

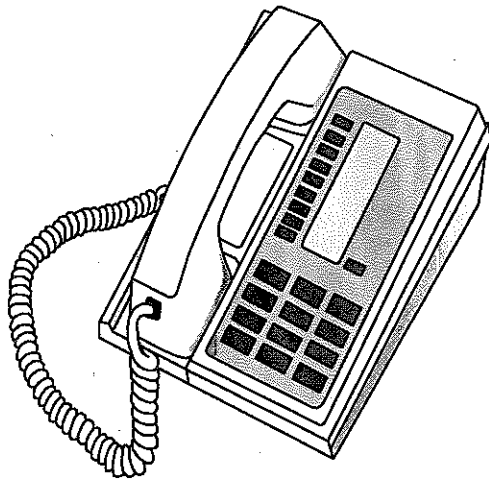
YEAR ENDING December 31, 2008

# ANNUAL REPORT OF

RECEIVED BY  
2009 MAY -1 A 10: 27  
PUBLIC SERVICE  
COMMISSION

Central Montana Communications, Inc.

## TELEPHONE UTILITY



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

**General Information**

Year: 2008

1	Legal Name of Respondent: Central Montana Communications, Inc.
2	Name Under Which Respondent Does Business: Central Montana Communications, Inc.
3	Date of Incorporation: 7/1/1993
4	Address to send Correspondence Concerning Report: PO Box 751 Havre, MT 59501
5	Person Responsible for This Report: Mark Majeres
5a.	Telephone Number: (406) 394-2000
<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: Triangle Telephone Cooperative Association, Inc., PO Box 1220, Havre, MT 59501-1220
1b.	Means by which control was held: Stock Ownership
1c.	Percent Ownership: 100%

<b>Board of Directors</b>		
Line No.	Name of Director and Address (City, State) (a)	Fees Paid During Year (b)
1	Verlin Reichelt, Big Sandy, MT 59520	4375
2	Richard Stuker, Chinook, MT 59523	4686
3	Thomas Bangs, Inverness, MT 59530	4514
4	Richard Pokorny, Big Sandy, MT 59520	4808
5	Paul VanCleve, Big Timber, MT 59011	4063
6	Douglas Lowry, Big Timber, MT 59011	4293
7	Donald Bitz, Box Elder, MT 59521	4332
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18	<b>Chairman of the Board:</b>	
19	Richard Stuker	
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**Officers**

Year: 2008

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		Richard Stuker, Chinook, MT 59523
2	Vice President		Richard Pokorny, Big Sandy, MT 59520
3	Secretary/Treasurer		Paul Van Cleve, Big Timber, MT 59011
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## Total Company Balance Sheet

Year: 2008

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>CURRENT ASSETS:</b>		
2	1120	Cash and Equivalents	2,879,011	9,199,958
3	1180	Telecommunications Accounts Receivable - Net	949,575	924,327
4	1190	Other Accounts Receivable - Net	773,972	817,846
5	1200	Notes Receivable - Net		
6	1210	Interest and Dividends Receivable	30,128	29,060
7	1220	Materials and Supplies		1,328
8	* 1280	Prepayments	26,695	23,168
9	^ 1290	Prepaid Rents		
10	^ 1300	Prepaid Taxes		
11	^ 1310	Prepaid Insurance		
12	^ 1320	Prepaid Directory Expenses		
13	^ 1330	Other Prepayments	26,695	23,168
14	1350	Other Current Assets		
15		<b>Total Current Assets</b>	4,659,381	10,995,687
16		<b>NONCURRENT ASSETS:</b>		
17	1401	Investments in Affiliated Companies	24,625	19,401
18	1402	Investments in Nonaffiliated Companies	8,430,667	7,528,555
19	1406	Nonregulated Investments	203	710
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>	8,455,495	7,548,666
27		<b>PROPERTY, PLANT, &amp; EQUIPMENT:</b>		
28	2001	Telecommunications Plant in Service	62,719,333	60,836,804
29	2002	Property Held for Future Telecommunications Use		
30	2003	Plant Under Construction - Short Term	7,198,885	1,487,266
31	2004	Plant Under Construction - Long Term	1,798,626	611,716
32	2005	Telecommunications Plant Adjustment	2,656,541	2,656,541
33	2006	Nonoperating Plant		
34	2007	Goodwill	10,288,260	10,288,260
35	3100	Accumulated Depreciation	(29,511,255)	(27,370,245)
36	3200	Accumulated Depreciation - Held for Future Use		
37	3300	Accumulated Depreciation - Nonoperating		
38	3400	Accumulated Amortization	(12,689,980)	(11,816,308)
39		<b>Net Property, Plant, &amp; Equipment</b>	42,460,410	36,694,034
40		<b>TOTAL ASSETS</b>	55,575,286	55,238,387

^ Subaccount of account marked with a \*.

