

KENTUCKY PUBLIC SERVICE COMMISSION  
REPORT OF GROSS OPERATING REVENUES DERIVED FROM INTRA-KENTUCKY  
BUSINESS FOR THE YEAR ENDING DECEMBER 31, 2003

Name of Utility Reporting ALLTEL Kentucky, Inc.

Address of Utility 229 Lees Valley Rd.

City Shepherdsville State KY Zip Code 40165

Telephone Number of Utility (501) 905-8000

Fax Number of Utility (if applicable) (501) 905-7277

Officer/Contact Person David Cameron Staff Manager-External Reporting  
(Name) (Title)

\*\*\*\*\*

ASSESSABLE REVENUES OF TELEPHONE UTILITY .....\$ 15,137,340  
(to agree with assessable revenues figure on the back of this page)

\*\*\*\*\*

O A T H

State of Arkansas )

) ss.

County of Pulaski )

David Cameron being duly sworn, states that he/she

(Officer)

is Assistant Secretary of the ALLTEL Kentucky, Inc.

(Official Title)

(Utility Reporting)

that the above report of gross revenues is in exact accordance with

ALLTEL Kentucky, Inc., and that such books accurately show the gross

(Utility Reporting)

revenues of: ALLTEL Kentucky, Inc., derived from Intra-Kentucky

(Utility Reporting)

business for the calendar year ending December 31, 2003.

Assistant Secretary

(Officer)

(Title)

This the \_\_\_\_\_ day of \_\_\_\_\_, 2004

(Notary Public) (County) (Commission Expires)

**NOTE: ANY DIFFERENCE BETWEEN THE AMOUNT OF THE GROSS  
REVENUES SHOWN IN THE ANNUAL REPORT AND THE AMOUNT  
APPEARING ON THIS STATEMENT MUST BE RECONCILED ON THE  
RESERVE OF THIS REPORT.**

**Telecommunications Utilities Reconciliation Form**

<b>Total Operating Revenues (Schedule IV, Page 2 of 8)</b>	<u>20,891,752</u>
<b>Additions:</b>	
Intrastate Uncollectibles (Account 5301)	<u>130,428</u>
Other Uncollectibles	<u>                    </u>
<b>Total Additions</b>	<u>130,428</u>
<b>Deductions:</b>	
Non-Regulated Revenue (Account 5280)	<u>1,742,310</u>
Interstate Billing/Collection Revenue (Account 5270)	<u>(12,009)</u>
End User Revenue (Account 5081)	<u>1,986,433</u>
Interstate Switched Access Revenue (Account 5082)	<u>1,299,699</u>
Interstate Special Access Revenue (Account 5083)	<u>868,407</u>
Any Miscellaneous Interstate Revenues (Explain Below)	<u>                    </u>
<b>Total Deductions</b>	<u>5,884,840</u>
<b>Reconciled Assessable Revenues</b>	<u><u>15,137,340</u></u>

Explanations/Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Do Not Write Below This Line**

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TELEPHONE UTILITIES - ANNUAL REPORT

Please furnish the following information, for **KENTUCKY OPERATIONS** only:

**BASIC SERVICE:**

\*Average Residential Basic Service Monthly Bill \$ 9.35  
(\*Not including taxes)

**NAMES OF COUNTIES IN WHICH YOU FURNISH TELEPHONE SERVICE:**

(If additional space is required, add additional sheet)

Bullitt, Spencer, and Jefferson

**OFFICER OR OTHER PERSON TO WHOM CORRESPONDENCE SHOULD BE ADDRESSED CONCERNING THIS REPORT:**

Name David Cameron Title Staff Manager-Financial Reporting  
Address 1 Allied Drive; P.O. Box 2177 City Little Rock  
State AR Zip Code 72203 Telephone Number (501) 905-5270

This information is to be kept current by prompt notification to the Commission of any changes until the report for the succeeding year has been submitted.

**PRINCIPAL PAYMENT, INTEREST, AND LONG-TERM DEBT INFORMATION FOR THE YEAR ENDING DECEMBER 31, 2003.**

1. Amount of Principal payment during calendar year \$ 4,741,951 **All debt was paid off in April 2003.**

2. Is Principal current? Yes X No \_\_\_\_\_

3. Is Interest current? Yes X No \_\_\_\_\_

4. Has all long-term debt been approved by the Public Service Commission?  
Yes X No \_\_\_\_\_ PSC Case Number \_\_\_\_\_

**SERVICES PERFORMED BY INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT:**

Are your financial statements examined by a Certified Public Accountant?

Yes \_\_\_\_\_ No X

If yes, which service was performed?

Audit \_\_\_\_\_ Compilation \_\_\_\_\_ Review \_\_\_\_\_

Please enclose a copy of the accountant's report with the annual report.

**BOARD OF DIRECTORS AND GENERAL OFFICERS**

Schedule I  
Page 1 of 1  
KPSC Form T (Revised 9/97)

Company ALLTEL Kentucky, Inc.  
Period Ended December 31, 2003

Name of Director or Officer and Address (City & State) (a)	Title and Department Over Which Jurisdiction is Exercised (b)	Term Expired or Current Term Will Expire (c)	Served Continuously From (d)
1. Francis X. Frantz Little Rock, AR	Secretary & Director	*	5/25/1995
2. David Cameron Little Rock, AR	Assistant Secretary	*	5/25/1995
3. Stephen B. Rowell Little Rock, AR	Sr. Vice President-State Gov't Affairs	*	10/10/1996
4. Kevin L. Beebe Little Rock, AR	Group Pres.-Communications & Director	*	8/19/1999
5. Jeffrey R. Gardner Little Rock, AR	Exec. Vice President-CFO & Director	*	8/19/1999
6. Steve Mowery Little Rock, AR	Vice President-State Gov't Affairs	*	10/24/2000
7. George A. Page Bedford, OH	President-Northeast Region	*	3/1/2001
8. Steven A. Kavanaugh Little Rock, AR	Vice President-Administrative Services	*	3/1/2001
9. Scott H. Settelmyer Little Rock, AR	Treasurer	*	3/1/2001
10. Michael D. Rhoda Little Rock, AR	Vice President-Access & Interconn Srv	*	10/17/2001
11. Terry E. Beeler Lexington, KY	Market Area President	*	1/1/2002
12. Anthony J. Saggese, Jr. Little Rock, AR	Vice President-Tax	*	1/7/2002
13. Charles Harwood Lexington, KY	Vice President-General Manager-NE KY	*	11/1/2002
14. Daniel Warnstaff Lexington, KY	Vice President-General Manager-SW KY	*	11/1/2002
15. Stephen R. Byars Lexington, KY	Vice President-External Affairs	*	11/1/2002
16. Brent K. Whittington Little Rock, AR	Vice President-Finance	*	11/1/2002
17. Daniel P. Lohr Little Rock, AR	Exec. Vice President-Sales & Distr.	*	1/31/2003
18. Frank A. O'Mara Little Rock, AR	Exec. Vice President-Customer Service	*	1/31/2003
19. Philip E. Junker Little Rock, AR	Exec. Vice President-Marketing	*	1/31/2003
20. Jeffrey H. Fox Little Rock, AR	Group President-Communications	*	5/30/2003

(use additional sheet, if needed)

\* Until next annual meeting of Directors or until successors are elected and qualified

**STOCKHOLDERS**

Schedule II  
 Page 1 of 1  
 KPSC Form T (Revised 9/97)

Company ALLTEL Kentucky, Inc.

Period Ended December 31, 2003

	Name and Address (City & State) of Stockholder	Shares Held
1	ALLTEL Corporation One Allied Drive Little Rock, AR 72202	7,674
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		

(Use additional sheet, if needed)

Total holders of above class of stock 1

Date of above compilation 12/31/03 Purpose of the compilation \_\_\_\_\_

## BALANCE SHEET ACCOUNTS

Schedule III  
Page 1 of 5  
KPSC Form T (Revised 9/97)

Company ALLTEL Kentucky, Inc.

Period Ended December 31, 2003

Account (a)	Account Title (b)	Amount (c)
	<b>Current Assets</b>	
1130	Cash	113,781
1140	Special Cash Deposits	-
1150	Working Cash Advances	800
1160	Temporary Investments	-
	<b>Total Cash and Equivalents</b>	<u>114,581</u>
1180	Telecommunications Accounts Receivable	1,707,945
1181	Accounts Receivable Allowance-Telecommunications	(39,118)
1190	Other Accounts Receivable	1,515,610
1191	Accounts Receivable Allowance-Other	(15,130)
1200	Notes Receivable	-
1201	Notes Receivable Allowance	-
1210	Interest and Dividends Receivable	-
1220	Inventories	98,786
	<b>Total Receivable and Inventories</b>	<u>3,268,093</u>
1290	Prepaid Rents	-
1300	Prepaid Taxes	-
1310	Prepaid Insurance	-
1320	Prepaid Directory Expenses	-
1330	Other Prepayments	39,903
	<b>Total Prepayments</b>	<u>39,903</u>
1350	Other Current Assets	-
	<b>Total Current Assets</b>	<u>3,422,577</u>
	<b>Noncurrent Assets</b>	
1401	Investments in Affiliated Companies	-
1402	Investments in Nonaffiliated Companies	483,930
1406	Nonregulated Investments	-
1407	Unamortized Debt Issuance Expense	-
1408	Sinking Funds	-
1410	Other Noncurrent Assets	510,195
1437	Deferred Tax Regulatory Asset	-
1438	Deferred Maintenance and Retirements	1
1439	Deferred Charges	-
1500	Other Jurisdictional Assets - Net	-
	<b>Total Noncurrent Assets</b>	<u>994,126</u>

**BALANCE SHEET ACCOUNTS**

Schedule III  
Page 2 of 5  
KPSC Form T (Revised 9/97)

Company ALLTEL Kentucky, Inc.

Period Ended December 31, 2003

Account (a)	Account Title (b)	Beginning Balance (c)	Additions (d)	Retirements (e)	Transfers/ Adjustments (f)	Ending Balance (g)
<b>Telephone Plant</b>						
2001	Telephone Plant In Service	44,421,587	2,762,063	(1,252,841)	549,082	48,985,573
2002	Property Held for Future Telephone Use	-	-	-	-	-
2003	Tele. Plant Under Construction-Short term	897,391	2,584,669	2,807,735	90,676	765,001
2004	Tele. Plant Under Construction-Long term	-	-	-	-	-
2005	Telephone Plant Adjustment	-	-	-	-	-
2006	Nonoperating Plant	-	-	-	-	-
2007	Goodwill	-	-	-	-	-
	<b>Total Telephone Plant</b>	45,318,978	5,346,732	1,554,894	639,758	49,750,574
<b>Support Assets</b>						
2111	Land	129,177	-	-	-	129,177
2112	Motor Vehicles	622,461	35,475	70,878	(58,318)	528,740
2113	Aircraft	-	-	-	-	-
2114	Special Purpose Vehicles	-	-	-	-	-
2115	Garage Work Equipment	-	-	-	-	-
2116	Other Work Equipment	490,082	14,093	13,818	-	490,357
2121	Buildings	1,652,982	99,389	16,529	-	1,735,842
2122	Furniture	260,861	-	6,647	-	254,214
2123	Office Furniture	217,489	-	-	-	217,489
2124	General Purpose Computers	227,930	5,937	-	-	233,867
	<b>Total Support Assets</b>	3,600,982	154,894	107,872	(58,318)	3,589,686
<b>Central Office - Switching</b>						
2211	Analog Electronic Switching	-	-	-	-	-
2212	Digital Electronic Switching	7,338,846	199,144	71,463	607,402	8,073,929
2215.1	Step-by-Step Switching	-	-	-	-	-
2215.2	Crossbar Switching	-	-	-	-	-
2215.3	Other Electro-Mechanical Switching	525	-	-	-	525
	<b>Total Central Office Switching</b>	7,339,371	199,144	71,463	607,402	8,074,454
2220	<b>Total Operator Systems</b>	-	-	-	-	-

**BALANCE SHEET ACCOUNTS**

Schedule III  
Page 3 of 5  
KPSC Form T (Revised 9/97)

Company ALLTEL Kentucky, Inc.  
Period Ended December 31, 2003

Account (a)	Account Title (b)	Beginning Balance (c)	Additions (d)	Retirements (e)	Transfers/ Adjustments (f)	Ending Balance (g)
<b>Central Office - Transmission</b>						
2231.1	Satellite & Earth Stations	-	-	-	-	-
2231.2	Other Radio Facilities	14,899	-	-	-	14,899
2232	Circuit Equipment	10,211,271	1,036,039	64,613	(2)	11,182,695
	<b>Total Central Office Transmission</b>	10,226,170	1,036,039	64,613	(2)	11,197,594
<b>Information Origination/Termination</b>						
2311	Station Apparatus	56,613	815	27,510	-	29,918
2321	Customer Premise Wire	-	-	-	-	-
2341	Large PBX	-	-	-	-	-
2351	Public Telephone Terminal Equipment	60	-	60	-	-
2362	Other Terminal Equipment	-	-	-	-	-
	<b>Total Information Origin./Termin.</b>	56,673	815	27,570	-	29,918
<b>Cable &amp; Wire Facilities Assets</b>						
2411	Poles	1,885,616	120,823	(441,918)	-	2,448,357
2421	Aerial Cable	12,498,572	543,758	(580,693)	-	13,623,023
2422	Underground Cable	808,906	-	(170,636)	-	979,542
2423	Buried Cable	7,366,383	706,590	(331,112)	-	8,404,085
2424	Submarine Cable	-	-	-	-	-
2425	Deep Sea Cable	-	-	-	-	-
2426	Intrabuilding Network Cable	-	-	-	-	-
2431	Aerial Wire	-	-	-	-	-
2441	Conduit System	638,914	-	-	-	638,914
	<b>Total Cable &amp; Wire Facilities Assets</b>	23,198,391	1,371,171	(1,524,359)	-	26,093,921
<b>Amortizable Assets</b>						
2681	Capital Leases	-	-	-	-	-
2682	Leasehold Improvements	-	-	-	-	-
	<b>Total Amortizable Assets</b>	-	-	-	-	-
2690	Intangibles	-	-	-	-	-
	<b>Total Tele. Plant in Service (Acct 2001)</b>	44,421,587	2,762,063	(1,252,841)	549,082	48,985,573



**BALANCE SHEET ACCOUNTS**

Schedule III  
Page 4 of 5  
KPSC Form T (Revised 9/97)

Company ALLTEL Kentucky, Inc.  
Period Ended December 31, 2003

Account (a)	Account Title (b)	Amount (c)
	<b>Depreciation and Amortization</b>	
3100	Accumulated Depreciation	22,852,132
3200	Accumulated Depreciation-Plant Held for Future Tele. Use	
3300	Accumulated Depreciation-Nonoperating	
3410	Accumulated Amortization - Capitalized Leases	
3420	Accumulated Amortization - Leasehold Improvements	
3500	Accumulated Amortization - Intangible	
3600	Accumulated Amortization - Other	
	<b>Total Depreciation and Amortization</b>	<b>22,852,132</b>
	<b>Net Telephone Plant</b>	
	(Total Tele. Plt. less Total Depreciation & Amortization)	26,898,442
	<b>Total Assets</b>	<b>31,315,145</b>

0

<b>Current Liabilities</b>		
4010	Accounts Payable	1,365,480
4020	Notes Payable	-
4030	Advanced Billing and Payments	325,454
4040	Customer's Deposits	33,480
4050	Current Maturities - Long Term Debt	-
4060	Current Maturities - Capital Leases	-
4070	Income Taxes - Accrued	259,388
4080	Other Taxes - Accrued	100,265
4100	Net Current Deferred Operating Income Taxes	-
4110	Net Current Deferred Nonoperating Income Taxes	
4120	Other Accrued Liabilities	63,234
4130	Other Current Liabilities	151,266
	<b>Total Current Liabilities</b>	<b>2,298,567</b>

**BALANCE SHEET ACCOUNTS**

Schedule III  
Page 5 of 5  
KPSC Form T (Revised 9/97)

Company ALLTEL Kentucky, Inc.

