

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

COMPANY CODE:

TELEPHONE CORPORATIONS
ANNUAL REPORT

OF

Frontier Telephone of Rochester, Inc.

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

180 South Clinton Avenue

Rochester, New York 14646
(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:

Jessica Matushek, Sr. Manager
100 CTE Drive, Dallas, PA 18612
570-631-5003

TABLE OF CONTENTS

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

1. GENERAL INSTRUCTIONS

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

Comment Sheet

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

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

Comments

2. GENERAL INFORMATION

1.

Name and title of officer having custody of the general books of account and address of the office where such books are kept.

Robert J Larson
SVP and Chief Accounting Officer
3 High Ridge Park
Stamford, CT 06905

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.

State of New York
December 9, 1994
Transportation Corporate Law

3.

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

Not Applicable

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.

Federal Communications Commission (Interstate Telephone Service)
Securities and Exchange Commission (Securities Regulation)

5. Name all classes of service furnished by respondent.

Exchange and Toll

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.

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

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

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

3. OFFICERS AND DIRECTORS (including Compensation)

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

Line No.	Name of Person (a)	Title and Department Over Which Jurisdiction Is Exercised (b)	Term Expired or Current Term Will Expire (c)	Salary	
				Rate at Year End (d)	Paid During Year (e)
1	Albert Baronas	Director			
2	Ann Burr	Director, President & Treasurer			
3	Susan Holliday	Director			
4	David Morrow, Sr.	Director			
5	Sandra Parker	Director			
6	Harry Trueheart, III	Director			
7	Stephen Wallace	Director			
8	Dennis Richardson	Director			
9	Norm Silverstein	Director			
10	Gregg C. Sayre	Secretary			
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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.

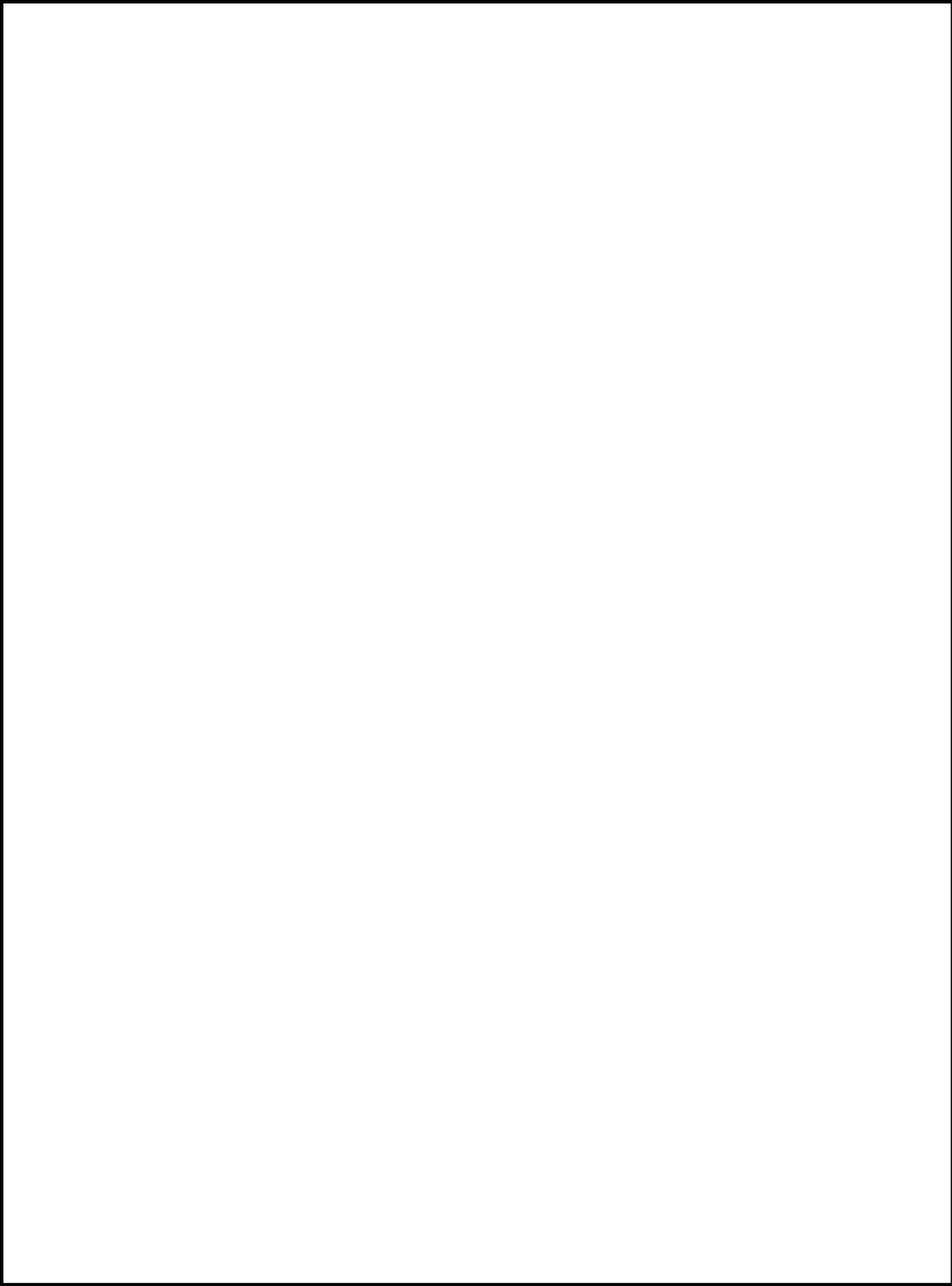
Deferred Compensation (f)	Incentive Pay (Bonuses, etc.) (g)	Savings Plans (h)	Stock Options (i)	Life Insurance Premiums (j)	Other (Explain Below) (k)	Total (e thru k) (l)	Line No.
						\$0	1
						0	2
						0	3
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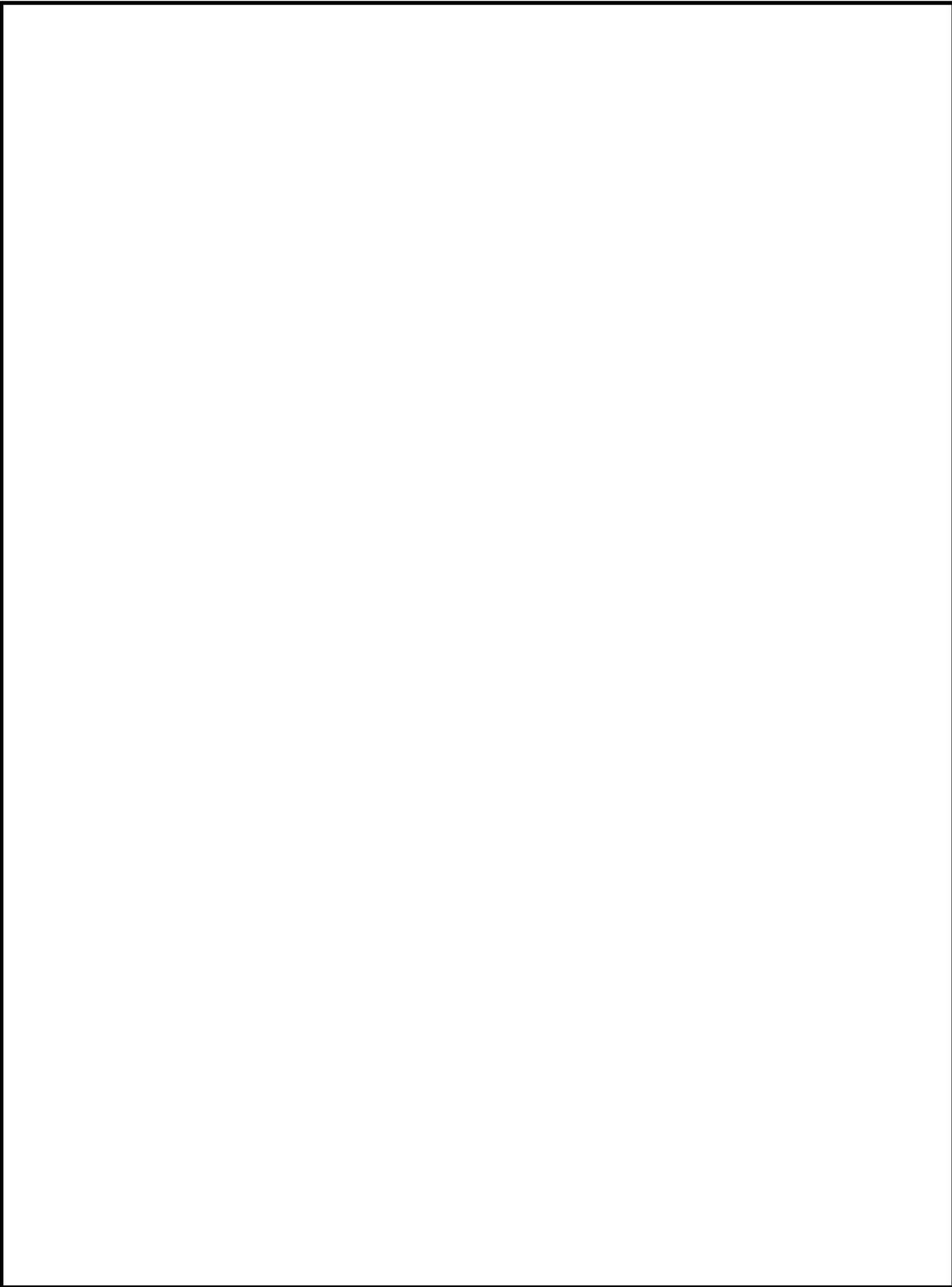
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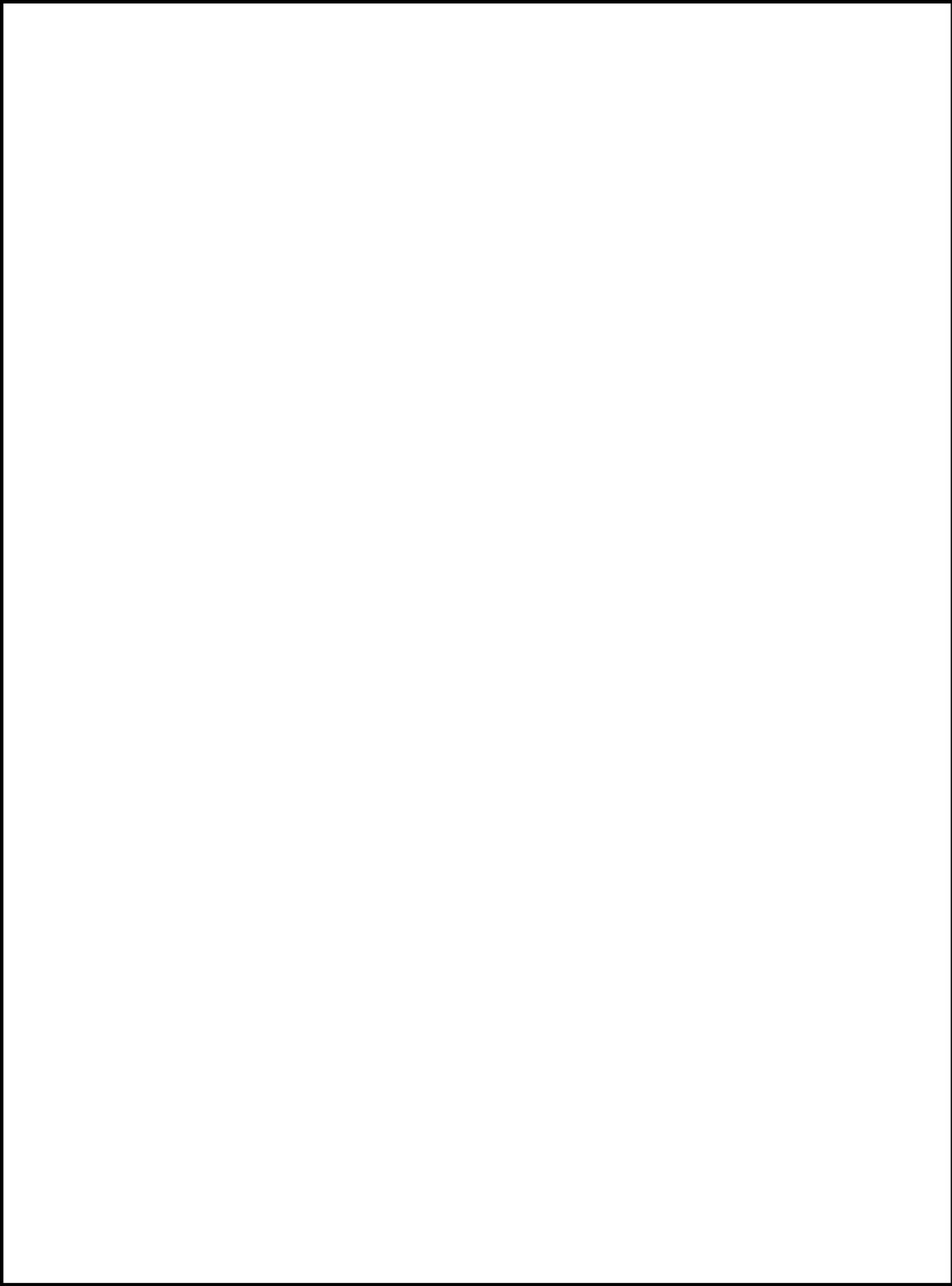
4. CONTROL OVER RESPONDENT

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.

Frontier Communications Corporation
3 High Ridge Park
Stamford, CT 06905







6-C

Print as needed.

5. CORPORATIONS CONTROLLED BY RESPONDENT

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

Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Foot-note Ref. (d)
None			

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	Frontier Communications Corporations	772		
2	3 High Ridge Park			
3	Stamford, CT 06905			
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7. VOTING POWERS AND ELECTIONS

1. Has each share of stock the right to one vote? ___yes_____

2. Are voting rights attached only to stock? ___yes_____

(if the answer to either query 1 or 2 is "No", give full particulars in a note.)

3. Is cumulative voting permitted? _____no_____

4. State the place and date of the latest general meeting held prior to the end of the year for the election of directors.

March 8, 2007

5. State the total number of votes cast at such general meeting _____772_____ and the total number cast by proxy _____0_____.

6. State the total number of voting security holders _____1_____ and the total of all voting securities _____772_____ 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.

Not applicable.

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.
None
2. Consolidations, mergers and reorganizations: Give names of other companies involved, particulars of each such incident, date, and Commission authorization.
None
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.
None
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.
None
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.
None
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.
None
7. Changes in scales of wages: State the estimated annual effect and nature of any important wage scale changes during the year.
None
8. Changes in articles of incorporation: Give brief particulars of each change and date.
None
9. Changes in general officers between end of period covered by this report and date of filing thereof. Give brief particulars.
None
10. Other important changes: Give brief particulars of each other important change which is not disclosed elsewhere in this report.
None
11. Give information on any changes in accounting standards that have occurred during the year.

