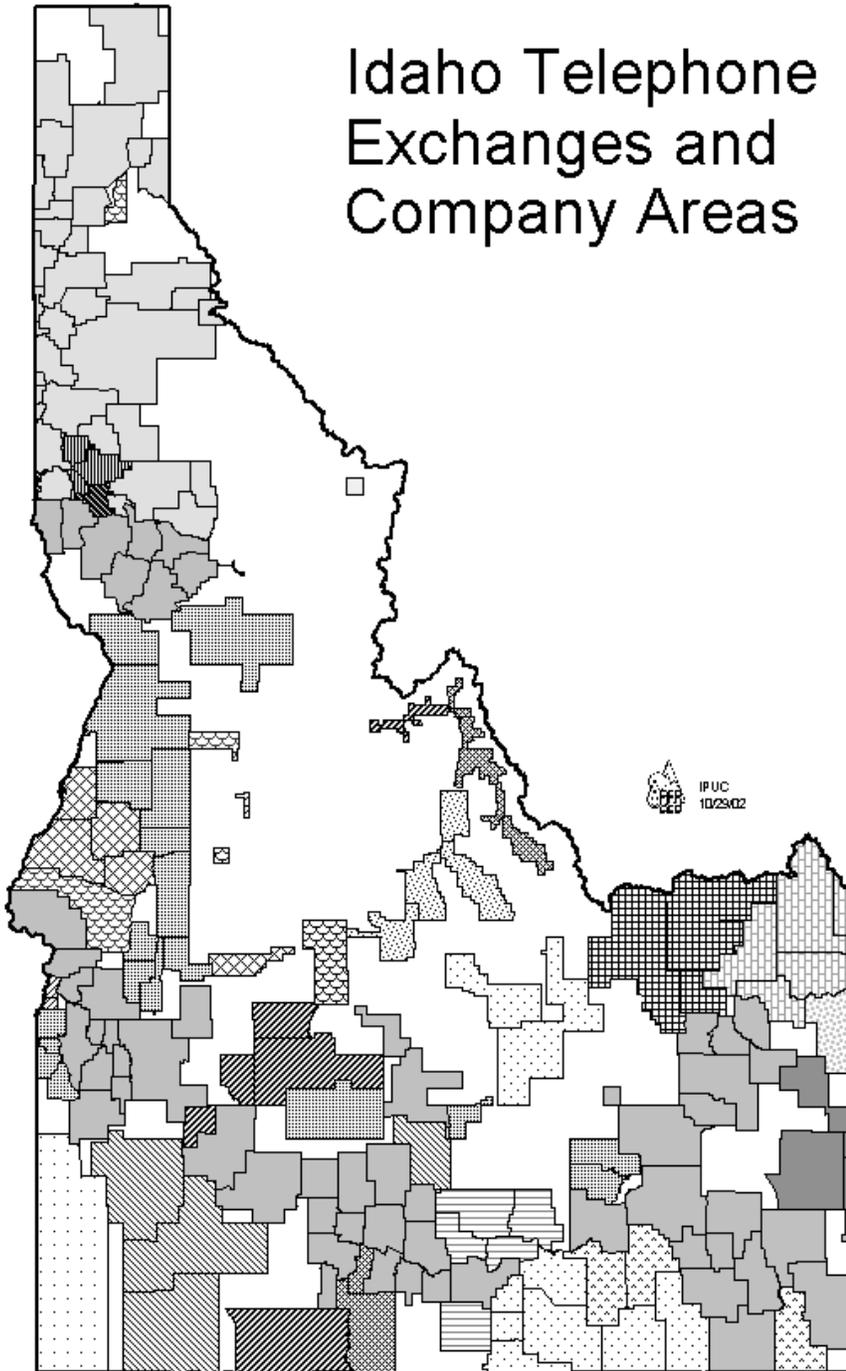


Idaho Telephone Exchanges and Company Areas



Regulated Companies

-  ATC
-  Cambridge
-  CenturyTel of Idaho
-  CenturyTel of the Gem State
-  Citizens
-  Direct
-  Fremont
-  Inland
-  Midvale
-  Oregon-Idaho
-  Pike
-  Quest
-  Rural
-  Silver Star
-  TDS
-  Telsa
-  Verizon
-  Unclaimed

Co-ops

-  Blackfoot
-  Custer
-  Farmers Mutual
-  Filer Mutual
-  Mid Lake
-  Project Mutual

