



LINCOLN TELEPHONE COMPANY, INC.

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COMMISSION

March 26, 2012

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
9300 East Hampton Drive
Capitol Heights, MD 20743

Re: WC Docket No. 10-90, Annual 54.313 Report of High-Cost Recipient

Dear Ms. Dortch:

Enclosed herein is the annual report for Lincoln Telephone Company, Inc., Study Area Code 482244 pursuant to §54.313 of the Commission's rules, to Lincoln Telephone's best effort as of this date. Lincoln Telephone Company, Inc. is a Montana certified eligible telecommunications carrier and is filing the following information to its best effort and to the extent the information was collected in 2011 to be filed in 2012 pursuant to the state ETC certification requirements. Lincoln Telephone will continue to monitor filing requirements and due dates to comply with its obligations.

Please contact me with any questions at:

Phone 406 362-4216
Email ltc@linctel.net

Sincerely,

Ken Lumpkin
Secretary/Treasurer

Enclosure

Copies to:

Karen Majcher
Universal Service Administrative Company
2000 L Street NW, Suite 200
Washington, DC 20036

Kate Whitney
Montana Public Service Commission
1701 Prospect Avenue
P. O. Box 202601
Helena, MT 59620-2601

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Lincoln Telephone Company, Inc.
Annual 54.313 Report of High-Cost Recipient

Certifications

In compliance with the following regulations, Lincoln Telephone Company, Inc., by Ken Lumpkin its Secretary/Treasurer hereby certifies, subject to the penalties for false statements imposed under 18 U.S.C. § 1001, that:

47 CFR § 54.202(a)(1)(i) – It will make reasonable efforts to comply with the service requirements applicable to the support it receives, specifically:

High Cost Loop Support – the services listed and defined in 47 CFR § 54.101(a).

Lifeline Support – the three criteria set forth in 47 CFR § 54.401(a).

Interstate Common Line Support – the filings required in 47 CFR § 54.903 and the certification required in 47 CFR § 54.

Connect America Fund – the filings required in 47 CFR § 51.919(b).

47 CFR § 54.313(a)(5) – It will make reasonable efforts to comply with applicable service quality standards as stated in the Retail Telecommunications Service Standards for Small Telecommunications Utilities and consumer protection rules as defined in 47 CFR Part 64 Subpart U, Customer Proprietary Network Information and the Federal Trade Commission Red Flag rules to prevent identity theft.

47 CFR § 54.313(a)(6) – It will make reasonable efforts to function in emergency situations as set forth in 47 CFR § 54.202(a)(2).

Certified by:

Ken Lumpkin
Signature

Ken Lumpkin
Printed Name

Secretary/Treasurer
Title

Lincoln Telephone Company, Inc.
Annual 54.313 Report of High-Cost Recipient

Five-Year Plan for
Improvements of Service Quality, Coverage, and/or Capacity

Lincoln Telephone Company, Inc. is preparing its five-year build out plans for the period 2013 through 2017 for inclusion in its annual 54.313 report due April 1, 2013. Progress reports will be included beginning in its annual report due April 1, 2014.

Lincoln Telephone Company, Inc.
Annual 54.313 Report of High-Cost Recipient

Receipt and Use of Universal Service Support

Universal service support received and how it was used:

Lincoln Telephone Company, Inc. received \$45,023 in High Cost Loop (HCL) universal service support, \$1,670 in Lifeline universal service support, \$177,274 in Interstate Common Line Support (ICLS), \$177,669 in Local Switch Support (LSS).

HCL support was received for costs from two years prior, specifically return and taxes on loop investment and loop related expenses from 2009 generated the 2011 HCL support.

Lifeline support was received for and was used to provide supported services to an average of fourteen eligible customers.

ICLS support was received for the projected 2011 interstate portion of common line revenue requirement not covered by projected Subscriber Line Charges and other end user charges designed to cover interstate common line costs. These costs will be trued up with the final 2011 cost study which will be filed with NECA not later than July 31, 2012.

