

DESCRIPTION AND JUSTIFICATION
John Staurulakis, Inc. Tariff F.C.C. No. 1
Transmittal No. 97
Lancaster Telephone Company (SC)

Lancaster Telephone Company (Lancaster), through its consultant John Staurulakis, Inc. (JSI) hereby provides a Description and Justification for its individual rates proposed under Transmittal No. 97 of the John Staurulakis, Inc. Tariff F.C.C. No. 1 (JSI Tariff). Lancaster is an Issuing Carrier of the JSI Tariff. Lancaster files interstate access rates on a prospective basis pursuant to Section 61.38 of the Commission's rules.

Description of Filing

This summary together with the accompanying revised tariff material has been filed by JSI in order to comply with the rules and regulations of the Federal Communications Commission (Commission) with respect to annual access charge filings.

The JSI Tariff F.C.C. No. 1 governs the provision by Lancaster of interstate Switched Access, Special Access and Miscellaneous Services. The instant filing revises Lancaster's rates for those services.

The instant filing is made in accordance with the Commission's April 19, 2004 release entitled In the Matter of Material to be Filed in Support of 2004 Annual Access Charge Tariff Filings, Tariff Review Plans, DA 04-1048 (*2004 TRP Order*), together with the June 10, 2004 release entitled In the Matter of Material to be Filed in Support of 2004 Annual Access Charge Tariff Filings, Tariff Review Plans, Errata, DA 04-1700 (*2004 TRP Errata*). As Lancaster's proposed rate revisions are limited to decreases, this filing is made on seven days notice under Section 204(a)(3) of the Communications Act.

Justification for Cost Support and Rate Development

In addition to the summary information provided herein, the cost support data associated with this filing is contained in one volume comprising Attachments #1-9. The Certification of the cost support data for this filing is shown in Attachment #10 included separately. All required Tariff Review Plan Schedules (TRP Schedules) are included with the cost support material in accordance with the aforementioned *2004 TRP Order* and *2004 TRP Errata*.

Description and Justification

John Staurulakis, Inc. Tariff F.C.C. No. 1 -Transmittal No. 97

Lancaster Telephone Company (SC)

Page 2

In accordance with Section 61.38(b)(1)(ii) of the Commission's rules and regulations, a projection of Lancaster's costs has been made for the fiscal year ending June 30, 2005 (also referred to herein as the July 1, 2004-June 30, 2005 Test Year Cost of Service or "TYCOS"). The costs for the twelve (12) month period ending June 30, 2005 (TYCOS) have been based on financial estimates and projections of Lancaster, and are summarized as follows:

Summary Development of Traffic Sensitive Revenue	
Requirement	Attachment #1
Part 69 - Access Charge Development	Attachment #2
Part 36 – Separations of Costs	Attachment #3
Unseparated Cost Information	Attachment #4

In accordance with Section 61.38(b)(1)(i) of the Commission's rules and regulations, attached is a cost of service study for the most recent twelve (12) month period ending December 31, 2003, identified as follows (also referred to herein as the 2003 Prior Year Cost of Service or "PYCOS"):

Summary Development of Traffic Sensitive Revenue	
Requirement	Attachment #5
Part 69 - Access Charge Development	Attachment #6
Part 36 – Separations of Costs.....	Attachment #7
Unseparated Cost Information.....	Attachment #8

Description and Justification**John Staurulakis, Inc. Tariff F.C.C. No. 1 -Transmittal No. 97****Lancaster Telephone Company (SC)****Page 3****Recap Of Test Year Cost of Service (TYCOS) Compared with Prior Year Cost of Service (PYCOS) by Major Access Element**

Following is a summary of the July 1, 2004-June 30, 2005 Test Year Cost of Service (TYCOS) compared with the January 1, 2003-December 31, 2003 Prior Year Cost of Service (PYCOS) by major revenue requirement element.

	2002 PYCOS Trans 84 Attach. 5	2003 PYCOS Trans 97 Attach. 5	Change	% Change	2004 TYCOS Trans 97 Attach. 1	TYCOS Over (Under) 2003 CS	% Change
Common Line	\$3,544,787	\$3,969,525	\$424,738	12.0%	\$4,259,751	\$290,226	7.3%
Traffic Sensitive (TS):							
Local Switching	\$775,607	\$814,166	\$38,559	5.0%	\$880,013	\$65,847	8.1%
Information	\$9,610	\$5,747	-\$3,863	-40.2%	\$5,664	-\$83	-1.4%
Transport	\$188,216	\$307,586	\$119,370	63.4%	\$272,355	-\$35,231	-11.5%
Total TS	\$973,433	\$1,127,499	\$154,066		\$1,158,032	\$30,533	2.7%
Special Access	\$839,762	\$945,352	\$105,590	12.6%	\$954,146	\$8,794	0.9%
Total Access	\$5,357,982	\$6,042,376	\$684,394	12.8%	\$6,371,929	\$329,553	5.5%

Recap of TYCOS Total Company Unseparated Net Investment and Total Operating Expenses and Taxes Compared with 2002 and 2003 PYCOS Unseparated Totals

	2002 PYCOS Trans 84 Attach. 7	2003 PYCOS Trans 97 Attach. 7	Change	% Change	2004 TYCOS Trans 97 Attach. 3	TYCOS Over (Under) 2003 CS	% Change
Net Investment - Line 39	\$23,159,721	\$21,887,341	-\$1,272,380	-5.5%	\$21,448,541	-\$438,800	-2.0%
Total Operating Exp/Taxes Line 209	\$14,767,104	\$16,745,702	\$1,978,598	13.4%	\$17,888,626	\$1,142,924	6.8%

Description and Justification

John Staurulakis, Inc. Tariff F.C.C. No. 1 -Transmittal No. 97

Lancaster Telephone Company (SC)

Page 4

Recap of Revenue Impact for Proposed Rate Revisions – All Reductions

Element	Projected Demand for Test Year	Current Rate	Billing at Current Rates	Proposed Rate	Increase (Decrease) in Rate	% Change	Billing at Proposed Rate	Projected Revenue Impact	% Impact
Local Switching per Min	82,522,773	\$0.005800	\$478,632	\$0.005410	(\$0.000390)	-6.7%	\$446,448	(\$32,184)	-6.7%
Infor Surcharge (Per 100 Min)	82,522,773	\$0.014200	\$11,718	\$0.006864	(\$0.007336)	-51.7%	\$5,664	(\$6,054)	-51.7%
Subtotal Switched Access			\$490,350				\$452,113	(\$38,238)	-7.8%
Switched Premium Entrance Facilities -VG 4W	156	\$43.50	\$6,786	\$43.33	(\$0.17)	-0.4%	\$6,759	(\$27)	n/a
Switched Premium Entrance Facilities -HC DS1	156	\$136.87	\$21,352	\$136.08	(\$0.79)	-0.6%	\$21,228	(\$123)	-0.6%
Direct Trunked Transport Termination - VG	156	\$19.73	\$3,078	\$19.65	(\$0.08)	-0.4%	\$3,065	(\$12)	-0.4%
Direct Trunked Transport Termination - HC DS1	113.21	\$78.44	\$8,880	\$78.13	(\$0.31)	-0.4%	\$8,845	(\$35)	-0.4%
Direct Trunked Transport Termination - HC DS3	-	\$509.86	\$0.00	\$507.85	(\$2.01)	-0.4%	\$0	\$0	n/a
Direct Trunked Transport Facility - VG	2,272	\$2.00	\$4,544	\$1.99	(\$0.01)	-0.5%	\$4,521	(\$23)	-0.5%
Direct Trunked Transport Facility HC DS1	1,032	\$15.11	\$15,594	\$15.05	(\$0.06)	-0.4%	\$15,532	(\$62)	-0.4%
Direct Trunked Transport Facility - HC DS3	-	\$128.44	\$0	\$127.93	(\$0.51)	-0.4%	\$0	\$0	n/a
Tandem Switched Facility	948,285,714	\$0.000143	\$135,605	\$0.000140	(\$0.000003)	-2.1%	\$132,760	(\$2,845)	-2.1%
Tandem Switched Termination	54,720,994	\$0.000743	\$40,658	\$0.000724	(\$0.000019)	-2.6%	\$39,618	(\$1,040)	-2.6%
Tandem Switching	-	\$0.001380	\$0	\$0.001361	(\$0.000019)	-1.4%	\$0	\$0	n/a
800 Data Base Query	9,762,439	\$0.004300	\$41,978	\$0.004100	(\$0.000200)	n/a	\$40,026	(\$1,952)	n/a
Subtotal Transport			\$278,474				\$272,355	(\$6,119)	-2.2%
Total Traffic Sensitive Revenue			\$768,825				\$724,468	(\$44,357)	-5.8%
Special Access Rate Reduction Combined Impact			\$957,872				\$954,142	(\$3,730)	-0.4%
Combined Traffic Sensitive/Special Access			\$1,726,697				\$1,678,610	(\$48,087)	-2.8%

Description and Justification**John Staurulakis, Inc. Tariff F.C.C. No. 1 -Transmittal No. 97****Lancaster Telephone Company (SC)****Page 5**

The projected revenues that would be billed under the rates proposed in this filing would generate \$1,888,615 at the forecasted demand. The following schedule serves to reconcile the amounts included in Attachment 9 representing projected billed revenue to the TYCOS revenue requirements for the respective elements.

Reconciliation of Projected Billed Access Revenue to TYCOS Revenue Requirement

	2004 TY Trans 97 Attach. 1	Subtraction	Projected Billing Included at Attach. 9	Note
Common Line	\$4,259,751	-\$4,259,751	\$0	(a)
Traffic Sensitive:				
Local Switching	\$880,013	-\$433,565	\$446,448	(b)
Information	5,664	\$0	\$5,664	
Transport	272,355	\$0	\$272,355	
Total Traffic Sensitive Rev. Requirement	\$1,158,032	-\$433,565	\$724,467	
Special Access	954,146	-\$4	\$954,142	
Total Access	\$6,371,929	-\$4,693,320	\$1,678,609	

a) Interstate Common Line Revenue is recovered through participation in National Exchange Carrier Association (NECA) Common Line Pool and billed under JSI Tariff FCC No. 1 by reference to NECA Tariff FCC No. 5.

(b) \$433,565 represents combination of offset for Local Switch Support (LSS) of \$425,858 and miscellaneous non recurring charges (NRCs).

Projected Special Access billing includes that for broadband services including Digital Subscriber Line (DSL) services – consistent with inclusion of DSL costs in the respective TYCOS and PYCOS Special Access Revenue Requirement amounts.

Description and Justification**John Staurulakis, Inc. Tariff F.C.C. No. 1 -Transmittal No. 97****Lancaster Telephone Company (SC)****Page 6****Earnings Monitoring**

Following is a summary of Lancaster's earnings monitoring as indicated in TRP Schedule ERN-1 accompanying this filing.

	2001/2002 FCC Monitoring Period	2003 Calendar Year	2004/2005 Test Year
Interstate Access, Total	7.79%	13.09%	11.25%
Carrier Common Line	12.00%	11.25%	11.25%
Special Access	-7.46%	4.53%	11.25%
Local Switching	7.95%	26.30%	11.25%
Information	0.00%	0.00%	11.25%
Local Transport	-1.04%	32.71%	11.25%
Traffic Sensitive Switched, Total	6.68%	16.52%	11.25%

Based on the foregoing, including the analyses at Attachments 1 through 9, the annual filing of Lancaster Telephone Company resulting in rate decreases is compliant with applicable Commission rules and otherwise reasonable in all respects.

Plant Date: Average 6/30/2005
Expense Date: 12 Mo. Ending 6/30/2005

Lancaster Telephone Company
Study No.: 240531 605

Attachment #1 - Form 1

SUMMARY DEVELOPMENT OF INTERSTATE REVENUE REQUIREMENT
CALCULATED AT 11.25 % RATE OF RETURN

	Source	Common Line	Local Switching	Traffic Sensitive Information	Transport	Special Access	Total Access	Total Company
1. Plant in Service	Part 69, Form 1, Ln 18	12,685,172	3,770,692	0	895,483	3,403,543	20,754,890	72,793,138
2. Plant Under Construction	Part 69, Form 1, Ln 20	39,109	11,625	0	2,761	10,493	63,988	224,424
3. Net Investment	Part 69, Form 2, Ln 43	4,066,980	842,250	0	216,067	973,088	6,098,385	21,448,541
4. Rate of Return	11.25 % Authorized	0.1125000	0.1125000	0.1125000	0.1125000	0.1125000		
5. Return	(Line 3 x 4)	457,535	94,753	0	24,308	109,472	686,068	
6. AFUDC	Part 69, Form 10, Ln 192	0	0	0	0	0	0	0
7. Net Return	(Lines 5 - 6)	457,535	94,753	0	24,308	109,472	686,068	
8. Fixed Charges	Part 69, Form 10, Ln 199	0	0	0	0	0	0	0
9. Investment Tax Credit	Part 69, Form 10, Ln 191	0	0	0	0	0	0	0
10. Other FIT Adjustments	Part 69, Form 10, Ln 195	(895)	(266)	0	(63)	(240)	(1,464)	(5,134)
11. Subject to FIT	(Lines 5-8-9-10)	458,430	95,019	0	24,371	109,712	687,532	
12. Federal Income Tax @ 53.84615%		246,847	51,164	0	13,123	59,076	370,210	
13. Other SIT Adjustments	Part 69, Form 10, Ln 198	0	0	0	0	0	0	0
14. Subject to SIT	(Lines 11+12-13)	705,277	146,183	0	37,494	168,788	1,057,742	
15. State Income Tax @ 0.00000%		37,120	7,694	0	1,973	8,884	55,671	
16. Return + FIT + SIT	(Lines 5-9+12+15-6)	741,502	153,611	0	39,404	177,432	1,111,949	
17. Expenses and Taxes	Part 69, Form 10, Ln 208	3,303,155	916,373	5,634	244,036	771,724	5,240,922	17,888,626
18. Subtotal	(Lines 16+17)	4,044,657	1,069,984	5,634	283,440	949,156	6,352,871	
19. Gross Receipts Tax @ 0.00000%		12,134	3,210	17	850	2,847	19,059	
20. Subtotal	(Line 18+19)	4,056,791	1,073,194	5,651	284,290	952,003	6,371,929	
21. Psc Fee @ 0.00000%		0	0	0	0	0	0	
22. Total Revenue Requirement	(Lines 16+17+19+21)	4,056,791	1,073,194	5,651	284,290	952,003	6,371,929	

Plant Date: Average 6/30/2005
Expense Date: 12 Mo. Ending 6/30/2005

Lancaster Telephone Company
Study No.: 240531 605

Attachment #1 - Form 2

SUMMARY DEVELOPMENT OF INTERSTATE REVENUE REQUIREMENT
CALCULATED AT 11.25 % RATE OF RETURN

	Source	Common Line	Local Switching	Traffic Sensitive Information	Transport	Special Access	Total Access	Total Company
22. Total Revenue Requirement	(Lines16+17+19+21)	4,056,791	1,073,194	5,651	284,290	952,003	6,371,929	
23. Revenue attributable to Local Switching Support per NECA Forms			(425,858)					
24. Total Revenue Requirement Subject to MAG Adjustments (Line 22 + Line 23)		4,056,791	647,336	5,651	284,290	952,003	5,946,071	
25. Adjustment for Line Port Re-allocation (Based on FCC Proxy)(Line 24 * Factor)	Factor: >>> 0.0000%	194,201	(194,201)				0	
26. USAC Charges included in line 22		(360,499)					(360,499)	
27. TIC Revenues for 12 Months Ending 6/30/01					(12,547)		(12,547)	
28. Subtotal for Re-Allocation of TIC Revenue (Line24 + 25 + 26 + 27)		3,890,493	453,135	5,651	271,743	952,003	5,573,025	
29. TIC Revenue Re-Allocation (Total Allocated on Line 28)		8,759	1,020	13	612	2,143	12,547	
30. Total Revised Revenue Requirement With MAG Adjustments (Line 22 + 25 + 27 +29)		4,259,751	880,013	5,664	272,355	954,146	6,371,929	
31. Total Annual Expense Adjustment for DME (Line 25 + 27 +29)								
32. Total Monthly Expense Adjustment for DME (Line 31 / 12)								

Plant Date: Average 6/30/2005
Expense Date: 12 Mo. Ending 6/30/2005

Lancaster Telephone Company
Study No.: 240531 605

Attachment #2 - Form 1

PART 69

Ln	Acct	Description	Allocation	Total Interstate	Common Line		Switched Access			Special Access	B&C	IX
					BFP	Pay / Other	Local Sw	Information	Transport			
1	2111	Land	L10	388,116	237,212	0	70,512	0	16,746	63,646		0
2		General Support	L10	2,392,183	1,462,078	0	434,605	0	103,212	392,288		0
2a		General Purpose Computer	L180a	0	0	0	0	0	0	0	0	0
3	2110	Land & General Support	L1-2	2,780,299	1,699,290	0	505,117	0	119,958	455,934	0	0
4	2210	COE - Switching	L48	3,265,575			3,265,575		0			0
5	2220	COE - Operator Systems	L53	0			0	0	0			0
6	2230	COE - Transmission	L63	5,128,780	2,794,765		0	0	718,101	1,615,914		0
7		Total COE	L4-6	8,394,355	2,794,765		3,265,575	0	718,101	1,615,914		0
8	2310	Information Orig/Term	L69	0	0	0				0		
9	2410	Cable & Wire Facilities	L76	9,580,236	8,191,117		0	0	57,424	1,331,695		0
10		Total COE, IOT & C&WF	L7-9	17,974,591	10,985,882	0	3,265,575	0	775,525	2,947,609		0
11		COE, IOT & C&WF (excl CL,B&C,IX)	L10 Less CL,B&C,IX	6,988,709			3,265,575	0	775,525	2,947,609		
12		Total GSF, COE, IOT, C&WF	L3,10	20,754,890	12,685,172	0	3,770,692	0	895,483	3,403,543	0	0
13		GSF, COE, IOT, C&WF (CL, LS, TR only)	L12 Less Inf, Spl, B&C, IX	17,351,347	12,685,172	0	3,770,692		895,483			
14	2680	Capital Leases	L83	0	0	0	0	0	0	0	0	0
15	2680	Leasehold Improvements	L12	0	0	0	0	0	0	0	0	0
16	2680	Amortizable Tangibles	L14-15	0	0	0	0	0	0	0	0	0
17	2690	Intangibles	L12	0	0	0	0	0	0	0	0	0
18	2001	Plant In Service	L3,10,16,17	20,754,890	12,685,172	0	3,770,692	0	895,483	3,403,543	0	0
19	2002	Prop Held For Future Use	L18	5,687	3,476	0	1,033	0	245	933	0	0
20	2003	Plant Under Construction	L18	63,988	39,109	0	11,625	0	2,761	10,493	0	0
21	2005	Plant Acquisition Adjustment	L18	0	0	0	0	0	0	0	0	0
22	1220	Material & Supplies	L12	90,564	55,353	0	16,453	0	3,907	14,851	0	0
23	1402	Class B RTB Stock	L12	0	0	0	0	0	0	0	0	0
24	1410	Other Noncurrent Assets	L12	0	0	0	0	0	0	0	0	0
25	1438	Deferred Maint & Retirements	L90	0	0	0	0	0	0	0	0	0
26	1439	Def Non-Capital Equal Access	Direct	0			0					
27	1500	Other Jurisdictional Assets	L12	0	0	0	0	0	0	0	0	0

Plant Date: Average 6/30/2005
Expense Date: 12 Mo. Ending 6/30/2005

Lancaster Telephone Company
Study No.: 240531 605

Attachment #2 - Form 2

PART 69

Ln	Acct	Description	Allocation	Total Interstate	Common Line		Switched Access			Special Access	B&C	IX
					BFP	Pay / Other	Local Sw	Information	Transport			
28	CWC	Cash Working Capital	L12	271,597	165,997	0	49,343	0	11,718	44,539	0	0
29	3100	Depreciation Reserve	L97	15,102,975	8,891,151	0	3,009,463	0	698,678	2,503,683	0	0
30	3200	Res - Prop Held for Future Use	L12	0	0	0	0	0	0	0	0	0
31		Res - Capital Leases	L14	0	0	0	0	0	0	0	0	0
32		Res - Leasehold Improvements	L15	0	0	0	0	0	0	0	0	0
33	3400	Res - Tangible Assets	L31-32	0	0	0	0	0	0	0	0	0
34	3500	Res - Intangible	L12	0	0	0	0	0	0	0	0	0
35	3600	Res - Plant Acquisiton Adj	L21	0	0	0	0	0	0	0	0	0
36		Total Reserves	L29,30,33-35	15,102,975	8,891,151	0	3,009,463	0	698,678	2,503,683	0	0
37	4040	Customer Deposits	L12	32,504	19,867	0	5,905	0	1,402	5,330	0	0
38	4100	Current Deferred Op Taxes	L104	0	0	0	0	0	0	0	0	0
39	4310	Other Long Term Liabilities	L12	65,932	40,297	0	11,978	0	2,845	10,812	0	0
40	4340	Non-Current Def Oper Taxes	L111	(113,070)	(69,188)	0	(20,450)	0	(4,878)	(18,554)	0	0
41	4360	Other Deferred Credits	L12	0	0	0	0	0	0	0	0	0
42	4370	Oth Juris Liab & Def Credits	L12	0	0	0	0	0	0	0	0	0
43		Net Investment	L18-28 Less L36-42	6,098,385	4,066,980	0	842,250	0	216,067	973,088	0	0
44		Total 2001 Less Associated Res	L18-22, 27 Less 36, 38, 40-42	5,925,224	3,961,147	0	810,790	0	208,596	944,691	0	0

