

YEAR 2001
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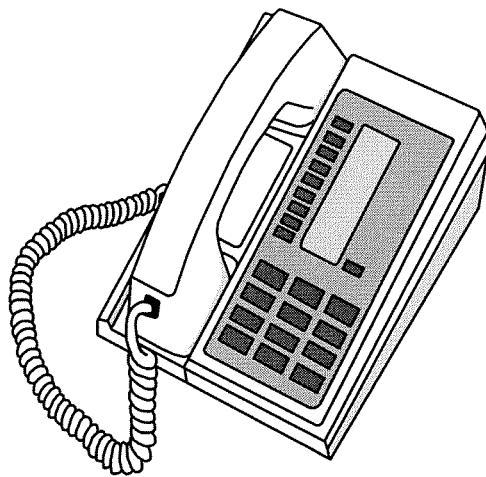
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ANNUAL REPORT
OF

**Century Telephone Enterprises,
Inc.**

TELEPHONE UTILITY



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

General Information

Year: 2001

1.	Legal Name of Respondent:	CenturyTel of Montana, Inc.
2.	Name Under Which Respondent Does Business:	CenturyTel of Montana, Inc.
3.	Date of Incorporation:	October 23, 1946
4.	Address to send Correspondence Concerning Report:	P.O. Box 4065 Monroe, Louisiana 71211
5.	Person Responsible for This Report:	Ted M. Hankins Director of Government Relations
5a.	Telephone Number:	(318) 388-9416
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: PacifiCorp Holdings, Inc. owned 100% of the voting securities of Pacific Telecom, Inc. until December 1, 1997 when these securities were sold to CenturyTel, Inc.	
1b.	Means by which control was held: Ownership of voting securities	
1c.	Percent Ownership: 99%	

Board of Directors				
Line No.	Name of Director and Address (City, State)			Fees Paid During Year
	(a)			(b)
1	Clarke M. Williams	Chairman	P.O. Box 4065 Monroe, La. 71211	None
2	Glen F. Post, III	President and CEO	P.O. Box 4065 Monroe, La. 71211	None
3	Harvey P. Perry	Executive V.P./CAO	P.O. Box 4065 Monroe, La. 71211	None
4	R. Stewart Ewing, Jr.	Executive V.P./CFO	P.O. Box 4065 Monroe, La. 71211	None
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Officers

Year: 2001

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	Pres. & Chief Executive Officer	Company Wide	Glen F. Post, III
2	Exec. V.P. & Chief Oper. Officer	"	Karen A. Puckett
3	Executive Vice President	"	Harvey P. Perry
4	Executive Vice President	"	R. Stewart Ewing, Jr.
5	Senior Vice President	"	David D. Cole
6	Senior Vice President	"	Michael A. Maslowski
7	Vice President & Controller	"	Neil A. Sweasy
8	V.P., Treas., & Asst. Secretary	"	Vacant
9	Vice President, Asst. General	"	
10	Counsel & Asst. Secretary	"	Stacey W. Goff
11	Vice President	"	Nick Bowman
12	Vice President	"	R. Wayne Davis
13	Vice President	"	Ivan Hughes
14	Vice President	"	Doug Alden
15	General Manager	"	Gary Perleberg
16	Secretary	"	Kay C. Buchart
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*All officers are based in Monroe, LA except Doug Alden, who is based in Vancouver, WA and Gary Perleberg, who is based in Kalispell, MT.

Total Company Balance Sheet

Year: 2001

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		CURRENT ASSETS:		
2	1120	Cash and Equivalents	12,519,955	10,830,522
3	1180	Telecommunications Accounts Receivable - Net	3,942,945	5,458,892
4	1190	Other Accounts Receivable - Net	1,954,856	948,908
5	1200	Notes Receivable - Net		
6	1210	Interest and Dividends Receivable		
7	1220	Materials and Supplies	43,447	43,763
8	* 1280	Prepayments	12,650	12,650
9	^ 1290	Prepaid Rents		
10	^ 1300	Prepaid Taxes		
11	^ 1310	Prepaid Insurance		
12	^ 1320	Prepaid Directory Expenses		
13	^ 1330	Other Prepayments	12,650	12,650
14	1350	Other Current Assets		
15		Total Current Assets	18,473,853	17,294,735
16		NONCURRENT ASSETS:		
17	1401	Investments in Affiliated Companies		
18	1402	Investments in Nonaffiliated Companies		
19	1406	Nonregulated Investments	285,154	1,079,148
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	6,679	24,724
25	1500	Other Jurisdictional Assets - Net		
26		Total Noncurrent Assets	291,833	1,103,872
27		PROPERTY, PLANT, & EQUIPMENT:		
28	2001	Telecommunications Plant in Service	133,908,067	126,806,370
29	2002	Property Held for Future Telecommunications Use		
30	2003	Plant Under Construction - Short Term	1,365,472	1,235,514
31	2004	Plant Under Construction - Long Term		
32	2005	Telecommunications Plant Adjustment		
33	2006	Nonoperating Plant	2,582	2,582
34	2007	Goodwill		
35	3100	Accumulated Depreciation	(74,906,116)	(66,736,793)
36	3200	Accumulated Depreciation - Held for Future Use		
37	3300	Accumulated Depreciation - Nonoperating		
38	3400	Accumulated Amortization		
39		Net Property, Plant, & Equipment	60,370,005	61,307,673
40		TOTAL ASSETS	79,135,691	79,706,280

^ Subaccount of account marked with a *.

Total Company Balance Sheet

Year: 2001

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
41		CURRENT LIABILITIES:		
42	4010	Accounts Payable	3,159,985	1,347,846
43	4020	Notes Payable		
44	4030	Advance Billing and Payments	681,287	650,351
45	4040	Customer Deposits	784	527
46	4050	Current Maturities - Long Term Debt		
47	4060	Current Maturities - Capital Leases		
48	4070	Income Taxes - Accrued		1,392,190
49	4080	Other Taxes - Accrued	2,432,983	1,911,575
50	4100	Net Current Deferred Operating Income Taxes		
51	4110	Net Current Deferred Nonoperating Income Taxes		
52	4120	Other Accrued Liabilities	576,812	525,475
53	4130	Other Current Liabilities		
54		Total Current Liabilities	6,851,851	5,827,964
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		
63		Total Long-Term Debt		
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	7,492,714	7,156,295
69	4350	Net Noncurrent Deferred Nonoper. Income Taxes		
70	4360	Other Deferred Credits	1,242,562	3,172,742
71	4370	Other Jurisdictional Liab. and Def. Credits		
72		Total Other Liabilities and Deferred Credits	8,735,276	10,329,037
73		STOCKHOLDERS' EQUITY:		
74	4510	Capital Stock	6,680,000	6,680,000
75	4520	Additional Paid-In Capital	141,016	141,016
76	4530	Treasury Stock	(130,500)	(130,500)
77	4540	Other Capital		
78	4550	Retained Earnings	56,858,048	56,858,763
79		Total Stockholders' Equity	63,548,564	63,549,279
80		TOTAL LIAB. AND STOCKHOLDERS' EQUITY	79,135,691	79,706,280

