

RECEIVED

2007 APR 23 PM 2:32

ANNUAL REPORT

IDAHO PUBLIC
UTILITIES COMMISSION

OF *INL-T*

INLAND TELEPHONE COMPANY

NAME

P.O. BOX 171, ROSLYN, WA 98941

ADDRESS

TO THE

IDAHO PUBLIC

UTILITIES COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2006

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

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

April 16, 2007

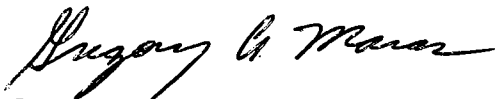
Randy Lobb, Administrator
Utilities Division
Idaho Public Utilities Commission
P. O. Box 83720
Boise, Idaho 83720-0074

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, 2006 and a completed annual report on disk. Also included are the Company's Idaho separation factors for 2006 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, 2006**

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.

Title	Name	Address
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, 2006

Name and Address	Term Expired or Current Term Will Expire	Meetings Attended This year	Fees Paid During Year
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.)

Name	Title	Wages and Bonuses Paid
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, 2006

Title of Account	Balance Beginning of Year	Balance at End of Year	Increase or (Decrease)
Current Assets			
1120 Cash and Equivalents			
1130 Cash	482,221	520,936	38,715
1140 Special Cash Deposits			
1150 Working Cash Advances	1,800	1,800	0
1160 Temporary Investments	57,504	267,588	210,084
1180 Telecommunications Accts. Receivable	82,974	88,113	5,139
1181 Accts. Rec. Allow. -Telecommunications	(10,000)	(10,000)	0
1190 Other Accounts Receivable	7,391,471	8,273,978	882,507
1191 Accounts Receivable Allow. - Other			
1200 Notes Receivable			
1201 Notes Receivable Allowance			
1210 Interest & Dividends Receivable			
1220 Material and Supplies	242,286	442,508	200,222
1280 Prepayments	155,503	4,206	(151,297)
1290 Prepaid Rents			
1300 Prepaid Taxes	0	0	0
1310 Prepaid Insurance	0	0	0
1320 Prepaid Directory Expenses			
1330 Other Prepayments			
1350 Other Current Assets			
Noncurrent Assets			
1401 Investment in Affiliated Companies			
1402 Investment in Nonaffiliated Companies	1,563,501	784,251	(779,250)
1406 Nonregulated Investments	157,530	123,094	(34,436)
1407 Unamortized Debt Issuance Expense	0	0	0
1408 Sinking Funds			
1410 Other Noncurrent Assets	97,557	103,117	5,560
1438 Deferred Maintenance & Retirements			
1439 Deferred Charges			
1500 Other Jurisdiction Assets - Net			
Property, Plant and Equipment			
2001 Telecommunications Plants in Service	17,839,415	20,091,264	2,251,849
2002 Prop. Held for Future Telecom. Use			
2003 Telecom. Plant under Constr. - Short Term	924,826	730,241	(194,585)
2004 Telecom. Plant under Constr. - Long Term			
2005 Telecom. Plant Adjustment			
2006 Nonoperating Plant			
2007 Goodwill			
Depreciation and Amortization Accounts			
3100 Accumulated Depreciated	11,738,481	12,829,031	1,090,550
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	96	142	46
3600 Accumulated Amortization - Other			
TOTAL ASSETS	17,248,011	18,591,923	1,343,912

BALANCE SHEET
Liabilities & Stockholders' Equity
FOR THE YEAR ENDING DECEMBER 31, 2006

Title of Account	Balance Beginning of Year	Balance at End of Year	Increase or (Decrease)
Current Liabilities			
4010 Accounts Payable	538,323	263,730	(274,593)
4020 Notes Payable			
4030 Advance Billings and Payments			
4040 Customer Deposits	5,555	4,724	(831)
4050 Current Maturities - Long -Term Debt	283,000	384,440	101,440
4060 Current Maturities - Capital leases			
4070 Income Taxes - Accrued	0	0	0
4080 Other Taxes - Accrued	256,793	111,421	(145,372)
4100 Net Current Defer. Oper. Income Taxes	87,425	98,890	11,465
4110 Net Current Defer. Nonoper. Income Taxes			
4120 Other Accrued Liabilities	572,586	826,920	254,334
4130 Other Current Liabilities	25,522	34,520	8,998
Long-Term Debt			
4210 Funded Debt	2,822,528	3,166,042	343,514
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			
Other Liabilities & Deferred Credits			
4310 Other Long-Term Liabilities			
4320 Unamort. Oper. Invest. Tax Credits - Net	7,982	4,523	(3,459)
4330 Unamort. Nonoper. Invest. Tax Credits - Net			
4340 Net Noncurrent Defer. Oper. Income Taxes	353,247	667,105	313,858
4350 Net Noncur. Defer. Nonoper. Income Taxes	0	0	0
4360 Other Deferred Credits			
4370 Other Juris. Liab. & Def. Credits - Net			
Stockholders' Equity			
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	12,194,725	12,929,283	734,558
TOTAL LIAB. & OTHER CREDITS	17,248,011	18,591,923	1,343,912

