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April 15, 2003

The Honorable Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
200 Madison Street, Suite 100
Jefferson City, Missouri 65101

Re: Request to File Portions of 2002 Annual
Report Under Seal

Dear Judge Roberts:

Enclosed for filing with the Commission are (1) the nonpublic version of SBC Missouri's¹ 2002 Annual Report, which SBC Missouri is filing under seal with a request for confidential treatment (set out below); (2) a redacted public version of SBC Missouri's 2002 Annual Report; and (3) an Affidavit supporting SBC Missouri's request for confidential treatment of a portion of its 2002 Annual Report.

Request for Confidential Treatment. SBC Missouri, pursuant to 4 CSR Section 240-10.080(7), respectfully requests that Schedule 10 from its Annual Report (which requires carriers to provide the number of access lines by exchange) be filed under seal and classified as "Highly Confidential." SBC Missouri notes that although it proposes to file this information with the Commission under seal, it would still be available to the Commission and its Staff. The Commission previously considered this same issue last year in regard to SBC Missouri's 2001 Annual Report and granted confidential treatment

As explained in more detail in the supporting Affidavit of Connie J. Wepfer, SBC Associate Director-Affiliate Issues, SBC Missouri seeks confidential treatment for the access line data in Schedule 10 of its 2002 Annual Report because that information is very competitively sensitive and is not publicly available in any format. Based on a supporting Staff recommendation, the Commission found good cause to permit SBC Missouri to file the same access line information in its year 2001 Annual Report under seal.² This approach is consistent with how the Commission has traditionally

¹ Southwestern Bell Telephone, L.P. d.b.a SBC Missouri is referred to in this letter as "SBC Missouri" or "SBC."

² Order Granting Confidential Treatment, Case No. TO-2002-1020, issued September 19, 2002 at p 1

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The Honorable Dale Hardy Roberts

April 15, 2003

Page 2

handled the production of confidential information within an Annual Report and would also be appropriate here. SBC Missouri therefore requests authority, pursuant to 4 CSR 240-10.080(7), to submit the access line information reported in Schedule 10 of its 2002 Annual Report under seal and that it be classified as "Highly Confidential."

Very truly yours,



Leo J. Bub

Enclosures

cc: Mr. David A. Meyer (w/o Report - via E-Mail)
Mr. Michael F. Dandino (w/o Report - via E-Mail)

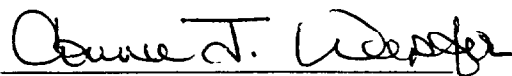
**AFFIDAVIT OF CONNIE J. WEPFER SUPPORTING
REQUEST FOR CONFIDENTIAL TREATMENT**

STATE OF MISSOURI)
) SS
CITY OF ST. LOUIS)

I, Connie J. Wepfer being of lawful age, and duly sworn upon my oath, do hereby depose and state as follows:

1. My name is Connie J. Wepfer. My business address is One SBC Center, Room 33-X-7, St. Louis, Missouri 63101. I am employed by SBC Services, Inc. and serve as Associate Director-Affiliate Issues. I am responsible for preparing the Southwestern Bell Telephone, L.P., d/b/a SBC Missouri Annual Report, which is being submitted to the Missouri Public Service Commission with this affidavit.
2. The purpose of my affidavit is to identify the specific type of information being provided in SBC Missouri's 2002 Annual Report that is being filed under seal and to explain why that information should be kept under seal by the Commission as a closed record. As explained in further detail below, the information being filed under seal is very competitively sensitive and is not available to the public in any format.
3. Schedule 10 of the Commission's Annual Report requires each local exchange carrier ("LEC") to report the number of access lines, by exchange, it has in the state, categorized into three general line types: Business (pure resale, UNE, UNE-P and full facility based, or company-provided), Residence (pure resale, UNE, UNE-P and full facility based, or company-provided) and Public (public, and customer-owned).
4. Access line information disaggregated in this fashion and provided at this level of geographical detail is very competitively sensitive. Specifically, it would reveal the number of access lines a carrier serves on a very specific and localized geographic basis. Accordingly, this information falls squarely within Section A(3) of the "Highly Confidential" classification of the Commission's Standard Protective Order: "market-specific information relating to services offered in competition with others."
5. This internal market-share information is closely guarded by both incumbent LECs and CLECs. If made public, this type of information would make carriers more vulnerable to the marketing efforts of their competitors. As a result, access line information at the exchange level of detail is kept confidential by carriers in the industry and is not available to the public in any format.
6. Although SBC Missouri proposes to file this information with the Commission under seal, it would still be available to the Commission and its Staff.

This concludes my affidavit. I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

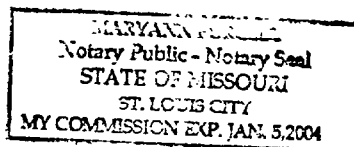


Connie J. Wepfer
Associate Director-Affiliate Issues

Subscribed and sworn to before me this 10th day of April, 2003.


Notary Public

My Commission Expires: January 5, 2004



Southwestern Bell Telephone, L.P.

d/b/a SBC Missouri

(Full Company Name)

**INCUMBENT
LOCAL EXCHANGE CARRIER
ANNUAL REPORT
TO THE
MISSOURI PUBLIC SERVICE COMMISSION**

For Period Ending December 31, 2002

Missouri Public Service Commission
Incumbent Local Exchange Carriers

Annual Report Form

TABLE OF CONTENTS

	Schedule Number
Miscellaneous Data/Questions	1
Balance Sheet Accounts	2
Plant in Service	3
Accumulated Depreciation	4
Salvage and/or Cost of Removal Costs	5
Long-Term and Short-Term Debt	6
Income Statement Accounts	7
Important Changes During the Year	8
Pension Costs	9
Access Lines in Service by Customer Class/Exchange	10

Annual Report of Southwestern Bell Telephone, L.P. as of December 31, 2002

- 1) State in full the exact '**certificated**' name of the telephone company:
Southwestern Bell Telephone, L.P.
- 2) State in full the mailing and street addresses of the telephone company:
One SBC Center, Suite 3500, Saint Louis, Missouri, 63101.
- 3) State in full the name, street address, and telephone number of the individual to contact concerning the company's telephone operations.
Paul G. Lane, One SBC Center, Suite 3500, Saint Louis, Missouri, 63101.
Mr. Lane's telephone number is (314)235-4300.
- 4) Under the laws of which state is the telephone company organized:
Texas.
- 5) Was the original telephone company certification in Missouri under any other names? If yes, please provide all names and time periods involved since the original certification:

Yes. On 12/03/1879, The Bell Telephone Company of Missouri ("Bell") was incorporated as a telephone and telegraph company pursuant to Article V, Chapter 21, RSMo. 1879. On 08/24/1882, the Missouri and Kansas Telephone Company ("Missouri") was incorporated as a telephone and telegraph company pursuant to Article V, Chapter 21, RSMo. In 1913, Bell filed an Affidavit of Name Change with the Missouri Secretary of State's Office, certifying its change of name to The Southwestern Telegraph and Telephone Company ("Southwestern"). In 1916, through mergers and a name change, Missouri and Southwestern became Southwestern Bell Telephone Company. On 10/12/2001, Southwestern Bell Telephone Company, Southwestern Bell Texas, Inc. and Southwestern Bell Telephone, L.P. filed a Joint Application for Order Permitting Corporate Restructuring Pursuant to Section 392.300, R.S.Mo., 4 CSR 240-2.060(1), and 4 CSR 240-2.060(8). Through a series of transactions Southwestern Bell Telephone Company was converted from a Missouri corporation to a Texas Limited Partnership whose name is Southwestern Bell Telephone, L.P. This conversion was effective 12/30/2001.
- 6) Date of incorporation or other original organization (e.g. MM/DD/YYYY):
December 30, 2001.
- 7) State the names, addresses and shareholdings of persons owning five (5) percent or more of outstanding voting securities:

SWBT Texas, L.L.C., 175 E. Houston Street, Second Floor, San Antonio, Texas 78205.
SWBT Texas, L.L.C. has a 99% limited partnership interest in Southwestern Bell

Item	Amount	FCC Account
12) Please identify what amount of Universal Service Fund (USF) payments were received from the National Exchange Carrier Association (NECA) for the reporting year.	\$0	
13) Please identify the "Unseparated NTS Revenue Requirement" as reported to NECA related to the above payment.	\$537,950,931 See Note #2	See Note #1
14) Please identify the "Number of USF Loops" as reported by NECA related specifically to the above payment.	2,749,726 See Note #2	
15) Please identify what amount of USF payments were received by the company from NECA for the previous reporting year.	See Note #3	
16) Please identify the amount of USF payments expected to be received by the company for the following reporting year.	\$0	
17) Please identify the amount of Local Switching Support payments received by the company for the current reporting year.	\$0	
18) Please identify the amount of Local Switching Support received by the company for the previous reporting year.	\$0	
19) Please identify the amount of Long Term Support (LTS) payments received, or paid, by the company for the current reporting year.	See Note #4	
20) Please identify the amount of Long Term Support (LTS) payments received, or paid, by the company for the previous reporting year.	See Note #5	
21) Type of tax return filed (i.e. 1120C, 1120S, etc.):	1120C	
22) Taxpayer ID:	43-0529710	

