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AUDITING AND FINANCIAL ANALYSIS  
DIVISION, FPSC

**ANNUAL REPORT OF  
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, 1996**

RECEIVED  
FLORIDA PUBLIC SERVICE  
COMMISSION  
97 MAY -1 PM 1:57  
AUDITING &  
FINANCIAL ANALYSIS DIV

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

Name Robert J. DePalma	Title Controller
Address 180 South Clinton Avenue	City Rochester State New York 14646
Telephone No. (716)-777-8838	PSC/AFA 18 ( 12/95)

## 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, 1996 to December 31, 1996, 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 official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082 and s. 775.083.

4/29/97

Date

Robert J. DePalma  
Signature

Robert J. DePalma

Name

Controller

Title

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**Identity of Respondent**  
**Schedule A-1**

**Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.**  
**For the Year Ended December 31, 1996**

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

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

**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):	Sole
(b) The name and address of the directly controlling organization or person:	Frontier Corporation 180 South Clinton Avenue Rochester, NY 14646

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

(c) The means by which control was held:	100% of voting common stock
--	-----------------------------

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

(d) The extent of control:	100%
----------------------------	------

2. See Schedule Z-9 for an updated organizational chart.

**Board of Directors and General Officers  
Schedule A-3**

**Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.  
For the Year Ended December 31, 1996**

Name of Director or Officer and Address (City and State)	Title & Dept. over Which Jurisdiction is Exercised	Director's Fees
Ronald L. Bittner	Director	
Louis L. Massaro	Director	
Marvin C. Moses	Director (until 5/1/96)	
Kevin Bennis	Director (elected 5/1/96)	
Robert Barrett	Director (elected 5/1/96)	
James Dole	Director (elected 5/1/96)	
Jeremiah T. Carr	Chief Executive Officer	
Jefferson L. McGehee	President	
Richard Smith	Chief Financial Officer	
Michael L. Patrick	Vice President and General Manager	
Josephine S. Trubek	Secretary	
Joseph Enis	Treasurer	
Barbara J. LaVerdi	Assistant Secretary	
Deborah S. Larke	Assistant Treasurer (until 7/15/96)	
Michael L. Evans	Assistant Treasurer	

**Stockholders**  
**Schedule A-4**

**Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.**  
**For the Year Ended December 31, 1996**

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 in a note, if known. Likewise, if any person had the beneficial interest in securities held by trustees or nominees under different trusts or other groupings, and the aggregate of such person's holdings would place him among the listed holders if he were the holder of record, the details of such holdings shall be shown in a note, if known.

Class of Stock	
Name and Address (City and State) of Stockholder	Shares Held
Frontier Corporation Rochester, NY	Common  5,000

**Important Changes during the Year**  
**Schedule A-5**

**Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.**  
**For the Year Ended December 31, 1996**

Give concise answers to each of the following, numbering them in accordance with the numbers of the question:

1. List extensions of systems (other than additions supplementing existing facilities of the respondent) whether by purchase, construction, donation, or otherwise, such as a substantially complete telephone system, exchange, or toll line. Give the location, new territory covered, and dates of beginning operation, and in case of purchase give also the name and address of the company from which purchased, date of acquisition, and the consideration given.
2. If during the year a substantial portion or all of the property of the respondent was sold, merged, or abandoned, give full particulars, including the location and territory covered. In case of sale or merger, give the effective date, name and address of successor company, and the consideration received.
3. List important changes in service and rate schedules during the year, giving:
  - (a). Estimated increase or decrease in annual revenues by reason of such changes.
  - (b). Estimated saving or additional cost to the public, and
  - (c). The bases used in arriving at the amounts given in the responses to (a) and (b).
4. Give information on any changes in accounting standards that have occurred during the year.

QUESTIONS 1 THROUGH 4 ANSWER IS: NONE

# BALANCE SHEET

## Schedule B-1

Company: **FRONTIER COMMUNICATIONS OF THE SOUTH, INC.**

December 31, 1996

Page 1 of 2

Ref. Sch.	Account No.	Accounts	Amounts (\$)	
			Beginning of Year	End of Year
		<b><i>Current Assets</i></b>		
	1130	Cash	116,317	48,442
	1140	Special Cash Deposits		
	1150	Working Cash Advance	6,200	4,950
	1160	Temporary Investments		
	1180	Telecomm. Accounts Receivable	1,082,088	1,168,477
	1181	Telecomm. Accounts Receivable Allowance		
	1190	Other Accounts Receivable	5,286,100	2,773,077
	1191	Accounts Receivable Allowance-Other		
	1200	Notes Receivable		
	1201	Notes Receivable Allowance		
	1210	Interest and Dividends Receivable	15,621	
	1220	Material and Supplies	176,867	85,626
	1290	Prepaid Rents		
I-3	1300	Prepaid Taxes		
	1310	Prepaid Insurance		
	1320	Prepaid Directory Expenses	43,585	
	1330	Other Prepayments	3,920	2,258
	1350	Other Current Assets		
		<b><i>Total Current Assets</i></b>	6,730,698	4,082,830
		<b><i>Noncurrent Assets</i></b>		
	1401	Investments in Affiliated Co.	6,038,487	11,733,893
	1402	Investments in Nonaffiliated Co.	1,037,650	737,100
	1406	Nonregulated Investments	440,758	528,483
B-7	1407	Unamortized Debt Issuance Expense		
	1408	Sinking Funds		
	1410	Other Noncurrent Assets	100,406	91,183
	1438	Deferred Maintenance & Retirements		
B-5	1439	Deferred Charges	98,912	208,061
	1500	Other Jurisdictional Assets - Net		
		<b><i>Total Noncurrent Assets</i></b>	7,716,213	13,298,720
		<b><i>Telephone Plant in Service</i></b>		
B-3	2001	Telecomm. Plant in Service	31,603,827	33,162,960
	2002	Property Held for Future Use		
	2003	Plant under Construction	1,063,250	1,456,520
	2005	Plant Adjustment		
	2006	Nonoperating Plant	86,329	86,329
		<b><i>Subtotal</i></b>	32,753,406	34,705,809
		<b><i>Less:</i></b>		
B-4	3100	Acc. Depreciation	14,625,651	16,800,641
"	3200	Acc. Depreciation-Held for Future Use		
"	3300	Acc. Depreciation-Nonoperating	63,939	66,289
"	3410	Acc. Amort. - Capitalized Leases		
"	3420	Acc. Amort. - Leasehold Improvements		
"	3500	Acc. Amort. - Intangible		
"	3600	Acc. Amort. - Other	2,051	8,054
		<b><i>Subtotal</i></b>	14,691,641	16,874,984
		<b><i>Net Telephone Plant in Service</i></b>	18,061,765	17,830,825
		<b><i>TOTAL ASSETS</i></b>	32,508,676	35,212,375



# BALANCE SHEET

## Schedule B-1

Company: **FRONTIER COMMUNICATIONS OF THE SOUTH, INC.**

December 31, 1996

Page 2 of 2

Ref. Sch.	Account No.	Accounts	Amounts (\$)	
			Beginning of Year	End of Year
		<b><i>Current Liabilities</i></b>		
B-6	4010	Accounts Payable	1,476,528	3,355,159
	4020	Notes Payable		
	4030	Advanced Billing and Payments	189,823	385,070
	4040	Customers' Deposits	191,292	101,417
B-7	4050	Current Maturities - Long Term	399,641	408,012
	4060	Current Maturities - Capital Leases		
I-3	4070	Income Taxes - Accrued	(113,031)	35,466
"	4080	Other Taxes - Accrued	16,684	13,874
B-8	4100	Net Current Deferred Op. Income Taxes		
	4110	Net Current Deferred Nonop. Income Taxes		
	4120	Other Accrued Liabilities	635,673	105,514
	4130	Other Current Liabilities		
		<b><i>Total Current Liabilities</i></b>	<b>2,796,610</b>	<b>4,404,512</b>
		<b><i>Long-Term Debt</i></b>		
B-7	4210	Funded Debt	10,120,972	9,711,346
"	4220	Premium on Long-Term Debt		
"	4230	Discount on Long-Term Debt		
	4240	Reacquired Debt		
	4250	Obligations under Capital Leases		
B-7	4260	Advanced from Affiliated Companies		
"	4270	Other Long-Term Debt		
		<b><i>Total Long-Term Debt</i></b>	<b>10,120,972</b>	<b>9,711,346</b>
		<b><i>Other Liabilities and Deferred Credits</i></b>		
	4310	Other Long-Term Liabilities	369,617	209,785
	4320	Unamortized Operating ITC - Net	172,773	136,773
	4330	Unamortized Nonoperating ITC - Net		
B-8	4340	Net Noncur. Def. Oper. Income Taxes	2,470,367	2,297,228
	4350	Net Noncur. Def. Nonoper. Inc. Taxes		
B-9	4360	Other Deferred Credits	75,925	55,637
	4370	Other Juris. Liab. & Def. Credits		
		<b><i>Total Other Liab. &amp; Def. Credits</i></b>	<b>3,088,682</b>	<b>2,699,423</b>
		<b><i>Stockholder's Equity</i></b>		
	4510	Capital Stock	500,000	500,000
	4520	Additional Paid-in Capital		
	4530	Treasury Stock		
	4540	Other Capital	4,723,791	6,077,808
	4550	Retained Earnings	11,278,621	11,819,286
	9999	Headquarters Control		
		<b><i>Total Stockholder's Equity</i></b>	<b>16,502,412</b>	<b>18,397,094</b>
		<b><i>TOTAL LIABILITIES AND EQUITY</i></b>	<b>32,508,676</b>	<b>35,212,375</b>

Revised

**Statement of Cash Flows**

**Schedule B-2**

**Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.**

**For the Year Ended December 31, 1996**

**Page 1 of 2**

Description of Items	Amount	Total Amount
<b>Increase/(Decrease) in Cash and Cash Equivalents</b>		
<b>Cash Flows from Operating Activities:</b>		
Net Income:		\$3,390,244
Adjust. to Reconcile NI to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	\$2,311,033	
Gain on Sale of Investments	(\$117,828)	
Provision for Losses for Accounts Receivable		
Deferred Income Taxes - Net	(\$209,139)	
Unamortized ITC - Net		
Allowance for Funds Used During Construction		
Net Change in Operating Receivables	(\$70,768)	
Net Change in Material, Supplies and Inventories	\$91,241	
Net Change in Operating Payables and Accrued Liabilities	\$1,960,751	
Net Change in Other Assets and Deferred Charges	(\$2,029,181)	
Net Change in Other Liabilities and Deferred Credits	(\$532,969)	
Other (Explained)		
Total Adjustments		\$1,403,140
<b>Net Cash Provided by (Used in) Operating Activities</b>		\$4,793,384
<b>Cash Inflows (Outflows) from Investing Activities:</b>		
Construction/Acquisition of Property, Plant and Equip. (Net of AFUDC and Capital Lease Related Acquisitions)	(\$2,080,093)	
Proceeds from disposals of Property, Plant and Equipment		
Investments in and Advances to Affiliates	(\$1,295,606)	
Other Investing Activities (Explained)	\$418,378	
<b>Net Cash Provided by (Used in) Investing Activities</b>		(\$2,957,321)
<b>Total This Page</b>		<b>\$1,836,063</b>

