

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

09 APR 30 11:11
AUDITING &
FINANCIAL ANALYSIS DIV

RECEIVED
FLORIDA PUBLIC SERVICE
COMMISSION

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 above-named 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.

4/29/99

Date

J. Michael V. Carr

Signature

MICHAEL T. CARR

Name

DIRECTOR - FINANCIAL PLANNING
& ANALYSIS

Title

Report of Independent Accountants

May 26, 1999

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 accounting releases.

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.

PricewaterhouseCoopers LLP

ACCOUNTING &
FINANCIAL ANALYSIS DIV.
MAY 26 1999 11:10:45
COMMUNICATIONS
DIVISION

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.



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JUL 15 1999
AUDITING &
FINANCIAL ANALYSIS DIV

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,

A handwritten signature in cursive script that reads "Christine Burke".

Christine Burke
Senior Analyst, Regulatory
Frontier Telephone Group

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Identity of Respondent
Schedule A-1

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

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

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

Control over Respondent
Schedule A-2

1. If direct control over the respondent was held by a corporation, individual, association or other person at the end of the year, state:

- | | |
|--|---|
| (a) The form of control (sole or joint): | Sole |
| (b) The name and address of the directly controlling organization or person: | Frontier Corporation
180 South Clinton Avenue
Rochester, NY 14646 |

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

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

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

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

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

Board of Directors and General Officers

Schedule A-3

Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.

For the Year Ended December 31, 1998

Name of Director or Officer and Address (City and State)	Title & Dept. over Which Jurisdiction is Exercised	Director's Fees
Joseph P. Clayton	Director/Chief Financial Officer	
Rolla Huff	Director	
Martin Mucci	Executive Vice President	
Robert L. Barrett	Director	
James G. Dole	Director/Chief Financial Officer	
Jeremiah 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.
2. Stockholders of each class of stock shall be listed in the order of their holdings, beginning with the highest and continuing until the 10 largest holdings have been listed. If any such holder was a trustee or nominee for other persons who held the beneficial interest in the securities, the name and address of each person who has the beneficial interest shall be shown in a note, if known. Likewise, if any person had the beneficial interest in securities held by trustees or nominees under different trusts or other groupings, and the aggregate of such person's holdings would place him among the listed holders if he were the holder of record, the details of such holdings shall be shown in a note, if known.

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

Important Changes during the Year
Schedule A-5

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

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

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

QUESTIONS 1 THROUGH 4 ANSWER IS: NONE

BALANCE SHEET

Schedule B-1

REVISED

Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.

For the Year Ended December 31, 1998

Page 1 of 2

Ref. Sch.	Account No.	Accounts	Amounts (\$)	
			Beginning of Year	End of 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
	2002	Property Held for Future Use		
	2003	Plant under Construction	1,498,620	1,965,394
	2005	Plant Adjustment		
	2006	Nonoperating Plant	86,328	86,329
		Subtotal	36,097,761	39,092,022
		Less:		
B-4	3100	Acc. Depreciation	18,556,129	20,727,926
"	3200	Acc. Depreciation-Held for Future Use		
"	3300	Acc. Depreciation-Nonoperating	68,965	71,642
"	3410	Acc. Amort. - Capitalized Leases		
"	3420	Acc. Amort. - Leasehold Improvements		
"	3500	Acc. Amort. - Intangible		
"	3600	Acc. Amort. - Other	18,372	70,206
		Subtotal	18,643,466	20,869,774
		Net Telephone Plant in Service	17,454,295	18,222,248
		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

Page 2 of 2

Ref. Sch.	Account No.	Accounts	Amounts (\$)	
			Beginning of Year	End of Year
		<i>Current Liabilities</i>		
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		
	4120	Other Accrued Liabilities	62,888	240,724
	4130	Other Current Liabilities		23,996
		<i>Total Current Liabilities</i>	3,780,910	7,049,277
		<i>Long-Term Debt</i>		
B-7	4210	Funded Debt	9,303,082	8,854,839
"	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		
		<i>Total Long-Term Debt</i>	9,303,082	8,854,839
		<i>Other Liabilities and Deferred Credits</i>		
	4310	Other Long-Term Liabilities	189,787	309,000
	4320	Unamortized Operating ITC - Net	100,774	0
	4330	Unamortized Nonoperating ITC - Net		
B-8	4340	Net Noncur. Def. Oper. Income Taxes	2,451,883	1,045,124
	4350	Net Noncur. Def. Nonoper. Inc. Taxes		
B-9	4360	Other Deferred Credits	60,012	91,220
	4370	Other Juris. Liab. & Def. Credits		
		<i>Total Other Liab. & Def. Credits</i>	2,802,456	1,445,344
		<i>Stockholder's Equity</i>		
	4510	Capital Stock	500,000	500,000
	4520	Additional Paid-in Capital		
	4530	Treasury Stock		
	4540	Other Capital	4,394,361	4,394,360
	4550	Retained Earnings	22,619,981	24,362,028
	9999	Headquarters Control		
		<i>Total Stockholder's Equity</i>	27,514,342	29,256,388
		<i>TOTAL LIABILITIES AND EQUITY</i>	43,400,790	46,605,848

BALANCE SHEET

Schedule B-1

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

For the Year Ended December 31, 1998

Page 1 of 2

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	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		22,368
		Total Current Assets	3,910,291	5,465,593
		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	81,593
	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	1,895,187
	2005	Plant Adjustment		
	2006	Nonoperating Plant	86,328	86,329
		Subtotal	36,097,761	39,021,815
		Less:		
B-4	3100	Acc. Depreciation	18,556,129	20,727,926
"	3200	Acc. Depreciation-Held for Future Use		
"	3300	Acc. Depreciation-Nonoperating	68,965	71,642
"	3410	Acc. Amort. - Capitalized Leases		
"	3420	Acc. Amort. - Leasehold Improvements		
"	3500	Acc. Amort. - Intangible		
"	3600	Acc. Amort. - Other	18,372	0
		Subtotal	18,643,466	20,799,568
		Net Telephone Plant in Service	17,454,295	18,222,247
		TOTAL ASSETS	43,400,790	46,637,479

BALANCE SHEET

Schedule B-1

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

For the Year Ended December 31, 1998

Page 2 of 2

Ref. Sch.	Account No.	Accounts	Amounts (\$)	
			Beginning of Year	End of Year
		Current Liabilities		
B-6	4010	Accounts Payable	2,394,878	4,517,552
	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		
	4120	Other Accrued Liabilities	62,888	240,724
	4130	Other Current Liabilities		23,996
		Total Current Liabilities	3,780,910	7,048,302
		Long-Term Debt		
B-7	4210	Funded Debt	9,303,082	8,854,839
"	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	8,854,839
		Other Liabilities and Deferred Credits		
	4310	Other Long-Term Liabilities	189,787	308,815
	4320	Unamortized Operating ITC - Net	100,774	64,774
	4330	Unamortized Nonoperating ITC - Net		
B-8	4340	Net Noncur. Def. Oper. Income Taxes	2,451,883	1,012,238
	4350	Net Noncur. Def. Nonoper. Inc. Taxes		
B-9	4360	Other Deferred Credits	60,012	91,220
	4370	Other Juris. Liab. & Def. Credits		
		Total Other Liab. & Def. Credits	2,802,456	1,477,047
		Stockholder's Equity		
	4510	Capital Stock	500,000	500,000
	4520	Additional Paid-in Capital		
	4530	Treasury Stock		
	4540	Other Capital	4,394,361	4,395,207
	4550	Retained Earnings	22,619,981	24,362,084
	9999	Headquarters Control		
		Total Stockholder's Equity	27,514,342	29,257,291
		TOTAL LIABILITIES AND EQUITY	43,400,790	46,637,479

Statement of Cash Flows

REVISED

Schedule B-2

Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.

For the Year Ended December 31, 1998

Page 1 of 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		(\$4,229,382)
Total This Page		\$2,195,591

Statement of Cash Flows
Schedule B-2

REVISED

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		\$2,195,591
Cash Flows from Financing Activities:		
Net Inc./Dec. in ST Debt with Original Maturities of 3 Months or Less	0	
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	(\$1,766,352)	
Other Financing Activities (Explained)	\$0	
Net Cash Provided by Financing Activities		(\$2,194,973)
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		\$44,877

Notes:

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

Description of Items	Amount	Total 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 Accrued 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		\$1,725,895

Statement of Cash Flows

Schedule B-2

Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.

