

**General Information**

RECEIVED BY

Year: 2004

SEP 23 10 09:48  
 RECEIVED BY  
 COMMUNICATIONS

1. Legal Name of Respondent:  
Central Montana Communications, Incorporated
2. Name Under Which Respondent Does Business:  
Central Montana Communications, Incorporated
3. Date of Incorporation:  
7/1/1993
4. Address to send Correspondence Concerning Report:  
PO Box 751  
Havre, MT 59501
5. Person Responsible for This Report:  
Mark Majeres
- 5a. Telephone Number: (406) 394-2000

**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:  
  
Triangle Telephone Cooperative Association, Inc., PO Box 1220, Havre, MT 59501-1220
  - 1b. Means by which control was held: Stock Ownership
  - 1c. Percent Ownership: 100%

<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	3084
2	Richard Stuker, Chinook, MT 59523	3220
3	Tom Bangs, Inverness, MT 59530	2998
4	Richard Pokorny, Big Sandy, MT 59520	3493
5	Paul VanCleve, Big Timber, MT 59011	2857
6	Doug Lowry, Big Timber, MT 59011	905
7	Don Bitz, Box Elder, MT 59521	755
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18	<b>Chairman of the Board:</b>	
19	Richard Stuker	
20		

**Officers**

Year: 2004

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		Richard Pokorny, Big Sandy, MT 59520
3	Secretary/Treasurer		Tom Bangs, Inverness, MT 59530
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41			
42			
43			
44			
45			

**Total Company Balance Sheet**

Year: 2004

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>CURRENT ASSETS:</b>		
2	1120	Cash and Equivalents	3,345,895	3,218,492
3	1180	Telecommunications Accounts Receivable - Net	808,403	839,069
4	1190	Other Accounts Receivable - Net	681,817	1,014,232
5	1200	Notes Receivable - Net		
6	1210	Interest and Dividends Receivable	29,072	32,169
7	1220	Materials and Supplies		
8	* 1280	Prepayments	34,672	33,499
9	^ 1290	Prepaid Rents		
10	^ 1300	Prepaid Taxes		
11	^ 1310	Prepaid Insurance		
12	^ 1320	Prepaid Directory Expenses		
13	^ 1330	Other Prepayments	34,672	33,499
14	1350	Other Current Assets		
15		<b>Total Current Assets</b>	<b>4,899,859</b>	<b>5,137,461</b>
16		<b>NONCURRENT ASSETS:</b>		
17	1401	Investments in Affiliated Companies	14,835	13,835
18	1402	Investments in Nonaffiliated Companies	8,295,191	8,597,587
19	1406	Nonregulated Investments	70,899	56,105
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>	<b>8,380,925</b>	<b>8,667,527</b>
27		<b>PROPERTY, PLANT, &amp; EQUIPMENT:</b>		
28	2001	Telecommunications Plant in Service	48,330,184	44,630,848
29	2002	Property Held for Future Telecommunications Use		
30	2003	Plant Under Construction - Short Term	4,372,168	3,852,386
31	2004	Plant Under Construction - Long Term	538,950	358,197
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	(24,316,047)	(23,103,189)
36	3200	Accumulated Depreciation - Held for Future Use		
37	3300	Accumulated Depreciation - Nonoperating		
38	3400	Accumulated Amortization	(9,195,292)	(8,321,620)
39		<b>Net Property, Plant, &amp; Equipment</b>	<b>32,674,764</b>	<b>30,361,423</b>
40		<b>TOTAL ASSETS</b>	<b>45,955,548</b>	<b>44,166,411</b>

^ Subaccount of account marked with a \*.