## Total Company Balance Sheet

Year: 2008

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
41		<b>CURRENT LIABILITIES:</b>		
42	4010	Accounts Payable	1,206,400	794,518
43	4020	Notes Payable		
44	4030	Advance Billing and Payments	376,857	376,453
45	4040	Customer Deposits	60,738	64,579
46	4050	Current Maturities - Long Term Debt	2,568,000	2,240,000
47	4060	Current Maturities - Capital Leases		
48	4070	Income Taxes - Accrued	4,541,820	3,948,670
49	4080	Other Taxes - Accrued	473,524	413,313
50	4100	Net Current Deferred Operating Income Taxes		
51	4110	Net Current Deferred Nonoperating Income Taxes		
52	4120	Other Accrued Liabilities	261,630	266,246
53	4130	Other Current Liabilities		
54		<b>Total Current Liabilities</b>	<b>9,488,969</b>	<b>8,103,779</b>
55		<b>LONG-TERM DEBT:</b>		
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		
62	4270	Other Long-Term Debt	21,994,684	24,582,064
63		<b>Total Long-Term Debt</b>	<b>21,994,684</b>	<b>24,582,064</b>
64		<b>OTHER LIABILITIES AND DEFERRED CREDITS:</b>		
65	4310	Other Long-Term Liabilities		
66	4320	Unamort. Oper. Invest. Tax Credits - Net		
67	4330	Unamort. Nonoper. Invest. Tax Credits - Net		
68	4340	Net Noncurrent Deferred Oper. Income Taxes		
69	4350	Net Noncurrent Deferred Nonoper. Income Taxes		
70	4360	Other Deferred Credits		
71	4370	Other Jurisdictional Liab. and Def. Credits		
72		<b>Total Other Liabilities and Deferred Credits</b>		
73		<b>STOCKHOLDERS' EQUITY:</b>		
74	4510	Capital Stock		
75	4520	Additional Paid-In Capital	6,390,000	6,390,000
76	4530	Treasury Stock		
77	4540	Other Capital		
78	4550	Retained Earnings	17,701,633	16,162,544
79		<b>Total Stockholders' Equity</b>	<b>24,091,633</b>	<b>22,552,544</b>
80		<b>TOTAL LIAB. AND STOCKHOLDERS' EQUITY</b>	<b>55,575,286</b>	<b>55,238,387</b>

## Total Company Income Statement

Year: 2008

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>REVENUES:</b>		
2	5000	Basic Local Service Revenues	3,847,637	3,750,254
3	5080	Network Access Revenues	9,255,673	8,973,951
4	* 5100	Long Distance Message Revenue	(67)	(30)
5	^ 5110	Unidirectional Long Distance Revenue		
6	^ 5120	Long Distance Private Network Revenue		
7	^ 5160	Other Long Distance Revenue	(67)	(30)
8	^ 5169	Other Long Distance Revenue Settlements		
9	* 5200	Miscellaneous Revenue	239,806	241,359
10	^ 5230	Directory Revenue	62,710	51,795
11	^ 5240	Rent Revenue	51,763	50,933
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	1,673	1,618
14	^ 5270	Carrier Billing and Collection Revenue	123,660	137,013
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	54,651	48,076
17		<b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>	<b>13,288,398</b>	<b>12,917,458</b>
18		<b>OPERATING EXPENSES:</b>		
19	6110	Network Support Expense		
20	6120	General Support Expense	436,495	428,188
21	6210	Central Office Switching Expense	191,231	140,863
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	193,680	241,013
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense	587,932	536,456
26	^ 6431	Aerial Wire Expense	148,625	120,768
27	^ 6441	Conduit Systems Expense	439,307	415,688
28	6510	Other Property, Plant & Equipment Expense		
29	6530	Network Operations Expense	597,868	615,794
30	6540	Access Expense	668,238	581,163
31	6560	Depreciation and Amortization Expense	4,288,388	3,884,332
32	6610	Marketing	23,551	39,208
33	6620	Services	1,013,878	1,048,023
34	6710	Executive and Planning	145,552	142,778
35	6720	General and Administrative	859,353	796,865
36	6790	Provision for Uncollectible Notes Receivable		
37		<b>Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)</b>	<b>9,006,166</b>	<b>8,454,683</b>
38	7100	Other Operating Income and Expense	(221)	(50)
39	7200	Operating Taxes	2,033,627	2,078,445
40		<b>Net Operating Income (L.17-L.37+L.38-L.39)</b>	<b>2,248,384</b>	<b>2,384,280</b>
41	7300	Nonoperating Income and Expense	509,969	588,307
42	7400	Nonoperating Taxes	(73,677)	22,171
43	7500	Interest and Related Items	1,254,294	1,015,340
44	7600	Extraordinary Items		
45	7910	Effects of Juris. Ratemaking Diff. - Net		
46	7990	Nonregulated Net Income	38,647	15,364
47		<b>NET INCOME (L.40+L.41-L.42-L.43-L.44+L.45-L.46)</b>	<b>1,539,089</b>	<b>1,919,712</b>

^ Subaccount of the account marked with a \*.

Montana Total State Income Statement

Year: 2008

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>REVENUES:</b>	Same as Schedule 4	Total Income
2	5000	Basic Local Service Revenues		
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		<b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>		
18		<b>OPERATING EXPENSES:</b>		
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		<b>Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)</b>		
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes		
40		<b>Net Operating Income (L.17-L.37+L.38-L.39)</b>		

^ Subaccount of the account marked with a \*.

## Montana Intrastate Income Statement

Year: 2008

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>REVENUES:</b>		
2	5000	Basic Local Service Revenues	3,847,637	3,750,254
3	5080	Network Access Revenues	1,576,390	1,678,261
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	239,806	241,360
10	^ 5230	Directory Revenue	62,710	51,795
11	^ 5240	Rent Revenue	51,763	50,933
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	1,673	1,618
14	^ 5270	Carrier Billing and Collection Revenue	123,660	137,014
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	54,651	48,076
17		<b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>	5,609,182	5,621,799
18		<b>OPERATING EXPENSES:</b>		
19	6110	Network Support Expense		
20	6120	General Support Expense	184,250	186,351
21	6210	Central Office Switching Expense	80,721	61,305
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	81,754	104,891
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense	248,173	233,470
26	^ 6431	Aerial Wire Expense	62,736	52,559
27	^ 6441	Conduit Systems Expense	185,437	180,911
28	6510	Other Property, Plant & Equipment Expense		
29	6530	Network Operations Expense	252,367	267,999
30	6540	Access Expense	282,071	252,928
31	6560	Depreciation and Amortization Expense	1,810,177	1,690,498
32	6610	Marketing	9,941	17,064
33	6620	Services	427,969	456,109
34	6710	Executive and Planning	61,439	62,138
35	6720	General and Administrative	362,742	346,803
36	6790	Provision for Uncollectible Notes Receivable		
37		<b>Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)</b>	3,801,604	3,679,556
38	7100	Other Operating Income and Expense	(93)	(22)
39	7200	Operating Taxes	858,417	904,559
40		<b>Net Operating Income (L.17-L.37+L.38-L.39)</b>	949,068	1,037,662

^ Subaccount of the account marked with a \*.



