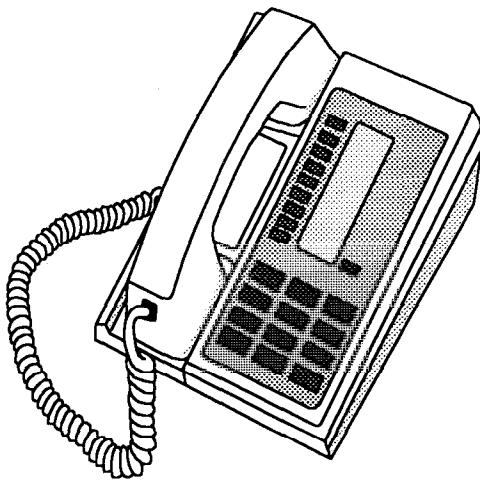


YEAR 1998

ANNUAL REPORT
OF
Pacific Telecom, Inc

RECEIVED
MAY 10 1999
MONT. P. & COMMISSION

TELEPHONE UTILITY



TO THE
PUBLIC SERVICE COMMISSION
STATE OF MONTANA
1701 PROSPECT AVENUE
P.O. BOX 202601
HELENA, MT 59620-2601



April 30, 1999

Mr. Joel Tierney, Utilities Engineer
Montana Public Service Commission
Utility Division
1701 Prospect Avenue
P.O. Box 202601
Helena, MT 59620-2601

Dear Mr. Tierney:

Re: CenturyTel of Montana, Inc.

Enclosed is the 1998 Utilities Statistics Questionnaire for the above referenced company.

All questions regarding this correspondence should be addressed to:

Mr. G. Clay Bailey
Vice President of Regulatory Affairs
P.O. Box 4065
Monroe, LA 71211-4065
(318) 388-9069

Sincerely,

A handwritten signature in cursive script that reads "Missy VanCoeving".

Missy VanCoeving
Supervisor General Accounting

MW/pbh

Enclosures

xc: Carol Squyres - without report
G. Clay Bailey - without report
Joe Doubravo - with report
Stacy Odom - with report
Bill May - with report
General Accounting File - with report

General Information

Year: 1998

1. Legal Name of Respondent:	CenturyTel of Montana, Inc.
2. Name Under Which Respondent Does Business:	CenturyTel of Montana, Inc.
3. Date of Incorporation:	October 23, 1946
4. Address to send Correspondence Concerning Report:	100 Century Park Drive, P.O. Box 4065 Monroe, LA 71211-4065
5. Person Responsible for This Report:	Clay Bailey
5a. Telephone Number:	(318) 388-9000
Control Over Respondent	CenturyTel, Inc.
1. If direct control over the respondent was held by another entity at the end of year provide the following:	100 Century Park Drive P.O. Box 4065 Monroe, LA 71211-4065
1a. Name and address of the controlling organization or person:	PacifiCorp Holdings, Inc. owned 100% of the voting securities of Pacific Telecom, Inc. until December 1, 1997 when these securities were sold to Century Telephone Enterprises, Inc.
1b. Means by which control was held:	Ownership of voting securities
1c. Percent Ownership:	99%

Line No.	Board of Directors Name of Director and Address (City, State) (a)		Fees Paid During Year (b)
1	Clarke M. Williams	Monroe, Louisiana	None
2	Glen F. Post, III	Monroe, Louisiana	None
3	Harvey P. Perry	Monroe, Louisiana	None
4	Kenneth R. Cole	Monroe, Louisiana	None
5			
6			
7			
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18			

Officers

Year: 1998

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	Chief Executive Officer	All	Glen F. Post, III
2			Monroe, Louisiana
3			
4	President	All	Kenneth R. Cole
5			Monroe, Louisiana
6			
7	Vice President and Controller	Accounting, Financial Planning	Murray H. Greer
8			Monroe, Louisiana
9			
10	Vice President, Treasurer, and	Treasury	David G. Thiels
11	Assistant Secretary		Monroe, Louisiana
12			
13			
14	Vice President	Revenues, External Affairs	Marvin C. Cunningham, Jr.
15			Monroe, Louisiana
16			
17	Vice President	Operations	Nick Bowman
18			Monroe, Louisiana
19			
20	Vice President	Operations	Bernadette A. Murray
21			Kalispell, Montana
22			
23			
24			
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Total Company Balance Sheet

Year: 1998

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		CURRENT ASSETS:		
2	1120	Cash and Equivalents	859,547	1,800
3	1180	Telecommunications Accounts Receivable - Net	4,059,718	4,253,649
4	1190	Other Accounts Receivable - Net	2,190,808	2,538,708
5	1200	Notes Receivable - Net	0	0
6	1210	Interest and Dividends Receivable	0	0
7	1220	Materials and Supplies	65,560	484,382
8	* 1280	Prepayments	119,371	1,906
9	^ 1290	Prepaid Rents	102,249	0
10	^ 1300	Prepaid Taxes	0	0
11	^ 1310	Prepaid Insurance	0	1,906
12	^ 1320	Prepaid Directory Expenses	0	0
13	^ 1330	Other Prepayments	17,122	0
14	1350	Other Current Assets	0	0
15		Total Current Assets	7,295,004	7,280,445
16		NONCURRENT ASSETS:		
17	1401	Investments in Affiliated Companies	0	0
18	1402	Investments in Nonaffiliated Companies	0	0
19	1406	Nonregulated Investments	526,036	603,324
20	1407	Unamortized Debt Issuance Expense	0	10,454
21	1408	Sinking Funds	0	0
22	1410	Other Noncurrent Assets	0	0
24	1438	Deferred Maintenance and Retirements	0	0
25	1439	Deferred Charges	279,068	29,181
26	1500	Other Jurisdictional Assets - Net	0	0
27		Total Noncurrent Assets	805,104	642,959
28		PROPERTY, PLANT, & EQUIPMENT:		
29	2001	Telecommunications Plant in Service	107,876,117	102,381,271
30	2002	Property Held for Future Telecommunications Use	0	0
31	2003	Plant Under Construction - Short Term	197,835	118,780
32	2004	Plant Under Construction - Long Term	0	0
33	2005	Telecommunications Plant Adjustment	0	0
34	2006	Nonoperating Plant	2,582	2,582
35	2007	Goodwill	0	0
36	3100	Accumulated Depreciation	(52,862,193)	(47,898,719)
37	3200	Accumulated Depreciation - Held for Future Use	0	0
38	3300	Accumulated Depreciation - Nonoperating	0	0
39	3400	Accumulated Amortization	0	0
40		Net Property, Plant, & Equipment	55,214,341	54,603,914
41		TOTAL ASSETS	63,314,449	62,527,318

Note: See Page 5a - 5d for footnotes issued with the Audited Financial Statements (draft).

Total Company Balance Sheet

Year: 1998

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
41		CURRENT LIABILITIES:		
42	4010	Accounts Payable	5,730,348	3,571,501
43	4020	Notes Payable	0	0
44	4030	Advance Billing and Payments	589,868	301,176
45	4040	Customer Deposits	0	0
46	4050	Current Maturities - Long Term Debt	0	0
47	4060	Current Maturities - Capital Leases	0	0
48	4070	Income Taxes - Accrued	979,508	294,213
49	4080	Other Taxes - Accrued	1,525,016	155,594
50	4100	Net Current Deferred Operating Income Taxes	0	(166,418)
51	4110	Net Current Deferred Nonoperating Income Taxes	0	0
52	4120	Other Accrued Liabilities	972,869	732,977
53	4130	Other Current Liabilities	32,300	32,300
54		Total Current Liabilities	9,829,909	4,921,343
55		LONG-TERM DEBT:		
56	4210	Funded Debt	0	11,000,000
57	4220	Premium on Long-Term Debt	0	0
58	4230	Discount on Long-Term Debt	0	0
59	4240	Reacquired Debt	0	0
60	4250	Obligations Under Capital leases	0	0
61	4260	Advances From Affiliated Companies	0	0
62	4270	Other Long-Term Debt	0	0
63		Total Long-Term Debt	0	11,000,000
64		OTHER LIABILITIES AND DEFERRED CREDITS:		
65	4310	Other Long-Term Liabilities	0	0
66	4320	Unamort. Oper. Invest. Tax Credits - Net	134,991	280,613
67	4330	Unamort. Nonoper. Invest. Tax Credits - Net	0	0
68	4340	Net Noncurrent Deferred Oper. Income Taxes	6,088,817	6,528,141
69	4350	Net Noncurrent Deferred Nonoper. Income Taxes	0	(54,489)
70	4360	Other Deferred Credits	1,880,168	952,904
71	4370	Other Jurisdictional Liab. and Def. Credits	72,687	151,099
72		Total Other Liabilities and Deferred Credits	8,176,663	7,858,268
73		STOCKHOLDERS' EQUITY:		
74	4510	Capital Stock	6,680,000	6,680,000
75	4520	Additional Paid-In Capital	141,016	141,016
76	4530	Treasury Stock	(130,500)	(130,500)
77	4540	Other Capital	0	0
78	4550	Retained Earnings	38,617,361	32,057,191
79		Total Stockholders' Equity	45,307,877	38,747,707
80		TOTAL LIAB. AND STOCKHOLDERS' EQUITY	63,314,449	62,527,318

Note: See Page 5a - 5d for footnotes issued with the Audited Financial Statements (draft).

