

909 N. 96th Street, Suite 203
Omaha, NE 68114-2508
(402) 398-0062
FAX (402) 398-0065

233 South 13th Street, Suite 1225
Lincoln, NE 68508
(402) 441-4315
FAX (402) 441-4317

June 25, 2003

Mr. Harlan Best, Utility Analyst
South Dakota Public Utilities Commission
Capitol Building, 1st Floor
500 East Capitol Avenue
Pierre, South Dakota 57501-5070

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SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

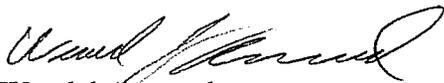
Dear Harlan:

On behalf of Kennebec Telephone Company, we are enclosing one paper copy and one copy on diskette of their 2002 intrastate switched access cost study.

Also enclosed are the work papers relating to the cost study. Five copies of the cost study were mailed to Ms. Pam Bonrud at the South Dakota Public Utilities Commission today under separate cover.

If you should have any questions, please feel free to call us at (402) 398-0062.

Sincerely,



Wendel Aanerud
TELEC Consulting Resources, Inc.

Enclosures

COMPANY **Kennebec Telephone Company**
 YEAR 2002

<u>Ck</u>	<u>Tab</u>	<u>Description</u>	<u>Source (Workbook, sheets)</u>
<u>X</u>	1	SDPUC cost study & disk	COS98.WK4
<u>X</u>	2	SDPUC rate development	Study Support.xls, Rate Dev
<u>X</u>	3	Financial statement from accountant	Endorf, Lurken, Olson & Co.
<u>X</u>	4	Trial balance from Company	02 Balance Sheet.xls, 02 KNBC PL.xls
<u>X</u>	5	Account adjustments	Account adjustments worksheet.xls
<u>X</u>	6	Capital investment support	Study Support.xls, COE, OSP, Mat_Supl
<u>X</u>	7	COE adjustments for Common and Power	Common and Power.xls
<u>X</u>	8	Land and Building adjustment for Non-Reg	Land and Bldg adj.xls
<u>X</u>	9	Expense adjustment support (6620)	02_Time.xls, Dist, MACC Inv, Express Bills
<u>X</u>	10	Minutes of use factors	02_TRAF_S.D._Method_3.WK4, Factors, SLU, SPF, DEM, CM_CMM, H_R, CABS, Usage
<u>X</u>	11	Loops worksheet	02_Facts.xls, Loops
<u>X</u>	12	Circuit terminations and miles	Study Support.xls
<u>X</u>	13	Lease expense adjustment	Frrpa.xls, Filed copy
<u>X</u>	14	Misc. factor support	Study Support.xls, Factor_Sup, EU_Bill Uncollectibles.xls, Direct assignment 6720.xls OPRINTR.xls

Kennebec Telephone Company

***** FCC PART 69 *****									
Intrastate Toll Revenue Requirement Summary									
	Part 36	Source	Common	Local	Information	Common	Billing and	Other	
(A)	Total	(C)	Line	Switching	(F)	Transport	Collection	(I)	
INTRALATA:									
15	Net Investment								
16	Rate of Return	J13	\$696,846	\$234,240	\$0	\$101,809	\$0	\$260,513	O.K.
17			10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	
18	Return on Rate Base		\$69,685	\$23,424	\$0	\$10,181	\$0	\$26,051	O.K.
19	Return Adjustments	J18-20	10,772	5,182	0	1,650	0	4,309	O.K.
20									
21	Net Return on Rate Base		\$80,456	\$28,606	\$0	\$11,831	\$0	\$30,360	O.K.
22	Income Taxes	J31-32	29,692	10,785	0	4,378	0	11,246	O.K.
23	Expenses and Other Taxes	J33-35, 40	145,606	113,217	72	85,221	36,799	77,813	O.K.
24									
25	Total IntraLATA Rev. Req.		\$666,082	\$255,755	\$72	\$101,429	\$36,799	\$119,419	O.K.
26			=====	=====	=====	=====	=====	=====	
27									
28									
29	INTERLATA:								
30									
31	Net Investment	P13	\$52,563	\$19,156	\$0	\$8,274	\$0	\$0	O.K.
32	Rate of Return		10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	
33									
34	Return on Rate Base		\$5,256	\$1,916	\$0	\$827	\$0	\$0	O.K.
35	Return Adjustments	P18-20	812	411	0	133	0	0	O.K.
36									
37	Net Return on Rate Base		\$6,069	\$2,327	\$0	\$960	\$0	\$0	O.K.
38	Income Taxes	P31-32	2,240	876	0	355	0	0	O.K.
39	Expenses and Other Taxes	P33-35, 40, 10, 491		8,401	5	6,193	2,254	367	O.K.
40									
41	Total InterLATA Rev. Req.		\$18,800	\$11,603	\$5	\$7,509	\$2,254	\$367	O.K.
42			=====	=====	=====	=====	=====	=====	
43									
44									
45	TOTAL INTRASTATE REV. REQ.		\$706,618	\$274,554	\$77	\$108,938	\$39,053	\$119,786	
			*****	*****	*****	*****	*****	*****	
	ACCESS ELEMENT MINUTES OF USE		2,351,172	2,351,172		2,351,172			
	ACCESS RATE PER MINUTE		\$0.232949	\$0.116773		\$0.046333			

Kennebec Telephone Company

Intrastate

***** FCC PART 36 ***** Revenue Requirement Summary	TOTAL COMPANY	Source/ Allocator	Interstate and Other	Message Telephone Service		Private Line		TOTAL INTRASTATE		
				InterLATA	IntraLATA	InterLATA	IntraLATA			
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
13 State Income Tax Rate	0.00%	---	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
14 Federal Income Tax Rate	34.00%	---	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	
15 Gross Receipts Tax Rate	3.00%	---	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
16										
17										
18 Net Investment	\$4,633,942	C68	\$3,260,540	\$79,993	\$1,076,563	\$0	\$216,845	\$1,373,402	O.K.	
19 Rate of Return	10.00%	---	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%		
20										
21 Return on Rate Base	\$463,394		\$326,054	\$7,999	\$107,656	\$0	\$21,685	\$137,340	O.K.	
22										
23 AFUDC	76,106	H43	52836.2458886782	1355.43680232359	18202.2996290998	0	3711.01767989849	23,270	O.K.	
24 ITC Amortization	0	H36	0	0	0	0	0	0	O.K.	
25 Other Return Adjustments	0	V242	0	0	0	0	0	0	O.K.	
26										
27 Net Return	\$539,500		\$378,890	\$9,356	\$125,859	\$0	\$25,396	\$160,610	O.K.	
28										
29 Contributions	0	H52	0	0	0	0	0	0	O.K.	
30 Interest Expense	151,611	H44	106,640	2,618	35,209	0	7,144	44,971	O.K.	
31 Capital Lease Expense	0	H46	0	0	0	0	0	0	O.K.	
32 Capitalized Payroll taxes	0	H36	0	0	0	0	0	0	O.K.	
33 Depreciation Adjustment	0	H36	0	0	0	0	0	0	O.K.	
34 Other Income Adjustments	0	V248	0	0	0	0	0	0	O.K.	
35										
36 After Tax Income	\$387,889		\$272,250	\$6,738	\$90,650	\$0	\$18,251	\$115,639	O.K.	
37										
38 State Income Taxes	\$0	Formula	\$0	\$0	\$0	\$0	\$0	\$0	O.K.	
39 Federal Income Taxes	199,822	Formula	140,250	3,471	46,699	0	9,402	59,572	O.K.	
40 Operating Expenses and Taxes	1,385,674	I196	925,280	26,494	376,487	0	57,412	460,394	O.K.	
41 Uncollectibles	4,846	V249	0	0	4,846	0	0	4,846	O.K.	
42 Other Revenue Adjustments	0	V250	0	0	0	0	0	0	O.K.	
43										
44 Net Revenue	\$2,129,842		\$1,444,421	\$39,321	\$553,890	\$0	\$92,210	\$685,421	O.K.	
45 Gross Receipts Taxes	65,871	Formula	44,673	1,216	17,131	0	2,852	21,199	O.K.	
46 Other Revenue Taxes	0	V251	0	0	0	0	0	0	O.K.	
47										
TOTAL REVENUE REQUIREMENT	\$2,195,713		\$1,489,093	\$40,537	\$571,021	\$0	\$95,062	\$706,620	O.K.	

Kennebec Telephone Company

		Intrastate								
					Message Telephone Service		Private Line			
***** FCC PART 36 ***** Investment Summary	TOTAL COMPANY	Source/ Allocator	Interstate and Other	interLATA	IntraLATA	InterLATA	IntraLATA	TOTAL INTRASTATE		
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
13 Land and Support Investment	\$1,361,133	D33	\$945,615	\$24,276	\$324,826	\$0	\$66,416	\$415,518	O.K.	
14										
15 COE Operator Equipment	\$0	D43	\$0	\$0	\$0	\$0	\$0	\$0	O.K.	
16 COE Switching Equipment	1,076,960	D68	669,772	28,282	378,906	0	0	407,188	O.K.	
17 COE Transmission Equipment	989,087	D85	603,261	15,649	209,368	0	160,809	385,826	O.K.	
18										
19 Total COE	\$2,066,047		\$1,273,033	\$43,931	\$588,273	\$0	\$160,809	\$793,014	O.K.	
20 Info. Orig./Term. Equipment	0	D94	0	0	0	0	0	0	O.K.	
21 Cable and Wire Facilities	4,390,584	D137	3,212,557	71,225	952,560	0	154,242	1,178,027	O.K.	
22										
23 Total COE, IOT, C&WF	\$6,456,631		\$4,485,590	\$115,156	\$1,540,833	\$0	\$315,051	\$1,971,041	O.K.	
24										
25 Total Capital Leases	\$0	D173	\$0	\$0	\$0	\$0	\$0	\$0	O.K.	
26										
27 Leasehold Improvements	\$0	D186	\$0	\$0	\$0	\$0	\$0	\$0	O.K.	
28										
29 Intangible Assets	\$5,413	D209	\$0	\$0	\$5,413	\$0	\$0	\$5,413	O.K.	
30										
31										
32 Total Tele. Plt. In Service	\$7,823,177		\$5,431,205	\$139,432	\$1,871,072	\$0	\$381,467	\$2,391,972	O.K.	
33										
34 Plant Held, Future Use	\$0	D214-215	\$0	\$0	\$0	\$0	\$0	\$0	O.K.	
35 TPUC, Short-term	0	D216-217	0	0	0	0	0	0	O.K.	
36 TPUC, Long-term	130,863	D218-219	90,851	2,332	31,299	0	6,381	40,012	O.K.	
37 Tel. Plt. Adjustment	0	D220-221	0	0	0	0	0	0	O.K.	
38										
39 Total Other Tel. Plt.	\$130,863		\$90,851	\$2,332	\$31,299	\$0	\$6,381	\$40,012	O.K.	
40										
41										
42 TOTAL TELEPHONE PLANT	\$7,954,040		\$5,522,056	\$141,765	\$1,902,371	\$0	\$387,848	\$2,431,984	O.K.	

Kennebec Telephone Company

***** FCC PART 36 ***** Investment Summary	TOTAL COMPANY	Source/ Allocator	Intrastate					TOTAL INTRASTATE	
			Interstate	Message Telephone Service		Private Line			
				InterLATA	IntraLATA	InterLATA	IntraLATA		
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
56 Other Assets, Net	0	V105	0	0	0	0	0	0	O.K.
57 Accumulated Depr./Amort	(3,409,323)	E34	(2,325,854)	(63,261)	(846,604)	0	(173,604)	(1,083,469)	O.K.
58 Accum. Def. Inc. Taxes, Net	(50,500)	E47	(35,059)	(900)	(12,078)	0	(2,462)	(15,441)	O.K.
59 Oth. Liab. & Def. Cr., Net	0	V106	0	0	0	0	0	0	O.K.
60									
61 TOTAL NET PLANT	\$4,494,217		\$3,161,143	\$77,604	\$1,043,689	\$0	\$211,782	\$1,333,074	O.K.
62									
63 Materials and Supplies	94,170	H31	68,903	1,528	20,431	0	3,308	25,267	O.K.
64 Rural Tel. Bank Stock	0	H35	0	0	0	0	0	0	O.K.
65 Cash Working Capital	45,555	Formula	30,494	862	12,444	0	1,756	15,061	O.K.
66 Equal Access Investment	0	—	0	0	0	0	0	0	O.K.
67									
68 TOTAL NET INVESTMENT	\$4,633,942		\$3,260,540	\$79,993	\$1,076,563	\$0	\$216,845	\$1,373,402	O.K.
69									

Kennebec Telephone Company

***** FCC PART 36 ***** Plant Investment Detail (A)	TOTAL COMPANY (B)	Source/ Allocator (C)	Interstate and Other (D)	Intrastate				TOTAL INTRASTATE (I)	
				Message Telephone Service		Private Line			
				InterLATA (E)	IntraLATA (F)	InterLATA (G)	IntraLATA (H)		
13 LAND AND SUPPORT ASSETS:									
14									
15 Land, Allocable	\$24,620	H33	\$17,104	\$439	\$5,875	\$0	\$1,201	\$7,516	O.K.
16 Land, Direct	0	V22	0	0	0	0	0	0	O.K.
17									
18 Total Land	\$24,620		\$17,104	\$439	\$5,875	\$0	\$1,201	\$7,516	O.K.
19									
20 Motor Vehicles	\$0	H33	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
21 Aircraft	0	H33	0	0	0	0	0	0	O.K.
22 Special Purpose Vehicles	0	H33	0	0	0	0	0	0	O.K.
23 Garage Work Equipment	0	H33	0	0	0	0	0	0	O.K.
24 Other Work Equipment	0	H33	0	0	0	0	0	0	O.K.
25 Buildings, Allocable	1,336,513	H33	928,511	23,837	318,950	0	65,215	408,002	O.K.
26 Buildings, Direct	0	V29	0	0	0	0	0	0	O.K.
27 Furniture	0	H33	0	0	0	0	0	0	O.K.
28 Office Equipment	0	H33	0	0	0	0	0	0	O.K.
29 General Purpose Computers	0	H33	0	0	0	0	0	0	O.K.
30									
31 Total Support Assets	\$1,336,513		\$928,511	\$23,837	\$318,950	\$0	\$65,215	\$408,002	O.K.
32									
33 Tot. Land and Support Assets	\$1,361,133		\$945,615	\$24,276	\$324,826	\$0	\$66,416	\$415,518	O.K.
34									
35									
36 CENTRAL OFFICE EQUIPMENT:									
37									
38 CAT 1 Oper. Sys., TSPS	\$0	G22	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
39 CAT 1 Oper. Sys., Other TSPS	0	G21	0	0	0	0	0	0	O.K.
40 CAT 1 Oper. Sys., Aux. Pos.	0	G23	0	0	0	0	0	0	O.K.
41 CAT 1 Oper. Sys., Other	0	V36	0	0	0	0	0	0	O.K.
42									
43 Total CAT 1	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.
44									
45									
46 CAT 2 Tandem Sw. Allocable	\$0	G26	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
47 CAT 2 Tandem Sw. Direct	0	V38	0	0	0	0	0	0	O.K.
48									
49 Total CAT 2	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.

Kennebec Telephone Company

***** FCC PART 36 ***** Plant Investment Detail		TOTAL COMPANY	Source/ Alicator	Interstate and Other	Intrastate				TOTAL INTRASTATE	
					Message Telephone Service		Private Line			
					InterLATA	IntraLATA	InterLATA	IntraLATA		
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
63	CAT 3 Local Sw. Allocable	\$1,076,960	G15	\$669,772	\$28,282	\$378,906	\$0	\$0	\$407,188	O.K.
64	CAT 3 Local Sw. Direct	0	V40	0	0	0	0	0	0	O.K.
65										
66	Total CAT 3	\$1,076,960		\$669,772	\$28,282	\$378,906	\$0	\$0	\$407,188	O.K.
67										O.K.
68	Total COE Sw. CAT 2&3	\$1,076,960		\$669,772	\$28,282	\$378,906	\$0	\$0	\$407,188	O.K.
69										
70										
71	COE TRANSMISSION:									
72										
73	CAT 4.12 Exchange Trunk	\$0	123	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
74	CAT 4.12 Exch. Tr. Direct	0	V42	0	0	0	0	0	0	O.K.
75	CAT 4.13 Exch. Ln. Message	676,340	G13	507,255	11,744	157,341	0	0	169,085	O.K.
76	CAT 4.13 PL, WATS, Local	38,069	F18	21,870	0	0	0	16,200	16,200	O.K.
77	CAT 4.13 Direct	0	V45	0	0	0	0	0	0	O.K.
78	CAT 4.23 Message	98,943	G18	52,585	3,220	43,139	0	0	46,359	O.K.
79	CAT 4.23 PL, WATS	150,529	F24	5,920	0	0	0	144,609	144,609	O.K.
80	CAT 4.23 Direct	0	V48	0	0	0	0	0	0	O.K.
81	CAT 4.3 H/R Message	25,206	G29	15,633	685	8,888	0	0	9,573	O.K.
82	CAT 4.3 WATS	0	V50	0	0	0	0	0	0	O.K.
83	CAT 4.3 Direct	0	V51	0	0	0	0	0	0	O.K.
84										
85	Total COE CAT 4	\$989,087		\$603,261	\$15,649	\$209,368	\$0	\$160,809	\$385,826	O.K.
86										
87										
88	INFORMATION ORIGATION/TERMINATION:									
89										
90	CAT 1 Other IOT Equipment	\$0	G13	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
91	CAT 1 Coinless Pay Phones	0	G18	0	0	0	0	0	0	O.K.
92	CAT 2 CP Equipment	0	V70	0	0	0	0	0	0	O.K.
93										
94	Total IOT Equipment	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.
95										
96										

Kennebec Telephone Company

***** FCC PART 36 ***** Plant Investment Detail	TOTAL COMPANY	Source/ Allocator	Interstate and Other	Intrastate				TOTAL INTRASTATE		
				Message Telephone Service		Private Line				
				InterLATA	IntraLATA	InterLATA	IntraLATA			
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
111 CABLE AND WIRE FACILITIES:										
112										
113 CAT 1.1 IntraLATA PL/WATS	150,163	F31	\$59,155	\$0	\$0	\$0	\$91,008	\$91,008	O.K.	
114 CAT 1.2 InterLATA PL/WATS	63,706	F31	63,706	0	0	0	0	0	O.K.	
115 CAT 1.3 Joint Message	3,799,589	G13	2,849,692	65,976	883,921	0	0	949,897	O.K.	
116 Other CAT 1 C&WF	0	V74	0	0	0	0	0	0	O.K.	
117										
118 Total CAT 1 C&WF	\$4,013,458		\$2,972,553	\$65,976	\$883,921	\$0	\$91,008	\$1,040,905	O.K.	
119										
120 CAT 2 C&WF	\$0	G28	\$0	\$0	\$0	\$0	\$0	\$0	O.K.	
121 CAT 2 C&WF, Wideband	0	V76	0	0	0	0	0	0	O.K.	
122										
123 Total CAT 2 C&WF	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.	
124										
125 CAT 3 Joint Message	40,740	G17	21,652	1,326	17,762	0	0	\$19,088	O.K.	
126 CAT 3 PL/WATS etc.	192,103	F36	128,869	0	0	0	63,234	63,234	O.K.	
127 CAT 3 Direct	0	V79	0	0	0	0	0	0	O.K.	
128										
129 Total CAT 3 C&WF	\$232,843		\$150,521	\$1,326	\$17,762	\$0	\$63,234	\$82,322	O.K.	
130										
131 CAT 4 Message	\$144,283	G29	\$89,483	\$3,923	\$50,876	\$0	\$0	\$54,800	O.K.	
132 CAT 4 WATS	0	V81	0	0	0	0	0	0	O.K.	
133 CAT 4 Direct	0	V82	0	0	0	0	0	0	O.K.	
134										
135 Total CAT 4 C&WF	\$144,283		\$89,483	\$3,923	\$50,876	\$0	\$0	\$54,800	O.K.	
136										
137 TOTAL C&WF	\$4,390,584		\$3,212,557	\$71,225	\$952,560	\$0	\$154,242	\$1,178,027	O.K.	
138	=====		=====	=====	=====	=====	=====	=====		
139										
140 CAPITAL LEASES:										
141										
142 Allocable Support Leases	\$0	H14	\$0	\$0	\$0	\$0	\$0	\$0	O.K.	
143 Direct Support Leases	0	V84	0	0	0	0	0	0	O.K.	
144										
145 Total Support Leases	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.	

Kennebec Telephone Company

***** FCC PART 36 ***** Plant Investment Detail	TOTAL COMPANY	Source/ Allocator	Interstate and Other	Intrastate				TOTAL INTRASTATE		
				Message Telephone Service		Private Line				
				InterLATA	IntraLATA	InterLATA	IntraLATA			
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
160										
161 COE Operator	\$0	H16	\$0	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
162 COE Tandem Switch	0	H17	0	0	0	0	0	0	0	O.K.
163 COE Local Switch	0	H18	0	0	0	0	0	0	0	O.K.
164 COE Transmission	0	H20	0	0	0	0	0	0	0	O.K.
165 COE Direct	0	V89	0	0	0	0	0	0	0	O.K.
166										
167 Total COE Leases	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
168										
169 IOT Leases	\$0	V90	\$0	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
170										
171 C&WF Leases	\$0	V91	\$0	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
172										
173 TOTAL CAPITAL LEASES	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
174	=====		=====	=====	=====	=====	=====	=====	=====	
175										
176 LEASEHOLD IMPROVEMENTS:										
177										
178 Land and Support Assets	\$0	H14	\$0	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
179 COE Switching	0	H18	0	0	0	0	0	0	0	O.K.
180 COE Operator	0	H16	0	0	0	0	0	0	0	O.K.
181 COE Transmission	0	H20	0	0	0	0	0	0	0	O.K.
182 IOT	0	V96	0	0	0	0	0	0	0	O.K.
183 C&WF	0	V97	0	0	0	0	0	0	0	O.K.
184 Other	0	V98	0	0	0	0	0	0	0	O.K.
185										
186 TOTAL LEASEHOLD IMPROVEMEN	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
187	=====		=====	=====	=====	=====	=====	=====	=====	
188										
189 TPIS, EXCL. ACCT. No. 2690	\$7,817,764		\$5,431,205	\$139,432	\$1,865,659	\$0	\$381,467	\$2,386,559		O.K.

Kennebec Telephone Company

Intrastate

***** FCC PART 36 *****
Plant Investment Detail

(A)	TOTAL COMPANY (B)	Source/ Allocator (C)	Interstate and Other (D)	Message Telephone Service		Private Line		TOTAL INTRASTATE (I)
				InterLATA (E)	IntraLATA (F)	InterLATA (G)	intraLATA (H)	
204								
205								
206	\$0	H36	\$0	\$0	\$0	\$0	\$0	O.K.
207	5,413	V100	0	5,413	0	0	0	O.K.
208								
209	\$5,413		\$0	\$5,413	\$0	\$0	\$0	O.K.
210								
211								
212								
213								
214								
215								
216								
217								
218	130,863	H35	90,851	2,332	31,299	0	6,381	40,012
219								
220								
221								
222								
223	\$130,863		\$90,851	\$2,332	\$31,299	\$0	\$6,381	\$40,012

OTHER TELEPHONE PLANT:

- Held for Fut. Use - Alloc.
- Held for Fut. Use - Direct
- TPUC, Short-term - Alloc.
- TPUC, Short-term - Direct
- TPUC, Long-term - Alloc.
- TPUC, Long-term - Direct
- Tele. Plt. Adjust. - Alloc.
- Tele. Plt. Adjust. - Direct

Kennebec Telephone Company

***** FCC PART 36 ***** Reserves and Deferrals (A)	TOTAL COMPANY (B)	Source/ Allocator (C)	Interstate and Other (D)	Intrastate				TOTAL INTRASTATE (I)	
				Message Telephone Service		Private Line			
				InterLATA (E)	IntraLATA (F)	InterLATA (G)	IntraLATA (H)		
13 ACCUM. DEPRECIATION, TPIS:									
14									
15 Support Assets	\$469,296	H13	\$326,032	\$8,370	\$111,994	\$0	\$22,899	\$143,264	O.K.
16 COE Switching	739,915	H19	460,161	19,431	260,324	0	0	279,754	O.K.
17 COE Operator	0	H16	0	0	0	0	0	0	O.K.
18 COE Transmission	576,013	H20	351,320	9,114	121,929	0	93,650	224,693	O.K.
19 IOT Equipment	0	H25	0	0	0	0	0	0	O.K.
20 Cable and Wire Facilities	1,624,099	H31	1,188,341	26,346	352,357	0	57,055	435,758	O.K.
21 Other Plant	0	V135	0	0	0	0	0	0	O.K.
22									
23 Total Accum. Depr., TPIS	\$3,409,323		\$2,325,854	\$63,261	\$846,604	\$0	\$173,604	\$1,083,469	O.K.
24									
25 ACCUM. AMORTIZATION:									
26									
27 Accum. Depreciation, PHFU	\$0	H38	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
28 Accum. Amort., Tangible Inv.	0	H40	0	0	0	0	0	0	O.K.
29 Accum. Amort., Intang. Inv.	0	H41	0	0	0	0	0	0	O.K.
30 Accum. Amort., Other	0	V138	0	0	0	0	0	0	O.K.
31									
32 Tot. Accum. Amortization	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.
33									
34 Total Accum. Depr./Amort.	\$3,409,323		\$2,325,854	\$63,261	\$846,604	\$0	\$173,604	\$1,083,469	O.K.
35									
36									
37 ACCUM. DEF. INC. TAXES, NET:									
38									
39 Support Assets	0	H13	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
40 COE Switching	0	H19	0	0	0	0	0	0	O.K.
41 COE Operator	0	H16	0	0	0	0	0	0	O.K.
42 COE Transmission	0	H20	0	0	0	0	0	0	O.K.
43 IOT Equipment	0	H25	0	0	0	0	0	0	O.K.
44 Cable and Wire Fac.	0	H31	0	0	0	0	0	0	O.K.
45 Unclassified	50,500	V145	35,059	900	12,078	0	2,462	15,441	O.K.
46									
47 Total Accum. Def. Inc. Taxes	\$50,500		\$35,059	\$900	\$12,078	\$0	\$2,462	\$15,441	O.K.

Kennebec Telephone Company

Private Line

***** FCC PART 36 *****
 Functional Distribution
 of Selected Investments

(A)	(B)	Interstate				Intrastate				Other (I)	O.K.	
		(C)	(D)	(E)	(F)	(G)	(H)	(I)				
13 TRANS. CCT EQUIPMENT:												
14 Working Loops	882	835	14	0	0	0	20	0	13	0	13	O.K.
15 Avg. Cost per Loop	809.99	809.99	809.99	809.99	809.99	809.99	809.99	809.99	809.99	809.99	809.99	
17 CAT 4.13 Exch Ln. Invest.	\$714,409	\$676,340	\$11,340	\$0	\$0	\$0	\$16,200	\$0	\$10,530	\$0	\$10,530	
20												
21 Circuit Terminations	295	117	7	0	0	0	171	0	0	0	0	O.K.
22 Avg. Cost per Termination	845.67	845.67	845.67	845.67	845.67	845.67	845.67	845.67	845.67	845.67	845.67	
23												
24 CAT 4.23 Other IX	\$249,472	\$98,943	\$5,920	\$0	\$0	\$0	\$144,609	\$0	\$0	\$0	\$0	
25												
27 C&WF INVESTMENT:												
28												
29 Working Loops	882	835	14	0	0	0	20	0	13	0	13	
30 Loops Factor	1,000,000	0,946,712	0,015,873	0,000,000	0,000,000	0,000,000	0,022,676	0,000,000	0,014,739	0,000,000	0,014,739	O.K.
31 CAT 1 Exchange C&WF	\$4,013,458	\$3,799,589	\$63,706	\$0	\$0	\$0	\$91,008	\$0	\$59,155	\$0	\$59,155	
32												
33												
34 Equivalent IX Circuit Miles	18,032	3,155	9,980	0	0	0	4,897	0	0	0	0	O.K.
35 IX Cct. Miles Factor	1,000,000	0,174,967	0,553,461	0,000,000	0,000,000	0,000,000	0,271,573	0,000,000	0,000,000	0,000,000	0,000,000	
36 CAT 3 Interexch. C&WF	\$232,843	\$40,740	\$128,869	\$0	\$0	\$0	\$63,234	\$0	\$0	\$0	\$0	

Kennebec Telephone Company

***** FCC PART 36 ***** Physical Allocation Factors		TOTAL COMPANY	Source/ Allocator	Interstate and Other	Intrastate				TOTAL INTRASTATE	
					Message Telephone Service		Private Line			
					InterLATA	IntraLATA	InterLATA	IntraLATA		
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
13	Subscriber Plant Fact. (SPF)	1.000000	SPF	0.750000	0.017364	0.232636	0.000000	0.000000	0.250000	O.K.
14										
15	Dial Equipment Minutes (DEM)	1.000000	DEM	0.621910	0.026261	0.351829	0.000000	0.000000	0.378090	O.K.
16										
17	Conversation Minute-Miles	1.000000	CMM	0.531462	0.032543	0.435995	0.000000	0.000000	0.468538	O.K.
18	Conversation Minutes	1.000000	CM	0.531462	0.032543	0.435995	0.000000	0.000000	0.468538	O.K.
19	Subscriber Minutes (SLU)	1.000000	SLU	0.810601	0.013155	0.176244	0.000000	0.000000	0.189399	O.K.
20										
21	TSPS Processor Time	0.000000	TSP	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
22	Wtd. Stand. Work Sec., Toll	0.000000	WST	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
23	Wtd. Stand. Work Sec., Aux.	0.000000	WSA	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
24	Wtd. Stand. Work Sec., Comb.	1.000000	WSC	1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
25										
26	COE CAT 2 Minutes	0.000000	CT2	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
27										
28	Exchange Trunk Minutes	1.000000	ETM	1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
29	MOU-Mi., Host/Remote	1.000000	HRM	0.620194	0.027190	0.352616	0.000000	0.000000	0.379806	O.K.
30										
31	C&WF CAT 4, WATS	0.000000	CT4	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
32										
33	Equal Access MOU	0.000000	EAM	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
34										
35	Current Billings	1.000000	CB	0.729364	0.015549	0.208321	0.000000	0.046766	0.270636	O.K.
36	EU Presubscription Factor	0.000000	EPRE	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
37	EU MTS & WATS Factor	1.000000	EMTS	0.729364	0.015549	0.208321	0.000000	0.046766	0.270636	O.K.
38	EU Access, P/L and All Other Factor	1.000000	EPLO	0.729364	0.015549	0.208321	0.000000	0.046766	0.270636	O.K.
39	IX Special Access Factor	0.000000	ISPA	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
40	IX Switched Access Factor	0.000000	ISWA	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
41	IX Billing & Collection Services Factor	0.000000	IBC	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
42	Coin Revenue Percent	0.000000	CR	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
43	Relative Toll/Local Msgs.	1.000000	TLM	0.172853	0.057452	0.769695	0.000000	0.000000	0.827147	O.K.
44	Relative Users Percent	1.000000	RUP	0.666667	0.023153	0.310180	0.000000	0.000000	0.333333	O.K.
45	CABS Percent	1.000000	CAB	0.500000	0.034729	0.465271	0.000000	0.000000	0.500000	O.K.
46	Foreign Directories Percent	0.000000	FD	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.

Kennebec Telephone Company

***** FCC PART 36 ***** Operating Expenses and Taxes (A)	TOTAL COMPANY (B)	Source/ Allocator (C)	Interstate and Other (D)	Intrastate				TOTAL INTRASTATE (I)	
				Message Telephone Service		Private Line			
				InterLATA (E)	IntraLATA (F)	InterLATA (G)	IntraLATA (H)		
13 PLANT SPEC. OPER. EXPENSE:									
14									
15 Network Support, Alloc.	\$0	H14	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
16 Network Support, Direct	0	V149	0	0	0	0	0	0	O.K.
17									
18 Total Network Support Exp.	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.
19									
20 General Support, Alloc.	\$32,111	H14	\$22,308	\$573	\$7,663	\$0	\$1,567	\$9,803	O.K.
21 General Support, Direct	0	V151	0	0	0	0	0	0	O.K.
22									
23 Total General Support Exp.	\$32,111		\$22,308	\$573	\$7,663	\$0	\$1,567	\$9,803	O.K.
24									
25 Central Office Eq., Alloc.	\$113,879	H21	\$70,169	\$2,421	\$32,425	\$0	\$8,864	\$43,710	O.K.
26 Central Office Eq., Direct	0	V153	0	0	0	0	0	0	O.K.
27									
28 Total COE Exp.	\$113,879		\$70,169	\$2,421	\$32,425	\$0	\$8,864	\$43,710	O.K.
29									
30 Cust. Premises Equip.	\$0	H24	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
31 Coinless Pay Phone	0	G18	0	0	0	0	0	0	O.K.
32 Other IOT	0	H23	0	0	0	0	0	0	O.K.
33 IOT Direct	0	V157	0	0	0	0	0	0	O.K.
34									
35 Total IOT Exp.	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.
36									
37 Cable & Wire, Alloc.	\$164,633	H31	\$120,461	\$2,671	\$35,718	\$0	\$5,784	\$44,172	O.K.
38 Cable & Wire, Direct	73,776	V159	39,209	2,401	32,166	0	0	34,567	O.K.
39									
40 Total C&WF Exp.	\$238,409		\$159,670	\$5,072	\$67,884	\$0	\$5,784	\$78,739	O.K.
41									
42 TOTAL PLT. SPEC. OPER. EXP.	\$384,399		\$252,147	\$8,066	\$107,972	\$0	\$16,214	\$132,252	O.K.
43									
44 TOTAL PLT. SPEC., ex SUPPORT	\$352,288		\$229,839	\$7,493	\$100,309	\$0	\$14,647	\$122,449	O.K.

Kennebec Telephone Company

***** FCC PART 36 ***** Operating Expenses and Taxes	TOTAL COMPANY	Source/ Allocator	Interstate and Other	Intrastate				TOTAL INTRASTATE		
				Message Telephone Service		Private Line				
				InterLATA	IntraLATA	InterLATA	IntraLATA			
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
58 NON-SPECIFIC OPER. EXP.:										
59										
60 Oth. Plt. and Equip., Alloc.	\$0	H36	\$0	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
61 Oth. Plt. and Equip., Direct	0	V177	0	0	0	0	0	0	0	O.K.
62										
63 Total Oth. Plt. & Equip.	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
64										
65 Network Operations, Alloc.	\$42,001	H33	\$29,179	\$749	\$10,023	\$0	\$2,049	\$12,822	\$12,822	O.K.
66 Network Operations, Direct	0	V179	0	0	0	0	0	0	0	O.K.
67										
68 Total Network Oper. Exp.	\$42,001		\$29,179	\$749	\$10,023	\$0	\$2,049	\$12,822	\$12,822	O.K.
69										
70 Total Access Expenses	\$0	V180	\$0	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
71										
72 Depr., Support Assets	\$100,357	H13	\$69,721	\$1,790	\$23,950	\$0	\$4,897	\$30,636	\$30,636	O.K.
73 Depr., COE Switching	104,650	H19	65,083	2,748	36,819	0	0	39,567	39,567	O.K.
74 Depr., COE Operator	0	H16	0	0	0	0	0	0	0	O.K.
75 Depr., COE Transmission	71,285	H20	43,478	1,128	15,089	0	11,590	27,807	27,807	O.K.
76 Depr., IOT Equipment	0	H25	0	0	0	0	0	0	0	O.K.
77 Depr., C&W Facilities	152,305	H31	111,440	2,471	33,043	0	5,350	40,865	40,865	O.K.
78 Depr., PHFU	0	H38	0	0	0	0	0	0	0	O.K.
79										
80 Total Depreciation Expense	\$428,597		\$289,722	\$8,137	\$108,901	\$0	\$21,837	\$138,875	\$138,875	O.K.
81										
82 Amort., Tangible Assets	\$0	H40	\$0	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
83 Amort., Intangible Assets	0	H41	0	0	0	0	0	0	0	O.K.
84 Other Amortization	0	V189	0	0	0	0	0	0	0	O.K.
85 Direct Assigned Amort.	0	V190	0	0	0	0	0	0	0	O.K.
86										
87 Total Amortization Exp.	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
88										
89 Total Depr. and Amort.	\$428,597		\$289,722	\$8,137	\$108,901	\$0	\$21,837	\$138,875	\$138,875	O.K.
90										
91 TOTAL NON-SPEC. OPER. EXP.	\$470,598		\$318,901	\$8,886	\$118,925	\$0	\$23,887	\$151,697	\$151,697	O.K.

Kennebec Telephone Company

***** FCC PART 36 ***** Operating Expenses and Taxes	TOTAL COMPANY	Source/ Allocator	Interstate and Other	Intrastate				TOTAL INTRASTATE		
				Message Telephone Service		Private Line				
				InterLATA	IntraLATA	InterLATA	IntraLATA			
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
105 CUSTOMER OPERATIONS EXPENSE:										
106										
107 Marketing, Allocable	\$13,263	G35	\$9,674	\$206	\$2,763	\$0	\$620	\$3,589	O.K.	
108 Marketing, Direct	0	V192	0	0	0	0	0	0	O.K.	
109										
110 Total Marketing Expense	\$13,263		\$9,674	\$206	\$2,763	\$0	\$620	\$3,589	O.K.	
111										
112 Operator Service, Alloc.	\$980	G24	\$980	\$0	\$0	\$0	\$0	\$0	O.K.	
113 Operator Service, Direct	0	V194	0	0	0	0	0	0	O.K.	
114										
115 Total Operator Service	\$980		\$980	\$0	\$0	\$0	\$0	\$0	O.K.	
116										
117 Classified Directory	\$0	V195	\$0	\$0	\$0	\$0	\$0	\$0	O.K.	
118 Alphabetical Directory	225	G19	182	3	40	0	0	43	O.K.	
119 Foreign Directory	0	G46	0	0	0	0	0	0	O.K.	
120										
121 Total Directory	\$225		\$182	\$3	\$40	\$0	\$0	\$43	O.K.	
122										
123 Bus. Ofc., EU Presubscription	\$0	G36	\$0	\$0	\$0	\$0	\$0	\$0	O.K.	
124 Bus. Ofc., EU MTS & WATS	50,378	G37	36,744	783	10,495	0	2,356	13,634	O.K.	
125 Bus. Ofc., EU Access, P/L & all Other	13,960	G38	10,182	217	2,908	0	653	3,778	O.K.	
126 Bus. Ofc., IXC Special Access	0	G39	0	0	0	0	0	0	O.K.	
127 Bus. Ofc., IXC Switched Access	0	G40	0	0	0	0	0	0	O.K.	
128 Bus. Ofc., IXC B & C Services	0	G41	0	0	0	0	0	0	O.K.	
129 Coin Collect & Admin.	0	G42	0	0	0	0	0	0	O.K.	
130										
131 Total Business Office	\$64,338		\$46,926	\$1,000	\$13,403	\$0	\$3,009	\$17,412	O.K.	
132										
133 Cust. Svc., Direct	\$0	V205	\$0	\$0	\$0	\$0	\$0	\$0	O.K.	
134 Cust. Serv., Msg. Process	4,804	G43	830	276	3,698	0	0	3,974	O.K.	
135 Cust. Serv., Other B&C	11,807	G44	7,871	273	3,662	0	0	3,936	O.K.	
136 Cust. Serv., CABS	18,091	G45	9,046	628	8,417	0	0	9,046	O.K.	
137 Cust. Serv., EU Common Line	0	V209	0	0	0	0	0	0	O.K.	
138										
139 Total Customer Service	\$34,702		\$17,747	\$1,178	\$15,777	\$0	\$0	\$16,955	O.K.	
140										
141 Total Bus. Ofc., Cust. Serv.	\$99,040		\$64,673	\$2,178	\$29,180	\$0	\$3,009	\$34,367	O.K.	
142										

Kennebec Telephone Company

		Intrastate								
		Message Telephone Service				Private Line		TOTAL		
***** FCC PART 36 ***** Operating Expenses and Taxes		TOTAL COMPANY	Source/ Allocator	Interstate and Other	InterLATA	IntraLATA	InterLATA	IntraLATA	INTRASTATE	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
156	Other Cust. Serv., Alloc.	\$0	H48	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
157	Other Cust. Serv., Direct	95	V211	95	0	0	0	0	0	O.K.
158										
159	Total Other Cust. Serv.	\$95		\$95	\$0	\$0	\$0	\$0	\$0	O.K.
160										
161	TOTAL CUSTOMER OPER. EXP.	\$113,603		\$75,604	\$2,387	\$31,983	\$0	\$3,629	\$37,999	O.K.
162										
163										
164	"BIG-THREE" EXPENSES:									
165										
166	Total Plt. Spec., ex Support	\$352,288	44	\$229,839	\$7,493	\$100,309	\$0	\$14,647	\$122,449	O.K.
167	Total Network Oper. Exp.	42,001	68	29,179	749	10,023	0	2,049	12,822	O.K.
168	Total Customer Operations	113,603	161	75,604	2,387	31,983	0	3,629	37,999	O.K.
169										
170	TOTAL "BIG THREE" EXPENSES	\$507,892		\$334,622	\$10,629	\$142,315	\$0	\$20,326	\$173,270	O.K.
171										
172										
173	CORPORATE OPERATIONS EXPENSE:									
174										
175	Exec. and Planning, Alloc.	\$128,345	H50	\$84,559	\$2,686	\$35,963	\$0	\$5,136	\$43,786	O.K.
176	Exec. and Planning, Direct	0	V213	0	0	0	0	0	0	O.K.
177										
178	Total Exec. and Planning	\$128,345		\$84,559	\$2,686	\$35,963	\$0	\$5,136	\$43,786	O.K.
179										
180	Admin. & General, Allocable	\$213,544	H50	\$140,692	\$4,469	\$59,837	\$0	\$8,546	\$72,852	O.K.
181	Admin. & General, Direct	75,004	V231	53,196	0	21,808	0	0	21,808	O.K.
182										
183	Total Admin. and Gen.	\$288,548		\$193,888	\$4,469	\$81,645	\$0	\$8,546	\$94,660	O.K.
184										
185	TOTAL CORPORATE OPERATIONS	\$416,893		\$278,448	\$7,155	\$117,608	\$0	\$13,682	\$138,445	O.K.
186										
187										
188	NON-INCOME TAXES:									
189										
190	Non-income Taxes, Allocable	\$0	H36	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
191	Non-income Taxes, Direct	181	V233	181	0	0	0	0	0	O.K.
192										
193	Total Non-income Taxes	\$181		\$181	\$0	\$0	\$0	\$0	\$0	O.K.
194										
195										
196	TOTAL OPER. EXP. AND TAXES	\$1,385,674		\$925,280	\$26,494	\$376,487	\$0	\$57,412	\$460,394	O.K.

Kennebec Telephone Company

***** FCC PART 69 *****
IntraLATA Revenue
Requirement Summary

Part 36
IntraLATA
Total

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)											
Net Investment	Rate of Return	Return on Rate Base	AFUDC	ITC Amortization	Other Return Adjustments	Net Return	Interest Expense	Capitalized Payroll Taxes	Depreciation Adjustment	Other Income Adjustments	After Tax Income	State Income Taxes	Federal Income Taxes	Operating Expenses and Taxes	Uncollectibles	Other Revenue Adjustments	Basis for Gross Receipts Tax	Gross Receipts Tax	TOTAL REVENUE REQUIREMENT
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)											
	\$1,293,408	K52	\$696,846	\$234,240	\$0	\$101,809	\$0	\$260,513											
	10.00%	B19	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%											
	\$129,341		\$69,685	\$23,424	\$0	\$10,181	\$0	\$25,051											
	21,913	N37	10,772	5,182	0	1,650	0	4,309											
	0	N37	0	0	0	0	0	0											
	0	Direct	0	0	0	0	0	0											
	\$151,254		\$80,456	\$28,606	\$0	\$11,831	\$0	\$30,360											
	42,353	N67	22,818	7,670	0	3,334	0	8,531											
	0	N37	0	0	0	0	0	0											
	0	N37	0	0	0	0	0	0											
	0	Direct	0	0	0	0	0	0											
	\$108,901		\$57,638	\$20,936	\$0	\$8,498	\$0	\$21,830											
	\$0	29	0	0	0	0	0	0											
	56,101	29	29,692	10,785	0	4,378	0	11,246											
	433,900	O195	137,949	103,915	70	82,102	35,649	74,215											
	4,846	Direct	0	4,846	0	0	0	0											
	0	Direct	0	0	0	0	0	0											
	619,341	16+31+32+33	237,326	138,124	70	96,660	35,649	111,512											
	19,982	37	7,657	4,456	2	3,119	1,150	3,598											
	\$666,082		\$255,755	\$152,608	\$72	\$101,429	\$36,799	\$119,419											

Kennebec Telephone Company

***** FCC PART 69 ***** IntraLATA Investment Summary		Part 36 IntraLATA Total	Source	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
13 Land and Support Assets	\$391,242	L25	\$63,334	\$152,520	\$0	\$48,571	\$0	\$126,817	O.K.	
14										
15 Central Office Equipment	\$749,082	L70	\$157,341	\$378,906	\$0	\$52,027	\$0	\$160,809	O.K.	
16 Info. Term./Orig. Equipment	0	L78	0	0	0	0	0	0	O.K.	
17 Cable and Wire Facilities	1,106,802	L117	883,921	0	0	68,639	0	154,242	O.K.	
18										
19 Total COE, IOT, C&WF	\$1,855,884		\$1,041,262	\$378,906	\$0	\$120,666	\$0	\$315,051	O.K.	
20										
21 Total Tangible Assets	\$0	L141	\$0	\$0	\$0	\$0	\$0	\$0	O.K.	
22										
23 Total Tele. Plt. ex Intang.	\$2,247,126		\$1,104,596	\$531,426	\$0	\$169,237	\$0	\$441,868	O.K.	
24 Total Intangible Assets	5,413	L144	2,661	1,280	0	408	0	1,064	O.K.	
25										
26 Total Plant In Service	\$2,252,539		\$1,107,257	\$532,706	\$0	\$169,644	\$0	\$442,932	O.K.	
27 Total Plt. Held Future Use	0	L147	0	0	0	0	0	0	O.K.	
28 Total ST PUC	0	L163	0	0	0	0	0	0	O.K.	
29 Total LT PUC	37,680	L164	18,522	8,911	0	2,838	0	7,409	O.K.	
30 Total Tel. Plt. Adjust.	0	L169	0	0	0	0	0	0	O.K.	
31										
32 TOTAL TELEPHONE PLANT	\$2,290,219		\$1,125,779	\$541,617	\$0	\$172,482	\$0	\$450,341	O.K.	
33										
34 less:										
35 Accum. Depr., Plt. in Serv.	1,020,208	M23	440,434	312,910	0	72,435	0	194,429	O.K.	
36 Accum. Depr. PHFU	0	M27	0	0	0	0	0	0	O.K.	
37 Accum. Amort. Tangible Plt.	0	M28	0	0	0	0	0	0	O.K.	
38 Accum. Amort. Intangibles	0	M29	0	0	0	0	0	0	O.K.	
39 Accum. Amort. Other	0	M30	0	0	0	0	0	0	O.K.	
40 Accum. Def. Inc. Taxes, Net	14,541	M47	7,148	3,439	0	1,095	0	2,859	O.K.	
41										
42 plus:										
43 Other Assets	0	Direct	0	0	0	0	0	0	O.K.	
44										
45 NET TELEPHONE PLANT	\$1,255,470		\$678,197	\$225,268	\$0	\$98,952	\$0	\$253,053	O.K.	
46 plus:										
47 Class B RTB Stock	0	L171	0	0	0	0	0	0	O.K.	
48 Materials and Supplies	23,739	L173	11,669	5,614	0	1,788	0	4,668	O.K.	
49 Cash Working Capital	14,199	L175	6,980	3,358	0	1,069	0	2,792	O.K.	
50 Equal Access Investment	0	L177	0	0	0	0	0	0	O.K.	
51										
52 NET INVESTMENT	\$1,293,408		\$696,846	\$234,240	\$0	\$101,809	\$0	\$260,513	O.K.	
53										

Kennebec Telephone Company

***** FCC PART 69 ***** IntraLATA Investment Detail	Part 36 IntraLATA Total	Source or Apportion	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
13 LAND AND SUPPORT ASSETS:									
14									
15 Land Assets, Message	\$5,875	N28	951	2,290	0	729	0	1,904	O.K.
16 Land Assets, Private Line	1,201	N28	194	468	0	149	0	389	O.K.
17									
18 Total Land Assets	\$7,077		\$1,146	\$2,759	\$0	\$879	\$0	\$2,294	O.K.
19									
20 Support Assets, Message	\$318,950	N28	\$51,632	\$124,338	\$0	\$39,596	\$0	\$103,384	O.K.
21 Support Assets, Private Line	65,215	N28	10,557	25,423	0	8,096	0	21,139	O.K.
22									
23 Total Support Assets	\$384,165		\$62,188	\$149,761	\$0	\$47,693	\$0	\$124,523	O.K.
24									
25 Total Land and Supp. Assets	\$391,242		\$63,334	\$152,520	\$0	\$48,571	\$0	\$126,817	O.K.
26									
27 CENTRAL OFFICE EQUIPMENT:									
28									
29 Operator Sys., DA	\$0	(F)	0	0	0	0	0	0	O.K.
30 Operator Sys., Other	0	(I)	0	0	0	0	0	0	O.K.
31									
32 Total Operator Systems	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.
33									
34 Tandem Switching	\$0	(G)	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
35 Tandem Assigned	0	Direct	0	0	0	0	0	0	O.K.
36									
37 Total Tandem Switching	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.
38									
39 Local Switching	\$378,906	(E)	\$0	\$378,906	\$0	\$0	\$0	\$0	O.K.
40 Local Assigned	0	Direct	0	0	0	0	0	0	O.K.
41									
42 Total Local Switching	\$378,906		\$0	\$378,906	\$0	\$0	\$0	\$0	O.K.
43									
44 Total Switching	\$378,906		\$0	\$378,906	\$0	\$0	\$0	\$0	O.K.

