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CHRISTINE J. EGBARTS
TIMOTHY T. STEWART
GREGORY C. MITCHELL

April 9, 1998

APR 09 1998

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P. O. Box 360
Jefferson City, Missouri 65102

TM-98-444

Re: Bourbeuse Telephone Company and Fidelity Telephone Company
- Joint Application to Merge

Dear Mr. Roberts:

Enclosed please find an original and fourteen (14) copies of a Joint Application of Bourbeuse Telephone Company and Fidelity Telephone Company for permission to merge with Fidelity Telephone Company becoming the surviving corporation.

Would you please see that this filing is brought to the attention of the appropriate Commission personnel. I thank you in advance for your cooperation in this matter.

Sincerely,

W. R. England, III by SBM

W.R. England, III

WRE/da
Enclosures
cc: Office of Public Counsel
Mr. Kent Bliss

FILED
APR 09 1998
PUBLIC ...

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Joint Application of Bourbeuse Telephone Company and Fidelity Telephone Company for Permission to merge with Fidelity Telephone Company becoming the surviving corporation.	)))))	Case No. TM-98-444

JOINT APPLICATION

Comes now Bourbeuse Telephone Company ("Bourbeuse")and Fidelity Telephone Company ("Fidelity") and in support of their Joint Application pursuant to Sections 392.300.1 and .2, RSMo Supp. 1997, and 4 CSR 240-2.060, state as follows:

1. Bourbeuse and Fidelity (collectively, the "Companies") are corporations, duly organized and existing under the laws of the State of Missouri. Bourbeuse's and Fidelity's principal offices and places of business are located at 64 North Clark, Sullivan, MO 63080. The Companies are local exchange telecommunications companies and public utilities as defined in Sections 386.020(30), (42) and (51), RSMo Supp. 1997. The Companies are therefore subject to the jurisdiction, supervision, and regulatory control of the Commission and provide basic local telecommunications services and exchange access service to the public in the following Missouri exchanges:

Bourbeuse: Gerald.

Fidelity: Berger, Japan, Lyon, New Haven, Owensville, Spring Bluff, Stanton and Sullivan.

In addition, Fidelity is a Primary Toll Carrier (PTC) pursuant to the Commission's PTC Plan and, as such, it provides intrastate intraLATA interexchange telecommunications services to customers in its exchanges as well as customers in Bourbeuse's Gerald exchange.

2. Correspondence, communications, orders and decisions in this matter should be addressed to:

(a) Kent Bliss
Vice President Revenues
Fidelity Telephone Company
64 North Clark
Sullivan, MO 63080
(573) 468-8081
(573) 468-5440/Fax

(b) W.R. England, III
Brydon, Swearengen & England P.C.
312 E. Capitol Avenue
P.O. Box 456
Jefferson City, MO 65102-0456
(573) 635-7166
(573) 635-0427/Fax

3. Bourbeuse and Fidelity are wholly-owned subsidiaries of Fidelity Communications Company (FCC), whose principal office and place of business is also located at 64 North Clark, Sullivan, MO 63080.

4. On November 19, 1997, a Plan of Merger was approved by the respective Boards of Directors of the Companies (hereinafter referred to as the "Plan"). A copy of the Plan is contained within the proposed Articles of Merger and attached hereto and made a part hereof as Appendix 1. According to the terms of the Plan, Bourbeuse proposes to merge into Fidelity, with Fidelity being the surviving corporation. To effectuate the proposed merger, each share of the capital stock of Bourbeuse will be exchanged for one share of Fidelity.

5. Certified copies of the resolutions of the Boards of Directors of Bourbeuse and Fidelity authorizing the proposed merger are attached hereto as Appendices 2 and 3, respectively. Certified copies of the resolutions of FCC, as the sole shareholder of Bourbeuse and Fidelity,

approving the proposed merger are attached hereto as Appendices 4 and 5, respectively.

