

Instructions

Do not include this sheet in the Annual Report you send to the Commission

We have included general instructions below to assist you in completing the report.

General Information

There are three Excel files that make up the annual report. The files are called TELCOAR.XLS, AJCDR.XLS and TCMR.XLS, respectively. TELCOAR.XLS is the main body of the report and is broken down into three sections: General Information; Financial and Accounting Information; and Operating Data. AJCDR.XLS is a supplementary report which contains Annual Joint Cost Data Report. TCMR.XLS is the Commission's Telecommunication Competition Monitoring Report and replaces the Transitional Monitoring Report.

The pages/schedules in each file are separated by Tabs. The names of the Tabs in TELCOAR.XLS are arranged by Schedule Number. The names of the Tabs in AJCDR.XLS and TCMR.XLS are arranged by page number. A Table of Contents is provided in TELCOAR.XLS and TCMR.XLS. (Tab called Table).

Each file includes a tab called a Data Sheet. The completion of the Data Sheet will automatically transfer your company's name and year of the report to each page of the annual report. There are numerous formulas and cell references in both files. The cells that contain the formulas and cell references have been protected. To unprotect these cells, the following instructions should be used: Format/Cells/Protection and uncheck "Locked" (Please use caution after unprotecting cells).

We have checked the accuracy of the formulas and cell references in the file. However, all corrections may not have been made because the file was slightly revised this year. If you feel that certain formulas or cell references in the file are incorrect, unprotect the incorrect cell and input the correct number, and describe the change made on the "Comment" sheet provided.

Insert Pages

Due to a large amount of data, some companies will be required to file additional pages to complete certain schedules. If you are required to prepare insert pages, insert pages have been provided in the workspace below the applicable schedule. The totals of the insert pages should be inputted on the related schedule. The print function will not print the insert pages. As a result, you will have to print these schedules manually.

Printing Individual Schedules on the File

To print a schedule, select the schedule you want by clicking on the tab for that schedule. Then click on File/Print in the menu bar. In the "Print what" portion of the resulting "Print" dialogue box select "Active sheet(s)", and then click on "OK."

Saving the File

As stated above, the name of the two files are TELCOAR.XLS, AJCDR.XLS and TCMR.XLS. It is advised that you call up the file and then immediately save it using the assigned file names as shown below.

Print the Entire Report

When you have completed the report, you may want to print out the entire report. To do this, follow the instructions above for printing individual schedules except, in the "Print what" portion of the "Print" dialogue box, select "Entire workbook".

<u>Company Name</u>	<u>TELCOAR.XLS</u> <u>File Name to Save</u>	<u>AJCDR.XLS</u> <u>File Name to Save</u>	<u>TCMR.XLS</u> <u>File Name to Save</u>
ALLTEL	ALLTAR.XLS	ALLTJCD.XLS	ALLTCMR.XLS
Armstrong	ARMSAR.XLS	ARMSJCD.XLS	ARMSTCMR.XLS
Berkshire	BERKAR.XLS	BERKJCD.XLS	BERKTCMR.XLS
Cassadaga	CASSAR.XLS	CASSJCD.XLS	CASSTCMR.XLS
Champlain	CHAMAR.XLS	CHAMJCD.XLS	CHAMTCMR.XLS
Chautauqua & Erie	CHAUTAR.XLS	CHAUTJCD.XLS	CHAUTCMR.XLS
Chazy & Westport	CHAZAR.XLS	CHAZYJCD.XLS	CHAZYCMR.XLS
Citizens Tel of Hammond	CITTHAR.XLS	CITTHJCD.XLS	CITTHCMR.XLS
Citizens Tel of New York	CITTNAR.XLS	CITTNJCD.XLS	CITTNCMR.XLS
Crown Point	CRPTAR.XLS	CRPTJCD.XLS	CRPTCMR.XLS
Delhi	DELHIAR.XLS	DELHIJCD.XLS	DELHICMR.XLS
Deposit	DEPAR.XLS	DEPJCD.XLS	DEPTCMR.XLS
Dunkirk & Fredonia	D&FAR.XLS	D&FJCD.XLS	D&FTCMR.XLS
Edwards	EDWAR.XLS	EDWJCD.XLS	EDWTCMR.XLS
Empire	EMPAR.XLS	EMPJCD.XLS	EMPTCMR.XLS
Fishers Island	FISHAR.XLS	FISHJCD.XLS	FISHTCMR.XLS
Frontier of Ausable Valley	FRTAVAR.XLS	FRTAVJCD.XLS	FRTAVCMR.XLS
Frontier of New York (Highland)	FRTNYAR.XLS	FRTNYJCD.XLS	FRTNYCMR.XLS
Frontier of Seneca-Gorham	FRTSGAR.XLS	FRTSGJCD.XLS	FRTSGCMR.XLS
Frontier of Sylvan Lake	FRTSLAR.XLS	FRTSLJCD.XLS	FRTSLCMR.XLS
Germantown	GERMAR.XLS	GERMJCD.XLS	GERMCMR.XLS
Hancock	HANCAR.XLS	HANCJCD.XLS	HANCTCMR.XLS
Margaretville	MARGAR.XLS	MARGJCD.XLS	MARGTCMR.XLS
Middleburgh	MIDAR.XLS	MIDJCD.XLS	MIDJTCMR.XLS
New York (Bell Atlantic/NYNEX)	NYNEXAR.XLS	NYNEXJCD.XLS	NYNEXCMR.XLS
Newport	NEWPAR.XLS	NEWPJCD.XLS	NEWPTCMR.XLS
Nicholville	NICHAR.XLS	NICHJCD.XLS	NICHTCMR.XLS
Ogden	OGDENAR.XLS	OGDENJCD.XLS	OGDENCMR.XLS
Oneida County Rural	ONCRAR.XLS	ONCRJCD.XLS	ONCRCMR.XLS
Ontario	ONTARAR.XLS	ONTARJCD.XLS	ONTARCMR.XLS
Oriskany Falls	ORISFAR.XLS	ORISFJCD.XLS	ORISFCMR.XLS
Pattersonville	PATTAR.XLS	PATTJCD.XLS	PATTCMR.XLS
Port Byron	PTBNAR.XLS	PTBNJCD.XLS	PTBNCMR.XLS
Rochester (Frontier Comm.)	RTCAR.XLS	RTCJCD.XLS	RTCTCMR.XLS
State	STATEAR.XLS	STATEJCD.XLS	STATECMR.XLS
Taconic	TACAR.XLS	TACJCD.XLS	TACTCMR.XLS
Township	TOWNAR.XLS	TOWNJCD.XLS	TOWNCMR.XLS
Trumansburg Home	TRUAR.XLS	TRUJCD.XLS	TRUTCMR.XLS
Vernon	VERNAR.XLS	VERNJCD.XLS	VERNTCMR.XLS
Warwick Valley	WARWAR.XLS	WARWJCD.XLS	WARWTCMR.XLS

STATE OF NEW YORK PUBLIC SERVICE COMMISSION

ANNUAL REPORT OF TELEPHONE CORPORATIONS For the period ending December 31, 2010

Instructions for this Tab:

- 1 Fill in your name and address below so that this information will carry to other parts of the spreadsheet.
- 2 If the respondent's name is long, the "Year ended December 31, 19__" may over pass the print range. This can be corrected by one of two methods: selecting a smaller font size on the specific sheet, or to delete some spaces on the combined string below.

Please fill in the following:	
Respondent's exact legal name :	Trumansburg Telephone Company
Address line 1:	75 Main Street
Address line 2:	Phelps, NY 14532
For the period starting:	January 1, 2010
For the period ending:	December 31, 2010
Date due:	March 31, 2011
For the period starting January 1, 2010 For the period ending December 31, 2010 Year Ended December 31, 2010	<div style="text-align: right; margin-bottom: 10px;"><u>Example</u></div> <div style="text-align: right;">January 1, 1995</div> <div style="text-align: right;">December 31, 1995</div> <div style="text-align: right;">March 31, 1995</div>

Annual Report of Trumansburg Telephone Company

For the period ending December 31, 2010

Annual Report of Trumansburg Telephone Company

For the period ending December 31, 2010

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For the period ending December 31, 2010

Annual Report of Trumansburg Telephone Company

For the period ending December 31, 2010



Please fill in the requested information on Rows 42, 43 and 44.

COMPANY CODE:

TELEPHONE CORPORATIONS

ANNUAL REPORT

OF

Trumansburg Telephone Company

Exact legal name of reporting telephone corporation

(If name was changed during year, show also the previous name and date change)

75 Main Street

Phelps, NY 14532

(Address of principal business office at end of year)

FOR THE

YEAR ENDED DECEMBER 31, 2010

TO THE

STATE OF NEW YORK

PUBLIC SERVICE COMMISSION

Name, title, address and telephone number (including area code), of the person
to be contacted concerning this report:

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1. GENERAL INSTRUCTIONS

1. The completed original of this report shall be filed with the Public Service Commission, Albany, NY, on or before the 31st of March next following the end of the year to which the report applies. At least one additional copy shall be retained in the files of the reporting telephone corporation.
2. If the respondent considers any information requested on a schedule to be of a proprietary nature, as defined in 16 NYCRR, Chapter 1, Section 6-1.3 of Chapter 1 of the Rules of Procedure, the schedule as included in the report forms should be filed as directed by the Commission. However, the respondent is required to file one complete copy of each schedule deemed proprietary, including all detail requested, accompanied by a request for proprietary treatment, with the Records Access Officer, in accordance with the Rules of Procedure of Title 16, NYCRR, Chapter 1, Section 6-1.3(b). However, the company must still file such additional "Public" copy as required (one conformed copy) with the proprietary information blocked out and accompanied by a letter stating that this was done.
3. All telephone corporations upon which this report form is served are required by statute to complete and to file the report. The statute further provides that when any such report is defective or believed to be erroneous, the reporting corporation shall be duly notified and given reasonable time within to make the necessary amendments or corrections. All data comprising this report shall be submitted in permanent form, i.e., washable ink or washable reproductions should not be used.
4. All accounting terms and phrases used in this form are to be interpreted in accordance with the effective applicable Uniform System of Accounts prescribed by this Commission as set forth in 16 NYCRR, Subchapter E, Article 1 (Case 8579). The Uniform System of Accounts defines Class A companies as those with annual revenues from regulated telecommunications operations of \$100 million or more. Class B are defined as those with annual revenues from regulated telecommunications operations of less than \$100 million. Whenever the term respondent is used, it shall be understood to mean the reporting telephone corporation.
5. Standard accounting procedures will apply in determining the nature of any entry (e.g. Uncollectibles, a revenue item, is normally a debit entry, and should be entered as a "positive" number unless the reported balance is a "credit"). Entries of a reverse or contrary character shall be indicated by parentheses around the number.
6. If the report is made for a period less than the calendar year, the period covered must be clearly stated on the front cover
- and elsewhere throughout the report where the period covered is shown. When operations cease during the year because of the disposition of property, the balance sheet and supporting schedules should consist of balances and items immediately prior to transfer (for accounting purposes). If the books are not closed as of that date the data in the report should nevertheless be complete, and the amounts reported should be supported by information set forth in, or as part of, the books of account.
7. All instructions shall be followed and each question shall be answered fully and accurately. Sufficient answer shall appear to show that no question or schedule has been overlooked. The expression "none" or "not applicable" shall be given as the answer to any particular inquiry or schedule where it truly and completely states the fact. Unless otherwise indicated, no information will be accepted which incorporates by reference information from another document or report, Where information called for herein is not given, state fully the reason for its omission.
8. The report should not be permanently bound. Extra copies of any page of the report will be furnished on request. If necessary or desirable to insert additional statements for the purpose of further explanation of accounts or schedules, they shall be legibly made on paper of durable quality and shall correspond to this form in size of page and width of margin. Additional sheets, ruled either vertically or horizontally, will be furnished on request. Inserts, if any, should be appropriately identified with the schedules to which they relate.
9. If the telephone corporation conducts operations both within and outside the State of New York, data should be reported so that there will be shown the number of subscribers within this state, and (separately by accounts) the operating revenues from sources within this state, and the plant investment as of the end of the year within this state.
10. Whenever schedules call for comparison of figures of a previous year, the figures reported must be based upon those shown by the annual report of the previous year or an appropriate explanation given why different figures were used.
11. Throughout the report money items shall be shown in units of dollars adjusted to accord footings. Omitting cents does not apply, however, to items in which cents are of significance as, for instance in averages and in unit costs.
12. In the space provided on the upper outside margin of each page there should be inserted (by rubber stamp, if desired), the name of the respondent and the year to which the report relates.

Comment Sheet

Please use this sheet to record any changes you made to this file. If you altered this file in anyway, except by entering data, you must record those changes here. You may also use this sheet to make any comments about this file or the joint cost file.

<u>Item Number</u>	<u>Description</u>	<u>Schedule Number</u>	<u>Page Number</u>

Comments

2. GENERAL INFORMATION

1. Name and title of officer having custody of the general books of account and address of the office where such books are kept.
Paul H. Griswold
President and CEO

2. Name of state in which incorporated, date of incorporation, and designation of law under which incorporated. If not incorporated, show type of organization, date organized and the identity of the parties in interest together with the extent of their respective interests.
New York State
February 7, 1906
Transportation Law

3. If at any time during the year the property of the company was held by a receiver or trustee, give (a) the name of the receiver or trustee, (b) the date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was vested, and (d) the date when possession by receiver or trustee ceased.
N/A

4. State the name of each other state or federal body exercising regulatory jurisdiction over respondent (excepting taxing authorities); and if such jurisdiction is limited, the extent of limitation should be set forth. If such jurisdiction terminated prior to the end of the year, state that fact with reasons for such termination and the effective date thereof.
None

5. Name all classes of service furnished by respondent.
Local and Telephone Toll Service

2. GENERAL INFORMATION (Continued)

6.

Attach herein (following this page) the respondent's latest annual report to stockholders. If such a report is not prepared, but if audited annual financial statements on which a certified public accountant expresses an opinion are regularly prepared and distributed to bondholders, banking institutions or security analysts, submit that.

[The Annual Report to Stockholders will be forwarded when complete.](#)

If the respondent's annual report to stockholders or audited annual financial statements are prepared on a calendar year basis, the major financial statements contained therein, i.e., Balance Sheet, Income and Retained Earnings Statement and Statement of Cash Flows, shall be reconciled with the corresponding statements in this annual report. The reconciliation shall contain an explanation of all differences in reporting.

If the respondent's annual report to stockholders or audited annual financial statements are prepared on a fiscal year basis, then a statement shall be included stating that, except as noted, the major financial statements are prepared on the same basis as in this annual report to the Commission and are in conformity with this Commission's applicable Uniform system of Accounts.

If reports to stockholders or audited annual financial statements are not prepared, so state below:

3. OFFICERS AND DIRECTORS (including Compensation)

1. Furnish the indicated data with respect to each executive officer and director, whether or not they received any compensation from the respondent.
2. Executive officers include a company's president, secretary, treasurer and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policy making functions.
3. Indicate with an asterisk (*) in column (a) those directors who were members of the executive committee, if any, and by a double asterisk (**) the chairman, if any, of that committee, at the end of the year.

Line No.	Name of Person (a)	Title and Department Over Which Jurisdiction Is Exercised (b)	Term Expired or Current Term Will Expire (c)	Salary	
				Rate at Year End (d)	Paid During Year (e)
1	Robert Griswold	Chairman	May-10		
2	John Griswold	Vice Chairman, Treasurer &	May-10		
3	Paul Griswold	President & CEO	May-10	91,566	98,832
4	Michael Carr	Chief Financial Officer	May-10	72,475	73,614
5	James Baase	Vice President Network Sen	May-10	52,527	53,698
6	Susan Ver streate	Director	May-10		
7	Robert Woodhouse	Director	May-10		
8	Bill Hughes	Director	May-10		
9	Frederick Pestorius	Director	May-10		
10	John Pattison	Director	May-10		
11	Harley Rupert	Director	May-10		
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NOTES:

Please complete the information on this schedule for all copies (paper and electronic version) of the report.

Trumansburg Telephone Company has no Executive Committee.

Officer's expenses are shared with affiliate - OntarioTelephone Company and Subsidiaries-Finger Lakes Technologies Group and Finger Lakes Communications Group

3. OFFICERS AND DIRECTORS (including Compensation - Continued)

4. If any person reported in this schedule received remuneration directly or indirectly other than salary shown in column (e) list the amounts in columns (f) through (k) with the footnotes necessary to explain the essentials of the plan, the basis of determining the ultimate benefits receivable and the payments or provisions made during the year to each person reported herein. If the word "none" correctly states the facts in regard to entries for columns (f) through (k), so state.
5. If any person reported hereunder received compensation from more than one affiliated company or was carried on the payroll of an affiliated company, details shall be given in a note.

Deferred Compensation (f)	Incentive Pay (Bonuses, etc.) (g)	Savings Plans (h)	Stock Options (i)	Life Insurance Premiums (j)	Other (Explain Below) (k)	Total (e thru k) (l)	Line No.
\$6,361					\$11,473	\$17,834	1
18,265				804	9,913	28,982	2
	40,440	19,630		12,952	11,501	183,355	3
	14,220	12,726			3,728	104,288	4
	14,160	9,646			0	77,504	5
					1,500	1,500	6
					1,800	1,800	7
					1,800	1,800	8
					2,400	2,400	9
					1,800	1,800	10
					1,800	1,800	11
						0	12
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						0	25

NOTES:

Column K Includes
 Director Fees
 Personal Mileage / Car Allowance
 Medical Reimbursement
 Stipend

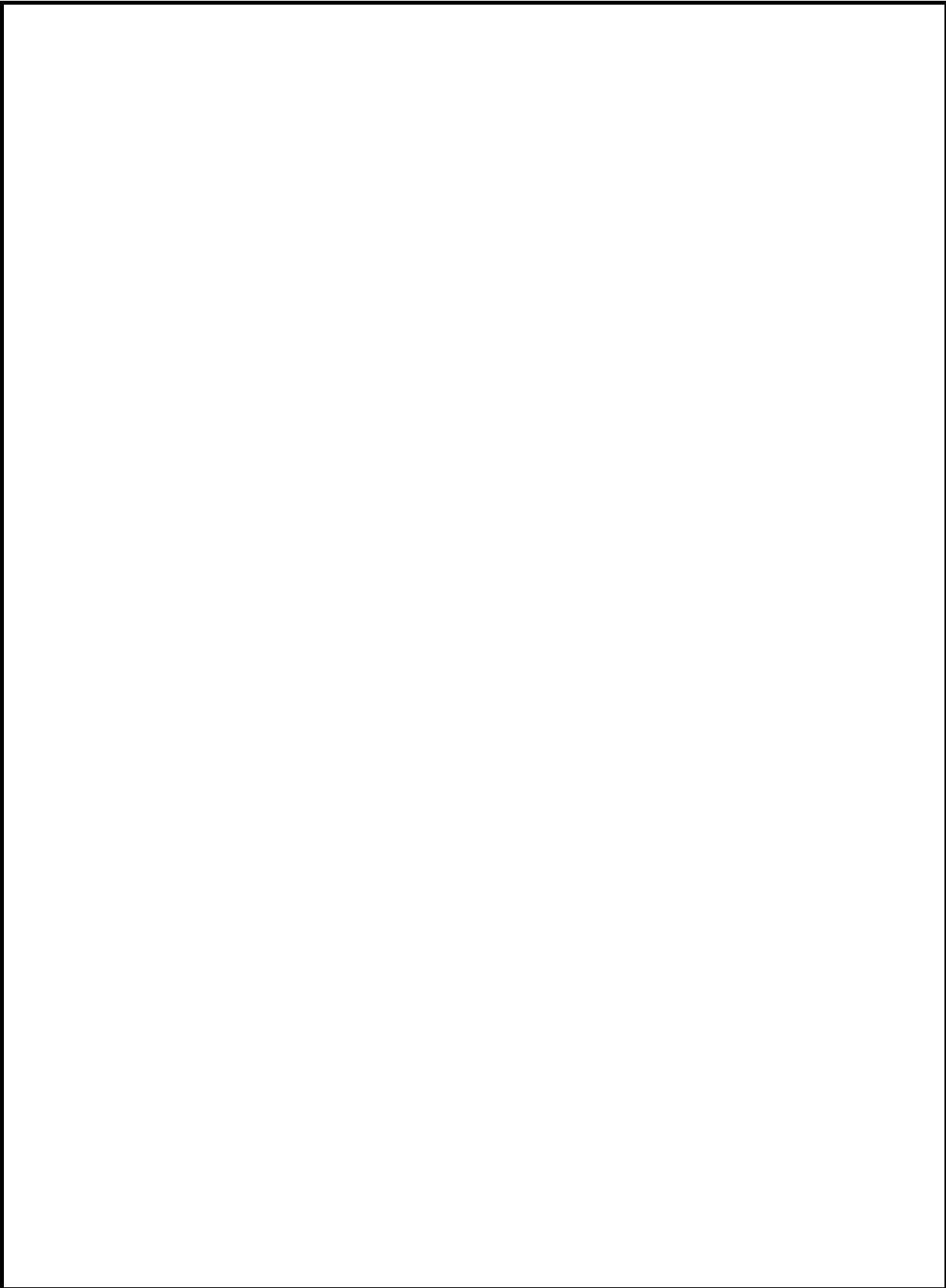
4. CONTROL OVER RESPONDENT

If any corporation, business trust, or similar organization or combination of such organizations jointly held control over the respondent at end of year, state name of controlling corporation or organization, manner in which control was held and extent of control. If control was in a holding company organization, show the chain of ownership or control to the main parent company or organization. If control was held by trustee(s), state name of trustee(s), name of beneficiaries for whom trust was maintained, and purpose of the trust. If other companies are controlled by the organization which holds control over the respondent, list the names of such companies and the kind of business each is engaged in.

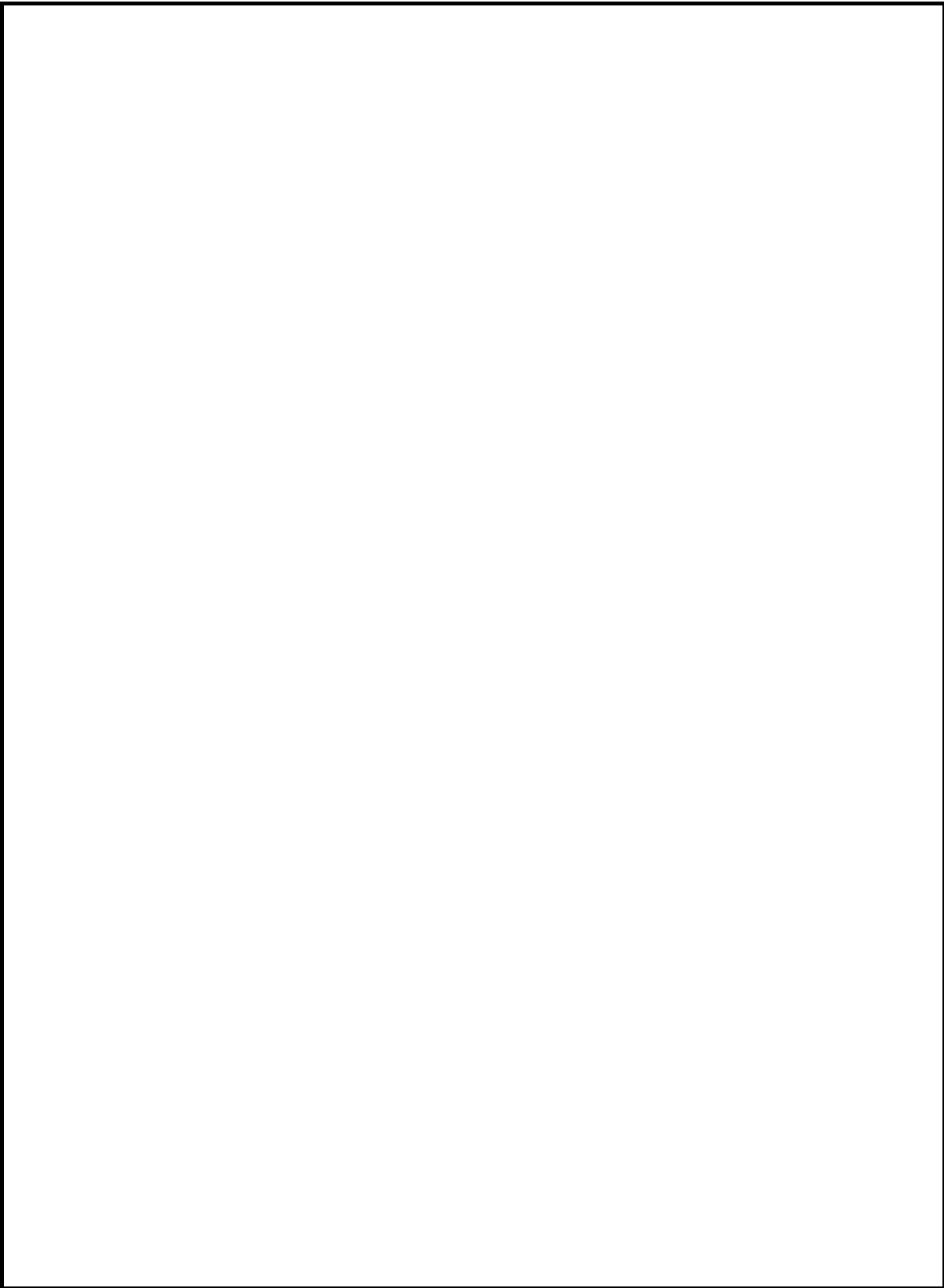
Officers and Directors of Trumansburg Telephone Company hold similar positions with the Ontario Telephone Company. Main offices for both companies are located at 75 Main Street, Phelps, New York 14532.