Kennebec Telephone Company

***** FCC PART 69 ***** IntraLATA Investment Detail		Part 36 IntraLATA Total	Source or Apportion	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
58	COE Exch. Trunk	\$0	Direct	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
59	COE Exch. Line - Message	157,341	(D)	157,341	0	0	0	0	0	O.K.
60	COE Exch. Line - PL etc.	16,200	(I)	0	0	0	0	0	16,200	O.K.
61	COE Exch. Line - Assigned	0	Direct	0	0	0	0	0	0	O.K.
62	COE Interexchange, Message	43,139	(G)	0	0	0	43,139	0	0	O.K.
63	COE Interexchange, PL	144,609	(I)	0	0	0	0	0	144,609	O.K.
64	COE Interexchange, Assigned	0	(G)	0	0	0	0	0	0	O.K.
65	COE H/R Message	8,888	(G)	0	0	0	8,888	0	0	O.K.
66	COE H/R Assigned	0	Direct	0	0	0	0	0	0	O.K.
67										
68	Total COE Transmission	\$370,177		\$157,341	\$0	\$0	\$52,027	\$0	\$160,809	O.K.
69										
70	Total Central Office Equip.	\$749,082		\$157,341	\$378,906	\$0	\$52,027	\$0	\$160,809	O.K.
71										
72	IOT EQUIPMENT:									
73										
74	Public Telephone	\$0	N43	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
75	Coinless Pay Phone	0	(D)	0	0	0	0	0	0	O.K.
76	Customer Premises Equipment	0	N60	0	0	0	0	0	0	O.K.
77										
78	Total IOT Equipment	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.
79										
80	CABLE AND WIRE FACILITIES:									
81										
82	Exchange PL and WATS	\$91,008	(I)	\$0	\$0	\$0	\$0	\$0	\$91,008	O.K.
83	Exchange Message	883,921	(D)	883,921	0	0	0	0	0	O.K.
84	Exchange Assigned	0	Direct	0	0	0	0	0	0	O.K.
85										
86	Total Exchange Line C&WF	\$974,929		\$883,921	\$0	\$0	\$0	\$0	\$91,008	O.K.
87										
88	Exchange Trunk, Message	\$0	Direct	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
89	Exchange Trunk, PL	0	Direct	0	0	0	0	0	0	O.K.
90										
91	Total Exchange Trunk C&WF	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.
92										
93	Interexchange Message	\$17,762	(G)	\$0	\$0	\$0	\$17,762	\$0	\$0	O.K.
94	Interexchange PL, WATS	63,234	(I)	0	0	0	0	0	63,234	O.K.
95	Interexchange Assigned	0	(G)	0	0	0	0	0	0	O.K.
96										
97	Total Interexchange C&WF	\$80,996		\$0	\$0	\$0	\$17,762	\$0	\$63,234	O.K.

Kennebec Telephone Company

***** FCC PART 69 ***** IntraLATA Investment Detail		Part 36 IntraLATA Total	Source or Apportion	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
111	H/R C&WF, Message	\$50,876	(G)	\$0	\$0	\$0	\$50,876	\$0	\$0	O.K.
112	H/R C&WF, WATS	0	(I)	0	0	0	0	0	0	O.K.
113	H/R C&WF, Assigned	0	Direct	0	0	0	0	0	0	O.K.
114										
115	Total Host/Remote C&WF	\$50,876		\$0	\$0	\$0	\$50,876	\$0	\$0	O.K.
116										
117	Total Cable and Wire Facil.	\$1,106,802		\$883,921	\$0	\$0	\$68,639	\$0	\$154,242	O.K.
118										
119	TANGIBLE ASSETS:									
120										
121	Land and Support Leases	\$0	N28	0	0	0	0	0	0	O.K.
122										
123	COE Operator Leases	\$0	32	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
124	COE Tandem Switching Leases	0	34	0	0	0	0	0	0	O.K.
125	COE Local Switching Leases	0	39	0	0	0	0	0	0	O.K.
126	COE Transmission Leases	0	68	0	0	0	0	0	0	O.K.
127										
128	Total COE Leases	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.
129										
130	IOT Equipment Leases	\$0	78	0	0	0	0	0	0	O.K.
131										
132	C&WF Leases	\$0	117	0	0	0	0	0	0	O.K.
133										
134	Total Capital Leases	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.
135										
136	Leasehold Impr., Alloc.	\$0	N37	0	0	0	0	0	0	O.K.
137	Leasehold Impr., Direct	0	Direct	0	0	0	0	0	0	O.K.
138										
139	Total Leasehold Improvementsa	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.
140										
141	Total Tangible Assets	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.
142										
143										
144	TOTAL INTANGIBLE ASSETS	\$5,413	N37	\$2,661	\$1,280	\$0	\$408	\$0	\$1,064	O.K.
145										
146										
147	PROPERTY HELD FOR FUTURE US	\$0	N46	0	0	0	0	0	0	O.K.

Kennebec Telephone Company

***** FCC PART 69 *****
IntralATA Investment
Detail

Part 36
IntralATA
Total

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
	IntralATA Total	Source or Apportion	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other
161 PLANT UNDER CONSTRUCTION:								
162 Short-term	\$0	N46	\$0	\$0	\$0	\$0	\$0	O.K.
163 Long-term	37,680	N46	18,522	8,911	0	2,838	0	O.K.
164								
165 Total Plt. Under Const.	\$37,680		\$18,522	\$8,911	\$0	\$2,838	\$0	\$7,409
166								O.K.
167								
168 TELEPHONE PLANT ADJUSTMENT	\$0	N46	\$0	\$0	\$0	\$0	\$0	O.K.
169								
170 CLASS B RTB STOCK	\$0	N37	\$0	\$0	\$0	\$0	\$0	O.K.
171								
172 MATERIALS AND SUPPLIES	\$23,739	N37	\$11,669	\$5,614	\$0	\$1,788	\$0	\$4,668
173								O.K.
174 CASH WORKING CAPITAL	\$14,199	N37	\$6,980	\$3,358	\$0	\$1,069	\$0	\$2,792
175								O.K.
176 EQUAL ACCESS INVESTMENT	\$0	Direct	\$0	\$0	\$0	\$0	\$0	\$0
177								O.K.

Kennebec Telephone Company

***** FCC PART 69 ***** IntraLATA Reserves and Deferrals	Part 36 IntraLATA Total	Source or Apportion	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
13 ACCUM. DEPRECIATION, TPIS:									
14									
15 Support Assets	\$134,894	N28	\$21,837	\$52,586	\$0	\$16,747	\$0	\$43,724	O.K.
16 COE Switching	260,324	L44	0	260,324	0	0	0	0	O.K.
17 COE Operator	0	L32	0	0	0	0	0	0	O.K.
18 COE Transmission	215,579	L68	91,630	0	0	30,299	0	93,650	O.K.
19 IOT Equipment	0	L78	0	0	0	0	0	0	O.K.
20 Cable and Wire Facilities	409,412	L117	326,967	0	0	25,390	0	57,055	O.K.
21 Other Plant	0	N37	0	0	0	0	0	0	O.K.
22									
23 Total Accum. Depr., TPIS	\$1,020,208		\$440,434	\$312,910	\$0	\$72,435	\$0	\$194,429	O.K.
24									
25 ACCUM. AMORTIZATION:									
26									
27 Accum. Depreciation, PHFU	\$0	N37	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
28 Accum. Amort., Tangible Inv.	0	N37	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
29 Accum. Amort., Intang. Inv.	0	N37	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
30 Accum. Amort., Other	0	N37	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
31									
32 Tot. Accum. Amortization	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.
33									
34 Total Accum. Depr./Amort.	\$1,020,208		\$440,434	\$312,910	\$0	\$72,435	\$0	\$194,429	O.K.
35									
36									
37 ACCUM. DEF. INC. TAXES, NET:									
38									
39 Support Assets	\$0	N28	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
40 COE Switching	0	L44	0	0	0	0	0	0	O.K.
41 COE Operator	0	L32	0	0	0	0	0	0	O.K.
42 COE Transmission	0	L68	0	0	0	0	0	0	O.K.
43 IOT Equipment	0	L78	0	0	0	0	0	0	O.K.
44 Cable and Wire Fac.	0	L117	0	0	0	0	0	0	O.K.
45 Unclassified	14,541	N37	7,148	3,439	0	1,095	0	2,859	O.K.
46									
47 Total Accum. Def. Inc. Taxes	\$14,541		\$7,148	\$3,439	\$0	\$1,095	\$0	\$2,859	O.K.

Kennebec Telephone Company

***** FCC PART 69 ***** Apportionment Factors		Part 36 IntraLATA Total	Source	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
13 Central Office Equipment	\$749,082	L70	\$157,341	\$378,906	\$0	\$52,027	\$0	\$160,809	O.K.	
14 Info. Orig./Term. Eqpt.	0	L78	0	0	0	0	0	0	O.K.	
15 C&W Facilities	1,106,802	L117	883,921	0	0	68,639	0	154,242	O.K.	
16										
17 Total	\$1,855,884		\$1,041,262	\$378,906	\$0	\$120,666	\$0	\$315,051	O.K.	
18 Factor	1.000000		0.561060	0.204165	0.000000	0.065018	0.000000	0.169758	O.K.	
19										
20 Sum: Sw., Trans., Other	\$814,622	17	\$0	\$378,906	\$0	\$120,666	\$0	\$315,051	O.K.	
21 Factor	1.000000		0.000000	0.465131	0.000000	0.148125	0.000000	0.386745	O.K.	
22										
23 Central Office Equipment	\$749,082	L70	\$157,341	\$378,906	\$0	\$52,027	\$0	\$160,809	O.K.	
24 Info. Orig./Term. Eqpt.	0	L78	0	0	0	0	0	0	O.K.	
25 C&WF, Excl. Exch. Message	222,881	L117-83	0	0	0	68,639	0	154,242	O.K.	
26										
27 Total	\$971,963		\$157,341	\$378,906	\$0	\$120,666	\$0	\$315,051	O.K.	
28 Factor	1.000000		0.161880	0.389836	0.000000	0.124146	0.000000	0.324139	O.K.	
29										
30 General Support Facilities	\$391,242	L25	\$63,334	\$152,520	\$0	\$48,571	\$0	\$126,817	O.K.	
31 Central Office Equipment	749,082	13	157,341	378,906	0	52,027	0	160,809	O.K.	
32 Info. Orig./Term. Eqpt.	0	14	0	0	0	0	0	0	O.K.	
33 C&W Facilities	1,106,802	15	883,921	0	0	68,639	0	154,242	O.K.	
34 Equal Access Investment	0	L177	0	0	0	0	0	0	O.K.	
35										
36 Total	\$2,247,126		\$1,104,596	\$531,426	\$0	\$169,237	\$0	\$441,868	O.K.	
37 Factor	1.000000		0.491559	0.236491	0.000000	0.075313	0.000000	0.196637	O.K.	
38										
39 Sum: Com. Ln., Sw., Trans.	\$1,805,259	36	\$1,104,596	\$531,426	\$0	\$169,237	\$0	\$0	O.K.	
40 Factor	1.000000		0.611877	0.294377	0.000000	0.093747	0.000000	0.000000	O.K.	
41										
42 COE Cat. 2 Factor	1.000000	Direct	0.000000	0.000000	0.000000	1.000000	0.000000	0.000000	O.K.	
43 IOT Cat. 1 Factor	1.000000	Direct	1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.	
44										
45 Total TPIS	\$2,252,539	K26	\$1,107,257	\$532,706	\$0	\$169,644	\$0	\$442,932	O.K.	
46 Factor	1.000000		0.491559	0.236491	0.000000	0.075313	0.000000	0.196637	O.K.	

Kennebec Telephone Company

***** FCC PART 69 ***** Apportionment Factors		Part 36 IntraLATA Total						
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
		Source	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other
60	Interstate Equiv. Factor	Direct	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
61	Wtd. Std. Work Seconds	Direct	1.000000	0.000000	0.000000	0.000000	0.000000	0.000000
62								
63	"BIG THREE" Expenses	O-171	\$51,748	\$31,663	\$40	\$41,040	\$20,211	\$27,170
64	Factor		0.301086	0.184228	0.000231	0.238783	0.117592	0.158082
65								
66	Net Investment	J-13	\$696,846	\$234,240	\$0	\$101,809	\$0	\$260,513
67	Factor		0.538767	0.181103	0.000000	0.078714	0.000000	0.201416

(0)

Kennebec Telephone Company

***** FCC PART 69 ***** Operating Expenses and Taxes		Part 36 IntraLATA Total	Apportion	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
13	PLANT SPEC. OPER. EXPENSE:									
14										
15	Network Support, Alloc.	\$0	N37	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
16	Network Support, Direct	0	Direct	0	0	0	0	0	0	O.K.
17										
18	Total Network Support Exp.	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.
19										
20	General Support, Alloc.	\$9,230	N30	\$1,494	\$3,598	\$0	\$1,146	\$0	\$2,992	O.K.
21	General Support, Direct	0	Direct	0	0	0	0	0	0	O.K.
22										
23	Total General Support Exp.	\$9,230		\$1,494	\$3,598	\$0	\$1,146	\$0	\$2,992	O.K.
24										
25	Central Office Eq., Alloc.	\$41,289	N31	\$8,673	\$20,885	\$0	\$2,868	\$0	\$8,864	O.K.
26	Central Office Eq., Direct	0	Direct	0	0	0	0	0	0	O.K.
27										
28	Total COE Exp.	\$41,289		\$8,673	\$20,885	\$0	\$2,868	\$0	\$8,864	O.K.
29										
30	Cust. Premises Equip.	\$0	L76	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
31	Other IOT	0	N43	0	0	0	0	0	0	O.K.
32	IOT Direct	0	Direct	0	0	0	0	0	0	O.K.
33										
34	Total IOT Exp.	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.
35										
36	Cable & Wire, Alloc.	\$41,502	N33	\$33,144	\$0	\$0	\$2,574	\$0	\$5,784	O.K.
37	Cable & Wire, Direct	32,166	Direct	0	0	0	32,166	0	0	O.K.
38										
39	Total C&WF Exp.	\$73,668		\$33,144	\$0	\$0	\$34,740	\$0	\$5,784	O.K.
40										
41	TOTAL PLT. SPEC. OPER. EXP.	\$124,186		\$43,311	\$24,483	\$0	\$38,753	\$0	\$17,639	O.K.
42										
43	TOTAL PLT. SPEC., ex SUPPORT	\$114,956		\$41,817	\$20,885	\$0	\$37,607	\$0	\$14,647	O.K.

Kennebec Telephone Company

***** FCC PART 69 ***** Operating Expenses and Taxes	Part 36 IntraLATA Total	Apportion	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
57 NON-SPECIFIC OPER. EXP.:									
58									
59 Oth. Plt. and Equip., Alloc.	\$0	N18	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
60 Oth. Plt. and Equip., Direct	0	Direct	0	0	0	0	0	0	O.K.
61									
62 Total Oth. Plt. & Equip.	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.
63									
64 Network Operations, Alloc.	\$12,073	N18	\$6,774	\$2,465	\$0	\$785	\$0	\$2,049	O.K.
65 Network Operations, Direct	0	Direct	0	0	0	0	0	0	O.K.
66									
67 Total Network Oper. Exp.	\$12,073		\$6,774	\$2,465	\$0	\$785	\$0	\$2,049	O.K.
68									
69 Total Access Expenses	\$0	Direct	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
70									
71 Depr., Support Assets	\$28,846	L23	\$4,670	\$11,245	\$0	\$3,581	\$0	\$9,350	O.K.
72 Depr., COE Switching	36,819	L44	0	36,819	0	0	0	0	O.K.
73 Depr., COE Operator	0	L32	0	0	0	0	0	0	O.K.
74 Depr., COE Transmission	26,679	L68	11,340	0	0	3,750	0	11,590	O.K.
75 Depr., IOT Equipment	0	L78	0	0	0	0	0	0	O.K.
76 Depr., C&W Facilities	38,394	L117	30,662	0	0	2,381	0	5,350	O.K.
77 Depr., PHFU	0	L147	0	0	0	0	0	0	O.K.
78									
79 Total Depreciation Expense	\$130,738		\$46,672	\$48,064	\$0	\$9,712	\$0	\$26,290	O.K.
80									
81 Amort., Tangible Assets	\$0	L141	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
82 Amort., Intangible Assets	0	L144	0	0	0	0	0	0	O.K.
83 Other Amortization	0	Direct	0	0	0	0	0	0	O.K.
84 Direct Assigned Amort.	0	Direct	0	0	0	0	0	0	O.K.
85									
86 Total Amortization Exp.	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.
87									
88 Total Depr. and Amort.	\$130,738		\$46,672	\$48,064	\$0	\$9,712	\$0	\$26,290	O.K.
89									
90 TOTAL NON-SPEC. OPER. EXP.	\$142,811		\$53,445	\$50,529	\$0	\$10,497	\$0	\$28,340	O.K.

Kennebec Telephone Company

***** FCC PART 69 ***** Operating Expenses and Taxes	Part 36 IntraLATA Total	Apportion	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
104 CUSTOMER OPERATIONS EXPENSE:									
105									
106 Marketing, Allocable	\$3,383	N37	\$1,663	\$800	\$0	\$255	\$0	\$665	O.K.
107 Marketing, Direct	0	Direct	0	0	0	0	0	0	O.K.
108									
109 Total Marketing Expense	\$3,383		\$1,663	\$800	\$0	\$255	\$0	\$665	O.K.
110									
111 Operator Service, Alloc.	\$0	N61	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
112 Operator Service, Direct	0	Direct	0	0	0	0	0	0	O.K.
113									
114 Total Operator Service	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.
115									
116 Classified Directory	\$0	Direct	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
117 Alphabetical Directory	40	(F)	0	0	40	0	0	0	O.K.
118 Foreign Directory	0	Direct	0	0	0	0	0	0	O.K.
119									
120 Total Directory	\$40		\$0	\$0	\$40	\$0	\$0	\$0	O.K.
121									
122 Bus. Ofc., EU Presubscription	0	N40	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
123 Bus. Ofc., Reserved	0	(I)	0	0	0	0	0	0	O.K.
124 Bus. Ofc., EU Access PL & All Other	3,561	(H)	0	0	0	0	0	3,561	O.K.
125 Bus. Ofc., EU Message	12,851	(H)	0	0	0	0	12,851	0	O.K.
126 Bus. Ofc., EU Reserved	0	(I)	0	0	0	0	0	0	O.K.
127 Bus. Ofc., IX Special Access	0	(I)	0	0	0	0	0	0	O.K.
128 Bus. Ofc., IX Switched Access	0	N40	0	0	0	0	0	0	O.K.
129 Bus. Ofc., IX Billing and Collection	0	(H)	0	0	0	0	0	0	O.K.
130 Bus. Ofc., Coin Collection & Administr	0	(D)	0	0	0	0	0	0	O.K.
131 Bus. Ofc., Reserved	0	(I)	0	0	0	0	0	0	O.K.
132									
133 Total Business Office	\$16,412		\$0	\$0	\$0	\$0	\$12,851	\$3,561	O.K.
134									
135 Cust. Serv., Msg. Process	\$3,698	(H)	0	0	0	0	3,698	0	O.K.
136 Cust. Serv., Other B&C	3,662	(H)	0	0	0	0	3,662	0	O.K.
137 Cust. Serv., CABS	8,417	N21	0	3,915	0	1,247	0	3,255	O.K.
138 Cust. Serv., EU Common Line	0	(H)	0	0	0	0	0	0	O.K.
139									
140 Total Customer Service	\$15,777		\$0	\$3,915	\$0	\$1,247	\$7,360	\$3,255	O.K.
141									
142 Total BO, CS, OS, Dir.	\$32,229		\$0	\$3,915	\$40	\$1,247	\$20,211	\$6,816	O.K.

Kennebec Telephone Company

***** FCC PART 69 ***** Operating Expenses and Taxes		Part 36 IntraLATA Total	Apportion	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
158 Other Cust. Serv., Alloc.	\$0	142	\$0	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
159 Other Cust. Serv., Direct	0	Direct	0	0	0	0	0	0	0	O.K.
160										
161 Total Other Cust. Serv.	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
162										
163 TOTAL CUSTOMER OPER. EXP.	\$35,612		\$1,663	\$4,715	\$40	\$1,502	\$20,211	\$7,482		O.K.
164										
165 "BIG-THREE" EXPENSES:										
166										
167 Total Plt. Specific Exp.	\$124,186	41	\$43,311	\$24,483	\$0	\$38,753	\$0	\$17,639		O.K.
168 Total Plt Non-specific Exp.	12,073	62 + 67 +69	6,774	2,465	0	785	0	2,049		O.K.
169 Total Customer Operations	35,612	163	1,663	4,715	40	1,502	20,211	7,482		O.K.
170										
171 TOTAL "BIG THREE" EXPENSES	\$171,871		\$51,748	\$31,663	\$40	\$41,040	\$20,211	\$27,170		O.K.
172										
173 CORPORATE OPERATIONS EXPENSE:										
174										
175 Exec. and Planning, Alloc.	\$41,100	N64	\$12,375	\$7,572	\$9	\$9,814	\$4,833	\$6,497		O.K.
176 Exec. and Planning, Direct	0	Direct	0	0	0	0	0	0		O.K.
177										
178 Total Exec. and Planning	\$41,100		\$12,375	\$7,572	\$9	\$9,814	\$4,833	\$6,497		O.K.
179										
180 Admin. & General, Allocable	\$68,383	N64	\$20,589	\$12,598	\$16	\$16,329	\$8,041	\$10,810		O.K.
181 Admin. & General, Direct	21,808	Direct	6,566	4,018	5	5,207	2,564	3,447		O.K.
182										
183 Total Admin. and Gen.	\$90,191		\$27,155	\$16,616	\$21	\$21,536	\$10,606	\$14,257		O.K.
184										
185 TOTAL CORPORATE OPERATIONS	\$131,290		\$39,530	\$24,187	\$30	\$31,350	\$15,439	\$20,755		O.K.
186										
187 NON-INCOME TAXES:										
188										
189 Non-income Taxes, Allocable	\$0	N37	\$0	\$0	\$0	\$0	\$0	\$0		O.K.
190 Non-income Taxes, Direct	0	Direct	0	0	0	0	0	0		O.K.
191										O.K.
192										
193 Total Non-income Taxes	\$0		\$0	\$0	\$0	\$0	\$0	\$0		O.K.
194										
195 TOTAL OPER. EXP. AND TAXES	\$433,900		\$137,949	\$103,915	\$70	\$82,102	\$35,649	\$74,215		O.K.

Kennebec Telephone Company

***** FCC PART 69 ***** InterLATA Revenue Requirement Summary		Part 36 InterLATA Total	Source	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
13	Net Investment	\$79,993	Q52	\$52,563	\$19,156	\$0	\$8,274	\$0	\$0	O.K.
14	Rate of Return	10.00%	B19	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	O.K.
15										
16	Return on Rate Base	\$7,999		\$5,256	\$1,916	\$0	\$827	\$0	\$0	O.K.
17										
18	AFUDC	\$1,356	T37	812	411	0	133	0	0	O.K.
19	ITC Amortization	0	T37	0	0	0	0	0	0	O.K.
20	Other Return Adjustments	0	Direct	0	0	0	0	0	0	O.K.
21										
22	Net Return	\$9,356		\$6,069	\$2,327	\$0	\$960	\$0	\$0	O.K.
23										
24	Interest Expense	\$2,618	T67	1,720	627	0	271	0	0	O.K.
25	Capitalized Payroll Taxes	0	T37	0	0	0	0	0	0	O.K.
26	Depreciation Adjustment	0	T37	0	0	0	0	0	0	O.K.
27	Other Income Adjustments	0	Direct	0	0	0	0	0	0	O.K.
28										
29	After Tax Income	\$6,738		\$4,349	\$1,700	\$0	\$690	\$0	\$0	O.K.
30										
31	State Income Taxes	\$0	29	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
32	Federal Income Taxes	3,471	29	2,240	876	0	355	0	0	O.K.
33	Operating Expenses and Taxes	26,494	U195	9,933	8,054	5	5,964	2,184	356	O.K.
34	Uncollectibles	0	Direct	0	0	0	0	0	0	O.K.
35	Other Revenue Adjustments	0	Direct	0	0	0	0	0	0	O.K.
36										
37	Basis for Gross Receipts Tax	37,964	16+31+32+33	17,429	10,845	5	7,146	2,184	356	O.K.
38										
39										
40	Gross Receipts Tax	1,215	37	558	347	0	229	70	11	O.K.
41										
42										
43	TOTAL REVENUE REQUIREMENT	\$40,536		\$18,800	\$11,603	\$5	\$7,509	\$2,254	\$367	O.K.
44										

Kennebec Telephone Company

***** FCC PART 69 ***** InterLATA Investment Summary		Part 36 InterLATA Total	Source	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
13 Land and Support Assets	\$24,276	R25	\$5,797	\$13,961	\$0	\$4,519	\$0	\$0	\$0	O.K.
14										
15 Central Office Equipment	\$43,931	R70	\$11,744	\$28,282	\$0	\$3,905	\$0	\$0	\$0	O.K.
16 Info. Term./Orig. Equipment	0	R78	0	0	0	0	0	0	0	O.K.
17 Cable and Wire Facilities	71,225	R117	65,976	0	0	5,249	0	0	0	O.K.
18										
19 Total COE, IOT, C&WF	\$115,156		\$77,720	\$28,282	\$0	\$9,154	\$0	\$0	\$0	O.K.
20										
21 Total Tangible Assets	\$0	R141	\$0	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
22										
23 Total Tele. Plt. ex Intang.	\$139,432		\$83,517	\$42,243	\$0	\$13,673	\$0	\$0	\$0	O.K.
24 Total Intangible Assets	0	R144	0	0	0	0	0	0	0	O.K.
25										
26 Total Plant In Service	\$139,432		\$83,517	\$42,243	\$0	\$13,673	\$0	\$0	\$0	O.K.
27 Total Plt. Held Future Use	0	R147	0	0	0	0	0	0	0	O.K.
28 Total ST PUC	0	R163	0	0	0	0	0	0	0	O.K.
29 Total LT PUC	2,332	R164	1,397	707	0	229	0	0	0	O.K.
30 Total Tel. Plt. Adjust.	0	R169	0	0	0	0	0	0	0	O.K.
31										
32 TOTAL TELEPHONE PLANT	\$141,765		\$84,914	\$42,949	\$0	\$13,901	\$0	\$0	\$0	O.K.
33										
34 less:										
35 Accum. Depr., Plt. in Serv.	63,261	S23	33,243	24,244	0	5,774	0	0	0	O.K.
36 Accum. Depr. PHFU	0	S27	0	0	0	0	0	0	0	O.K.
37 Accum. Amort. Tangible Plt.	0	S28	0	0	0	0	0	0	0	O.K.
38 Accum. Amort. Intangibles	0	S29	0	0	0	0	0	0	0	O.K.
39 Accum. Amort. Other	0	S30	0	0	0	0	0	0	0	O.K.
40 Accum. Def. Inc. Taxes, Net	900	S47	539	273	0	88	0	0	0	O.K.
41										
42 plus:										
43 Other Assets	0	Direct	0	0	0	0	0	0	0	O.K.
44										
45 NET TELEPHONE PLANT	\$77,604		\$51,132	\$18,432	\$0	\$8,039	\$0	\$0	\$0	O.K.
46 plus:										
47 Class B RTB Stock	0	R171	0	0	0	0	0	0	0	O.K.
48 Materials and Supplies	1,528	R173	915	463	0	150	0	0	0	O.K.
49 Cash Working Capital	862	R175	516	261	0	85	0	0	0	O.K.
50 Equal Access Investment	0	R177	0	0	0	0	0	0	0	O.K.
51										
52 NET INVESTMENT	\$79,993		\$52,563	\$19,156	\$0	\$8,274	\$0	\$0	\$0	O.K.
53										

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***** FCC PART 69 ***** InterLATA Investment Detail	Part 36 InterLATA Total	Source or Apportion	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
13 LAND AND SUPPORT ASSETS:									
14									
15 Land Assets, Message	\$439	T28	\$105	\$253	\$0	\$82	\$0	\$0	O.K.
16 Land Assets, Private Line	0	T28	0	0	0	0	0	0	O.K.
17									
18 Total Land Assets	\$439		\$105	\$253	\$0	\$82	\$0	\$0	O.K.
19									
20 Support Assets, Message	23,837	T28	\$5,692	\$13,708	\$0	\$4,437	\$0	\$0	O.K.
21 Support Assets, Private Line	0	T28	0	0	0	0	0	0	O.K.
22									
23 Total Support Assets	\$23,837		\$5,692	\$13,708	\$0	\$4,437	\$0	\$0	O.K.
24									
25 Total Land and Supp. Assets	\$24,276		\$5,797	\$13,961	\$0	\$4,519	\$0	\$0	O.K.
26									
27 CENTRAL OFFICE EQUIPMENT:									
28									
29 Operator Sys., DA	\$0	(F)	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
30 Operator Sys., Other	0	(I)	0	0	0	0	0	0	O.K.
31									
32 Total Operator Systems	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.
33									
34 Tandem Switching	\$0	(G)	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
35 Tandem Assigned	0	Direct	0	0	0	0	0	0	O.K.
36									
37 Total Tandem Switching	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.
38									
39 Local Switching	\$28,282	(E)	\$0	\$28,282	\$0	\$0	\$0	\$0	O.K.
40 Local Assigned	0	Direct	0	0	0	0	0	0	O.K.
41									
42 Total Local Switching	\$28,282		\$0	\$28,282	\$0	\$0	\$0	\$0	O.K.
43									
44 Total Switching	\$28,282		\$0	\$28,282	\$0	\$0	\$0	\$0	O.K.

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***** FCC PART 69 ***** InterLATA Investment Detail		Part 36 InterLATA Total	Source or Apportion	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
58	COE Exch. Trunk	\$0	Direct	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
59	COE Exch. Line - Message	11,744	(D)	11,744	0	0	0	0	0	O.K.
60	COE Exch. Line - PL etc.	0	(I)	0	0	0	0	0	0	O.K.
61	COE Exch. Line - Assigned	0	Direct	0	0	0	0	0	0	O.K.
62	COE Interexchange, Message	3,220	(G)	0	0	0	3,220	0	0	O.K.
63	COE Interexchange, PL	0	(I)	0	0	0	0	0	0	O.K.
64	COE Interexchange, Assigned	0	(G)	0	0	0	0	0	0	O.K.
65	COE H/R Message	685	(G)	0	0	0	685	0	0	O.K.
66	COE H/R Assigned	0	Direct	0	0	0	0	0	0	O.K.
67										
68	Total COE Transmission	\$15,649		\$11,744	\$0	\$0	\$3,905	\$0	\$0	O.K.
69										
70	Total Central Office Equip.	\$43,931		\$11,744	\$28,282	\$0	\$3,905	\$0	\$0	O.K.
71										
72	IOT EQUIPMENT:									
73										
74	Public Telephone	\$0	T43	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
75	Coinless Pay Phone	0	(D)	0	0	0	0	0	0	O.K.
76	Customer Premises Equipment	0	T60	0	0	0	0	0	0	O.K.
77										
78	Total IOT Equipment	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.
79										
80	CABLE AND WIRE FACILITIES:									
81										
82	Exchange PL and WATS	\$0	(I)	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
83	Exchange Message	65,976	(D)	65,976	0	0	0	0	0	O.K.
84	Exchange Assigned	0	Direct	0	0	0	0	0	0	O.K.
85										
86	Total Exchange Line C&WF	\$65,976		\$65,976	\$0	\$0	\$0	\$0	\$0	O.K.
87										
88	Exchange Trunk, Message	\$0	Direct	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
89	Exchange Trunk, PL	0	Direct	0	0	0	0	0	0	O.K.
90										
91	Total Exchange Trunk C&WF	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.
92										
93	Interexchange Message	\$1,326	(G)	\$0	\$0	\$0	\$1,326	\$0	\$0	O.K.
94	Interexchange PL, WATS	0	(I)	0	0	0	0	0	0	O.K.
95	Interexchange Assigned	0	(G)	0	0	0	0	0	0	O.K.
96										
97	Total Interexchange C&WF	\$1,326		\$0	\$0	\$0	\$1,326	\$0	\$0	O.K.

elephone Company

***** FCC PART 69 ***** InterLATA Investment Detail		Part 36 InterLATA Total	Source or Apportion	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
111 H/R C&WF, Message	\$3,923	(G)	\$0	\$0	\$0	\$3,923	\$0	\$0		O.K.
112 H/R C&WF, WATS	0	(I)	0	0	0	0	0	0		O.K.
113 H/R C&WF, Assigned	0	Direct	0	0	0	0	0	0		O.K.
114										
115 Total Host/Remote C&WF	\$3,923		\$0	\$0	\$0	\$3,923	\$0	\$0		O.K.
116										
117 Total Cable and Wire Facil.	\$71,225		\$65,976	\$0	\$0	\$5,249	\$0	\$0		O.K.
118										
119 TANGIBLE ASSETS:										
120										
121 Land and Support Leases	\$0	T28	\$0	\$0	\$0	\$0	\$0	\$0		O.K.
122										
123 COE Operator Leases	\$0	32	\$0	\$0	\$0	\$0	\$0	\$0		O.K.
124 COE Tandem Switching Leases	0	34	0	0	0	0	0	0		O.K.
125 COE Local Switching Leases	0	39	0	0	0	0	0	0		O.K.
126 COE Transmission Leases	0	68	0	0	0	0	0	0		O.K.
127										
128 Total COE Leases	\$0		\$0	\$0	\$0	\$0	\$0	\$0		O.K.
129										
130 IOT Equipment Leases	\$0	78	\$0	\$0	\$0	\$0	\$0	\$0		O.K.
131										
132 C&WF Leases	\$0	117	\$0	\$0	\$0	\$0	\$0	\$0		O.K.
133										
134 Total Capital Leases	\$0		\$0	\$0	\$0	\$0	\$0	\$0		O.K.
135										
136 Leasehold Impr., Alloc.	\$0	T37	\$0	\$0	\$0	\$0	\$0	\$0		O.K.
137 Leasehold Impr., Direct	0	Direct	0	0	0	0	0	0		O.K.
138										
139 Total Leasehold Improvementsa	\$0		\$0	\$0	\$0	\$0	\$0	\$0		O.K.
140										
141 Total Tangible Assets	\$0		\$0	\$0	\$0	\$0	\$0	\$0		O.K.
142										
143										
144 TOTAL INTANGIBLE ASSETS	\$0	T37	\$0	\$0	\$0	\$0	\$0	\$0		O.K.
145										
146										
147 PROPERTY HELD FOR FUTURE US	\$0	T46	\$0	\$0	\$0	\$0	\$0	\$0		O.K.

Telephone Company

***** FCC PART 69 ***** InterLATA Investment Detail		Part 36 InterLATA Total	Source or Apportion	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
161	PLANT UNDER CONSTRUCTION:									
162										
163	Short-term	\$0	T46	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
164	Long-term	2,332	T46	1,397	707	0	229	0	0	O.K.
165										
166	Total Plt. Under Const.	\$2,332		\$1,397	\$707	\$0	\$229	\$0	\$0	O.K.
167										
168										
169	TELEPHONE PLANT ADJUSTMENT	\$0	T46	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
170										
171	CLASS B RTB STOCK	\$0	T37	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
172										
173	MATERIALS AND SUPPLIES	\$1,528	T37	\$915	\$463	\$0	\$150	\$0	\$0	O.K.
174										
175	CASH WORKING CAPITAL	\$862	T37	\$516	\$261	\$0	\$85	\$0	\$0	O.K.
176										
177	EQUAL ACCESS INVESTMENT	\$0	Direct	\$0	\$0	\$0	\$0	\$0	\$0	O.K.

Kennebec Telephone Company

***** FCC PART 69 ***** InterLATA Reserves and Deferrals	Part 36 InterLATA Total	Source or Apportion	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
13 ACCUM. DEPRECIATION, TPIS:									
14									
15 Support Assets	\$8,370	T28	\$1,999	\$4,813	\$0	\$1,558	\$0	\$0	O.K.
16 COE Switching	19,431	R44	0	19,431	0	0	0	0	O.K.
17 COE Operator	0	R32	0	0	0	0	0	0	O.K.
18 COE Transmission	9,114	R68	6,839	0	0	2,274	0	0	O.K.
19 IOT Equipment	0	R78	0	0	0	0	0	0	O.K.
20 Cable and Wire Facilities	26,346	R117	24,405	0	0	1,942	0	0	O.K.
21 Other Plant	0	T37	0	0	0	0	0	0	O.K.
22									
23 Total Accum. Depr., TPIS	\$63,261		\$33,243	\$24,244	\$0	\$5,774	\$0	\$0	O.K.
24									
25 ACCUM. AMORTIZATION:									
26									
27 Accum. Depreciation, PHFU	0	T37	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
28 Accum. Amort., Tangible Inv.	0	T37	0	0	0	0	0	0	O.K.
29 Accum. Amort., Intang. Inv.	0	T37	0	0	0	0	0	0	O.K.
30 Accum. Amort., Other	0	T37	0	0	0	0	0	0	O.K.
31									
32 Tot. Accum. Amortization	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.
33									
34 Total Accum. Depr./Amort.	\$63,261		\$33,243	\$24,244	\$0	\$5,774	\$0	\$0	O.K.
35									
36									
37 ACCUM. DEF. INC. TAXES, NET:									
38									
39 Support Assets	\$0	T28	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
40 COE Switching	0	R44	0	0	0	0	0	0	O.K.
41 COE Operator	0	R32	0	0	0	0	0	0	O.K.
42 COE Transmission	0	R68	0	0	0	0	0	0	O.K.
43 IOT Equipment	0	R78	0	0	0	0	0	0	O.K.
44 Cable and Wire Fac.	0	R117	0	0	0	0	0	0	O.K.
45 Unclassified	900	T37	539	273	0	88	0	0	O.K.
46									
47 Total Accum. Def. Inc. Taxes	\$900		\$539	\$273	\$0	\$88	\$0	\$0	O.K.

Kennebec Telephone Company

***** FCC PART 69 ***** Apportionment Factors		Part 36 InterLATA Total	Source	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
13	Central Office Equipment	\$43,931	R70	\$11,744	\$28,282	\$0	\$3,905	\$0	\$0	O.K.
14	Info. Orig./Term. Eqpt.	0	R78	0	0	0	0	0	0	O.K.
15	C&W Facilities	71,225	R117	65,976	0	0	5,249	0	0	O.K.
16										
17	Total	\$115,156		\$77,720	\$28,282	\$0	\$9,154	\$0	\$0	O.K.
18	Factor	1.000000		0.674910	0.245597	0.000000	0.079493	0.000000	0.000000	O.K.
19										
20	Sum: Sw., Trans., Other	\$37,436	17	\$0	\$28,282	\$0	\$9,154	\$0	\$0	O.K.
21	Factor	1.000000		0.000000	0.755474	0.000000	0.244526	0.000000	0.000000	O.K.
22										
23	Central Office Equipment	\$43,931	R70	\$11,744	\$28,282	\$0	\$3,905	\$0	\$0	O.K.
24	Info. Orig./Term. Eqpt.	0	R78	0	0	0	0	0	0	O.K.
25	C&WF, Excl. Exch. Message	5,249	R117-83	0	0	0	5,249	0	0	O.K.
26										
27	Total	\$49,180		\$11,744	\$28,282	\$0	\$9,154	\$0	\$0	O.K.
28	Factor	1.000000		0.238795	0.575071	0.000000	0.186134	0.000000	0.000000	O.K.
29										
30	General Support Facilities	\$24,276	R25	\$5,797	\$13,961	\$0	\$4,519	\$0	\$0	O.K.
31	Central Office Equipment	43,931	13	11,744	28,282	0	3,905	0	0	O.K.
32	Info. Orig./Term. Eqpt.	0	14	0	0	0	0	0	0	O.K.
33	C&W Facilities	71,225	15	65,976	0	0	5,249	0	0	O.K.
34	Equal Access Investment	0	R177	0	0	0	0	0	0	O.K.
35										
36	Total	\$139,432		\$83,517	\$42,243	\$0	\$13,673	\$0	\$0	O.K.
37	Factor	1.000000		0.598979	0.302961	0.000000	0.098060	0.000000	0.000000	O.K.
38										
39	Sum: Com. Ln., Sw., Trans.	\$139,432	36	\$83,517	\$42,243	\$0	\$13,673	\$0	\$0	O.K.
40	Factor	1.000000		0.598979	0.302961	0.000000	0.098060	0.000000	0.000000	O.K.
41										
42	COE Cat. 2 Factor	1.000000	Direct	0.000000	0.000000	0.000000	1.000000	0.000000	0.000000	O.K.
43	IOT Cat. 1 Factor	1.000000	Direct	1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
44										
45	Total TPIS	\$139,432	Q26	\$83,517	\$42,243	\$0	\$13,673	\$0	\$0	O.K.
46	Factor	1.000000		0.598979	0.302961	0.000000	0.098060	0.000000	0.000000	O.K.

Kennebec Telephone Company

***** FCC PART 69 ***** Apportionment Factors		Part 36 InterLATA Total	Source	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
60 Interstate Equiv. Factor	0.000000	Direct	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
61 Wtd. Std. Work Seconds	1.000000	Direct	1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
62										
63 "BIG THREE" Expenses	\$11,202	U171	\$3,887	\$2,609	\$3	\$3,153	\$1,333	\$217		O.K.
64 Factor	1.000000		0.347033	0.232935	0.000264	0.281502	0.118968	0.019377		(0)
65										
66 Net Investment	79,993	P13	52,563	19,156	0	8,274	0	0		O.K.
67 Factor	1.000000		0.657097	0.239473	0.000000	0.103430	0.000000	0.000000		O.K.

Kennebec Telephone Company

***** FCC PART 69 ***** Operating Expenses and Taxes		Part 36 InterLATA Total	Apportion	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
13	PLANT SPEC. OPER. EXPENSE:									
14										
15	Network Support, Alloc.	\$0	T37	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
16	Network Support, Direct	0	Direct	0	0	0	0	0	0	O.K.
17										
18	Total Network Support Exp.	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.
19										
20	General Support, Alloc.	\$573	T30	\$137	\$329	\$0	\$107	\$0	\$0	O.K.
21	General Support, Direct	0	Direct	0	0	0	0	0	0	O.K.
22										
23	Total General Support Exp.	\$573		\$137	\$329	\$0	\$107	\$0	\$0	O.K.
24										
25	Central Office Eq., Alloc.	\$2,421	T31	\$647	\$1,559	\$0	\$215	\$0	\$0	O.K.
26	Central Office Eq., Direct	0	Direct	0	0	0	0	0	0	O.K.
27										
28	Total COE Exp.	\$2,421		\$647	\$1,559	\$0	\$215	\$0	\$0	O.K.
29										
30	Cust. Premises Equip.	\$0	R76	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
31	Other IOT	0	T43	0	0	0	0	0	0	O.K.
32	IOT Direct	0	Direct	0	0	0	0	0	0	O.K.
33										
34	Total IOT Exp.	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.
35										
36	Cable & Wire, Alloc.	\$2,671	T33	\$2,474	\$0	\$0	\$197	\$0	\$0	O.K.
37	Cable & Wire, Direct	2,401	Direct	0	0	0	2,401	0	0	O.K.
38										
39	Total C&WF Exp.	\$5,072		\$2,474	\$0	\$0	\$2,598	\$0	\$0	O.K.
40										
41	TOTAL PLT. SPEC. OPER. EXP.	\$8,066		\$3,258	\$1,888	\$0	\$2,920	\$0	\$0	O.K.
42										
43	TOTAL PLT. SPEC., ex SUPPORT	\$7,493		\$3,121	\$1,559	\$0	\$2,813	\$0	\$0	O.K.