6. Appendix 6, attached hereto, reflects the separate December 31, 1996 balance sheet and income statement of Bourbeuse and Fidelity as well as the pro-forma balance sheet and income statement of Fidelity, as the surviving company

7. The proposed merger will result in no change in the ownership and control of Bourbeuse or Fidelity. The proposed merger will not be detrimental to the public interest because it will not adversely affect Bourbeuse's or Fidelity's operations or ratepayers. Fidelity, as the surviving company, will continue to provide telecommunications services to the former subscribers of Bourbeuse following completion of the merger according to the terms and conditions of the currently authorized tariffs and at the rates currently authorized by the Commission. Assuming that the tariff rates, terms and conditions of both companies will be identical (as a result of the pending proposal of the Companies in Commission Case No. TR-98-344), the Companies propose, effective with the date of the merger, to simply cancel the existing tariff of Bourbeuse and amend the existing tariff of Fidelity to include the Gerald exchange. The proposed merger should be transparent from the standpoint of the current customers of Bourbeuse and Fidelity and the telecommunications industry. Finally, the approval of this Application will be in the public interest because the proposed merger will simplify the existing corporate structure and eliminate certain duplications in present operations without affecting service presently rendered.

8. Approval of the proposed merger will not result in the relocation of any property subject to taxation and, therefore, will not have a direct, substantial or adverse impact on the tax

revenues of any political subdivision in which is located any structure, facilities or equipment owned and/or operated by Bourbeuse and Fidelity.

WHEREFORE, Bourbeuse and Fidelity respectfully request an order and decision of this Commission.

(1) Approving the merger of Bourbeuse into Fidelity as set forth in the Plan of Merger attached hereto as Appendix 1;

(2) Authorizing the Companies to do or execute, or cause to be done or executed, all acts, things or documents necessary to effectuate the merger contemplated by Appendix 1; and

(3) Granting Bourbeuse and Fidelity such other and further relief as may be deemed proper and appropriate to accomplish the purposes of this Joint Application.

Respectfully submitted,

W.R. England, III, Mo. Bar No. 23975
Brydon, Swearengen & England P.C.
312 East Capitol Avenue
P.O. Box 456
Jefferson City, MO 65102-0456

Attorneys for
BOURBEUSE TELEPHONE COMPANY
AND FIDELITY TELEPHONE COMPANY

STATE OF MISSOURI)
)ss
COUNTY OF Franklin)

I, Kent Bliss, of lawful age, being first duly sworn upon my oath, state that I am the Vice President Revenues; that I am authorized to execute this document on behalf of Bourbeuse and Fidelity Telephone Companies; and that the facts set forth in the foregoing are true to the best of my knowledge, information and belief.

Kent Bliss

Kent Bliss

Subscribed and sworn to before me this 27 day of March, 1998.

Charles J Dawson

Notary Public

My Commission expires:

NOTARY SEAL
CHARLES J. DAWSON
Crawford County
My Commission Expires
November 28, 2001

Certificate of Service

I hereby certify that a true and correct copy of the above and foregoing document was mailed, United States Mail, postage prepaid, this 9th day of April, 1998, to:

Office of Public Counsel
P.O. Box 7800
Jefferson City, MO 65102

Sandra B. Morgan

State of Missouri
Rebecca McDowell Cook, Secretary of State
P.O. Box 778, Jefferson City, MO 65102

Corporation Division

ARTICLES OF MERGER

(To be submitted in duplicate)

Pursuant to the provisions of The General and Business Corporation Law of Missouri, the undersigned corporations certify the following:

(1) That Fidelity Telephone Company of Missouri

(2) That Bourbeuse Telephone Company of Missouri

are hereby merged and that the above-named Fidelity Telephone Company is the surviving Corporation

(3) That the Board of Directors of Fidelity Telephone Company, by Minutes of Special Meeting dated November 19, 1997 approved the Plan of Merger set forth in these Articles.

(4) That the Board of Directors of Bourbeuse Telephone Company, by Minutes of Special Meeting dated November 19, 1997 approved the Plan of Merger set forth in these Articles.

(5) That the Shareholders of Fidelity Telephone Company, by Unanimous Written Consent of Special Meeting dated December 30, 1997 approved the Plan of Merger; there being 2,868.8 shares entitled to vote and 2,868.8 voted in favor and 0 voted against said Plan.

(6) That the Shareholders of Bourbeuse Telephone Company, by Unanimous Written Consent of Special Meeting dated December 30, 1997 approved the Plan of Merger; there being 130 shares entitled to vote and 130 voted in favor and 0 voted against said Plan.

