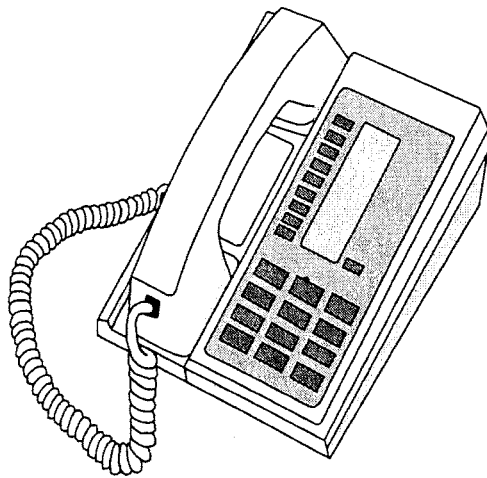


YEAR ENDING 2003

ANNUAL REPORT  
OF  
**Ronan Telephone System**

TELEPHONE UTILITY



Montana Telephone  
Company  
1701 Prospect Avenue  
Helena, MT 59620-2601

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

# Telephone Annual Report

## Instructions

### General

1. A Microsoft EXCEL 2000 workbook of the annual report is being provided on computer disk for your convenience. The workbook contains the schedules of the annual report. Each schedule is on the worksheet named that schedule. For example, Schedule 1 is on the sheet titled "Schedule 1". By entering your company name in the cell named "Company" of the first worksheet, the spreadsheet will put your company name on all the worksheets in the workbook. The same is true for inputting the year of the report in the cell named "YEAR". You can "GOTO" the proper cell by using the F5 key and selecting the name of the cell.
2. The workbook contains input sections that are unprotected, and non-input sections that are protected. Cell protection can be disabled or enabled through "TOOLS – PROTECTION – UNPROTECT SHEET" on your toolbar. Formulas and checks are built into most of the templates.
3. Use of the disk is optional. The disk and the report cover shall be returned when the report is filed. There are macros built into the workbook to assist you with the report. An explanation of the macros is on the "Control" worksheet at the front of the workbook. The explanations start at cell A1.
4. All forms must be filled out in permanent ink and be legible. Note: Even if the computer disk is used, a printed version of the report shall be filed. **Please submit one unbound copy of the annual report along with the regular number of annual reports that you submit.** This aids in scanning the report so that it may be published on our web site. The orientation and margins are set up on each individual worksheet and should print on one page. If you elect not to use the disk, please format your reports to fit on one 8.5" by 11" page with the left binding edge (top if landscaped) set at .85", the right edge (bottom if landscaped) set at .4", and the remaining two margins at .5". You may select specific schedules to print – See the worksheet "CONTROL".
5. Unless otherwise indicated, all information required in these schedules shall be from the accounts prescribed in 47 C.F.R. Part 32 and the definitions and instructions therein will apply to this report wherever applicable.
6. Information on financial schedules may be rounded to thousands of dollars for companies with over 5,000 access lines. Companies submitting schedules rounded to thousands should so indicate at the top of the schedule.
7. Where more space is needed or more than one schedule is needed additional schedules may be attached and should be included directly behind the original schedule to which it pertains and be labeled accordingly (for example, Schedule 1A).

8. The information required with respect to any statement shall be furnished as a minimum requirement to which shall be added such further information as is necessary to make the required schedules not misleading.
9. The following schedules should be filled out with information on a total company basis:
  - Schedules 1 - 4
  - Schedule 10
  - Schedules 13 - 17
  - Schedule 19
  - Schedule 20, Page 1 of 2
  - Schedules 33 and 34

All other schedules should be filled out with Montana specific data. Financial schedules should include all amounts originating in Montana or allocated to Montana from other jurisdictions.
10. All companies owned by another company shall attach a corporate structure chart of the holding company.
11. The following schedules are not required to be filled out or submitted by companies with less than 5,000 access lines:
  - Schedule 6
  - Schedules 17 and 18
  - Schedule 21
12. Schedules that have no activity during the year or are not applicable to the respondent should be marked as not applicable and submitted with the report.
13. Companies with under 5,000 lines may use summary accounts and should leave lines for subaccounts blank. Summary accounts are noted with an asterisk and subaccounts that are not required are noted with a caret.
14. Companies with over 5,000 lines must complete schedules to all required subaccount detail.
15. FCC Form M sheets may not be substituted in lieu of completing annual report schedules.
16. Common sense must be used when filling out all schedules.

### **Specific Instructions**

#### **Schedules 3 through 9**

1. **Schedules 3, 4, and 9** should include all notes to the financial statements required by the FCC or included in the financial statements issued as audited financial statements. These notes should be included in the report directly behind the schedules and should be labeled appropriately (Schedule 3A, etc.).

2. **Schedule 5** may be omitted for companies doing business only in Montana.
3. **Schedule 6** is not required for companies with under 5,000 lines.
4. **Schedule 7** must be completed by all companies. For companies under 5,000 lines, this schedule may be completed on a total state basis. Any such company completing the form on a total state basis shall indicate this fact clearly on the form.
5. **Schedule 8** - Companies with less than 5,000 lines are not required to fill out the intrastate portion. The regulated rate base must be separated from the deregulated rate base but this may be done on a total state basis. Any company so doing shall clearly indicate this on the form.
6. Only accounts designated on **Schedule 8** may be included in rate base. Only companies who have specifically been authorized in a Commission order to include cash working capital in rate base may fill out line 8 on Schedule 8. Cash working capital must be calculated using the methodology approved in the Commission order. The most recent Commission Order, and Docket, specifying cash working capital shall be noted on the schedule.
7. **Schedule 9** - Instructions to complete are similar to those used for the Statement of Cash Flows in the FCC Form M.

#### **Schedule 10**

1. For the purpose of this schedule, nonofficial companies shall include any company in which the respondent has an ownership interest which does not meet the definition of an affiliated company set out in 47 C.F.R. Section 32.9000. This schedule shall not include telecommunications accounts receivable from other customers.

#### **Schedule 11**

1. All amounts listed in Column f that represent individual items for which the higher of cost or market value was in excess of \$50,000 for companies with under 5,000 lines and in excess of \$100,000 for companies with over 5,000 lines must be fully explained in notes to this schedule. The explanation must include the plant description and location, the original cost, the net book cost, the market value, the value at which it was transferred or the price at which it was sold, and the party to which it was transferred or sold.

#### **Schedule 12**

1. Respondents shall list each item amounting individually to \$100,000 or more and report all others in the aggregate.
2. Amounts in Column f relating to individual items exceeding \$50,000 shall be fully explained.

#### **Schedule 15**

1. Line 1 must be completed by all companies for the most recent calendar year. The retention and price/earnings ratios shall be calculated on a year end basis. Enter the actual year end market price in the "Year Ended" row. If the computer disk is used, enter the year end market price in the "High" column.
2. Lines starting at 9 shall be completed for each of the twelve months of the report year for all companies with over 5,000 access lines. Earnings per share and dividends per share shall be

reported on a quarterly basis and entries shall be made only to the months that end the respective quarters (for example, March, June, September, and December.)

**Schedule 19**

1. All companies are required to submit this form. Companies with more than one plan (for example, both a retirement plan and a deferred savings plan) shall complete a schedule for each plan.
2. Companies with defined benefit plans must complete the entire form using FASB 87 and 132 guidelines.
3. Interest rate percentages shall be listed to two decimal places.