Total Company Income Statement

Year: 1998

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		REVENUES:		
2	5000	Basic Local Service Revenues	17,260,997	16,096,168
3	5080	Network Access Revenues	15,573,016	14,195,586
4	* 5100	Long Distance Message Revenue	903,986	809,800
5	^ 5110	Unidirectional Long Distance Revenue	0	0
6	^ 5120	Long Distance Private Network Revenue	903,955	809,800
7	^ 5160	Other Long Distance Revenue	31	0
8	^ 5169	Other Long Distance Revenue Settlements	0	0
9	* 5200	Miscellaneous Revenue	3,771,926	2,369,135
10	^ 5230	Directory Revenue	2,840,026	2,233,961
11	^ 5240	Rent Revenue	59,641	73,591
12	^ 5250	Corporate Operations Revenue	0	0
13	^ 5260	Miscellaneous Revenue	71,540	61,583
14	^ 5270	Carrier Billing and Collection Revenue	800,719	0
15	^ 5280	Nonregulated Revenue	0	0
16	5300	Uncollectible Revenue	(75,753)	(152,967)
17		Total Revenues (L.2+L.3+L.4+L.9+L.16)	37,434,172	33,317,722
18		OPERATING EXPENSES:		
19	6110	Network Support Expense	101,002	49,106
20	6120	General Support Expense	1,232,655	598,455
21	6210	Central Office Switching Expense	1,023,044	664,846
22	6220	Operator Systems Expense	0	0
23	6230	Central Office Transmission Expense	598,122	566,857
24	6310	Information Origination/Termination Expense	123	3,270
25	6410	Cable and Wire Facilities Expense	2,152,860	2,106,050
26	6431	Aerial Wire Expense	873	1,057
27	6441	Conduit Systems Expense	0	0
28	6510	Other Property, Plant & Equipment Expense	0	0
29	6530	Network Operations Expense	2,074,470	1,931,029
30	6540	Access Expense	223,404	0
31	6560	Depreciation and Amortization Expense	7,191,144	6,775,642
32	6610	Marketing	1,041,308	252,236
33	6620	Services	2,486,242	1,586,187
34	6710	Executive and Planning	548,535	869,233
35	6720	General and Administrative	4,455,487	3,927,301
36	6790	Provision for Uncollectible Notes Receivable	0	0
37		Total Operating Expenses (Sum L.19 to L.36)	23,129,269	19,331,269
38	7100	Other Operating Income and Expense	0	0
39	7200	Operating Taxes	7,331,755	6,977,552
40		Net Operating Income (L.17-L.37+L.38-L.39)	6,973,148	7,008,901
41	7300	Nonoperating Income and Expense	257,088	11,892
42	7400	Nonoperating Taxes	0	(4,531)
43	7500	Interest and Related Items	(812,773)	(998,143)
44	7600	Extraordinary Items	(305,708)	0
45	7910	Effects of Juris. Ratemaking Diff. - Net	0	0
46	7990	Nonregulated Net Income	451,865	117,182
47		NET INCOME (L.40+L.41+L.42+L.43+L.44+L.45+L.46)	6,563,620	6,135,301

Note: See Page 5a - 5d for footnotes issued with the Audited Financial Statements (draft).

NOT APPLICABLE**Montana Total State Income Statement****Year: 1998**

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		REVENUES:		
2	5000	Basic Local Service Revenues	N/A	N/A
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)		

^ Subaccount of the account marked with a *.

Montana Intrastate Income Statement

Year: 1998

			(A)	(A)
Line No.	Acct. No.	Description	This Year	Last Year
	(a)	(b)	(c)	(d)
1		REVENUES:		
2	5000	Basic Local Service Revenues	17,260,997	16,095,266
3	5080	Network Access Revenues	6,091,051	5,416,745
4	* 5100	Long Distance Message Revenue	903,987	566,620
5	^ 5110	Unidirectional Long Distance Revenue	0	0
6	^ 5120	Long Distance Private Network Revenue	903,953	566,620
7	^ 5160	Other Long Distance Revenue	31	0
8	^ 5169	Other Long Distance Revenue Settlements	0	0
9	* 5200	Miscellaneous Revenue	2,953,102	2,182,034
10	^ 5230	Directory Revenue	2,682,392	2,075,808
11	^ 5240	Rent Revenue	42,873	52,706
12	^ 5250	Corporate Operations Revenue	0	0
13	^ 5260	Miscellaneous Revenue	13,408	53,520
14	^ 5270	Carrier Billing and Collection Revenue	214,429	0
15	^ 5280	Nonregulated Revenue	0	0
16	5300	Uncollectible Revenue	(75,753)	(152,968)
17		Total Revenues (L.2+L.3+L.4+L.9+L.16)	27,133,384	24,107,697
18		OPERATING EXPENSES:		
19	6110	Network Support Expense	72,603	35,169
20	6120	General Support Expense	886,090	428,599
21	6210	Central Office Switching Expense	724,869	468,256
22	6220	Operator Systems Expense	0	0
23	6230	Central Office Transmission Expense	423,794	399,241
24	6310	Information Origination/Termination Expense	92	2,453
25	6410	Cable and Wire Facilities Expense	1,564,167	1,526,953
26	6431	Aerial Wire Expense	634	766
27	6441	Conduit Systems Expense	0	0
28	6510	Other Property, Plant & Equipment Expense	0	0
29	6530	Network Operations Expense	1,491,221	1,382,963
30	6540	Access Expense	0	0
31	6560	Depreciation and Amortization Expense	5,157,138	4,825,480
32	6610	Marketing	779,833	188,708
33	6620	Services	1,945,430	1,796,364
34	6710	Executive and Planning	405,464	637,218
35	6720	General and Administrative	3,293,390	3,183,497
36	6790	Provision for Uncollectible Notes Receivable	0	0
37		Total Operating Exp. (Sum L.19 to L.36)	16,744,725	14,875,667
38	7100	Other Operating Income and Expense	0	0
39	7200	Operating Taxes	5,160,983	4,702,206
40		Net Operating Income (L.17-L.37-L.38-L.39)	5,227,676	4,529,824

^ Subaccount of the account marked with an *.

Montana Intrastate Regulated Income Statement

Year: 1998

				(A)	(A)
Line No.	Acct. No.	Description	This Year	Last Year	
	(a)	(b)	(c)	(d)	
1		REVENUES:			
2	5000	Basic Local Service Revenues	16,562,304	15,588,402	
3	5080	Network Access Revenues	6,086,679	5,416,898	
4	* 5100	Long Distance Message Revenue *	31	0	*
5	^ 5110	Unidirectional Long Distance Revenue	0	0	
6	^ 5120	Long Distance Private Network Revenue	0	0	
7	^ 5160	Other Long Distance Revenue	31	0	
8	^ 5169	Other Long Distance Revenue Settlements	0	0	
9	* 5200	Miscellaneous Revenue *	2,737,384	2,180,821	*
10	^ 5230	Directory Revenue	2,682,392	2,075,808	
11	^ 5240	Rent Revenue	41,760	51,495	
12	^ 5250	Corporate Operations Revenue	0	0	
13	^ 5260	Miscellaneous Revenue	13,232	53,518	
14	^ 5270	Carrier Billing and Collection Revenue	0	0	
15	^ 5280	Nonregulated Revenue	0	0	
16	5300	Uncollectible Revenue	(75,753)	(148,057)	
17		Total Revenues (L.2+L.3+L.4+L.9+L.16)	25,310,645	23,038,064	
18		OPERATING EXPENSES:			
19	6110	Network Support Expense	70,209	33,894	
20	6120	General Support Expense	856,848	413,057	
21	6210	Central Office Switching Expense	703,128	450,748	
22	6220	Operator Systems Expense	0	0	
23	6230	Central Office Transmission Expense	411,083	384,314	
24	6310	Information Origination/Termination Expense	92	2,453	
25	6410	Cable and Wire Facilities Expense	1,508,994	1,472,709	
26	6431	Aerial Wire Expense	612	739	
27	6441	Conduit Systems Expense	0	0	
28	6510	Other Property, Plant & Equipment Expense	0	0	
29	6530	Network Operations Expense	1,442,009	1,332,815	
30	6540	Access Expense	0	0	
31	6560	Depreciation and Amortization Expense	4,943,590	4,646,624	
32	6610	Marketing	755,489	183,033	
33	6620	Services	1,654,307	1,497,209	
34	6710	Executive and Planning	381,741	588,775	
35	6720	General and Administrative	3,095,087	2,953,971	
36	6790	Provision for Uncollectible Notes Receivable	0	0	
37		Total Operating Expenses (Sum L.19 to L.36)	15,823,189	13,960,341	
38	7100	Other Operating Income and Expense	0	0	
39	7200	Operating Taxes	4,756,392	4,598,054	
40		Net Operating Income (L.17-L.37-L.38-L.39)	4,731,064	4,479,669	

^ Subaccount of the account marked with a *.

Notes to Schedule 8

Year: 1998

- (A) Revenues and expenses were allocated using FCC Part 36 separation rules. Allocation factors are based on prior years traffic measurements (ie allocations for 1998 are based on the 1997 traffic measurement) which are the most current factors available.
- (B) Authorized by Montana Public Commission, Docket 6522, Order Number 4409.

