

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

COMPANY CODE:

0111

TELEPHONE CORPORATIONS

# ANNUAL REPORT

OF

Oneida County Rural Telephone Company

---

Exact legal name of reporting telephone corporation  
(If name was changed during year, show also the previous name and date change)

9560 Main Street

---

Holland Patent, NY 13354  
(Address of principal business office at end of year)

FOR THE  
YEAR ENDED DECEMBER 31, 2009  
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:

Thomas I. Ellis, Executive Vice President

9560 Main Street

Holland Patent, NY 13354

315-865-5201

## TABLE OF CONTENTS

Sch (a)	Title of Schedule (b)	Page (c)	Sch (a)	Title of Schedule (b)	Page (c)
	<b><u>General Information</u></b>		36	Long Term Debt.....	58-59
1	General Instructions.....	1	37	Capital Stock and Funded Debt Reacquired or Retired During the Year.....	60
2	General Information.....	2-3	38	Other Long Term Liabilities.....	61
3	Officers and Directors ( including Compensation).....	4-5	39	Other Deferred Credits.....	62
4	Control over Respondent.....	6	40	Capital Stock.....	63
5	Corporations Controlled by Respondent.....	7	41	Analysis of Entries in Other Capital and Retained Earnings Accounts.....	64
6	Holders of Voting Securities.....	8	42	Operating Revenues.....	65
7	Voting Powers and Election.....	9	43	Reserved.....	66
8	Important Changes During the Year.....	10-11	44	Operating Expenses by Category.....	67-72
	<b><u>Financial And Accounting Data</u></b>		45	Taxes Charged During Year.....	73-74
9	Income Available for Return and Calculation of Rate Base.....	12-13	46	Miscellaneous Tax Refunds.....	75
10	Rate of Return and Return on Common Equity.....	14-15	47	Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes.....	76
11	Balance Sheet and Notes to Balance Sheet.....	16-19	48	Special Charges.....	77
12	Income and Retained Earnings Statement.....	20-21	49	Other Interest Deductions.....	78
13	Cash Flow Statement.....	22-23	50	Other Nonoperating Income.....	79
14	Analysis of Telecommunications Plant Accounts.....	24-25	51	Extraordinary Items.....	80
15	Telecommunications Plant Under Construction - Short Term.....	26	51A	Contingent Liabilities.....	80
15A	Telecommunications Plant Under Construction - Long Term.....	27	52	Membership Fees and Dues.....	81
16	Property Held for Future Telecommunications Use.....	28	53	Employee Protective Plans.....	82-83
17	Reserved.....	29	54	Analysis of Pension Cost.....	84-85
18	Analysis of Assets Purchased or Sold to Affiliates.....	30-31	55	Analysis of Pension Settlements, Curtailments, and Terminations.....	86-87
19	Analysis of Entries in Accumulated Depreciation.....	32-33	56	Analysis of OPEB Costs, Funding and Deferrals.....	88-91
20	Basis of Charges for Depreciation.....	34-35	57	Reserved.....	92
21	Telecommunications Accounts Receivable and Accounts Receivable Allowance.....	36	58	Reserved.....	93
22	Accounts Receivable From Affiliated Companies and Other Accounts Receivable.....	37	59	General Services and Licenses, Advisory, Management, Engineering or Purchasing Services .....	94
23	Accounts Receivable Allowance - Affiliated and Other.....	38		<b><u>Operating Data</u></b>	
24	Notes Receivable and Notes Receivable Allowance.....	39	60	Lifeline Services.....	95
25	Inventories.....	40	61	Access Lines in Service.....	96
26	Prepaid Taxes and Accruals.....	41-42	62	Telephone Calls.....	97
27	Deferred Income Taxes - Dr. ....	43-44	63	Statistics Relating to Telephone Service Quality.....	98
28	Deferred Income Taxes - Cr. and and Investment Tax Credits.....	45-47	64	Plant Extensions to Serve New Residential Subdivisions.....	99
29	Excess/Deficient Deferred Federal Income Taxes.....	48	65	Distribution of Total Compensation of Employees and Number of Employees.....	100
29A	Temporary Income Tax Differences - SFAS 109.....	49		<b><u>Annual Joint Cost Data</u></b>	C1-21
30	Investments in Affiliated Companies.....	50-51			
31	Investments.....	52-53			
32	Nonregulated Investments.....	54			
33	Other Deferred Charges.....	55			
34	Accounts Payable.....	56			
35	Notes Payable.....	57			
				<b><u>Index</u></b>	
				<b><u>Verification</u></b>	

### 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

**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.

**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.

Jeremiah O. McCarthy, President  
Oneida County Rural Telephone  
9560 Main Street  
Holland Patent, NY 13354

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.

Incorporated in New York State, in June 1905, under the Transportation Corporation Laws.

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.

N/A

5. Name all classes of service furnished by respondent.

Business and Residence - one party 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.

[Enclosed 6/30/09 Report](#)

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.

[Enclosed 6/30/09 Report](#)

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

[Not Required](#)

**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	Jeremiah O. McCarthy	President	12/31/2009	\$62,650	\$62,650
2	James P. McCarthy	Vice President	12/31/2009	142,376	142,376
3	Thomas I. Ellis	Exec Vice President	12/31/2009	19,892	19,892
4	Christine F. McCarthy	Secretary	12/31/2009	5,600	5,600
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					

NOTES:

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

**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.
\$53,000					\$400	\$116,050	1
				54	400	142,830	2
				276	400	20,568	3
					400	6,000	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

NOTES:

Other Revenue - Board of Directors Revenue

**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.

None

### 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)
Oneida County Long Distance	Long Distance Telephone Service	100%	

#### 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	Jeremiah O. McCarthy Irrevocable Trust # 5	614.25		
2	James P. McCarthy	200.25		
3	Mary Malone McCarthy	30		
4	Maureen McCarthy	30		
5	Shirley Liepins	15		
6	Richard Deveans	8		
7	William Blust	1		
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				

### 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.

Holland Patent, NY December 15, 2009

5. State the total number of votes cast at such general meeting \_\_814.50\_\_\_\_\_and the total number cast by proxy \_39\_\_\_\_\_.

6. State the total number of voting security holders \_\_7\_\_\_\_\_ and the total of all voting securities \_\_898.50\_\_\_\_ 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 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.

6. Pursuant to Order 08-C-0610, Oneida County Rural Telephone increased its residential basic local rates to \$18.00 per month and business basic local rates to \$33.00 per month effective 2/1/09.

**8. IMPORTANT CHANGES DURING THE YEAR (Continued)**

**9. INCOME AVAILABLE FOR RETURN AND CALCULATION OF RATE BASE**

- 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).
- The totals as reported on this schedule should conform with amounts reported on corresponding schedules.
- Include in column (g), Part 36 interstate amounts and any reconciliation of New York State amounts.
- 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	\$739,441			\$739,441	\$739,441	
2	Network Access Services	1,387,302			1,387,302	259,070	1,128,232
3	Long Distance Network Serv.	2,328			2,328	2,328	
4	Miscellaneous	133,416			133,416	115,276	18,140
5	Settlements	79,559			79,559		79,559
6	Nonregulated Revenues	110,305	110,305				
7	Subtotal	2,452,351	110,305	0	2,342,046	1,116,115	1,225,931
8	Uncollectibles	0					
9	Total Operating Revenues	2,452,351	110,305	0	2,342,046	1,116,115	1,225,931
<u>Operating Expenses</u>							
10	Plant Specific	619,493	94,762		524,731	329,269	195,462
11	Plant Non-specific	182,922	952		181,971	118,809	63,162
12	Marketing	14,503			14,502	10,011	4,491
13	Customer Operations Services	226,637	525		226,112	150,319	75,793
14	Access	42,175			42,175	27,536	14,639
15	Corporate Operations	640,015	1,945		638,070	381,885	256,185
16	Subtotal	1,725,745	98,184	0	1,627,561	1,017,829	609,732
17	Depreciation & Amortization	606,765	2,478		604,287	388,919	215,368
18	Total Operating Expenses	2,332,510	100,662	0	2,231,848	1,406,748	825,100
19	Net Operating Revenues	119,841	9,643	0	110,198	(290,633)	400,831
<u>Operating Taxes</u>							
20	Operating FIT	(61,930)	(15,433)	(977)	(47,474)	(159,096)	111,622
21	Deferred Operating FIT-Net Operating Investment Tax Credit - Amort (Option 2)	(114,120)			(114,120)	(74,509)	(39,611)
22		0					
23	Total Federal Income Taxes	(176,050)	(15,433)	(977)	(161,594)	(233,605)	72,011
24	Other Operating Taxes	218,124	1,725		216,399	142,196	74,203
25	Total Operating Taxes	42,074	(13,708)	(977)	54,805	(91,409)	146,214
26	Other Operating Income and Expenses						
27	Net Operating Income*	77,767	23,351	977	55,393	(199,224)	254,617
28	Rate Case Adj, if applicable						
29	Net Operating Income after Rate Case Adj	\$77,767	\$23,351	\$977	\$55,393	(\$199,224)	\$254,617

223-95

\* 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	\$15,317,468	\$684,856		\$14,632,612	\$9,553,632	\$5,078,980
2	Noninterest Bearing Telephone Plant under Construction	4,119			4,119	2,689	1,430
3	Telephone Plant Held for Future Use						
4	Materials and Supplies	114,474	744		113,730	81,738	31,992
5	Prepayments	118,977	16,035		102,942	67,211	35,731
6	Cash Working Capital *	156,938			156,938	102,465	54,473
7	RTB Stock		N/A				
8	Other Rate Base Adjustments, If Applicable						
9	Unamortized Deferrals	(315,639)	N/A		(315,639)	(315,639)	
10	Depreciation Reserve	9,982,368	468,243		9,514,125	6,286,934	3,227,191
11	Amortization Reserve		N/A				
12	Accumulated Deferred Income Taxes	389,476	N/A		389,476	109,602	279,874
13	Accumulated Deferred Investment Tax Credit (Option 1 Only)		N/A				
14	Rate Base (Lines 1-9 minus lines 10-13)	\$5,024,493	\$233,392	\$0	\$4,791,101	\$3,095,560	\$1,695,541

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	\$ 55,393	\$ (199,224)
2	Rate Base	\$ 4,791,101	\$ 3,095,560
3	Rate of Return	1.16%	-6.44%
4	Return on Common Equity	0.12%	-9.60%
5	Required Additional Revenues *	\$ 58,914	\$ 38,065

