#### 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, 1998

SO MENONALINA SE DI ANNO MENONALINA SE SELLA SEL

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

Name Christine Burke Title Senior Analyst

Address 180 South Clinton Avenue

City Rochester

State New York 14646

Telephone No. (716)-777-6719

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 abovenamed respondent in respect to each and every matter set forth therein during the period from January 1, 1998 to December 31, 1998, 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.

4/39/99

Date

Signature

MICHAEL T. CARR

Name

**Title** 

AMACYSI



PricewaterhouseCoopers LLP 1100 Bausch & Lomb Place Rochester NY 14604-2705 Telephone (716) 232 4000

#### **Report of Independent Accountants**

May 26, 1999

accounting releases.

To the Board of Directors of Frontier Communications of the South, Inc.

In connection with our audit of the financial statements of Frontier Communications of the South, Inc. for the year ended December 31, 1998, on which we have reported separately under date of March 19, 1999, we also audited, in accordance with generally accepted auditing standards, Schedules B-1, I-1, and B-2 of Frontier Communications of the South, Inc.'s 1998 Annual Report for that year. It should be noted, however, that our audit was not made for the purpose of determining whether each transaction has been recorded in accordance with the Uniform System of Accounts and published

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the above-mentioned schedules are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above-mentioned schedules. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the above-mentioned schedules. We believe that our audit provides a reasonable basis for our opinion.

The accompanying schedules mentioned above were prepared for the purpose of complying with the requirements of the Florida Public Service Commission as set forth by the Federal Communications Commission in its applicable Uniform System of Accounts, as amended by the Florida Public Service Commission, and are not intended to be presented in conformity with generally accepted accounting principles.

In our opinion, the schedules referred to above, present fairly, in all material respects, the financial information set forth therein as of and for the year ended December 31, 1998, in conformity with the Uniform System of Accounts as prescribed by the Federal Communications Commission in Title 47, Code of Federal Regulations, Part 32, as adopted on December 2, 1986, and revised as of December 1, 1987; and as amended by the Florida Public Service Commission Rule 25-4.018(2)(a) and Rule 25-4.0405.

Pricewaterhouse Coopers HP

# Frontier Communications of the South, Inc. Cost Allocation Procedures

#### **Independent Accountant's Schedule of Findings**

#### Finding 1:

The Company did not allocate all sub-accounts in account 6623 between regulated and non-regulated activities. This resulted in \$42,197 not being allocated to non-regulated accounts.

#### Recommendation:

We recommend that the Company review all allocation factors in accordance with the Cost Allocation Manual guidelines to ensure proper allocation of costs between regulated and non-regulated general ledger account codes.

#### **Management Comment:**

The allocations were adjusted manually at year end, and part of this account was inadvertently omitted. In the future, allocations will be updated mechanically.

#### Finding 2:

In apportioning the amounts between each operating territory, the Company did not allocate the accrued interest general ledger account between Alabama and Florida. This resulted in \$10,000 not being allocated to Florida.

#### Recommendation:

We recommend that the Company review all accounts that are not directly assigned to Florida or Alabama, to ensure that all general ledger account codes are included within the state allocation process and apportioned in accordance with the Cost Allocation Manual.

#### **Management Comment:**

Since the related long-term debt is treated as 100% Alabama, the accrued interest was treated this way as well. We will change the Cost Allocation Manual to reflect this.

#### Finding 3:

Currently, time reporting procedures and requirements are not incorporated in the Cost Allocation Manual. Failure to properly allocate time between regulated and non-regulated accounts could lead to an over allocation of costs between regulated and non-regulated activities.

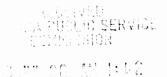
#### **Recommendation:**

We recommend that time reporting policies and procedures be fully incorporated into the Cost Allocation Manual.

#### **Management Comment:**

Management agrees and will incorporate the time reporting procedures and requirements into the Cost Allocation Manual.





Frontier Communications

180 South Clinton Avenue Rochester, NY 14646

Stephanie Cater
Professional Accountant
Division of Auditing and Financial Analysis
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

July 15, 1999

Dear Ms. Cater;

Attached are the original copies of revised pages to the 1998 Florida Annual Report for Frontier Communications of the South, Inc. as requested. If you have any questions, call me at 716-777-6719.

Sincerely,

Christine Burke Senior Analyst, Regulatory

Stino Burke

Frontier Telephone Group

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# Identity of Respondent Schedule A-1

Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.

	r the Year Ended December 31, 1	
	ediately following these instructions insert the severtively pertinent thereto.	veral numbers and the captions, as indicated, together with the information
1. 2.	Exact name of respondent. Use the words "The Date of incorporation.	" and "Company" or "Co." only when they are parts of the corporate name.
		Control over Permandant
		Control over Respondent Schedule A-2
1.	If direct control over the respondent was held by	y 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	Frontier Corporation 180 South Clinton Avenue
	controlling organization or person:	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	l chart.

# Board of Directors and General Officers Schedule A-3

## Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC. For the Year Ended December 31, 1998

Name of Director or Officer and Address	Title & Dept. over Which	Director's
(City and State)	Jurisdiction is Exercised	Fees
loseph P. Clayton	Director/Chief Financial Officer	
Rolla Huff	Director	
Martin Mucci	Executive Vice President	
Robert L. Barrett	Director	
ames G. Dole	Director/Chief Financial Officer	
leremiah T. Carr	Director/President	
Donna L. Reeves-Collins	Vice President	
Robert J. DePalma	Assistant Treasurer	
Richard E. Burgess	Vice President and General Manager	
Richard N. Kappler	Assistant Treasurer	
Joseph Enis	Treasurer	
Michael T. Carr	Assistant Treasurer	
Michael L. Evans	Assistant Treasurer	
Josephine S. Trubek	Secretary	
Barbara J. LaVerdi	Assistant Secretary	

#### Stockholders Schedule A-4

# Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC. For the Year Ended December 31, 1998

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.

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			
rontier Corporation	Common	5,000			
ochester, NY					
		1 /			

## Important Changes during the Year Schedule A-5

## Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC. For the Year Ended December 31, 1998

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

- 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.
- 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).
- Give information on any changes in accounting standards that have occured during the year.

QUESTIONS 1 THROUGH 4 ANSWER IS: NONE

#### **BALANCE SHEET**

Schedule B-1

REVISED

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

For the Year Ended December 31, 1998

Page 1 of 2

	:	!	ruge roj	
D 4			Amounts (	•
Ref.	Account		Beginning of	End of
Sch.	No.	Accounts	Year	Year
		Current Assets		
	1130	Cash	39,109	39,727
	1140	Special Cash Deposits		
	1150	Working Cash Advance	5,150	5,150
	1160	Temporary Investments		
	1180	Telecomm. Accounts Receivable	1,439,966	1,126,902
	1181	Telecomm. Accounts Receivable Allowance		
	1190	Other Accounts Receivable	2,344,363	4,202,325
	1191	Accounts Receivable Allowance-Other		
	1200	Notes Receivable		
	1201	Notes Receivable Allowance		
	1210	Interest and Dividends Receivable		
	1220	Material and Supplies	77,246	64,551
	1290	Prepaid Rents		
I-3	1300	Prepaid Taxes		
	1310	Prepaid Insurance		
	1320	Prepaid Directory Expenses		
	1330	Other Prepayments	4,457	4,570
	1350	Other Current Assets		
		Total Current Assets	3,910,291	5,443,225
		Noncurrent Assets		
	1401	Investments in Affiliated Co.	20,437,067	21,430,240
	1402	Investments in Nonaffiliated Co.	737,100	737,100
	1406	Nonregulated Investments	595,172	529,540
B-7	1407	Unamortized Debt Issuance Expense		•
	1408	Sinking Funds		
	1410	Other Noncurrent Assets	81,593	76,262
	1438	Deferred Maintenance & Retirements		
B-5	1439	Deferred Charges	185,272	167,233
	1500	Other Jurisdictional Assets - Net		
		Total Noncurrent Assets	22,036,204	22,940,375
		Telephone Plant in Service		
B-3	2001	Telecomm. Plant in Service	34,512,813	37,040,299
D <b>-</b> 3	2001		34,312,613	37,040,233
	2002	Property Held for Future Use Plant under Construction	1,498,620	1,965,394
	2005	Plant Adjustment	1,470,020	1,705,57
	2006	Nonoperating Plant	86,328	86,329
	2000	Subtotal	36,097,761	39,092,022
		Less:	30,077,701	37,072,022
D A	3100		18,556,129	20,727,926
B-4	3200	Acc. Depreciation	10,330,129	20,727,920
**		Acc. Depreciation-Held for Future Use	68,965	71,642
**	3300	Acc. Depreciation-Nonoperating Acc. Amort Capitalized Leases	606,800	/1,042
	3410	•		
"	3420	Acc. Amort Leasehold Improvements		
"	3500	Acc. Amort Intangible Acc. Amort Other	19 272	70.20
	3600		18,372	70,200
		Subtotal	18,643,466	20,869,774
		Net Telephone Plant in Service	17,454,295	18,222,24
		TOTAL ASSETS	43,400,790	46,605,848

#### BALANCE SHEET Schedule B-1

REVISED

Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.

For the Year Ended December 31, 1998

***********	Tuge 2 of 2			
			Amounts (	-
Ref.	Account		Beginning of	End of
Sch.	No.	Accounts	Year	Year
		Current Liabilities		
B-6	4010	Accounts Payable	2,394,878	4,518,527
	4020	Notes Payable		
	4030	Advanced Billing and Payments	385,070	244,639
	4040	Customers' Deposits	66,423	50,859
B-7	4050	Current Maturities - Long Term	408,012	427,634
	4060	Current Maturities - Capital Leases		
I-3	4070	Income Taxes - Accrued	449,157	1,259,289
**	4080	Other Taxes - Accrued	14,482	283,609
B-8	4100	Net Current Deferred Op. Income Taxes		
	4110	Net Current Deferred Nonop. Income Taxes	i	
	4120	Other Accrued Liabilities	62,888	240,724
	4130	Other Current Liabilities		23,996
		Total Current Liabilities	3,780,910	7,049,277
		:		
		Long-Term Debt		
B-7	4210	Funded Debt	9,303,082	8,854,839
"	4220	Premium on Long-Term Debt	7,505,002	0,00 ,,025
**	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		
		Total Long-Term Debt	9,303,082	8,854,839
		8		
	;	Other Liabilities and Deferred Credits		
	4310	Other Long-Term Liabilities	189,787	309,000
	4310	Unamortized Operating ITC - Net	100,774	0
	4320	Unamortized Operating ITC - Net	100,774	O
B-8	4340	Net Noncur. Def. Oper. Income Taxes	2,451,883	1,045,124
D-0	4350	Net Noncur. Def. Nonoper. Inc. Taxes	2,431,863	1,045,124
B-9	4360	Other Deferred Credits	60,012	91,220
. <b>D-9</b>	4370	Other Juris. Liab. & Def. Credits	00,012	71,220
	4370	Total Other Liab. & Def. Credits	2,802,456	1,445,344
	1	Total Other Liub. & Dej. Creatis	2,802,430	1,445,511
		Stockholdenia Favita		
	4510	Stockholder's Equity	500,000	500 000
	4510	Capital Stock	500,000	500,000
	4520	Additional Paid-in Capital		
	4530	Treasury Stock Other Capital	4,394,361	4,394,360
	4540	Retained Earnings	22,619,981	24,362,028
	4550 9999	Headquarters Control	22,019,961	27,302,020
	7777	Total Stockholder's Equity	27,514,342	29,256,388
		Total Stockholder's Equity	27,314,342	47,430,388
	1	TOTAL LIABILITIES AND EQUITY	43,400,790	46,605,848
		10 THE EMILITIES AND EQUIT	43,400,790	40,000,040

#### **BALANCE SHEET**

#### Schedule B-1

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

For the Year Ended December 31, 1998

Page 1 of 2

			Amounts (\$)	
Ref.	Account		Beginning of	End of
Sch.	No.	Accounts	Year	Year
		Current Assets		
	1130	Cash	39,109	39,727
	1140	Special Cash Deposits		·
	1150	Working Cash Advance	5,150	5,150
	1160	Temporary Investments		ŕ
	1180	Telecomm, Accounts Receivable	1,439,966	1,126,902
	1181	Telecomm. Accounts Receivable Allowance		, ,
	1190	Other Accounts Receivable	2,344,363	4,202,32
	1191	Accounts Receivable Allowance-Other		, ,
	1200	Notes Receivable		
	1201	Notes Receivable Allowance		
	1210	Interest and Dividends Receivable		
	1220	Material and Supplies	77,246	64,55
	1290	Prepaid Rents		- 1,
I-3	1300	Prepaid Taxes		
	1310	Prepaid Insurance		
	1320	Prepaid Directory Expenses		
	1330	Other Prepayments	4,457	4,570
	1350	Other Current Assets	,,,,,,	22,36
	1330	Total Current Assets	3,910,291	5,465,593
		Noncurrent Assets	3,710,271	3,403,37.
	1.401	1	20 427 067	21 420 24
	1401	Investments in Affiliated Co.	20,437,067	21,430,240
	1402	Investments in Nonaffiliated Co.	737,100	737,100
	1406	Nonregulated Investments	595,172	529,540
B-7	1407	Unamortized Debt Issuance Expense		
	1408	Sinking Funds		04.50
	1410	Other Noncurrent Assets	81,593	81,59
	1438	Deferred Maintenance & Retirements		
B-5	1439	Deferred Charges	185,272	167,233
	1500	Other Jurisdictional Assets - Net		3,933
		Total Noncurrent Assets	22,036,204	22,949,639
		Telephone Plant in Service		
B-3	2001	Telecomm./Plant in Service	34,512,813	37,040,299
	2002	Property Held for Future Use		
	2003	Plant under Construction	1,498,620	1,895,18
	2005	Plant Adjustment		
	2006	Nonoperating Plant	86,328	86,329
		Subtotal	36,097,761	39,021,81
		Less:		
B-4	3100	Acc. Depreciation	18,556,129	20,727,92
"	3200	Acc. Depreciation-Held for Future Use		,,,,,
**	3300	Acc. Depreciation-Nonoperating	68,965	71,64
**	3410	Acc. Amort Capitalized Leases	22,522	,-
"	3420	Acc. Amort Leasehold Improvements		
**	3500	Acc. Amort Intangible		
11	3600	Acc. Amort Other	18,372	
	3000	Subtotal	18,643,466	20,799,56
		Net Telephone Plant in Service	17,454,295	18,222,24
		TOTAL ASSETS	43,400,790	46,637,47