None

8. IMPORTANT CHANGES DURING THE YEAR (Continued)

None

9. INCOME AVAILABLE FOR RETURN AND CALCULATION OF RATE BASE

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

Line No.	Item (a)	Total (b)	Nonregulated (c)	Other Adjustments (d)	Subject to Separations (e)	New York State (f)	Other (g)
	<u>Operating Revenues</u>						
1	Local Network Services	\$120,484,077			\$120,484,077	\$120,484,077	
2	Network Access Services	94,381,432			94,381,432	30,932,636	63,448,796
3	Long Distance Network Serv.	1,226,548			1,226,548	1,226,548	
4	Miscellaneous	44,247,688			44,247,688	43,190,310	1,057,378
5	Settlements	(7,278)			(7,278)	(7,278)	
6	Nonregulated Revenues	31,807,273	31,807,273		0		
7	Subtotal	292,139,740	31,807,273	0	260,332,466	195,826,293	64,506,174
8	Uncollectibles	4,854,247	528,515		4,325,732	3,253,885	1,071,846
9	Total Operating Revenues	287,285,493	31,278,758	0	256,006,735	192,572,407	63,434,327
	<u>Operating Expenses</u>						
10	Plant Specific	53,634,240	8,036,629		45,597,612	32,511,097	13,086,515
11	Plant Non-specific	14,225,875	355,691		13,870,184	9,967,114	3,903,070
12	Marketing	9,594,650	5,024,719		4,569,931	4,431,920	138,012
13	Customer Operations Services	30,784,728	1,954,303		28,830,425	24,771,101	4,059,324
14	Access	5,497,275	0		5,497,275	4,926,109	571,167
15	Corporate Operations	29,566,444	2,869,866		26,696,579	20,278,721	6,417,858
16	Subtotal	143,303,213	18,241,207	0	125,062,006	96,886,062	28,175,945
17	Depreciation & Amortization	69,960,582	1,267,277		68,693,305	48,634,860	20,058,445
18	Total Operating Expenses	213,263,795	19,508,484	0	193,755,312	145,520,922	48,234,390
19	Net Operating Revenues	74,021,697	11,770,274	0	62,251,423	47,051,485	15,199,938
	<u>Operating Taxes</u>						
20	Operating FIT	25,907,594	4,119,596		21,787,998	16,468,020	5,319,978
21	Deferred Operating FIT-Net						
22	Operating Investment Tax Credit - Amort (Option 2)						
23	Total Federal Income Taxes	25,907,594	4,119,596	0	21,787,998	16,468,020	5,319,978
24	Other Operating Taxes	21,085,940	334,564		20,751,376	14,718,951	6,032,425
25	Total Operating Taxes	46,993,534	4,454,160	0	42,539,374	31,186,971	11,352,403
26	Other Operating Income and Expenses						
27	Net Operating Income*	27,028,163	7,316,115	0	19,712,049	15,864,514	3,847,534
28	Rate Case Adj, if applicable						
29	Net Operating Income after Rate Case Adj	\$27,028,163	\$7,316,115	\$0	\$19,712,049	\$15,864,514	\$3,847,534

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	\$1,461,097,661	\$29,952,502		\$1,431,145,158	\$1,015,111,261	\$416,033,898
2	Noninterest Bearing Telephone Plant under Construction	9,347,197	646,826		8,700,371	6,171,173	2,529,198
3	Telephone Plant Held for Future Use						
4	Materials and Supplies	1,296,237	26,573		1,269,665	883,306	386,359
5	Prepayments	4,655,784	0		4,655,784	3,239,029	1,416,755
6	Cash Working Capital *	12,954,610	1,649,005		11,305,605	8,758,500	2,547,105
7	RTB Stock						
8	Other Rate Base Adjustments, If Applicable						
9	Unamortized Deferrals						
10	Depreciation Reserve	1,024,719,484	29,614,393		995,105,091	704,932,446	290,172,645
11	Amortization Reserve	8,224,100	0		8,224,100	5,819,373	2,404,727
12	Accumulated Deferred Income Taxes	60,941,188	280,329		60,660,858	42,947,888	17,712,971
13	Accumulated Deferred Investment Tax Credit (Option 1 Only)						
14	Rate Base (Lines 1-9 minus lines 10-13)	\$395,466,719	\$2,380,183	\$0	\$393,086,535	\$280,463,562	\$112,622,973

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	\$ 19,712,049	\$ 15,864,514
2	Rate Base	\$ 393,086,535	\$ 280,463,562
3	Rate of Return	5.01%	5.66%
4	Return on Common Equity	3.35%	4.42%
5	Required Additional Revenues *	\$ 3,714,203	\$ 2,650,049

* (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	\$	40.00%	7.51%	3.00%
7 Notes Payable		0.00%		0.00%
8 Customer Deposits		0.00%		0.00%
9 Preferred Stock		0.00%		0.00%
10 Common Equity	690,072,919	60.00%	3.35%	2.01%
11 Total	\$ 690,072,919	100.00%		5.01%

Capital Structure used for Intrastate*

Item	Amount (a)	Structure (b)	Cost Rate (c)	Weighted Cost (d)
12 Long-Term Debt	\$ 0	40.00%	7.51%	3.00%
13 Notes Payable	0	0.00%	0.00%	0.00%
14 Customer Deposits	0	0.00%	0.00%	0.00%
15 Preferred Stock	0	0.00%	0.00%	0.00%
16 Common Equity	690,072,919	60.00%	4.42%	2.65%
Total	\$ 690,072,919	100.00%		5.66%

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

* Use alternative capital structure if applicable.

11. BALANCE SHEET

Assets and Other Debits

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

Line No.	Accounts (a)	Sch. Page No. (b)	Balance at End of Year (c)	Balance at Beginning of Year (d)	Increase or (Decrease) (e)
CURRENT ASSETS					
1	1130	--	\$1,171,039	\$316,786	\$854,254
2	1140	--	0	0	0
3	1150	--	600	600	0
4	1160	--	0	0	0
5	1180	36	19,772,986	23,494,874	(3,721,888)
6	1181	36	2,006,067	3,975,545	(1,969,478)
7	1190.1	37	86,702,302	41,152,613	45,549,689
8	1190.2	37	5,787,796	10,281,001	(4,493,205)
9	1191	38	1,182,204	921,553	260,651
10	1200.1	39	0	0	0
11	1200.2	39	0	0	0
12	1201	39	0	0	0
13	1210	--	0	0	0
14	1220	40	1,120,728	1,471,747	(351,018)
15	1290	--	0	0	0
16	1300	41-42	4,612,093	4,699,476	(87,383)
17	1310	--	0	0	0
18	1320	--	1,457,544	6,032,489	(4,574,945)
19	1330	--	165,000	1,084,398	(919,398)
20	1350	--	0	(22,334)	22,334
21	1360	43-44	0	0	0
22			117,601,818	83,614,552	33,987,267
NONCURRENT ASSETS					
23	1401.1	50-51	0	0	0
24	1401.2	52-53	209,437,779	155,233,271	54,204,508
25	1402	52-53	0	0	0
26	1406	54	0	0	0
27	1407	58-59	0	0	0
28	1408	--	0	0	0
29	1410	--	184,395,250	184,560,250	(165,000)
30	1438	--	0	0	0
31	1439	55	16,135	271,917	(255,782)
32	1500	--	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX
33	1510	43-44	0	0	0
34			393,849,164	340,065,438	53,783,726
REGULATED PLANT					
35	2001	24-25	1,469,798,107	1,452,397,214	17,400,893
36	2002	24-25	0	0	0
37	2003	24-25	7,956,050	10,738,344	(2,782,294)
38	2004	24-25	0	-	0
39	2005	24-25	0	0	0
40	2006	24-25	2,205	0	2,205
41	2007	24-25	0	0	0
42			1,477,756,362	1,463,135,558	14,620,804
43	3100-3300	32-33	1,053,638,668	995,800,300	57,838,368
44	3410-3600	32-33	8,758,993	7,689,206	1,069,787
45			415,358,701	459,646,052	(44,287,351)
46			\$926,809,683	\$883,326,042	\$43,483,642

For Notes to Balance Sheet see Page 18.

11. BALANCE SHEET
Liabilities and Other Credits

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

Line No.	Accounts (a)	Sch. Page No. (b)	Balance at End of Year (c)	Balance at Beginning of Year (d)	Increase or (Decrease) (e)	
CURRENT LIABILITIES						
1	4010.1	Accounts Payable to Affiliated Companies	56	\$28,810,851	\$28,737,345	\$73,506
2	4010.2	Other Accounts Payable	56	12,684,884	12,388,678	296,206
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	--	3,647,685	3,427,071	220,614
6	4040	Customers' Deposits	--	167	10,696	(10,529)
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	0	0	0
10	4080	Other Taxes-Accrued	41-42	2,330,831	976,140	1,354,691
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	--	0	0	0
14	4130	Other Current Liabilities	--	3,075,369	7,140,882	(4,065,514)
15		Total Current Liabilities		50,549,785	52,680,812	(2,131,027)
LONG-TERM DEBT						
16	4210	Funded Debt	58-59	0	0	0
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	0	0	0
23		Total Long-Term Debt		0	0	0
OTHER LIABILITIES AND DEFERRED CREDITS						
24	4310	Other Long-Term Liabilities	61	125,522,428	117,772,442	7,749,986
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	64,425,451	57,456,924	6,968,527
28	4350	Noncurrent Def. Nonoper. Income Taxes-Cr.	45-47	0	0	0
29	4360	Other Deferred Credits	62	(19,933,084)	(18,484,872)	(1,448,212)
30	4370	Other Juris. Liabilities & Def. Credits-Net	--	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX
31		Total Other Liabilities and Def. Credits		170,014,795	156,744,494	13,270,301
STOCKHOLDERS' EQUITY						
32	4510.1	Capital Stock-Common	63	0	0	0
33	4510.2	Capital Stock-Preferred	63	0	0	0
34	4520	Additional Paid-in Capital	63	451,236,610	451,236,610	(0)
35	4530	Treasury Stock	63	0	0	0
36	4540	Other Capital	--	0	0	0
37	4550.1	Appropriated Retained Earnings	21	0	0	0
38	4550.2	Unappropriated Undistrib. Affil Earnings	21	0	0	0
39	4550.3	Unappropriated Retained Earnings	21	255,008,493	222,664,126	32,344,367
40		Total Stockholders' Equity		706,245,103	673,900,736	32,344,367
41		TOTAL LIABILITIES AND OTHER CREDITS		\$926,809,683	\$883,326,042	\$43,483,641

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 \$_____.
2. Cumulative dividends in arrears at the end of the year amounted to \$_____.

ADDITIONAL NOTES TO BALANCE SHEET

12. INCOME AND RETAINED EARNINGS STATEMENT

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

Line No.	Item (a)	Sch. Page No. (b)	TOTAL	
			Current Year (c)	Last Year (d)
INCOME				
TELEPHONE OPERATING INCOME				
1	Operating Revenues.....	65	\$255,478,219	\$266,903,234
2	Operating Expenses.....	72	202,285,667	213,659,343
3	Net Operating Revenues		53,192,552	53,243,891
OTHER OPERATING INCOME AND EXPENSE				
4	7110 Income from Custom Work.....	--		
5	7130 Return from Nonregulated Use of Regulated Facilities.....	--		
6	7140 Gains and Losses from Foreign Exchange.....	--		
7	7151 Gains or Losses from Disposition of Land and Artworks.....	--		
8	7160 Other Operating Gains and Losses.....	--		
9	Total Other Operating Income and Expenses		0	0
OPERATING TAXES				
10	7210 Operating Investment Tax Credits-Net.....	45-47		
11	7220 Operating Federal Income Taxes.....	73-74	4,319,277	29,578,426
12	7230 Operating State and Local Income Taxes.....	73-74		
13	7240 Operating Other Taxes.....	73-74	21,085,940	20,683,254
14	7250 Provision for Deferred Operating Income Taxes-Net.....	43-47	6,737,964	(1,505,581)
15	Total Operating Taxes		32,143,181	48,756,099
16	Net Operating Income		21,049,372	4,487,793
NONOPERATING INCOME AND EXPENSES				
17	7310 Dividend Income.....	--		0
18	7320 Interest Income.....	--	5,146,604	15,862,681
19	7330 Income from Sinking and Other Funds.....	--		
20	7340 Allowance for Funds Used During Construction.....	--	193,102	434,968
21	7350 Gains or Losses from the Disposition of Certain Property.....	--		
22	7355 Equity in Earnings of Affiliated Companies.....	50-51	0	0
23	7360 Other Nonoperating Income.....	79	1,270,293	1,957,067
24	7370 Special Charges.....	77	257,249	272,318
25	Total Nonoperating Income Items and Expenses		6,352,750	17,982,398
NONOPERATING TAXES				
26	7410 Nonoperating Investment Tax Credits-Net (-).....	45-47		
27	7420 Nonoperating Federal Income Taxes.....	73	7,683,653	0
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		
31	Total Nonoperating Taxes		7,683,653	0
32	Total Nonoperating Income		(1,330,903)	17,982,398
33	Income Available for Fixed Charges		19,718,469	22,470,192
INTEREST AND RELATED ITEMS				
34	7510 Interest on Funded Debt.....	58-59	0	
35	7520 Interest Expense-Capital Leases.....		0	
36	7530 Amortization of Debt Issuance Expense.....	58-59	0	
37	7540 Other Interest Deductions.....	78	8,203,246	7,428,441
38	Total Interest and Related Items		8,203,246	7,428,441
39	Income Before Extraordinary Items		11,515,223	15,041,750

12. INCOME AND RETAINED EARNINGS STATEMENT (Continued)

Line No.	Item (a)	Sch. Page No. (b)	TOTAL	
			Current Year (c)	Last Year (d)
EXTRAORDINARY ITEMS				
40	7610 Extraordinary Income Credits.....	80	0	
41	7620 Extraordinary Income Charges.....	80	0	
42	7630 Current Income Tax Effect of Extraordinary Items-Net.....	80	0	
43	7640 Provision for Def. Income Tax Effect of Extra. Items-Net.....	80	0	
44	Total Extraordinary Items		0	0
JURISDICTIONAL DIFFERENCES AND NONREG. INCOME ITEMS				
45	7910 Income Effect of Jurisdictional Ratemaking Differences-Net...	--	xxxxxxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxxxxxx
46	7990 Nonregulated Net Income.....	--	20,829,143	34,780,341
47	Total Jurisdictional Differences and Extraordinary Items		20,829,143	34,780,341
48	Net Income		\$32,344,367	\$49,822,092
RETAINED EARNINGS				
49	4550.3 Unappropriated Retained Earnings (at Beginning of Period)..		\$222,664,130	\$237,842,038
50	4550.4 Balance Transferred from Income.....		32,344,363	49,822,092
51	4550.5 Appropriations of Retained Earnings.....			
52	4550.6 Dividends Declared-Preferred Stock.....	63	0	
53	4550.7 Dividends Declared-Common Stock.....	63	0	65,000,000
54	4550.8 Adjustments to Retained Earnings.....	64		
55	Net Change to Unappropriated Retained Earnings		32,344,363	(15,177,908)
56	4550.3 Unappropriated Retained Earnings (End of Period).....		255,008,493	222,664,130
57	4550.1 Appropriated Retained Earnings (End of Period).....			
58	Total Retained Earnings		\$255,008,493	\$222,664,130
UNAPPROPRIATED UNDISTRIBUTED AFFILIATE EARNINGS				
59	4550.2 Unappropriated Undistributed Affiliate Earnings (beginning of period).....			
60	Equity in Earnings for Period.....	51	0	
61	Dividends Received.....			
62	Other Changes (explain).....			
63	4550.2 Unappropriated Undistributed Affiliate Earnings (end of period).....		\$0	\$0