(7) PLAN OF MERGER

1 Fidelity Telephone Company of Missouri is the survivor.

2 All of the property, rights, privileges, leases and patents of Bourbeuse Telephone Company are to be transferred to and become the property of Fidelity Telephone Company, the survivor. The Officers and Board of Directors of the above-named

Corporations are authorized to execute all deeds, assignments, and documents of every nature which may be needed to effectuate a full and complete transfer of ownership.

3. The Officers and Board of Directors of Bourbeuse Telephone Company shall continue in office until their successors are duly elected and qualified under the provisions of the By-Laws of the surviving Corporation.

4. The outstanding shares of Bourbeuse Telephone Company shall be exchanged for shares of Fidelity Telephone Company on the following basis:

   One share of Bourbeuse Telephone Company shall be exchanged for one share of Fidelity Telephone Company.

5. The Articles of Incorporation of the survivor are/are not amended as follows:

IN WITNESS WHEREOF, these Articles of Merger have been executed in duplicate by the aforementioned Corporations as of the day and year hereafter acknowledged.

CORPORATE SEAL

FIDELITY TELEPHONE COMPANY

By: ______________________
John T. Davis, President

ATTEST:

By: ______________________
Sheldon K. Stock, Assistant Secretary

CORPORATE SEAL

BOURBEUSE TELEPHONE COMPANY

By: ______________________
John T. Davis, President

ATTEST:

By: ______________________
Sheldon K. Stock, Assistant Secretary

STATE OF MISSOURI)
) SS:
COUNTY OF ST. LOUIS)

I, KATHLEEN E. SCOTT, a Notary Public, do hereby certify that on the 24th day of MARCH, 1998, personally appeared before me John T. Davis, who being by me first duly sworn, declared that he is the President of Fidelity Telephone Company, that he signed the foregoing documents as President of the Corporation, and that the statements therein contained are true.

(Notarial Seal)

KATHLEEN E. SCOTT
NOTARY PUBLIC - STATE OF MISSOURI
ST CHARLES COUNTY
MY COMMISSION EXPIRES JULY 18, 2000

Kathleen E. Scott
Notary Public

My commission expires__________

STATE OF MISSOURI)
) SS:
COUNTY OF ST. LOUIS)

I, KATHLEEN E. SCOTT, a Notary Public, do hereby certify that on the 24th day of MARCH, 1998 personally appeared before me John T. Davis, who being by me first duly sworn, declared that he is the President of Bourbeuse Telephone Company, that he signed the foregoing documents as President of the Corporation, and that the statements therein contained are true.

(Seal)

KATHLEEN E. SCOTT
NOTARY PUBLIC - STATE OF MISSOURI
ST CHARLES COUNTY
MY COMMISSION EXPIRES JULY 18, 2000

Kathleen E. Scott
Notary Public

My commission expires__________

CERTIFICATE OF CORPORATE RESOLUTIONS

OF

BOURBEUSE TELEPHONE COMPANY

I, Sheldon K. Stock, Assistant Secretary of Bourbeuse Telephone Company hereby certify that the following is a true and complete copy of resolutions adopted by unanimous consent of the Board of Directors of Bourbeuse Telephone Company, effective as of the 19th day of November, 1997, and that said resolutions have not been rescinded or modified and are in full force and effect.

> RESOLVED, That the Board approves the Plan of Merger between the Company and Fidelity Telephone Company with Fidelity Telephone Company to be the survivor; and
>
> BE IT FURTHER RESOLVED, That this merger is subject to the approval required from the Missouri Public Service Commission, and
>
> BE IT FURTHER RESOLVED, That the President, Secretary and any other officer duly authorized are hereby authorized to execute all necessary documents to carry out such merger.

IN WITNESS WHEREOF, Sheldon K. Stock, as Assistant Secretary of Bourbeuse Telephone Company, has executed this instrument this 24th day of March, 1998 and affixed the corporate seal of Bourbeuse Telephone Company hereto.

Sheldon K. Stock

Assistant Secretary

(CORPORATE SEAL)

CERTIFICATE OF CORPORATE RESOLUTIONS

OF

FIDELITY TELEPHONE COMPANY

I, Sheldon K. Stock, Assistant Secretary of Fidelity Telephone Company hereby certify that the following is a true and complete copy of resolutions adopted by unanimous consent of the Board of Directors of Fidelity Telephone Company, effective as of the 19th day of November, 1997, and that said resolutions have not been rescinded or modified and are in full force and effect.