## Montana Intrastate Regulated Income Statement

Year: 2008

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>REVENUES:</b>		
2	5000	Basic Local Service Revenues	3,847,637	3,750,254
3	5080	Network Access Revenues	1,067,140	1,245,939
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		<b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>	4,914,777	4,996,193
18		<b>OPERATING EXPENSES:</b>		
19	6110	Network Support Expense		
20	6120	General Support Expense	161,440	165,614
21	6210	Central Office Switching Expense	70,728	54,483
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	71,633	93,219
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense	217,450	207,489
26	^ 6431	Aerial Wire Expense	54,970	46,710
27	^ 6441	Conduit Systems Expense	162,480	160,779
28	6510	Other Property, Plant & Equipment Expense		
29	6530	Network Operations Expense	221,124	238,176
30	6540	Access Expense	247,151	224,781
31	6560	Depreciation and Amortization Expense	1,586,081	1,502,375
32	6610	Marketing	8,711	15,165
33	6620	Services	374,987	405,353
34	6710	Executive and Planning	53,833	55,223
35	6720	General and Administrative	317,836	308,210
36	6790	Provision for Uncollectible Notes Receivable		
37		<b>Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)</b>	3,330,974	3,270,088
38	7100	Other Operating Income and Expense	(82)	(19)
39	7200	Operating Taxes	752,147	803,898
40		<b>Net Operating Income (L.17-L.37+L.38-L.39)</b>	831,574	922,188

^ Subaccount of the account marked with a \*.

**Average Rate Base - Total State**

Year: 2008

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	62719333	60836804
2	3100	Accumulated Depreciation	29511255	27370245
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies		
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>	33208078	33466559

**Average Rate Base - Intrastate**

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	62719333	60836804
2	3100	Accumulated Depreciation	29511255	27370245
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies		
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>	33208078	33466559

**Average Rate Base - Regulated Intrastate**

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	62719333	60836804
2	3100	Accumulated Depreciation	29511255	27370245
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies		
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>	33208078	33466559

Statement of Cash Flows			Year: 2008
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		1539089
4	Reconciliation Adjustments:		
5	Depreciation & Amortization	4289980	
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	17558	
11	Change in Materials, Supplies & Inventories - Net	1328	
12	Change in Operating Payables & Accrued Liabilities - Net	408445	
13	Change in Other Assets & Deferred Credits - Net	-3528	
14	Change in Other Liabilities & Deferred Credits - Net		
15	Other (explained on back of this page)	648745	
16	Total Adjustments		5362528
17	<b>Net Cash Provided by/(Used in) Operating Activities</b>		6901617
18	<b>Cash Inflows/Outflows From Investing Activities:</b>		
19	Construction/Acquisition of Property, Plant & Equipment (net of		
20	AFUDC & Capital Lease Related Acquisitions)	-10056355	
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)	-906829	
25	<b>Net Cash Provided by/(Used in) Investing Activities</b>		-10963184
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	-1754116	
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)	-505264	
37	<b>Net Cash Provided by Financing Activities</b>		-2259380
38	<b>Effect of Exchange Rate Changes on Cash</b>		
39	<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>		-6320947
40	<b>Cash &amp; Cash Equivalents at Beginning of Period</b>		9199958
41	<b>Cash &amp; Cash Equivalents at End of Period</b>		2879011

Company Name: Central Montana Communications, Inc.

SCHEDULE 9A

**Statement of Cash Flows**

Year: 2008

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Line 15.	Other Operating Activities	
	Accrued Income Tax	593,150
	Other Taxes Accrued	60,211
	Other Accrued Liabilities	-4,616
		<u>648,745</u>
Line 24.	Other Investing Activities	
	Fergus Electric Cooperative Capital Credits	-3,450
	Mid Rivers Communication	-138
	National Information Solutions Cooperative	-32,237
	Triangle Telephone Cooperative Capital Credits	-5,224
	Rural Telephone Finance Cooperative Capital Credits	75,778
	Bonds	-942,065
	Nonregulated Investment in Other Terminal Equipment	507
		<u>-906,829</u>
Line 36.	Other Financing Activities	
	REA Notes	<u>-505,264</u>

Receivables and Investments-Affiliated & Nonaffiliated Companies

r: 2008

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	NRUCFC	1700000									
2	Subscriber Receivables		956620	7045	24475						
3	Reg and NonReg Sales				55771						
4	AT&T				487263						
5	NECA				1076						
6	NCRPC				201716						
7	MILEC				73076						
8	Other Inter-Exc Carriers				-16398						
9	Triangle Comm System				20747						
10	USAC E-Rate				-190						
11	Accts Rec Other - Unpaid					-531					
13	Accts Rec Other - Uncoll					-30405					
14	Accts Rec Other - Intra					-8721					
15	Accts Rec Other - Inter					-33907					
16	Accts Rec Other - Pool										
17	Accts Rec Other - Pool										
18	Invest in Triangle Tele									24625	
19	RTFC										1271780
20	Electric Cooperatives										12008
21	NISC										140082
22	Farmers Union - GF										526
23	Farmers Union - Moore										-30
24	Mountain View Coop										874
25	Bonds										7004080
26	NECA										1000
27	Mid Rivers Comm										347
28											
29											
30		1700000	956620	7045	847536	-73564				24625	8430667