Kennebec Telephone Company

***** FCC PART 69 ***** Operating Expenses and Taxes		Part 36 InterLATA Total	Apportion	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
57	NON-SPECIFIC OPER. EXP.:									
58										
59	Oth. Plt. and Equip., Alloc.	\$0	T18	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
60	Oth. Plt. and Equip., Direct	0	Direct	0	0	0	0	0	0	O.K.
61										
62	Total Oth. Plt. & Equip.	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.
63										
64	Network Operations, Alloc.	\$749	T18	\$506	\$184	\$0	\$60	\$0	\$0	O.K.
65	Network Operations, Direct	0	Direct	0	0	0	0	0	0	O.K.
66										
67	Total Network Oper. Exp.	\$749		\$506	\$184	\$0	\$60	\$0	\$0	O.K.
68										
69	Total Access Expenses	\$0	Direct	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
70										
71	Depr., Support Assets	\$1,790	R23	\$427	\$1,029	\$0	\$333	\$0	\$0	O.K.
72	Depr., COE Switching	2,748	R44	0	2,748	0	0	0	0	O.K.
73	Depr., COE Operator	0	R32	0	0	0	0	0	0	O.K.
74	Depr., COE Transmission	1,128	R68	846	0	0	281	0	0	O.K.
75	Depr., IOT Equipment	0	R78	0	0	0	0	0	0	O.K.
76	Depr., C&W Facilities	2,471	R117	2,289	0	0	182	0	0	O.K.
77	Depr., PHFU	0	R147	0	0	0	0	0	0	O.K.
78										
79	Total Depreciation Expense	\$8,137		\$3,562	\$3,778	\$0	\$797	\$0	\$0	O.K.
80										
81	Amort., Tangible Assets	\$0	R141	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
82	Amort., Intangible Assets	0	R144	0	0	0	0	0	0	O.K.
83	Other Amortization	0	Direct	0	0	0	0	0	0	O.K.
84	Direct Assigned Amort.	0	Direct	0	0	0	0	0	0	O.K.
85										
86	Total Amortization Exp.	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.
87										
88	Total Depr. and Amort.	\$8,137		\$3,562	\$3,778	\$0	\$797	\$0	\$0	O.K.
89										
90	TOTAL NON-SPEC. OPER. EXP.	\$8,886		\$4,068	\$3,962	\$0	\$856	\$0	\$0	O.K.

Kennebec Telephone Company

***** FCC PART 69 ***** Operating Expenses and Taxes	Part 36 InterLATA Total	Apportion	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
104 CUSTOMER OPERATIONS EXPENSE:									
105									
106 Marketing, Allocable	\$206	T37	\$124	\$62	\$0	\$20	\$0	\$0	O.K.
107 Marketing, Direct	0	Direct	0	0	0	0	0	0	O.K.
108									
109 Total Marketing Expense	\$206		\$124	\$62	\$0	\$20	\$0	\$0	O.K.
110									
111 Operator Service, Alloc.	\$0	T61	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
112 Operator Service, Direct	0	Direct	0	0	0	0	0	0	O.K.
113									
114 Total Operator Service	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.
115									
116 Classified Directory	\$0	Direct	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
117 Alphabetical Directory	3	(F)	0	0	3	0	0	0	O.K.
118 Foreign Directory	0	Direct	0	0	0	0	0	0	O.K.
119									
120 Total Directory	\$3		\$0	\$0	\$3	\$0	\$0	\$0	O.K.
121									
122 Bus. Ofc., EU Presubscription	0	T40	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
123 Bus. Ofc., Reserved	0	(I)	0	0	0	0	0	0	O.K.
124 Bus. Ofc., EU Access PL & All Other	217	(H)	0	0	0	0	0	217	O.K.
125 Bus. Ofc., EU Message	783	(H)	0	0	0	0	783	0	O.K.
126 Bus. Ofc., EU Reserved	0	(I)	0	0	0	0	0	0	O.K.
127 Bus. Ofc., IX Special Access	0	(I)	0	0	0	0	0	0	O.K.
128 Bus. Ofc., IX Switched Access	0	T40	0	0	0	0	0	0	O.K.
129 Bus. Ofc., IX Billing and Collection	0	(H)	0	0	0	0	0	0	O.K.
130 Bus. Ofc., Coin Collection & Administr	0	(D)	0	0	0	0	0	0	O.K.
131 Bus. Ofc., Reserved	0	(I)	0	0	0	0	0	0	O.K.
132									
133 Total Business Office	\$1,000		\$0	\$0	\$0	\$0	\$783	\$217	O.K.
134									
135 Cust. Serv., Msg. Process	\$276	(H)	0	0	0	0	276	0	O.K.
136 Cust. Serv., Other B&C	273	(H)	0	0	0	0	273	0	O.K.
137 Cust. Serv., CABS	628	T21	0	475	0	154	0	0	O.K.
138 Cust. Serv., EU Common Line	0	(H)	0	0	0	0	0	0	O.K.
139									
140 Total Customer Service	\$1,178		\$0	\$475	\$0	\$154	\$549	\$0	O.K.
141									
142 Total BO, CS, OS, Dir.	\$2,181		\$0	\$475	\$3	\$154	\$1,333	\$217	O.K.

Kennebec Telephone Company

***** FCC PART 69 ***** Operating Expenses and Taxes		Part 36 InterLATA Total	Apportion	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
158 Other Cust. Serv., Alloc.	\$0	142	\$0	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
159 Other Cust. Serv., Direct	0	Direct	0	0	0	0	0	0	0	O.K.
160										
161 Total Other Cust. Serv.	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
162										
163 TOTAL CUSTOMER OPER. EXP.	\$2,387		\$124	\$537	\$3	\$174	\$1,333	\$217		O.K.
164										
165 "BIG-THREE" EXPENSES:										
166										
167 Total Plt. Specific Exp.	\$8,066	41	\$3,258	\$1,888	\$0	\$2,920	\$0	\$0	\$0	O.K.
168 Total Plt Non-specific Exp.	749	62 + 67 +69	506	184	0	60	0	0	0	O.K.
169 Total Customer Operations	2,387	163	124	537	3	174	1,333	217		O.K.
170										
171 TOTAL "BIG THREE" EXPENSES	\$11,202		\$3,887	\$2,609	\$3	\$3,153	\$1,333	\$217		O.K.
172										
173 CORPORATE OPERATIONS EXPENSE:										
174										
175 Exec. and Planning, Alloc.	\$2,686	T64	\$932	\$626	\$1	\$756	\$320	\$52		O.K.
176 Exec. and Planning, Direct	0	Direct	0	0	0	0	0	0	0	O.K.
177										
178 Total Exec. and Planning	\$2,686		\$932	\$626	\$1	\$756	\$320	\$52		O.K.
179										
180 Admin. & General, Allocable	\$4,469	T64	\$1,551	\$1,041	\$1	\$1,258	\$532	\$87		O.K.
181 Admin. & General, Direct	0	Direct	0	0	0	0	0	0	0	O.K.
182										
183 Total Admin. and Gen.	\$4,469		\$1,551	\$1,041	\$1	\$1,258	\$532	\$87		O.K.
184										
185 TOTAL CORPORATE OPERATIONS	\$7,155		\$2,483	\$1,667	\$2	\$2,014	\$851	\$139		O.K.
186										
187 NON-INCOME TAXES:										
188										
189 Non-income Taxes, Allocable	\$0	T37	\$0	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
190 Non-income Taxes, Direct	0	Direct	0	0	0	0	0	0	0	O.K.
191										O.K.
192										
193 Total Non-income Taxes	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
194										
195 TOTAL OPER. EXP. AND TAXES	\$26,494		\$9,933	\$8,054	\$5	\$5,964	\$2,184	\$356		O.K.

SOUTH DAKOTA PUC INTRASTATE ACCESS COST MODEL

COMPANY NAME Kennebec Telephone Company
 PERIOD ADDRESSED ENDING DECEMBER 31, 2002
 RUN DATE AND TIME 23-Jun-03 12:47:56 PM

NOTES: SEE SHEET "G" TO INPUT PART 36 ALLOCATION FACTORS.

***** FCC PART 36 *****	TOTAL COMPANY	Source/ Allocator	Interstate and Other	Intrastate				TOTAL INTRASTATE
				Message Telephone Service		Private Line		
				InterLATA	IntraLATA	InterLATA	IntraLATA	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
PLANT INVESTMENT DETAIL:								
21 Land, Allocable	24,620	--	--	--	--	--	--	--
22 Land, Direct	0	--	0	0	0	0	0	0
23 Motor Vehicles	0	--	--	--	--	--	--	--
24 Aircraft	0	--	--	--	--	--	--	--
25 Special Purpose Vehicles	0	--	--	--	--	--	--	--
26 Garage Work Equipment	0	--	--	--	--	--	--	--
27 Other Work Equipment	0	--	--	--	--	--	--	--
28 Buildings, Allocable	1,336,513	--	--	--	--	--	--	--
29 Buildings, Direct	0	--	0	0	0	0	0	0
30 Furniture	0	--	--	--	--	--	--	--
31 Office Equipment	0	--	--	--	--	--	--	--
32 General Purpose Computers	0	--	--	--	--	--	--	--
33 CAT 1 Oper. Sys., TSPS	0	--	--	--	--	--	--	--
34 CAT 1 Oper. Sys., Other TSPS	0	--	--	--	--	--	--	--
35 CAT 1 Oper. Sys., Aux. Pos.	0	--	--	--	--	--	--	--
36 CAT 1 Oper. Sys., Other	0	--	0	0	0	0	0	0
37 CAT 2 Tandem Sw. Allocable	0	--	--	--	--	--	--	--
38 CAT 2 Tandem Sw. Direct	0	--	0	0	0	0	0	0
39 CAT 3 Local Sw. Allocable	1,076,960	--	--	--	--	--	--	--
40 CAT 3 Local Sw. Direct	0	--	0	0	0	0	0	0
41 CAT 4.12 Exchange Trunk	0	--	--	--	--	--	--	--
42 CAT 4.12 Exch. Tr. Direct	0	--	0	0	0	0	0	0
43 CAT 4.13 Exch. Ln. Msg., PL & WATS	714,409	--	--	--	--	--	--	--
44 Reserved	0	--	--	--	--	--	--	--
45 CAT 4.13 Direct	0	--	0	0	0	0	0	0
46 CAT 4.23 Message, PL & WATS	249,472	--	--	--	--	--	--	--
47 Reserved	0	--	--	--	--	--	--	--
48 CAT 4.23 Direct	0	--	0	0	0	0	0	0
49 CAT 4.3 H/R Message	25,206	--	--	--	--	--	--	--
50 CAT 4.3 WATS	0	--	0	0	0	0	0	0
51 CAT 4.3 Direct	0	--	0	0	0	0	0	0
52 CAT 1 Other IOT Equipment	0	--	--	--	--	--	--	--
53 CAT 1 Coinless Pay Phones	0	--	0	0	0	0	0	0

SOUTH DAKOTA PUC INTRASTATE ACCESS COST MODEL

Kennebec Telephone Company
 ENDING DECEMBER 31, 2002

***** FCC PART 36 *****		TOTAL COMPANY	Source/ Allocator	Interstate and Other	Intrastate				TOTAL INTRASTATE
					Message Telephone Service		Private Line		
					InterLATA	IntraLATA	InterLATA	IntraLATA	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
70	CAT 2 CP Equipment	0	--	0	0	0	0	0	0
71	Reserved	0	--	--	--	--	--	--	--
72	Reserved	0	--	--	--	--	--	--	--
73	CAT 1,3 Joint Msg., Cat. 1.1 & 1.2 PL	4,013,458	--	--	--	--	--	--	--
74	Other CAT 1 C&WF	0	--	0	0	0	0	0	0
75	CAT 2 C&WF	0	--	--	--	--	--	--	--
76	CAT 2 C&WF, Wideband	0	--	0	0	0	0	0	0
77	CAT 3 Joint Message & PL/WATS	232,843	--	--	--	--	--	--	--
78	Reserved	0	--	--	--	--	--	--	--
79	CAT 3 Direct	0	--	0	0	0	0	0	0
80	CAT 4 Message	144,283	--	--	--	--	--	--	--
81	CAT 4 WATS	0	--	0	0	0	0	0	0
82	CAT 4 Direct	0	--	0	0	0	0	0	0
83	Allocable Support Leases	0	--	--	--	--	--	--	--
84	Direct Support Leases	0	--	0	0	0	0	0	0
85	COE Operator	0	--	--	--	--	--	--	--
86	COE Tandem Switch	0	--	--	--	--	--	--	--
87	COE Local Switch	0	--	--	--	--	--	--	--
88	COE Transmission	0	--	--	--	--	--	--	--
89	COE Direct	0	--	0	0	0	0	0	0
90	IOT Leases	0	--	0	0	0	0	0	0
91	C&WF Leases	0	--	0	0	0	0	0	0
92	Leasehold Imp. Land etc.	0	--	--	--	--	--	--	--
93	Leasehold Imp. COE Switching	0	--	--	--	--	--	--	--
94	Leasehold Imp. COE Operator	0	--	--	--	--	--	--	--
95	Leasehold Imp. COE Trans.	0	--	--	--	--	--	--	--
96	Leasehold Imp. IOT	0	--	0	0	0	0	0	0
97	Leasehold Imp. C&WF	0	--	0	0	0	0	0	0
98	Leasehold Imp. Other	0	--	0	0	0	0	0	0
99	Allocable Acct. No. 2690	0	--	--	--	--	--	--	--
100	Direct Acct. No. 2690	5,413	--	0	0	5,413	0	0	5,413
101	Materials and Supplies	94,170	--	--	--	--	--	--	--
102	RTB Stock	0	--	--	--	--	--	--	--
103	Tele. Plt. Adjust. - Alloc.	0	--	--	--	--	--	--	--
104	Tele. Plt. Adjust. - Direct	0	--	0	0	0	0	0	0
105	Other Assets, Net	0	--	0	0	0	0	0	0
106	Other Liab., Def. Cr., Net	0	--	0	0	0	0	0	0

SOUTH DAKOTA PUC INTRASTATE ACCESS COST MODEL

Kennebec Telephone Company
ENDING DECEMBER 31, 2002

		Intrastate										
		TOTAL COMPANY	Source/ Allocator	Interstate and Other	Message Telephone Service		Private Line		TOTAL INTRASTATE			
***** FCC PART 36 *****	(A)				(B)	(C)	(D)	InterLATA		IntraLATA	InterLATA	IntraLATA
123	TPUC -- Short Term, Alloc.	0	--	--	--	--	--	--	--	--	--	--
124	TPUC -- Short Term, Direct	0	--	0	--	0	--	0	--	0	--	0
125	TPUC -- Long Term, Alloc.	130,863	--	--	--	--	--	--	--	--	--	--
126	TPUC -- Long Term, Direct	0	--	0	--	0	--	0	--	0	--	0
127												
128	RESERVES AND DEFERRALS:											
129	Acc. Depr. Support Assets	469,296	--	--	--	--	--	--	--	--	--	--
130	Acc. Depr. COE Switching	739,915	--	--	--	--	--	--	--	--	--	--
131	Acc. Depr. COE Operator	0	--	--	--	--	--	--	--	--	--	--
132	Acc. Depr. COE Transmission	576,013	--	--	--	--	--	--	--	--	--	--
133	Acc. Depr. IOT Equipment	0	--	--	--	--	--	--	--	--	--	--
134	Acc. Depr. Cable and Wire Facilities	1,624,099	--	--	--	--	--	--	--	--	--	--
135	Acc. Depr. Other Plant	0	--	0	--	0	--	0	--	0	--	0
136	Accum. Amort., Tangible Inv.	0	--	--	--	--	--	--	--	--	--	--
137	Accum. Amort., Intang. Inv.	0	--	--	--	--	--	--	--	--	--	--
138	Accum. Amort., Other	0	--	0	--	0	--	0	--	0	--	0
139	Acc. Def. IT Support Assets	0	--	--	--	--	--	--	--	--	--	--
140	Acc. Def. IT COE Switching	0	--	--	--	--	--	--	--	--	--	--
141	Acc. Def. IT COE Operator	0	--	--	--	--	--	--	--	--	--	--
142	Acc. Def. IT COE Trans.	0	--	--	--	--	--	--	--	--	--	--
143	Acc. Def. IT IOT Equipment	0	--	--	--	--	--	--	--	--	--	--
144	Acc. Def. IT C&WF	0	--	--	--	--	--	--	--	--	--	--
145	Acc. Def. IT Unclassified	50,500	--	35,059	--	900	--	12,078	--	0	--	2,462
146												
147	OPERATING EXPENSES AND TAXES:											
148	Network Support, Alloc.	0	--	--	--	--	--	--	--	--	--	--
149	Network Support, Direct	0	--	0	--	0	--	0	--	0	--	0
150	General Support, Alloc.	32,111	--	--	--	--	--	--	--	--	--	--
151	General Support, Direct	0	--	0	--	0	--	0	--	0	--	0
152	Central Office Eq., Alloc.	113,879	--	--	--	--	--	--	--	--	--	--
153	Central Office Eq., Direct	0	--	0	--	0	--	0	--	0	--	0
154	Cust. Premises Equip.	0	--	--	--	--	--	--	--	--	--	--
155	Coinless Pay Phone Exp.	0	--	--	--	--	--	--	--	--	--	--
156	Other IOT	0	--	--	--	--	--	--	--	--	--	--
157	IOT Direct	0	--	0	--	0	--	0	--	0	--	0
158	Cable & Wire, Alloc.	164,633	--	--	--	--	--	--	--	--	--	--
159	Cable & Wire, Direct	73,776	--	39,209	--	2,401	--	32,166	--	0	--	0

SOUTH DAKOTA PUC INTRASTATE ACCESS COST MODEL

Kennebec Telephone Company
 ENDING DECEMBER 31, 2002

	TOTAL COMPANY	Message Telephone Service				Intrastate			TOTAL INTRASTATE
		Source/ Allocator	InterLATA		InterLATA	Private Line			
			(E)	(F)		(G)	IntraLATA	(H)	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
176	0	--	--	--	--	--	--	0	
177	0	--	0	--	--	0	--	0	
178	42,001	--	--	--	--	--	--	0	
179	0	--	0	0	0	0	0	0	
180	0	--	0	0	0	0	0	0	
181	100,357	--	--	--	--	--	--	--	
182	104,650	--	--	--	--	--	--	--	
183	0	--	--	--	--	--	--	--	
184	71,285	--	--	--	--	--	--	--	
185	0	--	--	--	--	--	--	--	
186	152,305	--	--	--	--	--	--	--	
187	0	--	--	--	--	--	--	--	
188	0	--	--	--	--	--	--	--	
189	0	--	0	0	0	0	0	0	
190	0	--	0	0	0	0	0	0	
191	13,263	--	--	--	--	--	--	--	
192	0	--	0	0	0	0	0	0	
193	980	--	--	--	--	--	--	--	
194	0	--	0	0	0	0	0	0	
195	0	--	0	0	0	0	0	0	
196	225	--	--	--	--	--	--	--	
197	0	--	--	--	--	--	--	--	
198	0	--	--	--	--	--	--	--	
199	50,378	--	--	--	--	--	--	--	
200	13,960	--	--	--	--	--	--	--	
201	0	--	--	--	--	--	--	--	
202	0	--	--	--	--	--	--	--	
203	0	--	--	--	--	--	--	--	
204	0	--	--	--	--	--	--	--	
205	0	--	0	0	0	0	0	0	
206	4,804	--	--	--	--	--	--	--	
207	11,807	--	--	--	--	--	--	--	
208	18,091	--	--	--	--	--	--	--	
209	0	--	0	0	0	0	0	0	
210	0	--	--	--	--	--	--	--	
211	95	--	95	0	0	0	0	0	
212	128,345	--	--	--	--	--	--	--	
213	0	--	0	0	0	0	0	0	

SOUTH DAKOTA PUC INTRASTATE ACCESS COST MODEL

Kennebec Telephone Company
ENDING DECEMBER 31, 2002

***** FCC PART 36 *****		TOTAL COMPANY	Source/ Allocator	Interstate and Other	Intrastate				TOTAL INTRASTATE
					Message Telephone Service		Private Line		
					InterLATA	IntraLATA	InterLATA	IntraLATA	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
230	Admin. & General, Allocable	213,544	---	---	---	---	---	---	---
231	Admin. & General, Direct	75,004	---	53,196	0	21,808	0	0	21,808
232	Non-income Taxes, Allocable	0	---	---	---	---	---	---	---
233	Non-income Taxes, Direct	181	---	181	0	0	0	0	0
234									
235	OTHER INCOME STATEMENT:								
236	State Income Tax Rate	0.00%	---	---	---	---	---	---	---
237	Federal Income Tax Rate	34.00%	---	---	---	---	---	---	---
238	Gross Receipts Tax Rate	3.00%	---	---	---	---	---	---	---
239	Rate of Return	10.00%	---	---	---	---	---	---	---
240	AFUDC	76,106	---	---	---	---	---	---	---
241	ITC Amortization	0	---	---	---	---	---	---	---
242	Other Return Adjustments	0	---	0	0	0	0	0	0
243	Contributions	0	---	---	---	---	---	---	---
244	Interest Expense	151,611	---	---	---	---	---	---	---
245	Capital Lease Expense	0	---	---	---	---	---	---	---
246	Capitalized Payroll taxes	0	---	---	---	---	---	---	---
247	Depreciation Adjustment	0	---	---	---	---	---	---	---
248	Other Income Adjustments	0	---	0	0	0	0	0	0
249	Uncollectibles	4,846	---	0	0	4,846	0	0	4,846
250	Other Revenue Adjustments	0	---	0	0	0	0	0	0
251	Other Revenue Taxes	0	---	0	0	0	0	0	0
252									

SOUTH DAKOTA PUC INTRASTATE ACCESS COST MODEL

Kennebec Telephone Company
 ENDING DECEMBER 31, 2002

***** FCC PART 36 *****		TOTAL COMPANY	Source/ AllocatorOther	(D)	Interstate		Intrastate		TOTAL INTRASTATE
					Private Line		Private Line		
					InterLATA	IntraLATA	InterLATA	IntraLATA	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
271 Working Loops	882	—	13	14			20	20	
272 Equivalent Interexchange Cct. Miles	18,032	—		9,980			4,897	4,897	
273 Interexchange Circuit Terminations	295	—		7			171	171	

INTRASTATE SWITCHED ACCESS CHARGE RATE DEVELOPMENT

DATE: 06/23/03
 COMPANY: Kennebec Telephone Company
 YEAR: 2002

		Revenue Requirement	Originating MOU	Terminating MOU	Total MOU	Orginating Rate	Terminating Rate
1	Carrier Common Line	\$274,554	1,047,138	1,304,034	2,351,172	\$0.110007	\$0.122207
2	Local Switching *	\$164,288	1,047,138	1,304,034	2,351,172	\$0.065826	\$0.073126
3	Local Transport	\$108,938	1,047,138	1,304,034	2,351,172	\$0.046333	\$0.046333
4	Total	\$547,780				\$0.222166	\$0.241666

* INCLUDING INFORMATION ELEMENT REVENUE REQUIREMENT

**SOUTH DAKOTA 536 KENNEBEC
KENNEBEC TELEPHONE COMPANY, INC.
KENNEBEC, SOUTH DAKOTA**

**FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2002 AND 2001**

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certified public accountants

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The Board of Directors
Kennebec Telephone Company, Inc.
Kennebec, South Dakota

We have audited the accompanying balance sheet of Kennebec Telephone Company, Inc. as of December 31, 2002 and 2001, and the related statements of operations, changes in stockholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kennebec Telephone Company, Inc. as of December 31, 2002 and 2001, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated January 30, 2003, on our consideration of Kennebec Telephone Company, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Endorf Lurken Olson & Co. Prof. L.L.C.

Mitchell, South Dakota
January 30, 2003

certified public accountants

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The Board of Directors
Kennebec Telephone Company, Inc.
Kennebec, South Dakota

We have audited the financial statements of Kennebec Telephone Company, Inc. as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated January 30, 2003. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Kennebec Telephone Company, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Kennebec Telephone Company, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. We noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of internal control over financial reporting that, in our judgment, could adversely affect Kennebec Telephone Company, Inc.'s ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

Because of the limited number of employees in the Company's business office, there is an inadequate segregation of duties.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness.

This report is intended for the information of the management and the Rural Utilities Service. However, this report is a matter of public record and its distribution is not limited.

Ernst & Young LLP

Mitchell, South Dakota
January 30, 2003

SOUTH DAKOTA 536 KENNEBEC
KENNEBEC TELEPHONE COMPANY, INC.
KENNEBEC, SOUTH DAKOTA
BALANCE SHEET

ASSETS

	DECEMBER 31,	
	2002	2001
CURRENT ASSETS		
Cash and temporary cash investments	\$ 296,658	\$ 485,492
Cash - RUS construction fund	73,309	319,440
Telecommunications accounts receivable, less allowance for uncollectible accounts 2002 \$1,447 ; 2001 \$1,295....	126,799	143,511
Interest receivable	4,900	4,900
Materials and supplies inventory.....	94,170	67,875
Nonregulated inventory.....	70,550	44,740
Nonregulated accounts receivable, less allowance for uncollectible accounts 2002 \$0; 2001 \$0	250,163	4,931
Prepayments	11,731	7,741
Prepaid federal income tax	10,600	41,700
Total Current Assets	<u>938,880</u>	<u>1,120,330</u>
NONCURRENT ASSETS		
Nonregulated equipment, net of accumulated depreciation 2002 \$54,484; 2001 \$28,055	466,199	147,974
Marketable investments	437,449	426,453
Other investments	152,772	163,175
Total Noncurrent Assets	<u>1,056,420</u>	<u>737,602</u>
PROPERTY, PLANT, AND EQUIPMENT		
Telecommunications plant		
In service	7,898,698	5,609,727
Under construction	130,863	929,442
Acquisition adjustment	624,851	624,851
Total Investment in Telecommunications Plant	8,654,412	7,164,020
Less: Accumulated depreciation	<u>(3,702,528)</u>	<u>(3,267,451)</u>
Property, Plant, and Equipment - Net	4,951,884	3,896,569
	<u>\$ 6,947,184</u>	<u>\$ 5,754,501</u>

The accompanying notes to financial statements are
an integral part of this statement.

LIABILITIES AND STOCKHOLDERS' EQUITY

	DECEMBER 31,	
	2002	2001
CURRENT LIABILITIES		
Current portion of long-term debt.....	\$ 205,000	\$ 35,000
Accounts payable.....	122,355	7,768
Accrued taxes.....	95,929	61,692
Other payables.....	15,192	15,948
Total Current Liabilities.....	438,476	120,408
LONG-TERM DEBT, less current maturities	4,959,197	4,268,863
DEFERRED INCOME TAXES	71,200	32,000
STOCKHOLDERS' EQUITY		
Capital stock, common, \$100 par value; authorized 5,000 shares; 83 shares issued and outstanding	8,300	8,300
Retained earnings:		
Appropriated.....	13,679	13,679
Unappropriated	2,140,573	2,006,821
Accumulated other comprehensive (loss).....	5,061	(6,268)
Less: Treasury stock - 43 shares (at cost).....	(689,302)	(689,302)
Total Stockholders' Equity	1,478,311	1,333,230
	\$6,947,184	\$5,754,501

SOUTH DAKOTA 536 KENNEBEC
KENNEBEC TELEPHONE COMPANY, INC.
KENNEBEC, SOUTH DAKOTA
STATEMENT OF OPERATIONS

	YEARS ENDED DECEMBER 31,	
	2002	2001
OPERATING REVENUES		
Basic local network services	\$ 196,566	\$ 205,293
Network access services	1,274,964	1,114,236
Long distance message revenue	56,672	49,370
Other network services	38,348	50,891
Miscellaneous.....	21,491	23,747
Uncollectible revenues.....	<u>(1,431)</u>	<u>(1,174)</u>
Net Operating Revenues	<u>1,586,610</u>	<u>1,442,363</u>
OPERATING EXPENSE		
Plant specific operations.....	386,920	328,528
Plant nonspecific operations.....	42,001	41,940
Customer operations	115,424	91,068
Corporate operations	416,893	383,090
Depreciation and amortization	<u>470,413</u>	<u>406,952</u>
Total Operating Expenses	<u>1,431,651</u>	<u>1,251,578</u>
OPERATING TAXES		
Federal income tax - current.....	(16,961)	7,996
Federal income tax - deferred	9,800	(21,200)
Other operating taxes	<u>47,960</u>	<u>45,022</u>
Total Operating Taxes.....	<u>40,799</u>	<u>31,818</u>
OPERATING INCOME	<u>114,160</u>	<u>158,967</u>
FIXED CHARGES		
Interest on mortgage debt	224,930	150,824
Interest charged to construction credit.....	<u>(76,287)</u>	<u>(19,357)</u>
Total Fixed Charges.....	<u>148,643</u>	<u>131,467</u>
INVESTMENT INCOME -		
(net of income tax 2002 \$16,535; 2001 \$30,500	<u>24,299</u>	<u>42,719</u>
NON-REGULATED NET INCOME -		
(net of depreciation 2002 \$29,046; 2001 \$11,431 and income tax 2002 \$50,242; 2001 \$14,800.....	<u>143,936</u>	<u>22,731</u>
NET INCOME	133,752	92,950
OTHER COMPREHENSIVE INCOME		
Unrealized gain on marketable securities	<u>11,329</u>	<u>12,932</u>
COMPREHENSIVE INCOME	<u>\$ 145,081</u>	<u>\$ 105,882</u>

The accompanying notes to financial statements are
an integral part of this statement.

SOUTH DAKOTA 536 KENNEBEC
KENNEBEC TELEPHONE COMPANY, INC.
KENNEBEC, SOUTH DAKOTA
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

	Common Stock	Retained Earnings (Appropriated)	Retained Earnings (Unappropriated)	Accumulated Other Comprehensive Income	Treasury Stock	Total
Balance December 31, 2000	\$8,300	\$13,679	\$1,913,871	\$(19,200)	\$(689,302)	\$1,227,348
Comprehensive income:						
Net income	--	--	92,950	--	--	92,950
Unrealized gain on marketable securities	--	--	--	12,932	--	12,932
Balance December 31, 2001	8,300	13,679	2,006,821	(6,268)	(689,302)	1,333,230
Comprehensive income:						
Net income	--	--	133,752	--	--	133,752
Unrealized gain on marketable securities	--	--	--	11,329	--	11,329
Balance December 31, 2002	<u>\$8,300</u>	<u>\$13,679</u>	<u>\$2,140,573</u>	<u>\$ 5,061</u>	<u>\$(689,302)</u>	<u>\$1,478,311</u>

The accompanying notes to financial statements are
an integral part of this statement.

SOUTH DAKOTA 536 KENNEBEC
KENNEBEC TELEPHONE COMPANY, INC.
KENNEBEC, SOUTH DAKOTA
STATEMENT OF CASH FLOWS

	YEARS ENDED DECEMBER 31,	
	2002	2001
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from consumers.....	\$ 1,987,233	\$ 1,566,773
Cash paid to suppliers and employees.....	(1,374,600)	(1,064,677)
Interest/dividends received.....	41,339	53,862
Interest paid.....	(148,643)	(131,467)
Income tax refund received.....	<u>10,684</u>	<u>(157,796)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>516,013</u>	<u>266,695</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Construction and acquisition of regulated plant.....	(1,533,054)	(2,253,262)
Construction and acquisition of non-regulated plant.....	(352,161)	(137,474)
Materials salvaged from retirements.....	7,413	1,086
Proceeds from sale of equipment.....	4,450	40,074
Proceeds from sale of marketable securities.....	--	271,438
(Increase) decrease in marketable investments.....	333	(41,545)
Distributions in other investments	<u>61,707</u>	<u>20,883</u>
NET CASH (USED) BY INVESTING ACTIVITIES.....	<u>(1,811,312)</u>	<u>(2,098,800)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term debt	919,707	3,309,413
Repayment of long-term debt	<u>(59,373)</u>	<u>(980,420)</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>860,334</u>	<u>2,328,993</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS .	(434,965)	496,888
CASH AND CASH EQUIVALENTS, Beginning of Year.....	<u>804,932</u>	<u>308,044</u>
CASH AND CASH EQUIVALENTS, End of Year	<u>\$ 369,967</u>	<u>\$ 804,932</u>
NONCASH INVESTING AND FINANCING ACTIVITIES		
Equipment acquired with debt.....	<u>\$ 111,805</u>	<u>\$ --</u>

The accompanying notes to financial statements are
an integral part of this statement.

SOUTH DAKOTA 536 KENNEBEC
KENNEBEC TELEPHONE COMPANY, INC.
KENNEBEC, SOUTH DAKOTA
STATEMENT OF CASH FLOWS
(Continued)

	YEARS ENDED DECEMBER 31,	
	2002	2001
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Net income	\$ 133,752	\$ 92,950
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	499,459	418,383
AFUDC capitalized.....	--	(19,357)
Book (income) loss from other investments	(51,304)	4,910
Book loss from marketable securities.....	505	--
(Increase) decrease in:		
Receivables	(228,672)	(75,228)
Inventory	(52,105)	(22,675)
Prepaid income tax.....	31,100	(41,700)
Prepayments	(3,990)	136
Increase (decrease) in:		
Accounts payable	114,587	(11,278)
Accrued taxes and other payables	33,481	8,276
Pension plan payable	--	(1,722)
Income tax payable.....	--	(64,800)
Deferred income taxes	<u>39,200</u>	<u>(21,200)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 516,013</u>	<u>\$266,695</u>

The accompanying notes to financial statements are
an integral part of this statement.

SOUTH DAKOTA 536 KENNEBEC
KENNEBEC TELEPHONE COMPANY, INC.
KENNEBEC, SOUTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001

1. SIGNIFICANT ACCOUNTING POLICIES:

Nature of Operations and Group Concentrations of Credit Risk: Kennebec Telephone Company provides both regulated and non-regulated telecommunication services for the Kennebec and Presho, South Dakota exchange areas. The Company reviews credit history prior to approving credit. No deposits are required of the Company's customers. The Company at various times maintains cash balances with financial institutions in excess of FDIC insurance limits.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

General: The Company follows the FCC Uniform System of Accounts for Class A and B telephone companies as required by the Rural Utilities Service (RUS).

Telecommunication Plant in Service and Under Construction: Additions to telephone plant are recorded at their original cost, which includes contracted work, direct labor and material, and allocable overhead. When units of property are retired, sold, or otherwise disposed of in the ordinary course of business, their average book cost less net salvage is charged to accumulated depreciation. Maintenance and repair costs and the replacement and renewal of items determined to be less than units of property are charged to the applicable maintenance expense accounts.

Depreciation: Depreciation is computed using the straight-line method based on the estimated useful lives of the depreciable assets.

Materials and Supplies Inventory: The inventory is stated at cost determined principally on the weighted average method. There was no substantial change in the manner of determining quantities, costs, or valuations between opening and closing inventories.

Revenue Recognition: Revenue from local telephone service is reflected in the accounts at the time such revenue is actually earned. The customers are billed on the 1st of each month for local service for that month. Revenue from toll service is recorded through the 18th of each month and is billed to customers on the 1st of the next month. At the balance sheet dates, the Company had unrecorded toll service from December 19 to December 31.

Temporary Cash Investments: Temporary cash investments consist mainly of certificates of deposit and money market savings accounts. They are stated at cost, which approximates market value. They are included as cash on the statement of cash flows.

SOUTH DAKOTA 536 KENNEBEC
KENNEBEC TELEPHONE COMPANY, INC.
KENNEBEC, SOUTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001

1. SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Long-Lived Assets: The recoverability of long-lived assets is assessed annually or whenever adverse events or changes in circumstances or business climate indicate that the expected cash flows previously anticipated warrant a reassessment. When such reassessments indicate the potential of impairment, all business factors are considered and, if the carrying values of long-lived assets are not likely to be recovered from future net operating cash flows, they will be written down for financial reporting purposes.

Investments in Debt and Qualifying Equity Securities: Investments in debt and qualifying equity securities are classified as either held-to-maturity, trading or available-for-sale in accordance with SFAS 115. Held-to-maturity investments are debt securities that the Company has the positive intent and ability to hold to maturity. These investments are recorded at amortized cost. Debt and equity securities purchased principally for the purpose of resale as trading investments are recorded at fair value. Unrealized gains or losses on these investments are included in earnings of the current period. Other debt and equity securities that are not categorized as held-to-maturity or trading are classified as available-for-sale and reported at fair value. Unrealized gains or losses on these securities are reported as a separate component of equity.

Comprehensive Income: The Company adopted the provisions of Financial Accounting Standards No. 130, Reporting Comprehensive Income (FAS 130) in the current year. FAS 130 governs the financial statement presentation of changes in shareholder's equity resulting from non-owner sources. Accumulated other comprehensive income as reported in the accompanying balance sheet represents unrealized gains on available for sale securities.

2. ASSETS PLEDGED:

All assets are pledged as security for the long-term debt to the Rural Utilities Service.

SOUTH DAKOTA 536 KENNEBEC
KENNEBEC TELEPHONE COMPANY, INC.
KENNEBEC, SOUTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001

3. TELEPHONE PLANT:

Listed below are the major classes of telephone plant in service at December 31:

	2002	2001
Land	\$ 27,292	\$ 13,835
Buildings	678,308	227,770
Central office equipment	2,066,049	1,734,596
Paystations	16,782	16,782
Buried cable	4,390,581	3,027,485
Office and communication equipment	121,801	88,403
Vehicles and other work equipment	597,885	500,856
	<u>\$7,898,698</u>	<u>\$5,609,727</u>

4. NONREGULATED CUSTOMER PREMISES EQUIPMENT:

Nonregulated customer premises equipment is stated at cost. The Company provides for depreciation on a straight-line basis at an annual rate of depreciation which will amortize the cost of the equipment over its estimated useful life.

Income, net of related expenses, from nonregulated activities for the years ended December 31, 2002 and 2001, was \$143,936 and \$20,731, respectively. Depreciation of non-regulated plant and equipment for the years ended December 31, 2002 and 2001 was \$29,046 and \$11,431, respectively.

5. MARKETABLE INVESTMENTS:

The cost and fair value of marketable debt securities at December 31, 2002, are as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Available for sale: Debt securities	<u>\$432,398</u>	<u>\$7,668</u>	<u>\$(2,617)</u>	<u>\$437,449</u>

SOUTH DAKOTA 536 KENNEBEC
KENNEBEC TELEPHONE COMPANY, INC.
KENNEBEC, SOUTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001

5. MARKETABLE INVESTMENTS: (Continued)

The following is a list of the maturities of debt securities as of December 31, 2002:

	Amortized Cost	Estimated Fair Value
Due in less than five years	\$265,285	\$281,476
Due after five years	167,113	155,973
	\$432,398	\$437,449

6. LONG-TERM DEBT:

Long-term debt consists of the following at December 31:

	TERMS	2002	2001
United States of America Rural Utilities Service - Secured by all-inclusive financing agreement.	(A)	\$5,081,977	\$4,303,863
West Central Electric - Secured by Presho CATV	5%, due in annual principal payments of \$16,444, plus interest. Final payment is due September, 2007.	82,220 5,164,197	-- 4,303,863
	Less Current Maturities	(205,000) \$4,959,197	(35,000) \$4,268,863

SOUTH DAKOTA 536 KENNEBEC
KENNEBEC TELEPHONE COMPANY, INC.
KENNEBEC, SOUTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001

6. LONG-TERM DEBT: (Continued)

- (A) Long-term debt to RUS is represented by 2% and 5% mortgage notes payable. Principal and interest installments are payable quarterly. The notes are scheduled to be fully repaid at various times to December, 2030. The notes are secured by an all-inclusive financing statement covering all of the assets of the company.

As of December 31, 2002, there were \$805,100 of unadvanced loan funds available for digital switch and plant expansion. All loan funds advanced by RUS are deposited in a special construction fund account, the disbursements from which are restricted by the provisions of the loan agreement to purposes approved by RUS. The construction fund had a balance of \$73,309 and \$319,440 at December 31, 2002 and 2001, respectively.

It is estimated that principal repayment for the next five years will be as follows:

2003	\$205,000
2004	216,000
2005	236,000
2006	261,000
2007	291,000

7. DEFERRED INCOME TAXES:

Deferred tax assets and liabilities at December 31, consist of the following:

	2002	2001
Deferred tax assets		
Nonregulated investments	\$ --	\$(6,500)
Market value of marketable investments below cost	--	(2,200)
Deferred tax liabilities		
Accumulated depreciation	50,500	40,700
Non-regulated investments	19,000	--
Market value of marketable investments above cost	1,700	--
Net deferred tax liability	<u>\$71,200</u>	<u>\$32,000</u>

SOUTH DAKOTA 536 KENNEBEC
KENNEBEC TELEPHONE COMPANY, INC.
KENNEBEC, SOUTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001

8. APPROPRIATED RETAINED EARNINGS:

Appropriated retained earnings of \$13,679 represents undistributed previously taxed income stemming from the period when the Company was taxed as a Subchapter S corporation.

9. PENSION PLAN:

The Company maintains a SIMPLE IRA plan and matches employee contributions up to 3% of total compensation. Matching contributions to the SIMPLE IRA accounts totaled \$16,703 and \$13,417 for the years 2002 and 2001, respectively, of which \$0 and \$0 were payable at December 31, 2002 and 2001.

SUPPLEMENTAL INFORMATION

certified public accountants

Report of Independent Certified Public Accountants
on Supplemental Information

Kennebec Telephone Company, Inc.

Our report on our audit of the basic financial statements of Kennebec Telephone Company, Inc. for 2002 appears on page 1. That audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information presented hereinafter is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Endorf Lurken Olson & Co. P.C.

Mitchell, South Dakota
January 30, 2003

SOUTH DAKOTA 536 KENNEBEC
KENNEBEC TELEPHONE COMPANY, INC.
KENNEBEC, SOUTH DAKOTA
SCHEDULE OF MORTGAGE NOTES PAYABLE
TO RURAL UTILITIES SERVICE
DECEMBER 31, 2002

Note Number	Date of Note	Interest Rate	Note Amount	Unadvanced Funds	Principal Balance
12011	October 4, 1979	2.0%	\$ 107,000	\$ --	\$ 45,403
12020	October 4, 1979	2.0	465,000	--	205,689
12030	May 6, 1981	2.0	36,290	--	17,847
12032	May 6, 1981	2.0	20,710	--	13,991
12040	August 2, 1989	5.0	317,000	--	261,818
12041	August 2, 1989	5.0	21,000	--	18,103
12042	August 2, 1989	5.0	258,000	--	241,522
12043	August 2, 1989	5.0	158,000	--	156,525
12050	November 1, 2000	5.0	937,770	--	931,920
12051	November 1, 2000	5.0	202,338	--	201,076
12052	November 1, 2000	5.0	300,000	--	298,129
12053	November 1, 2000	5.0	61,497	--	61,113
12054	November 1, 2000	5.0	979,055	--	972,948
12055	November 1, 2000	5.0	216,417	--	215,067
12056	November 1, 2000	5.0	210,922	--	209,606
12057	November 1, 2000	5.0	401,414	--	398,910
12058	November 1, 2000	5.0	182,111	--	180,975
12550	November 1, 2000	5.0	46,184	--	45,896
12551	November 1, 2000	5.0	220,500	--	219,125
12552	November 1, 2000	5.0	220,991	--	219,613
12553	November 1, 2000	5.0	167,701	--	166,701
12554	November 1, 2000	5.0	805,100	805,100	--
			<u>\$6,335,000</u>	<u>\$805,100</u>	<u>\$5,081,977</u>

certified public accountants

The Board of Directors
Kennebec Telephone Company, Inc.
Kennebec, South Dakota

We have audited the financial statements of Kennebec Telephone Company, Inc. for the year ended December 31, 2002, and have issued our report thereon dated January 30, 2003. We conducted our audit in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and 7 CFR Part 1773, Policy on Audits of Rural Utilities Service (RUS) Borrowers. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing our audit of the financial statements of Kennebec Telephone Company, Inc. for the year ended December 30, 2002, we considered its internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

A description of the responsibility of management for establishing and maintaining the internal control over financial reporting and the objectives of and inherent limitations in such control is set forth in our independent auditors' report on compliance and on internal control over financial reporting dated January 30, 2003, and should be read in conjunction with this report.

Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Because of the limited number of employees in the company's business office, there is an inadequate segregation of duties.

7 CFR 1773.33 requires comments on specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, and other additional matters. We have grouped our comments accordingly. In addition to obtaining reasonable assurance about whether the financial statements are free from material misstatements, at your request, we performed tests of specific aspects of the internal control over financial reporting, of compliance with specific RUS loan and security instrument provisions, and of additional matters. The specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, and additional matters tested include, among other things, the accounting procedures and records, materials control, compliance with specific RUS loan and security instrument provisions set forth in 7 CFR Part 1773.33(e)(2), and related party transactions. In addition, our audit of the financial statements also included the procedures specified in 7 CFR 1773.38-.45. Our objective was not to provide an opinion on these specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, or additional matters, and accordingly, we express no opinion thereon.

No reports other than our independent auditor's report, and our independent auditor's report on compliance and on internal control over financial reporting, all dated January 30, 2003, or summary of recommendations related to our audit have been furnished to management.

Our comments on specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, and other additional matters as required by 7 CFR Part 1773.33 are presented below.

COMMENTS ON CERTAIN SPECIFIC ASPECTS OF THE INTERNAL CONTROL OVER FINANCIAL REPORTING

We noted no matters regarding Kennebec Telephone Company, Inc.'s internal control over financial reporting and its operation that we consider to be a material weakness as previously defined with respect to:

- the accounting procedures and records;
- the process for accumulating and recording labor, material, and overhead costs, and the distribution of these costs to construction, retirement, and maintenance or other expense accounts, and;
- the materials control.

COMMENTS ON COMPLIANCE WITH SPECIFIC RUS LOAN AND SECURITY INSTRUMENT PROVISIONS

Management's responsibility for compliance with laws, regulations, contracts and grants is set forth in our independent auditors' report on compliance and on internal control over financial reporting dated January 30, 2003, and should be read in conjunction with this report.

At your request, we have performed the procedures enumerated below with respect to compliance with certain provisions of laws, regulations, contracts and grants. The procedures we performed are summarized as follows:

- Procedure performed with respect to the requirement to maintain all funds in institutions whose accounts are insured by an Agency of the Federal government:
 1. Obtained information from financial institutions with which Kennebec Telephone Company, Inc. maintains funds that indicated that the institutions are insured by an Agency of the Federal government.

- Procedures performed with respect to the requirement for a borrower to obtain written approval of the mortgagee to enter into any contract for the operation or maintenance of property, or for the use of mortgaged property by others or for services pertaining to toll traffic, operator assistance, or switching for the year ended December 31, 2002 of Kennebec Telephone Co., Inc.:
 1. Obtained and read a borrower-prepared schedule of new written contracts entered into during the year for the operation or maintenance of its property, for the use of its property by others or for services pertaining to toll traffic, operator assistance, or switching as defined in 7 CFR Part 1773.33(e)(2)(i).
 2. Reviewed Board of Director minutes to ascertain whether board-approved written contracts are included in the borrower-prepared schedule.
 3. Noted the existence of written RUS approval of each contract listed by the borrower.
- Procedure performed with respect to the requirement to submit RUS Form 479 to the RUS:
 1. Agreed amounts reported in Form 479 to Kennebec Telephone Company, Inc.'s records.
- Procedure performed with respect to funded reserve and net plant to secured debt ratio requirements:
 1. Reviewed loan security instrument to ascertain which condition was elected by the borrower.
 2. If the funded reserve option was selected, review financial institution records to verify the existence of a separate bank account for the reserve, and determine that it was funded within one year of approval of release of funds and that it remained funded over the composite economic life of the facilities financed.
 3. If the net plant to secured debt ratio option was selected, calculate the ratio and confirm that the 1.2 ratio was achieved one year following the first advance of loan funds.