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 \$_____

13. STATEMENT OF CASH FLOWS			
Line No.	Items (a)	Current Year (b)	Last Year (c)
	Cash flows from operating activities:		
1	Net Income	\$32,344,367	\$49,822,092
	Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
2	Depreciation and depletion	69,960,582	68,643,556
3	Amortizations		0
4	Increase (Decrease) in deferred taxes and investment tax credits-net	6,968,527	(2,751,148)
5	Equity (AFUDC)		0
6	Decrease (Increase) in receivables related to operations excluding unbilled revenues	(39,043,423)	8,566,486
7	Decrease (Increase) in inventory related to operations	351,018	227,837
8	Increase (Decrease) in accrued expenses and accounts payable related to operations	579,796	(31,608,707)
9	Unbilled revenues		0
10	Increase (Decrease) in current income taxes and other taxes payable	1,354,691	187,971
11	Increase (Decrease) in interest payable		0
12	Equity in loss(earnings) of affiliates		0
13	Dividends received from associated and subsidiary companies accounted for under the equity method		0
	Other Adjustments:		
14	Decrease (Increase) in other assets	5,559,392	(490,042)
15	Increase (Decrease) in other liabilities	2,236,260	5,722,694
16			
17	Total Adjustments	47,966,844	48,498,647
18	Net cash provided by (used in) operating activities	80,311,211	98,320,738
	Cash flows from investing activities:		
	Cash outflows for construction (-)		
	Gross additions to:		
19	Telephone plant (include capital leases)	(18,536,055)	(15,420,113)
20	Common plant		
21	Non-utility plant		0
22	Other plant		
	Adjustments to gross additions:		
23	Increase (Decrease) in payables related to construction		0
24	Decrease (Increase) in inventory related to construction		0
25	Capital leases		0
26	Equity AFUDC		0
27	Other adjustments		
28	Total cash outflows for construction	(18,536,055)	(15,420,113)
29	Acquisition of other non-current assets (5)(d)	420,782	(2,856)
30	Payments for the acquisition of other debt and equity securities (5)(a)		0
31	Investments in and advances to subsidiary and associated companies		0
32	Repayments of advances by associated and subsidiary companies	(54,204,508)	1,040,776
	Net proceeds from sale or disposition of:		
33	Property, plant and equipment		
34	Investments in subsidiary & associated companies		0
35	Other debt and equity investments		0
36	Other non-current assets		0
	Other:	(7,137,176)	(15,752,398)
37			
38			
39	Total of any Insert Pages		
40	Net cash provided by (used in) investing activities	(79,456,957)	(30,134,591)

13. STATEMENT OF CASH FLOWS (Continued)

Line No.	Items (a)	Current Year (b)	Current Year (b)
	Cash flows from financing activities:		
	Proceeds from issuing:		
41	Common stock		
42	Preferred stock		
43	Long-term debt (5)(b)		
44	Net change in short-term debt (5)(c)		
45	Contributions and advances from subsidiary and associated companies		
46	Principal payments under capital leases		
	Payments for retirement of: (-)		
47	Common stock		
48	Preferred stock		
49	Long-term debt (5)(b)		0
	Dividends paid on: (-)		
50	Common stock	0	(65,000,000)
51	Preferred stock		
	Other:(5)(e)		
52			0
53			0
54			
55			
56			
57			
58	Total of any Insert Pages		
59	Net cash provided by (used in) financing activities	0	(65,000,000)
60	Net increase(decrease) in cash and cash equivalents	854,254	3,185,542
61	Cash & cash equivalents at the beginning of the year	316,786	(2,868,756)
62	Cash & cash equivalents at the end of the year	\$1,171,039	\$316,786

INSTRUCTIONS

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

14. ANALYSIS OF TELECOMMUNICATIONS PLANT ACCOUNTS

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

Line No.	Account (a)	Balance at Beginning of the Year (b)	Charges During the Year		Credits During The Year		Transfers and Adjustments Charges (Credits) (g)	Balance at End of the Year (h)
			Other Plant Added from Predecessor (c)	Other Plant Added or Transferred (d)	Plant Sold With Traffic (e)	Other Plt. Ret. or Transferred (f)		
2001 Telecommunications Plant in Service								
General Support Assets								
1	2111 Land	\$1,959,311						\$1,959,311
2	2112 Motor Vehicles	18,087,819		195,961		45,423	(188,033)	18,050,324
3	2113 Aircraft	0						0
4	2114 Special Purpose Vehicles	0						0
5	2115 Garage Work Equipment	79,639						79,639
6	2116 Other Work Equipment	10,380,286		4,855				10,385,141
7	2121 Buildings	60,207,597		1,488,405		125,546		61,570,456
8	2122 Furniture	6,129,409		21,993				6,151,402
9	2123 Office Equipment	0						0
10	.1 Office Support Equipment	1,371,696						1,371,696
11	.2 Company Communications Equipment	3,088,642		0				3,088,642
12	2124 General Purpose Computers	32,354,598		19,459		0		32,374,057
13	Total General Support Assets	\$133,658,997	\$0	\$1,730,673	\$0	\$170,969	(\$188,033)	\$135,030,668
Central Office Assets								
14	2211 Analog Electronic Switching	\$0						\$0
15	2212 Digital-Electronic Switching	279,646,095		734,021		217,229	(1,179,714)	278,983,173
16	2215 Electro-Mechanical Switching	0						0
17	.1 Step-by-Step Switching	0						0
18	.2 Crossbar Switching	0						0
19	.3 Other Electro-Mechanical Switching	0						0
20	2220 Operator Systems	11,979,496						11,979,496
21	2231 Radio Systems	86,919				16,037		70,882
22	.1 Satellite & Earth Station Facilities	0						0
23	.2 Other Radio Facilities	0						0
24	2232 Circuit Equipment	305,429,256		10,015,988		1,197,805	(70,998)	314,176,441
25	Total Central Office Assets	\$597,141,766	\$0	\$10,750,009	\$0	\$1,431,071	(\$1,250,712)	\$605,209,992

14. ANALYSIS OF TELECOMMUNICATIONS PLANT ACCOUNTS (Continued)								
Line No.	Account (a)	Balance at Beginning of the Year (b)	Charges During the Year		Credits During The Year		Transfers and Adjustments Charges (Credits) (g)	Balance at End of the Year (h)
			Other Plant Added from Predecessor (c)	Other Plant Added or Transferred (d)	Plant Sold With Traffic (e)	Other Plt. Ret. or Transferred (f)		
	Information Org./Term. Assets							
26	2311 Station Apparatus	\$2,870,469				\$2,870,469		\$0
27	2321 Customer Premises Wiring	0						0
28	2341 Large Private Branch Exchanges	1,415,622						1,415,622
29	2351 Public Terminal Equipment	12,679,636		7,948				12,687,584
30	2362 Other Terminal Equipment	929,547						929,547
31	Total Information Org./Term. Assets	\$17,895,274	\$0	\$7,948	\$0	\$2,870,469	\$0	\$15,032,753
	Cable and Wire Facilities							
32	2411 Poles	\$50,708,505		\$2,227,041		\$270,444	\$239,486	\$52,904,587
33	2421 Aerial Cable	251,508,526		5,154,092		3,023,339	(3,395,298)	250,243,981
34	2422 Underground Cable	165,774,677		3,729,664		287,035		169,217,306
35	2423 Buried Cable	107,416,266		3,551,912		1,599,382	3,395,298	112,764,094
36	2424 Submarine Cable	0						0
37	2425 Deep Sea Cable	0						0
38	2426 Intrabuilding Network Cable	23,309,665		278,858		25,465		23,563,058
39	2431 Aerial Wire	4,310,198		69,266		64,109		4,315,355
40	2441 Conduit	88,611,622		850,396		24,345		89,437,672
41	Total Cable and Wire Facilities	\$691,639,459	\$0	\$15,861,229	\$0	\$5,294,119	\$239,486	\$702,446,053
	Amortizable Assets							
42	2681 Capital Leases	\$0						\$0
43	2682 Leasehold Improvements	12,061,718		16,924				12,078,642
44	2690 Intangibles							0
45	Total Amortizable Assets	\$12,061,718	\$0	\$16,924	\$0	\$0	\$0	\$12,078,642
46	Total Telecommunications Plant in Service	\$1,452,397,214	\$0	\$28,366,783	\$0	\$9,766,628	(\$1,199,259)	\$1,469,798,108
47	2002 Property Held for Future Telecom. Use							\$0
48	2003 Telecom. Plt. Under Constr.-Short Term	10,738,344		25,225,596		28,007,889		7,956,050
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					2,205	2,205
54	2007 Goodwill							0
55	Total Telecommunications Plant	\$1,463,135,558	\$0	\$53,592,379	\$0	\$37,774,517	(\$1,197,054)	\$1,477,756,363

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

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

Line No.	Account Classification (a)	2003 Telecommunications Plant Under Construction-Short Term (work orders open at end of year)		
		Charges (b)	Credits (c)	Balance at End of the Year Total (d)
	General Support Assets			
1	2111 Land			\$0
2	2112 Motor Vehicles	791,561		791,561
3	2113 Aircraft			0
4	2114 Special Purpose Vehicles			0
5	2115 Garage Work Equipment			0
6	2116 Other Work Equipment	114,950		114,950
7	2121 Buildings	511,184		511,184
8	2122 Furniture			0
9	2123 Office Equipment			0
10	2124 General Purpose Computers	41,812		41,812
				0
	Central Office Assets			0
11	2211 Analog Electronic Switching			0
12	2212 Digital Electronic Switching	137,228		137,228
13	2215 Electro-Mechanical Switching			0
14	2220 Operator Systems			0
15	2231 Radio Systems			0
16	2232 Circuit Equipment	2,349,933		2,349,933
				0
	Information Orig/Termination Assets			0
17	2311 Station Apparatus			0
18	2321 Customer Premises Wiring			0
19	2341 Large Private Branch Exchanges			0
20	2351 Public Telephone Terminal Equip.			0
21	2362 Other Terminal Equipment			0
				0
	Cable and Wire Facilities Assets			0
22	2411 Poles	1,043,644		1,043,644
23	2421 Aerial Cable	1,149,906		1,149,906
24	2422 Underground Cable	783,935		783,935
25	2423 Buried Cable	573,106		583,106
26	2424 Submarine Cable			0
27	2425 Deep Sea Cable			0
28	2426 Intra-building Network Cable	7,505		7,505
29	2431 Aerial Wire	5,047		5,047
30	2441 Conduit Systems	303,869		303,869
				0
31	Total Plant Accounts	7,813,680	0	7,823,680
	Other Accounts			
32		2,295		2,294
33		130,076		130,075
34				0
				0
35	Total	\$7,946,051	\$0	\$7,956,049

223-88

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

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

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

16. PROPERTY HELD FOR FUTURE TELECOMMUNICATIONS USE

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

Line No.	Item (a)	Anticipated In Service Date (b)	Balance at Beg. of Year (c)	Additions During Year (d)	Transfers to Tel. Plant in Service (e)	Other Retirements During Year (f)	Adjustments During Year Debit or (Credit) (g)	Balance at End of Year (h)
1								\$0
2								0
3								0
4								0
5								0
6								0
7								0
8								0
9								0
10								0
11								0
12								0
13								0
14								0
15								0
16								0
17								0
18								0
19								0
20								0
21								0
22								0
23								0
24								0
25								0
26								0
27								0
28								0
29								0
30								0
31								0
32								0
33								0
34								0
35								0
36								0
37	Totals		\$0	\$0	\$0	\$0	\$0	\$0

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18. ANALYSIS OF ASSETS PURCHASED OR SOLD TO AFFILIATES

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

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

Line No.	Name of Affiliate (a)	Account No. (b)	Original Cost (c)	Accumulated Depreciation (d)	Other Adjustments (e)		Net Book Value (f)	FMV or Tariffed Rate (g)	Purchased Price (h)		Sale Price (i)	
				Amount	Account No.	Amount	Amount		Account No.	Amount	Account No.	Amount
1							\$0					
2							0					
3							0					
4							0					
5							0					
6							0					
7							0					
8							0					
9							0					
10							0					
11							0					
12							0					
13							0					
14							0					
15							0					
16							0					
17							0					
18							0					
19							0					
20							0					
21							0					
22							0					
23							0					
24							0					
25							0					
26							0					
27							0					
28							0					
29							0					
30							0					
							\$0					

Notes:

19. ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION

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

Line No.	Plant Account (a)	Balance at Beginning of Year (b)	Credits During the Year		
			Depreciation Accruals (c)	Salvage Insurance, etc. (d)	Other Credits (e)
	Telecommunications Plant in Service				
	General Support Assets				
1	2112 Motor Vehicles	\$15,797,396	\$2,148,269	\$109,897	
2	2113 Aircraft	0			
3	2114 Special Purpose Vehicles	0			
4	2115 Garage Work Equipment	77,168	3,982		
5	2116 Other Work Equipment	7,964,199	818,238		
6	2121 Buildings	34,133,897	1,829,086		
7	2122 Furniture	2,835,911	307,974		
8	2123 Office Equipment	4,632,122			
9	.1 Office Support Equipment	0			
10	.2 Company Communications Equipment	0			
11	2124 General Purpose Computers	38,786,697	1,233,334		
12	Total General Support Assets	104,227,390	6,340,883	109,897	0
	Central Office Assets				
13	2211 Analog Electronic Switching	0			
14	2212 Digital Electronic Switching	238,135,192	16,410,849		
15	2215 Electro-Mechanical Switching	0			
16	.1 Step-by Step	0			
17	.2 Crossbar	0			
18	.3 Other Electro-Mechanical Switching	0			
19	2220 Operator Systems	12,160,494			
20	2231 Radio Systems	274,522			
21	.1 Satellite and Earth Station Facilities	0			
22	.2 Other Radio Facilities	0			
23	2232 Circuit Equipment	189,449,049	20,110,962	907	
24	Total Central Office Assets	440,019,257	36,521,811	907	0
	Information Orig/Termination Assets				
25	2311 Station Apparatus	2,886,276			
26	2321 Customer Premises Wiring	0			
27	2341 Large Private Branch Exchanges	1,462,725	73		
28	2351 Public Telephone Terminal Equip.	12,832,745	286,546		
28	2362 Other Terminal Equipment	898,031	2,256		
29	Total Information Orig/Termination Assets	18,079,777	288,875	0	0
	Cable and Wire Facilities Assets				
30	2411 Poles	43,392,650	2,031,022	20,833	
31	2421 Aerial Cable	170,897,323	10,940,464		
32	2422 Underground Cable	93,050,120	5,514,746		
33	2423 Buried Cable	68,169,355	4,108,263		
34	2424 Submarine Cable	0			
35	2425 Deep Sea Cable	0			
36	2426 Intra-building Network Cable	17,801,705	1,006,960		
36	2431 Aerial Wire	4,436,113	0		
37	2441 Conduit Systems	35,766,707	2,137,073		
38	Total Cable and Wire Facilities Assets	433,513,973	25,738,528	20,833	0
39	3100 Other - Explain	(40,097)			
40	3100 Other - Explain				
41	3100 Total Accumulated Depreciation - TPIS	995,800,300	68,890,097	131,637	0
42	3200 Held for Future Communications Use				
43	3300 Nonoperating				
44	Total Accumulated Depreciation	995,800,300	68,890,097	131,637	0
45	3410 Capital Leases				
46	3420 Leasehold Improvements	7,689,206	1,070,487		
47	Accumulated Amortization - Tangible	7,689,206	1,070,487	0	0
48	3500 Accumulated Amortization - Intangible				
49	3600 Accumulated Amortization - Other				
50	Total Accumulated Amortization	7,689,206	1,070,487	0	0
51	Total Accumulated Depreciation & Amortization	\$1,003,489,506	\$69,960,584	\$131,637	\$0

19. ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION					
Line No.	Debits During the Year				Balance at End of the Year (j)
	Retirements with Traffic (f)	Retirements without Traffic (g)	Cost of Removal (h)	Other Charges (i)	
1		\$45,423		\$163,236	\$17,846,903
2					0
3					0
4					81,150
5					8,782,437
6		125,546	11,897	(191,000)	36,016,540
7					3,143,885
8					4,632,122
9					0
10					0
11					40,020,030
12	0	170,969	11,897	(27,764)	110,523,067
13					0
14		217,229	1,800	314	254,326,697
15					0
16					0
17					0
18					0
19					12,160,493
20		16,037	3,600		254,885
21					0
22					0
23		1,197,805	103,980	1,754	208,257,379
24	0	1,431,071	109,380	2,068	474,999,454
25		2,870,469			15,807
26					0
27					1,462,798
28					13,119,291
28					900,287
29	0	2,870,469	0	0	15,498,183
30		270,444	534,924		44,639,137
31		3,023,339	315,031	3,395,298	175,104,119
32		287,035	249,181		98,028,650
33		1,599,382	56,236	(3,395,298)	74,017,298
34					0
35					0
36		25,465	7,039		18,776,161
36		64,109	23,536		4,348,467
37		24,345	61,262		37,818,172
38	0	5,294,119	1,247,209	0	452,732,004
39				73,943	(114,040)
40					0
41	0	9,766,628	1,368,486	48,247	1,053,638,668
42					0
43					0
44	0	9,766,628	1,368,486	48,247	1,053,638,668
45					0
46			700		8,758,993
47	0	0	700	0	8,758,993
48					0
49					0
50	0	0	700	0	8,758,993
51	\$0	\$9,766,628	\$1,369,186	\$48,247	\$1,062,397,661

20. BASIS OF CHARGES FOR DEPRECIATION

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

Section I. Classes of Depreciable Plant

Line No.	Plant Account (a)	Estimated Service Life in Years (b)	Estimated Net Salvage Factor (c)	Annual Composite Rate at End of the Year (d)	Ratio of Depreciation Charges to Ave Monthly Book Cost (e)
General Support Assets					
1	2112 Motor Vehicles	8	5.00%	11.88%	12.34%
2	2113 Aircraft				
3	2114 Special Purpose Vehicles				
4	2115 Garage Work Equipment	20	0.00%	5.00%	5.00%
5	2116 Other Work Equipment	12.16	4.61%	7.84%	7.91%
6	2121 Buildings	34.8	-5.00%	3.02%	3.03%
7	2122 Furniture	16.52	4.75%	5.77%	5.00%
8	2123 Office Equipment				
9	.1 Office Support Equipment	11	0.00%	9.09%	0.00%
10	.2 Company Communications Equipment	12.19	0.00%	8.20%	0.00%
11	2124 General Purpose Computers	7.44	0.00%	13.44%	13.17%
Central Office Assets					
12	2211 Analog Electronic Switching	11.4	0.00%	8.77%	NA
13	2212 Digital Electronic Switching	15.51	0.00%	6.45%	5.90%
14	2215 Electro-Mechanical Switching				
15	.1 step-by-step				
16	.2 Crossbar				
17	.3 Other Electro-Mechanical Switching				
18	2200 Operator Systems	7.02	0.00%	14.25%	0.00%
19	2231 Radio Systems				
20	.1 Satellite and Earth Station Facilities	10	-10.00%	11.00%	NA
21	.2 Other Radio Facilities	10	-10.00%	11.00%	#DIV/0!
22	2232 Circuit Equipment	12.83	1.51%	7.68%	6.47%
Information Origination/Termination Assets					
23	2311 Station Apparatus				
24	2321 Customer Premises Wiring				
25	2341 Large Private Branch Exchanges				0.01%
26	2351 Public Telephone Terminal Equipment				2.27%
27	2362 Other Terminal Equipment	10	0.00%	10.00%	7.89%
Cable and Wire Facilities Assets					
28	2411 Poles	30.02	-60.00%	5.33%	4.50%
29	2421 Aerial Cable	26.16	-20.47%	4.59%	4.20%
30	2422 Underground Cable	35	-15.00%	3.29%	3.29%
31	2423 Buried Cable	28.42	-7.70%	3.79%	3.68%
32	2424 Submarine Cable				
33	2425 Deep Sea Cable				
34	2426 Intrabuilding Network Cable	28.28	-25.00%	4.42%	4.28%
35	2431 Aerial Wire	15	-65.00%	11.00%	0.00%
36	2441 Conduit Systems	50	-20.00%	2.40%	2.39%
37					
38	Composite rate for all depreciable accounts	XXXXXXXXXX	XXXXXXXXXXXXXX		9.89%
39	Composite rate for all plant accounts included in account 2001	XXXXXXXXXX	XXXXXXXXXXXXXX		9.54%
40	Ratio to all depreciable accounts	XXXXXXXXXX	XXXXXXXXXXXXXX	XXXXXXXXXX	
41	Ratio to all plant accounts included in account 2001	XXXXXXXXXX	XXXXXXXXXXXXXX	XXXXXXXXXX	

20. BASES OF CHARGES FOR DEPRECIATION (Continued)

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

Section II. Subclasses of Depreciable Plant

Line No.	Primary Acct. No. (f)	Name or Description of Subclass (g)	Estimated Service Life in Years (h)	Estimated Net Salvage Factor (i)	Annual Rate End of the Year (j)	Plant Balances Used in Computing Composite Rates (k)	Est. Annual Depreciation for Compositing Purposes (j)x(k) (l)
1	2116	Work Equipment	12	5.00%	7.92%	8,673,901	686,684
2		OWE- Lab	15	0.00%	6.67%	269,950	17,997
3		Total			7.88%	8,943,851	704,680
4							
5	2122	Furniture and Artwork	12	5.00%	7.92%	501,409	39,695
6		Modular Office Systems	20	5.00%	4.75%	5,619,223	266,913
7		Total			5.01%	6,120,632	306,608
8							
9	2123	Office Equipment	11	0.00%	9.09%	3,417,158	310,651
10		Official LBX Equipment	10	0.00%	10.00%	1,738,286	173,829
11		Total			9.40%	5,155,444	484,479
12	2124	Mainframe Computer	8	0.00%	12.50%	1,728,302	216,038
13		Personal Computer (Plant & Cust) Operat	5	0.00%	20.00%	31,430,596	6,286,119
14		Total			19.61%	33,158,898	6,502,157
15							
16	2212	Digital Switching Equipment	16.8	0.00%	5.95%	278,850,776	16,598,260
17		Power Digital	10	0.00%	10.00%	4,231,650	423,165
18		Total			6.01%	283,082,426	17,021,425
19							
20	2232	Circuit Equipment - Hardwired	13	-10.00%	8.46%	70,364,357	5,953,907
21		Circuit Equipment - Plug In	11	30.00%	6.36%	85,199,468	5,421,784
22		Circuit Equipment - Fiber Optics	15	-5.00%	7.00%	96,562,601	6,759,382
23		Total			7.19%	252,126,426	18,135,074
24	2421	Aerial Wire - Other	27	-25.00%	4.63%	210,260,743	9,734,294
25		Aerial Metallic	21.37	0.00%	4.68%	43,884,140	2,053,540
26		Aerial Fiber	35	-25.00%	3.57%	22,422,366	800,799
27		Total			4.55%	276,567,249	12,588,632
28	2423	Buried Cable Other	30	-10.00%	3.67%	222,614,202	8,162,521
29		Buried Cable Metallic	23.87	0.00%	4.19%	30,016,183	1,257,486
30		Buried Cable Fiber	35	-10.00%	3.14%	1,804,895	56,725
31		Total			3.72%	254,435,280	9,476,732
32							
33	2426	Intrabuilding Cable - Metallic	28	-25.00%	4.46%	17,332,322	773,764
34		Intrabuilding Cable - Fiber	35	-25.00%	3.57%	4,092,792	146,171
35		Total			4.29%	21,425,114	919,936
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	227,117	\$19,772,986
2	Customers and Agents-Service Discontinued	0	0
3	Total	227,117	19,772,986
4	Less Reserve for Uncollectible Accounts-Cr.	xxxx	2,006,067
5	Balance	xxxx	\$17,766,920

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	3,975,543
7	Accruals charged to account 5301	6,247,326
8	Collection of amounts previously written off	1,938,888
9	Other Credits (explain in a note)	0
10	Total credits	8,186,214
11	Uncollectible written off during the year	10,155,690
12	Other debits (explain in a note)	
13	Total debits	10,155,690
14	Balance at end of year	\$2,006,067
15	Total operating revenues for the year	\$255,478,219
16	Net write offs during the year (line 11 minus line 8)	\$8,216,802
17	Ratio of line 16 to line 15	3.22%
18	Ratio of line 7 to line 15	2.45%
19	Interstate Uncollectible Revenues (Account 5301.1)	
20	Intrastate Uncollectible Revenues (Account 5301.2)	

Insert additional pages, if applicable.

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

1. List the information for each affiliate and also the ten largest nonaffiliate debtors at end of year. Aggregate all other nonaffiliate receivables.

2. Report in column (f) the average of the twelve month-end balances for each item in column (a).

Line No.	Name of Debtor (a)	Balance at Beginning of Year (b)	Debits During Year (c)	Credits During Year (d)	Balance End of Year (e)	Average Month-end Balance (f)
Account 1190.1 Accounts Receivable from Affiliated Companies:						
1	A/R I/X & Other - F14	\$508,810	\$124,368		\$633,178	\$570,994
2	Citizens Telecommunications Services Company - 001	\$14,792,755	\$241,923,141	\$231,421,313	\$25,294,583	\$20,043,669
3	Citizens Communications Company - SAO - 002	\$12,245,325	\$235,864,483	\$231,891,051	\$16,218,757	\$14,232,041
4	CTC New York - 003	\$1,022	\$85,183	\$82,705	\$3,500	\$2,261
5	CTC West Virginia - 004	\$390	\$24,482	\$24,872	(\$0)	\$195
6	CTC Tennessee - 005	\$409	\$371	\$780	(\$0)	\$204
7	CTC Ogden - 007	\$107,857	\$1,314,165	\$1,321,743	\$100,279	\$104,068
8	CTC Rural Company - 010	\$245	\$1,934	\$2,179	\$0	\$123
9	CTC California - 012	\$926	\$88,403	\$89,329	\$0	\$463
10	Citizens Communication Long Distance - 027	\$417,608	\$6,055,270	\$6,383,490	\$89,388	\$253,498
11	Citizens Communication Directory Services Company - 028	\$1,279	\$5,754	\$7,033	\$0	\$640
12	CTC Minnesota - 037	\$37	\$26,845	\$26,882	\$0	\$19
13	CTC North Dakota - 040	\$43,878	\$0	\$0	\$43,878	\$43,878
14	Citizens Communications ISP	\$0	\$262,470	\$242,989	\$19,481	\$9,741
15	FCA Wireless - 044	\$4,283	\$1,949,041	\$1,953,187	\$137	\$2,210
16	FC Commonwealth Telephone Company - 086	\$686	\$46,208	\$46,895	(\$0)	\$343
17	FC CTSI North	\$0	\$755	\$501	\$254	\$127
18	FC of New York- 101	\$27	\$3,910,855	\$3,912,274	(\$1,392)	(\$682)
19	FC of Seneca Gorham - 131	\$21,627	\$592,106	\$597,538	\$16,195	\$18,911
20	FC of America - 139	\$0	\$390,653	\$326,948	\$63,706	\$31,853
21	FC of Rochester - 143	\$12,989,818	\$88,957,541	\$58,508,107	\$43,439,252	\$28,214,535
22	FSTI Interco - 144	\$0	\$563,634	\$493,180	\$70,454	\$35,227
23	FC of Alabama - 261	\$975	\$742,239	\$743,214	\$0	\$488
24	FC of Georgia - 331	\$519	\$980,400	\$980,919	(\$0)	\$259
25	Frontier Cable of Mississippi - 351	\$2	\$0	\$0	\$2	\$2
26	FC of Iowa - 501	\$11,114	\$2,404,237	\$2,415,351	\$0	\$5,557
27	FC of Minnesota - 521	\$493	\$5,763,051	\$5,257,481	\$506,063	\$253,278
28	FC-Midland - 551	\$0	\$557,250	\$511,424	\$45,826	\$22,913
29	FC of Lakeside - 561	\$0	\$118,421	\$105,012	\$13,408	\$6,704
30	FC-Prairie - 571	\$0	\$296,744	\$263,103	\$33,641	\$16,821
31	FC of Mt. Pulaski - 581	\$0	\$73,446	\$62,703	\$10,744	\$5,372
32	FC-Schuyler - 601	\$0	\$349,456	\$315,413	\$34,043	\$17,021
33	FC of Depue - 641	\$0	\$150,055	\$131,689	\$18,366	\$9,183
34	FC of Indiana - 671	\$0	\$153,853	\$115,908	\$37,945	\$18,973
35	Frontier Info (952)	\$2,525	\$2,507,180	\$2,509,373	\$333	\$1,429
36	Frontier Tech Serv	\$0	\$23,282	\$13,003	\$10,281	\$5,140
Total Accounts Receivable from Affiliated Companies		\$41,152,610	\$596,307,276	\$550,757,587	\$86,702,301	\$63,927,455