**Statement of Cash Flows**

**Schedule B-2**

*Revised*

**Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.**

**For the Year Ended December 31, 1996**

**Page 2 of 2**

Description of Items	Amount	Total Amount
<b>Total from Preceding Page</b>		\$1,836,063
<b>Cash Flows from Financing Activities:</b>		
Net Inc./Dec. in ST Debt with Original Maturities of 3 Months or Less	\$	
Advances from Affiliates		
Repayments of Advances from Affiliates		
Proceeds from Long-Term Debt		
Repayments of Long-Term Debt	(\$409,626)	
Payment of Capital Lease Obligations		
Proceeds from Issuing Common Stock/Equity Investment from Parent		
Repurchase of Treasury Shares		
Dividends Paid	(\$1,495,562)	
Other Financing Activities (Explained)		
<b>Net Cash Provided by Financing Activities</b>		(\$1,905,188)
Effect of Exchange Rate Changes on Cash		
Net Increase/(Decrease) in Cash and Cash Equivalents		(\$69,125)
Cash and Cash Equivalents at Beginning of Period		\$122,517
Cash and Cash Equivalents at End of Period		\$53,392

**Notes:**

**Statement of Cash Flows**

**Schedule B-2**

**Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.**

**For the Year Ended December 31, 1996**

**Page 1 of 2**

Description of Items	Amount	Total Amount
<b>Increase/(Decrease) in Cash and Cash Equivalents</b>		
<b>Cash Flows from Operating Activities:</b>		
Net Income:		\$3,390,244
Adjust. to Reconcile NI to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	\$2,233,608	
Provision for Losses for Accounts Receivable		
Deferred Income Taxes - Net	(\$209,139)	
Unamortized ITC - Net		
Allowance for Funds Used During Construction		
Net Change in Operating Receivables	(\$70,768)	
Net Change in Material, Supplies and Inventories	\$91,241	
Net Change in Operating Payables and Accrued Liabilities	\$1,960,751	
Net Change in Other Assets and Deferred Charges	(\$3,024,237)	
Net Change in Other Liabilities and Deferred Credits	(\$532,969)	
Other (Explained)		
Total Adjustments		\$448,487
<b>Net Cash Provided by (Used in) Operating Activities</b>		\$3,838,731
<b>Cash Inflows (Outflows) from Investing Activities:</b>		
Construction/Acquisition of Property, Plant and Equip. (Net of AFUDC and Capital Lease Related Acquisitions)	(\$2,002,668)	
Proceeds from disposals of Property, Plant and Equipment		
Investments in and Advances to Affiliates		
Other Investing Activities (Explained)		
<b>Net Cash Provided by (Used in) Investing Activities</b>		(\$2,002,668)
<b>Total This Page</b>		<b>\$1,836,063</b>

**Statement of Cash Flows**

**Schedule B-2**

**Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.**

**For the Year Ended December 31, 1996**

**Page 2 of 2**

Description of Items	Amount	Total Amount
<b>Total from Preceding Page</b>		\$1,836,063
<b>Cash Flows from Financing Activities:</b>		
Net Inc./Dec. in ST Debt with Original Maturities of 3 Months or Less	\$	
Advances from Affiliates		
Repayments of Advances from Affiliates		
Proceeds from Long-Term Debt		
Repayments of Long-Term Debt	(\$409,626)	
Payment of Capital Lease Obligations		
Proceeds from Issuing Common Stock/Equity Investment from Parent		
Repurchase of Treasury Shares		
Dividends Paid	(\$1,495,562)	
Other Financing Activities (Explained)		
<b>Net Cash Provided by Financing Activities</b>		(\$1,905,188)
Effect of Exchange Rate Changes on Cash		
Net Increase/(Decrease) in Cash and Cash Equivalents		(\$69,125)
Cash and Cash Equivalents at Beginning of Period		\$122,517
Cash and Cash Equivalents at End of Period		\$53,392

**Notes:**



**Total Company**

**Annual Status Report  
Analysis of Plant in Service Accounts  
Schedule B-3**

**Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.**

**For the Year Ended December 31, 1996**

**Page 2 of 3**

Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
<b>(Continued)</b>									
<b>Cable and Wire Facilities</b>									
2411	Poles	2.2	99,119						99,119
2421	Aerial Cable Metallic	6.06	137,294						137,294
2421	Aerial Cable Fiber		2,151						2,151
2422	Underground Cable Metallic	4.0	5.9	733,923					733,923
2422	Underground Cable Fiber	3.1	5.3	234,596					234,596
2423	Buried Metallic Cable	4.8	5.5	15,020,677	455,639	168,296	848,248		16,156,268
2423	Buried Fiber Cable	3.5	5.0	1,764,815	1,659				1,766,474
2423	Buried Cable Terminal	4.8		586,646	613,268	659	268,993		1,468,248
2423	Buried Air Cove Cable		10.0	1,117,236			(1,117,236)		0
2441	Conduit Systems	2.0	1.7	472,799					472,799
	<b>Total Cable and Wire Facilities</b>			<b>20,169,256</b>	<b>1,070,566</b>	<b>168,955</b>			<b>21,070,872</b>

Total Company

**Annual Status Report  
Analysis of Plant in Service Accounts  
Schedule B-3**

Company: **FRONTIER COMMUNICATIONS OF THE SOUTH, INC.**

For the Year Ended December 31, 1996

Page 3 of 3

Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
(Continued)									
Capital Recovery Schedules:									
Jointly Used Plant Allocated to Nonregulated			( )	( )	( )	( )	( )	( )	( )
<i>Amortizable Assets:</i>									
2681	Capital Leases								
2682	Leasehold Improve.								
2690	Intangibles								
<b>Total Balances</b>			31,603,827	1,766,766	212,123				33,162,957

Note: \* The total beginning and ending balances plus jointly used plant allocated to nonregulated, if any, must agree to acct. 2001, Plant in Service, in Schedule B-1, Balance Sheet.





Total Company

**Annual Status Report**  
**Analysis of Entries in Accumulated Depreciation & Amortization**  
**Schedule B-4**

Company: **FRONTIER COMMUNICATIONS OF THE SOUTH, INC.**

For the Year Ended December 31, 1996

Page 2 of 3

Acct. No.	Account Description	Beginning Balance*	Accruals**	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
(Continued)										
<b>Cable and Wire Facilities:</b>										
2411	Poles	95,329	1,319							96,648
2421	Aerial Cable Metallic	94,841	7,277							102,118
2421	Aerial Cable Fiber	423	131							554
2422	Underground Cable Metallic	454,592	93,682							548,274
2422	Underground Cable Fiber	29,071	7,326							36,397
2423	Buried Metallic Cable	6,605,699	1,031,291		168,292			1,005,372		8,474,070
2423	Buried Fiber Cable	330,590	71,405							401,995
2423	Buried Cable Terminal	301,380	59,318		660					360,038
2423	Buried Aire Core Cable	977,348	28,024					(1,005,372)		0
2441	Conduit Systems	219,872	9,450							229,322
	Total Cable & Wire Facilities	9,109,145	1,309,223		168,952		0			10,249,416

Total Company

**Annual Status Report**  
**Analysis of Entries in Accumulated Depreciation & Amortization**  
**Schedule B-4**

Company: **FRONTIER COMMUNICATIONS OF THE SOUTH, INC.**

For the Year Ended December 31, 1996

Page 3 of 3

Acct. No.	Account Description	Beginning Balance*	Accruals**	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
(Continued)										
<b>Capital Recovery Schedules:</b>		<b>This schedule should identify each approved capital recovery schedule.</b>								
	<i>Subtotal</i>	14,625,651	2,380,747	0	220,775	16,300	50	(1,231)	0	16,800,642
<b>Reserve for Jointly Used Plant allocated to Nonregulated</b>		( )	( )							( )
<b>Accumulated Depr. &amp; Amortization:</b>										
3200	- PHFU									
3300	- Nonoperating	63,939	2,350							66,289
3410	- Capital Lease									
3420	- Leasehold Improve.									
3500	- Intangibles									
3600	- Other	2,051	(72,063)					78,066		8,054
	<i>Subtotal</i>	65,990	(69,713)	0	0	0	0	78,066	0	74,343
	<b>Grand Total</b>	14,691,641	2,311,034	0	220,775	16,300	50	76,835	0	16,874,985
<p><b>Note:</b> * The grand total of beginning and ending balances plus jointly used plant allocated to nonregulated, if any, must agree to the subtotal of Depreciation &amp; Amortization in Schedule B-1, Balance Sheet.</p> <p>** The grand total of accruals plus jointly used plant allocated to nonregulated, if any, must agree with the total Depreciation &amp; Amortization Expense in Schedule I-1, Income Statement.</p>										

Revised 2-17-99

Total Company

**Annual Status Report**  
**Analysis of Entries in Accumulated Depreciation & Amortization**  
**Schedule B-4**

Company: **FRONTIER COMMUNICATIONS OF THE SOUTH, INC.**  
 For the Year Ended December 31, 1996

Page 3 of 3

Acct. No.	Account Description	Beginning Balance*	Accruals**	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
<i>(Continued)</i>										
<b>Capital Recovery Schedules:</b>		<b>This schedule should identify each approved capital recovery schedule.</b>								
<b>Subtotal</b>		14,625,651	2,380,747	0	212,120	16,300	0			16,800,642
<b>Reserve for Jointly Used Plant allocated to Nonregulated</b>		( )	( )							( )
<b>Accumulated Depr. &amp; Amortization:</b>										
3200	- PHFU									
3300	- Nonoperating	63,939	2,350							66,289
3410	- Capital Lease									
3420	- Leasehold Improve.									
3500	- Intangibles									
3600	- Other									
<b>Subtotal</b>		63,939	2,350							66,289
<b>Grand Total</b>		14,689,590	2,383,097	0	212,120	16,300	0			16,866,931
<p><b>Note:</b> * The grand total of beginning and ending balances plus jointly used plant allocated to nonregulated, if any, must agree to the subtotal of Depreciation &amp; Amortization in Schedule B-1, Balance Sheet.</p> <p>** The grand total of accruals plus jointly used plant allocated to nonregulated, if any, must agree with the total Depreciation &amp; Amortization Expense in Schedule I-1, Income Statement.</p>										

Florida Only

**Annual Status Report**  
**Analysis of Entries in Accumulated Depreciation & Amortization**  
**Schedule B-4**

Company: **FRONTIER COMMUNICATIONS OF THE SOUTH, INC.**

For the Year Ended December 31, 1996

Page 1 of 3

Acct. No.	Account Description	Beginning Balance*	Accruals**	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
<b>Amortizable General Support Assets:</b>										
2116	Other Work Equipment	0								0
2122	Furniture	3,204								3,204
2123	Office Support Equipment	0								0
2123	Company Communications	2,371						(1,366)		1,005
2124	General Purpose Computer	0								0
<b>This schedule should identify each account/subaccount for which a separate depreciation rate has been approved by the FPSC.</b>										
2112	Motor Vehicles	0								0
2121	Buildings	61,656	4,410							66,066
	Total Land & Support Assets	67,231	4,410	0	0	0	0	(1,366)	0	70,275
<b>Central Office Assets:</b>										
2212	Digital Electronic Switch	574,176	188,838							763,014
2215	Elec. Mechanical Switch	0								0
2220	Operator Systems	0								0
2231	Radio Systems	0								0
2232	Circuit Equipment	333,128	21,084					(336,116)		18,096
2232	Fiber Circuit Equipment	72,728	8,499					(50,959)		30,268
	Total Central Office Assets	980,032	218,421	0	0	0	0	(387,075)	0	811,378
<b>Info. Orig/Term Assets:</b>										
2321	Customer Premise Wiring	0								0
2351	Public Telephone Equipment	13,497	1,480							14,977
	Total Info. Orig/Term Assets	13,497	1,480	0	0	0	0	0	0	14,977

