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Public Service Commission

ANNUAL REPORT OF ~~Do Not Remove from this Office~~

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, 2008

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

Name: Jessica Matushek	Title: Sr. Manager
Address: 100 CTE Drive	City: Dallas State: PA
Telephone No. 570.631.5003	

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, 2008_ to December 31, _2008_, inclusive.

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

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

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

Jessica Matushek
Signature

4-22-09
Date

Jessica Matushek
Name

Sr. Manager
Title

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Identity of Respondent

Schedule A-1

Company:

For the Year Ended December 31, 2008 _____

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

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

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

Control Over Respondent

Schedule A-2

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

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

Board of Directors and General Officers

Schedule A-3

Name of Director or Officer and Address (City and State)	Title & Dept. over Which Jurisdiction is Exercised	Director's Fees
Mary Agnes Wilderotter	Chairman	
Daniel J. McCarthy	President and Chief Operating Officer	
Donald R. Shassian	Vice President and Chief Financial Officer	
Peter B. Hayes	Vice President, Marketing	
Robert J. Larson	Vice President and Chief Accounting Officer	
Hilary E. Glassman	Vice President, General Counsel and Secretary	
David R. Whitehouse	Vice President and Treasurer	
Michael Golob	Vice President, Engineering	
Kenneth Mason	Vice President, Regulatory	
David G. Schwartz	Assistant Secretary	
Gregg C. Sayre	Assistant Secretary	

Stockholders

Schedule A-4

Company:

For the Year Ended December 31, 2008

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

Class of Stock	
Name and Address (City and State) of Stockholder	Shares Held
Frontier Communications of the South Inc., was merged into Frontier Communications of the South LLC, on 5/11/2006. It is now a limited liability company with no capital stock structure, only 100% membership interest held by Frontier Subsidiary Telco, LLC.	

Important Changes During the Year

Schedule A-5

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

1. If during the year a substantial portion or all of the property of the respondent was sold, merged, or abandoned, give full particulars, including the location and territory covered. In case of sale or merger, give the effective date, name and address of successor company, and the consideration received.
2. Give information on any changes in accounting standards that have occurred during the year.

- 1 None
- 2 None

BALANCE SHEET

Schedule B-1

Company:

For the Year Ended December 31, 2008

Page 1 of 2

Ref. Sch.	Account No.	Accounts	Amounts (\$)	
			Beginning of Year	End of Year
		Current Assets		
	1130	Cash	(2,428)	2,280
	1140	Special Cash Deposits		
	1150	Working Cash Advance	350	300
	1160	Temporary Investments		
	1180	Telecom. Accounts Receivable	442,596	448,229
	1181	Telecom. Accounts Receivable Allowance	(20,601)	(8,650)
	1190	Other Accounts Receivable	174,390	151,444
	1191	Accounts Receivable Allowance-Other	(33,091)	(101,412)
	1200	Notes Receivable		
	1201	Notes Receivable Allowance		
	1210	Interest and Dividends Receivable		
	1220	Material and Supplies	3,247	0
	1290	Prepaid Rents		
	1300	Prepaid Taxes		
	1310	Prepaid Insurance		
	1320	Prepaid Directory Expenses		
	1330	Other Prepayments	27,160	21,009
	1350	Other Current Assets		
		Total Current Assets	591,623	513,200
		Noncurrent Assets		
	1401	Investments in Affiliated Co.	3,967,268	4,885,478
	1402	Investments in Nonaffiliated Co.		
	1406	Non Regulated Investments	(77,952)	(71,567)
B-4	1407	Unamortized Debt Issuance Expense		
	1408	Sinking Funds		
	1410	Other Noncurrent Assets		
	1438	Deferred Maintenance & Retirements		
	1439	Deferred Charges		
	1500	Other Jurisdictional Assets - Net		
		Total Noncurrent Assets	3,889,316	4,813,911
		Telephone Plant in Service		
B-2	2001	Telecom. Plant in Service	23,005,552	23,294,427
	2002	Property Held for Future Use		
	2003	Plant under Construction	163,741	122,394
	2005	Plant Adjustment	423,736	500,969
	2006	Nonoperating Plant		
	2007	Goodwill	7,871,754	6,747,218
		Subtotal	31,464,783	30,665,008
		Less:		
B-3	3100	Acc. Depreciation	13,006,650	13,781,464
"	3200	Acc. Depreciation-Held for Future Use		
"	3300	Acc. Depreciation-Nonoperating		
"	3410	Acc. Amort. - Capitalized Leases		
"	3420	Acc. Amort. - Leasehold Improvements		
"	3500	Acc. Amort. - Intangible	5,302,781	5,273,111
"	3600	Acc. Amort. - Other	2,743,883	2,976,016
		Subtotal	21,053,314	22,030,591
		Net Telephone Plant in Service	10,411,469	8,634,417
		TOTAL ASSETS	14,892,408	13,961,528

BALANCE SHEET

Schedule B-1

Company:

