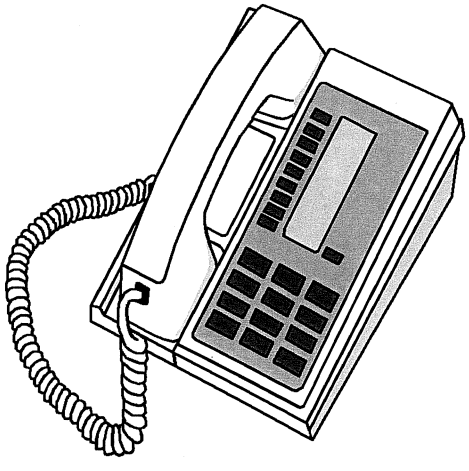
YEAR ENDING _____2007

ANNUAL REPORT
OF
Lincoln Telephone Company, Inc.

TELEPHONE UTILITY



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

RECEIVED BY
2008 MAR 24 A 9:38
PUBLIC SERVICE
COMMISSION

Telephone Annual Report

Table of Contents

Description	Schedule
General Information	1
Officers	2
Total Company Balance Sheet	3
Total Company Income Statement	4
Total State Income Statement	5
Intrastate Income Statement	6
Intrastate Regulated Income Statement	7
Average Rate Base	8
Statement of Cash Flows	9
Receivables and Investment	10
Net Plant in Service	11
Plant Held for Future Use	12
Average Cost of Long Term Debt	13
Cost of Preferred Stock	14
Analysis of Common Stock	15
Capital Stock and Reacquired Debt	16
Total Company Expense Matrix	17
Total State Expense Matrix	18
Pension Costs	19

continued on next page

Description	Schedule
Other Post Employment Benefits (OPEBs)	20
Payments for Services	21
Subscriber Line Usage Data	22
Central Office and Access Line Statistics	23
Central Office and Switch Information	24
Construction Budget	25
Construction Actual	25a
Montana Employee Counts	26
Compensation of Top 10 Montana Based Employees	27
Compensation of Top 5 Corporate Employees	28
Montana Composite Statistics	29
Depreciation	30
Amortization	30a
Montana Regulatory Capital Structure and Costs	31
Network Access - Charges and Revenues	32
Affiliated Transactions - To the Utility	33
Affiliated Transactions - By the Utility	34
Montana Earned Rate of Return	35
Other Taxes Paid	36
Universal Service Funds Received	37

General Information

Year: 2007

1.	Legal Name of Respondent:	Lincoln Telephone Company, Inc.
2.	Name Under Which Respondent Does Business:	Lincoln Telephone Company, Inc.
3.	Date of Incorporation:	1921
4.	Address to send Correspondence Concerning Report:	111 Stemple Pass Road Lincoln, MT 59639
5.	Person Responsible for This Report:	Ken Lumpkin
5a.	Telephone Number:	406/362-4216

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:

   1b. Means by which control was held:

   1c. Percent Ownership:

Board of Directors

Line No.	Name of Director and Address (City, State) (a)			Fees Paid During Year (b)
1	George Didriksen	Box 1556	East Helena, MT 596635	1050
2	Edward Grady	9768 Lincoln Rd West	Canyon Creek, MT 59633	1050
3	Dick Haines	5935 St. Francis	Missoula, MT 59802	1050
4	Tim Mulcare	225 Brookfield	Helena, MT 59602	700
5	Robert Orr	Box 1	Lincoln, MT 59639	1050
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18	**Chairman of the Board:**	Robert Orr		
19				
20				

Officers

Year: 2007

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	Company	Robert Orr
2			111 Stemple Pass Road
3			Lincoln, MT 59639
4			
5	Vice-President	Company	Dick Haines
6			111 Stemple Pass Road
7			Lincoln, MT 59639
8			
9	Secretary	Company	Ken Lumpkin
10			111 Stemple Pass Road
11			Lincoln, MT 59639
12			
13	Treasurer	Company	Ken Lumpkin
14			111 Stemple Pass Road
15			Lincoln, MT 59639
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			

Company Name: Lincoln Telephone Company, Inc.

Total Company Balance Sheet

Year: 2007

Line No.		Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1			**CURRENT ASSETS:**		
2		1120	Cash and Equivalents	267,219	146,798
3		1180	Telecommunications Accounts Receivable - Net	78,439	85,054
4		1190	Other Accounts Receivable - Net	135,201	113,122
5		1200	Notes Receivable - Net		
6		1210	Interest and Dividends Receivable		
7		1220	Materials and Supplies	24,117	18,891
8	*	1280	Prepayments	2,227	7,107
9	^	1290	Prepaid Rents		
10	^	1300	Prepaid Taxes		
11	^	1310	Prepaid Insurance	2,227	7,107
12	^	1320	Prepaid Directory Expenses		
13	^	1330	Other Prepayments		
14		1350	Other Current Assets		429
15			**Total Current Assets**	507,203	371,401
16			**NONCURRENT ASSETS:**		
17		1401	Investments in Affiliated Companies		
18		1402	Investments in Nonaffiliated Companies		
19		1406	Nonregulated Investments	874,938	384,298
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			**Total Noncurrent Assets**	874,938	384,298
27			**PROPERTY, PLANT, & EQUIPMENT:**		
28		2001	Telecommunications Plant in Service	6,409,025	6,223,368
29		2002	Property Held for Future Telecommunications Use		
30		2003	Plant Under Construction - Short Term		
31		2004	Plant Under Construction - Long Term		
32		2005	Telecommunications Plant Adjustment		
33		2006	Nonoperating Plant		
34		2007	Goodwill		
35		3100	Accumulated Depreciation	(4,003,837)	(3,708,176)
36		3200	Accumulated Depreciation - Held for Future Use		
37		3300	Accumulated Depreciation - Nonoperating		
38		3400	Accumulated Amortization		
39			**Net Property, Plant, & Equipment**	2,405,188	2,515,192
40			**TOTAL ASSETS**	3,787,329	3,270,891

