

General Information

Year: 2013

1	Legal Name of Respondent:	PROJECT TELEPHONE COMPANY
2	Name Under Which Respondent Does Business:	NEMONT
3	Date of Incorporation:	1978
4	Address to send Correspondence Concerning Report:	PO BOX 600 SCOBEY, MT 59263
5	Person Responsible for This Report:	ROSS FLADAGER
5a.	Telephone Number:	406-783-2200
Control Over Respondent		
1	If direct control over the respondent was held by another entity at the end of year provide the following:	
	1a. Name and address of the controlling organization or person: NEMONT TELEPHONE COOP INC, PO BOX 600, SCOBEY, MT 59263	
	1b. Means by which control was held:	STOCK
	1c. Percent Ownership:	100%

Board of Directors		
Line No.	Name of Director and Address (City, State) (a)	Fees Paid During Year (b)
1	LINDA NELSON	770
2	JIM SALVEVOLD	575
3	ROY D. NEUFELD	472
4	MIKE MITCHELL	445
5	DUANE BROADBENT	2750
6	VERNON WHITEMAN	3546
7	SCOTT MCGOWAN	399
8	BEN BORESON	543
9	JULIE FRENCH	675
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18	Chairman of the Board: LINDA NELSON	
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Officers

Year: 2013

Line No.	Title of Officer (a)	Department Over Which Jurisdiction is Exercised (b)	Name and Address of Person Holding Office at Year End (c)
1	PRESIDENT		LINDA NELSON
2	VICE PRESIDENT		JIM SALVEVOLD
3	SECRETARY/TREASURER		ROY D. NEUFELD
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Total Company Balance Sheet

Year: 2013

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		CURRENT ASSETS:		
2	1120	Cash and Equivalents	137,839	130,039
3	1180	Telecommunications Accounts Receivable - Net	237,859	3,217,718
4	1190	Other Accounts Receivable - Net	6,130,456	818,654
5	1200	Notes Receivable - Net		
6	1210	Interest and Dividends Receivable		
7	1220	Materials and Supplies	1,121,265	1,054,643
8	* 1280	Prepayments	201,671	240,550
9	^ 1290	Prepaid Rents		
10	^ 1300	Prepaid Taxes		
11	^ 1310	Prepaid Insurance	11,482	10,307
12	^ 1320	Prepaid Directory Expenses		
13	^ 1330	Other Prepayments	190,189	230,243
14	1350	Other Current Assets		6,845
15		Total Current Assets	7,829,090	5,468,449
16		NONCURRENT ASSETS:		
17	1401	Investments in Affiliated Companies	36,096,864	32,320,337
18	1402	Investments in Nonaffiliated Companies	426,068	410,051
19	1406	Nonregulated Investments		
20	1407	Unamortized Debt Issuance Expense		
21	1408	Sinking Funds		
22	1410	Other Noncurrent Assets		
23	1438	Deferred Maintenance and Retirements		
24	1439	Deferred Charges		
25	1500	Other Jurisdictional Assets - Net		
26		Total Noncurrent Assets	36,522,932	32,730,388
27		PROPERTY, PLANT, & EQUIPMENT:		
28	2001	Telecommunications Plant in Service	37,500,519	39,215,737
29	2002	Property Held for Future Telecommunications Use		
30	2003	Plant Under Construction - Short Term	6,418,270	2,163,271
31	2004	Plant Under Construction - Long Term		
32	2005	Telecommunications Plant Adjustment		
33	2006	Nonoperating Plant		
34	2007	Goodwill		
35	3100	Accumulated Depreciation	(19,494,119)	(20,909,185)
36	3200	Accumulated Depreciation - Held for Future Use		
37	3300	Accumulated Depreciation - Nonoperating		
38	3400	Accumulated Amortization		
39		Net Property, Plant, & Equipment	24,424,670	20,469,823
40		TOTAL ASSETS	68,776,692	58,668,660

^ Subaccount of account marked with a *.

Total Company Balance Sheet

Year: 2013

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
41		CURRENT LIABILITIES:		
42	4010	Accounts Payable	7,229,730	3,911,243
43	4020	Notes Payable		
44	4030	Advance Billing and Payments		140,351
45	4040	Customer Deposits	34,010	51,958
46	4050	Current Maturities - Long Term Debt	426,893	401,921
47	4060	Current Maturities - Capital Leases		
48	4070	Income Taxes - Accrued		
49	4080	Other Taxes - Accrued	5,002	(1,318)
50	4100	Net Current Deferred Operating Income Taxes		
51	4110	Net Current Deferred Nonoperating Income Taxes		
52	4120	Other Accrued Liabilities		
53	4130	Other Current Liabilities	464,825	274,445
54		Total Current Liabilities	8,160,460	4,778,600
55		LONG-TERM DEBT:		
56	4210	Funded Debt		
57	4220	Premium on Long-Term Debt	3,487,577	2,226,658
58	4230	Discount on Long-Term Debt		
59	4240	Reacquired Debt		
60	4250	Obligations Under Capital leases		
61	4260	Advances From Affiliated Companies		
62	4270	Other Long-Term Debt		
63		Total Long-Term Debt	3,487,577	2,226,658
64		OTHER LIABILITIES AND DEFERRED CREDITS:		
65	4310	Other Long-Term Liabilities		
66	4320	Unamort. Oper. Invest. Tax Credits - Net		
67	4330	Unamort. Nonoper. Invest. Tax Credits - Net		
68	4340	Net Noncurrent Deferred Oper. Income Taxes		
69	4350	Net Noncurrent Deferred Nonoper. Income Taxes	3,476,105	3,191,306
70	4360	Other Deferred Credits		
71	4370	Other Jurisdictional Liab. and Def. Credits		
72		Total Other Liabilities and Deferred Credits	3,476,105	3,191,306
73		STOCKHOLDERS' EQUITY:		
74	4510	Capital Stock	7,950	7,950
75	4520	Additional Paid-In Capital		
76	4530	Treasury Stock		
77	4540	Other Capital	33,770	61,594
78	4550	Retained Earnings	53,610,830	48,402,552
79		Total Stockholders' Equity	53,652,550	48,472,096
80		TOTAL LIAB. AND STOCKHOLDERS' EQUITY	68,776,692	58,668,660

