

# LOCAL EXCHANGE TELEPHONE COMPANIES

For the provision of (check all that apply):

- INCUMBENT LOCAL EXCHANGE CARRIER (ILEC)  
 NEW ENTRANT CARRIER (NEC)  
 Class A  
 Class B

## ANNUAL REPORT

OF

NEW KNOXVILLE TELEPHONE COMPANY

(Exact legal name of respondent)

If name was changed during year, show also the previous name and date of change.

www.nktelco.com

Website URL:

301 WEST STREET	NEW KNOXVILLE	AUGLAIZE	OHIO	45871
Address	City	County	State	Zip Code

419-753-2457

Phone: (Area Code) Number

301 WEST STREET	NEW KNOXVILLE, OHIO	45871
-----------------	---------------------	-------

(Address of principal business office at end of year)

TO THE  
PUBLIC UTILITIES COMMISSION OF OHIO



RECEIVED  
APR 08 2002  
PUCO FISCAL

FOR THE  
YEAR ENDED DECEMBER 31, 2001

Name, title, address, e-mail address, telephone and fax numbers (including area code) of the person to be contacted concerning this report.

JOHN HOGE, TREASURER

NEW KNOXVILLE, OHIO PHONE: 419-753-2457 FAX: 419-753-2950

NEW KNOXVILLE TELEPHONE

Annual Report of COMPANY Year Ended December 31, 20 01

TABLE OF CONTENTS

Title	Page
General Instructions.....	1
Additional Filing Requirements.....	2
Identity of Respondent.....	3
Corporate Control Over Respondent.....	4
Respondent's Control Over Other Corporations.....	4
Important Changes During the Year.....	5
Voting Powers and Elections.....	6
Board of Directors.....	7
Principal General Officers.....	8
Balance Sheet.....	9-13
Notes to Balance Sheet.....	14
Income Statement.....	15-24
Notes to Income Statement.....	25
Statement of Retained Earnings.....	26
Partnership Capital Statement.....	26
Analysis of Plant in Service.....	27-29
Accumulated Depreciation.....	30-35
Uncollectible Accounts.....	36
Receivables and Investments - Affiliated and Nonaffiliated Companies.....	37-38
Deferred Charges.....	39
Other Jurisdictional Asset Net.....	40
Net. Cur. Def. Operating Income Tax.....	40
Net Noncur. Def. Operating Income Taxes.....	41
Net Deferred Tax Liability Adjustment.....	41
Other Juris. Liability & Def. Cr. - Net.....	41
Long-Term Debt.....	42
Other Deferred Credits.....	43
Deferred Tax Regulatory Liability.....	44
Capital Stock.....	45
General Services and Licenses.....	46
Taxes Other Than Income Taxes.....	47
Analysis of Extraordinary Items.....	48
Distribution of Salaries and Wages.....	49
Outside Plant Statistics (Wire).....	50
Outside Plant Statistics (Fiber Optic).....	51
Detail of Ohio Exchange Access Lines in Service by Customer Class.....	52
Plant in Service Data - Ohio Class A and B Telephone Companies.....	53
Ohio Central Office Scheduled to be Upgraded.....	54
Projection of New or Changed Ohio Central Office Prefixes (NXX) to be placed in Service.....	55
Toll Usage Study to Ohio Contiguous Exchanges (Form 1).....	56
Toll Usage Study to Ohio Contiguous Exchanges (Form 2).....	56
Service Connection Assistance (SCA) Annual Reporting Form.....	57
Explanation of SCA Annual Reporting Form Fields.....	58
Statement of Intrastate Gross Earnings (Revenue) of the Year.....	59-62
Name, Address, and Phone Number of the Company's Contact Persons and to Whom Invoice Should Be Directed.....	63
Verification.....	64

## GENERAL INSTRUCTIONS

Please read General Instructions carefully before filling out this form:

1. **Class A** -- Companies having annual revenues from regulated telecommunications operations of \$100,000,000 or more.  
**Class B** -- Companies having annual revenues from regulated telecommunications operations of less than \$100,000,000.
2. **Class B** companies may choose to use **Class A** accounts.
3. The word "Respondent" in the following inquiries means the person, firm, association, or company on whose behalf the report is made.
4. This annual report form was prepared in conformity with the Uniform System of Accounts prescribed by the PUCO for local exchange telephone companies. All accounting words and phrases are to be interpreted in accordance with said classification.
5. The schedules and questions contained in this report were developed to be generally applicable to all local exchange telephone companies. All instructions shall be followed and each question answered as fully and accurately as possible. Sufficient answers shall appear to show that no schedule, question, or line item has been overlooked. If a particular line item or schedule does not apply to the respondent, indicate this by answering "none", "-0-", or "not applicable", as appropriate.
6. Customary abbreviations may be used except that the exact name of the respondent shall be shown in full on the "cover page" and on the "Verification" page.
7. Where the space provided is insufficient for the required data or it is necessary or desirable to insert additional statements or schedules, the insert pages shall show the number and title of the schedule to which it pertains, as well as the name of the respondent and the year covered, and shall be on 8 1/2" x 11" durable paper.
8. The information required with respect to any statement furnished is the minimum requirement. The respondent may add such further material information as is necessary to ensure that the required statements are not misleading.
9. All copies filed with the Commission must be legible and permanent. All entries shall be made in permanent ink or by a typewriter. Items of a reverse or contrary character shall be enclosed in parentheses, or indicated by a minus sign followed by the amount.
10. The annual report shall be signed by a duly elected officer of the respondent.
11. The information required in this report, unless otherwise indicated, is to be reported for the entire company and not for the State of Ohio only.
12. Totals should be provided as indicated. The respondent shall ensure that schedule totals and subtotals are mathematically correct.
13. If a line item is supported by a detailed schedule elsewhere in this report, the respondent should ensure that the detailed schedule is completed and that the amounts on both schedules match.
14. The word "affiliated companies" means companies that directly or indirectly through one or more intermediaries control or are controlled by, or are under common control with, the utility filing this report.
15. Please list all accounts and totals in whole dollars only. Make sure the rounded numbers are equal to the original totals, when the original totals are rounded to the nearest dollar amount.

NEW KNOXVILLE TELEPHONE  
COMPANY

Annual Report of \_\_\_\_\_

Year Ended December 31, 20<sup>01</sup>\_\_\_\_\_

**ADDITIONAL FILING REQUIREMENTS**

The following list is intended only as a reminder to local exchange companies with less than 15,000 access lines of additional information required to be filed with the Commission and when such information is due.

- (1) Major Outage Reports (Rule 4901:1-5-03, O.A.C.) - when a major outage occurs, the local area news media and the Commission's Emergency Outage Coordinator must be notified within two hours. If such outage affects 9-1-1 service, the 9-1-1 PSAP for each affected county must also be notified immediately with an estimate of when 9-1-1 service will be restored.
- (2) Emergency Services Coordinator Names and Telephone Numbers (Rule 4901:1-5-22, O.A.C.) - the list of a company's Emergency Services Coordinator and appropriate phone numbers shall be updated as necessary and submitted to the Commission's Emergency Services Coordinator in the Consumer Services Department.
- (3) Directories (Rule 4901:1-5-06 (C), O.A.C.) - three copies of each directory shall be provided to the Commission's Library.

**IDENTITY OF RESPONDENT**

1. Give the location (including street and number) of (a) the main Ohio business office of respondent at the close of the year, and (b) if respondent is a foreign corporation, the business office if not in this state.

(a) 301 West Street  
New Knoxville, Ohio 45871

(b) N/A

2. State whether respondent is a corporation, a joint stock association, a firm or partnership, or an individual. Indicate date of incorporation or date of formation of partnership.

Corporation  
March 5, 1905

3. If a consolidated or merged company, name all constituent and all merged companies absorbed during the year.

N/A

4. Date and authority for each consolidation and for each merger effected during the year.

N/A

5. If a reorganized company, give name of original corporation. State the occasion for any reorganization effected during the year.

N/A

6. For new entrant carrier (NEC); give PUCO Certification approval date \_\_\_\_\_, and Case No. \_\_\_\_\_.

N/A

7. For NEC's only describe current serving area.

**CORPORATE CONTROL OVER RESPONDENT**

1. Did any corporation or corporations, telephone or other, hold control over the respondent at the close of the year? NO If control was so held, state:
  - a. The name and address of the controlling corporation or corporations:
  - b. The form of control, whether sole or joint:
  - c. The manner in which control was established:
  - d. The extent of control:
  - e. Whether control was direct or indirect:
  - f. If indirect, the name and address of the intermediary through which control was established:
2. Did any individual, association, or corporation hold control, as trustee, over the respondent at the close of the year? NO If control was so held, state:
  - a. The name and address of the trustee:
  - b. The name and address of the beneficiary or beneficiaries for whom the trust was maintained, if available:

**RESPONDENT'S CONTROL OVER OTHER CORPORATIONS**

3. Did the respondent hold control over other corporations at the close of the year? YES If so, state:
  - a. The name and address of corporation or corporations controlled:
    - a.1 NK Telco, Inc. 301 West Street, New Knoxville, Ohio 45871
    - a.2 GoldStar Communications, LLC. 301 West Street, New Knoxville, Ohio 4587
  - b. The form of control, whether sole or joint:
    - b.1 Sole
    - b.2 Sole
  - c. Other parties, if any, to joint agreement for control:
    - c.1 N/A
    - c.2 N/A
  - d. The manner in which control was established:
    - d.1 Wholly-owned subsidiary
    - d.2 Formed LLC
  - e. The extent of control:
    - e.1 100% stock ownership
    - e.2 98% stock ownership
  - f. Whether control is direct or indirect:
    - f.1 Direct
    - f.2 Direct
  - g. If indirect, the name and address of the intermediary through which control was established:

### IMPORTANT CHANGES DURING THE YEAR

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

1. Purchase or sale of entire property, or of a part of property when service territory is included: Give brief description of each transaction, name of other party, date, consideration, and Commission authorization.

NONE

2. Lease of property (to or from another) of the kind covered by the preceding inquiry: To the extent applicable give details corresponding to those required by the preceding inquiry.

NONE

3. Securities issued during the year: Identify the securities, give purpose of issuance, date, consideration received and Commission authorization. As here used the term "securities" shall be taken to mean any capital stock or debt, the issuance of which requires prior authorization by this Commission.

NONE

4. Changes in articles of incorporation: Give brief particulars of each change and date.

NONE

5. Other important changes: Give brief particulars of each other important change which is not disclosed elsewhere in this report.

NONE

## SCHEDULE: 1

**VOTING POWERS AND ELECTIONS**

1. In the schedule below, show the particulars called for concerning the stockholders of respondent who, at the date of the latest closing of the stock-book of respondent prior to the actual filing of this report, had the twenty highest voting powers of the respondent. If any such holder is held in trust, attach a statement showing the beneficial owners. If the stock-book was not closed within the year, show twenty such stockholders as of the close of the year. In the space provided, show total shares and votes of all stockholders.

