

YEAR 2001

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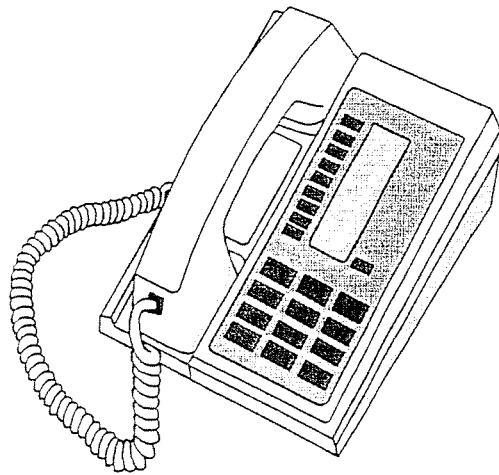
Revised

ANNUAL REPORT

OF

Project Telephone Company

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:	PROJECT TELEPHONE COMPANY
2.	Name Under Which Respondent Does Business:	PROJECT TELEPHONE COMPANY
3.	Date of Incorporation:	1978
4.	Address to send Correspondence Concerning Report:	PROJECT TELEPHONE COMPANY P.O. BOX 600 SCOBEEY, MT 59263
5.	Person Responsible for This Report:	KATHY GREENWOOD
5a.	Telephone Number:	406-783-5659
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:	NEMONT TELEPHONE COOPERATIVE, INC. P.O. BOX 600 SCOBEEY, MT 59263
1b.	Means by which control was held:	STOCK
1c.	Percent Ownership:	100%

Board of Directors		
Line No.	Name of Director and Address (City, State) (a)	Fees Paid During Year (b)
1	Kenneth Lauridsen Brockton, MT	600
2	Orvis Nelson Homestead, MT	600
3	Roy Neufeld Larslan, MT	500
4	Gregory Miller Reserve, MT	550
5	Vernon Stoner Outlook, MT	350
6	Ben Boreson Opheim, MT	600
7	Gary Klind Hinsdale, MT	600
8	Duane Broadbent Ballantine, MT	3000
9	Vernon Whiteman Lodge Grass, MT	3300
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18	Chairman of the Board: ROY D NEUFELD	
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		Roy Neufeld - Larslan, MT
2	Vice President		Greg Miller - Reserve, MT
3	Secretary/Treasurer		Vernon Stoner - Outlook, MT
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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	3,647,388	5,483,558
3	1180	Telecommunications Accounts Receivable - Net	453,364	446,443
4	1190	Other Accounts Receivable - Net	784,567	944,740
5	1200	Notes Receivable - Net		
6	1210	Interest and Dividends Receivable	7,909	67,251
7	1220	Materials and Supplies	921,875	1,039,069
8	* 1280	Prepayments	17,782	9,836
9	^ 1290	Prepaid Rents		
10	^ 1300	Prepaid Taxes		
11	^ 1310	Prepaid Insurance		
12	^ 1320	Prepaid Directory Expenses		
13	^ 1330	Other Prepayments	17,782	9,836
14	1350	Other Current Assets		
15		Total Current Assets	5,832,885	7,990,897
16		NONCURRENT ASSETS:		
17	1401	Investments in Affiliated Companies	16,478,324	14,311,573
18	1402	Investments in Nonaffiliated Companies	844,088	849,766
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	17,322,412	15,161,339
27		PROPERTY, PLANT, & EQUIPMENT:		
28	2001	Telecommunications Plant in Service	24,716,195	23,276,578
29	2002	Property Held for Future Telecommunications Use		
30	2003	Plant Under Construction - Short Term	630,724	253,284
31	2004	Plant Under Construction - Long Term		
32	2005	Telecommunications Plant Adjustment	4,395,210	4,395,210
33	2006	Nonoperating Plant		
34	2007	Goodwill		
35	3100	Accumulated Depreciation	(11,617,077)	(10,701,867)
36	3200	Accumulated Depreciation - Held for Future Use		
37	3300	Accumulated Depreciation - Nonoperating		
38	3400	Accumulated Amortization	(2,365,930)	(2,095,359)
39		Net Property, Plant, & Equipment	15,759,122	15,127,846
40		TOTAL ASSETS	38,914,419	38,280,082

^ 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	742,859	726,456
43	4020	Notes Payable		
44	4030	Advance Billing and Payments	178,410	160,436
45	4040	Customer Deposits	66,766	69,504
46	4050	Current Maturities - Long Term Debt	65,311	72,536
47	4060	Current Maturities - Capital Leases		
48	4070	Income Taxes - Accrued		404,182
49	4080	Other Taxes - Accrued	82,118	84,550
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	194,920	159,282
54		Total Current Liabilities	1,330,384	1,676,946
55		LONG-TERM DEBT:		
56	4210	Funded Debt	6,031,019	6,293,859
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	7,495,961	8,219,024
63		Total Long-Term Debt	13,526,980	14,512,883
64		OTHER LIABILITIES AND DEFERRED CREDITS:		
65	4310	Other Long-Term Liabilities		
66	4320	Unamort. Oper. Invest. Tax Credits - Net	89,958	122,922
67	4330	Unamort. Nonoper. Invest. Tax Credits - Net		
68	4340	Net Noncurrent Deferred Oper. Income Taxes	1,746,348	1,710,818
69	4350	Net Noncurrent Deferred Nonoper. Income Taxes		
70	4360	Other Deferred Credits		
71	4370	Other Jurisdictional Liab. and Def. Credits		
72		Total Other Liabilities and Deferred Credits	1,836,306	1,833,740
73		STOCKHOLDERS' EQUITY:		
74	4510	Capital Stock	7,950	7,950
75	4520	Additional Paid-In Capital		
76	4530	Treasury Stock		
77	4540	Other Capital		
78	4550	Retained Earnings	22,212,799	20,248,563
79		Total Stockholders' Equity	22,220,749	20,256,513
80		TOTAL LIAB. AND STOCKHOLDERS' EQUITY	38,914,419	38,280,082

