



100 CenturyLink Drive  
Monroe, La. 71203  
Tel: 318-388-9000

March 18, 2014

Alabama Public Service Commission  
100 N. Union Street, Suite 850  
P.O. Box 304260  
Montgomery, AL 36130

RE: 2013 Annual Reports

CenturyLink Communications, Inc, f/k/a Embarq Payphone Services, Inc.  
CenturyTel Acquisition, LLC d/b/a CenturyLink Acquisition  
CenturyTel Fiber Company II, LLC d/b/a Lightcore, a CenturyLink company  
CenturyTel Long Distance, LLC d/b/a CenturyLink Long Distance  
CenturyTel Solutions, LLC d/b/a CenturyLink  
Embarq Communications, Inc. d/b/a CenturyLink Communications  
Gulf Long Distance, LLC d/b/a CenturyLink  
Madison River Communications, LLC d/b/a CenturyLink  
Gulf Telephone Company d/b/a CenturyLink

Please find enclosed the 2013 annual reports for the above referenced companies. For all companies, the balance sheet and income statement represent operations on a legal entity basis.

All questions regarding this correspondence should be addressed to:

Mr. Ted Hankins, Director  
Regulatory Operations  
P. O. Box 4065  
Monroe, LA 71211-4065  
318.388.9416

I would appreciate your forwarding any forms associated with these submissions to my attention.

Sincerely,

A handwritten signature in cursive script that reads "Lisa F. Grantham".

Lisa F. Grantham, Director  
Separations/Regulatory Finance

Enclosures

**CENTURYLINK PUBLIC COMMUNICATIONS, INC.**  
**F/K/A EMBARQ PAYPHONE SERVICES, INC.**  
**BALANCE SHEET**  
**As of December 31, 2013**  
**(UNAUDITED)**

	Total Company As of December 31, 2013	Total Company As of December 31, 2013
<b>ASSETS</b>		
Current Assets		
Cash	-	-
Accounts Receivable	12,038,775	12,038,775
Materials and Supplies	-	-
Prepayments	1,147,001	1,147,001
Total Current Assets	<u>13,185,776</u>	<u>13,185,776</u>
Non-Current Assets		
Investment in Affiliates	-	-
Other Deferred	8,461,627	8,461,627
Total Non-Current Assets	<u>8,461,627</u>	<u>8,461,627</u>
Property, Plant and Equipment		
Plant in Service	5,614,741	5,614,741
Plant Under Construction	755,281	755,281
Total Utility Plant	<u>6,370,022</u>	<u>6,370,022</u>
Removal Costs Not Complete	-	-
Accumulated Depreciation	(2,954,614)	(2,954,614)
Net Utility Plant	<u>3,415,408</u>	<u>3,415,408</u>
Total Assets	<u>\$ 25,062,811</u>	<u>\$ 25,062,811</u>
<b>LIABILITIES &amp; EQUITY</b>		
Current Liabilities		
Accounts Payable	-	-
Customer Deposits	-	-
Advance Billing	(383,138)	(383,138)
Accrued Taxes	225,879	225,879
Other Liabilities and Interest	-	-
Total Current Liabilities	<u>25,321,217</u>	<u>25,321,217</u>
Deferred Income Taxes	585,235	585,235
Other Deferred Credits	-	-
Total Deferred Taxes and Credits	<u>585,235</u>	<u>585,235</u>
Total Liabilities	25,906,452	25,906,452
Equity		
Common Stock	100	100
Paid in Capital	55,249,900	55,249,900
Retained Earnings	(56,093,641)	(56,093,641)
Total Equity	<u>(843,641)</u>	<u>(843,641)</u>
Total Liabilities & Equity	<u>\$ 25,062,811</u>	<u>\$ 25,062,811</u>

\*CenturyLink Public Communications, Inc. does not maintain state specific financial statements. The Balance Sheet presented on this schedule represents financial data for all operations in all states.

CENTURYLINK PUBLIC COMMUNICATIONS, INC.  
 F/K/A EMBARQ PAYPHONE SERVICES, INC.  
 INCOME STATEMENT  
 FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2013  
 (UNAUDITED)

		Total Company For the Twelve Months Ended December 31, 2013
Net Operating Revenue	\$	80,587,985
Operating Expenses		
Customer Service		8,152,770
Network and Facilities		27,334,640
Miscellaneous		39,615,122
Dereg Expense		-
Total Cost of Service		75,102,532
Net Operating Income		5,485,453
Sales and Marketing		1,544,253
General and Administrative		977,414
Operating Taxes		(1,904,542)
Depreciation		5,974,955
Other Income and Expense		(30,598)
Interest Expense		1,365,323
Income Taxes		(964,051)
		6,962,754
Net Income from Operations	\$	(1,477,301)

\*CenturyLink Public Communications, Inc. does not maintain state specific financial statements.  
 The Income Statement presented on this schedule represents financial data for all operations in all states.

**CENTURYTEL ACQUISITION, LLC**  
**BALANCE SHEET**  
 As of December 31, 2013  
 (UNAUDITED)

	Total Company As of December 31, 2013	Total Company As of December 31, 2013
<b>ASSETS</b>		
Current Assets		
Cash	9,304	9,304
Accounts Receivable	4,695,778	4,695,778
Materials and Supplies	4,659	4,659
Prepayments	9,116	9,116
Total Current Assets	<u>4,718,857</u>	<u>4,718,857</u>
Non-Current Assets		
Investment in Affiliates	-	-
Other Deferred	(15,743)	(15,743)
Total Non-Current Assets	<u>(15,743)</u>	<u>(15,743)</u>
Property, Plant and Equipment		
Plant in Service	85,922,492	85,922,492
Plant Under Construction	5,881,830	5,881,830
Total Utility Plant	<u>91,804,322</u>	<u>91,804,322</u>
Removal Costs Not Complete	-	-
Accumulated Depreciation	(45,733,918)	(45,733,918)
Net Utility Plant	<u>46,070,404</u>	<u>46,070,404</u>
<b>Total Assets</b>	<u>\$ 50,773,518</u>	<u>\$ 50,773,518</u>
<b>LIABILITIES &amp; EQUITY</b>		
Current Liabilities		
Accounts Payable	82,393,461	82,393,461
Customer Deposits	9,043	9,043
Advance Billing	1,629,382	1,629,382
Accrued Taxes	1,152,834	1,152,834
Other Liabilities and Interest	194,993	194,993
Total Current Liabilities	<u>85,379,713</u>	<u>85,379,713</u>
Deferred Income Taxes	6,733,459	6,733,459
Other Deferred Credits	1,446,266	1,446,266
Total Deferred Taxes and Credits	<u>8,179,725</u>	<u>8,179,725</u>
Total Liabilities	<u>93,559,438</u>	<u>93,559,438</u>
Equity		
Common Stock	-	-
Paid in Capital	-	-
Retained Earnings	(42,785,920)	(42,785,920)
Total Equity	<u>(42,785,920)</u>	<u>(42,785,920)</u>
<b>Total Liabilities &amp; Equity</b>	<u>\$ 50,773,518</u>	<u>\$ 50,773,518</u>

\*CenturyTel Acquisition, LLC does not maintain state specific financial statements. The Balance Sheet presented on this schedule represents financial data for all operations in all states.

CENTURYTEL ACQUISITION, LLC  
 INCOME STATEMENT  
 FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2013  
 (UNAUDITED)

	Total Company For the Twelve Months Ended December 31, 2013
Net Operating Revenue	\$ 39,615,237
Operating Expenses	
Plant Specific	15,025,491
Plant Non-Specific	18,315,502
Dereg Expense	17,572
Total Cost of Service	33,358,565
Net Operating Income	6,256,672
Sales and Marketing	3,888,410
General and Administrative	3,356,768
Operating Taxes	790,349
Depreciation	5,606,561
Other Income and Expense	(17,478)
Interest Expense	5,348,688
Income Taxes	(5,021,753)
	13,951,545
Net Income from Operations	\$ (7,694,873)

\*CenturyTel Acquisition, LLC does not maintain state specific financial statements.  
 The Income Statement presented on this schedule represents financial data for all operations in all states.