## Total Company Balance Sheet

Year: 2004

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
41		<b>CURRENT LIABILITIES:</b>		
42	4010	Accounts Payable	769,595	1,133,639
43	4020	Notes Payable		
44	4030	Advance Billing and Payments	327,875	333,282
45	4040	Customer Deposits	54,802	52,941
46	4050	Current Maturities - Long Term Debt	1,796,000	1,697,000
47	4060	Current Maturities - Capital Leases		
48	4070	Income Taxes - Accrued	3,276,470	1,752,821
49	4080	Other Taxes - Accrued	343,051	312,791
50	4100	Net Current Deferred Operating Income Taxes		
51	4110	Net Current Deferred Nonoperating Income Taxes		
52	4120	Other Accrued Liabilities	276,378	296,186
53	4130	Other Current Liabilities		
54		<b>Total Current Liabilities</b>	<b>6,844,171</b>	<b>5,578,660</b>
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	21,648,233	22,851,822
63		<b>Total Long-Term Debt</b>	<b>21,648,233</b>	<b>22,851,822</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		
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		
75	4520	Additional Paid-In Capital	6,390,000	6,390,000
76	4530	Treasury Stock		
77	4540	Other Capital		
78	4550	Retained Earnings	11,073,144	9,345,929
79		<b>Total Stockholders' Equity</b>	<b>17,463,144</b>	<b>15,735,929</b>
80		<b>TOTAL LIAB. AND STOCKHOLDERS' EQUITY</b>	<b>45,955,548</b>	<b>44,166,411</b>

## Total Company Income Statement

Year: 2004

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>REVENUES:</b>		
2	5000	Basic Local Service Revenues	3,106,158	3,033,923
3	5080	Network Access Revenues	8,406,454	8,007,909
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	245,568	251,533
10	^ 5230	Directory Revenue	43,094	46,475
11	^ 5240	Rent Revenue	42,449	42,763
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	4,724	4,391
14	^ 5270	Carrier Billing and Collection Revenue	155,301	157,904
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	6,273	36,883
17		<b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>	11,751,907	11,256,482
18		<b>OPERATING EXPENSES:</b>		
19	6110	Network Support Expense		
20	6120	General Support Expense	351,467	343,719
21	6210	Central Office Switching Expense	191,083	296,718
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	253,709	149,675
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense	485,347	428,926
26	^ 6431	Aerial Wire Expense	104,170	102,016
27	^ 6441	Conduit Systems Expense	381,177	326,910
28	6510	Other Property, Plant & Equipment Expense		
29	6530	Network Operations Expense	510,306	484,652
30	6540	Access Expense	599,923	547,213
31	6560	Depreciation and Amortization Expense	2,558,190	2,437,386
32	6610	Marketing	28,610	27,077
33	6620	Services	1,049,105	1,039,798
34	6710	Executive and Planning	109,547	94,329
35	6720	General and Administrative	604,153	568,030
36	6790	Provision for Uncollectible Notes Receivable		
37		<b>Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)</b>	6,741,440	6,417,523
38	7100	Other Operating Income and Expense	16	(37)
39	7200	Operating Taxes	1,903,206	1,733,130
40		<b>Net Operating Income (L.17-L.37+L.38-L.39)</b>	3,107,277	3,105,792
41	7300	Nonoperating Income and Expense	(502,918)	(623,586)
42	7400	Nonoperating Taxes	(117,758)	(197,860)
43	7500	Interest and Related Items	1,034,072	1,166,792
44	7600	Extraordinary Items		
45	7910	Effects of Juris. Ratemaking Diff. - Net		
46	7990	Nonregulated Net Income	(39,171)	(59,763)
47		<b>NET INCOME (L.40+L.41-L.42-L.43-L.44+L.45-L.46)</b>	1,727,216	1,573,037

^ Subaccount of the account marked with a \*.