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**Annual Status Report  
Analysis of Plant in Service Accounts  
Schedule B-3**

**Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.**

**For the Year Ended December 31, 1996**

*Page 2 of 3*

Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
<b>(Continued)</b>									
<b>Cable and Wire Facilities</b>									
2411	Poles		0						0
2421	Aerial Cable Metallic		0						0
2421	Aerial Cable Fiber		0						0
2422	Underground Cable Metallic	5.9	1,612						1,612
2422	Underground Cable Fiber	5.3	2,692						2,692
2423	Buried Metallic Cable	5.5	3,920,325	76,745	76,641		933,476		4,853,905
2423	Buried Fiber Cable	5.0	799,064	1,659					800,723
2423	Buried Cable Terminal		0	131,949			367,656		499,605
2423	Buried Air Cove Cable	10.0	1,117,236				(1,117,236)		0
2441	Conduit Systems	1.7	1,710						1,710
	<b>Total Cable and Wire Facilities</b>		<b>5,842,639</b>	<b>210,353</b>	<b>76,641</b>				<b>6,160,247</b>

Florida Only

**Annual Status Report**  
**Analysis of Entries in Accumulated Depreciation & Amortization**  
**Schedule B-4**

Company: **FRONTIER COMMUNICATIONS OF THE SOUTH, INC.**  
 For the Year Ended December 31, 1996

Acct. No.	Account Description	Beginning Balance*	Accruals**	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
<i>(Continued)</i>										
<b>Capital Recovery Schedules:</b>		<b>This schedule should identify each approved capital recovery schedule.</b>								
	<i>Subtotal</i>	4,032,484	544,272	0	76,641	0	0	(388,433)	0	4,111,682
<b>Reserve for Jointly Used Plant allocated to Nonregulated</b>		( )	( )							( )
<b>Accumulated Depr. &amp; Amortization:</b>										
3200	- PHFU									
3300	- Nonoperating									0
3410	- Capital Lease									
3420	- Leasehold Improve.									
3500	- Intangibles									
3600	- Other		(9,411)					9411		0
	<i>Subtotal</i>	0	(9,411)	0	0	0	0	9,411	0	0
	<b>Grand Total</b>	4,032,484	534,861	0	76,641	0	0	(379,022)	0	4,111,682
<p><b>Note:</b> * The grand total of beginning and ending balances plus jointly used plant allocated to nonregulated, if any, must agree to the subtotal of Depreciation &amp; Amortization in Schedule B-1, Balance Sheet.</p> <p>** The grand total of accruals plus jointly used plant allocated to nonregulated, if any, must agree with the total Depreciation &amp; Amortization Expense in Schedule I-1, Income Statement.</p>										

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**Annual Status Report  
Analysis of Plant in Service Accounts  
Schedule B-3**

Company: **FRONTIER COMMUNICATIONS OF THE SOUTH, INC.**  
For the Year Ended December 31, 1996

Page 3 of 3

Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
(Continued)									
Capital Recovery Schedules:									
Jointly Used Plant Allocated to Nonregulated			( )	( )	( )	( )	( )	( )	( )
<i>Amortizable Assets:</i>									
2681	Capital Leases								
2682	Leasehold Improve.								
2690	Intangibles								
<b>Total Balances</b>			8,284,270	273,832	76,641				8,673,229

Note: \* The total beginning and ending balances plus jointly used plant allocated to nonregulated, if any, must agree to acct. 2001, Plant in Service, in Schedule B-1, Balance Sheet.



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**Annual Status Report**  
**Analysis of Entries in Accumulated Depreciation & Amortization**  
**Schedule B-4**

**Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.**  
**For the Year Ended December 31, 1996**

Page 1 of 3

Acct. No.	Account Description	Beginning Balance*	Accruals**	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
<b>Amortizable General Support Assets:</b>										
2116	Other Work Equipment	0								0
2122	Furniture	3,204								3,204
2123	Office Support Equipment	0								0
2123	Company Communications	2,371						(1,366)		1,005
2124	General Purpose Computer	0								0
<b>This schedule should identify each account/subaccount for which a separate depreciation rate has been approved by the FPSC.</b>										
2112	Motor Vehicles	0								0
2121	Buildings	61,656	4,410							66,066
	Total Land & Support Assets	67,231	4,410	0	0	0	0	(1,366)	0	70,275
<b>Central Office Assets:</b>										
2212	Digital Electronic Switch	574,176	188,838							763,014
2215	Elec. Mechanical Switch	0								0
2220	Operator Systems	0								0
2231	Radio Systems	0								0
2232	Circuit Equipment	333,128	21,084					(336,116)		18,096
2232	Fiber Circuit Equipment	72,728	8,499					(50,959)		30,268
	Total Central Office Assets	980,032	218,421	0	0	0	0	(387,075)	0	811,378
<b>Info. Orig/Term Assets:</b>										
2321	Customer Premise Wiring	0								0
2351	Public Telephone Equipment	13,497	1,480							14,977
	Total Info. Orig/Term Assets	13,497	1,480	0	0	0	0	0	0	14,977

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**Annual Status Report**  
**Analysis of Entries in Accumulated Depreciation & Amortization**  
**Schedule B-4**

**Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.**  
**For the Year Ended December 31, 1996**

Page 1 of 3

Acct. No.	Account Description	Beginning Balance*	Accruals**	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
<b>Amortizable General Support Assets:</b>										
2116	Other Work Equipment	0								0
2122	Furniture	3,204								3,204
2123	Office Support Equipment	0								0
2123	Company Communications	2,371						(1,366)		1,005
2124	General Purpose Computer	0								0
<b>This schedule should identify each account/subaccount for which a separate depreciation rate has been approved by the FPSC.</b>										
2112	Motor Vehicles	0								0
2121	Buildings	61,656	4,410							66,066
	Total Land & Support Assets	67,231	4,410							70,275
<b>Central Office Assets:</b>										
2212	Digital Electronic Switch	574,176	188,838							763,014
2215	Elec. Mechanical Switch	0								0
2220	Operator Systems	0								0
2231	Radio Systems	0								0
2232	Circuit Equipment	333,128	21,084					(336,116)		18,096
2232	Fiber Circuit Equipment	72,728	8,499					(50,959)		30,268
	Total Central Office Assets	980,032	218,421							811,378
<b>Info. Orig/Term Assets:</b>										
2321	Customer Premise Wiring	0								0
2351	Public Telephone Equipment	13,497	1,480							14,977
	Total Info. Orig/Term Assets	13,497	1,480							14,977

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**Annual Status Report**  
**Analysis of Entries in Accumulated Depreciation & Amortization**  
**Schedule B-4**

**Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.**  
**For the Year Ended December 31, 1996**

Page 2 of 3

Acct. No.	Account Description	Beginning Balance*	Accruals**	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
<b>(Continued)</b>										
<b>Cable and Wire Facilities:</b>										
	2411 Poles	0								0
	2421 Aerial Cable Metallic	0								0
	2421 Aerial Cable Fiber	0								0
	2422 Underground Cable Metallic	874	93							967
	2422 Underground Cable Fiber	857	137							994
	2423 Buried Metallic Cable	1,737,212	254,070		76,641			1,005,380		2,920,021
	2423 Buried Fiber Cable	254,694	37,605							292,299
	2423 Buried Cable Terminal	0								0
	2423 Buried Aire Core Cable	977,347	28,025					(1,005,372)		0
	2441 Conduit Systems	740	31							771
	<b>Total Cable &amp; Wire Facilities</b>	<b>2,971,724</b>	<b>319,961</b>		<b>76,641</b>		<b>0</b>			<b>3,215,052</b>

Florida Only

**Annual Status Report**  
**Analysis of Entries in Accumulated Depreciation & Amortization**  
**Schedule B-4**

**Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.**  
**For the Year Ended December 31, 1996**

Page 3 of 3

Acct. No.	Account Description	Beginning Balance*	Accruals**	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
(Continued)										
<b>Capital Recovery Schedules:</b>		This schedule should identify each approved capital recovery schedule.								
<b>Subtotal</b>		4,032,484	544,272	0	76,641	0	0	(388,433)	0	4,111,682
<b>Reserve for Jointly Used Plant allocated to Nonregulated</b>		(	( )							(
<b>Accumulated Depr. &amp; Amortization:</b>										
3200	- PHFU									
3300	- Nonoperating									0
3410	- Capital Lease									
3420	- Leasehold Improve.									
3500	- Intangibles									
3600	- Other		(9,411)					9,411		0
<b>Subtotal</b>		0	(9,411)	0	0	0	0	9,411	0	0
<b>Grand Total</b>		4,032,484	534,861	0	76,641	0	0	(379,022)	0	4,111,682
<p><b>Note:</b> * The grand total of beginning and ending balances plus jointly used plant allocated to nonregulated, if any, must agree to the subtotal of Depreciation &amp; Amortization in Schedule B-1, Balance Sheet.</p> <p>** The grand total of accruals plus jointly used plant allocated to nonregulated, if any, must agree with the total Depreciation &amp; Amortization Expense in Schedule I-1, Income Statement.</p>										

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**Annual Status Report**  
**Analysis of Entries in Accumulated Depreciation & Amortization**  
**Schedule B-4**

Company: **FRONTIER COMMUNICATIONS OF THE SOUTH, INC.**  
 For the Year Ended December 31, 1996

Acct. No.	Account Description	Beginning Balance*	Accruals**	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
<i>(Continued)</i>										
<b>Capital Recovery Schedules:</b>		<b>This schedule should identify each approved capital recovery schedule.</b>								
	<b>Subtotal</b>	4,032,484	544,272	0	76,641	0	0			4,111,682
	<b>Reserve for Jointly Used Plant allocated to Nonregulated</b>	(	)							(
<b>Accumulated Depr. &amp; Amortization:</b>										
3200	- PHFU									
3300	- Nonoperating									0
3410	- Capital Lease									
3420	- Leasehold Improve.									
3500	- Intangibles									
3600	- Other									
	<b>Subtotal</b>	0	0							0
	<b>Grand Total</b>	4,032,484	544,272	0	76,641	0	0			4,111,682
<p>Note: * The grand total of beginning and ending balances plus jointly used plant allocated to nonregulated, if any, must agree to the subtotal of Depreciation &amp; Amortization in Schedule B-1, Balance Sheet.</p> <p>** The grand total of accruals plus jointly used plant allocated to nonregulated, if any, must agree with the total Depreciation &amp; Amortization Expense in Schedule I-1, Income Statement.</p>										

