

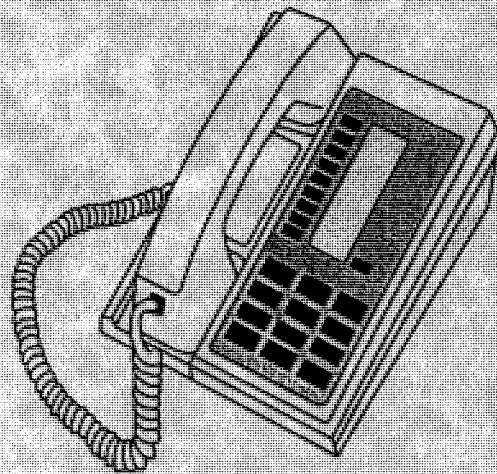
YEAR 2001

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ANNUAL REPORT
OF
**Hot Springs Telephone
Company**

TELEPHONE UTILITY



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

Telephone Annual Report

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General Information

Year: 2001

1	Legal Name of Respondent:	Hot Springs Telephone Co.
2.	Name Under Which Respondent Does Business:	Same as above
3.	Date of Incorporation:	1-1-55
4.	Address to send Correspondence Concerning Report:	P.O. Box 7850 Kalispell, Mt. 59904-0850
5.	Person Responsible for This Report:	Phyllis O. Ekblad
5a.	Telephone Number:	(406)-755-7231
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:	N A
	1b. Means by which control was held:	N A
	1c. Percent Ownership:	N A

Board of Directors		
Line No.	Name of Director and Address (City, State) (a)	Fees Paid During Year (b)
1	Jay W. Preston Sr., 312 Main St. SW, Ronan, MT. 59864	None
2	Robert B. Ekblad, P.O. Box 161, Dayton, Mt. 59914	6,000
3	Phyllis O. Ekblad, 319 Commons Way, Kalispell, Mt. 59901	None
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18	Chairman of the Board:	
19		
20		

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	President	General Manager	Jay W. Preston Sr., Ronan, Mt.
2	Secretary-Treasurer	Financial & Accounting	Phyllis O. Ekblad, Kalispell, Mt.
3	Vice-President	Engineering Studies, Technology	Robert B. Ekblad, Dayton, Mt.
4		Forecasting & Advance planning	
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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	556,859	464,637
3	1180	Telecommunications Accounts Receivable - Net	3,320	9,676
4	1190	Other Accounts Receivable - Net		
5	1200	Notes Receivable - Net		
6	1210	Interest and Dividends Receivable		
7	1220	Materials and Supplies		
8	* 1280	Prepayments		
9	^ 1290	Prepaid Rents		
10	^ 1300	Prepaid Taxes		
11	^ 1310	Prepaid Insurance		
12	^ 1320	Prepaid Directory Expenses		
13	^ 1330	Other Prepayments		
14	1350	Other Current Assets		
15		Total Current Assets	560,179	474,314
16		NONCURRENT ASSETS:		
17	1401	Investments in Affiliated Companies		
18	1402	Investments in Nonaffiliated Companies		
19	1406	Nonregulated Investments		
20	1407	Unamortized Debt Issuance Expense		
21	1408	Sinking Funds		
22	1410	Other Noncurrent Assets		
23	1438	Deferred Maintenance and Retirements		
24	1439	Deferred Charges		
25	1500	Other Jurisdictional Assets - Net		
26		Total Noncurrent Assets		
27		PROPERTY, PLANT, & EQUIPMENT:		
28	2001	Telecommunications Plant in Service	2,487,704	2,284,837
29	2002	Property Held for Future Telecommunications Use		
30	2003	Plant Under Construction - Short Term		
31	2004	Plant Under Construction - Long Term		
32	2005	Telecommunications Plant Adjustment		
33	2006	Nonoperating Plant		
34	2007	Goodwill		
35	3100	Accumulated Depreciation	1,457,580	1,286,004
36	3200	Accumulated Depreciation - Held for Future Use		
37	3300	Accumulated Depreciation - Nonoperating		
38	3400	Accumulated Amortization		
39		Net Property, Plant, & Equipment	1,030,124	998,833
40		TOTAL ASSETS	1,590,303	1,473,147