Name and Address of Stockholders	No. of Shares Held	No. of Voting Shares	Other Vote Empowered Securities
Roger Henkener, Wapakoneta, Ohio	28	28	
Evangeline Kohler Davis, Naples, Florida	6	6	
Annabelle Kuck, New Knoxville, Ohio	6	6	
Fifth Third Bank, Wapakoneta, Ohio	4	4	
Casper Hoelscher, New Knoxville, Ohio	4	4	
John Hoge, New Knoxville, Ohio	4	4	
Silas O. Lammers, New Knoxville, Ohio	4	4	
Billy E. Henschen, New Knoxville, Ohio	4	4	
Sharen Leffel, New Knoxville, Ohio	4	4	
Gary Katterheinrich, New Knoxville, Ohio	6	6	
Jack Hoge, New Knoxville, Ohio	4	4	
4 shareholders holding 1/2 share each	2	2	
3 shareholders holding 2/3 share each	2	2	
41 Shareholders holding 2 shares each	82	82	
40 Shareholders holding 1 share each	40	40	
<b>TOTAL LISTED ABOVE</b>	<b>200</b>	<b>200</b>	
<b>ALL STOCKHOLDERS</b>	<b>200</b>	<b>200</b>	

SCHEDULE: 2

<b>BOARD OF DIRECTORS</b>				
1. Give the name of each person who was a member of the Board of Directors at any time during the year. 2. Columns (d) and (e) relate to Board meetings only.				
Name of Director and Address (City and State) (a)	Served Continuously From (b)	Term Expired or Current Term Will Expire (c)	Number of Meetings Attended During Year (d)	Fees Paid During Year (e)
Mark Henscher, New Knoxville, Ohio	1/1/2000	12/31/2001	9	180
John Hoge, New Knoxville, Ohio	1/1/1988	12/31/2001	9	180
Mark Wellman, New Knoxville, Ohio	1/1/1988	12/31/2001	9	180
Thomas Fledderjohann, St. Marys, Ohio	1/1/1988	12/31/2001	9	180
Roger Henkener, New Knoxville, Ohio	1/1/1988	12/31/2001	6	120
Larry Niemeyer, New Knoxville, Ohio	1/1/1988	12/31/2001	9	180
Troy Arnett, St. Marys, Ohio	1/1/1988	12/31/2001	9	180
Name of Chairman of the Board			John Hoge	
Name of Secretary of Board			John Hoge	
Number of Meetings of Board during the year			9	
Number of directors provided for by charter or by-laws, as amended to the end of the year			7	
Number of directors required to constitute a quorum			The members present at regular or special meetings constitutes a quorum.	

SCHEDULE: 3

**PRINCIPAL GENERAL OFFICERS**

1. The persons to be listed herein are the chairman of the board, president, vice-presidents, treasurer, general counsel, and comptroller. Respondents that do not have officers bearing the aforesaid titles shall list those officers who have the responsibilities normally associated with such titles.
2. Customary abbreviations may be used in showing titles and departments in columns (a) and (b).

Title of General Officer (a)	Department Over Which Jurisdiction is Exercised (b)	Name of Person Holding the Office at End of Year (c)	Office Address (City & State) (d)
President Vice President Secretary/Treasurer	N/A N/A N/A  Because of the size of the company, it is not divided into departments.	Mark Wellman Tom Fledderjohann John Hoge	New Knoxville, Ohio St. Marys, Ohio New Knoxville, Ohio

## SCHEDULE: 4

<b>BALANCE SHEET ASSETS AND OTHER DEBITS</b>						
Account No.		Account Title	Page No.	Balance at End of Previous Year (in dollars)	Balance at End of Current Year (in dollars)	Increase or (Decrease) (in dollars)
Class "A" Company	Class "B" Company					
		<b><u>CURRENT ASSETS:</u></b>				
.....	1120	Cash and Equivalents				
1130	.....	Cash		4,446	141,556	137,110
1140	.....	Special Cash Deposits				
1150	.....	Working Cash Advances		277	277	
1160	.....	Temporary Investments	37			
1180	1180	Telecommunications Accounts Receivable	37	43,056	38,199	(4,857)
1181	1181	Acts. Receivable Allowance - Telecom. (Cr.)	37			
1190	1190	Other Accounts Receivable	37	129,245	138,076	8,831
1191	1191	Accounts Receivable Allowance-Other (Cr.)	37			
1200	1200	Notes Receivable	38			
1201	1201	Notes Receivable Allowance (Cr.)	38			
1210	1210	Interest and Dividends Receivable	38			
1220	1220	Material and Supplies		175,210	184,645	9,435
.....	1280	Prepayments				
1290	.....	Prepaid Rents				
1300	.....	Prepaid Taxes		144,116		(144,116)
1310	.....	Prepaid Insurance		10,018	31,049	21,031
1320	.....	Prepaid Directory Expenses				
1330	.....	Other Prepayments		8,678	3,326	(5,352)
1350	1350	Other Current Assets		12,289	6,328	(5,961)
<b>(1130-1350)</b>	<b>(1120-1350)</b>	<b>TOTAL CURRENT ASSETS</b>		<b>527,335</b>	<b>543,456</b>	<b>16,121</b>

## SCHEDULE: 4

<b>BALANCE SHEET</b>						
<b>ASSETS AND OTHER DEBITS</b>						
Account No.		Account Title	Page No.	Balance at End of Previous Year (in dollars)	Balance at End of Current Year (in dollars)	Increase or (Decrease) (in dollars)
Class "A" Company	Class "B" Company					
<b>NONCURRENT ASSETS:</b>						
1401	1401	Investments in Affiliated Cos.	38	1,290,299	1,877,211	586,912
1402	1402	Investments in Nonaffiliated Cos.	38	727,462	730,462	3,000
1406	1406	Nonregulated Investments				
1407	1407	Unamort. Debt Issuance Exp.				
1408	1408	Sinking Funds				
1410	1410	Other Noncurrent Assets				
1437	1437	Deferred Tax Regulatory Assets				
1438	1438	Deferred Maintenance and Retirements	39			
1439	1439	Deferred Charges	39			
1500	1500	Other Juris. Assets-Net	40			
<b>(1401-1500)</b>	<b>(1401-1500)</b>	<b>TOTAL NONCURRENT ASSETS</b>		<b>2,017,761</b>	<b>2,607,673</b>	<b>589,912</b>
<b>PROPERTY, PLANT AND EQUIPMENT:</b>						
2001	2001	Tele. Plant in Service	27-29	3,216,825	3,263,003	46,178
2002	2002	Prop. Held for Future Telecommunications Use	29			
2003	2003	Tele. Plant Under Construction-Short Term	29	8,325	8,325	
2004	2004	Tele. Plant Under Construction-Long Term	29			
2005	2005	Tele. Plant Adjustment	29			
2006	2006	Nonoperating Plant	29			
2007	2007	Goodwill	29			
<b>(2001-2007)</b>	<b>(2001-2007)</b>	<b>TOTAL PROP., PLANT AND EQUIP.</b>		<b>3,225,150</b>	<b>3,271,328</b>	<b>46,178</b>

SCHEDULE: 4

BALANCE SHEET ASSETS AND OTHER DEBITS						
Account No.		Account Title	Page No.	Balance at End of Previous Year (in dollars)	Balance at End of Current Year (in dollars)	Increase or (Decrease) (in dollars)
Class "A" Company	Class "B" Company					
<b>DEPRECIATION AND AMORTIZATION:</b>						
3100	3100	Accum. Deprec.	30-35	1,771,543	2,053,845	282,302
3200	3200	Accum. Deprec.-Held for Future Tele. Use				
3300	3300	Accum. Deprec.-Nonoper.				
.....	3400	Accum. Amort.-Tangible				
3410	.....	Accum. Amort.-Capit. Leases				
3420	.....	Accum. Amort.-Lsehd. Imprv.				
3500	3500	Accum. Amort.-Intangible				
3600	3600	Accum. Amort.-Other				
<b>(3100-3600)</b>	<b>(3100-3600)</b>	<b>TOTAL DEPREC. AND AMORT.</b>		<b>1,771,543</b>	<b>2,053,845</b>	<b>282,302</b>
		<b>NET PLANT (2001-2007) Less (3100-3600)</b>		<b>1,453,607</b>	<b>1,217,483</b>	<b>(236,124)</b>
		<b>TOTAL ASSETS (1120-2007) Less (3100-3600)</b>		<b>3,998,703</b>	<b>4,368,612</b>	<b>369,909</b>

## SCHEDULE: 4

BALANCE SHEET						
LIABILITIES AND OTHER CREDITS						
Account No.		Account Title	Page No.	Balance at End of Previous Year (in dollars)	Balance at End of Current Year (in dollars)	Increase or (Decrease) (in dollars)
Class "A" Company	Class "B" Company					
<b>CURRENT LIABILITIES:</b>						
4010	4010	Accounts Payable		160,681	16,306	(144,375)
4020	4020	Notes Payable				
4030	4030	Advance Billing and Pay.				
4040	4040	Customer Deposits				
4050	4050	Cur. Maturities-Long Term Debt				
4060	4060	Cur. Maturities-Cap. Leases				
4070	4070	Income Taxes-Accrued			167,100	167,100
4080	4080	Other Taxes-Accrued		41,673	40,385	(1,288)
4100	4100	Net Cur. Def. Oper. Income Taxes	40			
4110	4110	Net Cur. Def. Nonoper. Income Taxes				
4120	4120	Other Accrued Liabilities				
4130	4130	Other Current Liabilities		32,133		(32,133)
<b>(4010-4130)</b>	<b>(4010-4130)</b>	<b>TOTAL CURRENT LIABILITIES</b>		<b>234,487</b>	<b>223,791</b>	<b>(10,696)</b>
<b>LONG-TERM DEBT:</b>						
4210	4210	Funded Debt	42			
4220	4220	Premium on Long-Term Debt	42			
4230	4230	Discount on Long-Term Debt	42			
4240	4240	Reacquired Debt				
4250	4250	Obligations Under Cap. Leases	42			
4260	4260	Advances from Affil. Cos.	42			
4270	4270	Other Long-Term Debt	42			
<b>(4210-4270)</b>	<b>(4210-4270)</b>	<b>TOTAL LONG-TERM DEBT</b>				

## SCHEDULE: 4

BALANCE SHEET						
LIABILITIES AND OTHER CREDITS						
Account No.		Account Title	Page No.	Balance at End of Previous Year (in dollars)	Balance at End of Current Year (in dollars)	Increase or (Decrease) (in dollars)
Class "A" Company	Class "B" Company					
<b>OTHER LIAB. AND DEF. CREDITS:</b>						
4310	4310	Other Long-Term Liabilities			14,958	14,958
4320	4320	Unamort. Oper. ITC-Net				
4330	4330	Unamort. Nonoper. ITC-Net				
4340	4340	Net Noncur. Def. Oper. Income Taxes	41	150,786	103,583	(47,203)
4341	4341	Net Deferred Tax Liability Adjustments	41			
4350	4350	Net Noncur. Def. Nonoper. Income Taxes		493	(57,855)	(58,348)
4360	4360	Other Deferred Credits	43			
4361	4361	Deferred Tax Regulat. Liability	44			
4370	4370	Other Juris. Liab. & Def. Cr.-Net	41			
(4310-4370)	(4310-4370)	<b>TOTAL OTHER LIAB. &amp; DEF. CR.</b>		151,279	60,686	(90,593)
<b>STOCKHOLDERS' EQUITY:</b>						
4510	4510	Capital Stock	45	20,000	20,000	
4520	4520	Additional Paid-in Capital	45			
4530	4530	Treasury Stock	45			
4540	4540	Other Capital				
4550	4550	Retained Earnings	26	3,592,937	4,064,135	471,198
(4510-4550)	(4510-4550)	<b>TOTAL STOCKHOLDERS' EQUITY</b>		3,612,937	4,084,135	471,198
(4010-4550)	(4010-4550)	<b>TOTAL LIAB. &amp; STOCKHOLDERS' EQUITY</b>		3,998,703	4,368,612	369,909