For the Year Ended December 31, 2008

Page 2 of 2

Ref. Sch.	Account No.	Accounts	Amounts (\$)	
			Beginning of Year	End of Year
		<i>Current Liabilities</i>		
	4010	Accounts Payable	112,718	1,306,010
	4020	Notes Payable		
	4030	Advanced Billing and Payments	195,974	173,137
	4040	Customers' Deposits		267
B-4	4050	Current Maturities - Long Term		
	4060	Current Maturities - Capital Leases		
	4070	Income Taxes - Accrued		
	4080	Other Taxes - Accrued	140	17,867
	4100	Net Current Deferred Op. Income Taxes		
	4110	Net Current Deferred Nonop. Income Taxes		
	4120	Other Accrued Liabilities		
	4130	Other Current Liabilities		
		<i>Total Current Liabilities</i>	308,832	1,497,281
		<i>Long-Term Debt</i>		
B-4	4210	Funded Debt		
"	4220	Premium on Long-Term Debt		
"	4230	Discount on Long-Term Debt		
	4240	Reacquired Debt		
	4250	Obligations under Capital Leases		
B-4	4260	Advanced from Affiliated Companies		
"	4270	Other Long-Term Debt		
		<i>Total Long-Term Debt</i>		
		<i>Other Liabilities and Deferred Credits</i>		
	4310	Other Long-Term Liabilities		
	4320	Unamortized Operating ITC - Net		
	4330	Unamortized Nonoperating ITC - Net		
	4340	Net Noncur. Def. Oper. Income Taxes	262,218	155,415
	4350	Net Noncur. Def. Nonoper. Inc. Taxes	(723,629)	(1,072,333)
	4360	Other Deferred Credits		
	4370	Other Juris. Liab. & Def. Credits		
		<i>Total Other Liab. & Def. Credits</i>	(461,411)	(916,918)
		<i>Stockholder's Equity</i>		
	4510	Capital Stock		
	4520	Additional Paid-in Capital	8,511,057	7,295,192
	4530	Treasury Stock		
	4540	Other Capital		
	4550	Retained Earnings	6,533,930	6,085,973
		<i>Total Stockholder's Equity</i>	15,044,987	13,381,165
		<i>TOTAL LIABILITIES AND EQUITY</i>	14,892,408	13,961,528

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

Company: _____
 For the Year Ended December 31, 2008

Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
2111	Land		41,947						41,947
Amortizable General Support Assets:									
2116	Other Work Equipment	7 yrs	41,516						41,516
2122	Furniture	10 yrs	2,565						2,565
2123	Office Support Equipment	7 yrs							
2123	Company Communications	5 yrs							
2124	General Purpose Computer	5 yrs	19,865		-4,850				15,015
Depreciable Assets: This schedule should identify each account/subaccount for which a separate depreciation rate has been approved by the FPSC.									
2112	Motor Vehicles		-	-					-
2121	Buildings		179,897	4,103					184,000
	Total Land & Support Assets		\$ 223,978	\$ 4,103	\$ -	\$ -	\$ -	\$ -	\$ 285,043
Office Assets:									
2212	Digital Electronic Switch		3,650,027	32,677	(12,797)				3,669,907
2215	Elec. Mechanical Switch		-	-					-
2220	Operator Systems		-	-					-
2231	Radio Systems		-	-					-
2232	Circuit Equipment		1,432,254	70,523					1,502,777
2232	Fiber Circuit Equipment		383,886	18,747					402,633
	Total Central Office Assets		\$ 5,466,167	\$ 121,946	\$ (12,797)	\$ -	\$ -	\$ -	\$ 5,575,316
Info. Orig/Term Assets:									
2321	Customer Premise Wiring **		18,588	-	-	-	-	-	18,588
2351	Public Telephone Equipment		-	-	-	-	-	-	-
	Total Info. Orig/Term Assets		\$ 18,588	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,588
**	Acct 2362 Other Term Equipment replaces acct 2321								

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

Company: _____
For the Year Ended December 31, 2008

Acct. Account No. Description (Continued)	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
Cable and Wire Facilities								
2411 Poles		827						827
2421 Aerial Cable Metallic		2,605						2,605
2421 Aerial Cable Fiber		-						-
2422 Underground Cable Metallic		18,694						18,694
2422 Underground Cable Fiber		3,724						3,724
2423 Buried Metallic Cable		8,876,705	172,764	(31,995)				9,017,473
2423 Buried Fiber Cable		2,532,464	48,728	(9,024)				2,572,168
2423 Buried Cable Terminal		-						-
2423 Buried Air Cove Cable		-						-
2441 Conduit Systems		1,709					0	1,709
Total Cable and Wire Facilities		\$ 11,436,728	\$ 221,492	\$ (41,019)	\$ -	\$ -	\$ 0	11,617,201
Capital Recovery Schedules: This schedule should identify each approved capital recovery schedule.								
Jointly Used Plant Allocated to Non Regulated		()	()	()	()	()	()	()
Amortizable Assets:								
2681 Capital Leases								
2682 Leasehold Improve.								
2690 Intangibles		5,798,279						5,798,279
Total Balances								
Note: * The total beginning and ending balances plus jointly used plant allocated to non regulated, if any, must agree to acct. 2001, Plant in Service, in Schedule B-1, Balance Sheet.								

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

Company: **For the Year Ended December 31, 2008**

Page 1 of 2

Acct. No.	Account Description	Beginning Balance*	Accruals**	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
Amortizable General Support Assets:										
2116	Other Work Equipment	17,172	2,826							19,998
2122	Furniture	2,566								2,566
2123	Office Support Equipment									
2123	Company Communications									
2124	General Purpose Computer	14,535			-7,196					21,731
Depreciable Assets: This schedule should identify each account/subaccount for which a separate depreciation rate has been approved by the FPSC.										
3112	Motor Vehicles	-								-
3121	Buildings	100,919	5,328							106,246
Total Land & Support Assets		\$ 135,191	\$ 8,153		\$ (7,196)	\$	\$		\$	\$ 150,541
Central Office Assets:										
3212	Digital Electronic Switch	3,885,206	7,063		12,797					3,879,472
3215	Elec. Mechanical Switch	-								-
3220	Operator Systems	-								-
3231	Radio Systems	-								-
3232	Circuit Equipment	715,679	114,710							830,389
3232	Fiber Circuit Equipment	190,070	30,493							220,563
Total Central Office Assets		\$ 4,790,955	\$ 152,266		\$ 12,797	\$	\$		\$	\$ 4,930,424
Info. Orig/Term Assets:										
3321	Customer Premise Wirin: **	5,001	4,816							9,817
3351	Public Telephone Equipment	-								-
Total Info. Orig/Term Assets		\$ 5,001	\$ 4,816		\$	\$	\$		\$	\$ 9,817
**	Account 3362 Other Term Equipment is being used in place of Acct 3321									