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	1,344,765	96,236	29,287		1,411,714
2113 Aircraft	0				0
2114 Special Purpose Vehicles	0				0
2115 Garage Work Equipment	25,295				25,295
2116 Other Work Equipment	581,093	33,581			614,674
2121 Buildings	1,845,375	43,703	9,038		1,880,040
2122 Furniture	130,686	24,119			154,805
2123 Office Equipment	227,819	5,268			233,087
2124 General Purpose Computers	750,658	15,673			766,331
2211 Analog Electronic Switching	0				0
2212 Digital Electronic Switching	2,895,932	1,116,410			4,012,342
2215 Electro-Mechanical Switching	0				0
2220 Operator Systems	0				0
2231 Radio Systems	36,842				36,842
2232 Circuit Equipment	1,784,043	397,193			2,181,236
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	7,878,574	557,991			8,436,565
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
TOTAL PLANT ACCOUNTS	17,839,415	2,290,174	38,325	0	20,091,264

ANALYSIS OF TELECOMMUNICATIONS PLANT ACCOUNTS
IDAHO Operations Only
FOR THE YEAR ENDING DECEMBER 31, 2006

	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	20,187			(18) *	20,169
2112 Motor Vehicles	0				0
2113 Aircraft	0				0
2114 Special Purpose Vehicles	0				0
2115 Garage Work Equipment	1,804			(5) *	1,799
2116 Other Work Equipment	13,119	1,034		1,430 *	13,119
2121 Buildings	435,901			2,928 *	438,365
2122 Furniture	19,503			676 *	22,431
2123 Office Equipment	47,413			1,959 *	48,089
2124 General Purpose Computers	100,506				102,465
2211 Analog Electronic Switching	0				0
2212 Digital Electronic Switching	320,139	332,954		18,926 *	672,019
2215 Electro-Mechanical Switching	0				0
2220 Operator Systems	0				0
2231 Radio Systems	1,695			(41) *	1,654
2232 Circuit Equipment	298,144	187,671		6,289 *	492,104
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	1,670,853	177,232		0 *	1,848,085
2424 Submarine Cable	0				0
2426 Intrabuilding 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
TOTAL PLANT ACCOUNTS	2,969,956	698,891	0	32,144 *	3,700,991

*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, 2006
TOTAL Company Basis

	Balance Beginning of Year	Depreciation Rate*	Credits During Year	Retirements and Adjustments	Balance End of Year
Analysis of Entries in Accumulated Depreciation					
2112 Motor Vehicles	1,279,889	16.00/12.50	158,294	(22,472)	1,415,711
2113 Aircraft	0				0
2114 Special Purpose Vehicles	0				0
2115 Garage Work Equipment	23,815	12.5	1,480		25,295
2116 Other Work Equipment	577,729	16.00/12.50	16,480		594,209
2121 Buildings	832,917	4.00/2.50	71,791	(9,038)	895,670
2122 Furniture	130,685	15.00/6.00	14,018		144,703
2123 Office Equipment	222,440	20.00/5.00 & 6.00	5,584		228,024
2124 General Purpose Computers	749,834	25.00/12.50	16,497		766,331
2211 Analog Electronic Switching	0				0
2212 Digital Electronic Switching	1,875,751	9.00/27.37	299,473		2,175,224
2215 Electro-Mechanical Switching	0				0
2220 Operator Systems	0				0
2231 Radio Systems	36,842				36,842
2232 Circuit Equipment	1,120,499	11.19/27.37	105,645		1,226,144
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	24,206	7.59/5.00	79		24,285
2421 Aerial Cable	175,439	20.40/4.00	1,181		176,620
2422 Underground Cable	4,681,739	5.00&6.00/4.00&6.00	431,538		5,113,277
2423 Buried Cable	0				0
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
TOTAL	11,738,481		1,122,059	(31,510)	12,829,031

*Please list individual depreciation rate for each account.

ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION

Account 3100
 FOR THE YEAR ENDING DECEMBER 31, 2006
 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	0				0
2113 Aircraft	0				0
2114 Special Purpose Vehicles	0				0
2115 Garage Work Equipment	1,804	12.50		(5)**	1,799
2116 Other Work Equipment	11,601	12.50	1,518	(1,518)**	11,601
2121 Buildings	184,186	2.50	3,136	5,553**	192,875
2122 Furniture	19,503	6.00		1,681**	21,184
2123 Office Equipment	44,851	5.00/6.00		1,405**	46,256
2124 General Purpose Computers	100,254	12.50		2,211**	102,465
2121 Analog Electronic Switching	0				0
2122 Digital Electronic Switching	314,195	27.37		4,230**	318,425
2125 Electro-Mechanical Switching	0				0
2220 Operator Systems	0				0
2231 Radio Systems	1,695			(41)**	1,654
2232 Circuit Equipment	285,192	27.37	3,418	(1,236)**	287,374
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	976	5.00	79	(79)**	976
2421 Aerial Cable	6,740	4.00	1,181	(1,180)**	6,741
2422 Underground Cable	0				0
2423 Buried Cable	960,819	4.00/6.00	66,629	(66,368)**	961,080
2424 Submarine Cable	0				0
2426 Intra-building Network Cable	0				0
2431 Aerial Wire	4,821	8.00			4,821
2441 Conduit Systems	0				0
TOTAL	1,936,637		75,961	(55,347)**	1,957,251

