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IDAHO PUBLIC
UTILITIES COMMISSION

ANNUAL REPORT

OF Pot-T

Potlatch Telephone Company

ADDRESS

TO THE

IDAHO PUBLIC

UTILITIES COMMISSION

FOR THE

YEAR ENDED December 31, 2008

ANNUAL REPORT OF SMALL TELEPHONE COMPANIES TO
THE IDAHO PUBLIC UTILITIES COMMISSION
FOR YEAR ENDED DECEMBER 31, 2008

COMPANY INFORMATION

Exact name of utility: Potlatch Telephone Company
Address of principal office: 702 E Main Street, Kendrick, ID 83537
Telephone Number: (208) 289-8800 Randal Brunes - Manager Field Services
Cities or towns served: Kendrick Julietta Troy

Name and title of officer having custody of the general corporate books of account:
John Erpenbach, Assistant Treasurer (608) 664-4289
Address of office where corporate books are kept and phone number:
525 JUNCTION ROAD, SUITE 7000, MADISON, WI 53717
Organized under the laws of the State of: Idaho
Date of organization: May 6, 1988
Form of organization (proprietorship, association, corporation): Corporation
If a Subchapter S Corporation, please specify:
Name and address of controlling company, if any: TDS Telecommunications Corporation
525 JUNCTION ROAD, SUITE 7000, MADISON, WI 53717
Names of affiliated companies. Give address and description of business: See attached Page 1a - Page 1b

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:	David A. Wittwer	525 JUNCTION ROAD, MADISON, WI 53717
Vice President:	James W. Butman	525 JUNCTION ROAD, MADISON, WI 53717
Vice President:	Lisa A. Cvengros	525 JUNCTION ROAD, MADISON, WI 53717
Vice President:	William J. Megan	525 JUNCTION ROAD, MADISON, WI 53717
Secretary/Treasurer:	Jerry Miller	204 N INDIANA STREET, ROACHDALE, IN 46172
Assistant Treasurer:	John R. Erpenbach	525 JUNCTION ROAD, MADISON, WI 53717
Assistant Secretary:	Irmgard F. Metz	525 JUNCTION ROAD, MADISON, WI 53717

AFFILIATE COMPANIES

Company	City	State	Zip Code	Description of Business
Telephone & Data Systems, Inc.	Chicago	IL	60602	Holding Company
TDS Telecommunications Corporation	Madison	WI	53705-0158	Holding Company
Amelia Telephone Corporation	Amelia	VA	23002-0076	Regulated Telecommunications Utility
Arcadia Telephone Company	Arcadia	OH	44804-0157	Regulated Telecommunications Utility
Arizona Telephone Company	Phoenix	AZ	85029-4814	Regulated Telecommunications Utility
Arvig Telephone Company	Pequot Lakes	MN	56472-0395	Regulated Telecommunications Utility
Asotin Telephone Company	Asotin	WA	99402-0399	Regulated Telecommunications Utility
Badger Telecom, LLC	Neillsville	WI	54456-1924	Regulated Telecommunications Utility
Barnardsville Telephone Company	Barnardsville	NC	28709-0006	Regulated Telecommunications Utility
Black Earth Telephone Company, LLC	Black Earth	WI	53515-0346	Regulated Telecommunications Utility
Blue Ridge Telephone Company	Blue Ridge	GA	30513-0607	Regulated Telecommunications Utility
Bonduel Telephone Company, LLC	Bonduel	WI	54107-0276	Regulated Telecommunications Utility
Bridge Water Telephone Company	Monticello	MN	55362-0298	Regulated Telecommunications Utility
Burlington, Brighton & Wheatland Telephone Company, LLC	New Munster	WI	53152-0801	Regulated Telecommunications Utility
Butler Telephone Company, Inc.	Butler	AL	36904-0398	Regulated Telecommunications Utility
Calhoun City Telephone Company, Inc.	Calhoun City	MS	38916-0578	Regulated Telecommunications Utility
Camden Telephone and Telegraph Company, Inc.	Saint Marys	GA	31558-6300	Regulated Telecommunications Utility
Camden Telephone Company, Inc.	Camden	IN	46917-0066	Regulated Telecommunications Utility
Central State Telephone Company, LLC	Vesper	WI	54489-0125	Regulated Telecommunications Utility
Chatham Telephone Company	Chatham	MI	49816-0197	Regulated Telecommunications Utility
Cleveland County Telephone Company, Inc.	Rison	AR	71665-0366	Regulated Telecommunications Utility
Cobbosseecontee Telephone Company	North Anson	ME	04958-0129	Regulated Telecommunications Utility
Communication Corporation of Michigan	Augusta	MI	49012-0246	Regulated Telecommunications Utility
Communications Corporation of Indiana	Roachdale	IN	46172-0248	Regulated Telecommunications Utility
Communications Corporation of Southern Indiana	Poseyville	IN	47633-0309	Regulated Telecommunications Utility
Concord Telephone Exchange, Inc.	Knoxville	TN	37922-0610	Regulated Telecommunications Utility
Continental Telephone Company	Continental	OH	45831-0367	Regulated Telecommunications Utility
Decatur Telephone Company, Inc.	Decatur	AR	72722-0098	Regulated Telecommunications Utility
Delta County Tele-Comm, Inc.	Paonia	CO	81428-0730	Regulated Telecommunications Utility
Deposit Telephone Company, Inc.	Deposit	NY	13754-0087	Regulated Telecommunications Utility
Dickeyville Telephone, LLC	Dickeyville	WI	53808	Regulated Telecommunications Utility
EastCoast Telecom, LLC	Cleveland	WI	53015-0248	Regulated Telecommunications Utility
Edwards Telephone Company, Inc.	Edwards	NY	13635-0036	Regulated Telecommunications Utility
Grantland Telecom, LLC	Fennimore	WI	53809-0020	Regulated Telecommunications Utility
Hampden Telephone Company	Hampden	ME	04444-0250	Regulated Telecommunications Utility
Happy Valley Telephone Company	Anderson	CA	96007-8262	Regulated Telecommunications Utility
Hartland and St. Albans Telephone Company	Hartland	ME	04943-0405	Regulated Telecommunications Utility
Hollis Telephone Company, Inc.	Wilton	NH	03086	Regulated Telecommunications Utility
Home Telephone Company	Condon	OR	97823-0486	Regulated Telecommunications Utility
Home Telephone Company, Inc.	Waldron	IN	46182-0068	Regulated Telecommunications Utility
Hornitos Telephone Company	Anderson	CA	96007-8262	Regulated Telecommunications Utility
Humphreys County Telephone Company	Bruceton	TN	38317-0155	Regulated Telecommunications Utility
Island Telephone Company	Beaver Island	MI	49782	Regulated Telecommunications Utility
Kearsarge Telephone Company	New London	NH	03257-4551	Regulated Telecommunications Utility
Leslie County Telephone Company	Hyden	KY	41749-0969	Regulated Telecommunications Utility
Lewis River Telephone Company, Inc.	La Center	WA	98629-0218	Regulated Telecommunications Utility
Lewisport Telephone Company	Lewisport	KY	42351-0439	Regulated Telecommunications Utility
Little Miami Communications Corporation	Fayetteville	OH	45118-0300	Regulated Telecommunications Utility
Ludlow Telephone Company	Ludlow	VT	05149	Regulated Telecommunications Utility
Mahanoy & Mahantango Telephone Company	Herndon	PA	17830-0336	Regulated Telecommunications Utility
McClellanville Telephone Company, Inc.	McClellanville	SC	29458-9723	Regulated Telecommunications Utility
McDaniel Telephone Company	Salkum	WA	98582-0030	Regulated Telecommunications Utility
Merrimack County Telephone Company	Contoocook	NH	03229-0337	Regulated Telecommunications Utility
Mid-America Telephone, Inc.	Stonewall	OK	74871	Regulated Telecommunications Utility
Mid-Plains Telephone, LLC	Middleton	WI	53562	Regulated Telecommunications Utility
Mid-State Telephone Company	New London	MN	56273-0609	Regulated Telecommunications Utility
Midway Telephone Company, LLC	Medford	WI	54451-0240	Regulated Telecommunications Utility
Mosinee Telephone Company , LLC	Madison	WI	53717	Regulated Telecommunications Utility
Mt. Vernon Telephone Company, LLC	Verona	WI	53593-0095	Regulated Telecommunications Utility
Myrtle Telephone Company, Inc.	Myrtle	MS	38650	Regulated Telecommunications Utility
Nelson-Ball Ground Telephone Company	Nelson	GA	30151-0129	Regulated Telecommunications Utility
New Castle Telephone Company	New Castle	VA	24127-0728	Regulated Telecommunications Utility
New London Telephone Company	New London	MO	63459-0369	Regulated Telecommunications Utility
Northfield Telephone Company	Northfield	VT	05663-0030	Regulated Telecommunications Utility
Norway Telephone Company, Inc.	North	SC	29112-0160	Regulated Telecommunications Utility
Oakman Telephone Company, Inc.	Oakman	AL	35579-0305	Regulated Telecommunications Utility
Oakwood Telephone Company	Oakwood	OH	45873-0278	Regulated Telecommunications Utility
Oklahoma Communication Systems, Inc.	Choctaw	OK	73020-0220	Regulated Telecommunications Utility
Orchard Farm Telephone Company	Saint Charles	MO	63301-6431	Regulated Telecommunications Utility
Oriskany Falls Telephone Corporation	Vernon	NY	13476-0900	Regulated Telecommunications Utility
Peoples Telephone Company, Inc.	Centre	AL	35960	Regulated Telecommunications Utility
Perkinsville Telephone Company, Inc.	Ludlow	VT	05149	Regulated Telecommunications Utility
Port Byron Telephone Company	Port Byron	NY	13140	Regulated Telecommunications Utility

AFFILIATE COMPANIES

Company	City	State	Zip Code	Description of Business
Quincy Telephone Company	Quincy	FL	32351-0189	Regulated Telecommunications Utility
Riverside Telecom, LLC	Johnson Creek	WI	53038-0280	Regulated Telecommunications Utility
S & W Telephone Company, Inc.	Sandborn	IN	47578-0038	Regulated Telecommunications Utility
Salem Telephone Company	Salem	KY	42078-0025	Regulated Telecommunications Utility
Saluda Mountain Telephone Company	Barnardsville	NC	28709-0006	Regulated Telecommunications Utility
Scandinavia Telephone Company, LLC	Iola	WI	54945-0317	Regulated Telecommunications Utility
Service Telephone Company	Fair Bluff	NC	28439-0307	Regulated Telecommunications Utility
Shiawassee Telephone Company	Perry	MI	48872-0167	Regulated Telecommunications Utility
Somerset Telephone Company	Leakesville	MS	39451-0429	Regulated Telecommunications Utility
Southeast Mississippi Telephone Company, Inc.	Leakesville	MS	39451-0429	Regulated Telecommunications Utility
Southeast Telephone Company of Wisconsin, LLC	Waterford	WI	53185	Regulated Telecommunications Utility
Southwestern Telephone Company	Quartzsite	AZ	85359	Regulated Telecommunications Utility
St. Stephen Telephone Company	Saint Stephen	SC	29479-0128	Regulated Telecommunications Utility
Stockbridge & Sherwood Telephone Company, LLC	Sherwood	WI	54169-0159	Regulated Telecommunications Utility
Strasburg Telephone Company	Strasburg	CO	80136-0535	Regulated Telecommunications Utility
Sugar Valley Telephone Company	Loganton	PA	17747-0037	Regulated Telecommunications Utility
TDS Long Distance Corporation	Madison	WI	53717	Competitive Toll Provider
TDS Telecom Service Corporation	Madison	WI	53717	Telecommunications Management Services
Tellico Telephone Company, Inc.	Tellico Plains	TN	37385-0009	Regulated Telecommunications Utility
Tennessee Telephone Company	Knoxville	TN	37938-0387	Regulated Telecommunications Utility
Tenney Telephone Company, LLC	Alma	WI	54610-0519	Regulated Telecommunications Utility
The Farmers Telephone Company, LLC	Lancaster	WI	53813	Regulated Telecommunications Utility
The Home Telephone Company of Pittsboro, Inc.	Pittsboro	IN	46167-0189	Regulated Telecommunications Utility
The Island Telephone Company	Warren	ME	04864-4263	Regulated Telecommunications Utility
The Merchants & Farmers Telephone Company	Hillsboro	IN	47949-0155	Regulated Telecommunications Utility
The State Long Distance Telephone Company, LLC	Madison	WI	53717	Regulated Telecommunications Utility
The Stoutland Telephone Company	Stoutland	MO	65567-0097	Regulated Telecommunications Utility
The Vanlue Telephone Company	Vanlue	OH	45890-0247	Regulated Telecommunications Utility
The West Penobscot Telephone & Telegraph Company	Corinna	ME	04928-0468	Regulated Telecommunications Utility
Tipton Telephone Company, Inc.	Tipton	IN	46072-1750	Regulated Telecommunications Utility
Township Telephone Company, Inc.	Chaumont	NY	13622	Regulated Telecommunications Utility
Tri-County Telephone Company, Inc.	New Richmond	IN	47967	Regulated Telecommunications Utility
UTELCO, LLC	Monroe	WI	53566	Regulated Telecommunications Utility
Vernon Telephone Company, Inc.	Vernon	NY	13476-0900	Regulated Telecommunications Utility
Virginia Telephone Company	Hot Springs	VA	24445-0799	Regulated Telecommunications Utility
Warren Telephone Company	Warren	ME	04864-4263	Regulated Telecommunications Utility
Waunakee Telephone Company, LLC	Waunakee	WI	53597-1423	Regulated Telecommunications Utility
West Point Telephone Company, Incorporated	Roachdale	IN	46172	Regulated Telecommunications Utility
Williston Telephone Company	North	SC	29112-0160	Regulated Telecommunications Utility
Wilton Telephone Company, Inc.	Wilton	NH	03086	Regulated Telecommunications Utility
Winsted Telephone Company	Winsted	MN	55395-0758	Regulated Telecommunications Utility
Winterhaven Telephone Company	Winterhaven	CA	92283	Regulated Telecommunications Utility
Wolverine Telephone Company	Millington	MI	48746-0292	Regulated Telecommunications Utility
Wyandotte Telephone Company	Inola	OK	74036-0849	Regulated Telecommunications Utility

DIRECTORS

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

Name and Address	Term Expired or Current Term Will Expire	Meetings Attended This year	Fees Paid During Year
James W. Butman	Open	1	$0.00
Lisa A. Cvengros	Open	1	$0.00
William J. Megan	Open	1	$0.00
David A. Wittwer	Open	1	$0.00

Name of Chairman of the Board: _____

Name of Secretary (or Clerk) of Board: **Assistant Secretary:** Irmgard F. Metz

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
Randal Brunes	Manager- Field Services	

Rev 3/02

NOTES TO THE FINANCIAL STATEMENTS

Please provide important information such as changes in accounting or depreciation practices, extensions or additions to the system; disposal of any substantial portion of the property of the utility; reorganization, mergers, or consolidations with other companies; leases executed; other contracts or agreements entered into; changes made in articles of incorporation or amendments; the occurrence of contingency losses or gains.

1) Troy Telephone Company Inc. Common Stock shares from 2002 merger cancelled (offset to Retained Earnings).

2) Troy Telephone Company Inc. Additional Paid in Capital from 2002 merger cancelled (offset to Retained Earnings).