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

Company: _____
For the Year Ended December 31, _____

Acct. No. Description (Continued)	Beginning Balance*	Accruals**	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
Cable and Wire Facilities									
3411 Poles	615	18	-	(18)	-	18			597
3421 Aerial Cable Metallic	670	238	-	-	-	-	-		908
3421 Aerial Cable Fiber	-	-	-	-	-	-	-		-
3422 Underground Cable Metallic	4,121	1,000	-	(195)	-	-	-		4,926
3422 Underground Cable Fiber	-	-	-	-	-	-	-		-
3423 Buried Metallic Cable	8,069,009	641,899	-	(34,727)	-	216			8,675,965
3423 Buried Fiber Cable	-	-	-	-	-	-	-		-
3423 Buried Cable Terminal	-	-	-	-	-	-	-		-
3423 Buried Air Cove Cable	-	-	-	-	-	-	-		-
3441 Conduit Systems	1,089	29	-	-	-	-	-		1,118
Total Cable and Wire Facilities	\$ 8,075,504	\$ 643,184	\$ -	\$ (34,940)	\$ -	\$ 234	\$ -	\$ -	\$ 8,683,514
Capital Recovery Schedules:	This schedule should identify each approved capital recovery schedule.								
<i>Subtotal</i>									
Reserve for Jointly Used Plant Allocated to Non Regulated Accumulated Depr. & Amortization:	()	()	()	()	()	()	()	()	()
3200 PHFU									
3300 Nonoperating									
3410 Capital Lease									
3420 Leasehold Improve.									
3500 Intangibles	5,302,781	(29,670)							5,273,111
3600 Other	2,743,883	69,318							2,813,201
<i>Subtotal</i>									
Total Balances									

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

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

Company:

For the Year Ended December 31, 2008

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
			\$	\$	\$	\$		\$
Totals			\$	\$	\$	\$		\$

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

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

INCOME STATEMENT

Schedule I-1

Company:

For the year ended December 31, 2008 _____

Page 1 of 4

Account No.	Accounts	Amounts (\$)		
		Current Year		Total Company
		Total Company	Intrastate	Prior Year
	OPERATING REVENUES			
5001	Basic Area	585,453	585,453	623,261
5002	Extended Area			
5003	Cellular Mobile			
5004	Other Mobile Service	(18,762)	(18,762)	33,315
5010	Public Telephone			
5040	Local Private Line	35,828	35,828	51,308
5050	Customer Premises	12,938	12,938	21,849
5060	Other Local Exchange	532,715	532,715	546,055
5069	Other Local Ex. Settlements			
	Total Local Network Service	1,148,172	1,148,172	1,275,788
5081	End User	479,178		477,548
5082	Switched Access	203,708		425,564
5083	Special Access	210,064		181,858
5084	State Access	186,952	186,952	234,143
	Total Network Access	1,079,901	186,952	1,319,113
5100	Long Distance Message	458	458	
5110	Unidirectional Long Distance			
5120	Long Distance Private Network	3,576	3,576	3,633
5160	Other LD Revenue			
5169	Other LD Revenue Settle.			
	Total LD Network	4,034	4,034	3,633
5230	Directory	59,498	59,498	59,137
5240	Rent	18	18	37
5250	Corporate Operations			
5261	Special Billing Arrangement	6,233	6,233	6,233
5262	Customer Operations	(53)	(53)	
5263	Plant Operations			
5264	Other Incidental Regulated Rev.	25,811	25,811	29,031
5269	Other Revenue Settle.			
5270	Interstate Billing & Collection	19,870		40,814
5270	Intrastate Billing & Collection	9,957	9,957	18,651
5301	Uncollectible Revenue-Tele.	(18,656)	(11,511)	
5302	Uncollectible Revenue-Other			
	Total Miscellaneous	102,678	101,465	153,903
	TOTAL OPERATING REVENUES	2,334,786	1,440,622	2,752,437

INCOME STATEMENT

Schedule I-1

Company:

