

Application to Nebraska Broadband Pilot Program

Citizens Telecommunications Company of Nebraska (“CTC-Nebraska”) applies for funding from the Nebraska Broadband Pilot Program for a project that will improve the broadband speeds available to customers in its Miller and Sumner exchanges. Pursuant to the direction given by the Nebraska Public Service Commission in its January 25, 2013 order, *Application No. NUSF-77 Progression Order No. 7*, CTC-Nebraska provides the following information regarding the project.

Checklist Item 1:

A listing of all companies associated with the proposed broadband project that will provide the broadband or voice component of the service to consumers, including a main point of contact for all companies.

CTC-Nebraska will be the sole company associated with this project, providing both voice and broadband services. CTC-Nebraska is an incumbent local exchange carrier, and is designated as an Eligible Telecommunications Carrier by the Commission. Point of contact is:

*Scott Bohler
2378 Wilshire Boulevard
Mound, MN 55364
(952) 491-5534
scott.bohler@ftr.com*

Checklist Item 2:

A description of the proposed broadband project plan for which NEBP funding is being requested including download and upload speed capabilities which can be provided using the proposed infrastructure. Minimum speed standards should be 4 mbps download and 1 mbps upload.

CTC-Nebraska will build additional facilities to increase the transport capacity linking the exchanges of Miller and Sumner with existing facilities in CTC-Nebraska’s Kearney exchange. The construction of the new buried fiber optic cable and associated electronics will allow for the provision of increased speed of broadband services provided in the Miller and Sumner exchanges. Speeds provided will be a minimum of 4 mbps download and 1 mbps upload in the three exchanges. Faster speeds can be provided, upon customer request.

Checklist Item 3:

A description of which areas are “unserved” or “underserved” in accordance with the Commission’s definition.

Broadband service is currently provided by CTC-Nebraska in the Miller and Sumner exchanges. However, due to transport bandwidth constraints, speeds currently provided in

these areas are below the 4 mbps download and 1 mbps upload standard. Thus, these two exchanges would be considered as “underserved” under the Commission’s definition.

Checklist Item 4:

An electronic map of all geographic locations where broadband facilities would be deployed under the proposed project which shall include 2010 Census Block boundaries of service area, by project, along with a demonstration that the area is currently unserved or underserved. The map must demonstrate coverage in 2010 census blocks. (The map must show proposed project locations and does not need to depict the applicant’s other service territory.)

Electronic mapping files are attached, also with printed versions of the maps.

Checklist Item 5:

An estimate of the number of potential new broadband subscribers.

CTC-Nebraska currently provides broadband service to approximately customers in these exchanges. All will benefit from the increased speed provided. There are approximately CTC-Nebraska customers in these exchanges that do not currently purchase broadband service from CTC-Nebraska. All of these customers would also have access to the enhanced broadband service.

Checklist Item 6:

A schedule for broadband deployment with commitment to complete the build-out within 24 months of approval of the application. The schedule should describe milestones in project completion increments of 25 percent, and the estimated date by which the milestones will be completed.

Upon approval of the application, the deployment schedule would be as follows:

45 days – Final detailed engineering.

90 days – Final design approval, permits, and material acquisition.

60 days – Fiber construction, splicing, and testing.

45 days – Transmission equipment installation and testing.

- Estimated completion of project within 240 days of application approval.

Checklist Item 7:

A proposed budget, showing total project costs, in electronic format, with a detailed breakdown of the cost elements and a depreciation schedule showing the life of the investment.

Attached is an Excel spreadsheet that identifies the detailed breakdown of the cost elements. Also attached is the most recent PSC order establishing the current depreciation rates.

Checklist Item 8:

Proposed retail pricing, including both monthly recurring costs and nonrecurring costs for the new broadband service(s) to be offered.

Pricing of the service will be consistent with CTC-Nebraska's pricing of similar service in other Nebraska exchanges. Currently, that rate for new customers is \$44.99 per month. Other taxes and surcharges may apply. A non-recurring installation charge of \$49.99 may apply, which can be reduced if the customer agrees to enter a term plan.

Checklist Item 9:

A description of the applicant's commitment to offer broadband services to all households within the service area of the project for a minimum of five (5) years.

If approved for funding, CTC-Nebraska commits to offer broadband services to all households within the service area of the project for a minimum of five (5) years.

Checklist Item 10:

A description of the applicant's commitment to provide broadband data to the Commission and its vendors for the duration of the State Broadband Data and Development (SBDD) program so that this broadband coverage area can be depicted on the Commission's state broadband data inventory map and on the National Telecommunications and Information Administration's (NTIA's) national broadband map.

If approved for funding, CTC-Nebraska will provide broadband data to the Commission and its vendors for the duration of the State Broadband Data and Development (SBDD) program so that this broadband coverage area can be depicted on the Commission's state broadband data inventory map and on the National Telecommunications and Information Administration's (NTIA's) national broadband map.

Checklist Item 11:

A description of the applicant's financial qualifications, which may be filed on a confidential basis, to meet the commitments made in the application.

CTC-Nebraska is an incumbent local exchange carrier, and files the Annual Report Form M information. Pursuant to the Commission's November 21, 2011 order, Application No. NUSF-77 Progression Order No. 5, that filing adequately addressed financial qualifications.

Checklist Item 12:

If the applicant does not have a certificate of public convenience and necessity to provide telecommunications services in Nebraska, a demonstration of the applicant's financial, technical, and managerial competence.

CTC-Nebraska is an incumbent local exchange carrier, and does have a certificate of public convenience and necessity.

Attachment for
Checklist Item #4

Attachment for
Checklist Item #7

Description		Footages	Direct Material Costs	Loaded Mat Costs	Direct Eng. Labor (H	Direct Labor Costs
START @ AMHR CO FBR TERM - New 24F END @ MLLR Exch Boundary				(Infinium Mat. Loadings 55%)	Direct Lbr Rate (\$55) w/66% Loadings	All other Labor Rates w/66% Loadings
PL Pirelli 24F (#120243D01)						
Measured In-Line Footages & Est. % PL Units 4 SPLICES (1 Ex Ped + 5 New Peds) (100' Each side of SPL or Loop)						
OSP TOTALS / Sub-Totals w/Loadings						
OSP TOTALS / Sub-Totals w/o Loadings						
TRANSMISSION COSTS						
EX 12F FDP (East) in AMHR CO (fiber patch cords)						
AMHR TR Equipment (New 24 FDP, Misc Minor Materials, Etc...)						
TR TOTALS / Sub-Totals w/Loadings						
TR TOTALS / Sub-Totals w/o Loadings						

Description		Footages	Direct Material Costs	Loaded Mat Costs	Direct Eng. Labor (Hrs)	Direct Labor Costs
START @ AMHR / MLLR Exch Boundary END @ MLLR CO				(Infinium Mat. Loadings 55%)	Direct Lbr Rate (\$55) w/66% Loadings	All other Labor Rates w/66% Loadings
PL Pirelli 24F (#120243D01)						
Measured In-Line Footages & Est. % PL Units						
4 SPLICES (5 New Peds + FDP) (100' Each side of SPL or Loop)						
TOTALS / Sub-Totals						
OSP TOTALS / Sub-Totals w/o Loadings						
TRANSMISSION COSTS						
MLLR TR Equipment (New 24 FDP, Misc Minor Materials, Etc...)						
TR TOTALS / Sub-Totals w/Loadings						
TR TOTALS / Sub-Totals w/o Loadings						

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application) Application No. C-4475
of Citizens Telecommunications)
Company of Nebraska d/b/a)
Frontier Communications of) GRANTED
Nebraska, Mound, Minnesota,)
seeking to revise its)
depreciation rates.) Entered: July 17, 2012

BY THE COMMISSION:

On June 5, 2012, an application was filed by Citizens Telecommunications Company of Nebraska d/b/a Frontier Communications of Nebraska (Applicant) of Mound, Minnesota, seeking authority to revise depreciation rates on classes of its equipment. Notice of the application was published in The Daily Record, Omaha, Nebraska, on June 7, 2012. No protests were filed; therefore, this application is processed pursuant to the Commission's Rule of Modified Procedure.

O P I N I O N A N D F I N D I N G S

Applicant submits the present application in accordance with the Commission's order of April 14, 1987, in Docket C-0664. Pursuant to that order, Applicant is subject to a depreciation rate review on a triennial basis.

Applicant has submitted revised depreciation rates in accordance with its triennial obligations. Applicant proposes to lower its depreciation rates in three plant accounts and to raise its depreciation rates in two accounts, retroactive to January 1, 2012. A summary of the revised depreciation rates is attached to this order as Exhibit A.

Based on the evidence presented, the Commission finds the application to be fair and reasonable and in the public interest. The application should be granted.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-4475 be, and it is hereby granted and Citizens Telecommunications Company of Nebraska d/b/a Frontier Communications of Nebraska is hereby authorized to revise its depreciation rates as reflected in Exhibit A, attached to and, hereby, made a part of this order.

IT IS FURTHER ORDERED that the revised depreciation rates be effective retroactive to January 1, 2012.

MADE AND ENTERED at Lincoln, Nebraska, this 17th day of July, 2012.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Tim Schram

Dave Boyfe

Gerald L. Upp

//s// Rod Johnson

Chairman

Rod Johnson

ATTEST:

Shirley L. Hill

Executive Director

June 1, 2012

Mr. Mike Hybl
Executive Director
Nebraska Public Service Commission
300 The Atrium, 1200 N Street
Lincoln, Nebraska 68508

Dear Mr. Hybl:

Enclosed for filing please find an original and one (1) copy of an application to revise the depreciation rates of Citizens Telecommunications Company of Nebraska d/b/a Frontier Communications of Nebraska. Also included is "Exhibit A". A check for the \$200.00 application fee is also included.

Please contact me at (952) 491-5534 if you have any questions.

Sincerely,

Scott Bohler
Manager, Government and External Affairs
2378 Wilshire Blvd.
Mound, MN 55364
(952) 491-5534 Telephone
(952) 491-5515 Facsimile
scott.bohler@ftr.com

Enclosures

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application of
Citizens Telecommunications Company
of Nebraska Seeking Authority to
Adjust Depreciation Rates

APPLICATION

Citizens Telecommunications Company of Nebraska d/b/a Frontier Communications of Nebraska ("Frontier") hereby applies for authority to change depreciation rates that are subject to the jurisdiction of the Nebraska Public Service Commission ("Commission"), in accordance with the Commission's order of April 14, 1987, in Application C-664. Pursuant to that order, Frontier is subject to a depreciation rate review on a triennial basis.