\* (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	\$ 2,653,330	21.63%	4.83%	1.04%
7	Notes Payable	1	0.00%	7.63%	0.00%
8	Customer Deposits	788	0.01%	6.00%	0.00%
9	Preferred Stock	34,800	0.28%	6.00%	0.02%
10	Common Equity	9,579,693	78.08%	0.12%	0.09%
11	Total	\$ 12,268,612	100.00%		1.16%

**Capital Structure used for Intrastate\***

	Item	Amount (a)	Structure (b)	Cost Rate (c)	Weighted Cost (d)
12	Long-Term Debt	\$ 2,653,330	21.63%	4.83%	1.04%
13	Notes Payable	1	0.00%	7.63%	0.00%
14	Customer Deposits	788	0.01%	6.00%	0.00%
15	Preferred Stock	34,800	0.28%	6.00%	0.02%
16	Common Equity	9,579,693	78.08%	-9.60%	-7.50%
	Total	\$ 12,268,612	100.00%		-6.44%

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)
<b>CURRENT ASSETS</b>					
1	1130		\$164,737	\$126,625	\$38,112
2	1140				0
3	1150		600	600	0
4	1160		874,107	1,280,794	(406,687)
5	1180	36	204,381	188,192	16,189
6	1181	36	21,897	23,613	(1,716)
7	1190.1	37	789,302	797,681	(8,379)
8	1190.2	37	157,597	247,491	(89,894)
9	1191	38	0	0	0
10	1200.1	39	0	0	0
11	1200.2	39	0	0	0
12	1201	39	0	0	0
13	1210				0
14	1220	40	118,626	110,322	8,304
15	1290				0
16	1300	41-42	51,166	53,866	(2,700)
17	1310		38,359	42,213	(3,854)
18	1320		15,973	19,731	(3,758)
19	1330		7882	8764	(882)
20	1350				0
21	1360	43-44	0	0	0
22			2,400,833	2,852,666	(451,833)
<b>NONCURRENT ASSETS</b>					
23	1401.1	50-51	1,202,617	935,954	266,663
24	1401.2	52-53	0	200,000	(200,000)
25	1402	52-53	3,852,502	2,973,821	878,681
26	1406	54	0	0	0
27	1407	58-59	0		0
28	1408				0
29	1410		3,010,719	2,726,788	283,931
30	1438				0
31	1439	55	0	104,782	(104,782)
32	1500		XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX
33	1510	43-44	537,839	561,920	(24,081)
34			8,603,677	7,503,265	1,100,412
<b>REGULATED PLANT</b>					
35	2001	24-25	15,335,093	15299842	35,251
36	2002	24-25	0	0	0
37	2003	24-25	142	8095	(7,953)
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			15,335,235	15,307,937	27,298
43	3100-3300	32-33	10,281,592	9,667,265	614,327
44	3410-3600	32-33	8,371	7,507	864
45			5,045,272	5,633,165	(587,893)
46			\$16,049,782	\$15,989,096	\$60,686

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)	
<b>CURRENT LIABILITIES</b>						
1	4010.1	Accounts Payable to Affiliated Companies .....	56	\$35,345	\$35,317	\$28
2	4010.2	Other Accounts Payable .....	56	133,933	186,846	(52,913)
3	4020.1	Notes Payable to Affiliated Companies .....	57	0	0	0
4	4020.2	Other Notes Payable .....	57	0	0	0
5	4030	Advance Billing and Payments .....	--	96,971	94,547	2,424
6	4040	Customers' Deposits .....	--	750	825	(75)
7	4050	Current Maturities-Long-Term Debt .....	58-59	0	0	0
8	4060	Current Maturities-Capital Leases .....	--	0	0	0
9	4070	Income Taxes-Accrued .....	41-42	(133,234)	(207,724)	74,490
10	4080	Other Taxes-Accrued .....	41-42	(1,920)	(8,334)	6,414
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 .....	--	873,148	1,296,956	(423,808)
14	4130	Other Current Liabilities .....	--	0	0	0
15		Total Current Liabilities		1,004,993	1,398,433	(393,440)
<b>LONG-TERM DEBT</b>						
16	4210	Funded Debt .....	58-59	2,399,389	2,907,269	(507,880)
17	4220	Premium on Long-Term Debt .....	58-59	0	0	0
18	4230	Discount on Long-Term Debt .....	58-59	0	0	0
19	4240	Reacquired Debt .....	--	0	0	0
20	4250	Obligations Under Capital Leases .....	--	0	0	0
21	4260	Advances from Affiliated Companies .....	58-59	0	0	0
22	4270	Other Long-Term Debt .....	58-59	1,496,054	1,596,198	(100,144)
23		Total Long-Term Debt		3,895,443	4,503,467	(608,024)
<b>OTHER LIABILITIES AND DEFERRED CREDITS</b>						
24	4310	Other Long-Term Liabilities .....	61	202,000	255,000	(53,000)
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	982,273	896,437	85,836
28	4350	Noncurrent Def.Nonoper Income Taxes-Cr. ....	45-47	(34,681)	(314,177)	279,496
29	4360	Other Deferred Credits .....	62	350,370	280,208	70,162
30	4370	Other Juris.Liabilities & Def.Credits-Net .....	--	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX
31		Total Other Liabilities and Def. Credits		1,499,962	1,117,468	382,494
<b>STOCKHOLDERS' EQUITY</b>						
32	4510.1	Capital Stock-Common .....	63	85,100	85,100	0
33	4510.2	Capital Stock-Preferred .....	63	34,750	34,850	(100)
34	4520	Additional Paid-in Capital .....	63	0	0	0
35	4530	Treasury Stock .....	63	1,332,075	1,332,075	0
36	4540	Other Capital .....	--	(700,067)	(1,519,528)	819,461
37	4550.1	Appropriated Retained Earnings .....	21	0	0	0
38	4550.2	Unappropriated Undistrib. Affil Earnings .....	21	2,373,026	2,219,978	153,048
39	4550.3	Unappropriated Retained Earnings .....	21	9,188,650	9,481,403	(292,753)
40		Total Stockholders' Equity		9,649,384	8,969,728	679,656
41		<b>TOTAL LIABILITIES AND OTHER CREDITS</b>		<b>\$16,049,782</b>	<b>\$15,989,096</b>	<b>\$60,686</b>

For Notes to Balance Sheet see Page 18.

**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 \$ 1,556,702.54 \_\_\_\_\_.
2. Cumulative dividends in arrears at the end of the year amounted to \$ 0 \_\_\_\_\_.

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)
	<b>INCOME</b>			
	<b>TELEPHONE OPERATING INCOME</b>			
1	Operating Revenues.....	65	\$2,452,351	\$2,798,051
2	Operating Expenses.....	72	2,332,510	2,847,448
3	Net Operating Revenues		119,841	(49,397)
	<b>OTHER OPERATING INCOME AND EXPENSE</b>			
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
	<b>OPERATING TAXES</b>			
10	7210 Operating Investment Tax Credits-Net.....	45-47		
11	7220 Operating Federal Income Taxes.....	73-74	(61,930)	(242,008)
12	7230 Operating State and Local Income Taxes.....	73-74		
13	7240 Operating Other Taxes.....	73-74	218,124	218,582
14	7250 Provision for Deferred Operating Income Taxes-Net.....	43-47	(114,120)	73,378
15	Total Operating Taxes		42,074	49,952
16	Net Operating Income		77,767	(99,349)
	<b>NONOPERATING INCOME AND EXPENSES</b>			
17	7310 Dividend Income.....	--	23,763	32,066
18	7320 Interest Income.....	--	153,796	171,835
19	7330 Income from Sinking and Other Funds.....	--		
20	7340 Allowance for Funds Used During Construction.....	--		
21	7350 Gains or Losses from the Disposition of Certain Property.....	--		3,420
22	7355 Equity in Earnings of Affiliated Companies.....	50-51	153,048	86,044
23	7360 Other Nonoperating Income.....	79	(120,142)	(8,546)
24	7370 Special Charges.....	77	235,051	33,941
25	Total Nonoperating Income Items and Expenses		(24,586)	250,878
	<b>NONOPERATING TAXES</b>			
26	7410 Nonoperating Investment Tax Credits-Net (-).....	45-47		
27	7420 Nonoperating Federal Income Taxes.....	73	(107,435)	67,647
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	75,360	
31	Total Nonoperating Taxes		(32,075)	67,647
32	Total Nonoperating Income		7,489	183,231
33	Income Available for Fixed Charges		85,256	83,882
	<b>INTEREST AND RELATED ITEMS</b>			
34	7510 Interest on Funded Debt.....	58-59	220,903	256,559
35	7520 Interest Expense-Capital Leases.....		0	
36	7530 Amortization of Debt Issuance Expense.....	58-59	0	
37	7540 Other Interest Deductions.....	78	170	41
38	Total Interest and Related Items		221,073	256,600
39	Income Before Extraordinary Items		(135,817)	(172,718)

**12. INCOME AND RETAINED EARNINGS STATEMENT (Continued)**

Line No.	Item (a)	Sch. Page No. (b)	TOTAL	
			Current Year (c)	Last Year (d)
<b>EXTRAORDINARY ITEMS</b>				
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
<b>JURISDICTIONAL DIFFERENCES AND NONREG. INCOME ITEMS</b>				
45	7910 Income Effect of Jurisdictional Ratemaking Differences-Net...	--	xxxxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxxxx
46	7990 Nonregulated Net Income.....	--		
47	Total Jurisdictional Differences and Extraordinary Items		0	0
48	Net Income		(\$135,817)	(\$172,718)
<b>RETAINED EARNINGS</b>				
49	4550.3 Unappropriated Retained Earnings (at Beginning of Period)..		\$9,481,403	\$9,744,053
50	4550.4 Balance Transferred from Income.....		(288,865)	(258,762)
51	4550.5 Appropriations of Retained Earnings.....			
52	4550.6 Dividends Declared-Preferred Stock.....	63	2,091	2,091
53	4550.7 Dividends Declared-Common Stock.....	63	1,797	1,797
54	4550.8 Adjustments to Retained Earnings.....	64		
55	Net Change to Unappropriated Retained Earnings		(292,753)	(262,650)
56	4550.3 Unappropriated Retained Earnings (End of Period).....		9,188,650	9,481,403
57	4550.1 Appropriated Retained Earnings (End of Period).....			
58	Total Retained Earnings		\$9,188,650	\$9,481,403
<b>UNAPPROPRIATED UNDISTRIBUTED AFFILIATE EARNINGS</b>				
59	4550.2 Unappropriated Undistributed Affiliate Earnings (beginning of period).....		\$2,219,978	\$2,133,934
60	Equity in Earnings for Period.....	51	153,048	86,044
61	Dividends Received.....			
62	Other Changes (explain).....			
63	4550.2 Unappropriated Undistributed Affiliate Earnings (end of period).....		\$2,373,026	\$2,219,978