Net Plant in Service - Detail

Year: 2008

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	3800717	597493	139135		4259075		4259075
2	^	2111 Land	73542				73542		73542
3	^	2112 Motor Vehicles	1399008	317381	59160		1657229	753300	903929
4	^	2113 Aircraft							
5	^	2114 Special Purpose Vehicles	334465	217678	79975		472168	100631	371537
6	^	2115 Garage Work Equipment							
7	^	2116 Other Work Equipment	89916	15461			105377	33143	72234
8	^	2121 Buildings	1903786	46973			1950759	946885	1003874
9	^	2122 Furniture							
10	^	2123 Office Equipment							
11	^	2124 General Purpose Computers							
12		2211 Analog Electronic Switching							
13		2212 Digital Electronic Switching							
14		2215 Electro-Mechanical Switching	4354012	392874	162490		4584396	2678501	1905895
15		2220 Operator Systems							
16		2231 Radio Systems							
17		2232 Circuit Equipment	11376328	1628916	1052407		11952837	7022861	4929976
18	*	2310 Information Orig & Term Equip	24856				24856		
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	24856				24856		
24		2411 Poles	320657	2990	1363		322284	289191	33093
25	*	2420 Cable and Wire Facilities	40858222	674055	58404		41473873		41473873
26	^	2421 Aerial Cable	1822034	199189	1904		2019319	957339	1061980
27	^	2422 Underground Cable	830111				830111	434463	395648
28	^	2423 Buried Cable	38206077	474866	56500		38624443	16224968	22399475
29	^	2424 Submarine Cable							
30	^	2425 Deep Sea Cable							
31	^	2426 Intrabuilding Network Cable							
32		2431 Aerial Wire	98685				98685	98685	
33		2441 Conduit Systems	3327				3327	2046	1281
34		<b>Totals</b>	60836804	3296328	1413799		62719333	29566869	33152464

^ Subaccount of the account marked with a \*.

Company Name: Central Montana Communications, Inc.

Year: 2008

Analysis of Plant Held for Future Use

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	Not Applicable						
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
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18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30	<b>Totals</b>	<b>(Sum L.1 to L.29)</b>					

**Average Cost of Long Term Debt**

**Year: 2008**

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	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	<b>Total</b>											



Company Name: Central Montana Communications, Inc.

Year: 2008

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	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)											

Company Name: Central Montana Communications, Inc.

Year: 2008

Analysis of Common Stock

Line No.	(a)	Avg. Number of Shares Outstanding (b)	Book Value (per share) (c)	Earnings (per share) (d)	Dividends (per share) (e)	Retention Ratio (f)	Market Price High (g) Low (h)	Price/Earnings Ratio (i)
1	Year Ended December 31:	Not Applicable						
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: 2008

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	<b>Totals (Sum L.1 to L.29)</b>						

Total Company Expense Matrix

Line No.	Acct. No. (a)	Description (b)	Salaries and Wages (c)	Benefits (d)	Rents (e)	Other Expenses (f)	Clearances (g)	Total (h)
1	*	Network Support Expense	32888	21205	44630	266541	-365264	
2	^	Motor Vehicle Expense	30030	19413	44630	251593	-345666	
3	^	Aircraft Expense						
4	^	Special Purpose Vehicles Expense	2858	1792		14948	-19598	
5	^	Garage Work Equipment Expense						
6	^	Other Work Equipment Expense	68368	40958	211791	99721	15657	436495
7	*	General Support Expense	60358	35051	165639	82730	15657	359435
8	^	Land and Building Expense						
9	^	Furniture and Artworks Expense						
10	^	Office Equipment Expense			46152	6789		52941
11	^	General Purpose Computers Expense	8010	5907		10202		24119
12	*	Central Office Switching Expense	56633	31726		80497	22375	191231
13	^	Analog Electronic Expense						
14	^	Digital Electronic Expense						
15	^	Electro-Mechanical Expense	56633	31726		80497	22375	191231
16	^	Operator Systems Expense						
17	*	Central Office Transmission Expense	67692	39340		59950	26698	193680
18	^	Radio Systems Expense						
19	^	Circuit Equipment Expense	67692	39340		59950	26698	193680
20	*	Information Origination/Termination Expense						
21	^	Station Apparatus Expense						
22	^	Large Private Branch Exchange Expense						
23	^	Public Telephone Terminal Equipment Exp.						
24	^	Other Terminal Equipment Expense						
25	*	Cable and Wire Facilities Expense	244043	138495	19744	82668	102982	587932
26	^	Poles Expense	97	30	19744		49	19920
27	^	Aerial Cable Expense	69204	39126		13808	26486	148624
28	^	Underground Cable Expense	57	42			44	143
29	^	Buried Cable Expense	174685	99297		68860	76403	419245
30	^	Submarine Cable Expense						
31	^	Deep Sea Cable Expense						
32	^	Intrabuilding Network Cable Expense						
33	^	Aerial Wire Expense						
34		<b>Subtotals</b>	469,624	271,724	276,165	589,377	(197,552)	1409338