Total Company Income Statement

Year: 2013

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		REVENUES:		
2	5000	Basic Local Service Revenues	1,913,450	1,979,527
3	5080	Network Access Revenues	6,426,392	6,193,929
4	* 5100	Long Distance Message Revenue		
5	^ 5110	Unidirectional Long Distance Revenue		
6	^ 5120	Long Distance Private Network Revenue		
7	^ 5160	Other Long Distance Revenue		
8	^ 5169	Other Long Distance Revenue Settlements		
9	* 5200	Miscellaneous Revenue	75,278	64,581
10	^ 5230	Directory Revenue	32,083	18,184
11	^ 5240	Rent Revenue	12,783	14,458
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	2,249	1,756
14	^ 5270	Carrier Billing and Collection Revenue	28,163	30,183
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	21,012	14,883
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)	8,394,108	8,223,154
18		OPERATING EXPENSES:		
19	6110	Network Support Expense	36,403	30,700
20	6120	General Support Expense	501,524	539,197
21	6210	Central Office Switching Expense	406,956	489,398
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	732,933	545,734
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense	1,765,334	1,650,056
26	^ 6431	Aerial Wire Expense	1,763,213	1,649,725
27	^ 6441	Conduit Systems Expense	2,121	331
28	6510	Other Property, Plant & Equipment Expense	7,205	11,510
29	6530	Network Operations Expense	645,309	656,908
30	6540	Access Expense	121,826	112,905
31	6560	Depreciation and Amortization Expense	1,481,429	1,482,536
32	6610	Marketing	108,172	92,610
33	6620	Services	379,176	341,799
34	6710	Executive and Planning	129,828	104,013
35	6720	General and Administrative	746,816	657,020
36	6790	Provision for Uncollectible Notes Receivable		
37		Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)	7,062,911	6,714,386
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	778,599	621,652
40		Net Operating Income (L.17-L.37+L.38-L.39)	552,598	887,116
41	7300	Nonoperating Income and Expense	5,210,981	4,139,435
42	7400	Nonoperating Taxes	11,746	3,354
43	7500	Interest and Related Items	143,554	146,204
44	7600	Extraordinary Items		(9,500)
45	7910	Effects of Juris. Ratemaking Diff. - Net		
46	7990	Nonregulated Net Income		
47		NET INCOME (L.40+L.41-L.42-L.43-L.44+L.45-L.46)	5,608,279	4,886,493

^ Subaccount of the account marked with a *.

Montana Total State Income Statement

Year: 2013

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		REVENUES:		
2	5000	Basic Local Service Revenues	1,854,088	1,922,525
3	5080	Network Access Revenues	6,354,258	6,139,288
4	* 5100	Long Distance Message Revenue		
5	^ 5110	Unidirectional Long Distance Revenue		
6	^ 5120	Long Distance Private Network Revenue		
7	^ 5160	Other Long Distance Revenue		
8	^ 5169	Other Long Distance Revenue Settlements		
9	* 5200	Miscellaneous Revenue	74,698	63,708
10	^ 5230	Directory Revenue	31,608	17,665
11	^ 5240	Rent Revenue	12,783	14,458
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	2,433	1,756
14	^ 5270	Carrier Billing and Collection Revenue	27,874	29,829
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	21,012	14,883
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)	8,262,032	8,110,638
18		OPERATING EXPENSES:		
19	6110	Network Support Expense	36,403	30,281
20	6120	General Support Expense	500,552	530,766
21	6210	Central Office Switching Expense	404,774	483,763
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	724,892	543,635
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense	1,719,818	1,650,056
26	^ 6431	Aerial Wire Expense	1,717,697	1,649,725
27	^ 6441	Conduit Systems Expense	2,121	331
28	6510	Other Property, Plant & Equipment Expense	7,205	11,353
29	6530	Network Operations Expense	639,119	643,635
30	6540	Access Expense	121,826	111,361
31	6560	Depreciation and Amortization Expense	1,394,759	1,394,460
32	6610	Marketing	108,173	91,343
33	6620	Services	379,176	337,124
34	6710	Executive and Planning	129,828	102,590
35	6720	General and Administrative	746,816	648,034
36	6790	Provision for Uncollectible Notes Receivable		
37		Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)	6,913,341	6,578,401
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	774,807	613,045
40		Net Operating Income (L.17-L.37+L.38-L.39)	573,884	919,192

^ Subaccount of the account marked with a *.

Montana Intrastate Income Statement

Year: 2013

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		REVENUES:		
2	5000	Basic Local Service Revenues	UNDER 5000 ACCESS LINES NOT REQUIRED	
3	5080	Network Access Revenues		
4	* 5100	Long Distance Message Revenue		
5	^ 5110	Unidirectional Long Distance Revenue		
6	^ 5120	Long Distance Private Network Revenue		
7	^ 5160	Other Long Distance Revenue		
8	^ 5169	Other Long Distance Revenue Settlements		
9	* 5200	Miscellaneous Revenue		
10	^ 5230	Directory Revenue		
11	^ 5240	Rent Revenue		
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue		
14	^ 5270	Carrier Billing and Collection Revenue		
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue		
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)		
18		OPERATING EXPENSES:		
19	6110	Network Support Expense		
20	6120	General Support Expense		
21	6210	Central Office Switching Expense		
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense		
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense		
26	^ 6431	Aerial Wire Expense		
27	^ 6441	Conduit Systems Expense		
28	6510	Other Property, Plant & Equipment Expense		
29	6530	Network Operations Expense		
30	6540	Access Expense		
31	6560	Depreciation and Amortization Expense		
32	6610	Marketing		
33	6620	Services		
34	6710	Executive and Planning		
35	6720	General and Administrative		
36	6790	Provision for Uncollectible Notes Receivable		
37		Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)		
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes		
40		Net Operating Income (L.17-L.37+L.38-L.39)	#VALUE!	

^ Subaccount of the account marked with a *.

Montana Intrastate Regulated Income Statement

Year: 2013

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		REVENUES:		
2	5000	Basic Local Service Revenues	1,854,088	1,922,525
3	5080	Network Access Revenues	6,354,258	6,139,288
4	* 5100	Long Distance Message Revenue		
5	^ 5110	Unidirectional Long Distance Revenue		
6	^ 5120	Long Distance Private Network Revenue		
7	^ 5160	Other Long Distance Revenue		
8	^ 5169	Other Long Distance Revenue Settlements		
9	* 5200	Miscellaneous Revenue	74,698	63,708
10	^ 5230	Directory Revenue	31,608	17,665
11	^ 5240	Rent Revenue	12,783	14,458
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	2,433	1,756
14	^ 5270	Carrier Billing and Collection Revenue	27,874	29,829
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	21,012	14,883
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)	8,262,032	8,110,638
18		OPERATING EXPENSES:		
19	6110	Network Support Expense	36,403	30,281
20	6120	General Support Expense	500,552	530,766
21	6210	Central Office Switching Expense	404,774	483,763
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	724,892	543,635
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense	1,719,818	1,650,056
26	^ 6431	Aerial Wire Expense	1,717,697	1,649,725
27	^ 6441	Conduit Systems Expense	2,121	331
28	6510	Other Property, Plant & Equipment Expense	7,205	11,353
29	6530	Network Operations Expense	639,119	643,635
30	6540	Access Expense	121,826	111,361
31	6560	Depreciation and Amortization Expense	1,394,759	1,394,460
32	6610	Marketing	108,173	91,343
33	6620	Services	379,176	337,124
34	6710	Executive and Planning	129,828	102,590
35	6720	General and Administrative	746,816	648,034
36	6790	Provision for Uncollectible Notes Receivable		
37		Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)	6,913,341	6,578,401
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	774,807	613,045
40		Net Operating Income (L.17-L.37+L.38-L.39)	573,884	919,192

^ Subaccount of the account marked with a *.

