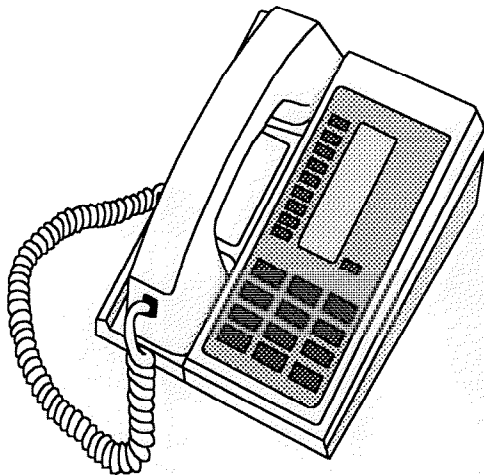


YEAR 2000

ANNUAL REPORT  
OF  
**Project Telephone Company**

TELEPHONE UTILITY



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

RECEIVED BY  
2000 APR -9 AM 11:41  
PUBLIC SERVICE  
COMMISSION

## General Information

Year: 2000

1.	Legal Name of Respondent:	PROJECT TELEPHONE COMPANY
2.	Name Under Which Respondent Does Business:	PROJECT TELEPHONE COMPANY
3.	Date of Incorporation:	1978
4.	Address to send Correspondence Concerning Report:	PROJECT TELEPHONE COMPANY P.O. BOX 600 SCOBEE, MT 59263
5.	Person Responsible for This Report:	KATHY GREENWOOD
5a.	Telephone Number:	406-783-5659
<b>Control Over Respondent</b>		
1.	If direct control over the respondent was held by another entity at the end of year provide the following:	
1a.	Name and address of the controlling organization or person:	NEMONT TELEPHONE COOPERATIVE, INC. P.O. BOX 600 SCOBEE, MT 59263
1b.	Means by which control was held:	STOCK
1c.	Percent Ownership:	100%

Board of Directors			
Line No.	Name of Director and Address (City, State)		Fees Paid During Year
	(a)		(b)
1	Kenneth Lauridsen	Brockton, MT	600
2	Orvis Nelson	Homestead, MT	50
3	Roy Neufeld	Larslan, MT	500
4	Gregory Miller	Reserve, MT	500
5	Vernon Stoner	Outlook, MT	600
6	Ben Boreson	Opheim, MT	650
7	Gary Klind	Hinsdale, MT	550
8	Duane Broadbent	Ballantine, MT	3300
9	Vernon Whiteman	Lodge Grass, MT	4000
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18	<b>Chairman of the Board:</b> ROY D NEUFELD		
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	President		Roy Neufeld - Larslan, MT
2	Vice President		Greg Miller - Reserve, MT
3	Secretary/Treasurer		Vernon Stoner - Outlook, MT
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**Total Company Balance Sheet**

Year: 2000

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>CURRENT ASSETS:</b>		
2	1120	Cash and Equivalents	5,483,558	5,591,392
3	1180	Telecommunications Accounts Receivable - Net	446,443	455,129
4	1190	Other Accounts Receivable - Net	944,740	686,945
5	1200	Notes Receivable - Net		
6	1210	Interest and Dividends Receivable	67,251	41,926
7	1220	Materials and Supplies	1,039,069	627,171
8	* 1280	Prepayments	9,836	45,020
9	^ 1290	Prepaid Rents		
10	^ 1300	Prepaid Taxes		
11	^ 1310	Prepaid Insurance		
12	^ 1320	Prepaid Directory Expenses		
13	^ 1330	Other Prepayments	9,836	45,020
14	1350	Other Current Assets		
15		<b>Total Current Assets</b>	<b>7,990,897</b>	<b>7,447,583</b>
16		<b>NONCURRENT ASSETS:</b>		
17	1401	Investments in Affiliated Companies	14,311,573	13,192,166
18	1402	Investments in Nonaffiliated Companies	849,766	856,268
19	1406	Nonregulated Investments		
20	1407	Unamortized Debt Issuance Expense		
21	1408	Sinking Funds		
22	1410	Other Noncurrent Assets		
23	1438	Deferred Maintenance and Retirements		
24	1439	Deferred Charges		
25	1500	Other Jurisdictional Assets - Net		
26		<b>Total Noncurrent Assets</b>	<b>15,161,339</b>	<b>14,048,434</b>
27		<b>PROPERTY, PLANT, &amp; EQUIPMENT:</b>		
28	2001	Telecommunications Plant in Service	23,276,578	22,605,104
29	2002	Property Held for Future Telecommunications Use		
30	2003	Plant Under Construction - Short Term	253,284	114,178
31	2004	Plant Under Construction - Long Term		
32	2005	Telecommunications Plant Adjustment	4,395,210	4,395,210
33	2006	Nonoperating Plant		
34	2007	Goodwill		
35	3100	Accumulated Depreciation	(10,701,867)	(9,783,372)
36	3200	Accumulated Depreciation - Held for Future Use		
37	3300	Accumulated Depreciation - Nonoperating		
38	3400	Accumulated Amortization	(2,095,359)	(1,824,788)
39		<b>Net Property, Plant, &amp; Equipment</b>	<b>15,127,846</b>	<b>15,506,332</b>
40		<b>TOTAL ASSETS</b>	<b>38,280,082</b>	<b>37,002,349</b>

