

**General Information**

Year: 2002

<p>1. Legal Name of Respondent: Central Montana Communications, Incorporated</p> <p>2. Name Under Which Respondent Does Business: Central Montana Communications, Incorporated</p> <p>3. Date of Incorporation: 7/1/1993</p> <p>4. Address to send Correspondence Concerning Report: P.O. Box 751 Havre, MT 59501</p> <p>5. Person Responsible for This Report: Gail Rainey</p> <p>5a. Telephone Number: (406) 394-2000</p>	<p><b>RECEIVED</b></p> <p>MAY 01 2003</p> <p><b>MONT. P. &amp; COMMISSION</b></p>
<p>Control Over Respondent</p> <p>1. If direct control over the respondent was held by another entity at the end of year provide the following:</p> <p>1a. Name and address of the controlling organization or person:  Triangle Telephone Cooperative Association, Inc., P.O. Box 1220, Havre, MT 59501-1220</p> <p>1b. Means by which control was held: Stock Ownership</p> <p>1c. Percent Ownership: 100%</p>	

<b>Board of Directors</b>		
Line No.	Name of Director and Address (City, State) (a)	Fees Paid During Year (b)
1	Verlin Reichelt, Big Sandy, MT 59520	2838
2	Richard Stuker, Chinook, MT 59523	2988
3	Tom Bangs, Inverness, MT 59530	2788
4	Richard Pokorny, Big Sandy, MT 59520	3367
5	Paul VanCleve, Big Timber, MT 59011	2738
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18	<b>Chairman of the Board:</b>	
19	Richard Stuker	
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**Officers**

Year: 2002

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		Richard Stuker, Chinook, MT 59523
2	Vice President		Verlin Reichelt, Big Sandy, MT 59520
3	Secretary/Treasurer		Tom Bangs, Inverness, MT 59530
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**Total Company Balance Sheet**

Year: 2002

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>CURRENT ASSETS:</b>		
2	1120	Cash and Equivalents	6,116,826	3,290,641
3	1180	Telecommunications Accounts Receivable - Net	838,599	867,977
4	1190	Other Accounts Receivable - Net	1,124,986	873,530
5	1200	Notes Receivable - Net	1,500,000	2,500,000
6	1210	Interest and Dividends Receivable	15,110	22,984
7	1220	Materials and Supplies		
8	* 1280	Prepayments	45,740	50,133
9	^ 1290	Prepaid Rents		
10	^ 1300	Prepaid Taxes		
11	^ 1310	Prepaid Insurance		
12	^ 1320	Prepaid Directory Expenses		
13	^ 1330	Other Prepayments	45,740	50,133
14	1350	Other Current Assets		
15		<b>Total Current Assets</b>	9,641,261	7,605,265
16		<b>NONCURRENT ASSETS:</b>		
17	1401	Investments in Affiliated Companies	12,548	11,416
18	1402	Investments in Nonaffiliated Companies	4,084,617	5,350,179
19	1406	Nonregulated Investments	60,476	82,740
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		<b>Total Noncurrent Assets</b>	4,157,641	5,444,335
27		<b>PROPERTY, PLANT, &amp; EQUIPMENT:</b>		
28	2001	Telecommunications Plant in Service	43,230,056	42,017,632
29	2002	Property Held for Future Telecommunications Use		
30	2003	Plant Under Construction - Short Term	668,897	394,984
31	2004	Plant Under Construction - Long Term	177,675	66,944
32	2005	Telecommunications Plant Adjustment	2,656,541	2,656,541
33	2006	Nonoperating Plant		
34	2007	Goodwill	10,288,260	10,288,260
35	3100	Accumulated Depreciation	(21,326,246)	(20,189,764)
36	3200	Accumulated Depreciation - Held for Future Use		
37	3300	Accumulated Depreciation - Nonoperating		
38	3400	Accumulated Amortization	(7,447,948)	(6,574,276)
39		<b>Net Property, Plant, &amp; Equipment</b>	28,247,235	28,660,321
40		<b>TOTAL ASSETS</b>	42,046,137	41,709,921

^ Subaccount of account marked with a \*.

**Total Company Balance Sheet**

Year: 2002

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
41		<b>CURRENT LIABILITIES:</b>		
42	4010	Accounts Payable	427,438	448,055
43	4020	Notes Payable		
44	4030	Advance Billing and Payments	330,942	321,918
45	4040	Customer Deposits	56,789	54,012
46	4050	Current Maturities - Long Term Debt	1,619,000	1,474,000
47	4060	Current Maturities - Capital Leases		
48	4070	Income Taxes - Accrued	1,292,306	768,255
49	4080	Other Taxes - Accrued	343,957	344,688
50	4100	Net Current Deferred Operating Income Taxes		
51	4110	Net Current Deferred Nonoperating Income Taxes		
52	4120	Other Accrued Liabilities	331,561	318,082
53	4130	Other Current Liabilities		
54		<b>Total Current Liabilities</b>	4,401,993	3,729,010
55		<b>LONG-TERM DEBT:</b>		
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	23,481,253	25,173,869
63		<b>Total Long-Term Debt</b>	23,481,253	25,173,869
64		<b>OTHER LIABILITIES AND DEFERRED CREDITS:</b>		
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		<b>Total Other Liabilities and Deferred Credits</b>		
73		<b>STOCKHOLDERS' EQUITY:</b>		
74	4510	Capital Stock	6,390,000	6,390,000
75	4520	Additional Paid-In Capital		
76	4530	Treasury Stock		
77	4540	Other Capital		
78	4550	Retained Earnings	7,772,891	6,417,042
79		<b>Total Stockholders' Equity</b>	14,162,891	12,807,042
80		<b>TOTAL LIAB. AND STOCKHOLDERS' EQUITY</b>	42,046,137	41,709,921

