

ANNUAL REPORT OF **OFFICIAL COPY**
Public Service Commission
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LOCAL EXCHANGE TELEPHONE COMPANIES

Frontier Communications of the South, Inc.
(EXACT NAME OF RESPONDENT)

201 S. Pensacola Avenue, Atmore, AL 36502
(ADDRESS OF RESPONDENT)

TO THE

FLORIDA PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2005

06 APR 20 11:10:26
REGISTRATION
REGISTRATION

WIDE

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

Name:	Kathy Caminiti	Title:	V.P./ Corporate Accounting
Address:	3 High Ridge Park	City:	Stamford State: Connecticut
Telephone No.:	(203) 614 - 5190		

SIGNATURE PAGE

I certify that I am the responsible accounting officer of
Frontier Communications of the South, Inc.
that I have examined the following report; that to the best of my knowledge,
information, and belief, all statements of fact contained in the said report are true
and the said report is a correct statement of the business and affairs of the above-
named respondent in respect to each and every matter set forth therein during the
period from **January 1, 2005** to **December 31, 2005**, inclusive.

I also certify that all affiliated transfer prices and affiliated cost allocations
were determined consistent with the methods reported to this Commission on the
appropriate forms included in this report.

I am aware that Section 837.06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing
with the intent to mislead a public servant in the
performance of his or her official duty shall be guilty
of a misdemeanor of the second degree, punishable
as provided in s. 775.082 and s. 775.083.



April 14, 2006

Signature

Date

Kathy Caminiti

V.P. Corporate Accounting

Name

Title

TABLE OF CONTENTS

<i>Sch. No.</i>	<i>Title</i>	<i>Page No.</i>	<i>Sch. No.</i>	<i>Title</i>	<i>Page No.</i>
	General Corp. Info. Schedules			Other Misc. Supplemental Schedules	
A-1	Identity of Respondent	1	Z-1	Reconciliation of Intrastate Revenue	17
A-2	Control over Respondent	1	Z-2	Compensation of Officers	18
A-3	Board of Directors & General Officers	1	Z-3	Affiliation of Officers & Directors	18
A-4	Stockholders	2	Z-4	Bus. Contracts with Officer & Directors	18
A-5	Important Changes During the Year	2	Z-5	Directory Advertising Operations	19
			Z-6	Average Access Lines in Service	20
			Z-7	Corporate Structure	21
	Balance Sheet Schedules		Z-8	Contracts with Affiliates	22
			Z-9	Affiliated Transfers and Cost Allocations	23
B-1	Balance Sheet	3	Z-10	Earnings Surveillance	24
B-2	Plant in Service	5			
B-3	Accumulated Depreciation	7			
B-4	Long-Term Debt	9			
B-5	Funded Debt Reacquired or Retired During the Year	9			
	Income Statement Accounts				
I-1	Income Statement	10			
I-2	Other Operating Taxes	14			
I-3	Donations and Payments to Persons Other Than Employees	15			
I-4	Membership Fees and Dues	15			
	Statistical Schedules				
S-1	Access Lines in Service by Customer	16			
S-2	Telephone Calls	16			

Identity of Respondent

Schedule A-1

Company: *Frontier Communications of the South, Inc.*

For the Year Ended December 31, 2005

Immediately following these instructions insert the several numbers together with the information respectively pertinent thereto.

1. Exact name of respondent. Use the words "The" and "Company" or "Co." only when they are parts of the corporate name.
2. Date of incorporation.

1. Frontier Communications of the South, Inc.
2. January 1, 1947 in the State of Alabama

Control Over Respondent

Schedule A-2

1. If direct control over the respondent was held by a corporation, individual, association or other person at the end of the year, state:
 - (a) The form of control (sole or joint):
 - (b) The name and address of the directly controlling organization or person (Give names and addresses of all organizations or persons involved if control was joint.):
 - (c) The means by which control was held (For example, through ownership of voting securities; through common directors, officers or stockholders through voting trusts; etc.)
 - (d) The extent of control:
2. See Schedule Z-9 for an updated organizational chart.

- 1a. Sole
- 1b. Citizens Communications Company
3 High Ridge Park
Stamford, CT 06905

Board of Directors and General Officers

Schedule A-3

Name of Director or Officer and Address (City and State)	Title & Dept. over Which Jurisdiction is Exercised	Director's Fees
Mary A. Wilderotter	Director	
Jerry Elliott	Director	
John H. Casey, III	Director	
Mary A. Wilderotter	Chairman	
John H. Casey, III	President and Chief Operating Officer	
Donald B. Armour	Vice President and Treasurer	
Jerry Elliott	Vice President and Chief Financial Officer	
David P. Frezza	Vice President, Engineering	
Hilary Glassman	Vice President, General Counsel, & Secretary	
Robert J. Larson	Vice President and Chief Accounting Officer	
Gregg C. Sayre	Assistant Secretary	

Stockholders
Schedule A-4

Company: Frontier Communications of the South, Inc.
For the Year Ended December 31, 2005

1. This information shall be compiled as of December 31, except that if similar information has been compiled for some other purpose between the beginning of the year for which the report is made and the date of preparation of this report, the latest compilation shall be used.
2. Stockholders of each class of stock shall be listed in the order of their holdings, beginning with the highest and continuing until the 10 largest holdings have been listed. If any such holder was a trustee or nominee for other persons who held the beneficial interest in the securities, the name and address of each person who has the beneficial interest shall be shown. Likewise, if any person had the beneficial interest in securities held by trustees or nominees under different trusts or other groupings, and the aggregate of such person's holdings would place him among the listed holders if he were the holder of record, the details of such holdings shall be shown.

Name and Address (City and State) of Stockholder	Class of Stock	Shares Held
Citizens Communications Company 3 High Ridge Park Stamford, CT 06905	Common	5,000

Important Changes During the Year
Schedule A-5

- Give concise answers to each of the following, numbering them in accordance with the numbers of the question:
1. If during the year a substantial portion or all of the property of the respondent was sold, merged, or abandoned, give full particulars, including the location and territory covered. In case of sale or merger, give the effective date, name and address of successor company, and the consideration received.
 2. Give information on any changes in accounting standards that have occurred during the year.
-
1. Not Applicable
 2. Not Applicable

BALANCE SHEET

Schedule B-1

Company: Frontier Communications of the South, Inc.

For the Year Ended December 31, 2005

Page 1 of 2

Ref. Sch.	Account No.	Accounts	Amounts (\$)	
			Beginning of Year	End of Year
		Current Assets		
	1130	Cash	(170,023)	(16,166)
	1140	Special Cash Deposits	-	-
	1150	Working Cash Advance	445	490
	1160	Temporary Investments	-	-
	1180	Telecom. Accounts Receivable	327,592	440,668
	1181	Telecom. Accounts Receivable Allowance	(13,565)	(5,155)
	1190	Other Accounts Receivable	(252,677)	340,838
	1191	Accounts Receivable Allowance-Other	(26,896)	(56,287)
	1200	Notes Receivable	-	-
	1201	Notes Receivable Allowance	-	-
	1210	Interest and Dividends Receivable	-	-
	1220	Material and Supplies	-	-
	1290	Prepaid Rents	-	-
	1300	Prepaid Taxes	-	-
	1310	Prepaid Insurance	-	-
	1320	Prepaid Directory Expenses	-	-
	1330	Other Prepayments	-	1,491
	1350	Other Current Assets	-	-
		Total Current Assets	\$ (135,124)	\$ 705,879
		Noncurrent Assets		
	1401	Investments in Affiliated Co.	1,405,087	(1,533,253)
	1402	Investments in Nonaffiliated Co.	-	-
	1406	Non Regulated Investments	(420,491)	(72,072)
B-4	1407	Unamortized Debt Issuance Expense	-	-
	1408	Sinking Funds	-	-
	1410	Other Noncurrent Assets	-	-
	1438	Deferred Maintenance & Retirements	-	-
	1439	Deferred Charges	1,996	-
	1500	Other Jurisdictional Assets - Net	77,116	81,247
		Total Noncurrent Assets	\$ 1,063,708	\$ (1,524,078)
		Telephone Plant in Service		
B-2	2001	Telecom. Plant in Service	21,699,557	22,348,804
	2002	Property Held for Future Use	-	-
	2003	Plant under Construction	208,209	143,678
	2005	Plant Adjustment	556,742	584,464
	2006	Nonoperating Plant	20,787	-
	2007	Goodwill	6,721,460	7,879,159
		Subtotal	\$ 29,206,755	\$ 30,956,104
		Less:		
B-3	3100	Acc. Depreciation	9,172,754	11,578,026
"	3200	Acc. Depreciation-Held for Future Use	-	-
"	3300	Acc. Depreciation-Nonoperating	-	-
"	3410	Acc. Amort. - Capitalized Leases	-	-
"	3420	Acc. Amort. - Leasehold Improvements	-	-
"	3500	Acc. Amort. - Intangible	2,369,350	3,604,418
"	3600	Acc. Amort. - Other	2,064,780	1,768,990
		Subtotal	\$ 13,606,884	\$ 16,951,434
		Net Telephone Plant in Service	\$ 15,599,871	\$ 14,004,671
		TOTAL ASSETS	\$ 16,528,455	\$ 13,186,472

BALANCE SHEET

Schedule B-1

Company: Frontier Communications of the South, Inc.
For the Year Ended December 31, 2005