Period Ended December 31, 2003

Account (a)	Account Title (b)	Amount (c)
	<b>Long-Term Debt</b>	
4210	Funded Debt	-
4220	Premium on Long-Term Debt	-
4230	Discount on Long-Term Debt	-
4240	Reacquired Debt	-
4250	Obligations Under Capital Leases	-
4260	Advances from Affiliated Companies	6,406,206
4270	Other Long-Term Debt	-
	<b>Total Long-Term Debt</b>	<b>6,406,206</b>
	<b>Other Liabilities and Deferred Credits</b>	
4310	Other Long-Term Liabilities	229,280
4320	Unamortized Operating Investment Tax Credits-Net	-
4330	Unamortized Nonoperating Investment Tax Credits-Net	-
4340	Net Noncurrent Deferred Operating Income Taxes	5,511,207
4341	Net Deferred Tax Liability Adjustments	507,250
4350	Net Noncurrent Deferred Nonoperating Income Taxes	-
4360	Other Deferred Credits	275,036
4361	Deferred Tax Regulatory Liability	-
4370	Other Jurisdiction Liabilities/Deferred Credits - Net	-
	<b>Total Other Liabilities and Deferred Credits</b>	<b>6,522,773</b>
4510	Capital Stock	767,400
4520	Additional Paid-In Capital	163,600
4530	Treasury Stock	-
4540	Other Capital	-
4550	Retained Earnings	15,156,599
	<b>Total Stockholders' Equity</b>	<b>16,087,599</b>
	<b>Total Liabilities &amp; Stockholders' Equity</b>	<b>31,315,145</b>
	Retained Earnings (Beginning of Year)	14,343,833
	Net Income	4,886,766
	Dividends Declared	4,074,000
	Capital Credit Rotations	
	Miscellaneous Debits*	-
	Miscellaneous Credits*	-
	<b>Retained Earnings (End of Year)</b>	<b>15,156,599</b>

\*Explain any individual item over \$10,000



**INVESTMENTS IN NONAFFILIATED COMPANIES**

Description (a)	Nonaffiliated Companies						(j)		
	(b)	(c)	(d)	(e)	(f)	(g)		(h)	(i)
<b>Account 1402</b>									
1. Company Name	Access Providers	Telecomm Customers	RTB Stock						
2. Beginning Balance			483,930						
3. Investment									
4. Earnings									
5. (Losses)									
6. Subtotal (Account 1402)	-	-	483,930	-	-	-	-	-	-
<b>Account 1160, Temporary Investments</b>									
7. Beginning Balance									
8. Gross Dr.									
9. Gross (Cr.)									
10. Subtotal (Account 1160)	-	-	-	-	-	-	-	-	-
<b>Account 1180, Telecommunications Accts Receivable</b>									
11. Beginning Balance		1,716,757							
12. Gross Dr.		21,054,440							
13. Gross (Cr.)		(21,063,252)							
14. Subtotal (Account 1180)	-	1,707,945	-	-	-	-	-	-	-
<b>Account 1190, Other Accounts Receivable</b>									
15. Beginning Balance	1,181,457								
16. Gross Dr.	14,218,576								
17. Gross (Cr.)	(13,884,423)								
18. Subtotal (Account 1190)	1,515,610	-	-	-	-	-	-	-	-
<b>Account 1200, Notes Receivable</b>									
19. Beginning Balance									
20. Gross Dr.									
21. Gross (Cr.)									
22. Subtotal (Account 1200)	-	-	-	-	-	-	-	-	-
<b>Account 1210, Interest and Dividends</b>									
23. Beginning Balance									
24. Gross Dr.									
25. Gross (Cr.)									
26. Subtotal (Account 1210)	-	-	-	-	-	-	-	-	-
27. Total	1,515,610	1,707,945	483,930	-	-	-	-	-	-

# INCOME STATEMENT ACCOUNTS

Schedule VI  
 Page 1 of 8  
 KPSC FORM 5 (Revised 9/97)

Company ALLTEL Kentucky, Inc.  
 Period Ended December 31, 2003

Account (a)	Account Title (b)	Amount (c)
	<b><u>Local Network Service</u></b>	
5001	Basic Area Revenue	3,782,038
5002	Optional Extended Area Revenue	2,502,142
5003	Cellular Mobile Service Revenue	
5004	Other Mobile Service Revenue	
	<b>TOTAL BASIC LOCAL REVENUE SERVICE</b>	<b>6,284,180</b>
5010	Public Telephone Revenue	
5040	Local Private Line Revenue	530,561
5050	Customer Premises Revenue	163,781
5060	Other Local Exchange Revenue	2,081,268
5069	Other Local Exchange Revenue Settlements	-
	<b>TOTAL LOCAL NETWORK SERVICE REVENUES</b>	<b>9,059,790</b>
	<b><u>Network Access Service Revenues</u></b>	
5081	End User Revenue	1,986,433
5082	Switched Access Revenue	1,299,699
5083	Special Access Revenue	868,407
5084	State Access Revenue	4,833,364
	<b>TOTAL NETWORK ACCESS REVENUE</b>	<b>8,987,903</b>
	<b><u>Long Distance (LD) Network Service Revenues</u></b>	
5100	LD Message Revenue (Class A)	(2,076)
5111	LD Inward-only Revenue	-
5112	LD Outward-only Revenue	-
	<b>TOTAL UNIDIRECTIONAL LD REVENUE</b>	<b>(2,076)</b>

**INCOME STATEMENT ACCOUNTS**

Schedule VI  
 Page 2 of 8  
 KPSC FORM 5 (Revised 9/97)

Company ALLTEL Kentucky, Inc.  
 Period Ended December 31, 2003

Account (a)	Account Title (b)	Amount (c)
5121	Subvoice Grade LD Private Network Revenue	-
5122	Voice Grade LD Private Network Revenue	314,648
5123	Audio Program Grade LD Private Network Revenue	-
5124	Video Program Grade LD Private Network Revenue	-
5125	Digital Transmission LD Private Network Revenue	50,248
5126	LD Private Network Switching Revenue	-
5128	Other LD Private Network Revenue	-
5129	Other LD Private Network Revenue Settlements	-
	<b>TOTAL LONG DISTANCE PRIVATE NETWORK REVENUE</b>	<b>364,896</b>
5160	Other Long Distance Revenue	15,576
5169	Other Long Distance Revenue Settlements	-
	<b>TOTAL LONG DISTANCE NETWORK SERVICE REVENUES</b>	<b>378,396</b>
	<u>Miscellaneous Revenues</u>	
5230	Directory	207,788
5240	Rent Revenues	23,879
5250	Corporate Operations Revenue	-
5261	Special Billing Arrangements Revenue	-
5262	Customer Operations Revenue	-
5263	Plant Operations Revenue	-
5264	Other Incidental Regulated Revenue	334,852
5269	Other Revenue Settlements	-
5270	Carrier Billing and Collection Revenue	287,262
5280	Nonregulated Revenue	1,742,310
	<b>TOTAL MISCELLANEOUS REVENUES</b>	<b>2,596,091</b>
	<u>Uncollectible Revenues</u>	
5301	Uncollectible Revenues-Telecommunications	130,428
5302	Uncollectible Revenues-Other	-
	<b>TOTAL UNCOLLECTIBLE REVENUE</b>	<b>130,428</b>
	<b>TOTAL OPERATING REVENUES</b>	<b>20,891,752</b>

**INCOME STATEMENT ACCOUNTS**

Account (a)	Account Title (b)	Total (c)	Salaries and Wages (d)	Benefits (e)	Rent (f)	Other Expenses (g)
	<u>PLANT SPECIFIC OPERATION EXPENSE</u>					
6112	Motor Vehicle	59,199	23,341	10,200	-	25,658
610	Clearance-MV	-	-	-	-	-
615	Net Balance-MV	59,199	23,341	10,200	-	25,658
6113	Aircraft	-	-	-	-	-
620	Clearance-Aircraft	-	-	-	-	-
625	Net Balance-Aircraft	-	-	-	-	-
6114	Special Purpose Vehicle	-	-	-	-	-
630	Clearance-SPV	-	-	-	-	-
635	Net Balance-SPV	-	-	-	-	-
6115	Garage Work Equipment	-	-	-	-	-
6116	Other Work Equipment	10,741	785	234	-	9,722
640	Clearance-OWE	-	-	-	-	-
645	Net Balance-OWE	10,741	785	234	-	9,722
	<b>TOTAL NETWORK SUPPORT EXPENSE</b>	<b>69,940</b>	<b>24,126</b>	<b>10,434</b>	<b>-</b>	<b>35,380</b>
6121	Land & Building	70,807	497	160	-	70,150
6122	Furniture & Artworks	-	-	-	-	-
6123	Office Equipment	5,437	3,570	1,069	-	798
6124	General Purpose Computers	362,207	-	-	-	362,207
	<b>TOTAL SUPPORT EXPENSE</b>	<b>438,451</b>	<b>4,067</b>	<b>1,229</b>	<b>-</b>	<b>433,155</b>
6211	Analog Electronic	110,182	-	-	-	110,182
6212	Digital Electronic	513,773	210,181	66,624	-	236,968
6215	Electro-mechanical	-	-	-	-	-
	<b>TOTAL CENTRAL OFF. SWITCH. EXP.</b>	<b>623,955</b>	<b>210,181</b>	<b>66,624</b>	<b>-</b>	<b>347,150</b>
6220	Operator System Expense	-	-	-	-	-
6231	Radio System	-	-	-	-	-
6232	Circuit Equipment	162,293	38,379	12,021	-	111,893
	<b>TOTAL CENTRAL OFF. TRANS. EXP.</b>	<b>162,293</b>	<b>38,379</b>	<b>12,021</b>	<b>-</b>	<b>111,893</b>

**INCOME STATEMENT ACCOUNTS**

Account (a)	Account Title (b)	Total (c)	Salaries and Wages (d)	Benefits (e)	Rent (f)	Other Expenses (g)
6311	Station Apparatus	288,080	100,806	31,207	-	156,067
6341	Large PBX	-	-	-	-	-
6351	Public Tele. Terminal Equipment	-	-	-	-	-
6362	Other Terminal Equipment	-	-	-	-	-
	<b>TOTAL INFO. ORIG./TERM. EQUIP.</b>	<b>288,080</b>	<b>100,806</b>	<b>31,207</b>	<b>-</b>	<b>156,067</b>
6411	Poles	114,905	1,434	685	98,820	13,966
6421	Aerial Cable	511,367	267,518	79,283	-	164,566
6422	Underground Cable	(324)	297	98	-	(719)
6423	Buried Cable	254,479	72,154	23,694	-	158,631
6424	Submarine Cable	11	7	3	-	1
6425	Deep Sea Cable	-	-	-	-	-
6426	Intrabuilding Network Cable	-	-	-	-	-
6431	Aerial Wire	-	-	-	-	-
6441	Conduit Systems	(23)	(18)	(5)	-	-
	<b>TOTAL CABLE &amp; WIRE EXPENSE</b>	<b>880,415</b>	<b>341,392</b>	<b>103,758</b>	<b>98,820</b>	<b>336,445</b>
	<b>TOTAL PLANT SPEC. EXPENSE</b>	<b>2,463,134</b>	<b>718,951</b>	<b>225,273</b>	<b>98,820</b>	<b>1,420,090</b>
	<b>PLANT NONSPECIFIC OPER. EXPENSE</b>					
6511	Plant Held for Future Telephone Use	-	-	-	-	-
6512	Provisioning	1,409	6,658	2,091	-	(7,340)
660	Clearance-Prov.	-	-	-	-	-
665	Net Balance-Prov.	1,409	6,658	2,091	-	(7,340)
	<b>TOTAL OTHER PP&amp;E EXPENSE</b>	<b>1,409</b>	<b>6,658</b>	<b>2,091</b>	<b>-</b>	<b>(7,340)</b>
6531	Power	58,037	-	-	-	58,037
6532	Network Administration	18,215	5,439	1,708	-	11,068
6533	Testing	266,258	-	-	-	266,258
6534	Plant OPS Administration	193,003	100,847	37,142	1,666	53,348
670	Clearance-POA	-	-	-	-	-
675	Net Balance-POA	193,003	100,847	37,142	1,666	53,348



**INCOME STATEMENT ACCOUNTS**

Account (a)	Account Title (b)	Total (c)	Salaries and Wages (d)	Benefits (e)	Rent (f)	Other Expenses (g)
6535	Engineering	236,960	30,064	59,844	-	147,052
680	Clearance-Engineering	-	-	-	-	-
685	Net Balance-Engineering	236,960	30,064	59,844	-	147,052
	<b>TOTAL NETWORK OPS EXPENSE</b>	<b>772,473</b>	<b>136,350</b>	<b>98,694</b>	<b>1,666</b>	<b>535,763</b>
6540	Access Expense	1,256,579	-	-	N/A	1,256,579
6561	Depreciation-Tele. Plt. in Service	2,634,804	N/A	N/A	N/A	2,634,804
6562	Depreciation-PHFTU	-	N/A	N/A	N/A	-
6563	Amortization-Tangible	-	N/A	N/A	N/A	-
6564	Amortization-Intangible	-	N/A	N/A	N/A	-
6565	Amortization-Other	-	N/A	N/A	N/A	-
	<b>TOTAL DEPRECIATION &amp; AMORTIZATION EXP.</b>	<b>2,634,804</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>2,634,804</b>
	<b>TOTAL PLANT NONSPECIFIC EXPENSE</b>	<b>4,665,265</b>	<b>143,008</b>	<b>100,785</b>	<b>1,666</b>	<b>4,419,866</b>
	<b>CUSTOMER OPERATIONS EXPENSE</b>					
6611	Produce Management	76,340	-	-	N/A	76,340
6612	Sales	329,267	152,642	49,421	N/A	127,204
6613	Product Advertising	116,307	-	-	N/A	116,307
	<b>TOTAL MARKETING EXPENSE</b>	<b>521,914</b>	<b>152,642</b>	<b>49,421</b>	<b>N/A</b>	<b>319,851</b>
6621	Call Completion	10,410	-	-	N/A	10,410
6622	Number Services	103,426	-	-	N/A	103,426
6623	Customer Services	870,074	104,795	35,129	N/A	730,150
	<b>TOTAL SERVICES EXPENSE</b>	<b>983,910</b>	<b>104,795</b>	<b>35,129</b>	<b>N/A</b>	<b>843,986</b>
	<b>TOTAL CUSTOMER OPERATIONS EXP.</b>	<b>1,505,824</b>	<b>257,437</b>	<b>84,550</b>	<b>N/A</b>	<b>1,163,837</b>
	<b>CORPORATE OPERATIONS EXPENSE</b>					
6711	Executive	67,997	4,536	1,222	N/A	62,239
6712	Planning	-	-	-	N/A	-
	<b>TOTAL EXECUTIVE &amp; PLANNING EXP.</b>	<b>67,997</b>	<b>4,536</b>	<b>1,222</b>	<b>N/A</b>	<b>62,239</b>

**INCOME STATEMENT ACCOUNTS**

Account (a)	Account Title (b)	Total (c)	Salaries and Wages (d)	Benefits (e)	Rent (f)	Other Expenses
6721	Accounting and Finance	94,506	-	-	N/A	94,506
6722	External Affairs	10,622	-	-	N/A	10,622
6723	Human Resources	64,784	-	10,509	N/A	54,275
6724	Information Management	312,456	-	-	N/A	312,456
6725	Legal	14,948	-	-	N/A	14,948
6726	Procurement	5,732	-	-	N/A	5,732
6727	Research & Development	-	-	-	N/A	-
6728	Other General & Administrative	575,274	10,731	6,642	3,880	554,021
	<b>TOTAL GENERAL &amp; ADMINISTRATIVE EXP.</b>	<b>1,078,322</b>	<b>10,731</b>	<b>17,151</b>	<b>3,880</b>	<b>1,046,560</b>
6790	Provision for uncollectible Notes Receivable		N/A	N/A	N/A	
	<b>TOTAL CORP. OPER. EXPENSE</b>	<b>1,146,319</b>	<b>15,267</b>	<b>18,373</b>	<b>3,880</b>	<b>1,108,799</b>
	<b>TOTAL OPERATING EXPENSE</b>	<b>9,780,542</b>	<b>1,134,663</b>	<b>428,981</b>	<b>104,366</b>	<b>8,112,532</b>
	<b>NET OPERATING REVENUE</b>	<b>11,111,210</b>	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX

**INCOME STATEMENT ACCOUNTS**

Schedule VI  
 Page 7 of 8  
 KPSC FORM T (Revised 9/97)

Company ALLTEL Kentucky, Inc.  
 Period Ended December 31, 2003

Account (a)	Account Title (b)	Amount (c)
	<b><u>Other Operating Income and Expense</u></b>	
7110	Income from Custom Work	
7130	Return from Nonregulated use of Regulated Facilities	
7140	Gains/Losses from Foreign Exchange	
7150	Gains/Losses from Disposition of Land & Artworks	-
7160	Other Operating Gains and Losses	-
	<b>OTHER OPERATING INCOME AND EXPENSE-NET</b>	<b>-</b>
	<b><u>Operating Taxes</u></b>	
7210	Operating Investment Tax Credits-Net	-
7220	Operating Federal Income Taxes	2,708,349
7230	Operating State and Local Income Taxes	(59,334)
7240	Operating Other Taxes	638,258
7250	Provision for Deferred Operating Income Tax-Net	966,037
	<b>TOTAL OPERATING TAXES</b>	<b>4,253,310</b>
	<b><u>Nonoperating Income and Expense</u></b>	
7310	Dividend Income	144,662
7320	Interest Income	-
7330	Income from Sinking and Other Funds	-
7340	Allowance for Funds used During Construction (AFUDC)	16,068
7350	Gains/Losses from the Disposition of Property	-
7360	Other Nonoperating Income	(2,598,069)
7370	Special Charges	-
	<b>NONOPERATING INCOME AND EXPENSE-NET</b>	<b>(2,437,339)</b>
	<b><u>Nonoperating Taxes</u></b>	
7410	Nonoperating Investment Tax Credits-Net	
7420	Nonoperating Federal Income Taxes	(862,870)
7430	Nonoperating State and Local Income Taxes	11,935
7440	Nonoperating Other Taxes	
7450	Provision for Deferred Nonoperating Income Tax-Net	
	<b>TOTAL NONOPERATING TAXES</b>	<b>(850,935)</b>

**INCOME STATEMENT ACCOUNTS**

Schedule VI  
 Page 8 of 8  
 KPSC FORM T (Revised 9/97)