POTLATCH ANNUAL REPORT FOR SMALL TELEPHONE COMPANIES
FOR YEAR ENDED DECEMBER 31, 2008

BALANCE SHEET
Assets and Other Debits

	Title of Account	Balance Beginning of Year	Balance at End of Year	Increase or (Decrease)
	Current Assets			
1120	Cash and Equivalents	-	-	-
1130	Cash	1,824,516	2,734	(1,821,782)
1140	Special Cash Deposits	-	-	-
1150	Working Cash Advances	-	-	-
1160	Temporary Investments	-	2,130,812	2,130,812
1180	Telecommunications Accts. Receivable	139,757	166,713	26,956
1181	Accts. Rec. Allow. -Telecommunications	(5,132)	(6,187)	(1,054)
1190	Other Accounts Receivable	346,413	225,475	(120,937)
1191	Accounts Receivable Allow. - Other	(4,800)	(456)	4,344
1200	Notes Receivable	-	-	-
1201	Notes Receivable Allowance	-	-	-
1210	Interest & Dividends Receivable	6,837	2,076	(4,761)
1220	Material and Supplies	8,291	9,634	1,343
1280	Prepayments	-	-	-
1290	Prepaid Rents	-	1,916	1,916
1300	Prepaid Taxes	-	-	-
1310	Prepaid Insurance	-	-	-
1320	Prepaid Directory Expenses	-	-	-
1330	Other Prepayments	42,830	3,400	(39,430)
1350	Other Current Assets	-	-	-
	Noncurrent Assets			
1401	Investment in Affiliated Companies	-	-	-
1402	Investment in Nonaffiliated Companies	-	-	-
1406	Nonregulated Investments	270	270	-
1407	Unamortized Debt Issuance Expense	-	-	-
1408	Sinking Funds	-	-	-
1410	Other Noncurrent Assets	-	-	-
1438	Deferred Maintenance & Retirements	-	-	-
1439	Deferred Charges	-	-	-
149x	Def Tax Asset - SFAS 158 Federal	(32,779)	(37,747)	(4,968)
1500	Other Jurisdiction Assets - Net	-	-	-
	Property, Plant and Equipment			
2001	Telecommunications Plants in Service	8,063,662	8,209,917	146,255
2002	Prop. Held for Future Telecom. Use	-	-	-
2003	Telecom. Plant under Constr. - Short Term	91,655	778	(90,876)
2004	Telecom. Plant under Constr. - Long Term	-	-	-
2005	Telecom. Plant Adjustment	-	-	-
2006	Nonoperating Plant	-	-	-
2007	Goodwill	-	-	-
	Depreciation and Amortization Accounts			
3100	Accumulated Depreciated	(5,677,622)	(5,923,423)	(245,801)
3200	Accum. Depre. - Held for Future Use	-	-	-
3300	Accumulated Depreciation - Nonoperating	-	-	-
3400	Accumulated Amortization - Tangible	-	-	-
3410	Accum. Amort. - Capitalized Leases	(8,362)	(18,364)	(10,002)
3420	Accum. Amort. - Leasehold Improvements	-	-	-
3500	Accumulated Amortization - Intangible	-	-	-
3600	Accumulated Amortization - Other	-	-	-
	TOTAL ASSETS	4,795,535	4,767,549	483,621

POTLATCH ANNUAL REPORT FOR SMALL TELEPHONE COMPANIES
FOR YEAR ENDED DECEMBER 31, 2008

BALANCE SHEET
Liabilities & Stockholders' Equity

	Title of Account	Balance Beginning of Year	Balance at End of Year		Increase or (Decrease)
	Current Liabilities				
4010	Accounts Payable	265,080	219,820		(45,261)
4020	Notes Payable	-	-		-
4030	Advance Billings and Payments	89,714	86,255		(3,459)
4040	Customer Deposits	-	-		-
4050	Current Maturities - Long -Term Debt	-	-		-
4060	Current Maturities - Capital leases	-	-		-
4070	Income Taxes - Accrued	40,018	15,844		(24,174)
4080	Other Taxes - Accrued	57,665	34,429		(23,236)
4100	Net Current Defer. Oper. Income Taxes	(2,984)	(1,443)		1,541
4110	Net Current Defer. Nonoper. Income Taxes	(983)	(1,210)		(227)
4120	Other Accrued Liabilities	7,130	10,817		3,687
4130	Other Current Liabilities	9,217	4,005		(5,213)
	Long-Term Debt				
4210	Funded Debt	-	-		-
4220	Premium on Long-Term Debt	-	-		-
4230	Discount on Long-Term Debt	-	-		-
4240	Reacquired Debt	-	-		-
4250	Obligations Under Capital Leases	12,594	2,563		(10,031)
4260	Advances from Affiliated Companies	-	-		-
4270	Other Long-Term Debt	-	-		-
	Other Liabilities & Deferred Credits				
4310	Other Long-Term Liabilities	(81,812)	(92,009)		(10,197)
4320	Unamort. Oper. Invest. Tax Credits - Net	-	-		-
4330	Unamort. Nonoper. Invest. Tax Credits - Net	-	-		-
4340	Net Noncurrent Defer. Oper. Income Taxes	417,628	368,730		(48,898)
4350	Net Noncur. Defer. Nonoper. Income Taxes	-	-		-
4360	Other Deferred Credits	9,530	8,343		(1,188)
4370	Other Juris. Liab. & Def. Credits - Net	-	-		-
	Stockholders' Equity				
4510	Capital Stock	20,325	1,000	*	(19,325)
4520	Additional Paid-In Capital	380,029	2,527,400	*	2,147,371
4530	Treasury Stock	-	-		-
4540	Other Capital	48,630	52,534		3,905
4550	Retained Earnings	3,105,500	1,147,708	*	(1,957,792)
5000000 - 7999999	Net Income (Loss)	418,254	382,763		(35,491)
	TOTAL LIAB. & OTHER CREDITS	4,795,535	4,767,549		(27,987)

* See page 3 Notes to the Financial Statements.

ANALYSIS OF TELECOMMUNICATIONS PLANT IN SERVICE
TOTAL Company Basis

		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	16,811	-	-	-	16,811
2112	Motor Vehicles	77,483	-	(20,793)	14,811	71,501
2113	Aircraft	-	-	-	-	-
2114	Special Purpose Vehicles	-	-	-	-	-
2115	Garage Work Equipment	-	-	-	-	-
2116	Other Work Equipment	99,847	3,435	(2,179)	-	101,103
2121	Buildings	376,233	-	-	-	376,233
2122	Furniture	22,929	-	-	-	22,929
2123	Office Equipment	27,739	-	-	-	27,739
2124	General Purpose Computers	125,525	-	-	1,124	126,649
2211	Analog Electronic Switching	-	-	-	-	-
2212	Digital Electronic Switching	1,312,085	37,763	(9,470)	24,379	1,364,757
2215	Electro-Mechanical Switching	-	-	-	-	-
2220	Operator Systems	-	-	-	-	-
2231	Radio Systems	-	-	-	-	-
2232	Circuit Equipment	1,350,995	230,711	(185,477)	5,041	1,401,270
2311	Station Apparatus	-	-	-	-	-
2321	Customer Premises Wiring	-	-	-	-	-
2341	Large Private Branch Exchanges	-	-	-	-	-
2351	Public Telephone Terminal Equipme	-	-	-	-	-
2362	Other Terminal Equipment	-	-	-	-	-
2411	Poles	51,926	-	(2,203)	-	49,723
2421	Aerial Cable	236,443	1,733	-	-	238,176
2422	Underground Cable	17,662	-	-	-	17,662
2423	Buried Cable	4,200,886	46,192	(3,490)	-	4,243,587
2424	Submarine Cable	-	-	-	-	-
2426	Intrabuilding Network Cable	-	-	-	-	-
2431	Aerial Wire	-	-	-	-	-
2441	Conduit Systems	82,675	-	-	-	82,675
	TOTAL TEL PLT IN SERVICE	7,999,238	319,834	(223,613)	45,355	8,140,814
2003	Work In Proc-ST	91,655	(90,876)	-	-	778
2681	Capital Leases	30,270	-	-	-	30,270
2682	Leasehold Improvements	-	-	-	-	-
2690	Intangibles	34,154	-	(14,582)	19,262	38,833
	TOTAL REG	8,155,316	228,957	(238,195)	64,616	8,210,695

POTLATCH ANNUAL REPORT FOR SMALL TELEPHONE COMPANIES
FOR YEAR ENDED DECEMBER 31, 2008

ANALYSIS OF TELECOMMUNICATIONS PLANT ACCOUNTS
IDAHO Operations Only

		Balance Beginning of Year	Additions During Year	Plant Retired or Sold	Transfers and Adjustments	Balance End of Year
Analysis of Telecommunications Plant in Service						
2111	Land	16,811	-	-	-	16,811
2112	Motor Vehicles	77,483	-	(20,793)	14,811	71,501
2113	Aircraft	-	-	-	-	-
2114	Special Purpose Vehicles	-	-	-	-	-
2115	Garage Work Equipment	-	-	-	-	-
2116	Other Work Equipment	99,847	3,435	(2,179)	-	101,103
2121	Buildings	376,233	-	-	-	376,233
2122	Furniture	22,929	-	-	-	22,929
2123	Office Equipment	27,739	-	-	-	27,739
2124	General Purpose Computers	125,525	-	-	1,124	126,649
2211	Analog Electronic Switching	-	-	-	-	-
2212	Digital Electronic Switching	1,312,085	37,763	(9,470)	24,379	1,364,757
2215	Electro-Mechanical Switching	-	-	-	-	-
2220	Operator Systems	-	-	-	-	-
2231	Radio Systems	-	-	-	-	-
2232	Circuit Equipment	1,350,995	230,711	(185,477)	5,041	1,401,270
2311	Station Apparatus	-	-	-	-	-
2321	Customer Premises Wiring	-	-	-	-	-
2341	Large Private Branch Exchanges	-	-	-	-	-
2351	Public Telephone Terminal Equipme	-	-	-	-	-
2362	Other Terminal Equipment	-	-	-	-	-
2411	Poles	51,926	-	(2,203)	-	49,723
2421	Aerial Cable	236,443	1,733	-	-	238,176
2422	Underground Cable	17,662	-	-	-	17,662
2423	Buried Cable	4,200,886	46,192	(3,490)	-	4,243,587
2424	Submarine Cable	-	-	-	-	-
2426	Intrabuilding Network Cable	-	-	-	-	-
2431	Aerial Wire	-	-	-	-	-
2441	Conduit Systems	82,675	-	-	-	82,675
	TOTAL TEL PLT IN SERVICE	7,999,238	319,834	(223,613)	45,355	8,140,814
2003	Work In Proc-ST	91,655	(90,876)	-	-	778
2681	Capital Leases	30,270	-	-	-	30,270
2682	Leasehold Improvements	-	-	-	-	-
2690	Intangibles	34,154	-	(14,582)	19,262	38,833
	TOTAL REG	8,155,316	228,957	(238,195)	64,616	8,210,695

POTLATCH ANNUAL REPORT FOR SMALL TELEPHONE COMPANIES
FOR YEAR ENDED DECEMBER 31, 2008

ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION
Account 3100
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	49,797	12.40%	12,580	(19,182)	43,194
2113	Aircraft	-	-	-	-	-
2114	Special Purpose Vehicles	-	-	-	-	-
2115	Garage Work Equipment	-	-	-	-	-
2116	Other Work Equipment	87,705	7.50%	7,614	(2,179)	93,140
2121	Buildings	160,579	3.00%	11,287	-	171,866
2122	Furniture	12,526	3.80%	871	-	13,397
2123	Office Equipment	24,992	3.80%	121	-	25,113
2124	General Purpose Computers	125,243	14.30%	4,239	(1,560)	127,921
2211	Analog Electronic Switching	-	-	-	-	-
2212	Digital Electronic Switching	924,883	5.80%	78,150	(9,470)	993,564
2215	Electro-Mechanical Switching	-	-	-	-	-
2220	Operator Systems	-	-	-	-	-
2231	Radio Systems	-	-	-	-	-
2232	Circuit Equipment	654,993	6.75%	99,309	(184,332)	569,970
2311	Station Apparatus	-	-	-	-	-
2321	Customer Premises Wiring	-	-	-	-	-
2341	Large Private Branch Exchanges	-	-	-	-	-
2351	Public Telephone Terminal Equipment	-	-	-	-	-
2362	Other Terminal Equipment	-	-	-	-	-
2411	Poles	51,279	5.18%	775	(2,331)	49,723
2421	Aerial Cable	133,976	5.00%	11,871	(440)	145,407
2422	Underground Cable	14,082	5.50%	971	-	15,054
2423	Buried Cable	3,397,193	5.50%	229,867	4,334	3,631,394
2424	Submarine Cable	-	-	-	-	-
2426	Intrabuilding Network Cable	-	-	-	-	-
2431	Aerial Wire	-	5.00%	-	-	-
2441	Conduit Systems	40,374	4.00%	3,307	-	43,680
	TOTAL DEP RES TEL PLT	5,677,622		460,962	(215,161)	5,923,423

*Please list individual depreciation rate for each account.

POTLATCH ANNUAL REPORT FOR SMALL TELEPHONE COMPANIES
FOR YEAR ENDED DECEMBER 31, 2008

ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION
Account 3100
IDAHO Operations Only

	Balance Beginning of Year	Depreciation Rate*	Credits During Year	Retirements and Adjustments	Balance End of Year
Analysis of Entries in Accumulated Depreciation					
2112 Motor Vehicles	49,797	12.40%	12,580	(19,182)	43,194
2113 Aircraft	-	-	-	-	-
2114 Special Purpose Vehicles	-	-	-	-	-
2115 Garage Work Equipment	-	-	-	-	-
2116 Other Work Equipment	87,705	7.50%	7,614	(2,179)	93,140
2121 Buildings	160,579	3.00%	11,287	-	171,866
2122 Furniture	12,526	3.80%	871	-	13,397
2123 Office Equipment	24,992	3.80%	121	-	25,113
2124 General Purpose Computers	125,243	14.30%	4,239	(1,560)	127,921
2211 Analog Electronic Switching	-	-	-	-	-
2212 Digital Electronic Switching	924,883	5.80%	78,150	(9,470)	993,564
2215 Electro-Mechanical Switching	-	-	-	-	-
2220 Operator Systems	-	-	-	-	-
2231 Radio Systems	-	-	-	-	-
2232 Circuit Equipment	654,993	6.75%	99,309	(184,332)	569,970
2311 Station Apparatus	-	-	-	-	-
2321 Customer Premises Wiring	-	-	-	-	-
2341 Large Private Branch Exchanges	-	-	-	-	-
2351 Public Telephone Terminal Equipment	-	-	-	-	-
2362 Other Terminal Equipment	-	-	-	-	-
2411 Poles	51,279	5.18%	775	(2,331)	49,723
2421 Aerial Cable	133,976	5.00%	11,871	(440)	145,407
2422 Underground Cable	14,082	5.50%	971	-	15,054
2423 Buried Cable	3,397,193	5.50%	229,867	4,334	3,631,394
2424 Submarine Cable	-	-	-	-	-
2426 Intrabuilding Network Cable	-	-	-	-	-
2431 Aerial Wire	-	5.00%	-	-	-
2441 Conduit Systems	40,374	4.00%	3,307	-	43,680
TOTAL	5,677,622		460,962	(215,161)	5,923,423

*Please list individual depreciation rate for each account.

POTLATCH ANNUAL REPORT FOR SMALL TELEPHONE COMPANIES
FOR YEAR ENDED DECEMBER 31, 2008

INVESTMENTS

Report below the investments in Accounts 1401, 1402 and 1406. Identify each investment as to the account in which included. Minor amounts in Account 1406 may be grouped by classes.

Description	Date Acquired	Book Cost of Investments Disposed of This year	Book Cost of Investments Held at End of Year
1401 Investment in Affiliated Co.			-
1402 Investment in Nonaffiliated Co.			-
1406 Nonregulated Investments		-	270
Totals			270

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.