SCHEDULE: 4A

**NOTES TO BALANCE SHEET**

NONE

SCHEDULE: 5

<b>INCOME STATEMENT</b> (in dollars)			
Account No.		Account Title	Amount
Class "A" Company	Class "B" Company		
<b>LOCAL NETWORK SERVICES REVENUES:</b>			
5001	.....	Basic Area Revenue	91,740
5002	.....	Optional Extended Area Revenue	
5003	.....	Cellular Mobile Revenue	
5004	.....	Other Mobile Services Revenue	
<b>5000</b> <b>(5001-5004)</b>	.....	Basic Local Service Revenue	91,740
5010	.....	Public Telephone Revenue	
5040	.....	Local Private Line Revenue	3,080
5050	.....	Customer Premises Revenue	
5060	.....	Other Local Exchange Revenue	35,043
5069	.....	Other Local Exchange Revenue Settlements	
<b>(5001-5069)</b>	<b>5000</b>	<b>LOCAL NETWORK SERVICES REVENUES</b>	<b>129,863</b>
<b>NETWORK ACCESS SERVICE REVENUES:</b>			
5081	5081	End User Revenue	61,780
5082	5082	Switched Access Revenue	262,728
5083	5083	Special Access Revenue	11,584
5084	5084	State Access Revenue	490,880
<b>5080</b> <b>(5081-5084)</b>	<b>5080</b> <b>(5081-5084)</b>	<b>NETWORK ACCESS REVENUE</b>	<b>826,972</b>
<b>LONG DISTANCE NETWORK SERVICES REVENUES:</b>			
5100	5100	Long Distance Message Revenue	88,066
5111	.....	Long Distance Inward-Only Revenue	

SCHEDULE: 5

<b>INCOME STATEMENT</b> (in dollars)			
Account No.		Account Title	Amount
Class "A" Company	Class "B" Company		
5112	.....	Long Distance Outward-Only Revenue	
5121	.....	Subvoice Grade Long Distance Private Network Revenue	
5122	.....	Voice Grade Long Distance Private Network Revenue	
5123	.....	Audio Program Grade Long Distance Private Network Revenue	
5124	.....	Video Program Grade Long Distance Private Network Revenue	
5125	.....	Digital Transmission Long Distance Private Network Revenue	
5126	.....	Long Distance Private Network Switching Revenue	
5128	.....	Other Long Distance Private Network Revenue	
5129	.....	Other Long Distance Private Network Revenue Settlements	
5160	.....	Other Long Distance Revenue	
5169	.....	Other Long Distance Revenue Settlements	
<b>(5100-5169)</b>	<b>5100</b>	<b>TOTAL LONG DISTANCE NETWORK SERVICE REVENUES</b>	<b>88,066</b>
		<b><u>MISCELLANEOUS REVENUES:</u></b>	
5230	.....	Directory Revenue	(903)
5240	.....	Rent Revenue	5,862
5250	.....	Corporate Operations Revenue	
5261	.....	Special Billing Arrangements Revenue	
5262	.....	Customer Operations Revenue	
5263	.....	Plant Operations Revenue	
5264	.....	Other Incidental Regulated Revenue	858
5269	.....	Other Revenue Settlements	412
5270	.....	Carrier Billing and Collection Revenue	64,049
<b>(5230-5270)</b>	<b>5200</b>	<b>MISCELLANEOUS REVENUES</b>	<b>70,278</b>

SCHEDULE: 5

<b>INCOME STATEMENT</b> (in dollars)			
Account No.		Account Title	Amount
Class "A" Company	Class "B" Company		
		<b><u>NONREGULATED REVENUES:</u></b>	
5280	5280	Non Regulated Operating Revenue	
		<b><u>UNCOLLECTIBLE REVENUES:</u></b>	
5301	.....	Uncollectible Revenue-Telecommunications	(1,543)
5302	.....	Uncollectible Revenue-Other	
<b>5300</b> <b>(5301-5302)</b>	<b>5300</b>	<b>UNCOLLECTIBLE REVENUES</b>	<b>(1,543)</b>
		<b>TOTAL OPERATING REVENUE (5001-5302)</b>	<b>1,113,636</b>

## SCHEDULE: 5

INCOME STATEMENT (in dollars)								
Account No.		Account Title	Salaries and Wages (a)	Benefits (b)	Rents (c)	Other Expenses (d)	Clearances (e)	Total (f)
Class "A" Company	Class "B" Company							
		<b>PLANT SPECIFIC OPERATIONS EXPENSE:</b>						
6112	.....	Motor Vehicle Expense	186	42		19,910	20,138	
6113	.....	Aircraft Expense						
6114	.....	Spec. Purpose Vehicles Expense						
6115	.....	Garage Work Equipment Expense						
6116	.....	Other Work Equipment Expense	1,815	411		6,258	8,484	
6110	6110							
(6112-6116)		<b>NETWORK SUPPORT EXPENSE</b>	2,001	453		26,168	28,622	
6121	.....	Land and Building Expense	2,249	509		11,176		13,934
6122	.....	Furniture and Artworks Expense				238		238
6123	.....	Office Equipment Expense	2,062	467		(799)		1,730
6124	.....	General Purpose Computers Expense	126	29		1,845		2,000
6120	6120							
(6121-6124)		<b>GENERAL SUPPORT EXPENSE</b>	4,437	1,005		12,460		17,902
6211	.....	Analog Electronic Expense						
6212	.....	Digital Electronic Expense	5,535	1,252		24,338		31,125
6215	.....	Electro-Mechanical Expense						
6210	6210							
(6211-6215)		<b>CENTRAL OFFICE SWITCH. EXPENSE</b>	5,535	1,252		24,338		31,125
6220	6220	Operator Systems Expense						
6231	.....	Radio Facilities Expense						
6232	.....	Circuit Equipment Expense	7,814	1,768		7,145		16,727
6230	6230							
(6231-6232)		<b>CENTRAL OFFICE TRANSM. EXPENSE</b>	7,814	1,768		7,145		16,727
6311	.....	Station Apparatus Expense						
6341	.....	Large Private Branch Exchange Expense						
6351	.....	Public Telephone Terminal Equipment Expense						
6362	.....	Other Terminal Equipment Expense						
6310	6310							
(6311-6362)		<b>INFO. ORIG./TERM. EXPENSE</b>						

## SCHEDULE: 5

INCOME STATEMENT (in dollars)								
Account No.		Account Title	Salaries and Wages (a)	Benefits (b)	Rents (c)	Other Expenses (d)	Clearances (e)	Total (f)
Class "A" Company	Class "B" Company							
6411	.....	Poles Expense	46	10		1,178		1,234
6421	.....	Aerial Cable Expense	1,126	255	1,136	6,266		8,783
6422	.....	Underground Cable Expense	1,633	369		7,980		9,982
6423	.....	Buried Cable Expense	8,740	1,977		26,327		37,044
6424	.....	Submarine Cable Expense						
6425	.....	Deep Sea Cable Expense						
6426	.....	Intrabuilding Network Cable Expense						
6431	.....	Aerial Wire Expense						
6441	.....	Conduit Systems Expense	1,307	296		11,874		13,477
6410	6410							
(6411-6441)		<b>CABLE AND WIRE FACIL. EXPENSE</b>	12,852	2,907	1,136	53,625		70,520
(6112-6441)	(6110-6410)	<b>TOTAL PLANT SPECIFIC OPERATIONS EXPENSE</b>	32,639	7,385	1,136	123,736	28,622	136,274
		<b><u>PLANT NONSPECIFIC OPERATIONS EXPENSE:</u></b>						
6511	.....	Property Held for Future Telecommunications Use Expense						
6512	.....	Provisioning Expense						
6510	6510							
(6511-6512)		<b>OTHER PROP., PLANT &amp; EQUIP. EXPENSE</b>						
6531	.....	Power Expense				7,702		7,702
6532	.....	Network Administration Expense	1,080	244				1,324
6533	.....	Testing Expense	120	27				147
6534	.....	Plant Oper. Admin. Exp.	20,457	4,628		1,912		26,997
6535	.....	Engineering Expense	1,335	302				1,637
6530	6530							
(6531-6535)		<b>NETWORK OPERATIONS EXPENSE</b>	22,992	5,201		9,614		37,807
6540	6540	Access Expense				44,290		44,290
6561	.....	Depreciation Expense-Telecommunications Plant In Service						
						282,567		282,567

## SCHEDULE: 5

INCOME STATEMENT (in dollars)								
Account No.		Account Title	Salaries and Wages (a)	Benefits (b)	Rents (c)	Other Expenses (d)	Clearances (e)	Total (f)
Class "A" Company	Class "B" Company							
6562	.....	Depreciation Expense-Property Held for Future Telecommunications Use						
6563	.....	Amortization Expense-Tangible						
6564	.....	Amortization Expense-Intangible						
6565	.....	Amortization Expense-Other						
6560 (6561-6565)	6560	<b>DEP'N &amp; AMORT. EXPENSE</b>				282,567		282,567
<b>(6511-6565)</b>	<b>(6510-6560)</b>	<b>TOTAL PLANT NONSPECIFIC OPERATIONS</b>	22,992	5,201		336,471		364,664
		<b>CUSTOMER OPERATIONS EXPENSE:</b>						
6611	.....	Product Management						
6612	.....	Sales	60	14				74
6613	.....	Product Advertising				615		615
6610 (6611-6613)	6610	<b>MARKETING</b>	60	14		615		689
6621	.....	Call Completion Services				133		133
6622	.....	Number Services						
6623	.....	Customer Services	28,163	6,372		86,543		121,078
6620 (6621-6623)	6620	<b>SERVICES</b>	28,163	6,372		86,676		121,211
<b>(6610-6620)</b>	<b>(6610-6620)</b>	<b>TOTAL CUSTOMER OPERATIONS EXPENSE</b>	28,223	6,386		87,291		121,900
		<b>CORPORATE OPERATIONS EXPENSE:</b>						
6711	.....	Executive	36,892	8,347		15,537		60,776
6712	.....	Planning				80		80
6710 (6711-6712)	6710	<b>EXECUTIVE AND PLANNING</b>	36,892	8,347		15,617		60,856
6721	.....	Accounting and Finance	17,670	3,998		41,705		63,373

