

Telecommunications Utilities and Cooperatives (ILECs)
NOTES TO FINANCIAL AND STATISTICAL DATA
Year Ending December 31, 2006

- [A] Rate of return equals net operating income divided by average rate base. Total Oregon amounts include interstate operations subject to FCC jurisdiction, and the rates of return are provided for comparative purposes only. The Oregon Commission only regulates intrastate operations under Oregon Revised Statute (ORS) Chapter 759. Recently, intrastate rates of return have been lower than the interstate rates of return. Intrastate data will be available to the Oregon Commission in November 2007, but staff has not been compiling the intrastate data.
- [B] Each small utility serves less than 50,000 access lines in Oregon. Their local rates are not generally subject to regulation. The statistics of the 18 small utilities are heavily weighted by Cascade Utilities, Citizens Telecommunications Company of Oregon dba Frontier, and Malheur Home Telephone Company. Combined, these three utilities serve 73 percent of Oregon's small telecommunications utility customers.
- [C] For telecommunications cooperatives and associations, through services (as defined in Oregon Administrative Rule 860-034-0015) and access charges are subject to Commission regulation under ORSs 759.220 and 759.225. The statistics of the cooperatives are heavily weighted by Pioneer Telephone Cooperative, which serves 26 percent of Oregon's telecommunications cooperative members, and Canby Telephone Association, which serves 25 percent.
- [D] Each large utility serves at least 50,000 access lines in Oregon and is subject to intrastate regulation by the Commission, except as indicated in Notes [L] and [M]. The statistics of the large utilities are heavily weighted by Qwest.
- [E] For a few small privately-held utilities, staff added state and federal corporate taxes on regulated operations for comparative purposes.
- [F] Asotin Telephone Company and Home Telephone Company are owned by TDS Telecom.
- [G] Cascade Utilities and Trans-Cascades Telephone Company are affiliated companies.
- [H] Malheur Home Telephone Company is owned by Qwest Corporation.
- [I] North-State Telephone Co. and Oregon Telephone Corporation are affiliated companies.
- [J] Oregon-Idaho Utilities does business as Humboldt Telephone Company in Malheur County, Oregon.
- [K] People's Telephone Co. is owned by Stayton Cooperative Telephone Company.
- [L] CenturyTel of Eastern Oregon and CenturyTel of Oregon are treated as one entity for setting Oregon intrastate rates.
- [M] Qwest Corporation opted into price-cap regulation under ORS 759.405, effective January 1, 2001.
- [N] Qwest's, Embarq's, and Verizon's yellow page revenue imputations are shown as required by Commission orders.

Small Telecommunications Utilities ^[B]
OREGON AND SYSTEM OPERATIONS
Year Ending December 31, 2006

	Asotin Telephone Company dba TDS		Cascade Utilities, Inc.	Citizens Telecom. Co. of Oregon dba Frontier	Eagle Telephone System, Inc.	Helix Telephone Co.	Home Telephone Company
	Oregon	System					
	[F]		[G]				[F]
BALANCE SHEET (\$000s)							
Land & Support Assets	\$116	\$826	\$6,553	\$4,265	\$413	\$1,021	\$292
Central Office Equipment	28	2,279	12,857	18,832	1,860	1,096	960
Cable & Wire Facilities	806	5,137	18,978	27,622	1,988	1,682	1,612
Other Telecommunications Plant	0	380	1	22	0	2	13
Accumulated Depreciation	(911)	(5,433)	(23,172)	(38,868)	(2,722)	(2,304)	(2,324)
Net Telecommunications Plant	\$39	\$3,189	\$15,217	\$11,873	\$1,539	\$1,497	\$553
Plant Under Construction	1	81	90	597	0	0	0
Other Assets & Other Debits		6,015	45,963	40,888	1,444	1,116	491
Total Assets & Other Debits		<u>\$9,285</u>	<u>\$61,270</u>	<u>\$53,358</u>	<u>\$2,983</u>	<u>\$2,613</u>	<u>\$1,044</u>
Long-Term Debt		\$15	\$0	\$8,000	\$1,381	\$1,000	\$6
Other Liabilities & Deferred Credits		345	7,473	5,016	356	298	220
Stockholders' Equity		8,925	53,797	40,342	1,246	1,315	818
Total Liabilities & Other Credits		<u>\$9,285</u>	<u>\$61,270</u>	<u>\$53,358</u>	<u>\$2,983</u>	<u>\$2,613</u>	<u>\$1,044</u>
INCOME STATEMENT (\$000s)							
Local Service	\$28	\$428	\$3,540	\$4,512	\$93	\$136	\$258
Toll, Access & Universal Service Funds	152	905	3,779	5,659	1,405	769	400
Directory, Other & Uncollectibles	1	288	1,505	1,874	90	40	104
Total Operating Revenues	\$181	\$1,621	\$8,824	\$12,045	\$1,588	\$945	\$762
Plant Operations	23	223	1,803	2,147	670	280	133
Depreciation & Amortization	41	421	1,842	3,759	275	198	150
Customer Operations	27	149	709	851	81	42	83
Corporate Operations	26	208	1,174	629	416	295	131
Other Operating Expenses	19	134	1,202	1,210	19	26	72
Operating Taxes	21	189	1,172	1,616	40	34 [E]	100
Net Jurisdictional Differences	0	0	0	0	0	0	0
Net Operating Income	\$24	\$297	\$922	\$1,833	\$87	\$70	\$93
Nonoperating Net Income (Loss)	21	166	4,018	(340)	(246)	60	(35)
Imputations	0	0	0	0	(1)	(7) [E]	0
Reported Net Income	<u>\$45</u>	<u>\$463</u>	<u>\$4,940</u>	<u>\$1,493</u>	<u>(\$160)</u>	<u>\$123</u>	<u>\$58</u>

[A]-[N] See Notes on page 73.

