

# Pioneer Telephone Co.

Local and Long Distance Service

~~~~~ Serving LaCrosse, Endicott, Winona, Hooper, Dusty and Hay ~~~~~



Telephone 509/549-3511

P.O. Box 207

LaCrosse, Washington 99143-0207

July 7, 2006

Washington Utilities and Transportation Commission  
PO Box 47250  
Olympia, Washington  
98504-7250

Dear Sir or Madam:

RE: Annual Report and Regulatory Fees

**RECEIVED**

JUL 10 2006

WASH. UT. & TP. COMM

It just came to my attention the annual report may not have been filed with the commission. The person who is responsible for this report is out on vacation.

The Annual report as required and the regulatory fees are enclosed.

(Enclosed please find a check for \$1,300.70 to pay the regulatory fees which includes a \$100.00 for a late penalty.)

Sincerely,

Dennis Mackleit  
General Manager

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

PENALTY ASSESSMENT, Docket No. UT-060977

PLEASE NOTE: You must complete and sign this document, and send it to the Commission within 15 days after you receive the penalty assessment. Use additional paper if needed.

I have read and understand RCW 9A.72.020 (printed below), which states that making false statements under oath is a class B felony. I am over the age of 18, am competent to testify to the matters set forth below and I have personal knowledge of those matters. I hereby make, under oath, the following statements.

[X] 1. Payment of penalty. I admit that the violation occurred and enclose \$100 in payment of the penalty.

[ ] 2. Request for a hearing. I believe that the alleged violation did not occur, based on the following information, and request a hearing for a decision by an administrative law judge:

[ ] 3. Application for mitigation. I admit the violation, but I believe that the penalty should be reduced for the reason(s) set out below.

[ ] a) I ask for a hearing for a decision by an administrative law judge

OR [ ] b) I waive a hearing and ask for an administrative decision on the information I present here.

I declare under penalty of perjury under the laws of the State of Washington that the foregoing, including information I have presented on any attachments, is true and correct.

Dated: July 7 2006 [month/day/year], at LaCrosse, WA [city, state]

Pioneer Telephone Company
Name of Respondent (company) - please print

Dennis MacDuck
Signature of Applicant

RCW 9A.72.020:

"Perjury in the first degree. (1) A person is guilty of perjury in the first degree if in any official proceeding he makes a materially false statement which he knows to be false under an oath required or authorized by law. (2) Knowledge of the materiality of the statement is not an element of this crime, and the actor's mistaken belief that his statement was not material is not a defense to a prosecution under this section. (3) Perjury in the first degree is a class B felony."

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TELECOMMUNICATIONS COMPANIES  
ANNUAL REPORT

RECEIVED  
JUL 10 2006  
WASH. UT. & TP. COMM

Dennis Mackleit  
General Manager  
Pioneer Telephone Company  
P O Box 207  
LaCrosse, WA 99143-02007

Correct name and address, if different than shown

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION  
for the YEAR ENDED DECEMBER 31, 2005

**SECTION 1**  
INQUIRIES CONCERNING THIS ANNUAL REPORT SHOULD BE ADDRESSED TO:  
NAME: Dennis Mackleit TITLE: General Manager  
ADDRESS: P.O Box 207  
CITY: LaCrosse STATE: WA ZIP: 99143  
TELEPHONE: (509) 549-3511 FAX: (509) 549-3514 E-MAIL: mack@pionnet.com  
The company must notify the Commission, in writing, of any changes to the above information.

**SECTION 2**  
TYPE OF PAYMENT - DO NOT SEND CASH IN THE MAIL  
 Check  Money Order  AMEX  Visa  MasterCard  
For Commission Use Only  
Credit Card Authorization #: \_\_\_\_\_  
Credit Card Number: \_\_\_\_\_ Expiration Date: \_\_\_\_\_ Month/Year: \_\_\_\_\_  
CERTIFICATION: I, the undersigned, under penalty for false statement, certify that the information is true, valid and correct, that I am authorized to execute on behalf of the applicant, and that I agree to pay the above total amount according to card issuer agreement.  