#### **BALANCE SHEET**

#### Schedule B-1

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

For the Year Ended December 31, 1998

	Amounts (\$)		(2)	
Ref.	Account		Beginning of	End of
Sch.	No.	Accounts	Year	Year
		Current Liabilities		
B-6	4010	Accounts Payable	2,394,878	4,517,55
	4020	Notes Payable		
	4030	Advanced Billing and Payments	/ 385,070	244,63
	4040	Customers' Deposits	66,423	50,85
B-7	4050	Current Maturities - Long Term	/ 408,012	427,63
	4060	Current Maturities - Capital Leases		
I-3	4070	Income Taxes - Accrued	449,157	1,259,28
"	4080	Other Taxes - Accrued	14,482	283,60
B-8	4100	Net Current Deferred Op. Income Taxes	<b>'</b>	
	4110	Net Current Deferred Nonop. Income Taxes		
	4120	Other Accrued Liabilities	62,888	240,72
	4130	Other Current Liabilities		23,99
		Total Current Liabilities /	3,780,910	7,048,30
		Long-Term Debt /		
B-7	4210	Funded Debt	9,303,082	8,854,83
11	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		
		Total Long-Term Debt	9,303,082	8,854,83
		Other Liabilities and Deferred Credits		
	4310	Other Long-Term Liabilities	189,787	308,81
	4320	Unamortized Operating ITC - Net/	100,774	64,77
	4330	Unamortized Nonoperating ITC - Net	100,774	04,77
B-8	4340	Net Noncur. Def. Oper. Income/Taxes	2,451,883	1,012,23
D-0	4350	Net Noncur. Def. Nonoper. Inc. Taxes	2,431,003	1,012,23
B-9	4360	Other Deferred Credits	60,012	91,22
<b>D</b> -7	4370	Other Juris. Liab. & Def. Credits	00,012	71,22
	4370	Total Other Liab. & Def. Credits	2,802,456	1,477,04
		Total Giner Black & Bey. Creasis	2,002,100	1,177,01
		Stockholder's Equity		
	4510	- 7	500,000	500,00
	4510 4520	Capital Stock Additional Paid-in Capital	300,000	300,00
	4530	Treasury Stock		
	4540	Other Capital	4,394,361	4,395,20
	4550	Retained Earnings	22,619,981	24,362,08
	9999	Headquarters Control	22,019,961	24,302,00
	9999	Total Stockholder's Equity	27,514,342	29,257,29
		Joint Stockholner's Equity	21,314,342	47,431,49
		TOTAL LIABILITIES AND EQUITY	43,400,790	46,637,47
		IIIII AI. IIAKIIIII HN AWII HIIIII Y		

# Statement of Cash Flows Schedule B-2

REVISED

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

For the Year Ended December 31, 1998

Page 1 of 2

For the Year Ended December 31, 1996	Fuge	1 0J 2
Description of Items	Amount	Total Amount
Increase/(Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities:		
Net Income:		\$3,508,399
Adjust. to Reconcile NI to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	\$2,468,255	
Gain on Sale of Investments	\$0	
Provision for Losses for Accounts Receivable		
Deferred Income Taxes - Net	(\$1,406,759)	
Unamortized ITC - Net	(\$100,774)	
Allowance for Funds Used During Construction		
Net Change in Operating Receivables	(\$1,544,898)	
Net Change in Material, Supplies and Inventories	\$12,695	
Net Change in Operating Payables and Accrued Liabilities	\$3,248,745	
Net Change in Other Assets and Deferred Charges	\$88,889	
Net Change in Other Liabilities and Deferred Credits	\$150,421	
Other (Explained)		
Total Adjustments		\$2,916,574
Net Cash Provided by (Used in) Operating Activities		\$6,424,973
Cash Inflows (Outflows) from Investing Activities:		
Construction/Acquisition of Property, Plant and Equip. (Net of AFUDC		
and Capital Lease Related Acquisitions)	(\$3,236,209)	
Proceeds from disposals of Property, Plant and Equipment		
Investments in and Advances to Affiliates	(\$993,173)	
Other Investing Activities (Explained)	\$0	
Net Cash Provided by (Used in) Investing Activities		(\$4,229,38
Total This Page		\$2,195,59

# Statement of Cash Flows

Schedule B-2

· REVISED

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

For the Year Ended December 31, 1998

Amount	Total Amount
	\$2,195,591
0	
:	
:	
(\$428,621)	
:	
į	
(\$1,766,352)	
\$0	
	(\$2,194,973
	\$618
	\$44,259
	\$44,87
	(\$428,621) (\$1,766,352)

# Statement of Cash Flows Schedule B-2

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

For the Year Ended December 31, 1998

Page 1 of 2

	, ,	-
		Total
Description of Items	Amount	Amount
Increase/(Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities:		
Net Income:		\$3,038,705
Adjust. to Reconcile NI to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	\$2,456,794	
Gain on Sale of Investments	\$0	
Provision for Losses for Accounts Receivable		
Deferred Income Taxes - Net	(\$1,439,645)	
Unamortized ITC - Net	(\$36,000)	
Allowance for Funds Used During Construction		
Net Change in Operating Receivables	(\$1,544,898)	
Net Change in Material, Supplies and Inventories	\$12,695	
Net Change in Operating Payables and Accryced Liabilities	\$3,247,770	
Net Change in Other Assets and Deferred Charges	\$58,157	
Net Change in Other Liabilities and Deferred Credits	\$150,236	
Other (Explained)		
Total Adjustments		\$2,905,109
Net Cash Provided by (Used in) Operating Activities		\$5,943,814
Cash Inflows (Outflows) from Investing Activities:		
Construction/Acquisition of Property, Plant and Equip. (Net of AFUDC		
and Capital Lease Related Acquisitions)	(\$3,224,746)	
Proceeds from disposals of Property, Plant and Equipment		
Investments in and Advances to Affiliates	(\$993,173)	
Other Investing Activities (Explained)	\$0	
Net Cash Provided by (Used in) Investing Activities		(\$4,217,919
Total This Page		\$1,725,89.

### Statement of Cash Flows Schedule B-2

Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.

For the Year Ended December 31, 1998	/ Page	2 of 2
Description of Items	Amount	Total Amount
Total from Preceding Page		\$1,725,895
Cash Flows from Financing Activities:		
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	(\$428,621)	
Payment of Capital Lease Obligations		
Proceeds from Issuing Common Stock/Equity Investment from Parent		
Repurchase of Treasury Shares		
Dividends Paid	(\$1,766,350)	
Other Financing Activities (Explained) Alabama cellular Earnings	\$469,694	
Net Cash Provided by Financing Activities		(\$1,725,27
Effect of Exchange Rate Changes on Cash		
Net Increase/(Decrease) in Cash and Cash Equivalents		\$618
Cash and Cash Equivalents at Beginning of Period		\$44,259
Cash and Cash Equivalents at End of Period		\$44,87
/		
Notes:		
.)		

#### 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, .	1998								i ugo i oj o
Acct. Account		Depr.	Beginning					***************************************	Ending
		Rate	Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Balance*
No. Description		Nate	Datailce	Additions	Retirements	TCC-111-DS			
2111 Land	l		165,148	2,853					168,00
Amortizable General Support Assets:			100,110	2,010					
2116 Other Work Equipment		7 yrs	293,706	69,007	24,358				338,35
2122 Furniture		10 yrs	209,381	05,007	,		(1,058)		208,32
2123 Office Support Equipment		7 yrs	54,933		l		(33,581)		21,3
2123 Company Communications		5 yrs	54,957	23,961			34,640		113,55
2124 General Purpose Computer		5 yrs	492,489	22,154			46,790		561,43
2124 General Purpose Computer		J yls	472,407	22,134			·		
		-							
	AL						v the FPSC		
Depreciable Assets: This schedule should	identify eac	h account/s	ubaccount for which	a separate depr	eciation rate has De	een approveu i			
	•		221 226	27.661					249,0
2112 Motor Vehicles	9.0		221,396	27,661					1,653,3
2121 Buildings	2.7	3.0	1,626,929	26,404	24.250	0	46,791	0	3,313,4
Total Land & Support Assets			3,118,939	172,040	24,358	0	40,771		
Central Office Assets:							!		8,919,2
2212 Digital Electronic Switch	6.0	9.9	8,491,623	427,602					6,517,2
2215 Elec. Mechnical Switch			0						
2220 Operator Systems	6.0		0						
2231 Radio Systems	3.1		0						1,150,1
2232 Circuit Equipment	10.0	7.7	895,275	254,919					1,130,1
2232 Fiber Circuit Equipment	9.6	10.9	94,705	9,360					1
Total Central Office Assets			9,481,603	691,881	0	0	0	0	10,173,
nfo. Orig/Term Assets:									
2321 Customer Premise Wiring	(A)	(A)						1	
2351 Public Telephone Equipment	2.8		0						
Total Info. Orig/Term Assets	2.0		0	0	0	0	) (		
10mi iiio. 0116/10iiii 110000									

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

	<b>`</b> \									
Acct.	Account		Depr.	Beginning						Ending
No.	Description		Rate	Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Balance*
										160.001
2111	Land			165,148	2,853					168,001
	able General Support Assets:									220.25
2116	Other Work Equipment		7 yrs	293,706	69,007	24,358				338,355
2122	Furniture		10 yrs	209,381				(1,058)		208,323
2123	Office Support Equipment		7 yrs	54,933				(33,581)		21,352
2123	Company Communications		5 yrs	54,957	23,961			34,640		113,558
2124	General Purpose Computer		5 yrs	492,489	22,154			46,790		561,433
								ļ		
		AL	FL							
Depreciabl	e Assets: This schedule should i	dentify eac	h account/si	ibaccount for which	a separate depre	ciation rate has bee	n approved by	the FPSC.		
2112 M	lotor Vehicles	9.0		221,396	27,661					249,05
2121 B		2.7		1,626,929	26,404					1,653,33
	Land & Support Assets		,	3,118,939	172,040	24,358	0	46,791	0	3,313,41
				• <b>, ,</b>		_ ,				
Central (	Office Assets:					ļ				
	igital Electronic Switch	6.0	6.6	8,491,623	427,602					8,919,22
	lec. Mechnical Switch			0	,					
	perator Systems	6.0		0						
	adio Systems	3.1		0						
	ircuit Equipment	10.0	8.5	895,275	254,919					1,150,19
	ber Circuit Equipment	9.6		94,705	9,360					104,06
	Central Office Assets	2.0		9,481,603	691,881	0	0	0	0	10,173,48
10mi			İ	2,101,002	0,71,001		_			
nfo. Ori	g/Term Assets:									
	ustomer Premise Wiring	(A)	(A)					AL AND ADDRESS OF THE		
	ablic Telephone Equipment	2.8		0						
	Info. Orig/Term Assets	2.0	10.0	0	0	0	0	0	o	
Total	ano. Ong roim Assots			O .	O	V	v			
									i .	

# 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, 1998

For the Year Ended December 31,	1770	***********							. <b></b>
Acct. Account		Depr.	Beginning			,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			Ending
No. Description		Rate	Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Balance*
(Continued)									
(20									
Cable and Wire Facilities									
2411 Poles	2.2		100,341	353	176			ļ	100,518
2421 Aerial Cable Metallic	6.06		137,294	716					138,01
2421 Aerial Cable Fiber			2,151						2,15
2422 Underground Cable Metallic	4.0	5.8	772,661	15,034	728				786,96
2422 Underground Cable Fiber	3.1	5.1	234,596						234,59
2423 Buried Metallic Cable	4.8	5.6	16,527,955	1,339,562	258,124				17,609,39
2423 Buried Fiber Cable	3.5	4.7	1,817,024	29,848					1,846,87
2423 Buried Cable Terminal	4.8		1,847,445	518,377	3,725				2,362,09
2423 Buried Air Cove Cable			0						472,79
2441 Conduit Systems	2.0	1.7	472,799						23,553,40
Total Cable and Wire Facilities			21,912,266	1,903,890	262,753	0	0	0	23,333,40
		1							
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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, 1998

Acct. Account No. Description	Depr Rate		Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
Continued)								
Cable and Wire Facilities								
2411 Poles	2.2	100,341	353	176				100,51
2421 Aerial Cable Metallic	6.06	137,294	716					138,0
2421 Aerial Cable Fiber		2,151		 				2,1
2422 Underground Cable Metallic		.9 772,661	15,034	728				786,9
2422 Underground Cable Fiber		234,596						234,59
2423 Buried Metallic Cable		16,527,955	1,339,562	258,124				17,609,3
2423 Buried Fiber Cable		1,817,024						1,846,8
2423 Buried Cable Terminal	4.8	1,847,445	518,377	3,725				2,362,09
2423 Buried Air Cove Cable		0.0						
2441 Conduit Systems	2.0	.7 472,799						472,7
Total Cable and Wire Facilities		21,912,266	1,903,890	262,753	0	0	0	23,553,4

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

revised, 7/20/99

Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.