Total Company Income Statement

Year: 2001

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		REVENUES:		
2	5000	Basic Local Service Revenues	19,952,728	19,891,978
3	5080	Network Access Revenues (1)	17,344,004	15,707,746
4	* 5100	Long Distance Message Revenue	839,965	854,044
5	^ 5110	Unidirectional Long Distance Revenue		
6	^ 5120	Long Distance Private Network Revenue	820,821	804,341
7	^ 5160	Other Long Distance Revenue	19,144	49,703
8	^ 5169	Other Long Distance Revenue Settlements		
9	* 5200	Miscellaneous Revenue (2)	4,152,148	4,301,947
10	^ 5230	Directory Revenue	3,384,210	3,325,155
11	^ 5240	Rent Revenue	48,363	51,611
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	43,605	65,591
14	^ 5270	Carrier Billing and Collection Revenue	675,970	859,590
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	624,090	597,818
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)	41,664,755	40,157,897
18		OPERATING EXPENSES:		
19	6110	Network Support Expense	82,792	87,902
20	6120	General Support Expense	1,216,857	1,398,527
21	6210	Central Office Switching Expense	1,082,900	1,244,478
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	626,503	410,946
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense	2,962,907	2,287,949
26	^ 6431	Aerial Wire Expense		4,132
27	^ 6441	Conduit Systems Expense		
28	6510	Other Property, Plant & Equipment Expense	183,970	173,125
29	6530	Network Operations Expense	1,407,331	2,472,476
30	6540	Access Expense	256,290	188,911
31	6560	Depreciation and Amortization Expense	8,852,983	7,831,886
32	6610	Marketing	1,024,572	998,771
33	6620	Services	3,024,705	2,936,262
34	6710	Executive and Planning	413,065	463,406
35	6720	General and Administrative	3,052,681	3,172,661
36	6790	Provision for Uncollectible Notes Receivable		
37		Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)	24,187,556	23,671,432
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	8,448,613	8,450,223
40		Net Operating Income (L.17-L.37+L.38-L.39)	9,028,586	8,036,242
41	7300	Nonoperating Income and Expense	653,977	493,179
42	7400	Nonoperating Taxes		
43	7500	Interest and Related Items (4)		(55)
44	7600	Extraordinary Items		
45	7910	Effects of Juris. Ratemaking Diff. - Net		
46	7990	Nonregulated Net Income	776,226	12,606
47		NET INCOME (L.40+L.41-L.42-L.43-L.44+L.45-L.46)	10,458,785	8,541,972

^ Subaccount of the account marked with a *.

1) Includes Interstate prior period revenues of \$594,480 in 2001 and \$2,148,132 in 2000.

2) Includes Interstate prior period revenues of \$14,360 in 2000.

Montana Total State Income Statement

Year: 2001

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		REVENUES:		
2	5000	Basic Local Service Revenues	N/A	N/A
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: 2001

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		REVENUES:		
2	5000	Basic Local Service Revenues	19,952,728	19,891,978
3	5080	Network Access Revenues	5,007,821	4,153,813
4	* 5100	Long Distance Message Revenue	839,965	854,044
5	^ 5110	Unidirectional Long Distance Revenue		
6	^ 5120	Long Distance Private Network Revenue	820,821	804,341
7	^ 5160	Other Long Distance Revenue	19,144	49,703
8	^ 5169	Other Long Distance Revenue Settlements		
9	* 5200	Miscellaneous Revenue	3,415,213	3,524,455
10	^ 5230	Directory Revenue	3,128,653	3,086,812
11	^ 5240	Rent Revenue	34,521	37,497
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	1,542	22,644
14	^ 5270	Carrier Billing and Collection Revenue	250,497	377,502
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	624,090	597,817
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)	28,591,637	27,826,473
18		OPERATING EXPENSES:		
19	6110	Network Support Expense	59,096	63,863
20	6120	General Support Expense	868,584	1,016,061
21	6210	Central Office Switching Expense	755,118	897,887
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	436,869	296,497
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense	2,153,052	1,670,957
26	^ 6431	Aerial Wire Expense		3,018
27	^ 6441	Conduit Systems Expense		
28	6510	Other Property, Plant & Equipment Expense	131,317	125,779
29	6530	Network Operations Expense	1,004,542	1,796,308
30	6540	Access Expense	35,280	14,686
31	6560	Depreciation and Amortization Expense	6,307,882	5,685,991
32	6610	Marketing	781,235	747,978
33	6620	Services	2,468,864	2,436,920
34	6710	Executive and Planning	308,890	352,139
35	6720	General and Administrative	2,230,341	2,375,284
36	6790	Provision for Uncollectible Notes Receivable		
37		Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)	17,541,070	17,483,368
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	6,001,707	6,103,237
40		Net Operating Income (L.17-L.37+L.38-L.39)	5,048,860	4,239,868

^ Subaccount of the account marked with a *.

Montana Intrastate Regulated Income Statement

Year: 2001

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		REVENUES:		
2	5000	Basic Local Service Revenues	19,345,012	18,983,055
3	5080	Network Access Revenues	4,774,498	4,061,490
4	* 5100	Long Distance Message Revenue	19,144	49,703
5	^ 5110	Unidirectional Long Distance Revenue		
6	^ 5120	Long Distance Private Network Revenue		
7	^ 5160	Other Long Distance Revenue	19,144	49,703
8	^ 5169	Other Long Distance Revenue Settlements		
9	* 5200	Miscellaneous Revenue	3,162,969	3,145,728
10	^ 5230	Directory Revenue	3,128,653	3,086,812
11	^ 5240	Rent Revenue	33,470	36,272
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	846	22,644
14	^ 5270	Carrier Billing and Collection Revenue		
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	624,090	597,817
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)	26,677,533	25,642,159
18		OPERATING EXPENSES:		
19	6110	Network Support Expense	57,075	61,473
20	6120	General Support Expense	838,885	978,039
21	6210	Central Office Switching Expense	734,124	867,697
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	424,722	286,527
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense	2,078,741	1,611,562
26	^ 6431	Aerial Wire Expense		2,911
27	^ 6441	Conduit Systems Expense		
28	6510	Other Property, Plant & Equipment Expense	126,827	121,746
29	6530	Network Operations Expense	970,195	1,729,088
30	6540	Access Expense	35,280	14,686
31	6560	Depreciation and Amortization Expense	6,069,497	5,476,592
32	6610	Marketing	750,930	745,550
33	6620	Services	2,217,750	2,250,656
34	6710	Executive and Planning	299,652	342,449
35	6720	General and Administrative	2,099,866	2,263,134
36	6790	Provision for Uncollectible Notes Receivable		
37		Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)	16,703,544	16,752,110
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	5,797,268	5,883,163
40		Net Operating Income (L.17-L.37+L.38-L.39)	4,176,721	3,006,886

^ Subaccount of the account marked with a *.