^ 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	237,904	216,916
43	4020	Notes Payable		
44	4030	Advance Billing and Payments		
45	4040	Customer Deposits	12,709	13,030
46	4050	Current Maturities - Long Term Debt		
47	4060	Current Maturities - Capital Leases		
48	4070	Income Taxes - Accrued		
49	4080	Other Taxes - Accrued		
50	4100	Net Current Deferred Operating Income Taxes		
51	4110	Net Current Deferred Nonoperating Income Taxes		
52	4120	Other Accrued Liabilities		
53	4130	Other Current Liabilities	16,426	1,960
54		Total Current Liabilities	267,039	231,906
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	179,117	225,000
63		Total Long-Term Debt	179,117	225,000
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	None	None
73		STOCKHOLDERS' EQUITY:		
74	4510	Capital Stock	80,000	80,000
75	4520	Additional Paid-In Capital	10,832	10,832
76	4530	Treasury Stock	(125,000)	(125,000)
77	4540	Other Capital		
78	4550	Retained Earnings	1,178,315	1,050,409
79		Total Stockholders' Equity	1,144,147	1,016,241
80		TOTAL LIAB. AND STOCKHOLDERS' EQUITY	1,590,303	1,473,147

Total Company Income Statement

Year: 2001

Line No.	Acct. No. (a)	Description (b)	This Year (e)	Last Year (d)
1		REVENUES:		
2	5000	Basic Local Service Revenues	208,128	200,492
3	5080	Network Access Revenues	944,508	857,197
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	40,224	49,310
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	5,357	
16	5300	Uncollectible Revenue	(2,635)	(7,770)
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)	1,195,582	1,099,229
18		OPERATING EXPENSES:		
19	6110	Network Support Expense	73,345	23,247
20	6120	General Support Expense	9,813	17,093
21	6210	Central Office Switching Expense	68,912	69,194
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense		
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense	73,713	52,399
26	^ 6431	Aerial Wire Expense		
27	^ 6441	Conduit Systems Expense		
28	6510	Other Property, Plant & Equipment Expense	59,768	80,163
29	6530	Network Operations Expense	74,373	69,606
30	6540	Access Expense	64,133	54,715
31	6560	Depreciation and Amortization Expense	172,145	185,343
32	6610	Marketing		
33	6620	Services	80,089	80,551
34	6710	Executive and Planning	15,416	11,058
35	6720	General and Administrative	288,547	250,775
36	6790	Provision for Uncollectible Notes Receivable		
37		Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)	980,254	894,144
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	57,452	43,380
40		Net Operating Income (L.17-L.37+L.38-L.39)	157,876	161,705
41	7300	Nonoperating Income and Expense		
42	7400	Nonoperating Taxes		
43	7500	Interest and Related Items	18,901	18,885
44	7600	Extraordinary Items		
45	7910	Effects of Juris. Ratemaking Diff. - Net		
46	7990	Nonregulated Net Income	8,055	7,810
47		NET INCOME (L.40+L.41-L.42-L.43-L.44+L.45-L.46)	130,920	135,010

^ Subaccount of the account marked with a *.

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		
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 *.

Not Required--We have less than 5,000 Access Lines

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		
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 *.

Total State Basis--Under 5,000 Access lines

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	161,471	154,627
3	5080	Network Access Revenues	354,468	306,483
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	19,984	11,011
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	2,635	7,770
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)	533,288	464,351
18		OPERATING EXPENSES:		
19	6110	Network Support Expense	13,524	11,320
20	6120	General Support Expense	9,421	16,539
21	6210	Central Office Switching Expense	68,912	69,194
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense		
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense	73,713	52,399
26	^ 6431	Aerial Wire Expense		
27	^ 6441	Conduit Systems Expense		
28	6510	Other Property, Plant & Equipment Expense	47,358	53,139
29	6530	Network Operations Expense	74,373	69,607
30	6540	Access Expense	3,600	3,600
31	6560	Depreciation and Amortization Expense	171,576	184,563
32	6610	Marketing		
33	6620	Services	87,324	80,838
34	6710	Executive and Planning	14,799	10,504
35	6720	General and Administrative	262,687	243,145
36	6790	Provision for Uncollectible Notes Receivable		
37		Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)	827,287	794,848
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	76,353	62,265
40		Net Operating Income (L.17-L.37+L.38-L.39)	(370,352)	(392,762)