**Schedule 20**

1. All changes to the employee benefit plans shall be explained in a narrative on lines 15 and 16. All cost containment measures implemented in the reporting year shall be explained and quantified in a narrative on lines 15 & 16. All assumptions used in quantifying cost containment results shall be disclosed.
2. The schedule shall be filled out using FASB 106 and 132 guidelines.

**Schedule 21**

1. Respondents shall disclose all payments made during the year where the aggregate payment to the recipient was \$25,000 or more. Payments must include fees, retainers, commissions, gifts, contributions, assessments, bonuses, subscriptions, allowances for expenses or any other form of payment for services or as a donation.

**Schedule 23**

1. Respondents shall provide an attached sheet detailing the type and corresponding number of access lines for all entries in Column L (Other).

**Schedule 24**

1. Column (b). For each wire center that has a configuration of "Remote", Column (b) shall also reflect the respective "Host".
2. Column (c). Examples of Types of Switches are: Digital, Step by Step, and Crossbar.

**Schedule 25**

1. This schedule must be completed by all companies for the year following the reporting year.

**Schedule 26**

1. Respondents shall either report construction technicians and splicers as separate categories or footnote the appropriate categories and indicate the number of (1) construction technicians; and (2) splicers.

### **Schedule 27**

1. Include in column (d) ALL additional forms of compensation, including, but not limited to: deferred compensation, deferred savings plan, profit sharing, supplemental or non-qualified retirement plan, employee stock ownership plan, restricted stock, stock options, stock appreciation rights, performance share awards, dividend equivalent shares, mortgage payments, use of company cars or car lease payments, tax preparation consulting, financial consulting, home security systems, company-paid physicals, subscriptions to periodicals, memberships, association or club dues, tuition reimbursement, employee discounts, and spouse travel.
2. The above compensation items shall be listed separately. Where more space is needed additional schedules may be attached and shall be included directly behind the original schedule to which it pertains.
3. If respondent is claiming protected status of salary information both a proprietary and non-proprietary copy of this schedule shall be filed. On the non-proprietary copy respondent shall indicate which columns respondent maintains are proprietary. A note stating that such information is being provided separately shall be included on the schedule. In no case shall either Column (a) - Name/Position, or Column (g) - Percent Increase Total Compensation, be considered proprietary. Respondent shall provide all requested information on the proprietary copy.

### **Schedule 28**

1. Respondents shall provide all executive compensation information in conformance with that required by the Securities and Exchange Commission (SEC) (Regulation S-K Item 402, Executive Compensation).
2. Include in column (d) ALL additional forms of compensation, including, but not limited to: deferred compensation, deferred savings plan, profit sharing, supplemental or non-qualified retirement plan, employee stock ownership plan, restricted stock, stock options, stock appreciation rights, performance share awards, dividend equivalent shares, mortgage payments, use of company cars or car lease payments, tax preparation consulting, financial consulting, home security systems, company-paid physicals, subscriptions to periodicals, memberships, association or club dues, tuition reimbursement, employee discounts, and spouse travel.
3. All items included in Column (d) - Other Compensation shall be listed separately. Where more space is needed additional schedules may be attached and shall be included directly behind the original schedule.
4. In addition, respondents shall attach a copy of the executive compensation information provided to the SEC.

### **Schedule 29**

1. Information from this schedule is consolidated with information from other Utilities and reported to the National Association of Regulatory Utility Commissioners (NARUC). Your assistance in completing this schedule, even though information may be located in other areas of the annual report, expedites reporting to the NARUC and is appreciated.

**Schedules 33 and 34**

1. Respondents shall report all transactions with affiliated companies.
2. Column (c). Respondents shall indicate in column (c) the method used to determine the price. Respondents shall indicate if a contract is in place between the Affiliate and the Utility. If a contract is in place, respondents shall indicate the year the contract was initiated, the term of the contract and the method used to determine the contract price.
3. Column (c). If the method used to determine the price is different than the previous year, respondents shall provide an explanation, including the reason for the change.

**Schedule 35**

1. Respondents shall provide an attached sheet detailing the account and the amount for all entries made to Lines 9 and 16.
2. Only companies who have specifically been authorized in a Commission Order to include cash working capital in rate base may include cash working capital in lines 9 or 16. Cash working capital must be calculated using the methodology approved in the Commission Order. The Commission Order specifying cash working capital shall be noted on the attached sheet.
3. Respondents shall indicate, for each adjustment on lines 30 through 42, if the amount is updated or if it is from the last rate case. All adjustments shall be calculated using Commission methodology.

**Schedule 36**

1. Respondents shall list the amount of tax accrued or paid for the fiscal year attributable to Montana sources for each of the listed taxes

**Schedule 37**

1. Respondents shall list the amount of Universal Service Funds received from Montana and from the federal government.

# Telephone Annual Report

## Table of Contents

<b>Description</b>	<b>Schedule</b>	<b>Page</b>
Instructions		i - vi
General Information	1	1
Officers	2	2
Total Company Balance Sheet	3	3
Total Company Income Statement	4	5
Total State Income Statement	5	6
Intrastate Income Statement	6	7
Intrastate Regulated Income Statement	7	8
Average Rate Base	8	9
Statement of Cash Flows	9	10
Receivables and Investment	10	11
Net Plant in Service	11	12
Plant Held for Future Use	12	13
Average Cost of Long Term Debt	13	14
Cost of Preferred Stock	14	15
Analysis of Common Stock	15	16
Capital Stock and Reacquired Debt	16	17
Total Company Expense Matrix	17	18
Total State Expense Matrix	18	20
Pension Costs	19	22

continued on next page

<b>Description</b>	<b>Schedule</b>	<b>Page</b>
--------------------	-----------------	-------------



Other Post Employment Benefits (OPEBs)	20	23
Payments for Services	21	25
Subscriber Line Usage Data	22	26
Central Office and Access Line Statistics	23	27
Central Office and Switch Information	24	28
Construction Budget	25	29
Montana Employee Counts	26	30
Compensation of Top 10 Montana Based Employees	27	31
Compensation of Top 5 Corporate Employees	28	32
Montana Composite Statistics	29	33
Depreciation	30	34
Montana Regulatory Capital Structure and Costs	31	35
Network Access - Charges and Revenues	32	35
Affiliated Transactions - To the Utility	33	36
Affiliated Transactions - By the Utility	34	37
Montana Earned Rate of Return	35	38
Other Taxes Paid	36	39
Universal Service Funds Received	37	39

**General Information**

Year: **2003**

1.	Legal Name of Respondent:	RONAN TELEPHONE COMPANY A MONT CORP
2.	Name Under Which Respondent Does Business:	RONAN TELEPHONE COMPANY
3.	Date of Incorporation:	1-Jan-71
4.	Address to send Correspondence Concerning Report:	312 MAIN STREET S.W. RONAN MT 59864
5.	Person Responsible for This Report:	JAY WILSON PRESTON
5a.	Telephone Number:	406 676-2751
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:	NOT APPLICABLE
	1b. Means by which control was held:	
	1c. Percent Ownership:	