> RESOLVED, That the Board approves the Plan of Merger between the Company and Bourbeuse Telephone Company with Fidelity Telephone Company to be the survivor; and
>
> BE IT FURTHER RESOLVED, That this merger is subject to the approval required from the Missouri Public Service Commission, and
>
> BE IT FURTHER RESOLVED, That the President, Secretary and any other officer duly authorized are hereby authorized to execute all necessary documents to carry out such merger.

IN WITNESS WHEREOF, Sheldon K. Stock, as Assistant Secretary of Fidelity Telephone Company, has executed this instrument this 24th day of March, 1998 and affixed the corporate seal of Fidelity Telephone Company hereto.

Sheldon K. Stock

Assistant Secretary

(CORPORATE SEAL)

Appendix 3

0243507.01

CERTIFICATE OF CORPORATE RESOLUTIONS

OF

BOURBEUSE TELEPHONE COMPANY

I, Sheldon K. Stock, Assistant Secretary of Bourbeuse Telephone Company hereby certify that the following is a true and complete copy of resolutions adopted by unanimous consent of the Sole Shareholder of Bourbeuse Telephone Company, effective as of the 30th day of December, 1997, and that said resolutions have not been rescinded or modified and are in full force and effect.

RESOLVED, that the Articles of Merger containing Plan of Merger providing for the merger of Fidelity Telephone Company, a corporation organized and existing under the laws of the State of Missouri, and being the surviving Corporation, with Bourbeuse Telephone Company, a corporation organized and existing under the laws of Missouri, be and hereby is approved.

RESOLVED FURTHER, that Fidelity Telephone Company hereby is authorized and directed to assume all of the obligations of Bourbeuse Telephone Company, pursuant to the Articles of Merger.

RESOLVED FURTHER, that the President and the Secretary or Assistant Secretary of this Corporation be, and they hereby are, authorized and directed to make and execute in the name of and on behalf of the Corporation, under the corporate seal of this Corporation, the Articles of Merger in the form or forms attached hereto and incorporated herein by this reference, and to file the same in the Office of Secretary of State of Missouri.

RESOLVED FURTHER, that said merger shall be effective upon proper filing with the Office of the Secretary of State of Missouri.

RESOLVED FURTHER, that the Directors and Officers of this Corporation be, and they hereby are, authorized and directed to execute in the name of and on behalf of the Corporation and deliver such documents and instruments, and do all acts and things whatsoever, which may be in any way necessary or proper to effectuate said merger.

RESOLVED FURTHER, that to the extent required, approval of this merger shall be obtained from the Missouri Public Service Commission prior to the time this merger is consummated.

RESOLVED FURTHER, that this Consent be filed by the Secretary of this Corporation with its minutes.

IN WITNESS WHEREOF, Sheldon K. Stock, as Assistant Secretary of Bourbeuse Telephone Company, has executed this instrument this 24th day of March, 1998 and affixed the corporate seal of Bourbeuse Telephone Company hereto.

Sheldon K. Stock
Assistant Secretary

(CORPORATE SEAL)

CERTIFICATE OF CORPORATE RESOLUTIONS

OF

FIDELITY TELEPHONE COMPANY

I, Sheldon K. Stock, Assistant Secretary of Fidelity Telephone Company hereby certify that the following is a true and complete copy of resolutions adopted by unanimous consent of the Sole Shareholder of Fidelity Telephone Company, effective as of the 30th day of December, 1997, and that said resolutions have not been rescinded or modified and are in full force and effect.

RESOLVED, that the Articles of Merger containing Plan of Merger providing for the merger of Fidelity Telephone Company, a corporation organized and existing under the laws of the State of Missouri, and being the surviving Corporation, with Bourbeuse Telephone Company, a corporation organized and existing under the laws of Missouri, be and hereby is approved.

RESOLVED FURTHER, that Fidelity Telephone Company hereby is authorized and directed to assume all of the obligations of Bourbeuse Telephone Company, pursuant to the Articles of Merger.