## Total Company Income Statement

Year: 2002

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>REVENUES:</b>		
2	5000	Basic Local Service Revenues	2,909,881	2,572,935
3	5080	Network Access Revenues	7,792,279	7,408,101
4	* 5100	Long Distance Message Revenue	11	4
5	^ 5110	Unidirectional Long Distance Revenue		
6	^ 5120	Long Distance Private Network Revenue		
7	^ 5160	Other Long Distance Revenue	11	4
8	^ 5169	Other Long Distance Revenue Settlements		
9	* 5200	Miscellaneous Revenue	227,205	224,995
10	^ 5230	Directory Revenue	44,842	44,405
11	^ 5240	Rent Revenue	41,049	37,174
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	4,222	(11,220)
14	^ 5270	Carrier Billing and Collection Revenue	137,091	154,636
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	28,125	1,508
17		<b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>	10,901,251	10,204,527
18		<b>OPERATING EXPENSES:</b>		
19	6110	Network Support Expense		
20	6120	General Support Expense	306,482	226,427
21	6210	Central Office Switching Expense	240,062	184,814
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	124,176	130,618
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense	475,408	496,417
26	^ 6431	Aerial Wire Expense	142,585	129,180
27	^ 6441	Conduit Systems Expense	332,823	367,238
28	6510	Other Property, Plant & Equipment Expense		
29	6530	Network Operations Expense	479,405	521,211
30	6540	Access Expense	497,697	351,356
31	6560	Depreciation and Amortization Expense	2,389,318	2,196,852
32	6610	Marketing	24,630	16,009
33	6620	Services	1,032,014	955,621
34	6710	Executive and Planning	98,208	93,055
35	6720	General and Administrative	550,454	508,029
36	6790	Provision for Uncollectible Notes Receivable		
37		<b>Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)</b>	6,217,854	5,680,409
38	7100	Other Operating Income and Expense	(122)	(31)
39	7200	Operating Taxes	1,602,087	1,378,291
40		<b>Net Operating Income (L.17-L.37+L.38-L.39)</b>	3,081,187	3,145,796
41	7300	Nonoperating Income and Expense	(614,828)	(445,009)
42	7400	Nonoperating Taxes	(187,477)	(159,947)
43	7500	Interest and Related Items	1,342,479	1,529,356
44	7600	Extraordinary Items		
45	7910	Effects of Juris. Ratemaking Diff. - Net		
46	7990	Nonregulated Net Income	(44,492)	(56,166)
47		<b>NET INCOME (L.40+L.41-L.42-L.43-L.44+L.45-L.46)</b>	1,355,849	1,387,545

^ Subaccount of the account marked with a \*.

**Montana Total State Income Statement**

Year: 2002

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>REVENUES:</b>		
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		<b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>		
18		<b>OPERATING EXPENSES:</b>		
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		<b>Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)</b>		
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes		
40		<b>Net Operating Income (L.17-L.37+L.38-L.39)</b>		

^ Subaccount of the account marked with a \*.

**Montana Intrastate Income Statement**

Year: 2002

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>REVENUES:</b>		
2	5000	Basic Local Service Revenues	2,909,881	2,572,935
3	5080	Network Access Revenues	2,135,265	2,111,353
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	206,825	190,483
10	^ 5230	Directory Revenue	44,842	44,405
11	^ 5240	Rent Revenue	41,049	37,174
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	4,222	(11,220)
14	^ 5270	Carrier Billing and Collection Revenue	116,712	120,124
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	28,125	1,508
17		<b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>	5,223,846	4,873,263
18		<b>OPERATING EXPENSES:</b>		
19	6110	Network Support Expense		
20	6120	General Support Expense	146,865	108,132
21	6210	Central Office Switching Expense	115,037	88,260
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	59,505	62,378
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense	227,815	237,069
26	^ 6431	Aerial Wire Expense	68,327	61,691
27	^ 6441	Conduit Systems Expense	159,488	175,378
28	6510	Other Property, Plant & Equipment Expense		
29	6530	Network Operations Expense	229,729	248,909
30	6540	Access Expense	238,495	167,793
31	6560	Depreciation and Amortization Expense	1,144,954	1,049,126
32	6610	Marketing	11,803	7,645
33	6620	Services	494,538	456,365
34	6710	Executive and Planning	47,061	44,439
35	6720	General and Administrative	263,776	242,614
36	6790	Provision for Uncollectible Notes Receivable		
37		<b>Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)</b>	2,979,578	2,712,730
38	7100	Other Operating Income and Expense	(58)	(15)
39	7200	Operating Taxes	767,715	658,215
40		<b>Net Operating Income (L.17-L.37+L.38-L.39)</b>	1,476,495	1,502,303

^ Subaccount of the account marked with a \*.

