

5600 Headquarters Drive
P.O. Box 251209
Plano, TX 75025-1209



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PUBLIC SERVICE
COMMISSION

April 24, 2001

Public Service Commission
State of Montana
1701 Prospect Avenue
P.O. Box 202601
Helena, Montana 59620-2601

To Whom It May Concern:

Enclosed is a copy of the Annual Report for Citizens Telecommunications Company of Montana for year ended December 31, 2000 along with \$25.00 filing fee. Also enclosed is a diskette containing the file.

If you have any questions, please contact me at (469) 365-3509.

Sincerely,

A handwritten signature in dark ink, appearing to read "Mike Hess".

Mike Hess
Director, Accounting Compliance and Financial Systems

Enclosure

General Information

Year: 2000

1.	Legal Name of Respondent:	Citizens Telecommunications Company of Montana
2.	Name Under Which Respondent Does Business:	Citizens Telecommunications Company of Montana
3.	Date of Incorporation:	July 7, 1993
4.	Address to send Correspondence Concerning Report:	4 Triad Center, Suite 200 Salt Lake City, UT 84180
5.	Person Responsible for This Report:	Lance Tade
5a.	Telephone Number:	(801) 924-6357
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:	Citizens Utilities Company P.O. Box 3801 / 3 High Ridge Park Stamford, CT 06905
1b.	Means by which control was held:	Common Stock
1c.	Percent Ownership:	100%

Board of Directors			
Line No.	Name of Director and Address (City, State)		Fees Paid During Year
	(a)		(b)
1	Leonard Tow	Stamford, Connecticut	None
2	Rudy J. Graf	Stamford, Connecticut	None
3	John H. Casey, III	Stamford, Connecticut	None
4			
5			
6			
7			
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16			
17			
18	Chairman of the Board:	Leonard Tow	
19			
20			

Officers

Year: 2000

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	Chairman		Scott N. Schneider *
2	President		Rudy J. Graf *
3	Vice President and Chief Operating		John H. Casey, III *
4	Officer		
5	Vice President and Chief Financial		Robert J. Larson *
6	Officer & Chief Accounting Officer		
7	Vice President and Treasurer		Donald B. Armour *
8	Vice President		Michael A. Zarrella *
9	Secretary		L. Russell Mitten *
10	Assistant Secretary		Virginia L. Coogle *
11			
12			
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32			
33			* Stamford, Connecticut
34			
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41			
42			

Total Company Balance Sheet

Year: 2000

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		CURRENT ASSETS:		
2	1120	Cash and Equivalents	2,599	2,599
3	1180	Telecommunications Accounts Receivable - Net	673,335	620,676
4	1190	Other Accounts Receivable - Net	662,685	607,545
5	1200	Notes Receivable - Net		
6	1210	Interest and Dividends Receivable		
7	1220	Materials and Supplies	24,566	16,940
8	* 1280	Prepayments	199	258
9	^ 1290	Prepaid Rents		
10	^ 1300	Prepaid Taxes		
11	^ 1310	Prepaid Insurance		
12	^ 1320	Prepaid Directory Expenses	199	258
13	^ 1330	Other Prepayments		
14	1350	Other Current Assets		
15		Total Current Assets	1,363,384	1,248,018
16		NONCURRENT ASSETS:		
17	1401	Investments in Affiliated Companies		
18	1402	Investments in Nonaffiliated Companies		
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		30
25	1500	Other Jurisdictional Assets - Net		
26		Total Noncurrent Assets		30
27		PROPERTY, PLANT, & EQUIPMENT:		
28	2001	Telecommunications Plant in Service	23,279,478	22,628,663
29	2002	Property Held for Future Telecommunications Use		
30	2003	Plant Under Construction - Short Term	284,551	71,295
31	2004	Plant Under Construction - Long Term		
32	2005	Telecommunications Plant Adjustment	14,619,967	14,619,967
33	2006	Nonoperating Plant		
34	2007	Goodwill		
35	3100	Accumulated Depreciation	(10,243,824)	(9,335,843)
36	3200	Accumulated Depreciation - Held for Future Use		
37	3300	Accumulated Depreciation - Nonoperating		
38	3400	Accumulated Amortization	(5,325,829)	(4,450,192)
39		Net Property, Plant, & Equipment	22,614,343	23,533,890
40		TOTAL ASSETS	23,977,727	24,781,938

^ Subaccount of account marked with a *.

Total Company Balance Sheet

Year: 2000

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
41		CURRENT LIABILITIES:		
42	4010	Accounts Payable	271,765	476,660
43	4020	Notes Payable		
44	4030	Advance Billing and Payments	111,331	101,445
45	4040	Customer Deposits	21,373	11,340
46	4050	Current Maturities - Long Term Debt		
47	4060	Current Maturities - Capital Leases		
48	4070	Income Taxes - Accrued	(200)	(200)
49	4080	Other Taxes - Accrued	198,280	349,412
50	4100	Net Current Deferred Operating Income Taxes		
51	4110	Net Current Deferred Nonoperating Income Taxes		
52	4120	Other Accrued Liabilities	26,276	28,605
53	4130	Other Current Liabilities	14,926	8,602
54		Total Current Liabilities	643,751	975,864
55		LONG-TERM DEBT:		
56	4210	Funded Debt		
57	4220	Premium on Long-Term Debt		
58	4230	Discount on Long-Term Debt		
59	4240	Reacquired Debt		
60	4250	Obligations Under Capital leases		
61	4260	Advances From Affiliated Companies	19,237,582	19,776,756
62	4270	Other Long-Term Debt		
63		Total Long-Term Debt	19,237,582	19,776,756
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	3,977,542	4,455,577
69	4350	Net Noncurrent Deferred Nonoper. Income Taxes		
70	4360	Other Deferred Credits	300,990	229,716
71	4370	Other Jurisdictional Liab. and Def. Credits		
72		Total Other Liabilities and Deferred Credits	4,278,532	4,685,293
73		STOCKHOLDERS' EQUITY:		
74	4510	Capital Stock	1,000	1,000
75	4520	Additional Paid-In Capital		
76	4530	Treasury Stock		
77	4540	Other Capital		
78	4550	Retained Earnings	(183,138)	(656,975)
79		Total Stockholders' Equity	(182,138)	(655,975)
80		TOTAL LIAB. AND STOCKHOLDERS' EQUITY	23,977,727	24,781,938