**Deferred Charges (Account 1439)  
Schedule B-5**

Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.  
For the Year Ended December 31, 1996

Description of Items	Amount at Year End
Account 1439 - List five largest items	\$
Miscellaneous Deferred Items	207,451
Aggregate of All Other Items	
<b>Total</b>	<b>\$207,451</b>

**Accounts Payable (Account 4010)  
Schedule B-6**

Name of Creditor	Beg. Balance	Activity During Year		Ending Balance
		Gross Debits	Gross Credits	
Payable to Affiliates	\$ 0	\$ 0	\$ 0	\$ 0
Other Affiliates	0	0	0	0
Affiliated Inventory Transfer	0	0	0	0
Frontier Information Technologies, Inc.	135,425	135,425	0	0
Affiliated Price Caps Support	(126,040)	27,000	153,040	0
Frontier Corporation	270,161	1,966,241	2,505,738	809,658
Frontier Communications of Lamar County, Inc.	3,566	31,790	28,855	631
Frontier Communications of Alabama, Inc.	116,021	796,412	710,814	30,423
Frontier Comm.	107	321	214	0
Frontier Communications of Georgia, Inc.	4,637	33,851	43,944	14,730
Frontier Communications of Mississippi, Inc.	2,873	52,318	50,794	1,349
Frontier Communications of Pennsylvania, Inc.	8,738	18,949	10,211	0
Frontier Information Services	37,186	106,463	73,388	4,111
Frontier Communications of Minnesota, Inc.	9,611	804,644	833,394	38,361
Frontier Communications of New York, Inc.	51	194	143	0
Rochester Telephone Corp.	21,897	364,327	397,816	55,386
Frontier Communications, International-Telecard	5,140	5,140	0	0
<b>Total</b>	<b>\$489,373</b>	<b>\$4,343,075</b>	<b>\$4,808,351</b>	<b>\$954,649</b>
Other Accounts Payable (List Ten Largest Items.)				\$
OSP Carriers				17,505
AT&T				293,062
Touch One				(19,436)
South Central Bell				119,821
Southern Bell				98,752
E-911 Fees				13,865
Federal Excise Tax				18,842
Aggregate of All Other Items				1,858,099
<b>Total</b>				<b>\$3,355,159</b>

**Long-Term Debt (Accts 4050, 4210, 4220, 4230, 4260 & 4270)**

**Schedule B-7**

**Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.**

**For the Year Ended December 31, 1996**

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
See attached schedule			\$ 408,013	\$ 9,711,344	\$	\$		\$
Unamortized Debt Issuance						0		
<b>Total</b>			408,013	9,711,344	0	0		0

FRONTIER COMMUNICATIONS OF THE SOUTH INC  
LONG TERM DEBT SCHEDULE & FUTURE DEBT MATURITIES  
12/31/96

DESCRIPTION	%	DUE DATE	OUTSTANDING BALANCE '96		1997	1998	1999	2000	2001	THEREAFTER
REA 2060	2	1999	\$12,218		\$4,838	\$4,935	\$2,445			
REA 2070/71	2	2000	\$76,878		\$20,132	\$20,538	\$20,952	\$15,256		
REA 2080/81	2	2003	\$595,769		\$83,451	\$85,133	\$86,848	\$88,579	\$90,371	\$161,387
REA 2110	2	1996	\$0							
REA 2130	2	2006	\$486,601	\$1,171,466	\$45,732	\$46,653	\$47,594	\$48,533	\$49,516	\$248,573
REA 12140	5	2018	\$569,078		\$14,747	\$15,501	\$16,295	\$17,054	\$17,928	\$487,553
REA 12141	5	2018	\$607,769	\$1,176,847	\$15,683	\$16,485	\$17,329	\$18,135	\$19,051	\$521,086
<b>TOTAL REA</b>			<b>\$2,348,314</b>	<b>\$2,348,314</b>	<b>\$184,583</b>	<b>\$189,245</b>	<b>\$191,463</b>	<b>\$187,557</b>	<b>\$176,866</b>	<b>\$1,418,600</b>
RTB S010	6	2008	\$1,211,679	\$1,211,679	\$73,228	\$77,721	\$82,490	\$87,390	\$92,659	\$798,191
RTB S030	6.5	2012	\$1,748,251		\$66,068	\$70,468	\$75,161	\$79,888	\$85,133	\$1,371,533
RTB S031	6.5	2013	\$563,400	\$2,311,652	\$20,735	\$22,116	\$23,589	\$25,070	\$26,710	\$445,180
RTB S050	7.5	2022	\$3,346,454		\$45,671	\$49,217	\$53,037	\$56,456	\$60,720	\$3,081,353
RTB S051	7.5	2022	\$901,257	\$4,247,711	\$17,728	\$19,105	\$20,588	\$22,002	\$23,726	\$798,109
<b>TOTAL RTB</b>			<b>\$7,771,042</b>	<b>\$7,771,042</b>	<b>\$223,430</b>	<b>\$238,627</b>	<b>\$254,865</b>	<b>\$270,806</b>	<b>\$288,948</b>	<b>\$6,494,366</b>
<b>TOTAL LONG TERM DEBT</b>			<b>\$10,119,356</b>	<b>\$10,119,356</b>	<b>\$408,013</b>	<b>\$427,872</b>	<b>\$446,328</b>	<b>\$458,363</b>	<b>\$465,814</b>	<b>\$7,912,966</b>
<b>LESS: CURRENT PORTION</b>			<b>(\$408,013)</b>							
<b>LONG TERM PORTION</b>			<b>\$9,711,342.53</b>							



**Net Deferred Operating Income Taxes (Accts 4100 & 4340)**

**Schedule B-8**

**Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.**

**For the Year Ended December 31, 1996**

Particulars	Acct. No.	Beginning Balance	Current Year Accrual	Current Year Amort.	Adjust Dr/Cr	Ending Balance
<b>Property Related:</b>		\$	\$	\$	\$	\$
Net Current Op Inc Taxes(Acct 4100)						
Provision for Def Op Inc Taxes-Net Federal Income Taxes						
State and Local Income Taxes						
<b>Total Net Current Op Inc Taxes</b>		\$	\$	\$	\$	\$
Net Noncurr Op Inc Taxes(Acct 4340)						
Provision for Def Op Inc Taxes-Net Federal Income Taxes		2,341,747		153,504		2,188,243
State and Local Income Taxes		128,620		19,635		108,985
<b>Total Net Noncurr Op IT</b>		\$2,470,367	\$0	\$173,139	\$0	\$2,297,228
<b>Total Property Related Def Op Inc Taxes</b>		\$	\$	\$	\$	\$
<b>Nonproperty Related:</b>						
Net Curr Operating Inc Taxes(Acct 4100)						
Provision for Def Op Inc Taxes-Net Federal Income Taxes						
State and Local Income Taxes						
<b>Total Net Current Op Inc Taxes</b>		\$	\$	\$	\$	\$
Net Noncurr Op Inc Taxes(Acct 4340)						
Provision for Def Op Inc Taxes-Net Federal Income Taxes						
State and Local Income Taxes						
<b>Total Net Noncurr Op Inc Taxes</b>		\$	\$	\$	\$	\$
<b>Total Nonproperty Related Def Op Inc Taxes</b>		\$	\$	\$	\$	\$

**Other Deferred Credits (Account 4360)**  
**Schedule B-9**

Description of Items	Amount at Year End
Account 4360 - List ten largest items	
Price Caps	(25,916)
Deferred Tax reg Liability	81,553
Aggregate of All Other Items	
<b>Total</b>	<b>\$55,637</b>

**Funded Debt Recquired or Retired During the Year**  
**Schedule B-10**

**Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.**

**For the Year Ended December 31, 1996**

Description of Security	Reacquired During Year		Retired During Year Book/Face Amount	Effective Date of Call (if any)	Unamortized Discount or (Premium) Acct & Amt
	Reacquisition Cost Per \$100 of Debt	Book/Face Amount			
None					
Description of Security	Redemption Premium or (Discount) Acct & Amt	Reacquisition or Redemp Exp Acct & Amt	Remarks		
None					

**Total Company**

**INCOME STATEMENT  
SCHEDULE I-1**

**Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.**

**For the year ended December 31, 1996**

**Page 1 of 4**

Ref. Sch.	Account No.	Accounts	Amounts (\$)		Total Company Prior Year
			Current Year		
			Year	Year	
		<b>OPERATING REVENUES</b>			
	5001	Basic Area	2,544,328		2,450,876
	5002	Extended Area			
	5003	Cellular Mobile			
	5004	Other Mobile Service	26,659		8,451
	5010	Public Telephone	37,549		46,930
	5040	Local Private Line	28,526		35,380
	5050	Customer Premises	291,935		187,498
	5060	Other Local Exchange	1,463,544		862,618
	5069	Other Local Ex. Settlements			
		<b>Total Local Net. Service</b>	4,392,541		3,591,753
	5081	End User	676,957		638,658
	5082	Switched Access	2,201,088		2,438,925
	5083	Special Access	288,642		267,989
	5084	State Access	2,589,834		2,501,013
		<b>Total Network Access</b>	5,756,521		5,846,585
	5100	Long Distance Message	1,028,209		856,222
	5111	Long Distance Inward			
	5112	Long Distance Outward			
	5121	Subvoice Grade LD Private Net.	57,836		83,647
	5122	Voice Program Grade LD			
	5123	Audio Program Grade LD			
	5124	Video Program Grade LD			
	5125	Digital Transmission LD			
	5126	LD Private Network Switching			
	5128	Other LD Private Network			
	5129	Other LD Private Net. Settle.			
	5160	Other LD Revenue			
	5169	Other LD Revenue Settle.	57,535		154,168
		<b>Total LD Network</b>	1,143,580		1,094,037
	5230	Directory	208,917		231,613
	5240	Rent	25,785		17,441
	5250	Corporate Operations			
	5261	Special Billing Arrangement			
	5262	Customer Operations			
	5263	Plant Operations			
	5264	Other Incidental Regulated Rev.	55,187		47,174
	5269	Other Revenue Settle.	5,653		15,170
	5270	Interstate Billing & Collection	250,019		250,287
		Intrastate Billing & Collection	301,976		279,731
	5301	Uncollectible Revenue-Tele.	(255,984)		7,789
	5302	Uncollectible Revenue-Other			
		<b>Total Miscellaneous</b>	591,553		849,205
		<b>TOTAL OPERATING REVENUES</b>	11,884,195		11,381,580