Page 2 of 2

Ref. Sch.	Account No.	Accounts	Amounts (\$)	
			Beginning of Year	End of Year
		<i>Current Liabilities</i>		
	4010	Accounts Payable	187,187	291,296
	4020	Notes Payable	-	-
	4030	Advanced Billing and Payments	137,804	168,184
	4040	Customers' Deposits	-	-
B-4	4050	Current Maturities - Long Term	-	-
	4060	Current Maturities - Capital Leases	-	-
	4070	Income Taxes - Accrued	-	-
	4080	Other Taxes - Accrued	(6,722)	(10)
	4100	Net Current Deferred Op. Income Taxes	-	-
	4110	Net Current Deferred Nonop. Income Taxes	-	-
	4120	Other Accrued Liabilities	-	-
	4130	Other Current Liabilities	834	970
		<i>Total Current Liabilities</i>	\$ 319,103	\$ 460,441
		<i>Long-Term Debt</i>		
B-4	4210	Funded Debt	-	-
"	4220	Premium on Long-Term Debt	-	-
"	4230	Discount on Long-Term Debt	-	-
	4240	Reacquired Debt	-	-
	4250	Obligations under Capital Leases	-	-
B-4	4260	Advanced from Affiliated Companies	2,892,227	-
"	4270	Other Long-Term Debt	-	-
		<i>Total Long-Term Debt</i>	\$ 2,892,227	\$ -
		<i>Other Liabilities and Deferred Credits</i>		
	4310	Other Long-Term Liabilities	-	-
	4320	Unamortized Operating ITC - Net	-	-
	4330	Unamortized Nonoperating ITC - Net	-	-
	4340	Net Noncur. Def. Oper. Income Taxes	184,840	417,120
	4350	Net Noncur. Def. Nonoper. Inc. Taxes	742,007	331,070
	4360	Other Deferred Credits	(3)	-
	4370	Other Juris. Liab. & Def. Credits	-	-
		<i>Total Other Liab. & Def. Credits</i>	\$ 926,844	\$ 748,190
		<i>Stockholder's Equity</i>		
	4510	Capital Stock	-	-
	4520	Additional Paid-in Capital	8,208,807	8,511,057
	4530	Treasury Stock	-	-
	4540	Other Capital	-	-
	4550	Retained Earnings	4,181,474	3,466,784
		<i>Total Stockholder's Equity</i>	\$ 12,390,281	\$ 11,977,841
		<i>TOTAL LIABILITIES AND EQUITY</i>	\$ 16,528,455	\$ 13,186,472

*Annual Status Report
Analysis of Plant in Service Accounts
Schedule B-2*

*Company: Frontier Communications of the South, Inc.
For the Year Ended December 31, 2005*

Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
2111	Land		41,947	-	-	-	-	-	41,947
Amortizable General Support Assets:									
2116	Other Work Equipment	7 yrs	41,516	-	-	-	-	-	41,516
2122	Furniture	10 yrs	2,565	-	-	-	-	-	2,565
2123	Office Support Equipment	7 yrs	-	-	-	-	-	-	-
2123	Company Communications	5 yrs	-	-	-	-	-	-	-
2124	General Purpose Computer	5 yrs	27,143	-	-	(14,074)	-	-	13,069
Depreciable Assets: This schedule should identify each account/subaccount for which a separate depreciation rate has been approved by the FPSC.									
2112	Motor Vehicles		124,006	-	-	-	-	-	124,006
2121	Buildings		138,292	36,137	-	-	-	-	174,429
	Total Land & Support Assets		\$ 375,469	\$ 36,137	\$ -	\$ -	\$ (14,074)	\$ -	\$ 397,532
Office Assets:									
2212	Digital Electronic Switch		3,540,192	70,531	-	-	-	-	3,610,723
2215	Elec. Mechanical Switch		-	-	-	-	-	-	-
2220	Operator Systems		-	-	-	-	-	-	-
2231	Radio Systems		-	-	-	-	-	-	-
2232	Circuit Equipment		1,198,580	79,075	-	-	-	-	1,277,655
2232	Fiber Circuit Equipment		321,347	21,147	-	-	-	-	342,494
	Total Central Office Assets		\$ 5,060,119	\$ 170,753	\$ -	\$ -	\$ -	\$ -	\$ 5,230,872
Info. Orig/Term Assets:									
2321	Customer Premise Wiring **		-	2,645	-	-	-	-	2,645
2351	Public Telephone Equipment		-	-	-	-	-	-	-
	Total Info. Orig/Term Assets		\$ -	\$ 2,645	\$ -	\$ -	\$ -	\$ -	\$ 2,645
**	Acct 2362 Other Term Equipment replaces acct 2321								

Annual Status Report
Analysis of Plant in Service Accounts
Schedule B-2

Company: Frontier Communications of the South, Inc.
For the Year Ended December 31, 2005

Page 2 of 2

Acct. No. Description (Continued)	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
Cable and Wire Facilities								
2411 Poles		827	-	-	-	-	-	827
2421 Aerial Cable Metallic		-	2,605	-	-	-	-	2,605
2421 Aerial Cable Fiber		-	-	-	-	-	-	-
2422 Underground Cable Metallic		3,589	-	-	-	-	(0)	3,589
2422 Underground Cable Fiber		715	-	-	-	-	-	715
2423 Buried Metallic Cable		8,248,467	276,905	(36,996)	-	-	-	8,488,376
2423 Buried Fiber Cable		2,353,199	79,014	(10,557)	-	-	-	2,421,656
2423 Buried Cable Terminal		-	-	-	-	-	-	-
2423 Buried Air Cove Cable		-	-	-	-	-	-	-
2441 Conduit Systems		1,709	-	-	-	-	0	1,709
Total Cable and Wire Facilities		\$ 10,608,506	\$ 358,524	\$ (47,553)	\$ -	\$ -	\$ 0	10,919,478
Capital Recovery Schedules: This schedule should identify each approved capital recovery schedule.								
Jointly Used Plant Allocated to Non Regulated		()	()	()	()	()	()	()
Amortizable Assets:								
2681 Capital Leases		-	-	-	-	-	-	-
2682 Leasehold Improve.		-	-	-	-	-	-	-
2690 Intangibles		5,655,463	-	-	-	142,816	-	5,798,279
Total Balances		\$ 21,699,557	\$ 568,059	\$ (47,553)	\$ -	\$ 128,742	\$ 0	\$ 22,348,805
Note: * The total beginning and ending balances plus jointly used plant allocated to non regulated, if any, must agree to acct. 2001, Plant in Service, in Schedule B-1, Balance Sheet.								

Annual Status Report
Analysis of Accumulated Depreciation & Amortization
Schedule B-3

Company: **Frontier Communications of the South, Inc.**
 For the Year Ended December 31, 2005

Acct. No.	Account Description	Beginning Balance*	Accruals**	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
Amortizable General Support Assets:										
2116	Other Work Equipment	55,110	18,335	-	(5,264)	-	-	-	-	68,181
2122	Furniture	28,263	5,003	-	-	-	-	-	-	33,266
2123	Office Support Equipment	656	1,307	-	(549)	-	-	-	-	1,414
2123	Company Communications	13,371	1,474	-	(11,130)	-	-	-	-	3,715
2124	General Purpose Computer	186,962	31,631	-	-	-	-	-	-	218,593
Depreciable Assets: This schedule should identify each account/subaccount for which a separate depreciation rate has been approved by the FPSC.										
3112	Motor Vehicles	84,118	30,642	-	-	-	-	490	-	115,250
3121	Buildings	327,159	71,681	-	-	-	-	(303)	-	398,536
	Total Land & Support Assets	\$ 695,639	\$ 160,074	\$ -	\$ (16,943)	\$ -	\$ -	\$ 187	\$ -	\$ 838,957
Central Office Assets:										
3212	Digital Electronic Switch	3,056,357	815,696	-	-	-	-	-	-	3,872,053
3215	Elec. Mechanical Switch	-	-	-	-	-	-	-	-	-
3220	Operator Systems	-	-	-	-	-	-	-	-	-
3231	Radio Systems	-	-	-	-	-	-	-	-	-
3232	Circuit Equipment	321,409	133,215	-	-	-	-	-	-	454,624
3232	Fiber Circuit Equipment	85,357	35,412	-	-	-	-	-	-	120,769
	Total Central Office Assets	\$ 3,463,123	\$ 984,324	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,447,447
Info. Orig/Term Assets:										
3321	Customer Premise Wiring**	-	170	-	-	-	-	-	-	170
3351	Public Telephone Equipment	-	-	-	-	-	-	-	-	-
	Total Info. Orig/Term Assets	\$ -	\$ 170	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 170
**	Account 3362 Other Term Equipment is being used in place of Acct 3321									

*Annual Status Report
Analysis of Accumulated Depreciation & Amortization
Schedule B-3*