^ 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	2,487,704	2,284,838
2	3100	Accumulated Depreciation	1,457,580	1,286,004
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)	1,030,124	998,834

NOT REQUIRED - WE HAVE LESS THAN 5,000 ACCESS LINES

Average Rate Base - Intrastate

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

NOT REQUIRED - WE HAVE LESS THAN 5,000 ACCESS LINES

Average Rate Base - Regulated Intrastate

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

Statement of Cash Flows

Year: 2001

Line No.	Item Description (a)	Amount (b)	Amount (c)
1	Increase/(decrease) in Cash & Cash Equivalents		88,275
2	Cash Flows from Operating Activities:		
3	Net Income		138,975
4	Reconciliation Adjustments:		
5	Depreciation & Amortization	172,144	
6	Provision for Accounts Receivable Losses		
7	Deferred Income Taxes - Net		
8	Unamortized Investment Tax Credits (ITCs) - Net		
9	Allowance for Funds Used During Construction (AFUDC)		
10	Change in Operating Receivables - Net	6,356	
11	Change in Materials, Supplies & Inventories - Net	113	
12	Change in Operating Payables & Accrued Liabilities - Net	25,105	
13	Change in Other Assets & Deferred Credits - Net		
14	Change in Other Liabilities & Deferred Credits - Net	14,466	
15	Other (explained on back of this page) Subscriber deposits (payable)	(321)	
16	Total Adjustments		217,863
17	Net Cash Provided by/(Used in) Operating Activities		356,838
18	Cash Inflows/Outflows From Investing Activities:		
19	Construction/Acquisition of Property, Plant & Equipment (net of	(203,003)	
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 this page) Investments	(4,060)	
25	Net Cash Provided by/(Used in) Investing Activities		(207,063)
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	(50,000)	
32	Payment of Capital Lease Obligations		
33	Proceeds from Issuing Common Stock/Parent Co. Equity Investment		
34	Repurchase of Treasury Shares		
35	Dividends Paid	(11,500)	
36	Other Financing Activities (explained on back of this page)		
37	Net Cash Provided by Financing Activities		(61,500)
38	Effect of Exchange Rate Changes on Cash		
39	Net Increase/(Decrease) in Cash & Cash Equivalents		88,275
40	Cash & Cash Equivalents at Beginning of Period		338,523
41	Cash & Cash Equivalents at End of Period		426,798

Company Name: Hot Springs Telephone Co.

DOES NOT APPLY

Year: 2001

Receivables and Investments-Affiliated & Non-affiliated Companies

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)
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29											
30	Totals										

Net Plant in Regulated 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	*	2110 Land and Support Assets	556,162	48,067	-	-	604,229	394,392	209,837
2	^	2111 Land							-
3	^	2112 Motor Vehicles							-
4	^	2113 Aircraft							-
5	^	2114 Special Purpose Vehicles							-
6	^	2115 Garage Work Equipment							-
7	^	2116 Other Work Equipment							-
8	^	2121 Buildings							-
9	^	2122 Furniture							-
10	^	2123 Office Equipment							-
11	^	2124 General Purpose Computers							-
12		2211 Analog Electronic Switching	377,262	23,245			400,507	168,433	232,074
13		2212 Digital Electronic Switching							-
14		2215 Electro-Mechanical Switching							-
15		2220 Operator Systems							-
16		2231 Radio Systems	164,519	74,925			239,444	87,504	151,940
17		2232 Circuit Equipment	16,238				16,238	15,141	1,097
18	*	2310 Information Orig & Term Equip	74,470	26,177			100,647	59,284	41,363
19	^	2311 Station Apparatus							-
20	^	2321 Customer Premises Wiring							-
21	^	2341 Large Private Branch Exchanges							-
22	^	2351 Public Telephone Term. Equip.							-
23	^	2362 Other Terminal Equipment							-
24		2411 Poles	4,177	4,920			9,097	4,599	4,498
25	*	2420 Cable and Wire Facilities	1,092,010	25,532			1,117,542	728,227	389,315
26	^	2421 Aerial Cable							-
27	^	2422 Underground Cable							-
28	^	2423 Buried Cable							-
29	^	2424 Submarine Cable							-
30	^	2425 Deep Sea Cable							-
31	^	2426 Intrabuilding Network Cable							-
32		2431 Aerial Wire							-
33		2441 Conduit Systems							-
34		Totals	2,284,838	202,866	-	-	2,487,704	1,457,580	1,030,124

