

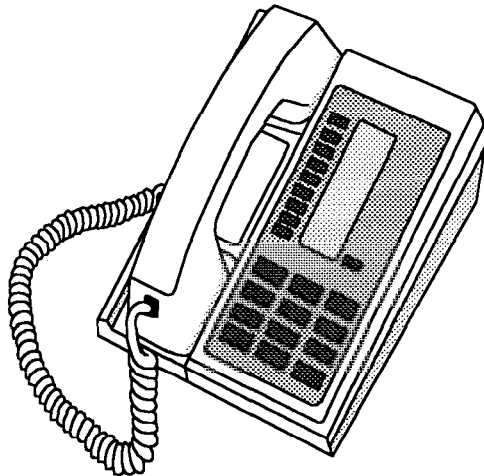
YEAR 1998

ANNUAL REPORT
OF

**Central Montana
Communications**

TELEPHONE UTILITY

RECEIVED
APR 27 1998
MONT. P. S. COMMISSION



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

Check No. 007835
Central Montana Communications

Telephone Annual Report

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General Information

Year: 1998

1. Legal Name of Respondent: Central Montana Communications, Incorporated
2. Name Under Which Respondent Does Business: Central Montana Communications, Incorporated
3. Date of Incorporation: 1-Jul-93
4. Address to send Correspondence Concerning Report: Post Office Box 751 Havre, MT 59501
5. Person Responsible for This Report: Richard Stevens
5a. Telephone Number: (406) 394-2000
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: Triangle Telephone Cooperative Association, Inc. Post Office Box 1220, Havre, MT 59501
1b. Means by which control was held: Stock Ownership
1c. Percent Ownership: 100

Board of Directors		
Line No.	Name of Director and Address (City, State) (a)	Fees Paid During Year (b)
1	Louis J. Sattleen, Chinook, MT 59523	3350
2	Verlin Reichelt, Big Sandy, MT 59520	2700
3	Richard Stuker, Chinook, MT 59523	2500
4	Tom Bangs, Inverness, MT 59530	2250
5	Richard Pokorny, Big Sandy, MT 59520	2550
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18	Chairman of the Board:	
19	Louis J. Sattleen	
20		

Officers

Year: 1998

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		Louis J. Sattleen, Chinook, MT 59523
2	Vice President		Verlin Reichelt, Big Sandy, MT 59520
3	Secretary/Treasurer		Richard Stuker, Chinook, MT 59523
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Total Company Balance Sheet

Year: 1998

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		CURRENT ASSETS:		
2	1120	Cash and Equivalents	5,702,282	6,126,961
3	1180	Telecommunications Accounts Receivable - Net	879,924	926,331
4	1190	Other Accounts Receivable - Net	948,257	963,103
5	1200	Notes Receivable - Net		
6	1210	Interest and Dividends Receivable	17,645	875
7	1220	Materials and Supplies		
8	* 1280	Prepayments	74,664	148,450
9	^ 1290	Prepaid Rents		
10	^ 1300	Prepaid Taxes		119,401
11	^ 1310	Prepaid Insurance		
12	^ 1320	Prepaid Directory Expenses	24,615	21,924
13	^ 1330	Other Prepayments	50,049	7,125
14	1350	Other Current Assets		
15		Total Current Assets	7,622,772	8,165,720
16		NONCURRENT ASSETS:		
17	1401	Investments in Affiliated Companies	5,709	5,486
18	1402	Investments in Nonaffiliated Companies	4,474,244	1,694,385
19	1406	Nonregulated Investments	23,454	14,658
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	11,664	22,092
25	1500	Other Jurisdictional Assets - Net		
26		Total Noncurrent Assets	4,515,071	1,736,621
27		PROPERTY, PLANT, & EQUIPMENT:		
28	2001	Telecommunications Plant in Service	36,756,884	35,437,171
29	2002	Property Held for Future Telecommunications Use		
30	2003	Plant Under Construction - Short Term	1,329,302	866,596
31	2004	Plant Under Construction - Long Term	84,487	413,958
32	2005	Telecommunications Plant Adjustment	2,656,541	2,656,541
33	2006	Nonoperating Plant		
34	2007	Goodwill	10,288,260	10,288,260
35	3100	Accumulated Depreciation	(17,099,191)	(14,839,993)
36	3200	Accumulated Depreciation - Held for Future Use		
37	3300	Accumulated Depreciation - Nonoperating		
38	3400	Accumulated Amortization	(3,953,260)	(3,079,588)
39		Net Property, Plant, & Equipment	30,063,023	31,742,945
40		TOTAL ASSETS	42,200,866	41,645,286

^ Subaccount of account marked with a *.

Total Company Balance Sheet

Year: 1998

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
41		CURRENT LIABILITIES:		
42	4010	Accounts Payable	1,381,111	1,021,397
43	4020	Notes Payable		
44	4030	Advance Billing and Payments	259,330	224,477
45	4040	Customer Deposits	49,723	49,007
46	4050	Current Maturities - Long Term Debt	1,273,000	1,036,782
47	4060	Current Maturities - Capital Leases		
48	4070	Income Taxes - Accrued	481,571	546,005
49	4080	Other Taxes - Accrued	614,425	641,060
50	4100	Net Current Deferred Operating Income Taxes		
51	4110	Net Current Deferred Nonoperating Income Taxes		
52	4120	Other Accrued Liabilities	344,782	383,180
53	4130	Other Current Liabilities		
54		Total Current Liabilities	4,403,942	3,901,908
55		LONG-TERM DEBT:		
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	29,296,512	30,521,932
63		Total Long-Term Debt	29,296,512	30,521,932
64		OTHER LIABILITIES AND DEFERRED CREDITS:		
65	4310	Other Long-Term Liabilities		
66	4320	Unamort. Oper. Invest. Tax Credits - Net		
67	4330	Unamort. Nonoper. Invest. Tax Credits - Net		
68	4340	Net Noncurrent Deferred Oper. Income Taxes		
69	4350	Net Noncurrent Deferred Nonoper. Income Taxes		
70	4360	Other Deferred Credits		
71	4370	Other Jurisdictional Liab. and Def. Credits		
72		Total Other Liabilities and Deferred Credits		
73		STOCKHOLDERS' EQUITY:		
74	4510	Capital Stock	6,390,000	6,390,000
75	4520	Additional Paid-In Capital		
76	4530	Treasury Stock		
77	4540	Other Capital		
78	4550	Retained Earnings	2,110,412	831,446
79		Total Stockholders' Equity	8,500,412	7,221,446
80		TOTAL LIAB. AND STOCKHOLDERS' EQUITY	42,200,866	41,645,286