^ Subaccount of the account marked with a \*

**Total Company Expense Matrix**

Year: 2008

Line No.	Acct. No.	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			14184	189130	-82763	597868
37	6530	Network Operations Expense	298088	179229		122984		122984
38	6531	Power Expense		79397	11832	46443	24698	289871
39	6532	Network Administration Expense	127501	6535		979	5466	23783
40	6533	Testing Expense	10803	52289	2352	11966	-112974	46428
41	6534	Plant Operations Expense	92795	41008		6758	47	114802
42	6535	Engineering Expense	66989			668238		668238
43	6540	Access Expense				3414716		3414716
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		3399		873672		873672
49	6610	Marketing	6031			14121		23551
50	6611	Product Management						
51	6612	Sales	512	363		10324		11199
52	6613	Product Advertising	5519	3036		3797		12352
53	6621	Call Completion Services	10360	7239		460		18059
54	6622	Number Services	5248	3376		84629		93253
55	6623	Customer Services	268875	184217	19752	429722		902566
56	6711	Executive	65491	34709		44157		144357
57	6712	Planning	728	467				1195
58	6721	Accounting and Finance	113618	62517	13152	80052		269339
59	6722	External Relations	39018	25631		110527		175176
60	6723	Human Relations	29978	17631		38514		86123
61	6724	Information Management	33979	17012		30582		81573
62	6725	Legal				1432		1432
63	6726	Procurement						
64	6727	Research and Development						
65	6728	Other General and Administrative	50748	41779	3207	149976		245710
66	6790	Provision for Uncollectible Notes Receivable						
67		<b>Totals</b>	1,391,786	848,930	326,460	6,719,305	(280,315)	9,006,166

^ Subaccount of the account marked with a \*

Total State Expense Matrix

Line No.	Acct. No. (a)	Description (b)	Salaries and Wages (c)	Benefits (d)	Rents (e)	Other Expenses (f)	Clearances (g)	Total (h)
1	*	Network Support Expense	Not Applicable					
2	^	Motor Vehicle Expense						
3	^	Aircraft Expense						
4	^	Special Purpose Vehicles Expense						
5	^	Garage Work Equipment Expense						
6	^	Other Work Equipment Expense						
7	*	General Support Expense						
8	^	Land and Building Expense						
9	^	Furniture and Artworks Expense						
10	^	Office Equipment Expense						
11	^	General Purpose Computers Expense						
12	*	Central Office Switching Expense						
13	^	Analog Electronic Expense						
14	^	Digital Electronic Expense						
15	^	Electro-Mechanical Expense						
16	^	Operator Systems Expense						
17	*	Central Office Transmission Expense						
18	^	Radio Systems Expense						
19	^	Circuit Equipment Expense						
20	*	Information Origination/Termination Expense						
21	^	Station Apparatus Expense						
22	^	Large Private Branch Exchange Expense						
23	^	Public Telephone Terminal Equipment Exp.						
24	^	Other Terminal Equipment Expense						
25	*	Cable and Wire Facilities Expense	#VALUE!					#VALUE!
26	^	Poles Expense						
27	^	Aerial Cable Expense						
28	^	Underground Cable Expense						
29	^	Buried Cable Expense						
30	^	Submarine Cable Expense						
31	^	Deep Sea Cable Expense						
32	^	Intrabuilding Network Cable Expense						
33	^	Aerial Wire Expense						
34		<b>Subtotals</b>	#VALUE!					#VALUE!

^ Subaccount of the account marked with a \*

Company Name: Central Montana Communications, Inc.

**Total State Expense Matrix**

Line No.	Acct. No. (a)	Description (b)	Salaries and Wages (c)	Benefits (d)	Rents (e)	Other Expenses (f)	Clearances (g)	Total (h)
35	^	Conduit Systems Expense	Not Applicable					
36		Other Property Expenses						
37	*	Network Operations Expense						
38	^	Power Expense						
39	^	Network Administration Expense						
40	^	Testing Expense						
41	^	Plant Operations Expense						
42	^	Engineering Expense						
43		Access Expense						
44		Depreciation - Telecomm. Plant in Service						
45		Depreciation-Prop. for Future Telecom. Use						
46		Amortization Expense - Tangible						
47		Amortization Expense - Intangible						
48		Amortization - Other						
49	*	Marketing						
50	^	Product Management						
51	^	Sales						
52	^	Product Advertising						
53		Call Completion Services						
54		Number Services						
55		Customer Services						
56		Executive						
57		Planning						
58		Accounting and Finance						
59		External Relations						
60		Human Relations						
61		Information Management						
62		Legal						
63		Procurement						
64		Research and Development						
65		Other General and Administrative						
66		Provision for Uncollectible Notes Receivable						
67		<b>Totals</b>	#VALUE!					#VALUE!

^ Subaccount of the account marked with a \*

**Pension Costs**

Year: 2008

1	Plan Name NTCA Savings Plan			
2	Defined Benefit Plan? _____	Defined Contribution Plan? _____		
3	Actuarial Cost Method? _____	IRS Code: _____		
4	Annual Contribution by Employer: \$217,342	Is the Plan Over Funded? _____		
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			
18	Actual return on plan assets			
19	Acquisition			
20	Employer contribution			
21	Plan participants' contributions			
22	Benefits paid			
23	Fair value of plan assets at end of year			
24	<b>Funded Status</b>			
25	Unrecognized net actuarial loss			
26	Unrecognized prior service cost			
27	Prepaid (accrued) benefit cost			
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			
48	Not Covered by the Plan			
49	Active			
50	Retired			
51	Deferred Vested Terminated			