	Item	Amount	FCC Account
Note 1.	The Unseparated Revenue Requirement is an amount calculated using the worksheets provided by NECA. The primary accounts that are included in the calculations are:		
	Account 2230 – Central Office Circuit Equipment		
	Account 2410 – Cable & Wire Facilities		
	Account 2680 – Amortizable Tangible Assets		
	Account 1220 – Material & Supplies		
	Account 3100 – Accumulated Depreciation		
	Account 3400 – Accumulated Amortization - Intangible		
	Account 4340 – Net Noncurrent Deferred Operating Income Taxes		
	Account 6110 – Network Support Expense		
	Account 6120 – General Support Expense		
	Account 6210 – Central Office Switching Expense		
	Account 6220 – Operator Systems Expense		
	Account 6230 – Central Office Expense – Transmission Equipment		
	Account 6410 – Cable and Wire Facilities Expense		
	Account 6530 – Network Operations Expense		
	Account 6560 – Depreciation and Amortization Expense		
	Account 6710 – Executive and Planning Expense		
	Account 6720 – General and Administrative Expense		
	Account 7200 – Operating Taxes		
Note 2:	This data is based on the National Exchange Carrier Association's (NECA's) submission to the Federal Communications Commission (FCC) dated October 1, 2001. This data is based on 2000 costs collected by NECA and is used to determine the amount of USF payments for each company in 2002.		
Note 3	Effective January 1, 2000 a new federal mechanism was put in place to determine the high cost payments to non-rural telephone companies like SWBT-MO. Based on the results of the FCC's High Cost Proxy Model (HCPM) SWBT-MO will not receive any high cost support.		
Note 4	Effective January 1, 1998 the federal universal service rules were changed and all telecommunications providers began paying for universal service, including high cost, low income, schools and libraries, and rural healthcare. Payments booked to SWBT-MO for 2002 were as follows:		
	High Cost	\$7,899,217	
	Low Income	\$1,944,200	
	Schools and Libraries	\$6,429,787	
	Rural Healthcare	\$ 84,763	
Note 5:	Effective January 1, 1998 the federal universal service rules were changed and all telecommunications providers began paying for universal service, including high cost, low income, schools and libraries, and rural healthcare. Payments booked to SWBT-MO for 2001 were as follows:		
	High Cost	\$8,027,262	
	Low Income	\$1,656,686	
	Schools and Libraries	\$6,241,096	
	Rural Healthcare	\$ 33,504	

Annual Report of Southwestern Bell Telephone, L.P. as of December 31, 2002**BALANCE SHEET ACCOUNTS**

FCC #	Account Description	Amount
<u>Current Assets</u>		Missouri Jurisdiction
1130	Cash	\$64,097,879
1140	Special Cash Deposits	\$0
1150	Working Cash Advance	\$0
1160	Temporary Investments	\$0
1180	Telecommunications Accounts Receivable	\$303,197,865
1181	Accounts Receivable Allowance - Telecommunications	(\$34,945,345)
1190	Other Accounts Receivable	\$88,739,866
1191	Accounts Receivable Allowance - Other	\$0
1200	Notes Receivable	\$0
1201	Notes Receivable Allowance	\$0
1210	Interest and Dividende Receivable	\$0
1220	Material and Supplies	(\$6,885,184)
1290	Prepaid Rents	\$0
1300	Prepaid Taxes	\$0
1310	Prepaid Insurance	\$0
1320	Prepaid Directory Expenses	\$7,105,214
1330	Other Prepayments	(\$53,739)
1350	Other Current Assets	(\$1,372,172)
Total Current Assets		\$419,884,384
<u>Noncurrent Assets</u>		
1401	Investments in Affiliated Companies	\$0
1402	Investments in Nonaffiliated Companies	\$0
1406	Nonregulated Investments	\$0
1407	Unamortized Debt Issuance Expenses	\$0
1408	Sinking Funds	\$0
1410	Other Noncurrent Assets	\$41,158,454
1437	Deferred Tax Regulatory Asset	\$22,871,686
1438	Deferred Maintenance & Retirements	\$0
1439	Deferred Charges	(\$20,941,183)
1500	Other Jurisdictional Assets-Net	(\$178,855,906)
Total Noncurrent Assets		(\$135,766,949)

BALANCE SHEET ACCOUNTS

FCC #	Account Description	Amount
	<u>Regulated Plant</u>	Missouri Jurisdiction
2001	Telecommunications Plant in Service	\$6,200,606,184
2002	Property Held For Future Telecommunications Use	\$0
2003	Telecommunications Plant Under Construction - Short Term	\$30,368,080
2004	Telecommunications Plant Under Construction - Long Term	\$0
2005	Telecommunications Plant Adjustment	\$0
2006	Nonoperating Plant	\$3,012,875
2007	Goodwill	\$0
Total Regulated Plant		\$6,233,987,139
	<u>Depreciation and Amortization</u>	
3100	Accumulated Depreciation	\$3,365,360,220
3200	Accumulated Depreciation - Held For Future Use	\$0
3300	Accumulated Depreciation - Nonoperating	\$1,250,802
3410	Accumulated Depreciation - Capitalized Leases	\$61,026
3420	Accumulated Depreciation - Leasehold Improvements	\$1,519,732
3500	Accumulated Depreciation - Intangible	\$18,630,450
3600	Accumulated Depreciation - Other	\$0
Total Depreciation and Amortization		\$3,386,822,230
Net Plant		\$2,847,164,909
Total Assets		\$3,131,282,344

Annual Report of Southwestern Bell Telephone, L.P. as of December 31, 2002**BALANCE SHEET ACCOUNTS**

FCC #	Account Description	Amount
<u>Current Liabilities</u>		Missouri Jurisdiction
4010	Accounts Payable	-\$263,120,974
4020	Notes Payable	\$0
4030	Advanced Billing and Payments	\$63,886,831
4040	Customers' Deposits	\$694,014
4050	Current Maturities - Long Term	\$0
4060	Current Maturities - Capital Leases	\$5,183
4070	Income Taxes Accrued	\$42,559,293
4080	Other Taxes Accrued	\$4,576,963
4100	Net Current Deferred Operating Income Taxes	-\$24,828,293
4110	Net Current Deferred Non-operating Income Taxes	\$0
4120	Other Accrued Liabilities	\$56,765,952
4130	Other Current Liabilities	\$40,657,355
Total Current Liabilities		-\$78,803,676
<u>Long-Term Debt</u>		
4210	Funded Debt	\$0
4220	Premium on Long-Term Debt	\$0
4230	Discount on Long-Term Debt	\$0
4240	Reacquired Debt	\$0
4250	Obligations Under Capital Leases	\$16,974
4260	Advances From Affiliated Companies	\$0
4270	Other Long-Term Debt	\$0
Total Long-Term Debt		\$16,974

BALANCE SHEET ACCOUNTS

FCC #	Account Description	Amount
	<u>Other Liabilities and Deferred Credits</u>	Missouri Jurisdiction
4310	Other Long-Term Liabilities	\$625,706,937
4320	Unamortized Operating Investment Tax Credits - Net	\$13,251,433
4330	Unamortized Nonoperating Investment tax Credits - Net	\$0
4340	Net Non-current Deferred Operating Income Taxes	\$373,082,860
4341	Net Deferred Tax Liability Adjustments	-\$1,262,170
4350	Net Noncurrent Deferred Nonoperating Income Taxes	\$0
4360	Other Deferred Credits	\$7,763,961
4361	Deferred Tax Regulatory Liability	\$24,133,857
4370	Other Jurisdictional Liabilities and Deferred Credits - Net	-\$155,555,527
Total Other Liabilities and Deferred Credits		\$887,121,351
	<u>Stockholders' Equity</u>	
4510	Capital stock	\$0
4520	Additional Paid -In Capital	\$0
4530	Treasury Stock	\$0
4540	Other Capital	-\$25,092,569
4550	Retained Earnings	\$0
Total Stockholders' Equity		-\$25,092,569
Total Liabilities and Shareholders' Equity		\$783,242,080

Annual Report of

Southwestern Bell Telephone, L.P.

