

ANNUAL REPORT

OF

OREGON-IDAHO UTILITIES, INC.

NAME

P.O. BOX 1880
NAMPA, ID 83653

ADDRESS

TO THE

IDAHO PUBLIC

UTILITIES COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2003

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© Schedules S-2, CP, and LEC contain **CONFIDENTIAL** information.

(1) A cooperative is not required to file Schedules A-2, A-3, and B-3. A cooperative that did not report income taxes on Schedule I-1 is also not required to file Schedules I-6 and I-7.

(2) A small utility is not required to file Schedules B-3 and Ob-3.

(3) An average schedule company is not required to file Schedules I-4, I-6, I-7, I-8, and Oi-4, in addition to the exceptions listed in notes (1) and (2).

(4) A large utility subject to ORS 759.405 or unbundling requirements under docket UM 351 is not required to file Schedules I-4, I-6, I-7, and Oi-4.

ANNUAL REPORT TO THE PUBLIC UTILITY COMMISSION OF OREGON FOR THE YEAR ENDING DECEMBER 31, 2003

Schedules from other reports are not acceptable. See attached instructions for more information.

A.1 GENERAL INFORMATION
A. Identity of Respondent

| | | | |
|--|--|---|--|
| Exact Legal Name of Respondent: | | Assumed Business Name, Doing Business As Name, or Also Known As Name (if same as legal name, write "SAME"): | |
| 1. OREGON-IDAHO UTILITIES, INC. | | Same | |
| Name of Person (including title) Whom OPUC Should Contact About This Report: | | Business Street Address: | |
| 2. Renee Suddarth, Assistant Corporate Secretary/Comptroller | | 1023 N. Horton Street, Nampa, ID 83651 | |
| E-mail Address: | | Mailing Address (if same as street address, write "SAME"): | |
| renee_oh@ihuridpe.net | | PO Box 1880, Nampa, ID 83653 | |
| | | Voice Telephone Number: | |
| | | 208-461-7802 | |
| | | Facsimile Number: | |
| | | 208-461-7896 | |

B. Other Published Annual Reports

- REPORT TO STOCKHOLDERS / MEMBERS.** A copy of the annual report to stockholders or members was will be sent to OPUC on or about _____.
- Annual reports to stockholders or members are not published.
- RUS REPORT.** A copy of the published annual report to the Rural Utilities Service was X will be sent to OPUC on or about April 1, 2004.
- The respondent does not report to the Rural Utilities Service.
- ARMIS REPORT.** A copy of the ARMIS report Part 43-02 was will be sent to OPUC on or about _____.
- The respondent does not file ARMIS reports with the Federal Communications Commission.
- LEC REPORT.** A copy of the respondent's Annual Report for Local Exchange Carriers to OPUC is attached.

C. Signature

statements of fact in this report are true, and this report *correctly* states the respondent's business and affairs in each matter set forth from January 1, 2003, through December 31, 2003.

COPY

 Renee Suddarth (signature)
 Assistant Corporate Secretary (title)
 March 18, 2003 (date)

ANNUAL REPORT TO THE PUBLIC UTILITY COMMISSION OF OREGON FOR THE YEAR ENDING DECEMBER 31, 2003

Company: OREGON-IDAHO UTILITIES, INC.

Schedules from other reports may be acceptable. See attached instructions for more information.

SEE ATTACHED STATEMENT AT THE BOTTOM OF SCH. A3

A2: IMPORTANT CHANGES DURING THE YEAR

1. **CHANGES IN SERVICE TERRITORY, EXTENSIONS OF SERVICES, SALES, MERGERS, ABANDONMENT, AND CHANGES IN IDENTITY.** If there were changes in the respondent's identity or Oregon service territory during the year, describe the changes.

2. **CHANGES IN ACCOUNTING STANDARDS.** Briefly describe the changes in accounting standards, including the effective date of the change and the impact on the accounts as provided for by generally accepted accounting principles.

3. **CHANGES IN OWNERSHIP OR DIRECT CONTROL.** If ownership or direct control over the respondent changed during the year, provide the following information:

- State the form of control (i.e., sole or joint).
- State the names and addresses of the directly controlling organizations or persons.
- State the means by which control was held (for example, through ownership of voting securities, common directors, officers, stockholders, voting trusts, etc.).
- State the extent of control.
- If the directly controlling organization or person was in turn controlled by another organization or person, show the chain of control to the ultimately controlling organization or person and the extent of control over each directly controlled organization or person in the chain.
- If any controlling organization or person held control as trustee, give the names and addresses of the beneficiaries for whom the trust is maintained and the purpose of the trust.

A3: STOCKHOLDERS

| Line No. | Class of Stock (a) | Shares Held (b) | Name of Stockholder (c) |
|----------|----------------------|-----------------|--|
| 1 | Common | 1,200 | Robinson Communications Corporation, PO Box 1880, Nampa, ID 83653 Robinson Communications Corporation, PO Box 1880, Nampa, ID 83653 |
| 2 | Preferred | 1,400 | |
| 3 | | | |
| 4 | | | |
| 5 | | | |
| 6 | | | |
| 7 | | | |
| 8 | | | |
| 9 | | | |
| 10 | | | |
| 11 | Date of Compilation: | | |

NOT REQUIRED, because the respondent is a cooperative.

OREGON-IDAHO UTILITIES INC.

1023 N. Horton Street
P.O. Box 1880
Nampa, Idaho 83653
208-461-7802
208-461-7896 FAX

March 18, 2004

2003 OREGON PUBLIC UTILITY COMMISSION TELECOMMUNICATIONS ANNUAL REPORT

Oregon-Idaho Utilities, Inc., (OIU) presents its 2003 Annual Report to the Oregon Public Utility Commission. The data set forth in this report depicts OIU's combined Oregon and Idaho operations. Under the rules of the National Exchange Carrier Association (NECA), OIU's combined Oregon and Idaho operations are defined as a single study area, and the company therefore prepares a single cost study representing its combined operations in these two states. When allocation of a share of the combined costs to one state or the other is required, the company generally bases the allocation on the relative number of access lines in Oregon and Idaho.