CenturyTel Fiber Company II, LLC  
BALANCE SHEET  
As of December 31, 2013  
(UNAUDITED)

	Total Company As of December 31, 2013	Total Company As of December 31, 2013
<b>ASSETS</b>		
Current Assets		
Cash	\$ 24,633	\$ 32,030,116
Accounts Receivable	14,816,837	1,407,285
Materials and Supplies	82,072	921,632
Prepayments	1,750,897	1,155,636
Total Current Assets	<u>16,674,439</u>	<u>35,514,669</u>
Non-Current Assets		
Investment in Affiliates	10,606,180	44,150,842
Other Deferred	(111,871)	7,439,106
Total Non-Current Assets	<u>10,494,309</u>	<u>51,589,948</u>
Property, Plant and Equipment		
Plant in Service	398,171,668	87,104,617
Plant Under Construction	13,043,337	-
Total Utility Plant	<u>411,215,005</u>	<u>1,000</u>
Removal Costs Not Complete	20,342	136,339,739
Accumulated Depreciation	<u>(214,958,739)</u>	<u>136,340,739</u>
Net Utility Plant	196,276,608	
<b>Total Assets</b>	<u>\$ 223,445,356</u>	<u>\$ 223,445,356</u>
<b>LIABILITIES &amp; EQUITY</b>		
Current Liabilities		
Accounts Payable		
Customer Deposits		
Advance Billing		
Accrued Taxes		
Other Liabilities and Interest		
Total Current Liabilities		
Deferred Income Taxes		
Other Deferred Credits		
Total Deferred Taxes and Credits		
Total Liabilities		
Equity		
Common Stock		
Paid in Capital		
Retained Earnings		
Total Equity		
<b>Total Liabilities &amp; Equity</b>		

\*CenturyTel Fiber Company II, LLC does not maintain state specific financial statements. The Balance Sheet presented on this schedule represents financial data for all operations in all states.

CenturyTel Fiber Company II, LLC  
**INCOME STATEMENT**  
**FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2013**  
**(UNAUDITED)**

	Total Company For the Twelve Months Ended <u>December 31, 2013</u>
Net Operating Revenue	\$ 242,816,732
Operating Expenses	
Plant Specific	95,646,615
Plant Non-Specific	12,831,380
Dereg Expense	<u>3</u>
Total Cost of Service	<u>108,477,998</u>
Net Operating Income	<u>134,338,734</u>
Sales and Marketing	693,518
General and Administrative	12,710,247
Operating Taxes	2,736,942
Depreciation	28,457,902
Other Income and Expense	(837,723)
Interest Expense	3,720,618
Income Taxes	<u>30,419,109</u>
	<u>77,900,613</u>
Net Income from Operations	<u><u>\$ 56,438,121</u></u>

\*CenturyTel Fiber Company II, LLC does not maintain state specific financial statements.

The Income Statement presented on this schedule represents financial data for all operations in all states.

**CENTURYTEL LONG DISTANCE, LLC**  
**BALANCE SHEET**  
**As of December 31, 2013**  
**(UNAUDITED)**

	Total Company As of December 31, 2013	Total Company As of December 31, 2013
<b>ASSETS</b>		
Current Assets		
Cash	\$ 436,671,780	\$ 2,562,980
Accounts Receivable	597,889	2,125
Inventory	2,837	5,173,961
Prepayments	1,349,643	749,673
Total Current Assets	<u>438,622,149</u>	<u>3,618,508</u>
Non-Current Assets		
Investment in Affiliates	2,990,501	4,174,701
Other Deferred	-	-
Total Non-Current Assets	<u>2,990,501</u>	<u>4,174,701</u>
Property, Plant and Equipment		
Plant in Service	45,387,075	16,281,948
Plant Under Construction	652,501	3,010
Total Utility Plant	<u>46,039,576</u>	<u>6,699,481</u>
Removal Costs Not Complete	-	435,631,508
Accumulated Depreciation	(29,036,279)	442,333,999
Net Utility Plant	<u>17,003,297</u>	<u>-</u>
<b>Total Assets</b>	<u>\$ 458,615,947</u>	<u>\$ 458,615,947</u>
<b>LIABILITIES &amp; EQUITY</b>		
Current Liabilities		
Accounts Payable		2,562,980
Customer Deposits		2,125
Advance Billing		5,173,961
Accrued Taxes		749,673
Other Liabilities and Interest		3,618,508
Total Current Liabilities		<u>12,107,247</u>
Deferred Income Taxes		4,174,701
Other Deferred Credits		-
Total Deferred Taxes and Credits		<u>4,174,701</u>
Total Liabilities		16,281,948
Equity		
Common Stock		3,010
Paid in Capital		6,699,481
Retained Earnings		435,631,508
Total Equity		<u>442,333,999</u>
<b>Total Liabilities &amp; Equity</b>		<u>\$ 458,615,947</u>

\*CenturyTel Long Distance, LLC does not maintain state specific financial statements. The Balance Sheet presented on this schedule represents financial data for all operations in all states.



CENTURYTEL LONG DISTANCE, LLC  
 INCOME STATEMENT  
 FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2013  
 (UNAUDITED)

	Total Company For the Twelve Months Ended <u>December 31, 2013</u>
Net Operating Revenue	\$ 216,747,426
Operating Expenses	
Variable Costs	130,873,348
Fixed Costs	37,785,741
Dereg Expense	-
Total Cost of Service	<u>168,659,089</u>
Net Operating Income	<u>48,088,337</u>
Sales and Marketing	7,843,416
General and Administrative	8,611,665
Operating Taxes	1,844,357
Depreciation	4,106,501
Other Income and Expense	(299,994)
Interest Expense	66,441
Income Taxes	<u>8,726,044</u>
	<u>30,898,430</u>
Net Income from Operations	<u><u>\$ 17,189,907</u></u>

\*CenturyTel Long Distance, LLC does not maintain state specific financial statements.  
 The Income Statement presented on this schedule represents financial data for all operations in all states.

**CENTURYTEL SOLUTIONS, LLC**  
**BALANCE SHEET**  
 As of December 31, 2013  
 (UNAUDITED)

	Total Company As of December 31, 2013	Total Company As of December 31, 2013
<b>ASSETS</b>		
Current Assets		
Cash	12,177	\$ 110,248,158
Accounts Receivable	1,935,308	4,134
Materials and Supplies	10,444	604,650
Prepayments	42,535	62,380
Total Current Assets	<u>2,000,464</u>	<u>192,137</u>
Non-Current Assets		
Investment in Affiliates	29,934,841	11,064,658
Other Deferred	-	305,626
Total Non-Current Assets	<u>29,934,841</u>	<u>11,370,284</u>
Property, Plant and Equipment		
Plant in Service	56,636,015	122,481,743
Plant Under Construction	1,960,466	
Total Utility Plant	<u>58,596,481</u>	2,096,586
Removal Costs Not Complete	-	(79,542,209)
Accumulated Depreciation	(45,495,666)	(77,445,623)
Net Utility Plant	<u>13,100,815</u>	
<b>Total Assets</b>	<u><u>\$ 45,036,120</u></u>	<u><u>\$ 45,036,120</u></u>
<b>LIABILITIES &amp; EQUITY</b>		
Current Liabilities		
Accounts Payable		
Customer Deposits		
Advance Billing		
Accrued Taxes		
Other Liabilities and Interest		
Total Current Liabilities		<u>111,111,459</u>
Deferred Income Taxes		
Other Deferred Credits		
Total Deferred Taxes and Credits		<u>11,370,284</u>
<b>Total Liabilities</b>		122,481,743
Equity		
Common Stock		
Paid in Capital		
Retained Earnings		
Total Equity		<u>(77,445,623)</u>
<b>Total Liabilities &amp; Equity</b>		<u><u>\$ 45,036,120</u></u>

\*CenturyTel Solutions, LLC does not maintain state specific financial statements. The Balance Sheet presented on this schedule represents financial data for all operations in all states.

**CENTURYTEL SOLUTIONS, LLC**  
**INCOME STATEMENT**  
**FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2013**  
**(UNAUDITED)**

	Total Company For the Twelve Months Ended December 31, 2013
Net Operating Revenue	\$ 31,885,874
Operating Expenses	
Plant Specific	4,569,551
Plant Non-Specific	11,043,103
Dereg Expense	58,267
Total Cost of Service	15,670,921
Net Operating Income	16,214,953
Sales and Marketing	1,776,258
General and Administrative	1,544,965
Operating Taxes	722,705
Depreciation	2,039,361
Other Income and Expense	(9,897)
Interest Expense	7,430,421
Income Taxes	2,525,822
	16,029,635
Net Income from Operations	\$ 185,318

\*CenturyTel Solutions, LLC does not maintain state specific financial statements.  
The Income Statement presented on this schedule represents financial data for all operations in all states.