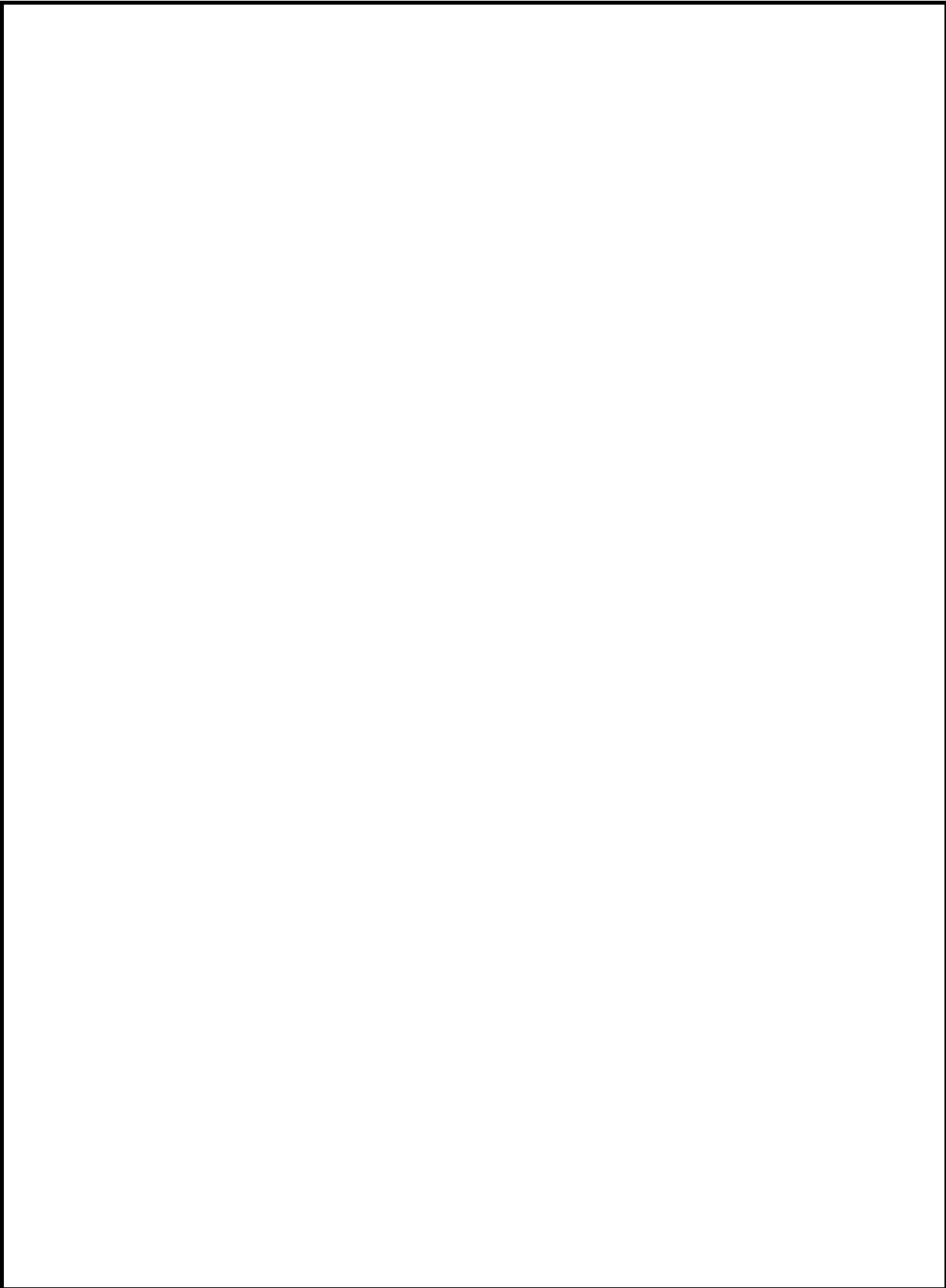
The Officers and Directors control 38% of Trumansburg Telephone Company.

The Ontario-Trumansburg ESOP controls 24% of Trumansburg Telephone Company.



6-A





6-C

Print as needed.

5. CORPORATIONS CONTROLLED BY RESPONDENT

1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars in a footnote.
2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.
3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.

Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Foot- note Ref. (d)
Finger Lakes Technologies Group, Inc.	Non Reg Communications & Data Networking Services	100%	(1)
Finger Lakes Communications Group, Inc.	Long Distance Services	50%	(2)
(1) Finger Lakes Technologies Group, Inc. is a solely owned subsidiary			

DEFINITIONS

1. See the Uniform System of Accounts for a definition of control.
2. Direct control is that which is exercised without interposition of an intermediary.
3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.
4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.

6. HOLDERS OF VOTING SECURITIES

1. Report the requested information for each holder of record of five percent or more of the voting capital or, if there are fewer than ten such holders, the ten who hold the highest voting powers. Data should be the latest available nearest the end of the year. When the holder of record is a trustee, or other intermediate agency (except a corporation), the data should be reported opposite the names of the beneficial owners, designated as such, under a general heading identifying the trustee or other agency. For corporations listed hereunder as holders of voting securities, see the next succeeding schedule. Securities with contingent voting rights may be disregarded.

2. Attach hereto a certified copy of every effective voting trust established under Section 621 of the Business Corporation Law and a certified copy of every other agreement (trustee or otherwise) under which voting securities are held for beneficial owners. If any such agreement has been filed with a previous report, reference to the earlier report will be sufficient provided changes or modification since filing are shown.

Line No.	Name and Address of Security Holder (a)	Number of Votes as of		
		Common Stock (b)	Other (Specify)	
			(c)	(d)
1	Ontario Trumansburg ESOP75 Main StreetPhelpsNY14532	87,323	0	
2	W.M. & R.H. Trustees Under Will of M.L. Griswold2380 Fort Hill	44,800	0	
3	John H Griswold1973 Maple-Lock BerlinLyonsNY14489	32,168	0	
4	Robert H Griswold2380 Fort Hill RoadPhelpsNY14532	29,567	0	
5	Susan G VerSTreate Revocable Living Trust1682 Red Fox Drive	27,483	0	
6	Jan G WheelerPO Box 756ReserveNM87830	17,400	0	
7	Charles E Rogers TTEE Trustee of the Barbara J Rogers Trust8	12,000	0	
8	Burr Lundgren6220 Lemmon Road NEOlympiaWA98501	10,000	0	
9	Jeanette D Miller29 Roxwood CircleRochesterNY14612	10,000	0	
10	Suzanne Pratt16 Maryvale DriveWebsterNY14580	10,000	0	
11	Richard M QuinnPO Box 62OvidNY14521	10,000	0	
12	Paul J Steen8 Jay StreetPhelpsNY14532	8,000	0	
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7. VOTING POWERS AND ELECTIONS

- 1. Has each share of stock the right to one vote? YES
- 2. Are voting rights attached only to stock? YES
(if the answer to either query 1 or 2 is "No", give full particulars in a note.)
- 3. Is cumulative voting permitted? NO
- 4. State the place and date of the latest general meeting held prior to the end of the year for the election of directors.
- 5. State the total number of votes cast at such general meeting 1 and the total number cast by proxy 354,643.
- 6. State the total number of voting security holders 98 and the total of all voting securities 423,513 as of such date.
- 7. If any security has preferences, special privileges, or restrictions in the election of directors, trustees or managers, or in the determination of any corporate action, give details.

8. IMPORTANT CHANGES DURING THE YEAR

Report important changes of the types listed. Except as otherwise indicated, data furnished should apply to the same period the report covers. Answers should be numbered in accordance with the inquiries, and if "none" states the fact, it should be used. If information which answers an inquiry is given elsewhere in the report, identification of the other source will be sufficient.

1. Changes in rights to furnish service, i.e. distribution franchises or similar consents: For each franchise surrendered show the name of the municipality, date of grant, and date of surrender. For each franchise acquired, show the grantor, the date, the specific territory covered, the party from whom acquired, and the consideration.
2. Consolidations, mergers and reorganizations: Give names of other companies involved, particulars of each such incident, date, and Commission authorization.
3. Purchase or sale of entire property, or a part of property when service territory is included: Give brief description of each transaction, name of the other party, date, consideration and Commission authorization.
4. Lease of property (to or from another) of the kind covered by the preceding inquiry: To the extent applicable give details corresponding to those required by the preceding inquiry.
5. Securities issued during the year: Identify the securities, give purposes of issuance, date, consideration received and Commission authorization. As here used the term "securities" shall be taken to mean any capital stock or debt, the issuance of which requires prior authorization by this Commission.
6. Changes in rates: Show brief particulars of each intrastate rate change, the estimated increase or decrease in annual revenues by reason of such changes, the service classification, effective date, and date ordered or allowed by the Commission. Give the same information for interstate rate changes.
7. Changes in scales of wages: State the estimated annual effect and nature of any important wage scale changes during the year.
8. Changes in articles of incorporation: Give brief particulars of each change and date.
9. Changes in general officers between end of period covered by this report and date of filing thereof. Give brief particulars.
10. Other important changes: Give brief particulars of each other important change which is not disclosed elsewhere in this report.
11. Give information on any changes in accounting standards that have occurred during the year.

1-10. None

8. IMPORTANT CHANGES DURING THE YEAR (Continued)

9. INCOME AVAILABLE FOR RETURN AND CALCULATION OF RATE BASE

1. All columns must be filled in for those companies whose toll settlements are based on actual cost. Companies that receive toll settlements on the basis of average cost need to complete columns (b) through (e).
2. The totals as reported on this schedule should conform with amounts reported on corresponding schedules.
3. Include in column (g), Part 36 interstate amounts and any reconciliation of New York State amounts.
4. Include on Line 27 any adjustments needed for items includable in Earnings Available for Rate of Return calculation purposes which are not includable in the lines above (e.g. tax imputation for imputed interest, etc.) Please identify and explain.

Line No.	Item (a)	Total (b)	Nonregulated (c)	Other Adjustments (d)	Subject to Separations (e)	New York State (f)	Other (g)
<u>Operating Revenues</u>							
1	Local Network Services	\$1,493,827			1,493,827	\$1,500,895	(\$7,068)
2	Network Access Services	2,980,156			2,980,156	1,034,003	1,946,153
3	Long Distance Network Serv.	0			0		
4	Miscellaneous	441,340	148,861		292,479	287,182	5,297
5	Settlements	0					
6	Nonregulated Revenues	495,470	495,470				
7	Subtotal	5,410,793	644,331	0	4,766,462	2,822,080	1,944,382
8	Uncollectibles	24,450			24,450	24,450	
9	Total Operating Revenues	5,386,343	644,331	0	4,742,012	2,797,630	1,944,382
<u>Operating Expenses</u>							
10	Plant Specific	1,475,491	134,393		1,341,098	844,758	496,340
11	Plant Non-specific	370,452	0		370,452	242,646	127,806
12	Marketing	82,675	18,702		63,973	53,053	10,920
13	Customer Operations Services	381,051	56,231		324,820	242,770	82,050
14	Access	131,071	0		131,071	29,976	101,095
15	Corporate Operations	1,284,839	164,115		1,120,724	695,185	425,539
16	Subtotal	3,725,579	373,441	0	3,352,138	2,108,388	1,243,750
17	Depreciation & Amortization	1,108,670			1,108,670	736,489	372,181
18	Total Operating Expenses	4,834,249	373,441	0	4,460,808	2,844,877	1,615,931
19	Net Operating Revenues	552,094	270,890	0	281,204	(47,247)	328,451
<u>Operating Taxes</u>							
20	Operating FIT	46,418	41,490	(25)	4,903	(53,071)	57,974
21	Deferred Operating FIT-Net	(2,246)			(2,246)	(1,763)	(483)
22	Operating Investment Tax Credit - Amort (Option 2)	0					
23	Total Federal Income Taxes	44,172	41,490	(25)	2,657	(54,834)	57,491
24	Other Operating Taxes	287,643			287,643	191,541	96,102
25	Total Operating Taxes	331,815	41,490	(25)	290,300	136,707	153,593
26	Other Operating Income and Expenses						
27	Net Operating Income*	220,279	229,400	25	(9,096)	(183,954)	174,858
28	Rate Case Adj, if applicable						
29	Net Operating Income after Rate Case Adj	\$220,279	\$229,400	\$25	(\$9,096)	(\$183,954)	\$174,858

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* Net Operating Income on Line 27 should equal Net Operating Income on Sch 12, Line 16, Column C.

9. INCOME AVAILABLE FOR RETURN AND CALCULATION OF RATE BASE

Line No.	Item (a)	Total (b)	Nonregulated (c)	Other Adjustments (d)	Subject to Separations (e)	New York State (f)	Other (g)
1	Telephone Plant in Service	\$25,267,359	\$143,764		\$25,123,595	\$16,455,955	\$8,667,640
2	Noninterest Bearing Telephone Plant under Construction	206,570			\$206,570	135,303	71,267
3	Telephone Plant Held for Future Use						
4	Materials and Supplies	769,784			\$769,784	568,947	200,837
5	Prepayments	48,828			\$48,828	31,982	16,846
6	Cash Working Capital *	366,256			\$366,256	239,898	126,358
7	RTB Stock				\$0	0	0
8	Other Rate Base Adjustments, If Applicable				\$0		0
9	Unamortized Deferrals	321,251			\$321,251	226,221	95,030
10	Depreciation Reserve	15,310,239	71,093		\$15,239,146	9,827,725	5,411,421
11	Amortization Reserve				\$0		0
12	Accumulated Deferred Income Taxes	1,834,945	54,617		\$1,780,328	1,160,742	619,586
13	Accumulated Deferred Investment Tax Credit (Option 1 Only)				\$0		0
14	Rate Base (Lines 1-9 minus lines 10-13)	\$9,834,863	\$18,054	\$0	\$9,816,809	\$6,669,839	\$3,146,970

All lines except line 6 are balances at beginning of year plus balances at end of year divided by two.

* Allowance based upon collection of revenues and operating expenses:

For Example:

	<u>Amount</u>	<u>Percentage</u>	<u>Lag Days</u>	<u>Weighted Days</u>
1. Advance Billings (Local Service, etc.)	\$40	40.0%	15	6
Arrears Billings (Toll, etc.)	60	60.0%	45	27
	<u>\$100</u>	<u>100.0%</u>		<u>33</u>

2. Weighted Days - 33 divided by 365 days equals 9.04%

3. Operating Expenses minus Depreciation multiplied by 9.04% equals Cash Working Capital

10. Instructions for Rate of Return and Return on Common Equity

RATE OF RETURN AND RETURN ON COMMON EQUITY COMPUTATIONS:

- Line 1: Income Available for Return and Calculation of Rate Base
 Column (a): Page 12, Line 29, Column (e)
 Column (b): Page 12, Line 29, Column (f)
- Line 2: Income Available for Return and Calculation of Rate Base
 Column (a): Page 13, Line 14, Column (e)
 Column (b): Page 13, Line 14, Column (f)
- Line 3: Rate of Return
 Columns (a) and (b): Divide Line 1 by Line 2
- Line 4: Return on Common Equity
 Column (a): Line 10, Column (c)
 Column (b): Line 16, Column (c)

CAPITAL STRUCTURE:

- Column (a): The amount in Column (a) reflects the average balance in the reporting year for Long-Term Debt (including current maturities), Notes Payable, Customer Deposits, Preferred Stock and Common Equity (Total Stockholder's Equity less Preferred Stock).
- Column (b): The structure column reflects the percentage of total capitalization that each component represents.
- Column (c): The cost rate column reflects the actual cost of debt, customer deposits and preferred stock preferred stock experienced in the reporting year. The cost rate is derived by dividing the interest expense and/or preferred stock dividends by the respective average debt or preferred stock balance. The return on common equity is a calculated amount.
- Column (d): The weighted cost column represents the cost rate of the total capitalization and is equal to the respective rate of returns (Line 3, Column (a) by Column (b)). Once the weighted cost of debt (Long-Term Debt, Notes Payable, Customer Deposits) and preferred stock are totaled and then subtracted from the respective rate of return, the fall out number is the weighted cost of common equity. The return on common equity (Column (c)) is derived by dividing the weighted cost of common equity (Column (d)) by the Common equity percentage of total capitalization (Column (b)).

ALTERNATIVE CAPITAL STRUCTURE

For companies who are required to report their achieved returns to this Commission on a regular basis and companies that use alternative capital structures for ratemaking purposes, report the capital structure used for that purpose herein. Explain the basis for the capital structure used.

- Line 5: Required Additional Revenues:
- Column (a): Multiply the rate base (Line 2, Column (a)) by the common equity percentage of total capitalization (Line 10, Column (b)). Take this Product and multiply by 1% and then divide the result by 63.5%. The resulting product is the additional revenues.
- Column (b): Multiply the rate base (Line 2, Column (b)) by the common equity percentage of total capitalization (Line 16, Column (b)). Take this product and multiply by 1% and then divide the result by 63.5%. The resulting product is the additional revenues.

10. Rate of Return and Return on Common Equity

Line No.	Item	Subject to Separation (a)	Intrastate (b)
1	Net Operating Income after Rate Case Adj	\$ <u>-9,096</u>	\$ <u>(183,954)</u>
2	Rate Base	\$ <u>9,816,809</u>	\$ <u>6,669,839</u>
3	Rate of Return	<u>-0.09%</u>	<u>-2.76%</u>
4	Return on Common Equity	<u>-1.05%</u>	<u>-4.23%</u>
5	Required Additional Revenues *	\$ <u>129,735</u>	\$ <u>88,147</u>

* (To provide an additional 1% Return on Common Equity)

Capital Structure used for Subject to Separations *

	Item	Amount (a)	Structure (b)	Cost Rate (c)	Weighted Cost (d)
6	Long-Term Debt	\$ 2,094,641	13.73%	5.08%	0.70%
7	Notes Payable	359,224	2.35%	4.00%	0.09%
8	Customer Deposits		0.00%	5.00%	0.00%
9	Preferred Stock		0.00%	6.00%	0.00%
10	Common Equity	12,805,723	83.92%	-1.05%	-0.88%
11	Total	\$ 15,259,588	100.00%		-0.09%

Capital Structure used for Intrastate*

	Item	Amount (a)	Structure (b)	Cost Rate (c)	Weighted Cost (d)
12	Long-Term Debt	\$ 2,094,641	13.73%	5.08%	0.70%
13	Notes Payable	359,224	2.35%	4.00%	0.09%
14	Customer Deposits	0	0.00%	5.00%	0.00%
15	Preferred Stock	0	0.00%	6.00%	0.00%
16	Common Equity	12,805,723	83.92%	-4.23%	-3.55%
	Total	\$ 15,259,588	100.00%		-2.76%

It should be noted that these calculated rates of return and common equity returns are not intended as an evaluation of the reasonableness of the earnings of any utility under the jurisdiction of the Public Service Commission. Also, the computed in a formal rate proceeding. Differences may occur because the data in formal proceeding are analyzed in detail and some adjustments are usually made to booked amounts.

* Use alternative capital structure if applicable.

11. BALANCE SHEET Assets and Other Debits

Provide total company amounts on the basis of the New York Uniform System of Accounts. Any jurisdictional differences between the FCC and NY PSC should be distributed to each account.

Line No.	Accounts (a)	Sch. Page No. (b)	Balance at End of Year (c)	Balance at Beginning of Year (d)	Increase or (Decrease) (e)
CURRENT ASSETS					
1	1130	--	\$43,707	\$116,746	(\$73,039)
2	1140	--			0
3	1150	--	3,565	265	3,300
4	1160	--	1,258,656	1,079,943	178,713
5	1180	36	262,494	273,294	(10,800)
6	1181	36	0	0	0
7	1190.1	37	2,026,784	824,876	1,201,908
8	1190.2	37	380,250	398,946	(18,696)
9	1191	38	0	0	0
10	1200.1	39	0		0
11	1200.2	39	260		260
12	1201	39	0	0	0
13	1210	--			0
14	1220	40	750,864	788,703	(37,839)
15	1290	--			0
16	1300	41-42	0	0	0
17	1310	--			0
18	1320	--			0
19	1330	--	47503	50153	(2,650)
20	1350	--			0
21	1360	43-44	0	0	0
22			4,774,083	3,532,926	1,241,157
NONCURRENT ASSETS					
23	1401.1	50-51	3,037,794	2,678,472	359,322
24	1401.2	52-53	654,486	911,960	(257,474)
25	1402	52-53	51,186	55,000	(3,814)
26	1406	54	0	0	0
27	1407	58-59	4,800	7,200	(2,400)
28	1408	--			0
29	1410	--	2,312,740	2,814,231	(501,491)
30	1438	--			0
31	1439	55	0	5,831	(5,831)
32	1500	--	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX
33	1510	43-44	320,074	288,255	31,819
34			6,381,080	6,760,949	(379,869)
REGULATED PLANT					
35	2001	24-25	25,473,654	25061063	412,591
36	2002	24-25	0	0	0
37	2003	24-25	323,583	89557	234,026
38	2004	24-25	0	0	0
39	2005	24-25	0	0	0
40	2006	24-25	0	0	0
41	2007	24-25	0	0	0
42			25,797,237	25,150,620	646,617
43	3100-3300	32-33	15,836,462	14,784,017	1,052,445
44	3410-3600	32-33	0	0	0
45			9,960,775	10,366,603	(405,828)
46			\$21,115,938	\$20,660,478	\$455,460

For Notes to Balance Sheet see Page 18.

11. BALANCE SHEET
Liabilities and Other Credits

Provide total company amounts on the basis of the New York Uniform System of Accounts. Any jurisdictional differences between the FCC and NY PSC should be distributed to each account.