For the Year Ended December 31, 1998

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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		(\$1,725,277)
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		\$44,877

Notes:

Total Company

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

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

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Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*	
2111	Land		165,148	2,853					168,001	
Amortizable General Support Assets:										
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	
		AL FL								
Depreciable Assets: This schedule should identify each account/subaccount for which a separate depreciation rate has been approved by the FPSC.										
2112	Motor Vehicles	9.0	221,396	27,661					249,057	
2121	Buildings	2.7	2.9	1,626,929	26,404				1,653,333	
	Total Land & Support Assets			3,118,939	172,040	24,358	0	46,791	0	3,313,412
Central Office Assets:										
2212	Digital Electronic Switch	6.0	6.6	8,491,623	427,602				8,919,225	
2215	Elec. Mechanical Switch			0					0	
2220	Operator Systems	6.0		0					0	
2231	Radio Systems	3.1		0					0	
2232	Circuit Equipment	10.0	8.5	895,275	254,919				1,150,194	
2232	Fiber Circuit Equipment	9.6	5.0	94,705	9,360				104,065	
	Total Central Office Assets			9,481,603	691,881	0	0	0	0	10,173,484
Info. Orig/Term Assets:										
2321	Customer Premise Wiring	(A)	(A)	0					0	
2351	Public Telephone Equipment	2.8	10.0	0					0	
	Total Info. Orig/Term Assets			0	0	0	0	0	0	0

Total Company

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

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

Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
(Continued)									
Cable and Wire Facilities									
2411	Poles	2.2	100,341	353	176				100,518
2421	Aerial Cable Metallic	6.06	137,294	716					138,010
2421	Aerial Cable Fiber		2,151						2,151
2422	Underground Cable Metallic	4.0	772,661	15,034	728				786,967
2422	Underground Cable Fiber	3.1	234,596						234,596
2423	Buried Metallic Cable	4.8	16,527,955	1,339,562	258,124				17,609,393
2423	Buried Fiber Cable	3.5	1,817,024	29,848					1,846,872
2423	Buried Cable Terminal	4.8	1,847,445	518,377	3,725				2,362,097
2423	Buried Air Cove Cable		0						0
2441	Conduit Systems	2.0	472,799						472,799
	Total Cable and Wire Facilities		21,912,266	1,903,890	262,753	0	0	0	23,553,403

Total Company

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

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

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Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
(Continued)									
Cable and Wire Facilities									
2411	Poles	2.2	100,341	353	176				100,518
2421	Aerial Cable Metallic	6.06	137,294	716					138,010
2421	Aerial Cable Fiber		2,151						2,151
2422	Underground Cable Metallic	4.0	5.9	772,661	15,034	728			786,967
2422	Underground Cable Fiber	3.1	5.3	234,596					234,596
2423	Buried Metallic Cable	4.8	5.5	16,527,955	1,339,562	258,124			17,609,393
2423	Buried Fiber Cable	3.5	5.0	1,817,024	29,848				1,846,872
2423	Buried Cable Terminal	4.8		1,847,445	518,377	3,725			2,362,097
2423	Buried Air Cove Cable		10.0	0					0
2441	Conduit Systems	2.0	1.7	472,799					472,799
	Total Cable and Wire Facilities			21,912,266	1,903,890	262,753	0	0	23,553,403

Total Company

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

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

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Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
(Continued)									
Capital Recovery Schedules:									
Jointly Used Plant Allocated to Nonregulated			()	()	()	()	()	()	()
Amortizable Assets:									
2681	Capital Leases								
2682	Leasehold Improve.								
2690	Intangibles								
Total Balances			34,512,808	2,767,811	287,111	0	46,791	0	37,040,299

Total Company

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

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

Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
<i>(Continued)</i>									
Capital Recovery Schedules:									
Jointly 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	37,040,299
Note: * The total beginning and ending balances plus jointly used plant allocated to nonregulated, if any, must agree to acct. 2001, Plant in Service, in Schedule B-1, Balance Sheet.									

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

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Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.
For the Year Ended December 31, 1997

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Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
2111	Land		21,129	2,856					23,985
Amortizable General Support Assets:									
2116	Other Work Equipment	7 yrs	0						0
2122	Furniture	10 yrs	3,203				(638)		2,565
2123	Office Support Equipment	7 yrs	0						0
2123	Company Communications	5 yrs	1,005				(1,005)		0
2124	General Purpose Computer	5 yrs	0						0
Depreciable Assets: This schedule should identify each account/subaccount for which a separate depreciation rate has been approved by the FPSC.									
2112	Motor Vehicles		0						0
2121	Buildings	3.0	148,483						148,483
	Total Land & Support Assets		173,820	2,856	0	0	(1,643)	0	175,033
Central Office Assets:									
2212	Digital Electronic Switch	9.9	2,291,486	97,065					2,388,551
2215	Elec. Mechanical Switch		0						0
2220	Operator Systems		0						0
2231	Radio Systems		0						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)	0						0
2351	Public Telephone Equipment	6.1	0						0
	Total Info. Orig/Term Assets		0	0	0	0	0	0	0

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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, 1997**

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Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
2111	Land		21,129	2,856					23,985
Amortizable General Support Assets:									
2116	Other Work Equipment	7 yrs	0						0
2122	Furniture	10 yrs	3,203				(638)		2,565
2123	Office Support Equipment	7 yrs	0						0
2123	Company Communications	5 yrs	1,005				(1,005)		0
2124	General Purpose Computer	5 yrs	0						0
Depreciable Assets: This schedule should identify each account/subaccount for which a separate depreciation rate has been approved by the FPSC.									
2112	Motor Vehicles		0						0
2121	Buildings	2.9	148,483						148,483
	Total Land & Support Assets		173,820	2,856	0	0	(1,643)	0	175,033
Central Office Assets:									
2212	Digital Electronic Switch	6.6	2,291,486	97,065					2,388,551
2215	Elec. Mechanical Switch		0						0
2220	Operator Systems		0						0
2231	Radio Systems		0						0
2232	Circuit Equipment	8.5	343,662	68,300					411,962
2232	Fiber Circuit Equipment	5.0	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)	0						0
2351	Public Telephone Equipment	10.0	0						0
	Total Info. Orig/Term Assets		0	0	0	0	0	0	0

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Analysis of Plant in Service Accounts
Schedule B-3

Revised
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Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.
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Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
(Continued)									
Cable and Wire Facilities									
2411	Poles		0						0
2421	Aerial Cable Metallic		0						0
2421	Aerial Cable Fiber		0						0
2422	Underground Cable Metallic	5.8	1,612						1,612
2422	Underground Cable Fiber	5.1	2,692						2,692
2423	Buried Metallic Cable	5.6	4,992,493	458,025	75,855				5,374,663
2423	Buried Fiber Cable	4.7	800,723	29,848					830,571
2423	Buried Cable Terminal		551,470	246,076	1,748				795,798
2423	Buried Air Cove Cable		0						0
2441	Conduit Systems	1.7	1,710						1,710
	Total Cable and Wire Facilities		6,350,700	733,949	77,603	0	0	0	7,007,046

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Annual Status Report
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Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.
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Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
(Continued)									
Cable and Wire Facilities									
2411	Poles		0						0
2421	Aerial Cable Metallic		0						0
2421	Aerial Cable Fiber		0						0
2422	Underground Cable Metallic	5.9	1,612						1,612
2422	Underground Cable Fiber	5.3	2,692						2,692
2423	Buried Metallic Cable	5.5	4,992,493	458,025	75,855				5,374,663
2423	Buried Fiber Cable	5.0	800,723	29,848					830,571
2423	Buried Cable Terminal		551,470	246,076	1,748				795,798
2423	Buried Air Cove Cable	10.0	0						0
2441	Conduit Systems	1.7	1,710						1,710
	Total Cable and Wire Facilities		6,350,700	733,949	77,603	0	0	0	7,007,046

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Analysis of Plant in Service Accounts
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**Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.
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Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
(Continued)									
Capital Recovery Schedules:									
Jointly Used Plant Allocated to Nonregulated			()	()	()	()	()	()	()
Amortizable Assets:									
2681	Capital Leases								
2682	Leasehold Improve.								
2690	Intangibles								
Total Balances			9,189,934	902,170	77,603	0	(1,643)	0	10,012,858