Total Company Income Statement

Year: 1998

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		REVENUES:		
2	5000	Basic Local Service Revenues	2,322,021	2,157,716
3	5080	Network Access Revenues	7,715,132	6,452,157
4	* 5100	Long Distance Message Revenue	313,763	331,627
5	^ 5110	Unidirectional Long Distance Revenue		
6	^ 5120	Long Distance Private Network Revenue		
7	^ 5160	Other Long Distance Revenue	313,763	331,627
8	^ 5169	Other Long Distance Revenue Settlements		
9	* 5200	Miscellaneous Revenue	323,760	371,752
10	^ 5230	Directory Revenue	72,681	70,300
11	^ 5240	Rent Revenue	31,279	37,712
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	14,300	16,161
14	^ 5270	Carrier Billing and Collection Revenue	205,500	247,579
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	30,111	15,642
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)	10,644,565	9,297,610
18		OPERATING EXPENSES:		
19	6110	Network Support Expense		
20	6120	General Support Expense	168,170	148,696
21	6210	Central Office Switching Expense	165,316	166,502
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	89,438	104,588
24	6310	Information Origination/Termination Expense		5,837
25	* 6410	Cable and Wire Facilities Expense	351,959	373,884
26	^ 6431	Aerial Wire Expense	102,327	108,621
27	^ 6441	Conduit Systems Expense	249,632	265,263
28	6510	Other Property, Plant & Equipment Expense		
29	6530	Network Operations Expense	430,677	483,381
30	6540	Access Expense	123,549	
31	6560	Depreciation and Amortization Expense	2,495,838	2,439,919
32	6610	Marketing	4,964	2,769
33	6620	Services	772,697	706,758
34	6710	Executive and Planning	74,796	78,460
35	6720	General and Administrative	392,485	358,350
36	6790	Provision for Uncollectible Notes Receivable		
37		Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)	5,069,889	4,869,144
38	7100	Other Operating Income and Expense	(36)	(26)
39	7200	Operating Taxes	2,321,720	1,892,507
40		Net Operating Income (L.17-L.37+L.38-L.39)	3,252,920	2,535,933
41	7300	Nonoperating Income and Expense	(469,572)	(739,743)
42	7400	Nonoperating Taxes	(167,555)	(244,645)
43	7500	Interest and Related Items	1,737,800	1,529,016
44	7600	Extraordinary Items		
45	7910	Effects of Juris. Ratemaking Diff. - Net		
46	7990	Nonregulated Net Income	(65,863)	(60,082)
47		NET INCOME (L.40+L.41-L.42-L.43-L.44+L.45-L.46)	1,278,966	571,901

^ Subaccount of the account marked with a *.

Montana Total State Income Statement

Year: 1998

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 Income Statement

Year: 1998

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		REVENUES:		
2	5000	Basic Local Service Revenues	2,322,021	2,157,716
3	5080	Network Access Revenues	1,569,704	1,903,763
4	* 5100	Long Distance Message Revenue	313,659	331,627
5	^ 5110	Unidirectional Long Distance Revenue		
6	^ 5120	Long Distance Private Network Revenue		
7	^ 5160	Other Long Distance Revenue	313,659	331,627
8	^ 5169	Other Long Distance Revenue Settlements		
9	* 5200	Miscellaneous Revenue	258,638	230,593
10	^ 5230	Directory Revenue	72,681	70,300
11	^ 5240	Rent Revenue	31,279	37,712
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	14,300	16,161
14	^ 5270	Carrier Billing and Collection Revenue	140,378	106,420
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	30,111	15,642
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)	4,433,911	4,608,057
18		OPERATING EXPENSES:		
19	6110	Network Support Expense		
20	6120	General Support Expense	70,050	73,696
21	6210	Central Office Switching Expense	68,861	82,521
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	37,255	51,836
24	6310	Information Origination/Termination Expense		2,893
25	* 6410	Cable and Wire Facilities Expense	146,606	185,303
26	^ 6431	Aerial Wire Expense	42,624	53,834
27	^ 6441	Conduit Systems Expense	103,982	131,469
28	6510	Other Property, Plant & Equipment Expense		
29	6530	Network Operations Expense	179,395	239,572
30	6540	Access Expense	51,463	
31	6560	Depreciation and Amortization Expense	1,039,622	1,209,266
32	6610	Marketing	2,068	1,372
33	6620	Services	321,861	350,282
34	6710	Executive and Planning	31,156	38,886
35	6720	General and Administrative	163,487	177,606
36	6790	Provision for Uncollectible Notes Receivable		
37		Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)	2,111,824	2,413,233
38	7100	Other Operating Income and Expense	(15)	(13)
39	7200	Operating Taxes	967,095	937,959
40		Net Operating Income (L.17-L.37+L.38-L.39)	1,354,977	1,256,852

^ Subaccount of the account marked with a *.