Historically, the company has reported the "Oregon-specific" portion of the total study area data shown in this report in proportion to the relative numbers of Oregon and Idaho access lines. Current shows Oregon as comprising approximately 90% of the total company access lines, which produces a 90% allocation to Oregon of the total study area data shown in this report.

In 1995, OIU's affiliate, Humboldt Telephone Company, commenced operations as a fully regulated local exchange telephone company in six rural exchanges located in and around Humboldt County, Nevada. The Humboldt operations are maintained as a separate and distinct cost study area under the terms of the applicable FCC study area waiver and under NECA rules, and none of the revenues or expenses related to the Nevada study area are included in any of the data set forth in the within report.

OREGON-IDAHO UTILITIES, INC.

ANNUAL REPORT TO THE PUBLIC UTILITY COMMISSION OF OREGON FOR THE YEAR ENDING DECEMBER 31, 2003

Company: OREGON-IDAHO UTILITIES, INC.

TOTAL COMPANY OPERATIONS

1. Dollars are whole.
2. Schedules from other reports are not acceptable. See attached instructions for more information.

| BALANCE SHEET | | | | | | |
|--|--|----------------------------|----------------------------------|---------------------|-----------------------|---------------------------------------|
| Line No. | Description (a) | Balance at End of Year (b) | Balance at Beginning of Year (c) | Plant Additions (d) | Plant Retirements (e) | Transfers and Adjustments (f) |
| Assets | | | | | | |
| 1 | 1120 Cash and Equivalents | 3,999,560 | | | | |
| 2 | 1170 Receivables | 1,313,330 | | | | |
| 3 | 1171 Allowance for Doubtful Accounts | | | | | |
| 4 | 1220 Inventories | 78,208 | 69,449 | | | <-Beginning balance is also required. |
| 5 | 1280 Prepayments | 73,333 | | | | |
| 6 | 1350 Other Current Assets | | | | | |
| 7 | Total Current Assets (lines 1..6) | 5,464,431 | | | | |
| 8 | 1406 Nonregulated Investments | | | | | |
| 9 | 1410 Other Noncurrent Assets | 73,072 | | | | |
| 10 | 1438 Deferred Maintenance, Retirements, and Other Deferred Charges | 62,151 | 80,920 | | | <-Beginning balance is also required. |
| 11 | 1500 Other Jurisdictional Assets - Net | | | | | |
| 12 | Total Noncurrent Assets (lines 8..11) | 135,223 | | | | |
| 13 | 2001 Telecommunications Plant in Service (line 57) | 13,431,283 | 12,857,877 | | | <-Beginning balance is also required. |
| 14 | 2002 Property Held for Future Telecommunications Use | | | | | |
| 15 | 2003 Telecommunications Plant Under Construction | | | | | |
| 16 | 2005 Telecommunications Plant Adjustment | 177,252 | 177,252 | | | <-Beginning balance is also required. |
| 17 | 2006 Nonoperating Plant | | | | | |
| 18 | 2007 Goodwill | | | | | |
| 19 | Total Plant (lines 13..18) | 13,608,535 | | | | |
| Telecommunications Plant in Service | | | | | | |
| 20 | 2111 Land | 20,662 | 20,662 | | | |
| 21 | 2112 Motor Vehicles | 730,321 | 700,331 | 29,990 | | |
| 22 | 2113 Aircraft | | | | | |
| 23 | 2114 Tools and Other Work Equipment | 11,804 | 11,804 | | | |
| 24 | 2121 Buildings | 632,864 | 632,864 | | | |
| 25 | 2122 Furniture | 17,798 | 17,798 | | | |
| 26 | 2123 Office Equipment | 33,247 | 33,247 | | | |
| 27 | 2124 General Purpose Computers | 43,499 | 35,408 | 8,091 | | |
| 28 | Total Land and Support Assets (lines 20..27) | 1,490,195 | 1,452,114 | 38,081 | | |

ANNUAL REPORT TO THE PUBLIC UTILITY COMMISSION OF OREGON FOR THE YEAR ENDING DECEMBER 31, 2003

Company: **OREGON-IDAHO UTILITIES, INC.**

TOTAL COMPANY OPERATIONS

1. Dollars are whole.
2. Schedules from other reports are not acceptable. See attached instructions for more information.