^ 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		<b>CURRENT LIABILITIES:</b>		
42	4010	Accounts Payable	726,456	826,003
43	4020	Notes Payable		
44	4030	Advance Billing and Payments	160,436	141,883
45	4040	Customer Deposits	69,504	60,593
46	4050	Current Maturities - Long Term Debt	72,536	79,489
47	4060	Current Maturities - Capital Leases		
48	4070	Income Taxes - Accrued	404,182	
49	4080	Other Taxes - Accrued	84,550	239,985
50	4100	Net Current Deferred Operating Income Taxes		
51	4110	Net Current Deferred Nonoperating Income Taxes		
52	4120	Other Accrued Liabilities		
53	4130	Other Current Liabilities	159,282	129,739
54		<b>Total Current Liabilities</b>	<b>1,676,946</b>	<b>1,477,692</b>
55		<b>LONG-TERM DEBT:</b>		
56	4210	Funded Debt	6,293,859	6,544,683
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		
62	4270	Other Long-Term Debt	8,219,024	8,907,983
63		<b>Total Long-Term Debt</b>	<b>14,512,883</b>	<b>15,452,666</b>
64		<b>OTHER LIABILITIES AND DEFERRED CREDITS:</b>		
65	4310	Other Long-Term Liabilities		
66	4320	Unamort. Oper. Invest. Tax Credits - Net	122,922	155,886
67	4330	Unamort. Nonoper. Invest. Tax Credits - Net		
68	4340	Net Noncurrent Deferred Oper. Income Taxes	1,710,818	1,855,500
69	4350	Net Noncurrent Deferred Nonoper. Income Taxes		
70	4360	Other Deferred Credits		
71	4370	Other Jurisdictional Liab. and Def. Credits		
72		<b>Total Other Liabilities and Deferred Credits</b>	<b>1,833,740</b>	<b>2,011,386</b>
73		<b>STOCKHOLDERS' EQUITY:</b>		
74	4510	Capital Stock	7,950	7,950
75	4520	Additional Paid-In Capital		
76	4530	Treasury Stock		
77	4540	Other Capital		
78	4550	Retained Earnings	20,248,563	18,052,655
79		<b>Total Stockholders' Equity</b>	<b>20,256,513</b>	<b>18,060,605</b>
80		<b>TOTAL LIAB. AND STOCKHOLDERS' EQUITY</b>	<b>38,280,082</b>	<b>37,002,349</b>

## Total Company Income Statement

Year: 2000

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>REVENUES:</b>		
2	5000	Basic Local Service Revenues	1,317,604	1,183,425
3	5080	Network Access Revenues	5,467,139	5,400,907
4	* 5100	Long Distance Message Revenue	148	6,749
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	148	6,749
9	* 5200	Miscellaneous Revenue	215,793	263,299
10	^ 5230	Directory Revenue	19,455	27,502
11	^ 5240	Rent Revenue	2,400	527
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	10,753	6,223
14	^ 5270	Carrier Billing and Collection Revenue	183,185	229,047
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	9,080	11,183
17		<b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>	6,991,604	6,843,197
18		<b>OPERATING EXPENSES:</b>		
19	6110	Network Support Expense	23,744	25,652
20	6120	General Support Expense	357,636	341,407
21	6210	Central Office Switching Expense	206,958	195,842
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	152,057	102,212
24	6310	Information Origination/Termination Expense		1,374
25	* 6410	Cable and Wire Facilities Expense	684,279	625,206
26	^ 6431	Aerial Wire Expense	684,279	625,206
27	^ 6441	Conduit Systems Expense		
28	6510	Other Property, Plant & Equipment Expense		
29	6530	Network Operations Expense	240,165	242,060
30	6540	Access Expense	14,175	16,307
31	6560	Depreciation and Amortization Expense	1,433,318	1,407,853
32	6610	Marketing	41,021	41,889
33	6620	Services	529,017	491,973
34	6710	Executive and Planning	153,039	153,396
35	6720	General and Administrative	678,308	741,856
36	6790	Provision for Uncollectible Notes Receivable		
37		<b>Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)</b>	4,513,717	4,387,027
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	560,674	893,067
40		<b>Net Operating Income (L.17-L.37+L.38-L.39)</b>	1,917,213	1,563,103
41	7300	Nonoperating Income and Expense	1,530,080	1,368,863
42	7400	Nonoperating Taxes	292,741	180,970
43	7500	Interest and Related Items	899,275	955,966
44	7600	Extraordinary Items	59,369	(98,298)
45	7910	Effects of Juris. Ratemaking Diff. - Net		
46	7990	Nonregulated Net Income		(20)
47		<b>NET INCOME (L.40+L.41-L.42-L.43-L.44+L.45-L.46)</b>	2,195,908	1,893,348

^ 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		<b>REVENUES:</b>		
2	5000	Basic Local Service Revenues	1,273,925	1,144,300
3	5080	Network Access Revenues	5,403,199	5,340,495
4	* 5100	Long Distance Message Revenue	148	6,749
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	148	6,749
9	* 5200	Miscellaneous Revenue	211,589	258,381
10	^ 5230	Directory Revenue	19,103	26,852
11	^ 5240	Rent Revenue	2,400	527
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	10,760	6,214
14	^ 5270	Carrier Billing and Collection Revenue	179,326	224,788
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	9,080	11,183
17		<b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>	<b>6,879,781</b>	<b>6,738,742</b>
18		<b>OPERATING EXPENSES:</b>		
19	6110	Network Support Expense	23,744	25,652
20	6120	General Support Expense	354,631	338,119
21	6210	Central Office Switching Expense	202,074	191,026
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	151,031	99,977
24	6310	Information Origination/Termination Expense		1,374
25	* 6410	Cable and Wire Facilities Expense	664,168	608,288
26	^ 6431	Aerial Wire Expense	664,168	608,288
27	^ 6441	Conduit Systems Expense		
28	6510	Other Property, Plant & Equipment Expense		
29	6530	Network Operations Expense	231,307	234,375
30	6540	Access Expense	13,611	15,691
31	6560	Depreciation and Amortization Expense	1,389,694	1,372,672
32	6610	Marketing	39,389	40,306
33	6620	Services	516,109	480,213
34	6710	Executive and Planning	146,952	147,600
35	6720	General and Administrative	651,331	713,824
36	6790	Provision for Uncollectible Notes Receivable		
37		<b>Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)</b>	<b>4,384,041</b>	<b>4,269,117</b>
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	554,170	889,556
40		<b>Net Operating Income (L.17-L.37+L.38-L.39)</b>	<b>1,941,570</b>	<b>1,580,069</b>

