

## **Instructions**

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

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

### **General Information**

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

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

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

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

### **Insert Pages**

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

### **Printing Individual Schedules on the File**

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

### **Saving the File**

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

### **Print the Entire Report**

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

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

# STATE OF NEW YORK PUBLIC SERVICE COMMISSION

## ANNUAL REPORT OF TELEPHONE CORPORATIONS For the period ending DECEMBER 31, 2011

### Instructions for this Tab:

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

Please fill in the following:

Respondent's exact legal name :	THE MIDDLEBURGH TELEPHONE COMPANY
Address line 1:	103 CLIFF STREET PO BOX 191
Address line 2:	MIDDLEBURGH, NEW YORK 12122-0191
For the period starting:	JANUARY 1, 2011
For the period ending:	DECEMBER 31, 2011
Date due:	MARCH 31, 2012

Example

January 1, 1995

December 31, 1995

March 31, 1995

For the period starting JANUARY 1, 2011  
For the period ending DECEMBER 31, 2011  
Year Ended DECEMBER 31, 2011

Annual Report of THE MIDDLEBURGH TELEPHONE COMPANY

For the period ending DECEMBER 31, 2011

Annual Report of THE MIDDLEBURGH TELEPHONE COMPANY

For the period ending DECEMBER 31, 2011

Annual Report of THE MIDDLEBURGH TELEPHONE COMPANY

For the period ending DECEMBER 31, 2011

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For the period ending DECEMBER 31, 2011

Annual Report of THE MIDDLEBURGH TELEPHONE COMPANY

For the period ending DECEMBER 31, 2011

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

COMPANY CODE:

TELEPHONE CORPORATIONS

# ANNUAL REPORT

OF

THE MIDDLEBURGH TELEPHONE COMPANY

Exact legal name of reporting telephone corporation

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

103 CLIFF STREET PO BOX 191

MIDDLEBURGH, NEW YORK 12122-0191

(Address of principal business office at end of year)

FOR THE

YEAR ENDED DECEMBER 31, 2011

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:

Marjorie R. Becker, C.E.O.

103 Cliff Street, PO Box 191, Middleburgh, NY 12122

(518) 827-5211

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**1. GENERAL INSTRUCTIONS**

1. The completed original of this report shall be filed with the Public Service Commission, Albany, NY, on or before the 31st of March next following the end of the year to which the report applies. At least one additional copy shall be retained in the files of the reporting telephone corporation.
2. If the respondent considers any information requested on a schedule to be of a proprietary nature, as defined in 16 NYCRR, Chapter 1, Section 6-1.3 of Chapter 1 of the Rules of Procedure, the schedule as included in the report forms should be filed as directed by the Commission. However, the respondent is required to file one complete copy of each schedule deemed proprietary, including all detail requested, accompanied by a request for proprietary treatment, with the Records Access Officer, in accordance with the Rules of Procedure of Title 16, NYCRR, Chapter I, 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.

Marjorie R. Becker, C.E.O.  
The Middleburgh Telephone Company  
103 Cliff Street PO Box 191  
Middleburgh, New York 12122-0191

2.

Name of state in which incorporated, date of incorporation, and designation of law under which incorporated. If not incorporated, show type of organization, date organized and the identity of the parties in interest together with the extent of their respective interests.

Incorporated in the State of New York on October 25, 1897 under the  
Transportation of 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.

NONE

4.

State the name of each other state or federal body exercising regulatory jurisdiction over respondent (excepting taxing authorities); and if such jurisdiction is limited, the extent of limitation should be set forth. If such jurisdiction terminated prior to the end of the year, state that fact with reasons for such termination and the effective date thereof.

NONE

5. Name all classes of service furnished by respondent.

Local Telephone Service



**2. GENERAL INFORMATION (Continued)****6.**

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

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	Marjorie R. Becker	Director, GM, CEO	1/24/2012	\$139,050	\$139,050
2	James R. Becker	Director, President	1/24/2012		
3	Bruce T. Becker	Director, VP Plant	1/24/2012	25,478	25,478
4	Christopher L. Becker	Director, VP Operations	1/24/2012	25,816	25,816
5	Randall F. Becker, Jr.	Director	1/24/2012		
6	Edmund R. Becker	Director	1/24/2012		
7	Glen G. McCarthy	Director, Accountant	1/24/2012		
8	Michael L. Breen	Director	1/24/2012		
9	Barbara E. Becker	Corporate Secretary	1/24/2012	1,250	0
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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.
\$93,000					\$59,400	\$291,450	1
	750	2,232		2,745	58,631	64,358	2
		6,853		2,954	176,560	211,845	3
82,968		6,824		3,124	148,081	266,813	4
				2,208	30,000	32,208	5
				8,102	30,000	38,102	6
	750	4,024		2,822	103,114	110,710	7
					600	600	8
	750	2,765		2,321	68,379	74,215	9
						0	10
						0	11
						0	12
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						0	24
						0	25

**NOTES:**

K1, K2, K3, K4      Payroll including Motor Vehicle Benefits

K5, K6              Consulting Fees

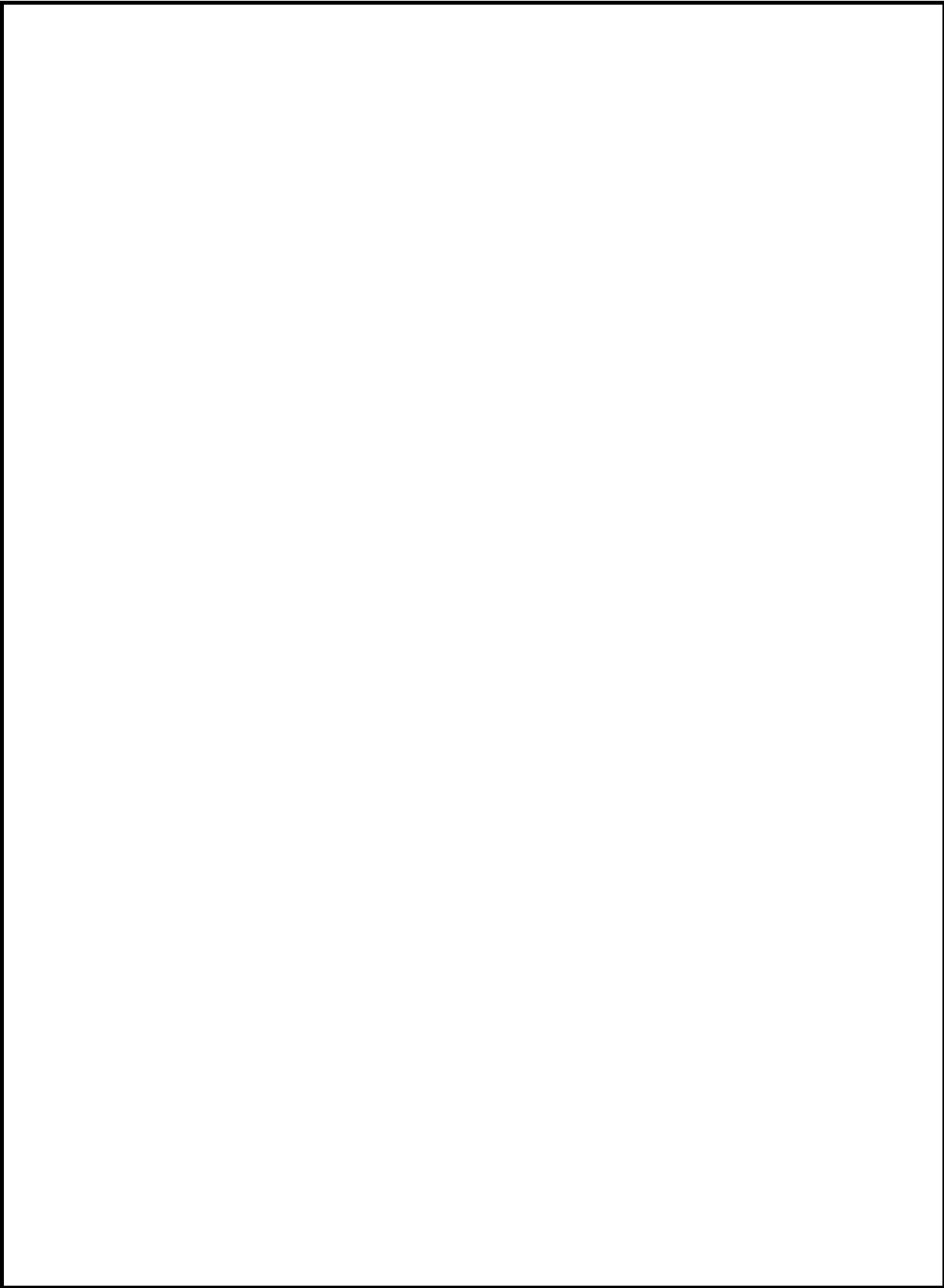
K7, K9              Payroll

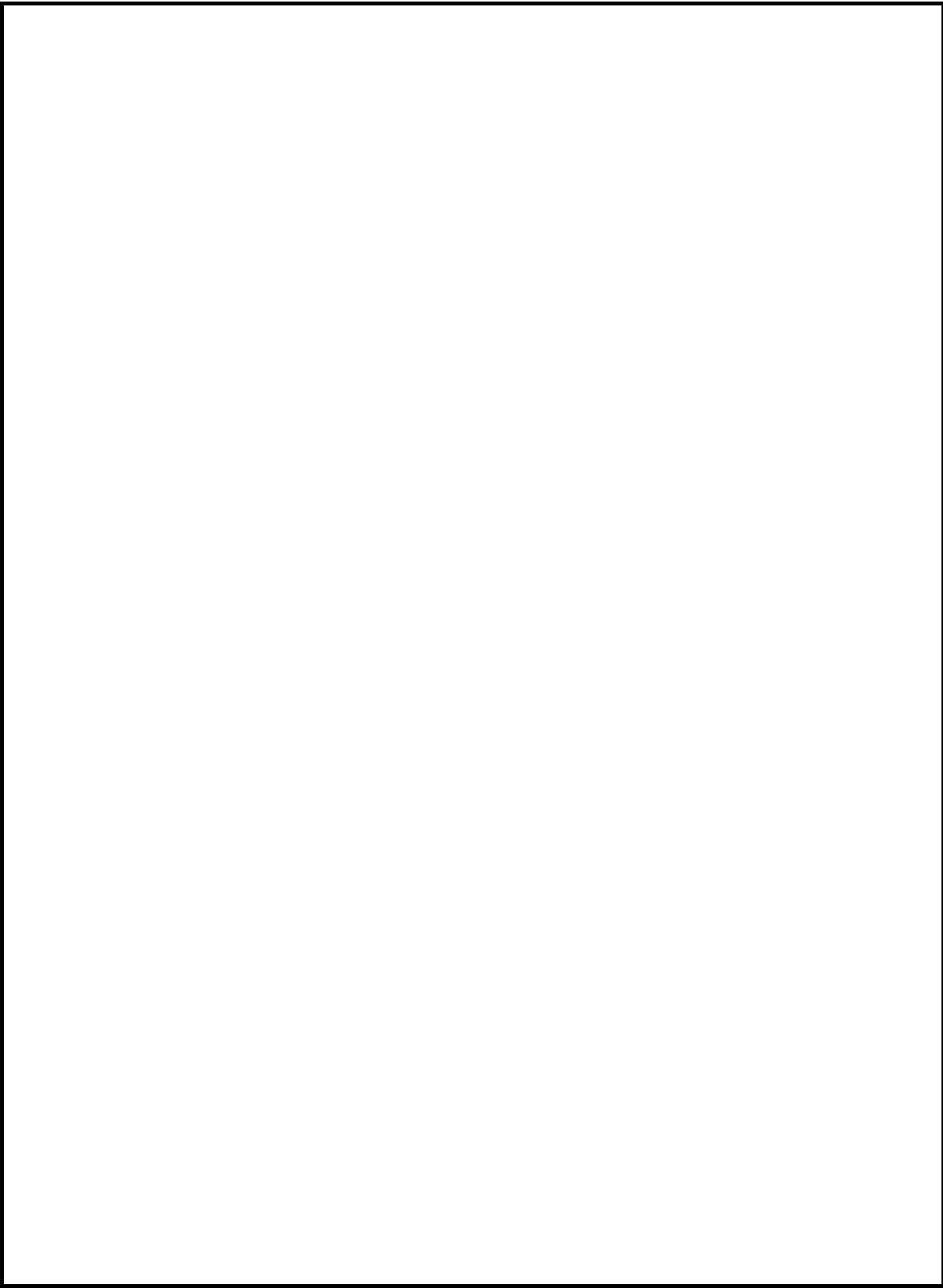
K8                   Director's Fees

**4. CONTROL OVER RESPONDENT**

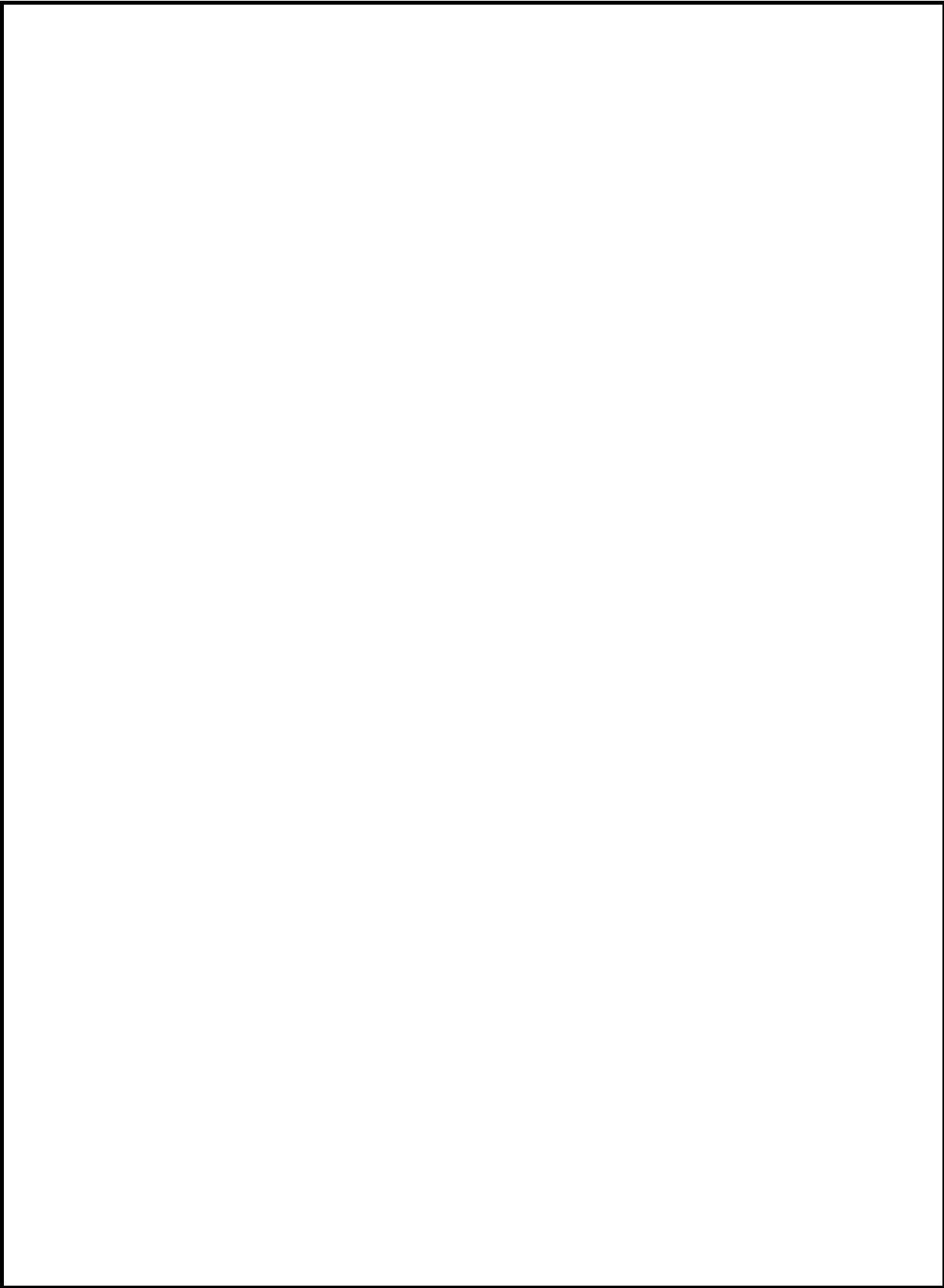
If any corporation, business trust, or similar organization or combination of such organizations jointly held control over the respondent at end of year, state name of controlling corporation or organization, manner in which control was held and extent of control. If control was in a holding company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

NONE









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)
Midtel Cable TV, Inc. Seamless Geoport Communications, Inc. Middleburgh Network Connection Corporation	Cable TV, Internet, DSL Long Distance Reseller STP	100% 100% 100%	

**DEFINITIONS**

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

**6. HOLDERS OF VOTING SECURITIES**

1. Report the requested information for each holder of record of five percent or more of the voting capital or, if there are fewer than ten such holders, the ten who hold the highest voting powers. Data should be the latest available nearest the end of the year. When the holder of record is a trustee, or other intermediate agency (except a corporation), the data should be reported opposite the names of the beneficial owners, designated as such, under a general heading identifying the trustee or other agency. For corporations listed hereunder as holders of voting securities, see the next succeeding schedule. Securities with contingent voting rights may be disregarded.
2. Attach hereto a certified copy of every effective voting trust established under Section 621 of the Business Corporation Law and a certified copy of every other agreement (trustee or otherwise) under which voting securities are held for beneficial owners. If any such agreement has been filed with a previous report, reference to the earlier report will be sufficient provided changes or modification since filing are shown.