Average Rate Base - Total State

Year: 2001

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	130,357,218	121,235,510
2	3100	Accumulated Depreciation	(70,816,801)	(63,223,560)
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies	43,605	45,426
6	4340	Noncurrent Deferred Operating Income Taxes	(7,539,440)	(7,391,680)
7		Pre-1971 Unamortized Investment Tax Credits		
8		Cash Working Capital (if allowed by Commission)	630,188	650,940
9		Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)	52,674,770	51,316,636

Average Rate Base - Intrastate

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	93,047,940	88,080,265
2	3100	Accumulated Depreciation	(50,295,992)	(45,764,796)
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies	31,686	33,176
6	4340	Noncurrent Deferred Operating Income Taxes	(5,385,323)	(5,370,224)
7		Pre-1971 Unamortized Investment Tax Credits		
8		Cash Working Capital (if allowed by Commission)	461,638	484,824
9		Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)	37,859,949	37,463,245

Average Rate Base - Regulated Intrastate

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	89,637,517	84,781,793
2	3100	Accumulated Depreciation	(48,410,840)	(43,985,288)
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies	30,410	31,809
6	4340	Noncurrent Deferred Operating Income Taxes	(5,189,727)	(5,169,266)
7		Pre-1971 Unamortized Investment Tax Credits		
8		Cash Working Capital (if allowed by Commission)	437,016	463,377
9		Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)	36,504,376	36,122,425

Notes to Schedule 8

(A) Revenues and expenses were allocated using FCC Part 36 separation rules. Allocation factors are based on prior years traffic measurements (ie allocations for 2001 are based on the 2000 traffic measurement) which are the most current factors available.

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

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

Statement of Cash Flows

Year: 2001

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		10,458,785
4	Reconciliation Adjustments:		
5	Depreciation & Amortization	8,852,983	
6	Provision for Accounts Receivable Losses		
7	Deferred Income Taxes - Net	334,251	
8	Unamortized Investment Tax Credits (ITCs) - Net		
9	Allowance for Funds Used During Construction (AFUDC)		
10	Change in Operating Receivables - Net	509,999	
11	Change in Materials, Supplies & Inventories - Net	316	
12	Change in Operating Payables & Accrued Liabilities - Net	1,023,887	
13	Change in Other Assets & Deferred Credits - Net	18,045	
14	Change in Other Liabilities & Deferred Credits - Net	(1,928,012)	
15	Other (explained on back of this page)		
16	Total Adjustments		8,811,469
17	Net Cash Provided by/(Used in) Operating Activities		19,270,254
18	Cash Inflows/Outflows From Investing Activities:		
19	Construction/Acquisition of Property, Plant & Equipment (net of	(7,904,746)	
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)	783,425	
25	Net Cash Provided by/(Used in) Investing Activities		(7,121,321)
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		
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)	(10,459,500)	
37	Net Cash Provided by Financing Activities		(10,459,500)
38	Effect of Exchange Rate Changes on Cash		
39	Net Increase/(Decrease) in Cash & Cash Equivalents		1,689,433
40	Cash & Cash Equivalents at Beginning of Period		10,830,522
41	Cash & Cash Equivalents at End of Period		12,519,955

Receivables and Investments-Affiliated & Nonaffiliated Companies ar: 2001

Line No.	Name of Affiliate or Company (a)	Account 1160 Temporary Investments (b)	Account 1180 Telecom. Accounts Receivable (c)	Account 1181 Accts. Rec. Telecom. Allowance (d)	Account 1190 Other Accounts Receivable (e)	Account 1191 Accounts Receivable Allow. - Other (f)	Account 1200 Notes Receivable (g)	Account 1201 Notes Receivable Allowance (h)	Account 1210 Interest and Dividends Receivable (i)	Account 1401 Investments in Affil. Companies (j)	Account 1402 Investments in Nonaffil. Companies (k)
1	AT&T				1,138,824						
2	Bell				70,461						
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21											
22											
23											
24											
25											
26											
27											
28											
29	Aggregate of all balances		4,444,613	(501,668)	745,571						
30	Totals		4,444,613	(501,668)	1,954,856						

Net Plant in Service - Detail

Year:2001

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	*	Land and Support Assets	7,797,570	491,992	274,515	-9,953	8,005,094	4,427,698	3,577,396
2	^	Land	467,745				467,745		467,745
3	^	Motor Vehicles	1,627,941	171,812	125,520		1,674,233	881,311	792,922
4	^	Aircraft							
5	^	Special Purpose Vehicles							
6	^	Garage Work Equipment	784,557	29,783	32,030		782,310	731,518	50,792
7	^	Other Work Equipment	3,269,196	52,702		-7,452	3,314,446	1,806,547	1,507,899
8	^	Buildings	224,583		7,208		217,375	139,694	77,681
9	^	Furniture	307,139	42,966	28,212	-2,501	319,392	732,740	-413,348
10	^	Office Equipment	1,116,409	194,729	81,545		1,229,593	135,888	1,093,705
11	^	General Purpose Computers							
12	^	Analog Electronic Switching	28,367,626	753,677	3,626	6,279	29,123,956	21,847,577	7,276,379
13	^	Digital Electronic Switching	173,685				173,685	-553,033	726,718
14	^	Electro-Mechanical Switching						22,246	-22,246
15	^	Operator Systems	191,982				191,982	204,642	-12,660
16	^	Radio Systems	24,262,451	3,668,274		12,986	27,943,711	18,150,715	9,792,996
17	^	Circuit Equipment							
18	*	Information Orig & Term Equip							
19	^	Station Apparatus							
20	^	Customer Premises Wiring							
21	^	Large Private Branch Exchanges							
22	^	Public Telephone Term. Equip.							
23	^	Other Terminal Equipment							
24	^	Poles	1,461,990	3,054	6,193	-63,022	1,395,829	1,580,960	-185,131
25	*	Cable and Wire Facilities	62,999,960	2,825,221	379,465	110,221	65,555,937	28,404,567	37,151,370
26	^	Aerial Cable	9,944,685	112,676	57,303	92,531	10,092,589	8,488,713	1,603,876
27	^	Underground Cable	1,377,219	25,402		-10,597	1,392,024	517,832	874,192
28	^	Buried Cable	51,639,019	2,687,143	322,162	28,291	54,032,291	19,356,478	34,675,813
29	^	Submarine Cable	5,857			-26	5,831	2,500	3,331
30	^	Deep Sea Cable							
31	^	Intrabuilding Network Cable	33,180			22	33,202	39,044	-5,842
32	^	Aerial Wire	506,697			-55,469	451,228	453,301	-2,073
33	^	Conduit Systems	1,038,927	23,073		-837	1,061,163	361,961	699,202
34		Totals	126,800,888	7,765,291	663,799	205	133,902,585	74,900,634	59,001,951
		Leasehold Improvements	5,482				5,482	5,482	
		Totals with Leasehold Improve	126,806,370	7,765,291	663,799	205	133,908,067	74,906,116	59,001,951

^ Subaccount of the account marked with a *.