## Montana Total State Income Statement

Year: 2004

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: 2004

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>REVENUES:</b>		
2	5000	Basic Local Service Revenues	3,106,158	3,033,923
3	5080	Network Access Revenues	2,148,600	2,050,378
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	233,678	237,039
10	^ 5230	Directory Revenue	43,094	46,475
11	^ 5240	Rent Revenue	42,449	42,763
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	4,724	4,391
14	^ 5270	Carrier Billing and Collection Revenue	143,411	143,410
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	6,273	36,883
17		<b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>	5,482,163	5,284,457
18		<b>OPERATING EXPENSES:</b>		
19	6110	Network Support Expense		
20	6120	General Support Expense	163,956	161,362
21	6210	Central Office Switching Expense	89,139	139,297
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	118,353	70,266
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense	226,410	201,363
26	^ 6431	Aerial Wire Expense	48,594	47,892
27	^ 6441	Conduit Systems Expense	177,816	153,471
28	6510	Other Property, Plant & Equipment Expense		
29	6530	Network Operations Expense	238,053	227,524
30	6540	Access Expense	279,859	256,894
31	6560	Depreciation and Amortization Expense	1,193,373	1,144,253
32	6610	Marketing	13,346	12,712
33	6620	Services	489,398	488,143
34	6710	Executive and Planning	51,103	44,284
35	6720	General and Administrative	281,832	266,667
36	6790	Provision for Uncollectible Notes Receivable		
37		<b>Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)</b>	3,144,822	3,012,765
38	7100	Other Operating Income and Expense	7	(17)
39	7200	Operating Taxes	887,829	813,634
40		<b>Net Operating Income (L.17-L.37+L.38-L.39)</b>	1,449,519	1,458,041

^ Subaccount of the account marked with a \*.

## Montana Intrastate Regulated Income Statement

Year: 2004

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>REVENUES:</b>		
2	5000	Basic Local Service Revenues	3,106,158	3,033,923
3	5080	Network Access Revenues	1,650,004	1,602,181
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>	4,756,162	4,636,104
18		<b>OPERATING EXPENSES:</b>		
19	6110	Network Support Expense		
20	6120	General Support Expense	142,244	141,564
21	6210	Central Office Switching Expense	77,334	122,207
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	102,680	61,645
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense	196,427	176,657
26	^ 6431	Aerial Wire Expense	42,159	42,016
27	^ 6441	Conduit Systems Expense	154,268	134,641
28	6510	Other Property, Plant & Equipment Expense		
29	6530	Network Operations Expense	206,528	199,609
30	6540	Access Expense	242,797	225,376
31	6560	Depreciation and Amortization Expense	1,035,336	1,003,864
32	6610	Marketing	11,579	11,152
33	6620	Services	424,588	428,252
34	6710	Executive and Planning	44,335	38,850
35	6720	General and Administrative	244,509	233,949
36	6790	Provision for Uncollectible Notes Receivable		
37		<b>Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)</b>	2,728,357	2,643,125
38	7100	Other Operating Income and Expense	6	(15)
39	7200	Operating Taxes	770,254	713,808
40		<b>Net Operating Income (L.17-L.37+L.38-L.39)</b>	1,257,557	1,279,156

^ Subaccount of the account marked with a \*.



**Average Rate Base - Total State**

Year: 2004

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	48330184	44630848
2	3100	Accumulated Depreciation	24316047	23103189
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>	24014137	21527659

**Average Rate Base - Intrastate**

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	48330184	44630848
2	3100	Accumulated Depreciation	24316047	23103189
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>	24014137	21527659

**Average Rate Base - Regulated Intrastate**

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	48330184	44630848
2	3100	Accumulated Depreciation	24316047	23103189
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>	24014137	21527659

## Statement of Cash Flows

Year: 2004

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		1727215
4	Reconciliation Adjustments:		
5	Depreciation & Amortization	3431862	
6	Provision for Accounts Receivable Losses	327	
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	365849	
11	Change in Materials, Supplies & Inventories - Net		
12	Change in Operating Payables & Accrued Liabilities - Net	-367590	
13	Change in Other Assets & Deferred Credits - Net	-1173	
14	Change in Other Liabilities & Deferred Credits - Net		
15	Other (explained on back of this page)	1534102	
16	Total Adjustments		
17	<b>Net Cash Provided by/(Used in) Operating Activities</b>		4963377
18	<b>Cash Inflows/Outflows From Investing Activities:</b>		
19	Construction/Acquisition of Property, Plant & Equipment (net of		
20	AFUDC & Capital Lease Related Acquisitions)	-5745202	
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)	286602	
25	<b>Net Cash Provided by/(Used in) Investing Activities</b>		-5458600
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	660071	
31	Repayment of Long-Term Debt	-1439217	
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)	-325443	
37	<b>Net Cash Provided by Financing Activities</b>		-1104589
38	<b>Effect of Exchange Rate Changes on Cash</b>		
39	<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>		127403
40	<b>Cash &amp; Cash Equivalents at Beginning of Period</b>		3218492
41	<b>Cash &amp; Cash Equivalents at End of Period</b>		3345895