Company ALLTEL Kentucky, Inc.  
 Period Ended December 31, 2003

Account (a)	Account Title (b)	Amount (c)
	<b><u>Interest and Related Items</u></b>	
7510	Interest on Funded Debt	98,444
7520	Interest Expense-Capital Leases	-
7530	Amortization of Debt Issuance Expense	5,786
7540	Other Interest Deductions	280,500
	<b>TOTAL INTEREST AND RELATED ITEMS</b>	<b>384,730</b>
	<b><u>Extraordinary Items</u></b>	
7610	Extraordinary Income Credits	
7620	Extraordinary Income Charges	
7630	Current Income Tax Effect of Extraordinary Items-Net	
7640	Provision for Deferred Income Tax Effect of Items-Net	
	<b>TOTAL EXTRAORDINARY ITEMS</b>	
	<b><u>Jurisdictional Differences &amp; Nonregulated Income</u></b>	
7910	Income Effect of Jurisdictional Differences-Net	
7990	Nonregulated Net Income	
	<b>NET INCOME</b>	<b>4,886,766</b>

TOTAL NUMBER OF EMPLOYEES AT END OF YEAR	25
NUMBER OF FULL TIME EMPLOYEES	25
NUMBER OF PART TIME EMPLOYEES	0
TOTAL COMPENSATION FOR THE YEAR	\$1,349,584

**ACCESS LINES IN SERVICE BY TECHNOLOGY**

Schedule VII  
 Page 1 of 1  
 KPSC FORM T (Revised 9/97)

Company ALLTEL Kentucky, Inc.  
 Period Ended December 31, 2003

	State or Territory (a)	Number of Central Office Switches (b)	ISDN 16 kh/sec D Channels (Divided by 4) (c)	Main Digital Access Lines 64kh/s or Equivalent (ISDN B Channels Except to PBX's) (d)
1.	Kentucky	3	20	162
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				
	<b>TOTAL</b>	<b>3</b>	<b>20</b>	<b>162</b>

Line Number (a)	Main Analog Access Line 4khz or Equivalent (b)	Digital DS-1 Access Lines to PBS's and Centrex (Times 24) (f)	Analog PBX and Centrex Access Trunks (g)	Analog Centrex Extensions (h)	Other (i)
1.	28,170	0	41	977	-
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
	<b>TOTAL</b>	<b>-</b>	<b>41</b>	<b>977</b>	<b>-</b>

**ACCESS LINES IN SERVICE BY CUSTOMER**

Schedule VIII  
 Page 1 of 1  
 KPSC FORM T (Revised 9/97)

Company ALLTEL Kentucky, Inc.  
 Period Ended December 31, 2003

State or Territory (a)	Business Access Lines	
	Single Line (b)	Multiline (c)
1. Kentucky	4,893	-
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
TOTAL	4,893	-

Line Number (a)	Public Access Lines (d)	Residential Access Lines (f)	Mobile Access Lines (f)	Special Access Lines (Non-Switched) (g)	Total Access Lines (Switched and Special) (h)
1.	102	22,520	-	144	27,659
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
TOTAL	102	22,520	-	144	27,659

**TELEPHONE CALLS**

Schedule IX  
 Page 1 of 1  
 KPSC FORM T (Revised 9/97)

Company ALLTEL Kentucky, Inc.  
 Period Ended December 31, 2003

State or Territory (a)	Local Calls (Total Local Calls) (b)	Intralata Toll Calls (c)
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
TOTAL		

Line No. (a)	INTERLATA TOLL CALLS (Completed)				Total Toll Calls	
	Interstate		Intrastate		Number (h)	Billed Minutes (i)
	Number (d)	Billed Minutes (e)	Number (f)	Billed Minutes (g)		
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						
TOTAL						

**NOTE: Access provider not Toll provider. Information not readily available.**

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Annual Report of

ALLTEL Kentucky, Inc.

Year Ended

December 31, 2003

**SIGNATURE PAGE**

I certify that I am the responsible accounting officer of the  
ALLTEL Kentucky, Inc.; that I have  
examined the foregoing 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,  
2003, to December 31, 2003, inclusive.

Date \_\_\_\_\_

\_\_\_\_\_  
(Signature)

Assistant Secretary

(Title)

(Persons making willful false statements in this report  
form can be punished by fine or imprisonment under the  
provisions of the U.S. Code, Title 18, Section 1001)

**ALLTEL Kentucky**  
**Outside Data Sources**  
Sources

<u>Department</u>	<u>Type of Information</u>	<u>Section</u>
Treasury-Chuck Carter		
Debt Cost report from Treasury	Amount of Principal payment during calendar year Is Principal current Is Interest current	Telephone Utilities Telephone Utilities Telephone Utilities
RUS	Average Residential Basic Service Monthly Bill Based on RUS report # rates and access lines	Telephone Utilities
Linda Adair	Board of Directors and General Officers Stockholders	Sch. 1, Page 1 Sch. II, Page 1
Patty King	Total Compensation for the year	Schedule VI, Page 8
Jerome Novotny	Access Lines by Technology	Schedule VII, Page 1
Fastr-Propcbrown, Cwipbalanc	Wireline CWIP Balance	
Fastr-JCY-Jcy0009	Wireline Jobs Closed During the Period	

Title Page

Annual Report of Respondent	Name of Respondent	Addr Line 1	Addr Line 2	City	State	Zip
Respondent	ALLTEL Kentucky, Inc.	229 Lees Valley Road		Shepherdsville	KY	40165

General Info - Basic Service

Average Bill
For Kentucky Operations Only please furnish
Average Residential Basic Service Monthly Bill
Not including Taxes/NonRegulated Services
\$9.33

General Information - Counties

	County
For Kentucky Operations Only List Counties in which you furnish telephone service	
	Bullitt
	Spencer
	Jefferson

General Information - Contact Person

	name	Address	city	state	Phone
Officer or other Person to whom correspondence should be addressed concerning this report					
Name, title, address and telephone number with area code of the person to be contacted concerning this report	David Cameron	One Allied Drive	Little Rock	AR	5019055270
This information is to be kept current by prompt notification to the Commission of any changes until the report for the succeeding year has been submitted.					

11000 ALLTEL Kentucky, Inc. 01/01/2004 - 12/31/2004

General Info - Principal Payment and Interest Information

	Amount	Yes/No
Amount of Principal Payment During Calendar Year	--	\$0.00
Is Principal Current?		Y
Is Interest Current?		Y
Has all long-term debt been approved by the Public Service Commission?		Y

General Info - Services Performed by Independent CPA

	Yes/No	A/C/R
Are your financial statements examined by a Certified Public Accountant?		
Enter Y for Yes or N for No	N	
If yes, which service is performed?		
Enter an X on each appropriate line		
Audit		
Compilation		
Review		



## Board of Directors and General Officers - Sched. I (Ref Page: 1)

Name	Address	Title	Department	Term Expires	Served Since
Francis X. Frantz	Little Rock, AR	Secretary			05/25/1995
David Cameron	Little Rock, AR	Assistant Secretary			05/25/1995
Stephen B. Rowell	Little Rock, AR	VP-State Reg. Affairs			10/10/1996
Kevin L. Beebe	Little Rock, AR	Group Pres-C ommunications			08/19/1999
Jeffery R. Gardner	Little Rock, AR	Executive VP-CFO			08/19/1999
Steve Mowery	Little Rock, AR	VP-State Govt. Affairs			10/24/2000
George A. Page	Bedford, OH	Pres.-Wireless Bus. Sol.			03/01/2001
Steven A. Kavanaugh	Little Rock, AR	VP-Administrative Svcs.			03/01/2001
Scott H. Settelmyer	Little Rock, AR	Treasurer			03/01/2001
Michael D. Rhoda	Little Rock, AR	VP-Bus. Develop. Wh. Svcs			10/17/2001
Anthony J. Saggese, Jr.	Little Rock, AR	VP-Tax			01/07/2002
Charles Harwood	Lexington, KY	Director-Process Develop.			11/01/2002
Daniel Warnstaff	Lexington, KY	VP-Wireline Services			11/01/2002
Brent K. Whittington	Little Rock, AR	VP-Finance			11/01/2002
Daniel P. Lohr	Little Rock, AR	Exec. VP-Customer Support			01/31/2003
Frank A. O	Little Rock, AR	Exec. VP-Marketing			01/31/2003
Philip E. Junker	Little Rock, AR	Sr. VP-Product Planning			01/31/2003
Jeffrey H. Fox	Little Rock, AR	Group Pres-C ommunications			05/30/2003

Stockholders Sched II (Ref Page: 1)

Name	Address	Shares
ALLTEL Corporation	One Allied Drive, Little Rock, AR 72202	7,674

Stockholders Sched II - (cont) (Ref Page: 1)

	Class of Stock	Num of Holders	Date compiled	Purpose compiled
Enter Total number of stockholders for each class with the date and purpose of the compilation		1	12/31/2004	

## Balance Sheet Accounts - Sched III Page 1 (Ref Page: 1)

	Amount (€)
Current Assets	
Cash and Equivalents (1120)	\$68,117.00
Receivables (1170)	\$2,663,133.00
Allowance for Doubtful Accounts (1171)	(\$65,327.00)
Inventories (1220)	\$149,894.00
Prepayments (1280)	\$13,064.00
Other Current Assets (1350)	
Non-Regulated Investments (1406)	
Other Noncurrent Assets (1410)	\$1,122,793.00
Deferred Maintenance and Retirements (1438)	
Other Jurisdictional Assets - Net (1500)	
Total Current Assets	\$3,951,674.00

## Balance Sheet Accounts - Sched III Page 2-4 (Ref Page: 2)

	Beg Bal (c)	Additions (d)	Retirements (e)	Transfer (f)	End Bal (g)
Telephone Plant					
Telephone Plant in Service (2001)	\$48,985,573.00	\$2,709,312.00	\$299,609.00	(\$65,920.00)	\$51,329,356.00
Property Held for Future Telephone Use (2002)					
Tele. Plant Under Construct. - Short Term (2003)	\$765,001.00	\$3,188,401.00	\$2,748,696.00	\$67,090.00	\$1,271,796.00
Tele. Plant Under Construct. - Long Term (2004)					
Telephone Plant Adjustment (2005)					
Nonoperating Plant (2006)					
Goodwill (2007)					
Total Telephone Plant	\$49,750,574.00	\$5,897,713.00	\$3,048,305.00	\$1,170.00	\$52,601,152.00
Land and Support Assets					
Land (2111)	\$129,177.00				\$129,177.00
Motor Vehicles (2112)	\$528,740.00	\$128.00	\$71,225.00		\$457,643.00
Aircraft (2113)		\$138,679.00			\$629,036.00
Tools and Other Work Equipment (2114)					
Buildings (2121)	\$1,735,842.00	\$139,523.00	\$48,834.00		\$1,826,531.00
Furniture (2122)	\$254,214.00				\$254,214.00
Office Equipment (2123)	\$217,489.00				\$217,489.00
General Purpose Computers (2124)	\$233,867.00	\$2,723.00			\$236,590.00
Total Land and Support Assets	\$3,589,686.00	\$281,053.00	\$120,059.00		\$3,750,680.00
Central Office - Switching					
Non-Digital Switching (2211)					\$525.00
Digital Electronic	\$8,073,929.00	\$398,620.00			\$8,472,549.00

	Beg Bal (c)	Additions (d)	Retirements (e)	Transfer (f)	End Bal (g)
Total Central Office - Switching	\$8,074,454.00	\$398,620.00			\$8,473,074.00
Total Operator Systems (2220)					
Central Office - Transmission					
Radio Systems (2231)					\$14,899.00
Circuit Equipment (2232)	\$11,182,695.00	\$1,079,294.00	\$54,594.00		\$12,207,395.00
Total Central Office Transmission	\$11,197,594.00	\$1,079,294.00	\$54,594.00		\$12,222,294.00
Information Origination Termination					
Station Apparatus (2311)	\$29,918.00	\$375.00	\$8,095.00		\$22,198.00
Customer Premise Wire (2321)					
Large PBX (2341)					
Public Telephone Terminal Equipment (2351)					
Other Terminal Equipment (2362)					
Total Information Origin Termination	\$29,918.00	\$375.00	\$8,095.00		\$22,198.00
Cable and Wire Facilities Assets					
Poles (2411)	\$2,448,357.00	\$90,112.00	\$20,533.00		\$2,517,936.00
Aerial Cable (2421)	\$13,623,023.00	\$430,504.00	\$61,307.00	(\$65,920.00)	\$13,926,300.00
Underground Cable (2422)	\$979,542.00		\$12,612.00		\$966,930.00
Buried Cable (2423)	\$8,404,085.00	\$429,354.00	\$22,409.00		\$8,811,030.00
Submarine and Deep Sea Cable (2424)					
Intrabuilding Network Cable (2426)					
Aerial Wire (2431)					
Conduit Systems (2441)	\$638,914.00				\$638,914.00

Balance Sheet Accounts - Sched III Page 2-4 (Ref Page: 2)

	Beg Bal (c)	Additions (d)	Retirements (e)	Transfer (f)	End Bal (g)
Total Cable and Wire Facilities Assets	\$26,093,921.00	\$949,970.00	-	\$116,861.00	\$26,861,110.00
Amortizable Assets					
Amortizable Tangible Assets (2680)					
Capital Leases (2681)					
Leasehold Improvements (2682)					
Total Amortizable Assets					
Intangibles (2690)					
Total Tele. Plant in Service 2001	\$48,985,573.00	\$2,709,312.00		\$299,609.00	\$51,329,356.00
				(\$65,920.00)	

Balance Sheet Accounts - Sched III Page 5a (Ref Page: 4)

	Amount
Depreciation and Amortization	
Accumulated Depreciation (3100)	\$25,424,825.00
Accumulated Depreciations - Held for Future Telecom. Use (3200)	
Accumulated Depreciation - Nonoperating (3300)	
Accumulated Amortization - Capitalized Leases (3410)	
Accumulated Amortization - Intangible (3500)	
Total Depreciation and Amortization	\$25,424,825.00
Net Telephone Plant	\$27,176,327.00
Total Assets	\$31,128,001.00



11000 ALLTEL Kentucky, Inc. 01/01/2004 - 12/31/2004  
 Balance Sheet Accounts - Sched III Pages 5-6 (Ref Page: 5)

	Amount
Current Liabilities	
Current Accounts and Notes Payable (4000)	\$561,350.00
Customer's Deposits (4040)	\$374,122.00
Income Taxes - Accrued (4070)	\$231,614.00
Other Taxes - Accrued (4080)	\$786,316.00
Net Current Deferred Operating Income Taxes (4100)	
Net Current Deferred Nonoperating Income Taxes (4110)	
Other Current Liabilities (4130)	\$178,428.00
Total Current Liabilities	\$2,131,830.00
Long Term Debt and Funded Debt (4200)	\$5,447,220.00
Other Liabilities and Deferred Credits	
Other Long Term Liabilities and Deferred Credits (4300)	\$399,070.00
Unamortized Operating Investment Tax Credits - Net (4320)	
Unamortized Nonoperating Investment Tax Credits - Net (4330)	
Net Noncurrent Deferred Operating Income Taxes (4340)	\$5,974,568.00
Net Deferred Tax Liability Adjustments (4341)	\$552,123.00
Net Noncurrent Deferred Nonoperating Income Taxes (4350)	
Deferred Tax Regulatory Liability (4361)	
Other Jurisdictional Liabilities/Deferred Credits - Net (4370)	
Total Other Liabilities and Deferred Credits	\$6,925,761.00
Capital Stock (4510)	\$767,400.00
Additional Paid-In Capital (4520)	\$163,600.00
Treasury Stock (4530)	
Other Capital (4540)	
Retained Earnings (4550)	\$15,692,190.00
Total Stockholders' Equity	\$16,623,190.00
Total Liabilities and Stockholder's Equity	\$31,128,001.00

Balance Sheet Accts - Retained Earnings Sched III pg 5 (Ref Page: 6)

	Amount
Retained Earnings (Beg of Yr)	\$15,156,599.00
Net Income	\$5,075,591.00
Dividends Declared	(\$4,540,000.00)
Capital Credit Rotations	
Miscellaneous Debits*	
Miscellaneous Credits*	
Retained Earnings (End of Year)	\$15,692,190.00

\* Explain any individual item over \$10,000

Investments in Affiliated Companies - Sched IV Company names (Ref Page: 1)

	Company Name
Associate the name of each company to be entered on Sched. IV with the appropriate column (a - j)	
Column b	
Column c	
Column d	
Column e	
Column f	
Column g	
Column h	
Column i	
Column j	



Investments in Non-Affiliated Companies - Sched V Company names (Ref Page: 1)

	Company Name
Associate the name of each company to be entered on Sched. IV with the appropriate column (a - j)	
Column b	Cash
Column c	Access Providers & Telecomm Customers
Column d	RTB Stock
Column e	
Column f	
Column g	
Column h	
Column i	
Column j	

Investments in Non Affiliated Companies Sched IV (Ref Page: 1)

	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
All Company Names must be affiliated with a Column on the previous schedule									
Other									
NonCurrent Assets (1410)									
Equity method									
Beginning Balance			\$1,122,655.00						
Investments									
Earnings				\$138.00					
(Losses)									
Subtotal (1410)			\$1,122,793.00						
Cash and Equivalents (1120)									
Beginning Balance	\$114,581.00								
Gross Dr.	\$3,406,555.00								
Gross (Cr)	\$3,453,019.00								
Subtotal (1120)	\$68,117.00								
Receivables (1170)									
Beginning Balance		\$3,223,555.00							
Gross Dr.		\$36,488,606.00							
Gross (Cr)		\$37,049,028.00							
Subtotal (1170)		\$2,663,133.00							
Total Affiliated Companies	\$68,117.00	\$2,663,133.00	\$1,122,793.00						