For the year ended December 31, 2008

Page 2 of 4

Acct. No.	Account	Current Year Total	Prior Year Total
	<i>Plant Specific Expense</i>		
6112	Motor Vehicle	51	20
6113	Aircraft		
6114	Vehicle		
6115	Garage Work Equipment		
6116	Other Work Equipment		1
	<i>Total Network Support</i>	51	21
6121	Land & Building	49,005	32,913
6122	Furniture & Artwork	1,554	1,706
6123	Office Equipment	4,333	3,640
6124	Gen. Purpose Computer	96,623	83,094
	<i>Total General Support</i>	151,514	121,354
6211	Analog Electronic		
6212	Digital Electronic	37,264	23,453
6215	Electromechanical		
	<i>Total CO Switching</i>	37,264	23,453
6220	Operator Systems	1,301	1,158
6231	Radio Systems	515	
6232	Circuit Equipment	3,306	1,343
	<i>Total Circuit Equipment</i>	5,121	2,502
6310	Information Orig./Term.		
	<i>Total Information Orig/Term</i>		
6411	Poles		
6421	Aerial Cable	434	
6422	Underground Cable	1,446	
6423	Buried Cable	160,685	204,871
6424	Submarine Cable		
6425	Deep Sea Cable		
6426	Intrabuilding Network		
6431	Aerial Wire		
6441	Conduit Systems		
	<i>Total Cable & Wire</i>	162,566	204,871
	<i>Total Plant Specific</i>	356,517	352,201
	<i>Plant Nonspecific Expense</i>		
6510	Other Property Plant and Equipment	92	2
6531	Power	63,371	52,007
6532	Network Administration	95,066	132,606
6533	Testing	7,574	11,137
6534	Plant Operations Administration	631	73
6535	Engineering	27,673	17,999
	<i>Total Network Operations</i>	194,407	213,824

INCOME STATEMENT

Schedule I-1

Company:

For the year ended December 31, 2008

Page 3 of 4

Acct. No.	Account	Current Year Total	Prior Year Total
6540	Access	63,464	21,029
6561	Depreciation - TPIS	316,826	
6562	Depreciation - PHFU		
6563	Amortization - Tangible		
6564	Amortization - Intangible	373,943	849,181
6565	Amortization - Other		536,717
	Total Depreciation & Amortization	690,769	1,385,897
	Total Plant Nonspecific	948,640	1,620,750
	Customer Operations		
6611	Product Management	8,526	6,585
6612	Sales	34,710	23,707
6613	Product Advertising	28,054	15,430
	Total Marketing	71,290	45,723
6621	Call Completion	12,357	16,491
6622	Number Service	1,730	1,678
6623	Customer Service	119,450	182,444
	Total Services	133,537	200,614
	Total Customer Operations	204,827	246,337
	Corporate Operations		
6711	Executive	25,573	32,380
6712	Planning	700	289
6721	Accounting/Finance	37,773	36,029
6722	External Relations	32,109	23,149
6723	Human Resources	7,997	10,532
6724	Info. Management	25,394	22,109
6725	Legal	7,773	5,317
6726	Procurement	1,984	1,359
6727	Research/Development		0
6728	Other General & Administrative	124,894	24,049
	Total Corporate Operations	264,199	155,213
	TOTAL OPERATING EXPENSES	1,774,182	2,374,501

INCOME STATEMENT

Schedule I-1

Company:

For the year ended December 31, 2008

Page 4 of 4

Ref. Sch.	Account No.	Account	Current Year Total	Prior Year Total
	7100	Other Operating Income and Expenses Other Operating Income & Expenses		
	7210	Operating ITC		
	7220	Operating Federal Income Taxes	474,664	
	7230	Operating State & Local Income Taxes	94,263	
I-2	7240	Other Operating Taxes	103,414	90,074
	7250	Provision for Deferred Operating Taxes-Net	(69,367)	(12,145)
		Total Operating Taxes	602,974	77,929
		NET OPERATING INCOME	\$ (42,370)	\$ 300,007
	7310	Dividend Income		
	7320	Interest Income	(32)	(245)
	7330	Income from Sinking & Other Funds		
	7340	Allowance for Funds Used During Construction		
	7350	Gain/Loss from the Disposition of Property	1,098	84
	7360	Other Nonoperating Income	(250,593)	
	7370	Special Charges	(776)	(397)
		Total Nonoperating Income & Expenses	(250,303)	(558)
	7400	Nonoperating Taxes	(342,034)	
		Total Nonoperating Taxes	(342,034)	
B-4	7510	Interest on Funded Debt		
	7520	Interest Expense - Capital Leases		
B-4	7530	Amortization of Debt Issuance Expense		
	7540	Other Interest Deductions		4,585
		Total Interest & Related Items		4,585
	7610	Extraordinary Income Credits		
	7620	Extraordinary Income Charges		
	7630	Current Income Tax Effect of Ex. Items-Net		
		Total Extraordinary Items		
	7910	Income Effect of Juris. Ratemaking Differences		
	7990	Non Regulated Net Income	916,908	1,064,181
		NET INCOME	966,269	1,359,045

Other Operating Taxes
Schedule I-2

Company:

For the Year Ended December 31, 2008

Name of Government	Type of Tax						
	Property	Gross Receipts	PSC Assess	Intangible	Franchise	Other*	Total
US Government							
State of Florida	101,438.41				1,972.80	2.59	103,413.80
State of Florida - Deferred Inc						(69,367.47)	(69,367.47)
Total	101,438.41	0.00	0.00	0.00	1,972.80	(69,364.88)	34,046.33
Charged to Construction							
Net Charged to Account	\$	\$	\$	\$	\$	\$	\$

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

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

Company:

For the Year Ended December 31, 2008 _____

Name of Recipient	Nature of Services	Account No.	Amount of Payment
Sunshine Stare One Call	Construction Labor	6423	\$ 54,249

**Membership Fees and Dues
Schedule I-4**

Particulars	Account	Amount
Expenditures Charged to Operating Expenses		\$
Membership in:		
Association of Telecommunications Companies	6722	\$ 8,275
Trade, Technical and Professional Associations		
Other Organizations (Specify Type):		
Total		\$ 8,275

Access Lines in Service by Customer
Schedule S-1

Company:

For the year ended December 31, 2008 _____

State or Territory	Business		Public Access Lines	Residential Access Lines	Mobile Access Lines	Total Access Lines (Switched & Special)
	Single Line	Multi Line				
Florida	301	164	2	3279		3746