Telecommunication Utilities Under IPUC Rate Jurisdiction

Albion Telephone Corp (ATC)
P.O.Box 98
Albion, Idaho 83311-0098
208/675-5335

Cambridge Telephone Company
P.O.Box 86
Cambridge, Idaho 83610-0086
208/257-3314

CenturyTel of Idaho, Inc.
P.O.Box 1007
Salmon, Idaho 83467
208/756-3300

CenturyTel of the Gem State
P.O.Box 9901
805 Broadway
Vancouver, Washington 98668
360/905-5800
111 A Street
Cheney, Washington 99114
509/235-3170

Frontier, A Citizens Communications Company
4 Triad Center, Suite 220
Salt Lake City, Utah 84180
801/321-6602
P.O.Box 926
201 Lenora Street
McCall, Idaho 83638
208/634-6150

Inland Telephone Company
103 South Second Street
P.O.Box 171
Roslyn, Washington 98941
509/649-2211

Fremont Telecom, Inc.
110 E. Main Street
St. Anthony, Idaho 83445
208/624-7300

Midvale Telephone Exchange
P.O.Box 7
Midvale, Idaho 83645-0007
208/355-2211

Verizon Northwest, Inc.
17933 N.W. Evergreen Parkway
P.O.Box 1100
Beaverton, Oregon 97075
503/629-2281
208/765-4351 (Coeur d'Alene)
800/483-4100 (Moscow)
208/263-0557, Ext. 204
(Sandpoint)

Oregon-Idaho Utilities, Inc.
P.O.Box 190310
Rincon Station
San Francisco, California 94119
415/597-7811
714 Main Street
P.O.Box 1406
Caldwell, Idaho 83605
208/454-7800

Pine Telephone System, Inc.
P.O.Box 706
Halfway, Oregon 97834
541/742-2201

Potlatch Telephone Company
P.O.Box 138
702 E. Main Street
208/835-2211
Kendrick, Idaho 83537

208/835-2211
Kendrick, Idaho 83537

Rockland Telephone Company, Inc.
P.O.Box 269
147 W. 4th Avenue
Rockland, Idaho 83271
208/548-2345

Rural Telephone Company
704 W. Madison Avenue
Glenns Ferry, Idaho 83623
208/366-2614

Silver Star Telephone Company, Inc.
P.O.Box 226
Freedom, Wyoming 83120
307/883-2411

Troy Telephone Company
P.O.Box 138
702 E. Main Street
Kendrick, Idaho 83837-0138
208/835-2211

Teton Telecom Communications
P.O.Box 900
Driggs, Idaho 83422
208/354-3300

Qwest Communications
North and South Idaho
P.O.Box 7888 (83723)
999 Main Street
Boise, Idaho 83702
800/244-1111

Idaho Telecommunications

The most significant regulatory action of the past year was taken by the Idaho Legislature, not the Public Utilities Commission. With the passage and signing of House Bill 224, local exchange companies operating in Idaho were provided the option of essentially removing their services from rate regulation.

Idaho's two largest telecommunications companies, Qwest Communications, both North and South, and Verizon Northwest, lost no time in taking advantage of this option, announcing their election to seek price deregulation shortly after the new legislation became law.

While the services of both companies remain under commission jurisdiction for quality issues, they no longer need to seek commission approval to raise rates. (Qwest South had elected price deregulation for all of its services except basic local exchange service in 1988.) Rate increases are limited, with caps that increase annually, and are eliminated after three years, unless the commission extends them for two additional years.

Qwest and Verizon provide approximately 90 percent of the telephone lines in service in Idaho, so the overwhelming majority of Idahoan's telephone service is no longer subject to rate regulation.

As of late November, 2005, no other telephone companies had officially announced an election to cease price regulation by the commission, although a number had indicated they were considering their options.

This was a relatively quiet year for telecommunications issues. Routine actions, such as the review of price list filings, review and approval of interconnection agreements, continued at their normal pace, but there were no major rate cases or other issues before the commission during 2005. The commission approved more than 80 petitions for interconnection agreements or amendments to previous agreements during the fiscal year. Staff reviewed more than 300 price list filings.

Although wireline competition in Idaho lags far behind the rest of the nation, some interest remains, especially for niche markets. The commission approved 24 applications for new or amended Certificates of Public Convenience and Necessity to provide basic local telecommunications services in Idaho.

Idaho offers companies providing broadband service a tax credit for certain investments. Companies seeking the tax credit must apply and obtain an order from the commission confirming that installed equipment is qualified broadband equipment. The commission issued such an order for 11 applicants during the fiscal year.