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Analysis of Plant in Service Accounts
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Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
(Continued)									
Capital Recovery Schedules:									
Jointly Used Plant Allocated to Nonregulated			()	()	()	()	()	()	()
Amortizable Assets:									
2681	Capital Leases								
2682	Leasehold Improve.								
2690	Intangibles								
Total Balances			9,189,934	902,170	77,603	0	(1,643)	0	10,012,858

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

Total Company

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

Revised
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Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.
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Acct. No.	Account Description	Beginning Balance*	Accruals**	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
(Continued)										
Cable and Wire Facilities:										
	2411 Poles	97,966	1,951		176					99,741
	2421 Aerial Cable Metallic	109,395	7,405							116,800
	2421 Aerial Cable Fiber	684								684
	2422 Underground Cable Metallic	634,483	24,889		728					658,644
	2422 Underground Cable Fiber	43,723	7,325							51,048
	2423 Buried Metallic Cable	9,383,340	989,520		258,124		3,846			10,110,890
	2423 Buried Fiber Cable	474,164	74,023							548,187
	2423 Buried Cable Terminal	458,341	127,035		3,725					581,651
	2423 Buried Aire Core Cable	0								0
	2441 Conduit Systems	238,772	9,450							248,222
	Total Cable & Wire Facilities	11,440,868	1,241,598	0	262,753	0	3,846	0	0	12,415,867

Total Company

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

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

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Acct. No.	Account Description	Beginning Balance*	Accruals**	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
(Continued)										
Cable and Wire Facilities:										
2411	Poles	97,966	1,951		176					99,741
2421	Aerial Cable Metallic	109,395	7,405							116,800
2421	Aerial Cable Fiber	684								684
2422	Underground Cable Metallic	634,483	24,889		728					658,644
2422	Underground Cable Fiber	43,723	7,325							51,048
2423	Buried Metallic Cable	9,383,340	989,520		258,124		3,846			10,110,890
2423	Buried Fiber Cable	474,164	74,023							548,187
2423	Buried Cable Terminal	458,341	127,035		3,725					581,651
2423	Buried Aire Core Cable	0								0
2441	Conduit Systems	238,772	9,450							248,222
	Total Cable & Wire Facilities	11,440,868	1,241,598	0	262,753	0	3,846	0	0	12,415,867

Total Company

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Analysis of Entries in Accumulated Depreciation & Amortization
Schedule B-4

Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.
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Acct. No.	Account Description	Beginning Balance*	Accruals**	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
(Continued)										
Capital Recovery Schedules: This schedule should identify each approved capital recovery schedule.										
	<i>Subtotal</i>	18,556,131	2,456,794	0	262,753	11,635	3,846	(5,677)	0	20,727,926
Reserve for Jointly Used Plant allocated to Nonregulated		()	()							()
Accumulated Depr. & Amortization:										
3200	- PHFU									
3300	- Nonoperating	68,961	2,681							71,642
3410	- Capital Lease									
3420	- Leasehold Improve.									
3500	- Intangibles									
3600	- Other	18,372	8,780						43,054	70,206
	<i>Subtotal</i>	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 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.

Total Company

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

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

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Acct. No.	Account Description	Beginning Balance*	Accruals**	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
(Continued)										
Capital Recovery Schedules:		This schedule should identify each approved capital recovery schedule.								
Subtotal		18,556,131	2,451,115	0	262,752	11,635	3,846	0	0	20,727,925
Reserve for Jointly Used Plant allocated to Nonregulated		()	()							()
Accumulated Depr. & Amortization:										
3200	- PHFU									
3300	- Nonoperating	68,961	2,681							71,642
3410	- Capital Lease									
3420	- Leasehold Improve.									
3500	- Intangibles									
3600	- Other	18,372							-18,372	0
Subtotal		87,333	2,681	0	0	0	0	0	(18,372)	71,642
Grand Total		18,643,464	2,453,796	0	262,752	11,635	3,846	0	(18,372)	20,799,567
<p>Note: * The grand total of beginning and ending balances plus jointly used plant allocated to nonregulated, if any, must agree to the subtotal of Depreciation & Amortization in Schedule B-1, Balance Sheet.</p> <p>** The grand total of accruals plus jointly used plant allocated to nonregulated, if any, must agree with the total Depreciation & Amortization Expense in Schedule I-1, Income Statement.</p>										

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Analysis of Entries in Accumulated Depreciation & Amortization
Schedule B-4

Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.
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Acct. No.	Account Description	Beginning Balance*	Accruals**	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
(Continued)										
Cable and Wire Facilities:										
2411	Poles	0								0
2421	Aerial Cable Metallic	0								0
2421	Aerial Cable Fiber	0								0
2422	Underground Cable Metallic	1,060	93							1,153
2422	Underground Cable Fiber	1,131	136							1,267
2423	Buried Metallic Cable	3,168,633	290,810		75,855		1,545			3,382,043
2423	Buried Fiber Cable	329,933	38,452							368,385
2423	Buried Cable Terminal	0	18,620		1,748			(11,606)		5,266
2423	Buried Aire Core Cable	0								0
2441	Conduit Systems	800	27							827
	Total Cable & Wire Facilities	3,501,557	348,138	0	77,603	0	1,545	(11,606)	0	3,758,941

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

Company: ~~FRONTIER COMMUNICATIONS OF THE SOUTH, INC.~~
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Acct. No.	Account Description	Beginning Balance*	Accruals**	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
<i>(Continued)</i>										
Cable and Wire Facilities:										
	2411 Poles	0								0
	2421 Aerial Cable Metallic	0								0
	2421 Aerial Cable Fiber	0								0
	2422 Underground Cable Metallic	1,060	93							1,153
	2422 Underground Cable Fiber	1,131	136							1,267
	2423 Buried Metallic Cable	3,168,633	290,810		75,855		1,545			3,382,043
	2423 Buried Fiber Cable	329,933	38,452							368,385
	2423 Buried Cable Terminal	0	7,014		1,748					5,266
	2423 Buried Aire Core Cable	0								0
	2441 Conduit Systems	800	27							827
	Total Cable & Wire Facilities	3,501,557	336,532	0	77,603	0	1,545	0	0	3,758,941

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Analysis of Entries in Accumulated Depreciation & Amortization
Schedule B-4

Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.
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Acct. No.	Account Description	Beginning Balance*	Accruals**	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
<i>(Continued)</i>										
Capital Recovery Schedules:		This schedule should identify each approved capital recovery schedule.								
	<i>Subtotal</i>	4,619,062	609,975	0	77,603	0	1,545	(13,249)	0	5,136,640
Reserve for Jointly Used Plant allocated to Nonregulated		()	()							()
Accumulated Depr. & Amortization:										
3200	- PHFU									
3300	- Nonoperating									0
3410	- Capital Lease									
3420	- Leasehold Improve.									
3500	- Intangibles									
3600	- Other	0	1,500					-1500		0
	<i>Subtotal</i>	0	1,500	0	0	0	0	(1,500)	0	0
	Grand Total	4,619,062	611,475	0	77,603	0	1,545	(14,749)	0	5,136,640
<p>Note: * The grand total of beginning and ending balances plus jointly used plant allocated to nonregulated, if any, must agree to the subtotal of Depreciation & Amortization in Schedule B-1, Balance Sheet.</p> <p>** The grand total of accruals plus jointly used plant allocated to nonregulated, if any, must agree with the total Depreciation & Amortization Expense in Schedule I-1, Income Statement.</p>										

Florida Only

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

AEU

Company: **FRONTIER COMMUNICATIONS OF THE SOUTH, INC.**
 For the Year Ended December 31, 1997

Page 3 of 3

Acct. No.	Account Description	Beginning Balance*	Accruals**	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
<i>(Continued)</i>										
Capital Recovery Schedules:		This schedule should identify each approved capital recovery schedule.								
	<i>Subtotal</i>	4,619,062	598,369	0	77,603	0	1,545	(1,643)	0	5,136,640
	Reserve for Jointly Used Plant allocated to Nonregulated	()	()							()
Accumulated Depr. & Amortization:										
3200	- PHFU									
3300	- Nonoperating									0
3410	- Capital Lease									
3420	- Leasehold Improve.									
3500	- Intangibles									
3600	- Other	0								0
	<i>Subtotal</i>	0	0	0	0	0	0	0	0	0
	Grand Total	4,619,062	598,369	0	77,603	0	1,545	(1,643)	0	5,136,640

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.