Accounts	Name of Company	Amount at End of Year: Notes Receivable	Amount at End of Year: Accounts Receivable
1180	Due from Customers		160,526
1190	Due from Affiliates		18,370
1190	Due from Connecting Companies		86,074
1190	Due from Federal & State Pools		87,558
1190	Other & Accruals		23,489
1190	Federal & State Taxes		9,529
1210	Interest		2,076
Totals			387,622

POTLATCH ANNUAL REPORT FOR SMALL TELEPHONE COMPANIES
FOR YEAR ENDED DECEMBER 31, 2008

NOTES PAYABLE

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

Name of Creditor	Date of Note	Interest Rate	Due Date	Face Amount
NONE				
Totals				

ACCOUNTS PAYABLE

Report below all Accounts Payable amounting to more than $100.00

Name of Creditor	Amount
Due to Affiliates	104,157
Due to Federal & State Pools	77,088
Due to Connecting Companies	6,200
Due to USAC	2,741
A/P - Trade	15,360
Other & Accruals	14,273
	219,820

LONG - TERM DEBT

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

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

Class & Series of Obligation	Date of Issue	Date of Maturity	Face Amount Authorized	Outstanding Year-End	Premium/ Discount Total	Year Amortized	Interest for year Rate	Interest for year Amount
4210 Funded Debt				-				
4220 Premium on Long-Term Debt				-				
4230 Discount on Long-Term Debt				-				
4240 Reacquired Debt				-				
4250 Obligations Under Capital Leases	Nov-06	Oct-09	16,640	2,563			3.00%	1,475
4260 Advances from Affiliated Companies				-				
4270 Other Long-Term Debt				-				
4310 Other Long-Term Liabilities *				(92,009)				
* Post Retirement Benefit-SFAS 158								

POTLATCH ANNUAL REPORT FOR SMALL TELEPHONE COMPANIES
FOR YEAR ENDED DECEMBER 31, 2008

CAPITAL STOCK

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

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

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

Class & Series of Stock	Number of Shares Authorized	Par Value per Share	Outstanding per Balance Sheet	
			Shares	Amount
Common Stock	10,000	$1.00	1,000	$1,000

POTLATCH ANNUAL REPORT FOR SMALL TELEPHONE COMPANIES
FOR YEAR ENDED DECEMBER 31, 2008

INCOME & RETAINED EARNINGS STATEMENT

	Item	Total Company	Idaho Only
	Total Operating Income (from page 15)	1,843,533	1,843,533
	Total Operating Expenses (from page 17)	1,273,794	1,273,794
7100	Other Operating Income and Expense	(705)	(705)
7210	Operating Investment Tax Credits-Net	-	-
7220	Operating Federal Income Taxes	213,487	213,487
7230	Operating State and Local Income Taxes	35,028	35,028
7240	Operating Other Taxes	44,112	44,112
7250	Provision for Deferred Operating Income Taxes-Net	(47,357)	(47,357)
7200	Operating Taxes (Total)	245,270	245,270
7310	Dividend Income	-	-
7320	Interest Income	56,718	56,718
7330	Income from Sinking and Other Funds	-	-
7340	Allowance for Funds Used During Construction	-	-
7350	Gains/Losses from the Disposition of Certain Property	-	-
7360	Other Nonoperating Income	-	-
7370	Special Charges	(563)	(563)
7300	Nonoperating Income and Expense	56,155	56,155
7410	Nonoperating Investment Tax Credits-Net	-	-
7420	Nonoperating Federal Income Taxes	31,751	31,751
7430	Nonoperating State and Local Income Taxes	7,462	7,462
7440	Nonoperating Other Taxes	-	-
7450	Provision for Deferred Nonoperating Income Taxes-Net	(227)	(227)
7400	Nonoperating Taxes	38,986	38,986
7510	Interest on Funded Debt	-	-
7520	Interest Expense-Capital Leases	1,475	1,475
7530	Amortization of Debt Issuance Expense	-	-
7540	Other Interested Deductions	-	-
7500	Interest and Related Items	1,475	1,475
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	-	-
7910	Income Effect of Jurisdictional Ratemaking Differences-Net	-	-
7990	Nonregulated Net Income	(41,896)	(41,896)
	AMOUNT TRANSFERRED TO RETAINED EARNINGS	382,763	382,763

POTLATCH ANNUAL REPORT FOR SMALL TELEPHONE COMPANIES
FOR YEAR ENDED DECEMBER 31, 2008

OPERATING REVENUES

	Item	Total Company	Idaho Only
	Local Network Services Revenues		
5001	Basic Area Revenue	304,746	304,746
5002	Optional Extended Area Revenue	-	-
5003	Cellular Mobile Revenue	-	-
5004	Other Mobile Services Revenue	25,489	25,489
5010	Public Telephone Revenue	-	-
5040	Local Private Line Revenue	32,909	32,909
5050	Customer Premises Revenue	-	-
5060	Other Local Exchange Revenue	128,781	128,781
5069	Other Local Exchange Settlements	-	-
	Network Access Services Revenues		
5081	End User Revenue (SLC)	164,114	164,114
5082	Switched Access Revenue (Interstate)	460,247	460,247
5083	Special Access Revenue	149,796	149,796
5084	State Access Revenue (Intrastate)	429,794	429,794
	Long Distance Network Services Revenues		-
5100	Long Distance Message Revenue - All	-	-
	Miscellaneous Revenues		
5230	Directory Revenue	9,451	9,451
5240	Rent Revenue	108	108
5250	Corporate Operations Revenue	-	-
5261	Special Billing Arrangements Revenue	52,573	52,573
5262	Customer Operations Revenue	-	-
5263	Plant Operations Revenue	-	-
5264	Other Incidental Regulated Revenue	8,652	8,652
5269	Other Revenue Settlements	-	-
5270	Carrier Billing & Collection Revenue	72,864	72,864
	Uncollectible Revenues		
5301	Uncollectible Revenue - Telecommunications	(773)	(773)
5302	Uncollectible Revenue - Other	4,782	4,782
	TOTAL OPERATING REVENUES	1,843,533	1,843,533

Please identify the following revenues:

NECA USF	108,984	To what account were they booked?	5082 Switched Access Revenue (Interstate)
State USF	0	To what account were they booked?	5084 Switched Access Revenue (Intrastate)

POTLATCH ANNUAL REPORT FOR SMALL TELEPHONE COMPANIES
FOR YEAR ENDED DECEMBER 31, 2008

OPERATING EXPENSES

Item	Total Company	Idaho Only
Plant Specific Operations Expense		
6110 Network Support Expenses	-	-
6112 Motor Vehicle Expense	(2,061)	(2,061)
6113 Aircraft Expense	-	-
6114 Special Purpose Vehicles Expense	1,753	1,753
6115 Garage Work Equipment Expense	-	-
6116 Other Work Equipment Expense	-	-
6120 General Support Expenses	-	-
6121 Land and Building Expenses	20,317	20,317
6122 Furniture and Artworks Expense	(54)	(54)
6123 Office Equipment Expense	(225)	(225)
6124 General Purpose Computers Expense	(18)	(18)
6210 Central Office Switching Expenses	-	-
6211 Analog Electronic Expense	-	-
6212 Digital Electronic Expense	26,944	26,944
6215 Electro-Mechanical Expense	-	-
6220 Operators System Expense	-	-
6230 Central Office Transmission Expenses	-	-
6231 Radio Systems Expense	2,276	2,276
6232 Circuit Equipment Expense	14,024	14,024
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	2,243	2,243
6421 Aerial Cable Expense	21,770	21,770
6422 Underground Cable Expense	-	-
6423 Buried Cable Expense	76,734	76,734
6424 Submarine Cable Expense	-	-
6425 Deep Sea Cable Expense	-	-
6426 Intrabuilding Network Cable Expense	-	-
6431 Aerial Wire Expense	200	200
6441 Conduit Systems Expense	-	-
		-
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	163,903	163,903

POTLATCH ANNUAL REPORT FOR SMALL TELEPHONE COMPANIES
FOR YEAR ENDED DECEMBER 31, 2008

OPERATING EXPENSES

	Item	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	0	0
6530	Network Operations Expense	-	-
6531	Power Expense	20,159	20,159
6532	Network Administration Expense	68,890	68,890
6533	Testing Expense	17,025	17,025
6534	Plant Operations Administration Expense	19,366	19,366
6535	Engineering Expense	15,055	15,055
6540	Access Expense	37,211	37,211
6560	Depreciation and Amortization Expenses	-	-
6561	Depreciation Expense-Telecom. Plant in Service	459,570	459,570
6562	Depreciation Expense-Property Held for Future Use	-	-
6563	Amortization Expense - Tangible	10,002	10,002
6564	Amortization Expense - Intangible	14,252	14,252
6565	Amortization Expense - Other	69	69
Total Plant Nonspecific Operations Expenses		661,601	661,601
	Customer Operations Expense		
6610	Marketing	-	-
6611	Product Management	9,489	9,489
6612	Sales	46,190	46,190
6613	Product Advertising	16,227	16,227
6620	Services	-	-
6621	Call Completion Services	354	354
6622	Number Services	3,715	3,715
6623	Customer Services	122,789	122,789
	Total Customer Operations Expense	198,763	198,763
	Corporate Operations Expense		
6710	Executive and Planning	-	
6711	Executive	20,814	20,814
6712	Planning	11	11
6720	General and Administrative	-	-
6721	Accounting and Finance	59,700	59,700
6722	External Relations	60,681	60,681
6723	Human Resources	33,444	33,444
6724	Information Management	50,438	50,438
6725	Legal	6,427	6,427
6726	Procurement	4,173	4,173
6727	Research and Development	-	-
6728	Other General and Administrative	13,841	13,841
6790	Provision for Uncollectible Notes Receivable	-	-
	Total Corporate Operations Expense	249,527	249,527
	TOTAL OPERATING EXPENSES (EXCLUDE OPERATING TAXES & Acct. 711,713,715,716.	1,273,794	1,273,794

POTLATCH ANNUAL REPORT FOR SMALL TELEPHONE COMPANIES
FOR YEAR ENDED DECEMBER 31, 2008

CENTRAL OFFICE DATA
as of December 31, 2008 (unless otherwise indicated)

Name of Central Office: Kendrick
Prefix (es): 289

Central Office Switch Type: EWSD

Check all that apply:
Stand Alone
Host X
Remote

Check one:
Digital X
Analog

Check one:
Electronic X
Electro-Mechanical
Other:

Access Line Capacity
Design: 3,840

Installed/Equipped: 1,280 Wired/576 Equipped

Access Lines in Use
Customer Lines: 755
(Include Centrex, PAL, Semi-Pub.)

Public Telephone Lines 0

Company Official Lines 13

Company Test Lines 0

Classification of Customer Access

	Residence				Business					
	Multi-Line 1-Party	Single Line 1-Party	Single Line Multi-Party	Subtotal Residence	Centrex N.A.R.	Multi-Line 1-Party	Single Line 1-Party	Single Line Multi-Party	Subtotal Business	Total Residence & Business
Beginning of Year		497		497	22	271	18		311	808
New Connects				-					-	-
Disconnects		(12)		(12)		(50)	9		(41)	(53)
End of Year		485		485	22	221	27		270	755

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: 31

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

POTLATCH ANNUAL REPORT FOR SMALL TELEPHONE COMPANIES
FOR YEAR ENDED DECEMBER 31, 2008

CENTRAL OFFICE DATA
as of December 31, 2008 (unless otherwise indicated)

Name of Central Office: Julietta
Prefix (es): 276

Central Office Switch Type: EWSD

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

Access Line Capacity
Design: 3,840

Installed/Equipped: 1,280 Wired/448 Equipped

Access Lines in Use
Customer Lines: 484
(Include Centrex, PAL, Semi-Pub.)

Public Telephone Lines 0

Company Official Lines 1

Company Test Lines 0

Classification of Customer Access

	Residence				Business					
	Multi-Line 1-Party	Single Line 1-Party	Single Line Multi-Party	Subtotal Residence	Centrex N.A.R.	Multi-Line 1-Party	Single Line 1-Party	Single Line Multi-Party	Subtotal Business	Total Residence & Business
Beginning of Year		428		428	8	40	14		62	490
New Connects				-					-	-
Disconnects		(3)		(3)		(1)	(2)		(3)	(6)
End of Year		425		425	8	39	12		59	484

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: 50

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

POTLATCH ANNUAL REPORT FOR SMALL TELEPHONE COMPANIES
FOR YEAR ENDED DECEMBER 31, 2008

CENTRAL OFFICE DATA
as of December 31, 2008 (unless otherwise indicated)

Name of Central Office: Troy
Prefix (es): 835

Central Office Switch Type: EWSD

Check all that apply:
Stand Alone
Host
Remote X

Check one:
Digital X
Analog

Check one:
Electronic X
Electro-Mechanical
Other:

Access Line Capacity
Design: 3,800

Installed/Equipped: 1,876 Wired/955 Equipped

Access Lines in Use
Customer Lines: 788
(Include Centrex, PAL, Semi-Pub.)

Public Telephone Lines 0

Company Official Lines 9

Company Test Lines 0

Classification of Customer Access

	Residence					Business				
	Multi-Line 1-Party	Single Line 1-Party	Single Line Multi-Party	Subtotal Residence	Centrex N.A.R.	Multi-Line 1-Party	Single Line 1-Party	Single Line Multi-Party	Subtotal Business	Total Residence & Business
Beginning of Year		720		720		100	36		136	856
New Connects				-					-	-
Disconnects		(68)		(68)					-	(68)
End of Year		652		652		100	36		136	788

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: 58

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

POTLATCH ANNUAL REPORT FOR SMALL TELEPHONE COMPANIES
FOR YEAR ENDED DECEMBER 31, 2008

NUMBER OF CALLS COMPLETED BY CUSTOMERS DURING 2008

Local Exchange	Average # of Customer Lines in Use	Local Calls Number (1000s) *	Local Calls Avg./ Line	Toll Calls Originated (Total of all Carriers) Intrastate	Interstate	Total	Avg./ Line
1 Kendrick	782	NA	NA	186,364	84,477	270,841	346
2 Julietta	487	NA	NA	**99,206**	**45,789**	144,995	298
3 Troy	822	NA	NA	**168,721**	**119,540**	288,261	351

POTLATCH ANNUAL REPORT FOR SMALL TELEPHONE COMPANIES
FOR YEAR ENDED DECEMBER 31, 2008

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	**November 1, 2008**
Alternate method of notification	

Rule IDAPA 31.41.01.403.02

Record of Complaints:

Number received by Company	15

Category of complaints (if known):

Deposit Disputes	N/A
Charges on Bill	3
Denial/Termination	N/A
Quality or Availability of Service	2
Carrier Selection/Assignment	N/A
Miscellaneous	15

POTLATCH ANNUAL REPORT FOR SMALL TELEPHONE COMPANIES
FOR YEAR ENDED DECEMBER 31, 2008

CERTIFICATE

State of Wisconsin)
) ss
County of Dane)

WE, the undersigned William J. Megan and John R. Erpenbach of the Potlatch 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.

W. J. Megan
(Chief Officer)

John R. Erpenbach
(Officer in Charge of Accounts)

Subscribed and Sworn to Before Me this 14th day of APRIL, (Year) 2009.

Lorrigard F. Metz
Notary Public

My Commission expires MAY 8, (Year) 2011.

gdk/excel/jnelson/anulrpts/telannualrpt

525 Junction Road
Madison, WI 53717
www.tdstelecom.com

RECEIVED
2010 APR 19 AM 8:32
IDAHO PUBLIC
UTILITIES COMMISSION

April 13, 2010

Pot-T

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

RE: Potlatch Form I – Idaho Separated Results of Operations

Dear Mr. Lobb,

Please find enclosed the hard copy of the 2008 Part 36 report for Potlatch Telephone Company. The Part 36 report is submitted in place of the Form I because the Part 36 contains essentially all of the information required by the Idaho Separated Results of Operations report. The substitution of Part 36 for the Form I has been approved by the Idaho Commission in previous filings. Please keep the Part 36 for the Commission's use only.

Please review this submission and if you have any questions or need any further information, please call me at 608-664-4156. Thank you.