**Pension Costs**

Year: 2008

1	Plan Name NTCA Savings Plan			
2	Defined Benefit Plan? _____	Defined Contribution Plan? _____		
3	Actuarial Cost Method? _____	IRS Code: _____		
4	Annual Contribution by Employer: \$42,080	Is the Plan Over Funded? _____		
5				
	<b>Item</b>	<b>Current Year</b>	<b>Last Year</b>	<b>% Change</b>
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			
18	Actual return on plan assets			
19	Acquisition			
20	Employer contribution			
21	Plan participants' contributions			
22	Benefits paid			
23	Fair value of plan assets at end of year			
24	<b>Funded Status</b>			
25	Unrecognized net actuarial loss			
26	Unrecognized prior service cost			
27	Prepaid (accrued) benefit cost			
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			
48	Not Covered by the Plan			
49	Active			
50	Retired			
51	Deferred Vested Terminated			

**Other Post Employment Benefits (OPEBS)**

	Item	Current Year	Last Year	% Change
1	<b>Regulatory Treatment:</b>			
2	Commission authorized - most recent			
3	Docket number: _____			
4	Order number: _____			
5	Amount recovered through rates	Not Applicable		#VALUE!
6	<b>Weighted-average Assumptions as of Year End</b>			
7	Discount rate			
8	Expected return on plan assets			
9	Medical Cost Inflation Rate			
10	Actuarial Cost Method			
11	Rate of compensation increase			
12	<b>List each method used to fund OPEBs (ie: VEBA, 401(h)) and if tax advantaged:</b>			
13				
14				
15	<b>Describe any Changes to the Benefit Plan:</b>			
16				
17	<b>TOTAL COMPANY</b>			
18	<b>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			
28	<b>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			
36	<b>Funded Status</b>			
37	Unrecognized net actuarial loss			
38	Unrecognized prior service cost			
39	Prepaid (accrued) benefit cost			
40	<b>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			
47	<b>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			

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

Year: 2008

	Item	Current Year	Last Year	% Change
1	<b>Number of Company Employees:</b>	Not Applicable		
2	Covered by the Plan			
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: 2008

Line No.	Name of Recipient (a)	Nature of Service (b)	Total Company Cost (c)	Total State Cost (d)	Intrastate Cost (e)
1	GVNW, Inc.	Cost Consulting	48581	48581	48581
2	Heberly & Associates	Engineering Services	470507	470507	470507
3	Hill County Electric Cooperative	Office & Equipment Rental	4632176	4632176	4632176
4	National Information Systems Coop.	Data Processing Services	323079	323079	323079
5	North Winds Publishing	Directory Services	59942	59942	59942
6	Triangle Communication System	Internet & Long Distance Services	663960	63372	63372
7	Triangle Telephone Cooperative	Office, Equip. & Switching Rental	3616764	3616764	3616764
8	Bosch Kugr Dugdale ET AL	Legal Services	1036	1036	1036
9	Buckentin Construction	Construction Services	1175	1175	1175
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47					
48					
49	<b>Total</b>				9216632

**Subscriber Line Usage Data**

Year: 2008

Line No.	Description (a)	This Year (b)	% of Total (c)	Last Year (d)	% of Total (e)
1	Toll Usage:				
2	Interstate, InterLATA	22000917	48.55%	23421616	50.11%
3	Interstate, IntraLATA	1703	0.00%	2451	0.01%
4	<b>Total Interstate Usage</b>	22002620	48.55%	23424067	50.11%
5	Intrastate, InterLATA	6848623	15.11%	7133146	15.26%
6	Intrastate, IntraLATA	16468951	36.34%	16185389	34.63%
7	<b>Total Intrastate Usage</b>	23317574	51.45%	23318535	49.89%
8	<b>Total Toll Usage</b>	45320194	100.00%	46742602	100.00%
9	Centrex				
10	Local				
11	<b>Total Minutes</b>	45320194	100.00%	46742602	100.00%

**Central Office and Access Line Statistics**

Year: 2008

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	353 - Harlem	Host	677		363	192			362	2				1041
2	374 - Moore	Remote	246		182	1			42	3				291
3	383 - Dodson	Remote	92		36	3			14					106
4	423 - Hobson	Remote	328		134	4			78	1				407
5	473 - Judith Gap	Remote	117		58				18					135
6	547 - White Sulphur Spr	Host	704		288	25			279	4				987
7	566 - Stanford	Remote	321		159	9			106	1				428
8	567 - Denton	Remote	218		121	3			56					274
9	572 - Martinsdale	Remote	144		47				19	1				164
10	622 - Fort Benton	Host	662		256	15			361	4				1027
11	632 - Harlowton	Remote	649		305	17			240	3				892
12	654 - Malta	Host	1058		532	45			466	2				1526
13	737 - Geraldine	Remote	241		125	6			53					294
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32														
33	<b>Total</b>		5457		2606	320			2094	21				7572

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

**Central Office and Switch Information**

Year: 2008

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	353 - Harlem	Host	Digital	Northern Telco	DMS - 10	7,500	1995
2	374 - Moore	Remote	Digital	Northern Telco	RSLE	1,025	1995
3	383 - Dodson	Remote	Digital	Northern Telco	RSLE	192	1994
4	423 - Hobson	Remote	Digital	Northern Telco	RSLE	1,024	1995
5	473 - Judith Gap	Remote	Digital	Northern Telco	RSLE	192	1995
6	547 - White Sulphur Spr	Host	Digital	Northern Telco	DMS - 10	7,500	1996
7	566 - Stanford	Occam	Digital	Occam	BLC	934	2007
8	567 - Denton	Occam	Digital	Occam	BLC	672	2007
9	572 - Martinsdale	Remote	Digital	Northern Telco	RSLE	192	1996
10	622 - Fort Benton	Host	Digital	Northern Telco	DMS - 10	7,500	1995
11	632 - Harlowton	Remote	Digital	Northern Telco	RSC,	1,600	1999
12	654 - Malta	Host	Digital	Northern Telco	DMS - 10	7,500	1994
13	737 - Geraldine	Remote	Digital	Northern Telco	RSLE	1,024	1995
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NOTE: Additional blank schedules are being provided for your convenience.