## Income Statement Accounts - Sched VI pg 1 (Ref Page: 1)

	Amount (c)
Local Network Service	
Basic Area Revenue (5001)	\$6,136,498.00
Private Line Revenue (5040)	\$595,860.00
Other Basic Area Revenue (5060)	\$2,358,677.00
Total Local Network Service Revenues	\$9,091,035.00
Network Access Service Revenues	
End User Revenue (5081)	\$1,913,116.00
Switched Access Revenue (5182)	\$6,256,233.00
Special Access Revenue (5083)	\$1,238,575.00
Total Network Access Revenue	\$9,407,924.00
Long Distance Message Revenue (5100)	\$435,591.00
Miscellaneous Revenue (5200)	\$615,504.00
Directory Revenue (5230)	\$193,462.00
Non-Regulated Operating Revenue (5280)	\$1,646,948.00
Uncollectible Revenue (5300)	\$209,950.00
TOTAL OPERATING REVENUE	\$21,180,514.00

## Income Statement - Operating Exp - Plant Specific - Sched VI pg 2 (Ref Page: 2)

	Total (c)
Plant Specific Operation Expense	
Motor Vehicle Expense (6112)	\$62,971.00
Aircraft Expense (6113)	\$6,587.00
Tools and Other Work Equipment Expense (6114)	\$17,205.00
Total Network Support Expenses	\$86,763.00
Land and Building Expense (6121)	\$58,875.00
Furniture and Artworks Expense (6122)	
Office Equipment Expense (6123)	\$8,565.00
General Purpose Computers Expense (6124)	\$363,860.00
Total Support Expense	\$431,300.00
Non-Digital Switching Expense (6211)	\$129,942.00
Digital Electronic Expense (6212)	\$536,018.00
Total Central Off. Switch. Exp	\$665,960.00
Operator System Expense (6220)	
Radio System Expense (6231)	
Circuit Equipment Expense (6232)	\$152,244.00
Total Central Off. Trans. Exp.	\$152,244.00
Station Apparatus Expense (6311)	\$294,663.00
Large PBX Expense (6341)	
Public Tele. Terminal Equipment (6351)	
Other Terminal Equipment Expense (6362)	
Total Info. Org. Term. Equip	\$294,663.00
Poles Expense (6411)	\$119,448.00
Aerial Cable Expense (6421)	\$549,307.00
Underground Cable Expense (6422)	\$1,008.00
Buried Cable Expense (6423)	\$283,464.00
Submarine and Deep Sea Cable (6424)	
Intrabuilding Network Cable Expense (6426)	
Aerial Wire Expense (6431)	
Conduit Systems Expense (6441)	\$28.00
Total Cable and Wire Expense	\$953,255.00



Income Statement - Operating Exp - Plant Specific - Sched VI pg 2 (Ref Page: 2)

	Total (c)
Total Plant Spc. Expense	\$2,584,185.00

## Income Statement - Operating Exp - Plant NonSpecific - Sched VI pg 3 (Ref Page: 3)

	Total (c)
Plant NonSpecific Operating Expense	
Plant held for future Telephone use (6511)	\$1,821.00
Provisioning Expense (6512)	\$1,821.00
Total other PPE Expense	\$63,176.00
Power Expense (6531)	\$20,983.00
Network Administration Expense (6532)	\$268,389.00
Testing Expense (6533)	\$67,425.00
Plant Operations Administration Expense (6534)	\$260,918.00
Engineering Expense (6535)	\$680,891.00
Total Network Ops Expense	\$1,137,433.00
Access Expense (6540)	\$2,842,966.00
Depreciation Expense - Telecomm Plant in Service (6561)	
Depreciation Expense - Property Held for Future Telecom Use (6562)	
Amortization - Tangible (6563)	
Amortization - Intangible (6564)	
Amortization - Other	
Total Depreciation and Amortization Epx	\$2,842,966.00
Total Plant NonSpecific Expense	\$4,663,111.00
Customer Operations Expense	\$382,837.00
Product Management and Sales (6611)	\$129,095.00
Product Advertising (6613)	\$511,932.00
Total Marketing Expense	\$8,234.00
Call Completion Services (6621)	\$126,228.00
Number Services (6622)	\$759,516.00
Customer Services (6623)	\$893,978.00
Total Services Expense	\$1,243,619.00
General and Administrative (6720)	
Provision for Uncollectible Notes Receivable (6790)	
Total Corp. Oper. Expense	\$1,243,619.00
Net Operating Revenue	\$11,283,689.00

## Income Statement - Operating Exp - Sched VI pg 4 (Ref Page: 7)

	Amount
Other Operating Income and Expense (7100)	
Operating Taxes	
Operating Investment Tax Credits Net (7210)	
Operating Federal Income Taxes (7220)	\$3,117,810.00
Operating State and Local Income Taxes (7230)	\$133,516.00
Operating Other Taxes (7240)	\$636,581.00
Provision for Deferred Operating Income Tax - Net (7250)	\$508,234.00
Total Operating Taxes	\$4,396,141.00
Nonoperating Income and Expense (7300)	(\$2,308,253.00)
Nonoperating Taxes (7400)	(\$799,995.00)
Interest and Related Items (7500)	\$303,699.00
Extraordinary Items (7600)	
Jurisdictional Differences and NonRegulated Income	
Income Effect of Jurisdictional Differences - Net (7910)	
Nonregulated Net Income (7990)	
Net Income	\$5,075,591.00

Total Number of Employees - Sched VI (Ref Page: 4)

	Total
Total Number of Employees at End of Year	25
Number of Full-Time Employees	25
Number of Part-Time Employees	0

Total Compensation - Sched VI (Ref Page: 4)

	Amount
Total Compensation for the Year	\$1,442,961.00

Access Lines in Service by Technology Sched VII (Ref Page: 1)

State (a)	Switches (b)	ISDN (c)	Digital (d)	Analog (e)	DS1 (f)	PBX (g)	Cenrex (h)	Other (i)
Kentucky	3	19	150	--	27,732	0	41	986
TOTAL	3	19	150		27,732	0	41	986

Access Lines in Service by Customer Sched VIII (Ref Page: 1)

State (a)	B Single (b)	B Multi (c)	Public (d)	Residential (e)	Mobile(f)	Non-Switched (g)	Total (h)
Kentucky	5,011	0	95	22,261	0	134	27,501
TOTAL	5,011	0	95	22,261	0	134	27,501

Telephone Calls Sched IX (Ref Page: 1)

State (a)	Local (b)	Toll (c)	Inter Num (d)	Inter Min (e)	Intra Num (f)	Intra Min (g)	Total Num (h)	Total Min (i)
TOTAL								



# ANNUAL REPORT

OF

Kentucky ALLTEL, Inc.  
Exact Legal Name of Reporting Utility

---

230 Lexington Green Circle

---

Lexington, KY 40503  
(Address of Utility)

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TO THE  
**PUBLIC SERVICE COMMISSION**  
OF THE  
COMMONWEALTH OF KENTUCKY

FOR THE FIVE MONTHS ENDED DECEMBER 31, 2002

## Table of Contents

Schedule I	- Board of Directors and General Officers
Schedule II	- Stockholders
Schedule III	- Balance Sheet
Schedule IV	- Investments in Affiliated Companies
Schedule V	- Investments in Non-Affiliated Companies
Schedule VI	- Income Statement
Schedule VII	- Access Lines in Service
Schedule VIII	- Access Lines in Service by Customer
Schedule IX	- Telephone Calls

KENTUCKY PUBLIC SERVICE COMMISSION  
REPORT OF GROSS OPERATING REVENUES DERIVED FROM INTRA-KENTUCKY  
BUSINESS FOR THE FIVE MONTHS ENDING DECEMBER 31, 2002

Name of Utility Reporting Kentucky ALLTEL, Inc.

Address of Utility 230 Lexington Green Circle

City Lexington State KY Zip Code 40503

Telephone Number of Utility (501) 905-8000

Fax Number of Utility (if applicable) (501) 905-7277

Officer/Contact Person David Cameron Staff Manager-External Reporting  
(Name) (Title)

\*\*\*\*\*

ASSESSABLE REVENUES OF TELEPHONE UTILITY .....\$ 120,899,853

(to agree with assessable revenues figure on the back of this page)

\*\*\*\*\*

O A T H

State of Arkansas )

) ss.

County of Pulaski )

David Cameron being duly sworn, states that he/she  
(Officer)

is Assistant Secretary of the Kentucky ALLTEL, Inc.  
(Official Title) (Utility Reporting)

that the above report of gross revenues is in exact accordance with

ALLTEL Kentucky, Inc., and that such books accurately show the gross  
(Utility Reporting)

revenues of: Kentucky ALLTEL, Inc., derived from Intra-Kentucky  
(Utility Reporting)

business for the calendar year ending December 31, 2001.

\_\_\_\_\_  
(Officer) (Title)

This the \_\_\_\_\_ day of \_\_\_\_\_, 2003

\_\_\_\_\_  
(Notary Public) (County) (Commission Expires)

**NOTE: ANY DIFFERENCE BETWEEN THE AMOUNT OF THE GROSS REVENUES SHOWN IN THE ANNUAL REPORT AND THE AMOUNT APPEARING ON THIS STATEMENT MUST BE RECONCILED ON THE RESERVE OF THIS REPORT.**

**Telecommunications Utilities Reconciliation Form**

<b>Total Operating Revenues (Schedule IV, Page 2 of 8)</b>	<u>180,525,789</u>
<b>Additions:</b>	
Intrastate Uncollectibles (Account 5301)	<u>3,004,000</u>
Other Uncollectibles	<u>                    </u>
<b>Total Additions</b>	<u>3,004,000</u>
<b>Deductions:</b>	
Non-Regulated Revenue (Account 5280)	<u>9,760,137</u>
Interstate Billing/Collection Revenue (Account 5270)	<u>96,848</u>
End User Revenue (Account 5081)	<u>19,312,526</u>
Interstate Switched Access Revenue (Account 5082)	<u>15,563,369</u>
Interstate Special Access Revenue (Account 5083)	<u>17,897,056</u>
Any Miscellaneous Interstate Revenues (Explain Below)	<u>                    </u>
<b>Total Deductions</b>	<u>62,629,936</u>
<b>Reconciled Assessable Revenues</b>	<u><u>120,899,853</u></u>

Explanations/Comments: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Do Not Write Below This Line**

---

TELEPHONE UTILITIES - ANNUAL REPORT

Please furnish the following information, for **KENTUCKY OPERATIONS** only:

**BASIC SERVICE:**

\*Average Residential Basic Service Monthly Bill \$ 16.18  
(\*Not including taxes)

**NAMES OF COUNTIES IN WHICH YOU FURNISH TELEPHONE SERVICE:**

(If additional space is required, add additional sheet)

Adair, Allen, Barren, Bath, Boyd, Boyle, Bracken, Butler, Carlisle, Carter, Casey, Clay, Clinton, Cumberland, Edmonson, Estill, Fayette, Fleming,

Garrard, Grayson, Green, Greenup, Hardin, Harlan, Hickman, Jessamine, Knox, Larue, Laurel, Lee, Letcher, Lewis, Lincoln, Livingston, Madison,

Marion, Marshall, Mason, Monroe, Nicholas, Perry, Pulaski, Robertson, Rockcastle, Rowan, Taylor, Union, Warren, Washington, Wayne, Woodford

**OFFICER OR OTHER PERSON TO WHOM CORRESPONDENCE SHOULD BE ADDRESSED CONCERNING THIS REPORT:**

Name David Cameron Title Staff Manager-Financial Reporting  
Address 1 Allied Drive;P.O. Box 2177 City Little Rock  
State AR Zip Code 72203 Telephone Number (501)905-5270

This information is to be kept current by prompt notification to the Commission of any changes until the report for the succeeding year has been submitted.

**PRINCIPAL PAYMENT, INTEREST, AND LONG-TERM DEBT INFORMATION FOR THE YEAR ENDING DECEMBER 31, 2002.**

1. Amount of Principal payment during calendar year \$ 0  
2. Is Principal current? Yes X No \_\_\_\_\_  
3. Is Interest current? Yes X No \_\_\_\_\_  
4. Has all long-term debt been approved by the Public Service Commission?  
Yes X No \_\_\_\_\_ PSC Case Number \_\_\_\_\_

**SERVICES PERFORMED BY INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT:**

Are your financial statements examined by a Certified Public Accountant?

Yes \_\_\_\_\_ No X

If yes, which service was performed?

Audit \_\_\_\_\_ Compilation \_\_\_\_\_ Review \_\_\_\_\_

Please enclose a copy of the accountant's report with the annual report.

**BOARD OF DIRECTORS AND GENERAL OFFICERS**

Schedule I  
Page 1 of 1  
KPSC Form T (Revised 9/97)

Company

Kentucky ALLTEL, Inc.

Period Ended

December 31, 2002

Name of Director or Officer and Address (City & State) (a)	Title and Department Over Which Jurisdiction is Exercised (b)	Term Expired or Current Term Will Expire (c)	Served Continuously From (d)
1. Scott T. Ford Little Rock, AR	President	*	10/30/2001
2. Kevin L. Beebe Little Rock, AR	Group President - Communications	*	7/19/2002
3. Francis X. Frantz Little Rock, AR	Executive Vice President and Secretary	*	10/30/2001
4. Chris Smith Little Rock, AR	Executive Vice President-Engineering	*	11/1/2002
5. George A. Page Hudson, OH	President-Northeast Region	*	11/26/2001
6. Terry Beeler Lexington, KY	Market Area President	*	11/1/2002
7. Stephen B. Rowell Little Rock, AR	Sr. Vice President-State Gov't Affairs	*	11/26/2001
8. Jefferey R. Gardner Little Rock, AR	Sr. Vice President-Chief Fin. Officer	*	11/26/2001
9. Steve Kavanaugh Little Rock, AR	Vice President-Administrative Services	*	11/26/2001
10. Steve Byars Lexington, KY	Vice President-External Affairs	*	11/1/2002
11. Brent Whittington Little Rock, AR	Vice President-Finance	*	11/1/2002
12. Steve Mowery Little Rock, AR	Vice President-State Gov't Affairs	*	11/26/2001
13. Anthony J. Saggese Little Rock, AR	Vice President-Tax	*	1/7/2002
14. Daniel Warnstaff Lexington, KY	Vice Pres./Gen. Manager-SW Kentucky	*	11/1/2002
15. Charles Harwood Lexington, KY	Vice Pres./Gen. Manager-NE Kentucky	*	11/1/2002
16. Scott Settelmyer Little Rock, AR	Treasurer	*	11/26/2001
17. David Cameron Little Rock, AR	Assistant Secretary	*	11/26/2001

(use additional sheet, if needed)

\* Until next annual meeting of Directors or until successors are elected and qualified

**STOCKHOLDERS**

Schedule II  
 Page 1 of 1  
 KPSC Form T (Revised 9/97)

Company Kentucky ALLTEL, Inc.  
 Period Ended December 31, 2002

	Name and Address (City & State) of Stockholder	Shares Held
1	ALLTEL Corporation    One Allied Drive    Little Rock, AR    72202	1,000
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		

(Use additional sheet, if needed)

Total holders of above class of stock 1  
 Date of above compilation 10/22/2001      Purpose of the compilation Organization

**BALANCE SHEET ACCOUNTS**

Schedule III  
Page 1 of 5  
KPSC Form T (Revised 9/97)

Company Kentucky ALLTEL, Inc.

Period Ended December 31, 2002

Account (a)	Account Title (b)	Amount (c)
	<b>Current Assets</b>	
1130	Cash	44,648,991
1140	Special Cash Deposits	-
1150	Working Cash Advances	7,632
1160	Temporary Investments	-
	<b>Total Cash and Equivalents</b>	<u>44,656,623</u>
1180	Telecommunications Accounts Receivable	38,807,367
1181	Accounts Receivable Allowance-Telecommunications	(3,261,133)
1190	Other Accounts Receivable	18,154,308
1191	Accounts Receivable Allowance-Other	-
1200	Notes Receivable	-
1201	Notes Receivable Allowance	-
1210	Interest and Dividends Receivable	-
1220	Inventories	1,700,617
	<b>Total Receivable and Inventories</b>	<u>55,401,159</u>
1290	Prepaid Rents	-
1300	Prepaid Taxes	-
1310	Prepaid Insurance	-
1320	Prepaid Directory Expenses	-
1330	Other Prepayments	296,607
	<b>Total Prepayments</b>	<u>296,607</u>
1350	Other Current Assets	-
	<b>Total Current Assets</b>	<u>100,354,389</u>
	<b>Noncurrent Assets</b>	
1401	Investments in Affiliated Companies	-
1402	Investments in Nonaffiliated Companies	-
1406	Nonregulated Investments	-
1407	Unamortized Debt Issuance Expense	-
1408	Sinking Funds	-
1410	Other Noncurrent Assets	2,286,329
1437	Deferred Tax Regulatory Asset	-
1438	Deferred Maintenance and Retirements	-
1439	Deferred Charges	-
1500	Other Jurisdictional Assets - Net	-
	<b>Total Noncurrent Assets</b>	<u>2,286,329</u>



**BALANCE SHEET ACCOUNTS**

Schedule III  
Page 2 of 5  
KPSC Form T (Revised 9/97)

Company ALLTEL Kentucky, Inc.