37

Line No.	Name of Debtor (a)	Balance at Beginning of Year (b)	Debits During Year (c)	Credits During Year (d)	Balance End of Year (e)	Average Month-end Balance (f)
Account 1190.2 Other Accounts Receivable:						
1	IXC Unbilled Access Chgs - 201	\$2,070,957	\$2,094,121	\$2,457,449	\$1,707,629	\$1,889,293
2	A/R CABS Receivable - 202	\$4,099,176	\$69,792,934	\$71,490,559	\$2,401,552	\$3,250,364
3	A/R Access Svc - MC - 203	\$188,968	\$7,168,190	\$6,808,834	\$548,323	\$368,646
4	A/R Misc Leases - 225	\$0	\$1,407,424	\$1,156,686	\$250,738	
5	A/R Suspense - 410	\$9,938	\$62,852	\$71,587	\$1,203	\$5,570
6	A/R Metro Directory - 412	\$65,511	\$17,867	\$71,467	\$11,911	\$38,711
7	A/R Metro Directory - 413	\$3,274,906	\$818,727	\$3,274,906	\$818,727	\$2,046,816
8	A/R Southern Dir - 422	\$6,432	\$13,324	\$14,204	\$5,552	\$5,992
9	A/R AT&T -501	\$43,231	\$40,770	\$41,839	\$42,162	\$42,697
10	A/R AT&T -502	(\$20,539)	\$25,723	\$5,184	(\$0)	(\$10,270)
11	A/R Misc - 525	\$520,858	\$407,105	\$927,963	(\$0)	\$260,429
12	A/R Comm. Antenna TV - 526	\$1,940		\$1,940	(\$0)	\$970
13	A/R Time Warner - 531	\$19,623	\$916	\$20,539	\$0	\$9,812
Total Other Accounts Receivable		\$10,281,001	\$81,849,951	\$86,343,156	\$5,787,796	\$7,909,029

\$0

23. ACCOUNTS RECEIVABLE ALLOWANCE - AFFILIATED AND OTHER

Line No.	Particulars (a)	Affiliate (b)	Other (c)
1	Balance at beginning of the year	\$0	\$921,552
2	Accruals charged to account 5302		673,376
3	Collection of amounts previously written off		
4	Other credits (explain in a note)		
5	Total credit	0	673,376
6	Uncollectibles written off during the year		412,726
7	Other debits is carrier disputes		
8	Total debits	0	412,726
9	Balance at end of the year	\$0	\$1,182,203

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

24. NOTES RECEIVABLE AND NOTES RECEIVABLE ALLOWANCE

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

Line No.	Name of Debtor (a)	Description of Transaction (b)	Date of Issue (c)	Date of Maturity (d)	Amount at End of the Year (e)	Interest Rate Per Annum (f)
1	Account 1200.1 Notes Receivable from Affiliated Companies:					%
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12	Total				\$0	xxx
13	Account 1200.2 Other Notes Receivable:					
14						
15						
16						
17						
18						
19						
20						
21						
22						
23		Aggregate of all other items				
24	Total				\$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)
1	Subaccount 1220.1, Material and Supplies: Plant Supplies - Nonexempt (Storeroom and desk stock)	\$1,471,747	\$1,120,728
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12	Total	\$1,471,747	\$1,120,728
13	Subaccount 1220.2, Property Held for Sale or Lease:		
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26	Total	\$0	\$0
27	Grand Total	\$1,471,747	\$1,120,728

26. PREPAID TAXES AND TAX ACCRUALS

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

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

Line No.	Particulars (a)	Balance at Beginning of the Year		Taxes Accrued or Charged During the Year		Taxes Paid During the Year (f)	Adjustments Debit or (Credit) (g)	Balance at End of Year	
		Prepaid Taxes (Acct. 1300) (b)	Tax Accruals (Accts. 4070 and 4080) (c)	Acct. Chg.. (d)	Amount (e)			Prepaid Taxes (Acct. 1300) (h)	Tax Accruals (Accts. 4070 and 4080) (i)
1	Federal:								
2	Income Taxes (Acct 4070.100)		\$0	7220	\$12,002,930	\$0	\$12,002,930		0
3	Social Security (Acct 4080.100)			8000	3,593,736	3,518,173			75,564
4	Unemployment (Acct 4080.120)		624	8000	36,560	36,958			226
5									
6	State:								
7	Gross Earnings (4080.400)		387,837	7240	6,393,768	5,232,620			1,548,984
9	Franchise (4080.540)		0	7240	1,137,500	1,015,874	0		121,626
10	Unemployment (4080.110.033)		5,306	8000	348,531	351,779			2,058
14	NYS Tax Reserve (4080.600)		582,373	7240	0	0	0		582,373
15									
16	Local:								
17	Property (1300.301, 302 & 303)	545,855		7240	5,783,675	5,788,342	0	550,522	
18	School (1300.304)	4,153,620		7240	8,329,013	8,236,963		4,061,571	
19									
20									
21									
22									
23									
24									
25									
26									
27	Subtotal	\$4,699,475	\$976,139		\$37,625,712	\$24,180,708	\$12,002,930	\$4,612,093	\$2,330,831

26. PREPAID TAXES AND TAX ACCRUALS (Continued)

Line No.	Particulars (a)	Balance at Beginning of the Year		Taxes Accrued or Charged During the Year		Taxes Paid During the Year (f)	Adjustments Debit or (Credit) (g)	Balance at End of Year	
		Prepaid Taxes (Acct. 1300) (b)	Tax Accruals (Accts. 4070 and 4080) (c)	Acct. Chg.. (d)	Amount (e)			Prepaid Taxes (Acct. 1300) (h)	Tax Accruals (Accts. 4070 and 4080) (i)
28	State:								
29	Gross Earnings								
30	Gross Income								
31	Franchise								
32	Unemployment								
33	Disability Insurance								
34	Other								
35									
36									
37									
38									
39									
40									
41									
42	Local:								
43	Gross Receipts								
44	Property								
45	Other								
46									
47									
48									
49									
50									
51									
52									
53									
48									
49									
50									
51									
52									
53									
54									
55									
56	Total	\$4,699,475	\$976,139	xxxx	\$37,625,712	\$24,180,708	\$12,002,930	\$4,612,093	\$2,330,831

27. DEFERRED INCOME TAXES-Dr.

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

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

27. DEFERRED INCOME TAXES-Dr. (Continued)

Line No.	Description of Item (a)	Balance at Beginning of Year (b)	Contra Acct. (c)	Current Year Accrual (d)	Current Year Amortization (e)	Adjustments Debit or (Credit) (f)	Balance at End of Year (g)
	Nonproperty Related						
29	Noncurrent Deferred Operating Income Taxes-Dr. (Account 1510)						\$0
30							0
31							0
32							0
33							0
34							0
35							0
36	Total	\$0	7250	\$0	\$0	\$0	\$0
37	Total Nonproperty Related Deferred Operating Income Taxes - Dr.	\$0		\$0	\$0	\$0	\$0
	Property Related						
38	Current Deferred Nonoperating Income Taxes-Dr. (Account 1360)		7450				\$0
39							0
40							0
41							0
42	Deferred Income Tax Effect of Extraordinary Items		7640				0
43	Total	\$0		\$0	\$0	\$0	\$0
44	Noncurrent Deferred Nonoperating Income Taxes-Dr. (Account 1510)		7450				\$0
45							0
46							0
47							0
48	Deferred Income Tax Effect of Extraordinary Items		7640				0
49	Total	\$0		\$0	\$0	\$0	\$0
50	Total Property Related Deferred Nonoperating Income Taxes-Dr.	\$0		\$0	\$0	\$0	\$0
	Nonproperty Related						
51	Current Deferred Nonoperating Income Taxes-Dr. (Account 1360)		7450				\$0
52							0
53							0
54							0
55	Deferred Income Tax Effect of Extraordinary Items		7640				0
56	Total	\$0		\$0	\$0	\$0	\$0
57	Noncurrent Deferred Nonoperating Income Taxes-Dr. (Account 1510)		7450				\$0
58							0
59							0
60	Deferred Income Tax Effect of Extraordinary Items		7640				0
61	Total	\$0		\$0	\$0	\$0	\$0
62	Total Nonproperty Related Deferred Nonoperating Income Taxes - Dr.	\$0		\$0	\$0	\$0	\$0

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

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

Line No.	Description of Item (a)	Balance at Beginning of Year (b)	Contra Acct. (c)	Current Year Accrual (d)	Current Year Amortization (e)	Adjustments Debit or (Credit) (f)	Balance at End of Year (g)
Property Related							
1	Current Deferred Operating Income Taxes-Cr. (Account 4100)						\$0
2							0
3							0
4							0
5							0
6							0
7							0
8							0
9	Total	\$0	7250	\$0	\$0	\$0	\$0
10	Noncurrent Deferred Operating Income Taxes-Cr. (Account 4340)						
11	Accelerated Depreciation, Property Tax, FAS 109	\$65,074,211		\$6,737,964		(\$230,563)	\$72,042,738
12							0
13							0
14							0
15							0
16							0
17							0
18	Total	\$65,074,211	7250	\$6,737,964	\$0	(\$230,563)	\$72,042,738
19	Total Property Related Deferred Operating Income Taxes-Cr.	\$65,074,211		\$6,737,964	\$0	(\$230,563)	\$72,042,738
Nonproperty Related							
20	Current Deferred Operating Income Taxes-Cr. (Account 4100)						\$0
21							0
22							0
23							0
24							0
25							0
26							0
27							0
28	Total	\$0	7250	\$0	\$0	\$0	\$0

28. DEFERRED INCOME TAXES-Cr. AND INVESTMENT TAX CREDIT (Continued)							
Line No.	Description of Item (a)	Balance at Beginning of Year (b)	Contra Acct. (c)	Current Year Accrual (d)	Current Year Amortization (e)	Adjustments Debit or (Credit) (f)	Balance at End of Year (g)
	Nonproperty Related						
	Noncurrent Deferred Operating Income Taxes-Cr. (Account 4340)						
29	OPEB Liability-FASB 106	(\$26,691,372)					(26,691,372)
30	ALL Other - Net	19,074,085					19,074,085
31							0
32							0
33							0
34							0
35							0
36	Total	(\$7,617,287)	7250	\$0	\$0	\$0	(\$7,617,287)
37	Total Nonproperty Related Deferred Operating Income Taxes - Cr.	(\$7,617,287)		\$0	\$0	\$0	(\$7,617,287)
	Operating Investment Tax Credit (Account 4320)						
38							\$0
39							0
40							0
41							0
42							0
43							0
44	Total	\$0	7210	\$0	\$0	\$0	\$0
	Property Related						
	Current Deferred Nonoperating Income Taxes-Cr. (Account 4110)						
45			7450				\$0
46							0
47							0
48							0
49							0
50	Deferred Income Tax Effect of Extraordinary Items		7640				0
51	Total	\$0		\$0	\$0	\$0	\$0
	Noncurrent Deferred Nonoperating Income Taxes-Cr. (Account 4350)						
52			7450				\$0
53							0
54							0
55							0
56							0
57	Deferred Income Tax Effect of Extraordinary Items		7640				0
58	Total	\$0		\$0	\$0	\$0	\$0
59	Total Property Related Deferred Nonoperating Income Taxes-Cr.	\$0		\$0	\$0	\$0	\$0

28. DEFERRED INCOME TAXES-Cr. AND INVESTMENT TAX CREDIT (Continued)

Line No.	Description of Item (a)	Balance at Beginning of Year (b)	Contra Acct. (c)	Current Year Accrual (d)	Current Year Amortization (e)	Adjustments Debit or (Credit) (f)	Balance at End of Year (g)
	Nonproperty Related						
	Current Deferred Nonoperating Income Taxes-Cr. (Account 4110)						
60			7450				\$0
61							0
62							0
63							0
64							0
65	Deferred Income Tax Effect of Extraordinary Items		7640				0
66	Total	\$0		\$0	\$0	\$0	\$0
	Noncurrent Deferred Nonoperating Income Taxes-Cr. (Account 4350)						
67			7450				\$0
68							0
69							0
70							0
71							0
72	Deferred Income Tax Effect of Extraordinary Items		7640				0
73	Total	\$0		\$0	\$0	\$0	\$0
74	Total Nonproperty Related Deferred Nonoperating Income Taxes - Cr.	\$0		\$0	\$0	\$0	\$0
75	Nonoperating Investment Tax Credit (Account 4330)						
76							\$0
77							0
78							0
79							0
80							0
81	Total	\$0	7410	\$0	\$0	\$0	\$0

223-88

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"

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							
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	Total	XXXXXXXX	\$0	XXXXXXXX	\$0	\$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								\$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	XXXXXXXX	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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		Citizens Telecommunications Company	\$155,233,271	\$258,594,153
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18		Total Account 1401.2	\$155,233,271	\$258,594,153
19		<u>Account 1402, Investments in Nonaffiliated Companies:</u>		
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37		Total Account 1402	\$0	\$0

31. INVESTMENTS (Continued)

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

Line No.	Book Cost of Investments Disposed of During the Year (e)	INVESTMENTS AT END OF YEAR		% of Total Voting Rights in Affiliates (h)	Lien References (i)	Gain (G) or Loss (L) from Investments Disposed of (j)	Interest or Dividends Credited to Income During the Year Account 7310, 7320 (k)
		Book Cost (f)	Shares of Stock or Face Amount of Other Investments (g)				
1	\$204,389,645	\$209,437,779					
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	\$204,389,645	\$209,437,779				\$0	\$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	\$0	\$0				\$0	\$0

32. NONREGULATED INVESTMENTS

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

Line No.	Subaccount (a)	Balance Beginning of Year (b)	Debits During Year (c)	Credits During Year (d)	Balance End of Year (e)
	Subaccount 1406.1 Permanent Investment				
1	None				\$0
2					0
3					0
4					0
5					0
6					0
7					0
8					0
9					0
10					0
11					0
	Subaccount 1406.2 Receivable/Payable				
12	None				0
13					0
14					0
15					0
16					0
17					0
18					0
19					0
20					0
21					0
22					0
	Subaccount 1406.3 Current Net Income or Loss				
23					0
24					0
25					0
26					0
27					0
28					0
29					0
30					0
31					0
32					0
33					0
34	Total	\$0	\$0	\$0	\$0

33. OTHER DEFERRED CHARGES

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

Line No.	Description of Item (a)	Balance at Beg. of Year (b)	Debits (c)	Credits		Balance at End of Year (f)
				Account Credited (d)	Amount (e)	
1	Jurisdictional differences - (AFUDC)	\$271,917	\$283,520	7910-103	\$555,437	\$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	\$271,917	\$283,520		\$555,437	\$0