Line No.	Accounts (a)	Sch. Page No. (b)	Balance at End of Year (c)	Balance at Beginning of Year (d)	Increase or (Decrease) (e)	
CURRENT LIABILITIES						
1	4010.1	Accounts Payable to Affiliated Companies	56	\$1,419,846	\$1,302,119	\$117,727
2	4010.2	Other Accounts Payable	56	205,945	141,181	64,764
3	4020.1	Notes Payable to Affiliated Companies	57	0		0
4	4020.2	Other Notes Payable	57	345,460	429,275	(83,815)
5	4030	Advance Billing and Payments	--	458,149	478,585	(20,436)
6	4040	Customers' Deposits	--			0
7	4050	Current Maturities-Long-Term Debt	58-59	299,235	299,235	0
8	4060	Current Maturities-Capital Leases	--			0
9	4070	Income Taxes-Accrued	41-42	120,489	94,564	25,925
10	4080	Other Taxes-Accrued	41-42	122,883	164,557	(41,674)
11	4100	Current Deferred Oper. Income Taxes-Cr.	45-47	0	0	0
12	4110	Current Def. Nonoper. Income Taxes-Cr.	45-47	0	0	0
13	4120	Other Accrued Liabilities	--	325,114	315,437	9,677
14	4130	Other Current Liabilities	--	320,556	285,082	35,474
15		Total Current Liabilities		3,617,677	3,510,035	107,642
LONG-TERM DEBT						
16	4210	Funded Debt	58-59	1,595,916	1,994,896	(398,980)
17	4220	Premium on Long-Term Debt	58-59	0		0
18	4230	Discount on Long-Term Debt	58-59	0		0
19	4240	Reacquired Debt	--			0
20	4250	Obligations Under Capital Leases	--			0
21	4260	Advances from Affiliated Companies	58-59	0		0
22	4270	Other Long-Term Debt	58-59	0		0
23		Total Long-Term Debt		1,595,916	1,994,896	(398,980)
OTHER LIABILITIES AND DEFERRED CREDITS						
24	4310	Other Long-Term Liabilities	61	321,990	273,309	48,681
25	4320	Un. Oper. Invest. Tax Credits-Net	45-47	0	0	0
26	4330	Un. Nonoper. Invest. Tax Credits-Net	45-47	0	0	0
27	4340	Noncurrent Def. Oper Income Taxes-Cr.	45-47	2,113,819	2,055,166	58,653
28	4350	Noncurrent Def. Nonoper Income Taxes-Cr.	45-47	83,364	25,869	57,495
29	4360	Other Deferred Credits	62	276,482	296,445	(19,963)
30	4370	Other Juris. Liabilities & Def. Credits-Net	--	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXX
31		Total Other Liabilities and Def. Credits		2,795,655	2,650,789	144,866
STOCKHOLDERS' EQUITY						
32	4510.1	Capital Stock-Common	63	240,000	240,000	0
33	4510.2	Capital Stock-Preferred	63	0		0
34	4520	Additional Paid-in Capital	63	209,837	168,158	41,679
35	4530	Treasury Stock	63	2,532,861	2,580,402	(47,541)
36	4540	Other Capital	--	308,065	257,768	50,297
37	4550.1	Appropriated Retained Earnings	21	0	0	0
38	4550.2	Unappropriated Undistrib. Affil Earnings	21	(417,014)	(417,014)	0
39	4550.3	Unappropriated Retained Earnings	21	15,298,662	14,836,248	462,414
40		Total Stockholders' Equity		13,106,689	12,504,758	601,931
41		TOTAL LIABILITIES AND OTHER CREDITS		\$21,115,938	\$20,660,478	\$455,460

For Notes to Balance Sheet see Page 18.

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11. NOTES TO BALANCE SHEET

1. The space below and on the page following is provided for important notes regarding the balance sheet or any account thereof.
2. Furnish particulars for material contingent assets or liabilities existing at the end of the year which are reasonably possible in accordance with Statement of Financial standards No.5. For any dividends in arrears at the end of the year on cumulative preferred stock, state the date of the last dividend, the average per share, and the total amount arrearage. List all discounted notes receivable outstanding at the end of the year, stating for each the name of maker, amount and term of note, interest rate, date discounted, and net proceeds realized.
3. Give a concise explanation of any retained earnings restriction and state the amount of retained earnings affected by such restriction.
4. If the notes to balance sheet appearing in the annual report to the stockholders are applicable, such notes (designated as such) may be used in lieu of answers for the foregoing.

NOTES:

1. The amount of pension funds held by outside trustees and irrevocably devoted to pension purposes at the end of the year was \$_____.
2. Cumulative dividends in arrears at the end of the year amounted to \$_____.

ADDITIONAL NOTES TO BALANCE SHEET

11. NOTES TO BALANCE SHEET (Continued)

12. INCOME AND RETAINED EARNINGS STATEMENT

Provide total company amount on the basis of the New York Uniform System of Accounts. Any jurisdictional differences between the FCC and NY PSC should be distributed to each account.

Line No.	Item (a)	Sch. Page No. (b)	TOTAL	
			Current Year (c)	Last Year (d)
INCOME				
TELEPHONE OPERATING INCOME				
1	Operating Revenues.....	65	\$5,386,343	\$5,630,624
2	Operating Expenses.....	72	4,834,249	4,749,127
3	Net Operating Revenues		552,094	881,497
OTHER OPERATING INCOME AND EXPENSE				
4	7110 Income from Custom Work.....	--		
5	7130 Return from Nonregulated Use of Regulated Facilities.....	--		
6	7140 Gains and Losses from Foreign Exchange.....	--		
7	7151 Gains or Losses from Disposition of Land and Artworks.....	--		
8	7160 Other Operating Gains and Losses.....	--		
9	Total Other Operating Income and Expenses		0	0
OPERATING TAXES				
10	7210 Operating Investment Tax Credits-Net.....	45-47		
11	7220 Operating Federal Income Taxes.....	73-74	46,418	122,750
12	7230 Operating State and Local Income Taxes.....	73-74		
13	7240 Operating Other Taxes.....	73-74	287,643	424,007
14	7250 Provision for Deferred Operating Income Taxes-Net.....	43-47	(2,246)	22,633
15	Total Operating Taxes		331,815	569,390
16	Net Operating Income		220,279	312,107
NONOPERATING INCOME AND EXPENSES				
17	7310 Dividend Income.....	--	22,910	25,326
18	7320 Interest Income.....	--	42,126	35,496
19	7330 Income from Sinking and Other Funds.....	--		
20	7340 Allowance for Funds Used During Construction.....	--	6,295	1,679
21	7350 Gains or Losses from the Disposition of Certain Property.....	--		
22	7355 Equity in Earnings of Affiliated Companies.....	50-51	359,322	(254,756)
23	7360 Other Nonoperating Income.....	79	92,746	(224,441)
24	7370 Special Charges.....	77	14,692	13,414
25	Total Nonoperating Income Items and Expenses		508,707	(430,110)
NONOPERATING TAXES				
26	7410 Nonoperating Investment Tax Credits-Net (-).....	45-47		
27	7420 Nonoperating Federal Income Taxes.....	73	23,106	(79,265)
28	7430 Nonoperating State and Local Income Taxes.....	73-74		
29	7440 Nonoperating Other Taxes.....	73-74	0	
30	7450 Provision for Deferred Nonoperating Income Taxes-Net.....	43-47	60,662	0
31	Total Nonoperating Taxes		83,768	(79,265)
32	Total Nonoperating Income		424,939	(350,845)
33	Income Available for Fixed Charges		645,218	(38,738)
INTEREST AND RELATED ITEMS				
34	7510 Interest on Funded Debt.....	58-59	108,747	135,909
35	7520 Interest Expense-Capital Leases.....		0	0
36	7530 Amortization of Debt Issuance Expense.....	58-59	2,400	2,400
37	7540 Other Interest Deductions.....	78	17,839	4,441
38	Total Interest and Related Items		128,986	142,750
39	Income Before Extraordinary Items		516,232	(181,488)

12. INCOME AND RETAINED EARNINGS STATEMENT (Continued)

Line No.	Item (a)	Sch. Page No. (b)	TOTAL	
			Current Year (c)	Last Year (d)
EXTRAORDINARY ITEMS				
40	7610 Extraordinary Income Credits.....	80	0	
41	7620 Extraordinary Income Charges.....	80	0	
42	7630 Current Income Tax Effect of Extraordinary Items-Net.....	80	0	
43	7640 Provision for Def. Income Tax Effect of Extra. Items-Net.....	80	0	
44	Total Extraordinary Items		0	0
JURISDICTIONAL DIFFERENCES AND NONREG. INCOME ITEMS				
45	7910 Income Effect of Jurisdictional Ratemaking Differences-Net.....	--	xxxxxxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxxxxxx
46	7990 Nonregulated Net Income.....	--		
47	Total Jurisdictional Differences and Extraordinary Items		0	0
48	Net Income		\$516,232	(\$181,488)
RETAINED EARNINGS				
49	4550.3 Unappropriated Retained Earnings (at Beginning of Period)..		\$14,836,248	\$15,071,483
50	4550.4 Balance Transferred from Income.....		516,232	(181,488)
51	4550.5 Appropriations of Retained Earnings.....			
52	4550.6 Dividends Declared-Preferred Stock.....	63	0	0
53	4550.7 Dividends Declared-Common Stock.....	63	53,818	53,747
54	4550.8 Adjustments to Retained Earnings.....	64		
55	Net Change to Unappropriated Retained Earnings		462,414	(235,235)
56	4550.3 Unappropriated Retained Earnings (End of Period).....		15,298,662	14,836,248
57	4550.1 Appropriated Retained Earnings (End of Period).....			
58	Total Retained Earnings		\$15,298,662	\$14,836,248
UNAPPROPRIATED UNDISTRIBUTED AFFILIATE EARNINGS				
59	4550.2 Unappropriated Undistributed Affiliate Earnings (beginning of period).....		(\$417,014)	(\$417,014)
60	Equity in Earnings for Period.....	51		
61	Dividends Received.....			
62	Other Changes (explain).....			
63	4550.2 Unappropriated Undistributed Affiliate Earnings (end of period).....		(\$417,014)	(\$417,014)

NOTES TO INCOME AND RETAINED EARNINGS STATEMENT

Note 1. Refunds to subscribers, in the event of an adverse decision in pending rate proceedings, would reduce the amount of "Operating Revenues" for the current year by approximately \$_____

516,232

\$462,414 \$516,232

13. STATEMENT OF CASH FLOWS

Line No.	Items (a)	Current Year (b)	Last Year (c)
	Cash flows from operating activities:		
1	Net Income	\$516,232	(\$181,488)
	Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
2	Depreciation and depletion	1,108,670	1,075,415
3	Amortizations	2,400	2,400
4	Increase (Decrease) in deferred taxes and investment tax credits-net	58,417	22,633
5	Equity (AFUDC)		
6	Decrease (Increase) in receivables related to operations excluding unbilled revenues	(1,172,671)	(832,927)
7	Decrease (Increase) in inventory related to operations		
8	Increase (Decrease) in accrued expenses and accounts payable related to operations	359,779	97,051
9	Unbilled revenues		
10	Increase (Decrease) in current income taxes and other taxes payable	(15,749)	317,569
11	Increase (Decrease) in interest payable	(10,597)	(12,896)
12	Equity in loss(earnings) of affiliates	(359,322)	254,756
13	Dividends received from associated and subsidiary companies accounted for under the equity method		
	Other Adjustments:		
14	PREPAIDS	8,481	(6,065)
15	GAIN/LOSS ON SALE OF SECURITIES	(109,023)	224,442
16	INCREASE/(DECREASE) IN OTHER LIABILITIES	(19,963)	4,194
17	Total Adjustments	(149,578)	1,146,572
18	Net cash provided by (used in) operating activities	366,654	965,084
	Cash flows from investing activities:		
	Cash outflows for construction (-)		
	Gross additions to:		
19	Telephone plant (include capital leases)	(702,032)	(212,194)
20	Common plant		
21	Non-utility plant		
22	Other plant		
	Adjustments to gross additions:		
23	Increase (Decrease) in payables related to construction		
24	Decrease (Increase) in inventory related to construction	37,839	(185,351)
25	Capital leases		
26	Equity AFUDC		
27	Other adjustments		
28	Total cash outflows for construction	(664,193)	(397,545)
29	Acquisition of other non-current assets (5)(d)	(29,151)	(83,002)
30	Payments for the acquisition of other debt and equity securities (5)(a)	(1,811,063)	(1,092,798)
31	Investments in and advances to subsidiary and associated companies		(133,787)
32	Repayments of advances by associated and subsidiary companies	257,477	
	Net proceeds from sale or disposition of:		
33	Property, plant and equipment	(810)	(13,076)
34	Investments in subsidiary & associated companies		
35	Other debt and equity investments	1,931,340	1,236,130
36	Other non-current assets	513,588	
37	Other:		
38			
39	Total of any Insert Pages		
40	Net cash provided by (used in) investing activities	197,188	(484,078)

13. STATEMENT OF CASH FLOWS (Continued)

Line No.	Items (a)	Current Year (b)	Last Year (c)
	Cash flows from financing activities:		
	Proceeds from issuing:		
41	Common stock		
42	Preferred stock		
43	Long-term debt (5)(b)		
44	Net change in short-term debt (5)(c)		
45	Contributions and advances from subsidiary and associated companies		
46	Principal payments under capital leases		
	Payments for retirement of: (-)		
47	Common stock		
48	Preferred stock		
49	Long-term debt (5)(b)	(565,444)	(648,522)
	Dividends paid on: (-)		
50	Common stock	(53,818)	(53,749)
51	Preferred stock		
	Other:(5)(e)		
52	PURCHASE OF TREASURY STOCK	(14,319)	(7,642)
53			
54			
55			
56			
57			
58	Total of any Insert Pages		
59	Net cash provided by (used in) financing activities	(633,581)	(709,913)
60	Net increase(decrease) in cash and cash equivalents	(69,739)	(228,907)
61	Cash & cash equivalents at the beginning of the year	117,011	345,918
62	Cash & cash equivalents at the end of the year	\$47,272	\$117,011

INSTRUCTIONS

- If the notes to the cash flow statement in the respondent's report to stockholders are applicable to this statement, such notes should be attached below. Information about non-cash investing and financing activities should be provided below. Also, provide below a reconciliation between "Cash and Cash Equivalents at End of Year" with related accounts on the balance sheet.
- "Other" in operating activities should include net changes in deferred debits and credits. In all activities companies should specify significant amounts and group others.
- Operating activities - other: Exclude gains and losses from investing and financing activities on lines 14 through 16. Include these gains or losses in the appropriate investing or financing activities section. Show below the amounts of interest paid (net of amounts capitalized) and income taxes paid.
- Investing activities - Include at "Other" line 37 the net cash flow to acquire other companies that are not associated or subsidiaries. Provide a reconciliation of assets acquired with liabilities assumed below.
- Codes used:
 - Net proceeds or payments.
 - Bonds, debentures and other long-term debt.
 - Include commercial paper.
 - Identify separately in space below such items as investments, fixed assets, intangibles, etc.
 - Show separately, by issue, financing expenses related to issuance and gains or losses resulting from redemptions.

14. ANALYSIS OF TELECOMMUNICATIONS PLANT ACCOUNTS

1. Report in column (c) all amounts relating to purchases of plant accounted for in accordance with instruction 663.2 of the Uniform System of Accounts. Report in column (e) all amounts relating to sales of plant with traffic accounted for in accordance with instruction 663.5(e) of the Uniform System of Accounts.
2. Credits to accounts listed in this schedule relating to property retired and charged to Account 2006 'Nonoperating Plant', shall be included in column (f).
3. Items of a reverse or contrary character should be designated by appropriate symbols.
4. Each transfer or adjustment between accounts listed in this schedule, including account 2005, or between accounts listed in this schedule and other accounts, shall be included in column (g) and explained in a note, except the following which shall be included in the columns (c) through (f), as appropriate:
 - a. transfers and adjustments amounting to less than \$5,000;
 - b. adjustments and corrections of additions and retirements for the current or preceding year;
 - c. transfers involving account 2003 and 2004, the plant accounts, and account 2002 made in connection with the closing of the records of construction work orders or authorizations;
 - d. routine entries relating to the acquisition, sale, retirement, or change in the use of plant, such as transfers among accounts 2111 to 2690, inclusive, 2002 and 2005.

Line No.	Account (a)	Balance at Beginning of the Year (b)	Charges During the Year		Credits During The Year		Transfers and Adjustments Charges (Credits) (g)	Balance at End of the Year (h)
			Other Plant Added from Predecessor (c)	Other Plant Added or Transferred (d)	Plant Sold With Traffic (e)	Other Plt. Ret. or Transferred (f)		
2001 Telecommunications Plant in Service								
General Support Assets								
1	2111 Land	\$27,944						\$27,944
2	2112 Motor Vehicles	609,972						609,972
3	2113 Aircraft							0
4	2114 Special Purpose Vehicles							0
5	2115 Garage Work Equipment							0
6	2116 Other Work Equipment	292,165		49,554				341,719
7	2121 Buildings	1,084,495						1,084,495
8	2122 Furniture	5,132		2,010				7,142
9	2123 Office Equipment							0
10	.1 Office Support Equipment	13,260						13,260
11	.2 Company Communications Equipment	139,435						139,435
12	2124 General Purpose Computers	187,979		34,424				222,403
13	Total General Support Assets	\$2,360,382	\$0	\$85,988	\$0	\$0	\$0	\$2,446,370
Central Office Assets								
14	2211 Analog Electronic Switching							\$0
15	2212 Digital-Electronic Switching	4,602,495		65,846				4,668,341
16	2215 Electro-Mechanical Switching							0
17	.1 Step-by-Step Switching							0
18	.2 Crossbar Switching							0
19	.3 Other Electro-Mechanical Switching							0
20	2220 Operator Systems							0
21	2231 Radio Systems							0
22	.1 Satellite & Earth Station Facilities							0
23	.2 Other Radio Facilities							0
24	2232 Circuit Equipment	4,756,257		162,090		17,337		4,901,009
25	Total Central Office Assets	\$9,358,752	\$0	\$227,936	\$0	\$17,337	\$0	\$9,569,350

14. ANALYSIS OF TELECOMMUNICATIONS PLANT ACCOUNTS (Continued)

Line No.	Account (a)	Balance at Beginning of the Year (b)	Charges During the Year		Credits During The Year		Transfers and Adjustments Charges (Credits) (g)	Balance at End of the Year (h)
			Other Plant Added from Predecessor (c)	Other Plant Added or Transferred (d)	Plant Sold With Traffic (e)	Other Plt. Ret. or Transferred (f)		
Information Org./Term. Assets								
26	2311 Station Apparatus							\$0
27	2321 Customer Premises Wiring							0
28	2341 Large Private Branch Exchanges	10,085						10,085
29	2351 Public Terminal Equipment	52,304						52,304
30	2362 Other Terminal Equipment	80,879		9,258		8,340		81,797
31	Total Information Org./Term. Assets	\$143,268	\$0	\$9,258	\$0	\$8,340	\$0	\$144,186
Cable and Wire Facilities								
32	2411 Poles	\$2,051,872		\$26,910		\$3,979		\$2,074,803
33	2421 Aerial Cable	9,035,108		70,160		3,403		9,101,865
34	2422 Underground Cable	255,575		958				256,533
35	2423 Buried Cable	1,417,078		18,560				1,435,638
36	2424 Submarine Cable							0
37	2425 Deep Sea Cable							0
38	2426 Intrabuilding Network Cable							0
39	2431 Aerial Wire	369,388		6,511		630		375,269
40	2441 Conduit	69,640						69,640
41	Total Cable and Wire Facilities	\$13,198,661	\$0	\$123,099	\$0	\$8,012	\$0	\$13,313,748
Amortizable Assets								
42	2681 Capital Leases							\$0
43	2682 Leasehold Improvements							0
44	2690 Intangibles							0
45	Total Amortizable Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0
46	Total Telecommunications Plant in Service	\$25,061,063	\$0	\$446,280	\$0	\$33,689	\$0	\$25,473,654
47	2002 Property Held for Future Telecom. Use							\$0
48	2003 Telecom. Plt. Under Constr.-Short Term	89,557		234,026				323,583
49	2004 Telecom. Plt. Under Constr.-Long Term							0
50	2005 Telecom. Plt. Acquisition Adjustment							0
51	.1 Tel.. Plant Acquisition Adjustment							0
52	.2 Other Plant Adjustments							0
53	2006 Nonoperating Plant							0
54	2007 Goodwill							0
55	Total Telecommunications Plant	\$25,150,620	\$0	\$680,305	\$0	\$33,689	\$0	\$25,797,237

15. TELECOMMUNICATIONS PLANT UNDER CONSTRUCTION-SHORT TERM (Account 2003)

1. This schedule is intended to show the results of a summary analysis of the work orders still open for plant in process of construction, but not ready for service, which comprise the balance in this account at the balance sheet date. Particulars of individual work orders are not requested.

2. The amounts for plant shown in the appropriate columns should represent the approximate ultimate distribution to the primary accounts as indicated by the work order estimates.

Line No.	Account Classification (a)	2003 Telecommunications Plant Under Construction-Short Term (work orders open at end of year)		
		Charges (b)	Credits (c)	Balance at End of the Year Total (d)
	General Support Assets			
1	2111 Land			\$0
2	2112 Motor Vehicles			0
3	2113 Aircraft			0
4	2114 Special Purpose Vehicles			0
5	2115 Garage Work Equipment			0
6	2116 Other Work Equipment			0
7	2121 Buildings	23,877		23,877
8	2122 Furniture			0
9	2123 Office Equipment			0
10	2124 General Purpose Computers			0
	Central Office Assets			0
11	2211 Analog Electronic Switching			0
12	2212 Digital Electronic Switching			0
13	2215 Electro-Mechanical Switching			0
14	2220 Operator Systems			0
15	2231 Radio Systems			0
16	2232 Circuit Equipment	289,401		289,401
	Information Orig/Termination Assets			0
17	2311 Station Apparatus			0
18	2321 Customer Premises Wiring			0
19	2341 Large Private Branch Exchanges			0
20	2351 Public Telephone Terminal Equip.			0
21	2362 Other Terminal Equipment			0
	Cable and Wire Facilities Assets			0
22	2411 Poles	175		175
23	2421 Aerial Cable	9,978		9,978
24	2422 Underground Cable			0
25	2423 Buried Cable			0
26	2424 Submarine Cable			0
27	2425 Deep Sea Cable			0
28	2426 Intra-building Network Cable			0
29	2431 Aerial Wire	150		150
30	2441 Conduit Systems			0
31	Total Plant Accounts	323,581	0	323,581
	Other Accounts			0
32				0
33				0
34				0
35	Total	\$323,581	\$0	\$323,581

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15A. TELECOMMUNICATIONS PLANT UNDER CONSTRUCTION-LONG TERM (Account 2004)

1. This schedule is intended to show the results of a summary analysis of the work orders still open for plant in process of construction, but not ready for service, which comprise the balance in this account at the balance sheet date. Particulars of individual work orders are not requested.
2. The amounts for plant shown in the appropriate columns should represent the approximate ultimate distribution to the primary accounts as indicated by the work order estimates.

Line No.	Account Classification (a)	2004 Telecommunications Plant Under Construction-Long Term (work orders open at end of year)		
		Charges (b)	Credits (c)	Balance at End of the Year Total (d)
	General Support Assets			
1	2111 Land			\$0
2	2112 Motor Vehicles			0
3	2113 Aircraft			0
4	2114 Special Purpose Vehicles			0
5	2115 Garage Work Equipment			0
6	2116 Other Work Equipment			0
7	2121 Buildings			0
8	2122 Furniture			0
9	2123 Office Equipment			0
10	2124 General Purpose Computers			0
	Central Office Assets			0
11	2211 Analog Electronic Switching			0
12	2212 Digital Electronic Switching			0
13	2215 Electro-Mechanical Switching			0
14	2220 Operator Systems			0
15	2231 Radio Systems			0
16	2232 Circuit Equipment			0
	Information Orig/Termination Assets			0
17	2311 Station Apparatus			0
18	2321 Customer Premises Wiring			0
19	2341 Large Private Branch Exchanges			0
20	2351 Public Telephone Terminal Equip.			0
21	2362 Other Terminal Equipment			0
	Cable and Wire Facilities Assets			0
22	2411 Poles			0
23	2421 Aerial Cable			0
24	2422 Underground Cable			0
25	2423 Buried Cable			0
26	2424 Submarine Cable			0
27	2425 Deep Sea Cable			0
28	2426 Intra-building Network Cable			0
29	2431 Aerial Wire			0
30	2441 Conduit Systems			0
31	Total Plant Accounts	0	0	0
	Other Accounts			
32				0
33				0
34				0
35	Total	\$0	\$0	\$0

16. PROPERTY HELD FOR FUTURE TELECOMMUNICATIONS USE

1. Insert in column (a) the titles of the applicable primary accounts for telecommunications plant in service and for each show the corresponding details regarding Property Held for Future Telecommunications Use.
2. If respondent's annual operating revenues exceed \$100 million, list separately items amounting individually to \$50,000 or more; show the aggregate of all other items for each primary account listed.

Line No.	Item (a)	Anticipated In Service Date (b)	Balance at Beg. of Year (c)	Additions During Year (d)	Transfers to Tel. Plant in Service (e)	Other Retirements During Year (f)	Adjustments During Year Debit or (Credit) (g)	Balance at End of Year (h)
1	None							\$0
2								0
3								0
4								0
5								0
6								0
7								0
8								0
9								0
10								0
11								0
12								0
13								0
14								0
15								0
16								0
17								0
18								0
19								0
20								0
21								0
22								0
23								0
24								0
25								0
26								0
27								0
28								0
29								0
30								0
31								0
32								0
33								0
34								0
35								0
36								0
37	Totals		\$0	\$0	\$0	\$0	\$0	\$0

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18. ANALYSIS OF ASSETS PURCHASED OR SOLD TO AFFILIATES

- 1. Report separately, for each affiliate by account, sales and/or purchases of assets at any time during the year.
- 2. The net book value in column (f) shall equal the gross investment less accumulated depreciation and other applicable valuation reserves in column (e).