Sincerely,

Joseph R. Keyes
Manager – Cost Analysis

Enclosures

Cc: Duane Dickson

Potlatch Telephone Company
Cost Study - Part 36
For the Year 2008

Proprietary and Confidential

RECEIVED
2010 APR 13 AM 8: 32
IDAHO PUBLIC UTILITIES COMMISSION

S-1,1of1 REVENUE REQUIREMENT SUMMARY S-1,1of1

LN	DESCRIPTION		TOTAL OPERATING	ALLOCATION BASIS	INTERSTATE MESSAGE TOLL INTRALATA	INTERSTATE MESSAGE TOLL INTERLATA	INTERSTATE SPECIAL ACCESS INTRALATA	INTERSTATE SPECIAL ACCESS INTERLATA	INTRASTATE MESSAGE TOLL INTRALATA	INTRASTATE MESSAGE TOLL INTERLATA	INTRASTATE SPECIAL ACCESS INTRALATA	INTRASTATE SPECIAL ACCESS INTERLATA	TWX	EAS	EXCHANGE
	REVENUE REQUIREMENT SUMMARY														
1	NET INVESTMENT FOR SETTLEMENTS		2023335	S-2,LN 35	0	600429	0	246290	175175	317947	26894	0	0	0	656601
2	RATE OF RETURN		11.2500%		0.0000%	11.2500%	0.0000%	11.2500%	11.2500%	11.2500%	11.2500%	11.2500%	0.0000%	11.2500%	11.2500%
3	RETURN ON INVESTMENT		227625	LN1*LN 2	0	67548	0	27708	19707	35769	3026	0	0	0	73868
4	ALLOWANCE FOR FUNDS USED DURING CONSTR		0	S-8,LN 31&32	0	0	0	0	0	0	0	0	0	0	0
5	NET RETURN FOR SETTLEMENTS		227625	LN3-LN4	0	67548	0	27708	19707	35769	3026	0	0	0	73868
6	FEDERAL OPERATING INCOME TAX	(OPTIONAL)	122024	LN 28	0	35652	0	14950	10633	19300	1633	0	0	0	39856
7	LESS: FEDERAL ITC AMORTIZATION		0	S-12,LN 29	0	0	0	0	0	0	0	0	0	0	0
8	NET FEDERAL INCOME TAX		122024	LN 6-LN 7	0	35652	0	14950	10633	19300	1633	0	0	0	39856
9	STATE AND LOCAL INCOME TAX	(OPTIONAL)	28676	LN 33	0	8378	0	3513	2499	4536	384	0	0	0	9366
10	LESS: STATE ITC AMORTIZATION		0	S-12,LN 30	0	0	0	0	0	0	0	0	0	0	0
11	NET STATE INCOME TAX		28676	LN 9-LN 10	0	8378	0	3513	2499	4536	384	0	0	0	9366
13	OPERATING EXPENSE AND TAX		1295666	S-8,LN 20	0	459282	0	97899	110933	178745	8370	0	0	0	440436
14	OTHER ALLOWABLE EXPENSES		0	S-8,LN 22+23	0	0	0	0	0	0	0	0	0	0	0
15	UNCOLLECTIBLES		0	S-8,LN 30	0	0	0	0	0	0	0	0	0	0	0
16	BASIS FOR GROSS RECEIPTS TAX		1673992	5+8+11thru15	0	570861	0	144070	143773	238350	13412	0	0	0	563526
17	GROSS RECEIPTS/PSC TAX RATE (GROSS UP)	**Please see adj tab			N/A	0.0000%	N/A	0.0000%	0.2643%	0.2643%	0.2643%	0.2643%	0.2643%	0.2643%	0.2643%
18	GROSS RECEIPTS/PSC TAX		2535	LN 16*LN 17	0	0	0	0	380	630	35	0	0	0	1489
19	TOTAL REVENUE REQUIREMENT		1676526		0	570861	0	144070	144153	238980	13447	0	0	0	565016
	New 2006 DA of PSC/GRT				0	0	0	0	379.4222873	629.0144352	35.39385552	0	0	0	1487.169422
	NOTE A: INCLUDES NET TEL PLANT FROM SCH S-2,LN 33 LESS A/C's 2004 ,2006 ,2007 AND 1402 OTHER THAN RTB STOCK.														
	Difference				0	0	0	0	1	1	0	0	0	0	2
* *	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
	OPTIONAL GROSS UP INCOME TAX CALCULATION														
20	RETURN ON INVESTMENT		227625	LN 3	0	67548	0	27708	19707	35769	3026	0	0	0	73868
21	INTEREST AND RELATED ITEMS EXCL NON-OPER		1475	S-12,LN 16+18	0	1475	0	0	0	0	0	0	0	0	0
22	OTHER INCOME ADJUSTMENTS		-466	S-12,LN 25+26	0	-138	0	-57	-40	-73	-6	0	0	0	-151
23	TOTAL INCOME ADJUSTMENTS		1009	LN 21+22	0	1337	0	-57	-40	-73	-6	0	0	0	-151
24	FEDERAL ITC AMORTIZATION		0	S-12,LN 29	0	0	0	0	0	0	0	0	0	0	0
25	FEDERAL TAXABLE INCOME		226616		0	66211	0	27765	19748	35842	3032	0	0	0	74019
26	FEDERAL INCOME TAX @	35.00%	122024	LN 25*FIT	0	35652	0	14950	10633	19300	1633	0	0	0	39856
27	FEDERAL SURTAX ALLOCATION - OPERATING		0	/S-2,LN 36	0	0	0	0	0	0	0	0	0	0	0
28	NET FEDERAL INCOME TAX BEFORE ITC		122024	LN26-LN27	0	35652	0	14950	10633	19300	1633	0	0	0	39856
29	STATE ITC AMORTIZATION		0	S-12,LN 30	0	0	0	0	0	0	0	0	0	0	0
30	STATE TAXABLE INCOME	Option: A	348641	LN25+LN28-S-12,LN25	0	101863	0	42715	30381	55142	4664	0	0	0	113875
31	STATE INCOME TAX @	7.60%	28676	LN 30*SIT	0	8378	0	3513	2499	4536	384	0	0	0	9366
32	STATE SURTAX EXEMPTION		0	/S-2,LN 36	0	0	0	0	0	0	0	0	0	0	0
33	NET STATE INCOME TAX BEFORE ITC		28676		0	8378	0	3513	2499	4536	384	0	0	0	9366

S-2,1of1 SUMMARY OF NET TELEPHONE PLANT, M&S AND WORKING CAPITAL S-2,1of1

LN	DESCRIPTION	A/C	CAT	TOTAL COMPANY	ALLOCATION BASIS	INTERSTATE MESSAGE TOLL INTRALATA	INTERSTATE MESSAGE TOLL INTERLATA	INTERSTATE SPECIAL ACCESS INTRALATA	INTERSTATE SPECIAL ACCESS INTERLATA	INTRASTATE MESSAGE TOLL INTRALATA	INTRASTATE MESSAGE TOLL INTERLATA	INTRASTATE SPECIAL ACCESS INTRALATA	INTRASTATE SPECIAL ACCESS INTERLATA	TWX	EAS	EXCHANGE	OTHER
	NET INVESTMENT SUMMARY																
1	GENERAL SUPPORT FACILITIES	2110		732010	S-3,LN 10	0	241853	0	61502	62949	114916	5705	0	0	0	245086	0
2	CENTRAL OFFICE SWITCHING EQUIPMENT	2210		1204886	S-4,LN 52	0	1024153	0	0	0	0	0	0	0	0	180733	0
3	OPERATOR SYSTEMS EQUIPMENT	2220		0	S-4,LN 41	0	0	0	0	0	0	0	0	0	0	0	0
4	CENTRAL OFFICE TRANSMISSION EQUIPMENT	2230		1511653	S-4,LN 78	0	317457	0	280941	140804	254952	39800	0	0	0	477699	0
5	INFORMATION ORIG/TERM EQUIPMENT	2310		0	S-5,LN 17	0	0	0	0	0	0	0	0	0	0	0	0
6	CABLE AND WIRE FACILITIES	2410		4610706	S-5,LN 42	0	1079279	0	334677	489302	895326	17306	0	0	0	1794816	0
7	TANGIBLE ASSETS	2680		30270	S-3,LN 29	0	0	0	30270	0	0	0	0	0	0	0	0
8	INTANGIBLE ASSETS	2690		35115	S-3,LN 36	0	11558	0	3071	3008	5492	273	0	0	0	11713	0
9	TOTAL PLANT IN SERVICE A/C 2001			8124640		0	2674300	0	710461	696063	1270686	63084	0	0	0	2710046	0
10	% DISTRIBUTION			100.0000%		0.0000%	32.9159%	0.0000%	8.7445%	8.5673%	15.6399%	0.7764%	0.0000%	0.0000%	0.0000%	33.3559%	0.0000%
11	PROPERTY HELD FOR FUTURE USE	2002		0	S-6,LN 9	0	0	0	0	0	0	0	0	0	0	0	0
12	PLANT UNDER CONSTR - SHORT TERM	2003		46094	S-6,LN 15	0	15172	0	4031	3949	7209	358	0	0	0	15375	0
13	PLANT UNDER CONSTR - LONG TERM	2004		0	S-6,LN 21	0	0	0	0	0	0	0	0	0	0	0	0
14	TELEPHONE PLANT ADJUSTMENT	2005		0	S-6,LN 27	0	0	0	0	0	0	0	0	0	0	0	0
15	NONOPERATING PLANT	2006		0	DIRECT												0
16	GOODWILL	2007		0	DIRECT												0

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17	TOTAL PROPERTY, PLANT & EQUIPMENT			8170734		0	2689472	0	714492	700012	1277895	63441	0	0	0	2725422	0
18	% DISTRIBUTION			100.0000%		0.0000%	32.9159%	0.0000%	8.7445%	8.5673%	15.6399%	0.7764%	0.0000%	0.0000%	0.0000%	33.3559%	0.0000%
19	ACCUM DEPRECIATION - PLANT IN SERVICE	3100		5794061	S-7,LN 18	0	1976734	0	425618	495856	906059	33843	0	0	0	1955951	0
20	ACCUM DEPRECIATION - FUTURE USE	3200		0	S-7,LN 19	0	0	0	0	0	0	0	0	0	0	0	0
21	ACCUM AMORTIZATION - TANGIBLE PROPERTY	3400		13363	S-7,LN 23	0	0	0	13363	0	0	0	0	0	0	0	0
22	ACCUM AMORTIZATION - INTANGIBLE PROPERTY	3500		0	S-7,LN 24	0	0	0	0	0	0	0	0	0	0	0	0
23	ACCUM AMORTIZATION - TEL PLANT ADJUSTMEN'	3600		0	S-7,LN 25	0	0	0	0	0	0	0	0	0	0	0	0
24	OPERATING DEFERRED INCOME TAX - NET	VAR		392894	S-7,LN 32	0	129747	0	33081	33787	61680	3060	0	0	0	131538	0
25	CUST. DEP., OTHER DEF CRS-NET & L-T LIAB.			0	S-7,LN 38	0	0	0	0	0	0	0	0	0	0	0	0
26	NET TELEPHONE PLANT			1970416		0	582991	0	242430	170369	310155	26539	0	0	0	637932	0
27	% DISTRIBUTION			100.0000%		0.0000%	29.5872%	0.0000%	12.3035%	8.6463%	15.7406%	1.3469%	0.0000%	0.0000%	0.0000%	32.3755%	0.0000%
28	MATERIALS AND SUPPLIES	1220		8963	S-6,LN 31	0	2098	0	651	951	1740	34	0	0	0	3489	0
29	INVESTMENT IN NONAFFILIATED CO'S	1402		0	S-6,LN 33	0	0	0	0	0	0	0	0	0	0	0	0
30	OTHER NONCURRENT ASSETS	1410		0	S-6,LN 34	0	0	0	0	0	0	0	0	0	0	0	0
31	DEFERRED MAINTENANCE & RETIREMENTS	1438		0	S-6,LN 35	0	0	0	0	0	0	0	0	0	0	0	0
32	EQUAL ACCESS EQUIPMENT	1439		0	S-6,LN 36	0	0			0	0					0	
33	OTHER JURISDICTIONAL ASSETS	1500		0	S-6,LN 37	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
34	CASH WORKING CAPITAL	XXXX		43956		0	15340	0	3209	3855	6051	321	0	0	0	15180	0
35	NET TEL PLANT, M&S AND CASH WORKING CAPITAL			2023335		0	600429	0	246290	175175	317947	26894	0	0	0	656601	0
36	% DISTRIBUTION			100.0000%		0.0000%	29.6752%	0.0000%	12.1725%	8.6578%	15.7140%	1.3292%	0.0000%	0.0000%	0.0000%	32.4514%	0.0000%

S-3,1of1 OTHER TELECOMMUNICATIONS PLANT S-3,1of1

						INTERSTATE				INTRASTATE							
				TOTAL	ALLOCATION	MESSAGE TOLL		SPECIAL ACCESS		MESSAGE TOLL		SPECIAL ACCESS					
LN	DESCRIPTION	A/C	CAT	COMPANY	BASIS	INTRALATA	INTERLATA	INTRALATA	INTERLATA	INTRALATA	INTERLATA	INTRALATA	INTERLATA	TWX	EAS	EXCHANGE	OTHER
	BASIS FOR GENERAL SUPPORT FACILITIES																
1	- CLASS A SEPARATIONS																
2	BIG THREE EXPENSES			480114		0	161761	0	28001	43948	64563	2629	0	0	0	179213	0
3	% DISTRIBUTION			100.0000%		0.0000%	33.6923%	0.0000%	5.8321%	9.1536%	13.4474%	0.5477%	0.0000%	0.0000%	0.0000%	37.3271%	0.0000%
4	- CLASS B SEPARATIONS																
5	COE, IOT AND C&WF			7327245		0	2420889	0	615619	630106	1150278	57106	0	0	0	2453248	0
6	% DISTRIBUTION			100.0000%		0.0000%	33.0395%	0.0000%	8.4018%	8.5995%	15.6986%	0.7794%	0.0000%	0.0000%	0.0000%	33.4812%	0.0000%
	LAND AND SUPPORT ASSETS	2110															
7	CLASS A COMPANIES			0	LN 3+DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
8	CLASS B COMPANIES (GSF-GPC)			605923	LN 6+DIRECT	0	200194	0	50908	52106	95122	4722	0	0	0	202870	0
9	GENERAL PURPOSE COMPUTERS			126087	LN 6+DIRECT	0	41659	0	10594	10843	19794	983	0	0	0	42215	0
10	TOTAL LAND AND SUPPORT ASSETS			732010		0	241853	0	61502	62949	114916	5705	0	0	0	245086	0
11	% DISTRIBUTION			100.0000%		0.0000%	33.0395%	0.0000%	8.4018%	8.5995%	15.6986%	0.7794%	0.0000%	0.0000%	0.0000%	33.4812%	0.0000%
12	GEN SUPPORT ASSETS, COE, INFORMATION																
13	ORIG/TERM, AND C&WF			8059255		0	2662741	0	677121	693055	1265194	62811	0	0	0	2698334	0
14	% DISTRIBUTION			100.0000%		0.0000%	33.0395%	0.0000%	8.4018%	8.5995%	15.6986%	0.7794%	0.0000%	0.0000%	0.0000%	33.4812%	0.0000%
	TANGIBLE ASSETS																
15	CAPITAL LEASES	2681															
16	GENERAL SUPPORT			0	LN 11+DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
17	CENTRAL OFFICE EQUIP (DSL)			30270	DIRECT	0	0	0	30270	0	0	0	0	0	0	0	0
18	INFORMATION ORIG/TERM			0	S-5,LN 18	0	0	0	0	0	0	0	0	0	0	0	0
19	CABLE AND WIRE FACILITIES			0	S-5,LN 43	0	0	0	0	0	0	0	0	0	0	0	0
20	UNDISTRIBUTED			0	LN 14+DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
21	SUBTOTAL CAPITAL LEASES			30270		0	0	0	30270	0	0	0	0	0	0	0	0
22	LEASEHOLD IMPROVEMENTS	2682															
23	GENERAL SUPPORT			0	LN 11+DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
24	CENTRAL OFFICE EQUIP			0	S-4,LN 81	0	0	0	0	0	0	0	0	0	0	0	0
25	INFORMATION ORIG/TERM			0	S-5,LN 18	0	0	0	0	0	0	0	0	0	0	0	0
26	CABLE AND WIRE FACILITIES			0	S-5,LN 43	0	0	0	0	0	0	0	0	0	0	0	0
27	UNDISTRIBUTED			0	LN 14+DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
28	SUBTOTAL LEASEHOLD IMPROVEMENTS			0		0	0	0	0	0	0	0	0	0	0	0	0
29	TOTAL TANGIBLE ASSETS			30270		0	0	0	30270	0	0	0	0	0	0	0	0
30	% DISTRIBUTION			100.0000%		0.0000%	0.0000%	0.0000%	100.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
31	GEN SUPPORT ASSETS, COE, INFORMATION																
32	ORIG/TERM, CWF AND TANGIBLE ASSETS			8089525		0	2662741	0	707391	693055	1265194	62811	0	0	0	2698334	0
33	% DISTRIBUTION			100.0000%		0.0000%	32.9159%	0.0000%	8.7445%	8.5673%	15.6399%	0.7764%	0.0000%	0.0000%	0.0000%	33.3559%	0.0000%

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	INTANGIBLE ASSETS	2690																
34	ALLOCATED		35115	LN 33	0	11558	0	3071	3008	5492	273	0	0	0	11713	0
35	DIRECT ASSIGNMENT		0	DIRECT	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
36	TOTAL INTANGIBLES		35115		0	11558	0	3071	3008	5492	273	0	0	0	11713	0
37	% DISTRIBUTION		100.0000%		0.0000%	32.9159%	0.0000%	8.7445%	8.5673%	15.6399%	0.7764%	0.0000%	0.0000%	0.0000%	33.3559%	0.0000%