Plant Date: Average 6/30/2005
Expense Date: 12 Mo. Ending 6/30/2005

Lancaster Telephone Company
Study No.: 240531 605

Attachment #2 - Form 3

PART 69

Ln	Acct	Description	Allocation	Total Interstate	Common Line		Switched Access			Special Access	B&C	IX
					BFP	Pay / Other	Local Sw	Information	Transport			
<u>Central Office Switching - Acct 2210</u>												
45	2210	Cat 2 - Tandem Switching	Alloc 1	0			0		0			0
46	2210	Cat 3 - Local Switching	Direct	3,265,575			3,265,575					
47	2210	Cat 5 - Equal Access	Direct	0			0					
48		Total 2210	L45-47	3,265,575			3,265,575		0			0
<u>Central Office Operator Systems - Acct 2220</u>												
2220		Cat 1 - Operator Systems										
49		Intercept Boards	Direct	0			0					
50		Information Boards	Direct	0				0				
51		Service Observing Boards	L54	0			0	0	0			0
52		Other Boards (Loc,Toll, TSPS, etc)	Direct	0								0
53		Total 2220	L49-52	0			0	0	0			0
54		Total COE Cats 1-3 (excl Svc Obs)	L45,46,49,50,52	3,265,575			3,265,575	0	0			0
<u>Central Office Transmission - Acct 2230</u>												
55	2230	Cat 4.11 - Wdbd Exch Ln xDSL Cir	Direct	420,781					0	420,781		
56	2230	Cat 4.122 - Exch Trunk Toll	L71	0					0			
57	2230	Cat 4.123 - Exch Trunk Spl	L72	0						0		
58	2230	Cat 4.13 - Exch Ln Circuit	L70	2,845,315	2,794,765					50,550		
59	2230	Cat 4.21 - IX Cct - Other Co	Direct	0								0
60	2230	Cat 4.22 - IX Cct - Wdbd	L73	996,954					0	996,954		
61	2230	Cat 4.23 - IX Cct - Other	Alloc 2	841,988			0	0	694,359	147,629		0
62	2230	Cat 4.3 - Host / Remote	L75	23,742					23,742			
63		Total 2230	L55-62	5,128,780	2,794,765		0	0	718,101	1,615,914		0

Plant Date: Average 6/30/2005
Expense Date: 12 Mo. Ending 6/30/2005

Lancaster Telephone Company
Study No.: 240531 605

Attachment #2 - Form 4

PART 69

Ln	Acct	Description	Allocation	Total Interstate	Common Line		Switched Access			Special Access	B&C	IX
					BFP	Pay / Other	Local Sw	Information	Transport			
<u>Information Origination / Termination - Acct 2310</u>												
64	2351	Cat 1 - Pub Tel (Less Coinless)	Direct	0		0						
65	2351	Cat 1 - Pub Tel (Coinless)	Direct	0		0						
66	2362	Cat 1 - Other Terminal Equip	Per CFR Part 69.303	0		0				0		
67		Total Category 1	L64-66	0		0				0		
68		Cat 2 - Customer Premise Equip	Direct	0	0							
69		Total 2310	L67-68	0	0	0				0		
<u>Cable and Wire Facilities - Acct 2410</u>												
70	2410	Cat 1 - Exch Ln CWF	Direct	8,339,272	8,191,117					148,155		
71	2410	Cat 2.2 - Exch Trk CWF - Toll	Direct	0					0			
72	2410	Cat 2.3 - Exch Trk CWF - Spl	Direct	37,392						37,392		
73	2410	Cat 2.4 - Exch Trk CWF - Wb	Direct	1,135,828					0	1,135,828		
74	2410	Cat 3 - IX C&WF	Alloc 3	63,169			0	0	52,849	10,320		0
75	2410	Cat 4 - Host / Remote C&WF	Direct	4,575					4,575			
76		Total 2410	L70-75	9,580,236	8,191,117		0	0	57,424	1,331,695		0

Plant Date: Average 6/30/2005
Expense Date: 12 Mo. Ending 6/30/2005

Lancaster Telephone Company
Study No.: 240531 605

Attachment #2 - Form 5

PART 69

Ln	Acct	Description	Allocation	Total Interstate	Common Line		Switched Access		Special Access	B&C	IX
					BFP	Pay / Other	Local Sw	Information			
<u>Tangible Assets - Capital Leases - Acct 2680</u>											
77	2110	General Support Facilities	L3	0	0	0	0	0	0	0	0
78	2210	COE - Switching	L4	0			0		0		0
79	2220	COE - Operator Systems	L5	0			0	0	0		0
80	2230	COE - Transmission	L6	0	0		0	0	0		0
81	2310	Information Orig /Term	L8	0	0	0			0		
82	2410	Cable & Wire Facilities	L9	0	0		0	0	0		0
83	Total 2681		L77-82	0	0	0	0	0	0	0	0
<u>Deferred Maint & Retirements Acct 1438</u>											
84	2110	General Support Facilities	L3	0	0	0	0	0	0	0	0
85	2210	COE - Switching	L4	0			0		0		0
86	2220	COE - Operator Systems	L5	0			0	0	0		0
87	2230	COE - Transmission	L6	0	0		0	0	0		0
88	2310	Information Orig /Term	L8	0	0	0			0		
89	2410	Cable & Wire Facilities	L9	0	0		0	0	0		0
90	Total 1438		L84-89	0	0	0	0	0	0	0	0
<u>Accumulated Depreciation - Acct 3100</u>											
91	2110	General Support Facilities	L3	1,231,551	752,711	0	223,745	0	53,136	201,959	0
92	2210	COE - Switching	L4	2,785,718			2,785,718		0		0
93	2220	COE - Operator Systems	L5	0			0	0	0		0
94	2230	COE - Transmission	L6	4,320,955	2,354,567		0	0	604,994	1,361,394	0
95	2310	Information Orig /Term	L8	0	0	0			0		
96	2410	Cable & Wire Facilities	L9	6,764,751	5,783,873		0	0	40,548	940,330	0
97	Total 3100		L91-96	15,102,975	8,891,151	0	3,009,463	0	698,678	2,503,683	0

Plant Date: Average 6/30/2005
Expense Date: 12 Mo. Ending 6/30/2005

Lancaster Telephone Company
Study No.: 240531 605

Attachment #2 - Form 6

PART 69

Ln	Acct	Description	Allocation	Total Interstate	Common Line		Switched Access		Special Access	B&C	IX
					BFP	Pay / Other	Local Sw	Information	Transport		
<u>Net Current Deferred Operating Income Taxes - Acct 4100</u>											
98	2110	General Support Facilities	L3	0	0	0	0	0	0	0	0
99	2210	COE - Switching	L4	0			0		0		0
100	2220	COE - Operator Systems	L5	0			0	0	0		0
101	2230	COE - Transmission	L6	0	0		0	0	0	0	0
102	2310	Information Orig /Term	L8	0	0	0				0	
103	2410	Cable & Wire Facilities	L9	0	0		0	0	0	0	0
104		Total 4100	L98-103		0	0	0	0	0	0	0
<u>Net Noncurrent Deferred Operating Income Taxes - Acct 4340</u>											
105	2110	General Support Facilities	L3	(13,361)	(8,167)	0	(2,427)	0	(576)	(2,191)	0
106	2210	COE - Switching	L4	(18,023)			(18,023)		0		0
107	2220	COE - Operator Systems	L5	0			0	0	0		0
108	2230	COE - Transmission	L6	(28,446)	(15,501)		0	0	(3,983)	(8,962)	0
109	2310	Information Orig /Term	L8	0	0	0				0	
110	2410	Cable & Wire Facilities	L9	(53,240)	(45,520)		0	0	(319)	(7,401)	0
111		Total 4340	L105-110		(113,070)	(69,188)	0	(20,450)	0	(4,878)	(18,554)
<u>Plant Specific Expenses</u>											
112	6110	Network Support	L12	76,337	46,656	0	13,869	0	3,294	12,518	0
113	6120	General Support	L3	227,176	138,847	0	41,273	0	9,802	37,254	0
114	6210	COE - Switching - Equal Access	Direct	0			0				
115	6210	COE - Switching - All Other	Alloc 6	131,715			110,776		20,939		0
116	6220	COE - Operator Systems	L5	0			0	0	0		0
117	6230	COE - Transmission	L6	204,079	111,206		0	0	28,574	64,299	0
118		Total COE	L114-117	335,794	111,206		110,776	0	49,513	64,299	0
119	6310	IOT - Other	L67	0		0				0	
120	6310	IOT - Customer Premise Equip	L68	0	0						
121		Total 6310	L119-120	0	0	0				0	
122	6410	Cable & Wire Facilities	L76	351,606	300,623		0	0	2,108	48,875	0
123		Total Plant Specific	L112,113,118,121-122	990,913	597,332	0	165,918	0	64,717	162,946	0

Plant Date: Average 6/30/2005
Expense Date: 12 Mo. Ending 6/30/2005

Lancaster Telephone Company
Study No.: 240531 605

Attachment #2 - Form 7

PART 69

Ln	Acct	Description	Allocation	Total	Common Line		Switched Access		Special Access	B&C	IX
				Interstate	BFP	Pay / Other	Local Sw	Information			
<u>Plant Non-Specific Expenses</u>											
124	6510	Other Prop Plant & Equip	L10	20,121	12,297	0	3,656	0	868	3,300	0
125	6530	Network Operations	L10	736,124	449,911	0	133,737	0	31,761	120,715	0
126	6540	Access	Direct	0							0
126a	6540	Universal Service Assignment	Direct	360,499	360,499						
	6561	<u>Depreciation</u>									
127		Dep - Support Assets	L3	144,479	88,303	0	26,249	0	6,234	23,693	0
128		Dep - COE Switching	L4	293,157			293,157		0		0
129		Dep - COE Operator	L5	0			0	0	0		0
130		Dep - COE Transmission	L6	446,265	243,178		0	0	62,483	140,604	0
131		Dep - IOT	L8	0	0	0				0	
132		Dep - Cable & Wire Facilities	L9	606,505	518,563		0	0	3,635	84,307	0
133		Total 6561	L127-132	1,490,406	850,044	0	319,406	0	72,352	248,604	0
134	6562	Dep - Prop Held for Future Use	L19	0	0	0	0	0	0	0	0
135	6563	Amort - Tangible Assets	L16	0	0	0	0	0	0	0	0
136	6564	Amort - Intangible Assets	L17	0	0	0	0	0	0	0	0
137	6565	Amort - Acquisition Adjust	L21	0	0	0	0	0	0	0	0
138		Total Plant Non-Specific	L124-137 Less L133	2,607,150	1,672,751	0	456,799	0	104,981	372,619	0
<u>Customer Operations Expenses</u>											
139	6610	<u>Marketing</u>	L12	220,439	134,730	0	40,049	0	9,511	36,149	0
140	6621	<u>Operator</u>	Alloc 4	0			0	0			0
141		Outside Operator Services	Alloc 5	0			0	0			0
	6622	<u>Directory</u>									
142		Published Directory Expense	Direct	4,746				4,746			

Plant Date: Average 6/30/2005
Expense Date: 12 Mo. Ending 6/30/2005

Lancaster Telephone Company
Study No.: 240531 605

Attachment #2 - Form 8

PART 69

Ln	Acct	Description	Allocation	Total Interstate	Common Line		Switched Access		Special Access	B&C	IX
					BFP	Pay / Other	Local Sw	Information			
6623 Commercial Operations											
Cat 1 - Local Business Office											
End User Service Order Processing											
143		Presubscription	L13	383,840	280,616	0	83,414		19,810		
144		Message Tel	Direct	46,728							46,728
145		Private Line	Direct	0							0
146		Total	L143-145	430,568	280,616	0	83,414		19,810		46,728
End User Payment and Collection											
147		Message Tel	Direct	106,492							106,492
148		Private Line	Direct	0							0
149		EUCL	Direct	52,876	52,876						
150		Total	L147-149	159,368	52,876						106,492
End User Billing Inquiry											
151		Message Tel	Direct	2,122							2,122
152		Private Line	Direct	102							102
153		EUCL	Direct	102	102						
154		Total	L151-153	2,326	102						2,224
IXC Service Order Processing											
155		Message Tel	L13	70,948	51,868	0	15,418		3,662		
156		Private Line	Direct	62,080						62,080	
157		Billing & Collection	Direct	0							0
158		Total	L155-157	133,028	51,868	0	15,418		3,662	62,080	0
IXC Payment and Collection											
159		Message Tel	L13	8,691	6,353	0	1,889		449		
160		Private Line	Direct	2,121						2,121	
161		Billing & Collection	Direct	1,032							1,032
162		Total	L159-161	11,844	6,353	0	1,889		449	2,121	1,032
IXC Billing Inquiry											
163		Message Tel	L13	751	549	0	163		39		
164		Private Line	Direct	500						500	
165		Billing & Collection	Direct	0							0
166		Total	L163-165	1,251	549	0	163		39	500	0
167		Future Use									
168		Total Category 1	L146,150,154,158,162,166	738,385	392,364	0	100,884		23,960	64,701	156,476

Plant Date: Average 6/30/2005
Expense Date: 12 Mo. Ending 6/30/2005

Lancaster Telephone Company
Study No.: 240531 605

Attachment #2 - Form 9

PART 69

Ln	Acct	Description	Allocation	Total Interstate	Common Line		Switched Access			Special Access	B&C	IX
					BFP	Pay / Other	Local Sw	Information	Transport			
		<u>Cat 2 - Revenue Accounting</u>										
169		Message Processing	Direct	156,873							156,873	
170		OB&C - Expense	Direct	76,302							76,302	
171		Future Use										
172		Future Use										
172		Carrier Access Billing	L11	56,934			26,603	0	6,318	24,013		
174		Subscriber Line Charge	Direct	13,465	13,465							
175		Total Category 2	L169-174	303,574	13,465		26,603	0	6,318	24,013	233,175	
176		Subtotal Customer Services	L140-142,168,175	1,046,705	405,829	0	127,487	4,746	30,278	88,714	389,651	0
		<u>Category 3 - Other Commercial</u>										
177		Total Category 3	L176	5,135	1,991	0	625	23	149	435	1,912	0
178		Total Customer Services	L176-177	1,051,840	407,820	0	128,112	4,769	30,427	89,149	391,563	0
179		Total Customer Operations	L139,178	1,272,279	542,550	0	168,161	4,769	39,938	125,298	391,563	0
180		Total Big Three Expenses	L123-126,179 (less L114)	3,379,936	1,962,589	0	471,472	4,769	137,284	412,259	391,563	0
180a		Total Big Three Expenses - Modified	L180 Less 112, 113, 139, 143, 155, 159, 163	2,320,886	1,300,979	0	274,772	4,746	90,568	261,202	388,619	0
		<u>Corporate Operations Expenses</u>										
181	6710	Executive & Planning	L180	118,712	68,931	0	16,559	167	4,822	14,480	13,753	0
182	6720	General & Administrative	L180	494,826	287,325	0	69,024	698	20,099	60,355	57,325	0
183		Total Corporate Operations	L181-182	613,538	356,256	0	85,583	865	24,921	74,835	71,078	0
184		Total Operating Expenses	L123,138,179,183	5,483,880	3,168,889	0	876,461	5,634	234,557	735,698	462,641	0
		<u>Operating Taxes</u>										
185		Future Use										
186	7240	Ad Valorem Taxes	L12	207,961	127,103	0	37,782	0	8,973	34,103	0	0
187	7370	Special Charges	L12	8,894	5,435	0	1,616	0	384	1,459	0	0
188		Total Operating Exp & Taxes	L184-186	5,700,735	3,301,427	0	915,859	5,634	243,914	771,260	462,641	0

Plant Date: Average 6/30/2005
Expense Date: 12 Mo. Ending 6/30/2005

Lancaster Telephone Company
Study No.: 240531 605

Attachment #2 - Form 10

PART 69

Ln	Acct	Description	Allocation	Total Interstate	Common Line		Switched Access		Special Access	B&C	IX
					BFP	Pay / Other	Local Sw	Information			
<u>Tax Adjustments</u>											
189	7210	Investment Tax Credits	L12	0	0	0	0	0	0	0	0
190		TRA-86 Amortization	L12	0	0	0	0	0	0	0	0
191		Total	L189-190	0	0	0	0	0	0	0	0
192	7340	AFUDC	L12	0	0	0	0	0	0	0	0
193		FIT Adjustments - Addbacks	L12	(1,464)	(895)	0	(266)	0	(63)	(240)	0
194		FIT Adjustments - Deductions	L12	0	0	0	0	0	0	0	0
195		Total FIT Adjustments	L193-194	(1,464)	(895)	0	(266)	0	(63)	(240)	0
196		SIT Adjustments - Addbacks	L12	0	0	0	0	0	0	0	0
197		SIT Adjustments - Deductions	L12	0	0	0	0	0	0	0	0
198		Total SIT Adjustments	L196-197	0	0	0	0	0	0	0	0
199	7500	Fixed Charges	L44	0	0	0	0	0	0	0	0
200	7540	Interest On Customer Dep	L12	2,828	1,728	0	514	0	122	464	0
<u>Rent Revenues Account 5240</u>											
201	2110	General Support Facilities	L3	0	0	0	0	0	0	0	0
202	2210	COE - Switching	L4	0			0		0		0
203	2220	COE - Operator Systems	L5	0			0	0	0		0
204	2230	COE - Transmission	L6	0	0		0	0		0	0
205	2310	Information Orig /Term	L8	0	0	0			0		
206	2410	Cable & Wire Facilities	L9	0	0		0		0		0
207		Total 5240	L201-206	0	0	0	0	0	0	0	0
208		Total Operating Exp & Taxes	L188+200 Less 207	5,703,563	3,303,155	0	916,373	5,634	244,036	771,724	462,641

Plant Date: Average 6/30/2005
Expense Date: 12 Mo. Ending 6/30/2005

Lancaster Telephone Company
Study No.: 240531 605

Attachment #3 - Form 1

PART 36

Ln	Acct	Description	Allocation	Total Company	Interstate InterLATA Message	Interstate InterLATA P/L	Interstate IntraLATA Message	Interstate IntraLATA P/L	Intrastate InterLATA Message	Intrastate InterLATA P/L	Intrastate IntraLATA Message	Intrastate IntraLATA P/L	EAS	Local
1	2111	Land	L10	1,361,232	324,470	63,646	0	0	110,711	5,885	31,594	7,800	4,862	812,264
2		General Support	L10	8,390,046	1,999,895	392,288	0	0	682,376	36,270	194,735	48,074	29,967	5,006,441
2a		General Purpose Computer	L10	0	0	0	0	0	0	0	0	0	0	0
3	2110	Land & General Support	L1-2	9,751,278	2,324,365	455,934	0	0	793,087	42,155	226,329	55,874	34,829	5,818,705
4	2210	COE - Switching	L45	13,353,404	3,265,575		0		470,000		173,073		0	9,444,756
5	2220	COE - Operator Systems	L50	0	0		0		0		0		0	0
6	2230	COE - Transmission	L60	14,779,536	3,512,866	1,615,914	0	0	1,333,980	108,071	385,451	283,651	205,544	7,334,059
7		Total COE	L4-6	28,132,940	6,778,441	1,615,914	0	0	1,803,980	108,071	558,524	283,651	205,544	16,778,815
8	2310	Information Orig /Term	L66	0	0		0		0		0		0	0
9	2410	Cable & Wire Facilities	L74	34,908,920	8,248,541	1,331,695	0	0	3,323,314	164,459	904,690	77,568	19,626	20,839,027
10		Total COE, IOT & C&WF	L7-9	63,041,860	15,026,982	2,947,609	0	0	5,127,294	272,530	1,463,214	361,219	225,170	37,617,842
11	2680	Capital Leases	L81	0	0	0	0	0	0	0	0	0	0	0
12	2680	Leasehold Improvements	L88	0	0	0	0	0	0	0	0	0	0	0
13	2680	Amortizable Tangibles	L11-12	0	0	0	0	0	0	0	0	0	0	0
14	2690	Intangibles	L40	0	0	0	0	0	0	0	0	0	0	0
15	2001	Plant In Service	L3, 10, 13, 14	72,793,138	17,351,347	3,403,543	0	0	5,920,381	314,685	1,689,543	417,093	259,999	43,436,547
16	2002	Prop Held For Future Use	L15	19,946	4,754	933	0	0	1,622	86	463	114	71	11,903
17	2003	Plant Under Construction	L15	224,424	53,495	10,493	0	0	18,253	970	5,209	1,286	802	133,916
18	2005	Plant Acquisition Adjustment	L15	0	0	0	0	0	0	0	0	0	0	0
19	1220	Material & Supplies	L9	330,000	77,975	12,589	0	0	31,416	1,555	8,552	733	186	196,994
20	1402	Class B RTB Stock	L15	0	0	0	0	0	0	0	0	0	0	0
21	1410	Other Noncurrent Assets	L175	0	0	0	0	0	0	0	0	0	0	0
22	1438	Deferred Maint & Retirements	L95	0	0	0	0	0	0	0	0	0	0	0
23	1439	Def Non-Capital Equal Access	Alloc 13	0	0		0		0		0		0	0
24	1500	Other Jurisdictional Assets	Alloc 19	0	0	0	0	0	0	0	0	0	0	0
25	CWC	Cash Working Capital	L189	817,767	242,299	29,298	0	0	78,538	2,290	28,407	4,678	4,126	428,131