Total Company Income Statement

Year: 2000

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		REVENUES:		
2	5000	Basic Local Service Revenues	2,296,909	2,093,974
3	5080	Network Access Revenues	5,059,994	5,793,324
4	* 5100	Long Distance Message Revenue	47,299	73,611
5	^ 5110	Unidirectional Long Distance Revenue	46,274	69,908
6	^ 5120	Long Distance Private Network Revenue	(89)	1,212
7	^ 5160	Other Long Distance Revenue	1,114	2,491
8	^ 5169	Other Long Distance Revenue Settlements		
9	* 5200	Miscellaneous Revenue	488,244	500,842
10	^ 5230	Directory Revenue	25,740	27,051
11	^ 5240	Rent Revenue	15,567	22,318
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	53,542	35,098
14	^ 5270	Carrier Billing and Collection Revenue	94,268	101,226
15	^ 5280	Nonregulated Revenue	299,127	315,149
16	5300	Uncollectible Revenue	241,212	151,866
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)	7,651,234	8,309,885
18		OPERATING EXPENSES:		
19	6110	Network Support Expense	25	5
20	6120	General Support Expense	562,979	619,944
21	6210	Central Office Switching Expense	79,311	94,938
22	6220	Operator Systems Expense	135	20
23	6230	Central Office Transmission Expense	89,293	65,597
24	6310	Information Origination/Termination Expense	143,216	218,174
25	* 6410	Cable and Wire Facilities Expense	320,249	327,178
26	^ 6431	Aerial Wire Expense	270	1,250
27	^ 6441	Conduit Systems Expense	1	14
28	6510	Other Property, Plant & Equipment Expense	575	314
29	6530	Network Operations Expense	398,336	255,458
30	6540	Access Expense	17,337	29,219
31	6560	Depreciation and Amortization Expense	2,374,210	2,427,300
32	6610	Marketing	216,982	159,856
33	6620	Services	460,309	527,385
34	6710	Executive and Planning	115,383	138,337
35	6720	General and Administrative	1,374,187	1,733,034
36	6790	Provision for Uncollectible Notes Receivable		
37		Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)	6,152,527	6,596,759
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	868,172	1,109,063
40		Net Operating Income (L.17-L.37+L.38-L.39)	630,535	604,063
41	7300	Nonoperating Income and Expense	(258,932)	(43,814)
42	7400	Nonoperating Taxes	(101,196)	(17,611)
43	7500	Interest and Related Items	(1,038)	898
44	7600	Extraordinary Items		
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)	473,837	576,962

^ Subaccount of the account marked with a *.

Montana Total State Income Statement

Year: 2000

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		REVENUES:		
2	5000	Basic Local Service Revenues	Same as Schedule 4	
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: 2000

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		REVENUES:		
2	5000	Basic Local Service Revenues	2,296,909	2,093,974
3	5080	Network Access Revenues	2,184,595	3,167,714
4	* 5100	Long Distance Message Revenue	19,127	30,938
5	^ 5110	Unidirectional Long Distance Revenue	18,102	27,235
6	^ 5120	Long Distance Private Network Revenue	(89)	1,212
7	^ 5160	Other Long Distance Revenue	1,114	2,491
8	^ 5169	Other Long Distance Revenue Settlements		
9	* 5200	Miscellaneous Revenue	423,329	441,338
10	^ 5230	Directory Revenue	25,740	27,051
11	^ 5240	Rent Revenue	15,567	22,318
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	26,183	35,088
14	^ 5270	Carrier Billing and Collection Revenue	56,712	41,732
15	^ 5280	Nonregulated Revenue	299,127	315,149
16	5300	Uncollectible Revenue	241,212	151,866
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)	4,682,748	5,582,098
18		OPERATING EXPENSES:		
19	6110	Network Support Expense	25	3
20	6120	General Support Expense	370,947	413,813
21	6210	Central Office Switching Expense	40,576	52,681
22	6220	Operator Systems Expense	69	11
23	6230	Central Office Transmission Expense	45,682	36,400
24	6310	Information Origination/Termination Expense	107,412	163,631
25	* 6410	Cable and Wire Facilities Expense	237,272	242,014
26	^ 6431	Aerial Wire Expense	200	925
27	^ 6441	Conduit Systems Expense	1	10
28	6510	Other Property, Plant & Equipment Expense	396	210
29	6530	Network Operations Expense	262,464	170,518
30	6540	Access Expense		
31	6560	Depreciation and Amortization Expense	1,539,675	1,604,445
32	6610	Marketing	216,982	159,856
33	6620	Services	359,179	403,660
34	6710	Executive and Planning	85,383	102,895
35	6720	General and Administrative	1,016,898	1,289,031
36	6790	Provision for Uncollectible Notes Receivable		
37		Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)	4,282,961	4,639,168
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	604,942	757,157
40		Net Operating Income (L.17-L.37+L.38-L.39)	(205,155)	185,773

983,119

^ Subaccount of the account marked with a *.