Deferred Charges (Account 1439)

Schedule B-5

Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.

For the Year Ended December 31, 1998

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

Accounts Payable (Account 4010)

Schedule B-6

Name of Creditor	Beg. Balance	Activity During Year		Ending Balance
		Gross Debits	Gross Credits	
Payable to Affiliates	\$	\$	\$	\$
Other Affiliates	0	0	0	0
Affiliated Inventory Transfer	0	0	0	0
Frontier Information Technologies, Inc.	71,730	2,035,865	2,010,327	97,268
Affiliated Price Caps Support	0	0	0	0
Frontier Corporation	333,014	1,185,671	1,440,715	77,970
Frontier Communications of Lamar County, Inc.	631	0	631	0
Frontier Communications of Alabama, Inc.	15,703	158,988	161,654	13,037
Frontier Communications Services, Inc.	344	0	(7,270)	7,614
Frontier Communications of Georgia, Inc.	870	159,903	160,273	500
Frontier Communications of Mississippi, Inc.	0	6,674	6,674	0
Frontier Communications of Schuyler, Inc.	0	8,091	8,091	0
Frontier Information Services	16,169	189,185	189,024	16,330
Frontier Communications of Minnesota, Inc.	43,744	654,762	652,817	45,689
Frontier Communications of New York, Inc.	6,209	73,851	55,213	24,847
Frontier Telephone of Rochester, Inc.	30,785	362,323	354,134	38,974
Frontier Communications of St. Croix	352	0	352	0
Total	\$519,551	\$4,835,313	\$5,032,635	\$322,229
Other Accounts Payable (List Ten Largest Items.)				\$
OSP Carriers				(33,712)
AT&T				83,022
BellSouth				58,207
Payroll				50,020
Payroll Withholdings				31,336
E-911 Fees				14,747
Federal Excise Tax				19,821
Sales/Use/Rental Tax				6,382
Dual Party Relay Fee				2,166
Aggregate of All Other Items				3,963,334
Total				\$4,517,552

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

Schedule B-7

Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.

For the Year Ended December 31, 1998

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	\$	\$		\$
Unamortized Debt Issuance						0		
Total			427,634	8,854,839	0	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. Adm.-REPAID 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
SUBTOTAL									GL# 4050.200	GL# 4210.100		
									\$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
Rural 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
SUBTOTAL									GL# 4050.100	GL# 4210.300		
									\$238,389.28	\$7,070,208.78		\$7,308,598.06
TOTAL									\$427,634.28	\$8,855,439.70		\$9,283,073.98

PREPARED BY : Chris McElrath 12/09/98

APPROVED BY _____

Net Deferred Operating Income Taxes (Accts 4100 & 4340)

Schedule B-8

Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.

For the Year Ended December 31, 1998

Particulars	Acct. No.	Beginning Balance	Current Year Accrual	Current 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 Operating 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						
State and Local Income Taxes						
Total Net Noncurr Op Inc Taxes		\$	\$	\$	\$	\$
Total Nonproperty Related Def Op Inc Taxes		\$	\$	\$	\$	\$

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
Aggregate of All Other Items	
Total	\$60,012

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

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

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

Total Company

INCOME STATEMENT
SCHEDULE I-1

REVISED
6-1-99

Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.
For the year ended December 31, 1998

Page 1 of 4

Ref. Sch.	Account No.	Accounts	Amounts (\$)		
			Current Year		Total Company Prior Year
			Year	Year	
OPERATING REVENUES					
	5001	Basic Area	3,132,480		2,906,549
	5002	Extended Area	0		0
	5003	Cellular Mobile	0		0
	5004	Other Mobile Service	45,187		23,870
	5010	Public Telephone	0		11,433
	5040	Local Private Line	29,605		30,481
	5050	Customer Premises	339,137		286,979
	5060	Other Local Exchange	693,660		1,610,918
	5069	Other Local Ex. Settlements	688,235		0
		<i>Total Local Net. Service</i>	4,928,304		4,870,230
	5081	End User	809,042		743,414
	5082	Switched Access	2,969,108		2,339,826
	5083	Special Access	352,753		372,920
	5084	State Access	2,580,931		2,804,054
		<i>Total Network Access</i>	6,711,834		6,260,214
	5100	Long Distance Message	861,161		969,482
	5111	Long Distance Inward	0		0
	5112	Long Distance Outward	0		0
	5121	Subvoice Grade LD Private Net.	69,821		85,348
	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
	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.	7,455		7,430
		<i>Total LD Network</i>	938,437		1,062,260
	5230	Directory	269,367		252,493
	5240	Rent	27,339		36,402
	5250	Corporate Operations	0		0
	5261	Special Billing Arrangement	0		0
	5262	Customer Operations	0		0
	5263	Plant Operations	0		0
	5264	Other Incidental Regulated Rev.	85,657		68,497
	5269	Other Revenue Settle.	0		10,449
	5270	Interstate Billing & Collection	252,309		220,051
		Intrastate Billing & Collection	420,293		382,564
	5301	Uncollectible Revenue-Tele.	(307,555)		(126,657)
	5302	Uncollectible Revenue-Other	(2,754)		0
		<i>Total Miscellaneous</i>	744,656		843,799
TOTAL OPERATING REVENUES			13,323,231		13,036,503

Total Company

INCOME STATEMENT

SCHEDULE I-1

REVISED

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

For the year ended December 31, 1998

Page 2 of 4

Acct. No.	Account	Salaries & Wages	Benefits	Rents	Other Expenses	Current Year Total	Prior Year Total
	Plant Specific Exp.						
6112	Motor Vehicle			1		1	0
6113	Aircraft				6,999	6,999	6,428
6114	Vehicle					0	0
6115	Garage Work Equip.					0	0
6116	Other Work Equip.				(189)	(189)	0
	Total Network Support			1	6,810	6,811	6,428
6121	Land & Building	37,134	12,252	3	118,789	168,178	200,504
6122	Furniture & Artwork				(24)	(24)	4
6123	Office Equip.				2,256	2,256	7,073
6124	Gen. Purpose Computer				375,076	375,076	328,421
	Total General Support	37,134	12,252	3	496,097	545,486	536,002
6211	Analog Electronic					0	0
6212	Digital Electronic	114,298	38,466	3,979	88,379	245,122	184,980
6215	Electro-mechanical					0	0
	Total CO Switching	114,298	38,466	3,979	88,379	245,122	184,980
6220	Operator Systems					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
	Total Circuit Equip.	57,597	18,771	3,929	48,975	129,272	133,302
6311	Station Apparatus					0	0
6341	Large PBX					0	0
6351	Public Tele. Terminal	0	0	0	0	0	18,224
6362	Other Terminal Equip.					0	0
	Total Info. Orig/Term	0	0	0	0	0	18,224
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
	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

Total Company

INCOME STATEMENT

SCHEDULE I-1

REVISED

Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.

For the year ended December 31, 1998

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				0	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	Sales	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				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		1,331,290	1,423,479	1,377,436
	Corporate Operations						
6711	Executive	0	0		261,139	261,139	292,285
6712	Planning				0	0	4,736
6721	Accounting/Finance	0	0		258,037	258,037	139,593
6722	External Relations				106,659	106,659	39,479
6723	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
6726	Procurement	3,445	1,128		32,302	36,875	28,295
6727	Research/Development				0	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
	TOTAL OPERATING EXP	1,032,263	265,844	26,017	6,372,659	7,696,783	7,108,649

Total Company

INCOME STATEMENT

SCHEDULE I-1

REVISED

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

For the year ended December 31, 1998

Page 4 of 4

Ref. Sch.	Account No.	Accounts	Amounts (\$)	
			Current Year	Prior 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	0
	7150	Gain/Loss from Disp. of Land/Artwork	0	0
	7160	Other Operating Gains and Losses	0	0
		Other Op. Inc. & Expenses	0	0
	7210	Operating ITC	(36,000)	(36,000)
	7220	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	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	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
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
"	7620	Extraordinary Income Charges	0	206,746
"	7630	Curr. Inc Tax Effect of Ex. Items-Net	0	0
		Total Extraordinary Items	0	206,746
	7910	Inc. Effect of Juris. Ratemaking Diff.	0	0
	7990	Nonregulated Net Income	(244,316)	(8,896)
		NET INCOME	3,508,399	10,063,265

INCOME STATEMENT

SCHEDULE I-1

Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.