Frontier has exchanged information and come to an agreement with Commission Staff as part of this review process. As a result, Frontier seeks to adopt the depreciation rates shown in Exhibit "A". These rates produce the following composite rates for the major categories of plant:

<u>Category</u>	<u>Present Rate</u>	<u>Proposed Rate</u>
General Plant	3.90%	2.41%
Central Office Equipment	0.43%	5.51%
Other Terminal Equipment	2.12%	0.48%
Outside Plant	2.83%	2.33%
Total Regulated Plant	1.87%	3.66%

The purpose of this application is to seek approval by the Commission of the depreciation rates as set forth in Exhibit "A" so that Frontier can properly record the revised depreciation rates on its books retroactive to January 1, 2012.

WHEREFORE, Frontier requests this Commission to issue its order approving the revised depreciation rates contained in Exhibit "A" retroactive to January 1,2012,

Dated: June 1, 2012

Respectfully submitted,

Scott Bohler
Manager, Government and External Affairs
Citizens Telecommunications Company of Nebraska
d/b/a Frontier Communications of Nebraska

Citizens Telecommunications Company of Nebraska

		<u>Current Rate</u>	<u>Proposed Rate</u>
112.00	Vehicles	10.51%	5.44%
112.20	Trucks	8.93%	3.76%
116.00	Other Work Equipment	4.08%	2.13%
121.00	Buildings	2.14%	1.92%
122.00	Furniture	7.09%	4.97%
123.10	Office Equipment	0.00%	1.61%
123.20	Company Comm. Equipment	0.00%	0.00%
124.13	General Purpose-Mainframe	0.00%	0.00%
124.20	Computers - PC	0.00%	0.00%
TOTAL GENERAL PLANT		3.90%	2.41%
212.00	Digital Switching	0.00%	5.00%
212.70	Switch Software	0.00%	8.00%
231.30	Radio Equipment-Digital	6.19%	15.98%
232.00	Circuit Equipment-Analog	0.00%	0.15%
232.40	Circuit Equipment-Digital	0.00%	6.00%
232.50	Circuit Equipment-DSL	6.03%	6.69%
232.60	Circuit Equipment-Optical	0.00%	8.00%
232.70	Circuit Equipment-ATM	12.00%	3.00%
TOTAL CENTRAL OFFICE EQUIPMENT		0.43%	5.51%
362.00	Other Term Equip	2.12%	0.48%
TOTAL OTHER TERMINAL EQUIPMENT		2.12%	0.48%
411.00	Poles-Sole Owned	2.27%	1.41%
421.10	Aerial Cable-Copper	4.18%	1.91%
421.20	Aerial Cable-Fiber	4.17%	2.65%
421.30	Aerial Cable-Drop	2.67%	3.53%
422.10	Underground Cable-Copper	2.13%	2.07%
422.20	Underground Cable-Fiber	3.00%	2.52%
423.10	Buried Cable-Copper	2.59%	2.23%
423.20	Buried Cable-Fiber	3.68%	3.19%
423.30	Buried Cable-Drop	1.93%	3.47%
426.10	Intrabuilding Cable-Copper	7.27%	3.31%
431.00	Aerial Wire	1.25%	0.80%
441.00	Conduit Systems	3.00%	2.70%
TOTAL OUTSIDE PLANT		2.83%	2.33%
TOTAL REGULATED PLANT		1.87%	3.66%

Attachment for
Checklist Item #11



April 25, 2012

Maurice G. Hand, Director of Communications
Nebraska Public Service Commission
300 The Atrium, 1200 N Street
Lincoln, Nebraska 68509-4927

RE: Citizens Telecommunications Company of Nebraska
2011 Annual Report

Dear Director Hand:

Enclosed please find Citizens Telecommunications Company of Nebraska's 2011 Annual Report. We will not be filing any proprietary reports, thus, only a public copy of the 2011 Annual Report is enclosed in this UPS package. A copy of the 2011 10K report and Annual Report for the parent company, Frontier Communications Corporation can be obtained by visiting our website at www.frontier.com and clicking Investor Relations, SEC filings..

Please call me if you have any questions at 570-631-5003.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Jessica Matushek".

Jessica Matushek
Senior Manager

ILEC Annual Report Requirements Checklist

All Carriers please complete and return the following checklist and attach all required information and forms.

- 1. The \$25 filing fee and completed 2011 Carrier Information Form for each authority.
- 2. Completed Form M and enclosed Supplemental Schedules 10A and 11A. Please submit a separate set of financials for each authority.
- 3. A copy of the latest Form 10-K or equivalent..
- 3a. Carrier is not required to file a form 10-K or equivalent with the Securities and Exchange Commission.
- 4. A copy of the 2011 Annual Report to Stockholders.
- 4a. Carrier does not publish an Annual Report to Stockholders.
- 5. A description of the carrier's 2012 and 2013 construction budget, including a brief description of any projects as outlined in 6a and 6b. (2013 not available)
- 5a. Carriers having a construction budget in excess of \$10 million, include any projects having a value in excess of \$100,000.
- 5b. Carriers having a construction budget less than \$10 million, include any projects having a value in excess of \$50,000.
- 5c. Carrier has no construction budget meeting the requirements of 6a or 6b.
- 6. A detailed listing of access lines by exchange. Disaggregate the total number of access lines by residential, business, resold, company official and total company access lines.
- 7. Commission Rule 002.50B requires that an ILEC annually file with the Commission, the number of resale access lines provided by the ILEC to any of its affiliated CLECs.
- 7a. Carrier does not provide resale access lines to any affiliate CLEC.
- 8. A sample of the annual notice provided to the customer consistent with the FCC's and FTC's national do-not-call requirements (See 47 C.F.R. § 64 and 16 C.F.R. Part 310). The rules require all local exchange carriers to provide an annual notice via bill insert of the right to object to receiving telephone solicitations pursuant to federal rules concerning the national do-not-call database and the methods by which such rights may be exercised by the subscriber. The notice must include the Internet address and the toll-free number that residential telephone subscribers may use to register with the national do-not-call database.
- 9. A completed Nebraska Telephone Assistance Program Notification Verification form.
- 10. A completed Nebraska Telecommunications Relay Service Notification form.

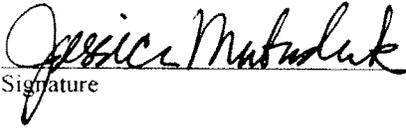
Note: E-911/911 reporting will be handled separately.

**NEBRASKA PUBLIC SERVICE COMMISSION
2011 CARRIER INFORMATION FORM**

****Below is the contact information currently in the Commission's database. Please make corrections or updates to the information as necessary and fill in any blank fields.****

ILEC

Carrier Name: <i>CITIZENS TELECOMMUNICATIONS COMPANY OF NEBRASKA</i>	
Carrier Address: <i>100 CTE. DRIVE DALLAS PA 18612</i>	
Carrier Trade Name or d/b/a in Nebraska: <i>FRONTIER COMMUNICATIONS OF NEBRASKA</i>	
Carrier Phone Number: <i>5706315003</i>	
Carrier Fax Number: <i>5706318026</i>	
Email Address: <i>Jessica.matushek@FTR.com</i>	
Regulatory Contact Person: <i>SCOTT BOHLER</i>	
Regulatory Contact Person Phone Number:	<i>952-491-5534</i>
Regulatory Contact Person Email Address:	<i>Scott.Bohler@ftr.com</i>
Third Party Filing Agent (if applicable) Company Name and Name of Contact Person:	
Third Party Agent Address:	
Third Party Agent Email Address:	
Third Party Agent Phone Number:	
Third Party Agent Fax Number:	


Signature

 Jessica Matushek
Printed Name

 Senior Manager
Title

 4-26-12
Date

Nebraska Telephone Assistance Program Notification Verification

Pursuant to the Nebraska Public Service Commission's order in Application No. C-1645, local carriers designated as Eligible Telecommunications Carriers (ETCs) are required to annually advertise the availability and discounted rates of the Nebraska Telephone Assistance Program (NTAP) Lifeline and Link-Up services. The information on the NTAP Program may be provided to customers in any of the following forms: 1) A published advertisement in a statewide or local newspaper in the area; 2) A bill insert; 3) Separate letters or postcards; or 4) A press release.

Complete the following certification and return it with copies of the customer information provided by the carrier on NTAP for the previous calendar year with the carrier's Annual Report by April 30, 2012.

CERTIFICATION

 X Carrier hereby certifies that the customers were notified of the availability of NTAP services in the previous calendar year. A copy of the information on NTAP provided to customers is attached.*

 Carrier hereby certifies that customers were **not** notified of the availability of Nebraska Telephone Assistance Program services the previous calendar year. Carrier shall begin notifying customers immediately and provide copies of the materials provided to customers to the Commission.

 Carrier hereby certifies it is not an ETC and therefore not subject to the annual notification requirement.



SIGNATURE /DATE

Jessica Matushek

PRINTED NAME

Senior Manager

TITLE

Citizens Telecommunications Company of Nebraska

NAME OF CARRIER

*Please indicate the method of notification used (i.e., newspaper publication, press release, etc.)

Nebraska Telecommunications Relay Service Notification Requirements

Pursuant to the NPSC Telecommunications Rules and Regulations sections 010.09 and 010.10, local carriers are required to provide printed directory information and annual notification to its subscribers regarding the Nebraska Telecommunications Relay System (TRS) services. The annual notification requirement may be provided to subscribers in any of the following forms: 1) A published advertisement in a statewide or local newspaper in the area; 2) A bill insert; 3) Separate letters or postcards; or 4) A press release.

Complete the following certification and return it with copies of the required information provided by the carrier on TRS for the previous calendar year with the carrier's Annual Report by April 30, 2012.

