	0				0
2115 Garage Work Equipment	1,768	12.50		36 **	1,804
2116 Other Work Equipment	9,961	12.50	1,640		11,601
2121 Buildings	168,187	2.50	2,942	13,057 **	184,186
2122 Furniture	17,104	6.00		2,399 **	19,503
2123 Office Equipment	43,762	5.00/6.00		1,089 **	44,851
2124 General Purpose Computers	96,611	12.50		3,643 **	100,254
2211 Analog Electronic Switching	0				0
2212 Digital Electronic Switching	311,662	27.37		2,533 **	314,195
2215 Electro-Mechanical Switching	0				0
2220 Operator Systems	0				0
2231 Radio Systems	1,534			161 **	1,695
2232 Circuit Equipment	282,406	27.37		2,786 **	285,192
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	897	5.00	79		976
2421 Aerial Cable	5,559	4.00	1,181		6,740
2422 Underground Cable	0				0
2423 Buried Cable	897,122	4.00/6.00	64,017	(320) **	960,819
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>1,841,394</b>		<b>69,859</b>	<b>25,384 **</b>	<b>1,936,637</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**  
FOR THE YEAR ENDING DECEMBER 31, 2005

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	_____	682,360
1402-Verizon	2005	_____	25,752
1406-Paging Equip./CPE/ Mobile CPE	Various	_____	157,530
<b>Totals</b>		_____	<b>1,717,970</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	_____	82,974
1190-Other A/R-Interexchange Carriers & Exchange Carrier Association	_____	658,830
1190-Other A/R-Western Elite Inc. Services	_____	6,732,641
_____	_____	
_____	_____	
_____	_____	
<b>Totals</b>	_____	<b>7,474,445</b>

**NOTES PAYABLE**  
FOR THE YEAR ENDING DECEMBER 31, 2005

<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	528,766
<b>Totals</b>	<u>528,766</u>

**LONG - TERM DEBT**  
**FOR THE YEAR ENDING DECEMBER 31, 2005**  
**Accounts 4210, 4240, 4250, 4260, 4270 and 4310**

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

<u>Class &amp; Series of Obligation</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Fact Amount Authorized</u>	<u>Outstanding Year-End</u>	<u>Premium/ Discount</u>		<u>Interest for year</u>	
					<u>Total</u>	<u>Year Amortized</u>	<u>Rate</u>	<u>Amount</u>
RUS 2030	Oct. 1969	Oct. 2004	84,000	0			2%	0
RUS 2040	Jun. 1971	Jun. 2006	53,000	392			2%	29
RUS 2050	Jun. 1971	Jun. 2006	129,000	2,742			2%	110
RUS 12060	May 1976	May 2011	578,000	126,810			2%	2,763
RUS 12070	May 1983	May 2018	1,129,000	541,100			2%	11,205
RUS 12140	Oct. 1979	Oct. 2014	581,000	306,012			5%	15,814
RUS 12150	Apr. 1995	Apr. 2014	947,000	596,473			7%	44,414
RUS 12151	Apr. 1995	Apr. 2014	270,000	169,599			6.91%	12,230
RUS 12152	Apr. 1995	Apr. 2014	329,000	204,658			6.26%	13,388
RTB S010	Oct. 1979	Oct. 2014	345,450	191,278			8%	15,863
RTB S020	Dec. 1986	Apr. 2011	439,950	275,100			8%	22,798
RTB S023	Dec. 1986	Dec. 2011	324,952	214,056			5.54%	12,412
RUS 12153	Apr. 1995	Apr. 2014	451,478	285,800			4.86%	14,559
RUS 12154	Apr. 1995	Apr. 2014	289,522	191,508			5.71%	11,441
			<u>5,951,352</u>	<u>3,105,528</u>				<u>177,026</u>