- 3. In column (g), report the fair market value which determined the sale or purchase price. Indicate in footnote the source of fair market value. If sale price was determined instead by tariffed rate, report this value. Indicate fair market value with an (F) and tariffed rate with (T) next to the amount in column (g).

Line No.	Name of Affiliate (a)	Account No. (b)	Original Cost (c)	Accumulated Depreciation (d)	Other Adjustments (e)		Net Book Value (f)	FMV or Tariffed Rate (g)	Purchased Price (h)		Sale Price (i)	
				Amount	Account No.	Amount	Amount		Account No.	Amount	Account No.	Amount
1	None						\$0					
2							0					
3							0					
4							0					
5							0					
6							0					
7							0					
8							0					
9							0					
10							0					
11							0					
12							0					
13							0					
14							0					
15							0					
16							0					
17							0					
18							0					
19							0					
20							0					
21							0					
22							0					
23							0					
24							0					
25							0					
26							0					
27							0					
28							0					
29							0					
30							0					
							\$0					

Notes:

19. ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION

- For the total of accrual reflected in column (c), show in a note the amounts concurrently charged to Accounts 6561, 6562 and to other accounts (specify).
- Include in columns (d), (f), (g) and (h) the amounts on open retirement work orders carried in sub-account 3100.01, Retirement Work in Progress.
- With respect to items in columns (e) and (i), include in a note the contra accounts charged or credited together with an explanation of the entries.

Line No.	Plant Account (a)	Balance at Beginning of Year (b)	Credits During the Year		
			Depreciation Accruals (c)	Salvage Insurance, etc. (d)	Other Credits (e)
	Telecommunications Plant in Service				
	General Support Assets				
1	2112 Motor Vehicles	\$262,517	\$43,625		
2	2113 Aircraft				
3	2114 Special Purpose Vehicles				
4	2115 Garage Work Equipment				
5	2116 Other Work Equipment	191,938	19,430		
6	2121 Buildings	441,236	28,522		
7	2122 Furniture	(13,060)	328		
8	2123 Office Equipment				
9	.1 Office Support Equipment	(7,704)	798		
10	.2 Company Communications Equipment	15,641	13,944		
11	2124 General Purpose Computers	131,155	13,078		
12	Total General Support Assets	1,021,723	119,726	0	0
	Central Office Assets				
13	2211 Analog Electronic Switching				
14	2212 Digital Electronic Switching	4,098,832	94,583		
15	2215 Electro-Mechanical Switching				
16	.1 Step-by Step				
17	.2 Crossbar				
18	.3 Other Electro-Mechanical Switching				
19	2220 Operator Systems				
20	2231 Radio Systems				
21	.1 Satellite and Earth Station Facilities				
22	.2 Other Radio Facilities				
23	2232 Circuit Equipment	2,503,570	250,751	5,506	
24	Total Central Office Assets	6,602,402	345,334	5,506	0
	Information Orig/Termination Assets				
25	2311 Station Apparatus				
26	2321 Customer Premises Wiring				
27	2341 Large Private Branch Exchanges	17,504			
28	2351 Public Telephone Terminal Equip.	53,588			
28	2362 Other Terminal Equipment	7,497	5,381	2,070	
29	Total Information Orig/Termination Assets	78,589	5,381	2,070	0
	Cable and Wire Facilities Assets				
30	2411 Poles	1,552,192	107,791		
31	2421 Aerial Cable	4,581,538	408,789		
32	2422 Underground Cable	70,447	7,004		
33	2423 Buried Cable	564,498	57,687		
34	2424 Submarine Cable				
35	2425 Deep Sea Cable				
36	2426 Intrabuilding Network Cable				
36	2431 Aerial Wire	302,443	34,716		
37	2441 Conduit Systems	10,185	1,379		
38	Total Cable and Wire Facilities Assets	7,081,303	617,365	0	0
39	3100 Other - Explain				
40	3100 Other - Explain				
41	3100 Total Accumulated Depreciation - TPIS	14,784,017	1,087,806	7,576	0
42	3200 Held for Future Communications Use				
43	3300 Nonoperating				
44	Total Accumulated Depreciation	14,784,017	1,087,806	7,576	0
45	3410 Capital Leases				
46	3420 Leasehold Improvements				
47	Accumulated Amortization - Tangible	0	0	0	0
48	3500 Accumulated Amortization - Intangible				
49	3600 Accumulated Amortization - Other				
50	Total Accumulated Amortization	0	0	0	0
51	Total Accumulated Depreciation & Amortization	\$14,784,017	\$1,087,806	\$7,576	\$0

19. ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION

Line No.	Debits During the Year				Balance at End of the Year (j)
	Retirements with Traffic (f)	Retirements without Traffic (g)	Cost of Removal (h)	Other Charges (i)	
1					\$306,142
2					0
3					0
4					0
5					211,368
6					469,758
7					(12,732)
8					0
9					(6,906)
10					29,585
11					144,233
12	0	0	0	0	1,141,449
13					0
14					4,193,415
15					0
16					0
17					0
18					0
19					0
20					0
21					0
22					0
23		17,337	3,468		2,739,022
24	0	17,337	3,468	0	6,932,437
25					0
26					0
27					17,504
28					53,588
28		8,340	1,894		4,715
29	0	8,340	1,894	0	75,807
30		3,979	1,852		1,654,152
31		3,403	1,174		4,985,750
32					77,451
33		823			621,362
34					0
35					0
36		669			(669)
36					337,159
37					11,564
38	0	8,874	3,025	0	7,686,768
39					0
40					0
41	0	34,551	8,386	0	15,836,462
42					0
43					0
44	0	34,551	8,386	0	15,836,462
45					0
46					0
47	0	0	0	0	0
48					0
49					0
50	0	0	0	0	0
51	\$0	\$34,551	\$8,386	\$0	\$15,836,462

20. BASIS OF CHARGES FOR DEPRECIATION

1. Each type of plant for which a separate depreciation rate is determined and applied in the accounts shall be considered as a subclass for the purpose of this schedule.
2. The estimated net salvage factors in columns (c) and (i) shall be shown as a percentage of original cost. Columns (b) and (c) shall be left blank only when two or more subclasses are indicated in Section II.
3. The rate to reported in column (d) with respect to an account for which subclasses are indicated in Section II is the composite rate productive of an amount equal to the sum of the estimated annual charges for the constituent subclasses, produced by applying (actually or in effect) the individual rates set forth in column (j), to the book cost of each subclass.

Section I. Classes of Depreciable Plant

Line No.	Plant Account (a)	Estimated Service Life in Years (b)	Estimated Net Salvage Factor (c)	Annual Composite Rate at End of the Year (d)	Ratio of Depreciation Charges to Ave Monthly Book Cost (e)
General Support Assets					
1	2112 Motor Vehicles			7.15%	7.15%
2	2113 Aircraft				
3	2114 Special Purpose Vehicles				
4	2115 Garage Work Equipment				
5	2116 Other Work Equipment	16.5	0.00%	6.02%	6.02%
6	2121 Buildings	38.06	0.00%	2.63%	2.63%
7	2122 Furniture	19.97	0.00%	4.95%	4.95%
8	2123 Office Equipment				
9	.1 Office Support Equipment	14.99	9.70%	6.02%	6.02%
10	.2 Company Communications Equipment	10	0.00%	10.00%	10.00%
11	2124 General Purpose Computers	8	0.50%	12.27%	12.27%
Central Office Assets					
12	2211 Analog Electronic Switching				
13	2212 Digital Electronic Switching	10.88	0.00%	11.72%	11.72%
14	2215 Electro-Mechanical Switching				
15	.1 step-by-step				
16	.2 Crossbar				
17	.3 Other Electro-Mechanical Switching				
18	2200 Operator Systems				
19	2231 Radio Systems				
20	.1 Satellite and Earth Station Facilities				
21	.2 Other Radio Facilities				
22	2232 Circuit Equipment			6.47%	6.58%
Information Origination/Termination Assets					
23	2311 Station Apparatus				
24	2321 Customer Premises Wiring				
25	2341 Large Private Branch Exchanges				
26	2351 Public Telephone Terminal Equipment				
27	2362 Other Terminal Equipment	15	0.00%	6.67%	6.67%
Cable and Wire Facilities Assets					
28	2411 Poles	32.47	-70.20%	5.24%	5.24%
29	2421 Aerial Cable			4.51%	4.12%
30	2422 Underground Cable			2.74%	2.74%
31	2423 Buried Cable			4.04%	4.20%
32	2424 Submarine Cable				
33	2425 Deep Sea Cable				
34	2426 Intrabuilding Network Cable				
35	2431 Aerial Wire	14.54	-35.90%	9.34%	9.34%
36	2441 Conduit Systems	50.51	0.00%	1.98%	1.98%
37					
38	Composite rate for all depreciable accounts	XXXXXXXXXX	XXXXXXXXXXXXXXXXXX	5.33%	
39	Composite rate for all plant accounts included in account 2001	XXXXXXXXXX	XXXXXXXXXXXXXXXXXX	5.26%	
40	Ratio to all depreciable accounts	XXXXXXXXXX	XXXXXXXXXXXXXXXXXX	XXXXXXXXXX	5.33%
41	Ratio to all plant accounts included in account 2001	XXXXXXXXXX	XXXXXXXXXXXXXXXXXX	XXXXXXXXXX	5.33%

20. BASES OF CHARGES FOR DEPRECIATION (Continued)

4. Report in column (e) the ratios of the depreciation charge actually included in the accounts to the average monthly book costs of the plant indicated. The average monthly book cost shall be determined by dividing by 12 the sum of the monthly book cost to which the depreciation rates were applied.
5. In column (f) indicate the number of the primary plant account in which the listed subclasses are included.
6. Amounts in columns (k) and (l) shall be reported only to the nearest dollar. Such amounts shall be totaled by primary classes and the appropriate composite rate shall be entered in column (j) opposite the respective totals in order to prove the correctness of the compositing (unless the compositing is by some other process, in which event the procedure used shall be described in a note).

Section II. Subclasses of Depreciable Plant

Line No.	Primary Acct. No. (f)	Name or Description of Subclass (g)	Estimated Service Life in Years (h)	Estimated Net Salvage Factor (i)	Annual Rate End of the Year (j)	Plant Balances Used in Computing Composite Rates (k)	Est. Annual Depreciation for Compositing Purposes (j)x(k) (l)
1	2112	VEHICLES					
2		Construction	10	28.90%	7.11%	562,532	39,996
3		Pool	6	54.10%	7.65%	47,440	3,629
4		Central Office	6	0.00%	16.67%	0	0
5					7.15%	609,972	43,625
6							
7							
8							
9	2232	CIRCUIT EQUIPMENT					
10		Remote Concentrator	15	3.30%	6.45%	1,911,819	123,312
11		Span Line Local	11.23	3.30%	8.61%	239,017	20,579
		Digital Subscriber Carrier	11.23	3.30%	8.61%	0	0
12		Channel Banks	15	3.30%	6.45%	379,965	24,508
13		Fiber Terminal	15	3.30%	6.45%	514,874	33,209
14		ISDN Equipment	15	3.30%	6.45%	693	45
15		DSL Transmission Equipment	15	3.30%	6.45%	1,081,563	69,761
16					6.58%	4,127,930	271,414
17							
18	2421	AERIAL CABLE					
19		Aerial Cable/Drop	30.72	-40.10%	4.56%	8,932,069	407,302
20		Aerial Fiber/Drop			4.56%	148,483	6,771
21		Embedded Drops			1.58%	1,552,987	24,537
22					4.12%	10,633,538	438,610
23	2422	UNDERGROUND CABLE					
24		Underground Cable/Drop	36.46	0.00%	2.74%	207,417	5,683
25		Underground Cable Fiber	36.46	0.00%	2.74%	48,247	1,322
26					2.74%	255,664	7,005
27							
28	2423	BURIED CABLE					
29		Buried Cable/Drop	25	-5.00%	4.20%	1,117,598	46,939
30		Embedded Drops			4.11%	9,890	406
31		Buried Cable Fiber	25	-5.00%	4.20%	299,006	12,558
32					4.20%	1,426,494	59,904
33							
34							
35							
36							
37							
38							
39							
40							
41							

21. TELECOMMUNICATIONS ACCOUNTS RECEIVABLE AND ACCOUNTS RECEIVABLE ALLOWANCE

Line No.	Item (a)	Number of Accounts (b)	Amount at End of the Year (c)
1	Customers and Agents-Receiving Service		\$262,494
2	Customers and Agents-Service Discontinued		
3	Total	0	262,494
4	Less Reserve for Uncollectible Accounts-Cr.	xxxx	
5	Balance	xxxx	\$262,494

Explain in a note the basis used to determine the accruals charged to account 5301.

Line No.	Particulars (a)	Amount (b)
6	Balance at beginning of the year	
7	Accruals charged to account 5301	
8	Collection of amounts previously written off	7,894
9	Other Credits (explain in a note)	
10	Total credits	7,894
11	Uncollectible written off during the year	32,345
12	Other debits (explain in a note)	
13	Total debits	32,345
14	Balance at end of year	(\$24,451)
15	Total operating revenues for the year	\$5,386,343
16	Net write offs during the year (line 11 minus line 8)	\$24,451
17	Ratio of line 16 to line 15	0.45%
18	Ratio of line 7 to line 15	0.00%
19	Interstate Uncollectible Revenues (Account 5301.1)	
20	Intrastate Uncollectible Revenues (Account 5301.2)	\$24,451

Insert additional pages, if applicable.

**22. ACCOUNTS RECEIVABLE FROM AFFILIATED COMPANIES AND
OTHER ACCOUNTS RECEIVABLE**

1. List the information for each affiliate and also the ten largest nonaffiliate debtors at end of year. Aggregate all other nonaffiliate receivables.
2. Report in column (f) the average of the twelve month-end balances for each item in column (a).

Line No.	Name of Debtor (a)	Balance at Beginning of Year (b)	Debits During Year (c)	Credits During Year (d)	Balance End of Year (e)	Average Month-end Balance (f)
	Account 1190.1 Accounts Receivable from Affiliated Companies:					
1	Ontario Telephone Company, Inc.	\$0	\$1,167,180	\$1,167,180	\$0	\$155,566
2	Finger Lakes Technologies Group, Inc.	\$824,876	\$3,486,777	\$2,284,869	2,026,784	\$258,229
3	Finger Lakes Communications Group, Inc.	\$0	\$11,102	\$11,102	0	\$1,683
4					0	
5					0	
6					0	
7					0	
8					0	
9					0	
10					0	
11					0	
12	Total Accounts Receivable from Affiliated Companies	\$824,876	\$4,665,059	\$3,463,151	\$2,026,784	\$415,478
	Account 1190.2 Other Accounts Receivable:					
13	AT&T	\$40,059	\$221,193	\$207,747	\$53,505	46,782
14	BELL	2,402	18,362	19,717	1,047	1,725
15	NECA	103,000	85,443	103,000	85,443	94,222
16	VERIZON CABS	35,129	199,431	200,000	34,560	34,845
17	SPRINT CABS	23,634	92,810	107,094	9,350	16,492
18	GLOBAL CABS	31,836	42,555	53,544	20,847	26,342
19	QUEST CABS	2,103	15,198	12,338	4,963	3,533
20	VERIZON WIRELESS	7,058	87,331	79,849	14,540	10,799
21	ATLANTIC CONNECTIONS CABS	64,369	3	117	64,255	64,312
22	US DATANET	7,627	2,321	0	9,948	8,788
23	Aggregate of all Other Items	81,729	1,043,574	1,043,511	81,792	81,761
24	Total Other Accounts Receivable	\$398,946	\$1,808,221	\$1,826,917	\$380,250	\$389,598

23. ACCOUNTS RECEIVABLE ALLOWANCE - AFFILIATED AND OTHER

Line No.	Particulars (a)	Affiliate (b)	Other (c)
1	Balance at beginning of the year	\$0	\$0
2	Accruals charged to account 5302		
3	Collection of amounts previously written off		
4	Other credits (explain in a note)		
5	Total credit	0	0
6	Uncollectibles written off during the year		
7	Other debits is (explain in a note)		
8	Total debits	0	0
9	Balance at end of the year	\$0	\$0

Explain in a note the basis used to determine the accruals charged to account 5302.

24. NOTES RECEIVABLE AND NOTES RECEIVABLE ALLOWANCE

List the information for each affiliate, and also the ten largest nonaffiliate debtors. Aggregate all other nonaffiliate notes receivable.

Line No.	Name of Debtor (a)	Description of Transaction (b)	Date of Issue (c)	Date of Maturity (d)	Amount at End of the Year (e)	Interest Rate Per Annum (f)
1	Account 1200.1 Notes Receivable from Affiliated Companies:					%
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12	Total				\$0	xxx
13	Account 1200.2 Other Notes Receivable:					
14	LEE MASTELLAR	H.S.A ADVANCE	1/1/2010	5/1/2011	260	0%
15						
16						
17						
18						
19						
20						
21						
22						
23	Aggregate of all other items					xxx
24	Total				\$260	xxx

Explain in a note the basis used to determine the accruals charged to Account 6790.

Line No.	Particulars (a)	Affiliates (b)	Nonaffiliates (c)
25	Balance at beginning of the year		
26	Accruals charged to account 6790		
27	Collection of amounts previously written off		
28	Other credits (explain in a note)		
29	Total credits	0	0
30	Uncollectibles written off during the year		
31	Other debits (explain in a note)		
32	Total debits	0	0
33	Balance at end of the year	\$0	\$0

25. INVENTORIES

1. Report the amount of inventories at the beginning and at the end of the year under titles which are indicative of the character of the material included.

2. Summarize inventorying practices, indicating particularly the program therefor and the accounting for overages and shortages.

Line No.	Class of Material (a)	Amount at Beginning of Year (b)	Amount at End of Year (c)
	Subaccount 1220.1, Material and Supplies:		
1	Cable-Fiber	\$122,344	\$147,174
2	Cable-Copper and Metallic	118,515	118,827
3	Terminals, Blocks, Splice Kits, Cross Boxes, Cable Stubs and Pedestals	13,358	14,952
4	Poles	20,012	17,748
5	Strand, Strandlinks and Strandvises	11,574	14,047
6	Wire - Aerial and Drop	45,179	45,411
7	Central Office Equipment	457,721	392,705
8	Protectors		
9	Other Miscellaneous		
10			
11			
12	Total	\$788,703	\$750,864
	Subaccount 1220.2, Property Held for Sale or Lease:		
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26	Total	\$0	\$0
27	Grand Total	\$788,703	\$750,864

26. PREPAID TAXES AND TAX ACCRUALS

1. List in column (a) and furnish appropriate data with respect to each type of tax for which the company was liable on its own behalf during the year. When entries with respect to any type of tax are applicable to more than one year, the required information for all columns shall be shown separately for each such year.

2. Taxes should be grouped so as to show whether the taxes are federal, state or local.

Line No.	Particulars (a)	Balance at Beginning of the Year		Taxes Accrued or Charged During the Year		Taxes Paid During the Year (f)	Adjustments Debit or (Credit) (g)	Balance at End of Year	
		Prepaid Taxes (Acct. 1300) (b)	Tax Accruals (Accts. 4070 and 4080) (c)	Acct. Chg.. (d)	Amount (e)			Prepaid Taxes (Acct. 1300) (h)	Tax Accruals (Accts. 4070 and 4080) (i)
1	Federal:								
2	Income Taxes		\$94,564	7220	\$35,925	\$10,000			\$120,489
3									
4									
5									
6									
7									
8									
9									
10	Social Security		0	6570	58,996	58,996			\$0
11									
12									
13	Unemployment		(41)	6570	937	896			\$0
14									
15									
16									
17									
18									
19									
20									
21									
22									
23									
24									
25									
26									
27	Subtotal	\$0	\$94,523		\$95,858	\$69,892	\$0	\$0	\$120,489

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26. PREPAID TAXES AND TAX ACCRUALS (Continued)

Line No.	Particulars (a)	Balance at Beginning of the Year		Taxes Accrued or Charged During the Year		Taxes Paid During the Year (f)	Adjustments Debit or (Credit) (g)	Balance at End of Year	
		Prepaid Taxes (Acct. 1300) (b)	Tax Accruals (Accts. 4070 and 4080) (c)	Acct. Chg.. (d)	Amount (e)			Prepaid Taxes (Acct. 1300) (h)	Tax Accruals (Accts. 4070 and 4080) (i)
28	State:								
29	Gross Earnings		(260)	7240	18,325	18,100	35		0
30	Gross Income		(3,479)	7240	60,665	60,697	257		(3,254)
31	Franchise		19,101	7240	19,300	18,755			19,646
32	Unemployment		(196)	6570	2,218	1,880			142
33	Disability Insurance		0						0
34	Other		0						0
35	PSC & FCC Assessments	0		7240	5,661	5,661		0	0
36									
37									
38									
39									
40									
41									
42	Local:								
43	Gross Receipts		0	7240	3,068	3,068			0
44	Property		149,372	7240	180,731	223,754			106,349
45	Other								
46									
47									
48									
49									
50									
51									
52									
53									
54									
55									
56	Total	\$0	\$259,061	xxxx	\$385,826	\$401,807	\$292	\$0	\$243,372

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27. DEFERRED INCOME TAXES-Dr.

1. Report the details of operating income tax expense related to current and noncurrent items which have been paid in advance but which are expected to be charged to income in a future period as a result of tax normalization accounting.
2. In column (f) respondents shall report the adjustments, debit or (credit), made to the items in column (a). The Adjustment should be explained in a note if the individual item amounts amounts to more than \$100,000 for Class A companies or \$10,000 for Class B companies.

Line No.	Description of Item (a)	Balance at Beginning of Year (b)	Contra Acct. (c)	Current Year Accrual (d)	Current Year Amortization (e)	Adjustments Debit or (Credit) (f)	Balance at End of Year (g)
	Property Related						
	Current Deferred Operating Income Taxes-Dr. (Account 1360)						
1							\$0
2							0
3							0
4							0
5							0
6							0
7							0
8							0
9	Total	\$0	7250	\$0	\$0	\$0	\$0
	Noncurrent Deferred Operating Income Taxes-Dr. (Account 1510)						
10							\$0
11							0
12							0
13							0
14							0
15							0
16							0
17							0
18	Total	\$0	7250	\$0	\$0	\$0	\$0
19	Total Property Related Deferred Operating Income Taxes-Dr.	\$0		\$0	\$0	\$0	\$0
	Nonproperty Related						
	Current Deferred Operating Income Taxes-Dr. (Account 1360)						
20							\$0
21							0
22							0
23							0
24							0
25							0
26							0
27							0
28	Total	\$0	7250	\$0	\$0	\$0	\$0

27. DEFERRED INCOME TAXES-Dr. (Continued)

Line No.	Description of Item (a)	Balance at Beginning of Year (b)	Contra Acct. (c)	Current Year Accrual (d)	Current Year Amortization (e)	Adjustments Debit or (Credit) (f)	Balance at End of Year (g)
	Nonproperty Related						
	Noncurrent Deferred Operating Income Taxes-Dr. (Account 1510)						
29	Deferred Compensation	\$73,227	7250	\$0	\$7,033	\$0	\$66,194
30	Non-Qualified Plan	96,928	7250	12,061			108,989
31	OPEB	241,258	7250		15,031		226,227
32	Lifeline Credit	15,150	7250	846			15,996
33	Stock Options	10,025	7250	9,393			19,418
34	OPEB - Unrecognized	(148,333)				31,583	(116,750)
35							0
36	Total	\$288,255	7250	\$22,300	\$22,064	\$31,583	\$320,074
37	Total Nonproperty Related Deferred Operating Income Taxes - Dr.	\$288,255		\$22,300	\$22,064	\$31,583	\$320,074
	Property Related						
	Current Deferred Nonoperating Income Taxes-Dr. (Account 1360)						
38			7450				\$0
39							0
40							0
41							0
42	Deferred Income Tax Effect of Extraordinary Items		7640				0
43	Total	\$0		\$0	\$0	\$0	\$0
	Noncurrent Deferred Nonoperating Income Taxes-Dr. (Account 1510)						
44			7450				\$0
45							0
46							0
47							0
48	Deferred Income Tax Effect of Extraordinary Items		7640				0
49	Total	\$0		\$0	\$0	\$0	\$0
50	Total Property Related Deferred Nonoperating Income Taxes-Dr.	\$0		\$0	\$0	\$0	\$0
	Nonproperty Related						
	Current Deferred Nonoperating Income Taxes-Dr. (Account 1360)						
51			7450				\$0
52							0
53							0
54							0
55	Deferred Income Tax Effect of Extraordinary Items		7640				0
56	Total	\$0		\$0	\$0	\$0	\$0
	Noncurrent Deferred Nonoperating Income Taxes-Dr. (Account (1510))						
57			7450				\$0
58							0
59							0
60	Deferred Income Tax Effect of Extraordinary Items		7640				0
61	Total	\$0		\$0	\$0	\$0	\$0
62	Total Nonproperty Related Deferred Nonoperating Income Taxes - Dr.	\$0		\$0	\$0	\$0	\$0

28. DEFERRED INCOME TAXES-Cr. AND INVESTMENT TAX CREDIT

1. Report the details of operating income tax expense related to current and noncurrent items which have been paid in advance but which are expected to be charged to income in a future period as a result of tax normalization accounting.
2. In column (f) respondents shall report the adjustments, debit or (credit), made to the items in column (a). The Adjustment should be explained in a note if the individual item amounts amounts to more than \$100,000 for Class A companies or \$10,000 for Class B companies.
3. State below the option selected for the investment tax credit, (1) reduction to rate base, or (2) reduction of cost of service for rate purposes in accordance with Section 46(e) of the Internal Revenue Code.