^ Subaccount of account marked with a *.

Total Company Balance Sheet

Year: 2007

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
41		**CURRENT LIABILITIES:**		
42	4010	Accounts Payable	30,584	37,146
43	4020	Notes Payable		
44	4030	Advance Billing and Payments		
45	4040	Customer Deposits	2,550	2,450
46	4050	Current Maturities - Long Term Debt	63,114	64,048
47	4060	Current Maturities - Capital Leases		
48	4070	Income Taxes - Accrued		26,681
49	4080	Other Taxes - Accrued	22,739	24,820
50	4100	Net Current Deferred Operating Income Taxes		
51	4110	Net Current Deferred Nonoperating Income Taxes		
52	4120	Other Accrued Liabilities		
53	4130	Other Current Liabilities		
54		**Total Current Liabilities**	118,987	155,145
55		**LONG-TERM DEBT:**		
56	4210	Funded Debt	871,038	1,014,538
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		**Total Long-Term Debt**	871,038	1,014,538
64		**OTHER LIABILITIES AND DEFERRED CREDITS:**		
65	4310	Other Long-Term Liabilities	1,337,448	559,442
66	4320	Unamort. Oper. Invest. Tax Credits - Net		
67	4330	Unamort. Nonoper. Invest. Tax Credits - Net		
68	4340	Net Noncurrent Deferred Oper. Income Taxes	199,599	191,137
69	4350	Net Noncurrent Deferred Nonoper. Income Taxes		
70	4360	Other Deferred Credits		
71	4370	Other Jurisdictional Liab. and Def. Credits		
72		**Total Other Liabilities and Deferred Credits**	1,537,047	750,579
73		**STOCKHOLDERS' EQUITY:**		
74	4510	Capital Stock	2,450	2,450
75	4520	Additional Paid-In Capital		
76	4530	Treasury Stock	(2,240)	(2,240)
77	4540	Other Capital		
78	4550	Retained Earnings	1,260,047	1,350,419
79		**Total Stockholders' Equity**	1,260,257	1,350,629
80		**TOTAL LIAB. AND STOCKHOLDERS' EQUITY**	3,787,329	3,270,891

Total Company Income Statement

Year: 2007

Line No.		Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1			**REVENUES:**		
2		5000	Basic Local Service Revenues	240,818	243,356
3		5080	Network Access Revenues	809,349	760,256
4	*	5100	Long Distance Message Revenue	11,576	11,715
5	^	5110	Unidirectional Long Distance Revenue		
6	^	5120	Long Distance Private Network Revenue		
7	^	5160	Other Long Distance Revenue	11,576	11,715
8	^	5169	Other Long Distance Revenue Settlements		
9	*	5200	Miscellaneous Revenue	170,219	152,924
10	^	5230	Directory Revenue		40
11	^	5240	Rent Revenue		
12	^	5250	Corporate Operations Revenue		
13	^	5260	Miscellaneous Revenue	168,263	150,594
14	^	5270	Carrier Billing and Collection Revenue	1,956	2,290
15	^	5280	Nonregulated Revenue		
16		5300	Uncollectible Revenue	(25,053)	1,286
17			**Total Revenues (L.2+L.3+L.4+L.9-L.16)**	1,257,015	1,166,965
18			**OPERATING EXPENSES:**		
19		6110	Network Support Expense		
20		6120	General Support Expense	32,343	33,970
21		6210	Central Office Switching Expense	343,345	330,165
22		6220	Operator Systems Expense		
23		6230	Central Office Transmission Expense	8,000	6,850
24		6310	Information Origination/Termination Expense		1,243
25	*	6410	Cable and Wire Facilities Expense	139,664	88,494
26	^	6431	Aerial Wire Expense		
27	^	6441	Conduit Systems Expense	139,664	88,494
28		6510	Other Property, Plant & Equipment Expense		
29		6530	Network Operations Expense	35,279	3,890
30		6540	Access Expense		
31		6560	Depreciation and Amortization Expense	268,432	258,338
32		6610	Marketing		
33		6620	Services	159,352	128,906
34		6710	Executive and Planning	90,499	68,223
35		6720	General and Administrative	218,215	189,894
36		6790	Provision for Uncollectible Notes Receivable		
37			**Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)**	1,295,129	1,109,973
38		7100	Other Operating Income and Expense		
39		7200	Operating Taxes	(14,999)	20,277
40			**Net Operating Income (L.17-L.37+L.38-L.39)**	(23,115)	36,715
41		7300	Nonoperating Income and Expense		(13,644)
42		7400	Nonoperating Taxes	95,659	90,678
43		7500	Interest and Related Items	11,042	19,694
44		7600	Extraordinary Items		
45		7910	Effects of Juris. Ratemaking Diff. - Net		
46		7990	Nonregulated Net Income	(216,462)	(180,481)
47			**NET INCOME (L.40+L.41-L.42-L.43-L.44+L.45-L.46)**	86,646	93,180