**Company: Frontier Communications of the South, Inc.
For the Year Ended December 31, 2005**

Acct. No. Description (Continued)	Beginning Balance*	Accruals**	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
Cable and Wire Facilities									
3411 Poles	24,622	4,818	-	-	-	-	-	-	29,440
3421 Aerial Cable Metallic	36,327	6,771	-	-	-	-	-	(865)	42,233
3421 Aerial Cable Fiber	-	-	-	-	-	-	-	-	-
3422 Underground Cable Metallic	206,227	42,429	-	-	-	-	-	(282)	248,374
3422 Underground Cable Fiber									
3423 Buried Metallic Cable	4,673,396	1,244,979	-	(34,200)	-	-	-	(795)	5,883,380
3423 Buried Fiber Cable									
3423 Buried Cable Terminal									
3423 Buried Air Cove Cable									
3441 Conduit Systems	73,422	14,604	-	-	-	-	-	-	88,026
Total Cable and Wire Facilities	\$ 5,013,994	\$ 1,313,600	\$ -	\$ (34,200)	\$ -	\$ -	\$ -	\$ (1,942)	\$ 6,291,452
Capital Recovery Schedules: This schedule should identify each approved capital recovery schedule.									
Subtotal	\$ 9,172,756	\$ 2,458,168	\$ -	\$ (51,143)	\$ -	\$ -	\$ 187	\$ (1,942)	\$ 11,578,026
Reserve for Jointly Used Plant Allocated to Non Regulated									
Accumulated Depr. & Amortization:									
3200 PHFU	-	-	-	-	-	-	-	-	-
3300 Nonoperating	-	-	-	-	-	-	-	-	-
3410 Capital Lease	-	-	-	-	-	-	-	-	-
3420 Leasehold Improve.	-	-	-	-	-	-	-	-	-
3500 Intangibles (3690)	2,369,350	1,235,068	-	-	-	-	(591,580)	-	3,604,418
3600 Other (3005 3003 3007)	2,064,780	295,790	-	-	-	-	-	-	1,768,990
Subtotal	\$ 4,434,130	\$ 1,530,858	\$ -	\$ -	\$ -	\$ -	\$ (591,580)	\$ -	\$ 5,373,408
Total Balances	\$ 13,606,886	\$ 3,989,026	\$ -	\$ (51,143)	\$ -	\$ -	\$ (591,393)	\$ (1,942)	\$ 16,951,434

Note: * The grand total of beginning and ending balances plus jointly used plant allocated to non regulated, if any, must agree to the subtotal of Depreciation & Amortization in Schedule B-1, Balance Sheet.
 ** The grand total of accruals plus jointly used plant allocated to non regulated, if any, must agree with the total Depreciation & Amortization Expense in Schedule I-1, Income Statement.

Long-Term Debt (Accts 4050, 4210, 4220, 4230, 4260 & 4270)
Schedule B-4

Company: Frontier Communications of the South, Inc.
For the Year Ended December 31, 2005

Description of Obligation	Nominal Date of Issue	Date of Maturity	Acct 4050	Accts 4210, 4260 & 4270	Unamortized Prem or Disc 4220 & 4230	Unamortized Debt Iss Exp Acct 1407	Stated Rate	Int. Acc. During the Year
Investments in Affiliates			\$ -		\$ -	\$ -		\$ -
Totals			\$ -	\$ -	\$ -	\$ -		\$ -

Funded Debt Reacquired or Retired During the Year
Schedule B-5

Description of Security	Reacquired During Year		Retired During Year Book/Face Amount	Effective Date of Call (if any)	Unamortized Discount or (Premium) Acct & Amt	Redemption Premium or (Discount) Acct & Amt	Reacquisition or Redemp Expense Acct & Amt
	Reacquisition Cost Per \$100 of Debt	Book/Face Amount					
Remarks							

INCOME STATEMENT

Schedule I-1

Company: *Frontier Communications of the South, Inc.*

For the Year Ended December 31, 2005

Page 1 of 4

Account No.	Accounts	Amounts (\$)		
		Current Year		Total Company Prior Year
		Total Company	Intrastate	
	OPERATING REVENUES			
5001	Basic Area	694,487	694,487	710,443
5002	Extended Area	-	-	-
5003	Cellular Mobile	-	-	-
5004	Other Mobile Service	29,984	29,984	-
5010	Public Telephone	-	-	-
5040	Local Private Line	51,539	51,539	51,901
5050	Customer Premises	25,365	25,365	27,383
5060	Other Local Exchange	466,519	466,519	436,320
5069	Other Local Ex. Settlements	3,000	-	6,141
	Total Local Network Service	\$ 1,270,894	\$ 1,267,894	\$ 1,232,188
5081	End User	505,222	-	504,609
5082	Switched Access	372,922	-	480,085
5083	Special Access	391,013	-	237,877
5084	State Access	272,112	272,112	301,272
	Total Network Access	\$ 1,541,269	\$ 272,112	\$ 1,523,843
5100	Long Distance Message	-	-	-
5110	Unidirectional Long Distance	-	-	-
5120	Long Distance Private Network	3,677	3,677	4,257
5160	Other LD Revenue	-	-	-
5169	Other LD Revenue Settle.	-	-	-
	Total LD Network	\$ 3,677	\$ 3,677	\$ 4,257
5230	Directory	72,006	72,006	57,916
5240	Rent	-	-	-
5250	Corporate Operations	-	-	-
5261	Special Billing Arrangement	6,741	6,741	6,741
5262	Customer Operations	-	-	-
5263	Plant Operations	-	-	-
5264	Other Incidental Regulated Rev.	18,113	18,113	16,379
5269	Other Revenue Settle.	-	-	-
5270	Interstate Billing & Collection	-	-	57,898
5270	Intrastate Billing & Collection	60,873	60,873	24,887
5301	Uncollectible Revenue-Tele.	-	-	7,157
5302	Uncollectible Revenue-Other	-	-	-
	Total Miscellaneous	\$ 157,733	\$ 157,733	\$ 170,978
	TOTAL OPERATING REVENUES	\$ 2,973,573	\$ 1,701,416	\$ 2,931,266

INCOME STATEMENT

Schedule I-1

Company: *Frontier Communications of the South, Inc.*

For the Year Ended December 31, 2005

Page 2 of 4

Acct. No.	Account	Current Year Total	Prior Year Total
	<i>Plant Specific Expense</i>		
6112	Motor Vehicle	0	3
6113	Aircraft	-	934
6114	Vehicle	-	-
6115	Garage Work Equipment	-	-
6116	Other Work Equipment	0	-
	<i>Total Network Support</i>	\$ 1	\$ 937
6121	Land & Building	31,197	37,182
6122	Furniture & Artwork	1,090	1,103
6123	Office Equipment	3,925	4,126
6124	Gen. Purpose Computer	128,860	155,085
	<i>Total General Support</i>	\$ 165,071	\$ 197,496
6211	Analog Electronic	-	-
6212	Digital Electronic	17,213	25,644
6215	Electromechanical	-	-
	<i>Total CO Switching</i>	\$ 17,213	\$ 25,644
6220	Operator Systems	352	-
6231	Radio Systems	-	-
6232	Circuit Equipment	4,898	4,561
	<i>Total Circuit Equipment</i>	\$ 5,250	\$ 4,561
6310	Information Orig./Term.	-	-
	<i>Total Information Orig/Term</i>	\$ -	\$ -
6411	Poles	405	76
6421	Aerial Cable	812	-
6422	Underground Cable	2,244	19
6423	Buried Cable	199,777	164,511
6424	Submarine Cable	-	-
6425	Deep Sea Cable	-	-
6426	Intrabuilding Network	-	-
6431	Aerial Wire	-	-
6441	Conduit Systems	-	-
	<i>Total Cable & Wire</i>	\$ 203,239	\$ 164,606
	<i>Total Plant Specific</i>	\$ 390,774	\$ 393,244
	<i>Plant Nonspecific Expense</i>		
6510	Other Property Plant and Equipment	1	35
6531	Power	46,527	41,488
6532	Network Administration	97,747	96,022
6533	Testing	13,604	16,246
6534	Plant Operations Administration	6,211	6,785
6535	Engineering	9,193	9,300
	<i>Total Network Operations</i>	\$ 173,282	\$ 169,876

INCOME STATEMENT

Schedule I-1

Company: Frontier Communications of the South, Inc.

For the Year Ended December 31, 2005

Page 3 of 4

Acct. No.	Account	Current Year Total	Prior Year Total
6540	Access	30,221	11,443
6561	Depreciation - TPIS	-	-
6562	Depreciation - PHFU	-	-
6563	Amortization - Tangible	-	1,008,888
6564	Amortization - Intangible	1,235,068	-
6565	Amortization - Other	295,790	-
	Total Depreciation & Amortization	\$ 1,530,858	\$ 1,008,888
	Total Plant Nonspecific	\$ 1,734,362	\$ 1,190,207
	Customer Operations		
6611	Product Management	4,736	4,523
6612	Sales	23,261	19,440
6613	Product Advertising	849	1,310
	Total Marketing	\$ 28,847	\$ 25,273
6621	Call Completion	17,336	14,747
6622	Number Service	2,092	2,263
6623	Customer Service	171,876	176,843
	Total Services	\$ 191,304	\$ 193,853
	Total Customer Operations	\$ 220,150	\$ 219,126
	Corporate Operations		
6711	Executive	35,254	147,645
6712	Planning	332	30,254
6721	Accounting/Finance	40,538	46,934
6722	External Relations	23,807	20,331
6723	Human Resources	8,934	9,903
6724	Info. Management	27,495	27,711
6725	Legal	4,904	5,050
6726	Procurement	1,569	2,854
6727	Research/Development	-	-
6728	Other General & Administrative	23,167	16,515
	Total Corporate Operations	\$ 165,999	\$ 307,197
	TOTAL OPERATING EXPENSES	\$ 2,511,286	\$ 2,109,774

INCOME STATEMENT

Schedule I-1

Company: Frontier Communications of the South, Inc.