CERTIFICATION

Directory Requirements. Carrier hereby certifies that printed directory information was provided to the local/regional directory provider at no charge regarding TRS services. A copy of the information included in the local/regional directory provider is attached.*

Notification Requirements. Carrier hereby certifies that subscribers were notified regarding TRS services in the previous calendar year. A copy of this information is attached. **

Carrier certifies that the directory and notice requirements were **NOT** complied with for the previous calendar year. Carrier shall begin notifying subscribers immediately, ensure required information is contained in the next printed directory, and provide appropriate copies to the Commission.



SIGNATURE / DATE

Jessica Matushek

PRINTED NAME

Senior Manager

TITLE

Citizens Telecommunications Company of Nebraska

NAME OF CARRIER

* Information sheets regarding directory information and annual notifications can be found on the NPSC website at http://www.psc.nebraska.gov/home/NPSC/ntrs/Directory_Page_Submission.pdf and http://www.psc.nebraska.gov/home/NPSC/ntrs/Bill_Insert_Requirements.pdf.

** Please indicate the method of notification used (i.e., newspaper publication, bill insert, etc.)

Nebraska 211 Bill Message TR#23254

Dial 211—a free service, available 24 hours a day, 7 days a week—connects you with certified referral specialists who provide the most current information on a variety of health and human services, community resources and volunteer needs. All calls are confidential. United Way of the Midlands manages the program in Nebraska.

Nebraska TAP Message TR#24663

NEBRASKA TELEPHONE ASSISTANCE PROGRAM (also known as Lifeline)
The Nebraska Telephone Assistance Program (NTAP) provides qualified low-income individuals with monthly telephone service discounts. To request further information or to apply for these benefits, please call the Nebraska Public Service Commission toll-free at 1-800-526-0017. Alternatively, you may mail your request to NTAP, P.O. Box 94927, Lincoln, NE 68509-4927, or go to the Commission's Web site at <http://www.psc.nebraska.gov> and click on "Nebraska Telephone Assistance Program."

Frontier provides basic residential and business services for rates from \$19.50 to \$27.50.* Frontier offers single party service, touch tone, toll blocking, access to long distance, emergency services, operator assistance, and directory assistance. Use of these services may result in additional charges.

Low-income individuals may be eligible for a reduction on their residential telephone bill with Lifeline and/or Link-Up. Lifeline service provides discounts up to \$13.50 monthly.** Link-Up provides a waiver of deposit requirements if toll blocking is selected, free toll blocking, and a reduction on connection charges for basic phone service by 50%, or \$30, whichever is less.

To be eligible for Lifeline, Link-Up, or both, you must meet income based requirements or participate in one of the following programs: Medicaid, Food Stamps, Supplemental Security Income (SSI), Low-Income Energy Assistance Program (LIHEAP), Federal Public Housing Assistance, or children's health insurance programs (KidsConnection, SAM, MAC, or EMAC). Your eligibility to participate in these programs will be verified by Frontier or an authorized state agency.

If you have any questions regarding Frontier's rates or services, please call us at 1-800-921-8101 for Residential or 1-800-921-8101 for Business for further information

*Other taxes, fees, and surcharges apply.

** Budget or economy services also may be available. Other taxes, fees, charges and surcharges apply.

www.Frontier.com
NBR SK 2011



Telecommunications Relay Service Information — 711

Telecommunications Relay Service, 711, allows telephone communications between individuals who are deaf, hard of hearing, deaf-blind or speech disabled using a Telecommunications Device for the Deaf (TDD) and anyone using a regular telephone. Dial **711** 24 hours a day, 7 days a week, including holidays. Customers must continue to dial 911 for emergencies. If you have any questions regarding the Telecommunications Relay Service, **711**, feel free to contact the customer service number on your bill.

00067554



Nebraska Relay Makes Telecommunications Accessible for Nonstandard Phone Users



What is Nebraska Relay?

Nebraska Relay is a free, completely confidential 24-hour public service that makes the use of the telephone possible and a better experience for many thousands of citizens and visitors of the state who are deaf, hard of hearing, deaf-blind, speech-disabled, and hearing.

How does Nebraska Relay work?

The person dials the toll-free Nebraska Relay number and gives the communications assistant (often abbreviated as the CA) the area code and number of the person receiving the call. An example of a Nebraska Relay service is a highly trained CA who voices the typed comments by the TTY (text telephone) user and types the spoken comments by the other person back to the TTY user. Nebraska Relay provides several options to meet the needs of people who do not use the standard telephone.

How to connect to Nebraska Relay

Dial: 7-1-1 *	Voice Carry-Over: 1-877-564-2481	* Some buildings with a PBX telephone system (often in hotels and offices that have extension numbers) make reaching 7-1-1 not possible. The above 800 numbers can be dialed when not able to get through to 7-1-1.
TTY: 1-800-833-7352	Hearing Carry-Over: 1-800-833-7352	
Voice: 1-800-833-0920	Speech-to-Speech: 1-888-272-5527	
ASCII: 1-888-696-0629	Spanish-to-Spanish: 1-888-272-5528	
	Spanish-to-English: 1-877-564-3503	

CapTel®—a free captioned phone service

CapTel, short for captioned telephone, users place calls in the same way when dialing with a standard telephone. Utilizing voice recognition technology that displays verbatim captions of the conversation on screen of a telephone or computer screen, the CapTel user can hear and read what the other person is saying.

How do I apply for specialized telephone equipment?

The Nebraska Specialized Telecommunications Equipment Program (NSTEP) provides qualified applicants (proof of a disability that makes using a standard telephone difficult or impossible) with vouchers to purchase assistive telephone equipment. A person can apply for a voucher by visiting www.nebraskarelay.com/nstep or calling 1-800-526-0017 Voice/TTY or the Nebraska Commission for the Deaf and Hard of Hearing at 1-800-545-6244.

Learn more about Nebraska Relay

Nebraska Relay Website: www.nebraskarelay.com
Nebraska Relay Customer Service: 1-800-676-3777 (TTY/Voice/ASCII)
Nebraska Relay Spanish Customer Service: 1-800-676-4290 (TTY/Voice/ASCII)
CapTel Customer Service: 1-888-269-7477 (Voice/CapTel/TTY)
CapTel Spanish Customer Service: 1-866-670-9134 (Voice/CapTel/TTY)
Sprint TTY Operator Service: 1-800-855-4000

Services supported by surcharge

A few cents per telephone bill surcharge makes Nebraska Relay services possible for the citizens of Nebraska. Sprint is the provider of the relay services for Nebraska.



7-1-1 is not an emergency number

Some people might assume it is okay to call 7-1-1 for emergencies. The 7-1-1 Nebraska Relay number is for relay service calls only. The Americans with Disabilities Act (ADA) requires that 911 centers be prepared to handle emergency calls from people who use the text telephone. Nebraska Relay will make every effort to assist a person during an emergency but cannot serve in the same function as 911 centers. Nebraska Relay does not assume responsibility for handling emergency calls.

National Do Not Call Customer Notification

Annual Generalized Bill Message

All states (excluding states with individual language: GA, MI, PA, TN, NC, & MS)

Residential

The Federal Communications Commission (FCC), in conjunction with the Federal Trade Commission (FTC), has established a National Do Not Call Registry for consumers who wish to avoid receiving various types of telemarketing calls.

Consumers previously registered with State Do Not Call Registries should be registered with the National Registry. To verify if a number is included on the Registry or to sign up for the National Do Not Call Registry, visit www.donotcall.gov or call the FTC's toll-free number at 1-888-382-1222 (TTY users, 1-866-290-4236) from the number to be registered.

Consumers must re-register if they change their telephone number. Numbers remain on the Do-Not-Call List until a customer actively deletes the number from the registry by calling 1-888-382-1222 (TTY users, 1-866-290-4236).

The National Do Not Call Registry is updated on a quarterly basis so it may take several months for a number to be cleared from telemarketers' databases. Certain organizations (such as political groups, not-for-profits and telephone surveys) are exempt from the Do Not Call Registry. In addition, federal law permits calls from entities with which the called party has an established business relationship as well as calls for which the caller has received the called party's prior express invitation or permission.

From time to time, Frontier calls its customers to inform them about special promotions or new products and services. Customers who do not wish to receive such calls can contact Frontier to be added to its internal Do Not Call-List.

If you have any questions or concerns about this matter, please contact Customer Service.

Business

The Federal Communications Commission (FCC), in conjunction with the Federal Trade Commission (FTC), has established a National Do Not Call Registry for consumers who wish to avoid receiving many kinds of telemarketing calls. Customers previously registered with State Do Not Call registries should be registered with the National Registry.

Telemarketers who continue to call consumers who have placed their telephone numbers on the registry or had previously registered for any State Do Not Call list are subject to substantial fines. In addition, the FCC amended its rules to require, among other things, that telemarketers transmit their Caller ID information and to unblock their numbers.

To sign up a residential number for the National Do-Not-Call Registry or to verify a number is included on the Registry, visit www.donotcall.gov or call the FTC's toll-free number at 1-888-382-1222, (TTY users, 1-866-290-4236), from the number to be registered.

Consumers must re-register if they change their telephone number. Numbers remain on the Do-Not-Call List until a customer actively deletes the number from the Registry by calling 1-888-382-1222 (TTY users, 1-866-290-4236).

Additional Notification for Customers Making Telephone Solicitations

Customers making telephone solicitations can obtain the federal Do Not Call requirements by accessing the FCC's Rules and Regulations Implementing the Telephone Consumer Protection Act of 1991 at <http://www.fcc.gov/cgb/policy/telemarketing.html>, 47 CFR Section 64.1200; and the FTC's amended Telemarketing Sales Rule at <http://www.ftc.gov/bcp/rulemaking/tsr/>, 16 CFR Part 310. Telemarketers can access the Do-Not-Call list at <https://telemarketing.donotcall.gov/>.