## INCOME & RETAINED EARNINGS STATEMENT

FOR T Item	Total Company	Idaho Only
Total Operating Income (from page 15)	6,344,224	621,215
Total Operating Expenses (from page 17)	4,954,791	719,285
7100 Other Operating Income and Expense		
7210 Operating Investment Tax Credits-Net	(3,447)	0
7220 Operating Federal Income Taxes	598,677	9,248
7230 Operating State and Local Income Taxes	29,688	29,688
7240 Operating Other Taxes	117,835	13,176
7250 Provision for Deferred Operating Income Taxes-Net	(154,393)	(37,585)
7200 <b>Operating Taxes (Total)</b>	588,360	14,527
7310 Dividend Income	8,747	1,082
7320 Interest Income	15,583	1,928
7330 Income from Sinking and Other Funds		
7340 Allowance for Funds Used During Construction	0	0
7350 Gains/Losses from the Disposition of Certain Property		
7360 Other Nonoperating Income	59,459	144,000
7370 Special Charges	(83,451)	(7,354)
7300 <b>Nonoperating Income and Expense</b>	338	139,656
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	(123,357)	0
7400 <b>Nonoperating Taxes</b>	(123,357)	0
7510 Interest on Funded Debt	177,026 *	29,708
7520 Interest Expense-Capital Leases		
7530 Amortization of Debt Issuance Expense	375 *	63
7540 Other Interest Deductions	868 *	146
7500 <b>Interest and Related Items</b>	178,269 *	29,917
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>	0	0
7910 Income Effect of Jurisdictional Ratemaking Differences-Net		
7990 Nonregulated Net Income	(5,573) *	(1,345)
<b>AMOUNT TRANSFERRED TO RETAINED EARNINGS</b>	740,926	(4,203)
	740,926	



**OPERATING REVENUES**

FOR 1 Item

Total Company

Idaho Only

	Total Company	Idaho Only
<b>Local Network Services Revenues</b>		
5001 Basic Area Revenue	727,074	101,834
5002 Optional Extended Area Revenue		
5003 Cellular Mobile Revenue		
5004 Other Mobile Services Revenue		
5010 Public Telephone Revenue		
5040 Local Private Line Revenue	69	
5050 Customer Premises Revenue		
5060 Other Local Exchange Revenue	93,677	9,785
5069 Other Local Exchange Settlements		
<b>Network Access Services Revenues</b>		
5081 End User Revenue (SLC)	251,499	29,009
5082 Switched Access Revenue (Interstate)	3,152,040	379,522
5083 Special Access Revenue	315,942	4,705
5084 State Access Revenue (Intrastate)	1,649,300	82,560
<b>Long Distance Network Services Revenues</b>		
5100 Long Distance Message Revenue - All	4,021	48
<b>Miscellaneous Revenues</b>		
5230 Directory Revenue	10,782	2,275
5240 Rent Revenue	60,523	
5250 Corporate Operations Revenue		
5261 Special Billing Arrangements Revenue		
5262 Customer Operations Revenue	30,013	6,068
5263 Plant Operations Revenue		
5264 Other Incidental Regulated Revenue	270	30
5269 Other Revenue Settlements		
5270 Carrier Billing & Collection Revenue	51,101	3,520
<b>Uncollectible Revenues</b>		
5301 Uncollectible Revenue - Telecommunications	2,087	(1,859)
5302 Uncollectible Revenue - Other		
<b>TOTAL OPERATING REVENUES</b>	<b>6,344,224</b>	<b>621,215</b>

Please identify the following revenues:

NECA USF \$400,682 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**

FOR T Item	Total Company	Idaho Only
<b>Plant Specific Operations Expense</b>		
6110 Network Support Expenses		
6112 Motor Vehicle Expense	86,433	10,877
6113 Aircraft Expense		
6114 Special Purpose Vehicles Expense		
6115 Garage Work Equipment Expense	65,794	8,278
6116 Other Work Equipment Expense	0	0
6120 General Support Expenses		
6121 Land and Building Expenses	297,105	37,388
6122 Furniture and Artworks Expense	2,559 *	322
6123 Office Equipment Expense	7,560	951
6124 General Purpose Computers Expense	140,741	17,711
6210 Central Office Switching Expenses	270,165 *	37,872
6211 Analog Electronic Expense		
6212 Digital Electronic Expense		
6215 Electro-Mechanical Expense		
6220 Operators System Expense		
6230 Central Office Transmission Expenses	98,485	13,806
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	0	0
6421 Aerial Cable Expense	44,883	9,603
6422 Underground Cable Expense		
6423 Buried Cable Expense	482,868	103,310
6424 Submarine Cable Expense		
6425 Deep Sea Cable Expense		
6426 Intrabuilding Network Cable Expense		
6431 Aerial Wire Expense	0	0
6441 Conduit Systems Expense		
<b>TOTAL PLANT SPECIFIC OPERATIONS EXPENSE</b>	<b>1,496,593</b>	<b>240,118</b>