Small Telecommunications Utilities ^[B]
OREGON AND SYSTEM OPERATIONS
Year Ending December 31, 2006

	Asotin Telephone Company dba TDS		Cascade Utilities, Inc.	Citizens Telecom. Co. of Oregon dba Frontier	Eagle Telephone System, Inc.	Helix Telephone Co.	Home Telephone Company
	Oregon [F]	System					
AVERAGE RATE BASE (\$000s)							
Telecommunications Plant in Service	\$946	\$7,793	\$37,826	\$50,139	\$4,273	\$3,753	\$2,863
Accumulated Depreciation	(906)	(5,240)	(22,368)	(40,067)	(2,687)	(2,205)	(2,264)
Accumulated Taxes & Other Rate Base	(10)	(93)	(2,178)	(4,764)	22	0	(82)
Total Rate Base	<u>\$30</u>	<u>\$2,460</u>	<u>\$13,280</u>	<u>\$5,308</u>	<u>\$1,608</u>	<u>\$1,548</u>	<u>\$517</u>
AVERAGE ACCESS LINES (whole)							
Residential	100	1,191	7,160	10,493	346	273	527
Business	45	241	1,572	2,676	96	24	230
Other	0	0	77	283	15	1	36
Total Access Lines	145	1,432	8,809	13,452	457	298	793
Unbundled Network Elements (UNEs)	0	0	0	0	0	0	0
Private Line & Wideband	0	0	0	0	0	0	1
MONTHLY AMT. / ACCESS LINE (\$ whole)							
Average Telecom. Plant in Service	\$6,521	\$5,442	\$4,294	\$3,727	\$9,351	\$12,594	\$3,606
Average Rate Base	208	1,718	1,508	395	3,519	5,195	651
Operating Revenues	102	94	83	74	289	264	80
Depreciation & Amortization Expenses	24	25	17	23	50	55	16
Customer & Corporate Expenses	31	21	18	9	91	94	23
Taxes & Other Operating Expenses	35	32	39	30	132	95 [E]	32
Net Operating Income	14	17	9	11	16	20	10
PERCENT OF GROSS REVENUES							
Local Service Revenues	15.2%	26.3%	40.1%	37.0%	5.8%	14.4%	34.0%
Depreciation & Amortization Expenses	22.3%	25.9%	20.9%	30.8%	17.3%	21.0%	19.8%
Plant Operation Expenses	12.5%	13.7%	20.4%	17.6%	42.1%	29.6%	17.5%
Customer Expenses	14.7%	9.2%	8.0%	7.0%	5.1%	4.4%	10.9%
Corporate Expenses	14.1%	12.8%	13.3%	5.2%	26.1%	31.2%	17.3%
TOTAL OREGON RATE OF RETURN ^[A]							
Return on Rate Base	79.6%	12.1%	6.9%	34.5%	5.4%	4.5% [E]	18.0%

[A]-[N] See Notes on page 73.

Small Telecommunications Utilities ^[B]
OREGON AND SYSTEM OPERATIONS
Year Ending December 31, 2006