For the Year Ended December 31, 2005

Page 4 of 4

Ref. Sch.	Account No.	Account	Current Year Total	Prior Year Total
	7100	Other Operating Income and Expenses	-	-
		<i>Other Operating Income & Expenses</i>	\$ -	\$ -
	7210	Operating ITC	-	-
	7220	Operating Federal Income Taxes	-	(9,103)
	7230	Operating State & Local Income Taxes	-	(20)
I-2	7240	Other Operating Taxes	111,607	147,384
	7250	Provision for Deferred Operating Taxes-Net	(6,085)	15,462
		<i>Total Operating Taxes</i>	\$ 105,522	\$ 153,723
		<i>NET OPERATING INCOME</i>	\$ 356,765	\$ 667,769
	7310	Dividend Income	-	-
	7320	Interest Income	(4)	(277)
	7330	Income from Sinking & Other Funds	-	-
	7340	Allowance for Funds Used During Construction	-	-
	7350	Gain/Loss from the Disposition of Property	-	-
	7360	Other Nonoperating Income	-	-
	7370	Special Charges	(460)	(346)
		<i>Total Nonoperating Income & Expenses</i>	\$ (464)	\$ (623)
	7400	Nonoperating Taxes	-	-
		<i>Total Nonoperating Taxes</i>	\$ -	\$ -
B-4	7510	Interest on Funded Debt	-	-
	7520	Interest Expense - Capital Leases	-	-
B-4	7530	Amortization of Debt Issuance Expense	-	-
	7540	Other Interest Deductions	-	-
		<i>Total Interest & Related Items</i>	\$ -	\$ -
	7610	Extraordinary Income Credits	-	-
	7620	Extraordinary Income Charges	-	-
	7630	Current Income Tax Effect of Ex. Items-Net	-	-
		<i>Total Extraordinary Items</i>	\$ -	\$ -
	7910	Income Effect of Juris. Ratemaking Differences	-	-
	7990	Non Regulated Net Income	310,311	338,621
		<i>NET INCOME</i>	\$ 666,612	\$ 1,005,767

Other Operating Taxes
Schedule I-2

Company: Frontier Communications of the South, Inc.
For the Year Ended December 31, 2005

Name of Government	Type of Tax						
	Property	Gross Receipts	PSC Assess	Intangible	Franchise	Other*	Total
US Government	-	-	-	-	-	-	\$ -
State of Florida	111,607	-	-	-	-	-	\$ 111,607
State of Florida - Deferred Inc		-		-		(6,085)	(6,085)
Total	\$ 111,607	\$ -	\$ -	\$ -	\$ -	\$ (6,085)	\$ 105,522
Charged to Construction							
Net Charged to Account	\$	\$	\$	\$	\$	\$	\$

Note: * List separately each item in excess of \$500.

**Donations or Payments for Services Rendered by Persons
Other Than Employees
Schedule I-3**

**Company: Frontier Communications of the South, Inc.
For the Year Ended December 31, 2005**

Total Company

Name of Recipient	Nature of Services	Account No.	Amount of Payment
Brantley & Wilkerson	Legal	6722	\$ 6,889
Crowe Brothers Construction	Construction Labor	Various	\$ -
Ditch Witch of Mobile	Construction Labor	6116	\$ -
Emergency Systems Services	Repair	6120	\$ 15,698

Membership Fees and Dues

Schedule I-4

Total Company

Particulars	Account	Amount
Expenditures Charged to Operating Expenses		\$
Membership in:		
Association of Telecommunications Companies	6722	24,551
Trade, Technical and Professional Associations	6534	2,217
Other Organizations (Specify Type):		
Total		\$ 26,768

Access Lines in Service by Customer

Schedule S-1

Company: Frontier Communications of the South, Inc.

For the Year Ended December 31, 2005

State or Territory	Business		Public Access Lines	Residential Access Lines	Mobile Access Lines	Total Access Lines (Switched & Special)
	Single Line	Multi Line				
Florida	290	135	7	3,914		4,346

Telephone Calls

Schedule S-2

State or Territory	Local Calls	IntraLATA Toll Calls Completed (Originating)	InterLATA Toll Calls Completed (Originating)			InterLATA Billed Access Minutes (Originating and Terminating)		
			Interstate	Intrastate	Total	Interstate	Intrastate	Total
Florida	N/A	NA	1,794,885	411,926	2,206,811	13,156,169	4,133,204	17,289,373
Totals	-	-	1,794,885	411,926	2,206,811	13,156,169	4,133,204	17,289,373

**Reconciliation of Revenue to
Regulatory Assessment Fee Revenue
Schedule Z-1**

Company: Frontier Communications of the South, Inc.

For the Year Ended December 31, 2005

(a)	(b)	(c)	(d)
Accounts	Intrastate Revenues Per Sch. I-1	Intrastate Revenues Per RAF Return	Difference (b) - (c)
Local Service (5001 - 5069)	\$ 1,267,894	\$ 1,267,894	\$ 0
End User (5081)	-	-	-
Switched Access (5082)	-	-	-
Special Access (5083)	-	-	-
State Access (5084)	272,112	272,112	0
Long Distance (5100 - 5169)	3,677	3,677	0
Miscellaneous (5230 - 5270)	157,733	157,733	(0)
Totals	\$ 1,701,416	\$ 1,701,416	\$ (0)

Explanations:

Instructions:

For the current year, reconcile the intrastate operating revenues reported on Schedule I-1 with the intrastate operating revenues reported on the company's regulatory assessment fee return. Explain any differences reported in column (d).

**Compensation of Officers
Schedule Z-2**

Company: Frontier Communications of the South, Inc.

For the Year Ended December 31, 2005

1. Report below the name, title, salary and bonus/incentive compensation for each executive officer whose salary is \$50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policy making functions.
2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent, and the date the change in incumbency was made.

Title (a)	Name of Officer (b)	Salary for Year (c)	Bonus/Incentive (d)	Total (e)
Please see the enclosed proxy statement which lists information regarding the offices and directors of Citizens Communications Company, the parent company, not of Frontier Communications of the South, Inc.				

**Affiliation of Officers and Directors
Schedule Z-3**

For each of the officials named in Schedule A-3, list the principal occupation or business affiliation if other than listed in Schedule A-3 and all affiliations or connections with any other business or financial organizations, firms, or partnerships. For purposes of this part, the official will be considered to have an affiliation with any business or financial organization, firm or partnership in which he is an officer, director, trustee, partner, or a person exercising similar functions.

Name	Principal Occupation or Business Affiliation	Affiliation or Connection with any other business or Financial Organization Firm or Partnership	
		Affiliation or Connection	Name and Address

**Business Contracts with Officers and Directors
Schedule Z-4**

List all contracts, agreements, or other business arrangements* entered into during the calendar year (other than compensation-related to position with respondent) between the respondent and each officer and director listed in Schedule A-3. In addition, provide the same information with respect to professional services for each firm, partnership, or organization with which the officer or director is affiliated.

*Note: Business agreement, for this schedule, shall mean any oral or written business deal which binds the concerned parties for products or services during the reporting year or future years.

Name of Officer or Director	Name and Address of Affiliated Entity	Amount	Identification of Product or Service

Analysis of Directory Advertising Operations

Schedule Z-5

Company: Frontier Communications of the South, Inc.

For the Year Ended December 31, 2005

Items	Consolidated (f) Amount	Amount Per Books
1. Revenues (Account 5230) (e)	72,006	72,006
2. Local		
3. National		
4. Sales		
5. Commissions		
6. Other		
7. Total (line 2 thru 6)	\$ 72,006	\$ 72,006
8. Expenses (Account 6622) (e)	2,092	2,092
9. Printing		
10. Commissions		
11. Deliver		
12. Salvage		
13. Other		
14. Total (line 9 thru 13)	\$ 2,092	\$ 2,092
15. Gross Profit (Line 7 minus 14)	69,914	69,914
16. Gross Profit 1982 (a)	8,830	8,830
17. Customer Growth Factor (b)	2.03	2.03
18. CPI-U Factor (c)	2.06	2.06
19. Adjusted 1982 (L16 x L17 x L18)	37,008	37,008
20. Non Regulated (d)	\$ 32,906	\$ 32,906

Footnotes:

(a) Gross Profit Base as Stated in FPSC Rule 25-4.0405.

(b)	$\frac{\text{Average Current Year Access Lines}}{\text{Average 1982 Access Lines Per Rule 25-4.0405}} = \frac{4,630}{2,279} = 2.03$
-----	---

(c)	$\frac{\text{Annual Average CPI-U for Current Year}}{\text{Annual Average CPI-U for 1982}} = \frac{199.1}{96.5} = 2.06$
-----	---

(d) (Line 15 less Line 19) or (1/3 of Line 15) whichever is smaller but not less than zero.

(e) Only those revenues and expenses formerly included in accounts 523 and 649 should be included in this schedule.

(f) This column only applies to those LEC's with an affiliated directory publishing company providing the service. The consolidated amount should contain the entire or gross amount from the Directory Advertising operation in the local franchise area to be considered in setting rates for telecommunications service. This will include the gross amounts billed from all sources, including all amounts from the publishing or directory companies as well as the Local Exchange Companies.

Average Access Lines in Service

Schedule Z-6

Company: Frontier Communications of the South, Inc.