**OPERATING REVENUES**

FOR 1Item

Total Company

Idaho Only

FOR 1Item	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	2,897	544
6530 Network Operations Expense		
6531 Power Expense	32,732	6,142
6532 Network Administration Expense	9,694	1,819
6533 Testing Expense	27,928	5,240
6534 Plant Operations Administration Expense	168,583	31,633
6535 Engineering Expense	47,129	8,843
6540 Access Expense	26,041	4,886
6560 Depreciation and Amortization Expenses		
6561 Depreciation Expense-Telecom. Plant in Service	1,100,651	93,553
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>1,415,700</b>	<b>152,660</b>
<b>Customer Operations Expense</b>		
6610 Marketing	788	97
6611 Product Management		
6612 Sales		
6613 Product Advertising		
6620 Services		
6621 Call Completion Services		
6622 Number Services	17,378	2,150
6623 Customer Services	397,316	49,148
<b>Total Customer Operations Expense</b>	<b>415,482</b>	<b>51,395</b>
<b>Corporate Operations Expense</b>		
6710 Executive and Planning	415,275	70,219
6711 Executive		
6712 Planning		
6720 General and Administrative		
6721 Accounting and Finance	626,902	106,003
6722 External Relations	121,874	20,608
6723 Human Resources	126,764	21,434
6724 Information Management		
6725 Legal	43,251	7,313
6726 Procurement		
6727 Research and Development		
6728 Other General and Administrative	292,950	49,535
6790 Provision for Uncollectible Notes Receivable		
<b>Total Corporate Operations Expense</b>	<b>1,627,016</b>	<b>275,112</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>4,954,791</b>	<b>719,285</b>

**CENTRAL OFFICE DATA**  
as of December 31, 2005 (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 \_\_\_\_\_ Electro-Mechanical \_\_\_\_\_  
Remote \_\_\_\_\_ Other: \_\_\_\_\_

**Access Line Capacity**  
Design: 10,000 **Access Lines in Use**  
Customer Lines: 32  
(Include Centrex, PAL, Semi-Pub.)

Installed/Equipped: 764  
Public Telephone Lines 0  
Company Official Lines 1  
Company Test Lines 1

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

**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: 2

**Custom Calling:**  
Number of customers with at least one feature: 15  
Total number of features subscribed to: 5

**CENTRAL OFFICE DATA**  
as of December 31, 2005 (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: 342  
(Include Centrex, PAL, Semi-Pub.)

Installed/Equipped: 375 Public Telephone Lines 0  
Company Official Lines 28  
Company Test Lines 0

**Classification of Customer Access**

	Residence			Business			Total Residence & Business
	Multi- Line	Single Line	Subtotal	Multi- Line	Single Line	Subtotal	
	1-Party	1-Party	Residence	1-Party	1-Party	Business	
Beginning of Year	0	316	316	0	8	23	339
New Connects	0	44	44	0	2	3	47
Disconnects	0	40	40	0	4	4	44
End of Year	0	320	320	0	6	22	342

**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: 30

**Custom Calling:**

Number of customers with at least one feature: 210  
Total number of features subscribed to: 16

**NUMBER OF CALLS COMPLETED BY CUSTOMERS DURING 2005**

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, 2005

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  X

Included in directory Yes  X  No \_\_\_\_\_

Date of notification  December, 2004 through December, 2005

Alternate method of notification  None

Rule IDAPA 31.41.01.403.02

Record of Complaints:

Number received by Company  20

Category of complaints (if known):

Deposit Disputes  0

Charges on Bill  0

Denial/Termination  0

Quality or Availability  
of Service  13

Carrier Selection/Assignment  0

Miscellaneous  7

Rev 3/02

CERTIFICATE

FOR THE YEAR ENDING D )  
County of Kittitas ) ss

WE, the undersigned Gregory A. Maras, Secretary  
and James K. Brooks, Controller  
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.