Montana Intrastate Regulated Income Statement

Year: 2000

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		REVENUES:		
2	5000	Basic Local Service Revenues	2,296,909	2,093,974
3	5080	Network Access Revenues	2,184,595	3,167,714
4	* 5100	Long Distance Message Revenue	19,127	30,938
5	^ 5110	Unidirectional Long Distance Revenue	18,102	27,235
6	^ 5120	Long Distance Private Network Revenue	(89)	1,212
7	^ 5160	Other Long Distance Revenue	1,114	2,491
8	^ 5169	Other Long Distance Revenue Settlements		
9	* 5200	Miscellaneous Revenue	124,202	126,189
10	^ 5230	Directory Revenue	25,740	27,051
11	^ 5240	Rent Revenue	15,567	22,318
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	26,183	35,088
14	^ 5270	Carrier Billing and Collection Revenue	56,712	41,732
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	241,212	151,866
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)	4,383,621	5,266,949
18		OPERATING EXPENSES:		
19	6110	Network Support Expense	25	3
20	6120	General Support Expense	360,151	295,752
21	6210	Central Office Switching Expense	40,457	52,681
22	6220	Operator Systems Expense	69	11
23	6230	Central Office Transmission Expense	45,563	36,236
24	6310	Information Origination/Termination Expense	4,361	2,062
25	* 6410	Cable and Wire Facilities Expense	237,272	242,014
26	^ 6431	Aerial Wire Expense	200	925
27	^ 6441	Conduit Systems Expense	1	10
28	6510	Other Property, Plant & Equipment Expense	378	209
29	6530	Network Operations Expense	262,463	169,580
30	6540	Access Expense		
31	6560	Depreciation and Amortization Expense	1,478,242	1,596,583
32	6610	Marketing	195,002	155,348
33	6620	Services	359,179	393,972
34	6710	Executive and Planning	82,267	93,634
35	6720	General and Administrative	971,849	1,082,013
36	6790	Provision for Uncollectible Notes Receivable		
37		Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)	4,037,279	4,120,098
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	578,929	914,646
40		Net Operating Income (L.17-L.37+L.38-L.39)	(232,587)	232,205

983,119

^ Subaccount of the account marked with a *.

Average Rate Base - Total State

Year: 2000

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	23,263,281	22,593,772
2	3100	Accumulated Depreciation	10,216,826	9,509,963
3	2002	Property Held for Future Telecommunications Use	-	-
4	3200	Accumulated Depreciation - 2002	-	-
5	1220	Materials and Supplies	23,487	18,356
6	4340	Noncurrent Deferred Operating Income Taxes	4,454,995	4,424,300
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)	8,614,947	8,677,865

Average Rate Base - Intrastate

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	15,328,176	15,081,342
2	3100	Accumulated Depreciation	6,924,965	6,477,235
3	2002	Property Held for Future Telecommunications Use	-	-
4	3200	Accumulated Depreciation - 2002	-	-
5	1220	Materials and Supplies	17,402	13,578
6	4340	Noncurrent Deferred Operating Income Taxes	2,014,994	423,406
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)	6,405,618	8,194,279

Average Rate Base - Regulated Intrastate

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	15,112,049	14,570,085
2	3100	Accumulated Depreciation	6,833,555	6,225,271
3	2002	Property Held for Future Telecommunications Use	-	-
4	3200	Accumulated Depreciation - 2002	-	-
5	1220	Materials and Supplies	17,282	13,427
6	4340	Noncurrent Deferred Operating Income Taxes	2,061,339	421,034
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)	6,234,436	7,937,207

Statement of Cash Flows

Year: 2000

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		473,837
4	Reconciliation Adjustments:		
5	Depreciation & Amortization	2,374,210	
6	Provision for Accounts Receivable Losses		
7	Deferred Income Taxes - Net	(478,035)	
8	Unamortized Investment Tax Credits (ITCs) - Net		
9	Allowance for Funds Used During Construction (AFUDC)		
10	Change in Operating Receivables - Net	(107,799)	
11	Change in Materials, Supplies & Inventories - Net	(7,626)	
12	Change in Operating Payables & Accrued Liabilities - Net	(204,895)	
13	Change in Other Assets & Deferred Credits - Net	89	
14	Change in Other Liabilities & Deferred Credits - Net	(55,944)	
15	Other (explained on back of this page)		
16	Total Adjustments		1,520,000
17	Net Cash Provided by/(Used in) Operating Activities		1,993,837
18	Cash Inflows/Outflows From Investing Activities:		
19	Construction/Acquisition of Property, Plant & Equipment (net of	(1,454,663)	
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)		
25	Net Cash Provided by/(Used in) Investing Activities		(1,454,663)
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	(539,174)	
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)		
37	Net Cash Provided by Financing Activities		(539,174)
38	Effect of Exchange Rate Changes on Cash		
39	Net Increase/(Decrease) in Cash & Cash Equivalents		-
40	Cash & Cash Equivalents at Beginning of Period		2,599
41	Cash & Cash Equivalents at End of Period		2,599

Receivables and Investments-Affiliated & Nonaffiliated Companies ar: 2000

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	Various		700,408	27,073	908,804	246,119					
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30	Totals	-	700,408	27,073	908,804	246,119	-	-	-	-	-

Net Plant in Service - Detail

Year: 2000

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	2,325,200	48,132	8,000	(78)	2,365,255	960,785	1,404,470
2	^ 2111	Land	76,722				76,722		76,722
3	^ 2112	Motor Vehicles	256,179				256,179	64,951	191,228
4	^ 2113	Aircraft							
5	^ 2114	Special Purpose Vehicles	53,233				53,233	53,848	(615)
6	^ 2115	Garage Work Equipment							
7	^ 2116	Other Work Equipment	157,979	9,971			167,950	78,454	89,496
8	^ 2121	Buildings	1,614,330	18,361	8,000		1,624,691	671,422	953,269
9	^ 2122	Furniture	7,980				7,980	(1,442)	9,422
10	^ 2123	Office Equipment	26,918			(78)	26,840	23,177	3,664
11	^ 2124	General Purpose Computers	131,859	19,800			151,659	70,374	81,285
12	2211	Analog Electronic Switching							
13	2212	Digital Electronic Switching	2,728,084	3,139	16,951	78	2,714,350	730,092	1,984,258
14	2215	Electro-Mechanical Switching						(281,943)	281,943
15	2220	Operator Systems							
16	2231	Radio Systems	1,249,165				1,249,165	1,262,776	(13,611)
17	2232	Circuit Equipment	3,292,147	161,561	46,160	3,703	3,411,251	1,741,206	1,670,046
18	* 2310	Information Orig & Term Equip	280,730		42,737		237,993	225,096	12,897
19	^ 2311	Station Apparatus	81,917		42,737		39,180	23,996	15,184
20	^ 2321	Customer Premises Wiring							
21	^ 2341	Large Private Branch Exchanges							
22	^ 2351	Public Telephone Term. Equip.	52,516				52,516	53,172	(656)
23	^ 2362	Other Terminal Equipment	146,297				146,297	147,928	(1,631)
24	2411	Poles	497,176	15,709	4,725		508,160	335,122	173,039
25	* 2420	Cable and Wire Facilities	12,060,230	673,803	161,016	(0)	12,573,018	5,161,908	7,411,110
26	^ 2421	Aerial Cable	2,253,138	279,253	38,128	(0)	2,494,263	1,645,401	848,862
27	^ 2422	Underground Cable	123,693	33,142			156,834	50,964	105,871
28	^ 2423	Buried Cable	9,683,399	361,409	122,888	(0)	9,921,920	3,465,543	6,456,377
29	^ 2424	Submarine Cable							
30	^ 2425	Deep Sea Cable							
31	^ 2426	Intrabuilding Network Cable							
32	2431	Aerial Wire	47,203		2,094		45,109	62,445	(17,336)
33	2441	Conduit Systems	148,728				148,728	46,337	102,392
34	2682	Building Leasehold Improvements		26,449			26,449	190	26,259
35		Totals	22,628,663	928,794	281,683	3,703	23,279,478	10,244,013	13,035,465