Plant Date: Average 6/30/2005
Expense Date: 12 Mo. Ending 6/30/2005

Lancaster Telephone Company
Study No.: 240531 605

Attachment #3 - Form 2

PART 36

Ln	Acct	Description	Allocation	Total Company	Interstate InterLATA Message	Interstate InterLATA P/L	Interstate IntraLATA Message	Interstate IntraLATA P/L	Intrastate InterLATA Message	Intrastate InterLATA P/L	Intrastate IntraLATA Message	Intrastate IntraLATA P/L	EAS	Local
26	3100	Depreciation Reserve	L102	52,811,949	12,599,292	2,503,683	0	0	4,222,749	225,849	1,211,449	318,496	202,455	31,527,976
27	3200	Res - Prop Held for Future Use	L16	0	0	0	0	0	0	0	0	0	0	0
28	3400	Res - Capital leases	L13	0	0	0	0	0	0	0	0	0	0	0
29	3400	Res - Leasehold Improvments	L13	0	0	0	0	0	0	0	0	0	0	0
30	3500	Res - Intangible	L14	0	0	0	0	0	0	0	0	0	0	0
31	3600	Res - Plant Acquisiton Adj	L15	0	0	0	0	0	0	0	0	0	0	0
32		Total Reserves	L 26-31	52,811,949	12,599,292	2,503,683	0	0	4,222,749	225,849	1,211,449	318,496	202,455	31,527,976
33	4040	Customer Deposits	L15	114,000	27,174	5,330	0	0	9,272	493	2,646	653	407	68,025
34	4100	Current Deferred Op Taxes	L109	0	0	0	0	0	0	0	0	0	0	0
35	4310	Other Long Term Liabilities	L175	207,313	58,618	7,314	0	0	20,522	547	7,901	1,231	1,140	110,040
36	4340	Non-Current Def Oper Taxes	L116	(396,528)	(94,516)	(18,554)	0	0	(32,272)	(1,716)	(9,209)	(2,272)	(1,416)	(236,573)
37	4360	Other Deferred Credits	Alloc 48	0	0	0	0	0	0	0	0	0	0	0
38	4370	Oth Juris Liab & Def Credits	Alloc 41	0	0	0	0	0	0	0	0	0	0	0
39		Net Investment	L15-25 Less L32-38	21,448,541	5,139,302	959,083	0	0	1,829,939	94,413	519,387	105,796	62,598	12,738,023
40		Total 2001 Less 2690	L 3, 10, 13	72,793,138	17,351,347	3,403,543	0	0	5,920,381	314,685	1,689,543	417,093	259,999	43,436,547
41		Total 2001 Less Associated Res	L15-19,24 Less L32,34 36-38	20,952,087	4,982,795	942,429	0	0	1,781,195	93,163	501,527	103,002	60,019	12,487,957

Plant Date: Average 6/30/2005
Expense Date: 12 Mo. Ending 6/30/2005

Lancaster Telephone Company
Study No.: 240531 605

Attachment #3 - Form 3

PART 36

Ln	Acct	Description	Allocation	Total Company	Interstate InterLATA Message	Interstate InterLATA P/L	Interstate IntraLATA Message	Interstate IntraLATA P/L	Intrastate InterLATA Message	Intrastate InterLATA P/L	Intrastate IntraLATA Message	Intrastate IntraLATA P/L	EAS	Local
<u>Central Office Switching - Acct 2210</u>														
42	2210	Cat 2 - Tandem Switching	Alloc 2	0	0		0		0		0		0	0
43	2210	Cat 3 - Local Switching	Alloc 3	13,353,404	3,265,575		0		470,000		173,073		0	9,444,756
44	2210	Cat 5 - Equal Access	Alloc 13	0	0		0		0		0			0
45		Total 2210	L42-44	13,353,404	3,265,575		0		470,000		173,073		0	9,444,756
<u>Central Office Operator Systems - Acct 2220</u>														
2220		Cat 1 - Operator Systems												
46		Intercept Boards	Alloc 24	0	0		0		0		0		0	0
47		Information Boards	Alloc 47	0	0		0		0		0		0	0
48		Service Observing Boards	Alloc 67	0	0		0		0		0		0	0
49		Other Boards	Alloc 1	0	0		0		0		0		0	0
50		Total 2220	L46-49	0	0		0		0		0		0	0
<u>Central Office Transmission - Acct 2230</u>														
51	2230	Cat 4.11 - Wdbd Exch Ln xDSL	Alloc 4	420,781		420,781		0		0		0	0	0
52	2230	Cat 4.121 - Exch Trunk EAS	Alloc 5	35,013									35,013	0
53	2230	Cat 4.122 - Exch Trunk Toll	Alloc 6	0	0		0		0		0		0	0
54	2230	Cat 4.123 - Exch Trunk Spl	Alloc 7	0		0		0		0		0		0
55	2230	Cat 4.13 - Exch Ln Circuit	Alloc 8	11,360,959	2,794,765	50,550	0	0	1,128,213	36,221	306,440	6,368	0	7,038,402
56	2230	Cat 4.21 - IX Cct - Other Co	Alloc 9	0	0	0	0	0						0
57	2230	Cat 4.22 - IX Cct - Wdbd	Alloc 10	1,246,193	0	996,954	0	0	0	49,848	0	37,386	0	162,005
58	2230	Cat 4.23 - IX Cct - Other	Alloc 11	1,550,102	694,359	147,629	0	0	199,117	22,002	76,567	239,897	170,531	(0)
59	2230	Cat 4.3 - Host Remote	Alloc 12	166,488	23,742		0		6,650		2,444		0	133,652
60		Total 2230	L51-59	14,779,536	3,512,866	1,615,914	0	0	1,333,980	108,071	385,451	283,651	205,544	7,334,059

Plant Date: Average 6/30/2005
Expense Date: 12 Mo. Ending 6/30/2005

Lancaster Telephone Company
Study No.: 240531 605

Attachment #3 - Form 4

PART 36

Ln	Acct	Description	Allocation	Total Company	Interstate InterLATA Message	Interstate InterLATA P/L	Interstate IntraLATA Message	Interstate IntraLATA P/L	Intrastate InterLATA Message	Intrastate InterLATA P/L	Intrastate IntraLATA Message	Intrastate IntraLATA P/L	EAS	Local
<u>Information Origination / Termination - Acct 2310</u>														
61	2351	Cat 1 - Pub Tel (Less Coinless)	Alloc 14	0	0		0		0		0		0	0
62	2351	Cat 1 - Pub Tel (Coinless)	Alloc 15	0	0		0		0		0		0	0
63	2362	Cat 1 - Other Terminal Equip	Alloc 14	0	0		0		0		0		0	0
64		Total Category 1	L61-63	0	0		0		0		0		0	0
65		Cat 2 - Customer Premise	Alloc 16	0					0		0		0	0
66		Total 2310	L64-65	0	0		0		0		0		0	0
<u>Cable and Wire Facilities - Acct 2410</u>														
67	2410	Cat 1 - Exch Ln CWF	Alloc 17	33,297,592	8,191,117	148,155	0	0	3,306,655	106,158	898,140	18,665	0	20,628,702
68	2410	Cat 2.1 - Exch Trk CWF - EAS	Alloc 5	6,951									6,951	0
69	2410	Cat 2.2 - Exch Trk CWF - Toll	Alloc 6	0	0		0		0		0		0	0
70	2410	Cat 2.3 - Exch Trk CWF - Spl	Alloc 7	37,392		37,392		0		0		0		0
71	2410	Cat 2.4 - Exch Trk CWF - Wb	Alloc 10	1,419,786	0	1,135,828	0	0	0	56,792	0	42,594	0	184,572
72	2410	Cat 3 - IX C&WF	Alloc 18	115,119	52,849	10,320	0	0	15,378	1,509	6,079	16,309	12,675	0
73	2410	Cat 4 - Host / Remote C&WF	Alloc 12	32,080	4,575		0		1,281		471		0	25,753
74		Total 2410	L67-73	34,908,920	8,248,541	1,331,695	0	0	3,323,314	164,459	904,690	77,568	19,626	20,839,027

Plant Date: Average 6/30/2005
Expense Date: 12 Mo. Ending 6/30/2005

Lancaster Telephone Company
Study No.: 240531 605

Attachment #3 - Form 5

PART 36

Ln	Acct	Description	Allocation	Total Company	Interstate InterLATA Message	Interstate InterLATA P/L	Interstate IntraLATA Message	Interstate IntraLATA P/L	Intrastate InterLATA Message	Intrastate InterLATA P/L	Intrastate IntraLATA Message	Intrastate IntraLATA P/L	EAS	Local
<u>Tangible Assets - Capital Leases - Acct 2680</u>														
75	2110	General Support Facilities	L3	0	0	0	0	0	0	0	0	0	0	0
76	2210	COE - Switching	L4	0	0		0		0		0		0	0
77	2220	COE - Operator Systems	L5	0	0		0		0		0		0	0
78	2230	COE - Transmission	L6	0	0	0	0	0	0	0	0	0	0	0
79	2310	Information Orig /Term	L8	0	0		0		0		0		0	0
80	2410	Cable & Wire Facilities	L9	0	0	0	0	0	0	0	0	0	0	0
81	Total 2681		L75-80	0	0	0	0	0	0	0	0	0	0	0
<u>Tangible Assets - Leasehold Improvements - Acct 2680</u>														
82	2110	General Support Facilities	L3	0	0	0	0	0	0	0	0	0	0	0
83	2210	COE - Switching	L4	0	0		0		0		0		0	0
84	2220	COE - Operator Systems	L5	0	0		0		0		0		0	0
85	2230	COE - Transmission	L6	0	0	0	0	0	0	0	0	0	0	0
86	2310	Information Orig /Term	L8	0	0		0		0		0		0	0
87	2410	Cable & Wire Facilities	L9	0	0	0	0	0	0	0	0	0	0	0
88	Total 2682		L82-87	0	0	0	0	0	0	0	0	0	0	0
<u>Deferred Maint & Retirements Acct 1438</u>														
89	2110	General Support Facilities	L3	0	0	0	0	0	0	0	0	0	0	0
90	2210	COE - Switching	L4	0	0		0		0		0		0	0
91	2220	COE - Operator Systems	L5	0	0		0		0		0		0	0
92	2230	COE - Transmission	L6	0	0	0	0	0	0	0	0	0	0	0
93	2310	Information Orig /Term	L8	0	0		0		0		0		0	0
94	2410	Cable & Wire Facilities	L9	0	0	0	0	0	0	0	0	0	0	0
95	Total 1438		L89-94	0	0	0	0	0	0	0	0	0	0	0

PART 36

Ln	Acct	Description	Allocation	Total Company	Interstate InterLATA Message	Interstate InterLATA P/L	Interstate IntraLATA Message	Interstate IntraLATA P/L	Intrastate InterLATA Message	Intrastate InterLATA P/L	Intrastate IntraLATA Message	Intrastate IntraLATA P/L	EAS	Local
<u>Accumulated Depreciation - Acct 3100</u>														
96	2110	General Support Facilities	L3	4,319,388	1,029,592	201,959	0	0	351,303	18,673	100,254	24,750	15,428	2,577,429
97	2210	COE - Switching	L4	11,391,202	2,785,718		0		400,936		147,641		0	8,056,907
98	2220	COE - Operator Systems	L5	0	0		0		0		0		0	0
99	2230	COE - Transmission	L6	12,451,638	2,959,561	1,361,394	0	0	1,123,867	91,049	324,739	238,974	173,169	6,178,885
100	2310	Information Orig /Term	L8	0	0		0		0		0		0	0
101	2410	Cable & Wire Facilities	L9	24,649,721	5,824,421	940,330	0	0	2,346,643	116,127	638,815	54,772	13,858	14,714,755
102	Total 3100		L96-101	52,811,949	12,599,292	2,503,683	0	0	4,222,749	225,849	1,211,449	318,496	202,455	31,527,976
<u>Net Current Deferred Operating Income Taxes - Acct 4100</u>														
103	2110	General Support Facilities	L3	0	0	0	0	0	0	0	0	0	0	0
104	2210	COE - Switching	L4	0	0		0		0		0		0	0
105	2220	COE - Operator Systems	L5	0	0		0		0		0		0	0
106	2230	COE - Transmission	L6	0	0	0	0	0	0	0	0	0	0	0
107	2310	Information Orig /Term	L8	0	0		0		0		0		0	0
108	2410	Cable & Wire Facilities	L9	0	0	0	0	0	0	0	0	0	0	0
109	Total 4100		L103-108	0	0	0	0	0	0	0	0	0	0	0
<u>Net Noncurrent Deferred Operating Income Taxes - Acct 4340</u>														
110	2110	General Support Facilities	L3	(46,859)	(11,170)	(2,191)	0	0	(3,811)	(203)	(1,088)	(268)	(167)	(27,961)
111	2210	COE - Switching	L4	(73,700)	(18,023)		0		(2,594)		(955)		0	(52,128)
112	2220	COE - Operator Systems	L5	0	0		0		0		0		0	0
113	2230	COE - Transmission	L6	(81,973)	(19,484)	(8,962)	0	0	(7,399)	(599)	(2,138)	(1,573)	(1,140)	(40,678)
114	2310	Information Orig /Term	L8	0	0		0		0		0		0	0
115	2410	Cable & Wire Facilities	L9	(193,996)	(45,839)	(7,401)	0	0	(18,468)	(914)	(5,028)	(431)	(109)	(115,806)
116	Total 4340		L110-115	(396,528)	(94,516)	(18,554)	0	0	(32,272)	(1,716)	(9,209)	(2,272)	(1,416)	(236,573)

Plant Date: Average 6/30/2005
Expense Date: 12 Mo. Ending 6/30/2005

Lancaster Telephone Company
Study No.: 240531 605

Attachment #3 - Form 7

PART 36

Ln	Acct	Description	Allocation	Total Company	Interstate InterLATA Message	Interstate InterLATA P/L	Interstate IntraLATA Message	Interstate IntraLATA P/L	Intrastate InterLATA Message	Intrastate InterLATA P/L	Intrastate IntraLATA Message	Intrastate IntraLATA P/L	EAS	Local
<u>Plant Specific Expenses</u>														
117	6110	Network Support	L3	267,736	63,819	12,518	0	0	21,775	1,157	6,214	1,534	956	159,763
118	6120	General Support	L3	796,768	189,922	37,254	0	0	64,802	3,444	18,493	4,565	2,846	475,442
119	6210	COE - Switching - Eq. Access	Alloc 13	0	0		0		0		0			0
120	6210	COE - Switching - All Other	L7	441,431	106,360	25,355	0	0	28,306	1,696	8,764	4,451	3,225	263,274
121	6220	COE - Operator Systems	L7	0	0	0	0	0	0	0	0	0	0	0
122	6230	COE - Transmission	L7	683,953	164,794	39,285	0	0	43,857	2,627	13,579	6,896	4,997	407,918
123		Total COE	L119-122	1,125,384	271,154	64,640	0	0	72,163	4,323	22,343	11,347	8,222	671,192
124	6310	IOT - Other	L64	0	0		0		0		0		0	0
125	6310	IOT - Customer Premise	Alloc 16	0					0		0		0	0
126		Total 6310	L124-125	0	0		0		0		0		0	0
127	6410	Cable & Wire Facilities	L9	1,281,197	302,731	48,875	0	0	121,969	6,036	33,203	2,847	720	764,816
128		Total Plant Specific	L117,118,123,126-127	3,471,085	827,626	163,287	0	0	280,709	14,960	80,253	20,293	12,744	2,071,213

Plant Date: Average 6/30/2005
Expense Date: 12 Mo. Ending 6/30/2005

Lancaster Telephone Company
Study No.: 240531 605

Attachment #3 - Form 8

PART 36

Ln	Acct	Description	Allocation	Total Company	Interstate InterLATA Message	Interstate InterLATA P/L	Interstate IntraLATA Message	Interstate IntraLATA P/L	Intrastate InterLATA Message	Intrastate InterLATA P/L	Intrastate IntraLATA Message	Intrastate IntraLATA P/L	EAS	Local
<u>Plant Non-Specific Expenses</u>														
129	6510	Other Prop Plant & Equip	L15	70,568	16,821	3,300	0	0	5,739	305	1,638	404	252	42,109
130	6530	Network Operations	L10	2,581,792	615,409	120,715	0	0	209,981	11,161	59,924	14,793	9,222	1,540,587
131	6540	Access	Alloc 20	0	0	0	0	0	0	0	0	0	0	0
131a	6540	Universal Service Assignment	Alloc 35	395,404	360,499		0		34,905		0			
	6561	<u>Depreciation</u>												
132		Dep - Support Assets	L3	506,725	120,786	23,693	0	0	41,213	2,191	11,761	2,903	1,810	302,368
133		Dep - COE Switching	L4	1,198,760	293,157		0		42,193		15,537		0	847,873
134		Dep - COE Operator	L5	0	0		0		0		0		0	0
135		Dep - COE Transmission	L6	1,285,995	305,661	140,604	0	0	116,072	9,403	33,539	24,681	17,885	638,150
136		Dep - IOT	L8	0	0		0		0		0		0	0
137		Dep - Cable & Wire Facilities	L9	2,210,013	522,198	84,307	0	0	210,392	10,412	57,274	4,911	1,242	1,319,277
138		Total 6561	L132-137	5,201,493	1,241,802	248,604	0	0	409,870	22,006	118,111	32,495	20,937	3,107,668
139	6562	Dep - Prop Held for Fut Use	L15	0	0	0	0	0	0	0	0	0	0	0
140	6563	Amort - Tangible Assets	L13	0	0	0	0	0	0	0	0	0	0	0
141	6564	Amort - Intangible Assets	L14	0	0	0	0	0	0	0	0	0	0	0
142	6565	Amort - Acquisition Adjust	L15	0	0	0	0	0	0	0	0	0	0	0
143		Total Plant Non-Specific	L129-142 Less 138	8,249,257	2,234,531	372,619	0	0	660,495	33,472	179,673	47,692	30,411	4,690,364
<u>Customer Operations Expenses</u>														
144	6610	Marketing	Alloc 43	818,825	220,439	0	0	0	55,489	0	21,343	0	28,452	493,102
145	6621	Operator	L50	0	0		0		0		0		0	0
146		Outside Operator Services	Alloc 42	16,955	0		0		0		16,955		0	0
	6622	<u>Directory</u>												
147		Classified	Alloc 22	51,895										51,895
148		TWX	Alloc 23	0	0	0	0	0	0	0	0	0	0	0
149		Alpha	Alloc 24	33,283	4,746		0		1,329		489		0	26,719
150		Foreign	Alloc 25	0	0		0		0		0		0	0
151		Total 6622	L147-150	85,178	4,746	0	0	0	1,329	0	489	0	0	78,614

Plant Date: Average 6/30/2005
Expense Date: 12 Mo. Ending 6/30/2005

Lancaster Telephone Company
Study No.: 240531 605

Attachment #3 - Form 9

PART 36

Ln	Acct	Description	Allocation	Total Company	Interstate InterLATA Message	Interstate InterLATA P/L	Interstate IntraLATA Message	Interstate IntraLATA P/L	Intrastate InterLATA Message	Intrastate InterLATA P/L	Intrastate IntraLATA Message	Intrastate IntraLATA P/L	EAS	Local
6623 Commercial Operations														
<u>Cat 1 - Local Business Office</u>														
End User service order processing														
152		Presubscription	Alloc 26	383,840	383,840									0
153		Directory Advertising	Alloc 27	0										0
154		All other	Alloc 28	547,389	46,728	0	0	0	40,053	0	43,391	0		417,217
155		End User payment & collection	Alloc 21	675,205	159,368	0	0	0	88,464	0	15,965	21,255		390,153
156		End User billing inquiry	Alloc 30	71,220	2,224	102	0	0	7,375	102	7,475	101		53,841
157		IXC service order processing	Alloc 32	150,765	70,948	62,080	0	0	17,737	0	0	0		0
158		IXC payment and collection	Alloc 33	17,204	9,723	2,121	0	0	3,510	496	1,354	0		0
159		IXC billing inquiry	Alloc 34	4,255	751	500	0	0	2,753	251	0	0		0
160		Future Use												
161		Total Category 1	L152-160	1,849,878	673,582	64,803	0	0	159,892	849	68,185	21,356	0	861,211
<u>Cat 2 - Revenue Accounting</u>														
162		Message Processing	Alloc 36	329,048	156,873		0		144,926		27,249		0	0
163		OB&C - Expense	Alloc 38	255,834	76,302		0		44,883		44,883		0	89,766
164		Future Use												
165		Future Use												
166		Future Use												
167		Carrier Access Billing	Alloc 44	113,868	56,934		0		28,467		28,467			0
168		Subscriber Line Charge	Alloc 29	13,465	13,465		0		0		0			0
169		Total Category 2	L162-168	712,215	303,574	0	0	0	218,276	0	100,599	0	0	89,766
170		Subtotal Categories 1 & 2	L161,169	2,562,093	977,156	64,803	0	0	378,168	849	168,784	21,356	0	950,977

