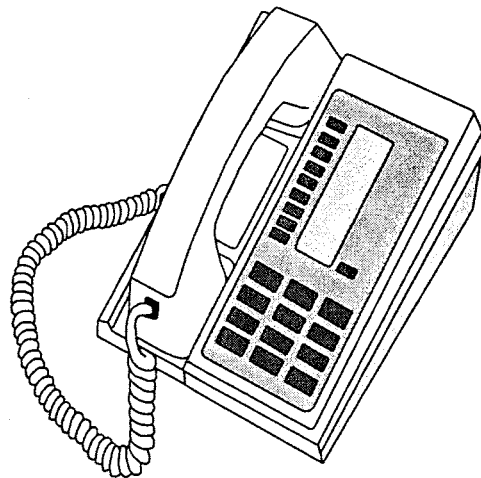


YEAR ENDING 2004

RECEIVED BY
MONTANA PUBLIC SERVICE COMMISSION
MAY 23 11 46 AM '05

ANNUAL REPORT
OF
**Century Telephone Enterprises,
Inc.**

TELEPHONE UTILITY



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

General Information

Year: 2004

1.	Legal Name of Respondent:	CenturyTel of Montana, Inc.
2.	Name Under Which Respondent Does Business:	CenturyTel of Montana, Inc.
3.	Date of Incorporation:	October 23, 1946
4.	Address to send Correspondence Concerning Report:	P. O. Box 4065 Monroe, La. 71211-4065
5.	Person Responsible for This Report:	Ted M. Hankins Director of Government Relations
5a.	Telephone Number:	(318)388-9416
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: PacificCorp Holdings, Inc. owned 100% of the voting securities of Pacific Telecom, Inc. until December 1, 1997, when these securities were sold to CenturyTel, Inc., P. O. Box 4065, Monore, La. 71211-4065.	
1b.	Means by which control was held:	Ownership of voting securities.
1c.	Percent Ownership:	99%

Board of Directors		
Line No.	Name of Director and Address (City, State) (a)	Fees Paid During Year (b)
1	Glen F. Post, III Chairman & CEO	None
2	Stacey W. Goff Senior V.P., General Counsel, & Assistant Secretary	None
3	R. Stewart Ewing, Jr. Executive V.P. & CFO	None
4		
5	Address for Directors:	
6	CenturyTel, Inc.	
7	P. O. Box 4065	
8	Monroe, La. 71211-4065	
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
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	Chairman & C.E.O.	Company Wide	Glen F. Post, III
2	President & C.O.O.	"	Karen A. Puckett
3	Executive V. P. & C.F.O.	"	R. Stewart Ewing, Jr.
4	Senior Vice President	"	David D. Cole
5	Senior Vice President	"	Michael E. Maslowski
6	Senior V.P., General Council,	"	Stacey W. Goff
7	& Assistant Secretary		
8	Vice President & Controller	"	Neil A. Sweasy
9	Vice President, Treasurer, and	"	G. Clay Bailey
10	Assistant Secretary		
11	Vice President	"	Tim Walden
12	Vice President	"	Ivan Hughes
13	Vice President	"	Jeff Glover
14	Secretary	"	Kay Buchar
15	Region Vice President	Mid-West Region	Duane Ring
16	General Manager	CenturyTel of Montana, Inc.	Jeremy Ferkin
17			
18			
19			All officers are based in Monroe, La.,
20			except Duane Ring who is based in
21			LaCrosse, Wisconsin and Jeremy Ferkin
22			who is based in Kalispell, Montana.
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		CURRENT ASSETS:		
2	1120	Cash and Equivalents		
3	1180	Telecommunications Accounts Receivable - Net	14,946,253	20,602,375
4	1190	Other Accounts Receivable - Net	3,292,750	3,939,987
5	1200	Notes Receivable - Net	3,018,714	669,306
6	1210	Interest and Dividends Receivable		
7	1220	Materials and Supplies		
8	* 1280	Prepayments	41,497	16,299
9	^ 1290	Prepaid Rents		19,047
10	^ 1300	Prepaid Taxes		
11	^ 1310	Prepaid Insurance		
12	^ 1320	Prepaid Directory Expenses		
13	^ 1330	Other Prepayments	41,497	19,047
14	1350	Other Current Assets		
15		Total Current Assets	21,299,214	25,247,014
16		NONCURRENT ASSETS:		
17	1401	Investments in Affiliated Companies		
18	1402	Investments in Nonaffiliated Companies		
19	1406	Nonregulated Investments	260,656	424,536
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	4,651	306
25	1500	Other Jurisdictional Assets - Net		
26		Total Noncurrent Assets	265,307	424,842
27		PROPERTY, PLANT, & EQUIPMENT:		
28	2001	Telecommunications Plant in Service	148,397,221	139,123,103
29	2002	Property Held for Future Telecommunications Use		
30	2003	Plant Under Construction - Short Term	1,536,445	363,787
31	2004	Plant Under Construction - Long Term		
32	2005	Telecommunications Plant Adjustment		
33	2006	Nonoperating Plant	2,582	2,582
34	2007	Goodwill		
35	3100	Accumulated Depreciation	(90,300,559)	(83,674,971)
36	3200	Accumulated Depreciation - Held for Future Use		
37	3300	Accumulated Depreciation - Nonoperating		
38	3400	Accumulated Amortization		
39		Net Property, Plant, & Equipment	59,635,689	55,814,501
40		TOTAL ASSETS	81,200,210	81,486,357