SCHEDULE: 5

INCOME STATEMENT (in dollars)								
Account No.		Account Title	Salaries and	Benefits	Rents	Other	Clearances	Total
Class "A" Company	Class "B" Company		Wages (a)					
6722		External Relations	53,439	35,639				89,078
6723		Human Resources				271		271
6724		Information Management						
6725		Legal				4,239		4,239
6726		Procurement						
6727		Research and Development						
6728		Other General and Administrative	651	147		20,348		21,146
6720	6720	GENERAL AND ADMINISTRATIVE	71,760	39,784		66,563		178,107
(6721-6728)								
6790	6790	Provision for Uncollectible Notes Receivable						
(6710-6790)	(6710-6790)	TOTAL CORPORATE OPERATIONS EXPENSE	108,652	48,131		82,180		238,963
(6112-6790)	(6110-6790)	TOTAL OPERATING EXPENSES	192,506	67,103	1,136	629,678	28,622	861,801

## SCHEDULE: 5

INCOME STATEMENT (In dollars)			
Account No.		Account Title	Total
Class "A" Company	Class "B" Company		
<b>OPERATING TAXES:</b>			
7210		Operating Investment Tax Credits-Net	
7220		Operating Federal Income Taxes	110,182
7230		Operating State and Local Income Taxes	
7240		Operating Other Taxes	49,408
7250		Provision for Deferred Operating Income Taxes-Net	(41,242)
7200	7200	<b>TOTAL OPERATING TAXES</b>	118,348
(7210-7250)			
<b>NET OPERATING INCOME (5001-5302)</b>			
Less (6110-7200)			133,487
<b>OTHER OPERATING INCOME AND EXPENSE:</b>			
7110		Income from Custom Work	
7130		Return from Nonreg. Use of Regulated Facilities	
7140		Gains and Losses from Foreign Exchange	
7150		Gains or Losses from Disposition of Land & Artwork	
7160		Other Operating Gains & Losses	463,892
7100	7100	<b>TOTAL OTHER OPERATING INCOME AND EXPENSE</b>	463,892
(7110-7160)			
<b>NONOPERATING INCOME AND EXPENSE:</b>			
7310		Dividend Income	11,230
7320		Interest Income	1,409
7330		Income from Sinking and Other Funds	
7340		Allowance for Funds Used During Construction	

## SCHEDULE: 5

INCOME STATEMENT (in dollars)			
Account No.		Account Title	Total
Class "A" Company	Class "B" Company		
7350	.....	Gains or Losses from Disposition of Certain Prop.	
7360	.....	Other Nonoperating Income	16,664
7370	.....	Special Charges	(1,845)
7300	7300	<b>TOTAL NONOPERATING INCOME AND EXPENSE</b>	<b>27,458</b>
<b>(7310-7370)</b>			
<b>NONOPERATING TAXES:</b>			
7410	.....	Nonoperating Investment Tax Credits-Net	
7420	.....	Nonoperating Federal Income Taxes	(158,648)
7430	.....	Nonoperating State and Local Income Taxes	
7440	.....	Nonoperating Other Taxes	
7450	.....	Provision for Deferred Nonoperating Income Taxes-Net	58,348
7400	7400	<b>TOTAL NONOPERATING TAXES</b>	<b>(100,300)</b>
<b>(7410-7450)</b>			
<b>INTEREST AND RELATED ITEMS:</b>			
7510	.....	Interest on Funded Debt	
7520	.....	Interest Expense-Capital Leases	
7530	.....	Amortization of Debt Issuance Expense	
7540	.....	Other Interest Deductions	(3,339)
7500	7500	<b>TOTAL INTEREST AND RELATED ITEMS</b>	<b>(3,339)</b>
<b>(7510-7540)</b>			

SCHEDULE: 5

INCOME STATEMENT (in dollars)			
Account No.		Account Title	Total
Class "A" Company	Class "B" Company		
<b>EXTRAORDINARY ITEMS:</b>			
7610	.....	Extraordinary Income Credits	
7620	.....	Extraordinary Income Charges	
7630	.....	Current Income Tax Effect of Extraord. Items-Net	
7640	.....	Prov. for Def. Inc. Tax Effect of Extraord. Items-Net	
7600 (7610-7640)	7600	<b>TOTAL EXTRAORDINARY ITEMS</b>	0
<b>JURISDICTIONAL DIFFERENCES AND NONREGULATED INCOME ITEMS:</b>			
7910	7910	Income Effect of Juris. Ratemaking Dif.-Net	
7990	7990	Nonregulated Net Income	
<b>NET INCOME</b>			<b>521,198</b>

SCHEDULE: 5A

<b>NOTES TO INCOME STATEMENT</b>
NONE

## SCHEDULE: 6

<b>STATEMENT OF RETAINED EARNINGS</b>			
Account No.	Item	Page No.	Amount (in dollars)
	Balance-First of Year	13	3,592,937
	Changes:		
	Balance Transferred from Income	24	521,198
	Dividends Declared		50,000
	Miscellaneous Debits to Retained Earnings		
	Miscellaneous Credits to Retained Earnings		
	Balance-End of Year	13	4,064,135
	Notes to Statement of Retained Earnings:		

## SCHEDULE: 7

<b>PARTNERSHIP CAPITAL STATEMENT (1)</b>			
Account No.	Item	Page No.	Amount (in dollars)
	Partnership Capital - Beginning of Year	13	
	Net Income (Loss) for Year	24	
	Partners' Capital Contributions		
	Miscellaneous Credits		
	TOTAL CREDITS		
	Partners' Drawings		
	Prior Period Adjustment(s)		
	Miscellaneous Debits		
	TOTAL DEBITS		
	Partnership Capital-End of Year	13	

(1) This statement should also be used by sole proprietors.

## SCHEDULE: 8

ANALYSIS OF PLANT IN SERVICE (In dollars)							
Account No.		TELECOMMUNICATIONS PLANT IN SERVICE (ACCT. 2001) Plant Accounts (a)	Balance at End of Previous Year (b)	Additions (c)	Retirements (d)	Transfers & Adjustments (e)	Balance at End of Current Year (f) =(b) + (c) + (d) + (e)
*Class "A" Company	Class "B" Company						
		<b>GENERAL SUPPORT ASSETS:</b>					
.....	2110	Land and Support Assets					
2111	.....	Land	1,106				1,106
2112	.....	Motor Vehicles	125,728	8,840			134,568
2113	.....	Aircraft					
2114	.....	Special Purpose Vehicles					
2115	.....	Garage Work Equipment					
2116	.....	Other Work Equipment	42,876				42,876
2121	.....	Buildings	284,920	4,504	(2,398)		287,026
2122	.....	Furniture					
2123.1	.....	Office Support Equip.	2,165				2,165
2123.2	.....	Co. Comm. Equip.	6,087				6,087
2124	.....	General Purpose Computers	28,365				28,365
(2111 - 2124)	2110	<b>TOTAL GENERAL SUPPORT ASSETS</b>	491,247	13,344	(2,398)		502,193
		<b>CENTRAL OFFICE ASSETS:</b>					
2211	.....	Analog Electronic Switching					
2212	.....	Digital Electronic Switching	835,958	1,926			837,884
2215	.....	Electro-Mechanical Switching					
2215.1	.....	<i>Step-by-step Switching</i>					
2215.2	.....	<i>Crossbar Switching</i>					
2215.3	.....	<i>Other Elec.-Mech. Switching</i>					
(2211-2215.3)	2210	<b>CENTRAL OFFICE SWITCHING</b>	835,958	1,926			837,884
2220	2220	Operator Systems					
2231	.....	Radio Systems					
2232	.....	Circuit Equipment	45,258				45,258
(2231 - 2232)	2230	<b>CENTRAL OFFICE TRANSMISSION</b>	45,258				45,258

## SCHEDULE: 8

ANALYSIS OF PLANT IN SERVICE (in dollars)							
Account No.		TELECOMMUNICATIONS PLANT IN SERVICE (ACCT. 2001) Plant Accounts (a)	Balance at End of Previous Year (b)	Additions (c)	Retirements (d)	Transfers & Adjustments (e)	Balance at End of Current Year (f)=(b)+(c)+ (d)+(e)
*Class "A" Company	Class "B" Company						
		<b>INFORMATION ORIGATION /TERMINATION ASSETS:</b>					
2311	.....	Station Apparatus					
2321	.....	Customer Premises Wiring					
2341	.....	Large Private Branch Exchanges					
2351	.....	Public Tele. Terminal Equipment					
2362	.....	Other Terminal Equipment					
<b>(2311 - 2362)</b>	<b>2310</b>	<b>INFORMATION ORIGATION/TERMINATION</b>					
		<b>CABLE AND WIRE FACILITIES ASSETS:</b>					
2411	.....	Poles	13,754				13,754
2421	.....	Aerial Cable	129,817				129,817
2422	.....	Underground Cable	303,596	125			303,721
2423	.....	Buried Cable	919,367	32,675	(446)		951,596
2424	.....	Submarine Cable					
2425	.....	Deep Sea Cable					
2426	.....	Intrabuilding Network Cable					
2431	.....	Aerial Wire	3,032				3,032
2441	.....	Conduit Systems	474,796	952			475,748
<b>(2411-2441)</b>	<b>2410</b>	<b>CABLE AND WIRE FACILITIES</b>	<b>1,844,362</b>	<b>33,752</b>	<b>(446)</b>		<b>1,877,668</b>
		<b>AMORTIZABLE ASSETS:</b>					
2681	.....	Capital Leases					
2682	.....	Leasehold Improvements					
<b>(2681-2682)</b>	<b>2680</b>	<b>AMORTIZABLE TANGIBLE ASSET</b>					
2690	2690	Intangibles					
<b>2001</b> <b>(2110-2690)</b>	<b>2001</b> <b>(2110-2690)</b>	<b>TOTAL TELECOMMUNICATIONS PLANT IN SERVICE</b>	<b>3,216,825</b>	<b>49,022</b>	<b>(2,844)</b>		<b>3,263,003</b>

## SCHEDULE: 8

ANALYSIS OF PLANT IN SERVICE (in dollars)							
Account No.		TELECOMMUNICATIONS PLANT IN SERVICE (ACCT. 2001) Plant Accounts (a)	Balance at End of Previous Year (b)	Additions (c)	Retirements (d)	Transfers & Adjustments (e)	Balance at End of Current Year (f)=(b)+(c)+ (d)+(e)
*Class "A" Company	Class "B" Company						
2001	2001	Telecommunications Plant in Service	3,216,825	49,022	(2,844)		3,263,003
2002	2002	Property Held For Future Telecommunications Use					
2003	2003	Tele. Plant Under Construction-Short Term	8,325				8,325
2004	2004	Tele. Plant Under Construction-Long Term					
2005	2005	Tele. Plant Adjustment					
2006	2006	Nonoperating Plant					
2007	2007	Goodwill					
(2001-2007)	(2001-2007)	<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	3,225,150	49,022	(2,844)		3,271,328