Analysis of Plant Held for Future Use
Year: 2000

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							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30	Totals (Sum L.1 to L.29)						

Average Cost of Long Term Debt

Year: 2000

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	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	Total											

Cost of Preferred Stock

Year: 2000

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	Not Applicable											
2												
3												
4												
5												
6												
7												
8												
9												
10												
11												
12												
13												
14												
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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: 2000

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 High (g) Low (h)	Price/Earnings Ratio (i)
1	Year Ended December 31:	None						
2								
3								
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: 2000

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							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30	Totals (Sum L.1 to L.29)						

Total Company Expense Matrix

Year:2000

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						
2	^	6112 Motor Vehicle Expense						
3	^	6113 Aircraft Expense						
4	^	6114 Special Purpose Vehicles Expense						
5	^	6115 Garage Work Equipment Expense						
6	^	6116 Other Work Equipment Expense						
7	*	6120 General Support Expense	77,775	25,527	27,174	426,915		557,391
8	^	6121 Land and Building Expense	29,030	9,586	27,101	147,334		213,051
9	^	6122 Furniture and Artworks Expense				16,573		16,573
10	^	6123 Office Equipment Expense				45,201		45,201
11	^	6124 General Purpose Computers Expense	48,745	15,941	73	217,807		282,566
12	*	6210 Central Office Switching Expense	47,435	13,154	82	18,517		79,188
13	^	6211 Analog Electronic Expense						
14	^	6212 Digital Electronic Expense	47,435	13,154	82	18,517		79,188
15	^	6215 Electro-Mechanical Expense						
16		6220 Operator Systems Expense				135		135
17	*	6230 Central Office Transmission Expense	50,775	14,426	8,782	15,306		89,289
18	^	6231 Radio Systems Expense	3,995	1,160	8,664	8,231		22,050
19	^	6232 Circuit Equipment Expense	46,780	13,266	118	7,075		67,239
20	*	6310 Information Origination/Termination Expense	51,260	14,291	56	77,609		143,216
21	^	6311 Station Apparatus Expense	18,179	5,087	13	44,226		67,505
22	^	6341 Large Private Branch Exchange Expense	285	96		150		531
23	^	6351 Public Telephone Terminal Equipment Exp.	4,992	1,394	10	28,932		35,328
24	^	6362 Other Terminal Equipment Expense	27,804	7,714	33	4,301		39,852
25	*	6410 Cable and Wire Facilities Expense	142,144	39,671	52,185	86,183		320,183
26	^	6411 Poles Expense	911	250	51,987	1,286		54,434
27	^	6421 Aerial Cable Expense	45,351	12,692	58	19,251		77,352
28	^	6422 Underground Cable Expense	1,325	343	5	128		1,801
29	^	6423 Buried Cable Expense	92,146	25,696	134	65,204		183,180
30	^	6424 Submarine Cable Expense	558	161	1	85		805
31	^	6425 Deep Sea Cable Expense						
32	^	6426 Intrabuilding Network Cable Expense	1,662	473		207		2,342
33	^	6431 Aerial Wire Expense	192	56		22		270
34		Subtotals	369,390	107,069	88,279	624,665		1189403

^ Subaccount of the account marked with a *.

Total Company Expense Matrix

Year:2000

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	(1)					(1)
36		6510 Other Property Expenses	(379)	(146)		323		(202)
37	*	6530 Network Operations Expense	164,473	52,979	65	148,551		366,068
38	^	6531 Power Expense				45,357		45,357
39	^	6532 Network Administration Expense	69,104	23,215		56,893		149,212
40	^	6533 Testing Expense	9,643	3,194		332		13,169
41	^	6534 Plant Operations Expense	66,571	20,146	14	40,424		127,155
42	^	6535 Engineering Expense	19,155	6,424	51	5,545		31,175
43		6540 Access Expense				17,337		17,337
44		6561 Depreciation - Telecomm. Plant in Service				1,492,128		1,492,128
45		6562 Depreciation-Prop. for Future Telecom. Use						
46		6563 Amortization Expense - Tangible				189		189
47		6564 Amortization Expense - Intangible						
48		6565 Amortization - Other				880,651		880,651
49	*	6610 Marketing	97,911	24,237	159	79,722		202,029
50	^	6611 Product Management	19,288	6,257		3,336		28,881
51	^	6612 Sales	75,260	16,839	159	16,221		108,479
52	^	6613 Product Advertising	3,363	1,141		60,165		64,669
53		6621 Call Completion Services	449	118		89,053		89,620
54		6622 Number Services	(81)			756		675
55		6623 Customer Services	147,847	46,421	64	154,517		348,849
56		6711 Executive	48,451	11,795		26,437		86,683
57		6712 Planning	16,489	4,735	1	(8,451)		12,774
58		6721 Accounting and Finance	201,335	61,828	51	98,669		361,883
59		6722 External Relations	91,332	29,382	(110)	73,092		193,696
60		6723 Human Relations	36,377	9,294		18,105		63,776
61		6724 Information Management	66,218	22,013		399,578		487,809
62		6725 Legal	7,101	1,964	186	9,753		19,004
63		6726 Procurement	15,785	5,269	78	3,307		24,439
64		6727 Research and Development						
65		6728 Other General and Administrative	7,626	2,190	42	112,710		122,568
66		6790 Provision for Uncollectible Notes Receivable						
67		Totals	1,270,323	379,148	88,815	4,221,092	-	5,959,378

^ Subaccount of the account marked with a *.