***COMPLETED ON A TOTAL STATE BASIS**

Average Rate Base - Total State

Year: 2013

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	35348971	37009377
2	3100	Accumulated Depreciation	18546271	19961691
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies	1121265	1054643
6	4340	Noncurrent Deferred Operating Income Taxes	2252012	3001965
7		Pre-1971 Unamortized Investment Tax Credits		
8		Cash Working Capital (if allowed by Commission)		
9		Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)	15671953	15100364

Average Rate Base - Intrastate

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	35348971	37009377
2	3100	Accumulated Depreciation	18546271	19961691
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies	1121265	1054643
6	4340	Noncurrent Deferred Operating Income Taxes	2252012	3001965
7		Pre-1971 Unamortized Investment Tax Credits		
8		Cash Working Capital (if allowed by Commission)		
9		Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)	15671953	15100364

Average Rate Base - Regulated Intrastate

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	35348971	37009377
2	3100	Accumulated Depreciation	18546271	19961691
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies	1121265	1054643
6	4340	Noncurrent Deferred Operating Income Taxes	2252012	3001965
7		Pre-1971 Unamortized Investment Tax Credits		
8		Cash Working Capital (if allowed by Commission)		
9		Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)	15671953	15100364

Statement of Cash Flows

Year: 2013

Line No.	Item Description (a)	Amount (b)	Amount (c)
1	Increase/(decrease) in Cash & Cash Equivalents		
2	Cash Flows from Operating Activities:		5608279
3	Net Income		
4	Reconciliation Adjustments:		
5	Depreciation & Amortization	-1415065	
6	Provision for Accounts Receivable Losses		
7	Deferred Income Taxes - Net		
8	Unamortized Investment Tax Credits (ITCs) - Net		
9	Allowance for Funds Used During Construction (AFUDC)		
10	Change in Operating Receivables - Net	409860	
11	Change in Materials, Supplies & Inventories - Net	-66622	
12	Change in Operating Payables & Accrued Liabilities - Net	576683	
13	Change in Other Assets & Deferred Credits - Net	45723	
14	Change in Other Liabilities & Deferred Credits - Net	50030	
15	Other (explained on back of this page)		
16	Total Adjustments	-399391	
17	Net Cash Provided by/(Used in) Operating Activities		5208888
18	Cash Inflows/Outflows From Investing Activities:		
19	Construction/Acquisition of Property, Plant & Equipment (net of	-2539781	
20	AFUDC & Capital Lease Related Acquisitions)		
21	Proceeds from Disposals of Property, Plant & Equipment		
22	Investments In & Advances to Affiliates	-3792545	
23	Proceeds from Repayment of Advances		
24	Other Investing Activities (explained on back of this page)		
25	Net Cash Provided by/(Used in) Investing Activities		-6332326
26	Cash Flows from Financing Activities:		
27	Net Incr./((Decr.) in Short-Term Debt, Original maturity <= 3 mo.		
28	Advances from Affiliates		
29	Repayment of Advances from Affiliates		
30	Proceeds from Issuances of Long-Term Debt		
31	Repayment of Long-Term Debt		
32	Payment of Capital Lease Obligations		
33	Proceeds from Issuing Common Stock/Parent Co. Equity Investment		
34	Repurchase of Treasury Shares		
35	Dividends Paid		
36	Other Financing Activities (explained on back of this page)	1131238	
37	Net Cash Provided by Financing Activities		1131238
38	Effect of Exchange Rate Changes on Cash		
39	Net Increase/(Decrease) in Cash & Cash Equivalents		7800
40	Cash & Cash Equivalents at Beginning of Period		130039
41	Cash & Cash Equivalents at End of Period		137839

Receivables and Investments-Affiliated & Nonaffiliated Companies

Year: 2013

Line No.	Name of Affiliate or Company (a)	Account 1160 Temporary Investments (b)	Account 1180 Telecom. Accounts Receivable (c)	Account 1181 Accts. Rec. Telecom. Allowance (d)	Account 1190 Other Accounts Receivable (e)	Account 1191 Accounts Receivable Allow. - Other (f)	Account 1200 Notes Receivable (g)	Account 1201 Notes Receivable Allowance (h)	Account 1210 Interest and Dividends Receivable (i)	Account 1401 Investments in Affil. Companies (j)	Account 1402 Investments in Nonaffil. Companies (k)
1	Nemont Communications									36096864	
2	AT&T				15878						
3	Centurylink				18						
4	NCRPC				213						10000
5	NECA				269947						
6	Misc LD Carriers				42232						
7	NISC				2432						132770
8	Nemont Telephone				5751081						20402
9	USAC				16169						
10	RTFC										159908
11	Misc Memberships										1114
12	Triangle Telephone										32239
13	Big Horn Electric										24977
14	Yellowstone Valley Coop										20040
15	Farmers Union Oil										12915
16	Misc Capital Credits										11705
17											
18											
19											
20											
21											
22											
23											
24											
25											
26											
27											
28											
29											
30	Totals				6097970					36096864	426070

Net Plant in Service - Detail

Year:2013

Line No.	Account (a)	Description (b)	Beginning of Year Balance (c)	Additions (d)	Retirements (e)	Sales & Transfers (f)	End of Year Account 2001 Balance (g)	Year End Accumulated Depreciation (h)	End of Year Net Plant Balance (i)
1	* 2110	Land and Support Assets	4379983	68635	81611		4367007		4367007
2	^ 2111	Land	130353				130353		130353
3	^ 2112	Motor Vehicles	1037005	65535	81611		1020929	898615	122314
4	^ 2113	Aircraft							
5	^ 2114	Special Purpose Vehicles	190982	3100			194082	168609	25473
6	^ 2115	Garage Work Equipment							
7	^ 2116	Other Work Equipment	468599				468599	468599	
8	^ 2121	Buildings	2488234				2488234	1320467	1167767
9	^ 2122	Furniture	7036				7036	4362	2674
10	^ 2123	Office Equipment	57774				57774	29422	28352
11	^ 2124	General Purpose Computers							
12	2211	Analog Electronic Switching							
13	2212	Digital Electronic Switching	5781991	18071	2642444		3157618	2617044	540574
14	2215	Electro-Mechanical Switching							
15	2220	Operator Systems							
16	2231	Radio Systems	166010				166010	86916	79094
17	2232	Circuit Equipment	5377655	778628	86796		6069487	2260078	3809409
18	* 2310	Information Orig & Term Equip							
19	^ 2311	Station Apparatus							
20	^ 2321	Customer Premises Wiring							
21	^ 2341	Large Private Branch Exchanges							
22	^ 2351	Public Telephone Term. Equip.							
23	^ 2362	Other Terminal Equipment							
24	2411	Poles	64376				64376	64376	
25	* 2420	Cable and Wire Facilities	20465215	264994	5828		20724381		20724381
26	^ 2421	Aerial Cable	166856				166856	166856	
27	^ 2422	Underground Cable	158107				158107	153669	4438
28	^ 2423	Buried Cable	20100049	264994	5828		20359215	9939496	10419719
29	^ 2424	Submarine Cable							
30	^ 2425	Deep Sea Cable							
31	^ 2426	Intrabuilding Network Cable	40203				40203	40203	
32	2431	Aerial Wire	3748				3748	3748	
33	2441	Conduit Systems	770399	25943			796342	323812	472530
34		Totals	37009377	1156271	2816679		35348969	18546272	16802697

^ Subaccount of the account marked with a *.