ACCUMULATED DEPRECIATION (Account 3100) (in dollars)						
(Please check if the Company's Depreciation Expense is Calculated : <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input checked="" type="checkbox"/> Annually)						
Account No.		Account Title	Accumulated Depreciation At Beginning of Current Year (a)	Accrual Rate (b)	Annual Accrual (c)	Original Cost of Plant Retired (d)
Class "A" Company	Class "B" Company					
<b>GENERAL SUPPORT ASSETS:</b>						
	2110	Land and Support Assets				
2111		Land				
2112		Motor Vehicles	131,118	10.56%	13,743	
2113		Aircraft				
2114		Special Purpose Vehicles				
2115		Garage Work Equip.				
2116		Other Work Equip.	41,096	8.00%	3,430	
2121		Buildings	110,222	2.94%	8,407	(2,398)
2122		Furniture	128	6.33%		
2123.1		Office Support Equip.	3,105	9.80%	212	
2123.2		Co. Comm. Equip.	502	10.00%	608	
2124		Gen. Purpose Computers	16,727	20.00%	5,673	
(2111-2124)	2110	<b>TOTAL GEN. SUPPORT ASSETS</b>	<b>302,898</b>		<b>32,073</b>	<b>(2,398)</b>
<b>CENTRAL OFFICE ASSETS:</b>						
(2211-2215.3)	2210	Central Office-Switching				
2211		Analog Electronic Switch.				
2212		Digital Electronic Switching				
2212.1		Digital Switch. - Hardware	493,665	9.80%	65,412	
2212.2		Digital Switch. - Software	134,118	20.00%	33,889	
2215		Electro-Mechanical Switching				
2215.1		Step-by-Step Switch.				
2215.2		Crossbar Switch.				
2215.3		Oth. Ele. Mech. Switch.				
2220	2220	Operator Systems				
	2230	Central Office-Transmission				
2231		Radio Systems				
2232		Circuit Equip.	17,148	8.17%	3,698	
(2211-2232)	(2210-2230)	<b>TOTAL CEN. OFFICE ASSETS</b>	<b>644,931</b>		<b>102,999</b>	

(a) From Accounting Records (b) For information only, not part of this calculation (c) thru (g) From Accounting Records

Note: Listed below are specifics that need to be identified in Annual Reports for minimum acceptable standards in Depreciation:

1. List the current accrual rates being used to calculate depreciation expense in Column (b). If using a composite accrual rate please specify and show how the composite rate was calculated.
2. Identify the source of these accrual rates (PUCO Case No. 97-554-TP-AAM). (If Accrual Rate changes during the year should be identified with effective date of change 1/1/97).
3. Clearly mark on the Depreciation Schedule how depreciation expense was calculated, i.e., monthly, quarterly, semi-annually, or annually.

Continue on next page

ACCUMULATED DEPRECIATION (Account 3100) (In dollars)						
(Please check if the Company's Depreciation Expense is Calculated : <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input checked="" type="checkbox"/> Annually						
Account No.		Account Title	Cost of Removal (e)	Salvage (f)	Other (g)	Balance at End of Current Year (h)=(a)+(c)-(d)-(e)+(f)+(g)
Class "A" Company	Class "B" Company					
<b>GENERAL SUPPORT ASSETS:</b>						
	2110	Land and Support Assets				
2111		Land				
2112		Motor Vehicles				144,861
2113		Aircraft				
2114		Special Purpose Vehicles				
2115		Garage Work Equip.				
2116		Other Work Equip.				44,526
2121		Buildings				116,231
2122		Furniture				128
2123.1		Office Support Equip.				3,317
2123.2		Co. Comm. Equip.				1,110
2124		Gen. Purpose Computers				22,400
(2111-2124)	2110	<b>TOTAL GEN. SUPPORT ASSETS</b>				332,573
<b>CENTRAL OFFICE ASSETS:</b>						
(2111-2215.3)	2210	Central Office-Switching				
2211		Analog Electronic Switching				
2212		Digital Electronic Switching				
2212.1		Digital Switch. - Hardware			73,190	632,267
2212.2		Digital Switch. - Software				168,007
2215		Electro-Mechanical Switching				
2215.1		Step-by-Step Switch.				
2215.2		Crossbar Switch.				
2215.3		Oth. Ele. Mech. Switch.				
2220	2220	Operator Systems				
	2230	Central Office-Transmission				
2231		Radio Systems				
2232		Circuit Equip.				20,846
(2211-2232)	(2210-2230)	<b>TOTAL CEN. OFFICE ASSETS</b>			73,190	821,120

(a) From Accounting Records (b) For information only, not part of this calculation (c) thru (g) From Accounting Records

Note: Listed below are specifics that need to be identified in Annual Reports for minimum acceptable standards in Depreciation:

- List the current accrual rates being used to calculate depreciation expense in Column (b). If using a composite accrual rate please specify and show how the composite rate was calculated.
- Identify the source of these accrual rates (PUCO Case No. 97-554-TP-AAM). (If Accrual Rate changes during the year should be identified with effective date of change 1/1/97).
- Clearly mark on the Depreciation Schedule how depreciation expense was calculated, i.e., monthly, quarterly, semi-annually, or annually.

Continue on next page

SCHEDULE: 9

ACCUMULATED DEPRECIATION (Account 3100) (in dollars)						
(Please check if the Company's Depreciation Expense is Calculated : <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input checked="" type="checkbox"/> Annually						
Account No.		Account Title	Accumulated Depreciation At Beginning of Current Year (a)	Accrual Rate (b)	Annual Accrual (c)	Original Cost of Plant Retired (d)
Class "A" Company	Class "B" Company					
		<b>INFORM. ORIG/TERM. ASSETS:</b>				
2311	.....	Station Apparatus				
2321	.....	Cust. Premises Wiring				
2341	.....	Large Priv. Branch Exch.				
2351	.....	Pub. Tele. Terminal Equip.				
2362	.....	Other Term. Equipment				
(2311-2362)	2310	<b>TOTAL INFO. ORIG./TERM. ASSETS</b>				
		<b>CABLE &amp; WIRE FACIL. ASSETS:</b>				
2411	.....	Poles	22,026	7.00%	963	
2421	.....	Aerial Cable				
2421.1	.....	Aerial Cable - Metallic	94,926	6.00%	7,712	
2421.2	.....	Aerial Cable - Nonmetallic	81	4.20%	54	
2421.3	.....	Aerial Cable - Drop				
2422	.....	Underground Cable				
2422.1	.....	Underground Cable - Metallic	72,747	4.20%	12,754	
2422.2	.....	Underground Cable - Nonmetallic				
2423	.....	Buried Cable				
2423.1	.....	Buried Cable - Metallic	519,790	4.77%	40,039	(446)
2423.2	.....	Buried Cable - Nonmetallic	25,730	4.20%	3,514	
2423.3	.....	Buried Cable - Drop	449	4.77%	592	
2424	.....	Submarine Cable				
2425	.....	Deep Sea Cable				

(a) From Accounting Records (b) For information only, not part of this calculation (c) thru (g) From Accounting Records

Note: Listed below are specifics that need to be identified in Annual Reports for minimum acceptable standards in Depreciation:

- List the current accrual rates being used to calculate depreciation expense in Column (b). If using a composite accrual rate please specify and show how the composite rate was calculated.
- Identify the source of these accrual rates (PUCO Case No. 97-554-TP-AAM). (If Accrual Rate changes during the year should be identified with effective date of change 1/1/97).
- Clearly mark on the Depreciation Schedule how depreciation expense was calculated, i.e., monthly, quarterly, semi-annually, or annually. Continue on next page

SCHEDULE: 9

ACCUMULATED DEPRECIATION (Account 3100) (In dollars)						
(Please check if the Company's Depreciation Expense is Calculated : <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Annually						
Account No.		Account Title	Cost of Removal (e)	Salvage (f)	Other (g)	Balance at End of Current Year (h)=(a)+(c)-(d)-(e)+(f)+(g)
Class "A" Company	Class "B" Company					
		<b>INFORM. ORIG./TERM. ASSETS:</b>				
2311		Station Apparatus				
2321		Cust. Premises Wiring				
2341		Large Priv. Branch Exch.				
2351		Pub. Tele. Terminal Equip.				
2362		Other Term. Equipment				
(2311-2362)	2310	<b>TOTAL INFO. ORIG./TERM. ASSETS</b>				
		<b>CABLE &amp; WIRE FACIL. ASSETS:</b>				
2411		Poles				22,989
2421		Aerial Cable				
2421.1		Aerial Cable - Metallic				102,638
2421.2		Aerial Cable - Nonmetallic				135
2421.3		Aerial Cable - Drop				
2422		Underground Cable				
2422.1		Underground Cable - Metallic				85,501
2422.2		Underground Cable - Nonmetallic				
2423		Buried Cable				
2423.1		Buried Cable - Metallic				559,383
2423.2		Buried Cable - Nonmetallic				29,244
2423.3		Buried Cable - Drop				1,041
2424		Submarine Cable				
2425		Deep Sea Cable				

(a) From Accounting Records (b) For information only, not part of this calculation (c) thru (g) From Accounting Records

Note: Listed below are specifics that need to be identified in Annual Reports for minimum acceptable standards in Depreciation:

1. List the current accrual rates being used to calculate depreciation expense in Column (b). If using a composite accrual rate please specify and show how the composite rate was calculated.
2. Identify the source of these accrual rates (PUCO Case No. 97-554-TP-AAM). (If Accrual Rate changes during the year should be identified with effective date of change 1/1/97).
3. Clearly mark on the Depreciation Schedule how depreciation expense was calculated, i.e., monthly, quarterly, semi-annually, or annually. Continue on next page

## SCHEDULE: 9

ACCUMULATED DEPRECIATION (Account 3100) (in dollars)						
(Please check if the Company's Depreciation Expense is Calculated : <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input checked="" type="checkbox"/> Annually						
Account No.		Account Title	Accumulated Depreciation At Beginning of Current Year (a)	Accrual Rate (b)	Annual Accrual (c)	Original Cost of Plant Retired (d)
Class "A" Company	Class "B" Company					
2426		Intrabldg. Net. Cable				
2426.1	.....	Intrabldg. Net. Cable - Metallic				
2426.2	.....	Intrabldg. Net. Cable - Nonmetallic				
2431	.....	Aerial Wire	627	6.00%	182	
2441	.....	Conduit Systems	87,338	2.33%	11,074	
(2411-2441)	2410	TOTAL CABLE & WIRE FACIL. ASSETS	823,714	0	76,884	(446)
		TOTAL ACCUMULATED DEPREC. (2112-2441)	1,771,543		211,956	(2,844)
					(2,579)	
					73,190	
					282,567	

(a) From Accounting Records (b) For information only, not part of this calculation (c) thru (g) From Accounting Records

Note: Listed below are specifics that need to be identified in Annual Reports for minimum acceptable standards in Depreciation:

1. List the current accrual rates being used to calculate depreciation expense in Column (b). If using a composite accrual rate please specify and show how the composite rate was calculated.
2. Identify the source of these accrual rates (PUCO Case No. 97-554-TP-AAM). (If Accrual Rate changes during the year should be identified with effective date of change 1/1/97).
3. Clearly mark on the Depreciation Schedule how depreciation expense was calculated, i.e., monthly, quarterly, semi-annually, or annually.