**EMBARQ COMMUNICATIONS, INC.**  
**BALANCE SHEET**  
 As of December 31, 2013  
 (UNAUDITED)

	Total Company As of December 31, 2013	Total Company As of December 31, 2013
<b>ASSETS</b>		
Current Assets		
Cash	\$ 652,602,492	\$ 120,908,888
Accounts Receivable	36,125,012	1,350
Prepayments	1,692,310	11,103,575
Total Current Assets	<u>690,419,814</u>	<u>4,276,966</u>
Non-Current Assets		
Investment in Affiliates	40,533,162	6,799,864
Other Deferred	(7,230)	(20,528,637)
Total Non-Current Assets	<u>40,525,932</u>	<u>4</u>
Property, Plant and Equipment		
Plant in Service	32,510,897	122,562,010
Plant Under Construction	856,026	
Total Utility Plant	<u>33,366,923</u>	<u>1,000</u>
Removal Costs Not Complete	-	255,909
Accumulated Depreciation	(12,750,358)	628,743,392
Net Utility Plant	<u>20,616,565</u>	<u>629,000,301</u>
<b>Total Assets</b>	<u>\$ 751,562,311</u>	<u>\$ 751,562,311</u>
<b>LIABILITIES &amp; EQUITY</b>		
Current Liabilities		
Accounts Payable		
Customer Deposits		
Advance Billing		
Accrued Taxes		
Other Liabilities and Interest		
Total Current Liabilities		<u>143,090,643</u>
Deferred Income Taxes		
Other Deferred Credits		
Total Deferred Taxes and Credits		<u>4</u>
Total Liabilities		<u>143,095,043</u>
Equity		
Common Stock		1,000
Paid in Capital		255,909
Retained Earnings		628,743,392
Total Equity		<u>629,000,301</u>
<b>Total Liabilities &amp; Equity</b>		<u>\$ 751,562,311</u>

\*Embarq Communications, Inc. does not maintain state specific financial statements. The Balance Sheet presented on this schedule represents financial data for all operations in all states.

EMBARQ COMMUNICATIONS, INC.  
 INCOME STATEMENT  
 FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2013  
 (UNAUDITED)

	For the Twelve Months Ended December 31, 2013
Net Operating Revenue	\$ 501,986,814
Operating Expenses	
Plant Specific	23,340,614
Plant Non-Specific	181,881,944
Dereg Expense	340,122
Total Cost of Service	205,562,680
Net Operating Income	296,424,134
Sales and Marketing	17,808,200
General and Administrative	171,573,444
Operating Taxes	197,703
Depreciation	1,743,605
Other Income and Expense	(11,578,105)
Interest Expense	12,068,226
Income Taxes	37,162,386
Net Income from Operations	\$ 67,448,675

\*Embarq Communications, Inc. does not maintain state specific financial statements.  
 The Income Statement presented on this schedule represents financial data for all operations in all states.

**GULF LONG DISTANCE, INC.**  
**BALANCE SHEET**  
 As of December 31, 2013  
 (UNAUDITED)

	Total Company As of <u>December 31, 2013</u>	Total Company As of <u>December 31, 2013</u>
<b>ASSETS</b>		
Current Assets		
Cash	-	-
Accounts Receivable	2,332,936	(8,975)
Prepayments	13,709	-
Total Current Assets	<u>2,337,670</u>	<u>2,337,670</u>
Non-Current Assets		
Investment in Affiliates	-	-
Other Deferred	-	-
Total Non-Current Assets	<u>-</u>	<u>-</u>
Property, Plant and Equipment		
Plant in Service	60,857	-
Plant Under Construction	-	-
Total Utility Plant	<u>60,857</u>	<u>60,857</u>
Removal Costs Not Complete		
Accumulated Depreciation	-	(60,215)
Net Utility Plant	<u>642</u>	<u>642</u>
<b>Total Assets</b>		<u><u>\$ 2,338,312</u></u>
<b>LIABILITIES &amp; EQUITY</b>		
Current Liabilities		
Accounts Payable	22,782	-
Customer Deposits	50	-
Advance Billing	-	-
Accrued Taxes	15,187	-
Other Liabilities and Interest	47,973	-
Total Current Liabilities	<u>85,992</u>	<u>85,992</u>
Deferred Income Taxes	(40,616)	-
Other Deferred Credits	-	-
Total Deferred Taxes and Credits	<u>(40,616)</u>	<u>(40,616)</u>
<b>Total Liabilities</b>	<u>45,376</u>	<u>45,376</u>
Equity		
Common Stock	-	-
Paid in Capital	-	-
Retained Earnings	2,292,936	-
Total Equity	<u>2,292,936</u>	<u>2,292,936</u>
<b>Total Liabilities &amp; Equity</b>		<u><u>\$ 2,338,312</u></u>

GULF LONG DISTANCE, INC.  
 INCOME STATEMENT  
 FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2013  
 (UNAUDITED)

		Total Company For the Twelve Months Ended December 31, 2013
Net Operating Revenue	\$	4,243,458
Operating Expenses		
Variable Costs		1,798,115
Fixed Costs		328,088
Dereg Expense		-
Total Cost of Service		2,126,203
Net Operating Income		2,117,255
Sales and Marketing		332,238
General and Administrative		198,817
Operating Taxes		5,898
Depreciation		237
Other Income and Expense		(1,212)
Interest Expense		8
Income Taxes		566,359
		1,102,345
Net Income from Operations	\$	1,014,910

**MADISON RIVER COMMUNICATIONS, LLC**  
**BALANCE SHEET**  
 As of December 31, 2013  
 (UNAUDITED)

	Total Company As of December 31, 2013	Total Company As of December 31, 2013
<b>ASSETS</b>		
Current Assets		
Cash	14,430	14,430
Accounts Receivable	121,794,232	121,794,232
Materials and Supplies	0	0
Prepayments	79,973	79,973
Total Current Assets	<u>121,888,635</u>	<u>121,888,635</u>
Non-Current Assets		
Investment in Affiliates	(41,696,038)	(41,696,038)
Other Deferred	-	-
Total Non-Current Assets	<u>(41,696,038)</u>	<u>(41,696,038)</u>
Property, Plant and Equipment		
Plant in Service	23,152,877	23,152,877
Plant Under Construction	162,804	162,804
Total Utility Plant	<u>23,315,681</u>	<u>23,315,681</u>
Removal Costs Not Complete	-	-
Accumulated Depreciation	(16,181,748)	(16,181,748)
Net Utility Plant	<u>7,133,933</u>	<u>7,133,933</u>
<b>Total Assets</b>	<u>\$ 87,326,530</u>	<u>\$ 87,326,530</u>
<b>LIABILITIES &amp; EQUITY</b>		
Current Liabilities		
Accounts Payable	5,665,641	5,665,641
Customer Deposits	25	25
Advance Billing	153,849	153,849
Accrued Taxes	(9,106)	(9,106)
Other Liabilities and Interest	2,969	2,969
Total Current Liabilities	<u>5,813,378</u>	<u>5,813,378</u>
Deferred Income Taxes	1,245,321	1,245,321
Other Deferred Credits	207,402	207,402
Total Deferred Taxes and Credits	<u>1,452,723</u>	<u>1,452,723</u>
<b>Total Liabilities</b>	<u>7,266,101</u>	<u>7,266,101</u>
Equity		
Common Stock	227,650,000	227,650,000
Paid in Capital	40,000,000	40,000,000
Retained Earnings	(187,589,571)	(187,589,571)
Total Equity	<u>80,060,429</u>	<u>80,060,429</u>
<b>Total Liabilities &amp; Equity</b>	<u>\$ 87,326,530</u>	<u>\$ 87,326,530</u>

\*Madison River Communications, LLC does not maintain state specific financial statements. The Balance Sheet presented on this schedule represents financial data for all operations in all states.



**MADISON RIVER COMMUNICATIONS, LLC**  
**INCOME STATEMENT**  
**FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2013**  
**(UNAUDITED)**

	Total Company For the Twelve Months Ended December 31, 2013
Net Operating Revenue	\$ 3,913,575
Operating Expenses	
Plant Specific	2,537,967
Plant Non-Specific	3,544,896
Dereg Expense	1,966
Total Cost of Service	6,084,829
Net Operating Income	(2,171,254)
Sales and Marketing	125,028
General and Administrative	469,917
Operating Taxes	206,875
Depreciation	809,288
Other Income and Expense	2,885,412
Interest Expense	2,881,553
Income Taxes	(2,549,525)
	4,828,548
Net Income from Operations	\$ (6,999,802)

\*Madison River Communications, LLC does not maintain state specific financial statements.  
The Income Statement presented on this schedule represents financial data for all operations in all states.