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	1,435,989	1,317,604
3	5080	Network Access Revenues	5,548,358	5,467,139
4	* 5100	Long Distance Message Revenue		
5	^ 5110	Unidirectional Long Distance Revenue	503	148
6	^ 5120	Long Distance Private Network Revenue		
7	^ 5160	Other Long Distance Revenue		
8	^ 5169	Other Long Distance Revenue Settlements	503	148
9	* 5200	Miscellaneous Revenue	207,758	215,793
10	^ 5230	Directory Revenue	19,723	19,455
11	^ 5240	Rent Revenue	2,460	2,400
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	14,601	10,753
14	^ 5270	Carrier Billing and Collection Revenue	170,974	183,185
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	10,950	9,080
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)	7,181,658	6,991,604
18		OPERATING EXPENSES:		
19	6110	Network Support Expense	26,335	23,744
20	6120	General Support Expense	411,234	357,636
21	6210	Central Office Switching Expense	234,455	206,958
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	300,251	152,057
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense	771,407	684,279
26	^ 6431	Aerial Wire Expense	771,407	684,279
27	^ 6441	Conduit Systems Expense		
28	6510	Other Property, Plant & Equipment Expense		
29	6530	Network Operations Expense	249,030	240,165
30	6540	Access Expense	17,659	14,175
31	6560	Depreciation and Amortization Expense	1,481,319	1,433,318
32	6610	Marketing	38,336	41,021
33	6620	Services	601,334	529,017
34	6710	Executive and Planning	143,360	153,039
35	6720	General and Administrative	750,851	678,308
36	6790	Provision for Uncollectible Notes Receivable		
37		Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)	5,025,571	4,513,717
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	585,707	560,674
40		Net Operating Income (L.17-L.37+L.38-L.39)	1,570,380	1,917,213
41	7300	Nonoperating Income and Expense	1,443,527	1,530,080
42	7400	Nonoperating Taxes	106,291	292,741
43	7500	Interest and Related Items	841,869	899,275
44	7600	Extraordinary Items	102,792	59,369
45	7910	Effects of Juris. Ratemaking Diff. - Net		
46	7990	Nonregulated Net Income	(1,280)	
47		NET INCOME (L.40+L.41-L.42-L.43-L.44+L.45-L.46)	1,964,235	2,195,908

^ 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	1,389,565	1,273,925
3	5080	Network Access Revenues	5,478,960	5,403,199
4	* 5100	Long Distance Message Revenue	503	148
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	503	148
9	* 5200	Miscellaneous Revenue	204,180	211,589
10	^ 5230	Directory Revenue	19,414	19,103
11	^ 5240	Rent Revenue	2,460	2,400
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	14,573	10,760
14	^ 5270	Carrier Billing and Collection Revenue	167,733	179,326
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	10,950	9,080
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)	7,062,258	6,879,781
18		OPERATING EXPENSES:		
19	6110	Network Support Expense	26,335	23,744
20	6120	General Support Expense	407,914	354,631
21	6210	Central Office Switching Expense	231,332	202,074
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	298,076	151,031
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense	749,566	664,168
26	^ 6431	Aerial Wire Expense	749,566	664,168
27	^ 6441	Conduit Systems Expense		
28	6510	Other Property, Plant & Equipment Expense		
29	6530	Network Operations Expense	240,785	231,307
30	6540	Access Expense	16,994	13,611
31	6560	Depreciation and Amortization Expense	1,435,365	1,389,694
32	6610	Marketing	36,892	39,389
33	6620	Services	586,278	516,109
34	6710	Executive and Planning	137,961	146,952
35	6720	General and Administrative	722,574	651,331
36	6790	Provision for Uncollectible Notes Receivable		
37		Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)	4,890,072	4,384,041
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	577,936	554,170
40		Net Operating Income (L.17-L.37+L.38-L.39)	1,594,250	1,941,570