Analysis of Plant Held for Future Use

Year: 2001

Line No.	Location and Description of Property (a)	Date Included in Account 2002 (b)	Book Cost of Property at Beginning of Year (c)	Additions During the Year (d)	Retirements During the Year (e)	Transfers and Adjustments Charges and (Credits) (f)	Book Cost of Property at End of Year (g)
1	N/A						
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
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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: 2001

Line No.	Description (a)	Issue Date (b)	Maturity Date (c)	Principal Amount (d)	Gross Proceeds (e)	Net Proceeds (f)	Net Per \$100 (g)	Outstanding Per Balance Sheet (h)	Yield to Maturity (i)	Annual Net Cost (j)	Amortization of Premium or Discount (k)	Total Cost (%) (l)
1	N/A											
2												
3												
4												
5												
6												
7												
8												
9												
10												
11												
12												
13												
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18												
19												
20												
21												
22												
23												
24												
25												
26												
27												
28												
29												
30	Total											

Year: 2001

Cost of Preferred Stock

Line No.	Description (a)	Date of Issuance (b)	Method of Offering (c)	Call Redemption Price (d)	Par Value Of Issue (e)	Gross Proceeds Amounts (f)	Net Proceeds Amounts (g)	Net Proceeds Per \$100 (h)	Cost of Money (i)	Principal Outstanding (j)	Annual Cost (k)	Embedded Cost (l)
1	Preferred stock 5% cumulative	12/50	Private	None	\$100	(A)	(A)	(A)	(A)	50,000	1,125	0
2	authorized and outstanding, 500											
3	shares of \$100 par value											
4	(includes 275 held in treasury)											
5												
6	Serial preferred, 10% cumulative	12/71	Private	None	100	(A)	(A)	(A)	(A)	180,000	6,000	0
7	authorized 100,000 shares of											
8	\$100 par value; 1,800 shares issued											
9	(includes 1,200 shares held in treasury)											
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)									230,000	7,125	

(A) No preferred stock transactions took place during 2001.

Analysis of Common Stock Year: 2001

Line No.	(a)	Avg. Number of Shares Outstanding (b)	Book Value (per share) (c)	Earnings (per share) (d)	Dividends (per share) (e)	Retention Ratio (f)	Market Price High (g) Low (h)	Price/Earnings Ratio (i)
1	Year Ended December 31:	96,000		108.95		(A)	(A)	(A)
2								
3								
4								
5								
6								
7								
8	Month by Month Data:							
9	January		666.78					
10	February		667.44					
11	March		674.14	22.47				
12	April		669.12					
13	May		668.97					
14	June		675.25	27.5				
15	July		671.41					
16	August		672.16					
17	September		673.66	31.42				
18	October		671.08					
19	November		671.24					
20	December		562.10	27.55				
21								
22								
23								

(A) Not Applicable, common stock not publicly traded.

Company Name: CenturyTel of Montana, Inc.

Capital Stock and Funded Debt Reacquired or Retired During the Year

Year: 2001

Line No.	Description of Security (a)	Call or Retirement Date (b)	Number of Shares (c)	Principal Amount (d)	Requisition or Retirement Cost (e)	Gain or (Loss) (f)	Retirement or Reacquisition (g)	
1	N/A							
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)							

Year: 2001

Total Company Expense Matrix

Line No.	Acct. No. (a)	Description (b)	Salaries and Wages (c)	Benefits (d)	Rents (e)	Other Expenses (f)	Clearances (g)	Total (h)
1	*	Network Support Expense	15,799	4,768	72	62,153		82,792
2	^	Motor Vehicle Expense						
3	^	Aircraft Expense	15,799	4,768	72	62,153		82,792
4	^	Special Purpose Vehicles Expense						
5	^	Garage Work Equipment Expense						
6	^	Other Work Equipment Expense						
7	*	General Support Expense	126,846	40,234	186,178	863,599		1,216,857
8	^	Land and Building Expense			74,522	267,385		341,907
9	^	Furniture and Artworks Expense						
10	^	Office Equipment Expense				505		505
11	^	General Purpose Computers Expense	126,846	40,234	111,656	595,709		874,445
12	*	Central Office Switching Expense	547,731	152,492	853	381,824		1,082,900
13	^	Analog Electronic Expense						
14	^	Digital Electronic Expense	547,731	152,492	853	367,123		1,068,199
15	^	Electro-Mechanical Expense				14,701		14,701
16		Operator Systems Expense						
17	*	Central Office Transmission Expense	300,658	80,680	967	244,198		626,503
18	^	Radio Systems Expense	2,635	693		627		3,955
19	^	Circuit Equipment Expense	298,023	79,987	967	243,571		622,548
20	*	Information Origination/Termination Expense						
21	^	Station Apparatus Expense						
22	^	Large Private Branch Exchange Expense						
23	^	Public Telephone Terminal Equipment Exp.						
24	^	Other Terminal Equipment Expense						
25	*	Cable and Wire Facilities Expense	1,626,218	433,105	217,912	685,672		2,962,907
26	^	Poles Expense	2,092	546	217,627	13,542		233,807
27	^	Aerial Cable Expense	357,014	94,265	10	187,250		638,539
28	^	Underground Cable Expense	496	86		96		678
29	^	Buried Cable Expense	1,266,616	338,208	275	484,784		2,089,883
30	^	Submarine Cable Expense						
31	^	Deep Sea Cable Expense						
32	^	Intrabuilding Network Cable Expense						
33	^	Aerial Wire Expense						
34		Subtotals	2,617,252	711,279	405,982	2,237,446		5,971,959