Gregory A. Maras  
Secretary

Gregory A. Maras

James K. Brooks  
Controller

James K. Brooks

Subscribed and Sworn to Before Me this 17<sup>th</sup> day of April, 2006

LuAnn K. Stine  
Notary Public  
LuAnn K. Stine



My Commission expires

Rev 3/02

gdk/excel/jnelson/anulrpts/telannualrpt



**FORM I INPUT MASTER**

**COMPANY NAME:** Inland Telephone Co.

**For The Year Ended:** December 31, 2005

**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
<b>SUMMARY</b>											
Operating Revenues											
50XX Local -Billed	(1)	1.	111,619							111,619	
-EAS Billed	(1)	2.	0							0	
-EAS Settlement	(1)	3.	0							0	
508X Access-SLC (Erd User)	(2)	4.	29,009	29,009							
-Switched (TS+NTS)	(2)	5.	462,082	379,522						82,560	
-Special	(2)	6.	4,705	4,705							
51XX Toll -Message	(3a)	7.	0							0	
-Private Line	(3b)	8.	0							0	
-Settlement	(3c)	9.	48							48	
52XX Misc. -Billing & Collection	(4)	10.	3,520	1,241						2,279	
-Directory Advertising		11.	2,275							2,275	
-Operating Rents		12.	0							0	
-Other Misc.		13.	6,098							6,098	
530X Less: Uncollectible Rev. (-)		14.	-2,445	-3,879						1,434	
<b>Total Revenues</b>		15.	<b>616,911</b>	<b>405,893</b>	<b>4,705</b>	<b>410,598</b>	<b>0</b>	<b>0</b>	<b>119,992</b>	<b>206,313</b>	
<b>Operating Expenses</b>											
61XX-64XX Plant Specific Oper.	(5a)	16.	227,995	77,565	488	78,053	47,988	1,142	0	100,812	
65XX Plant Nonspecific Operations	(5a)	17.	54,581	18,066	118	18,184	11,673	278	0	24,446	
656X Depreciation & Amortization	(5a)	18.	90,910	28,004	202	28,206	20,220	479	0	42,005	
66XX Customer Operations	(5a)	19.	42,894	16,673	0	16,673	12,887	1	0	13,333	
67XX Corporate Operations	(5a)	20.	273,580	98,174	482	98,656	60,772	1,128	0	113,024	
---- Other Operating	(5a)	21.	4,886	4,886	0	4,886	0	0	0	0	
<b>Total Expenses</b>	(5a)	22.	<b>694,846</b>	<b>243,368</b>	<b>1,290</b>	<b>244,658</b>	<b>153,540</b>	<b>3,028</b>	<b>0</b>	<b>293,620</b>	
<b>Operating Taxes:</b>	(6)										
7240 General Taxes		23.	12,679	4,092	26	4,118	3,082	62	0	5,417	
7230 State/Local Inc. Tax (Current)		24.	-4,564	10,847	227	11,074	-4,379	-196	0	-11,063	
7220 Federal Income Tax (Current)		25.	31,068	53,728	0	53,728	-21,689	-971	0	-22,660	
7250 Net Deferred Income Taxes		26.	-37,585	-12,440	-82	-12,522	-8,038	-191		-16,834	
7210 Net Investment Tax Credits		27.	0			0				0	
<b>Total Taxes</b>		28.	<b>1,599</b>	<b>56,227</b>	<b>171</b>	<b>56,398</b>	<b>-31,024</b>	<b>-1,296</b>	<b>0</b>	<b>-22,480</b>	
<b>Net Operating Income</b>		29.	<b>-79,533</b>	<b>106,298</b>	<b>3,244</b>	<b>109,542</b>	<b>-36,195</b>	<b>-1,732</b>	<b>0</b>	<b>-151,148</b>	

FORM I INPUT MASTER

COMPANY NAME: Inland Telephone Co.