S-4,1of2 CENTRAL OFFICE EQUIPMENT SEPARATIONS S-4,1of2

LN	DESCRIPTION	A/C	CAT	TOTAL COMPANY	ALLOCATION BASIS	INTERSTATE MESSAGE TOLL INTRALATA	INTERSTATE MESSAGE TOLL INTERLATA	INTERSTATE SPECIAL ACCESS INTRALATA	INTERSTATE SPECIAL ACCESS INTERLATA	INTRASTATE MESSAGE TOLL INTRALATA	INTRASTATE MESSAGE TOLL INTERLATA	INTRASTATE SPECIAL ACCESS INTRALATA	INTRASTATE SPECIAL ACCESS INTERLATA	TWX	EAS	EXCHANGE	OTHER
	SEPARATION FACTORS																
1	STANDARD WORK SECONDS																
2	- COMBINED TOLL AND LOCAL BOARDS			0.0000%		N/A	0.0000%			0.0000%	0.0000%				N/A	0.0000%	N/A
3	- SEPARATE TOLL BOARDS			0.0000%		N/A	0.0000%			0.0000%	0.0000%						
4	- DSA BOARDS			0.0000%		N/A	N/A			N/A	N/A				N/A	N/A	
5	- DSB BOARDS			0.0000%		N/A	N/A			N/A	N/A				N/A	N/A	
6	- DIRECTORY ASSISTANCE BOARDS			0.0000%		N/A	N/A			N/A	N/A				N/A	N/A	
7	- TSPS COMPLEX			0.0000%		N/A	N/A			N/A	N/A				N/A	N/A	
8	SERVICE OBSERVING TOLL MOU"S			0.0000%		N/A	N/A			N/A	N/A						
9	PROCESSOR REAL TIME - RTA			0.0000%		N/A	N/A			N/A	N/A				N/A	N/A	
10	PROCESSOR REAL TIME - TSPS COMPLEX			0.0000%		N/A	N/A			N/A	N/A				N/A	N/A	
11	REL MOU'S - TANDEM SWITCHING			0.0000%		N/A	0.0000%			0.0000%	0.0000%				N/A	0.0000%	
12	REL MOU'S - OTHER			0.0000%		N/A	N/A			N/A	N/A				N/A	N/A	N/A
13	DIAL EQUIPMENT MOU'S (DEM)			100.0000%		N/A	85.0000%			0.0000%	0.0000%				N/A	15.0000%	
14	REL MOU'S - EXCHANGE TRUNK			0.0000%		N/A	0.0000%			0.0000%	0.0000%				N/A	0.0000%	
15	HOST/REMOTE MOU MILES			100.0000%		N/A	38.9880%			19.6910%	16.9980%				N/A	24.3230%	
16	EQUIPMENT FURNISHED OTHERS FACTOR			0.0000%		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	COE BOOK COST																
17	OPERATOR SYSTEMS EQUIPMENT																
18	MANUAL SWITCHBOARDS		2220 1.1														
19	COMBINED TOLL AND LOCAL			0	LN 2	0	0			0	0				0	0	0
20	SEPARATE TOLL SWBD			0	LN 3	0	0			0	0						
21	SEPARATE DSA BOARDS			N/A	LN 4	0	0			0	0				0	0	
22	SEPARATE DSB BOARDS			N/A	LN 5	0	0			0	0				0	0	
23	DIRECT ASSIGNMENT			0	DIRECT	0	0			0	0				0	0	0
24	SUBTOTAL MANUAL BOARDS			0		0	0			0	0				0	0	0
25	% DISTRIBUTION			0.0000%		0.0000%	0.0000%			0.0000%	0.0000%				0.0000%	0.0000%	0.0000%
	AUXILIARY SWITCHBOARDS		2220 1.2														
26	DIRECTORY ASSISTANCE			0	LN 6+DIRECT	0	0			0	0				0	0	
27	INTERCEPT			0	SLU	0	0			0	0				0	0	
28	TOLL RATE AND ROUTE			0	LN 3+DIRECT	0	0			0	0						
29	SUBTOTAL AUXILIARY BOARDS			0		0	0			0	0				0	0	
30	% DISTRIBUTION			0.0000%		0.0000%	0.0000%			0.0000%	0.0000%				0.0000%	0.0000%	
	SERVICE OBSERVING		2220 1.3														
31	TOLL			N/A	LN 8	0	0			0	0						
32	EXCHANGE			N/A	DIRECT											N/A	
33	DIRECT ASSIGNMENT			0	DIRECT	0	0			0	0				0	0	
34	SUBTOTAL SERVICE OBSERVING			0		0	0			0	0				0	0	
35	% DISTRIBUTION			0.0000%		0.0000%	0.0000%			0.0000%	0.0000%				0.0000%	0.0000%	
	TRAFFIC SERVICE POSITIONS		2220 1.4														
36	OPERATOR			0	LN 7+DIRECT	0	0			0	0				0	0	
	REMOTE TRUNK ARRANGEMENT			0	LN 9+DIRECT	0	0			0	0				0	0	
38	OTHER			0	LN 10+DIRECT	0	0			0	0				0	0	
39	SUBTOTAL TSPS			0		0	0			0	0				0	0	
40	% DISTRIBUTION			0.0000%		0.0000%	0.0000%			0.0000%	0.0000%				0.0000%	0.0000%	
41	TOTAL OPERATOR SYSTEMS EQUIPMENT			0		0	0			0	0				0	0	0
42	% DISTRIBUTION			0.0000%		0.0000%	0.0000%			0.0000%	0.0000%				0.0000%	0.0000%	0.0000%

S-4,2of2 CENTRAL OFFICE EQUIPMENT SEPARATIONS S-4,2of2

TOTAL ALLOCATION INTERSTATE MESSAGE TOLL SPECIAL ACCESS INTRASTATE MESSAGE TOLL SPECIAL ACCESS

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LN	DESCRIPTION	A/C	CAT	COMPANY	BASIS	INTRALATA	INTERLATA	INTRALATA	INTERLATA	INTRALATA	INTERLATA	INTRALATA	INTERLATA	TWX	EAS	EXCHANGE	OTHER
	TANDEM SWITCHING EQUIPMENT	2210	2.0														
43	ACCESS		2.1	0	LN 11+DIRECT	0	0			0	0				0	0	
44	NON ACCESS		2.2	0	DIRECT	N/A	N/A			N/A	N/A				N/A	N/A	
45	OTHER		2.3	0	LN 12+DIRECT	0	0			0	0				0	0	0
46	SUBTOTAL TANDEM SWITCHING			0		0	0			0	0				0	0	0
47	% DISTRIBUTION			0.0000%		0.0000%	0.0000%			0.0000%	0.0000%				0.0000%	0.0000%	0.0000%
	LOCAL SWITCHING EQUIPMENT	2210	3.0														
48	ACCESS		3.1	1204886	LN 13	0	1024153			0	0				0	180733	
49	EQUAL ACCESS		3.2	0	S-6,LN 3	0	0			0	0				0	0	
50	SUBTOTAL LOCAL SWITCHING			1204886		0	1024153			0	0				0	180733	
51	% DISTRIBUTION			100.0000%		0.0000%	85.0000%			0.0000%	0.0000%				0.0000%	15.0000%	
52	TOTAL SWITCHING EQUIPMENT			1204886		0	1024153			0	0				0	180733	0
53	% DISTRIBUTION			100.0000%		0.0000%	85.0000%			0.0000%	0.0000%				0.0000%	15.0000%	0.0000%
	CENTRAL OFFICE TRANSMISSION	2230	4.0														
54	EXCHANGE CIRCUIT		4.1														
55	4.11 - EXCH-WB = DS1 >		4.11	53939	AL-1,LN10	0	0	0	51008	0	0	1465	0	0	0	1465	
56	EXCH TRUNK - EAS		4.121	0	DIRECT										N/A	0	
57	4.11D - DSL EQUIP		4.11 DSL	123722	DIRECT	0	0	0	123722	0	0	0	0	0	0	0	
58	EXCH TRUNK - BASIC		4.123	0	LN 14+DIRECT	0	0	0	0	0	0	0	0	0	0	0	
59	EXCH TRUNK - SPECIAL		4.124	0	DIRECT	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	XXX	N/A	
60	SUBSCRIBER LINE - BASIC		4.131	1106382	AL-1,LN 2	0	275611	0	844	125370	231304	3095	0	0	0	470159	
61	4.122PL - EXCH-PL = DSO		4.122 PL	44345	DIRECT	N/A	N/A	N/A	11397	N/A	N/A	32948	0	N/A	N/A	0	
62	SUBTOTAL EXCHANGE CIRCUIT			1328388		0	275611	0	186971	125370	231304	37509	0	0	0	471624	
63	% DISTRIBUTION			100.0000%		0.0000%	20.7478%	0.0000%	14.0750%	9.4377%	17.4123%	2.8236%	0.0000%	0.0000%	0.0000%	35.5035%	
64	INTEREXCHANGE CIRCUIT		4.IPCP	1861	DIRECT	N/A	N/A	N/A	1861	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
65	FURNISHED OTHERS - INTERSTATE		4.21	0	DIRECT	N/A	0	XXX	XXX	N/A	N/A	0	XXX	0	XXX	0	
66	4.22 - IXC WB = DS1 >		4.22	93277	AL-1,LN14	0	0	0	91885	0	0	1392	0	0	0	0	
67	TOLL - BASIC		4.231	63150	AL-1,LN6	0	32108	0	225	10516	19402	899	0	0	0	0	0
68	4.231PL - IXC PL = DSO		4.231 PL	0	DIRECT	N/A	N/A	N/A	0	N/A	N/A	0	0	N/A	N/A	N/A	
69	NON ACCESS		4.24	0	DIRECT	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	XXX	N/A	XXX
70	SUBTOTAL INTEREXCHANGE CIRCUIT			156427		0	32108	0	92110	10516	19402	2291	0	0	0	0	0
71	% DISTRIBUTION			100.0000%		0.0000%	20.5258%	0.0000%	58.8834%	6.7226%	12.4035%	1.4647%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
72	HOST/REMOTE CIRCUIT		4.3														
73	EXCLUDING WATS		4.31	24977	LN 15+DIRECT	0	9738			4918	4246				0	6075	
74	CLOSED END WATS		4.32	0	DIRECT			0	0			0	0	0		0	
75	SUBTOTAL HOST/REMOTE CIRCUIT			24977		0	9738	0	0	4918	4246	0	0	0	0	6075	
76	% DISTRIBUTION			100.0000%		0.0000%	38.9880%	0.0000%	0.0000%	19.6910%	16.9980%	0.0000%	0.0000%	0.0000%	0.0000%	24.3230%	
77	EQUIPMENT RENTED OTHERS			0	LN 16+DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
78	TOTAL TRANSMISSION EQUIPMENT			1511653		0	317457	0	280941	140804	254952	39800	0	0	0	477699	0
79	% DISTRIBUTION			100.0000%		0.0000%	21.0006%	0.0000%	18.5850%	9.3146%	16.8657%	2.6329%	0.0000%	0.0000%	0.0000%	31.6011%	0.0000%
80	TOTAL CENTRAL OFFICE EQUIPMENT			2716539		0	1341610	0	280941	140804	254952	39800	0	0	0	658432	0
81	% DISTRIBUTION			100.0000%		0.0000%	49.3867%	0.0000%	10.3419%	5.1832%	9.3852%	1.4651%	0.0000%	0.0000%	0.0000%	24.2379%	0.0000%

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LN	DESCRIPTION	A/C	CAT	TOTAL COMPANY	ALLOCATION BASIS	INTERSTATE MESSAGE TOLL INTRALATA	INTERSTATE MESSAGE TOLL INTERLATA	INTERSTATE SPECIAL ACCESS INTRALATA	INTERSTATE SPECIAL ACCESS INTERLATA	INTRASTATE MESSAGE TOLL INTRALATA	INTRASTATE MESSAGE TOLL INTERLATA	INTRASTATE SPECIAL ACCESS INTRALATA	INTRASTATE SPECIAL ACCESS INTERLATA	TWX	EAS	EXCHANGE	OTHER
1	SUBSCRIBER PLANT FACTOR (SPF)			100.0000%	INPUT	N/A	25.0000%			11.3720%	20.9810%				N/A	42.6470%	
2	RELATIVE MOU'S - COINLESS PAY TEL			0.0000%	INPUT	N/A	N/A			N/A	N/A				N/A	N/A	
3	EQUIVALENT LOOPS - CWF			100.0000%	AL-1,LN 4	0.0000%	24.9110%	0.0000%	0.0763%	11.3315%	20.9063%	0.2798%	0.0000%	0.0000%	0.0000%	42.4952%	
4	EQUIVALENT CHANNELS - WIDEBAND			100.0000%	AL-1,LN 12	0.0000%	0.0000%	0.0000%	97.0588%	0.0000%	0.0000%	1.4706%	0.0000%		0.0000%	1.4706%	
5	EQUIVALENT CHANNELS - IX WIDEBAND			100.0000%	AL-1,LN 14	0.0000%	0.0000%	0.0000%	98.5075%	0.0000%	0.0000%	1.4925%	0.0000%	0.0000%		0.0000%	
6	IX CIRCUIT MILES - CWF			100.0000%	AL-1,LN 8	0.0000%	50.7606%	0.0000%	0.4684%	16.6250%	30.6741%	1.4719%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
7	REL MOU'S - EXCHANGE TRUNK			0.0000%	INPUT	N/A	0.0000%			0.0000%	0.0000%				N/A	0.0000%	
8	HOST/REMOTE MOU MILES			100.0000%	INPUT	N/A	38.9880%			19.6910%	16.9980%				N/A	24.3230%	
9	EQUIPMENT FURNISHED OTHERS FACTOR			0.0000%	INPUT	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	INFORMATION ORIGINATION/TERMINATION	2310															
10	OTHER IOT EQUIPMENT		1.0														
11	COIN PUBLIC TELEPHONE		1.1	0	LN 1+DIRECT	0	0			0	0				0	0	
12	COINLESS PUBLIC TELEPHONE		1.2	0	LN 2+DIRECT	0	0			0	0				0	0	

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13	OTHER	1.3	0	LN 1+DIRECT	0	0	0	0	0	0	0	0	0	0	0	0	0
14	SUBTOTAL		0		0	0	0	0	0	0	0	0	0	0	0	0	0
15	% DISTRIBUTION		0.0000%		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
16	NEW CUSTOMER PREMISE EQUIPMENT	2.0	0	DIRECT											N/A		N/A
17	TOTAL INFO ORIG/TERM EQUIP		0		0	0	0	0	0	0	0	0	0	0	0	0	0
18	% DISTRIBUTION		0.0000%		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
	CABLE AND WIRE FACILITIES	2410															
19	SUBSCRIBER LINE - JOINT		4197080	LN 3	0	1045534	0	3202	475593	877454	11742	0	0	0	1783556		
20	SUBSCRIBER LINE - DIRECT		0	DIRECT	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	XXX	N/A		
21	SUBTOTAL SUBSCRIBER LINE	1.0	4197080		0	1045534	0	3202	475593	877454	11742	0	0	0	1783556		
22	EXCHANGE WIDEBAND - JOINT		130736	LN 4	0	0	0	126891	0	0	1923	0	0	0	1923		
23	EXCHANGE WIDEBAND - DIRECT		0	DIRECT	N/A	0	N/A	0	0	0	0	0	N/A	XXX	0		
24	SUBTOTAL EXCHANGE WIDEBAND	2.1	130736		0	0	0	126891	0	0	1923	0	0	0	1923		
25a	EXCHANGE TRUNK - JOINT		0	LN 7	0	0			0	0				0	0		
25b	EXCHANGE TRUNK - DIRECT		0	DIRECT	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0		
26	EXCHANGE TRUNK - SPECIAL		0	DIRECT	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
27	SUBTOTAL EXCHANGE TRUNK	2.2	0		0	0	0	0	0	0	0	0	0	0	0		
28	INTEREXCHANGE WIDEBAND		207508	LN 5	0	0	0	204411	0	0	3097	0	0	0	0		
29	INTEREXCHANGE WIDEBAND - DIRECT		0	DIRECT	N/A	0	N/A	0	0	0	0	0	N/A	XXX	N/A		
30	SUBTOTAL INTEREXCHANGE WBD	3.1	207508		0	0	0	204411	0	0	3097	0	0	0	0		
31a	IX TRUNK - ACCESS - JOINT		36992	LN 6	0	18777	0	173	6150	11347	544	0	0	0	0	0	
31b	IX TRUNK - ACCESS - DIRECT		0	DIRECT	0	0	0	0	0	0	0	0	0	0	0		
32	IX TRUNK - ACCESS - SPECIAL		0	DIRECT	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
33	SUBTOTAL INTEREXCHANGE ACCESS	3.2	36992		0	18777	0	173	6150	11347	544	0	0	0	0	0	
34	IX TRUNK - NON ACCESS - DIRECT	3.3	0	DIRECT	N/A	N/A	N/A	N/A	0	N/A	N/A	N/A	N/A	XXX	0	N/A	
35	HOST/REMOTE - JOINT		38390	LN 8	0	14967			7559	6525				0	9338		
36	HOST/REMOTE - DIRECT		0	DIRECT	N/A	N/A		N/A		N/A				XXX	N/A		
37	SUBTOTAL HOST/REMOTE EXCL WATS	4.1	38390		0	14967	0	0	7559	6525	0	0	0	0	9338		
38	HOST/REMOTE - CLOSED END WATS	4.2	0	DIRECT			N/A	0			0	0			N/A		
39	EQUIPMENT FURNISHED OTHERS - JOINT		0	LN 9	0	0	0	0	0	0	0	0	0	0	0	0	
40	EQUIPMENT FURNISHED OTHERS - DIRECT		0	DIRECT	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	XXX	N/A		N/A
41	SUBTOTAL EQUIPMENT FURNISHED OTHERS	5.0	0		0	0	0	0	0	0	0	0	0	0	0	0	0
42	TOTAL CABLE AND WIRE FACILITIES		4610706		0	1079279	0	334677	489302	895326	17306	0	0	0	1794816		0
43	% DISTRIBUTION		100.0000%		0.0000%	23.4081%	0.0000%	7.2587%	10.6123%	19.4184%	0.3753%	0.0000%	0.0000%	0.0000%	38.9271%		0.0000%