^ 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		CURRENT LIABILITIES:		
42	4010	Accounts Payable	3,983,850	941,957
43	4020	Notes Payable		
44	4030	Advance Billing and Payments	659,437	663,637
45	4040	Customer Deposits	8,886	2,117
46	4050	Current Maturities - Long Term Debt		
47	4060	Current Maturities - Capital Leases		
48	4070	Income Taxes - Accrued		
49	4080	Other Taxes - Accrued	2,203,412	2,489,702
50	4100	Net Current Deferred Operating Income Taxes		
51	4110	Net Current Deferred Nonoperating Income Taxes		
52	4120	Other Accrued Liabilities	645,502	560,912
53	4130	Other Current Liabilities		
54		Total Current Liabilities	7,501,087	4,658,325
55		LONG-TERM DEBT:		
56	4210	Funded Debt		
57	4220	Premium on Long-Term Debt		
58	4230	Discount on Long-Term Debt		
59	4240	Reacquired Debt		
60	4250	Obligations Under Capital leases		
61	4260	Advances From Affiliated Companies		
62	4270	Other Long-Term Debt		
63		Total Long-Term Debt		
64		OTHER LIABILITIES AND DEFERRED CREDITS:		
65	4310	Other Long-Term Liabilities		
66	4320	Unamort. Oper. Invest. Tax Credits - Net		
67	4330	Unamort. Nonoper. Invest. Tax Credits - Net		
68	4340	Net Noncurrent Deferred Oper. Income Taxes	8,621,372	7,846,952
69	4350	Net Noncurrent Deferred Nonoper. Income Taxes		
70	4360	Other Deferred Credits	5,829,574	2,296,022
71	4370	Other Jurisdictional Liab. and Def. Credits		
72		Total Other Liabilities and Deferred Credits	14,450,946	10,142,974
73		STOCKHOLDERS' EQUITY:		
74	4510	Capital Stock	6,680,000	6,680,000
75	4520	Additional Paid-In Capital	141,016	141,016
76	4530	Treasury Stock	(130,500)	(130,500)
77	4540	Other Capital		
78	4550	Retained Earnings	52,557,661	59,994,542
79		Total Stockholders' Equity	59,248,177	66,685,058
80		TOTAL LIAB. AND STOCKHOLDERS' EQUITY	81,200,210	81,486,357

Total Company Income Statement

Year: 2004

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		REVENUES:		
2	5000	Basic Local Service Revenues	20,396,809	20,602,611
3	5080	Network Access Revenues (1)	17,441,486	23,969,689
4	* 5100	Long Distance Message Revenue	189,434	708,447
5	^ 5110	Unidirectional Long Distance Revenue		
6	^ 5120	Long Distance Private Network Revenue	302,598	927,769
7	^ 5160	Other Long Distance Revenue	(113,164)	(219,322)
8	^ 5169	Other Long Distance Revenue Settlements		
9	* 5200	Miscellaneous Revenue (2)	4,298,559	3,962,938
10	^ 5230	Directory Revenue	3,451,534	3,150,181
11	^ 5240	Rent Revenue	75,846	81,409
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	61,529	72,791
14	^ 5270	Carrier Billing and Collection Revenue	709,650	658,557
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	127,621	660,062
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)	42,198,667	48,583,623
18		OPERATING EXPENSES:		
19	6110	Network Support Expense	59,040	64,325
20	6120	General Support Expense	1,116,933	1,057,600
21	6210	Central Office Switching Expense	798,660	1,052,489
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	655,080	612,579
24	6310	Information Origination/Termination Expense	1,096	776
25	* 6410	Cable and Wire Facilities Expense	4,484,539	3,996,767
26	^ 6431	Aerial Wire Expense		
27	^ 6441	Conduit Systems Expense		
28	6510	Other Property, Plant & Equipment Expense	37,084	12,934
29	6530	Network Operations Expense	1,949,273	1,591,358
30	6540	Access Expense	852,535	683,723
31	6560	Depreciation and Amortization Expense	7,778,347	9,774,608
32	6610	Marketing	1,341,071	1,100,222
33	6620	Services	4,077,494	3,994,122
34	6710	Executive and Planning	634,591	454,766
35	6720	General and Administrative	3,479,774	3,780,479
36	6790	Provision for Uncollectible Notes Receivable		
37		Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)	27,265,517	28,176,748
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	7,011,901	9,271,129
40		Net Operating Income (L.17-L.37+L.38-L.39)	7,921,249	11,135,746
41	7300	Nonoperating Income and Expense	326,212	313,007
42	7400	Nonoperating Taxes		
43	7500	Interest and Related Items	(6,637)	(23)
44	7600	Extraordinary Items		
45	7910	Effects of Juris. Ratemaking Diff. - Net		
46	7990	Nonregulated Net Income	526,758	882,693
47		NET INCOME (L.40+L.41-L.42-L.43-L.44+L.45-L.46)	8,767,582	12,331,423

^ Subaccount of the account marked with a *.

(1) Includes Interstate Prior Period Adjustments of \$262,497 in 2004 and \$7,690,852 in 2003.

Includes Intrastate Prior Period Adjustments of \$54,382 in 2004 and \$(30,196) in 2003.

(2) Includes Miscellaneous Prior Period Adjustments of \$11,417 in 2004 and \$19,659 in 2003.

Montana Total State Income Statement

Year: 2004

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		REVENUES:		
2	5000	Basic Local Service Revenues		
3	5080	Network Access Revenues		
4	* 5100	Long Distance Message Revenue		
5	^ 5110	Unidirectional Long Distance Revenue		
6	^ 5120	Long Distance Private Network Revenue		
7	^ 5160	Other Long Distance Revenue		
8	^ 5169	Other Long Distance Revenue Settlements		
9	* 5200	Miscellaneous Revenue		
10	^ 5230	Directory Revenue		
11	^ 5240	Rent Revenue		
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue		
14	^ 5270	Carrier Billing and Collection Revenue		
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue		
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)		
18		OPERATING EXPENSES:		
19	6110	Network Support Expense		
20	6120	General Support Expense		
21	6210	Central Office Switching Expense		
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense		
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense		
26	^ 6431	Aerial Wire Expense		
27	^ 6441	Conduit Systems Expense		
28	6510	Other Property, Plant & Equipment Expense		
29	6530	Network Operations Expense		
30	6540	Access Expense		
31	6560	Depreciation and Amortization Expense		
32	6610	Marketing		
33	6620	Services		
34	6710	Executive and Planning		
35	6720	General and Administrative		
36	6790	Provision for Uncollectible Notes Receivable		
37		Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)		
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes		
40		Net Operating Income (L.17-L.37+L.38-L.39)		

^ Subaccount of the account marked with a *.