B-1 BALANCE SHEET

| Line No. | Description (a) | Balance at End of Year (b) | Balance at Beginning of Year (c) | Plant Additions (d) | Plant Retirements (e) | Transfers and Adjustments (f) |
|--|---|----------------------------|----------------------------------|---------------------|-----------------------|-------------------------------|
| Accumulated Depreciation and Amortization | | | | | | |
| 58 | 3100 Depreciation - Telecommunications Plant in Service | 6,929,025 | 6,477,311 | | | |
| 59 | 3200 Depreciation - Property Held for Future Telecommunications Use | | | | | |
| 60 | 3300 Depreciation - Nonoperating | 274,256 | 267,083 | | | |
| 61 | 3410 Amortization | | | | | |
| 62 | Accumulated Depreciation and Amortization (lines 58..61) | 7,203,281 | 6,744,394 | | | |
| 63 | Net Plant (line 19 less line 62) | 6,405,254 | | | | |
| 64 | Total Assets (lines 7+12+63) | 12,004,908 | | | | |
| Liabilities and Equity | | | | | | |
| 65 | 4010-4030 Accounts and Notes Payable | 180,280 | | | | |
| 66 | 4040 Customer Deposits | 4,320 | | | | |
| 67 | 4070 Income Taxes - Accrued | 22,038 | | | | |
| 68 | 4080 Other Taxes - Accrued | 7,850 | | | | |
| 69 | 4100 Net Current Deferred Operating Income Tax | | | | | |
| 70 | 4110 Net Current Deferred Nonoperating Income Tax | | | | | |
| 71 | 4130 Other Current Liabilities | 81,518 | | | | |
| 72 | Total Current Liabilities (lines 65..71) | 296,006 | | | | |
| 73 | 4200 Long Term Debt | 7,178,845 | | | | |
| 74 | 4310 Other Long Term Liabilities | 187,798 | | | | |
| 75 | 4320 Unamortized Operating Investment Tax Credits - Net | | | | | |
| 76 | 4330 Unamortized Nonoperating Investment Tax Credits - Net | | | | | |
| 77 | 4340.1 Net Noncurrent Deferred Operating Federal Income Tax | | | | | |
| 78 | 4340.2 Net Noncurrent Deferred Operating State Income Tax | | | | | |
| 79 | 4341 Net Deferred Tax Liability Adjustments | | | | | |
| 80 | 4350 Net Noncurrent Deferred Nonoperating Income Tax | | | | | |
| 81 | 4361 Deferred Tax Regulatory Liability - Net | | | | | |
| 82 | 4370 Other Jurisdictional Liabilities and Deferred Credits - Net | | | | | |
| 83 | Total Other Liabilities and Deferred Credits (lines 73..82) | 7,366,643 | | | | |

ANNUAL REPORT TO THE PUBLIC UTILITY COMMISSION OF OREGON FOR THE YEAR ENDING DECEMBER 31, 2003

Company: **OREGON-IDAHO UTILITIES, INC.**
TOTAL COMPANY OPERATIONS

1. Dollars are whole.
2. Schedules from other reports are not acceptable. See attached instructions for more information.

B-2 ANALYSIS OF DEPRECIATION

| Line No. | Plant Account Description (a) | Accumulated Balance at Beginning of Year (b) | CREDITS During the Year | | CHARGES During the Year | | Accumulated Balance at End of Year (g) | Composite Depreciation Rate (%) (h) |
|----------|---|---|-----------------------------------|----------------------|-------------------------|----------------------|---|--|
| | | | Charged to Expense Account (c) | Other Credits (d) | Plant Retired (e) | Other Charges (f) | | |
| 1 | 2112 Vehicles | 480,285 | 59,739 | | | | 540,024 | 11.40% |
| 2 | 2113 Aircraft | 1,586 | 885 | | | | 2,471 | 7.50% |
| 3 | 2114 Tools and Other Work Equipment | 257,438 | 16,422 | | | | 273,860 | 2.80% |
| 4 | 2121 Buildings | 13,563 | 639 | | | | 14,202 | 5.60% |
| 5 | 2122 Furniture | 17,913 | 2,565 | | | | 20,478 | 12.60% |
| 6 | 2123 Office Equipment | 10,612 | 4,385 | | | | 14,997 | 15.00% |
| 7 | 2124 General Purpose Computers | | | | | | | |
| 8 | 2211 Nondigital Switching | | | | | | | |
| 9 | 2212.1 Digital Electronic Switching - Circuit | 484,730 | 82,161 | 21,483 | | 224,295 | 364,079 | 5.90% |
| 10 | 2212.2 Digital Electronic Switching - Packet | | | | | | | |
| 11 | 2220 Operator Systems | 18,294 | | | | | 18,294 | |
| 12 | 2231 Radio Systems | 780,289 | 81,599 | | | | 861,888 | 7.50% |
| 13 | 2232.1 Circuit Equipment - Electronic | | | | | | | |
| 14 | 2232.2 Circuit Equipment - Optical | | | | | | | |
| 15 | 2310 Information Origination/Termination | 933 | | | | | 933 | |
| 16 | 2351 Public Tel. Terminal Equipment | 6,348 | | | | | 6,348 | |
| 17 | 2362 Other Terminal Equipment | | | | | | | |
| 18 | 2411 Poles | 110,749 | 793 | | | | 111,542 | 6.00% |
| 19 | 2421.1 Aerial Cable - Metallic | 256,973 | 28,816 | | | | 285,789 | 5.60% |
| 20 | 2421.2 Aerial Cable - Nonmetallic | | | | | | | |
| 21 | 2422.1 Underground Cable - Metallic | | | | | | | |
| 22 | 2422.2 Underground Cable - Nonmetallic | | | | | | | |
| 23 | 2423.1 Buried Cable - Metallic | 2,174,092 | 200,057 | | | | 2,374,149 | 4.60% |
| 24 | 2423.2 Buried Cable - Nonmetallic | 1,720,969 | 176,286 | | | | 1,897,255 | 4.40% |
| 25 | 2424 Submarine and Deep Sea Cable | | | | | | | |
| 26 | 2426 Intrabuilding Network Cable | | | | | | | |
| 27 | 2431 Aerial Wire | 137,562 | 179 | | | | 137,562 | |
| 28 | 2441 Conduit Systems | 4,975 | | | | | 5,154 | |
| 29 | Total Depreciation (lines 1..28) | 6,477,311 | 654,526 | 21,483 | | 224,295 | 6,929,025 | 1.90% |

ANNUAL REPORT TO THE PUBLIC UTILITY COMMISSION OF OREGON FOR THE YEAR ENDING DECEMBER 31, 2003

Company: OREGON-IDAHO UTILITIES, INC.
 TOTAL COMPANY AND TOTAL OREGON OPERATIONS

1. Dollars are whole.
2. Schedules from other reports may be acceptable. See attached instructions for more information.

BAL LONG-TERM DEBT

| Line No. | Description of Obligation (a) | Balance Outstanding at the End of the Year (b) | Stated Rate On the Face Amount (c) | Interest |
|----------|--------------------------------------|---|---------------------------------------|--|
| | | | | Dollar Amount Accrued During the Year (d) |
| 1 | Rural Utilities Service (RUS) - Loan | \$ 7,178,845 | 5.00% | \$ 395,675 |
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| 26 | | | | |
| 27 | | | | |
| 28 | Total | 7,178,845 | 5.51% | 395,675 |

ANNUAL REPORT TO THE PUBLIC UTILITY COMMISSION OF OREGON FOR THE YEAR ENDING DECEMBER 31, 2003

Company: OREGON-IDAHO UTILITIES, INC.