Line No.	Description of Item (a)	Balance at Beginning of Year (b)	Contra Acct. (c)	Current Year Accrual (d)	Current Year Amortization (e)	Adjustments Debit or (Credit) (f)	Balance at End of Year (g)
	Property Related						
	Current Deferred Operating Income Taxes-Cr. (Account 4100)						
1							\$0
2							0
3							0
4							0
5							0
6							0
7							0
8							0
9	Total	\$0	7250	\$0	\$0	\$0	\$0
	Noncurrent Deferred Operating Income Taxes-Cr. (Account 4340)						
10	Telecommunications Plant	\$2,055,166	7250	\$58,653			\$2,113,819
11							0
12							0
13							0
14							0
15							0
16							0
17							0
18	Total	\$2,055,166	7250	\$58,653	\$0	\$0	\$2,113,819
19	Total Property Related Deferred Operating Income Taxes-Cr.	\$2,055,166		\$58,653	\$0	\$0	\$2,113,819
	Nonproperty Related						
	Current Deferred Operating Income Taxes-Cr. (Account 4100)						
20							\$0
21							0
22							0
23							0
24							0
25							0
26							0
27							0
28	Total	\$0	7250	\$0	\$0	\$0	\$0

28. DEFERRED INCOME TAXES-Cr. AND INVESTMENT TAX CREDIT (Continued)							
Line No.	Description of Item (a)	Balance at Beginning of Year (b)	Contra Acct. (c)	Current Year Accrual (d)	Current Year Amortization (e)	Adjustments Debit or (Credit) (f)	Balance at End of Year (g)
	Nonproperty Related						
29	Noncurrent Deferred Operating Income Taxes-Cr. (Account 4340)						\$0
30							0
31							0
32							0
33							0
34							0
35							0
36	Total	\$0	7250	\$0	\$0	\$0	\$0
37	Total Nonproperty Related Deferred Operating Income Taxes - Cr.	\$0		\$0	\$0	\$0	\$0
	Operating Investment Tax Credit (Account 4320)						
38							\$0
39							0
40							0
41							0
42							0
43							0
44	Total	\$0	7210	\$0	\$0	\$0	\$0
	Property Related						
45	Current Deferred Nonoperating Income Taxes-Cr. (Account 4110)		7450				\$0
46							0
47							0
48							0
49							0
50	Deferred Income Tax Effect of Extraordinary Items		7640				0
51	Total	\$0		\$0	\$0	\$0	\$0
52	Noncurrent Deferred Nonoperating Income Taxes-Cr. (Account 4350)		7450				\$0
53							0
54							0
55							0
56							0
57	Deferred Income Tax Effect of Extraordinary Items		7640				0
58	Total	\$0		\$0	\$0	\$0	\$0
59	Total Property Related Deferred Nonoperating Income Taxes-Cr.	\$0		\$0	\$0	\$0	\$0

28. DEFERRED INCOME TAXES-Cr. AND INVESTMENT TAX CREDIT (Continued)							
Line No.	Description of Item (a)	Balance at Beginning of Year (b)	Contra Acct. (c)	Current Year Accrual (d)	Current Year Amortization (e)	Adjustments Debit or (Credit) (f)	Balance at End of Year (g)
	Nonproperty Related						
	Current Deferred Nonoperating Income Taxes-Cr. (Account 4110)						
60			7450				\$0
61							0
62							0
63							0
64							0
65	Deferred Income Tax Effect of Extraordinary Items		7640				0
66	Total	\$0		\$0	\$0	\$0	\$0
	Noncurrent Deferred Nonoperating Income Taxes-Cr. (Account 4350)						
67	Unrealized Gain/Loss - Available for Sale	(15,545)	1402			57,495	41,950
68	Unrealized Gain/Loss - Trading	41,414					41,414
69							0
70							0
71							0
72	Deferred Income Tax Effect of Extraordinary Items		7640				0
73	Total	\$25,869		\$0	\$0	\$57,495	\$83,364
74	Total Nonproperty Related Deferred Nonoperating Income Taxes - Cr.	\$25,869		\$0	\$0	\$57,495	\$83,364
75	Nonoperating Investment Tax Credit (Account 4330)						
76							\$0
77							0
78							0
79							0
80							0
81	Total	\$0	7410	\$0	\$0	\$0	\$0

29. EXCESS/DEFICIENT DEFERRED FEDERAL INCOME TAX BALANCES *

1. Report below the specified excess/deficient accumulated deferred Federal income taxes as of December 31 of the reporting year.
2. Protected amounts are those accumulated deferred taxes that are depreciation related and are protected from rapid write-back by Section 203 (E) of the Tax Reform Act of 1986.
3. Unprotected amounts are those accumulated deferred taxes that are not subject to Section 203(e) of the Tax Reform Act of 1986.
4. Excess/deficient deferred taxes result when there is a reduction/increase in the statutory income tax rate (e.g. TRA-86 and (Revenue Reconciliation Act of 1993) and the deferred tax balances provided are greater/less than the enacted tax rate, all calculated on a vintage year basis.

Line No.	Item (a)	Debits			Credits		
		Account 1360 (b)	Account 1510 (c)	Total (d)	Account 4100 (e)	Account 4340 (f)	Total (g)
1	Protected Excess Deferred FIT Balance			\$0			\$0
2	Unprotected Excess Deferred FIT Balance			0			0
3	Total Excess Deferred FIT Balance	\$0	\$0	\$0	\$0	\$0	\$0
	Excess Deferred FIT Balance Related to:						
4	1986 and Prior Vintage Assets			\$0			\$0
5	1987 to Current Vintage Assets			0			0
6	Deficient Deferred FIT Balance			0			0
	Average Remaining Amortization Period for:						
7	Protected Excess Deferred FIT Balance						
8	Unprotected Excess Deferred FIT Balance						
9	Deficient Deferred FIT Balance						
10	Total Embedded Deferred FIT			\$0			\$0

* NOTE: Do not include deferred Federal income taxes recorded purely from the implementation of FAS-109, "Accounting for Income Taxes"

29A. TEMPORARY INCOME TAX DIFFERENCES - SFAS 109

1. Report below the accumulated deferred Federal income tax assets/liabilities, as of December 31 of the reporting year, that result purely from the implementation of SFAS - 109, "Accounting for Income Taxes", and in accordance with the Commission's associated Policy Statement (Issued January 15, 1993) in Case 92-M-1005.

Line No.	Item (a)	Debits			Credits		
		Account 1360 (b)	Account 1510 (c)	Total (d)	Account 4100 (e)	Account 4340 (f)	Total (g)
	<u>AFUDC</u>						
1	AFUDC - Net of Tax - Plant			\$0			\$0
2	AFUDC - Equity Component - Plant			0			0
3	Other Net of Tax Items (specify)			0			0
				0			0
				0			0
				0			0
				0			0
				0			0
	<u>Prior Flow-Through Items</u>						
4	Depreciation			0			0
5	Asset Base Difference (non - ITC)			0			0
6	Other (specify)			0			0
				0			0
				0			0
				0			0
				0			0
	<u>ITC</u>						
7	Section 46(f)(1) ITC			0			0
8	Section 46(f)(2) ITC			0			0
	<u>Other Items</u>						
9				0			0
10				0			0
11				0			0
12	Total	\$0	\$0	\$0	\$0	\$0	\$0
13	Gross-up of above amounts for income tax effects, etc.			\$0			\$0

30. Investments in Affiliated Companies

1. List the investments by affiliate company in column (a), and the acquisition cost of the investment in column (c).
2. Data for each investment should continue on the same numbered line on all pages of this schedule.
3. Investments in affiliated companies must be reported using the Equity Method of accounting if the affiliate meets the definition as contained in the Glossary to the USOA at Item 4.
4. Identify the type of security in column (d), by using a (C) for common stock, (P) for preferred, and (L) for long term debt. Additionally, indicate by (*) and describe in a foot note those securities pledged as collateral.
5. Under the cost method, indicate in column (m) any temporary decline in the value of an investment which has been charged to account 4540, Other Capital. A permanent decline in the value of an investment, which has been charged to current period income, should be recorded in column (n).
6. If the respondent considers the information requested on this schedule to be propriety, this schedule as included in the report form may be filed with totals only. However, the respondent is required to file one complete copy of this schedule, including all detail by affiliate, accompanied by a request for proprietary treatment in accordance with General Instruction 2 of this report form.

Line No.	Item (A)	Date of Acquisition (B)	Acquisition Cost (C)	Type Of Security (D)	Amount of Inv. Beg of Year (E)	Invests Retired During Year (F)	Gain or loss on disposition (G)
1	Finger Lakes Technologies Group	Jun-95	\$102,500	C/L	\$2,589,321		
2	Trucell, Inc.	Apr-94	60,012	C	0		
3	Finger Lakes Communications Group	Sep-04	59,952	C	89,151		
4					0		
5					0		
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26	Total	XXXXXXXX	\$222,464	XXXXXXXX	\$2,678,472	\$0	\$0

30. Investments in Affiliated Companies

1. List the investments by affiliate company in column (a), and the acquisition cost of the investment in column (c).
2. Data for each investment should continue on the same numbered line on all pages of this schedule.
3. Investments in affiliated companies must be reported using the Equity Method of accounting if the affiliate meets the definition as contained in the Glossary to the USOA at Item 4.
4. Identify the type of security in column (d), by using a (C) for common stock, (P) for preferred, and (L) for long term debt. Additionally, indicate by (*) and describe in a foot note those securities pledged as collateral.
5. Under the cost method, indicate in column (m) any temporary decline in the value of an investment which has been charged to account 4540, Other Capital. A permanent decline in the value of an investment, which has been charged to current period income, should be recorded in column (n).
6. If the respondent considers the information requested on this schedule to be propriety, this schedule as included in the report form may be filed with totals only. However, the respondent is required to file one complete copy of this schedule, including all detail by affiliate, accompanied by a request for proprietary treatment in accordance with General Instruction 2 of this report form.

Line No.	Percent of Ownership (H)	Equity Method			Cost Method			Amount of Investments End of Year (O)
		Equity in Earnings Of Affiliated Companies Account 7355 (I)	Dividends Declared (J)	Other Adjustments and Amortizations (K)	Dividend Income Account 7310 (L)	Decline in Value of Investments		
						Temporary Account 4540 (M)	Permanent (N)	
1	100.00%	\$367,458						\$2,956,779
2	N/A							0
3	50.00%	(8,136)						81,015
4								0
5								0
6								0
7								0
8								0
9								0
10								0
11								0
12								0
13								0
14								0
15								0
16								0
17								0
18								0
19								0
20								0
21								0
22								0
23								0
24								0
25								0
26	XXXXXXXX	\$359,322	\$0	\$0	\$0	\$0	\$0	\$3,037,794

31. INVESTMENTS

1. With respect to each account includible in this schedule in which there was reflected an investment at any time during the year, enter in column (b) the description of each security or other investment. The entries for accounts 1401.2 and 1402 should be identified by company, and separately listed by symbols to be indicated in column (a): A-1 Stocks of active telephone companies; A-2 Stocks of inactive telephone companies; A-3 Stocks of other companies; B Long-term securities owned; C Investment advances; D Other. Subtotals for each of the required classifications and totals for each account shall be shown. The aggregate of all deposits of cash amounting individually to less than \$100,000 each in the case of Class A companies, or \$10,000 in case of class B companies, may be shown as a balancing amount on the line immediately preceding the total of account 1402. (By an inactive company is meant one which has been practically absorbed in a controlling company, and which neither operates properly nor administers its financial affairs; if it maintains an organization, it does so only for the purpose of complying with legal requirements and maintaining title to property or franchises.)

Line No.	Class (a)	Description of Investment (Including nominal interest rate and term when appropriate) (b)	Book Cost of Investment at Beginning of the Year (c)	Book Cost of Investment Made During the Year (d)
1		<u>Account 1401.2, Advances to Affiliated Companies:</u>		
2		Advance to Finger Lakes Technologies Group	\$911,960	(\$257,474)
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18		Total Account 1401.2	\$911,960	(\$257,474)
19		<u>Account 1402, Investments in Nonaffiliated Companies:</u>		
20		NECA Services	50,000	
21		NASA LLC	5,000	0
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37		Total Account 1402	\$55,000	\$0

31. INVESTMENTS (Continued)

- 2. In column (i), enter an appropriate symbol with respect to each investment that is pledged as security for an obligation of the respondent or is subject to any other restrictions as to disposition, and furnish particulars in a note.
- 3. If the consideration given or received for any investment reported in the schedule was other than cash, give particulars in a note.
- 4. The book cost of investments transferred from other accounts shall be reported in column(d). The book cost of investments transferred to other accounts or the amount by which investments are written down shall be reported in column (e). All such entries shall be explained in notes.

Line No.	Book Cost of Investments Disposed of During the Year (e)	INVESTMENTS AT END OF YEAR		% of Total Voting Rights in Affiliates (h)	Lien References (i)	Gain (G) or Loss (L) from Investments Disposed of (j)	Interest or Dividends Credited to Income During the Year Account 7310, 7320 (k)
		Book Cost (f)	Shares of Stock or Face Amount of Other Investments (g)				
1		\$654,486	N/A				
2		0					
3		0					
4		0					
5		0					
6		0					
7		0					
8		0					
9		0					
10		0					
11		0					
12		0					
13		0					
14		0					
15		0					
16		0					
17		0					
18	\$0	\$654,486				\$0	\$0
19		\$0					
20		50,000	5,000 Shares				
21	3,814	1,186					
22		0					
23		0					
24		0					
25		0					
26		0					
27		0					
28		0					
29		0					
30		0					
31		0					
32		0					
33		0					
34		0					
35		0					
36		0					
37	\$3,814	\$51,186				\$0	\$0

32. NONREGULATED INVESTMENTS

1. This account shall include the carrier's investment in nonregulated activities, accounted for as provided in Section 661.14 of the Uniform System of Accounts.

Line No.	Subaccount (a)	Balance Beginning of Year (b)	Debits During Year (c)	Credits During Year (d)	Balance End of Year (e)
	Subaccount 1406.1 Permanent Investment				\$0
1					0
2					0
3					0
4					0
5					0
6					0
7					0
8					0
9					0
10					0
11					0
	Subaccount 1406.2 Receivable/Payable				0
12					0
13					0
14					0
15					0
16					0
17					0
18					0
19					0
20					0
21					0
22					0
	Subaccount 1406.3 Current Net Income or Loss				0
23					0
24					0
25					0
26					0
27					0
28					0
29					0
30					0
31					0
32					0
33					0
34	Total	\$0	\$0	\$0	\$0

33. OTHER DEFERRED CHARGES

1. For any deferred charge being amortized, show the period of amortization and the date of Commission authorization.
2. For all other items, except for telephone plant acquired, report the indicated particulars of each item amounting individually to \$100,000 or more for Class A companies, or \$10,000 or more for Class B companies. For telephone plant acquired, list only the aggregate amount.
3. Show the number and aggregate amount of all other items.
4. Where numerous accounts are affected in the disposition of these charges, the designation "various" may be inserted in column (d) for accounts credited.
5. All transactions for telephone plant acquired included in this account, in accordance with Section 663.2, require analysis on Schedule 15, Analysis of Telephone Plant Acquired.

Line No.	Description of Item (a)	Balance at Beg. of Year (b)	Debits (c)	Credits		Balance at End of Year (f)
				Account Credited (d)	Amount (e)	
1	Pre-Construction Right of Way Expense	\$5,831		Various	\$5,831	\$0
2						0
3						0
4						0
5						0
6						0
7						0
8						0
9						0
10						0
11						0
12						0
13						0
14						0
15						0
16						0
17						0
18						0
19						0
20						0
21						0
22						0
23						0
24						0
25						0
26						0
27	Totals from Insert Pages					0
28	Total	\$5,831	\$0		\$5,831	\$0

34. ACCOUNTS PAYABLE

1. List the information for each affiliate.
2. List the information for each nonaffiliate creditor whose individual balance is 5% or more of the total Other Accounts Payable balance at year end.
Do not report more than ten nonaffiliate creditors.
3. Aggregate all other nonaffiliate creditors.

Line No.	Name of Debtor (a)	Balance at Beginning of Year (b)	Debits During Year (c)	Credits During Year (d)	Balance End of Year (e)
	Account 4010.1 Accounts Payable to Affiliated Companies:				
1	Ontario Telephone Company, Inc.	\$1,177,484	\$2,517,519	\$2,610,453	\$1,270,418
2	Finger Lakes Technologies Group, Inc.	0	263,265	263,265	0
3	Finger Lakes Communications Group, Inc.	124,635	328,629	353,422	149,428
4	Finger Lakes Technologies Park LLC	0			0
5					0
6					0
7					0
8					0
9					0
10					0
11					0
12					0
13	Total Accounts Payable to Affiliated Companies	\$1,302,119	\$3,109,413	\$3,227,140	\$1,419,846
	Account 4010.2 Other Accounts Payable:				
14	ACM, INC.	\$0	\$56,545	\$67,975	\$11,430
15	CALIX, INC.	\$0	26,275	103,913	77,638
16	FLEET SERVICES	0	108,131	118,926	10,795
17	NYS ELECTRIC & GAS	5,557	172,312	176,210	9,455
18	TAMBE ELECTRIC CORP	0	35,547	67,400	31,853
19					0
20					0
21					0
22					0
23					0
24					0
25					0
26					0
27	Aggregate of all other items	135,624	3,601,259	3,530,409	64,774
28	Total Other Accounts Payable	\$141,181	\$4,000,069	\$4,064,833	\$205,945

35. NOTES PAYABLE

- 1. List the information for each affiliate note.
- 2. List the information for each nonaffiliate note whose balance is 5% or more of the Other Notes Payable balance at year end. Do not include more than the ten largest nonaffiliate creditors.
- 3. Aggregate all other nonaffiliate notes.

Line No.	Name of Creditor (a)	Description of Transaction (b)	Date of Issue (c)	Date of Maturity (d)	Amount at End of the Year (e)	Interest Rate per Annum (f)
	Account 4020.1 Notes Payable to Affiliated Companies:					
1	None					
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16	Total				\$0	xxxxx
	Account 4020.2 Other Notes Payable:					
17	Sharon Hegelein	ESOP Repurchase	Dec-07	Jan-12	18,441	7.25%
18	Steve Busby	ESOP Repurchase	Jan-08	Jan-12	14,891	7.25%
19	Gene McCormick	ESOP Repurchase	May-08	May-12	15,158	5.00%
20	Insurance	Construction	Various	Demand	30,549	5.00%
21	Joe Perry	ESOP Repurchase	Jun-09	Jun-13	28,126	3.25%
22	Valerie Austin	ESOP Repurchase	Jun-09	Jun-13	21,164	3.25%
23	Kathleen Smolinski	ESOP Repurchase	Jul-09	Jul-13	21,994	3.25%
24	Cathrine Snow	ESOP Repurchase	Oct-09	Oct-13	19,828	3.25%
25	Diane Williams	ESOP Repurchase	May-10	May-14	51411	3.25%
26	Wayne Butler	ESOP Repurchase	Aug-10	Aug-14	14,709	3.25%
27	Susan Verstreat	Construction	Nov-04	Demand	\$41,683	5.00%
28	Robert Griswold	Construction	Nov-04	Demand	41,683	5.00%
29						
30	Aggregate of all other items	ESOP Repurchase	Various	Various	25,823	Various
31	Total				\$345,460	xxxxx

36. Long Term Debt

1. List by balance sheet account debt held in Accounts 4050, 4210, 4260, 4270. Provide the particulars regarding each obligation within those accounts.
2. Explain any interest charged other than to account 7510.1.
3. Explain any debits and credits other than amortizations debited to account 7530, account 7510.2, or credited to account 7510.3.

Line No.	Description of Obligation	Nominal Date of Issue	Date of Maturity	Face Amount Outstanding	Interest		Unamortized Balances			Amortizations		
					Stated Rate	Amount Acct. 7510.1	Debt Exp Acct. 1407	Premium Acct. 4220	Discount Acct. 4230	Debt Exp Acct. 7530	Discount Acct. 7510.2	Premium Acct. 7510.3
1	Account 4050, Current Maturities - Debt											
2	CoBank	4/1/07	10/20/15	\$299,235	Variable	14,537						
3												
4												
5												
6												
7												
8												
9												
10												
11	Total			\$299,235								
12	Account 4210, Funded Debt											
13	CoBank	4/1/07	10/20/15	\$447,916	Variable	21,760	4,800			2,400		
14	CoBank	4/1/07	10/20/12	700,000	6.51%	45,570						
15	CoBank	4/1/07	10/20/11	448,000	6.00%	26,880						
16												
17												
18												
19												
20												
21												
22												
23												
24												
25												
26												
27												
28												
29												
30												
31												
32												
33												
34												
35												
36												
37												
38	Subtotal			\$1,595,916		\$108,747	\$4,800	\$0	\$0	\$2,400	\$0	\$0

36. Long Term Debt

Line No.	Description of Obligation	Nominal Date of Issue	Date of Maturity	Face Amount Outstanding	Interest		Unamortized Balances			Amortizations		
					Stated Rate	Amount Acct. 7510.1	Debt Exp Acct. 1407	Premium Acct. 4220	Discount Acct. 4230	Debt Exp Acct. 7530	Discount Acct. 7510.2	Premium Acct. 7510.3
38	Account 4210, Funded Debt (Continued)											
39												
40												
41												
42												
43												
44												
45	Total			\$1,595,916								
46												
47	Account 4260, Advances from Affiliated Companies											
48												
49												
50												
51												
52												
53												
54	Total			\$0								
55												
56	Account 4270, Other Long-Term Debt											
57												
58												
59												
60												
61												
62												
63												
64												
65												
66												
67												
68												
69												
70												
71												
72												
73												
74												
75	Total			\$0								
76												
77												
78												
79	Grand Total			\$1,595,916		\$108,747	\$4,800	\$0	\$0	\$2,400	\$0	\$0

37. CAPITAL STOCK AND FUNDED DEBT REACQUIRED OR RETIRED DURING THE YEAR

1. In column (a) the description of the security should include, as appropriate, the dividend rate (if any) or the interest rate, term and maturity date.
2. In columns (b) and (c) report the cost per unit of the reacquired securities, i.e., the call rate per unit in the case of called securities, the face amount per unit of matured debt, or the average purchase price per unit in the case of other securities required.
3. If securities are reacquired in one year and retired in another, only the data called for in columns (a), (f), and (g) shall be reported for the year in which they are retired.
4. With respect to columns (i) to (n), inclusive: (a) Report disposition of discounts, premiums, and expenses in the year in which the dispositions are made. Do not report normal amortization of amounts includible in accounts 1407, Unamortized Debt Issuance Expense, or 4220, Premium on Long-Term Debt, and 4230, Discount on Long Term Debt, Through charges or credits to accounts 7530, 7510.3 and 7510.2 and (b) if any amounts are to be amortized, state the fact in a note, describe the plan of amortization (including the period thereof), and give references to (1) the public authorities (if any) having jurisdiction over each transaction, (2) their authorization (e.g., case or docket number), and (3) this Commission's approval of the proposed accounting.
5. In the case of securities reacquired or retired in connection with refinancing, identify in a note the year and schedule of the annual report in which the refunding issue is described.