**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 \$\_\_\_\_\_

<b>13. STATEMENT OF CASH FLOWS</b>			
Line No.	Items (a)	Current Year (b)	Last Year (c)
	Cash flows from operating activities:		
1	Net Income	(\$135,817)	(\$172,718)
	Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
2	Depreciation and depletion	606,765	711,120
3	Amortizations		
4	Increase (Decrease) in deferred taxes and investment tax credits-net	(32,734)	73,378
5	Equity (AFUDC)		
6	Decrease (Increase) in receivables related to operations excluding unbilled revenues	74,078	(407,556)
7	Decrease (Increase) in inventory related to operations		(6,138)
8	Increase (Decrease) in accrued expenses and accounts payable related to operations	(43,183)	(6,619)
9	Unbilled revenues	6,290	(790)
10	Increase (Decrease) in current income taxes and other taxes payable	80,904	(93,991)
11	Increase (Decrease) in interest payable	(11,597)	(2,345)
12	Equity in loss(earnings) of affiliates	(153,048)	(86,044)
13	Dividends received from associated and subsidiary companies accounted for under the equity method	6,385	111,581
	Other Adjustments: Gain / Loss from Partnership & Sale of Stock	107,954	65,188
14	Deferred Compensation	(53,000)	(52,000)
15	Other Deferred Credits	174,944	(11,728)
16	Prepays and Other Non-Current Assets	(81,790)	82,523
17	Total Adjustments	681,968	376,579
18	Net cash provided by (used in) operating activities	546,151	203,861
	Cash flows from investing activities:		
	Cash outflows for construction (-)		
	Gross additions to:		
19	Telephone plant (include capital leases)	(18,872)	(199,023)
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	(8,304)	(12,444)
25	Capital leases		
26	Equity AFUDC		
27	Other adjustments		
28	Total cash outflows for construction	(27,176)	(211,467)
29	Acquisition of other non-current assets (5)(d)	(190,947)	(122,037)
30	Payments for the acquisition of other debt and equity securities (5)(a)	(553,647)	(469,046)
31	Investments in and advances to subsidiary and associated companies	(120,000)	(200,000)
32	Repayments of advances by associated and subsidiary companies	200,000	85,544
	Net proceeds from sale or disposition of:		
33	Property, plant and equipment		(3,415)
34	Investments in subsidiary & associated companies		
35	Other debt and equity investments	389,057	334,625
36	Other non-current assets		
37	Other:		
38			
39	Total of any Insert Pages		
40	Net cash provided by (used in) investing activities	(302,713)	(585,796)

**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	(100)	
48	Preferred stock	(608,024)	(704,121)
49	Long-term debt (5)(b)		
	Dividends paid on: (-)		
50	Common stock	(1,797)	(1,797)
51	Preferred stock	(2,091)	(2,091)
	Other:(5)(e)		
52			
53			
54			
55			
56			
57			
58	Total of any Insert Pages		
59	Net cash provided by (used in) financing activities	(612,012)	(708,009)
60	Net increase(decrease) in cash and cash equivalents	(368,574)	(1,089,944)
61	Cash & cash equivalents at the beginning of the year	1,408,019	2,497,963
62	Cash & cash equivalents at the end of the year	\$1,039,445	\$1,408,019

**INSTRUCTIONS**

1. 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.
2. "Other" in operating activities should include net changes in deferred debits and credits. In all activities companies should specify significant amounts and group others.
3. 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.
4. 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.
5. Codes used:
  - (a) Net proceeds or payments.
  - (b) Bonds, debentures and other long-term debt.
  - (c) Include commercial paper.
  - (d) Identify separately in space below such items as investments, fixed assets, intangibles, etc.
  - (e) 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)		
<b>2001 Telecommunications Plant in Service</b>								
<b>General Support Assets</b>								
1	2111 Land	\$51,777						\$51,777
2	2112 Motor Vehicles	806,800						806,800
3	2113 Aircraft							0
4	2114 Special Purpose Vehicles							0
5	2115 Garage Work Equipment	2,696						2,696
6	2116 Other Work Equipment	586,638		10,316				596,954
7	2121 Buildings	1,745,097						1,745,097
8	2122 Furniture	101,676						101,676
9	2123 Office Equipment							0
10	.1 Office Support Equipment	23,281						23,281
11	.2 Company Communications Equipment	13,441						13,441
12	2124 General Purpose Computers	705,318		2,718				708,036
13	<b>Total General Support Assets</b>	\$4,036,724	\$0	\$13,034	\$0	\$0	\$0	\$4,049,758
<b>Central Office Assets</b>								
14	2211 Analog Electronic Switching							\$0
15	2212 Digital-Electronic Switching	2,396,120						2,396,120
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	3,386,184		2,246				3,388,430
25	<b>Total Central Office Assets</b>	\$5,782,304	\$0	\$2,246	\$0	\$0	\$0	\$5,784,550

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)		
	<b>Information Org./Term. Assets</b>							
26	2311 Station Apparatus							\$0
27	2321 Customer Premises Wiring							0
28	2341 Large Private Branch Exchanges							0
29	2351 Public Terminal Equipment							0
30	2362 Other Terminal Equipment	14,921				1,339		13,582
31	<b>Total Information Org./Term. Assets</b>	\$14,921	\$0	\$0	\$0	\$1,339	\$0	\$13,582
	<b>Cable and Wire Facilities</b>							
32	2411 Poles	\$560,117		\$11,233		\$4,136		\$567,214
33	2421 Aerial Cable	2,995,103		6,763		25		3,001,841
34	2422 Underground Cable	199,873						199,873
35	2423 Buried Cable	1,496,761		6,277		165		1,502,873
36	2424 Submarine Cable							0
37	2425 Deep Sea Cable							0
38	2426 Intra-building Network Cable							0
39	2431 Aerial Wire	43,167		1,363				44,530
40	2441 Conduit	127,747						127,747
41	<b>Total Cable and Wire Facilities</b>	\$5,422,768	\$0	\$25,636	\$0	\$4,326	\$0	\$5,444,078
	<b>Amortizable Assets</b>							
42	2681 Capital Leases							\$0
43	2682 Leasehold Improvements	43,125						43,125
44	2690 Intangibles							0
45	<b>Total Amortizable Assets</b>	\$43,125	\$0	\$0	\$0	\$0	\$0	\$43,125
46	<b>Total Telecommunications Plant in Service</b>	\$15,299,842	\$0	\$40,916	\$0	\$5,665	\$0	\$15,335,093
47	2002 Property Held for Future Telecom. Use							\$0
48	2003 Telecom. Plt. Under Constr.-Short Term	8,095				7,953		142
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	<b>Total Telecommunications Plant</b>	\$15,307,937	\$0	\$40,916	\$0	\$13,618	\$0	\$15,335,235

**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)
	<b>General Support Assets</b>			
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
	<b>Central Office Assets</b>			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
	<b>Information Orig/Termination Assets</b>			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
	<b>Cable and Wire Facilities Assets</b>			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 Intrabuilding Network Cable			0
29	2431 Aerial Wire			0
30	2441 Conduit Systems			0
31	<b>Total Plant Accounts</b>	0	0	0
	<b>Other Accounts</b>			
32				0
33				0
34				0
35	<b>Total</b>	\$0	\$0	\$0

**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)
	<b>General Support Assets</b>			
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
	<b>Central Office Assets</b>			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
	<b>Information Orig/Termination Assets</b>			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
	<b>Cable and Wire Facilities Assets</b>			0
22	2411 Poles			0
23	2421 Aerial Cable			0
24	2422 Underground Cable			0
25	2423 Buried Cable	142		142
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	<b>Total Plant Accounts</b>	142	0	142
	<b>Other Accounts</b>			
32				0
33				0
34				0
35	<b>Total</b>	\$142	\$0	\$142

**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								\$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

**THIS PAGE LEFT BLANK INTENTIONALLY**

**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							\$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**

1. 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).
2. 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.
3. 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	\$582,278	\$65,658		
2	2113 Aircraft				
3	2114 Special Purpose Vehicles				
4	2115 Garage Work Equipment	2,696			
5	2116 Other Work Equipment	348,926	32,406		
6	2121 Buildings	777,006	32,265		5,311
7	2122 Furniture	55,778	3,748		962
8	2123 Office Equipment				
9	.1 Office Support Equipment	(34,410)	1,070		277
10	.2 Company Communications Equipment	12,437	799		205
11	2124 General Purpose Computers	705,099	2,308		570
12	Total General Support Assets	2,449,810	138,254	0	7,325
	Central Office Assets				
13	2211 Analog Electronic Switching				
14	2212 Digital Electronic Switching	2,396,119			
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	1,514,487	206,290		
24	Total Central Office Assets	3,910,606	206,290	0	0
	Information Orig/Termination Assets				
25	2311 Station Apparatus				
26	2321 Customer Premises Wiring				
27	2341 Large Private Branch Exchanges				
28	2351 Public Telephone Terminal Equip.				
28	2362 Other Terminal Equipment	(16,869)			
29	Total Information Orig/Termination Assets	(16,869)	0	0	0
	Cable and Wire Facilities Assets				
30	2411 Poles	301,282	31,796		
31	2421 Aerial Cable	1,948,231	161,511		
32	2422 Underground Cable	66,207	5,684		
33	2423 Buried Cable	951,609	66,838		
34	2424 Submarine Cable				
35	2425 Deep Sea Cable				
36	2426 Intra-building Network Cable				
36	2431 Aerial Wire	15,636	5,998		
37	2441 Conduit Systems	40,753	2,928		
38	Total Cable and Wire Facilities Assets	3,323,718	274,755	0	0
39	3100 Other - Explain				
40	3100 Other - Explain				
41	3100 Total Accumulated Depreciation - TPIS	9,667,265	619,299	0	7,325
42	3200 Held for Future Communications Use				
43	3300 Nonoperating				
44	Total Accumulated Depreciation	9,667,265	619,299	0	7,325
45	3410 Capital Leases				
46	3420 Leasehold Improvements	7,507	405		459
47	Accumulated Amortization - Tangible	7,507	405	0	459
48	3500 Accumulated Amortization - Intangible				
49	3600 Accumulated Amortization - Other				
50	Total Accumulated Amortization	7,507	405	0	459
51	Total Accumulated Depreciation & Amortization	\$9,674,772	\$619,704	\$0	\$7,784