For the year ended December 31, 1998

Ref. Sch.	Account No.	Accounts	Amounts (\$)	
			Current Year Year	Total Company Prior Year
OPERATING REVENUES				
5001	Basic Area		3,132,480	2,906,549
5002	Extended Area		0	0
5003	Cellular Mobile		0	0
5004	Other Mobile Service		45,187	23,870
5010	Public Telephone		0	11,433
5040	Local Private Line		29,605	30,481
5050	Customer Premises		339,137	286,979
5060	Other Local Exchange		693,660	1,610,918
5069	Other Local Ex. Settlements		688,235	0
	<i>Total Local Net. Service</i>		4,928,304	4,870,230
5081	End User		809,042	743,414
5082	Switched Access		2,969,108	2,339,826
5083	Special Access		352,753	372,920
5084	State Access		2,580,931	2,804,054
	<i>Total Network Access</i>		6,711,834	6,260,214
5100	Long Distance Message		861,161	969,482
5111	Long Distance Inward		0	0
5112	Long Distance Outward		0	0
5121	Subvoice Grade LD Private Net.		69,821	85,348
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
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.		7,455	7,430
	<i>Total LD Network</i>		938,437	1,062,260
5230	Directory		269,367	252,493
5240	Rent		27,339	36,402
5250	Corporate Operations		0	0
5261	Special Billing Arrangement		0	0
5262	Customer Operations		0	0
5263	Plant Operations		0	0
5264	Other Incidental Regulated Rev.		85,657	68,497
5269	Other Revenue Settle.		0	10,449
5270	Interstate Billing & Collection		252,309	220,051
	Intrastate Billing & Collection		420,293	382,564
5301	Uncollectible Revenue-Tele.		(307,555)	(126,657)
5302	Uncollectible Revenue-Other		(2,754)	0
	<i>Total Miscellaneous</i>		744,656	843,799
TOTAL OPERATING REVENUES			13,323,231	13,036,503

Total Company

**INCOME STATEMENT
SCHEDULE I-1**

Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.

For the year ended December 31, 1998

Acct. No.	Account	Salaries & Wages	Benefits	Rents	Other Expenses	Current Year Total	Prior Year Total
Plant Specific Exp.							
6112	Motor Vehicle			1		1	0
6113	Aircraft				6,999	6,999	6,428
6114	Vehicle					0	0
6115	Garage Work Equip.					0	0
6116	Other Work Equip.				(189)	(189)	0
	Total Network Support				6,810	6,811	6,428
Total General Support							
6121	Land & Building	37,134	12,252	3	118,789	168,178	200,504
6122	Furniture & Artwork				(24)	(24)	4
6123	Office Equip.				2,256	2,256	7,073
6124	Gen. Purpose Computer				375,076	375,076	328,421
	Total General Support	37,134	12,252	3	496,097	545,486	536,002
Total CO Switching							
6211	Analog Electronic					0	0
6212	Digital Electronic	114,298	38,466	3,979	88,379	245,122	184,980
6215	Electro-mechanical					0	0
	Total CO Switching	114,298	38,466	3,979	88,379	245,122	184,980
Total Circuit Equip.							
6220	Operator Systems					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
	Total Circuit Equip.	57,597	18,771	3,929	48,975	129,272	133,302
Total Info. Orig/Term							
6311	Station Apparatus					0	0
6341	Large PBX					0	0
6351	Public Tele. Terminal	0	0	0	0	0	18,224
6362	Other Terminal Equip.					0	0
	Total Info. Orig/Term	0	0	0	0	0	18,224
Total Cable & Wire							
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
	Total Plant Specific	658,660	216,982	25,831	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

Total Company

**INCOME STATEMENT
SCHEDULE I-1**

Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.

For the year ended December 31, 1998

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				0	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	Sales	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				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		1,331,290	1,423,479	1,377,436
	Corporate Operations						
6711	Executive	0	0		261,139	261,139	292,285
6712	Planning				0	0	4,736
6721	Accounting/Finance	0	0		258,037	258,037	139,593
6722	External Relations				106,659	106,659	39,479
6723	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
6726	Procurement	3,445	1,128		32,302	36,875	28,295
6727	Research/Development				0	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
	TOTAL OPERATING EXP	1,032,263	265,844	26,016	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

Page 4 of 4

Ref. Sch.	Account No.	Accounts	Amounts (\$)	
			Current Year	Prior 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	0
	7150	Gain/Loss from Disp. of Land/Artwork	0	0
	7160	Other Operating Gains and Losses	0	0
		Other Op. Inc. & Expenses	0	0
	7210	Operating ITC	(36,000)	(36,000)
	7220	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	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
	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
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
"	7620	Extraordinary Income Charges	0	206,746
"	7630	Curr. Inc Tax Effect of Ex. Items-Net	0	0
		Total Extraordinary Items	0	206,746
	7910	Inc. Effect of Juris. Ratemaking Diff.	0	0
	7990	Nonregulated Net Income	(244,316)	(8,896)
		NET INCOME	3,038,705	10,063,265

INCOME STATEMENT

SCHEDULE I-1

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

For the year ended December 31, 1998

Ref. Sch.	Account No.	Accounts	Amounts (\$)		
			Current Year		Total Company Prior Year
			Total Company	Intrastate	
OPERATING REVENUES					
	5001	Basic Area	596,193	596,193	578,982
	5002	Extended Area	0	0	0
	5003	Cellular Mobile	0	0	0
	5004	Other Mobile Service	0	0	0
	5010	Public Telephone	0	0	1,399
	5040	Local Private Line	3,629	3,629	3,480
	5050	Customer Premises	34,794	34,794	34,976
	5060	Other Local Exchange	135,356	135,356	212,971
	5069	Other Local Ex. Settlements	160,020	160,020	0
		<i>Total Local Net. Service</i>	929,992	929,992	831,808
	5081	End User	174,723	0	172,975
	5082	Switched Access	562,555	0	472,207
	5083	Special Access	31,600	0	27,594
	5084	State Access	157,552	157,552	142,846
		<i>Total Network Access</i>	926,430	157,552	815,622
	5100	Long Distance Message	127,956	127,956	129,202
	5111	Long Distance Inward	0	0	0
	5112	Long Distance Outward	0	0	0
	5121	Subvoice Grade LD Private Net.	10,144	10,144	10,486
	5122	Voice Program Grade LD	0	0	0
	5123	Audio Program Grade LD	0	0	0
	5124	Video Program Grade LD	0	0	0
	5125	Digital Transmission LD	0	0	0
	5126	LD Private Network Switching	0	0	0
	5128	Other LD Private Network	0	0	0
	5129	Other LD Private Net. Settle.	0	0	0
	5160	Other LD Revenue	0	0	0
	5169	Other LD Revenue Settle.	0	0	0
		<i>Total LD Network</i>	138,100	138,100	139,688
	5230	Directory	22,827	22,827	23,494
	5240	Rent	6,835	6,835	9,160
	5250	Corporate Operations	0	0	0
	5261	Special Billing Arrangement	0	0	0
	5262	Customer Operations	5,725	5,725	0
	5263	Plant Operations	0	0	0
	5264	Other Incidental Regulated Rev.	236	236	334
	5269	Other Revenue Settle.	0	0	10,450
	5270	Interstate Billing & Collection	43,146	0	43,806
		Intrastate Billing & Collection	19,898	19,898	11,000
	5301	Uncollectible Revenue-Tele.	(56,126)	0	0
	5302	Uncollectible Revenue-Other	0	0	0
		<i>Total Miscellaneous</i>	42,541	55,521	98,244
		TOTAL OPERATING REVENUES	2,037,063	1,281,165	1,885,362