^ Subaccount of the account marked with a *.

Montana Total State Income Statement

Year: 2007

Line No.		Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1			**REVENUES:**	**Schedule 4**	
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			**Total Revenues (L.2+L.3+L.4+L.9-L.16)**		
18			**OPERATING EXPENSES:**		
19		6110	Network Support Expense		
20		6120	General Support Expense		
21		6210	Central Office Switching Expense		
22		6220	Operator Systems Expense		
23		6230	Central Office Transmission Expense		
24		6310	Information Origination/Termination Expense		
25	*	6410	Cable and Wire Facilities Expense		
26	^	6431	Aerial Wire Expense		
27	^	6441	Conduit Systems Expense		
28		6510	Other Property, Plant & Equipment Expense		
29		6530	Network Operations Expense		
30		6540	Access Expense		
31		6560	Depreciation and Amortization Expense		
32		6610	Marketing		
33		6620	Services		
34		6710	Executive and Planning		
35		6720	General and Administrative		
36		6790	Provision for Uncollectible Notes Receivable		
37			**Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)**		
38		7100	Other Operating Income and Expense		
39		7200	Operating Taxes		
40			**Net Operating Income (L.17-L.37+L.38-L.39)**		

^ Subaccount of the account marked with a *.

Montana Intrastate Income Statement

Year: 2007

Line No.		Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1			**REVENUES:**		
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			**Total Revenues (L.2+L.3+L.4+L.9-L.16)**		
18			**OPERATING EXPENSES:**		
19		6110	Network Support Expense		
20		6120	General Support Expense		
21		6210	Central Office Switching Expense		
22		6220	Operator Systems Expense		
23		6230	Central Office Transmission Expense		
24		6310	Information Origination/Termination Expense		
25	*	6410	Cable and Wire Facilities Expense		
26	^	6431	Aerial Wire Expense		
27	^	6441	Conduit Systems Expense		
28		6510	Other Property, Plant & Equipment Expense		
29		6530	Network Operations Expense		
30		6540	Access Expense		
31		6560	Depreciation and Amortization Expense		
32		6610	Marketing		
33		6620	Services		
34		6710	Executive and Planning		
35		6720	General and Administrative		
36		6790	Provision for Uncollectible Notes Receivable		
37			**Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)**		
38		7100	Other Operating Income and Expense		
39		7200	Operating Taxes		
40			**Net Operating Income (L.17-L.37+L.38-L.39)**		

^ Subaccount of the account marked with a *.

Montana Intrastate Regulated Income Statement

Year: 2007

Line No.		Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1			**REVENUES:**	**Schedule 4**	
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			**Total Revenues (L.2+L.3+L.4+L.9-L.16)**		
18			**OPERATING EXPENSES:**		
19		6110	Network Support Expense		
20		6120	General Support Expense		
21		6210	Central Office Switching Expense		
22		6220	Operator Systems Expense		
23		6230	Central Office Transmission Expense		
24		6310	Information Origination/Termination Expense		
25	*	6410	Cable and Wire Facilities Expense		
26	^	6431	Aerial Wire Expense		
27	^	6441	Conduit Systems Expense		
28		6510	Other Property, Plant & Equipment Expense		
29		6530	Network Operations Expense		
30		6540	Access Expense		
31		6560	Depreciation and Amortization Expense		
32		6610	Marketing		
33		6620	Services		
34		6710	Executive and Planning		
35		6720	General and Administrative		
36		6790	Provision for Uncollectible Notes Receivable		
37			**Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)**		
38		7100	Other Operating Income and Expense		
39		7200	Operating Taxes		
40			**Net Operating Income (L.17-L.37+L.38-L.39)**		

^ Subaccount of the account marked with a *.