## Montana Intrastate Regulated Income Statement

Year: 2002

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>REVENUES:</b>		
2	5000	Basic Local Service Revenues	2,909,881	2,572,935
3	5080	Network Access Revenues	1,686,328	1,726,525
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		<b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>	4,596,209	4,299,460
18		<b>OPERATING EXPENSES:</b>		
19	6110	Network Support Expense		
20	6120	General Support Expense	129,220	95,400
21	6210	Central Office Switching Expense	101,215	77,867
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	52,355	55,033
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense	200,442	209,155
26	^ 6431	Aerial Wire Expense	60,117	54,427
27	^ 6441	Conduit Systems Expense	140,325	154,728
28	6510	Other Property, Plant & Equipment Expense		
29	6530	Network Operations Expense	202,128	219,601
30	6540	Access Expense	209,840	148,037
31	6560	Depreciation and Amortization Expense	1,007,389	925,597
32	6610	Marketing	10,385	6,745
33	6620	Services	435,120	402,630
34	6710	Executive and Planning	41,407	39,207
35	6720	General and Administrative	232,083	214,047
36	6790	Provision for Uncollectible Notes Receivable		
37		<b>Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)</b>	2,621,584	2,393,319
38	7100	Other Operating Income and Expense	(51)	(13)
39	7200	Operating Taxes	675,475	580,714
40		<b>Net Operating Income (L.17-L.37+L.38-L.39)</b>	1,299,099	1,325,414

^ Subaccount of the account marked with a \*.

**Average Rate Base - Total State**

Year: 2002

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	43230056	42017632
2	3100	Accumulated Depreciation	21326246	20189764
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		<b>Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)</b>	21903810	21827868

**Average Rate Base - Intrastate**

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	43230056	42017632
2	3100	Accumulated Depreciation	21326246	20189764
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		<b>Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)</b>	21903810	21827868

**Average Rate Base - Regulated Intrastate**

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	43230056	42017632
2	3100	Accumulated Depreciation	21326246	20189764
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		<b>Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)</b>	21903810	21827868

## Statement of Cash Flows

Year: 2002

Line No.	Item Description (a)	Amount (b)	Amount (c)
1	<b>Increase/(decrease) in Cash &amp; Cash Equivalents</b>		
2	<b>Cash Flows from Operating Activities:</b>		
3	Net Income		1355849
4	Reconciliation Adjustments:		
5	Depreciation & Amortization	3262990	
6	Provision for Accounts Receivable Losses	80	
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	-214285	
11	Change in Materials, Supplies & Inventories - Net		
12	Change in Operating Payables & Accrued Liabilities - Net	-8816	
13	Change in Other Assets & Deferred Credits - Net	4393	
14	Change in Other Liabilities & Deferred Credits - Net		
15	Other (explained on back of this page)	536799	
16	Total Adjustments		
17	<b>Net Cash Provided by/(Used in) Operating Activities</b>		<b>3581161</b>
18	<b>Cash Inflows/Outflows From Investing Activities:</b>		
19	Construction/Acquisition of Property, Plant & Equipment (net of	-2849903	
20	AFUDC & Capital Lease Related Acquisitions)		
21	Proceeds from Disposals of Property, Plant & Equipment		
22	Investments In & Advances to Affiliates	1000000	
23	Proceeds from Repayment of Advances		
24	Other Investing Activities (explained on back of this page)	1286694	
25	<b>Net Cash Provided by/(Used in) Investing Activities</b>		<b>-563209</b>
26	<b>Cash Flows from Financing Activities:</b>		
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	-1311477	
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)	-236139	
37	<b>Net Cash Provided by Financing Activities</b>		<b>-1547616</b>
38	<b>Effect of Exchange Rate Changes on Cash</b>		
39	<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>		<b>2826185</b>
40	<b>Cash &amp; Cash Equivalents at Beginning of Period</b>		<b>3290641</b>
41	<b>Cash &amp; Cash Equivalents at End of Period</b>		<b>6116826</b>

**Statement of Cash Flows**

Year: 2002

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Line 15.	Other Operating Activities	524051
	Accrued Income Tax	-731
	Other Taxes Accrued	13479
	Other Accrued Liabilities	
		<u>536799</u>
Line 24.	Other Investing Activities	
	Big Flat Electric Cooperative Capital Credits	15
	Fergus Electric Cooperative Capital Credits	-321
	Farmers Union Capital Credits	-53
	Moore Farmers Oil Cooperative Capital Credits	-19
	Triangle Telephone Cooperative Capital Credits	-1131
	Rural Telephone Finance Cooperative Capital Credits	77735
	Bonds	1188204
	Nonregulated Investment in Other Terminal Equipment	22264
		<u>1286694</u>
Line 36.	Other Financing Activities	
	REA Notes	<u>-236139</u>

Receivables and Investments-Affiliated & Nonaffiliated Companies

Year: 2002

Line No.	Name of Affiliate or Company (a)	Account 1160 Temporary Investments (b)	Account 1180 Telecom. Accounts Receivable (c)	Account 1181 Accts. Rec. Allowance (d)	Account 1190 Other Accounts Receivable (e)	Account 1191 Accounts Receivable Allow. - Other (f)	Account 1200 Notes Receivable (g)	Account 1201 Notes Receivable Allowance (h)	Account 1210 Interest and Dividends Receivable (i)	Account 1401 Investments in Affil. Companies (j)	Account 1402 Investments in Nonaffil. Companies (k)
1	NRUCFC	5500500							15110		
2	Subscriber Receivables		843209	4610	21320						1550814
3	Reg & NonReg Sales				40090						2077
4	AT&T				319154						28282
5	NECA				8926						372
6	NCRPC				485125						19
7	MILEC				178949						2502053
8	Other Inter-Exc Carriers				8235						1000
9	Triangle Comm System				63487					12548	
10	USAC E-Rate				-300						
11	Returned Checks										
12	Invest In Triangle Tele										
13	RTFC										
14	Electric Cooperatives										
15	NCDC										
16	Farmers Union-GF										
17	Farmers Union-Moore										
18	Bonds										
19	NECA										
20	Triangle Telephone Coop						1500000				
21											
22											
23											
24											
25											
26											
27											
28											
29											
30	<b>Totals</b>	5500500	843209	4610	1124986		1500000		15110	12548	4084617