**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					\$647,936
2					0
3					0
4					2,696
5					381,332
6					814,582
7					60,488
8					0
9					(33,063)
10					13,441
11					707,977
12	0	0	0	0	2,595,389
13					0
14					2,396,119
15					0
16					0
17					0
18					0
19					0
20					0
21					0
22					0
23					1,720,777
24	0	0	0	0	4,116,896
25					0
26					0
27					0
28					0
28	1,339				(18,208)
29	1,339	0	0	0	(18,208)
30	4,135		6,383	400	322,160
31	25		125	(400)	2,109,992
32					71,891
33	165		125		1,018,157
34					0
35					0
36					0
36					21,634
37					43,681
38	4,325	0	6,633	0	3,587,515
39					0
40					0
41	5,664	0	6,633	0	10,281,592
42					0
43					0
44	5,664	0	6,633	0	10,281,592
45					0
46					8,371
47	0	0	0	0	8,371
48					0
49					0
50	0	0	0	0	8,371
51	\$5,664	\$0	\$6,633	\$0	\$10,289,963

223-95

**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)
<b>General Support Assets</b>					
1	2112 Motor Vehicles	11.19		8.94%	8.14%
2	2113 Aircraft				
3	2114 Special Purpose Vehicles				
4	2115 Garage Work Equipment	25.91		3.86%	0.00%
5	2116 Other Work Equipment	18.18		5.50%	5.49%
6	2121 Buildings	46.3		2.16%	2.15%
7	2122 Furniture	21.6		4.63%	4.63%
8	2123 Office Equipment				
9	.1 Office Support Equipment	17.3		5.78%	5.78%
10	.2 Company Communications Equipment	11.36		8.80%	7.47%
11	2124 General Purpose Computers	8.41		11.89%	0.41%
<b>Central Office Assets</b>					
12	2211 Analog Electronic Switching				
13	2212 Digital Electronic Switching	9		11.12%	0.00%
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	15.8		6.33%	6.09%
<b>Information Origination/Termination Assets</b>					
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	8		12.50%	0.00%
<b>Cable and Wire Facilities Assets</b>					
28	2411 Poles	17.73		5.64%	5.63%
29	2421 Aerial Cable	18.56		5.39%	5.39%
30	2422 Underground Cable	35.21		2.84%	2.84%
31	2423 Buried Cable	22.42		4.46%	4.46%
32	2424 Submarine Cable				
33	2425 Deep Sea Cable				
34	2426 Intrabuilding Network Cable				
35	2431 Aerial Wire	7.31		13.68%	13.64%
36	2441 Conduit Systems	46.67		2.29%	2.29%
37					
38	Composite rate for all depreciable accounts	XXXXXXXXXX	XXXXXXXXXXXXXXXXXX	4.11%	
39	Composite rate for all plant accounts included in account 2001	XXXXXXXXXX	XXXXXXXXXXXXXXXXXX	4.09%	
40	Ratio to all depreciable accounts	XXXXXXXXXX	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXX	4.12%
41	Ratio to all plant accounts included in account 2001	XXXXXXXXXX	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXX	4.10%

**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)
		Motor Vehicles					
1	2112	Motor Vehicles	9.11		10.98%	59,333	6,515
2	2112.1	Motor Vehicles	11.39		8.78%	747,468	65,628
3		Total	11.19		8.94%	806,801	72,142
4							
5		Central Office					
6	3/2212	Central Office - Paging	10		10.00%	169,516	16,952
7	2212	Central Office	8.93		11.20%	2,226,603	249,380
8		Total	9		11.12%	2,396,119	266,331
9							
10		Other Terminal Equipment					
11	2/2362	Other Terminal Equipment - CPE	8		12.50%	10,475	1,309
		Total	8		12.50%	10,475	1,309
12							
13		Aerial Cable					
14	2421	Aerial Cable	18.56		5.39%	2,984,629	160,872
15	2421.1	Aerial Cable - Drop Wire	18.56		5.39%	13,531	729
16		Total	18.56		5.39%	2,998,160	161,601
17							
18		Circuit Equipment					
19	2232	Circuit Equipment	15.88		6.30%	3,357,331	211,512
20	2232	Circuit Equipment - DSL	9.99		10.01%	29,414	2,944
21		Total	15.8		6.33%	3,386,745	214,456
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32							
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	2,635	\$203,517
2	Customers and Agents-Service Discontinued	38	864
3	Total	2,673	204,381
4	Less Reserve for Uncollectible Accounts-Cr.	xxxx	21,897
5	Balance	xxxx	\$182,484

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	23,613
7	Accruals charged to account 5301	
8	Collection of amounts previously written off	3,486
9	Other Credits (explain in a note)	
10	Total credits	3,486
11	Uncollectible written off during the year	5,202
12	Other debits (explain in a note)	
13	Total debits	5,202
14	Balance at end of year	\$21,897
15	Total operating revenues for the year	\$2,452,351
16	Net write offs during the year (line 11 minus line 8)	\$1,716
17	Ratio of line 16 to line 15	0.07%
18	Ratio of line 7 to line 15	0.00%
19	Interstate Uncollectible Revenues (Account 5301.1)	\$0
20	Intrastate Uncollectible Revenues (Account 5301.2)	\$0

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)
	<b>Account 1190.1 Accounts Receivable from Affiliated Companies:</b>					
1	Northland Software	\$462,352	\$579,785	\$371,202	\$670,935	\$559,149
2	Northland Networks	70,565	750,691	758,283	62,973	60,187
3	Northland Telephone Systems, Ltd.	226,345	560,919	762,880	24,384	125,605
4	Dreamscape Online, LLC	9,812	159,194	161,311	7,695	16,347
5	Gaffney Communications	25,510	177,623	182,573	20,560	15,090
6	Oneida County Telephone Long Distance	3,083	34,500	34,841	2,742	3,996
7	Holland Internet	14	181	182	13	11
8	Holland Wireless, LLC	0	6,385	6,385	0	0
9	Holland Leasing	0	0	0	0	0
10					0	
11					0	
12	<b>Total Accounts Receivable from Affiliated Companies</b>	<b>\$797,681</b>	<b>\$2,269,278</b>	<b>\$2,277,657</b>	<b>\$789,302</b>	<b>\$780,385</b>
	<b>Account 1190.2 Other Accounts Receivable:</b>					
13	NECA	\$43,862	\$613,501	\$602,302	\$55,061	\$53,109
14	Niagara Mohawk	11,481	20,153	6,568	25,066	23,119
15	US Datanet Corp	8,835	6,164	1,462	13,537	11,499
16	ATT Mobility	10,414	52,200	53,687	8,927	6,836
17	ATT Media Processing Center	13,311	92,748	97,809	8,250	13,510
18	NYS Access Pool	0	79,559	72,639	6,920	6,579
19	Verizon	8,938	76,773	79,523	6,188	7,866
20	Sprint	7,057	68,677	69,653	6,081	7,319
21	Verizon Business	18,974	81,478	95,017	5,435	9,535
22	LM Berry	7,037	17,504	21,279	3,262	3,493
23	Aggregate of all Other Items	117,582	564,255	662,967	18,870	33,616
24	<b>Total Other Accounts Receivable</b>	<b>\$247,491</b>	<b>\$1,673,012</b>	<b>\$1,762,906</b>	<b>\$157,597</b>	<b>\$176,481</b>

**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	<b>Account 1200.1 Notes Receivable from Affiliated Companies:</b>					%
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12	<b>Total</b>				\$0	xxx
13	<b>Account 1200.2 Other Notes Receivable:</b>					
14						
15						
16						
17						
18						
19						
20						
21						
22						
23		Aggregate of all other items				
24	<b>Total</b>				\$0	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)
<b>Subaccount 1220.1, Material and Supplies:</b>			
1	Pole Lines	\$22,667	\$12,126
2	Cable Stand	33,801	29,615
3	Wire	1,011	1,888
4	Terminals	9,111	7,910
5	Station Connectors	6,322	6,422
6	Hardware	6,346	7,790
7	Fiber Optic Cable	13,016	17,949
8	Miscellaneous Supplies	18,048	34,926
9			
10			
11			
12	<b>Total</b>	<b>\$110,322</b>	<b>\$118,626</b>
<b>Subaccount 1220.2, Property Held for Sale or Lease:</b>			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26	<b>Total</b>	<b>\$0</b>	<b>\$0</b>
27	<b>Grand Total</b>	<b>\$110,322</b>	<b>\$118,626</b>

**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	<b>Federal:</b>								
2	Income Taxes		(\$207,724)	7220	(\$61,930)	(\$243,855)			(\$133,234)
3									
4				7420	(107,435)				
5									
6									
7									
8									
9									
10	Social Security			6570	149,725	149,725			
11									
12									
13	Unemployment			6570	1,820	1,820			
14									
15									
16									
17									
18									
19									
20									
21									
22									
23									
24									
25									
26									
27	Subtotal	\$0	(\$207,724)		(\$17,820)	(\$92,310)	\$0	\$0	(\$133,234)

**26. PREPAID TAXES AND TAX ACCRUALS (Continued)**

Line No.	Particulars (a)	Balance at Beginning of the Year		Taxes Accrued or Charged		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)	During the Year				Prepaid Taxes (Acct. 1300) (h)	Tax Accruals (Accts. 4070 and 4080) (i)
				Acct. Chg.. (d)	Amount (e)				
28	<b>State:</b>								
29	Gross Earnings		(2,254)	7240	8,616	7,281			(919)
30	Gross Income		(6,080)	7240	32,936	27,857			(1,001)
31	Franchise			7240	14,800	14,800			
32	Unemployment			6570	7,909	7,909			
33	Disability Insurance								
34	Other								
35									
36									
37									
38									
39									
40									
41									
42	<b>Local:</b>								
43	Gross Receipts								
44	Property	53,866		7240	156,337	153,637		51,166	
45	Other								
46									
47									
48									
49									
50									
51									
52									
53									
54									
55									
56	Total	\$53,866	(\$216,058)	xxxx	\$202,778	\$119,174	\$0	\$51,166	(\$135,154)