Total State Expense Matrix

Year:2000

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	Same as Schedule 17					
2	^	6112 Motor Vehicle Expense						
3	^	6113 Aircraft Expense						
4	^	6114 Special Purpose Vehicles Expense						
5	^	6115 Garage Work Equipment Expense						
6	^	6116 Other Work Equipment Expense						
7	*	6120 General Support Expense						
8	^	6121 Land and Building Expense						
9	^	6122 Furniture and Artworks Expense						
10	^	6123 Office Equipment Expense						
11	^	6124 General Purpose Computers Expense						
12	*	6210 Central Office Switching Expense						
13	^	6211 Analog Electronic Expense						
14	^	6212 Digital Electronic Expense						
15	^	6215 Electro-Mechanical Expense						
16		6220 Operator Systems Expense						
17	*	6230 Central Office Transmission Expense						
18	^	6231 Radio Systems Expense						
19	^	6232 Circuit Equipment Expense						
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						
26	^	6411 Poles Expense						
27	^	6421 Aerial Cable Expense						
28	^	6422 Underground Cable Expense						
29	^	6423 Buried Cable Expense						
30	^	6424 Submarine Cable Expense						
31	^	6425 Deep Sea Cable Expense						
32	^	6426 Intrabuilding Network Cable Expense						
33	^	6431 Aerial Wire Expense						
34		Subtotals						

^ Subaccount of the account marked with a *.

Total State Expense Matrix

Year:2000

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

^ Subaccount of the account marked with a *.

Pension Costs

Year: 2000

1	Plan Name	Citizens Pension Plan		
2	Defined Benefit Plan? <u>YES</u>	Defined Contribution Plan? <u>NO</u>		
3	Actuarial Cost Method? <u>PROJECTED UNIT CREDIT</u>	IRS Code: _____		
4	Annual Contribution by Employer: <u>2,170,443</u>	Is the Plan Over Funded? _____		
5				
	Item	Current Year	Last Year	% Change
6	Change in Benefit Obligation			
7	Benefit obligation at beginning of year	227,602,000	252,914,000	-10.01%
8	Service cost	12,286,000	13,234,000	-7.17%
9	Interest Cost	18,772,000	17,200,000	9.14%
10	Plan participants' contributions			
11	Amendments	275,000	(1,877,000)	114.65%
12	Actuarial Gain	23,223,000	(33,039,000)	170.29%
13	Acquisition	11,300,000		100.00%
14	Benefits paid	(11,434,000)	(20,830,000)	-45.11%
15	Benefit obligation at end of year	282,024,000	227,602,000	23.91%
16	Change in Plan Assets			
17	Fair value of plan assets at beginning of year	238,886,000	232,536,000	2.73%
18	Actual return on plan assets	7,155,000	21,760,000	-67.12%
19	Acquisition	12,622,000		100.00%
20	Employer contribution	2,171,000	5,420,000	-59.95%
21	Plan participants' contributions			
22	Benefits paid	(11,434,000)	(20,830,000)	-45.11%
23	Fair value of plan assets at end of year	249,400,000	238,886,000	4.40%
24	Funded Status	(32,624,000)	11,284,000	-389.12%
25	Unrecognized net actuarial loss	21,900,000	(13,911,000)	257.43%
26	Unrecognized prior service cost	1,898,000	1,819,000	4.34%
27	Prepaid (accrued) benefit cost	(8,826,000)	(808,000)	1192.33%
28				
29	Weighted-average Assumptions as of Year End			
30	Discount rate	7.50%	8.00%	-6.25%
31	Expected return on plan assets	8.25%	8.25%	
32	Rate of compensation increase	4.00%	4.00%	
33				
34	Components of Net Periodic Benefit Costs			
35	Service cost	12,286,000	13,234,000	-7.16%
36	Interest cost	18,772,000	17,200,000	9.14%
37	Expected return on plan assets	(19,743,000)	(19,081,000)	3.47%
38	Amortization of prior service cost	196,000	175,000	12.00%
39	Recognized net actuarial loss			
40	Net periodic benefit cost	11,511,000	11,528,000	-0.15%
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	10	11	-9.09%
48	Not Covered by the Plan			
49	Active	10	11	-9.09%
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			
7	Discount rate	7.50%	8.00%	-6.25%
8	Expected return on plan assets			
9	Medical Cost Inflation Rate	9.00%	7.00%	28.60%
10	Actuarial Cost Method			
11	Rate of compensation increase	N/A	N/A	
12	List each method used to fund OPEBs (ie: VEBA, 401(h)) and if tax advantaged:			
13	VEBA - Tax Advantaged			
14				
15	Describe any Changes to the Benefit Plan:			
16				
17	TOTAL COMPANY			
18	Change in Benefit Obligation			
19	Benefit obligation at beginning of year	45,528,000	51,983,000	-12.42%
20	Service cost	652,000	781,000	-16.52%
21	Interest Cost	3,943,000	3,431,000	14.92%
22	Plan participants' contributions	700,000	629,000	11.29%
23	Amendments	(812,000)	-	100.00%
24	Actuarial Gain	8,733,000	(8,590,000)	-201.66%
25	Acquisition	3,441,000	-	100.00%
26	Benefits paid	(2,994,000)	(2,706,000)	10.64%
27	Benefit obligation at end of year	59,191,000	45,528,000	30.01%
28	Change in Plan Assets			
29	Fair value of plan assets at beginning of year	20,460,000	18,710,000	9.35%
30	Actual return on plan assets	1,093,000	1,200,000	-8.92%
31	Acquisition	2,361,000	-	100.00%
32	Employer contribution	1,498,000	1,498,000	
33	Plan participants' contributions	-	-	
34	Benefits paid	-	(948,000)	100.00%
35	Fair value of plan assets at end of year	25,412,000	20,460,000	24.21%
36	Funded Status	(33,779,000)	(25,068,000)	34.75%
37	Unrecognized net actuarial loss	(4,832,000)	(14,953,000)	-67.69%
38	Unrecognized prior service cost	281,000	359,000	-21.73%
39	Prepaid (accrued) benefit cost	(38,330,000)	(39,662,000)	-3.36%
40	Components of Net Periodic Benefit Costs			
41	Service cost	652,000	781,000	-16.52%
42	Interest cost	3,943,000	3,431,000	14.92%
43	Expected return on plan assets	(1,688,000)	(1,544,000)	9.33%
44	Amortization of prior service cost	23,000	27,000	-14.82%
45	Recognized net actuarial loss	(793,000)	(855,000)	-7.21%
46	Net periodic benefit cost	2,137,000	1,840,000	16.14%
47	Accumulated Post Retirement Benefit Obligation			
48	Amount Funded through VEBA	25,412,000	20,460,000	24.20%
49	Amount Funded through 401(h)			
50	Amount Funded through Other _____			
51	TOTAL	25,412,000	20,460,000	24.20%
52	Amount that was tax deductible - VEBA	1,498,000	1,498,000	
53	Amount that was tax deductible - 401(h)			
54	Amount that was tax deductible - Other _____			
55	TOTAL	1,498,000	1,498,000	