Line No.	Board of Directors		Fees Paid During Year (b)
	Name of Director and Address (City, State) (a)		
1	JAY WILSON PRESTON	CHARLO, MT	
2			
3	ELIZABETH A. PRESTON	OAKLAND, CA	12,000
4			
5	JUDITH G. PRESTON	MISSOULA, MT	12,000
6			
7	ELIZABETH C. PRESTON	RONAN, MT	12,000
8			
9	CYNTHIA M. PRESTON	CHARLO, MT	12,000
10			
11	PHILIP J. GRAINEY	RONAN, MT	3,600
12			
13	ROSA E. TOUGAS	RONAN, MT	
14			
15	ROBERT F. ERICKSON	CHARLO, MT	
16			
17			
18	<b>Chairman of the Board:</b>		
19			
20	JAY W. PRESTON	RONAN, MT	

## Officers

Year: 2003

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	CORPORATE MANAGEMENT	JAY WILSON PRESTON
2			CHARLO MT 59824
3			
4	VICE PRESIDENT	COMMERCIAL	ROSA E. TOUGAS
5			RONAN MT 59864
6			
7	SECRETARY	LEGAL	PHILIP J. GRAINEY
8			RONAN MT 59864
9			
10	TREASURER	FINANCIAL	ROBERT F. ERICKSON
11			CHARLO MT 59824
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**Total Company Balance Sheet**

Year: 2003

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>CURRENT ASSETS:</b>		
2	1120	Cash and Equivalents	496,626	269,000
3	1180	Telecommunications Accounts Receivable - Net	290,379	280,878
4	1190	Other Accounts Receivable - Net	425,628	688,403
5	1200	Notes Receivable - Net		
6	1210	Interest and Dividends Receivable		
7	1220	Materials and Supplies	36,650	36,650
8	* 1280	Prepayments		
9	^ 1290	Prepaid Rents		
10	^ 1300	Prepaid Taxes		
11	^ 1310	Prepaid Insurance		
12	^ 1320	Prepaid Directory Expenses		
13	^ 1330	Other Prepayments		
14	1350	Other Current Assets	59,957	55,978
15		<b>Total Current Assets</b>	<b>1,309,240</b>	<b>1,330,909</b>
16		<b>NONCURRENT ASSETS:</b>		
17	1401	Investments in Affiliated Companies		
18	1402	Investments in Nonaffiliated Companies		
19	1406	Nonregulated Investments		
20	1407	Unamortized Debt Issuance Expense		
21	1408	Sinking Funds		
22	1410	Other Noncurrent Assets NET NON-REG ASSETS	2,276,872	1,825,057
23	1438	Deferred Maintenance and Retirements		
24	1439	Deferred Charges		
25	1500	Other Jurisdictional Assets - Net		
26		<b>Total Noncurrent Assets</b>	<b>2,276,872</b>	<b>1,825,057</b>
27		<b>PROPERTY, PLANT, &amp; EQUIPMENT:</b>		
28	2001	Telecommunications Plant in Service	10,845,844	10,443,921
29	2002	Property Held for Future Telecommunications Use	15,966	
30	2003	Plant Under Construction - Short Term		
31	2004	Plant Under Construction - Long Term		
32	2005	Telecommunications Plant Adjustment		
33	2006	Nonoperating Plant		
34	2007	Goodwill		
35	3100	Accumulated Depreciation	(6,308,766)	(5,743,340)
36	3200	Accumulated Depreciation - Held for Future Use		
37	3300	Accumulated Depreciation - Nonoperating		
38	3400	Accumulated Amortization		
39		<b>Net Property, Plant, &amp; Equipment</b>	<b>4,553,044</b>	<b>4,700,581</b>
40		<b>TOTAL ASSETS</b>	<b>8,139,156</b>	<b>7,856,547</b>

^ Subaccount of account marked with a \*.

## Total Company Balance Sheet

Year: 2003

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
41		<b>CURRENT LIABILITIES:</b>		
42	4010	Accounts Payable	302,226	369,580
43	4020	Notes Payable	200,000	150,000
44	4030	Advance Billing and Payments		
45	4040	Customer Deposits	16,044	19,390
46	4050	Current Maturities - Long Term Debt		
47	4060	Current Maturities - Capital Leases		
48	4070	Income Taxes - Accrued		
49	4080	Other Taxes - Accrued	39,607	50,277
50	4100	Net Current Deferred Operating Income Taxes		
51	4110	Net Current Deferred Nonoperating Income Taxes		
52	4120	Other Accrued Liabilities	140,417	117,407
53	4130	Other Current Liabilities		
54		<b>Total Current Liabilities</b>	698,294	706,654
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		
63		<b>Total Long-Term Debt</b>		
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	996,636	935,288
69	4350	Net Noncurrent Deferred Nonoper. Income Taxes		
70	4360	Other Deferred Credits	145,804	140,770
71	4370	Other Jurisdictional Liab. and Def. Credits		
72		<b>Total Other Liabilities and Deferred Credits</b>	1,142,440	1,076,058
73		<b>STOCKHOLDERS' EQUITY:</b>		
74	4510	Capital Stock	114,400	114,400
75	4520	Additional Paid-In Capital		
76	4530	Treasury Stock	(10,000)	(10,000)
77	4540	Other Capital		
78	4550	Retained Earnings	6,194,022	5,969,435
79		<b>Total Stockholders' Equity</b>	6,298,422	6,073,835
80		<b>TOTAL LIAB. AND STOCKHOLDERS' EQUITY</b>	8,139,156	7,856,547

## Total Company Income Statement

Year: 2003

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>REVENUES:</b>		
2	5000	Basic Local Service Revenues	1,355,413	1,265,699
3	5080	Network Access Revenues	3,260,910	3,571,738
4	* 5100	Long Distance Message Revenue	94,731	89,232
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	79,736	35,976
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	20,832	53,972
17		<b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>	4,769,958	4,908,673
18		<b>OPERATING EXPENSES:</b>		
19	6110	Network Support Expense		
20	6120	General Support Expense	541,105	557,444
21	6210	Central Office Switching Expense	285,968	265,270
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	187,854	193,447
24	6310	Information Origination/Termination Expense	383	237
25	* 6410	Cable and Wire Facilities Expense	378,068	366,687
26	^ 6431	Aerial Wire Expense		
27	^ 6441	Conduit Systems Expense		
28	6510	Other Property, Plant & Equipment Expense		
29	6530	Network Operations Expense	209,667	214,311
30	6540	Access Expense		
31	6560	Depreciation and Amortization Expense	599,937	588,024
32	6610	Marketing	44,598	27,017
33	6620	Services	1,042,876	893,441
34	6710	Executive and Planning	485,655	551,132
35	6720	General and Administrative	560,179	441,191
36	6790	Provision for Uncollectible Notes Receivable		
37		<b>Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)</b>	4,336,290	4,098,201
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	221,388	432,478
40		<b>Net Operating Income (L.17-L.37+L.38-L.39)</b>	212,280	377,994
41	7300	Nonoperating Income and Expense		
42	7400	Nonoperating Taxes		
43	7500	Interest and Related Items		
44	7600	Extraordinary Items		
45	7910	Effects of Juris. Ratemaking Diff. - Net		
46	7990	Nonregulated Net Income	(69,407)	39,105
47		<b>NET INCOME (L.40+L.41-L.42-L.43-L.44+L.45-L.46)</b>	281,687	338,889

^ Subaccount of the account marked with a \*.