	Malheur Home Telephone Company	Midvale Telephone Exchange, Inc.		Monroe Telephone Company	Mount Angel Telephone Company	Nehalem Telecommuni- cations, Inc.	North-State Telephone Co.
	<u>Oregon</u>	<u>System</u>					
	[H]						[I]
BALANCE SHEET (\$000s)							
Land & Support Assets	\$2,001	\$38	\$2,231	\$1,538	\$996	\$1,128	\$164
Central Office Equipment	11,920	444	8,640	1,694	2,143	3,812	1,415
Cable & Wire Facilities	21,719	1,025	13,660	2,963	1,561	4,130	1,321
Other Telecommunications Plant	273	0	28	3	0	74	0
Accumulated Depreciation	<u>(28,443)</u>	<u>(1,138)</u>	<u>(13,937)</u>	<u>(2,772)</u>	<u>(3,525)</u>	<u>(6,342)</u>	<u>(1,676)</u>
Net Telecommunications Plant	\$7,470	\$369	\$10,622	\$3,426	\$1,175	\$2,802	\$1,224
Plant Under Construction	51	43	707	0	14	2	455
Other Assets & Other Debits	5,950		5,024	2,184	2,972	4,960	2,672
Total Assets & Other Debits	<u>\$13,471</u>		<u>\$16,353</u>	<u>\$5,610</u>	<u>\$4,161</u>	<u>\$7,764</u>	<u>\$4,351</u>
Long-Term Debt	\$1,500		\$8,316	\$3,549	\$0	\$5,426	\$2,183
Other Liabilities & Deferred Credits	1,550		3,661	496	381	543	726
Stockholders' Equity	<u>10,421</u>		<u>4,376</u>	<u>1,565</u>	<u>3,780</u>	<u>1,795</u>	<u>1,442</u>
Total Liabilities & Other Credits	<u>\$13,471</u>		<u>\$16,353</u>	<u>\$5,610</u>	<u>\$4,161</u>	<u>\$7,764</u>	<u>\$4,351</u>
INCOME STATEMENT (\$000s)							
Local Service	\$3,730	\$64	\$931	\$266	\$688	\$693	\$156
Toll, Access & Universal Service Funds	4,061	359	5,406	1,573	1,192	2,113	636
Directory, Other & Uncollectibles	1,167	13	498	263	223	216	17
Total Operating Revenues	<u>\$8,958</u>	<u>\$436</u>	<u>\$6,835</u>	<u>\$2,102</u>	<u>\$2,103</u>	<u>\$3,022</u>	<u>\$809</u>
Plant Operations	1,630	138	2,634	564	328	791	160
Depreciation & Amortization	2,732	97	1,507	426	190	745	174
Customer Operations	634	31	340	287	362	143	40
Corporate Operations	1,277	123	1,088	525	433	639	249
Other Operating Expenses	813	15	145	31	112	(28)	36
Operating Taxes	1,275	6	290	82	151 [E]	141 [E]	72
Net Jurisdictional Differences	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(38)</u>	<u>0</u>	<u>0</u>
Net Operating Income	\$597	\$26	\$831	\$187	\$565	\$591	\$78
Nonoperating Net Income (Loss)	(14)	(47)	(252)	(121)	1,166	(418)	254
Imputations	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(95) [E]</u>	<u>(28) [E]</u>	<u>0</u>
Reported Net Income	<u>\$583</u>	<u>(\$21)</u>	<u>\$579</u>	<u>\$66</u>	<u>\$1,636</u>	<u>\$145</u>	<u>\$332</u>

[A]-[N] See Notes on page 73.

Small Telecommunications Utilities ^[B]
OREGON AND SYSTEM OPERATIONS
Year Ending December 31, 2006

	<u>Malheur Home Telephone Company</u> [H]	<u>Midvale Telephone Exchange, Inc.</u>		<u>Monroe Telephone Company</u>	<u>Mount Angel Telephone Company</u>	<u>Nehalem Telecommuni- cations, Inc.</u>	<u>North-State Telephone Co.</u> [I]
		<u>Oregon</u>	<u>System</u>				
AVERAGE RATE BASE (\$000s)							
Telecommunications Plant in Service	\$35,562	\$1,488	\$24,121	\$6,101	\$4,656	\$9,028	\$2,591
Accumulated Depreciation	(27,181)	(1,090)	(13,465)	(2,606)	(3,439)	(5,969)	(1,589)
Accumulated Taxes & Other Rate Base	(422)	(87)	(1,412)	350	22	137	(2)
Total Rate Base	<u>\$7,959</u>	<u>\$311</u>	<u>\$9,244</u>	<u>\$3,845</u>	<u>\$1,239</u>	<u>\$3,196</u>	<u>\$1,000</u>
AVERAGE ACCESS LINES (whole)							
Residential	8,228	194	2,361	763	1,211	2,456	414
Business	3,658	57	469	150	726	629	87
Other	182	5	74	5	46	11	17
Total Access Lines	12,068	256	2,904	918	1,983	3,096	518
Unbundled Network Elements (UNEs)	0	2	16	0	0	0	0
Private Line & Wideband	5,029	0	0	7	0	0	0
MONTHLY AMT. / ACCESS LINE (\$ whole)							
Average Telecom. Plant in Service	\$2,080	\$5,811	\$8,306	\$6,596	\$2,348	\$2,916	\$5,002
Average Rate Base	465	1,214	3,183	4,157	625	1,032	1,930
Operating Revenues	43	142	196	189	88	81	130
Depreciation & Amortization Expenses	13	32	43	38	8	20	28
Customer & Corporate Expenses	9	50	41	73	33	21	47
Taxes & Other Operating Expenses	18	52	88	60	23 [E]	24 [E]	43
Net Operating Income	3	8	24	17	24	16	13
PERCENT OF GROSS REVENUES							
Local Service Revenues	41.2%	14.7%	13.6%	12.6%	32.6%	22.9%	19.3%
Depreciation & Amortization Expenses	30.2%	22.2%	22.0%	20.2%	9.0%	24.6%	21.5%
Plant Operation Expenses	18.0%	31.6%	38.5%	26.7%	15.5%	26.1%	19.8%
Customer Expenses	7.0%	7.1%	5.0%	13.6%	17.2%	4.7%	4.9%
Corporate Expenses	14.1%	28.2%	15.9%	24.9%	20.5%	21.1%	30.8%
TOTAL OREGON RATE OF RETURN ^[A]							
Return on Rate Base	7.5%	8.4%	9.0%	4.9%	45.6% [E]	18.5% [E]	7.8%

[A]-[N] See Notes on page 73.