Other Post Employment Benefits (OPEBS) Continued

Year: 2000

	Item	Current Year	Last Year	% Change
1	Number of Company Employees:			
2	Covered by the Plan	1,682	1,819	-7.53%
3	Not Covered by the Plan			
4	Active	1,135	1,304	-12.97%
5	Retired	547	515	6.21%
6	Spouses/Dependants covered by the Plan			
7	Montana			
8	Change in Benefit Obligation			
9	Benefit obligation at beginning of year	17,307	18,624	-7.07%
10	Service cost	560	922	-39.26%
11	Interest Cost	452	1,266	-64.30%
12	Plan participants' contributions	-	128	-100.00%
13	Amendments	-	-	
14	Actuarial Gain	(10,854)	(3,350)	224.01%
15	Acquisition	-	-	
16	Benefits paid	-	(283)	100.00%
17	Benefit obligation at end of year	7,465	17,307	-56.80%
18	Change in Plan Assets			
19	Fair value of plan assets at beginning of year	39,346	36,269	8.48%
20	Actual return on plan assets	1,260	3,077	-59.05%
21	Acquisition	-	-	
22	Employer contribution	-	-	
23	Plan participants' contributions	-	-	
24	Benefits paid	-	-	
25	Fair value of plan assets at end of year	40,606	39,346	3.20%
26	Funded Status			
27	Unrecognized net actuarial loss	(125,593)	(128,838)	-2.52%
28	Unrecognized prior service cost	-	-	
29	Prepaid (accrued) benefit cost	(92,452)	-106,799	-13.44%
30	Components of Net Periodic Benefit Costs			
31	Service cost	560	922	-39.20%
32	Interest cost	452	1,266	-64.30%
33	Expected return on plan assets	(3,246)	(2,992)	8.49%
34	Amortization of prior service cost	-	-	
35	Recognized net actuarial loss	(12,113)	(12,473)	-2.89%
36	Net periodic benefit cost	(14,347)	(13,277)	8.06%
37	Accumulated Post Retirement Benefit Obligation			
38	Amount Funded through VEBA	40,606	39,346	3.20%
39	Amount Funded through 401(h)			
40	Amount Funded through other _____			
41	TOTAL	40,606	39,346	3.20%
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	10	11	90.90%
52	Not Covered by the Plan			
53	Active	10	11	90.90%
54	Retired			
55	Spouses/Dependants covered by the Plan			

Payments for Services to Persons Other Than Employees

Year: 2000

Line No.	Name of Recipient (a)	Nature of Service (b)	Total Company Cost (c)	Total State Cost (d)	Intrastate Cost (e)
1	3D Communications	Plant Specific	57,305	57,306	57,306
2	Flathead Electric Coop.	Cable & Wire Facilities	59,251	59,251	59,251
3	Income & Misc. Tax Division	Taxing Authority	61,351	61,351	61,351
4	Lincoln County Treasurer	Taxing Authority	561,229	561,229	561,229
5	Marlene C Raitt	General Administration	25,723	25,723	25,723
6	State Treasure Dept of Revenue	Taxing Authority	56,937	56,937	56,937
7	Advaced Fibre Communications	Cable & Wire Facilities	133,803		
8	ATCO Communications Sves	Cable & Wire Facilities	54,295		
9	Cascade Cable Constructors	Cable & Wire Facilities	103,459		
10	DAS Co of Idaho	Cable & Wire Facilities	227,545		
11	GTE Supply	Plant Specific	140,302		
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49	Total		1,481,200	821,797	821,797

Subscriber Line Usage Data

Year: 2000

Line No.	Description (a)	This Year (b)	% of Total (c)	Last Year (d)	% of Total (e)
1	Toll Usage:				
2	Interstate, InterLATA	34,217,997	73.68%	30,919,837	62.50%
3	Interstate, IntraLATA	1,175,252	2.53%	1,036,892	2.10%
4	Total Interstate Usage	35,393,249	76.20%	31,956,729	64.59%
5	Intrastate, InterLATA	10,196,205	21.95%	16,895,457	34.15%
6	Intrastate, IntraLATA	853,782	1.84%	619,357	1.25%
7	Total Intrastate Usage	11,049,987	23.80%	17,514,814	35.41%
8	Total Toll Usage	46,443,236	100.00%	49,471,543	100.00%
9	Centrex				
10	Local	Not Available		Not Available	
11	Total Minutes	46,443,236	100.00%	49,471,543	100.00%

Central Office and Access Line Statistics

Year: 2000

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	Libby, MT	DMS 10	4271			152			1540	17	28		99.9%	5856
2	Troy, MT	DMS 10	1550			79			286	5	11		99.9%	1852
3	Eureka, MT	RSC-S	819			48			414	8	7		99.9%	1248
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33	Total		6640			279			2240	30	46			8956

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

Central Office and Switch Information

Year: 2000

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	Libby, MT	Host HSO Stand Alone	DMS 10	Nortel	411.1	6,400	1996
2	Troy, MT	Remote SSO	DMS 10	Nortel	411.1	2,560	1992
3	Eureka, MT	Remote RSC-S	RSC-S	Nortel	411.1	1,920	1996
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NOTE: Additional blank schedules are being provided for your convenience.