Name (Printed) Dennis Mackleit Title General Manager  
Signature Dennis Mackleit Date 7-7-06

For Commission Use Only  
Reception Number: \_\_\_\_\_ 001-111-02-68-170-11: \_\_\_\_\_ Reference Number: \_\_\_\_\_  
001-111-02-68-170-01: \_\_\_\_\_ 001-111-02-68-032-05: \_\_\_\_\_

Original to be mailed to the Washington Utilities and Transportation Commission, PO Box 47250, Olympia, WA 98504-7250  
Web Site: www.wutc.wa.gov

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COPY

### SECTION 3

1. Provide the following supplemental documents with this annual report:

- Income statement
- Balance sheet
- Additional information if required under WAC 480-120-304 (e) (i), (ii), (iii)

2. Washington Unified Business Identifier (UBI) No.: 389 000 220  
*(If you do not know your UBI Number, please contact the Department of Licensing at (360)664-1400)*

3. Does your company provide operator services (automated or live assistance to customers in completing or billing a telephone call) at a call aggregator location, such as at a pay phone?  Yes  No

4. Does your company provide local exchange services in Washington?  Yes  No

- If no, proceed to Section 4.
- If yes, the following instructions apply:
  - a. If your company filed Form 477 (federal filing deadline of March 1, 2006) with the Federal Communications Commission for its Washington operations, proceed to Section 4. The WUTC will obtain a copy of the company's Form 477 directly from the FCC.
  - b. If the company did not file FCC Form 477 for its Washington operations, complete the following:

Washington State Data as of December 31, 2005

➤ Voice telephone service provided to end users.

(a)  
Total voice-grade equivalent lines and voice-grade equivalent wireless channels in service

1. Total lines and channels you provided to end users.

898

➤ Voice telephone service provided to other communications carriers, categorized by:

2. Lines and channels that you provided under a Total Service Resale arrangement.

0

3. Lines and channels you provided under other resale arrangements, such as resold Centrex.

0

**SECTION 4**  
**CERTIFICATION**

I certify that I, Dennis Mackleit, the responsible account officer for Pioneer Telephone Company have examined the foregoing report; that, to the best of my knowledge, information and belief, all statements of fact contained in said report are true and said report is a correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth therein during the period from January 1, 2005, to December 31, 2005, inclusive.

Name (Printed) Dennis Mackleit Title General Manager

Signature *Dennis Mackleit* Date 7-7-06

**FINANCIAL AND STATISTICAL REPORT  
FOR TELECOMMUNICATIONS BORROWERS**

BORROWER DESIGNATION

WA0528

PERIOD ENDING

12/2005

INSTRUCTIONS-See NUS Bulletin 1744-2

**Part B. Statements of Income and Retained Earnings or Margins**

| Item                                                                            | This Period<br>(a) | This Year<br>(b) | Last Year<br>(c) |
|---------------------------------------------------------------------------------|--------------------|------------------|------------------|
| 1. Local Network Services Revenues                                              | 0                  | 132,116          | 144,414          |
| 2. Network Access Services Revenues                                             | 0                  | 1,511,357        | 1,067,498        |
| 3. Long Distance Network Services Revenues                                      | 0                  | 0                | 0                |
| 4. Carrier Billing and Collection Revenues                                      | 0                  | 28,982           | 26,334           |
| 5. Miscellaneous Revenues                                                       | 0                  | 25,732           | 24,628           |
| 6. Uncollectible Revenues                                                       | 0                  | 702              | 7,049            |
| 7. Net Operating Revenues (1 thru 5 less 6)                                     | 0                  | 1,697,485        | 1,255,825        |
| 8. Plant Specific Operations Expense                                            | 0                  | 285,172          | 268,074          |
| 9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization) | 0                  | 59,762           | 36,692           |
| 10. Depreciation Expense                                                        | 0                  | 522,704          | 321,634          |
| 11. Amortization Expense                                                        | 0                  | 0                | 0                |
| 12. Customer Operations Expense                                                 | 0                  | 83,816           | 82,651           |
| 13. Corporate Operations Expense                                                | 0                  | 284,168          | 252,590          |
| 14. Total Operating Expenses (8 thru 13)                                        | 0                  | 1,235,622        | 961,641          |
| 15. Operating Income or Margins (7 less 14)                                     | 0                  | 461,863          | 294,184          |