Small Telecommunications Utilities ^[B]
OREGON AND SYSTEM OPERATIONS
Year Ending December 31, 2006

	Oregon Telephone Corporation	Oregon-Idaho Utilities, Inc.		People's Telephone Co.	Pine Telephone System, Inc.	Roome Telecommuni- cations Inc.	Trans- Cascades Telephone Tel. Co.
	[I]	Oregon	System	[K]			[G]
BALANCE SHEET (\$000s)							
Land & Support Assets	\$1,196	\$1,683	\$1,870	\$100	\$1,901	\$2,709	\$220
Central Office Equipment	5,320	3,084	3,426	740	2,826	2,148	364
Cable & Wire Facilities	9,478	8,273	9,193	3,035	10,244	1,834	957
Other Telecommunications Plant	11	165	184	0	26	0	0
Accumulated Depreciation	(7,269)	(7,357)	(8,174)	(2,630)	(6,645)	(4,385)	(1,134)
Net Telecommunications Plant	<u>\$8,736</u>	<u>\$5,848</u>	<u>\$6,499</u>	<u>\$1,245</u>	<u>\$8,352</u>	<u>\$2,306</u>	<u>\$407</u>
Plant Under Construction	522	53	59	287	87	0	0
Other Assets & Other Debits	4,687		3,417	2,101	3,024	3,602	1,886
Total Assets & Other Debits	<u>\$13,945</u>		<u>\$9,975</u>	<u>\$3,633</u>	<u>\$11,463</u>	<u>\$5,908</u>	<u>\$2,293</u>
Long-Term Debt	\$12,961		\$4,633	\$0	\$7,995	\$758	\$0
Other Liabilities & Deferred Credits	1,064		537	981	164	571	290
Stockholders' Equity	(80)		4,805	2,652	3,304	4,579	2,003
Total Liabilities & Other Credits	<u>\$13,945</u>		<u>\$9,975</u>	<u>\$3,633</u>	<u>\$11,463</u>	<u>\$5,908</u>	<u>\$2,293</u>
INCOME STATEMENT (\$000s)							
Local Service	\$478	\$171	\$191	\$444	\$235	\$306	\$59
Toll, Access & Universal Service Funds	2,164	2,625	2,917	1,060	2,847	1,094	480
Directory, Other & Uncollectibles	72	74	80	118	74	193	15
Total Operating Revenues	<u>\$2,714</u>	<u>\$2,870</u>	<u>\$3,188</u>	<u>\$1,622</u>	<u>\$3,156</u>	<u>\$1,593</u>	<u>\$554</u>
Plant Operations	488	569	632	344	671	559	113
Depreciation & Amortization	758	603	670	303	912	310	60
Customer Operations	136	115	128	174	136	65	50
Corporate Operations	654	626	695	247	594	310	200
Other Operating Expenses	152	188	210	147	53	76	31
Operating Taxes	246	268	298	236	202	190	(20)
Net Jurisdictional Differences	0	0	0	0	0	0	0
Net Operating Income	<u>\$280</u>	<u>\$501</u>	<u>\$555</u>	<u>\$171</u>	<u>\$588</u>	<u>\$83</u>	<u>\$120</u>
Nonoperating Net Income (Loss)	440	(184)	(203)	97	(31)	92	26
Imputations	0	0	0	0	0	0	0
Reported Net Income	<u>\$720</u>	<u>\$317</u>	<u>\$352</u>	<u>\$268</u>	<u>\$557</u>	<u>\$175</u>	<u>\$146</u>

[A]-[N] See Notes on page 73.

Small Telecommunications Utilities ^[B]
OREGON AND SYSTEM OPERATIONS
Year Ending December 31, 2006