Montana Intrastate Regulated Income Statement

Year: 1998

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		REVENUES:		
2	5000	Basic Local Service Revenues	2,322,021	2,157,716
3	5080	Network Access Revenues	1,428,282	1,760,562
4	* 5100	Long Distance Message Revenue	313,763	331,627
5	^ 5110	Unidirectional Long Distance Revenue		
6	^ 5120	Long Distance Private Network Revenue		
7	^ 5160	Other Long Distance Revenue	313,763	331,627
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)	4,064,066	4,249,905
18		OPERATING EXPENSES:		
19	6110	Network Support Expense		
20	6120	General Support Expense	64,207	67,968
21	6210	Central Office Switching Expense	63,117	76,107
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	34,147	47,807
24	6310	Information Origination/Termination Expense		2,668
25	* 6410	Cable and Wire Facilities Expense	134,377	170,901
26	^ 6431	Aerial Wire Expense	39,068	49,650
27	^ 6441	Conduit Systems Expense	95,309	121,251
28	6510	Other Property, Plant & Equipment Expense		
29	6530	Network Operations Expense	164,431	220,952
30	6540	Access Expense	47,171	
31	6560	Depreciation and Amortization Expense	952,904	1,115,279
32	6610	Marketing	1,895	1,266
33	6620	Services	295,014	323,057
34	6710	Executive and Planning	28,557	35,864
35	6720	General and Administrative	149,850	163,800
36	6790	Provision for Uncollectible Notes Receivable		
37		Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)	1,935,670	2,225,669
38	7100	Other Operating Income and Expense	(14)	(12)
39	7200	Operating Taxes	886,426	865,058
40		Net Operating Income (L.17-L.37+L.38-L.39)	1,241,956	1,159,166

^ Subaccount of the account marked with a *.

Average Rate Base - Total State

Year: 1998

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	36756884	35437171
2	3100	Accumulated Depreciation	17099191	14839993
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)	19657693	20597178

Average Rate Base - Intrastate

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	36756884	35437171
2	3100	Accumulated Depreciation	17099191	14839993
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)	19657693	20597178

Average Rate Base - Regulated Intrastate

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	36756884	35437171
2	3100	Accumulated Depreciation	17099191	14839993
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)	19657693	20597178

Statement of Cash Flows

Year: 1998

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		1278966
4	Reconciliation Adjustments:		
5	Depreciation & Amortization	3369510	
6	Provision for Accounts Receivable Losses	9164	
7	Deferred Income Taxes - Net		
8	Unamortized Investment Tax Credits (ITCs) - Net		
9	Allowance for Funds Used During Construction (AFUDC)	-11071	
10	Change in Operating Receivables - Net	35319	
11	Change in Materials, Supplies & Inventories - Net		
12	Change in Operating Payables & Accrued Liabilities - Net	395283	
13	Change in Other Assets & Deferred Credits - Net	84214	
14	Change in Other Liabilities & Deferred Credits - Net		
15	Other (explained on back of this page)	-129467	
16	Total Adjustments		3752952
17	Net Cash Provided by/(Used in) Operating Activities		5031918
18	Cash Inflows/Outflows From Investing Activities:		
19	Construction/Acquisition of Property, Plant & Equipment (net of	-7256272	
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)	2788877	
25	Net Cash Provided by/(Used in) Investing Activities		-4467395
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		
31	Repayment of Long-Term Debt	-1087202	
32	Payment of Capital Lease Obligations		
33	Proceeds from Issuing Common Stock/Parent Co. Equity Investment		
34	Repurchase of Treasury Shares		
35	Dividends Paid		
36	Other Financing Activities (explained on back of this page)	98000	
37	Net Cash Provided by Financing Activities		-989202
38	Effect of Exchange Rate Changes on Cash		
39	Net Increase/(Decrease) in Cash & Cash Equivalents		-424679
40	Cash & Cash Equivalents at Beginning of Period		6126961
41	Cash & Cash Equivalents at End of Period		5702282

Company Name: Central Montana Communications, Inc.

SCHEDULE 9A

Statement of Cash Flows

Year: 1998

Line 15.	Other Operating Activities	
	Accrued Income Tax	(64,434)
	Other Taxes Accrued	(26,635)
	Other Accrued Liabilities	(38,398)
		<u>(129,467)</u>
Line 24.	Other Investing Activities	
	Big Flat Coop	172
	North Central Data Cooperative Capital Credits	3,961
	Fergus Electric Cooperative Capital Credits	179
	Vigilante Electric Cooperative Capital Credits	12
	Farmers Union Capital Credits	143
	Rural Telephone Finance Cooperative Capital Credits	10,160
	Triangle Telephone Cooperative Assn. Capital Credits	222
	Nonregulated Investment in Other Terminal Equipment	8,796
	Bonds	<u>2,765,232</u>
		<u>2,788,877</u>
Line 36.	Other Financing Activities:	
	RUS Loan Advances	<u>98,000</u>

Receivables and Investments-Affiliated & Nonaffiliated Companies

Year: 1998

Line No.	Name of Affiliate or Company (a)	Account 1160 Temporary Investments (b)	Account 1180 Telecom. Accounts Receivable (c)	Account 1181 Accts. Rec. Telecom. Allowance (d)	Account 1190 Other Accounts Receivable (e)	Account 1191 Accounts Receivable Allow. - Other (f)	Account 1200 Notes Receivable (g)	Account 1201 Notes Receivable Allowance (h)	Account 1210 Interest and Dividends Receivable (i)	Account 1401 Investments in Affil. Companies (j)	Account 1402 Investments in Nonaffil. Companies (k)
1	NRUCFC	5625000							17645		
2	Subscriber Receivables		889088	9164							
3	Reg & NonReg Sales				2004						
4	AT & T				134617						
5	US West				795						
6	NECA				303241						
7	NCRPC				23507						
8	MILEC				318916						
9	Other Inter-Exc Carriers				167264						
10	Returned Checks					2087					
11	Invest in Triangle Tele									5709	
12	RTFC										
13	Electric Cooperatives										1683084
14	NCDC										1180
15	Farmers Union - GF										24605
16	Bonds										143
17											2765232
18											
19											
20											
21											
22											
23											
24											
25											
26											
27											
28											
29											
30	Totals	5625000	889088	9164	950344	2087			17645	5709	4474244