* 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, 2006

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	0
1402-RTB Class B Stock	Various	52,874	0
1402-RTB Class C Stock	1974	1,000	0
1402-Illuminet	1981		749,351
1402-Verizon	2005		31,839
1406-Paging Equip./CPE/ Mobile CPE	Various		123,094
Rural Telephone Finance Cooperative Capital Certificates			3,061
Totals		<u>852,328</u>	<u>907,345</u>

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>Notes Receivable</u>	<u>Amount at End of Year Accounts Receivable</u>
1180-Due From Customers		88,113
1190-Other A/R-Interexchange Carriers & Exchange Carrier Association		1,159,202
1190-Other A/R-Western Elite Inc. Services		7,114,776
Totals		<u>8,362,091</u>

NOTES PAYABLE
FOR THE YEAR ENDING DECEMBER 31, 2006

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

ACCOUNTS PAYABLE

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

<u>Name of Creditor</u>	<u>Amount</u>
Trade Payables	263,730
Totals	<u>263,730</u>

LONG - TERM DEBT
FOR THE YEAR ENDING DECEMBER 31, 2006
Accounts 4210, 4240, 4250, 4260, 4270 and 4310

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

Class & Series of Obligation	Date of Issue	Date of Maturity	Fact Amount Authorized	Outstanding Year-End	Premium/ Discount		Interest for year	
					Total	Year Amortized	Rate	Amount
RUS 2030	Oct. 1969	Oct. 2004	84,000	0			2%	0
RUS 2040	Jun. 1971	Jun. 2006	53,000	0			2%	4
RUS 2050	Jun. 1971	Jun. 2006	129,000	0			2%	27
RUS 12060	May 1976	May 2011	578,000	103,649			2%	2,305
RUS 12070	May 1983	May 2018	1,129,000	501,987			2%	10,431
RUS 12140	Oct. 1979	Oct. 2014	581,000	284,422			5%	14,761
RUS 12150	Apr. 1995	Apr. 2014	947,000	540,995			7%	39,811
RUS 12151	Apr. 1995	Apr. 2014	270,000	153,769			6.91%	11,172
RUS 12152	Apr. 1995	Apr. 2014	329,000	185,050			6.26%	12,198
RTB S010	Oct. 1979	Oct. 2014	345,450	176,116			8%	14,696
RTB S020	Dec. 1986	Apr. 2011	439,950	253,697			8%	21,152
RTB S023	Dec. 1986	Dec. 2011	324,952	192,941			5.54%	11,274
RUS 12153	Apr. 1995	Apr. 2014	451,478	256,911			4.86%	13,188
RUS 12154	Apr. 1995	Apr. 2014	289,522	172,734			5.71%	10,399
RTB S032	Dec. 1986	Dec. 2011	729,611	709,780			5.49%	11,790
			<u>6,680,963</u>	<u>3,532,051</u>				<u>173,208</u>

**CAPITAL STOCK
FOR THE YEAR ENDING DECEMBER 31, 2006**

designating separate series of any general class. Show totals separately for common and preferred.

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

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

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

INCOME & RETAINED EARNINGS STATEMENT

FOR T Item	Total Company	Idaho Only
Total Operating Income (from page 15)	5,841,122	857,286
Total Operating Expenses (from page 17)	5,109,305	763,315
7100 Other Operating Income and Expense		
7210 Operating Investment Tax Credits-Net	(3,458)	0
7220 Operating Federal Income Taxes	757,459	30,101
7230 Operating State and Local Income Taxes	25,583	25,583
7240 Operating Other Taxes	106,361	11,022
7250 Provision for Deferred Operating Income Taxes-Net	(14,951)	55,715
7200 Operating Taxes (Total)	870,994	122,421
7310 Dividend Income	5,926	731
7320 Interest Income	24,213	2,988
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	804,535	123,526
7370 Special Charges	(68,997)	(5,553)
7300 Nonoperating Income and Expense	765,677	121,692
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	(326,840)	0
7400 Nonoperating Taxes	(326,840)	0
7510 Interest on Funded Debt	173,208	30,462
7520 Interest Expense-Capital Leases		
7530 Amortization of Debt Issuance Expense	0	0
7540 Other Interest Deductions	1,251	220
7500 Interest and Related Items	174,459	30,682
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	0	0
7910 Income Effect of Jurisdictional Ratemaking Differences-Net		
7990 Nonregulated Net Income	(92,555)	(241)
AMOUNT TRANSFERRED TO RETAINED EARNINGS	686,326	62,319