For The Year Ended: December 31, 2005

Seperated Results of Idaho Operations

FCC Account and Description	Note No.	Line No.	Total Idaho Operations Subject To Separations	Interstate Operation			Intrastate Operation			Local (other)	Total
				MTS & WATS Switched Access	TOLL PLS Special Access	Total	MTS & WATS Switched Access	TOLL PLS Special Access	EAS		
<b>SUMMARY (continued)</b>											
Average Rate Base	(5b)	1.	2,762,170	914,246	5,990	920,236	590,754	14,065	0	1,237,115	1,841,934
2001 Telecom. Plant in Service		2.	0			0					0
2005 Plant Acquisition Adjustment	(5c)	3.	-1,799,634	-656,381	-3,682	-660,063	-362,672	-8,592	0	-768,307	-1,139,571
3100 Less: Accumulated Depr. (-)	(5)	4.	0	0	0	0	0	0	0	0	0
34xx-36xx Accumulated Amort. (-)		5.	-131,499	-42,114	-289	-42,403	-30,076	-716		-56,304	-89,096
4100-4340 Accum. Deferred Tax (-)		6.	0			0					0
1220 Materials and Supplies	(7)	7.	0			0					0
---- Equal Access Equipment		8.	27,635	9,763	50	9,813				17,822	17,822
---- Other Rate Base		9.	858,672	225,514	2,069	227,583	198,006	4,757	0	428,326	631,089
<b>Total Average Rate Base</b>											

**FORM I INPUT MASTER**

**COMPANY NAME:** Inland Telephone Co.

**For The Year Ended:** December 31, 2005

**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>PLANT IN SERVICE DETAIL</b>											
<b>21XX General Support Facilities</b>											
22XX Central Office Equipment:											
CAT 1-Operator Systems			484,328	160,307	1,050	161,357	103,585	2,466	0	216,920	322,971
CAT 2-Tandem Switching (Alloc.)			0			0					0
CAT 2-Tandem Switching (Assign.)			0			0					0
CAT 3-Local Switching			268,661	218,367		218,367	10,600			39,694	50,294
CAT 4.12 -Exch. Trunk (Joint Use)			0			0					0
CAT 4.12 -Exch. Trunk (Ded. Use)			25,386			0				25,386	25,386
CAT 4.13 -Subscr. Line (Joint Use)			269,695	67,260		67,260	67,260	656		134,519	202,435
CAT 4.13 -Subscr. Line (Ded. Use)			0			0					0
CAT 4.23 -IX Trunk (Joint Use)			32,769	20,795	950	21,745	9,599	1,425		0	11,024
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>596,511</b>	<b>306,422</b>	<b>950</b>	<b>307,372</b>	<b>87,459</b>	<b>2,081</b>	<b>0</b>	<b>199,599</b>	<b>289,139</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)			1,448,575	361,263		361,263	361,263	3,524		722,525	1,087,312
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)			132,055	84,677	3,980	88,657	37,428	5,970		0	43,398
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>1,676,567</b>	<b>445,940</b>	<b>3,980</b>	<b>449,920</b>	<b>398,691</b>	<b>9,494</b>	<b>0</b>	<b>818,462</b>	<b>1,226,647</b>
<b>26XX Other Assets:</b>											
Capital Leases			0			0					0
Leasehold Improvements			0			0					0
Intangibles			4,764	1,577	10	1,587	1,019	24		2,134	3,177
<b>Total Other Assets</b>			<b>4,764</b>	<b>1,577</b>	<b>10</b>	<b>1,587</b>	<b>1,019</b>	<b>24</b>	<b>0</b>	<b>2,134</b>	<b>3,177</b>
<b>Total Telecom. Plant in Service (5b)</b>			<b>2,762,170</b>	<b>914,246</b>	<b>5,990</b>	<b>920,236</b>	<b>590,754</b>	<b>14,065</b>	<b>0</b>	<b>1,237,115</b>	<b>1,841,934</b>

FORM I INPUT MASTER

COMPANY NAME: Inland Telephone Co.