Net Plant in Service - Detail

Year: 2002

Line No.	Account (a)	Description (b)	Beginning of Year Balance (c)	Additions (d)	Retirements (e)	Sales & Transfers (f)	End of Year Account 2002 Balance (g)	Year End Accumulated Depreciation (h)	End of Year Net Plant Balance (i)
1	* 2110	Land and Support Assets	2752128	461027	112033		3101122	1030178	2070944
2	^ 2111	Land	56992				56992		56992
3	^ 2112	Motor Vehicles	894941	249035	98293		1045683	357873	687810
4	^ 2113	Aircraft							
5	^ 2114	Special Purpose Vehicles	208768	79975			288743	51651	237092
6	^ 2115	Garage Work Equipment							
7	^ 2116	Other Work Equipment	79442	5920	7752		77610	19397	58213
8	^ 2121	Buildings	1505997	126097			1632094	601257	1030837
9	^ 2122	Furniture							
10	^ 2123	Office Equipment	5988		5988				
11	^ 2124	General Purpose Computers							
12	2211	Analog Electronic Switching							
13	2212	Digital Electronic Switching							
14	2215	Electro-Mechanical Switching	3873907	49330	274317		3648920	1459131	2189789
15	2220	Operator Systems							
16	2231	Radio Systems							
17	2232	Circuit Equipment	7386751	768454	575993		7579212	4357041	3222171
18	* 2310	Information Orig & Term Equip	24856				24856		
19	^ 2311	Station Apparatus							
20	^ 2321	Customer Premises Wiring							
21	^ 2341	Large Private Branch Exchanges							
22	^ 2351	Public Telephone Term. Equip.							
23	^ 2362	Other Terminal Equipment	24856				24856		
24	2411	Poles	282527	8372	2126		288773	218900	69873
25	* 2420	Cable and Wire Facilities	27591807	1198095	308264		28481638	14142070	14339568
26	^ 2421	Aerial Cable	1369767	78539	6603		1441703	709301	732402
27	^ 2422	Underground Cable	694494	1768			696262	227576	468686
28	^ 2423	Buried Cable	25527546	1117788	301661		26343673	13205193	13138480
29	^ 2424	Submarine Cable							
30	^ 2425	Deep Sea Cable							
31	^ 2426	Intrabuilding Network Cable							
32	2431	Aerial Wire	102329		121		102208	101155	1053
33	2441	Conduit Systems	3327				3327	1621	1706
34		<b>Totals</b>	42017632	2485278	1272854		43230056	21334952	21895104

^ Subaccount of the account marked with a \*.

Analysis of Plant Held for Future Use

Year: 2002

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

Average Cost of Long Term Debt

Year: 2002

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

Year: 2002

Cost of Preferred Stock

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

Analysis of Common Stock

Year: 2002

Line No.	(a)	Avg. Number of Shares Outstanding (b)	Book Value (per share) (c)	Earnings (per share) (d)	Dividends (per share) (e)	Retention Ratio (f)	Market Price High (g)	Market Price Low (h)	Price/Earnings Ratio (i)
1	Year Ended December 31:	Not Applicable							
2									
3									
4									
5									
6									
7									
8	Month by Month Data:								
9	January								
10	February								
11	March								
12	April								
13	May								
14	June								
15	July								
16	August								
17	September								
18	October								
19	November								
20	December								
21									
22									
23									

**Capital Stock and Funded Debt Recquired or Retired During the Year** **Year: 2002**

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

**Total Company Expense Matrix**

Year: 2002

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	36856	21755	14592	126299	-199502	
2	^	Motor Vehicle Expense	33913	19981	14592	121666	-190152	
3	^	Aircraft Expense						
4	^	Special Purpose Vehicles Expense	2943	1774		4633	-9350	
5	^	Garage Work Equipment Expense						
6	^	Other Work Equipment Expense						
7	*	General Support Expense	42251	23510	173615	60965	6141	306482
8	^	Land and Building Expense	36266	20809	132239	49401	6141	244856
9	^	Furniture and Artworks Expense						
10	^	Office Equipment Expense			41376	3739		45115
11	^	General Purpose Computers Expense	5985	2701		7825		16511
12	*	Central Office Switching Expense	88300	45148		76407	30207	240062
13	^	Analog Electronic Expense						
14	^	Digital Electronic Expense						
15	^	Electro-Mechanical Expense	88300	45148		76407	30207	240062
16		Operator Systems Expense						
17	*	Central Office Transmission Expense	51234	24993		29603	18346	124176
18	^	Radio Systems Expense						
19	^	Circuit Equipment Expense	51234	24993		29603	18346	124176
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	211460	104920	12057	61545	85426	475408
26	^	Poles Expense	334	216	12057	1676	103	14386
27	^	Aerial Cable Expense	66899	34338		14278	27071	142586
28	^	Underground Cable Expense	456	240		1257	155	2108
29	^	Buried Cable Expense	143771	70126		44334	58097	316328
30	^	Submarine Cable Expense						
31	^	Deep Sea Cable Expense						
32	^	Intrabuilding Network Cable Expense						
33	^	Aerial Wire Expense						
34		<b>Subtotals</b>	430,101	220,326	200,264	354,819	(59,382)	1146128