^ 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	<u>NONE</u>						
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
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21							
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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	Demand Note	Jul-93	Jul-02	50,000	-	-	-	50,000	-	4,000		8.00%
2	Demand Note	Jun-94	Jan-04	75,000	-	-	-	75,000	-	6,000		8.00%
3	Demand Note	Jan-92	Jan-06	50,000	-	-	-	50,000	-	4,000		8.00%
4												
5												
6												
7												
8												
9												
10												
11												
12												
13												
14												
15												
16												
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18												
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20												
21												
22												
23												
24												
25												
26												
27												
28												
29												
30	Total			175,000	-	-	-	175,000		14,000		8.00%

DOES NOT APPLY

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)	Year: 2001		
												Embedded Cost (l)		
1														
2														
3														
4														
5														
6														
7														
8														
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24														
25														
26														
27														
28														
29														
30	Totals (Sum L.1 to L.29)													

Analysis of Common Stock

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:								
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									

NOT REQUIRED - WE HAVE LESS THAN 5,000 ACCESS LINES

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)	Reacquisition or Retirement Cost (e)	Gain or (Loss) (f)	Retirement or Reacquisition (g)
1	NONE						
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
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24							
25							
26							
27							
28							
29							
30	Totals (Sum L. 1 to L. 29)						

Company Name: Hot Springs Telephone Co.

NOT REQUIRED - WE HAVE LESS THAN 5,000 ACCESS LINES

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						
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 *

Company Name: Hot Springs Telephone Co.

NOT REQUIRED - WE HAVE LESS THAN 5,000 ACCESS LINES

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	^	Conduit Systems Expense						
36		Other Property Expenses						
37	*	Network Operations Expense						
38	^	Power Expense						
39	^	Network Administration Expense						
40	^	Testing Expense						
41	^	Plant Operations Expense						
42	^	Engineering Expense						
43		Access Expense						
44		Depreciation - Telecomm. Plant in Service						
45		Depreciation-Prop. for Future Telecom. Use						
46		Amortization Expense - Tangible						
47		Amortization Expense - Intangible						
48		Amortization - Other						
49	*	Marketing						
50	^	Product Management						
51	^	Sales						
52	^	Product Advertising						
53		Call Completion Services						
54		Number Services						
55		Customer Services						
56		Executive						
57		Planning						
58		Accounting and Finance						
59		External Relations						
60		Human Relations						
61		Information Management						
62		Legal						
63		Procurement						
64		Research and Development						
65		Other General and Administrative						
66		Provision for Uncollectible Notes Receivable						
67		Totals						

^ Subaccount of the account marked with a *.