as of December 31, 2002

PLANT IN SERVICE**Authorized
Depreciation Rate**

FCC #	Account Description	(A)	Amount
General Support Assets		Missouri Jurisdiction	
2111	Land		\$39,234,707
2112	Motor Vehicles		\$47,590,191
2113	Aircraft		\$0
2114	Tools and Other Work Equipment		\$35,973,693
2115	Garage Work Equipment		\$0
2116	Other Work Equipment		\$0
2121	Buildings		\$769,585,741
2122	Furniture		\$1,416,887
2123.1	Office Equipment - Office Support		\$6,709,250
2123.2	Office Equipment - Co. Communications		\$16,271,933
2124	General Purpose Equipment		\$72,446,376
Total General Support Assets			\$989,228,778
Central Office Assets			
2211	Analog Electronic Switching		\$118,797,450
2212	Digital Electronic Switching		\$911,388,099
2215	Electromechanical Switching		\$0
2220	Operator Systems		\$15,044,271
2231.1	Satellite and Earth Station Equipment		\$0
2231.2	Other Radio Facilities		\$2,745,069
2232.1	Circuit Equipment - Digital		\$1,441,369,759
2232.2	Circuit Equipment - Analog		\$93,167,659
Total Central Office Assets			\$2,582,512,307

- (A) R&O in Case No. TO-97-397 found that Southwestern Bell Telephone met the necessary prerequisites, per Section 392.245.2 RSMo Supp. 1996 to convert from rate base/rate of return regulation to price cap regulation. In accordance with Section 392.245.12 RSMo Supp. 1996 Southwestern Bell Telephone "determine[s] and set[s] its own depreciation rates used for all intrastate regulatory purposes." Authorized depreciation rates are not applicable.

Annual Report of

Southwestern Bell Telephone, L.P.

as of December 31, 2002

PLANT IN SERVICE**Authorized
Depreciation Rate**

FCC #	Account Description	(A)	Amount
<u>Information Origination/Termination Assets</u>		Missouri Jurisdiction	
2311	Station Apparatus		\$276,477
2321	Customer Premises Wiring		\$0
2341	Large Private Branch Exchange		\$12,671,337
2351	Public Telephone Terminal Equipment		\$40,982,998
2362	Other Terminal Equipment		\$49,726,119
Total Info. Origination/Termination Assets			\$103,656,931
<u>Cable and Wire Facilities Assets</u>			
2411	Poles		\$63,534,036
2421.1	Aerial cable - Metallic		\$231,454,445
2421.2	Aerial cable - Nonmetallic		\$9,375,032
2422.1	Underground cable - Metallic		\$274,759,203
2422.2	Underground cable - Nonmetallic		\$164,693,833
2423.1	Buried cable - Metallic		\$1,369,320,927
2423.2	Buried cable - Nonmetallic		\$132,814,757
2424.1	Submarine cable - Metallic		\$110,147
2424.2	Submarine cable - Nonmetallic		\$47,286
2425	Deep Sea Cable		\$0
2426	Intrabuilding Network Cable		\$22,083,344
2431	Aerial Wire		\$476,321
2441	Conduit Systems		\$221,965,227
Total Cable and Wire Facilities Assets			\$2,490,634,558

- (A) R&O in Case No TO-97-397 found that Southwestern Bell Telephone met the necessary prerequisites, per Section 392 245 2 RSMo Supp 1996 to convert from rate base/rate of return regulation to price cap regulation. In accordance with Section 392 245 12 RSMo Supp 1996 Southwestern Bell Telephone " determine[s] and set[s] its own depreciation rates used for all intrastate regulatory purposes " Authorized depreciation rates are not applicable

PLANT IN SERVICE

FCC #	Account Description	Authorized Depreciation Rate (A)	Amount
	<u>Amortizable Assets</u>		Missouri Jurisdiction
2681	Capital Leases		\$75,499
2682	Leasehold Improvements		\$1,786,740
2690	Intangibles		\$32,711,371
Total Amortizable Assets			\$34,573,610
Total Telecommunications Plant In Service			\$6,200,606,184

(A) R&O in Case No. TO-97-397 found that Southwestern Bell Telephone met the necessary prerequisites, per Section 392.245.2 RSMo Supp. 1996 to convert from rate base/rate of return regulation to price cap regulation. In accordance with Section 392.245.12 RSMo Supp. 1996 Southwestern Bell Telephone "determine[s] and set[s] its own depreciation rates used for all intrastate regulatory purposes." Authorized depreciation rates are not applicable.

DEPRECIATION RESERVE

FCC #	Account Description	Depreciation Expense Recorded		Accumulated Balance
		Missouri Jurisdiction		Missouri Jurisdiction
General Support Assets				
3111	Land			
3112	Motor Vehicles	\$4,821,719		\$31,933,995
3113	Aircraft	\$0		\$0
3114	Tools and Other Work Equipment	\$3,759,925		\$22,319,130
3115	Garage Work Equipment	\$0		\$0
3116	Other Work Equipment	\$0		\$0
3121	Buildings	\$13,648,294		\$188,418,792
3122	Furniture	\$197,568		\$704,068
3123.1	Office Equipment - Office Support	\$737,423		\$6,448,556
3123.2	Office Equipment - Co. Communications	\$1,193,015		\$15,452,481
3124	General Purpose Equipment	\$73,418		\$70,997,989
Total General Support Assets		\$24,431,362		\$336,275,011
Central Office Assets				
3211	Analog Electronic Switching	\$0		\$131,507,183
3212	Digital Electronic Switching	\$75,329,150		\$378,208,564
3215	Electromechanical Switching	\$0		\$543
3220	Operator Systems	\$1,224,609		\$5,953,354
3231.1	Satellite and Earth Station Equipment	\$0		\$0
3231.2	Other Radio Facilities	\$0		\$3,008,034
3232.1	Circuit Equipment - Digital	\$138,873,811		\$764,599,997
3232.2	Circuit Equipment - Analog	\$1,246,571		\$94,726,797
Total Central Office Assets		\$216,674,141		\$1,378,004,472

DEPRECIATION RESERVE

FCC #	Account Description	Depreciation Expense Recorded		Accumulated Balance
		Missouri Jurisdiction	Missouri Jurisdiction	Missouri Jurisdiction
Information Origination/Termination Assets				
3311	Station Apparatus	-\$118,746		\$78,223
3321	Customer Premises Wiring	\$0		\$0
3341	Large Private Branch Exchange	\$1,967,639		\$12,491,115
3351	Public Telephone Terminal Equipment	\$622,258		\$40,772,194
3362	Other Terminal Equipment	\$1,404,295		\$46,386,745
Total Info. Origination/Termination Assets		\$3,875,446		\$99,728,277
Cable and Wire Facilities Assets				
3411	Poles	\$6,216,230		\$77,442,665
3421.1	Aerial cable - Metallic	\$18,510,220		\$187,163,432
3421.2	Aerial cable - Nonmetallic	\$742,000		\$3,418,579
3422.1	Underground cable - Metallic	\$11,655,182		\$190,086,885
3422.2	Underground cable - Nonmetallic	\$9,743,831		\$64,442,022
3423.1	Buried cable - Metallic	\$82,510,629		\$880,544,138
3423.2	Buried cable - Nonmetallic	\$7,445,429		\$57,073,705
3424.1	Submarine cable - Metallic	\$24,453		\$3,066
3424.2	Submarine cable - Nonmetallic	\$10,497		\$10,624
3425	Deep Sea Cable	\$0		\$0
3426	Intra-building Network Cable	\$1,104,931		\$16,644,359
3431	Aerial Wire	\$174,536		\$1,826,316
3441	Conduit Systems	\$5,275,986		\$72,696,669
Total Cable and Wire Facilities Assets		\$143,413,924		\$1,551,352,460
Total Depreciation Reserve		\$388,394,873		\$3,365,360,220

Annual Report of Southwestern Bell Telephone, L.P. as of December 31, 2002

DEPRECIATION RESERVE

FCC #	Account Description	Amortization Expense Recorded		Accumulated Balance
		Missouri Jurisdiction	Missouri Jurisdiction	Missouri Jurisdiction
	<u>Amortizable Assets</u>			
3681	Capital Leases	\$4,339		\$61,026
3682	Leasehold Improvements	\$185,633		\$1,519,732
3690	Intangibles	\$10,509,992		\$18,630,450
Total Amortizable Assets		\$10,699,964		\$20,211,208