Citizens Telecommunications Company of Nebraska

2012 Capital Budget

Function	Description	AssetType	Total
Station Connection Blankets	Station Connect Blanket	SC	528,178
Special Service Circuit Blankets	Special Circuit Blanket	TR	40,058
Routine - CO	OA 126 CO Routine	CO	59,589
Routine - OSP	OA 126 OSP Routine	OP	335,435
Routine - OSP	OA 126 Routine Removals	OP	41,062
Routine - Transmission	OA 126 TR Routine	TR	412,702
Specific - OSP	OA 126 OSP Road moves	OP	173,690
Specific - OSP	OA 126 OSP Specific	OP	46,317
Specific - Transmission	OA 126 TR DSL	TR	132,439
Specific - Transmission	OA 126 TR Specifics	TR	35,317
Station Connection Blankets	Station Connect Blanket	SC	300,122
Special Service Circuit Blankets	Special Circuit Blanket	TR	108,044
Routine - CO	OA 127 CO Routine	CO	12,016
Routine - OSP	OA 127 OSP Routine	OP	335,869
Routine - OSP	OA 127 Routine Removals	OP	17,908
Routine - Transmission	OA 127 TR Routine	TR	270,699
Specific - OSP	OA 127 OSP Road Moves	OP	176,340
Specific - OSP	OA 127 OSP Specifics	OP	35,268
Specific - Transmission	OA 127 TR DSL	TR	158,636
Specific - Transmission	OA 127 TR Specifics	TR	31,727
Fleet	Replacement vehicles	BS	42,545
Fleet	Replacement vehicles	BS	142,565
Land & Buildings - Specific	Kearney North Roof Replacement	BS	50,292
			3,486,818

ANNUAL REPORT

OF

Citizens Telecommunications Company of Nebraska

(EXACT NAME OF RESPONDENT)

2302 1st Avenue, Kearney, NE 68847

(ADDRESS OF RESPONDENT)

TO THE

NEBRASKA PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2011

One copy of the published annual report to stockholders (was, will be) forwarded to the Commission about April 25, 2012.

Annual reports are not published.
(Delete inapplicable portions)

Officer or other person to whom correspondence should be addressed concerning this report:

Name: Jessica Matushek Title: Senior Manager

Address: 100 CTE Drive City: Dallas State: PA 18612

(This information is to be kept current by prompt notification to the Commission of any changes until the report for the succeeding year has been submitted.)

1. IDENTITY OF RESPONDENT

Immediately following these instructions, insert the several numbers and the captions, as indicated, together with the information respectively pertinent thereto.

1. Exact name of respondent. Use the words "The" and "Company" or "Co." only when they are parts of the corporate name. **Citizens Telecommunications Company of Nebraska**

2. Date of incorporation. **September 3, 1999**

3. Laws affecting organization. If incorporated under a special charter, give date of passage of the act; if under a general law, give date of filing certificate of organization; if a reorganization has been effected, give date of reorganization. If a receivership or other trust, give also date when such receivership or other possession began. If a partnership, give date of formation, and names of present partners. Give specific reference to applicable laws of the State or Territory under which organized, citing chapter and section of each statute and all amendments thereof. Include all grants of corporate powers by the United States or any foreign country; also, all amendments to charter. (See General Instructions 6 and 7.) **Delaware**

4. Consolidated or merged companies. Indicate the name of each company consolidated, merged, or otherwise combined with the respondent during the year, associating therewith specific reference (citing chapter and section) to special or general laws, including all amendments, under which each consolidation, merger, or other combination was effected; and when applicable, the name of the governmental body authorizing the combination and specific reference to the instrument of authorization. In each case, give the date that the combination was effected. Also, give specific reference (citing chapter and section) to provisions of the charter of the laws, including all amendments, governing the organization (or reorganization) of each constituent or merged company. Cases in which corporations have become inactive and have been practically absorbed through ownership or control of their entire capital stock, through leases of long duration (under which the lessor companies do not maintain independent organizations for financial purposes), or otherwise, so that no distinction is made in operating or in accounting by reason of the original separate incorporation, should be included in a separate list and fully explained. **None**

5. Former identity. If, because of reorganization during the year or for any other reason the respondent conducted any part of its business under a name or names other than that shown under item 1 above, give the name or names under which such business was conducted. Also state the circumstances occasioning the reorganization. **None**

2. CONTROL OVER RESPONDENT

1. If direct control over the respondent was held by a corporation, individual, association or other person at the end of the year, state:

(a) The form of control (sole or joint); **Sole**

(b) The name and address of the directly controlling organization or person:

**Frontier Communications Corporation
3 High Ridge Park, Stamford, CT 06905**

(Give names and addresses of all organizations or persons involved if control was joint.)

(c) The means by which control was held:

Common Stock

(For example, through ownership of voting securities; through common directors, officers or stockholders; through voting trusts; etc.)

(d) The extent of control:

100%

2. If the directly controlling organization or person named in query 1 (b), above, was in turn controlled by another organization or person, the respondent shall show hereunder the chain of control to the ultimately controlling organization or person and the extent of control over each directly controlled organization or person in the chain.

None

3. If any controlling organization or person named in response to query 1 (b), above, held control as trustee, give, if known, the name and address of the beneficiary (or beneficiaries) for whom the trust is maintained, and the purpose of the trust.

None

4. PRINCIPAL GENERAL OFFICERS

1. The persons to be listed herein are the chairman of the board (if he is an officer as well as a director), president, vice presidents, secretary, 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).

Line No.	Title of General Officer (a)	Department Over Which Jurisdiction Is Exercised (b)	Name of Person Holding the Office at End of the Year (c)	Office Address (City and State) (d)
1	Chairman	Executive	Mary Agnes Wilderotter	Stamford, CT
2	VP & CFO	Executive	Donald R. Shassian	Stamford, CT
3	Secretary	Corporate Legal	Nancy Rights	Stamford, CT
4	VP & Treasurer	Treasury	David R. Whitehouse	Stamford, CT
5	VP & Controller	Controller's Group	Susana D'Emic	Stamford, CT
6	VP	Regulatory	Kenneth Mason	Rochester, NY
7	President & COO	Executive	Daniel J. McCarthy	Stamford, CT
8	Assistant Secretary	Corporate Legal	Gregg C. Sayre	Rochester, NY
9	Assistant Secretary	Corporate Legal	David G. Schwartz	Stamford, CT
10	VP, Engineering	Engineering	Michael Golob	Stamford, CT
11	VP	Tax	Alan Kelsey	Stamford, CT
12				
13				
14				
15				
16				
17				
18				
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21				
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23				
24				
25				
26				
27				
28				
29				
30				

5. VOTING POWERS AND ELECTIONS

1. Has each share of stock the right to one vote? **Yes**
2. Are voting rights attached only to stock? **Yes**
(If the answer to either query 1 or 2 is "No", give full particulars in a note.)
3. Is cumulative voting permitted? **No**
4. The date and place of the latest general meeting for the election of directors was
5. The voting power of all stockholders of the respondent on , the date of the latest compilation, was votes.
6. The total number of shares voted at the meeting on the date shown in the answer to query 4 was shares.
7. The number of shares voted by proxies at the meeting on the date shown in answer to query 4 was shares.
8. If any security has preferences, special privileges or restrictions in the election of directors, trustees or managers, or in the determination of any corporate action, give details. **None**

6. STOCKHOLDERS

1. This information shall be compiled as of December 31, except that if similar information has been compiled for some other purpose between the beginning of the year for which the report is made and the date of preparation of this report, the latest compilation shall be used.

2. Stockholders of each class of stock shall be listed in the order of their holdings, beginning with the highest and continuing until the 30 largest holding have been listed. If any such holder was a trustee or nominee for other persons who held the beneficial interest in the securities, the name and address of each person who has the beneficial interest shall be shown in a note, if known. Likewise, if any person had the beneficial interest in securities held by trustees or nominees under different trusts or other groupings, and the aggregate of such person's holdings would place him among the listed holders if he were the holder of record, the details of such holdings shall be shown in a note, if known.

Class of Stock		Common Stock	Class of Stock	
Line No.	Name and Address (City and State) of Stockholder (a)	Shares Held (b)	Name and Address (City and State) of Stockholder (c)	Shares Held (d)
1	Frontier Communications Corporation, Stamford,CT	1000		
2				
3				
4				
5				
6				
7				
8				
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10				
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21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31	Total holders of above class of stock		Total holders of above class of stock	
32	Date of above compilation		Date of above compilation	
33	Purpose of the compilation		Purpose of the compilation	

7. IMPORTANT CHANGES DURING THE YEAR

Give concise answers to each of the following, numbering them in accordance with the numbers of the queries (see General Instructions):

1. List extensions of system (other than additions supplementing existing facilities of the respondent) whether by purchase, construction, donation or otherwise, such as a substantially complete telephone system, exchange or toll line. Give the location, new territory covered and dates of beginning operation, and in case of purchase give also the name and address of the company from which purchased, date of acquisition and the consideration given. **None**

2. If during the year a substantial portion or all of the property of the respondent was sold, merged or abandoned, give full particulars, including the location and territory covered. In case of sale or merger, give the effective date, name and address of successor company and the consideration received. **None**

3. List important changes in service and rate schedules during the year giving:

(a) Estimated increase or decrease in annual revenues by reason of such changes, **None**

(b) Estimated saving or additional cost to the public, and **None**

(c) The bases used in arriving at the amounts given in the responses to (a) and (b). **None**

4. Give the names and addresses of all companies which during the year came under the direct control of the respondent otherwise than through title to securities, stating whether such control is sole or joint, how control was established, names of other parties to a joint agreement for control, the extent of control exercised by each party and any other pertinent data requisite to a clear understanding of the arrangements relating to control. Where important details relating to control of a company have changes, give particulars. If during the year a company ceased to be controlled by the respondent, its name and a statement of the fact will be sufficient. **None**

5. Give the names and addresses of all companies which during the year came under the indirect control of the respondent through non-reporting intermediaries, stating whether such control is sole or joint, how control was established, names of other parties to a joint agreement for control, the extent of control exercised by each party, the name and address of the intermediary through which the indirect control exists and any other pertinent data requisite to a clear understanding of the character of control. Where important details relating to control of a company have changed, give particulars. If during the year a company ceased to be controlled by the respondent, its name and a statement of the fact will be sufficient. **None**

6. Give a concise statement relative to each important contract, agreement, etc., entered into during the year (a) with common carriers, (b) with affiliated companies engaged in manufacturing, research or similar activities, and (c) with broadcasting companies. Exclude documents relating solely to services provided under effective tariffs. In lieu of giving abstracts from the contracts, agreements, etc., copies of such documents may be filed and a list of them given herein. If copies of such documents and modifications thereof have been filed with the Commission, a reference to that is sufficient.