TOTAL COMPANY OPERATIONS

1. Dollars are whole.
2. Schedules from other reports are not acceptable. See attached instructions for more information.

| INCOME STATEMENT | | |
|---------------------------|--|--|
| Line No. | Description (a) | Total Amount During the Year (b) |
| Operating Revenues | | |
| 1 | 5000 Local Service Revenues | 190,049 |
| 2 | 5070 Distributions of State Universal Service Funds | 16,707 |
| 3 | 5081.1 Subscriber Line Charges and Presubscribed Interexchange Carrier Charges | 57,576 |
| 4 | 5081.2 Collections of Federal Universal Service Funds | 5,024 |
| 5 | 5081.3 Collections of State Universal Service Funds | 9,603 |
| 6 | 5081.4 Distributions of Federal Universal Service Funds | 1,036,036 |
| 7 | 5081.5 Other Intrastate End User Revenues | 1,399,929 |
| 8 | 5082.1 Switched Access Revenue - Interstate | 244,951 |
| 9 | 5082.2 Switched Access Revenue - Intrastate | 74,810 |
| 10 | 5083.1 Special Access Revenue - Interstate | 26,757 |
| 11 | 5083.2 Special Access Revenue - Intrastate | 2,854,686 |
| 12 | Total Network Access Revenues (lines 3-.11) | |
| 13 | 5105 Long Distance Message Revenue | |
| 14 | 5200.1 Directory Revenue | 5,666 |
| 15 | 5200.2 Carrier Billing and Collection Revenue | 14,501 |
| 16 | 5200.3 Other Miscellaneous Revenue | 996 |
| 17 | Total Miscellaneous Revenues (lines 14-.16) | 21,163 |
| 18 | 5280 Nonregulated Operating Revenue | |
| 19 | 5300 Uncollectible Revenues | (8,697) |
| 20 | Total Operating Revenues (lines 1+2+12+13+17+18-19) | 3,091,302 |
| 21 | Interstate and Foreign (International) Revenues Included in the Above Operating Revenues | |
| Operating Expenses | | |
| 22 | 6110-6114 Network Support Expenses | |
| 23 | 6120-6124 General Support Expenses | 184,829 |
| 24 | 6211 Nondigital Switching Expense | |
| 25 | 6212.1 Digital Electronic Expense - Circuit | 135,290 |
| 26 | 6212.2 Digital Electronic Expense - Packet | |
| 27 | Total Central Office Switching Expenses (lines 24-.26) | 135,290 |

(This space is not used.)

ANNUAL REPORT TO THE PUBLIC UTILITY COMMISSION OF OREGON FOR THE YEAR ENDING DECEMBER 31, 2003

Company: **OREGON-IDAHO UTILITIES, INC.**
 TOTAL COMPANY OPERATIONS

1. Dollars are whole.
2. Schedules from other reports are not acceptable. See attached instructions for more information.

| INCOME STATEMENT | | |
|------------------|---|--|
| Line No. | Description (a) | Total Amount During the Year (b) |
| 28 | 6220 Operator Systems Expense | |
| 29 | 6231 Radio System Expense | |
| 30 | 6232.1 Circuit Equipment Expense - Electronic | 47,305 |
| 31 | 6232.2 Circuit Equipment Expense - Optical | |
| 32 | Total Switching and Central Office Transmission Expenses (lines 28..31) | 47,305 |
| 33 | 6310-6341 Information Origination/Termination Expense | |
| 34 | 6351 Public Telephone Terminal Equipment Expense | |
| 35 | 6362 Other Terminal Equipment Expense | |
| 36 | Total Information Origination/Termination (lines 33..35) | |
| 37 | 6411 Poles Expense | 316,055 |
| 38 | 6421 Aerial Cable Expense | |
| 39 | 6422 Underground Cable Expense | |
| 40 | 6423 Buried Cable Expense | |
| 41 | 6424 Submarine and Deep Sea Cable Expense | |
| 42 | 6426 Intra-building Network Cable Expense | |
| 43 | 6431 Aerial Wire Expense | |
| 44 | 6441 Conduit Systems Expense | |
| 45 | Total Cable and Wire Facilities Expenses (lines 37..44) | 316,055 |
| 46 | Total Plant Specific Expenses (lines 22+23+27+32+36+45) | 683,479 |
| 47 | 6511 Property Held for Future Telecommunications Use Expense | |
| 48 | 6512 Provisioning Expense | |
| 49 | Total Other Property, Plant, and Equipment Expense (lines 47..48) | |
| 50 | 6530-6535 Network Operations Expenses | 126,986 |
| 51 | 6540 Access Expense | |
| 52 | 6550.1 Federal Universal Support Contributions | 4,539 |
| 53 | 6550.2 State Universal Support Contributions | 9,624 |
| 54 | Total Universal Service Fund Contributions (lines 52..53) | 14,163 |
| 55 | 6560.1 Depreciation - Telecommunications Plant in Service | 654,526 |
| 56 | 6560.2 Depreciation - Property Held for Future Telecommunications Use | |
| 57 | 6560.3 Amortization Expense | 7,171 |
| 58 | Total Depreciation and Amortization Expenses (lines 55..57) | 661,697 |
| 59 | Total Plant Nonspecific Expenses (lines 49+50+51+54+58) | 802,846 |

(This space is not used.)