Montana Intrastate Income Statement

Year: 2004

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		REVENUES:		
2	5000	Basic Local Service Revenues	20,396,809	20,602,611
3	5080	Network Access Revenues	5,331,773	4,825,168
4	* 5100	Long Distance Message Revenue	189,434	708,447
5	^ 5110	Unidirectional Long Distance Revenue		
6	^ 5120	Long Distance Private Network Revenue	302,598	927,769
7	^ 5160	Other Long Distance Revenue	(113,164)	(219,322)
8	^ 5169	Other Long Distance Revenue Settlements		
9	* 5200	Miscellaneous Revenue	3,786,499	3,592,865
10	^ 5230	Directory Revenue	3,451,534	3,150,181
11	^ 5240	Rent Revenue	75,846	81,409
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	61,529	72,791
14	^ 5270	Carrier Billing and Collection Revenue	197,590	288,484
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	127,621	660,062
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)	29,576,894	29,069,029
18		OPERATING EXPENSES: (1)		
19	6110	Network Support Expense	41,727	45,815
20	6120	General Support Expense	789,401	753,277
21	6210	Central Office Switching Expense	523,701	714,750
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	437,374	416,531
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense	3,310,222	2,957,788
26	^ 6431	Aerial Wire Expense		
27	^ 6441	Conduit Systems Expense		
28	6510	Other Property, Plant & Equipment Expense	26,209	9,212
29	6530	Network Operations Expense	1,377,665	1,133,446
30	6540	Access Expense	108,861	79,881
31	6560	Depreciation and Amortization Expense	5,438,986	7,072,489
32	6610	Marketing	1,022,564	838,919
33	6620	Services	3,579,249	3,450,887
34	6710	Executive and Planning	490,336	349,421
35	6720	General and Administrative	2,657,207	2,674,571
36	6790	Provision for Uncollectible Notes Receivable		
37		Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)	19,803,502	20,496,987
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	4,892,555	6,555,964
40		Net Operating Income (L.17-L.37+L.38-L.39)	4,880,837	2,016,078

^ Subaccount of the account marked with a *.

(1) Intrastate expenses include a portion of LNP expense. In any future ratemaking process, the LNP expenses will be removed to determine expenses solely on an intrastate basis. LNP investment and expenses will be recovered through a charge to the enduser when approved by the FCC.

Montana Intrastate Regulated Income Statement

Year: 2004

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		REVENUES:		
2	5000	Basic Local Service Revenues	19,413,501	19,458,083
3	5080	Network Access Revenues	4,455,898	3,809,622
4	* 5100	Long Distance Message Revenue	189,178	708,447
5	^ 5110	Unidirectional Long Distance Revenue		
6	^ 5120	Long Distance Private Network Revenue	302,342	927,769
7	^ 5160	Other Long Distance Revenue	(113,164)	(219,322)
8	^ 5169	Other Long Distance Revenue Settlements		
9	* 5200	Miscellaneous Revenue	134,457	144,682
10	^ 5230	Directory Revenue	85,562	91,550
11	^ 5240	Rent Revenue		
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	48,895	53,132
14	^ 5270	Carrier Billing and Collection Revenue		
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	90,459	406,822
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)	24,102,575	23,714,012
18		OPERATING EXPENSES:		
19	6110	Network Support Expense	40,728	44,136
20	6120	General Support Expense	770,498	725,655
21	6210	Central Office Switching Expense	512,575	688,673
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	428,081	401,335
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense	3,224,652	2,848,908
26	^ 6431	Aerial Wire Expense		
27	^ 6441	Conduit Systems Expense		
28	6510	Other Property, Plant & Equipment Expense	25,581	8,875
29	6530	Network Operations Expense	1,344,673	1,091,884
30	6540	Access Expense	108,861	79,881
31	6560	Depreciation and Amortization Expense	5,321,476	6,821,521
32	6610	Marketing	986,337	809,197
33	6620	Services	3,336,436	3,175,190
34	6710	Executive and Planning	475,917	337,395
35	6720	General and Administrative	2,500,940	2,517,534
36	6790	Provision for Uncollectible Notes Receivable		
37		Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)	19,076,755	19,550,184
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	4,760,146	6,293,265
40		Net Operating Income (L.17-L.37+L.38-L.39)	265,674	(2,129,437)

^ 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	143,760,162	140,558,928
2	3100	Accumulated Depreciation	(86,991,607)	(83,449,391)
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies	7,956	22,999
6	4340	Noncurrent Deferred Operating Income Taxes	(8,460,041)	(8,182,878)
7		Pre-1971 Unamortized Investment Tax Credits		
8		Cash Working Capital (if allowed by Commission)	799,736	746,972
9		Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)	49,116,206	49,696,630

Average Rate Base - Intrastate

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	101,603,645	100,113,237
2	3100	Accumulated Depreciation	(61,479,256)	(59,333,880)
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies	5,873	17,020
6	4340	Noncurrent Deferred Operating Income Taxes	(5,979,197)	(5,828,271)
7		Pre-1971 Unamortized Investment Tax Credits		
8		Cash Working Capital (if allowed by Commission)	590,323	551,692
9		Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)	34,741,388	35,519,798

Average Rate Base - Regulated Intrastate

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	99,224,590	96,400,801
2	3100	Accumulated Depreciation	(60,148,111)	(57,168,413)
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies	5,543	16,534
6	4340	Noncurrent Deferred Operating Income Taxes	(5,847,930)	(5,607,095)
7		Pre-1971 Unamortized Investment Tax Credits		
8		Cash Working Capital (if allowed by Commission)	565,285	523,096
9		Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)	33,799,377	34,164,923

Notes to Schedule 8

(A) Revenues and expenses were allocated using FCC Part 36 separation rules. Allocation factors are based on 2000 traffic measurements per Separations Freeze Order (i.e. allocations for 2004 are based on the 2000 traffic measurement) which are the most current factors available.