^ Subaccount of the account marked with a \*

**Total Company Expense Matrix**

**Year: 2002**

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	6441	Other Property Expenses						479405
37	*	Network Operations Expense	274976	151039	14088	104867	-65565	53301
38	^	Power Expense						275844
39	^	Network Administration Expense	137463	74763	9996	20542	33080	31777
40	^	Testing Expense	11518	6468		7967	5824	69113
41	^	Plant Operations Expense	97826	54396	4092	17268	-104469	49370
42	^	Engineering Expense	28169	15412		5789		497697
43	^	Access Expense						2389318
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	3928	2382		18320		24630
50	^	Product Management						
51	^	Sales	53	33		16900		16986
52	^	Product Advertising	3875	2349		1420		7644
53	^	Call Completion Services	4457	3117		10393		17967
54	^	Number Services	6782	4627		130453		141862
55	^	Customer Services	180521	108716	15168	567777		872182
56	^	Executive	48374	26411		22172		96957
57	^	Planning	384	212		656		1252
58	^	Accounting and Finance	100105	54332	10104	95433		259974
59	^	External Relations	8045	5076		39310		52431
60	^	Human Relations	12016	7207		9867		29090
61	^	Information Management	5545	2550		12901		20996
62	^	Legal				3641		3641
63	^	Procurement						
64	^	Research and Development						
65	^	Other General and Administrative	26618	18030	2273	137404		184325
66	^	Provision for Uncollectible Notes Receivable						
67	^	<b>Totals</b>	1,101,852	604,025	241,897	4,395,028	(124,947)	6217855

^ Subaccount of the account marked with a \*

Total State Expense Matrix

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

^ 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	^	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		<b>Totals</b>						

^ Subaccount of the account marked with a \*

**Pension Costs**

Year: 2002

1	Plan Name NTCA Savings Plan			
2	Defined Benefit Plan? <u>Yes</u>	Defined Contribution Plan? _____		
3	Actuarial Cost Method? _____	IRS Code: _____		
4	Annual Contribution by Employer: <u>\$145,551</u>	Is the Plan Over Funded? _____		
5				
	Item	Current Year	Last Year	% Change
6	<b>Change in Benefit Obligation</b>			
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	<b>Change in Plan Assets</b>			
17	Fair value of plan assets at beginning of year			
18	Actual return on plan assets			
19	Acquisition			
20	Employer contribution			
21	Plan participants' contributions			
22	Benefits paid			
23	Fair value of plan assets at end of year			
24	<b>Funded Status</b>			
25	Unrecognized net actuarial loss			
26	Unrecognized prior service cost			
27	Prepaid (accrued) benefit cost			
28				
29	<b>Weighted-average Assumptions as of Year End</b>			
30	Discount rate			
31	Expected return on plan assets			
32	Rate of compensation increase			
33				
34	<b>Components of Net Periodic Benefit Costs</b>			
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	<b>Montana Intrastate Costs:</b>			
43	Pension Costs			
44	Pension Costs Capitalized			
45	Accumulated Pension Asset (Liability) at Year End			
46	<b>Number of Company Employees:</b>			
47	Covered by the Plan			
48	Not Covered by the Plan			
49	Active			
50	Retired			
51	Deferred Vested Terminated			

**Pension Costs**

Year: 2002

1	Plan Name NTCA Savings Plan			
2	Defined Benefit Plan _____	Defined Contribution Plan? <u>Yes</u>		
3	Actuarial Cost Method? _____	IRS Code: _____		
4	Annual Contribution by Employer: <u>\$27,130</u>	Is the Plan Over Funded? _____		
5				
	<b>Item</b>	<b>Current Year</b>	<b>Last Year</b>	<b>% Change</b>
6	<b>Change in Benefit Obligation</b>			
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	<b>Change in Plan Assets</b>			
17	Fair value of plan assets at beginning of year			
18	Actual return on plan assets			
19	Acquisition			
20	Employer contribution			
21	Plan participants' contributions			
22	Benefits paid			
23	Fair value of plan assets at end of year			
24	<b>Funded Status</b>			
25	Unrecognized net actuarial loss			
26	Unrecognized prior service cost			
27	Prepaid (accrued) benefit cost			
28				
29	<b>Weighted-average Assumptions as of Year End</b>			
30	Discount rate			
31	Expected return on plan assets			
32	Rate of compensation increase			
33				
34	<b>Components of Net Periodic Benefit Costs</b>			
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	<b>Montana Intrastate Costs:</b>			
43	Pension Costs			
44	Pension Costs Capitalized			
45	Accumulated Pension Asset (Liability) at Year End			
46	<b>Number of Company Employees:</b>			
47	Covered by the Plan			
48	Not Covered by the Plan			
49	Active			
50	Retired			
51	Deferred Vested Terminated			

**Other Post Employment Benefits (OPEBS)**

	Item	Current Year	Last Year	% Change
1	<b>Regulatory Treatment:</b>			
2	Commission authorized - most recent			
3	Docket number: _____			
4	Order number: _____			
5	Amount recovered through rates	Not Applicable		#VALUE!
6	<b>Weighted-average Assumptions as of Year End</b>			
7	Discount rate			
8	Expected return on plan assets			
9	Medical Cost Inflation Rate			
10	Actuarial Cost Method			
11	Rate of compensation increase			
12	<b>List each method used to fund OPEBs (ie: VEBA, 401(h)) and if tax advantaged:</b>			
13				
14				
15	<b>Describe any Changes to the Benefit Plan:</b>			
16				
17	<b>TOTAL COMPANY</b>			
18	<b>Change in Benefit Obligation</b>			
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	<b>Change in Plan Assets</b>			
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	<b>Funded Status</b>			
37	Unrecognized net actuarial loss			
38	Unrecognized prior service cost			
39	Prepaid (accrued) benefit cost			
40	<b>Components of Net Periodic Benefit Costs</b>			
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	<b>Accumulated Post Retirement Benefit Obligation</b>			
48	Amount Funded through VEBA			
49	Amount Funded through 401(h)			
50	Amount Funded through Other _____			
51	TOTAL			
52	Amount that was tax deductible - VEBA			
53	Amount that was tax deductible - 401(h)			
54	Amount that was tax deductible - Other _____			
55	TOTAL			