**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)
	<b>Property Related</b>						
1	<b>Current Deferred Operating Income Taxes-Dr. (Account 1360)</b>	\$0		\$0	\$0	\$0	\$0
2							0
3							0
4							0
5							0
6							0
7							0
8							0
9	<b>Total</b>	\$0	7250	\$0	\$0	\$0	\$0
	<b>Noncurrent Deferred Operating Income Taxes-Dr. (Account 1510)</b>						\$0
10							0
11							0
12							0
13							0
14							0
15							0
16							0
17							0
18	<b>Total</b>	\$0	7250	\$0	\$0	\$0	\$0
19	<b>Total Property Related Deferred Operating Income Taxes-Dr.</b>	\$0		\$0	\$0	\$0	\$0
	<b>Nonproperty Related</b>						
20	<b>Current Deferred Operating Income Taxes-Dr. (Account 1360)</b>						\$0
21							0
22							0
23							0
24							0
25							0
26							0
27							0
28	<b>Total</b>	\$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)
	<b>Nonproperty Related</b>						
	<b>Noncurrent Deferred Operating Income Taxes-Dr. (Account 1510)</b>						
29	Deferred Compensation	\$86,700	7250	(\$18,020)			\$68,680
30	Lifeline Credit Deferral	\$4,406	7250		\$1,407		2,999
31	RTB Stock	\$61,928	7250		\$4,399		57,529
32	NY Access Pool	\$22,523	7250		\$7,196		15,327
33	Pension	\$386,363	7250	(\$103,744)			282,619
34	NOL Carry Forward					\$110,685	110,685
35							0
36	<b>Total</b>	\$561,920	7250	(\$121,764)	\$13,002	\$110,685	\$537,839
37	<b>Total Nonproperty Related Deferred Operating Income Taxes - Dr.</b>	\$561,920		(\$121,764)	\$13,002	\$110,685	\$537,839
	<b>Property Related</b>						
	<b>Current Deferred Nonoperating Income Taxes-Dr. (Account 1360)</b>						
38			7450				\$0
39							0
40							0
41							0
42	Deferred Income Tax Effect of Extraordinary Items		7640				0
43	<b>Total</b>	\$0		\$0	\$0	\$0	\$0
	<b>Noncurrent Deferred Nonoperating Income Taxes-Dr. (Account 1510)</b>						
44			7450				\$0
45							0
46							0
47							0
48	Deferred Income Tax Effect of Extraordinary Items		7640				0
49	<b>Total</b>	\$0		\$0	\$0	\$0	\$0
50	<b>Total Property Related Deferred Nonoperating Income Taxes-Dr.</b>	\$0		\$0	\$0	\$0	\$0
	<b>Nonproperty Related</b>						
	<b>Current Deferred Nonoperating Income Taxes-Dr. (Account 1360)</b>						
51			7450				\$0
52							0
53							0
54							0
55	Deferred Income Tax Effect of Extraordinary Items		7640				0
56	<b>Total</b>	\$0		\$0	\$0	\$0	\$0
	<b>Noncurrent Deferred Nonoperating Income Taxes-Dr. (Account (1510))</b>						
57			7450				\$0
58							0
59							0
60	Deferred Income Tax Effect of Extraordinary Items		7640				0
61	<b>Total</b>	\$0		\$0	\$0	\$0	\$0
62	<b>Total Nonproperty Related Deferred Nonoperating Income Taxes - Dr.</b>	\$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)
	<b>Property Related</b>						
	<b>Current Deferred Operating Income Taxes-Cr. (Account 4100)</b>						
1							\$0
2							0
3							0
4							0
5							0
6							0
7							0
8							0
9	<b>Total</b>	\$0	7250	\$0	\$0	\$0	\$0
	<b>Noncurrent Deferred Operating Income Taxes-Cr. (Account 4340)</b>						
10	Plant	\$896,437	7250	\$85,836			\$982,273
11							0
12							0
13							0
14							0
15							0
16							0
17							0
18	<b>Total</b>	\$896,437	7250	\$85,836	\$0	\$0	\$982,273
19	<b>Total Property Related Deferred Operating Income Taxes-Cr.</b>	\$896,437		\$85,836	\$0	\$0	\$982,273
	<b>Nonproperty Related</b>						
	<b>Current Deferred Operating Income Taxes-Cr. (Account 4100)</b>						
20							\$0
21							0
22							0
23							0
24							0
25							0
26							0
27							0
28	<b>Total</b>	\$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)
	<b>Nonproperty Related</b>						
29	<b>Noncurrent Deferred Operating Income Taxes-Cr. (Account 4340)</b>						\$0
30							0
31							0
32							0
33							0
34							0
35							0
36	<b>Total</b>	\$0	7250	\$0	\$0	\$0	\$0
37	<b>Total Nonproperty Related Deferred Operating Income Taxes - Cr.</b>	\$0		\$0	\$0	\$0	\$0
	<b>Operating Investment Tax Credit (Account 4320)</b>						
38							\$0
39							0
40							0
41							0
42							0
43							0
44	<b>Total</b>	\$0	7210	\$0	\$0	\$0	\$0
	<b>Property Related</b>						
45	<b>Current Deferred Nonoperating Income Taxes-Cr. (Account 4110)</b>		7450				\$0
46							0
47							0
48							0
49							0
50	Deferred Income Tax Effect of Extraordinary Items		7640				0
51	<b>Total</b>	\$0		\$0	\$0	\$0	\$0
	<b>Noncurrent Deferred Nonoperating Income Taxes-Cr. (Account 4350)</b>		7450				\$0
52							0
53							0
54							0
55							0
56							0
57	Deferred Income Tax Effect of Extraordinary Items		7640				0
58	<b>Total</b>	\$0		\$0	\$0	\$0	\$0
59	<b>Total Property Related Deferred Nonoperating Income Taxes-Cr.</b>	\$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)
	<b>Nonproperty Related</b>						
	<b>Current Deferred Nonoperating Income Taxes-Cr. (Account 4110)</b>						
60			7450				\$0
61							0
62							0
63							0
64							0
65	Deferred Income Tax Effect of Extraordinary Items		7640				0
66	<b>Total</b>	\$0		\$0	\$0	\$0	\$0
	<b>Noncurrent Deferred Nonoperating Income Taxes-Cr. (Account 4350)</b>						
67	Unrealized Gain / Loss	(314,177)	7450			279,496	\$0
68							(34,681)
69							0
70							0
71							0
72	Deferred Income Tax Effect of Extraordinary Items		7640				0
73	<b>Total</b>	(\$314,177)		\$0	\$0	\$279,496	(\$34,681)
74	<b>Total Nonproperty Related Deferred Nonoperating Income Taxes - Cr.</b>	(\$314,177)		\$0	\$0	\$279,496	(\$34,681)
75	<b>Nonoperating Investment Tax Credit (Account 4330)</b>						
76							\$0
77							0
78							0
79							0
80							0
81	<b>Total</b>	\$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)
	<b><u>AFUDC</u></b>						
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
				0			0
	<b><u>Prior Flow-Through Items</u></b>						
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
				0			0
	<b><u>ITC</u></b>						
7	Section 46(f)(1) ITC			0			0
8	Section 46(f)(2) ITC			0			0
	<b><u>Other Items</u></b>						
9				0			0
10				0			0
11				0			0
12	<b>Total</b>	\$0	\$0	\$0	\$0	\$0	\$0
13	<b>Gross-up of above amounts for income tax effects, etc.</b>			\$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	Investment in Aff. - Holland Wireless (9/1401.13 & .135 & .136)	1997	\$150	C	\$7,300		
2	Investment in Aff. - Oneida County Long Distance (9/1401.14 & .145 & .146)	1995	1,000	C	(53,804)		
3	Investment in Aff. - Holland Internet (9/1401.15 & .155 & .156)	1997	200	C	50,477		
4	Investment in Aff. - Northland Networks (9/1401.16 & .165)	1996	200	C	931,981		
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26	Total	XXXXXXXX	\$1,550	XXXXXXXX	\$935,954	\$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		(\$148)	\$6,385					\$767
2		(21,832)		120,000				44,364
3		8,873						59,350
4		166,155						1,098,136
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	\$153,048	\$6,385	\$120,000	\$0	\$0	\$0	\$1,202,617

**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		Northland Telephone (9/1401.29)	\$200,000	
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18		Total Account 1401.2	\$200,000	\$0
19		<u>Account 1402, Investments in Nonaffiliated Companies:</u>		
20		Exponential (9/1402.23)	\$25,000	
21		Verizon (9/1402.21)	20,533	
22		Fairpoint - verizon spinoff (9/1402.212)	86	
23		Unrealized Gain-FASB (9/1402.28)	(761,098)	551,254
24		M Griffith (9/1402.25)	(162,951)	270,792
25		M Griffith (9/1402.26)	853,700	699
26		RTB (1402.1, 1402.11, 1402.12)		
27		Rochester Funds (9/1402.27, 9/1402.271, 9/1402.272, 9/1402.273)	2,883,108	160,451
28		NECA (9/1402.29)	10,000	
29		Phoenix (9/1402.274)	1	
30		CIT Group (9/1402.32)	25,580	
31		Federal Home Mtg (9/1402.33)	24,090	
32		Fifth Third Cap (9/1402.34)	55,000	
33		Idearc (9/1402.211)	772	
34		Virtus		
35				
36				
37		Total Account 1402	\$2,973,821	\$983,196

**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	\$200,000	\$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	\$200,000	\$0				\$0	\$0
19		\$25,000					
20		20,533	671				1,245
21		86	12				3
22		(209,844)					
23		107,841					
24	104,515	749,884					16,525
25		0				100	
26		3,043,559	195,067				144,451
27		10,000	1,000				1,200
28		1	978				
29		25,580	1,000				794
30		24,090	1,000				
31		55,000	2,200				3,988
32		772	33				
33		0					9
34		0					
35		0					
36		0					
37	\$104,515	\$3,852,502	201,961			\$100	\$168,215