None

10. BALANCE SHEET ACCOUNTS
Page 1 of 5

Line No.	Account No.	Account (a)	Amount (b)	Line No.
1				1
2		Current Assets		2
3				3
4	1120	Cash and equivalents	1,400	4
5	1170	Receivables	(68,045,386)	5
6	1171	Allowance for doubtful accounts	(247,060)	6
7	1220	Inventories	0	7
8	1220.1	Materials and Supplies	57,995	8
9	1220.2	Property Held for Sale or Lease	0	9
10	1280	Prepayments	0	10
11	1350	Other Current Assets	0	11
12				12
13		Total Current Assets	\$ (68,233,052)	13
14				14
15		Noncurrent Assets		15
16				16
17	1406	Nonregulated Investments	62,234,696	17
18	1410	Other Noncurrent Assets	0	18
19	1438	Deferred Maintenance and Retirements		19
20		and Other Deferred Charges	0	20
21	1500	Other Jurisdictional Assets - Net	0	21
22				22
23		Total Noncurrent Assets	\$ 62,234,696	23

10. BALANCE SHEET ACCOUNTS
Page 2 of 5

Line No.	Account No.	Account (a)	Balance 1/1/11 (b)	Plant Added (c)	Plant Retired (d)	Transfers and Adjustments Charges/(Credits) (e)	Balance 12/31/11 (f)	Line No.
1								1
2		Regulated Plant						2
3								3
4	2001	Telecommunications Plant in Service	163,212,598	2,968,852	457,965	14,839	165,738,324	4
5	2002	Property Held for Future Telecommunications Use	0	0	0	0	0	5
6	2003	Telecommunications Plant Under Construction	917,023	3,343,470	2,968,852	0	1,291,641	6
7	2005	Telecommunications Plant Adjustment	161,508,848	0	0	0	161,508,848	7
8	2006	Nonoperating Plant	0	0	0	0	0	8
9	2007	Goodwill	0	0	0	0	0	9
10								10
11		Total Regulated Plant	\$ 325,638,469	\$ 6,312,322	\$ 3,426,817	\$ 14,839	\$ 328,538,813	11
12								12
13		Telecommunications Plant In Service						13
14								14
15	2111	Land	396,571	0	0	0	396,571	15
16	2112	Motor Vehicles	2,208,003	220,794	102,868	14,839	2,340,768	16
17	2113	Aircraft	0	0	0	0	0	17
18	2114	Tools and Other Work Equipment	1,345,121	0	0	0	1,345,121	18
19	2121	Buildings	6,614,078	9,801	0	0	6,623,879	19
20	2122	Furniture	122,763	0	0	0	122,763	20
21	2123	Office Equipment	99,511	0	0	0	99,511	21
22	2124	General Purpose Computers	400,839	0	0	0	400,839	22
23								23
24		Total Land and Support Assets	\$ 11,186,886	\$ 230,595	\$ 102,868	\$ 14,839	\$ 11,329,452	24
25								25
26		Central Office - Switching						26
27								27
28	2211	Non-Digital Switching	0	0	0	0	0	28
29	2212	Digital Electronic Switching	37,950,666	44,228	10,365	0	37,984,529	29
30		2212.1 Circuit					0	30
31		2212.2 Packet					0	31
32	2220	Operator Systems	0	0	0	0	0	32
33								33
34		Total Central Office - Switching	\$ 37,950,666	\$ 44,228	\$ 10,365	\$ 0	\$ 37,984,529	34

10. BALANCE SHEET ACCOUNTS
Page 3 of 5

Line No.	Account No.	Account (a)	Balance @ 1/1/10 (b)	Plant Added (c)	Plant Retired (d)	Transfers and Adjustments Charges/(Credits) (e)	Balance @ 12/31/10 (f)	Line No.
1								1
2		Regulated Plant						2
3								3
4		Central Office - Transmission						4
5								5
6	2231	Radio Systems	630	0	0	0	630	6
7	2232	Circuit Equipment	31,158,309	1,046,661	107,926	0	32,097,044	7
8		2232.1 Electronic					0	8
9		2232.2 Optical					0	9
10								10
11		Total Central Office - Transmission	\$ 31,158,939	\$ 1,046,661	\$ 107,926	\$ 0	\$ 32,097,674	11
12								12
13		Information Origination/Termination						13
14								14
15	2311	Station Apparatus						15
16	2321	Customer Premises Wiring						16
17	2341	Large Private Branch Exchanges						17
18	2351	Public Telephone Terminal Equipment						18
19	2362	Other Terminal Equipment	1,853,905	45,112	0	0	1,899,017	19
20								20
21		Total Information Origination/Termination Assets	\$ 1,853,905	\$ 45,112	\$ 0	\$ 0	\$ 1,899,017	21
22								22
23		Cable and Wire Facilities Assets						23
24								24
25	2411	Poles	3,005,979	148,988	13,320	0	3,141,647	25
26	2421	Aerial Cable						26
27		2421.1 Nonmetallic cable	127,573	0	0	0	127,573	27
28		2421.2 Metallic cable	12,713,625	182,644	49,028	0	12,847,241	28
29	2422	Underground Cable						29
30		2422.1 Nonmetallic cable	694,356	0	0	0	694,356	30
31		2422.2 Metallic cable	4,185,863	96,625	732	0	4,281,755	31
32	2423	Buried Cable						32
33		2423.1 Nonmetallic cable	6,129,762	162,832	79,927	0	6,212,667	33
34		2423.2 Metallic cable	52,194,745	1,003,214	93,799	0	53,104,160	34
35	2424	Submarine Cable						35
36		2424.1 Nonmetallic cable	0	0	0	0	0	36
37		2424.2 Metallic cable	0	0	0	0	0	37
38	2426	Intrabuilding Network Cable						38
39		2426.1 Nonmetallic cable	0	0	0	0	0	39
40		2426.2 Metallic cable	4,698	0	0	0	4,698	40
41	2431	Aerial Wire	240	0	0	0	240	41
42	2441	Conduit Systems	1,963,920	7,953	0	0	1,971,873	42
43								43
44		Total Cable and Wire Facilities Assets	\$ 81,020,761	\$ 1,602,256	\$ 236,806	\$ 0	\$ 82,386,210	44
45								45
46		Amortizable Assets						46
47								47
48	2681	Capital Leases						48
49	2682	Leasehold Improvements						49
50	2690	Intangibles						50
51		2690.1 Network Software	0	0	0	0	0	51
52		2690.2 General Purpose Computer Software	41,442	0	0	0	41,442	52
53								53
54		Total Amortizable Assets	\$ 41,442	\$ 0	\$ 0	\$ 0	\$ 41,442	54
55								55
56		Total Telecommunications Plant in Service	\$ 163,212,599	\$ 2,968,852	\$ 457,965	\$ 14,839	\$ 165,738,324	56

10. BALANCE SHEET ACCOUNTS
Page 4 of 5

Line No.	Account No.	Account (a)	Amount (b)	Line No.
1				1
2		Depreciation and Amortization		2
3				3
4	3100	Accumulated Depreciation	118,030,386	4
5	3200	Accumulated Depreciation - Held for Future Telecommunications Use	0	5
6	3300	Accumulated Depreciation - Nonoperating	0	6
7	3410	Accumulated Amortization - Capitalized Leases	89,722,719	7
8				8
9		Total Depreciation and Amortization	\$ 207,753,105	9
10				10
11		Net Plant	\$ 120,785,708	11
12				12
13		Total Assets	\$ 114,787,353	13
14				14
15		Current Liabilities		15
16				16
17	4000	Current Accounts and Note Payable	29,680,886	17
18	4040	Customers' Deposits	16,028	18
19	4070	Income Taxes - Accrued	0	19
20	4080	Other Taxes - Accrued	802,935	20
21	4100	Net Current Deferred Operating Income Taxes	0	21
22	4110	Net Current Deferred Nonoperating Income Taxes	0	22
23	4130	Other Current Liabilities	10,217	23
24				24
25		Total Current Liabilities	\$ 30,510,066	25
26				26
27		Long-Term Debt		27
28				28
29	4200	Long-term Debt and Funded Debt	0	29
30				30
31		Total Long-Term Debt	\$ 0	31

10. BALANCE SHEET ACCOUNTS
Page 5 of 5

Line No.	Account No.	Account (a)	Amount (b)	Line No.
1				1
2		Other Liabilities and Deferred Credits		2
3				3
4	4300	Other Long-Term Liabilities and Deferred Credits	0	4
5	4320	Unamortized Operating ITC - net	0	5
6	4330	Unamortized Nonoperating ITC - net	0	6
7	4340	Net Noncurrent Deferred Operating Income Taxes	30,719,950	7
8	4341	Net Deferred Tax Liability Adjustments	0	8
9	4350	Net Noncurrent Deferred Nonoperating Income Taxes	0	9
10	4361	Deferred Tax Regulatory Liability	21,859	10
11	4370	Other Jurisdictional Liabilities and Deferred Credits - Net	0	11
12				12
13		Total Other Liabilities and Deferred Credits	\$ 30,741,810	13
14				14
15		Stockholders' Equity		15
16				16
17	4510	Capital Stock	1,000	17
18	4520	Additional Paid-in Capital	0	18
19	4530	Treasury Stock	0	19
20	4540	Other Capital	0	20
21	4550	Retained Earnings	53,534,478	21
22				22
23		Total Stockholders' Equity	\$ 53,535,478	23
24				24
25		Total Liabilities and Stockholders' Equity	\$ 114,787,353	25
26				26
27				27
28		Retained Earnings (Beginning of Year)	48,619,518	28
29				29
30		Net Income	4,914,960	30
31		Dividends Declared	0	31
32		Miscellaneous Debits	0	32
33		Miscellaneous Credits	0	33
34				34
35		Retained Earnings (End of Year)	\$ 53,534,478	35