Line No.	Name and Address of Security Holder (a)	Number of Votes as of		
		Common Stock (b)	Other (Specify)	
			(c)	(d)
1	Becker, Marjorie R., Middleburgh, NY 12122	29.5		
2	Trust u/w Randall F. Becker Article IV, Middleburgh, NY 12122	88.0		
3	Becker Irrevocable Trust II, Middleburgh, NY 12122	462.5		
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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.

103 Cliff Street, Middleburgh, NY 12122 January 25, 2011

5. State the total number of votes cast at such general meeting 492 and the total number cast by proxy 88.

6. State the total number of voting security holders 3 and the total of all voting securities 580 as of such date.

7. If any security has preferences, special privileges, or restrictions in the election of directors, trustees or managers, or in the determination of any corporate action, give details.

**8. IMPORTANT CHANGES DURING THE YEAR**

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

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

- 1) NONE
- 2) NONE
- 3) NONE
- 4) NONE
- 5) NONE
- 6) NONE
- 7) Cost of Living wage increase to all employees in July. Minimal effect. One less employee.
- 8) NONE
- 9) Marjorie R. Becker elected as C.E.O., James R. Becker elected as President. Succession planning.
- 10) NONE
- 11) NONE

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

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**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)
<b><u>Operating Revenues</u></b>							
1	Local Network Services	\$972,453		\$24,854	\$997,307	\$997,307	
2	Network Access Services	2,917,962			2,917,962	726,188	2,191,774
3	Long Distance Network Serv.	0					
4	Miscellaneous	400,423			400,423	396,707	3,716
5	Settlements	0					
6	Nonregulated Revenues	119,140	119,140				
7	Subtotal	4,409,978	119,140	24,854	4,315,692	2,120,202	2,195,490
8	Uncollectibles	150,200	450		149,750	93,575	56,175
9	Total Operating Revenues	4,259,778	118,690	24,854	4,165,942	2,026,627	2,139,315
<b><u>Operating Expenses</u></b>							
10	Plant Specific	1,017,674	44,746		972,928	529,078	443,850
11	Plant Non-specific	275,591	1,679		273,912	164,566	109,346
12	Marketing	22,799	149		22,650	15,973	6,677
13	Customer Operations Services	369,816	6,831		362,985	245,269	117,716
14	Access	123,002			123,002	23,297	99,705
15	Corporate Operations	1,326,145	59,996		1,266,149	707,397	558,752
16	Subtotal	3,135,027	113,401	0	3,021,626	1,685,580	1,336,046
17	Depreciation & Amortization	1,045,487	26,588		1,018,899	479,494	539,405
18	Total Operating Expenses	4,180,514	139,989	0	4,040,525	2,165,074	1,875,451
19	Net Operating Revenues	79,264	(21,299)	24,854	125,417	(138,447)	263,864
<b><u>Operating Taxes</u></b>							
20	Operating FIT	0					
21	Deferred Operating FIT-Net	(88,131)	(22,578)	8,450	(57,103)	(101,678)	44,575
22	Operating Investment Tax Credit - Amort (Option 2)	0					
23	Total Federal Income Taxes	(88,131)	(22,578)	8,450	(57,103)	(101,678)	44,575
24	Other Operating Taxes	310,904	6,773		304,131	180,775	123,356
25	Total Operating Taxes	222,773	(15,805)	8,450	247,028	79,097	167,931
26	Other Operating Income and Expenses						
27	Net Operating Income*	(143,509)	(5,494)	16,404	(121,611)	(217,544)	95,933
28	Rate Case Adj, if applicable						
29	Net Operating Income after Rate Case Adj	(\$143,509)	(\$5,494)	\$16,404	(\$121,611)	(\$217,544)	\$95,933

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



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

Line No.	Item (a)	Total (b)	Nonregulated (c)	Other Adjustments (d)	Subject to Separations (e)	New York State (f)	Other (g)
1	Telephone Plant in Service	\$23,176,717	\$480,265		\$22,696,452	\$13,636,028	\$9,060,424
2	Noninterest Bearing Telephone Plant under Construction	401,542	4,520		397,022	238,531	158,491
3	Telephone Plant Held for Future Use						
4	Materials and Supplies	297,411	13,194		284,217	209,724	74,493
5	Prepayments	143,960	12,746		131,214	78,833	52,381
6	Cash Working Capital *	317,764			317,764	176,677	141,087
7	RTB Stock						
8	Other Rate Base Adjustments, If Applicable						
9	Unamortized Deferrals	(1,440,588)			(1,440,588)	(1,440,588)	
10	Depreciation Reserve	18,182,271	195,762		17,986,509	10,871,046	7,115,463
11	Amortization Reserve						
12	Accumulated Deferred Income Taxes	(559,439)			(559,439)	(549,987)	(9,452)
13	Accumulated Deferred Investment Tax Credit (Option 1 Only)						
14	Rate Base (Lines 1-9 minus lines 10-13)	\$5,273,974	\$314,963	\$0	\$4,959,011	\$2,578,146	\$2,380,865

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	\$ 121,611	\$ -217,544
2	Rate Base	\$ 4,959,011	\$ 257,814
3	Rate of Return	-2.45%	-8.44%
4	Return on Common Equity	-3.81%	-10.62%
5	Required Additional Revenues *	\$ 68,688	\$ 35,708

\* (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	\$ 1,087,809	12.05%	7.50%	0.90%
7	Notes Payable	0	0.00%	0.00%	0.00%
8	Customer Deposits	0	0.00%	0.00%	0.00%
9	Preferred Stock	0	0.00%	0.00%	0.00%
10	Common Equity	7,943,074	87.95%	-3.81%	-3.35%
11	Total	\$ 9,030,883	100.00%		-2.45%

**Capital Structure used for Intrastate\***

	Item	Amount (a)	Structure (b)	Cost Rate (c)	Weighted Cost (d)
12	Long-Term Debt	\$ 1,087,809	12.05%	7.50%	0.90%
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	7,943,074	87.95%	-10.62%	-9.34%
	Total	\$ 9,030,883	100.00%		-8.44%

It should be noted that these calculated rates of return and common equity returns are not intended as an evaluation of the reasonableness of the earnings of any utility under the jurisdiction of the Public Service Commission. Also, the

computed in a formal rate proceeding. Differences may occur because the data in formal proceeding are analyzed in detail and some adjustments are usually made to booked amounts.

\* Use alternative capital structure if applicable.

**11. BALANCE SHEET****Assets and Other Debits**

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

Line No.	Accounts (a)	Sch. Page No. (b)	Balance at End of Year (c)	Balance at Beginning of Year (d)	Increase or (Decrease) (e)
<b>CURRENT ASSETS</b>					
1	1130	--	\$315,668	\$539,790	(\$224,122)
2	1140	--	0	0	0
3	1150	--	740	740	0
4	1160	--	641,000	639,000	2,000
5	1180	36	124,662	137,991	(13,329)
6	1181	36	3,782	3,785	(3)
7	1190.1	37	133,340	331,279	(197,939)
8	1190.2	37	337,705	284,111	53,594
9	1191	38	0	0	0
10	1200.1	39	0	0	0
11	1200.2	39	0	0	0
12	1201	39	0	0	0
13	1210	--	625	1,061	(436)
14	1220	40	291,204	303,618	(12,414)
15	1290	--	0	0	0
16	1300	41-42	69,335	67,453	1,882
17	1310	--	58,558	59,373	(815)
18	1320	--	0	0	0
19	1330	--	20926	12,275	8,651
20	1350	--	0	0	0
21	1360	43-44	17760	16,396	1,364
22	Total Current Assets		2,007,741	2,389,302	(381,561)
<b>NONCURRENT ASSETS</b>					
23	1401.1	50-51	1,477,967	1,545,824	(67,857)
24	1401.2	52-53	300,000	300,000	0
25	1402	52-53	0	20,269	(20,269)
26	1406	54	0	0	0
27	1407	58-59	4,636	5,199	(563)
28	1408	--	0	0	0
29	1410	--	1,416,690	1,416,690	0
30	1438	--	0	0	0
31	1439	55	0	0	0
32	1500	--	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXX
33	1510	43-44	1,376,408	951,950	424,458
34	Total Noncurrent Assets		4,575,701	4,239,932	335,769
<b>REGULATED PLANT</b>					
35	2001	24-25	23,548,316	22,805,117	743,199
36	2002	24-25	0	0	0
37	2003	24-25	359,444	443,639	(84,195)
38	2004	24-25	0	0	0
39	2005	24-25	(50)	(50)	0
40	2006	24-25	0	0	0
41	2007	24-25	0	0	0
42	Total Telecommunications Plant		23,907,710	23,248,706	659,004
43	3100-3300	32-33	18,516,868	17,847,674	669,194
44	3410-3600	32-33	0	0	0
45	Net Telecommunications Plant		5,390,842	5,401,032	(10,190)
46	TOTAL ASSETS AND OTHER DEBITS		\$11,974,284	\$12,030,266	(\$55,982)

For Notes to Balance Sheet see Page 18.

### 11. BALANCE SHEET

#### Liabilities and Other Credits

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

Line No.		Accounts (a)	Sch. Page No. (b)	Balance at End of Year (c)	Balance at Beginning of Year (d)	Increase or (Decrease) (e)
<b>CURRENT LIABILITIES</b>						
1	4010.1	Accounts Payable to Affiliated Companies .....	56	\$0	\$0	\$0
2	4010.2	Other Accounts Payable .....	56	326,970	260,815	66,155
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 .....	--	(73)	0	(73)
6	4040	Customers' Deposits .....	--	0	0	0
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	9,605	(197,990)	207,595
10	4080	Other Taxes-Accrued .....	41-42	(4,538)	(3,690)	(848)
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 .....	--	152,989	125,499	27,490
14	4130	Other Current Liabilities .....	--	11,707	12,772	(1,065)
15		<b>Total Current Liabilities</b>		<b>496,660</b>	<b>197,406</b>	<b>299,254</b>
<b>LONG-TERM DEBT</b>						
16	4210	Funded Debt .....	58-59	1,048,844	1,126,773	(77,929)
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		<b>Total Long-Term Debt</b>		<b>1,048,844</b>	<b>1,126,773</b>	<b>(77,929)</b>
<b>OTHER LIABILITIES AND DEFERRED CREDITS</b>						
24	4310	Other Long-Term Liabilities .....	61	586,110	537,796	48,314
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	722,204	521,432	200,772
28	4350	Noncurrent Def. Nonoper Income Taxes-Cr. ....	45-47	0	0	0
29	4360	Other Deferred Credits .....	62	1,415,693	1,465,483	(49,790)
30	4370	Other Juris. Liabilities & Def. Credits-Net .....	--	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXX
31		<b>Total Other Liabilities and Def. Credits</b>		<b>2,724,007</b>	<b>2,524,711</b>	<b>199,296</b>
<b>STOCKHOLDERS' EQUITY</b>						
32	4510.1	Capital Stock-Common .....	63	64,200	64,200	0
33	4510.2	Capital Stock-Preferred .....	63	0	0	0
34	4520	Additional Paid-in Capital .....	63	0	0	0
35	4530	Treasury Stock .....	63	840,336	840,336	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	(1,880,585)	(1,812,728)	(67,857)
39	4550.3	Unappropriated Retained Earnings .....	21	10,361,494	10,770,240	(408,746)
40		<b>Total Stockholders' Equity</b>		<b>7,704,773</b>	<b>8,181,376</b>	<b>(476,603)</b>
41		<b>TOTAL LIABILITIES AND OTHER CREDITS</b>		<b>\$11,974,284</b>	<b>\$12,030,266</b>	<b>(\$55,982)</b>

For Notes to Balance Sheet see Page 18.

**11. NOTES TO BALANCE SHEET**

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

**NOTES:**

1. The amount of pension funds held by outside trustees and irrevocably devoted to pension purposes at the end of the year was \$ 0.
2. Cumulative dividends in arrears at the end of the year amounted to \$ 0.

