

## General Information

Year: 2009

1	Legal Name of Respondent:	CenturyTel of Montana, Inc.
2	Name Under Which Respondent Does Business:	CenturyTel of Montana, Inc.
3	Date of Incorporation:	October 23, 1946
4	Address to send Correspondence Concerning Report:	P. O. Box 4065 Monroe, La. 71211-4065
5	Person Responsible for This Report:	Kenneth Buchan C.T. Mgr. Regulatory Finance
5a.	Telephone Number:	(318) 362-1538
<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: Pacific Corp. Holding, Inc. owned 100% of the voting securities of Pacific Telecom, Inc. until 12/1/97 when these securities were sold to CenturyTel, Inc. (DBA CenturyLink) P. O. Box 4065, Monroe, La. 71211-4065.	
1b.	Means by which control was held: Ownership of voting securities.	
1c.	Percent Ownership: 99%.	

	Board of Directors		
Line No.	Name of Director and Address (City, State) (a)		Fees Paid During Year (b)
1	Stacey W. Goff	Executive V.P, General Counsel, & Assistant Secretary	None
2	R. Stewart Ewing, Jr.	Executive V.P. and CFO	None
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18	Chairman of the Board:	Glen F. Post, III	
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## Officers

Year: 2009

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	C.E.O. & President	Company Wide	Glen F. Post, III
2	Chief Operating Officer	"	Karen A. Puckett
3	Executive Vice President	"	R. Stewart Ewing, Jr.
4	Senior Vice President	"	David D. Cole
5	Executive V.P., General Counsel,	"	Stacey W. Goff
6	& Assistant Secretary	"	
7	Vice President & Controller	"	Neil A. Sweasy
8	Senior V.P. & Treasurer	"	G. Clay Bailey
9	Vice President	"	Duane Ring
10	Vice President	"	Tim Walden
11	Vice President	"	Jeff Glover
12	Vice President	"	Don McCunniff
13	Secretary	"	Kay Buchart
14	General Manager	CenturyTel of Montana, Inc.	Jeremy Ferkin
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18			All officers are based in Monroe, La.,
19			except Duane Ring who is based in
20			LaCrosse, Wisconsin and Jeremy Ferkin
21			who is based in Kalispell, Montana.
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## Total Company Balance Sheet

Year: 2009

Line No.	Acct. No. (a)	Description (b).....	This Year (c)	Last Year (d)
1		<b>CURRENT ASSETS:</b>		
2	1120	Cash and Equivalents	4,019,348	4,774,336
3	1180	Telecommunications Accounts Receivable - Net	3,240,817	4,078,438
4	1190	Other Accounts Receivable - Net	1,873,443	1,505,324
5	1200	Notes Receivable - Net		
6	1210	Interest and Dividends Receivable		
7	1220	Materials and Supplies	14,230	14,244
8	* 1280	Prepayments	177,219	193,970
9	^ 1290	Prepaid Rents		
10	^ 1300	Prepaid Taxes		
11	^ 1310	Prepaid Insurance		
12	^ 1320	Prepaid Directory Expenses		
13	^ 1330	Other Prepayments	177,219	193,970
14	1350	Other Current Assets		
15		<b>Total Current Assets</b>	<b>9,325,057</b>	<b>10,566,312</b>
16		<b>NONCURRENT ASSETS:</b>		
17	1401	Investments in Affiliated Companies		
18	1402	Investments in Nonaffiliated Companies		
19	1406	Nonregulated Investments	939,744	822,036
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	2,544	37,046
25	1500	Other Jurisdictional Assets - Net		
26		<b>Total Noncurrent Assets</b>	<b>942,288</b>	<b>859,082</b>
27		<b>PROPERTY, PLANT, &amp; EQUIPMENT:</b>		
28	2001	Telecommunications Plant in Service	169,367,587	165,448,874
29	2002	Property Held for Future Telecommunications Use		
30	2003	Plant Under Construction - Short Term	532,958	1,879,101
31	2004	Plant Under Construction - Long Term		
32	2005	Telecommunications Plant Adjustment		
33	2006	Nonoperating Plant	2,582	2,582
34	2007	Goodwill		
35	3100	Accumulated Depreciation	(116,614,329)	(110,607,709)
36	3200	Accumulated Depreciation - Held for Future Use		
37	3300	Accumulated Depreciation - Nonoperating		
38	3400	Accumulated Amortization		
39		<b>Net Property, Plant, &amp; Equipment</b>	<b>53,288,798</b>	<b>56,722,848</b>
40		<b>TOTAL ASSETS</b>	<b>63,556,143</b>	<b>68,148,242</b>

^ Subaccount of account marked with a \*.

## Total Company Balance Sheet

Year: 2009

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
41		<b>CURRENT LIABILITIES:</b>		
42	4010	Accounts Payable	721,158	454,213
43	4020	Notes Payable		
44	4030	Advance Billing and Payments	763,476	809,135
45	4040	Customer Deposits	38,672	45,090
46	4050	Current Maturities - Long Term Debt		
47	4060	Current Maturities - Capital Leases		
48	4070	Income Taxes - Accrued		
49	4080	Other Taxes - Accrued	2,297,464	2,375,958
50	4100	Net Current Deferred Operating Income Taxes		
51	4110	Net Current Deferred Nonoperating Income Taxes		
52	4120	Other Accrued Liabilities	426,002	590,563
53	4130	Other Current Liabilities		
54		<b>Total Current Liabilities</b>	<b>4,246,772</b>	<b>4,274,959</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		
63		<b>Total Long-Term Debt</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	9,144,976	9,332,173
69	4350	Net Noncurrent Deferred Nonoper. Income Taxes		
70	4360	Other Deferred Credits	4,955,053	5,808,028
71	4370	Other Jurisdictional Liab. and Def. Credits		
72		<b>Total Other Liabilities and Deferred Credits</b>	<b>14,100,029</b>	<b>15,140,201</b>
73		<b>STOCKHOLDERS' EQUITY:</b>		
74	4510	Capital Stock	6,680,000	6,680,000
75	4520	Additional Paid-In Capital	141,016	141,016
76	4530	Treasury Stock	(130,500)	(130,500)
77	4540	Other Capital		
78	4550	Retained Earnings	38,518,826	42,042,566
79		<b>Total Stockholders' Equity</b>	<b>45,209,342</b>	<b>48,733,082</b>
80		<b>TOTAL LIAB. AND STOCKHOLDERS' EQUITY</b>	<b>63,556,143</b>	<b>68,148,242</b>

## Total Company Income Statement

Year: 2009

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>REVENUES:</b>		
2	5000	Basic Local Service Revenues	17,060,484	18,373,821
3	5080	Network Access Revenues (1)	20,289,414	19,703,650
4	* 5100	Long Distance Message Revenue	172,591	197,872
5	^ 5110	Unidirectional Long Distance Revenue		
6	^ 5120	Long Distance Private Network Revenue	172,641	197,873
7	^ 5160	Other Long Distance Revenue (50)		(1)
8	^ 5169	Other Long Distance Revenue Settlements		
9	* 5200	Miscellaneous Revenue	7,590,429	7,336,519
10	^ 5230	Directory Revenue	3,898,847	4,201,728
11	^ 5240	Rent Revenue	145,529	156,297
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue (2)	2,786,388	2,182,906
14	^ 5270	Carrier Billing and Collection Revenue	759,665	795,588
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	165,836	349,128
17		<b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>	44,947,082	45,262,734
18		<b>OPERATING EXPENSES:</b>		
19	6110	Network Support Expense	61,299	70,672
20	6120	General Support Expense	775,486	734,785
21	6210	Central Office Switching Expense	1,761,270	1,703,886
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	824,070	868,846
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense	4,691,579	4,731,747
26	^ 6431	Aerial Wire Expense		
27	^ 6441	Conduit Systems Expense		
28	6510	Other Property, Plant & Equipment Expense	50,737	(32,782)
29	6530	Network Operations Expense	1,945,695	1,976,717
30	6540	Access Expense	1,463,921	1,489,356
31	6560	Depreciation and Amortization Expense	7,883,315	8,022,734
32	6610	Marketing	1,563,257	1,565,303
33	6620	Services	3,138,307	3,004,465
34	6710	Executive and Planning	901,710	769,113
35	6720	General and Administrative	3,330,600	2,938,601
36	6790	Provision for Uncollectible Notes Receivable		
37		<b>Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)</b>	28,391,246	27,843,443
38	7100	Other Operating Income and Expense	450	489
39	7200	Operating Taxes	7,812,356	8,435,393
40		<b>Net Operating Income (L.17-L.37+L.38-L.39)</b>	8,743,930	8,984,387
41	7300	Nonoperating Income and Expense	(18,281)	506,534
42	7400	Nonoperating Taxes		
43	7500	Interest and Related Items	2,828	3,321
44	7600	Extraordinary Items		
45	7910	Effects of Juris. Ratemaking Diff. - Net		
46	7990	Nonregulated Net Income	(457,289)	(786,473)
47		<b>NET INCOME (L.40+L.41-L.42-L.43-L.44+L.45-L.46)</b>	9,180,110	10,274,073

^ Subaccount of the account marked with a \*.