RESOLVED FURTHER, that the President and the Secretary or Assistant Secretary of this Corporation be, and they hereby are, authorized and directed to make and execute in the name of and on behalf of the Corporation, under the corporate seal of this Corporation, the Articles of Merger in the form or forms attached hereto and incorporated herein by this reference, and to file the same in the Office of Secretary of State of Missouri.

RESOLVED FURTHER, that said merger shall be effective upon proper filing with the Office of the Secretary of State of Missouri.

RESOLVED FURTHER, that the Directors and Officers of this Corporation be, and they hereby are, authorized and directed to execute in the name of and on behalf of the Corporation and deliver such documents and instruments, and do all acts and things whatsoever, which may be in any way necessary or proper to effectuate said merger.

RESOLVED FURTHER, that to the extent required, approval of this merger shall be obtained from the Missouri Public Service Commission prior to the time this merger is consummated.

RESOLVED FURTHER, that this Consent be filed by the Secretary of this Corporation with its minutes.

IN WITNESS WHEREOF, Sheldon K. Stock, as Assistant Secretary of Fidelity Telephone Company, has executed this instrument this 24th day of March, 1998 and affixed the corporate seal of Fideiity Telephone Company hereto.

Sheldon K. Stock

Assistant Secretary

(CORPORATE SEAL)

0243549.01

Sheldon K. Stock, as Assistant Secretary of Fidelity Telephone
t this 24th day of March, 1998 and affixed the corporate
y hereto.

Shelle K. Stock
Assistant Secretary

ECW

Fidelity & Bourbeuse Telephone Companies Comparitive Balance Sheet for Dec. 31, 1996

Balance Sheet Accounts		FTC	BTC	FTO Totals
	Current Assets			
1130	Cash			
1140	Special Cash Deposits	2,895,473.00	52,409.00	2,947,882.00
1150	Working Cash Advance	-	-	-
1160	Temporary Investments	4,250.00	94.00	4,344.00
1180	Telecommunications Accounts Receivable	-	-	-
1181	Accounts Receivable Allowance/Telecommunications	758,515.00	113,465.00	871,980.00
1190	Other Accounts Receivable	(20,000.00)	(3,000.00)	(23,000.00)
1191	Accounts Receivable Allowance-Other	1,363,142.00	71,935.00	1,435,077.00
1200	Notes Receivable	-	-	-
1201	Notes Receivable Allowance	-	-	-
1210	Interest and Dividends Receivable	-	-	-
1220	Material and Supplies	361.00	-	361.00
1290	Prepaid Rents	253,150.00	-	253,150.00
1300	Prepaid Taxes	-	-	-
1310	Prepaid Insurance	-	-	-
1320	Prepaid Directory Expenses	34,123.00	-	34,123.00
1330	Other Prepayments	-	-	-
1350	Other Current Assets	-	-	-
		268,624.00	-	268,624.00
	Total Current Assets	5,557,638.00	234,903.00	5,792,541.00
	Noncurrent Assets			
1401	Investments In Affiliated Companies			
1402	Investments in Nonaffiliated Companies	-	-	-
1406	Nonregulated Investments	-	-	-
1407	Unamortized Debt Issuance Expenses	-	-	-
1408	Sinking Funds	-	-	-
1410	Other Noncurrent Assets	-	-	-
1438	Defered Maintenance and Retirements	113,911.00	-	113,911.00
1439	Deferred Charges		-	-
1500	Other Jurisdictional Assets-Net		913.00	913.00
			-	-
	Total Noncurrent Assets	113,911.00	913.00	114,824.00

Appendix 6

e Balance Sheet

BTC	FTO Totals
52,409.00	2,947,882.00
-	-
94.00	4,344.00
-	-
113,465.00	871,980.00
(3,000.00)	(23,000.00)
71,935.00	1,435,077.00
-	-
-	-
-	-
-	3[illegible].00
-	253,150.00
-	-
-	-
-	34,123.00
-	-
-	-
-	268,624.00
34,903.00	5,702,541.00
-	-
-	-
-	-
-	-
-	-
-	113,911.00
-	-
913.00	913.00
-	-
913.00	114,824.00