^ 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		<b>REVENUES:</b>		
2	5000	Basic Local Service Revenues	1,273,925	1,144,300
3	5080	Network Access Revenues	5,403,199	5,340,495
4	* 5100	Long Distance Message Revenue	148	6,749
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	148	6,749
9	* 5200	Miscellaneous Revenue	211,589	258,381
10	^ 5230	Directory Revenue	19,103	26,852
11	^ 5240	Rent Revenue	2,400	527
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	10,760	6,214
14	^ 5270	Carrier Billing and Collection Revenue	179,326	224,788
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	9,080	11,183
17		<b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>	6,879,781	6,738,742
18		<b>OPERATING EXPENSES:</b>		
19	6110	Network Support Expense	23,744	25,652
20	6120	General Support Expense	354,631	338,119
21	6210	Central Office Switching Expense	202,074	191,026
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	151,031	99,977
24	6310	Information Origination/Termination Expense		1,374
25	* 6410	Cable and Wire Facilities Expense	664,168	608,288
26	^ 6431	Aerial Wire Expense	664,168	608,288
27	^ 6441	Conduit Systems Expense		
28	6510	Other Property, Plant & Equipment Expense		
29	6530	Network Operations Expense	231,307	234,375
30	6540	Access Expense	13,611	15,691
31	6560	Depreciation and Amortization Expense	1,389,694	1,372,672
32	6610	Marketing	39,389	40,306
33	6620	Services	516,109	480,213
34	6710	Executive and Planning	146,952	147,600
35	6720	General and Administrative	651,331	713,824
36	6790	Provision for Uncollectible Notes Receivable		
37		<b>Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)</b>	4,384,041	4,269,117
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	554,170	889,556
40		<b>Net Operating Income (L.17-L.37+L.38-L.39)</b>	1,941,570	1,580,069

^ 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		<b>REVENUES:</b>		
2	5000	Basic Local Service Revenues	1,273,925	1,144,300
3	5080	Network Access Revenues	5,403,199	5,340,495
4	* 5100	Long Distance Message Revenue	148	6,749
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	148	6,749
9	* 5200	Miscellaneous Revenue	211,589	258,381
10	^ 5230	Directory Revenue	19,103	26,852
11	^ 5240	Rent Revenue	2,400	527
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	10,760	6,214
14	^ 5270	Carrier Billing and Collection Revenue	179,326	224,788
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	9,080	11,183
17		<b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>	<b>6,879,781</b>	<b>6,738,742</b>
18		<b>OPERATING EXPENSES:</b>		
19	6110	Network Support Expense	23,744	25,652
20	6120	General Support Expense	354,631	338,119
21	6210	Central Office Switching Expense	202,074	191,026
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	151,031	99,977
24	6310	Information Origination/Termination Expense		1,374
25	* 6410	Cable and Wire Facilities Expense	664,168	608,288
26	^ 6431	Aerial Wire Expense	664,168	608,288
27	^ 6441	Conduit Systems Expense		
28	6510	Other Property, Plant & Equipment Expense		
29	6530	Network Operations Expense	231,307	234,375
30	6540	Access Expense	13,611	15,691
31	6560	Depreciation and Amortization Expense	1,389,694	1,372,672
32	6610	Marketing	39,389	40,306
33	6620	Services	516,109	480,213
34	6710	Executive and Planning	146,952	147,600
35	6720	General and Administrative	651,331	713,824
36	6790	Provision for Uncollectible Notes Receivable		
37		<b>Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)</b>	<b>4,384,041</b>	<b>4,269,117</b>
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	554,170	889,556
40		<b>Net Operating Income (L.17-L.37+L.38-L.39)</b>	<b>1,941,570</b>	<b>1,580,069</b>

^ 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	22184062	21598600
2	3100	Accumulated Depreciation	12409974	11258215
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies	997744	603472
6	4340	Noncurrent Deferred Operating Income Taxes		
7		Pre-1971 Unamortized Investment Tax Credits		
8		Cash Working Capital (if allowed by Commission)		
9		<b>Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)</b>	<b>10771832</b>	<b>10943857</b>

**Average Rate Base - Intrastate**

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	22184062	21598600
2	3100	Accumulated Depreciation	12409974	11258215
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies	997744	603472
6	4340	Noncurrent Deferred Operating Income Taxes		
7		Pre-1971 Unamortized Investment Tax Credits		
8		Cash Working Capital (if allowed by Commission)		
9		<b>Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)</b>	<b>10771832</b>	<b>10943857</b>

**Average Rate Base - Regulated Intrastate**

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	22184062	21598600
2	3100	Accumulated Depreciation	12409974	11258215
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies	997744	603472
6	4340	Noncurrent Deferred Operating Income Taxes		
7		Pre-1971 Unamortized Investment Tax Credits		
8		Cash Working Capital (if allowed by Commission)		
9		<b>Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)</b>	<b>10771832</b>	<b>10943857</b>

## Statement of Cash Flows

Year: 2000

Line No.	Item Description (a)	Amount (b)	Amount (c)
1	<b>Increase/(decrease) in Cash &amp; Cash Equivalents</b>		
2	<b>Cash Flows from Operating Activities:</b>		
3	Net Income		
4	Reconciliation Adjustments:	Information available in the 2000 audit reports	
5	Depreciation & Amortization		
6	Provision for Accounts Receivable Losses		
7	Deferred Income Taxes - Net		
8	Unamortized Investment Tax Credits (ITCs) - Net		
9	Allowance for Funds Used During Construction (AFUDC)		
10	Change in Operating Receivables - Net		
11	Change in Materials, Supplies & Inventories - Net		
12	Change in Operating Payables & Accrued Liabilities - Net		
13	Change in Other Assets & Deferred Credits - Net		
14	Change in Other Liabilities & Deferred Credits - Net		
15	Other (explained on back of this page)		
16	Total Adjustments		
17	<b>Net Cash Provided by/(Used in) Operating Activities</b>		
18	<b>Cash Inflows/Outflows From Investing Activities:</b>		
19	Construction/Acquisition of Property, Plant & Equipment (net of		
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	<b>Net Cash Provided by/(Used in) Investing Activities</b>		
26	<b>Cash Flows from Financing Activities:</b>		
27	Net Incr./(Decr.) in Short-Term Debt, Original maturity <= 3 mo.		
28	Advances from Affiliates		
29	Repayment of Advances from Affiliates		
30	Proceeds from Issuances of Long-Term Debt		
31	Repayment of Long-Term Debt		
32	Payment of Capital Lease Obligations		
33	Proceeds from Issuing Common Stock/Parent Co. Equity Investment		
34	Repurchase of Treasury Shares		
35	Dividends Paid		
36	Other Financing Activities (explained on back of this page)		
37	<b>Net Cash Provided by Financing Activities</b>		
38	<b>Effect of Exchange Rate Changes on Cash</b>		
39	<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>		
40	<b>Cash &amp; Cash Equivalents at Beginning of Period</b>		18052655
41	<b>Cash &amp; Cash Equivalents at End of Period</b>		20248563