NOT REQUIRED - WE HAVE LESS THAN 5,000 ACCESS LINES

Year: 2001

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					
2	^	6112	Motor Vehicle Expense					
3	^	6113	Aircraft Expense					
4	^	6114	Special Purpose Vehicles Expense					
5	^	6115	Garage Work Equipment Expense					
6	^	6116	Other Work Equipment Expense					
7	*	6120	General Support Expense					
8	^	6121	Land and Building Expense					
9	^	6122	Furniture and Artworks Expense					
10	^	6123	Office Equipment Expense					
11	^	6124	General Purpose Computers Expense					
12	*	6210	Central Office Switching Expense					
13	^	6211	Analog Electronic Expense					
14	^	6212	Digital Electronic Expense					
15	^	6215	Electro-Mechanical Expense					
16		6220	Operator Systems Expense					
17	*	6230	Central Office Transmission Expense					
18	^	6231	Radio Systems Expense					
19	^	6232	Circuit Equipment Expense					
20	*	6310	Information Origination/Termination Expense					
21	^	6311	Station Apparatus Expense					
22	^	6341	Large Private Branch Exchange Expense					
23	^	6351	Public Telephone Terminal Equipment Exp.					
24	^	6362	Other Terminal Equipment Expense					
25	*	6410	Cable and Wire Facilities Expense					
26	^	6411	Poles Expense					
27	^	6421	Aerial Cable Expense					
28	^	6422	Underground Cable Expense					
29	^	6423	Buried Cable Expense					
30	^	6424	Submarine Cable Expense					
31	^	6425	Deep Sea Cable Expense					
32	^	6426	Intrabuilding Network Cable Expense					
33	^	6431	Aerial Wire Expense					
34			Subtotals					

^ Subaccount of the account marked with a *

Company Name: Hot Springs Telephone Co.

SCHEDULE 18
Page 2 of 2

NOT REQUIRED - WE HAVE LESS THAN 5,000 ACCESS LINES

Year: 2001

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	^	Conduit Systems Expense						
36		Other Property Expenses						
37	*	Network Operations Expense						
38	^	Power Expense						
39	^	Network Administration Expense						
40	^	Testing Expense						
41	^	Plant Operations Expense						
42	^	Engineering Expense						
43		Access Expense						
44		Depreciation - Telecomm. Plant in Service						
45		Depreciation-Prop. for Future Telecom. Use						
46		Amortization Expense - Tangible						
47		Amortization Expense - Intangible						
48		Amortization - Other						
49	*	Marketing						
50	^	Product Management						
51	^	Sales						
52	^	Product Advertising						
53		Call Completion Services						
54		Number Services						
55		Customer Services						
56		Executive						
57		Planning						
58		Accounting and Finance						
59		External Relations						
60		Human Relations						
61		Information Management						
62		Legal						
63		Procurement						
64		Research and Development						
65		Other General and Administrative						
66		Provision for Uncollectible Notes Receivable						
67		Totals						

^ Subaccount of the account marked with a *.

Pension Costs

Year: 2001

1	Plan Name Hot Springs Telephone Co. Profit Sharing Pension Plan			
2	Defined Benefit Plan? <u>No</u>	Defined Contribution Plan? <u>No</u>		
3	Actuarial Cost Method? <u>N/A</u>	IRS Code: <u>401</u>		
4	Annual Contribution by Employer: <u>Based on Profits</u>	Is the Plan Over Funded? <u>No</u>		
5				
	Item	Current Year	Last Year	% Change
6	Change in Benefit Obligation	N/A	N/A	
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	410,121	354,520	15.68%
18	Actual return on plan assets	13,385	17,362	-22.91%
19	Acquisition			
20	Employer contribution	55,728	43,255	28.84%
21	Plan participants' contributions	-		
22	Benefits paid	-	4,966	
23	Fair value of plan assets at end of year	479,234	410,121	16.85%
24	Funded Status	N/A	N/A	
25	Unrecognized net actuarial loss			
26	Unrecognized prior service cost			
27	Prepaid (accrued) benefit cost			
28				
29	Weighted-average Assumptions as of Year End	N/A	N/A	
30	Discount rate			
31	Expected return on plan assets			
32	Rate of compensation increase			
33				
34	Components of Net Periodic Benefit Costs	N/A	N/A	
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:	N/A	N/A	
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	9	6	33.33%
48	Not Covered by the Plan	3	3	
49	Active	9	6	33.33%
50	Retired	0	0	
51	Deferred Vested Terminated	0	0	

Other Post Employment Benefits (OPEBS)