Appendix 6

Balanco Shoot Accounts

				FTO Total
	Rogulatod Plant			
2001	Telecommunications Plant in Service	24,425,832.00	3,642,518.00	28,068,350.00
2002	Property Held for Future Use	-	-	-
2003	Telecommunications Plant Under Construction-Short Term	115,098.00	189,427.00	304,525.00
2004	Telecommunications Plant Under Construction-Long Term	-	-	-
2005	Telecommunications Plant Adjustment	-	-	-
2006	Nonoperating Plant	-	-	-
2007	Goodwill	-	-	-
	Total Regulated Plant	24,540,930.00	3,831,945.00	28,372,875.00
	Tolecommunications Plant In Sorvico			
2111	Land	155,437.00	9,511.00	164,948.00
2112	Motor Vehicles	763,555.00	12,231.00	775,786.00
2113	Aircraft	-	-	-
2114	Special Purposo Vehicles	-	-	-
2115	Garage Work Equipment	-	-	-
2116	Other Work Equipment	1,154,085.00	1,294.00	1,155,379.00
2121	Buildings	1,500,499.00	87,108.00	1,587,607.00
2122	Fumiture	57,292.00	1,574.00	58,866.00
2123	Oifice Equipment	46,832.00	-	46,832.00
2123.1	Office Support Equipment	-	-	-
2123.2	Company Communications Equipment	43,582.00	-	43,582.00
2124	General Purpose Computers	582,785.00	2,446.00	585,231.00
	Total Land and Support Assets	4,304,067.00	114,164.00	4,418,231.00

	FTO Total
3,642,518.00	28,068,350.00
-	-
189,427.00	304,525.00
-	-
-	-
-	-
-	-
3,831,945.00	28,372,875.00
9,511.00	164,948.00
12,231.00	775,786.00
-	-
-	-
-	-
1,294.00	1,155,379.00
87,108.00	1,587,607.00
1,574.00	58,866.00
-	46,832.00
-	-
-	43,582.00
2,446.00	585,231.00
114,164.00	4,418,231.00

Balance Sheet Accounts

Central Office-Switching

				FTO Totals
2211	Analog Electronic Switching	-	-	-
2212	Digital Electonic Switching	5,991,742.00	900,983.00	6,892,725.00
2215	Electromechanical Switching	-	-	-
2215.1	Step-by-Step Switching	-	-	-
2215.2	Crossbar Switching	-	-	-
2215.3	Other Electromechanical Switching	-	-	-
2220	Operator Systems	-	-	-
				-
	Total Central Office-Switching	5,991,742.00	900,983.00	6,892,725.00

Regulated Plant

Central Office-Transmission

2231	Radio Systems	76,710.00	-	76,710.00
2231.1	Satelite and Earth Station Facilities	-	-	-
2231.2	Other Radio Facilities	-	-	-
2232	Circuit Equipment	320,485.00	321,355.00	641,840.00
2233		816,973.00	-	816,973.00
2234		254,070.00	-	254,070.00
	Total Central Office-Transmission	1,468,238.00	321,355.00	1,789,593.00

Information Origination/Termination

2311	Station Apparatus	-	-	-
2321	Customer Premises Wiring	-	-	-
2341	Large Private Branch Exchange	-	-	-
2351	Public Telephone Terminal Equipment	231,326.00	4,444.00	235,770.00
2362	Other Terminal Equipment	-	-	-
	Total Information Origination/Termination Assets	231,326.00	4,444.00	235,770.00