**Statement of Cash Flows**

Year: 2004

---

Line 15.	Other Operating Activities	
	Accrued Income Tax	1523649
	Other Taxes Accrued	30261
	Other Accrued Liabilities	-19808
		<u>1534102</u>
Line 24.	Other Investing Activities	
	Fergus Electric Cooperative Capital Credits	-301
	Farmers Union Capital Credits	-33
	National Information Solutions Cooperative	-42700
	Triangle Telephone Cooperative Capital Credits	-1000
	Rural Telephone Finance Cooperative Capital Credits	51209
	Bonds	294221
	Nonregulated Investment in Other Terminal Equipment	-14794
		<u>286602</u>
Line 36.	Other Financing Activities	
	REA Notes	<u>-325443</u>

Receivables and Investments-Affiliated & Nonaffiliated Companies Year: 2004

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	3250000	815088	6685	1834					14835	1479479
2	Subscriber Receivables				38137						2732
3	Reg and NonReg Sales				318116						85992
4	AT&T				5262						526
5	NECA				241960						19
6	NCRPC				106299						6725443
7	MILEC				-54834						1000
8	Other Inter-Exc Carriers				25218						
9	Triangle Comm System				-175						
10	USAC E-Rate										
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											
21											
22											
23											
24											
25											
26											
27											
28											
29											
30	<b>Totals</b>	3250000	815088	6685	681817					14835	8295191

Year: 2004

Net Plant in Service - Detail

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	3313129	176820	114917		3375032		3375032
2	^ 2111	Land	56992	20564	4014		73542		73542
3	^ 2112	Motor Vehicles	1146489	126462	46536		1226415	534207	6922208
4	^ 2113	Aircraft							
5	^ 2114	Special Purpose Vehicles	288743				288743	92067	196676
6	^ 2115	Garage Work Equipment							
7	^ 2116	Other Work Equipment	77610				77610	23754	53856
8	^ 2121	Buildings	1743295	29794	64367		1708722	672490	1036232
9	^ 2122	Furniture							
10	^ 2123	Office Equipment							
11	^ 2124	General Purpose Computers							
12	2211	Analog Electronic Switching							
13	2212	Digital Electronic Switching	3893706	433996	36792		4290910	1886687	2404223
14	2215	Electro-Mechanical Switching							
15	2220	Operator Systems							
16	2231	Radio Systems							
17	2232	Circuit Equipment	8208274	602837	357642		8453469	5364674	3088795
18	* 2310	Information Orig & Term Equip	24856				24856		24856
19	^ 2311	Station Apparatus	297377						
20	^ 2321	Customer Premises Wiring							
21	^ 2341	Large Private Branch Exchanges							
22	^ 2351	Public Telephone Term. Equip.							
23	^ 2362	Other Terminal Equipment	24856						
24	2411	Poles	297377	9351	1651		305077	24856	65068
25	* 2420	Cable and Wire Facilities	2878795	3959549	972215		31775329	15388614	16386715
26	^ 2421	Aerial Cable	1559149	277582	68143		1768614	715635	1052979
27	^ 2422	Underground Cable	696262	32400			728662	294344	434318
28	^ 2423	Buried Cable	26532584	3649567	904072		29278053	14378635	14899418
29	^ 2424	Submarine Cable							
30	^ 2425	Deep Sea Cable							
31	^ 2426	Intrabuilding Network Cable							
32	2431	Aerial Wire	102184				102184	102184	1562
33	2441	Conduit Systems	3327				3327	1765	
34		<b>Totals</b>	44630848	5182553	1483217		48330184	24331307	23998877