^ Subaccount of the account marked with a *

Year: 2001

Total Company Expense Matrix

Line No.	Acct. No. (a)	Description (b)	Salaries and Wages (c)	Benefits (d)	Rents (e)	Other Expenses (f)	Clearances (g)	Total (h)
35	^ 6441	Conduit Systems Expense				183,889		183,970
36	6510	Other Property Expenses	63	18		457,189		1,407,331
37	* 6530	Network Operations Expense	731,291	217,086	1,765	192,014		1,920,14
38	^ 6531	Power Expense				13,894		46,703
39	^ 6532	Network Administration Expense	25,484	7,207	118	28,745		175,919
40	^ 6533	Testing Expense	112,961	34,093	120	67,385		558,206
41	^ 6534	Plant Operations Expense	391,327	101,266	(1,772)	155,151		434,489
42	^ 6535	Engineering Expense	201,519	74,520	3,299	256,290		256,290
43	6540	Access Expense				8,795,984		8,795,984
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	520,781	154,906	1,591	56,999		56,999
50	^ 6611	Product Management	60,703	19,159	66	347,294		1,024,572
51	^ 6612	Sales	450,737	132,525	1,361	84,698		164,626
52	^ 6613	Product Advertising	9,341	3,222	164	157,526		742,149
53	6621	Call Completion Services				105,070		117,797
54	6622	Number Services				28,262		28,262
55	6623	Customer Services	1,340,173	425,792	2,810	381,439		381,439
56	6711	Executive	163,694	83,507	161	846,229		2,615,004
57	6712	Planning				165,703		413,065
58	6721	Accounting and Finance	286,910	104,491	589	378,183		770,173
59	6722	External Relations	77,124	24,123	104	151,149		252,500
60	6723	Human Relations	132,155	46,064	54	88,133		266,406
61	6724	Information Management	270,511	79,205	356	477,329		827,401
62	6725	Legal	70,301	27,287	72	145,964		243,624
63	6726	Procurement	19,428	7,444	50	11,041		37,963
64	6727	Research and Development						
65	6728	Other General and Administrative	39,814	29,120	249,025	336,655		654,614
66	6790	Provision for Uncollectible Notes Receivable						
67		Totals	6,269,497	1,910,322	662,559	15,345,178		24,187,556

^ Subaccount of the account marked with a *

Total State Expense Matrix

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

^ Subaccount of the account marked with a *

Total State Expense Matrix

Year: 2001

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: 2001

1	Plan Name			
2	Defined Benefit Plan? <u> X </u>	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	See Note (A) Below		
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	(615,454)	(229,391)	62.73%
44	Pension Costs Capitalized	(24,618)	(9,176)	62.73%
45	Accumulated Pension Asset (Liability) at Year End			
46	Number of Company Employees:			
47	Covered by the Plan	149	151	1.34%
48	Not Covered by the Plan			
49	Active	149	151	1.34%
50	Retired	72	72	
51	Deferred Vested Terminated			

(A) This information is not available on an individual basis. Information regarding the pension plan is summarized in the attached copy of Footnote 10 of CenturyTel, Inc's 2002 Proxy Statement.

CENTURYTEL, INC.
Notes to Consolidated Financial Statements – (Continued)

(10) Retirement and Savings Plans

CenturyTel and certain subsidiaries sponsor defined benefit pension plans for substantially all employees. CenturyTel also sponsors an Outside Directors' Retirement Plan and a Supplemental Executive Retirement Plan to provide directors and officers, respectively, with supplemental retirement, death and disability benefits.

The following is a reconciliation of the beginning and ending balances for the aggregate benefit obligation and the plan assets for the Company's retirement and savings plans.

	December 31,		
	2001	2000	1999
	(Dollars in thousands)		
Change in benefit obligation			
Benefit obligation at beginning of year	\$249,835	\$205,455	\$217,747
Service cost	7,760	5,928	5,226
Interest cost	17,829	15,381	13,817
Plan amendments	1,205	3,387	—
Acquisition	—	35,824	—
Actuarial (gain) loss	9,065	(3,726)	(19,844)
Benefits paid	(14,204)	(12,414)	(11,491)
Benefit obligation at end of year	<u>\$271,490</u>	<u>\$249,835</u>	<u>\$205,455</u>
Change in plan assets (primarily listed stocks and bonds)			
Fair value of plan assets at beginning of year	\$329,459	\$319,901	\$278,678
Return on plan assets	(33,184)	(14,991)	52,183
Employer contributions	1,377	572	531
Acquisition	—	36,391	—
Benefits paid	(14,204)	(12,414)	(11,491)
Fair value of plan assets at end of year	<u>\$283,448</u>	<u>\$329,459</u>	<u>\$319,901</u>

Net periodic pension benefit for 2001, 2000 and 1999 included the following components:

	Year Ended December 31,		
	2001	2000	1999
	(Dollars in thousands)		
Service cost	\$ 7,760	\$ 5,928	\$ 5,226
Interest cost	17,829	15,381	13,817
Expected return on plan assets	(31,901)	(31,586)	(26,824)
Recognized net gains	(2,325)	(7,107)	(3,176)
Net amortization and deferral	301	(602)	(235)
Net periodic pension benefit	<u>\$ (8,336)</u>	<u>\$ (17,986)</u>	<u>\$ (11,192)</u>

The following table sets forth the combined plans' funded status and amounts recognized in the Company's consolidated balance sheet at December 31, 2001, 2000 and 1999.

	December 31,		
	2001	2000	1999
	(Dollars in thousands)		
Benefit obligation	\$(271,490)	\$(249,835)	\$(205,455)
Fair value of plan assets	283,448	329,459	319,901
Unrecognized transition asset	(1,404)	(1,648)	(1,892)
Unamortized prior service cost	5,017	4,126	1,031
Unrecognized net actuarial (gain) loss	26,782	(49,336)	(100,052)
Prepaid benefit cost	<u>\$ 42,353</u>	<u>\$ 32,766</u>	<u>\$ 13,533</u>

CENTURYTEL, INC.
Notes to Consolidated Financial Statements — (Continued)

Assumptions used in accounting for the pension plans as of December 2001 and 2000 were:

	<u>2001</u>	<u>2000</u>
Discount rates	7.0%	7.25%
Expected long-term rate of return on assets	8.0-10.0%	8.0-10.0%

CenturyTel sponsors an Employee Stock Ownership Plan ("ESOP") which covers most employees with one year of service with the Company and is funded by Company contributions determined annually by the Board of Directors. The Company's expense related to the ESOP during 2001, 2000 and 1999 was \$7.5 million, \$9.5 million, and \$9.6 million, respectively. At December 31, 2001, the ESOP owned an aggregate of 8.2 million shares of CenturyTel common stock.

CenturyTel and certain subsidiaries also sponsor qualified profit sharing plans pursuant to Section 401(k) of the Internal Revenue Code (the "401(k) Plans") which are available to substantially all employees of the Company. The Company's matching contributions to the 401(k) Plans were \$6.6 million in 2001, \$6.1 million in 2000 and \$6.1 million in 1999.

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	See Note (A) Below		
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 VEBA - Tax Advantaged			
14 401 (h) - Tax Advantaged			
15 OTHER TRUSTS - Not Tax Advantaged			
16 Describe any Changes to the Benefit Plan:			
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	843,088	614,491	-27.11%
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			

(A) The actuary provides information on a total plan basis only. Information regarding the OPEB plan is included in the attached copy of Footnote 9 of the CenturyTel, Inc. 2002 Proxy Statement

Other Post Employment Benefits (OPEBS) Continued

	Item	Current Year	Last Year	% Change
1	Number of Company Employees:			
2	Covered by the Plan	149	151	1.34%
3	Not Covered by the Plan			
4	Active	149	151	1.34%
5	Retired	72	72	
6	Spouses/Dependants covered by the Plan	12	11	-8.33%
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			

CENTURYTEL, INC.
Notes to Consolidated Financial Statements – (Continued)

(9) Postretirement Benefits

The Company sponsors health care plans that provide postretirement benefits to all qualified retired employees.