Average Rate Base - Total State

Year: 2007

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	6409025	6223368
2	3100	Accumulated Depreciation	4003837	3708176
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies	24117	18891
6	4340	Noncurrent Deferred Operating Income Taxes	199599	191137
7		Pre-1971 Unamortized Investment Tax Credits		
8		Cash Working Capital (if allowed by Commission)		
9		**Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)**	2229706	2342946

Average Rate Base - Intrastate

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service		
2	3100	Accumulated Depreciation		
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		**Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)**		

Average Rate Base - Regulated Intrastate

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service		
2	3100	Accumulated Depreciation		
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		**Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)**		

Statement of Cash Flows

Year: 2007

Line No.	Item Description (a)	Amount (b)	Amount (c)
1	**Increase/(decrease) in Cash & Cash Equivalents**		
2	**Cash Flows from Operating Activities:**		
3	Net Income		86646
4	Reconciliation Adjustments:		
5	Depreciation & Amortization	258338	
6	Provision for Accounts Receivable Losses		
7	Deferred Income Taxes - Net	2424	
8	Unamortized Investment Tax Credits (ITCs) - Net		
9	Allowance for Funds Used During Construction (AFUDC)		
10	Change in Operating Receivables - Net	-16888	
11	Change in Materials, Supplies & Inventories - Net	-9015	
12	Change in Operating Payables & Accrued Liabilities - Net	-6358	
13	Change in Other Assets & Deferred Credits - Net	-33855	
14	Change in Other Liabilities & Deferred Credits - Net	12231	
15	Other (explained on back of this page)	-21149	
16	Total Adjustments		
17	**Net Cash Provided by/(Used in) Operating Activities**		272374
18	**Cash Inflows/Outflows From Investing Activities:**		
19	Construction/Acquisition of Property, Plant & Equipment (net of	-213724	
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)	324288	
25	**Net Cash Provided by/(Used in) Investing Activities**		110564
26	**Cash Flows from Financing Activities:**		
27	Net Incr./(Decr.) in Short-Term Debt, Original maturity < = 3 mo.		
28	Advances from Affiliates		
29	Repayment of Advances from Affiliates		
30	Proceeds from Issuances of Long-Term Debt	657235	
31	Repayment of Long-Term Debt	-821751	
32	Payment of Capital Lease Obligations		
33	Proceeds from Issuing Common Stock/Parent Co. Equity Investment		
34	Repurchase of Treasury Shares		
35	Dividends Paid	-98000	
36	Other Financing Activities (explained on back of this page)		
37	**Net Cash Provided by Financing Activities**		-262516
38	**Effect of Exchange Rate Changes on Cash**		
39	**Net Increase/(Decrease) in Cash & Cash Equivalents**		120,422
40	**Cash & Cash Equivalents at Beginning of Period**		146798
41	**Cash & Cash Equivalents at End of Period**		267220

Company Name: Lincoln Telephone Company, Inc.

SCHEDULE 10

Receivables and Investments-Affiliated & Nonaffiliated Companies

Year: 2007

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	Subscribers		78439								
2											
3	ATT				13151						
4	MCI				15349						
5	NECA				24338						
6	Qwest				7358						
7	Sprint				13779						
8	World Com				4381						
9	Allnet				2452						
10	Asarco				23551						
11	Other Carriers				30842						
12											
13	MTA										1640
14	NISC										19053
15	MAIN										480507
16	Jefferson Pilot										285195
17	Jefferson Pilot										
18											
19											
20											
21											
22											
23											
24											
25											
26											
27											
28											
29											
30	**Totals**		78439		135201						786395

Company Name: Lincoln Telephone Company, Inc.

SCHEDULE 11

Net Plant in Service - Detail

Year: 2007

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	863964	46965	-28068		882861	726265	156596
2	^	2111	Land	42666				42666		42666
3	^	2112	Motor Vehicles	404930	26000	-28068		402862	318559	84303
4	^	2113	Aircraft							
5	^	2114	Special Purpose Vehicles							
6	^	2115	Garage Work Equipment							
7	^	2116	Other Work Equipment	53110				53110	53110	
8	^	2121	Buildings	220983				220983	220983	
9	^	2122	Furniture							
10	^	2123	Office Equipment	37375	2117			39492	26362	13130
11	^	2124	General Purpose Computers	104900	18848			123748	107251	16497
12		2211	Analog Electronic Switching							
13		2212	Digital Electronic Switching	1996246	33322			2029568	1556885	472683
14		2215	Electro-Mechanical Switching							
15		2220	Operator Systems							
16		2231	Radio Systems	26297				26297	26297	
17		2232	Circuit Equipment	71836				71836	71836	
18	*	2310	Information Orig & Term Equip	17293				17293	17293	
19	^	2311	Station Apparatus							
20	^	2321	Customer Premises Wiring							
21	^	2341	Large Private Branch Exchanges							
22	^	2351	Public Telephone Term. Equip.	17293				17293	17293	
23	^	2362	Other Terminal Equipment							
24		2411	Poles							
25	*	2420	Cable and Wire Facilities	2681150	136583			2817733		2817733
26	^	2421	Aerial Cable	267				267	267	
27	^	2422	Underground Cable							
28	^	2423	Buried Cable	2680883	136583			2817466	1502681	1314785
29	^	2424	Submarine Cable							
30	^	2425	Deep Sea Cable							
31	^	2426	Intrabuilding Network Cable							
32		2431	Aerial Wire	10384				10384	10146	238
33		2441	Conduit Systems							
34			**Totals**	5667170	216870	-28068		5855972	3911670	1944302

^ Subaccount of the account marked with a *.

Company Name: Lincoln Telephone Company, Inc.