For the Year Ended December 31, 1998

Page 3 of 3

to the few Diaca December 31, 1770	Done	Beginning						Ending
Acct. Account	Depr.	_	A 3 3 4 4	D-4:	Daalaaa	A dinata anta	Transfers	Balance*
No. Description	Rate	Balance*	Additions	Retirements	Reclass.	Adjustments	1 ransiers	Dalance"
(Continued)								
Capital Recovery Schedules:								
	i					(		(
Jointly Used Plant Allocated to Nonregulated  Amortizable Assets:			<u> </u>					)
2681 Capital Leases								
2682 Leasehold Improve.								
2690 Intangibles							_	
Total Balances		34,512,808	2,767,811	287,111	0	46,791	0	37,040,29

### 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, 1998

For the Year Ended December 31, 1998								Page 3 of 3
Acct. Account No. Description Continued)	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
Solitanueu)								
-								
	6							
Capital Recovery Schedules:								
apital Recovery Schedules:								
			- Villa					
ointly Used Plant Allocated to Nonregulated	(	)	( )	( )	( )	()	()	)
Amortizable Assets:								
2681 Capital Leases 2682 Leasehold Improve. 2690 Intangibles								
Total Balances		34,512,808	2,767,811	287,111	0	46,791	0	37,040,29

### Florida Only

# 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, 1997

Page 1 of 3

Nevised 7/20/99

Tof the Teal Ended December 31, 1777						γ		ruge ruj 3
Acct. Account	Depr.	Beginning						Ending
No. Description	Rate	Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Balance*
2111 Land		21,129	2,856					23,98
Amortizable General Support Assets:	_							
2116 Other Work Equipment	7 yrs	0				(400)		
2122 Furniture	10 yrs	3,203				(638)	1	2,56
2123 Office Support Equipment	7 yrs	0				(1.005)		
2123 Company Communications	5 yrs	1,005				(1,005)	1	
2124 General Purpose Computer	5 yrs	0						
Depreciable Assets: This schedule should identify	each account/s	ubaccount for which	a separate depre	ciation rate has bee	n approved by	the FPSC.		
		0						
2112 Motor Vehicles	3.0	148,483						149.49
2121 Buildings	3.0	173,820	2,856	0	0	(1,643)	0	148,483
Total Land & Support Assets		173,820	2,830	U	U	(1,043)	U	175,033
Central Office Assets:								
2212 Digital Electronic Switch	9.9	2,291,486	97,065					2,388,551
2215 Elec. Mechnical Switch		0						(
2220 Operator Systems		0						(
2231 Radio Systems		0						(
2232 Circuit Equipment	7.7	343,662	68,300					411,962
2232 Fiber Circuit Equipment	10.9	30,266						30,266
Total Central Office Assets		2,665,414	165,365	0	0	0	0	2,830,779
Info. Orig/Term Assets:								
2321 Customer Premise Wiring	(A)							
2351 Public Telephone Equipment	6.1	0			0			0
Total Info. Orig/Term Assets		0	0	0	0	0	0	0
Total Into. Olig. Total 1 1550							Ŭ	
			4.			i		

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

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

Acct. Account  No. Description		Dane							***************************************
No. Description		Depr.	Beginning						Ending
		Rate	Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Balance*
2111 Land			21,129	2,856					23,98
mortizable General Supp	ort Assets:								25,76.
2116 Other Work Equi		7 yrs	0						
2122 Furniture		10 yrs	3,203				(638)		2,565
2123 Office Support Ed	uipment	7 yrs	0				1		2,500
2123 Company Comm		5 yrs	1,005				(1,005)		
2124 General Purpose		5 yrs	0				, , , , ,		
preciable Assets: Thi	schedule should identi	fy each account/su	baccount for which	a separate depre	intion rate has bee	n approved by	the FPSC.		
112 Motor Vehicles			0						
121 Buildings		2.9	148,483						148,483
Total Land & Support As	sets		173,820	2,856	0	0	(1,643)	0	į ·
entral Office Assets:									E .
212 Digital Electronic Sv	vitch	6.6	2,291,486	97,065					2,388,551
215 Elec. Mechnical Swi			0	, , , , , , , , , , , , , , , , , , , ,					2,366,331
220 Operator Systems			0						0
231 Radio Systems			0						0
232 Circuit Equipment		8.5	343,662	68,300					411,962
232 Fiber Circuit Equipm	ent	5.0	30,266						30,266
Total Central Office Asse			2,665,414	165,365	0	0	0	B	2,830,779
fo. Orig/Term Assets:			:						
321 Customer Premise W	irina	(A)							
		10.0	0			•			
351 Public Telephone Eq		10.0	0	0	0	0		0	0
Total Info. Orig/Term As	seis		U	U	U	U	0	0	0

### Florida Only

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

Pevised 7/20/99

Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.

For the Year Ended December 31, 1997

Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
Continue		- Rate	Dutance	71441110113	Tetal differences	140014155	214 Justinents	Transiers	Dalance
	Wire Facilities		0						
2411 Po			0						(
	rial Cable Metallic		0						(
	rial Cable Fiber		0						
2422 Un	derground Cable Metallic	5.8	1,612						1,61
2422 Un	derground Cable Fiber	5.1	2,692	450.005	75.055	j			2,692
	ried Metallic Cable	5.6	4,992,493	458,025	75,855				5,374,663
	ried Fiber Cable	4.7	800,723	29,848					830,57
	ried Cable Terminal		551,470	246,076	1,748		1		795,798
	ried Air Cove Cable		0						(
	nduit Systems	1.7	1,710				_		1,710
Total C	able and Wire Facilities		6,350,700	733,949	77,603	0	0	0	7,007,046
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				i					
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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 Vour Fuded December 31 1997

For the Year Ended December 31, 1997								Page 2 of 3
Acct. Account	Depr.	Beginning						Ending
No. Description	Rate	Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Balance*
(Continued)								
Cable and Wire Facilities								
2411 Poles		0						
2421 Aerial Cable Metallic		0						
2421 Aerial Cable Fiber		0						
2422 Underground Cable Metallic	5.9	1,612			!		1	1,61
2422 Underground Cable Fiber	5.3	2,692						2,69
2423 Buried Metallic Cable	5.5	4,992,493	458,025	75,855				5,374,66
2423 Buried Fiber Cable	5.0	800,723	29,848				i	830,57
2423 Buried Cable Terminal		551,470	246,076	1,748				795,79
2423 Buried Air Cove Cable	10.0	0						
2441 Conduit Systems	1.7	1,710					İ	1,710
Total Cable and Wire Facilities		6,350,700	733,949	77,603	0	0	0	7,007,04
	1900							

## Florida Only

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

revised 7/20199

Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.

For the Year Ended December 31, 1997

Page 3 of 3

	1cur Duccu December 51, 1777	***************************************				<b>P</b>			
Acct.	Account	Depr.	Beginning						Ending
No.	Description	Rate	Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Balance*
No. (Continue		Rate	Dalance	Additions	Retirements	Rectass.	Adjustments	Transiers	Dalance
Capital R	decovery Schedules:								
Jointly II	sed Plant Allocated to Nonregulated	1	( )	( )	( )	( )	( )	( )	( )
	ble Assets:							•	·
2681 2682 26 <b>90</b>	Capital Leases Leasehold Improve. Intangibles								
	Total Balances		9,189,934	902,170	77,603	0	(1,643)	0	10,012,858

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

Acct. Account	Depr.	Beginning		_			Transfers	Ending Balance*
No. Description	Rate	Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Dalance
Continued)								
apital Recovery Schedules:								
ointhy Head Plant Allegated to Negrocylated		(		(	( )		( )	( )
ointly Used Plant Allocated to Nonregulated mortizable Assets:	1	)			) .		"	
<ul><li>2681 Capital Leases</li><li>2682 Leasehold Improve.</li><li>2690 Intangibles</li></ul>								
Total Balances		9,189,934	902,170	77,603	0	(1,643	0	10,012,8

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

revised

Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.

For the Year Ended December 31, 1998

Page 1 of 3

Acct.	Account	Beginning				Gross	Cost of			Ending
		1	A	Dealess	D-4:		Removal	Adjustments	Transfers	Balance*
No.	Description	Balance*	Accruals**	Reclass.	Retirements	Salvage	Kemovai	Aujustments	Tansiers	
Amorti:	zable General Support Assets:				1			l		
2116	Other Work Equipment	185,775	13,935		24,358					175,352
2122	Furniture	136,301	9,392							145,693
2123	Office Support Equipment	21,388	3,471					(25,445)		(586
2123	Company Communications	49,348	2,864		ļ			25,445		77,657
2124	General Purpose Computer	356,931	61,410							418,341
This sol	hedule should identify each accoun	at/subaccount fo	r which a sens	arate denre	riation rate ha	s heen annr	oved by the	FPSC.		
i ilis sci	mendie should identify each account		i wiith a sepa	i ate depre		з веси пррі				
2112	Motor Vehicles	42,273	23,898			11,635				77,80
	Buildings	897,822	49,574							947,39
	Total Land & Support Assets	1,689,838	164,544	0		11,635	0	0	0	1,841,65
Central	Office Assets:	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	,		İ					
	Digital Electronic Switch	5,059,700	966,277		1					6,025,97
	Elec. Mechanical Switch	0	, ,							
	Operator Systems	0								
	Radio Systems	0								
	Circuit Equipment	289,296	78,993				ĺ	(5,677)		362,61
	Fiber Circuit Equipment	76,429	5,382				Į		1	81,81
2232	Total Central Office Assets	5,425,425	1,050,652	0	0	0	0	(5,677)	0	6,470,40
	rig/Term Assets:									1
	Customer Premise Wiring									
2351	Public Telephone Equipment	0				_		_	0	
	Total Info. Orig/Term Assets	0	0	0	0	0	0	0	0	
			,							

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

Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.

For th	e Year Ended December 31, 1	1998							Page	2 1 of 3
Acct.	Account	Beginning				Gross	Cost of			Ending
No.	Description	Balance*	Accruals**	Reclass.	Retirements	Salvage	Removal	Adjustments	Transfers	Balance*
A marti	zable General Support Assets:									
Amoru. 2116	Other Work Equipment	185,275	13,935		24,358				İ	175,35
2110	Furniture	136,301	9,392		24,550					145,69
2122	Office Support Equipment	21,388	3,471					(25,445)		(58
2123	Company Communications	49,348	2,864					25,445		77,65
2123	General Purpose Computer	356,931	61,410					23,,10		418,34
2124	General Purpose Computer	330,931	01,410							
			ļ				1			
This sch	nedule should identify each accour	t/subaccount fo	r which a sens	rate denre	riation rate ha	s been annr	oved by the	FPSC.		
1 1113 361	ieduic should identify each accoun	lo subaccount 10	which a sepa	mate depres	Tate na	в всен пррт				
2112	Motor Vehicles	42,273	23,898			11,635				77,80
	Buildings	897,822	49,574			\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \				947,39
2121	Total Land & Support Assets	1,689,838	164,544	0	4	N,635	0	0	0	1,841,65
Central	Office Assets:	1,505,050	10 1,5 11	·						
	Digital Electronic Switch	5,059,700	966,277						-	6,025,97
	Elec. Mechanical Switch	0,000,700	300,2.7							
	Operator Systems	0								
	Radio Systems	0	ļ		ì					
	Circuit Equipment	289,296	73,316							362,61
	Fiber Circuit Equipment	76,429	5,382							81,81
2232	Total Central Office Assets	5,425,425	1,044,975	0	0	0	0	0	0	6,470,40
	Total Collisia Cilico / 155015	3,123,123	1,011,575	v						
info. Or	ig/Term Assets:									
	Customer Premise Wiring									
	Public Telephone Equipment	0								
2551	Total Info. Orig/Term Assets	o	0	0	0	0	0	0	0	
	Tom His Ong Penin 10000			v	Ü					

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

Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.

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revised 7/20/90.

Acct. No.	Account Description	Beginning Balance*	Accruals**	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
ontin										
ıble aı	nd Wire Facilities:									
	Poles	97,966	1,951		176					99,7
	Aerial Cable Metallic	109,395	7,405							116,8
2421	Aerial Cable Fiber	684								6
	Underground Cable Metallic	634,483	24,889		728					658,6
2422	Underground Cable Fiber	43,723	7,325							51,0
2423	Buried Metallic Cable	9,383,340	989,520		258,124		3,846			10,110,8
2423	Buried Fiber Cable	474,164	74,023							548,1
2423	Buried Cable Terminal	458,341	127,035		3,725					581,6
2423	Buried Aire Core Cable	0								248.2
2441	Conduit Systems	238,772	9,450							248,2
	Total Cable & Wire Facilities	11,440,868	1,241,598	0	262,753	0	3,846	0	0	12,415,8
					ļ					
									1	

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

Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.

Acct. No.	Account Description	Beginning Balance*	Accruals**	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
ontini		Dalance	ACCIUAIS	Reciass.	Retifements	Salvage	Kemovai	rujustinents	2.02	
	,									
	nd Wire Facilities:	03000	1.051		176					99,7
2411		97,966	1,951		176					116,8
	Aerial Cable Metallic	109,395	7,405							6
	Aerial Cable Fiber	684	22.000		728					658,6
	Underground Cable Metallic	634,483	24,889 7,325		/20					51,0
	Underground Cable Fiber Buried Metallic Cable	43,723 9,383,340	989,520		258,124		3,846			10,110,8
	Buried Fiber Cable	474,164	74,023		230,124		3,640			548,1
	Buried Cable Terminal	458,341	127,035		3,725					581,6
	Buried Cable Terminal Buried Aire Core Cable	0	127,033		3,723					,
	Conduit Systems	238,772	9,450							248,2
	Total Cable & Wire Facilities	11,440,868	1,241,598	0	262,753	0	3,846	0	0	1
	Total Cable & Wife Facilities	11,440,000	1,241,370	O	202,733	ľ	3,010			
							1			
							1			
							1			
		1								<u></u>

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

Page 3 of 3

Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.

For the Year Ended December 31, 1998

Acct. Account	Beginning				Gross	Cost of			Ending
No. Description	Balance*	Accruals**	Reclass.	Retirements	Salvage	Removal	Adjustments	Transfers	Balance*
(Continued)									
(002012101)									
Capital Recovery Schedules: This	schedule should i	dentify each a	pproved ca	pital recovery	schedule.				
		,							
Subtotal	18,556,131	2,456,794	0	262,753	11,635	3,846	(5,677)	0	20,727,926
Reserve for Jointly Used Plant							i		
allocated to Nonregulated	(								(
Accumulated Depr. & Amortization:									
3200 - PHFU								ĺ	
3300 - Nonoperating	68,961	2,681							71,642
3410 - Capital Lease									
3420 - Leasehold Improve.									
3500 - Intangibles									
3600 - Other	18,372	8,780						43054	70,206
Subtotal	87,333	11,461	0	0	0	0	0	43,054	141,848
Grand Total	18,643,464	2,468,255	0	262,753	11,635	3,846	(5,677)	43,054	20,869,774
Note: * The grand total of beginning a								73,037	20,007,774

Note:

<sup>\*</sup> The grand total of beginning and ending balances plus jointly used plant allocated to nonregulated, if any, must agree to the subtotal of Depreciation & Amortization in Schedule B-1, Balance Sheet.