Net Plant in Service - Detail

Year:1998

Line No.	Account (a)	Description (b)	Beginning of Year Balance (c)	Additions (d)	Retirements (e)	Sales & Transfers (f)	End of Year Account 2001 Balance (h)	Year End Accumulated Depreciation (h)	End of Year Net Plant Balance (i)
1	* 2110	Land and Support Assets	1828524	58565			1887089	621514	1265575
2	^ 2111	Land	56992				56992		56992
3	^ 2112	Motor Vehicles	481938	45033			526971	168840	358131
4	^ 2113	Aircraft							
5	^ 2114	Special Purpose Vehicles	136075				136075	34341	101734
6	^ 2115	Garage Work Equipment							
7	^ 2116	Other Work Equipment	79442				79442	18259	61183
8	^ 2121	Buildings	1068089	13532			1081621	396977	684644
9	^ 2122	Furniture							
10	^ 2123	Office Equipment	5988				5988	3097	2891
11	^ 2124	General Purpose Computers							
12		2211 Analog Electronic Switching							
13		2212 Digital Electronic Switching	2721940	101439	10509		2812870	777994	2034876
14		2215 Electro-Mechanical Switching							
15		2220 Operator Systems							
16		2231 Radio Systems							
17		2232 Circuit Equipment	6227324	428946	199532		6456738	6364471	92267
18	* 2310	Information Orig & Term Equip	24856				24856		24856
19	^ 2311	Station Apparatus							
20	^ 2321	Customer Premises Wiring							
21	^ 2341	Large Private Branch Exchanges							
22	^ 2351	Public Telephone Term. Equip.							
23	^ 2362	Other Terminal Equipment	24856				24856	24856	
24		2411 Poles	293428	845	3940		290333	179286	111047
25	* 2420	Cable and Wire Facilities	24227974	998297	51675		25174596	9042402	16132194
26	^ 2421	Aerial Cable	1039546	49410	1011		1087945	508237	579708
27	^ 2422	Underground Cable	664233	3336		10736	656833	95623	561210
28	^ 2423	Buried Cable	22524195	945551	50664	-10736	23429818	8438542	14991276
29	^ 2424	Submarine Cable							
30	^ 2425	Deep Sea Cable							
31	^ 2426	Intrabuilding Network Cable							
32		2431 Aerial Wire	109798		2723		107075	107026	49
33		2441 Conduit Systems	3327				3327	1333	1994
34		Totals	35437171	1588092	268379		36756884	17118882	19638002

^ Subaccount of the account marked with a *.

Analysis of Plant Held for Future Use

Year: 1998

Line No.	Location and Description of Property (a)	Date Included in Account 2002 (b)	Book Cost of Property at Beginning of Year (c)	Additions During the Year (d)	Retirements During the Year (e)	Transfers and Adjustments Charges and (Credits) (f)	Book Cost of Property at End of Year (g)
1	Not Applicable						
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30	Totals (Sum L.1 to L.29)						

Average Cost of Long Term Debt **Year: 1998**

Line No.	Description (a)	Issue Date (b)	Maturity Date (c)	Principal Amount (d)	Gross Proceeds (e)	Net Proceeds (f)	Net Per \$100 (g)	Outstanding Per Balance Sheet (h)	Yield to Maturity (i)	Annual Net Cost (j)	Amortization of Premium or Discount (k)	Total Cost (%) (l)
1	Not Applicable											
2												
3												
4												
5												
6												
7												
8												
9												
10												
11												
12												
13												
14												
15												
16												
17												
18												
19												
20												
21												
22												
23												
24												
25												
26												
27												
28												
29												
30	Total											

Year: 1998

Cost of Preferred Stock

Line No.	Description (a)	Date of Issuance (b)	Method of Offering (c)	Call Redemption Price (d)	Par Value Of Issue (e)	Gross Proceeds Amounts (f)	Net Proceeds Amounts (g)	Net Proceeds Per \$100 (h)	Cost of Money (i)	Principal Outstanding (j)	Annual Cost (k)	Embedded Cost (l)
1	Not Applicable											
2												
3												
4												
5												
6												
7												
8												
9												
10												
11												
12												
13												
14												
15												
16												
17												
18												
19												
20												
21												
22												
23												
24												
25												
26												
27												
28												
29												
30	Totals (Sum L.1 to L.29)											

Company Name: Central Montana Communications, Inc.