OPERATING REVENUES

FOR 1 Item	Total Company	Idaho Only
Local Network Services Revenues		
5001 Basic Area Revenue	754,645	101,781
5002 Optional Extended Area Revenue		
5003 Cellular Mobile Revenue		
5004 Other Mobile Services Revenue		
5010 Public Telephone Revenue		
5040 Local Private Line Revenue	106	0
5050 Customer Premises Revenue		
5060 Other Local Exchange Revenue	128,162	10,779
5069 Other Local Exchange Settlements		
Network Access Services Revenues		
5081 End User Revenue (SLC)	256,055	29,410
5082 Switched Access Revenue (Interstate)	2,628,530	627,544
5083 Special Access Revenue	354,827	(1,007)
5084 State Access Revenue (Intrastate)	1,622,944	81,427
Long Distance Network Services Revenues		
5100 Long Distance Message Revenue - All	7,654	571
Miscellaneous Revenues		
5230 Directory Revenue	9,596	794
5240 Rent Revenue	14,156	0
5250 Corporate Operations Revenue		
5261 Special Billing Arrangements Revenue		
5262 Customer Operations Revenue	25,977	4,534
5263 Plant Operations Revenue		
5264 Other Incidental Regulated Revenue	250	30
5269 Other Revenue Settlements		
5270 Carrier Billing & Collection Revenue	49,087	3,018
Uncollectible Revenues		
5301 Uncollectible Revenue - Telecommunications	10,867	1,595
5302 Uncollectible Revenue - Other		
TOTAL OPERATING REVENUES	5,841,122	857,286

Please identify the following revenues:

NECA USF \$439,686 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
Plant Specific Operations Expense		
6110 Network Support Expenses		
6112 Motor Vehicle Expense	91,563	11,543
6113 Aircraft Expense		
6114 Special Purpose Vehicles Expense		
6115 Garage Work Equipment Expense	66,698	8,409
6116 Other Work Equipment Expense	0	0
6120 General Support Expenses		
6121 Land and Building Expenses	316,293	39,875
6122 Furniture and Artworks Expense	47	6
6123 Office Equipment Expense	6,790	856
6124 General Purpose Computers Expense	159,595	20,120
6210 Central Office Switching Expenses	487,135	83,013
6211 Analog Electronic Expense		
6212 Digital Electronic Expense		
6215 Electro-Mechanical Expense		
6220 Operators System Expense		
6230 Central Office Transmission Expenses	129,555	22,077
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	(473)	(101)
6421 Aerial Cable Expense	33,542	7,180
6422 Underground Cable Expense		
6423 Buried Cable Expense	461,510	98,791
6424 Submarine Cable Expense		
6425 Deep Sea Cable Expense		
6426 Intrabuilding Network Cable Expense		
6431 Aerial Wire Expense	0	0
6441 Conduit Systems Expense		
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	1,752,255	291,769

OPERATING REVENUES

FOR 1Item	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	2,199	434
6530 Network Operations Expense		
6531 Power Expense	41,488	8,190
6532 Network Administration Expense	6,277	1,239
6533 Testing Expense	28,698	5,665
6534 Plant Operations Administration Expense	98,915	19,527
6535 Engineering Expense	36,741	7,253
6540 Access Expense	24,394	4,816
6560 Depreciation and Amortization Expenses		
6561 Depreciation Expense-Telecom. Plant in Service	1,122,059	101,763
6562 Depreciation Expense-Property Held for Future Use		
6563 Amortization Expense - Tangible	45	
6564 Amortization Expense - Intangible		
6565 Amortization Expense - Other		
Total Plant Nonspecific Operations Expenses	1,360,816	148,887
Customer Operations Expense		
6610 Marketing	4,930	608
6611 Product Management		
6612 Sales		
6613 Product Advertising		
6620 Services		
6621 Call Completion Services		
6622 Number Services	77,321	9,542
6623 Customer Services	392,087	48,383
Total Customer Operations Expense	474,338	58,533
Corporate Operations Expense		
6710 Executive and Planning	359,436	62,380
6711 Executive		
6712 Planning		
6720 General and Administrative		
6721 Accounting and Finance	598,195	103,817
6722 External Relations	56,143	9,744
6723 Human Resources	133,781	23,218
6724 Information Management		
6725 Legal	78,790	13,674
6726 Procurement		
6727 Research and Development		
6728 Other General and Administrative	295,551	51,293
6790 Provision for Uncollectible Notes Receivable		
Total Corporate Operations Expense	1,521,896	264,126
TOTAL OPERATING EXPENSES	5,109,305	763,315

CENTRAL OFFICE DATA
as of December 31, 2006 (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: 31
(Include Centrex, PAL, Semi-Pub.)
Public Telephone Lines 0
Company Official Lines 1
Company Test Lines 3

Classification of Customer Access

	Residence			Business			Total Residence & Business
	Multi-Line 1-Party	Single Line Multi-Party	Subtotal Residence	Multi-Line 1-Party	Single Line Multi-Party	Subtotal Business	
Beginning of Year	0	30	30	0	1	0	32
New Connects	0	2	2	0	0	0	2
Disconnects	0	3	3	0	0	0	3
End of Year	0	29	29	0	1	0	31