**Montana Total State Income Statement**

Year: 2003

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	SCHEDULE NOT REQUIRED	
9	* 5200	Miscellaneous Revenue		
10	^ 5230	Directory Revenue	ALL BUSINESS IS DONE IN	
11	^ 5240	Rent Revenue	MONTANA	
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: 2003

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	THIS SCHEDULE IS NOT REQUIRED			
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 Regulated Income Statement

Year: 2003

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>REVENUES:</b>		
2	5000	Basic Local Service Revenues	1,355,413	1,265,699
3	5080	Network Access Revenues	3,260,910	3,571,738
4	* 5100	Long Distance Message Revenue	94,731	89,232
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	79,736	35,976
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	20,832	53,972
17		<b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>	4,769,958	4,908,673
18		<b>OPERATING EXPENSES:</b>		
19	6110	Network Support Expense	541,105	557,444
20	6120	General Support Expense	285,968	265,270
21	6210	Central Office Switching Expense		
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	187,854	193,447
24	6310	Information Origination/Termination Expense	383	237
25	* 6410	Cable and Wire Facilities Expense	378,068	366,687
26	^ 6431	Aerial Wire Expense		
27	^ 6441	Conduit Systems Expense		
28	6510	Other Property, Plant & Equipment Expense		
29	6530	Network Operations Expense	209,667	214,311
30	6540	Access Expense		
31	6560	Depreciation and Amortization Expense	599,937	588,024
32	6610	Marketing	44,598	27,017
33	6620	Services	1,042,876	893,441
34	6710	Executive and Planning	485,655	551,132
35	6720	General and Administrative	560,179	441,191
36	6790	Provision for Uncollectible Notes Receivable		
37		<b>Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)</b>	4,336,290	4,098,201
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	221,388	432,478
40		<b>Net Operating Income (L.17-L.37+L.38-L.39)</b>	212,280	377,994

^ Subaccount of the account marked with a \*.

THIS SCHEDULE IS PREPARED ON A TOTAL STATE BASIS AS ALLOWED IN THE INSTRUCTIONS

**Average Rate Base - Total State**

Year: 2003

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	10,845,844	10,443,921
2	3100	Accumulated Depreciation	6,308,766	5,743,340
3	2002	Property Held for Future Telecommunications Use	15,966	
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies	36,650	36,650
6	4340	Noncurrent Deferred Operating Income Taxes	936,679	879,309
7		Pre-1971 Unamortized Investment Tax Credits		
8		Cash Working Capital (if allowed by Commission)	312,471	284,941
9		<b>Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)</b>	<b>3,965,486</b>	<b>4,142,863</b>

**Average Rate Base - Intrastate**

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

**Average Rate Base - Regulated Intrastate**

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

RONAN TELEPHONE COMPANY HAS LESS THAN 5000 ACCESS LINES AND REPORTS AVERAGE RATE BASE ON A TOTAL STATE BASIS. RATE BASE IN THE SCHEDULE ABOVE INCLUDES ONLY REGULATED RATE BASE. DEREGULATED RATE BASE HAS BEEN SEPERATED AND IS NOT INCLUDED IN THIS SCHEDULE.

## Statement of Cash Flows

Year: 2003

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		281,687
4	Reconciliation Adjustments:		
5	Depreciation & Amortization	618,944	
6	Provision for Accounts Receivable Losses		
7	Deferred Income Taxes - Net	132,473	
8	Unamortized Investment Tax Credits (ITCs) - Net		
9	Allowance for Funds Used During Construction (AFUDC)		
10	Change in Operating Receivables - Net	336,406	
11	Change in Materials, Supplies & Inventories - Net	-8,745	
12	Change in Operating Payables & Accrued Liabilities - Net	-51,024	
13	Change in Other Assets & Deferred Credits - Net	-98,437	
14	Change in Other Liabilities & Deferred Credits - Net	1,558	
15	Other (explained on back of this page) (1)	-193,331	
16	Total Adjustments		737,844
17	<b>Net Cash Provided by/(Used in) Operating Activities</b>		1,019,531
18	<b>Cash Inflows/Outflows From Investing Activities:</b>		
19	Construction/Acquisition of Property, Plant & Equipment (net of	-464,025	
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) (2)	-316,770	
25	<b>Net Cash Provided by/(Used in) Investing Activities</b>		-780,795
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	50,000	
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	-57,100	
36	Other Financing Activities (explained on back of this page)		
37	<b>Net Cash Provided by Financing Activities</b>		-7,100
38	<b>Effect of Exchange Rate Changes on Cash</b>		
39	<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>		231,636
40	<b>Cash &amp; Cash Equivalents at Beginning of Period</b>		272,338
41	<b>Cash &amp; Cash Equivalents at End of Period</b>		503,974

(1) Partnership Loss \$ 30,278  
Realized/Unrealized  
Gain on Marketable  
Securities (\$223,609)  
(\$193,331)

(2) Issuance of Note Receivable (\$ 250,000)  
Purchase of Other Investments (\$ 223,638)  
Increase in Cash Value of Life Ins. (\$ 1,439)  
Purchase of Marketable Securities (\$ 697,800)  
Sales of Marketable Securities \$ 856,107  
(\$316,770)

**Receivables and Investments-Affiliated & Nonaffiliated Companies**

Year: 2003

Line No.	Name of Affiliate or Company (a)	Account 1160 Temporary Investments (b)	Account 1180 Telecom. Accounts Receivable (c)	Account 1181 Accs. 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	HOT SPRINGS TELEPHONE		4,278								
2											
3	RTC ANSWERING LLC		5,541							211,065	
4											
5											
6											
7											
8											
9											
10											
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21											
22											
23											
24											
25											
26											
27											
28											
29											
30	<b>Totals</b>		9819							211065	

**Net Plant in Service - Detail**

**Year: 2003**

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	2,430,540	107,727			2,538,267	1,629,806	908,461
2	^ 2111	Land							
3	^ 2112	Motor Vehicles							
4	^ 2113	Aircraft							
5	^ 2114	Special Purpose Vehicles							
6	^ 2115	Garage Work Equipment							
7	^ 2116	Other Work Equipment							
8	^ 2121	Buildings							
9	^ 2122	Furniture							
10	^ 2123	Office Equipment							
11	^ 2124	General Purpose Computers							
12	2211	Analog Electronic Switching	440,079				440,079	403,541	36,538
13	2212	Digital Electronic Switching	2,720,436				2,831,287	1,767,283	1,064,004
14	2215	Electro-Mechanical Switching		110,851					
15	2220	Operator Systems							
16	2231	Radio Systems							
17	2232	Circuit Equipment	573,771				573,771	543,974	29,797
18	* 2310	Information Orig & Term Equip	36,655				36,655	30,762	5,893
19	^ 2311	Station Apparatus							
20	^ 2321	Customer Premises Wiring							
21	^ 2341	Large Private Branch Exchanges							
22	^ 2351	Public Telephone Term. Equip.							
23	^ 2362	Other Terminal Equipment							
24	2411	Poles	119,850				119,850	110,136	9,714
25	* 2420	Cable and Wire Facilities	3,447,298				3,630,643	1,555,735	2,074,908
26	^ 2421	Aerial Cable		183,345					
27	^ 2422	Underground Cable							
28	^ 2423	Buried Cable							
29	^ 2424	Submarine Cable							
30	^ 2425	Deep Sea Cable							
31	^ 2426	Intrabuilding Network Cable							
32	2431	Aerial Wire	63,701				63,701	63,463	238
33	2441	Conduit Systems	611,591				611,591	204,065	407,526
34		<b>Totals</b>	<b>10,443,921</b>	<b>401,923</b>			<b>10,845,844</b>	<b>6,308,765</b>	<b>4,537,079</b>