SCHEDULE 15

Analysis of Common Stock

Year: 1998

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:	Not Applicable							
2									
3									
4									
5									
6									
7									
8	Month by Month Data:								
9	January								
10	February								
11	March								
12	April								
13	May								
14	June								
15	July								
16	August								
17	September								
18	October								
19	November								
20	December								
21									
22									
23									

Capital Stock and Funded Debt Reacquired or Retired During the Year

Year: 1998

Line No.	Description of Security (a)	Call or Retirement Date (b)	Number of Shares (c)	Principal Amount (d)	Reacquisition or Retirement Cost (e)	Gain or (Loss) (f)	Retirement or Reacquisition (g)
1	Not Applicable						
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30	Totals (Sum L.1 to L.29)						

Total Company Expense Matrix

Year:1998

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	16288	9404	10298	83931	-119921	
2	^ 6112	Motor Vehicle Expense	12509	7302	10298	79449	-109558	
3	^ 6113	Aircraft Expense						
4	^ 6114	Special Purpose Vehicles Expense	3744	2084		4482	-10310	
5	^ 6115	Garage Work Equipment Expense						
6	^ 6116	Other Work Equipment Expense	35	18			-53	
7	* 6120	General Support Expense	35708	17115	61094	48196	6057	168170
8	^ 6121	Land and Building Expense	31115	15165	38390	40488	5337	130495
9	^ 6122	Furniture and Artworks Expense						
10	^ 6123	Office Equipment Expense	584	290	22704	680	720	24978
11	^ 6124	General Purpose Computers Expense	4009	1660		7028		12697
12	* 6210	Central Office Switching Expense	62231	33743		50054	19288	165316
13	^ 6211	Analog Electronic Expense						
14	^ 6212	Digital Electronic Expense	62231	33743		50054	19288	165316
15	^ 6215	Electro-Mechanical Expense						
16	6220	Operator Systems Expense						
17	* 6230	Central Office Transmission Expense	38434	20362		19247	11395	89438
18	^ 6231	Radio Systems Expense						
19	^ 6232	Circuit Equipment Expense	38434	20362		19247	11395	89438
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	162182	87700	9122	37514	55441	351959
26	^ 6411	Poles Expense	2237	378	8912	1273	159	12959
27	^ 6421	Aerial Cable Expense	50941	28166		6851	16368	102326
28	^ 6422	Underground Cable Expense	75	43			26	144
29	^ 6423	Buried Cable Expense	108929	59113	210	29390	38888	236530
30	^ 6424	Submarine Cable Expense						
31	^ 6425	Deep Sea Cable Expense						
32	^ 6426	Intrabuilding Network Cable Expense						
33	^ 6431	Aerial Wire Expense						
34		Subtotals	314,843	168,324	80,514	238,942	(27,740)	774883

^ Subaccount of the account marked with a *.

Total Company Expense Matrix

Year:1998

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				40475	-40475	
37	* 6530	Network Operations Expense	229556	129241	14277	108781	-51178	430677
38	^ 6531	Power Expense				34948		34948
39	^ 6532	Network Administration Expense	139427	72701	10171	55571	36151	314021
40	^ 6533	Testing Expense	16696	9122		3982	7009	36809
41	^ 6534	Plant Operations Expense	73433	47418	4106	14280	-94338	44899
42	^ 6535	Engineering Expense						
43	6540	Access Expense				123549		123549
44	6561	Depreciation - Telecomm. Plant in Service				2495838		2495838
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	1609	972		2383		4964
50	^ 6611	Product Management						
51	^ 6612	Sales	55	33		619		707
52	^ 6613	Product Advertising	1554	939		1764		4257
53	6621	Call Completion Services	3036	1850		23668		28554
54	6622	Number Services	4005	2212		99386		105603
55	6623	Customer Services	156199	87321	20895	374125		638540
56	6711	Executive	33824	14038		22354		70216
57	6712	Planning	120	61		4399		4580
58	6721	Accounting and Finance	77755	40533	13916	45184		177388
59	6722	External Relations	3782	2171		40524		46477
60	6723	Human Relations	303	182		5301		5786
61	6724	Information Management	3488	1422		19264		24174
62	6725	Legal				1712		1712
63	6726	Procurement						
64	6727	Research and Development						
65	6728	Other General and Administrative	21795	9949	1693	103511		136948
66	6790	Provision for Uncollectible Notes Receivable						
67		Totals	850,315	458,276	131,295	3,749,396	(119,393)	5069889

^ Subaccount of the account marked with a *.

Total State Expense Matrix

Line No.	Acct. No. (a)	Description (b)	Salaries and Wages (c)	Benefits (d)	Rents (e)	Other Expenses (f)	Clearances (g)	Total (h)
1	* 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						

^ 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						

^ Subaccount of the account marked with a *.

Pension Costs

Year: 1998

1	Plan Name: NTCA Savings Plan			
2	Defined Benefit Plan? Yes	Defined Contribution Plan? _____		
3	Actuarial Cost Method? _____	IRS Code: _____		
4	Annual Contribution by Employer: \$111,414.84	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			

Pension Costs

Year: 1998

1	Plan Name: NTCA Savings Plan			
2	Defined Benefit Plan? _____	Defined Contribution Plan? Yes		
3	Actuarial Cost Method? _____	IRS Code: _____		
4	Annual Contribution by Employer: \$20,952.65	Is the Plan Over Funded? _____		
5				
	Item	Current Year	Last Year	% Change
6	Change in Benefit Obligation			
7	Benefit obligation at beginning of year	0	0	0.00%
8	Service cost			0.00%
9	Interest Cost			0.00%
10	Plan participants' contributions			0.00%
11	Amendments			0.00%
12	Actuarial Gain			0.00%
13	Acquisition			0.00%
14	Benefits paid			0.00%
15	Benefit obligation at end of year	0	0	0.00%
16	Change in Plan Assets			
17	Fair value of plan assets at beginning of year	0	0	0.00%
18	Actual return on plan assets			0.00%
19	Acquisition			0.00%
20	Employer contribution			0.00%
21	Plan participants' contributions	0	0	0.00%
22	Benefits paid	0	0	0.00%
23	Fair value of plan assets at end of year	0	0	0.00%
24	Funded Status	0	0	0.00%
25	Unrecognized net actuarial loss			0.00%
26	Unrecognized prior service cost			0.00%
27	Prepaid (accrued) benefit cost	0	0	0.00%
28				
29	Weighted-average Assumptions as of Year End			
30	Discount rate			0.00%
31	Expected return on plan assets			0.00%
32	Rate of compensation increase			0.00%
33				
34	Components of Net Periodic Benefit Costs			
35	Service cost	0	0	0.00%
36	Interest cost	0	0	0.00%
37	Expected return on plan assets	0	0	0.00%
38	Amortization of prior service cost			0.00%
39	Recognized net actuarial loss			0.00%
40	Net periodic benefit cost	0	0	0.00%
41				
42	Montana Intrastate Costs:			
43	Pension Costs			0.00%
44	Pension Costs Capitalized			0.00%
45	Accumulated Pension Asset (Liability) at Year End			0.00%
46	Number of Company Employees:			
47	Covered by the Plan			0.00%
48	Not Covered by the Plan			0.00%
49	Active			0.00%
50	Retired			0.00%
51	Deferred Vested Terminated			0.00%