**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)
	<b>Subaccount 1406.1 Permanent Investment</b>				
1					\$0
2					0
3					0
4					0
5					0
6					0
7					0
8					0
9					0
10					0
11					0
	<b>Subaccount 1406.2 Receivable/Payable</b>				
12					0
13					0
14					0
15					0
16					0
17					0
18					0
19					0
20					0
21					0
22					0
	<b>Subaccount 1406.3 Current Net Income or Loss</b>				
23					0
24					0
25					0
26					0
27					0
28					0
29					0
30					0
31					0
32					0
33					0
34	<b>Total</b>	\$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	Regulatory Assets Related to FASB 87 (1439.1)	\$104,782			\$104,782	\$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	\$104,782	\$0		\$104,782	\$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)
<b>Account 4010.1 Accounts Payable to Affiliated Companies:</b>					
1	Northland Telephone Systems, Ltd.	\$11,029	\$141,050	\$143,249	\$13,228
2	Oneida County Telephone Long Distance	18,753	241,135	237,738	15,356
3	Dreamscape Online	3,763	404,996	405,542	4,309
4	Northland Networks	0	473	473	0
5	Holland Leasing	0	6,000	6,000	0
6	Gaffney Communications	250	14,372	14,301	179
7	Northland Software	1,522	20,083	20,834	2,273
8					0
9					0
10					0
11					0
12					0
13	<b>Total Accounts Payable to Affiliated Companies</b>	<b>\$35,317</b>	<b>\$828,109</b>	<b>\$828,137</b>	<b>\$35,345</b>
<b>Account 4010.2 Other Accounts Payable:</b>					
14	The Berry Company	\$23,331	\$23,815	\$20,407	\$19,923
15	Excellus Blue Cross Blue Shield	5,290	229,534	241,296	17,052
16	Manulife New York	7,115	208,820	211,450	9,745
17	Northwestern Mutual	7,267	100,952	102,177	8,492
18	Verizon	9,212	68,682	66,213	6,743
19	Utica National Insurance Co.	13,666	74,474	78,422	17,614
20					0
21					0
22					0
23					0
24					0
25					0
26					0
27	Aggregate of all other items	120,965	6,794,028	6,727,427	54,364
28	<b>Total Other Accounts Payable</b>	<b>\$186,846</b>	<b>\$7,500,305</b>	<b>\$7,447,392</b>	<b>\$133,933</b>

**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)
	<b>Account 4020.1 Notes Payable to Affiliated Companies:</b>					
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16	<b>Total</b>				\$0	xxxxx
	<b>Account 4020.2 Other Notes Payable:</b>					
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30	Aggregate of all other items					
31	<b>Total</b>				\$0	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	<b>Account 4050, Current Maturities - Debt</b>											
2												
3												
4												
5												
6												
7												
8												
9												
10												
11	<b>Total</b>			\$0								
12	<b>Account 4210, Funded Debt</b>											
13	4210.1 RUS Mortgage Note (12050 & 12051)	1/1/1976	2011	\$61,268	5.00%	3,787						
14	4210.12 RUS Mortgage Note (12060)	11/25/1996	2014	379,220	6.25%	22,654						
15	4210.14 FFB (H0010)	12/23/2005	2014	1,958,901	4.37%	97,724						
16												
17												
18												
19												
20												
21												
22												
23												
24												
25												
26												
27												
28												
29												
30												
31												
32												
33												
34												
35												
36												
37												
38	<b>Subtotal</b>			\$2,399,389		\$124,165	\$0	\$0	\$0	\$0	\$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	<b>Account 4210, Funded Debt (Continued)</b>											
39												
40												
41												
42												
43												
44												
45	<b>Total</b>			\$2,399,389								
46												
47	<b>Account 4260, Advances from Affiliated Companies</b>											
48												
49												
50												
51												
52												
53												
54	<b>Total</b>			\$0								
55												
56	<b>Account 4270, Other Long-Term Debt</b>											
57	9/4270.1 Peter & Sharon McCarthy	2/8/1994	2023	\$906,281	6%	53,308						
58	4270.1 Oneida Savings Bank (DSL Equip.)	12/5/2006	2011	589,773	7.25%	43,430						
59												
60												
61												
62												
63												
64												
65												
66												
67												
68												
69												
70												
71												
72												
73												
74												
75	<b>Total</b>			\$1,496,054								
76												
77												
78												
79	<b>Grand Total</b>			\$3,895,443		\$220,903	\$0	\$0	\$0	\$0	\$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							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12	<b>Total</b>	xxxxxx	xxxxxx	\$0	xxxxxx	\$0	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	Deferred Compensation(4310.371)	\$255,000	Various		1130	\$53,000	\$202,000
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	<b>Totals</b>	\$255,000		\$0		\$53,000	\$202,000

**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	TRA-86 Deferral	\$18,863	7250	\$6,025		\$12,838
2	NY Access Pool	\$66,243	5001	\$21,163		\$45,080
3	Lifeline Credit	\$12,959	5001	\$4,139		\$8,820
4	RTB Stock	\$182,143	6564	\$12,939		\$169,204
5	Pension		7370		\$114,428	\$114,428
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		\$280,208	x x x	\$44,266	\$114,428	\$350,370

**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)
1	<u>Account 4510.1 Capital Stock-Common</u>									
2	Common - No Par Value	3,000	1,702	\$50	\$85,100		804	\$1,332,075	\$1,797	\$1,797
3										
4										
5										
6										
7										
8										
9	TOTALS (Account 4510.1)	3,000	1,702	xxxxxxx	\$85,100	\$0	804	\$1,332,075	\$1,797	\$1,797
10	<u>Account 4510.2 Capital Stock-Preferred</u>									
11	Preferred - 6% Capital Stock	4,000	695	\$50	\$34,750				\$2,091	\$2,091
12										
13										
14										
15										
16										
17										
18	TOTALS (Account 4510.2)	4,000	695	xxxxxxx	\$34,750	\$0	0	\$0	\$2,091	\$2,091

**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	Unrealized Gain / Loss - FAS115	9/4540		542,550
2	Other Comprehensive Income - FAS158	4540.5		276,911
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45				
45				
46				
47				
48				
49				
50				

<b>42. OPERATING REVENUES</b>			
Line No.	Item (a)	This Year Total (b)	Last Year Total (c)
<b>LOCAL NETWORK SERVICES REVENUES</b>			
1	5001 Basic Area	\$696,769	\$654,763
2	5002 Optional Extended Area Service		
3	5003 Cellular Mobile		
4	5004 Other Mobile Services		
5	5010 Public Telephone		
6	5040 Local Private Line		
7	5050 Customer Premises		
8	5060 Other Local Exchange	42,672	48,913
9	5069 Other Local Exchange Settlements		
10	Total Local Network Services Revenues	739,441	703,676
<b>NETWORK ACCESS SERVICES REVENUES</b>			
11	5081 End User	252,021	270,236
12	5082 Switched Access	699,906	766,887
13	5083 Special Access	195,336	173,416
14	5084 State Access	240,039	340,905
15	Total Access Services Revenues	1,387,302	1,551,444
<b>LONG DISTANCE NETWORK SERVICES REVENUES</b>			
16	5100 Long Distance Message	2,328	2,961
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	79,559	608
29	Total Long Distance Network Services Revenues	81,887	3,569
<b>MISCELLANEOUS REVENUES</b>			
30	5230 Directory	14,890	20,688
31	5240 Rent	38,662	18,741
32	5250 Corporate Operations		
33	5261 Special Billing Arrangements		
34	5262 Customer Operations		
35	5263 Plant Operations		
36	5264 Other Incidental Regulated	4,124	3,680
37	5269 Other Settlements		
38	5270.1 Interstate Billing and Collection	18,140	16,548
39	5270.2 Intrastate Billing and Collection	57,600	62,538
40	5280 Nonregulated	110,305	417,673
41	Total Miscellaneous Revenues	243,721	539,868
<b>UNCOLLECTIBLE REVENUES</b>			
42	5301 Uncollectible-Telecommunications		
43	5302 Uncollectible-Other		506
44	Total Uncollectible Revenues	0	506
45	<b>TOTAL OPERATING REVENUES</b>	<b>\$2,452,351</b>	<b>\$2,798,051</b>
46	<b>FOOTNOTE: USF Revenues \$19,031</b>	XXXXXXXXXX	XXXXXXXXXX
47	<b>Recorded in Account: 5082.17</b>	XXXXXXXXXX	XXXXXXXXXX

**THIS PAGE LEFT BLANK INTENTIONALLY**

<b>44. OPERATING EXPENSES BY CATEGORY</b>				
Line No.	Item (a)	Salaries & Wages (b)	Benefits (c)	Rents (d)
<b><u>Plant Specific Operations</u></b>				
<b><u>Network Support Expenses</u></b>				
1	6112 Motor Vehicle			
2	Clearance			
3	Net Balance	0	0	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	0	0	0
<b><u>General Support Expenses</u></b>				
15	6121 Land and Building	27,839	12,967	
16	6122 Furniture and Artworks			
17	6123 Office Equipment			
18	6124 General Purpose Computers			
19	6120 General Support Expenses	27,839	12,967	0
<b><u>Central Office Switching Expenses</u></b>				
20	6211 Analog Electronic			
21	6212 Digital Electronic	53,189	11,289	
22	6215 Electro-Mechanical			
23	6210 Central Office Switching Expenses	53,189	11,289	0
24	6220 Operator Systems Expense			
<b><u>Central Office Transmission Expenses</u></b>				
25	6231 Radio Systems			
26	6232 Circuit Equipment	66,373	27,115	
27	6230 Central Office Transmission Expenses	66,373	27,115	0
<b><u>Information Origination/Termination Expenses</u></b>				
28	6311 Station Apparatus			
29	6321 Customer Premises Wiring	5,260	2,000	
30	6341 Large Private Branch Exchange			
31	6351 Public Telephone Terminal Equipment			
32	6362 Other Terminal Equipment	828	331	
33	6310 Information Origination/Termination Expenses	6,088	2,331	0

**44. OPERATING EXPENSES BY CATEGORY (Continued)**

	Item (a)	Other Expenses (e)	This Year Total (f)	Last Year Total (g)	Line No.
	<b><u>Plant Specific Operations</u></b>				
	<b><u>Network Support Expenses</u></b>				
6112	Motor Vehicle	15,029	15,029	15,811	1
	Clearance		0		2
	Net Balance	15,029	15,029	15,811	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		0		11
	Clearance		0		12
	Net Balance	0	0	0	13
6110	Network Support Expenses	15,029	15,029	15,811	14
	<b><u>General Support Expenses</u></b>				
6121	Land and Building	52,143	92,949	116,744	15
6122	Furniture and Artworks		0		16
6123	Office Equipment	5,101	5,101	3,308	17
6124	General Purpose Computers	24,416	24,416	20,295	18
6120	General Support Expenses	81,660	122,466	140,347	19
	<b><u>Central Office Switching Expenses</u></b>				
6211	Analog Electronic		0		20
6212	Digital Electronic	43,214	107,692	106,548	21
6215	Electro-Mechanical		0		22
6210	Central Office Switching Expenses	43,214	107,692	106,548	23
6220	Operator Systems Expense		0		24
	<b><u>Central Office Transmission Expenses</u></b>				
6231	Radio Systems		0		25
6232	Circuit Equipment	86,494	179,982	212,636	26
6230	Central Office Transmission Expenses	86,494	179,982	212,636	27
	<b><u>Information Origination/Termination Expenses</u></b>				
6311	Station Apparatus		0		28
6321	Customer Premises Wiring	5,752	13,012	22,550	29
6341	Large Private Branch Exchange		0		30
6351	Public Telephone Terminal Equipment		0		31
6362	Other Terminal Equipment	2,583	3,742	4,486	32
6310	Information Origination/Termination Expenses	8,335	16,754	27,036	33