**ADDITIONAL NOTES TO BALANCE SHEET**

**11. NOTES TO BALANCE SHEET (Continued)**





1, 2011

1, 2011

**12. INCOME AND RETAINED EARNINGS STATEMENT**

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

Line No.	Item (a)	Sch. Page No. (b)	TOTAL	
			Current Year (c)	Last Year (d)
	<b>INCOME</b>			
	<b>TELEPHONE OPERATING INCOME</b>			
1	Operating Revenues.....	65	\$4,259,778	\$4,433,141
2	Operating Expenses.....	72	4,180,514	3,847,889
3	Net Operating Revenues		79,264	585,252
	<b>OTHER OPERATING INCOME AND EXPENSE</b>			
4	7110 Income from Custom Work.....	--	0	0
5	7130 Return from Nonregulated Use of Regulated Facilities.....	--	0	0
6	7140 Gains and Losses from Foreign Exchange.....	--	0	0
7	7151 Gains or Losses from Disposition of Land and Artworks.....	--	0	0
8	7160 Other Operating Gains and Losses.....	--	0	0
9	Total Other Operating Income and Expenses		0	0
	<b>OPERATING TAXES</b>			
10	7210 Operating Investment Tax Credits-Net.....	45-47	0	0
11	7220 Operating Federal Income Taxes.....	73-74	0	0
12	7230 Operating State and Local Income Taxes.....	73-74	0	0
13	7240 Operating Other Taxes.....	73-74	310,904	301,695
14	7250 Provision for Deferred Operating Income Taxes-Net.....	43-47	(88,131)	64,639
15	Total Operating Taxes		222,773	366,334
16	Net Operating Income		(143,509)	218,918
	<b>NONOPERATING INCOME AND EXPENSES</b>			
17	7310 Dividend Income.....	--	0	0
18	7320 Interest Income.....	--	2,756	6,412
19	7330 Income from Sinking and Other Funds.....	--	0	0
20	7340 Allowance for Funds Used During Construction.....	--	0	0
21	7350 Gains or Losses from the Disposition of Certain Property.....	--	0	0
22	7355 Equity in Earnings of Affiliated Companies.....	50-51	(67,857)	(121,721)
23	7360 Other Nonoperating Income.....	79	(129,229)	(109,578)
24	7370 Special Charges.....	77	17,903	45,585
25	Total Nonoperating Income Items and Expenses		(212,233)	(270,472)
	<b>NONOPERATING TAXES</b>			
26	7410 Nonoperating Investment Tax Credits-Net (-).....	45-47	0	0
27	7420 Nonoperating Federal Income Taxes.....	73	0	0
28	7430 Nonoperating State and Local Income Taxes.....	73-74	0	0
29	7440 Nonoperating Other Taxes.....	73-74	0	0
30	7450 Provision for Deferred Nonoperating Income Taxes-Net.....	43-47	(40,985)	(48,852)
31	Total Nonoperating Taxes		(40,985)	(48,852)
32	Total Nonoperating Income		(171,248)	(221,620)
33	Income Available for Fixed Charges		(314,757)	(2,702)
	<b>INTEREST AND RELATED ITEMS</b>			
34	7510 Interest on Funded Debt.....	58-59	81,860	87,477
35	7520 Interest Expense-Capital Leases.....		0	0
36	7530 Amortization of Debt Issuance Expense.....	58-59	563	576
37	7540 Other Interest Deductions.....	78	(19,177)	3,864
38	Total Interest and Related Items		63,246	91,917
39	Income Before Extraordinary Items		(378,003)	(94,619)

**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	0
41	7620 Extraordinary Income Charges.....	80	0	0
42	7630 Current Income Tax Effect of Extraordinary Items-Net.....	80	0	0
43	7640 Provision for Def. Income Tax Effect of Extra. Items-Net.....	80	0	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.....	--	0	0
47	Total Jurisdictional Differences and Extraordinary Items		0	0
48	Net Income		(\$378,003)	(\$94,619)
RETAINED EARNINGS				
49	4550.3 Unappropriated Retained Earnings (at Beginning of Period)..		\$10,770,240	\$10,841,738
50	4550.4 Balance Transferred from Income.....		(310,146)	27,102
51	4550.5 Appropriations of Retained Earnings.....		0	0
52	4550.6 Dividends Declared-Preferred Stock.....	63	0	0
53	4550.7 Dividends Declared-Common Stock.....	63	98,600	98,600
54	4550.8 Adjustments to Retained Earnings.....	64	0	0
55	Net Change to Unappropriated Retained Earnings		(408,746)	(71,498)
56	4550.3 Unappropriated Retained Earnings (End of Period).....		10,361,494	10,770,240
57	4550.1 Appropriated Retained Earnings (End of Period).....		0	0
58	Total Retained Earnings		\$10,361,494	\$10,770,240
UNAPPROPRIATED UNDISTRIBUTED AFFILIATE EARNINGS				
59	4550.2 Unappropriated Undistributed Affiliate Earnings (beginning of period).....		(\$1,812,728)	(\$1,691,007)
60	Equity in Earnings for Period.....	51	(67,857)	(121,721)
61	Dividends Received.....		0	0
62	Other Changes (explain).....		0	0
63	4550.2 Unappropriated Undistributed Affiliate Earnings (end of period).....		0	0
			(\$1,880,585)	(\$1,812,728)

**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 \$ 0

**13. STATEMENT OF CASH FLOWS**

Line No.	Items (a)	Current Year (b)	Last Year (c)
	Cash flows from operating activities:		
1	Net Income	(\$378,003)	(\$94,619)
	Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
2	Depreciation and depletion	1,045,487	753,199
3	Amortizations	563	575
4	Increase (Decrease) in deferred taxes and investment tax credits-net	(225,050)	15,787
5	Equity (AFUDC)		
6	Decrease (Increase) in receivables related to operations excluding unbilled revenues	146,292	230,591
7	Decrease (Increase) in inventory related to operations	(5,481)	(1,231)
8	Increase (Decrease) in accrued expenses and accounts payable related to operations	49,851	52,736
9	Unbilled revenues	11,815	9,080
10	Increase (Decrease) in current income taxes and other taxes payable	206,747	(134,719)
11	Increase (Decrease) in interest payable	(163)	(152)
12	Equity in loss(earnings) of affiliates	67,857	121,721
13	Dividends received from associated and subsidiary companies accounted for under the equity method		
	Other Adjustments:		
14	Loss (Earnings) from partnerships	20,269	
15	Prepays	(9,718)	838
16	Deferred Compensation	75,967	44,968
17	Total Adjustments	1,384,436	1,093,393
18	Net cash provided by (used in) operating activities	1,006,433	998,774
	Cash flows from investing activities:		
	Cash outflows for construction (-)		
	Gross additions to:		
19	Telephone plant (include capital leases)	(1,080,377)	(1,117,863)
20	Common plant		
21	Non-utility plant		
22	Other plant		
	Adjustments to gross additions:		
23	Increase (Decrease) in payables related to construction	17,895	(100,184)
24	Decrease (Increase) in inventory related to construction		
25	Capital leases		
26	Equity AFUDC		
27	Other adjustments		
28	Total cash outflows for construction	(1,062,482)	(1,218,047)
29	Acquisition of other non-current assets (5)(d)		
30	Payments for the acquisition of other debt and equity securities (5)(a)		
31	Investments in and advances to subsidiary and associated companies		
32	Repayments of advances by associated and subsidiary companies		
	Net proceeds from sale or disposition of:		
33	Property, plant and equipment	10,456	(16,252)
34	Investments in subsidiary & associated companies		
35	Other debt and equity investments		
36	Other non-current assets		
	Other:		
37			
38			
39	Total of any Insert Pages		
40	Net cash provided by (used in) investing activities	(1,052,026)	(1,234,299)

**13. STATEMENT OF CASH FLOWS (Continued)**

Line No.	Items (a)	Current Year (b)	Last Year (c)
	Cash flows from financing activities:		
	Proceeds from issuing:		
41	Common stock		
42	Preferred stock		
43	Long-term debt (5)(b)		
44	Net change in short-term debt (5)(c)		
45	Contributions and advances from subsidiary and associated companies		
46	Principal payments under capital leases		
	Payments for retirement of: (-)		
47	Common stock		
48	Preferred stock		
49	Long-term debt (5)(b)	(77,929)	(72,323)
	Dividends paid on: (-)		
50	Common stock	(98,600)	(98,600)
51	Preferred stock		
	Other:(5)(e)		
52			
53			
54			
55			
56			
57			
58	Total of any Insert Pages		
59	Net cash provided by (used in) financing activities	(176,529)	(170,923)
60	Net increase(decrease) in cash and cash equivalents	(222,122)	(406,448)
61	Cash & cash equivalents at the beginning of the year	1,179,530	1,585,978
62	Cash & cash equivalents at the end of the year	\$957,408	\$1,179,530

**INSTRUCTIONS**

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

**14. ANALYSIS OF TELECOMMUNICATIONS PLANT ACCOUNTS**

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

Line No.	Account (a)	Balance at Beginning of the Year (b)	Charges During the Year		Credits During The Year		Transfers and Adjustments Charges (Credits) (g)	Balance at End of the Year (h)
			Other Plant Added from Predecessor (c)	Other Plant Added or Transferred (d)	Plant Sold With Traffic (e)	Other Plt. Ret. or Transferred (f)		
	<b>2001 Telecommunications Plant in Service</b>							
	<b>General Support Assets</b>							
1	2111 Land	\$193,280		\$0		\$0		\$193,280
2	2112 Motor Vehicles	916,623		39,736		64,372		891,987
3	2113 Aircraft	0						0
4	2114 Special Purpose Vehicles	0						0
5	2115 Garage Work Equipment	0						0
6	2116 Other Work Equipment	347,549		2,543		583		349,509
7	2121 Buildings	1,470,829		26,562		2,322		1,495,069
8	2122 Furniture	104,652		0		0		104,652
9	2123 Office Equipment	0						0
10	.1 Office Support Equipment	16,905		0		0		16,905
11	.2 Company Communications Equipment	43,684		0		0		43,684
12	2124 General Purpose Computers	463,135		18,892		0		482,027
13	<b>Total General Support Assets</b>	\$3,556,657	\$0	\$87,733	\$0	\$67,277	\$0	\$3,577,113
	<b>Central Office Assets</b>							
14	2211 Analog Electronic Switching	\$0						\$0
15	2212 Digital-Electronic Switching	4,984,733		289,594		90,348	(12,630)	5,171,349
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	0						0
21	2231 Radio Systems	0						0
22	.1 Satellite & Earth Station Facilities	0						0
23	.2 Other Radio Facilities	0						0
24	2232 Circuit Equipment	2,959,711		166,617		168,574	12,630	2,970,384
25	<b>Total Central Office Assets</b>	\$7,944,444	\$0	\$456,211	\$0	\$258,922	\$0	\$8,141,733

14. ANALYSIS OF TELECOMMUNICATIONS PLANT ACCOUNTS (Continued)								
Line No.	Account (a)	Balance at Beginning of the Year (b)	Charges During the Year		Credits During The Year		Transfers and Adjustments Charges (Credits) (g)	Balance at End of the Year (h)
			Other Plant Added from Predecessor (c)	Other Plant Added or Transferred (d)	Plant Sold With Traffic (e)	Other Plt. Ret. or Transferred (f)		
	<b>Information Org./Term. Assets</b>							
26	2311 Station Apparatus	\$65,254		\$1,513		\$3,060		\$63,707
27	2321 Customer Premises Wiring	0						0
28	2341 Large Private Branch Exchanges	0						0
29	2351 Public Terminal Equipment	0						0
30	2362 Other Terminal Equipment	1,817		0		0		1,817
31	<b>Total Information Org./Term. Assets</b>	\$67,071	\$0	\$1,513	\$0	\$3,060	\$0	\$65,524
	<b>Cable and Wire Facilities</b>							
32	2411 Poles	\$3,282,142		\$105,552		\$26,254		\$3,361,440
33	2421 Aerial Cable	7,194,622		504,478		50,941		7,648,159
34	2422 Underground Cable	96,603		0		8,298		88,305
35	2423 Buried Cable	591,104		0		0		591,104
36	2424 Submarine Cable	0						0
37	2425 Deep Sea Cable	0						0
38	2426 Intrabuilding Network Cable	0						0
39	2431 Aerial Wire	0						0
40	2441 Conduit	72,474		9,084		6,620		74,938
41	<b>Total Cable and Wire Facilities</b>	\$11,236,945	\$0	\$619,114	\$0	\$92,113	\$0	\$11,763,946
	<b>Amortizable Assets</b>							
42	2681 Capital Leases	\$0						\$0
43	2682 Leasehold Improvements	0						0
44	2690 Intangibles	0						0
45	<b>Total Amortizable Assets</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
46	<b>Total Telecommunications Plant in Service</b>	\$22,805,117	\$0	\$1,164,571	\$0	\$421,372	\$0	\$23,548,316
47	2002 Property Held for Future Telecom. Use	\$0						\$0
48	2003 Telecom. Plt. Under Constr.-Short Term	443,639				84,195		359,444
49	2004 Telecom. Plt. Under Constr.-Long Term	0						0
50	2005 Telecom. Plt. Acquisition Adjustment	0						0
51	.1 Tel.. Plant Acquisition Adjustment	0						0
52	.2 Other Plant Adjustments	(50)		0		0		(50)
53	2006 Nonoperating Plant	0						0
54	2007 Goodwill	0						0
		0						0
		0						0
55	<b>Total Telecommunications Plant</b>	\$23,248,706	\$0	\$1,164,571	\$0	\$505,567	\$0	\$23,907,710



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

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

Line No.	Account Classification (a)	2003 Telecommunications Plant Under Construction-Short Term (work orders open at end of year)		
		Charges (b)	Credits (c)	Balance at End of the Year Total (d)
	<b>General Support Assets</b>			
1	2111 Land			\$0
2	2112 Motor Vehicles			0
3	2113 Aircraft			0
4	2114 Special Purpose Vehicles			0
5	2115 Garage Work Equipment			0
6	2116 Other Work Equipment			0
7	2121 Buildings			0
8	2122 Furniture			0
9	2123 Office Equipment			0
10	2124 General Purpose Computers	9,041		9,041
				0
	<b>Central Office Assets</b>			0
11	2211 Analog Electronic Switching			0
12	2212 Digital Electronic Switching	50,124		50,124
13	2215 Electro-Mechanical Switching			0
14	2220 Operator Systems			0
15	2231 Radio Systems			0
16	2232 Circuit Equipment	162,523		162,523
				0
	<b>Information Orig/Termination Assets</b>			0
17	2311 Station Apparatus			0
18	2321 Customer Premises Wiring			0
19	2341 Large Private Branch Exchanges			0
20	2351 Public Telephone Terminal Equip.			0
21	2362 Other Terminal Equipment			0
				0
	<b>Cable and Wire Facilities Assets</b>			0
22	2411 Poles	31,899		31,899
23	2421 Aerial Cable	102,035		102,035
24	2422 Underground Cable	2,039		2,039
25	2423 Buried Cable	7,478		7,478
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		5,695	(5,695)
				0
31	<b>Total Plant Accounts</b>	365,139	5,695	359,444
	<b>Other Accounts</b>			
32				0
33				0
34				0
				0
35	<b>Total</b>	\$365,139	\$5,695	\$359,444

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

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

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

**16. PROPERTY HELD FOR FUTURE TELECOMMUNICATIONS USE**

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

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

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**18. ANALYSIS OF ASSETS PURCHASED OR SOLD TO AFFILIATES**

1. Report separately, for each affiliate by account, sales and/or purchases of assets at any time during the year.

2. The net book value in column (f) shall equal the gross investment less accumulated depreciation and other applicable valuation reserves in column (e).