Plant Date: Average 6/30/2005
Expense Date: 12 Mo. Ending 6/30/2005

Lancaster Telephone Company
Study No.: 240531 605

Attachment #3 - Form 10

PART 36

Ln	Acct	Description	Allocation	Total Company	Interstate InterLATA Message	Interstate InterLATA P/L	Interstate IntraLATA Message	Interstate IntraLATA P/L	Intrastate InterLATA Message	Intrastate InterLATA P/L	Intrastate IntraLATA Message	Intrastate IntraLATA P/L	EAS	Local
Category 3 - Other Commercial														
171		Telcom Relay Service	Alloc 45	5,135	5,135		0		0		0			0
172		Other	L170	0	0	0	0	0	0	0	0	0	0	0
173		Total Commercial Operations	L170-172	2,567,228	982,291	64,803	0	0	378,168	849	168,784	21,356	0	950,977
174		Total Customer Operations	L144-146,151,173	3,488,186	1,207,476	64,803	0	0	434,986	849	207,571	21,356	28,452	1,522,693
175		Total Big Three Expenses	L123,126-127,130,174 (less L119)	8,476,559	2,396,770	299,033	0	0	839,099	22,369	323,041	50,343	46,616	4,499,288
Corporate Operations Expenses														
176	6710	Executive & Planning	L175	373,272	105,544	13,168	0	0	36,950	985	14,225	2,217	2,053	198,130
6720 General & Administrative														
177		Other Direct	Alloc 46	0	0	0	0	0	0	0	0	0	0	0
178		Direct to EAS	Alloc 31	0									0	0
179		Other	L175	1,555,908	439,937	54,889	0	0	154,020	4,106	59,296	9,241	8,557	825,862
180		Total 6720	L177-179	1,555,908	439,937	54,889	0	0	154,020	4,106	59,296	9,241	8,557	825,862
181		Total Corporate Operations	L176,180	1,929,180	545,481	68,057	0	0	190,970	5,091	73,521	11,458	10,610	1,023,992
182		Total Operating Expenses	L128,143,174,181	17,137,708	4,815,114	668,766	0	0	1,567,160	54,372	541,018	100,799	82,217	9,308,262
Operating Taxes														
183		Future Use												
184	7240	Ad Valorem Taxes - Allocated	L15	706,402	168,382	33,029	0	0	57,453	3,054	16,396	4,048	2,523	421,517
185	7240	Ad Valorem Taxes - Direct	Alloc 40	6,550	6,550	0	0	0	0	0	0	0	0	0
186		Total 7240	L183-185	712,952	174,932	33,029	0	0	57,453	3,054	16,396	4,048	2,523	421,517
187	7370	Special Charges	L181	27,966	7,907	987	0	0	2,768	74	1,066	166	154	14,844
188		Total Operating Exp & Taxes	L182,186,187	17,878,626	4,997,953	702,782	0	0	1,627,381	57,500	558,480	105,013	84,894	9,744,623
189		Total Operating Exp & Taxes (Less Depreciation)	L188 Less 138-142	12,677,133	3,756,151	454,178	0	0	1,217,511	35,494	440,369	72,518	63,957	6,636,955

Plant Date: Average 6/30/2005
Expense Date: 12 Mo. Ending 6/30/2005

Lancaster Telephone Company
Study No.: 240531 605

Attachment #3 - Form 11

PART 36

Ln	Acct	Description	Allocation	Total Company	Interstate InterLATA Message	Interstate InterLATA P/L	Interstate IntraLATA Message	Interstate IntraLATA P/L	Intrastate InterLATA Message	Intrastate InterLATA P/L	Intrastate IntraLATA Message	Intrastate IntraLATA P/L	EAS	Local
Tax Adjustments														
190	7210	Investment Tax Credits	L15	0	0	0	0	0	0	0	0	0	0	0
191		TRA-86 Amortization	L15	0	0	0	0	0	0	0	0	0	0	0
192		Total	L190-191	0	0	0	0	0	0	0	0	0	0	0
193	7340	AFUDC	L17	0	0	0	0	0	0	0	0	0	0	0
194		FIT Adjustments - Addbacks	L15	(5,134)	(1,224)	(240)	0	0	(418)	(22)	(119)	(29)	(18)	(3,064)
195		FIT Adjustments - Deductions	L15	0	0	0	0	0	0	0	0	0	0	0
196		Total FIT Adjustments	L194-195	(5,134)	(1,224)	(240)	0	0	(418)	(22)	(119)	(29)	(18)	(3,064)
197		SIT Adjustments - Addbacks	L15	0	0	0	0	0	0	0	0	0	0	0
198		SIT Adjustments - Deductions	L15	0	0	0	0	0	0	0	0	0	0	0
199		Total SIT Adjustments	L197-198	0	0	0	0	0	0	0	0	0	0	0
200	7500	Fixed Charges	L41	0	0	0	0	0	0	0	0	0	0	0
201	7540	Interest On Customer Dep	L41	10,000	2,378	450	0	0	850	44	239	49	29	5,961
Rent Revenues Account 5240														
202	2110	General Support Facilities	L3	0	0	0	0	0	0	0	0	0	0	0
203	2210	COE - Switching	L4	0	0		0		0		0		0	0
204	2220	COE - Operator Systems	L5	0	0		0		0		0		0	0
205	2230	COE - Transmission	L6	0	0	0	0	0	0	0	0	0	0	0
206	2310	Information Orig /Term	L8	0	0		0		0		0		0	0
207	2410	Cable & Wire Facilities	L9	0	0	0	0	0	0	0	0	0	0	0
208		Total 5240	L202-207	0	0	0	0	0	0	0	0	0	0	0
209		Total Operating Exp & Taxes	L188+201 Less 208	17,888,626	5,000,331	703,232	0	0	1,628,231	57,544	558,719	105,062	84,923	9,750,584

Plant Date: Average 6/30/2005
Expense Date: 12 Mo. Ending 6/30/2005

Lancaster Telephone Company
Study No.: 240531 605

Attachment #4 - Form 1

PLANT IN SERVICE

Acct	Description	Investment	Reserve
2111	Land	1,361,232	
	General Support	8,390,046	4,319,388
	Land & General Support		
	Total 2110	9,751,278	4,319,388
2211	Analog Electronic Switching	0	0
2212	Digital Electronic Switching	13,353,404	11,391,202
2215	Electro-Mechanical Switching	0	0
	COE - Switching		
	Total 2210	13,353,404	11,391,202
2220	COE - Operator Systems	0	0
2231	Radio Systems	0	0
2232	Circuit Equipment	14,779,536	12,451,638
	COE - Transmission		
	Total 2230	14,779,536	12,451,638
2311	Station Apparatus	0	0
2321	Customer Premise Wiring	0	0
2341	Large Private Branch Exchanges	0	0
2351	Public Telephone Terminal Equipment	0	0
2362	Other Terminal Equipment	0	0
	Information Origination / Termination		
	Total 2310	0	0
2411	Poles	1,121,490	799,443
2421	Aerial Cable	6,068,329	5,173,915
2422	Underground Cable	985,808	710,623
2423	Buried Cable	25,980,045	17,634,880
2424	Submarine Cable	0	0
2425	Deep Sea Cable	0	0
2426	Intrabuilding Network Cable	0	0
2431	Aerial Wire	331,744	224,209
2441	Conduit Systems	421,504	106,651
	Cable & Wire Facilities		
	Total 2410	34,908,920	24,649,721
2681	Capital Leases	0	
2682	Leasehold Improvements	0	
	Amortizable Tangibles		
	Total 2680	0	0
2690	Intangibles	0	
	Total 2001	72,793,138	

OTHER INV / RES

Acct	Description	Investment	Reserve
1220	Material & Supplies	330,000	
1402	Class B RTB Stock	0	
1410	Other Noncurrent Assets	0	
1438	Deferred Maint & Retire	0	
1439	Deferred Non-Capital Eq Access	0	
1500	Other Jurisdictional Assets	0	
2002	Prop Held For Future Use	19,946	
2003	Plant Under Construction	224,424	
2005	Plant Acquisition Adjustment	0	
	Depreciation Reserve		
	Total 3100		52,811,949
3200	Res - Prop Held for Fut Use		0
3410	Res - Capital leases		0
3420	Res - Leasehold Improvements		0
3500	Res - Intangible		0
3600	Res - Plant Acq Adj		0
4040	Customer Deposits		114,000
4100	Current Def Oper Taxes		0
4310	Other Long Term Liabilities		207,313
4340	Non-Current Def Oper Taxes		(396,528)
4360	Other Deferred Credits		0
4370	Oth Juris Liab & Def Credits		0
	Total	20,630,774	
CWC	Cash Working Capital	817,767	
	Total	21,448,541	

Plant Date: Average 6/30/2005
Expense Date: 12 Mo. Ending 6/30/2005

Lancaster Telephone Company
Study No.: 240531 605

Attachment #4 - Form 2

CENTRAL OFFICE EQUIPMENT

Account	Cat	Per Study
2210	2	0
	3	13,353,404
	5	0
	Total	13,353,404
2220	1	
	Intrept Bds	0
	Info Bds	0
	Ser Obs Bds	0
	Oth Bds	0
	Total	0
2230	4.11	420,781
	4.121	35,013
	4.122	0
	4.123	0
	4.13	11,360,959
	4.21	0
	4.22	1,246,193
	4.23	1,550,102
	4.3	166,488
	Total	14,779,536

INFORMATION ORIGATION/TERMINATION

	Msg Tel	Spl Svc	Per Study
<u>Cat 1</u>			
2351	0	0	0
2362	0	0	0
Coinless Pay	0	0	0
Total	0	0	0
<u>Cat 2</u>			
2311	0	0	0
2321	0	0	0
2341	0	0	0
Total	0	0	0
Total 2310	0	0	0

CABLE & WIRE FACILITIES

Account	Cat	Per Study
2410	1	33,297,592
	2.1	6,951
	2.2	0
	2.3	37,392
	2.4	1,419,786
	3	115,119
	4	32,080
Total		34,908,920

Plant Date: Average 6/30/2005
Expense Date: 12 Mo. Ending 6/30/2005

Lancaster Telephone Company
Study No.: 240531 605

Attachment #4 - Form 3

EXPENSE SUMMARY

Account	Description	Per Study
6110	Network Support	267,736
6120	General Support	796,768
6210	Central Office Switching Equip - Eq Access Conv	0
6210	Central Office Switching Equipment - All Other	441,431
6220	Operator Systems	0
6230	Central Office Transmission	683,953
6310	Info Orig/Term - Customer Premise	0
6310	Info Orig/Term - Other	0
6410	Cable and Wire Facilities	1,281,197
Total Plant Specific		3,471,085
6510	Other Property, Plant & Equipment	70,568
6530	Network Operations	2,581,792
6540	Access Expense	395,404
6561	Depreciation	5,201,493
6562	Dep Exp - Property Held For Future Use	0
6563	Amortization - Tangible	0
6564	Amortization - Intangible	0
6565	Amortization - Acquisition	0
6560	Depreciation & Amortization	5,201,493
Total Plant Non-Specific Operations		8,249,257
6610	Marketing	818,825
6620	Services	2,669,361
Total Customer Operations		3,488,186
6710	Executive and Planning	373,272
6720	General and Administrative	1,555,908
Total Corporate Operations		1,929,180
7240	Ad Valorem	712,952
7370	Special Charges	27,966
Total Operating Expenses & Taxes		17,878,626

Plant Date: Average 6/30/2005
Expense Date: 12 Mo. Ending 6/30/2005

Lancaster Telephone Company
Study No.: 240531 605

Attachment #4 - Form 4

ITEMS ASSIGNED BY PRIMARY PLANT ACCOUNT

Primary Plant Account	Description	2681	2682	4100	4340	6561	5240	1438
2111	Land	0	0				0	0
	General Support	0	0	0	(46,859)	506,725	0	0
2210	COE - Switching	0	0	0	(73,700)	1,198,760	0	0
2220	COE - Operator Systems	0	0	0	0	0	0	0
2230	COE - Transmission	0	0	0	(81,973)	1,285,995	0	0
2310	Information Origination / Termination	0	0	0	0	0	0	0
2410	Cable & Wire Facilities	0	0	0	(193,996)	2,210,013	0	0
Total		0	0	0	(396,528)	5,201,493	0	0

Plant Date: Average 6/30/2005
Expense Date: 12 Mo. Ending 6/30/2005

Lancaster Telephone Company
Study No.: 240531 605

Attachment #4 - Form 5

OPERATOR EXPENSE

	<u>Amount</u>
1 Operator	0
2 Outside Operator	16,955
3 Total Operator	<u>16,955</u>

DIRECTORY EXPENSE

	<u>Amount</u>
4 Classified	51,895
5 Alpha	33,283
6 Foreign	0
7 TWX	0
8 Total Directory	<u>85,178</u>

REVENUE ACCOUNTING / OTHER COMMERCIAL

<u>Category 2 - Revenue Accounting</u>	<u>Amount</u>
9 Message Processing	329,048
10 OB&C - Expense	255,834
11 Future Use	
12 Future Use	
13 Future Use	
14 Carrier Access Billing	113,868
15 Subscriber Line Charge	13,465
16 Total Category 2	<u>712,215</u>

Category 3 - Other Commercial

17 Telcom Relay Service	5,135
18 Other	0
19 Total Category 3	<u>5,135</u>

Plant Date: Average 6/30/2005
Expense Date: 12 Mo. Ending 6/30/2005

Lancaster Telephone Company
Study No.: 240531 605

Attachment #4 - Form 6

LOCAL BUSINESS OFFICE

Account 6623 - Local Business Office Category 1		Total	Interstate	Interstate	Interstate	Interstate	Intrastate	Intrastate	Intrastate	Intrastate		
		Company	InterLATA	InterLATA	IntraLATA	IntraLATA	InterLATA	InterLATA	IntraLATA	IntraLATA	EAS	Local
			Message	P/L	Message	P/L	Message	P/L	Message	P/L		
End User Service Order Processing												
1	Local	417,217										417,217
2	Directory	0										0
3	Message Tel	130,172	46,728		0		40,053		43,391			
4	Private Line	0		0		0		0		0		0
5	Presubscription	383,840	383,840									
6	Total	931,229	430,568	0	0	0	40,053	0	43,391	0	0	417,217
End User Payment and Collection												
7	Local	390,153										390,153
8	Message Tel	210,921	106,492		0		88,464		15,965			
9	Private Line	21,255		0		0		0		21,255		
10	Subscriber Line Charge	52,876	52,876				0		0			
11	Total	675,205	159,368	0	0	0	88,464	0	15,965	21,255	0	390,153
End User Billing Inquiry												
12	Local	53,841										53,841
13	Message Tel	16,972	2,122		0		7,375		7,475			
14	Private Line	305		102		0		102		101		
15	Subscriber Line Charge	102	102				0		0			
16	Total	71,220	2,224	102	0	0	7,375	102	7,475	101	0	53,841
IXC Service Order Processing												
17	Switched Access	88,685	70,948		0		17,737		0			
18	Private Line	62,080		62,080		0		0		0		
19	Billing and Collection	0	0		0		0		0			
20	Total	150,765	70,948	62,080	0	0	17,737	0	0	0	0	0
IXC Payment and Collection												
21	Switched Access	12,201	8,691		0		3,510		0			
22	Private Line	2,617		2,121		0		496		0		
23	Billing and Collection	2,386	1,032				0		1,354			
24	Total	17,204	9,723	2,121	0	0	3,510	496	1,354	0	0	0
IXC Billing Inquiry												
25	Switched Access	3,504	751		0		2,753		0			
26	Private Line	751		500		0		251		0		
27	Billing and Collection	0	0		0		0		0			
28	Total	4,255	751	500	0	0	2,753	251	0	0	0	0
29	Future Use											
30	Total Category 1	1,849,878	673,582	64,803	0	0	159,892	849	68,185	21,356	0	861,211

Plant Date: Average 6/30/2005
Expense Date: 12 Mo. Ending 6/30/2005

Lancaster Telephone Company
Study No.: 240531 605

Attachment #4 - Form 7

PART 36 - DIRECT ASSIGNMENTS

	Total Company	Interstate InterLATA Message	Interstate InterLATA P/L	Interstate IntraLATA Message	Interstate IntraLATA P/L	Intrastate InterLATA Message	Intrastate InterLATA P/L	Intrastate IntraLATA Message	Intrastate IntraLATA P/L	EAS	Local
1 Account 1500 - Other Jurisdictional Assets	0	0	0	0	0	0	0	0	0	0	0
2 Account 4360 - Other Deferred Credits	0	0	0	0	0	0	0	0	0	0	0
3 Account 4370 - Other Jur Liab & Def Credits	0	0	0	0	0	0	0	0	0	0	0
4 Account 6540 - Access Expense	0	0	0	0	0	0	0	0	0	0	0
5 Outside Operator Services	16,955	0		0		0		16,955		0	0
6 Subscriber Line Charge	13,465	13,465		0		0		0			
7 Telecom. Relay Service (TRS)	5,135	5,135		0		0		0			0
8 Account 6720 - Direct Assignments	0	0	0	0	0	0	0	0	0	0	0
9 Account 6720 - Direct EAS	0									0	
10 Account 7240 - Direct Ad Valorem Taxes	6,550	6,550	0	0	0	0	0	0	0	0	0
10b Account 6540 - Direct USF Contribution	395,404	360,499		0		34,905		0			
11 IX Circuit For Other Company	0	0	0	0	0						

Plant Date: Average 6/30/2005
Expense Date: 12 Mo. Ending 6/30/2005

Lancaster Telephone Company
Study No.: 240531 605

Attachment #4 - Form 8

LOOPS / CIRCUITS

	Total Company	Message	Interstate InterLATA P/L	Interstate IntraLATA P/L	Intrastate InterLATA P/L	Intrastate IntraLATA P/L	Local P/L	Total P/L
1 Loops	28,543	28,086	127	0	91	16	223	457
2 Circuits	2,184	1,607	208	0	31	338	0	577
3 Circuit Miles	35,943.00	27,157.51	3,222.19	0.00	471.26	5,092.04	0.00	8,785.49
4 Wideband Channels	100	0	80	0	4	3	13	100
5 STP Circuit Miles	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6 Percent of STP Circuit Miles to Total	0.000000		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000

COMMERCIAL ALLOCATORS

	Total Company	Interstate InterLATA Message	Interstate InterLATA P/L	Interstate IntraLATA Message	Interstate IntraLATA P/L	Intrastate InterLATA Message	Intrastate InterLATA P/L	Intrastate IntraLATA Message	Intrastate IntraLATA P/L	EAS	Local
7 Billed Messages	631,284	300,964		0		278,043		52,277		0	0
8 Other Units	0	0		0		0		0		0	0
9 Information Units	0	0		0		0		0		0	0
10 Future Use											
11 TWX Connections	0	0	0	0	0	0	0	0	0	0	0
12 TWX Minutes of Use	0	0	0	0	0	0	0	0	0	0	0
13 Foreign Directory Cost	0	0		0		0		0		0	
14 Marketing Billing	1,205,068	324,421	0	0	0	81,663	0	31,410	0	41,873	725,701
15 OB&C Expense	255,834	76,302		0		44,883		44,883		0	89,766

FIXED CHARGES / TAXES

	Total Company
16 Account 7210 - Amort of Inv Tax Credit	0
17 Account 7340 - AFUDC	0
18 Account 7500 - Fixed Charges	0
19 Account 7540 - Interest on Customer Deposits	10,000
20 FIT Adjustment - Addbacks	5,134
21 FIT Adjustment - Deducts	0
22 SIT Adjustment - Addbacks	0
23 SIT Adjustment - Deducts	0
24 TRA - 86 Amortization	0

MISCELLANEOUS DATA

	Total Company
25 STP Portion of COE Category 2	0.000000
26 DS1/VG Multiplexer, Account 2230, Category 4.23	0.000000
27 Account 6210, Common Channel Signalling Expense to Total 6210	0.158970

Plant Date: Average 6/30/2005
Expense Date: 12 Mo. Ending 6/30/2005

Lancaster Telephone Company
Study No.: 240531 605

Attachment #4 - Form 9

TRAFFIC FACTORS

	Interstate InterLATA	Interstate IntraLATA	State InterLATA	State IntraLATA	EAS	Local	Total
1 Tandem Switching Factor	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
2 Weighted Dem	0.244550	0.000000	0.035197	0.012961	0.000000	0.707292	
3 Wideband Exch Line xDSL Circuit Factor	1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
4 Exchange Trunk Toll Factor	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
5 Subscriber Plant Factor	0.250000	0.000000	0.100922	0.027412	0.000000	0.621666	
6 Conversation Minute Factor	0.608780	0.000000	0.174576	0.067130	0.149514		
7 Conversation Minute Miles Factor	0.607592	0.000000	0.176797	0.069893	0.145718		
8 Host Remote Factor	0.142602	0.000000	0.039944	0.014679	0.000000	0.802775	
9 Subscriber Line Usage Factor	0.142602	0.000000	0.039944	0.014679	0.000000	0.802775	
10 Exchange Trunk Special Factor	1.000000	0.000000	0.000000	0.000000		0.000000	
11 Equal Access Factor	0.781184	0.000000	0.218816	0.000000			
12 Coinless Pay MOU Factor	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
13 IOT Category 2 Factor			0.000000	0.000000	0.000000	1.000000	
14 Wideband Conversation Minute Miles	0.000000	0.000000	0.000000	0.000000	0.000000		
15 Carrier Access Billing Factor	0.500000	0.000000	0.250000	0.250000			
16 Service Observing BD Factor	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	

Plant Date: Average 6/30/2005
Expense Date: 12 Mo. Ending 6/30/2005

Lancaster Telephone Company
Study No.: 240531 605

Attachment #4 - Form 10

PART 69 - DIRECT ASSIGNMENTS

	Total Interstate	Common Line		Switched Access		Special Access	B&C	IX
		BFP	Pay / Other	Local Sw	Information	Transport		
1 Account 2210 - COE Category 2	0					0		0
STP Portion Re-allocation				0		0		
2 Account 2230 - COE Category 4.23 - Msg	694,359				0	694,359		0
DSI/VG Multiplexer Re-allocation				0		0		
- Spl	147,629						147,629	
DSI/VG Multiplexer Re-allocation				0			0	
3 Account 2410 - C&WF Category 3 - Msg	52,849				0	52,849		0
- Spl	10,320						10,320	
STP Transmission Re-allocation				0			0	
4 Account 6621 - Operator Services	0			0	0			0
5 Account 6621 - Outside Operator Services	0			0	0			0
6 Future Use								
7 Account 6210 - COE - Switching - All Other	131,715			131,715		0		0
Common Channel Signalling Re-allocation				(20,939)		20,939		
8 Account 6540 - Direct USF Contribution	360,499	360,499						