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

	December 31,		
	2001	2000	1999
	(Dollars in thousands)		
Change in benefit obligation			
Benefit obligation at beginning of year	\$165,266	\$156,724	\$172,323
Service cost	6,373	4,727	4,850
Interest cost	14,512	10,907	10,089
Plan amendments	—	—	(2,492)
Participant contributions	548	677	419
Actuarial (gain) loss	40,005	957	(23,855)
Benefits paid	<u>(10,832)</u>	<u>(8,726)</u>	<u>(4,610)</u>
Benefit obligation at end of year	<u>\$215,872</u>	<u>\$165,266</u>	<u>\$156,724</u>

	December 31,		
	2001	2000	1999
	(Dollars in thousands)		
Change in plan assets (primarily listed stocks and bonds)			
Fair value of plan assets at beginning of year	\$ 39,873	\$41,781	\$35,799
Return on assets	(1,379)	(270)	2,961
Employer contributions	8,345	6,411	7,212
Participant contributions	548	677	419
Benefits paid	<u>(10,832)</u>	<u>(8,726)</u>	<u>(4,610)</u>
Fair value of plan assets at end of year	<u>\$ 36,555</u>	<u>\$39,873</u>	<u>\$41,781</u>

Net periodic postretirement benefit cost for 2001, 2000 and 1999 included the following components:

	Year Ended December 31,		
	2001	2000	1999
	(Dollars in thousands)		
Service cost	\$ 6,373	\$ 4,727	\$ 4,850
Interest cost	14,512	10,907	10,089
Expected return on plan assets	(3,987)	(4,178)	(3,580)
Amortization of unrecognized actuarial loss	1,337	26	54
Amortization of unrecognized prior service cost	<u>(129)</u>	<u>(129)</u>	<u>(129)</u>
Net periodic postretirement benefit cost	<u>\$18,106</u>	<u>\$11,353</u>	<u>\$11,284</u>

The following table sets forth the amounts recognized as liabilities for postretirement benefits at December 31, 2001, 2000 and 1999.

	December 31,		
	2001	2000	1999
	(Dollars in thousands)		
Benefit obligation	\$(215,872)	\$(165,266)	\$(156,724)
Fair value of plan assets	36,555	39,873	41,781
Unamortized prior service cost	(1,046)	(1,175)	(1,303)
Unrecognized net actuarial loss	<u>49,655</u>	<u>6,109</u>	<u>707</u>
Accrued benefit cost	<u>\$(130,708)</u>	<u>\$(120,459)</u>	<u>\$(115,539)</u>

CENTURYTEL, INC.
Notes to Consolidated Financial Statements --(Continued)

Assumptions used in accounting for postretirement benefits as of December 31, 2001 and 2000 were:

	<u>2001</u>	<u>2000</u>
Weighted average assumptions		
Discount rate	7.0%	7.25%
Expected return on plan assets	10.0%	10.0%

For measurement purposes, a 6.5% annual rate in the per capita cost of covered health care benefits was assumed for 2002 and beyond. A one-percentage-point change in assumed health care cost rates would have the following effects:

	<u>1-Percentage Point Increase</u>	<u>1-Percentage Point Decrease</u>
	(Dollars in thousands)	
Effect on total of service and interest cost components	\$ 1,455	\$ (1,459)
Effect on postretirement benefit obligation	\$11,117	\$(10,393)



Payments for Services to Persons Other Than Employees

Year: 2001

Line No.	Name of Recipient (a)	Nature of Service (b)	Total Company Cost (c)	Total State Cost (d)	Intrastate Cost (e)
1	Flathead Janitorial	Janitorial Services	82,698	82,698	59,029
2	Johnson Controls, Inc.	Maintenance	27,982	27,982	19,973
3	One Call Locators, Ltd	Contract Labor	115,643	115,643	84,034
4	3D Communications, Inc.	Contract Labor	121,068	121,068	87,976
5	Alamon Telco	Contract Labor	34,271	34,271	24,904
6	Architects Design Group	Contract Labor	26,892	26,892	19,542
7	Express Personnel Services	Contract Labor	49,037	49,037	35,634
8	Sunburst Construction	Contract Labor	97,866	97,866	71,116
9	Automotive Rentals	Vehicle Maintenance	185,521	185,521	132,423
10					
11					
12					
13					
14					
15					
16					
17					
18					
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21					
22					
23					
24					
25					
26					
27	Notes:				
28					
29	Revenues and expenses were allocated using FCC Part 36 separation rules.				
30	Allocation factors are based on prior years traffic measurements (ie allocations for				
31	2001 are based on the 2000 traffic measurements) which are the most current				
32	factors available.				
33					
34					
35					
36					
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45					
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47					
48					
49	Total		740,978	740,978	534,631

Subscriber Line Usage Data

Year: 2001

Line No.	Description (a)	This Year (b)	% of Total (c)	Last Year (d)	% of Total (e)
1	Toll Usage:				
2	Interstate, InterLATA	246,245,694	77.69%	232,162,285	74.79%
3	Interstate, IntraLATA	499	0.00%	399	0.00%
4	Total Interstate Usage	246,246,193	77.69%	232,162,684	74.79%
5	Intrastate, InterLATA	37,796,092	11.92%	32,221,187	10.38%
6	Intrastate, IntraLATA	32,909,458	10.38%	46,045,325	14.83%
7	Total Intrastate Usage	70,705,550	22.31%	78,266,512	25.21%
8	Total Toll Usage	316,951,743	100.00%	310,429,196	100.00%
9	Centrex				
10	Local				
11	Total Minutes	316,951,743	100.00%	310,429,196	100.00%

Central Office and Access Line Statistics

Year: 2001

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	Bigfork	Digital	3,654	8	179	33		658			7	420	100.0%	4,747
2	Columbia Falls	Digital	4,437	4	126	103	1	679			13	989	100.0%	6,122
3	Elmo	Digital	839		4	13		60			2	12	100.0%	913
4	Finley Point	Digital	587		6	8		34			1		100.0%	622
5	Hungry Horse	Digital	1,109		27	50		146			5	42	100.0%	1,302
6	Kalispell	Digital	19,146	63	740	607	4	4,648			66	8,568	100.0%	32,491
7	Lakeside	Digital	1,335		46	10		155			4	228	100.0%	1,722
8	Marion	Digital	341		7	2		35			1	8	100.0%	385
9	McGregor Lake	Digital	127		1	1		17				10	100.0%	154
10	Olney	Digital	127		3	2		27					100.0%	162
11	Polson	Digital	4,137	6	89	151		862			10	1,078	100.0%	6,093
12	Somers	Digital	867		47	9	1	78			1	39	100.0%	985
13	Swan Lake	Digital	205		1	2		14			1		100.0%	220
14	Whitefish	Digital	6,526	18	219	100	1	1,234			24	1,898	100.0%	9,700
15	Yellow Bay	Digital	338	1	13	1		11			2	4	100.0%	356
33	Total		43,775	100	1,508	1,092	7	8,658			137	13,304		65,974