Continue on next page

SCHEDULE: 9

ACCUMULATED DEPRECIATION (Account 3100) (in dollars)						
(Please check if the Company's Depreciation Expense is Calculated : <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input checked="" type="checkbox"/> Annually						
Account No.		Account Title	Cost of Removal (e)	Salvage (f)	Other (g)	Balance at End of Current Year (h)=(a)+(c)-(d)-(e)+(f)+(g)
Class "A" Company	Class "B" Company					
2426		Intrabldg. Net. Cable				
2426.1	.....	Intrabldg. Net. Cable - Metallic				
2426.2	.....	Intrabldg. Net. Cable - Nonmetallic				
2431	.....	Aerial Wire				809
2441	.....	Conduit Systems				98,412
(2411-2441)	2410	<b>TOTAL CABLE &amp; WIRE FACIL. ASSETS</b>				900,152
		<b>TOTAL ACCUMULATED DEPREC. (2112-2441)</b>			73,190	2,053,845
		<b>Nonoperating Plant</b>				
		<b>Total</b>				
		<b>Allocation to Nonregulated</b>				
		<b>97-554-TP-AAM Depreciation</b>				
		<b>Depreciation Expense</b>				

(a) From Accounting Records (b) For information only, not part of this calculation (c) thru (g) From Accounting Records

Note: Listed below are specifics that need to be identified in Annual Reports for minimum acceptable standards in Depreciation:

1. List the current accrual rates being used to calculate depreciation expense in Column (b). If using a composite accrual rate please specify and show how the composite rate was calculated.
2. Identify the source of these accrual rates (PUCO Case No. 97-554-TP-AAM). (If Accrual Rate changes during the year should be identified with effective date of change 1/1/97).
3. Clearly mark on the Depreciation Schedule how depreciation expense was calculated, i.e., monthly, quarterly, semi-annually, or annually.

Continue on next page

SCHEDULE: 10

<b>UNCOLLECTIBLE ACCOUNTS (Accounts 1181 and 1191)</b> (In dollars)			
	(a)	Account 1181 (b)	Account 1191 (c)
1	Balance at Beginning of the Year	\$0	\$0
2	Accruals Charged		
3	Collection of Amounts Previously Written Off	N/A	N/A
4	Other Credits		
5	<b>TOTAL CREDITS.....</b>	<b>\$0</b>	<b>\$0</b>
6	Uncollectibles Written Off During the Year		
7	Other Debits (Explain in a Note)		
8	<b>TOTAL DEBITS.....</b>	<b>\$0</b>	<b>\$0</b>
9	Balance at End of the Year	\$0	\$0
10	<b>TOTAL OPERATING REVENUE FOR THE YEAR.....</b>	<b>\$0</b>	<b>\$0</b>
11	Net Write Offs During the Year (Line 6 minus Line 3)	\$0	\$0
12	Ratio of Line 11 to Line 10	0%	0%
13	Ratio of Line 2 to Line 10	0%	0%

SCHEDULE: 11

<b>RECEIVABLES AND INVESTMENTS - AFFILIATED AND NONAFFILIATED COMPANIES</b> (in dollars)					
1. Provide in columns (b) thru (k), the year-end balances for each affiliate identified in column (a).					
Name of Affiliate (a)	Account 1160 Temporary Investments (b)	Account 1180 Telecom. Accounts Receivable (c)	Account 1181 Accts. Receivable Telecom. Allowance (d)	Account 1190 Other Accounts Receivable (e)	Account 1191 Accts. Receivable Allowance-Other (f)
	\$0	\$0	\$0	\$0	\$0
Total Affiliated	\$0	\$0	\$0	\$0	\$0
Total Nonaffiliated		38,199		138,076	
<b>TOTAL BALANCE</b>		38,199		138,076	

SCHEDULE: 11

<b>RECEIVABLES AND INVESTMENTS - AFFILIATED AND NONAFFILIATED COMPANIES</b> (in dollars)					
1. Provide in columns (b) thru (k), the year-end balances for each affiliate identified in column (a).					
Name of Affiliate (a)	Account 1200 Notes Receivable (g)	Account 1201 Notes Receiv. Allowance (h)	Account 1210 Int. & Div. Receivable (i)	Account 1401 Investments in Affiliated Companies (j)	Account 1402 Investments in Nonaffiliated Companies (k)
NK Telco, Inc.				1,693,557	
GoldStar Comm.				183,654	
<b>Total Affiliated</b>				<b>1,877,211</b>	
<b>Total Nonaffiliated</b>					<b>730,462</b>
<b>TOTAL BALANCE</b>				<b>1,877,211</b>	<b>730,462</b>

SCHEDULE: 12

DEFERRED CHARGES (Accounts 1438 and 1439) (Include data for each item in excess of \$1,000,000)	
Description of Item (a)	Amount at End Of Current Year (in dollars) (b)
ACCOUNT 1438	
NONE	
Aggregate of All Other Items	
<b>TOTAL</b>	<b>\$0</b>
ACCOUNT 1439	
NONE	
Aggregate of All Other Items	
<b>TOTAL</b>	<b>\$0</b>

SCHEDULE: 13

<b>OTHER JURISDICTIONAL ASSET NET - ACCOUNT 1500</b> (in dollars)				
Description (a)	Balance at End of Previous Year (b)	Debits (c)	Credits (d)	Balance at End of Current Year (e)=(b)+(c)-(d)
NONE				
<b>TOTALS</b>				\$0

SCHEDULE: 14

<b>NET CUR. DEF. OPERATING INCOME TAX - ACCOUNT 4100</b> (in dollars)				
Description (a)	Balance at End of Previous Year (b)	Debits (c)	Credits (d)	Balance at End of Current Year (e)=(b)-(c)+(d)
NONE				
<b>TOTALS</b>				\$0

## SCHEDULE: 15

NET NONCUR. DEF. OPERATING INCOME TAXES - ACCOUNT 4340 (in dollars)				
Description (a)	Balance at End of Previous Year (b)	Debits (c)	Credits (d)	Balance at End of Current Year (e)=(b)-(c)+(d)
Deferred Federal Income Tax	150,786		(47,203)	103,583
<b>TOTALS</b>	150,786		(47,203)	\$103,583

## SCHEDULE: 16

NET DEFERRED TAX LIABILITY ADJUSTMENTS - ACCOUNT 4341 (in dollars)				
Description (a)	Balance at End of Previous Year (b)	Debits (c)	Credits (d)	Balance at End of Current Year (e)=(b)-(c)+(d)
NONE				
<b>TOTALS</b>				\$0

## SCHEDULE: 17

OTHER JURIS. LIABILITY & DEF. CR. - NET - ACCOUNT 4370 (in dollars)				
Description (a)	Balance at End of Previous Year (b)	Debits (c)	Credits (d)	Balance at End of Current Year (e)=(b)-(c)+(d)
NONE				
<b>TOTALS</b>				\$0

SCHEDULE: 18

LONG-TERM DEBT (Accounts 4210,4220,4230,4250,4260 and 4270) (in dollars)								
1. List in account number order in column (a) a description of the long-term obligation, including those maturing in the coming year. 2. In the remaining columns (b) - (i) respondent shall furnish the appropriate data.								
Description of Obligation (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Face Amount Outstanding (d)	Unamortized Premium or Discount (e)	Stated Rate (f)	Yield Rate (g)	Short-Term Portion (h)	Long-Term Portion (i)
NONE			\$	\$	%	%	\$	\$

SCHEDULE: 19

OTHER DEFERRED CREDITS (Account 4360) (in dollars)	
1. Disclose the data for each item in Account 4360 amounting to over \$25,000.	
Description of Item (a)	Amount at End of Current Year (b)
NONE	\$0
All other - less than \$25,000 each (or aggregate of all other items)	
<b>TOTAL</b>	<b>\$0</b>

SCHEDULE: 20

<b>DEFERRED TAX REGULATORY LIABILITY (Account 4361)</b> (in dollars)	
1. Disclose the data for each item in Account 4361 amounting to over \$25,000.	
Description of Item (a)	Amount at End of Current Year (b)
NONE	\$0
All other - less than \$25,000 each (or aggregate of all other items)	
<b>TOTAL</b>	<b>\$0</b>

SCHEDULE: 21

CAPITAL STOCK (Accounts 4510, 4520 and 4530) (in dollars)									
1. Respondent shall enter the class of stock and a description of any pertinent details such as differences in voting rights, preferences as to dividends or assets, pledges, etc.									
2. Respondent shall provide the information specified in column headings (b) through (j) and note any other pertinent information at the bottom of this schedule.									
			Amount of Stock Issued and Outstanding						
Class and Description of Capital Stock (a)	Par or Stated Value Amount (b)	Number of Shares Authorized (c)	Number of Stock Issued (d)	Acct. 4510 e=(b)x(d) \$ Amount of Stock Issued & Outstanding (e)	Acct. 4520 Additional Paid In Capital (f)	Total (Col.(d)&(e)) (g)	Number of Shares of Treasury Stock (h)	Acct. 4530 Amount in Treasury Stock Account (i)	Total Dividends Declared (j)
<u>COMMON:</u>	\$100	200	200	\$20,000	\$0	\$20,000		\$0	\$50,000
<u>PREFERRED:</u>									
<b>TOTALS</b>	<b>\$100</b>	<b>200</b>	<b>200</b>	<b>\$20,000</b>	<b>\$0</b>	<b>\$20,000</b>	<b>0</b>	<b>\$0</b>	<b>\$50,000</b>

SCHEDULE:22

**GENERAL SERVICES AND LICENSES**

1. Provide in column (a) the name of the affiliate to whom respondents paid \$50,000 or more for services rendered under a license agreement, a general service contract, or other arrangement providing for the furnishing of general accounting, engineering, financial, legal, patent, and other general services.

Name(s) of Affiliate (a)	Service Provided (b)	Amount (in dollars) (c)
NONE		
Aggregate of All Other Items		
TOTAL		\$0



SCHEDULE: 24

**ANALYSIS OF EXTRAORDINARY ITEMS (Accounts 7610 AND 7620)**  
 (in dollars)

1. In column (a) provide the particulars with respect to Accounts 7610 and 7620, with totals for each account.

Particulars (a)	Debit Amounts (b)	Credit Amounts (c)	Tax Effect Included in Account 7630 (d)	Tax Effect Included in Account 7640 (e)
NONE	\$0	\$0	\$0	\$0

## SCHEDULE: 25

DISTRIBUTION OF SALARIES AND WAGES							
	Number of Employees as of December 31			Total Compensation for Year Ending December 31	Distribution of Wages		
	Male	Female	Total		Operation & Maintenance Accounts	Construction	Other (Specify)
Telephone							
Part-Time Employees		2	2	8,539			8,539
Full-Time Employees	8	3	11	483,537	162,879	8,635	312,023
<b>TOTAL ALL EMPLOYEES</b>	<b>8</b>	<b>5</b>	<b>13</b>	<b>492,076</b>	<b>162,879</b>	<b>8,635</b>	<b>320,562</b>

**OUTSIDE PLANT STATISTICS (WIRE)**

1. Report the mileage at the end of the year for all solely owned plant and the respondent's share of any jointly owned plant.
2. In Column (r), provide the number of poles the company owns, and shares & joint use with other company.
3. Column (p) and (q) are not included in column ©.