**Total Company**

**INCOME STATEMENT  
SCHEDULE I-1**

**Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.**

**For the year ended December 31, 1996**

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Acct. No.	Account	Salaries & Wages	Benefits	Rents	Other Expenses	Current Year Total	Prior Year Total
	<b>Plant Specific Exp.</b>						
6112	Motor Vehicle				6	6	
6113	Aircraft				5,867	5,867	
6114	Vehicle						
6115	Garage Work Equip.						
6116	Other Work Equip.						
	<b>Total Network Support</b>				5,873	5,873	
6121	Land & Building	48,093	6,883	2,238	136,833	194,047	167,757
6122	Furniture & Artwork				927	927	1,737
6123	Office Equip.				1,654	1,654	145
6124	Gen. Purpose Computer	36	11	3	306,162	306,212	489,120
	<b>Total General Support</b>	48,129	6,894	2,241	445,576	502,840	658,759
6211	Analog Electronic						
6212	Digital Electronic	89,866	24,627	10,383	49,924	174,800	240,679
6215	Electro-mechanical						
	<b>Total CO Switching</b>	89,866	24,627	10,383	49,924	174,800	240,679
6220	Operator Systems						
6231	Radio Systems	27,072	7,085	3,190	10,292	47,639	36,212
6232	Circuit Equip.	17,410	5,358	2,132	75,528	100,428	59,625
	<b>Total Circuit Equip.</b>	44,482	12,443	5,322	85,820	148,067	95,837
6311	Station Apparatus						
6341	Large PBX						
6351	Public Tele. Terminal	2,939	431	1,278	16,925	21,573	18,129
6362	Other Terminal Equip.					0	85
	<b>Total Info. Orig/Term</b>	2,939	431	1,278	16,925	21,573	18,214
6411	Poles	35	11	113	4,116	4,275	2,733
6421	Aerial Cable	1,741	706	293	8,780	11,520	36,058
6422	Underground Cable	34,416	9,756	4,272	12,504	60,948	32,533
6423	Buried Cable	265,427	72,836	33,627	152,744	524,634	564,879
6424	Submarine Cable						
6425	Deep Sea Cable						
6426	Intrabuilding Network						
6431	Aerial Wire						
6441	Conduit Systems	141	7	5	289	442	
6499	Outside Plt. Nonprod - Other	8,979	2,268	1,083	1,163	13,493	2,191
	<b>Total Cable &amp; Wire</b>	310,739	85,584	39,393	179,596	615,312	638,394
	<b>Total Plant Specific</b>	496,155	129,979	58,617	783,714	1,468,465	1,651,883
	<b>Plant Nonspecific Exp</b>						
6510	Other Property Plt				2	2	100
6531	Power				85,678	85,678	88,022
6532	Network Admin.				1,910	1,910	5,615
6533	Testing	41,578	8,928		144,698	195,204	172,554
6534	Plant Op. Admin.	71,503	9,714	(450)	27,770	108,537	140,491
6535	Engineering	48,254	13,438		19,755	81,447	88,975
	<b>Total Network Op.</b>	161,335	32,080	(450)	279,813	472,778	495,757

**Total Company**

**INCOME STATEMENT  
SCHEDULE I-1**

**Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.**

**For the year ended December 31, 1996**

**Page 3 of 4**

Acct. No.	Account	Salaries & Wages	Benefits	Rents	Other Expenses	Current Year Total	Prior Year Total
6540	Access				149,916	149,916	156,910
6561	Depreciation - TPIS				2,304,805	2,304,805	2,233,608
6562	Depreciation - PHFU						
6563	Amortization - Tangible				5,327	5,327	
6564	Amortization - Intang.				901	901	
6565	Amortization - Other						
	<b>Total Depr. &amp; Amort.</b>				2,311,033	2,311,033	2,233,608
	<b>Total Plt Nonspecific</b>	161,335	32,080	(450)	2,740,762	2,933,727	2,886,275
	<b>Customer Operations</b>						
6611	Product Management				31,552	31,552	12
6612	Sales	96,526	1,062		62,521	160,109	194,750
6613	Product Advertising				24,504	24,504	12,497
	<b>Total Marketing</b>	96,526	1,062		118,577	216,165	207,259
6621	Call Completion						
6622	Number Service				158,655	158,655	140,780
6623	Customer Service	71,852	(5,559)		1,192,070	1,258,363	728,763
	<b>Total Services</b>	71,852	(5,559)		1,350,725	1,417,018	869,543
	<b>Total Customer Op</b>	168,378	(4,497)		1,469,302	1,633,183	1,076,802
	<b>Coporate Operations</b>						
6711	Executive	6,639	(800)		141,862	147,701	62,878
6712	Planning	(18,608)	20		26,867	8,279	13,770
6721	Accounting/Finance	52,153	2,558		349,690	404,401	167,970
6722	External Relations				86,373	86,373	46,927
6723	Human Resources				114,333	114,333	24,909
6724	Info. Management				218,048	218,048	161,424
6725	Legal				92,275	92,275	33,901
6726	Procurement	25	8		34,219	34,252	11,236
6727	Research/Development						
6728	Other Gen. & Admin.				140,919	140,919	875,259
	<b>Total Corporate Op</b>	40,209	1,786		1,204,586	1,246,581	1,398,274
	<b>TOTAL OPERATING EXP</b>	866,077	159,348	58,167	6,198,364	7,281,956	7,013,234

Ref. Sch.	Account No.	Accounts	Amounts (\$)	
			Current Year	Prior Year
	7110	Income from Custom Work		
	7130	Return from Nonreg. Use of Reg. Fac.		
	7140	Gain/Loss from Foreign Exchange		
	7150	Gain/Loss from Disp. of Land/Artwork		
	7160	Other Operating Gains and Losses		
		<b>Other Op. Inc. &amp; Expenses</b>		
	7210	Operating ITC	(36,000)	(36,000)
	7220	Operating Federal Income Taxes	1,510,657	1,089,979
	7230	Operating State & Local Income Taxes	174,043	113,994
I-2	7240	Other Operating Taxes	342,359	350,180
	7250	Provision for Deferred Op. Taxes-Net	(185,098)	169,175
		<b>Total Operating Taxes</b>	<b>1,805,961</b>	<b>1,687,328</b>
		<b>Net Operating Income</b>	<b>2,796,278</b>	<b>2,681,018</b>
	7310	Dividend Income		75
	7320	Interest Income	260,838	399,008
	7330	Income from Sinking & Other Funds		
	7340	Allow. for Funds Used During Const.	12,882	
	7350	Gain/Loss from the Disp. of Property		5,554
	7360	Other Nonoperating Income	1,082,620	813,602
I-4	7370	Special Charges	(19,797)	(30,887)
		<b>Total Nonop. Income &amp; Exp.</b>	<b>1,336,543</b>	<b>1,187,352</b>
	7410	Nonop. ITC - Net		
	7420	Nonop. Federal Income Taxes		
	7430	Nonop. State & Local Income Taxes		
	7440	Nonop. Other Taxes		
	7450	Prov. for Def. Nonop. Inc. Tax-Net		
		<b>Total Nonop. Taxes</b>		
B-7	7510	Interest on Funded Debt	633,745	651,621
	7520	Interest Expense - Capital Leases		
B-7	7530	Amortization of Debt Issuance Exp		990
	7540	Other Interest Deductions	26,043	10,758
		<b>Total Interest &amp; Related Items</b>	<b>659,788</b>	<b>663,369</b>
I-8	7610	Extraordinary Income Credits		
"	7620	Extraordinary Income Charges		
"	7630	Curr. Inc Tax Effect of Ex. Items-Net		
		<b>Total Extraordinary Items</b>	<b>0</b>	<b>0</b>
	7910	Inc. Effect of Juris. Ratemaking Diff.		
	7990	Nonregulated Net Income	(82,789)	(113,591)
		<b>NET INCOME</b>	<b>3,390,244</b>	<b>3,091,410</b>

**INCOME STATEMENT  
SCHEDULE I-1**

Company: **FRONTIER COMMUNICATIONS OF THE SOUTH, INC.**

For the year ended December 31, 1996

Page 1 of 4

Ref. Sch.	Account No.	Accounts	Amounts (\$)		
			Current Year		Total Company Prior Year
			Total Company	Intrastate	
<b>OPERATING REVENUES</b>					
	5001	Basic Area	535,270	535,270	529,941
	5002	Extended Area			
	5003	Cellular Mobile			
	5004	Other Mobile Service			
	5010	Public Telephone	4,813	4,813	7,158
	5040	Local Private Line	3,651	3,651	3,006
	5050	Customer Premises	32,865	32,865	24,401
	5060	Other Local Exchange	174,532	174,532	225,724
	5069	Other Local Ex. Settlements			
		<b>Total Local Net. Service</b>	<b>751,131</b>	<b>751,131</b>	<b>790,230</b>
	5081	End User	158,612		155,192
	5082	Switched Access	347,353		408,743
	5083	Special Access	17,645		17,052
	5084	State Access	101,778	101,778	132,284
		<b>Total Network Access</b>	<b>625,388</b>	<b>101,778</b>	<b>713,271</b>
	5100	Long Distance Message	117,353	117,353	159,829
	5111	Long Distance Inward			
	5112	Long Distance Outward			
	5121	Subvoice Grade LD Private Net.	(630)	(630)	2,547
	5122	Voice Program Grade LD			
	5123	Audio Program Grade LD			
	5124	Video Program Grade LD			
	5125	Digital Transmission LD			
	5126	LD Private Network Switching			
	5128	Other LD Private Network			
	5129	Other LD Private Net. Settle.			
	5160	Other LD Revenue			
	5169	Other LD Revenue Settle.			
		<b>Total LD Network</b>	<b>116,723</b>	<b>116,723</b>	<b>162,376</b>
	5230	Directory	18,562	18,562	30,741
	5240	Rent	3,714	3,714	3,860
	5250	Corporate Operations			
	5261	Special Billing Arrangement			
	5262	Customer Operations			
	5263	Plant Operations			
	5264	Other Incidental Regulated Rev.			
	5269	Other Revenue Settle.	5,563	5,563	7,961
	5270	Interstate Billing & Collection	42,425		102,171
		Intrastate Billing & Collection	44,864	44,864	6,155
	5301	Uncollectible Revenue-Tele.	(20)	(20)	(502)
	5302	Uncollectible Revenue-Other			
		<b>Total Miscellaneous</b>	<b>115,108</b>	<b>72,683</b>	<b>150,386</b>
		<b>TOTAL OPERATING REVENUES</b>	<b>1,608,350</b>	<b>1,042,315</b>	<b>1,816,263</b>