Telephone Calls
Schedule S-2

State or Territory	Local Calls	IntraLATA Toll Calls Completed (Originating)	InterLATA Toll Calls Completed (Originating)			InterLATA Billed Access Minutes (Originating and Terminating)		
			Interstate	Intrastate	Total	Interstate	Intrastate	Total
Florida	N/A	276,381	1,217,285	259,258	1,476,543	12,037,843	3,096,542	15,134,385
Totals		276,381	1,217,285	259,258	1,476,543	12,037,843	3,096,542	15,134,385

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

Company:

For the Year Ended December 31, 2008

(a)	(b)	(c)	(d)
Accounts	Intrastate Revenues Per Sch. I-1	Intrastate Revenues Per RAF Return	Difference (b) - (c)
Local Service (5001 - 5069)	1,148,172	1,148,171	1
End User (5081)	0	0	0
Switched Access (5082)	0	0	0
Special Access (5083)	0	0	0
State Access (5084)	186,952	186,951	1
Long Distance (5100 - 5169)	4,034	4,034	0
Miscellaneous (5230 - 5270)	101,465	101,465	0
Totals	1,440,622	1,440,621	1

Explanations:

Rounding

Instructions:

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

Compensation of Officers
Schedule Z-2

Company:

For the Year Ended December 31, 2008

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

Title (a)	Name of Officer (b)	Salary for Year (c)	Bonus/Incentive (d)	Total (e)
Please see the enclosed proxy statement which lists information regarding the officers and directors of Citizens Communications Company, the parent company of Frontier Communications of the South, Inc.				

Affiliation of Officers and Directors
Schedule Z-3

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

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

Business Contracts with Officers and Directors
Schedule Z-4

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

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

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

Analysis of Directory Advertising Operations

Schedule Z-5

Company:

For the Year Ended December 31, 2008

Items	Consolidated (f) Amount	Amount Per Books
1. Revenues (Account 5230) (e)	59,498	59,498
2. Local		
3. National		
4. Sales		
5. Commissions		
6. Other		
7. Total (line 2 thru 6)	59,498	59,498
8. Expenses (Account 6622) (e)	1,730	1,730
9. Printing		
10. Commissions		
11. Deliver		
12. Salvage		
13. Other		
14. Total (line 9 thru 13)	1,730	1,730
15. Gross Profit (Line 7 minus 14)	57,768	57,768
16. Gross Profit 1982 (a)	8,830	8,830
17. Customer Growth Factor (b)	1.68	1.68
18. CPI-U Factor (c)	2.18	2.18
19. Adjusted 1982 (L16 x L17 x L18)	32,379	32,379
20. Non Regulated (d)	25,390	25,390

Footnotes:

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

(b) $\frac{\text{Average Current Year Access Lines}}{\text{Average 1982 Access Lines Per Rule 25-4.0405}}$	=	$\frac{3,836}{2,279}$	=	1.68
--	---	-----------------------	---	------

(c) $\frac{\text{Annual Average CPI-U for Current Year}}{\text{Annual Average CPI-U for 1982}}$	=	$\frac{210.228}{96.5}$	=	2.18
---	---	------------------------	---	------

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

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

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

Average Access Lines in Service

Schedule Z-6

Company:

For the Year Ended December 31, 2008 _____

(a) Classification	(b) Average Number
1. Residence Lines (R-1, 2, 4, etc.)	3,357
2. Business Lines (B-1, 2, 4, etc.)	306
3. Centrex Lines	57
4. PBX Trunks	3
5. Key System Lines	53
6. Subtotal (Line 1 thru Line 5)	<hr/> 3,776 <hr/>
7. Teletypewriter Lines	
8. Foreign Exchange Lines	
9. Service Telephone Lines	
10. Other Lines	60
11. Total (Line 6 thru Line 10)	<hr/> 3,836 <hr/>

Footnotes:

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

Corporate Structure
Schedule Z-7

Company:

For the Year Ended December 31, 2008

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

**Effective
Date**

Please see the attached organizational chart showing all affiliated companies for the year ending December 31, 2008

FRONTIER COMMUNICATIONS CORPORATION

Director and Officer Lists for Subsidiaries Effective 12/23/2008

Active Entity List

Entity Name	Domestic Juris
C-DON Partnership	Pennsylvania
Citizens Capital Ventures Corp.	Delaware
Citizens Directory Services Company L.L.C.	Delaware
Citizens Louisiana Accounting Company	Delaware
Citizens Mohave Cellular Company	Delaware
Citizens NEWCOM Company	Delaware
Citizens NEWTEL, LLC	Delaware
Citizens Pennsylvania Company LLC	Delaware
Citizens SERP Administration Company	Delaware
Citizens Telecom Services Company L.L.C.	Delaware
Citizens Telecommunications Company of California Inc.	California
Citizens Telecommunications Company of Idaho	Delaware
Citizens Telecommunications Company of Illinois	Illinois
Citizens Telecommunications Company of Minnesota, LLC	Delaware
Citizens Telecommunications Company of Montana	Delaware
Citizens Telecommunications Company of Nebraska	Delaware
Citizens Telecommunications Company of Nebraska LLC	Delaware
Citizens Telecommunications Company of Nevada	Nevada
Citizens Telecommunications Company of New York, Inc.	New York
Citizens Telecommunications Company of Oregon	Delaware
Citizens Telecommunications Company of Tennessee L.L.C.	Delaware
Citizens Telecommunications Company of the Golden State	California
Citizens Telecommunications Company of the Volunteer State LLC	Delaware
Citizens Telecommunications Company of the White Mountains, Inc.	Delaware
Citizens Telecommunications Company of Tuolumne	California
Citizens Telecommunications Company of Utah	Delaware
Citizens Telecommunications Company of West Virginia	West Virginia
Citizens Utilities Capital L.P.	Delaware
Citizens Utilities Rural Company, Inc.	Delaware
Commonwealth Communication, LLC	Delaware
Commonwealth Telephone Company LLC	Pennsylvania
Commonwealth Telephone Enterprises LLC	Pennsylvania
Commonwealth Telephone Enterprises, LLC	Delaware
Commonwealth Telephone Management Services, Inc.	Pennsylvania
Conference-Call USA, LLC	Delaware
CTE Delaware Holdings, LLC	Delaware
CTE Holdings, Inc.	Pennsylvania
CTE Services, Inc.	Pennsylvania
CTE Telecom, LLC	Pennsylvania
CTSI, LLC	Pennsylvania
CU Capital LLC	Delaware