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

Central Office and Switch Information

Year: 2001

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	Kalispell	HOST	digital	NORTEL	DMS100\200	35,419	1984
2	Whitefish	REMOTE	digital	NORTEL	DRSCS	11,105	1994
3	Columbia Falls	REMOTE	digital	NORTEL	DRSC	7,623	1988
4	Polson	REMOTE	digital	NORTEL	DRSC	7,161	1985
5	Bigfork	REMOTE	digital	NORTEL	DRSC	7,602	1985
6	Elmo	REMOTE	digital	NORTEL	DRSC	1,228	1990
7	Finley Point	REMOTE	digital	NORTEL	RLCM	795	1990
8	Hungry Horse	REMOTE	digital	NORTEL	RSC	1,744	1989
9	Lakeside	REMOTE	digital	NORTEL	RSC	2,127	1990
10	Marion(MT)	REMOTE	digital	DSC	LSC-2000	443	1999
11	McGregor Lake	REMOTE	digital	NORTEL	RLCM	195	1995
12	Olney	REMOTE	digital	DSC	LSC-2000	232	1999
13	Somers	REMOTE	digital	NORTEL	RSC	1,189	1995
14	Swan Lake	REMOTE	digital	DSC	LSC-2000	320	1999
15	Yellow Bay	REMOTE	digital	NORTEL	RLCM	506	1989
16							
17							
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Construction Budget - Montana

Year: 2001

Line No.	Description (a)	2002 (b)
1	Central Office Assets:	
2	Kalispell DMS-100 Extension	783,487
3		
4		
5		
6		
7		
8		
9		
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24		
25		
26		
27	Total Switching and Central Office Projects over \$500,000	783,487
28	Miscellaneous Central Office Projects not over \$500,000	510,202
29	Total Central Office Budget (Total of Line 27 & Line 28)	1,293,689
30	Other Projects over \$500,000:	
31	Kalispell - ADSL	520,000
32		
33		
34		
35		
36		
37		
38		
39		
40		
41	Total Other Projects over \$500,000	520,000
42	Miscellaneous projects not over \$500,000	4,924,213
43	Total Construction Budget (Total of Lines 29, 41 & 42)	6,737,902

Montana Employee Counts

Year: 2001

Line No.	Category (a)	Beginning of Year (b)	End of Year (c)
1	Vice President and Managers	10	10
2	Supervisors & Superintendants	11	8
3	Comm Technicians	12	12
4	Plant Technicians	21	21
5	Cable Technicians	6	5
6	Engineers/Drafting	12	12
7	Facility & Test Board Technicians	5	5
8	Special Apparatus Technicians	10	10
9	Line Assigners	4	4
10	Commercial & General	43	44
11	Secretaries	5	5
12	Supply Technicians	2	2
13	Pay Station Collectors	1	1
14	Communication Consultants	1	1
15	LAN Administrator	1	1
16	Plant Support Technicians	6	8
17			
18			
19			
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42			
43	Totals (Sum of Lines 1 through 42)	150	149

Compensation of Top 10 Montana Based Employees

Year: 2001

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)
----------	-------------------	--------------------	----------------	---------------------------	---------------------------	-------------------------------------	--------------------------------------

Compensation of Top 5 Corporate Employees - SEC Information

Line No.	Name/Title (a)	Base Salary (b)	Bonuses (c)	Other Compensation (d)	Total Compensation (e)	Total Compensation Last Year (f)	% Increase Total Compensation (g)
1	N/A						
2	Note: CenturyTel of Montana, Inc. does not submit SEC information. See Schedule 27, Compensation of Top 10 Montana Based Employees.						
3							
4							
5							
6	Totals (Sum L.1 to L.5)						

Montana Composite Statistics

Year: 2001

Line No.	Account No.	Description (a)	Amount (b)
1		Plant (Intrastate Only) (000 Omitted)	
2	2001	Plant in Service	93,048
3	2003 - 2004	Construction Work in Progress	928
4	2005	Plant Acquisition Adjustments	
5	2002	Plant Held for Future Use	
6	1220	Materials & Supplies	31
7		(Less):	
8	3100 - 3400	Depreciation & Amortization Reserves	(50,296)
9	4360.2	Contributions in Aid of Construction	
10		NET BOOK COSTS	43,711
11		Revenues & Expenses (Intrastate Only) (000 Omitted)	
12	5000 - 5300	Operating Revenues	28,592
13	6560	Depreciation & Amortization Expenses	6,308
14		Federal & State Income Taxes	4,380
15		Other Taxes	1,622
16		Other Operating Expenses	11,233
17		TOTAL Operating Expenses	23,543
18		Net Operating Income	5,049
19		Other Income	
20		Other Deductions	
21		NET INCOME	5,049
22		Access Lines in Service (Intrastate Only)	
23		Residential Access Lines	43,775
24		Business Access Lines	8,658
25		PBX Access Lines	3,989
26		Other Access Lines	9,552
27		Total Number of Access Lines	65,974
28		Average Number of Calls Per Access Line	
29		Local Calls	N/A
30		Toll Calls (Intra- or Interstate)	316,951,743
31		Total Number of Calls Per Access Line (Total of Line 29 & Line 30)	N/A
32		Other Statistics (Intrastate Only)	
33		Average Residential Monthly Bill	N/A
34		Gross Plant Investment per Access Line	1.425