Period Ended December 31, 2002

Account (a)	Account Title (b)	Beginning Balance (c)	Additions (d)	Retirements (e)	Transfers/ Adjustments (f)	Ending Balance (g)
<b>Telephone Plant</b>						
2001	Telephone Plant In Service	1,548,525,869	3,064,358	33,853,744	6,761,985	1,524,498,468
2002	Property Held for Future Telephone Use	-				-
2003	Tele. Plant Under Construction-Short term	3,957,054	38,201,741	1,074,298	(2,596,723)	38,487,774
2004	Tele. Plant Under Construction-Long term	-				-
2005	Telephone Plant Adjustment	-				-
2006	Nonoperating Plant	-				-
2007	Goodwill	-				-
	<b>Total Telephone Plant</b>	<b>1,552,482,923</b>	<b>41,266,099</b>	<b>34,928,042</b>	<b>4,165,262</b>	<b>1,562,986,242</b>
<b>Support Assets</b>						
2111	Land	4,481,538	-			4,481,538
2112	Motor Vehicles	10,358,743	2,080,117	-	5,615,088	18,053,948
2113	Aircraft	-				-
2114	Special Purpose Vehicles	-				-
2115	Garage Work Equipment	917,712				917,712
2116	Other Work Equipment	10,472,090		34,779		10,437,311
2121	Buildings	72,382,094	88,731	3,200,292		69,270,533
2122	Furniture	2,628,081				2,628,081
2123	Office Furniture	8,344,684				8,344,684
2124	General Purpose Computers	9,267,756				9,267,756
	<b>Total Support Assets</b>	<b>118,852,698</b>	<b>2,168,848</b>	<b>3,235,071</b>	<b>5,615,088</b>	<b>123,401,563</b>
<b>Central Office -Switching</b>						
2211	Analog Electronic Switching	-				-
2212	Digital Electronic Switching	331,244,327	859,391	233,794	1,413,912	333,283,836
2215.1	Step-by-Step Switching	-				-
2215.2	Crossbar Switching	-				-
2215.3	Other Electro-Mechanical Switching	-				-
	<b>Total Central Office Switching</b>	<b>331,244,327</b>	<b>859,391</b>	<b>233,794</b>	<b>1,413,912</b>	<b>333,283,836</b>
2220	<b>Total Operator Systems</b>					

**BALANCE SHEET ACCOUNTS**

Company Kentucky ALLTEL, Inc.

Period Ended December 31, 2002

Schedule III  
Page 3 of 5  
KPSC Form T (Revised 9/97)

Account (a)	Account Title (b)	Beginning Balance (c)	Additions (d)	Retirements (e)	Transfers/ Adjustments (f)	Ending Balance (g)
<b>Central Office - Transmission</b>						
2231.1	Satellite & Earth Stations	-				
2231.2	Other Radio Facilities	770,904			-	770,904
2232	Circuit Equipment	267,841,348	36,119	5,542	(747)	267,871,178
	<b>Total Central Office Transmission</b>	268,612,252	36,119	5,542	(747)	268,642,082
<b>Information Origination/Termination</b>						
2311	Station Apparatus	1,974,571			-	1,974,571
2321	Customer Premise Wire	-			-	-
2341	Large PBX	1,705		-	-	1,705
2351	Public Telephone Terminal Equipment	75,633			-	75,633
2362	Other Terminal Equipment	8,686,935			-	8,686,935
	<b>Total Information Origin./Termin.</b>	10,738,844		-	-	10,738,844
<b>Cable &amp; Wire Facilities Assets</b>						
2411	Poles	105,264,440		11,913,428	(137,647)	93,213,365
2421	Aerial Cable	469,483,530		11,730,703	(87,605)	457,665,222
2422	Underground Cable	62,912,919		5,915,717	(12,560)	56,984,642
2423	Buried Cable	146,458,837		668,154	(28,438)	145,762,248
2424	Submarine Cable	-			-	-
2425	Deep Sea Cable	-			-	-
2426	Intrabuilding Network Cable	629,445		38,468	-	590,977
2431	Aerial Wire	5,092,853		112,870	-	4,979,983
2441	Conduit System	24,763,723			(18)	24,763,705
	<b>Total Cable &amp; Wire Facilities Assets</b>	814,605,747		30,379,337	(266,268)	783,960,142
<b>Amortizable Assets</b>						
2681	Capital Leases	-			-	-
2682	Leasehold Improvements	4,472,001			-	4,472,001
	<b>Total Amortizable Assets</b>	4,472,001		-	-	4,472,001
2690	Intangibles	-			-	-
	<b>Total Tele. Plant in Service (Acct 2001)</b>	1,548,525,869	3,064,358	33,853,744	6,761,985	1,524,498,468

**BALANCE SHEET ACCOUNTS**

Schedule III  
Page 4 of 5  
KPSC Form T (Revised 9/97)

Company Kentucky ALLTEL, Inc.  
Period Ended December 31, 2002

Account (a)	Account Title (b)	Amount (c)
	<b>Depreciation and Amortization</b>	
3100	Accumulated Depreciation	1,045,735,604
3200	Accumulated Depreciation-Plant Held for Future Tele. Use	
3300	Accumulated Depreciation-Nonoperating	
3410	Accumulated Amortization - Capitalized Leases	
3420	Accumulated Amortization - Leasehold Improvements	
3500	Accumulated Amortization - Intangible	
3600	Accumulated Amortization - Other	
	<b>Total Depreciation and Amortization</b>	<b>1,045,735,604</b>
	<b>Net Telephone Plant</b>	
	(Total Tele. Plt. less Total Depreciation & Amortization)	517,250,638
	<b>Total Assets</b>	<b>619,891,356</b>

<b>Current Liabilities</b>		
4010	Accounts Payable	7,901,051
4020	Notes Payable	-
4030	Advanced Billing and Payments	35,252,382
4040	Customer's Deposits	427,680
4050	Current Maturities - Long Term Debt	-
4060	Current Maturities - Capital Leases	-
4070	Income Taxes - Accrued	-
4080	Other Taxes - Accrued	9,186,080
4100	Net Current Deferred Operating Income Taxes	-
4110	Net Current Deferred Nonoperating Income Taxes	
4120	Other Accrued Liabilities	2,400,265
4130	Other Current Liabilities	340,379
	<b>Total Current Liabilities</b>	<b>55,507,837</b>

**BALANCE SHEET ACCOUNTS**

Schedule III  
Page 5 of 5  
KPSC Form T (Revised 9/97)

Company Kentucky ALLTEL, Inc.

Period Ended December 31, 2002

Account (a)	Account Title (b)	Amount (c)
	<b>Long-Term Debt</b>	
4210	Funded Debt	-
4220	Premium on Long-Term Debt	-
4230	Discount on Long-Term Debt	-
4240	Reacquired Debt	-
4250	Obligations Under Capital Leases	-
4260	Advances from Affiliated Companies	-
4270	Other Long-Term Debt	-
	<b>Total Long-Term Debt</b>	-
	<b>Other Liabilities and Deferred Credits</b>	
4310	Other Long-Term Liabilities	7,387,927
4320	Unamortized Operating Investment Tax Credits-Net	-
4330	Unamortized Nonoperating Investment Tax Credits-Net	-
4340	Net Noncurrent Deferred Operating Income Taxes	30,415,007
4341	Net Deferred Tax Liability Adjustments	(7,256)
4350	Net Noncurrent Deferred Nonoperating Income Taxes	-
4360	Other Deferred Credits	1,115,631
4361	Deferred Tax Regulatory Liability	-
4370	Other Jurisdiction Liabilities/Deferred Credits - Net	-
	<b>Total Other Liabilities and Deferred Credits</b>	38,911,309
4510	Capital Stock	-
4520	Additional Paid-In Capital	524,171,654
4530	Treasury Stock	-
4540	Other Capital	-
4550	Retained Earnings	1,300,556
	<b>Total Stockholders' Equity</b>	525,472,210
	<b>Total Liabilities &amp; Stockholders' Equity</b>	619,891,356
	Retained Earnings (Beginning of Year)	-
	Net Income	13,646,556
	Dividends Declared	12,346,000
	Capital Credit Rotations	
	Miscellaneous Debits*	-
	Miscellaneous Credits*	-
	<b>Retained Earnings (End of Year)</b>	1,300,556

\*Explain any individual item over \$10,000



INVESTMENTS IN NONAFFILIATED COMPANIES

Description (a)	Nonaffiliated Companies								
	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
<b>Account 1402</b>									
1. Company Name	Access Providers	Telecomm Customers	RTB Stock						
2. Beginning Balance									
3. Investment									
4. Earnings									
5. (Losses)									
6. Subtotal (Account 1402)	-	-	-	-	-	-	-	-	-
<b>Account 1160, Temporary Investments</b>									
7. Beginning Balance									
8. Gross Dr.									
9. Gross (Cr.)									
10. Subtotal (Account 1160)									
<b>Account 1180, Telecommunications Accts Receivable</b>									
11. Beginning Balance		39,905,370							
12. Gross Dr.		214,258,756							
13. Gross (Cr.)		(215,356,759)							
14. Subtotal (Account 1180)		38,807,367							
<b>Account 1190, Other Accounts Receivable</b>									
15. Beginning Balance									
16. Gross Dr.	110,214,384								
17. Gross (Cr.)	(92,060,076)								
18. Subtotal (Account 1190)	18,154,308								
<b>Account 1200, Notes Receivable</b>									
19. Beginning Balance									
20. Gross Dr.									
21. Gross (Cr.)									
22. Subtotal (Account 1200)									
<b>Account 1210, Interest and Dividends</b>									
23. Beginning Balance									
24. Gross Dr.									
25. Gross (Cr.)									
26. Subtotal (Account 1210)									
27. Total	18,154,308	38,807,367							

**INCOME STATEMENT ACCOUNTS**

Schedule VI  
 Page 1 of 8  
 KPSC FORM 5 (Revised 9/97)

Company Kentucky ALLTEL, Inc.  
 Period Ended December 31, 2002

Account (a)	Account Title (b)	Amount (c)
	<b><u>Local Network Service</u></b>	
5001	Basic Area Revenue	60,084,980
5002	Optional Extended Area Revenue	-
5003	Cellular Mobile Service Revenue	-
5004	Other Mobile Service Revenue	-
	<b>TOTAL BASIC LOCAL REVENUE SERVICE</b>	<b>60,084,980</b>
5010	Public Telephone Revenue	48
5040	Local Private Line Revenue	1,184,035
5050	Customer Premises Revenue	2,742,699
5060	Other Local Exchange Revenue	19,834,955
5069	Other Local Exchange Revenue Settlements	-
	<b>TOTAL LOCAL NETWORK SERVICE REVENUES</b>	<b>83,846,717</b>
	<b><u>Network Access Service Revenues</u></b>	
5081	End User Revenue	19,312,526
5082	Switched Access Revenue	15,563,369
5083	Special Access Revenue	17,897,056
5084	State Access Revenue	22,639,500
	<b>TOTAL NETWORK ACCESS REVENUE</b>	<b>75,412,451</b>
	<b><u>Long Distance (LD) Network Service Revenues</u></b>	
5100	LD Message Revenue (Class A)	1,251,732
5111	LD Inward-only Revenue	15,711
5112	LD Outward-only Revenue	-
	<b>TOTAL UNIDIRECTIONAL LD REVENUE</b>	<b>1,267,443</b>

**INCOME STATEMENT ACCOUNTS**

Schedule VI  
 Page 2 of 8  
 KPSC FORM 5 (Revised 9/97)

Company Kentucky ALLTEL, Inc.  
 Period Ended December 31, 2002

Account (a)	Account Title (b)	Amount (c)
5121	Subvoice Grade LD Private Network Revenue	-
5122	Voice Grade LD Private Network Revenue	2,710,885
5123	Audio Program Grade LD Private Network Revenue	-
5124	Video Program Grade LD Private Network Revenue	-
5125	Digital Transmission LD Private Network Revenue	294,173
5126	LD Private Network Switching Revenue	-
5128	Other LD Private Network Revenue	-
5129	Other LD Private Network Revenue Settlements	-
	<b>TOTAL LONG DISTANCE PRIVATE NETWORK REVENUE</b>	<b>3,005,058</b>
5160	Other Long Distance Revenue	-
5169	Other Long Distance Revenue Settlements	-
	<b>TOTAL LONG DISTANCE NETWORK SERVICE REVENUES</b>	<b>4,272,501</b>
	<u>Miscellaneous Revenues</u>	
5230	Directory	7,800,732
5240	Rent Revenues	532,075
5250	Corporate Operations Revenue	-
5261	Special Billing Arrangements Revenue	-
5262	Customer Operations Revenue	-
5263	Plant Operations Revenue	-
5264	Other Incidental Regulated Revenue	764,454
5269	Other Revenue Settlements	-
5270	Carrier Billing and Collection Revenue	1,140,722
5280	Nonregulated Revenue	9,760,137
	<b>TOTAL MISCELLANEOUS REVENUES</b>	<b>19,998,120</b>
	<u>Uncollectible Revenues</u>	
5301	Uncollectible Revenues-Telecommunications	3,004,000
5302	Uncollectible Revenues-Other	-
	<b>TOTAL UNCOLLECTIBLE REVENUE</b>	<b>3,004,000</b>
	<b>TOTAL OPERATING REVENUES</b>	<b>180,525,789</b>



**INCOME STATEMENT ACCOUNTS**

Account (a)	Account Title (b)	Total (c)	Salaries and Wages (d)	Benefits (e)	Rent (f)	Other Expenses (g)
	<b>PLANT SPECIFIC OPERATION EXPENSE</b>					
6112	Motor Vehicle	820,935	302,267	81,750	-	436,918
610	Clearance-MV	-				
615	Net Balance-MV	820,935	302,267	81,750	-	436,918
6113	Aircraft	-				
620	Clearance-Aircraft	-				
625	Net Balance-Aircraft	-				
6114	Special Purpose Vehicle	-				
630	Clearance-SPV	-				
635	Net Balance-SPV	-				
6115	Garage Work Equipment	-				
6116	Other Work Equipment	78,523	17,921	272	-	60,330
640	Clearance-OWE	-				
645	Net Balance-OWE	78,523	17,921	272	-	60,330
	<b>TOTAL NETWORK SUPPORT EXPENSE</b>	899,458	320,188	82,022	-	497,248
6121	Land & Building	2,647,118	305,325	81,533	648,615	1,611,645
6122	Furniture & Artworks	4,599	451	-	-	4,148
6123	Office Equipment	465,228	357,735	90,107	94	17,292
6124	General Purpose Computers	2,709,287	10,734	1,184	-	2,697,369
	<b>TOTAL SUPPORT EXPENSE</b>	5,826,232	674,245	172,824	648,709	4,330,454
6211	Analog Electronic	658,354	-	-	-	658,354
6212	Digital Electronic	5,343,722	2,474,172	647,717	-	2,221,833
6215	Electro-mechanical	-	-	-	-	-
	<b>TOTAL CENTRAL OFF. SWITCH. EXP.</b>	6,002,076	2,474,172	647,717	-	2,880,187
6220	Operator System Expense	-	-	-	-	-
6231	Radio System	5,161	585	164	4,396	16
6232	Circuit Equipment	2,086,751	1,356,502	363,498	-	366,751
	<b>TOTAL CENTRAL OFF. TRANS. EXP.</b>	2,091,912	1,357,087	363,662	4,396	366,767

**INCOME STATEMENT ACCOUNTS**

Account (a)	Account Title (b)	Total (c)	Salaries and Wages (d)	Benefits (e)	Rent (f)	Other Expenses (g)
6311	Station Apparatus	5,097,822	1,368,052	337,525	-	3,392,245
6341	Large PBX	-	-	-	-	-
6351	Public Tele. Terminal Equipment	-	-	-	-	-
6362	Other Terminal Equipment	-	-	-	-	-
	<b>TOTAL INFO. ORIG./TERM. EQUIP.</b>	<b>5,097,822</b>	<b>1,368,052</b>	<b>337,525</b>	<b>-</b>	<b>3,392,245</b>
6411	Poles	1,366,785	71,111	(19,599)	1,148,545	166,728
6421	Aerial Cable	8,686,535	5,052,710	1,269,577	-	2,364,248
6422	Underground Cable	407,099	230,520	60,542	-	116,037
6423	Buried Cable	1,935,173	1,063,733	273,009	-	598,431
6424	Submarine Cable	1,470	1,145	289	-	36
6425	Deep Sea Cable	-	-	-	-	-
6426	Intrabuilding Network Cable	-	-	-	-	-
6431	Aerial Wire	-	-	-	-	-
6441	Conduit Systems	71,526	3,664	830	-	67,032
	<b>TOTAL CABLE &amp; WIRE EXPENSE</b>	<b>12,468,588</b>	<b>6,422,883</b>	<b>1,584,648</b>	<b>1,148,545</b>	<b>3,312,512</b>
	<b>TOTAL PLANT SPC. EXPENSE</b>	<b>32,386,088</b>	<b>12,616,627</b>	<b>3,188,398</b>	<b>1,801,650</b>	<b>14,779,413</b>
	<b>PLANT NONSPECIFIC OPER. EXPENSE</b>					
6511	Plant Held for Future Telephone Use	-	-	-	-	-
6512	Provisioning	(401)	1,052,362	110,157	-	(1,162,920)
660	Clearance-Prov.	-	-	-	-	-
665	Net Balance-Prov.	(401)	1,052,362	110,157	-	(1,162,920)
	<b>TOTAL OTHER PP&amp;E EXPENSE</b>	<b>(401)</b>	<b>1,052,362</b>	<b>110,157</b>	<b>-</b>	<b>(1,162,920)</b>
6531	Power	-	-	-	-	-
6532	Network Administration	2,059,053	1,595,554	433,799	-	29,700
6533	Testing	1,203,138	149	37	-	1,202,952
6534	Plant OPS Administration	1,508,070	1,006,634	257,540	-	243,896
670	Clearance-POA	-	-	-	-	-
675	Net Balance-POA	1,508,070	1,006,634	257,540	-	243,896