(1) Includes Interstate Prior Period Adjustments of (\$19,601) in 2008 and \$(226,198) in 2009.

Includes Intrastate Prior Period Adjustments of (\$5,305) in 2008 and \$(8,291) in 2009.

(2) Includes Miscellaneous Prior Period Adjustments of \$127,304 in 2008 and \$0 in 2009.

## Montana Total State Income Statement

Year: 2009

Line No.	Acct. No. (a)	N/A - SEE SCHEDULE 4 Description (b)	This Year (c)	Last Year (d)
1		<b>REVENUES:</b>		
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: 2009

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>REVENUES:</b>		
2	5000	Basic Local Service Revenues	17,060,484	18,373,821
3	5080	Network Access Revenues	3,528,266	3,883,733
4	* 5100	Long Distance Message Revenue	172,637	197,872
5	^ 5110	Unidirectional Long Distance Revenue		
6	^ 5120	Long Distance Private Network Revenue	172,641	197,873
7	^ 5160	Other Long Distance Revenue	(4)	(1)
8	^ 5169	Other Long Distance Revenue Settlements		
9	* 5200	Miscellaneous Revenue	6,887,240	6,613,202
10	^ 5230	Directory Revenue	3,898,847	4,201,728
11	^ 5240	Rent Revenue	96,773	106,014
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	2,724,399	2,117,470
14	^ 5270	Carrier Billing and Collection Revenue	167,221	187,990
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	152,979	349,128
17		<b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>	<b>27,495,648</b>	<b>28,719,500</b>
18		<b>OPERATING EXPENSES: (1)</b>		
19	6110	Network Support Expense	41,921	48,352
20	6120	General Support Expense	530,343	502,721
21	6210	Central Office Switching Expense	1,073,386	1,029,937
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	516,539	545,016
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense	3,402,920	3,438,403
26	^ 6431	Aerial Wire Expense		
27	^ 6441	Conduit Systems Expense		
28	6510	Other Property, Plant & Equipment Expense	34,698	(22,429)
29	6530	Network Operations Expense	1,327,110	1,348,895
30	6540	Access Expense	482,648	505,304
31	6560	Depreciation and Amortization Expense	4,863,434	4,957,773
32	6610	Marketing	1,191,982	1,193,541
33	6620	Services	2,462,028	2,408,358
34	6710	Executive and Planning	648,155	557,140
35	6720	General and Administrative	2,356,551	2,095,948
36	6790	Provision for Uncollectible Notes Receivable		
37		<b>Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)</b>	<b>18,931,715</b>	<b>18,608,959</b>
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	5,266,769	5,673,505
40		<b>Net Operating Income (L.17-L.37+L.38-L.39)</b>	<b>3,297,164</b>	<b>4,437,036</b>

^ Subaccount of the account marked with a \*.

Intrastate expenses include a portion of LNP expense. In any future ratemaking process, the LNP expenses will be removed to determine expenses solely on an intrastate basis. LNP investment and expenses are being recovered through a charge to the enduser as approved by the FCC.

## Montana Intrastate Regulated Income Statement

Year: 2009

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>REVENUES:</b>		
2	5000	Basic Local Service Revenues	16,435,691	17,688,447
3	5080	Network Access Revenues	2,828,648	3,526,738
4	* 5100	Long Distance Message Revenue		178,972
5	^ 5110	Unidirectional Long Distance Revenue		
6	^ 5120	Long Distance Private Network Revenue	153,741	178,973
7	^ 5160	Other Long Distance Revenue	(50)	(1)
8	^ 5169	Other Long Distance Revenue Settlements		
9	* 5200	Miscellaneous Revenue		168,744
10	^ 5230	Directory Revenue	69,738	72,445
11	^ 5240	Rent Revenue		
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	36,859	96,299
14	^ 5270	Carrier Billing and Collection Revenue		
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	171,184	305,186
17		<b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>	19,093,155	21,257,715
18		<b>OPERATING EXPENSES:</b>		
19	6110	Network Support Expense	40,945	47,205
20	6120	General Support Expense	517,996	490,798
21	6210	Central Office Switching Expense	1,044,111	1,000,698
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	502,452	529,545
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense	3,332,219	3,367,206
26	^ 6431	Aerial Wire Expense		
27	^ 6441	Conduit Systems Expense		
28	6510	Other Property, Plant & Equipment Expense	33,892	(21,897)
29	6530	Network Operations Expense	1,296,213	1,316,902
30	6540	Access Expense	482,648	505,304
31	6560	Depreciation and Amortization Expense	4,707,882	4,794,516
32	6610	Marketing	1,149,752	1,151,256
33	6620	Services	2,263,927	2,194,603
34	6710	Executive and Planning	605,594	521,651
35	6720	General and Administrative	2,157,188	1,912,333
36	6790	Provision for Uncollectible Notes Receivable		
37		<b>Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)</b>	18,134,819	17,810,120
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	5,128,141	5,519,435
40		<b>Net Operating Income (L.17-L.37+L.38-L.39)</b>	(4,169,805)	(2,071,840)

^ Subaccount of the account marked with a \*.



**Average Rate Base - Total State**

Year: 2009

Line No.	Acct. No. (a)	Description (b).....	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	163,949,850	160,565,576
2	3100	Accumulated Depreciation	112,233,068	106,488,932
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies	14,237	14,963
6	4340	Noncurrent Deferred Operating Income Taxes	9,238,574	9,383,446
7		Pre-1971 Unamortized Investment Tax Credits		
8		Cash Working Capital (if allowed by Commission)	840,079	811,296
9		<b>Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)</b>	<b>43,332,524</b>	<b>45,519,457</b>

**Average Rate Base - Intrastate**

Line No.	Acct. No. (a)	Description (b).....	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	112,122,843	109,854,792
2	3100	Accumulated Depreciation	76,999,059	73,373,131
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies	10,326	10,873
6	4340	Noncurrent Deferred Operating Income Taxes	6,318,118	6,419,916
7		Pre-1971 Unamortized Investment Tax Credits		
8		Cash Working Capital (if allowed by Commission)	578,149	561,008
9		<b>Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)</b>	<b>29,394,141</b>	<b>30,633,626</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	109,512,434	107,249,295
2	3100	Accumulated Depreciation	75,360,505	71,825,390
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies	10,111	10,648
6	4340	Noncurrent Deferred Operating Income Taxes	6,171,024	6,267,647
7		Pre-1971 Unamortized Investment Tax Credits		
8		Cash Working Capital (if allowed by Commission)	551,792	534,888
9		<b>Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)</b>	<b>28,542,808</b>	<b>29,701,794</b>

**Notes to Schedule 8**

(A) Revenues and expenses were allocated using FCC Part 36 separation rules. Allocation factors are based on 2000 traffic measurements per Separations Freeze Order (i.e. allocations for 2008 are based on the 2000 traffic measurement) which are the most current factors available.

(B) Authorized by Montana Public Commission, Docket 6522, Order Number 4409.

Note: Rate Base Components are calculated using an average of beginning and end of year balances.

## Statement of Cash Flows

Year: 2009

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		9,180,110
4	Reconciliation Adjustments:		
5	Depreciation & Amortization	7,883,315	
6	Provision for Accounts Receivable Losses		
7	Deferred Income Taxes - Net	246,533	
8	Unamortized Investment Tax Credits (ITCs) - Net		
9	Allowance for Funds Used During Construction (AFUDC)		
10	Change in Operating Receivables - Net	469,502	
11	Change in Materials, Supplies & Inventories - Net	14	
12	Change in Operating Payables & Accrued Liabilities - Net	266,945	
13	Change in Other Assets & Deferred Credits - Net	16,751	
14	Change in Other Liabilities & Deferred Credits - Net	(295,132)	
15	Other (explained on back of this page)	(1,286,705)	
16	Total Adjustments		7,301,223
17	<b>Net Cash Provided by/(Used in) Operating Activities</b>		16,481,333
18	<b>Cash Inflows/Outflows From Investing Activities:</b>		
19	Construction/Acquisition of Property, Plant & Equipment (net of	(4,449,265)	
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)	(83,206)	
25	<b>Net Cash Provided by/(Used in) Investing Activities</b>		(4,532,471)
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	(12,703,850)	
36	Other Financing Activities (explained on back of this page)		
37	<b>Net Cash Provided by Financing Activities</b>		(12,703,850)
38	<b>Effect of Exchange Rate Changes on Cash</b>		
39	<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>		(754,988)
40	<b>Cash &amp; Cash Equivalents at Beginning of Period</b>		4,774,336
41	<b>Cash &amp; Cash Equivalents at End of Period</b>		4,019,348

Company Name: CenturyTel of Montana, Inc.