**Other Post Employment Benefits (OPEBS) Continued**

Year: 2002

	Item	Current Year	Last Year	% Change
1	<b>Number of Company Employees:</b>			
2	Covered by the Plan			
3	Not Covered by the Plan			
4	Active			
5	Retired			
6	Spouses/Dependants covered by the Plan			
7	<b>Montana</b>			
8	<b>Change in Benefit Obligation</b>			
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	<b>Change in Plan Assets</b>			
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	<b>Funded Status</b>			
27	Unrecognized net actuarial loss			
28	Unrecognized prior service cost			
29	Prepaid (accrued) benefit cost			
30	<b>Components of Net Periodic Benefit Cccosts</b>			
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	<b>Accumulated Post Retirement Benefit Obligation</b>			
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	<b>Montana Intrastate Costs:</b>			
47	Pension Costs			
48	Pension Costs Capitalized			
49	Accumulated Pension Asset (Liability) at Year End			
50	<b>Number of Montana Employees:</b>			
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: 2002

Line No.	Name of Recipient (a)	Nature of Service (b)	Total Company Cost (c)	Total State Cost (d)	Intrastate Cost (e)
1	Douglas Olmstead	Construction Services	26445	26445	26445
2	GVNW Inc.	Cost Consulting	65639	65639	65639
3	Heberly & Associates	Engineering Services	327191	327191	327191
4	Hill County Electric Cooperative	Office & Equipment Rental	2224818	2224818	2224818
5	Montana Ditch & Cable	Construction Services	634364	634364	634364
6	National Information Systems Coop.	Data Processing Services	363530	363530	363530
7	North Winds Publishing	Directory Services	101539	101539	101539
8	Triangle Communication System	Internet & Long Distance Services	452670	452670	452670
9	Triangle Telephone Cooperative	Office, Equip. & Switching Rental	1944632	1944632	1944632
10	Workplace Inc.	Temporary Employment	33698	33698	33698
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	<b>Total</b>		6174526	6174526	6174526

**Subscriber Line Usage Data**

Year: 2002

Line No.	Description (a)	This Year (b)	% of Total (c)	Last Year (d)	% of Total (e)
1	Toll Usage:				
2	Interstate, InterLATA	28363839	55.17%	26558974	52.68%
3	Interstate, IntraLATA	1958	0.00%	4342	0.01%
4	<b>Total Interstate Usage</b>	28365797	55.18%	26563316	52.69%
5	Intrastate, InterLATA	8581214	16.69%	8193842	16.25%
6	Intrastate, IntraLATA	14461918	28.13%	15654956	31.05%
7	<b>Total Intrastate Usage</b>	23043132	44.82%	23848798	47.31%
8	<b>Total Toll Usage</b>	51408929	100.00%	50412114	100.00%
9	Centrex				
10	Local				
11	<b>Total Minutes</b>	51408929	100.00%	50412114	100.00%

**Central Office and Access Line Statistics**

Year: 2002

Line No.	Wire Center (a)	Type of Office (b)	Residential (c)	ISDN (d)	ADSL (e)	Lifeline Customers (f)	Residential LMS Customers (g)	Single Line Business (h)	Multi-Line Business (i)	Customer Owned Coin (j)	Company Owned Coin (k)	Other (l)	% of Lines w/ T. Tone (m)	Total Access Lines (n)
1	353-Harlem	Host	700		16	116			327	2			100.0%	1029
2	374-Moore	Remote	246		12	2			52				100.0%	298
3	383-Dodson	Remote	90		3	5			13				100.0%	103
4	423-Hobson	Remote	336		11	4			61				100.0%	397
5	473-Judith Gap	Remote	122		8	3			21				100.0%	143
6	547-White Sulphur Spr	Host	719		26	17			243	3			100.0%	965
7	566-Stanford	Remote	358		9	6			108	1			100.0%	467
8	567-Denton	Remote	245		5	1			74				100.0%	319
9	572-Martinsdale	Remote	135		1				25				100.0%	160
10	622-Fort Benton	Host	800		50	19			352	3			100.0%	1155
11	632-Harlowton	Remote	710		21	21			232	3			100.0%	945
12	654-Malta	Host	1174		39	56			495	1			100.0%	1670
13	737-Geraldine	Remote	257		15	5			46				100.0%	303
33	<b>Total</b>		<b>5892</b>		<b>216</b>	<b>255</b>			<b>2049</b>	<b>13</b>				<b>7954</b>

