

INLAND TELEPHONE COMPANY								
WASHINGTON OPERATIONS - SAC 522423								
FIVE YEAR FORECAST - NETWORK ADDITIONS								

As they are known to the Company at the date of this Report, the planned investments and forecasted expenses related to Washington operations (Study Area Code 522423) for the period January 1, 2014 through December 31, 2018, are listed below. The Company expects to use all Universal Service Fund support received in order to fund the expenses related to the provisioning, maintenance and services provided over these upgraded facilities as well as existing facilities and to service the debt with the Rural Utility Service created in order to make these improvements; improving service quality, coverage and capacity. The Company (SAC 522423) received \$1,477,413 in federal high-cost support for the calendar year ended December 31, 2013. The Company expects that the continued receipt of Universal Service Fund support will aid the Company's efforts to continue to provide the supported services at rates that are comparable to the rates for such services in urban areas of which all customers and potential customers in the Company's designated ETC service area will benefit.

			<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
DEWATTO (372)							
Access Lines (@ 12/31/2013)	316						
Data Subscribers (@ 12/31/2013)	220						
Fiber to the Node				550,000			
Electronics				100,000			
TOTAL DEWATTO				650,000			
PRESCOTT (849)							
Access Lines (@ 12/31/2013)	162						
Data Subscribers (@ 12/31/2013)	49						
Fiber to the Node			895,000				
Fiber to Ethernet Connection Point			385,000				
Electronics			70,000				
TOTAL PRESCOTT			1,350,000				
ROSLYN (649)							
Access Lines (@ 12/31/2013)	1,206						
Data Subscribers (@ 12/31/2013)	843						
Fiber to the Premise			2,975,000	2,975,000			
Electronics			985,000	985,000			
TOTAL ROSLYN			3,960,000	3,960,000			
UNIONTOWN (229)							
Access Lines (@ 12/31/2013)	521						
Data Subscribers (@ 12/31/2013)	230						
Fiber to the Node			1,000,000				
Electronics			430,000				
TOTAL UNIONTOWN			1,430,000				
TOTAL							
			6,740,000	4,610,000	0	0	0
FORECASTED OPERATING EXPENSES							
PLANT SPECIFIC OPERATIONS			1,583,484	1,562,293	1,541,498	1,521,095	1,501,079
PLANT NON-SPECIFIC OPERATIONS			283,329	278,904	274,598	270,406	266,324
ACCUMULATED DEPRECIATION			1,327,549	1,667,549	1,807,549	1,807,549	1,807,549
CUSTOMER OPERATIONS EXPENSES			496,404	506,044	513,417	519,029	523,286
CORPORATE OPERATIONS EXPENSES			851,415	835,605	819,937	804,463	789,222
TOTAL OPERATING EXPENSES			4,542,181	4,850,395	4,956,999	4,922,543	4,887,460