3. In column (g), report the fair market value which determined the sale or purchase price. Indicate in footnote the source of fair market value. If sale price was determined instead by tarified rate, report this value. Indicate fair market value with an (F) and tarified 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 Tarified Rate (g)	Purchased Price (h)		Sale Price (i)	
				Amount	Account No.	Amount	Amount		Account No.	Amount	Account No.	Amount
1	Midtel Cable TV, Inc.		\$35				\$35	(F) 35			1220	\$35
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	\$854,599	\$70,940	\$17,735	
2	2113 Aircraft	0			
3	2114 Special Purpose Vehicles	0			
4	2115 Garage Work Equipment	0			
5	2116 Other Work Equipment	329,166	8,581	0	
6	2121 Buildings	376,643	33,382	0	
7	2122 Furniture	101,539	627	0	
8	2123 Office Equipment	0			
9	.1 Office Support Equipment	16,477	0	0	
10	.2 Company Communications Equipment	40,418	3,857	0	
11	2124 General Purpose Computers	282,622	66,051	0	
12	Total General Support Assets	2,001,464	183,438	17,735	0
	Central Office Assets				
13	2211 Analog Electronic Switching	0			
14	2212 Digital Electronic Switching	4,196,579	301,939	0	
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	0			
20	2231 Radio Systems	0			
21	.1 Satellite and Earth Station Facilities	0			
22	.2 Other Radio Facilities	0			
23	2232 Circuit Equipment	2,304,288	365,888	0	
24	Total Central Office Assets	6,500,867	667,827	0	0
	Information Orig/Termination Assets				
25	2311 Station Apparatus	61,218	0	35	
26	2321 Customer Premises Wiring	0			
27	2341 Large Private Branch Exchanges	0			
28	2351 Public Telephone Terminal Equip.	0			
28	2362 Other Terminal Equipment	31	141	0	
29	Total Information Orig/Termination Assets	61,249	141	35	0
	Cable and Wire Facilities Assets				
30	2411 Poles	2,425,265	160,611	3,951	
31	2421 Aerial Cable	6,605,929	40,522	7,238	
32	2422 Underground Cable	31,369	2,791	0	
33	2423 Buried Cable	170,344	23,286	0	
34	2424 Submarine Cable	0			
35	2425 Deep Sea Cable	0			
36	2426 Intrabuilding Network Cable	0			
36	2431 Aerial Wire	10,863	0	0	
37	2441 Conduit Systems	19,643	1,495	0	
38	Total Cable and Wire Facilities Assets	9,263,413	228,705	11,189	0
39	3100 Other - Explain	20,681			
40	3100 Other - Explain	0			
41	3100 Total Accumulated Depreciation - TPIS	17,847,674	1,080,111	28,959	0
42	3200 Held for Future Communications Use	0			
43	3300 Nonoperating	0			
44	Total Accumulated Depreciation	17,847,674	1,080,111	28,959	0
45	3410 Capital Leases	0			
46	3420 Leasehold Improvements	0			
47	Accumulated Amortization - Tangible	0	0	0	0
48	3500 Accumulated Amortization - Intangible	0			
49	3600 Accumulated Amortization - Other	0			
50	Total Accumulated Amortization	0	0	0	0
51	Total Accumulated Depreciation & Amortization	\$17,847,674	\$1,080,111	\$28,959	\$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		\$64,372			\$878,902
2					0
3					0
4					0
5		583			337,164
6		2,322			407,703
7		0			102,166
8					0
9		0			16,477
10		0			44,275
11		0			348,673
12	0	67,277	0	0	2,135,360
13					0
14		90,348			4,408,170
15					0
16					0
17					0
18					0
19					0
20					0
21					0
22					0
23		168,574			2,501,602
24	0	258,922	0	0	6,909,772
25		3,060			58,193
26					0
27					0
28					0
28		0			172
29	0	3,060	0	0	58,365
30		26,255	11,515		2,552,057
31		50,941	6,988		6,595,760
32		8,297			25,863
33		6,621			187,009
34					0
35					0
36					0
36		0			10,863
37		0			21,138
38	0	92,114	18,503	0	9,392,690
39					20,681
40					0
41	0	421,373	18,503	0	18,516,868
42					0
43					0
44	0	421,373	18,503	0	18,516,868
45					0
46					0
47	0	0	0	0	0
48					0
49					0
50	0	0	0	0	0
51	\$0	\$421,373	\$18,503	\$0	\$18,516,868

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**20. BASIS OF CHARGES FOR DEPRECIATION**

- 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.
- 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.
- The rate reported in column (d) with respect to an account for which subclasses are indicated in Section II is the composite rate productive of an amount equal to the sum of the estimated annual charges for the constituent subclasses, produced by applying (actually or in effect) the individual rates set forth in column (j), to the book cost of each subclass.

**Section I. Classes of Depreciable Plant**

Line No.	Plant Account (a)	Estimated Service Life in Years (b)	Estimated Net Salvage Factor (c)	Annual Composite Rate at End of the Year (d)	Ratio of Depreciation Charges to Ave Monthly Book Cost (e)
	<b>General Support Assets</b>				
1	2112 Motor Vehicles			14.93%	14.92%
2	2113 Aircraft				
3	2114 Special Purpose Vehicles				
4	2115 Garage Work Equipment				
5	2116 Other Work Equipment				
6	2121 Buildings	44.24		2.26%	2.26%
7	2122 Furniture	20.04		4.99%	4.99%
8	2123 Office Equipment				
9	.1 Office Support Equipment				
10	.2 Company Communications Equipment				
11	2124 General Purpose Computers	7.13		14.02%	14.02%
	<b>Central Office Assets</b>				
12	2211 Analog Electronic Switching				
13	2212 Digital Electronic Switching	12.5		8.00%	8.00%
14	2215 Electro-Mechanical Switching				
15	.1 step-by-step				
16	.2 Crossbar				
17	.3 Other Electro-Mechanical Switching				
18	2200 Operator Systems				
19	2231 Radio Systems				
20	.1 Satellite and Earth Station Facilities				
21	.2 Other Radio Facilities				
22	2232 Circuit Equipment			12.78%	12.83%
	<b>Information Origination/Termination Assets</b>				
23	2311 Station Apparatus				
24	2321 Customer Premises Wiring				
25	2341 Large Private Branch Exchanges				
26	2351 Public Telephone Terminal Equipment				
27	2362 Other Terminal Equipment	11.22		8.91%	8.91%
	<b>Cable and Wire Facilities Assets</b>				
28	2411 Poles	20.75		4.81%	4.82%
29	2421 Aerial Cable	25		3.99%	3.99%
30	2422 Underground Cable	34.6		2.89%	2.89%
31	2423 Buried Cable			3.96%	3.96%
32	2424 Submarine Cable				
33	2425 Deep Sea Cable				
34	2426 Intrabuilding Network Cable				
35	2431 Aerial Wire				
36	2441 Conduit Systems	50		1.99%	2.00%
37					
38	Composite rate for all depreciable accounts	XXXXXXXXXX	XXXXXXXXXXXX		
39	Composite rate for all plant accounts included in account 2001	XXXXXXXXXX	XXXXXXXXXXXX		
40	Ratio to all depreciable accounts	XXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXX	
41	Ratio to all plant accounts included in account 2001	XXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXX	

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**20. BASES OF CHARGES FOR DEPRECIATION (Continued)**

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

**Section II. Subclasses of Depreciable Plant**

Line No.	Primary Acct. No. (f)	Name or Description of Subclass (g)	Estimated Service Life in Years (h)	Estimated Net Salvage Factor (i)	Annual Rate End of the Year (j)	Plant Balances Used in Computing Composite Rates (k)	Est. Annual Depreciation for Compositing Purposes (j)x(k) (l)
1	2112.1	Vehicles - Cars	5.52		18.10%	68,301	12,363
2	2112.2	Vehicles - Small Trucks	6.95		14.39%	407,061	58,578
3							
4		<u>Total</u>			14.92%	475,362	70,941
5							
6							
7							
8	2232	Circuit Equipment	16.75		5.97%	1,458,367	87,065
9	2232.4	DSL Equipment	5		20.00%	1,394,089	278,823
10							
11		<u>Total</u>			12.83%	2,852,456	365,888
12							
13							
14	2423.1	Buried Cable	25.25		3.96%	587,505	23,265
15	2423.2	Buried Cable - Drops	5.54		18.05%	115	21
16							
17		<u>Total</u>			3.96%	587,620	23,286
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32							
33							
34							
35							
36							
37							
38							
39							
40							
41							

**21. TELECOMMUNICATIONS ACCOUNTS RECEIVABLE AND ACCOUNTS  
RECEIVABLE ALLOWANCE**

Line No.	Item (a)	Number of Accounts (b)	Amount at End of the Year (c)
1	Customers and Agents-Receiving Service	5,375	\$123,637
2	Customers and Agents-Service Discontinued	32	1,025
3	Total	5,407	124,662
4	Less Reserve for Uncollectible Accounts-Cr.	xxxx	3,782
5	Balance	xxxx	\$120,880

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	3,785
7	Accruals charged to account 5301	150,200
8	Collection of amounts previously written off	9,811
9	Other Credits (explain in a note)	0
10	Total credits	160,011
11	Uncollectible written off during the year	160,014
12	Other debits (explain in a note)	0
13	Total debits	160,014
14	Balance at end of year	\$3,782
15	Total operating revenues for the year	\$4,259,778
16	Net write offs during the year (line 11 minus line 8)	\$150,203
17	Ratio of line 16 to line 15	3.53%
18	Ratio of line 7 to line 15	3.53%
19	Interstate Uncollectible Revenues (Account 5301.1)	\$56,175
20	Intrastate Uncollectible Revenues (Account 5301.2)	\$94,025

Insert additional pages, if applicable.

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

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

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

Line No.	Name of Debtor (a)	Balance at Beginning of Year (b)	Debits During Year (c)	Credits During Year (d)	Balance End of Year (e)	Average Month-end Balance (f)
	<b>Account 1190.1 Accounts Receivable from Affiliated Companies:</b>					
1	Midtel Cable TV, Inc.	\$305,650	\$678,564	\$873,873	\$110,341	\$172,332
2	Seamless Geoport Communications, Inc.	\$25,629	\$249,237	\$251,867	22,999	\$21,140
3					0	
4					0	
5					0	
6					0	
7					0	
8					0	
9					0	
10					0	
11					0	
12	<b>Total Accounts Receivable from Affiliated Companies</b>	\$331,279	\$927,801	\$1,125,740	\$133,340	\$193,472
	<b>Account 1190.2 Other Accounts Receivable:</b>					
13	Verizon	\$20,400	\$229,027	\$232,181	\$17,246	\$20,111
14	AT&T	16,604	334,842	315,168	36,278	24,052
15	NECA, Inc.	59,313	623,738	624,550	58,501	51,948
16	Ft. Group B/D Access Billing & Special Circuit Billing	130,605	1,263,029	1,257,103	136,531	152,675
17	National Grid	4,273	23,852	5,007	23,118	5,572
18	Solix	535	2,517	2,898	154	382
19	ANI - B&C Billing	16,719	117,289	118,762	15,246	16,317
20	Wireless Reciprocal Compensation	10,113	125,570	124,429	11,254	11,928
21	Construction Charges - Customer / Accidents	9,981	9,967	19,948	0	2,061
22	Time Warner Cable	2,031	82,909	59,103	25,837	7,416
23	Aggregate of all Other Items	13,537	152,740	152,737	13,540	2,464
24	<b>Total Other Accounts Receivable</b>	\$284,111	\$2,965,480	\$2,911,886	\$337,705	\$294,926

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**23. ACCOUNTS RECEIVABLE ALLOWANCE - AFFILIATED AND OTHER**

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

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

**24. NOTES RECEIVABLE AND NOTES RECEIVABLE ALLOWANCE**

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

Line No.	Name of Debtor (a)	Description of Transaction (b)	Date of Issue (c)	Date of Maturity (d)	Amount at End of the Year (e)	Interest Rate Per Annum (f)
1	<b>Account 1200.1 Notes Receivable from Affiliated Companies:</b> <b>NONE</b>					%
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12	<b>Total</b>				\$0	xxx
13	<b>Account 1200.2 Other Notes Receivable:</b> <b>NONE</b>					
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						xxx
24	<b>Total</b>				\$0	xxx

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

Line No.	Particulars (a)	Affiliates (b)	Nonaffiliates (c)
25	Balance at beginning of the year	\$0	\$0
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	<b>Subaccount 1220.1, Material and Supplies:</b>		
2	DROP WIRE AND PROTECTORS	\$12,821	\$10,032
3	POLES	22,919	22,642
4			
5	CABLE	74,675	90,061
6			
7	FIBER TO THE HOME	164,461	143,505
8			
9	MISCELLANEOUS HARDWARE - 1220.1	21,029	11,770
10			
11			
12	<b>Total</b>	\$295,905	\$278,010
13	<b>Subaccount 1220.2, Property Held for Sale or Lease:</b>		
14	TELEPHONE & STATION EQUIPMENT	7,713	13,194
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26	<b>Total</b>	\$7,713	\$13,194
27	<b>Grand Total</b>	\$303,618	\$291,204

**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
		Prepaid Taxes (Acct. 1300) (b)	Tax Accruals (Accts. 4070 and 4080) (c)	Acct. Chg.. (d)	Amount (e)			Prepaid Taxes (Acct. 1300) (h)
1	<b>Federal:</b>							
2	Income Taxes	\$0	(\$197,990)				(\$207,595)	\$0
3								
4								
5								
6								
7								
8								
9								
10	Social Security	0	0	6570	154,882	154,882		0
11								
12								
13	Unemployment	0	0	6570	1,749	1,749		0
14								
15								
16								
17								
18								
19								
20								
21								
22								
23								
24								
25								
26								
27	Subtotal	\$0	(\$197,990)		\$156,631	\$156,631	(\$207,595)	\$0

**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
		Prepaid Taxes (Acct. 1300) (b)	Tax Accruals (Accts. 4070 and 4080) (c)	Acct. Chg.. (d)	Amount (e)			Prepaid Taxes (Acct. 1300) (h)
28	<b>State:</b>							
29	Gross Earnings	0	(690)	7240	14,863	15,183		0
30	Gross Income	0	(3,000)	7240	49,615	50,143		0
31	Franchise	0	0	7240	12,272	12,272		0
32	Unemployment	0	0	6570	4,711	4,711		0
33	Disability Insurance	0	0	6570	4,038	4,038		0
34	PSC Assessment	990	0	7240	4,168	4,237		1,059
35	NYS Equalization & Assessment	33	0	7240	185	203		51
36								
37								
38								
39								
40								
41								
42	<b>Local:</b>							
43	Gross Receipts	0	0	7240	2,230	2,230		0
44	Property	66,430	0	7240	224,142	225,937		68,225
45	Other							
46								
47								
48								
49								
50								
51								
52								
53								
48								
49								
50								
51								
52								
53								
54								
55								
56	Total	\$67,453	(\$201,680)	xxxx	\$472,855	\$475,585	(\$207,595)	\$69,335

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ct to	
End of Year	
Tax Accruals (Accts. 4070 and 4080) (i)	
	\$9,605
	0
	0
	\$9,605



**27. DEFERRED INCOME TAXES-Dr.**

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

Line No.	Description of Item (a)	Balance at Beginning of Year (b)	Contra Acct. (c)	Current Year Accrual (d)	Current Year Amortization (e)	Adjustments Debit or (Credit) (f)	Balance at End of Year (g)
	<b>Property Related</b>						
	<b>Current Deferred Operating Income Taxes-Dr. (Account 1360)</b>						
1		\$0		\$0	\$0	\$0	\$0
2							0
3							0
4							0
5							0
6							0
7							0
8							0
9	<b>Total</b>	\$0	7250	\$0	\$0	\$0	\$0
	<b>Noncurrent Deferred Operating Income Taxes-Dr. (Account 1510)</b>						
10							\$0
11							0
12							0
13							0
14							0
15							0
16							0
17							0
18	<b>Total</b>	\$0	7250	\$0	\$0	\$0	\$0
19	<b>Total Property Related Deferred Operating Income Taxes-Dr.</b>	\$0		\$0	\$0	\$0	\$0
	<b>Nonproperty Related</b>						
	<b>Current Deferred Operating Income Taxes-Dr. (Account 1360)</b>						
20	Intrastate Lifeline Support Discount	\$16,396	7250	\$1,364			\$17,760
21							0
22							0
23							0
24							0
25							0
26							0
27							0
28	<b>Total</b>	\$16,396	7250	\$1,364	\$0	\$0	\$17,760