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

**Central Office and Switch Information**

Year: 2002

Line No.	Wire Center (a)	Office Configuration (Host, Remote, Stand alone) (b)	Type of Switch (c)	Switch Vendor/ Manufacturer (d)	Switch Model No. (e)	Switch Line Capacity (f)	Year Deployed (g)
1	353 - Harlem	Host	Digital	Northern Telecom	DMS-10	7,500	1995
2	374 - Moore	Remote	Digital	Northern Telecom	RSLE	1,024	1995
3	383 - Dodson	Remote	Digital	Northern Telecom	RSLM	192	1994
4	423 - Hobson	Remote	Digital	Northern Telecom	RSLE	1,024	1995
5	473 - Judith Gap	Remote	Digital	Northern Telecom	RSLM	192	1995
6	547 - White Sulphur Spr	Host	Digital	Northern Telecom	DMS-10	7,500	1996
7	566 - Stanford	Remote	Digital	Northern Telecom	RSLE	1,024	1995
8	567 - Denton	Remote	Digital	Northern Telecom	RSLE	1,024	1995
9	572 - Martinsdale	Remote	Digital	Northern Telecom	RSLM	192	1996
10	622 - Fort Benton	Host	Digital	Northern Telecom	DMS-10	7,500	1995
11	632 - Harlowton	Remote	Digital	Northern Telecom	RSC	1,600	1999
12	654 - Malta	Host	Digital	Northern Telecom	DMS-10	7,500	1994
13	737 - Geraldine	Remote	Digital	Northern Telecom	RSLE	1,024	1995
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NOTE: Additional blank schedules are being provided for your convenience.

**Construction Budget - Montana**

Year: 2003

Line No.	Description (a)	2003 (b)
1	<b>Central Office Assets:</b>	
2		
3	AFC Units in Harlowton	595000
4		
5		
6		
7		
8		
9		
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24		
25		
26		
27	Total Switching and Central Office Projects over \$500,000	595000
28	Miscellaneous Central Office Projects not over \$500,000	1507500
29	<b>Total Central Office Budget (Total of Line 27 &amp; Line 28)</b>	<b>2102500</b>
30	<b>Other Projects over \$500,000:</b>	
31	Harlowton Cable Upgrade	2960900
32		
33		
34		
35		
36		
37		
38		
39		
40		
41	Total Other Projects over \$500,000	2960900
42	Miscellaneous projects not over \$500,000	2016500
43	<b>Total Construction Budget (Total of Lines 29, 41 &amp; 42)</b>	<b>7079900</b>

**Montana Employee Counts**

Year: 2002

Line No.	Category (a)	Beginning of Year (b)	End of Year (c)
1	Employees are provided through a Joint Use Agreement with Hill County		
2	Electric Cooperative, Inc. Areas where joint use employees are used follow:		
3			
4	Staff	22	21
5	Outside Plant	16	14
6			
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43	<b>Totals (Sum of Lines 1 through 42)</b>	<b>38</b>	<b>35</b>

**Compensation of Top 10 Montana Based Employees**

Year: 2002

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	Central Montana Communications, Inc. has no employees. Employee services are provided through service agreements with Hill County Electric, Inc.						
2							
3							
4							
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9							
10							
11	<b>Totals (Sum L.1 to L.10)</b>						

**Compensation of Top 5 Corporate Employees - SEC Information**

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

## Montana Composite Statistics

Year: 2002

Line No.	Account No.	Description (a)	Amount (b)
1		<b>Plant (Intrastate Only) (000 Omitted)</b>	
2	2001	Plant in Service	43230
3	2003 - 2004	Construction Work in Progress	847
4	2005	Plant Acquisition Adjustments	12944
5	2002	Plant Held for Future Use	
6	1220	Materials & Supplies	
7		(Less):	
8	3100 - 3400	Depreciation & Amortization Reserves	-28774
9	4360.2	Contributions in Aid of Construction	
10		<b>NET BOOK COSTS</b>	28247
11		<b>Revenues &amp; Expenses (Intrastate Only) (000 Omitted)</b>	
12	5000 - 5300	Operating Revenues	10901
13	6560	Depreciation & Amortization Expenses	2389
14		Federal & State Income Taxes	899
15		Other Taxes	703
16		Other Operating Expenses	3672
17		TOTAL Operating Expenses	7663
18		Net Operating Income	3238
19		Other Income	182
20		Other Deductions	2064
21		<b>NET INCOME</b>	1356
22		<b>Access Lines in Service (Intrastate Only)</b>	
23		Residential Access Lines	5892
24		Business Access Lines	1919
25		PBX Access Lines	143
26		Other Access Lines	
27		<b>Total Number of Access Lines</b>	7954
28		<b>Average Number of Calls Per Access Line</b>	
29		Local Calls	342
30		Toll Calls (Intra- or Interstate)	232
31		<b>Total Number of Calls Per Access Line (Total of Line 29 &amp; Line 30)</b>	574
32		<b>Other Statistics (Intrastate Only)</b>	
33		Average Residential Monthly Bill	38
34		Gross Plant Investment per Access Line	7169