For the Year Ended December 31, 2005

(a) Classification	(b) Average Number
1. Residence Lines (R-1, 2, 4, etc.)	3,973
2. Business Lines (B-1, 2, 4, etc.)	326
3. Centrex Lines	30
4. PBX Trunks	7
5. Key System Lines	76
6. Subtotal (Line 1 thru Line 5)	4,411
7. Teletypewriter Lines	-
8. Foreign Exchange Lines	-
9. Service Telephone Lines	-
10. Other Lines - Company Offical	80
11. Total (Line 6 thru Line 10)	4,491

Footnotes:

- (a) Include lines terminating in customer owned equipment.
- (b) Average is the average of the twelve monthly averages.

**Corporate Structure
Schedule Z-7**

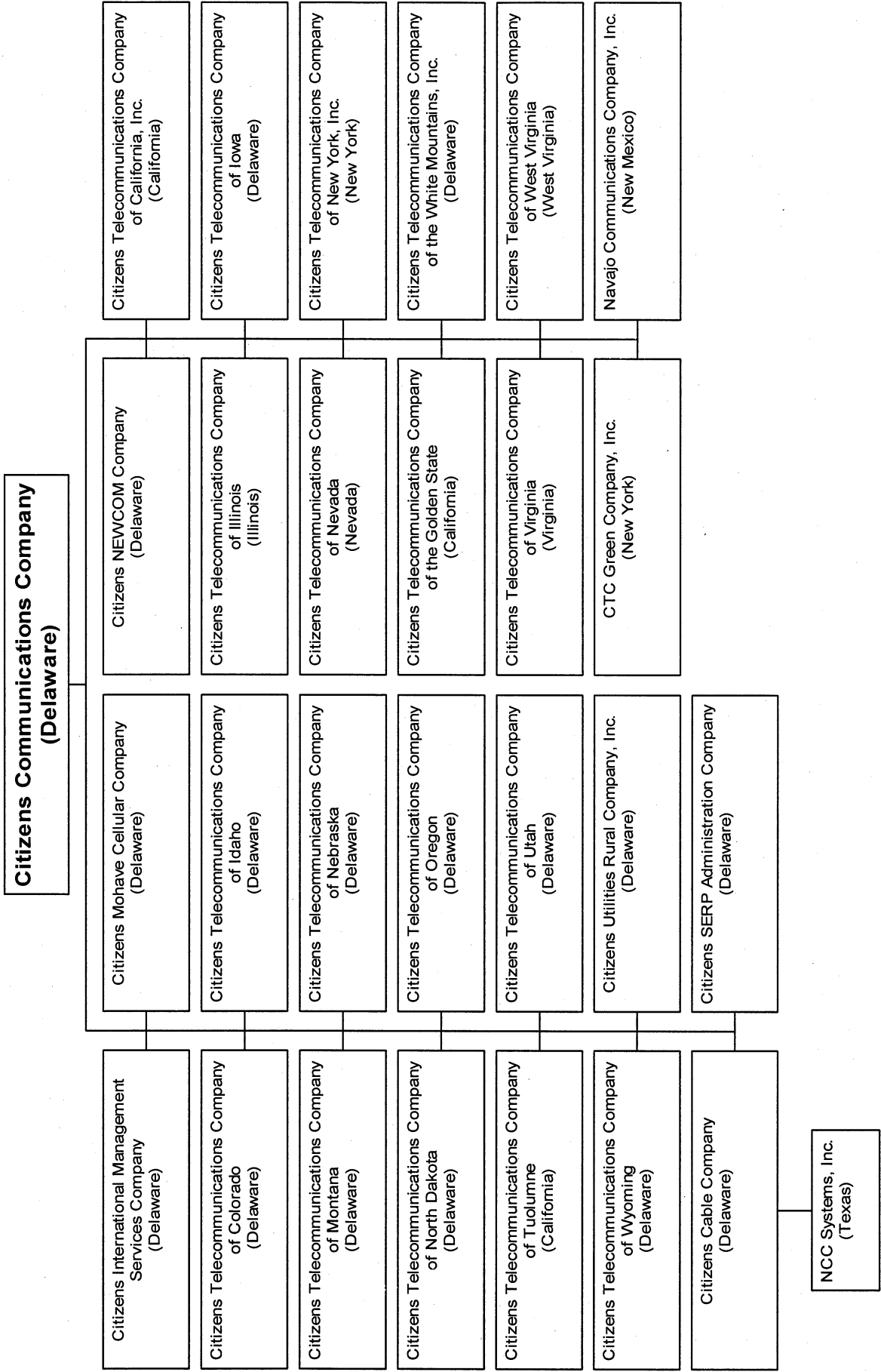
**Company: Frontier Communications of the South, Inc.
For the Year Ended December 31, 2005**

Provide an updated organizational chart showing all affiliated companies, partnerships, etc.

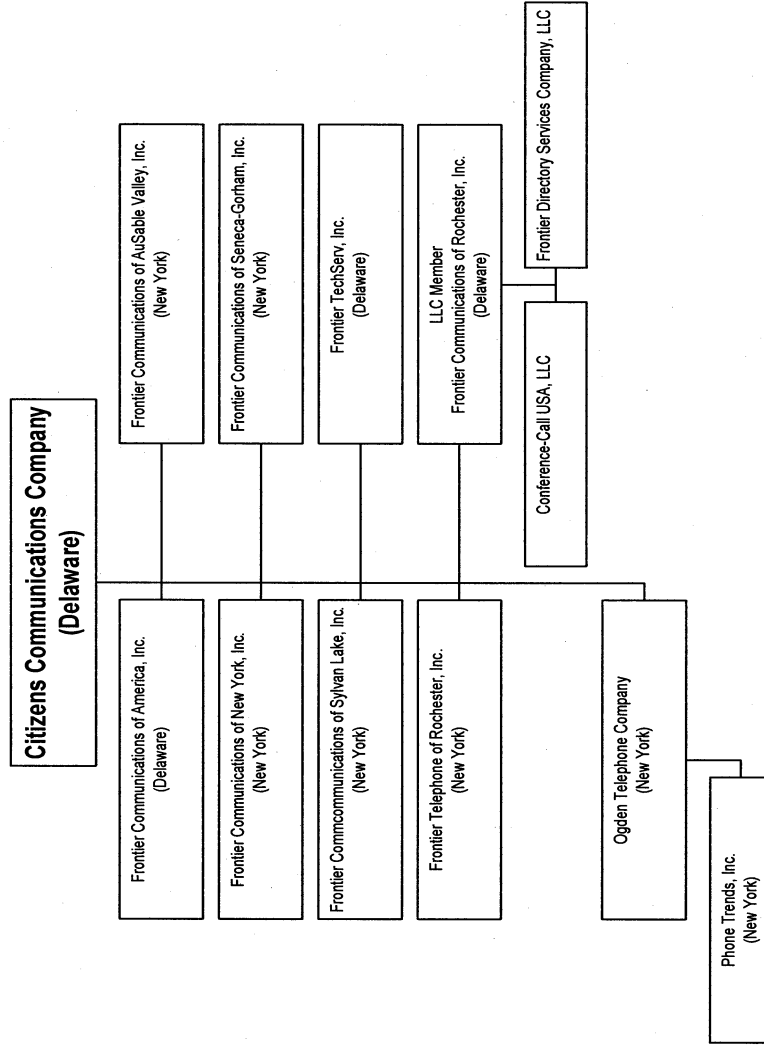
**Effective
Date**

Attached is an organizational chart showing all affiliated companies for the year ending December 31, 2005