Note: Rate base components are calculated using an average of beginning and end of year balances.

Average Rate Base - Total State

Year: 1998

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	105,128,694	99,250,977
2	3100	Accumulated Depreciation	(50,380,456)	(44,853,573)
3	2002	Property Held for Future Telecommunications Use		0
4	3200	Accumulated Depreciation - 2002		0
5	1220	Materials and Supplies	343,482	461,948
6	4340	Noncurrent Deferred Operating Income Taxes	(6,225,270)	(6,152,451)
7		Pre-1971 Unamortized Investment Tax Credits		
8		Cash Working Capital (if allowed by Commission) (B)	654,991	515,985
9		Total Average Rate Base (L.1+L.2+L.3+L.4+L.5+L.6+L.7+L.8)	49,521,441	49,222,886

Average Rate Base - Intrastate

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	75,571,210	71,081,491
2	3100	Accumulated Depreciation	(35,925,639)	(31,796,310)
3	2002	Property Held for Future Telecommunications Use		0
4	3200	Accumulated Depreciation - 2002		0
5	1220	Materials and Supplies	249,559	334,927
6	4340	Noncurrent Deferred Operating Income Taxes	(4,475,003)	(4,408,994)
7		Pre-1971 Unamortized Investment Tax Credits		
8		Cash Working Capital (if allowed by Commission) (B)	476,202	413,021
9		Total Average Rate Base (L.1+L.2+L.3+L.4+L.5+L.6+L.7+L.8)	35,896,329	35,624,135

Average Rate Base - Regulated Intrastate

Line No.	Acct. No. (a)	Description (b)	(A) This Year (c)	(A) Last Year (d)
1	2001	Telecommunications Plant in Service	72,559,038	68,434,866
2	3100	Accumulated Depreciation	(34,388,724)	(30,511,556)
3	2002	Property Held for Future Telecommunications Use		0
4	3200	Accumulated Depreciation - 2002		0
5	1220	Materials and Supplies	240,851	320,471
6	4340	Noncurrent Deferred Operating Income Taxes	(4,298,827)	(4,239,238)
7		Pre-1971 Unamortized Investment Tax Credits		0
8		Cash Working Capital (if allowed by Commission) (B)	447,107	382,755
9		Total Average Rate Base (L.1+L.2+L.3+L.4+L.5+L.6+L.7+L.8)	34,559,445	34,387,298

See Notes (A) & (B) Page 9A

Statement of Cash Flows

Year: 1998

Line No.	Item Description (a)	Amount (b)	Amount (c)
1	Increase/(decrease) in Cash & Cash Equivalents		
2	Cash Flows from Operating Activities:		
3	Net Income		6,563,620
4	Reconciliation Adjustments:		
5	Depreciation & Amortization	7,191,144	
6	Provision for Accounts Receivable Losses	43,358	
7	Deferred Income Taxes - Net	(513,172)	
8	Unamortized Investment Tax Credits (ITCs) - Net	0	
9	Allowance for Funds Used During Construction (AFUDC)	0	
10	Change in Operating Receivables - Net	498,473	
11	Change in Materials, Supplies & Inventories - Net	281,800	
12	Change in Operating Payables & Accrued Liabilities - Net	4,619,874	
13	Change in Other Assets & Deferred Charges - Net	(356,898)	
14	Change in Other Liabilities & Deferred Credits - Net	1,120,259	
15	Other	10,454	
16	Total Adjustments		12,895,292
17	Net Cash Provided by/(Used in) Operating Activities		19,458,912
18	Cash Inflows/Outflows From Investing Activities:		
19	Construction/Acquisition of Property, Plant & Equipment (net of	(8,011,201)	
20	AFUDC & Capital Lease Related Acquisitions)		
21	Proceeds from Disposals of Property, Plant & Equipment		
22	Investments In & Advances to Affiliates		
23	Proceeds from Repayment of Advances		
24	Other Investing Activities (explained on back of this page)	413,486 *	
25	Net Cash Provided by/(Used in) Investing Activities		(7,597,715)
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	(11,000,000)	
32	Payment of Capital Lease Obligations		
33	Proceeds from Issuing Common Stock/Parent Co. Equity Investment		
34	Repurchase of Treasury Shares		
35	Dividends Paid	(3,450)	
36	Other Financing Activities (explained on back of this page)		
37	Net Cash Provided by Financing Activities		(11,003,450)
38	Effect of Exchange Rate Changes on Cash		0
39	Net Increase/(Decrease) in Cash & Cash Equivalents		857,747
40	Cash & Cash Equivalents at Beginning of Period		1,800
41	Cash & Cash Equivalents at End of Period		859,547

* Non-regulated Investment
Retirements & other Plant transactions

203,856
209,630
413,486

Company Name: CenturyTel of Montana, Inc.

SCHEDULE 10

Receivables and Investments-Affiliated & Nonaffiliated Companies

Year: 1998

Line No.	Name of Affiliate or Company (a)	Account 1160 Temporary Investments (b)	Account 1180 Telecom. Accounts Receivable (c)	Account 1181 Accts. Rec. 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	AT&T				59,337						
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	Aggregate of all other balances		4,116,873	(57,155)	2,131,471						
29											
30	Totals	0	4,116,873	(57,155)	2,190,808	0	0	0	0	0	0

Net Plant in Service - Detail

Year: 1998

Line No.	Account	Description	Beginning of Year Balance	Additions	Retirements	Sales & Transfers	End of Year Account 2001 Balance	Year End Accumulated Depreciation	End of Year Net Plant Balance
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	* 2110	Land and Support Assets	6,752,587	340,154	194,825	21,626	6,919,542		6,919,542
2	^ 2111	Land	467,745				467,745		467,745
3	^ 2112	Motor Vehicles	1,147,412	21,962	48,250	21,626	1,142,750	611,722	531,028
4	^ 2113	Aircraft							
5	^ 2114	Special Purpose Vehicles							
6	^ 2115	Garage Work Equipment							
7	^ 2116	Other Work Equipment	595,350	41,437	32,013		604,774	532,303	72,471
8	^ 2121	Buildings	2,978,698	196,528			3,175,227	1,465,946	1,709,281
9	^ 2122	Furniture	228,290		7,204		221,086	110,886	110,200
10	^ 2123	Office Equipment	350,172		28,199		321,973	726,097	(404,124)
11	^ 2124	General Purpose Computers	984,919	80,226	79,159		985,986	38,195	947,791
12	2211	Analog Electronic Switching						(74,050)	74,050
13	2212	Digital Electronic Switching	23,892,510	1,516,398	1,016,717		24,392,191	14,550,926	9,841,265
14	2215	Electro-Mechanical Switching		173,685			173,685	(601,959)	775,644
15	2220	Operator Systems						22,246	(22,246)
16	2231	Radio Systems	246,866				246,866	226,025	20,841
17	2232	Circuit Equipment	17,216,844	1,646,287	170,258	(21,698)	18,671,175	12,578,141	6,093,035
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.						(29,523)	29,523
23	^ 2362	Other Terminal Equipment							
24	2411	Poles	1,443,379	28,495	23,971		1,447,902	1,413,481	34,421
25	* 2420	Cable and Wire Facilities	51,357,039	3,947,414	777,527		54,526,926	59,251,868	(4,724,942)
26	^ 2421	Aerial Cable	9,190,520	500,500	331,094		9,359,926	6,330,505	3,029,421
27	^ 2422	Underground Cable	1,054,906	51,839			1,106,745	393,425	713,320
28	^ 2423	Buried Cable	41,072,602	3,395,051	446,433		44,021,220	13,897,073	30,124,147
29	^ 2424	Submarine Cable	5,831	24			5,855	1,920	3,935
30	^ 2425	Deep Sea Cable							
31	^ 2426	Intrabuilding Network Cable	33,180				33,180	37,498	(4,318)
32	2431	Aerial Wire	514,017	2,855	5,472		511,399	338,821	172,578
33	2441	Conduit Systems	952,548	28,401			980,949	289,694	691,254
35		Totals	102,375,789	7,683,689	2,188,771	(72)	107,870,635	52,859,373	55,011,262
		2682 Leasehold improvements	5,482				5,482	2,821	2,662
		Totals with Leasehold Improveme	102,381,271	7,683,689	2,188,771	(72)	107,876,117	52,862,193	55,013,924

^ Subaccount of the account marked with a *.

Company Name: CenturyTel of Montana, Inc.

Analysis of Plant Held for Future Use							Year: 1998
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	N/A						
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)						

SCHEDULE 13
Year: 1998

Year: 1998

[illegible]

Company Name: CenturyTel of Montana, Inc.

SCHEDULE 14
Year: 1998

Cost of Preferred Stock

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	Preferred stock 5% cumulative, authorized and outstanding, 500 shares of \$100 par value (includes 275 held in treasury)	12/50	Private	None	\$100	(A)	(A)	(A)	(A)	\$50,000	\$1,125	0
2												
3												
4												
5												
6	Serial preferred, 10% cumulative authorized 100,000 shares of \$100 par value; 1,800 shares issued (includes 1,200 shares held in treasury)	12/71	Private	None	100	(A)	(A)	(A)	(A)	180,000	6,000	0
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)					0	0			\$230,000	\$7,125	

(A) No preferred stock transactions took place during 1998

Company Name: CenturyTel of Montana, Inc.