27. DEFERRED INCOME TAXES-Dr. (Continued)							
Line No.	Description of Item (a)	Balance at Beginning of Year (b)	Contra Acct. (c)	Current Year Accrual (d)	Current Year Amortization (e)	Adjustments Debit or (Credit) (f)	Balance at End of Year (g)
	<b>Nonproperty Related</b>						
	<b>Noncurrent Deferred Operating Income Taxes-Dr. (Account 1510)</b>						
29	Deferred Compensation - Def Tax Asset - F.I.T.	\$110,832	7250	\$26,067			\$136,899
30	Deferred F.I.T. - Nonregulated Affiliate's 2% Royalty	77,184	7250				77,184
31	Deferred F.I.T. - RTB Stock	404,685	7250		18,292		386,393
32	Deferred F.I.T. - NOL C/F	197,918	7250	279,764		95,934	573,616
33							0
34							0
35							0
36	<b>Total</b>	\$790,619	7250	\$305,831	\$18,292	\$95,934	\$1,174,092
37	<b>Total Nonproperty Related Deferred Operating Income Taxes - Dr.</b>	\$807,015		\$307,195	\$18,292	\$95,934	\$1,191,852
	<b>Property Related</b>						
	<b>Current Deferred Nonoperating Income Taxes-Dr. (Account 1360)</b>						
38			7450				\$0
39							0
40							0
41							0
42	Deferred Income Tax Effect of Extraordinary Items		7640				0
43	<b>Total</b>	\$0		\$0	\$0	\$0	\$0
	<b>Noncurrent Deferred Nonoperating Income Taxes-Dr. (Account 1510)</b>						
44			7450				\$0
45							0
46							0
47							0
48	Deferred Income Tax Effect of Extraordinary Items		7640				0
49	<b>Total</b>	\$0		\$0	\$0	\$0	\$0
50	<b>Total Property Related Deferred Nonoperating Income Taxes-Dr.</b>	\$0		\$0	\$0	\$0	\$0
	<b>Nonproperty Related</b>						
	<b>Current Deferred Nonoperating Income Taxes-Dr. (Account 1360)</b>						
51			7450				\$0
52							0
53							0
54							0
55	Deferred Income Tax Effect of Extraordinary Items		7640				0
56	<b>Total</b>	\$0		\$0	\$0	\$0	\$0
	<b>Noncurrent Deferred Nonoperating Income Taxes-Dr. (Account (1510))</b>						
57	Deferred Compensation - Def Tax Asset - F.I.T.	\$106,019	7450		\$238		\$105,781
58	Deferred F.I.T. - NOL C/F	55,312	7450	41,223			96,535
59							0
60	Deferred Income Tax Effect of Extraordinary Items		7640				0
61	<b>Total</b>	\$161,331		\$41,223	\$238	\$0	\$202,316
62	<b>Total Nonproperty Related Deferred Nonoperating Income Taxes - Dr.</b>	\$161,331		\$41,223	\$238	\$0	\$202,316

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

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

Line No.	Description of Item (a)	Balance at Beginning of Year (b)	Contra Acct. (c)	Current Year Accrual (d)	Current Year Amortization (e)	Adjustments Debit or (Credit) (f)	Balance at End of Year (g)
	<b>Property Related</b>						
1	<b>Current Deferred Operating Income Taxes-Cr. (Account 4100)</b>						\$0
2	NONE						0
3							0
4							0
5							0
6							0
7							0
8							0
9	<b>Total</b>	\$0	7250	\$0	\$0	\$0	\$0
	<b>Noncurrent Deferred Operating Income Taxes-Cr. (Account 4340)</b>						
10	Plant in Service	\$521,432	7250	\$200,772			\$722,204
11							0
12							0
13							0
14							0
15							0
16							0
17							0
18	<b>Total</b>	\$521,432	7250	\$200,772	\$0	\$0	\$722,204
19	<b>Total Property Related Deferred Operating Income Taxes-Cr.</b>	\$521,432		\$200,772	\$0	\$0	\$722,204
	<b>Nonproperty Related</b>						
20	<b>Current Deferred Operating Income Taxes-Cr. (Account 4100)</b>						\$0
21	NONE						0
22							0
23							0
24							0
25							0
26							0
27							0
28	<b>Total</b>	\$0	7250	\$0	\$0	\$0	\$0

28. DEFERRED INCOME TAXES-Cr. AND INVESTMENT TAX CREDIT (Continued)							
Line No.	Description of Item (a)	Balance at Beginning of Year (b)	Contra Acct. (c)	Current Year Accrual (d)	Current Year Amortization (e)	Adjustments Debit or (Credit) (f)	Balance at End of Year (g)
29	<b>Nonproperty Related</b>						
30	<b>Noncurrent Deferred Operating Income Taxes-Cr. (Account 4340)</b>						\$0
31	NONE						0
32							0
33							0
34							0
35							0
36	<b>Total</b>	\$0	7250	\$0	\$0	\$0	\$0
37	<b>Total Nonproperty Related Deferred Operating Income Taxes - Cr.</b>	\$0		\$0	\$0	\$0	\$0
38	<b>Operating Investment Tax Credit (Account 4320)</b>						\$0
39	NONE						0
40							0
41							0
42							0
43							0
44	<b>Total</b>	\$0	7210	\$0	\$0	\$0	\$0
45	<b>Property Related</b>						
46	<b>Current Deferred Nonoperating Income Taxes-Cr. (Account 4110)</b>		7450				\$0
47	NONE						0
48							0
49							0
50	Deferred Income Tax Effect of Extraordinary Items		7640				0
51	<b>Total</b>	\$0		\$0	\$0	\$0	\$0
52	<b>Noncurrent Deferred Nonoperating Income Taxes-Cr. (Account 4350)</b>		7450				\$0
53	NONE						0
54							0
55							0
56							0
57	Deferred Income Tax Effect of Extraordinary Items		7640				0
58	<b>Total</b>	\$0		\$0	\$0	\$0	\$0
59	<b>Total Property Related Deferred Nonoperating Income Taxes-Cr.</b>	\$0		\$0	\$0	\$0	\$0

28. DEFERRED INCOME TAXES-Cr. AND INVESTMENT TAX CREDIT (Continued)							
Line No.	Description of Item (a)	Balance at Beginning of Year (b)	Contra Acct. (c)	Current Year Accrual (d)	Current Year Amortization (e)	Adjustments Debit or (Credit) (f)	Balance at End of Year (g)
	<b>Nonproperty Related</b>						
	<b>Current Deferred Nonoperating Income Taxes-Cr. (Account 4110)</b>						
60	NONE		7450				\$0
61							0
62							0
63							0
64							0
65	Deferred Income Tax Effect of Extraordinary Items		7640				0
66	<b>Total</b>	\$0		\$0	\$0	\$0	\$0
	<b>Noncurrent Deferred Nonoperating Income Taxes-Cr. (Account 4350)</b>						
67	NONE		7450				\$0
68							0
69							0
70							0
71							0
72	Deferred Income Tax Effect of Extraordinary Items		7640				0
73	<b>Total</b>	\$0		\$0	\$0	\$0	\$0
74	<b>Total Nonproperty Related Deferred Nonoperating Income Taxes - Cr.</b>	\$0		\$0	\$0	\$0	\$0
75	<b>Nonoperating Investment Tax Credit (Account 4330)</b>						
76	NONE						\$0
77							0
78							0
79							0
80							0
81	<b>Total</b>	\$0	7410	\$0	\$0	\$0	\$0

**29. EXCESS/DEFICIENT DEFERRED FEDERAL INCOME TAX BALANCES \***

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

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

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



**29A. TEMPORARY INCOME TAX DIFFERENCES - SFAS 109**

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

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

**30. Investments in Affiliated Companies**

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

Line No.	Item (A)	Date of Acquisition (B)	Acquisition Cost (C)	Type Of Security (D)	Amount of Inv. Beg of Year (E)	Invests Retired During Year (F)	Gain or loss on disposition (G)
1	Midtel Cable TV, Inc.			C	\$1,062,250		
2	Seamless Geoport Communications, Inc.			C	460,375		
3	Middleburgh Network Connection Corp.			C	23,199		
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	\$1,545,824	\$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.

proprietary treatment in accordance with General Instruction 2 of this report form.

		Equity Method			Cost Method			
Line No.	Percent of Ownership (H)	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		Amount of Investments End of Year (O)
						Temporary Account 4540 (M)	Permanent (N)	
1	100.00%	(\$35,435)						\$1,026,815
2	100.00%	(32,377)						427,998
3	100.00%	(45)						23,154
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	(\$67,857)	\$0	\$0	\$0	\$0	\$0	\$1,477,967

**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	Description of Investment (Including nominal interest rate and term when appropriate)	Book Cost of Investment at Beginning of the Year	Book Cost of Investment Made During the Year
(a)	(b)	(c)	(d)	
1		<u>Account 1401.2, Advances to Affiliated Companies:</u>		
2		<u>Midtel Cable TV, Inc.</u>	\$300,000	\$0
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18		Total Account 1401.2	\$300,000	\$0
19		<u>Account 1402, Investments in Nonaffiliated Companies:</u>		
20		<u>Wireless Access, LLC</u>	\$20,269	\$0
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37		Total Account 1402	\$20,269	\$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	\$0	\$300,000					
2		0					
3		0					
4		0					
5		0					
6		0					
7		0					
8		0					
9		0					
10		0					
11		0					
12		0					
13		0					
14		0					
15		0					
16		0					
17		0					
18	\$0	\$300,000				\$0	\$0
19	\$20,269	\$0				(\$20,269)	
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	\$20,269	\$0				(\$20,269)	\$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)
1	<b>Subaccount 1406.1 Permanent Investment</b>				\$0
2	NONE				0
3					0
4					0
5					0
6					0
7					0
8					0
9					0
10					0
11					0
12	<b>Subaccount 1406.2 Receivable/Payable</b>				0
13	NONE				0
14					0
15					0
16					0
17					0
18					0
19					0
20					0
21					0
22					0
23	<b>Subaccount 1406.3 Current Net Income or Loss</b>				0
24	NONE				0
25					0
26					0
27					0
28					0
29					0
30					0
31					0
32					0
33					0
34	<b>Total</b>	\$0	\$0	\$0	\$0

**33. OTHER DEFERRED CHARGES**

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

Line No.	Description of Item (a)	Balance at Beg. of Year (b)	Debits (c)	Credits		Balance at End of Year (f)
				Account Credited (d)	Amount (e)	
1	NONE					\$0
2						0
3						0
4						0
5						0
6						0
7						0
8						0
9						0
10						0
11						0
12						0
13						0
14						0
15						0
16						0
17						0
18						0
19						0
20						0
21						0
22						0
23						0
24						0
25						0
26						0
27	Totals from Insert Pages					0
28	Total	\$0	\$0		\$0	\$0

**34. ACCOUNTS PAYABLE**

1. List the information for each affiliate.

2. List the information for each nonaffiliate creditor whose individual balance is 5% or more of the total Other Accounts Payable balance at year end.

Do not report more than ten nonaffiliate creditors.

3. Aggregate all other nonaffiliate creditors.

Line No.	Name of Debtor (a)	Balance at Beginning of Year (b)	Debits During Year (c)	Credits During Year (d)	Balance End of Year (e)
	<b>Account 4010.1 Accounts Payable to Affiliated Companies:</b>				
1	Seamless Geoport Communications, Inc.	\$0	\$617,975	\$617,975	\$0
2	Midtel Cable TV, Inc.	0	2,047,368	2,047,368	0
3					0
4					0
5					0
6					0
7					0
8					0
9					0
10					0
11					0
12					0
13	<b>Total Accounts Payable to Affiliated Companies</b>	\$0	\$2,665,343	\$2,665,343	\$0
	<b>Account 4010.2 Other Accounts Payable:</b>				
14	AT&T	\$15,757	\$248,626	\$244,730	\$11,861
15	Verizon	15,515	300,608	298,682	\$13,589
16	MTLD	76,724	917,438	911,480	70,766
17	National Grid	61,613	126,934	161,609	96,288
18	The Hearn Agency, Inc.	45,383	99,764	118,931	64,550
19	Wireless Reciprocal Compensation Billing	10,008	55,304	52,592	7,296
20	ACM, Inc.	12,330	71,371	70,327	11,286
21					0
22					0
23					0
24					0
25					0
26					0
27	Aggregate of all other items	23,485	8,461,086	8,488,935	51,334
28	<b>Total Other Accounts Payable</b>	\$260,815	\$10,281,131	\$10,347,286	\$326,970



**35. NOTES PAYABLE**

1. List the information for each affiliate note.

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

3. Aggregate all other nonaffiliate notes.

Line No.	Name of Creditor (a)	Description of Transaction (b)	Date of Issue (c)	Date of Maturity (d)	Amount at End of the Year (e)	Interest Rate per Annum (f)
	<b>Account 4020.1 Notes Payable to Affiliated Companies:</b>					
1	NONE					
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16	<b>Total</b>				\$0	xxxxx
	<b>Account 4020.2 Other Notes Payable:</b>					
17	NONE					
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30	Aggregate of all other items					
31	<b>Total</b>				\$0	xxxxx

**36. Long Term Debt**

1. List by balance sheet account debt held in Accounts 4050, 4210, 4260, 4270. Provide the particulars regarding each obligation within those accounts.

2. Explain any interest charged other than to account 7510.1.

3. Explain any debits and credits other than amortizations debited to account 7530, account 7510.2, or credited to account 7510.3.