(B) Authorized by Montana Public Commission, Docket 6522, Order Number 4409.

Note: Rate Base Components are calculated using an average of beginning and end of year balances.

Statement of Cash Flows

Year: 2004

Line No.	Item Description (a)	Amount (b)	Amount (c)
1	Increase/(decrease) in Cash & Cash Equivalents		
2	Cash Flows from Operating Activities:		
3	Net Income		8,767,582
4	Reconciliation Adjustments:		
5	Depreciation & Amortization	7,778,347	
6	Provision for Accounts Receivable Losses		
7	Deferred Income Taxes - Net	801,816	
8	Unamortized Investment Tax Credits (ITCs) - Net		
9	Allowance for Funds Used During Construction (AFUDC)		
10	Change in Operating Receivables - Net	(1,702,171)	
11	Change in Materials, Supplies & Inventories - Net	16,299	
12	Change in Operating Payables & Accrued Liabilities - Net	3,041,893	
13	Change in Other Assets & Deferred Credits - Net	(22,450)	
14	Change in Other Liabilities & Deferred Credits - Net	(199,131)	
15	Other (explained on back of this page)	3,506,156	
16	Total Adjustments		13,220,759
17	Net Cash Provided by/(Used in) Operating Activities		21,988,341
18	Cash Inflows/Outflows From Investing Activities:		
19	Construction/Acquisition of Property, Plant & Equipment (net of	(11,599,535)	
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)	159,535	
25	Net Cash Provided by/(Used in) Investing Activities		(11,440,000)
26	Cash Flows from Financing Activities:		
27	Net Incr./(Decr.) in Short-Term Debt, Original maturity <= 3 mo.		
28	Advances from Affiliates		
29	Repayment of Advances from Affiliates		
30	Proceeds from Issuances of Long-Term Debt		
31	Repayment of Long-Term Debt		
32	Payment of Capital Lease Obligations		
33	Proceeds from Issuing Common Stock/Parent Co. Equity Investment		
34	Repurchase of Treasury Shares		
35	Dividends Paid	(16,204,463)	
36	Other Financing Activities (explained on back of this page)		
37	Net Cash Provided by Financing Activities		(16,204,463)
38	Effect of Exchange Rate Changes on Cash		
39	Net Increase/(Decrease) in Cash & Cash Equivalents		(5,656,122)
40	Cash & Cash Equivalents at Beginning of Period		20,602,375
41	Cash & Cash Equivalents at End of Period		14,946,253

Receivables and Investments-Affiliated & Nonaffiliated Companies

Year: 2004

Line No.	Name of Affiliate or Company (a)	Account 1160 Temporary Investments (b)	Account 1180 Telecom. Accts. Receivable (c)	Account 1181 Accts. Rec. Telecom. Allowance (d)	Account 1190 Other Accounts Receivable (e)	Account 1191 Accounts Receivable Allow. - Other (f)	Account 1200 Notes Receivable (g)	Account 1201 Notes Receivable Allowance (h)	Account 1210 Interest and Dividends Receivable (i)	Account 1401 Investments in Affil. Companies (j)	Account 1402 Investments in Nonaffil. Companies (k)
1	AT&T				164,699						
2	NECA				172,978						
3	All Other Connecting Companies				1,645,897						
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	Aggregate of all balances		3,610,197	(317,477)	1,035,140						
30	Totals		3,610,197	(317,477)	3,018,714						

Net Plant in Service - Detail

Year: 2004

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	*	Land and Support Assets	8,156,764	352,292	250,170	53,806	8,312,692		8,312,692
2	^	Land	493,098			(25,353)	467,745		467,745
3	^	Motor Vehicles	1,574,929	112,946	217,135	21,690	1,492,430	1,041,791	450,639
4	^	Aircraft							
5	^	Special Purpose Vehicles							
6	^	Garage Work Equipment							
7	^	Other Work Equipment	790,617	34,694	2,214	1	823,098	758,296	64,802
8	^	Buildings	3,467,063	129,201		25,354	3,621,618	2,107,067	1,514,551
9	^	Furniture	216,569			1	216,570	188,953	27,617
10	^	Office Equipment	284,939				284,939	265,810	19,129
11	^	General Purpose Computers	1,329,549	75,451	30,821	32,113	1,406,292	771,646	634,646
12	^	Analog Electronic Switching							
13	^	Digital Electronic Switching	26,394,417	628,472	34,920	40,064	27,028,033	25,388,943	1,639,090
14	^	Electro-Mechanical Switching	173,685		173,685				
15	^	Operator Systems							
16	^	Radio Systems	35,926				35,926	(4,552)	40,478
17	^	Circuit Equipment	28,397,723	4,933,953	129,217	(57,576)	33,144,883	20,045,635	13,099,248
18	*	Information Orig. & Term Equip							
19	^	Station Apparatus							
20	^	Customer Premises Wiring							
21	^	Large Private Branch Exchanges							
22	^	Public Telephone Term. Equip.							
23	^	Other Terminal Equipment							
24	^	Poles	1,412,648	33,051	14,724	(26,201)	1,404,774	1,376,400	28,374
25	*	Cable and Wire Facilities	72,987,919	4,028,665	521,959	43,714	76,538,339		76,538,339
26	^	Aerial Cable	10,536,921	188,482	128,247	37,928	10,635,084	10,417,337	217,747
27	^	Underground Cable	1,463,295	144,603	3,543	(31,798)	1,572,557	662,567	909,990
28	^	Buried Cable	60,948,670	3,695,580	390,169	37,584	64,291,665	26,389,792	37,901,873
29	^	Submarine Cable	5,831				5,831	3,077	2,754
30	^	Deep Sea Cable							
31	^	Intrabuilding Network Cable	33,202				33,202	33,202	
32	^	Aerial Wire	404,456				404,456	404,456	
33	^	Conduit Systems	1,154,083	368,556		(2)	1,522,637	444,658	1,077,979
34		Totals	139,117,621	10,344,989	1,124,675	53,805	148,391,740	90,295,078	58,096,662
	2682	Leasehold Improvements	5,482			(1)	5,481	5,481	
		Totals w/ Leasehold Improvements	139,123,103	10,344,989	1,124,675	53,804	148,397,221	90,300,559	58,096,662