LSS was received for projected 2011 interstate switching cost support, specifically return and taxes on switch investment and switch related expenses, as calculated using the formulae in 47 CFR § 54.301. These costs will be trued up with the final 2011 cost study which will be filed with NECA not later than July 31, 2012.

Lincoln Telephone Company, Inc.
Annual 54.313 Report of High-Cost Recipient

Ability to Remain Functional in Emergency Situations

Back-up Power

Lincoln Telephone Company, Inc. has the following back-up power capabilities:

Switch

Genband C15

48V DC Battery Rack 20 hour run time.

AC Generator 100 Gallon Propane Fuel Tank 48 hour run time.

Remote Central Office

Calix

48V DC Battery Rack 20 hour run time.

AC Generator 100 Gallon Propane Fuel Tack 48 hour run time.

Subscriber Carrier

Calix or AFC

48V Batteries 2 hour run time.

Portable Gasoline Generators 6 hour run time.

Network Interface Devices (NIDs)

Lincoln Telephone Company, Inc. has 885 customers with metallic (copper) connections to the Central Office and their NIDs are powered from the Central Office.

Lincoln Telephone Company, Inc. has 53 customers with non-metallic (fiber optic) connections to the Central Office. These customers' NIDs are battery powered in case of emergency. The batteries are rated to last eight hours with no use and two hours with constant use.

Ability to reroute traffic around damaged facilities:

Lincoln Telephone Company, Inc. has built redundant facilities between its exchanges. Lincoln Telephone Company, Inc. will build redundancy to its toll tandem. This redundant facility will be in the form of a SONET ring between Lincoln Telephone Company, Inc. and VisionNet, its interconnection to the Public Switched Telephone Network.

Capability to manage traffic spikes resulting from emergency situations

Lincoln Telephone Company, Inc. has 938 customers, switching capacity of 10,000 simultaneous calls, and transport capacity for 10,000 simultaneous calls. Lincoln Telephone Company, Inc. takes no responsibility for the capabilities of interconnected networks to manage traffic spikes resulting from emergency situations.

Lincoln Telephone Company, Inc.
Annual 54.313 Report of High-Cost Recipient

Satisfaction of Consumer Protection and Service Quality Standards

Consumer Protection

Lincoln Telephone Company, Inc. complies with the requirements of 47 CFR Part 64 Subpart U, Customer Proprietary Network Information and the Federal Trade Commission Red Flag rules to prevent identity theft. A manual for each of those programs is in place and is part of the employees' handbook. Employee training is conducted annually and new hires are instructed on the programs as required by their job functions.

Service Quality Standards

Lincoln Telephone Company, Inc. complies with the service standards of the Retail Telecommunications Service Standards for Small Telecommunications Utilities.

Lincoln Telephone Company, Inc.
Annual 54.313 Report of High-Cost Recipient

Detailed Information on any Outage in 2011

Lincoln Telephone Company, Inc. is ETC certified by the Montana Public Service Commission and outage data was not required in 2011 by the Commission nor collected by Lincoln Telephone Company, Inc.

Lincoln Telephone Company, Inc.
Annual 54.313 Report of High-Cost Recipient

Miscellaneous Information

The number of requests for service from potential customers within the recipient's service areas that were unfulfilled during the prior calendar year were zero.

The number of complaints per 1,000 connections in 2011 was one, which was related to the national call completion issue.

Lincoln Telephone Company, Inc. will provide its price offerings in a format as specified by the Wireline Competition Bureau.

Lincoln Telephone Company, Inc. herein provides its:

Entity	Study Area Codes	Universal Service Identifiers
Holding company:		
Operating companies: Lincoln Telephone Co., Inc.	482244	0001647734 801816
Affiliates: Lincoln Cable TV		
Any branding ("dba," or "doing-business-as company" or brand designation)		

Lincoln Telephone Company, Inc.
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Additional Voice Rate Data

Voice rate data

Residential Local Service Rate -	\$18.45
State Subscriber Line Charges	\$0
State Universal Service Fee	\$0
Mandatory EAS Charges (1)	\$6.50

Total \$24.95

(1) EAS, while mandatory, is tariffed at either a flat rate or a per-minute rate. Amounts reported are flat rate EAS revenues.