**ANNUAL REPORT**

**OF**

**Gulf Telephone Company**  
**(EXACT NAME OF RESPONDENT)**

**100 CenturyLink Drive, Monroe, LA 71203**  
**(ADDRESS OF RESPONDENT)**

**TO THE**

**ALABAMA PUBLIC SERVICE COMMISSION**  
**Montgomery, AL 36102**

**FOR THE**

**YEAR ENDED DECEMBER 31, 2013**

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

Name	<u>Ted Hankins</u>	Title	<u>Director - Regulatory Operations</u>
Address	<u>100 CenturyLink Drive</u>	City	<u>Monroe</u> State <u>LA</u>
Tel No.	<u>(318) 388-9416</u>		

(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.)

Annual Report  
of  
Gulf Telephone Company

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YEAR ENDED DECEMBER 31, 2013

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BALANCE SHEET ACCOUNTS  
(In Dollars)

FORM M SCHEDULE B-1  
Page 1 of 2

Gulf Telephone Company  
YEAR ENDED DECEMBER 31, 2013

Line No.	Account No.	Account (a)	Beginning Balance (b)	Add Additions (c)	Less Retirements (d)	+/- Transfers & Adjustments (e)	12/13 (MMYY)	
							Ending Balance (f)	
		Plant (Summary)						
1	2001	TPIS	171,262,196	3,833,913	(4,879,978)	(94,782)	170,121,349	FS
2	2002	PHFTU	28,596		(28,596)		0	
3	2003	TPUC-short term	1,256,574	3,265,432		(3,828,617)	693,389	
4	2004	TPUC-long term	0				0	
5	2005	Telecom plant adjustment	0				0	
6	2006	Nonoperating plant	0				0	
7	2007	Goodwill	0				0	
8	210	Total Plant	172,547,366	7,099,345	(4,908,574)	(3,923,399)	170,814,738	FS
		TPIS - General Support						
9	2111	Land	1,229,688		(3,440)	(18,715)	1,207,533	
10	2112	Motor vehicles	1,340,988	(165)	(123,733)		1,217,090	
11	2113	Aircraft	0				0	
12	2114	Special purpose vehicle	0				0	
13	2115	Garage work equipment	0				0	
14	2116	Other work equipment	929,974	5,461	(324,595)	36,878	647,718	
15	2121	Buildings	16,769,190	575,321			17,344,511	
16	2122	Furniture	508,597				508,597	
17	2123	Office Equipment	965,877	0	(24,713)	(131,660)	965,877	
18	2124	General purpose computers	367,909	0	(476,481)	(113,497)	211,536	
19	2110	Total Land & Support	22,112,223	580,617	(476,481)	(113,497)	22,102,862	
		TPIS - Central Office						
20	2211	Analog electronic switching					0	
21	2212	Digital electronic switching	33,577,912	290,217	(1,573,225)	56	32,294,960	
22	2215.1	Step-by-step switching					0	
23	2215.2	Crossbar switching					0	
24	2215.3	Other electro-mechanical switching					0	
25	2215	Electro-mechanical switching					0	
26	2210	Total Central Office-Switching	33,577,912	290,217	(1,573,225)	56	32,294,960	
27	2220	Operator systems					0	

add the 2001 PIS (-18,714.96)

BALANCE SHEET ACCOUNTS  
(In Dollars)

Gulf Telephone Company  
YEAR ENDED DECEMBER 31, 2013

FORM M SCHEDULE B-1  
Page 2 of 2

12/13  
(MMYY)

Line No.	Account No.	Account (a)	Beginning Balance (b)	Add Additions (c)	Less Retirements (d)	+/- Transfers & Adjustments (e)	Ending Balance (f)
1	2231.1	Satellite & earth station	0				0
2	2231.2	Other radio facilities	202,944				202,944
3	2231	Sub-total Radio systems	202,944	0	0	0	202,944
4	2232	Circuit equipment	25,126,881	1,883,999	(2,640,988)	17,648	24,387,540
5	2230	Total Transmission	25,329,825	1,883,999	(2,640,988)	17,648	24,590,484
<u>TPIS - Information Origination/Termination</u>							
6	2311	Station apparatus	0				0
7	2321	Customer premise wire	0				0
8	2341	Large PBX	0				0
9	2351	Public telephone terminal equipment	0				0
10	2362	Other terminal equipment	0		(1,011)	1,011	0
11	2310	Total Information Orig/Term	0	0	(1,011)	1,011	0
<u>TPIS - Cable &amp; Wire</u>							
12	2411	Poles	122,150				122,150
13	2421	Aerial cable	0				0
14	2422	Underground cable	4,274,350	0	(3,734)	0	4,270,616
15	2423	Buried cable	81,061,742	1,079,080	(181,539)		81,959,283
16	2424	Submarine cable	0				0
17	2425	Deep sea cable	0				0
18	2426	Intrabuilding network cable	0				0
19	2431	Aerial wire	0				0
20	2441	Conduit systems	4,574,918				4,574,918
21	2410	Total Cable & Wire	90,033,160	1,079,080	(185,273)	0	90,926,967
<u>TPIS - Amortizable Assets</u>							
22	2681	Capital leases					0
23	2682	Leasehold improvements	206,076				206,076
24	2680	Total Amortizable - Tangibles	206,076	0	0	0	206,076
25	2690	Intangibles	3,000		(3,000)		0
26	260	Total TPIS	171,262,196	3,833,913	(4,879,978)	(94,782)	170,121,349

ANALYSIS OF TELECOMMUNICATIONS PLANT IN SERVICE RETIRED

Gulf Telephone Company  
YEAR ENDED DECEMBER 31, 2013

FORM M SCHEDULE B-5a

Page 1 of 1

12/13

(Code)  
Plant Sold  
with Traffic  
(b)

(MMYY)  
Other  
Plant Retired  
(c)

Line No. Amount Charged (a)

1	3100	Accumulated Depreciation		4,873,394
2	3300	Accumulated Depreciation - nonoperating		
3	3410	Accumulated Amortization - Capital Leases		
4	3420	Accumulated Amortization - Leasehold Improvements		
5	3500	Accumulated Amortization - Intangibles		
6	2006	Nonoperating Plant		
7	7150	Gains or Losses From Disposition of Land and Artwork		
8	7160	Other Operating Gains and Losses		
9	7350	Gains or Losses From Disposition of Certain Property		
10	7360	Other Nonoperating Income		
11		Cash or other asset account (net selling price of Depreciable plant sold with Traffic)		
12		Cash or other asset account (net selling price of Nondepreciable plant Sold)		
13		Other Accounts (specified):		
14				
15				
16				
17				
18		Total	0	4,873,394

ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION (Account 3100)

FORM M SCHEDULE B-5b  
Page 1 of 4

Guif Telephone Company  
YEAR ENDED DECEMBER 31, 2013

Line No.	Account No.	Account (a)	Beginning Balance (b)	Add: Credits During the Year		Less: Charges During the Year		Ending Balance (g)
				Charged to Account 6561 (c)	Other Credits (Specified) (d)	Plant Retired (e)	Other Charges (Specified) (f)	
1	2112	Support Assets	701,626	139,793		(102,238)		739,181
2	2113	Motor vehicles	0					0
3	2114	Aircraft	0					0
4	2115	Special purpose vehicles	0					0
5	2116	Garage work equipment	344,688	82,573	7,683	(324,595)		110,349
6	2121	Other work equipment	8,776,820	536,328		(28,547)		9,284,601
7	2122	Buildings	286,654	30,821		(1)		317,474
8	2123	Furniture	964,487	262		0		964,749
9	2123.1	Sub-total Office Equipment (below)	563,238	262				563,500
10	2123.2	Office Support Equipment	401,249	0				401,249
11	2124	Company Communications Equipment	287,761	7,710	0	(24,713)	(83,536)	187,222
12		General purpose computers	11,362,036	797,487	7,683	(480,094)	(83,536)	11,603,576
13		Total Support Assets	32,422,409	224,889	0	(1,580,500)	278,839	31,345,637
14	2211	Central Office - Switching	0	0				0
15	2212	Analog electronic switching	0					0
16	2215	Digital electronic switching	0					0
17	2215.1	Sub-total Electro-mechanical switching	0					0
18	2215.2	Step-by-step switching	0					0
19	2215.3	Crossbar switching	0					0
20	2220	Other electro-mechanical switching	0					0
21		Operator Systems	32,422,409	224,889	0	(1,580,500)	278,839	31,345,637
22		Total Central Office Switching	0					0
23	2231	Central Office - Transmission	198,886	2,026	0		(1)	200,911
24	2231.1	Sub-total Radio Systems (below)	0					0
25	2231.2	Satellite and Earth Station Facilities	198,886	2,026			(1)	200,911
	2232	Other Radio Facilities	17,208,462	1,052,098	0	(2,645,399)	187,381	15,802,542
		Circuit Equipment	17,407,348	1,054,124	0	(2,645,399)	187,380	16,003,453
		Total Central Office - Transmission						