The results of our tests indicate that, with respect to the items tested, Kennebec Telephone Company, Inc. complied, in all material respects, with the specific RUS loan and security instrument provisions referred to below. The specific provisions tested, as well as any exceptions noted, include the requirements that:

- the borrower maintains all funds in institutions whose accounts are insured by an Agency of the Federal government;
- the borrower has obtained written approval of the RUS to enter into any contract for the operation or maintenance of property, or for the use of mortgaged property by others or for services pertaining to toll traffic, operator assistance or switching as defined in 7 CFR Part 1773.33(e)(2)(i); and,
- the borrower has submitted its Form 479 to the RUS and the Form 479, **Financial and Statistical Report**, as of December 31, 2002, represented by the borrower as having been submitted to RUS, is in agreement with Kennebec Telephone Company, Inc.'s audited records in all material respects.

COMMENTS ON OTHER ADDITIONAL MATTERS

In connection with our audit of the financial statements of Kennebec Telephone Company, Inc. nothing came to our attention that caused us to believe that Kennebec Telephone Company, Inc. failed to comply with respect to:

- the reconciliations of continuing property records to the controlling general ledger plant accounts addressed at 7 CFR Part 1773.33(c)(1);
- the clearing of the construction accounts and the accrual of depreciation on completed construction addressed at 7 CFR Part 1773.33(c)(2);
- the retirement of plant addressed at 7 CFR Parts 1773.33(c)(3) and (4);
- sales of plant, material, or scrap addressed at 7 CFR Part 1773.33(c)(5);
- the disclosure of material related party transactions, in accordance with Statement of Financial Accounting Standards No. 57, Related Party Transactions, for the year ended December 31, 2002, in the financial statements referenced in the first paragraph of this report addressed at 7 CFR Part 1773.33(f);

This report is intended solely for the information and use of the board of directors, management, and the RUS and supplemental lenders and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Enderby Lusher Olson & Co. Prof. L.L.C.

Mitchell, South Dakota
January 30, 2003

KENNEBEC TELEPHONE CO INC

With audit adj.

ACCT #	DESCRIPTION	12/31/2002 Balance
1130.000	CASH GENERAL FUND BANKWEST	(105,741.15)
1130.100	CASH ON HAND-(Petty Cash)	250.00
1130.200	CASH -TRUSTEE RUS CONST FUND BANKWEST	73,309.36
1130.400	NOW ACCT Dakota PRAIRIE BANK	17,082.48
1130.500	CASH GENERAL FUNDS Dakota PRAIRIE BANK	7,516.89
1130.600	BANK WEST SWEEP ACCOUNT	199,403.66
1160.000	OTHER INVESTMENTS-Ed Jones	256,894.21
1160.010	Other Invest. - Jones Money Market	67,281.00
1160.100	OTHER INVESTMENTS EXCESS FMV	5,061.00
1160.200	OTHER INVESTMENTS-usbancorp PIPER JAFFRAY	285,494.00
1160.210	Other Invest. - Jaffray Money Market	865.00
1180.000	DUE FROM SUBSCRIBERS TELECOMM ACCT REC	16,529.34
1180.200	NSF CHECKS	129.87
1181.000	RESERVE FOR UNCOLLECTIBLE ACCTS - CR (.0025)	(1,447.13)
1190.000	OTHER ACCTS RECEIVABLE - MISC	441.11
1190.300	OTHER ACCTS. REC.-EMERGENCY LOAN TO EMPLOYEES	1,320.33
1190.400	OTHER ACCTS. REC. WORLDCOM/GLOBAL	26,454.41
1210.000	INTEREST RECEIVABLE	4,900.00
1220.000	MATERIAL & SUPP-STOCK N/F/S-MATERIAL REC	94,169.51
1310.000	PREPAID INSURANCE	11,730.82
1401.000	INVESTMENST-EXPRESS COMMUNICATIONS	1,675.00
1401.100	RTFC STOCK PRESHO	1,000.00
1401.200	RTFC CAPITOL CERTIFICATE PRESHO	
1401.300	RTFC PATRONAGE CAPITAL CREDIT	12,051.54
1401.400	SDN (INVESTMENTS) NOT FEES	138,045.25
1406.000	NON REG-LEASED C.P.E.	22,658.15
1406.010	NON REG. DEPR. C.P.E.	(20,263.69)
1406.020	NON REG. RESALE INVENTORY-	70,549.57
1406.030	NON REG. ACCT. REC. MISC.	206,109.12
1406.040	NON REG. ACCT. REC.-OTHER	44,054.22
1406.050	NON REG. DEPRECIABLE ASSETS	309,330.38
1406.051	Non Reg. Depr. Assets DWDM	109,412.51
1406.052	Non Reg. Depr. Assets PwrCom	44,556.20
1406.059	NON REG. PLANT UNDER CONSTRUCTION	34,725.74
1406.060	NON REG. DEPR. RESERVE DEPR. ASSETS	(18,948.53)
1406.061	Non Reg Depr Reserve DWDM	(9,509.03)
1406.062	Non Reg Depr Reserve PowerCom	(5,762.14)
2003.100	TELEPHONE PLANT UNDER CONST.-CONTRACT	
2003.300	TELE. PLANT UNDER CONST.-WK ORD-SHT TERM	130,862.57

KENNEBEC TELEPHONE CO INC

With audit adj.

ACCT #	DESCRIPTION	12/31/2002 Balance
2111.000	LAND	24,207.65
2111.110	PRESHO LAND	3,083.50
2112.000	VEHICLES PICKUPS BUCKET TRUCK	357,643.50
2112.100	VEHICLES CAR	
2114.000	VEHICLES TRENCHERS	185,528.19
2116.000	OTHER EQUIPMENT	54,713.41
2116.110	PRESHO OTHER WORK EQUIP.	
2121.000	BUILDINGS COE & GENERATOR	37,797.56
2121.100	OFFICE BUILDING	53,143.25
2121.110	PRESHO COE BUILDING	134,242.96
2121.120	KNBC 2002 OFFICE	427,274.52
2121.300	CO SWITCH ROOM ETC	25,849.55
2122.000	FURNITURE & OFFICE EQUIP	13,622.96
2123.000	OFFICE COMMUNICATIONS EQUIP - TELEPHONES	29,229.56
2124.000	OFFICE COMPUTERS	78,947.94
2212.000	KENNEBEC--DIGITAL ELECTRONIC SWITCHING	757,248.29
2212.110	PRESHO--DIGITAL ELECTRONIC SWITCHING	458,714.49
2232.000	CIRCUIT EQUIPMENT FIBER KENNEBEC	114,612.95
2232.110	ELECTRONIC CIRCUIT EQUIPMENT FIBER- PRESHO	300,986.70
2233.000	CIRCUIT EQUIP.--OTHER-KENNEBEC	265,823.53
2233.110	CIRCUIT EQUIP.-OTHER-PRESHO (LIKE PAIR GAIN)	168,661.57
2351.000	PAY PHONES	2,575.59
2351.110	PRESHO PAY PHONES	14,206.02
2423.000	BURIED CABLE	1,917,687.31
2423.110	PRESHO BURIED CABLE	2,285,284.22
2423.120	PRESHO BURIED CABLE TOLL	173,315.16
2424.000	AFUDC BURIED CABLE	14,297.65
2680.000	PRESHO ACQUISITION ADJUSTMENTS	624,850.60
3100.000	RETIREMENT WORK IN PROGRESS	
3114.060	DEPR. RESERVE-MISC. PHY. PROP.	
3121.120	DEPR RESERVE PICKUPS	(117,751.24)
3121.140	DEPR RESERVE TRENCHERS	(94,486.60)
3121.151	DEPR RESERVE COE (CENTRAL OFFICE EQUIP.)	
3121.160	DEPR RESERVE OTHER WORK EQUIP	(50,236.58)
3121.210	DEPR RESERVE BUILDINGS - COE	(11,481.71)
3121.211	DEPR RESERVE BUILDINGS - OFFICE	(39,689.20)
3121.213	DEPR RESERVE COE DIGITAL	(17,176.50)
3121.220	DEPR RESERVE FURNITURE & OFFICE EQUIP	(4,923.28)
3121.232	DEPR RESERVE OFFICE COMMUNICATION EQUIP	(21,252.02)

KENNEBEC TELEPHONE CO INC

With audit adj.

ACCT #	DESCRIPTION	12/31/2002 Balance
3121.240	DEPR RESERVE OFFICE COMPUTERS	(57,019.94)
3122.120	DEPR RESERVE DIGITAL SWITCH KENNEBEC	(510,051.12)
3122.320	DEPR RESERVE CIR EQUIP FIBER KENNEBEC	(42,894.34)
3122.330	DEPR. RES CIRCUIT EQUIP. OTHER KENNEBEC	(201,928.96)
3123.510	DEPR RESERVE PAY PHONES	(2,575.59)
3124.230	DEPR RESERVE- BURIED BABLE	(726,673.47)
3221.160	PRESHO DEPR RESERVE OTHER WORK EQUIP	
3221.210	PRESHO DEPR RESERVE BUILDING	(57,463.26)
3222.120	DEPR RES DIGITAL ELEC SWITCHING PRESHO	(325,672.30)
3222.320	DEPR ECATION RES. CIR EQUIP. FIBER PRESHO	
3222.321	DEPR. RES. ELEC CIR EQUIP PRESHO	(67,737.08)
3222.331	DEPR. RES. CIR. EQUIP. OTHER PRESHO	(167,644.03)
3223.510	PRESHO DEPR RESERVE PAY PHONES	(14,206.02)
3224.230	PRESHO DEPR RESERVE BURIED CABLE	(750,181.71)
3224.231	PRESHO DEPR RESERVE BURIED CABLE TOLL	(144,492.62)
3224.240	DEPR. RESERVE AFUDC	(2,750.77)
3500.000	ACCUM. AMORTIZATION INTANG (BLUE SKY)	(274,239.81)
4010.000	ACCTS PAY US WEST	70.94
4010.100	ACCTS PAY A T & T RECEIVED (CABS)	11,252.61
4010.200	ACCTS PAY OTHER EXCHANGE CARRIERS (CABS, ILLUMINET)	(4,380.82)
4010.210	ACCTS PAY COM IMPAIRED FUND TAX (HEARING)	(11.72)
4010.220	ACCTS. PAYABLE-PAYROLL TAX	(37,167.95)
4010.240	ACCTS PAY - - FEDERAL EXCISE TAX	(974.64)
4010.250	ACCTS PAY STATE EXCISE TAX- CONTRACTORS	(2,647.46)
4010.260	ACCTS PAY- STATE SALES TAX	(2,747.53)
4010.270	ACCTS PAY- CITY SALES TAX	
4010.280	ACCTS. PAY-GARNISHMENTS- DEPT. OF SOCIAL SERVICES	
4010.281	PUC GROSS RECEIPTS TAX ASSESSMENT (INTRA)	
4010.282	NANPA ASSESSMENT (NBANC-FCC CONT. 806697)	
4010.290	ACCTS PAY TRADE	(115,764.84)
4010.300	ACCCTS PAY - NECA -TO AFFILIATED CO- RECEIVED	72,048.46
4010.400	ACCTS PAYABLE ILLUMINET RECEIVED	
4010.500	ACCTS PAY EXPRESS COMMUNICATIONS	
4010.600	ACCTS PAY 911 CHGS TO COUNTY	(1,855.86)
4010.700	FCC Copyright & Francise Fees	(354.46)
4020.000	NOTES DUE- OFFICERS	
4070.100	TAXES ACCRUED FEDERAL INCOME TAX (CORP. INCOME TAX ESTIMATE)	10,600.00
4070.200	DEFERRED INCOME TAX	(71,200.00)
4070.300	DEFERRED INCOME (INSURANCE CLAIM CHECKS)	

KENNEBEC TELEPHONE CO INC

With audit adj.

ACCT #	DESCRIPTION	12/31/2002 Balance
4080.200	TAXES ACCRUED EMPLOYER'S SOCIAL SECURITY TAX (FICA)	(2,657.10)
4080.210	TAXES ACCRUED EMPLOYER'S MEDICARE	(1,908.77)
4080.300	TAXES ACCRUED FEDERAL UNEMPLOYMENT	(168.61)
4080.400	TAXES ACCRUED STATE UNEMPLOYMENT	(75.99)
4080.500	TAXES ACCRUED GROSS RECEIPTS	(47,568.25)
4080.600	TAXES ACCRUED FCC (FILING FEE FORM 159)	
4120.000	ACCRUED AUDIT EXPENSE	(15,191.76)
4120.100	ACCRUED BONUS EXPENSE	
4120.200	SIMPLE PAYABLE (DEDUCTION TAKEN OFF EMPLOYEES PAYCHECK)	(0.01)
4120.300	ACCRUED VACATION EXPENSE	-
4120.400	CAFFERTERIA- (Extra Medical & Dental)	-
4200.000	NOTES PAYABLE	
4210.110	Short Term Debt RUS	(189,000.00)
4210.120	LONG TERM DEBT RUS	(5,698,077.94)
4210.130	LONG TERM DEBT RTFC FINANCE	-
4210.140	RUS NOTES UNADVANCED	805,101.00
4210.150	NOTE PAYABLE---WCE	(82,220.00)
4313.000	PENSION	
4510.000	CAPITOL STOCK KENNEBEC TELEPHONE CO INC	(8,300.00)
4530.000	TREASURY STOCK	689,302.41
4550.000	UNAPPROPRIATED RETAINED EARNINGS	(2,006,821.03)
4550.001	CURRENT PROFIT TO DATE	
4550.100	UNDISTRIBUTED PREV TAXED INCOME (UNDER SUB CHAPTER 5)	(13,679.58)
4550.200	EXCESS FMV OF INVESTMENTS	(5,061.00)

KENNEBEC TELEPHONE CO INC

ACCT #	DESCRIPTION	12/31/2001 Balance
5001.000	LOCAL SERVICE REVENUE	(188,043.98)
5060.000	LOCAL REVENUE,-CLASS FEATURES, DISC./ RECONNECT S.O.	(8,521.92)
5060.200	ADSL INSTALL FEE	
5081.000	FCC ACCESS CHARGE REVENUE- SUBSCRIBER LINE-(MACC BILLING CHARGE)	(58,252.17)
5082.000	ACCESS CHARGE-INTERSTATE-(Between States)-on cabs or consolidated billing	(146,075.51)
5082.100	ACCESS CHG - FEATURE GROUP B - REV - CONSOLIDATED BILLING	
5082.200	ACCESS CHAGES -INTRA CABS-intrastate consolidated billing	(225,929.05)
5082.300	SWITCHED ACCESS REVENUE - LECA	(29,328.00)
5082.400	ACCESS CHARGE EXPRESS INTER-(Revenue)	(272.63)
5082.500	ACCESS CHARGE EXPRESS INTRA- (Revenue)	(159.17)
5082.600	PIC CHANGE CHARGE -INTER-(Between States)	(240.00)
5082.700	ACCESS SERVICE REQUEST {ASR}	(313.00)
5082.800	PIC CHANGE CHARGE INTRA-(In State)	(215.00)
5083.000	ACCESS CHG INTERSTATE NECA OCL END OFFICE TS	(493,125.23)
5083.100	USAC-USF	(205,329.00)
5083.200	DSL REVENUE	(11,463.60)
5083.300	SPECIAL CIRCUITS-INTRASTATE	(23,381.09)
5083.400	SPECIAL CIRCUITS-INTRASTATE	(80,840.31)
5084.000	ACCESS CHARGE - U.S. WEST	
5084.100	SWITCHED INTRASTATE REVENUE CELLULAR	
5085.000	DATA CIRCUITS-INTRASTATE	(39.55)
5100.000	TOLL SERVICE REVENUE - INTRASTATE (IN STATE)	(99,782.85)
5100.100	TOLL SERVICE REVENUE -INTERSTATE	(28,820.10)
5100.400	TOLL REVENUE US WEST SENT/COLLECT	1,270.94
5230.000	DIRECTORY REVENUE- NON LIST #S, ADDT'L LISTING	(401.10)
5240.000	RENT REVENUE US WEST FACILITIES IN CO PRESHO-	(2,024.16)
5240.100	RENT REV. - MINI RING GOLDEN WEST	(10,000.00)
5240.200	RENT REV. - MINI RING SDN	(2,407.26)
5262.000	MISC. REVENUE	471.70
5262.100	MISC REVENUE (911 CREDIT ALLOWANCE)	(300.00)
5262.200	MISC. REVENUE-WIRELESS-TRANSITING	(21,150.53)
5262.300	MISC. REVENUE-WIRELESS-TERMINATING	(17,197.56)
5264.000	PENALTY LATE PAY NSF CHECK CHARGE	(2,233.02)
5270.000	BILLING & COLLECTION REVENUE -INTERSTATE	(1,479.21)
5270.100	BILLING & COLLECTION REV . INTRA)	(3,119.04)
5270.300	BILLING & COLLECTION - OTHER EXCHANGE CARRIERS- REVENUE	
5270.500	B & C INTRASTATE	
5270.700	B & C INDEPENDENT NECA SERVICE- Also Supplemental Settlement Check -INS	
5301.000	UNCOLLECTIBLE OPERATING REVENUE DR-CR (PREVIOUS WRITE OFF)	1,430.99
6000.000	PAYROLL CLEARING	
6112.000	VEHICLE CLEARING PICKUPS	
6112.100	VEHICLE CLEARING CAR (RENT CR)	
6114.000	VEHICLE CLEARING TRENCHERS- EXPENSE	
6116.000	TOOLS & OTHER EQUIP. CLEARING- EXPENSE	
6121.000	BUILDING & GROUNDS REPAIR - GENERATOR BLDG.	1,251.54

KENNEBEC TELEPHONE CO INC

ACCT #	DESCRIPTION	12/31/2001 Balance
6121.100	COMPANY OFFICE BUILDING & GROUNDS REPAIR & EXPENSE	10,285.24
6121.200	SHOP BUILDING & GROUNDS REPAIR & EXPENSE, WATER	13,546.15
6121.300	COE BUILDING & GROUNDS REPAIR & EXPENSE	880.30
6121.400	PRESHO BUILDING & GROUNDS REPAIR & EXPENSE	1,766.45
6122.000	FURNITURE OFFICE EQUIPMENT REPAIR & EXPENSE	2,429.80
6123.000	OFFICE EQUIP. EXPENSE- TELEPHONES, RADIOS, FAX MACHINES	4,473.66
6124.000	COMPUTERS REPAIR & EXPENSE	
6212.000	DIGITAL SWITCH REPAIR & EXPENSE	80,310.67
6230.000	TRANSMISSION & CM8 EXPENSE----AFC REPAIR, FRRPA PAYMENT & SDN MO. LEASE	101,391.36
6230.100	DSL T1 ATM Line Expense	5,952.24
6351.000	PAY PHONE REPAIR - EXCHANGE	
6410.000	RING DS3 EXPENSE -(Lease we pay to Golden West(Vivian Telephone)	10,600.00
6421.000	AERIAL CABLE REPAIR	1,955.74
6423.000	BURIED CABLE REPAIR (CR LOCATING REVENUE)	152,077.34
6423.200	FIBER CABLE REPAIR	
6512.000	PROVISIONING EXPENSE (RETIRED & JUNKED ITEMS 1220 7990)	35.00
6531.000	ELECTRIC POWER FOR COMMUNICATIONS (COE & GENERATORS)	10,888.55
6532.000	NETWORK ADMINISTRATION EXPENSE special circuits & transiting toll,(LNP-to NeuStar)	214.82
6533.000	COE TESTING EXPENSE	30,861.55
6534.000	ROD MANAGEMENT & SDTA	
6540.000	EXPRESS ACCESS EXPENSE INTERSTATE-expense	10,308.44
6540.100	EXPRESS ACCESS EXPENSE INTRASTATE-expense	60,351.79
6561.000	DEPRECIATION EXPENSE	428,756.37
6611.000	PRODUCT MANAGEMENT- EQUAL ACCESS	25.00
6611.400	SDITC	3,595.00
6611.500	KLD Activity	4,975.74
6611.600	SDN ---FEES BUT NOT INVESTMENTS	
6613.000	PRODUCT ADVERTISING--(REGULATED)	4,667.08
6621.000	CALL COMPLETION SERVICE (Operator, Info, Intercept, Customnet)(Call Name Delivery.)	1,899.19
6622.000	NUMBER SERVICES A T & T DIRECTORY ASSISTANCE-Adv. Directory Corrections	881.49
6622.100	U S WEST SERVICE LINK DIRECTORY ASSISTANCE, OPERATOR SERVICE-(Express)	980.02
6623.000	BILLING , SERVICE ORDERS, P.O. BOX RENT FEE	98,278.70
6623.400	ACCOUNTING SERVICE CHARGE U S WEST	121.69
6711.000	EXECUTIVE MANAGER , ADMINISTRATIVE MAIL & SECRETARIAL	104,787.71
6711.100	MANAGER IN-HOUSE EXPENSE	592.32
6712.000	PLANNING	22,965.06
6713.000	RUS LOAN REQUEST	
6721.000	ACCOUNTING EXPENSE (GENERAL, TIME SHEETS, PAYROLL, SUPPLIES)	132,120.03
6721.100	REVENUE ACCOUNTING (NECA)	
6721.200	REVENUE ACCOUNTING (A T & T CABS)	1,841.23
6721.300	REVENUE ACCOUNTING (OTHER CARRIERS CABS)	3,538.86
6721.400	REVENUE ACCOUNTING ((U S WEST CABS)	1,841.23
6721.500	REVENUE ACCOUNTING (LECA) EXPENSE	
6721.600	EXPRESS ACCOUNTING & EXPENSE	11,137.77
6721.700	REVENUE ACCOUNTING (INTRASTATE) TELEC	11,287.44

KENNEBEC TELEPHONE CO INC

ACCT #	DESCRIPTION	12/31/2001 Balance
6721.710	Intrastate Support	277.97
6721.720	REVENUE ACCOUNTING (INTRASTATE) ARBITRATION	350.99
6721.800	REVENUE ACCOUNGING (INTERSTATE) TELEC	40,913.04
6721.810	Interstate support	
6721.900	OTHER-TELEC	10,387.81
6722.000	CONNECTING COMPANY RELATIONS - internet, BOARD OF DIRECTORS-SDITC	8,980.54
6722.100	CONNECTING COMPANY RELATIONS (CONTRACT A T & T)	
6722.200	CONNECTING COMPANY RELATIONS (OTHER CARRIERS TESTING)	
6722.300	CONNECTING COMPANY RELATIONS (INTRA ACCESS)	826.06
6723.000	HUMAN RESOURCES-GENERAL EMPLOYMENT SERVICES (HELP WANTED AD)	3,113.06
6725.000	LEGAL EXPENSE (this can be used for sm. claims fee to clerk of courts)	4,224.83
6725.100	LEGAL EXPENSE S&S COMM.	4,730.46
6725.200	Western Wireless Legal Fees	5,560.10
6727.000	RESEARCH & DEVELOPEMENT	
6727.300	SS7	
6728.000	INSURANCE, OTHER, GENERAL & ADMINISTRATION-employee shirts	25,372.74
6728.100	SICK LEAVE	5,313.59
6728.300	OTHER EXPENSE-AUDIT & FINANCE	16,730.00
6728.400	PENSION EXPENSE (Pension Consultants Inc.)	
7220.000	OPERATING FEDERAL INCOME TAX	59,616.00
7240.000	OPERATING TAXES - GROSS RECEIPTS	47,959.95
7240.100	GROSS RECEIPTS INTRA TAX (PUC) (Gross Receipts Tax Fund Assessment)	
7240.200		
7320.000	INTEREST INCOME/ Investment Income	(528.62)
7320.100	INTEREST ON CHECKING	(1,424.32)
7320.200	INTEREST ON CONSTRUCTION FUND BANK ACCT.	(2,616.00)
7320.300	INTEREST ON CD'S	(36,265.00)
7320.400	GAIN (LOSS ON SALE OF INVESTMENTS)	
7320.500	COMMISSION INCOME- EXPRESS	
7320.600	PATRONAGE DIVIDENDS RTFC	
7340.000	INTEREST INCOME AFUDC	(76,287.00)
7360.000	OTHER NON OPERATIONS INCOME(amortizations)	41,656.68
7360.100	OTHER OPERATING INCOME- SDN	(51,304.00)
7370.000	CONTRIBUTIONS DUES FINES MAGAZINES DONATIONS ETC.(Leca Assess.)(NFIB)	14,616.22
7510.000	INTEREST EXPENSE ON RUS DEBT	224,929.96
7510.100	INTEREST EXPENSE ON RTFC DEBT	
7510.200	INTEREST EXPENSE MISC.	
7990.000	MISC. PHONE STORE INCOME--from leased equip, sales, & repair	(22,000.08)
7990.100	MISC. PHONE STORE EXPENSE-cost of sales & services expense LEASED	8,376.84
7990.200	Misc. Phone Store Depreciation Expense	3,659.62
7991.000	PowerCom Sales	(243,250.79)
7991.100	PowerCom Cost of Sales	91,661.47
7991.200	PowerCom Labor & OH	70,118.57
7991.210	PowerCom Depr. Expense	5,762.14
7991.300	PowerCom Test Equip, Tools, Veh. Rep	1,196.79

KENNEBEC TELEPHONE CO INC

ACCT #	DESCRIPTION	12/31/2001 Balance
7991.600	PowerCom Sm. Tools & Misc. Equip	1,097.80
7991.700	PowerCom allocated Expenses	16,049.00
7991.800	PowerCom Promotional Expense	1,451.88
7991.900	PowerCom Low Voltage Labor & OH	9,547.02
7992.000	INTERNET-INCOME	(36,404.59)
7992.100	INTERNET-EXPENSE	40,088.15
7992.700	INTERENT ALLOCATED EXPENSE	2,497.00
7994.000	PAYPHONE INCOME-coins collected & commission	(1,310.93)
7994.100	PAYPHONE EXPENSE	4,573.37
7994.700	PAYPHONE ALLOCATED EXPENSE	170.00
7995.000	CATV SUBSCRIBER REVENUE-Premium & Basic	(48,632.36)
7995.100	CATV-SATALITE FEES	20,052.74
7995.200	CATV-LABOR & OVERHEAD	3,711.82
7995.210	CATV TV DEPR. EXPENSE	9,373.61
7995.300	CATV.-EQUIP. REPAIRS	925.67
7995.400	CATV-UTILITIES & PHONE	3,172.74
7995.500	CATV OTHER EXPENSES	3,133.37
7995.600	CATV INTEREST EXPENSE	
7995.700	CATV ALLOCATED EXPENSES	2,808.00
7996.000	WORK EQUIPMENT INCOME-	(143,152.78)
7996.100	WORK EQUIPMENT LABOR & OVERHEAD	58,986.24
7996.200	WORK EQUIPMENT, MAINTENANCE, & OTHER	6,583.26
7996.300	WORK EQUIPMENT ALLOCATED EXPENSES	6,536.00
7996.400	NON-CO VEH. MAINT. INCOME	(575.65)
7996.500	NON-CO VEHICLE EXPENSE	1,963.16
7996.700	CITY WORK INCOME	(20,486.65)
7996.800	CITY WORK EXPENSE	11,295.03
7996.900	CITY WORK ALLOCATED EXPENSE	3,080.00
7997.000	Rental Income - Non-Reg.	(3,780.00)
7997.100	Rental Property Expense - Non-reg	1,212.05
7997.700	RENTRAL PROPERTY ALLOCATED EXPENSE	309.00
7998.000	DWDM INCOME	(25,348.00)
7998.100	DWDM EXPENSE	47.00
7998.200	DWDM DEPR. EXPENSE	9,509.03
7998.700	DWDM ALLOCATED EXPENSE	2,772.00
7999.000	SDN FACILITY LEASE DISTRIBUTION	(14,267.91)

Kennebec Telephone Company

INVESTMENT & EXPENSE ADJUSTMENTS

	PRGRM <u>LINE #</u>	2002 EOY <u>Trial Bal.</u>	2002 <u>Adjustments</u>		2002 EOY Adj. <u>Amount</u>
	<u>A</u>	<u>C</u>	<u>D</u>		<u>E=C+D</u>
---GENERAL SUPPORT FACILITIES---					
A/C 2110 Land & Support Assets					
Support Assets	95	\$1,397,993	(\$61,480)	2	\$1,336,513
Land	96	\$27,291	(\$2,671)	2	\$24,620
TOTAL GSF		\$1,425,284	(\$64,151)		\$1,361,133
---CENTRAL OFFICE EQUIPMENT---					
A/C 2210 COE-Switching					
Cat 2-Tandem Switching	100	\$0	\$0		\$0
Cat 3-Equal Access Investment	101	\$0	\$0		\$0
Cat 3-Local Switching	102	\$1,215,963	(\$139,003)	1	\$1,076,960
A/C 2230 COE-Transmission					
Cat 4.1-Exchange Circuit					
4.11 Exch Wideband	106	\$0	\$91,071	1	\$91,071
4.12 Ex Trk EAS	107	\$0	\$0		\$0
4.13 Ex Line	108	\$0	\$623,338	1	\$623,338
Cat 4.2-Interexchange					
4.22 Interexchange Wideband	110	\$0	\$0		\$0
4.23 All Other	111	\$850,085	(\$600,613)	1	\$249,472
4.23 Direct Assignment	112	\$0	\$0		\$0
Cat 4.3-Host/Remote					
Joint	114	\$0	\$25,206	1	\$25,206
WATS	115	\$0	\$0		\$0
TOTAL COE		\$2,066,047	(\$0)		\$2,066,047
---INFORMATION ORIG/TERM EQUIPMENT ----					
A/C 2310 Info Orig/Term Equipment					
Cat 1-Other IOT Equip	120	\$16,782	(\$16,782)	7	\$0
Direct Assignment	121	\$0	\$0		\$0
Cat 2-Cust Premises Equip	122	\$0	\$0		\$0
TOTAL IOT		\$16,782	(\$16,782)		\$0
----CABLE & WIRE FACILITIES ----					
A/C 2410 Cable & Wire Facilities					
Cat 1-Exch Line Cat. 1.3	126	\$4,390,584	(\$377,126)	3	\$4,013,458
Cat 2 Wideband & Exch Trunk					
Wideband Exchange	127	\$0	\$0		\$0
E A S Trunk	128	\$0	\$0		\$0
Cat 3 Interexchange Trunk					
Wideband	129	\$0	\$0		\$0
Interexchange Trunk	130	\$0	\$232,843	3	\$232,843
Direct Assignment	131	\$0	\$0		\$0
Cat 4-Host/Remote C&WF					
Joint	133	\$0	\$144,283	3	\$144,283
WATS	134	\$0	\$0		\$0
TOTAL CWF		\$4,390,584	\$0		\$4,390,584
TOTAL TPIS		\$7,898,697	(\$80,933)		\$7,817,764

Kennebec Telephone Company

INVESTMENT & EXPENSE ADJUSTMENTS

		2002	2002		2002
A/C 2002 Prop Held for Future Use	138	<u>\$0</u>	<u>\$0</u>		<u>\$0</u>
A/C 2003 Plt Under Construction	139	<u>\$130,863</u>	<u>\$0</u>		<u>\$130,863</u>
A/C 2005 Telephone Plant Adjustment	140	<u>\$624,851</u>	<u>(\$624,851)</u>	4	<u>\$0</u>
TOTAL PLANT		<u>\$8,654,411</u>	<u>(\$705,784)</u>		<u>\$7,948,627</u>
 ---OTHER PLANT ACCOUNTS, MATERIALS & SUPPLIES---					
A/C 1220 Materials & Supplies	145	<u>\$94,170</u>	<u>\$0</u>		<u>\$94,170</u>
A/C 1402 RTB Stock	146	<u>\$0</u>	<u>\$0</u>		<u>\$0</u>
Investment Allowances/Disallowances	147	<u>\$0</u>	<u>\$0</u>		<u>\$0</u>
Extraordinary Switch Retirement (Unamort. Amt.)	148	<u>\$0</u>	<u>\$0</u>		<u>\$0</u>
A/C 2680 Tangibles	149	<u>\$0</u>	<u>\$0</u>		<u>\$0</u>
A/C 2690 Intangibles	150	<u>\$0</u>	<u>\$5,413</u>	9	<u>\$5,413</u>
TOTAL TELEPHONE PLANT		<u>\$8,748,581</u>	<u>(\$700,371)</u>		<u>\$8,048,210</u>
 ---RESERVES & DEFERRALS---					
A/C 3100 Accum Depr-Tel Plt in Svc					
Support Assets	157	<u>\$471,480</u>	<u>(\$2,184)</u>	2	<u>\$469,296</u>
COE - Switching	158	<u>\$835,723</u>	<u>(\$95,808)</u>	5	<u>\$739,915</u>
COE - Transmission	159	<u>\$480,204</u>	<u>\$95,809</u>	5	<u>\$576,013</u>
Info Orig/Term Equip	160	<u>\$16,782</u>	<u>(\$16,782)</u>	7	<u>\$0</u>
Cable & Wire Facilities	161	<u>\$1,624,099</u>	<u>\$0</u>		<u>\$1,624,099</u>
Equal Access Accum Depr.	162	<u>\$0</u>	<u>\$0</u>		<u>\$0</u>
A/C 3100 Accum Depr-Tel Plt in Svc		<u>\$3,428,288</u>	<u>(\$18,965)</u>		<u>\$3,409,323</u>
A/C 3200 Accum Depr-Plant Future Use	165	<u>\$0</u>	<u>\$0</u>		<u>\$0</u>
A/C 3400 Accum Amort Tangibles	166	<u>\$0</u>	<u>\$0</u>		<u>\$0</u>
A/C 3500 Accum Amort Intangibles	167	<u>\$0</u>	<u>\$0</u>		<u>\$0</u>
A/C 3600 Accum Amortization Other	168	<u>\$274,240</u>	<u>(\$274,240)</u>	4	<u>\$0</u>
TOTAL ACCUM DEPRECIATION TPIS		<u>\$3,702,528</u>	<u>(\$293,205)</u>		<u>\$3,409,323</u>
 --- CUSTOMER DEPOSITS					
A/C 4040 Customer Deposits	174	<u>\$0</u>	<u>\$0</u>		<u>\$0</u>
 -- DEFERRED INCOME TAXES					
A/C 4100 Net Current Def Op Inc Taxes	169	<u>\$0</u>	<u>\$0</u>		<u>\$0</u>
A/C 4310 Other Long Term Liabilities	170	<u>\$0</u>	<u>\$0</u>		<u>\$0</u>
A/C 4340 Net Noncurrent Def OIC Taxes	171	<u>\$50,500</u>	<u>\$0</u>		<u>\$50,500</u>
TOTAL RESERVES & CUST DEPOSITS		<u>\$3,753,028</u>	<u>(\$293,205)</u>		<u>\$3,459,823</u>
TOTAL NET PLANT		<u>\$4,995,553</u>	<u>(\$407,166)</u>		<u>\$4,588,387</u>

Kennebec Telephone Company

INVESTMENT & EXPENSE ADJUSTMENTS

		2002	2002		2002
---PLANT SPECIFIC EXPENSES---					
A/C 6110 Network Support Expenses					
Joint	183	\$0	\$0		\$0
Direct Assignment	184	\$0	\$0		\$0
A/C 6120 General Support Expenses					
Joint	187	\$34,632	(\$2,521)	2	\$32,111
Direct Assignment	188	\$0	\$0		\$0
A/C 6210 Central Office Switching Expense	190	\$80,311	\$0		\$80,311
A/C 6220 Operators System Expense	191	\$0	\$0		\$0
A/C 6230 Central Office Transmission expense	192	\$107,344	(\$73,776)	12	\$33,568
A/C 6210 Equal Access Expense	193	\$0	\$0		\$0
A/C 6310 IOT Equip Expenses					
Cat 1-Other IOT Eqpt Expense	195	\$0	\$0		\$0
Cat 2-Cust Prem Eqpt Expense	196	\$0	\$0		\$0
A/C 6410 C&WF Expenses					
Joint	199	\$164,633	\$0		\$164,633
Direct Assignment	200	\$0	\$73,776	12	\$73,776
TOTAL PLANT SPECIFIC EXPENSES		\$386,920	(\$2,521)		\$384,399
 ---PLANT NON - SPECIFIC EXPENSES---					
A/C 6510 Other Prop Plant & Eq Expense	203	\$0	\$0		\$0
A/C 6530 Network Operations Expense	205	\$42,001	\$0		\$42,001
A/C 6540 Access Expense (IX Carriers)	206	\$0	\$0		\$0
A/C 6540 USF Contribution Direct Assignment	207	\$0	\$0		\$0
A/C 6560 Depreciation and Amort Expenses					
Depreciation Expense TPIS					
Support Assets	211	\$100,516	(\$159)	2	\$100,357
COE-Switching	212	\$118,201	(\$13,551)	5	\$104,650
Equal Access Depreciation Expense	213	\$0	\$0		\$0
COE-Transmission	214	\$57,734	\$13,551	5	\$71,285
Info Orig/Term Equip	215	\$0	\$0		\$0
Cable & Wire Facilities	216	\$152,305	\$0		\$152,305
A/C 6562 Property Held For Future Use	217	\$0	\$0		\$0
A/C 6563 Tangables	218	\$0	\$0		\$0
A/C 6564 Intangables	219	\$0	\$0		\$0
A/C 6565 Amort Exp. - Other	220	\$41,657	(\$41,657)	4	\$0
Extraordinary Switch Retirement Amort Exp.	221	\$0	\$0		\$0
TOTAL PLT NON-SPECIFIC EXPENSES		\$512,414	(\$41,816)		\$470,598

Kennebec Telephone Company

INVESTMENT & EXPENSE ADJUSTMENTS

		2002	2002		2002
---CUSTOMER OPERATION EXPENSES---					
A/C 6610 Marketing Expense	225	<u>\$13,263</u>	<u>\$0</u>		<u>\$13,263</u>
A/C 6620 Services Expense					
Published Directory Listings:					
Classified	230	<u>\$0</u>	<u>\$0</u>		<u>\$0</u>
Alpha	231	<u>\$0</u>	<u>\$225</u>	6	<u>\$225</u>
Foreign	232	<u>\$0</u>	<u>\$0</u>		<u>\$0</u>
Call Completion - Operator Assist	233	<u>\$102,161</u>	<u>(\$101,181)</u>	6	<u>\$980</u>
Call Completion - Direct Assignment	234	<u>\$0</u>	<u>\$0</u>		<u>\$0</u>
All Other, Local Business Office Expense					
Cat 1 - LBOE EU Sv Order Pros	236	<u>\$0</u>	<u>\$13,960</u>	6	<u>\$13,960</u>
Cat 1 - LBOE EU Sv Order Direct Assgnment	237	<u>\$0</u>	<u>\$0</u>		<u>\$0</u>
Cat 1 - LBOE EU Pmt & Collect	238	<u>\$0</u>	<u>\$36,418</u>	6	<u>\$36,418</u>
Cat 1 - LBOE EU Billing Inquiry	239	<u>\$0</u>	<u>\$13,960</u>	6	<u>\$13,960</u>
Cat 1 - LBOE EU Coin Collect	241	<u>\$0</u>	<u>\$0</u>	7	<u>\$0</u>
Cat 1 - LBOE EU End User Access	242	<u>\$0</u>	<u>\$0</u>		<u>\$0</u>
Total Cat 1 LBOE		<u>\$0</u>	<u>\$64,338</u>		<u>\$64,338</u>
Cat 2 Message Processing	245	<u>\$0</u>	<u>\$4,804</u>	6	<u>\$4,804</u>
Cat 2 Other Billing & Collecting	246	<u>\$0</u>	<u>\$11,807</u>	6	<u>\$11,807</u>
Cat 2 CABS	247	<u>\$0</u>	<u>\$18,091</u>	6	<u>\$18,091</u>
Cat 2 Direct Assignment	248	<u>\$0</u>	<u>\$0</u>		<u>\$0</u>
Total Cat 2 LBOE		<u>\$0</u>	<u>\$34,702</u>		<u>\$34,702</u>
Cat 3 Other LBOE	250	<u>\$0</u>	<u>\$0</u>		<u>\$0</u>
Cat 3 Direct Assignment	251	<u>\$0</u>	<u>\$95</u>	6	<u>\$95</u>
Total Cat 3 LBOE		<u>\$0</u>	<u>\$95</u>		<u>\$95</u>
TOTAL CUSTOMER OPER. EXPENSE		<u>\$115,424</u>	<u>(\$1,821)</u>		<u>\$113,603</u>
---CORPORATE OPERATIONS EXPENSES---					
A/C 6710 Exec & Planning Expense					
All Other	256	<u>\$128,345</u>	<u>\$0</u>		<u>\$128,345</u>
Direct Assignment Interstate	257	<u>\$0</u>	<u>\$0</u>		<u>\$0</u>
Direct Assignment Intrastate	258	<u>\$0</u>	<u>\$0</u>		<u>\$0</u>
A/C 6720 Gen'l & Administration Expense					
All Other	261	<u>\$288,548</u>	<u>(\$75,004)</u>	8	<u>\$213,544</u>
Direct Assignment Interstate	262	<u>\$0</u>	<u>\$53,196</u>	8	<u>\$53,196</u>
Direct Assignment Intrastate	263	<u>\$0</u>	<u>\$21,808</u>	8	<u>\$21,808</u>
TOTAL CORPORATE EXPENSE		<u>\$416,893</u>	<u>\$0</u>		<u>\$416,893</u>

Kennebec Telephone Company

INVESTMENT & EXPENSE ADJUSTMENTS

		2002	2002		2002
---7200 Operating Taxes Exc. ICT					
A/C 7200 Operating Taxes Exc. ICT & Gross Receipts					
All Other	268	\$0	\$0		\$0
Direct Assignment	269	\$0	\$181	10	\$181
TOTAL OPER. EXPENSE EXC. CONTRIB.& ICT		\$1,431,651	(\$45,977)		\$1,385,674
--- Non-operating Income & Expenses					
A/C 7300 Non-operating Income & Expenses					
Funds Used During Construction	281	\$76,287	(\$181)	10	\$76,106
Contributions	282	\$0	\$0		\$0
--- Interest & Related Items					
A/C 7500 Interest & Related Items					
A/C 7510 Interest on Funded Debt (Fixed Charges)	285	\$224,930	(\$73,319)	11	\$151,611
Interest on Customer Deposits (Part of A/C 7540)	286	\$0	\$0		\$0
--- Miscellaneous Items					
Investment Tax Credit Amortization	288	\$0	\$0		\$0
Uncollectibles Direct Assignment	289	\$0	\$4,846	9	\$4,846
Amortization of excess Def. Taxes	290	\$0	\$0		\$0
Capitalized Payroll	291	\$0	\$0		\$0
Depreciation Adjustments	292	\$0	\$0		\$0

Summary of Operating Expenses

Total Plant Specific Expenses	\$386,920	(\$2,521)	\$384,399
Total Non-Plant Specific Expenses	\$512,414	(\$41,816)	\$470,598
Total Customer Operating Expenses	\$115,424	(\$1,821)	\$113,603
Total Corporate Expenses	\$416,893	\$0	\$416,893
A/C 7200 Oper. Taxes Excluding ICT	\$0	\$181	\$181
Contributions	\$0	\$0	\$0
Total Operating Expenses (Excl. ICT)	\$1,431,651	(\$45,977)	\$1,385,674

Notes: Adjustments to Accounted Data

Note 1: Adjustments for Common & Power Investment based on CPR records (TAB 7, Common and Power.xls)

Note 2: Land and Building adjustment for Non-Regulated space (TAB 8, Land and Bldg adj.xls)

Note 3: Adjustments for Interexchange & Host/Remote OSP Investment (OSP_DIST.xls)

Note 4: Removal of Acquisition Adjustments from the Cost Study

Note 5: Adjustment of Reserve & Depreciation Exp associated with CPR (TAB 7, Common and Power.xls)

Note 6: Distribution of 6610 & 6620 based on time study and direct assignment of TRS (TAB 9, 02_TIME.xls)

Note 7: Payphone Deregulation

Note 8: Direct assignment of cost study expenses (TAB 14, Direct assignment 6720.xls)

Note 9: Adjustment for Direct Assignment of Uncollectibles (TAB 14, Uncollectibles.xls)

Note 10: FCC Reg Fee Direct Assignment

Note 11: Adjustment for Non-operating Interest Expense (TAB 14, OPRINTR.xls)

Note 12: Adjustment for Leased Facility Expense to Direct Assignment (TAB 13, 02_Frrpa.xls)

CENTRAL OFFICE EQUIPMENT COSTS

Company Kennebec Telephone Company

Study Dates 1/1/02 - 12/31/02

COE Categories:	<u>Total COE Book Costs as of 12/31/02</u>
Category 2	<u>\$0</u>
Category 3	<u>\$1,076,960</u>
Category 4.11	<u>\$91,071</u>
Category 4.12	<u>\$0</u>
Category 4.13	<u>\$623,338</u>
Category 4.22	<u>\$0</u>
Category 4.23	<u>\$249,472</u>
Category 4.3	<u>\$25,206</u>
Total COE	<u><u>\$2,066,047</u></u>

OUTSIDE PLANT COSTS

Company Kennebec Telephone Company

Study Dates 1/1/02 - 12/31/02

OSP Categories:	<u>Total OSP Book Costs as of 12/31/02</u>
Category 1	<u>\$4,013,458</u>
Category 2	<u>\$0</u>
Category 3	<u>\$232,843</u>
Category 4	<u>\$144,283</u>
Total C&W	<u><u>\$4,390,584</u></u>

* Special study to identify Cat 3 for study

MATERIALS AND SUPPLIES, PLANT UNDER CONSTRUCTION

Company Kennebec Telephone Company

Study Dates 1/1/02 - 12/31/02

Balance
as of 12/31/02

Materials & Supplies \$94,170

TPUC \$130,863

KENNEBEC TELEPHONE CO.

2002 Study Year

CENTRAL OFFICE EQUIPMENT - POWER & COMMON EQUIPMENT SPREAD

		(a)	(b)	(c)=(2b/1b etc)	(d)=(1d*2c etc)	(e)=(1e*2c etc)	(f)=(1b+1d+1e,etc)
	CPR EOY 2002	CPR COE INVST.	COE INVST.	% DIST.	POWER INVST.	COMMON INVST.	COE INCL. COM & POWER
1	TOTAL INVESTMENT	\$1,774,755	\$1,774,755	100.0000%	\$197,660	\$93,632	\$2,066,047
2	CATEGORY 3 LOCAL SWITCH	\$925,119	\$925,119	52.1266%	\$103,033	\$48,807	\$1,076,960 +
3	CATEGORY 2 TANDEM SWITCH	XXX	\$0	0.0000%	\$0	\$0	\$0
4	CATEGORY 4.11 EXCH WDBND	\$78,231	\$78,231	4.4080%	\$8,713	\$4,127	\$91,071
5	CATEGORY 4.13 EXCH LN CKT	\$173,807	\$173,807	9.7933%	\$19,357	\$9,170	\$202,334
6	CATEGORY 4.13 EXCH FIBER CKT	\$361,647	\$361,647	20.3773%	\$40,278	\$19,080	\$421,004
7	CATEGORY 4.23 IX CKT ALL OTHER	\$96,227	\$96,227	5.4220%	\$10,717	\$5,077	\$112,020
8	CATEGORY 4.23 IX FIBER CKT	\$118,073	\$118,073	6.6529%	\$13,150	\$6,229	\$137,452
9	CATEGORY 4.3 HOST REMOTE	\$21,652	\$21,652	1.2200%	\$2,411	\$1,142	\$25,206
10	NON-REG EQUIP USING POWER	\$0	\$0	0.0000%	\$0	\$0	\$0
11	EQUAL ACCESS (INCL. IN CAT3)	\$0	XXX	XXX	XXX	XXX	\$0

	TANDEM SWITCH CALCULATIONS	EOY 2002
1	CAT 3 LOCAL SWITCH *	\$925,119
2	PERCENT TANDEM SWITCH **	0.00%
3	CAT 2 TANDEM SWITCH	\$0

* From CPR's for exchange serving as the Tandem

** From Traffic Study

+ Total less Equal Access Investment

RESERVE AND DEPRECIATION ADJUSTMENTS			
	2002		
	INV.	RES.	DEPR.
<u>COE</u>			
SWITCH	1,216,411	835,723	118,201
TRANSMISSION	849,636	480,204	57,734
EQUAL ACCESS	0	0	0
TOTAL COE	2,066,047	1,315,928	175,934
<u>ADJUSTED COE</u>			
COE SWITCH	1,076,960	739,915	104,650
COE TRANSMISSION	989,087	576,013	71,285
EQUAL ACCESS	0	0	0
TOTAL COE	2,066,047	1,315,928	175,934

KENNEBEC TELEPHONE CO.