**INCOME STATEMENT  
SCHEDULE I-1**

Company: **FRONTIER COMMUNICATIONS OF THE SOUTH, INC.**

For the year ended December 31, 1996

Ref. Sch.	Account No.	Accounts	Amounts (\$)		
			Current Year		Total Company Prior Year
			Total Company	Intrastate	
<b>OPERATING REVENUES</b>					
	5001	Basic Area	535,270	535,270	529,941
	5002	Extended Area			
	5003	Cellular Mobile			
	5004	Other Mobile Service			
	5010	Public Telephone	4,813	4,813	7,158
	5040	Local Private Line	3,651	3,651	3,006
	5050	Customer Premises	32,865	32,865	24,401
	5060	Other Local Exchange	174,532	174,532	225,724
	5069	Other Local Ex. Settlements			
		<b>Total Local Net. Service</b>	<b>751,131</b>	<b>751,131</b>	<b>790,230</b>
	5081	End User	158,612		155,192
	5082	Switched Access	347,353		408,743
	5083	Special Access	17,645		17,052
	5084	State Access	101,778	101,778	132,284
		<b>Total Network Access</b>	<b>625,388</b>	<b>101,778</b>	<b>713,271</b>
	5100	Long Distance Message	117,353	117,353	159,829
	5111	Long Distance Inward			
	5112	Long Distance Outward			
	5121	Subvoice Grade LD Private Net.	(630)	(630)	2,547
	5122	Voice Program Grade LD			
	5123	Audio Program Grade LD			
	5124	Video Program Grade LD			
	5125	Digital Transmission LD			
	5126	LD Private Network Switching			
	5128	Other LD Private Network			
	5129	Other LD Private Net. Settle.			
	5160	Other LD Revenue			
	5169	Other LD Revenue Settle.			
		<b>Total LD Network</b>	<b>116,723</b>	<b>116,723</b>	<b>162,376</b>
	5230	Directory	18,562	18,562	30,741
	5240	Rent	3,714	3,714	3,860
	5250	Corporate Operations			
	5261	Special Billing Arrangement			
	5262	Customer Operations			
	5263	Plant Operations			
	5264	Other Incidental Regulated Rev.			
	5269	Other Revenue Settle.	5,563	5,563	7,961
	5270	Interstate Billing & Collection	50,679		102,171
		Intrastate Billing & Collection	36,610	36,610	6,155
	5301	Uncollectible Revenue-Tele.	(20)	(20)	(502)
	5302	Uncollectible Revenue-Other			
		<b>Total Miscellaneous</b>	<b>115,108</b>	<b>64,429</b>	<b>150,386</b>
		<b>TOTAL OPERATING REVENUES</b>	<b>1,608,350</b>	<b>1,034,061</b>	<b>1,816,263</b>



**INCOME STATEMENT  
SCHEDULE I-1**

Company: **FRONTIER COMMUNICATIONS OF THE SOUTH, INC.**

For the year ended December 31, 1996

Acct. No.	Account	Salaries & Wages	Benefits	Rents	Other Expenses	Current Year Total	Prior Year Total
	<b>Plant Specific Exp.</b>						
6112	Motor Vehicle	(52)	(23)		240	165	
6113	Aircraft				1,450	1,450	
6114	Vehicle						
6115	Garage Work Equip.						
6116	Other Work Equip.				169	169	
	<b>Total Network Support</b>	(52)	(23)	0	1,859	1,784	0
6121	Land & Building	11,255	2,738	1,526	22,307	37,826	39,669
6122	Furniture & Artwork				142	142	
6123	Office Equip.				570	570	
6124	Gen. Purpose Computer	4			67,155	67,159	123,980
	<b>Total General Support</b>	11,259	2,738	1,526	90,174	105,697	163,649
6211	Analog Electronic						
6212	Digital Electronic	18,598	5,332	2,202	6,338	32,470	40,229
6215	Electro-mechanical						
	<b>Total CO Switching</b>	18,598	5,332	2,202	6,338	32,470	40,229
6220	Operator Systems						
6231	Radio Systems	5,093	1,517	722	987	8,319	7,588
6232	Circuit Equip.	3,563	1,076	432	7,439	12,510	11,968
	<b>Total Circuit Equip.</b>	8,656	2,593	1,154	8,426	20,829	19,556
6311	Station Apparatus						
6341	Large PBX						
6351	Public Tele. Terminal	94	21	8	6,119	6,242	2,931
6362	Other Terminal Equip.						
	<b>Total Info. Orig/Term</b>	94	21	8	6,119	6,242	2,931
6411	Poles						
6421	Aerial Cable				1,182	1,182	663
6422	Underground Cable	9,715	2,570	1,278	2,806	16,369	5,574
6423	Buried Cable	92,107	25,550	11,683	38,510	167,850	164,820
6424	Submarine Cable						
6425	Deep Sea Cable						
6426	Intrabuilding Network						
6431	Aerial Wire						
6441	Conduit Systems					0	636
6499	Outside Plt. Nonprod - Other	1,616	405	105	96	2,222	
	<b>Total Cable &amp; Wire</b>	103,438	28,525	13,066	42,594	187,623	171,693
	<b>Total Plant Specific</b>	141,993	39,186	17,956	155,510	354,645	398,058
	<b>Plant Nonspecific Exp</b>						
6510	Other Property Plt	(14)	(4)	(6)	(4,669)	(4,693)	
6531	Power				21,114	21,114	21,294
6532	Network Admin.				331	331	1,330
6533	Testing	4,027	915		10,385	15,327	35,687
6534	Plant Op. Admin.	17,016	4,524	26	8,664	30,230	36,804
6535	Engineering	13,827	4,127		(2,817)	15,137	17,757
	<b>Total Network Op.</b>	34,856	9,562	20	33,008	77,446	112,872

**INCOME STATEMENT**  
**SCHEDULE I-1**

Company: **FRONTIER COMMUNICATIONS OF THE SOUTH, INC.**

For the year ended December 31, 1996

Acct. No.	Account	Salaries & Wages	Benefits	Rents	Other Expenses	Current Year Total	Prior Year Total
6540	Access				149,916	149,916	156,738
6561	Depreciation - TPIS				533,442	533,442	463,740
6562	Depreciation - PHFU						
6563	Amortization - Tangible				1,212	1,212	
6564	Amortization - Intang.				207	207	
6565	Amortization - Other						
	<b>Total Depr. &amp; Amort.</b>				534,861	534,861	463,740
	<b>Total Plt Nonspecific</b>	34,856	9,562	20	717,785	762,223	733,350
	<b>Customer Operations</b>						
6611	Product Management				6,773	6,773	3
6612	Sales	23,241	437		14,607	38,285	48,214
6613	Product Advertising				3,565	3,565	3,061
	<b>Total Marketing</b>	23,241	437		24,945	48,623	51,278
6621	Call Completion						
6622	Number Service				22,765	22,765	26,217
6623	Customer Service	34,472	6,886		262,879	304,237	191,146
	<b>Total Services</b>	34,472	6,886		285,644	327,002	217,363
	<b>Total Customer Op</b>	57,713	7,323		310,589	375,625	268,641
	<b>Coporate Operations</b>						
6711	Executive	1,717	(143)		33,818	35,392	18,437
6712	Planning				5,615	5,615	3,367
6721	Accounting/Finance	13,040	470		78,880	92,390	37,328
6722	External Relations				29,395	29,395	11,933
6723	Human Resources				28,715	28,715	6,195
6724	Info. Management				57,182	57,182	40,796
6725	Legal				16,196	16,196	23,071
6726	Procurement				7,753	7,753	2,881
6727	Research/Development						
6728	Other Gen. & Admin.				58,311	58,311	201,607
	<b>Total Corporate Op</b>	14,757	327		315,865	330,949	345,615
	<b>TOTAL OPERATING EXP</b>	249,319	56,398	17,976	1,499,749	1,823,442	1,745,664

**INCOME STATEMENT**  
**SCHEDULE I-1**

Company: **FRONTIER COMMUNICATIONS OF THE SOUTH, INC.**

For the year ended December 31, 1996

Ref. Sch.	Account No.	Accounts	Amounts (\$)	
			Current Year	Prior Year
	7110	Income from Custom Work		
	7130	Return from Nonreg. Use of Reg. Fac.		
	7140	Gain/Loss from Foreign Exchange		
	7150	Gain/Loss from Disp. of Land/Artwork		
	7160	Other Operating Gains and Losses		
		<b>Other Op. Inc. &amp; Expenses</b>		
	7210	Operating ITC	(9,000)	(7,200)
	7220	Operating Federal Income Taxes	371,179	(16,284)
	7230	Operating State & Local Income Taxes	62,039	(2,708)
I-2	7240	Other Operating Taxes	129,870	130,977
	7250	Provision for Deferred Op. Taxes-Net	(47,863)	
		<b>Total Operating Taxes</b>	<b>506,225</b>	<b>104,785</b>
		<b>Net Operating Income</b>	<b>(721,317)</b>	<b>(34,186)</b>
	7310	Dividend Income		
	7320	Interest Income		
	7330	Income from Sinking & Other Funds		
	7340	Allow. for Funds Used During Const.		
	7350	Gain/Loss from the Disp. of Property		
	7360	Other Nonoperating Income		
I-4	7370	Special Charges		
		<b>Total Nonop. Income &amp; Exp.</b>	<b>0</b>	<b>0</b>
	7410	Nonop. ITC - Net		
	7420	Nonop. Federal Income Taxes		
	7430	Nonop. State & Local Income Taxes		
	7440	Nonop. Other Taxes		
	7450	Prov. for Def. Nonop. Inc. Tax-Net		
		<b>Total Nonop. Taxes</b>	<b>0</b>	<b>0</b>
B-7	7510	Interest on Funded Debt		
	7520	Interest Expense - Capital Leases		
B-7	7530	Amortization of Debt Issuance Exp		
	7540	Other Interest Deductions	2,641	1,379
		<b>Total Interest &amp; Related Items</b>	<b>2,641</b>	<b>1,379</b>
I-8	7610	Extraordinary Income Credits		
"	7620	Extraordinary Income Charges		
"	7630	Curr. Inc Tax Effect of Ex. Items-Net		
		<b>Total Extraordinary Items</b>	<b>0</b>	<b>0</b>
	7910	Inc. Effect of Juris. Ratemaking Diff.		
	7990	Nonregulated Net Income	(27,390)	
		<b>NET INCOME</b>	<b>(751,348)</b>	<b>(35,565)</b>

**Other Operating Taxes**  
**Schedule I-2**

**Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.**

**For the Year Ended December 31, 1996**

Name of Governemnt	Type of Tax						Total
	Property	Gross Receipts	PSC Assess	Intangible	Franchise	Others*	
U.S. Government							
State of Florida	114,310	14,794	199	307		3,960	133,570
State of Alabama	192,000						192,000
Environmental Tax							0
Escambia Co. Occupational Tax						260	260
Inspection Tax						12,628	12,628
Other						3,901	3,901
Note: * List separately each item in excess of \$500.							
<b>Total</b>	<b>\$306,310</b>	<b>\$14,794</b>	<b>\$199</b>	<b>\$307</b>	<b>\$0</b>	<b>\$20,749</b>	<b>\$342,359</b>
Charged to Construction							
<b>Net Charged to Account</b>	<b>\$306,310</b>	<b>\$14,794</b>	<b>\$199</b>	<b>\$307</b>	<b>\$0</b>	<b>\$20,749</b>	<b>\$342,359</b>

**Prepaid Taxes and Tax Accruals (Accounts 1300, 4070 & 4080)**

**Schedule I-3**

**Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.**

**For the Year Ended December 31, 1996**

Particulars	Beginning Balance			Current Acc.		Paid During Year	Adj. Dr/Cr	Ending Balance Year		
	Pre Taxes Acct 1300	IT-Acc Acct 4070	Other Tax Acct 4080	Acct No	Amount			Pre Taxes Acct 1300	IT-Acc Acct 4070	Other Tax Acct 4080
	\$	\$	\$		\$	\$	\$	\$	\$	\$
FL Gross Receipts			3,457		46,747	45,567				4,637
AL Gross Receipts			14,200		519,333	522,301				11,232
FED Income Tax		(182,244)			2,447,991	2,309,137		(43,390)		
AL & FL Inc Tax		69,213			405,875	396,232		78,856		
Misc Payables			(973)		333,944	334,966				(1,995)
	\$0	(\$113,031)	\$16,684		\$3,753,890	\$3,608,203	\$0	\$0	\$35,466	\$13,874