ANNUAL REPORT TO THE PUBLIC UTILITY COMMISSION OF OREGON FOR THE YEAR ENDING DECEMBER 31, 2003

Company: **OREGON-IDAHO UTILITIES, INC.**
 TOTAL COMPANY OPERATIONS

1. Dollars are whole.
2. Schedules from other reports are not acceptable. See attached instructions for more information.

| INCOME STATEMENT | | Total Amount During the Year (b) | |
|----------------------------------|--|--|---------------------------|
| Line No. | Description (a) | | |
| 60 | 6610-6613 Marketing Expenses | 141,739 | |
| 61 | 6620 Services Expenses | 141,739 | |
| 62 | Total Customer Operations Expenses (lines 60..61) | 473,108 | |
| 63 | 6720 General and Administrative Expense | | |
| 64 | 6790 Less: Provision for Uncollectible Notes Receivable | | |
| 65 | Total Operating Expenses (lines 46+59+62+63-64) | 2,101,172 | |
| 66 | Net Revenue (line 20 less line 65) | 990,130 | |
| Other Income and Expenses | | | |
| 67 | 7100 Other Operating Income and Expenses | | |
| 68 | 7210 Operating Investment Tax Credits - Net | 209,909 | |
| 69 | 7220 Operating Federal Income Taxes | 33,438 | |
| 70 | 7230 Operating State and Local Income Taxes | 66,697 | |
| 71 | 7240 Operating Other Taxes | 15,367 | |
| 72 | 7250.1 Provision for Deferred Operating Federal Income Tax - Net | 3,402 | |
| 73 | 7250.2 Provision for Deferred Operating State Income Tax - Net | 328,813 | |
| 74 | Net Operating Taxes (lines 68..73) | 661,317 | |
| 75 | Net Operating Income (lines 66+67-74) | 213,639 | |
| 76 | 7300 Nonoperating Income and Expenses | | |
| 77 | 7400 Nonoperating Taxes | | |
| 78 | 7500 Interest and Related Items | 405,228 | |
| 79 | 7600 Extraordinary Items | | |
| 80 | 7910 Income Effect of Jurisdictional Differences - Net | (35,434) | |
| 81 | 7990 Nonregulated Net Income | | |
| 82 | Net Income (lines 75+76+79+80+81-77-78) | 434,294 | |
| 12 FULL-TIME EMPLOYEES | | | |
| 1 | Management Employees | 5 | |
| 2 | Nonmanagement Employees | 6 | |
| 3 | Employees Allocated From or Paid by Affiliated Companies | | (This space is not used.) |
| 4 | Total Full-Time Employees (lines 1..3) | 11 | |

ANNUAL REPORT TO THE PUBLIC UTILITY COMMISSION OF OREGON FOR THE YEAR ENDING DECEMBER 31, 2003

Company: OREGON-IDAHO UTILITIES, INC.
TOTAL COMPANY AND TOTAL OREGON OPERATIONS

1. Dollars are whole (rounded to the nearest dollar);
2. Schedules from other reports are not acceptable. See attached instructions for more information.

13. COMPENSATION OF DIRECTORS, OFFICERS AND MANAGERS

| Line No. | Name of Person, Title, and Department (a) | Total Amount of Compensation Paid During the Year | | | | | Amount Charged to Oregon Operating Accounts (i) |
|---|--|---|-------------------------------|----------------------|--|---|--|
| | | Salaries (b) | Insurance and Pensions (c) | Director Fees (d) | Other Compensation | | |
| Total Compensation Paid by Respondent | | | | | Total Compensation Paid by Affiliates (g) | Total Compensation (Columns b+c+d+e+g) (h) | |
| | | Total Amount (e) | Description (f) | | | | |
| A utility that is not partially exempt from regulation under ORS 759.040 must list the same or equivalent positions as shown in its Annual Budget of Expenditures for the year. A cooperative or small utility must list owners, officers, members of the board of directors, managers, and members of their families whom the respondent or its affiliates paid more than \$25,000 during the year and charged any portion thereof to Oregon operating accounts. | | | | | | | |
| 1 | Larry W. Clark, Director & President | 130,354 | | NONE | Deferred Compensation | 158,445 | 158,445 |
| 2 | Jeffrey F. Beck, Director & Vice Pres. | 92,400 | | NONE | Deferred Compensation | 119,234 | 119,234 |
| 3 | Douglas Musgrave, Operations Manager | 52,334 | | NONE | Deferred Compensation | 62,319 | 62,319 |
| 4 | Renee Suddarth, Asst. Corp. Secy. | 46,249 | | NONE | Deferred Compensation | 59,191 | 59,191 |
| 5 | | | | | | | |
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ANNUAL REPORT TO THE PUBLIC UTILITY COMMISSION OF OREGON FOR THE YEAR ENDING DECEMBER 31, 2003

Company: OREGON-IDAHO UTILITIES, INC.
 TOTAL COMPANY OPERATIONS

1. Dollars are whole.
2. Schedules from other reports are not acceptable. See attached instructions for more information.

14. OPERATING TAXES OTHER THAN FEDERAL INCOME TAX

| Line No. | Description (a) | Total Amount During the Year (b) | |
|--|--|--|--|
| <input type="checkbox"/> NOT REQUIRED, because the respondent is an average schedule company; or a large utility that elected price cap regulation under ORS 759.405; or a large utility that is subject to unbundling requirements under docket UM 351. | | | |
| 1 | State Income Tax: | | |
| 2 | Current | 33,438 | |
| 3 | Current Deferred | 3,402 | |
| 4 | Prior Deferred | | |
| | Total Current and Deferred State Income Tax (lines 1..3) | 36,840 | |
| 5 | 7240 Property Taxes | 64,152 | |
| 6 | 7240 Privilege Taxes, Fees, and Other Assessments | 2,545 | |
| 7 | 7240 Other Taxes | | |
| 8 | Total Other Operating Taxes (lines 4..7) | 103,537 | |

ANNUAL REPORT TO THE PUBLIC UTILITY COMMISSION OF OREGON FOR THE YEAR ENDING DECEMBER 31, 2003

Company: **OREGON-IDAHO UTILITIES, INC.**
TOTAL COMPANY AND TOTAL OREGON OPERATIONS

- Dollars are whole.
- Schedules from other reports may be acceptable. See attached instructions for more information.

REGULATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAX

| Line No. | Particulars (a) | Total Company Amount (b) | Total Oregon Amount | |
|--------------------------|---|--------------------------|---------------------|------------------|
| | | | Operating (c) | Nonregulated (d) |
| <input type="checkbox"/> | NOT REQUIRED, because the respondent is an average schedule company; or a cooperative that reports no Oregon income tax on Schedule I-1; or a large utility that elected price cap regulation under ORS 759.405; or a large utility that is subject to unbundling requirements under docket UM 351. | | | |
| 1 | Total revenues (Accounts 5xxx except 5300) | 3,082,605 | 3,082,605 | |
| 2 | Total expenses (Accounts 6xxx and 5300) | 2,092,475 | 2,092,475 | |
| 3 | Other income (Accounts 71xx, 73xx, 76xx, 79xx) | 178,205 | 213,639 | (35,434) |
| 4 | Operating Taxes Other Than Federal (Accounts 72xx) | 103,537 | 103,537 | |
| 5 | Nonoperating Taxes (Accounts 74xx) | | | |
| 6 | Interest, including debt discount, expense, and premium amortization (Accounts 75xx) | 405,228 | 405,228 | |
| 7 | Net income before federal income tax (lines 1..6) | 659,570 | 695,004 | (35,434) |
| | Tax additions (identify): | | | |
| 8 | Tax depreciation and amortization (additions) | 665,260 | 661,697 | 3,563 |
| 9 | Disposal of Assets | 26,745 | | 26,745 |
| 10 | Meals & Dues Adjustments | 3,007 | 3,007 | |
| 11 | Non-Qualified Deferred Compensation Plan and Non-Qualified Def. Comp. Plan Interest | 71,318 | 71,318 | |
| 12 | Deferred State Income Tax | 3,402 | 3,402 | |
| 13 | Total additions (lines 8..12) | 769,732 | 739,424 | 30,308 |
| 14 | Tax deductions and nontaxable income (identify): | | | |
| 15 | Tax depreciation and amortization (deductions) | 746,072 | 735,922 | 10,150 |
| 16 | Disposal of Assets | 65,849 | 39,639 | 26,210 |
| 17 | | | | |
| 18 | | | | |
| 19 | Total deductions (lines 14..18) | 811,921 | 775,561 | 36,360 |
| 20 | Taxable net income as shown on tax return (lines 7+13-19) | 617,381 | 658,867 | (41,486) |
| 21 | Tax computation and adjustments (identify): | | | |
| 22 | | 209,909 | 224,015 | (14,106) |
| 23 | | | | |
| 24 | Total current federal income tax expense (lines 21..23) | 209,909 | 224,015 | (14,106) |
| 25 | Net investment tax credits | | | |
| 26 | Current deferred federal income tax expense | 15,367 | 15,367 | |
| 27 | Prior deferred federal income tax expense | | | |
| 28 | Net federal income tax expense shown on Schedule I-1 (lines 24..27) | 225,276 | 239,382 | (14,106) |

Federal income tax information is not available. The respondent will file this data with OPUC on or about _____.

ANNUAL REPORT TO THE PUBLIC UTILITY COMMISSION OF OREGON FOR THE YEAR ENDING DECEMBER 31, 2003

Company: OREGON-IDAHO UTILITIES, INC.
TOTAL COMPANY AND TOTAL OREGON OPERATIONS

- Dollars are whole.
- Schedules from other reports may be acceptable. See attached instructions for more information.

17 RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR OREGON STATE EXCISE (INCOME) TAX

| Line No. | Particulars (a) | Total Oregon Amount | |
|----------|---|---------------------|------------------|
| | | Operating (c) | Nonregulated (d) |
| | NOT REQUIRED, because the respondent is an average schedule company; or a cooperative that reports no Oregon income tax on Schedule I-1; or a large utility that elected price cap regulation under ORS 759.405; or a large utility that is subject to unbundling requirements under docket UM 351. | | |
| 1 | Total revenues (Accounts 5xxx except 5300) | 3,082,605 | 3,082,605 |
| 2 | Total expenses (Accounts 6xxx and 5300) | 2,092,475 | 2,092,475 |
| 3 | Other income (Accounts 71xx, 73xx, 76xx, 79xx) | 178,205 | 213,639 |
| 4 | Operating Taxes Other Than Oregon State (Accounts 72xx) | 66,697 | 66,697 |
| 5 | Nonoperating Taxes (Accounts 74xx) | | |
| 6 | Interest, including debt discount, expense, and premium amortization (Accounts 75xx) | 405,228 | 405,228 |
| 7 | Net income before Oregon income tax (lines 1..6) | 696,410 | 731,844 |
| 8 | Tax additions (identify): | | |
| 9 | Tax depreciation and amortization (additions) | 665,260 | 661,697 |
| 10 | Disposal of Assets | 26,745 | 26,745 |
| 11 | Meals & Dues Adjustments | 3,007 | 3,007 |
| 12 | Non-Qualified Deferred Compensation Plan and Non-Qualified Def. Comp. Plan Interest | 71,318 | 71,318 |
| 13 | Total additions (lines 8..11) | 766,330 | 736,022 |
| 14 | Tax deductions and nontaxable income (identify): | | |
| 15 | Tax depreciation and amortization (deductions) | 746,072 | 735,922 |
| 16 | Disposal of Assets | 65,849 | 39,639 |
| 17 | Total deductions (lines 13..16) | 811,921 | 775,561 |
| 18 | Taxable income on tax return (lines 7+12-17) | 650,819 | 692,305 |
| 19 | Apportionment factor (applies to multistate companies) | 100.000% | 100.000% |
| 20 | Apportioned taxable income | 650,819 | 692,305 |
| 21 | Oregon income tax rate | 6.600% | 6.600% |
| 22 | Oregon income tax | 42,954 | 45,692 |
| 23 | Adjustments: | | |
| 24 | Consolidated & Multi-state adjustment | (29,752) | (29,752) |
| 25 | Total current Oregon income tax expense (lines 23..24) | 13,202 | 15,940 |
| 26 | Current deferred Oregon income tax expense | 3,402 | 3,402 |
| 27 | Prior deferred Oregon income tax expense | | |
| 28 | Net Oregon income taxes on Schedule I-1 (lines 25..27) | 16,604 | 19,342 |
| | Oregon excise (corporate income) tax information is not available. The respondent will file this data with OPUC on or about _____. | | (2,738) |
| | The respondent needs extra time because: | | |