12/13  
 (Code)  
 12/13  
 (MMYY)

ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION (Account 3100)

FORM M SCHEDULE B-5b

Page 2 of 4

Line No.	Account No.	Account (a)	Beginning Balance (b)	Add: Credits During the Year			Less: Charges During the Year			Ending Balance (g)
				Charged to Account 6561 (c)	Other Credits (Specified) (d)	Plant Retired (e)	Other Charges (Specified) (f)			
26	2311	Information Origin/Termin Assets	0						0	
27	2321	Station Apparatus	0						0	
28	2341	Customer Premises Wiring	0						0	
29	2351	Large Private Branch Exchange	0						0	
30	2362	Public Telephone Terminal Equipment	0						0	
		Other Terminal Equipment	0						0	
31		Total Information Origin/Term Assets	0	0	0	0	0	0	0	
32	2411	Cable and Wire Facilities Assets	117,292	3,335				0	120,627	
33	2421	Poles	2,137	89			(6,159)		(3,933)	
34	2422	Aerial Cable	3,467,421	166,100		(5,708)			3,627,813	
35	2423	Underground Cable	52,926,756	3,527,292		(158,693)			56,295,355	
36	2424	Buried Cable	0						0	
37	2425	Submarine Cable	0						0	
38	2425	Deep Sea Cable	0						0	
39	2431	Intrabuilding Network Cable	0						0	
40	2441	Aerial Wire	2,960,412	114,830					3,075,242	
41	2682	Conduit Systems	206,076	0					206,076	
42	2690	Leasehold Improvement	3,000			(3,000)			0	
		Intangibles								
43		Total Cable and Wire Facil Assets	59,683,094	3,811,646	0	(167,401)	(6,159)		63,321,180	
44		Total Accum Depr (Account 3100) (Lines 12, 20, 25, 31, and 43)	120,874,887	5,888,146	7,683	(4,873,394)	376,524		122,273,846	

ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION (Account 3100)

Gulf Telephone Company  
YEAR ENDED DECEMBER 31, 2013

FORM M SCHEDULE B-5b

Page 3 of 4

(Code) 12/13  
(MMYY)

Line No.	Account No.	Account (a)	Data Relating To Plant Retired (see column (e))				Net Charge to Accum Depr (m)
			Book Cost (l)	Cost of Removal (j)	Less: Salvage and Insurance (k)	Miscellaneous Adjustments (i)	
1	2112	Support Assets					
2	2113	Motor vehicles	123,733		(21,495)	0	102,238
3	2114	Aircraft	0				0
4	2115	Special purpose vehicles	0				0
5	2116	Garage work equipment	0				0
6	2121	Other work equipment	324,595	28,547		1	353,143
7	2122	Buildings	0				0
8	2123	Furniture	0	0	0	0	0
9	2123.1	Sub-total Office Equipment (below)	0				0
10	2123.2	Office Support Equipment	0				0
11	2124	Company Communications Equipment	24,713				24,713
		General purpose computers					
12		Total Support Assets	473,041	28,547	(21,495)	1	480,094
13	2211	Central Office - Switching	0				0
14	2212	Analog electronic switching	1,573,225	7,275	0		1,580,500
15	2215	Digital electronic switching	0	0	0	0	0
16	2215.1	Sub-total Electro-mechanical switching (below)	0				0
17	2215.2	Step-by-step switching	0				0
18	2215.3	Crossbar switching	0				0
19	2220	Other electro-mechanical switching	0				0
		Operator Systems					
20		Total Central Office Switching	1,573,225	7,275	0	0	1,580,500
21	2231	Central Office - Transmission	0				0
22	2231.1	Sub-total Radio Systems (below)	0	0	0	0	0
23	2231.2	Satellite and Earth Station Facilities	0				0
24	2232	Other Radio Facilities	2,641,999	3,400	0		2,645,399
		Circuit Equipment					
25		Total Central Office - Transmission	2,641,999	3,400	0	0	2,645,399

FORM M SCHEDULE B-5b  
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ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION (Account 3100)

Gulf Telephone Company  
YEAR ENDED DECEMBER 31, 2013

12/13  
(Code)  
(MMYY)

Line No.	Account No.	Account (a)	Data Relating To Plant Retired (see column (e))				
			Book Cost (l)	Cost of Removal (j)	Less: Salvage and Insurance (k)	Miscellaneous Adjustments (i)	Net Charge to Accum Depr (m)
26	2311	Information Origin/Termin Assets					0
27	2321	Station Apparatus					0
28	2341	Customer Premises Wiring					0
29	2351	Large Private Branch Exchange					0
30	2362	Public Telephone Terminal Equipment					0
		Other Terminal Equipment					0
31		Total Information Origin/Term Assets	0	0	0	0	0
32		Cable and Wire Facilities Assets					
33	2411	Poles					0
34	2421	Aerial Cable	3,734	1,974			0
35	2422	Underground Cable	181,539	447	(23,293)		5,708
36	2423	Buried Cable					158,693
37	2424	Submarine Cable					0
38	2425	Deep Sea Cable					0
39	2431	Intratruding Network Cable					0
40	2441	Aerial Wire					0
41	2682	Conduit Systems					0
42	2690	Leasehold Improvement	3,000				0
		Intangibles					3,000
43		Total Cable and Wire Facil Assets	188,273	2,421	(23,293)	0	167,401
44		Total Accum Depr (Account 3100) (Lines 12, 20, 25, 31, and 43)	4,876,538	41,643	(44,788)	1	4,873,394

BASIS OF CHARGES FOR DEPRECIATION

Gulf Telephone Company  
YEAR ENDED DECEMBER 31, 2013

FORM M SCHEDULE B-5C

Page 1 of 1

Classes and Subclasses of Depreciable Plant												
Line No.	Account Number and Title of Plant Accounts and Subaccount (a)	(Method) Whole or Remaining Life (b)	Life Years (c)	Net Salvage (%) (d)	Depreciation		Expense Amount (g)	Account 6561 Amortization Amount (h)	Average Plant Balance (i)	Composite Rate (%) (j)		
					Reserve (%) (e)	Rate (%) (f)						
1	2112 Motor Vehicles				60.73	13.08	139,793		1,279,038	10.93%		
2	N112 Motor Vehicles < Nonregulated											
3	211229 Motor Vehicles < Cap Limit											
4	2115 Garage Work Equipment				17.04	8.94	82,573		788,846	10.47%		
5	211529 Garage Work Equipment < Cap Limit											
6	2116 Tools & Other Work Equipment											
7	N116 Tools & Other Work Equipment < Nonregulated											
8	2116#9 Tools & Other Work Equipment < Cap Limit				53.50%	3.17%	531,207		17,056,850.60	3.06%		
9	2121 Buildings				62.42	6.06	30,821		508,596	6.06%		
10	2122 Furniture				99.80	12.13	262		564,628	0.05%		
11	212229 Furniture & Artwork < Cap Limit											
12	21231 Office Support Equipment											
13	212319 Office Support Equipment < Cap Limit				98.86%	10.97%	5,121		401,249	0.00%		
14	21232 Company Communications Equipment - LPBX											
15	212329 Company Communications Equipment - LPBX < Cap Limit				88.51	15.00	7,710		289,722	2.66%		
16	2124 General Purpose Computers											
17	N124 General Purpose Computers < Nonregulated											
18	212429 General Purpose Computers < Cap Limit											
19	2211 Analog Switching											
20	2212 Digital Electronic Switching				96.74%	12.00%	224,889		32,936,435.68	0.92%		
21	2215 Step-by-Step Switching											
22	2220 Operator Systems				99.00%	16.10%	2,026		202,944	1.00%		
23	2231 Radio Equipment											
24	N231 Radio Equipment < Nonregulated				65.23%	7.99%	1,052,098		24,757,212	4.31%		
25	2232 Circuit Equipment											
26	N311 Station App - Telephone Equipment < Nonregulated											
27	N341 Large Private Branch Exchange < Nonregulated											
28	N351 Public Telephone Term Equipment < Nonregulated											
29	2362 Other Term Equipment Network Channel											
30	N362 Other Term Equipment < Nonregulated											
31	2411 Poles				98.75%	2.73%	3,335		122,150	2.73%		
32	24211 Aerial Cable - Metallic				0.00%	0.00%	0		472	0.00%		
33	24212 Aerial Cable - Nonmetallic				4.17%	2.00%	89		4,462.50	2.00%		
34	24221 Underground Cable - Metallic				90.55%	3.93%	129,172		3,286,835	3.93%		
35	24222 Underground Cable - Nonmetallic				66.55%	3.76%	36,927		980,713	3.77%		
36	24231 Buried Cable - Metallic				69.53%	4.38%	3,121,959		71,258,420	4.36%		
37	24232 Buried Cable - Nonmetallic				62.88%	3.97%	405,333		10,252,094	3.88%		
38	2424 Submarine Cable											
39	2426 Intrabuilding Network Cable											
40	2431 Aerial Wire				67.22%	2.51%	114,830		4,574,917	3.17%		
41	2441 Conduit Systems				100.00	20.00			206,076	0.00%		
42	2682 Leasehold Improvements											
43	2690 Intangibles											
	Composite Rate for all Depreciable Plant Accounts						5,888,145	0	169,471,660	3.47%		