<b>44. OPERATING EXPENSES BY CATEGORY (Continued)</b>				
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	99	41	
35	6421 Aerial Cable	61,432	23,607	
36	6422 Underground Cable			
37	6423 Buried Cable	15,255	6,077	
38	6424 Submarine Cable			
39	6425 Deep Sea Cable			
40	6426 Intrabuilding Network Cable			
41	6431 Aerial Wire	770	317	
42	6441 Conduit Systems			
43	6410 Cable and Wire Facilities Expenses	77,556	30,042	0
44	Total Plant Specific Operations Expense	231,045	83,744	0
	<b><u>Plant Nonspecific Operations</u></b>			
	<u>Other Property, Plant &amp; Equipment Expenses</u>			
45	6511 Property Held for Future Telephone Use			
46	6512 Provisioning			
47	Clearance			
48	Net Balance	0	0	0
49	6510 Total Other Property, Plant & Equipment Expenses	0	0	0
	<u>Network Operations Expenses</u>			
50	6531 Power	1,123	464	
51	6532 Network Administration			
52	6533 Testing	5,311	1,177	
53	6534 Plant Operations Administration	15,225	6,124	
54	Clearance			
55	Net Balance	15,225	6,124	0
56	6535 Engineering	49,469	18,965	
57	Clearance			
58	Net Balance	49,469	18,965	0
59	6530 Network Operations Expense	71,128	26,730	0
60	6540 Access Expense			
	<u>Depreciation &amp; 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	71,128	26,730	0

**44. OPERATING EXPENSES BY CATEGORY (Continued)**

Item (a)	Other Expenses (e)	This Year Total (f)	Last Year Total (g)	Line No.
<b>Plant Specific Operations (cont.)</b>				
<u>Cable and Wire Facilities Expenses</u>				
6411 Poles	1,346	1,486	2,333	34
6421 Aerial Cable	47,669	132,708	311,360	35
6422 Underground Cable		0		36
6423 Buried Cable	20,483	41,815	39,219	37
6424 Submarine Cable		0		38
6425 Deep Sea Cable		0		39
6426 Intrabuilding Network Cable		0		40
6431 Aerial Wire	474	1,561	1,369	41
6441 Conduit Systems		0		42
6410 Cable and Wire Facilities Expenses	69,972	177,570	354,281	43
Total Plant Specific Operations Expense	304,704	619,493	856,659	44
<b>Plant Nonspecific Operations</b>				
<u>Other Property, Plant &amp; Equipment Expenses</u>				
6511 Property Held for Future Telephone Use		0		45
6512 Provisioning		0		46
Clearance		0		47
Net Balance	0	0	0	48
6510 Total Other Property, Plant & Equipment Expenses	0	0	0	49
<u>Network Operations Expenses</u>				
6531 Power	69,650	71,237	70,359	50
6532 Network Administration	4,453	4,453	7,604	51
6533 Testing	3,051	9,539	11,941	52
6534 Plant Operations Administration		21,349	15,943	53
Clearance		0		54
Net Balance	0	21,349	15,943	55
6535 Engineering	7,910	76,344	64,912	56
Clearance		0		57
Net Balance	7,910	76,344	64,912	58
6530 Network Operations Expense	85,064	182,922	170,759	59
6540 Access Expense	42,175	42,175	44,261	60
<u>Depreciation &amp; Amortization Expenses</u>				
6561 Depreciation-TPIS	619,299	619,299	723,618	61
6562 Depreciation-Property Held for Future Tel.. Use		0		62
6563 Amortization-Tangible	405	405	443	63
6564 Amortization-Intangible	(12,939)	(12,939)	(12,940)	64
6565 Amortization-Other		0		65
6560 Depreciation & Amortization Expenses	606,765	606,765	711,121	66
Total Plant Nonspecific Operations Expense	734,004	831,862	926,141	67

**44. OPERATING EXPENSES BY CATEGORY (Continued)**

Line No.	Item (a)	Salaries & Wages (b)	Benefits (c)	Rents (d)
	<b><u>Customer Operations</u></b>			\$
	<b><u>Marketing</u></b>			
68	6611 Product Management			
69	6612 Sales			
70	6613 Product Advertising	2,959	706	
71	6610 Marketing	2,959	706	
	<b><u>Services</u></b>			
72	6621 Call Completion Services			
73	6622.1 Number Services-Directory Assistance			
74	6622.2 Number Services-Directory Publishing			
75	6623.1 Customer Services-Order Processing & Instruction	21,790	3,874	
76	6623.2 Customer Services-Billing and Collections	71,971	12,920	
77	6623.3 Customer Services-Public Telephone Expenses			
78	6620 Services	93,761	16,794	
79	Total Customer Operations Expense	96,720	17,500	
	<b><u>Corporate Operations Expense</u></b>			
	<b><u>Executive and Planning</u></b>			
80	6711 Executive	110,198	20,390	
81	6712 Planning			
82	6710 Executive and Planning	110,198	20,390	
	<b><u>General &amp; Administrative</u></b>			
83	6721 Accounting & Finance	172,207	33,120	
84	6722 External Relations	4,330	1,045	
85	6723 Human Resources	8,519	1,566	
86	6724 Information Management	6,813	1,260	
87	6725 Legal			
88	6726 Procurement			
89	6727 Research and Development			
90	6728 Other General & Administrative			
91	6720 General & Administrative	191,869	36,991	
92	6790 Provision for Uncollectible Notes Receivable			
93	Total Corporate Operations Expenses	302,067	57,381	
94	TOTAL OPERATING EXPENSES	\$700,960	\$185,355	\$0

**44. OPERATING EXPENSES BY CATEGORY (Continued)**

Item (a)	Other Expenses (e)	This Year Total (f)	Last Year Total (g)	Line No.
<b>Customer Operations</b>				
	\$	\$	\$	
<u>Marketing</u>				
6611 Product Management		0		68
6612 Sales		0		69
6613 Product Advertising	10,838	14,503	14,002	70
6610 Marketing	10,838	14,503	14,002	71
<u>Services</u>				
6621 Call Completion Services	4,238	4,238	4,262	72
6622.1 Number Services-Directory Assistance		0	(254)	73
6622.2 Number Services-Directory Publishing	26,416	26,416	24,399	74
6623.1 Customer Services-Order Processing & Instruction	18,888	44,552	50,959	75
6623.2 Customer Services-Billing and Collections	66,540	151,431	191,504	76
6623.3 Customer Services-Public Telephone Expenses		0		77
6620 Services	116,082	226,637	270,870	78
Total Customer Operations Expense	126,920	241,140	284,872	79
<u>Corporate Operations Expense</u>				
<u>Executive and Planning</u>				
6711 Executive	28,290	158,878	181,937	80
6712 Planning		0		81
6710 Executive and Planning	28,290	158,878	181,937	82
<u>General &amp; Administrative</u>				
6721 Accounting & Finance	137,557	342,884	427,893	83
6722 External Relations	17,840	23,215	23,043	84
6723 Human Resources	21,699	31,784	36,092	85
6724 Information Management		8,073	6,823	86
6725 Legal	15,934	15,934	3,875	87
6726 Procurement		0		88
6727 Research and Development		0		89
6728 Other General & Administrative	59,247	59,247	100,113	90
6720 General & Administrative	252,277	481,137	597,839	91
6790 Provision for Uncollectible Notes Receivable		0		92
Total Corporate Operations Expenses	280,567	640,015	779,776	93
TOTAL OPERATING EXPENSES	\$1,446,195	\$2,332,510	\$2,847,448	94

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	(169,365)	(61,930)	(107,435)			
2	FICA-Contribution	149,725					
3	Unemployment	1,820					
4	Other:						
5							
6	Total	(\$17,820)	(\$61,930)	(\$107,435)	\$0	\$0	\$0
	State Taxes:						
7	Franchise-Gross Income-186a						
8	Franch.-Gross Inc.-Access Charges	32,936				21,642	11,294
9	Franchise-Gross Earnings-184	8,616				5,662	2,954
10	Franchise-Excess Div.-186	14,800				9,725	5,075
11	Temporary Surcharges-						
12	Sec. 186a (Gross Income)						
13	Sec. 184 (Gross Earnings)						
14	Sec. 186 ( Excess Dividend)						
15	MTA Surcharge						
16	Unemployment Insurance	7,909					
17	Disability Insurance						
18	Sales and Use						
19	Other						
20	Total	\$64,261	\$0	\$0	\$0	\$37,029	\$19,323
21	Local Taxes:						
22	Real Estate	\$156,337				\$102,729	\$53,608
23	Special Franchise						
24	Municipal Gross Income						
25	NYC-Spec. Franchise						
26	Motor Vehicle						
27	Other						
28							
29	Total	\$156,337	\$0	\$0	\$0	\$102,729	\$53,608
30	Other (list):						
31	Regulatory Fees	5,434				3,572	1,863
32							
33	Totals	\$208,212	(\$61,930)	(\$107,435)	\$0	\$143,330	\$74,794

**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				6570	\$149,725
2	FICA-Contribution				6570	\$1,820
3	Unemployment					
4	Other					
5						
6	Total	\$0	\$0	\$0	XXXXXXX	\$151,545
	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	7,909
17	Disability Insurance					
18	Sales and Use					
19	Other					
20	Total	\$0	\$0	\$0	XXXXXXX	\$7,909
21	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	\$159,454

**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 or rulemaking.
4. 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		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35	<b>Total</b>	<b>\$0</b>