^ 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	1,389,565	1,273,925
3	5080	Network Access Revenues	5,478,960	5,403,199
4	* 5100	Long Distance Message Revenue	503	148
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	503	148
9	* 5200	Miscellaneous Revenue	204,180	211,589
10	^ 5230	Directory Revenue	19,414	19,103
11	^ 5240	Rent Revenue	2,460	2,400
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	14,573	10,760
14	^ 5270	Carrier Billing and Collection Revenue	167,733	179,326
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	10,950	9,080
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)	7,062,258	6,879,781
18		OPERATING EXPENSES:		
19	6110	Network Support Expense	26,335	23,744
20	6120	General Support Expense	407,914	354,631
21	6210	Central Office Switching Expense	231,332	202,074
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	298,076	151,031
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense	749,566	664,168
26	^ 6431	Aerial Wire Expense	749,566	664,168
27	^ 6441	Conduit Systems Expense		
28	6510	Other Property, Plant & Equipment Expense		
29	6530	Network Operations Expense	240,785	231,307
30	6540	Access Expense	16,994	13,611
31	6560	Depreciation and Amortization Expense	1,435,365	1,389,694
32	6610	Marketing	36,892	39,389
33	6620	Services	586,278	516,109
34	6710	Executive and Planning	137,961	146,952
35	6720	General and Administrative	722,574	651,331
36	6790	Provision for Uncollectible Notes Receivable		
37		Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)	4,890,072	4,384,041
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	577,936	554,170
40		Net Operating Income (L.17-L.37+L.38-L.39)	1,594,250	1,941,570

^ 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	1,389,565	1,273,925
3	5080	Network Access Revenues	5,478,960	5,403,199
4	* 5100	Long Distance Message Revenue	503	148
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	503	148
9	* 5200	Miscellaneous Revenue	204,180	211,589
10	^ 5230	Directory Revenue	19,414	19,103
11	^ 5240	Rent Revenue	2,460	2,400
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	14,573	10,760
14	^ 5270	Carrier Billing and Collection Revenue	167,733	179,326
15	^ 5280	Nonregulated Revenue		
16	^ 5300	Uncollectible Revenue	10,950	9,080
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)	7,062,258	6,879,781
18		OPERATING EXPENSES:		
19	6110	Network Support Expense	26,335	23,744
20	6120	General Support Expense	407,914	354,631
21	6210	Central Office Switching Expense	231,332	202,074
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	298,076	151,031
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense	749,566	664,168
26	^ 6431	Aerial Wire Expense	749,566	664,168
27	^ 6441	Conduit Systems Expense		
28	6510	Other Property, Plant & Equipment Expense		
29	6530	Network Operations Expense	240,785	231,307
30	6540	Access Expense	16,994	13,611
31	6560	Depreciation and Amortization Expense	1,435,365	1,389,694
32	6610	Marketing	36,892	39,389
33	6620	Services	586,278	516,109
34	6710	Executive and Planning	137,961	146,952
35	6720	General and Administrative	722,574	651,331
36	6790	Provision for Uncollectible Notes Receivable		
37		Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)	4,890,072	4,384,041
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	577,936	554,170
40		Net Operating Income (L.17-L.37+L.38-L.39)	1,594,250	1,941,570

^ 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	23614180	22184062
2	3100	Accumulated Depreciation	13550346	12409974
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies	887157	997744
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)	10950991	10771832

Average Rate Base - Intrastate

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	23614180	22184062
2	3100	Accumulated Depreciation	13550346	12409974
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies	887157	997744
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)	10950991	10771832

Average Rate Base - Regulated Intrastate

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	23614180	22184062
2	3100	Accumulated Depreciation	13550346	12409974
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies	887157	997744
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)	10950991	10771832

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		
4	Reconciliation Adjustments:		
5	Depreciation & Amortization	Information available in the 2001 audit reports.	
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		
11	Change in Materials, Supplies & Inventories - Net		
12	Change in Operating Payables & Accrued Liabilities - Net		
13	Change in Other Assets & Deferred Credits - Net		
14	Change in Other Liabilities & Deferred Credits - Net		
15	Other (explained on back of this page)		
16	Total Adjustments		
17	Net Cash Provided by/(Used in) Operating Activities		
18	Cash Inflows/Outflows From Investing Activities:		
19	Construction/Acquisition of Property, Plant & Equipment (net of		
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)		
25	Net Cash Provided by/(Used in) Investing Activities		
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)		
37	Net Cash Provided by Financing Activities		
38	Effect of Exchange Rate Changes on Cash		
39	Net Increase/(Decrease) in Cash & Cash Equivalents		
40	Cash & Cash Equivalents at Beginning of Period		20248563
41	Cash & Cash Equivalents at End of Period		22212799

Receivables and Investments-Affiliated & Nonaffiliated Companies

at: 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	Nemont Commun, Inc.				32395					16478324	
2	Valley Tele Comm, Inc.				4862						
3	Nemont Tele Coop Inc.				5672						
4	Sagebrush Cellular Inc.	2728236			378				7909		
5	NRUCFC										
6	AT&T				87147						
7	QWEST				37913						
8	NCRPC				7012						
9	NECA				211042						
10	Misc L.D. Carriers				135904						
11	RTFC										283876
12	RUS STOCK										269898
13	Capital Credits										247576
14	Misc. Memberships										1073
15	NCRPC Stock										10000
16	Raymond James Security										31665
17											
18											
19											
20											
21											
22											
23											
24											
25											
26											
27											
28											
29											
30	Totals	2728236			522325				7909	16478324	844088