^ Subaccount of the account marked with a \*

check  
2052514

check

check  
16386715

check  
23998877

Analysis of Plant Held for Future Use

Year: 2004

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>						

Year: 2004

Average Cost of Long Term Debt

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: 2004

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	Totals (Sum L.1 to L.29)											

Analysis of Common Stock Year: 2004

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 Reacquired or Retired During the Year

Year: 2004

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

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	37891	25279	25248	167920	-256338	
2	^	Motor Vehicle Expense	33871	21522	25248	157090	-237731	
3	^	Aircraft Expense						
4	^	Special Purpose Vehicles Expense	3954	3707		10541	-18202	
5	^	Garage Work Equipment Expense						
6	^	Other Work Equipment Expense	66	50		289	-405	
7	*	General Support Expense	54956	37137	165744	83580	10050	351467
8	^	Land and Building Expense	48061	33422	124020	64844	10050	280397
9	^	Furniture and Artworks Expense						
10	^	Office Equipment Expense			41724	6750		48474
11	^	General Purpose Computers Expense	6895	3715		11986		22596
12	*	Central Office Switching Expense	74911	45220		45816	25136	191083
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	59742	34750		136294	22923	253709
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	220403	123441	12057	41835	87611	485347
26	^	Poles Expense	62	41	12057		15	12175
27	^	Aerial Cable Expense	49033	28190		6952	19995	104170
28	^	Underground Cable Expense						
29	^	Buried Cable Expense	596	334		321	160	1411
30	^	Submarine Cable Expense	170712	94876		34562	67441	367591
31	^	Deep Sea Cable Expense						
32	^	Intrabuilding Network Cable Expense						
33	^	Aerial Wire Expense						
34		<b>Subtotals</b>	447,903	265,827	203,049	475,445	(110,618)	1281606

^ 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						
36	6510	Other Property Expenses	260319	172982	16992	137517	-77504	510306
37	*	Network Operations Expense				76679		76679
38	^	Power Expense				37435	28797	266184
39	^	Network Administration Expense	116745	70847	12360			
40	^	Testing Expense	11938	7852		8622	6124	34536
41	^	Plant Operations Expense	86740	66010	4632	11689	-112425	56646
42	^	Engineering Expense	44896	28273		3092		76261
43		Access Expense				59923		59923
44	6561	Depreciation - Telecomm. Plant in Service				2558190		2558190
45	6562	Depreciation-Prop. for Future Telecom. Use						
46	6563	Amortization Expense - Tangible						
47	6564	Amortization Expense - Intangible						
48	6565	Amortization - Other						
49	*	Marketing	4340	3150		21120		28610
50	^	Product Management						
51	^	Sales	281	174		12041		12496
52	^	Product Advertising	4059	2976		9079		16114
53		Call Completion Services	7960	6023		1708		15691
54		Number Services	3922	3003		125040		131965
55		Customer Services	203880	136098	18228	543242		901448
56		Executive	48348	33959		26733		109040
57		Planning	294	213				507
58		Accounting and Finance	88249	56744	12144	110100		267237
59		External Relations	10514	7840		44529		62883
60		Human Relations	4982	3615		16097		24694
61		Information Management	16403	10586		15529		42518
62		Legal				3283		3283
63		Procurement						
64		Research and Development						
65		Other General and Administrative						
66		Provision for Uncollectible Notes Receivable	30284	29615	2525	141132	-17	203539
67		<b>Totals</b>	<b>1,127,398</b>	<b>729,655</b>	<b>252,938</b>	<b>4,819,588</b>	<b>(188,139)</b>	<b>6741440</b>

^ Subaccount of the account marked with a \*.

check

check  
351467

check  
191083

check  
253709

check

check  
485347

check  
1,281,606

check  
510306

check

check  
28610

6,741,440

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>	#VALUE!					#VALUE!

^ 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>	#VALUE!					#VALUE!

^ Subaccount of the account marked with a \*.

check

check

check

check

check

check

check

check

check

check

#VALUE!