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	Not Applicable		#VALUE!
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

	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: 1998

Line No.	Name of Recipient (a)	Nature of Service (b)	Total Company Cost (c)	Total State Cost (d)	Intrastate Cost (e)
1	GVNW Inc.	Cost Study Consulting	33029	33029	33029
2	Heberly & Associates	Engineering Services	125667	125667	125667
3	Hill County Electric Coop.	Office & Equipment Rental	2019389	2019389	2019389
4	Joe Haider Construction	Construction Services	28444	28444	28444
5	North Central Data Coop.	Data Processing Services	319552	319552	319552
6	North Winds Publishing	Directory Services	87842	87842	87842
7	Triangle Telephone Coop.	Office, Equip. & Switching Rental	1007839	1007839	1007839
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		3621762	3621762	3621762

Subscriber Line Usage Data

Year: 1998

Line No.	Description (a)	This Year (b)	% of Total (c)	Last Year (d)	% of Total (e)
1	Toll Usage:				
2	Interstate, InterLATA	28625038	59.07%	26337678	56.77%
3	Interstate, IntraLATA	2409	0.00%	2849	0.01%
4	Total Interstate Usage	28627447	59.07%	26340527	56.78%
5	Intrastate, InterLATA	8674775	17.90%	7886671	17.00%
6	Intrastate, IntraLATA	11160228	23.03%	12162874	26.22%
7	Total Intrastate Usage	19835003	40.93%	20049545	43.22%
8	Total Toll Usage	48462450	100.00%	46390072	100.00%
9	Centrex				
10	Local				
11	Total Minutes	48462450	100.00%	46390072	100.00%

Central Office and Access Line Statistics

Year: 1998

Line No.	Wire Center (a)	Type of Office (b)	Residential (c)	ISDN (d)	ADSL (e)	Lifeline Customers (f)	Residential LMS Customers (g)	Single Line Business (h)	Multi-Line Business (i)	Customer Owned Coin (j)	Company Owned Coin (k)	Other (l)	% of Lines w/ T. Tone (m)	Total Access Lines (n)
1	353-Harlem	Host	665			29		53	225	12	6		100.0%	961
2	374-Moore	Remote	240			1		10	28	4	1		100.0%	283
3	383-Dodson	Remote	99					3	9		2		100.0%	113
4	423-Hobson	Remote	314			1		23	29	3			100.0%	369
5	473-Judith Gap	Remote	129			1		7	19	1			100.0%	156
6	547-White Sulphur Spr	Host	669			8		76	127	11	6		100.0%	889
7	566-Stanford	Remote	366			4		30	63	4	3		100.0%	466
8	567-Denton	Remote	261			1		18	50	1			100.0%	330
9	572-Martinsdale	Remote	133					10	15		2		100.0%	160
10	622-Fort Benton	Host	797			9		61	239	6	8		100.0%	1111
11	632-Harlowton	Remote	699			11		63	157	11	6		100.0%	936
12	654-Malta	Host	1196			39		112	351	5	16		100.0%	1680
13	737-Geraldine	Remote	267			2		22	25		2		100.0%	316
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33	Total		5835			106		488	1337	58	52		13	7770

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

Central Office and Switch Information

Year: 1998

Line No.	Wire Center (a)	Office Configuration (Host, Remote, Stand alone) (b)	Type of Switch (c)	Switch Vendor/ Manufacturer (d)	Switch Model No. (e)	Switch Line Capacity (f)	Year Deployed (g)
1	353-Harlem	Host	Digital	Northern Telecom	DMS-10	7,500	1995
2	374-Moore	Remote	Digital	Northern Telecom	RSLE	1,024	1995
3	383-Dodson	Remote	Digital	Northern Telecom	RSLM	192	1994
4	423-Hobson	Remote	Digital	Northern Telecom	RSLE	1,024	1995
5	473-Judith Gap	Remote	Digital	Northern Telecom	RSLM	192	1995
6	547-White Sulphur S	Host	Digital	Northern Telecom	DMS-10	7,500	1996
7	566-Stanford	Remote	Digital	Northern Telecom	RSLE	1,024	1995
8	567-Denton	Remote	Digital	Northern Telecom	RSLE	1,024	1995
9	572-Martinsdale	Remote	Digital	Northern Telecom	RSLM	192	1996
10	622-Fort Benton	Host	Digital	Northern Telecom	DMS-10	7,500	1995
11	632-Harlowton	Remote	Digital	Northern Telecom	RSLE	1,024	1996
12	654-Malta	Host	Digital	Northern Telecom	DMS-10	7,500	1994
13	737-Geraldine	Remote	Digital	Northern Telecom	RSLE	1,024	1995
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NOTE: Additional blank schedules are being provided for your convenience.