SCHEDULE 15

Year: 1998

Analysis of Common Stock

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:	96,000		68.37		(A)		(A)	(A)
2									
3	Common stock: authorized, 1,000,000 shares								
4	of no par value; 96,000 shares outstanding;								
5	outstanding \$6,450,000								
6									
7									
8									
9									
10									
11									
12									
13									
14									
15	Month by Month Data:								
16	January		408.28						
17	February		413.46						
18	March		417.35	13.73					
19	April		423.82						
20	May		429.35						
21	June		436.01	18.66					
22	July		441.58						
23	August		444.72						
24	September		452.72	16.74					
25	October		454.94						
26	November		466.03						
27	December		471.96	19.24					
28									
29									
30									

(A) Not applicable, common stock not publicly traded

Company Name: CenturyTel of Montana, Inc.

SCHEDULE 16

Capital Stock and Funded Debt Reacquired or Retired During the Year							Year: 1998
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	Nationwide Life Insurance	12/99		11,000,000	504,364 (A)		10/98 (B)
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24	(A) Early Payoff Penalty						
25	(B) Debt Paid Off						
26							
27							
28							
29							
30	Totals (Sum L.1 to L.29)		0	11,000,000	504,364	0	0

Company Name: CenturyTel of Montana, Inc.

SCHEDULE 17

Page 1 of 2

Year: 1998

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	17,562	6,420	164	72,417		96,563
2	^	6112 Motor Vehicle Expense	0	0	0	13,667		13,667
3	^	6113 Aircraft Expense	17,562	6,420	164	61,188		85,334
4	^	6114 Special Purpose Vehicles Expense	0	0	0	0		0
5	^	6115 Garage Work Equipment Expense	0	0	0	0		0
6	^	6116 Other Work Equipment Expense	0	0	0	(2,438)		(2,438)
7	*	6120 General Support Expense	271,569	71,077	98,321	796,127		1,237,094
8	^	6121 Land and Building Expense	0	0	62,973	300,330		363,303
9	^	6122 Furniture and Artworks Expense	0	0	0	0		0
10	^	6123 Office Equipment Expense	16,916	3,318	36	20,957		41,227
11	^	6124 General Purpose Computers Expense	254,653	67,759	35,312	474,840		832,564
12	*	6210 Central Office Switching Expense	543,767	129,730	8,086	341,461		1,023,044
13	^	6211 Analog Electronic Expense	5,487	1,233	9	423		7,152
14	^	6212 Digital Electronic Expense	538,280	128,497	8,077	335,677		1,010,531
15	^	6215 Electro-Mechanical Expense	0	0	0	5,361		5,361
16	^	6220 Operator Systems Expense	0	0	0	0		0
17	*	6230 Central Office Transmission Expense	305,058	61,467	62,400	169,320		598,245
18	^	6231 Radio Systems Expense	448	62	60	1,082		1,652
19	^	6232 Circuit Equipment Expense	304,610	61,405	62,340	168,238		596,593
20	*	6310 Information Origination/Termination Expense	0	0	0	0		0
21	^	6311 Station Apparatus Expense	0	0	0	0		0
22	^	6341 Large Private Branch Exchange Expense	0	0	0	0		0
23	^	6351 Public Telephone Terminal Equipment Expense	0	0	0	0		0
24	^	6362 Other Terminal Equipment Expense	0	0	0	0		0
25	*	6410 Cable and Wire Facilities Expense	1,410,662	318,234	181,086	243,751		2,153,733
26	^	6411 Poles Expense	5,391	873	171,147	(1,564)		175,847
27	^	6421 Aerial Cable Expense	479,217	108,838	1,153	49,324		638,532
28	^	6422 Underground Cable Expense	25,628	10,725	271	4,805		41,429
29	^	6423 Buried Cable Expense	899,727	197,635	8,515	191,260		1,297,137
30	^	6424 Submarine Cable Expense	0	0	0	(85)		(85)
31	^	6425 Deep Sea Cable Expense	0	0	0	0		0
32	^	6426 Intrabuilding Network Cable Expense	0	0	0	0		0
33		6431 Aerial Wire Expense	699	163	0	11		873
34		Subtotals	2,548,618	586,928	350,057	1,623,076	0	5,108,679

^ 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	0	0	0	0		0
36	6510	Other Property Expenses	29,344	5,551	52	10,505		45,452
37	* 6530	Network Operations Expense	1,170,849	329,185	10,240	742,147		2,252,421
38	^ 6531	Power Expense	0	0	0	101,288		101,288
39	^ 6532	Network Administration Expense	350,911	91,240	70	81,051		523,272
40	^ 6533	Testing Expense	4,601	1,382	142	2,994		9,119
41	^ 6534	Plant Operations Expense	252,031	73,768	7,517	139,120		472,436
42	^ 6535	Engineering Expense	563,306	162,795	2,511	194,290		922,902
43	6540	Access Expense	0	0	0	223,404		223,404
44	6561	Depreciation - Telecomm. Plant in Service	0	0	(7,678)	7,198,655		7,190,977
45	6562	Depreciation-Prop. for Future Telecom. Use	0	0	0	0		0
46	6563	Amortization Expense - Tangible	0	0	0	167		167
47	6564	Amortization Expense - Intangible	0	0	0	0		0
48	6565	Amortization - Other	0	0	0	0		0
49	* 6610	Marketing	590,182	98,410	45	352,671		1,041,308
50	^ 6611	Product Management	590,182	98,410	45	143,648		832,285
51	^ 6612	Sales	0	0	0	63,967		63,967
52	^ 6613	Product Advertising	0	0	0	145,056		145,056
53	6621	Call Completion Services	0	0	0	33,305		33,305
54	6622	Number Services	0	0	0	48,461		48,461
55	6623	Customer Services	1,534,595	467,600	7,047	395,234		2,404,476
56	6711	Executive	226,046	76,944	(420)	245,965		548,535
57	6712	Planning	0	0	0	0		0
58	6721	Accounting and Finance	510,423	143,763	6,952	317,597		978,735
59	6722	External Relations	95,786	22,214	218	141,345		259,563
60	6723	Human Relations	185,444	37,794	223	245,878		469,339
61	6724	Information Management	617,389	110,560	303,495	518,197		1,549,641
62	6725	Legal	55,652	14,428	130	108,790		179,000
63	6726	Procurement	71,586	18,303	877	19,049		109,815
64	6727	Research and Development	0	0	0	0		0
65	6728	Other General and Administrative	61,602	17,768	240,077	589,947		909,394
66	6790	Provision for Uncollectible Notes Receivable	0	0	0	0		0
67		Totals	7,697,516	1,929,448	911,315	12,590,989	0	23,129,268

^ Subaccount of the account marked with a *.

Company Name: CenturyTel of Montana, Inc.

SCHEDULE 18

Page 1 of 2

Year: 1998

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	0	0	0	0	0	0
2	^	6112 Motor Vehicle Expense	Not Applicable					0
3	^	6113 Aircraft Expense						0
4	^	6114 Special Purpose Vehicles Expense						0
5	^	6115 Garage Work Equipment Expense						0
6	^	6116 Other Work Equipment Expense						0
7	*	6120 General Support Expense	0	0	0	0	0	0
8	^	6121 Land and Building Expense						0
9	^	6122 Furniture and Artworks Expense						0
10	^	6123 Office Equipment Expense						0
11	^	6124 General Purpose Computers Expense						0
12	*	6210 Central Office Switching Expense	0	0	0	0	0	0
13	^	6211 Analog Electronic Expense						0
14	^	6212 Digital Electronic Expense						0
15	^	6215 Electro-Mechanical Expense						0
16		6220 Operator Systems Expense						0
17	*	6230 Central Office Transmission Expense	0	0	0	0	0	0
18	^	6231 Radio Systems Expense						0
19	^	6232 Circuit Equipment Expense						0
20	*	6310 Information Origination/Termination Expense	0	0	0	0	0	0
21	^	6311 Station Apparatus Expense						0
22	^	6341 Large Private Branch Exchange Expense						0
23	^	6351 Public Telephone Terminal Equipment Expense						0
24	^	6362 Other Terminal Equipment Expense						0
25	*	6410 Cable and Wire Facilities Expense	0	0	0	0	0	0
26	^	6411 Poles Expense						0
27	^	6421 Aerial Cable Expense						0
28	^	6422 Underground Cable Expense						0
29	^	6423 Buried Cable Expense						0
30	^	6424 Submarine Cable Expense						0
31	^	6425 Deep Sea Cable Expense						0
32	^	6426 Intrabuilding Network Cable Expense						0
33	^	6431 Aerial Wire Expense						0
34		Subtotals	0	0	0	0	0	0

^ Subaccount of the account marked with a *.

Company Name: CenturyTel of Montana, Inc.