## Receivables and Investments-Affiliated &amp; 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	Nemont Commun, Inc.				17765					14311573	
2	Valley Tele Comm, Inc.				4879						
3	Nemont Tele Coop Inc.				4467						
4	Sagebrush Cellular Inc.				264						
5	NRUCFC								67251		
6	AT&T				99502						
7	US West				48427						
8	NCRPC				7627						
9	NECA				187900						
10	Misc. L.D. Carriers				196044						
11	RTFC										360336
12	REA Stock										255088
13	Capital Credits										194182
14	Misc.Memberships										1071
15	NCRPC Stock										10000
16	Raymng James Security										29089
17											
18											
19											
20											
21											
22											
23											
24											
25											
26											
27											
28											
29											
30	Totals	4875763			566875				67251	14311573	849766

Company Name: Project Telephone Company

SCHEDULE 11

## 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	2607931	162957	89383		2681505	1067725	1613780
2	^ 2111	Land	87882				87882		87882
3	^ 2112	Motor Vehicles	436564	158198	89383		505379	271475	233904
4	^ 2113	Aircraft							
5	^ 2114	Special Purpose Vehicles							
6	^ 2115	Garage Work Equipment	2113				2113	465	1648
7	^ 2116	Other Work Equipment	485943	2575			488518	318571	169947
8	^ 2121	Buildings	1501067				1501067	552137	948930
9	^ 2122	Furniture	4356				4356	4356	
10	^ 2123	Office Equipment	90006	2184			92190	20480	71710
11	^ 2124	General Purpose Computers							
12	2211	Analog Electronic Switching							
13	2212	Digital Electronic Switching	4248666	110870	25739	-753	4333044	2504126	1828918
14	2215	Electro-Mechanical Switching							
15	2220	Operator Systems							
16	2231	Radio Systems							
17	2232	Circuit Equipment	3464547	362867	162452	-5813	3659149	1502797	2156352
18	* 2310	Information Orig & Term Equip	12487				12487	12428	59
19	^ 2311	Station Apparatus							
20	^ 2321	Customer Premises Wiring							
21	^ 2341	Large Private Branch Exchanges							
22	^ 2351	Public Telephone Term. Equip.							
23	^ 2362	Other Terminal Equipment	12487				12487	12487	
24	2411	Poles	66543	3858	720	6566	76247	67762	8485
25	* 2420	Cable and Wire Facilities	11954882	341858	47564		12249176	5037966	7211210
26	^ 2421	Aerial Cable	141989	24537	4125		162401	74055	88346
27	^ 2422	Underground Cable	41187	2123			43310	10418	32892
28	^ 2423	Buried Cable	11731503	315198	43439		12003262	5293681	6709581
29	^ 2424	Submarine Cable							
30	^ 2425	Deep Sea Cable							
31	^ 2426	Intrabuilding Network Cable	40203				40203	30150	10053
32	2431	Aerial Wire	3748				3748	3748	
33	2441	Conduit Systems	246300	14922			261222	35159	226063
34		<b>Totals</b>	22605104	997332	325858		23276578	10701867	12574711

^ Subaccount of the account marked with a \*.

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## 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	TELEPHONE PLANT RUS											
2												
3	NOTE NO	201	1957	50000	50000	50000						
4		2020	1958	175000	175000	175000						
5		2030	1958	55000	55000	55000						
6		2040	1959	25660	25660	25660						
7		2041	1959	12849	12849	12849						
8		2042	1959	10491	10491	10491				4		
9		12050	1974	1085000	1085000	1085000		491588		25548		5.20%
10		12060	1976	320000	320000	320000		128065		2660		2.07%
11		12062	1976	85000	85000	85000		52422		1071		2.04%
12		12071	1978	571000	571000	571000		355664		18219		5.12%
13		12080	1983	2170000	2170000	2170000		1548501		78873		5.09%
14		12090	1983	3019000	3019000	3019000		2220992		113119		5.09%
15		12091	1983	1376000	1376000	1376000		1056976		53829		5.09%
16		12092	1983	511000	511000	511000		446992		22606		5.06%
17	INTEREST ON PREPAYMENTS PREPAYMENTS-DR.											
18												
19	TELEPHONE PLANT RUS 1984			3255000	3202500	3202500		2593997		173150		6.68%
20												
21	TELEPHONE PLANT RTFC 1994			8886287	8886287	8441973		5677527		406904		7.17%
22												
23												
24												
25												
26												
27												
28												
29												
30												
30	Total			21607287	21554787	21110473	97.70	14565382		895627		6.15%

Year: 2000

## 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	NONE											
2												
3												
4												
5												
6												
7												
8												
9												
10												
11												
12												
13												
14												
15												
16												
17												
18												
19												
20												
21												
22												
23												
24												
25												
26												
27												
28												
29												
30	Totals (Sum L.1 to L.29)											



Analysis of Common Stock

Year: 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:							
2								
3	N/A							
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	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)						