Construction Budget - Montana

Year: 1999

Line No.	Description (a)	1999 (b)
1	Central Office Assets:	
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24		
25		
26		
27	Total Switching and Central Office Projects over \$500,000	
28	Miscellaneous Central Office Projects not over \$500,000	1664500
29	Total Central Office Budget (Total of Line 27 & Line 28)	1664500
30	Other Projects over \$500,000:	
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41	Total Other Projects over \$500,000	4740000
42	Miscellaneous projects not over \$500,000	258500
43	Total Construction Budget (Total of Lines 29, 41 & 42)	6663000

Montana Employee Counts

Year: 1998

Line No.	Category (a)	Beginning of Year (b)	End of Year (c)
1	Employees are provided through a Joint Use Agreement with Hill County		
2	Electric Cooperative, Inc. Areas where joint use employees are used follow:		
3	Staff	16	12
4	Outside Plant	15	20
5			
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43	Totals (Sum of Lines 1 through 42)	31	32

Compensation of Top 10 Montana Based Employees

Year: 1998

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	Trent Frost Telephone Combination Man	47817			47817	41504	15.21%
2	Larry Lett Telephone Combination Man	47683			47683	45057	5.83%
3	Jim Rassler Telephone Combination Man	46642			46642	49926	-6.58%
4	Paul Myers Telephone Combination Man	45442			45442	43525	4.40%
5	Dan Umbach Telephone Combination Man	45028			45028	45037	-0.02%
6	Bryce Campbell Telephone Combination Man	44996			44996	43940	2.40%
7	Clarence Westburg Telephone Combination Man	44750			44750	44073	1.54%
8	Robert Lay Telephone Combination Man	44532			44532	43523	2.32%
9	Burl Miner General Manager	43168			43168	42470	1.64%
10	Ken Dirkson Telephone Combination Man	33058			33058	41147	-19.66%
11	Totals (Sum L.1 to L.10)	443116			443116	440202	0.66%

Compensation of Top 5 Corporate Employees - SEC Information

Line No.	Name/Title (a)	Base Salary (b)	Bonuses (c)	Other Compensation (d)	Total Compensation (e)	Total Compensation Last Year (f)	% Increase Total Compensation (g)
1	Not Applicable						
2							
3							
4							
5							
6	Totals (Sum L.1 to L.5)						

Montana Composite Statistics

Year: 1998

Line No.	Account No.	Description (a)	Amount (b)
1		Plant (Intrastate Only) (000 Omitted)	
2	2001	Plant in Service	36757
3	2003 - 2004	Construction Work in Progress	1414
4	2005	Plant Acquisition Adjustments	12944
5	2002	Plant Held for Future Use	
6	1220	Materials & Supplies	
7		(Less):	
8	3100 - 3400	Depreciation & Amortization Reserves	-21052
9	4360.2	Contributions in Aid of Construction	
10		NET BOOK COSTS	30063
11		Revenues & Expenses (Intrastate Only) (000 Omitted)	
12	5000 - 5300	Operating Revenues	10645
13	6560	Depreciation & Amortization Expenses	2496
14		Federal & State Income Taxes	1035
15		Other Taxes	1287
16		Other Operating Expenses	2574
17		TOTAL Operating Expenses	7392
18		Net Operating Income	3253
19		Other Income	471
20		Other Deductions	2445
21		NET INCOME	1279
22		Access Lines in Service (Intrastate Only)	
23		Residential Access Lines	5835
24		Business Access Lines	1853
25		PBX Access Lines	82
26		Other Access Lines	
27		Total Number of Access Lines	7770
28		Average Number of Calls Per Access Line	
29		Local Calls	186
30		Toll Calls (Intra- or Interstate)	175
31		Total Number of Calls Per Access Line (Total of Line 29 & Line 30)	361
32		Other Statistics (Intrastate Only)	
33		Average Residential Monthly Bill	57
34		Gross Plant Investment per Access Line	6

Depreciation - Montana Intrastate Regulated

Year: 1998

Line No.	Acct No. (a)	Description (b)	Composite Rate % (c)	Total Expense \$ (d)
1	2112	Motor Vehicles	9.7%	50,392
2	2114	Special Purpose Vehicles	7.0%	9,528
3	2115	Garage Work Equipment	8.4%	
4	2116	Other work Equipment	2.8%	2,220
5	2121	Buildings	3.8%	40,713
6	2122	Furniture	5.5%	
7	2123.1	Office Support Equipment	13.4%	804
8	2123.2	Company Communications Equipment	5.3%	
9	2124	General Purpose Computers	6.5%	
10	2211	Analog Electronic Switching Equipment	9.3%	
11	2212	Digital Electronic Switching Equipment	8.2%	205,960
12	2215	Step By Step Switching Equipment	9.5%	
13	2215	Crossbar Switching Equipment	11.6%	
14	2220	Operator System	12.5%	
15	2231	Radio Systems	7.5%	
16	2232	Circuit DDS	18.7%	1,171,233
17	2232	Circuit Digital	9.6%	
18	2232	Circuit Analog	10.7%	
19	2351	Public Telephone Terminating Equipment	3.0%	
20	2362	Other Terminal Equipment	16.0%	
21	2411	Poles	4.7%	13,820
22	2421	Aerial Cable Metallic	5.4%	53,149
23	2421	Aerial Cable Nonmetallic	4.2%	3,140
24	2422	Underground Cable Metallic	4.4%	72
25	2422	Underground Cable Nonmetallic	4.8%	32,028
26	2423	Buried Cable Metallic	3.9%	736,214
27	2423	Buried Cable Nonmetallic	4.2%	168,390
28	2424	Submarine Cable Metallic	2.3%	
29	2424	Submarine Cable Nonmetallic	3.3%	
30	2426	Intrabuilding Network Cable Metallic	5.5%	
31	2426	Intrabuilding Network Cable Nonmetallic	11.3%	
32	2431	Aerial Wire	13.4%	8,103
33	2441	Conduit Systems	2.1%	72
34				
35		COMPOSITE TOTAL	7.4%	
36				
37	Have these rates been approved by the Commission? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO			
38				
39	If yes: _____ Docket Number _____ Order Number			
40	*US West depreciation rates at time of acquisition are used to calculate depreciation expense			