	Oregon Telephone Corporation [I]	Oregon-Idaho Utilities, Inc. Oregon System [J]		People's Telephone Co. [K]	Pine Telephone System, Inc.	Roome Telecommuni- cations Inc.	Trans- Cascades Telephone Tel. Co. [G]
AVERAGE RATE BASE (\$000s)							
Telecommunications Plant in Service	\$13,616	\$13,150	\$14,651	\$3,784	\$14,842	\$6,672	\$1,540
Accumulated Depreciation	(6,948)	(7,487)	(8,342)	(2,478)	(6,223)	(4,243)	(1,114)
Accumulated Taxes & Other Rate Base	(3)	123	137	(337)	4	(318)	(88)
Total Rate Base	<u>\$6,665</u>	<u>\$5,786</u>	<u>\$6,446</u>	<u>\$969</u>	<u>\$8,623</u>	<u>\$2,111</u>	<u>\$338</u>
AVERAGE ACCESS LINES (whole)							
Residential	1,382	482	537	1,168	706	391	170
Business	349	136	151	232	221	245	41
Other	74	52	58	3	10	46	7
Total Access Lines	1,805	670	746	1,403	937	682	218
Unbundled Network Elements (UNEs)	0	0	0	0	0	0	0
Private Line & Wideband	0	0	0	292	0	30	0
MONTHLY AMT. / ACCESS LINE (\$ whole)							
Average Telecom. Plant in Service	\$7,544	\$19,627	\$19,640	\$2,233	\$15,840	\$9,371	\$7,064
Average Rate Base	3,692	8,637	8,641	572	9,203	2,965	1,550
Operating Revenues	125	357	356	80	281	186	212
Depreciation & Amortization Expenses	35	75	75	15	81	36	23
Customer & Corporate Expenses	37	92	92	21	65	44	96
Taxes & Other Operating Expenses	41	127	127	36	82	97	47
Net Operating Income	13	62	62	8	52	10	46
PERCENT OF GROSS REVENUES							
Local Service Revenues	17.6%	6.0%	6.0%	27.4%	7.4%	19.2%	10.6%
Depreciation & Amortization Expenses	27.9%	21.0%	21.0%	18.7%	28.9%	19.5%	10.8%
Plant Operation Expenses	18.0%	19.8%	19.8%	21.2%	21.3%	35.1%	20.4%
Customer Expenses	5.0%	4.0%	4.0%	10.7%	4.3%	4.1%	9.0%
Corporate Expenses	24.1%	21.8%	21.8%	15.2%	18.8%	19.5%	36.1%
TOTAL OREGON RATE OF RETURN ^[A]							
Return on Rate Base	4.2%	8.7%	8.6%	17.6%	6.8%	3.9%	35.5%

[A]-[N] See Notes on page 73.

Large Telecommunications Utilities ^[D]
OREGON AND SYSTEM OPERATIONS
Year Ending December 31, 2006

	<u>CenturyTel, Inc.</u>			<u>Qwest Corporation</u>	
	<u>CenturyTel of Eastern Oregon, Inc.</u>	<u>CenturyTel of Oregon, Inc.</u>	<u>Total Oregon Operations</u>	<u>Oregon</u>	<u>System</u>
			[L]		[M]
BALANCE SHEET (\$000s)					
Land & Support Assets	\$8,895	\$8,568	\$17,464	\$276,539	\$4,379,469
Central Office Equipment	61,002	42,103	103,105	1,415,794	18,697,558
Cable & Wire Facilities	142,112	57,006	199,118	1,555,981	19,234,258
Other Telecommunications Plant	32	4	36	149,176	846,321
Accumulated Depreciation	<u>(178,796)</u>	<u>(81,727)</u>	<u>(260,524)</u>	<u>(2,255,238)</u>	<u>(30,030,041)</u>
Net Telecommunications Plant	\$33,245	\$25,954	\$59,199	\$1,142,252	\$13,127,565
Plant Under Construction	1,438	1,453	2,891	22,639	260,180
Other Assets & Other Debits	45,018	11,777	56,795		2,694,389
Total Assets & Other Debits	<u>\$79,701</u>	<u>\$39,184</u>	<u>\$118,885</u>		<u>\$16,082,134</u>
Long-Term Debt	\$8,501	\$0	\$8,501		\$7,608,576
Other Liabilities & Deferred Credits	7,698	4,510	12,208		6,850,401
Stockholders' Equity	<u>63,502</u>	<u>34,674</u>	<u>98,176</u>		<u>1,623,157</u>
Total Liabilities & Other Credits	<u>\$79,701</u>	<u>\$39,184</u>	<u>\$118,885</u>		<u>\$16,082,134</u>
INCOME STATEMENT (\$000s)					
Local Service	\$9,508	\$12,013	\$21,521	\$306,679	\$4,059,347
Toll, Access & Universal Service Funds	23,717	18,292	42,009	330,030	4,085,385
Directory, Other & Uncollectibles	<u>1,067</u>	<u>1,842</u>	<u>2,909</u>	<u>209,022</u>	<u>2,615,431</u>
Total Operating Revenues	\$34,292	\$32,147	\$66,439	\$845,731	\$10,760,163
Plant Operations	7,359	7,136	14,495	129,034	1,742,868
Depreciation & Amortization	12,136	6,146	18,282	148,180	1,865,178
Customer Operations	2,345	2,766	5,112	112,457	1,307,011
Corporate Operations	3,014	2,516	5,530	70,266	927,380
Other Operating Expenses	2,865	2,858	5,722	78,664	806,256
Operating Taxes	3,463	4,895	8,358	102,783	1,206,977
Net Jurisdictional Differences	<u>0</u>	<u>0</u>	<u>0</u>	<u>36,068</u>	<u>321,970</u>
Net Operating Income	\$3,110	\$5,830	\$8,940	\$168,279	\$2,582,523
Nonoperating Net Income (Loss)	1,439	920	2,359	(83,179)	(1,242,492)
Imputations	<u>0</u>	<u>0</u>	<u>0</u>	<u>31,726</u>	<u>591,896</u>
Reported Net Income	<u>\$4,549</u>	<u>\$6,750</u>	<u>\$11,299</u>	<u>\$116,826</u>	<u>\$1,931,927</u>

[A]-[N] See Notes on page 73.