INCOME STATEMENT

SCHEDULE I-1

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

For the year ended December 31, 1998

Ref. Sch.	Account No.	Accounts	Amounts (\$)		
			Current Year		Total Company Prior Year
			Total Company	Intrastate	
OPERATING REVENUES					
	5001	Basic Area	596,193	596,193	578,982
	5002	Extended Area	0	0	0
	5003	Cellular Mobile	0	0	0
	5004	Other Mobile Service	0	0	0
	5010	Public Telephone	0	0	1,399
	5040	Local Private Line	3,629	3,629	3,480
	5050	Customer Premises	34,794	34,794	34,976
	5060	Other Local Exchange	135,356	135,356	212,971
	5069	Other Local Ex. Settlements	194,176	194,176	0
		Total Local Net. Service	964,148	964,148	831,808
	5081	End User	174,723	0	172,975
	5082	Switched Access	562,555	0	472,207
	5083	Special Access	31,600	0	27,594
	5084	State Access	157,552	157,552	142,846
		Total Network Access	926,430	157,552	815,622
	5100	Long Distance Message	127,956	127,956	129,202
	5111	Long Distance Inward	0	0	0
	5112	Long Distance Outward	0	0	0
	5121	Subvoice Grade LD Private Net.	10,144	10,144	10,486
	5122	Voice Program Grade LD	0	0	0
	5123	Audio Program Grade LD	0	0	0
	5124	Video Program Grade LD	0	0	0
	5125	Digital Transmission LD	0	0	0
	5126	LD Private Network Switching	0	0	0
	5128	Other LD Private Network	0	0	0
	5129	Other LD Private Net. Settle.	0	0	0
	5160	Other LD Revenue	0	0	0
	5169	Other LD Revenue Settle.	0	0	0
		Total LD Network	138,100	138,100	139,688
	5230	Directory	22,827	22,827	23,494
	5240	Rent	6,835	6,835	9,160
	5250	Corporate Operations	0	0	0
	5261	Special Billing Arrangement	0	0	0
	5262	Customer Operations	5,725	5,725	0
	5263	Plant Operations	0	0	0
	5264	Other Incidental Regulated Rev.	236	236	334
	5269	Other Revenue Settle.	0	0	10,450
	5270	Interstate Billing & Collection	43,146	0	43,806
		Intrastate Billing & Collection	19,898	19,898	11,000
	5301	Uncollectible Revenue-Tele.	(56,126)	0	0
	5302	Uncollectible Revenue-Other	0	0	0
		Total Miscellaneous	42,541	55,521	98,244
		TOTAL OPERATING REVENUES	2,071,219	1,315,321	1,885,362

**INCOME STATEMENT
SCHEDULE I-1**

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

For the year ended December 31, 1998

Acct. No.	Account	Salaries & Wages	Benefits	Rents	Other Expenses	Current Year Total	Prior Year Total
Plant Specific Exp.							
6112	Motor Vehicle	(27)	(8)	(1)	(1)	(37)	(6)
6113	Aircraft				1,543	1,543	1,601
6114	Vehicle					0	0
6115	Garage Work Equip.					0	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
General Support							
6121	Land & Building	9,330	3,079	0	41,400	53,809	49,153
6122	Furniture & Artwork				(6)	(6)	1
6123	Office Equip.				585	585	2,111
6124	Gen. Purpose Computer				95,634	95,634	75,825
	Total General Support	9,330	3,079	0	137,613	150,022	127,090
CO Switching							
6211	Analog Electronic					0	0
6212	Digital Electronic	27,113	9,048	1,036	18,154	55,351	49,135
6215	Electro-mechanical					0	0
	Total CO Switching	27,113	9,048	1,036	18,154	55,351	49,135
Circuit Equip.							
6220	Operator Systems					0	0
6231	Radio Systems	6,893	2,139	276	1,243	10,551	7,287
6232	Circuit Equip.	5,947	1,904	219	5,167	13,237	21,725
	Total Circuit Equip.	12,840	4,043	495	6,410	23,788	29,012
Info. Orig/Term							
6311	Station Apparatus					0	0
6341	Large PBX					0	0
6351	Public Tele. Terminal					0	4,377
6362	Other Terminal Equip.					0	0
	Total Info. Orig/Term	0	0	0	0	0	4,377
Cable & Wire							
6411	Poles					0	0
6421	Aerial Cable					0	645
6422	Underground Cable	25,748	8,663	976	4,070	39,457	24,437
6423	Buried Cable	143,972	47,145	5,929	55,781	252,827	196,268
6424	Submarine Cable					0	0
6425	Deep Sea Cable					0	0
6426	Intrabuilding Network					0	0
6431	Aerial Wire					0	0
6441	Conduit Systems					0	0
6499	Outside Plt. Nonprod - Other					0	0
	Total Cable & Wire	169,720	55,808	6,905	59,851	292,284	221,350
	Total Plant Specific	218,752	71,896	8,435	226,046	525,129	433,932
Plant Nonspecific Exp							
6510	Other Property Plt	(723)	(236)	(545)	(54)	(1,558)	(780)
6531	Power				21,163	21,163	20,706
6532	Network Admin.				269	269	389
6533	Testing	3,415	1,138		33,796	38,349	31,320
6534	Plant Op. Admin.	18,021	5,941	46	2,042	26,050	24,240
6535	Engineering	(657)	(128)		2,157	1,372	16,642
	Total Network Op.	20,056	6,715	(499)	59,373	85,645	92,517

INCOME STATEMENT
SCHEDULE I-1

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

For the year ended December 31, 1998

Acct. No.	Account	Salaries & Wages	Benefits	Rents	Other Expenses	Current Year Total	Prior Year Total
6540	Access				60,412	60,412	126,491
6561	Depreciation - TPIS				609,975	609,975	556,708
6562	Depreciation - PHFU				0	0	0
6563	Amortization - Tangible				1,536	1,536	1,208
6564	Amortization - Intang.				(36)	(36)	235
6565	Amortization - Other				0	0	0
	Total Depr. & Amort.				611,475	611,475	558,151
	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
6612	Sales	8,178			9,216	17,394	21,618
6613	Product Advertising				8,381	8,381	4,721
	Total Marketing	8,178	0		25,735	33,913	29,346
6621	Call Completion					0	0
6622	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						
6711	Executive				58,496	58,496	66,090
6712	Planning				0	0	1,210
6721	Accounting/Finance				58,767	58,767	36,614
6722	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	0
6728	Other Gen. & Admin.	47,514			34,774	82,288	79,781
	Total Corporate Op	47,514	0		289,534	337,048	292,820
	TOTAL OPERATING EXP	302,687	81,058	7,936	1,537,008	1,928,689	1,796,765

INCOME STATEMENT
SCHEDULE I-1

Revised
7/20/99

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

For the year ended December 31, 1998

Ref. Sch.	Account No.	Accounts	Amounts (\$)	
			Current Year	Prior 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	0
	7150	Gain/Loss from Disp. of Land/Artwork	0	0
	7160	Other Operating Gains and Losses	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
		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
	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.	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	0
	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
	7520	Interest Expense - Capital Leases	0	0
B-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
		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

Ref. Sch.	Account No.	Accounts	Amounts (\$)	
			Current Year	Prior 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	0
	7150	Gain/Loss from Disp. of Land/Artwork	0	0
	7160	Other Operating Gains and Losses	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
		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.	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	0
	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
	7520	Interest Expense - Capital Leases	0	0
B-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
		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

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

For the Year Ended December 31, 1998

Particulars	Beginning Balance			Current Acc.		Paid During Year	Adj. Dr/Cr	Ending Balance Year		
	Pre Taxes Acct 1300	IT-Acc Acct 4070	Other Tax Acct 4080	Acct No	Amount			Pre Taxes Acct 1300	IT-Acc Acct 4070	Other Tax Acct 4080
	\$	\$	\$		\$	\$		\$	\$	\$
FL Gross Receipts			3,736		48,109	48,227				3,618
AL Gross Receipts			(4,676)		291,146	293,985				(7,515)
FED Income Tax		572,980			2,387,580	1,699,000		1,261,560		
AL & FL Inc Tax		(123,823)			1,297,864	1,176,312		(2,271)		
Property Taxes			4,675		314,428	51,566				267,537
Unemployment			5		10753	10703				55
Business License			5865		14535	5878				14,522
FICA Taxes			4875		164267	163751				5,391
	\$0	\$449,157	\$14,480		\$4,528,682	\$3,449,422	\$0	\$0	\$1,259,289	\$283,608

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	93
Other Organizations (Specify Typ Civic)	750
Total Membership Fees & Dues	
Abandoned Construction Projects	
Penalties & Fines	2,464
Charitable, Social or Other Community Welfare	9,999
Legislative	
Others	8,153
Aggregate of all other items	
Total	\$21,459

Donations or Payments for Services Rendered by Persons

Other Than Employees

Schedule I-5

Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.