**Special Charges (Account 7370)**

**Schedule I-4**

**Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.**

**For the Year Ended December 31, 1996**

Description of Item	Amount
Advertising	\$
Membership Fees & Dues	
Social and Athletic Clubs	
Service Clubs	
Other Organizations (Specify Type):	
Total Membership Fees & Dues	
Abandoned Construction Projects	
Penalties & Fines	1,247
Charitable, Social or Other Community Welfare	13,217
Legislative	
Others	5,333
Aggregate of all other items	
<b>Total</b>	<b>\$19,797</b>

**Donations or Payments for Services Rendered by Persons  
Other Than Employees**

**Schedule I-5**

Name of Recipient	Nature of Services	Acct No.	Amount of Payment
Moses and Moses	Preparation of Annual Reports	6721	3,667.00
Lee Verne Seals	Supplies	6121	2,994.00
Network USA	Pagers and Rentals	1220/5280	2,492.00
Southern			
Advertising Spec.	Promotional Items	Various	9,612.00
Datatech LTD			
DBA/Computerland	PC Rentals and Supplies	6124	496.00
Garrett's Janitorial Svc.	Janitorial Services	6121	22,106.00
Hess Mowing Services	Lawn Maintenance	6121	8,435.00
Hold the Phone			
Production	Phone Ads	6613	2,165.00
Sellers Electric Service	Electrical Maintenance	Various	1,911.00

**Membership Fees and Dues**  
**Schedule I-6**

Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.  
For the Year Ended December 31, 1996

Particulars	Account	Amount
<b>Expenditures Charged to Operating Expenses</b>		\$
Membership in:		
Association of Telecommunications Companies	6728	None
Trade, Technical and Professional Associations	6728	None
Other Organizations (Specify Type):		
<b>Total</b>		\$0

**Advertising**  
**Schedule I-7**

Account Title	Amount During the Year
Operating Expenses	\$
6613 Product Advertising	24,504
6722 External Relations	
All other accounts used to record expenses of \$10,000 or more.	
<b>Total</b>	\$24,504

**Analysis of Extraordinary Items (Accounts 7610 & 7620)**  
**Schedule I-8**

Particulars	Credit Amounts	Debit Amounts	Tax Effect Included in	
			Acct 7630	Acct 7640
NONE				
<b>Total</b>	\$	\$	\$	\$

**Outside Plant Statistics**

**Schedule S-1**

**Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.**

**For the Year Ended December 31, 1996**

State or Territory	Miles of Aerial Wire	Aerial Cable		Underground Cable		Buried Cable	
		Miles of Cable	Miles of Wire in Cable	Miles of Cable	Miles of Wire in Cable	Miles of Cable	Miles of Wire in Cable
Florida	0	0	0	0	0	391.77	N/A

**Access Lines in Service by Customer**

**Schedule S-2**

State or Territory	Business		Public Access Lines	Residential Access Lines	Mobile Access Lines	Total Access Lines (Switched & Special)
	Single Line	Multi Line				
ALABAMA	1,789	670	127	8,751	0	11,337
FLORIDA	277	41	18	3,594	0	3,930

**Telephone Calls**

**Schedule S-3**

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
ALABAMA	N/A	15,519,616	16,546,729	8,096,120	40,162,464	34,961,685	13,066,688	48,028,373
FLORIDA	N/A	572,094	4,117,458	1,190,947	5,880,500	8,345,188	2,184,823	10,530,011
<b>Total</b>	N/A	16,091,711	20,664,186	9,287,067	46,042,964	43,306,874	15,251,511	58,558,384



Revised 2-17-98

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

**Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.**  
**For the Year Ended December 31, 1996**

(a)	(b)	(c)	(d)
Accounts	Intrastate Revenues Per Sch. I-1	Intrastate Revenues Per RAF Return	Difference (b) - (c)
Local Service (5001 - 5069)	\$751,131	\$666,156	\$84,975
End User (5081)			
Switched Access (5082)			
Special Access (5083)			
State Access (5084)	101,778	101,778	\$0
Long Distance (5100 - 5169)	116,723	(18,459)	\$135,182
Miscellaneous (5230 - 5270)	72,703	23,237	\$49,466
<b>Total</b>	<b>\$1,042,335</b>	<b>\$772,712</b>	<b>\$269,623</b>

**Explanations:**

- (1) Universal Service Fund, Account #301-5060-990, in the amount of \$84,975, is not subject to the PSC Assessment Fee.
- (2) Florida subsidy, Account #301-5100-291, in the amount of \$128,000, is not subject to the PSC Assessment fee. The difference of \$7,182, is due to an additional subsidy pool entry of \$10,667 and for \$3,485 of adjustments for unbilled access and ICAT payments that were posted to this account.
- (3) Usitc All B&C Intra O/S, Account 301-5270-690, in the amount of \$49,237 and Intrastate B&C Rev - FCI O/S, Account 301-5270-890, in the amount of \$229, are not subject to the PSC Assessment Fee.

**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).

Revised 2-17-98

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

**Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.**

**For the Year Ended December 31, 1996**

(a)	(b)	(c)	(d)
Accounts	Intrastate Revenues Per Sch. I-1	Intrastate Revenues Per RAF Return	Difference (b) - (c)
Local Service (5001 - 5069) End User (5081) Switched Access (5082) Special Access (5083)	\$751,131	\$666,156	\$84,975
State Access (5084)	101,778	101,778	\$0
Long Distance (5100 - 5169)	116,723	(18,459)	\$135,182
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<b>Total</b>	<b>\$1,042,335</b>	<b>\$772,712</b>	<b>\$269,623</b>

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**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).

**Reconciliation of Reported NI with Taxable Income  
for Federal Income Taxes  
Schedule Z-2**

**Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.**

**For the Year Ended December 31, 1996**

		<b>Amount</b>
Net Income for the Year		\$3,390,244
Additions:		
Federal & State Taxes	(1)	\$1,629,874
Depreciation of AFUDC		
Depreciation on Pensions Capitalized		
Depreciation of Payroll Taxes Capitalized		
Depreciation on Sales/Use Taxes Capitalized		
Depreciation on Intercompany Profit		
Other (Specify)		
Capitalized 263A Exepnses	(2)	\$6,002
Penalties	(3)	\$1,863
Meals & Entertainment	(4)	\$12,219
OPEBS Accrual	(5)	\$91,364
Deductions:		
Interest During Construction (AFUDC)		
Pensions Capitalized		
Payroll Taxes Capitalized		
Sales/Use Tax Capitalized		
Accelerated Tax Depreciation	(6)	\$305,323
Other (Specify)		
Accrued Compensation/Vacation Pay	(7)	\$3,900
Taxable Income - Federal		\$5,440,789
Tax @ applicable tax rate(s) - 35%		\$1,904,276
Tax True-Up		(\$28,600)
Note: Current Taxes Payable		\$1,932,876
a. Amount of Depreciation Per Books		
b. Amount of Depreciation (Tax Basis)		

**Reconciliation of Reported NI with Taxable Income  
for State Income Taxes  
Schedule Z-3**

**Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.  
For the Year Ended December 31, 1996**

		<b>Amount</b>
Net Income for the Year		\$3,990,244
Additions:		
Federal & State Taxes	(1)	\$1,629,874
Depreciation of AFUDC		
Depreciation on Pensions Capitalized		
Depreciation of Payroll Taxes Capitalized		
Depreciation on Sales/Use Taxes Capitalized		
Depreciation on Intercompany Profit		
Other (Specify)		
Capitalized 263A Expenses	(2)	\$6,002
Penalties	(3)	\$1,863
Meals & Entertainment	(4)	\$12,219
OPEBS Accrual	(5)	\$91,364
Deductions:		
Interest During Construction (AFUDC)		
Pensions Capitalized		
Payroll Taxes Capitalized		
Sales/Use Tax Capitalized		
Accelerated Tax Depreciation	(6)	\$305,323
Other (Specify)		
Accrued Compensation/Vacation Pay	(7)	\$3,900
Federal Income Taxes	(9)	(\$1,510,657)
Taxable Income - State		\$4,530,132
Tax @ 5.5% less \$275		\$248,882
Alabama Tax Refund	(10)	
Note: Current Taxes Payable		\$248,882
a. Amount of Depreciation Per Books		
b. Amount of Depreciation (Tax Basis)		

**Compensation of Officers**

**Schedule Z-4**

**Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.**

**For the Year Ended December 31, 1996**

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 policymaking 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.

<b>Title (a)</b>	<b>Name of Officer (b)</b>	<b>Salary for Year (c)</b>	<b>Bonus/Incentive (d)</b>	<b>Total (e)</b>
NONE				

**Affiliation of Officers and Directors**  
**Schedule Z-5**

**Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.**

**For the Year Ended December 31, 1996**

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
NONE			

**Business Contracts with Officers and Directors**  
**Schedule Z-6**

**Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.**

**For the Year Ended December 31, 1996**

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.

<b>Name of Officer or Director</b>	<b>Name and Address of Affiliated Entity</b>	<b>Amount</b>	<b>Identification of Product or Service</b>
NONE			

**Analysis of Directory Advertising Operations**  
**Schedule Z-7**

**Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.**

**For the Year Ended December 31, 1996**

Items	Consolidated (f) Amount	Amount Per Books
1. Revenues (Account 5230) (e)	18,562	18,562
2. Local		
3. National		
4. Sales		
5. Commissions		
6. Other		
7. Total (line 2 thru 6)	18,562	18,562
8. Expenses (Account 6622) (e)	22,765	22,765
9. Printing		
10. Commissions		
11. Deliver		
12. Salvage		
13. Other		
14. Total (line 9 thru 13)	22,765	22,765
15. Gross Profit (Line 7 minus 14)	(4,203)	(4,203)
16. Gross Profit 1982 (a)	8,830	8,830
17. Customer Growth Factor (b)		
18. CPI-U Factor (c)		
19. Adjusted 1982 (L16 x L17 x L18)		
20. Nonregulated (d)		

**Footnotes:**

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

$$(b) \frac{\text{Average Current Year Access Lines}}{\text{Average 1982 Access Lines Per Rule 25-4.0405}} = \frac{3,852}{2,279} = 1.69$$

$$(c) \frac{\text{Annual Average CPI-U for Current Year}}{\text{Annual Average CPI-U for 1982}} = \frac{156.9}{96.5} = 1.626$$

(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-8*

**Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.**

**For the Year Ended December 31, 1996**

<b>(a) Classification</b>	<b>(b) Average Number</b>
1. Residence Lines (R-1, 2, 4, etc.)	3,526
2. Business Lines (B-1, 2, 4, etc.)	270
3. Centrex Lines	1
4. PBX Trunks	1
5. Key System Lines	38
6. Subtotal (Line 1 thru Line 5)	3,836
7. Teletypewriter Lines	
8. Foreign Exchange Lines	
9. Service Telephone Lines	
10. Other Lines	16
11. Total (Line 6 thru Line 10)	3,852