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OTHER TELEPHONE PLANT AND DEFERRED CHARGES

S-6,1of1

						INTERSTATE				INTRASTATE							
				TOTAL	ALLOCATION	MESSAGE TOLL		SPECIAL ACCESS		MESSAGE TOLL		SPECIAL ACCESS					
LN	DESCRIPTION	A/C	CAT	COMPANY	BASIS	INTRALATA	INTERLATA	INTRALATA	INTERLATA	INTRALATA	INTERLATA	INTRALATA	INTERLATA	TWX	EAS	EXCHANGE	OTHER
1	TELEPHONE PLANT IN SERVICE		2001	100.0000%	S-2,LN 10	0.0000%	32.9159%	0.0000%	8.7445%	8.5673%	15.6399%	0.7764%	0.0000%	0.0000%	0.0000%	33.3559%	0.0000%
2	CABLE AND WIRE FACILITIES		2410	100.0000%	S-5,LN 43	0.0000%	23.4081%	0.0000%	7.2587%	10.6123%	19.4184%	0.3753%	0.0000%	0.0000%	0.0000%	38.9271%	0.0000%
3	EQUAL ACCESS MOU'S			100.0000%	INPUT	N/A	62.2880%			0.0000%	37.7120%				N/A	0.0000%	
	OTHER TELECOMMUNICATIONS PLANT																
4	PROPERTY HELD FOR FUTURE USE		2002														
5	GENERAL SUPPORT FACILITIES			0	S-3,LN 11	0	0	0	0	0	0	0	0	0	0	0	0
6	CENTRAL OFFICE EQUIPMENT			0	S-4,LN 81	0	0	0	0	0	0	0	0	0	0	0	0
7	CABLE AND WIRE FACILITIES			0	S-5,LN 43	0	0	0	0	0	0	0	0	0	0	0	0
8	UNDISTRIBUTED			0	LN 1+DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
9	PROPERTY HELD FOR FUTURE USE			0		0	0	0	0	0	0	0	0	0	0	0	0
10	PLANT UNDER CONSTRUCTION - SHORT TERM		2003														
11	GENERAL SUPPORT FACILITIES			0	S-3,LN 11	0	0	0	0	0	0	0	0	0	0	0	0
12	CENTRAL OFFICE EQUIPMENT			0	S-4,LN 81	0	0	0	0	0	0	0	0	0	0	0	0
13	CABLE AND WIRE FACILITIES			0	S-5,LN 43	0	0	0	0	0	0	0	0	0	0	0	0
14	UNDISTRIBUTED			46094	LN 1+DIRECT	0	15172	0	4031	3949	7209	358	0	0	0	15375	0
15	TOTAL TPUC - SHORT TERM			46094		0	15172	0	4031	3949	7209	358	0	0	0	15375	0
16	PLANT UNDER CONSTRUCTION - LONG TERM		2004														
17	GENERAL SUPPORT FACILITIES			0	S-3,LN 11	0	0	0	0	0	0	0	0	0	0	0	0
18	CENTRAL OFFICE EQUIPMENT			0	S-4,LN 81	0	0	0	0	0	0	0	0	0	0	0	0
19	CABLE AND WIRE FACILITIES			0	S-5,LN 43	0	0	0	0	0	0	0	0	0	0	0	0
20	UNDISTRIBUTED			0	LN 1+DIRECT	NA	NA	NA	NA	0	0	0	0	0	0	0	0
21	TOTAL TPUC - LONG TERM			0		0	0	0	0	0	0	0	0	0	0	0	0
22	TELECOMMUNICATIONS PLANT ADJUSTMENT		2005														
23	GENERAL SUPPORT FACILITIES			0	S-3,LN 11	0	0	0	0	0	0	0	0	0	0	0	0
24	CENTRAL OFFICE EQUIPMENT			0	S-4,LN 81	0	0	0	0	0	0	0	0	0	0	0	0

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25	CABLE AND WIRE FACILITIES		0	S-5,LN 43	0	0	0	0	0	0	0	0	0	0	0	0	0
26	UNDISTRIBUTED		0	LN 1+DIRECT	0	0	0	0	0	0	0	0	0	0	0	0	0
27	TOTAL TEL PLANT ADJUSTMENT		0		0	0	0	0	0	0	0	0	0	0	0	0	0
28	TOTAL OTHER TELEPHONE PLANT		46094		0	15172	0	4031	3949	7209	358	0	0	0	15375		0
	MATERIALS AND SUPPLIES	1220															
29	CPE		0	DIRECT											N/A	N/A	
30	OTHER		8963	LN 2+DIRECT	0	2098	0	651	951	1740	34	0	0	0	3489		0
31	TOTAL		8963		0	2098	0	651	951	1740	34	0	0	0	3489		0
32	% DISTRIBUTION		100.0000%		0.0000%	23.4081%	0.0000%	7.2587%	10.6123%	19.4184%	0.3753%	0.0000%	0.0000%	0.0000%	38.9271%		0.0000%
	INVESTMENT IN NONAFFILIATED COMPANIES	1402															
33	RTB STOCK CLASS B STOCK		0	LN 1	0	0	0	0	0	0	0	0	0	0	0		0
34	OTHER NONCURRENT ASSETS	1410	0	S-3,LN 3	0	0	0	0	0	0	0	0	0	0	0		0
35	DEFERRED MAINTENANCE AND RETIREMENTS	1438	0	S-3,LN 3	0	0	0	0	0	0	0	0	0	0	0		0
36	EQUAL ACCESS EQUIPMENT - NET	1439	0	LN 3	0	0			0	0			0	0	0		
37	OTHER JURISDICTIONAL ASSETS	1500	0	DIRECT	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		N/A

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ACCUMULATED DEPRECIATION/AMORTIZATION SEPARATIONS

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						INTERSTATE				INTRASTATE							
						MESSAGE TOLL		SPECIAL ACCESS		MESSAGE TOLL		SPECIAL ACCESS					
LN	DESCRIPTION	A/C	CAT	COMPANY	BASIS	INTRALATA	INTERLATA	INTRALATA	INTERLATA	INTRALATA	INTERLATA	INTRALATA	INTERLATA	TWX	EAS	EXCHANGE	OTHER
1	GENERAL SUPPORT FACILITIES		2110	100.0000%	S-3,LN 11	0.0000%	33.0395%	0.0000%	8.4018%	8.5995%	15.6986%	0.7794%	0.0000%	0.0000%	0.0000%	33.4812%	0.0000%
2	CENTRAL OFFICE EQUIPMENT		2230	100.0000%	S-4,LN 81	0.0000%	49.3867%	0.0000%	10.3419%	5.1832%	9.3852%	1.4651%	0.0000%	0.0000%	0.0000%	24.2379%	0.0000%
3	INFORMATION ORIG/TERM EQUIPMENT		2310	0.0000%	S-5,LN 18	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
4	CABLE & WIRE FACILITIES		2410	100.0000%	S-5,LN 43	0.0000%	23.4081%	0.0000%	7.2587%	10.6123%	19.4184%	0.3753%	0.0000%	0.0000%	0.0000%	38.9271%	0.0000%
5	GEN SUPPORT, COE, IOT AND C&WF			100.0000%	S-3,LN 14	0.0000%	33.0395%	0.0000%	8.4018%	8.5995%	15.6986%	0.7794%	0.0000%	0.0000%	0.0000%	33.4812%	0.0000%
6	CAPITAL LEASES		2681	100.0000%	S-3,LN 21	0.0000%	0.0000%	0.0000%	100.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
7	LEASEHOLD IMPROVEMENTS		2682	0.0000%	S-3,LN 28	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
8	TANGIBLE ASSETS		2680	100.0000%	S-3,LN 30	0.0000%	0.0000%	0.0000%	100.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
9	PLANT HELD FOR FUTURE USE		2002	0.0000%	S-6,LN 9	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
10	TELECOMMUNICATIONS PLANT ADJUSTMENT		2005	0.0000%	S-6,LN 27	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
	ACCUM DEPRECIATION - PLANT IN SERVICE		3100														
11	GENERAL SUPPORT			461009	LN 1+DIRECT	0	152315	0	38733	39644	72372	3593	0	0	0	154351	0
12	CENTRAL OFFICE SWITCHING EQUIPMENT			959224	S-4,LN53+DIR	0	815340	0	0	0	0	0	0	0	0	143884	0
13	OPERATOR SERVICES EQUIPMENT			0	S-4,LN42+DIR	0	0	0	0	0	0	0	0	0	0	0	0
14	CENTRAL OFFICE TRANSMISSION			612747	S-4,LN79+DIR	0	128681	0	113879	57075	103344	16133	0	0	0	193635	0
15	UNDISTRIBUTED COE			0	LN 2+DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
16	INFORMATION ORIG/TERM			0	LN 3+DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
17	CABLE AND WIRE FACILITIES			3761081	LN 4+DIRECT	0	880398	0	273006	399137	730343	14117	0	0	0	1464081	0
18	TOTAL ACCUM DEP - PLANT IN SERVICE			5794061		0	1976734	0	425618	495856	906059	33843	0	0	0	1955951	0
19	ACCUM DEPRECIATION - FUTURE USE		3200	0	LN 9+DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
	ACCUMULATED AMORTIZATION																
	TANGIBLE ASSETS		3400														
20	CAPITAL LEASES			13363	LN 6+DIRECT	0	0	0	13363	0	0	0	0	0	0	0	0
21	LEASEHOLD IMPROVEMENTS			0	LN 7+DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
22	UNDISTRIBUTED			0	LN 8+DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
23	TOTAL ACCUM AMORT - TANGIBLE ASSETS			13363		0	0	0	13363	0	0	0	0	0	0	0	0
24	INTANGIBLE ASSETS		3500	0	S-3,LN37+DIR	0	0	0	0	0	0	0	0	0	0	0	0
25	TELECOMMUNICATIONS PLANT ADJUSTMENT		3600	0	LN 10+DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
26	TOTAL ACCUM AMORTIZATION			13363		0	0	0	13363	0	0	0	0	0	0	0	0
	NET OPERATING DEFERRED INC TAX	4100&															
27	GENERAL SUPPORT		4340	32080	LN 1+DIRECT	0	10599	0	2695	2759	5036	250	0	0	0	10741	0
28	CENTRAL OFFICE EQUIP			125488	LN 2+DIRECT	0	61974	0	12978	6504	11777	1839	0	0	0	30416	0
29	INFORMATION ORIG/TERM			0	LN 3+DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
30	CABLE AND WIRE FACILITIES			213360	LN 4+DIRECT	0	49944	0	15487	22642	41431	801	0	0	0	83055	0
31	UNDISTRIBUTED			21966	LN 5+DIRECT	0	7230	0	1921	1882	3435	171	0	0	0	7327	0
32	TOTAL NET DEFERRED INCOME TAX			392894		0	129747	0	33081	33787	61680	3060	0	0	0	131538	0
	CUST. DEPOSITS & OTHER DEF CRS-NET	4040&															

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33	GENERAL SUPPORT	4360	0	LN 1+DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
34	CENTRAL OFFICE EQUIP		0	LN 2+DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
35	INFORMATION ORIG/TERM		0	LN 3+DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
36	CABLE AND WIRE FACILITIES		0	LN 4+DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
37	UNDISTRIBUTED INVESTMENTS		0	S-2,LN 10	0	0	0	0	0	0	0	0	0	0	0	0
38	OTHER LONG TERM LIABILITIES	4310	0	S-3,LN 3	0	0	0	0	0	0	0	0	0	0	0	0
39	TOTAL CUST. DEP., OTHER DEF CRS-NET & L-T LIAB.		0		0	0	0	0	0	0	0	0	0	0	0	0

S-8,1of1 SUMMARY OF OPERATING EXPENSE AND TAX S-8,1of1

						INTERSTATE				INTRASTATE							
			TOTAL	ALLOCATION		MESSAGE TOLL		SPECIAL ACCESS		MESSAGE TOLL		SPECIAL ACCESS					
LN	DESCRIPTION	A/C	CAT	COMPANY	BASIS	INTRALATA	INTERLATA	INTRALATA	INTERLATA	INTRALATA	INTERLATA	INTRALATA	INTERLATA	TWX	EAS	EXCHANGE	OTHER
	OPERATING EXPENSE AND TAX SUMMARY																
1	NETWORK SUPPORT EXPENSE		6110	-300	S-9,LN 7	0	-99	0	-25	-26	-47	-2	0	0	0	-100	0
2	GENERAL SUPPORT EXPENSE		6120	20431	S-9,LN 8	0	6750	0	1717	1757	3207	159	0	0	0	6841	0
3	CENTRAL OFFICE EXPENSE		6210	42797	S-9,LN 15	0	21136	0	4426	2218	4017	627	0	0	0	10373	0
4	INFORMATION ORIG/TERM EXPENSE		6310	0	S-9,LN 21	0	0	0	0	0	0	0	0	0	0	0	0
5	CABLE AND WIRE FACILITIES EXPENSE		6410	100946	S-9,LN 25	0	23630	0	7327	10713	19602	379	0	0	0	39295	0
6	OTHER PLANT EXPENSE		6510	0	S-10,LN 11	0	0	0	0	0	0	0	0	0	0	0	0
7	NETWORK OPERATIONS EXPENSE		6530	140403	S-10,LN 13	0	46389	0	11796	12074	22041	1094	0	0	0	47009	0
8	ACCESS / USF EXPENSE		6540	26064	S-10,LN 14	N/A	31104	N/A	N/A	0	N/A	N/A	N/A	N/A	N/A	-5040	0
9	MARKETING EXPENSE		6610	71600	S-11,LN 12	0	34271	0	2994	0	0	0	0	0	0	34335	0
10	SERVICES EXPENSE		6620	124368	S-11,LN 44	0	36337	0	1456	18943	18903	529	0	0	0	48200	0
11	EXECUTIVE AND PLANNING EXPENSE		6710	0	S-12,LN 8+9	0	0	0	0	0	0	0	0	0	0	0	0
12	GENERAL AND ADMINISTRATIVE EXPENSE		6720	249153	S-12,LN 11+12	0	85073	0	14432	22651	33276	1355	0	0	0	92367	0
13	SUBTOTAL OPERATING EXPENSES			775462		0	284589	0	44124	68329	100999	4141	0	0	0	273279	0
14	% DISTRIBUTION			100.0000%		0.0000%	36.6993%	0.0000%	5.6900%	8.8115%	13.0244%	0.5341%	0.0000%	0.0000%	0.0000%	35.2409%	0.0000%
15	DEPRECIATION AND AMORTIZATION		6560	483496	S-10,LN 22+29	0	161241	0	50610	39675	72401	3934	0	0	0	155635	0
16	OTHER OPERATING TAX		7240	41617	S-12,LN 33	0	14601	0	3522	3450	6299	313	0	0	0	13433	0
17	EQUAL ACCESS EXPENSE			0	S-12,LN 15	0	0			0	0			0	0	0	0
18	INTEREST ON CUSTOMER DEPOSITS		7250	0	S-12,LN 17	0	0	0	0	0	0	0	0	0	0	0	0
19	RENT REVENUES/ OTHER INC/ G+L		5240/7100/7500	-4908	S-10,LN 37	0	-1149	0	-356	-521	-953	-18	0	0	0	-1911	0
20	TOTAL OPERATING EXPENSE AND TAX			1295666		0	459282	0	97899	110933	178745	8370	0	0	0	440436	0
21	% DISTRIBUTION			100.0000%		0.0000%	35.4476%	0.0000%	7.5559%	8.5619%	13.7956%	0.6460%	0.0000%	0.0000%	0.0000%	33.9930%	0.0000%
	NON OPERATING EXPENSE		7370														
22	ABANDONED CONSTRUCTION			0	S-2,LN 10	0	0	0	0	0	0	0	0	0	0	0	0
23	CONTRIBUTIONS			0	S-12,LN 14	0	0	0	0	0	0	0	0	0	0	0	0
24	OTHER NON OPERATING EXPENSE			0	DIRECT												0
25	TOTAL NON OPERATING EXPENSE			0		0	0	0	0	0	0	0	0	0	0	0	0
26	% DISTRIBUTION			0.0000%		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
	UNCOLLECTIBLES																
27	END USER MSG TOLLS		5310	0	DIRECT	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
28	END USER COMMON LINE		5320	0	DIRECT	N/A	N/A			N/A	N/A						
29	IX CARRIER		5330	0	DIRECT	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A				
30	TOTAL UNCOLLECTIBLES			0		0	0	0	0	0	0	0	0	0	0	0	
31	Allowance for funds used during constr (Post-9/6/95)		7340	0	S-2,LN 10	0	0	0	0	0	0	0	0	0	0	0	0
32	Allowance for funds used during constr (Pre-9/6/95)		7340	0	S-12,LN 3	0	0	0	0	0	0	0	0	0	0	0	0