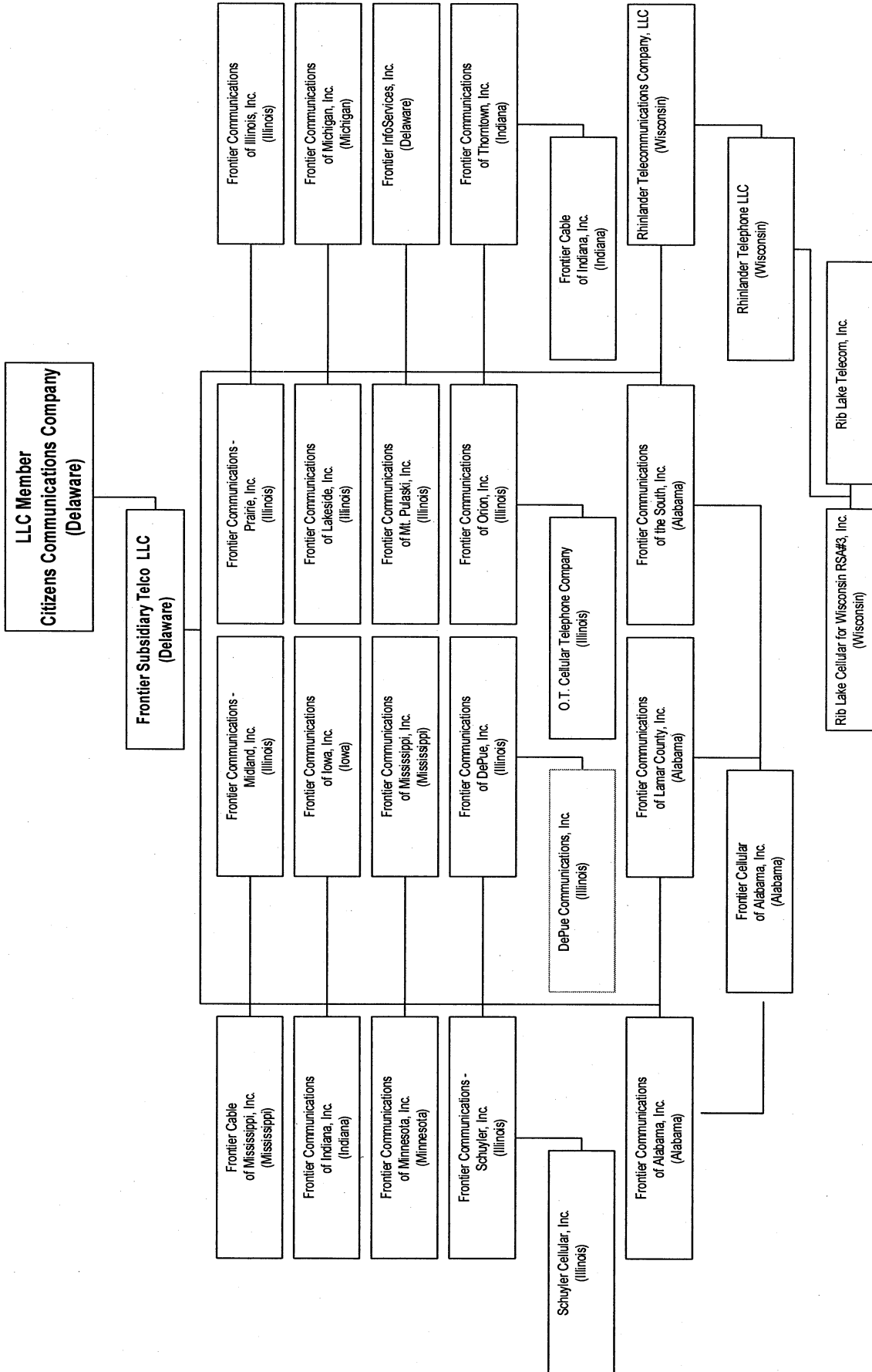
Citizens Communications Company Communications Sector Subsidiaries and States of Incorporation



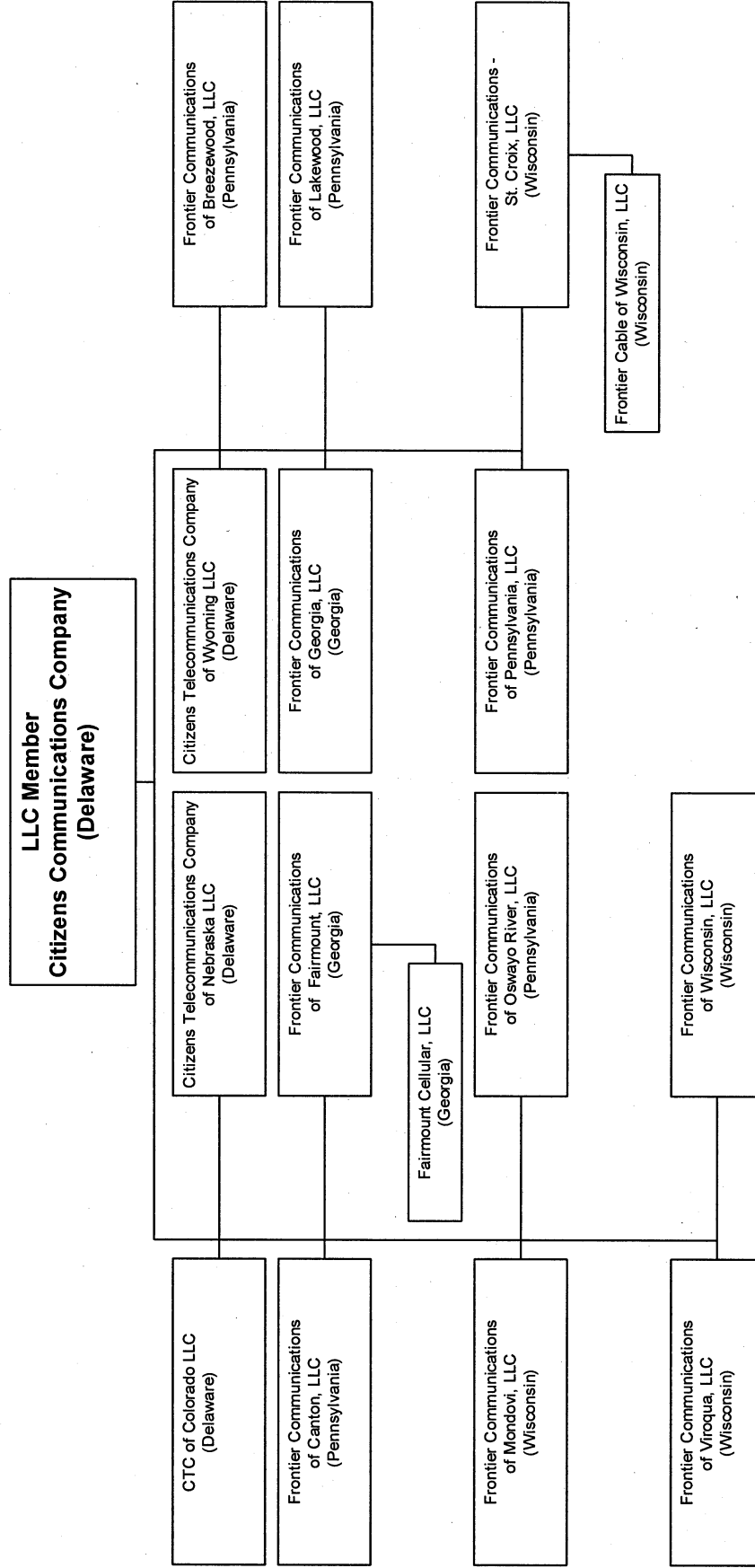
Citizens Communications Company Communications Sector Subsidiaries and States of Incorporation



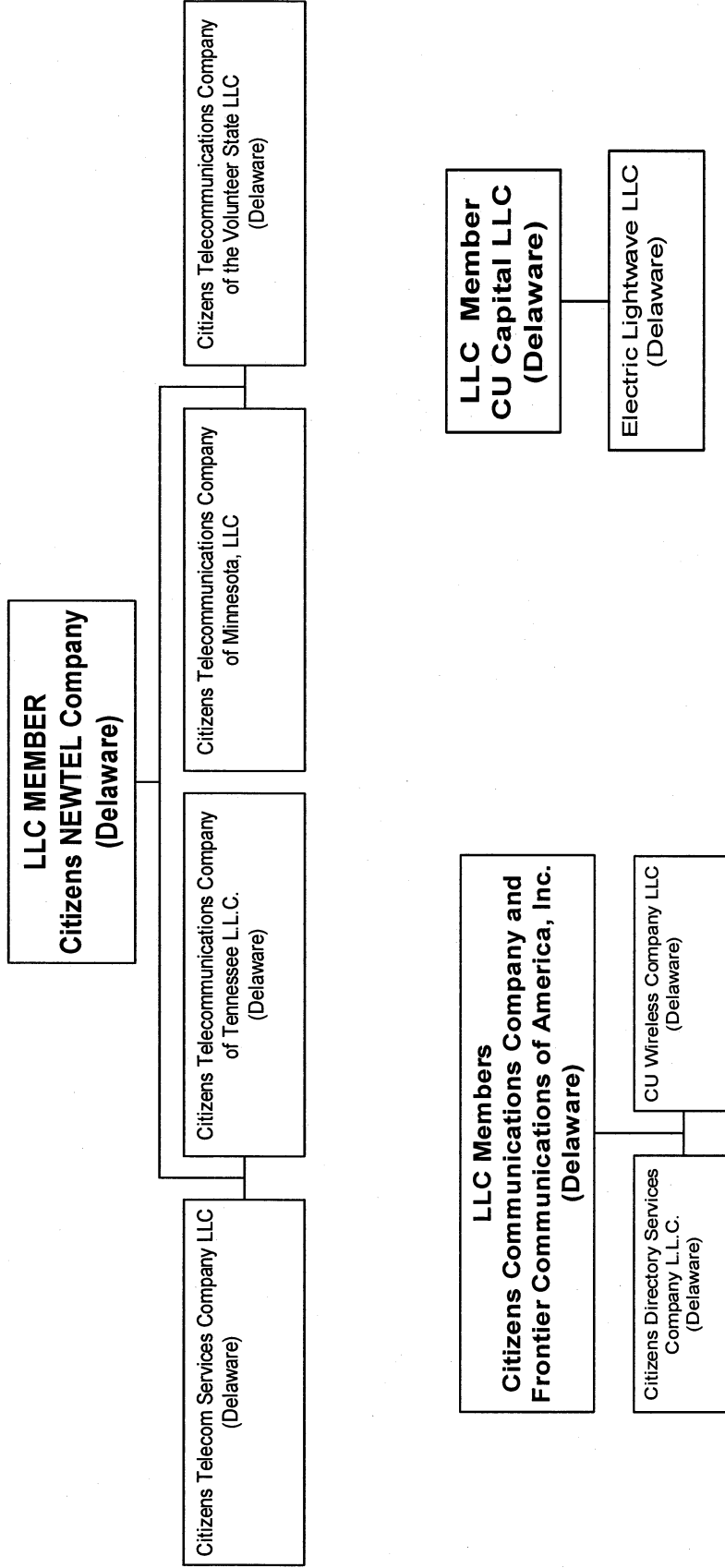
Citizens Communications Company Communications Sector Subsidiaries and States of Incorporation