Foreign Exchange:

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

Custom Calling:

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

Directory Listings:

Number of Customers with Nonpublished or Nonlisted: 1

CENTRAL OFFICE DATA
as of December 31, 2006 (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:
Host _____ Digital X
Remote _____ Analog _____
Other: _____

Access Line Capacity
Design: 10,000 **Access Lines in Use**
Customer Lines: _____ 342

Installed/Equipped: _____ 375
Public Telephone Lines _____ 0
Company Official Lines _____ 28
Company Test Lines _____ 3

Classification of Customer Access

	Residence			Business			Total Residence & Business
	Multi- Line 1-Party	Single Line 1-Party	Multi- Party	Multi- Line 1-Party	1-Party	Multi- Party	
Beginning of Year	0	320	0	0	16	0	22
New Connects	0	42	0	0	0	3	3
Disconnects	0	42	0	0	1	3	4
End of Year	0	320	0	0	15	6	21
Subtotal	Residence			Business			
	42			3			45
	42			3			46
	320			6			341

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: _____ 13

Custom Calling:
Number of customers with at least one feature: _____ 246
Total number of features subscribed to: _____ 11

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, 2006

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, 2006 through December, 2007

Alternate method of notification None

Rule IDAPA 31.41.01.403.02

Record of Complaints:

Number received by Company 34

Category of complaints (if known):

Deposit Disputes 0

Charges on Bill 0

Denial/Termination 0

Quality or Availability
of Service 32

Carrier Selection/Assignment 0

Miscellaneous 2

Rev 3/02

FORM INPUT MASTER

COMPANY NAME: Inland Telephone Co. For The Year Ended: December 31, 2006 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 Special Access	MTS & WATS Switched Access	TOLL PLS Special Access	EAS	
SUMMARY										
Operating Revenues										
50XX Local-Billed	(1)	1.	112,560							112,560
-EAS Billed	(1)	2.	0							0
-EAS Settlement	(1)	3.	0							0
508X Access-SLC (End User)	(2)	4.	29,410	29,410						29,410
-Switched (TS+NTS)	(2)	5.	708,971	627,544			81,427			81,427
-Special	(2)	6.	-1,007	-1,007						0
51XX Toll -Message	(3a)	7.	0							0
-Private Line	(3b)	8.	0							0
-Settlement	(3c)	9.	571				571			571
52XX Misc. Billing & Collection	(4)	10.	3,018	1,076			1,942			1,942
-Directory Advertising		11.	0							0
-Operating Rents		12.	0							0
-Other Misc.		13.	5,328							5,328
530X Less: Uncollectible Rev. (-)		14.	-1,595	0			0			-1,595
Total Revenues		15.	857,256	658,030	-1,007	657,023	83,940	0	116,293	200,233
Operating Expenses										
61XX-64XX Plant Specific Oper.	(5a)	16.	260,175	99,244	4,417	103,661	49,573	1,088	0	105,853
65XX Plant Nonspecific Operations	(5a)	17.	40,586	14,459	560	15,019	8,155	181	0	17,231
656X Depreciation & Amortization	(5a)	18.	95,506	28,681	816	29,497	21,330	480	0	44,199
66XX Customer Operations	(5a)	19.	52,853	20,125	0	20,125	14,924	10	0	17,794
67XX Corporate Operations	(5a)	20.	256,482	101,641	3,552	105,193	64,454	1,066	0	85,769
---- Other Operating	(5a)	21.	4,577	4,577	0	4,577	0	0	0	0
Total Expenses	(5a)	22.	710,119	268,727	9,345	278,072	158,436	2,825	0	270,846
Operating Taxes:	(6)									
7240 General Taxes		23.	10,629	3,668	138	3,806	2,512	45	0	4,266
7230 State/Local Inc. Tax (Current)		24.	7,525	24,922	-707	24,215	-5,351	-196	0	-11,143
7220 Federal Income Tax (Current)		25.	95,961	123,437	0	123,437	-26,506	-971	0	-27,477
7250 Net Deferred Income Taxes		26.	0	0	0	0	0	0	0	0
7210 Net Investment Tax Credits		27.	0	0	0	0	0	0	0	0
Total Taxes		28.	114,115	152,027	-569	151,458	-29,346	-1,122	0	-6,877
Net Operating Income		29.	32,962	237,276	-9,783	227,493	-45,150	-1,703	0	-147,676
										-194,530