(a)	State or Territory (b)	Miles of Aerial Wire (c)	AERIAL CABLE		UNDERGROUND CABLE		BURIED CABLE		SUBMARINE CABLE	
			Miles of Cable (d)	Miles of Wire In Cable (e)	Miles of Cable (f)	Miles of Wire In Cable (g)	Miles of Cable (h)	Miles of Wire In Cable (i)	Miles of Cable (j)	Miles of Wire In Cable (k)
1	Ohio		5.52	389.59	7.20	2,085.68	154.51	5,722.20		
2										
3										
4										
5										
6										
	<b>TOTAL</b>		5.52	389.59	7.20	2,085.68	154.51	5,722.20		

(a)	State or Territory (b)	DEEP SEA CABLE		INTRA BUILDING NETWORK CABLE		TOTAL CABLE	
		Miles of Cable (l)	Miles of Wire In Cable (m)	Miles of Cable (n)	Miles of Wire In Cable (o)	Miles of Cable (p)	Miles of Wire In Cable (q)
1	Ohio					167.23	8,197.47
2							
3							
4							
5							
6							
	<b>TOTAL</b>					167.23	8,197.47

(a)	State or Territory (b)	Number of Poles (r)		Miles of Tube In Coaxial Cable (s)		CONDUIT SYSTEM	
		Company Ownes Poles	Company Shares & Joint use with Other Company			Trench Miles (t)	Duct Miles (u)
				(In Ground)	(Aerial)		
1	Ohio	71				4.378	19.785
2							
3							
4							
5							
6							
	<b>TOTAL</b>	71				4.378	19.785

**OUTSIDE PLANT STATISTICS (FIBER OPTIC)**

1. Report the mileage at the end of the year for all solely owned plant and the respondent's share of any jointly owned plant.

(a)	State or Territory (b)	Miles of Aerial Fiber Optic (c)	FIBER OPTIC AERIAL CABLE		FIBER OPTIC UNDERGROUND CABLE		FIBER OPTIC BURIED CABLE	
			Miles of Fiber Optic Cable (d)	Miles of Fiber Optic In Cable (e)	Miles of Fiber Optic Cable (f)	Miles of Fiber Optic In Cable (g)	Miles of Fiber Optic Cable (h)	Miles of Fiber Optic In Cable (i)
1	Ohio						8.87	606.71
2								
3								
4								
5								
6								
	<b>TOTAL</b>						8.87	606.71

(a)	State or Territory (b)	FIBER OPTIC SUBMARINE CABLE		DEEP SEA FIBER OPTIC CABLE		INTRA BUILDING NETWORK FIBER OPTIC CABLE		TOTAL FIBER OPTIC CABLE	
		Miles of Fiber Optic Cable (i)	Miles of Fiber Optic In Cable (j)	Miles of Fiber Optic Cable (k)	Miles of Fiber Optic In Cable (l)	Miles of Fiber Optic Cable (m)	Miles of Fiber Optic In Cable (n)	Miles of Fiber Optic Cable (o)	Miles of Fiber Optic In Cable (p)
1	Ohio							8.87	606.71
2									
3									
4									
5									
6									
	<b>TOTAL</b>							8.87	606.71

DETAIL OF OHIO EXCHANGE ACCESS LINES IN SERVICE BY CUSTOMER CLASS (For Company with less than 15,000 access lines)							
Name of Exchange (a)	Business Access Lines		Public Access Lines (d)	Residential Access Lines (e)	Mobile Access Lines (f)	Special Access Lines (Non-Switched) (g)	Total Access Lines (h)
	Single Line (b)	Multi Line (c)					
Ohio	320		14	902			1,236
<b>TOTAL</b>	320		14	902			1,236

NOTE: List all of the access line data by exchange.

SCHEDULE: 28

PLANT AND SERVICE DATA-OHIO TELEPHONE COMPANIES DETAIL OF BILLABLE ACCESS LINES IN SERVICE BY EXCHANGE IN OHIO								
			No. of Business Access Lines			No. of Residential Access Lines		
Exchange Name (a)	No. of COs. In Exch. (b)	Type & Model(s) of CO(s) In Exchange (c)	Single Line (d)	Multi-Line Trunks (e)	No. of Company Pay Stations (f)	1-Party (g)	Multi- Party (h)	No. of Total Access Lines (i)
New Knoxville	1	Digital	320		14	902		1,236
<b>TOTAL FOR OHIO</b>	<b>1</b>		<b>320</b>		<b>14</b>	<b>902</b>		<b>1,236</b>

NOTE: List all of the access line data by exchange.

For companies with more exchanges than will fit this page, substitute a computer printout with the same information in place of this page.

For exchanges with multiple central offices, list the number of each type of central office, e.g., 12-5ESS, 1-61E, 2-DMS10, etc. The total should equal the total number of COs listed in Column (b).

Unusual switch types should be characterized as Electromechanical, Analog or Digital.

Use the following symbols to show in the above columns:

- \*Includes Key System, PBX and Centrex.
- \*\*Includes all Single Line Business Access Lines.

SCHEDULE: 29

OHIO CENTRAL OFFICES SCHEDULED TO BE UPGRADED		
Date Expected to be Placed in Service	Manufacturer & Type of Equipment	Capable of Independent Operation? (Yes) or (No)
	NONE	

Note: This form is only applicable to local exchange companies with less than 15,000 access lines.

Date: Date new switch was placed or will be placed in service.

Manufacturer & Type of Equipment: List the type of switch and its manufacturer.

(Yes) or (No): Is the switch a HOST or REMOTE, i.e. does it have stand-alone capability.

SCHEDULE: 30

PROJECTION OF NEW OR CHANGED OHIO CENTRAL OFFICE PREFIXES (NXX) TO BE PLACED IN SERVICE	
PREFIXES (NXX) Number(s)	Date is Expected to be Operational
NONE	

Note: This form is only applicable to local exchange companies with less than 15,000 access lines.  
 Prefixes (NXX) Number(s): Where any new NXXs placed in service or will any be placed in service in the upcoming year.  
 Date: Give date new NXX was or will be operational.

SCHEDULE: 31

Form 1

**TOLL USAGE STUDY TO OHIO CONTIGUOUS EXCHANGES**  
(Month and Year of Study)

AVERAGE NUMBER OF MESSAGE TOLL CALLS EQUALING 3.0 OR OVER BUT LESS THAN 8.0  
PER ACCESS LINE PER MONTH FROM ONE EXCHANGE TO ANOTHER

Originating exchange (1)	Number of access lines in 1	Terminating exchange(s) (2)	Number of messages from 1 to 2	Messages per access line per month from 1 to 2*
NONE				

Form 2

**TOLL USAGE STUDY TO OHIO CONTIGUOUS EXCHANGES**  
(Month and Year of Study)

AVERAGE NUMBER OF MESSAGE TOLL CALLS EQUALING 8.0 OR MORE PER ACCESS LINE PER  
MONTH FROM ONE EXCHANGE TO ANOTHER

Originating exchange (1)	Number of access lines in 1	Terminating exchange(s) (2)	Number of messages from 1 to 2	Messages per access line per month from 1 to 2*
NONE				

\* Total number of messages from 1 to 2 divided by total number of access lines in 1.

Note: This form is only applicable to local exchange companies with less than 15,000 access lines. EAS calling rates should be filed only for contiguous exchanges that currently have no EAS between them.

SCHEDULE: 32 N/A: New Knoxville Telephone Company is required to provide telephone assistance to its subscribers.

Service Connection Assistance (SCA) Annual Reporting Form												
Class of Service	Number of Program Participants-End of Period [A]	Number of New Program Participants During Period [B]	Number of Participants By Qualifying Program					Percentage Penetration of Optional Features				Participants Disconnected for Non-Payment [L]
			HEAP [C]	E-HEAP [D]	OACP [E]	SSI [F]	Medicaid [G]	Touchtone [H]	Wire Care [I]	Non-Pub [J]	Custom Calling [K]	
(1) Flat	N/A											
(2) Message												
(3) Measured												
(4) TOTAL												

Class of Service	Average Monthly Local Bill [M]	Average Monthly Toll Bill [N]	Average Service Connection Charge Waived [O]	Average of Waived Deposits [P]	Amount of Monthly Subscriber Line Charge [Q]	Number of Months for SLC Waiver [R]	Telephone Company	
							Street/P.O. Box	City, State, Zip Code
(1) Flat	N/A						Name of Person Completing Form	
(2) Message							Signature	Date
(3) Measured								
(4) TOTAL								

Note: This form is applicable to local exchange companies with less than 15,000 access lines, that are exempted from offering TSA and only provide SCA.

## SCHEDULE 32: Service Connection Assistance

## EXPLANATION OF SCA ANNUAL REPORTING FORM FIELDS

- A, 1-3 - Refers to the number of SCA customers at the end of the fiscal year, as distinguished by the class of service the customers were receiving, i.e., flat, message, or measured rate service.
- A, 4 - The total of A1 + A2 + A3.
- B, 1-3 - Refers to the number of SCA customers that were added to the program during the relevant fiscal year, as distinguished by the class of service. These numbers may actually be greater than the difference between consecutive year's respective totals. For instance, if there were 20 flat rate SCA customers at the end of FY92, and 25 flat rate SCA customers at the end of FY93, but 3 flat rate SCA customers left the program during FY93, then the number of new program participants would be 8, not 5.
- B, 4 - The total of B1 + B2 + B3.
- C-G, 1-3 - Refers to the number of SCA customers at the end of the fiscal year, as distinguished by the specific assistance program which qualified the customer for SCA, and further divided by the particular class of service.
- C-G, 4 - The respective totals for C thru G, 1 + 2 + 3.
- H-K, 1-3 - Refers to the percentage of SCA customers utilizing the respective optional features, as distinguished by the class of service the customer is receiving. These percentages may be calculated at the end of the fiscal year, as opposed to monitoring any changes during the course of the 12 month period.
- H-K, 4 - THESE FIELDS SHOULD NOT ACTUALLY REFLECT TOTALS. Rather, they should reflect the respective percentages of utilization of each optional feature, expressed as a factor of all SCA customers, disregarding class of service distinctions.
- L, 1-3 - Refers to the number of SCA customers involuntarily disconnected for non-payment during the course of the relevant fiscal year, as distinguished by the class of service.
- L, 4 - The total of L1 + L2 + L3.
- M, 1-3 - Refers to the average dollar amount of SCA customers' monthly local charges for the relevant year, as distinguished by the class of service.
- M, 4 - Refers to the average dollar amount of SCA customers' monthly local charges for the relevant fiscal year, disregarding class of service distinctions.
- N, 1-3 - Refers to the average dollar amount of SCA customers' monthly toll charges, including intra and interLATA toll, for the relevant fiscal year, as distinguished by the class of service.
- N, 4 - Refers to the average dollar amount of SCA customers' monthly toll charges, including intra and interLATA toll, for the relevant fiscal year, disregarding class of service distinctions.
- O, 1-3 - Refers to the average dollar amount of service connection charges that are waived for SCA customers during the relevant fiscal year, as distinguished by the class of service.
- O, 4 - Refers to the average dollar amount of service connection charges that are waived for all SCA customers during the relevant fiscal year, disregarding class of service distinctions.
- P, 1-3 - Refers to the average dollar amount of deposits waived for SCA customers during the relevant fiscal year, as distinguished by the class of service.
- P, 4 - Refers to the average dollar amount of deposits that are waived for all SCA customers during the relevant fiscal year, disregarding class of service distinctions.
- Q, 1-3 - Refers to the amount of the Subscriber Line Charge assessed by the company. This dollar amount will be the same for every class of service.
- Q, 4 - THIS FIELD SHOULD NOT ACTUALLY REFLECT A TOTAL AND MAY, IN FACT, BE DISREGARDED.
- R, 1-3&4 - Like Q, the answer to this field will be the same for 1 thru 4, and will be equal to:  

$$(O + P) / Q$$

## Instructions:

\* Revenue billed on behalf of other entities should not be included on this schedule if the company does not include this revenue in its determination of taxable gross receipts for Ohio gross receipts tax purposes. If, however, the local exchange company includes revenue billed on behalf of other entities in its taxable gross receipts, such revenue should then be included on this schedule.