11. INCOME STATEMENT ACCOUNTS
Page 1 of 5

Line No.	Account No.	Account (a)	Amount (b)	Line No.
1		INCOME STATEMENT ACCOUNTS		1
2				2
3		Local Network Services Revenues		3
4				4
5	5001	Basic Local Service Revenue	8,266,845	5
6	5040	Local Private Line Revenue	76,864	6
7	5060	Other Basic Area Revenue	2,407,208	7
8				8
9	5000	Total Local Network Services Revenues	<u>\$ 10,750,917</u>	9
10				10
11		Network Access Services Revenues		11
12				12
13	5081	End User Revenue	3,018,158	13
14	5082	Switched Access Revenue	2,682,029	14
15	5083	Special Access Revenue	5,478,680	15
16	5084	State Access Revenue	4,285,904	16
17				17
18	5080	Total Network Access Revenue	<u>\$ 15,464,772</u>	18
19				19
20	5105	Long Distance Message Revenue	<u>31,477</u>	20
21				21
22	5200	Miscellaneous Revenue	1,112,824	22
23				23
24	5280	Nonregulated Operating Revenue	5,625,291	24
25				25
26	5300	Uncollectible Revenue	(206,516)	26
27				27
28		Total Operating Revenues	<u>\$ 32,778,764</u>	28

11. INCOME STATEMENT ACCOUNTS
Page 2 of 5

Line No.	Account No.	Account (a)	Salaries and Wages (b)	Benefits (c)	Rents (d)	Other Expenses (e)	Total (f)	Line No.
1								1
2		Plant Specific Operations Expense						2
3								3
4	6112	Motor Vehicle Expense	0	0	0	354	354	4
5	6113	Aircraft Expense	0	0	0	0	0	5
6	6114	Tools and Other Work Equipment Expense	0	0	0	(0)	(0)	6
7								7
8	6110	Total Network Support Expense	\$ 0	\$ 0	\$ 0	\$ 354	\$ 354	8
9								9
10	6121	Land and Building Expense	0	0	67,854	412,946	480,799	10
11	6122	Furniture and Artworks Expense	0	0	0	12,973	12,973	11
12	6123	Office Equipment Expense	0	0	4,327	51,077	55,404	12
13	6124	General Purpose Computers Expense	0	0	0	1,275,924	1,275,924	13
14								14
15	6120	Total General Support Expenses	\$ 0	\$ 0	\$ 72,180	\$ 1,752,921	\$ 1,825,101	15
16								16
17	6211	Nondigital Switching Expense	0	0	0	0	0	17
18	6212	Digital Electronic Switching Expense	361,924	123,563	0	329,461	814,948	18
19		6212.1 Circuit					0	19
20		6212.2 Packet					0	20
21								21
22	6210	Total Central Office Switching Expense	\$ 361,924	\$ 123,563	\$ 0	\$ 329,461	\$ 814,948	22
23								23
24	6220	Operator System Expense	0	0	0	20,057	20,057	24
25								25
26	6231	Radio Systems Expense	368	162	0	76	606	26
27	6232	Circuit Equipment Expense	300,599	102,838	0	75,224	478,661	27
28		6232.1 Electronic					0	28
29		6232.2 Optical					0	29
30								30
31	6230	Total Central Office Transmission Expense	\$ 300,967	\$ 103,000	\$ 0	\$ 75,300	\$ 479,267	31

11. INCOME STATEMENT ACCOUNTS
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Line No.	Account No.	Account (a)	Salaries and Wages (b)	Benefits (c)	Rents (d)	Other Expenses (e)	Total (f)	Line No.
1								1
2		Plant Specific Operations Expense (Continued)						2
3								3
4	6311	Station Apparatus Expense	53,953	17,383	0	308,085	379,421	4
5	6341	Large Private Branch Exchange Expense	5,935	2,133	0	2,487	10,555	5
6	6351	Public Telephone Terminal Equipment Expense	0	0	0	0	0	6
7	6362	Other Terminal Equipment Expense	173,663	59,569	0	240,949	474,181	7
8								8
9	6310	Total Information Origination/Termination Expense	\$ 233,551	\$ 79,084	\$ 0	\$ 551,520	\$ 864,156	9
10								10
11	6411	Poles Expense	3,300	1,135	49,918	28,927	83,280	11
12	6421	Aerial Cable Expense					0	12
13	6421.1	Nonmetallic cable	2,154	734	0	401	3,289	13
14	6421.2	Metallic cable	216,963	73,882	0	40,422	331,267	14
15	6422	Underground Cable Expense					0	15
16	6422.1	Nonmetallic cable	142	43	0	395	579	16
17	6422.2	Metallic cable	873	263	0	2,436	3,572	17
18	6423	Buried Cable Expense					0	18
19	6423.1	Nonmetallic cable	71,785	24,455	0	24,383	120,623	19
20	6423.2	Metallic cable	613,600	209,032	0	208,418	1,031,049	20
21	6424	Submarine and Deep Sea Cable Expense					0	21
22	6424.1	Nonmetallic cable	0	0	0	0	0	22
23	6424.2	Metallic cable	0	0	0	0	0	23
24	6426	Intrabuilding Network Cable Expense					0	24
25	6426.1	Nonmetallic cable	0	0	0	0	0	25
26	6426.2	Metallic cable	0	0	0	0	0	26
27	6431	Aerial Wire Expense					0	27
28	6441	Conduit Systems Expense	0	0	0	3,461	3,461	28
29								29
30	6410	Total Cable and Wire Facilities Expenses	\$ 908,818	\$ 309,543	\$ 49,918	\$ 308,843	\$ 1,577,121	30
31								31
32		Total Plant Specific Operations Expenses	\$ 1,805,260	\$ 615,190	\$ 122,098	\$ 3,038,455	\$ 5,581,004	32
33								33
34		Plant Nonspecific Operations Expense						34
35								35
36	6511	Property Held for Future Telecommunications Use Expense	0	0	0	0	0	36
37	6512	Provisioning Expense	0	0	0	(84)	(84)	37
38								38
39	6510	Total Other Property Plant and Equipment Expenses	\$ 0	\$ 0	\$ 0	\$ (84)	\$ (84)	39
40								40
41	6531	Power Expense	0	0	0	346,144	346,144	41
42	6532	Network Administration Expense	0	0	0	603,685	603,685	42
43	6533	Testing Expense	211,927	72,348	0	87,752	372,027	43
44	6534	Plant Operations Administration Expense	214,088	60,256	0	190,234	464,578	44
45	6535	Engineering Expense	(574)	(382)	0	83,727	82,771	45
46								46
47	6530	Total Network Operations Expenses	\$ 425,441	\$ 132,222	\$ 0	\$ 1,311,542	\$ 1,869,205	47

11. INCOME STATEMENT ACCOUNTS
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Line No.	Account No.	Account (a)	Salaries and Wages (b)	Benefits (c)	Rents (d)	Other Expenses (e)	Total (f)	Line No.
1								1
2		Plant Nonspecific Operations Expense (Continued)						2
3								3
4	6540	Access Expense	0	0	XXXXXXX	2,650,354	2,650,354	4
5								5
6	6560	Depreciation and Amortization Expenses	0	0	0	(46,221)	(46,221)	6
7								7
8		Total Plant Nonspecific Operations Expense	\$ 425,441	\$ 132,222	\$ 0	\$ 3,915,591	\$ 4,473,254	8
9								9
10		Customer Operations Expense						10
11								11
12	6611	Product Management and Sales	441,195	112,746	XXXXXXX	679,394	1,233,334	12
13	6613	Product Advertising	0	0	XXXXXXX	348,179	348,179	13
14								14
15	6610	Total Marketing	\$ 441,195	\$ 112,746	\$ 0	\$ 1,027,573	\$ 1,581,513	15
16								16
17	6620	Services			XXXXXXX		0	17
18	6620.1	Wholesale	0	0	XXXXXXX	0	0	18
19	6620.2	Retail	0	0	XXXXXXX	2,095,156	2,095,156	19
20								20
21	6620	Total Services	\$ 0	\$ 0	\$ 0	\$ 2,095,156	\$ 2,095,156	21
22								22
23		Total Customer Operations Expense	\$ 441,195	\$ 112,746	\$ 0	\$ 3,122,729	\$ 3,676,670	23
24								24
25		Corporate Operations Expense						25
26								26
27	6720	General and Administrative	21,505	7,094	XXXXXXX	2,999,148	3,027,748	27
28								28
29	6790	Provision for Uncollectible Notes Receivable	XXXXXXX	XXXXXXX	XXXXXXX	XXXXXXX	0	29
30								30
31		Total Corporate Operations Expenses	\$ 21,505	\$ 7,094	\$ 0	\$ 2,999,148	\$ 3,027,748	31
32								32
33		Total Operating Expenses	\$ 2,693,402	\$ 867,252	\$ 122,098	\$ 13,075,924	\$ 16,758,675	33
34								34
35		Net Operating Revenues					\$ 16,020,089	35

11. INCOME STATEMENT ACCOUNTS
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Line No.	Account No.	Account (a)	Amount (b)	Line No.
1				1
2	7100	Other Operating Income and Expenses	0	2
3				3
4		Operating Taxes		4
5				5
6	7210	Operating Investment Tax Credit - Net	0	6
7	7220	Operating Federal Income Taxes	1,113,666	7
8	7230	Operating State and Local Income Taxes	68,659	8
9	7240	Operating Other Taxes	658,503	9
10	7250	Provision for Deferred Operating Taxes - Net	1,896,573	10
11				11
12	7200	Total Operating Taxes	<u>\$ 3,737,401</u>	12
13				13
14	7300	Nonoperating Income and Expense	<u>(7,366,294)</u>	14
15				15
16	7400	Nonoperating Taxes	0	16
17				17
18	7500	Interest and Related Items	1,434	18
19				19
20	7600	Total Extraordinary Items	0	20
21				21
22	7910	Income Effect of Jurisdictional Ratemaking Differences - Net	0	22
23				23
24	7990	Nonregulated Net Income	0	24
25				25
26		Net Income	<u>\$ 4,914,960</u>	26