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	* 2110	Land and Support Assets	2681505	434618	235858		2880265	1205071	1675194
2	^ 2111	Land	87882				87882		87882
3	^ 2112	Motor Vehicles	505379	294322	145103		654598	278087	376511
4	^ 2113	Aircraft							
5	^ 2114	Special Purpose Vehicles		2054			2054	55	1999
6	^ 2115	Garage Work Equipment	2113				2113	634	1479
7	^ 2116	Other Work Equipment	488518	90404	90755		488167	295604	192563
8	^ 2121	Buildings	1501067	46078			1547145	598787	948358
9	^ 2122	Furniture	4356	1760			6116	4509	1607
10	^ 2123	Office Equipment	92190				92190	27395	64795
11	^ 2124	General Purpose Computers							
12	^ 2211	Analog Electronic Switching							
13	^ 2212	Digital Electronic Switching	4333044	155384	27413		4461015	2837019	1623996
14	^ 2215	Electro-Mechanical Switching							
15	^ 2220	Operator Systems							
16	^ 2231	Radio Systems							
17	^ 2232	Circuit Equipment	3659149	870676	137977		4391848	1632500	2759348
18	* 2310	Information Orig & Term Equip	12487				12487		
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	12487				12487	12487	48785
24	^ 2411	Poles	76247	45092			117481	68696	6773227
25	* 2420	Cable and Wire Facilities	12249176	365531	30788	-3858	12583919	5810692	6773227
26	^ 2421	Aerial Cable	162401	1302			163703	89037	74666
27	^ 2422	Underground Cable	43310				43310	14402	28908
28	^ 2423	Buried Cable	12003262	364229	30788		12336703	5675777	6660926
29	^ 2424	Submarine Cable							
30	^ 2425	Deep Sea Cable							
31	^ 2426	Intrabuilding Network Cable	40203				40203	31476	8727
32	^ 2431	Aerial Wire	3748				3748	3748	
33	^ 2441	Conduit Systems	261222	352		3858	265432	46865	218567
34		Totals	23276578	1871653	432036		24716195	11617078	13099117

* 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	NONE						
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
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16							
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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	TELEPHONE PLANT RUS											
2	NOTE NO 201	1957	Feb-92	50000	50000	50000						
3	NOTE NO 2020	1958	Mar-93	175000	175000	175000						
4	NOTE NO 2030	1958	Jul-93	55000	55000	55000						
5	NOTE NO 2040	1959	Nov-94	25660	25660	25660						
6	NOTE NO 2041	1959	Nov-94	12849	12849	12849						
7	NOTE NO 2042	1959	Nov-94	10491	10491	10491						
8	NOTE NO 12050	1974	Nov-09	1085000	1085000	1085000		447191		23381		5.20%
9	NOTE NO 12060	1976	Jul-11	320000	320000	320000		116974		2441		2.09%
10	NOTE NO 12062	1976	Jul-11	85000	85000	85000		49847		1021		2.05%
11	NOTE NO 12071	1978	Nov-13	571000	571000	571000		335654		17243		5.14%
12	NOTE NO 12080	1983	Oct-18	2170000	2170000	2170000		1492349		76132		5.10%
13	NOTE NO 12090	1983	Oct-18	3019000	3019000	3019000		2140720		109200		5.10%
14	NOTE NO 12091	1983	Oct-18	1376000	1376000	1376000		1018959		51973		5.10%
15	NOTE NO 12092	1983	Oct-18	511000	511000	511000		437041		22119		5.06%
16	INTEREST ON PREPAYMENTS											
17	PREPAYMENTS-DR.									-374		
18	TELEPHONE PLANT RUS 1984			3255000	3202500	3202500		2453993		164287		6.69%
19	TELEPHONE PLANT RTFC 1994			8886287	8886287	8441973		5094469		367730		7.22%
20												
21												
22												
23												
24												
25												
26												
27												
28												
29												
30	Total			21607287	21554787	21110473	97.70	13579481		835153		6.15%

Cost of Preferred Stock

Year: 2001

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	NONE											
2												
3												
4												
5												
6												
7												
8												
9												
10												
11												
12												
13												
14												
15												
16												
17												
18												
19												
20												
21												
22												
23												
24												
25												
26												
27												
28												
29												
30	Totals (Sum L.1 to L.29)											

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)	Market Price Low (h)	Price/Earnings Ratio (i)
1	Year Ended December 31:								
2									
3	N/A								
4									
5									
6									
7									
8	Month by Month Data:								
9	January								
10	February								
11	March								
12	April								
13	May								
14	June								
15	July								
16	August								
17	September								
18	October								
19	November								
20	December								
21									
22									
23									

Capital Stock and Funded Debt Reacquired or Retired During the Year

Year: 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							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30	Totals (Sum L.1 to L.29)						