^ Subaccount of the account marked with a \*

Analysis of Plant Held for Future Use

Line No.	Location and Description of Property (a)	Date Included in Account 2002 (b)	Analysis of Plant Held for Future Use					Year: 2003
			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	SOFTSWITCH, MICROWAVE & OTHER PROJECTS RONAN, MT	Dec-03	0	15,966	0	0	15,966	
2								
3								
4								
5								
6								
7								
8								
9								
10								
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14								
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19								
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22								
23								
24								
25								
26								
27								
28								
29								
30			<b>Totals (Sum L.1 to L.29)</b>		0	15,966	0	0

**Average Cost of Long Term Debt**

**Year: 2003**

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	THIS SCHEDULE IS NOT APPLICABLE												
2													
3													
4													
5													
6													
7													
8													
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24													
25													
26													
27													
28													
29													
30		<b>Total</b>											

Line No.	Description (a)	Date of Issuance (b)	Method of Offering (c)	Call Redemption Price (d)	Par Value Of Issue (e)	Gross Proceeds Amounts (f)	Net Proceeds Amounts (g)	Net Proceeds Per \$100 (h)	Cost of Money (i)	Principal Outstanding (j)	Annual Cost (k)	Year: 2003		
												Embedded Cost (l)		
1														
2														
3														
4														
5														
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10														
11														
12														
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23														
24														
25														
26														
27														
28														
29														
30	<b>Totals (Sum L. 1 to L. 29)</b>													



**Analysis of Common Stock** **Year: 2003**

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:	22,840	\$276	\$12.33	\$2.50	79.70%	N/A - NOT PUBLICLY TRADED		
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									

MONTHLY DATA NOT REQUIRED AS STATED IN THE INSTRUCTIONS

Capital Stock and Funded Debt Reacquired or Retired During the Year							Year: 2003
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							
2							
3							
4							
5	NO TRANSACTIONS OF THIS NATURE IN 2003						
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**

Line No.	Acct. No. (a)	Description (b)	Salaries and Wages (c)	Benefits (d)	Rents (e)	Other Expenses (f)	Clearances (g)	Total (h)
1	*	Network Support Expense						
2	^	Motor Vehicle Expense						
3	^	Aircraft Expense						
4	^	Special Purpose Vehicles Expense						
5	^	Garage Work Equipment Expense						
6	^	Other Work Equipment Expense						
7	*	General Support Expense						
8	^	Land and Building Expense						
9	^	Furniture and Artworks Expense						
10	^	Office Equipment Expense						
11	^	General Purpose Computers Expense						
12	*	Central Office Switching Expense						
13	^	Analog Electronic Expense						
14	^	Digital Electronic Expense						
15	^	Electro-Mechanical Expense						
16	^	Operator Systems Expense						
17	*	Central Office Transmission Expense						
18	^	Radio Systems Expense						
19	^	Circuit Equipment Expense						
20	*	Information Origination/Termination Expense						
21	^	Station Apparatus Expense						
22	^	Large Private Branch Exchange Expense						
23	^	Public Telephone Terminal Equipment Exp.						
24	^	Other Terminal Equipment Expense						
25	*	Cable and Wire Facilities Expense						
26	^	Poles Expense						
27	^	Aerial Cable Expense						
28	^	Underground Cable Expense						
29	^	Buried Cable Expense						
30	^	Submarine Cable Expense						
31	^	Deep Sea Cable Expense						
32	^	Inrabiniding Network Cable Expense						
33	^	Aerial Wire Expense						
34		<b>Subtotals</b>						

THIS SCHEDULE IS NOT REQUIRED

^ 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	^	Conduit Systems Expense	THIS SCHEDULE IS NOT REQUIRED						
36	6510	Other Property Expenses							
37	* 6530	Network Operations Expense							
38	^ 6531	Power Expense							
39	^ 6532	Network Administration Expense							
40	^ 6533	Testing Expense							
41	^ 6534	Plant Operations Expense							
42	^ 6535	Engineering Expense							
43	6540	Access Expense							
44	6561	Depreciation - Telecomm. Plant in Service							
45	6562	Depreciation-Prop. for Future Telecom. Use							
46	6563	Amortization Expense - Tangible							
47	6564	Amortization Expense - Intangible							
48	6565	Amortization - Other							
49	* 6610	Marketing							
50	^ 6611	Product Management							
51	^ 6612	Salcs							
52	^ 6613	Product Advertising							
53	6621	Call Completion Services							
54	6622	Number Services							
55	6623	Customer Services							
56	6711	Executive							
57	6712	Planning							
58	6721	Accounting and Finance							
59	6722	External Relations							
60	6723	Human Relations							
61	6724	Information Management							
62	6725	Legal							
63	6726	Procurement							
64	6727	Research and Development							
65	6728	Other General and Administrative							
66	6790	Provision for Uncollectible Notes Receivable							
67		<b>Totals</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)
1	*	Network Support Expense	THIS SCHEDULE IS NOT REQUIRED					
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	THIS SCHEDULE IS NOT REQUIRED	THIS SCHEDULE IS NOT REQUIRED	THIS SCHEDULE IS NOT REQUIRED	THIS SCHEDULE IS NOT REQUIRED	THIS SCHEDULE IS NOT REQUIRED	THIS SCHEDULE IS NOT REQUIRED
36	6441	Other Property Expenses						
37	* 6510	Network Operations Expense						
38	^ 6530	Power Expense						
39	^ 6531	Network Administration Expense						
40	^ 6532	Testing Expense						
41	^ 6533	Plant Operations Expense						
42	^ 6534	Engineering Expense						
43	^ 6535	Access Expense						
44	^ 6540	Depreciation - Telecomm. Plant in Service						
45	^ 6561	Depreciation-Prop. for Future Telecom. Use						
46	^ 6562	Amortization Expense - Tangible						
47	^ 6563	Amortization Expense - Intangible						
48	^ 6564	Amortization - Other						
49	* 6610	Marketing						
50	^ 6611	Product Management						
51	^ 6612	Sales						
52	^ 6613	Product Advertising						
53	^ 6621	Call Completion Services						
54	^ 6622	Number Services						
55	^ 6623	Customer Services						
56	^ 6711	Executive						
57	^ 6712	Planning						
58	^ 6721	Accounting and Finance						
59	^ 6722	External Relations						
60	^ 6723	Human Relations						
61	^ 6724	Information Management						
62	^ 6725	Legal						
63	^ 6726	Procurement						
64	^ 6727	Research and Development						
65	^ 6728	Other General and Administrative						
66	^ 6790	Provision for Uncollectible Notes Receivable						
67		<b>Totals</b>						

^ Subaccount of the account marked with a \*

**Pension Costs**

Year: 2003

1	Plan Name RONAN TELEPHONE COMPANY PROFIT SHARING PLAN			
2	Defined Benefit Plan? _____	Defined Contribution Plan? <u> X </u>		
3	Actuarial Cost Method? _____	IRS Code: <u> 414i </u>		
4	Annual Contribution by Employer: <u> \$ 272,867 </u>	Is the Plan Over Funded? <u> NO </u>		
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	SEE FORM 5500		
18	Actual return on plan assets	SCHEDULE I		
19	Acquisition	ATTACHED		
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	35	34	-2.86%
48	Not Covered by the Plan	4	4	0.00%
49	Active	35	34	-2.86%
50	Retired	0	0	0.00%
51	Deferred Vested Terminated	0	0	0.00%

THE RONAN TELEPHONE COMPANY DEFINED BENEFIT PENSION PLAN REPORTED IN PAST YEARS HAS BEEN FROZEN AND IS IN THE PROCESS OF BEING TERMINATED PENDING APPROVAL BY INTERNAL REVENUE SERVICE & PENSION BENEFIT GUARANTY CORPORATION.