SCHEDULE 18

Page 2 of 2

Year: 1998

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						0
36	6510	Other Property Expenses						0
37	* 6530	Network Operations Expense	0	0	0	0	0	0
38	^ 6531	Power Expense						0
39	^ 6532	Network Administration Expense						0
40	^ 6533	Testing Expense						0
41	^ 6534	Plant Operations Expense						0
42	^ 6535	Engineering Expense						0
43	6540	Access Expense						0
44	6561	Depreciation - Telecomm. Plant in Service						0
45	6562	Depreciation-Prop. for Future Telecom. Use						0
46	6563	Amortization Expense - Tangible						0
47	6564	Amortization Expense - Intangible						0
48	6565	Amortization - Other						0
49	* 6610	Marketing	0	0	0	0	0	0
50	^ 6611	Product Management						0
51	^ 6612	Sales						0
52	^ 6613	Product Advertising						0
53	6621	Call Completion Services						0
54	6622	Number Services						0
55	6623	Customer Services						0
56	6711	Executive						0
57	6712	Planning						0
58	6721	Accounting and Finance						0
59	6722	External Relations						0
60	6723	Human Relations						0
61	6724	Information Management						0
62	6725	Legal						0
63	6726	Procurement						0
64	6727	Research and Development						0
65	6728	Other General and Administrative						0
66	6790	Provision for Uncollectible Notes Receivable						0
67		Totals	0	0	0	0	0	0

^ Subaccount of the account marked with a *.

Pension Costs

Year: 1998

1	Plan Name _____			
2	Defined Benefit Plan ? _____	Defined Contribution Plan ? _____		
3	Actuarial Cost Method ? _____	IRS Code: _____		
4	Annual Contribution by Employer. _____	Is the Plan Over Funded ? _____		
5				
	Item	Current Year	Last Year	% Change
6	Change in Benefit Obligation	See note (A) below.		
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			
18	Actual return on plan assets			
19	Acquisition			
20	Employer contribution			
21	Plan participants; contributions			
22	Benefits paid			
23	Fair value of plan assets at end of year			
24	Funded Status			
25	Unrecognized net actuarial loss			
26	Unrecognized prior service cost			
27	Prepaid (accrued) benefit cost			
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	461,202	(250,746)	154%
44	Pension Costs Capitalized	(17,928)	(9,747)	100%
45	Accumulated Pension Asset (Liability) at Year End			
46	Number of Company Employees:			
47	Covered by the Plan	134	146	
48	Not Covered by the Plan	0	0	
49	Active	134	146	
50	Retired	72	72	
51	Deferred Vested Terminated	0	0	

(A) This information is not available on an individual company basis. Information regarding the pension plan is summarized in the attached copy of Footnote 15 of the CenturyTel, Inc.'s 1998 annual report.

(15) RETIREMENT AND SAVINGS PLANS

Century sponsors an Outside Directors' Retirement Plan and a Supplemental Executive Retirement Plan to provide directors and officers, respectively, with supplemental retirement, death and disability benefits. In addition, as of December 31, 1998, the bargaining unit employees of a subsidiary are provided benefits under a defined benefit pension plan and substantially all of the employees of PTI are covered under a separate defined benefit pension plan.

The following table sets forth the combined plans' funded status and amounts recognized in the Company's consolidated balance sheet at December 31, 1998, 1997 and 1996.

December 31,	1998	1997	1996
	(Dollars in thousands)		
Benefit obligation	\$ (217,747)	(200,554)	(20,473)
Fair value of plan assets	278,678	237,618	22,158
Unrecognized transition (asset)/obligation	(2,136)	(1,550)	2,519
Unamortized prior service cost	1,053	-	-
Unrecognized net actuarial (gain)/loss	(57,981)	(37,731)	1
Prepaid (accrued) benefit cost	\$ 1,867	(2,217)	4,205

Net periodic pension cost for 1998, 1997 and 1996 included the following components:

Year ended December 31,	1998	1997	1996
	(Dollars in thousands)		
Service cost	\$ 5,361	793	466
Interest cost	13,225	2,508	1,382
Expected return on plan assets	(22,925)	(5,715)	(2,273)
Recognized net gains	(2,688)	-	-
Net amortization and deferral	(300)	2,459	933
Net periodic pension (benefit) cost	\$ (7,327)	45	508

The following is a reconciliation of the beginning and ending balances for the benefit obligation and the plan assets for the retirement and savings plans.

December 31,	1998	1997	1996
	(Dollars in thousands)		
Change in benefit obligation			
Benefit obligation at beginning of year	\$ 200,554	20,473	19,420
Service cost	5,361	793	466
Interest cost	13,225	2,508	1,382
Plan amendments	227	-	-
Acquisition	-	175,165	-
Actuarial loss	8,683	2,548	95
Benefits paid	(10,303)	(933)	(890)
Benefit obligation at end of year	\$ 217,747	200,554	20,473
Change in plan assets (primarily listed stocks and bonds)			
Fair value of plan assets at beginning of year	\$ 237,618	22,158	18,098
Return on plan assets	50,720	4,237	2,274
Employer contributions	643	807	2,676
Acquisition	-	211,349	-
Benefits paid	(10,303)	(933)	(890)
Fair value of plan assets at end of year	\$ 278,678	237,618	22,158

Assumptions used in accounting for the pension plans as of December 1998 and 1997 were:

	1998	1997
Discount rates	6.5-6.75%	7.0
Expected long-term rate of return on assets	8.0-10.0%	8.0-10.0

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	See note (A) below.		
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	VEBA - Tax Advantaged	Other Trusts - Not Tax Advantaged		
14	401 (h) - Tax Advantaged			
15	Describe any Changes to the Benefit Plan:			
16	None			
17	TOTAL COMPANY			
18	Change in Benefit Obligation			
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			
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			
37	Unrecognized net actuarial loss			
38	unrecognized prior service cost			
39	Prepaid (accrued) benefit cost			
40	Components of Net Periodic Benefit Costs			
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			
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			

(A) The actuary provides information on a total plan basis only. Information regarding the OPEB plan is included in the attached copy of Footnote 8 of the Century Telephone Enterprises, Inc. annual report.

Other Post Employment Benefits (OPEBS) Continued

	Item	Current Year	Last Year	% Change
1	Number of Company Employees:			
2	Covered by the Plan	134	146	
3	Not Covered by the Plan	0	0	
4	Active	134	146	
5	Retired	72	72	
6	Spouses/Dependants covered by the Plan	39	39	
7	Montana			
8	Change in Benefit Obligation	N/A	N/A	
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			
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			
27	Unrecognized net actuarial loss			
28	Unrecognized prior service cost			
29	Prepaid (accrued) benefit cost			
30	Components of Net Periodic Benefit Costs			
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			
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:			
47	Pension costs			
48	Pension Costs Capitalized			
49	Accumulated Pension Asset (Liability) at Year End			
50	Number of Montana Employees:			
51	Covered by the Plan			
52	Not Covered by the Plan			
53	Active			
54	Retired			
55	Spouses/Dependants covered by the Plan			

(8) POSTRETIREMENT BENEFITS

The Company sponsors defined benefit health care plans that provide postretirement benefits to substantially all retired full-time employees.

Net periodic postretirement benefit cost for 1998, 1997 and 1996 included the following components:

Year ended December 31,	1998	1997	1996
	(Dollars in thousands)		
Service cost	\$ 5,519	2,578	2,354
Interest cost	10,744	5,047	4,212
Expected return on plan assets	(3,250)	(458)	-
Amortization of unrecognized actuarial losses	430	292	475
Amortization of unrecognized prior service cost	121	121	121
Net periodic postretirement benefit cost	\$ 13,564	7,580	7,162

The following is a reconciliation for the benefit obligation and the plan assets.

December 31,	1998	1997	1996
	(Dollars in thousands)		
Change in benefit obligation	\$ 152,632	59,157	60,128
Benefit obligation at beginning of year	5,519	2,578	2,354
Service cost	10,744	5,047	4,212
Interest cost	298	119	96
Participant contributions	-	80,166	-
Acquisition	9,720	7,789	(5,420)
Actuarial (gain) loss	(6,590)	(2,224)	(2,213)
Benefits paid	\$ 172,323	152,632	59,157
Benefit obligation at end of year			

December 31,	1998	1997	1996
	(Dollars in thousands)		
Change in plan assets (primarily listed stocks and bonds)			
Fair value of plan assets at beginning of year	\$ 34,618	-	-
Return on assets	4,080	-	-
Employer contributions	749	-	-
Acquisition	-	34,618	-
Benefits paid	(3,648)	-	-
Fair value of plan assets at end of year	\$ 35,799	34,618	-

The following table sets forth the amounts recognized as liabilities for postretirement benefits at December 31, 1998, 1997 and 1996.