Company Name: Project Telephone Company

SCHEDULE 17

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## 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	7586	4388	3019	122163	-113411	23745
2	^ 6112	Motor Vehicle Expense	6524	3804		96237	-100200	6365
3	^ 6113	Aircraft Expense						
4	^ 6114	Special Purpose Vehicles Expense						
5	^ 6115	Garage Work Equipment Expense						
6	^ 6116	Other Work Equipment Expense	1062	584	3019	25926	-13211	17380
7	* 6120	General Support Expense	30019	16893	245506	65218		357636
8	^ 6121	Land and Building Expense	16368	8409	222346	37019		284142
9	^ 6122	Furniture and Artworks Expense				9932		9932
10	^ 6123	Office Equipment Expense				15469		15469
11	^ 6124	General Purpose Computers Expense	13651	8484	23160	2798		48093
12	* 6210	Central Office Switching Expense	95203	56364		55391		206958
13	^ 6211	Analog Electronic Expense						
14	^ 6212	Digital Electronic Expense	95203	56364		55391		206958
15	^ 6215	Electro-Mechanical Expense						
16	6220	Operator Systems Expense						
17	* 6230	Central Office Transmission Expense	51166	30674	900	69317		152057
18	^ 6231	Radio Systems Expense	4951	2649	900	1893		10393
19	^ 6232	Circuit Equipment Expense	46215	28025		67424		141664
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	309760	198880	3070	172568		684278
26	^ 6411	Poles Expense			3070			3070
27	^ 6421	Aerial Cable Expense	18475	10993		11160		40628
28	^ 6422	Underground Cable Expense						
29	^ 6423	Buried Cable Expense	291285	187887		161310		640482
30	^ 6424	Submarine Cable Expense						
31	^ 6425	Deep Sea Cable Expense						
32	^ 6426	Intrabuilding Network Cable Expense						
33	^ 6431	Aerial Wire Expense						
34		<b>Subtotals</b>	<b>493,734</b>	<b>307,199</b>	<b>252,495</b>	<b>484,559</b>	<b>(113,411)</b>	<b>1424576</b>

^ Subaccount of the account marked with a \*.

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## 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				98		98
36	6510	Other Property Expenses	8084	4893		5043	-18020	
37	* 6530	Network Operations Expense	108352	66820		124209	-59216	240165
38	^ 6531	Power Expense				48576		48576
39	^ 6532	Network Administration Expense				811		811
40	^ 6533	Testing Expense	4273	3118		35		7426
41	^ 6534	Plant Operations Expense	85629	52417		19459	-37179	120326
42	^ 6535	Engineering Expense	18450	11285		55328	-22037	63026
43	6540	Access Expense				14175		14175
44	6561	Depreciation - Telecomm. Plant in Service				1162748		1162748
45	6562	Depreciation-Prop. for Future Telecom. Use						
46	6563	Amortization Expense - Tangible						
47	6564	Amortization Expense - Intangible						
48	6565	Amortization - Other				270571		270571
49	* 6610	Marketing	11210	6503		23308		41021
50	^ 6611	Product Management						
51	^ 6612	Sales	615			5082		5697
52	^ 6613	Product Advertising	10595	6503		18226		35324
53	6621	Call Completion Services				2290		2290
54	6622	Number Services	5040	3549		8721		17310
55	6623	Customer Services	115662	80393		313363		509418
56	6711	Executive	36838	51593		64608		153039
57	6712	Planning						
58	6721	Accounting and Finance	73126	48153		64991		186270
59	6722	External Relations	53590	27418		84100		165108
60	6723	Human Relations	35022	23326		16726		75074
61	6724	Information Management						
62	6725	Legal				30013		30013
63	6726	Procurement	2117	1384		30		3531
64	6727	Research and Development						
65	6728	Other General and Administrative	51614	36920		129776		218310
66	6790	Provision for Uncollectible Notes Receivable						
67		<b>Totals</b>	994,389	658,151	252,495	2,799,329	(190,647)	4513717

^ Subaccount of the account marked with a \*.

Company Name: Project Telephone Company

## SCHEDULE 18

Page 1 of 2

## 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)	check
1	*	6110 Network Support Expense	7586	4388	3019	122163	-113411	23745	23745
2	^	6112 Motor Vehicle Expense	6524	3804		96237	-100200	6365	
3	^	6113 Aircraft Expense							
4	^	6114 Special Purpose Vehicles Expense							
5	^	6115 Garage Work Equipment Expense							
6	^	6116 Other Work Equipment Expense	1062	584	3019	25926	-13211	17380	check
7	*	6120 General Support Expense	30019	16893	245506	62213		354631	354631
8	^	6121 Land and Building Expense	16368	8409	222346	36937		284060	
9	^	6122 Furniture and Artworks Expense				9537		9537	
10	^	6123 Office Equipment Expense				14854		14854	
11	^	6124 General Purpose Computers Expense	13651	8484	23160	885		46180	check
12	*	6210 Central Office Switching Expense	92503	54767		54804		202074	202074
13	^	6211 Analog Electronic Expense							
14	^	6212 Digital Electronic Expense	92503	54767		54804		202074	
15	^	6215 Electro-Mechanical Expense							
16		6220 Operator Systems Expense							check
17	*	6230 Central Office Transmission Expense	50698	30245	900	69189		151032	151032
18	^	6231 Radio Systems Expense	4951	2649	900	1893		10393	
19	^	6232 Circuit Equipment Expense	45747	27596		67296		140639	check
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							check
25	*	6410 Cable and Wire Facilities Expense	298994	191667	3070	170437		664168	664168
26	^	6411 Poles Expense			3070			3070	
27	^	6421 Aerial Cable Expense	18411	10962		11160		40533	
28	^	6422 Underground Cable Expense							
29	^	6423 Buried Cable Expense	280583	180705		159179		620467	
30	^	6424 Submarine Cable Expense							
31	^	6425 Deep Sea Cable Expense							
32	^	6426 Intrabuilding Network Cable Expense							
33	^	6431 Aerial Wire Expense							check
34		<b>Subtotals</b>	<b>479,800</b>	<b>297,960</b>	<b>252,495</b>	<b>478,708</b>	<b>(113,411)</b>	<b>1395552</b>	<b>1,395,552</b>

^ Subaccount of the account marked with a \*.