SALVAGE and/or COST OF REMOVAL COSTS

FCC #	Account Description	Amount Recorded To:	
		Depreciation Reserve	Income Statement
General Support Assets		Missouri Jurisdiction	Missouri Jurisdiction
2111	Land	\$0	\$0
2112	Motor Vehicles	-\$1,040,974	\$0
2113	Aircraft	\$0	\$0
2114	Tools and Other Work Equipment	\$1,542,408	\$0
2115	Garage Work Equipment	\$0	\$0
2116	Other Work Equipment	\$0	\$0
2121	Buildings	-\$1,089,176	\$0
2122	Furniture	\$0	\$0
2123.1	Office Equipment - Office Support	\$0	\$0
2123.2	Office Equipment - Co. Communications	\$3,366	\$0
2124	General Purpose Equipment	\$4,361	\$0
Total General Support Assets		-\$580,015	\$0
Central Office Assets			
2211	Analog Electronic Switching	\$2,156,103	\$0
2212	Digital Electronic Switching	\$5,395,498	\$0
2215	Electromechanical Switching	\$0	\$0
2220	Operator Systems	\$5,555	\$0
2231.1	Satellite and Earth Station Equipment	\$0	\$0
2231.2	Other Radio Facilities	-\$12,633	\$0
2232.1	Circuit Equipment - Digital	\$1,755,627	\$0
2232.2	Circuit Equipment - Analog	\$1,066,201	\$0
Total Central Office Assets		\$10,366,351	\$0

Annual Report of Southwestern Bell Telephone, L.P.

as of December 31, 2002

SALVAGE and/or COST OF REMOVAL COSTS

FCC #	Account Description	Amount Recorded To:	
		Depreciation Reserve	Income Statement
Information Origination/Termination Assets			
2311	Station Apparatus	\$0	\$0
2321	Customer Premises Wiring	\$0	\$0
2341	Large Private Branch Exchange	\$113,119	\$0
2351	Public Telephone Terminal Equipment	\$15,363	\$0
2362	Other Terminal Equipment	-\$37,424	\$0
Total Info. Origination/Termination Assets		\$91,058	\$0
Cable and Wire Facilities Assets			
2411	Poles	-\$970,276	\$0
2421.1	Aerial cable - Nonmetallic	-\$1,063,180	\$0
2421.2	Aerial cable - Metallic	-\$16,779	\$0
2422.1	Underground cable - Nonmetallic	-\$365,893	\$0
2422.2	Underground cable - Metallic	-\$170,955	\$0
2423.1	Buried cable - Nonmetallic	-\$984,530	\$0
2423.2	Buried cable - Metallic	-\$37,019	\$0
2424.1	Submarine cable - Nonmetallic	\$0	\$0
2424.2	Submarine cable - Metallic	\$0	\$0
2425	Deep Sea Cable	\$0	\$0
2426	Intrabuilding Network Cable	-\$17,985	\$0
2431	Aerial Wire	-\$25,500	\$0
2441	Conduit Systems	-\$78,134	\$0
Total Cable and Wire Facilities Assets		-\$3,730,251	\$0

Annual Report of Southwestern Bell Telephone, L.P. as of December 31, 2002

SALVAGE and/or COST OF REMOVAL COSTS

FCC #	Account Description	Amount Recorded To:	
		Depreciation Reserve	Income Statement
Amortizable Assets			
2681	Capital Leases	\$0	\$0
2682	Leasehold Improvements	\$15,596	\$0
2690	Intangibles	\$0	\$0
Total Amortizable Assets		\$15,596	\$0
Total Salvage and/or Cost of Removal Costs		\$6,162,739	\$0

Annual Report of

Southwestern Bell Telephone, L.P.

f December 31, 2002

LONG-TERM AND SHORT-TERM DEBT

Obligor	Issue Date	Maturity Date	Face Amount Outstanding	Stated Interest Rate %	Annual Interest Expense
Southwestern Bell	03/12/93	03/12/03	\$6,000,000	6.500%	\$390,000
Southwestern Bell	08/26/97	08/26/03	\$9,000,000	6.585%	\$592,650
Southwestern Bell	08/26/97	08/26/03	\$5,000,000	6.580%	\$329,000
Southwestern Bell	08/26/97	08/26/03	\$15,000,000	6.590%	\$988,500
Southwestern Bell	08/29/97	08/29/03	\$15,000,000	6.660%	\$999,000
Southwestern Bell	10/06/97	10/06/03	\$10,000,000	6.375%	\$637,500
Southwestern Bell	10/07/97	10/07/03	\$7,000,000	6.335%	\$443,450
Southwestern Bell	10/12/93	10/14/03	\$10,000,000	5.770%	\$577,000
Southwestern Bell	10/12/93	10/14/03	\$5,000,000	5.780%	\$289,000
Southwestern Bell	11/01/96	11/03/03	\$10,000,000	6.630%	\$663,000
Southwestern Bell	11/01/96	11/03/03	\$10,000,000	6.630%	\$663,000
Southwestern Bell	11/01/96	11/03/03	\$10,000,000	6.630%	\$663,000
Southwestern Bell	02/11/93	02/11/04	\$15,000,000	7.000%	\$1,050,000
Southwestern Bell	02/12/93	02/12/04	\$10,000,000	6.930%	\$693,000
Southwestern Bell	04/26/93	04/26/04	\$7,000,000	6.450%	\$451,500
Southwestern Bell	04/26/93	04/26/04	\$8,000,000	6.450%	\$516,000
Southwestern Bell	08/26/92	08/26/04	\$5,000,000	7.050%	\$352,500
Southwestern Bell	08/26/92	08/26/04	\$5,000,000	7.050%	\$352,500
Southwestern Bell	08/28/92	08/30/04	\$3,000,000	7.030%	\$210,900
Southwestern Bell	08/28/92	08/30/04	\$500,000	7.030%	\$35,150
Southwestern Bell	04/01/93	04/01/05	\$150,000,000	6.625%	\$9,937,500
Southwestern Bell	04/04/95	04/04/05	\$2,500,000	7.500%	\$187,500
Southwestern Bell	04/12/95	04/12/05	\$10,000,000	7.550%	\$755,000
Southwestern Bell	04/12/95	04/12/05	\$5,000,000	7.550%	\$377,500
Southwestern Bell	04/17/95	04/18/05	\$5,000,000	7.490%	\$374,500
Southwestern Bell	04/24/95	04/25/05	\$5,000,000	7.420%	\$371,000
Southwestern Bell	04/26/95	04/26/05	\$5,000,000	7.500%	\$375,000
Southwestern Bell	04/26/95	04/26/05	\$5,000,000	7.500%	\$375,000
Southwestern Bell	04/26/95	04/26/05	\$5,000,000	7.500%	\$375,000
Southwestern Bell	07/07/93	07/07/05	\$50,000,000	6.250%	\$3,125,000
Southwestern Bell	11/15/96	11/15/05	\$10,000,000	6.600%	\$660,000
Southwestern Bell	11/15/96	11/15/05	\$7,000,000	6.580%	\$460,600
Southwestern Bell	11/15/96	11/15/05	\$3,000,000	6.560%	\$196,800
Southwestern Bell	11/26/96	11/28/05	\$13,000,000	6.500%	\$845,000
Southwestern Bell	11/26/96	11/28/05	\$7,000,000	6.500%	\$455,000
Southwestern Bell	08/07/96	08/07/06	\$5,000,000	6.970%	\$348,500
Southwestern Bell	08/07/96	08/07/06	\$5,000,000	6.960%	\$348,000
Southwestern Bell	08/07/96	08/07/06	\$10,000,000	6.960%	\$696,000
Southwestern Bell	08/07/96	08/07/06	\$10,000,000	6.945%	\$694,500
Southwestern Bell	02/04/93	02/05/07	\$5,000,000	7.050%	\$352,500
Southwestern Bell	02/08/93	02/08/07	\$5,000,000	7.150%	\$357,500
Southwestern Bell	02/11/93	02/12/07	\$13,500,000	7.200%	\$972,000
Southwestern Bell	02/16/93	02/16/07	\$5,000,000	7.000%	\$350,000
Southwestern Bell	02/16/93	02/16/07	\$5,000,000	7.100%	\$355,000
Southwestern Bell	03/11/93	03/12/07	\$3,500,000	6.500%	\$227,500
Southwestern Bell	03/11/93	03/12/07	\$3,000,000	6.500%	\$195,000

Annual Report of

Southwestern Bell Telephone, L.P.