Depreciation - Montana Intrastate Regulated

Year: 2001

Line No.	Acct No. (a)	Description (b)	Composite Rate % (c)	Total Expense \$ (d)
1	2112	Motor Vehicles	16.20%	164,300
2	2114	Special Purpose Vehicles		
3	2115	Garage Work Equipment		
4	2116	Other work Equipment	10.10%	74,859
5	2121	Buildings	3.04%	99,766
6	2122	Furniture	4.55%	9,535
7	2123.1	Office Support Equipment	4.55%	5,543
8	2123.2	Company Communications Equipment		
9	2124	General Purpose Computers	4.55%	66,879
10	2211	Analog Electronic Switching Equipment		
11	2212	Digital Electronic Switching Equipment	9.39%	2,701,140
12	2215	Step By Step Switching Equipment	9.39%	16,309
13	2215	Crossbar Switching Equipment		
14	2220	Operator System		
15	2231	Radio Systems		8,383
16	2232	Circuit DDS		
17	2232	Circuit Digital		
18	2232	Circuit Analog	9.39%	2,379,155
19	2351	Public Telephone Terminating Equipment		
20	2362	Other Terminal Equipment		
21	2411	Poles		54,095
22	2421	Aerial Cable Metallic	1.80%	764,633
23	2421	Aerial Cable Nonmetallic	9.32%	87,850
24	2422	Underground Cable Metallic	3.41%	42,448
25	2422	Underground Cable Nonmetallic	3.41%	4,575
26	2423	Buried Cable Metallic	1.80%	2,030,698
27	2423	Buried Cable Nonmetallic	4.43%	232,319
28	2424	Submarine Cable Metallic	3.30%	193
29	2424	Submarine Cable Nonmetallic		
30	2426	Intrabuilding Network Cable Metallic		
31	2426	Intrabuilding Network Cable Nonmetallic		
32	2431	Aerial Wire	9.09%	44,117
33	2441	Conduit Systems	2.37%	24,702
34				
35		COMPOSITE TOTAL		8,811,499
36	Have these rates been approved by the Commission? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO			
37				
38	If yes: 83.9.88 _____ Docket Number _5052_ Order Number			
39				
40				

Montana Regulatory Capital Structure & Costs

Year: 2001

Line No.	Description (a)	% Cap. Str. (b)	% Cost Rate (c)	Weighted Cost (d)
Commission Accepted - Most Recent				
1	Docket Number <u>92.7.32</u>			
2	Order Number <u>5638C</u>			
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 63,449,064	99.84%	13.700%	13.68%
13	Preferred Stock 99,500	0.16%	8.910%	0.01%
14	Long Term Debt			
15	Other			
16	Total 63,548,564	100.00%		13.69%

Network Access - Charges and Revenues

Year: 2001

Line No.	Description (a)	Access Charges Paid (b)	Access Revenues Received (c)
1	Montana - Total State	N/A	17,344,004
2			
3	Montana - Intrastate		5,007,821
4			
5	Montana - Intrastate Regulated		4,774,498
6			
7			
8			
9			
10			
11			
12			
13			

Affiliate Transactions - Products & Services Provided to Utility

Year: 2001

Line No.	Affiliate Name (a)	Products & Services (b)	Method to Determine Price (c)	Charges to Utility (d)	% Total Affil. Revenues (e)	Charges to MT Utility (f)
1	CenturyTel, Inc.	Management, Accounting, Operating and Miscellaneous Services	See note (A) below.	298,145		298,145
2						
3						
4	CenturyTel Service Group, Inc.	"	"	5,661,206		5,661,206
5	CenturyTel of Northwest, Inc.	"	"	103,400		103,400
6	CenturyTel of Washington, Inc.	"	"	24,346		24,346
7	CenturyTel of Oregon, Inc.	"	"	3,162		3,162
8	CenturyTel of Eagle, Inc.	"	"	19,058		19,058
9	Various other Telcos with transactions of less than 3K.	"	"	10,004		10,004
10						
11	CenturyTel Supply, Inc.	Warehouse	"	741,361		741,361
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30	TOTAL			\$6,860,682		\$6,860,682

(A) All services rendered to the regulated entities are billed at cost.

Affiliate Transactions - Products & Services Provided by Utility Year: 2001

Line No.	Affiliate Name (a)	Products & Services (b)	Method to Determine Price (c)	Charges to Affiliate (d)	% Total Affil. Revenues (e)	Charges to MT Utility (f)
1	CenturyTel Supply Inc.	Warehouse	See note (A) below	152,845	N/A	
2	CenturyTel Service Group Inc.	Management, Accounting, Operating and Misc Services	"	93,959		
3						
4	CenturyTel Internet Service, Inc.		"	86,085		
5	CenturyTel of Idaho, Inc.		"	269,750		
6	CenturyTel of Colorado, Inc.		"	163,184		
7	CenturyTel of the Swest, Inc.(NM)		"	141,801		
8	CenturyTel of Swest, Inc.(AZ)		"	27,999		
9	CenturyTel of Gem State(NV)		"	32,282		
10	CenturyTel of Gem State(ID)		"	112,902		
11	CenturyTel of Eagle, Inc.		"	1,177,232		
12	CenturyTel of Wyoming, Inc.		"	377,442		
13	Various other telcos with transactions of less than 3K.		"	15,021		
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30	TOTAL			\$2,650,502		

(A) All services rendered to the regulated entities are billed at cost.

Montana Intrastate Regulated Earned Rate of Return

Year: 2001

Line No.	Description Rate Base (a)	This Year (b)	Last Year (c)	Percent Change (d)
1				
2	2001 Plant in Service	89,637,517	84,781,793	5.73%
3	2002 Prop. Held for Future Telecommunications Use			
4	3100-3200 (Less) Accumulated Depreciation	(48,410,840)	(43,985,288)	-10.06%
5	Plant in Service	41,226,677	40,796,505	1.05%
6				
7	Additions			
8	1220 Materials & Supplies	30,410	31,809	-4.40%
9	1280 Prepayments			
10	Other Additions	437,016	463,377	-5.69%
11	TOTAL Additions	467,426	495,186	-5.61%
12				
13	Deductions			
14	4100 Current Deferred Operating Income Taxes			
15	4320 Unamortized Operating Investment Tax Credits			
16	4340 Noncurrent Deferred Operating Income Taxes	(5,189,727)	(5,169,266)	-0.40%
17	Customer Advances for Construction			
18	Other Deductions			
19	TOTAL Deductions	(5,189,727)	(5,169,266)	-0.40%
20	TOTAL Rate Base	36,504,376	36,122,425	1.06%
21				
22	Net Earnings	4,176,721	3,006,886	38.91%
23				
24	Rate of Return on Average Rate Base	11.442%	8.324%	37.45%
25				
26	Rate of Return on Average Equity	13.700%	13.700%	
27				
28	Major Normalizing Adjustments & Commission			
29	<u>Ratemaking adjustments to Utility Operations</u>			
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: 2001

Line No.	Description (a)	Last Year (b)	This Year (c)
1	Montana Telephone Company License Tax	260,021	821,027
2	Montana Public Service Commission Tax	34,048	40,347
3	Montana Consumer Counsel Tax	10,895	11,528
4	911 Emergency Telephone Fee	355,774	335,542
5	Montana Telecommunications Access Service (TDD)	73,852	73,536
6	Montana Corporate License Tax	500,000	500,000
7	Personal Property Tax		
8	Real Property Tax	2,612,010	1,806,204
9			
10			
11			
12	Total	3,846,600	3,588,184

Company Name: CenturyTel of Montana, Inc.

SCHEDULE 37

Universal Service Funds Received

Year: 2001

Line No.	Description (a)	Last Year (b)	This Year (c)
13	Funds received from Montana Sources	N/A	N/A
14	Funds received from Federal Sources	767,259	1,095,584
15			
16			
17			
18			
19			
20			
21			
22			
23			
24	Total	767,259	1,095,584