<sup>\*\*</sup> The grand total of accruals plus jointly used plant allocated to nonregulated, if any, must agree with the total Depreciation & Amortization Expense in Schedule I-1, Income Statement.

#### 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, 1998

	rk Tear Enaea December 31,								- 45	re 3 of 3
Acct.	Account	Beginning				Gross	Cost of			Ending
No.	Description	Balance*	Accruals**	Reclass.	Retirements	Salvage	Removal	Adjustments	Transfers	Balance*
(Contin	nued)									
Capital	Recovery Schedules: This	schedule should i	dentify each a	ipproved ca	pital recovery	schedule.				
Docomic	Subtotal e for Jointly Used Plant	18,556,131	2,451,115	0	262,752	11,635	3,846	0	0	20,727,925
	ated to Nonregulated	(	( )							(
	ulated Depr. & Amortization: - PHFU									
3300	- Nonoperating	68,961	2,681		7 78.					71,642
3410 3420 3500	- Capital Lease - Leasehold Improve Intangibles		2,681							71,642
3410 3420	- Capital Lease - Leasehold Improve Intangibles - Other	18,372							-18372	0
3410 3420 3500	- Capital Lease - Leasehold Improve Intangibles		2,681	0	0	0	0	0	-18372 (18,372)	71,642 0 71,642

subtotal of Depreciation & Amortization in Schedule B-1, Balance Sheet.

<sup>\*\*</sup> The grand total of accruals plus jointly used plant allocated to nonregulated, if any, must agree with the total Depreciation & Amortization Expense in Schedule I-1, Income Statement.

## Florida Only

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

Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.

revised 7/20/99

ror in	e Year Ended December 31, 1	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,							1 46	ge 1 of 3
Acct.	Account	Beginning				Gross	Cost of			Ending
No.	Description	Balance*	Accruals**	Reclass.	Retirements	Salvage	Removal	Adjustments	Transfers	Balance*
Amortis	zable General Support Assets:							1		
Amoruz 2116	Other Work Equipment	o								1
2110	Furniture	3,204						(638)		2,566
2122	Office Support Equipment	0						(030)		2,500
2123	Company Communications	1,005						(1,005)		
2124	General Purpose Computer	0						(1,000)		0
	,									
This sch	nedule should identify each accoun	t/subaccount fo	r which a sepa	rate depre	iation rate ha	s been appr	oved by the	FPSC.		
2112	Motor Vehicles	0								0
2121	Buildings	70,476	4,410							74,886
	Total Land & Support Assets	74,685	4,410	0	0	0	0	(1,643)	0	77,452
Central	Office Assets:									
2212	Digital Electronic Switch	987,664	229,651							1,217,315
2215	Elec. Mechanical Switch	0								0
2220	Operator Systems	0								0
2231	Radio Systems	0								0
2232	Circuit Equipment	24,888	27,776		1				ĺ	52,664
2232	Fiber Circuit Equipment	30,268								30,268
	Total Central Office Assets	1,042,820	257,427	0	0	0	0	0	0	1,300,247
Info. Or	rig/Term Assets:									
	Customer Premise Wiring	0								0
	Public Telephone Equipment	0		0						0
	Total Info. Orig/Term Assets	0	0	0	0	0	0	0	0	0

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

e or in	e Year Ended December 31, 19								Pag	ge 1 of 3
Acct.	Account	Beginning			- Andrews	Gross	Cost of			Ending
No.	Description	Balance*	Accruals**	Reclass.	Retirements	Salvage	Removal	Adjustments	Transfers	Balance*
A morti:	zable General Support Assets:									
2116	Other Work Equipment	0								
2122	Furniture	3,204						(638)		2,56
2123	Office Support Equipment	0						(030)		2,30
2123	Company Communications	1,005						(1,005)		
2124	General Purpose Computer	0						(1,000)		
							5			,
				`						
This sch	nedule should identify each account	subaccount fo	r which a sepa	rate depre	ciation rate ha	s been appr	oved by the	FPSC.		
2112	Motor Vehicles	0								
	Buildings	70,476	4,410		`					74,886
2121	Total Land & Support Assets	74,685	4,410	0	0	0	0	(1,643)	0	74,880
Central	Office Assets:	, ,,,,,,	.,	Ū		\ \		(1,015)	Ū	77,432
	Digital Electronic Switch	987,664	229,651							1,217,315
	Elec. Mechanical Switch	0	,							1,217,313
	Operator Systems	0								Č
	Radio Systems	0								(
	Circuit Equipment	24,888	27,776				`			52,664
	Fiber Circuit Equipment	30,268								30,268
	Total Central Office Assets	1,042,820	257,427	0	0	0	0	\ o	0	1,300,247
										1,500,217
Info. O	rig/Term Assets:									
	Customer Premise Wiring	0								0
	Public Telephone Equipment	0	i	0						0
	Total Info. Orig/Term Assets	0	0	0	0	0	0	0	0	0
	-								1	`
									İ	

## Florida Only

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

NUSed 7/20/99

or the	e Year Ended December 31,	1997							Pag	e 2 of 3
Acct.	Account	Beginning				Gross	Cost of		_	Ending
No.	Description	Balance*	Accruals**	Reclass.	Retirements	Salvage	Removal	Adjustments	Transfers	Balance
ontin	ued)									
able aı	nd Wire Facilities:									
2411		0								
	Aerial Cable Metallic	0								
	Aerial Cable Fiber	0								
	Underground Cable Metallic	1,060	93							1,1
	Underground Cable Fiber	1,131	136						[	1,2
	Buried Metallic Cable	3,168,633	290,810		75,855		1,545			3,382,0
2423	Buried Fiber Cable	329,933	38,452							368,3
2423	Buried Cable Terminal	0	18,620		1,748			(11,606)		5,2
2423	Buried Aire Core Cable	0								
2441	Conduit Systems	800	27							8
	Total Cable & Wire Facilities	3,501,557	348,138	0	77,603	0	1,545	(11,606)	0	3,758,9
								: :	·	

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

r the	Year Ended December 31, 1	1997							Page	e 2 of 3
cct.	Account	Beginning				Gross	Cost of			Ending
No.	Description	Balance*	Accruals**	Reclass.	Retirements	Salvage	Removal	Adjustments	Transfers	Balance'
ntinu	ed)									
	d Wire Facilities:									
2411 I		0								
	Aerial Cable Metallic	0			2					
	Aerial Cable Fiber	0			475					
	Underground Cable Metallic	1,060								1,
	Underground Cable Fiber	1,131	136		0					1,2
	Buried Metallic Cable	3,168,633	290,810		75,855		1,545			3,382,0
	Buried Fiber Cable	329,933	38,452		1.740					368,
	Buried Cable Terminal	0	7,014		1,748					5,2
	Buried Aire Core Cable	0	27							
	Conduit Systems	800	27	0	77 (02	0	1 5 4 5	0	0	2 750
	Total Cable & Wire Facilities	3,501,557	336,532	0	77,603	0	1,545	0	0	3,758,9
					i					
									\_	
									1,	
					1					

### 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, 1997

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For the Teur Ended December 31,	, 1777			1				1 ug	es ojs
Acct. Account	Beginning				Gross	Cost of			Ending
No. Description	Balance*	Accruals**	Reclass.	Retirements	Salvage	Removal	Adjustments	Transfers	Balance*
(Continued)									
Capital Recovery Schedules: This	schedule should	dentify each a	approved ca	pital recovery	schedule.				
		•		,					
Subtotal	4,619,062	609,975	0	77,603	0	1,545	(13,249)	0	5,136,640
Reserve for Jointly Used Plant	.,,,,,,,,			,		2,0 10	(::,=)		
allocated to Nonregulated	(	( )				ia diameter			(
Accumulated Depr. & Amortization:									
3200 - PHFU									
3300 - Nonoperating									(
3410 - Capital Lease									
3420 - Leasehold Improve.									
3500 - Intangibles									
3600 - Other	0	1,500					-1500		(
Subtotal	0	1,500	0	0	0	0	(1,500)	0	(
Grand Total	4,619,062	611,475	0	77,603	. 0	1,545	(14,749)	0	5,136,640
Note: * The ground total of haginning									3,130,010

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 & Amortization in Schedule B-1, Balance Sheet.
- \*\* The grand total of accruals plus jointly used plant allocated to nonregulated, if any, must agree with the total Depreciation & Amortization Expense in Schedule I-1, Income Statement.

### 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, 1997

Page 3 of 3

Acct.	Account	Beginning				Gross	Cost of			Ending
No.	Description	Balance*	Accruals**	Reclass.	Retirements	Salvage	Removal	Adjustments	Transfers	Balance*
Continu	ued)									
Capital 1	Recovery Schedules: Thi	is schedule should i	dentify each a	pproved ca	pital recovery	schedule.				
	Subtotal	4,619,062	598,369	0	77,603	0	1,545	(1,643)	0	5,136,64
	for Jointly Used Plant ted to Nonregulated	(	()							(
3200 3300	lated Depr. & Amortization: - PHFU - Nonoperating									
3410 3420 3500	<ul><li>Capital Lease</li><li>Leasehold Improve.</li><li>Intangibles</li></ul>									
3600	- Other	0								
	Subtotal	0	0	0	0	0	0	0	0	
	Grand Total	4,619,062	598,369	0	77,603	0	1,545	(1,643)	0	5,136,6

- subtotal of Depreciation & Amortization in Schedule B-1, Balance Sheet.
- \*\* The grand total of accruals plus jointly used plant allocated to nonregulated, if any, must agree with the total Depreciation & Amortization Expense in Schedule I-1, Income Statement.

# Deferred Charges (Account 1439) Schedule B-5 Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.

For the Year Ended December 31, 1998

	Amount at
Description of Items	Year End
Account 1439 - List five largest items	<b>\$</b>
Miscellaneous Deferred Items	167,233
Aggregate of All Other Items	
Total	\$167,233

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

	Schedule B-	·U		
			Activity During Year	
	Beg.	Gross	Gross	Ending
Name of Creditor	Balance	Debits	Credits	Balance
Payable to Affiliates	\$	\$	\$	\$
Other Affiliates	0	0	0	(
Affiliated Inventory Transfer	0	0	0	(
Frontier Information Technologies, Inc.	71,730	2,035,865	2,010,327	97,268
Affiliated Price Caps Support	0	i -	0	(
Frontier Corporation	333,014	1,185,671	1,440,715	77,970
Frontier Communications of Lamar County, Inc.	631	0	631	(
Frontier Communications of Alabama, Inc.	15,703	158,988	161,654	13,037
ontier Communications Services, Inc.	344			7,614
rontier Communications of Georgia, Inc.	870	159,903	160,273	500
Frontier Communications of Mississippi, Inc.	0	6,674	6,674	(
Frontier Communications of Schuyler, Inc.	0	1		(
Frontier Information Services	16,169			16,330
Frontier Communications of Minnesota, Inc.	43,744	1		45,689
Frontier Communications of New York, Inc.	6,209			24,847
Frontier Telephone of Rochester, Inc.	30,785			38,974
Frontier Communications of St. Croix	352			, (
Total	\$519,551		\$5,032,635	\$322,229
Other Accounts Payable (List Ten Largest Items.) OSP Carriers AT&T BellSouth Payroll Payroll Withholdings E-911 Fees Federal Excise Tax Sales/Use/Rental Tax Dual Party Relay Fee				\$ (33,712 83,022 58,207 50,020 31,336 14,747 19,82 6,382 2,166
ggregate of All Other Items				3,963,33
Total	10.1			\$4,517,552

## Long-Term Debt (Accts 4050, 4210, 4220, 4230, 4260 & 4270) Schedule B-7

Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.

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			427,634	\$ 8,854,839	<b>5</b>	<b>D</b>		\$
Unamortized								
Debt Issuance						0		
						<u> </u>		
i								
,								
Total			427,634	8,854,839	0	0		

FRONTIER COMMUNICATIONS OF THE SOUTH, INC. PERIOD ENDED December 31, 1998 LONG TERM NOTE DETAIL

CHANGE

MORTGAGOR	NOTE #	ORIG. DATE	AMOUNT	# PYMTS	FREQ. OF PYMTS	INT. RATE	PAYMENT	MATURITY DATE	PRIN. AMT YTD	CURRENT	LONG TERM	TOTAL
Rural Elec. AdmREPAID 1996	2050	1962	\$250,000	140	QUARTERLY	2.00%	\$2,650	1996	\$0.00	\$0.00	\$0.00	\$0.00
Rural Elec. Adm.	2060	1964	\$119,000	140	QUARTERLY	2.00%	\$1,261	1999	\$4,935.10	\$4,935.11	(\$2,490.07)	\$2,445.04
Rural Elec. Adm.	2070/71	1965	\$495,000	140	QUARTERLY	2.00%	\$5,380	2000	\$20,537.89	\$20,537.92	\$15,670.59	\$36,208.51
Rural Elec. Adm.	2080/81	1968	\$2,225,000	140	QUARTERLY	2.00%	\$23,685	2003	\$85,132.74	\$85,132.50	\$342,053.23	\$427,185.73
Rural Elec. Adm.	2110	1970	\$61,773	140	QUARTERLY	2.00%	\$752	1996	\$0.00	\$0.00	\$0.00	\$0.00
Rural Elec. Adm.	2130	1971	\$1,300,000	140	QUARTERLY	2.00%	\$13,780	2006	\$46,653.72	\$46,653.41	\$347,561.66	\$394,215.07
Rural Elec. Adm.	12140	1983	\$683,000	420	MONTHLY	5.00%	\$3,482	2018	\$15,506.88	\$15,501.61	\$523,322.09	\$538,823.70
Rural Elec. Adm.	12141	1986	\$699,000	420	MONTHLY	5.00%	\$10,139	2018	\$16,490.67	\$16,484.94	\$559,112.93	\$575,597.87
										GL# 4050.200	GL# 4210.100	
								SUBTOTAL		\$189,245.00	\$1,785,230.43	\$1,974,475.92
Rural Tel. Bank	S010	1973	\$2,047,500	140	QUARTERLY	6.00%	\$36,077	2008	\$77,743.17	\$77,671.08	\$982,986.95	\$1,060,658.03
Rurai Tel. Bank	S030	1977	\$2,392,906	140	QUARTERLY	6.50%	\$44,532	2012	\$70,501.40	\$70,388.77	\$1,541,213.55	\$1,611,602.32
Rural Tel. Bank	S031	1977	\$742,394	140	QUARTERLY	6.50%	\$14,215	2013	\$22,126.86	\$22,090.41	\$498,422.12	\$520,512.53
Rural Tel. Bank	S050	1988	\$3,574,600	420	MONTHLY	7.50%	\$24,595	2022	\$49,294.73	\$49,083.38	\$3,202,272.02	\$3,251,355.40
Rural Tel. Bank	S051	1988	\$953,000	420	MONTHLY	7.50%	\$7,060	2018	\$19,111.26	\$19,155.68	\$845,314.10	\$864,469.78
										GL# 4050.100	GL# 4210.300	
PREPAREI	BY : Chris McElra	th 12/09/98						SUBTOTAL		\$238,389.28	\$7,070,208.78	\$7,308,598.06
								TOTAL		\$427,634.28	\$8,855,439.70	\$9,283,073.98
APPROVEI	O BY											

## Net Deferred Operating Income Taxes (Accts 4100 & 4340) Schedule B-8

Company: FRONTIER COMMUNICATION S OF THE SOUTH, INC.