| 16. Other Operating Income and Expenses                                         | 0                  | 0                | 0                |
| 17. State and Local Taxes                                                       | 0                  | 32,479           | 30,585           |
| 18. Federal Income Taxes                                                        | 0                  | 71,268           | 73,441           |
| 19. Other Taxes                                                                 | 0                  | 0                | 0                |
| 20. Total Operating Taxes (17 + 18 + 19)                                        | 0                  | 103,747          | 104,026          |
| 21. Net Operating Income or Margins (15 - 16 - 20)                              | 0                  | 358,116          | 190,158          |
| 22. Interest on Funded Debt                                                     | 0                  | 275,186          | 123,652          |
| 23. Interest Expense - Capital Leases                                           | 0                  | 0                | 0                |
| 24. Other Interest Expense                                                      | 0                  | 1,639            | 4,489            |
| 25. Allowance for Funds Used During Construction                                | 0                  | 77,181           | 93,547           |
| 26. Total Fixed Charges (22 + 23 + 24 - 25)                                     | 0                  | 199,624          | 34,594           |
| 27. Nonoperating Net Income                                                     | 0                  | ( 332,552)       | ( 64,859)        |
| 28. Extraordinary Items                                                         | 0                  | 0                | 0                |
| 29. Jurisdictional Differences                                                  | 0                  | 0                | 0                |
| 30. Nonregulated Net Income                                                     | 0                  | ( 14,424)        | ( 17,351)        |
| 31. Total Net Income or Margins (21+27+28+29+30-26)                             | 0                  | ( 188,484)       | 73,354           |
| 32. Total Taxes Based on Income                                                 | 0                  | ( 114,062)       | 26,625           |
| 33. Retained Earnings or Margins Beginning-of-Year                              | 0                  | 7,706,537        | 7,632,398        |
| 34. Miscellaneous Credits Year-to-Date                                          | 0                  | 2,316            | 785              |
| 35. Dividends Declared (Common)                                                 | 0                  | 0                | 0                |
| 36. Dividends Declared (Preferred)                                              | 0                  | 0                | 0                |
| 37. Other Debits Year-to-Date                                                   | 0                  | 0                | 0                |
| 38. Transfers to Patronage Capital                                              | 0                  | 0                | 0                |
| 39. Retained Earnings or Margins End-of-Period ((31+33+34) - (35+36+37+38))     | 0                  | 7,520,369        | 7,706,537        |
| 40. Patronage Capital Beginning-of-Year                                         | 0                  | 0                | 0                |
| 41. Transfers to Patronage Capital                                              | 0                  | 0                | 0                |
| 42. Patronage Capital Credits Retired                                           | 0                  | 0                | 0                |
| 43. Patronage Capital End-of-Year (40+41-42)                                    | 0                  | 0                | 0                |
| 44. Annual Debt Service Payments                                                | 0                  | 354,428          | 201,989          |
| 45. Cash Ratio ((14+20-10-11) / 7)                                              | 0.0000             | 0.4811           | 0.5925           |
| 46. Operating Accrual Ratio ((14+20+26) / 7)                                    | 0.0000             | 0.9066           | 0.8761           |
| 47. TIER ((31 + 26) / 26)                                                       | 0.0000             | 0.0600           | 3.1200           |
| 48. DSCR ((31-26+10-11) / 44)                                                   | 0.0000             | 1.5100           | 2.1300           |

## REGULATORY FEE CALCULATION SCHEDULE

Company Name: Pioneer Telephone Company Annual Report Year 2005

In accordance with chapter 80.24.010 RCW "Regulatory Fees", the Commission requires Telecommunication companies to file reports of gross intrastate operating revenue and pay fees on that revenue. Every company subject to regulation shall file with the Commission a statement under oath showing its gross intrastate operating revenue for the preceding year and pay to the Commission a fee as instructed below.