**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)	(\$135,817)
	Income Taxes Accrued:	
2	7220	(61,930)
3	7250	(114,120)
4	7420	(107,435)
5	7450	75,361
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	Book Tax Depreciation	\$28,492
17	Non-Deductible Meals	\$2,403
18	Lobbying Expense	\$950
19	Realized Gains	\$108,712
20		
21		
22		
23		
24	Additional Deductions & Non-Taxable Income:	xxxxxxxxxxxx
25	Bad Debt Adjustment	\$1,716
26	Equity in Affiliates	\$144,323
27	Officers Life Insurance	\$92,984
28	Dividend Received Deduction	\$16,634
29	Deferred Compensation	\$53,000
30	Regulatory Adjustments	\$38,243
31	Tax-Exempt Interest Income	\$144,451
32		
33	Federal tax net income	(\$694,735)
	Computation of tax:	xxxxxxxxxxxx
34	Tax (Benefit)	(\$236,210)
35	NOL Not Currently Used	\$66,776
36	Adjustment to Prior Year Accrual	\$69
37		
38		
39	Computed Federal Income Tax	(\$169,365)

**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	Miscellaneous Contributions	\$9,607
2	Dues, Memberships	79
3	Cash Surrender Value of Life Insurance Policies	6,155
4	Pension Regulatory Liability	219,210
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41		
42		
43		
44	Totals from Insert Pages	
45	Total	\$235,051

**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)
	<b>Account 7540.1 Other Interest Deductions-Affiliated Companies</b>	
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13	<b>Total Other Interest Deductions-Affiliated Companies</b>	\$0
	<b>Account 7540.2 Other Interest Deductions</b>	
14	Other Interest Deductions (7540.2) Late Fees	\$167
15	Customer Interest (7540.3) Rate 4.85%	\$3
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33	<b>Total Other Interest Deductions</b>	\$170

**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	Gain (Loss) on Sale of Stock	(\$120,342)
2	Citigroup Global Markets Distribution Fund	\$100
3	Gain on Sale of Scrap Metal	\$100
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41		
42		
43		
44		
45	Total	(\$120,142)

**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	
				7630	7640
				(d)	
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)	
<b>EXPENDITURES CHARGED TO OPERATING EXPENSES</b>				
1	Associations of telecommunications companies	4	4	\$16,756
2	Trade, technical and professional associations	3	3	853
3	Other organizations (specify types):	1	1	231
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14	Total	8	8	\$17,840
<b>EXPENDITURES CHARGED TO ACCOUNT 7370</b>				
15	Social and athletic clubs			
16	Service clubs	1	1	79
17	Other organizations (specify type):			
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28	Total	1	1	\$79

**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.

<p>1 Plan Group covered</p> <p>2 Provider</p> <p>3 Yearly cost</p>	<p>Pension All Employees The Oneida County Telephone Pension Plan <b>\$162,524.00</b></p>
<p>1 Plan Group covered</p> <p>2 Provider</p> <p>3 Yearly cost</p>	<p>Group Life Insurance Plan All Employees CT Group <b>\$3,856.00</b></p>
<p>1 Plan Group covered</p> <p>2 Provider</p> <p>3 Yearly cost</p>	<p>Hospitalization/Major Medical/Dental All Employees Excellus BlueCross BlueShield <b>\$241,296.00</b></p>

**53. Employee Protective Plans (Continued)**

--

**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.

<b>54. ANALYSIS OF PENSION COST (Continued)</b>		
Line No.	Item (a)	Current Year (b)
	<u>PLAN</u>	
1	Accumulated Benefit Obligation	\$ <u>2,353,115</u>
2	Projected Benefit Obligation	\$ <u>3,066,612</u>
3	Fair Value of Plan Assets	\$ <u>2,323,049</u>
4	Unrecognized Transition Amount	\$ _____
5	Unrecognized Prior Service Costs	\$ _____
6	Unrecognized Gains or (Losses)	\$ <u>(958,706)</u>
7	Date of Valuation Reported on Lines 1 through 6	<u>6/30/2009</u>
8	Discount Rate	<u>6.50%</u> %
9	Expected Long-Term Rate of Return on Assets	<u>7.50%</u> %
10	Salary Progression Rate (if applicable)	<u>3.00%</u> %
	Net Periodic Pension Cost:	
11	Service Cost	\$ <u>118103</u>
12	Interest Cost	<u>211143</u>
13	Actual Return on Plan Assets [(Gain) or Loss]	<u>-162988</u>
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	<u>40001</u>
18	Total Pension Cost	\$ <u>206259</u>
19	Number of Active Employees Covered by Plan	<u>30</u>
20	Number of Retired Employees Covered by Plan	<u>2</u>
21	Number of Previous Employees Vested but Not Retired	<u>20</u>
	<u>REPORTING COMPANY</u>	
22	Minimum Required Contribution	\$ <u>60000</u>
23	Actual Contribution*	\$ <u>200180</u>
24	Maximum Amount Deductible*	\$ <u>3061052</u>
25	Benefit Payments	\$ <u>N/A</u>
26	Total Pension Cost	\$ <u>206259</u>
27	Pension Cost Capitalized	\$ <u>N/A</u>
28	Accumulated Pension Asset/Liability at Close of Year	\$ <u>11530</u>
29	Total Number of Company Employees at Beginning of Policy Year	<u>52</u>
30	Number of Active Employees Covered by Plan.	<u>30</u>
31	Number of Retired Employees Covered by Plan.	<u>2</u>
32	Number of Previous Employees Vested but Not Retired.	<u>20</u>

\* 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): $\{(6) \times (7) \times (8)\} \times 100$ -- 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: $16 \times [100\% - (17)]$		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)
<b><u>ANALYSIS OF OPEB COSTS</u></b>		
	Accumulated Benefit Obligation Attributable to:	
1	Retirees Covered by the Plan	\$ _____
2	Other Fully Eligible Plan Participants	\$ _____
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	\$ _____
10	Unrecognized Gains or (Losses)	\$ _____
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.	_____
14	Discount Rate	_____
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)	_____
<b><u>NET PERIODIC OPEB COST</u></b>		
18	Service Cost	\$ _____
19	Interest Cost	_____
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	_____
24	Amortization of (Gains) or Losses from Earlier Periods	_____
25	(Gain) or Loss Due to a Temporary Deviation From a Substantive Plan	_____
26	<b>Net Periodic OPEB Cost</b>	<b>\$ 0</b>

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

1. Report on Line 3 items such as transfers of excess pension funds from the company's pension trust fund to an account set up under Section 401 (h) of the Internal Revenue
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)
<b>EXTERNALLY HELD OPEB DEDICATED FUNDS OR TRUSTS</b>		
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)
	<b>OPEB RELATED ASSETS RECORDED IN AN INTERNAL RESERVE</b>	
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)	
	<b>ACCUMULATED DEFERRED OPEB EXPENSE</b>	
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.	

**THIS PAGE LEFT BLANK INTENTIONALLY**

**THIS PAGE LEFT BLANK INTENTIONALLY**

**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:					
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21	Total Affiliates				0	
22	Other Companies:					
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41		<a href="#">Aggregate of All Other Items</a>				
42		Total Other Companies				0
43	Total General Services and Licenses				0	

**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	29		25	54	
February	17		52	69	
March	41		24	65	
April	38		26	64	
May	39		25	64	
June	40		25	65	
July	41		24	65	
August	42		24	66	
September	43		24	67	
October	45		23	68	
November	45		23	68	
December	45		23	68	

**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	Holland Patent	2,370	63	369	2,064
2	Westerville	602	40	71	571
3					0
4					0
5					0
6					0
7					0
8					0
9					0
10		2,972	103	440	2,635

**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	45	384	4	1,631				
2	12	42	5	512				
3								
4								
5								
6								
7								
8								
9								
10	57	426	9	2,143	0	0	0	

**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	Holland Patent, Westernville		277,898	1,447,621	50,245	287,020	70,263	524,258	398,406
2									0
3									0
4									0
5									0
6									0
7									0
8									0
9									0
10		0	277,898	1,447,621	50,245	287,020	70,263	524,258	398,406

**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		Measurement Opportunities		
				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	0.2267	2.72					
2	Percent Missed Repair Appointments							
3	Percent Out-of-Service Over 24 Hours							
4	Percent Regular Orders Installed Within 5 Days							
5	Percent Installation Appointments Not Met							
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		2.72	0		0		0
15	Number of Customer Complaints to the Public Service Commission During the Year <u>0</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)
<b>A. Direct Buried (Plowed) Lines</b>		
1	Total Length	<u>0</u> ft.
2	Cost of Plowing Only	<u>\$0.00</u>
3	Average Cost of Plowing Only	<u>          </u> /ft.
<b>B. Sole Occupancy Trenched Lines</b>		
4	Total Length	<u>0</u> ft.
5	Cost of Trenching Only	<u>\$0.00</u>
6	Average Cost of Trenching Only	<u>          </u> /ft.
<b>C. Shared Occupancy Trenched Lines</b>		
7	Total Length	<u>0</u> ft.
8	Cost of Trenching (telephone portion) Only	<u>\$0.00</u>
9	Average Cost of Trenching (telephone portion) Only	<u>          </u> /ft.
<b>II. Plant Constructed To Connect Subdivisions To The Existing Telephone Distribution System</b>		
<b>A. Facilities Placed Underground</b>		
10	Total Length	<u>0</u> ft.
11	Total Cost	<u>0</u>
12	Average Total Cost	<u>          </u> /ft.
<b>B. Facilities Placed Overhead</b>		
13	Total Length	<u>0</u> ft.
14	Total Cost	<u>0</u>
15	Average Total Cost	<u>          </u> /ft.

**65. DISTRIBUTION OF TOTAL COMPENSATION OF EMPLOYEES**

Line No.	Account Group (a)	Amount (b)
1	Operating Expenses	\$700,960
2	Telecommunications Plant In Service	
3	Telecommunications Plant Under Construction	43,566
4	Accumulated Depreciation	3,640
	Other (specify):	
5	Non Productive Time Clearing	42,035
6	Inventory	2748
7	Life Insurance Premiums	1600
8	Payroll Billed To affiliates	1,345,404
9	General Journal Entries	(17,742)
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20	Total Compensation of Officers and Employees	\$2,122,211
<b>65A. NUMBER OF EMPLOYEES</b>		
21	Officials and Managerial Assistants	2
22	Professional and Semiprofessional Employees	2
23	Business Office and Sales Employees	3
24	Clerical Employees	
25	Operators	
26	Construction, Installation and Maintenance Employees	
27	Central Office Crafts Employees	1
28	Installation and Exchange Repair Crafts Employees	1
29	Line, cable and conduit crafts employees	4
30	Building, Supplies and Motor Vehicle employees:	1
31	All Other Employees Not Elsewhere Classified	
32	Total Employees	14