Line No.	Description of Obligation	Nominal Date of Issue	Date of Maturity	Face Amount Outstanding	Interest		Unamortized Balances			Amortizations		
					Stated Rate	Amount Acct. 7510.1	Debt Exp Acct. 1407	Premium Acct. 4220	Discount Acct. 4230	Debt Exp Acct. 7530	Discount Acct. 7510.2	Premium Acct. 7510.3
1	Account 4050, Current Maturities - Debt											
2												
3												
4												
5												
6												
7												
8												
9												
10												
11	Total			\$0								
12	Account 4210, Funded Debt											
13	REA "B" Loan	8/6/1980	2015	\$14,753	5.00%	817						
14	RTB "B" Loan	8/6/1980	2015	951,329	8.00%	7,480	1,136			213		
15	RTB "C" Loan	12/17/1987	2022	82,762	7.50%	73,563	3,500			350		
16												
17												
18												
19												
20												
21												
22												
23												
24												
25												
26												
27												
28												
29												
30												
31												
32												
33												
34												
35												
36												
37												
38	Subtotal			\$1,048,844		\$81,860	\$4,636	\$0	\$0	\$563	\$0	\$0

36. Long Term Debt												
Line No.	Description of Obligation	Nominal Date of Issue	Date of Maturity	Face Amount Outstanding	Interest		Unamortized Balances			Amortizations		
					Stated Rate	Amount Acct. 7510.1	Debt Exp Acct. 1407	Premium Acct. 4220	Discount Acct. 4230	Debt Exp Acct. 7530	Discount Acct. 7510.2	Premium Acct. 7510.3
38	Account 4210, Funded Debt (Continued)											
39												
40												
41												
42												
43												
44												
45	Total			\$1,048,844								
46												
47	Account 4260, Advances from Affiliated Companies											
48												
49												
50												
51												
52												
53												
54	Total			\$0								
55												
56	Account 4270, Other Long-Term Debt											
57												
58												
59												
60												
61												
62												
63												
64												
65												
66												
67												
68												
69												
70												
71												
72												
73												
74												
75	Total			\$0								
76												
77												
78												
79	Grand Total			\$1,048,844		\$81,860	\$4,636	\$0	\$0	\$563	\$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	REA "B" Loan			\$3,487			
2	RTB "B" Loan			19,753			
3	RTB "C" Loan			54,689			
4							
5							
6							
7							
8							
9							
10							
11							
12	Total	xxxxxx	xxxxx	\$77,929	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	Executive Deferred Compensation	\$441,000	6534	\$93,000	4120	\$100,000	\$434,000
2			6711				0
3			6712				0
4			6722				0
5			6723				0
6			7370				0
7							0
8							0
9	Executive Deferred Compensation	96,796	6711	82,968	4120	27,654	152,110
10			6712				0
11			6722				0
12			6534				0
13			1190				0
14							0
15							0
16							0
17							0
18							0
19							0
20							0
21							0
22							0
23							0
24							0
25							0
26							0
27							0
28							0
29							0
30							0
31							0
32							0
33							0
34							0
35							0
36	<b>Totals</b>	\$537,796		\$175,968		\$127,654	\$586,110

**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	Deferral of Lifeline Support (USAC)	\$48,222			\$4,011	\$52,233
2	Regulated Liability - 2% Royalty	227,010				227,010
3	Rural Telephone Bank Stock Sale	1,190,251	4360	53,801		1,136,450
4						0
5						0
6						0
7						0
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26						0
27						0
28						0
29						0
30		\$1,465,483	x x x	\$53,801	\$4,011	\$1,415,693

**40. CAPITAL STOCK**

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

Line No.	Class and Series of Stock (a)	Number of shares authorized by Articles of Incorporation (b)	OUTSTANDING PER BALANCE SHEET*				HELD BY RESPONDENT		DIVIDENDS DURING YEAR	
			Number of shares (c)	Par or stated value per share (d)	Amount (e)	Additional Paid in Capital (Acct. 4520) (f)	Shares (g)	Cost (Account 4530) (h)	Declared (i)	Paid (j)
1	<u>Account 4510.1 Capital Stock-Common</u>									
2	Common Stock	4,000	580	\$ 100	\$64,200	\$0	50	\$840,336	\$98,600	\$98,600
3										
4										
5										
6										
7										
8										
9	TOTALS (Account 4510.1)	4,000	580	xxxxxxx	\$64,200	\$0	50	\$840,336	\$98,600	\$98,600
10	<u>Account 4510.2 Capital Stock-Preferred</u>									
11	Preferred "A"	1,750	0	\$100	\$0				\$0	\$0
12	Preferred "B"	4,250	0	100	0				0	0
13										
14										
15										
16										
17										
18	TOTALS (Account 4510.2)	6,000	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	NONE			
2				
3				
4				
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42. OPERATING REVENUES			
Line No.	Item (a)	This Year Total (b)	Last Year Total (c)
<b>LOCAL NETWORK SERVICES REVENUES</b>			
1	5001 Basic Area	\$653,968	\$699,833
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	0	0
7	5050 Customer Premises	2,994	2,301
8	5060 Other Local Exchange	315,491	319,214
9	5069 Other Local Exchange Settlements	0	0
10	Total Local Network Services Revenues	972,453	1,021,348
<b>NETWORK ACCESS SERVICES REVENUES</b>			
11	5081 End User	601,207	624,942
12	5082 Switched Access	1,093,353	1,193,142
13	5083 Special Access	497,214	402,093
14	5084 State Access	726,188	761,960
15	Total Access Services Revenues	2,917,962	2,982,137
<b>LONG DISTANCE NETWORK SERVICES REVENUES</b>			
16	5100 Long Distance Message	0	0
17	5111 Long Distance Inward-Only	0	0
18	5112 Long Distance Outward-Only	0	0
19	5121 Subvoice Grade Long Distance Private Network	0	0
20	5122 Voice Grade Long Distance Private Network	0	0
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	0
28	5169 Other Long Distance Settlements	0	0
29	Total Long Distance Network Services Revenues	0	0
<b>MISCELLANEOUS REVENUES</b>			
30	5230 Directory	88,431	88,814
31	5240 Rent	71,710	69,622
32	5250 Corporate Operations	0	0
33	5261 Special Billing Arrangements	0	0
34	5262 Customer Operations	0	0
35	5263 Plant Operations	0	0
36	5264 Other Incidental Regulated	7,951	7,154
37	5269 Other Settlements	0	0
38	5270.1 Interstate Billing and Collection	3,716	4,566
39	5270.2 Intrastate Billing and Collection	228,615	250,207
40	5280 Nonregulated	119,140	115,818
41	Total Miscellaneous Revenues	519,563	536,181
<b>UNCOLLECTIBLE REVENUES</b>			
42	5301 Uncollectible-Telecommunications	150,200	106,525
43	5302 Uncollectible-Other	0	0
44	Total Uncollectible Revenues	150,200	106,525
45	<b>TOTAL OPERATING REVENUES</b>	<b>\$4,259,778</b>	<b>\$4,433,141</b>
46	FOOTNOTE: USF Revenues \$.....NONE.....	XXXXXXXXXX	XXXXXXXXXX
47	Recorded in Account: .....5082.....	XXXXXXXXXX	XXXXXXXXXX

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**44. OPERATING EXPENSES BY CATEGORY**

Line No.	Item (a)	Salaries & Wages (b)	Benefits (c)	Rents (d)
	<b><u>Plant Specific Operations</u></b>			
	<b><u>Network Support Expenses</u></b>			
1	6112 Motor Vehicle	5,901	2,185	1,342
2	Clearance	5,833	2,160	0
3	Net Balance	68	25	1,342
4	6113 Aircraft	0	0	0
5	Clearance	0	0	0
6	Net Balance	0	0	0
7	6114 Special Purpose Vehicles	0	0	0
8	Clearance	0	0	0
9	Net Balance	0	0	0
10	6115 Garage Work Equipment	0	0	0
11	6116 Other Work Equipment	0	0	0
12	Clearance	0	0	0
13	Net Balance	0	0	0
14	6110 Network Support Expenses	68	25	1,342
	<b><u>General Support Expenses</u></b>			
15	6121 Land and Building	25,251	8,808	2,240
16	6122 Furniture and Artworks	0	0	0
17	6123 Office Equipment	0	0	24,130
18	6124 General Purpose Computers	19,469	7,079	1,035
19	6120 General Support Expenses	44,720	15,887	27,405
	<b><u>Central Office Switching Expenses</u></b>			
20	6211 Analog Electronic	0	0	0
21	6212 Digital Electronic	116,034	41,084	0
22	6215 Electro-Mechanical	0	0	0
23	6210 Central Office Switching Expenses	116,034	41,084	0
24	6220 Operator Systems Expense	0	0	0
	<b><u>Central Office Transmission Expenses</u></b>			
25	6231 Radio Systems	0	0	0
26	6232 Circuit Equipment	95,807	35,049	0
27	6230 Central Office Transmission Expenses	95,807	35,049	0
	<b><u>Information Origination/Termination Expenses</u></b>			
28	6311 Station Apparatus	433	143	0
29	6321 Customer Premises Wiring	21,069	7,468	0
30	6341 Large Private Branch Exchange	0	0	0
31	6351 Public Telephone Terminal Equipment	0	0	0
32	6362 Other Terminal Equipment	0	0	0
33	6310 Information Origination/Termination Expenses	21,502	7,611	0

44. OPERATING EXPENSES BY CATEGORY (Continued)				
Item (a)	Other Expenses (e)	This Year Total (f)	Last Year Total (g)	Line No.
<b><u>Plant Specific Operations</u></b>				
<b><u>Network Support Expenses</u></b>				
6112 Motor Vehicle	148,580	158,008	137,310	1
Clearance	132,676	140,669	122,830	2
Net Balance	15,904	17,339	14,480	3
6113 Aircraft	0	0	0	4
Clearance	0	0	0	5
Net Balance	0	0	0	6
6114 Special Purpose Vehicles	0	0	0	7
Clearance	0	0	0	8
Net Balance	0	0	0	9
6115 Garage Work Equipment	0	0	0	10
6116 Other Work Equipment	11,778	11,778	11,167	11
Clearance	11,714	11,714	10,953	12
Net Balance	64	64	214	13
6110 Network Support Expenses	15,968	17,403	14,694	14
<b><u>General Support Expenses</u></b>				
6121 Land and Building	82,329	118,628	118,440	15
6122 Furniture and Artworks	2,084	2,084	1,784	16
6123 Office Equipment	3,230	27,360	27,316	17
6124 General Purpose Computers	18,905	46,488	79,785	18
6120 General Support Expenses	106,548	194,560	227,325	19
<b><u>Central Office Switching Expenses</u></b>				
6211 Analog Electronic	0	0	0	20
6212 Digital Electronic	124,847	281,965	186,702	21
6215 Electro-Mechanical	0	0	0	22
6210 Central Office Switching Expenses	124,847	281,965	186,702	23
6220 Operator Systems Expense	0	0	0	24
<b><u>Central Office Transmission Expenses</u></b>				
6231 Radio Systems	0	0	0	25
6232 Circuit Equipment	37,723	168,579	207,829	26
6230 Central Office Transmission Expenses	37,723	168,579	207,829	27
<b><u>Information Origination/Termination Expenses</u></b>				
6311 Station Apparatus	2,917	3,493	2,683	28
6321 Customer Premises Wiring	4,371	32,908	19,586	29
6341 Large Private Branch Exchange	0	0	0	30
6351 Public Telephone Terminal Equipment	0	0	0	31
6362 Other Terminal Equipment	0	0	0	32
6310 Information Origination/Termination Expenses	7,288	36,401	22,269	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	81,249	27,818	15,478
35	6421 Aerial Cable	78,257	27,015	30
36	6422 Underground Cable	0	0	0
37	6423 Buried Cable	3,539	1,276	0
38	6424 Submarine Cable	0	0	0
39	6425 Deep Sea Cable	0	0	0
40	6426 Intrabuilding Network Cable	0	0	0
41	6431 Aerial Wire	0	0	0
42	6441 Conduit Systems	0	0	0
43	6410 Cable and Wire Facilities Expenses	163,045	56,109	15,508
44	Total Plant Specific Operations Expense	441,176	155,765	44,255
	<u>Plant Nonspecific Operations</u>			
	<u>Other Property, Plant &amp; Equipment Expenses</u>			
45	6511 Property Held for Future Telephone Use	0	0	0
46	6512 Provisioning	3,660	1,326	0
47	Clearance	3,320	0	0
48	Net Balance	340	1,326	0
49	6510 Total Other Property, Plant & Equipment Expenses	340	1,326	0
	<u>Network Operations Expenses</u>			
50	6531 Power	1,276	429	0
51	6532 Network Administration	48,014	17,640	0
52	6533 Testing	54,124	19,401	0
53	6534 Plant Operations Administration	123,699	71,554	0
54	Clearance	123,699	71,554	0
55	Net Balance	0	0	0
56	6535 Engineering	283	100	0
57	Clearance	283	100	0
58	Net Balance	0	0	0
59	6530 Network Operations Expense	103,414	37,470	0
60	6540 Access Expense	0	0	0
	<u>Depreciation &amp; Amortization Expenses</u>			
61	6561 Depreciation-TPIS			
62	6562 Depreciation-Property Held for Future Tel.. Use			
63	6563 Amortization-Tangible			
64	6564 Amortization-Intangible			
65	6565 Amortization-Other			
66	6560 Depreciation & Amortization Expenses			
67	Total Plant Nonspecific Operations Expense	103,754	38,796	0

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

	Item (a)	Other Expenses (e)	This Year Total (f)	Last Year Total (g)	Line No.
	Plant Specific Operations (cont.)				
	<u>Cable and Wire Facilities Expenses</u>				
6411	Poles	28,519	153,064	96,703	34
6421	Aerial Cable	50,016	155,318	116,024	35
6422	Underground Cable	0	0	0	36
6423	Buried Cable	2,465	7,280	10,968	37
6424	Submarine Cable	0	0	0	38
6425	Deep Sea Cable	0	0	0	39
6426	Intrabuilding Network Cable	0	0	0	40
6431	Aerial Wire	0	0	0	41
6441	Conduit Systems	3,104	3,104	123	42
6410	Cable and Wire Facilities Expenses	84,104	318,766	223,818	43
	Total Plant Specific Operations Expense	376,478	1,017,674	882,637	44
	<u>Plant Nonspecific Operations</u>				
	<u>Other Property, Plant &amp; Equipment Expenses</u>				
6511	Property Held for Future Telephone Use	0	0	0	45
6512	Provisioning	693	5,679	3,959	46
	Clearance	0	3,320	2,342	47
	Net Balance	693	2,359	1,617	48
6510	Total Other Property, Plant & Equipment Expenses	693	2,359	1,617	49
	<u>Network Operations Expenses</u>				
6531	Power	92,396	94,101	96,715	50
6532	Network Administration	2,521	68,175	80,059	51
6533	Testing	37,431	110,956	108,379	52
6534	Plant Operations Administration	0	195,253	198,517	53
	Clearance	0	195,253	198,517	54
	Net Balance	0	0	0	55
6535	Engineering	0	383	0	56
	Clearance	0	383	0	57
	Net Balance	0	0	0	58
6530	Network Operations Expense	132,348	273,232	285,153	59
6540	Access Expense	123,002	123,002	116,622	60
	<u>Depreciation &amp; Amortization Expenses</u>				
6561	Depreciation-TPIS	1,080,111	1,080,111	782,312	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	(34,624)	(34,624)	(29,113)	65
6560	Depreciation & Amortization Expenses	1,045,487	1,045,487	753,199	66
	Total Plant Nonspecific Operations Expense	1,301,530	1,444,080	1,156,591	67

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

Line No.	Item (a)	Salaries & Wages (b)	Benefits (c)	Rents (d)
	<b><u>Customer Operations</u></b>			\$
	<b><u>Marketing</u></b>			
68	6611 Product Management	0	0	
69	6612 Sales	10,461	3,778	
70	6613 Product Advertising	6,206	2,241	
71	6610 Marketing	16,667	6,019	
	<b><u>Services</u></b>			
72	6621 Call Completion Services	0	0	
73	6622.1 Number Services-Directory Assistance	0	0	
74	6622.2 Number Services-Directory Publishing	7,514	2,718	
75	6623.1 Customer Services-Order Processing & Instruction	50,502	18,267	
76	6623.2 Customer Services-Billing and Collections	118,666	42,805	
77	6623.3 Customer Services-Public Telephone Expenses	0	0	
78	6620 Services	176,682	63,790	
79	Total Customer Operations Expense	193,349	69,809	
	<b><u>Corporate Operations Expense</u></b>			
	<b><u>Executive and Planning</u></b>			
80	6711 Executive	244,626	190,500	
81	6712 Planning	75,692	39,463	
82	6710 Executive and Planning	320,318	229,963	
	<b><u>General &amp; Administrative</u></b>			
83	6721 Accounting & Finance	173,547	62,600	
84	6722 External Relations	68,994	43,751	
85	6723 Human Resources	14,573	7,601	
86	6724 Information Management	88,100	32,308	
87	6725 Legal	0	0	
88	6726 Procurement	1,514	548	
89	6727 Research and Development	0	0	
90	6728 Other General & Administrative	9,499	3,531	
91	6720 General & Administrative	356,227	150,339	
92	6790 Provision for Uncollectible Notes Receivable			
93	Total Corporate Operations Expenses	676,545	380,302	
94	TOTAL OPERATING EXPENSES	\$1,414,824	\$644,672	\$44,255