SCHEDULE 10

Receivables and Investments-Affiliated & Nonaffiliated Companies

Year: 2009

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	AT&T				66,113						
2	NECA				219,655						
3	All Other Connecting Companies				1,371,703						
4											
5											
6											
7											
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24											
25											
26											
27											
28											
29	Aggregate of all balances		3,394,675	(173,893)	236,007						
30	Totals		3,394,675	(173,893)	1,893,478						

## Net Plant in Service - Detail

Year: 2009

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	7,923,285	343,822	622,429	(28,110)	7,616,568	5,392,811	2,223,757
2	^ 2111	Land	467,745				467,745		467,745
3	^ 2112	Motor Vehicles	1,796,695	129,950	164,901		1,761,744	1,637,057	124,687
4	^ 2113	Aircraft							
5	^ 2114	Special Purpose Vehicles							
6	^ 2115	Garage Work Equipment							
7	^ 2116	Other Work Equipment	772,853	100,657	191,103	(35,458)	646,949	484,090	162,859
8	^ 2121	Buildings	3,815,085	51,414		11,751	3,878,250	2,619,065	1,259,185
9	^ 2122	Furniture	30,681		19,732		10,949	3,697	7,252
10	^ 2123	Office Equipment	221,756		42,428		179,328	179,328	
11	^ 2124	General Purpose Computers	818,470	61,801	204,265	(4,403)	671,603	469,574	202,029
12	2211	Analog Electronic Switching							
13	2212	Digital Electronic Switching	31,956,363	289,314	56,608		32,189,069	28,396,513	3,792,556
14	2215	Electro-Mechanical Switching							
15	2220	Operator Systems							
16	2231	Radio Systems	6,258				6,258	(34,103)	40,361
17	2232	Circuit Equipment	36,401,693	2,958,415	1,015,856		38,344,252	28,662,204	9,682,048
18	* 2310	Information Orig & Term Equip							
19	^ 2311	Station Apparatus							
20	^ 2321	Customer Premises Wiring							
21	^ 2341	Large Private Branch Exchanges							
22	^ 2351	Public Telephone Term. Equip.							
23	^ 2362	Other Terminal Equipment							
24	2411	Poles	1,402,318	26,779	6,889	(4,211)	1,417,997	1,379,357	38,640
25	* 2420	Cable and Wire Facilities	85,974,680	2,144,042	112,363	(7,750)	87,998,609	51,798,736	36,199,873
26	^ 2421	Aerial Cable	10,758,301	77,705	32,016	3,046	10,807,036	10,530,761	276,275
27	^ 2422	Underground Cable	1,728,317	1,831		(3,717)	1,726,431	921,119	805,312
28	^ 2423	Buried Cable	73,436,676	2,049,601	80,347	(7,003)	75,398,927	40,308,312	35,090,615
29	^ 2424	Submarine Cable	5,831				5,831	4,039	1,792
30	^ 2425	Deep Sea Cable							
31	^ 2426	Intrabuilding Network Cable	45,555	14,905		(76)	60,384	34,505	25,879
32	2431	Aerial Wire	404,698				404,698	404,490	208
33	2441	Conduit Systems	1,379,579	10,959		(402)	1,390,136	614,321	775,815
34		<b>Totals</b>	<b>165,448,874</b>	<b>5,773,331</b>	<b>1,814,145</b>	<b>(40,473)</b>	<b>169,367,587</b>	<b>116,614,329</b>	<b>52,753,258</b>

^ Subaccount of the account marked with a \*.

## Analysis of Plant Held for Future Use

Year:2009

Line No...	Location and Description of Property (a)	Date Included in Account 2002 (b)	Book Cost of Property at Beginning of Year (c)	Additions During the Year (d)	Retirements During the Year (e)	Transfers and Adjustments Charges and (Credits) (f)	Book Cost of Property at End of Year (g)
1	N/A						
2							
3							
4							
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26							
27							
28							
29							
30	Totals .....	(Sum L.1 to L.29)					

## Average Cost of Long Term Debt

Year: 2009

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	N/A											
2												
3												
4												
5												
6												
7												
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26												
27												
28												
29												
30	Total											

Year: 2009

## Cost of Preferred Stock

Line No.	Description (a)	Date of Issuance (b)	Method of Offering (c)	Call Redemption Price (d)	Par Value Of Issue (e)	Gross Proceeds Amounts (f)	Net Proceeds Amounts (g)	Net Proceeds Per \$100 (h)	Cost of Money (i)	Principal Outstanding (j)	Annual Cost (k)	Embedded Cost (l)
1	Preferred Stock 5% cumulative	12/50	Private	None	\$100	(A)	(A)	(A)	(A)	50,000	1,125	0
2	authorized & outstanding, 500											
3	shares of \$100 par value.											
4	(includes 390 held in treasury)											
5												
6	Serial Preferred 10% cumulative	12/71	Private	None	\$100	(A)	(A)	(A)	(A)	180,000	6,000	0
7	authorized 100,000 shares of											
8	\$100 par value; 1,800 shares											
9	issued.											
10	(includes 1200 held in treasury)											
11												
12												
13												
14												
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21												
22												
23												
24												
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27												
28												
29												
30	Totals (Sum L.1 to L.29)									230,000	7,125	

(A) No Preferred Stock transactions took place in the reporting year.



## Analysis of Common Stock

Year: 2009

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, 2009	96,000		95.63		(A)	(A)	(A)
2								
3								
4								
5								
6								
7								
8	Month by Month Data:							
9	January		667.48					
10	February		667.71					
11	March		669.74	21.74				
12	April		668.24					
13	May		668.20					
14	June		668.91	22.19				
15	July		669.17					
16	August		667.98					
17	September		670.36	24.39				
18	October		669.99					
19	November		670.05					
20	December		516.96	27.30				
21								
22								
23								

(A) Not Applicable, Common Stock not publicly traded.

## Capital Stock and Funded Debt Reacquired or Retired During the Year

Year: 2009

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	N/A						
2							
3							
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27							
28							
29							
30	Totals (Sum L.1 to L.29)						

Company Name: CenturyTel of Montana, Inc.

SCHEDULE 17

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Year: 2009

**Total Company Expense Matrix**

Line No.	Acct. No. (a)	Description (b)	Salaries and Wages (c)	Benefits (d)	Rents (e)	Other Expenses (f)	Clearances (g)	Total (h)
1	*	6110 Network Support Expense	15,129	7,179	347	38,644		61,299
2	^	6112 Motor Vehicle Expense						
3	^	6113 Aircraft Expense	15,129	7,179	347	38,644		61,299
4	^	6114 Special Purpose Vehicles Expense						
5	^	6115 Garage Work Equipment Expense						
6	^	6116 Other Work Equipment Expense						
7	*	6120 General Support Expense	136,760	52,948	138,382	447,396		775,486
8	^	6121 Land and Building Expense	8,407	1,575	57,283	195,159		262,424
9	^	6122 Furniture and Artworks Expense						
10	^	6123 Office Equipment Expense				29		29
11	^	6124 General Purpose Computers Expense	128,353	51,373	81,099	252,208		513,033
12	*	6210 Central Office Switching Expense	514,788	215,531	1,325	1,029,626		1,761,270
13	^	6211 Analog Electronic Expense						
14	^	6212 Digital Electronic Expense	514,788	215,531	1,325	1,029,626		1,761,270
15	^	6215 Electro-Mechanical Expense						
16		6220 Operator Systems Expense						
17	*	6230 Central Office Transmission Expense	413,044	169,193		241,833		824,070
18	^	6231 Radio Systems Expense				13		13
19	^	6232 Circuit Equipment Expense	413,044	169,193		241,820		824,057
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	1,937,657	801,990	1,088,509	863,423		4,691,579
26	^	6411 Poles Expense	6,170	2,455	238,301	2,235		249,161
27	^	6421 Aerial Cable Expense	359,771	151,660	123	146,671		658,225
28	^	6422 Underground Cable Expense				165		165
29	^	6423 Buried Cable Expense	1,571,716	647,875	850,085	714,352		3,784,028
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>3,017,378</b>	<b>1,246,841</b>	<b>1,228,563</b>	<b>2,620,922</b>		<b>8,113,704</b>

^ Subaccount of the account marked with a \*.