SCHEDULE 12

Analysis of Plant Held for Future Use

Year 2007

Line No.	Location and Description of Property (a)	Date Included in Account 2002 (b)	Book Cost of Property at Beginning of Year (c)	Additions During the Year (d)	Retirements During the Year (e)	Transfers and Adjustments Charges and (Credits) (f)	Book Cost of Property at End of Year (g)
1	**NONE**						
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30	**Totals (Sum L.1 to L.29)**						

Company Name: Lincoln Telephone Company, Inc.

SCHEDULE 13

Average Cost of Long Term Debt

Year: 2007

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	USDA/REA	1979	2014	1119000				260129		5450		2.10%
2												
3												
4												
5												
6												
7												
8												
9												
10												
11												
12												
13												
14												
15												
16												
17												
18												
19												
20												
21												
22												
23												
24												
25												
26												
27												
28												
29												
30	**Total**			1119000				260129		5450		2.10%

Company Name: Lincoln Telephone Company, Inc.

SCHEDULE 14

Cost of Preferred Stock

Year: 2007

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												
2	**NONE**											
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: Lincoln Telephone Company, Inc.

SCHEDULE 15

Analysis of Common Stock

Year: 2007

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)	Market Price Low (h)	Price/ Earnings Ratio (i)
1	Year Ended December 31:	98	20636	884	1000	-11.60%	Stock Not Publically Traded		
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									

Company Name: Lincoln Telephone Company, Inc.

SCHEDULE 16

Capital Stock and Funded Debt Reacquired or Retired During the Year

Year: 2007

Line No.	Description of Security (a)	Call or Retirement Date (b)	Number of Shares (c)	Principal Amount (d)	Reaquisition or Retirement Cost (e)	Gain or (Loss) (f)	Retirement or Reaquisition (g)
1	NONE						
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30	**Totals (Sum L.1 to L.29)**						

Company Name: Lincoln Telephone Company, Inc.

Total Company Expense Matrix

Year: 2007

Line No.		Acct. No. (a)	Description (b)	Salaries and Wages (c)	Benefits (d)	Rents (e)	Other Expenses (f)	Clearances (g)	Total (h)
1	*	6110	Network Support Expense						
2	^	6112	Motor Vehicle Expense						
3	^	6113	Aircraft Expense						
4	^	6114	Special Purpose Vehicles Expense						
5	^	6115	Garage Work Equipment Expense						
6	^	6116	Other Work Equipment Expense						
7	*	6120	General Support Expense						
8	^	6121	Land and Building Expense						
9	^	6122	Furniture and Artworks Expense						
10	^	6123	Office Equipment Expense						
11	^	6124	General Purpose Computers Expense						
12	*	6210	Central Office Switching Expense						
13	^	6211	Analog Electronic Expense						
14	^	6212	Digital Electronic Expense						
15	^	6215	Electro-Mechanical Expense						
16		6220	Operator Systems Expense						
17	*	6230	Central Office Transmission Expense						
18	^	6231	Radio Systems Expense						
19	^	6232	Circuit Equipment Expense						
20	*	6310	Information Origination/Termination Expense						
21	^	6311	Station Apparatus Expense						
22	^	6341	Large Private Branch Exchange Expense						
23	^	6351	Public Telephone Terminal Equipment Exp.						
24	^	6362	Other Terminal Equipment Expense						
25	*	6410	Cable and Wire Facilities Expense						
26	^	6411	Poles Expense						
27	^	6421	Aerial Cable Expense						
28	^	6422	Underground Cable Expense						
29	^	6423	Buried Cable Expense						
30	^	6424	Submarine Cable Expense						
31	^	6425	Deep Sea Cable Expense						
32	^	6426	Intrabuilding Network Cable Expense						
33	^	6431	Aerial Wire Expense						
34			**Subtotals**						

^ Subaccount of the account marked with a *.

Company Name: Lincoln Telephone Company, Inc.

Total Company Expense Matrix

Year: 2007

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

^ Subaccount of the account marked with a *.

Company Name: Lincoln Telephone Company, Inc.

Total State Expense Matrix

Year: 2007

Line No.		Acct. No. (a)	Description (b)	Salaries and Wages (c)	Benefits (d)	Rents (e)	Other Expenses (f)	Clearances (g)	Total (h)
1	*	6110	Network Support Expense						
2	^	6112	Motor Vehicle Expense						
3	^	6113	Aircraft Expense						
4	^	6114	Special Purpose Vehicles Expense						
5	^	6115	Garage Work Equipment Expense						
6	^	6116	Other Work Equipment Expense						
7	*	6120	General Support Expense						
8	^	6121	Land and Building Expense						
9	^	6122	Furniture and Artworks Expense						
10	^	6123	Office Equipment Expense						
11	^	6124	General Purpose Computers Expense						
12	*	6210	Central Office Switching Expense						
13	^	6211	Analog Electronic Expense						
14	^	6212	Digital Electronic Expense						
15	^	6215	Electro-Mechanical Expense						
16		6220	Operator Systems Expense						
17	*	6230	Central Office Transmission Expense						
18	^	6231	Radio Systems Expense						
19	^	6232	Circuit Equipment Expense						
20	*	6310	Information Origination/Termination Expense						
21	^	6311	Station Apparatus Expense						
22	^	6341	Large Private Branch Exchange Expense						
23	^	6351	Public Telephone Terminal Equipment Exp.						
24	^	6362	Other Terminal Equipment Expense						
25	*	6410	Cable and Wire Facilities Expense						
26	^	6411	Poles Expense						
27	^	6421	Aerial Cable Expense						
28	^	6422	Underground Cable Expense						
29	^	6423	Buried Cable Expense						
30	^	6424	Submarine Cable Expense						
31	^	6425	Deep Sea Cable Expense						
32	^	6426	Intrabuilding Network Cable Expense						
33	^	6431	Aerial Wire Expense						
34			**Subtotals**						