**INCOME STATEMENT ACCOUNTS**

Company Kentucky ALLTEL, Inc.  
 Period Ended December 31, 2002

Schedule VI  
 Page 5 of 8

KPSC FORM T (Revised 9/97)

Account (a)	Account Title (b)	Total (c)	Salaries and Wages (d)	Benefits (e)	Rent (f)	Other Expenses (g)
6535	Engineering	1,172,430	226,444	67,392	-	878,594
680	Clearance-Engineering	-	-	-	-	-
685	Net Balance-Engineering	1,172,430	226,444	67,392	-	878,594
	<b>TOTAL NETWORK OPS EXPENSE</b>	5,942,691	2,828,781	758,768	-	2,355,142
6540	Access Expense	4,573,175	-	-	N/A	4,573,175
6561	Depreciation-Tele. Plt. in Service	54,039,539	N/A	N/A	N/A	54,039,539
6562	Depreciation-PHFTU	-	N/A	N/A	N/A	-
6563	Amortization-Tangible	186,333	N/A	N/A	N/A	186,333
6564	Amortization-Intangible	-	N/A	N/A	N/A	-
6565	Amortization-Other	-	N/A	N/A	N/A	-
	<b>TOTAL DEPRECIATION &amp; AMORTIZATION EXP.</b>	54,225,872	N/A	N/A	N/A	54,225,872
	<b>TOTAL PLANT NONSPECIFIC EXPENSE</b>	64,741,337	3,881,143	868,925	N/A	59,991,269
	<b>CUSTOMER OPERATIONS EXPENSE</b>					
6611	Produce Management	1,510,161	20,203	5,550	N/A	1,484,408
6612	Sales	2,744,559	1,627,263	404,200	N/A	713,096
6613	Product Advertising	1,084,705	-	-	N/A	1,084,705
	<b>TOTAL MARKETING EXPENSE</b>	5,339,425	1,647,466	409,750	N/A	3,282,209
6621	Call Completion	736,406	-	-	N/A	736,406
6622	Number Services	1,007,836	-	-	N/A	1,007,836
6623	Customer Services	6,557,203	60,502	16,680	N/A	6,480,021
	<b>TOTAL SERVICES EXPENSE</b>	8,301,445	60,502	16,680	N/A	8,224,263
	<b>TOTAL CUSTOMER OPERATIONS EXP.</b>	13,640,870	1,707,968	426,430	N/A	11,506,472
	<b>CORPORATE OPERATIONS EXPENSE</b>					
6711	Executive	1,178,400	284,635	76,312	N/A	817,453
6712	Planning	1,026	-	-	N/A	1,026
	<b>TOTAL EXECUTIVE &amp; PLANNING EXP.</b>	1,179,426	284,635	76,312	N/A	818,479

**INCOME STATEMENT ACCOUNTS**

Account (a)	Account Title (b)	Total (c)	Salaries and Wages (d)	Benefits (e)	Rent (f)	Other Expenses
6721	Accounting and Finance	850,116	-	-	N/A	850,116
6722	External Affairs	136,495	-	-	N/A	136,495
6723	Human Resources	786,878	-	45,977	N/A	740,901
6724	Information Management	2,141,324	-	-	N/A	2,141,324
6725	Legal	55,779	-	-	N/A	55,779
6726	Procurement	40,248	-	-	N/A	40,248
6727	Research & Development	-	-	-	N/A	-
6728	Other General & Administrative	27,237,780	(75,032)	40,737	N/A	27,272,075
	<b>TOTAL GENERAL &amp; ADMINISTRATIVE EXP.</b>	31,248,620	(75,032)	86,714	N/A	31,236,938
6790	Provision for uncollectible Notes Receivable		N/A	N/A	N/A	
	<b>TOTAL CORP. OPER. EXPENSE</b>	32,428,046	209,603	163,026	N/A	32,055,417
	<b>TOTAL OPERATING EXPENSE</b>	143,196,341	18,415,341	4,646,779	1,801,650	118,332,571
	<b>NET OPERATING REVENUE</b>	37,329,448	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX

# INCOME STATEMENT ACCOUNTS

Schedule VI  
 Page 7 of 8  
 KPSC FORM T (Revised 9/97)

Company Kentucky ALLTEL, Inc.  
 Period Ended December 31, 2002

Account (a)	Account Title (b)	Amount (c)
	<b><u>Other Operating Income and Expense</u></b>	
7110	Income from Custom Work	
7130	Return from Nonregulated use of Regulated Facilities	
7140	Gains/Losses from Foreign Exchange	
7150	Gains/Losses from Disposition of Land & Artworks	-
7160	Other Operating Gains and Losses	-
	<b>OTHER OPERATING INCOME AND EXPENSE-NET</b>	-
	<b><u>Operating Taxes</u></b>	
7210	Operating Investment Tax Credits-Net	-
7220	Operating Federal Income Taxes	(16,148,641)
7230	Operating State and Local Income Taxes	559,496
7240	Operating Other Taxes	9,043,113
7250	Provision for Deferred Operating Income Tax-Net	30,407,751
	<b>TOTAL OPERATING TAXES</b>	<b>23,861,719</b>
	<b><u>Nonoperating Income and Expense</u></b>	
7310	Dividend Income	-
7320	Interest Income	78,369
7330	Income from Sinking and Other Funds	-
7340	Allowance for Funds used During Construction (AFUDC)	244,969
7350	Gains/Losses from the Disposition of Property	-
7360	Other Nonoperating Income	-
7370	Special Charges	(33,670)
	<b>NONOPERATING INCOME AND EXPENSE-NET</b>	<b>289,668</b>
	<b><u>Nonoperating Taxes</u></b>	
7410	Nonoperating Investment Tax Credits-Net	
7420	Nonoperating Federal Income Taxes	21,247
7430	Nonoperating State and Local Income Taxes	5,459
7440	Nonoperating Other Taxes	
7450	Provision for Deferred Nonoperating Income Tax-Net	
	<b>TOTAL NONOPERATING TAXES</b>	<b>26,706</b>

**INCOME STATEMENT ACCOUNTS**

Schedule VI  
 Page 8 of 8  
 KPSC FORM T (Revised 9/97)

Company Kentucky ALLTEL, Inc.  
 Period Ended December 31, 2002

Account (a)	Account Title (b)	Amount (c)
	<u>Interest and Related Items</u>	
7510	Interest on Funded Debt	-
7520	Interest Expense-Capital Leases	-
7530	Amortization of Debt Issuance Expense	-
7540	Other Interest Deductions	84,135
	<b>TOTAL INTEREST AND RELATED ITEMS</b>	<b>84,135</b>
	<u>Extraordinary Items</u>	
7610	Extraordinary Income Credits	
7620	Extraordinary Income Charges	
7630	Current Income Tax Effect of Extraordinary Items-Net	
7640	Provision for Deferred Income Tax Effect of Items-Net	
	<b>TOTAL EXTRAORDINARY ITEMS</b>	
	<u>Jurisdictional Differences &amp; Nonregulated Income</u>	
7910	Income Effect of Jurisdictional Differences-Net	-
7990	Nonregulated Net Income	
	<b>NET INCOME</b>	<b>13,646,556</b>

TOTAL NUMBER OF EMPLOYEES AT END OF YEAR	<u>881</u>
NUMBER OF FULL TIME EMPLOYEES	<u>881</u>
NUMBER OF PART TIME EMPLOYEES	<u>0</u>
TOTAL COMPENSATION FOR THE YEAR	<u>\$18,715,509</u>

**ACCESS LINES IN SERVICE BY TECHNOLOGY**

Schedule VII  
 Page 1 of 1  
 KPSC FORM T (Revised 9/97)

Company Kentucky ALLTEL, Inc.  
 Period Ended December 31, 2002

	State or Territory (a)	Number of Central Office Switches (b)	ISDN 16 kh/sec D Channels (Divided by 4) (c)	Main Digital Access Lines 64kh/s or Equivalent (ISDN B Channels Except to PBX's) (d)
1.	Kentucky	101	385	3,080
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				
	<b>TOTAL</b>	<b>101</b>	<b>385</b>	<b>3,080</b>

Line Number (a)	Main Analog Access Line 4khz or Equivalent (b)	Digital DS-1 Access Lines to PBS's and Centrex (Times 24) (f)	Analog PBX and Centrex Access Trunks (g)	Analog Centrex Extensions (h)	Other (i)
1.	859,403	27,936	108	17,389	
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
	<b>TOTAL</b>	<b>27,936</b>	<b>108</b>	<b>17,389</b>	

**ACCESS LINES IN SERVICE BY CUSTOMER**

Schedule VIII  
 Page 1 of 1  
 KPSC FORM T (Revised 9/97)

Company Kentucky ALLTEL, Inc.  
 Period Ended December 31, 2002

State or Territory (a)	Business Access Lines	
	Single Line (b)	Multiline (c)
1. Kentucky	135,832	-
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
TOTAL	135,832	-

Line Number (a)	Public Access Lines (d)	Residential Access Lines (f)	Mobile Access Lines (f)	Special Access Lines (Non-Switched) (g)	Total Access Lines (Switched and Special) (h)
1.	1,880	404,297		3,181	545,190
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
TOTAL	1,880	404,297	-	3,181	545,190



**TELEPHONE CALLS**

Schedule IX  
 Page 1 of 1  
 KPSC FORM T (Revised 9/97)

Company Kentucky ALLTEL, Inc.  
 Period Ended December 31, 2002

State or Territory (a)	Local Calls (Total Local Calls) (b)	Intralata Toll Calls (c)
1. Kentucky	Information unavailable	30,840,697
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
TOTAL		

Line No. (a)	INTERLATA TOLL CALLS (Completed)					
	Interstate		Intrastate		Total Toll Calls	
	Number (d)	Billed Minutes (e)	Number (f)	Billed Minutes (g)	Number (h)	Billed Minutes (i)
1.	67,308,059	218,423,677	15,257,264	46,323,993	82,565,323	264,747,670
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						
TOTAL						

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Annual Report of

Kentucky ALLTEL, Inc.

5 Months

December 31, 2002

**SIGNATURE PAGE**

I certify that I am the responsible accounting officer of the  
Kentucky ALLTEL, Inc.; that I have  
examined the foregoing 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 August 1,  
2002, to December 31, 2002, inclusive.

Date \_\_\_\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Title)

(Persons making willful false statements in this report  
form can be punished by fine or imprisonment under the  
provisions of the U.S. Code, Title 18, Section 1001)

**ALLTEL Kentucky**  
**Outside Data Sources**  
**Sources**

<u>Department</u>	<u>Type of Information</u>	<u>Section</u>
Treasury-Chuck Carter Debt Cost report from Treasury	Amount of Principal payment during calendar year Is Principal current Is Interest current	Telephone Utilities Telephone Utilities Telephone Utilities
RUS	Average Residential Basic Service Monthly Bill Based on RUS report # rates and access lines	Telephone Utilities
Linda Adair	Board of Directors and General Officers Stockholders	Sch. 1, Page 1 Sch. II, Page 1
Patty King	Total Compensation for the year	Schedule VI, Page 8
Jerome Novotny	Access Lines by Technology	Schedule VII, Page 1
Fastr-Propcbrown, Cwipbalanc Fastr-JCY-Jcy0009	Wireline CWIP Balance Wireline Jobs Closed During the Period	

# ANNUAL REPORT

OF

---

Kentucky ALLTEL, Inc.  
Exact Legal Name of Reporting Utility

---

230 Lexington Green Circle

---

Lexington, KY 40503  
(Address of Utility)

TO THE  
**PUBLIC SERVICE COMMISSION**  
OF THE  
COMMONWEALTH OF KENTUCKY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2003

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KENTUCKY PUBLIC SERVICE COMMISSION  
REPORT OF GROSS OPERATING REVENUES DERIVED FROM INTRA-KENTUCKY  
BUSINESS FOR THE TWELVE MONTHS ENDING DECEMBER 31, 2003

Name of Utility Reporting Kentucky ALLTEL, Inc.

Address of Utility 230 Lexington Green Circle

City Lexington State KY Zip Code 40503

Telephone Number of Utility (501) 905-8000

Fax Number of Utility (if applicable) (501) 905-7277

Officer/Contact Person David Cameron Staff Manager-External Reporting  
(Name) (Title)

\*\*\*\*\*

ASSESSABLE REVENUES OF TELEPHONE UTILITY .....\$ 270,896,168  
(to agree with assessable revenues figure on the back of this page)

\*\*\*\*\*

O A T H

State of Arkansas )

) ss.

County of Pulaski )

David Cameron being duly sworn, states that he/she  
(Officer)

is Assistant Secretary of the Kentucky ALLTEL, Inc.  
(Official Title) (Utility Reporting)

that the above report of gross revenues is in exact accordance with

ALLTEL Kentucky, Inc., and that such books accurately show the gross  
(Utility Reporting)

revenues of: Kentucky ALLTEL, Inc., derived from Intra-Kentucky  
(Utility Reporting)

business for the calendar year ending December 31, 2003.

Assistant Secretary  
(Officer) (Title)

This the \_\_\_\_\_ day of \_\_\_\_\_, 2004

(Notary Public) (County) (Commission Expires)

**NOTE: ANY DIFFERENCE BETWEEN THE AMOUNT OF THE GROSS  
REVENUES SHOWN IN THE ANNUAL REPORT AND THE AMOUNT  
APPEARING ON THIS STATEMENT MUST BE RECONCILED ON THE  
RESERVE OF THIS REPORT.**

**Telecommunications Utilities Reconciliation Form**

<b>Total Operating Revenues (Schedule IV, Page 2 of 8)</b>	<u>427,001,245</u>
<b>Additions:</b>	
Intrastate Uncollectibles (Account 5301)	<u>5,042,901</u>
Other Uncollectibles	<u>                    </u>
<b>Total Additions</b>	<u>5,042,901</u>
<b>Deductions:</b>	
Non-Regulated Revenue (Account 5280)	<u>41,923,967</u>
Interstate Billing/Collection Revenue (Account 5270)	<u>-1,904,679</u>
End User Revenue (Account 5081)	<u>43,624,579</u>
Interstate Switched Access Revenue (Account 5082)	<u>30,096,134</u>
Interstate Special Access Revenue (Account 5083)	<u>47,407,977</u>
Any Miscellaneous Interstate Revenues (Explain Below)	<u>                    </u>
<b>Total Deductions</b>	<u>161,147,978</u>
<b>Reconciled Assessable Revenues</b>	<u><u>270,896,168</u></u>

Explanations/Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Do Not Write Below This Line**

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TELEPHONE UTILITIES - ANNUAL REPORT

Please furnish the following information, for **KENTUCKY OPERATIONS** only:

**BASIC SERVICE:**

\*Average Residential Basic Service Monthly Bill \$ 16.11  
(\*Not including taxes)

**NAMES OF COUNTIES IN WHICH YOU FURNISH TELEPHONE SERVICE:**

(If additional space is required, add additional sheet)

Adair, Allen, Barren, Bath, Bourbon, Boyd, Bracken, Butler, Carlisle, Carter, Casey, Clark, Clay, Clinton, Cumberland, Edmonson, Estill, Fayette,

Fleming, Garrard, Grayson, Green, Greenup, Hardin, Harlan, Hickman, Jessamine, Knox, Larue, Laurel, Letcher, Lewis, Lincoln, Livingston, Madison,

Marion, Marshall, Mason, Monroe, Nicholas, Perry, Pulaski, Robertson, Rockcastle, Rowan, Taylor, Union, Warren, Washington, Wayne, Woodford

**OFFICER OR OTHER PERSON TO WHOM CORRESPONDENCE SHOULD BE ADDRESSED CONCERNING THIS REPORT:**

Name David Cameron Title Staff Manager-Financial Reporting  
Address 1 Allied Drive;P.O. Box 2177 City Little Rock  
State AR Zip Code 72203 Telephone Number (501) 905-5270

This information is to be kept current by prompt notification to the Commission of any changes until the report for the succeeding year has been submitted.

**PRINCIPAL PAYMENT, INTEREST, AND LONG-TERM DEBT INFORMATION FOR THE YEAR ENDING DECEMBER 31, 2003.**

1. Amount of Principal payment during calendar year \$ 0
2. Is Principal current? Yes N/A No \_\_\_\_\_
3. Is Interest current? Yes N/A No \_\_\_\_\_
4. Has all long-term debt been approved by the Public Service Commission?  
Yes N/A No \_\_\_\_\_ PSC Case Number \_\_\_\_\_

**SERVICES PERFORMED BY INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT :**

Are your financial statements examined by a Certified Public Accountant?

Yes \_\_\_\_\_ No X

If yes, which service was performed?

Audit \_\_\_\_\_ Compilation \_\_\_\_\_ Review \_\_\_\_\_

Please enclose a copy of the accountant's report with the annual report.