		<b>D</b>	Current	Current	4 11 - 4	P
Particulars	Acct. No.	Beginning Balance	Year Accrual	Year Amort.	Adjust Dr/Cr	Ending Balance
Property Related:		\$	\$	\$	\$	\$
Net Current Op Inc Taxes(Acct 4100)						
Provision for Def Op Inc Taxes-Net						
Federal Income Taxes						
State and Local Income Taxes						
Total Net Current Op Inc Taxes		\$	\$	\$	\$	\$
Net Noncurr Op Inc Taxes(Acct 4340)						
Provision for Def Op Inc Taxes-Net						
Federal Income Taxes		2,123,854		(1,296,638	)	827,216
State and Local Income Taxes		328,029		(143,007	)	185,022
Total Net Noncurr Op IT		\$2,451,883		0 (\$1,439,645	\$0	\$1,012,238
Total Property Related Def Op Inc Taxes		\$	\$	\$	\$	\$
Nonproperty Related:						
Net Curr Operting Inc Taxes(Acct 4100) Provision for Def Op Inc Taxes-Net Federal Income Taxes						
State and Local Income Taxes  Total Net Current Op Inc Taxes		\$	\$	\$	\$	\$
T (1 (242)		II II				
Net Noncurr Op Inc Taxes(Acct 4340) Provision for Def Op Inc Taxes-Net Federal Income Taxes						
State and Local Income Taxes			ļ			
Total Net Noncurr Op Inc Taxes		\$	\$	\$	\$	\$
Total Nonproperty Related Def Op Inc Taxes		\$	\$	\$	\$	\$
						į
			i i			

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

Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC. For the Year Ended December 31, 1998

Description of Items	Amount at Year End
Account 4360 - List ten largest items	
Price Caps	\$0
Deferred Tax reg Liability	\$60,012
ggregate of All Other Items	
otal	\$60,012

## Funded Debt Reacquired or Retired During the Year Schedule B-10

Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.

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

## INCOME STATEMENT SCHEDULE 1-1

Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.

For the year ended December 31, 1998

REVISED 6-1-99

Page 1 of 4

D - C	1		Amo	ounts (\$)
Ref. Sch.	Account		Current Year	Total Company
Scn.	No.	Accounts	Year Yea	r Prior Year
	OPER	ATING REVENUES		
	5001	Basic Area	2 122 400	
		Extended Area	3,132,480	2,906,549
	5003	Cellular Mobile	0	
	5004	Other Mobile Service	45,187	32.07
		Public Telephone	45,187	23,870
	5040	Local Private Line	29,605	11,433
	5050	Customer Premises	339,137	30,48 286,979
	5060	Other Local Exchange	693,660	1,610,918
	5069	Other Local Ex. Settlements	688,235	1,010,910
		Total Local Net. Service	4,928,304	4,870,230
			1,7 23,53	1,070,230
	5081	End User	809,042	743,414
	5082	Switched Access	2,969,108	2,339,820
	5083	Special Access	352,753	372,920
	5084	State Access	2,580,931	2,804,05
		Total Network Access	6,711,834	6,260,21
			, , , , , , , , , , , , , , , , , , , ,	
	5100	Long Distance Message	861,161	969,48
	5111	Long Distance Inward	0	
		Long Distance Outward	0	:
	5121	Subvoice Grade LD Private Net.	69,821	85,34
		Voice Program Grade LD	0	
	5123	Audio Program Grade LD	0	
	5124	Video Program Grade LD	0	
	5125	Digital Transmission LD	0	
	5126	LD Private Network Switching	0	<u> </u>
	5128	Other LD Private Network	0	
	5129	Other LD Private Net. Settle.	0	i
	5160	Other LD Revenue	0	İ
	5169	Other LD Revenue Settle.	7,455	7,43
		Total LD Network	938,437	1,062,26
				1
	5230	Directory	269,367	252,49
	5240	Rent	27,339	36,40
	5250	Corporate Operations	0	
	5261	Special Billing Arrangement	0	
	5262	Customer Operations	0	
	5263	Plant Operations	0	
	5264	Other Incidental Regulated Rev.	85,657	68,49
	5269	Other Revenue Settle.	252 200	10,44
	5270	Interstate Billing & Collection	252,309	220,05
		Intrastate Billing & Collection	420,293	382,56
	5301	Uncollectible Revenue-Tele.	(307,555)	(126,65
	5302	Uncollectible Revenue-Other	(2,754)	843,79
		Total Miscellaneous	744,656	643,75

## INCOME STATEMENT SCHEDULE 1-1

Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.

REVISED

For the year ended December 31, 1998

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		,					Page 2 of 4
Acct.	·	Salaries	į		Other	Current	Prior
No.	Account	& Wages	Donoffe.	Danta		Year	Year
	Plant Specific Exp.	& wages	Benefits	Rents	Expenses	Total	Total
6112	Motor Vehicle					_	
6113	Aircraft			1	6,000	1	0
6114	Vehicle	1			6,999	6,999	6,428
6115	Garage Work Equip.	i i				0	0
6116	Other Work Equip.				(100)	0	0
0110	Total Network Support			1	(189)	(189)	0
	Total Nelwork Support			I	6,810	6,811	6,428
6121	Land & Building	37,134	12,252	3	110 700	160 170	200 504
6122	Furniture & Artwork	37,134	12,232	3	118,789 (24)	168,178 (24)	200,504
6123	Office Equip.		{		2,256	2,256	7 073
6124	Gen. Purpose Computer		ĺ		375,076	2,236 375,076	7,073
0121	Total General Support	37,134	12,252	3	496,097	545,486	328,421 536,002
	- San Concret Support	37,131	12,232		470,077	343,480	330,002
6211	Analog Electronic					0	0
6212	Digital Electronic	114,298	38,466	3,979	88,379	245,122	184,980
6215	Electro-mechanical	111,250	30,100	3,777	88,577	0	104,560
0213	Total CO Switching	114,298	38,466	3,979	88,379	245,122	184,980
	Total Co Billianing	111,250	30,100	3,777	00,577	243,122	104,700
6220	Operator Systems		ĺ	İ		0	0
6231	Radio Systems	37,656	12,269	1,488	9,014	60,427	55,661
6232	Circuit Equip.	19,941	6,502	2,441	39,961	68,845	77,641
0232	Total Circuit Equip.	57,597	18,771	3,929	48,975	129,272	133,302
	Total Circuit Equip.	31,371	10,771	3,727	40,773	127,212	155,502
6311	Station Apparatus			i		0	0
6341	Large PBX					0	0
6351	Public Tele. Terminal	0	o	0	0	0	18,224
6362	Other Terminal Equip.			•		0	0
0002	Total Info. Orig/Term	0	0	0	0	0	18,224
	10.00.07.07.07.07						
6411	Poles	2	1	2	528	533	814
6421	Aerial Cable	4,373	1,407	157	642	6,579	6,962
6422	Underground Cable	61,164	20,025	2,326	10,779	94,294	65,493
6423	Buried Cable	383,503	125,876	15,425	286,876	811,680	648,776
6424	Submarine Cable					0	0
6425	Deep Sea Cable					0	0
6426	Intrabuilding Network					0	0
6431	Aerial Wire					0	0
6441	Conduit Systems	589	184	10	43	826	1,116
6499	Outside Plt. Nonprod - Other					0	0
	Total Cable & Wire	449,631	147,493	17,920	298,868	913,912	723,161
					ĺ		
	Total Plant Specific	658,660	216,982	25,832	939,129	1,840,603	1,602,097
	Plant Nonspecific Exp						
6510	Other Property Plt				1	1	1
6531	Power				90,540	90,540	81,145
6532	Network Admin.				1,102	1,102	1,591
6533	Testing	14,603	4,864		144,529	163,996	176,366
6534	Plant Op. Admin.	70,128	23,119	185	13,212	106,644	98,990
6535	Engineering	16,084	5,766		9,032	30,882	44,891
	Total Network Op.	100,815	33,749	185	258,416	393,165	402,984

## INCOME STATEMENT SCHEDULE 1-1 FLE VISED

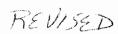
Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.

For the year ended December 31, 1998

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	e year ended December 3	1, 1990					Page 3 of 4
Acct. No.	Account	Salaries & Wages	Benefits	Rents	Other Expenses	Current Year Total	Prior Year Total
6540	Access				117,955	117,955	126,491
6561	Depreciation - TPIS				2,456,794	2,456,794	2,468,514
6562	Depreciation - PHFU				ļ	0	0
6563	Amortization - Tangible				6,778	6,778	4,847
6564	Amortization - Intang.				(27)	(27)	941
6565	Amortization - Other				4,710	4,710	0
	Total Depr. & Amort.				2,468,255	2,468,255	2,474,302
	Total Plt Nonspecific	100,815	33,749	185	2,844,626	2,979,375	3,003,777
	Customer Operations						
6611	Product Management	1,395	452		37,638	39,485	12,728
6612	_	38,349	1,386		40,003	79,738	89,541
6613	Product Advertising				34,739	34,739	21,076
	Total Marketing	39,744	1,838		112,380	153,962	123,345
6621	Call Completion					0	0
6622	Number Service	1 1			201,709	201,709	221,109
6623	Customer Service	38,840	11,767		1,017,201	1,067,808	1,032,982
	Total Services	38,840	11,767		1,218,910	1,269,517	1,254,091
	Total Customer Op	78,584	13,605	e e e	1,331,290	1,423,479	1,377,436
	Coporate Operations						
	Executive	o	o		261,139	261,139	292,285
	Planning				0	0	4,736
	Accounting/Finance	0	o		258,037	258,037	139,593
	External Relations				106,659	106,659	39,479
	Human Resources				87,693	87,693	62,561
6724	Info. Management				282,508	282,508	232,118
6725	Legal				49,047	49,047	75,792
	Procurement	3,445	1,128		32,302	36,875	28,295
6727	Research/Development					0	0
6728	Other Gen. & Admin.	190,759	380		180,229	371,368	250,480
	Total Corporate Op	194,204	1,508		1,257,614	1,453,326	1,125,339
TOTA	L OPERATING EXP	1,032,263	265,844	26,017	6,372,659	7,696,783	7,108,649

## INCOME STATEMENT SCHEDULE I-1



Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.

For the year ended December 31, 1998

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			Amounts (\$)	
Ref.	Account		Current	Prior
Sch.	No.	Accounts	Year	Year
	7110	Income from Custom Work	0	0
	7130	Return from Nonreg. Use of Reg. Fac.	0	0
	7140	Gain/Loss from Foreign Exchange	0	ő
	7150	Gain/Loss from Disp. of Land/Artwork	0	0
	7160	Other Operating Gains and Losses	Ö	0
	, 100	Other Op. Inc. & Expenses	0	0
		Omer op. me. a Expenses		
	7210	Operating ITC	(36,000)	(36,000)
		Operating Federal Income Taxes	2,918,580	1,875,723
	7230	Operating State & Local Income Taxes	374,246	46,017
I-2	7240	Other Operating Taxes	!	
1-2	7250		350,777	362,327
	7230	Provision for Deferred Op. Taxes-Net	(1,434,738)	142,704
		Total Operating Taxes	2,172,865	2,390,771
		Not On and the Tours	2 452 502	2 525 222
		Net Operating Income	3,453,583	3,537,083
	7210	·	72	75
	7310	Dividend Income	73	75
	7320	Interest Income	418,636	269,476
		Income from Sinking & Other Funds	0 501	0 555
	7340	Allow, for Funds Used During Const.	32,521	29,577
		Gain/Loss from the Disp. of Property	0	0
	7360	Other Nonoperating Income	469,694	7,078,516
I-4	7370	Special Charges	(21,459)	(14,024)
		Total Nonop. Income & Exp.	899,465	7,363,620
	=			
	7410	Nonop. ITC - Net	0	0
	7420	Nonop. Federal Income Taxes	0	0
	7430	Nonop. State & Local Income Taxes	0	0
	7440	Nonop. Other Taxes	0	0
	7450	Prov. for Def. Nonop. Inc. Tax-Net	0	0
		Total Nonop. Taxes	0	0
D 4	7510	Total Con For Ind Police	505 200	616 122
B-7	7510	Interest on Funded Debt	596,280	616,123
	7520	Interest Expense - Capital Leases	0	0
B-7	7530	Amortization of Debt Issuance Exp	0	0
	7540	Other Interest Deductions	4,053	5,673
		Total Interest & Related Items	600,333	621,796
I-8	7610	Extraordinary Income Credits	0	0
1-0	7620	Extraordinary Income Credits  Extraordinary Income Charges	0	206,746
**	7630	Curr. Inc Tax Effect of Ex. Items-Net	o o	200,740
	. /030	Total Extraordinary Items		206,746
	7010		0	200,740
	7910	Inc. Effect of Juris. Ratemaking Diff.	1	(8,896
	7990	Nonregulated Net Income	(244,316)	(0,890

## INCOME STATEMENT SCHEDULE 1-1

Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.