Rates below the local urban rate floor of \$10.00 in 2011

Total rates and fees None

Lincoln Telephone Company, Inc.
Annual 54.313 Report of High-Cost Recipient

Report of the Company's Financial Condition and Operations

Lincoln Telephone Company, Inc.'s USDA – RUS Operating Report For Telecommunications Borrowers for year ended December 31, 2011 is included in this filing.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0031. The time required to complete this information collection is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	<i>This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential.</i>	
	BORROWER NAME Lincoln Telephone Company, Inc. (Prepared with Audited Data)	
INSTRUCTIONS-Submit report to RUS within 30 days after close of the period. For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.	PERIOD ENDING December, 2011	BORROWER DESIGNATION MT0525

CERTIFICATION We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief. ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES. DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII (Check one of the following)	
<input checked="" type="checkbox"/> All of the obligations under the RUS loan documents have been fulfilled in all material respects.	<input type="checkbox"/> There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report
_____ Kenneth Lumpkin	_____ 3/23/2012 DATE

PART A. BALANCE SHEET					
ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
CURRENT ASSETS			CURRENT LIABILITIES		
1. Cash and Equivalents	303,950	183,217	25. Accounts Payable	184,821	25,479
2. Cash-RUS Construction Fund	0	0	26. Notes Payable	0	0
3. Affiliates:			27. Advance Billings and Payments	0	0
a. Telecom, Accounts Receivable	96,600	82,540	28. Customer Deposits	3,650	2,700
b. Other Accounts Receivable	111,669	103,907	29. Current Mat. L/T Debt	72,283	74,657
c. Notes Receivable	0	0	30. Current Mat. L/T Debt-Rur. Dev.	0	0
4. Non-Affiliates:			31. Current Mat.-Capital Leases	0	0
a. Telecom, Accounts Receivable	0	0	32. Income Taxes Accrued	0	0
b. Other Accounts Receivable	0	0	33. Other Taxes Accrued	23,393	16,866
c. Notes Receivable	0	0	34. Other Current Liabilities	444	298
5. Interest and Dividends Receivable	0	0	35. Total Current Liabilities (25 thru 34)	284,591	120,000
6. Material-Regulated	44,890	37,390	LONG-TERM DEBT		
7. Material-Nonregulated	3,510	3,889	36. Funded Debt-RUS Notes	796,699	720,345
8. Prepayments	35,143	36,497	37. Funded Debt-RTB Notes	0	0
9. Other Current Assets	49,631	0	38. Funded Debt-FFB Notes	0	0
10. Total Current Assets (1 Thru 9)	645,393	447,440	39. Funded Debt-Other	0	0
NONCURRENT ASSETS			40. Funded Debt-Rural Develop. Loan	0	0
11. Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt	0	0
a. Rural Development	0	0	42. Recquired Debt	0	0
b. Nonrural Development	0	0	43. Obligations Under Capital Lease	0	0
12. Other Investments			44. Adv. From Affiliated Companies	0	0
a. Rural Development	787,284	787,185	45. Other Long-Term Debt	0	0
b. Nonrural Development	0	0	46. Total Long-Term Debt (36 thru 45)	796,699	720,345
13. Nonregulated Investments	48,174	40,917	OTHER LIAB. & DEF. CREDITS		
14. Other Noncurrent Assets	0	0	47. Other Long-Term Liabilities	0	0
15. Deferred Charges	0	0	48. Other Deferred Credits	892,220	906,853
16. Jurisdictional Differences	0	0	49. Other Jurisdictional Differences	0	0
17. Total Noncurrent Assets (11 thru 16)	835,458	828,102	50. Total Other Liabilities and Deferred Credits (47 thru 49)	892,220	906,853
PLANT, PROPERTY, AND EQUIPMENT			EQUITY		
18. Telecom, Plant-in-Service	7,298,016	6,298,099	51. Cap. Stock Outstand. & Subscribed	2,450	2,450
19. Property Held for Future Use	0	0	52. Additional Paid-in-Capital	0	0
20. Plant Under Construction	166,270	20,974	53. Treasury Stock	(2,240)	(2,240)
21. Plant Adj., Nonop. Plant & Goodwill	0	0	54. Membership and Cap. Certificates	0	0
22. Less Accumulated Depreciation	5,044,489	3,968,496	55. Other Capital	0	0
23. Net Plant (18 thru 21 less 22)	2,419,797	2,350,577	56. Patronage Capital Credits	0	0
24. TOTAL ASSETS (10+17+23)			57. Retained Earnings or Margins	1,926,928	1,878,711
	3,900,648	3,626,119	58. Total Equity (51 thru 57)	1,927,138	1,878,921
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	3,900,648	3,626,119