	Balance Sheet Accounts			FTO Total
	Cable and Wire Facilities Assets			
2411	Poles	407,322.00	33,303.00	440,625.00
2421	Aerial Cable	1,218,337.00	251,420.00	1,469,757.00
2422	Underground Cable	1,118,111.00	187,935.00	1,306,046.00
2423	Buried Cable	8,740,089.00	1,609,867.00	10,349,956.00
2424	Submarine Cable	-	-	-
2425	Deep Sea Cable	-	-	-
2426	Intrabuilding Cable	-	-	-
2431	Aerial Wire	261,482.00	12,355.00	273,837.00
2441	Conduit Systems	683,954.00	206,338.00	890,292.00
	Total Cable and Wire Facilities Assets	12,429,295.00	2,301,218.00	14,730,513.00
	Amortizable Assets			
2681	Capital Leases		-	-
2681	Leasehold Impovements	-	-	
2690	Intangibles	1,164.00	354.00	1,518 00
	Total Amortizable Assets	1,164.00	354.00	1,518.00
	Total Telecommunications Plant in Service	24,425,832.00	3,642,518.00	28,068,350.00
	Depreciation and Amortization			
3100	Accumulated Depreciation	(10,286,376.00)	(1,533,626.00)	(11,820,002.00)
3200	Accumulated Depreciation-Held for Future Telecommunications Use	-	-	-
3300	Accumulated Depreciation-Nonoperating	-	-	-
3410	Accumulated Amortization-Capital Leases	-	-	-
3420	Accumulated Amortization-Leasehold Improvements	-	-	-
3500	Accumulated Amortization-Intangible	-	-	-
3600	Accumulated Amortization-Other	-	-	-
	Total Depreciation and Amortization	(10,286,376.00)	(1,533,626.00)	(11,820,002.00)
	Net Plant	14,254,554.00	2,298,319.00	16,552,873.00
	Total Assets	19,926,103.00	2,534,135.00	22,460,238.00

	Balance Sheet Accounts			FTO Total
	Current Liabilities			
4010	Accounts Payable	1,551,019.00	40,406.00	1,591,425.00
4020	Notes Payable	-	-	-
4030	Advanced Billing and Payments	-	-	-
4040	Customers Deposits	43,877.00	6,975.00	50,852.00
4050	Current Maturities-Long Term	-	-	-
4060	Current Maturities-Capital Leases	-	-	-
4070	Income Taxes-Accrued	-	-	-
4080	Other Taxes-Accrued	-	-	-
4100	Net Current Deferred Operating Income Taxes	-	-	-
4110	Net Current Deferred Nonoperating Income Taxes	-	-	-
4120	Other Accrued Liabilities	719,792.00	-	719,792.00
4130	Other Current Liabilities	-	-	-
	Total Current Liabilities	2,314,688.00	47,381.00	2,362,069.00
	Long-Term Debt			
4210	Funded Debt	4,269,782.00	-	4,269,782.00
4220	Premium on Long-Term Debt	-	-	-
4230	Discount on Long-Term Debt	-	-	-
4240	Reaquired Debt	-	-	-
4250	Obligations Under Capital Leases	-	-	-
4260	Advances from Affiliated Companies	-	-	-
4270	Other Long-Term Debt	-	-	-
	Total Long-Term Debt	4,269,782 00	-	4,269,782.00
	Other Liabilities and Deferred Credits			
4310	Other Long-Term Liabilities	-	-	-
4320	Unamortized Operating Investment Tax Credits-Net	134,328.00	18,005.00	152,333 00
4330	Unamortized Nonoperating Investment Tax Credits-Net	-	-	-
4340	Net Noncurrent Deferred Operating Income Taxes	1,748,908.00	206,694 00	1,955,602 00
4350	Net Noncurrent Deferred Nonoperating Income Taxes	-	-	-
4360	Other Deferred Credits	-	-	-
4370	Other Jurisdictional Liabilities and Deferred Credits-Net	-	-	-
	Total Other Liabilities and Deferred Credits	1,883,236.00	224,699 00	2,107,935 00

	FTO Total
40,406.00	1,591,425.00
-	-
-	-
6,975.00	50,852.00
-	-
-	-
-	-
-	-
-	-
-	-
-	719,792.00
-	-
47,381.00	2,362,069.00
-	4,269,782.00
-	-
-	-
-	-
-	-
-	-
-	-
-	4,269,782.00
-	-
18,005.00	152,333.00
-	-
206,694.00	1,955,602.00
-	-
-	-
-	-
224,699.00	2,107,935.00

Balance Sheet Accounts

Stockholders' Equity

				FTO Total
4510	Capital Stock	415,160.00	13,000.00	428,160.00
4520	Additional Paid-In Capital	-	(50.00)	(50.00)
4530	Treasury Stock	(141,100.00)	-	(141,100.00)
4540	Other Capital	1,040,355.00	-	1,040,355.00
4550	Retained Earnings	10,143,981.00	2,249,105.00	12,393,086.00
	Total Stockholders' Equity	11,458,396.00	2,262,055.00	13,720,451.00
	Total Liabilities and Stockholders' Equity	19,926,102.00	2,534,135.00	22,460,237.00