FRONTIER COMMUNICATIONS CORPORATION

Director and Officer Lists for Subsidiaries Effective 12/23/2008

CU Wireless Company LLC	Delaware
Electric Lightwave NY, LLC	Delaware
Evans Telephone Holdings, Inc.	Delaware
Fairmount Cellular LLC	Georgia
Frontier Cable of Wisconsin LLC	Wisconsin
Frontier Communications - Midland, Inc.	Illinois
Frontier Communications - Prairie, Inc.	Illinois
Frontier Communications - Schuyler, Inc.	Illinois
Frontier Communications - St. Croix LLC	Wisconsin
Frontier Communications Corporation	Delaware
Frontier Communications of Alabama, LLC	Alabama
Frontier Communications of America, Inc.	Delaware
Frontier Communications of AuSable Valley, Inc.	New York
Frontier Communications of Breezewood, LLC	Pennsylvania
Frontier Communications of Canton, LLC	Pennsylvania
Frontier Communications of DePue, Inc.	Illinois
Frontier Communications of Fairmount LLC	Georgia
Frontier Communications of Georgia LLC	Georgia
Frontier Communications of Illinois, Inc.	Illinois
Frontier Communications of Indiana LLC	Indiana
Frontier Communications of Iowa, Inc.	Iowa
Frontier Communications of Lakeside, Inc.	Illinois
Frontier Communications of Lakewood, LLC	Pennsylvania
Frontier Communications of Lamar County, LLC	Alabama
Frontier Communications of Michigan, Inc.	Michigan
Frontier Communications of Minnesota, Inc.	Minnesota
Frontier Communications of Mississippi LLC	Mississippi
Frontier Communications of Mondovi LLC	Wisconsin
Frontier Communications of Mt. Pulaski, Inc.	Illinois
Frontier Communications of New York, Inc.	New York
Frontier Communications of Orion, Inc.	Illinois
Frontier Communications of Oswayo River LLC	Pennsylvania
Frontier Communications of Pennsylvania, LLC	Pennsylvania
Frontier Communications of Rochester, Inc.	Delaware
Frontier Communications of Seneca-Gorham, Inc.	New York
Frontier Communications of Sylvan Lake, Inc.	New York
Frontier Communications of the South, LLC	Alabama
Frontier Communications of Thorntown LLC	Indiana
Frontier Communications of Viroqua LLC	Wisconsin
Frontier Communications of Wisconsin LLC	Wisconsin
Frontier Directory Services Company, LLC	Delaware
Frontier InfoServices Inc.	Delaware
Frontier Security Company	Delaware
Frontier Subsidiary Telco LLC	Delaware
Frontier TechServ, Inc.	Delaware

FRONTIER COMMUNICATIONS CORPORATION

Director and Officer Lists for Subsidiaries Effective 12/23/2008

Frontier Telephone of Rochester, Inc.	New York
Global Valley Networks, Inc.	California
GVN Services	California
Mohave Cellular Limited Partnership	Delaware
Navajo Communications Company, Inc.	New Mexico
NCC Systems, Inc.	Texas
Ogden Telephone Company	New York
Phone Trends, Inc.	New York
Rhinelanders Telecommunications, LLC	Wisconsin
Rhinelanders Telephone LLC	Wisconsin
Rib Lake Cellular for Wisconsin RSA#3, Inc.	Wisconsin
Rib Lake Telecom, Inc.	Wisconsin
T.M.H., Inc.	Delaware

New or Amended Contracts with Affiliated Companies
Schedule Z-8

Company:

For the Year Ended December 31, 2008 _____

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	Synopsis of Contract
N/A	

Summary of Affiliated Transfers and Cost Allocations
Schedule Z-9

Company:

For the Year Ended December 31, 2008

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

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

Name of Affiliate (a)	Type of Service and/or Name of Product (b)	Relevant Contract or Agreement and Effective Date (c)	Total Charge for Year		
			"p" or "s" (d)	Account Number (e)	Dollar Amount (f)
Citizens Communications Company	Accounting / Executive, Legal, Engineering, Financial, Computer and Other Accounting /	Various	Both	Various	56,050
Sector Central	Executive, Legal, Engineering, Financial, Computer and Other Accounting /	Various	Both	Various	365,306
Regional Allocation	Executive, Legal, Engineering, Financial, Computer and Other	Various	Both	Various	176,525