SCHEDULE I (Form 5500)

Department of the Treasury Internal Revenue Service

Department of Labor Pension and Welfare Benefits Administration

Pension Benefit Guaranty Corporation

Financial Information -- Small Plan

This schedule is required to be filed under Section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

File as an attachment to Form 5500.

Official Use Only

OMB No. 1210-0110

2002

This Form is Open to Public Inspection.

For calendar year 2002 or fiscal plan year beginning 12/01/2002, and ending 11/30/2003

Form fields for Plan Name (RONAN TELEPHONE COMPANY, INC. EMPLOYEE'S PROFIT SHARING PLAN), Plan sponsor's name, and Employer Identification Number (81-0308279).

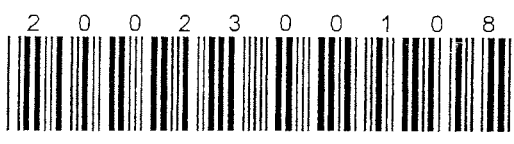
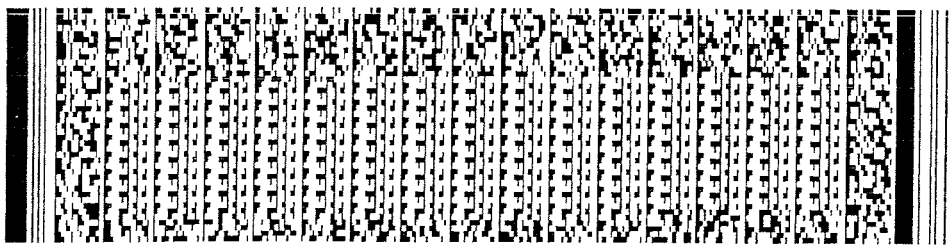
Complete Schedule I if the plan covered fewer than 100 participants as of the beginning of the plan year. You may also complete Schedule I if you are filing as a small plan under the 80-120 participant rule (see instructions). Complete Schedule H if reporting as a large plan or DFE.

Part I Small Plan Financial Information

Report below the current value of assets and liabilities, income, expenses, transfers and changes in net assets during the plan year. Combine the value of plan assets held in more than one trust. Do not enter the value of the portion of an insurance contract that guarantees during this plan year to pay a specific dollar benefit at a future date.

Table with 4 columns: Description, (a) Beginning of Year, (b) End of Year, and (b) Total. Rows include Plan Assets and Liabilities, Income, Expenses, and Transfers for this Plan Year, and Specific Assets.

Form fields for Specific Assets (Part 3), including Partnership/joint venture interests and Employer real property.





	Yes	No	Amount
<b>3c</b> Real estate (other than employer real property)	X		1025675
<b>d</b> Employer securities		X	
<b>e</b> Participant loans	X		312680
<b>f</b> Loans (other than to participants)		X	
<b>g</b> Tangible personal property		X	

**Part II Transactions During Plan Year**

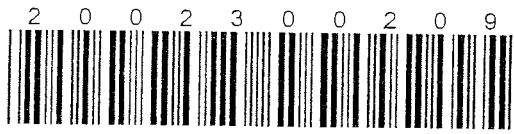
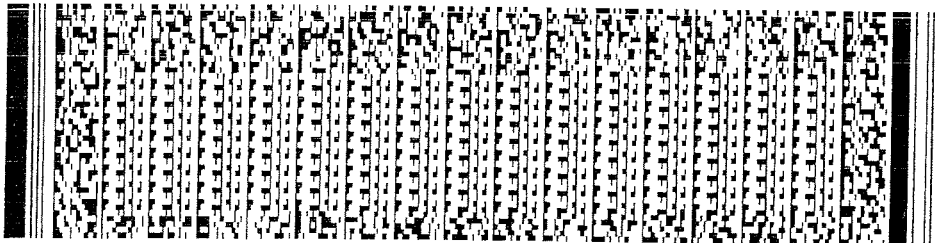
During the plan year:

	Yes	No	Amount
<b>4a</b> Did the employer fail to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? (See instructions and DOL's Voluntary Fiduciary Correction Program)		X	
<b>b</b> Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by the participants' account balance		X	
<b>c</b> Were any leases to which the plan was a party in default or classified during the year as uncollectible?		X	
<b>d</b> Did the plan engage in any nonexempt transaction with any party-in-interest?		X	
<b>e</b> Was the plan covered by a fidelity bond?	X		1028000
<b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
<b>g</b> Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
<b>h</b> Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
<b>i</b> Did the plan at any time hold 20% or more of its assets in any single security, debt, mortgage, parcel of real estate, or partnership/joint venture interest?		X	
<b>j</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
<b>k</b> Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) under 29 CFR 2520.104-46? If no, attach the IQPA's report or 2520.104-50 statement. (See instructions on waiver eligibility and conditions.)	X		

**5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? If yes, enter the amount of any plan assets that reverted to the employer this year  Yes  No **Amount** \_\_\_\_\_

**5b** If during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

<b>5b(1)</b> Name of plan(s)	<b>5b(2)</b> EIN(s)	<b>5b(3)</b> PN(s)
_____	_____	_____
_____	_____	_____



**Other Post Employment Benefits (OPEBS)**

Item	Current Year	Last Year	% Change
<b>1 Regulatory Treatment:</b>			
2 Commission authorized - most recent			
3 Docket number: _____			
4 Order number: _____			
5 Amount recovered through rates			
<b>6 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			
<b>12 List each method used to fund OPEBs (ie: VEBA, 401(h)) and if tax advantaged:</b>			
13			
14			
<b>15 Describe any Changes to the Benefit Plan:</b>			
16			
<b>17 TOTAL COMPANY</b>			
<b>18 Change in Benefit Obligation</b>			
19 Benefit obligation at beginning of year	NOT APPLICABLE - RONAN TELEPHONE COMPANY HAS NO POST EMPLOYMENT BENEFITS		
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			
<b>28 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			
<b>36 Funded Status</b>			
37 Unrecognized net actuarial loss			
38 Unrecognized prior service cost			
39 Prepaid (accrued) benefit cost			
<b>40 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			
<b>47 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**

	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 Ccosts</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: 2003

Line No.	Name of Recipient (a)	Nature of Service (b)	Total Company Cost (c)	Total State Cost (d)	Intrastate Cost (e)
1					
2					
3					
4					
5					
6					
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38					
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42					
43					
44					
45					
46					
47					
48					
49	<b>Total</b>				

THIS SCHEDULE IS NOT REQUIRED AS STATED IN THE INSTRUCTIONS

## Subscriber Line Usage Data

Year: 2003

Line No.	Description (a)	This Year (b)	% of Total (c)	Last Year (d)	% of Total (e)
1	Toll Usage:				
2	Interstate, InterLATA	12,664,258	11.74%	11,371,166	10.85%
3	Interstate, IntraLATA	0		0	
4	<b>Total Interstate Usage</b>	12,664,258	11.74%	11,371,166	10.85%
5	Intrastate, InterLATA	(1)		(1)	
6	Intrastate, IntraLATA	(1)		(1)	
7	<b>Total Intrastate Usage</b>	19,483,790	18.07%	18,438,382	17.59%
8	<b>Total Toll Usage</b>	32,148,048	29.81%	29,809,548	28.44%
9	Centrex	0		0	
10	Local <b>**ESTIMATED**</b>	75,700,000	70.19%	75,000,000	71.56%
11	<b>Total Minutes</b>	107,848,048	100.00%	104,809,548	100.00%