Item	Current Year	Last Year	% Change
1 Regulatory Treatment:			
2 Commission authorized - most recent			
3 Docket number: _____			
4 Order number: _____			
5 Amount recovered through rates			
6 Weighted-average Assumptions as of Year End			
7 Discount rate			
8 Expected return on plan assets			
9 Medical Cost Inflation Rate			
10 Actuarial Cost Method			
11 Rate of compensation increase			
12 List each method used to fund OPEBs (ie: VEBA, 401(h)) and if tax advantaged:			
13			
14			
15 Describe any Changes to the Benefit Plan:			
16			
17 TOTAL COMPANY			
18 Change in Benefit Obligation			
19 Benefit obligation at beginning of year			
20 Service cost			
21 Interest Cost			
22 Plan participants' contributions			
23 Amendments			
24 Actuarial Gain			
25 Acquisition			
26 Benefits paid			
27 Benefit obligation at end of year			
28 Change in Plan Assets			
29 Fair value of plan assets at beginning of year			
30 Actual return on plan assets			
31 Acquisition			
32 Employer contribution			
33 Plan participants' contributions			
34 Benefits paid			
35 Fair value of plan assets at end of year			
36 Funded Status			
37 Unrecognized net actuarial loss			
38 Unrecognized prior service cost			
39 Prepaid (accrued) benefit cost			
40 Components of Net Periodic Benefit Costs			
41 Service cost			
42 Interest cost			
43 Expected return on plan assets			
44 Amortization of prior service cost			
45 Recognized net actuarial loss			
46 Net periodic benefit cost			
47 Accumulated Post Retirement Benefit Obligation			
48 Amount Funded through VEBA			
49 Amount Funded through 401(h)			
50 Amount Funded through Other _____			
51 TOTAL			
52 Amount that was tax deductible - VEBA			
53 Amount that was tax deductible - 401(h)			
54 Amount that was tax deductible - Other _____			
55 TOTAL			

Other Post Employment Benefits (OPEBS) Continued

	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 Ccosts			
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: 2001

Line No.	Name of Recipient (a)	Nature of Service (b)	Total Company Cost (c)	Total State Cost (d)	Intrastate Cost (e)
1	<u>NONE</u>				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
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14					
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41					
42					
43					
44					
45					
46					
47					
48					
49	Total				

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	2,556,670	24.26%	2,511,480	23.34%
3	Interstate, IntraLATA	0	0%	0	0%
4	Total Interstate Usage	2,556,670	24.26%	2,511,480	23.34%
5	Intrastate, InterLATA	152,256	1.44%	149,558	1.39%
6	Intrastate, IntraLATA	2,054,978	19.50%	2,018,729	18.76%
7	Total Intrastate Usage	2,207,234	20.94%	2,168,287	20.15%
8	Total Toll Usage	4,763,904	45.20%	4,679,767	43.48%
9	Centrex	0	0%	0	0%
10	Local	5,776,477	54.80%	6,082,862	56.52%
11	Total Minutes	10,540,381	100.00%	10,762,629	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	Urban	Digital	222		7	25		35	54	1	8		100.0%	352
2	Rural	Digital	366		1	30		18	30	0	4		100.0%	449
3														
4														
5														
6														
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28														
29														
30														
31														
32														
33	Total		588		8	55		53	84	1	12			801

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	HOT SPRINGS	STAND ALONE	DIGITAL	SIEMENS	DCO-RNS-SE	1,080	1999
2							
3							
4							
5							
6							
7							
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NOTE: Additional blank schedules are being provided for your convenience.