**Pension Costs**

Year: 2004

1	Plan Name NTCA Savings Plan			
2	Defined Benefit Plan? _____	Defined Contribution Plan? _____		
3	Actuarial Cost Method? _____	IRS Code: _____		
4	Annual Contribution by Employer: <u>\$213,513</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			

**Pension Costs**

Year: 2004

1	Plan Name NTCA Savings Plan			
2	Defined Benefit Plan? _____	Defined Contribution Plan? _____		
3	Actuarial Cost Method? _____	IRS Code: _____		
4	Annual Contribution by Employer: <u>\$31,963</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			

Year: 2004

**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 Costs</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: 2004

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	279429	279429	279429
2	GVNW, Inc.	Cost Consulting	89732	89732	89732
3	Heberly & Associates	Engineering Services	669619	669619	669619
4	Hill County Electric Cooperative	Office & Equipment Rental	3557390	3557390	3557390
5	Montana Ditch & Cable	Construction Services	36638	36638	36638
6	National Information Systems Coop.	Data Processing Services	395252	395252	395252
7	North Winds Publishing	Directory Ser vices	94101	94101	94101
8	Triangle Communication System	Internet & Long Distance Services	636643	636643	636643
9	Triangle Telephone Cooperative	Office , Equip. & Switching Rental	2787538	2787538	2787538
10	Workplace, Inc.	Temporary Employment	83959	83959	83959
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>				



**Subscriber Line Usage Data**

Year: 2004

Line No.	Description (a)	This Year (b)	% of Total (c)	Last Year (d)	% of Total (e)
1	Toll Usage:				
2	Interstate, InterLATA	26609749	47.87%	26597120	55.32%
3	Interstate, IntraLATA	2188	0.00%	1929	0.00%
4	<b>Total Interstate Usage</b>	26611937	47.87%	26599049	55.32%
5	Intrastate, InterLATA	7202733	12.96%	7607303	15.82%
6	Intrastate, IntraLATA	21778210	39.17%	13874348	28.86%
7	<b>Total Intrastate Usage</b>	28980943	52.13%	21481651	44.68%
8	<b>Total Toll Usage</b>	55592880	100.00%	48080700	100.00%
9	Centrex				
10	Local				
11	<b>Total Minutes</b>	55592880	100.00%	48080700	100.00%

Year: 2004

**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	353 - Harlem	Host	687		58	129			370	1			100.0%	1058
2	374 - Moore	Remote	242		42	1			48				100.0%	290
3	383 - Dodson	Remote	89		7	8			14				100.0%	103
4	423 - Hobson	Remote	343		32	3			62				100.0%	405
5	473 - Judith Gap	Remote	132		16	4			20				100.0%	152
6	547 - White Sulphur Spr	Host	729		69	12			259				100.0%	988
7	566 - Stanford	Remote	339		26	8			117	1			100.0%	457
8	567 - Denton	Remote	246		21	1			77				100.0%	323
9	572 - Martinsdale	Remote	151		11	1			22				100.0%	173
10	622 - Fort Benton	Host	798		103	21			356	3			100.0%	1157
11	632 - Harlowton	Remote	678		83	18			280	2			100.0%	960
12	654 - Malta	Host	1161		133	57			500	1			100.0%	1662
13	737 - Geraldine	Remote	241		46	5			45				100.0%	286
14														
15														
16														
17														
18														
19														
20														
21														
22														
23														
24														
25														
26														
27														
28														
29														
30														
31														
32														
33	<b>Total</b>		5836		647	268			2170	8			13	8014