For the year ended December 31, 1998

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				Amounts (S	7
Ref. A	ccount No.	Accounts	Current Year	Year Year	Total Company Prior Year
(	OPER/	ATING REVENUES			
	5001	Basic Area	3,132,480		2,906,549
	5002	Extended Area	0		
	5003	Cellular Mobile	0		
	5004	Other Mobile Service	45,187		23,87
	5010	Public Telephone	9		11,43
	5040	Local Private Line	29,605		30,48
	5050	Customer Premises	339,137		286,97
	5060	Other Local Exchange	693,660		1,610,91
!	5069	Other Local Ex. Settlements	688,235		
i		Total Local Net. Service	,928,304		4,870,23
	5081	End User	809,042		743,41
	5082	Switched Access	2,969,108		2,339,82
İ	5083	Special Access	352,753		372,92
	5084	State Access	2,580,931		2,804,05
		Total Network Access	6,711,834		6,260,21
}					
	5100	Long Distance Message	861,161		969,48
	5111	Long Distance Inward	0		
	5112	Long Distance Outward	0		
i	5121	Subvoice Grade LD Private Net.	69,821		85,34
	5122	Voice Program Grade LD	0	į	
	5123	Audio Program Grade LD	0		
	5124	Video Program Grade LD	0		
	5125	Digital Transmission LD	0		
	5126	LD Private Network Switching	0	E	
	5128	Other LD Private Network	0		
	5129	Other LD Private Net. Settle.	0		
	5160	Other LD Revenue	0	Í	
	5169	Other LD Revenue Settle.	7,455		7,43
		Total LD Network	938,437		1,062,26
		/	2000		252.40
	5230	Directory	269,367		252,49
	5240	Rent	27,339		36,40
	5250	Corporate Operations /	0		
	5261	Special Billing Arrangement /	0		
1	5262	Customer Operations /	0		
	5263	Plant Operations /	0		
	5264	Other Incidental Regulated Rev.	85,657		68,49
	5269	Other Revenue Settle.	0		10,44
	5270	Interstate Billing & Collection	252,309		220,03
,		Intrastate Billing & Collection	420,293		382,50
	5301	Uncollectible Revenue-Tele.	(307,555)	1	(126,6
	5302	Uncollectible Revenue Other	(2,754)	)	
		Total Miscellaneous	744,656		843,79
		,		1	

## INCOME STATEMENT SCHEDULE I-1

For the year ended December 31, 1998 Page 2 of								
	sycal colors					/		
						Current	Prior	
Acct.		Salaries			Other	Year	Year	
No.	Account	& Wages	Benefits	Rents	Expenses	Total/	Total	
140.	Plant Specific Exp.							
6112	Motor Vehicle			1		1	0	
6113	Aircraft		Ì		6,999	6,999	6,428	
6114	Vehicle		[			0	0	
6115	Garage Work Equip.	ļ				0	0	
6116	Other Work Equip.				(189)	(189)	0	
0110	Total Network Support				6,810	6,811	6,428	
	Total Network Support							
6121	Land & Building	37,134	12,252	3	1/8,789	168,178	200,504	
6122	Furniture & Artwork	37,134	12,232		(24)	(24)		
6123	Office Equip.				2,256	2,256	7,073	
6124	Gen. Purpose Computer		l		375,076	375,076	328,421	
0124	Total General Support	37,134	12,252	3.	496,097	545,486	536,002	
	Total General Support	07,101						
6211	Analog Electronic			/		0	(	
6212	Digital Electronic	114,298	38,466	3.079	88,379	245,122	184,980	
6215	Electro-mechanical	111,270	50,100	7	00,075	0	(	
0213	Total CO Switching	114,298	38,466	/3,979	88,379	245,122	184,980	
	Total Co Switching	111,270	30,100	15,575	30,072			
6220	Operator Systems			/		0	(	
	Operator Systems	37,656	12,269	1,488	9,014	60,427	55,66	
6231 6232	Radio Systems Circuit Equip.	19,941	6,502	2,441	39,961	68,845	77,64	
0232	Total Circuit Equip.	57,597	18,771	3,929	48,975	129,272	133,30	
	Total Circuit Equip.	37,397	10,771	3,929	40,773	127,272	133,30	
6311	Station Apparatus		/			0		
6341	Large PBX		/			0		
6351	Public Tele. Terminal	0	/0	0	0	0	18,22	
6362	Other Terminal Equip.	0	/ °			0	10,22	
0302	Total Info. Orig/Term	0	/ 0	0	0	0	18,22	
	Total Injo. Orig/Term	0	—/	0	0		10,22	
6411	Poles	2	/ 1	2	528	533	81	
6421	Aerial Cable	4,373	1,407	157	642	6,579	6,96	
6422	1	61,164	20,025	2,326	!	94,294	65,49	
6423	Buried Cable	383,503	125,876	15,425	286,876	811,680	648,77	
6424	1	500,500	/ 120,070	10,120	200,070	0	,	
6425	Deep Sea Cable		/			0		
6426	· -		/			0		
6431	Aerial Wire	/				0		
6441	Conduit Systems	589	184	10	43	826	1,11	
6499	-	399	104		45	0	1,11	
0477	Total Cable & Wire	449,631	147,493	17,920	298,868	913,912	723,16	
	Total Cable & Wife	7117531	117,155	17,520	270,000	7.0,7.2	,,_	
	Total Plant Specific	65/8,660	216,982	25,831	939,129	1,840,603	1,602,09	
	Plant Nonspecific Exp	7	,					
6510					1	1		
6531					90,540	90,540	81,14	
6532					1,102	1,102	1,59	
6533	I	14,603	4,864		144,529	163,996	176,36	
6534	_	70,128	23,119	185		106,644	98,99	
6535		16,084	5,766		9,032	30,882	44,89	
3033	Total Network Op.	100,815	33,749				402,98	

## INCOME STATEMENT SCHEDULE I-1

Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.

For the year ended December 31, 1998

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Acct.	year ended December 3	Salaries & Wages	Benefits	Rents	Other Expenses	Current Year Total	Prior Year Total
No.	Account	C Wages	Delicites	1101110			
6540	Access				117,955	117,955	126,491
6561	Depreciation - TPIS				2,456,794	2,456,794	2,468,514
1	Depreciation - PHFU					0	(
	Amortization - Tangible				6,778	6,778	4,847
	Amortization - Intang.				(27)	(27)	941
	Amortization - Other				4,710	4,710	
	Total Depr. & Amort.				2,468,255	2,468,255	2,474,302
	Total Plt Nonspecific	100,815	33,749	185	2,844,626	2,979,375	3,003,77
	Customer Operations						
	Product Management	1,395	452		/ 37,638	39,485	12,72
	Sales	38,349	1,386		40,003	79,738	89,54
6613	Product Advertising			/	34,739	34,739	21,076
	Total Marketing	39,744	1,838		112,380	153,962	123,34
6621	Call Completion					0	
	Number Service				201,709	201,709	221,10
	Customer Service	38,840	11,767	1	1,017,201	1,067,808	1,032,983
0020	Total Services	38,840	11,767	7	1,218,910	1,269,517	1,254,09
	Total Customer Op	78,584	13,605		1,331,290	1,423,479	1,377,430
	•	70,501	/	/	1,551,250	1,123,177	1,577,10
	Coporate Operations		/				
6711	Executive	0	/ 0		261,139	261,139	292,28
6712	Planning		/		0	0	4,730
	Accounting/Finance	0	/ 0		258,037	258,037	139,593
	External Relations				106,659	106,659	39,479
	Human Resources				87,693	87,693	62,56
	Info. Management				282,508	282,508	232,118
	Legal		/		49,047	49,047	75,79
	Procurement	3,445	1,128		32,302	36,875	28,29
	Research/Development	100 - 6	•		400.000	0	
6728	Other Gen. & Admin.  Total Corporate Op	190,7 <b>5</b> 9 194, <b>2</b> 04	380 1,508		180,229 1,257,614		250,48 1,125,33
	Total Corporate Op	194,204	1,308		1,237,014	1,433,320	1,123,33
ГОТА	L OPERATING EXP	1,032,263	265,844	26,016	6,372,659	7,696,783	7,108,64

### INCOME STATEMENT SCHEDULE 1-1

Page 4 of 4

Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.

***********			Amounts (\$)	
Ref.	Account		Current	Prior
Sch.	No.	Accounts	Year	Year
SCII.	110.			
	7110	Income from Custom Work	0	0
	7110	Return from Nonreg. Use of Reg. Fac.	0	0
	7140	Gain/Loss from Foreign Exchange	0 /	0
	7150	Gain/Loss from Disp. of Land/Artwork	0	0
		Other Operating Gains and Losses	o l	0
	7160		70	0
		Other Op. Inc. & Expenses	/ 0	0
	7010	O time ITO	(36,000)	(36,000)
	7210	Operating ITC	2,918,580	1,875,723
	7220	Operating Federal Income Taxes	,	
	7230	Operating State & Local Income Taxes	374,246	46,017
1-2	7240	Other Operating Taxes	350,777	362,327
	7250	Provision for Deferred Op. Taxes-Net	(1,434,738)	142,704
		Total Operating Taxes	2,172,865	2,390,771
		Net Operating Income	3,453,583	3,537,083
	7310	Dividend Income	73	75
	7320	Interest Income /	418,636	269,476
	7330	Income from Sinking & Other Funds	0	0
	7340	Allow. for Funds Used During Const.	32,521	29,577
	7350	Gain/Loss from the Disp. of Property	0	0
	7360	Other Nonoperating Income	0	7,078,516
I-4	7370	Special Charges	(21,459)	(14,024)
		Total Nonop. Income & Exp.	429,771	7,363,620
	7410	Nonop. ITC - Net	0	0
i	7420	Nonop. Federal Income Taxes	0	0
	7430	Nonop. State & Local Income Taxes	0	0
	7440	Nonop. Other Taxes	0	0
	7450	Prov. for Def. Nonop. Inc. Tax-Net	0	0
	7430	Total Nonop. Taxes	0	0
	!	Total Nonop. Tuxes	U	0
B-7	7510	Interest on Funded Debt	596,280	616,123
,	7520	Interest Expense - Capital Leases	0	0
B-7	7530	Amortization of Debt Issuance Exp	0	0
D-/	7540	Other Interest Deductions	4,053	
	7340	Total Interest & Related Items		5,673
	!	Total Interest & Retaled Items	600,333	621,796
1-8	7610	Extraordinary Income Credits	0	0
1-0		/		
	7620 7630	Extraordinary Income Charges Curr. Inc Tax Effect of Ex. Items-Net	0	206,746
	7030			
	7010	Total Extraordinary Items	0	206,746
	7910	Inc. Effect of Juris. Ratemaking Diff.	(244.216)	(0.000)
	7990	Nonregulated Net Income	(244,316)	(8,896)
		NET INCOME	2 029 705	10.062.265
		NET INCOME	3,038,705	10,063,265

## INCOME STATEMENT SCHEDULE 1-1

Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.

For the year ended December 31, 1998

Page 1 of 4

				Amounts (\$	)
			Current Y		Total Company
ch.	Account No.	Accounts	Total Company	Intrastate	Prior Year
	OPER.	ATING REVENUES			
	5001	Basic Area	596,193	596,193	578,98
i	5002	Extended Area	0	0	,
	5003	Cellular Mobile	0	0	
	5004	Other Mobile Service	0	0	
	5010	Public Telephone	0	0	1,3
	5040	Local Private Line	3,629	3,629	3,4
:	5050	Customer Premises	34,794	34,794	34,9
	5060	Other Local Exchange	135,356	135,356	212,9
	5069	Other Local Ex. Settlements	160,020	160,020	,-
:		Total Local Net. Service	929,992	929,992	831,8
-	5081	End User	174,723	0	172,9
	5082	Switched Access	562,555	0	472,2
!	5083	Special Access	31,600	0	27,
	5084	State Access	157,552	157,552	142,8
		Total Network Access	926,430	157,552	815,0
	5100	Long Distance Message	127,956	127,956	129,;
!	5111	Long Distance Inward	0	0	127,
	5112	Long Distance Outward	0	0	
İ	5121	Subvoice Grade LD Private Net.	10,144	10,144	10,
	5122	Voice Program Grade LD	0	0	••,
	5123	Audio Program Grade LD	0	0	
	5124	Video Program Grade LD	0	0	
	5125	Digital Transmission LD	0	0 1	
	5126	LD Private Network Switching	0	0	
	5128	Other LD Private Network	0	0	
	5129	Other LD Private Net. Settle.	0	0	
	5160	Other LD Revenue	0	0	
	5169	Other LD Revenue Settle.	0	0	
		Total LD Network	138,100	138,100	139,
	5230	Directory	22,827	22,827	23,
	5240	Rent	6,835	6,835	9,
	5250	Corporate Operations	0	0	-,
	5261	Special Billing Arrangement	0	0	
i	5262	Customer Operations	5,725	5,725	
	5263	Plant Operations	0	0	
	5264	Other Incidental Regulated Rev.	236	236	:
	5269	Other Revenue Settle.	0	0	10,
;	5270	Interstate Billing & Collection	43,146	0	43,1
		Intrastate Billing & Collection	19,898	19,898	11,0
	5301	Uncollectible Revenue-Tele.	(56,126)	0	,
	5302	Uncollectible Revenue-Other	0	0	
:		Total Miscellaneous	42,541	55,521	98,
	TOTAL	L OPERATING REVENUES	2,037,063	1,281,165	1,885,3

New ised 7/20/99

## INCOME STATEMENT SCHEDULE 1-1

\				Page 1 of 4
			Amounts (\$	
ef. Acco	<b>\</b>	Current		Total Company
ch. No.	Accounts	Total Company	Intrastate	Prior Year
OPE	ERATING REVENUES			
5001		596,193	596,193	578,9
5002		0	0	376,9
5003	\	0	0	
500	\		0	
5010	\	0	0	1,3
5040	- \	3,629	3,629	3,4
5050	\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \	34,794	34,794	34,9
5060	\	135,356	135,356	
5069		194,176	194,176	212,9
500	Total Local Net. Service	964,148	964,148	831,8
	Total Local Ivel Service	704,146	704,146	031,0
508	1 End User	174,723	0	172,9
5082		562,555	0	472,2
5083		31,600	0	27,5
5084		157,552	157,552	142,8
500	Total Network Access	926,430	157,552	815,6
		720,130	137,332	015,0
5100	0 Long Distance Message	127,956	127,956	129,2
511	(	0	0	127,2
5112	(	0	0	
512	•	10,144	10,144	10,4
5122		0	0	10,
5123		0	0	
5124	_	0	0	
5125	!	0	0	
5120			0	
5128	6		0	
5129			0	
5160	Other LD Revenue	0	0	
5169			0	
	Total LD Network	138,100	138,100	139,6
5230	0 Directory	22,827	22,827	23,4
5240	0 Rent	6,835	6,835	9,1
5250	O Corporate Operations	0	0	,
526	1 Special Billing Arrangement	$\delta$	0	
5262	2 Customer Operations	5,725	5,725	
5263	3 Plant Operations	0	0	
5264	4 Other Incidental Regulated Rev.	236	236	3
5269		0	0	10,4
5270	0 Interstate Billing & Collection	43,146	\ 0	43,8
	Intrastate Billing & Collection	19,898	19,898	11,0
530	1 Uncollectible Revenue-Tele.	(56,126)	\0	
5302		0	λ	
	Total Miscellaneous	42,541	55,521	98,2
				\
				\
TOT	TAL OPERATING REVENUES	2,071,219	1,315,321	1,885,3

## INCOME STATEMENT SCHEDULE 1-1

Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.