LAND & BUILDING ADJ. FOR NON-REG SPACE

2002 Study Year

	NOTE	ACCOUNT	BOOKED AMOUNT	RATIO OF BLDG	RATIO LAND & BLDG	BUILDING AMOUNTS	NON-REG	NON-REG
				TO TOTAL BLDG	TO TOTAL LAND & BLDG	FOR ALLOC TO NON-REG	ALLOCATION FACTORS	ADJUSTMENT AMOUNTS
2002 LAND AND BUILDING INVESTMENT & RESERVES								
TELEPHONE PLANT IN SERVICE								
TOTAL LAND	1	2111	\$27,291					
LAND MAIN OFFICE - EST.	2	2111	\$5,115			\$5,115	3.08%	\$158
LAND WAREHOUSE - EST.	2	2111	\$636			\$636	3.76%	\$24
LAND NEW OFFICE BLDG	2	2111	\$18,457			\$18,457	13.49%	\$2,489
								\$2,671
TOTAL BUILDING	1	2121	\$678,308					
MAIN OFFICE BLDG	2	2121	\$78,993	11.65%		\$78,993	3.08%	\$2,435
WAREHOUSE	2	2121	\$37,798	5.57%		\$37,798	3.76%	\$1,421
NEW OFFICE BUILDING	2	2121	\$427,275	62.99%		\$427,275	13.49%	\$57,625
								\$61,480
ACCUMULATED DEPRECIATION								
TOTAL BUILDING	1	3121	\$125,811					
BUILDING MAIN OFFICE		3121	\$56,866			\$56,866	3.08%	\$1,753
WAREHOUSE		3121	\$11,482			\$11,482	3.76%	\$432
NEW OFFICE BUILDING		3121	\$0			\$0	13.49%	\$0
								\$2,184
2002 LAND AND BUILDING EXPENSES								
GENERAL SUPPORT EXP - L&B	3	6120	\$27,730					
GENRL SUPT EXP - MAIN OFFICE BLDG - EST.		6120	\$3,305		11.92%	\$3,305	3.08%	\$102
GENRL SUPT EXP - WHSE - EST.		6120	\$1,510		5.45%	\$1,510	3.76%	\$57
GENRL SUPT EXP - NEW BLDG - EST.		6120	\$17,517		63.17%	\$17,517	13.49%	\$2,362
DEPREC EXP - BUILDINGS	4	6561	\$10,257					
DEPREC - BLDG MAIN OFFICE		6561	\$3,981			\$3,981	3.08%	\$123
DEPREC - BLDG WHSE EST		6561	\$959			\$959	3.76%	\$36
DEPREC - BLDG NEW OFC BLDG		6561	\$0			\$0	13.49%	\$0
								\$159

- TES: 1 From Accounting Ledger
 2 Accounting records or client Estimate
 3 Request from accountant (Acct. 6121)
 4 Request from accountant (Acct. 6561 Buildings)
 5 Non-Regulated percentage from Floor Plan Drawings

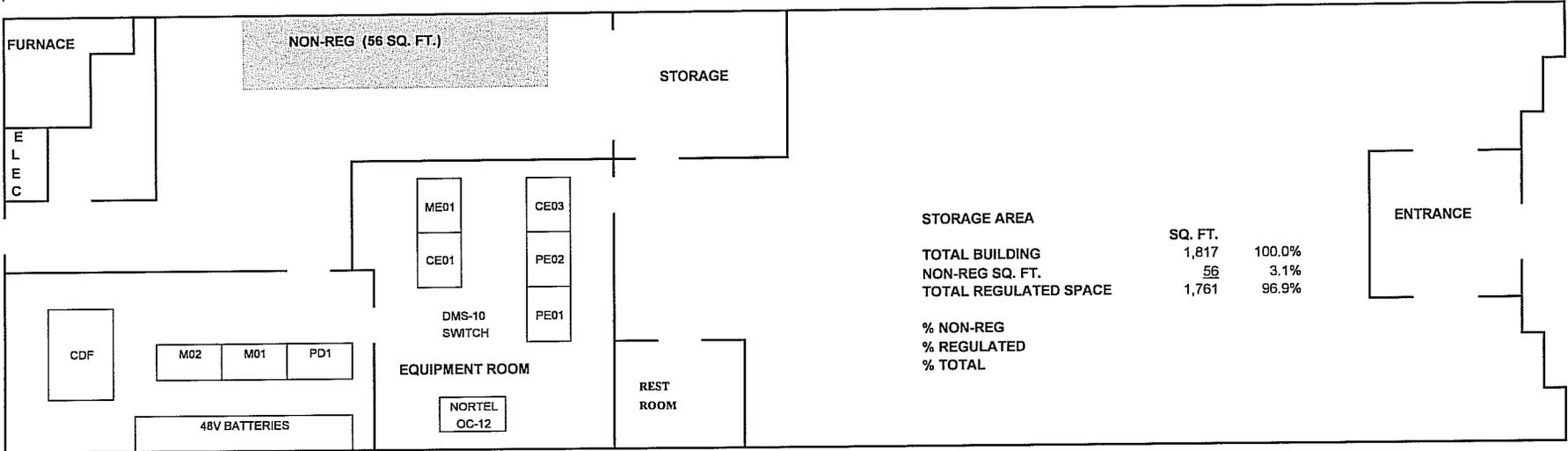
KENNEBEC TELEPHONE CO.

MAIN OFFICE

2/95

80 FT.

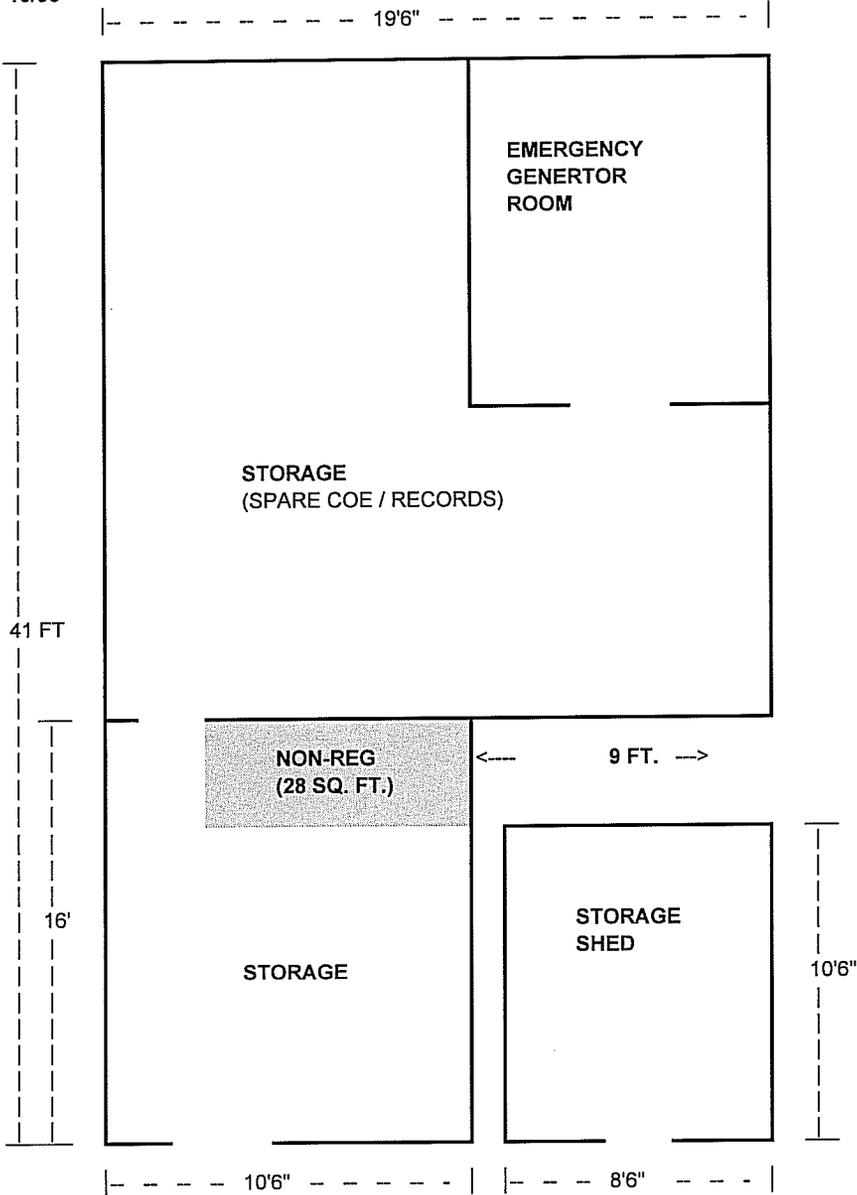
24 FT.



STORAGE AREA	SQ. FT.	
TOTAL BUILDING	1,817	100.0%
NON-REG SQ. FT.	56	3.1%
TOTAL REGULATED SPACE	1,761	96.9%
% NON-REG		
% REGULATED		
% TOTAL		

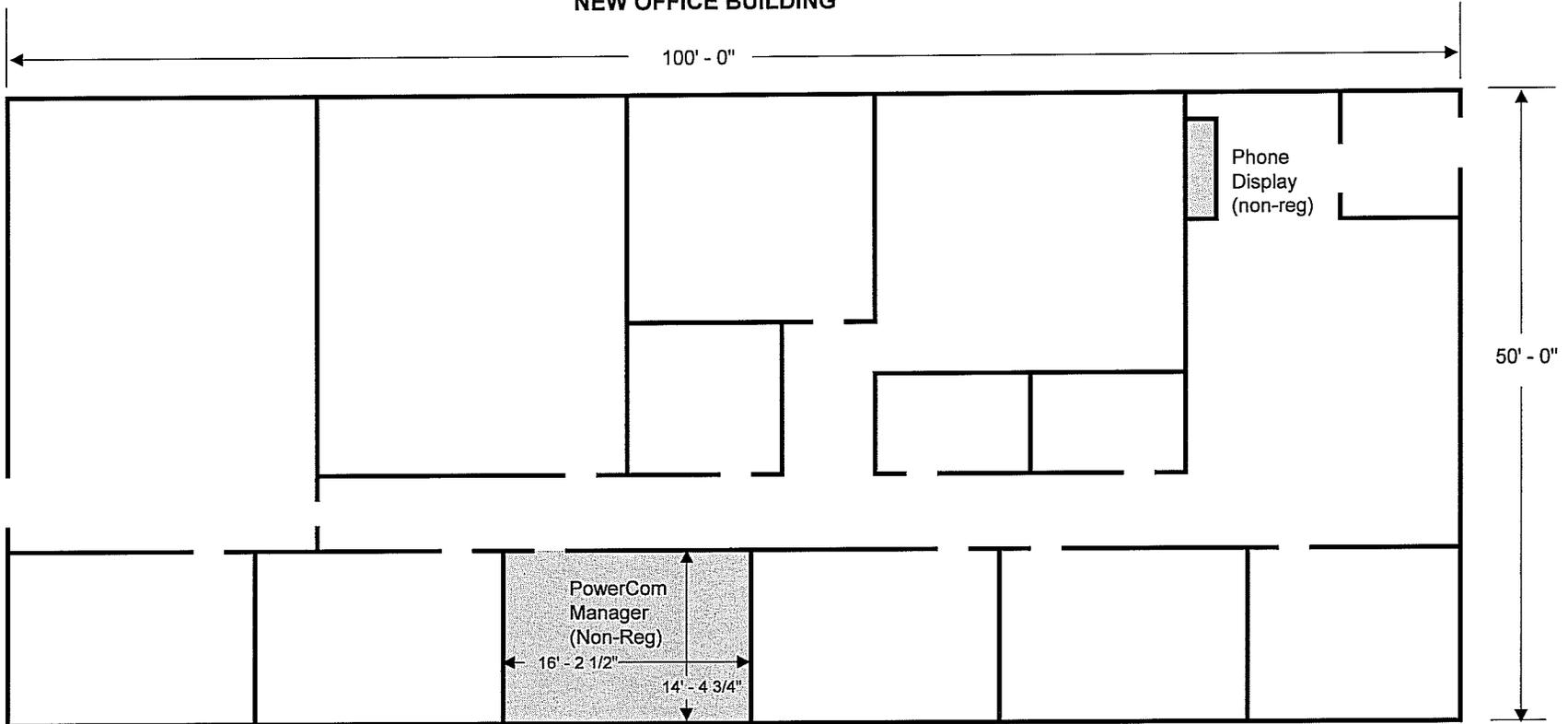
KENNEBEC TELEPHONE CO.

10/93



	<u>SQ. FT.</u>
TOTAL BUILDING	745
NON-REG.	28
REGULATED	717
% NON-REG.	3.76%
% REGULATED	96.24%
% TOTAL	100.00%

**KENNEBEC TELEPHONE CO.
NEW OFFICE BUILDING**



	<u>SQ. FT.</u>
TOTAL BUILDING	5,000
PowerCom Mgr. Ofc (non-reg)	233
Phone Display (non-reg)	16
Allocated other * (non-reg)	425
% NON-REG	13.49%
% REGULATED	86.51%
% TOTAL	100.00%

* Based on wages non-reg allocation (8.5%)

COMPANY: KENNEBEC TELEPHONE COMPANY

DISTRIBUTION OF ACCOUNT 6610 & 6620

ACCT NO.		TIME STUDY HOURS	% TOTAL HOURS	DISTRIBUTION OF UNIDENTIFIED	IDENTIFIED EXPENSE	DISTRIBUTED EXPENSE
6610	MARKETING EXPENSE				\$13,263	\$13,263
6623	TRS BOOKED IN 6623 *				\$95	\$95
6620	PUBLISHED DIRECTORY ALPHA				\$225	\$225
6620	CALL COMPLETION				\$980	\$980
6620	END USER SERVICE ORDER PROCESSING	11.50	18.85%	\$13,960		\$13,960
6620	END USER PAYMENT COLLECTION	30.00	49.18%	\$36,418		\$36,418
6620	END USER BILLING INQUIRY	11.50	18.85%	\$13,960		\$13,960
6620	END USER COIN COLLECTION	1.50	2.46%	\$1,821		\$1,821
6620	END USER ACCESS	0.00	0.00%	\$0		\$0
6620	MESSAGE PROCESSING	0.00	0.00%	\$0	\$4,804	\$4,804
6620	CABS	6.50	10.66%	\$7,891	\$10,200	\$18,091
6620	OTHER BILLING & COLLECTION	0.00	0.00%	\$0	\$11,807	\$11,807
6620	CUSTOMER SERVICE EXP	0.00	0.00%	\$0		\$0
	TOTAL	61.00	100.00%	\$74,050	\$41,374	\$115,424

6610 & 6620 AS ACCOUNTED	\$115,424
IDENTIFIED EXP	\$41,374
UNIDENTIFIED TOTAL	<u>\$74,050</u>

* TRS AMOUNT TO BE DIRECT ASSIGNED TO 6623 CAT 3

KENNEBEC TELEPHONE CO.
2002

ACCOUNT 6620 SPLIT OF MACC STATEMENT														ASSIGNMENT		
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	CABS	PROCESSING	other
CABS	\$599.51	\$611.39	\$611.39	\$611.39	\$611.39	\$611.39	\$611.39	\$651.39	\$611.39	\$611.39	\$611.39	\$611.39	\$7,364.80	\$7,364.80		
TOLL MESSAGES	\$292.71	\$279.65	\$282.06	\$265.15	\$289.98	\$265.44	\$285.09	\$295.31	\$296.95	\$298.74	\$277.29	\$300.49	\$3,428.86		\$3,428.86	
CUSTOMER STATEMENTS	\$259.70	\$257.60	\$254.45	\$253.05	\$252.70	\$248.50	\$261.59	\$260.11	\$261.59	\$265.29	\$261.22	\$259.00	\$3,094.80			\$3,094.80
DATA TRANSMISSION FEE	\$54.41	\$51.98	\$52.43	\$49.29	\$53.90	\$49.34	\$52.99	\$54.89	\$55.20	\$55.53	\$51.54	\$55.85	\$637.35			\$637.35
DATA LINE COM FOR LAMA	\$66.43	\$68.62	\$67.53	\$63.44	\$69.99	\$74.49	\$70.88	\$80.74	\$88.74	\$89.72	\$75.88	\$86.17	\$902.63	\$451.32	\$451.32	
DIRECT BILLING OF SPC CKT							\$62.75	\$62.75	\$62.75	\$62.75	\$68.93	\$68.93	\$388.86			\$388.86
MONTHLY SOFTWARE CHGS	\$184.38	\$193.75	\$193.75	\$193.75	\$193.75	\$193.75	\$193.75	\$406.25	\$406.25	\$406.25	\$406.25	\$406.25	\$3,378.13			\$3,378.13
TECHNICAL MTCE PROGRAM	\$60.00	\$60.00	\$60.00	\$60.00	\$60.00	\$60.00	\$60.00	\$60.00	\$60.00	\$60.00	\$60.00	\$60.00	\$720.00			\$720.00
BANK COLLECT - PROCESS FEE		\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00						\$150.00		\$150.00	
MONTHLY UPS/POSTAGE	\$28.00	\$36.85	\$41.48	\$38.45	\$46.17	\$42.00	\$43.24	\$55.95	\$37.11	\$66.90	\$53.85	\$49.47	\$539.47	\$539.47		
CUSTOMER STATEMENT POSTAGE	\$196.98	\$190.76	\$190.34	\$187.21	\$186.75	\$183.02	\$170.01	\$178.94	\$177.93	\$183.45	\$188.40	\$184.67	\$2,218.46			\$2,218.46
MONTHLY B&C REPORTING									\$25.00	\$25.00	\$25.00	\$25.00	\$100.00			\$100.00
STATE SALES TAX	\$43.31	\$43.17	\$43.28	\$42.01	\$43.73	\$42.26	\$44.03	\$53.29	\$52.95	\$54.64	\$53.98	\$53.68	\$570.33	\$90.27	\$138.83	\$341.23
LOCAL SALES TAX	\$10.83	\$10.79	\$10.82	\$10.50	\$10.93	\$10.57	\$11.01	\$13.32	\$13.24	\$13.66	\$13.49	\$13.42	\$142.58	\$22.57	\$34.71	\$85.31
SET UP FEE FOR SP CKT BILLING								\$25.00					\$25.00			\$25.00
NECA SUBSCR DATA REQUEST		\$0.00						\$95.00					\$95.00	\$95.00		
BILLING INSERTS			\$0.00			\$50.00	\$10.83					\$85.00	\$145.83			\$145.83
MONTHLY GENERATED CABS BILLS				\$0.00									\$0.00	\$0.00		
MONTHLY WIRELESS CABS BILLING	\$125.00	\$50.00	\$50.00	\$150.00	\$50.00	\$50.00	\$175.00	\$50.00	\$50.00	\$175.00		\$0.00	\$925.00	\$925.00		
SEMINAR CHARGES							\$1,800.00	\$0.00		\$0.00			\$1,800.00	\$600.00	\$600.00	\$600.00
TECH SUPPORT		\$0.00	\$0.00		\$0.00	\$60.00							\$60.00			\$60.00
ENVELOPES AND MISC SUPPLIES							\$12.42						\$12.42			\$12.42
EXTRA COPY OF CABS BILL	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$50.00	\$50.00	\$50.00	\$50.00	\$400.00	\$400.00		
CREDIT DUE TO MACC ERROR								(\$287.98)					(\$287.98)	(\$287.98)		
SUB-TOTAL	\$1,346.75	\$1,293.17	\$1,296.14	\$1,362.85	\$1,307.90	\$1,379.37	\$3,303.59	\$1,428.57	\$1,637.71	\$1,806.93	\$1,670.83	\$1,612.93	\$19,446.74			
CABS	\$599.51	\$611.39	\$611.39	\$611.39	\$611.39	\$611.39	\$611.39	\$651.39	\$611.39	\$611.39	\$611.39	\$611.39	\$7,364.80			
	\$1,946.26	\$1,904.56	\$1,907.53	\$1,974.24	\$1,919.29	\$1,990.76	\$3,914.98	\$2,079.96	\$2,249.10	\$2,418.32	\$2,282.22	\$2,224.32	\$26,811.54	\$10,200.44	\$4,803.71	\$11,807.39

AMOUNT TAXED ON MACC STATEMENT	\$19,021.81	\$3,010.79	\$4,630.18	\$11,380.85
PERCENT OF TOTAL BILLED	1.0000	15.83%	24.34%	59.83%
SHARE OF STATE TAXES		\$90.27	\$138.83	\$341.23
SHARE OF LOCAL TAXES		\$22.57	\$34.71	\$85.31

CABS FROM NETTING STATEMENT \$0.00

TOTAL CABS \$10,200.44

KENNEBEC TELEPHONE COMPANY
 6620 EXPENSES
 2002
 Source - Express Monthly Bills

	6620		
	Call		
	Completion	CABS	ALPHA
Jan	\$122.31	\$0.00	\$21.29
Feb	\$62.27	\$0.00	\$25.35
Mar	\$62.31	\$0.00	\$19.77
Apr	\$57.07	\$0.00	\$14.20
May	\$55.03	\$0.00	\$22.82
Jun	\$53.09	\$0.00	\$15.72
Jul	\$96.27	\$0.00	\$12.17
Aug	\$106.40	\$0.00	\$24.34
Sep	\$94.74	\$0.00	\$21.29
Oct	\$65.25	\$0.00	\$17.24
Nov	\$91.10	\$0.00	\$19.77
Dec	\$114.18	\$0.00	\$10.65
Totals	\$980.02	\$0.00	\$224.61

TRAFFIC STUDY

Company: Kennebec Telephone Company
 Study Year: 2002_S.D._Method 3

FACTORS	IS	ST-ER	ST-RA	EAS	LOCAL	TOTAL STATE	
DEM	0.157303	0.013155	0.176244	0.096042	0.557255	1.000000	0.189399
SPF	0.250000	0.017364	0.232636	0.073506	0.426494	1.000000	0.250000
WEIGHTED DEM WO96	0.471910	0.026261	0.351829	0.022052	0.127948	1.000000	0.378090
CONVERSATION MINUTES	0.389137	0.032543	0.435995	X	0.142325	1.000000	0.468538
CONVERSATION MINUTE MILES	0.389137	0.032543	0.435995	X	0.142325	1.000000	0.468538
HOST-REMOTE	0.299808	0.027190	0.352616	0.320386	X	1.000000	0.379806
SLU MINUTES	2,089,424	174,738	2,341,016	1,275,711	7,401,903	13,282,792	

TRAFFIC STUDY

Company: Kennebec Telephone Company
 Study Year: 2002_S.D._Method 3

SLU DEVELOPMENT (Minutes of use)

	IS-ER	IS-RA	ST-ER	ST-RA	EAS	EXCHANGE	TOTAL
FGC & D	2,085,623	3,801	174,738	2,341,016	1,275,711	7,401,903	13,282,792
FGA	0	0	0	0	0	0	0
FGB & Int 800	0	0	0	0	0	0	0
SLU MOU	2,085,623	3,801	174,738	2,341,016	1,275,711	7,401,903	13,282,792
SLU	0.157017	0.000286	0.013155	0.176244	0.096042	0.557255	1.000000

TRAFFIC STUDY

Company: Kennebec Telephone Company
 Study Year: 2002_S.D._Method 3

SPF DEVELOPMENT

FROZEN SUBSCRIBER PLANT FACTOR (SPF)

1 INTERSTATE FROZEN SPF	0.250000
2 INTRASTATE FROZEN SPF	<u>0.250000</u>
3 TOLL	0.500000
4 LOCAL	0.500000

	SLU MIN	% TOTAL	SPF
ST-ER	174,738	0.069458	0.017364
ST-RA	<u>2,341,016</u>	<u>0.930542</u>	<u>0.232636</u>
	2,515,754	1.000000	0.250000

LOCAL	7,401,903	0.852988	0.426494
EAS	<u>1,275,711</u>	<u>0.147012</u>	<u>0.073506</u>
TOTAL	8,677,614	1.000000	0.500000

TRAFFIC STUDY

Company: Kennebec Telephone Company
 Study Year: 2002

PHASED DEM FACTORS PART 36.125 (f)

INTERSTATE

		SLU
1	IS-ER	0.157017
2	IS-RA	<u>0.000286</u>
3	TOTAL	0.157303
4	1996 CALCULATED WDEM (UNCAPPED)	0.925107
5	1996 CALCULATED SLU	0.308369
6	IS WDEM CALCULATION	0.774041
7	IS	0.774041
8	ST+LOCAL	<u>0.225959</u>
		1.000000

INTRASTATE

	SLU	WEIGHT FACTOR	UNADJ DEM	ADJ FACTOR	WEIGHTED DEM	
9	ST-ER	0.013155	2.000000	0.026310	0.069458	0.005276
10	ST-RA	<u>0.176244</u>	<u>2.000000</u>	<u>0.352489</u>	<u>0.930542</u>	<u>0.070683</u>
11	TOTAL	0.189399		0.378799	1.000000	0.075959

12	TOTAL INTERSTATE			0.774041		
13	TOTAL LDS ER			0.005276		
14	TOTAL LDS RA			<u>0.070683</u>		
15	TOTAL WEIGHTED DEM			0.850000		

WEIGHTED DEM FOR COST STUDY

16	TOTAL INTERSTATE			0.774041		
17	TOTAL LDS ER			0.005276		
18	TOTAL LDS RA			0.070683		
19	EAS			0.022052		
20	LOCAL			<u>0.127948</u>		
	TOTAL			1.000000		

* 85% maximum intrastate plus interstate

TRAFFIC STUDY

Company: Kennebec Telephone Company
 Study Year: 2002_S.D._Method 3

CM STUDY FACTORS

	IS-ER	ST-ER	ST-RA	LOCAL	TOTAL
SLU TOLL MINUTES	2,089,424	174,738	2,341,016	764,199	5,369,377
CM FACTOR	0.389137	0.032543	0.435995	0.142325	1.000000

CMM STUDY FACTORS

	LDI ER	LDS ER	LDS RA	LOCAL	TOTAL
SLU TOLL MINUTES	2,089,424	174,738	2,341,016	764,199	5,369,377
AVERAGE ROUTE MILES	6.0	6.0	6.0	6.0	
TOT CO MINUTE MILES	12,536,544	1,048,428	14,046,096	4,585,194	32,216,262
CMM FACTOR	0.389137	0.032543	0.435995	0.142325	1.000000

Company: Kennebec Telephone Company
Study Year: 2002_S.D._Method 3

HOST REMOTE STUDY FACTORS

	IS-ER	IS-RA	ST-ER	ST-RA	LOCAL *	TOTAL
PRESHO SLU MINUTES	1,191,060	2,712	108,265	1,404,045	1,275,711	3,981,793
MILES	9.9	9.9	9.9	9.9	9.9	
MOU MILES	11,791,494	26,849	1,071,824	13,900,046	12,629,538	39,419,750
TOTAL COMPANY MOUM	11,791,494	26,849	1,071,824	13,900,046	12,629,538	39,419,750
MOUM FACTORS	0.299127	0.000681	0.027190	0.352616	0.320386	1.000000

* EAS TRAFFIC ONLY

COMPANY: KENNEBEC TELEPHONE CO.

STUDY YEAR 2002

ACCESS MINUTES

CATEGORY	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	Total usage
All FGC/D Carriers (Except US West & Express)														
INTERLATA														
INTERSTATE	172,566	174,931	181,268	171,988	167,646	140,657	144,758	155,229	170,524	152,871	145,207	171,535	1,949,180	2,085,623
INTRASTATE	16,740	15,058	16,418	14,434	15,023	11,999	12,597	10,972	12,601	13,073	11,882	12,510	163,307	174,738
INTRALATA														
INTERSTATE	176	63	48	137	205	333	2,155	69	36	72	71	187	3,552	3,801
INTRASTATE	180,143	160,438	170,770	157,944	171,094	182,429	190,941	193,824	196,037	202,614	184,168	197,463	2,187,865	2,341,016
US WEST														
INTERSTATE													0	0
INTRASTATE													0	0
EXPRESS														
INTERSTATE													0	0
INTRASTATE													0	0
FGA, FGB, INTERIM 800														
INTERSTATE													0	0
INTRASTATE													0	0
TOTALS														
INTERSTATE	172,742	174,994	181,316	172,125	167,851	140,990	146,913	155,298	170,560	152,943	145,278	171,722	1,952,732	2,089,423
INTRASTATE	196,883	175,496	187,188	172,378	186,117	194,428	203,538	204,796	208,638	215,687	196,050	209,973	2,351,172	2,515,754
INTERLATA	16,740	15,058	16,418	14,434	15,023	11,999	12,597	10,972	12,601	13,073	11,882	12,510	163,307	174,738
INTRALATA	180,143	160,438	170,770	157,944	171,094	182,429	190,941	193,824	196,037	202,614	184,168	197,463	2,187,865	2,341,016
TOTAL MINUTES	369,625	350,490	368,504	344,503	353,968	335,418	350,451	360,094	379,198	368,630	341,328	381,695	4,303,904	4,605,177
														Local usage
														7,401,903
														EAS usage
														1,275,711
														total office usage
														13,282,791

MONTHLY TOTALS

REGISTER ASSIGNMENT	TRAFFIC DIR	Reg #	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	ANNUAL TOTAL
6	DEFAULT	0000	7	0	0	0	0	0	0	0	0	0	0	0	7
7	REC ANNOUNCEMNT	ORIG-OUT	211	183	357	349	379	380	315	402	219	351	360	362	3,868
8	KNBC IAO	ORIG-TERM	0002	5,510	5,697	6,856	5,244	5,583	4,867	5,237	5,500	5,119	5,435	5,818	66,165
9	O+ (SDN)	ORIG-OUT	0003	155	152	95	167	163	191	189	222	141	116	158	1,897
10	1+ (SDN)	ORIG-OUT	0004	28,491	28,839	30,839	28,564	29,845	28,327	34,018	31,782	29,208	28,431	31,028	357,813
11	KNBC FIREBAR	ORIG-OUT	0005	0	1	0	0	0	1	2	0	0	0	0	4
12	EAS (KNBC TO PRES)	ORIG-TERM	0006	2,139	1,890	2,579	2,057	2,247	1,760	2,182	2,248	2,381	1,798	2,276	25,768
13	EAS (PRES TO KNBC)	ORIG-TERM	0007	2,374	2,588	3,231	3,044	2,181	2,277	2,108	2,194	1,971	2,251	2,448	28,350
14	TOLL COMP (USW)	INC-TERM	0008	31,680	32,657	36,106	31,755	32,206	33,013	33,248	33,981	33,266	34,419	37,384	403,946
15	RECORDED ANNC (VDRA)	ORIG-OUT	0011	146	150	149	141	106	145	155	180	167	171	184	1,823
16	FIREBAR	ORIG-OUT	0015	0	0	0	0	0	1	0	0	0	0	0	2
17	TOLL - TOLL	INC-OUT	0018	58	37	33	28	20	8	36	21	43	81	45	469
18	TOLL ANNOUNCEMENT	INC-OUT	0021	138	161	145	147	154	142	115	178	163	126	325	1,924
19	KNBC FIREBAR	ORIG-OUT	0025	0	0	0	0	0	1	1	1	0	1	0	4
20	KNBC INTERNET	ORIG-OUT	0026	51,699	55,560	62,584	55,316	49,957	49,658	48,685	47,020	42,012	48,650	46,313	599,559
21	KNBC INTERNET (FROM USW)	INC-OUT	0027	12	56	180	42	3	92	11	3	0	0	0	238
22	PRES FIREBAR	ORIG-OUT	0035	2	0	2	0	0	4	2	0	0	0	2	14
23	911	ORIG-OUT	0054	1	0	6	1	0	0	7	6	2	0	3	27
24	PRES IAO	ORIG-TERM	0062	9,711	10,016	12,806	10,097	10,180	8,605	10,645	10,174	9,778	9,277	9,305	119,498
25	ZONE	ORIG-OUT	0100	496	554	723	530	622	594	624	624	476	516	590	6,881
26	TOLL TONE	INC-OUT	0101	19	12	16	31	24	21	19	23	49	29	37	321
27			0	0	0	0	0	0	0	0	0	0	0	0	0
28	TOTAL ORIG	ORIG	100,933	105,630	120,225	105,510	101,263	96,805	104,168	100,352	91,474	96,996	98,483	89,816	1,211,655
29	TOTAL TERM	TERM	51,416	52,848	61,580	52,197	52,397	50,522	53,425	54,099	52,515	53,180	57,233	52,331	643,743
30															
31		Line Source													
32	ORIG	[7 thru 13,15,16,19,20, 22 thru 25]	100,935	105,630	120,227	105,510	101,263	96,806	104,173	100,355	91,474	96,997	98,485	89,818	1,211,673
33	TERM	[8,12 thru 14, 24]	51,414	52,848	61,578	52,197	52,397	50,522	53,420	54,097	52,515	53,180	57,231	52,328	643,727
34	TOTAL	[32 + 33]	152,349	158,478	181,805	157,707	153,660	147,328	157,593	154,452	143,989	150,177	155,716	142,146	1,855,400
35															
36	OUT	[7,9 thru 11,15 thru 23,25, 26]	81,428	85,705	95,129	85,316	81,273	79,560	84,182	80,464	72,480	78,472	79,045	72,189	975,243
37	INC	[14,17,18,21,28]	31,907	32,923	36,480	32,003	32,407	33,276	33,429	34,206	33,521	34,655	37,791	34,699	407,297
38	TOTAL	[36 + 37]	113,335	118,628	131,609	117,319	113,680	112,836	117,611	114,670	106,001	113,127	116,836	106,888	1,382,540
39															
40	IAO	[8,12,13,24]	19,734	20,191	25,472	20,442	20,191	17,509	20,172	20,116	19,249	18,761	19,847	18,097	239,781
41	TDM	[17,18,21,28]	227	266	374	248	201	263	181	225	255	236	407	468	3,351
42															
43	LINE SIDE USAGE	[34] + [41]*2	152,803	159,010	182,553	158,203	154,062	147,854	157,955	154,902	144,499	150,649	156,530	143,082	1,862,102
44	TRUNK SIDE USAGE	[38] + [40]*2	152,803	159,010	182,553	158,203	154,062	147,854	157,955	154,902	144,499	150,649	156,530	143,082	1,862,102
45	BALANCE	[43 - 44]	0	0	0	0	0	0	0	0	0	0	0	0	0
46															
47	TOLL	[9,10,14,17,22 thru 25,28]	60,522	61,846	67,218	60,661	62,388	61,681	67,606	66,184	62,821	63,173	68,940	63,009	766,049
48	LOCAL	[8 + 24]*2 + [7,11,15,16,19,22,23,25,26]	31,317	32,326	40,577	31,734	32,657	28,086	32,892	32,586	30,707	30,492	31,422	29,474	384,270
49	EAS	[12,13]*2	9,026	8,956	11,620	10,202	8,856	8,074	8,580	8,884	8,704	8,098	9,448	7,788	108,236
50	INTERNET	[20,21]	51,711	55,616	62,764	55,358	49,960	49,750	48,696	47,023	42,012	48,650	46,313	42,343	600,196
51	TOTAL	[47 thru 50]	152,576	158,744	182,179	157,955	153,861	147,591	157,774	154,677	144,244	150,413	156,123	142,614	1,834,117
52															
53	% TOLL	[47 / 51]	0.396668	0.399596	0.368967	0.384040	0.405483	0.417918	0.428499	0.427885	0.435519	0.419997	0.441575	0.441815	0.412131
54	% LOCAL	[48 / 51]	0.205255	0.203636	0.222731	0.200905	0.212250	0.190296	0.208475	0.210671	0.212882	0.202722	0.201264	0.206670	0.206736
55	% EAS	[49 / 51]	0.059157	0.056418	0.063783	0.064588	0.057558	0.054705	0.054382	0.057436	0.060342	0.053838	0.060516	0.054609	0.058230
56	% INTERNET	[50 / 51]	0.338920	0.350350	0.344518	0.350467	0.324709	0.337080	0.308644	0.304008	0.291256	0.323443	0.296644	0.296906	0.322903
57	TOTAL		1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
58															
59															

LOOPS WORKSHEET

Company **Kennebec Telephone Company**
 YEAR 2002
 PERIOD 1/1/02 - 12/31/02

<u>MESSAGE TELEPHONE LOOPS:</u>	<u>Yr. End 2002</u>
1 Customer service loops (note 1)	<u>780</u>
2 Company official loops	<u>36</u>
3 FX loops - closed end (note 2)	<u>0</u>
4 Fixed mobile/BETRS/RRS service loops	<u>0</u>
5 All other joint message service loops (note 3)	<u>19</u>
6 Total line 1 thru 6 (Cat 1.3 loops, USF line 070)	<u>835</u>
 <u>LOOPS OTHER:</u>	
7 Local exchange private line loops	<u>13</u>
8 State InterLata private line loops	<u>0</u>
9 State IntraLata private line loops	<u>20</u>
12 Interstate private line loops	<u>13</u>
11 WATS/800/FX service loops (closed end)	
Interstate	<u>1</u>
Intrastate	<u> </u>
12 Total other loops, line 7 thru 12	<u>47</u>
 <u>TOTALS</u>	
13 Average Cost Study loops (6 plus 12)	<u>-</u>
14 Total EOY loops for USF line 060 (6 plus 12)	<u>882</u>

Notes

1. Number of loops from NECA latest view. Note - this count includes concession lines.
2. Count only if tariffed under local service tariff and only at FX closed end (loop to station)
3. Off Premise Extensions (BL67-4)

CIRCUIT TERMINATIONS AND MILES

Company Kennebec Telephone Company

Study Dates 1/1/02 - 12/31/02

	Total Company	Joint Message	Interstate	Intrastate	
				InterLata	IntraLata
CKT Terms	<u>295</u>	<u>117</u>	<u>7</u>	<u>0</u>	<u>171</u>
CKT Miles	<u>18,032</u>	<u>3,155</u>	<u>9,980</u>	<u>0</u>	<u>4897</u>

Kennebec Telephone Company

Calculation of Lease expense for interexchange transport

Kennebec Telephone Company has four leased DS1s on the SDN Ring to Sioux Falls for Toll trunking.

Total 2002 Lease Expense booked in 6230			\$73,776.00
	DS-1's	Monthly Rate	
Annual Lease Expense based on current FRRPA rate	4	\$1,537.00	\$73,776.00
Increase Amount for known and measurable			\$0.00
Total 2002 Lease Expense including Known and Measurable			\$73,776.00

Cable and Wire direct assignment based on CMM factor
Sheet V, Line 159

	Total	Interstate & Other	Intrastate	
			InterLata	IntraLata
Factor	1.000000	0.531462	0.032543	0.435995
Expense	\$73,776	\$39,209	\$2,401	\$32,166

Company Kennebec Telephone Company
Study Year 2002

RELATIVE TOLL MESSAGES

INTERSTATE TOLL MESSAGES	11,312	0.172853
INTRASTATE INTER-LATA TOLL MESSAGES	3,760	0.057452
INTRASTATE INTRA-LATA TOLL MESSAGES	50,371	0.769695
TOTAL	65,443	1.000000

South Dakota PUC Cost Study Sheet 'G' Line 43

RELATIVE USERS PERCENT

Split one third to each jurisdiction, interstate, intrastate and local
Per NECA cost issue 2.10 dated 5/97
Inter - Intra LATA split based on SLU

South Dakota PUC Cost Study Sheet 'G' Line 44

CABS PERCENT

Fifty percent to state and interstate
Inter - Intra LATA split based on SLU

South Dakota PUC Cost Study Sheet 'G' Line 45

Company Kennebec Telephone Company
Study Year 2002

LOCAL EU BILLING DEVELOPMENT
BILLING EXCLUDING ACCESS LINE 55

LOCAL SERVICE REV	\$196,566	
OPTIONAL SERVICES	\$0	
	\$196,566	0.393160
INTERSTATE TOLL REVENUE	\$168,090	0.336204
INTRASTATE INTER-LATA TOLL REV	\$7,774	0.015549
INTRASTATE INTRA-LATA TOLL REV	\$104,153	0.208321
INTRASTATE INTRA-LATA PRIVATE LINE	\$23,381	0.046766
	\$303,398	
TOTAL REV	\$499,964	1.000000

South Dakota PUC Cost Study Sheet 'G' Lines 35, 37, and 38.

**Uncollectible
Global Crossing
SD Cost Model**

Per a letter from Marlene Bennet, Martin Group, LECA board dated February 17, 2003 and a subsequent email message send to Wendel Aanerud date February 20, 2003, a method was outlined to include Global Crossing uncollectibles in the 2001 SD Cost Study. The method is as follows:

Cost Study Year	2001	2002	2003	2004
Intrastate Uncollectibles (12/01 - 1/28/02) amount	\$787	\$787	\$787	\$0
Less Intrastate Recovery	\$236	\$236	\$236	\$0
Less NECA Settlement (70%)	\$551	\$551	\$551	\$0
1/3 of the amount goes on Sheet V, Line 100, "Direct Acct. No. 2690", in the "Total Company (B)" column. Also the same amount is placed (assigned) to the "Message Telephone Service", "IntraLATA (F)" column.	\$184	\$184	\$184	\$0
1/3 of the amount goes on Sheet V, Line 249, "Uncollectibles, in the "Total Company (B)" column. Also the same amount is placed (assigned) to the "Message Telephone Service", "IntraLATA (F)" column.	\$184	\$184	\$184	\$0
1/3 of the amount goes on Sheet J, Line 34, "Uncollectibles, in the "Locat Switching (E)" column.	\$184	\$184	\$184	\$0

Kennebec Telephone Company

6/16/2003

Uncollectible MCI / Worldcom SD Cost Model

Cost Study Year	2001	2002	2003	2004
Intrastate Uncollectibles (12/01 - 1/28/02) amount	\$0	\$25,433	\$25,433	\$25,433
Less Intrastate Recovery	\$0	\$11,445	\$11,445	\$11,445
Net Uncollectible	\$0	\$13,988	\$13,988	\$13,988
1/3 of the amount goes on Sheet V, Line 100, "Direct Acct. No. 2690", in the "Total Company (B)" column. Also the same amount is placed (assigned) to the "Message Telephone Service", "IntraLATA (F)" column.	\$0	\$4,663	\$4,663	\$4,663
1/3 of the amount goes on Sheet V, Line 249, "Uncollectibles, in the "Total Company (B)" column. Also the same amount is placed (assigned) to the "Message Telephone Service", "IntraLATA (F)" column.	\$0	\$4,663	\$4,663	\$4,663
1/3 of the amount goes on Sheet J, Line 34, "Uncollectibles, in the "Locat Switching (E)" column.	\$0	\$4,663	\$4,663	\$4,663

Kennebec Telephone Company

6/16/2003

Uncollectible Global Crossing and MCI / Worldcom SD Cost Model

Cost Study Year	2001	2002	2003	2004
Intrastate Uncollectibles (12/01 - 1/28/02) amount	\$787	\$26,220	\$26,220	\$25,433
Less Intrastate Recovery	\$236	\$11,681	\$11,681	\$11,445
Net Uncollectible	\$551	\$14,539	\$14,539	\$13,988
1/3 of the amount goes on Sheet V, Line 100, "Direct Acct. No. 2690", in the "Total Company (B)" column. Also the same amount is placed (assigned) to the "Message Telephone Service", "IntraLATA (F)" column.	\$184	\$4,846	\$4,846	\$4,663
1/3 of the amount goes on Sheet V, Line 249, "Uncollectibles, in the "Total Company (B)" column. Also the same amount is placed (assigned) to the "Message Telephone Service", "IntraLATA (F)" column.	\$184	\$4,846	\$4,846	\$4,663
1/3 of the amount goes on Sheet J, Line 34, "Uncollectibles, in the "Locat Switching (E)" column.	\$184	\$4,846	\$4,846	\$4,663

Kennebec Telephone Company

2002 Direct Assignment of 6720 cost study expense

	Interstate	Intrastate
Cost Consultant	\$40,913	\$11,287
Accountant	\$12,283	\$11,654
Company	\$0	\$0
Total Cost Study Preparation	\$53,196	\$22,941
Less Adjustment	<u>0</u>	<u>\$1,133</u>
Cost Study Direct assignmet amount (Sheet V, Line 231)	\$53,196	\$21,808

Kennebec Telephone Company

**Adjustment to Cost Study Preparation Expense
(Based on an Estimated Expense for Years Filed.)**

		2002
Ln. No.		
1	Estimated Annual Non Recurring Hours	20
2	Hourly Rate	\$85
3	Total Annual Non Recurring Expense	\$1,700
4	Non recurring expense included in current financial	\$1,700
5	NR Exp per year (Ln 4) / 3	\$567
6	Adj. Amount (Ln5-Ln4)	-\$1,133
7	Amount to Sheet V, Line 231, Column (F) (Admin. & General, Direct; Message Tel. Service; IntraLATA (F))	-\$1,133

Kennebec Telephone Company

Operating Fixed Charges

2002 EOY

Reg. Plant in Service	\$7,881,916		
Plant Under Construction	\$130,863		
Materials and Supplies	\$94,170		
Accumulated Depr.	\$3,411,506		
Deffered Taxes	\$39,201		
Total Operating	\$4,656,242	67.40%	\$151,611
Other Investments	\$1,056,420		
Non Reg. Invest.	\$16,782		
Current Assets	\$844,710		
Aquisition Adjustment	\$624,851		
Accumulated Depr.	\$274,240		
Non-Reg. Accum. Depr.	\$16,782		
Total Non-Operating	\$2,251,741	32.60%	\$73,319
Total	\$6,907,983	100.00%	\$224,930
Total Assets	\$6,947,184		

TELEC CONSULTING RESOURCES INC.

909 N. 96th Street, Suite 203
Omaha, NE 68114-2508
(402) 398-0062
FAX (402) 398-0065

233 South 13th Street, Suite 1225
Lincoln, NE 68508
(402) 441-4315
FAX (402) 441-4317

June 25, 2003

Ms. Pam Bonrud, Executive Director
South Dakota Public Utilities Commission
Capitol Building, 1st Floor
500 East Capitol Avenue
Pierre, South Dakota 57501-5070

RECEIVED

JUN 26 2003

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

Dear Ms. Bonrud:

On behalf of Kennebec Telephone Company (the "Company"), we enclose five copies of the Company's 2002 intrastate switched access cost development package and the Company's individual switched access rates developed in accordance with ARSD Chapters 20:10:27 to 20:10:29, inclusive. The enclosed cost study replaces the 2001 study filed in June 2002. The Company is included in the Local Exchange Carriers ("LECA") consolidated tariff filing. Attachment A hereto is provided in lieu of tariff sheets.