^ Subaccount of the account marked with a *.

Company Name: Lincoln Telephone Company, Inc.

Total State Expense Matrix

Year: 2007

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

^ Subaccount of the account marked with a *.

Pension Costs

Year: 2007

1	Plan Name			
2	Defined Benefit Plan? _____	Defined Contribution Plan? _____		
3	Actuarial Cost Method? _____	IRS Code: _____		
4	Annual Contribution by Employer: _____	Is the Plan Over Funded? _____		
5				
	Item	Current Year	Last Year	% Change
6	**Change in Benefit Obligation**			
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	**Change in Plan Assets**			
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	**Funded Status**			
25	Unrecognized net actuarial loss			
26	Unrecognized prior service cost			
27	Prepaid (accrued) benefit cost			
28				
29	**Weighted-average Assumptions as of Year End**			
30	Discount rate			
31	Expected return on plan assets			
32	Rate of compensation increase			
33				
34	**Components of Net Periodic Benefit Costs**			
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	**Montana Intrastate Costs:**			
43	Pension Costs			
44	Pension Costs Capitalized			
45	Accumulated Pension Asset (Liability) at Year End			
46	**Number of Company Employees:**			
47	Covered by the Plan			
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	**Regulatory Treatment:**			
2	Commission authorized - most recent			
3	Docket number: _____			
4	Order number: _____			
5	Amount recovered through rates			
6	**Weighted-average Assumptions as of Year End**			
7	Discount rate			
8	Expected return on plan assets			
9	Medical Cost Inflation Rate			
10	Actuarial Cost Method			
11	Rate of compensation increase			
12	**List each method used to fund OPEBs (ie: VEBA, 401(h)) and if tax advantaged:**			
13				
14				
15	**Describe any Changes to the Benefit Plan:**			
16				
17	**TOTAL COMPANY**			
18	**Change in Benefit Obligation**			
19	Benefit obligation at beginning of year			
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	**Change in Plan Assets**			
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	**Funded Status**			
37	Unrecognized net actuarial loss			
38	Unrecognized prior service cost			
39	Prepaid (accrued) benefit cost			
40	**Components of Net Periodic Benefit Costs**			
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	**Accumulated Post Retirement Benefit Obligation**			
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: 2007

	Item	Current Year	Last Year	% Change
1	**Number of Company Employees:**			
2	Covered by the Plan			
3	Not Covered by the Plan			
4	Active			
5	Retired			
6	Spouses/Dependants covered by the Plan			
7	**Montana**			
8	**Change in Benefit Obligation**			
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	**Change in Plan Assets**			
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	**Funded Status**			
27	Unrecognized net actuarial loss			
28	Unrecognized prior service cost			
29	Prepaid (accrued) benefit cost			
30	**Components of Net Periodic Benefit Cccosts**			
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	**Accumulated Post Retirement Benefit Obligation**			
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	**Montana Intrastate Costs:**			
47	Pension Costs			
48	Pension Costs Capitalized			
49	Accumulated Pension Asset (Liability) at Year End			
50	**Number of Montana Employees:**			
51	Covered by the Plan			
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: 2007

Line No.	Name of Recipient (a)	Nature of Service (b)	Total Company Cost (c)	Total State Cost (d)	Intrastate Cost (e)
1					
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					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47					
48					
49	**Total**				

Subscriber Line Usage Data

Year: 2007

Line No.	Description (a)	This Year (b)	% of Total (c)	Last Year (d)	% of Total (e)
1	Toll Usage:				
2	Interstate, InterLATA	4550392	77.09%	4890337	76.29%
3	Interstate, IntraLATA				
4	**Total Interstate Usage**	4550392	77.09%	4890337	76.29%
5	Intrastate, InterLATA				
6	Intrastate, IntraLATA	1352581	22.91%	1520166	23.71%
7	**Total Intrastate Usage**	1352581	22.91%	1520166	23.71%
8	**Total Toll Usage**	5902973	100.00%	6410503	100.00%
9	Centrex				
10	Local				
11	**Total Minutes**	5902973	100.00%	6410503	100.00%

Company Name: Lincoln Telephone Company, Inc.