Analysis of Plant Held for Future Use

Year:2013

Line No.	Location and Description of Property (a)	Date Included in Account 2002 (b)	Book Cost of Property at Beginning of Year (c)	Additions During the Year (d)	Retirements During the Year (e)	Transfers and Adjustments Charges and (Credits) (f)	Book Cost of Property at End of Year (g)
1	NONE						
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
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25							
26							
27							
28							
29							
30	Totals (Sum L.1 to L.29)						

Average Cost of Long Term Debt

Year:2013

Line No.	Description (a)	Issue Date (b)	Maturity Date (c)	Principal Amount (d)	Gross Proceeds (e)	Net Proceeds (f)	Net Per \$100 (g)	Outstanding Per Balance Sheet (h)	Yield to Maturity (i)	Annual Net Cost (j)	Amortization of Premium or Discount (k)	Total Cost (%) (l)
1	RUS LOAN 12062	1976	Jan-18	85000	85000	85000		14586		387		
2	RUS LOAN 12080	1983	Oct-18	2170000	2170000	2170000		546512		30201		
3	RUS LOAN 12090	1983	Oct-18	3019000	3019000	3019000		788613		43562		
4	RUS LOAN 12091	1983	Oct-18	1376000	1376000	1376000		378607		20901		
5	RUS LOAN 12092	1983	Oct-18	511000	511000	511000		269432		13986		
6	Cushion of Credit							-13572				
7	RTB Loan 1-1	1984		737100	737100	737100		45492		5223		
8	RUS BB LOAN 1-1	Mar-13	Aug-32	141644	141644	141644		141467		2996		
9	RUS BB LOAN 1-2	May-13	Aug-32	97987	97987	97987		97987		1641		
10	RUS BB LOAN 1-3	Jul-13	Aug-32	140720	140720	140720		140720		2272		
11	RUS BB LOAN 1-4	Aug-13	Aug-32	145635	145635	145635		145635		1963		
12	RUS BB LOAN 1-5	Sep-13	Aug-32	253503	253503	253503		253503		2741		
13	RUS BB LOAN 1-6	Oct-13	Aug-32	145409	145409	145409		145409		856		
14	RUS BB LOAN 1-7	Dec-13	Aug-32	128450	128450	128450		128450				
15	RUS BB LOAN 1-8	Dec-13	Aug-32	138252	138252	138252		138252				
16	RUS BB LOAN 2-1	Nov-12	Aug-35	89132	89132	89132		88584		2334		
17	RUS BB LOAN 2-2	Dec-12	Aug-35	107295	107295	107295		106681		2861		
18	RUS BB LOAN 2-3	Jan-13	Aug-35	88615	88615	88615		88118		2274		
19	RUS BB LOAN 2-4	Mar-13	Aug-35	124800	124800	124800		124103		2862		
20	RUS BB LOAN 2-5	Jun-13	Aug-35	79091	79091	79091		78660		1341		
21	RUS BB LOAN 2-6	Jul-13	Aug-35	134126	134126	134126		133433		2185		
22	RUS BB LOAN 2-7	Aug-13	Aug-35	49688	49688	49688		49433		697		
23	RUS BB LOAN 2-8	Oct-13	Aug-35	14028	14028	14028		13992		87		
24	RUS BB LOAN 2-9	Dec-13	Aug-35	10371	10371	10371		10371				
25												
26												
27												
28												
29												
30	Total			9786846	9786846	9786846	100.00	3914468		141370		3.61%

Cost of Preferred Stock

Year:2013

Line No.	Description (a)	Date of Issuance (b)	Method of Offering (c)	Call Redemption Price (d)	Par Value Of Issue (e)	Gross Proceeds Amounts (f)	Net Proceeds Amounts (g)	Net Proceeds Per \$100 (h)	Cost of Money (i)	Principal Outstanding (j)	Annual Cost (k)	Embedded Cost (l)
1	NONE											
2												
3												
4												
5												
6												
7												
8												
9												
10												
11												
12												
13												
14												
15												
16												
17												
18												
19												
20												
21												
22												
23												
24												
25												
26												
27												
28												
29												
30	Totals (Sum L.1 to L.29)											

Analysis of Common Stock

Year:2013

Line No.	(a)	Avg. Number of Shares Outstanding (b)	Book Value (per share) (c)	Earnings (per share) (d)	Dividends (per share) (e)	Retention Ratio (f)	Market Price		Price/Earnings Ratio (i)
							High (g)	Low (h)	
1	Year Ended December 31:								
2									
3	NOT APPLICABLE								
4									
5									
6									
7									
8	Month by Month Data:								
9	January								
10	February								
11	March								
12	April								
13	May								
14	June								
15	July								
16	August								
17	September								
18	October								
19	November								
20	December								
21									
22									
23									

Capital Stock and Funded Debt Reacquired or Retired During the Year

Year:2013

Line No.	Description of Security (a)	Call or Retirement Date (b)	Number of Shares (c)	Principal Amount (d)	Reacquisition or Retirement Cost (e)	Gain or (Loss) (f)	Retirement or Reacquisition (g)
1	NOT APPLICABLE						
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
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20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30	Totals (Sum L.1 to L.29)						

Total Company Expense Matrix

Line No.	Acct. No. (a)	Description (b)	Salaries and Wages (c)	Benefits (d)	Rents (e)	Other Expenses (f)	Clearances (g)	Total (h)
1	*	6110 Network Support Expense	10523	6876	5232	233476		256107
2	^	6112 Motor Vehicle Expense	10523	6876		214500	-219704	12195
3	^	6113 Aircraft Expense						
4	^	6114 Special Purpose Vehicles Expense			5232	9423		14655
5	^	6115 Garage Work Equipment Expense						
6	^	6116 Other Work Equipment Expense				9553		9553
7	*	6120 General Support Expense	85904	52095	268269	95254		501522
8	^	6121 Land and Building Expense	70343	41675	207319	76602		395939
9	^	6122 Furniture and Artworks Expense	147	86	6456	527		7216
10	^	6123 Office Equipment Expense			35966	5153		41119
11	^	6124 General Purpose Computers Expense	15414	10334	18528	12972		57248
12	*	6210 Central Office Switching Expense	144335	100734		161886		406955
13	^	6211 Analog Electronic Expense						
14	^	6212 Digital Electronic Expense	144335	100734		161886		406955
15	^	6215 Electro-Mechanical Expense						
16		6220 Operator Systems Expense						
17	*	6230 Central Office Transmission Expense	121099	78882	145673	387281		732935
18	^	6231 Radio Systems Expense	1750	1262		12964		15976
19	^	6232 Circuit Equipment Expense	119349	77620	145673	374317		716959
20	*	6310 Information Origination/Termination Expense						
21	^	6311 Station Apparatus Expense						
22	^	6341 Large Private Branch Exchange Expense						
23	^	6351 Public Telephone Terminal Equipment Exp.						
24	^	6362 Other Terminal Equipment Expense						
25	*	6410 Cable and Wire Facilities Expense	605176	414440	489269	256447		1765332
26	^	6411 Poles Expense			7852	643		8495
27	^	6421 Aerial Cable Expense	11600	8670		2150		22420
28	^	6422 Underground Cable Expense						
29	^	6423 Buried Cable Expense	593576	405770	481070	251880		1732296
30	^	6424 Submarine Cable Expense						
31	^	6425 Deep Sea Cable Expense						
32	^	6426 Intrabuilding Network Cable Expense						
33	^	6431 Aerial Wire Expense						
34		Subtotals	967,037	653,027	908,096	1,132,570	(219,704)	3441026

^ Subaccount of the account marked with a *.