Total Company Expense Matrix

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	9014	5615	3109	148012	-139415	26335
2	^	Motor Vehicle Expense	7115	4368		116897	-124920	3460
3	^	Aircraft Expense						
4	^	Special Purpose Vehicles Expense	1899	1247	3109	31115	-14495	22875
5	^	Garage Work Equipment Expense	44096	26210	248046	92879		411231
6	^	Other Work Equipment Expense	27519	16090	224886	57003		325498
7	*	General Support Expense						
8	^	Land and Building Expense						
9	^	Furniture and Artworks Expense	73	32		10804		10804
10	^	Office Equipment Expense	16504	10088	23160	18068		18173
11	^	General Purpose Computers Expense	103917	58887		7004		56756
12	*	Central Office Switching Expense				71650		234454
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	71808	42226	900	185317		300251
19	^	Circuit Equipment Expense	8001	4481	900	31607		44989
20	*	Information Origination/Termination Expense	63807	37745		153710		255262
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	341215	219615	9861	200716		771407
26	^	Poles Expense						
27	^	Aerial Cable Expense	16057	10233	9861	6891		16752
28	^	Underground Cable Expense						
29	^	Buried Cable Expense						
30	^	Submarine Cable Expense						
31	^	Deep Sea Cable Expense						
32	^	Intrabuilding Network Cable Expense	325158	209382		182253		716793
33	^	Aerial Wire Expense						
34		Subtotals	570,050	352,553	261,916	698,350	(139,415)	1743,454

^ Subaccount of the account marked with a *.

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				224		224
36	6510	Other Property Expenses	8634	5452		4487	-18573	249029
37	6530	Network Operations Expense	123828	82738		97079	-54616	50333
38	6531	Power Expense				50333		559
39	6532	Network Administration Expense				559		21825
40	6533	Testing Expense	12029	9644		152		118733
41	6534	Plant Operations Expense	86594	56619		13381	-37861	57579
42	6535	Engineering Expense	25205	16475		32654	-16755	17659
43	6540	Access Expense				17659		1210749
44	6561	Depreciation - Telecomm. Plant in Service				1210749		
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	11324	7558		270571		270571
50	6611	Product Management				19454		38336
51	6612	Sales				5288		5288
52	6613	Product Advertising	11324	7558		14166		33048
53	6621	Call Completion Services				2414		2414
54	6622	Number Services	2145	1637		9476		13258
55	6623	Customer Services	142945	111524		331194		585663
56	6711	Executive	40466	55213		47681		143360
57	6712	Planning						
58	6721	Accounting and Finance	77200	53735		94228		225163
59	6722	External Relations	53607	30549		79621		163777
60	6723	Human Relations	28067	20452		10485		59004
61	6724	Information Management						
62	6725	Legal				45402		45402
63	6726	Procurement	3020	2165				5185
64	6727	Research and Development						
65	6728	Other General and Administrative	47650	35239		169434		252323
66	6790	Provision for Uncollectible Notes Receivable						
67		Totals	1,108,936	758,815	261,916	3,108,508	(212,604)	5,025,571

^ 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	9014	5615	3109	148012	-139415	26335
2	^	Motor Vehicle Expense	7115	4368		116897	-124920	3460
3	^	Aircraft Expense						
4	^	Special Purpose Vehicles Expense						
5	^	Garage Work Equipment Expense						
6	^	Other Work Equipment Expense						
7	*	General Support Expense	1899	1247	3109	31115	-14495	22875
8	^	Land and Building Expense	44096	26210	248046	89560		407912
9	^	Furniture and Artworks Expense	27519	16090	224886	56912		325407
10	^	Office Equipment Expense	73	32		10397		10397
11	^	General Purpose Computers Expense	16504	10088	23160	17384		17489
12	*	Central Office Switching Expense	103917	58887		4867		54619
13	^	Analog Electronic Expense				68527		231331
14	^	Digital Electronic Expense	103917	58887		68527		231331
15	^	Electro-Mechanical Expense						
16	^	Operator Systems Expense						
17	*	Central Office Transmission Expense	71808	42226	900	183142		298076
18	^	Radio Systems Expense	8001	4481	900	31607		44989
19	^	Circuit Equipment Expense	63807	37745		151535		253087
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	341215	219615	9861	178875		749566
26	^	Poles Expense			9861	6891		16752
27	^	Aerial Cable Expense	16057	10233		10951		37241
28	^	Underground Cable Expense						
29	^	Buried Cable Expense						
30	^	Submarine Cable Expense	325158	209382		160809		695349
31	^	Deep Sea Cable Expense						
32	^	Intrabuilding Network Cable Expense						
33	^	Aerial Wire Expense						
34		Subtotals	570,050	352,553	261,916	667,892	(139,415)	1712,996