**BOARD OF DIRECTORS AND GENERAL OFFICERS**

Schedule I  
Page 1 of 1  
KPSC Form T (Revised 9/97)

Company  
Kentucky ALLTEL, Inc.  
Period Ended  
December 31, 2003

(a)	(b)	(c)	(d)
Name of Director or Officer and Address (City & State)	Title and Department Over Which Jurisdiction is Exercised	Term Expired or Current Term Will Expire	Served Continuously From
1. Scott T. Ford Little Rock, AR	President & Director	*	10/30/2001
2. Francis X. Frantz Little Rock, AR	Executive VP/Secretary & Director	*	10/30/2001
3. George A. Page Hudson, OH	President-Northeast Region	*	11/26/2001
4. Stephen B. Rowell Little Rock, AR	Sr. Vice President-State Gov't Affairs	*	11/26/2001
5. Jeffrey R. Gardner Little Rock, AR	Exec. Vice President-CFO & Director	*	11/26/2001
6. Steven A. Kavanaugh Little Rock, AR	Vice President-Administrative Services	*	11/26/2001
7. Steve Mowery Little Rock, AR	Vice President-State Gov't Affairs	*	11/26/2001
8. Scott H. Settelmyer Little Rock, AR	Treasurer	*	11/26/2001
9. David Cameron Little Rock, AR	Assistant Secretary	*	11/26/2001
10. Anthony J. Saggese, Jr. Little Rock, AR	Vice President-Tax	*	1/7/2002
11. Kevin L. Beebe Little Rock, AR	Group President-Communications	*	7/19/2002
12. Terry E. Beeler Lexington, KY	Market Area President	*	11/1/2002
13. Stephen R. Byars Lexington, KY	Vice President-External Affairs	*	11/1/2002
14. Brent K. Whittington Little Rock, AR	Vice President-Finance	*	11/1/2002
15. Daniel Warnstaff Lexington, KY	Vice Pres./Gen. Manager-SW Kentucky	*	11/1/2002
16. Charles Harwood Lexington, KY	Vice Pres./Gen. Manager-NE Kentucky	*	11/1/2002
17. Frank A. O'Mara Little Rock, AR	Executive VP-Customer Service	*	1/31/2003
18. Philip E. Junker Little Rock, AR	Executive VP-Marketing	*	1/31/2003
19. Daniel P. Lohr Little Rock, AR	Executive VP-Sales & Distribution	*	1/31/2003
20. Jeffrey H. Fox Little Rock, AR	Group President-Communications	*	5/30/2003

(use additional sheet, if needed)

\* Until next annual meeting of Directors or until successors are elected and qualified

**STOCKHOLDERS**

Schedule II  
 Page 1 of 1  
 KPSC Form T (Revised 9/97)

Company Kentucky ALLTEL, Inc.  
 Period Ended December 31, 2003

	Name and Address (City & State) of Stockholder	Shares Held
1	ALLTEL Corporation One Allied Drive Little Rock, AR 72202	1,000
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		

(Use additional sheet, if needed)

Total holders of above class of stock 1

Date of above compilation 12/31/2003 Purpose of the compilation Organization

**BALANCE SHEET ACCOUNTS**

Schedule III  
 Page 1 of 5  
 KPSC Form T (Revised 9/97)

Company Kentucky ALLTEL, Inc.

Period Ended December 31, 2003

Account (a)	Account Title (b)	Amount (c)
	<b>Current Assets</b>	
1130	Cash	184,525,463
1140	Special Cash Deposits	-
1150	Working Cash Advances	6,661
1160	Temporary Investments	-
	<b>Total Cash and Equivalent</b>	<u>184,532,124</u>
1180	Telecommunications Accounts Receivable	37,132,169
1181	Accounts Receivable Allowance-Telecommunications	(1,188,663)
1190	Other Accounts Receivable	13,348,876
1191	Accounts Receivable Allowance-Other	(152,901)
1200	Notes Receivable	-
1201	Notes Receivable Allowance	-
1210	Interest and Dividends Receivable	-
1220	Inventories	1,885,175
	<b>Total Receivable and Inventories</b>	<u>51,024,656</u>
1290	Prepaid Rents	-
1300	Prepaid Taxes	-
1310	Prepaid Insurance	-
1320	Prepaid Directory Expenses	-
1330	Other Prepayments	532,007
	<b>Total Prepayments</b>	<u>532,007</u>
1350	Other Current Assets	-
	<b>Total Current Assets</b>	<u>236,088,787</u>

**Noncurrent Assets**

1401	Investments in Affiliated Companies	-
1402	Investments in Nonaffiliated Companies	-
1406	Nonregulated Investments	-
1407	Unamortized Debt Issuance Expense	-
1408	Sinking Funds	-
1410	Other Noncurrent Assets	10,999,131
1437	Deferred Tax Regulatory Asset	-
1438	Deferred Maintenance and Retirements	-
1439	Deferred Charges	-
1500	Other Jurisdictional Assets - Net	-
	<b>Total Noncurrent Assets</b>	<u>10,999,131</u>

**BALANCE SHEET ACCOUNTS**

Schedule III  
Page 2 of 5  
KPSC Form T (Revised 9/97)

Company ALLTEL Kentucky, Inc.

Period Ended December 31, 2003

Account (a)	Account Title (b)	Beginning Balance (c)	Additions (d)	Retirements (e)	Transfers/ Adjustments (f)	Ending Balance (g)
<b>Telephone Plant</b>						
2001	Telephone Plant In Service	1,524,498,468	93,548,712	12,790,697	779,720	1,606,036,203
2002	Property Held for Future Telephone Use	-	-	-	-	-
2003	Tele. Plant Under Construction-Short term	38,487,774	78,951,874	100,225,296	4,941,972	22,156,324
2004	Tele. Plant Under Construction-Long term	-	-	-	-	-
2005	Telephone Plant Adjustment	-	-	-	-	-
2006	Nonoperating Plant	-	-	-	-	-
2007	Goodwill	-	-	-	-	-
	<b>Total Telephone Plant</b>	<b>1,562,986,242</b>	<b>172,500,586</b>	<b>113,015,993</b>	<b>5,721,692</b>	<b>1,628,192,527</b>
<b>Support Assets</b>						
2111	Land	4,481,538	61,756	-	-	4,543,294
2112	Motor Vehicles	18,053,948	2,053,802	892,467	98,879	19,314,162
2113	Aircraft	-	-	-	-	-
2114	Special Purpose Vehicles	-	-	-	-	-
2115	Garage Work Equipment	917,712	-	59,178	-	858,534
2116	Other Work Equipment	10,437,311	658,656	1,099,401	-	9,996,566
2121	Buildings	69,270,533	1,727,618	308,976	-	70,689,175
2122	Furniture	2,628,081	3,701	1,441,841	-	1,189,941
2123	Office Furniture	8,344,684	10,942	3,264,224	-	5,091,402
2124	General Purpose Computers	9,267,756	1,104,314	-	-	10,372,070
	<b>Total Support Assets</b>	<b>123,401,563</b>	<b>5,620,789</b>	<b>7,066,087</b>	<b>98,879</b>	<b>122,055,144</b>
<b>Central Office -Switching</b>						
2211	Analog Electronic Switching	-	-	-	-	-
2212	Digital Electronic Switching	333,283,836	26,093,077	769,547	872,438	359,479,804
2215.1	Step-by-Step Switching	-	-	-	-	-
2215.2	Crossbar Switching	-	-	-	-	-
2215.3	Other Electro-Mechanical Switching	-	-	-	-	-
	<b>Total Central Office Switching</b>	<b>333,283,836</b>	<b>26,093,077</b>	<b>769,547</b>	<b>872,438</b>	<b>359,479,804</b>
2220	<b>Total Operator Systems</b>					

**BALANCE SHEET ACCOUNTS**

Schedule III  
Page 3 of 5  
KPSC Form T (Revised 9/97)

Company Kentucky ALLTEL, Inc.

Period Ended December 31, 2003

Account (a)	Account Title (b)	Beginning Balance (c)	Additions (d)	Retirements (e)	Transfers/ Adjustments (f)	Ending Balance (g)
<b>Central Office - Transmission</b>						
2231.1	Satellite & Earth Stations	-	-	-	-	-
2231.2	Other Radio Facilities	770,904	-	-	-	770,904
2232	Circuit Equipment	267,871,178	21,818,619	309,747	(38,606)	289,341,444
	<b>Total Central Office Transmission</b>	<b>268,642,082</b>	<b>21,818,619</b>	<b>309,747</b>	<b>(38,606)</b>	<b>290,112,348</b>
<b>Information Origination/Termination</b>						
2311	Station Apparatus	1,974,571	22,363	791,670	-	1,205,264
2321	Customer Premise Wire	-	-	-	-	-
2341	Large PBX	1,705	-	678	-	1,027
2351	Public Telephone Terminal Equipment	75,633	-	-	-	75,633
2362	Other Terminal Equipment	8,686,935	-	-	-	8,686,935
	<b>Total Information Origin./Termin.</b>	<b>10,738,844</b>	<b>22,363</b>	<b>792,348</b>	<b>-</b>	<b>9,968,859</b>
<b>Cable &amp; Wire Facilities Assets</b>						
2411	Poles	93,213,365	4,325,403	352,045	(28,484)	97,158,239
2421	Aerial Cable	457,665,222	23,034,453	2,359,947	(85,935)	478,253,793
2422	Underground Cable	56,984,642	1,383,494	199,649	(17,595)	58,150,892
2423	Buried Cable	145,762,248	10,977,194	667,444	(20,977)	156,051,021
2424	Submarine Cable	-	-	-	-	-
2425	Deep Sea Cable	-	-	-	-	-
2426	Intrabuilding Network Cable	590,977	-	-	-	590,977
2431	Aerial Wire	4,979,983	-	232,416	-	4,747,567
2441	Conduit System	24,763,705	273,320	41,467	-	24,995,558
	<b>Total Cable &amp; Wire Facilities Assets</b>	<b>783,960,142</b>	<b>39,993,864</b>	<b>3,852,968</b>	<b>(152,991)</b>	<b>819,948,047</b>
<b>Amortizable Assets</b>						
2681	Capital Leases	-	-	-	-	-
2682	Leasehold Improvements	4,472,001	-	-	-	4,472,001
	<b>Total Amortizable Assets</b>	<b>4,472,001</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,472,001</b>
2690	Intangibles	-	-	-	-	-
	<b>Total Tele. Plant in Service (Acct 2001)</b>	<b>1,524,498,468</b>	<b>93,548,712</b>	<b>12,790,697</b>	<b>779,720</b>	<b>1,606,036,203</b>

**BALANCE SHEET ACCOUNTS**

Schedule III  
Page 4 of 5  
KPSC Form T (Revised 9/97)

Company Kentucky ALLTEL, Inc.  
Period Ended December 31, 2003

Account (a)	Account Title (b)	Amount (c)
	<b>Depreciation and Amortization</b>	
3100	Accumulated Depreciation	1,162,162,202
3200	Accumulated Depreciation-Plant Held for Future Tele. Use	
3300	Accumulated Depreciation-Nonoperating	
3410	Accumulated Amortization - Capitalized Leases	
3420	Accumulated Amortization - Leasehold Improvements	
3500	Accumulated Amortization - Intangible	
3600	Accumulated Amortization - Other	
	<b>Total Depreciation and Amortization</b>	<b>1,162,162,202</b>
	<b>Net Telephone Plant</b>	
	(Total Tele. Plt. less Total Depreciation & Amortization)	466,030,325
	<b>Total Assets</b>	<b>713,118,243</b>

<b>Current Liabilities</b>		
4010	Accounts Payable	12,958,949
4020	Notes Payable	-
4030	Advanced Billing and Payments	33,995,035
4040	Customer's Deposits	665,393
4050	Current Maturities - Long Term Debt	-
4060	Current Maturities - Capital Leases	-
4070	Income Taxes - Accrued	-
4080	Other Taxes - Accrued	20,137,020
4100	Net Current Deferred Operating Income Taxes	-
4110	Net Current Deferred Nonoperating Income Taxes	
4120	Other Accrued Liabilities	2,678,458
4130	Other Current Liabilities	3,062,193
	<b>Total Current Liabilities</b>	<b>73,497,048</b>

**BALANCE SHEET ACCOUNTS**

Schedule III  
Page 5 of 5  
KPSC Form T (Revised 9/97)

Company Kentucky ALLTEL, Inc.

Period Ended December 31, 2003

Account (a)	Account Title (b)	Amount (c)
	<b><u>Long-Term Debt</u></b>	
4210	Funded Debt	-
4220	Premium on Long-Term Debt	-
4230	Discount on Long-Term Debt	-
4240	Reacquired Debt	-
4250	Obligations Under Capital Leases	-
4260	Advances from Affiliated Companies	-
4270	Other Long-Term Debt	-
	<b>Total Long-Term Debt</b>	-
	<b><u>Other Liabilities and Deferred Credits</u></b>	
4310	Other Long-Term Liabilities	7,629,636
4320	Unamortized Operating Investment Tax Credits-Net	-
4330	Unamortized Nonoperating Investment Tax Credits-Net	-
4340	Net Noncurrent Deferred Operating Income Taxes	99,695,317
4341	Net Deferred Tax Liability Adjustments	6,002,325
4350	Net Noncurrent Deferred Nonoperating Income Taxes	-
4360	Other Deferred Credits	856,139
4361	Deferred Tax Regulatory Liability	-
4370	Other Jurisdiction Liabilities/Deferred Credits - Net	-
	<b>Total Other Liabilities and Deferred Credits</b>	114,183,417
4510	Capital Stock	-
4520	Additional Paid-In Capital	524,171,654
4530	Treasury Stock	-
4540	Other Capital	-
4550	Retained Earnings	1,266,124
	<b>Total Stockholders' Equity</b>	525,437,778
	<b>Total Liabilities &amp; Stockholders' Equity</b>	713,118,243
	Retained Earnings (Beginning of Year)	1,300,556
	Net Income	11,865,568
	Dividends Declared	11,900,000
	Capital Credit Rotations	
	Miscellaneous Debits*	-
	Miscellaneous Credits*	-
	<b>Retained Earnings (End of Year)</b>	1,266,124

\*Explain any individual item over \$10,000







**INCOME STATEMENT ACCOUNTS**

Schedule VI  
 Page 1 of 8  
 KPSC FORM 5 (Revised 9/97)

Company Kentucky ALLTEL, Inc.  
 Period Ended December 31, 2003

Account (a)	Account Title (b)	Amount (c)
	<b><u>Local Network Service</u></b>	
5001	Basic Area Revenue	138,360,990
5002	Optional Extended Area Revenue	-
5003	Cellular Mobile Service Revenue	-
5004	Other Mobile Service Revenue	-
	<b>TOTAL BASIC LOCAL REVENUE SERVICE</b>	<b>138,360,990</b>
5010	Public Telephone Revenue	120
5040	Local Private Line Revenue	2,601,805
5050	Customer Premises Revenue	5,699,794
5060	Other Local Exchange Revenue	46,059,665
5069	Other Local Exchange Revenue Settlements	-
	<b>TOTAL LOCAL NETWORK SERVICE REVENUES</b>	<b>192,722,374</b>
	<b><u>Network Access Service Revenues</u></b>	
5081	End User Revenue	43,624,579
5082	Switched Access Revenue	30,096,134
5083	Special Access Revenue	47,407,977
5084	State Access Revenue	57,621,630
	<b>TOTAL NETWORK ACCESS REVENUE</b>	<b>178,750,320</b>
	<b><u>Long Distance (LD) Network Service Revenues</u></b>	
5100	LD Message Revenue (Class A)	2,514,673
5111	LD Inward-only Revenue	64,927
5112	LD Outward-only Revenue	-
	<b>TOTAL UNIDIRECTIONAL LD REVENUE</b>	<b>2,579,600</b>

**INCOME STATEMENT ACCOUNTS**

Schedule VI  
 Page 2 of 8  
 KPSC FORM 5 (Revised 9/97)

Company Kentucky ALLTEL, Inc.  
 Period Ended December 31, 2003

Account (a)	Account Title (b)	Amount (c)
5121	Subvoice Grade LD Private Network Revenue	-
5122	Voice Grade LD Private Network Revenue	7,410,527
5123	Audio Program Grade LD Private Network Revenue	-
5124	Video Program Grade LD Private Network Revenue	-
5125	Digital Transmission LD Private Network Revenue	736,730
5126	LD Private Network Switching Revenue	-
5128	Other LD Private Network Revenue	-
5129	Other LD Private Network Revenue Settlements	-
	<b>TOTAL LONG DISTANCE PRIVATE NETWORK REVENUE</b>	<b>8,147,257</b>
5160	Other Long Distance Revenue	-
5169	Other Long Distance Revenue Settlements	-
	<b>TOTAL LONG DISTANCE NETWORK SERVICE REVENUES</b>	<b>10,726,857</b>
	<u>Miscellaneous Revenues</u>	
5230	Directory	2,009,129
5240	Rent Revenues	917,294
5250	Corporate Operations Revenue	-
5261	Special Billing Arrangements Revenue	-
5262	Customer Operations Revenue	-
5263	Plant Operations Revenue	-
5264	Other Incidental Regulated Revenue	1,791,901
5269	Other Revenue Settlements	-
5270	Carrier Billing and Collection Revenue	3,202,304
5280	Nonregulated Revenue	41,923,967
	<b>TOTAL MISCELLANEOUS REVENUES</b>	<b>49,844,595</b>
	<u>Uncollectible Revenues</u>	
5301	Uncollectible Revenues-Telecommunications	5,042,901
5302	Uncollectible Revenues-Other	-
	<b>TOTAL UNCOLLECTIBLE REVENUE</b>	<b>5,042,901</b>
	<b>TOTAL OPERATING REVENUES</b>	<b>427,001,245</b>