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44. OPERATING EXPENSES BY CATEGORY (Continued)				
Item (a)	Other Expenses (e)	This Year Total (f)	Last Year Total (g)	Line No.
<b><u>Customer Operations</u></b>				
	\$	\$	\$	
<b><u>Marketing</u></b>				
6611 Product Management	0	0	2,182	68
6612 Sales	100	14,339	31,271	69
6613 Product Advertising	13	8,460	4,921	70
6610 Marketing	113	22,799	38,374	71
<b><u>Services</u></b>				
6621 Call Completion Services	40,329	40,329	34,695	72
6622.1 Number Services-Directory Assistance	0	0	0	73
6622.2 Number Services-Directory Publishing	28,797	39,029	44,088	74
6623.1 Customer Services-Order Processing & Instruction	1,821	70,590	53,623	75
6623.2 Customer Services-Billing and Collections	58,397	219,868	337,664	76
6623.3 Customer Services-Public Telephone Expenses	0	0	0	77
6620 Services	129,344	369,816	470,070	78
Total Customer Operations Expense	129,457	392,615	508,444	79
<b><u>Corporate Operations Expense</u></b>				
<b><u>Executive and Planning</u></b>				
6711 Executive	11,589	446,715	470,700	80
6712 Planning	0	115,155	128,928	81
6710 Executive and Planning	11,589	561,870	599,628	82
<b><u>General &amp; Administrative</u></b>				
6721 Accounting & Finance	133,938	370,085	385,247	83
6722 External Relations	25,632	138,377	101,909	84
6723 Human Resources	672	22,846	13,064	85
6724 Information Management	225	120,633	100,084	86
6725 Legal	631	631	5,383	87
6726 Procurement	612	2,674	973	88
6727 Research and Development	0	0	0	89
6728 Other General & Administrative	95,999	109,029	93,929	90
6720 General & Administrative	257,709	764,275	700,589	91
6790 Provision for Uncollectible Notes Receivable		0	0	92
Total Corporate Operations Expenses	269,298	1,326,145	1,300,217	93
TOTAL OPERATING EXPENSES	\$2,076,763	\$4,180,514	\$3,847,889	94



**45. TAXES CHARGED DURING YEAR**

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

Line No.	Kind of Tax (a)	Total taxes charged during year (b)	Account 7220 (c)	Account 7420 (d)	Account 7630 (e)	Account 7240 Intrastate (f)	Account 7240 Interstate (g)
	Federal Taxes:						
1	Income						
2	FICA-Contribution	154,882					
3	Unemployment	1,749					
4	Other: FCC Assessment	3,608					3,608
5							
6	Total	\$160,239	\$0	\$0	\$0	\$0	\$3,608
	State Taxes:						
7	Franchise-Gross Income-186a						
8	Franch.-Gross Inc.-Access Charges	49,615				29,809	19,806
9	Franchise-Gross Earnings-184	14,863				8,930	5,933
10	Franchise-Excess Div.-186	12,272				7,373	4,899
11	Temporary Surcharges-						
12	Sec. 186a (Gross Income)						
13	Sec. 184 (Gross Earnings)						
14	Sec. 186 ( Excess Dividend)						
15	MTA Surcharge						
16	Unemployment Insurance	4,711					
17	Disability Insurance	4,038					
18	Sales and Use						
19	Other: PSC Assessment	3,989				3,989	
19	NYS Equalization & Assessment	185				111	74
20	Total	\$89,673	\$0	\$0	\$0	\$50,212	\$30,712
21	Local Taxes:						
22	Real Estate	\$224,142				\$134,665	\$89,477
23	Special Franchise						
24	Municipal Gross Income	2,230				1,340	890
25	NYC-Spec. Franchise						
26	Motor Vehicle						
27	Other						
28							
29	Total	\$226,372	\$0	\$0	\$0	\$136,005	\$90,367
30	Other (list):						
31							
32							
33	Totals	\$476,284	\$0	\$0	\$0	\$186,217	\$124,687

**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				6570	\$154,882
3	Unemployment				6570	1,749
4	Other					
5						
6	Total	\$0	\$0	\$0	XXXXXXX	\$156,631
	State Taxes:					
7	Franchise-Gross Income-186a					
8	Franch.-Gross Inc.-Access Charges					
9	Franchise-Gross Earnings-184					
10	Franchise-Excess Div.-186					
11	Temporary Surcharges-					
12	Sec. 186a (Gross Income)					
13	Sec. 184 (Gross Earnings)					
14	Sec. 186 (Excess Dividend)					
15	MTA Surcharge					
16	Unemployment Insurance				6570	4,711
17	Disability Insurance				6570	4,038
18	Sales and Use					
19	Other					
20	Total	\$0	\$0	\$0	XXXXXXX	\$8,749
21	Local Taxes:					
22	Real Estate					
23	Special Franchise					
24	Municipal Gross Income					
25	NYC-Spec. Franchise					
26	Motor Vehicle					
27	Other					
28						
29	Total	\$0	\$0	\$0	XXXXXXX	\$0
30	Other (list):					
31						
32						
33	Totals	\$0	\$0	\$0	XXXXXXX	\$165,380

**46. MISCELLANEOUS TAX REFUNDS**

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

Line No.	Description of Item (a)	Amount (b)
1	NONE	
2		
3		
4		
5		
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29		
30		
31		
32		
33		
34		
35	<b>Total</b>	<b>\$0</b>

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

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

Line No.	Particulars (a)	Amount (b)
1	Net Income for the Year per Income Statement (Schedule 12, line 48)	(\$378,003)
	Income Taxes Accrued:	
2	7210	
3	7220	
4	7250	(88,131)
5	7410	
6	7420	
7	7450	(40,985)
8		
9		
10	Less: Nonregulated Income	
11		
12		
13		
14		
	Other reconciling amounts (list first additional income and unallowable deductions, followed by additional deductions and nontaxable income):	xxxxxxxxxxxx
15	Additional Income & Unallowable Deductions:	xxxxxxxxxxxx
16	ACRS/MACRS Salvage	\$28,959
17	Non-Deductible Meals	149
18	Lobbying Expense	3,562
19	Equity in Affiliates	67,857
20	Loss from Partnerships	20,269
21	Deferred Compensation	75,968
22		
23		
24	Additional Deductions & Non-Taxable Income:	xxxxxxxxxxxx
25	Cost of Removal	\$18,503
26	Tax > Book Depreciation	543,044
27	RTB Stock & Carrying Charges Deferral	53,801
28	Bad Debt Adjustment	2
29		
30		
31		
32		
33	Federal tax net income	(\$925,705)
	Computation of tax:	xxxxxxxxxxxx
34	Tax @ 34%	(\$314,740)
35	NOL Carryforward Deferral	314,740
36		
37		
38		
39	Computed Federal Income Tax	\$0

**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	<u>LOBBY / POLITICAL:</u>	
2	NY State Telecommunications Association	2,057
3	Miscellaneous (2)	1,506
4		
5		
6	<u>CHARITABLE DONATIONS:</u>	
7	Minekill Summer Soccer Camp	2,500
8	Miscellaneous (21)	2,375
9		
10		
11	<u>SERVICE / SOCIAL MEMBERSHIPS:</u>	
12	Miscellaneous (3)	165
13		
14		
15	<u>SPECIAL CHARGES:</u>	
16	Executive Deferred Compensation	9,300
17		
18		
19		
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26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41		
42		
43		
44	Totals from Insert Pages	
45	Total	\$17,903

**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)
1	<b>Account 7540.1 Other Interest Deductions-Affiliated Companies</b>	
2	NONE	
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13	<b>Total Other Interest Deductions-Affiliated Companies</b>	\$0
	<b>Account 7540.2 Other Interest Deductions</b>	
14	RTB Stock Sale Proceeds	(\$19,177)
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33	<b>Total Other Interest Deductions</b>	(\$19,177)

**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	Municipality / Locality / Flood Grant Work	(\$40,858)
2	Consulting Fees	(60,000)
3	Treasury Stock Repurchase Expense	(8,102)
4	Write-off of Investment - Wireless Access	(20,269)
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
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30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41		
42		
43		
44		
45	Total	(\$129,229)

**51. EXTRAORDINARY ITEMS**

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

Line No.	Particulars (a)	Debit Amounts (b)	Credit Amounts (c)	Tax Effect Incl. in Accounts	
				7630	7640
				(d)	
1	None				
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	None		\$0		\$0
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35	Total	X X X	\$ 0	X X X	\$ 0



**52. MEMBERSHIP FEES AND DUES**

Line No.	Particulars (a)	NUMBER OF		Amounts (d)
		Organizations (b)	Memberships (c)	
	EXPENDITURES CHARGED TO OPERATING EXPENSES			
1	Associations of telecommunications companies		2	\$36,587
2	Trade, technical and professional associations		2	1,037
3	Other organizations (specify types):			
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14	Total	0	4	\$37,624
	EXPENDITURES CHARGED TO ACCOUNT 7370			
15	Social and athletic clubs	0	0	\$0
16	Service clubs	0	3	165
17	Other organizations (specify type):			
18	Lobby / Political	2	1	3,563
19				
20				
21				
22				
23				
24				
25				
26				
27				
28	Total	2	4	\$3,728

**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.

A. Group Pension - Company Wide - Insurance Carrier	\$	165,500
B. Group 401K Plan - Company Wide - Company	\$	71,773
C. Group Life Insurance - Company Wide - Insurance Carrier	\$	9,216
D. Group Life Insurance - Executive Officers / Management / Directors - Insurance Carrier	\$	15,797
E. Disability Insurance - Company Wide - Insurance Carrier	\$	4,038
F. Disability Insurance - Executive Officers / Management - Insurance Carrier	\$	3,596
G. Medical / Dental / Vision Insurance - Company Wide & Two (2) Retirees - Insurance Carrier	\$	314,326
- Company	\$	2,500

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

**54. ANALYSIS OF PENSION COST**

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

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

**54. ANALYSIS OF PENSION COST (Continued)**

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

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

**55. ANALYSIS OF PENSION SETTLEMENTS, CURTAILMENTS, AND TERMINATIONS**

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

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

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

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

Line No.	ESTIMATE OF SETTLEMENT GAIN OR LOSS (a)	(b)	(c)
	<b>PLAN</b>		
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
	<b>REPORTING COMPANY</b>		
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:

- the amount recorded as income for the current year
- the amount deferred on the balance sheet
- 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:

- number of employees affected
- the cost of the settlement
- the amount of PBO settled

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**56. ANALYSIS OF OPEB COSTS, FUNDING, AND DEFERRALS**

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

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



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

Line No.	Item (a)	Total Company (b)
	<b><u>ANALYSIS OF OPEB COSTS</u></b>	
	Accumulated Benefit Obligation Attributable to:	
1	Retirees Covered by the Plan	\$ _____
2	Other Fully Eligible Plan Participants	\$ _____
3	Other Active Plan Participants	\$ _____
4	Fair Value of Plan Assets Held in an Exterior Fund or Trust	\$ _____
	Plan Assets Held in an Internal Reserve (net of tax):	
5	New York State Jurisdiction	\$ _____
6	Other	\$ _____
7	Other Plan Assets (Specify .....)	\$ _____
8	Unrecognized Transition Obligation	\$ _____
9	Unrecognized Prior Service Costs	\$ _____
10	Unrecognized Gains or (Losses)	\$ _____
11	Gains or (Losses) Unrecognized in Market Related Value of Assets	\$ _____
12	NYS Jurisdiction Internal Reserve Balance Subject to Accrual of Interest (net of tax)	\$ _____
13	Date of Valuation for Amounts Reported on Lines 1 - 12.	_____
14	Discount Rate	_____
15	Expected Long-Term Rate of Return on Assets (Exterior Fund)	_____
16	Interest Rate Applied to NYS Jurisdiction Internal Reserve Balance	_____
17	Salary Progression Rate (if applicable)	_____
	<b><u>NET PERIODIC OPEB COST</u></b>	
18	Service Cost	\$ _____
19	Interest Cost	
20	Actual Return on Plan Assets [ (Gain) or Loss ]	
21	Deferral of Asset Gain or (Loss)	
22	Amortization of Transition Amount	
23	Amortization of Unrecognized Prior Service Cost	
24	Amortization of (Gains) or Losses from Earlier Periods	
25	(Gain) or Loss Due to a Temporary Deviation From a Substantive Plan	
26	<b>Net Periodic OPEB Cost</b>	\$ _____ 0

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

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

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

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

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

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

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

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

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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	Seamless Geoport Communications, Inc.	Tariffed Rate	5270	Billing and Collection Services	\$ 105,685
3		Cost	5240	Dark Fiber Cable Lease	\$ 54,156
4	Midtel Cable TV, Inc.	Cost	5280	Dark Fiber Cable Lease	\$ 9,074
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21	Total Affiliates				\$ 168,915
22	Other Companies:				
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41	Aggregate of All Other Items				
42	Total Other Companies				\$ -
43	Total General Services and Licenses				\$ 168,915

**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	182			182	
February	185			185	
March	193			193	
April	193			193	
May	194			194	
June	202			202	
July	194			194	
August	194			194	
September	192			192	
October	188			188	
November	188			188	
December	185			185	

**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					0
2	BRAMANVILLE	451	31	50	432
3					0
4	MIDDLEBURGH	4,822	335	698	4,459
5					0
6	SUMMIT	573	29	86	516
7					0
8					0
9					0
10		5,846	395	834	5,407

**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								
2	30	156	0	246	0	0	0	0
3								
4	345	980	3	3,131	0	0	0	0
5								
6	20	45	0	451	0	0	0	0
7								
8								
9								
10	395	1,181	3	3,828	0	0	0	0



**62. TELEPHONE CALLS**

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

		NUMBER OF CALLS ORIGINATING FROM COMPANY PROVIDED SWITCHED ACCESS LINES							
Line No.	State or Territory (a)	Total Local Calls (b)	IntraLATA Intrastate Toll Calls		InterLATA Intrastate Toll Calls		InterLATA Interstate Toll Calls		Total Calls (i)
			Messages (c)	Billed Minutes (d)	Messages (e)	Billed Minutes (f)	Messages (g)	Billed Minutes (h)	
1	NEW YORK	1,375,685	2,046,297	5,348,403	676,672	2,298,184	1,041,787	3,873,956	5,140,441
2									0
3									0
4									0
5									0
6									0
7									0
8									0
9									0
10		1,375,685	2,046,297	5,348,403	676,672	2,298,184	1,041,787	3,873,956	5,140,441

**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						
		Average for the Year (b)	Measurement Opportunities				Number of Surveillance Level Failures (h)	
			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	1.05						
2	Percent Missed Repair Appointments	0						
3	Percent Out-of-Service Over 24 Hours ***	2.08						
4	Percent Regular Orders Installed Within 5 Days	100%						
5	Percent Installation Appointments Not Met	0						
6	Business Office Answer (Standard:_____)							
7	Repair Service Answer (Standard:_____)							
8	Directory Assistance Answer (Standard:_____)							
9	Intercept Answer (Standard:_____)							
10	Toll and Assistance Answer (Standard:_____)							
11	Dial Tone Speed							
12	Blockages and Failures							
13	Orders for Regrades Held Over 30 Days	0						
14	TOTAL		0	0		0		0
15	Number of Customer Complaints to the Public Service Commission During the Year__4__.							
	*** Normally Zero, but were adversely effected by Tropical Storms Irene and Lee. Flooding devastated North Blenheim to Schoharie.							