* Subaccount of the account marked with a *

Total State Expense Matrix

Line No.	Acct. No. (a)	Description (b)	Salaries and Wages (c)	Benefits (d)	Rents (e)	Other Expenses (f)	Clearances (g)	Total (h)
35	6441	Conduit Systems Expense		5452		224		224
36	6510	Other Property Expenses	8634			4487	-18,573	240,784
37	6530	Network Operations Expense	123,828	82,738		88,834	-54,616	48,729
38	6531	Power Expense				48,729		559
39	6532	Network Administration Expense				559		21,825
40	6533	Testing Expense	12,029	9,644		152		114,261
41	6534	Plant Operations Expense	86,594	56,619		89,099	-37,861	55,410
42	6535	Engineering Expense	25,205	16,475		30,485	-16,755	16,994
43	6540	Access Expense				16,994		116,479
44	6561	Depreciation - Telecomm. Plant in Service				116,479		
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	11,324	7,558		27,057		27,057
50	6611	Product Management				180,10		36,892
51	6612	Sales				5089		5089
52	6613	Product Advertising	11,324	7,558		12,921		31,803
53	6621	Call Completion Services				2,323		2,323
54	6622	Number Services	2,145	1,637		8,977		12,759
55	6623	Customer Services	142,945	111,524		316,729		571,198
56	6711	Executive	40,466	55,213		42,282		137,961
57	6712	Planning						
58	6721	Accounting and Finance	77,200	53,735		85,748		216,683
59	6722	External Relations	53,607	30,549		73,453		157,609
60	6723	Human Relations	28,067	20,452		82,63		56,782
61	6724	Information Management						
62	6725	Legal						
63	6726	Procurement	2825	2165		43,692		43,692
64	6727	Research and Development						4,990
65	6728	Other General and Administrative	47,650	35,239		159,931		242,820
66	6790	Provision for Uncollectible Notes Receivable						
67		Totals	1,108,741	758,815	261,916	2,973,204	(212,604)	489,007

* Subaccount of the account marked with a *

Pension Costs

Year: 2001

1	Plan Name	NTCA SAVINGS PLAN		
2	Defined Benefit Plan?	_____		
3	Actuarial Cost Method?	_12% OF W-2 WAGES		
4	Annual Contribution by Employer:	_\$108,475		
5		Defined Contribution Plan?	___X___	
		IRS Code:	_____	
		Is the Plan Over Funded?	___NO___	
	Item	Current Year	Last Year	% Change
6	Change in Benefit Obligation	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	416831	246493	-40.87%
18	Actual return on plan assets			
19	Acquisition			
20	Employer contribution	108475	94038	-13.31%
21	Plan participants' contributions	83364	76300	-8.47%
22	Benefits paid			
23	Fair value of plan assets at end of year	608670	416831	-31.52%
24	Funded Status			
25	Unrecognized net actuarial loss	608670	416831	-31.52%
26	Unrecognized prior service cost			
27	Prepaid (accrued) benefit cost	608670	416831	-31.52%
28				
29	Weighted-average Assumptions as of Year End	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		
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		
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	19	16	-15.79%
48	Not Covered by the Plan	2	2	
49	Active	19	16	-15.79%
50	Retired			
51	Deferred Vested Terminated			

Other Post Employment Benefits (OPEBS)

Item		Current Year	Last Year	% Change
1	Regulatory Treatment:			
2	Commission authorized - most recent			
3	Docket number: _____			
4	Order number: _____			
5	Amount recovered through rates			
6	Weighted-average Assumptions as of Year End	N/A		
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	N/A	N/A	#VALUE!
3	Not Covered by the Plan			
4	Active			
5	Retired			
6	Spouses/Dependants covered by the Plan			
7	Montana			
8	Change in Benefit Obligation			
9	Benefit obligation at beginning of year			
10	Service cost			
11	Interest Cost			
12	Plan participants' contributions			
13	Amendments			
14	Actuarial Gain			
15	Acquisition			
16	Benefits paid			
17	Benefit obligation at end of year			
18	Change in Plan Assets			
19	Fair value of plan assets at beginning of year			
20	Actual return on plan assets			
21	Acquisition			
22	Employer contribution			
23	Plan participants' contributions			
24	Benefits paid			
25	Fair value of plan assets at end of year			
26	Funded Status			
27	Unrecognized net actuarial loss			
28	Unrecognized prior service cost			
29	Prepaid (accrued) benefit cost			
30	Components of Net Periodic Benefit Cccosts			
31	Service cost			
32	Interest cost			
33	Expected return on plan assets			
34	Amortization of prior service cost			
35	Recognized net actuarial loss			
36	Net periodic benefit cost			
37	Accumulated Post Retirement Benefit Obligation			
38	Amount Funded through VEBA			
39	Amount Funded through 401(h)			
40	Amount Funded through other _____			
41	TOTAL			
42	Amount that was tax deductible - VEBA			
43	Amount that was tax deductible - 401(h)			
44	Amount that was tax deductible - Other			
45	TOTAL			
46	Montana Intrastate Costs:			
47	Pension Costs			
48	Pension Costs Capitalized			
49	Accumulated Pension Asset (Liability) at Year End			
50	Number of Montana Employees:			
51	Covered by the Plan			
52	Not Covered by the Plan			
53	Active			
54	Retired			
55	Spouses/Dependants covered by the Plan			

Payments for Services to Persons Other Than Employees

Line No.	Name of Recipient (a)	Nature of Service (b)	Total Company Cost (c)	Total State Cost (d)	Intrastate Cost (e)
1	NISC	DATA SERVICES	250533	250533	250533
2	MITS(MT INDEPENDENT TELEPHONE SERVICES)	LEGAL SERVICES	56531	56531	56531
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47					
48					
49	Total		279557	279557	279557