f December 31, 2002

LONG-TERM AND SHORT-TERM DEBT

Obligor	Issue Date	Maturity Date	Face Amount Outstanding	Stated Interest Rate %	Annual Interest Expense
Southwestern Bell	04/12/95	04/12/07	\$5,000,000	7.670%	\$383,500
Southwestern Bell	04/12/95	04/12/07	\$10,000,000	7.670%	\$767,000
Southwestern Bell	04/26/95	04/26/07	\$5,000,000	7.600%	\$380,000
Southwestern Bell	04/26/95	04/26/07	\$8,000,000	7.600%	\$608,000
Southwestern Bell	04/26/95	04/26/07	\$5,000,000	7.600%	\$380,000
Southwestern Bell	07/11/97	07/15/07	\$250,000,000	6.625%	\$16,562,500
Southwestern Bell	08/06/96	08/06/07	\$15,000,000	7.140%	\$1,071,000
Southwestern Bell	08/06/96	08/06/07	\$15,000,000	7.140%	\$1,071,000
Southwestern Bell	08/06/96	08/06/07	\$5,000,000	7.140%	\$357,000
Southwestern Bell	09/04/92	09/04/07	\$25,000,000	7.350%	\$1,837,500
Southwestern Bell	10/15/93	10/15/07	\$15,000,000	5.950%	\$892,500
Southwestern Bell	10/21/93	10/22/07	\$6,000,000	5.980%	\$358,800
Southwestern Bell	11/21/97	11/15/07	\$100,000,000	6.375%	\$6,375,000
Southwestern Bell	10/12/93	11/15/07	\$8,000,000	6.030%	\$482,400
Southwestern Bell	08/06/96	08/06/08	\$10,000,000	7.170%	\$717,000
Southwestern Bell	09/22/97	09/22/08	\$10,000,000	6.640%	\$664,000
Southwestern Bell	09/29/97	09/29/08	\$15,000,000	6.590%	\$988,500
Southwestern Bell	10/07/97	10/07/08	\$30,000,000	6.550%	\$1,965,000
Southwestern Bell	10/08/96	10/08/08	\$12,000,000	7.090%	\$850,800
Southwestern Bell	10/08/96	10/08/08	\$10,000,000	7.110%	\$711,000
Southwestern Bell	09/22/97	09/22/09	\$12,000,000	6.680%	\$801,600
Southwestern Bell	09/23/97	09/23/09	\$5,000,000	6.650%	\$332,500
Southwestern Bell	09/29/97	09/29/09	\$5,000,000	6.630%	\$331,500
Southwestern Bell	05/17/95	05/17/10	\$20,000,000	7.220%	\$1,444,000
Southwestern Bell	05/17/95	05/17/10	\$3,000,000	7.220%	\$216,600
Southwestern Bell	05/17/95	05/17/10	\$15,000,000	7.250%	\$1,087,500
Southwestern Bell	05/17/95	05/17/10	\$20,000,000	7.180%	\$1,436,000
Southwestern Bell	05/17/95	05/17/10	\$7,000,000	7.200%	\$504,000
Southwestern Bell	05/17/95	05/17/10	\$5,000,000	7.200%	\$360,000
Southwestern Bell	05/17/95	05/17/10	\$5,000,000	7.210%	\$360,500
Southwestern Bell	09/29/93	09/29/10	\$14,000,000	6.290%	\$880,600
Southwestern Bell	10/04/93	10/04/10	\$3,000,000	6.280%	\$188,400
Southwestern Bell	10/05/93	10/05/10	\$3,000,000	6.240%	\$187,200
Southwestern Bell	10/12/93	10/12/10	\$3,000,000	6.320%	\$189,600
Southwestern Bell	10/12/93	10/12/10	\$3,000,000	6.320%	\$189,600
Southwestern Bell	10/12/93	11/15/10	\$2,300,000	6.330%	\$145,590
Southwestern Bell	07/01/93	07/01/15	\$250,000,000	7.000%	\$17,500,000
Southwestern Bell	03/01/93	03/01/23	\$200,000,000	7.625%	\$15,250,000
Southwestern Bell	09/01/93	09/01/24	\$200,000,000	6.625%	\$13,250,000
Southwestern Bell	07/15/93	07/15/25	\$150,000,000	7.250%	\$10,875,000
Southwestern Bell	10/15/95	10/15/26	\$300,000,000	7.200%	\$21,600,000
Southwestern Bell	07/11/97	07/15/27	\$150,000,000	7.375%	\$11,062,500
Southwestern Bell	11/21/97	11/15/27	\$100,000,000	7.000%	\$7,000,000
Southwestern Bell	03/10/98	03/31/48	\$200,000,000	6.875%	\$13,750,000
Intercompany Notes - Short Term	NA	NA	\$2,573,409,789	1.440%	\$37,057,101

Annual Report of

Southwestern Bell Telephone, L.P.

f December 31, 2002

LONG-TERM AND SHORT-TERM DEBT

Obligor	Issue Date	Maturity Date	Face Amount Outstanding	Stated Interest Rate %	Annual Interest Expense
Total			\$5,325,709,789		\$228,085,841

INCOME STATEMENT

FCC #	Account Description	Missouri Jurisdiction	Total Company
<u>Local Network Services Revenues</u>			
5001	Basic Area Revenue	\$576,413,194	\$3,826,021,190
5002	Optional Extended Area Revenue	\$51,757,686	\$69,164,136
5003	Cellular Mobile Revenue	\$19,195,592	\$111,935,309
5004	Other Mobile Services Revenue	-\$604	-\$16,443
5040	Local Private Line Revenue	\$15,731,373	\$94,963,777
5050	Customer Premises Revenue	\$156,876	\$2,186,464
5060	Other Local Exchange Revenue	\$240,067,053	\$1,612,285,194
5069	Other Local Exchange Revenue Settlements	\$0	\$0
Total Local Network Services Revenues		\$903,321,170	\$5,716,539,627
<u>Network Access Services Revenues</u>			
5081	End User Revenue	\$175,691,461	\$1,034,527,425
5082	Switched Access Revenue	\$56,076,671	\$307,138,013
5083	Special Access Revenue	\$272,094,730	\$1,485,303,956
5084	State Access Revenue	\$99,891,649	\$659,536,715
Total Network Access Services Revenues		\$603,754,511	\$3,486,506,109
<u>Long Distance Network Services Revenues</u>			
5100	Long Distance Message Revenue	\$36,288,728	\$247,471,530
5111	Long Distance Inward-only Revenue	\$37,234	\$392,115
5112	Long Distance Outward-only Revenue	\$26,474	\$217,314
5121	Subvoice Grade L.D. Private Network Revenue	\$145,885	\$228,960
5122	Voice Grade L.D. Private Network Revenue	\$5,666,126	\$49,052,099
5123	Audio Program Grade L.D. Private Network Revenue	\$8,405	\$8,405
5124	Video Program Grade L.D. Private Network Revenue	\$0	-\$170,909
5125	Digital Transmission L.D. Private Network Revenue	\$84,448	\$197,687
5126	Long Distance Private Network Switching Revenue	\$0	\$0
5128	Other Long Distance Private Network Revenue	\$0	\$0
5129	Other L.D. Private Network Revenue Settlements	-\$584,908	-\$6,413,594
5160	Other Long Distance Revenues	\$2,781,283	\$20,891,606
5169	Other Long Distance Revenue Settlements	\$0	-\$9,862,634
Total Long Distance Network Services Revenue		\$44,453,675	\$302,012,579

INCOME STATEMENT

FCC #	Account Description	Missouri Jurisdiction	Total Company
<u>Miscellaneous Revenues</u>			
5230	Directory Revenue	\$13,307,217	\$80,831,759
5240	Rent Revenue	\$82,206,716	\$768,507,615
5250	Corporate Operations Revenue	\$125	\$125
5261	Special Billing Arrangements Revenue	\$3,157,774	\$39,408,348
5262	Customer Operations Revenue	\$101	\$552
5263	Plant Operations Revenue	\$0	\$0
5264	Other Incidental Regulated Revenue	\$73,539,998	\$690,441,229
5269	Other Revenue Settlements	\$0	\$0
5270	Carrier Billing & Collection Revenue	\$16,963,982	\$113,947,548
Total Miscellaneous Revenues		\$189,175,913	\$1,693,137,176
5280	Non-Regulated Operating Revenue	\$181,960,264	\$1,119,657,968
<u>Uncollectible Revenues</u>			
5301	Uncollectible Revenue - Telecommunications	-\$47,083,697	-\$217,404,614
5302	Uncollectible Revenue - Other	\$0	\$0
Total Uncollectible Revenues		-\$47,083,697	-\$217,404,614
Total Operating Revenues		\$1,875,581,836	\$12,100,448,845