Montana Regulatory Capital Structure & Costs

Year: 1998

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				
Actual at Year End				
10				
11				
12	Common Equity	100.00%		
13	Preferred Stock			
14	Long Term Debt			
15	Other			
16	Total	100.00%		

Network Access - Charges and Revenues

Year: 1998

Line No.	Description (a)	Access Charges Paid (b)	Access Revenues Received (c)
1	Montana - Total State		7715132
2			
3	Montana - Intrastate		1569704
4			
5	Montana - Intrastate Regulated		1428282
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Affiliate Transactions - Products & Services Provided to Utility

Year: 1998

Line No.	Affiliate Name (a)	Products & Services (b)	Method to Determine Price (c)	Charges to Utility (d)	% Total Affil. Revenues (e)	Charges to MT Utility (f)
1	Triangle Telephone Cooperative, Inc.	Office Rent	Floor space	74,756		
2	Triangle Telephone Cooperative, Inc.	Equipment Rent	Average hourly operating exp.	12,580		
3	Triangle Telephone Cooperative, Inc.	Retirement Plan Reimbursements	Labor hours charged	329,082		
4	Triangle Telephone Cooperative, Inc.	Expense Reimbursements	Actual amounts charged	860,160		
5	Triangle Telephone Cooperative, Inc.	Expense Allocations	Time used	7,092		
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30	TOTAL			\$1,283,670		

Affiliate Transactions - Products & Services Provided by Utility Year: 1998

Line No.	Affiliate Name (a)	Products & Services (b)	Method to Determine Price (c)	Charges to Affiliate (d)	% Total Affil. Revenues (e)	Charges to MT Utility (f)
1	Triangle Telephone Cooperative, Inc.	Equipment Rent	Average hourly operating exp.	6,808		
2	Triangle Telephone Cooperative, Inc.	Construction Material	Actual cost	30,535		
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30	TOTAL			\$37,343		

Montana Intrastate Regulated Earned Rate of Return

Year: 1998

Line No.	Description Rate Base (a)	This Year (b)	Last Year (c)	Percent Change (d)
1				
2	2001 Plant in Service	36,756,884	35,437,171	3.72%
3	2002 Prop. Held for Future Telecommunications Use			
4	3100-3200 (Less) Accumulated Depreciation	(17,118,882)	(14,842,259)	-15.34%
5	Plant in Service	19,638,002	20,594,912	-4.65%
6				
7	Additions			
8	1220 Materials & Supplies			
9	1280 Prepayments			
10	Other Additions			
11	TOTAL Additions			
12				
13	Deductions			
14	4100 Current Deferred Operating Income Taxes			
15	4320 Unamortized Operating Investment Tax Credits			
16	4340 Noncurrent Deferred Operating Income Taxes			
17	Customer Advances for Construction			
18	Other Deductions			
19	TOTAL Deductions			
20	TOTAL Rate Base	19,638,002	20,594,912	-4.65%
21				
22	Net Earnings	1,278,966	571,901	123.63%
23				
24	Rate of Return on Average Rate Base	6.500%	2.800%	132.14%
25				
26	Rate of Return on Average Equity	16.180%	8.400%	92.62%
27				
28	Major Normalizing Adjustments & Commission			
29	<u>Ratemaking adjustments to Utility Operations</u>			
30				
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42				
43	Adjusted Rate of Return on Average Rate Base	6.500%	2.800%	132.14%
44				
45	Adjusted Rate of Return on Average Equity	16.180%	8.400%	92.62%

Montana Intrastate Regulated Earned Rate of Return

Year: 1998

Schedule 35, Line 26

Jan	7,431,425
Feb	7,363,154
Mar	7,471,823
Apr	7,608,826
May	7,664,428
Jun	7,725,589
Jul	7,860,334
Aug	7,933,053
Sep	7,971,395
Oct	8,609,776
Nov	8,718,328
Dec	8,500,412
	<u>7,904,879</u> Average Equity

Other Taxes Paid

Year: 1998

Line No.	Description (a)	Last Year (b)	This Year (c)
1	Montana Telephone Company License Tax	43502	43424
2	Montana Public Service Commission Tax	8377	9847
3	Montana Consumer Counsel Tax	3518	3130
4	911 Emergency Telephone Fee		
5	Montana Telecommunications Access Service (TDD)		
6	Montana Corporate License Tax	40000	145007
7	Personal Property Tax		
8	Real Property Tax	1282605	1229335
9	Universal Service Fund	450	1617
10			
11			
12	Total	1378452	1432360

Company Name: Central Montana Communications, Inc.

Universal Service Funds Received

Year: 1998

Line No.	Description (a)	Last Year (b)	This Year (c)
13	Funds received from Montana Sources		
14	Funds received from Federal Sources	1705111	2201154
15			
16			
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23			
24	Total	1705111	2201154

Central Montana Communications, Inc.

P.O. Box 751 • Havre, Montana 59501 • Phone (406) 394-2000

Fax 406-265-7801

April 26, 1999

Laura Calkin
Public Service Commission
1701 Prospect Avenue
P.O. Box 202601
Helena, MT 59620-2601

Ms. Calkin:

Enclosed is a hard copy and a disk copy of Central Montana Communications' 1998 annual report and a check for \$25.00 to cover the utility report filing fee. Also enclosed is Central Montana Communications' 1998 audited financial statements and RUS Form 479.

If any additional information is needed, please contact me at (406) 265-7807.

Sincerely,


Christi Carlson
Accountant

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COMMISSION