14c. BASES OF CHARGES FOR DEPRECIATION

Classes and Subclasses of Depreciable Plant								
Line No.	Account Number and Title of Plant Accounts and Its Subclasses (a)	Whole or Remaining Life (b)	Life (Years) (c)	*Net Salvage (%) (d)	Depreciation		Ratio of Depreciation Chrgs to Average Monthly Book Cost (%) (g)	Line No.
					*Reserve (%) (e)	*Rate (%) (f)		
1	2112 Vehicles	R	1.65	-0.13%	85.4%	8.9%	-9.65%	1
2	2114 Special Purpose Equip	R	0	0.00%	0.0%	0.0%	0.00%	2
3	2116 Other Work Equip	R	3.06	0.00%	87.5%	4.1%	-4.08%	3
4	2121 Buildings	R	21.32	0.00%	54.4%	2.1%	-2.14%	4
5	2122 Furniture	R	7.03	0.00%	50.2%	7.1%	-7.09%	5
6	2123 Office Equipment	R	0	0.00%	106.3%	0.0%	0.00%	6
7	2124 General Puprose Computers	R	0	0.00%	122.6%	0.0%	0.00%	7
8	2212 Digital Switching	R	0	0.00%	78.6%	0.0%	4.09%	8
9	2231 Radio Systems	R	12	0.00%	25.7%	6.2%	-6.19%	9
10	2232 Circuit Equipment	R	0	0.00%	75.6%	0.0%	4.01%	10
11	2362 Other Terminal Equipment	R	0.49	0.00%	99.0%	2.1%	-2.12%	11
12	2411 Poles	R	16.13	0.00%	63.4%	2.3%	-2.27%	12
13	2421 Aerial Cable	R	6.65	0.00%	72.2%	4.2%	-3.86%	13
14	2422 Underground Cable	R	15.47	0.00%	67.0%	2.1%	-2.26%	14
15	2423 Buried Cable	R	12.93	0.00%	66.5%	2.6%	-2.67%	15
16	2426 Intrabuilding Ntwk Cable	R	2.5	0.00%	81.8%	7.3%	-7.28%	16
17	2431 Aerial Wire	R	5.33	0.00%	93.3%	1.3%	-1.25%	17
18	2441 Conduit Systems	R	26.14	0.00%	21.6%	3.0%	-3.00%	18
19								19
20								20
21								21
22								22
23								23
24								24
25								25
26								26
27								27
28								28
29								29
30								30
31								31
32								32
33								33
34								34
35								35
36								36
37	*Composite rate for all depreciable accounts							37
38						0.03%		38
39	*Composite rate for all plant accounts included in Account 2001							39
40							3.91% XXXXXXXXXXXXXXX	40
41	Ratio to all depreciable accounts		N/A					41
42	Ratio to all plant accounts included in Account 2001		N/A					42

23. CAPITAL STOCK (Account 4510)

Line No.	Class and Description of Capital Stock (a)	Par or Stated Value Amount (b)	Number of Shares Authorized (c)	Amount of Stock Issued and Outstanding (d)	Additional Paid In Capital (e)	Total (Col. (d) & (e)) (f)	Number of Shares of Treasury Stock (g)	Amount In Treasury Stock Account (h)	Line No.
1	Common Stock	\$1.00	1,000	0	0	0	0	0	1
2									2
3									3
4									4
5									5
6									6
7									7
8									8
9									9
10									10
11									11
12									12
13									13
14									14
15									15
16									16
17									17
18									18
19									19
20									20
21									21
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24									24
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26									26
27									27
28									28
29									29
30									30
31									31
32									32
33									33
34									34
35									35
36									36
37									37
38									38
39									39
40									40
41									41
42									42
43	Total	\$ 1.00		\$ 0.00	\$ 0.00	\$ 0.00		\$ 0.00	43

36a. OPERATING OTHER TAXES

Line No.	Name of Government (a)	Type of Tax							Total (h)	Line No.
		Property Taxes (b)	Other (c)	(d)	(e)	(f)	(g)			
1	U. S. Government	\$ 0	\$	\$	\$	\$	\$	\$ 0	1	
2	Nebraska	782,763	(124,310)					658,453	2	
3	Other		50					50	3	
4									4	
5									5	
6									6	
7									7	
8									8	
9									9	
10									10	
11									11	
12									12	
13									13	
14									14	
15									15	
16									16	
17									17	
18									18	
19									19	
20									20	
21									21	
22									22	
23									23	
24									24	
25									25	
26									26	
27									27	
28									28	
29									29	
30									30	
31									31	
32	Total	\$ 782,763	\$ (124,260)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 658,503	32	
34	Billed by others								34	
35	Billed to others								35	
36	Charged to construction								36	
37									37	
38									38	
39									39	
40									40	
41									41	
42									42	
43	Net Charged to Accour	\$ 782,763	\$ (124,260)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 658,503	43	

43. DONATIONS OR PAYMENTS FOR SERVICES RENDERED BY PERSONS OTHER THAN EMPLOYEES (\$5,000 or more)

Line No.	Name of Recipient (a)	Nature of Service (b)	Amount of Payment (c)	Line No.
1	Allegis Group Services, Inc	Contractor Support	\$ 24,049.25	1
2	Bauer Underground Inc	Contractor Support	50,386.94	2
3	Great Plains One Call Service	Call Service	14,265.83	3
4	Mountain LTD	Service Staffing	29,620.90	4
5	MP Nexlevel, LLC	Contractor Support	17,854.04	5
6	RW Communications Services	Contractor Support	20,745.50	6
7	Telecom America Services	Contractor Support	22,984.30	7
8				8
9				9
10				10
11				11
12				12
13				13
14				14
15				15
16				16
17				17
18				18
19				19
20				20
21				21
22				22
23				23
24				24
25				25
26				26
27				27
28				28
29				29
30				30
31				31
32				32
33				33
34				34
35				35
36				36
37				37
38				38
39				39
40				40
41				41
42				42
43				43

51. ACCESS LINES IN SERVICE BY TECHNOLOGY

Line No.	Exchange (a)	Type of Central Office Switch (b)	Installation Date (c)	Touch Tone (d)	ANI/ONI (e)	Calling Features (f)	Extended Area Service			Total Access Lines (j)	Line No.
							To (g)	From (h)	OCP (i)		
1	Albion	GTD5	12/30/91	Yes	Yes	Yes	Newman Grove	Albion		1,384	1
2							Petersburg				2
3	Alma	DMS10	06/30/92	Yes	Yes	Yes	Orleans	Alma		792	3
4							Republican City				4
5							Stamford				5
6							Woodruff, Kansas				6
7	Amherst	DMS100	08/11/94	Yes	Yes	Yes	Kearney	Amherst		220	7
8							Miller				8
9	Battle Creek	DMS10	10/03/91	Yes	Yes	Yes	Meadow Grove	Battle Creek		637	9
10							Norfolk				10
11	Beaver City	DMS10	08/30/90	Yes	Yes	Yes		Beaver City		393	11
12	Bertrand	DMS10	08/22/96	Yes	Yes	Yes	Loomis	Bertrand		478	12
13							Holdrege				13
14	Bloomington	DMS10	11/17/94	Yes	Yes	Yes	Franklin	Bloomington		102	14
15							Naponee				15
16	Brunswick	DMS10	11/01/90	Yes	Yes	Yes	Neligh	Brunswick		196	16
17							Orchard				17
18	Columbus	GTD5	05/30/84	Yes	Yes	Yes	Duncan	Columbus		7,998	18
19							Leigh				19
20							Monroe				20
21							Platte Center				21
22							Creston				22
23	Duncan	GTD5	12/30/89	Yes	Yes	Yes	Columbus	Duncan		329	23
24	Edison	DMS10	10/30/89	Yes	Yes	Yes	Oxford	Edison		144	24
25	Franklin	DMS10	09/03/93	Yes	Yes	Yes	Bloomington	Franklin		707	25
26							Hildreth				26
27							Naponee				27
28	Genoa	DMS10	11/02/95	Yes	Yes	Yes	Monroe	Genoa		494	28
29	Greeley	DMS10	11/29/90	Yes	Yes	Yes	Scotia	Greeley		294	29
30							Spalding				30
31							Wolbach				31
32	Heartwell	DMS10	11/04/89	Yes	Yes	Yes	Minden	Heartwell		131	32
33	Hildreth	DMS10	10/20/94	Yes	Yes	Yes	Franklin	Hildreth		245	33
34	Kearney	GTD5	03/30/85	Yes	Yes	Yes	Amherst	Kearney		10,828	34
35		DMS100	07/29/94	Yes	Yes	Yes	Elm Creek				35
36							Miller				36
37							Pleasanton				37
38							Riverdale				38
39							Sumner				39
40	Leigh	DMS10	10/03/96	Yes	Yes	Yes	Columbus	Leigh		474	40
41	Lindsay	GTD5	05/30/89	Yes	Yes	Yes	Humphrey	Lindsay		303	41
42							Newman Grove				42
43	Madison	DMS10	12/07/92	Yes	Yes	Yes	Norfolk	Madison		868	43
44	Miller	DMS100	11/03/94	Yes	Yes	Yes	Amherst	Miller		95	44
45							Kearney				45
46							Sumner				46
47	Monroe	GTD5	11/30/89	Yes	Yes	Yes	Columbus	Monroe		267	47
48							Genoa				48
49							Platte Center				49
50	Naponee	DMS10	11/17/94	Yes	Yes	Yes	Bloomington	Naponee		104	50
51							Franklin				51
52	Neligh	DMS10	11/01/90	Yes	Yes	Yes	Orchard	Neligh		1,125	52
53							Brunswick				53
54	Newman Grove	DMS10	08/31/95	Yes	Yes	Yes	Albion	Newman Grove		568	54
55							Lindsay				55
56	Orchard	DMS10	07/16/88	Yes	Yes	Yes	Brunswick	Orchard		433	56
57							Neligh				57
58	Ord	DMS10	10/01/92	Yes	Yes	Yes	Burwell	Ord		1,305	58
59							North Loup				59
60	Orleans	DMS10	04/30/90	Yes	Yes	Yes	Alma	Orleans		276	60
61							Republican City				61
62							Stamford				62
63							Woodruff, Kansas				63
64	Palmer	DMS10	12/08/94	Yes	Yes	Yes	Archer	Palmer		361	64
65	Platte Center	GTD5	12/30/85	Yes	Yes	Yes	Columbus	Platte Center		483	65
66							Monroe				66
67	Pleasanton	GTD5	12/30/86	Yes	Yes	Yes	Kearney	Pleasanton		313	67
68	Republican City	DMS10	07/30/89	Yes	Yes	Yes	Alma	Republican City		240	68
69							Orleans				69
70	Riverdale	GTD5	08/30/85	Yes	Yes	Yes	Kearney	Riverdale		252	70
71	Stamford	DMS10	11/10/94	Yes	Yes	Yes	Alma	Stamford		155	71
72							Orleans				72
73	Sumner	GTD5	12/30/90	Yes	Yes	Yes	Miller	Sumner		164	73
74	Tilden	DMS10	10/12/95	Yes	Yes	Yes	Meadow Grove	Tilden		553	74
75	Wilsonville	DMS10	09/12/96	Yes	Yes	Yes		Wilsonville		102	75
	Total	N/A	N/A	N/A	N/A	N/A	N/A	N/A		33,813	