For the Year Ended December 31, 1998

Name of Recipient	Nature of Services	Acct No.	Amount of Payment
Brantley & Wilkerson	Legal	6725	6,816.00
Crowe Brothers Constructio	Construction Labor	various	184,060.00
Ditch Witch of Mobile	Construction Labor	6116	6,979.00
Emergency Systems Service	Repair	6116	11,294.00
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

Membership Fees and Dues
Schedule I-6

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

Particulars	Account	Amount
Expenditures Charged to Operating Expenses		\$
Membership in:		
Association of Telecommunications Companies	6728	\$11,391
Trade, Technical and Professional Associations	6728	None
Other Organizations (Specify Type):		
 Total		 \$11,391

Advertising
Schedule I-7

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

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

Particulars	Credit Amounts	Debit Amounts	Tax Effect Included in	
			Acct 7630	Acct 7640
NONE				
 Total	\$	\$	\$	\$

Outside Plant Statistics
Schedule S-1

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

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

Access Lines in Service by Customer
Schedule S-2

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

Telephone Calls
Schedule S-3

State or Territory	Local Calls	IntraLATA Toll Calls Completed (Originating)	InterLATA Toll Calls Completed (Originating)			InterLATA Billed Access Minutes (Originating and Terminating)		
			Interstate	Intrastate	Total	Interstate	Intrastate	Total
ALABAMA	N/A	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
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)	\$964,148	\$955,566	\$8,582
End User (5081)	0	0	\$0
Switched Access (5082)	0	0	\$0
Special Access (5083)	0	0	\$0
State Access (5084)	157,552	157,552	\$0
Long Distance (5100 - 5169)	138,100	138,100	\$0
Miscellaneous (5230 - 5270)	55,521	55,396	\$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) Usitc 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.

For the Year Ended December 31, 1998

		Amount
Net Income for the Year		\$3,038,705
Additions:		
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)		
Capitalized 263A Exepnses	(2)	\$38,867
Penalties	(3)	\$2,700
Meals & Entertainment	(4)	\$6,300
OPEBS Accrual	(5)	\$80,800
Deductions:		
Interest During Construction (AFUDC)	(8)	(\$25,500)
Bad Debt Expense	(10)	\$54,700
Payroll Taxes Capitalized		
Sales/Use Tax Capitalized		
Accelerated Tax Depreciation	(6)	(\$183,900)
Other (Specify) Acquisition related items	(9)	(\$37,120)
Accrued Compensation/Vacation Pay	(7)	\$0
State Tax	(11)	(\$374,247)
Calculation differences		(\$76)
Taxable Income - Federal		\$4,423,317
Tax @ applicable tax rate(s) - 35%		\$1,548,161
Tax True-Up		\$1,370,419
Note: Current Taxes Payable		\$2,918,580
a. Amount of Depreciation Per Books		
b. Amount of Depreciation (Tax Basis)		

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

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

	Amount
Net Income for the Year	\$3,038,705
Additions:	
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)	
Capitalized 263A Expensees (2)	\$38,867
Penalties (3)	\$2,700
Meals & Entertainment (4)	\$6,300
OPEBS Accrual (5)	\$80,800
Deductions:	
Interest During Construction (AFUDC) (8)	(\$25,500)
Bad Debt Expense (10)	\$54,700
Payroll Taxes Capitalized	
Sales/Use Tax Capitalized	
Accelerated Tax Depreciation (6)	(\$183,900)
Other (Specify) Acquisition related items (9)	(\$37,120)
Accrued Compensation/Vacation Pay (7)	\$0
Calculation differences	(\$76)
Taxable Income - State	\$4,797,564
Tax @ 5.125%	\$245,875
Tax true-up (10)	\$128,372
Note: Current Taxes Payable	\$374,247
a. Amount of Depreciation Per Books	
b. Amount of Depreciation (Tax Basis)	

Compensation of Officers
Schedule Z-4

Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.

For the Year Ended December 31, 1998

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

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 exercising similar functions.

Name	Principal Occupation or Business Affiliation	Affiliation or Connection with any Other Business or Financial Organization Firm or Partnership	
		Affiliation or Connection	Name and Address
NONE			

Business Contracts with Officers and Directors

Schedule Z-6

Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.

For the Year Ended December 31, 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
NONE			

Analysis of Directory Advertising Operations
Schedule Z-7

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

Items	Consolidated (f) Amount	Amount Per Books
1. Revenues (Account 5230) (e)	22,827	22,827
2. Local		
3. National		
4. Sales		
5. Commissions		
6. Other		
7. Total (line 2 thru 6)	22,827	22,827
8. Expenses (Account 6622) (e)	11,912	11,912
9. Printing		
10. Commissions		
11. Deliver		
12. Salvage		
13. Other		
14. Total (line 9 thru 13)	11,912	11,912
15. Gross Profit (Line 7 minus 14)	10,915	10,915
16. Gross Profit 1982 (a)	8,830	8,830
17. Customer Growth Factor (b)		
18. CPI-U Factor (c)		
19. Adjusted 1982 (L16 x L17 x L18)		
20. Nonregulated (d)		

Footnotes:

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

(b) <u>Average Current Year Access Lines</u>	=	<u>4,160</u>	=	1.83
Average 1982 Access Lines Per Rule 25-4.0405		2,279		

(c) <u>Annual Average CPI-U for Current Year</u>	=	<u>163</u>	=	1.69
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 accounts 523 and 649 should be included in this schedule.

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

Average Access Lines in Service

Schedule Z-8

Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.

For the Year Ended December 31, 1998

(a) Classification	(b) Average Number
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*

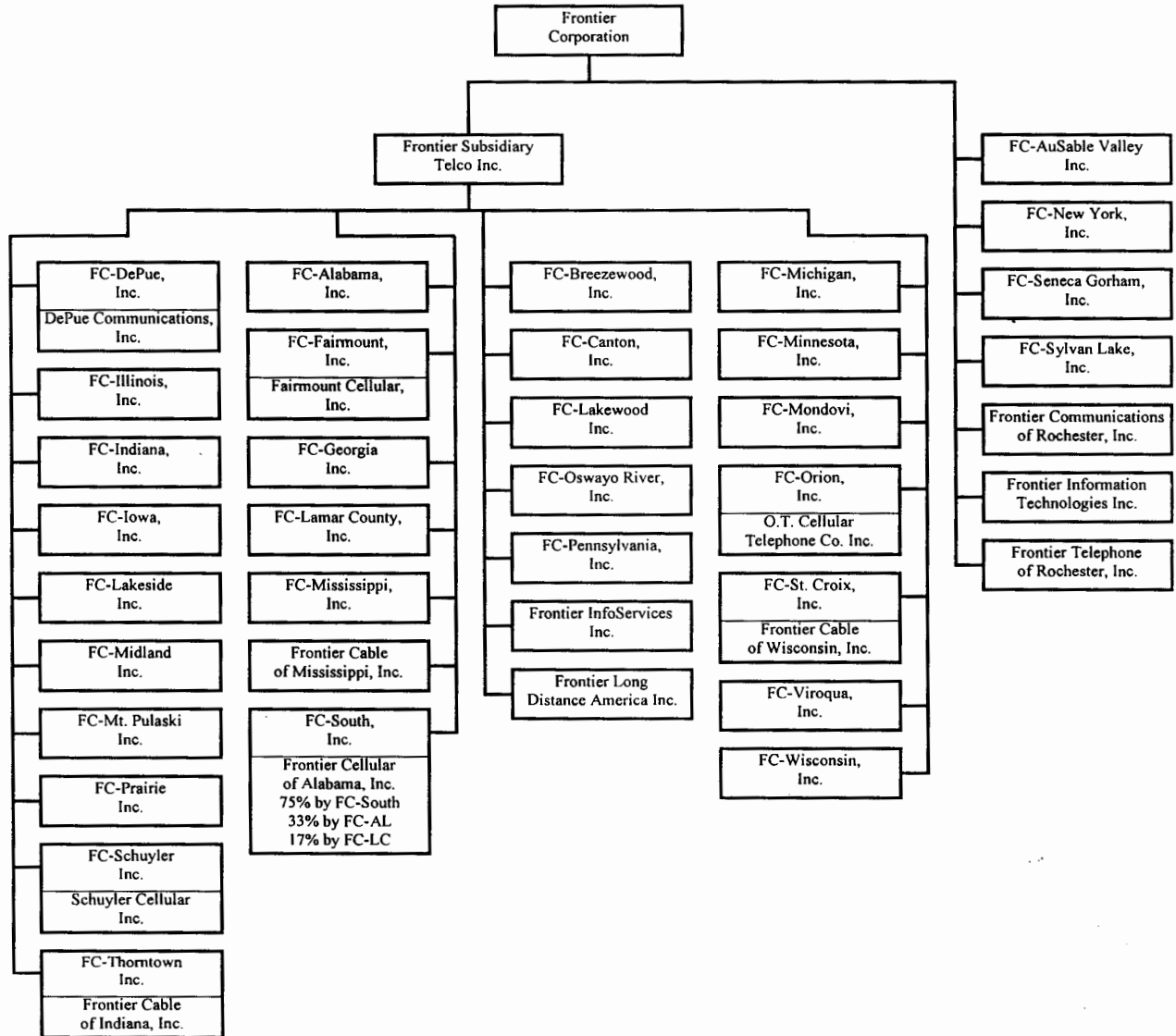
**Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.
For the Year Ended December 31, 1998**