ANNUAL REPORT TO THE PUBLIC UTILITY COMMISSION OF OREGON FOR THE YEAR ENDING DECEMBER 31, 2003

Company: OREGON-IDAHO UTILITIES, INC.
 TOTAL COMPANY OPERATIONS

1. Dollars are whole.
2. Schedules from other reports may be acceptable. See attached instructions for more information.

1-B. TRANSACTIONS WITH AFFILIATED AND NONREGULATED OPERATIONS
 A. Cost Allocation Manual (CAM)

- The respondent is not required to file a CAM under Oregon Administrative Rules (OARs) 860-027-0052, 860-034-0394, or 860-034-0740.
 - The respondent's CAM, filed with OPUC, is up to date for the year covered by this report.
 - The respondent's filed CAM is not up to date. A revised CAM is attached.
 - The respondent's CAM is not up to date. The respondent will file a revised CAM with OPUC on or about _____.
- The respondent needs this extra time because _____

B. Intercompany Loans

| Line No. | Name of Affiliated Company (a) | Respondent Lent (L) or Borrowed (B) (b) | Highest Amount Outstanding During Year (c) | Total Interest Accrued During the Year (d) |
|----------|--------------------------------|---|--|--|
| 1 | Humboldt Telephone Company | L | 1,398,873 | |
| 2 | | | | |
| 3 | | | | |
| 4 | | | | |
| 5 | | | | |
| 6 | | | | |

C. Intracompany Transfers and Payments

| Line No. | Segment or Division of Respondent (a) | Description of Transactions Between Regulated and Nonregulated Segments of the Respondent (amounts subject to Part 64) (b) | Total Company Charges and Credits to Operating Accounts (c) | Total Oregon Charges and Credits to Operating Accounts (d) |
|----------|---|--|---|--|
| 1 | | | | |
| 2 | | | | |
| 3 | | | | |
| 4 | | | | |
| 5 | | | | |
| 6 | | | | |
| 7 | | | | |
| 8 | Other Transfers or Payments (where annual amounts < \$50,000) | | | |
| | Total Intracompany Transactions | | | |

ANNUAL REPORT TO THE PUBLIC UTILITY COMMISSION OF OREGON FOR THE YEAR ENDING DECEMBER 31, 2003

Company: OREGON-IDAHO UTILITIES, INC.
 TOTAL COMPANY OPERATIONS

1. Dollars are whole.
2. Schedules from other reports may be acceptable. See attached instructions for more information.

1-B. TRANSACTIONS WITH AFFILIATED AND NONREGULATED OPERATIONS
D. Intercompany Transactions

| Line No. | Name of Affiliated Company (a) | Description of Transaction and Date of Contract (b) | Charges and Credits to Operating Accounts (c) | Total Oregon Charges and Credits to Operating Accounts (d) |
|----------|-----------------------------------|---|--|---|
| 1 | | NOT REQUIRED. The respondent is an average schedule company or a cooperative that does not make annual access charge filings. SEE PART E. The utility does not make annual access charge filings. REQUIRED. The respondent is a cost company and makes annual access charge filings. See attached instructions. | | |
| 2 | | (1) Total Payments Made by the Respondent to Affiliated Companies During the Year: Robinson Communications Corporation | 305,165 | 305,165 |
| 3 | | Facilities & administrative support in operations, regulatory matters and management services. | | |
| 4 | Robinson Communications, LLC | Office Lease | 65,286 | 65,286 |
| 5 | Humboldt Telephone Company | Labor and materials for maintenance and construction | 53,244 | 53,244 |
| 6 | | | | |
| 7 | | | | |
| 8 | | | | |
| 9 | | | | |
| 10 | | | | |
| 11 | | Total Other Payments (where annual payments < \$50,000) | 4,680 | 4,680 |
| 12 | | Total Payments Made by the Respondent to Affiliated Companies During the Year: (2) Total Payments Made by Affiliated Companies to the Respondent During the Year: Humboldt Telephone Company | 428,375 | 428,375 |
| 13 | | Labor and materials for maintenance and construction | 138,295 | 138,295 |
| 14 | | | | |
| 15 | | | | |
| 16 | | | | |
| 17 | | | | |
| 18 | | | | |
| 19 | | | | |
| 20 | | | | |
| 21 | | | | |
| 22 | | | | |
| 23 | | Total Other Payments (where annual payments < \$50,000) | 138,295 | 138,295 |
| 24 | | Total Payments Made by Affiliated Companies to the Respondent During the Year | 138,295 | 138,295 |