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

Central Office and Switch Information

Year: 2004

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 Telco	DMS - 10	7,500	1995
2	374 - Moore	Remote	Digital	Northern Telco	RSLE	1,025	1995
3	383 - Dodson	Remote	Digital	Northern Telco	RSLE	192	1994
4	423 - Hobson	Remote	Digital	Northern Telco	RSLE	1,024	1995
5	473 - Judith Gap	Remote	Digital	Northern Telco	RSLE	192	1995
6	547 - White Sulphur Spr	Host	Digital	Northern Telco	DMS - 10	7,500	1996
7	566 - Stanford	Remote	Digital	Northern Telco	RSLE	1,024	1995
8	567 - Denton	Remote	Digital	Northern Telco	RSLE	1,024	1995
9	572 - Martinsdale	Remote	Digital	Northern Telco	RSLE	192	1996
10	622 - Fort Benton	Host	Digital	Northern Telco	DMS - 10	7,500	1995
11	632 - Harlowton	Remote	Digital	Northern Telco	RSC	1,600	1999
12	654 - Malta	Host	Digital	Northern Telco	DMS - 10	7,500	1994
13	737 - Geraldine	Remote	Digital	Northern Telco	RSLE	1,024	1995
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							

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

**Construction Budget - Montana**

Year: 2005

Line No.	Description (a)	2005 (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	1293000
29	<b>Total Central Office Budget (Total of Line 27 &amp; Line 28)</b>	1293000
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	2561600
43	<b>Total Construction Budget (Total of Lines 29, 41 &amp; 42)</b>	3854600

**Montana Employee Counts**

Year: 2004

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	24	24
5	Outside Plant	15	15
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41			
42			
43	<b>Totals (Sum of Lines 1 through 42)</b>	39	39

**Compensation of Top 10 Montana Based Employees**

Year: 2004

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							
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	Not Applicable						
2							
3							
4							
5							
6	Totals (Sum L.1 to L.5)						

## Montana Composite Statistics

Year: 2004

Line No.	Account No.	Description (a)	Amount (b)
1		<b>Plant (Intrastate Only) (000 Omitted)</b>	
2	2001	Plant in Service	48330
3	2003 - 2004	Construction Work in Progress	4911
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	-33510
9	4360.2	Contributions in Aid of Construction	
10		<b>NET BOOK COSTS</b>	32675
11		<b>Revenues &amp; Expenses (Intrastate Only) (000 Omitted)</b>	
12	5000 - 5300	Operating Revenues	11752
13	6560	Depreciation & Amortization Expenses	2558
14		Federal & State Income Taxes	1197
15		Other Taxes	706
16		Other Operating Expenses	3607
17		TOTAL Operating Expenses	8068
18		Net Operating Income	3684
19		Other Income	411
20		Other Deductions	2368
21		<b>NET INCOME</b>	1727
22		<b>Access Lines in Service (Intrastate Only)</b>	
23		Residential Access Lines	5836
24		Business Access Lines	1921
25		PBX Access Lines	257
26		Other Access Lines	
27		<b>Total Number of Access Lines</b>	8014
28		<b>Average Number of Calls Per Access Line</b>	
29		Local Calls	326
30		Toll Calls (Intra- or Interstate)	190
31		<b>Total Number of Calls Per Access Line (Total of Line 29 &amp; Line 30)</b>	516
32		<b>Other Statistics (Intrastate Only)</b>	
33		Average Residential Monthly Bill	37
34		Gross Plant Investment per Access Line	8259



**Depreciation - Montana Intrastate Regulated**

Year: 2004

Line No.	Acct No. (a)	Description (b)	Composite Rate % (c)	Total Expense \$ (d)
1	2112	Motor Vehicles	9.7%	116,019
2	2114	Special Purpose Vehicles	7.0%	20,208
3	2115	Garage Work Equipment	8.4%	
4	2116	Other work Equipment	2.8%	2,172
5	2121	Buildings	3.8%	65,719
6	2122	Furniture	5.5%	
7	2123.1	Office Support Equipment	13.4%	
8	2123.2	Company Communications Equipment	5.3%	
9	2124	General Purpose Computers	6.5%	
10	2211	Analog Electronic Switching Equipment	9.3%	63,584
11	2212	Digital Electronic Switching Equipment	7.0%	229,137
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	10.7%	876,691
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%	13,982
22	2421	Aerial Cable Metallic	5.4%	80,149
23	2421	Aerial Cable Nonmetallic	4.2%	3,408
24	2422	Underground Cable Metallic	4.4%	336
25	2422	Underground Cable Nonmetallic	4.8%	33,048
26	2423	Buried Cable Metallic	3.9%	804,121
27	2423	Buried Cable Nonmetallic	4.2%	249,544
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%	
33	2441	Conduit Systems	2.1%	72
34				
35		<b>COMPOSITE TOTAL</b>	7.5%	
36	Have these rates been approved by the Commission? _____ YES ___X___ NO			
37				
38				
39	If yes: _____ Docket Number _____ Order Number			
40				