INCOME STATEMENT

FCC #	Account Description	Missouri Jurisdiction	Total Company
	<u>Plant Specific Operations Expense</u>		
6110	Network Support Expense	\$0	\$0
6112	Motor Vehicle Expense	\$604,017	\$3,235,263
6113	Aircraft Expense	\$0	\$0
6114	Tools and Other Work Equipment Expense	-\$91,707	\$688,851
6120	General Support Expenses	\$0	\$0
6121	Land and Building Expenses	\$42,151,024	\$265,790,186
6122	Furniture and Artworks Expense	\$968,095	\$3,453,574
6123	Office Equipment Expense	\$35,480,865	\$146,230,334
6124	General Purpose Computers Expense	\$130,325,981	\$566,419,853
6210	Central Office Switching Expense	\$0	\$0
6211	Analog Electronic Expense	\$7,650,757	\$24,263,331
6212	Digital Electronic Expense	\$37,517,287	\$231,529,295
6215	Electro-mechanical Expense	\$19,697	\$179,320
6220	Operator System Expense	\$2,028,345	\$9,757,753
6230	Central Office Transmission Expense	\$0	\$0
6231	Radio Systems Expense	\$408,928	\$590,918
6232	Circuit Equipment Expense	\$32,751,209	\$191,211,306
6310	Information Origination/termination Expense	\$0	\$0
6311	Station Apparatus Expense	\$10,508,595	\$63,317,805
6341	Large Private Branch Exchange Expense	\$19,043,831	\$93,463,803
6351	Public Telephone Terminal Equipment Expense	\$2,177,163	\$12,831,396
6362	Other Terminal Equipment Expense	\$77,540,373	\$460,077,160
6410	Cable and Wire Facilities Expense	\$0	\$0
6411	Poles Expense	\$1,556,640	\$7,517,382
6421	Aerial Cable Expense	\$31,657,656	\$170,428,327
6422	Underground Cable Expense	\$6,619,101	\$53,168,458
6423	Buried Cable Expense	\$68,768,181	\$492,729,659
6424	Submarine Cable Expense	\$285	\$1,417
6425	Deep Sea Cable Expense	\$0	\$0
6426	Intrabuilding Network Cable Expense	\$27,184	\$327,735
6431	Aerial Wire Expense	\$2,179	\$26,780
6441	Conduit Systems Expense	\$1,292,003	\$8,201,191
	Total Plant Specific Operations Expense	\$509,007,689	\$2,805,441,097

Annual Report of

Southwestern Bell Telephone, L.P.

as of December 31, 2002

INCOME STATEMENT

FCC #	Account Description	Missouri Jurisdiction	Total Company
	<u>Plant Non-specific Operations Expense</u>		
6510	Other Property Plant and Equipment Expense	\$0	\$0
6511	Telecommunications Use Expense	\$0	\$53
6512	Provisioning Expense	\$358,331	\$2,487,481
6530	Network Operations Expense	\$0	\$0
6531	Power Expense	\$5,776,213	\$39,098,280
6532	Network Administration Expense	\$15,516,236	\$124,888,849
6533	Testing Expense	\$35,949,611	\$270,242,996
6534	Plant Operations Administration Expense	\$39,812,616	\$259,406,133
6535	Engineering Expense	\$19,629,055	\$139,201,163
6540	Access Expense	\$64,973,758	\$508,587,099
Total Plant Non-specific Operations Expense		\$182,015,820	\$1,343,912,054
	<u>Depreciation and Amortization Expense</u>		
6561	Depreciation Expense - Plant in Service	\$386,140,209	\$2,538,205,719
6562	Depreciation Expense - Plant Held for Future Use	\$0	\$0
6563	Amortization Expense - Tangible	\$189,972	\$4,143,070
6564	Amortization Expense - Intangible	\$10,509,992	\$77,474,201
6565	Amortization Expense - Other	\$2,254,662	\$13,326,433
Total Depreciation and Amortization Expense		\$399,094,835	\$2,633,149,423
	<u>Customer Operations Expense</u>		
6610	Marketing	\$0	\$0
6611	Product Management	\$19,115,760	\$114,839,443
6612	Sales	\$56,871,288	\$337,013,593
6613	Product Advertising	\$2,670,015	\$16,073,248
6620	Services	\$0	\$0
6621	Call Completion Services	\$3,301,216	\$31,858,545
6622	Number Services	\$40,452,980	\$208,226,519
6623	Customer Services	\$142,405,391	\$940,526,657
Total Customer Operations Expenses		\$264,816,650	\$1,648,538,005

INCOME STATEMENT

FCC #	Account Description	Missouri Jurisdiction	Total Company
Corporate Operations Expense			
6710	Executive and Planning	\$0	\$0
6711	Executive	\$2,478,259	\$24,975,112
6712	Planning	\$420,336	\$2,934,685
6720	General and Administrative	\$0	\$0
6721	Accounting and Finance	\$10,943,606	\$74,245,636
6722	External Relations	\$13,399,073	\$93,503,106
6723	Human Resources	\$14,642,426	\$96,642,603
6724	Information Management	\$39,904,894	\$271,865,921
6725	Legal	\$7,756,766	\$57,035,763
6726	Procurement	\$6,908,922	\$47,805,991
6727	Research and Development	\$2,009,000	\$13,632,501
6728	Other General and Administrative	\$27,508,825	\$207,489,611
6790	Provision for Uncollectible Notes Receivable	\$0	\$0
Total Corporate Operations Expense		\$125,972,107	\$890,130,929
Total Operating Expense		\$1,480,947,617	\$9,321,171,508
Net Operating Income		\$394,634,219	\$2,779,277,337
Other Operating Income and Expense			
7110	Income from Custom Work	\$350,829	\$509,288
7130	Return from Nonregulated Use of Regulated Facilities	\$0	\$0
7140	Gains and Losses from Foreign Exchange	\$0	\$0
7150	Gains or Losses from Disposition of Land and Artwork	\$11,187	\$161,767
7160	Other Operating Gains and Losses	\$1,509,163	\$1,805,899
Total Other Operating Income and Expense		\$1,871,179	\$2,476,954

INCOME STATEMENT

FCC #	Account Description	Missouri Jurisdiction	Total Company
Operating Taxes			
7210	Operating Investment Tax Credits - Net	-\$2,888,856	-\$20,782,431
7220	Operating Federal Income Taxes	\$1,774,713	\$140,309,652
7230	Operating State and Local Income Taxes	\$5,233,284	\$22,255,392
7240	Operating Other Taxes	\$91,874,948	\$706,378,952
7250	Provision for Deferred Operating Income Taxes - Net	\$99,719,025	\$519,807,426
Total Operating Taxes		\$195,713,114	\$1,367,968,991
Nonoperating Income and Expense			
7300	Nonoperating Income and Expense	\$0	\$0
7310	Dividend Income	\$0	\$1,502
7320	Interest Income	\$14,289,185	\$14,822,748
7330	Income from Sinking & Other Funds	\$0	\$0
7340	Allowance for Funds Used During Construction	\$1,615,403	\$12,357,708
7450	Gains or Losses from the Disposition of Certain Property	\$0	\$0
7360	Other Nonoperating Income	-\$54,531,035	-\$438,635,971
7370	Special Charges	-\$3,517,821	-\$43,973,626
Total Nonoperating Income and Expense		-\$42,144,268	-\$455,427,639
Nonoperating Taxes			
7410	Nonoperating Investment Tax Credits - Net	\$0	\$0
7420	Nonoperating Federal Income Taxes	-\$13,150,730	-\$151,420,344
7430	Nonoperating State & Local Income Taxes	-\$3,376,502	-\$14,276,703
7440	Nonoperating Other Taxes	\$0	\$0
7450	Provision for Deferred Nonoperating Income Taxes - Net	\$0	\$0
Total Non-Operating Taxes		-\$16,527,232	-\$165,697,047

INCOME STATEMENT

FCC #	Account Description	Missouri Jurisdiction	Total Company
Interest & Related Items			
7510	Interest on Funded Debt	\$37,947,475	\$213,788,592
7520	Interest Expense - Capital Leases	-\$87,691	\$113,791
7530	Amortization of Debt Issuance Expense	\$16,845	\$94,898
7540	Other Interest Deductions	\$10,590,628	\$63,708,345
Total Interest & Related Items		\$48,467,257	\$277,705,626
Extraordinary Items			
7610	Extraordinary Income Credits	\$0	\$0
7620	Extraordinary Income Charges	\$0	\$0
7630	Current Income Tax Effect of Extraordinary Items - Net	\$0	\$0
7640	Prov for Deferred Inc Tax Effect of Extra Items - Net	\$0	\$0
Total Extraordinary Items		\$0	\$0
Jurisdictional Differences & Nonregulated Items			
7910	Inc Effect of Jurisdictional Ratemaking Diff - Net	-\$55,820,147	-\$93,077,709
7990	Nonregulated Net Income	\$0	\$0
Total Jurisdictional Differences & Nonregulated Items		-\$55,820,147	-\$93,077,709
NET INCOME		\$70,887,844	\$753,271,373

Annual Report of Southwestern Bell Telephone, L.P. as of December 31, 2002**PENSION COST - DEFINED BENEFIT PLANS**

Report each individual Plan covering one or more groups of Company employees on a separate schedule. (i.e. ESOP, Defined Contribution, Other (describe), etc.)