Earnings Surveillance
Schedule Z-10

Company:
For the Year Ended December 31, 2008

Page 1 of 4

RATE BASE	(1) Total Company Columns (2 + 3)	(2) Interstate Toll	(3) Total Intrastate
<u>AVERAGE RATE BASE</u>			
1. Plant In Service	\$23,149,990	\$7,174,182	\$15,975,808
2. Accumulated Depreciation and Amortization	21,541,953	6,777,098	\$14,764,854
3. Net Plant In Service	\$1,608,037	\$397,083	\$1,210,954
4. Property Held for Future Use			
5. TPUC	143,068	44,351	\$98,717
6. Working Capital Allowance	100,510	26,876	\$73,634
7. Per Book Average Rate Base	<u>1,851,615</u>	<u>468,311</u>	<u>1,383,304</u>
8. % Distribution	<u>100%</u>	<u>25%</u>	<u>75%</u>

ADJUSTMENTS TO AVERAGE RATE BASE

9. Adjustments for Achieved Rate Base			\$336,057
10. Adjusted Achieved Rate Base			<u>1,719,361</u>

RATES OF RETURN

11. Average Per Book	<u>0.22%</u>	<u>48.16%</u>	<u>-16.01%</u>
12. Average FPSC Adjusted			<u>-12.88%</u>

ADJUSTMENTS TO RATE BASE	(1) Plant In Service	(2) Accumulated Depreciation and Amortization	(3) Property Held for Future Use	(4) Telephone Plant Under Construction	(5) Working Capital Allowance	(6) TOTALS
1. Intrastate Rate Base per Books	\$0	\$0	\$0	\$0	\$0	\$0
<u>INTRASTATE ADJUSTMENTS</u>						
2. General Support	\$1,069,472	\$	\$	\$	\$	\$1,069,472
3. General Support Reserve		(733,415)				(733,415)
4.						0
5. Total Accounting Adjustments, Intrastate	<u>\$1,069,472</u>	<u>(733,415)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$336,057</u>
6. Intrastate Rate Base	\$1,069,472	(733,415)	0	0	0	0

Earnings Surveillance

Schedule Z-10

Company:

For the Year Ended December 31, 2008

Page 2 of 4

	(1) Total Company Columns (2 + 3)	(2) Interstate Toll	(3) Total Intrastate Columns (4 + 5 + 6)	(4) --- Intrastate Toll --- Inter- territory	(5) Intra- territory	(6) Local
NET OPERATING INCOME						
BOOKED REVENUE						
1. Basic Local Service Revenue	\$1,148,172	\$ _____	\$1,148,172	\$0	\$0	\$1,148,172
2. Network Access Revenue						
a. BHMOC	322,008	322,008	0	\$0	\$0	\$0
b. MOU Access	286,200	99,249	186,952	\$0	\$0	\$186,952
c. Special Access	210,064	210,064	0	\$0	\$0	\$0
d. Other Access	—	—	—	—	—	—
3. Long Distance Revenue						
a. MTS	—	—	—	—	—	—
b. Other	4,034	0	4,034	\$0	\$0	\$4,034
4. Subsidy Fund Revenue	261,630	261,630	0	\$0	\$0	\$0
5. Miscellaneous Revenue	121,334	19,870	101,465	\$0	\$0	\$101,465
6. Uncollectible Revenues	(18,656)	(7,145)	(11,511)	\$0	\$0	(11,511)
7. Net Booked Revenue	<u>\$2,334,786</u>	<u>\$905,675</u>	<u>\$1,429,111</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,429,111</u>
OPERATING EXPENSE:						
8. Plant Specific Operations Expense	\$356,517	\$110,912	\$245,604			
9. Plant Non-Specific Operations Expense	194,407	60,247	134,160			
10. Access Expense	63,464	9,380	54,084			
11. Depreciation and Amortization	690,769	206,195	484,575			
12. Customer Operations Expense	204,827	44,181	160,645			
13. Corporate Operations Expense	264,199	76,697	187,502			
14. Other Income and Expenses	672,341	208,426	463,915			
15. Total Operating Expense	<u>\$2,446,523</u>	<u>\$716,037</u>	<u>\$1,730,486</u>			
16. % Distribution	<u>0</u>	<u>0</u>	<u>0</u>			
OPERATING TAXES:						
17. Federal Income Tax	(39,108)	(12,123)	-\$26,985			
18. State Income Tax	(7,263)	(2,252)	-5,011			
19. Other Taxes	(69,367)	(21,504)	(47,863)			
20. Total Operating Taxes	<u>(115,738)</u>	<u>(35,879)</u>	<u>(79,859)</u>			
NET OPERATING INCOME:						
21. Per Book NOI	<u>4,001</u>	<u>225,516</u>	<u>(221,515)</u>			
22. NOI Effect of Adjustments			<u>0</u>			
23. Adjusted NOI			<u>(221,515)</u>			

NOTES :

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

Earnings Surveillance

Schedule Z-10

Company:

For the Year Ended December 31, 2008

Page 3 of 4

ADJUSTMENTS TO NET OPERATING INCOME INTRASTATE OPERATING REVENUE	(1) Basic Local Service Revenue	(2) Inter- territory	(3) Intra- territory	(4) Local Misc. Revenue	(5) Uncollectible Revenues	(6) Net Booked Revenue
1. Total Intrastate Revenue per Books	\$1,148,172	\$0	\$186,952	\$105,499	(\$11,511)	\$1,429,111
INTRASTATE ADJUSTMENTS						
2. Out of period adjustments	\$	\$	\$	\$	\$	\$0
3. _____	_____	_____	_____	_____	_____	0
4. _____	_____	_____	_____	_____	_____	0
5. _____	_____	_____	_____	_____	_____	0
6. Total Accounting Adjustments, Intrastate	\$0	\$0	\$0	\$0	\$0	\$0
7. Total Adjusted Intrastate Revenue	<u>\$1,148,172</u>	<u>\$0</u>	<u>\$186,952</u>	<u>\$105,499</u>	<u>(11,511)</u>	<u>\$1,429,111</u>