Total Company Expense Matrix

Line No.	Acct. No. (a)	Description (b)	Salaries and Wages (c)	Benefits (d)	Rents (e)	Other Expenses (f)	Clearances (g)	Total (h)
35	^ 6441	Conduit Systems Expense			347	1774		2121
36	6510	Other Property Expenses	34619	21082		9178	-57674	7205
37	* 6530	Network Operations Expense	318761	224238		201640	-99330	645309
38	^ 6531	Power Expense				117920		117920
39	^ 6532	Network Administration Expense	8644	5924		6975		21543
40	^ 6533	Testing Expense	7156	5832		15906		28894
41	^ 6534	Plant Operations Expense	163932	115819		24913	-50433	254231
42	^ 6535	Engineering Expense	139029	96663		35926	-48897	222721
43	6540	Access Expense				121826		121826
44	6561	Depreciation - Telecomm. Plant in Service				1481429		1481429
45	6562	Depreciation-Prop. for Future Telecom. Use						
46	6563	Amortization Expense - Tangible						
47	6564	Amortization Expense - Intangible						
48	6565	Amortization - Other						
49	* 6610	Marketing	61822	40345		6006		108173
50	^ 6611	Product Management						
51	^ 6612	Sales	42930	27977		4995		75902
52	^ 6613	Product Advertising	18892	12368		1011		32271
53	6621	Call Completion Services				578		578
54	6622	Number Services	1645	1302		663		3610
55	6623	Customer Services	121241	94584		159163		374988
56	6711	Executive	50424	27753		51652		129829
57	6712	Planning						
58	6721	Accounting and Finance	142024	96126		101855		340005
59	6722	External Relations	23551	15440		62807		101798
60	6723	Human Relations	12887	9259		11300		33446
61	6724	Information Management						
62	6725	Legal				15683		15683
63	6726	Procurement						
64	6727	Research and Development						
65	6728	Other General and Administrative	98764	70188		86932		255884
66	6790	Provision for Uncollectible Notes Receivable						
67		Totals	1,832,775	1,253,344	908,443	3,445,056	(376,708)	7062910

^ Subaccount of the account marked with a *.

Total State Expense Matrix

Line No.		Acct. No. (a)	Description (b)	Salaries and Wages (c)	Benefits (d)	Rents (e)	Other Expenses (f)	Clearances (g)	Total (h)
1	*	6110	Network Support Expense	10523	6876	5232	233476		256107
2	^	6112	Motor Vehicle Expense	10523	6876		214500	-219704	12195
3	^	6113	Aircraft Expense						
4	^	6114	Special Purpose Vehicles Expense			5232	9423		14655
5	^	6115	Garage Work Equipment Expense						
6	^	6116	Other Work Equipment Expense				9553		9553
7	*	6120	General Support Expense	85904	52095	267789	94762		500550
8	^	6121	Land and Building Expense	70343	41675	206839	76110		394967
9	^	6122	Furniture and Artworks Expense	147	86	6456	527		7216
10	^	6123	Office Equipment Expense			35966	5153		41119
11	^	6124	General Purpose Computers Expense	15414	10334	18528	12972		57248
12	*	6210	Central Office Switching Expense	143124	99950		161700		404774
13	^	6211	Analog Electronic Expense						
14	^	6212	Digital Electronic Expense	143124	99950		161700		404774
15	^	6215	Electro-Mechanical Expense						
16		6220	Operator Systems Expense						
17	*	6230	Central Office Transmission Expense	116771	76025	145673	386424		724893
18	^	6231	Radio Systems Expense	1750	1262		12964		15976
19	^	6232	Circuit Equipment Expense	115021	74763	145673	373460		708917
20	*	6310	Information Origination/Termination Expense						
21	^	6311	Station Apparatus Expense						
22	^	6341	Large Private Branch Exchange Expense						
23	^	6351	Public Telephone Terminal Equipment Exp.						
24	^	6362	Other Terminal Equipment Expense						
25	*	6410	Cable and Wire Facilities Expense	580653	398197	489269	251698		1719817
26	^	6411	Poles Expense			7852	643		8495
27	^	6421	Aerial Cable Expense	11600	8670		2150		22420
28	^	6422	Underground Cable Expense						
29	^	6423	Buried Cable Expense	569053	389527	481070	247131		1686781
30	^	6424	Submarine Cable Expense						
31	^	6425	Deep Sea Cable Expense						
32	^	6426	Intrabuilding Network Cable Expense						
33	^	6431	Aerial Wire Expense						
34			Subtotals	936,975	633,143	907,616	1,126,286	(219,704)	3384316

^ Subaccount of the account marked with a *.

Total State Expense Matrix

Line No.	Acct. No. (a)	Description (b)	Salaries and Wages (c)	Benefits (d)	Rents (e)	Other Expenses (f)	Clearances (g)	Total (h)
35	^ 6441	Conduit Systems Expense			347	1774		2121
36	6510	Other Property Expenses	34619	21082		9178	-57674	7205
37	* 6530	Network Operations Expense	318761	224238		195450	-99330	639119
38	^ 6531	Power Expense				111730		111730
39	^ 6532	Network Administration Expense	8644	5924		6975		21543
40	^ 6533	Testing Expense	7156	5832		15906		28894
41	^ 6534	Plant Operations Expense	163932	115819		24913	-50433	254231
42	^ 6535	Engineering Expense	139029	96663		35926	-48897	222721
43	6540	Access Expense				121826		121826
44	6561	Depreciation - Telecomm. Plant in Service				1394759		1394759
45	6562	Depreciation-Prop. for Future Telecom. Use						
46	6563	Amortization Expense - Tangible						
47	6564	Amortization Expense - Intangible						
48	6565	Amortization - Other						
49	* 6610	Marketing	61822	40345		6006		108173
50	^ 6611	Product Management						
51	^ 6612	Sales	42930	27977		4995		75902
52	^ 6613	Product Advertising	18892	12368		1011		32271
53	6621	Call Completion Services				578		578
54	6622	Number Services	1645	1302		663		3610
55	6623	Customer Services	121241	94584		159163		374988
56	6711	Executive	50424	27753		51652		129829
57	6712	Planning						
58	6721	Accounting and Finance	142024	96126		101855		340005
59	6722	External Relations	23551	15440		62807		101798
60	6723	Human Relations	12887	9259		11300		33446
61	6724	Information Management						
62	6725	Legal				15683		15683
63	6726	Procurement						
64	6727	Research and Development						
65	6728	Other General and Administrative	98764	70188		86932		255884
66	6790	Provision for Uncollectible Notes Receivable						
67		Totals	1,802,713	1,233,460	907,963	3,345,912	(376,708)	6913340

^ Subaccount of the account marked with a *.

