

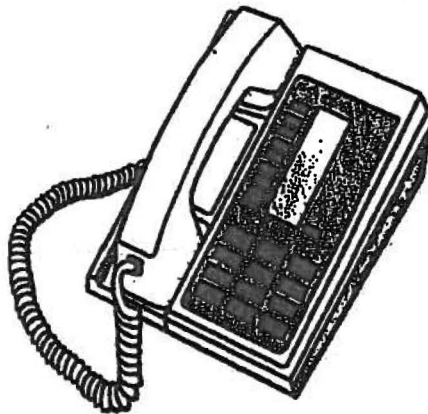
YEAR ENDING 2014

ANNUAL REPORT

OF

Citizens Telecommunications
Company of Montana

TELEPHONE UTILITY



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

General Information

Year: 2014

1	Legal Name of Respondent:	Citizens Telecommunications Company of Montana
2	Name Under Which Respondent Does Business:	Frontier Communications of Montana
3	Date of Incorporation:	07/07/93
4	Address to send Correspondence Concerning Report:	100 CTE Drive Dallas, PA 18612
5	Person Responsible for This Report:	Jessica Matushek
5a.	Telephone Number:	570 - 631 - 5003

Control Over Respondent

1	If direct control over the respondent was held by another entity at the end of year provide the following:	
1a.	Name and address of the controlling organization or person:	Frontier Communications Corporation 3 High Ridge Park Stamford, CT 06905
1b.	Means by which control was held:	Common Stock
1c.	Percent Ownership:	100%

Montana Total State Income Statement

Year: 2014

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		REVENUES:		
2	5000	Basic Local Service Revenues	1,961,749	2,058,156
3	5080	Network Access Revenues	2,712,524	2,780,871
4	* 5100	Long Distance Message Revenue	371	237
5	^ 5110	Unidirectional Long Distance Revenue	0	0
6	^ 5120	Long Distance Private Network Revenue		
7	^ 5160	Other Long Distance Revenue	0	0
8	^ 5169	Other Long Distance Revenue Settlements		
9	* 5200	Miscellaneous Revenue	198,779	208,352
10	^ 5230	Directory Revenue	23,010	22,761
11	^ 5240	Rent Revenue	12,746	15,636
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	27,790	33,172
14	^ 5270	Carrier Billing and Collection Revenue	135,233	136,783
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	20,208	15,115
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)	4,853,215	5,032,501
18		OPERATING EXPENSES:		
19	6110	Network Support Expense	42,426	39,382
20	6120	General Support Expense	258,393	261,632
21	6210	Central Office Switching Expense	139,932	143,395
22	6220	Operator Systems Expense	261	403
23	6230	Central Office Transmission Expense	122,142	103,882
24	6310	Information Origination/Termination Expense	386	733
25	* 6410	Cable and Wire Facilities Expense	314,813	340,297
26	^ 6431	Aerial Wire Expense		
27	^ 6441	Conduit Systems Expense		
28	6510	Other Property, Plant & Equipment Expense	(49)	1,047
29	6530	Network Operations Expense	363,814	596,709
30	6540	Access Expense	139,629	129,093
31	6560	Depreciation and Amortization Expense	1,649,867	1,865,970
32	6610	Marketing	306,456	353,084
33	6620	Services	526,911	515,861
34	6710	Executive and Planning	90,453	57,331
35	6720	General and Administrative	495,616	373,476
36	6790	Provision for Uncollectible Notes Receivable		
37		Total Operating Expenses (Sum L.19 to L.36-L.26)	4,451,050	4,782,296
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	973,753	854,340
40		Net Operating Income (L.17-L.37+L.38-L.39)	(571,588)	(604,135)

^ Subaccount of the account marked with a *.