(1) INTRASTATE LONG DISTANCE USAGE IS REPORTED ON A TOTAL STATE BASIS IN ORDER TO AVOID INACCURACIES

**Central Office and Access Line Statistics**

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	RONAN 676	DIGITAL	1,796	0	98	137	0	153	917	6	26	58	100.0%	3,054
2														
3	PABLO 675	DIGITAL	802	0	90	109	0	61	267	4	11	9	100.0%	1,244
4														
5														
6														
7														
8														
9														
10														
11														
12														
13														
14														
15														
16														
17														
18	COLUMN L - OTHER													
19														
20														
21														
22														
23														
24														
25														
26														
27														
28														
29														
30														
31														
32														
33	<b>Total</b>		2,598	0	188	246	0	214	1,184	10	37	67	100%	4,298

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

**Central Office and Switch Information**

Year: 2003

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	676 RONAN	HOST	DIGITAL	SIEMENS	DCO-E	3,780	1991
2							
3	675 PABLO	REMOTE	DIGITAL	SIEMENS	DCO-RLS	1,800	1995
4							
5	676 ROUND BUTTE E	REMOTE	DIGITAL	SIEMENS	DCO-RLS	180	2001
6							
7	676 ROUND BUTTE W	REMOTE	DIGITAL	SIEMENS	DCO-RLS	270	2001
8							
9	676/675 NORTH CROW	REMOTE	DIGITAL	SIEMENS	DCO-RLS	360	1994
10							
11	676 TIMBERLANE	REMOTE	DIGITAL	SIEMENS	DCO-RLS	270	1995
12							
13	676/675 PABLO WEST	REMOTE	DIGITAL	SIEMENS	DCO-RLS	270	2001
14							
15							
16							
17							
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21							
22							
23							
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25							
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46							
47							
48							

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

## Construction Budget - Montana

Year: 2004

Line No.	Description (a)	2004 (b)
1	<b>Central Office Assets:</b>	
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	Total Switching and Central Office Projects over \$500,000	
28	Miscellaneous Central Office Projects not over \$500,000	200,000
29	<b>Total Central Office Budget (Total of Line 27 &amp; Line 28)</b>	200000
30	<b>Other Projects over \$500,000:</b>	
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41	Total Other Projects over \$500,000	
42	Miscellaneous projects not over \$500,000	200,000
43	<b>Total Construction Budget (Total of Lines 29, 41 &amp; 42)</b>	400000



Montana Employee Counts

Year: 2003

Line No.	Category (a)	Beginning of Year (b)	End of Year (c)
1	GENERAL MANAGEMENT	3	4
2			
3	FINANCE & ACCOUNTING	2	2
4			
5	CENTRAL OFFICE	3	3
6			
7	DATA PROCESSING	3	2
8			
9	OUTSIDE PLANT - GENERAL	6	5
10			
11	OUTSIDE PLANT - SPLICERS	1	1
12			
13	OUTSIDE PLANT - CONSTRUCTION TECHNICIANS	2	2
14			
15	COMMERCIAL REPRESENTATIVES	9	10
16			
17	SALES REPRESENTATIVES	1	1
18			
19	ENGINEERING / DRAFTING	2	2
20			
21	HUMAN RESOURCE	1	1
22			
23	ADMINISTRATIVE	2	2
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41			
42			
43	<b>Totals (Sum of Lines 1 through 42)</b>	35	35

**Compensation of Top 10 Montana Based Employees**

Year: 2003

Line No.	Name/Title (a)	Base Salary (b)	Bonuses (c)	Other Compensation (d)	Total Compensation (e)	Total Compensation Last Year (f)	% Increase Total Compensation (g)
1							
2							
3	PROPRIETARY INFORMATION						
4							
5							
6							
7							
8							
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							
2	THIS PAGE IS NOT APPLICABLE						
3							
4							
5							
6	<b>Totals (Sum L.1 to L.5)</b>						

**Montana Composite Statistics**

Year: 2003

Line No.	Account No.	Description (a)	Amount (b)
1		<b>Plant (Intrastate Only) (000 Omitted)</b>	
2	2001	Plant in Service	
3	2003 - 2004	Construction Work in Progress	10,846
4	2005	Plant Acquisition Adjustments	
5	2002	Plant Held for Future Use	
6	1220	Materials & Supplies	16
7		(Less):	37
8	3100 - 3400	Depreciation & Amortization Reserves	
9	4360.2	Contributions in Aid of Construction	-6,309
10		<b>NET BOOK COSTS</b>	4,590
11		<b>Revenues &amp; Expenses (Intrastate Only) (000 Omitted)</b>	
12	5000 - 5300	Operating Revenues	4,770
13	6560	Depreciation & Amortization Expenses	600
14		Federal & State Income Taxes	150
15		Other Taxes	71
16		Other Operating Expenses	3,737
17		TOTAL Operating Expenses	4,558
18		Net Operating Income	212
19		Other Income	
20		Other Deductions	
21		<b>NET INCOME</b>	212
22		<b>Access Lines in Service (Intrastate Only)</b>	
23		Residential Access Lines	2,786
24		Business Access Lines	1,109
25		PBX Access Lines	289
26		Other Access Lines	114
27		<b>Total Number of Access Lines</b>	4,298
28		<b>Average Number of Calls Per Access Line</b>	
29		Local Calls	1,400
30		Toll Calls (Intra- or Interstate)	600
31		<b>Total Number of Calls Per Access Line (Total of Line 29 &amp; Line 30)</b>	2,000
32		<b>Other Statistics (Intrastate Only)</b>	
33		Average Residential Monthly Bill	\$49.32
34		Gross Plant Investment per Access Line	\$2,523.46

## Depreciation - Montana Intrastate Regulated

Year: 2003

Line No.	Acct No. (a)	Description (b)	Composite Rate % (c)	Total Expense \$ (d)
1	2.112	Motor Vehicles		
2	2.114	Special Purpose Vehicles	12.5%	36.821
3	2.115	Garage Work Equipment	20.0%	36.727
4	2.116	Other work Equipment		
5	2.121	Buildings		
6	2.122	Furniture	2.5%	10,419
7	2.123	Office Support Equipment	10.0%	13,152
8	2.123	Company Communications Equipment		
9	2.124	General Purpose Computers	10.0%	5,270
10	2.211	Analog Electronic Switching Equipment	20.0%	65,989
11	2.212	Digital Electronic Switching Equipment	10.0%	562
12	2.215	Step By Step Switching Equipment	9.1%	264,484
13	2.215	Crossbar Switching Equipment		
14	2.220	Operator System		
15	2.231	Radio Systems		
16	2.232	Circuit DDS	10.0%	1,241
17	2.232	Circuit Digital		
18	2.232	Circuit Analog	10.0%	3,813
19	2.351	Public Telephone Terminating Equipment	10.0%	14,901
20	2.362	Other Terminal Equipment	10.0%	1,792
21	2.411	Poles		
22	2.421	Aerial Cable Metallic	4.6%	915
23	2.421	Aerial Cable Nonmetallic	4.6%	6,068
24	2.422	Underground Cable Metallic		
25	2.422	Underground Cable Nonmetallic	4.6%	5,776
26	2.423	Buried Cable Metallic		
27	2.423	Buried Cable Nonmetallic	4.6%	88,480
28	2.424	Submarine Cable Metallic	4.6%	23,041
29	2.424	Submarine Cable Nonmetallic		
30	2.426	Intrabuilding Network Cable Metallic		
31	2.426	Intrabuilding Network Cable Nonmetallic		
32	2.431	Aerial Wire		
33	2.441	Conduit Systems	12.5%	99
34			3.3%	20,387
35		<b>COMPOSITE TOTAL</b>	10.56%	599,937
36	Have these rates been approved by the Commission? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO			
37				
38				
39	If yes: <u>80.4.8</u> Docket Number <u>4715(b)</u> Order Number			
40	SPECIFIC RATES WERE NOT ADDRESSED IN THE ABOVE REFERENCED DOCKET, HOWEVER REVENUE, EXPENSE, RATE BASE ETC. WERE ALL REVIEWED AND APPROVED IN THE PROCEEDING			