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## Total Company Expense Matrix

Line No.	Acct. No. (a)	Description (b)	Salaries and Wages (c)	Benefits (d)	Rents (e)	Other Expenses (f)	Clearances (g)	Total (h)
35	^ 6441	Conduit Systems Expense		12,793	2,380	5,622		50,737
36	6510	Other Property Expenses	29,942					1,945,695
37	* 6530	Network Operations Expense	892,801	382,265	10,294	660,335		212,771
38	^ 6531	Power Expense				212,771		382,303
39	^ 6532	Network Administration Expense	152,480	65,000	4,311	160,512		363,602
40	^ 6533	Testing Expense	203,057	88,958	1,070	70,517		328,872
41	^ 6534	Plant Operations Expense	190,725	80,513	945	56,689		658,147
42	^ 6535	Engineering Expense	346,539	147,794	3,968	159,846		1,463,921
43	6540	Access Expense				1,463,921		7,883,315
44	6561	Depreciation - Telecomm. Plant in Service				7,883,315		
45	6562	Depreciation-Prop. for Future Telecom. Use						
46	6563	Amortization Expense - Tangible						
47	6564	Amortization Expense - Intangible						
48	6565	Amortization - Other						
49	* 6610	Marketing	642,189	280,544	7,378	633,146		1,563,257
50	^ 6611	Product Management	123,790	61,763	3,352	73,356		262,261
51	^ 6612	Sales	518,399	218,781	4,026	344,083		1,085,289
52	^ 6613	Product Advertising				215,707		215,707
53	6621	Call Completion Services				3,262		3,262
54	6622	Number Services				275,698		275,698
55	6623	Customer Services	1,216,189	567,302	13,253	1,062,603		2,859,347
56	6711	Executive	157,759	562,742	476	180,733		901,710
57	6712	Planning						
58	6721	Accounting and Finance	235,944	116,174	1,431	257,800		611,349
59	6722	External Relations	104,752	48,028	4,699	85,636		243,115
60	6723	Human Relations	142,016	64,026	6,550	91,285		303,877
61	6724	Information Management	454,112	207,596	23,743	901,278		1,586,729
62	6725	Legal	48,271	34,056	3,200	235,051		320,578
63	6726	Procurement	10,814	4,546	994	5,477		21,831
64	6727	Research and Development						
65	6728	Other General and Administrative	4,408	24,805	37	213,871		243,121
66	6790	Provision for Uncollectible Notes Receivable						
67		Totals	6,956,575	3,551,718	1,302,998	16,579,955		28,391,246

^ Subaccount of the account marked with a \*

Company Name: CenturyTel of Montana, Inc.

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Year: 2009

Total State Expense Matrix

Line No.	Acct. No. (a)	Description (b)	Salaries and Wages (c)	Benefits (d)	Rents (e)	Other Expenses (f)	Clearances (g)	Total (h)
1	*	6110 Network Support Expense	NOT APPLICABLE					
2	^	6112 Motor Vehicle Expense						
3	^	6113 Aircraft Expense						
4	^	6114 Special Purpose Vehicles Expense						
5	^	6115 Garage Work Equipment Expense						
6	^	6116 Other Work Equipment Expense						
7	*	6120 General Support Expense						
8	^	6121 Land and Building Expense						
9	^	6122 Furniture and Artworks Expense						
10	^	6123 Office Equipment Expense						
11	^	6124 General Purpose Computers Expense						
12	*	6210 Central Office Switching Expense						
13	^	6211 Analog Electronic Expense						
14	^	6212 Digital Electronic Expense						
15	^	6215 Electro-Mechanical Expense						
16		6220 Operator Systems Expense						
17	*	6230 Central Office Transmission Expense						
18	^	6231 Radio Systems Expense						
19	^	6232 Circuit Equipment Expense						
20	*	6310 Information Origination/Termination Expense						
21	^	6311 Station Apparatus Expense						
22	^	6341 Large Private Branch Exchange Expense						
23	^	6351 Public Telephone Terminal Equipment Exp.						
24	^	6362 Other Terminal Equipment Expense						
25	*	6410 Cable and Wire Facilities Expense						
26	^	6411 Poles Expense						
27	^	6421 Aerial Cable Expense						
28	^	6422 Underground Cable Expense						
29	^	6423 Buried Cable Expense						
30	^	6424 Submarine Cable Expense						
31	^	6425 Deep Sea Cable Expense						
32	^	6426 Intrabuilding Network Cable Expense						
33	^	6431 Aerial Wire Expense						
34		Subtotals	#VALUE!					#VALUE!

^ Subaccount of the account marked with a \*

## Total State Expense Matrix

Line No.	Acct. No. (a)	Description (b)	Salaries and Wages (c)	Benefits (d)	Rents (e)	Other Expenses (f)	Clearances (g)	Total (h)
35	^	6441 Conduit Systems Expense						
36		6510 Other Property Expenses						
37	*	6530 Network Operations Expense						
38	^	6531 Power Expense						
39	^	6532 Network Administration Expense						
40	^	6533 Testing Expense						
41	^	6534 Plant Operations Expense						
42	^	6535 Engineering Expense						
43		6540 Access Expense						
44		6561 Depreciation - Telecomm. Plant in Service						
45		6562 Depreciation-Prop. for Future Telecom. Use						
46		6563 Amortization Expense - Tangible						
47		6564 Amortization Expense - Intangible						
48		6565 Amortization - Other						
49	*	6610 Marketing						
50	^	6611 Product Management						
51	^	6612 Sales						
52	^	6613 Product Advertising						
53		6621 Call Completion Services						
54		6622 Number Services						
55		6623 Customer Services						
56		6711 Executive						
57		6712 Planning						
58		6721 Accounting and Finance						
59		6722 External Relations						
60		6723 Human Relations						
61		6724 Information Management						
62		6725 Legal						
63		6726 Procurement						
64		6727 Research and Development						
65		6728 Other General and Administrative						
66		6790 Provision for Uncollectible Notes Receivable						
67		Totals	#VALUE!					#VALUE!

^ Subaccount of the account marked with a \*.

## Pension Costs

Year: 2009

1	Plan Name			
2	Defined Benefit Plan? <u>          X          </u>	Defined Contribution Plan? <u>          </u>		
3	Actuarial Cost Method? <u>          </u>	IRS Code: <u>          </u>		
4	Annual Contribution by Employer: <u>          </u>	Is the Plan Over Funded? <u>          </u>		
5				
	Item	Current Year	Last Year	% Change
6	<b>Change in Benefit Obligation</b>	<b>See Note (A) Below</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	255,633	37,934	-85.16%
44	Pension Costs Capitalized	14,202	2,107	-85.16%
45	Accumulated Pension Asset (Liability) at Year End			
46	<b>Number of Company Employees:</b>			
47	Covered by the Plan	86	90	4.65%
48	Not Covered by the Plan			
49	Active	86	90	4.65%
50	Retired	91	85	-6.59%
51	Deferred Vested Terminated			

(A) This information is not available on an individual basis. Information regarding the pension plan is summarized in the attached copy of Footnote 11 of CenturyTel, Inc. 2008 Form 10-K.

Our incumbent noncontributory defined benefit pension plans provide pension benefits for substantially all legacy CenturyTel employees. The noncontributory defined benefit pension plan we acquired as part of our acquisition of Embarq provides pension benefits for substantially all legacy Embarq employees. Pension benefits for participants of these plans represented by a collective bargaining agreement are based on negotiated schedules. All other participants' pension benefits are based on each individual participants' years of service and compensation. Both CenturyTel and Embarq have previously sponsored, or continue to sponsor, supplemental executive retirement plans providing certain officers with supplemental retirement, death and disability benefits. Until such time as we can integrate Embarq's benefit plans with ours, we plan to continue to operate these plans independently. We use a December 31 measurement date for all our plans. The benefit plan obligations and plan assets associated with the legacy Embarq pension plan were remeasured as of the July 1, 2009 acquisition date.

In late February 2008, our Board of Directors approved certain actions related to CenturyTel's Supplemental Executive Retirement Plan, including (i) freezing benefit accruals effective February 29, 2008 and (ii) amending the plan in the second quarter of 2008 to permit participants to receive in 2009 a lump sum distribution of the present value of their accrued plan benefits based on their election. We also enhanced plan termination benefits by (i) crediting each active participant with three additional years of service and (ii) crediting each participant who was not in pay status under the plan with three additional years of age in connection with calculating the present value of any lump sum distribution. We recorded an aggregate curtailment loss of approximately \$8.2 million in 2008 related to the above-described items. In addition, principally due to the payment of the lump sum distributions in early 2009, we also recognized a settlement loss (which is included in selling, general and administrative expense) of approximately \$7.7 million in 2009.

Due to change of control provisions that were triggered upon the consummation of the Embarq acquisition on July 1, 2009, certain retirees who were receiving monthly annuity payments under a CenturyTel supplemental executive retirement plan were paid a lump sum distribution calculated in accordance with the provisions of the plan. A settlement expense of approximately \$8.9 million was recognized in the third quarter of 2009 as a result of these actions.

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The legacy Embarq pension plan contains a provision that grants early retirement benefits for certain participants affected by workforce reductions. During 2009, we recognized approximately \$14.7 million of additional pension expense related to these contractual benefits.

The following is a reconciliation of the beginning and ending balances for the aggregate benefit obligation and the plan assets for our above-referenced defined benefit plans.