**INCOME STATEMENT ACCOUNTS**

Account (a)	Account Title (b)	Total (c)	Salaries and Wages (d)	Benefits (e)	Rent (f)	Other Expenses (g)
	<b>PLANT SPECIFIC OPERATION EXPENSE</b>					
6112	Motor Vehicle	2,354,402	505,985	146,783	-	1,701,634
610	Clearance-MV	-				
615	Net Balance-MV	2,354,402	505,985	146,783	-	1,701,634
6113	Aircraft	-				
620	Clearance-Aircraft	-				
625	Net Balance-Aircraft	-				
6114	Special Purpose Vehicle	-				
630	Clearance-SPV	-				
635	Net Balance-SPV	-				
6115	Garage Work Equipment	-				
6116	Other Work Equipment	398,924	7,587	697	7,184	383,456
640	Clearance-OWE	-				
645	Net Balance-OWE	398,924	7,587	697	7,184	383,456
	<b>TOTAL NETWORK SUPPORT EXPENSE</b>	<b>2,753,326</b>	<b>513,572</b>	<b>147,480</b>	<b>7,184</b>	<b>2,085,090</b>
6121	Land & Building	10,780,516	578,111	171,749	1,361,905	8,668,751
6122	Furniture & Artworks	359	-	-	-	359
6123	Office Equipment	1,118,201	610,180	177,363	16,279	314,379
6124	General Purpose Computers	7,798,039	2,966	414	-	7,794,659
	<b>TOTAL SUPPORT EXPENSE</b>	<b>19,697,115</b>	<b>1,191,257</b>	<b>349,526</b>	<b>1,378,184</b>	<b>16,778,148</b>
6211	Analog Electronic	2,013,520	-	-	-	2,013,520
6212	Digital Electronic	18,587,801	4,452,449	1,362,523	-	12,772,829
6215	Electro-mechanical	-	-	-	-	-
	<b>TOTAL CENTRAL OFF. SWITCH. EXP.</b>	<b>20,601,321</b>	<b>4,452,449</b>	<b>1,362,523</b>	<b>-</b>	<b>14,786,349</b>
6220	Operator System Expense	-	-	-	-	-
6231	Radio System	8,163	118	34	7,999	12
6232	Circuit Equipment	6,070,424	2,546,382	767,829	-	2,756,213
	<b>TOTAL CENTRAL OFF. TRANS. EXP.</b>	<b>6,078,587</b>	<b>2,546,500</b>	<b>767,863</b>	<b>7,999</b>	<b>2,756,225</b>

**INCOME STATEMENT ACCOUNTS**

Company Kentucky ALLTEL, Inc.  
 Period Ended December 31, 2003

Schedule VI  
 Page 4 of 8  
 KPSC FORM T (Revised 9/97)

Account (a)	Account Title (b)	Total (c)	Salaries and Wages (d)	Benefits (e)	Rent (f)	Other Expenses (g)
6311	Station Apparatus	13,355,194	2,352,512	632,047	-	10,370,635
6341	Large PBX	-	-	-	-	-
6351	Public Tele. Terminal Equipment	-	-	-	-	-
6362	Other Terminal Equipment	-	-	-	-	-
	<b>TOTAL INFO. ORIG./TERM. EQUIP.</b>	<b>13,355,194</b>	<b>2,352,512</b>	<b>632,047</b>	<b>-</b>	<b>10,370,635</b>
6411	Poles	3,466,937	173,329	19,440	2,487,474	786,694
6421	Aerial Cable	38,659,387	10,248,984	2,961,773	-	25,448,630
6422	Underground Cable	1,153,851	406,520	124,880	-	622,451
6423	Buried Cable	7,591,229	1,787,788	542,165	-	5,261,276
6424	Submarine Cable	1,056	723	242	-	91
6425	Deep Sea Cable	-	-	-	-	-
6426	Intrabuilding Network Cable	-	-	-	-	-
6431	Aerial Wire	-	-	-	-	-
6441	Conduit Systems	309,247	28,585	8,509	-	272,153
	<b>TOTAL CABLE &amp; WIRE EXPENSE</b>	<b>51,181,707</b>	<b>12,645,929</b>	<b>3,657,009</b>	<b>2,487,474</b>	<b>32,391,295</b>
	<b>TOTAL PLANT SPC. EXPENSE</b>	<b>113,667,250</b>	<b>23,702,219</b>	<b>6,916,448</b>	<b>3,880,841</b>	<b>79,167,742</b>
	<b><u>PLANT NONSPECIFIC OPER. EXPENSE</u></b>					
6511	Plant Held for Future Telephone Use	-	-	-	-	-
6512	Provisioning	(4,684)	748,451	210,859	-	(963,994)
660	Clearance-Prov.	-	-	-	-	-
665	Net Balance-Prov.	(4,684)	748,451	210,859	-	(963,994)
	<b>TOTAL OTHER PP&amp;E EXPENSE</b>	<b>(4,684)</b>	<b>748,451</b>	<b>210,859</b>	<b>-</b>	<b>(963,994)</b>
6531	Power	349	-	-	-	349
6532	Network Administration	3,468,679	2,203,076	651,348	-	614,255
6533	Testing	6,285,431	-	-	-	6,285,431
6534	Plant OPS Administration	4,948,156	3,357,687	602,892	9,167	978,410
670	Clearance-POA	-	-	-	-	-
675	Net Balance-POA	4,948,156	3,357,687	602,892	9,167	978,410

**INCOME STATEMENT ACCOUNTS**

Account (a)	Account Title (b)	Total (c)	Salaries and Wages (d)	Benefits (e)	Rent (f)	Other Expenses (g)
6535	Engineering	4,944,303	910,895	248,834	7,805	3,776,769
680	Clearance-Engineering	-				
685	Net Balance-Engineering	4,944,303	910,895	248,834	7,805	3,776,769
	<b>TOTAL NETWORK OPS EXPENSE</b>	<b>19,646,918</b>	<b>6,471,658</b>	<b>1,503,074</b>	<b>16,972</b>	<b>11,655,214</b>
6540	Access Expense	8,297,135	-	-	N/A	8,297,135
6561	Depreciation-Tele. Plt. in Service	131,472,559	N/A	N/A	N/A	131,472,559
6562	Depreciation-PHFTU	-	N/A	N/A	N/A	-
6563	Amortization-Tangible	447,200	N/A	N/A	N/A	447,200
6564	Amortization-Intangible	-	N/A	N/A	N/A	-
6565	Amortization-Other	-	N/A	N/A	N/A	-
	<b>TOTAL DEPRECIATION &amp; AMORTIZATION EXP.</b>	<b>131,919,759</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>131,919,759</b>
	<b>TOTAL PLANT NONSPECIFIC EXPENSE</b>	<b>159,859,128</b>	<b>7,220,109</b>	<b>1,713,933</b>	<b>16,972</b>	<b>150,908,114</b>
	<b>CUSTOMER OPERATIONS EXPENSE</b>					
6611	Produce Management	(3,770,176)	4,914	1,510	N/A	(3,776,600)
6612	Sales	7,705,201	4,280,392	1,121,871	N/A	2,302,938
6613	Product Advertising	3,156,251	-	-	N/A	3,156,251
	<b>TOTAL MARKETING EXPENSE</b>	<b>7,091,276</b>	<b>4,285,306</b>	<b>1,123,381</b>	<b>N/A</b>	<b>1,682,589</b>
6621	Call Completion	1,502,883	-	-	N/A	1,502,883
6622	Number Services	2,203,570	-	-	N/A	2,203,570
6623	Customer Services	16,866,787	384,392	123,336	N/A	16,359,059
	<b>TOTAL SERVICES EXPENSE</b>	<b>20,573,240</b>	<b>384,392</b>	<b>123,336</b>	<b>N/A</b>	<b>20,065,512</b>
	<b>TOTAL CUSTOMER OPERATIONS EXP.</b>	<b>27,664,516</b>	<b>4,669,698</b>	<b>1,246,717</b>	<b>N/A</b>	<b>21,748,101</b>
	<b>CORPORATE OPERATIONS EXPENSE</b>					
6711	Executive	2,834,689	866,073	267,753	N/A	1,700,863
6712	Planning	468	-	-	N/A	468
	<b>TOTAL EXECUTIVE &amp; PLANNING EXP.</b>	<b>2,835,157</b>	<b>866,073</b>	<b>267,753</b>	<b>N/A</b>	<b>1,701,331</b>

**INCOME STATEMENT ACCOUNTS**

Company Kentucky ALL TEL, Inc.  
Period Ended December 31, 2003

Account (a)	Account Title (b)	Total (c)	Salaries and Wages (d)	Benefits (e)	Rent (f)	Other Expenses
6721	Accounting and Finance	2,200,595	-	-	N/A	2,200,595
6722	External Affairs	272,279	106	1	N/A	272,172
6723	Human Resources	1,646,517	-	189,374	N/A	1,457,143
6724	Information Management	6,444,481	-	-	N/A	6,444,481
6725	Legal	322,753	-	-	N/A	322,753
6726	Procurement	149,121	-	-	N/A	149,121
6727	Research & Development	-	-	-	N/A	-
6728	Other General & Administrative	14,435,203	107,591	16,433	59,733	14,251,446
	<b>TOTAL GENERAL &amp; ADMINISTRATIVE EXP.</b>	<b>25,470,949</b>	<b>107,697</b>	<b>205,808</b>	<b>59,733</b>	<b>25,097,711</b>
6790	Provision for uncollectible Notes Receivable		N/A	N/A	N/A	
	<b>TOTAL CORP. OPER. EXPENSE</b>	<b>28,306,106</b>	<b>973,770</b>	<b>473,561</b>	<b>59,733</b>	<b>26,799,042</b>
	<b>TOTAL OPERATING EXPENSE</b>	<b>329,497,000</b>	<b>36,565,796</b>	<b>10,350,659</b>	<b>3,957,546</b>	<b>278,622,999</b>
	<b>NET OPERATING REVENUE</b>	<b>97,504,245</b>	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX



# INCOME STATEMENT ACCOUNTS

Schedule VI  
 Page 7 of 8  
 KPSC FORM T (Revised 9/97)

Company Kentucky ALLTEL, Inc.  
 Period Ended December 31, 2003

Account (a)	Account Title (b)	Amount (c)
	<b><u>Other Operating Income and Expense</u></b>	
7110	Income from Custom Work	
7130	Return from Nonregulated use of Regulated Facilities	
7140	Gains/Losses from Foreign Exchange	
7150	Gains/Losses from Disposition of Land & Artworks	-
7160	Other Operating Gains and Losses	-
	<b>OTHER OPERATING INCOME AND EXPENSE-NET</b>	<b>-</b>
	<b><u>Operating Taxes</u></b>	
7210	Operating Investment Tax Credits-Net	-
7220	Operating Federal Income Taxes	(39,491,037)
7230	Operating State and Local Income Taxes	(4,662,682)
7240	Operating Other Taxes	13,831,638
7250	Provision for Deferred Operating Income Tax-Net	75,289,891
	<b>TOTAL OPERATING TAXES</b>	<b>44,967,810</b>
	<b><u>Nonoperating Income and Expense</u></b>	
7310	Dividend Income	-
7320	Interest Income	893,782
7330	Income from Sinking and Other Funds	-
7340	Allowance for Funds used During Construction (AFUDC)	547,003
7350	Gains/Losses from the Disposition of Property	-
7360	Other Nonoperating Income	(60,633,941)
7370	Special Charges	(500)
	<b>NONOPERATING INCOME AND EXPENSE-NET</b>	<b>(59,193,656)</b>
	<b><u>Nonoperating Taxes</u></b>	
7410	Nonoperating Investment Tax Credits-Net	
7420	Nonoperating Federal Income Taxes	(18,628,231)
7430	Nonoperating State and Local Income Taxes	73,737
7440	Nonoperating Other Taxes	
7450	Provision for Deferred Nonoperating Income Tax-Net	
	<b>TOTAL NONOPERATING TAXES</b>	<b>(18,554,494)</b>

**INCOME STATEMENT ACCOUNTS**

Schedule VI  
 Page 8 of 8  
 KPSC FORM T (Revised 9/97)

Company Kentucky ALLTEL, Inc.  
 Period Ended December 31, 2003

Account (a)	Account Title (b)	Amount (c)
	<u>Interest and Related Items</u>	
7510	Interest on Funded Debt	-
7520	Interest Expense-Capital Leases	-
7530	Amortization of Debt Issuance Expense	-
7540	Other Interest Deductions	31,705
	<b>TOTAL INTEREST AND RELATED ITEMS</b>	<b>31,705</b>
	<u>Extraordinary Items</u>	
7610	Extraordinary Income Credits	
7620	Extraordinary Income Charges	
7630	Current Income Tax Effect of Extraordinary Items-Net	
7640	Provision for Deferred Income Tax Effect of Items-Net	
	<b>TOTAL EXTRAORDINARY ITEMS</b>	
	<u>Jurisdictional Differences &amp; Nonregulated Income</u>	
7910	Income Effect of Jurisdictional Differences-Net	-
7990	Nonregulated Net Income	
	<b>NET INCOME</b>	<b>11,865,568</b>

TOTAL NUMBER OF EMPLOYEES AT END OF YEAR	773
NUMBER OF FULL TIME EMPLOYEES	773
NUMBER OF PART TIME EMPLOYEES	0
TOTAL COMPENSATION FOR THE YEAR	\$41,002,085

**ACCESS LINES IN SERVICE BY TECHNOLOGY**

Schedule VII

Page 1 of 1

KPSC FORM T (Revised 9/97)

Company Kentucky ALLTEL, Inc.

Period Ended December 31, 2003

	State or Territory (a)	Number of Central Office Switches (b)	ISDN 16 kh/sec D Channels (Divided by 4) (c)	Main Digital Access Lines 64kh/s or Equivalent (ISDN B Channels Except to PBX's) (d)
1.	Kentucky	101	433	3,462
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				
	<b>TOTAL</b>	<b>101</b>	<b>433</b>	<b>3,462</b>

Line Number (a)	Main Analog Access Line 4khz or Equivalent (b)	Digital DS-1 Access Lines to PBS's and Centrex (Times 24) (f)	Analog PBX and Centrex Access Trunks (g)	Analog Centrex Extensions (h)	Other (i)
1.	536,141	1,961	106	16,705	
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
	<b>TOTAL</b>	<b>1,961</b>	<b>106</b>	<b>16,705</b>	

**ACCESS LINES IN SERVICE BY CUSTOMER**

Schedule VIII  
 Page 1 of 1  
 KPSC FORM T (Revised 9/97)

Company Kentucky ALLTEL, Inc.  
 Period Ended December 31, 2003

State or Territory (a)	Business Access Lines	
	Single Line (b)	Multiline (c)
1. Kentucky	131,886	-
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
TOTAL	131,886	-

Line Number (a)	Public Access Lines (d)	Residential Access Lines (f)	Mobile Access Lines (f)	Special Access Lines (Non-Switched) (g)	Total Access Lines (Switched and Special) (h)
1.	1,759	386,079		2,845	522,569
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
TOTAL	1,759	386,079	-	2,845	522,569

**TELEPHONE CALLS**

Schedule IX  
 Page 1 of 1  
 KPSC FORM T (Revised 9/97)

Company Kentucky ALLTEL, Inc.  
 Period Ended December 31, 2003

	State or Territory (a)	Local Calls (Total Local Calls) (b)	Intralata Toll Calls (c)
1.	Kentucky	Information unavailable	140,216,908
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
	<b>TOTAL</b>		

Line No. (a)	INTERLATA TOLL CALLS (Completed)					
	Interstate		Intrastate		Total Toll Calls	
	Number (d)	Billed Minutes (e)	Number (f)	Billed Minutes (g)	Number (h)	Billed Minutes (i)
1.	318,123,078	1,122,905,274	58,579,376	168,471,135	376,702,454	1,291,376,409
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						
	<b>TOTAL</b>					

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Annual Report of

Kentucky ALLTEL, Inc.

Year End

December 31, 2003

**SIGNATURE PAGE**

I certify that I am the responsible accounting officer of the  
Kentucky ALLTEL, Inc.; that I have  
examined the foregoing 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,  
2003, to December 31, 2003, inclusive.

Date

\_\_\_\_\_

\_\_\_\_\_  
(Signature)

Assistant Secretary

\_\_\_\_\_  
(Title)

(Persons making willful false statements in this report  
form can be punished by fine or imprisonment under the  
provisions of the U.S. Code, Title 18, Section 1001)

**ALLTEL Kentucky**  
**Outside Data Sources**  
**Sources**

<u>Department</u>	<u>Type of Information</u>	<u>Section</u>
Treasury-Chuck Carter		
Debt Cost report from Treasury	Amount of Principal payment during calendar year Is Principal current Is Interest current	Telephone Utilities Telephone Utilities Telephone Utilities
RUS	Average Residential Basic Service Monthly Bill Based on RUS report # rates and access lines	Telephone Utilities
Linda Adair	Board of Directors and General Officers Stockholders	Sch. 1, Page 1 Sch. II, Page 1
Patty King	Total Compensation for the year	Schedule VI, Page 8
Jerome Novotny	Access Lines by Technology	Schedule VII, Page 1
Fastr-Propcbrown, Cwipbalanc	Wireline CWIP Balance	
Fastr-JCY-Jcy0009	Wireline Jobs Closed During the Period	