**Construction Budget - Montana**

Year:

Line No.	Description (a)	(b)
1	<b>Central Office Assets:</b>	
2		
3	Cisco Lightwave Transport Network Upgrades - Havre to Big Timber	900000
4		
5		
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26		
27	Total Switching and Central Office Projects over \$500,000	900000
28	Miscellaneous Central Office Projects not over \$500,000	2060000
29	<b>Total Central Office Budget (Total of Line 27 &amp; Line 28)</b>	<b>2960000</b>
30	<b>Other Projects over \$500,000:</b>	
31		
32	General Fund Capital Expenditures	726000
33	Fort Benton Exchange Upgrade	550000
34		
35		
36		
37		
38		
39		
40		
41	Total Other Projects over \$500,000	1276000
42	Miscellaneous projects not over \$500,000	2115000
43	<b>Total Construction Budget (Total of Lines 29, 41 &amp; 42)</b>	<b>6351000</b>



## Montana Total State Construction Expenditures

Line No.	FCC Part 32 Account No. (a)	Description (b)	This Year (c)	Last Year (d)	Percent Change (e)
1	2110	General Support Assets	4259075	3800718	12.06%
2	2210	Central Office Assets	4584396	4354012	5.29%
3	2220	Operator Systems			
4	2230	Central Office Transmission	11952837	11376328	5.07%
5	2310	Information/Termination Assets	24856	24856	0.00%
6	2410	Cable and Wire Facilities Assets	41898170	41280891	1.50%
7	2680	Amortizable Tangible Assets			
8	2690	Intangibles			
<b>9</b>		<b>Total Construction Expenditures</b>	<b>62719334</b>	<b>60836805</b>	<b>3.09%</b>

Montana Employee Counts

Year: 2008

Line No.	Category (a)	Beginning of Year (b)	End of Year (c)
1	Employees are provided through a Joint Use Agreement with Hill County		
2	Electric Cooperative, Inc. Areas where joint use employees are used follow:		
3			
4	Staff	25	27
5	Outside Plant	16	18
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43	<b>Totals (Sum of Lines 1 through 42)</b>	41	45

**Compensation of Top 10 Montana Based Employees**

Year: 2008

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	Central Montana Communications, Inc. has no employees. Employee services are provided through service agreements with Hill County Electric, Inc.						
2							
3							
4							
5							
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7							
8							
9							
10							
11	<b>Totals (Sum L.1 to L.10)</b>						

**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	Not Applicable						
2							
3							
4							
5							
6	<b>Totals (Sum L.1 to L.5)</b>						

## Montana Composite Statistics

Year: 2008

Line No.	Account No.	Description (a)	Amount (b)
1		<b>Plant (Intrastate Only) (000 Omitted)</b>	
2	2001	Plant in Service	62719
3	2003 - 2004	Construction Work in Progress	8998
4	2005	Plant Acquisition Adjustments	12944
5	2002	Plant Held for Future Use	
6	1220	Materials & Supplies	
7		(Less):	
8	3100 - 3400	Depreciation & Amortization Reserves	-42201
9	4360.2	Contributions in Aid of Construction	
10		<b>NET BOOK COSTS</b>	42460
11		<b>Revenues &amp; Expenses (Intrastate Only) (000 Omitted)</b>	
12	5000 - 5300	Operating Revenues	13288
13	6560	Depreciation & Amortization Expenses	4288
14		Federal & State Income Taxes	1064
15		Other Taxes	969
16		Other Operating Expenses	4086
17		TOTAL Operating Expenses	10407
18		Net Operating Income	2881
19		Other Income	438
20		Other Deductions	1780
21		<b>NET INCOME</b>	1539
22		<b>Access Lines in Service (Intrastate Only)</b>	
23		Residential Access Lines	5457
24		Business Access Lines	1924
25		PBX Access Lines	191
26		Other Access Lines	
27		<b>Total Number of Access Lines</b>	7572
28		<b>Average Number of Calls Per Access Line</b>	
29		Local Calls	152
30		Toll Calls (Intra- or Interstate)	234
31		<b>Total Number of Calls Per Access Line</b> (Total of Line 29 & Line 30 divided by Line 27)	386
32		<b>Other Statistics (Intrastate Only)</b>	
33		Average Residential Monthly Bill	63
34		Gross Plant Investment per Access Line	11181