**64. PLANT EXTENSIONS TO SERVE NEW RESIDENTIAL SUBDIVISIONS**

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

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

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

Line No.	Account Group (a)	Amount (b)
1	Operating Expenses	\$1,414,824
2	Telecommunications Plant In Service	
3	Telecommunications Plant Under Construction	282,492
4	Accumulated Depreciation	
	Other (specify):	
5	Company Wide Bonus - Allocated to Benefits portion of expense	
6	matrix and cleared based on payroll amounts	19,500
7	Deferred Payroll Compensation	175,968
8	Grant Work	30,015
9	Payroll for and billed to Affiliate - Midtel Cable TV, Inc.	411,258
10	Payroll for and billed to Affiliate - Seamless Geoport Communications, Inc.	49,905
11		
12		
13		
14		
15		
16		
17		
18		
19		
20	Total Compensation of Officers and Employees	\$2,383,962
<b>65A. NUMBER OF EMPLOYEES</b>		
21	Officials and Managerial Assistants	4
22	Professional and Semiprofessional Employees	0
23	Business Office and Sales Employees	15
24	Clerical Employees	1
25	Operators	0
26	Construction, Installation and Maintenance Employees	3
27	Central Office Crafts Employees	3
28	Installation and Exchange Repair Crafts Employees	2
29	Line, cable and conduit crafts employees	1
30	Building, Supplies and Motor Vehicle employees:	0
31	All Other Employees Not Elsewhere Classified	1
32	Total Employees	30

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STATE OF NEW YORK  
Public Service Commission  
5 Year Book Data  
THE MIDDLEBURGH TELEPHONE COMPANY  
For the period ending DECEMBER 31, 2011

Annual Report of THE MIDDLEBURGH TELEPHONE COMPANY

For the peric

COMPARATIVE BALANCE SHEET

CURRENT ASSETS	Annual Report	
	Source	
	Sch 11, Pg 16 (C)	
1 Cash and Temporary Cash Investments	L1-4	\$957,408
2 Accounts Receivable (Net)	L(5,7,8) - L(6,9)	591925
3 Current Deferred Income Taxes	L21	17760
4 Other Current Assets	(Formula)	440648
5 <b>Total Current Assets</b>	L22	2007741
NON-CURRENT ASSETS	Annual Report	
	Source	
	Sch 11, Pg 16 (C)	
6 Investments	L23-26	1777967
7 Unamortized Debt Issuance Costs	L27	4636
8 Deferred Charges	L30-31	0
9 Other Jurisdictional Assets - Net	L32	
10 Non-Current Deferred Income Taxes	L33	1376408
11 Other Non-Current Assets	(Formula)	1416690
12 <b>Total Non-Current Assets</b>	L 34	4575701
REGULATED PLANT		
13 Total Telecommunications Plant	L42	23907710
14 Less: Accumulated Depreciation and Amort.	L43-44	18516868
15 <b>Net Regulated Plant</b>	(Formula)	5390842
16 <b>Total Assets &amp; Other Debits</b>	(Formula)	11974284

<b>CURRENT LIABILITIES</b>		<b>Source</b>	
		<b>Sch 11, Pg 17 (C)</b>	
17	Accounts Payable	L1-2	326970
18	Notes Payable	L3-4	0
19	Advanced Billings	L5	-73
20	Customer Deposits	L6	0
21	Current Maturities - Long-Term Debt	L7-8	0
22	Current Deferred Income Taxes	L11-12	0
23	Other Current Liabilities	(Formula)	169763
24	<b>Total Current Liabilities</b>	L15	496660
<b>LONG-TERM DEBT</b>			
25	Long-Term Debt	L23	1048844
<b>OTHER LIAB. &amp; DEFERRED CREDITS</b>			
26	Unamortized ITC	L25-26	0
27	Non-Current Deferred Taxes	L27-28	722204
28	Other Deferred Credits	L29	1415693
29	Other Jurisdictional Differences - Net	L30	
30	Other Liabilities	(Formula)	586110
31	<b>Total Other Liab. and Def. Credits</b>	L31	2724007
<b>STOCKHOLDER'S EQUITY</b>			
32	Common Stock	L32	64200
33	Preferred Stock	L33	0
34	Other Paid in Capital	L34-36	-840336
35	Retained Earnings	Formula	8480909
36	<b>Total Stockholder's Equity</b>	L40	7704773
37	<b>Total Liab. and Stockholder's Equity</b>	(Formula)	\$11,974,284

**INCOME STATEMENT**

<b>OPERATING REVENUES</b>		<b>Source</b>	
		<b>Sch 42, Pg 65 (b)</b>	
1 Local Network Services	L10		\$972,453
2 Network Access Services	L15		2,917,962
3 Long Distance Network Services	L29		0
4 Miscellaneous Revenues	L41		519,563
5 Less: Uncollectible Revenues	L44		150,200
<b>6 Total Operating Revenues</b>	(Formula)		<b>4,259,778</b>
<b>OPERATING EXPENSES</b>		<b>Sch 44, Pg 67 (F)</b>	
7 Network Support Expenses	L14		17,403
8 General Support Expenses	L19		194,560
9 Central Office Switching	L23		281,965
10 Operator Systems Expense	L24		0
11 Central Office Transmission	L27		168,579
12 Info. Origination/Termination	L33		36,401
13 Cable & Wire Facilities	L43		318,766
<b>14 Total Plant Specific Operations</b>	(Formula)		<b>1,017,674</b>
	<b>Sch 44, Pg 69 (F)</b>		
15 Other Plant, Property & Equipment	L49		2,359
16 Network Operations	L59		273,232
17 Access Expense	L60		123,002
18 Depreciation and Amortization	L66		1,045,487
<b>19 Total Plant Non-Specific Operations</b>	(Formula)		<b>1,444,080</b>
	<b>Sch 44, Pg 71 (F)</b>		
20 Marketing Expense	L71		22,799
21 Services Expense	L78		369,816
<b>22 Total Customer Operations</b>	(Formula)		<b>392,615</b>
	<b>Sch 44, Pg 73 (F)</b>		
23 Executive & Planning	L82		561,870
24 General & Administrative	L91		764,275
25 Provision - Uncollectible Notes Rec.	Less L92		0
26 Other			
<b>27 Total Corporate Operations</b>	(Formula)		<b>1,326,145</b>
<b>28 Total Operations Expense</b>	(Formula)		<b>4,180,514</b>
	<b>Sch 12, Pg 20 (C)</b>		
29 Other Operating Income & Expenses	L9		0
30 State & Local Income Taxes	L12		0
31 Other Taxes	L13		310,904
<b>32 Net Operating Income Before FIT</b>	(Formula)		<b>(231,640)</b>
33 Investment Tax Credits - Net	L10		0
34 Federal Income Taxes	L11		0
35 Provision - Def. Operating Income Taxes - Net	L14		(88,131)
<b>36 Net Operating Income</b>	(Formula)		<b>(\$143,509)</b>

**INCOME STATEMENT**

	<b>Source</b>	
<b>1 Net Operating Income</b>	From Above	<b>(\$143,509)</b>
<b>NON-OPERATING INCOME &amp; EXPENSES</b>		
	<b>Sch 12, Pg 20 (C)</b>	
2 Dividend Income	L17	0
3 Interest Income	L18	2,756
4 Income - Sinking and Other Funds	L19	0
5 Allowance for Funds Used During Construction	L20	0
6 Gains/Losses - Disposal of Property	L21	0
7 Equity in Earnings of Affiliated Companies	L22	(67,857)
8 Other Non-Operating Income	L23	(129,229)
9 Special Charges	L24	17,903
10 Total Non-Operating Income & Expenses	(Formula)	(212,233)
<b>NON-OPERATING TAXES</b>		
	<b>Sch 12, Pg 20 (C)</b>	
11 Federal Income Taxes	L26+L27+L30	(40,985)
12 Other	L28+L29	0
13 Total Non-Operating Taxes	(Formula)	(40,985)
14 Income Available Before Interest Charges	(Formula)	(314,757)
<b>INTEREST CHARGES</b>		
15 Interest on Funded Debt	L34	81,860
16 Other Interest Expense	(Formula)	(18,614)
17 Total Interest Charges	L38	63,246
18 Income Before Extraordinary & Nonregulated Items	(Formula)	(378,003)
<b>Extraordinary &amp; Nonregulated Items</b>		
	<b>Sch 12, Pg 21 (C)</b>	
19 Extraordinary Items	L44	0
20 Nonregulated Revenues	L46	0
21 Total Extraordinary & Nonregulated Items	(Formula)	0
22 <b>Net Income</b>	(Formula)	<b>(\$378,003)</b>

<b>RETAINED EARNINGS STATEMENT</b>		<b>Sch 12, Pg 21 (C)</b>
Unappropriated Retained Earnings:		
23 Beginning Year Balance	L49	\$10,770,240
24 Transferred from Income	L50	(310,146)
25 Appropriations	L51	0
Dividends Declared:		
26 Preferred Stock	L52	0
27 Common Stock	L53	98,600
28 Adjustments	L54	0
29 Ending Year Balance	(Formula)	10,361,494
30 Appropriated/Undistributed Affiliated Retained Earnings	L57+L60-L61+L62)	(1,880,585)
31 <b>Total Retained Earnings</b>	(Formula)	<b>\$8,480,909</b>



## CASH FLOW STATEMENT

		Source	
<b>Cash Flows from Operating Activities</b>			
1	Net Income	Formula	(\$378,003)
<b>Non-Cash Items Included in Net Income</b>		<b>Sch 13, Pg 22 (B)</b>	
2	Depreciation, Depletion & Amortization	L2+L3	1,046,050
3	Changes in Accumulated Deferred Income Taxes	L4	(225,050)
4	Changes in Working Capital	L6+L7+L8+L10+L11	397,246
5	Capitalized AFDC - Equity	L5	0
6	Other	(Formula)	166,190
7	Total Non-Cash Items	L17	1,384,436
8	Net Cash Provided by (Used In) Operating Activities	(Formula)	1,006,433
<b>Cash Flows from Investing Activities</b>		<b>Sch 13, Pg 22 (B)</b>	
9	Cash Flows from Construction	L28	(1,062,482)
10	Purchase of Other Investments	L29+L30+L31+L32	0
11	Sale of Other Investments	L33+L34+L35+L36	10,456
12	Other	L37+L38+L39	0
13	Net Cash Provided by (Used In) Investing Activities	(Formula)	(1,052,026)
<b>Cash Flows from Financing Activities</b>		<b>Sch 13, Pg 23 (B)</b>	
Net Proceeds (Payments)			
14	Long-Term Debt	L43+L49	(77,929)
15	Common Stock	L41+L47	0
16	Preferred Stock	L42+L48	0
17	Short-Term Debt	L44	0
18	Dividends Paid	L50+L51	(98,600)
19	Other Financing	(Formula)	0
20	Net Cash Provided by (Used In) Financing	L59	(176,529)
21	Net Increase (Decrease) in Cash & Equivalents	(Formula)	(222,122)
22	Cash & Equivalents at Beginning of Year	L61	1,179,530
23	<b>Cash &amp; Equivalents at End of Year</b>	(Formula)	<b>\$957,408</b>

**DISTRIBUTION OF TELEPHONE REVENUES**

1	Revenues	Source Formula Sch 61	\$4,259,778
2	Access Lines	Pg 96, L10 (e)	5407

**DOLLAR AMOUNTS**

3	Wages and Benefits	Sch 44 Pg 71, L94 (b) (c)	\$2,059,496
4	Depreciation and Amortization	(Formula)	1045487
5	Other Operations Expense	(Formula)	1075531
6	Total Operation Expenses	(Formula)	4180514
7	Income Taxes - Operating Taxes	(Formula)	-88131
8	Other Taxes - Operating Taxes	(Formula)	310904
9	Capital Costs	(Formula)	-143509
10	Total	(Formula)	\$4,259,778

**PERCENT OF REVENUES**

11	Wages and Benefits	(Formula)	48.3
12	Depreciation and Amortization	(Formula)	24.5
13	Other Operations Expense	(Formula)	25.2
14	Income Taxes - Operating Taxes	(Formula)	(2.1)
15	Other Taxes - Operating Taxes	(Formula)	7.3
16	Capital Costs	(Formula)	(3.4)
17	Total	(Formula)	100.0

**DOLLARS PER ACCESS LINE**

18	Wages and Benefits	(Formula)	380.89
19	Depreciation and Amortization	(Formula)	193.36
20	Other Operations Expense	(Formula)	198.91
21	Income Taxes - Operating Taxes	(Formula)	(16.30)
22	Other Taxes - Operating Taxes	(Formula)	57.50
23	Capital Costs	(Formula)	(26.54)
24	Total	(Formula)	787.83

**TELECOMMUNICATIONS PLANT AND SELECTED RATIOS**

<b><u>Plant In Service</u></b>		<b>Source</b>	
		<b>Sch 14, Pg 24, 25</b>	
1 General Support Assets	L13		\$3,577,113
2 Central Office Assets	L25		8,141,733
3 Information Origination/Termination	L31		65,524
4 Cable And Wire Facilities	L41		11,763,946
5 Amortizable Assets	L45		0
<b>6 Total Plant In Service</b>	(Formula)		23,548,316
7 Property Held For Future Use	L47		0
Plant Under Construction -			
8 Short & Long Term	L48,49		359,444
9 Telecommunications Plant Adjustment:			
10 Tel. Acquisition	L51		0
11 Other Plant	L52		(50)
12 Nonoperating Plant	L53		0
13 Goodwill	L54		0
<b>14 Total Telecommunications Plant</b>	(Formula)		23,907,710
15 Less Acc. Prov. For Depreciation & Amort.	(Formula)		18,516,868
<b>16 Net Total Utility Plant</b>	(Formula)		\$5,390,842

# SELECTED RATIOS AND STATISTICS

17	Current Assets / Current Liabilities	(Formula)	4.04
18	Total Capitalization	(Formula)	\$8,753,617
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>			
19	Long-Term Debt	(Formula)	12.0%
20	Preferred Stock	(Formula)	0.0%
21	Common Stock & Retained Earnings	(Formula)	88.0%
22	Short-Term Debt	(Formula)	0.0%
23	Pretax Coverage of Interest Expense	(Formula)	-7.02
24	Com. Stock Dividends as a % of Earnings	(Formula)	-26.1%
25	Return on Common Equity	(Formula)	-4.9%
Internal Cash Generated as a % of			
26	Cash Outflows for Construction	(Formula)	94.7%
27	CWIP as a % of Plant	(Formula)	1.5%
	Number of Employees	(Formula)	30
	<b>Source</b>		
	Current Assets	(Formula)	2007741
	Current Liabilities	(Formula)	496660
	Total Capitalization	(Formula)	8753617
	Long-Term Debt	(Formula)	1048844
	Preferred Stock	(Formula)	0
	Common Stock and Retained Earnings (Excl. Preferred Stock)	(Formula)	7704773
	Short-Term Debt	(Formula)	0
	Pretax Income	See Below	-443873
	Interest Expense	(Formula)	63246
	Common Dividends Paid	(Formula)	98600
	Net Income	See Below	-378003
	(Excl. Preferred Stock Dividends)		
	Internal Cash	(Formula)	1006433
	Cash Outflows for Construction	(Formula)	-1062482
	CWIP	(Formula)	359444
	Total Plant	(Formula)	23907710
	Shares Outstanding	Pg. 63, Ln 9 (c)	580
	Number of Employees	Pg. 100, Ln 32	30

## Additional Calculations

Data used for "Pretax Income":		NOI Before FIT	-231640
		Non-Oper. Inc. & Exp.	-212233
		Non-Oper. Tax - Other	0
		Total	(\$443,873)
Data used for "Net Income":		Net Income	-378003
		Pref. Dividends	0
		Total	-378003