For the year ended December 31, 1998

Page 2 of 4

*********						Current	Prior
Acct.		Salaries			Other	Year	Year
No.	Account	& Wages	Benefits	Rents	Expenses	Total	<u>Total</u>
	Plant Specific Exp.						
6112	Motor Vehicle	(27)	(8)	(1)	(1)	(37)	(6
6113	Aircraft				1,543	1,543	1,601
6114	Vehicle					0	(
6115	Garage Work Equip.		1			0	(
6116	Other Work Equip.	(224)	(74)	0	2,476	2,178	1,373
	Total Network Support	(251)	(82)	(1)	4,018	3,684	2,968
6121	Land & Building	9,330	3,079	0	41,400	53,809	49,153
6122	Furniture & Artwork				(6)	(6)	
6123	Office Equip.			l	585	585	2,11
6124	Gen. Purpose Computer				95,634	95,634	75,82
	Total General Support	9,330	3,079	0	137,613	150,022	127,09
6211	Analog Electronic					o	(
6212	Digital Electronic	27,113	9,048	1,036	18,154	55,351	49,13
6215	Electro-mechanical					0	
	Total CO Switching	27,113	9,048	1,036	18,154	55,351	49,13
6220	Operator Systems					o	
6231	Radio Systems	6,893	2,139	276	1,243	10,551	7,28
6232	Circuit Equip.	5,947	1,904	219	5,167	13,237	21,72
	Total Circuit Equip.	12,840	4,043	495	6,410	23,788	29,01
6311	Station Apparatus					0	
6341	Large PBX					0	
6351	Public Tele. Terminal					0	4,37
6362	Other Terminal Equip.					0	
	Total Info. Orig/Term	0	0	0	0	0	4,37
6411	Poles					o	
6421	Aerial Cable				İ	0	64
6422	Underground Cable	25,748	8,663	976	4,070	39,457	24,43
6423	Buried Cable	143,972	47,145	5,929	55,781	252,827	196,26
6424	Submarine Cable					0	
6425	Deep Sea Cable					0	
6426	Intrabuilding Network					0	
6431	Aerial Wire					0	
6441	Conduit Systems					0	
6499	Outside Plt. Nonprod - Other					0	
	Total Cable & Wire	169,720	55,808	6,905	59,851	292,284	221,35
	Total Plant Specific	218,752	71,896	8,435	226,046	525,129	433,93
	Plant Nonspecific Exp						
6510	Other Property Plt	(723)	(236)	(545)	1 1	(1,558)	(78
6531	Power				21,163	21,163	20,70
6532	Network Admin.				269	269	38
6533	Testing	3,415	1,138		33,796	38,349	31,32
6534 6535	Plant Op. Admin.	18,021	5,941	46	2,042	26,050	24,24
	Engineering	(657)	(128)		2,157	1,372	16,64

### INCOME STATEMENT SCHEDULE 1-1

Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.

For the year ended December 31, 1998

Page 3 of 4

	e yeur enaeu December 3					Current	rge 3 of 4 Prior
Acct. No.	Account	Salaries & Wages	Benefits	Rents	Other Expenses	Year Total	Year Total
				***************************************			
6540	Access				60,412	60,412	126,491
6561	Depreciation - TPIS				609,975	609,975	556,708
6562	Depreciation - PHFU					0	. (
6563	Amortization - Tangible				1,536	1,536	1,208
6564	Amortization - Intang.				(36)	(36)	23:
6565	Amortization - Other					0	
	Total Depr. & Amort.				611,475	611,475	558,15
	Total Plt Nonspecific	20,056	6,715	(499)	731,260	757,532	777,159
	Customer Operations						
6611	Product Management				8,138	8,138	3,007
	Sales	8,178			9,216	17,394	21,618
6613	Product Advertising				8,381	8,381	4,72
	Total Marketing	8,178	0		25,735	33,913	29,340
6621	Call Completion					0	(
	Number Service				11,912	11,912	19,649
6623	Customer Service	8,187	2,447		252,521	263,155	243,859
	Total Services	8,187	2,447		264,433	275,067	263,508
	Total Customer Op	16,365	2,447		290,168	308,980	292,854
	Coporate Operations	1					
6711	Executive				58,496	58,496	66,090
	Planning				0	0	1,210
	Accounting/Finance				58,767	58,767	36,614
	External Relations				30,399	30,399	14,167
6723	Human Resources				19,983	19,983	15,742
6724	Info. Management				69,210	69,210	53,733
6725	Legal				10,500	10,500	18,887
6726	Procurement				7,405	7,405	6,596
6727	Research/Development					0	(
6728	Other Gen. & Admin.	47,514			34,774	82,288	79,78
	Total Corporate Op	47,514	0		289,534	337,048	292,820
OTA	L OPERATING EXP	302,687	81,058	7,936	1,537,008	1,928,689	1,796,76

## Florida Only

## INCOME STATEMENT SCHEDULE 1-1

Revised 7/20/99

Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.

For the year ended December 31, 1998

Page 4 of 4

***********				ruge 4 0j 4
Def	A		Amounts (\$)	·
Ref.	Account		Current	Prior
Sch.	No.	Accounts	Year	Year
	7110	Name of the Control W. J.		
	7110 7130	Income from Custom Work	0	0
	7130	Return from Nonreg. Use of Reg. Fac.	0	0
	7150	Gain/Loss from Foreign Exchange Gain/Loss from Disp. of Land/Artwork	0	0
	7160	Other Operating Gains and Losses	0	0
	/100	Other Op. Inc. & Expenses	0	0
		Other Op. Inc. & Expenses	0	0
	7210	Operating ITC	0	(9,000)
	7220	Operating Federal Income Taxes	790,361	460,891
	7230	Operating State & Local Income Taxes	72,674	34,475
I-2	7240	Other Operating Taxes	113,820	133,294
	7250	Provision for Deferred Op. Taxes-Net	0	34,086
		Total Operating Taxes	976,855	653,746
		- state operating rates	770,055	055,740
		Net Operating Income	(868,481)	1,231,616
	7310	Dividend Income	0	0
	7320	Interest Income	111,330	0
	7330	Income from Sinking & Other Funds	0	0
	7340	Allow. for Funds Used During Const.	8,618	0
	73 <b>5</b> 0	Gain/Loss from the Disp. of Property	0	0
	7360	Other Nonoperating Income	0	0
I-4	7370	Special Charges	0	0
		Total Nonop. Income & Exp.	119,948	0
	7410	Nonop. ITC - Net	0	0
	7420	Nonop. Federal Income Taxes	0	0
	7430	Nonop. State & Local Income Taxes	0	0
	7440	Nonop. Other Taxes	0	ő
	7450	Prov. for Def. Nonop. Inc. Tax-Net	0	0
		Total Nonop. Taxes	0	0
B-7	7510	Interest on Funded Debt	158,014	0
<b>D</b> -7	7520			:
B-7	7530	Interest Expense - Capital Leases	0	0
D-/	7540	Amortization of Debt Issuance Exp Other Interest Deductions	0	0
	7340		403	645
		Total Interest & Related Items	158,417	645
I-8	7610	Extraordinary Income Credits	0	0
"	7620	Extraordinary Income Charges	0	0
**	7630	Curr. Inc Tax Effect of Ex. Items-Net	0	0
		Total Extraordinary Items	0	0
	7910	Inc. Effect of Juris. Ratemaking Diff.		
	7990	Nonregulated Net Income	(147,069)	(49,481)
		NET INCOME	(1,054,019)	1,181,490
			(1,001,017)	1,101,170

## Florida Only

## INCOME STATEMENT SCHEDULE 1-1

	***************************************			
Ref.	Account		Amounts (\$)	
Sch.	No.	Accounts	Current	Prior
cu.	10.	Accounts	Year	Year
	7110	Income from Custom Wests		
	7110	Income from Custom Work	0	9
	7140	Return from Nonreg. Use of Reg. Fac.	0	9
	7150	Gain/Loss from Foreign Exchange	0	
	7160	Gain/Loss from Disp. of Land/Artwork	0	0
	/100	Other Operating Gains and Losses	0	0
		Other Op. Inc. & Expenses	0	0
	7210	Operating ITC	0	(0.000
	7220	Operating Federa Vincome Taxes		(9,000
	7230	Operating State & Docal Income Taxes	790,361	460,891
		· · · · · · · · · · · · · · · · · · ·	72,674	34,475
<b>I-</b> 2	7240	Other Operating Taxes	113,820	133,294
	7250	Provision for Deferred Op. Taxes-Net	0	34,086
		Total Operating Taxes	976,855	653,746
		Net Operating Income	(834,325)	1,231,616
	7310	Dividend Income	0	0
	7320	Interest Income	111,330	0
	7330	Income from Sinking & Other Funds	0	0
	7340	Allow. for Funds Used During Const.	8,618	0
	7350	Gain/Loss from the Disp. of Property	0	0
	7360	Other Nonoperating Income	0	0
I-4	7370	Special Charges	0	0
		Total Nonop. Income & Exp.	I19,948	0
	7410	Nonop. ITC - Net	0	0
	7420	Nonop. Federal Income Taxes	0	0
	7430	Nonop. State & Local Income Taxes	0	0
	7440	Nonop. Other Taxes	0	0
	7450	Prov. for Def. Nonop. Inc. Tax-Net	0	0
		Total Nonop. Taxes	0	0
3-7	7510	Interest on Funded Debt	158,014	0
	7520	Interest Expense - Capital Leases	\ 0	0
3-7	7530	Amortization of Debt Issuance Exp	\ 0	0
	7540	Other Interest Deductions	403	645
		Total Interest & Related Items	158,417	645
I-8	7610	Extraordinary Income Credits	0	0
"	7620	Extraordinary Income Charges	0	0
"	7630	Curr. Inc Tax Effect of Ex. Items-Net	0	0
	. 350	Total Extraordinary Items	0	0
	7910	Inc. Effect of Juris. Ratemaking Diff.		\
	7990	Nonregulated Net Income	(147,069)	(49,481
		NET INCOME	(1,019,863)	1,181,490

## Other Operating Taxes Schedule I-2

Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.

For the Year Ended December 31, 1998

	Type of Tax						
Name of Governemnt	Property	Gross Receipts	PSC Assess	Intangible	Franchise	Others*	Total
U.S. Government State of Florida State of Alabama Environmental Tax Escambia Co. Occupational Tax	112,011 202,334	13906	1,404	1,697		4987	18,893 115,112 202,334 0
Inspection Tax Other						20,400 (5,962)	20,400 (5,962)
			3				
Note: * List separately each item in exce	ss of \$500.		1				
Total	\$314,345	\$13,906	\$1,404	\$1,697	\$0	\$19,425	\$350,777
Charged to Construction			and the second s				
Net Charged to Account	\$314,345	\$13,906	\$1,404	\$1,697	\$0	\$19,425	\$350,777

)

## Prepaid Taxes and Tax Accruals (Accts 1300, 4070 & 4080) Schedule I-3

Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.

	Beginning Balance		Current Acc. Paid				Ending Balance Year			
	Pre Taxes	IT-Acc	Other Tax	Acct		During	Adj.	Pre Taxes	IT-Acc	Other Tax
Particulars	Acet 1300	Acct 4070	Acct 4080	No	Amount	Year	Dr/Cr	Acct 1300	Acct 4070	Acct 4080
	\$	\$	\$		\$	\$	\$	\$	\$	\$
FL Gross Receipts AL Gross Receipts FED Income Tax AL & FL Inc Tax Property Taxes Unemployment Business License FICA Taxes			\$ 3,736 (4,676)			48,227 293,985 1,699,000 1,176,312 51,566 10703 5878	\$	\$	1,261,560 (2,271)	\$ 3,618 (7,515) 267,537 55 14,522 5,391
	\$6	\$449,157	\$14,480		\$4,528,682	\$3,449,422	\$0	\$0	\$1,259,289	\$283,600

## Special Charges (Account 7370)

### Schedule I-4

Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.

For the Year Ended December 31, 1998

Description of Item	Amount
Advertising	\$
Membership Fees & Dues	
Social and Athletic Clubs	
Service Clubs	
Other Organizations (Specify Typ Civic	
Total Membership Fees & Dues	
Abandoned Construction Projects	
Penalities & Fines	
Charitable, Social or Other Community Welfare	9
Legislative	
Others	
Aggregate of all other items	
Total	\$21

## Donations or Payments for Services Rendered by Persons Other Than Employees Schedule I-5

Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.

	Nature of		Amount of
Name of Recipient	Services	Acct No.	Payment
Brantley & Wilkerson	Legal	6725	6,816.00
Crowe Brothers Constructio	_	various	184,060.00
Ditch Witch of Mobile	Construction Labor	6116	6,979.00
Emergency Systems Service		6116	11,294.0
Hess Mowing Service	Lawn Care	6121	3,475.00
National Linen Service	Laundry	6534	9,887.00
Park Printing Inc.	Printing/Advertising	6623	1,081.00
Sellers Electric Service	Electrical Work	6121	692.00
Deloitte & Touche	Consulting	various	878.00
Hutton Company	Consulting	various	6,313.00
		]	,
		1	

## Membership Fees and Dues Schedule I-6

Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.