^ Subaccount of the account marked with a *

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	N/A						
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)						

Average Cost of Long Term Debt

Year: 2004

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

Cost of Preferred Stock

Year: 2004

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	Preferred stock 5% cumulative	12/50	Private	None	\$100	(A)	(A)	(A)	(A)	50,000	1,125	0
2	authorized and outstanding, 500											
3	shares of \$100 par value											
4	(includes 275 held in treasury)											
5												
6	Serial preferred, 10% cumulative	12/71	Private	None	100	(A)	(A)	(A)	(A)	180,000	6,000	0
7	authorized 100,000 shares of											
8	\$100 par value; 1,800 shares issued											
9	(includes 1,200 shares held in treasury)											
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)									230,000	7,125	

(A) No preferred stock transactions took place during 2004.

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) Low (h)	Price/Earnings Ratio (i) (A)
1	Year Ended December 31:	96,000		91.33		(A)	(A)	(A)
2								
3								
4								
5								
6								
7								
8	Month by Month Data:							
9	January		700.73					
10	February		700.28					
11	March		699.54	16.67				
12	April		701.95					
13	May		700.95					
14	June		702.42	21.48				
15	July		700.93					
16	August		703.82					
17	September		697.22	18.17				
18	October		701.83					
19	November		708.39					
20	December		539.81	35.01				
21								
22								
23								

(A) Not Applicable, Common Stock not publicly traded.

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	N/A							
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								
21								
22								
23								
24								
25								
26								
27								
28								
29								
30	Totals (Sum L.1 to L.29)							

Total Company Expense Matrix

Line No.	Acct. No. (a)	Description (b)	Salaries and Wages (c)	Benefits (d)	Rents (e)	Other Expenses (f)	Clearances (g)	Total (h)
1	*	Network Support Expense	16,389	6,481	235	35,935		59,040
2	^	Motor Vehicle Expense						
3	^	Aircraft Expense	16,389	6,481	235	35,935		59,040
4	^	Special Purpose Vehicles Expense						
5	^	Garage Work Equipment Expense						
6	^	Other Work Equipment Expense						
7	*	General Support Expense	205,792	82,907	156,762	671,472		1,116,933
8	^	Land and Building Expense	3,726	1,684	63,863	310,864		380,137
9	^	Furniture and Artworks Expense						
10	^	Office Equipment Expense						
11	^	General Purpose Computers Expense	202,066	81,223	92,899	360,608		736,796
12	*	Central Office Switching Expense	363,889	137,640	4,580	292,551		798,660
13	^	Analog Electronic Expense	470	224		67		761
14	^	Digital Electronic Expense	363,419	137,416	4,580	279,879		785,294
15	^	Electro-Mechanical Expense				12,605		12,605
16	^	Operator Systems Expense						
17	*	Central Office Transmission Expense	302,161	112,808	2,116	237,995		655,080
18	^	Radio Systems Expense				1,254		1,254
19	^	Circuit Equipment Expense	302,161	112,808	2,116	236,741		653,826
20	*	Information Origination/Termination Expense	715	265		116		1,096
21	^	Station Apparatus Expense						
22	^	Large Private Branch Exchange Expense						
23	^	Public Telephone Terminal Equipment Exp.						
24	^	Other Terminal Equipment Expense	715	265		116		1,096
25	*	Cable and Wire Facilities Expense	2,048,498	789,027	280,139	1,366,875		4,484,539
26	^	Poles Expense	1,079	423	216,917	27,001		245,420
27	^	Aerial Cable Expense	361,928	140,718	29	205,642		708,317
28	^	Underground Cable Expense	345	122		22		489
29	^	Buried Cable Expense	1,684,490	647,489	63,193	1,134,143		3,529,315
30	^	Submarine Cable Expense						
31	^	Deep Sea Cable Expense	383	166				580
32	^	Intrabuilding Network Cable Expense	37	16		31		58
33	^	Aerial Wire Expense				5		58
34	^	Maintenance	236	93		31		360
35		Subtotals	2,937,444	1,129,128	443,832	2,604,944		7,115,348