|                                                         |                                                                                                                                                                                                |               |                  |               |
|---------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|------------------|---------------|
| 1                                                       | Total Gross Intrastate Operating Revenue **                                                                                                                                                    |               | 1                | \$ 655,640.65 |
| 2                                                       | Less Non Fee-Paying Revenue                                                                                                                                                                    |               | 2                | \$            |
| 3                                                       | Balance-Adjusted Gross Intrastate Operating Revenue (subtract line 2 from 1)                                                                                                                   |               | 3                | \$ 655,640.65 |
| 4                                                       | Regulatory Fee Calculations:                                                                                                                                                                   |               | 4                |               |
| 4a                                                      | If line 3 is <b>UNDER</b> \$20,000, Enter <b>ZERO</b> (Filing <b>ZERO</b> indicates schedule is complete)                                                                                      |               | 4a               | \$            |
| 4b                                                      | If line 3 is <b>BETWEEN</b> \$20,000 and \$50,000-enter amount from line 3<br>(Filing <b>BETWEEN</b> \$20,000 and \$50,000 indicates schedule is complete. If filing after May 1 go to Line 6) | \$            | x .1 % (.001) =  | \$            |
| 4c                                                      | If line 3 is <b>OVER</b> \$50,000-enter amount from line 3                                                                                                                                     | \$ 655,640.65 |                  |               |
| 4d                                                      | <b>First</b> \$50,000 is subject to .1% regulatory fee                                                                                                                                         | \$ 50,000.00  | x .1 % (.001) =  | \$ 50.00      |
| 4e                                                      | Adjustment of Gross Intrastate Operating Revenue (subtract Line 4d from 4c)                                                                                                                    | \$ 605,640.65 | x .19% (.0019) = | \$ 1,150.72   |
| 5                                                       | Total Regulatory Fees owed (enter line 4b, or add 4d and 4e)                                                                                                                                   |               | 5                | \$ 1,200.72   |
|                                                         |                                                                                                                                                                                                |               | Agency Use Only  |               |
| <b>Complete Lines 6 through 9 if filing after May 1</b> |                                                                                                                                                                                                |               |                  |               |
| 6                                                       | Penalties on Regulatory Fees filed after May 1                                                                                                                                                 |               | 6                |               |
| 6a                                                      | Total Penalties on Regulatory Fees owed - enter amount from line 5                                                                                                                             | \$            | x 2 % (.02) =    | \$            |
| 7                                                       | Interest on Regulatory Fees filed after May 1                                                                                                                                                  |               | 7                |               |
| 7a                                                      | Amount from line 5 _____ x Number of months past May _____ x 1% (.01) =                                                                                                                        |               | 7a               | \$            |
| 8                                                       | Total Penalties and Interest owed (add lines 6a and 7a)                                                                                                                                        |               | 8                | \$            |
|                                                         |                                                                                                                                                                                                |               | Agency Use Only  |               |
| 9                                                       | Total Regulatory, Penalty and Interest Fees Due (add lines 5 and 8)                                                                                                                            |               | 9                | \$ 1,200.72   |

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\*\* Note: Gross Washington intrastate operating revenue is defined as all revenue collected for the year from rates under tariffs, price lists, and/or contracts on file at the Washington Utilities and Transportation Commission. The revenues subject to the Commission's regulatory fees are gross Washington intrastate operating revenues before deductions for uncollectibles, unbillables, subscriber/aggregator commissions or the payment of site charges and state and federal taxes, i.e. "Gross Revenues" means before any deductions from Revenue Receipts.

number. The valid OMB control number for this information collection is 0572-0031. The time required to complete this information collection is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

USDA-RUS

This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and may not be confidential.

**FINANCIAL AND STATISTICAL REPORT  
FOR TELECOMMUNICATIONS BORROWERS**

**BORROWER NAME AND ADDRESS**  
Pioneer Telephone Company  
PO Box 207  
LaCrosse, WA 99143-0207

INSTRUCTIONS-Submit report to RUS within 30 days after close of the period.  
For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.

PERIOD ENDING  
12/2005