Plant Date: Average 12/31/2003
Expense Date: 12 Mo. Ending 12/31/2003

Lancaster Telephone Company
Study No.: 240531 03/BS

Attachment #5 - Form 1

SUMMARY DEVELOPMENT OF INTERSTATE REVENUE REQUIREMENT
CALCULATED AT 11.25 % RATE OF RETURN

	Source	Common Line	Local Switching	Traffic Sensitive Information	Transport	Special Access	Total Access	Total Company
1. Plant in Service	Part 69, Form 1, Ln 18	11,288,255	3,349,405	0	866,067	3,155,844	18,659,571	65,026,202
2. Plant Under Construction	Part 69, Form 1, Ln 20	117,444	34,848	0	9,011	32,834	194,137	676,541
3. Net Investment	Part 69, Form 2, Ln 43	4,041,844	937,525	0	249,396	1,034,660	6,263,425	21,887,341
4. Rate of Return	11.25 % Authorized	0.1125000	0.1125000	0.1125000	0.1125000	0.1125000		
5. Return	(Line 3 x 4)	454,707	105,472	0	28,057	116,399	704,635	
6. AFUDC	Part 69, Form 10, Ln 192	0	0	0	0	0	0	0
7. Net Return	(Lines 5 - 6)	454,707	105,472	0	28,057	116,399	704,635	
8. Fixed Charges	Part 69, Form 10, Ln 199	0	0	0	0	0	0	0
9. Investment Tax Credit	Part 69, Form 10, Ln 191	0	0	0	0	0	0	0
10. Other FIT Adjustments	Part 69, Form 10, Ln 195	(892)	(264)	0	(68)	(249)	(1,473)	(5,134)
11. Subject to FIT	(Lines 5-8-9-10)	455,599	105,736	0	28,125	116,648	706,108	
12. Federal Income Tax @ 53.84615%		245,323	56,935	0	15,144	62,810	380,212	
13. Other SIT Adjustments	Part 69, Form 10, Ln 198	0	0	0	0	0	0	0
14. Subject to SIT	(Lines 11+12-13)	700,922	162,671	0	43,269	179,458	1,086,320	
15. State Income Tax @ 5.26316%		36,891	8,562	0	2,277	9,445	57,175	
16. Return + FIT + SIT	(Lines 5-9+12+15-6)	736,921	170,969	0	45,478	188,654	1,142,022	
17. Expenses and Taxes	Part 69, Form 10, Ln 208	3,038,052	813,867	5,717	272,980	751,665	4,882,281	16,745,702
18. Subtotal	(Lines 16+17)	3,774,973	984,836	5,717	318,458	940,319	6,024,303	
19. Gross Receipts Tax @ 0.30000%		11,325	2,955	17	955	2,821	18,073	
20. Subtotal	(Line 18+19)	3,786,298	987,791	5,734	319,413	943,140	6,042,376	
21. Psc Fee @ 0.00000%		0	0	0	0	0	0	
22. Total Revenue Requirement	(Lines 16+17+19+21)	3,786,298	987,791	5,734	319,413	943,140	6,042,376	

Plant Date: Average 12/31/2003
Expense Date: 12 Mo. Ending 12/31/2003

Lancaster Telephone Company
Study No.: 240531 03/BS

Attachment #5 - Form 2

SUMMARY DEVELOPMENT OF INTERSTATE REVENUE REQUIREMENT
CALCULATED AT 11.25 % RATE OF RETURN

	Source	Common Line	Local Switching	Traffic Sensitive Information	Transport	Special Access	Total Access	Total Company
22. Total Revenue Requirement	(Lines16+17+19+21)	3,786,298	987,791	5,734	319,413	943,140	6,042,376	
23. Revenue attributable to Local Switching Support per NECA Forms			(405,857)					
24. Total Revenue Requirement Subject to MAG Adjustments (Line 22 + Line 23)		3,786,298	581,934	5,734	319,413	943,140	5,636,519	
25. Adjustment for Line Port Re-allocation (Based on FCC Proxy)(Line 24 * Factor)	Factor: >>> 30.0000%	174,580	(174,580)				0	
26. USAC Charges included in line 22		(273,829)					(273,829)	
27. TIC Revenues for 12 Months Ending 6/30/01					(12,547)		(12,547)	
28. Subtotal for Re-Allocation of TIC Revenue (Line24 + 25 + 26 + 27)		3,687,049	407,354	5,734	306,866	943,140	5,350,143	
29. TIC Revenue Re-Allocation (Total Allocated on Line 28)		8,647	955	13	720	2,212	12,547	
30. Total Revised Revenue Requirement With MAG Adjustments (Line 22 + 25 + 27 +29)		3,969,525	814,166	5,747	307,586	945,352	6,042,376	
31. Total Annual Expense Adjustment for DME (Line 25 + 27 +29)								
32. Total Monthly Expense Adjustment for DME (Line 31 / 12)								

Plant Date: Average 12/31/2003
Expense Date: 12 Mo. Ending 12/31/2003

Lancaster Telephone Company
Study No.: 240531 03/BS

Attachment #6 - Form 1

PART 69

Ln	Acct	Description	Allocation	Total Interstate	Common Line		Switched Access			Special Access	B&C	IX
					BFP	Pay / Other	Local Sw	Information	Transport			
1	2111	Land	L10	373,453	225,924	0	67,035	0	17,333	63,161		0
2		General Support	L10	2,111,699	1,277,489	0	379,051	0	98,013	357,146		0
2a		General Purpose Computer	L180a	0	0	0	0	0	0	0	0	0
3	2110	Land & General Support	L1-2	2,485,152	1,503,413	0	446,086	0	115,346	420,307	0	0
4	2210	COE - Switching	L48	2,903,319			2,903,319		0			0
5	2220	COE - Operator Systems	L53	0			0	0	0			0
6	2230	COE - Transmission	L63	4,594,682	2,436,138		0	0	689,054	1,469,490		0
7		Total COE	L4-6	7,498,001	2,436,138		2,903,319	0	689,054	1,469,490		0
8	2310	Information Orig/Term	L69	0	0	0				0		
9	2410	Cable & Wire Facilities	L76	8,676,418	7,348,704		0	0	61,667	1,266,047		0
10		Total COE, IOT & C&WF	L7-9	16,174,419	9,784,842	0	2,903,319	0	750,721	2,735,537		0
11		COE, IOT & C&WF (excl CL,B&C,IX)	L10 Less CL,B&C,IX	6,389,577			2,903,319	0	750,721	2,735,537		
12		Total GSF, COE, IOT, C&WF	L3,10	18,659,571	11,288,255	0	3,349,405	0	866,067	3,155,844	0	0
13		GSF, COE, IOT, C&WF (CL, LS, TR only)	L12 Less Inf, Spl, B&C, IX	15,503,727	11,288,255	0	3,349,405		866,067			
14	2680	Capital Leases	L83	0	0	0	0	0	0	0	0	0
15	2680	Leasehold Improvements	L12	0	0	0	0	0	0	0	0	0
16	2680	Amortizable Tangibles	L14-15	0	0	0	0	0	0	0	0	0
17	2690	Intangibles	L12	0	0	0	0	0	0	0	0	0
18	2001	Plant In Service	L3,10,16,17	18,659,571	11,288,255	0	3,349,405	0	866,067	3,155,844	0	0
19	2002	Prop Held For Future Use	L18	6,234	3,772	0	1,119	0	289	1,054	0	0
20	2003	Plant Under Construction	L18	194,137	117,444	0	34,848	0	9,011	32,834	0	0
21	2005	Plant Acquisition Adjustment	L18	0	0	0	0	0	0	0	0	0
22	1220	Material & Supplies	L12	88,410	53,484	0	15,870	0	4,103	14,953	0	0
23	1402	Class B RTB Stock	L12	0	0	0	0	0	0	0	0	0
24	1410	Other Noncurrent Assets	L12	0	0	0	0	0	0	0	0	0
25	1438	Deferred Maint & Retirements	L90	0	0	0	0	0	0	0	0	0
26	1439	Def Non-Capital Equal Access	Direct	0			0					
27	1500	Other Jurisdictional Assets	L12	0	0	0	0	0	0	0	0	0

Plant Date: Average 12/31/2003
Expense Date: 12 Mo. Ending 12/31/2003

Lancaster Telephone Company
Study No.: 240531 03/BS

Attachment #6 - Form 2

PART 69

Ln	Acct	Description	Allocation	Total Interstate	Common Line		Switched Access			Special Access	B&C	IX
					BFP	Pay / Other	Local Sw	Information	Transport			
28	CWC	Cash Working Capital	L12	258,157	156,175	0	46,339	0	11,982	43,661	0	0
29	3100	Depreciation Reserve	L97	12,924,202	7,565,897	0	2,506,640	0	641,175	2,210,490	0	0
30	3200	Res - Prop Held for Future Use	L12	0	0	0	0	0	0	0	0	0
31		Res - Capital Leases	L14	0	0	0	0	0	0	0	0	0
32		Res - Leasehold Improvements	L15	0	0	0	0	0	0	0	0	0
33	3400	Res - Tangible Assets	L31-32	0	0	0	0	0	0	0	0	0
34	3500	Res - Intangible	L12	0	0	0	0	0	0	0	0	0
35	3600	Res - Plant Acquisiton Adj	L21	0	0	0	0	0	0	0	0	0
36		Total Reserves	L29,30,33-35	12,924,202	7,565,897	0	2,506,640	0	641,175	2,210,490	0	0
37	4040	Customer Deposits	L12	31,786	19,229	0	5,706	0	1,475	5,376	0	0
38	4100	Current Deferred Op Taxes	L104	0	0	0	0	0	0	0	0	0
39	4310	Other Long Term Liabilities	L12	53,092	32,119	0	9,530	0	2,464	8,979	0	0
40	4340	Non-Current Def Oper Taxes	L111	(65,996)	(39,959)	0	(11,820)	0	(3,058)	(11,159)	0	0
41	4360	Other Deferred Credits	L12	0	0	0	0	0	0	0	0	0
42	4370	Oth Juris Liab & Def Credits	L12	0	0	0	0	0	0	0	0	0
43		Net Investment	L18-28 Less L36-42	6,263,425	4,041,844	0	937,525	0	249,396	1,034,660	0	0
44		Total 2001 Less Associated Res	L18-22, 27 Less 36, 38, 40-42	6,090,146	3,937,017	0	906,422	0	241,353	1,005,354	0	0

Plant Date: Average 12/31/2003
Expense Date: 12 Mo. Ending 12/31/2003

Lancaster Telephone Company
Study No.: 240531 03/BS

Attachment #6 - Form 3

PART 69

Ln	Acct	Description	Allocation	Total Interstate	Common Line		Switched Access		Special Access	B&C	IX
					BFP	Pay / Other	Local Sw	Information			
<u>Central Office Switching - Acct 2210</u>											
45	2210	Cat 2 - Tandem Switching	Alloc 1	0			0		0		0
46	2210	Cat 3 - Local Switching	Direct	2,903,319			2,903,319				
47	2210	Cat 5 - Equal Access	Direct	0			0				
48		Total 2210	L45-47	2,903,319			2,903,319		0		0
<u>Central Office Operator Systems - Acct 2220</u>											
2220		Cat 1 - Operator Systems									
49		Intercept Boards	Direct	0			0				
50		Information Boards	Direct	0				0			
51		Service Observing Boards	L54	0			0	0	0		0
52		Other Boards (Loc,Toll, TSPS, etc)	Direct	0							0
53		Total 2220	L49-52	0			0	0	0		0
54		Total COE Cats 1-3 (excl Svc Obs)	L45,46,49,50,52	2,903,319			2,903,319	0	0		0
<u>Central Office Transmision - Acct 2230</u>											
55	2230	Cat 4.11 - Wdbd Exch Ln xDSL Cir	Direct	401,348					0	401,348	
56	2230	Cat 4.122 - Exch Trunk Toll	L71	0					0		
57	2230	Cat 4.123 - Exch Trunk Spl	L72	0						0	
58	2230	Cat 4.13 - Exch Ln Circuit	L70	2,480,271	2,436,138					44,133	
59	2230	Cat 4.21 - IX Cct - Other Co	Direct	0							0
60	2230	Cat 4.22 - IX Cct - Wdbd	L73	882,091					0	882,091	
61	2230	Cat 4.23 - IX Cct - Other	Alloc 2	810,617			0	0	668,699	141,918	0
62	2230	Cat 4.3 - Host / Remote	L75	20,355					20,355		
63		Total 2230	L55-62	4,594,682	2,436,138		0	0	689,054	1,469,490	0

Plant Date: Average 12/31/2003
Expense Date: 12 Mo. Ending 12/31/2003

Lancaster Telephone Company
Study No.: 240531 03/BS

Attachment #6 - Form 4

PART 69

Ln	Acct	Description	Allocation	Total Interstate	Common Line		Switched Access			Special Access	B&C	IX
					BFP	Pay / Other	Local Sw	Information	Transport			
<u>Information Origination / Termination - Acct 2310</u>												
64	2351	Cat 1 - Pub Tel (Less Coinless)	Direct	0		0						
65	2351	Cat 1 - Pub Tel (Coinless)	Direct	0		0						
66	2362	Cat 1 - Other Terminal Equip	Per CFR Part 69.303	0		0				0		
67		Total Category 1	L64-66	0		0				0		
68		Cat 2 - Customer Premise Equip	Direct	0	0							
69		Total 2310	L67-68	0	0	0				0		
<u>Cable and Wire Facilities - Acct 2410</u>												
70	2410	Cat 1 - Exch Ln CWF	Direct	7,481,833	7,348,704					133,129		
71	2410	Cat 2.2 - Exch Trk CWF - Toll	Direct	0					0			
72	2410	Cat 2.3 - Exch Trk CWF - Spl	Direct	52,844						52,844		
73	2410	Cat 2.4 - Exch Trk CWF - Wb	Direct	1,068,683					0	1,068,683		
74	2410	Cat 3 - IX C&WF	Alloc 3	69,723			0	0	58,332	11,391		0
75	2410	Cat 4 - Host / Remote C&WF	Direct	3,335					3,335			
76		Total 2410	L70-75	8,676,418	7,348,704		0	0	61,667	1,266,047		0

Plant Date: Average 12/31/2003
Expense Date: 12 Mo. Ending 12/31/2003

Lancaster Telephone Company
Study No.: 240531 03/BS

Attachment #6 - Form 5

PART 69

Ln	Acct	Description	Allocation	Total Interstate	Common Line		Switched Access		Special Access	B&C	IX
					BFP	Pay / Other	Local Sw	Information			
<u>Tangible Assets - Capital Leases - Acct 2680</u>											
77	2110	General Support Facilities	L3	0	0	0	0	0	0	0	0
78	2210	COE - Switching	L4	0			0		0		0
79	2220	COE - Operator Systems	L5	0			0	0	0		0
80	2230	COE - Transmission	L6	0	0		0	0	0	0	0
81	2310	Information Orig /Term	L8	0	0	0			0		
82	2410	Cable & Wire Facilities	L9	0	0		0	0	0		0
83	Total 2681		L77-82	0	0	0	0	0	0	0	0
<u>Deferred Maint & Retirements Acct 1438</u>											
84	2110	General Support Facilities	L3	0	0	0	0	0	0	0	0
85	2210	COE - Switching	L4	0			0		0		0
86	2220	COE - Operator Systems	L5	0			0	0	0		0
87	2230	COE - Transmission	L6	0	0		0	0	0	0	0
88	2310	Information Orig /Term	L8	0	0	0			0		
89	2410	Cable & Wire Facilities	L9	0	0		0	0	0		0
90	Total 1438		L84-89	0	0	0	0	0	0	0	0
<u>Accumulated Depreciation - Acct 3100</u>											
91	2110	General Support Facilities	L3	1,051,452	636,085	0	188,736	0	48,802	177,829	0
92	2210	COE - Switching	L4	2,317,904			2,317,904		0		0
93	2220	COE - Operator Systems	L5	0			0	0	0		0
94	2230	COE - Transmission	L6	3,671,156	1,946,477		0	0	550,555	1,174,124	0
95	2310	Information Orig /Term	L8	0	0	0			0		
96	2410	Cable & Wire Facilities	L9	5,883,690	4,983,335		0	0	41,818	858,537	0
97	Total 3100		L91-96	12,924,202	7,565,897	0	2,506,640	0	641,175	2,210,490	0

Plant Date: Average 12/31/2003
Expense Date: 12 Mo. Ending 12/31/2003

Lancaster Telephone Company
Study No.: 240531 03/BS

Attachment #6 - Form 6

PART 69

Ln	Acct	Description	Allocation	Total Interstate	Common Line		Switched Access		Special Access	B&C	IX
					BFP	Pay / Other	Local Sw	Information	Transport		
<u>Net Current Deferred Operating Income Taxes - Acct 4100</u>											
98	2110	General Support Facilities	L3	0	0	0	0	0	0	0	0
99	2210	COE - Switching	L4	0			0		0		0
100	2220	COE - Operator Systems	L5	0			0	0	0		0
101	2230	COE - Transmission	L6	0	0		0	0	0	0	0
102	2310	Information Orig /Term	L8	0	0	0				0	
103	2410	Cable & Wire Facilities	L9	0	0		0	0	0	0	0
104		Total 4100	L98-103		0	0	0	0	0	0	0
<u>Net Noncurrent Deferred Operating Income Taxes - Acct 4340</u>											
105	2110	General Support Facilities	L3	(7,701)	(4,660)	0	(1,382)	0	(357)	(1,302)	0
106	2210	COE - Switching	L4	(10,438)			(10,438)		0		0
107	2220	COE - Operator Systems	L5	0			0	0	0		0
108	2230	COE - Transmission	L6	(16,525)	(8,762)		0	0	(2,478)	(5,285)	0
109	2310	Information Orig /Term	L8	0	0	0				0	
110	2410	Cable & Wire Facilities	L9	(31,332)	(26,537)		0	0	(223)	(4,572)	0
111		Total 4340	L105-110		(65,996)	(39,959)	0	(11,820)	0	(3,058)	(11,159)
<u>Plant Specific Expenses</u>											
112	6110	Network Support	L12	74,061	44,804	0	13,294	0	3,437	12,526	0
113	6120	General Support	L3	237,092	143,431	0	42,558	0	11,004	40,099	0
114	6210	COE - Switching - Equal Access	Direct	0			0				
115	6210	COE - Switching - All Other	Alloc 6	113,586			71,176		42,410		0
116	6220	COE - Operator Systems	L5	0			0	0	0		0
117	6230	COE - Transmission	L6	177,813	94,278		0	0	26,666	56,869	0
118		Total COE	L114-117	291,399	94,278		71,176	0	69,076	56,869	0
119	6310	IOT - Other	L67	0		0				0	
120	6310	IOT - Customer Premise Equip	L68	0	0						
121		Total 6310	L119-120	0	0	0				0	
122	6410	Cable & Wire Facilities	L76	340,305	288,229		0	0	2,419	49,657	0
123		Total Plant Specific	L112,113,118,121-122	942,857	570,742	0	127,028	0	85,936	159,151	0

Plant Date: Average 12/31/2003
Expense Date: 12 Mo. Ending 12/31/2003

Lancaster Telephone Company
Study No.: 240531 03/BS

Attachment #6 - Form 7

PART 69

Ln	Acct	Description	Allocation	Total Interstate	Common Line		Switched Access		Special Access	B&C	IX
					BFP	Pay / Other	Local Sw	Information			
<u>Plant Non-Specific Expenses</u>											
124	6510	Other Prop Plant & Equip	L10	15,126	9,151	0	2,715	0	702	2,558	0
125	6530	Network Operations	L10	728,021	440,423	0	130,680	0	33,790	123,128	0
126	6540	Access	Direct	0							0
126a	6540	Universal Service Assignment	Direct	273,829	273,829						
	6561	<u>Depreciation</u>									
127		Dep - Support Assets	L3	129,778	78,510	0	23,295	0	6,024	21,949	0
128		Dep - COE Switching	L4	267,977			267,977		0		0
129		Dep - COE Operator	L5	0			0	0	0		0
130		Dep - COE Transmission	L6	428,170	227,019		0	0	64,212	136,939	0
131		Dep - IOT	L8	0	0	0			0		0
132		Dep - Cable & Wire Facilities	L9	586,856	497,052		0	0	4,171	85,633	0
133		Total 6561	L127-132	1,412,781	802,581	0	291,272	0	74,407	244,521	0
134	6562	Dep - Prop Held for Future Use	L19	0	0	0	0	0	0	0	0
135	6563	Amort - Tangible Assets	L16	0	0	0	0	0	0	0	0
136	6564	Amort - Intangible Assets	L17	0	0	0	0	0	0	0	0
137	6565	Amort - Acquisition Adjust	L21	0	0	0	0	0	0	0	0
138		Total Plant Non-Specific	L124-137 Less L133	2,429,757	1,525,984	0	424,667	0	108,899	370,207	0
<u>Customer Operations Expenses</u>											
139	6610	<u>Marketing</u>	L12	206,439	124,887	0	37,056	0	9,582	34,914	0
140	6621	<u>Operator</u>	Alloc 4	0			0	0			0
141		Outside Operator Services	Alloc 5	0			0	0			0
	6622	<u>Directory</u>									
142		Published Directory Expense	Direct	4,761				4,761			