Total Equity = 51.82% % of Total Assets

USDA-RUS		BORROWER DESIGNATION	
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		MT0525	
		PERIOD ENDING	
INSTRUCTIONS- See RUS Bulletin 1744-2		December, 2011	
PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS			
ITEM	PRIOR YEAR	THIS YEAR	
1. Local Network Services Revenues	218,310	212,125	
2. Network Access Services Revenues	685,031	757,194	
3. Long Distance Network Services Revenues	26,415	27,418	
4. Carrier Billing and Collection Revenues	1,687	3,159	
5. Miscellaneous Revenues	270,793	267,695	
6. Uncollectible Revenues	5,658	20,090	
7. Net Operating Revenues (1 thru 5 less 6)	1,196,578	1,247,501	
8. Plant Specific Operations Expense	427,344	467,635	
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)	18,340	23,990	
10. Depreciation Expense	287,103	337,876	
11. Amortization Expense	0	0	
12. Customer Operations Expense	192,939	95,528	
13. Corporate Operations Expense	343,266	378,188	
14. Total Operating Expenses (8 thru 13)	1,268,992	1,303,217	
15. Operating Income or Margins (7 less 14)	(72,414)	(55,716)	
16. Other Operating Income and Expenses	(3,326)	(2,298)	
17. State and Local Taxes	(13,007)	(11,472)	
18. Federal Income Taxes	(29,763)	(108,830)	
19. Other Taxes	25,704	34,826	
20. Total Operating Taxes (17+18+19)	(17,066)	(85,476)	
21. Net Operating Income or Margins (15+16-20)	(58,674)	27,462	
22. Interest on Funded Debt	2,613	2,335	
23. Interest Expense - Capital Leases	0	0	
24. Other Interest Expense	205	173	
25. Allowance for Funds Used During Construction	0	0	
26. Total Fixed Charges (22+23+24-25)	2,818	2,508	
27. Nonoperating Net Income	3,905	5,592	
28. Extraordinary Items	0	0	
29. Jurisdictional Differences	0	0	
30. Nonregulated Net Income	103,181	19,237	
31. Total Net Income or Margins (21+27+28+29+30-26)	45,594	49,783	
32. Total Taxes Based on Income	0	0	
33. Retained Earnings or Margins Beginning-of-Year	2,003,834	1,926,928	
34. Miscellaneous Credits Year-to-Date	0	0	
35. Dividends Declared (Common)	0	0	
36. Dividends Declared (Preferred)	122,500	98,000	
37. Other Debits Year-to-Date	0	0	
38. Transfers to Patronage Capital	0	0	
39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]	1,926,928	1,878,711	
40. Patronage Capital Beginning-of-Year	0	0	
41. Transfers to Patronage Capital	0	0	
42. Patronage Capital Credits Retired	0	0	
43. Patronage Capital End-of-Year (40+41-42)	0	0	
44. Annual Debt Service Payments	69,473	73,980	
45. Cash Ratio [(14+20-10-11) / 7]	0.8063	0.7053	
46. Operating Accrual Ratio [(14+20+26) / 7]	1.0486	0.9782	
47. TIER [(31+26) / 26]	17.1796	20.8497	
48. DSCR [(31+26+10+11) / 44]	4.8294	5.2740	