Pension Costs

Year: 2013

1	Plan Name NTCA SAVINGS PLAN			
2	Defined Benefit Plan? _____	Defined Contribution Plan? _____		
3	Actuarial Cost Method? _____	IRS Code: _____		
4	Annual Contribution by Employer: __\$163216.00__	Is the Plan Over Funded? _____		
5				
	Item	Current Year	Last Year	% Change
6	Change in Benefit Obligation			
7	Benefit obligation at beginning of year			
8	Service cost			
9	Interest Cost			
10	Plan participants' contributions			
11	Amendments			
12	Actuarial Gain			
13	Acquisition			
14	Benefits paid			
15	Benefit obligation at end of year			
16	Change in Plan Assets			
17	Fair value of plan assets at beginning of year	3589114	3313565	-7.68%
18	Actual return on plan assets			
19	Acquisition			
20	Employer contribution	163216	158297	-3.01%
21	Plan participants' contributions	176246	117252	-33.47%
22	Benefits paid			
23	Fair value of plan assets at end of year	3928576	3589114	-8.64%
24	Funded Status	3928576	3589114	-8.64%
25	Unrecognized net actuarial loss			
26	Unrecognized prior service cost			
27	Prepaid (accrued) benefit cost	3928576	3589114	-8.64%
28				
29	Weighted-average Assumptions as of Year End			
30	Discount rate			
31	Expected return on plan assets			
32	Rate of compensation increase			
33				
34	Components of Net Periodic Benefit Costs			
35	Service cost			
36	Interest cost			
37	Expected return on plan assets			
38	Amortization of prior service cost			
39	Recognized net actuarial loss			
40	Net periodic benefit cost			
41				
42	Montana Intrastate Costs:			
43	Pension Costs			
44	Pension Costs Capitalized			
45	Accumulated Pension Asset (Liability) at Year End			
46	Number of Company Employees:			
47	Covered by the Plan	21	22	4.76%
48	Not Covered by the Plan		1	#DIV/0!
49	Active	21	23	9.52%
50	Retired			
51	Deferred Vested Terminated			

Other Post Employment Benefits (OPEBS)

	Item	Current Year	Last Year	% Change
1	Regulatory Treatment:			
2	Commission authorized - most recent			
3	Docket number: _____			
4	Order number: _____			
5	Amount recovered through rates			
6	Weighted-average Assumptions as of Year End	NA		
7	Discount rate			
8	Expected return on plan assets			
9	Medical Cost Inflation Rate			
10	Actuarial Cost Method			
11	Rate of compensation increase			
12	List each method used to fund OPEBs (ie: VEBA, 401(h)) and if tax advantaged:			
13				
14				
15	Describe any Changes to the Benefit Plan:			
16				
17	TOTAL COMPANY			
18	Change in Benefit Obligation	NA		
19	Benefit obligation at beginning of year			
20	Service cost			
21	Interest Cost			
22	Plan participants' contributions			
23	Amendments			
24	Actuarial Gain			
25	Acquisition			
26	Benefits paid			
27	Benefit obligation at end of year			
28	Change in Plan Assets	NA		
29	Fair value of plan assets at beginning of year			
30	Actual return on plan assets			
31	Acquisition			
32	Employer contribution			
33	Plan participants' contributions			
34	Benefits paid			
35	Fair value of plan assets at end of year			
36	Funded Status	NA		#VALUE!
37	Unrecognized net actuarial loss			
38	Unrecognized prior service cost			
39	Prepaid (accrued) benefit cost			
40	Components of Net Periodic Benefit Costs	NA		
41	Service cost			
42	Interest cost			
43	Expected return on plan assets			
44	Amortization of prior service cost			
45	Recognized net actuarial loss			
46	Net periodic benefit cost			
47	Accumulated Post Retirement Benefit Obligation	NA		
48	Amount Funded through VEBA			
49	Amount Funded through 401(h)			
50	Amount Funded through Other _____			
51	TOTAL			
52	Amount that was tax deductible - VEBA			
53	Amount that was tax deductible - 401(h)			
54	Amount that was tax deductible - Other _____			
55	TOTAL			

Other Post Employment Benefits (OPEBS) Continued

Year: 2013

	Item	Current Year	Last Year	% Change
1	Number of Company Employees:	NA		
2	Covered by the Plan			
3	Not Covered by the Plan			
4	Active			
5	Retired			
6	Spouses/Dependants covered by the Plan			
7	Montana			
8	Change in Benefit Obligation	NA		
9	Benefit obligation at beginning of year			
10	Service cost			
11	Interest Cost			
12	Plan participants' contributions			
13	Amendments			
14	Actuarial Gain			
15	Acquisition			
16	Benefits paid			
17	Benefit obligation at end of year			
18	Change in Plan Assets	NA		
19	Fair value of plan assets at beginning of year			
20	Actual return on plan assets			
21	Acquisition			
22	Employer contribution			
23	Plan participants' contributions			
24	Benefits paid			
25	Fair value of plan assets at end of year			
26	Funded Status	NA		#VALUE!
27	Unrecognized net actuarial loss			
28	Unrecognized prior service cost			
29	Prepaid (accrued) benefit cost			
30	Components of Net Periodic Benefit Ccosts	NA		
31	Service cost			
32	Interest cost			
33	Expected return on plan assets			
34	Amortization of prior service cost			
35	Recognized net actuarial loss			
36	Net periodic benefit cost			
37	Accumulated Post Retirement Benefit Obligation	NA		
38	Amount Funded through VEBA			
39	Amount Funded through 401(h)			
40	Amount Funded through other _____			
41	TOTAL			
42	Amount that was tax deductible - VEBA			
43	Amount that was tax deductible - 401(h)			
44	Amount that was tax deductible - Other			
45	TOTAL			
46	Montana Intrastate Costs:	NA		
47	Pension Costs			
48	Pension Costs Capitalized			
49	Accumulated Pension Asset (Liability) at Year End			
50	Number of Montana Employees:	NA		
51	Covered by the Plan			
52	Not Covered by the Plan			
53	Active			
54	Retired			
55	Spouses/Dependants covered by the Plan			

Payments for Services to Persons Other Than Employees

Year: 2013

Line No.	Name of Recipient (a)	Nature of Service (b)	Total Company Cost (c)	Total State Cost (d)	Intrastate Cost (e)
1	JKL ASSOCIATES	CONSTRUCTION	2280396	2280396	2280396
2	MOSS ADAMS	CONSULTING	52674	52674	52674
3	VECI	CONSTRUCTION	2853957	2853957	2853957
4	CHMS	AUDITING	29208	29208	29208
5	STEVEN M REPAC	APPRAISAL	69918	69918	69918
6	FINLEY ENGINEERING	ENGINEERING	1864593	1864593	18564593
7	NISC	DATA	82563	82563	82563
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47					
48					
49	Total				

Subscriber Line Usage Data

Year: 2013

Line No.	Description (a)	This Year (b)	% of Total (c)	Last Year (d)	% of Total (e)
1	Toll Usage:				
2	Interstate, InterLATA	4242753	78.74%	5260350	78.36%
3	Interstate, IntraLATA	59904	1.11%	70960	1.06%
4	Total Interstate Usage	4302657	79.86%	5331310	79.42%
5	Intrastate, InterLATA	685451	12.72%	889300	13.25%
6	Intrastate, IntraLATA	399909	7.42%	492453	7.34%
7	Total Intrastate Usage	1085360	20.14%	1381753	20.58%
8	Total Toll Usage	5388017	100.00%	6713063	100.00%
9	Centrex				
10	Local				
11	Total Minutes	5388017	100.00%	6713063	100.00%

Central Office and Access Line Statistics

Line No.	Wire Center (a)	Type of Office (b)	Residential (c)	ISDN (d)	ADSL (e)	Lifeline Customers (f)	Residential LMS Customers (g)	Single Line Business (h)	Multi-Line Business (i)	Customer Owned Coin (j)	Company Owned Coin (k)	Other (l)	% of Lines w/ T. Tone (m)	Total Access Lines (n)
1	ABSAROCKE	UD/DIG	1065		749	9		211						2025
2	BELFRY	UD/DIG	167		107	5		23						297
3	CLARK	RSU	215		158			46						419
4	CROW AGENCY	UD/DIG	278		169	133		351						798
5	FORT SMITH	RSU	163		79	17		100						342
6	HUNTLEY	RSU	271		142	3		70						483
7	LODGE GRASS	RSU	274		103	82		57						434
8	POMPEYS PILLAR	RSU	49		36	1		16						101
9	SOUTH WYOLA	RSU	1					1						2
10	WORDEN	UD/DIG	452		259	14		106						817
11	WYOLA	RSU	60		21	24		24						105
12														
13														
14														
15														
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30														
31														
32														
33	Total		2995		1823	288		1005						5823

NOTE: Additional blank schedules are being provided for your convenience.