Construction Budget - Montana

Year: 2002

Line No.	Description (a)	2002 (b)
1	Central Office Assets:	
2	COE Upgrades	21,500
3	Rural Plant & Cable	40,000
4		
5		
6		
7		
8		
9		
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14		
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22		
23		
24		
25		
26		
27	Total Switching and Central Office Projects over \$500,000	
28	Miscellaneous Central Office Projects not over \$500,000	61,500
29	Total Central Office Budget (Total of Line 27 & Line 28)	61,500
30	Other Projects over \$500,000:	
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41	Total Other Projects over \$500,000	
42	Miscellaneous projects not over \$500,000 Garage and Equip. Building	60,000
43	Total Construction Budget (Total of Lines 29, 41 & 42)	121,500

Montana Employee Counts

Year: 2001

Line No.	Category (a)	Beginning of Year (b)	End of Year (c)
1	GENERAL MANAGER	1	1
2	OFFICE MANAGER	1	1
3	COE MAINTENANCE MANAGER & LINEMAN	1	1
4	PART TIME OFFICE CLERK	2	3
5	ACCOUNTANT & FINANCIAL MANAGER	1	1
6	ASSISTANT ACCOUNTANT & PAYROLL CLERK	1	1
7	INSTALLATIONS, LINEMEN & CONSTRUCTION WORKERS	2	3
8	INTERNET CONSULTANT	1	1
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
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39			
40			
41			
42			
43	Totals (Sum of Lines 1 through 42)	10	12

Proprietary Confidential Information

Compensation of Top 10 Montana Based Employees

Year: 2001

Line No.	Name/Title (a)	Base Salary (b)	Bonuses (c)	Pension Plan Other Compensation (d)	Total Compensation (e)	Total Compensation Last Year (f)	% Increase Total Compensation (g)
1	JAY W. PRESTON, SR. GENERAL MANAGER						
2	SANDRA M. PRONGUA OFFICE MANAGER						
3	PHYLLIS O. EKBLAD ACCOUNTANT & FINANCIAL MGR						
4	WILLIAM G. JOHNSON ASSIST. ACCOUNT. & PAYROLL MGR						
5	LAURENCE S. WALCHUK COE MANAGER & LINEMAN						
6	JOSEPH L. WALCHUCK INSTALLATION, LINEMAN & CONST.						
7	JANET L BRAS OFFICE CLERK						
8	LAWRENCE E. PABLO INSTALLER, LINE- MAN & CONST.						
9	RICHARD W. JACKSON INSTALLER, LINE- MAN & CONST.						
10	RICHARD A. ESTERLING INTERNET WORKER						
11	Totals (Sum L.1 to L.10)						

Proprietary Confidential Information

DOES NOT APPLY

Compensation of Top 5 Corporate Employees - SEC Information

Line No.	Name/Title (a)	Base Salary (b)	Bonuses (c)	Other Compensation (d)	Total Compensation (e)	Total Compensation Last Year (f)	% Increase Total Compensation (g)
1							
2							
3							
4							
5							
6	Totals (Sum L.1 to L.5)						

Montana Composite Statistics

Year: 2001

Line No.	Account No.	Description (a)	Amount (b)
1		Plant (Intrastate Only) (000 Omitted)	
2	2001	Plant in Service	2,492
3	2003 - 2004	Construction Work in Progress	
4	2005	Plant Acquisition Adjustments	
5	2002	Plant Held for Future Use	
6	1220	Materials & Supplies	
7		(Less):	
8	3100 - 3400	Depreciation & Amortization Reserves	(1,458)
9	4360.2	Contributions in Aid of Construction	(4)
10		NET BOOK COSTS	1,030
11		Revenues & Expenses (Intrastate Only) (000 Omitted)	
12	5000 - 5300	Operating Revenues	533
13	6560	Depreciation & Amortization Expenses	172
14		Federal & State Income Taxes	42
15		Other Taxes	34
16		Other Operating Expenses	655
17		TOTAL Operating Expenses	904
18		Net Operating Income	(371)
19		Other Income	663
20		Other Deductions	153
21		NET INCOME	139
22		Access Lines in Service (Intrastate Only)	
23		Residential Access Lines	643
24		Business Access Lines	145
25		PBX Access Lines	
26		Other Access Lines	13
27		Total Number of Access Lines	801
28		Average Number of Calls Per Access Line	
29		Local Calls	1,202
30		Toll Calls (Intra- or Interstate)	991
31		Total Number of Calls Per Access Line (Total of Line 29 & Line 30)	2,193
32		Other Statistics (Intrastate Only)	
33		Average Residential Monthly Bill	34
34		Gross Plant Investment per Access Line	3,106