Year: 2007

Cental Office and Access Line Statistics

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	*LINCOLN*	*DIGITAL*	*708*			*25*		*62*	*139*	*9*		*24*		942
2														
3	*CANYON CREEK*	*DIGITAL*	*146*			*1*		*5*	*2*		*1*	*4*		158
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														
31														
32														
33	**Total**		854			26		67	141	9	1	28		1100

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

Central Office and Switch Information

Year: 2007

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	LINCOLN	HOST	DIGITAL	NORTHERN TELECOM	DMS 10	10,000	1985
2							
3	CANYON CREEK	REMOTE	DIGITAL	NORTHERN TELECOM	RSLM	1,296	1986
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							
31							
32							
33							
34							
35							
36							
37							
38							
39							
40							
41							
42							
43							
44							
45							
46							
47							
48							

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

Construction Budget - Montana

Year: 2007

Line No.	Description (a)	(b)
1	**Central Office Assets:**	
2		
3	Software Upgrades	300000
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27	Total Switching and Central Office Projects over $500,000	
28	Miscellaneous Central Office Projects not over $500,000	
29	**Total Central Office Budget (Total of Line 27 & Line 28)**	
30	**Other Projects over $500,000:**	
31		
32	Buried Plant Additions	100000
33		
34		
35		
36		
37		
38		
39		
40		
41	Total Other Projects over $500,000	
42	Miscellaneous projects not over $500,000	
43	**Total Construction Budget (Total of Lines 29, 41 & 42)**	

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	46965	54197	-13.34%
2	2210	Central Office Assets	33322	429404	-92.24%
3	2220	Operator Systems			
4	2230	Central Office Transmission			
5	2310	Information/Termination Assets			
6	2410	Cable and Wire Facilities Assets	136583	360230	-62.08%
7	2680	Amortizable Tangible Assets			
8	2690	Intangibles			
9		**Total Construction Expenditures**	216870	843831	-74.30%

Montana Employee Counts

Year: 2007

Line No.	Category (a)	Beginning of Year (b)	End of Year (c)
1	MANAGER	1	1
2	ASSISTANT MANAGER	1	1
3	COMMERCIAL CLERK	2	2
4	COMBINATION TECHNICIAN	2	2
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			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41			
42			
43	**Totals (Sum of Lines 1 through 42)**	6	6

Compensation of Top 10 Montana Based Employees

Year: 2007

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							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11	**Totals (Sum L.1 to L.10)**						

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							
2							
3							
4							
5							
6	**Totals (Sum L.1 to L.5)**						

Montana Composite Statistics

Year: 2007

Line No.	Account No.	Description (a)	Amount (b)
1		**Plant (Intrastate Only) (000 Omitted)**	
2	2001	Plant in Service	6409025
3	2003 - 2004	Construction Work in Progress	
4	2005	Plant Acquisition Adjustments	
5	2002	Plant Held for Future Use	
6	1220	Materials & Supplies	24117
7		(Less):	
8	3100 - 3400	Depreciation & Amortization Reserves	-4003837
9	4360.2	Contributions in Aid of Construction	
10		**NET BOOK COSTS**	2429305
11		**Revenues & Expenses (Intrastate Only) (000 Omitted)**	
12	5000 - 5300	Operating Revenues	1257015
13	6560	Depreciation & Amortization Expenses	268432
14		Federal & State Income Taxes	-45902
15		Other Taxes	30903
16		Other Operating Expenses	1026697
17		TOTAL Operating Expenses	1280130
18		Net Operating Income	-23115
19		Other Income	109761
20		Other Deductions	
21		**NET INCOME**	86646
22		**Access Lines in Service (Intrastate Only)**	
23		Residential Access Lines	854
24		Business Access Lines	218
25		PBX Access Lines	
26		Other Access Lines	28
27		**Total Number of Access Lines**	1100
28		**Average Number of Calls Per Access Line**	
29		Local Calls	
30		Toll Calls (Intra- or Interstate)	
31		**Total Number of Calls Per Access Line (Total of Line 29 & Line 30)**	
32		**Other Statistics (Intrastate Only)**	
33		Average Residential Monthly Bill	
34		Gross Plant Investment per Access Line	

Depreciation - Montana Intrastate Regulated

Year: 2007

Line No.	Acct No. (a)	Description (b)	Composite Rate % (c)	Total Expense $ (d)
1	2112	Motor Vehicles	15.8%	27,157
2	2114	Special Purpose Vehicles		
3	2115	Garage Work Equipment		
4	2116	Other work Equipment	15.8%	
5	2121	Buildings	7.3%	
6	2122	Furniture	7.6%	
7	2123.1	Office Support Equipment	7.6%	2,659
8	2123.2	Company Communications Equipment		
9	2124	General Purpose Computers	7.6%	6,069
10	2211	Analog Electronic Switching Equipment		
11	2212	Digital Electronic Switching Equipment	7.6%	138,197
12	2215	Step By Step Switching Equipment		
13	2215	Crossbar Switching Equipment		
14	2220	Operator System		
15	2231	Radio Systems		
16	2232	Circuit DDS		
17	2232	Circuit Digital	7.6%	
18	2232	Circuit Analog		
19	2351	Public Telephone Terminating Equipment	6.7%	
20	2362	Other Terminal Equipment		
21	2411	Poles	5.0%	
22	2421	Aerial Cable Metallic		
23	2421	Aerial Cable Nonmetallic		
24	2422	Underground Cable Metallic		
25	2422	Underground Cable Nonmetallic		
26	2423	Buried Cable Metallic	3.5%	93,831
27	2423	Buried Cable Nonmetallic	3.5%	
28	2424	Submarine Cable Metallic		
29	2424	Submarine Cable Nonmetallic		
30	2426	Intrabuilding Network Cable Metallic		
31	2426	Intrabuilding Network Cable Nonmetallic		
32	2431	Aerial Wire	5.0%	519
33	2441	Conduit Systems		
34				
35		**COMPOSITE TOTAL**		