51A. ACCESS LINES IN SERVICE BY TECHNOLOGY (NON-PROPRIETARY SUMMARY FORM)

Line No.	Exchange (a)	Type of Central Office Switch (b)	Installation Date (c)	Touch Tone (d)	ANI/ONI (e)	Calling Features (f)	Extended Area Service		OCP (i)	Total Access Lines (j)	Line No.
							To (g)	From (h)			
	Citizens Telecomm of NE	GTD5 DMS10 DMS100	05/30/84 10/03/96	Yes	Yes	Yes	Reference Tariffs			33,813	
	Totals										

52. ACCESS LINES IN SERVICE BY CUSTOMER

Line No.	Exchange (a)	Business Access Lines			Residence Access Lines			Mobile Access Lines (g)	Special Access Lines (Non-Switched) (h)	Resold Lines		Official Company Lines (k)	Total Access Lines (l)	Line No.
		Single Line (b)	Multi Line (c)	Public Access Lines (d)	Single Line (e)	Multi Line (f)	Business (i)			Residence (j)				
1	Albion	369	91	0	863	25	0	0	0	0	0	36	1,384	1
2	Alma	224	45	0	439	12	0	0	0	0	0	72	792	2
3	Amherst	16	2	0	186	6	0	0	0	0	0	10	220	3
4	Battle Creek	119	21	0	429	13	0	0	0	0	0	55	637	4
5	Beaver City	80	12	0	243	13	0	0	0	0	0	45	393	5
6	Bertrand	91	16	0	317	17	0	0	0	0	0	37	478	6
7	Bloomington	9	2	0	75	3	0	0	0	0	0	13	102	7
8	Bloomington - KS	0	0	0	0	0	0	0	0	0	0	0	0	8
9	Brunswick	39	8	0	126	3	0	0	0	0	0	20	196	9
10	Columbus	2,294	1,050	7	4,123	103	0	0	0	0	0	421	7,998	10
11	Duncan	24	18	0	254	4	0	0	0	0	0	29	329	11
12	Edison	23	9	0	61	3	0	0	0	0	0	48	144	12
13	Franklin	152	78	0	395	14	0	0	0	0	0	68	707	13
14	Franklin - KS	0	0	0	0	0	0	0	0	0	0	0	0	14
15	Genoa	134	5	0	322	11	0	0	0	0	0	22	494	15
16	Greeley	82	14	0	172	6	0	0	0	0	0	20	294	16
17	Heartwell	20	6	0	50	5	0	0	0	0	0	50	131	17
18	Hildreth	40	5	0	176	8	0	0	0	0	0	16	245	18
19	Holdrege	0	0	0	0	0	0	0	0	0	0	0	0	19
20	Kearney	2,323	4,079	7	3,900	128	0	0	0	0	0	391	10,828	20
21	Leigh	82	7	0	346	17	0	0	0	0	0	22	474	21
22	Lindsay	66	3	4	199	7	0	0	0	0	0	24	303	22
23	Madison	191	123	3	511	14	0	0	0	0	0	26	868	23
24	Miller	14	2	0	68	2	0	0	0	0	0	9	95	24
25	Monroe	35	14	1	186	5	0	0	0	0	0	26	267	25
26	Naponee	8	3	0	75	3	0	0	0	0	0	15	104	26
27	Naponee - KS	0	0	0	0	0	0	0	0	0	0	0	0	27
28	Neigh	317	79	2	642	19	0	0	0	0	0	66	1,125	28
29	Newman Grove	104	60	0	335	12	0	0	0	0	0	57	568	29
30	Orchard	93	2	0	283	12	0	0	0	0	0	43	433	30
31	Ord	462	71	0	684	36	0	0	0	0	0	52	1,305	31
32	Orleans	39	7	0	185	13	0	0	0	0	0	32	276	32
33	Palmer	69	8	1	251	9	0	0	0	0	0	23	361	33
34	Platte Center	61	20	0	368	18	0	0	0	0	0	16	483	34
35	Pleasanton	51	5	0	221	10	0	0	0	0	0	26	313	35
36	Republican City	35	3	0	148	4	0	0	0	0	0	50	240	36
37	Republican City - KS	0	0	0	0	0	0	0	0	0	0	0	0	37
38	Riverdale	25	5	0	190	9	0	0	0	0	0	23	252	38
39	Stamford	24	5	0	108	7	0	0	0	0	0	11	155	39
40	Sumner	31	4	0	102	6	0	0	0	0	0	21	164	40
41	Tilden	108	21	0	393	12	0	0	0	0	0	19	553	41
42	Wilsonville	11	1	0	68	5	0	0	0	0	0	17	102	42
43														43
Total		7,865	5,904	25	17,494	594	0	0	0	0	0	1,931	33,813	

53. TELEPHONE CALLS

Line No.	Exchange (a)	LOCAL CALLS		TOLL CALLS (Completed)				Line No.	
		Total Local Calls (b)	Interstate		Intrastate		Total Toll Calls		
			Number (c)	Billed Minutes (d)	Number (e)	Billed Minutes (f)	Number (g)		Billed Minutes (h)
1	NE Operations	N/A	N/A	31,203,021	N/A	30,990,678	N/A	62,193,699	1
2									2
3									3
4									4
5									5
6									6
7									7
8									8
9									9
10									10
11									11
12									12
13									13
14									14
15									15
16									16
17									17
18									18
19									19
20									20
21									21
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25									25
26									26
27									27
28									28
29									29
30									30
31									31
32									32
33									33
34									34
35									35
36									36
37									37
38									38
39									39
40									40
41									41
42									42
43	Total	N/A	N/A	31,203,021	N/A	30,990,678	N/A	62,193,699	43

Note: Information not provided at the exchange level

Supplemental Schedule 10A
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Citizens Telecommunications Company of Nebraska

Balance Sheets
Years Ended December 31, 2010 and 2011

<u>Assets</u>	<u>2011</u>	<u>2010</u>
Current assets:	\$	\$
Cash and cash equivalents	1,400	(10,065)
Temporary investments, at cost		
Receivables, net of allowance for doubtful receivables of \$ in 2XXX and \$ in 2XXX	(68,292,447)	2,054,213
Materials, supplies, and other assets	<u>57,995</u>	<u>38,364</u>
<u>Total current assets</u>	<u>(68,233,052)</u>	<u>2,082,512</u>
Property and equipment	328,538,813	325,638,469
Less accumulated depreciation and amortization	<u>207,753,105</u>	<u>200,908,372</u>
<u>Net property and equipment</u>	120,785,708	124,730,097
Investments and other assets	<u>62,234,696</u>	<u>(38,155,989)</u>
<u>Total assets</u>	<u>\$ 114,787,353</u>	<u>\$ 88,656,620</u>
<u>Liabilities and Stockholder's Equity</u>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 29,786,972	\$ 10,857,515
Income taxes payable	0	0
Advance billings and customer deposits	<u>723,094</u>	<u>554,940</u>
<u>Total current liabilities</u>	<u>30,510,066</u>	<u>11,412,454</u>
Long-term liabilities		0
Deferred credits	21,859	12,278
Deferred income taxes	<u>30,719,950</u>	<u>28,611,370</u>
<u>Total liabilities</u>	61,251,876	40,036,103
Stockholders' equity	<u>53,535,477</u>	<u>48,620,518</u>
<u>Total liabilities and stockholder's equity</u>	<u>\$ 114,787,353</u>	<u>\$ 88,656,620</u>

Citizens Telecommunications Company of Nebraska

Statements of Stockholders' Equity
Years Ended December 31, 2010 and 2011

	2011	2010
Stockholders' Equity:		
Common stock of \$1.00 par value per share	1,000	1,000
Authorized shares; issued shares	\$ 0	\$ 0
Retained earnings:		
Beginning of year	48,619,518	43,112,837
Net income	4,914,960	5,506,681
Dividends declared,\$ per common share	0	0
End of year	53,534,478	48,619,518
Cost of common shares in treasury	0	0
Net unrealized holding gains	0	0
on available-for-sale securities:	0	0
Beginning of year	0	0
Current year increase in market	0	0
value of available-for-sale	0	0
securities net of deferred income taxes	0	0
End of year	0	0
<u>Total Stockholder's Equity</u>	\$ 53,535,478	\$ 48,620,518

Supplemental Schedule 11A

Citizens Telecommunications Company of Nebraska

Statement of Earnings
Years Ended December 31, 2010 and 2011

	<u>2011</u>	<u>2010</u>
Operating revenues:		
Telephone revenues:		
Local network services	\$ 11,191,630	\$ 11,813,172
Access revenues	15,024,058	15,971,197
Miscellaneous revenues	<u>6,563,076</u>	<u>6,760,366</u>
<u>Total operating revenues</u>	<u>32,778,764</u>	<u>34,544,735</u>
Operating expenses:		
Depreciation and amortization	(46,221)	131,986
Other operating expenses	16,804,897	17,230,657
Taxes, other than payroll and income	<u>0</u>	<u>0</u>
<u>Total operating expenses</u>	<u>16,758,675</u>	<u>17,362,643</u>
<u>Operating income</u>	<u>16,020,089</u>	<u>17,182,092</u>
Non-operating income and expenses		
Income from interest and other investments, net of income taxes		0
Other income		0
Interest expense and other deductions	<u>1,434</u>	<u>1,259</u>
<u>Net non-operating income</u>	<u>7,366,294</u>	<u>7,379,717</u>
<u>Income before income taxes</u>	8,652,361	9,801,116
Operating income taxes	<u>3,737,401</u>	<u>4,294,435</u>
<u>Net income</u>	<u>\$ 4,914,960</u>	<u>\$ 5,506,681</u>