34. ACCOUNTS PAYABLE

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

Line No.	Name of Debtor (a)	Balance at Beginning of Year (b)	Debits During Year (c)	Credits During Year (d)	Balance End of Year (e)
Account 4010.1 Accounts Payable to Affiliated Companies:					
1	Citizens Telecommunications Services Company - 001	\$7,688,763	\$74,565,883	\$76,276,188	\$9,399,068
2	Citizens Communications Company - SAO - 002	\$19,174,536	\$332,260,758	\$323,734,206	\$10,647,984
3	CTC New York - 003	\$6,283	\$69,190	\$66,697	\$3,790
4	CTC Ogden - 007	\$21,323	\$191,127	\$170,287	\$483
5	CTC Rural Company - 010	\$600	\$1,425	\$825	\$0
6	CTC California - 012	\$2,719	\$17,347	\$14,628	(\$0)
7	FCA -027	\$1,041,435	\$16,003,382	\$16,306,267	\$1,344,319
8	CTC MN - 037	\$184	\$3,794	\$3,610	\$0
9	CTC NE- 038	\$515,160	\$7,473,816	\$7,683,229	\$724,574
10	CTC ND - 040	\$43,878	\$0	\$0	\$43,878
11	CTC Comm ISP -042	\$15,472	\$24,641	\$9,169	(\$0)
12	FCA Wireless -044	\$16,322	\$365,053	\$382,074	\$33,343
13	Citizens Communications -100	\$0	\$891,547	\$1,024,578	\$133,031
14	FC New York - 101	\$11,451	\$319,855	\$571,952	\$263,548
32	Sub Total Page 1 of 3	\$28,538,126	\$432,187,817	\$426,243,709	\$22,594,018
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)
15	FC of Ausable Valley - 111	\$1,293	\$34,106	\$61,652	\$28,839
16	FC of Sylvan Lake - 121	\$2,459	\$285,812	\$544,790	\$261,437
17	FC of Seneca Gorham - 131	\$21,979	\$759,972	\$1,362,703	\$624,709
18	FC of Rochester - 143	\$697,101	\$11,432,930	\$11,685,296	\$949,467
19	FC of Lamar County - 221	\$509	\$16,491	\$30,071	\$14,089
20	FC of Fairmount - 241	\$398	\$122,392	\$220,331	\$98,337
21	FC of Alabama - 261	\$2,439	\$146,791	\$281,057	\$136,705
22	FC of the South - 301	\$2,924	\$73,987	\$127,256	\$56,194
23	FC of Georgia - 331	\$2,341	\$43,789	\$70,360	\$28,912
24	Frontier Cable of Mississippi - 351	\$2	\$0	\$0	\$2
25	FC of Mississippi - 361	\$854	\$35,839	\$64,430	\$29,446
26	FC of Canton - 401	\$1,349	\$62,822	\$118,838	\$57,365
	Sub Total Page 2 of 3	\$733,648	\$13,014,931	\$14,566,784	\$2,285,501
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)
27	FC of Breezewood - 411	\$1,335	\$143,519	\$280,375	\$138,191
28	FC-Oswayo River - 421	\$807	\$136,936	\$212,513	\$76,384
29	FC-Lakewood - 431	\$403	\$31,196	\$60,511	\$29,718
30	FC of Iowa - 501	\$7,093	\$198,634	\$338,446	\$146,905
31	FC of Minnesota - 521	\$120,081	\$3,434,388	\$6,329,579	\$3,015,272
32	FC of Illinois - 541	\$928	\$30,565	\$56,560	\$26,923
33	FC-Midland - 551	\$1,204	\$4,724	\$3,520	\$0
34	FC of Lakeside - 561	\$178	\$702	\$524	(\$0)
35	FC-Prairie - 571	\$276	\$1,069	\$793	\$0
36	FC of Mt. Pulaski - 581	\$304	\$33,367	\$33,063	\$0
37	FC-Schuyler - 601	\$470	\$2,021	\$1,551	(\$0)
38	FC of Orion - 621	\$280	\$5,769	\$10,043	\$4,554
39	FC of Depue - 641	\$104	\$435	\$332	\$0
40	FC of Indiana - 671	\$281	\$1,058	\$777	\$0
41	FC of Thorntown - 681	\$370	\$82,114	\$162,333	\$80,589
42	FC-St. Croix - 711	\$1,549	\$34,584	\$61,676	\$28,641
43	FC of Viroqua - 731	\$551	\$31,102	\$59,556	\$29,005
44	FC of Wisconsin - 751	\$6,358	\$304,405	\$585,455	\$287,407
45	FC of Mondovi - 761	\$434	\$46,723	\$91,356	\$45,067
46	FC of Michigan - 811	\$5,513	\$282,259	\$521,498	\$244,752
47	FC of Pennsylvania - 921	\$5,842	\$96,072	\$163,674	\$73,444
48	Frontier Info (952)	\$510,860	\$2,083,756	\$1,572,896	(\$0)
49	Rochester Tel F14	\$508,810	\$0	\$0	\$508,809
	FLDA Rec -4010.688	(\$1,708,460)	\$0	\$904,128	(\$804,332)
	Sub Total Page 3 of 3	(\$534,429)	\$6,985,398	\$11,451,159	\$3,931,331
Total Accounts Payable to Affiliated Companies		\$28,737,345	\$452,188,146	\$452,261,652	\$28,810,850

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)
Line No.	Name of Debtor (a)	Balance at Beginning of Year (b)	Debits During Year (c)	Credits During Year (d)	Balance End of Year (e)
	Account 4010.2 Other Accounts Payable:				
1	Unclaimed Items - 002.***	(\$16,729)	\$0	\$19,172	\$2,443
2	Accrued Directory Commissions - 003.***	\$477,021	\$531,790	\$174,025	\$119,255
3	Misc. Departments Accrued Items - 004.***	\$1,245,272	\$2,101,452	\$1,887,278	\$1,031,098
4	Misc. Voucher Items - A/P - 100	\$1,679,393	\$29,226,538	\$28,452,598	\$905,453
5	A/P Receipts not invoiced - 110	\$807,303	\$18,754,342	\$18,537,474	\$590,434
6	Employee Payroll Taxes & Deductions - 2**	\$2,469,449	\$88,322,770	\$87,755,450	\$1,902,129
7	Revenue Accounting - 300	\$4,950,579	\$4,950,579		(\$0)
8	Federal Excise Tax - 310	\$27	\$446	\$419	\$0
9	State / County Sales Tax - 323.1***	\$3,433	\$17,233	\$14,201	\$402
10	E911 Taxes / Surcharges - 3***	\$0	\$2,348	\$617	(\$1,732)
11	A/P Accruals CWIP - 400	\$0	\$0	\$137,767	\$137,767
12	Pole Purchases - 403	(\$668,663)	\$145,185	\$1,454,160	\$640,313
13	AT&T - 441	(3,264)	\$32,514	\$35,778	\$0
14	MCI - 451	(11,593)	\$2,216	\$13,809	\$0
15	Sprint - 452	(2,700)	\$0	\$2,700	\$0
16	USIN - 453	818,101	\$4,258,736	\$3,440,635	(\$0)
17	USTS - 454	(59,113)	\$0	\$59,113	\$0
18	A/P Echostar - 475	(207,832)	\$0	\$207,832	(\$0)
19	Tx Billed - 4012.***	284,267	\$11,031,681	\$10,938,608	\$191,193
20	AT&T - 4015.100	214,620	\$871,847	\$1,315,367	\$658,140
21	Interco Toll - 4015.222	419,006	\$70,928,372	\$76,706,675	\$6,197,308
22	BSG 4015.415	0	\$2,430,856	\$2,741,537	\$310,680
23	Customer Refunds 4016	(9,897)	\$604,830	\$614,727	(\$0)
	Total Other Accounts Payable	\$12,388,680	\$234,213,735	\$234,509,940	\$12,684,884

35. NOTES PAYABLE

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

Line No.	Name of Creditor (a)	Description of Transaction (b)	Date of Issue (c)	Date of Maturity (d)	Amount at End of the Year (e)	Interest Rate per Annum (f)
	Account 4020.1 Notes Payable to Affiliated Companies:					
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16	Total				\$0	xxxxx
	Account 4020.2 Other Notes Payable:					
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30	Aggregate of all other items					
31	Total				\$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	Account 4050, Current Maturities - Debt											
2												
3												
4												
5												
6												
7												
8												
9												
10												
11	Total			\$0								
12	Account 4210, Funded Debt											
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	Subtotal			\$0		\$0	\$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	Account 4210, Funded Debt (Continued)											
39												
40												
41												
42												
43												
44												
45	Total			\$0								
46												
47	Account 4260, Advances from Affiliated Companies											
48												
49												
50												
51												
52												
53												
54	Total			\$0								
55												
56	Account 4270, Other Long-Term Debt											
57												
58												
59												
60												
61												
62												
63												
64												
65												
66												
67												
68												
69												
70												
71												
72												
73												
74												
75	Total			\$0								
76												
77												
78												
79	Grand Total			\$0		\$0	\$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	Total	xxxxxx	xxxxx	\$0	xxxxx	\$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	OPEB Liability	\$17,543,960	4310-100	\$160,844	4310-100	\$2,090,967	\$15,613,836
2	OPEB-Internal Reserve	34,816,912	4310-102	2,090,967	4310-102	160,844	36,747,036
3	OPEB-Internal Reserve-Interest	63,377,150	4310-103	8,872,752	4310-103	669,506	71,580,396
4	SFAS 112 Liability	864,018	4310-300		4310-300	94,109	769,909
5	UNE Liability	194,152	4310-601		4310-601	194,152	0
6	Communnity Goodwill	976,250	4310-800		4310-800	165,000	811,250
7							0
8							0
9							0
10							0
11							0
12							0
13							0
14							0
15							0
16							0
17							0
18							0
19							0
20							0
21							0
22							0
23							0
24							0
25							0
26							0
27							0
28							0
29							0
30							0
31							0
32							0
33							0
34							0
35							0
36	Totals	\$117,772,442		\$11,124,563		\$3,374,577	\$125,522,428

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	FAS 109 Regulatory Liability	\$3,771,105	4361.100	\$0	\$0	\$3,771,105
2	Advance Pay - Moves & Misc	590,734	4360.104	254,804	290,908	626,838
3	Other Deferred - Damages	26,644	4390	74,849	132,743	84,538
4	Jurisdictional Differences	(22,873,354)	4370	9,416,391	7,874,181	(24,415,564)
5						0
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		(\$18,484,871)	x x x	\$9,746,044	\$8,297,832	(\$19,933,083)

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>	772		No par		451,236,610			-	-
2	Common Stock									
3										
4										
5										
6										
7										
8										
9	TOTALS (Account 4510.1)	0	0	xxxxxxx	\$0	\$0	0	\$0	\$0	\$0
10	<u>Account 4510.2 Capital Stock-Preferred</u>									
11										
12										
13										
14										
15										
16										
17										
18	TOTALS (Account 4510.2)	0	0	xxxxxxx	\$0	\$0	0	\$0	\$0	\$0

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

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

Line No.	Particulars (a)	Account Included In (b)	Debits (c)	Credits (d)
1				
2				
3				
4				
5				
6				
7				
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9				
10				
11				
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42. OPERATING REVENUES

Line No.	Item (a)	This Year Total (b)	Last Year Total (c)
LOCAL NETWORK SERVICES REVENUES			
1	5001 Basic Area	\$67,861,015	\$81,429,293
2	5002 Optional Extended Area Service	0	0
3	5003 Cellular Mobile	0	0
4	5004 Other Mobile Services	0	0
5	5010 Public Telephone	0	0
6	5040 Local Private Line	25,112,888	35,878,801
7	5050 Customer Premises	0	0
8	5060 Other Local Exchange	27,510,174	22,815,083
9	5069 Other Local Exchange Settlements	0	0
10	Total Local Network Services Revenues	120,484,077	140,123,177
NETWORK ACCESS SERVICES REVENUES			
11	5081 End User	20,085,343	22,717,326
12	5082 Switched Access	9,244,343	10,720,697
13	5083 Special Access	34,119,110	28,241,631
14	5084 State Access	30,932,636	19,684,089
15	Total Access Services Revenues	94,381,432	81,363,743
LONG DISTANCE NETWORK SERVICES REVENUES			
16	5100 Long Distance Message	595,794	697,638
17	5111 Long Distance Inward-Only	609	4,361
18	5112 Long Distance Outward-Only	198	9,099
19	5121 Subvoice Grade Long Distance Private Network	0	158,147
20	5122 Voice Grade Long Distance Private Network	629,947	1,036,834
21	5123 Audio Program Grade Long Distance Private Network	0	0
22	5124 Video Program Grade Long Distance Private Network	0	0
23	5125 Digital Transmission Long Distance Private Network	0	0
24	5126 Long Distance Private Network Switching	0	0
25	5128 Other Long Distance Private Network	0	0
26	5129 Other Long Distance Private Network Settlements	0	0
27	5160 Other Long Distance	0	(19,078)
28	5169 Other Long Distance Settlements	0	0
29	Total Long Distance Network Services Revenues	1,226,548	1,887,000
MISCELLANEOUS REVENUES			
30	5230 Directory	36,259,467	38,205,360
31	5240 Rent	2,839,073	2,409,858
32	5250 Corporate Operations	0	71,867
33	5261 Special Billing Arrangements	20,786	17,438
34	5262 Customer Operations	1,078,778	785,117
35	5263 Plant Operations	540	990
36	5264 Other Incidental Regulated	772,907	1,055,950
37	5269 Other Settlements	(7,278)	17,781
38	5270.1 Interstate Billing and Collection	1,057,378	1,376,815
39	5270.2 Intrastate Billing and Collection	2,218,759	3,260,637
40	5280 Nonregulated	31,807,273	34,780,341
41	Total Miscellaneous Revenues	76,047,683	81,982,154
UNCOLLECTIBLE REVENUES			
42	5301 Uncollectible-Telecommunications	4,854,247	3,672,497
43	5302 Uncollectible-Other	0	0
44	Total Uncollectible Revenues	4,854,247	3,672,497
45	TOTAL OPERATING REVENUES	\$287,285,493	\$301,683,576
46	FOOTNOTE: USF Revenues \$.....	XXXXXXXXXX	XXXXXXXXXX
47	Recorded in Account:	XXXXXXXXXX	XXXXXXXXXX

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44. OPERATING EXPENSES BY CATEGORY