PAGE 28

Construction Budget - Montana

Year 2001

Line No.	Description (a)	2001 (b)
1	Central Office Assets:	
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27	Total Switching and Central Office Projects over \$500,000	
28	Miscellaneous Central Office Projects not over \$500,000	1,812,651
29	Total Central Office Budget (Total of Line 27 & Line 28)	1,812,651
30	Other Projects over \$500,000:	
31	HWY 2 Rd Move Swap Creek	506,262
32	Fiber to Idaho Montana State Line	600,000
33		
34		
35		
36		
37		
38		
39		
40		
41	Total Other Projects over \$500,000	1,106,262
42	Miscellaneous projects not over \$500,000	1,965,048
43	Total Construction Budget (Total of Lines 29, 41 & 42)	4,883,961

Montana Employee Counts

Year: 2000

Line No.	Category (a)	Beginning of Year (b)	End of Year (c)
1	Hourly	10	11
2			
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43	Totals (Sum of Lines 1 through 42)	10	11

Compensation of Top 10 Montana Based Employees

Year: 2000

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	Network Maintainer	42,931	600	3,135	46,666	41,926	11.31%
2	Equipment Technician	29,448	600	3,217	33,265	45,951	-27.61%
3	Network Maintainer	42,724	600	2,130	45,454	42,096	7.98%
4	Equipment Technician	45,875	600	7,771	54,246	44,863	20.91%
5	System Technician	31,655	600	540	32,795	43,997	-25.46%
6	Network Maintainer	42,929	600	2,462	45,991	43,211	6.43%
7	Network Maintainer	42,855	600	1,723	45,178	42,154	7.17%
8	Network Maintainer	25,903		5,181	31,084		
9	Service Assistant	32,372	600	3,632	36,604	31,613	15.79%
10	Service Assistant	32,525	600	4,943	38,068	31,112	22.36%
11	Totals (Sum L.1 to L.10)	369,217	5,400	34,734	409,351	366,923	11.56%

Year: 2000

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	See Proxy Statement						
2							
3							
4							
5							
6	Totals (Sum L.1 to L.5)						

Montana Composite Statistics

Year: 2000

Line No.	Account No.	Description (a)	Amount (b)
1		Plant (Intrastate Only) (000 Omitted)	
2	2001	Plant in Service	15,339
3	2003 - 2004	Construction Work in Progress	188
4	2005	Plant Acquisition Adjustments	9,633
5	2002	Plant Held for Future Use	-
6	1220	Materials & Supplies	19
7		(Less):	
8	3100 - 3400	Depreciation & Amortization Reserves	(6,943)
9	4360.2	Contributions in Aid of Construction	-
10		NET BOOK COSTS	18,235
11		Revenues & Expenses (Intrastate Only) (000 Omitted)	
12	5000 - 5300	Operating Revenues	4,683
13	6560	Depreciation & Amortization Expenses	1,540
14		Federal & State Income Taxes	934
15		Other Taxes	(65)
16		Other Operating Expenses	2,479
17		TOTAL Operating Expenses	4,888
18		Net Operating Income	(205)
19		Other Income	-
20		Other Deductions	-
21		NET INCOME	(205)
22		Access Lines in Service (Intrastate Only)	
23		Residential Access Lines	6,640
24		Business Access Lines	2,212
25		PBX Access Lines	104
26		Other Access Lines	
27		Total Number of Access Lines	8,956
28		Average Number of Calls Per Access Line	
29		Local Calls	N/A
30		Toll Calls (Intra- or Interstate)	N/A
31		Total Number of Calls Per Access Line (Total of Line 29 & Line 30)	-
32		Other Statistics (Intrastate Only)	
33		Average Residential Monthly Bill	13
34		Gross Plant Investment per Access Line	2

Depreciation - Montana Intrastate Regulated

Year 2000

Line No.	Acct No. (a)	Description (b)	Composite Rate % (c)	Total Expense \$ (d)
1	2112	Motor Vehicles	7.7%	19,726
	2112.31	Motor Vehicles Under \$2,000		
2	2114	Special Purpose Vehicles	7.7%	342
3	2115	Garage Work Equipment		
4	2116	Other Work Equipment	5.6%	6,362
	2116.31	Other Work Equipment Under \$2,000	6.3%	3,299
5	2121	Buildings	2.9%	46,665
6	2122	Furniture	3.9%	164
	2123.31	Furniture Under \$2,000	16.3%	618
7	2123.1	Office Support Equipment	6.9%	61
8	2123.2	Company Communications Equipment	8.3%	23
	2123.31	Company Communications Equipment Under \$2,000	9.2%	1,194
9	2124	General Purpose Computers	13.4%	17,880
	2124.31	General Purpose Computers Under \$2,000	2.2%	92
10	2211	Analog Electronic Switching Equipment		
11	2212	Digital Electronic Switching Equipment	6.5%	177,341
12	2215	Step By Step Switching Equipment		
13	2215	Crossbar Switching Equipment		
14	2220	Operator System		
15	2231	Radio Systems	6.9%	7,395
16	2232	Circuit DDS		
17	2232	Circuit Digital	8.0%	214,481
18	2232	Circuit Analog	8.0%	50,745
	2232	Digital Spec SVC Cir	8.0%	192
	2311	Station Apparatus	Various	(17,305)
19	2351	Public Telephone Terminating Equipment	8.8%	(4,237)
20	2362	Other Terminal Equipment	7.2%	878
21	2411	Poles	6.3%	31,664
22	2421	Aerial Cable Metallic	6.9%	162,690
23	2421	Aerial Cable Nonmetallic		
24	2422	Underground Cable Metallic	4.7%	6,435
25	2422	Underground Cable Nonmetallic		
26	2423	Buried Cable Metallic	4.8%	467,436
27	2423	Buried Cable Nonmetallic		
28	2424	Submarine Cable Metallic		
29	2424	Submarine Cable Nonmetallic		
30	2426	Intrabuilding Network Cable Metallic		
31	2426	Intrabuilding Network Cable Nonmetallic		
32	2431	Aerial Wire	20.9%	9,446
33	2441	Conduit Systems	2.2%	3,272
34				
35		COMPOSITE TOTAL	5.3%	
36				
37	Have these rates been approved by the Commission? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO			
38				
39	If yes: <input type="text"/> 93.7.30 <input type="text"/> Docket Number <input type="text"/> Order Number			
40				