36
37 Have these rates been approved by the Commission? _____YES _____ NO
38
39 If yes: _____ Docket Number _____ Order Number
40

Company Name: Lincoln Telephone Company, Inc.

SCHEDULE 30a

Amortization - Montana Intrastate Regulated

Year: 2007

Line No.	Acct No. (a)	Description (b)	Composite Rate % (c)	Total Expense $ (d)
1				
2		N/A		
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				
31				
32				
33				
34				
35		**COMPOSITE TOTAL**		

36
37 **Please list the Montana Public Service Commission Docket Order No. approving these amortization rates**
38
39 Docket Number _____ Order Number _____
40

Company Name: Lincoln Telephone Company, Inc. SCHEDULE 31

Montana Regulatory Capital Structure & Costs

Year: 2007

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

Company Name: Lincoln Telephoı SCHEDULE 32

Network Access - Charges and Revenues

Year: 2007

Line No.	Description (a)	Access Charges Paid (b)	Access Revenues Received (c)
1	Montana - Total State		110509
2			
3	Montana - Intrastate		
4			
5	Montana - Intrastate Regulated		110509
6			
7			
8			
9			
10			
11			
12			
13			

Company Name: Lincoln Telephone Company, Inc.

SCHEDULE 33

Affiliate Transactions - Products & Services Provided to Utility

Year: 2007

Line No.	Affiliate Name (a)	Products & Services (b)	Method to Determine Price (c)	Charges to Utility (d)	% Total Affil. Revenues (e)	Charges to MT Utility (f)
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30	**TOTAL**					

Affiliate Transactions - Products & Services Provided by Utility

Year: 2007

Line No.	Affiliate Name (a)	Products & Services (b)	Method to Determine Price (c)	Charges to Affiliate (d)	% Total Affil. Revenues (e)	Charges to MT Utility (f)
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30	**TOTAL**					

Montana Intrastate Regulated Earned Rate of Return

Year: 2007

Line No.	Description Rate Base (a)		This Year (b)	Last Year (c)	Percent Change (d)
1					
2	2001	Plant in Service	6,409,025	6,223,368	2.98%
3	2002	Prop. Held for Future Telecommunications Use			
4	3100-3200	(Less) Accumulated Depreciation	(4,003,837)	(3,708,176)	-7.97%
5		**Plant in Service**	2,405,188	2,515,192	-4.37%
6					
7		**Additions**			
8	1220	Materials & Supplies	24,117	18,891	27.66%
9	1280	Prepayments	2,227	7,107	-68.66%
10		Other Additions			
11		**TOTAL Additions**	26,344	25,998	1.33%
12					
13		**Deductions**			
14	4100	Current Deferred Operating Income Taxes			
15	4320	Unamortized Operating Investment Tax Credits			
16	4340	Noncurrent Deferred Operating Income Taxes	199,599	191,137	4.43%
17		Customer Advances for Construction			
18		Other Deductions			
19		**TOTAL Deductions**	199,599	191,137	4.43%
20		**TOTAL Rate Base**	2,231,933	2,350,053	-5.03%
21					
22		**Net Earnings**	(23,115)	36,715	-162.96%
23					
24	**Rate of Return on Average Rate Base**		-1.036%	1.562%	-166.29%
25					
26	**Rate of Return on Average Equity**				
27					
28	Major Normalizing Adjustments & Commission				
29	Ratemaking adjustments to Utility Operations				
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43	**Adjusted Rate of Return on Average Rate Base**				
44					
45	**Adjusted Rate of Return on Average Equity**				

Other Taxes Paid

Year: 2007

Line No.	Description (a)	Last Year (b)	This Year (c)
1	Montana Telephone Company License Tax		
2	Montana Public Service Commission Tax	657	654
3	Montana Consumer Counsel Tax	211	221
4	911 Emergency Telephone Fee	6457	8081
5	Montana Telecommunications Access Service (TDD)	1243	1283
6	Montana Corporate License Tax	10	15
7	Personal Property Tax	24526	30027
8	Real Property Tax		
9			
10			
11			
12	**Total**	33104	40281

Universal Service Funds Received

Year: 2007

Line No.	Description (a)	Last Year (b)	This Year (c)
13	Funds received from Montana Sources		
14	Funds received from Federal Sources	45133	32255
15			
16			
17			
18			
19			
20			
21			
22			
23			
24	**Total**	45133	32255