S-9,1of1 PLANT SPECIFIC OPERATIONS EXPENSE SEPARATIONS S-9,1of1

						INTERSTATE				INTRASTATE							
			TOTAL	ALLOCATION		MESSAGE TOLL		SPECIAL ACCESS		MESSAGE TOLL		SPECIAL ACCESS					
LN	DESCRIPTION	A/C	CAT	COMPANY	BASIS	INTRALATA	INTERLATA	INTRALATA	INTERLATA	INTRALATA	INTERLATA	INTRALATA	INTERLATA	TWX	EAS	EXCHANGE	OTHER
	ALLOCATION FACTORS																
1	GENERAL SUPPORT ASSETS		2110	100.0000%	S-3,LN 11	0.0000%	33.0395%	0.0000%	8.4018%	8.5995%	15.6986%	0.7794%	0.0000%	0.0000%	0.0000%	33.4812%	0.0000%
2	CENTRAL OFFICE EQUIPMENT	VAR		100.0000%	S-4,LN 81	0.0000%	49.3867%	0.0000%	10.3419%	5.1832%	9.3852%	1.4651%	0.0000%	0.0000%	0.0000%	24.2379%	0.0000%
3	COIN PUBLIC TELEPHONE EQUIP		2310	0.0000%	S-5,LN 11	0.0000%	0.0000%			0.0000%	0.0000%				0.0000%	0.0000%	
4	COINLESS PUBLIC TELEPHONE EQUIP		2310	0.0000%	S-5,LN 12	0.0000%	0.0000%			0.0000%	0.0000%				0.0000%	0.0000%	
5	OTHER IOT EQUIPMENT		2310	0.0000%	S-5,LN 13	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
6	CABLE AND WIRE FACILITIES		2410	100.0000%	S-5,LN 43	0.0000%	23.4081%	0.0000%	7.2587%	10.6123%	19.4184%	0.3753%	0.0000%	0.0000%	0.0000%	38.9271%	0.0000%

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LN	DESCRIPTION	A/C	COMPANY	BASIS	INTRALATA	INTERLATA	INTRALATA	INTERLATA	INTRALATA	INTERLATA	INTRALATA	INTERLATA	TWX	EAS	EXCHANGE	OTHER
			TOTAL	ALLOCATION	INTERSTATE MESSAGE TOLL		INTERSTATE SPECIAL ACCESS		INTRASTATE MESSAGE TOLL		INTRASTATE SPECIAL ACCESS					
	GENERAL SUPPORT EXPENSE															
7	NETWORK SUPPORT	6110	-300	LN 1+DIRECT	0	-99	0	-25	-26	-47	-2	0	0	0	-100	0
8	GENERAL SUPPORT	6120	20431	LN 1+DIRECT	0	6750	0	1717	1757	3207	159	0	0	0	6841	0
9	TOTAL GENERAL SUPPORT EXP		20131		0	6651	0	1691	1731	3160	157	0	0	0	6740	0
10	% DISTRIBUTION		100.0000%		0.0000%	33.0395%	0.0000%	8.4018%	8.5995%	15.6986%	0.7794%	0.0000%	0.0000%	0.0000%	33.4812%	0.0000%
	CENTRAL OFFICE EXPENSE															
11	CENTRAL OFFICE SWITCHING EXPENSE	6210	26497	LN 2+DIRECT	0	13086	0	2740	1373	2487	388	0	0	0	6422	0
12	OPERATOR SYSTEMS EXPENSE	6220	0	LN 2+DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
13	CENTRAL OFFICE TRANSMISSION EXPENSE	6230	16300	LN 2+DIRECT	0	8050	0	1686	845	1530	239	0	0	0	3951	0
14	UNDISTRIBUTED		0	LN 2+DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
15	TOTAL CENTRAL OFFICE EXPENSE		42797		0	21136	0	4426	2218	4017	627	0	0	0	10373	0
16	% DISTRIBUTION		100.0000%		0.0000%	49.3867%	0.0000%	10.3419%	5.1832%	9.3852%	1.4651%	0.0000%	0.0000%	0.0000%	24.2379%	0.0000%
	INFORMATION ORIG/TERM EXPENSE	6310														
17	IOT EXPENSES - COIN PAY TEL		0	LN 3	0	0			0	0				0	0	
18	IOT EXPENSES - COINLESS PAY TEL		0	LN 4	0	0			0	0				0	0	
19	IOT EXPENSES - OTHER		0	LN 5+DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
20	IOT EXPENSES - CPE		0	DIRECT											N/A	N/A
21	TOTAL INFORMATION ORIG/TERM EXP		0		0	0	0	0	0	0	0	0	0	0	0	0
22	% DISTRIBUTION		0.0000%		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
	CABLE AND WIRE FACILITIES EXPENSE	6410														
23	ALLOCATED		100946	LN 6	0	23630	0	7327	10713	19602	379	0	0	0	39295	0
24	DIRECT		0	DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
25	TOTAL CWF EXPENSE		100946		0	23630	0	7327	10713	19602	379	0	0	0	39295	0
26	% DISTRIBUTION		100.0000%		0.0000%	23.4081%	0.0000%	7.2587%	10.6123%	19.4184%	0.3753%	0.0000%	0.0000%	0.0000%	38.9271%	0.0000%
27	TOTAL PLANT SPECIFIC EXPENSE		163874		0	51417	0	13445	14662	26779	1163	0	0	0	56409	0
28	% DISTRIBUTION		100.0000%		0.0000%	31.3758%	0.0000%	8.2043%	8.9472%	16.3412%	0.7096%	0.0000%	0.0000%	0.0000%	34.4219%	0.0000%
29	PLANT SPECIFIC EXP EXCLUDING GENERAL SUPPORT		143743		0	44766	0	11753	12931	23619	1006	0	0	0	49668	0
30	% DISTRIBUTION		100.0000%		0.0000%	31.1428%	0.0000%	8.1767%	8.9959%	16.4312%	0.6998%	0.0000%	0.0000%	0.0000%	34.5537%	0.0000%

S-10,1of1

PLANT NONSPECIFIC OPERATIONS EXPENSE SEPARATIONS

S-10,1of1

LN	DESCRIPTION	A/C	CAT	COMPANY	BASIS	INTRALATA	INTERLATA	INTRALATA	INTERLATA	INTRALATA	INTERLATA	INTRALATA	INTERLATA	TWX	EAS	EXCHANGE	OTHER
				TOTAL	ALLOCATION	INTERSTATE MESSAGE TOLL		INTERSTATE SPECIAL ACCESS		INTRASTATE MESSAGE TOLL		INTRASTATE SPECIAL ACCESS					
1	TELEPHONE PLANT IN SERVICE		2001	100.0000%	S-2,LN 10	0.0000%	32.9159%	0.0000%	8.7445%	8.5673%	15.6399%	0.7764%	0.0000%	0.0000%	0.0000%	33.3559%	0.0000%
2	CAPITAL LEASES		2681	100.0000%	S-7,LN 6	0.0000%	0.0000%	0.0000%	100.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
3	LEASEHOLD IMPROVEMENTS		2682	0.0000%	S-7,LN 7	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
4	TANGIBLE PROPERTY		2680	100.0000%	S-3,LN 30	0.0000%	0.0000%	0.0000%	100.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
5	INTANGIBLE PROPERTY		2690	100.0000%	S-3,LN 37	0.0000%	32.9159%	0.0000%	8.7445%	8.5673%	15.6399%	0.7764%	0.0000%	0.0000%	0.0000%	33.3559%	0.0000%
6	TELEPHONE PLANT ADJUSTMENT		2005	0.0000%	S-7,LN 10	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
7	COE, IOT AND C&WF			100.0000%	S-3,LN 7	0.0000%	33.0395%	0.0000%	8.4018%	8.5995%	15.6986%	0.7794%	0.0000%	0.0000%	0.0000%	33.4812%	0.0000%
	OTHER PROPERTY PLANT & EQUIPMENT EXPENSE																
8	UNDISTRIBUTED		6510	0	LN 1+DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
9	PROPERTY HELD FOR FUTURE USE		6511	0	LN 1+DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
10	MATERIALS & SUPPLIES PROVISIONING		6512	0	LN 1+DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
11	TOTAL OTHER PROP PLANT & EQUIP EXPENSE			0		0	0	0	0	0	0	0	0	0	0	0	0
12	% DISTRIBUTION			0.0000%		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
13	NETWORK OPERATIONS EXPENSE		6530	140403	LN 7+DIRECT	0	46389	0	11796	12074	22041	1094	0	0	0	47009	0
14	ACCESS / USF EXPENSE		6540	26064	DIRECT	N/A	31104	N/A	N/A	0	N/A	N/A	N/A	N/A	N/A	-5040	
	DEPRECIATION EXPENSE		6560														
15	GENERAL SUPPORT			35200	S-3,LN 11	0	11630	0	2957	3027	5526	274	0	0	0	11785	0
16	CENTRAL OFFICE SWITCHING EQUIPMENT			78150	S-4,LN 53	0	66428	0	0	0	0	0	0	0	0	11723	0
17	OPERATOR SYSTEMS EQUIPMENT			0	S-4,LN 42	0	0	0	0	0	0	0	0	0	0	0	0
18	CENTRAL OFFICE TRANSMISSION			99840	S-4,LN 79	0	20967	0	18555	9300	16839	2629	0	0	0	31551	0
19	UNDISTRIBUTED COE			0	S-4,LN 81	0	0	0	0	0	0	0	0	0	0	0	0
20	INFORMATION ORIG/TERM			0	S-5,LN 18	0	0	0	0	0	0	0	0	0	0	0	0
21	CABLE AND WIRE FACILITIES			246792	S-5,LN 43	0	57769	0	17914	26190	47923	926	0	0	0	96069	0
22	TOTAL DEP EXP - PLANT IN SERVICE			459982		0	156794	0	39427	38517	70288	3829	0	0	0	151127	0
23	PROPERTY HELD FOR FUTURE USE			0	LN 1+DIRECT	0	0	0	0	0	0	0	0	0	0	0	0

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24	TOTAL DEPRECIATION EXPENSE		459982		0	156794	0	39427	38517	70288	3829	0	0	0	151127	0
25	% DISTRIBUTION		100.0000%		0.0000%	34.0869%	0.0000%	8.5713%	8.3736%	15.2806%	0.8325%	0.0000%	0.0000%	0.0000%	32.8551%	0.0000%
	AMORTIZATION EXPENSE															
26	CAPITAL LEASE	6563	10002	LN 2+DIRECT	0	0	0	10002	0	0	0	0	0	0	0	0
27	LEASEHOLD IMPROVEMNTS	6563	0	LN 3+DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
28	UNDISTRIBUTED	6563	0	LN 4+DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
29	INTANGIBLE ASSETS	6564	13512	LN 5+DIRECT	0	4448	0	1182	1158	2113	105	0	0	0	4507	0
30	OTHER - TPPA	6565	0	LN 6+DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
31	TOTAL AMORTIZATION EXPENSE		23514		0	4448	0	11184	1158	2113	105	0	0	0	4507	0
32	% DISTRIBUTION		100.0000%		0.0000%	18.9147%	0.0000%	47.5613%	4.9231%	8.9873%	0.4462%	0.0000%	0.0000%	0.0000%	19.1675%	0.0000%
	RENT REVENUES/ OTHER INC/ G+L															
33	GEN SUPPORT ASSETS	5240/7100/7500	0	S-3,LN 11+DIR	0	0	0	0	0	0	0	0	0	0	0	0
34	CENTRAL OFFICE EQUIPMENT	5240/7100/7500	0	S-4,LN 81+DIR	0	0	0	0	0	0	0	0	0	0	0	0
35	CABLE & WIRE FACILITIES	5240/7100/7500	4908	S-5,LN 43+DIR	0	1149	0	356	521	953	18	0	0	0	1911	0
36	UNDISTRIBUTED	5240/7100/7500	0	S-2,LN 10+DIR	0	0	0	0	0	0	0	0	0	0	0	0
37	TOTAL RENT REVENUES		4908		0	1149	0	356	521	953	18	0	0	0	1911	0

S-11,1of1 CUSTOMER OPERATIONS EXPENSE SEPARATIONS S-11,1of1

LN	DESCRIPTION	A/C	CAT	COMPANY	BASIS	INTERSTATE MESSAGE TOLL INTRALATA	INTERSTATE MESSAGE TOLL INTERLATA	INTERSTATE SPECIAL ACCESS INTRALATA	INTERSTATE SPECIAL ACCESS INTERLATA	INTRASTATE MESSAGE TOLL INTRALATA	INTRASTATE MESSAGE TOLL INTERLATA	INTRASTATE SPECIAL ACCESS INTRALATA	INTRASTATE SPECIAL ACCESS INTERLATA	TWX	EAS	EXCHANGE	OTHER
1	SWS - OPERATOR SERVICES EXCL DA			0.0000%	INPUT	N/A	0.0000%			0.0000%	0.0000%				N/A	0.0000%	N/A
2	SWS - DIRECTORY ASSISTANCE BOARDS			0.0000%	INPUT	N/A	N/A			N/A	N/A				N/A	N/A	
3	SUBSCRIBER LINE USE (SLU)			100.0000%	INPUT	N/A	31.5730%			10.3410%	19.0790%				N/A	39.0070%	
4	END USER BILLED REVENUE INCL CCL			100.0000%	INPUT	N/A	36.9660%	N/A	0.0000%	6.9910%	15.6910%	0.0000%	0.0000%	N/A	N/A	40.3520%	N/A
5	IX CARRIER BILLED REVENUE			100.0000%	INPUT	N/A	37.5670%	N/A	4.2360%	27.0680%	29.2360%	1.8930%	0.0000%				
6	PAYSTATION REVENUE			0.0000%	INPUT	N/A	0.0000%			0.0000%	0.0000%				N/A	0.0000%	
7	BUSINESS OFFICE CONTACTS			100.0000%	INPUT	N/A	5.9593%	N/A	0.2941%	18.3886%	0.1462%	0.2521%	0.0000%	N/A	N/A	74.9597%	N/A
8	BILLING INQUIRY CONTACTS			100.0000%	INPUT	N/A	6.3704%	N/A	0.1806%	3.3960%	0.0000%	0.1325%	0.0000%	N/A	N/A	89.9205%	N/A
9	IX CARRIER SVC ORDER CONTACTS			0.0000%	INPUT	N/A	0.0000%	N/A	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%				
10	IX CARRIER BILLING INQUIRY CONTACTS			0.0000%	INPUT	N/A	0.0000%	N/A	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%				
11	CARRIER ACCESS BILLING FACTOR			100.0000%	INPUT	N/A	44.9340%	N/A	5.0660%	23.2550%	25.1180%	1.6270%	0.0000%				
	CUSTOMER OPERATIONS EXPENSES																
12	MARKETING	6610		71600	INPUT	0	34271	0	2994	0	0	0	0	0	0	34335	0
13	TELEPHONE OPERATOR SERVICES																
14	- CALL COMPLETION INCL DA	6621		354	LN 1+DIRECT	0	0			354	0				0	0	0
15	- OPERATOR SERVICES UNDER CONTRACT			839	DIRECT	N/A	0			839	0				N/A	0	N/A
16	PUBLISHED DIRECTORY LISTINGS	6622															
17	- CLASSIFIED			0	DIRECT											0	
18	- TWX			0	DIRECT									0			
19	- ALPHA			0	LN 3	0	0			0	0				0	0	
20	- FOREIGN			0	DIRECT	N/A	N/A			N/A	N/A				N/A	N/A	
21	SUBTOTAL			0		0	0	0	0	0	0	0	0	0	0	0	
22	LOCAL BUSINESS OFFICE	6623	1.0														
23	- END USER SVC ORDER PROCESSING		1.1														
24	- PRESUBSCRIPTION		1.11	3862	DIRECT		3862										
25	- OTHER		1.12	26173	LN 7	0	1560	0	77	4813	38	66	0	0	0	19619	0
26	- END USER PAYMENT & COLLECTION		1.2	10361	LN 4	0	3830	0	0	724	1626	0	0	0	0	4181	0
27	- END USER BILLING INQUIRY		1.3	14062	LN 8	0	896	0	25	478	0	19	0	0	0	12645	0
28	- IX CARRIER SVC ORDER PROCESSING		1.4	0	LN 9	0	0	0	0	0	0	0	0	0	0	0	
29	- IX CARRIER PAYMENT & COLLECTION		1.5	0	LN 5	0	0	0	0	0	0	0	0	0	0	0	
30	- IX CARRIER BILLING INQUIRY		1.6	0	LN 10	0	0	0	0	0	0	0	0	0	0	0	
31	- COIN COLLECTION AND ADMINISTRATION		1.7	0	LN 6	0	0			0	0			0	0	0	
32	SUBTOTAL LOCAL BUSINESS OFFICE			54458		0	10148	0	102	6015	1664	85	0	0	0	36445	0
33	CUSTOMER SERVICES (REV ACCTG)	6623	2.0														
34	- MESSAGE PROCESSING		2.1														
35	- TOLL TICKET PROCESSING		2.11	12890	AL-1,LN16	0	4029			2601	5987				0	273	
36	- LOCAL MESSAGE PROCESSING		2.12	0	DIRECT									N/A	N/A	N/A	
37	- OTHER BILLING & COLLECTION		2.2	10995	AL-1,LN18,LN19	0	3279	0	0	1168	2690	0	0	0	0	3858	0
38	- END USER COMMON LINE		2.3	579	DIRECT	N/A	579			0	0						
39	- CARRIER ACCESS BILLING (CABS)		2.4	22182	LN 11	0	9967	0	1124	5158	5572	361	0				
40	SUBTOTAL CUSTOMER SERVICES			46646		0	17854	0	1124	8927	14249	361	0	0	0	4131	0
41	TOTAL CAT 1 AND CAT 2			101104	LN 32+LN 40	0	28002	0	1226	14942	15913	446	0	0	0	40576	0
42	% DISTRIBUTION			100.0000%		0.0000%	27.6962%	0.0000%	1.2127%	14.7788%	15.7388%	0.4406%	0.0000%	0.0000%	0.0000%	40.1329%	0.0000%