Plant Date: Average 12/31/2003
Expense Date: 12 Mo. Ending 12/31/2003

Lancaster Telephone Company
Study No.: 240531 03/BS

Attachment #6 - Form 8

PART 69

Ln	Acct	Description	Allocation	Total Interstate	Common Line		Switched Access		Special Access	B&C	IX
					BFP	Pay / Other	Local Sw	Information			
6623 Commercial Operations											
Cat 1 - Local Business Office											
End User Service Order Processing											
143		Presubscription	L13	347,672	253,139	0	75,111	19,422			
144		Message Tel	Direct	42,325						42,325	
145		Private Line	Direct	0						0	
146		Total	L143-145	389,997	253,139	0	75,111	19,422		42,325	
End User Payment and Collection											
147		Message Tel	Direct	96,458						96,458	
148		Private Line	Direct	0						0	
149		EUCL	Direct	47,894	47,894						
150		Total	L147-149	144,352	47,894					96,458	
End User Billing Inquiry											
151		Message Tel	Direct	1,922						1,922	
152		Private Line	Direct	92						92	
153		EUCL	Direct	92	92						
154		Total	L151-153	2,106	92					2,014	
IXC Service Order Processing											
155		Message Tel	L13	64,263	46,790	0	13,883	3,590			
156		Private Line	Direct	56,230					56,230		
157		Billing & Collection	Direct	0						0	
158		Total	L155-157	120,493	46,790	0	13,883	3,590	56,230	0	
IXC Payment and Collection											
159		Message Tel	L13	7,872	5,731	0	1,701	440			
160		Private Line	Direct	1,921					1,921		
161		Billing & Collection	Direct	935						935	
162		Total	L159-161	10,728	5,731	0	1,701	440	1,921	935	
IXC Billing Inquiry											
163		Message Tel	L13	680	495	0	147	38			
164		Private Line	Direct	453					453		
165		Billing & Collection	Direct	0						0	
166		Total	L163-165	1,133	495	0	147	38	453	0	
167		Future Use									
168		Total Category 1	L146,150,154,158,162,166	668,809	354,141	0	90,842	23,490	58,604	141,732	

Plant Date: Average 12/31/2003
Expense Date: 12 Mo. Ending 12/31/2003

Lancaster Telephone Company
Study No.: 240531 03/BS

Attachment #6 - Form 9

PART 69

Ln	Acct	Description	Allocation	Total Interstate	Common Line		Switched Access		Special Access	B&C	IX
					BFP	Pay / Other	Local Sw	Information	Transport		
		<u>Cat 2 - Revenue Accounting</u>									
169		Message Processing	Direct	143,695							143,695
170		OB&C - Expense	Direct	69,892							69,892
171		Future Use									
172		Future Use									
172		Carrier Access Billing	L11	52,151			23,697	0	6,127	22,327	
174		Subscriber Line Charge	Direct	12,334	12,334						
175		Total Category 2	L169-174	278,072	12,334		23,697	0	6,127	22,327	213,587
176		Subtotal Customer Services	L140-142,168,175	951,642	366,475	0	114,539	4,761	29,617	80,931	355,319
		<u>Category 3 - Other Commercial</u>									
177		Total Category 3	L176	4,651	1,790	0	560	23	145	396	1,737
178		Total Customer Services	L176-177	956,293	368,265	0	115,099	4,784	29,762	81,327	357,056
179		Total Customer Operations	L139,178	1,162,732	493,152	0	152,155	4,784	39,344	116,241	357,056
180		Total Big Three Expenses	L123-126,179 (less L114)	3,122,565	1,787,297	0	412,578	4,784	159,772	401,078	357,056
180a		Total Big Three Expenses - Modified	L180 Less 112, 113, 139, 143, 155, 159, 163	2,120,296	1,166,230	0	228,268	4,761	112,114	254,539	354,384
<u>Corporate Operations Expenses</u>											
181	6710	Executive & Planning	L180	89,063	50,978	0	11,768	136	4,557	11,440	10,184
182	6720	General & Administrative	L180	519,967	297,619	0	68,702	797	26,605	66,787	59,457
183		Total Corporate Operations	L181-182	609,030	348,597	0	80,470	933	31,162	78,227	69,641
184		Total Operating Expenses	L123,138,179,183	5,144,376	2,938,475	0	784,320	5,717	265,341	723,826	426,697
<u>Operating Taxes</u>											
185		Future Use									
186	7240	Ad Valorem Taxes	L12	157,200	95,099	0	28,218	0	7,296	26,587	0
187	7370	Special Charges	L12	4,835	2,925	0	868	0	224	818	0
188		Total Operating Exp & Taxes	L184-186	5,306,411	3,036,499	0	813,406	5,717	272,861	751,231	426,697

Plant Date: Average 12/31/2003
Expense Date: 12 Mo. Ending 12/31/2003

Lancaster Telephone Company
Study No.: 240531 03/BS

Attachment #6 - Form 10

PART 69

Ln	Acct	Description	Allocation	Total Interstate	Common Line		Switched Access		Special Access	B&C	IX
					BFP	Pay / Other	Local Sw	Information			
<u>Tax Adjustments</u>											
189	7210	Investment Tax Credits	L12	0	0	0	0	0	0	0	0
190		TRA-86 Amortization	L12	0	0	0	0	0	0	0	0
191		Total	L189-190	0	0	0	0	0	0	0	0
192	7340	AFUDC	L12	0	0	0	0	0	0	0	0
193		FIT Adjustments - Addbacks	L12	(1,473)	(892)	0	(264)	0	(68)	(249)	0
194		FIT Adjustments - Deductions	L12	0	0	0	0	0	0	0	0
195		Total FIT Adjustments	L193-194	(1,473)	(892)	0	(264)	0	(68)	(249)	0
196		SIT Adjustments - Addbacks	L12	0	0	0	0	0	0	0	0
197		SIT Adjustments - Deductions	L12	0	0	0	0	0	0	0	0
198		Total SIT Adjustments	L196-197	0	0	0	0	0	0	0	0
199	7500	Fixed Charges	L44	0	0	0	0	0	0	0	0
200	7540	Interest On Customer Dep	L12	2,567	1,553	0	461	0	119	434	0
<u>Rent Revenues Account 5240</u>											
201	2110	General Support Facilities	L3	0	0	0	0	0	0	0	0
202	2210	COE - Switching	L4	0			0		0		0
203	2220	COE - Operator Systems	L5	0			0	0	0		0
204	2230	COE - Transmission	L6	0	0		0	0	0	0	0
205	2310	Information Orig /Term	L8	0	0	0			0		
206	2410	Cable & Wire Facilities	L9	0	0		0		0	0	0
207		Total 5240	L201-206	0	0	0	0	0	0	0	0
208		Total Operating Exp & Taxes	L188+200 Less 207	5,308,978	3,038,052	0	813,867	5,717	272,980	751,665	426,697

Plant Date: Average 12/31/2003
Expense Date: 12 Mo. Ending 12/31/2003

Lancaster Telephone Company
Study No.: 240531 03/BS

Attachment #7 - Form 1

PART 36

Ln	Acct	Description	Allocation	Total Company	Interstate InterLATA Message	Interstate InterLATA P/L	Interstate IntraLATA Message	Interstate IntraLATA P/L	Intrastate InterLATA Message	Intrastate InterLATA P/L	Intrastate IntraLATA Message	Intrastate IntraLATA P/L	EAS	Local
1	2111	Land	L10	1,301,438	310,292	63,161	0	0	105,823	5,716	30,239	7,958	5,010	773,239
2		General Support	L10	7,358,999	1,754,553	357,146	0	0	598,380	32,323	170,985	44,996	28,332	4,372,284
2a		General Purpose Computer	L10	0	0	0	0	0	0	0	0	0	0	0
3	2110	Land & General Support	L1-2	8,660,437	2,064,845	420,307	0	0	704,203	38,039	201,224	52,954	33,342	5,145,523
4	2210	COE - Switching	L45	11,872,087	2,903,319		0		417,862		153,874		0	8,397,032
5	2220	COE - Operator Systems	L50	0	0		0		0		0		0	0
6	2230	COE - Transmission	L60	13,071,583	3,125,192	1,469,490	0	0	1,180,901	97,063	342,950	269,929	193,041	6,393,017
7		Total COE	L4-6	24,943,670	6,028,511	1,469,490	0	0	1,598,763	97,063	496,824	269,929	193,041	14,790,049
8	2310	Information Orig /Term	L66	0	0		0		0		0		0	0
9	2410	Cable & Wire Facilities	L74	31,422,095	7,410,371	1,266,047	0	0	2,984,491	150,510	812,824	74,717	23,964	18,699,171
10		Total COE, IOT & C&WF	L7-9	56,365,765	13,438,882	2,735,537	0	0	4,583,254	247,573	1,309,648	344,646	217,005	33,489,220
11	2680	Capital Leases	L81	0	0	0	0	0	0	0	0	0	0	0
12	2680	Leasehold Improvements	L88	0	0	0	0	0	0	0	0	0	0	0
13	2680	Amortizable Tangibles	L11-12	0	0	0	0	0	0	0	0	0	0	0
14	2690	Intangibles	L40	0	0	0	0	0	0	0	0	0	0	0
15	2001	Plant In Service	L3, 10, 13, 14	65,026,202	15,503,727	3,155,844	0	0	5,287,457	285,612	1,510,872	397,600	250,347	38,634,743
16	2002	Prop Held For Future Use	L15	21,725	5,180	1,054	0	0	1,767	95	505	133	84	12,907
17	2003	Plant Under Construction	L15	676,541	161,303	32,834	0	0	55,011	2,972	15,719	4,137	2,605	401,960
18	2005	Plant Acquisition Adjustment	L15	0	0	0	0	0	0	0	0	0	0	0
19	1220	Material & Supplies	L9	320,180	75,509	12,901	0	0	30,411	1,534	8,282	761	244	190,538
20	1402	Class B RTB Stock	L15	0	0	0	0	0	0	0	0	0	0	0
21	1410	Other Noncurrent Assets	L175	0	0	0	0	0	0	0	0	0	0	0
22	1438	Deferred Maint & Retirements	L95	0	0	0	0	0	0	0	0	0	0	0
23	1439	Def Non-Capital Equal Access	Alloc 13	0	0		0		0		0		0	0
24	1500	Other Jurisdictional Assets	Alloc 19	0	0	0	0	0	0	0	0	0	0	0
25	CWC	Cash Working Capital	L189	785,363	229,018	29,139	0	0	75,312	2,264	27,618	4,654	4,122	413,236

Plant Date: Average 12/31/2003
Expense Date: 12 Mo. Ending 12/31/2003

Lancaster Telephone Company
Study No.: 240531 03/BS

Attachment #7 - Form 2

PART 36

Ln	Acct	Description	Allocation	Total Company	Interstate InterLATA Message	Interstate InterLATA P/L	Interstate IntraLATA Message	Interstate IntraLATA P/L	Intrastate InterLATA Message	Intrastate InterLATA P/L	Intrastate IntraLATA Message	Intrastate IntraLATA P/L	EAS	Local
26	3100	Depreciation Reserve	L102	44,894,714	10,713,712	2,210,490	0	0	3,598,947	195,711	1,033,197	288,746	184,598	26,669,313
27	3200	Res - Prop Held for Future Use	L16	0	0	0	0	0	0	0	0	0	0	0
28	3400	Res - Capital leases	L13	0	0	0	0	0	0	0	0	0	0	0
29	3400	Res - Leasehold Improvments	L13	0	0	0	0	0	0	0	0	0	0	0
30	3500	Res - Intangible	L14	0	0	0	0	0	0	0	0	0	0	0
31	3600	Res - Plant Acquisiton Adj	L15	0	0	0	0	0	0	0	0	0	0	0
32		Total Reserves	L 26-31	44,894,714	10,713,712	2,210,490	0	0	3,598,947	195,711	1,033,197	288,746	184,598	26,669,313
33	4040	Customer Deposits	L15	110,769	26,410	5,376	0	0	9,007	487	2,574	677	426	65,812
34	4100	Current Deferred Op Taxes	L109	0	0	0	0	0	0	0	0	0	0	0
35	4310	Other Long Term Liabilities	L175	167,187	47,018	6,074	0	0	16,492	454	6,398	1,016	944	88,791
36	4340	Non-Current Def Oper Taxes	L116	(230,000)	(54,837)	(11,159)	0	0	(18,709)	(1,011)	(5,345)	(1,405)	(884)	(136,650)
37	4360	Other Deferred Credits	Alloc 48	0	0	0	0	0	0	0	0	0	0	0
38	4370	Oth Juris Liab & Def Credits	Alloc 41	0	0	0	0	0	0	0	0	0	0	0
39		Net Investment	L15-25 Less L32-38	21,887,341	5,242,434	1,020,991	0	0	1,844,221	96,836	526,172	118,251	72,318	12,966,118
40		Total 2001 Less 2690	L 3, 10, 13	65,026,202	15,503,727	3,155,844	0	0	5,287,457	285,612	1,510,872	397,600	250,347	38,634,743
41		Total 2001 Less Associated Res	L15-19,24 Less L32,34 36-38	21,379,934	5,086,844	1,003,302	0	0	1,794,408	95,513	507,526	115,290	69,566	12,707,485

Plant Date: Average 12/31/2003
Expense Date: 12 Mo. Ending 12/31/2003

Lancaster Telephone Company
Study No.: 240531 03/BS

Attachment #7 - Form 3

PART 36

Ln	Acct	Description	Allocation	Total Company	Interstate InterLATA Message	Interstate InterLATA P/L	Interstate IntraLATA Message	Interstate IntraLATA P/L	Intrastate InterLATA Message	Intrastate InterLATA P/L	Intrastate IntraLATA Message	Intrastate IntraLATA P/L	EAS	Local
<u>Central Office Switching - Acct 2210</u>														
42	2210	Cat 2 - Tandem Switching	Alloc 2	0	0		0		0		0		0	0
43	2210	Cat 3 - Local Switching	Alloc 3	11,872,087	2,903,319		0		417,862		153,874		0	8,397,032
44	2210	Cat 5 - Equal Access	Alloc 13	0	0		0		0		0			0
45		Total 2210	L42-44	11,872,087	2,903,319		0		417,862		153,874		0	8,397,032
<u>Central Office Operator Systems - Acct 2220</u>														
2220		Cat 1 - Operator Systems												
46		Intercept Boards	Alloc 24	0	0		0		0		0		0	0
47		Information Boards	Alloc 47	0	0		0		0		0		0	0
48		Service Observing Boards	Alloc 67	0	0		0		0		0		0	0
49		Other Boards	Alloc 1	0	0		0		0		0		0	0
50		Total 2220	L46-49	0	0		0		0		0		0	0
<u>Central Office Transmission - Acct 2230</u>														
51	2230	Cat 4.11 - Wdbd Exch Ln xDSI	Alloc 4	401,348		401,348		0		0		0	0	0
52	2230	Cat 4.121 - Exch Trunk EAS	Alloc 5	28,811									28,811	0
53	2230	Cat 4.122 - Exch Trunk Toll	Alloc 6	0	0		0		0		0		0	0
54	2230	Cat 4.123 - Exch Trunk Spl	Alloc 7	0		0		0	0		0		0	0
55	2230	Cat 4.13 - Exch Ln Circuit	Alloc 8	9,903,064	2,436,138	44,133	0	0	983,440	31,629	267,118	5,517	0	6,135,089
56	2230	Cat 4.21 - IX Cct - Other Co	Alloc 9	0	0	0	0	0						0
57	2230	Cat 4.22 - IX Cct - Wdbd	Alloc 10	1,102,614	0	882,091	0	0	0	44,105	0	33,078	0	143,340
58	2230	Cat 4.23 - IX Cct - Other	Alloc 11	1,493,005	668,699	141,918	0	0	191,759	21,329	73,737	231,334	164,230	(1)
59	2230	Cat 4.3 - Host Remote	Alloc 12	142,741	20,355		0		5,702		2,095		0	114,589
60		Total 2230	L51-59	13,071,583	3,125,192	1,469,490	0	0	1,180,901	97,063	342,950	269,929	193,041	6,393,017

Plant Date: Average 12/31/2003
Expense Date: 12 Mo. Ending 12/31/2003

Lancaster Telephone Company
Study No.: 240531 03/BS

Attachment #7 - Form 4

PART 36

Ln	Acct	Description	Allocation	Total Company	Interstate InterLATA Message	Interstate InterLATA P/L	Interstate IntraLATA Message	Interstate IntraLATA P/L	Intrastate InterLATA Message	Intrastate InterLATA P/L	Intrastate IntraLATA Message	Intrastate IntraLATA P/L	EAS	Local
<u>Information Origination / Termination - Acct 2310</u>														
61	2351	Cat 1 - Pub Tel (Less Coinless)	Alloc 14	0	0		0		0		0		0	0
62	2351	Cat 1 - Pub Tel (Coinless)	Alloc 15	0	0		0		0		0		0	0
63	2362	Cat 1 - Other Terminal Equip	Alloc 14	0	0		0		0		0		0	0
64		Total Category 1	L61-63	0	0		0		0		0		0	0
65		Cat 2 - Customer Premise	Alloc 16	0					0		0		0	0
66		Total 2310	L64-65	0	0		0		0		0		0	0
<u>Cable and Wire Facilities - Acct 2410</u>														
67	2410	Cat 1 - Exch Ln CWF	Alloc 17	29,872,971	7,348,704	133,129	0	0	2,966,584	95,409	805,771	16,641	0	18,506,733
68	2410	Cat 2.1 - Exch Trk CWF - EAS	Alloc 5	9,975									9,975	0
69	2410	Cat 2.2 - Exch Trk CWF - Toll	Alloc 6	0	0		0		0		0		0	0
70	2410	Cat 2.3 - Exch Trk CWF - Spl	Alloc 7	52,844		52,844		0		0		0		0
71	2410	Cat 2.4 - Exch Trk CWF - Wb	Alloc 10	1,335,854	0	1,068,683	0	0	0	53,435	0	40,075	0	173,661
72	2410	Cat 3 - IX C&WF	Alloc 18	127,062	58,332	11,391	0	0	16,973	1,666	6,710	18,001	13,989	(0)
73	2410	Cat 4 - Host / Remote C&WF	Alloc 12	23,389	3,335		0		934		343		0	18,777
74		Total 2410	L67-73	31,422,095	7,410,371	1,266,047	0	0	2,984,491	150,510	812,824	74,717	23,964	18,699,171

Plant Date: Average 12/31/2003
Expense Date: 12 Mo. Ending 12/31/2003

Lancaster Telephone Company
Study No.: 240531 03/BS

Attachment #7 - Form 5

PART 36

Ln	Acct	Description	Allocation	Total Company	Interstate InterLATA Message	Interstate InterLATA P/L	Interstate IntraLATA Message	Interstate IntraLATA P/L	Intrastate InterLATA Message	Intrastate InterLATA P/L	Intrastate IntraLATA Message	Intrastate IntraLATA P/L	EAS	Local
<u>Tangible Assets - Capital Leases - Acct 2680</u>														
75	2110	General Support Facilities	L3	0	0	0	0	0	0	0	0	0	0	0
76	2210	COE - Switching	L4	0	0		0		0		0		0	0
77	2220	COE - Operator Systems	L5	0	0		0		0		0		0	0
78	2230	COE - Transmission	L6	0	0	0	0	0	0	0	0	0	0	0
79	2310	Information Orig /Term	L8	0	0		0		0		0		0	0
80	2410	Cable & Wire Facilities	L9	0	0	0	0	0	0	0	0	0	0	0
81	Total 2681		L75-80	0	0	0	0	0	0	0	0	0	0	0
<u>Tangible Assets - Leasehold Improvements - Acct 2680</u>														
82	2110	General Support Facilities	L3	0	0	0	0	0	0	0	0	0	0	0
83	2210	COE - Switching	L4	0	0		0		0		0		0	0
84	2220	COE - Operator Systems	L5	0	0		0		0		0		0	0
85	2230	COE - Transmission	L6	0	0	0	0	0	0	0	0	0	0	0
86	2310	Information Orig /Term	L8	0	0		0		0		0		0	0
87	2410	Cable & Wire Facilities	L9	0	0	0	0	0	0	0	0	0	0	0
88	Total 2682		L82-87	0	0	0	0	0	0	0	0	0	0	0
<u>Deferred Maint & Retirements Acct 1438</u>														
89	2110	General Support Facilities	L3	0	0	0	0	0	0	0	0	0	0	0
90	2210	COE - Switching	L4	0	0		0		0		0		0	0
91	2220	COE - Operator Systems	L5	0	0		0		0		0		0	0
92	2230	COE - Transmission	L6	0	0	0	0	0	0	0	0	0	0	0
93	2310	Information Orig /Term	L8	0	0		0		0		0		0	0
94	2410	Cable & Wire Facilities	L9	0	0	0	0	0	0	0	0	0	0	0
95	Total 1438		L89-94	0	0	0	0	0	0	0	0	0	0	0

Plant Date: Average 12/31/2003
Expense Date: 12 Mo. Ending 12/31/2003

Lancaster Telephone Company
Study No.: 240531 03/BS

Attachment #7 - Form 6

PART 36

Ln	Acct	Description	Allocation	Total Company	Interstate InterLATA Message	Interstate InterLATA P/L	Interstate IntraLATA Message	Interstate IntraLATA P/L	Intrastate InterLATA Message	Intrastate InterLATA P/L	Intrastate IntraLATA Message	Intrastate IntraLATA P/L	EAS	Local
<u>Accumulated Depreciation - Acct 3100</u>														
96	2110	General Support Facilities	L3	3,664,176	873,623	177,829	0	0	297,944	16,094	85,137	22,405	14,107	2,177,037
97	2210	COE - Switching	L4	9,478,241	2,317,904		0		333,606		122,847		0	6,703,884
98	2220	COE - Operator Systems	L5	0	0		0		0		0		0	0
99	2230	COE - Transmission	L6	10,444,210	2,497,032	1,174,124	0	0	943,541	77,553	274,017	215,674	154,240	5,108,029
100	2310	Information Orig /Term	L8	0	0		0		0		0		0	0
101	2410	Cable & Wire Facilities	L9	21,308,087	5,025,153	858,537	0	0	2,023,856	102,064	551,196	50,667	16,251	12,680,363
102	Total 3100		L96-101	44,894,714	10,713,712	2,210,490	0	0	3,598,947	195,711	1,033,197	288,746	184,598	26,669,313