Large Telecommunications Utilities ^[D]
OREGON AND SYSTEM OPERATIONS
Year Ending December 31, 2006

	CenturyTel, Inc.			Qwest Corporation	
	CenturyTel of Eastern Oregon, Inc.	CenturyTel of Oregon, Inc.	Total Oregon Operations [L]	Oregon [M]	System
AVERAGE RATE BASE (\$000s)					
Telecommunications Plant in Service	\$214,189	\$108,007	\$322,196	\$3,390,232	\$43,211,745
Accumulated Depreciation	(177,208)	(80,911)	(258,119)	(2,226,577)	(29,682,317)
Accumulated Taxes & Other Rate Base	(4,444)	(3,875)	(8,319)	(161,972)	(1,532,575)
Total Rate Base	<u>\$32,537</u>	<u>\$23,221</u>	<u>\$55,758</u>	<u>\$1,001,683</u>	<u>\$11,996,853</u>
AVERAGE ACCESS LINES (whole)					
Residential	23,379	30,329	53,708	738,698	8,433,030
Business	8,055	6,877	14,932	217,880	3,211,864
Other	870	1,199	2,068	234,430	2,296,161
Total Access Lines	<u>32,304</u>	<u>38,405</u>	<u>70,708</u>	<u>1,191,008</u>	<u>13,941,055</u>
Unbundled Network Elements (UNEs)	0	0	0	175,178	1,483,156
Private Line & Wideband	0	0	0	973,159	14,031,312
MONTHLY AMT. / ACCESS LINE (\$ whole)					
Average Telecom. Plant in Service			\$4,557	\$1,567	\$1,545
Average Rate Base			789	463	429
Operating Revenues			79	32 [N]	32
Depreciation & Amortization Expenses			22	6	6
Customer & Corporate Expenses			13	7	7
Taxes & Other Operating Expenses			34	13 [N]	12
Net Operating Income			11	6	8
PERCENT OF GROSS REVENUES					
Local Service Revenues			32.5%	36.0%	37.5%
Depreciation & Amortization Expenses			27.6%	17.4%	17.2%
Plant Operation Expenses			21.9%	15.1%	16.1%
Customer Expenses			7.7%	13.2%	12.1%
Corporate Expenses			8.3%	8.2%	8.6%
TOTAL OREGON RATE OF RETURN ^[A]					
Return on Rate Base			16.0%	16.8% [N]	21.5%

[A]-[N] See Notes on page 73.

Large Telecommunications Utilities ^[D]
OREGON AND SYSTEM OPERATIONS
Year Ending December 31, 2006

	United Telephone Company of the Northwest dba Embarq		Verizon Northwest Inc.	
	<u>Oregon</u>	<u>System</u>	<u>Oregon</u>	<u>System</u>
BALANCE SHEET (\$000s)				
Land & Support Assets	\$25,975	\$35,691	\$100,811	\$428,538
Central Office Equipment	94,025	197,154	523,527	1,791,090
Cable & Wire Facilities	116,446	246,118	745,885	2,307,250
Other Telecommunications Plant	953	2,093	9,584	33,867
Accumulated Depreciation	<u>(165,547)</u>	<u>(317,400)</u>	<u>(865,189)</u>	<u>(2,884,944)</u>
Net Telecommunications Plant	\$71,852	\$163,656	\$514,618	\$1,675,801
Plant Under Construction	2,600	5,930	8,873	28,895
Other Assets & Other Debits		12,525		526,521
Total Assets & Other Debits		<u>\$182,111</u>		<u>\$2,231,217</u>
Long-Term Debt		\$37,150		\$372,602
Other Liabilities & Deferred Credits		43,620		904,645
Stockholders' Equity		<u>101,341</u>		<u>953,970</u>
Total Liabilities & Other Credits		<u>\$182,111</u>		<u>\$2,231,217</u>
INCOME STATEMENT (\$000s)				
Local Service	\$22,807	\$45,177	\$117,517	\$410,502
Toll, Access & Universal Service Funds	26,746	57,165	144,280	488,845
Directory, Other & Uncollectibles	<u>3,881</u> [N]	<u>5,259</u>	<u>70,660</u> [N]	<u>166,029</u>
Total Operating Revenues	\$53,434	\$107,601	\$332,457	\$1,065,376
Plant Operations	8,714	16,889	50,987	154,762
Depreciation & Amortization	15,773	30,321	86,652	308,100
Customer Operations	3,905	8,930	32,968	108,417
Corporate Operations	5,796	11,901	38,023	131,286
Other Operating Expenses	5,230	9,206	33,439	87,794
Operating Taxes	5,746	11,388	36,368	85,862
Net Jurisdictional Differences	<u>0</u>	<u>0</u>	<u>4,333</u>	<u>(3,175)</u>
Net Operating Income	\$8,270	\$18,966	\$49,687	\$192,330
Nonoperating Net Income (Loss)	1,345	(4,550)	(16,378)	(51,662)
Imputations	<u>300</u> [N]	<u>816</u>	<u>4,289</u> [N]	<u>10,779</u>
Reported Net Income	<u>\$9,915</u>	<u>\$15,232</u>	<u>\$37,598</u>	<u>\$151,447</u>

[A]-[N] See Notes on page 73.