Line No.	Item (a)	Salaries & Wages (b)	Benefits (c)	Rents (d)
<u>Plant Specific Operations</u>				
<u>Network Support Expenses</u>				
1	6112 Motor Vehicle	308,723	138,721	
2	Clearance	290,234	129,841	
3	Net Balance	18,488	8,880	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	18,488	8,880	0
<u>General Support Expenses</u>				
15	6121 Land and Building	465,035	208,456	1,286,572
16	6122 Furniture and Artworks			
17	6123 Office Equipment	98,954	45,883	81,160
18	6124 General Purpose Computers	49,888	19,395	0
19	6120 General Support Expenses	613,878	273,735	1,367,732
<u>Central Office Switching Expenses</u>				
20	6211 Analog Electronic			
21	6212 Digital Electronic	3,566,358	1,648,526	
22	6215 Electro-Mechanical			
23	6210 Central Office Switching Expenses	3,566,358	1,648,526	0
24	6220 Operator Systems Expense	7,628	3,406	
<u>Central Office Transmission Expenses</u>				
25	6231 Radio Systems	53	25	
26	6232 Circuit Equipment	2,180,453	1,023,495	
27	6230 Central Office Transmission Expenses	2,180,506	1,023,521	0
<u>Information Origination/Termination Expenses</u>				
28	6311 Station Apparatus	646,463	294,634	
29	6321 Customer Premises Wiring	461,745	206,206	
30	6341 Large Private Branch Exchange	12,464	6,184	
31	6351 Public Telephone Terminal Equipment	294,346	131,995	
32	6362 Other Terminal Equipment	0	0	
33	6310 Information Origination/Termination Expenses	1,415,018	639,018	0

44. OPERATING EXPENSES BY CATEGORY (Continued)					
Item (a)	Other Expenses (e)	This Year Total (f)	Last Year Total (g)	Line No.	
<u>Plant Specific Operations</u>					
<u>Network Support Expenses</u>					
6112	Motor Vehicle	2,559,421	3,006,865	3,548,324	1
	Clearance	1,689,194	2,109,269	3,270,297	2
	Net Balance	870,227	897,596	278,027	3
6113	Aircraft		0	0	4
	Clearance		0	0	5
	Net Balance	0	0	0	6
6114	Special Purpose Vehicles		0	0	7
	Clearance		0	0	8
	Net Balance	0	0	0	9
6115	Garage Work Equipment		0	0	10
6116	Other Work Equipment	741,163	741,163	846,156	11
	Clearance	739,970	739,970	846,156	12
	Net Balance	1,193	1,193	0	13
6110	Network Support Expenses	871,420	898,789	278,027	14
<u>General Support Expenses</u>					
6121	Land and Building	2,361,992	4,322,056	6,909,956	15
6122	Furniture and Artworks	92,693	92,693	109,859	16
6123	Office Equipment	179,620	405,618	393,229	17
6124	General Purpose Computers	6,480,389	6,549,672	6,970,657	18
6120	General Support Expenses	9,114,694	11,370,039	14,383,701	19
<u>Central Office Switching Expenses</u>					
6211	Analog Electronic		0	0	20
6212	Digital Electronic	795,564	6,010,448	7,208,399	21
6215	Electro-Mechanical		0	0	22
6210	Central Office Switching Expenses	795,564	6,010,448	7,208,399	23
6220	Operator Systems Expense	125,733	136,768	140,762	24
<u>Central Office Transmission Expenses</u>					
6231	Radio Systems	13,140	13,219	4,945	25
6232	Circuit Equipment	1,626,858	4,830,806	4,392,688	26
6230	Central Office Transmission Expenses	1,639,998	4,844,024	4,397,632	27
<u>Information Origination/Termination Expenses</u>					
6311	Station Apparatus	2,366,838	3,307,935	2,642,965	28
6321	Customer Premises Wiring	64,116	732,067	1,062,438	29
6341	Large Private Branch Exchange	7,857	26,505	26,819	30
6351	Public Telephone Terminal Equipment	44,927	471,268	484,893	31
6362	Other Terminal Equipment	1,855,163	1,855,163	945,992	32
6310	Information Origination/Termination Expenses	4,338,902	6,392,939	5,163,107	33

44. OPERATING EXPENSES BY CATEGORY (Continued)

Line No.	Item (a)	Salaries & Wages (b)	Benefits (c)	Rents (d)
	Plant Specific Operations (cont.)			
	<u>Cable and Wire Facilities Expenses</u>			
34	6411 Poles	104,829	47,239	84,453
35	6421 Aerial Cable	11,518,123	5,323,499	
36	6422 Underground Cable	870,459	404,034	
37	6423 Buried Cable	1,558,568	721,416	
38	6424 Submarine Cable			
39	6425 Deep Sea Cable			
40	6426 Intrabuilding Network Cable	10,675	4,899	
41	6431 Aerial Wire	16,894	7,754	
42	6441 Conduit Systems	6,010	2,292	
43	6410 Cable and Wire Facilities Expenses	14,085,558	6,511,133	84,453
44	Total Plant Specific Operations Expense	21,887,434	10,108,219	1,452,185
	<u>Plant Nonspecific Operations</u>			
	<u>Other Property, Plant & Equipment Expenses</u>			
45	6511 Property Held for Future Telephone Use			
46	6512 Provisioning	241,547	112,785	
47	Clearance	241,547	112,309	
48	Net Balance	0	477	0
49	6510 Total Other Property, Plant & Equipment Expenses	0	477	0
	<u>Network Operations Expenses</u>			
50	6531 Power	0	0	
51	6532 Network Administration	917,351	411,878	
52	6533 Testing	60,002	25,100	
53	6534 Plant Operations Administration	4,783,281	1,843,097	
54	Clearance	1,306,795	530,748	
55	Net Balance	3,476,485	1,312,349	0
56	6535 Engineering	2,057,761	828,161	
57	Clearance	1,544,067	524,929	
58	Net Balance	513,693	303,232	0
59	6530 Network Operations Expense	4,967,532	2,052,559	0
60	6540 Access Expense			
	<u>Depreciation & Amortization Expenses</u>			
61	6561 Depreciation-TPIS			
62	6562 Depreciation-Property Held for Future Tel.. Use			
63	6563 Amortization-Tangible			
64	6564 Amortization-Intangible			
65	6565 Amortization-Other			
66	6560 Depreciation & Amortization Expenses			
67	Total Plant Nonspecific Operations Expense	4,967,532	2,053,036	0

44. OPERATING EXPENSES BY CATEGORY (Continued)				
Item (a)	Other Expenses (e)	This Year Total (f)	This Year Total (f)	Line No.
Plant Specific Operations (cont.)				
<u>Cable and Wire Facilities Expenses</u>				
6411 Poles	78,432	314,953	254,687	34
6421 Aerial Cable	1,794,827	18,636,449	19,266,969	35
6422 Underground Cable	382,287	1,656,780	2,211,830	36
6423 Buried Cable	579,854	2,859,838	2,961,299	37
6424 Submarine Cable		0	0	38
6425 Deep Sea Cable		0	0	39
6426 Intrabuilding Network Cable	6,779	22,353	5,379	40
6431 Aerial Wire	4,113	28,760	9,223	41
6441 Conduit Systems	453,799	462,101	908,228	42
6410 Cable and Wire Facilities Expenses	3,300,090	23,981,234	25,617,616	43
Total Plant Specific Operations Expense	20,186,401	53,634,240	57,189,244	44
Plant Nonspecific Operations				
<u>Other Property, Plant & Equipment Expenses</u>				
6511 Property Held for Future Telephone Use		0	0	45
6512 Provisioning	362,113	716,445	448,400	46
Clearance	138,490	492,345	440,706	47
Net Balance	223,624	224,100	7,693	48
6510 Total Other Property, Plant & Equipment Expenses	223,624	224,100	7,693	49
<u>Network Operations Expenses</u>				
6531 Power	3,036,615	3,036,615	2,428,438	50
6532 Network Administration	2,230,537	3,559,766	3,879,906	51
6533 Testing	630,790	715,892	5,158,939	52
6534 Plant Operations Administration	867,785	7,494,163	13,428,643	53
Clearance	324,745	2,162,289	4,269,114	54
Net Balance	543,040	5,331,874	9,159,529	55
6535 Engineering	297,472	3,183,393	3,044,358	56
Clearance	(243,231)	1,825,765	2,519,114	57
Net Balance	540,703	1,357,628	525,244	58
6530 Network Operations Expense	6,981,684	14,001,775	21,152,056	59
6540 Access Expense	5,497,275	5,497,275	5,874,711	60
<u>Depreciation & Amortization Expenses</u>				
6561 Depreciation-TPIS	69,960,582	69,960,582	68,643,556	61
6562 Depreciation-Property Held for Future Tel.. Use	0	0	0	62
6263 Amortization-Tangible	0	0	0	63
6564 Amortization-Intangible	0	0	0	64
6565 Amortization-Other	0	0	0	65
6560 Depreciation & Amortization Expenses	69,960,582	69,960,582	68,643,556	66
Total Plant Nonspecific Operations Expense	82,663,166	89,683,733	95,678,016	67

44. OPERATING EXPENSES BY CATEGORY (Continued)

Line No.	Item (a)	Salaries & Wages (b)	Benefits (c)	Rents (d)
	<u>Customer Operations</u>			\$
	<u>Marketing</u>			
68	6611 Product Management	187,174	74,479	
69	6612 Sales	3,679,717	1,340,057	
70	6613 Product Advertising	0	0	
71	6610 Marketing	3,866,891	1,414,536	
	<u>Services</u>			
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	499,218	225,317	
76	6623.2 Customer Services-Billing and Collections			
77	6623.3 Customer Services-Public Telephone Expenses	233,329	105,720	
78	6620 Services	732,547	331,037	
79	Total Customer Operations Expense	4,599,438	1,745,573	
	<u>Corporate Operations Expense</u>			
	<u>Executive and Planning</u>			
80	6711 Executive	253,564	94,393	
81	6712 Planning			
82	6710 Executive and Planning	253,564	94,393	
	<u>General & Administrative</u>			
83	6721 Accounting & Finance			
84	6722 External Relations			
85	6723 Human Resources	190,344	74,139	
86	6724 Information Management			
87	6725 Legal			
88	6726 Procurement	(172)		
89	6727 Research and Development			
90	6728 Other General & Administrative	377,307	200,132	
91	6720 General & Administrative	567,479	274,271	
92	6790 Provision for Uncollectible Notes Receivable			
93	Total Corporate Operations Expenses	821,043	368,664	
94	TOTAL OPERATING EXPENSES	\$32,275,447	\$14,275,492	\$1,452,185

44. OPERATING EXPENSES BY CATEGORY (Continued)				
Item (a)	Other Expenses (e)	This Year Total (f)	This Year Total (f)	Line No.
<u>Customer Operations</u>				
	\$	\$	\$	
<u>Marketing</u>				
6611 Product Management	682,377	944,031	1,402,540	68
6612 Sales	2,118,727	7,138,500	5,013,340	69
6613 Product Advertising	1,512,120	1,512,120	1,954,461	70
6610 Marketing	4,313,223	9,594,650	8,370,341	71
<u>Services</u>				
6621 Call Completion Services	764,950	764,950	895,610	72
6622.1 Number Services-Directory Assistance	122,578	122,578	175,181	73
6622.2 Number Services-Directory Publishing	16,854,000	16,854,000	16,655,466	74
6623.1 Customer Services-Order Processing & Instruction	11,858,888	12,583,423	13,951,013	75
6623.2 Customer Services-Billing and Collections	0	0	464	76
6623.3 Customer Services-Public Telephone Expenses	120,728	459,777	539,099	77
6620 Services	29,721,144	30,784,728	32,216,833	78
Total Customer Operations Expense	34,034,367	40,379,378	40,587,174	79
<u>Corporate Operations Expense</u>				
<u>Executive and Planning</u>				
6711 Executive	2,253,969	2,601,925	2,397,158	80
6712 Planning	98,811	98,811	52,615	81
6710 Executive and Planning	2,352,779	2,700,736	2,449,774	82
<u>General & Administrative</u>				
6721 Accounting & Finance	2,530,748	2,530,748	2,787,269	83
6722 External Relations	2,501,977	2,501,977	2,180,180	84
6723 Human Resources	1,088,362	1,352,845	2,283,026	85
6724 Information Management	2,279,914	2,279,914	1,909,203	86
6725 Legal	405,501	405,501	1,294,085	87
6726 Procurement	121,574	121,402	264,290	88
6727 Research and Development		0	0	89
6728 Other General & Administrative	17,095,883	17,673,322	7,037,083	90
6720 General & Administrative	26,023,958	26,865,708	17,755,135	91
6790 Provision for Uncollectible Notes Receivable		0	0	92
Total Corporate Operations Expenses	28,376,737	29,566,444	20,204,909	93
TOTAL OPERATING EXPENSES	\$165,260,671	\$213,263,795	\$213,659,343	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	12,002,930	12,002,930				
2	FICA-Contribution	3,468,695					
3	Unemployment	36,159					
4	Other:						
5							
6	Total	\$15,507,784	\$12,002,930	\$0	\$0	\$0	\$0
	State Taxes:						
7	Franchise-Gross Income-186a	\$6,850,000		\$6,850,000			
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	344,514					
17	Disability Insurance						
18	Sales and Use						
19	Other						
20	Total	\$7,194,514	\$0	\$6,850,000	\$0	\$0	\$0
21	Local Taxes:						
22	Real Estate	\$14,235,940		\$14,235,940			
23	Special Franchise						
24	Municipal Gross Income						
25	NYC-Spec. Franchise						
26	Motor Vehicle						
27	Other						
28							
29	Total	\$14,235,940	\$0	\$14,235,940	\$0	\$0	\$0
30	Other (list):						
31							
32							
33	Totals	\$36,938,238	\$12,002,930	\$21,085,940	\$0	\$0	\$0

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					
2	FICA-Contribution					\$3,468,695
3	Unemployment					36,159
4	Other					
5						
6	Total	\$0	\$0	\$0	XXXXXXX	\$3,504,854
	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					344,514
17	Disability Insurance					
18	Sales and Use					
19	Other					
20	Total	\$0	\$0	\$0	XXXXXXX	\$344,514
	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	\$3,849,369

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		
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28		
29		
30		
31		
32		
33		
34		
35	Total	\$0

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

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

Line No.	Particulars (a)	Amount (b)
1	Net Income for the Year per Income Statement (Schedule 12, line 48)	\$32,344,367
	Income Taxes Accrued:	
2	7210	0
3	7220	12,002,930
4	7250	6,737,964
5		
6		
7		
8		
9		
10	Less: Nonregulated Income	
11	7910	
12	7990	
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 Depreciation & Amortization in Excess of Tax Depreciation & Amortization	\$0
17	Capitalized Expense	576,160
18	Capitalized Interest	314,189
19	All Other	2,460,149
20	Advances & Contributions	279,396
21		
22		
23		
24	Additional Deductions & Non-Taxable Income:	xxxxxxxxxxxx
25	Interest Charged Construction (AFUDC)	\$0
26	Plant Retirements	0
27	Tax Depreciation & Amortization in Excess of Book Depreciation & Amortization	19,910,078
28	All Other	510,992
29		
30		
31		
32		
33	Federal tax net income	\$34,294,085
34	Computation of tax:	xxxxxxxxxxxx
35	Federal Tax @ 35%	\$12,002,930
36		
37		
38		
39	Computed Federal Income Tax	\$12,002,930

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	Charitable Contributions, Social & Community Welfare	\$158,636
2	FDC Purchase Adjustments / Abandoned Projects	96,486
3	Penalties	724
4	Other	1,404
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
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33		
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36		
37		
38		
39		
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41		
42		
43		
44	Totals from Insert Pages	
45	Total	\$257,249

49. OTHER INTEREST DEDUCTIONS

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

Line No.	Description of Item (a)	Amount (b)
	Account 7540.1 Other Interest Deductions-Affiliated Companies	
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13	Total Other Interest Deductions-Affiliated Companies	\$0
	Account 7540.2 Other Interest Deductions	
14	PSC Imposed OPEB Internal Reserve	\$8,203,246
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33	Total Other Interest Deductions	\$8,203,246

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	Jurisdictional Diff.	1,270,293
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
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30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41		
42		
43		
44		
45	Total	\$1,270,293

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 (d)	7640
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18	Totals	\$0	\$0	\$0	\$0

51A. CONTINGENT LIABILITIES

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

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

52. MEMBERSHIP FEES AND DUES

Line No.	Particulars (a)	NUMBER OF		Amounts (d)
		Organizations (b)	Memberships (c)	
EXPENDITURES CHARGED TO OPERATING EXPENSES				
1	Associations of telecommunications companies			\$0
2	Trade, technical and professional associations			0
3	Other organizations (specify types):			
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14	Total	0	0	\$0
EXPENDITURES CHARGED TO ACCOUNT 7370				
15	Social and athletic clubs			
16	Service clubs			1,368
17	Other organizations (specify type):			
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28	Total	0	0	\$1,368

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.