ANALYSIS OF ENTRIES IN PROPERTY HELD FOR FUTURE TELECOMMUNICATIONS USE (Account 2002)

Gulf Telephone Company  
YEAR ENDED DECEMBER 31, 2013

FORM M SCHEDULE B-6a

12/13

Page 1 of 1

Line No.	Location and Description of Property (a)	Date Included in Account 2002 (b)	Book Cost of Property at Beginning of Yr (c)	Additions During the Year (d)	Retirements During the Year (e)	Transfers and Adjustments Chrgs/(Credits) (f)	Book Cost of Property at End of Year (g)
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21	Aggregate of items less than \$100,000		0	0		0	0
22	Total						

ANALYSIS OF TELECOMMUNICATIONS PLANT ADJUSTMENT (Account 2005) Gulf Telephone Company  
 YEAR ENDED DECEMBER 31, 2013

FORM M SCHEDULE B-6b  
 Page 1 of 1

(Code) 12/13  
 (MMYY)

Line No.	Name of Vendor (a)	Reference (b)	Amounts in Account 2005		
			Debits (c)	Credits (d)	Net (e)
1	Balance at Beginning of Year				
2	Acquisitions (Specify):				
3	Additions During the Year				
4					
5					
6	Other Additions				
7	Total Additions During the Year		0	0	0
8	Dispositions (Specify):				
9	Retirements				
10					
11					
12					
13	Other Reductions				
14	Total Reductions During the Year		0	0	0
15	Balance at End of Year		0	0	0
16	Amounts on Line 19 Being Amortized				

Particulars (a)	Balance at Beginning of Year (b)	Account (c)	Current Year Accrual (d)	Current Year Amortization (e)	Adjustments (Dr or Cr) (f)	Balance at End of Year (g)
<b>PROPERTY RELATED</b>						
<b>NET CURRENT OPERATING INCOME TAXES (Account 4100)</b>						
Provision for Deferred Operating Income Taxes - Net						
Federal Income Taxes						
State and Local Income Taxes						
<b>Total Net Current Operating Income Taxes - Net</b>						
<b>Net Noncurrent Operating Taxes (Account 4340)</b>						
Provision for Deferred Operating Income Taxes - Net						
Federal Income Taxes	10,547,538		(160,960)		126,175	10,512,752
State and Local Income Taxes	2,095,004		(31,971)		25,061	2,088,094
<b>Total Net Noncurrent Operating Income Taxes (Acct 4340)</b>	12,642,541		(192,931)		151,236	12,600,846
<b>NONPROPERTY RELATED</b>						
<b>NET CURRENT OPERATING TAXES (Account 4100)</b>						
Provision for Deferred Operating Income Taxes - Net						
Federal Income Taxes						0
State and Local Income Taxes						0
<b>Total Net Current Operating Income Taxes (Acct 4100)</b>	0					0
<b>NET NONCURRENT OPERATING INCOME TAXES (Account 4340)</b>						
Provision for Deferred Operating Income Taxes - Net						
Federal Income Taxes	(253,152)		(175,090)		129,392	(298,850)
State and Local Income Taxes	(50,280)		(34,777)		25,701	(59,356)
<b>Total Net Noncurrent Operating Income Taxes (Acct 4340)</b>	(303,432)		(209,867)		155,093	(358,207)
<b>TOTAL NONPROPERTY RELATED DEFERRED OPERATING INCOME TAXES</b>	12,339,109		(402,798)		306,328	12,242,639

NOTES (a)	EXPLANATION OF ADJUSTMENTS GREATER THAN \$100,000				
PROPERTY RELATED NET NONCURRENT OPERATING TAX - FEDERAL	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">SFAS 109 VADI</td> <td style="width: 40%; text-align: right;">126,175</td> </tr> <tr> <td>CONFORMING ENTRY</td> <td style="text-align: right;"><u>126,175</u></td> </tr> </table>	SFAS 109 VADI	126,175	CONFORMING ENTRY	<u>126,175</u>
SFAS 109 VADI	126,175				
CONFORMING ENTRY	<u>126,175</u>				
PROPERTY RELATED NET NONCURRENT OPERATING TAX - STATE	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">SFAS 109 VADI</td> <td style="width: 40%; text-align: right;">25,061</td> </tr> <tr> <td>CONFORMING ENTRY</td> <td style="text-align: right;"><u>25,061</u></td> </tr> </table>	SFAS 109 VADI	25,061	CONFORMING ENTRY	<u>25,061</u>
SFAS 109 VADI	25,061				
CONFORMING ENTRY	<u>25,061</u>				



Particulars (a)	Balance at Beginning of Year (b)	Account (c)	Current Year Accrual (d)	Current Year Amortization (e)	Adjustments (Dr or Cr) (f)	12/13 (MMYY)	
						Balance at End of Year (g)	
<b>PROPERTY RELATED CURRENT NON-OP INCOME TAXES (Acct 4110)</b>							
Provision for Deferred Nonoperating Income Taxes - Net	0	7450				0	
Federal Income Taxes	0	7450				0	
State and Local Income Taxes	0					0	
Deferred Income Tax Effect of Extraordinary Items - Net	0	7640				0	
Federal Income Taxes	0	7640				0	
State and Local Income Taxes	0					0	
Total Net Current Nonoperating Income Taxes (Acct 4110)	0		0	0	0	0	
<b>NET NONCURRENT NONOPERATING INCOME TAXES (Acct 4350)</b>							
Provision for Deferred Nonoperating Income Taxes - Net	0	7450				0	
Federal Income Taxes	0	7450				0	
State and Local Income Taxes	0					0	
Deferred Income Tax Effect of Extraordinary Items - Net	0	7640				0	
Federal Income Taxes	0	7640				0	
State and Local Income Taxes	0					0	
Total Net Noncurrent Operating Income Taxes (Acct 4350)	0		0	0	0	0	
<b>TOTAL PROPERTY RELATED DEFERRED NON-OP INCOME TAXES</b>	0		0	0	0	0	
<b>NONPROPERTY RELATED NET CURRENT NON-OP TAXES (Account 4110)</b>							
Provision for Deferred Nonoperating Income Taxes - Net	0	7450				0	
Federal Income Taxes	0	7450				0	
State and Local Income Taxes	0					0	
Deferred Income Tax Effect of Extraordinary Items - Net	0	7640				0	
Federal Income Taxes	0	7640				0	
State and Local Income Taxes	0					0	
Total Net Current Nonoperating Income Taxes (Acct 4110)	0		0	0	0	0	
<b>Net Noncurrent Nonoperating Income Taxes (Account 4350)</b>							
Provision for Deferred Nonoperating Income Taxes - Net	0	7450			4,104,707	4,104,707	0
Federal Income Taxes	0	7450			815,297	815,297	0
State and Local Income Taxes	0					0	0
Deferred Income Tax Effect of Extraordinary Items - Net	0	7640				0	0
Federal Income Taxes	0	7640				0	0
State and Local Income Taxes	0					0	0
Total Net Noncurrent Nonoperating Income Taxes (Acct 4350)	0		0	0	4,920,004	4,920,004	0
<b>TOTAL NONPROPERTY RELATED DEFERRED NON-OP INCOME TAXES</b>	0		0	0	4,920,004	4,920,004	

FORM M SCHEDULE B-12  
Page 2 of 2

(Code)

Row  
No

Notes  
(a)

NONE

OTHER DEFERRED CREDITS (Account 4360)

Gulf Telephone Company  
YEAR ENDED DECEMBER 31, 2013

FORM M SCHEDULE B-13  
Page 1 of 1

(Code) 12/13  
(MMYY)

Line No	Description of Item (a)	Amount at End of the Year (b)
1	NIBS End User	(69,518.17)
2	Deferred Compensation	(153,323.92)
3		
4		
5		
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7		
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21		
22		
23		
24		
25		
26		
27	Total	(222,842)
28		