^ 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)
36		Other Property Expenses	27,319	9,711	8,557	(8,503)		37,084
37	*	Network Operations Expense	1,041,223	392,202	1,932	513,916		1,949,273
38	^	Power Expense				230,296		230,296
39	^	Network Administration Expense	89,961	28,376	64	33,161		151,562
40	^	Testing Expense	332,810	128,209	1,017	102,644		564,680
41	^	Plant Operations Expense	491,988	183,359	426	57,490		733,263
42	^	Engineering Expense	126,464	52,258	425	90,325		269,472
43		Access Expense				852,535		852,535
44		Depreciation - Telecomm. Plant in Service				7,778,347		7,778,347
45		Depreciation-Prop. for Future Telecom. Use						
46		Amortization Expense - Tangible						
47		Amortization Expense - Intangible						
48		Amortization - Other						
49	*	Marketing	515,875	198,718	1,344	625,134		1,341,071
50	^	Product Management	141,595	52,749	302	110,411		305,057
51	^	Sales	374,280	145,969	1,042	277,408		798,699
52	^	Product Advertising				237,315		237,315
53		Call Completion Services				14,064		14,064
54		Number Services				174,180		174,180
55		Customer Services	1,644,350	773,352	24,539	1,447,009		3,889,250
56		Executive	200,542	212,107	1,541	220,401		634,591
57		Planning						
58		Accounting and Finance	267,713	117,930	2,540	426,924		815,107
59		External Relations	91,959	32,399	1,763	97,352		223,473
60		Human Relations	125,161	54,541	6,353	95,655		281,710
61		Information Management	346,049	128,743	7,991	1,130,420		1,613,203
62		Legal	46,717	25,494	4,726	116,353		193,290
63		Procurement	7,914	4,064	11	3,625		15,614
64		Research and Development						
65		Other General and Administrative	2,025	21,947	19	313,386		337,377
66		Provision for Uncollectible Notes Receivable						
67		Totals	7,254,291	3,100,336	505,148	16,405,742		27,265,517

^ 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)
			NOT APPLICABLE					
1	*	Network Support Expense						
2	^	Motor Vehicle Expense						
3	^	Aircraft Expense						
4	^	Special Purpose Vehicles Expense						
5	^	Garage Work Equipment Expense						
6	^	Other Work Equipment Expense						
7	*	General Support Expense						
8	^	Land and Building Expense						
9	^	Furniture and Artworks Expense						
10	^	Office Equipment Expense						
11	^	General Purpose Computers Expense						
12	*	Central Office Switching Expense						
13	^	Analog Electronic Expense						
14	^	Digital Electronic Expense						
15	^	Electro-Mechanical Expense						
16		Operator Systems Expense						
17	*	Central Office Transmission Expense						
18	^	Radio Systems Expense						
19	^	Circuit Equipment Expense						
20	*	Information Origination/Termination Expense						
21	^	Station Apparatus Expense						
22	^	Large Private Branch Exchange Expense						
23	^	Public Telephone Terminal Equipment Exp.						
24	^	Other Terminal Equipment Expense						
25	*	Cable and Wire Facilities Expense						
26	^	Poles Expense						
27	^	Aerial Cable Expense						
28	^	Underground Cable Expense						
29	^	Buried Cable Expense						
30	^	Submarine Cable Expense						
31	^	Deep Sea Cable Expense						
32	^	Intrabuilding Network Cable Expense						
33	^	Aerial Wire Expense						
34		Subtotals						

^ Subaccount of the account marked with a *

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	NOT APPLICABLE						
36		Other Property Expenses							
37	*	Network Operations Expense							
38	^	Power Expense							
39	^	Network Administration Expense							
40	^	Testing Expense							
41	^	Plant Operations Expense							
42	^	Engineering Expense							
43		Access Expense							
44		Depreciation - Telecomm. Plant in Service							
45		Depreciation-Prop. for Future Telecom. Use							
46		Amortization Expense - Tangible							
47		Amortization Expense - Intangible							
48		Amortization - Other							
49	*	Marketing							
50	^	Product Management							
51	^	Sales							
52	^	Product Advertising							
53		Call Completion Services							
54		Number Services							
55		Customer Services							
56		Executive							
57		Planning							
58		Accounting and Finance							
59		External Relations							
60		Human Relations							
61		Information Management							
62		Legal							
63		Procurement							
64		Research and Development							
65		Other General and Administrative							
66		Provision for Uncollectible Notes Receivable							
67		Totals							

^ Subaccount of the account marked with a *

Pension Costs

Year: 2004

1	Plan Name			
2	Defined Benefit Plan? _____ X _____		Defined Contribution Plan? _____	
3	Actuarial Cost Method? _____		IRS Code: _____	
4	Annual Contribution by Employer: _____		Is the Plan Over Funded? _____	
5				
	Item	Current Year	Last Year	% Change
6	Change in Benefit Obligation	See Note (A) Below		
7	Benefit obligation at beginning of year			
8	Service cost			
9	Interest Cost			
10	Plan participants' contributions			
11	Amendments			
12	Actuarial Gain			
13	Acquisition			
14	Benefits paid			
15	Benefit obligation at end of year			
16	Change in Plan Assets			
17	Fair value of plan assets at beginning of year			
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	Funded Status			
25	Unrecognized net actuarial loss			
26	Unrecognized prior service cost			
27	Prepaid (accrued) benefit cost			
28				
29	Weighted-average Assumptions as of Year End			
30	Discount rate			
31	Expected return on plan assets			
32	Rate of compensation increase			
33				
34	Components of Net Periodic Benefit Costs			
35	Service cost			
36	Interest cost			
37	Expected return on plan assets			
38	Amortization of prior service cost			
39	Recognized net actuarial loss			
40	Net periodic benefit cost			
41				
42	Montana Intrastate Costs:			
43	Pension Costs	641,217	612,208	-4.52%
44	Pension Costs Capitalized	(19,493)	(18,366)	5.78%
45	Accumulated Pension Asset (Liability) at Year End			
46	Number of Company Employees:			
47	Covered by the Plan	149	124	-16.78%
48	Not Covered by the Plan		8	
49	Active	149	132	-11.41%
50	Retired	82	75	-8.54%
51	Deferred Vested Terminated			

(A) This information is not available on an individual basis. Information regarding the pension plan is summarized in the attached copy of Footnote 10 of CenturyTel, Inc.'s 2005 Proxy Statement.