December 31,	2009	2008	2007
	(Dollars in thousands)		
Change in benefit obligation			
Benefit obligation at beginning of year	\$ 462,701	469,437	474,302
Service cost	36,223	13,761	16,431
Interest cost	134,898	29,373	28,180
Plan amendments	16,016	2,393	61
Acquisitions	3,467,260	-	15,266
Actuarial (gain) loss	231,663	(24,819)	(16,153)
Contractual retirement benefits	14,676	-	-
Curtailment	-	8,235	-
Settlements	8,294	(1,945)	(410)
Benefits paid	(190,149)	(33,734)	(48,240)
Benefit obligation at end of year	\$ 4,181,582	462,701	469,437
Change in plan assets			
Fair value of plan assets at beginning of year	\$ 352,830	459,198	452,293
Return (loss) on plan assets	473,878	(123,210)	41,537
Acquisitions	2,407,200	-	12,502
Employer contributions	175,946	52,521	1,516
Settlements	-	(1,945)	(410)
Benefits paid	(190,148)	(33,734)	(48,240)
Fair value of plan assets at end of year	\$ 3,219,706	352,830	459,198



The following table sets forth the combined plans' funded status and amounts recognized in our consolidated balance sheet at December 31, 2009, 2008 and 2007.

December 31,	2009	2008	2007
	(Dollars in thousands)		
Benefit obligation	\$ (4,181,582)	(462,701)	(469,437)
Fair value of plan assets	3,219,706	352,830	459,198
Net amount recognized	<u>\$ (961,876)</u>	<u>(109,871)</u>	<u>(10,239)</u>

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Net periodic pension expense for 2009 includes the effects of our July 1, 2009 acquisition of Embarq. Net periodic pension expense for 2009, 2008 and 2007 included the following components:

Year ended December 31,	2009	2008	2007
	(Dollars in thousands)		
Service cost	\$ 36,223	13,761	16,431
Interest cost	114,498	29,373	28,186
Expected return on plan assets	(127,511)	(16,567)	(16,786)
Curtailment loss	-	8,235	-
Settlements	17,834	410	410
Contractual retirement benefits	14,676	-	-
Recognized net losses	15,801	3,119	7,367
Net amortization and deferral	470	258	(131)
Net periodic pension expense	<u>\$ 92,289</u>	<u>18,489</u>	<u>15,477</u>

The unamortized prior service cost (\$16.1 million as of December 31, 2009) and unrecognized net actuarial loss (\$67.1 million as of December 31, 2009) components have been reflected as a \$83.2 million net reduction (\$51.2 million after-tax) to accumulated other comprehensive loss within stockholders' equity. The estimated amount of amortization expense of the above unrecognized amounts that will be amortized from accumulated other comprehensive loss and reflected as a component of net periodic pension cost for 2010 are (i) \$238,000 for the prior service cost and (ii) \$14.4 million for the net actuarial loss.

Amounts recognized on the balance sheet consist of:

December 31,	2009	2008
	(Dollars in thousands)	
Accrued expenses and other current liabilities	\$ (1,366)	(17,811)
Other deferred credits	(960,610)	(72,659)
Net amount recognized	<u>\$ (961,976)</u>	<u>(109,871)</u>

Our aggregate accumulated benefit obligation as of December 31, 2009 and 2008 was \$4.042 billion and \$418.8 million, respectively.

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Assumptions used in accounting for pension plans as of December 31, 2009 and 2008 were:

	2009	2008
Determination of benefit obligation		
Discount rate	5.5-6.0%	6.60-6.90
Weighted average rate of compensation increase	3.5-4.0%	4.0

Determination of benefit cost		
Discount rate	6.60-6.90%	6.30-6.50
Weighted average rate of compensation increase	4.0%	4.0
Expected return on plan assets	8.25-8.50%	8.25

Our discount rate is based on a hypothetical portfolio of bonds rated AA- or better that produces a cash flow matching the projected benefit payments of the plans. In determining the expected return on plan assets, we study historical markets and apply the widely-accepted capital market principle that assets with higher volatility and risk generate a greater return over the long term. We evaluate current market factors such as inflation and interest rates before determining long-term capital market assumptions. We also review peer data and historical returns to check for reasonableness.

We employ a total return investment approach whereby a mix of equities and fixed income investments are used to maximize the long-term return of plan assets for a prudent level of risk. Risk tolerance is established through careful consideration of plan liabilities, plan funded status and corporate financial condition. We measure and monitor investment risk on an ongoing basis through annual liability measurements, periodic asset studies and periodic portfolio reviews. The fair value of most of our pension plan assets is determined by reference to observable market data consisting of published market quotes.

Our pension plans weighted-average asset allocations at December 31, 2009 and 2008 by asset category are as follows:

	2009	2008
Equity securities	49.3%	64.3
Debt securities	28.8	32.7
Hedge funds	8.5	-
Real estate	5.0	-
Cash equivalents and other	8.4	3.0
Total	100.0%	100.0

As of December 31, 2009, we used the following valuation techniques to measure fair value for assets. There

Level 1 - Assets were valued using the closing price reported in the active market in which the individual security was traded.

Level 2 - Assets were valued using quoted prices in markets that are not active, broker dealer quotations, net asset value of shares held by the plans and other methods by which all significant input were observable at the measurement date.

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Level 3 - Assets were valued using valuation reports from the respective institutions at the measurement date.

The following table presents the hierarchy levels for our defined benefit pension plans' investments as of December 31, 2009:

	Level 1	Level 2	Level 3	Total
	(Dollars in thousands)			
Equity securities				
Common stocks, preferred stocks, equity funds and related securities	\$ 1,345,669	242,852	-	1,588,521
Debt securities				
U.S. corporate bonds and related securities	-	799,143	1,000	799,143
U.S. government bonds, municipal bonds and related securities	-	124,124	-	124,124
Hedge funds	-	113,340	159,886	273,226
Real estate	-	-	161,336	161,336
Cash and cash equivalents	21,210	-	-	21,210
Other	67,156	181,116	(1,136)	247,136
Total	\$ 1,434,035	1,464,580	321,091	3,219,706

The following sets forth a summary of changes in the fair value of our defined benefit pension plans' Level 3 assets for the year ended December 31, 2009:

	Real estate	Hedge funds	All other	Total
		(Dollars in thousand)		
Balance, beginning of year	\$ -	-	-	-
Level 3 assets acquired in the Embarq acquisition	182,819	146,335	(4,875)	324,279
Transfers to (from) Level 3	-	-	(3,458)	(3,458)
Realized gain (loss) in investments, net	21	-	70	91
Unrealized gain (loss) in investments, net	(24,223)	13,551	31	(10,641)
Purchases and sales, net	2,719	-	8,101	10,820
Balance, end of year	\$ 161,336	159,886	(131)	321,091

Our plans invest in various securities, some of which are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that those changes could materially affect the value of our pension plan assets.

Some of our plans' investment securities have contractual cash flows, such as asset backed securities, collateralized mortgage obligations, and commercial and government mortgage backed securities, including securities backed by sub-prime mortgage loans. The value, liquidity, and related income of these securities are sensitive to changes in economic conditions, including real estate values, delinquencies or defaults, or both, and may be adversely affected by shifts in the market's perception of the issuers and changes in interest rates.

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During the last half of 2009, we contributed \$115 million to the legacy Embarq pension plan. We expect to contribute approximately \$300 million to the legacy Embarq pension plan in March 2010.

Our estimated future projected benefit payments under our defined benefit pension plans are as follows: 2010 - \$256.2 million; 2011 - \$258.7 million; 2012 - \$264.0 million; 2013 - \$272.1 million; 2014 - \$279.3 million; and 2015-2019 - \$1.5 billion.

We also sponsor qualified profit sharing plans pursuant to Section 401(k) of the Internal Revenue Code (the "401(k) Plans") which are available to substantially all employees. Our matching contributions to the 401(k) Plans were \$13.8 million in 2009, \$10.5 million in 2008 and \$10.6 million in 2007.

## 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>	<b>See Note (A) Below</b>		
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	451,633	558,983	23.77%
<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			

(A) The actuary provides information on a total plan basis only. Information regarding the OPEB plan is included in the attached copy of Footnote 10 of the CenturyTel, Inc. 2008 Form 10-K.

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

	Item	Current Year	Last Year	% Change
1	<b>Number of Company Employees:</b>			
2	Covered by the Plan	86	90	4.65%
3	Not Covered by the Plan			
4	Active	86	90	4.65%
5	Retired	75	79	5.33%
6	Spouses/Dependants covered by the Plan	5	6	20.00%
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			

## (10) POSTRETIREMENT BENEFITS

Our incumbent postretirement health care plan provides postretirement benefits to qualified legacy CenturyTel retirees. The postretirement health care plan we acquired as part of our acquisition of Embarq provides postretirement benefits to qualified legacy Embarq retirees. The legacy Embarq plan allows eligible employees retiring before certain dates to receive benefits at no or reduced cost. Employees retiring after certain dates are eligible for benefits on a shared cost basis. These plans are generally funded by us and we expect to continue funding these postretirement obligations as benefits are paid. Until such time as we can integrate Embarq's postretirement benefit plan with ours, we plan to continue to operate those plans independently. Our plans use a December 31 measurement date. The benefit plan obligations and plan assets associated with the legacy Embarq plan were remeasured as of the July 1, 2009 acquisition date.