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	12871715	58.45%	11859777	55.10%
3	Interstate, IntraLATA	86861	0.39%	85535	0.40%
4	Total Interstate Usage	12958576	58.84%	11945312	55.50%
5	Intrastate, InterLATA	1873901	8.51%	2449627	11.38%
6	Intrastate, IntraLATA	7190562	32.65%	7128348	33.12%
7	Total Intrastate Usage	9064463	41.16%	9577975	44.50%
8	Total Toll Usage	22023039	100.00%	21523287	100.00%
9	Centrex				
10	Local				
11	Total Minutes	22023039	100.00%	21523287	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	Absarokee	UD/DIG	1423			5		365						1788
2	Belfry	UD/DIG	209			5		35						244
3	Clark	RSU	208			1		37						245
4	Crow Agency	UD/DIG	531			217		403						934
5	Fort Smith	RSU	239			24		85						324
6	Humiley	RSU	518			6		95						613
7	Lodge Grass	RSU	516			174		69						585
8	Pompeys Pillar	RSU	99					10						109
9	South Wyola	RSU	1					1						2
10	Worden	UD/DIG	866			18		158						1024
11	Wyola	RSU	110			35		21						131
33	Total		4720			485		1279						5999

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

Central Office and Switch Information

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	ABSAROKEE	HOST	DIGITAL	NTI	DMS10-SS	1,223	1985
2	BELFRY	HOST	DIGITAL	NTI	DMS10-SS	283	1985
3	CLARK	REMOTE	DIGITAL	NTI	RSLE	282	1996
4	CROW AGENCY	HOST	DIGITAL	NTI	DMS10-SS	917	1994
5	FORT SMITH	REMOTE	DIGITAL	NTI	RSLE	338	1994
6	HUNTLEY	REMOTE	DIGITAL	NTI	RSLE	487	1996
7	LODGE GRASS	REMOTE	DIGITAL	NTI	RSLE	626	1994
8	WORDEN	HOST	DIGITAL	NTI	DMS10-SS	1,398	1985
9	WYOLA	REMOTE	DIGITAL	NTI	RSLE	152	1994
10	NYE	REMOTE	DIGITAL	NTI	RSLE	309	1985
11	BEEHIVE	REMOTE	DIGITAL	NTI	RSLE	154	1985
12	ROSCOE	REMOTE	DIGITAL	NTI	RSLE	238	1996
13	DEAN	REMOTE	DIGITAL	NTI	RSLE	147	1996
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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	PROJECT/BILLINGS EAS	200000
3	ADSL	12000
4	HUNTLEY AFC	130000
5	ABSAROKEE AFC	90000
6	CLARK AFC	23000
7	MISC ITEM	10000
8		
9		
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26		
27	Total Switching and Central Office Projects over \$500,000	
28	Miscellaneous Central Office Projects not over \$500,000	465000
29	Total Central Office Budget (Total of Line 27 & Line 28)	465000
30	Other Projects over \$500,000:	
31	FIBER - BELFRY TO BRIDGER	287000
32		
33		
34		
35		
36		
37		
38		
39		
40		
41	Total Other Projects over \$500,000	
42	Miscellaneous projects not over \$500,000	287000
43	Total Construction Budget (Total of Lines 29, 41 & 42)	752000

Montana Employee Counts

Year: 2001

Line No.	Category (a)	Beginning of Year (b)	End of Year (c)
1			
2	Project Telephone Company has no employees.		
3	Employee services are provided through service agreements with		
4	Nemont Telephone Cooperative, Inc.		
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43	Totals (Sum of Lines 1 through 42)		

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)
1	Project Telephone Company has no employees. Employee services are provided through service agreements with Nemont Telephone Cooperative, Inc.						
2							
3							
4							
5							
6							
7							
8							
9							
10							
11	Totals (Sum L.1 to L.10)						

Compensation of Top 5 Corporate Employees - SEC Information

Line No.	Name/Title (a)	Base Salary (b)	Bonuses (c)	Other Compensation (d)	Total Compensation (e)	Total Compensation Last Year (f)	% Increase Total Compensation (g)
1	N/A						
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	23614180
3	2003 - 2004	Construction Work in Progress	630724
4	2005	Plant Acquisition Adjustments	4377116
5	2002	Plant Held for Future Use	
6	1220	Materials & Supplies	887157
7		(Less):	
8	3100 - 3400	Depreciation & Amortization Reserves	-13550346
9	4360.2	Contributions in Aid of Construction	
10		NET BOOK COSTS	15958831
11		Revenues & Expenses (Intrastate Only) (000 Omitted)	
12	5000 - 5300	Operating Revenues	7062259
13	6560	Depreciation & Amortization Expenses	1435365
14		Federal & State Income Taxes	226133
15		Other Taxes	351803
16		Other Operating Expenses	3454707
17		TOTAL Operating Expenses	5468008
18		Net Operating Income	1594251
19		Other Income	1181306
20		Other Deductions	810163
21		NET INCOME	1965394
22		Access Lines in Service (Intrastate Only)	
23		Residential Access Lines	4720
24		Business Access Lines	1279
25		PBX Access Lines	
26		Other Access Lines	149
27		Total Number of Access Lines	6148
28		Average Number of Calls Per Access Line	
29		Local Calls	1865
30		Toll Calls (Intra- or Interstate)	2299
31		Total Number of Calls Per Access Line (Total of Line 29 & Line 30)	4164
32		Other Statistics (Intrastate Only)	
33		Average Residential Monthly Bill	34
34		Gross Plant Investment per Access Line	4655