USDA-RUS

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

INSTRUCTIONS - See RUS Bulletin 1744-2

BORROWER DESIGNATION

MT0525

PERIOD ENDED

December, 2011

Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION

EXCHANGE	1. RATES		2. SUBSCRIBERS (ACCESS LINES)			3. ROUTE MILES	
	B-1 (a)	R-1 (b)	BUSINESS (a)	RESIDENTIAL (b)	TOTAL (c)	TOTAL (including fiber) (a)	FIBER (b)
Canyon Creek	22.75	18.45	7	146	153	131.00	38.00
Lincoln	22.75	18.45	165	620	785	326.00	114.00
MobileWireless					0		
Route Mileage Outside Exchange Area						0.00	0.00
Total			172	766	938	457.00	152.00
No. Exchanges	2						

USDA-RUS

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

INSTRUCTIONS - See RUS Bulletin 1744-2

BORROWER DESIGNATION

MT0525

PERIOD ENDED

December, 2011

Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION

4. BROADBAND SERVICE

EXCHANGE	No. Access Lines with BB available (a)	No Of Broadband Subscribers (b)	Details on Least Expensive Broadband Service						
			Number Of Subscribers (c)	Advertised Download Rate (Kbps) (d)	Advertised Upload Rate (Kbps) (e)	Price Per Month (f)	Standalone/Pckg (f)	Type Of Technology (g)	
Canyon Creek	153	72	14	512	512	29.90	StandAlone	DSL	
Lincoln	785	382	87	512	512	29.90	StandAlone	DSL	
Total	938	454							

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION MT0525 PERIOD ENDING December, 2011
<i>INSTRUCTIONS- See RUS Bulletin 1744-2</i>	

PART D. SYSTEM DATA

1. No. Plant Employees	3	2. No. Other Employees	2	3. Square Miles Served	2,015	4. Access Lines per Square Mile	.47	5. Subscribers per Route Mile	2.05
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PART E. TOLL DATA

1. Study Area ID Code(s) a. 482244 b. _____ c. _____ d. _____ e. _____ f. _____ g. _____ h. _____ i. _____ j. _____	2. Types of Toll Settlements (Check one) <table style="width:100%;"> <tr> <td style="width: 40%;">Interstate:</td> <td style="width: 20%;"><input type="checkbox"/> Average Schedule</td> <td style="width: 40%;"><input checked="" type="checkbox"/> Cost Basis</td> </tr> <tr> <td>Intrastate:</td> <td><input type="checkbox"/> Average Schedule</td> <td><input checked="" type="checkbox"/> Cost Basis</td> </tr> </table>	Interstate:	<input type="checkbox"/> Average Schedule	<input checked="" type="checkbox"/> Cost Basis	Intrastate:	<input type="checkbox"/> Average Schedule	<input checked="" type="checkbox"/> Cost Basis
Interstate:	<input type="checkbox"/> Average Schedule	<input checked="" type="checkbox"/> Cost Basis					
Intrastate:	<input type="checkbox"/> Average Schedule	<input checked="" type="checkbox"/> Cost Basis					

PART F. FUNDS INVESTED IN PLANT DURING YEAR

1. RUS, RTB, & FFB Loan Funds Expended	
2. Other Long-Term Loan Funds Expended	
3. Funds Expended Under RUS Interim Approval	
4. Other Short-Term Loan Funds Expended	
5. General Funds Expended (Other than Interim)	481,951
6. Salvaged Materials	
7. Contribution in Aid to Construction	
8. Gross Additions to Telecom. Plant (1 thru 7)	481,951

PART G. INVESTMENTS IN AFFILIATED COMPANIES

INVESTMENTS (a)	CURRENT YEAR DATA		CUMULATIVE DATA		
	Investment This Year (b)	Income/Loss This Year (c)	Cumulative Investment To Date (d)	Cumulative Income/Loss To Date (e)	Current Balance (f)
1. Investment in Affiliated Companies - Rural Development		(111,986)		926,213	926,213
2. Investment in Affiliated Companies - Nonrural Development					