Line No.	Description of Security (a)	REACQUIRED DURING THE YEAR				RETIRED DURING YEAR		
		REACQUISITION COST		Book or Face Amount (d)	No. of Shares of Stock (e)	Book or Face Amount (f)	No. of Shares of Stock (g)	
		Per \$100 of Debt (b)	Per Share of Stock (c)					
1	Long Term Debt Co-Bank					\$299,235		
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12	Total	xxxxxx	xxxxx	\$0	xxxxx	\$299,235	xxx	
Line No.	Effective Date of Call (if any) (h)	DISPOSITION OF						Remarks (o)
		Unamortized Discount (D) or Premium (P)		Redemption Premium (P) or Discount (D) and Expense		Reacquisition or Redemption Expenses		
		Acct. (i)	Amount (j)	Acct. (k)	Amount (l)	Acct. (m)	Amount (n)	
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12	xxxx	xxxx	\$0	xxxx	\$0	xxxx	\$0	

38. Other Long-Term Liabilities

Show separately, by subsidiary record category, amounts accrued to provide for such items as unfunded pensions, death benefits, deferred compensation costs and other long-term liabilities not provided for elsewhere

Line No.	Account (or description of item) (a)	Balance at Beginning of Year (b)	Credits During Year		Debits During Year		Balance at End of Year (g)
			Contra Acct. No. (c)	Amount (d)	Contra Acct. No. (e)	Amount (f)	
1	Accrued Post Retirement Benefit	\$273,309	6570	\$93,034	1130	\$44,353	\$321,990
2							0
3							0
4							0
5							0
6							0
7							0
8							0
9							0
10							0
11							0
12							0
13							0
14							0
15							0
16							0
17							0
18							0
19							0
20							0
21							0
22							0
23							0
24							0
25							0
26							0
27							0
28							0
29							0
30							0
31							0
32							0
33							0
34							0
35							0
36	Totals	\$273,309		\$93,034		\$44,353	\$321,990

39. OTHER DEFERRED CREDITS

1. For any deferred credit being amortized, show the period of amortization and the date of Commission authorization.
2. For all other items, report the indicated particulars of each item amounting individually to \$100,000 or more for Class A companies, or \$10,000 or more for Class B companies.
3. Show the number and aggregate amount of all other items.
4. Where numerous accounts are affected in the disposition of these credits, the designation "various" may be inserted in column (c) for accounts debited.

Line No.	Description of Item (a)	Balance at Beginning of Year (b)	Debits		Credits (e)	Balance at End at End of Year (f)
			Acct. Dr. (c)	Amount (d)		
1	Deferred Compensation	\$215,374	Various	\$35,466	\$14,780	\$194,688
2	Lifeline Credit	44,559	5001		2,487	47,046
3	Deferred Revenue	6,930	Various	13,680	12,030	5,280
4	Choice One	64,369		114	0	64,255
5	Deferred Compensation Current Portion	(34,787)				(34,787)
6						0
7						0
8						0
9						0
10						0
12						0
13						0
14						0
15						0
16						0
17						0
18						0
19						0
20						0
21						0
22						0
23						0
24						0
25						0
26						0
27						0
28						0
29						0
30		\$296,445	x x x	\$49,260	\$29,297	\$276,482

40. CAPITAL STOCK

1. Report below the particulars called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show totals separately for common and preferred stock.
2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.
3. Give particulars concerning shares of any class and series of stock authorized to be issued by the Commission which have not yet been issued.
4. The designation of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or noncumulative.
5. Give particulars of any issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purpose of pledge.
6. For columns (g) and (h) indicate by footnote if stock held by respondent is held in sinking or other funds.

Line No.	Class and Series of Stock (a)	Number of shares authorized by Articles of Incorporation (b)	OUTSTANDING PER BALANCE SHEET*				HELD BY RESPONDENT		DIVIDENDS DURING YEAR	
			Number of shares (c)	Par or stated value per share (d)	Amount (e)	Additional Paid in Capital (Acct. 4520) (f)	Shares (g)	Cost (Account 4530) (h)	Declared (i)	Paid (j)
	<u>Account 4510.1 Capital Stock-Common</u>									
1	No Par	800,000	480,000	\$ 0.50	\$240,000					
2	ESOP Released					40,428	152,372	47,938	47,938	
3	ESOP Unreleased					46,895		5,880	5,880	
4	Treasury Stock					354				
5	Stock Options					57,111		1,504,997		
6										
7										
8										
9	TOTALS (Account 4510.1)	800,000	480,000	xxxxxxx	\$240,000	\$209,837	143,945	\$2,532,861	\$53,818	\$53,818
	<u>Account 4510.2 Capital Stock-Preferred</u>									
10										
11										
12										
13										
14										
15										
16										
17										
18	TOTALS (Account 4510.2)	0	0	xxxxxxx	\$0	\$0	0	\$0	\$0	\$0

41. ANALYSIS OF ENTRIES IN OTHER CAPITAL AND RETAINED EARNINGS ACCOUNTS

1. Report separately by accounts particulars with respect to the major items entered in any of the following accounts during the year: Account 4520, Additional Paid-in Capital; Account 4530, Treasury Stock; Account 4540, Other Capital; and Account 4550.5, Appropriations of Retained Earnings, and Account 4550.8, Adjustments to Retained Earnings.
2. With respect to prior period adjustments included in Account 4550.8, Adjustments to Retained Earnings, show in column (a) a description of the item, the reason for the adjustment, and the amount applicable to each year. (See also Section 661.17, General Instructions of the Uniform System of Accounts).
For all items in this account cite the date of Commission approval and authorization (e.g., Case or Docket No.).
3. The aggregate of all other items in each account shall be reported on a separate line immediately preceding the total for the account.

Line No.	Particulars (a)	Account Included In (b)	Debits (c)	Credits (d)
1	Unearned ESOP Shares	4532		144,510
2	Treasury Stock - ESOP	4530	96,969	
3	Unrealized Gain/Loss - FAS115	4540		111,607
4	Paid in Capital ESOP	4520		14,056
5	OPEB - FAS 158	4540	61,309	
6	Stock Options	4520		27,623
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42. OPERATING REVENUES			
Line No.	Item (a)	This Year Total (b)	Last Year Total (c)
LOCAL NETWORK SERVICES REVENUES			
1	5001 Basic Area	\$1,097,648	\$1,185,546
2	5002 Optional Extended Area Service		
3	5003 Cellular Mobile		
4	5004 Other Mobile Services		
5	5010 Public Telephone		
6	5040 Local Private Line	74,349	68,513
7	5050 Customer Premises	374	2,513
8	5060 Other Local Exchange	321,456	369,972
9	5069 Other Local Exchange Settlements		
10	Total Local Network Services Revenues	1,493,827	1,626,544
NETWORK ACCESS SERVICES REVENUES			
11	5081 End User	487,074	541,183
12	5082 Switched Access	1,228,775	1,369,488
13	5083 Special Access	724,812	657,063
14	5084 State Access	539,495	573,468
15	Total Access Services Revenues	2,980,156	3,141,202
LONG DISTANCE NETWORK SERVICES REVENUES			
16	5100 Long Distance Message		
17	5111 Long Distance Inward-Only		
18	5112 Long Distance Outward-Only		
19	5121 Subvoice Grade Long Distance Private Network		
20	5122 Voice Grade Long Distance Private Network		
21	5123 Audio Program Grade Long Distance Private Network		
22	5124 Video Program Grade Long Distance Private Network		
23	5125 Digital Transmission Long Distance Private Network		
24	5126 Long Distance Private Network Switching		
25	5128 Other Long Distance Private Network		
26	5129 Other Long Distance Private Network Settlements		
27	5160 Other Long Distance		
28	5169 Other Long Distance Settlements		
29	Total Long Distance Network Services Revenues	0	0
MISCELLANEOUS REVENUES			
30	5230 Directory	156,856	159,173
31	5240 Rent	174,924	78,661
32	5250 Corporate Operations	13,435	15,278
33	5261 Special Billing Arrangements	6,828	8,966
34	5262 Customer Operations		
35	5263 Plant Operations	9,260	10,618
36	5264 Other Incidental Regulated		
37	5269 Other Settlements		
38	5270.1 Interstate Billing and Collection	5,297	5,453
39	5270.2 Intrastate Billing and Collection	74,740	84,206
40	5280 Nonregulated	495,470	523,025
41	Total Miscellaneous Revenues	936,810	885,380
UNCOLLECTIBLE REVENUES			
42	5301 Uncollectible-Telecommunications	24,450	22,502
43	5302 Uncollectible-Other		
44	Total Uncollectible Revenues	24,450	22,502
45	TOTAL OPERATING REVENUES	\$5,386,343	\$5,630,624
46	FOOTNOTE: USF Revenues \$.....	XXXXXXXXXX	XXXXXXXXXX
47	Recorded in Account:	XXXXXXXXXX	XXXXXXXXXX

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44. OPERATING EXPENSES BY CATEGORY

Line No.	Item (a)	Salaries & Wages (b)	Benefits (c)	Rents (d)
<u>Plant Specific Operations</u>				
<u>Network Support Expenses</u>				
1	6112 Motor Vehicle	12,557	5,897	0
2	Clearance	12,137	5,700	0
3	Net Balance	420	197	0
4	6113 Aircraft			
5	Clearance			
6	Net Balance	0	0	0
7	6114 Special Purpose Vehicles			
8	Clearance			
9	Net Balance	0	0	0
10	6115 Garage Work Equipment			
11	6116 Other Work Equipment			
12	Clearance			
13	Net Balance	0	0	0
14	6110 Network Support Expenses	420	197	0
<u>General Support Expenses</u>				
15	6121 Land and Building	84,506	21,087	
16	6122 Furniture and Artworks	0	0	
17	6123 Office Equipment	0	0	
18	6124 General Purpose Computers	9,376	2,019	
19	6120 General Support Expenses	93,882	23,106	0
<u>Central Office Switching Expenses</u>				
20	6211 Analog Electronic			
21	6212 Digital Electronic	64,409	19,265	
22	6215 Electro-Mechanical			
23	6210 Central Office Switching Expenses	64,409	19,265	0
24	6220 Operator Systems Expense			
<u>Central Office Transmission Expenses</u>				
25	6231 Radio Systems			
26	6232 Circuit Equipment	30,016	8,171	
27	6230 Central Office Transmission Expenses	30,016	8,171	0
<u>Information Origination/Termination Expenses</u>				
28	6311 Station Apparatus			
29	6321 Customer Premises Wiring	41,993	16,117	
30	6341 Large Private Branch Exchange			
31	6351 Public Telephone Terminal Equipment	1,787	708	
32	6362 Other Terminal Equipment	11,295	4,073	
33	6310 Information Origination/Termination Expenses	55,075	20,898	0

44. OPERATING EXPENSES BY CATEGORY (Continued)					
Item (a)	Other Expenses (e)	This Year Total (f)	Last Year Total (g)	Line No.	
<u>Plant Specific Operations</u>					
<u>Network Support Expenses</u>					
6112	Motor Vehicle	201,739	220,193	180,001	1
	Clearance	194,990	212,827	174,969	2
	Net Balance	6,749	7,366	5,032	3
6113	Aircraft		0		4
	Clearance		0		5
	Net Balance	0	0	0	6
6114	Special Purpose Vehicles		0		7
	Clearance		0		8
	Net Balance	0	0	0	9
6115	Garage Work Equipment		0		10
6116	Other Work Equipment	32,863	32,863	27,764	11
	Clearance	34,294	34,294	26,935	12
	Net Balance	(1,431)	(1,431)	829	13
6110	Network Support Expenses	5,318	5,935	5,861	14
<u>General Support Expenses</u>					
6121	Land and Building	293,711	399,304	406,715	15
6122	Furniture and Artworks	375	375	0	16
6123	Office Equipment	39,526	39,526	34,804	17
6124	General Purpose Computers	82,112	93,507	100,534	18
6120	General Support Expenses	415,724	532,712	542,053	19
<u>Central Office Switching Expenses</u>					
6211	Analog Electronic		0	0	20
6212	Digital Electronic	315,729	399,403	374,678	21
6215	Electro-Mechanical		0	0	22
6210	Central Office Switching Expenses	315,729	399,403	374,678	23
6220	<u>Operator Systems Expense</u>		0		24
<u>Central Office Transmission Expenses</u>					
6231	Radio Systems		0	0	25
6232	Circuit Equipment	85,767	123,954	161,704	26
6230	Central Office Transmission Expenses	85,767	123,954	161,704	27
<u>Information Origination/Termination Expenses</u>					
6311	Station Apparatus		0	0	28
6321	Customer Premises Wiring	60,977	119,087	104,347	29
6341	Large Private Branch Exchange		0	0	30
6351	Public Telephone Terminal Equipment	1,005	3,500	2,194	31
6362	Other Terminal Equipment	12,909	28,277	14,556	32
6310	Information Origination/Termination Expenses	74,891	150,864	121,097	33

44. OPERATING EXPENSES BY CATEGORY (Continued)

Line No.	Item (a)	Salaries & Wages (b)	Benefits (c)	Rents (d)
	Plant Specific Operations (cont.)			
	<u>Cable and Wire Facilities Expenses</u>			
34	6411 Poles	1,703	847	
35	6421 Aerial Cable	162,886	62,094	
36	6422 Underground Cable			
37	6423 Buried Cable	6,577	3,023	
38	6424 Submarine Cable			
39	6425 Deep Sea Cable			
40	6426 Intrabuilding Network Cable			
41	6431 Aerial Wire	207	98	
42	6441 Conduit Systems	0	0	
43	6410 Cable and Wire Facilities Expenses	171,373	66,062	0
44	Total Plant Specific Operations Expense	415,175	137,699	0
	<u>Plant Nonspecific Operations</u>			
	<u>Other Property, Plant & Equipment Expenses</u>			
45	6511 Property Held for Future Telephone Use			
46	6512 Provisioning	50,992	11,411	0
47	Clearance	50,512	11,304	
48	Net Balance	480	107	0
49	6510 Total Other Property, Plant & Equipment Expenses	480	107	0
	<u>Network Operations Expenses</u>			
50	6531 Power	0	0	
51	6532 Network Administration	0	0	
52	6533 Testing	10,413	4,208	
53	6534 Plant Operations Administration	35,540	10,953	
54	Clearance	5,296	1,632	
55	Net Balance	30,244	9,321	0
56	6535 Engineering	215,990	47,543	
57	Clearance	36,781	8,096	
58	Net Balance	179,209	39,447	0
59	6530 Network Operations Expense	219,866	52,976	0
60	6540 Access Expense			
	<u>Depreciation & Amortization Expenses</u>			
61	6561 Depreciation-TPIS			
62	6562 Depreciation-Property Held for Future Tel.. Use			
63	6563 Amortization-Tangible			
64	6564 Amortization-Intangible			
65	6565 Amortization-Other			
66	6560 Depreciation & Amortization Expenses			
67	Total Plant Nonspecific Operations Expense	220,346	53,083	0

44. OPERATING EXPENSES BY CATEGORY (Continued)					
Item (a)	Other Expenses (e)	This Year Total (f)	Last Year Total (g)	Line No.	
Plant Specific Operations (cont.)					
<u>Cable and Wire Facilities Expenses</u>					
6411	Poles	73,206	75,756	67,770	34
6421	Aerial Cable	(58,423)	166,557	212,629	35
6422	Underground Cable		0	2,177	36
6423	Buried Cable	9,860	19,460	16,380	37
6424	Submarine Cable		0	0	38
6425	Deep Sea Cable		0	0	39
6426	Intrabuilding Network Cable		0	0	40
6431	Aerial Wire	295	600	1,575	41
6441	Conduit Systems	250	250	125	42
6410	Cable and Wire Facilities Expenses	25,188	262,623	300,656	43
	Total Plant Specific Operations Expense	922,617	1,475,491	1,506,049	44
			0		
Plant Nonspecific Operations					
<u>Other Property, Plant & Equipment Expenses</u>					
6511	Property Held for Future Telephone Use		0	0	45
6512	Provisioning	0	62,403	48,389	46
	Clearance		61,816	48,390	47
	Net Balance	0	587	(1)	48
6510	Total Other Property, Plant & Equipment Expenses	0	587	(1)	49
<u>Network Operations Expenses</u>					
6531	Power	54,480	54,480	62,364	50
6532	Network Administration	16,140	16,140	21,495	51
6533	Testing	5,968	20,589	20,520	52
6534	Plant Operations Administration	4,961	51,454	34,242	53
	Clearance	739	7,667	6,573	54
	Net Balance	4,222	43,787	27,669	55
6535	Engineering	19,541	283,074	242,215	56
	Clearance	3,328	48,205	44,257	57
	Net Balance	16,213	234,869	197,958	58
6530	Network Operations Expense	97,023	369,865	330,006	59
6540	Access Expense		131,071	110,189	60
<u>Depreciation & Amortization Expenses</u>					
6561	Depreciation-TPIS	1,108,670	1,108,670	1,090,497	61
6562	Depreciation-Property Held for Future Tel.. Use		0		62
6263	Amortization-Tangible		0		63
6564	Amortization-Intangible		0		64
6565	Amortization-Other		0		65
6560	Depreciation & Amortization Expenses	1,108,670	1,108,670	1,090,497	66
	Total Plant Nonspecific Operations Expense	1,205,693	1,610,193	1,530,691	67

44. OPERATING EXPENSES BY CATEGORY (Continued)

Line No.	Item (a)	Salaries & Wages (b)	Benefits (c)	Rents (d)
	<u>Customer Operations</u>			\$
	<u>Marketing</u>			
68	6611 Product Management			
69	6612 Sales	20,937	3,807	
70	6613 Product Advertising	3,785	783	
71	6610 Marketing	24,722	4,590	
	<u>Services</u>			
72	6621 Call Completion Services			
73	6622.1 Number Services-Directory Assistance	0	0	
74	6622.2 Number Services-Directory Publishing	34	13	
75	6623.1 Customer Services-Order Processing & Instruction	44,564	13,769	
76	6623.2 Customer Services-Billing and Collections	54,209	21,217	
77	6623.3 Customer Services-Public Telephone Expenses	386	141	
78	6620 Services	99,193	35,140	
79	Total Customer Operations Expense	123,915	39,730	
	<u>Corporate Operations Expense</u>			
	<u>Executive and Planning</u>			
80	6711 Executive	173,634	76,858	
81	6712 Planning	97,031	21,867	
82	6710 Executive and Planning	270,665	98,725	
	<u>General & Administrative</u>			
83	6721 Accounting & Finance	135,361	30,861	
84	6722 External Relations	1,307	377	
85	6723 Human Resources	20,217	4,414	
86	6724 Information Management	24,190	4,973	
87	6725 Legal	0	0	
88	6726 Procurement	10,543	2,200	
89	6727 Research and Development			
90	6728 Other General & Administrative	33,337	9,424	
91	6720 General & Administrative	224,955	52,249	
92	6790 Provision for Uncollectible Notes Receivable			
93	Total Corporate Operations Expenses	495,620	150,974	
94	TOTAL OPERATING EXPENSES	\$1,255,056	\$381,486	\$0

44. OPERATING EXPENSES BY CATEGORY (Continued)				
Item (a)	Other Expenses (e)	This Year Total (f)	Last Year Total (g)	Line No.
<u>Customer Operations</u>				
	\$	\$	\$	
<u>Marketing</u>				
6611	Product Management	0	0	68
6612	Sales	47,984	72,728	69
6613	Product Advertising	5,379	9,947	70
6610	Marketing	53,363	82,675	71
<u>Services</u>				
6621	Call Completion Services	0	0	72
6622.1	Number Services-Directory Assistance	2,183	2,183	73
6622.2	Number Services-Directory Publishing	67,894	67,941	74
6623.1	Customer Services-Order Processing & Instruction	156,008	214,341	75
6623.2	Customer Services-Billing and Collections	5,186	80,612	76
6623.3	Customer Services-Public Telephone Expenses	15,447	15,974	77
6620	Services	246,718	381,051	78
	Total Customer Operations Expense	300,081	463,726	79
<u>Corporate Operations Expense</u>				
<u>Executive and Planning</u>				
6711	Executive	65,116	120,465	80
6712	Planning	1,567	120,465	81
6710	Executive and Planning	66,683	436,073	82
<u>General & Administrative</u>				
6721	Accounting & Finance	103,919	270,141	83
6722	External Relations	4,072	5,756	84
6723	Human Resources	28,983	53,614	85
6724	Information Management	11,602	40,765	86
6725	Legal	18,970	18,970	87
6726	Procurement	0	12,743	88
6727	Research and Development	0	0	89
6728	Other General & Administrative	404,016	446,777	90
6720	General & Administrative	571,562	848,766	91
6790	Provision for Uncollectible Notes Receivable		0	92
	Total Corporate Operations Expenses	638,245	1,284,839	93
	TOTAL OPERATING EXPENSES	\$3,066,636	\$4,834,249	94
		\$0	223-95	

45. TAXES CHARGED DURING YEAR

1. Show the account distribution of total taxes charged to operations and to other final accounts during the year. Taxes charged to Account 7240 must be separated into intrastate and interstate operations.
2. Do not include gasoline and other sales taxes which have been charged to accounts to which was charged the material on which the tax was levied.
3. For taxes charged to telecommunications plant, show only the number of the appropriate balance sheet plant account.

Line No.	Kind of Tax (a)	Total taxes charged during year (b)	Account 7220 (c)	Account 7420 (d)	Account 7630 (e)	Account 7240 Intrastate (f)	Account 7240 Interstate (g)
	Federal Taxes:						
1	Income	(2,246)	46,418	23,106			
2	FICA-Contribution	58,996					
3	Unemployment	937					
4	Other:						
5							
6	Total	\$57,687	\$46,418	\$23,106	\$0	\$0	\$0
	State Taxes:						
7	Franchise-Gross Income-186a	\$60,665				\$40,397	\$20,268
8	Franch.-Gross Inc.-Access Charges						
9	Franchise-Gross Earnings-184	18,325				\$12,203	6,122
10	Franchise-Excess Div.-186	19,300				\$12,852	6,448
11	Temporary Surcharges-						
12	Sec. 186a (Gross Income)						
13	Sec. 184 (Gross Earnings)						
14	Sec. 186 (Excess Dividend)						
15	MTA Surcharge						
16	Unemployment Insurance	1,880					
17	Disability Insurance						
18	Sales and Use						
19	Other	2,097				\$1,396	701
20	Total	\$102,267	\$0	\$0	\$0	\$66,848	\$33,539
	Local Taxes:						
22	Real Estate	\$184,188				\$122,651	\$61,537
23	Special Franchise						
24	Municipal Gross Income	3,068				\$2,043	1,025
25	NYC-Spec. Franchise						
26	Motor Vehicle						
27	Other						
28							
29	Total	\$187,256	\$0	\$0	\$0	\$124,694	\$62,562
30	Other (list):						
31							
32							
33	Totals	\$347,210	\$46,418	\$23,106	\$0	\$191,541	\$96,102

45. TAXES CHARGED DURING YEAR (Continued)

4. For any tax which it was necessary to apportion to more than one of the accounts shown, state hereunder the basis of apportioning such tax.
5. Taxes not includable in the accounts listed below should be itemized in column (l) along with the applicable account to be charged indicated in column (k).
6. Itemize significant amounts included under the "Other" caption in column (a). Class A companies must itemize individual charges greater than \$1,000,000, and Class B companies must itemize amounts greater than \$25,000.