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43	ALL OTHER CUSTOMER SERVICE	6623	3.0	22071	LN 42+DIRECT	0	8335	0	230	2808	2990	84	0	0	0	7624	0
44	TOTAL SERVICES EXPENSE			124368		0	36337	0	1456	18943	18903	529	0	0	0	48200	0
45	% DISTRIBUTION			100.0000%		0.0000%	29.2170%	0.0000%	1.1711%	15.2311%	15.1989%	0.4255%	0.0000%	0.0000%	0.0000%	38.7563%	0.0000%
46	TOTAL CUSTOMER OPERATIONS EXPENSE			195968	LN 12+LN 44	0	70607	0	4451	18943	18903	529	0	0	0	82536	0
47	% DISTRIBUTION			100.0000%		0.0000%	36.0300%	0.0000%	2.2712%	9.6662%	9.6458%	0.2701%	0.0000%	0.0000%	0.0000%	42.1168%	0.0000%

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OTHER OPERATING EXPENSE AND TAX SEPARATIONS

S-12,1of1

						INTERSTATE				INTRASTATE							
				TOTAL	ALLOCATION	MESSAGE TOLL		SPECIAL ACCESS		MESSAGE TOLL		SPECIAL ACCESS					
LN	DESCRIPTION	A/C	CAT	COMPANY	BASIS	INTRALATA	INTERLATA	INTRALATA	INTERLATA	INTRALATA	INTERLATA	INTRALATA	INTERLATA	TWX	EAS	EXCHANGE	OTHER
	SEPARATION FACTORS																
1	BIG THREE EXPENSES			100.0000%	S-3,LN 4	0.0000%	33.6923%	0.0000%	5.8321%	9.1536%	13.4474%	0.5477%	0.0000%	0.0000%	0.0000%	37.3271%	0.0000%
2	TELEPHONE PLANT IN SERVICE			100.0000%	S-2,LN 10	0.0000%	32.9159%	0.0000%	8.7445%	8.5673%	15.6399%	0.7764%	0.0000%	0.0000%	0.0000%	33.3559%	0.0000%
3	PLANT UNDER CONSTRUCTION - LONG TERM		2004	0.0000%	S-6,LN 21	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
4	CAPITAL LEASES		2680	100.0000%	S-3,LN 21	0.0000%	0.0000%	0.0000%	100.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
5	EQUAL ACCESS INVESTMENT			100.0000%	S-6,LN 36	N/A	62.2880%			0.0000%	37.7120%				N/A	0.0000%	
6	NET TELEPHONE PLANT - OPERATING, EXCL. CWC			100.0000%	S-2,LN33 - LN32	0.0000%	29.5592%	0.0000%	12.2806%	8.6552%	15.7573%	1.3425%	0.0000%	0.0000%	0.0000%	32.4052%	
	CORPORATE OPERATIONS EXPENSE																
7	EXECUTIVE AND PLANNING	6710															
8	DIRECT ASSIGNED			0	DIRECT	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	N/A
9	OTHER			0	LN 1	0	0	0	0	0	0	0	0	0	0	0	0
10	GENERAL & ADMINISTRATIVE	6720															
11	DIRECT ASSIGNED			1700	DIRECT	N/A	1700	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	N/A
12	OTHER			247453	LN 1	0	83373	0	14432	22651	33276	1355	0	0	0	92367	0
13	TOTAL CORPORATE OPERATIONS EXPENSE			249153		0	85073	0	14432	22651	33276	1355	0	0	0	92367	0
14	% DISTRIBUTION			100.0000%		0.0000%	34.1447%	0.0000%	5.7923%	9.0911%	13.3556%	0.5439%	0.0000%	0.0000%	0.0000%	37.0724%	0.0000%
15	EQUAL ACCESS EXPENSE			0	LN 5	0	0			0	0			0	0	0	
	INTEREST AND RELATED ITEMS		7500														
16	CAPITAL LEASES			1475	LN 4+DIRECT	0	1475	0	0	0	0	0	0	0	0	0	0
17	CUSTOMER DEPOSITS			0	LN 2	0	0	0	0	0	0	0	0	0	0	0	
18	OTHER FIXED CHARGES - OPERATING			0	LN 6	0	0	0	0	0	0	0	0	0	0	0	
19	OTHER FIXED CHARGES - NON OPERATING			0	DIRECT												0
20	TOTAL			1475		0	1475	0	0	0	0	0	0	0	0	0	0
	BASIS FOR ACTUAL INCOME TAX ALLOCATION																
21	TOTAL OPERATING REVENUES			1674244	RECORDS	0	570195	0	143791	143954	238618	13417	0	0	0	564269	
22	LESS: OPERATING EXPENSE AND TAX			1298204	VARIOUS	0	459282	0	97899	111314	179376	8405	0	0	0	441927	
23	: INTEREST - CAPITAL LEASE			1475	LN 16	0	1475	0	0	0	0	0	0	0	0	0	
24	: OPERATING FIXED CHARGES			0	LN 17	0	0	0	0	0	0	0	0	0	0	0	
25	: Amort of Excess Deferred Tax & Envir Tax			0	LN2	0	0	0	0	0	0	0	0	0	0	0	
26	: DEPR ON CAP OVERHEADS + MEALS & ENT.			-466	LN 6+DIRECT	0	-138	0	-57	-40	-73	-6	0	0	0	-151	
27	NET TAXABLE INCOME			375031		0	109576	0	45949	32680	59316	5017	0	0	0	122493	
28	% DISTRIBUTION			100.0000%		0.0000%	29.2177%	0.0000%	12.2521%	8.7140%	15.8162%	1.3379%	0.0000%	0.0000%	0.0000%	32.6621%	
	OPERATING TAXES																
29	FEDERAL ITC AMORTIZATION		7210	0	LN 2+DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
30	STATE ITC AMORTIZATION		7210	0	LN 2+DIRECT	0	0	0	0	0	0	0	0	0	0	0	0
31	OPERATING FEDERAL INCOME TAX		7220	213487	LN 28	0	62376	0	26157	18603	33766	2856	0	0	0	69729	
32	OPERATING STATE & LOCAL INCOME TAX		7230	35028	LN 28	0	10234	0	4292	3052	5540	469	0	0	0	11441	
33	OPERATING TAXES - OTHER		7240	41617	LN 2+DIRECT	0	14601	0	3522	3450	6299	313	0	0	0	13433	0
34	PROVISION FOR DEFERRED INCOME TAX		7250	-47357	LN 28	0	-13837	0	-5802	-4127	-7490	-634	0	0	0	-15468	
35	TOTAL OPERATING TAXES			242775		0	73375	0	28168	20979	38114	3004	0	0	0	79135	0

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DEVELOPMENT OF ALLOCATION RATIOS

AL-1,1of1

						INTERSTATE				INTRASTATE							
				TOTAL	ALLOCATION	MESSAGE TOLL		SPECIAL ACCESS		MESSAGE TOLL		SPECIAL ACCESS					
LN	ALLOCATION RATIOS			COMPANY	BASIS	INTRALATA	INTERLATA	INTRALATA	INTERLATA	INTRALATA	INTERLATA	INTRALATA	INTERLATA	TWX	EAS	EXCHANGE	OTHER
1	ALLOCATED LOOPS - COE			1966	SPF	0	490	0	2	223	411	6	0	0	0	835	

Potlatch Telephone Company
Cost Study - Part 36
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2	PERCENT DISTRIBUTION	100.0000%		0.0000%	24.9110%	0.0000%	0.0763%	11.3315%	20.9063%	0.2798%	0.0000%	0.0000%	0.0000%	42.4952%	
3	ALLOCATED LOOPS - CWF	1966	SPF	0	490	0	2	223	411	6	0	0	0	835	
4	PERCENT DISTRIBUTION	100.0000%		0.0000%	24.9110%	0.0000%	0.0763%	11.3315%	20.9063%	0.2798%	0.0000%	0.0000%	0.0000%	42.4952%	
5	ALLOCATED CIRCUIT TERMINATIONS - COE	281	TOLL MOU	0	143	0	1	47	86	4	0	0	0	0	0
6	PERCENT DISTRIBUTION	100.0000%		0.0000%	50.8439%	0.0000%	0.3559%	16.6523%	30.7244%	1.4235%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
7	ALLOCATED CIRCUIT MILES - CWF	3616.8	CMM	0.0	1835.9	0.0	16.9	601.3	1109.4	53.2	0.0	0.0	0.0	0.0	0.0
8	PERCENT DISTRIBUTION	100.0000%		0.0000%	50.7606%	0.0000%	0.4684%	16.6250%	30.6741%	1.4719%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
9	ALLOCATED WIDEBAND LOOPS	58	WB CKTS	0	0	0	54	0	0	2	0		0	2	
10	PERCENT DISTRIBUTION	100.0000%		0.0000%	0.0000%	0.0000%	93.1034%	0.0000%	0.0000%	3.4483%	0.0000%		0.0000%	3.4483%	
11	ALLOCATED WBD CHANNELS (CKTS)	68	WB CKTS	0	0	0	66	0	0	1	0		0	1	
12	PERCENT DISTRIBUTION	100.0000%		0.0000%	0.0000%	0.0000%	97.0588%	0.0000%	0.0000%	1.4706%	0.0000%		0.0000%	1.4706%	
13	ALLOCATED IX WIDEBAND CHANNELS (CKTS)	67	WB CKTS Less Local	0	0	0	66	0	0	1	0		0	0	
14	PERCENT DISTRIBUTION	100.0000%		0.0000%	0.0000%	0.0000%	98.5075%	0.0000%	0.0000%	1.4925%	0.0000%		0.0000%	0.0000%	
15	ALLOCATED TOLL MESSAGES (SP + RC)	30469	DIRECT	0	9524			6147	14152					646	
16	PERCENT DISTRIBUTION	100.0000%		0.0000%	31.2580%			20.1746%	46.4472%					2.1202%	
17	ALLOCATED USERS	1708		0	220	0	0	142	327	0	0	0	0	1019	0
18	PERCENT DISTRIBUTION	100.0000%		0.0000%	12.8806%	0.0000%	0.0000%	8.3138%	19.1452%	0.0000%	0.0000%	0.0000%	0.0000%	59.6604%	0.0000%
19	OB&C ALLOCATION	100.0000%		0.0000%	33.3334%			10.0941%	23.2392%					33.3333%	

CWC-1 CASH WORKING CAPITAL WORKSHEET CWC-1

				INTERSTATE				INTRASTATE						
		TOTAL	ALLOCATION	MESSAGE TOLL		SPECIAL ACCESS		MESSAGE TOLL		SPECIAL ACCESS				
LN	DESCRIPTION	COMPANY	BASIS	INTRALATA	INTERLATA	INTRALATA	INTERLATA	INTRALATA	INTERLATA	INTRALATA	INTERLATA	TWX	EAS	EXCHANGE
1	PLANT SPECIFIC EXPENSES	163874	S-9,LN 27	0	51417	0	13445	14662	26779	1163	0	0	0	56409
2	PLANT NON SPECIFIC EXPENSE EXCL DEP & AMORT	166467	VARIOUS	0	77493	0	11796	12074	22041	1094	0	0	0	41968
3	CUSTOMER OPERATIONS EXP - MARKETING	71600	S-11,LN 12	0	34271	0	2994	0	0	0	0	0	0	34335
4	CUSTOMER OPERATIONS EXP - SERVICES	124368	S-11,LN 44	0	36337	0	1456	18943	18903	529	0	0	0	48200
5	CORPORATE OPERATIONS EXPENSE	249153	S-12,LN 13	0	85073	0	14432	22651	33276	1355	0	0	0	92367
6	EQUAL ACCESS EXPENSE	0	S-12,LN 15	0	0	0	0	0	0	0	0	0	0	0
7	OTHER EXPENSE - CONTRIBUTIONS	0	S-12,LN 14	0	0	0	0	0	0	0	0	0	0	0
8	INTEREST ON CUSTOMER DEPOSITS	0	S-12,LN 17	0	0	0	0	0	0	0	0	0	0	0
9	FEDERAL INCOME TAX (ACTUAL)	213487	S-12,LN 29 + 31	0	62376	0	26157	18603	33766	2856	0	0	0	69729
10	STATE INCOME TAX (ACTUAL)	35028	S-12,LN 32	0	10234	0	4292	3052	5540	469	0	0	0	11441
11	OTHER OPERATING TAX	41617	S-12,LN 33	0	14601	0	3522	3450	6299	313	0	0	0	13433
12	RESERVED FOR FUTURE USE	0		0	0	0	0	0	0	0	0	0	0	0
13	GROSS RECEIPTS TAX (ACTUAL)	2531	RECORDS	0	0	0	0	379	629	35	0	0	0	1487
14	INTEREST ON CAPITAL LEASES	1475	S-12,LN 16	0	1475	0	0	0	0	0	0	0	0	0
15	OTHER FIXED CHARGES - OPERATING	0	S-12,LN 18-LN 17	0	0	0	0	0	0	0	0	0	0	0
16	TOTAL CASH WORKING CAPITAL EXPENSES	1069600		0	373275	0	78094	93815	147232	7814	0	0	0	369370
17	CASH WORKING CAPITAL RATIO		RECORDS	N/A	0.04110	N/A	0.04110	0.04110	0.04110	0.04110	0.04110	0.04110	0.04110	0.04110
18	CASH WORKING CAPITAL	43956		0	15340	0	3209	3855	6051	321	0	0	0	15180
19	MINIMUM BANK BALANCE	0	/LN 16	0	0	0	0	0	0	0	0	0	0	0
20	WORKING CASH ADVANCES	0	/LN 16	0	0	0	0	0	0	0	0	0	0	0
21	TOTAL CASH WORKING CAPITAL	43956		0	15340	0	3209	3855	6051	321	0	0	0	15180