Net Current Deferred Operating Income Taxes - Acct 4100

103	2110	General Support Facilities	L3	0	0	0	0	0	0	0	0	0	0	0
104	2210	COE - Switching	L4	0	0		0		0		0		0	0
105	2220	COE - Operator Systems	L5	0	0		0		0		0		0	0
106	2230	COE - Transmission	L6	0	0	0	0	0	0	0	0	0	0	0
107	2310	Information Orig /Term	L8	0	0		0		0		0		0	0
108	2410	Cable & Wire Facilities	L9	0	0	0	0	0	0	0	0	0	0	0
109	Total 4100		L103-108	0	0	0	0	0	0	0	0	0	0	0

Net Noncurrent Deferred Operating Income Taxes - Acct 4340

110	2110	General Support Facilities	L3	(26,837)	(6,399)	(1,302)	0	0	(2,182)	(118)	(624)	(164)	(103)	(15,945)
111	2210	COE - Switching	L4	(42,681)	(10,438)		0		(1,502)		(553)		0	(30,188)
112	2220	COE - Operator Systems	L5	0	0		0		0		0		0	0
113	2230	COE - Transmission	L6	(47,011)	(11,240)	(5,285)	0	0	(4,247)	(349)	(1,233)	(971)	(694)	(22,992)
114	2310	Information Orig /Term	L8	0	0		0		0		0		0	0
115	2410	Cable & Wire Facilities	L9	(113,471)	(26,760)	(4,572)	0	0	(10,778)	(544)	(2,935)	(270)	(87)	(67,525)
116	Total 4340		L110-115	(230,000)	(54,837)	(11,159)	0	0	(18,709)	(1,011)	(5,345)	(1,405)	(884)	(136,650)

Plant Date: Average 12/31/2003
Expense Date: 12 Mo. Ending 12/31/2003

Lancaster Telephone Company
Study No.: 240531 03/BS

Attachment #7 - Form 7

PART 36

Ln	Acct	Description	Allocation	Total Company	Interstate InterLATA Message	Interstate InterLATA P/L	Interstate IntraLATA Message	Interstate IntraLATA P/L	Intrastate InterLATA Message	Intrastate InterLATA P/L	Intrastate IntraLATA Message	Intrastate IntraLATA P/L	EAS	Local
<u>Plant Specific Expenses</u>														
117	6110	Network Support	L3	258,094	61,535	12,526	0	0	20,986	1,134	5,997	1,578	994	153,344
118	6120	General Support	L3	826,233	196,993	40,099	0	0	67,183	3,629	19,197	5,052	3,181	490,899
119	6210	COE - Switching - Eq. Access	Alloc 13	0	0		0		0		0			0
120	6210	COE - Switching - All Other	L7	377,868	91,325	22,261	0	0	24,219	1,470	7,526	4,089	2,924	224,054
121	6220	COE - Operator Systems	L7	0	0	0	0	0	0	0	0	0	0	0
122	6230	COE - Transmission	L7	591,532	142,964	34,849	0	0	37,914	2,302	11,782	6,401	4,578	350,742
123		Total COE	L119-122	969,400	234,289	57,110	0	0	62,133	3,772	19,308	10,490	7,502	574,796
124	6310	IOT - Other	L64	0	0		0		0		0		0	0
125	6310	IOT - Customer Premise	Alloc 16	0					0		0		0	0
126		Total 6310	L124-125	0	0		0		0		0		0	0
127	6410	Cable & Wire Facilities	L9	1,232,430	290,648	49,657	0	0	117,057	5,903	31,880	2,931	940	733,414
128		Total Plant Specific	L117,118,123,126-127	3,286,157	783,465	159,392	0	0	267,359	14,438	76,382	20,051	12,617	1,952,453

Plant Date: Average 12/31/2003
Expense Date: 12 Mo. Ending 12/31/2003

Lancaster Telephone Company
Study No.: 240531 03/BS

Attachment #7 - Form 8

PART 36

Ln	Acct	Description	Allocation	Total Company	Interstate InterLATA Message	Interstate InterLATA P/L	Interstate IntraLATA Message	Interstate IntraLATA P/L	Intrastate InterLATA Message	Intrastate InterLATA P/L	Intrastate IntraLATA Message	Intrastate IntraLATA P/L	EAS	Local
<u>Plant Non-Specific Expenses</u>														
129	6510	Other Prop Plant & Equip	L15	52,713	12,568	2,558	0	0	4,286	232	1,225	322	203	31,319
130	6530	Network Operations	L10	2,537,060	604,893	123,128	0	0	206,295	11,143	58,948	15,513	9,768	1,507,372
131	6540	Access	Alloc 20	0	0	0	0	0	0	0	0	0	0	0
131a	6540	Universal Service Assignment	Alloc 35	300,342	273,829		0		26,513		0			
	6561	<u>Depreciation</u>												
132		Dep - Support Assets	L3	452,258	107,829	21,949	0	0	36,774	1,986	10,508	2,765	1,741	268,706
133		Dep - COE Switching	L4	1,095,798	267,977		0		38,569		14,203		0	775,049
134		Dep - COE Operator	L5	0	0		0		0		0		0	0
135		Dep - COE Transmission	L6	1,218,119	291,231	136,939	0	0	110,046	9,045	31,959	25,154	17,989	595,756
136		Dep - IOT	L8	0	0		0		0		0		0	0
137		Dep - Cable & Wire Facilities	L9	2,125,328	501,223	85,633	0	0	201,865	10,180	54,978	5,054	1,621	1,264,774
138		Total 6561	L132-137	4,891,503	1,168,260	244,521	0	0	387,254	21,211	111,648	32,973	21,351	2,904,285
139	6562	Dep - Prop Held for Fut Use	L15	0	0	0	0	0	0	0	0	0	0	0
140	6563	Amort - Tangible Assets	L13	0	0	0	0	0	0	0	0	0	0	0
141	6564	Amort - Intangible Assets	L14	0	0	0	0	0	0	0	0	0	0	0
142	6565	Amort - Acquisition Adjust	L15	0	0	0	0	0	0	0	0	0	0	0
143		Total Plant Non-Specific	L129-142 Less 138	7,781,618	2,059,550	370,207	0	0	624,348	32,586	171,821	48,808	31,322	4,442,976
<u>Customer Operations Expenses</u>														
144	6610	Marketing	Alloc 43	766,823	206,439	0	0	0	51,965	0	19,987	0	26,645	461,787
145	6621	Operator	L50	0	0		0		0		0		0	0
146		Outside Operator Services	Alloc 42	19,441	0		0		0		19,441		0	0
	6622	<u>Directory</u>												
147		Classified	Alloc 22	52,055										52,055
148		TWX	Alloc 23	0	0	0	0	0	0	0	0	0	0	0
149		Alpha	Alloc 24	33,386	4,761		0		1,334		490		0	26,801
150		Foreign	Alloc 25	0	0		0		0		0		0	0
151		Total 6622	L147-150	85,441	4,761	0	0	0	1,334	0	490	0	0	78,856

Plant Date: Average 12/31/2003
Expense Date: 12 Mo. Ending 12/31/2003

Lancaster Telephone Company
Study No.: 240531 03/BS

Attachment #7 - Form 9

PART 36

Ln	Acct	Description	Allocation	Total Company	Interstate InterLATA Message	Interstate InterLATA P/L	Interstate IntraLATA Message	Interstate IntraLATA P/L	Intrastate InterLATA Message	Intrastate InterLATA P/L	Intrastate IntraLATA Message	Intrastate IntraLATA P/L	EAS	Local
6623 Commercial Operations														
<u>Cat 1 - Local Business Office</u>														
End User service order processing														
152		Presubscription	Alloc 26	347,672	347,672									0
153		Directory Advertising	Alloc 27	0										0
154		All other	Alloc 28	495,811	42,325	0	0	0	36,279	0	39,302	0		377,905
155		End User payment & collection	Alloc 21	611,583	144,352	0	0	0	80,128	0	14,461	19,252		353,390
156		End User billing inquiry	Alloc 30	64,509	2,014	92	0	0	6,680	92	6,771	92		48,768
157		IXC service order processing	Alloc 32	136,559	64,263	56,230	0	0	16,066	0	0	0		0
158		IXC payment and collection	Alloc 33	15,583	8,807	1,921	0	0	3,180	449	1,226	0		0
159		IXC billing inquiry	Alloc 34	3,854	680	453	0	0	2,494	227	0	0		0
160		Future Use												
161		Total Category 1	L152-160	1,675,571	610,113	58,696	0	0	144,827	768	61,760	19,344	0	780,063
<u>Cat 2 - Revenue Accounting</u>														
162		Message Processing	Alloc 36	301,407	143,695		0		132,752		24,960		0	0
163		OB&C - Expense	Alloc 38	234,343	69,892		0		41,113		41,113		0	82,225
164		Future Use												
165		Future Use												
166		Future Use												
167		Carrier Access Billing	Alloc 44	104,303	52,151		0		26,076		26,076			0
168		Subscriber Line Charge	Alloc 29	12,334	12,334		0		0		0			0
169		Total Category 2	L162-168	652,387	278,072	0	0	0	199,941	0	92,149	0	0	82,225
170		Subtotal Categories 1 & 2	L161,169	2,327,958	888,185	58,696	0	0	344,768	768	153,909	19,344	0	862,288

Plant Date: Average 12/31/2003
Expense Date: 12 Mo. Ending 12/31/2003

Lancaster Telephone Company
Study No.: 240531 03/BS

Attachment #7 - Form 10

PART 36

Ln	Acct	Description	Allocation	Total Company	Interstate InterLATA Message	Interstate InterLATA P/L	Interstate IntraLATA Message	Interstate IntraLATA P/L	Intrastate InterLATA Message	Intrastate InterLATA P/L	Intrastate IntraLATA Message	Intrastate IntraLATA P/L	EAS	Local
<u>Category 3 - Other Commercial</u>														
171		Telcom Relay Service	Alloc 45	4,651	4,651		0		0		0			0
172		Other	L170	0	0	0	0	0	0	0	0	0	0	0
173		Total Commercial Operations	L170-172	2,332,609	892,836	58,696	0	0	344,768	768	153,909	19,344	0	862,288
174		Total Customer Operations	L144-146,151,173	3,204,314	1,104,036	58,696	0	0	398,067	768	193,827	19,344	26,645	1,402,931
175		Total Big Three Expenses	L123,126-127,130,174 (less L119)	7,943,204	2,233,866	288,591	0	0	783,552	21,586	303,963	48,278	44,855	4,218,513
<u>Corporate Operations Expenses</u>														
176	6710	Executive & Planning	L175	280,459	78,873	10,190	0	0	27,666	762	10,732	1,705	1,584	148,947
	6720	General & Administrative												
177		Other Direct	Alloc 46	0	0	0	0	0	0	0	0	0	0	0
178		Direct to EAS	Alloc 31	0									0	0
179		Other	L175	1,637,372	460,478	59,489	0	0	161,517	4,450	62,657	9,952	9,246	869,583
180		Total 6720	L177-179	1,637,372	460,478	59,489	0	0	161,517	4,450	62,657	9,952	9,246	869,583
181		Total Corporate Operations	L176,180	1,917,831	539,351	69,679	0	0	189,183	5,212	73,389	11,657	10,830	1,018,530
182		Total Operating Expenses	L128,143,174,181	16,189,920	4,486,402	657,974	0	0	1,478,957	53,004	515,419	99,860	81,414	8,816,890
<u>Operating Taxes</u>														
183		Future Use												
184	7240	Ad Valorem Taxes - Allocated	L15	524,995	125,171	25,479	0	0	42,689	2,306	12,198	3,210	2,021	311,921
185	7240	Ad Valorem Taxes - Direct	Alloc 40	6,550	6,550	0	0	0	0	0	0	0	0	0
186		Total 7240	L183-185	531,545	131,721	25,479	0	0	42,689	2,306	12,198	3,210	2,021	311,921
187	7370	Special Charges	L181	15,225	4,282	553	0	0	1,502	41	583	93	86	8,085
188		Total Operating Exp & Taxes	L182,186,187	16,736,690	4,622,405	684,006	0	0	1,523,148	55,351	528,200	103,163	83,521	9,136,896
189		Total Operating Exp & Taxes (Less Depreciation)	L188 Less 138-142	11,845,187	3,454,145	439,485	0	0	1,135,894	34,140	416,552	70,190	62,170	6,232,611

Plant Date: Average 12/31/2003
Expense Date: 12 Mo. Ending 12/31/2003

Lancaster Telephone Company
Study No.: 240531 03/BS

Attachment #7 - Form 11

PART 36

Ln	Acct	Description	Allocation	Total Company	Interstate InterLATA Message	Interstate InterLATA P/L	Interstate IntraLATA Message	Interstate IntraLATA P/L	Intrastate InterLATA Message	Intrastate InterLATA P/L	Intrastate IntraLATA Message	Intrastate IntraLATA P/L	EAS	Local
<u>Tax Adjustments</u>														
190	7210	Investment Tax Credits	L15	0	0	0	0	0	0	0	0	0	0	0
191		TRA-86 Amortization	L15	0	0	0	0	0	0	0	0	0	0	0
192		Total	L190-191	0	0	0	0	0	0	0	0	0	0	0
193	7340	AFUDC	L17	0	0	0	0	0	0	0	0	0	0	0
194		FIT Adjustments - Addbacks	L15	(5,134)	(1,224)	(249)	0	0	(417)	(23)	(119)	(31)	(20)	(3,051)
195		FIT Adjustments - Deductions	L15	0	0	0	0	0	0	0	0	0	0	0
196		Total FIT Adjustments	L194-195	(5,134)	(1,224)	(249)	0	0	(417)	(23)	(119)	(31)	(20)	(3,051)
197		SIT Adjustments - Addbacks	L15	0	0	0	0	0	0	0	0	0	0	0
198		SIT Adjustments - Deductions	L15	0	0	0	0	0	0	0	0	0	0	0
199		Total SIT Adjustments	L197-198	0	0	0	0	0	0	0	0	0	0	0
200	7500	Fixed Charges	L41	0	0	0	0	0	0	0	0	0	0	0
201	7540	Interest On Customer Dep	L41	9,012	2,144	423	0	0	756	40	214	49	29	5,357
<u>Rent Revenues Account 5240</u>														
202	2110	General Support Facilities	L3	0	0	0	0	0	0	0	0	0	0	0
203	2210	COE - Switching	L4	0	0		0		0		0		0	0
204	2220	COE - Operator Systems	L5	0	0		0		0		0		0	0
205	2230	COE - Transmission	L6	0	0	0	0	0	0	0	0	0	0	0
206	2310	Information Orig /Term	L8	0	0		0		0		0		0	0
207	2410	Cable & Wire Facilities	L9	0	0	0	0	0	0	0	0	0	0	0
208		Total 5240	L202-207	0	0	0	0	0	0	0	0	0	0	0
209		Total Operating Exp & Taxes	L188+201 Less 208	16,745,702	4,624,549	684,429	0	0	1,523,904	55,391	528,414	103,212	83,550	9,142,253

Plant Date: Average 12/31/2003
Expense Date: 12 Mo. Ending 12/31/2003

Lancaster Telephone Company
Study No.: 240531 03/BS

Attachment #8 - Input 1

PLANT IN SERVICE

Acct	Description	Investment	Reserve
2111	Land	1,301,438	
	General Support	7,358,999	3,664,176
	Land & General Support	<u>Total 2110</u>	<u>8,660,437</u>
2211	Analog Electronic Switching	0	0
2212	Digital Electronic Switching	11,872,087	9,478,241
2215	Electro-Mechanical Switching	0	0
	COE - Switching	<u>Total 2210</u>	<u>11,872,087</u>
2220	COE - Operator Systems	<u>Total 2220</u>	<u>0</u>
2231	Radio Systems	0	0
2232	Circuit Equipment	13,071,583	10,444,210
	COE - Transmission	<u>Total 2230</u>	<u>13,071,583</u>
2311	Station Apparatus	0	0
2321	Customer Premise Wiring	0	0
2341	Large Private Branch Exchanges	0	0
2351	Public Telephone Terminal Equipment	0	0
2362	Other Terminal Equipment	0	0
	Information Origination / Termination	<u>Total 2310</u>	<u>0</u>
2411	Poles	951,284	698,836
2421	Aerial Cable	5,535,321	4,697,363
2422	Underground Cable	840,650	695,281
2423	Buried Cable	23,679,663	14,896,551
2424	Submarine Cable	0	0
2425	Deep Sea Cable	0	0
2426	Intrabuilding Network Cable	0	0
2431	Aerial Wire	229,329	214,586
2441	Conduit Systems	185,848	105,470
	Cable & Wire Facilities	<u>Total 2410</u>	<u>31,422,095</u>
2681	Capital Leases	0	
2682	Leasehold Improvements	0	
	Amortizable Tangibles	<u>Total 2680</u>	<u>0</u>
2690	Intangibles	0	
	Plant In Service	<u>Total 2001</u>	<u>65,026,202</u>

OTHER INV / RES

Acct	Description	Investment	Reserve
1220	Material & Supplies	320,180	
1402	Class B RTB Stock	0	
1410	Other Noncurrent Assets	0	
1438	Deferred Maint & Retire	0	
1439	Deferred Non-Capital Eq Access	0	
1500	Other Jurisdictional Assets	0	
2002	Prop Held For Future Use	21,725	
2003	Plant Under Construction	676,541	
2005	Plant Acquisition Adjustment	0	
	Depreciation Reserve	<u>Total 3100</u>	<u>44,894,714</u>
3200	Res - Prop Held for Fut Use		0
3410	Res - Capital leases		0
3420	Res - Leasehold Improvements		0
3500	Res - Intangible		0
3600	Res - Plant Acq Adj		0
4040	Customer Deposits		110,769
4100	Current Def Oper Taxes		0
4310	Other Long Term Liabilities		167,187
4340	Non-Current Def Oper Taxes		(230,000)
4360	Other Deferred Credits		0
4370	Oth Juris Liab & Def Credits		0
	Net w/o CWC	<u>21,101,978</u>	
CWC	Cash Working Capital	785,363	
	Net with CWC	<u>21,887,341</u>	

Plant Date: Average 12/31/2003
Expense Date: 12 Mo. Ending 12/31/2003

Lancaster Telephone Company
Study No.: 240531 03/BS

Attachment #8 - Input 2

CENTRAL OFFICE EQUIPMENT

Account	Cat	Per Study
2210	2	0
	3	11,872,087
	5	0
	Total	11,872,087
2220	1	
	Intrept Bds	0
	Info Bds	0
	Ser Obs Bds	0
	Oth Bds	0
	Total	0
2230	4.11	401,348
	4.121	28,811
	4.122	0
	4.123	0
	4.13	9,903,064
	4.21	0
	4.22	1,102,614
	4.23	1,493,005
	4.3	142,741
	Total	13,071,583

INFORMATION ORIENTATION/TERMINATION

	Msg Tel	Spl Svc	Per Study
<u>Cat 1</u>			
2351	0	0	0
2362	0	0	0
Coinless Pay	0	0	0
Total	0	0	0
<u>Cat 2</u>			
2311	0	0	0
2321	0	0	0
2341	0	0	0
Total	0	0	0
Total 2310	0	0	0

CABLE & WIRE FACILITIES

Account	Cat	Per Study
2410	1	29,872,971
	2.1	9,975
	2.2	0
	2.3	52,844
	2.4	1,335,854
	3	127,062
	4	23,389
Total		31,422,095

Plant Date: Average 12/31/2003
Expense Date: 12 Mo. Ending 12/31/2003

Lancaster Telephone Company
Study No.: 240531 03/BS

Attachment #8 - Input 3

EXPENSE SUMMARY

Account	Description	Per Study
6110	Network Support	258,094
6120	General Support	826,233
6210	Central Office Switching Equip - Eq Access Conv	0
6210	Central Office Switching Equipment - All Other	377,868
6220	Operator Systems	0
6230	Central Office Transmission	591,532
6310	Info Orig/Term - Customer Premise	0
6310	Info Orig/Term - Other	0
6410	Cable and Wire Facilities	1,232,430
Total Plant Specific		3,286,157
6510	Other Property, Plant & Equipment	52,713
6530	Network Operations	2,537,060
6540	Access Expense	300,342
6561	Depreciation	4,891,503
6562	Dep Exp - Property Held For Future Use	0
6563	Amortization - Tangible	0
6564	Amortization - Intangible	0
6565	Amortization - Acquisition	0
6560	Depreciation & Amortization	4,891,503
Total Plant Non-Specific Operations		7,781,618
6610	Marketing	766,823
6620	Services	2,437,491
Total Customer Operations		3,204,314
6710	Executive and Planning	280,459
6720	General and Administrative	1,637,372
Total Corporate Operations		1,917,831
7240	Ad Valorem	531,545
7370	Special Charges	15,225
Total Operating Expenses & Taxes		16,736,690

Plant Date: Average 12/31/2003
Expense Date: 12 Mo. Ending 12/31/2003

Lancaster Telephone Company
Study No.: 240531 03/BS

Attachment #8 - Input 4

ITEMS ASSIGNED BY PRIMARY PLANT ACCOUNT

Primary Plant Account	Description	2681	2682	4100	4340	6561	5240	1438
2111	Land	0	0				0	0
	General Support	0	0	0	(26,837)	452,258	0	0
2210	COE - Switching	0	0	0	(42,681)	1,095,798	0	0
2220	COE - Operator Systems	0	0	0	0	0	0	0
2230	COE - Transmission	0	0	0	(47,011)	1,218,119	0	0
2310	Information Origination / Termination	0	0	0	0	0	0	0
2410	Cable & Wire Facilities	0	0	0	(113,471)	2,125,328	0	0
Total		0	0	0	(230,000)	4,891,503	0	0