Line No.	Kind of Tax (a)	Account 7440 (h)	Account 2003 2004 (i)	Account 2001 (j)	Other	
					Account Number (k)	Amount (l)
	Federal Taxes:					
1	Income				7250	(71,770)
2	FICA-Contribution				6570	58,996
3	Unemployment				6570	937
4	Other					
5						
6	Total	\$0	\$0	\$0	XXXXXXX	(\$11,837)
	State Taxes:					
7	Franchise-Gross Income-186a					
8	Franch.-Gross Inc.-Access Charges					
9	Franchise-Gross Earnings-184					
10	Franchise-Excess Div.-186					
11	Temporary Surcharges-					
12	Sec. 186a (Gross Income)					
13	Sec. 184 (Gross Earnings)					
14	Sec. 186 (Excess Dividend)					
15	MTA Surcharge					
16	Unemployment Insurance				6570	1,880
17	Disability Insurance					
18	Sales and Use					
19	Other					
20	Total	\$0	\$0	\$0	XXXXXXX	\$1,880
	Local Taxes:					
22	Real Estate					
23	Special Franchise					
24	Municipal Gross Income					
25	NYC-Spec. Franchise					
26	Motor Vehicle					
27	Other					
28						
29	Total	\$0	\$0	\$0	XXXXXXX	\$0
30	Other (list):					
31						
32						
33	Totals	\$0	\$0	\$0	XXXXXXX	(\$9,957)

46. MISCELLANEOUS TAX REFUNDS

1. Report below particulars concerning all tax refunds received or used as a reduction of taxes payable during the year which are not more than \$1.5 million or do not exceed \$1,000 and 0.2% of the utility's operating revenues. This information is requested in compliance with Section 89.3, Notification Concerning Tax Refunds, of 16 NYCRR. This report shall be inapplicable to ordinary operating refunds that are not attributable to negotiation or to new legislation, adjudication, or rulemaking (such as refunds for overpayment of estimated taxes, and carrybacks of net operating losses and investment tax credits).
2. In determining whether a refund exceeds 0.2% of operating revenues for purposes of this report, the operating revenues of a telecommunication utility shall not include interstate revenues.
3. In determining whether a refund meets the criteria stated in Instruction 1 above, multiple refunds shall be treated as a single refund if they share a common cause such as a common act of negotiation, legislation, adjudication
4. or rulemaking. In this report, the utility also shall either propose a method of distributing to its customers the entire amount refunded or show why it should not make such a distribution.

Line No.	Description of Item (a)	Amount (b)
1	None	
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33		
34		
35	Total	\$0

**47. RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME
FOR FEDERAL INCOME TAXES**

1. Report hereunder a reconciliation of reported net income for the year with taxable income used in computing Federal Income tax accruals and show computation of such tax accruals. The reconciliation shall be submitted even though there is no taxable income for the year. Descriptions should clearly indicate the nature of each reconciling amount.
2. If the telecommunication company is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.

Line No.	Particulars (a)	Amount (b)
1	Net Income for the Year per Income Statement (Schedule 12, line 48)	\$516,232
	Income Taxes Accrued:	
2	7220	46,418
3	7250	(2,246)
4	7420	23,106
5	7450	60,663
6		
7		
8		
9		
10	Less: Nonregulated Income	
11		
12		
13		
14		
	Other reconciling amounts (list first additional income and unallowable deductions, followed by additional deductions and nontaxable income):	xxxxxxxxxxxx
15	Additional Income & Unallowable Deductions:	xxxxxxxxxxxx
16	ACRS/MACRS SALVAGE	\$7,576
17	NONDEDUCTIBLE MEALS	4,370
18	DEPRECIATION	14,298
19	OFFICERS LIFE INSURANCE	122,643
20	STOCK OPTIONS	27,623
21	NON-QUALIFIED PLAN	35,474
22	LIFE LINE CREDIT	2,487
23	PATRONAGE DIVIDEND	16,660
24	Additional Deductions & Non-Taxable Income:	xxxxxxxxxxxx
25	COST OF REMOVAL	\$8,386
26	EQUITY IN AFFILIATES	359,322
27	PARTNERSHIP LOSSES	426
28	PENSION	29,946
29	OPEB	44,211
30	DIVDEND EXCLUSION	16,037
31	DEFERRED COMPENSATION	20,686
32	TAX EXEMPT INTEREST	12,500
33	Federal tax net income	\$383,790
	Computation of tax:	xxxxxxxxxxxx
34	TAX @ 34%	\$130,489
35	ADJUST PRIOR YEAR ACCRUAL	(1,429)
36	ADJUST PREVIOUS YEARS (AMENDED RETURN)	(59,536)
37		
38		
39	Computed Federal Income Tax	\$69,524

48. SPECIAL CHARGES

Report below all expenditures incurred during the year for the purpose of lobbying (see paragraph (1) of account in USOA); contributions for charitable, social or community welfare purposes; penalties and fines paid on account of violations of statutes; and abandoned construction projects. Amounts of less than \$25,000 may be grouped by subsidiary categories for each of the items for Class A companies and less than \$2,000 for Class B companies.

Line No.	Description of Item (a)	Amount (b)
1	Contributions - Charitabe, Social, Community Welfare Purposes	\$10,464
2	Life Insurance Premiums	(16,284)
3	Other Misc	20,512
4		
5		
6		
7		
8		
9		
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11		
12		
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38		
39		
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41		
42		
43		
44	Totals from Insert Pages	
45	Total	\$14,692

49. OTHER INTEREST DEDUCTIONS

1. From each affiliated company to which interest on debt was incurred during the year show the amount and interest rate respectively for (a) advances on notes, (b) advances on open account, (c) notes payable, and (e) other debt, and total interest. Explain the nature of the other debt on which interest was incurred during the year.
2. Report the amount and interest rate for each class of debt on which other interest charges were incurred during the year.

Line No.	Description of Item (a)	Amount (b)
	Account 7540.1 Other Interest Deductions-Affiliated Companies	
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13	Total Other Interest Deductions-Affiliated Companies	\$0
	Account 7540.2 Other Interest Deductions	
14	Insurance Loans 5%	\$1,963
15	ESOP Repurchase Agreements Variable	13,167
16	Other Notes Prime	2,709
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33	Total Other Interest Deductions	\$17,839

50. OTHER NONOPERATING INCOME

Give the nature and source of each item recorded in this account, before taxes, and the amount thereof for the year. Amounts of less than \$25,000 may be grouped by subsidiary categories for each of the items for Class A companies and less than \$2,000 for Class B companies.

Line No.	Description of Item (a)	Amount (b)
1	Realized Gain/(Loss) - Esop Investment Activity	\$55,470
2	Realized Gain/(Loss) - Met Life Investment - Deferred Compensation	8,466
3	Realized Gain/(Loss) - Manning & Napier Investment	32,617
4	Realized Gain/(Loss) - NASA, LLC Investment Activity	(3,807)
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
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27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41		
42		
43		
44		
45	Total	\$92,746

51. EXTRAORDINARY ITEMS

1. Show in column (a), separately by accounts, a brief description of each item in accounts 7610, Extraordinary Income Credits, and 7620, Extraordinary Income Charges. Report the applicable income tax effect in column (d).
2. For each item, cite the date of Commission approval and authorization (e.g. Case or Docket No.). Also, see section 661.17 of the Uniform System of Accounts.

Line No.	Particulars (a)	Debit Amounts (b)	Credit Amounts (c)	Tax Effect Incl. in Accounts (d)	
				7630	7640
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18	Totals	\$0	\$0	\$0	\$0

51A. CONTINGENT LIABILITIES

1. Describe in column (e) the details of all contingent liabilities.
2. In columns (f) through (i) report the accounts used to record the contingent liabilities and the amounts.
3. For each item, cite the date of Commission approval and authorization (e.g. Case or Docket No.). Also, see section 661.17 of the Uniform System of Accounts.

Line No.	Particulars (e)	Debits		Credits	
		Account (f)	Amount (g)	Account (h)	Amount (i)
19			\$0		\$0
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35	Total	X X X	\$ 0	X X X	\$ 0

52. MEMBERSHIP FEES AND DUES

Line No.	Particulars (a)	NUMBER OF		Amounts (d)
		Organizations (b)	Memberships (c)	
	EXPENDITURES CHARGED TO OPERATING EXPENSES			
1	Associations of telecommunications companies	2	2	\$11,804
2	Trade, technical and professional associations			
3	Other organizations (specify types):			
4	Trumansburg Chamber of Commerce	1	1	70
5				
6				
7				
8				
9				
10				
11				
12				
13				
14	Total	3	3	\$11,874
	EXPENDITURES CHARGED TO ACCOUNT 7370			
15	Social and athletic clubs			
16	Service clubs			
17	Other organizations (specify type):			
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28	Total	0	0	\$0

53. Employee Protective Plans

Report a summary of each employee program in effect at any time during the year. This schedule is intended to cover pension, profit sharing, group life insurance, accident and sickness, medical, hospital, prescription drugs, guaranteed annual wage, severance pay, and any other plan maintained for employees (or retirees), but it is not intended to cover such a plan required by law, (e.g. social security).

For each plan report:

1. the identity thereof, and the employee group covered (e.g. management, non-management, executive officers, etc.)
2. whether the benefits are provided through an insurance carrier or directly by the company.
3. the total cost for the year.

Note: If any important change is made with respect to any such plan during the year, give brief particulars.

1)	Ontario Trumansburg Esop (Insurance Carrier)	123,245
2)	Defined Contribution Savings Plan (Insurance Carrier)	21,550
3)	Health Insurance (Insurance Carrier)	98,044
4)	Medical / Dental Reimbursement (Company Direct - Unfunded)	1,766
5)	Disability Insurance (Insurance Carrier)	899
6)	Worker's Compensation (Insurance Carrier)	15,107
7)	Long Term Disability (Insurance Carrier)	-
8)	Group Life Insurance (Insurance Carrier)	8,838
9)	Medical Reimbursement (Company Direct - Unfunded)	10,001
10)	Long Term Disability (Insurance Carrier)	12,952
11)	Deferred Compensation - Retirees (Company Direct - Unfunded)	13,187
12)	Shareholder Insurance (Insurance Carrier)	23,408
13)	Health Insurance Premiums (net) - Retirees (Insurance Carrier)	19,012
14)	Deferred Compensation - Non Esop (Company Direct - Unfunded)	19,630
15)	Post Retirement Health Ins Accrual (Insurance Carrier)	(28,641)

53. Employee Protective Plans (Continued)

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54. ANALYSIS OF PENSION COST

1. On lines 1-21 report the terms of the Pension Plan for the holding company or parent company; on lines 22-32 report details for the reporting company. If the reporting company has more than one pension plan, report each using separate forms.
2. Report on line 1 the actuarial present value of benefits determined as of a specific date during the calendar year according to the terms of a pension plan and based on employees' compensation and service to that date (salary progression is not considered in making this computation).
3. Report on line 2 the actuarial present value of all benefits attributed to employee service up to a specific date, based on the terms of the plan including salary progression factor for final pay and career average pay plans.
4. Report on line 3 the amount the pension plan could expect to receive for investments in a sale between a willing buyer and a willing seller, other than in a forced or liquidation sale.
5. Report on line 8 the discount rate which was used to calculate the obligations reported on Lines 1 and 2.
6. Report on Line 9 the expected long-term return on plan assets.
7. Report on line 14 the net asset gain or loss deferred during the reporting year for later recognition. Do not include in this amount amortization of previously deferred gains or losses as these amounts are to be reported on line 17.
8. Report on lines 19 thru 21 and lines 29 thru 32 the number of persons covered by the plan at the BEGINNING of the policy year.
9. Report on line lines 21 and 32 the numbers of persons having vested pension rights but who are no longer employed by the company and not yet drawing a pension allowance.
10. On line 22, the term "Minimum Required Contribution" shall mean the payment by the employer to its employees' pension fund necessary to meet the requirement set forth in the Employee Retirement Income Security Act of 1974.
11. On line 24, the term "Maximum Amount Deductible" shall mean the amount of pension expense that is allowable under Section 415 of the Internal Revenue Code.
12. Report on line 26 the dollar amount applicable to the reporting company which has been included in the amount on line 18.
13. Report on line 27 the dollar amount included on line 26 which has been capitalized.

For the above plan, specify and explain in the space below any accounting changes or changes in assumptions or elected options made during the reporting year. Quantify the effects of each such revision on each of the amounts reported on page 85. Use a separate insert sheet if more space is required.

54. ANALYSIS OF PENSION COST (Continued)		
Line No.	Item (a)	Current Year (b)
	<u>PLAN</u>	
1	Accumulated Benefit Obligation	\$ _____
2	Projected Benefit Obligation	\$ _____
3	Fair Value of Plan Assets	\$ _____
4	Unrecognized Transition Amount	\$ _____
5	Unrecognized Prior Service Costs	\$ _____
6	Unrecognized Gains or (Losses)	\$ _____
7	Date of Valuation Reported on Lines 1 through 6	_____
8	Discount Rate	_____ %
9	Expected Long-Term Rate of Return on Assets	_____ %
10	Salary Progression Rate (if applicable)	_____ %
	Net Periodic Pension Cost:	
11	Service Cost	\$ _____
12	Interest Cost	
13	Actual Return on Plan Assets [(Gain) or Loss]	
14	Deferral of Asset Gain or (Loss)	
15	Amortization of Transition Amount	
16	Amortization of Unrecognized Prior Service Cost	
17	Amortization of Gains or Losses	
18	Total Pension Cost	\$ _____ 0
19	Number of Active Employees Covered by Plan	
20	Number of Retired Employees Covered by Plan	
21	Number of Previous Employees Vested but Not Retired	
	<u>REPORTING COMPANY</u>	
22	Minimum Required Contribution	\$ _____
23	Actual Contribution*	\$ _____
24	Maximum Amount Deductible*	\$ _____
25	Benefit Payments	\$ _____
26	Total Pension Cost	\$ _____
27	Pension Cost Capitalized	\$ _____
28	Accumulated Pension Asset/Liability at Close of Year	\$ _____
29	Total Number of Company Employees at Beginning of Policy Year	
30	Number of Active Employees Covered by Plan.	
31	Number of Retired Employees Covered by Plan.	
32	Number of Previous Employees Vested but Not Retired.	

* Specify in the space below the reason(s) for any difference between the amounts reported on lines 23(b) and 24(b).

55. ANALYSIS OF PENSION SETTLEMENTS, CURTAILMENTS, AND TERMINATIONS

1. Report the amount of gains or losses arising from employee termination benefits or settlements, partial settlements, curtailments or suspensions of pensions or pension obligations during the year. If none have occurred, or they qualified as "small settlements" under SFAS-88 and the company elected not to recognize the gain or loss, state "none" on line 5 and complete the applicable sections on the bottom of the form. Use separate forms to report the effect of each event and, if the event affected more than one plan, use separate forms for each plan. These events include:
 - a. purchases of annuity contracts.
 - b. lump-sum cash payments to plan participants.
 - c. other irrevocable actions that relieved the company or the plan of primary responsibility for a pension obligation and eliminates significant risks related to the obligation and assets.
 - d. an event that significantly reduces the expected of years future service for present employees who are entitled to receive benefits from that plan or that eliminates the accrual of benefits for some or all of the future services of a significant number of those employees.

If this is the first year the company is subject to the reporting requirements of this schedule, complete separate forms for each reportable event having occurred since the company's adoption of SFAS-87 and include those forms in the current Annual Report.
2. In line 1-15 report activities for holding company or parent company; on line 16-18 report details for the reporting company.
3. Report on line 1 the amount of overfunding remaining (excess of plan assets, adjusted for accrued or prepaid pension costs, over the Pension Benefit Obligation), if any, from when the company first complied with SFAS-87. The amount should be adjusted by the year-to-date amortization.
4. Report on line 2 the actuarial gains and losses that occurred in prior fiscal years following compliance with SFAS-87 but have not yet been amortized. The amount should be adjusted by the year-to-date amortization.
5. Report on line 3 the actual return on plan assets (the sum of investment income and appreciation).
6. Report on line 4 the expected return on plan assets (a component of the current-year expense calculation, which should be prorated for the elapsed portion of the current year).
7. Report on line 6 the Pension Benefit Obligation (PBO) updated from the previous year-end figure to the settlement date. This amount should reflect the addition of a pro rata portion of the service cost and interest cost and the subtraction of benefit payments. It should also reflect any plan changes made during the year.
8. Convert the basis points and percentages reported on line 7 and 8 to their decimal equivalents before entering them in the formula on line 9.
9. Report on line 17 the applicable Federal income tax rate. Although no tax is currently payable on the gain and loss, it should be reflected because it represents a reduction of future pretax pension expense.

State separately below for each reportable event having occurred since the company's initial compliance with SFAS-87, and for which amortization of deferred gains or losses was not completed by December 31 of last year, the (1) type of event, e.g. settlement or curtailment, (2) date of occurrence, (3) amount of gain or loss originally deferred, (4) period of amortization specified by beginning and ending dates, and (5) amount of the current year's amortization.

55. ANALYSIS OF PENSION SETTLEMENTS, CURTAILMENTS, AND TERMINATIONS (Continued)

Line No.	ESTIMATE OF SETTLEMENT GAIN OR LOSS (a)	(b)	(c)
PLAN			
1	Unrecognized net asset		1. _____
2	Unrecognized net actuarial gain or (loss)		2. _____
	Year-to-date asset gain or (loss):		
3	Actual return	3. _____	
4	Expected return	4. _____	
5	Gain or (loss): (3)-(4)		5. _____ 0
	Year-to-date liability gain or (loss):		
6	PBO at settlement date	6. _____	
7	Year-to-date increase (or decrease) in actuarial discount rate	7. _____	basis points
8	Percentage decrease in PBO for each 100 basis-point increase in the discount rate	8. _____	
9	Liability gain or (loss): {(6) x (7) x (8)} x 100 -- see instructions		9. _____ 0
	Settlement gain or (loss):		
10	Accounting value of obligation which was settled	10. _____	
11	Settlement cost (e.g., price of purchased annuity contract)	11. _____	
12	Settlement gain or (loss): (10)-(11)		12. _____ 0
13	Total accumulated gain or (loss): (1)+(2)+(5)+(9)+(12)		13. _____ 0
14	Settlement ratio: (10)/(6)		14. _____ 0%
15	Pretax gain recognizable in current income: (13) x (14)		15. _____ 0
REPORTING COMPANY			
16	Portion of amount on line 15 allocated to reporting company		16. _____
	Tax-affected gain:		
17	Tax rate	17. _____ %	
18	Gain or (loss) after provision for income tax: 16 x [100% - (17)]		18. _____ 0

Explain the basis of allocation used to derive the amount reported on line 16 from that reported on line 15:

For the amount reported on line 16 specify:

- a. the amount recorded as income for the current year
- b. the amount deferred on the balance sheet
- c. amortization period for the deferred amount (specify beginning and ending dates).

Briefly describe the event (e.g., settlement, curtailment or termination with short description of the change) and the date of its occurrence.

If the event involves the purchase of an annuity contract(s), state whether they are participating or nonparticipating contracts. If they are participating, explain the terms and state the cost difference between the contract(s) purchased and identical contracts without the participating feature.

If the event qualified as a "small settlement" under SFAS 88, and the company elected not to recognize the gain or loss, state:

- a. number of employees affected
- b. the cost of the settlement
- c. the amount of PBO settled

56. ANALYSIS OF OPEB COSTS, FUNDING, AND DEFERRALS

1. Report on Pages 88 through 91, the requested data concerning Postretirement Benefits Other than Pensions (OPEB). For these schedules, the measurement date, calculation of the data requested, and separate reporting for different types of OPEB plans shall be consistent with the disclosure requirements specified in SFAS-106 (Paragraphs 72-89). If the reporting company's OPEB benefits are provided through a joint plan with its parent company or holding company, report under the columnar heading "Total Company" the data applicable to the total plan (i.e., that of the parent or holding company). The columnar heading "New York State Jurisdiction" refers to the New York State jurisdictional operations of the reporting company, exclusive of amounts applicable to subsidiary companies which are subject to the Commission's jurisdiction but are separately reported.
2. The quantification of amounts reported on Lines 1 - 12 shall be as of the date reported on Line 13.
3. Report on Lines 1 - 3 the actuarial present value of benefits attributed employees' service rendered to the date reported on Line 13.
4. Report on Line 4 the amount the OPEB plan(s) could expect to receive for investments in a sale between a willing buyer and a willing seller, other than in a forced or liquidation sale.
5. Report on Lines 5 and 6, the amounts applicable to OPEB that are recorded in internal reserves, net of their related deferred income tax effect. For New York State Jurisdictional Operations, creation of an internal reserve was required by the Commission's "Statement of Policy and Order Concerning the Accounting and Ratemaking Treatment for Pensions and OPEB" (issued September 7, 1993).
6. Report on Line 10 the amount of unrecognized net gain or loss (including plan asset gains and losses not yet reflected in the market-related value of the plan assets).
7. Report on Line 11 the amount of unrecognized net asset gain or loss not yet reflected in the market-related value of plan assets.
8. In certain instances, a portion of the New York State Jurisdiction OPEB internal reserve may not be subject to the accrual of interest (e.g. in the company's last rate case a portion of the reserve may have been used to reduce rate base). Report on Line 12 the balance of the reserve, net of its related deferred income tax effect, which is subject to the accrual of interest.
9. Report on Line 14 the discount rate which was used to calculate the obligations reported on Lines 1-3.
10. Report on Line 15 the expected long-term return on plan assets reported on Line 4.
11. Report on Line 21 the net asset gain or loss deferred during the reporting year for later recognition. Do not include in this amount amortization of previously deferred gains or losses as these amounts are to be reported on Line 24.
12. The amount reported on Line 24 is to include the amortization of gains and losses arising from changes in assumptions.

For each plan, specify and explain in the space below any accounting changes or changes in assumptions or elected options made during the reporting year. Quantify the effects of each revision on each of the amounts reported on Page 89. Use a separate insert sheet if more space is necessary.

56A. ANALYSIS OF OPEB COSTS, FUNDING AND DEFERRALS (Continued)

Line No.	Item (a)	Total Company (b)
<u>ANALYSIS OF OPEB COSTS</u>		
	Accumulated Benefit Obligation Attributable to:	
1	Retirees Covered by the Plan	\$ 7
2	Other Fully Eligible Plan Participants	\$ 12
3	Other Active Plan Participants	\$
4	Fair Value of Plan Assets Held in an Exterior Fund or Trust	\$
	Plan Assets Held in an Internal Reserve (net of tax):	
5	New York State Jurisdiction	\$
6	Other	\$
7	Other Plan Assets (Specify)	\$
8	Unrecognized Transition Obligation	\$
9	Unrecognized Prior Service Costs	\$ (444,178)
10	Unrecognized Gains or (Losses)	\$ 100,794
11	Gains or (Losses) Unrecognized in Market Related Value of Assets	\$
12	NYS Jurisdiction Internal Reserve Balance Subject to Accrual of Interest (net of tax)	\$
13	Date of Valuation for Amounts Reported on Lines 1 - 12.	40,543
14	Discount Rate	5.0%
15	Expected Long-Term Rate of Return on Assets (Exterior Fund)	
16	Interest Rate Applied to NYS Jurisdiction Internal Reserve Balance	
17	Salary Progression Rate (if applicable)	
<u>NET PERIODIC OPEB COST</u>		
18	Service Cost	\$ 5,441
19	Interest Cost	14,550
20	Actual Return on Plan Assets [(Gain) or Loss]	
21	Deferral of Asset Gain or (Loss)	
22	Amortization of Transition Amount	
23	Amortization of Unrecognized Prior Service Cost	(74,030)
24	Amortization of (Gains) or Losses from Earlier Periods	27,368
25	(Gain) or Loss Due to a Temporary Deviation From a Substantive Plan	
26	Net Periodic OPEB Cost	\$ (26,671)

56B. ANALYSIS OF OPEB COSTS, FUNDING AND DEFERRALS (Continued)

1. pension trust fund to an account set up under Section 401 (h) of the Internal Revenue Code.
2. Report on Line 5 items of income (e.g., dividends and interest).
3. The amount reported on Line 9 should be the same amount as that reported on Line 4 on Page 89.

Line No.	Item (a)	Total Company (b)
EXTERNALLY HELD OPEB DEDICATED FUNDS OR TRUSTS		
1	Fair Value of Plan Assets at Beginning of Period	
	Contributions to the Fund:	
2	Deposits of Company Funds	
3	Transfers from Pension Related Funds	
4	Other *	
5	Income or (Loss) Earned on Fund Assets	
6	Capital Appreciation or (Depreciation) of Fund Assets	
7	Cost Benefits Paid from the Fund To or For Plan Participants	
8	Other Expenses Paid By the Fund **	
9	Fair Value of Plan Assets at End of the Period	\$0

* Specify the source of any amount reported on Line 4.