If you should have any questions, please feel free to call us at (402) 398-0062.

Sincerely,



Wendel Aanerud
TELEC Consulting Resources, Inc.

Enclosures

cc: Mr. Rod Bowar, Kennebec Telephone Company

ATTACHMENT A

TARIFF SHEET

Kennebec Telephone Company (the "Company") does not currently have its own tariff for switched access services. The Company has adopted the National Exchange Carriers Association (NECA) tariff for the interstate jurisdiction and Local Exchange Carrier Association (LECA) tariff for the state jurisdiction.

If the Company were to develop and adopt a switched access tariff using its own revenue requirements as determined by the PUC program, the resulting rates would be as follows:

Switched Access Rates per minute (RPM)¹

	<u>Carrier Common Line</u>	<u>Local Switching</u>	<u>Local Transport</u>
Originating RPM	\$0.110007	\$0.065826	\$0.046333
Terminating RPM	\$0.122207	\$0.073126	\$0.046333

Note (1) - Same rates for all Feature Groups.

By: 

Of: TELEC Consulting Resources, Inc.

For: Kennebec Telephone Company

TAB 1

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JUN 26 2003

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

Kennebec Telephone Company

***** FCC PART 69 *****		Kennebec Telephone Company								
Intrastate Toll Revenue Requirement Summary		Part 36 Total	Source	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
INTRALATA:										
15	Net Investment	\$1,293,408	J13	\$696,846	\$234,240	\$0	\$101,809	\$0	\$260,513	O.K.
16	Rate of Return	10.00%		10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	
17										
18	Return on Rate Base	\$129,341		\$69,685	\$23,424	\$0	\$10,181	\$0	\$26,051	O.K.
19	Return Adjustments	21,913	J18-20	10,772	5,182	0	1,650	0	4,309	O.K.
20										
21	Net Return on Rate Base	\$151,254		\$80,456	\$28,606	\$0	\$11,831	\$0	\$30,360	O.K.
22	Income Taxes	56,101	J31-32	29,692	10,785	0	4,378	0	11,246	O.K.
23	Expenses and Other Taxes	458,728	J33-35, 40	145,606	113,217	72	85,221	36,799	77,813	O.K.
24										
25	Total IntraLATA Rev. Req.	\$666,082		\$255,755	\$152,608	\$72	\$101,429	\$36,799	\$119,419	O.K.
26		=====		=====	=====	=====	=====	=====	=====	
27										
28										
29	INTERLATA:									
30										
31	Net Investment	\$79,993	P13	\$52,563	\$19,156	\$0	\$8,274	\$0	\$0	O.K.
32	Rate of Return	10.00%		10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	
33										
34	Return on Rate Base	\$7,999		\$5,256	\$1,916	\$0	\$827	\$0	\$0	O.K.
35	Return Adjustments	1,356	P18-20	812	411	0	133	0	0	O.K.
36										
37	Net Return on Rate Base	\$9,356		\$6,069	\$2,327	\$0	\$960	\$0	\$0	O.K.
38	Income Taxes	3,471	P31-32	2,240	876	0	355	0	0	O.K.
39	Expenses and Other Taxes	27,709	P33-35, 40	10,491	8,401	5	6,193	2,254	367	O.K.
40										
41	Total InterLATA Rev. Req.	\$40,536		\$18,800	\$11,603	\$5	\$7,509	\$2,254	\$367	O.K.
42		=====		=====	=====	=====	=====	=====	=====	
43										
44										
45	TOTAL INTRASTATE REV. REQ.	\$706,618		\$274,554	\$164,211	\$77	\$108,938	\$39,053	\$119,786	
		=====		=====	=====	=====	=====	=====	=====	
	ACCESS ELEMENT MINUTES OF USE			2,351,172	2,351,172		2,351,172			
	ACCESS RATE PER MINUTE	\$0.232949		\$0.116773	\$0.069842		\$0.046333			

Kennebec Telephone Company

***** FCC PART 36 ***** Revenue Requirement Summary		Intrastate							TOTAL INTRASTATE	
		TOTAL COMPANY	Source/ Allocator	Interstate and Other	Message Telephone Service		Private Line			
					InterLATA	IntraLATA	InterLATA	IntraLATA		
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
13	State Income Tax Rate	0.00%	---	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
14	Federal Income Tax Rate	34.00%	---	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	
15	Gross Receipts Tax Rate	3.00%	---	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
16										
17										
18	Net Investment	\$4,633,942	C68	\$3,260,540	\$79,993	\$1,076,563	\$0	\$216,845	\$1,373,402	O.K.
19	Rate of Return	10.00%	---	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	
20										
21	Return on Rate Base	\$463,394		\$326,054	\$7,999	\$107,656	\$0	\$21,685	\$137,340	O.K.
22										
23	AFUDC	76,106	H43	52836.2458886782	1356.43680232359	18202.2996290998	0	3711.01767989849	23,270	O.K.
24	ITC Amortization	0	H36	0	0	0	0	0	0	O.K.
25	Other Return Adjustments	0	V242	0	0	0	0	0	0	O.K.
26										
27	Net Return	\$539,500		\$378,890	\$9,356	\$125,859	\$0	\$25,396	\$160,610	O.K.
28										
29	Contributions	0	H52	0	0	0	0	0	0	O.K.
30	Interest Expense	151,611	H44	106,640	2,618	35,209	0	7,144	44,971	O.K.
31	Capital Lease Expense	0	H46	0	0	0	0	0	0	O.K.
32	Capitalized Payroll taxes	0	H36	0	0	0	0	0	0	O.K.
33	Depreciation Adjustment	0	H36	0	0	0	0	0	0	O.K.
34	Other Income Adjustments	0	V248	0	0	0	0	0	0	O.K.
35										
36	After Tax Income	\$387,889		\$272,250	\$6,738	\$90,650	\$0	\$18,251	\$115,639	O.K.
37										
38	State Income Taxes	\$0	Formula	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
39	Federal Income Taxes	199,822	Formula	140,250	3,471	46,699	0	9,402	59,572	O.K.
40	Operating Expenses and Taxes	1,385,674	I196	925,280	26,494	376,487	0	57,412	460,394	O.K.
41	Uncollectibles	4,846	V249	0	0	4,846	0	0	4,846	O.K.
42	Other Revenue Adjustments	0	V250	0	0	0	0	0	0	O.K.
43										
44	Net Revenue	\$2,129,842		\$1,444,421	\$39,321	\$553,890	\$0	\$92,210	\$685,421	O.K.
45	Gross Receipts Taxes	65,871	Formula	44,673	1,216	17,131	0	2,852	21,199	O.K.
46	Other Revenue Taxes	0	V251	0	0	0	0	0	0	O.K.
47										
	TOTAL REVENUE REQUIREMENT	\$2,195,713		\$1,489,093	\$40,537	\$571,021	\$0	\$95,062	\$706,620	O.K.

Kennebec Telephone Company

		Intrastate								
					Message Telephone Service		Private Line			
***** FCC PART 36 ***** Investment Summary		TOTAL COMPANY	Source/ Allocator	Interstate and Other	InterLATA	IntraLATA	InterLATA	IntraLATA	TOTAL INTRASTATE	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
13	Land and Support Investment	\$1,361,133	D33	\$945,615	\$24,276	\$324,826	\$0	\$66,416	\$415,518	O.K.
14										
15	COE Operator Equipment	\$0	D43	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
16	COE Switching Equipment	1,076,960	D68	669,772	28,282	378,906	0	0	407,188	O.K.
17	COE Transmission Equipment	989,087	D85	603,261	15,649	209,368	0	160,809	385,826	O.K.
18										
19	Total COE	\$2,066,047		\$1,273,033	\$43,931	\$588,273	\$0	\$160,809	\$793,014	O.K.
20	Info. Orig./Term. Equipment	0	D94	0	0	0	0	0	0	O.K.
21	Cable and Wire Facilities	4,390,584	D137	3,212,557	71,225	952,560	0	154,242	1,178,027	O.K.
22										
23	Total COE, IOT, C&WF	\$6,456,631		\$4,485,590	\$115,156	\$1,540,833	\$0	\$315,051	\$1,971,041	O.K.
24										
25	Total Capital Leases	\$0	D173	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
26										
27	Leasehold Improvements	\$0	D186	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
28										
29	Intangible Assets	\$5,413	D209	\$0	\$0	\$5,413	\$0	\$0	\$5,413	O.K.
30										
31										
32	Total Tele. Plt. In Service	\$7,823,177		\$5,431,205	\$139,432	\$1,871,072	\$0	\$381,467	\$2,391,972	O.K.
33										
34	Plant Held, Future Use	\$0	D214-215	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
35	TPUC, Short-term	0	D216-217	0	0	0	0	0	0	O.K.
36	TPUC, Long-term	130,863	D218-219	90,851	2,332	31,299	0	6,381	40,012	O.K.
37	Tel. Plt. Adjustment	0	D220-221	0	0	0	0	0	0	O.K.
38										
39	Total Other Tel. Plt.	\$130,863		\$90,851	\$2,332	\$31,299	\$0	\$6,381	\$40,012	O.K.
40										
41										
42	TOTAL TELEPHONE PLANT	\$7,954,040		\$5,522,056	\$141,765	\$1,902,371	\$0	\$387,848	\$2,431,984	O.K.

Kennebec Telephone Company

***** FCC PART 36 ***** Investment Summary	TOTAL COMPANY	Source/ Allocator	Intrastate					TOTAL INTRASTATE	
			Interstate	Message Telephone Service		Private Line			
				InterLATA	IntraLATA	InterLATA	IntraLATA		
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
56 Other Assets, Net	0	V105	0	0	0	0	0	0	O.K.
57 Accumulated Depr./Amort	(3,409,323)	E34	(2,325,854)	(63,261)	(846,604)	0	(173,604)	(1,083,469)	O.K.
58 Accum. Def. Inc. Taxes, Net	(50,500)	E47	(35,059)	(900)	(12,078)	0	(2,462)	(15,441)	O.K.
59 Oth. Liab. & Def. Cr., Net	0	V106	0	0	0	0	0	0	O.K.
60									
61 TOTAL NET PLANT	\$4,494,217		\$3,161,143	\$77,604	\$1,043,689	\$0	\$211,782	\$1,333,074	O.K.
62									
63 Materials and Supplies	94,170	H31	68,903	1,528	20,431	0	3,308	25,267	O.K.
64 Rural Tel. Bank Stock	0	H35	0	0	0	0	0	0	O.K.
65 Cash Working Capital	45,555	Formula	30,494	862	12,444	0	1,756	15,061	O.K.
66 Equal Access Investment	0	---	0	0	0	0	0	0	O.K.
67									
68 TOTAL NET INVESTMENT	\$4,633,942		\$3,260,540	\$79,993	\$1,076,563	\$0	\$216,845	\$1,373,402	O.K.
69	=====		=====	=====	=====	=====	=====	=====	

Kennebec Telephone Company

***** FCC PART 36 ***** Plant Investment Detail	TOTAL COMPANY	Source/ Allocator	Interstate and Other	Intrastate				TOTAL INTRASTATE		
				Message Telephone Service		Private Line				
				InterLATA	IntraLATA	InterLATA	IntraLATA			
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
13 LAND AND SUPPORT ASSETS:										
14										
15 Land, Allocable	\$24,620	H33	\$17,104	\$439	\$5,875	\$0	\$1,201	\$7,516	O.K.	
16 Land, Direct	0	V22	0	0	0	0	0	0	O.K.	
17										
18 Total Land	\$24,620		\$17,104	\$439	\$5,875	\$0	\$1,201	\$7,516	O.K.	
19										
20 Motor Vehicles	\$0	H33	\$0	\$0	\$0	\$0	\$0	\$0	O.K.	
21 Aircraft	0	H33	0	0	0	0	0	0	O.K.	
22 Special Purpose Vehicles	0	H33	0	0	0	0	0	0	O.K.	
23 Garage Work Equipment	0	H33	0	0	0	0	0	0	O.K.	
24 Other Work Equipment	0	H33	0	0	0	0	0	0	O.K.	
25 Buildings, Allocable	1,336,513	H33	928,511	23,837	318,950	0	65,215	408,002	O.K.	
26 Buildings, Direct	0	V29	0	0	0	0	0	0	O.K.	
27 Furniture	0	H33	0	0	0	0	0	0	O.K.	
28 Office Equipment	0	H33	0	0	0	0	0	0	O.K.	
29 General Purpose Computers	0	H33	0	0	0	0	0	0	O.K.	
30										
31 Total Support Assets	\$1,336,513		\$928,511	\$23,837	\$318,950	\$0	\$65,215	\$408,002	O.K.	
32										
33 Tot. Land and Support Assets	\$1,361,133		\$945,615	\$24,276	\$324,826	\$0	\$66,416	\$415,518	O.K.	
34	=====		=====	=====	=====	=====	=====	=====		
35										
36 CENTRAL OFFICE EQUIPMENT:										
37										
38 CAT 1 Oper. Sys., TSPS	\$0	G22	\$0	\$0	\$0	\$0	\$0	\$0	O.K.	
39 CAT 1 Oper. Sys., Other TSPS	0	G21	0	0	0	0	0	0	O.K.	
40 CAT 1 Oper. Sys., Aux. Pos.	0	G23	0	0	0	0	0	0	O.K.	
41 CAT 1 Oper. Sys., Other	0	V36	0	0	0	0	0	0	O.K.	
42										
43 Total CAT 1	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.	
44	=====		=====	=====	=====	=====	=====	=====		
45										
46 CAT 2 Tandem Sw. Allocable	\$0	G26	\$0	\$0	\$0	\$0	\$0	\$0	O.K.	
47 CAT 2 Tandem Sw. Direct	0	V38	0	0	0	0	0	0	O.K.	
48										
49 Total CAT 2	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.	

Kennebec Telephone Company

		Intrastate								
		Message Telephone Service			Private Line		TOTAL			
***** FCC PART 36 ***** Plant Investment Detail		TOTAL COMPANY	Source/ Allocator	Interstate and Other	InterLATA	IntraLATA	InterLATA	IntraLATA	INTRASTATE	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
63	CAT 3 Local Sw. Allocable	\$1,076,960	G15	\$669,772	\$28,282	\$378,906	\$0	\$0	\$407,188	O.K.
64	CAT 3 Local Sw. Direct	0	V40	0	0	0	0	0	0	O.K.
65										
66	Total CAT 3	\$1,076,960		\$669,772	\$28,282	\$378,906	\$0	\$0	\$407,188	O.K.
67										O.K.
68	Total COE Sw. CAT 2&3	\$1,076,960		\$669,772	\$28,282	\$378,906	\$0	\$0	\$407,188	O.K.
69		=====		=====	=====	=====	=====	=====	=====	
70										
71	COE TRANSMISSION:									
72										
73	CAT 4.12 Exchange Trunk	\$0	123	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
74	CAT 4.12 Exch. Tr. Direct	0	V42	0	0	0	0	0	0	O.K.
75	CAT 4.13 Exch. Ln. Message	676,340	G13	507,255	11,744	157,341	0	0	169,085	O.K.
76	CAT 4.13 PL, WATS, Local	38,069	F18	21,870	0	0	0	16,200	16,200	O.K.
77	CAT 4.13 Direct	0	V45	0	0	0	0	0	0	O.K.
78	CAT 4.23 Message	98,943	G18	52,585	3,220	43,139	0	0	46,359	O.K.
79	CAT 4.23 PL, WATS	150,529	F24	5,920	0	0	0	144,609	144,609	O.K.
80	CAT 4.23 Direct	0	V48	0	0	0	0	0	0	O.K.
81	CAT 4.3 H/R Message	25,206	G29	15,633	685	8,888	0	0	9,573	O.K.
82	CAT 4.3 WATS	0	V50	0	0	0	0	0	0	O.K.
83	CAT 4.3 Direct	0	V51	0	0	0	0	0	0	O.K.
84										
85	Total COE CAT 4	\$989,087		\$603,261	\$15,649	\$209,368	\$0	\$160,809	\$385,826	O.K.
86		=====		=====	=====	=====	=====	=====	=====	
87										
88	INFORMATION ORIGINATION/TERMINATION:									
89										
90	CAT 1 Other IOT Equipment	\$0	G13	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
91	CAT 1 Coinless Pay Phones	0	G18	0	0	0	0	0	0	O.K.
92	CAT 2 CP Equipment	0	V70	0	0	0	0	0	0	O.K.
93										
94	Total IOT Equipment	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.
95		=====		=====	=====	=====	=====	=====	=====	
96										

Kennebec Telephone Company

		Intrastate								
		Message Telephone Service			Private Line		TOTAL			
***** FCC PART 36 ***** Plant Investment Detail		TOTAL COMPANY	Source/ Allocator	Interstate and Other	InterLATA	IntraLATA	InterLATA	IntraLATA	TOTAL INTRASTATE	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
111	CABLE AND WIRE FACILITIES:									
112										
113	CAT 1.1 IntraLATA PL/WATS	150,163	F31	\$59,155	\$0	\$0	\$0	\$91,008	\$91,008	O.K.
114	CAT 1.2 InterLATA PL/WATS	63,706	F31	63,706	0	0	0	0	0	O.K.
115	CAT 1.3 Joint Message	3,799,589	G13	2,849,692	65,976	883,921	0	0	949,897	O.K.
116	Other CAT 1 C&WF	0	V74	0	0	0	0	0	0	O.K.
117										
118	Total CAT 1 C&WF	\$4,013,458		\$2,972,553	\$65,976	\$883,921	\$0	\$91,008	\$1,040,905	O.K.
119										
120	CAT 2 C&WF	\$0	G28	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
121	CAT 2 C&WF, Wideband	0	V76	0	0	0	0	0	0	O.K.
122										
123	Total CAT 2 C&WF	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.
124										
125	CAT 3 Joint Message	40,740	G17	21,652	1,326	17,762	0	0	\$19,088	O.K.
126	CAT 3 PL/WATS etc.	192,103	F36	128,869	0	0	0	63,234	63,234	O.K.
127	CAT 3 Direct	0	V79	0	0	0	0	0	0	O.K.
128										
129	Total CAT 3 C&WF	\$232,843		\$150,521	\$1,326	\$17,762	\$0	\$63,234	\$82,322	O.K.
130										
131	CAT 4 Message	\$144,283	G29	\$89,483	\$3,923	\$50,876	\$0	\$0	\$54,800	O.K.
132	CAT 4 WATS	0	V81	0	0	0	0	0	0	O.K.
133	CAT 4 Direct	0	V82	0	0	0	0	0	0	O.K.
134										
135	Total CAT 4 C&WF	\$144,283		\$89,483	\$3,923	\$50,876	\$0	\$0	\$54,800	O.K.
136										
137	TOTAL C&WF	\$4,390,584		\$3,212,557	\$71,225	\$952,560	\$0	\$154,242	\$1,178,027	O.K.
138	=====									
139										
140	CAPITAL LEASES:									
141										
142	Allocable Support Leases	\$0	H14	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
143	Direct Support Leases	0	V84	0	0	0	0	0	0	O.K.
144										
145	Total Support Leases	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.

Kennebec Telephone Company

Intrastate

***** FCC PART 36 *****
Plant Investment Detail

(A)	TOTAL COMPANY (B)	Source/ Allocator (C)	Interstate and Other (D)	Message Telephone Service		Private Line		TOTAL INTRASTATE (I)
				InterLATA (E)	IntraLATA (F)	InterLATA (G)	IntraLATA (H)	
160								
161	\$0	H16	\$0	\$0	\$0	\$0	\$0	\$0
162	0	H17	0	0	0	0	0	0
163	0	H18	0	0	0	0	0	0
164	0	H20	0	0	0	0	0	0
165	0	V89	0	0	0	0	0	0
166								
167	\$0		\$0	\$0	\$0	\$0	\$0	\$0
168								
169	\$0	V90	\$0	\$0	\$0	\$0	\$0	\$0
170								
171	\$0	V91	\$0	\$0	\$0	\$0	\$0	\$0
172								
173	\$0		\$0	\$0	\$0	\$0	\$0	\$0
174								
175								
176								
177								
178	\$0	H14	\$0	\$0	\$0	\$0	\$0	\$0
179	0	H18	0	0	0	0	0	0
180	0	H16	0	0	0	0	0	0
181	0	H20	0	0	0	0	0	0
182	0	V96	0	0	0	0	0	0
183	0	V97	0	0	0	0	0	0
184	0	V98	0	0	0	0	0	0
185								
186	\$0		\$0	\$0	\$0	\$0	\$0	\$0
187								
188								
189	\$7,817,764		\$5,431,205	\$139,432	\$1,865,659	\$0	\$381,467	\$2,386,559

Kennebec Telephone Company

***** FCC PART 36 ***** Plant Investment Detail (A)	TOTAL COMPANY (B)	Source/ Allocator (C)	Interstate and Other (D)	Intrastate				TOTAL INTRASTATE (I)	
				Message Telephone Service		Private Line			
				InterLATA (E)	IntraLATA (F)	InterLATA (G)	IntraLATA (H)		
204 INTANGIBLE ASSETS:									
205									
206 Allocable Acct. No. 2690	\$0	H36	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
207 Direct Acct. No. 2690	5,413	V100	0	0	5,413	0	0	5,413	O.K.
208									
209 Total Intangible Assets	\$5,413		\$0	\$0	\$5,413	\$0	\$0	\$5,413	O.K.
210	=====		=====	=====	=====	=====	=====	=====	
211									
212 OTHER TELEPHONE PLANT:									
213									
214 Held for Fut. Use - Alloc.	\$0	—	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
215 Held for Fut. Use - Direct	0	—	0	0	0	0	0	0	O.K.
216 TPUC, Short-term - Alloc.	0	H35	0	0	0	0	0	0	O.K.
217 TPUC, Short-term - Direct	0	V124	0	0	0	0	0	0	O.K.
218 TPUC, Long-term - Alloc.	130,863	H35	90,851	2,332	31,299	0	6,381	40,012	O.K.
219 TPUC, Long-term - Direct	0	V126	0	0	0	0	0	0	O.K.
220 Tele. Plt. Adjust. - Alloc.	0	H35	0	0	0	0	0	0	O.K.
221 Tele. Plt. Adjust. - Direct	0	V104	0	0	0	0	0	0	O.K.
222									
223 Total Other Telephone Plant	\$130,863		\$90,851	\$2,332	\$31,299	\$0	\$6,381	\$40,012	O.K.

Kennebec Telephone Company

***** FCC PART 36 ***** Reserves and Deferrals	TOTAL COMPANY	Source/ Allocator	Interstate and Other	Intrastate				TOTAL INTRASTATE		
				Message Telephone Service		Private Line				
				InterLATA	IntraLATA	InterLATA	IntraLATA			
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
13 ACCUM. DEPRECIATION, TPIS:										
14										
15 Support Assets	\$469,296	H13	\$326,032	\$8,370	\$111,994	\$0	\$22,899	\$143,264	O.K.	
16 COE Switching	739,915	H19	460,161	19,431	260,324	0	0	279,754	O.K.	
17 COE Operator	0	H16	0	0	0	0	0	0	O.K.	
18 COE Transmission	576,013	H20	351,320	9,114	121,929	0	93,650	224,693	O.K.	
19 IOT Equipment	0	H25	0	0	0	0	0	0	O.K.	
20 Cable and Wire Facilities	1,624,099	H31	1,188,341	26,346	352,357	0	57,055	435,758	O.K.	
21 Other Plant	0	V135	0	0	0	0	0	0	O.K.	
22										
23 Total Accum. Depr., TPIS	\$3,409,323		\$2,325,854	\$63,261	\$846,604	\$0	\$173,604	\$1,083,469	O.K.	
24										
25 ACCUM. AMORTIZATION:										
26										
27 Accum. Depreciation, PHFU	\$0	H38	\$0	\$0	\$0	\$0	\$0	\$0	O.K.	
28 Accum. Amort., Tangible Inv.	0	H40	0	0	0	0	0	0	O.K.	
29 Accum. Amort., Intang. Inv.	0	H41	0	0	0	0	0	0	O.K.	
30 Accum. Amort., Other	0	V138	0	0	0	0	0	0	O.K.	
31										
32 Tot. Accum. Amortization	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.	
33										
34 Total Accum. Depr./Amort.	\$3,409,323		\$2,325,854	\$63,261	\$846,604	\$0	\$173,604	\$1,083,469	O.K.	
35										
36										
37 ACCUM. DEF. INC. TAXES, NET:										
38										
39 Support Assets	0	H13	\$0	\$0	\$0	\$0	\$0	\$0	O.K.	
40 COE Switching	0	H19	0	0	0	0	0	0	O.K.	
41 COE Operator	0	H16	0	0	0	0	0	0	O.K.	
42 COE Transmission	0	H20	0	0	0	0	0	0	O.K.	
43 IOT Equipment	0	H25	0	0	0	0	0	0	O.K.	
44 Cable and Wire Fac.	0	H31	0	0	0	0	0	0	O.K.	
45 Unclassified	50,500	V145	35,059	900	12,078	0	2,462	15,441	O.K.	
46										
47 Total Accum. Def. Inc. Taxes	\$50,500		\$35,059	\$900	\$12,078	\$0	\$2,462	\$15,441	O.K.	

Kennebec Telephone Company

***** FCC PART 36 ***** Functional Distribution of Selected Investments (A)	TOTAL COMPANY (B)	Joint Use Message (C)	Private Line				Extended Area Service (H)	Other (I)	
			Interstate		Intrastate				
			InterLATA (D)	IntraLATA (E)	InterLATA (F)	IntraLATA (G)			
13 TRANS. CCT EQUIPMENT:									
14									
15 Working Loops	882	835	14	0	0	20	0	13	O.K.
16 Avg. Cost per Loop	809.99	809.99	809.99	809.99	809.99	809.99	809.99	809.99	
17									
18 CAT 4.13 Exch Ln. Invest.	\$714,409	\$676,340	\$11,340	\$0	\$0	\$16,200	\$0	\$10,530	
19									
20									
21 Circuit Terminations	295	117	7	0	0	171	0	0	O.K.
22 Avg. Cost per Termination	845.67	845.67	845.67	845.67	845.67	845.67	845.67	845.67	
23									
24 CAT 4.23 Other IX	\$249,472	\$98,943	\$5,920	\$0	\$0	\$144,609	\$0	\$0	
25									
26									
27 C&WF INVESTMENT:									
28									
29 Working Loops	882	835	14	0	0	20	0	13	
30 Loops Factor	1.000000	0.946712	0.015873	0.000000	0.000000	0.022676	0.000000	0.014739	
31 CAT 1 Exchange C&WF	\$4,013,458	\$3,799,589	\$63,706	\$0	\$0	\$91,008	\$0	\$59,155	O.K.
32									
33									
34 Equivalent IX Circuit Miles	18,032	3,155	9,980	0	0	4,897	0	0	O.K.
35 IX Cct. Miles Factor	1.000000	0.174967	0.553461	0.000000	0.000000	0.271573	0.000000	0.000000	
36 CAT 3 Interexch. C&WF	\$232,843	\$40,740	\$128,869	\$0	\$0	\$63,234	\$0	\$0	

Kennebec Telephone Company

	***** FCC PART 36 ***** Physical Allocation Factors	TOTAL COMPANY	Source/ Allocator	Interstate and Other	Intrastate				TOTAL INTRASTATE	
					Message Telephone Service		Private Line			
					InterLATA	IntraLATA	InterLATA	IntraLATA		
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
13	Subscriber Plant Fact. (SPF)	1.000000	SPF	0.750000	0.017364	0.232636	0.000000	0.000000	0.250000	O.K.
14										
15	Dial Equipment Minutes (DEM)	1.000000	DEM	0.621910	0.026261	0.351829	0.000000	0.000000	0.378090	O.K.
16										
17	Conversation Minute-Miles	1.000000	CM	0.531462	0.032543	0.435995	0.000000	0.000000	0.468538	O.K.
18	Conversation Minutes	1.000000	CM	0.531462	0.032543	0.435995	0.000000	0.000000	0.468538	O.K.
19	Subscriber Minutes (SLU)	1.000000	SLU	0.810601	0.013155	0.176244	0.000000	0.000000	0.189399	O.K.
20										
21	TSPS Processor Time	0.000000	TSP	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
22	Wtd. Stand. Work Sec., Toll	0.000000	WST	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
23	Wtd. Stand. Work Sec., Aux.	0.000000	WSA	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
24	Wtd. Stand. Work Sec., Comb.	1.000000	WSC	1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
25										
26	COE CAT 2 Minutes	0.000000	CT2	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
27										
28	Exchange Trunk Minutes	1.000000	ETM	1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
29	MOU-Mi., Host/Remote	1.000000	HRM	0.620194	0.027190	0.352616	0.000000	0.000000	0.379806	O.K.
30										
31	C&WF CAT 4, WATS	0.000000	CT4	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
32										
33	Equal Access MOU	0.000000	EAM	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
34										
35	Current Billings	1.000000	CB	0.729364	0.015549	0.208321	0.000000	0.046766	0.270636	O.K.
36	EU Presubscription Factor	0.000000	EPRE	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
37	EU MTS & WATS Factor	1.000000	EMTS	0.729364	0.015549	0.208321	0.000000	0.046766	0.270636	O.K.
38	EU Access, P/L and All Other Factor	1.000000	EPLO	0.729364	0.015549	0.208321	0.000000	0.046766	0.270636	O.K.
39	IX Special Access Factor	0.000000	ISPA	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
40	IX Switched Access Factor	0.000000	ISWA	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
41	IX Billing & Collection Services Factor	0.000000	IBC	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
42	Coin Revenue Percent	0.000000	CR	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
43	Relative Toll/Local Msgs.	1.000000	TLM	0.172853	0.057452	0.768695	0.000000	0.000000	0.827147	O.K.
44	Relative Users Percent	1.000000	RUP	0.666667	0.23153	0.310180	0.000000	0.000000	0.333333	O.K.
45	CABS Percent	1.000000	CAB	0.500000	0.034729	0.465271	0.000000	0.000000	0.500000	O.K.
46	Foreign Directories Percent	0.000000	FD	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.

Kennebec Telephone Company

***** FCC PART 36 ***** Internal Allocation Factors	TOTAL COMPANY	Source/ Allocator	Interstate and Other	Intrastate				TOTAL INTRASTATE	
				Message Telephone Service		Private Line			
				InterLATA	IntraLATA	InterLATA	IntraLATA		
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
13 Support Assets	1.000000	D31	0.694726	0.017835	0.238644	0.000000	0.048795	0.305274	O.K.
14 Land and Support Assets	1.000000	D33	0.694726	0.017835	0.238644	0.000000	0.048795	0.305274	O.K.
15									
16 COE Operator	0.000000	D43	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
17 COE Tandem Switching	0.000000	D49	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
18 COE Local Switching	1.000000	D66	0.621910	0.026261	0.351829	0.000000	0.000000	0.378090	O.K.
19 COE Total Switching	1.000000	D68	0.621910	0.026261	0.351829	0.000000	0.000000	0.378090	O.K.
20 COE Transmission	1.000000	D85	0.609917	0.015822	0.211678	0.000000	0.162583	0.390083	O.K.
21 Total COE	1.000000	C19	0.616169	0.021263	0.284734	0.000000	0.077834	0.383831	O.K.
22									
23 Info. Orig./Term. CAT 1	0.000000	D90	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
24 Info. Orig./Term. CAT 2	0.000000	D92	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
25 Total IOT	0.000000	D94	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
26									
27 C&WF CAT 1	1.000000	D118	0.740646	0.016439	0.220239	0.000000	0.022676	0.259354	O.K.
28 C&WF CAT 2	0.000000	D120	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
29 C&WF CAT 3	1.000000	D129	0.646449	0.005694	0.076285	0.000000	0.271573	0.353551	O.K.
30 C&WF CAT 4	1.000000	D135	0.620194	0.027190	0.352616	0.000000	0.000000	0.379806	O.K.
31 Total C&WF	1.000000	D137	0.731692	0.016222	0.216955	0.000000	0.035130	0.268308	O.K.
32									
33 Total Equipment	1.000000	C23	0.694726	0.017835	0.238644	0.000000	0.048795	0.305274	O.K.
34									
35 TPIS	1.000000	C32	0.694245	0.017823	0.239170	0.000000	0.048761	0.305755	O.K.
36 TPIS, excl. Acct. No. 2690	1.000000	D189	0.694726	0.017835	0.238644	0.000000	0.048795	0.305274	O.K.
37									
38 Plt. Held, Fut. Use	0.000000	D215	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
39									
40 Total Tangible Assets	0.000000	C25	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
41 Total Intangible Assets	1.000000	C29	0.000000	0.000000	1.000000	0.000000	0.000000	1.000000	O.K.
42									
43 Long-term PUC	1.000000	C36	0.694245	0.017823	0.239170	0.000000	0.048761	0.305755	O.K.
44 Net Telephone Plant	1.000000	C61	0.703380	0.017267	0.232229	0.000000	0.047123	0.296620	O.K.
45 Total Net Investment	1.000000	C68	0.703621	0.017262	0.232321	0.000000	0.046795	0.296379	O.K.
46 Capital Leases	0.000000	D173	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
47									
48 Tot. Bus. Ofc., Cust. Serv.	1.000000	I141	0.652999	0.021992	0.294629	0.000000	0.030380	0.347001	O.K.
49									
50 Total "BIG THREE" Expenses	1.000000	I170	0.658844	0.020928	0.280208	0.000000	0.040020	0.341156	O.K.
51									
52 Corporate Operations Expense	1.000000	I185	0.667911	0.017163	0.282106	0.000000	0.032820	0.332089	O.K.

Kennebec Telephone Company

***** FCC PART 36 ***** Operating Expenses and Taxes	TOTAL COMPANY	Source/ Allocator	Interstate and Other	Intrastate				TOTAL INTRASTATE		
				Message Telephone Service		Private Line				
				InterLATA	IntraLATA	InterLATA	IntraLATA			
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
13 PLANT SPEC. OPER. EXPENSE:										
14										
15 Network Support, Alloc.	\$0	H14	\$0	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
16 Network Support, Direct	0	V149	0	0	0	0	0	0	0	O.K.
17										
18 Total Network Support Exp.	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
19										
20 General Support, Alloc.	\$32,111	H14	\$22,308	\$573	\$7,663	\$0	\$1,567	\$9,803	\$9,803	O.K.
21 General Support, Direct	0	V151	0	0	0	0	0	0	0	O.K.
22										
23 Total General Support Exp.	\$32,111		\$22,308	\$573	\$7,663	\$0	\$1,567	\$9,803	\$9,803	O.K.
24										
25 Central Office Eq., Alloc.	\$113,879	H21	\$70,169	\$2,421	\$32,425	\$0	\$8,864	\$43,710	\$43,710	O.K.
26 Central Office Eq., Direct	0	V153	0	0	0	0	0	0	0	O.K.
27										
28 Total COE Exp.	\$113,879		\$70,169	\$2,421	\$32,425	\$0	\$8,864	\$43,710	\$43,710	O.K.
29										
30 Cust. Premises Equip.	\$0	H24	\$0	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
31 Coinless Pay Phone	0	G18	0	0	0	0	0	0	0	O.K.
32 Other IOT	0	H23	0	0	0	0	0	0	0	O.K.
33 IOT Direct	0	V157	0	0	0	0	0	0	0	O.K.
34										
35 Total IOT Exp.	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
36										
37 Cable & Wire, Alloc.	\$164,633	H31	\$120,461	\$2,671	\$35,718	\$0	\$5,784	\$44,172	\$44,172	O.K.
38 Cable & Wire, Direct	73,776	V159	39,209	2,401	32,166	0	0	34,567	34,567	O.K.
39										
40 Total C&WF Exp.	\$238,409		\$159,670	\$5,072	\$67,884	\$0	\$5,784	\$78,739	\$78,739	O.K.
41										
42 TOTAL PLT. SPEC. OPER. EXP.	\$384,399		\$252,147	\$8,066	\$107,972	\$0	\$16,214	\$132,252	\$132,252	O.K.
43										
44 TOTAL PLT. SPEC., ex SUPPORT	\$352,288		\$229,839	\$7,493	\$100,309	\$0	\$14,647	\$122,449	\$122,449	O.K.

Kennebec Telephone Company

***** FCC PART 36 ***** Operating Expenses and Taxes	Intrastate								TOTAL INTRASTATE	
	TOTAL COMPANY	Source/ Allocator	Interstate and Other	Message Telephone Service		Private Line				
				InterLATA	IntraLATA	InterLATA	IntraLATA			
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
58 NON-SPECIFIC OPER. EXP.:										
59										
60 Oth. Plt. and Equip., Alloc.	\$0	H36	\$0	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
61 Oth. Plt. and Equip., Direct	0	V177	0	0	0	0	0	0	0	O.K.
62										
63 Total Oth. Plt. & Equip.	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
64										
65 Network Operations, Alloc.	\$42,001	H33	\$29,179	\$749	\$10,023	\$0	\$2,049	\$12,822	\$12,822	O.K.
66 Network Operations, Direct	0	V179	0	0	0	0	0	0	0	O.K.
67										
68 Total Network Oper. Exp.	\$42,001		\$29,179	\$749	\$10,023	\$0	\$2,049	\$12,822	\$12,822	O.K.
69										
70 Total Access Expenses	\$0	V180	\$0	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
71										
72 Depr., Support Assets	\$100,357	H13	\$69,721	\$1,790	\$23,950	\$0	\$4,897	\$30,636	\$30,636	O.K.
73 Depr., COE Switching	104,650	H19	65,083	2,748	36,819	0	0	39,567	39,567	O.K.
74 Depr., COE Operator	0	H16	0	0	0	0	0	0	0	O.K.
75 Depr., COE Transmission	71,285	H20	43,478	1,128	15,089	0	11,590	27,807	27,807	O.K.
76 Depr., IOT Equipment	0	H25	0	0	0	0	0	0	0	O.K.
77 Depr., C&W Facilities	152,305	H31	111,440	2,471	33,043	0	5,350	40,865	40,865	O.K.
78 Depr., PHFU	0	H38	0	0	0	0	0	0	0	O.K.
79										
80 Total Depreciation Expense	\$428,597		\$289,722	\$8,137	\$108,901	\$0	\$21,837	\$138,875	\$138,875	O.K.
81										
82 Amort., Tangible Assets	\$0	H40	\$0	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
83 Amort., Intangible Assets	0	H41	0	0	0	0	0	0	0	O.K.
84 Other Amortization	0	V189	0	0	0	0	0	0	0	O.K.
85 Direct Assigned Amort.	0	V190	0	0	0	0	0	0	0	O.K.
86										
87 Total Amortization Exp.	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
88										
89 Total Depr. and Amort.	\$428,597		\$289,722	\$8,137	\$108,901	\$0	\$21,837	\$138,875	\$138,875	O.K.
90										
91 TOTAL NON-SPEC. OPER. EXP.	\$470,598		\$318,901	\$8,886	\$118,925	\$0	\$23,887	\$151,697	\$151,697	O.K.

Kennebec Telephone Company

***** FCC PART 36 ***** Operating Expenses and Taxes	TOTAL COMPANY	Source/ Allocator	Interstate and Other	Intrastate				TOTAL INTRASTATE		
				Message Telephone Service		Private Line				
				InterLATA	IntraLATA	InterLATA	IntraLATA			
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
105 CUSTOMER OPERATIONS EXPENSE:										
106										
107 Marketing, Allocable	\$13,263	G35	\$9,674	\$206	\$2,763	\$0	\$620	\$3,589	O.K.	
108 Marketing, Direct	0	V192	0	0	0	0	0	0	O.K.	
109										
110 Total Marketing Expense	\$13,263		\$9,674	\$206	\$2,763	\$0	\$620	\$3,589	O.K.	
111										
112 Operator Service, Alloc.	\$980	G24	\$980	\$0	\$0	\$0	\$0	\$0	O.K.	
113 Operator Service, Direct	0	V194	0	0	0	0	0	0	O.K.	
114										
115 Total Operator Service	\$980		\$980	\$0	\$0	\$0	\$0	\$0	O.K.	
116										
117 Classified Directory	\$0	V195	\$0	\$0	\$0	\$0	\$0	\$0	O.K.	
118 Alphabetical Directory	225	G19	182	3	40	0	0	43	O.K.	
119 Foreign Directory	0	G46	0	0	0	0	0	0	O.K.	
120										
121 Total Directory	\$225		\$182	\$3	\$40	\$0	\$0	\$43	O.K.	
122										
123 Bus. Ofc., EU Presubscription	\$0	G36	\$0	\$0	\$0	\$0	\$0	\$0	O.K.	
124 Bus. Ofc., EU MTS & WATS	50,378	G37	36,744	783	10,495	0	2,356	13,634	O.K.	
125 Bus. Ofc., EU Access, P/L & all Other	13,960	G38	10,182	217	2,908	0	653	3,778	O.K.	
126 Bus. Ofc., IXC Special Access	0	G39	0	0	0	0	0	0	O.K.	
127 Bus. Ofc., IXC Switched Access	0	G40	0	0	0	0	0	0	O.K.	
128 Bus. Ofc., IXC B & C Services	0	G41	0	0	0	0	0	0	O.K.	
129 Coin Collect & Admin.	0	G42	0	0	0	0	0	0	O.K.	
130										
131 Total Business Office	\$64,338		\$46,926	\$1,000	\$13,403	\$0	\$3,009	\$17,412	O.K.	
132										
133 Cust. Svc., Direct	\$0	V205	\$0	\$0	\$0	\$0	\$0	\$0	O.K.	
134 Cust. Serv., Msg. Process	4,804	G43	830	276	3,698	0	0	3,974	O.K.	
135 Cust. Serv., Other B&C	11,807	G44	7,871	273	3,662	0	0	3,936	O.K.	
136 Cust. Serv., CABS	18,091	G45	9,046	628	8,417	0	0	9,046	O.K.	
137 Cust. Serv., EU Common Line	0	V209	0	0	0	0	0	0	O.K.	
138										
139 Total Customer Service	\$34,702		\$17,747	\$1,178	\$15,777	\$0	\$0	\$16,955	O.K.	
140										
141 Total Bus. Ofc., Cust. Serv.	\$99,040		\$64,673	\$2,178	\$29,180	\$0	\$3,009	\$34,367	O.K.	
142										

Kennebec Telephone Company

		Intrastate								
***** FCC PART 36 *****		TOTAL COMPANY	Source/ Allocator	Message Telephone Service			Private Line		TOTAL INTRASTATE	
Operating Expenses and Taxes				Interstate and Other	InterLATA	IntraLATA	InterLATA	IntraLATA		
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
156	Other Cust. Serv., Alloc.	\$0	H48	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
157	Other Cust. Serv., Direct	95	V211	95	0	0	0	0	0	O.K.
158										
159	Total Other Cust. Serv.	\$95		\$95	\$0	\$0	\$0	\$0	\$0	O.K.
160										
161	TOTAL CUSTOMER OPER. EXP.	\$113,603		\$75,604	\$2,387	\$31,983	\$0	\$3,629	\$37,999	O.K.
162										
163										
164	"BIG-THREE" EXPENSES:									
165										
166	Total Pit. Spec., ex Support	\$352,288	44	\$229,839	\$7,493	\$100,309	\$0	\$14,647	\$122,449	O.K.
167	Total Network Oper. Exp.	42,001	68	29,179	749	10,023	0	2,049	12,822	O.K.
168	Total Customer Operations	113,603	161	75,604	2,387	31,983	0	3,629	37,999	O.K.
169										
170	TOTAL "BIG THREE" EXPENSES	\$507,892		\$334,622	\$10,629	\$142,315	\$0	\$20,326	\$173,270	O.K.
171										
172										
173	CORPORATE OPERATIONS EXPENSE:									
174										
175	Exec. and Planning, Alloc.	\$128,345	H50	\$84,559	\$2,686	\$35,963	\$0	\$5,136	\$43,786	O.K.
176	Exec. and Planning, Direct	0	V213	0	0	0	0	0	0	O.K.
177										
178	Total Exec. and Planning	\$128,345		\$84,559	\$2,686	\$35,963	\$0	\$5,136	\$43,786	O.K.
179										
180	Admin. & General, Allocable	\$213,544	H50	\$140,692	\$4,469	\$59,837	\$0	\$8,546	\$72,852	O.K.
181	Admin. & General, Direct	75,004	V231	53,196	0	21,808	0	0	21,808	O.K.
182										
183	Total Admin. and Gen.	\$288,548		\$193,888	\$4,469	\$81,645	\$0	\$8,546	\$94,660	O.K.
184										
185	TOTAL CORPORATE OPERATIONS	\$416,893		\$278,448	\$7,155	\$117,608	\$0	\$13,682	\$138,445	O.K.
186										
187										
188	NON-INCOME TAXES:									
189										
190	Non-income Taxes, Allocable	\$0	H36	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
191	Non-income Taxes, Direct	181	V233	181	0	0	0	0	0	O.K.
192										
193	Total Non-income Taxes	\$181		\$181	\$0	\$0	\$0	\$0	\$0	O.K.
194										
195										
196	TOTAL OPER. EXP. AND TAXES	\$1,385,674		\$925,280	\$26,494	\$376,487	\$0	\$57,412	\$460,394	O.K.