ANNUAL REPORT TO THE PUBLIC UTILITY COMMISSION OF OREGON FOR THE YEAR ENDING DECEMBER 31, 2003

Company: OREGON-IDAHO UTILITIES, INC.
OREGON OPERATIONS

1. Dollars are whole.
2. Schedules from other reports may be acceptable. See attached instructions for more information.

18. TRANSACTIONS WITH AFFILIATED AND NONREGULATED OPERATIONS
E. Intercompany Transactions of Utilities That Do Not File Annual Access Charges

| Names of Parties to Affiliated Interest Contracts Issued During the Year (a) | Dollar Amount of the Contract (b) | Date of Contract (c) |
|--|--------------------------------------|-------------------------|
| <p><input type="checkbox"/> NOT REQUIRED. The respondent is an average schedule company or a cooperative that does not make annual access charge filings.</p> <p><input checked="" type="checkbox"/> NOT REQUIRED. The respondent is a cost company and makes annual access charge filings. See Part D.</p> <p><input type="checkbox"/> REQUIRED (ORS 759.393 and OARs 860-027-0100 and 860-034-0396). Utility does not make annual access charge filings.</p> <p>List each affiliate contract executed during the year covered by this report. Include the names of the parties to the contracts, the dollar amounts of the contracts, and the dates of execution of the contracts.</p> | | |

ANNUAL REPORT TO THE PUBLIC UTILITY COMMISSION OF OREGON FOR THE YEAR ENDING DECEMBER 31, 2003

Company: OREGON-IDAHO UTILITIES, INC.
OREGON OPERATIONS

1. *Dollars are whole.*
2. *Schedules from other reports may be acceptable. See attached instructions for more information.*

8. TRANSACTIONS WITH AFFILIATED AND NON-REGULATED OPERATIONS

This page is not used.

ANNUAL REPORT TO THE PUBLIC UTILITY COMMISSION OF OREGON FOR THE YEAR ENDING DECEMBER 31, 2003

Company: OREGON-IDAHO UTILITIES, INC.

TOTAL COMPANY OPERATIONS

1. All amounts are whole.
2. Schedules from other reports are not acceptable. See attached instructions for more information.

541 SWITCHES AND ACCESS LINES IN SERVICE

| Line No. | Description (a) | Balance at End of Year (b) | |
|----------|---|----------------------------|--|
| 1 | Total Central Office Switches in Service | 2 | |
| 2 | Access Lines in Service by Customer: | | |
| 3 | Residential Access Lines: | 532 | |
| 4 | Single Party | | |
| 5 | Multiparty | | |
| 6 | Total Residential Access Lines (lines 2..3) | 532 | |
| 7 | Business Access Lines: | 151 | |
| 8 | Single Party | | |
| 9 | Multi Party | | |
| 10 | PBX Trunks | 1 | |
| 11 | Centrex-CO Line Count | | |
| 12 | ISDN "B" Channels | | |
| 13 | Total Business Access Lines (lines 5..9) | 152 | |
| 14 | Other Access Lines: | | |
| 15 | Radio Common Carrier (RCC) and Mobile | | |
| 16 | WATS Closed End (inWATS and outWATS) | | |
| 17 | Switched Access - FGA FXONAL | | |
| 18 | Payphone (public and semipublic) | 13 | |
| 19 | UNE Network Access Channels (NACs) | | |
| 20 | Dedicated (non-switched) Private Lines and Special Access | | |
| 21 | Wideband Data Lines | 38 | |
| 22 | Other | 51 | |
| 23 | Total Other Access Lines (lines 11..18) | 735 | |
| 24 | Total Access Lines (lines 4+10+19) | 152 | |

(This space is not used.)

Company: OREGON-IDAHO UTILITIES, INC.

TOTAL OREGON OPERATIONS

1. All amounts are whole.

2. Schedules from other reports are not acceptable. See attached instructions for more information.

CONFIDENTIAL

| S-2. MINUTES OF USE | | |
|---|--|--|
| Line No. | Description (a) | Total Amount During the Year (b) |
| <u>Oregon Access Minutes Billed to Interexchange Carriers (IXCs)</u> | | |
| Access Minutes Billed to Qwest Corporation: | | |
| 1 | Interstate Minutes | 77,839 |
| 2 | Intrastate Minutes (IntraLATA) | 43,449 |
| 3 | Total Access Minutes Billed to Qwest (lines 1+2) | 121,288 |
| Access Minutes Billed to Sprint/United Telephone Company of the Northwest: | | |
| 4 | Interstate Minutes | 331,107 |
| 5 | Intrastate Minutes (IntraLATA) | 18,001 |
| 6 | Total Access Minutes Billed to Sprint (lines 4+5) | 349,108 |
| Access Minutes Billed to Verizon Northwest: | | |
| 7 | Interstate Minutes | |
| 8 | Intrastate Minutes (IntraLATA) | |
| 9 | Total Access Minutes Billed to Verizon (lines 7+8) | |
| Access Minutes Billed to Other IXCs: | | |
| 10 | Interstate Minutes | 3,779,004 |
| 11 | Intrastate Minutes (InterLATA and IntraLATA) | 985,777 |
| 12 | Total Access Minutes Billed to Other IXCs (lines 10+11) | 4,764,781 |
| 13 | Total Access Minutes Billed to IXCs (lines 3+6+9+12) | 5,235,177 |
| <u>Oregon Toll Conversation Minutes</u> | | |
| 14 | January 1 through March 31 | 81,611 |
| 15 | April 1 through June 30 | 76,683 |
| 16 | July 1 through September 30 | 94,605 |
| 17 | October 1 through December 31 | 15,792 |
| 18 | Total Toll Originating Minutes (lines 14..17) | 268,691 |
| <u>Percent of Total Toll Conversation Minutes Originating in Oregon</u> | | |
| 19 | Interstate Minutes | 67.00% |
| 20 | Intrastate Minutes (InterLATA and IntraLATA) | 33.00% |
| 21 | Total Toll Minutes Originating in Oregon (lines 19+20) (must equal 100%) | 100.00% |
| <input type="checkbox"/> Minutes of use are not available. The respondent will file this data with OPUC on or about _____, _____. The respondent needs this extra time because: _____ _____ _____ | | |