**Montana Regulatory Capital Structure & Costs**

Year: 2004

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>			
9				
<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: 2004

Line No.	Description (a)	Access Charges Paid (b)	Access Revenues Received (c)
1	Montana - Total State		8406454
2			
3	Montana - Intrastate		2148600
4			
5	Montana - Intrastate Regulated		1650004
6			
7			
8			
9			
10			
11			
12			
13			

Affiliate Transactions - Products & Services Provided to Utility Year: 2004

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	103,992		
2	Triangle Telephone Cooperative, Inc.	Equipment Rent	Average hourly operating exp.	7,997		
3	Triangle Telephone Cooperative, Inc.	Retirement Plan Reimbursements	Labor hours charged	9,873		
4	Triangle Telephone Cooperative, Inc.	Expense Reimbursements	Actual amounts charged	1,281,554		
5	Triangle Telephone Cooperative, Inc.	Long Distance Service	Actual amounts billed	694,016		
6	Triangle Telephone Cooperative, Inc.	Construction Material	Actual Cost	25,856		
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>			\$2,123,288		

Affiliate Transactions - Products & Services Provided by Utility Year: 2004

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	9,418		
2	Triangle Telephone Cooperative, Inc.	Billing and Collection	Actual Cost	130,821		
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>			\$140,239		

**Montana Intrastate Regulated Earned Rate of Return**

Year: 2004

Line No.	Description Rate Base (a)	This Year (b)	Last Year (c)	Percent Change (d)
1				
2	2001 Plant in Service	48,330,184	44,630,848	8.29%
3	2002 Prop. Held for Future Telecommunications Use			
4	3100-3200 (Less) Accumulated Depreciation	(24,331,307)	(23,117,710)	-5.25%
5	<b>Plant in Service</b>	<b>23,998,877</b>	<b>21,513,138</b>	<b>11.55%</b>
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>	<b>23,998,877</b>	<b>21,513,138</b>	<b>11.55%</b>
21				
22	<b>Net Earnings</b>			
23				
24	<b>Rate of Return on Average Rate Base</b>	<b>7.590%</b>	<b>7.248%</b>	<b>4.72%</b>
25				
26	<b>Rate of Return on Average Equity</b>	<b>10.405%</b>	<b>10.522%</b>	<b>-1.11%</b>
27				
28	Major Normalizing Adjustments & Commission			
29	<u>Ratemaking adjustments to Utility Operations</u>			
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43	<b>Adjusted Rate of Return on Average Rate Base</b>	<b>7.590%</b>	<b>7.248%</b>	<b>4.72%</b>
44				
45	<b>Adjusted Rate of Return on Average Equity</b>	<b>10.405%</b>	<b>10.522%</b>	<b>-1.11%</b>

**Other Taxes Paid**

Year: 2004

Line No.	Description (a)	Last Year (b)	This Year (c)
1	Montana Telephone Company License Tax		
2	Montana Public Service Commission Tax	11128	14045
3	Montana Consumer Counsel Tax	4403	5463
4	911 Emergency Telephone Fee		
5	Montana Telecommunications Access Service (TDD)		
6	Montana Corporate License Tax	156854	189434
7	Personal Property Tax		
8	Real Property Tax	626138	686729
9			
10			
11			
12	<b>Total</b>	798523	895671

Company Name: Central Montana Communications, Inc.

**Universal Service Funds Received**

Year: 2004

Line No.	Description (a)	Last Year (b)	This Year (c)
13	Funds received from Montana Sources		
14	Funds received from Federal Sources	1818653	1969652
15			
16			
17			
18			
19			
20			
21			
22			
23			
24	<b>Total</b>	1818653	1969652