For The Year Ended: December 31, 2005

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>Depreciation &amp; Amortization</b>										
<b>Accumulated Depreciation Detail</b>										
311X General Support Facilities		1.	-263,050	-87,066	-570	-87,636	-56,259	-1,339	-117,816	-175,414
312X Central Office Switching		2.	-292,285	-237,568		-237,568	-11,532		-43,185	-54,717
312X Operator Systems		3.	0			0				0
312X Central Office Transmission		4.	-301,519	-80,983	-874	-81,857	-70,686	-1,914	-147,062	-219,662
313X Information Orig./Term. Equip.		5.	0			0				0
314X Cable & Wire Facilities		6.	-942,780	-250,764	-2,238	-253,002	-224,195	-5,339	-460,244	-689,778
<b>Total Accumulated Depreciation</b>	(5c)	7.	<b>-1,799,634</b>	<b>-656,381</b>	<b>-3,682</b>	<b>-660,063</b>	<b>-362,672</b>	<b>-8,592</b>	<b>-768,307</b>	<b>-1,139,571</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, 2005

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	Local (other) Total	
<b>OPERATING EXPENSE DETAIL</b>										
<b>61XX-64XX Plant Specific Operations</b>										
6110-20 General Support Facilities		1.	63,408	20,987	138	21,125	13,561	323	28,399	42,283
621X Central Office Switching		2.	37,871	19,454	60	19,514	5,553	132	12,672	18,357
6220 Operator Systems		3.	0			0				0
623X Central Office Transmission		4.	13,806	7,092	22	7,114	2,024	48	4,620	6,692
63XX Information Orig./Term. Equip.		5.	0			0				0
64XX Cable & Wire Facilities		6.	112,910	30,032	268	30,300	26,850	639	55,121	82,610
<b>Total Plant Specific</b>	(5a)	7.	<b>227,995</b>	<b>77,565</b>	<b>488</b>	<b>78,053</b>	<b>47,988</b>	<b>1,142</b>	<b>100,812</b>	<b>149,942</b>
<b>65XX Plant Nonspecific Operations</b>										
6512 Provisioning	(8)	8.	544	180	1	181	116	3	244	363
653X Network Operations		9.	54,037	17,886	117	18,003	11,557	275	24,202	36,034
6540 Access Paid to LECs	(9)	10.	0			0				0
<b>Total Plant Nonspecific</b>	(5a)	11.	<b>54,581</b>	<b>18,066</b>	<b>118</b>	<b>18,184</b>	<b>11,673</b>	<b>278</b>	<b>24,446</b>	<b>36,397</b>
<b>656X Depreciation &amp; Amortization</b>										
6561 General Support Facilities	(8)	12.	17,581	5,819	38	5,857	3,760	90	7,874	11,724
6561 Central Office Switching		13.	4,893	3,977		3,977	193		723	916
6561 Operator Systems		14.	0			0				0
6561 Central Office Transmission		15.	1,976	531	6	537	463	13	963	1,439
6561 Information Orig./Term. Equip.		16.	0			0				0
6561 Cable & Wire Facilities		17.	66,460	17,677	158	17,835	15,804	376	32,445	48,625
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>90,910</b>	<b>28,004</b>	<b>202</b>	<b>28,206</b>	<b>20,220</b>	<b>479</b>	<b>42,005</b>	<b>62,704</b>

FORM I INPUT MASTER

COMPANY NAME: Inland Telephone Co.