Central Office and Switch Information

Year: 2013

Line No.	Wire Center (a)	Office Configuration (Host, Remote, Stand alone) (b)	Type of Switch (c)	Switch Vendor/Manufacturer (d)	Switch Model No. (e)	Switch Line Capacity (f)	Year Deployed (g)
1	ABSAROKEE	HOST	DIGITAL	NTI	DMS10	1,709	1985
2	BELFRY	HOST	DIGITAL	NTI	DMS10	403	1985
3	CLARK	REMOTE	DIGITAL	NTI	RSLE	354	1996
4	CROW AGENCY	HOST	DIGITAL	NTI	DMS10	1,056	1994
5	FORT SMITH	REMOTE	DIGITAL	NTI	RSLE	363	1994
6	HUNTLEY	REMOTE	DIGITAL	NTI	RSLE	597	1996
7	LODGE GRASS	REMOTE	DIGITAL	NTI	RSLE	669	1994
8	WORDEN	HOST	DIGITAL	NTI	DMS10	1,524	1985
9	WYOLA	REMOTE	DIGITAL	NTI	RSLE	171	1994
10	NYE	REMOTE	DIGITAL	NTI	RSLE	335	1985
11	ROSCOE	REMOTE	DIGITAL	NTI	RSLE	251	1996
12	DEAN	REMOTE	DIGITAL	NTI	RSLE	160	1996
13							
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48							

NOTE: Additional blank schedules are being provided for your convenience.

Construction Budget - Montana

Year: 2014

Line No.	Description (a)	2014 (b)
1	Central Office Assets:	
2		
3	CORE TRANSPORT ELECTRONICS	1000000
4		
5		
6		
7		
8		
9		
10		
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15		
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25		
26		
27	Total Switching and Central Office Projects over \$500,000	1000000
28	Miscellaneous Central Office Projects not over \$500,000	185000
29	Total Central Office Budget (Total of Line 27 & Line 28)	1185000
30	Other Projects over \$500,000:	
31	LAST MILE STIMULUS CROW	1340488
32		
33		
34		
35		
36		
37		
38		
39		
40		
41	Total Other Projects over \$500,000	1340488
42	Miscellaneous projects not over \$500,000	1097145
43	Total Construction Budget (Total of Lines 29, 41 & 42)	3622633

Montana Total State Construction Expenditures

Line No.	FCC Part 32 Account No. (a)	Description (b)	This Year (c)	Last Year (d)	Percent Change (e)
1	2110	General Support Assets	68635	134160	-48.84%
2	2210	Central Office Assets	18071	598215	-96.98%
3	2220	Operator Systems			
4	2230	Central Office Transmission	778628	447100	74.15%
5	2310	Information/Termination Assets			
6	2410	Cable and Wire Facilities Assets	290937	1818231	-84.00%
7	2680	Amortizable Tangible Assets			
8	2690	Intangibles			
9		Total Construction Expenditures	1156271	2997706	-61.43%

Montana Employee Counts

Year: 2013

Line No.	Category (a)	Beginning of Year (b)	End of Year (c)
1	NETWORK TECH COE	3	3
2	COMBINATIONS TECH	7	7
3	CONSTRUCTION TECH	3	3
4	CUSTODIAN	2	1
5	WAREHOUSE AGENT		1
6	CUSTOMER SERVICE SPECIALIST	3	2
7	RIGHT OF WAY AGENT	1	1
8	PLANT SUPERVISOR	1	1
9	OSP ENGINEER	1	1
10	SALES/ACCOUNTS MANAGER		1
11			
12			
13			
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42			
43	Totals (Sum of Lines 1 through 42)	21	21

Compensation of Top 10 Montana Based Employees

Year: 2013

Line No.	Name/Title (a)	Base Salary (b)	Bonuses (c)	Other Compensation (d)	Total Compensation (e)	Total Compensation Last Year (f)	% Increase Total Compensation (g)
1	N/A						
2							
3							
4							
5							
6							
7							
8							
9							
10							
11	Totals (Sum L.1 to L.10)						

Compensation of Top 5 Corporate Employees - SEC Information

Line No.	Name/Title (a)	Base Salary (b)	Bonuses (c)	Other Compensation (d)	Total Compensation (e)	Total Compensation Last Year (f)	% Increase Total Compensation (g)
1	N/A						
2							
3							
4							
5							
6	Totals (Sum L.1 to L.5)						

Montana Composite Statistics

Year: 2013

Line No.	Account No.	Description (a)	Amount (b)
1		Plant (Intrastate Only) (000 Omitted)	
2	2001	Plant in Service	35348971
3	2003 - 2004	Construction Work in Progress	6417330
4	2005	Plant Acquisition Adjustments	
5	2002	Plant Held for Future Use	
6	1220	Materials & Supplies	1121265
7		(Less):	
8	3100 - 3400	Depreciation & Amortization Reserves	-18546271
9	4360.2	Contributions in Aid of Construction	
10		NET BOOK COSTS	24341295
11		Revenues & Expenses (Intrastate Only) (000 Omitted)	
12	5000 - 5300	Operating Revenues	8262031
13	6560	Depreciation & Amortization Expenses	1394759
14		Federal & State Income Taxes	226283
15		Other Taxes	548524
16		Other Operating Expenses	5518582
17		TOTAL Operating Expenses	7688148
18		Net Operating Income	573883
19		Other Income	5199235
20		Other Deductions	143554
21		NET INCOME	5629564
22		Access Lines in Service (Intrastate Only)	
23		Residential Access Lines	2995
24		Business Access Lines	1005
25		PBX Access Lines	
26		Other Access Lines	
27		Total Number of Access Lines	4000
28		Average Number of Calls Per Access Line	
29		Local Calls	2424959
30		Toll Calls (Intra- or Interstate)	2993776
31		Total Number of Calls Per Access Line (Total of Line 29 & Line 30 divided by Line 27)	5418735
32		Other Statistics (Intrastate Only)	
33		Average Residential Monthly Bill	27
34		Gross Plant Investment per Access Line	8837