INCOME STATEMENT ACCOUNTS

Gulf Telephone Company  
 YEAR ENDED DECEMBER 31, 2013

FORM M SCHEDULE I-1  
 Page 1 of 8

12/13  
 (Code) (MMYY)

Ref chedule	Account No	Account (a)	Amount (b)
INCOME STATEMENT ACCOUNTS			
		Local Network Services Revenues	
	5001	Basic Area Revenue	11,414,522
	5002	Optional Extended Area Revenue	
	5003	Cellular Mobile Service Revenue	
	5004	Other Mobile Service Revenue	
	5000	Total Basic Network Services Revenues	11,414,522
	5010	Public Telephone Revenue	
	5040	Local Private Line Revenue	179,374
	5050	Customer Premises Revenue	
	5060	Other Local Exchange Revenue	2,850,319
	5069	Other Local Exchange Revenue Settlements	
		Total Local Network Services Revenues	14,444,215
		Network Access Services Revenues	
	5080	Toll Adjustments - Inter	2,648,772
	5081	End User Revenue - Inter	4,685,505
	5082	Switched Access Revenue - Inter	2,203,241
	5083	Special Access Revenue - Inter	9,008,955
	5084	State Access Revenue - Intra	2,292,792
	5085	Switched Access Revenue - Intra	
	5086	Special Access Revenue - Intra	
	5080	Total Network Access Services Revenue	20,839,266
		Long Distance Network Services Revenues	
	5100	Long Distance Message Revenue	73,481
	5111	Long Distance Inward-Only Revenue	
	5112	Long Distance Outward-Only Revenue	
	5110	Total Unidirectional Long Distance Revenue	0

INCOME STATEMENT ACCOUNTS

Gulf Telephone Company  
YEAR ENDED DECEMBER 31, 2013

FORM M SCHEDULE I-1

Page 2 of 8

12/13  
(Code) (MMYY)

Ref Schedule	Account No	Account (a)	Amount (b)
	5121	Subvoice Grade Long Distance Private Network Revenue	
	5122	Voice Grade Long Distance Private Network Revenue	
	5123	Audio Program Grade Long Distance Private Network Revenue	
	5124	Video Program Grade Long Distance Private Network Revenue	
	5125	Digital Transmission Long Distance Private Network Revenue	
	5126	Long Distance Private Network Switching Revenue	
	5128	Other Long Distance Private Network Revenue	
	5129	Other Long Distance Private Network Revenue Settlements	
	5020	Total Long Distance Private Network Revenue	0
	5160	Other Long Distance Revenue	(164)
	5169	Other Long Distance Revenue Settlements	
		Total Long Distance Network Services Revenues	73,317
		Miscellaneous Revenue	
	5230	Directory Revenue	2,115,286
	5240	Rent Revenue	291,180
	5250	Corporate Operations Revenue	
	5261	Special Billing Arrangements Revenue	72,915
	5262	Customer Operations Revenue	52,536
	5263	Plant Operations Revenue	0
	5264	Other Incidental Regulated Revenue	516,178
	5269	Other Revenue Settlements	14,597
	5260	Other Operating Miscellaneous Revenue	656,225
	5270	Carrier Billing and Collection Revenue	708,273
	5280	Nonregulated Revenue	
		Total Miscellaneous Revenues	3,770,964
		Uncollectible Revenue	
	5301	Uncollectible Revenue - Telecommunications	182,242
	5302	Uncollectible Revenue - Other	(35,720)
	5303	Uncollectible Revenue - Cabs	(77,562)
	5304	Uncollectible Revenue - BMG	137,414
	5305	Uncollectible Revenue - Wholesale	5,023
	5300	Total Uncollectible Revenues	211,398
		Total Operating Revenues	38,916,364

INCOME STATEMENT ACCOUNTS

Gulf Telephone Company  
 YEAR ENDED DECEMBER 31, 2013

FORM M SCHEDULE I-1  
 Page 3 of 8

12/13  
 (Code) (MMYY)

Ref Schedule	Account No	Account (a)	Amount (b)
		Plant Specific Operations Expense	
	6112	Motor Vehicle Expense	12,297
		Clearance	
		Net Balance	12,297
	6113	Aircraft Expense	16,377
		Clearance	
		Net Balance	16,377
	6114	Special Purpose Vehicle Expense	
		Clearance	
		Net Balance	0
	6115	Garage Work Equipment Expense	
	6116	Other Work Equipment Expense	0
		Clearance	
		Net Balance	0
	6110	Total Network Support Expenses	28,674
	6121	Land and Building Expense	385,738
	6122	Furniture and Artwork Expense	
	6123	Office Equipment Expense	9,000
	6124	General Purpose Computers Expense	535,772
	6120	Total General Support Expenses	930,510
	6211	Analog Electronic Expense	
	6212	Digital Electronic Expense	1,263,245
	6215	Electro-mechanical Expense	
	6210	Total Central Office Switching Expense	1,263,245
	6220	Operator Systems Revenue	
	6231	Radio Systems Expense	
	6232	Circuit Equipment Expense	564,257
		Total Central Office Transmission Expense	564,257

INCOME STATEMENT ACCOUNTS

Gulf Telephone Company  
YEAR ENDED DECEMBER 31, 2013

FORM M SCHEDULE I-1

Page 4 of 8

12/13

(Code)

(MYY)

Ref Schedule	Account No	Account (a)	Amount (b)
		Plant Specific Operations Expense (Continued)	
	6311	Station Apparatus Expense	
	6341	Large Private Branch Exchange Expense	
	6351	Public Telephone Terminal Equipment Expense	
	6362	Other Terminal Equipment Expense	
	6310	Total Information Origination/Termination Expense	0
	6411	Poles Expense	48,005
	6421	Aerial Cable Expense	104,328
	6422	Underground Cable Expense	36
	6423	Buried Cable Expense	3,267,324
	6424	Submarine Cable Expense	
	6425	Deep Sea Cable Expense	
	6426	Intrabuilding Network Cable Expense	98,317
	6431	Aerial Wire	
	6441	Conduit Systems Expense	0
	6460	Maintenance Service Expense	
	6410	Total Cable and Wire Facilities Expenses	3,518,011
		Total Plant Specific Operations Expense	6,304,696
		Plant Nonspecific Operations Expense	
	6511	Property Held for Future Telecommunications Use Expense	
	6512	Provisioning Expense	145,333
		Clearance	
		Net Balance	145,333
	6510	Total Other Property Plant and Equipment Expense	145,333
	6531	Power Expense	431,912
	6532	Network Administration Expense	552,680
	6533	Testing Expense	473,879
	6534	Plant Operations Administration Expense	302,216
		Clearance	
		Net Balance	302,216
	6535	Engineering Expense	562,599
		Clearance	
		Net Balance	562,599
	6530	Total Network Operations Expense	2,323,285

INCOME STATEMENT ACCOUNTS

Gulf Telephone Company  
YEAR ENDED DECEMBER 31, 2013

FORM M SCHEDULE I-1  
Page 5 of 8

(Code) 12/13  
(MMYY)

Ref Schedule	Account No	Account (a)	Amount (b)
		Plant Nonspecific Operations Expense (Continued)	
	6540	Access Expense	688,123
	6561	Depreciation Expense - Telecommunications Plant in Service	5,888,145
	6562	Depreciation Expense - Property Held for Future Telecommunications Use	
	6563	Amortization Expense - Tangible	
	6564	Amortization Expense - Intangible	
	6565	Amortization Expense - Other	0
	6560	Total Depreciation and Amortization Expense	5,888,145
		Total Plant Nonspecific Operations Expense	9,044,885
		Customer Operations Expense	
	6611	Product Management and Sales	1,182,389
	6613	Product Advertising	186,042
	6610	Total Marketing	1,368,431
	6621	Call Completion Services	5,058
	6622	Number Services	609,061
	6623	Customer Services	2,890,236
	6620	Total Services	3,504,356
		Total Customer Operations Expense	4,872,787
		Corporate Operations Expense	
	6711	Executive	88,667
	6712	Planning	
	6710	Total Executive and Planning	88,667



INCOME STATEMENT ACCOUNTS

Gulf Telephone Company  
 YEAR ENDED DECEMBER 31, 2013

FORM M SCHEDULE I-1  
 Page 6 of 8

12/13  
 (Code) (MMYY)

Ref Schedule	Account No	Account (a)	Amount (b)
		Corporate Operations Expense (Continued)	
	6721	Accounting and Finance	230,939
	6722	External Relations	244,548
	6723	Human Resources	112,644
	6724	Information Management	887,374
	6725	Legal	79,936
	6726	Procurement	32,663
	6727	Research and Development	
	6728	Other General and Administrative	452,638
	6720	Total General and Administrative	2,040,742
	6790	Provision for Uncollectible Notes Receivable	
		Total Corporate Operations Expense	2,129,409
		Total Operating Expenses	22,351,778