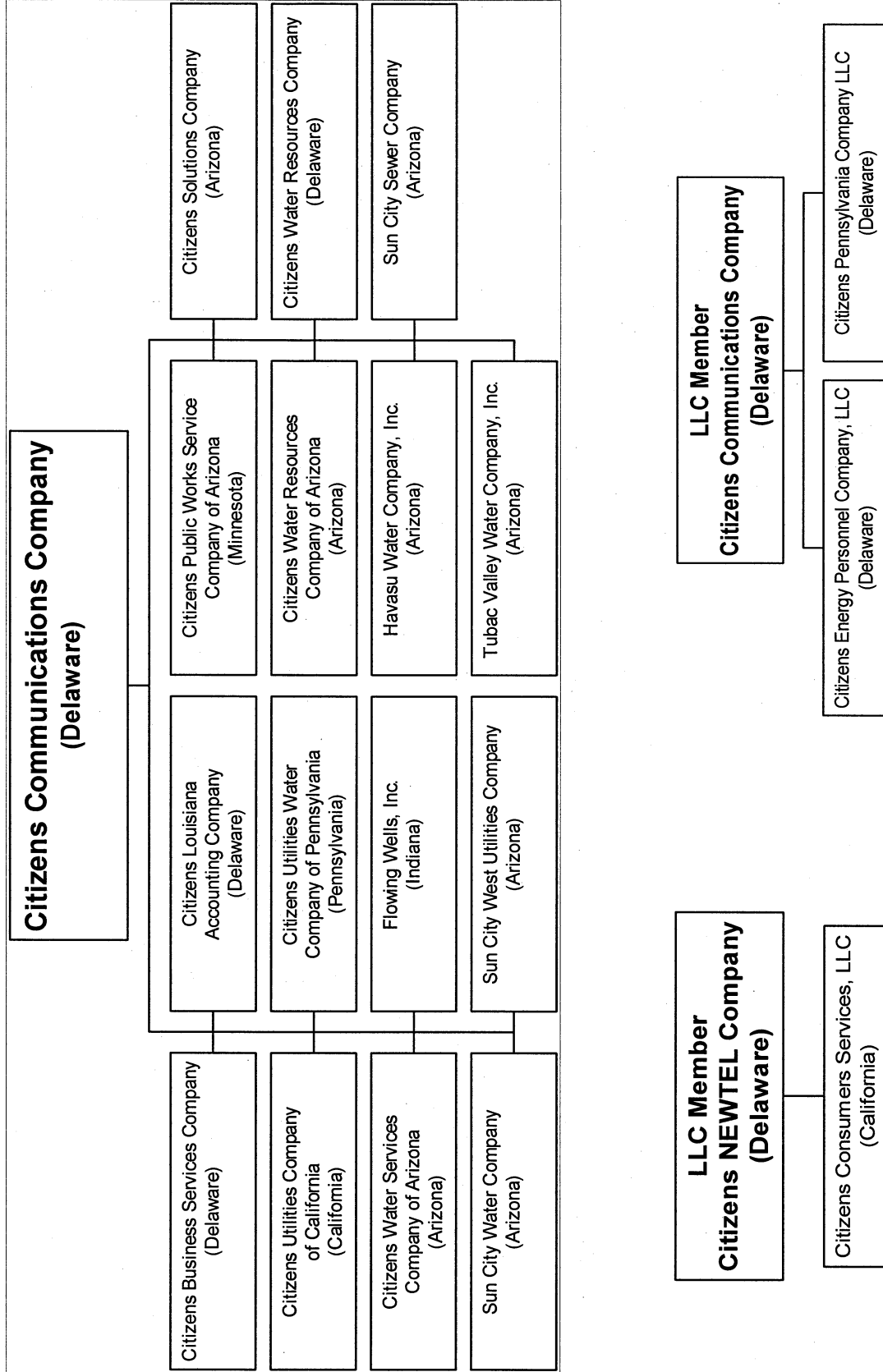
Citizens Communications Company Communications Sector Subsidiaries and States of Incorporation



Citizens Communications Company Communications Sector Subsidiaries and States of Formation

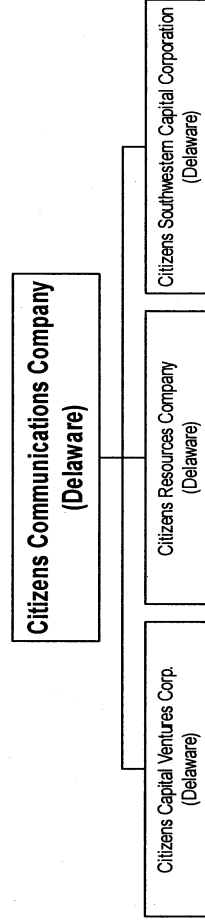


Citizens Communications Company Public Service Sector Subsidiaries and States of Incorporation



Citizens Communications Company Management Company Subsidiaries and States of Incorporation

Management Companies



New or Amended Contracts with Affiliated Companies

Schedule Z-8

Company: Frontier Communications of the South, Inc.

For the Year Ended December 31, 2005

<p>Provide a synopsis of each new or amended contract, agreement, or arrangement with affiliated companies for the purchase, lease, or sale of land, goods, or services (excluding tariffed items). The synopsis shall include, at a minimum, the terms, price, quantity, amount, and duration of the contracts.</p>	
Name of Affiliated Company	Synopsis of Contract
N/A	

Summary of Affiliated Transfers and Cost Allocations
Schedule Z-9

Company: Frontier Communications of the South, Inc.
For the Year Ended December 31, 2005

Grouped by affiliate, list each contract, agreement, or other business transaction exceeding a cumulative amount of \$3,000 in any one year, entered into between the Respondent and an affiliated business or financial organization, firm, or partnership identifying parties, amounts, dates, and product, asset, or service involved.

- (a) Enter name of affiliate.
- (b) Give description of type of service, or name the product involved.
- (d) Enter the letter "p" if the service or product is a purchased by the Respondent; "s" if the service or product is sold by the Respondent.
- (e) Enter utility account number in which charges are recorded.
- (f) Enter total amount paid, received, or accrued during the year for each type of service or product listed in column (c). Do not net amounts when services are both received and provided.

Name of Affiliate (a)	Type of Service and/or Name of Product (b)	Relevant Contract or Agreement and Effective Date (c)	Total Charge for Year		
			"p" or "s" (d)	Account Number (e)	Dollar Amount (f)
Citizens Communications Company	Accounting / Executive, Legal, Engineering, Financial, Computer and Other	Various	Both	Various	63,641
Sector Central	Accounting / Executive, Legal, Engineering, Financial, Computer and Other	Various	Both	Various	242,858
Regional Allocation	Accounting / Executive, Legal, Engineering, Financial, Computer and Other	Various	Both	Various	279,055

Amended

Earnings Surveillance
Schedule Z-10

Company: Frontier Communications of the South, Inc.
For the Year Ended December 31, 2005

Page 1 of 4

RATE BASE	(1) Total Company Columns (2 + 3)	(2) Interstate Toll	(3) Total Intrastate
<u>AVERAGE RATE BASE</u>			
1. Plant In Service	\$ 22,024,180	\$ 6,864,937	\$ 15,159,243
2. Accumulated Depreciation and Amortization	\$ 15,279,159	\$ 4,806,823	\$ 10,472,335
3. Net Plant In Service	\$ 6,745,022	\$ 2,058,114	\$ 4,686,908
4. Property Held for Future Use	\$ -	\$ -	\$ -
5. TPUC	\$ 175,943	\$ 54,842	\$ 121,102
6. Working Capital Allowance	\$ 107,771		\$ 76,378
7. Per Book Average Rate Base	<u>\$ 7,028,737</u>	<u>\$ 2,112,955</u>	<u>\$ 4,884,387</u>
8. % Distribution	<u>100%</u>	<u>30%</u>	<u>69%</u>

ADJUSTMENTS TO AVERAGE RATE BASE

9. Adjustments for Achieved Rate Base			\$ 382,474
10. Adjusted Achieved Rate Base			<u>\$ 5,266,862</u>

RATES OF RETURN

11. Average Per Book	<u>3.01%</u>	<u>15.69%</u>	<u>-2.46%</u>
12. Average FPSC Adjusted			<u>-2.29%</u>

ADJUSTMENTS TO RATE BASE	(1) Plant In Service	(2) Accumulated Depreciation and Amortization	(3) Property Held for Future Use	(4) Telephone Plant Under Construction	(5) Working Capital Allowance	(6) TOTALS
1. Intrastate Rate Base per Books	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>INTRASTATE ADJUSTMENTS</u>						
2. General Support	\$ 1,172,872	\$ -	\$ -	\$ -	\$ -	\$ 1,172,872
3. General Support Reserve	-	(790,398)	-	-	-	(790,398)
4.	-	-	-	-	-	-
5. Total Accounting Adjustments, Intrastate	<u>\$ 1,172,872</u>	<u>\$ (790,398)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 382,474</u>
6. Intrastate Rate Base	<u>1,172,872</u>	<u>(790,398)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Amended

Earnings Surveillance
Schedule Z-10

Company: Frontier Communications of the South, Inc.
For the Year Ended December 31, 2005