For The Year Ended: December 31, 2005

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	Total	MTS & WATS Switched Access	TOLL PLS Special Access	EAS Local (other)	
<b>OPERATING EXPENSE (continued)</b>										
<b>66XX Customer Operations</b>										
661X Marketing		1.	99	63		63	35	1		36
662X Operator Services		2.	0	0		0				0
662X Directory Publishing-Alpha.		3.	2,153	521		521	233		1,399	1,632
662X Directory Publishing-Classified		4.	0							0
662X Directory Publishing-Foreign		5.	0							0
6623 Service Order Proc.-End User		6.	7,477	2,149		2,149	1,494		3,834	5,328
6623 Payment & Collection-End User		7.	5,541	2,263		2,263	1,161		2,117	3,278
6623 Billing Inquiry-End User		8.	3,398	2,005		2,005	1,393		0	1,393
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.	921	497		497	424		0	424
6623 Rev. Acctg.-Local Mess. Proc.		14.	0							0
6623 Rev. Acctg.-Other Bill & Coll.		15.	8,997	2,659		2,659	2,999		3,339	6,338
6623 Rev. Acctg.-SLC Billing		16.	474	474		474				0
6623 Rev. Acctg.-CXR B & C	(9)	17.	4,704	2,352		2,352	2,352			2,352
6623 B & C Armts Paid to LECs	(9)	18.	0							0
6623 Other Customer Service		19.	9,130	3,690		3,690	2,796		2,644	5,440
<b>Total Customer Operations</b>	(5a)	20.	<b>42,894</b>	<b>16,673</b>	<b>0</b>	<b>16,673</b>	<b>12,887</b>	<b>1</b>	<b>13,333</b>	<b>26,221</b>
<b>67XX Corporate Operations:</b>										
671X Executive & Planning		21.	70,219	24,471	126	24,597	15,850	294	29,478	45,622
672X General & Administrative		22.	203,361	73,703	356	74,059	44,922	834	83,546	129,302
6728 EAS Settlement Expense		23.	0							0
<b>Total Corporate Operations</b>	(5a)	24.	<b>273,580</b>	<b>98,174</b>	<b>482</b>	<b>98,656</b>	<b>60,772</b>	<b>1,128</b>	<b>113,024</b>	<b>174,924</b>
<b>Other Operating Expenses:</b>										
Equal Access Provision	(10)	25.	0							0
Universal Service Fund	(11)	26.	4,886	4,886		4,886				0
Lifeline Connection Assistance	(12)	27.	0							0
<b>Total Other</b>	(5a)	28.	<b>4,886</b>	<b>4,886</b>	<b>0</b>	<b>4,886</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Operating Expenses</b>	(5a)	29.	<b>694,846</b>	<b>243,368</b>	<b>1,290</b>	<b>244,658</b>	<b>153,540</b>	<b>3,028</b>	<b>293,620</b>	<b>450,188</b>

FORM I INPUT MASTER

COMPANY NAME: Inland Telephone Co.

For The Year Ended: December 31, 2005

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 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.	584	89						495
7240 Franchise Fees		4.	0							0
7240 Other		5.	12,095	4,003	26	4,029	62	5,417		8,066
<b>Total General Taxes</b>		6.	<b>12,679</b>	<b>4,092</b>	<b>26</b>	<b>4,118</b>	<b>62</b>	<b>5,417</b>	<b>0</b>	<b>8,561</b>
<b>72XX Income Taxes (Calculated)</b>										
Net Income Before SIT & FIT	(13)	7.	-90,614	158,433	3,389	161,822	-3,090	-179,045	0	-252,436
Less Fixed Charges (-)		8.	-21,469	-5,922	-51	-5,973	-120	-11,422		-15,496
<b>Subtotal (lines 7-8)</b>	(14)	9.	<b>-69,145</b>	<b>164,355</b>	<b>3,440</b>	<b>167,795</b>	<b>-2,970</b>	<b>-167,623</b>	<b>0</b>	<b>-236,940</b>
Other SIT Base Add/Ded. (+-)	(15)	10.	0			0				0
<b>SIT Taxable Inc. (lines 9+-10)</b>		11.	<b>-69,145</b>	<b>164,355</b>	<b>3,440</b>	<b>167,795</b>	<b>-2,970</b>	<b>-167,623</b>	<b>0</b>	<b>-236,940</b>
7230 SIT-Current (at 8%)	(16)	12.	-4,564	10,847	227	11,074	-196	-11,063	0	-15,638
Other FIT Base Add/Ded. (+-)	(17)	13.	0	0	0	0	0	0	0	0
<b>FIT Taxable Inc. (lines 9-12+-13)</b>		14.	<b>-64,581</b>	<b>153,508</b>	<b>0</b>	<b>156,721</b>	<b>-2,774</b>	<b>0</b>	<b>0</b>	<b>-64,742</b>
Gross FIT		15.	31,068	53,728	0	53,728	-971	0	0	-22,660
7210P Claimed ITC (-)		16.	0	0	0	0	0	0	0	0
Surtax Elimination (-)		17.	0	0	0	0	0	0	0	0
<b>7220 FIT-Current (lines 15-16-17)</b>	(18)	18.	<b>31,068</b>	<b>53,728</b>	<b>0</b>	<b>53,728</b>	<b>-971</b>	<b>0</b>	<b>0</b>	<b>-22,660</b>