Depreciation - Montana Intrastate Regulated

Year: 2013

Line No.	Acct No. (a)	Description (b)	Composite Rate % (c)	Total Expense \$ (d)
1	2112	Motor Vehicles	25.0%	105,765
2	2114	Special Purpose Vehicles	20.0%	16,354
3	2115	Garage Work Equipment		
4	2116	Other work Equipment	8.0%	
5	2121	Buildings	3.1%	77,036
6	2122	Furniture	7.5%	528
7	2123.1	Office Support Equipment	7.5%	4,333
8	2123.2	Company Communications Equipment		
9	2124	General Purpose Computers		
10	2211	Analog Electronic Switching Equipment		
11	2212	Digital Electronic Switching Equipment	8.3%	67,306
12	2215	Step By Step Switching Equipment		
13	2215	Crossbar Switching Equipment		
14	2220	Operator System		
15	2231	Radio Systems	8.3%	18,294
16	2232	Circuit DDS		
17	2232	Circuit Digital	6.5%	369,667
18	2232	Circuit Analog		
19	2351	Public Telephone Terminating Equipment		
20	2362	Other Terminal Equipment		
21	2411	Poles	6.7%	
22	2421	Aerial Cable Metallic	9.2%	
23	2421	Aerial Cable Nonmetallic	9.2%	
24	2422	Underground Cable Metallic	9.2%	8,775
25	2422	Underground Cable Nonmetallic	9.2%	553
26	2423	Buried Cable Metallic	3.3%	522,214
27	2423	Buried Cable Nonmetallic	4.0%	173,079
28	2424	Submarine Cable Metallic		
29	2424	Submarine Cable Nonmetallic		
30	2426	Intrabuilding Network Cable Metallic	3.3%	
31	2426	Intrabuilding Network Cable Nonmetallic		
32	2431	Aerial Wire	9.2%	
33	2441	Conduit Systems	4.0%	30,856
34				
35		COMPOSITE TOTAL		1,394,760
36	<p>Please list the Montana Public Service Commission Docket Order No. approving these depreciation rates</p> <p>Docket Number _____ Order Number _____</p>			
37				
38				
39				
40				

Amortization - Montana Intrastate Regulated

Year: 2013

Line No.	Acct No. (a)	Description (b)	Composite Rate % (c)	Total Expense \$ (d)
1		Not Applicable		
2				
3				
4				
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35			COMPOSITE TOTAL	
36	<p>Please list the Montana Public Service Commission Docket Order No. approving these amortization rates</p> <p>Docket Number _____ Order Number _____</p>			
37				
38				
39				
40				

Montana Regulatory Capital Structure & Costs

Year: 2013

Line No.	Description (a)	% Cap. Str. (b)	% Cost Rate (c)	Weighted Cost (d)
Commission Accepted - Most Recent				
1	Docket Number			
2	Order Number			
3				
4	Common Equity			
5	Preferred Stock			
6	Long Term Debt			
7	Other			
8	Total			
Actual at Year End				
12	Common Equity	93.00%	7.250%	6.743%
13	Preferred Stock			
14	Long Term Debt	7.00%	6.000%	0.420%
15	Other			
16	Total	100.00%		7.163%

Network Access - Charges and Revenues

Year: 2013

Line No.	Description (a)	Access Charges Paid (b)	Access Revenues Received (c)
1	Montana - Total State		2643465
2			
3	Montana - Intrastate		2643465
4			
5	Montana - Intrastate Regulated		2643465
6			
7			
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Affiliate Transactions - Products & Services Provided to Utility

Year: 2013

Line No.	Affiliate Name (a)	Products & Services (b)	Method to Determine Price (c)	Charges to Utility (d)	% Total Affil. Revenues (e)	Charges to MT Utility (f)
1	NEMONT COMMUNICATIONS	COMPUTER LEASES	LEASE AGREEMENT	18,528		
2	NEMONT COMMUNICATIONS	BUILDING LEASE	LEASE AGREEMENT	183,480		
3	NEMONT COMMUNICATIONS	OTHER WORK EQUIP TOOLS	LEASE AGREEMENT	5,232		
4	NEMONT COMMUNICATIONS	FIBER LEASE	LEASE AGREEMENT	614,004		
5	NEMONT COMMUNICATIONS	OFFICE EQUIPMENT	LEASE AGREEMENT	41,568		
6	SAGEBRUSH CELLULAR	WIRELESS SERVICES	MONTHLY BILLING	19,795		
7						
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29						
30	TOTAL			\$882,607		

Affiliate Transactions - Products & Services Provided by Utility

Year: 2013

Line No.	Affiliate Name (a)	Products & Services (b)	Method to Determine Price (c)	Charges to Affiliate (d)	% Total Affil. Revenues (e)	Charges to MT Utility (f)
1	SAGEBRUSH CELLULAR	TELECOM SERVICES	TARIFF	440		
2	SAGEBRUSH CELLULAR	FIBER CIRCUIT LEASE	LEASE AGREEMENT	276,825		
3	NEMONT COMMUNICATIONS	TELECOM SERVICES	TARIFF	589,486		
4	NEMONT COMMUNICATIONS	BILL & KEEP	AGREEMENT	22,420		
5						
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29						
30	TOTAL			\$889,171		

Montana Intrastate Regulated Earned Rate of Return

Year: 2013

Line No.	Description Rate Base (a)	This Year (b)	Last Year (c)	Percent Change (d)
1				
2	2001 Plant in Service	35,348,971	37,009,378	-4.49%
3	2002 Prop. Held for Future Telecommunications Use			
4	3100-3200 (Less) Accumulated Depreciation	(18,546,271)	(19,961,691)	7.09%
5	Plant in Service	16,802,700	17,047,687	-1.44%
6				
7	Additions			
8	1220 Materials & Supplies	1,121,265	1,054,643	6.32%
9	1280 Prepayments	201,671	240,550	-16.16%
10	Other Additions			
11	TOTAL Additions	1,322,936	1,295,193	2.14%
12				
13	Deductions			
14	4100 Current Deferred Operating Income Taxes			
15	4320 Unamortized Operating Investment Tax Credits			
16	4340 Noncurrent Deferred Operating Income Taxes	2,252,012	2,205,297	2.12%
17	Customer Advances for Construction			
18	Other Deductions			
19	TOTAL Deductions	2,252,012	2,205,297	2.12%
20	TOTAL Rate Base	15,873,624	16,137,583	-1.64%
21				
22	Net Earnings	5,629,564	4,925,469	14.29%
23				
24	Rate of Return on Average Rate Base			
25				
26	Rate of Return on Average Equity			
27				
28	Major Normalizing Adjustments & Commission			
29	<u>Ratemaking adjustments to Utility Operations</u>			
30				
31				
32				
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42				
43	Adjusted Rate of Return on Average Rate Base			
44				
45	Adjusted Rate of Return on Average Equity			

Other Taxes Paid

Year: 2013

Line No.	Description (a)	Last Year (b)	This Year (c)
1	Montana Telephone Company License Tax	113777	111749
2	Montana Public Service Commission Tax	15180	5641
3	Montana Consumer Counsel Tax	4618	1957
4	911 Emergency Telephone Fee	78980	62683
5	Montana Telecommunications Access Service (TDD)	7186	6268
6	Montana Corporate License Tax	15	
7	Personal Property Tax		
8	Real Property Tax	278323	276522
9			
10			
11			
12	Total	498079	464820

Universal Service Funds Received

Year: 2013

Line No.	Description (a)	Last Year (b)	This Year (c)
13	Funds received from Montana Sources		
14	Funds received from Federal Sources	1521756	1668393
15			
16			
17			
18			
19			
20			
21			
22			
23			
24	Total	1521756	1668393