BORROWER DESIGNATION  
WA0526

**CERTIFICATION**

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

**ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.**

03/21/2006

03/21/2006

Dennis Macklell, Manager

DATE

William Evans, Treasurer

DATE

**Part A. Balance Sheet**

|                                          | Balance<br>Prior Year | Balance<br>End of Period |                                                               | Balance<br>Prior Year | Balance<br>End of Period |
|------------------------------------------|-----------------------|--------------------------|---------------------------------------------------------------|-----------------------|--------------------------|
| <b>ASSETS</b>                            |                       |                          | <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>                   |                       |                          |
| <b>Current Assets</b>                    |                       |                          | <b>Current Liabilities</b>                                    |                       |                          |
| 1. Cash and Equivalents                  | 1,100,751             | 2,585,650                | 25. Accounts Payable                                          | 387,191               | 52,250                   |
| 2. Cash-RUS Construction Fund            | 699,214               | 4,360                    | 26. Notes Payable                                             | 0                     | 0                        |
| 3. Affiliates:                           |                       |                          | 27. Advance Billings and Payments                             | 0                     | 0                        |
| a. Telecom, Accounts Receivable          | 0                     | 0                        | 28. Customer Deposits                                         | 36,666                | 36,043                   |
| b. Other Accounts Receivable             | 0                     | 0                        | 29. Current Mat. L/T Debt                                     | 95,600                | 243,603                  |
| c. Notes Receivable                      | 0                     | 0                        | 30. Current Mat. L/T Debt-Rur. Dev.                           | 0                     | 0                        |
| 4. Non-Affiliates:                       |                       |                          | 31. Current Mat.-Capital Leases                               | 0                     | 0                        |
| a. Telecom, Accounts Receivable          | 42,286                | 40,923                   | 32. Income Taxes Accrued                                      | 78,990                | 0                        |
| b. Other Accounts Receivable             | 0                     | 0                        | 33. Other Taxes Accrued                                       | 36,986                | 49,303                   |
| c. Notes Receivable                      | 0                     | 0                        | 34. Other Current Liabilities                                 | 216,921               | 38,896                   |
| 5. Interest and Dividends Receivable     | 0                     | 0                        | 35. Total Current Liabilities (25 thru 34)                    | 852,554               | 420,095                  |
| 6. Material-Regulated                    | 86,295                | 187,644                  | <b>Long-Term Debt</b>                                         |                       |                          |
| 7. Material-Nonregulated                 | 18,050                | 21,198                   | 36. Funded Debt-RUS Notes                                     | 4,795,928             | 4,602,637                |
| 8. Prepayments                           | 0                     | 278,335                  | 37. Funded Debt-RTB Notes                                     | 1,182,831             | 1,148,857                |
| 9. Other Current Assets                  | 0                     | 0                        | 38. Funded Debt-FFB Notes                                     | 0                     | 0                        |
| 10. Total Current Assets (1 thru 9)      | 1,946,595             | 3,118,110                | 39. Funded Debt-Other                                         | 0                     | 0                        |
| <b>Noncurrent Assets</b>                 |                       |                          | 40. Funded Debt-Rural Develop. Loan                           | 0                     | 0                        |
| 11. Investment in Affiliated Companies   |                       |                          | 41. Premium (Discount) on L/T Debt                            | 0                     | 0                        |
| a. Rural Development                     | 3,300,599             | 2,346,862                | 42. Recquired Debt                                            | 0                     | 0                        |
| b. Nonrural Development                  | 0                     | 0                        | 43. Obligations Under Capital Lease                           | 0                     | 0                        |
| 12. Other Investments                    |                       |                          | 44. Adv. From Affiliated Companies                            | 0                     | 0                        |
| a. Rural Development                     | 3,104,992             | 2,538,645                | 45. Other Long-Term Debt                                      | 0                     | 0                        |
| b. Nonrural Development                  | 62,325                | 62,325                   | 46. Total Long-Term Debt (36 thru 45)                         | 6,978,759             | 5,751,494                |
| 13. Nonregulated Investments             | 100,962               | 92,621                   | <b>Other Liab. &amp; Def. Credits</b>                         |                       |                          |
| 14. Other Noncurrent Assets              | 3,106                 | 2,905                    | 47. Other Long-Term Liabilities                               | 0                     | 0                        |
| 15. Deferred Charges                     | 0                     | 0                        | 48. Other Deferred Credits                                    | 216,352               | 264,271                  |
| 16. Jurisdictional Differences           | 0                     | 0                        | 49. Other Jurisdictional Differences                          | 0                     | 0                        |
| 17. Total Noncurrent Assets (11 thru 16) | 6,571,984             | 5,043,368                | 50. Total Other Liabilities and Deferred Credits (47 thru 49) | 216,352               | 264,271                  |
| <b>Plant, Property, and Equipment</b>    |                       |                          | <b>Equity</b>                                                 |                       |                          |
| 18. Telecom, Plant-in-Service            | 5,002,091             | 10,429,061               | 51. Cap. Stock Outstand. & Subscribed                         | 56,052                | 66,052                   |