USDA-RUS
**OPERATING REPORT FOR
 TELECOMMUNICATIONS BORROWERS**

BORROWER DESIGNATION

MT0525

PERIOD ENDING

December, 2011

PART H. CURRENT DEPRECIATION RATES

Are corporation's depreciation rates approved by the regulatory authority with jurisdiction over the provision of telephone services? (Check one)

YES

NO

EQUIPMENT CATEGORY	DEPRECIATION RATE
1. Land and support assets - Motor Vehicles	15.84%
2. Land and support assets - Aircraft	
3. Land and support assets - Special purpose vehicles	15.84%
4. Land and support assets - Garage and other work equipment	15.84%
5. Land and support assets - Buildings	7.32%
6. Land and support assets - Furniture and Office equipment	7.61%
7. Land and support assets - General purpose computers	7.61%
8. Central Office Switching - Digital	7.61%
9. Central Office Switching - Analog & Electro-mechanical	
10. Central Office Switching - Operator Systems	
11. Central Office Transmission - Radio Systems	
12. Central Office Transmission - Circuit equipment	7.61%
13. Information origination/termination - Station apparatus	
14. Information origination/termination - Customer premises wiring	
15. Information origination/termination - Large private branch exchanges	
16. Information origination/termination - Public telephone terminal equipment	6.70%
17. Information origination/termination - Other terminal equipment	
18. Cable and wire facilities - Poles	5.04%
19. Cable and wire facilities - Aerial cable - Metal	5.04%
20. Cable and wire facilities - Aerial cable - Fiber	
21. Cable and wire facilities - Underground cable - Metal	
22. Cable and wire facilities - Underground cable - Fiber	
23. Cable and wire facilities - Buried cable - Metal	3.48%
24. Cable and wire facilities - Buried cable - Fiber	3.48%
25. Cable and wire facilities - Conduit systems	
26. Cable and wire facilities - Other	

USDA-RUS		BORROWER DESIGNATION
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		MT0525
INSTRUCTIONS – See help in the online application.		PERIOD ENDED December, 2011
PART I – STATEMENT OF CASH FLOWS		
1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)		303,950
CASH FLOWS FROM OPERATING ACTIVITIES		
2. Net Income		49,783
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>		
3. Add: Depreciation		337,876
4. Add: Amortization		0
5. Other (Explain)		
<i>Changes in Operating Assets and Liabilities</i>		
6. Decrease/(Increase) in Accounts Receivable		21,822
7. Decrease/(Increase) in Materials and Inventory		7,121
8. Decrease/(Increase) in Prepayments and Deferred Charges		(1,354)
9. Decrease/(Increase) in Other Current Assets		49,631
10. Increase/(Decrease) in Accounts Payable		(159,342)
11. Increase/(Decrease) in Advance Billings & Payments		0
12. Increase/(Decrease) in Other Current Liabilities		(146)
13. Net Cash Provided/(Used) by Operations		305,391
CASH FLOWS FROM FINANCING ACTIVITIES		
14. Decrease/(Increase) in Notes Receivable		0
15. Increase/(Decrease) in Notes Payable		0
16. Increase/(Decrease) in Customer Deposits		(950)
17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)		(73,980)
18. Increase/(Decrease) in Other Liabilities & Deferred Credits		14,633
19. Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital		0
20. Less: Payment of Dividends		(98,000)
21. Less: Patronage Capital Credits Retired		0
22. Other (Explain)		
23. Net Cash Provided/(Used) by Financing Activities		(158,297)
CASH FLOWS FROM INVESTING ACTIVITIES		
24. Net Capital Expenditures (Property, Plant & Equipment)		1,145,213
25. Other Long-Term Investments		7,356
26. Other Noncurrent Assets & Jurisdictional Differences		0
27. Other (Explain) Retired Digital Switch Replaced with Soft Switch		(1,420,396)
28. Net Cash Provided/(Used) by Investing Activities		(267,827)
29. Net Increase/(Decrease) in Cash		(120,733)
30. Ending Cash		183,217

Revision Date 2010