Montana Intrastate Income Statement

Year: 2014

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		REVENUES:		
2	5000	Basic Local Service Revenues	1,961,749	2,058,156
3	5080	Network Access Revenues	360,033	470,705
4	* 5100	Long Distance Message Revenue	371	237
5	^ 5110	Unidirectional Long Distance Revenue		0
6	^ 5120	Long Distance Private Network Revenue		
7	^ 5160	Other Long Distance Revenue		0
8	^ 5169	Other Long Distance Revenue Settlements		
9	* 5200	Miscellaneous Revenue	128,968	138,386
10	^ 5230	Directory Revenue	23,010	22,761
11	^ 5240	Rent Revenue	12,746	15,636
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	27,790	33,172
14	^ 5270	Carrier Billing and Collection Revenue	65,422	66,817
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	20,208	15,115
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)	2,430,913	2,652,369
18		OPERATING EXPENSES:		
19	6110	Network Support Expense	28,506	26,461
20	6120	General Support Expense	173,614	175,791
21	6210	Central Office Switching Expense	94,020	96,347
22	6220	Operator Systems Expense	175	271
23	6230	Central Office Transmission Expense	82,067	69,798
24	6310	Information Origination/Termination Expense	260	492
25	* 6410	Cable and Wire Facilities Expense	211,523	228,645
26	^ 6431	Aerial Wire Expense	0	0
27	^ 6441	Conduit Systems Expense	0	0
28	6510	Other Property, Plant & Equipment Expense	(35)	735
29	6530	Network Operations Expense	255,434	418,950
30	6540	Access Expense	82,129	75,933
31	6560	Depreciation and Amortization Expense	1,185,265	1,340,513
32	6610	Marketing	181,330	208,920
33	6620	Services	367,731	360,432
34	6710	Executive and Planning	61,391	38,910
35	6720	General and Administrative	336,375	253,478
36	6790	Provision for Uncollectible Notes Receivable		
37		Total Operating Expenses (Sum L.19 to L.36-L.37)	3,059,785	3,295,676
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	643,748	564,804
40		Net Operating Income (L.17-L.37+L.38-L.39)	(1,272,620)	(1,208,111)

^ Subaccount of the account marked with a *.

Montana Intrastate Regulated Income Statement

Year: 2014

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		REVENUES:		
2	5000	Basic Local Service Revenues	1,961,749	2,058,156
3	5080	Network Access Revenues	360,033	470,705
4	* 5100	Long Distance Message Revenue	371	237
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	128,968	138,386
10	^ 5230	Directory Revenue	23,010	22,761
11	^ 5240	Rent Revenue	12,746	15,636
12	^ 5250	Corporate Operations Revenue	0	
13	^ 5260	Miscellaneous Revenue	27,790	33,172
14	^ 5270	Carrier Billing and Collection Revenue	65,422	66,817
15	^ 5280	Nonregulated Revenue	0	0
16	5300	Uncollectible Revenue	20,208	15,115
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)	2,430,913	2,652,369
18		OPERATING EXPENSES:		
19	6110	Network Support Expense	17,893	16,746
20	6120	General Support Expense	127,372	131,838
21	6210	Central Office Switching Expense	94,020	96,347
22	6220	Operator Systems Expense	175	271
23	6230	Central Office Transmission Expense	80,814	66,871
24	6310	Information Origination/Termination Expense	7	2
25	* 6410	Cable and Wire Facilities Expense	211,523	228,645
26	^ 6431	Aerial Wire Expense		0
27	^ 6441	Conduit Systems Expense		0
28	6510	Other Property, Plant & Equipment Expense	(26)	558
29	6530	Network Operations Expense	248,610	412,315
30	6540	Access Expense	93,583	66,640
31	6560	Depreciation and Amortization Expense	1,209,253	1,313,078
32	6610	Marketing	107,559	123,554
33	6620	Services	32,523	32,907
34	6710	Executive and Planning	48,162	30,541
35	6720	General and Administrative	264,939	200,610
36	6790	Provision for Uncollectible Notes Receivable	0	
37		Total Operating Expenses (Sum L.19 to L.36-L.	2,536,406	2,720,923
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	411,866	428,278
40		Net Operating Income (L.17-L.37+L.38-L.39)	(517,359)	(496,832)

^ Subaccount of the account marked with a *.

Average Rate Base - Total State

Year: 2014

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	33,168,371	32,826,209
2	3100	Accumulated Depreciation	29,341,928	28,027,743
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies	9,238	10,418
6	4340	Noncurrent Deferred Operating Income Taxes	5,043,951	5,387,067
7		Pre-1971 Unamortized Investment Tax Credits		
8		Cash Working Capital (if allowed by Commission)		
9		Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+)	(1,208,269)	(578,183)

Average Rate Base - Intrastate

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	21,927,610	21,701,407
2	3100	Accumulated Depreciation	19,362,738	18,495,508
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies	6,845	7,719
6	4340	Noncurrent Deferred Operating Income Taxes	2,155,280	2,301,894
7		Pre-1971 Unamortized Investment Tax Credits		
8		Cash Working Capital (if allowed by Commission)		
9		Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+)	416,437	911,724

Average Rate Base - Regulated Intrastate

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	21,375,035	21,154,531
2	3100	Accumulated Depreciation	18,896,096	18,049,766
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies	6,672	7,524
6	4340	Noncurrent Deferred Operating Income Taxes	515,759	550,843
7		Pre-1971 Unamortized Investment Tax Credits		
8		Cash Working Capital (if allowed by Commission)		
9		Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+)	1,969,852	2,561,446

Executive Compensation - Montana-Based Employees

Name/Title (a)	Base Salary (b)	Bonuses (c)	Other Compensation (d)	Total Compensation (e)
There are no employees with compensation exceeding \$100,000				0
				0
				0
				0
				0
				0
				0
				0
Total executive compensation in the aggregate				0