Kennebec Telephone Company

***** FCC PART 69 ***** IntraLATA Revenue Requirement Summary		Part 36 IntraLATA Total	Source	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
13	Net Investment	\$1,293,408	K52	\$696,846	\$234,240	\$0	\$101,809	\$0	\$260,513	O.K.
14	Rate of Return	10.00%	B19	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	O.K.
15										
16	Return on Rate Base	\$129,341		\$69,685	\$23,424	\$0	\$10,181	\$0	\$26,051	O.K.
17										
18	AFUDC	21,913	N37	10,772	5,182	0	1,650	0	4,309	O.K.
19	ITC Amortization	0	N37	0	0	0	0	0	0	O.K.
20	Other Return Adjustments	0	Direct	0	0	0	0	0	0	O.K.
21										
22	Net Return	\$151,254		\$80,456	\$28,606	\$0	\$11,831	\$0	\$30,360	O.K.
23										
24	Interest Expense	42,353	N67	22,818	7,670	0	3,334	0	8,531	O.K.
25	Capitalized Payroll Taxes	0	N37	0	0	0	0	0	0	O.K.
26	Depreciation Adjustment	0	N37	0	0	0	0	0	0	O.K.
27	Other Income Adjustments	0	Direct	0	0	0	0	0	0	O.K.
28										
29	After Tax Income	\$108,901		\$57,638	\$20,936	\$0	\$8,498	\$0	\$21,830	O.K.
30										
31	State Income Taxes	\$0	29	0	0	0	0	0	0	O.K.
32	Federal Income Taxes	56,101	29	29,692	10,785	0	4,378	0	11,246	O.K.
33	Operating Expenses and Taxes	433,900	O195	137,949	103,915	70	82,102	35,649	74,215	O.K.
34	Uncollectibles	4,846	Direct	0	4,846	0	0	0	0	O.K.
35	Other Revenue Adjustments	0	Direct	0	0	0	0	0	0	O.K.
36										
37	Basis for Gross Receipts Tax	619,341	16+31+32+33	237,326	138,124	70	96,660	35,649	111,512	O.K.
38										
39										
40	Gross Receipts Tax	19,982	37	7,657	4,456	2	3,119	1,150	3,598	O.K.
41										
42										
43	TOTAL REVENUE REQUIREMENT	\$666,082		\$255,755	\$152,608	\$72	\$101,429	\$36,799	\$119,419	O.K.
44										

Kennebec Telephone Company

***** FCC PART 69 ***** IntraLATA Investment Summary		Part 36 IntraLATA Total	Source	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
13	Land and Support Assets	\$391,242	L25	\$63,334	\$152,520	\$0	\$48,571	\$0	\$126,817	O.K.
14										
15	Central Office Equipment	\$749,082	L70	\$157,341	\$378,906	\$0	\$52,027	\$0	\$160,809	O.K.
16	Info. Term./Orig. Equipment	0	L78	0	0	0	0	0	0	O.K.
17	Cable and Wire Facilities	1,106,802	L117	883,921	0	0	68,639	0	154,242	O.K.
18										
19	Total COE, IOT, C&WF	\$1,855,884		\$1,041,262	\$378,906	\$0	\$120,666	\$0	\$315,051	O.K.
20										
21	Total Tangible Assets	\$0	L141	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
22										
23	Total Tele. Plt. ex Intang.	\$2,247,126		\$1,104,596	\$531,426	\$0	\$169,237	\$0	\$441,868	O.K.
24	Total Intangible Assets	5,413	L144	2,661	1,280	0	408	0	1,064	O.K.
25										
26	Total Plant in Service	\$2,252,539		\$1,107,257	\$532,706	\$0	\$169,644	\$0	\$442,932	O.K.
27	Total Plt. Held Future Use	0	L147	0	0	0	0	0	0	O.K.
28	Total ST PUC	0	L163	0	0	0	0	0	0	O.K.
29	Total LT PUC	37,680	L164	18,522	8,911	0	2,838	0	7,409	O.K.
30	Total Tel. Plt. Adjust.	0	L169	0	0	0	0	0	0	O.K.
31										
32	TOTAL TELEPHONE PLANT	\$2,290,219		\$1,125,779	\$541,617	\$0	\$172,482	\$0	\$450,341	O.K.
33										
34	less:									
35	Accum. Depr., Plt. in Serv.	1,020,208	M23	440,434	312,910	0	72,435	0	194,429	O.K.
36	Accum. Depr. PHFU	0	M27	0	0	0	0	0	0	O.K.
37	Accum. Amort. Tangible Plt.	0	M28	0	0	0	0	0	0	O.K.
38	Accum. Amort. Intangibles	0	M29	0	0	0	0	0	0	O.K.
39	Accum. Amort. Other	0	M30	0	0	0	0	0	0	O.K.
40	Accum. Def. Inc. Taxes, Net	14,541	M47	7,148	3,439	0	1,095	0	2,859	O.K.
41										
42	plus:									
43	Other Assets	0	Direct	0	0	0	0	0	0	O.K.
44										
45	NET TELEPHONE PLANT	\$1,255,470		\$678,197	\$225,268	\$0	\$98,952	\$0	\$253,053	O.K.
46	plus:									
47	Class B RTB Stock	0	L171	0	0	0	0	0	0	O.K.
48	Materials and Supplies	23,739	L173	11,669	5,614	0	1,788	0	4,668	O.K.
49	Cash Working Capital	14,199	L175	6,980	3,358	0	1,069	0	2,792	O.K.
50	Equal Access Investment	0	L177	0	0	0	0	0	0	O.K.
51										
52	NET INVESTMENT	\$1,293,408		\$696,846	\$234,240	\$0	\$101,809	\$0	\$260,513	O.K.
53										

Kennebec Telephone Company

***** FCC PART 69 ***** IntraLATA Investment Detail		Part 36 IntraLATA Total	Source or Apportion	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
13	LAND AND SUPPORT ASSETS:									
14										
15	Land Assets, Message	\$5,875	N28	951	2,290	0	729	0	1,904	O.K.
16	Land Assets, Private Line	1,201	N28	194	468	0	149	0	389	O.K.
17										
18	Total Land Assets	\$7,077		\$1,146	\$2,759	\$0	\$879	\$0	\$2,294	O.K.
19										
20	Support Assets, Message	\$318,950	N28	\$51,632	\$124,338	\$0	\$39,596	\$0	\$103,384	O.K.
21	Support Assets, Private Line	65,215	N28	10,557	25,423	0	8,096	0	21,139	O.K.
22										
23	Total Support Assets	\$384,165		\$62,188	\$149,761	\$0	\$47,693	\$0	\$124,523	O.K.
24										
25	Total Land and Supp. Assets	\$391,242		\$63,334	\$152,520	\$0	\$48,571	\$0	\$126,817	O.K.
26										
27	CENTRAL OFFICE EQUIPMENT:									
28										
29	Operator Sys., DA	\$0	(F)	0	0	0	0	0	0	O.K.
30	Operator Sys., Other	0	(I)	0	0	0	0	0	0	O.K.
31										
32	Total Operator Systems	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.
33										
34	Tandem Switching	\$0	(G)	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
35	Tandem Assigned	0	Direct	0	0	0	0	0	0	O.K.
36										
37	Total Tandem Switching	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.
38										
39	Local Switching	\$378,906	(E)	\$0	\$378,906	\$0	\$0	\$0	\$0	O.K.
40	Local Assigned	0	Direct	0	0	0	0	0	0	O.K.
41										
42	Total Local Switching	\$378,906		\$0	\$378,906	\$0	\$0	\$0	\$0	O.K.
43										
44	Total Switching	\$378,906		\$0	\$378,906	\$0	\$0	\$0	\$0	O.K.

Kennebec Telephone Company

***** FCC PART 69 ***** IntraLATA Investment Detail		Part 36 IntraLATA Total	Source or Apportion	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
58	COE Exch. Trunk	\$0	Direct	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
59	COE Exch. Line - Message	157,341	(D)	157,341	0	0	0	0	0	O.K.
60	COE Exch. Line - PL etc.	16,200	(I)	0	0	0	0	0	16,200	O.K.
61	COE Exch. Line - Assigned	0	Direct	0	0	0	0	0	0	O.K.
62	COE Interexchange, Message	43,139	(G)	0	0	0	43,139	0	0	O.K.
63	COE Interexchange, PL	144,609	(I)	0	0	0	0	0	144,609	O.K.
64	COE Interexchange, Assigned	0	(G)	0	0	0	0	0	0	O.K.
65	COE H/R Message	8,888	(G)	0	0	0	8,888	0	0	O.K.
66	COE H/R Assigned	0	Direct	0	0	0	0	0	0	O.K.
67										
68	Total COE Transmission	\$370,177		\$157,341	\$0	\$0	\$52,027	\$0	\$160,809	O.K.
69										
70	Total Central Office Equip.	\$749,082		\$157,341	\$378,906	\$0	\$52,027	\$0	\$160,809	O.K.
71										
72	IOT EQUIPMENT:									
73										
74	Public Telephone	\$0	N43	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
75	Coinless Pay Phone	0	(D)	0	0	0	0	0	0	O.K.
76	Customer Premises Equipment	0	N60	0	0	0	0	0	0	O.K.
77										
78	Total IOT Equipment	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.
79										
80	CABLE AND WIRE FACILITIES:									
81										
82	Exchange PL and WATS	\$91,008	(I)	\$0	\$0	\$0	\$0	\$0	\$91,008	O.K.
83	Exchange Message	883,921	(D)	883,921	0	0	0	0	0	O.K.
84	Exchange Assigned	0	Direct	0	0	0	0	0	0	O.K.
85										
86	Total Exchange Line C&WF	\$974,929		\$883,921	\$0	\$0	\$0	\$0	\$91,008	O.K.
87										
88	Exchange Trunk, Message	\$0	Direct	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
89	Exchange Trunk, PL	0	Direct	0	0	0	0	0	0	O.K.
90										
91	Total Exchange Trunk C&WF	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.
92										
93	Interexchange Message	\$17,762	(G)	\$0	\$0	\$0	\$17,762	\$0	\$0	O.K.
94	Interexchange PL, WATS	63,234	(I)	0	0	0	0	0	63,234	O.K.
95	Interexchange Assigned	0	(G)	0	0	0	0	0	0	O.K.
96										
97	Total Interexchange C&WF	\$80,996		\$0	\$0	\$0	\$17,762	\$0	\$63,234	O.K.

Kennebec Telephone Company

***** FCC PART 69 *****		Part 36	Source or	Common	Local	Information	Common	Billing and	Other	
IntraLATA Investment		IntraLATA	Apportion	Line	Switching		Transport	Collection		
Detail		Total								
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
111	H/R C&WF, Message	\$50,876	(G)	\$0	\$0	\$0	\$50,876	\$0	\$0	O.K.
112	H/R C&WF, WATS	0	(I)	0	0	0	0	0	0	O.K.
113	H/R C&WF, Assigned	0	Direct	0	0	0	0	0	0	O.K.
114										
115	Total Host/Remote C&WF	\$50,876		\$0	\$0	\$0	\$50,876	\$0	\$0	O.K.
116										
117	Total Cable and Wire Facil.	\$1,106,802		\$883,921	\$0	\$0	\$68,639	\$0	\$154,242	O.K.
118										
119	TANGIBLE ASSETS:									
120										
121	Land and Support Leases	\$0	N28	0	0	0	0	0	0	O.K.
122										
123	COE Operator Leases	\$0	32	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
124	COE Tandem Switching Leases	0	34	0	0	0	0	0	0	O.K.
125	COE Local Switching Leases	0	39	0	0	0	0	0	0	O.K.
126	COE Transmission Leases	0	68	0	0	0	0	0	0	O.K.
127										
128	Total COE Leases	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.
129										
130	IOT Equipment Leases	\$0	78	0	0	0	0	0	0	O.K.
131										
132	C&WF Leases	\$0	117	0	0	0	0	0	0	O.K.
133										
134	Total Capital Leases	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.
135										
136	Leasehold Impr., Alloc.	\$0	N37	0	0	0	0	0	0	O.K.
137	Leasehold Impr., Direct	0	Direct	0	0	0	0	0	0	O.K.
138										
139	Total Leasehold Improvementsa	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.
140										
141	Total Tangible Assets	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.
142										
143										
144	TOTAL INTANGIBLE ASSETS	\$5,413	N37	\$2,661	\$1,280	\$0	\$408	\$0	\$1,064	O.K.
145										
146										
147	PROPERTY HELD FOR FUTURE US	\$0	N46	0	0	0	0	0	0	O.K.

Kennebec Telephone Company

***** FCC PART 69 *****
IntraLATA Investment
Detail

Part 36
IntraLATA
Total

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
	Source or Apportion	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
161 PLANT UNDER CONSTRUCTION:								
162 Short-term	\$0	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
163 Long-term	37,680	18,522	8,911	0	2,838	0	7,409	O.K.
164 Total Pll. Under Const.	\$37,680	\$18,522	\$8,911	\$0	\$2,838	\$0	\$7,409	O.K.
165								
166 TELEPHONE PLANT ADJUSTMENT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
167								
168 CLASS B RTB STOCK	\$0	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
169 MATERIALS AND SUPPLIES	\$23,739	\$11,669	\$5,614	\$0	\$1,788	\$0	\$4,668	O.K.
170 CASH WORKING CAPITAL	\$14,199	\$6,980	\$3,358	\$0	\$1,069	\$0	\$2,792	O.K.
171 EQUAL ACCESS INVESTMENT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
172								
173								
174								
175								
176								
177								

Kennebec Telephone Company

***** FCC PART 69 *****										
IntraLATA Reserves and Deferrals	Part 36 IntraLATA Total	Source or Apportion	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other		
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
13	ACCUM. DEPRECIATION, TPIS:									
14										
15	Support Assets	\$134,894	N28	\$21,837	\$52,586	\$0	\$16,747	\$0	\$43,724	O.K.
16	COE Switching	260,324	L44	0	260,324	0	0	0	0	O.K.
17	COE Operator	0	L32	0	0	0	0	0	0	O.K.
18	COE Transmission	215,579	L68	91,630	0	0	30,299	0	93,650	O.K.
19	IOT Equipment	0	L78	0	0	0	0	0	0	O.K.
20	Cable and Wire Facilities	409,412	L117	326,967	0	0	25,390	0	57,055	O.K.
21	Other Plant	0	N37	0	0	0	0	0	0	O.K.
22										
23	Total Accum. Depr., TPIS	\$1,020,208		\$440,434	\$312,910	\$0	\$72,435	\$0	\$194,429	O.K.
24										
25	ACCUM. AMORTIZATION:									
26										
27	Accum. Depreciation, PHFU	\$0	N37	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
28	Accum. Amort., Tangible Inv.	0	N37	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
29	Accum. Amort., Intang. Inv.	0	N37	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
30	Accum. Amort., Other	0	N37	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
31										
32	Tot. Accum. Amortization	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.
33										
34	Total Accum. Depr./Amort.	\$1,020,208		\$440,434	\$312,910	\$0	\$72,435	\$0	\$194,429	O.K.
35										
36										
37	ACCUM. DEF. INC. TAXES, NET:									
38										
39	Support Assets	\$0	N28	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
40	COE Switching	0	L44	0	0	0	0	0	0	O.K.
41	COE Operator	0	L32	0	0	0	0	0	0	O.K.
42	COE Transmission	0	L68	0	0	0	0	0	0	O.K.
43	IOT Equipment	0	L78	0	0	0	0	0	0	O.K.
44	Cable and Wire Fac.	0	L117	0	0	0	0	0	0	O.K.
45	Unclassified	14,541	N37	7,148	3,439	0	1,095	0	2,859	O.K.
46										
47	Total Accum. Def. Inc. Taxes	\$14,541		\$7,148	\$3,439	\$0	\$1,095	\$0	\$2,859	O.K.

Kennebec Telephone Company

***** FCC PART 69 ***** Apportionment Factors		Part 36 IntraLATA Total	Source	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
13	Central Office Equipment	\$749,082	L70	\$157,341	\$378,906	\$0	\$52,027	\$0	\$160,809	O.K.
14	Info. Orig./Term. Eqpt.	0	L78	0	0	0	0	0	0	O.K.
15	C&W Facilities	1,106,802	L117	883,921	0	0	68,639	0	154,242	O.K.
16										
17	Total	\$1,855,884		\$1,041,262	\$378,906	\$0	\$120,666	\$0	\$315,051	O.K.
18	Factor	1.000000		0.561060	0.204165	0.000000	0.065018	0.000000	0.169758	O.K.
19										
20	Sum: Sw., Trans., Other	\$814,622	17	\$0	\$378,906	\$0	\$120,666	\$0	\$315,051	O.K.
21	Factor	1.000000		0.000000	0.465131	0.000000	0.148125	0.000000	0.386745	O.K.
22										
23	Central Office Equipment	\$749,082	L70	\$157,341	\$378,906	\$0	\$52,027	\$0	\$160,809	O.K.
24	Info. Orig./Term. Eqpt.	0	L78	0	0	0	0	0	0	O.K.
25	C&WF, Excl. Exch. Message	222,881	L117-83	0	0	0	68,639	0	154,242	O.K.
26										
27	Total	\$971,963		\$157,341	\$378,906	\$0	\$120,666	\$0	\$315,051	O.K.
28	Factor	1.000000		0.161880	0.389836	0.000000	0.124146	0.000000	0.324139	O.K.
29										
30	General Support Facilities	\$391,242	L25	\$63,334	\$152,520	\$0	\$48,571	\$0	\$126,817	O.K.
31	Central Office Equipment	749,082	13	157,341	378,906	0	52,027	0	160,809	O.K.
32	Info. Orig./Term. Eqpt.	0	14	0	0	0	0	0	0	O.K.
33	C&W Facilities	1,106,802	15	883,921	0	0	68,639	0	154,242	O.K.
34	Equal Access Investment	0	L177	0	0	0	0	0	0	O.K.
35										
36	Total	\$2,247,126		\$1,104,596	\$531,426	\$0	\$169,237	\$0	\$441,868	O.K.
37	Factor	1.000000		0.491559	0.236491	0.000000	0.075313	0.000000	0.196637	O.K.
38										
39	Sum: Com. Ln., Sw., Trans.	\$1,805,259	36	\$1,104,596	\$531,426	\$0	\$169,237	\$0	\$0	O.K.
40	Factor	1.000000		0.611877	0.294377	0.000000	0.093747	0.000000	0.000000	O.K.
41										
42	COE Cat. 2 Factor	1.000000	Direct	0.000000	0.000000	0.000000	1.000000	0.000000	0.000000	O.K.
43	IOT Cat. 1 Factor	1.000000	Direct	1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
44										
45	Total TPIS	\$2,252,539	K26	\$1,107,257	\$532,706	\$0	\$169,644	\$0	\$442,932	O.K.
46	Factor	1.000000		0.491559	0.236491	0.000000	0.075313	0.000000	0.196637	O.K.

Kennebec Telephone Company

***** FCC PART 69 ***** Apportionment Factors		Part 36 IntraLATA Total	Source	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
60 Interstate Equiv. Factor	0.000000	Direct	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
61 Wtd. Std. Work Seconds	1.000000	Direct	1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
62										
63 "BIG THREE" Expenses	\$171,871	O171	\$51,748	\$31,663	\$40	\$41,040	\$20,211	\$27,170		O.K.
64 Factor	1.000000		0.301086	0.184228	0.000231	0.238783	0.117592	0.158082		(D)
65										
66 Net Investment	\$1,293,408	J13	\$696,846	\$234,240	\$0	\$101,809	\$0	\$260,513		O.K.
67 Factor	1.000000		0.538767	0.181103	0.000000	0.078714	0.000000	0.201416		O.K.

Kennebec Telephone Company

***** FCC PART 69 ***** Operating Expenses and Taxes	Part 36	Apportion	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
	IntraLATA Total								
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
13 PLANT SPEC. OPER. EXPENSE:									
14									
15 Network Support, Alloc.	\$0	N37	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
16 Network Support, Direct	0	Direct	0	0	0	0	0	0	O.K.
17									
18 Total Network Support Exp.	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.
19									
20 General Support, Alloc.	\$9,230	N30	\$1,494	\$3,598	\$0	\$1,146	\$0	\$2,992	O.K.
21 General Support, Direct	0	Direct	0	0	0	0	0	0	O.K.
22									
23 Total General Support Exp.	\$9,230		\$1,494	\$3,598	\$0	\$1,146	\$0	\$2,992	O.K.
24									
25 Central Office Eq., Alloc.	\$41,289	N31	\$8,673	\$20,885	\$0	\$2,868	\$0	\$8,864	O.K.
26 Central Office Eq., Direct	0	Direct	0	0	0	0	0	0	O.K.
27									
28 Total COE Exp.	\$41,289		\$8,673	\$20,885	\$0	\$2,868	\$0	\$8,864	O.K.
29									
30 Cust. Premises Equip.	\$0	L76	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
31 Other IOT	0	N43	0	0	0	0	0	0	O.K.
32 IOT Direct	0	Direct	0	0	0	0	0	0	O.K.
33									
34 Total IOT Exp.	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.
35									
36 Cable & Wire, Alloc.	\$41,502	N33	\$33,144	\$0	\$0	\$2,574	\$0	\$5,784	O.K.
37 Cable & Wire, Direct	32,166	Direct	0	0	0	32,166	0	0	O.K.
38									
39 Total C&WF Exp.	\$73,668		\$33,144	\$0	\$0	\$34,740	\$0	\$5,784	O.K.
40									
41 TOTAL PLT. SPEC. OPER. EXP.	\$124,186		\$43,311	\$24,483	\$0	\$38,753	\$0	\$17,639	O.K.
42									
43 TOTAL PLT. SPEC., ex SUPPORT	\$114,956		\$41,817	\$20,885	\$0	\$37,607	\$0	\$14,647	O.K.

Kennebec Telephone Company

	Part 36 IntraLATA		Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
	***** FCC PART 69 ***** Operating Expenses and Taxes	Total							
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
57 NON-SPECIFIC OPER. EXP.:									
58									
59 Oth. Plt. and Equip., Alloc.	\$0	N18	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
60 Oth. Plt. and Equip., Direct	0	Direct	0	0	0	0	0	0	O.K.
61									
62 Total Oth. Plt. & Equip.	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.
63									
64 Network Operations, Alloc.	\$12,073	N18	\$6,774	\$2,465	\$0	\$785	\$0	\$2,049	O.K.
65 Network Operations, Direct	0	Direct	0	0	0	0	0	0	O.K.
66									
67 Total Network Oper. Exp.	\$12,073		\$6,774	\$2,465	\$0	\$785	\$0	\$2,049	O.K.
68									
69 Total Access Expenses	\$0	Direct	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
70									
71 Depr., Support Assets	\$28,846	L23	\$4,670	\$11,245	\$0	\$3,581	\$0	\$9,350	O.K.
72 Depr., COE Switching	36,819	L44	0	36,819	0	0	0	0	O.K.
73 Depr., COE Operator	0	L32	0	0	0	0	0	0	O.K.
74 Depr., COE Transmission	26,679	L68	11,340	0	0	3,750	0	11,590	O.K.
75 Depr., IOT Equipment	0	L78	0	0	0	0	0	0	O.K.
76 Depr., C&W Facilities	38,394	L117	30,662	0	0	2,381	0	5,350	O.K.
77 Depr., PHFU	0	L147	0	0	0	0	0	0	O.K.
78									
79 Total Depreciation Expense	\$130,738		\$46,672	\$48,064	\$0	\$9,712	\$0	\$26,290	O.K.
80									
81 Amort., Tangible Assets	\$0	L141	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
82 Amort., Intangible Assets	0	L144	0	0	0	0	0	0	O.K.
83 Other Amortization	0	Direct	0	0	0	0	0	0	O.K.
84 Direct Assigned Amort.	0	Direct	0	0	0	0	0	0	O.K.
85									
86 Total Amortization Exp.	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.
87									
88 Total Depr. and Amort.	\$130,738		\$46,672	\$48,064	\$0	\$9,712	\$0	\$26,290	O.K.
89									
90 TOTAL NON-SPEC. OPER. EXP.	\$142,811		\$53,445	\$50,529	\$0	\$10,497	\$0	\$28,340	O.K.

Kennebec Telephone Company

***** FCC PART 69 *****		Part 36 IntraLATA	Apportion	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
Operating Expenses and Taxes		Total								
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
104	CUSTOMER OPERATIONS EXPENSE:									
105										
106	Marketing, Allocable	\$3,383	N37	\$1,663	\$800	\$0	\$255	\$0	\$665	O.K.
107	Marketing, Direct	0	Direct	0	0	0	0	0	0	O.K.
108										
109	Total Marketing Expense	\$3,383		\$1,663	\$800	\$0	\$255	\$0	\$665	O.K.
110										
111	Operator Service, Alloc.	\$0	N61	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
112	Operator Service, Direct	0	Direct	0	0	0	0	0	0	O.K.
113										
114	Total Operator Service	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.
115										
116	Classified Directory	\$0	Direct	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
117	Alphabetical Directory	40	(F)	0	0	40	0	0	0	O.K.
118	Foreign Directory	0	Direct	0	0	0	0	0	0	O.K.
119										
120	Total Directory	\$40		\$0	\$0	\$40	\$0	\$0	\$0	O.K.
121										
122	Bus. Ofc., EU Presubscription	0	N40	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
123	Bus. Ofc., Reserved	0	(I)	0	0	0	0	0	0	O.K.
124	Bus. Ofc., EU Access PL & All Other	3,561	(H)	0	0	0	0	0	3,561	O.K.
125	Bus. Ofc., EU Message	12,851	(H)	0	0	0	0	12,851	0	O.K.
126	Bus. Ofc., EU Reserved	0	(I)	0	0	0	0	0	0	O.K.
127	Bus. Ofc., IX Special Access	0	(I)	0	0	0	0	0	0	O.K.
128	Bus. Ofc., IX Switched Access	0	N40	0	0	0	0	0	0	O.K.
129	Bus. Ofc., IX Billing and Collection	0	(H)	0	0	0	0	0	0	O.K.
130	Bus. Ofc., Coin Collection & Administr	0	(D)	0	0	0	0	0	0	O.K.
131	Bus. Ofc., Reserved	0	(I)	0	0	0	0	0	0	O.K.
132										
133	Total Business Office	\$16,412		\$0	\$0	\$0	\$0	\$12,851	\$3,561	O.K.
134										
135	Cust. Serv., Msg. Process	\$3,698	(H)	0	0	0	0	3,698	0	O.K.
136	Cust. Serv., Other B&C	3,662	(H)	0	0	0	0	3,662	0	O.K.
137	Cust. Serv., CABS	8,417	N21	0	3,915	0	1,247	0	3,255	O.K.
138	Cust. Serv., EU Common Line	0	(H)	0	0	0	0	0	0	O.K.
139										
140	Total Customer Service	\$15,777		\$0	\$3,915	\$0	\$1,247	\$7,360	\$3,255	O.K.
141										
142	Total BO, CS, OS, Dir.	\$32,229		\$0	\$3,915	\$40	\$1,247	\$20,211	\$6,816	O.K.

Kennebec Telephone Company

***** FCC PART 69 ***** Operating Expenses and Taxes		Part 36 IntraLATA Total	Apportion	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
158 Other Cust. Serv., Alloc.	\$0	142	\$0	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
159 Other Cust. Serv., Direct	0	Direct	0	0	0	0	0	0	0	O.K.
160										
161 Total Other Cust. Serv.	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
162										
163 TOTAL CUSTOMER OPER. EXP.	\$35,612		\$1,663	\$4,715	\$40	\$1,502	\$20,211	\$7,482		O.K.
164										
165 "BIG-THREE" EXPENSES:										
166										
167 Total Plt. Specific Exp.	\$124,186	41	\$43,311	\$24,483	\$0	\$38,753	\$0	\$17,639		O.K.
168 Total Plt Non-specific Exp.	12,073	62 + 67 +69	6,774	2,465	0	785	0	2,049		O.K.
169 Total Customer Operations	35,612	163	1,663	4,715	40	1,502	20,211	7,482		O.K.
170										
171 TOTAL "BIG THREE" EXPENSES	\$171,871		\$51,748	\$31,663	\$40	\$41,040	\$20,211	\$27,170		O.K.
172										
173 CORPORATE OPERATIONS EXPENSE:										
174										
175 Exec. and Planning, Alloc.	\$41,100	N64	\$12,375	\$7,572	\$9	\$9,814	\$4,833	\$6,497		O.K.
176 Exec. and Planning, Direct	0	Direct	0	0	0	0	0	0		O.K.
177										
178 Total Exec. and Planning	\$41,100		\$12,375	\$7,572	\$9	\$9,814	\$4,833	\$6,497		O.K.
179										
180 Admin. & General, Allocable	\$68,383	N64	\$20,589	\$12,598	\$16	\$16,329	\$8,041	\$10,810		O.K.
181 Admin. & General, Direct	21,808	Direct	6,566	4,018	5	5,207	2,564	3,447		O.K.
182										
183 Total Admin. and Gen.	\$90,191		\$27,155	\$16,616	\$21	\$21,536	\$10,606	\$14,257		O.K.
184										
185 TOTAL CORPORATE OPERATIONS	\$131,290		\$39,530	\$24,187	\$30	\$31,350	\$15,439	\$20,755		O.K.
186										
187 NON-INCOME TAXES:										
188										
189 Non-income Taxes, Allocable	\$0	N37	\$0	\$0	\$0	\$0	\$0	\$0		O.K.
190 Non-income Taxes, Direct	0	Direct	0	0	0	0	0	0		O.K.
191										O.K.
192										
193 Total Non-income Taxes	\$0		\$0	\$0	\$0	\$0	\$0	\$0		O.K.
194										
195 TOTAL OPER. EXP. AND TAXES	\$433,900		\$137,949	\$103,915	\$70	\$82,102	\$35,649	\$74,215		O.K.

Kennebec Telephone Company

***** FCC PART 69 *****									
InterLATA Revenue Requirement Summary									
	Part 36 InterLATA Total	Source	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
13	Net Investment		\$52,563	\$19,156	\$0	\$8,274	\$0	\$0	O.K.
14	Rate of Return		10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	O.K.
15									
16	Return on Rate Base		\$5,256	\$1,916	\$0	\$827	\$0	\$0	O.K.
17									
18	AFUDC	T37	812	411	0	133	0	0	O.K.
19	ITC Amortization	T37	0	0	0	0	0	0	O.K.
20	Other Return Adjustments	Direct	0	0	0	0	0	0	O.K.
21									
22	Net Return		\$6,069	\$2,327	\$0	\$960	\$0	\$0	O.K.
23									
24	Interest Expense	T67	1,720	627	0	271	0	0	O.K.
25	Capitalized Payroll Taxes	T37	0	0	0	0	0	0	O.K.
26	Depreciation Adjustment	T37	0	0	0	0	0	0	O.K.
27	Other Income Adjustments	Direct	0	0	0	0	0	0	O.K.
28									
29	After Tax Income		\$4,349	\$1,700	\$0	\$690	\$0	\$0	O.K.
30									
31	State Income Taxes	29	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
32	Federal Income Taxes	29	2,240	876	0	355	0	0	O.K.
33	Operating Expenses and Taxes	U195	9,933	8,054	5	5,964	2,184	356	O.K.
34	Uncollectibles	Direct	0	0	0	0	0	0	O.K.
35	Other Revenue Adjustments	Direct	0	0	0	0	0	0	O.K.
36									
37	Basis for Gross Receipts Tax	16+31+32+33	17,429	10,845	5	7,146	2,184	356	O.K.
38									
39									
40	Gross Receipts Tax	37	558	347	0	229	70	11	O.K.
41									
42									
43	TOTAL REVENUE REQUIREMENT		\$18,800	\$11,603	\$5	\$7,509	\$2,254	\$367	O.K.
44									

Kennebec Telephone Company

***** FCC PART 69 ***** InterLATA Investment Summary		Part 36 InterLATA Total	Source	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
13	Land and Support Assets	\$24,276	R25	\$5,797	\$13,961	\$0	\$4,519	\$0	\$0	O.K.
14										
15	Central Office Equipment	\$43,931	R70	\$11,744	\$28,282	\$0	\$3,905	\$0	\$0	O.K.
16	Info. Term./Orig. Equipment	0	R78	0	0	0	0	0	0	O.K.
17	Cable and Wire Facilities	71,225	R117	65,976	0	0	5,249	0	0	O.K.
18										
19	Total COE, IOT, C&WF	\$115,156		\$77,720	\$28,282	\$0	\$9,154	\$0	\$0	O.K.
20										
21	Total Tangible Assets	\$0	R141	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
22										
23	Total Tele. Plt. ex Intang.	\$139,432		\$83,517	\$42,243	\$0	\$13,673	\$0	\$0	O.K.
24	Total Intangible Assets	0	R144	0	0	0	0	0	0	O.K.
25										
26	Total Plant In Service	\$139,432		\$83,517	\$42,243	\$0	\$13,673	\$0	\$0	O.K.
27	Total Plt. Held Future Use	0	R147	0	0	0	0	0	0	O.K.
28	Total ST PUC	0	R163	0	0	0	0	0	0	O.K.
29	Total LT PUC	2,332	R164	1,397	707	0	229	0	0	O.K.
30	Total Tel. Plt. Adjust.	0	R169	0	0	0	0	0	0	O.K.
31										
32	TOTAL TELEPHONE PLANT	\$141,765		\$84,914	\$42,949	\$0	\$13,901	\$0	\$0	O.K.
33										
34	less:									
35	Accum. Depr., Plt. in Serv.	63,261	S23	33,243	24,244	0	5,774	0	0	O.K.
36	Accum. Depr. PHFU	0	S27	0	0	0	0	0	0	O.K.
37	Accum. Amort. Tangible Plt.	0	S28	0	0	0	0	0	0	O.K.
38	Accum. Amort. Intangibles	0	S29	0	0	0	0	0	0	O.K.
39	Accum. Amort. Other	0	S30	0	0	0	0	0	0	O.K.
40	Accum. Def. Inc. Taxes, Net	900	S47	539	273	0	88	0	0	O.K.
41										
42	plus:									
43	Other Assets	0	Direct	0	0	0	0	0	0	O.K.
44										
45	NET TELEPHONE PLANT	\$77,604		\$51,132	\$18,432	\$0	\$8,039	\$0	\$0	O.K.
46	plus:									
47	Class B RTB Stock	0	R171	0	0	0	0	0	0	O.K.
48	Materials and Supplies	1,528	R173	915	463	0	150	0	0	O.K.
49	Cash Working Capital	862	R175	516	261	0	85	0	0	O.K.
50	Equal Access Investment	0	R177	0	0	0	0	0	0	O.K.
51										
52	NET INVESTMENT	\$79,993		\$52,563	\$19,156	\$0	\$8,274	\$0	\$0	O.K.
53										

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***** FCC PART 69 ***** InterLATA Investment Detail		Part 36 InterLATA Total	Source or Apportion	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
13	LAND AND SUPPORT ASSETS:									
14										
15	Land Assets, Message	\$439	T28	\$105	\$253	\$0	\$82	\$0	\$0	O.K.
16	Land Assets, Private Line	0	T28	0	0	0	0	0	0	O.K.
17										
18	Total Land Assets	\$439		\$105	\$253	\$0	\$82	\$0	\$0	O.K.
19										
20	Support Assets, Message	23,837	T28	\$5,692	\$13,708	\$0	\$4,437	\$0	\$0	O.K.
21	Support Assets, Private Line	0	T28	0	0	0	0	0	0	O.K.
22										
23	Total Support Assets	\$23,837		\$5,692	\$13,708	\$0	\$4,437	\$0	\$0	O.K.
24										
25	Total Land and Supp. Assets	\$24,276		\$5,797	\$13,961	\$0	\$4,519	\$0	\$0	O.K.
26										
27	CENTRAL OFFICE EQUIPMENT:									
28										
29	Operator Sys., DA	\$0	(F)	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
30	Operator Sys., Other	0	(I)	0	0	0	0	0	0	O.K.
31										
32	Total Operator Systems	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.
33										
34	Tandem Switching	\$0	(G)	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
35	Tandem Assigned	0	Direct	0	0	0	0	0	0	O.K.
36										
37	Total Tandem Switching	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.
38										
39	Local Switching	\$28,282	(E)	\$0	\$28,282	\$0	\$0	\$0	\$0	O.K.
40	Local Assigned	0	Direct	0	0	0	0	0	0	O.K.
41										
42	Total Local Switching	\$28,282		\$0	\$28,282	\$0	\$0	\$0	\$0	O.K.
43										
44	Total Switching	\$28,282		\$0	\$28,282	\$0	\$0	\$0	\$0	O.K.

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***** FCC PART 69 *****		Part 36	Source or	Common	Local	Information	Common	Billing and	Other	
InterLATA Investment		InterLATA	Apportion	Line	Switching		Transport	Collection		
Detail		Total								
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
58	COE Exch. Trunk	\$0	Direct	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
59	COE Exch. Line - Message	11,744	(D)	11,744	0	0	0	0	0	O.K.
60	COE Exch. Line - PL etc.	0	(I)	0	0	0	0	0	0	O.K.
61	COE Exch. Line - Assigned	0	Direct	0	0	0	0	0	0	O.K.
62	COE Interexchange, Message	3,220	(G)	0	0	0	3,220	0	0	O.K.
63	COE Interexchange, PL	0	(I)	0	0	0	0	0	0	O.K.
64	COE Interexchange, Assigned	0	(G)	0	0	0	0	0	0	O.K.
65	COE H/R Message	685	(G)	0	0	0	685	0	0	O.K.
66	COE H/R Assigned	0	Direct	0	0	0	0	0	0	O.K.
67										
68	Total COE Transmission	\$15,649		\$11,744	\$0	\$0	\$3,905	\$0	\$0	O.K.
69										
70	Total Central Office Equip.	\$43,931		\$11,744	\$28,282	\$0	\$3,905	\$0	\$0	O.K.
71										
72	IOT EQUIPMENT:									
73										
74	Public Telephone	\$0	T43	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
75	Coinless Pay Phone	0	(D)	0	0	0	0	0	0	O.K.
76	Customer Premises Equipment	0	T60	0	0	0	0	0	0	O.K.
77										
78	Total IOT Equipment	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.
79										
80	CABLE AND WIRE FACILITIES:									
81										
82	Exchange PL and WATS	\$0	(I)	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
83	Exchange Message	65,976	(D)	65,976	0	0	0	0	0	O.K.
84	Exchange Assigned	0	Direct	0	0	0	0	0	0	O.K.
85										
86	Total Exchange Line C&WF	\$65,976		\$65,976	\$0	\$0	\$0	\$0	\$0	O.K.
87										
88	Exchange Trunk, Message	\$0	Direct	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
89	Exchange Trunk, PL	0	Direct	0	0	0	0	0	0	O.K.
90										
91	Total Exchange Trunk C&WF	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.
92										
93	Interexchange Message	\$1,326	(G)	\$0	\$0	\$0	\$1,326	\$0	\$0	O.K.
94	Interexchange PL, WATS	0	(I)	0	0	0	0	0	0	O.K.
95	Interexchange Assigned	0	(G)	0	0	0	0	0	0	O.K.
96										
97	Total Interexchange C&WF	\$1,326		\$0	\$0	\$0	\$1,326	\$0	\$0	O.K.

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***** FCC PART 69 ***** InterLATA Investment Detail	Part 36									
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
	InterLATA Total	Source or Apportion	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other		
111 H/R C&WF, Message	\$3,923	(G)	\$0	\$0	\$0	\$3,923	\$0	\$0	O.K.	
112 H/R C&WF, WATS	0	(I)	0	0	0	0	0	0	O.K.	
113 H/R C&WF, Assigned	0	Direct	0	0	0	0	0	0	O.K.	
114										
115 Total Host/Remote C&WF	\$3,923		\$0	\$0	\$0	\$3,923	\$0	\$0	O.K.	
116										
117 Total Cable and Wire Facil.	\$71,225		\$65,976	\$0	\$0	\$5,249	\$0	\$0	O.K.	
118										
119 TANGIBLE ASSETS:										
120 Land and Support Leases	\$0	T28	\$0	\$0	\$0	\$0	\$0	\$0	O.K.	
121										
122										
123 COE Operator Leases	\$0	32	\$0	\$0	\$0	\$0	\$0	\$0	O.K.	
124 COE Tandem Switching Leases	0	34	0	0	0	0	0	0	O.K.	
125 COE Local Switching Leases	0	39	0	0	0	0	0	0	O.K.	
126 COE Transmission Leases	0	68	0	0	0	0	0	0	O.K.	
127										
128 Total COE Leases	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.	
129										
130 IOT Equipment Leases	\$0	78	\$0	\$0	\$0	\$0	\$0	\$0	O.K.	
131										
132 C&WF Leases	\$0	117	\$0	\$0	\$0	\$0	\$0	\$0	O.K.	
133										
134 Total Capital Leases	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.	
135										
136 Leasehold Impr., Alloc.	\$0	T37	\$0	\$0	\$0	\$0	\$0	\$0	O.K.	
137 Leasehold Impr., Direct	0	Direct	0	0	0	0	0	0	O.K.	
138										
139 Total Leasehold Improvementsa	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.	
140										
141 Total Tangible Assets	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.	
142										
143										
144 TOTAL INTANGIBLE ASSETS	\$0	T37	\$0	\$0	\$0	\$0	\$0	\$0	O.K.	
145										
146										
147 PROPERTY HELD FOR FUTURE US	\$0	T46	\$0	\$0	\$0	\$0	\$0	\$0	O.K.	

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***** FCC PART 69 *****		Part 36	Source or	Common	Local	Information	Common	Billing and	Other	
InterLATA Investment		InterLATA	Apportion	Line	Switching		Transport	Collection		
Detail		Total								
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
161	PLANT UNDER CONSTRUCTION:									
162										
163	Short-term	\$0	T46	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
164	Long-term	2,332	T46	1,397	707	0	229	0	0	O.K.
165										
166	Total Plt. Under Const.	\$2,332		\$1,397	\$707	\$0	\$229	\$0	\$0	O.K.
167										
168										
169	TELEPHONE PLANT ADJUSTMENT	\$0	T46	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
170										
171	CLASS B RTB STOCK	\$0	T37	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
172										
173	MATERIALS AND SUPPLIES	\$1,528	T37	\$915	\$463	\$0	\$150	\$0	\$0	O.K.
174										
175	CASH WORKING CAPITAL	\$862	T37	\$516	\$261	\$0	\$85	\$0	\$0	O.K.
176										
177	EQUAL ACCESS INVESTMENT	\$0	Direct	\$0	\$0	\$0	\$0	\$0	\$0	O.K.

Kennebec Telephone Company

***** FCC PART 69 *****										
InterLATA Reserves and Deferrals	Part 36 InterLATA Total	Source or Apportion	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other		
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
13	ACCUM. DEPRECIATION, TPIS:									
14										
15	Support Assets	\$8,370	T28	\$1,999	\$4,813	\$0	\$1,558	\$0	\$0	O.K.
16	COE Switching	19,431	R44	0	19,431	0	0	0	0	O.K.
17	COE Operator	0	R32	0	0	0	0	0	0	O.K.
18	COE Transmission	9,114	R68	6,839	0	0	2,274	0	0	O.K.
19	IOT Equipment	0	R78	0	0	0	0	0	0	O.K.
20	Cable and Wire Facilities	26,346	R117	24,405	0	0	1,942	0	0	O.K.
21	Other Plant	0	T37	0	0	0	0	0	0	O.K.
22										
23	Total Accum. Depr., TPIS	\$63,261		\$33,243	\$24,244	\$0	\$5,774	\$0	\$0	O.K.
24										
25	ACCUM. AMORTIZATION:									
26										
27	Accum. Depreciation, PHFU	0	T37	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
28	Accum. Amort., Tangible Inv.	0	T37	0	0	0	0	0	0	O.K.
29	Accum. Amort., Intang. Inv.	0	T37	0	0	0	0	0	0	O.K.
30	Accum. Amort., Other	0	T37	0	0	0	0	0	0	O.K.
31										
32	Tot. Accum. Amortization	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.
33										
34	Total Accum. Depr./Amort.	\$63,261		\$33,243	\$24,244	\$0	\$5,774	\$0	\$0	O.K.
35										
36										
37	ACCUM. DEF. INC. TAXES, NET:									
38										
39	Support Assets	\$0	T28	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
40	COE Switching	0	R44	0	0	0	0	0	0	O.K.
41	COE Operator	0	R32	0	0	0	0	0	0	O.K.
42	COE Transmission	0	R68	0	0	0	0	0	0	O.K.
43	IOT Equipment	0	R78	0	0	0	0	0	0	O.K.
44	Cable and Wire Fac.	0	R117	0	0	0	0	0	0	O.K.
45	Unclassified	900	T37	539	273	0	88	0	0	O.K.
46										
47	Total Accum. Def. Inc. Taxes	\$900		\$539	\$273	\$0	\$88	\$0	\$0	O.K.

Kennebec Telephone Company

***** FCC PART 69 ***** Apportionment Factors		Part 36 InterLATA Total	Source	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
13	Central Office Equipment	\$43,931	R70	\$11,744	\$28,282	\$0	\$3,905	\$0	\$0	O.K.
14	Info. Orig./Term. Eqpt.	0	R78	0	0	0	0	0	0	O.K.
15	C&W Facilities	71,225	R117	65,976	0	0	5,249	0	0	O.K.
16										
17	Total	\$115,156		\$77,720	\$28,282	\$0	\$9,154	\$0	\$0	O.K.
18	Factor	1.000000		0.674910	0.245597	0.000000	0.079493	0.000000	0.000000	O.K.
19										
20	Sum: Sw., Trans., Other	\$37,436	17	\$0	\$28,282	\$0	\$9,154	\$0	\$0	O.K.
21	Factor	1.000000		0.000000	0.755474	0.000000	0.244526	0.000000	0.000000	O.K.
22										
23	Central Office Equipment	\$43,931	R70	\$11,744	\$28,282	\$0	\$3,905	\$0	\$0	O.K.
24	Info. Orig./Term. Eqpt.	0	R78	0	0	0	0	0	0	O.K.
25	C&WF, Excl. Exch. Message	5,249	R117-83	0	0	0	5,249	0	0	O.K.
26										
27	Total	\$49,180		\$11,744	\$28,282	\$0	\$9,154	\$0	\$0	O.K.
28	Factor	1.000000		0.238795	0.575071	0.000000	0.186134	0.000000	0.000000	O.K.
29										
30	General Support Facilities	\$24,276	R25	\$5,797	\$13,961	\$0	\$4,519	\$0	\$0	O.K.
31	Central Office Equipment	43,931	13	11,744	28,282	0	3,905	0	0	O.K.
32	Info. Orig./Term. Eqpt.	0	14	0	0	0	0	0	0	O.K.
33	C&W Facilities	71,225	15	65,976	0	0	5,249	0	0	O.K.
34	Equal Access Investment	0	R177	0	0	0	0	0	0	O.K.
35										
36	Total	\$139,432		\$83,517	\$42,243	\$0	\$13,673	\$0	\$0	O.K.
37	Factor	1.000000		0.598979	0.302961	0.000000	0.098060	0.000000	0.000000	O.K.
38										
39	Sum: Com. Ln., Sw., Trans.	\$139,432	36	\$83,517	\$42,243	\$0	\$13,673	\$0	\$0	O.K.
40	Factor	1.000000		0.598979	0.302961	0.000000	0.098060	0.000000	0.000000	O.K.
41										
42	COE Cat. 2 Factor	1.000000	Direct	0.000000	0.000000	0.000000	1.000000	0.000000	0.000000	O.K.
43	IOT Cat. 1 Factor	1.000000	Direct	1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
44										
45	Total TPIS	\$139,432	Q26	\$83,517	\$42,243	\$0	\$13,673	\$0	\$0	O.K.
46	Factor	1.000000		0.598979	0.302961	0.000000	0.098060	0.000000	0.000000	O.K.

Kennebec Telephone Company

***** FCC PART 69 ***** Apportionment Factors		Part 36 InterLATA Total	Source	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
60 Interstate Equiv. Factor	0.000000	Direct	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
61 Wtd. Std. Work Seconds	1.000000	Direct	1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	O.K.
62										
63 "BIG THREE" Expenses	\$11,202	U171	\$3,887	\$2,609	\$3	\$3,153	\$1,333	\$217		O.K.
64 Factor	1.000000		0.347033	0.232935	0.000264	0.281502	0.118968	0.019377		(0)
65										
66 Net Investment	79,993	P13	52,563	19,156	0	8,274	0	0		O.K.
67 Factor	1.000000		0.657097	0.239473	0.000000	0.103430	0.000000	0.000000		O.K.

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***** FCC PART 69 ***** Operating Expenses and Taxes	Part 36 InterLATA Total	Apportion	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
13 PLANT SPEC. OPER. EXPENSE:									
14									
15 Network Support, Alloc.	\$0	T37	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
16 Network Support, Direct	0	Direct	0	0	0	0	0	0	O.K.
17									
18 Total Network Support Exp.	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.
19									
20 General Support, Alloc.	\$573	T30	\$137	\$329	\$0	\$107	\$0	\$0	O.K.
21 General Support, Direct	0	Direct	0	0	0	0	0	0	O.K.
22									
23 Total General Support Exp.	\$573		\$137	\$329	\$0	\$107	\$0	\$0	O.K.
24									
25 Central Office Eq., Alloc.	\$2,421	T31	\$647	\$1,559	\$0	\$215	\$0	\$0	O.K.
26 Central Office Eq., Direct	0	Direct	0	0	0	0	0	0	O.K.
27									
28 Total COE Exp.	\$2,421		\$647	\$1,559	\$0	\$215	\$0	\$0	O.K.
29									
30 Cust. Premises Equip.	\$0	R76	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
31 Other IOT	0	T43	0	0	0	0	0	0	O.K.
32 IOT Direct	0	Direct	0	0	0	0	0	0	O.K.
33									
34 Total IOT Exp.	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.
35									
36 Cable & Wire, Alloc.	\$2,671	T33	\$2,474	\$0	\$0	\$197	\$0	\$0	O.K.
37 Cable & Wire, Direct	2,401	Direct	0	0	0	2,401	0	0	O.K.
38									
39 Total C&WF Exp.	\$5,072		\$2,474	\$0	\$0	\$2,598	\$0	\$0	O.K.
40									
41 TOTAL PLT. SPEC. OPER. EXP.	\$8,066		\$3,258	\$1,888	\$0	\$2,920	\$0	\$0	O.K.
42									
43 TOTAL PLT. SPEC., ex SUPPORT	\$7,493		\$3,121	\$1,559	\$0	\$2,813	\$0	\$0	O.K.