\* "Earnings or receipts from sales to other public utilities for resale" includes, but is not limited to, carrier access charges paid to the company.

## SCHEDULE: 33

STATEMENT OF INTRASTATE GROSS EARNINGS (REVENUE) FOR THE YEAR*					
(in dollars)					
Account No.		Item	Total (1)	Interstate (2)	Ohio Intrastate (3)=(1)-(2)
Class "A" Company	Class "B" Company				
<b>LOCAL NETWORK SERVICES REVENUES:</b>					
5001	.....	Basic Area Rev.	91,740		91,740
5002	.....	Optional Extended Area Rev.			
5003	.....	Cellular Mobile Service Rev.			
5004	.....	Other Mobile Service Rev.			
5000 (5001-5004)	.....	Basic Local Service Rev.	91,740		91,740
5010	.....	Public Telephone Rev.			
5040	.....	Local Private Line Rev.	3,080		3,080
5050	.....	Customer Premises Rev.			
5060	.....	Other Local Exchange Rev.	35,043		35,043
5069	.....	Other Local Exchange Rev. Settlements			
(5001-5069)	5000	<b>TOTAL LOCAL NETWORK SERVICES REVENUES</b>	129,863		129,863
<b>NETWORK ACCESS SERVICES REVENUES:</b>					
5081	5081	End User Rev.	61,780	61,780	
5082	5082	Switched Access Revenue	262,728	262,728	
5083	5083	Special Access Revenue	11,584	11,584	
5084	5084	State Access Revenue	490,880		490,880
5080 (5081-5084)	5080 (5081-5084)	<b>NETWORK ACCESS REVENUE</b>	826,972	336,092	490,880

Note: Total Column should agree with revenues reported on Schedule 5.

Provide detailed explanation of any deviations.

## SCHEDULE: 33

STATEMENT OF INTRASTATE GROSS EARNINGS (REVENUE) FOR THE YEAR*					
(in dollars)					
Account No.		Item	Total (1)	Interstate (2)	Ohio Intrastate (3)=(1)-(2)
Class "A" Company	Class "B" Company				
<b>LONG DISTANCE NETWORK SERVICES REVENUES:</b>					
5100	.....	Long Distance Message Rev.	88,066		88,066
5111	.....	Long Distance Inward-Only Rev.			
5112	.....	Long Distance Outward-Only Rev.			
5121	.....	Subvoice Grade Long Dist. Priv. Net. Rev.			
5122	.....	Voice Grade Long Dist. Priv. Net. Rev.			
5123	.....	Audio Prog. Grade Long Dist. Priv. Net. Rev.			
5124	.....	Video Prog. Grade Long Dist. Priv. Net. Rev.			
5125	.....	Digital Trans.Long Dist. Priv. Net. Rev.			
5126	.....	Long Dist. Priv. Net. Switching Rev.			
<b>LOCAL NETWORK SERVICES REVENUES:</b>					
5128	.....	Other Long Dist. Priv. Net. Rev.			
5129	.....	Other Long Dist. Priv. Net. Rev. Settlements			
5160	.....	Other Long Dist. Rev.			
5169	.....	Other Long Dist. Rev. Settlements			
5100-5169	5100	<b>LONG DISTANCE NETWORK SERVICE</b>			
		<b>REVENUES (FOR CLASS "B" ACCOUNT 5100)</b>	88,066		88,066
<b>MISCELLANEOUS REVENUES:</b>					
5230	.....	Directory Rev.	(903)		(903)
5240	.....	Rent Rev.	5,862		5,862
5250	.....	Corporate Operations Rev.			
5261	.....	Special Billing Arrangement Rev.			
5262	.....	Customer Operations Rev.			
5263	.....	Plant Operations Rev.			
5264	.....	Other Incidental Regulated Rev.	858		858

Note: Total Column should agree with revenues reported on Schedule 5.  
Provide detailed explanation of any deviations.

## SCHEDULE: 33

STATEMENT OF INTRASTATE GROSS EARNINGS (REVENUE) FOR THE YEAR*					
(In dollars)					
Account No.		Item	Total (1)	Interstate (2)	Ohio Intrastate (3)=(1)-(2)
Class "A" Company	Class "B" Company				
5269		Other Rev. Settlements	412		412
5260		Miscellaneous Revenues (5261-5269)			
5270		Carrier Billing & Collection Rev.	64,049	19,819	44,230
5200 (5230-5270)	5200	<b>MISCELLANEOUS REVENUES</b>	70,278	19,819	50,459
		<b>NONREGULATED REVENUES:</b>			
5280	5280	Nonregulated Operating Revenues			
		<b>TOTAL OPERATING REVENUES (5001-5280)</b>	1,115,179	355,911	759,268
		<b>OTHER OPERATING INCOME AND EXPENSES:</b>			
7110		Income from Custom Work			
7130		Return from Nonregulated Use of Reg. Fac.			
7140		Gains and Losses from Foreign Exchange			
7150		Gains or Losses from Disposition of Land and Artwork			
7160		Other Operating Gains and Losses	463,892		463,892
7100 (7110-7160)	7100	<b>OTHER OPERATING INCOME AND EXPENSES</b>	463,892		463,892
		<b>NONOPERATING INCOME AND EXPENSES:</b>			
7310		Dividend Income	11,230		11,230
7320		Interest Income	1,409		1,409
7330		Income from Sinking and Other Funds			
7340		Allowance for Funds Used During Construction			
7350		Gains from the Disposition of Certain Prop.			
7360		Other Nonoper. Income (Income & Gains Only)	16,664		16,664
7370		Special Charge	(1,845)		(1,845)
7300 (7310-7370)	7300	<b>NONOPERATING INCOME AND EXPENSE</b>	27,458		27,458

Note: Total Column should agree with revenues reported on Schedule 5.  
Provide detailed explanation of any deviation.

SCHEDULE: 33

STATEMENT OF INTRASTATE GROSS EARNINGS (REVENUE) FOR THE YEAR*					
(In dollars)					
Account No.		Item	Total (1)	Interstate (2)	Ohio Intrastate (3)=(1)-(2)
Class "A" Company	Class "B" Company				
<b>EXTRAORDINARY ITEMS:</b>					
7610	.....	Extraordinary Income Credits			
7620	.....	Extraordinary Income Charges Debit			
7630	.....	Current Income Tax Effect of Extraordinary Items-Net: Credited			
7640	.....	Provision for Deferred Income Tax Effect of Extraordinary Items-Net: Credited			
7600 (7610-7640)	7600	<b>TOTAL EXTRAORDINARY ITEMS</b>			
		<b>SUBTOTAL (5001-7640)</b>	1,606,529	355,911	1,250,618
		Less:			
		- Earnings or receipts from sales to public utilities for resale	554,929	19,819	535,110
		<b>TOTAL</b>	1,051,600	336,092	715,508
<p>* Intrastate means from one point to another in Ohio, or wholly within Ohio.</p>					

Note: Total Column should agree with revenues reported on Schedule 5.  
Provide detailed explanation of any deviations

SCHEDULE: 34

**IN ORDER TO ENSURE THAT PUCO CORRESPONDENCE IS DIRECTED TO THE APPROPRIATE PERSON AT THE CORRECT ADDRESS, PLEASE COMPLETE THE FOLLOWING.**

**Name, Title, Address, and Phone Number of the Company's Contact Persons  
to Receive Entries and Orders from the Docketing Division**

<u>John Hoge</u>	<u>Secretary/Treasurer</u>
Name	Title
<u>301 West Street, New Knoxville, Ohio 45871</u>	
Address	
<u>(419) 753-2457</u>	
Phone Number (Including Area Code)	

**Name, Title, Address, and Phone Number of Person to whom Invoice  
should be Directed**

<u>John Hoge</u>	<u>Secretary/Treasurer</u>
Name	Title
<u>301 West Street, New Knoxville, Ohio 45871</u>	
Address	
<u>(419) 753-2457</u>	
Phone Number (Including Area Code)	

**Name and Address of the President**

<u>Mark Wellman</u>	<u>President</u>
Name	Title
<u>301 West Street, New Knoxville, Ohio 45871</u>	
Address	

VERIFICATION

The foregoing report must be verified by the President or Chief Officer of the company. The oath required may be taken before any person authorized to administer an oath by the laws of the State in which the same is taken.

OATH

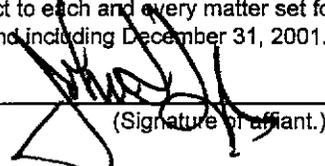
State of Ohio  
County of Auglaize

John Hoge makes oath and says that  
(Insert here the name of the affiant.)

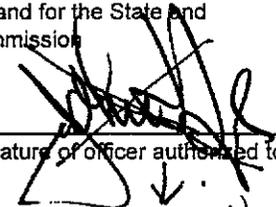
he is Secretary/Treasurer  
(Insert here the official title of deponent)

of The New Knoxville Telephone Company  
(Insert here the exact legal title or name of the respondent.)

that he has examined the foregoing report; that to the best of his knowledge, information, and belief, all statements of fact contained in the said report are true and the said report is a correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth therein during the period from and including January 1, 2001, to and including December 31, 2001.

  
\_\_\_\_\_  
(Signature of affiant.)

Subscribed and sworn to before me, a Notary in and for the State and County named this 4<sup>th</sup> day of April, 2002. My commission expires Nov. 22, 2004.

 Susan Quellhorst  
\_\_\_\_\_  
(Signature of officer authorized to administer oath)

*signed in wrong spot, resigned above*

**Susan Quellhorst**  
Notary Public, State of Ohio  
My Commission Expires Nov. 22, 2004



The New Knoxville Telephone Company  
New Knoxville, Ohio

We have compiled the accompanying balance sheets of The New Knoxville Telephone Company as of December 31, 2001 and 2000, and the related statements of income and retained earnings and the supplementary information for the year ended December 31, 2001 included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Our compilation was limited to presenting in the form prescribed by the Public Utilities Commission of Ohio information that is the representation of management. We have not audited or reviewed the financial statements and supplementary information referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements and supplementary information are presented in accordance with the requirements of the Public Utilities Commission of Ohio, which differ from generally accepted accounting principles. Accordingly, these financial statements and supplementary information are not designed for those who are not informed about such matters.

*Pry CPA Services, Inc.*

March 29, 2002