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

December 31,	2009	2008	2007
	(Dollars in thousands)		
<b>Change in benefit obligation</b>			
Benefit obligation at beginning of year	\$ 292,887	306,633	357,417
Service cost	8,764	4,926	6,923
Interest cost	26,693	19,395	20,133
Participant contributions	3,013	2,789	2,016
Plan amendments	-	(9,093)	(4,552)
Acquisitions	228,200	-	2,277
Direct subsidy receipts	626	1,092	1,299
Actuarial (gain) loss	58,455	(11,992)	(60,312)
Benefits paid	(36,293)	(20,863)	(18,568)
Benefit obligation at end of year	\$ 582,345	292,887	306,633
<b>Change in plan assets</b>			
Fair value of plan assets at beginning of year	\$ 16,805	28,324	30,080
Return (loss) on plan assets	6,405	(6,166)	1,916
Acquisitions	33,200	-	-
Employer contributions	34,182	12,721	12,880
Participant contributions	3,013	2,789	2,016
Benefits paid	(36,293)	(20,863)	(18,568)
Fair value of plan assets at end of year	\$ 57,312	16,805	28,324

The following table sets forth the amounts recognized as liabilities on the balance sheet for postretirement benefits at December 31, 2009, 2008 and 2007.

December 31,	2009	2008	2007
	(Dollars in thousands)		
<b>Benefit obligation</b>	\$ (582,345)	(292,887)	(306,633)
<b>Fair value of plan assets</b>	57,312	16,805	28,324
<b>Accrued benefit cost</b>	\$ (525,033)	(276,082)	(278,309)

Net periodic postretirement benefit cost for 2009 (which includes the effects of our July 1, 2009 acquisition of Embarq), 2008 and 2007 included the following components:

Year ended December 31,	2009	2008	2007
	(Dollars in thousands)		



Service cost	\$ 8,764	4,926	6,923
Interest cost	26,693	19,395	20,133
Expected return on plan assets	(2,386)	(2,337)	(2,482)
Amortization of unrecognized actuarial loss	-	-	3,595
Amortization of unrecognized prior service credit	(3,546)	(2,606)	(2,020)
Net periodic postretirement benefit cost	\$ 29,525	19,378	26,149

The unamortized prior service credit (\$14.3 million as of December 31, 2009) and unrecognized net actuarial loss (\$66.0 million as of December 31, 2009) components have been reflected as a \$32.0 million after-tax decrease to accumulated other comprehensive loss within stockholders' equity. The estimated amount of net amortization income of the above unrecognized items that will be amortized from accumulated other comprehensive loss and reflected as a component of net periodic postretirement cost during 2010 is (i) \$3.4 million income for the prior service credit and (ii) \$2.0 million loss for the net actuarial loss.

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Assumptions used in accounting for postretirement benefits as of December 31, 2009 and 2008 were:

	2009	2008
<b>Determination of benefit obligation</b>		
Discount rate	5.7-5.8%	6.90
Healthcare cost increase trend rates (Medical/Prescription Drug)		
Following year	8.0%/8.0%	7.0/10.0
Rate to which the cost trend rate is assumed to decline (the ultimate cost trend rate)	5.0%/5.0%	5.0/5.0
Year that the rate reaches the ultimate cost trend rate	2014/2014	2011/2014
<b>Determination of benefit cost</b>		
Discount rate	6.4-6.90%	6.50
Expected return on plan assets	8.25-8.50%	8.25

Our discount rate is based on a hypothetical portfolio of bonds rated AA- or better that produces a cash flow matching the projected benefit payments of the plans. In determining the expected return on plan assets, we study historical markets and apply the widely-accepted capital market principle that assets with higher volatility and risk generate a greater return over the long term. We evaluate current market factors such as inflation and interest rates before determining long-term capital market assumptions. We also review peer data and historical returns to check for reasonableness.

Assumed health care cost trends have a significant effect on the amounts reported for postretirement benefit plans. A one-percentage-point change in assumed health care cost rates would have the following effects:

	1-Percentage Point Increase	1-Percentage Point Decrease
	(Dollars in thousands)	
Effect on annual total of service and interest cost components	\$ 374	(417)
Effect on postretirement benefit obligation	\$ 3,957	(4,380)

We employ a total return investment approach whereby a mix of equities and fixed income investments are used to maximize the long-term return of plan assets for a prudent level of risk. Risk tolerance is established through careful consideration of plan liabilities, plan funded status and corporate financial condition. We measure and monitor investment risk on an ongoing basis through annual liability measurements, periodic asset studies and periodic portfolio reviews.

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Our postretirement benefit plan weighted-average asset allocations at December 31, 2009 and 2008 by asset category are as follows:

	2009	2008
Equity securities	18.6%	46.7

Debt securities	64.5	26.4
Cash and cash equivalents	16.9	26.9
Total	100.0%	100.0

As of December 31, 2009, we used the following valuation techniques to measure fair value for assets. There were no changes to these methodologies during 2009:

Level 1 - Assets were valued using the closing price reported in the active market in which the individual security was traded.

Level 2 - Assets were valued using quoted prices in markets that are not active, broker dealer quotations, net asset value of shares held by the plans and other methods by which all significant input were observable at the measurement date.

Level 3 - Assets were valued using valuation reports from the respective institutions at the measurement date.

The following table presents the hierarchy levels for our postretirement benefit plans' investments as of December 31, 2009:

	Level 1	Level 2	Level 3	Total
Equity securities				
Common stocks, preferred stocks, equity funds and related securities	\$ 4,967	5,688	-	10,655
Debt securities	32,900	4,075	-	36,975
Cash	9,682	-	-	9,682
Total	\$ 47,549	9,763	-	57,312

Our plans invest in various securities, some of which are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that those changes could materially affect the amounts reported in the statement of net assets available for benefits.

We expect to contribute approximately \$49.5 million to our postretirement benefit plans in 2010.

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Our estimated future projected benefit payments under our postretirement benefit plans are as follows:

Year	Before Medicare Subsidy	Medicare Subsidy	Net of Medicare Subsidy
(Dollars in thousands)			
2010	\$ 50,791	(1,317)	49,474
2011	\$ 52,993	(691)	52,302
2012	\$ 49,603	(486)	49,117
2013	\$ 48,773	(174)	48,599
2014	\$ 47,771	(3)	47,768
2015-2019	\$ 225,992	-	225,992



## Payments for Services to Persons Other Than Employees

Year: 2009

Line No.	Name of Recipient (a)	Nature of Service (b)	Total Company Cost (c)	Total State Cost (d)	Intrastate Cost (e)
1	Automotive Rentals	Vehicle Maintenance & Rental	199,197	199,197	142,435
2	Flathead Janitorial, Inc.	Janitorial Services	86,019	86,019	58,852
3	Montana Dept. of Revenue	Public Service Reg. Fee and	59,395	59,395	59,395
4		..... Consumer Council Fee			
5	Montana Telecomm. Assoc.	Dues & Fees	57,750	57,750	57,750
6	One Call Locators, Ltd.	Locating & Utility Services	182,104	182,104	132,328
7	The Berry Company	Advertising	225,919	225,919	172,263
8	Johnson Controls, Inc.	Bldg. Maintenance- Heat & A/C	33,259	33,259	22,755
9	KPMG, LLC	Auditing	53,926	53,926	38,560
10	Rocky Mountain Contractors	C & W Maintenance	288,601	288,601	1,393,906
11	Trace Woodring Flooring	Snow Plowing	40,855	40,855	27,952
12	Dialogic Communications Corp.	E911 Software Support	63,450	63,450	39,802
13	Iconnect Montana, LLC	Switching Services	35,606	35,606	22,335
14	Rust Consulting, Inc.	Legal Services	64,652	64,652	46,229
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49	<b>Total</b>		1,390,732	1,390,732	2,214,561

## Subscriber Line Usage Data

ear: 2009

Line No.	Description (a)	This Year (b)	% of Total (c)	Last Year (d)	% of Total (e)
1	Toll Usage:				
2	Interstate, InterLATA	148,757,869	82.69%	167,257,623	82.40%
3	Interstate, IntraLATA	845	0.00%	1,697	0.00%
4	<b>Total Interstate Usage</b>	148,758,714	82.69%	167,259,320	82.40%
5	Intrastate, InterLATA	11,087,015	6.16%	12,764,058	6.29%
6	Intrastate, IntraLATA	20,044,698	11.14%	22,958,457	11.31%
7	<b>Total Intrastate Usage</b>	31,131,713	17.31%	35,722,515	17.60%
8	<b>Total Toll Usage</b>	179,890,427	100.00%	202,981,835	100.00%
9	Centrex				
10	Local				
11	<b>Total Minutes</b>	179,890,427	100.00%	202,981,835	100.00%