SOUTH DAKOTA PUC INTRASTATE ACCESS COST MODEL

COMPANY NAME Kennebec Telephone Company
 PERIOD ADDRESSED ENDING DECEMBER 31, 2002
 RUN DATE AND TIME 23-Jun-03 12:47:56 PM

NOTES: SEE SHEET "G" TO INPUT PART 36 ALLOCATION FACTORS.

***** FCC PART 36 *****	TOTAL COMPANY	Source/ Allocator	Interstate and Other	Intrastate				TOTAL INTRASTATE
				Message Telephone Service		Private Line		
				InterLATA	IntraLATA	InterLATA	IntraLATA	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
PLANT INVESTMENT DETAIL:								
21 Land, Allocable	24,620	---	---	---	---	---	---	---
22 Land, Direct	0	---	0	0	---	0	0	0
23 Motor Vehicles	0	---	---	---	---	---	---	---
24 Aircraft	0	---	---	---	---	---	---	---
25 Special Purpose Vehicles	0	---	---	---	---	---	---	---
26 Garage Work Equipment	0	---	---	---	---	---	---	---
27 Other Work Equipment	0	---	---	---	---	---	---	---
28 Buildings, Allocable	1,336,513	---	---	---	---	---	---	---
29 Buildings, Direct	0	---	0	0	---	0	0	0
30 Furniture	0	---	---	---	---	---	---	---
31 Office Equipment	0	---	---	---	---	---	---	---
32 General Purpose Computers	0	---	---	---	---	---	---	---
33 CAT 1 Oper. Sys., TSPS	0	---	---	---	---	---	---	---
34 CAT 1 Oper. Sys., Other TSPS	0	---	---	---	---	---	---	---
35 CAT 1 Oper. Sys., Aux. Pos.	0	---	---	---	---	---	---	---
36 CAT 1 Oper. Sys., Other	0	---	0	0	---	0	0	0
37 CAT 2 Tandem Sw. Allocable	0	---	---	---	---	---	---	---
38 CAT 2 Tandem Sw. Direct	0	---	0	0	---	0	0	0
39 CAT 3 Local Sw. Allocable	1,076,960	---	---	---	---	---	---	---
40 CAT 3 Local Sw. Direct	0	---	0	0	---	0	0	0
41 CAT 4.12 Exchange Trunk	0	---	---	---	---	---	---	---
42 CAT 4.12 Exch. Tr. Direct	0	---	0	0	---	0	0	0
43 CAT 4.13 Exch. Ln. Msg., PL & WATS	714,409	---	---	---	---	---	---	---
44 Reserved	0	---	---	---	---	---	---	---
45 CAT 4.13 Direct	0	---	0	0	---	0	0	0
46 CAT 4.23 Message, PL & WATS	249,472	---	---	---	---	---	---	---
47 Reserved	0	---	---	---	---	---	---	---
48 CAT 4.23 Direct	0	---	0	0	---	0	0	0
49 CAT 4.3 H/R Message	25,206	---	---	---	---	---	---	---
50 CAT 4.3 WATS	0	---	0	0	---	0	0	0
51 CAT 4.3 Direct	0	---	0	0	---	0	0	0
52 CAT 1 Other IOT Equipment	0	---	---	---	---	---	---	---
53 CAT 1 Coinless Pay Phones	0	---	0	0	---	0	0	0

SOUTH DAKOTA PUC INTRASTATE ACCESS COST MODEL

Kennebec Telephone Company
ENDING DECEMBER 31, 2002

		Intrastate								
		TOTAL COMPANY	Source/ Allocator	Interstate and Other	Message Telephone Service		Private Line		TOTAL INTRASTATE	
***** FCC PART 36 *****	(A)				(B)	(C)	(D)	(E)		(F)
70	CAT 2 CP Equipment	0	---	0	0	0	0	0	0	0
71	Reserved	0	---	---	---	---	---	---	---	---
72	Reserved	0	---	---	---	---	---	---	---	---
73	CAT 1.3 Joint Msg., Cat. 1.1 & 1.2 PL	4,013,458	---	---	---	---	---	---	---	---
74	Other CAT 1 C&WF	0	---	0	0	0	0	0	0	0
75	CAT 2 C&WF	0	---	---	---	---	---	---	---	---
76	CAT 2 C&WF, Wideband	0	---	0	0	0	0	0	0	0
77	CAT 3 Joint Message & PL/WATS	232,843	---	---	---	---	---	---	---	---
78	Reserved	0	---	---	---	---	---	---	---	---
79	CAT 3 Direct	0	---	0	0	0	0	0	0	0
80	CAT 4 Message	144,283	---	---	---	---	---	---	---	---
81	CAT 4 WATS	0	---	0	0	0	0	0	0	0
82	CAT 4 Direct	0	---	0	0	0	0	0	0	0
83	Allocable Support Leases	0	---	---	---	---	---	---	---	---
84	Direct Support Leases	0	---	0	0	0	0	0	0	0
85	COE Operator	0	---	---	---	---	---	---	---	---
86	COE Tandem Switch	0	---	---	---	---	---	---	---	---
87	COE Local Switch	0	---	---	---	---	---	---	---	---
88	COE Transmission	0	---	---	---	---	---	---	---	---
89	COE Direct	0	---	0	0	0	0	0	0	0
90	IOT Leases	0	---	0	0	0	0	0	0	0
91	C&WF Leases	0	---	0	0	0	0	0	0	0
92	Leasehold Imp. Land etc.	0	---	---	---	---	---	---	---	---
93	Leasehold Imp. COE Switching	0	---	---	---	---	---	---	---	---
94	Leasehold Imp. COE Operator	0	---	---	---	---	---	---	---	---
95	Leasehold Imp. COE Trans.	0	---	---	---	---	---	---	---	---
96	Leasehold Imp. IOT	0	---	0	0	0	0	0	0	0
97	Leasehold Imp. C&WF	0	---	0	0	0	0	0	0	0
98	Leasehold Imp. Other	0	---	0	0	0	0	0	0	0
99	Allocable Acct. No. 2690	0	---	---	---	---	---	---	---	---
100	Direct Acct. No. 2690	5,413	---	0	0	5,413	0	0	0	5,413
101	Materials and Supplies	94,170	---	---	---	---	---	---	---	---
102	RTB Stock	0	---	---	---	---	---	---	---	---
103	Tele. Plt. Adjust. - Alloc.	0	---	---	---	---	---	---	---	---
104	Tele. Plt. Adjust. - Direct	0	---	0	0	0	0	0	0	0
105	Other Assets, Net	0	---	0	0	0	0	0	0	0
106	Other Liab., Def. Cr., Net	0	---	0	0	0	0	0	0	0

SOUTH DAKOTA PUC INTRASTATE ACCESS COST MODEL

Kennebec Telephone Company
 ENDING DECEMBER 31, 2002

	TOTAL COMPANY	Source/ Allocator	Interstate and Other	Intrastate						TOTAL INTRASTATE
				Message Telephone Service			Private Line			
				InterLATA (E)	IntraLATA (F)	InterLATA (G)	IntraLATA (H)	InterLATA (I)	IntraLATA (J)	
123 TPUC -- Short Term, Alloc.	0	--	--	--	--	--	--	--	--	0
124 TPUC -- Short Term, Direct	0	--	0	0	0	0	0	0	0	0
125 TPUC -- Long Term, Alloc.	130,863	--	--	--	--	--	--	--	--	130,863
126 TPUC -- Long Term, Direct	0	--	0	0	0	0	0	0	0	0
127										
128 RESERVES AND DEFERRALS:										
129 Acc. Depr. Support Assets	469,296	--	--	--	--	--	--	--	--	469,296
130 Acc. Depr. COE Switching	739,915	--	--	--	--	--	--	--	--	739,915
131 Acc. Depr. COE Operator	0	--	--	--	--	--	--	--	--	0
132 Acc. Depr. COE Transmission	576,013	--	--	--	--	--	--	--	--	576,013
133 Acc. Depr. IOT Equipment	0	--	--	--	--	--	--	--	--	0
134 Acc. Depr. Cable and Wire Facilities	1,624,099	--	--	--	--	--	--	--	--	1,624,099
135 Acc. Depr. Other Plant	0	--	0	0	0	0	0	0	0	0
136 Accum. Amort., Tangible Inv.	0	--	--	--	--	--	--	--	--	0
137 Accum. Amort., Intang. Inv.	0	--	0	0	0	0	0	0	0	0
138 Accum. Amort., Other	0	--	--	--	--	--	--	--	--	0
139 Acc. Def. IT Support Assets	0	--	--	--	--	--	--	--	--	0
140 Acc. Def. IT COE Switching	0	--	--	--	--	--	--	--	--	0
141 Acc. Def. IT COE Operator	0	--	--	--	--	--	--	--	--	0
142 Acc. Def. IT COE Trans.	0	--	--	--	--	--	--	--	--	0
143 Acc. Def. IT IOT Equipment	0	--	--	--	--	--	--	--	--	0
144 Acc. Def. IT C&WF	0	--	--	--	--	--	--	--	--	0
145 Acc. Def. IT Unclassified	50,500	--	35,059	900	12,078	0	2,462	0	15,441	50,500
146										
147 OPERATING EXPENSES AND TAXES:										
148 Network Support, Alloc.	0	--	--	--	--	--	--	--	--	0
149 Network Support, Direct	0	--	0	0	0	0	0	0	0	0
150 General Support, Alloc.	32,111	--	--	--	--	--	--	--	--	32,111
151 General Support, Direct	0	--	0	0	0	0	0	0	0	0
152 Central Office Eq., Alloc.	113,879	--	--	--	--	--	--	--	--	113,879
153 Central Office Eq., Direct	0	--	0	0	0	0	0	0	0	0
154 Cust. Premises Equip.	0	--	--	--	--	--	--	--	--	0
155 Coinless Pay Phone Exp.	0	--	--	--	--	--	--	--	--	0
156 Other IOT	0	--	--	--	--	--	--	--	--	0
157 IOT Direct	0	--	0	0	0	0	0	0	0	0
158 Cable & Wire, Alloc.	164,633	--	--	--	--	--	--	--	--	164,633
159 Cable & Wire, Direct	73,776	--	39,209	2,401	32,166	0	0	0	0	73,776

Kennebec Telephone Company

***** FCC PART 69 ***** Operating Expenses and Taxes		Part 36 InterLATA Total	Apportion	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
57	NON-SPECIFIC OPER. EXP.:									
58										
59	Oth. Plt. and Equip., Alloc.	\$0	T18	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
60	Oth. Plt. and Equip., Direct	0	Direct	0	0	0	0	0	0	O.K.
61										
62	Total Oth. Plt. & Equip.	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.
63										
64	Network Operations, Alloc.	\$749	T18	\$506	\$184	\$0	\$60	\$0	\$0	O.K.
65	Network Operations, Direct	0	Direct	0	0	0	0	0	0	O.K.
66										
67	Total Network Oper. Exp.	\$749		\$506	\$184	\$0	\$60	\$0	\$0	O.K.
68										
69	Total Access Expenses	\$0	Direct	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
70										
71	Depr., Support Assets	\$1,790	R23	\$427	\$1,029	\$0	\$333	\$0	\$0	O.K.
72	Depr., COE Switching	2,748	R44	0	2,748	0	0	0	0	O.K.
73	Depr., COE Operator	0	R32	0	0	0	0	0	0	O.K.
74	Depr., COE Transmission	1,128	R68	846	0	0	281	0	0	O.K.
75	Depr., IOT Equipment	0	R78	0	0	0	0	0	0	O.K.
76	Depr., C&W Facilities	2,471	R117	2,289	0	0	182	0	0	O.K.
77	Depr., PHFU	0	R147	0	0	0	0	0	0	O.K.
78										
79	Total Depreciation Expense	\$8,137		\$3,562	\$3,778	\$0	\$797	\$0	\$0	O.K.
80										
81	Amort., Tangible Assets	\$0	R141	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
82	Amort., Intangible Assets	0	R144	0	0	0	0	0	0	O.K.
83	Other Amortization	0	Direct	0	0	0	0	0	0	O.K.
84	Direct Assigned Amort.	0	Direct	0	0	0	0	0	0	O.K.
85										
86	Total Amortization Exp.	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.
87										
88	Total Depr. and Amort.	\$8,137		\$3,562	\$3,778	\$0	\$797	\$0	\$0	O.K.
89										
90	TOTAL NON-SPEC. OPER. EXP.	\$8,886		\$4,068	\$3,962	\$0	\$856	\$0	\$0	O.K.

Kennebec Telephone Company

***** FCC PART 69 *****		Part 36		Common	Local	Information	Common	Billing and	Other	
Operating Expenses and Taxes		InterLATA	Apportion	Line	Switching		Transport	Collection		
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
104	CUSTOMER OPERATIONS EXPENSE:									
105										
106	Marketing, Allocable	\$206	T37	\$124	\$62	\$0	\$20	\$0	\$0	O.K.
107	Marketing, Direct	0	Direct	0	0	0	0	0	0	O.K.
108										
109	Total Marketing Expense	\$206		\$124	\$62	\$0	\$20	\$0	\$0	O.K.
110										
111	Operator Service, Alloc.	\$0	T61	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
112	Operator Service, Direct	0	Direct	0	0	0	0	0	0	O.K.
113										
114	Total Operator Service	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.
115										
116	Classified Directory	\$0	Direct	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
117	Alphabetical Directory	3	(F)	0	0	3	0	0	0	O.K.
118	Foreign Directory	0	Direct	0	0	0	0	0	0	O.K.
119										
120	Total Directory	\$3		\$0	\$0	\$3	\$0	\$0	\$0	O.K.
121										
122	Bus. Ofc., EU Presubscription	0	T40	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
123	Bus. Ofc., Reserved	0	(I)	0	0	0	0	0	0	O.K.
124	Bus. Ofc., EU Access PL & All Other	217	(H)	0	0	0	0	0	217	O.K.
125	Bus. Ofc., EU Message	783	(H)	0	0	0	0	783	0	O.K.
126	Bus. Ofc., EU Reserved	0	(I)	0	0	0	0	0	0	O.K.
127	Bus. Ofc., IX Special Access	0	(I)	0	0	0	0	0	0	O.K.
128	Bus. Ofc., IX Switched Access	0	T40	0	0	0	0	0	0	O.K.
129	Bus. Ofc., IX Billing and Collection	0	(H)	0	0	0	0	0	0	O.K.
130	Bus. Ofc., Coin Collection & Administr	0	(D)	0	0	0	0	0	0	O.K.
131	Bus. Ofc., Reserved	0	(I)	0	0	0	0	0	0	O.K.
132										
133	Total Business Office	\$1,000		\$0	\$0	\$0	\$0	\$783	\$217	O.K.
134										
135	Cust. Serv., Msg. Process	\$276	(H)	0	0	0	0	276	0	O.K.
136	Cust. Serv., Other B&C	273	(H)	0	0	0	0	273	0	O.K.
137	Cust. Serv., CABS	628	T21	0	475	0	154	0	0	O.K.
138	Cust. Serv., EU Common Line	0	(H)	0	0	0	0	0	0	O.K.
139										
140	Total Customer Service	\$1,178		\$0	\$475	\$0	\$154	\$549	\$0	O.K.
141										
142	Total BO, CS, OS, Dir.	\$2,181		\$0	\$475	\$3	\$154	\$1,333	\$217	O.K.

Kennebec Telephone Company

***** FCC PART 69 ***** Operating Expenses and Taxes		Part 36 InterLATA Total	Apportion	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
158 Other Cust. Serv., Alloc.	\$0	142	\$0	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
159 Other Cust. Serv., Direct	0	Direct	0	0	0	0	0	0	0	O.K.
160										
161 Total Other Cust. Serv.	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
162										
163 TOTAL CUSTOMER OPER. EXP.	\$2,387		\$124	\$537	\$3	\$174	\$1,333	\$217		O.K.
164										
165 "BIG-THREE" EXPENSES:										
166										
167 Total Pft. Specific Exp.	\$8,066	41	\$3,258	\$1,888	\$0	\$2,920	\$0	\$0	\$0	O.K.
168 Total Pft Non-specific Exp.	749	62 + 67 +69	506	184	0	60	0	0	0	O.K.
169 Total Customer Operations	2,387	163	124	537	3	174	1,333	217		O.K.
170										
171 TOTAL "BIG THREE" EXPENSES	\$11,202		\$3,887	\$2,609	\$3	\$3,153	\$1,333	\$217		O.K.
172										
173 CORPORATE OPERATIONS EXPENSE:										
174										
175 Exec. and Planning, Alloc.	\$2,686	T64	\$932	\$626	\$1	\$756	\$320	\$52		O.K.
176 Exec. and Planning, Direct	0	Direct	0	0	0	0	0	0	0	O.K.
177										
178 Total Exec. and Planning	\$2,686		\$932	\$626	\$1	\$756	\$320	\$52		O.K.
179										
180 Admin. & General, Allocable	\$4,469	T64	\$1,551	\$1,041	\$1	\$1,258	\$532	\$87		O.K.
181 Admin. & General, Direct	0	Direct	0	0	0	0	0	0	0	O.K.
182										
183 Total Admin. and Gen.	\$4,469		\$1,551	\$1,041	\$1	\$1,258	\$532	\$87		O.K.
184										
185 TOTAL CORPORATE OPERATIONS	\$7,155		\$2,483	\$1,667	\$2	\$2,014	\$851	\$139		O.K.
186										
187 NON-INCOME TAXES:										
188										
189 Non-income Taxes, Allocable	\$0	T37	\$0	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
190 Non-income Taxes, Direct	0	Direct	0	0	0	0	0	0	0	O.K.
191										O.K.
192										
193 Total Non-income Taxes	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
194										
195 TOTAL OPER. EXP. AND TAXES	\$26,494		\$9,933	\$8,054	\$5	\$5,964	\$2,184	\$356		O.K.

SOUTH DAKOTA PUC INTRASTATE ACCESS COST MODEL

Kennebec Telephone Company
 ENDING DECEMBER 31, 2002

***** FCC PART 36 *****	TOTAL COMPANY	Source/ Allocator	Interstate and Other	Intrastate				TOTAL INTRASTATE	
				Message Telephone Service		Private Line			
				InterLATA	IntraLATA	InterLATA	IntraLATA		
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
176	Oth. Plt. and Equip., Alloc.	0	---	---	---	---	---	---	---
177	Oth. Plt. and Equip., Direct	0	---	0	0	0	0	0	0
178	Network Operations, Alloc.	42,001	---	---	---	---	---	---	---
179	Network Operations, Direct	0	---	0	0	0	0	0	0
180	Total Access Expense	0	---	0	0	0	0	0	0
181	Depr., Support Assets	100,357	---	---	---	---	---	---	---
182	Depr., COE Switching	104,650	---	---	---	---	---	---	---
183	Depr., COE Operator	0	---	---	---	---	---	---	---
184	Depr., COE Transmission	71,285	---	---	---	---	---	---	---
185	Depr., IOT Equipment	0	---	---	---	---	---	---	---
186	Depr., C&W Facilities	152,305	---	---	---	---	---	---	---
187	Amort., Tangible Assets	0	---	---	---	---	---	---	---
188	Amort., Intangible Assets	0	---	---	---	---	---	---	---
189	Other Amortization	0	---	0	0	0	0	0	0
190	Direct Assigned Amort.	0	---	0	0	0	0	0	0
191	Marketing, Allocable	13,263	---	---	---	---	---	---	---
192	Marketing, Direct	0	---	0	0	0	0	0	0
193	Operator Service, Alloc.	980	---	---	---	---	---	---	---
194	Operator Service, Direct	0	---	0	0	0	0	0	0
195	Classified Directory	0	---	0	0	0	0	0	0
196	Alphabetical Directory	225	---	---	---	---	---	---	---
197	Foreign Directory	0	---	---	---	---	---	---	---
198	Bus. Ofc., EU Presubscription	0	---	---	---	---	---	---	---
199	Bus. Ofc., EU MTS & WATS	50,378	---	---	---	---	---	---	---
200	Bus. Ofc., EU Access, P/L & all Other	13,960	---	---	---	---	---	---	---
201	Bus. Ofc., IXC Special Access	0	---	---	---	---	---	---	---
202	Bus. Ofc., IXC Switched Access	0	---	---	---	---	---	---	---
203	Bus. Ofc., IXC B & C Services	0	---	---	---	---	---	---	---
204	Coin Collect & Admin.	0	---	---	---	---	---	---	---
205	Cust. Svc., Direct	0	---	0	0	0	0	0	0
206	Cust. Serv., Msg. Process	4,804	---	---	---	---	---	---	---
207	Cust. Serv., Other B&C	11,807	---	---	---	---	---	---	---
208	Cust. Serv., CABS	18,091	---	---	---	---	---	---	---
209	Cust. Serv., EU Common Line	0	---	0	0	0	0	0	0
210	Other Cust. Serv., Alloc.	0	---	---	---	---	---	---	---
211	Other Cust. Serv., Direct	95	---	95	0	0	0	0	0
212	Exec. and Planning, Alloc.	128,345	---	---	---	---	---	---	---
213	Exec. and Planning, Direct	0	---	0	0	0	0	0	0

SOUTH DAKOTA PUC INTRASTATE ACCESS COST MODEL

Kennebec Telephone Company
ENDING DECEMBER 31, 2002

Intrastate

***** FCC PART 36 *****	TOTAL COMPANY	Source/ Allocator	Interstate and Other	Intrastate				TOTAL INTRASTATE	
				Message Telephone Service		Private Line			
				InterLATA	IntraLATA	InterLATA	IntraLATA		
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
230 Admin. & General, Allocable	213,544	--	--	--	--	--	--	--	--
231 Admin. & General, Direct	75,004	--	53,196	0	21,808	0	0	21,808	
232 Non-income Taxes, Allocable	0	--	--	--	--	--	--	--	
233 Non-income Taxes, Direct	181	--	181	0	0	0	0	0	
234									
235 OTHER INCOME STATEMENT:									
236 State Income Tax Rate	0.00%	--	--	--	--	--	--	--	
237 Federal Income Tax Rate	34.00%	--	--	--	--	--	--	--	
238 Gross Receipts Tax Rate	3.00%	--	--	--	--	--	--	--	
239 Rate of Return	10.00%	--	--	--	--	--	--	--	
240 AFUDC	76,106	--	--	--	--	--	--	--	
241 ITC Amortization	0	--	--	--	--	--	--	--	
242 Other Return Adjustments	0	--	0	0	0	0	0	0	
243 Contributions	0	--	--	--	--	--	--	--	
244 Interest Expense	151,611	--	--	--	--	--	--	--	
245 Capital Lease Expense	0	--	--	--	--	--	--	--	
246 Capitalized Payroll taxes	0	--	--	--	--	--	--	--	
247 Depreciation Adjustment	0	--	--	--	--	--	--	--	
248 Other Income Adjustments	0	--	0	0	0	0	0	0	
249 Uncollectibles	4,846	--	0	0	4,846	0	0	4,846	
250 Other Revenue Adjustments	0	--	0	0	0	0	0	0	
251 Other Revenue Taxes	0	--	0	0	0	0	0	0	
252									

SOUTH DAKOTA PUC INTRASTATE ACCESS COST MODEL
 Kennebec Telephone Company
 ENDING DECEMBER 31, 2002

	TOTAL COMPANY	Interstate		Intrastate		TOTAL INTRASTATE
		Private Line		Private Line		
		InterLATA	IntraLATA	InterLATA	IntraLATA	
***** FCC PART 36 *****	(B)	(E)	(F)	(G)	(H)	(I)
271 Working Loops	882	14			20	20
272 Equivalent Interexchange Cct. Miles	18,032	9,980			4,897	4,897
273 Interexchange Circuit Terminations	295	7			171	171

South Dakota Public Utilities Commission
WEEKLY FILINGS
For the Period of June 26, 2003 through July 2, 2003

If you need a complete copy of a filing faxed, overnight expressed, or mailed to you, please contact
Delaine Kolbo within five business days of this report. Phone: 605-773-3705

CONSUMER COMPLAINTS

CT03-081 In the Matter of the Complaint filed by Douglas Root on behalf of Doug's Anchor Marine, Inc., Watertown, South Dakota, against S&S Communications/Alterna-Cell Regarding Loss of Long Distance Services.

Complainant's representative states that a seven-year pre-paid long distance service plan was purchased. Service was terminated without notice after eighteen months of service. Complainant seeks to be reimbursed for the pre-paid service not provided plus the costs associated with establishing alternative service.

Staff Analyst: Jim Mehlhaff
Staff Attorney: Kelly Frazier
Date Docketed: 06/26/03
Intervention deadline: N/A

CT03-082 In the Matter of the Complaint filed by Clark Sinclair on behalf of Montgomery's Furniture, Madison, South Dakota, against S&S Communications/Alterna-Cell Regarding Loss of Long Distance Services.

Complainant's representative states that a four-year pre-paid long distance service plan was purchased for two business locations. Service was terminated without notice after several weeks of service. Complainant seeks to be reimbursed the full purchase price of the contract.

Staff Analyst: Jim Mehlhaff
Staff Attorney: Kelly Frazier
Date Docketed: 06/26/03
Intervention deadline: N/A

CT03-083 In the Matter of the Complaint filed by Brian Gerstner on behalf of Brookings Auto Mall, LLC, Brookings, South Dakota, against S&S Communications/Alterna-Cell Regarding Loss of Long Distance Services.

Complainant's representative states that a four-year pre-paid long distance service plan was purchased for one South Dakota business location and two out of state business locations. Service was terminated without notice after one day of service at the South Dakota location. Complainant seeks to be reimbursed the full purchase price of the contract using funds from the bond or the letter of credit.

Staff Analyst: Jim Mehlhaff
Staff Attorney: Kelly Frazier
Date Docketed: 06/26/03
Intervention deadline: N/A

CT03-084 In the Matter of the Complaint filed by Dale A. Weigel on behalf of Midwest Credits, Inc., Aberdeen, South Dakota, against S&S Communications/Alterna-Cell Regarding Loss of Long Distance Services.

Complainant's representative states that a five-year pre-paid long distance service plan was purchased on September 6, 2001. Service was terminated without notice on June 3, 2003. Complainant seeks to be reimbursed for the pre-paid service not provided.

Staff Analyst: Jim Mehlhaff
Staff Attorney: Kelly Frazier
Date Docketed: 06/26/03
Intervention deadline: N/A

CT03-085 In the Matter of the Complaint filed by Kevin Orel on behalf of Harry K. Ford, Winner, South Dakota, against S&S Communications/Alterna-Cell Regarding Loss of Long Distance Services.

Complainant's representative states that a five-year pre-paid long distance service plan was purchased on March 21, 2002. Service was terminated without notice in early June of 2003. Complainant seeks to be reimbursed for the pre-paid service not provided.

Staff Analyst: Jim Mehlhaff
Staff Attorney: Kelly Frazier
Date Docketed: 06/26/03
Intervention deadline: N/A

CT03-086 In the Matter of the Complaint filed by Melissa Maher on behalf of Moreau-Grand Electric Cooperative Inc., Timber Lake, South Dakota, against S&S Communications/Alterna-Cell Regarding Loss of Long Distance Services.

Complainant's representative states that two three-year pre-paid long distance service plans were purchased on April 12, 2002. Service was terminated without notice on June 2, 2003. Complainant seeks to be reimbursed for the pre-paid service not provided.

Staff Analyst: Jim Mehlhaff
Staff Attorney: Kelly Frazier
Date Docketed: 06/26/03
Intervention deadline: N/A

CT03-087 In the Matter of the Complaint filed by Duane L. Mullaney, Miller, South Dakota, against S&S Communications/Alterna-Cell Regarding Loss of Long Distance Services.

Complainant states that he entered into a promissory note of indebtedness on September 29, 1995, with the respondent and to date has not received any payment on the principal. Complainant seeks to be paid the full amount of the principal from the bond and/or the letter of credit.

Staff Analyst: Jim Mehlhaff
Staff Attorney: Kelly Frazier
Date Docketed: 06/26/03
Intervention deadline: N/A

CT03-088 In the Matter of the Complaint filed by Trace Beck on behalf of Beck Motors, Inc., Pierre, South Dakota, against S&S Communications/Alterna-Cell Regarding Loss of Long Distance Services.

Complainant's representative states that a five-year pre-paid long distance service plan was purchased on April 23, 2002. Service was terminated without notice on June 5, 2003. Complainant seeks to be

reimbursed for the pre-paid service not provided.

Staff Analyst: Jim Mehlhaff
Staff Attorney: Kelly Frazier
Date Docketed: 06/26/03
Intervention deadline: N/A

CT03-089 In the Matter of the Complaint filed by Dale Stegenga on behalf of Lake County International, Inc., Madison, South Dakota, against S&S Communications/Alterna-Cell Regarding Loss of Long Distance Services.

Complainant's representative states that a four-year pre-paid long distance service plan was purchased on October 9, 2002. Service was terminated without notice on June 3, 2003. Complainant seeks to be reimbursed for the pre-paid service not provided or to have service restored for the balance of the contract.

Staff Analyst: Jim Mehlhaff
Staff Attorney: Kelly Frazier
Date Docketed: 06/27/03
Intervention deadline: N/A

CT03-090 In the Matter of the Complaint filed by Darren and Heidi Engelhart, Westport, South Dakota, against S&S Communications/Alterna-Cell Regarding Loss of Long Distance Services.

Complainants state that a five-year pre-paid long distance service plan was purchased. After one and a half years, service was terminated without notice. Complainants seek to be reimbursed for the pre-paid service not provided or to have service restored for the balance of the contract.

Staff Analyst: Jim Mehlhaff
Staff Attorney: Kelly Frazier
Date Docketed: 06/27/03
Intervention deadline: N/A

CT03-091 In the Matter of the Complaint filed by James Scheele on behalf of Riverside Motel, Huron, South Dakota, against S&S Communications/Alterna-Cell Regarding Loss of Long Distance Services.

Complainant's representative states that a seven-year pre-paid long distance service plan was purchased on December 26, 2002. Service was terminated after a short period of time. Complainant seeks to be reimbursed for as much of the original purchase price as possible.

Staff Analyst: Jim Mehlhaff
Staff Attorney: Kelly Frazier
Date Docketed: 06/27/03
Intervention deadline: N/A

CT03-092 In the Matter of the Complaint filed by Neal and Janet Johnson, Miller, South Dakota, against S&S Communications/Alterna-Cell Regarding Loss of Long Distance Services.

Complainants state that a six-year pre-paid long distance service plan was purchased from the respondent. Service was established on October 1, 1999, and was terminated without notice on June 5, 2003. Complainants seek to be reimbursed for the pre-paid service not provided.

Staff Analyst: Jim Mehlhaff
Staff Attorney: Kelly Frazier
Date Docketed: 06/27/03
Intervention deadline: N/A

CT03-093 In the Matter of the Complaint filed by Doug Knust on behalf of Harry K Chevrolet, Chamberlain, South Dakota, against S&S Communications/Alterna-Cell Regarding Loss of Long Distance Services.

Complainant's representative states that a five-year pre-paid long distance service plan was purchased on March 14, 2002. Service was terminated without notice in early June of 2003. Complainant seeks to be reimbursed for the pre-paid service not provided or to have service restored for the balance of the contract.

Staff Analyst: Jim Mehlhaff
Staff Attorney: Kelly Frazier
Date Docketed: 06/27/03
Intervention deadline: N/A

CT03-094 In the Matter of the Complaint filed by Nicole and Chris Glines, Alcester, South Dakota, against S&S Communications/Alterna-Cell Regarding Loss of Long Distance Services.

Complainants state that a seven-year pre-paid long distance service plan was purchased in December of 1999. Service was terminated without notice in June of 2003. Complainants seek to be included in any bond disbursements made in relation to the failure of the respondent.

Staff Analyst: Jim Mehlhaff
Staff Attorney: Kelly Frazier
Date Docketed: 06/27/03
Intervention deadline: N/A

CT03-095 In the Matter of the Complaint filed by Myron Joneson, Dell Rapids, South Dakota, against S&S Communications/Alterna-Cell Regarding Loss of Long Distance Services.

Complainant states that he was told if he purchased a contract and paid monthly for three years he would receive an additional four years of service free of charge. Service was terminated in June of 2003, with 26 months remaining on the complainant's pre-paid contract. Complainant seeks to have the PUC seize the assets of the respondents and use them to repay those who were left without pre-paid service.

Staff Analyst: Jim Mehlhaff
Staff Attorney: Kelly Frazier
Date Docketed: 06/27/03
Intervention deadline: N/A

CT03-096 In the Matter of the Complaint filed by Charles and Orpha Bensen, Eureka, South Dakota, against S&S Communications/Alterna-Cell Regarding Loss of Long Distance Services.

Complainants state that in November of 1999, they purchased a seven-year pre-paid long distance service plan. Service was terminated without notice in June of 2003. Complainants seek to be reimbursed for the pre-paid service not provided or to have service restored for the balance of the

contract.

Staff Analyst: Jim Mehlhaff
Staff Attorney: Kelly Frazier
Date Docketed: 07/01/03
Intervention deadline: N/A

CT03-097 In the Matter of the Complaint filed by Arnold and Steven Schurr, Roscoe, South Dakota, against S&S Communications/Alterna-Cell Regarding Loss of Long Distance Services.

Complainants state that in addition to loaning the respondent several thousand dollars they also purchased a ten-year pre-paid long distance phone service contract in July of 1998. On June 5, 2003, service was terminated without notice. Complainants seek to be reimbursed for the pre-paid service not provided or to have service restored for the balance of the contract.

Staff Analyst: Jim Mehlhaff
Staff Attorney: Kelly Frazier
Date Docketed: 07/01/03
Intervention deadline: N/A

CT03-098 In the Matter of the Complaint filed by Jenny Wegner on behalf of Wegner Auto Company, Pierre, South Dakota, against S&S Communications/Alterna-Cell Regarding Loss of Long Distance Services.

Complainant's representative states that a five-year pre-paid long distance service plan was purchased on April 24, 2002. Service was established in mid-June 2002, and was terminated without notice on June 5, 2003. Complainant seeks to be reimbursed for the pre-paid service not provided and other expenses incurred as a result of the contract default.

Staff Analyst: Jim Mehlhaff
Staff Attorney: Kelly Frazier
Date Docketed: 07/02/03
Intervention deadline: N/A

CT03-099 In the Matter of the Complaint filed by Tyler Ammann on behalf of Whetstone Ag Supply, Inc., Wilmot, South Dakota, against S&S Communications/Alterna-Cell Regarding Loss of Long Distance Services.

Complainant's representative states that a four-year pre-paid long distance service plan was purchased on January 14, 2003. Service was terminated without notice on June 2, 2003. Complainant seeks to be reimbursed for the pre-paid service not provided.

Staff Analyst: Jim Mehlhaff
Staff Attorney: Kelly Frazier
Date Docketed: 07/02/03
Intervention deadline: N/A

CT03-100 In the Matter of the Complaint filed by Bob and Diane Booth, Ridgeview, South Dakota, against S&S Communications/Alterna-Cell Regarding Loss of Long Distance Services.

Complainants state that they purchased a seven-year pre-paid long distance service plan. The plan was to be in effect from May 30, 2001 through May 30, 2008. Service was terminated without notice on June

5, 2003. Complainants seek to be reimbursed for the pre-paid service not provided.

Staff Analyst: Jim Mehlhaff
Staff Attorney: Kelly Frazier
Date Docketed: 07/02/03
Intervention deadline: N/A

TELECOMMUNICATIONS

TC03-100 In the Matter of the Establishment of Switched Access Revenue Requirement for Western Telephone Company.

On June 26, 2003, Western Telephone Company, Faulkton, South Dakota, filed a switched access cost study developing a revenue requirement and minutes of use that are included in the revenue requirement and minutes of use used to determine the switched access rates for the Local Exchange Carrier Association.

Staff Analyst: Harlan Best
Staff Attorney: Karen Cremer
Date Docketed: 06/26/03
Intervention Deadline: 07/18/03

TC03-101 In the Matter of the Establishment of Switched Access Revenue Requirement for Kennebec Telephone Company.

On June 26, 2003, Kennebec Telephone Company, Kennebec, South Dakota, filed a switched access cost study developing a revenue requirement and minutes of use that are included in the revenue requirement and minutes of use used to determine the switched access rates for the Local Exchange Carrier Association.

Staff Analyst: Harlan Best
Staff Attorney: Karen Cremer
Date Docketed: 06/26/03
Intervention Deadline: 07/18/03

TC03-102 In the Matter of the Filing for Approval of an Amendment to an Interconnection Agreement between Qwest Corporation and MCIMetro Access Transmission Services, LLC.

On June 27, 2003, the Commission received a filing for Approval of an Amendment to an Interconnection Agreement between Qwest Corporation and MCIMetro Access Transmission Services, LLC. The original agreement was approved by the Commission on January 28, 2003, in Docket No: TC02-183. The amendment is made in order to add language regarding intercarrier compensation for Internet Service Provider (ISP) bound traffic. Any party wishing to comment on the agreement may do so by filing written comments with the Commission and the parties to the agreement no later than July 17, 2003. Parties to the agreement may file written responses to the comments no later than twenty days after the service of the initial comments.

Staff Attorney: Kelly Frazier
Date Docketed: 06/27/03
Initial Comments Due: 07/17/03

TC03-103 In the Matter of the Establishment of Switched Access Revenue Requirement for Venture Communications Cooperative, Inc.

On June 27, 2003, Venture Communications Cooperative, Inc., Highmore, South Dakota, filed a switched access cost study developing a revenue requirement and minutes of use that are included in the revenue requirement and minutes of use used to determine the switched access rates for the Local Exchange Carrier Association.

Staff Analyst: Harlan Best
Staff Attorney: Karen Cremer
Date Docketed: 06/27/03
Intervention Deadline: 07/18/03

TC03-104 In the Matter of the Establishment of Switched Access Revenue Requirement for Valley Telecommunications Cooperative Association, Inc.

On June 27, 2003, Valley Telecommunications Cooperative Association, Herried, South Dakota, filed a switched access cost study developing a revenue requirement and minutes of use that are included in the revenue requirement and minutes of use used to determine the switched access rates for the Local Exchange Carrier Association.

Staff Analyst: Harlan Best
Staff Attorney: Karen Cremer
Date Docketed: 06/27/03
Intervention Deadline: 07/18/03

TC03-105 In the Matter of the Establishment of Switched Access Revenue Requirement for Interstate Telecommunications Cooperative, Inc.

On June 30, 2003, Interstate Telecommunications Cooperative, Clear Lake, South Dakota, filed a switched access cost study developing a revenue requirement and minutes of use that are included in the revenue requirement and minutes of use used to determine the switched access rates for the Local Exchange Carrier Association.

Staff Analyst: Keith Senger
Staff Attorney: Karen Cremer
Date Docketed: 06/30/03
Intervention Deadline: 07/18/03

TC03-106 In the Matter of the Establishment of Switched Access Revenue Requirement for West River Cooperative Telephone Company.

On June 30, 2003, West River Cooperative Telephone Company, Bison, South Dakota, filed a switched access cost study developing a revenue requirement and minutes of use that are included in the revenue requirement and minutes of use used to determine the switched access rates for the Local Exchange Carrier Association.

Staff Analyst: Keith Senger
Staff Attorney: Karen Cremer
Date Docketed: 06/30/03
Intervention Deadline: 07/18/03

TC03-107 In the Matter of the Establishment of Switched Access Revenue Requirement for Santel Communications Cooperative, Inc.

On June 30, 2003, Santel Communications Cooperative, Inc., Woonsocket, South Dakota, filed a switched access cost study developing a revenue requirement and minutes of use that are included in the revenue requirement and minutes of use used to determine the switched access rates for the Local Exchange Carrier Association.

Exchange Carrier Association.

Staff Analyst: Harlan Best
Staff Attorney: Karen Cremer
Date Docketed: 06/30/03
Intervention Deadline: 07/18/03

TC03-108 In the Matter of the Establishment of Switched Access Rates for the Local Exchange Carriers Association.

On June 30, 2003, the Local Exchange Carriers Association (LECA) filed revised switched access tariff pages. The purpose of these revisions is to implement changes in rates as necessitated by revisions in member companies' revenue requirements and access minutes of use.

Staff Analyst: Harlan Best
Staff Attorney: Karen Cremer
Date Docketed: 06/30/03
Intervention Deadline: 07/18/03

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**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE ESTABLISHMENT)	ORDER ASSESSING FILING
OF SWITCHED ACCESS REVENUE)	FEE
REQUIREMENT FOR KENNEBEC TELEPHONE)	
COMPANY)	TC03-101

On June 26, 2003, Kennebec Telephone Company (Kennebec) filed for approval by the Public Utilities Commission (Commission) its 2002 Intrastate Switched Access Cost Study.

On July 3, 2003, the Commission electronically transmitted notice of the filing and the intervention deadline of July 18, 2003, to interested individuals and entities.

SDCL 49-31-12.6 authorizes the Commission to require a deposit of up to one hundred thousand dollars (\$100,000) in the South Dakota Public Utilities Commission's (SDPUC) regulatory assessment fee fund to defray Commission expenses incident to analyzing and ruling upon this type of filing.

The Commission has jurisdiction over this matter pursuant to SDCL 1-26-17.1, 49-1A-9, 49-31-12.6, 49-31-18, 49-31-19 and ARSD 20:10:01:15.02, 20:10:01:15.05, 20:10:27:07 and 20:10:27:08.

On September 16, 2003, at its regularly scheduled meeting, the Commission, pursuant to SDCL 49-31-12.6, unanimously voted to assess Kennebec a \$1,000 filing fee, subject to additional amounts as requested by the Executive Director up to the statutory limit of \$100,000. It is therefore

ORDERED, that Kennebec shall deposit an initial assessment of \$1,000 in the SDPUC regulatory assessment fee fund and shall deposit any additional amounts as requested by the Executive Director up to the statutory limit of \$100,000.

Dated at Pierre, South Dakota, this 23rd day of September, 2003.

CERTIFICATE OF SERVICE	
The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.	
By:	<u><i>Delaine Kolbo</i></u>
Date:	<u>9/25/03</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

Robert K. Sahr
ROBERT K. SAHR, Chairman

Gary Hanson
GARY HANSON, Commissioner



Bob Sahr, Chair
Gary Hanson, Vice-Chair
Jim Burg, Commissioner

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

500 East Capitol Avenue
Pierre, South Dakota 57501-5070
www.state.sd.us/puc

Capitol Office
(605) 773-3201
(605) 773-3809 fax

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MEMORANDUM TO COMMISSIONERS SAHR, HANSON AND BURG

FROM: Harlan Best

RE: Kennebec Telephone Company, Kennebec, SD
Switched Access Revenue Requirement, TC03-101

DATE: April 7, 2004

Kennebec Telephone Company (Kennebec) filed an Intrastate Switched Access Cost Study pursuant to ARSD Chapters 20:10:27 to 20:10:29, inclusive on June 26, 2003, based on the twelve months ended December 31, 2002. The cost study submitted by Kennebec developed a revenue requirement of \$547,780. Kennebec's cost study included an amount for Global Crossing and MCI/Worldcom uncollectibles. Kennebec's access minutes of use for 2002 were 2,351,172. Kennebec is a member of the Local Exchange Carrier Association (LECA). As a member of LECA, Kennebec's revenue requirement and access minutes of use are part of the total revenue requirement and total access minutes of use used in the determination of the Carrier Common Line, Local Switching, and Common Transport rate elements for LECA.

On July 3, 2003, the Commission electronically transmitted notice of the filing and the intervention deadline of July 18, 2003, to interested individuals and entities. No interventions were received by the Commission. On September 16, 2003, the Commission voted to assess Kennebec a \$1000 filing fee, subject to additional amounts as requested by the Executive Director up to the statutory limit of \$100,000. (Any questions regarding the amount expended should be addressed to Heather Forney.)

Staff requested supporting information from Kennebec on July 9, 2003 (response received November 6, 2003), September 17, 2003 (response received January 20, 2004), November 17, 2003 (response received March 18, 2004), January 27, 2004 (response received March 18, 2004), and March 24, 2004 (responses received March 26, 29, 30, 31, and April 2, 2004). Staff reviewed trial balances for 2002, supporting documentation for adjustments that were proposed by Kennebec in the cost study, access minutes of use, and traffic factor support.

Staff requested, and Kennebec has agreed, to change the input of AFUDC as a negative amount and update the Global Crossing uncollectible amount. The non-recurring portion of the intrastate cost study expense and the intrastate portion of uncollectibles will be amortized over three years. The revenue requirement for Kennebec is \$488,860. This revenue requirement is acceptable to Kennebec.

Respectively submitted: Harlan Best

cc Wendel Aanerud, TELECOM Consulting Resources, Inc.

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE ESTABLISHMENT)	ORDER APPROVING
OF SWITCHED ACCESS REVENUE)	REVENUE REQUIREMENT
REQUIREMENT FOR KENNEBEC TELEPHONE)	
COMPANY)	TC03-101

On June 26, 2003, Kennebec Telephone Company (Kennebec) filed for approval by the Public Utilities Commission (Commission) its 2002 Intrastate Switched Access Cost Study.

On July 3, 2003, the Commission electronically transmitted notice of the filing and the intervention deadline of July 18, 2003, to interested individuals and entities. On September 16, 2003, the Commission voted to assess a filing fee as requested by the Executive Director up to the statutory limit of \$100,000. Staff filed a memorandum on April 7, 2004, with the concurrence of the company, setting forth a recommended revenue requirement and minutes of use. The Commission considered this matter at its November 30, 2004, meeting.

The Commission has jurisdiction over this matter pursuant to SDCL 1-26-17.1, 49-1A-9, 49-31-12.4, 49-31-12.6, 49-31-18, 49-31-19 and ARSD 20:10:01:15.02, 20:10:01:15.05, 20:10:27:07 and 20:10:27:08. Upon review of Kennebec's filing, the Commission found that the revenue requirement and minutes of use as depicted in Staff's memorandum were fair and reasonable and should be approved. As the Commission's final decision in this matter, it is therefore

ORDERED, that Kennebec's revenue requirement and minutes of use as reflected in Staff's Memorandum are hereby approved and shall be incorporated in the Local Exchange Carriers Association's determination of switched access rates. (See TC03-108.)

Dated at Pierre, South Dakota, this 10th day of December, 2004.

CERTIFICATE OF SERVICE
The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.
By: <u>Alaine Kalbo</u>
Date: <u>12/13/04</u>
(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

Robert K. Sahr
ROBERT K. SAHR, Chairman

Gary Hanson
GARY HANSON, Commissioner

James A. Burg
JAMES A. BURG, Commissioner