Plan Name: SBC Pension Benefit Plan**Trustee Name:** Boston Safe Deposit and Trust Company

Item	Current Year	Previous Year
Date of Actuarial Report:	01/01/02	01/01/01
Accumulated Benefit Obligation	\$12,175,963,000	\$12,724,241,000
Projected Benefit Obligation	\$12,656,184,000	\$13,223,970,000
Fair Value of Plan Assets	\$14,232,101,000	\$18,419,676,000
Discount Rate % for Settlement of Liabilities	7.50%	7.50%
Expected Long-Term Return On Assets Rate %	9.50%	9.50%
Service Cost	\$287,780,000	\$240,919,000
Interest Cost	\$904,130,000	\$946,275,000
Return On Plan Assets	-\$1,488,835,000	-\$1,554,371,000
Amortization of Transition Amount	-\$67,240,000	-\$79,520,000
Amortization of Gains or Losses	\$40,407,000	-\$39,025,000
Total Pension Cost	-\$323,758,000	-\$485,722,000
Minimum Required Contribution	\$0	\$0
Actual Contribution	\$0	\$0
Maximum Tax Deductible Contribution	\$0	\$0
Benefit Payments	\$2,357,131,000	\$3,144,607,000
Pension Cost Expensed	-\$323,758,000	-\$485,722,000
Pension Cost Capitalized		
Pension Asset/Liability at Close of Year	\$1,563,613,000	\$1,234,852,000

Annual Report of Southwestern Bell Telephone, L.P. as of December 31, 2002

PENSION COST - OTHER THAN DEFINED BENEFIT PLANS

Report **each individual Plan** covering one or more groups of Company employees on a separate schedule. (i.e. ESOP, Defined Contribution, Other (describe), etc.)

Plan Name: _____

Trustee Name: _____

Plan Description: _____

	Current Year	Previous Year
Date of Actuarial Report:		
Projected Benefit Obligation		
Fair Value of Plan Assets		
Expected Long-Term Return on Assets		
Minimum Required Contribution		
Actual Contribution		
Maximum Tax Deductible Contribution		
Benefit Payments		
Pension Cost Expensed		
Pension Cost Capitalized		
<u>Pension Asset/Liability at Close of Year</u>		

Annual Report of

Southwestern Bell Telephone, L.P.

for the year ended December 31, 2002

INCUMBENT LOCAL EXCHANGE CARRIER ACCESS LINE REPORT

Exchange	Residential Voice Grade Equivalent Lines				Business Voice Grade Equivalent Lines				Public Access Lines	
	Pure Resale	UNE (1)	UNE P	Full Facility Based (2)	Pure Resale	UNE (1)	UNE P	Full Facility Based (2)	Public	Customer Owned Coin Telephone
ADRIAN	**	**	**	**	**	**	**	**	**	**
ADVANCE	**	**	**	**	**	**	**	**	**	**
AGENCY	**	**	**	**	**	**	**	**	**	**
ALTENBURG-FROHNA	**	**	**	**	**	**	**	**	**	**
ANTONIA	**	**	**	**	**	**	**	**	**	**
ARCHIE	**	**	**	**	**	**	**	**	**	**
ARGYLE	**	**	**	**	**	**	**	**	**	**
ARMSTRONG	**	**	**	**	**	**	**	**	**	**
ASH GROVE	**	**	**	**	**	**	**	**	**	**
BEAUFORT	**	**	**	**	**	**	**	**	**	**
BELL CITY	**	**	**	**	**	**	**	**	**	**
BENTON	**	**	**	**	**	**	**	**	**	**
BILLINGS	**	**	**	**	**	**	**	**	**	**
BISMARCK	**	**	**	**	**	**	**	**	**	**
BLOOMFIELD	**	**	**	**	**	**	**	**	**	**
BLOOMSDALE	**	**	**	**	**	**	**	**	**	**
BONNE TERRE	**	**	**	**	**	**	**	**	**	**
BOONVILLE	**	**	**	**	**	**	**	**	**	**
BOWLING GREEN	**	**	**	**	**	**	**	**	**	**
BROOKFIELD	**	**	**	**	**	**	**	**	**	**
CAMDENTON	**	**	**	**	**	**	**	**	**	**
CAMPBELL	**	**	**	**	**	**	**	**	**	**
CAPE GIRARDEAU	**	**	**	**	**	**	**	**	**	**
CARDWELL	**	**	**	**	**	**	**	**	**	**
CARL JUNCTION	**	**	**	**	**	**	**	**	**	**
CARROLLTON	**	**	**	**	**	**	**	**	**	**
CARTHAGE	**	**	**	**	**	**	**	**	**	**
CARUTHERSVILLE	**	**	**	**	**	**	**	**	**	**
CEDAR HILL	**	**	**	**	**	**	**	**	**	**
CENTER	**	**	**	**	**	**	**	**	**	**
CHAFFEE	**	**	**	**	**	**	**	**	**	**
CHARLESTON	**	**	**	**	**	**	**	**	**	**
CHESTERFIELD	**	**	**	**	**	**	**	**	**	**
CHILLICOTHE	**	**	**	**	**	**	**	**	**	**

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Annual Report of		Southwestern Bell Telephone, L.P.										for the year ended December 31, 2002	
INCUMBENT LOCAL EXCHANGE CARRIER ACCESS LINE REPORT		Residential					Business					Public Access Lines	
		Voice Grade Equivalent Lines		Voice Grade Equivalent Lines			Voice Grade Equivalent Lines			Public Access Lines		Public Access Lines	
Exchange	Pure Resale	UNE (1)	UNE P	Full Facility Based (2)	Pure Resale	UNE (1)	UNE P	Full Facility Based (2)	Public	Customer Owned Coin Telephone			
CLARKSVILLE	** **	** **	** **	** **	** **	** **	** **	** **	** **	** **			
CLEVER	** **	** **	** **	** **	** **	** **	** **	** **	** **	** **			
CLIMAX SPRINGS	** **	** **	** **	** **	** **	** **	** **	** **	** **	** **			
DEERING	** **	** **	** **	** **	** **	** **	** **	** **	** **	** **			
DEKALB	** **	** **	** **	** **	** **	** **	** **	** **	** **	** **			
DELTA	** **	** **	** **	** **	** **	** **	** **	** **	** **	** **			
DESOTA	** **	** **	** **	** **	** **	** **	** **	** **	** **	** **			
DEXTER	** **	** **	** **	** **	** **	** **	** **	** **	** **	** **			
DOWNING	** **	** **	** **	** **	** **	** **	** **	** **	** **	** **			
EAST PRAIRIE	** **	** **	** **	** **	** **	** **	** **	** **	** **	** **			
EDINA	** **	** **	** **	** **	** **	** **	** **	** **	** **	** **			
ELDON	** **	** **	** **	** **	** **	** **	** **	** **	** **	** **			
ELSBERRY	** **	** **	** **	** **	** **	** **	** **	** **	** **	** **			
ESSEX	** **	** **	** **	** **	** **	** **	** **	** **	** **	** **			
EUREKA	** **	** **	** **	** **	** **	** **	** **	** **	** **	** **			
EXCELSIOR SPRINGS	** **	** **	** **	** **	** **	** **	** **	** **	** **	** **			
FARLEY	** **	** **	** **	** **	** **	** **	** **	** **	** **	** **			
FARMINGTON	** **	** **	** **	** **	** **	** **	** **	** **	** **	** **			
FAYETTE	** **	** **	** **	** **	** **	** **	** **	** **	** **	** **			
FENTON	** **	** **	** **	** **	** **	** **	** **	** **	** **	** **			
FESTUS-CRYSTAL CITY	** **	** **	** **	** **	** **	** **	** **	** **	** **	** **			
FISK	** **	** **	** **	** **	** **	** **	** **	** **	** **	** **			
FLAT RIVER	** **	** **	** **	** **	** **	** **	** **	** **	** **	** **			
FRANKFORD	** **	** **	** **	** **	** **	** **	** **	** **	** **	** **			
FREDERICKTOWN	** **	** **	** **	** **	** **	** **	** **	** **	** **	** **			
FREEBURG	** **	** **	** **	** **	** **	** **	** **	** **	** **	** **			
FULTON	** **	** **	** **	** **	** **	** **	** **	** **	** **	** **			
GIDEON	** **	** **	** **	** **	** **	** **	** **	** **	** **	** **			
GLASGOW	** **	** **	** **	** **	** **	** **	** **	** **	** **	** **			
GRAIN VALLEY	** **	** **	** **	** **	** **	** **	** **	** **	** **	** **			
GRAVOIS MILLS	** **	** **	** **	** **	** **	** **	** **	** **	** **	** **			
GRAY SUMMIT	** **	** **	** **	** **	** **	** **	** **	** **	** **	** **			
GREENWOOD	** **	** **	** **	** **	** **	** **	** **	** **	** **	** **			
HANNIBAL	** **	** **	** **	** **	** **	** **	** **	** **	** **	** **			