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Fidelity Telephone Company and Bourbeuse Telephone Company
Income Statement
for the Year Ended December 31, 1996

Acct.	Description	FTC	BTC	Eliminations	Total
	Operating Revenues				
5001.000	Basic Area Revenue	$ 1,273,897	$ 149,493		$ 1,423,390
5010.000	Public Telephone Revenue	131,120	15,264		146,384
5040.000	Local Private Line	33,113	4,933		38,046
5060.000	Other Local Exchange	127,943	14,666		142,609
5081.000	End User Revenue	1,130,376	86,957		1,217,333
5082.000	Switched Access	1,994,376	277,192		2,271,568
5083.000	Special Access	169,271	33,331		202,602
5084.000	State Access	2,561,432	625,951	(452,673)	2,734,710
5100.000	Long Distance Message	3,953,498	34,972		3,988,470
5111.000	Long Distance Message	1,834	1,244		3,078
5129.000	Other Long Dist. Priv. Networ	54,964	8,517		63,481
5230.000	Directory	265,848	56,547		322,395
5269.000	Other Revenue Settlements	165,039	29,996		195,035
5270.000	Carrier Billing & Collection	227,586	92,026		319,612
5300.000	Uncollectible Revenue	(127)	(5,662)		(5,789)
	Total	$ 12,090,170	$ 1,425,427		$ 13,062,924
	Operating & Maintenance Expense				
6110.000	Network Support	$ 8,803	$ 1,689		$ 10,492
6121.000	Land and Building	166,192	11,993		178,185
6122.000	Furniture and Artwork	0	0		0
6123.000	Office Equipment	3,367	0		3,367
6124.000	General Purpose Computer	328,290	30,000		358,290
6212.000	Digital Electronic	234,848	17,149		251,997
6231.000	Radio Systems	720	0		720
6232.000	Circuit Equipment	29,359	4,762		34,121
6351.000	Public Telephone Term Equip	9,106	1,343		10,449
6411.000	Poles	39,382	1,492		40,874
6421.000	Aerial Cable	119,771	11,651		131,422
6422.000	Underground Cable	4,010	372		4,382
6423.000	Buried Cable	248,721	49,446		298,167
6431.000	Aerial Wire	3,840	311		4,151
6441.000	Conduit Systems	4,170	1,732		5,902
6530.000	Network Operations	1,184,931	33,423		1,218,354
6510.000	Other PPE	262,415	2,706		265,121
6540.000	Access Expense	1,702,895	0	(452,673)	1,250,222
6612.000	Sales	546	0		546
6611.000	Product Management	77,571	0		77,571

Fidelity Telephone Company and Bourbeuse Telephone Company
Income Statement
for the Year Ended December 31, 1996

Acct.	Description		FTC		BTC		Eliminations		Total
6613.000	Product Advertising		17,180		55				17,235
6621.000	Call Completion		43,316		7,110				50,426
6622.000	Number Services		37,601		4,355				41,956
6623.000	Customer Services		327,561		37,934				365,495
6711.000	Executive		905,271		102,487				1,007,758
6721.000	Accounting and Finance		719,971		86,508				806,479
6723.000	Human Resources		167,688		1,363				169,051
6724.000	Information Management		631,238		14,845				646,083
6725.000	Legal		199,768		12,483				212,251
6728.000	Other		94,689		10,042				104,731
	Total	$	7,573,220	$	445,251			$	8,018,471
	Depreciation Expense								
	Deprecation Expense	$	1,640,056	$	252,053			$	1,892,109
	Amortization Expense								
		$	1,640,056	$	252,053			$	1,892,109
	Total Operating Expenses	$	9,213,276	$	697,304			$	9,910,580
	Net Operating Income	$	2,876,894	$	728,123			$	3,605,017
7100.000	Other Operating Inc & Exp	$	(90,318)	$	(2,289)				
7200.000	Total Operating Taxes		1,702,443		314,323				2,016,766
7300.000	Nonoperating Inc and Exp Net	$	82,349	$	1,366			$	83,715
7500.000	Total Interest & Related Items	$	212,395	$	2,657				
	Net Operating Income	$	954,087	$	410,220	$	-	$	1,364,307