## Cental Office and Access Line Statistics (Revised)

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	<i>Big Fork</i>	<i>Digital</i>	<i>2,647</i>			<i>413</i>		<i>239</i>	<i>325</i>		<i>4</i>	<i>322</i>		3,537
2	<i>Columbia Falls</i>	<i>Digital</i>	<i>2,885</i>			<i>1,080</i>		<i>222</i>	<i>412</i>		<i>9</i>	<i>880</i>		4,408
3	<i>Elmo</i>	<i>Digital</i>	<i>606</i>			<i>299</i>		<i>19</i>	<i>19</i>			<i>7</i>		651
4	<i>Finley Point</i>	<i>Digital</i>	<i>308</i>			<i>97</i>		<i>14</i>	<i>8</i>		<i>1</i>	<i>1</i>		332
5	<i>Hungry Horse</i>	<i>Digital</i>	<i>810</i>			<i>463</i>		<i>59</i>	<i>68</i>		<i>7</i>	<i>35</i>		979
6	<i>Kalispell</i>	<i>Digital</i>	<i>13,440</i>			<i>6,481</i>		<i>1,170</i>	<i>3,241</i>		<i>40</i>	<i>4,506</i>		22,397
7	<i>Lakeside</i>	<i>Digital</i>	<i>894</i>			<i>119</i>		<i>50</i>	<i>86</i>		<i>1</i>	<i>64</i>		1,095
8	<i>Marion</i>	<i>Digital</i>	<i>341</i>			<i>45</i>		<i>14</i>	<i>17</i>			<i>9</i>		381
9	<i>McGregor Lake</i>	<i>Digital</i>	<i>122</i>			<i>24</i>		<i>5</i>	<i>14</i>			<i>13</i>		154
10	<i>Olney</i>	<i>Digital</i>	<i>123</i>			<i>68</i>		<i>12</i>	<i>8</i>			<i>13</i>		156
11	<i>Polson</i>	<i>Digital</i>	<i>2,579</i>			<i>1,744</i>		<i>253</i>	<i>504</i>		<i>7</i>	<i>735</i>		4,078
12	<i>Somers</i>	<i>Digital</i>	<i>561</i>			<i>39</i>		<i>40</i>	<i>51</i>			<i>36</i>		688
13	<i>Swan Lake</i>	<i>Digital</i>	<i>160</i>			<i>4</i>		<i>7</i>	<i>5</i>		<i>1</i>	<i>0</i>		173
14	<i>Whitefish</i>	<i>Digital</i>	<i>3,826</i>			<i>1,061</i>		<i>302</i>	<i>712</i>		<i>11</i>	<i>1,061</i>		5,912
15	<i>Yellow Bay</i>	<i>Digital</i>	<i>234</i>			<i>17</i>		<i>9</i>	<i>11</i>		<i>1</i>	<i>8</i>		263
16														0
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32														0
33	<b>Total</b>		29,536	0	0	11,954	0	2,415	5,481	0	82	7,690	0	45,204

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

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## Central Office and Switch Information

Year: 2009

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	Bigfork	Remote	Digital	NORTEL	DUAL RSC	3,200	1985
2	Columbia Falls	Remote	Digital	NORTEL	DUAL RSC	5,120	1988
3	Elmo	Remote	Digital	NORTEL	RLCM	640	1990
4	Finley Point	Remote	Digital	NORTEL	RLCM	640	1990
5	Hungry Horse	Remote	Digital	NORTEL	RSC	1,280	1989
6	Kalispell	Host	Digital	NORTEL	DMS100	50,651	1981
7	Lakeside	Remote	Digital	NORTEL	RSC	1,919	1990
8	Marion(MT)	Remote	Digital	ALCATEL	LITESPAN 2000	600	1999
9	McGregor Lake	Remote	Digital	NORTEL	RLCM	640	1995
10	Olney	Remote	Digital	ALCATEL	LITESPAN 2000	732	1999
11	Polson	Remote	Digital	NORTEL	DUAL RSCS	4,351	1993
12	Somers	Remote	Digital	NORTEL	RSC	1,280	1995
13	Swan Lake	Remote	Digital	ALCATEL	LITESPAN 2000	700	1999
14	Whitefish	Remote	Digital	NORTEL	DUAL RSCS	13,083	1994
15	Yellow Bay	Remote	Digital	NORTEL	RLCM	640	1989
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NOTE: Additional blank schedules are being provided for your convenience.

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## Construction Budget - Montana

Year: 2010

Line No.	Description (a)	2010 (b)
1	<b>Central Office Assets:</b>	
2		
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27	Total Switching and Central Office Projects over \$500,000	
28	Miscellaneous Central Office Projects not over \$500,000	1,193,110
29	<b>Total Central Office Budget (Total of Line 27 &amp; Line 28)</b>	<b>1,193,110</b>
30	<b>Other Projects over \$500,000:</b>	
31		
32		
33		
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38		
39		
40		
41	Total Other Projects over \$500,000	
42	Miscellaneous projects not over \$500,000	2,395,353
43	<b>Total Construction Budget (Total of Lines 29, 41 &amp; 42)</b>	<b>3,588,463</b>

### Montana Total State Construction Expenditures

<b>Line No.</b>	<b>FCC Part 32 Account No. (a)</b>	<b>Description (b)</b>	<b>This Year (c)</b>	<b>Last Year (d)</b>	<b>Percent Change (e)</b>
1	2110	General Support Assets	343,822	572,276	-39.92%
2	2210	Central Office Assets	273,744	412,021	-33.56%
3	2220	Operator Systems	0	0	
4	2230	Central Office Transmission	1,704,606	2,079,568	-18.03%
5	2310	Information/Termination Assets	0	0	
6	2410	Cable and Wire Facilities Assets	1,649,721	1,389,485	18.73%
7	2680	Amortizable Tangible Assets	0	0	
8	2690	Intangibles	0	0	
9		<b>Total Construction Expenditures</b>	<b>3,971,893</b>	<b>4,453,350</b>	<b>-10.81%</b>

## Montana Employee Counts

Year: 2009

Line No.	Category (a)	Beginning of Year (b)	End of Year (c)
1	Vice President and Managers	3	3
2	Supervisors & Superintendents	5	5
3	Comm. Technicians	10	8
4	Plant Technicians	21	19
5	Cable Technicians	5	5
6	Engineers/Drafting	7	7
7	Facility & Test Board Technicians	1	1
8	Special Apparatus Technicians	1	
9	Commercial & General	16	13
10	Secretaries	2	3
11	LAN Administrator	1	1
12	Plant Support Technicians	8	9
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43	Totals (Sum of Lines 1 through 42)	80	74

## Compensation of Top 10 Montana Based Employees

Year: 2009

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	In order to protect the privacy interests of the company's employees, this schedule has historically been submitted as confidential and subject to protective order. The company is submitting the information on Schedule 27 under separate cover subject to the protective order currently in place.						
2							
3							
4							
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9							
10							
11	<b>Totals (Sum L.1 to L.10)</b>						



Year: 2009

**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	Note: CenturyTel of Montana, Inc. does not submit SEC information. See Schedule 27, Compensations of Top 10 Montana based employees.						
3							
4							
5							
6	Totals (Sum L.1 to L.5)						

## Montana Composite Statistics

Year: 2009

Line No.	Account No.	Description (a)	Amount (b)
1		<b>Plant (Intrastate Only) (000 Omitted)</b>	
2	2001	Plant in Service	112,123
3	2003 - 2004	Construction Work in Progress	826
4	2005	Plant Acquisition Adjustments	
5	2002	Plant Held for Future Use	
6	1220	Materials & Supplies	10
7		(Less):	
8	3100 - 3400	Depreciation & Amortization Reserves	(76,999)
9	4360.2	Contributions in Aid of Construction	
10		<b>NET BOOK COSTS</b>	35,960
11		<b>Revenues &amp; Expenses (Intrastate Only) (000 Omitted)</b>	
12	5000 - 5300	Operating Revenues	27,496
13	6560	Depreciation & Amortization Expenses	4,863
14		Federal & State Income Taxes	3,801
15		Other Taxes	1,466
16		Other Operating Expenses	14,069
17		TOTAL Operating Expenses	24,199
18		Net Operating Income	3,297
19		Other Income	
20		Other Deductions	
21		<b>NET INCOME</b>	3,297
22		<b>Access Lines in Service (Intrastate Only)</b>	
23		Residential Access Lines	29,536
24		Business Access Lines	7,896
25		PBX Access Lines	2,538
26		Other Access Lines	5,234
27		<b>Total Number of Access Lines</b>	45,204
28		<b>Average Number of Calls Per Access Line</b>	
29		Local Calls	31,131,713
30		Toll Calls (Intra- or Interstate)	179,890,427
31		<b>Total Number of Calls Per Access Line</b> (Total of Line 29 & Line 30 divided by Line 27)	4,668
32		<b>Other Statistics (Intrastate Only)</b>	
33		Average Residential Monthly Bill	N/A
34		Gross Plant Investment per Access Line (Line 2 divided by Line 27)	2.48