FORM 1 INPUT MASTER		For The Year Ended: December 31, 2006				Separated Results of Idaho Operations				
COMPANY NAME: Inland Telephone Co.		Total Idaho Operations Subject To Separations		Interstate Operation		Intrastate Operation				
FCC Account and Description	Note No.	Line No.	MTS & WATS Switched Access	TOLL PLS Special Access	Total	MTS & WATS Switched Access	TOLL PLS Special Access	EAS	Local (other)	Total
SUMMARY (continued)										
Average Rate Base		1.	1,135,958	43,949	1,179,907	640,633	14,176	0	1,353,791	2,008,600
2001 Telecom Plant in Service	(5b)	2.	-671,607	-31,845	-703,452	-379,702	-8,425	0	-802,494	-1,190,621
2005 Plant Acquisition Adjustment	(5c)	3.	0	0	0	0	0	0	0	0
3100 Less: Accumulated Depr. (-)	(5)	4.	31,238	937	32,175	21,465	481		44,596	66,542
34xx-36xx Accum. Deferred Tax (-)		5.			0					0
4100-4340 Accum. Deferred Tax (-)		6.			0					0
1220 Materials and Supplies	(7)	7.	55,075	2,093	57,168				94,820	94,820
Equal Access Equipment		8.	550,664	15,134	565,798	282,396	6,232	0	690,713	979,341
Other Rate Base		9.								
Total Average Rate Base										

FORM I INPUT MASTER

COMPANY NAME: Inland Telephone Co.

For The Year Ended: December 31, 2006

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 Special Access	MTS & WATS Switched Access	TOLL PLS Special Access	EAS		Local (other)
PLANT IN SERVICE DETAIL											
21XX General Support Facilities		1.	507,149	180,680	6,990	187,670	101,896	2,255	0	215,328	319,479
22XX Central Office Equipment:		2.	0			0					0
CAT 1-Operator Systems		3.	0			0					0
CAT 2-Tandem Switching (Alloc.)		4.	0			0					0
CAT 2-Tandem Switching (Assign.)		5.	460,881	374,970		374,970	17,371			68,540	85,911
CAT 3-Local Switching		6.	0			0					0
CAT 4.12 -Exch. Trunk (Joint Use)		7.	24,782			0				24,782	24,782
CAT 4.12 -Exch. Trunk (Ded. Use)		8.	327,354	81,643		81,643	81,643	782		163,286	245,711
CAT 4.13 -Subscr. Line (Joint Use)		9.	31,984		31,984	31,984					0
CAT 4.13 -Subscr. Line (Ded. Use)		10.	32,056	20,343	929	21,272	9,390	1,394		0	10,784
CAT 4.23 -IX Trunk (Joint Use)		11.	0			0					0
CAT 4.23 -IX Trunk Ckt. (Ded. Use)		12.	0			0					0
CAT 4.3 -Host/Remote Trunk Ckt.		13.	0			0					0
Other COE		14.	877,057	476,956	32,913	509,869	108,404	2,176	0	256,608	367,188
Total COE											
23XX Information Orig./Term. Equipment:		15.	0			0					0
CAT 1-Regulated CPE		16.	0			0					0
Other IOT		17.	0	0	0	0	0	0	0	0	0
Total IOT											
24XX Cable & Wire Facilities:		18.	1,571,545	391,948		391,948	391,948	3,754		783,895	1,179,597
CAT 1.3-Subscriber Line (Common)		19.	0			0					0
CAT 1.1,2-Subscriber Line (Ded.)		20.	0			0					0
CAT 2-Exch. Trunk (Joint Use)		21.	95,937			0				95,937	95,937
CAT 2-Exch. Trunk (Ded. Use)		22.	132,055	84,677	3,980	88,657	37,428	5,970		0	43,398
CAT 3-IX Trunk (Joint Use)		23.	0			0					0
CAT 3-IX Trunk (Ded. Use)		24.	0			0					0
CAT 4-Host/Remote Trunk		25.	0			0					0
Other C&WF		26.	1,799,537	476,625	3,980	480,605	429,376	9,724	0	879,832	1,318,532
Total C&WF											
26XX Other Assets:		27.	0			0					0
Capital Leases		28.	0			0					0
Leasehold Improvements		29.	4,764	1,697	66	1,763	957	21		2,023	3,001
Intangibles		30.	4,764	1,697	66	1,763	957	21	0	2,023	3,001
Total Other Assets											
Total Telecom. Plant in Service	(5b)	31.	3,188,507	1,135,958	43,949	1,179,907	640,633	14,176	0	1,353,791	2,008,600

FORM 1 INPUT MASTER

COMPANY NAME: Inland Telephone Co.

For The Year Ended: December 31, 2006

Separated 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
Depreciation & Amortization											
Accumulated Depreciation Detail											
311X General Support Facilities		1.	-283,863	-101,131	-3,913	-105,044	-57,034	-1,262		-120,523	-176,819
312X Central Office Switching		2.	-274,140	-223,039		-223,039	-10,332			-40,769	-51,101
312X Operator Systems		3.	0			0					0
312X Central Office Transmission		4.	-324,914	-79,622	-25,696	-105,318	-71,071	-1,699		-146,826	-219,596
313X Information Orig./Term. Equip.		5.	0			0					0
314X Cable & Wire Facilities		6.	-1,011,156	-267,815	-2,236	-270,051	-241,265	-5,464		-494,376	-741,105
Total Accumulated Depreciation	(5c)	7.	-1,894,073	-671,607	-31,845	-703,452	-379,702	-8,425	0	-802,494	-1,190,621
Accumulated Amortization Detail											
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
Total Accumulated Amortization	(5c)	12.	0	0	0	0	0	0	0	0	0

FORM I INPUT MASTER

For The Year Ended: December 31, 2006

Separated Results of Idaho Operations

COMPANY NAME: Inland Telephone Co.