Depreciation - Montana Intrastate Regulated

Year: 2001

Line No.	Acct No. (a)	Description (b)	Composite Rate % (c)	Total Expense \$ (d)
1	2112	Motor Vehicles	25.0%	65,533
2	2114	Special Purpose Vehicles	8.0%	55
3	2115	Garage Work Equipment	8.0%	169
4	2116	Other work Equipment	8.0%	32,183
5	2121	Buildings	3.1%	45,900
6	2122	Furniture	7.5%	153
7	2123.1	Office Support Equipment	7.5%	602
8	2123.2	Company Communications Equipment	7.5%	6,313
9	2124	General Purpose Computers		
10	2211	Analog Electronic Switching Equipment		
11	2212	Digital Electronic Switching Equipment	8.2%	348,600
12	2215	Step By Step Switching Equipment		
13	2215	Crossbar Switching Equipment		
14	2220	Operator System		
15	2231	Radio Systems	8.2%	16,532
16	2232	Circuit DDS	6.5%	230,961
17	2232	Circuit Digital		
18	2232	Circuit Analog		
19	2351	Public Telephone Terminating Equipment		
20	2362	Other Terminal Equipment		
21	2411	Poles	9.2%	1,169
22	2421	Aerial Cable Metallic	9.2%	14,456
23	2421	Aerial Cable Nonmetallic	9.2%	526
24	2422	Underground Cable Metallic	9.2%	2,806
25	2422	Underground Cable Nonmetallic	9.2%	1,179
26	2423	Buried Cable Metallic	3.3%	308,957
27	2423	Buried Cable Nonmetallic	4.0%	76,801
28	2424	Submarine Cable Metallic		
29	2424	Submarine Cable Nonmetallic		
30	2426	Intrabuilding Network Cable Metallic	3.3%	1,327
31	2426	Intrabuilding Network Cable Nonmetallic		
32	2431	Aerial Wire		
33	2441	Conduit Systems	4.0%	10,572
34				
35		COMPOSITE TOTAL		1,164,794
36	Have these rates been approved by the Commission? _____ YES <input checked="" type="checkbox"/> NO _____			
37				
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			
5	Preferred Stock			
6	Long Term Debt			
7	Other			
8	Total			
Actual at Year End				
10				
11				
12	Common Equity	62.15 %	8.840 %	5.494 %
13	Preferred Stock			
14	Long Term Debt	37.85 %	60.900 %	23.051 %
15	Other			
16	Total	100.00 %		28.545 %

Network Access - Charges and Revenues

Year: 2001

Line No.	Description (a)	Access Charges Paid (b)	Access Revenues Received (c)
1	Montana - Total State		2819677
2			
3	Montana - Intrastate		
4			
5	Montana - Intrastate Regulated		2819677
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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	NCI	COMPUTER LEASE	LEASE AGREEMENT	23,160	0.3%	
3						
4	NEMONT TELEPHONE	MGMT AGREEMENT	LEASE AGREEMENT	964,892	11.3%	
5						
6	NEMONT TELEPHONE	BUILDING LEASE	LEASE AGREEMENT	58,294	0.7%	
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30	TOTAL			\$1,046,346		

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	NEMONT COMMUNICATIONS	WAGES & LABOR	COST	148,697	2.2%	
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30	TOTAL			\$148,697		

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	28,622,020	26,814,463	6.74%
3	2002 Prop. Held for Future Telecommunications Use			
4	3100-3200 (Less) Accumulated Depreciation	(13,550,346)	(12,409,974)	-9.19%
5	Plant in Service	15,071,674	14,404,489	4.63%
6				
7	Additions			
8	1220 Materials & Supplies	887,157	997,744	-11.08%
9	1280 Prepayments			
10	Other Additions			
11	TOTAL Additions	887,157	997,744	-11.08%
12				
13	Deductions			
14	4100 Current Deferred Operating Income Taxes			
15	4320 Unamortized Operating Investment Tax Credits	89,958	122,922	-26.82%
16	4340 Noncurrent Deferred Operating Income Taxes	1,746,348	1,710,818	2.08%
17	Customer Advances for Construction			
18	Other Deductions			
19	TOTAL Deductions	1,836,306	1,833,740	0.14%
20	TOTAL Rate Base	14,122,525	13,568,493	4.08%
21				
22	Net Earnings	1,964,235	2,195,172	-10.52%
23				
24	Rate of Return on Average Rate Base	14.010%	16.180%	-13.41%
25				
26	Rate of Return on Average Equity	8.840%	10.840%	-18.45%
27				
28	Major Normalizing Adjustments & Commission			
29	Ratemaking adjustments to Utility Operations			
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43	Adjusted Rate of Return on Average Rate Base			
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45	Adjusted Rate of Return on Average Equity			