ADJUSTMENTS TO NET OPERATING INCOME INTRASTATE OPERATING EXPENSE	(7) Plant Specific Operations Expense	(8) Plant Non-Specific Operations Expense(A)	(9) Depreciation and Amortization	(10) Customer Operations Expense	(11) Corporate Operations Expense	(12) Other Income and Expenses	(13) Total Operating Expense
1. Total Intrastate Expenses per Books	\$245,604	\$134,160	\$484,575	\$160,645	\$187,502	\$463,915	\$1,730,486
INTRASTATE ADJUSTMENTS							
2. Out of period adjustments	\$	\$	\$	\$	\$	\$	\$0
3. _____	_____	_____	_____	_____	_____	_____	0
4. _____	_____	_____	_____	_____	_____	_____	0
5. _____	_____	_____	_____	_____	_____	_____	0
6. Total Accounting Adjustments, Intrastate	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7. Total Adjusted Intrastate Exp.	<u>\$245,604</u>	<u>\$134,160</u>	<u>\$484,575</u>	<u>\$160,645</u>	<u>\$187,502</u>	<u>\$463,915</u>	<u>\$1,730,486</u>

(A) Including Access Expense

ADJUSTMENTS TO NET OPERATING INCOME INTRASTATE OPERATING TAXES / NET OPERATING INCOME	(14) Federal Income Tax	(15) State Income Tax	(16) Other Taxes	(17) Total Operating Taxes	(18) Net Operating Income
1. Total Intrastate Taxes / NOI per Books	(26,985)	(5,011)	(47,863)	(79,859)	(221,515)
INTRASTATE ADJUSTMENTS					
2. Out of period adjustments	\$	\$	\$	\$0	\$0
3. _____	_____	_____	_____	0	0
4. _____	_____	_____	_____	0	0
5. _____	_____	_____	_____	0	0
6. Total Accounting Adjustments, Intrastate	\$0	\$0	\$0	\$0	\$0
7. Total Adjusted Intrastate Taxes / NOI	<u>(26,985)</u>	<u>(5,011)</u>	<u>(47,863)</u>	<u>(79,859)</u>	<u>(221,515)</u>

**Earnings Surveillance
Schedule Z-10**

Company:
For the Year Ended December 31, 2008

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AVERAGE CAPITAL	(1)	(2)	(3)	(4)	(5)	(6)	(7) ----- COST RATE -----			(9) ----- WEIGHTED COST RATE -----		
	Average Per Books	Specific Adjustments	Pro Rata Adjustments	Adjusted Amount	% of Total	Floor	Midpoint	Ceiling	Floor	Midpoint	Ceiling	
1. Long Term Debt		0	0	0	0		0.00%				0	
2. Short Term Debt		0	0	0	0		0.00%				0	
3. Preferred Stock		0	0	0	0		0.00%				0	
4. Customer Deposits		0	0	0	0		0.00%				0	
5. Common Equity	14,213,076	(10,252,838)	(1,718,516)	2,241,722	121.07%	11.00%	12.00%	13.00%	13.32%	14.53%	15.74%	
6. ITC		0	0	0	0	0.00%	0.00%	0.00%	0	0	0	
7. Cost Free Capital	(689,165)	0	299,058	(390,107)	-21.07%	0.00%	0.00%	0.00%	0	0	0	
8. Total Capital	13,523,912	(10,252,838)	(1,419,458)	1,851,615	100.00%				13.32%	14.53%	15.74%	

FINANCIAL RATIO

9. Intrastate achieved return on equity
FPSC Adjusted Basis -10.64%

ADJUSTMENTS TO AVERAGE CAPITAL	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	LONG TERM DEBT	SHORT TERM DEBT	PREFERRED STOCK	CUSTOMER DEPOSITS	COMMON EQUITY	INVESTMENT TAX CREDITS	COST FREE CAPITAL	TOTAL CAPITAL
1. Total Capital Per Books	0	0	0	0	14,213,076	0	(689,165)	13,523,912

DESCRIPTION OF ADJUSTMENTS TO SPECIFIC SOURCES

2. Investment in Alabama Cellular	\$	\$	\$	\$	\$	\$	\$	0
3. NonRegulated Investmetns					(74,760)			(74,760)
4. Fronter Investments					(10,178,079)			(10,178,079)
5. Sub-total of Adjustments to Specific Sources	0	0	0	0	(10,252,838)	0	0	(10,252,838)
6. Adjusted Total Capital	0	0	0	0	3,960,238	0	(689,165)	3,271,073

DESCRIPTION OF PRO RATA ADJUSTMENTS

7. Alabama Rate Base	\$	\$	\$	\$	\$ (1,718,516)	\$	\$ 299,058	\$ (1,419,458)
8. _____								0
9. _____								0
10. Sub-total of Pro Rata Adjustments to Sources	0	0	0	0	\$ (1,718,516)	\$ -	\$ 299,058	\$ (1,419,458)
11. Subtotal, Pro Rata Adjusted Total Capital	0	0	0	0	\$ 2,241,722	\$ -	\$ (390,107)	\$ 1,851,615
12. Less Interstate Operations	0	0	0	0	\$ -	\$ -	\$ -	\$ -
13. Achieved Intrastate Capital	\$	\$	\$	\$	\$ 2,241,722	\$ -	\$ (390,107)	\$ 1,851,615