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	EAS	
OPERATING EXPENSE DETAIL										
61XX-64XX Plant Specific Operations										
6110-20 General Support Facilities		1.	68,047	24,243	938	25,181	13,672	303	28,891	42,866
621X Central Office Switching		2.	68,287	37,135	2,563	39,698	8,440	169	19,980	28,589
6220 Operator Systems		3.	0			0				0
623X Central Office Transmission		4.	18,161	9,876	682	10,558	2,245	45	5,313	7,603
63XX Information Orig./Term. Equip.		5.	0			0				0
64XX Cable & Wire Facilities		6.	105,680	27,990	234	28,224	25,216	571	51,669	77,456
Total Plant Specific	(5a)	7.	260,175	99,244	4,417	103,661	49,573	1,088	105,853	156,514
65XX Plant Nonspecific Operations										
6512 Provisioning	(8)	8.	413	147	6	153	83	2	175	260
653X Network Operations		9.	40,173	14,312	554	14,866	8,072	179	17,056	25,307
6540 Access Paid to LECs	(9)	10.	0			0				0
Total Plant Nonspecific	(5a)	11.	40,586	14,459	560	15,019	8,155	181	17,231	25,567
656X Depreciation & Amortization										
6561 General Support Facilities	(8)	12.	17,699	6,306	244	6,550	3,556	79	7,514	11,149
6561 Central Office Switching		13.	3,412	2,776		2,776	129		507	636
6561 Operator Systems		14.	0			0				0
6561 Central Office Transmission		15.	5,304	1,300	419	1,719	1,160	28	2,397	3,585
6561 Information Orig./Term. Equip.		16.	0			0				0
6561 Cable & Wire Facilities		17.	69,091	18,299	153	18,452	16,485	373	33,781	50,639
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
Total Depreciation & Amortization	(5a)	22.	95,506	28,681	816	29,497	21,330	480	44,199	66,009

FORM I INPUT MASTER

COMPANY NAME: Inland Telephone Co.

For The Year Ended: December 31, 2006

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	MTS & WATS Switched Access	Special Access	EAS	
OPERATING EXPENSE (continued)										
66XX Customer Operations										
661X Marketing		1.	607	385			212	10		222
662X Operator Services		2.	0	0						0
662X Directory Publishing-Alpha.		3.	9,566	2,316			1,033		6,217	7,250
662X Directory Publishing-Classified		4.	0	0						0
662X Directory Publishing-Foreign		5.	0	0						0
6623 Service Order Proc.-End User		6.	7,515	2,160			1,501		3,854	5,355
6623 Payment & Collection-End User		7.	5,766	2,355			1,208		2,203	3,411
6623 Billing Inquiry-End User		8.	3,540	2,089			1,451		0	1,451
6623 Service Order Proc.-CXR		9.	0	0						0
6623 Payment & Collection-CXR		10.	0	0						0
6623 Billing Inquiry-CXR		11.	0	0						0
6623 Coin Administration		12.	983	530			453		0	453
6623 Rev. Acctg.-Toll Ticket Proc.		13.	0	0						0
6623 Rev. Acctg.-Local Mess. Proc.		14.	5,340	1,578			1,780		1,982	3,762
6623 Rev. Acctg.-Other Bill & Coll.		15.	281	281						0
6623 Rev. Acctg.-SLC Billing	(9)	16.	6,210	3,105			3,105			3,105
6623 B & C Amts Paid to LECs	(9)	17.	0	0						0
6623 Other Customer Service	(9)	18.	13,045	5,326			4,181		3,538	7,719
6623 Total Customer Operations	(5a)	20.	52,853	20,125	0	20,125	14,924	10	17,794	32,728
67XX Corporate Operations:										
671X Executive & Planning		21.	60,777	23,326	859		12,553	208	23,831	36,592
672X General & Administrative		22.	195,705	78,315	2,693		51,901	858	61,938	114,697
6728 EAS Settlement Expense		23.	0	0						0
6728 Total Corporate Operations	(5a)	24.	256,482	101,641	3,552	105,193	64,454	1,066	85,769	151,289
Other Operating Expenses:										
Equal Access Provision	(10)	25.	0	0						0
Universal Service Fund	(11)	26.	4,577	4,577						0
Lifeline Connection Assistance	(12)	27.	0	0						0
Total Other	(5a)	28.	4,577	4,577	0	4,577	0	0	0	0
Total Operating Expenses	(5a)	29.	710,179	288,727	9,345	278,072	158,436	2,825	270,846	432,107

FORM I INPUT MASTER

COMPANY NAME: Inland Telephone Co.