**Footnotes:**

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

**Corporate Structure  
Schedule Z-9**

**Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.**

**For the Year Ended December 31, 1996**

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

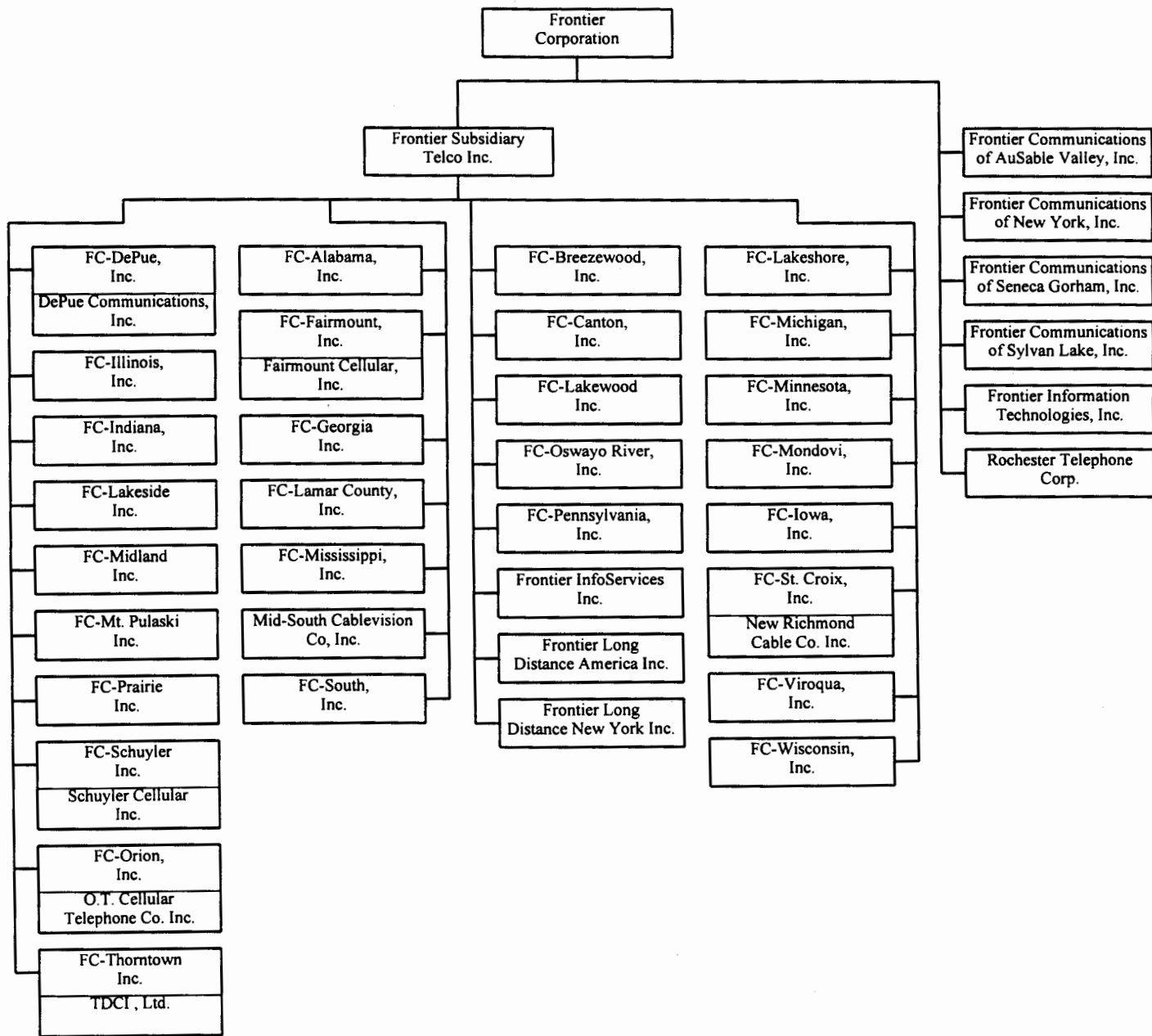
Effective  
Date

**Please See Attached Charts**

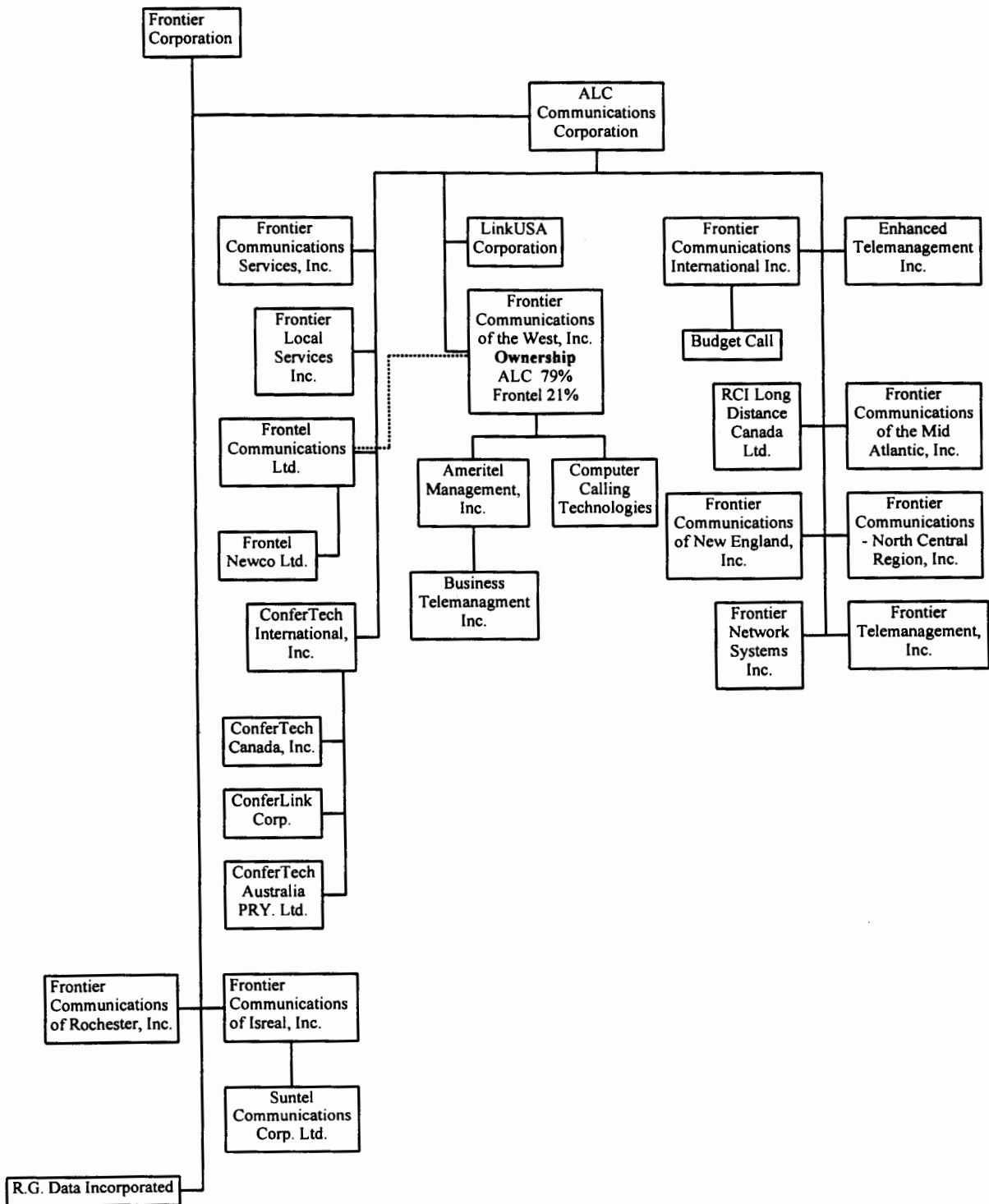
Telephone Operations and Other Entities as of March 23, 1997

(AASELCO.opx)

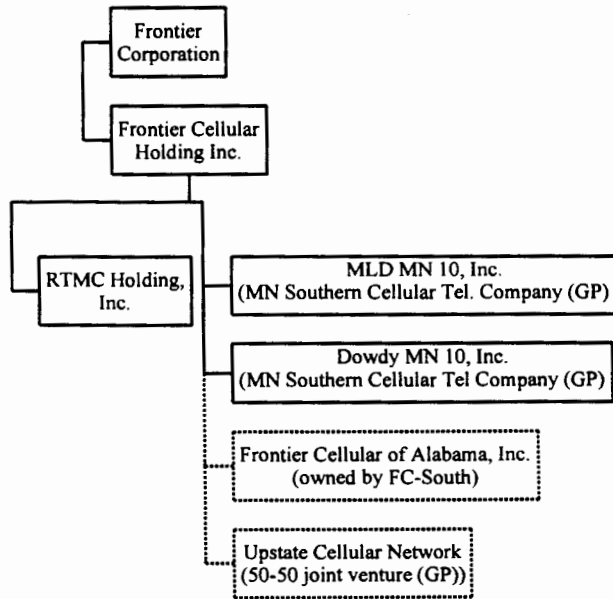
[FC=Frontier Communications]



**Long Distance Organization as of March 23, 1997  
(Longdis.opx)**



Wireless Organization as of March 23, 1997  
Wireless.opx



***New or Amended Contracts with Affiliated Companies***  
***Schedule Z-10***

***Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.***

***For the Year Ended December 31, 1996***

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.

Name of Affiliated Company (a)	Synopsis of Contract (b)
NONE	

**Summary of Affiliated Transfers and Cost Allocations  
Schedule Z-11**

**Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.**

**For the Year Ended December 31, 1996**

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 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)
Frontier Communications of Georgia, Inc.	Region Admin. Support Services	RUS Service Contract 10/17/93	S	Various	\$2,125,095
Frontier Communications of Fairmount, Inc.	Region Admin. Support Services	RUS Service Contract 5/11/92	S	Various	\$160,390
Frontier Communications of Mississippi, Inc.	Region Admin. Support Services	RUS Service Contract 5/11/92	S	Various	\$293,092
Frontier Communications of Alabama, Inc.	Region Admin. Support Services	RUS Service Contract 5/11/92	S	Various	\$1,630,334
Frontier Communications of Lamar County, Inc.	Region Admin. Support Services	RUS Service Contract 5/11/92	S	Various	\$112,517
Frontier Communications of Minnesota, Inc.	Region Admin. Support Services	N/A	S	Various	\$416,115
Frontier Information Technologies	Data Processing Services		S	Various	\$68,156
Frontier Information Services, Inc.	Directory Services		S	Various	\$22,695
Frontier Communications of Alabama, Inc.	Materials & Supplies Installation & Repair Svcs.	RUS Service Contract 5/11/92	P	Various	\$710,814
Frontier Communications of Minnesota, Inc.	LAN Support, off hour repairs & alarm monitoring	N/A	P	Various	\$833,395
Frontier Information Technologies	Data Processing Services		P	Various	\$1,781,633
Frontier Information Services, Inc.	Directory Services	2/18/94	P	Various	\$73,387
Frontier Corporation	Corporate Administration & Support Services	AI-14 7/1/90	P	Various	\$564,842
Rochester Telephone Company	Corporate Administration & Support Services		P	Various	\$94,498