## Depreciation - Montana Intrastate Regulated

Year: 2009

Line No.	Acct No. (a)	Description (b)	Composite Rate % (c)	Total Expense \$ (d)
1	2112	Motor Vehicles	16.20%	(13,243)
2	2114	Special Purpose Vehicles		
3	2115	Garage Work Equipment		
4	2116	Other work Equipment	9.38%	75,291
5	2121	Buildings	3.04%	116,565
6	2122	Furniture	8.19%	2,109
7	2123.1	Office Support Equipment		
8	2123.2	Company Communications Equipment		
9	2124	General Purpose Computers	17.26%	136,077
10	2211	Analog Electronic Switching Equipment		
11	2212	Digital Electronic Switching Equipment	9.39%	632,008
12	2215	Step By Step Switching Equipment		
13	2215	Crossbar Switching Equipment		
14	2220	Operator System		
15	2231	Radio Systems	9.39%	16
16	2232	Circuit DDS		
17	2232	Circuit Digital	9.39%	3,487,354
18	2232	Circuit Analog		
19	2351	Public Telephone Terminating Equipment		
20	2362	Other Terminal Equipment		
21	2411	Poles	11.29%	8,746
22	2421	Aerial Cable Metallic	9.32%	49,408
23	2421	Aerial Cable Nonmetallic	9.32%	7,807
24	2422	Underground Cable Metallic	3.41%	52,890
25	2422	Underground Cable Nonmetallic	3.41%	6,100
26	2423	Buried Cable Metallic	4.43%	2,914,821
27	2423	Buried Cable Nonmetallic	4.43%	372,358
28	2424	Submarine Cable Metallic	3.30%	192
29	2424	Submarine Cable Nonmetallic		
30	2426	Intrabuilding Network Cable Metallic	4.43%	828
31	2426	Intrabuilding Network Cable Nonmetallic		
32	2431	Aerial Wire	9.09%	1,119
33	2441	Conduit Systems	23.37%	32,869
34				
35		<b>COMPOSITE TOTAL</b>		<b>7,885,515</b>
36	<b>Please list the Montana Public Service Commission Docket Order No. approving these depreciation rates</b>			
37				
38				
39	Docket Number	83.9.88	Order Number	5052
40	<b>THIS SCHEDULE IS REPORTED FOR TOTAL MONTANA AND AGREES WITH SCHEDULE 4, LINE 31.</b>			

**Amortization - Montana Intrastate Regulated**

Year: 2009

Line No.	Acct No. (a)	Description (b)	Composite Rate % (c)	Total Expense \$ (d)
1				
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34				
35		COMPOSITE TOTAL		
36	<b>Please list the Montana Public Service Commission Docket Order No. approving these amortization rates</b> Docket Number _____ Order Number _____			
37				
38				
39				
40				

## Montana Regulatory Capital Structure &amp; Costs

Year: 2009

Line No.	Description (a)	% Cap. Str. (b)	% Cost Rate (c)	Weighted Cost (d)
	<b>Commission Accepted - Most Recent</b>			
1	Docket Number 92.7.32			
2	Order Number 5638C			
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 44,979,342	99.53%	13.700%	13.636%
13	Preferred Stock 230,000	0.47%	8.913%	0.042%
14	Long Term Debt			
15	Other			
16	<b>Total</b> 45,209,342	100.00%		13.678%

## Network Access - Charges and Revenues

Year: 2009

Line No.	Description (a)	Access Charges Paid (b)	Access Revenues Received (c)
1	Montana - Total State	443,055	20,289,414
2			
3	Montana - Intrastate	443,055	3,528,266
4			
5	Montana - Intrastate Regulated	443,055	3,528,266
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13			

## Affiliate Transactions - Products &amp; Services Provided to Utility

Year: 2009

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	CenturyTel Service Group, Inc.	Management, Accounting,	Contract Year - 2003	5,980,756		5,980,756
2		Operating and Miscellaneous				
3		Services & Supplies				
4	CenturyTel, Inc.	"	Contract Year - 2003	710,224		710,224
5	CenturyTel of Washington, Inc.	"	Contract Year - 2003	629,842		629,842
6	CenturyTel Holdings, MO, Inc.	"	Contract Year - 2002	65,974		65,974
7	CenturyTel Broadband Serv., Inc.	"	Contract Year - 2001	54,216		54,216
8	EQ Service Group	"	Contract Year - 2009	666,733		666,733
9	United Tel of NW - OR	"	Contract Year - 2009	40,418		40,418
10	EQ Florida, Inc.-Central FL.	"	Contract Year - 2009	26,968		26,968
11	CenturyTel Supply, Inc.	Warehouse	Contract Year - 2003	99,168		99,168
12	All Other			88,113		88,113
13			For all Affiliates Contract Price			
14			Determined by Fully Distributed			
15			Costs			
16						
17						
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27						
28						
29						
30	<b>TOTAL</b>			<b>\$8,362,412</b>		<b>\$8,362,412</b>

## Affiliate Transactions - Products &amp; Services Provided by Utility

Year: 2009

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	CenturyTel Broadband Services, Inc.	Management, Billing & Coll.,	Contract Year - 2001	3,933,843	59.6%	3,933,843
2	CenturyTel Long Distance, Inc.	Operating, DSL, and	Contract Year - 2001	1,940,631	29.4%	1,940,631
3	CenturyTel Service Group, Inc.	Miscellaneous Services	Contract Year - 2003	57,168	0.9%	57,168
4	CenturyTel of Idaho, Inc.	"	"	166,049	2.5%	166,049
5	CenturyTel of Gem State - Idaho	"	"	89,628	1.4%	89,628
6	CenturyTel of Eagle, Inc	"	"	72,235	1.1%	72,235
7	CenturyTel of Wyoming	"	"	176,064	2.7%	176,064
8	Direct Broadcast Satellite	"	"	49,481	0.8%	49,481
9	All Other	"	"	111,682	1.7%	111,682
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30	<b>TOTAL</b>			\$6,596,781		\$6,596,781

## Montana Intrastate Regulated Earned Rate of Return

Year: 2009

Line No.	Description Rate Base (a)	This Year (b)	Last Year (c)	Percent Change (d)
1				
2	2001 ..... Plant in Service	109,512,434	107,249,295	2.11%
3	2002 ..... Prop. Held for Future Telecommunications Use			
4	3100-3200 (Less) Accumulated Depreciation	(75,360,505)	(71,825,390)	-4.92%
5	<b>Plant in Service</b>	<b>34,151,929</b>	<b>38,940,664</b>	<b>-12.30%</b>
6				
7	<b>Additions</b>			
8	1220 ..... Materials & Supplies	10,111	10,648	-5.04%
9	1280 ..... Prepayments			
10	..... Other Additions	551,792	534,888	3.16%
11	<b>TOTAL Additions</b>	<b>561,903</b>	<b>570,908</b>	<b>-1.58%</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	6,171,024	6,267,647	-1.54%
17	..... Customer Advances for Construction			
18	..... Other Deductions			
19	<b>TOTAL Deductions</b>	<b>6,171,024</b>	<b>6,168,633</b>	<b>0.04%</b>
20	<b>TOTAL Rate Base</b>	<b>28,542,808</b>	<b>33,342,939</b>	<b>-14.40%</b>
21				
22	<b>Net Earnings</b>	<b>(4,170)</b>	<b>(2,072)</b>	<b>-101.25%</b>
23				
24	<b>Rate of Return on Average Rate Base</b>	<b>-0.015%</b>	<b>-0.004%</b>	<b>-286.92%</b>
25				
26	<b>Rate of Return on Average Equity</b>	<b>13.700%</b>	<b>13.700%</b>	
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>			
44				
45	<b>Adjusted Rate of Return on Average Equity</b>			



**Other Taxes Paid**

Year: 2009

Line No.	Description (a)	Last Year (b)	This Year (c)
1	Montana Telephone Company License Tax	901,825	837,245
2	Montana Public Service Commission Tax	56,243	43,433
3	Montana Consumer Counsel Tax	29,185	12,962
4	911 Emergency Telephone Fee	652,538	599,675
5	Montana Telecommunications Access Service (TDD)	65,300	59,998
6	Montana Corporate License Tax	518,000	440,000
7	Personal Property Tax		
8	Real Property Tax	2,179,073	2,177,648
9			
10			
11			
12	<b>Total</b>	4,402,164	4,170,961

**SCHEDULE 37****Universal Service Funds Received**

Year: 2009

Line No.	Description (a)	Last Year (b)	This Year (c)
13	Funds received from Montana Sources	N/A	N/A
14	Funds received from Federal Sources	1,279,554	1,333,392
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16			
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18			
19			
20			
21			
22			
23			
24	<b>Total</b>	1,279,554	1,333,392