For The Year Ended: December 31, 2006

Separated 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		
OPERATING TAXES DETAIL											
7240 General Taxes											
7240 Property		1.	0								0
7240 Gross Receipts		2.	0								0
7240 PUC Fee		3.	583	89							494
7240 Franchise Fees		4.	0								0
7240 Other		5.	10,046	3,579	138	3,717	2,018	45	4,266		6,329
Total General Taxes		6.	10,629	3,668	138	3,806	2,512	45	4,266	0	6,823
72XX Income Taxes (Calculated)											
Net Income Before SIT & FIT	(13)	7.	136,448	385,635	-10,490	375,145	-77,008	-2,870	0	-158,819	-238,697
Less Fixed Charges (-)		8.	22,436	8,035	217	8,252	4,075	99	10,010		14,184
Subtotal (lines 7-8)	(14)	9.	114,012	377,600	-10,707	366,893	-81,083	-2,969	0	-168,829	-252,881
Other SIT Base Add/Ded. (+-)	(15)	10.	0			0					0
SIT Taxable Inc. (lines 9+10)	(16)	11.	114,012	377,600	-10,707	366,893	-81,083	-2,969	0	-168,829	-252,881
7230 SIT-Current (at 8%)	(17)	12.	7,525	24,922	-707	24,215	-5,351	-196	0	-11,143	-16,690
Other FIT Base Add/Ded. (+-)		13.	0	0		0	0	0	0	0	0
FIT Taxable Inc. (lines 9-12+13)		14.	106,487	352,678	0	342,678	-75,732	-2,773	0	0	-78,505
Gross FIT		15.	95,961	123,437	0	123,437	-26,506	-971	0	0	-27,477
7210P Claimed ITC (-)		16.	0	0	0	0	0	0	0	0	0
Surfax Elimination (-)		17.	0	0	0	0	0	0	0	0	0
7220 FIT-Current (lines 15-16-17)	(18)	18.	95,961	123,437	0	123,437	-26,506	-971	0	0	-27,477

FORM I INPUT MASTER		For The Year Ended: December 31, 2006				Separated Results of Idaho Operations			
COMPANY NAME: Inland Telephone Co.		Total Idaho Operations Subject To Separations		Interstate Operation		Intrastate Operation		Total	
FCC Account and Description	Note No.	Line No.	MTS & WATS Switched Access	TOLL PLS Special Access	MTS & WATS Switched Access	TOLL PLS Special Access	EAS	Local (other)	Total

FORM I INPUT MASTER		For The Year Ended: December 31, 2006				Separated Results of Idaho Operations			
COMPANY NAME: Inland Telephone Co.		Total Idaho Operations Subject To Separations		Interstate Operation		Intrastate Operation		Total	
Description	Note No.	Line No.	Interstate Toll	Intrastate Toll	EAS	Local (Other)	MTS & WATS Switched Access	TOLL PLS Special Access	Local (other)
Separation Parameters									
Plant	(19)								
SLU Minutes of Use (MOU)		1.	2,114,479	943,313		5,675,799			
SLU Factor		2.	0.242109	0.108009		0.649882			
Base SPF - January 1		3.							
Base SPF - December 31		4.							
Current Composite SPF	(20)	5.	0.250000	0.250000		0.500000			
1996 Weighted DEM		6.	0.858807			0.141193			
1996 Unweighted DEM		7.	0.286269	0.125012		0.588719			
Current CAT 3 Dial Equipment Minutes	(21)	8.	2,114,479	943,313		5,675,799			
Current Composite DEM Factor		9.	0.814647	0.035353		0.15			
Exchange Trunk - Joint Use MOU	(22)	10.							
Host/Remote MOU Kilometers	(23)	11.							
Equal Access MOU	(24)	12.							
Operator Standard Work Seconds	(25)	13.							
Tandem Switching MOU	(26)	14.							
IX Conversation MOU		15.	1,112,344	513,445					
IX Conversation Minute Kilometers		16.	12,033,796	5,318,990					
Other Parameters									
Access Lines		17.							
Unseparated Loop Cost @ 11.1 ROR	(27)	18.							
Gross Billed Revenues									
-Marketing Allocation Basis	(28a)	19.							
-Payment & Collection-End User	(28b)	20.	75,272	38,609					70,400
-Payment & Collection-CXR	(28c)	21.							
Service Order Contacts									
-Service Order Proc.-End User	(29a)	22.	195	135					347
-Service Order Proc.-CXR	(29b)	23.							
Billing Inquiry Contacts									
-Billing Inquiry-End User	(30a)	24.	224	156					
-Billing Inquiry-CXR	(30b)	25.							
SP+RC Toll Messages	(31)	26.	54,286	46,394					
EAS/Local Messages (Msg. Proc.)		27.							
'BIG 3' Expense Factor-Message	(32)	28.	90,865	56,693					96,426
-PLS & Special Access		29.		1,623					
Operator Services Expense -- Factor		30.							
Access Minutes of Use (End Office)		31.							

CERTIFICATE

FOR THE YEAR ENDING DECEMBER 31, 2006)
) ss
County of Kittitas)

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 16th day of April, 2007

Karleen M. Brown
Notary Public
Karleen Brown



My Commission expires 6-29-10

Rev 3/02