December 31,	1998	1997	1996
	(Dollars in thousands)		
Benefit obligation	\$ (172,323)	(152,632)	(59,157)
Fair value of plan assets	35,799	34,618	-
Unamortized prior service cost	1,060	1,182	1,303
Unrecognized net actuarial loss	23,972	14,622	6,986
Accrued benefit cost	\$ (111,492)	(102,210)	(50,868)

Assumptions used in accounting for postretirement benefits as of December 31, 1998 and 1997 were:

	1998	1997
Weighted average assumptions		
Discount rate	6.5-6.75%	7.0
Expected return on plan assets	10.0%	10.0

For measurement purposes, a 6.0-7.4% annual rate in the per capita cost of covered health care benefits was assumed for 1999 and beyond. A one-percentage-point change in assumed health care cost rates would have the following effects:

	1-Percentage Point Increase	1-Percentage Point Decrease
	(Dollars in thousands)	
Effect on total of service and interest cost components	\$ 1,012	(934)
Effect on postretirement benefit obligation	\$ 9,884	(9,089)

Payments for Services to Persons Other Than Employees

Line No.	Name of Recipient (a)	Nature of Service (b)	Total Company Cost (c)	Total State Cost (d)	(A) Intrastate Cost (e)
1	One Call Locators	Contract Labor			
2		Buried Cable Locators	127,828	127,828	92,873
3					
4	Harp Line Co.	Contract Labor			
5		Plant Specific (Cable)	36,525	36,525	26,537
6					
7	Flathead Janitorial	Janitorial Services	39,150	39,150	28,142
8					
9	Alamon Telco	Contract Labor			
10		Plant Specific (Cable)	26,057	26,057	18,932
11					
12	Alltel Publishing	Advertising	63,645	63,645	47,664
13					
14	Automotive Rentals	Vehicle Maintenance	149,081	149,081	107,164
15		(Plant Specific)			
16					
17	Signal Tel Communications	Contract Labor	34,888	34,888	25,348
18		COPS Conversion			
19		Network Operations			
20					
21	Walton's Carpet Cleaning &	Janitorial Services	48,184	48,184	34,636
22	Janitorial, Inc.				
23					
24					
25					
26					
27					
28					
29					
30					
31	Notes: (A) Revenues and expenses were allocated using FCC Part 36 separation rules. Allocation factors are based on prior years traffic measurements (ie allocations for 1997 are based on the 1996 traffic measurements) which are the most current factors available.				
32					
33					
34					
35					
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42					
43					
44	Total		525,358	525,358	381,296

Subscriber Line Usage Data

Year: 1998

Line No.	Description (a)	This Year (b)	% of Total (c)	Last Year (d)	% of Total (e)
1	Toll Usage:				
2	Interstate, InterLATA	202,982,115	70.34%	181,285,024	20.69%
3	Interstate, IntraLATA	754	0.00%	0	0.00%
4	Total Interstate Usage	202,982,869	70.34%	181,285,024	20.69%
5	Intrastate, InterLATA	33,259,058	11.53%	36,696,643	4.19%
6	Intrastate, IntraLATA	52,333,926	18.13%	42,437,488	4.84%
7	Total Intrastate Usage	85,592,984	29.66%	79,134,131	9.03%
8	Total Toll Usage	288,575,853	100.00%	260,419,155	29.72%
9	Centrex	0			
10	Local	0		615,729,710	70.28%
11	Total Minutes	288,575,853	100.00%	876,148,865	100.00%

Central Office and Access Line Statistics

(A)

Line No.	Wire Center (a)	Type of Office (b)	Resident 1-Party (c)	Resident 2-Party (d)	Resident >2-Party (e)	Lifeline Customers (f)	Resident 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	Kalispell	Digital	17,795			320	983	4,291	4,073	10	85	3,514	100.0%	29,768
2	Whitefish	Digital	5,952			66	488	1,136	709	4	34	926	100.0%	8,761
3	Columbia Falls	Digital	4,248			71	221	591	268	9	19	605	100.0%	5,740
4	Polson	Digital	3,818			61	473	775	457	2	20	563	100.0%	5,635
5	Bigfork	Digital	3,299			20	348	600	204	2	21	213	100.0%	4,339
6	Elmo	Digital	773			5	145	68	20	1	8	7	100.0%	877
7	Finley Point	Digital	553			1	117	32	0	0	1	3	100.0%	589
8	Hungry Horse	Digital	1,009			21	69	145	31	2	14	17	100.0%	1,218
9	Lakeside	Digital	1,239			5	166	143	36	2	11	57	100.0%	1,488
10	Marion	Digital	287			1	34	36	8	1	3	0	100.0%	335
11	McGregor Lk	Digital	117			1	19	22	4	0	1	0	100.0%	144
12	Olney	Digital	119			0	12	27	11	0	1	102	100.0%	260
13	Somers	Digital	800			4	54	87	21	0	3	24	100.0%	935
14	Swan Lake	Digital	202			0	34	9	0	0	1	0	100.0%	212
15	Yellow Bay	Digital	319			2	56	18	5	0	4	10	100.0%	356
16														
17														
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28														
29														
30														
31	Total		40,530	0	0	578	3,219	7,980	5,847	33	226	6,041		60,657

(A) Includes company lines, centrex, WATS, and Residential Key Trunks.

Central Office and Switch Information

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	See attached pages 28a and 28b						
2							
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YEAR - 1998

Company Name: CenturyTel of Montana, Inc. dba CenturyTel

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)
2801 - Kalispell / DMA-100	Host	Digital	NTI	DMS - 100	13312	1981
Airport Road / OPM	Remote	Digital	NTI	OPM	640	1996
Birch Grove / RLCM	Remote	Digital	NTI	RLCM	640	1994
Buffalo Hills / RSC	Remote	Digital	NTI	RSC	2560	1985
Creston / RSC	Remote	Digital	NTI	RSC	1280	1996
Edgerton / RLCM	Remote	Digital	NTI	RLCM	1280	1987
Evergreen / RSCS	Remote	Digital	NTI	RSCS	4512	1994
Foothill Rd / OPM	Remote	Digital	NTI	OPM	576	1991
Foys Lake / OPM	Remote	Digital	NTI	OPM	640	1990
FVCC / OPM	Remote	Digital	NTI	OPM	576	1990
Haywire Gulch / OPM	Remote	Digital	NTI	OPM	256	1996
Helena Flats / OPM	Remote	Digital	NTI	OPM	640	1992
Holt Stage / RLCM	Remote	Digital	NTI	RLCM	640	1987
Kila / OPM	Remote	Digital	NTI	OPM	640	1993
Lake Blaine / RLCM	Remote	Digital	NTI	RLCM	640	1994
Lost Creek / OPM	Remote	Digital	NTI	OPM	256	1993
Middle Road / OPM	Remote	Digital	NTI	OPM	256	1992
93 North / RSC	Remote	Digital	NTI	RSC	1280	1995
93 South / RSC	Remote	Digital	NTI	RSC	1280	1995
Pleasant Hills / OPAC	Remote	Digital	NTI	OPAC	640	1997
Shady Lane / OPM	Remote	Digital	NTI	OPM	640	1995
Smith Valley / OPM	Remote	Digital	NTI	OPM	640	1988
Tetrault / OPM	Remote	Digital	NTI	OM	576	1991
Truman Creek / OPAC	Remote	Digital	NTI	OPAC	256	1997
Two-Mile Dr / RSC	Remote	Digital	NTI	RSC	2560	1985
West Valley / OPM	Remote	Digital	NTI	OPM	640	1990
Winterhawk / OPM	Remote	Digital	NTI	OPM	256	1993
2802 - Whitefish / SRSC/2	Remote	Digital	NTI	SRSC	6400	1989
Big Mountain / OPM	Remote	Digital	NTI	OPM	576	1990
Eagle Creek / OPM	Remote	Digital	NTI	OPM	640	1994
Edgewood / OPM	Remote	Digital	NTI	OPM	256	1994
Emerald Heights / OPM	Remote	Digital	NTI	OPM	640	1990
Happy Valley / OPM	Remote	Digital	NTI	OPM	640	1989
Lion Mountain / OPM	Remote	Digital	NTI	OPM	640	1994
Ptarmigan Village / RLCM	Remote	Digital	NTI	RLCM	640	1994
Tamarack Creek / OPM	Remote	Digital	NTI	OPM	256	1993
Twin Bridges / OPM	Remote	Digital	NTI	OPM	576	1992
Whitefish North / OPM	Remote	Digital	NTI	OPM	640	1989
Wisconsin Avenue / OPM	Remote	Digital	NTI	OPM	576	1994
2803 - Columbia Falls / RSC/2	Remote	Digital	NTI	RSC	5120	1987
Elk Park / OPM	Remote	Digital	NTI	OPM	640	1992
Half Moon / OPM	Remote	Digital	NTI	OPM	640	1993
Hilltop / OPM	Remote	Digital	NTI	OPM	640	1995
Witty Lane / OPM	Remote	Digital	NTI	OPM	640	1994
2804 - Polson / SRSC/2	Remote	Digital	NTI	SRSC	4352	1993