Page 2 of 4

NET OPERATING INCOME	(1) Total Company Columns (2 + 3)	(2) Interstate Toll	(3) Total Intrastate Columns (4 + 5 + 6)	(4) --- Intrastate Toll --- Inter- territory	(5) Intra- territory	(6) Local
<u>BOOKED REVENUE</u>						
1. Basic Local Service Revenue	\$ 1,267,894	\$ -	\$ 1,267,894	-	-	\$ 1,267,894
2. Network Access Revenue						
a. BHMOc	385,583	385,583	-	-	-	\$ -
b. MOU Access	389,541	117,429	272,112	-	-	\$ 272,112
c. Special Access	391,013	391,013	-	-	-	\$ -
d. Other Access	-	-	-	-	-	\$ -
3. Long Distance Revenue						
a. MTS	-	-	-	-	-	\$ -
b. Other	3,677	-	3,677	-	-	\$ 3,677
4. Subsidy Fund Revenue	378,132	378,132	-	-	-	\$ -
5. Miscellaneous Revenue	157,733	-	157,733	-	-	\$ 157,733
6. Uncollectible Revenues	-	-	-	-	-	\$ -
7. Net Booked Revenue	<u>\$ 2,973,573</u>	<u>\$ 1,272,157</u>	<u>\$ 1,701,416</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,701,416</u>
<u>OPERATING EXPENSE:</u>						
8. Plant Specific Operations Expense	\$ 390,774	\$ 123,719	\$ 267,055			
9. Plant Non-Specific Operations Expense	173,282	47,618	\$ 125,664			
10. Access Expense	30,221	-	\$ 30,221			
11. Depreciation and Amortization	1,530,858	474,872	\$ 1,055,986			
12. Customer Operations Expense	220,150	50,106	\$ 170,044			
13. Corporate Operations Expense	165,999	165,999	\$ 1			
14. Other Income and Expenses	111,607	34,788	\$ 76,819			
15. Total Operating Expense	<u>\$ 2,622,893</u>	<u>\$ 897,102</u>	<u>\$ 1,725,791</u>			
16. % Distribution	-	-	\$ -			
<u>OPERATING TAXES:</u>						
17. Federal Income Tax	122,738	38,257	\$ 84,481			
18. State Income Tax	22,794	7,105	\$ 15,689			
19. Other Taxes	(6,085)	(1,897)	\$ (4,188)			
20. Total Operating Taxes	<u>\$ 139,447</u>	<u>\$ 43,466</u>	<u>\$ 95,982</u>			
<u>NET OPERATING INCOME:</u>						
21. Per Book NOI	<u>211,233</u>	<u>331,589</u>	<u>(120,356)</u>			
22. NOI Effect of Adjustments			\$ -			
23. Adjusted NOI			<u>\$ (120,356)</u>			

NOTES :

2. (a) Busy Hour minutes of Capacity Charge.
- (b) Includes Local Switching, Local Transport, Line Termination, Carrier Common Line, Intertoll Trunking and Toll Switching.
- (c) For Intrastate. Interterritory Station Terminals.
- (d) Includes testing, ordering, labor, etc.
3. (a) Include only charges billed to customer and retained by the company, not charges billed on behalf of IXC's.

Amended

Earnings Surveillance
Schedule Z-10

Company: Frontier Communications of the South, Inc.
For the Year Ended December 31, 2005

Page 3 of 4

	(1)	(2)	(3)	(4)	(5)	(6)
ADJUSTMENTS TO NET OPERATING INCOME INTRASTATE OPERATING REVENUE	Basic Local Service Revenue	Inter- territory	Intra- territory	Local Misc. Revenue	Uncollectible Revenues	Net Booked Revenue
1. Total Intrastate Revenue per Books	\$ 1,267,894	\$ -	\$ 272,112	\$ 161,410	\$ -	\$ 1,701,416
INTRASTATE ADJUSTMENTS						
2. Out of period adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3. None	-	-	-	-	-	-
4.	-	-	-	-	-	-
5.	-	-	-	-	-	-
6. Total Accounting Adjustments, Intrastate	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7. Total Adjusted Intrastate Revenue	<u>\$ 1,267,894</u>	<u>\$ -</u>	<u>\$ 272,112</u>	<u>\$ 161,410</u>	<u>\$ -</u>	<u>\$ 1,701,416</u>

	(7)	(8)	(9)	(10)	(11)	(12)	(13)
ADJUSTMENTS TO NET OPERATING INCOME INTRASTATE OPERATING EXPENSE	Plant Specific Operations Expense	Plant Non-Specific Operations Expense(A)	Depreciation and Amortization	Customer Operations Expense	Corporate Operations Expense	Other Income and Expenses	Total Operating Expense
1. Total Intrastate Expenses per Books	\$ 267,055	\$ 125,664	\$ 1,055,986	\$ 170,044	\$ 30,222	\$ 76,819	\$ 1,725,791
INTRASTATE ADJUSTMENTS							
2. Out of period adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3.	-	-	-	-	-	-	-
4.	-	-	-	-	-	-	-
5.	-	-	-	-	-	-	-
6. Total Accounting Adjustments, Intrastate	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7. Total Adjusted Intrastate Exp.	<u>\$ 267,055</u>	<u>\$ 125,664</u>	<u>\$ 1,055,986</u>	<u>\$ 170,044</u>	<u>\$ 30,222</u>	<u>\$ 76,819</u>	<u>\$ 1,725,791</u>

(A) Including Access Expense

	(14)	(15)	(16)	(17)	(18)
ADJUSTMENTS TO NET OPERATING INCOME INTRASTATE OPERATING TAXES / NET OPERATING INCOME	Federal Income Tax	State Income Tax	Other Taxes	Total Operating Taxes	Net Operating Income
1. Total Intrastate Taxes / NOI per Books	\$ 84,481	\$ 15,689	\$ (4,188)	\$ 95,982	-\$120,356
INTRASTATE ADJUSTMENTS					
2. Out of period adjustments	\$ -	\$ -	\$ -	\$ -	\$ -
3.	-	-	-	-	-
4.	-	-	-	-	-
5.	-	-	-	-	-
6. Total Accounting Adjustments, Intrastate	\$ -	\$ -	\$ -	\$ -	\$ -
7. Total Adjusted Intrastate Taxes / NOI	<u>84,481</u>	<u>15,689</u>	<u>(4,188)</u>	<u>95,982</u>	<u>-\$120,356</u>

Amended

**Earnings Surveillance
Schedule Z-10**

**Company: Frontier Communications of the South, Inc.
For the Year Ended December 31, 2005**

Page 4 of 4

AVERAGE CAPITAL	(1)	(2)	(3)	(4)	(5)	(6) (7) (8)			(9) (10) (11)			
	Average Per Books	Specific Adjustments	Pro Rata Adjustments	Adjusted Amount	% of Total	----- COST RATE ----- Floor Midpoint Ceiling			---- WEIGHTED COST RATE ---- Floor Midpoint Ceiling			
1. Long Term Debt	\$ -	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2. Short Term Debt	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3. Preferred Stock	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4. Customer Deposits	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5. Common Equity	12,184,061	(2,984,233)	(2,757,570)	6,442,257	91.66%	11.00%	12.00%	13.00%	10.08%	11.00%	11.92%	
6. ITC	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
7. Cost Free Capital	837,518	-	(251,039)	586,479	8.34%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8. Total Capital	<u>13,021,579</u>	<u>(2,984,233)</u>	<u>(3,008,609)</u>	<u>7,028,737</u>	<u>100.00%</u>				<u>10.08%</u>	<u>11.00%</u>	<u>11.92%</u>	

FINANCIAL RATIO

9. Intrastate achieved return on equity FPSC Adjusted Basis	<u>-2.49%</u>
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ADJUSTMENTS TO AVERAGE CAPITAL	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	LONG TERM DEBT	SHORT TERM DEBT	PREFERRED STOCK	CUSTOMER DEPOSITS	COMMON EQUITY	INVESTMENT TAX CREDITS	COST FREE CAPITAL	TOTAL CAPITAL
1. Total Capital Per Books	-	-	-	-	12,184,061	-	837,518	13,021,579

DESCRIPTION OF ADJUSTMENTS TO SPECIFIC SOURCES

2. Investment in Alabama Cellular	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3. NonRegulated Investmetns	-	-	-	-	(246,282)	-	-	(246,282)
4. Fronter Investments	-	-	-	-	(2,737,952)	-	-	(2,737,952)
5. Sub-total of Adjustments to Specific Sources	-	-	-	-	(2,984,233)	-	-	(2,984,233)
6. Adjusted Total Capital	-	-	-	-	9,199,828	-	837,518	10,037,346

DESCRIPTION OF PRO RATA ADJUSTMENTS

7. Alabama Rate Base	\$ -	\$ -	\$ -	\$ -	\$ (2,757,570)	\$ -	\$ (251,039)	\$ (3,008,609)
8.	-	-	-	-	-	-	-	-
9.	-	-	-	-	-	-	-	-
10. Sub-total of Pro Rata Adjustments to Sources	-	-	-	-	(2,757,570)	-	(251,039)	(3,008,609)
11. Subtotal, Pro Rata Adjusted Total Capital	-	-	-	-	6,442,257	-	586,479	7,028,737
12. Less Interstate Operations	-	-	-	-	-	-	-	-
13. Achieved Intrastate Capital	\$ -	\$ -	\$ -	\$ -	\$ 6,442,257	\$ -	\$ 586,479	\$ 7,028,737