Medical Insurance (303)	\$3,964,587
Benefits Outsourcing (304)	112,824
Dental Insurance (305)	284,760
Life Insurance (312)	34,704
Worker's Comp. (307)	1,030,872
Tel Flex Vision (306)	15,540
Group Insurance (310 / 312)	142,224
Gross OPEB Expense (308)	2,235,879
Service Pension Accrual (301)	3,844,388
Retirement Savings (309)	250,578
Other Expense (311)	2,548,392

<u>Total Employee Protective Plans</u>	<u>14,464,748</u>
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53. Employee Protective Plans (Continued)

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54. ANALYSIS OF PENSION COST

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

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

54. ANALYSIS OF PENSION COST (Continued)		
Line No.	Item (a)	Current Year (b)
	<u>PLAN</u>	
1	Accumulated Benefit Obligation	\$ 102,376,000
2	Projected Benefit Obligation	\$ 102,376,000
3	Fair Value of Plan Assets	\$ 60,117,000
4	Unrecognized Transition Amount	\$ 0
5	Unrecognized Prior Service Costs	\$ 0
6	Unrecognized Gains or (Losses)	\$ 50,029,000
7	Date of Valuation Reported on Lines 1 through 6	12/31/2009
8	Discount Rate	5.75% %
9	Expected Long-Term Rate of Return on Assets	8.00% %
10	Salary Progression Rate (if applicable)	3.00% %
	Net Periodic Pension Cost:	
11	Service Cost	\$ 0
12	Interest Cost	6,014,000
13	Actual Return on Plan Assets [(Gain) or Loss]	(5,403,000)
14	Deferral of Asset Gain or (Loss)	0
15	Amortization of Transition Amount	0
16	Amortization of Unrecognized Prior Service Cost	6,139,000
17	Amortization of Gains or Losses	0
18	Total Pension Cost	\$ 6,750,000
19	Number of Active Employees Covered by Plan	442
20	Number of Retired Employees Covered by Plan	400
21	Number of Previous Employees Vested but Not Retired	176
	<u>REPORTING COMPANY</u>	
22	Minimum Required Contribution	\$
23	Actual Contribution*	\$
24	Maximum Amount Deductible*	\$
25	Benefit Payments	\$
26	Total Pension Cost	\$
27	Pension Cost Capitalized	\$
28	Accumulated Pension Asset/Liability at Close of Year	\$
29	Total Number of Company Employees at Beginning of Policy Year	
30	Number of Active Employees Covered by Plan.	
31	Number of Retired Employees Covered by Plan.	
32	Number of Previous Employees Vested but Not Retired.	
<p>* Specify in the space below the reason(s) for any difference between the amounts reported on lines 23(b) and 24(b).</p>		

55. ANALYSIS OF PENSION SETTLEMENTS, CURTAILMENTS, AND TERMINATIONS

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

If this is the first year the company is subject to the reporting requirements of this schedule, complete separate forms for each reportable event having occurred since the company's adoption of SFAS-87 and include those forms in the current Annual Report.

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

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

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

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

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

For the amount reported on line 16 specify:

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

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

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

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

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

56. ANALYSIS OF OPEB COSTS, FUNDING, AND DEFERRALS

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

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

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

Line No.	Item (a)	Total Company (b)
<u>ANALYSIS OF OPEB COSTS</u>		
	Accumulated Benefit Obligation Attributable to:	
1	Retirees Covered by the Plan	\$ (77,024,940)
2	Other Fully Eligible Plan Participants	\$ (4,680,326)
3	Other Active Plan Participants	\$ (1,766,666)
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	\$ 42,249,632
6	Other	\$ _____
7	Other Plan Assets (Specify)	\$ _____
8	Unrecognized Transition Obligation	\$ 11,849,087
9	Unrecognized Prior Service Costs	\$ (4,944,562)
10	Unrecognized Gains or (Losses)	\$ 13,287,207
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.	12/31/2009
14	Discount Rate	6.5%
15	Expected Long-Term Rate of Return on Assets (Exterior Fund)	6.0%
16	Interest Rate Applied to NYS Jurisdiction Internal Reserve Balance	_____
17	Salary Progression Rate (if applicable)	_____
<u>NET PERIODIC OPEB COST</u>		
18	Service Cost	\$ 107,308
19	Interest Cost	4,871,286
20	Actual Return on Plan Assets [(Gain) or Loss]	
21	Deferral of Asset Gain or (Loss)	
22	Amortization of Transition Amount	3,949,695
23	Amortization of Unrecognized Prior Service Cost	(366,402)
24	Amortization of (Gains) or Losses from Earlier Periods	753,550
25	(Gain) or Loss Due to a Temporary Deviation From a Substantive Plan	_____
26	Net Periodic OPEB Cost	\$ 9,315,437

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)
EXTERNALLY HELD OPEB DEDICATED FUNDS OR TRUSTS		
1	Fair Value of Plan Assets at Beginning of Period	
	Contributions to the Fund:	
2	Deposits of Company Funds	
3	Transfers from Pension Related Funds	
4	Other *	
5	Income or (Loss) Earned on Fund Assets	
6	Capital Appreciation or (Depreciation) of Fund Assets	
7	Cost Benefits Paid from the Fund To or For Plan Participants	
8	Other Expenses Paid By the Fund **	
9	Fair Value of Plan Assets at End of the Period	\$0

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

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

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

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

Line No.	Item (a)	New York State Jurisdiction (b)
OPEB RELATED ASSETS RECORDED IN AN INTERNAL RESERVE		
1	Balance in Internal Reserve at Beginning of the Period - [(Debit) / Credit]	56,437,699
2	Amount of the Company's Latest Rate Allowance for OPEB Expense	10,602,774
3	Amount of OPEB costs actually charged to Construction	(1,590,416)
4	Pension Related or Other Funds or Credits this Commission Directed the Company to Use for OPEB Purposes	NA
5	Interest Accrued on Fund Balance	6,892,882
6	Cost Benefits Paid to or for Plan Participants	NA
7	Amount Transferred to an External OPEB Dedicated Fund	0
8	Other Debits or Credits to the Internal Reserve *	NA
9	Balance in Internal Reserve at End of the Period	64,999,435
10	Balance of Deferred Income Tax Applicable to the Internal Reserve	22,749,802
11	Interest Rate Applied to Internal Reserve Balances	4.20%
12	Internal Reserve Balance Subject to Accrual of Interest (net of tax)	27,263,234
ACCUMULATED DEFERRED OPEB EXPENSE		
13	Accumulated Deferred Balance Beginning of Period - [Debit / (Credit)]	NA
14	Deferral Applicable to Current Year Variation	NA
15	Amortization of Previous Deferrals	NA
16	Accumulated Deferred Balance at End of Period	NA
17	Balance of Deferred Income Tax Applicable to Deferred OPEB Expense at the End of Period	NA
* Briefly explain any amounts reported on Line 8.		

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

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

Line No.	Name of Affiliate or Other Company (a)	Valuation Method (b)	Account No. (c)	Service Provided For/To (d)	Amount (e)
1	Affiliates:				
2	Affiliates: (Provided to Rochester)				
3	Citizens Communication Company (Parent)	Cost	XXXX-XXX-951-75X	Executive Mngmt, Legal, Accounting	\$4,071,459
4	Telcom Sector Central Services	Cost	XXXX-XXX-956-75X	Share Holder Relations, HR Srvc.'s	30,142,133
5			XXXX-XXX-957-75X	Financial, Regulatory, G/L, A/P, PY, IT	3,374,512
6	Telcom Regional Services	Cost	XXXX-XXX-961-75X	Legal, Engineering, Customer Srvc.	157,001
7				Local Management	
8	Telcom Sector Central Services (Exit Costs)	Cost	XXXX-XXX-958-75X	Citizen / Frontier Merger Costs	NA
9					
10	Telcom Sector Central Services (Transition)	Cost	XXXX-XXX-959-75X	Citizen / Frontier Merger Costs	NA
11					
12					
13	Affiliates: (Provided from Rochester)				
14	Provision of switching equipment	Cost		To procure switching equipment	Cost is price per
15				for Ogden Telephone Company	port chg
16	Provision of DSL Network services	Contract		Provide network services in support	0
17				of Ogden's DSL service offerings	
18	Technical Supervisory Services	Cost	Direct Charge	Management supervision for	
19				Ogden Telephone Co.'s Central	
20				Office technicians	
21	Cyber Center Services	Contract	Various	Provides Cyber Center services for	0
22				Frontier Comm. Of Rochester	
23				Provides secured facilities for	
24	Operator Services	Contract	Wholesale	customer owned equipment	0
25				Operator Service / Directory Asst.	
26				To: CLEC, Ogden, Highland,	
27				Seneca Gorham, & Sylvan Lake.	
28	Local Interconnection	Contract		Provides local interconnection	0
29				between FTR & Frontier Comm.	
30				of America	
31					
32	Billing & Collection Services	Contract	5270-215-000-133	Provides billing and collection	2,380,078
33			5270-515-000-133	between FTR & Frontier Comm.	
34				of America.	
35					
36					
37					
38					
39					
40					
41	Aggregate of All Other Items				
42	Total Other Companies				
43	Total General Services and Licenses				\$40,125,182

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	19082	1387		20469	25
February	18648	1360		20008	46
March	18598	1336		19934	62
April	18696	1327		20023	55
May	18227	1303		19530	53
June	18227	1303		19530	53
July	17925	1286		19211	95
August	17925	1286		19211	95
September	17782	1296		19078	148
October	17658	1294		18952	113
November	17568	1284		18852	100
December	17319	1272		18591	66

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	Frontier Telephone of Rochester, Inc.	275,184		23,924	251,260
2					0
3					0
4					0
5					0
6					0
7					0
8					0
9					0
10		275,184	0	23,924	251,260

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	37,146	22,397	3,873	187,092			752	
2								
3								
4								
5								
6								
7								
8								
9								
10	37,146	22,397	3,873	187,092	0	0	752	

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	Frontier Telephone of Rochester, Inc.	N/A	10,240,891	41,086,860	36,247,648	125,151,870	97,530,781	335,925,717	144,019,320
2									0
3									0
4									0
5									0
6									0
7									0
8									0
9									0
10		0	10,240,891	41,086,860	36,247,648	125,151,870	97,530,781	335,925,717	144,019,320

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)	Measurement Opportunities					
			Cumulative Annual Total (c)	At Objective Level		At Weakspot Level		
			Number (d)	Percent (e)	Number (f)	Percent (g)		
1	Customer Trouble Report Rate Per 100 Access Lines	1.7	744	739	99.3	n/a	n/a	0
2	Percent Missed Repair Appointments	Does Not Apply						
3	Percent Out-of-Service Over 24 Hours	Does Not Apply						
4	Percent Regular Orders Installed Within 5 Days	Does Not Apply						
5	Percent Installation Appointments Not Met	Does Not Apply						
6	Business Office Answer (Standard: 80% W/I 30 Sec.)	Does Not Apply						
7	Repair Service Answer (Standard: 80% W/I 30 Sec.)	Does Not Apply						
8	Directory Assistance Answer (Standard: Ans. W/I 6.3 Sec.)	Does Not Apply						
9	Intercept Answer (Standard: _____)	Does Not Apply						
10	Toll and Assistance Answer (Standard: 90% in 10 Sec.)	Does Not Apply						
11	Dial Tone Speed	Does Not Apply						
12	Blockages and Failures	Does Not Apply						
13	Orders for Regrades Held Over 30 Days	Does Not Apply						
14	TOTAL		744	739		0		0
15	Number of Customer Complaints to the Public Service Commission During the Year___			34				

64. PLANT EXTENSIONS TO SERVE NEW RESIDENTIAL SUBDIVISIONS

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

Line No.	Underground Plant Constructed Within Subdivisions (a)	Amount (b)
A. Direct Buried (Plowed) Lines		
1	Total Length	0 ft.
2	Cost of Plowing Only	\$0.00
3	Average Cost of Plowing Only	/ft.
B. Sole Occupancy Trenched Lines		
4	Total Length	0 ft.
5	Cost of Trenching Only	\$0.00
6	Average Cost of Trenching Only	/ft.
C. Shared Occupancy Trenched Lines		
7	Total Length	0 ft.
8	Cost of Trenching (telephone portion) Only	\$0.00
9	Average Cost of Trenching (telephone portion) Only	/ft.
II. Plant Constructed To Connect Subdivisions To The Existing Telephone Distribution System		
A. Facilities Placed Underground		
10	Total Length	0 ft.
11	Total Cost	0
12	Average Total Cost	/ft.
B. Facilities Placed Overhead		
13	Total Length	0 ft.
14	Total Cost	0
15	Average Total Cost	/ft.

65. DISTRIBUTION OF TOTAL COMPENSATION OF EMPLOYEES

Line No.	Account Group (a)	Amount (b)
1	Operating Expenses	\$34,954,072
2	Clear to Construction - Labor	4,781,254
3		
4		
5	Other (specify):	
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20	Total Compensation of Officers and Employees	\$39,735,326
65A. NUMBER OF EMPLOYEES		
21	Officials and Managerial Assistants	44
22	Professional and Semiprofessional Employees	10
23	Business Office and Sales Employees	29
24	Clerical Employees	205
25	Operators	
26	Construction, Installation and Maintenance Employees	
27	Central Office Crafts Employees	2
28	Installation and Exchange Repair Crafts Employees	220
29	Line, cable and conduit crafts employees	
30	Building, Supplies and Motor Vehicle employees:	15
31	All Other Employees Not Elsewhere Classified	
32	Total Employees	525