CENTURYTEL, INC.
Notes to Consolidated Financial Statements
December 31, 2004

(10) Postretirement Benefits

The Company sponsors health care plans (which use a December 31 measurement date) that provide postretirement benefits to all qualified retired employees.

In May 2004, the Financial Accounting Standards Board issued Financial Statement Position FAS 106-2, which provides accounting guidance to sponsors of postretirement health care plans that are impacted by the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the "Act"). The Company believes that certain drug benefits offered under its postretirement health care plans will qualify for subsidy under Medicare Part D. In the third quarter of 2004, the Company estimated that the effect of the Act on the Company would not be material. The Company first reflected the effects of the Act as of the December 31, 2004 measurement date. As of this date, the Company estimated that the reduction in its accumulated benefit obligation attributable to prior service cost was approximately \$7 million and has reflected such amount as an actuarial gain.

In 2003, the Company announced changes, effective January 1, 2004, that would decrease its subsidization of benefits provided under its postretirement benefit plan.

The following is a reconciliation of the beginning and ending balances for the benefit obligation and the plan assets.

December 31,	2004	2003	2002
	(Dollars in thousands)		
Change in benefit obligation			
Benefit obligation at beginning of year	\$ 311,421	253,762	215,872
Service cost	6,404	6,176	6,669
Interest cost	17,585	18,216	15,962
Participant contributions	1,362	1,199	617
Acquisitions	-	-	56,539
Plan amendments	2,529	(34,597)	-
Actuarial (gain) loss	(18,185)	79,163	(29,534)
Benefits paid	(15,396)	(12,498)	(12,363)
Benefit obligation at end of year	\$ 305,720	311,421	253,762
Change in plan assets			
Fair value of plan assets at beginning of year	\$ 29,877	28,697	36,555
Return on assets	2,377	4,479	(2,896)
Employer contributions	11,350	8,000	6,784
Participant contributions	1,362	1,199	617
Benefits paid	(15,396)	(12,498)	(12,363)
Fair value of plan assets at end of year	\$ 29,570	29,877	28,697

CENTURYTEL, INC.
Notes to Consolidated Financial Statements
December 31, 2004

Net periodic postretirement benefit cost for 2004, 2003 and 2002 included the following components:

Year ended December 31,	2004	2003	2002
	(Dollars in thousands)		
Service cost	\$ 6,404	6,176	6,669
Interest cost	17,585	18,216	15,962
Expected return on plan assets	(2,465)	(2,367)	(3,656)
Amortization of unrecognized actuarial loss	3,611	1,731	1,470
Amortization of unrecognized prior service cost	(3,648)	(2,447)	(129)
<u>Net periodic postretirement benefit cost</u>	<u>\$ 21,487</u>	<u>21,309</u>	<u>20,316</u>

The following table sets forth the amounts recognized as liabilities for postretirement benefits at December 31, 2004, 2003 and 2002.

December 31,	2004	2003	2002
	(Dollars in thousands)		
Benefit obligation	\$ (305,720)	(311,421)	(253,762)
Fair value of plan assets	29,570	29,877	28,697
Unamortized prior service cost	(26,891)	(33,068)	(918)
Unrecognized net actuarial loss	68,185	89,893	14,573
<u>Accrued benefit cost</u>	<u>\$ (234,856)</u>	<u>(224,719)</u>	<u>(211,410)</u>

Assumptions used in accounting for postretirement benefits as of December 31, 2004 and 2003 were:

	2004	2003
Determination of benefit obligation		
Discount rate	5.75%	6.0
Healthcare cost increase trend rates (Medical/Prescription Drug)		
Following year	10.0%/15.0%	11.0/16.0
Rate to which the cost trend rate is assumed to decline (the ultimate cost trend rate)	5.0%/5.0%	5.0/5.0
Year that the rate reaches the ultimate cost trend rate	2010/2015	2010/2015
Determination of benefit cost		
Discount rate	6.0%	6.75
Expected return on plan assets	8.25%	8.25

The Company employs a total return investment approach whereby a mix of equities and fixed income investments are used to maximize the long-term return of plan assets for a prudent level of risk. The intent of this strategy is to minimize plan expenses by outperforming plan liabilities over the long term. Risk tolerance is established through careful consideration of plan liabilities, plan funded status and corporate financial condition. Investment risk is measured and monitored on an ongoing basis through annual liability measurements, periodic asset studies and periodic portfolio reviews.

CENTURYTEL, INC.
Notes to Consolidated Financial Statements
December 31, 2004

The Company's postretirement benefit plan weighted-average asset allocations at December 31, 2004 and 2003 by asset category are as follows:

	2004	2003
Equity securities	63.0%	80.5
Debt securities	34.1	16.4
Other	2.9	3.1
Total	100.0%	100.0

In determining the expected return on plan assets, historical markets are studied and long-term relationships between equities and fixed income are preserved consistent with the widely-accepted capital market principle that assets with higher volatility and risk generate a greater return over the long term. Current market factors such as inflation and interest rates are evaluated before long-term capital market assumptions are determined. Peer data and historical returns are also reviewed to check for reasonableness.

Assumed health care cost trends have a significant effect on the amounts reported for postretirement benefit plans. A one-percentage-point change in assumed health care cost rates would have the following effects:

	1-Percentage Point Increase	1-Percentage Point Decrease
	(Dollars in thousands)	
Effect on total of service and interest cost components	\$ 1,562	(1,489)
Effect on postretirement benefit obligation	\$ 20,004	(18,775)

The Company expects to contribute approximately \$15 million to its postretirement benefit plan in 2005.