Depreciation - Montana Intrastate Regulated

Year: 2001

Line No.	Acct No. (a)	Description (b)	Composite Rate % (c)	Total Expense \$ (d)
1	2112	Motor Vehicles	20.0%	15,581
2	2114	Special Purpose Vehicles		
3	2115	Garage Work Equipment		
4	2116	Other work Equipment		
5	2121	Buildings	20.0%	2,362
6	2122	Furniture	5.0%	7,881
7	2123.1	Office Support Equipment	20.0%	867
8	2123.2	Company Communications Equipment		
9	2124	General Purpose Computers		
10	2211	Analog Electronic Switching Equipment	20.0%	3,068
11	2212	Digital Electronic Switching Equipment		
12	2215	Step By Step Switching Equipment	10.0%	55,135
13	2215	Crossbar Switching Equipment		
14	2220	Operator System		
15	2231	Radio Systems		
16	2232	Circuit DDS	10.0%	23,159
17	2232	Circuit Digital		
18	2232	Circuit Analog		
19	2351	Public Telephone Terminating Equipment	10.0%	442
20	2362	Other Terminal Equipment	20.0%	64
21	2411	Poles	10.0%	5,253
22	2421	Aerial Cable Metallic		
23	2421	Aerial Cable Nonmetallic	10.0%	7,736
24	2422	Underground Cable Metallic		
25	2422	Underground Cable Nonmetallic		
26	2423	Buried Cable Metallic	5.0%	40,695
27	2423	Buried Cable Nonmetallic	5.0%	9,333
28	2424	Submarine Cable Metallic		
29	2424	Submarine Cable Nonmetallic		
30	2426	Intrabuilding Network Cable Metallic		
31	2426	Intrabuilding Network Cable Nonmetallic		
32	2431	Aerial Wire		
33	2441	Conduit Systems		
34				171,576
35		COMPOSITE TOTAL	6.98%	
36				
37	Have these rates been approved by the Commission? _____ YES ___X___ NO			
38				
39	If yes: _____ Docket Number _____ Order Number			
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 _____			
2	Order Number _____			
3				
4	Common Equity	N/A		
5	Preferred Stock			
6	Long Term Debt			
7	Other			
8	Total			
Actual at Year End				
12	Common Equity	86.47%	12.500%	10.809%
13	Preferred Stock			
14	Long Term Debt	13.53%	9.000%	1.218%
15	Other			
16	Total	100.00%		12.026%

Network Access - Charges and Revenues

Year: 2001

Line No.	Description (a)	Access Charges Paid (b)	Access Revenues Received (c)
1	Montana - Total State		512,349
2			
3	Montana - Intrastate		5,959
4			
5	Montana - Intrastate Regulated		354,477
6			
7			
8			
9			
10			
11			
12			
13			

Company Name: Hot Springs Telephone Co.

SCHEDULE 33

DOES NOT APPLY

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						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30	TOTAL					

Affiliate Transactions - Products & Services Provided by Utility

Year: 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						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30	TOTAL					

Montana Intrastate Regulated Earned Rate of Return

Year: 2001

Line No.	Description Rate Base (a)	This Year (b)	Last Year (c)	Percent Change (d)
1				
2	2001 Plant in Service	2,487,704	2,284,837	8.88%
3	2002 Prop. Held for Future Telecommunications Use			
4	3100-3200 (Less) Accumulated Depreciation	(1,457,580)	(1,286,004)	-13.34%
5	Plant in Service	1,030,124	998,833	3.13%
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	1,030,124	998,833	3.13%
21				
22	Net Earnings	130,920	135,010	-3.03%
23				
24	Rate of Return on Average Rate Base	12.709%	13.517%	-5.97%
25				
26	Rate of Return on Average Equity	11.447%	13.285%	-13.84%
27				
28	Major Normalizing Adjustments & Commission			
29	<u>Ratemaking adjustments to Utility Operations</u>			
30				
31	N/A			
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			