| 19. Property Held for Future Use         | 0                     | 0                        | 52. Additional Paid-in Capital                                | 0                     | 0                        |
| 20. Plant Under Construction             | 5,386,747             | 24,668                   | 53. Treasury Stock                                            | 0                     | 0                        |
| 21. Plant Adj., Nonop. Plant & Goodwill  | 0                     | 0                        | 54. Membership and Cap. Certificates                          | 0                     | 0                        |
| 22. Less Accumulated Depreciation        | 4,098,164             | 4,602,916                | 55. Other Capital                                             | 0                     | 0                        |
| 23. Net Plant (18 thru 21 less 22)       | 6,290,674             | 6,860,813                | 56. Patronage Capital Credits                                 | 0                     | 0                        |
| 24. Total Assets (10 + 17 + 23)          | 14,809,254            | 14,012,281               | 57. Retained Earnings or Margins                              | 7,706,537             | 7,520,369                |
|                                          |                       |                          | 58. Total Equity (51 thru 57)                                 | 7,762,589             | 7,576,421                |
|                                          |                       |                          | 59. Total Liabilities and Equity (35 + 46 + 50 + 58)          | 14,809,254            | 14,012,281               |



1 PIONEER TELEPHONE COMPANY  
 2 SUPPLEMENT - WASHINGTON UTILITIES & TRANSPORTATION COMMISSION  
 3 FOR THE YEAR ENDED DECEMBER 31, 2005  
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|                                                  | Balance Per<br>Books @<br>12/31/05 | Adjustments | Adjusted Balance | Percentage<br>Intrastate | Intrastate @<br>12/31/05 |
|--------------------------------------------------|------------------------------------|-------------|------------------|--------------------------|--------------------------|
| 8 <b>CURRENT ASSETS:</b>                         |                                    |             |                  |                          |                          |
| 9 1220 MATERIALS & SUPPLIES                      | 187,644                            | 0           | 187,644          | 0.734377                 | 137,802                  |
| 10 1402 RTB STOCK - CLASS B                      | 56,325                             | (101)       | 56,224           | 0.619095                 | 34,808                   |
| 11                                               |                                    |             |                  |                          |                          |
| 12                                               |                                    |             |                  |                          |                          |
| 13 <b>PROPERTY, PLANT &amp; EQUIPMENT:</b>       |                                    |             |                  |                          |                          |
| 14 2001 TELEPHONE PLANT IN SERVICE               | 10,429,061                         | (18,687)    | 10,410,374       | 0.619104                 | 6,445,105                |
| 15 2002 PROP HELD FOR FUTURE USE                 | 0                                  |             | 0                |                          | 0                        |
| 16 2003 PLANT UNDER CONSTRUCTION                 | 24,668                             | (24,668)    | 0                | 0.619104                 | 0                        |
| 17 3100 ACCUMULATED DEPRECIATION                 | 4,602,916                          | (5,975)     | 4,596,941        | 0.618718                 | 2,844,208                |
| 18 3200 ACCUM DEPR - PHFU                        | 0                                  |             | 0                |                          | 0                        |
| 19 4340 DEFERRED OPERATING INCOME TAXES          | 117,357                            | (307)       | 117,050          | 0.538586                 | 63,042                   |
| 20                                               |                                    |             |                  |                          |                          |
| 21 <b>OPERATING REVENUES:</b>                    |                                    |             |                  |                          |                          |
| 22 5000: LOCAL NETWORK SERVICES REVENUE          | 132,116                            |             | 132,116          | 1.000000                 | 132,116                  |
| 23 5080: NETWORK ACCESS SERVICES REVENUE         | 1,405,421                          |             | 1,405,421        | 0.338112                 | 475,190                  |
| 24 5080: USF                                     | 105,936                            |             | 105,936          | 1.000000                 | 105,936                  |
| 25 5100: LONG DISTANCE NETWORK SERVICES REV.     | 0                                  |             | 0                | 0.000000                 | 0                        |
| 26 5200: CARRIER BILLING AND COLLECTIONS         | 28,982                             |             | 28,982           | 0.779887                 | 22,603                   |
| 27 5200: MISCELLANEOUS REVENUES                  | 25,732                             |             | 25,732           | 1.000000                 | 25,732                   |
| 28 5300 UNCOLLECTIBLE REVENUES                   | (702)                              |             | (702)            | 1.000000                 | (702)                    |
| 29                                               |                                    |             |                  |                          |                          |
| 30 <b>OPERATING EXPENSES:</b>                    |                                    |             |                  |                          |                          |
| 31 6110-6410: PLANT SPECIFIC OPERATIONS EXPENSES | 285,172                            | 1,955       | 287,127          | 0.695127                 | 199,590                  |
| 32 6510-6530: PLANT NONSPECIFIC OPERATIONS EXP.  | 59,762                             | 5,404       | 65,166           | 0.619111                 | 40,345                   |
| 33 6560: DEPRECIATION EXPENSE                    | 522,704                            | (676)       | 522,028          | 0.564508                 | 294,689                  |
| 34 6610-6620: CUSTOMER OPERATIONS EXPENSE        | 83,816                             | (1,088)     | 82,728           | 0.565484                 | 48,436                   |
| 35 6710-6720: CORPORATE OPERATIONS EXPENSE       | 284,168                            | (5,603)     | 278,565          | 0.581311                 | 161,933                  |
| 36 7200 OPERATING TAXES                          | 103,747                            | (373)       | 103,374          | 0.612362                 | 63,303                   |