More information:

Map of incumbent company service areas:

<http://www.puc.idaho.gov/telecom/CITIES.pdf>

List of incumbent telecommunications companies:

http://www.puc.state.id.us/internet/UIS_public_t61.html

List of competitive local exchange companies (CLECs):

http://www.puc.state.id.us/internet/UIS_public_clec.html

Idaho's Universal Service Fund

The Idaho Universal Service Fund (USF) was established under the authority of the Telecommunications Act of 1988 to make it possible for residents in rural, high-cost areas to receive telephone service at roughly the same rates as their neighbors in urban areas. Recipients of the fund are mostly rural telephone companies that provide local exchange service. The fund makes it possible for those companies to charge no more than 25 percent above what telephone customers in urban, low-cost areas pay.

Read more about the Universal Service Fund at:
<http://www.puc2.idaho.gov/intranet/cases/tele/GNR/GNI0506/staff/20050902PRESS%20RELEASE.HTM>

Funding for USF is maintained by imposing a statewide end-user surcharge on local exchange and long distance services. The commission determines the Idaho USF funding requirements each year based on the anticipated revenue requirement as reported by the program administrator. The end-user surcharges are adjusted as necessary to meet the fund requirements and made effective October 1 of each year.

The anticipated Idaho USF funding requirement is estimated at slightly over \$2 million for the period of July 1, 2005 through June 30, 2006. To meet the anticipated funding requirement, the commission authorized an increase of surcharges from 10 cents to 12 cents per residential line, from 15 cents to 20 cents per business line and \$0.003 to \$0.004 per billed long distance minute. Fund disbursements to the eight eligible telephone companies are expected to remain the same as the previous year. For more information, see Commission Order No. 29860.

Idaho Telephone Service Assistance Program

The Idaho Telephone Service Assistance Program (ITSAP), commonly referred to as "Lifeline," was established to provide a monthly discount to Idaho's low-income households. Households with incomes at or below 135 percent of federal poverty guidelines are eligible for the program.

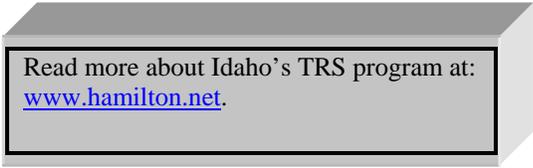
ITSAP recipients receive a discount of \$3.50 per month per household from the state fund, plus \$3.50 in matching funds from the federal government. In addition, the federally imposed subscriber line charge of \$6.50 is waived for ITSAP participants for a total of \$13.50 per month in discounts.

The Idaho Department of Health and Welfare established and administers application procedures and eligibility determinations. Telephone companies are provided a list of the telephone numbers for qualifying households and automatically provide the credits. The commission has program oversight for maintaining the fund and reimbursing the telephone companies for the cost of providing the discounts. Fund revenues are derived from surcharges on all residential, business and wireless customers in Idaho.

For the year ending December 31, 2004, about 30,724 recipients were receiving ITSAP support. This represents an increase of nearly 10 percent over the previous year. It's anticipated the number of program recipients will increase by about 6 percent in the next fiscal year. In spite of these projected increases, the administrator determined the fund balance would be more than \$460,000 at the end of this year. Based on that information, the commission decreased the surcharge assessed to all residential, business and wireless access services from 12 cents to 7 cents per line effective May 1, 2005. For more information on the commission's most recent action regarding the Lifeline program, see Order No. 29751.

Telephone Relay Service

The Idaho Telecommunications Relay Service (TRS) was established to provide access for a communications-impaired person to send and receive messages to and from a non-communications-impaired person.



Read more about Idaho's TRS program at:
www.hamilton.net.

Idaho implemented the service in December 1992 to comply with requirements created by the Federal Communications Commission (FCC) under Title IV of the Americans With Disabilities Act (ADA) of 1990.

A text telephone user or a standard phone user can initiate a TRS call. The caller dials 711 or a toll-free number to access the TRS center and reaches a communications assistant who processes the call. The assistant places the call for the hearing- or speech-impaired user and facilitates the communication by relaying what is spoken or typed by each party. Callers pay the normal costs associated with a direct-dialed telephone call. No charge is assessed on local calls. Long-distance calls are billed accordingly with some telephone companies offering reduced rates for TRS calls. TRS now includes Spanish language services.

All Idaho local exchange companies contribute 4 cents per access line per month and in-state long-distance companies contribute \$0.0007 per minute per intrastate long-distance call to fund the program. After reviewing the TRS administrator's annual report and the 2005 program budget, the commission elected to maintain these funding rates for the current calendar year. For more information, see Commission Order No. 29754.