Large Telecommunications Utilities ^[D]
OREGON AND SYSTEM OPERATIONS
Year Ending December 31, 2006

	United Telephone Company of the Northwest dba Embarq		Verizon Northwest Inc.	
	Oregon	System	Oregon	System
AVERAGE RATE BASE (\$000s)				
Telecommunications Plant in Service	\$234,437	\$475,504	\$1,328,535	\$4,476,367
Accumulated Depreciation	(160,257)	(306,372)	(829,248)	(2,776,856)
Accumulated Taxes & Other Rate Base	(5,604)	(28,054)	(74,811)	(171,206)
Total Rate Base	<u>\$68,576</u>	<u>\$141,078</u>	<u>\$424,476</u>	<u>\$1,528,305</u>
AVERAGE ACCESS LINES (whole)				
Residential	45,829	96,071	268,129	888,390
Business	16,584	40,094	96,552	328,934
Other	5,928	10,304	18,373	42,281
Total Access Lines	68,341	146,469	383,054	1,259,605
Unbundled Network Elements (UNEs)	0	0	7,850	13,980
Private Line & Wideband	0	0	475,190	2,374,593
MONTHLY AMT. / ACCESS LINE (\$ whole)				
Average Telecom. Plant in Service	\$3,430	\$3,246	\$1,548	\$1,232
Average Rate Base	1,003	963	495	421
Operating Revenues	65 [N]	61	32 [N]	24
Depreciation & Amortization Expenses	19	17	8	7
Customer & Corporate Expenses	12	12	7	6
Taxes & Other Operating Expenses	24 [N]	21	12 [N]	7
Net Operating Income	10	11	5	4
PERCENT OF GROSS REVENUES				
Local Service Revenues	42.6%	41.8%	35.0%	38.1%
Depreciation & Amortization Expenses	29.4%	28.1%	25.8%	28.6%
Plant Operation Expenses	16.3%	15.6%	15.2%	14.4%
Customer Expenses	7.3%	8.3%	9.8%	10.1%
Corporate Expenses	10.8%	11.0%	11.3%	12.2%
TOTAL OREGON RATE OF RETURN ^[A]				
Return on Rate Base	12.1% [N]	13.4%	11.7% [N]	12.6%

[A]-[N] See Notes on page 73.

Telecommunications Utilities and Cooperatives (ILECs)

OREGON AND SYSTEM OPERATIONS

Year Ending December 31, 2006

	Total of 18 Small Telecommunications Utilities		Total of 11 Telecom. Cooperatives	Total of Five Large Telecommunications Utilities		Total ILECs Serving Oregon	
	Oregon	System		Oregon	System	Oregon	System
	[B]		[C]		[D]		
BALANCE SHEET (\$000s)							
Land & Support Assets	\$26,334	\$29,424	\$41,502	\$420,789	\$4,861,162	\$488,625	\$4,932,088
Central Office Equipment	71,542	82,332	70,871	2,136,451	20,788,907	2,278,865	20,942,110
Cable & Wire Facilities	119,228	137,114	124,314	2,617,430	21,986,744	2,860,972	22,248,172
Other Telecommunications Plant	590	1,017	125	159,749	882,317	160,464	883,459
Accumulated Depreciation	<u>(143,617)</u>	<u>(161,755)</u>	<u>(134,220)</u>	<u>(3,546,498)</u>	<u>(33,492,909)</u>	<u>(3,824,335)</u>	<u>(33,788,884)</u>
Net Telecommunications Plant	\$74,077	\$88,132	\$102,592	\$1,787,921	\$15,026,221	\$1,964,591	\$15,216,945
Plant Under Construction	2,202	2,952	908	37,003	297,896	40,113	301,756
Other Assets & Other Debits		138,393	89,201		3,290,230		3,517,825
Total Assets & Other Debits		<u>\$229,480</u>	<u>\$192,702</u>		<u>\$18,614,347</u>		<u>\$19,036,529</u>
Long-Term Debt		\$57,723	\$45,477		\$8,026,829		\$8,130,029
Other Liabilities & Deferred Credits		24,672	20,865		7,810,874		7,856,411
Stockholders' Equity		<u>147,085</u>	<u>126,360</u>		<u>2,776,644</u>		<u>3,050,089</u>
Total Liabilities & Other Credits		<u>\$229,480</u>	<u>\$192,702</u>		<u>\$18,614,347</u>		<u>\$19,036,529</u>
INCOME STATEMENT (\$000s)							
Local Service	\$15,857	\$17,144	\$22,603	\$468,524	\$4,536,547	\$506,984	\$4,576,294
Toll, Access & Universal Service Funds	32,368	38,460	36,084	543,065	4,673,404	611,517	4,747,948
Directory, Other & Uncollectibles	<u>6,059</u>	<u>6,837</u>	<u>4,919</u>	<u>286,472</u> [N]	<u>2,789,628</u>	<u>297,450</u> [N]	<u>2,801,384</u>
Total Operating Revenues	\$54,284	\$62,441	\$63,606	\$1,298,061	\$11,999,579	\$1,415,951	\$12,125,626
Plant Operations	11,411	14,170	12,849	203,230	1,929,014	227,490	1,956,033
Depreciation & Amortization	13,575	15,432	13,900	268,887	2,221,881	296,362	2,251,213
Customer Operations	3,966	4,410	9,090	154,442	1,429,470	167,498	1,442,970
Corporate Operations	8,548	9,764	11,113	119,615	1,076,097	139,276	1,096,974
Other Operating Expenses	4,174	4,441	6,137	123,055	908,978	133,366	919,556
Operating Taxes	5,832 [E]	6,314	2,033	153,255 [N]	1,312,585	161,120 [E][N]	1,320,932
Net Jurisdictional Differences	<u>(38)</u>	<u>(38)</u>	<u>0</u>	<u>40,401</u>	<u>318,795</u>	<u>40,363</u>	<u>318,757</u>
Net Operating Income	\$6,816	\$7,948	\$8,484	\$235,176	\$2,802,759	\$250,476	\$2,819,191
Nonoperating Net Income (Loss)	4,738	4,659	9,682	(95,853)	(1,296,345)	(81,433)	(1,282,004)
Imputations	<u>(131)</u> [E]	<u>(131)</u>	<u>0</u>	<u>36,510</u> [N]	<u>603,491</u>	<u>36,380</u> [E][N]	<u>603,360</u>
Reported Net Income	<u>\$11,423</u>	<u>\$12,476</u>	<u>\$18,166</u>	<u>\$175,833</u>	<u>\$2,109,905</u>	<u>\$205,423</u>	<u>\$2,140,547</u>