INCOME STATEMENT ACCOUNTS

Gulf Telephone Company  
YEAR ENDED DECEMBER 31, 2013

FORM M SCHEDULE I-1  
Page 7 of 8

(Code) 12/13  
(MMYY)

Ref Schedule	Account No	Account (a)	Amount (b)
		Net Operating Revenues	16,564,587
		Other Operating Income and Expense	
	7110	Income From Custom Work	
	7130	Return From Nonregulated Use of Regulated Facilities	
	7140	Gains and Losses From Foreign Exchange	
	7150	Gains and Losses From Disposition of Land and Artwork	
	7160	Other Operating Gains and Losses	18,687
	7100	Total Other Operating Income and Expenses	18,687
		Operating Taxes	
	7210	Operating Investment Tax Credits - Net	
	7220	Operating Federal Income Taxes	4,837,074
	7230	Operating State and Local Income Taxes	815,308
	7240	Operating Other Taxes	958,742
	7250	Provision for Deferred Operating Taxes - Net	(411,369)
	7200	Total Operating Taxes	6,199,755
		Nonoperating Income and Expense	
	7310	Dividend Income	0
	7320	Interest Income	3,857
	7330	Income From Sinking and Other Funds	
	7340	Allowance for Funds Used During Construction	7,864
	7350	Gains and Losses From the Disposition of Certain Property	155,654
	7360	Other Nonoperating Income	(1,965,229)
	7370	Special Charges	(497,907)
	7300	Total Nonoperating Income and Expenses	(2,295,762)
		Nonoperating Taxes	
	7410	Nonoperating Investment Tax Credits - Net	
	7420	Nonoperating Federal Income Taxes	
	7430	Nonoperating State and Local Income Taxes	
	7440	Nonoperating Other Taxes	
	7450	Provision for Deferred Nonoperating Income Taxes - Net	
	7400	Total Nonoperating Taxes	0

INCOME STATEMENT ACCOUNTS

Gulf Telephone Company  
 YEAR ENDED DECEMBER 31, 2013

FORM M SCHEDULE I-1  
 Page 8 of 8

12/13  
 (Code) (MYY)

Ref Schedule	Account No	Account (a)	Amount (b)
		Interest and Related Items	
	7510	Interest on Funded Debt	0
	7520	Interest Expense - Capital Leases	
	7530	Amortization of Debt Issuance Expense	
	7540	Other Interest Deductions	3,546
	7500	Total Interest and Related Items	3,546
		Extraordinary Items	
	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 Extraordinary Items - Net	
	7600	Total Extraordinary Items	0
	7910	Income effect of Jurisdictional Ratemaking Differences - Net	
	7990	Nonregulated Net Income	281,343
		Net Income	8,365,555

SPECIAL EXPENSE ATTRIBUTABLE TO FORMAL REGULATORY CASES

Gulf Telephone Company  
YEAR ENDED DECEMBER 31, 2013

FORM M SCHEDULE I-2

Page 1 of 1

12/13

(Code)  
(MMYY)

Line No.	Description of Regulation or Case (a)	Special Assessments by Regulatory Commissions (b)	Other Special Expenses		Total Reported Expenses and Assessments (e)
			Fees, Retainers, Expenses, and Other Billed Items (c)	Incremental Payroll Costs and Directly Associable Expenses (d)	
1	None				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
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15					
16					
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21					
22					
23					
24					
25					
26					
27					
28					
29	Total	0	0	0	0

Line No.	Name of Government (a)	TYPE OF TAX						Total (h)
		Property Taxes (b)	Gross Receipts Tax (c)	Federal Superfund Taxes (d)	Franchise Tax (e)	PSC/FCC Assessment (f)	Other (g)	
	US Government Alabama	899,655	0		(7,521)	66,423	185	66,423 892,319
0910	Total	899,655	0	0	(7,521)	66,423	185	958,742
0920	Charged to Construction							
0930	Net Charged to Account 7240	899,655	0	0	(7,521)	66,423	185	958,742

EXCISE TAXES COLLECTED FROM USERS OF RESPONDENT'S SERVICES

Guif Telephone Company  
YEAR ENDED DECEMBER 31, 2013

FORM M SCHEDULE I-5c  
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12/13  
(MMYY)

(Code)

Line No.	Tax Levied By (a)	Amount (b)
1	United States Government	311,284
2	Cities, Towns, and Counties	
3	State of Alabama	
4		
5		
6		
7		
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25		
26	Total	311,284

		12/13 (MMYY)
		(Code)
Line No.	Account Title (a)	Amount During the Year (b)
1	Operating Expenses	
2	6611 Product Management and Sales	282,479
3	6612 Product Management and Sales	899,910
4	6613 Product Advertising	186,042
5	All other accounts used to record expenses of \$100,000 or more:	
6		
7		
8		
9	All other	
10		
11		
12	Total	1,368,431
13		
14	Account 7370 Special Charges	497,907
15		
16		
17		
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19		
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21		
22		
23		
24		
25		
26	Total	1,866,339

MEMBERSHIP FEES AND DUES		Gulf Telephone Company	
FORM M SCHEDULE I-7		YEAR ENDED DECEMBER 31, 2013	
Page 1 of 1		(Code)	12/13 (MMYY)
Line No.	Particulars (a)	Amount (b)	
EXPENDITURES CHARGED TO OPERATING EXPENSES			
MEMBERSHIPS IN:			
1	Trade, Technical, and Professional Associations		5,696
2	Other Organizations (Specify Type):		
3	Social and Athletic Clubs		448
4	Service Clubs		
5			
6			
	Total		6,144
EXPENDITURES CHARGED TO ACCOUNT 7370			
MEMBERSHIPS IN:			
7	Social and Athletic Clubs		
8	Service Clubs		
9	Other Organizations (Specify Type):		
10			
11			
	Total		0



Gulf Telephone Company  
ANALYSIS OF INTRASTATE EARNINGS RESULTS  
DECEMBER 2013 - 12 MONTHS TO DATE

	COMBINED	INTRASTATE
OPERATING REVENUES		
LOCAL NETWORK	14,444,215	14,444,215
NETWORK ACCESS	20,839,266	2,216,246
LONG DISTANCE NETWORK	73,317	73,317
CARRIER B & C REVENUES	708,273	217,351
MISCELLANEOUS	3,062,691	2,942,390
UNCOLLECTIBLE	(211,398)	(217,487)
TOTAL OPERATING REVENUE	38,916,364	19,676,032
OPERATING EXPENSES & TAXES		
PLANT SPECIFIC	6,304,696	3,829,674
GENERAL PLANT	3,156,740	1,617,271
CUSTOMER	4,872,787	3,332,353
CORPORATE	2,129,409	1,348,949
OTHER OPERATING I&E	(18,687)	(11,118)
DEPRECIATION & AMORTIZATION	5,888,145	3,742,069
OP TAXES OTHER THAN INC & GRT	958,742	564,435
GROSS RECEIPTS TAXES	0	0
TOTAL OP EXP & TX OTHER THAN INC.	23,291,832	14,423,633
EARNED BEFORE INCOME TAXES	15,624,532	5,252,399
STATE INCOME TAXES	747,140	485,280
FEDERAL INCOME TAXES	4,493,873	2,918,842
NET OPERATING INCOME	10,383,519	1,848,277
IDC	(7,864)	(4,679)
INTEREST ON CUSTOMER DEP	3,546	2,322
INCOME AVAILABLE FOR RETURN	10,379,200	1,845,919
RATE BASE (END OF PERIOD)		
PLANT IN SERVICE	170,121,349	101,216,078
ACCUMULATED DEPRECIATION	(122,273,846)	(69,682,031)
NET PLANT IN SERVICE	47,847,503	31,534,048
TPUC SHORT TERM	693,389	412,541
MATERIAL & SUPPLIES	0	0
WORKING CAPITAL	5,585,642	5,585,642
CUSTOMER DEPOSITS	(32,294)	(19,214)
DEFERRED TAX	(17,162,643)	(10,211,155)
TOTAL RATE BASE	36,931,596	27,301,862

SIGNATURE PAGE

Under penalties of perjury, I declare that I have examined this report, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete.

Jonny M Aillon  
Signature of Attesting Official

Vice President of Revenues  
Officer

3/12/14  
Date

Wayne Vo  
Signature of Preparer

100 CenturyLink Dr., Monroe, LA  
Address

3-12-14  
Date