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Company Name: Project Telephone Company

**SCHEDULE 18**

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**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				98		98	
36		6510 Other Property Expenses	8084	4893		5043	-18020		check
37	*	6530 Network Operations Expense	108352	66820		115350	-59216	231306	231306
38	^	6531 Power Expense				47010		47010	
39	^	6532 Network Administration Expense				811		811	
40	^	6533 Testing Expense	4273	3118		35		7426	
41	^	6534 Plant Operations Expense	85629	52417		14673	-37179	115540	
42	^	6535 Engineering Expense	18450	11285		52821	-22037	60519	
43		6540 Access Expense				13611		13611	check
44		6561 Depreciation - Telecomm. Plant in Service				1119123		1119123	
45		6562 Depreciation-Prop. for Future Telecom. Use							
46		6563 Amortization Expense - Tangible							
47		6564 Amortization Expense - Intangible							
48		6565 Amortization - Other				270571		270571	check
49	*	6610 Marketing	11210	6503		21676		39389	39389
50	^	6611 Product Management							
51	^	6612 Sales	615			4855		5470	
52	^	6613 Product Advertising	10595	6503		16821		33919	
53		6621 Call Completion Services				2199		2199	
54		6622 Number Services	5040	3549		8033		16622	
55		6623 Customer Services	115662	80393		301234		497289	
56		6711 Executive	36838	51593		58521		146952	
57		6712 Planning							
58		6721 Accounting and Finance	73126	48153		57583		178862	
59		6722 External Relations	53590	27418		77533		158541	
60		6723 Human Relations	35022	23326		13740		72088	
61		6724 Information Management							
62		6725 Legal				28819		28819	
63		6726 Procurement	1977	1384		30		3391	
64		6727 Research and Development							
65		6728 Other General and Administrative	51614	36920		121094		209628	
66		6790 Provision for Uncollectible Notes Receivable							
67		<b>Totals</b>	980,315	648,912	252,495	2,692,966	(190,647)	4384041	4,384,041

^ Subaccount of the account marked with a \*.

## Pension Costs

Year: 2000

1	Plan Name	NTCA SAVINGS PLAN		
2	Defined Benefit Plan?	Defined Contribution Plan? <u>  X  </u>		
3	Actuarial Cost Method?	<u>  12% OF W-2 WAGES  </u> IRS Code: <u>                    </u>		
4	Annual Contribution by Employer:	<u>  \$75,221  </u> Is the Plan Over Funded? <u>  NO  </u>		
5				
	Item	Current Year	Last Year	% Change
6	<b>Change in Benefit Obligation</b>			
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	<b>Change in Plan Assets</b>			
17	Fair value of plan assets at beginning of year	246493	115975	-52.95%
18	Actual return on plan assets			
19	Acquisition			
20	Employer contribution	94038	75221	-20.01%
21	Plan participants' contributions	76300	55297	-27.53%
22	Benefits paid			
23	Fair value of plan assets at end of year	416831	246493	-40.87%
24	<b>Funded Status</b>	416831	246493	-40.87%
25	Unrecognized net actuarial loss			
26	Unrecognized prior service cost			
27	Prepaid (accrued) benefit cost	416831	246493	-40.87%
28				
29	<b>Weighted-average Assumptions as of Year End</b>			
30	Discount rate			
31	Expected return on plan assets			
32	Rate of compensation increase			
33				
34	<b>Components of Net Periodic Benefit Costs</b>			
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	<b>Montana Intrastate Costs:</b>			
43	Pension Costs			
44	Pension Costs Capitalized			
45	Accumulated Pension Asset (Liability) at Year End			
46	<b>Number of Company Employees:</b>			
47	Covered by the Plan	16	16	
48	Not Covered by the Plan	2	2	
49	Active	16	16	
50	Retired			
51	Deferred Vested Terminated			

## Other Post Employment Benefits (OPEBS)

Item	Current Year	Last Year	% Change
<b>1 Regulatory Treatment:</b>			
2 Commission authorized - most recent			
3 Docket number: _____			
4 Order number: _____			
5 Amount recovered through rates			
<b>6 Weighted-average Assumptions as of Year End</b>		N/A	#VALUE!
7 Discount rate			
8 Expected return on plan assets			
9 Medical Cost Inflation Rate			
10 Actuarial Cost Method			
11 Rate of compensation increase			
<b>12 List each method used to fund OPEBs (ie: VEBA, 401(h)) and if tax advantaged:</b>			
13			
14			
<b>15 Describe any Changes to the Benefit Plan:</b>			
16			
<b>17 TOTAL COMPANY</b>			
<b>18 Change in Benefit Obligation</b>			
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			
<b>28 Change in Plan Assets</b>			
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			
<b>36 Funded Status</b>			
37 Unrecognized net actuarial loss			
38 Unrecognized prior service cost			
39 Prepaid (accrued) benefit cost			
<b>40 Components of Net Periodic Benefit Costs</b>			
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			
<b>47 Accumulated Post Retirement Benefit Obligation</b>			
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			



Year: 2000

**Other Post Employment Benefits (OPEBS) Continued**

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

## Payments for Services to Persons Other Than Employees

Year: 2000

Line No.	Name of Recipient (a)	Nature of Service (b)	Total Company Cost (c)	Total State Cost (d)	Intrastate Cost (e)
1	NISC	DATA SERVICES	241757	241757	241757
2	MITS(MT INDP TELE SERVICES	LEGAL SERVICES	37800	37800	37800
3					
4					
5					
6					
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48					
49	Total		279557	279557	279557

## Subscriber Line Usage Data

ear: 2000

Line No.	Description (a)	This Year (b)	% of Total (c)	Last Year (d)	% of Total (e)
1	Toll Usage:				
2	Interstate, InterLATA	11859777	55.10%	10524629	52.73%
3	Interstate, IntraLATA	85535	0.40%	82814	0.41%
4	<b>Total Interstate Usage</b>	11945312	55.50%	10607443	53.14%
5	Intrastate, InterLATA	2449627	11.38%	2541114	12.73%
6	Intrastate, IntraLATA	7128348	33.12%	6811338	34.13%
7	<b>Total Intrastate Usage</b>	9577975	44.50%	9352452	46.86%
8	<b>Total Toll Usage</b>	21523287	100.00%	19959895	100.00%
9	Centrex				
10	Local				
11	<b>Total Minutes</b>	21523287	100.00%	19959895	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	Absarokee	UD/DIG	1427			6		413						1840
2	Belfry	US/DIG	204			4		34						238
3	Clark	RSU	202					39						241
4	Crow Agency	UD/DIG	503			9		397						900
5	Fort Smith	RSU	218			2		86						304
6	Huntley	RSU	508			6		84						592
7	Lodge Grass	RSU	503			9		74						577
8	Pompeys Pillar	RSU	95					11						106
9	South Wyola	RSU	1					1						2
10	Worden	UD/DIG	854			13		185						1039
11	Wyola	RSU	110			2		19						129
33	<b>Total</b>		4625			51		1343						5968