For the Year Ended December 31, 1998

Particulars	Account	Amount
xpenditures Charged to Operating Expenses		\$
Membership in:		
Association of Telecommunications Companies	6728	\$11,391
Trade, Technical and Professional Associations	6728	Non
Other Organizations (Specify Type):		
	ļ	
	1	
Total		\$11,39

## Advertising Schedule I-7

Account Title	Amount During the Year
Operating Expenses 6613 Product Advertising 6722 External Relations All other accounts used to record expenses of \$10,000 or more.	\$ \$34,739 \$106,659
Total	\$141,398

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

	Credit	Debit	Tax Effect Included in		
Particulars	Amounts	Amounts	Acct 7630	Acct 7640	
NONE		5			
		š -			
	- AN VIII				
Total	\$	\$	\$	\$	

### **Outside Plant Statistics**

#### Schedule S-1

Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.

For the Year Ended December 31, 1998

		Aerial Cable		Underground Cable		Buried Cable	
	Miles of		Miles of		Miles of		Miles of
	Aerial	Miles of	Wire	Miles of	Wire	Miles of	Wire
State or Territory	Wire	Cable	in Cable	Cable	in Cable	Cable	in Cable
Florida	0	0	0	0	0	399.22	N/A
	1						

### Access Lines in Service by Customer Schedule S-2

						Total
						Access Lines
	Business		Public	Residential	Mobile	(Switched &
State or Territory	Single Line	Multi Line	Access Lines	Access Lines	Access Lines	Special)
ALABAMA	1,493	765	115	8,714	0	11,087
FLORIDA	230	79	14	3,895	0	4,218
	İ					

### Telephone Calls Schedule S-3

	IntraL		ntraLATA InterLATA Toll Calls Completed			InterLATA Billed Access Minutes		
		Toll Calls	(Origin	nating)		(Originating an	d Terminating)	
		Completed						
State or Territory	Local Calls	(Originating)	Interstate	Intrastate	Total	Interstate	Intrastate	Total
ALABAMA	N/A	1,100,280	664,992	231,492	1,996,764	37,274,006	14,199,371	51,473,377
FLORIDA	N/A	153,168	263,508	56,988	473,664	11,014,952	2,932,845	13,947,797
			1000			AMAZO MATETA		
Total	N/A	1,253,448	928,500	288,480	2,470,428	48,288,958	17,132,216	65,421,174

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

Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.

For the Year Ended December 31, 1998

(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) State Access (5084) Long Distance (5100 - 5169) Miscellaneous (5230 - 5270)	\$964,148 0 0 0 157,552 138,100 55,521	\$955,566 0 0 0 157,552 138,100 55,396	\$8,582 \$0 \$0 \$0 \$0 \$125
Total	\$1,315,321	\$1,306,614	\$8,707

#### Explanations:

- (1) Universal Service Fund, Account #301-5060-990, in the amount of \$8,582, is not subject to the PSC Assessment Fee.
- (2) Usite All B&C Intra O/S, Account 301-5270-690, in the amount of \$125 is 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).

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

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

		Amount
N. d. S. and S. W.		<b>#2.029.70</b>
Net Income for the Year	Anthon and a Name Afficial Afficia	\$3,038,705
Additions:	(1)	61 000 000
Federal & State Taxes	(1)	\$1,822,088
Depreciation of AFUDC		
Depreciation on Pensions Capitalized		
Depreciation of Payroll Taxes Capitalized		
Depreciation on Sales/Use Taxes Capitalized		
Depreciation on Intercompany Profit		
Other (Specify)	(0)	***
Capitalized 263A Exepnses	(2)	\$38,86
Penalties	(3)	\$2,70
Meals & Entertainment	(4)	\$6,30
OPEBS Accrual	(5)	\$80,80
Deductions:		
Interest During Construction (AFUDC)	(8)	(\$25,50
Bad Debt Expense	(10)	\$54,70
Payroll Taxes Capitalized		
Sales/Use Tax Capitalized		
Accelerated Tax Depreciation	(6)	(\$183,90
Other (Specify) Acquisition related items	(9)	(\$37,12
Accrued Compensation/Vacation Pay	(7)	<u> </u>
State Tax	(11)	(\$374,24
Calculation differences		(\$7
Curomanon Sina Circum		(4.
Taxable Income - Federal		\$4,423,31
Tax @ applicable tax rate(s) - 35%		\$1,548,16
Tax True-Up		\$1,370,41
te: Current Taxes Payable		\$2,918,58
a. Amount of Depreciation Per Books		
o. 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, 1998

		Amount
		Amount
Net Income for the Year		\$3,038,70
Additions:		
Federal & State Taxes	(I)	\$1,822,08
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 Expensees	(2)	\$38,86
Penalties	(3)	\$2,70
Meals & Entertainment	(4)	\$6,30
OPEBS Accrual	(5)	\$80,80
Deductions:		\$60,00
Interest During Construction (AFUDC)	(8)	(\$25,50
Bad Debt Expense	(10)	\$54,70
	(10)	\$34,70
Payroll Taxes Capitalized		
Sales/Use Tax Capitalized	(0)	(6102.00
Accelerated Tax Depreciation	(6)	(\$183,90
Other (Specify) Acquisition related items	(9)	(\$37,12
Accrued Compensation/Vacation Pay	(7)	\$
Calculation differences		(\$70
Taxable Income - State		\$4,797,56
Tax @ 5.125%		\$245,87
Tax true-up	(10)	\$128,37
ote: Current Taxes Payable		\$374,24
a. Amount of Depreciation Per Books		
b. Amount of Depreciation (Tax Basis)		
,		
		Managarian and Managarian and Sangarian Sangarian

## Compensation of Officers Schedule Z-4

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

- 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.

Title	Name of Officer	Salary for Year	Bonus/Incentive	Total
(a)	(b)	(c)	(d)	Total (e)
ONE				
			-	

## Affiliation of Officers and Directors Schedule Z-5

Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.

For the Year Ended December 31, 1998

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 excercising similar functions.

	Principal	Affiliation or Connection with any Other Business or Financial Organization Firm or Partnership	
Name	Occupation or Business Affiliation	Affiliation or Connection	Name and Address
NE			
1112			
			1 2 3

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

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

For the Year Ended December 31, 1998

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
ONE			

## Analysis of Directory Advertising Operations Schedule Z-7

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

		Consolidated (f) Amount	Amount Per Books
	1. Revenues (Account 5230) (e)	22,827	22.82
	2. Local	22,027	22,82
	3. National		
	4. Sales		
	5. Commissions		
	6. Other		
	7. Total (line 2 thru 6)	22,827	22,82
	8. Expenses (Account 6622) (e)	11,912	11,91
	9. Printing		,
	10. Commissions		
	11. Deliver		
	12. Salvage		
	13. Other		
	14. Total (line 9 thru 13)	11,912	11,91
	15. Gross Profit (Line 7 minus 14)	10,915	10,91
	16. Gross Profit 1982 (a)	8,830	8,83
	17. Customer Growth Factor (b)		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
	18. CPI-U Factor (c)		
	19. Adjusted 1982 (L16 x L17 x L18)		
	20. Nonregulated (d)		
otn	notes:		
a)	Gross Profit Base as Stated in FPSC Rule 25-4.0405		
b)	Average Current Year Access Lines	= 4,160	= 1.8
	Average 1982 Access Lines Per Rule 25-4.0405	2,279	
(c)	Annual Average CPI-U for Current Year	= 163	= 1.6
	Annual Average CPI-U for 1982	96.5	
(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 this schedule.	l in accounts 523 and 649 should b	e included
f)	This column only applies to those LEC's with an affithe service. The consolidated amount should contain Advertising operation in the local franchise area to be service. This will include the gross amounts billed for publishing or directory companies as well as the Local	n the entire or gross amount from the considered in setting rates for tell from all sources, including all amounts.	he Directory ecommunications

## Average Access Lines in Service

### Schedule Z-8

Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.

For the Year Ended December 31, 1998

(a) Classification	(b) Average Number
Ciusinication	
1. Residence Lines (R-1, 2, 4, etc.)	3,842
2. Business Lines (B-1, 2, 4, etc.)	225
3. Centrex Lines	3
4. PBX Trunks	2
5. Key System Lines	73
6. Subtotal (Line 1 thru Line 5)	4,145
7. Teletypewriter Lines	
8. Foreign Exchange Lines	
9. Service Telephone Lines	
10. Other Lines	15
11. Total (Line 6 thru Line 10)	4,160
	+

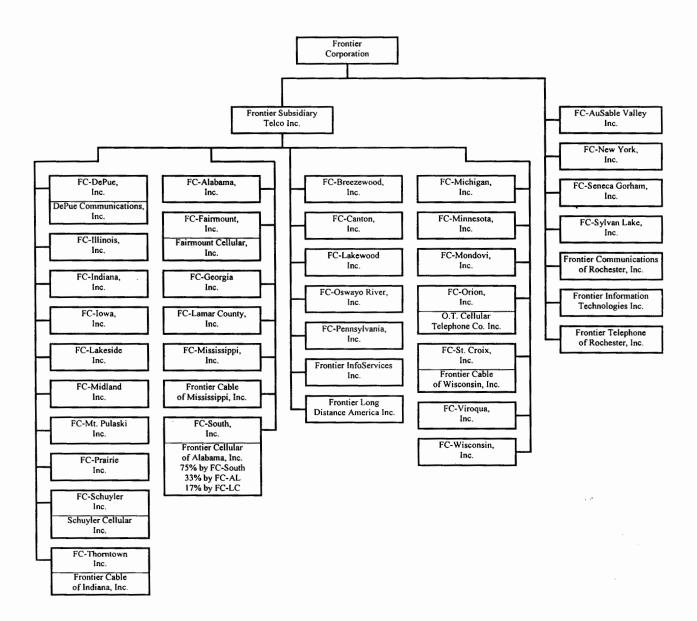
#### Footnotes:

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

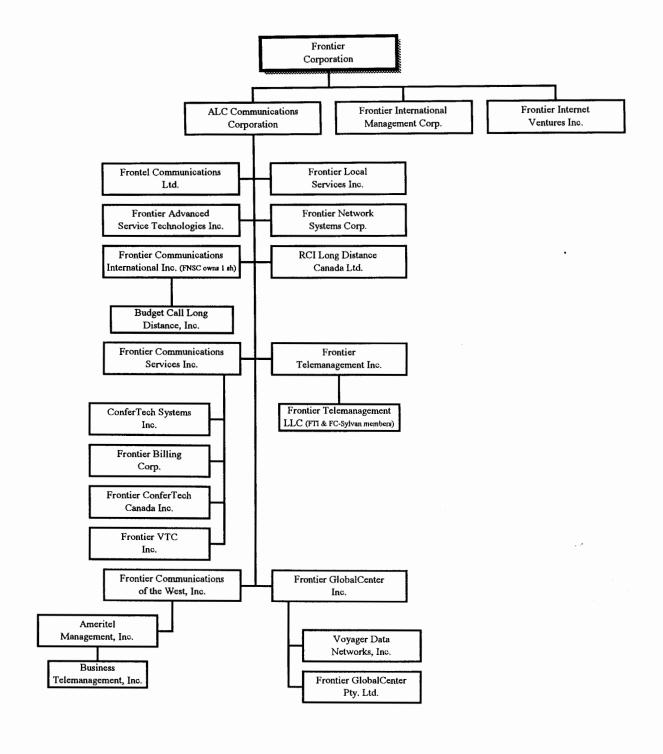
## Corporate Structure Schedule Z-9

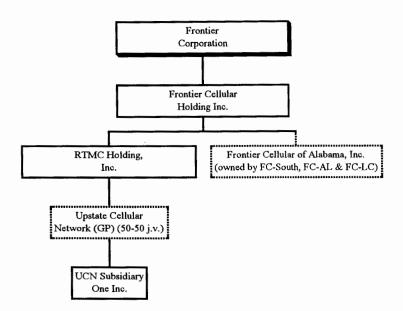
## Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.

Provide an updated organizational chart showing all affiliated companies, partnerships, etc.		
Effective Date		
Please See Attached Charts		



## Integrated Services & CLEC Organizations as of April 1, 1999 Based on common stock ownership (Longdis.opx)





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

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

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)	
ONE		
	•	

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

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

For the Year Ended December 31, 1998

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.

			Total Charge for Year		
	Type of Service	Relevant Contract	"p"		
Name of	and/or	or Agreement and	or	Account	Dollar
Affiliate	Name of Product	Effective Date	"s"	Number	Amount
(a)	(b)	(c)	(d)	(e)	(f)
Frontier Communications of Georgia, Inc.	Region Admin. Support Services	RUS Service Contract 10/17/93	S	Various	\$3,550,923
Frontier Communications of Fairmount, Inc.	Region Admin. Support Services	RUS Service Contract 5/11/92	S	Various	\$782,063
Frontier Communications of Mississippi, Inc.	Region Admin. Support Services	RUS Service Contract 5/11/92	S	Various	\$1,629,021
Frontier Communications of Alabama, Inc.	Region Admin. Support Services	RUS Service Contract 5/11/92	S	Various	\$2,369,162
Frontier Communications of Lamar County, Inc.	Region Admin. Support Services	RUS Service Contract 5/11/92	S	Various	\$414,434
Frontier Communications of Minnesota, Inc.	Region Admin. Support Services	N/A	S	Various	\$219,854
Frontier Information Technologies	Data Processing Services		S	Various	\$5,275
Frontier Information Services, Inc.	Directory Services		S	Various	\$113,097
Frontier Communications of Alabama, Inc.	Materials & Supplies Installation & Repair Svcs.	RUS Service Contract 5/11/92	P	Various	\$161,654
Frontier Communications of Minnesota, Inc.	LAN Support, off hour repairs & alarm monitoring	N/A	P	Various	\$652,817
Frontier Information Technologies	Data Processing Services		P	Various	\$2,010,327
Frontier Information Services, Inc.	Directory Services	2/18/94	P	Various	\$189,024
Frontier Corporation	Corporate Administation & Support Services	AI-14 7/1/90	P	Various	\$1,440,715
Frontier Telephone of Rochester	Corporate Administation & Support Services		P	Various	\$354,134