[A]-[N] See Notes on page 73.

Telecommunications Utilities and Cooperatives (ILECs)

OREGON AND SYSTEM OPERATIONS

Year Ending December 31, 2006

	Total of 18 Small Telecommunications Utilities		Total of 11 Telecom. Cooperatives	Total of Five Large Telecommunications Utilities		Total ILECs Serving Oregon	
	Oregon	System		Oregon	System	Oregon	System
	[B]		[C]		[D]		
AVERAGE RATE BASE (\$000s)							
Telecommunications Plant in Service	\$212,830	\$243,811	\$232,329	\$5,275,400	\$48,485,812	\$5,720,559	\$48,961,952
Accumulated Depreciation	(140,864)	(158,428)	(130,099)	(3,474,201)	(33,023,664)	(3,745,164)	(33,312,191)
Accumulated Taxes & Other Rate Base	(7,633)	(9,027)	2,562	(250,706)	(1,740,154)	(255,777)	(1,746,619)
Total Rate Base	<u>\$64,331</u>	<u>\$76,354</u>	<u>\$104,793</u>	<u>\$1,550,492</u>	<u>\$13,721,993</u>	<u>\$1,719,616</u>	<u>\$13,903,140</u>
AVERAGE ACCESS LINES (whole)							
Residential	36,461	39,774	39,906	1,106,364	9,471,198	1,182,731	9,550,878
Business	11,169	11,794	10,752	345,947	3,595,824	367,868	3,618,369
Other	875	948	888	260,801	2,350,815	236,236	1,974,641
Total Access Lines	48,505	52,516	51,546	1,713,112	15,417,837	1,786,835	15,143,888
Unbundled Network Elements (UNEs)	0	16	0	183,027	1,497,136	183,027	1,497,152
Private Line & Wideband	5,359	5,359	7,104	983,536	16,405,905	1,085,133	17,118,610
MONTHLY AMT. / ACCESS LINE (\$ whole)							
Average Telecom. Plant in Service	\$3,951	\$4,213	\$3,961	\$1,956	\$1,524	\$1,992	\$1,518
Average Rate Base	1,194	1,319	1,787	575	431	599	431
Operating Revenues	84	90	90	40 [N]	31	41 [N]	31
Depreciation & Amortization Expenses	21	22	20	8	6	9	6
Customer & Corporate Expenses	19	20	29	9	7	9	7
Taxes & Other Operating Expenses	33 [E]	35	30	16 [N]	11	16 [E][N]	11
Net Operating Income	11	11	12	7	7	7	7
PERCENT OF GROSS REVENUES							
Local Service Revenues	29.1%	27.3%	35.5%	35.8%	37.6%	35.6%	37.5%
Depreciation & Amortization Expenses	24.9%	24.6%	21.8%	20.6%	18.4%	20.8%	18.4%
Plant Operation Expenses	20.9%	22.6%	20.2%	15.5%	16.0%	16.0%	16.0%
Customer Expenses	7.3%	7.0%	14.3%	11.8%	11.8%	11.8%	11.8%
Corporate Expenses	15.7%	15.6%	17.5%	9.2%	8.9%	9.8%	9.0%
TOTAL OREGON RATE OF RETURN ^[A]							
Return on Rate Base	10.6% [E]	10.4%	8.1%	15.2% [N]	20.4%	14.6% [E][N]	20.3%

[A]-[N] See Notes on page 73.