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	ABSAROCKE	HOST	DIGITAL	NTI	DMS10-SS	1,223	1985
2	BELFRY	HOST	DIGITAL	NTI	DMS10-SS	283	1985
3	CLARK	REMOTE	DIGITAL	NTI	RSLE	282	1996
4	CROW AGENCY	HOST	DIGITAL	NTI	DMS10-SS	917	1994
5	FORT SMITH	REMOTE	DIGITAL	NTI	RSLE	338	1994
6	HUNTLEY	REMOTE	DIGITAL	NTI	RSLE	487	1996
7	LODGE GRASS	REMOTE	DIGITAL	NTI	RSLE	626	1994
8	WORDEN	HOST	DIGITAL	NTI	DMS10-SS	1,398	1985
9	WYOLA	REMOTE	DIGITAL	NTI	RSLE	152	1994
10	NYE	REMOTE	DIGITAL	NTI	RSLE	309	1985
11	BEEHIVE	REMOTE	DIGITAL	NTI	RSLE	154	1985
12	ROSCOE	REMOTE	DIGITAL	NTI	RSLE	238	1996
13	DEAN	REMOTE	DIGITAL	NTI	RSLE	147	1996
14							
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NOTE: Additional blank schedules are being provided for your convenience.

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## Construction Budget - Montana

Year: 2001

Line No.	Description (a)	2001 (b)
1	<b>Central Office Assets:</b>	
2	Pryor Microwave System	300000
3	Worden Lightwave Equipment to Crow Agency	430000
4	ADSL	40000
5	Misc Items	70000
6	Hardin AFC	35000
7	Worden to Billings Lightwave Equipment (Subsidiary Co NCI will own)	86000
8	Worden to Huntley Lightwave Equipment (Subsidiary Co NCI will own)	60000
9		
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26		
27	Total Switching and Central Office Projects over \$500,000	
28	Miscellaneous Central Office Projects not over \$500,000	1021000
29	<b>Total Central Office Budget (Total of Line 27 &amp; Line 28)</b>	1021000
30	<b>Other Projects over \$500,000:</b>	
31		
32	FIBER ABSAROCKE TO REEDPOINT	175000
33		
34		
35		
36		
37		
38		
39		
40		
41	Total Other Projects over \$500,000	
42	Miscellaneous projects not over \$500,000	175000
43	<b>Total Construction Budget (Total of Lines 29, 41 &amp; 42)</b>	1196000

## Montana Employee Counts

Year: 2000

Line No.	Category (a)	Beginning of Year (b)	End of Year (c)
1	Central Office Technician	2	2
2	Combinationman	9	9
3	Custodial (Partime)	2	2
4	Engineer	1	1
5	Customer Service Rep	1	1
6	Right of Way Clerk	1	1
7	Plant supervisor	1	1
8	District Mgr.	1	1
9			
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42			
43	Totals (Sum of Lines 1 through 42)	18	18

## 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	Manager	150000		6715 12591 17886	187192	178456	4.90%
2	Operations Mgr.	86000		10440	96440	91489	5.41%
3	COE/Network Supervisor	55750	250	2240 4200	62440	59764	4.48%
4	Office Manager	75600	1000	3064 5745	85409	80280	6.39%
5	Cellular Operation Mgr.	70000	1000	2914 5465	79379	80419	-1.29%
6	District Supervisor	69303		2866 5373	77542	76019	2.00%
7	Public Affairs Mgr.	63860		2603 4881 1216	72560	73276	-0.98%
8	Plant Manager	66300		2652 4973	73925	71778	2.99%
9	Human Resource Mgr.	35000		1286 2412	38698	63276	-38.84%
10	Safety/Loss Supervisor	51500		2060 3863	57423	55750	3.00%
35% of Salary paid by Nemont Telephone, 40% is paid by VTI, and 25% is paid by Project Telephone as duties are shared by all 3 companies.							
11	Totals (Sum L.1 to L.10)	723313	2250	105445	831008	830507	0.06%



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	N/A						
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		<b>Plant (Intrastate Only) (000 Omitted)</b>	
2	2001	Plant in Service	22184062
3	2003 - 2004	Construction Work in Progress	253285
4	2005	Plant Acquisition Adjustments	4377116
5	2002	Plant Held for Future Use	
6	1220	Materials & Supplies	997744
7		(Less):	
8	3100 - 3400	Depreciation & Amortization Reserves	-12409974
9	4360.2	Contributions in Aid of Construction	
10		<b>NET BOOK COSTS</b>	15402233
11		<b>Revenues &amp; Expenses (Intrastate Only) (000 Omitted)</b>	
12	5000 - 5300	Operating Revenues	6879781
13	6560	Depreciation & Amortization Expenses	1389694
14		Federal & State Income Taxes	124874
15		Other Taxes	429296
16		Other Operating Expenses	2994347
17		TOTAL Operating Expenses	4938211
18		Net Operating Income	1941570
19		Other Income	1117112
20		Other Deductions	863510
21		<b>NET INCOME</b>	2195172
22		<b>Access Lines in Service (Intrastate Only)</b>	
23		Residential Access Lines	4422
24		Business Access Lines	1303
25		PBX Access Lines	
26		Other Access Lines	103
27		<b>Total Number of Access Lines</b>	5828
28		<b>Average Number of Calls Per Access Line</b>	
29		Local Calls	1922
30		Toll Calls (Intra- or Interstate)	2369
31		<b>Total Number of Calls Per Access Line (Total of Line 29 &amp; Line 30)</b>	4291
32		<b>Other Statistics (Intrastate Only)</b>	
33		Average Residential Monthly Bill	35
34		Gross Plant Investment per Access Line	4600