Montana Regulatory Capital Structure & Costs

Year: 2000

Line No.	Description (a)	% Cap. Str. (b)	% Cost Rate (c)	Weighted Cost (d)
Commission Accepted - Most Recent				
1	Docket Number 93.3.12			
2	Order Number 5632d			
3				
4	Common Equity	32.60%	12.911%	4.209%
5	Preferred Stock	3.94%	5.240%	0.206%
6	Long Term Debt	63.46%	7.145%	4.534%
7	Other			
8	Total	100.00%		8.950%
9				
Actual at Year End				
10				
11				
12	Common Equity	32.60%	-14.745%	-4.807%
13	Preferred Stock	3.94%	5.240%	0.206%
14	Long Term Debt	63.46%	7.145%	4.534%
15	Other			
16	Total	100.00%		-0.066%

Network Access - Charges and Revenues

Year: 2000

Line No.	Description (a)	Access Charges Paid (b)	Access Revenues Received (c)
1	Montana - Total State		3,987,517
2			
3	Montana - Intrastate		1,361,907
4			
5	Montana - Intrastate Regulated		1,361,907
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Affiliate Transactions - Products & Services Provided to Utility

Year: 2000

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	Citizens Utilities Company	Corporate Executive, Planning, I/S, H/R, Legal/Regulatory, Treasury, Accounting, & SAO Com Insr/Others	Fully Distributed Cost per FCC Part 64.901	220,409		220,409
2						
3						
4						
5						
6	Citizens Telecommunications Service Company	Executive, Employee Support Services, Business Support Services, Legal, Operations, Controller, Finance/Support, Others, I/S, Marketing/Regulatory Affairs, National Sales, & Dir Bill Mode	Fully Distributed Cost per FCC Part 64.901	2,433,287		2,433,287
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30	TOTAL			\$2,653,696		\$2,653,696

Affiliate Transactions - Products & Services Provided by Utility

Year: 2000

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	Citizens Telecommunications Service Company, L.L.C	Tarriffed Telephone Service and	Tarriffed	149,929		149,929
2		Company Official Toll Service				
3						
4	Citizens Directory Service Company	Building Space Rental	Fully Distributed Cost	5,940		5,940
5						
6		Directory Listings	Market Price	3,358		3,358
7						
8		Directory Billing and Collections	Market Price	1,134		1,134
9	Citizens Telecommunications Company, Inc.	Others	Tarriffed			
10						
11		Billing and Collections Services	Market Price	35,750		35,750
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30	TOTAL			\$196,111		\$196,111

Montana Intrastate Regulated Earned Rate of Return

Year: 2000

Line No.	Description Rate Base (a)	This Year (b)	Last Year (c)	Percent Change (d)
1				
2	2001 Plant in Service	15,122,570	14,570,085	3.79%
3	2002 Prop. Held for Future Telecommunications Use			
4	3100-3200 (Less) Accumulated Depreciation	(6,851,613)	(6,225,271)	-10.06%
5	Plant in Service	8,270,957	8,344,814	-0.89%
6				
7	Additions			
8	1220 Materials & Supplies	18,075	13,427	34.62%
9	1280 Prepayments			
10	Other Additions			
11	TOTAL Additions	18,075	13,427	34.62%
12				
13	Deductions			
14	4100 Current Deferred Operating Income Taxes			
15	4320 Unamortized Operating Investment Tax Credits			
16	4340 Noncurrent Deferred Operating Income Taxes	1,840,420	421,034	337.12%
17	Customer Advances for Construction			
18	Other Deductions			
19	TOTAL Deductions	1,840,420	421,034	337.12%
20	TOTAL Rate Base	6,448,613	7,937,207	-18.75%
21				
22	Net Earnings	(232,587)	232,205	-200.16%
23				
24	Rate of Return on Average Rate Base	-3.607%	2.93%	-223.29%
25				
26	Rate of Return on Average Equity	-25.61%	-1.60%	-1500.35%
27				
28	Major Normalizing Adjustments & Commission			
29	<u>Ratemaking adjustments to Utility Operations</u>			
30	4340 Remove Deferred Income Taxes related to Telecom	(1,541,233)	(375,570)	
31	Plant Adjustment (TPA).			
32				
33				
34	Comp. Tax Rate @ 39.39% w/interest expense adjustment	227,302	216,465	5.01%
35				
36				
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41				
42				
43	Adjusted Rate of Return on Average Rate Base	-0.066%	5.93%	-101.12%
44				
45	Adjusted Rate of Return on Average Equity	-14.74%	5.07%	-390.83%

Other Taxes Paid

Year: 2000

Line No.	Description (a)	Last Year (b)	This Year (c)
1	Montana Retail Telecommunications Excise Tax	40,993	55,082
2	Montana Public Service Commission Tax	9,030	11,364
3	Montana Consumer Counsel Tax	3,612	4,546
4	911 Emergency Telephone Fee	48,856	51,173
5	Montana Telecommunications Access Service (TDD)	10,264	10,787
6	Real Property Tax	708,501	411,024
7			
8			
9			
10			
11			
12	Total	821,256	543,976

Company Name: Citizens Telecommunications Company of Montana

SCHEDULE 37

Universal Service Funds Received

Year: 2000

Line No.	Description (a)	Last Year (b)	This Year (c)
13	Funds received from Montana Sources		
14	Funds received from Federal Sources	1,806,779	1,344,767
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16			
17			
18			
19			
20			
21			
22			
23			
24	Total	1,806,779	1,344,767