** Specify the type and amount of any expenses reported on Line 8.

56C. ANALYSIS OF OPEB COSTS, FUNDING AND DEFERRALS (Continued)

1. The data requested on Lines 1 through 12 are for the internal reserve, the establishment of which is required by the Commission's "Statement of Policy and Order Concerning the Accounting and Ratemaking Treatment for Pensions and Postretirement Benefits Other Than Pensions" (Case 91-M-0890, issued and effective September 7, 1993). The amounts reported below are to be consistent with the definitions and intent contained in that Statement.
2. The "rate allowance" to be reported on Line 2 is the amount which was projected to be charged to expense accounts (i.e., not charged to construction, depreciation, nor the rate base allowance related to capitalized OPEB costs) in the company's latest rate proceeding, adjusted to actual Kwh (etc.) sales as per the above Policy Statement.
3. The amount reported on Line 9 less the amount on Line 10 should total the amount reported on Line 5 of Page 89.
4. In certain instances, a portion of the OPEB internal reserve may not be subject to the accrual of interest (e.g., in the company's last rate case, a portion of the reserve may have been used as a rate base reduction). Report on Line 12 the balance of the reserve, net of its related deferred income tax effect, which is subject to the accrual of interest.
5. The Commission's September 7, 1993 Policy Statement on pensions and OPEB stated that, except under certain circumstances, the difference between 1) the rate allowance for OPEB expense, plus any pension related or other funds or credits the company is directed to use for OPEB purposes, and 2) OPEB expense determined as required therein, are to be deferred for future recovery. Report on Lines 13 through 17 the amounts relating to this requirement.

Line No.	Item (a)	New York State Jurisdiction (b)
	OPEB RELATED ASSETS RECORDED IN AN INTERNAL RESERVE	
1	Balance in Internal Reserve at Beginning of the Period - [(Debit) / Credit]	
2	Amount of the Company's Latest Rate Allowance for OPEB Expense	
3	Amount of OPEB costs actually charged to Construction	
4	Pension Related or Other Funds or Credits this Commission Directed the Company to Use for OPEB Purposes	
5	Interest Accrued on Fund Balance	
6	Cost Benefits Paid to or for Plan Participants	
7	Amount Transferred to an External OPEB Dedicated Fund	
8	Other Debits or Credits to the Internal Reserve *	
9	Balance in Internal Reserve at End of the Period	
10	Balance of Deferred Income Tax Applicable to the Internal Reserve	
11	Interest Rate Applied to Internal Reserve Balances	
12	Internal Reserve Balance Subject to Accrual of Interest (net of tax)	
	ACCUMULATED DEFERRED OPEB EXPENSE	
13	Accumulated Deferred Balance Beginning of Period - [Debit / (Credit)]	
14	Deferral Applicable to Current Year Variation	
15	Amortization of Previous Deferrals	
16	Accumulated Deferred Balance at End of Period	
17	Balance of Deferred Income Tax Applicable to Deferred OPEB Expense at the End of Period	
	* Briefly explain any amounts reported on Line 8.	

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**59. GENERAL SERVICES AND LICENSES,
ADVISORY, MANAGEMENT, ENGINEERING, OR PURCHASING SERVICES**

1. Respondents shall report all services rendered by or provided to affiliated and nonaffiliated companies under a license agreement, a general service contract, or other arrangement for furnishing of general accounting, advisory, engineering, financial, legal, patent, purchasing or other general services of a continuous nature.
2. Report the valuation method used; tariffed rate or cost.
3. Aggregate all Other Company items under \$100,000 for Class A and \$25,000 for Class B Telecommunications Companies.

Line No.	Name of Affiliate or Other Company (a)	Valuation Method (b)	Account No. (c)	Service Provided For/To (d)	Amount (e)
1	Affiliates: Ontario Telephone Company, Inc	Cost	5250	Use of Facilities	\$13,435
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21	Total Affiliates				13435
22	Other Companies:				
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41	Aggregate of All Other Items				
42	Total Other Companies				0
43	Total General Services and Licenses				13435

60. LIFELINE TELEPHONE SERVICES

1. Show separately, by month, the amount of customers for each Lifeline service.
2. The total shown in column (d) is the total customers receiving Lifeline services, column (a)+(b)+(c).

	Number of Customers				
	Flat Rate (a)	Basic Message Rate (b)	Locality Waivers (c)	Total Lifeline (d)	Link-Up Customers (e)
January				115	
February				116	
March				123	
April				126	
May				123	
June				123	
July				123	
August				120	
September				116	
October				115	
November				115	
December				115	

61. ACCESS LINES IN SERVICE

1. Access lines are any and all facilities appearing at a customer's premises for which an access line charge is made as provided for in company tariffs.
2. Multi-line business access lines shall include all access lines provided to businesses with two or more lines on the same premises (i.e., two line service, key telephone system services, PBX system services).
3. Public access lines shall include all access lines provided to serve public coin telephones, semi-public coin telephones, customer owned coin operated telephones (COCOTS) and credit card telephones.
4. Private Line Circuits are telephone facilities furnished under contracts providing exclusive service, i.e., service not requiring central office switching operations.

Line No.	Division of Territory (a)	Number of Access Lines			
		At Beginning of the Year (b)	During the Year		At End of the Year (e)
			Added (c)	Discontinued (d)	
1	Trumansburg	2,704	149	336	2,517
2	Interlaken	858	58	115	801
3	Ovid	1,190	60	204	1,046
4					0
5					0
6					0
7					0
8					0
9					0
10		4,752	267	655	4,364

NUMBER AT END OF THE YEAR

Line No.	Access Lines Classified by Type						Mobile Access Lines (l)	Private Circuits (Instr. 4) (m)
	Business		Public	Residential				
	Single Line (f)	Multi-Line (Instr. 2) (g)	(Instr. 3) (h)	One Party (i)	Two Party (j)	Four or More Parties (k)		
1	124	332	4	2,057			32	
2	40	68	0	693			1	
3	50	301	8	687			33	
4								
5								
6								
7								
8								
9								
10	214	701	12	3,437	0	0	66	

62. TELEPHONE CALLS

1. Show the particulars called for concerning telephone calls originating from respondent's stations in each of the general divisions of territory in which telephone service is given by the respondent within the State of New York. Divisions of territory lying wholly outside the State of New York may be grouped under one heading.
2. The numbers shown in column (c) may be based on an actual count taken periodically during the year. Describe in a note the general characteristics of the methods employed in arriving at the numbers shown.
3. As used in this schedule, a "local call" means one between two points, both of which are within the local service area of the calling telephone; and a "toll call" means one to a point outside of the local service area of the calling telephone.

NUMBER OF CALLS ORIGINATING FROM COMPANY PROVIDED SWITCHED ACCESS LINES									
Line No.	State or Territory (a)	Total Local Calls (b)	IntraLATA Intrastate Toll Calls		InterLATA Intrastate Toll Calls		InterLATA Interstate Toll Calls		Total Calls (i)
			Messages (c)	Billed Minutes (d)	Messages (e)	Billed Minutes (f)	Messages (g)	Billed Minutes (h)	
1	Trumansburg 387		256,360	876,352	468,362	1,560,770	744,820	2,803,272	1,469,542
2	Interlaken 532		151,077	523,625	152,123	544,103	226,326	875,068	529,526
3	Ovid 869		527,722	1,288,496	246,519	720,373	368,546	1,052,490	1,142,787
4									0
5									0
6									0
7									0
8									0
9									0
10		0	935,159	2,688,473	867,004	2,825,246	1,339,692	4,730,830	3,141,855

63. STATISTICS RELATING TO TELEPHONE SERVICE QUALITY

1. To calculate the Average for the Year for column (b) below, add together each of the monthly company-wide results and divide by 12.
2. Measurement Opportunities are the total number of monthly measurements for the year taken at the appropriate entity reporting level (e.g., central office entity for Customer Trouble Report Rate; Maintenance Center for Percent Out-of-Service Over 24 Hours, etc.).
3. "Objective Level", "Weakspot Level", and "Surveillance Level Failure" are defined in the Commission's Telephone Service Standards (Section 603 of 16NYCRR). Certain smaller companies may not be required to report on all of the following service measurements. Please refer to the Service Standards before completing the following schedule.
4. For Business Office Answer, Repair Service Answer, Directory Assistance Answer, Intercept Answer, and Toll & Assistance Answer specify which of the two alternative standards the company used during the year. (See Section 603.12 (d) of 16 NYCRR.)

Line No.	Service Measurement (a)	TOTAL COMPANY SERVICE QUALITY DATA						Number of Surveillance Level Failures (h)
		Average for the Year (b)	Cumulative Annual Total (c)	Measurement Opportunities		Number of Surveillance Level Failures		
				At Objective Level Number (d)	At Objective Level Percent (e)	At Weakspot Level Number (f)	At Weakspot Level Percent (g)	
1	Customer Trouble Report Rate Per 100 Access Lines	3.85	2139					
2	Percent Missed Repair Appointments	0						
3	Percent Out-of-Service Over 24 Hours	16	837					
4	Percent Regular Orders Installed Within 5 Days	99	126					
5	Percent Installation Appointments Not Met	0	1					
6	Business Office Answer (Standard: _____)							
7	Repair Service Answer (Standard: _____)							
8	Directory Assistance Answer (Standard: _____)							
9	Intercept Answer (Standard: _____)							
10	Toll and Assistance Answer (Standard: _____)							
11	Dial Tone Speed							
12	Blockages and Failures							
13	Orders for Regrades Held Over 30 Days							
14	TOTAL		3103	0		0		0
15	Number of Customer Complaints to the Public Service Commission During the Year <u>4</u> .							

64. PLANT EXTENSIONS TO SERVE NEW RESIDENTIAL SUBDIVISIONS

Report on telephone facilities constructed during the year to serve new residential subdivisions pursuant to 16 NYCRR Part 604.

Line No.	Underground Plant Constructed Within Subdivisions (a)	Amount (b)
A. Direct Buried (Plowed) Lines		
1	Total Length	0 ft.
2	Cost of Plowing Only	\$0.00
3	Average Cost of Plowing Only	/ft.
B. Sole Occupancy Trenched Lines		
4	Total Length	0 ft.
5	Cost of Trenching Only	\$0.00
6	Average Cost of Trenching Only	/ft.
C. Shared Occupancy Trenched Lines		
7	Total Length	0 ft.
8	Cost of Trenching (telephone portion) Only	\$0.00
9	Average Cost of Trenching (telephone portion) Only	/ft.

II. Plant Constructed To Connect Subdivisions To The Existing Telephone Distribution System

A. Facilities Placed Underground		
10	Total Length	0 ft.
11	Total Cost	0
12	Average Total Cost	/ft.
B. Facilities Placed Overhead		
13	Total Length	0 ft.
14	Total Cost	0
15	Average Total Cost	/ft.

65. DISTRIBUTION OF TOTAL COMPENSATION OF EMPLOYEES

Line No.	Account Group (a)	Amount (b)
1	Operating Expenses	\$1,255,056
2	Telecommunications Plant In Service	9,523
3	Telecommunications Plant Under Construction	252,580
4	Accumulated Depreciation	5,239
	Other (specify):	
5	Finger Lakes Technologies Group, Inc.	104,186
6	Finger Lakes Communications Group, Inc.	2230
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20	Total Compensation of Officers and Employees	\$1,628,814
65A. NUMBER OF EMPLOYEES		
21	Officials and Managerial Assistants	4.5
22	Professional and Semiprofessional Employees	2.5
23	Business Office and Sales Employees	2.0
24	Clerical Employees	2.0
25	Operators	
26	Construction, Installation and Maintenance Employees	
27	Central Office Crafts Employees	2.5
28	Installation and Exchange Repair Crafts Employees	3.0
29	Line, cable and conduit crafts employees	1.5
30	Building, Supplies and Motor Vehicle employees:	1.0
31	All Other Employees Not Elsewhere Classified	1.5
32	Total Employees	20.5

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STATE OF NEW YORK
Public Service Commission
5 Year Book Data
Trumansburg Telephone Company
For the period ending December 31, 2010

Annual Report of Trumansburg Telephone Company

For the period ending Dec

COMPARATIVE BALANCE SHEET

	Annual Report Source Sch 11, Pg 16 (C)	
CURRENT ASSETS		
1 Cash and Temporary Cash Investments	L1-4	\$1,305,928
2 Accounts Receivable (Net)	L(5,7,8) - L(6,9)	2669528
3 Current Deferred Income Taxes	L21	0
4 Other Current Assets	(Formula)	798627
5 Total Current Assets	L22	4774082.86
NON-CURRENT ASSETS		
6 Investments	L23-26	3743466
7 Unamortized Debt Issuance Costs	L27	4800
8 Deferred Charges	L30-31	0
9 Other Jurisdictional Assets - Net	L32	
10 Non-Current Deferred Income Taxes	L33	320074
11 Other Non-Current Assets	(Formula)	2312740
12 Total Non-Current Assets	L 34	6381080
REGULATED PLANT		
13 Total Telecommunications Plant	L42	25797236.92
14 Less: Accumulated Depreciation and Amort.	L43-44	15836461.69
15 Net Regulated Plant	(Formula)	9960775.23
16 Total Assets & Other Debits	(Formula)	21115938.09

CURRENT LIABILITIES		Source	
		Sch 11, Pg 17 (C)	
17	Accounts Payable	L1-2	1625791
18	Notes Payable	L3-4	345460
19	Advanced Billings	L5	458149
20	Customer Deposits	L6	0
21	Current Maturities - Long-Term Debt	L7-8	299235
22	Current Deferred Income Taxes	L11-12	0
23	Other Current Liabilities	(Formula)	889042.2
24	Total Current Liabilities	L15	3617677.2
LONG-TERM DEBT			
25	Long-Term Debt	L23	1595916
OTHER LIAB. & DEFERRED CREDITS			
26	Unamortized ITC	L25-26	0
27	Non-Current Deferred Taxes	L27-28	2197183
28	Other Deferred Credits	L29	276482
29	Other Jurisdictional Differences - Net	L30	
30	Other Liabilities	(Formula)	321990
31	Total Other Liab. and Def. Credits	L31	2795655
STOCKHOLDER'S EQUITY			
32	Common Stock	L32	240000
33	Preferred Stock	L33	0
34	Other Paid in Capital	L34-36	-2014959
35	Retained Earnings	Formula	14881648.4
36	Total Stockholder's Equity	L40	13106689.4
37	Total Liab. and Stockholder's Equity	(Formula)	\$21,115,938

INCOME STATEMENT

OPERATING REVENUES		Source	
		Sch 42, Pg 65 (b)	
1	Local Network Services	L10	\$1,493,827
2	Network Access Services	L15	2,980,156
3	Long Distance Network Services	L29	0
4	Miscellaneous Revenues	L41	936,810
5	Less: Uncollectible Revenues	L44	24,450
6	Total Operating Revenues	(Formula)	5,386,343
OPERATING EXPENSES		Sch 44, Pg 67 (F)	
7	Network Support Expenses	L14	5,935
8	General Support Expenses	L19	532,712
9	Central Office Switching	L23	399,403
10	Operator Systems Expense	L24	0
11	Central Office Transmission	L27	123,954
12	Info. Origination/Termination	L33	150,864
13	Cable & Wire Facilities	L43	262,623
14	Total Plant Specific Operations	(Formula)	1,475,491
		Sch 44, Pg 69 (F)	
15	Other Plant, Property & Equipment	L49	587
16	Network Operations	L59	369,865
17	Access Expense	L60	131,071
18	Depreciation and Amortization	L66	1,108,670
19	Total Plant Non-Specific Operations	(Formula)	1,610,193
		Sch 44, Pg 71 (F)	
20	Marketing Expense	L71	82,675
21	Services Expense	L78	381,051
22	Total Customer Operations	(Formula)	463,726
		Sch 44, Pg 73 (F)	
23	Executive & Planning	L82	436,073
24	General & Administrative	L91	848,766
25	Provision - Uncollectible Notes Rec.	Less L92	0
26	Other		
27	Total Corporate Operations	(Formula)	1,284,839
28	Total Operations Expense	(Formula)	4,834,249
		Sch 12, Pg 20 (C)	
29	Other Operating Income & Expenses	L9	0
30	State & Local Income Taxes	L12	0
31	Other Taxes	L13	287,643
32	Net Operating Income Before FIT	(Formula)	264,451
33	Investment Tax Credits - Net	L10	0
34	Federal Income Taxes	L11	46,418
35	Provision - Def. Operating Income Taxes - Net	L14	(2,246)
36	Net Operating Income	(Formula)	\$220,279

INCOME STATEMENT

	Source	
1 Net Operating Income	From Above	\$220,279
NON-OPERATING INCOME & EXPENSES		Sch 12, Pg 20 (C)
2 Dividend Income	L17	22,910
3 Interest Income	L18	42,126
4 Income - Sinking and Other Funds	L19	0
5 Allowance for Funds Used During Construction	L20	6,295
6 Gains/Losses - Disposal of Property	L21	0
7 Equity in Earnings of Affiliated Companies	L22	359,322
8 Other Non-Operating Income	L23	92,746
9 Special Charges	L24	14,692
10 Total Non-Operating Income & Expenses	(Formula)	508,707
NON-OPERATING TAXES		Sch 12, Pg 20 (C)
11 Federal Income Taxes	L26+L27+L30	83,768
12 Other	L28+L29	0
13 Total Non-Operating Taxes	(Formula)	83,768
14 Income Available Before Interest Charges	(Formula)	645,218
INTEREST CHARGES		
15 Interest on Funded Debt	L34	108,747
16 Other Interest Expense	(Formula)	20,239
17 Total Interest Charges	L38	128,986
18 Income Before Extraordinary & Nonregulated Items	(Formula)	516,232
Extraordinary & Nonregulated Items		Sch 12, Pg 21 (C)
19 Extraordinary Items	L44	0
20 Nonregulated Revenues	L46	0
21 Total Extraordinary & Nonregulated Items	(Formula)	0
22 Net Income	(Formula)	\$516,232

RETAINED EARNINGS STATEMENT		Sch 12, Pg 21 (C)
Unappropriated Retained Earnings:		
23 Beginning Year Balance	L49	\$14,836,248
24 Transferred from Income	L50	516,232
25 Appropriations	L51	0
Dividends Declared:		
26 Preferred Stock	L52	0
27 Common Stock	L53	53,818
28 Adjustments	L54	0
29 Ending Year Balance	(Formula)	15,298,662
30 Appropriated/Undistributed Affiliated Retained Earnings	L57+L60-L61+L62)	(417,014)
31 Total Retained Earnings	(Formula)	\$14,881,648

CASH FLOW STATEMENT

	Source	
Cash Flows from Operating Activities		
1 Net Income	Formula	\$516,232
Non-Cash Items Included in Net Income		
Sch 13, Pg 22 (B)		
2 Depreciation, Depletion & Amortization	L2+L3	1,111,070
3 Changes in Accumulated Deferred Income Taxes	L4	58,417
4 Changes in Working Capital	L6+L7+L8+L10+L11	(839,238)
5 Capitalized AFDC - Equity	L5	0
6 Other	(Formula)	(479,827)
7 Total Non-Cash Items	L17	(149,578)
8 Net Cash Provided by (Used In) Operating Activities	(Formula)	366,654
Cash Flows from Investing Activities		
Sch 13, Pg 22 (B)		
9 Cash Flows from Construction	L28	(664,193)
10 Purchase of Other Investments	L29+L30+L31+L32	(1,582,737)
11 Sale of Other Investments	L33+L34+L35+L36	2,444,118
12 Other	L37+L38+L39	0
13 Net Cash Provided by (Used In) Investing Activities	(Formula)	197,188
Cash Flows from Financing Activities		
Sch 13, Pg 23 (B)		
Net Proceeds (Payments)		
14 Long-Term Debt	L43+L49	(565,444)
15 Common Stock	L41+L47	0
16 Preferred Stock	L42+L48	0
17 Short-Term Debt	L44	0
18 Dividends Paid	L50+L51	(53,818)
19 Other Financing	(Formula)	(14,319)
20 Net Cash Provided by (Used In) Financing	L59	(633,581)
21 Net Increase (Decrease) in Cash & Equivalents	(Formula)	(69,739)
22 Cash & Equivalents at Beginning of Year	L61	117,011
23 Cash & Equivalents at End of Year	(Formula)	\$47,272

DISTRIBUTION OF TELEPHONE REVENUES

1	Revenues	Source Formula Sch 61	\$5,386,343
2	Access Lines	Pg 96, L10 (e)	4364

DOLLAR AMOUNTS

3	Wages and Benefits	Sch 44 Pg 71, L94 (b) (c)	\$1,636,542
4	Depreciation and Amortization	(Formula)	1108670
5	Other Operations Expense	(Formula)	2089037
6	Total Operation Expenses	(Formula)	4834249
7	Income Taxes - Operating Taxes	(Formula)	44172
8	Other Taxes - Operating Taxes	(Formula)	287643
9	Capital Costs	(Formula)	220279
10	Total	(Formula)	\$5,386,343

PERCENT OF REVENUES

11	Wages and Benefits	(Formula)	30.4
12	Depreciation and Amortization	(Formula)	20.6
13	Other Operations Expense	(Formula)	38.8
14	Income Taxes - Operating Taxes	(Formula)	0.8
15	Other Taxes - Operating Taxes	(Formula)	5.3
16	Capital Costs	(Formula)	4.1
17	Total	(Formula)	100.0

DOLLARS PER ACCESS LINE

18	Wages and Benefits	(Formula)	375.01
19	Depreciation and Amortization	(Formula)	254.05
20	Other Operations Expense	(Formula)	478.70
21	Income Taxes - Operating Taxes	(Formula)	10.12
22	Other Taxes - Operating Taxes	(Formula)	65.91
23	Capital Costs	(Formula)	50.48
24	Total	(Formula)	1,234.27

TELECOMMUNICATIONS PLANT AND SELECTED RATIOS

		Source
		Sch 14, Pg 24, 25
<u>Plant In Service</u>		
1 General Support Assets	L13	\$2,446,370
2 Central Office Assets	L25	9,569,350
3 Information Origination/Termination	L31	144,186
4 Cable And Wire Facilities	L41	13,313,748
5 Amortizable Assets	L45	0
6 Total Plant In Service	(Formula)	25,473,654
7 Property Held For Future Use	L47	0
Plant Under Construction -		
8 Short & Long Term	L48,49	323,583
9 Telecommunications Plant Adjustment:		
10 Tel. Acquisition	L51	0
11 Other Plant	L52	0
12 Nonoperating Plant	L53	0
13 Goodwill	L54	0
14 Total Telecommunications Plant	(Formula)	25,797,237
15 Less Acc. Prov. For Depreciation & Amort.	(Formula)	15,836,462
16 Net Total Utility Plant	(Formula)	\$9,960,775

SELECTED RATIOS AND STATISTICS

17	Current Assets / Current Liabilities	(Formula)	1.32
18	Total Capitalization	(Formula)	\$15,347,300
	<u>Percent Of Capitalization (Incl. S-T- Debt)</u>		
19	Long-Term Debt	(Formula)	10.4%
20	Preferred Stock	(Formula)	0.0%
21	Common Stock & Retained Earnings	(Formula)	85.4%
22	Short-Term Debt	(Formula)	4.2%
23	Pretax Coverage of Interest Expense	(Formula)	5.99
24	Com. Stock Dividends as a % of Earnings	(Formula)	10.4%
25	Return on Common Equity	(Formula)	3.9%
	Internal Cash Generated as a % of		
26	Cash Outflows for Construction	(Formula)	55.2%
27	CWIP as a % of Plant	(Formula)	1.3%
	Number of Employees	(Formula)	20.5
	Source		
	Current Assets	(Formula)	4774082.86
	Current Liabilities	(Formula)	3617677.2
	Total Capitalization	(Formula)	15347300.4
	Long-Term Debt	(Formula)	1595916
	Preferred Stock	(Formula)	0
	Common Stock and Retained Earnings (Excl. Preferred Stock)	(Formula)	13106689.4
	Short-Term Debt	(Formula)	644695
	Pretax Income	See Below	773158
	Interest Expense	(Formula)	128985.5956
	Common Dividends Paid	(Formula)	53818
	Net Income	See Below	516232.4044
	(Excl. Preferred Stock Dividends)	(Formula)	366654.4044
	Internal Cash	(Formula)	366654.4044
	Cash Outflows for Construction	(Formula)	-664193
	CWIP	(Formula)	323582.54
	Total Plant	(Formula)	25797236.92
	Shares Outstanding	Pg. 63, Ln 9 (c)	480000
	Number of Employees	Pg. 100, Ln 32	20.5

Additional Calculations

Data used for "Pretax Income":	NOI Before FIT	264451
	Non-Oper. Inc. & Exp.	508707
	Non-Oper. Tax - Other	0
	Total	\$773,158
Data used for "Net Income":	Net Income	516232.4044
	Pref. Dividends	0
	Total	516232.4044