**Montana Regulatory Capital Structure & Costs**

Year: 2003

Line No.	Description (a)	% Cap. Str. (b)	% Cost Rate (c)	Weighted Cost (d)
<b>Commission Accepted - Most Recent</b>				
1	Docket Number <u>80.4.8</u>			
2	Order Number <u>4715(b)</u>			
3				
4	Common Equity	46.37%	12.600%	5.843%
5	Preferred Stock			
6	Long Term Debt	53.63%	9.080%	4.870%
7	Other			
8	<b>Total</b>	100.00%		10.712%
9				
<b>Actual at Year End</b>				
10				
11				
12	Common Equity	100.00%	12.600%	12.600%
13	Preferred Stock			
14	Long Term Debt	0.00%	0.000%	0.000%
15	Other			
16	<b>Total</b>	100.00%		12.600%

**Network Access - Charges and Revenues**

Year: 2003

Line No.	Description (a)	Access Charges Paid (b)	Access Revenues Received (c)
1	Montana - Total State	0	2,910,027
2			
3	Montana - Intrastate	0	1,769,897
4			
5	Montana - Intrastate Regulated	0	1,769,897
6			
7			
8			
9			
10			
11			
12			
13			

Affiliate Transactions - Products & Services Provided to Utility

Year: 2003

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	RTC ANSWERING LLC	DIRECTORY ASSISTANCE & DISPATCH	COMPARISON TO NON-AFFILIATED VENDOR	-48.317	5.1%	-48.317
2						
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4						
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10						
11						
12						
13						
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27						
28						
29						
30	<b>TOTAL</b>			\$48.317		\$48.317

Affiliate Transactions - Products & Services Provided by Utility

Year: 2003

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	RTC ANSWERING LLC	TELEPHONE SERVICE	TARIFFED RATES	26,594	2.8%	0
2						
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29						
30	<b>TOTAL</b>			\$26,594		\$0



## Montana Intrastate Regulated Earned Rate of Return

Year: 2003

Line No.	Description Rate Base (a)	This Year (b)	Last Year (c)	Percent Change (d)
1				
2	2001 Plant in Service	10,845,844	10,443,921	3.85%
3	2002 Prop. Held for Future Telecommunications Use	15,966		
4	3100-3200 (Less) Accumulated Depreciation	(6,308,766)	(5,743,340)	-9.84%
5	<b>Plant in Service</b>	<b>4,553,044</b>	<b>4,700,581</b>	<b>-3.14%</b>
6				
7	<b>Additions</b>			
8	1220 Materials & Supplies	36,650	36,650	
9	1280 Prepayments			
10	Other Additions (1) CASH WORKING CAPITAL	312,471	284,941	9.66%
11	<b>TOTAL Additions</b>	<b>349,121</b>	<b>321,591</b>	<b>8.56%</b>
12				
13	<b>Deductions</b>			
14	4100 Current Deferred Operating Income Taxes	(59,957)	(55,978)	-7.11%
15	4320 Unamortized Operating Investment Tax Credits			
16	4340 Noncurrent Deferred Operating Income Taxes	996,636	935,287	6.56%
17	Customer Advances for Construction			
18	Other Deductions			
19	<b>TOTAL Deductions</b>	<b>936,679</b>	<b>879,309</b>	<b>6.52%</b>
20	<b>TOTAL Rate Base</b>	<b>3,965,486</b>	<b>4,142,863</b>	<b>-4.28%</b>
21				
22	<b>Net Earnings</b>	<b>212,280</b>	<b>377,994</b>	<b>-43.84%</b>
23				
24	<b>Rate of Return on Average Rate Base</b>	<b>5.353%</b>	<b>9.124%</b>	<b>-41.33%</b>
25				
26	<b>Rate of Return on Average Equity</b>	<b>3.370%</b>	<b>6.223%</b>	<b>-45.85%</b>
27				
28	Major Normalizing Adjustments & Commission			
29	Rate-making adjustments to Utility Operations			
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43	<b>Adjusted Rate of Return on Average Rate Base</b>	<b>5.353%</b>	<b>9.124%</b>	<b>-41.33%</b>
44				
45	<b>Adjusted Rate of Return on Average Equity</b>	<b>3.370%</b>	<b>6.223%</b>	<b>-45.85%</b>

(1) AS ALLOWED IN COMMISSION ORDER NO. 4715(b)  
DOCKET NO. 80.4.8

## Other Taxes Paid

Year: 2003

Line No.	Description (a)	Last Year (b)	This Year (c)
1	Montana Telephone Company License Tax	0	0
2	Montana Public Service Commission Tax	7,690	7,316
3	Montana Consumer Counsel Tax	2,771	2,899
4	911 Emergency Telephone Fee	23,645	23,224
5	Montana Telecommunications Access Service (TDD)	4,703	4,616
6	Montana Corporate License Tax	40,736	11,698
7	Personal Property Tax	16,935	4,624
8	Real Property Tax	18,428	19,292
9			
10			
11			
12	<b>Total</b>	114,908	73,669

Company Name: RONAN TELEPHONE COMPANY

SCHEDULE 37

## Universal Service Funds Received

Year: 2003

Line No.	Description (a)	Last Year (b)	This Year (c)
13	Funds received from Montana Sources	0	0
14	Funds received from Federal Sources	442,913	496,170
15			
16			
17			
18			
19			
20			
21			
22			
23			
24	<b>Total</b>	442,913	496,170

**EVILSIZER LAW OFFICE**

IVAN C. EVILSIZER  
ATTORNEY AT LAW  
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STATE SERVICE  
DIVISION

October 1, 2004

Ms. Kate Whitney  
Montana Public Service Commission  
1701 Prospect Avenue  
P.O. Box 202601  
Helena, MT 59620-2601

HAND DELIVERED

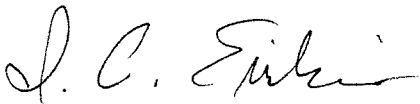
Re: Ronan Telephone Company - 2003 Annual Report

Dear Ms. Whitney,

Enclosed is an original and one unbound copy of the 2003 Annual Report for Ronan Telephone Company.

Please call if you have any questions.

Sincerely,



Ivan (Chuck) Evilsizer  
Attorney for Ronan Telephone Company

Enclosures