SCHEDULE 24

YEAR - 1998

Company Name: CenturyTel of Montana, Inc. dba CenturyTel

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)
Bay View / OPM	Remote	Digital	NTI	OPM	640	1994
Jette Lake / OPAC	Remote	Digital	NTI	OPAC	640	1995
Minesinger / OPM	Remote	Digital	NTI	OPM	640	1989
Rocky Point / OPM	Remote	Digital	NTI	OPM	640	1993
Turtle Lake / OPM	Remote	Digital	NTI	OPM	640	1994
Woodbine / OPM	Remote	Digital	NTI	OPM	640	1995
2805 - Bigfork / RSC/2	Remote	Digital	NTI	RSC	1920	1985
Eagle Bend / OPM	Remote	Digital	NTI	OPM	640	1994
Eastman Dr / OPAC	Remote	Digital	NTI	OPAC	640	1997
Echo Lake / OPM	Remote	Digital	NTI	OPM	640	1989
Ferndale / RLCM	Remote	Digital	NTI	RLCM	1280	1991
Streeter's Corner / OPM	Remote	Digital	NTI	OPM	640	1996
Swan River / RLCM	Remote	Digital	NTI	RLCM	640	1995
Woods Bay / RSC	Remote	Digital	NTI	RSC	1312	1996
2806 - Elmo / RLCM	Remote	Digital	NTI	RLCM	640	1990
Big Arm / OPM	Remote	Digital	NTI	OPM	576	1991
Dayton / OPM	Remote	Digital	NTI	OPM	576	1992
2807 - Finley Point / RLCM	Remote	Digital	NTI	RLCM	640	1990
FNPT Peninsula / OPM	Remote	Digital	NTI	OPM	576	1992
2808 - Hungry Horse / RSC	Remote	Digital	NTI	RSC	1280	1989
Blankenship / RLCM	Remote	Digital	NTI	RLCM	640	1995
Coram / OPM	Remote	Digital	NTI	OPM	640	1994
2809 - Lakeside / RSC	Remote	Digital	NTI	RSC	1280	1990
Angel Point / OPM	Remote	Digital	NTI	OPM	640	1994
Shelter Bay / OPM	Remote	Digital	NTI	OPM	576	1992
2810 - Marion / OPM	Remote	Digital	NTI	OPM	640	1990
2811 - McGregor Lk / RLCM	Remote	Digital	NTI	RLCM	640	1995
2813 - Olney / OPM	Remote	Digital	NTI	OPM	256	1989
2814 - Somers / RSC	Remote	Digital	NTI	RSC	1280	1995
Mission View / OPM	Remote	Digital	NTI	OPM	576	1991
2815 - Swan Lake / OPM	Remote	Digital	NTI	OPM	256	1990
2816 - Yellow Bay / RLCM	Remote	Digital	NTI	RLCM	640	1989

Construction Budget - Montana

Year: 1998

Line No.	Description (a)	1999 (b)
1	Central Office Assets:	
2	NONE	
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25		
26		
27	Total Switching and Central Office Projects over \$500,000	0
28	Miscellaneous Central Office Projects not over \$500,000	575,632
29	Total Central Office Budget (L.27+L.28)	575,632
30	Other Projects over \$500,000:	
31	Transmission-KLSL Lone Pine NGDLC & Cable	549,493
32	Routines - Outside Plant (copper)	950,526
33	Routines - Service Ready Network Project	788,502
34	Constants - Drops Constant	573,438
35		
36		
37		
38		
39		
40		
41		
42	Total Other Projects over \$500,000	2,861,959
43	Miscellaneous projects not over \$500,000	3,769,800
44	Total Construction Budget (L.29+L.42+L.43)	7,207,391

Montana Employee Counts

Year: 1998

Line No.	Category (a)	Beginning of Year (b)	End of Year (c)
1	Vice President and Managers	3	8
2	Supervisors & Superintendents	14	10
3	CO Technicians	16	15
4	I&R Technicians	17	18
5	Cable Splicers	7	7
6	Engineers/Drafting	12	13
7	Facility - Line & Test Board Technicians	10	12
8	Special Apparatus Technicians	7	7
9	Frame Tech & Line Assigns	6	1
10	Commercial & General	43	52
11	Secretaries	4	3
12	Supply Technicians	2	3
13	Pay Station Collectors	1	1
14	Communication Consultants	2	0
15	LAN Administrator	2	1
16			
17			
18			
19			
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44			
45	Totals (Sum L.1 to L.43)	146	151

Compensation of Top 10 Montana Based Employees

Year: 1998

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	D. Dillon Manager Division Sales	\$55,196	\$63,575	\$8,329	\$127,100	\$57,810	119.86%
2	N. Arnold Manager Plant Operations	\$72,101	\$14,001	\$20,031	\$106,133	\$87,468	21.34%
3	J. Gunnerson Manager Customer Service Center	\$65,292	\$12,599	\$20,038	\$97,929	\$86,219	13.58%
4	S. Uschmann Account Manager	\$46,019	\$45,948	\$4,329	\$96,296		ERR
5	B. Murray Vice President	\$34,793	\$27,766	\$21,666	\$84,225	\$153,311	-45.06%
6	L. Bain Manager Division Plant Facilities	\$63,594		\$7,407	\$71,001	\$61,518	15.42%
7	W. Kazenski District Manager	\$54,064		\$11,133	\$65,197	\$58,021	12.37%
8	G. Anderson District Manager	\$53,132		\$10,184	\$63,316		ERR
9	D. Bohn Account Manager	\$26,979	\$33,670	\$1,735	\$62,384		ERR
10	K. Wiles Area Supervisor	\$47,455	\$1,123	\$11,343	\$59,921	\$64,309	-6.82%
11	Totals (Sum L.1 to L.10)	518,625	198,682	116,195	833,502	568,656	46.57%

Compensation of Top 5 Corporate Employees - SEC Information

Year: 1998

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	Note: CenturyTel of Montana, Inc. does not submit SEC information. See Schedule 27, Compensation of Top 10 Montana Based Employees.						
3							
4							
5							
6	Totals (Sum L.1 to L.5)	0	0	0	0	0	0.00%

Montana Composite Statistics

Year: 1998

Line No.	Account No.	Description (a)	Amount (b)
1		Plant (Intrastate Only) (000 Omitted)	
2	2001	Plant in Service	75,571
3	2003 - 2004	Construction Work in Progress	114
4	2005	Plant Acquisition Adjustments	
5	2002	Plant Held for Future Use	
6	1220	Materials & Supplies	250
7		(Less):	
8	3100 - 3400	Depreciation & Amortization Reserves	(35,926)
9	4360.2	Contributions in Aid of Construction N/A	
10		NET BOOK COSTS	40,009
11		Revenues & Expenses (Intrastate Only) (000 Omitted)	
12	5000 - 5300	Operating Revenues	27,133
13	6560	Depreciation & Amortization Expenses	5,157
14	7200	Federal & State Income Taxes	
15	7240	Other Taxes	2,430
16		Other Operating Expenses	11,587
17		TOTAL Operating Expenses	19,175
18		Net Operating Income	
19		Other Income N/A	
20		Other Deductions N/A	
21		NET INCOME	
22		Access Lines in Service (Intrastate Only)	
23		Residential Access Lines	40,627
24		Business Access Lines	11,956
25		PBX Access Lines	2,130
26		Other Access Lines	5,944
27		Total Number of Access Lines	60,657
28		Average Number of Calls Per Access Line	
29		Local Calls	Not available
30		Toll Calls (Intra- or Interstate)	Not available
31		Total Number of Calls Per Access Line	Not available
32		Other Statistics (Intrastate Only)	
33		Average Residential Monthly Bill	Not available
34		Gross Plant Investment per Access Line	Not available

Depreciation - Montana Intrastate Regulated

Year: 1998

Line No.	Account No. (a)	Description (b)	Composite Rate % (c)	Total Expense (\$) (d)
1	2112	Motor Vehicles	10.05%	79,638
2	2114	Special Purpose Vehicles	NA	0
3	2115	Garage Work Equipment	NA	0
4	2116	Other Work Equipment	10.05%	37,654
5	2121	Buildings	3.04%	63,778
6	2122	Furniture	4.55%	8,183
7	2123.1	Office Support Equipment	4.55%	3,525
8	2123.2	Company Communications Equipment	23.44%	24,139
9	2124	General Purpose Computers	4.55%	59,309
10	2211	Analog Electronic Switching Equipment	NA	0
11	2212	Digital Electronic Switching Equipment	9.39%	1,575,748
12	2215	Step by Step Switching Equipment	9.39%	3,427
13	2215	Crossbar Switching Equipment	NA	0
14	2220	Operator Systems	NA	0
15	2231	Radio Systems	9.39%	14,458
16	2232	Circuit DDS	NA	0
17	2232	Circuit Digital	9.39%	961,831
18	2232	Circuit Analog	9.39%	101,438
19	2351	Public Telephone Terminating Equipment	7.71%	0
20	2362	Other Terminal Equipment	NA	0
21	2411	Poles	11.29%	114,790
22	2421	Aerial Cable Metallic	8.34%	500,036
23	2421	Aerial Cable Nonmetallic	9.32%	51,417
24	2422	Underground Cable Metallic	3.41%	23,140
25	2422	Underground Cable Nonmetallic	3.41%	2,489
26	2423	Buried Cable Metallic	4.21%	1,129,587
27	2423	Buried Cable Nonmetallic	4.43%	137,943
28	2424	Submarine Cable Metallic	3.30%	135
29	2424	Submarine Cable Nonmetallic	NA	0
30	2426	Intrabuilding Network Cable Metallic	9.32%	2,164
31	2426	Intrabuilding Network Cable Nonmetallic	NA	0
32	2431	Aerial Wire	9.09%	32,756
33	2441	Conduit Systems	2.37%	15,890
34			3.04%	115
35		COMPOSITE TOTAL	6.90%	4,943,590
36				
37				
38	Have these rates been approved by the Commission?			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
39				
40	If yes:	Docket Number 83.9.88	Order Number 5052	