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Annual Report of

Southwestern Bell Telephone, L.P.

for the year ended December 31, 2002

INCUMBENT LOCAL EXCHANGE CARRIER ACCESS LINE REPORT

Exchange	Residential Voice Grade Equivalent Lines				Business Voice Grade Equivalent Lines				Public Access Lines	
	Pure Resale	UNE (1)	UNE P	Full Facility Based (2)	Pure Resale	UNE (1)	UNE P	Full Facility Based (2)	Public	Customer Owned Coin Telephone
HARVESTER	**	**	**	**	**	**	**	**	**	**
HAYTI	**	**	**	**	**	**	**	**	**	**
HERCULANEUM-PEVELY	**	**	**	**	**	**	**	**	**	**
HIGBEE	**	**	**	**	**	**	**	**	**	**
HIGH RIDGE	**	**	**	**	**	**	**	**	**	**
HILLSBORO	**	**	**	**	**	**	**	**	**	**
HOLCOMB	**	**	**	**	**	**	**	**	**	**
HORNESVILLE	**	**	**	**	**	**	**	**	**	**
IMPERIAL	**	**	**	**	**	**	**	**	**	**
JACKSON	**	**	**	**	**	**	**	**	**	**
JASPER	**	**	**	**	**	**	**	**	**	**
JOPLIN	**	**	**	**	**	**	**	**	**	**
KANSAS CITY	**	**	**	**	**	**	**	**	**	**
KENNETT	**	**	**	**	**	**	**	**	**	**
KIRKSVILLE	**	**	**	**	**	**	**	**	**	**
KNOB NOSTER	**	**	**	**	**	**	**	**	**	**
LAKE OZARK-OSAGE BEACH	**	**	**	**	**	**	**	**	**	**
LAMAR	**	**	**	**	**	**	**	**	**	**
LAMONTE	**	**	**	**	**	**	**	**	**	**
LANCASTER	**	**	**	**	**	**	**	**	**	**
LEADWOOD	**	**	**	**	**	**	**	**	**	**
LILBOURN	**	**	**	**	**	**	**	**	**	**
LINN	**	**	**	**	**	**	**	**	**	**
LOCKWOOD	**	**	**	**	**	**	**	**	**	**
LOUISIANA	**	**	**	**	**	**	**	**	**	**
MACKS CREEK	**	**	**	**	**	**	**	**	**	**
MALDEN	**	**	**	**	**	**	**	**	**	**
MANCHESTER	**	**	**	**	**	**	**	**	**	**
MARBLE HILL	**	**	**	**	**	**	**	**	**	**
MARCELINE	**	**	**	**	**	**	**	**	**	**
MARIONVILLE	**	**	**	**	**	**	**	**	**	**
MARSHALL	**	**	**	**	**	**	**	**	**	**
MARSTON	**	**	**	**	**	**	**	**	**	**
MAXVILLE	**	**	**	**	**	**	**	**	**	**

NP

Annual Report of

Southwestern Bell Telephone, L.P.

for the year ended December 31, 2002

INCUMBENT LOCAL EXCHANGE CARRIER ACCESS LINE REPORT

Exchange	Residential Voice Grade Equivalent Lines			Business Voice Grade Equivalent Lines			Public Access Lines			
	Pure Resale	UNE (1)	UNE P	Full Facility Based (2)	Pure Resale	UNE (1)	UNE P	Full Facility Based (2)	Public	Customer Owned Coin Telephone
META	**	**	**	**	**	**	**	**	**	**
MEXICO	**	**	**	**	**	**	**	**	**	**
MOBERLY	**	**	**	**	**	**	**	**	**	**
MONETT	**	**	**	**	**	**	**	**	**	**
MONTGOMERY CITY	**	**	**	**	**	**	**	**	**	**
MOREHOUSE	**	**	**	**	**	**	**	**	**	**
NEOSHO	**	**	**	**	**	**	**	**	**	**
NEVADA	**	**	**	**	**	**	**	**	**	**
NEW FRANKLIN	**	**	**	**	**	**	**	**	**	**
NEW MADRID	**	**	**	**	**	**	**	**	**	**
OAK RIDGE	**	**	**	**	**	**	**	**	**	**
OLD APPLETON	**	**	**	**	**	**	**	**	**	**
ORAN	**	**	**	**	**	**	**	**	**	**
PACIFIC	**	**	**	**	**	**	**	**	**	**
PATTON	**	**	**	**	**	**	**	**	**	**
PAYNESVILLE	**	**	**	**	**	**	**	**	**	**
PERRYVILLE	**	**	**	**	**	**	**	**	**	**
PIERCE CITY	**	**	**	**	**	**	**	**	**	**
POCAHONTAS-NEW WELLS	**	**	**	**	**	**	**	**	**	**
POND	**	**	**	**	**	**	**	**	**	**
POPLAR BLUFF	**	**	**	**	**	**	**	**	**	**
PORTAGE DES SIOUX	**	**	**	**	**	**	**	**	**	**
PORTAGEVILLE	**	**	**	**	**	**	**	**	**	**
PUXICO	**	**	**	**	**	**	**	**	**	**
QUILIN	**	**	**	**	**	**	**	**	**	**
RICHMOND	**	**	**	**	**	**	**	**	**	**
RICHWOODS	**	**	**	**	**	**	**	**	**	**
RISCO	**	**	**	**	**	**	**	**	**	**
RUSHVILLE	**	**	**	**	**	**	**	**	**	**
SAN ANTONIO	**	**	**	**	**	**	**	**	**	**
SCOTT CITY	**	**	**	**	**	**	**	**	**	**
SEDALIA	**	**	**	**	**	**	**	**	**	**
SENATH	**	**	**	**	**	**	**	**	**	**
SIKESTON	**	**	**	**	**	**	**	**	**	**

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Annual Report of		Southwestern Bell Telephone, L.P.										for the year ended December 31, 2002	
INCUMBENT LOCAL EXCHANGE CARRIER ACCESS LINE REPORT													
Residential Voice Grade Equivalent Lines					Business Voice Grade Equivalent Lines					Public Access Lines			
Exchange	Pure Resale	UNE (1)	UNE P	Full Facility Based (2)	Pure Resale	UNE (1)	UNE P	Full Facility Based (2)	Public	Customer Owned Coin Telephone			
SLATER	**	**	**	**	**	**	**	**	**	**			
SMITHVILLE	**	**	**	**	**	**	**	**	**	**			
SPRINGFIELD	**	**	**	**	**	**	**	**	**	**			
ST CHARLES	**	**	**	**	**	**	**	**	**	**			
ST CLAIR	**	**	**	**	**	**	**	**	**	**			
ST. JOSEPH	**	**	**	**	**	**	**	**	**	**			
ST LOUIS	**	**	**	**	**	**	**	**	**	**			
ST MARY'S	**	**	**	**	**	**	**	**	**	**			
STANBERRY	**	**	**	**	**	**	**	**	**	**			
STE GENEVIEVE	**	**	**	**	**	**	**	**	**	**			
TRENTON	**	**	**	**	**	**	**	**	**	**			
TUSCUMBIA	**	**	**	**	**	**	**	**	**	**			
UNION	**	**	**	**	**	**	**	**	**	**			
VALLEY PARK	**	**	**	**	**	**	**	**	**	**			
VERSAILLES	**	**	**	**	**	**	**	**	**	**			
VIENNA	**	**	**	**	**	**	**	**	**	**			
WALNUT GROVE	**	**	**	**	**	**	**	**	**	**			
WARDELL	**	**	**	**	**	**	**	**	**	**			
WARE	**	**	**	**	**	**	**	**	**	**			
WASHINGTON	**	**	**	**	**	**	**	**	**	**			
WEBB CITY	**	**	**	**	**	**	**	**	**	**			
WELLSVILLE	**	**	**	**	**	**	**	**	**	**			
WESTPHALIA	**	**	**	**	**	**	**	**	**	**			
WYATT	**	**	**	**	**	**	**	**	**	**			
Grand Total	25,379	0	78,284	1,620,582	25,782	32,266	91,618	729,133	16,103	4,805			

NOTES

- (1) Represents a count of UNE loops only Neither the voice grade equivalents nor the split between residential and business services can be specifically determined
- (2) Represents SWBT retail lines

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