**Depreciation - Montana Intrastate Regulated**

Year: 2002

Line No.	Acct No. (a)	Description (b)	Composite Rate % (c)	Total Expense \$ (d)
1	2112	Motor Vehicles	9.7%	97,003
2	2114	Special Purpose Vehicles	7.0%	18,344
3	2115	Garage Work Equipment	8.4%	
4	2116	Other work Equipment	2.8%	2,230
5	2121	Buildings	3.8%	58,812
6	2122	Furniture	5.5%	
7	2123.1	Office Support Equipment	13.4%	479
8	2123.2	Company Communications Equipment	5.3%	
9	2124	General Purpose Computers	6.5%	
10	2211	Analog Electronic Switching Equipment	9.3%	62,512
11	2212	Digital Electronic Switching Equipment	7.0%	215,890
12	2215	Step By Step Switching Equipment	9.5%	
13	2215	Crossbar Switching Equipment	11.6%	
14	2220	Operator System	12.5%	
15	2231	Radio Systems	7.5%	
16	2232	Circuit DDS	18.7%	787,622
17	2232	Circuit Digital	9.6%	
18	2232	Circuit Analog	10.7%	
19	2351	Public Telephone Terminating Equipment	3.0%	
20	2362	Other Terminal Equipment	16.0%	
21	2411	Poles	4.7%	13,388
22	2421	Aerial Cable Metallic	5.4%	70,462
23	2421	Aerial Cable Nonmetallic	4.2%	3,408
24	2422	Underground Cable Metallic	4.4%	336
25	2422	Underground Cable Nonmetallic	4.8%	32,964
26	2423	Buried Cable Metallic	3.9%	786,207
27	2423	Buried Cable Nonmetallic	4.2%	226,616
28	2424	Submarine Cable Metallic	2.3%	
29	2424	Submarine Cable Nonmetallic	3.3%	
30	2426	Intrabuilding Network Cable Metallic	5.5%	
31	2426	Intrabuilding Network Cable Nonmetallic	11.3%	
32	2431	Aerial Wire	13.4%	12,973
33	2441	Conduit Systems	2.1%	72
34				
35		<b>COMPOSITE TOTAL</b>	7.5%	
36				
37	Have these rates been approved by the Commission? _____ YES <input checked="" type="checkbox"/> NO			
38				
39	If yes: _____ Docket Number _____ Order Number			
40				

**Montana Regulatory Capital Structure & Costs**

Year: 2002

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

**Network Access - Charges and Revenues**

Year: 2002

Line No.	Description (a)	Access Charges Paid (b)	Access Revenues Received (c)
1	Montana - Total State		7792279
2			
3	Montana - Intrastate		2135265
4			
5	Montana - Intrastate Regulated		1686328
6			
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Affiliate Transactions - Products & Services Provided to Utility

Year: 2002

Line No.	Affiliate Name (a)	Products & Services (b)	Method to Determine Price (c)	Charges to Utility (d)	% Total Affil. Revenues (e)	Charges to MT Utility (f)
1	Triangle Telephone Cooperative, Inc	Office Rent	Floor Space	86,800		
2	Triangle Telephone Cooperative, Inc	Equipment Rent	Average hourly operating exp.	5,645		
3	Triangle Telephone Cooperative, Inc	Retirement Plan Reimbursements	Labor hours charged	457,390		
4	Triangle Telephone Cooperative, Inc	Expense Reimbursements	Actual amounts charged	1,335,940		
5	Triangle Telephone Cooperative, Inc	Expense Allocations	Time Used	269		
6	Triangle Communication System, Inc	Long Distance Service	Actual amounts billed	585,964		
7	Triangle Telephone Cooperative, Inc	Construction Material	Actual Cost	130,071		
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30	<b>TOTAL</b>			\$2,602,079		

**Affiliate Transactions - Products & Services Provided by Utility** Year: 2002

Line No.	Affiliate Name (a)	Products & Services (b)	Method to Determine Price (c)	Charges to Affiliate (d)	% Total Affil. Revenues (e)	Charges to MT Utility (f)
1	Triangle Telephone Cooperative, Inc.	Equipment Rent	Average hourly operating exp.	8,616		
2	Triangle Communication System, Inc.	Billing and Collection	Actual cost	91,108		
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30	<b>TOTAL</b>			\$99,724		

**Montana Intrastate Regulated Earned Rate of Return**

Year: 2002

Line No.	Description Rate Base (a)	This Year (b)	Last Year (c)	Percent Change (d)
1				
2	2001 Plant in Service	43,230,056	42,017,632	2.89%
3	2002 Prop. Held for Future Telecommunications Use			
4	3100-3200 (Less) Accumulated Depreciation	(21,334,952)	(20,192,619)	-5.66%
5	<b>Plant in Service</b>	21,895,104	21,825,013	0.32%
6				
7	<b>Additions</b>			
8	1220 Materials & Supplies			
9	1280 Prepayments			
10	Other Additions			
11	<b>TOTAL Additions</b>			
12				
13	<b>Deductions</b>			
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	<b>TOTAL Deductions</b>			
20	<b>TOTAL Rate Base</b>	21,895,104	21,825,013	0.32%
21				
22	<b>Net Earnings</b>			
23				
24	<b>Rate of Return on Average Rate Base</b>	6.202%	6.687%	-7.25%
25				
26	<b>Rate of Return on Average Equity</b>	10.054%	11.455%	-12.23%
27				
28	Major Normalizing Adjustments & Commission			
29	Ratemaking adjustments to Utility Operations			
30				
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42				
43	<b>Adjusted Rate of Return on Average Rate Base</b>	6.202%	6.687%	-7.25%
44				
45	<b>Adjusted Rate of Return on Average Equity</b>	10.054%	11.455%	-12.23%

**Other Taxes Paid**

Year: 2002

Line No.	Description (a)	Last Year (b)	This Year (c)
1	Montana Telephone Company License Tax		
2	Montana Public Service Commission Tax	11515	10432
3	Montana Consumer Counsel Tax	3436	3778
4	911 Emergency Telephone Fee		
5	Montana Telecommunications Access Service (TDD)		
6	Montana Corporate License Tax	100277	117116
7	Personal Property Tax		
8	Real Property Tax	689878	688442
9			
10			
11			
12	<b>Total</b>	805106	819768

Company Name: Central Montana Communications, Inc.

**Universal Service Funds Received**

Year: 2002

Line No.	Description (a)	Last Year (b)	This Year (c)
13	Funds received from Montana Sources		
14	Funds received from Federal Sources	2195555	1987718
15			
16			
17			
18			
19			
20			
21			
22			
23			
24	<b>Total</b>	2195555	1987718