Montana Regulatory Capital Structure & Costs

Year: 1998

Line No.	Description (a)	% Cap. Str. (b)	% Cost Rate (c)	Weighted Cost (d)
	<u>Commission Accepted - Most Recent</u>			
1	Docket Number <u>92.7.32</u>			
2	Order Number <u>5638C</u>			
3				
4	Common Equity			
5	Preferred Stock			
6	Long Term Debt			
7	Other			
8	Total			
9				
10	<u>Actual at Year End</u>			
11				
12	Common Equity 45,208,377	99.78%	13.70%	13.67%
13	Preferred Stock 99,500	0.22%	8.91%	0.02%
14	Long Term Debt 0	0.00%	0.00%	0.00%
15	Other			
16	Total 45,307,877	100.00%		13.69%

Network Access - Charges and Revenues

Year: 1998

Line No.	Description (a)	Access Charges Paid (b)	Access Revenues Received (c)
1	Montana - Total State		15,573,016
2			
3	Montana - Intrastate		6,091,051
4			
5	Montana - Intrastate Regulated		6,086,679
6			
7			
8			
9			
10			
11			
12			
13			

Year: 1998

Affiliate Transactions - Products & Services Provided To Utility

Line No.	Affiliate Name (a)	Products and Services (b)	Method to Determine Price (c)	Charges to Utility (d)	% Total Affiliate Revenues (e)	Charges to Montana Utility (f)
1	Century Telephone Enterprises, Inc.	Management accounting, operating and miscellaneous services.	See note (a) below	327,416		327,416
2						
3						
4						
5	Century Service Group, Inc.	"	"	6,800,734 (Regulated)		6,800,734
6				150,875 (Nonregulated)		150,875
7						
8	CenturyTel of the Northwest, fka	"	"	271,556		271,556
9	Pacific Telcom, Inc.	"	"			
10	CenturyTel of Oregon, Inc.	"	"	146		146
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30	Totals	0	0	7,550,727	0	7,550,727

(a) All services rendered to the regulated entities are billed at cost.

Affiliate Transactions - Products & Services Provided By Utility

Year: 1998

Line No.	Affiliate Name (a)	Products and Services (b)	Method to Determine Price (c)	Charges to Affiliate (d)	% Total Affiliate Expenses (e)	Revenue to Montana Utility (f)
1	Century Supply Group, Inc.	Warehouse	See Note (A) Below	26,878	Not available	26,878
2						
3						
4						
5						
6						
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15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30	Totals	0	0	26,878	0	26,878

(A) Services are billed at costs plus markup.

Montana Intrastate Regulated Earned Rate of Return

Year: 1998

Line No.	Description Rate Base (a)	This Year (b)	Last Year (c)	Percent Change (d)
1				
2	2001 Plant in Service	72,559,038	68,434,866	6.03%
3	2002 Prop. Held for Future Telecommunications Use		0	0.00%
4	3001-3200 Less Accumulated Depreciation	(34,388,724)	(30,511,556)	12.71%
5	Net Plant in Service	38,170,314	37,923,310	0.65%
6				
7	Additions			
8	1220 Materials & Supplies	240,851	320,471	-24.84%
9	1280 Prepayments		0	0.00%
10	Other Additions (Cash working capital)	447,107	382,755	16.81%
11	Total Additions	38,858,272	38,626,536	0.60%
12				
13	Deductions			
14	4100 Current Deferred Operating Income Taxes	57,542	112,315	-48.77%
15	4320 Unamortized Operating Investment Tax Credits		0	0.00%
16	4340 Noncurrent Deferred Operating Income Taxes	(4,356,369)	(4,351,553)	0.11%
17	Customer Advances for Construction			0.00%
18	Other Deductions			0.00%
19	Total Deductions	(4,298,827)	(4,239,238)	1.41%
20	Total Rate Base	34,559,445	34,387,298	0.50%
21				
22	Net Earnings	4,731,064	4,479,669	5.61%
23				
24	Rate of Return on Average Rate Base	13.69%	13.03%	5.07%
25				
26	Rate of Return on Average Equity	13.70%	14.16%	-3.25%
27				
28	Major Normalizing Adjustments and Commission			
29	Ratemaking adjustments to Utility Operations			
30				
31	None			
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43	Adjusted Rate of Return on Average Rate Base			
44				
45	Adjusted Rate of Return on Average Equity			

Other Taxes Paid

Year: 1998

Line	Description (a)	Last Year (b)	This Year (c)
1	Montana Telephone Company License Tax	Not Applicable	291,050
2	Montana Public Service Commission Tax		36,381
3	Montana Consumer Counsel Tax		10,465
4	911 Emergency Telephone Fee		335,840
5	Montana Telecommunications Access Service (TDD)		66,645
6	Montana Corporate License Tax		712,136
7	Personal Property Tax		
8	Real Property Tax		1,673,665
9			
10			
11			
12	Total		3,126,182

Universal Service Funds Received

Year: 1998

13	Funds received from Montana Sources	Not Applicable	N/A
14	Funds received from Federal Sources		713,604
15			
16			
17			
18			
19			
20			
21			
22			
23			
24	Total		713,604

MONTANA UTILITY STATISTICS

Year Ending December 31, 1998

ITEM

1.	Date of most recent final order	March 12, 1993	(1)
2.	Docket Number	92.7.32	(1)
3.	Capital structure (\$000 most recent year)		
a.	Long term debt		
b.	Preferred Stock	\$99	
c.	Common equity	\$44,948	
4.	Return on equity		
a.	Most recent final Order (%)	See note	(1)
b.	Earned most recent calendar year on average equity outstanding (%)	13.67%	(2)
5.	Rate base most recent final Order (\$000)	See note	(1)
6.	Most recent calendar year market price/share		
a.	High (\$)	Not Applicable	
b.	Low (\$)	Not Applicable	
7.	Rate of return most recent calendar year (%)		
a.	Overall earned	13.69%	(2)
b.	Overall allowed most recent Order	See note	(1)
8.	Bond Rating (Moody's, S&P)	Not Applicable	
9.	Most recent debt issue (1st Mort Bonds)		
a.	Date	Not Applicable	
b.	Cost (\$000) or %	Not Applicable	
10.	Dividends payout ration most rec. CY (%)	Not Applicable	
11.	Dividends per share most rec. CY (\$)	Not Applicable	
12.	Earnings per share most rec. CY (\$)		
a.	Consolidated	Not Applicable	
b.	Utility only	\$68.37	
13.	Sales revenues most rec. CY (\$000)	\$37,434	
14.	Sales units most rec. CY		
a.	Montana market (000MCF)	Not Applicable	
b.	Total market (000MCF)	Not Applicable	
c.	Montana market (000KWH)	Not Applicable	
d.	Total Market (000KWH)	Not Applicable	
15.	Montana peak load most rec. CY		
a.	MCF	Not Applicable	
b.	KW	Not Applicable	
16.	Degree days most recent CY	Not Applicable	
17.	Residential space heating load/total load (%)	Not Applicable	
18.	Number of customers most rec. CY		
a.	Residential	Not Applicable	
b.	Nonresidential	Not Applicable	
c.	Total	Not Applicable	
19.	Number of main stations most rec. CY		
a.	Residential	40,627	
b.	Business	20,030	
c.	Total	60,657	

(1) The revenue requirement in this proceeding was based on a stipuation agreement between the parties which excluded rate of return and rate base calculations. On page 4 of Order No. 5638C issued on March 12, 1993, the order states ".....indirectly reflects the current cost of capital while still allowing PTI the opportunity to earn a fair rate of return."

(2) Return on regulated intrastate

20.	Miles of telephone lines most rec. CY	
a.	Overhead	783.35
b.	Buried	3446.53
21.	Miles of natural gas line most rec. CY	
a.	Distribution	Not Applicable
b.	Transmission	Not Applicable
22.	Pole miles most rec. CY	
a.	Distribution	Not Applicable
b.	Transmission	Not Applicable
23.	Total system generating capacity most recent CY (Kilowatts)	Not Applicable
24.	Number of employees at end of CY	151
25.	Fixed coverage charge (number of fixed charges earned) most recent CY	
26.	Operating ratio most rec. CY	
27.	Conervation	
a.	Number of home audits to date	Not Applicable
b.	Number of home audits this year	Not Applicable
c.	No. of weatherization loans to date	Not Applicable
d.	No. of weatherization loans this year	Not Applicable
e.	Cost per audit to date (average \$)	Not Applicable
f.	Cost per audit this year (average \$)	Not Applicable
g.	Average home loan to date (\$)	Not Applicable
h.	Average home loan this year (\$)	Not Applicable
i.	Estimated energy savings from weatherization loans this year (avg. % or \$)	Not Applicable
28.	Bad debts (Total number of customers this yr)	
29.	Natural Gas	
a.	Yrs. of reserves at current usage rate	Not Applicable
b.	Volume of gas in storage	Not Applicable
30.	Potential Qualified Producers (electricity)	
a.	Number of contracts to date	Not Applicable
b.	Number of contracts this year	Not Applicable
c.	Total potential (MW) to date	Not Applicable
d.	Total potential (MW) this year	Not Applicable
e.	Number of contracts in negotiation to date	Not Applicable
f.	Number of contracts in negotiation this year	Not Applicable
g.	No. of contracts completed to date	Not Applicable
h.	No. of contracts completed this year	Not Applicable