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

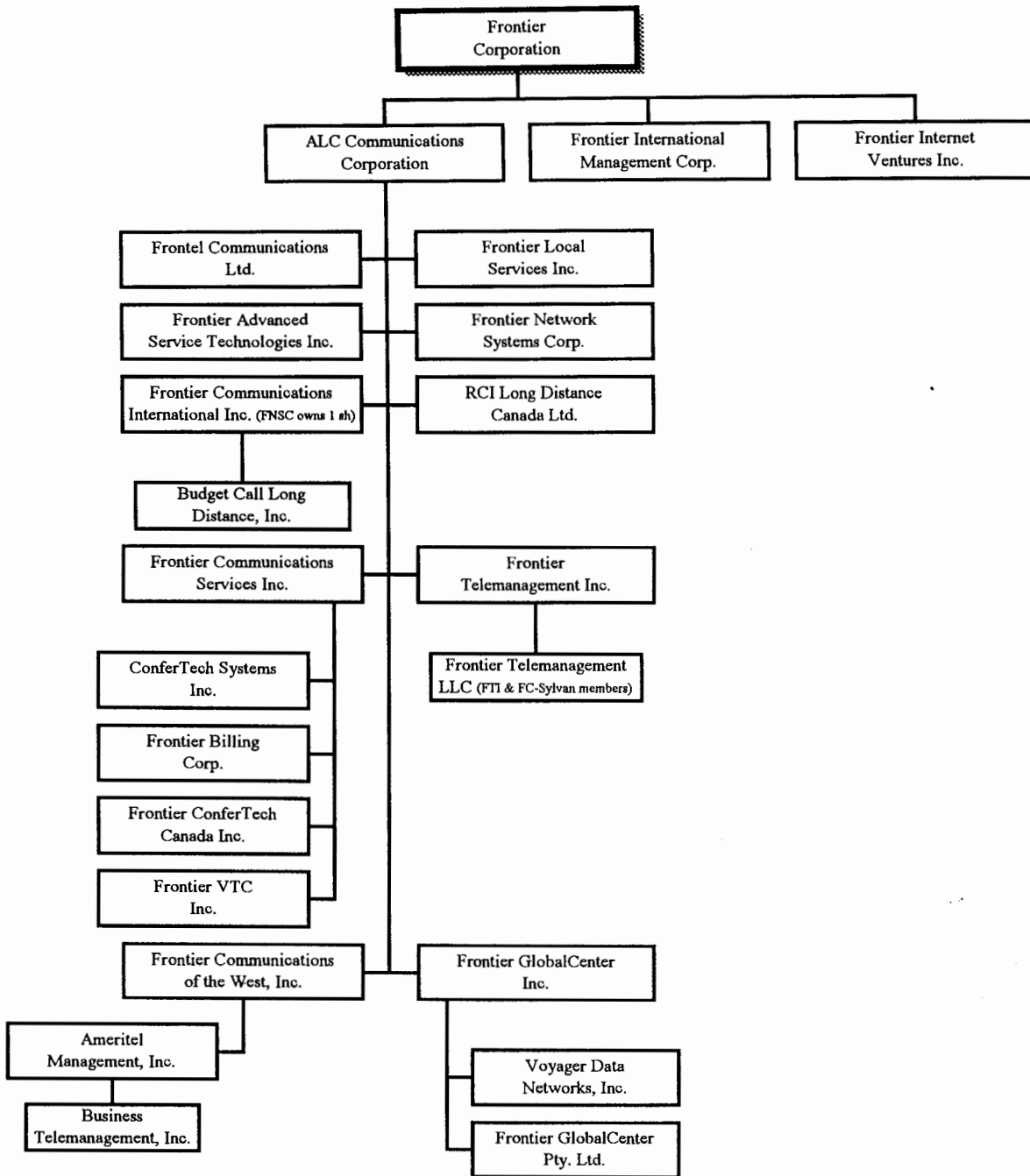
Effective
Date

Please See Attached Charts

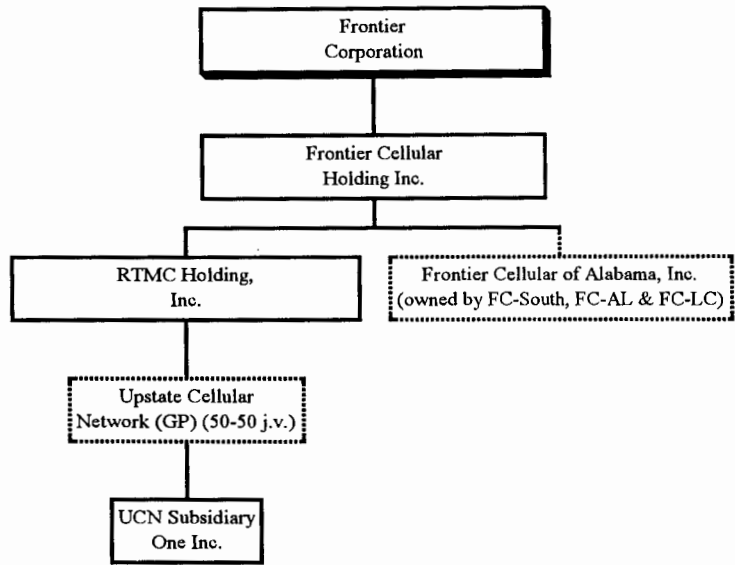
**Telephone Operations and Other Entities as of April 1, 1999
(Telco.opx)**



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



Wireless Organization as of April 1, 1999
(Wireless.Opx)



New or Amended Contracts with Affiliated Companies
Schedule Z-10

Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.

For the Year Ended December 31, 1998

Provide a synopsis of each new or amended contract, agreement, or arrangement with affiliated companies for the purchase, lease, or sale of land, goods, or services (excluding tariffed items). The synopsis shall include, at a minimum, the terms, price, quantity, amount, and duration of the contracts.

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

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

Company: FRONTIER COMMUNICATIONS OF THE SOUTH, INC.

For the Year Ended December 31, 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.

Name of Affiliate (a)	Type of Service and/or Name of Product (b)	Relevant Contract or Agreement and Effective Date (c)	Total Charge for Year		
			"p" or "s" (d)	Account Number (e)	Dollar Amount (f)
Frontier Communications of Georgia, Inc.	Region Admin. Support Services	RUS Service Contract 10/17/93	S	Various	\$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 Administration & Support Services	AI-14 7/1/90	P	Various	\$1,440,715
Frontier Telephone of Rochester	Corporate Administration & Support Services		P	Various	\$354,134