## Depreciation - Montana Intrastate Regulated

Year: 2000

Line No.	Acct No. (a)	Description (b)	Composite Rate % (c)	Total Expense \$ (d)
1	2112	Motor Vehicles	25.0%	40,260
2	2114	Special Purpose Vehicles		
3	2115	Garage Work Equipment	8.0%	169
4	2116	Other work Equipment	8.0%	42,549
5	2121	Buildings	3.1%	45,783
6	2122	Furniture	7.5%	
7	2123.1	Office Support Equipment	7.5%	602
8	2123.2	Company Communications Equipment	7.5%	6,285
9	2124	General Purpose Computers		
10	2211	Analog Electronic Switching Equipment		
11	2212	Digital Electronic Switching Equipment	8.2%	343,521
12	2215	Step By Step Switching Equipment		
13	2215	Crossbar Switching Equipment		
14	2220	Operator System		
15	2231	Radio Systems	8.2%	8,826
16	2232	Circuit DDS	6.5%	222,710
17	2232	Circuit Digital		
18	2232	Circuit Analog		
19	2351	Public Telephone Terminating Equipment		
20	2362	Other Terminal Equipment	9.2%	59
21	2411	Poles	7.5%	1,939
22	2421	Aerial Cable Metallic	9.2%	12,810
23	2421	Aerial Cable Nonmetallic	9.5%	526
24	2422	Underground Cable Metallic	9.2%	2,695
25	2422	Underground Cable Nonmetallic	9.2%	1,179
26	2423	Buried Cable Metallic	3.3%	335,204
27	2423	Buried Cable Nonmetallic	3.3%	42,501
28	2424	Submarine Cable Metallic		
29	2424	Submarine Cable Nonmetallic		
30	2426	Intrabuilding Network Cable Metallic	3.3%	1,327
31	2426	Intrabuilding Network Cable Nonmetallic		
32	2431	Aerial Wire		
33	2441	Conduit Systems	4.0%	10,178
34				
35		<b>COMPOSITE TOTAL</b>		<b>1,119,123</b>
36				
37	Have these rates been approved by the Commission? ____YES __X__ NO			
38				
39	If yes: _____ Docket Number _____ Order Number			
40				

## Montana Regulatory Capital Structure &amp; Costs

Year: 2000

Line No.	Description (a)	% Cap. Str. (b)	% Cost Rate (c)	Weighted Cost (d)
	<b>Commission Accepted - Most Recent</b>			
1	Docket Number			
2	Order Number			
3				
4	Common Equity			
5	Preferred Stock			
6	Long Term Debt			
7	Other			
8	<b>Total</b>			
9				
10	<b>Actual at Year End</b>			
11				
12	Common Equity	58.26%	10.840%	6.315%
13	Preferred Stock			
14	Long Term Debt	41.74%	71.650%	29.907%
15	Other			
16	<b>Total</b>	100.00%		36.222%

## Network Access - Charges and Revenues

Year: 2000

Line No.	Description (a)	Access Charges Paid (b)	Access Revenues Received (c)
1	Montana - Total State		2804596
2			
3	Montana - Intrastate		
4			
5	Montana - Intrastate Regulated		2804596
6			
7			
8			
9			
10			
11			
12			
13			

# 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						
2	NCI	COMPUTER LEASE	LEASE AGREEMENT	23,160	0.3%	
3						
4	NEMONT TELEPHONE	MGMT AGREEMENT	LEASE AGREEMENT	859,063	10.3%	
5						
6	NEMONT TELEPHONE	BUILDING LEASE	LEASE AGREEMENT	59,794	0.7%	
7						
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29						
30	<b>TOTAL</b>			\$942,017		

Company Name: Project Telephone Company

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**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						
2	NCI	WAGES & LABOR	COST	135,322	2.0%	
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30	<b>TOTAL</b>			\$135,322		

## 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	26,814,463	26,089,894	2.78%
3	2002 Prop. Held for Future Telecommunications Use			
4	3100-3200 (Less) Accumulated Depreciation	(12,409,974)	(11,258,215)	-10.23%
5	<b>Plant in Service</b>	<b>14,404,489</b>	<b>14,831,679</b>	<b>-2.88%</b>
6				
7	<b>Additions</b>			
8	1220 Materials & Supplies	997,744	603,472	65.33%
9	1280 Prepayments			
10	Other Additions			
11	<b>TOTAL Additions</b>	<b>997,744</b>	<b>603,472</b>	<b>65.33%</b>
12				
13	<b>Deductions</b>			
14	4100 Current Deferred Operating Income Taxes			
15	4320 Unamortized Operating Investment Tax Credits	122,922	155,886	-21.15%
16	4340 Noncurrent Deferred Operating Income Taxes	1,710,818	1,855,500	-7.80%
17	Customer Advances for Construction			
18	Other Deductions			
19	<b>TOTAL Deductions</b>	<b>1,833,740</b>	<b>2,011,386</b>	<b>-8.83%</b>
20	<b>TOTAL Rate Base</b>	<b>13,568,493</b>	<b>13,423,765</b>	<b>1.08%</b>
21				
22	<b>Net Earnings</b>	<b>2,195,172</b>	<b>1,894,692</b>	<b>15.86%</b>
23				
24	<b>Rate of Return on Average Rate Base</b>	<b>16.180%</b>	<b>14.110%</b>	<b>14.67%</b>
25				
26	<b>Rate of Return on Average Equity</b>	<b>10.840%</b>	<b>10.490%</b>	<b>3.34%</b>
27				
28	Major Normalizing Adjustments & Commission			
29	<u>Ratemaking adjustments to Utility Operations</u>			
30				
31				
32				
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37				
38				
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41				
42				
43	<b>Adjusted Rate of Return on Average Rate Base</b>			
44				
45	<b>Adjusted Rate of Return on Average Equity</b>			

**Other Taxes Paid**

Year: 2000

Line No.	Description (a)	Last Year (b)	This Year (c)
1	Montana Telephone Company License Tax	18686	
2	Montana Public Service Commission Tax	6972	7466
3	Montana Consumer Counsel Tax	2642	2318
4	911 Emergency Telephone Fee	29705	31747
5	Montana Telecommunications Access Service (TDD)	5940	6352
6	Montana Corporate License Tax	10	10
7	Personal Property Tax		
8	Real Property Tax	465674	160012
9			
10			
11			
12	<b>Total</b>	529629	207905

Company Name: Project Telephone Company

**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	1224596	1125764
15			
16			
17			
18			
19			
20			
21			
22			
23			
24	<b>Total</b>	1224596	1125764



# Nemont Telephone Cooperative, Inc.

Valley Telecommunications, Inc.

Project Telephone Company

Nemont Communications, Inc.

Sagebrush Cellular, Inc.