Plant Date: Average 12/31/2003
Expense Date: 12 Mo. Ending 12/31/2003

Lancaster Telephone Company
Study No.: 240531 03/BS

Attachment #8 - Input 5

OPERATOR EXPENSE

	<u>Amount</u>
1 Operator	0
2 Outside Operator	19,441
3 Total Operator	<u>19,441</u>

DIRECTORY EXPENSE

	<u>Amount</u>
4 Classified	52,055
5 Alpha	33,386
6 Foreign	0
7 TWX	0
8 Total Directory	<u>85,441</u>

REVENUE ACCOUNTING / OTHER COMMERCIAL

<u>Category 2 - Revenue Accounting</u>	<u>Amount</u>
9 Message Processing	301,407
10 OB&C - Expense	234,343
11 Future Use	
12 Future Use	
13 Future Use	
14 Carrier Access Billing	104,303
15 Subscriber Line Charge	12,334
16 Total Category 2	<u>652,387</u>

Category 3 - Other Commercial

17 Telcom Relay Service	4,651
18 Other	0
19 Total Category 3	<u>4,651</u>

Plant Date: Average 12/31/2003
Expense Date: 12 Mo. Ending 12/31/2003

Lancaster Telephone Company
Study No.: 240531 03/BS

Attachment #8 - Input 6

LOCAL BUSINESS OFFICE

Account 6623 - Local Business Office Category 1		Total	Interstate	Interstate	Interstate	Interstate	Intrastate	Intrastate	Intrastate	Intrastate		
		Company	InterLATA	InterLATA	IntraLATA	IntraLATA	InterLATA	InterLATA	IntraLATA	IntraLATA	EAS	Local
			Message	P/L	Message	P/L	Message	P/L	Message	P/L		
End User Service Order Processing												
1	Local	377,905										377,905
2	Directory	0										0
3	Message Tel	117,906	42,325		0		36,279		39,302			
4	Private Line	0		0		0		0		0		0
5	Presubscription	347,672	347,672									
6	Total	843,483	389,997	0	0	0	36,279	0	39,302	0	0	377,905
End User Payment and Collection												
7	Local	353,390										353,390
8	Message Tel	191,047	96,458		0		80,128		14,461			
9	Private Line	19,252		0		0		0		19,252		
10	Subscriber Line Charge	47,894	47,894				0		0			
11	Total	611,583	144,352	0	0	0	80,128	0	14,461	19,252	0	353,390
End User Billing Inquiry												
12	Local	48,768										48,768
13	Message Tel	15,373	1,922		0		6,680		6,771			
14	Private Line	276		92		0		92		92		
15	Subscriber Line Charge	92	92				0		0			
16	Total	64,509	2,014	92	0	0	6,680	92	6,771	92	0	48,768
IXC Service Order Processing												
17	Switched Access	80,329	64,263		0		16,066		0			
18	Private Line	56,230		56,230		0		0		0		
19	Billing and Collection	0	0		0		0		0			
20	Total	136,559	64,263	56,230	0	0	16,066	0	0	0	0	0
IXC Payment and Collection												
21	Switched Access	11,052	7,872		0		3,180		0			
22	Private Line	2,370		1,921		0		449		0		
23	Billing and Collection	2,161	935				0		1,226			
24	Total	15,583	8,807	1,921	0	0	3,180	449	1,226	0	0	0
IXC Billing Inquiry												
25	Switched Access	3,174	680		0		2,494		0			
26	Private Line	680		453		0		227		0		
27	Billing and Collection	0	0		0		0		0			
28	Total	3,854	680	453	0	0	2,494	227	0	0	0	0
29	Future Use											
30	Total Category 1	1,675,571	610,113	58,696	0	0	144,827	768	61,760	19,344	0	780,063

Plant Date: Average 12/31/2003
Expense Date: 12 Mo. Ending 12/31/2003

Lancaster Telephone Company
Study No.: 240531 03/BS

Attachment #8 - Input 7

PART 36 - DIRECT ASSIGNMENTS

	Total Company	Interstate InterLATA Message	Interstate InterLATA P/L	Interstate IntraLATA Message	Interstate IntraLATA P/L	Intrastate InterLATA Message	Intrastate InterLATA P/L	Intrastate IntraLATA Message	Intrastate IntraLATA P/L	EAS	Local
1 Account 1500 - Other Jurisdictional Assets	0	0	0	0	0	0	0	0	0	0	0
2 Account 4360 - Other Deferred Credits	0	0	0	0	0	0	0	0	0	0	0
3 Account 4370 - Other Jur Liab & Def Credits	0	0	0	0	0	0	0	0	0	0	0
4 Account 6540 - Access Expense	0	0	0	0	0	0	0	0	0	0	0
5 Outside Operator Services	19,441	0		0		0		19,441		0	0
6 Subscriber Line Charge	12,334	12,334		0		0		0			
7 Telecom. Relay Service (TRS)	4,651	4,651		0		0		0			0
8 Account 6720 - Direct Assignments	0	0	0	0	0	0	0	0	0	0	0
9 Account 6720 - Direct EAS	0									0	
10 Account 7240 - Direct Ad Valorem Taxes	6,550	6,550	0	0	0	0	0	0	0	0	0
10b Account 6540 - Direct USF Contribution	300,342	273,829		0		26,513		0			
11 IX Circuit For Other Company	0	0	0	0	0						

Plant Date: Average 12/31/2003
Expense Date: 12 Mo. Ending 12/31/2003

Lancaster Telephone Company
Study No.: 240531 03/BS

Attachment #8 - Input 8

LOOPS / CIRCUITS

	Total Company	Message	Interstate InterLATA P/L	Interstate IntraLATA P/L	Intrastate InterLATA P/L	Intrastate IntraLATA P/L	Local P/L	Total P/L
1 Loops	26,927	26,496	120	0	86	15	210	431
2 Circuits	1,820	1,339	173	0	26	282	0	481
3 Circuit Miles	29,952.51	22,631.26	2,685.16	0.00	392.72	4,243.37	0.00	7,321.25
4 Wideband Channels	100	0	80	0	4	3	13	100
5 STP Circuit Miles	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6 Percent of STP Circuit Miles to Total	0.000000		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000

COMMERCIAL ALLOCATORS

	Total Company	Interstate InterLATA Message	Interstate InterLATA P/L	Interstate IntraLATA Message	Interstate IntraLATA P/L	Intrastate InterLATA Message	Intrastate InterLATA P/L	Intrastate IntraLATA Message	Intrastate IntraLATA P/L	EAS	Local
7 Billed Messages	631,284	300,964		0		278,043		52,277		0	0
8 Other Units	0	0		0		0		0		0	0
9 Information Units	0	0		0		0		0		0	0
10 Future Use											
11 TWX Connections	0	0	0	0	0	0	0	0	0	0	0
12 TWX Minutes of Use	0	0	0	0	0	0	0	0	0	0	0
13 Foreign Directory Cost	0	0		0		0		0		0	
14 Marketing Billing	1,205,068	324,421	0	0	0	81,663	0	31,410	0	41,873	725,701
15 OB&C Expense	234,343	69,892		0		41,113		41,113		0	82,225

FIXED CHARGES / TAXES

	Total Company
16 Account 7210 - Amort of Inv Tax Credit	0
17 Account 7340 - AFUDC	0
18 Account 7500 - Fixed Charges	0
19 Account 7540 - Interest on Customer Deposits	9,012
20 FIT Adjustment - Addbacks	5,134
21 FIT Adjustment - Deducts	0
22 SIT Adjustment - Addbacks	0
23 SIT Adjustment - Deducts	0
24 TRA - 86 Amortization	0

MISCELLANEOUS DATA

	Total Company
25 STP Portion of COE Category 2	0.000000
26 DS1/VG Multiplexer, Account 2230, Category 4.23	0.000000
27 Account 6210, Common Channel Signalling Expense to Total 6210	0.373376

Plant Date: Average 12/31/2003
Expense Date: 12 Mo. Ending 12/31/2003

Lancaster Telephone Company
Study No.: 240531 03/BS

Attachment #8 - Input 9

TRAFFIC FACTORS

	Interstate InterLATA	Interstate IntraLATA	State InterLATA	State IntraLATA	EAS	Local	Total
1 Tandem Switching Factor	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
2 Weighted Dem	0.244550	0.000000	0.035197	0.012961	0.000000	0.707292	1.000000
3 Wideband Exch Line xDSL Circuit Factor	1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	1.000000
4 Exchange Trunk Toll Factor	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
5 Subscriber Plant Factor	0.250000	0.000000	0.100922	0.027412	0.000000	0.621666	1.000000
6 Conversation Minute Factor	0.608780	0.000000	0.174576	0.067130	0.149514		1.000000
7 Conversation Minute Miles Factor	0.607592	0.000000	0.176797	0.069893	0.145718		1.000000
8 Host Remote Factor	0.142602	0.000000	0.039944	0.014679	0.000000	0.802775	1.000000
9 Subscriber Line Usage Factor	0.142602	0.000000	0.039944	0.014679	0.000000	0.802775	1.000000
10 Exchange Trunk Special Factor	1.000000	0.000000	0.000000	0.000000		0.000000	1.000000
11 Equal Access Factor	0.781184	0.000000	0.218816	0.000000			1.000000
12 Coinless Pay MOU Factor	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
13 IOT Category 2 Factor			0.000000	0.000000	0.000000	1.000000	1.000000
14 Wideband Conversation Minute Miles	0.000000	0.000000	0.000000	0.000000	0.000000		0.000000
15 Carrier Access Billing Factor	0.500000	0.000000	0.250000	0.250000			1.000000
16 Service Observing BD Factor	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000

Plant Date: Average 12/31/2003
Expense Date: 12 Mo. Ending 12/31/2003

Lancaster Telephone Company
Study No.: 240531 03/BS

Attachment #8 - Input 10

PART 69 - DIRECT ASSIGNMENTS

	Total Interstate	Common Line		Switched Access		Special Access	B&C	IX
		BFP	Pay / Other	Local Sw	Information	Transport		
1 Account 2210 - COE Category 2	0					0		0
STP Portion Re-allocation				0		0		
2 Account 2230 - COE Category 4.23 - Msg	668,699				0	668,699		0
DSI/VG Multiplexer Re-allocation				0		0		
- Spl	141,918						141,918	
DSI/VG Multiplexer Re-allocation				0			0	
3 Account 2410 - C&WF Category 3 - Msg	58,332				0	58,332		0
- Spl	11,391						11,391	
STP Transmission Re-allocation				0			0	
4 Account 6621 - Operator Services	0			0	0			0
5 Account 6621 - Outside Operator Services	0			0	0			0
6 Future Use								
7 Account 6210 - COE - Switching - All Other	113,586			113,586		0		0
Common Channel Signalling Re-allocation				(42,410)		42,410		
8 Account 6540 - Direct USF Contribution	273,829	273,829						

LANCASTER TELEPHONE COMPANY
SUMMARY OF ANNUAL INTERSTATE ACCESS SERVICE REVENUES
JULY 1, 2004 INTERSTATE TARIFF FILING

1. Switched Access Service Revenue (per Attachment 9, Page 2)	\$724,467
2. Special Access Service Revenue (per Attachment 9, Page 4)	\$954,142
3. Total Annual Interstate Billed Access Service Revenue (Line 1+2)	\$1,678,609
4. Total Annual Interstate Access Revenue Requirement	\$1,678,320
5. Variance (Line 4 - Line 3) Note 1	(\$289)
1. Increase (Decrease) in Switched Access Revenue (per Attachment 9, Page 2)	(\$44,357)
2. Increase (Decrease) in Special Access Revenue (per Attachment 9, Page 4)	(\$3,730)
3. Total Increase (Decrease) in Direct Charges (line 1+ line 2)	(\$48,087)

Note 1: Due to rounding

**LANCASTER TELEPHONE COMPANY
SWITCHED ACCESS SERVICE REVENUE
JULY 1, 2004 INTERSTATE TARIFF FILING**

<u>Element</u>	<u>PROPOSED RATE</u>	<u>PROJECTED YEAR ENDING 6/30/05 DEMAND*</u>	<u>PROJECTED 2004/2005 REVENUES</u>
Premium Local Switching per Minute	\$0.00541	82,522,773	\$446,448
Infor Surcharge (Per 100 Minutes)	\$0.006864	82,522,773	\$5,664
Transport (per Attachment 9, Page 3)	Varies	Varies	\$272,355
Total Switched Access Revenue			\$724,467

IMPACT OF FILING

<u>Element</u>	<u>PROPOSED RATE</u>	<u>CURRENT RATE</u>	<u>INC/DEC RATES</u>	<u>PROJECTED YEAR ENDING 6/30/05 DEMAND*</u>	<u>PROJECTED REVENUE IMPACT</u>
Local Switching per minute	\$0.00541	\$0.00580	(\$0.00039)	82,522,773	(\$32,184)
Infor Surcharge (Per 100 Minutes)	\$0.006864	\$0.014200	(\$0.00734)	82,522,773	(\$6,054)
Transport (per Attachment 9, Page 3)	Varies	Varies	Varies	Varies	(\$6,119)
Total Revenue Impact					(\$44,357)

* As Required by F.C.C. Rules and Regulations Part 61.38 (b)(1)(ii)

**LANCASTER TELEPHONE COMPANY
SWITCHED ACCESS SERVICE REVENUE (LOCAL TRANSPORT)
JULY 1, 2004 INTERSTATE TARIFF FILING**

<u>ELEMENT</u>	<u>PROPOSED DEMAND</u>	<u>CURRENT RATE</u>	<u>CURRENT BILLING AMOUNT *</u>	<u>PROPOSED RATE</u>	<u>PROPOSED BILLING AMOUNT</u>	<u>REVENUE DIFFERENTIAL</u>
SWITCHED PREMIUM ENTRANCE FACILITES -VG 2W	0	\$25.45	\$0.00	\$25.45	\$0.00	\$0.00
SWITCHED PREMIUM ENTRANCE FACILITES -VG 4W	156	\$43.50	\$6,786.00	\$43.33	\$6,759.48	-\$26.52
SWITCHED PREMIUM ENTRANCE FACILITES -HC DS1	156	\$136.87	\$21,351.72	\$136.08	\$21,228.48	-\$123.24
SWITCHED PREMIUM ENTRANCE FACILITES -HC DS3	0	\$1,313.95	\$0.00	\$1,308.84	\$0.00	\$0.00
DIRECT TRUNKED TRANSPORT TERMINATION - VG	156	\$19.73	\$3,077.88	\$19.65	\$3,065.40	-\$12.48
DIRECT TRUNKED TRANSPORT TERMINATION - HC DS1	113.210004	\$78.44	\$8,880.19	\$78.13	\$8,845.10	-\$35.10
DIRECT TRUNKED TRANSPORT TERMINATION - HC DS3	0	\$509.86	\$0.00	\$507.85	\$0.00	\$0.00
DIRECT TRUNKED TRANSPORT FACILITY - VG	2272	\$2.00	\$4,544.00	\$1.99	\$4,521.28	-\$22.72
DIRECT TRUNKED TRANSPORT FACILITY HC DS1	1032	\$15.11	\$15,593.52	\$15.05	\$15,531.60	-\$61.92
DIRECT TRUNKED TRANSPORT FACILITY - HC DS3	0	\$128.44	\$0.00	\$127.93	\$0.00	\$0.00
TANDEM SWITCHED FACILITY	948,285,714	\$0.000143	\$135,604.86	\$0.000140	\$132,760.00	-\$2,844.86
TANDEM SWITCHED TERMINATION	54,720,994	\$0.000743	\$40,657.70	\$0.000724	\$39,618.00	-\$1,039.70
TANDEM SWITCHING	0	\$0.001380	\$0.00	\$0.001361	\$0.00	\$0.00
800 DATA BASE QUERY	9,762,439	\$0.004300	\$41,978.49	\$0.004100	\$40,026.00	-\$1,952.49
TOTAL REVENUE			\$278,474.36		\$272,355.34	-\$6,119.00

* As Required by F.C.C. Rules and Regulations Part 61.38 (b)(1)(ii)

LANCASTER TELEPHONE COMPANY
SPECIAL ACCESS SERVICE REVENUE
JULY 1, 2004 INTERSTATE TARIFF FILING

<u>ELEMENT</u>	<u>PROPOSED DEMAND *</u>	<u>CURRENT RATE</u>	<u>CURRENT BILLING AMOUNT</u>	<u>PROPOSED RATE</u>	<u>PROPOSED BILLING AMOUNT</u>	<u>REVENUE DIFFERENTIAL</u>
SPECIAL VOICE CHANNEL TERM.-FOUR WIRE	112.00	\$43.50	\$4,872.00	\$43.33	\$4,852.96	-\$19.04
SPECIAL VOICE CHANNEL MILEAGE FACILITY	1,751.80	\$2.00	\$3,503.60	\$1.99	\$3,486.08	-\$17.52
SPECIAL VOICE CHANNEL MILEAGE TERMINATION	115.00	\$19.73	\$2,268.95	\$19.65	\$2,259.75	-\$9.20
SPECIAL VOICE CONDITIONING C TYPE	12.00	\$6.15	\$73.80	\$6.13	\$73.56	-\$0.24
SPECIAL VOICE SIGNALING CAPABILITY	12.00	\$10.50	\$126.00	\$10.46	\$125.52	-\$0.48
SPL DIGITAL DATA CHAN TERM 9.6 KBPS MO.	20.00	\$48.69	\$973.80	\$48.50	\$970.00	-\$3.80
SPL DIGITAL DATA CHAN TERM 56.0 KBPS MO.	392.00	\$48.69	\$19,086.48	\$48.50	\$19,012.00	-\$74.48
SPL DIG DATA 56.0 KBPS NONRECURRING CHARGE	2.00	\$219.05	\$438.10	\$218.20	\$436.40	-\$1.70
SPL DIGITAL DATA CHAN TERM 64.0 KBPS MO.	162.00	\$48.69	\$7,887.78	\$48.50	\$7,857.00	-\$30.78
SPL DIG DATA CHAN MILE FACILITY 9.6 KBPS MO.	168.12	\$1.89	\$317.75	\$1.88	\$316.07	-\$1.68
SPL DIG DATA CHAN MILE FACILITY 56.0 KBPS MO.	5,193.94	\$3.76	\$19,529.21	\$3.75	\$19,477.28	-\$51.94
SPL DIG DATA CHAN MILE FACILITY 64.0 KBPS MO.	2,398.86	\$3.76	\$9,019.71	\$3.75	\$8,995.73	-\$23.99
SPL DIG DATA CHAN MILEAGE TERM 9.6 KBPS MO.	17.00	\$18.85	\$320.45	\$18.78	\$319.26	-\$1.19
SPL DIG DATA CHAN MILEAGE TERM 56.0 KBPS MO.	392.00	\$37.67	\$14,766.64	\$37.52	\$14,707.84	-\$58.80
SPL DIG DATA CHAN MILEAGE TERM 64.0 KBPS MO.	170.00	\$37.67	\$6,403.90	\$37.52	\$6,378.40	-\$25.50
SPL HIGH CAP CHAN TERM 1.544 MBPS MO.	2,191.12	\$136.87	\$299,898.59	\$136.08	\$298,167.61	-\$1,730.98
SPL HIGH CAP 1.544 MBPS NONRECURRING CHARGE	10.00	\$229.95	\$2,299.50	\$229.06	\$2,290.60	-\$8.90
SPL HC CHAN TERM 44.736 MBPS MO. [1 DS3]	12.00	\$1,313.95	\$15,767.40	\$1,308.84	\$15,706.08	-\$61.32
SPL HC 44.736 MBPS NONRECURRING CHARGE [1 DS3]	1.00	\$441.34	\$441.34	\$439.62	\$439.62	-\$1.72
SPL HIGH CAP CHAN MILE FACILITY 1.544 MBPS MO.	18,244.80	\$15.11	\$275,678.93	\$15.05	\$274,584.24	-\$1,094.69
SPL HIGH CAP CHAN MILE TERM 1.544 MBPS MO.	1,513.20	\$78.44	\$118,695.41	\$78.13	\$118,226.32	-\$469.09
SPL HIGH CAPACITY DSL ISP PORT CHARGE T1	12.00	\$180.00	\$2,160.00	\$180.00	\$2,160.00	\$0.00
FRAME RELAY ACCESS CONN E.U. PORT-CHAN 56KBPS	65.00	\$36.45	\$2,369.25	\$36.31	\$2,360.15	-\$9.10
FRAME RELAY ACCESS CONN E.U. PORT-CHAN 128KBPS	14.00	\$72.95	\$1,021.30	\$72.67	\$1,017.38	-\$3.92
FRAME RELAY ACCESS CONN E.U. PORT-CHAN 256KBPS	52.00	\$145.85	\$7,584.20	\$145.28	\$7,554.56	-\$29.64
PUBLIC PACKET DATA NETWORK ADSL 384 KBPS	3,600.00	\$34.00	\$122,400.00	\$34.00	\$122,400.00	\$0.00
PUBLIC PACKET DATA NETWORK ADSL 768 KBPS	312.00	\$64.00	\$19,968.00	\$64.00	\$19,968.00	\$0.00

TOTAL REVENUE			\$957,872.10		\$954,142.39	-\$3,729.70
---------------	--	--	--------------	--	--------------	-------------

* As required by F.C.C. Rules and Regulations Part 61.38 (b)(1)(ii)