**Depreciation - Montana Intrastate Regulated**

Year: 2008

Line No.	Acct No. (a)	Description (b)	Composite Rate % (c)	Total Expense \$ (d)
1	2112	Motor Vehicles	9.7%	144,716
2	2114	Special Purpose Vehicles	7.0%	27,018
3	2115	Garage Work Equipment	8.4%	
4	2116	Other work Equipment	2.8%	2,626
5	2121	Buildings	3.8%	72,744
6	2122	Furniture	5.5%	
7	2123.1	Office Support Equipment	13.4%	
8	2123.2	Company Communications Equipment	5.3%	
9	2124	General Purpose Computers	6.5%	
10	2211	Analog Electronic Switching Equipment	9.3%	72,723
11	2212	Digital Electronic Switching Equipment	7.0%	249,388
12	2215	Step By Step Switching Equipment	9.5%	
13	2215	Crossbar Switching Equipment	11.6%	
14	2220	Operator System	12.5%	
15	2231	Radio Systems	7.5%	
16	2232	Circuit DDS	10.7%	1,176,119
17	2232	Circuit Digital	9.6%	
18	2232	Circuit Analog	10.7%	
19	2351	Public Telephone Terminating Equipment	3.0%	
20	2362	Other Terminal Equipment	16.0%	
21	2411	Poles	4.7%	15,090
22	2421	Aerial Cable Metallic	5.4%	95,294
23	2421	Aerial Cable Nonmetallic	4.2%	3,432
24	2422	Underground Cable Metallic	4.4%	3,414
25	2422	Underground Cable Nonmetallic	4.8%	35,731
26	2423	Buried Cable Metallic	3.9%	998,843
27	2423	Buried Cable Nonmetallic	4.2%	514,081
28	2424	Submarine Cable Metallic	2.3%	
29	2424	Submarine Cable Nonmetallic	3.3%	
30	2426	Intrabuilding Network Cable Metallic	5.5%	
31	2426	Intrabuilding Network Cable Nonmetallic	11.3%	
32	2431	Aerial Wire	13.4%	
33	2441	Conduit Systems	2.1%	72
34				
35		<b>COMPOSITE TOTAL</b>		
36	<p>Please list the Montana Public Service Commission Docket Order No. approving these depreciation rates</p> <p>Docket Number _____ Order Number _____</p>			
37				
38				
39				
40				

**Amortization - Montana Intrastate Regulated**

Year: 2008

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

**Montana Regulatory Capital Structure & Costs**

Year: 2008

Line No.	Description (a)	% Cap. Str. (b)	% Cost Rate (c)	Weighted Cost (d)
	<b>Commission Accepted - Most Recent</b>	Not Applicable		
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			
13	Preferred Stock			
14	Long Term Debt			
15	Other			
16	<b>Total</b>			

**Network Access - Charges and Revenues**

Year: 2008

Line No.	Description (a)	Access Charges Paid (b)	Access Revenues Received (c)
1	Montana - Total State		9255673
2			
3	Montana - Intrastate		1576390
4			
5	Montana - Intrastate Regulated		1067140
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**Affiliate Transactions - Products & Services Provided to Utility**

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	Triangle Telephone Cooperative, Inc.	Office Rent	Floor space	133,320		
2	Triangle Telephone Cooperative, Inc.	Equipment Rent	Average hourly operating exp.	11,200		
4	Triangle Telephone Cooperative, Inc.	Expense Reimbursements	Actual amounts charged	2,259,874		
5	Triangle Telephone Cooperative, Inc.	Long Distance Service	Actual amounts billed	603,227		
6	Triangle Telephone Cooperative, Inc.	Construction Material	Actual cost	163,808		
6	Triangle Telephone Cooperative, Inc.	Expense Allocations	Actual cost	45,218		
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30	<b>TOTAL</b>			\$3,216,647		

**Affiliate Transactions - Products & Services Provided by Utility**

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	Triangle Telephone Cooperative, Inc.	Equipment Rent	Average hourly operating exp	8,802		
2	Triangle Telephone Cooperative, Inc.	Billing and Collection	Actual Cost	118,932		
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30	<b>TOTAL</b>			\$127,734		

**Montana Intrastate Regulated Earned Rate of Return**

Year: 2008

Line No.	Description Rate Base (a)	This Year (b)	Last Year (c)	Percent Change (d)
1				
2	2001 Plant in Service	62,719,333	60,836,804	3.09%
3	2002 Prop. Held for Future Telecommunications Use			
4	3100-3200 (Less) Accumulated Depreciation	(29,566,869)	(27,382,765)	-7.98%
5	<b>Plant in Service</b>	33,152,464	33,454,039	-0.90%
6				
7	<b>Additions</b>			
8	1220 Materials & Supplies			
9	1280 Prepayments			
10	Other Additions			
11	<b>TOTAL Additions</b>			
12				
13	<b>Deductions</b>			
14	4100 Current Deferred Operating Income Taxes			
15	4320 Unamortized Operating Investment Tax Credits			
16	4340 Noncurrent Deferred Operating Income Taxes			
17	Customer Advances for Construction			
18	Other Deductions			
19	<b>TOTAL Deductions</b>			
20	<b>TOTAL Rate Base</b>	33,152,464	33,454,039	-0.90%
21				
22	<b>Net Earnings</b>			
23				
24	<b>Rate of Return on Average Rate Base</b>	4.621%	6.390%	-27.68%
25				
26	<b>Rate of Return on Average Equity</b>	6.599%	8.890%	-25.77%
27				
28	Major Normalizing Adjustments & Commission			
29	<u>Ratemaking adjustments to Utility Operations</u>			
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42				
43	<b>Adjusted Rate of Return on Average Rate Base</b>	4.621%	6.390%	-27.68%
44				
45	<b>Adjusted Rate of Return on Average Equity</b>	6.599%	8.890%	-25.77%

**Other Taxes Paid**

Year: 2008

Line No.	Description (a)	Last Year (b)	This Year (c)
1	Montana Telephone Company License Tax		
2	Montana Public Service Commission Tax	12108	14622
3	Montana Consumer Counsel Tax	3990	6144
4	911 Emergency Telephone Fee		
5	Montana Telecommunications Access Service (TDD)		
6	Montana Corporate License Tax	168410	174171
7	Personal Property Tax		
8	Real Property Tax	827961	948573
9			
10			
11			
12	<b>Total</b>	1012469	1143510

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**Universal Service Funds Received**

Year: 2008

Line No.	Description (a)	Last Year (b)	This Year (c)
13	Funds received from Montana Sources		
14	Funds received from Federal Sources	2472967	2580547
15			
16			
17			
18			
19			
20			
21			
22			
23			
24	<b>Total</b>	2472967	2580547