The Company's estimated future projected benefit payments under its postretirement benefit plan are as follows:

Year	Before Medicare Subsidy	Medicare Subsidy	Net of Medicare Subsidy
	(Dollars in thousands)		
2005	\$ 15,200	-	15,200
2006	\$ 16,900	(800)	16,100
2007	\$ 17,900	(800)	17,100
2008	\$ 18,700	(900)	17,800
2009	\$ 19,600	(1,000)	18,600
2010-2014	\$ 99,400	(5,500)	93,900

Other Post Employment Benefits (OPEBS)

Item	Current Year	Last Year	% Change
1 Regulatory Treatment:			
2 Commission authorized - most recent			
3 Docket number: _____			
4 Order number: _____			
5 Amount recovered through rates			
6 Weighted-average Assumptions as of Year End	See Note (A) Below		
7 Discount rate			
8 Expected return on plan assets			
9 Medical Cost Inflation Rate			
10 Actuarial Cost Method			
11 Rate of compensation increase			
12 List each method used to fund OPEBs (ie: VEBA, 401(h)) and if tax advantaged:			
13			
14			
15 Describe any Changes to the Benefit Plan:			
16			
17 TOTAL COMPANY			
18 Change in Benefit Obligation			
19 Benefit obligation at beginning of year			
20 Service cost			
21 Interest Cost			
22 Plan participants' contributions			
23 Amendments			
24 Actuarial Gain			
25 Acquisition			
26 Benefits paid			
27 Benefit obligation at end of year			
28 Change in Plan Assets			
29 Fair value of plan assets at beginning of year			
30 Actual return on plan assets			
31 Acquisition			
32 Employer contribution			
33 Plan participants' contributions			
34 Benefits paid			
35 Fair value of plan assets at end of year			
36 Funded Status			
37 Unrecognized net actuarial loss			
38 Unrecognized prior service cost			
39 Prepaid (accrued) benefit cost			
40 Components of Net Periodic Benefit Costs			
41 Service cost			
42 Interest cost			
43 Expected return on plan assets			
44 Amortization of prior service cost			
45 Recognized net actuarial loss			
46 Net periodic benefit cost	641,217	612,208	-4.52%
47 Accumulated Post Retirement Benefit Obligation			
48 Amount Funded through VEBA			
49 Amount Funded through 401(h)			
50 Amount Funded through Other _____			
51 TOTAL			
52 Amount that was tax deductible - VEBA			
53 Amount that was tax deductible - 401(h)			
54 Amount that was tax deductible - Other _____			
55 TOTAL			

(A) The actuary provides information on a total plan basis only. Information regarding the OPEB plan is included in the attached copy of Footnote 11 of the CenturyTel, Inc. 2005 Proxy Statement.

Other Post Employment Benefits (OPEBS) Continued

	Item	Current Year	Last Year	% Change
1	Number of Company Employees:			
2	Covered by the Plan	149	124	-16.78%
3	Not Covered by the Plan		8	
4	Active	149	132	-11.41%
5	Retired	82	75	-8.54%
6	Spouses/Dependants covered by the Plan	13	14	7.69%
7	Montana			
8	Change in Benefit Obligation			
9	Benefit obligation at beginning of year			
10	Service cost			
11	Interest Cost			
12	Plan participants' contributions			
13	Amendments			
14	Actuarial Gain			
15	Acquisition			
16	Benefits paid			
17	Benefit obligation at end of year			
18	Change in Plan Assets			
19	Fair value of plan assets at beginning of year			
20	Actual return on plan assets			
21	Acquisition			
22	Employer contribution			
23	Plan participants' contributions			
24	Benefits paid			
25	Fair value of plan assets at end of year			
26	Funded Status			
27	Unrecognized net actuarial loss			
28	Unrecognized prior service cost			
29	Prepaid (accrued) benefit cost			
30	Components of Net Periodic Benefit Cccosts			
31	Service cost			
32	Interest cost			
33	Expected return on plan assets			
34	Amortization of prior service cost			
35	Recognized net actuarial loss			
36	Net periodic benefit cost			
37	Accumulated Post Retirement Benefit Obligation			
38	Amount Funded through VEBA			
39	Amount Funded through 401(h)			
40	Amount Funded through other _____			
41	TOTAL			
42	Amount that was tax deductible - VEBA			
43	Amount that was tax deductible - 401(h)			
44	Amount that was tax deductible - Other			
45	TOTAL			
46	Montana Intrastate Costs:			
47	Pension Costs			
48	Pension Costs Capitalized			
49	Accumulated Pension Asset (Liability) at Year End			
50	Number of Montana Employees:			
51	Covered by the Plan			
52	Not Covered by the Plan			
53	Active			
54	Retired			
55	Spouses/Dependants covered by the Plan			

CENTURYTEL, INC.
Notes to Consolidated Financial Statements
December 31, 2004

(11) Retirement and Savings Plans

CenturyTel and certain subsidiaries sponsor defined benefit pension plans for substantially all employees. CenturyTel also sponsors an Outside Directors' Retirement Plan and a Supplemental Executive Retirement Plan to provide directors and officers, respectively, with supplemental retirement, death and disability benefits. The Company uses a December 31 measurement date for its plans.

The following is a reconciliation of the beginning and ending balances for the aggregate benefit obligation and the plan assets for the Company's retirement and savings plans.

<u>December 31,</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
	(Dollars in thousands)		
Change in benefit obligation			
Benefit obligation at beginning of year	\$ 390,833	346,256	271,490
Service cost	14,175	12,840	10,353
Interest cost	23,156	23,617	20,053
Plan amendments	428	-	-
Acquisitions	-	-	51,428
Settlements	-	(9,962)	-
Actuarial loss	16,304	46,221	9,231
Benefits paid	(26,266)	(28,139)	(16,299)
<u>Benefit obligation at end of year</u>	<u>\$ 418,630</u>	<u>390,833</u>	<u>346,256</u>
Change in plan assets			
Fair value of plan assets at beginning of year	\$ 348,308	266,420	270,902
Return on plan assets	35,892	52,783	(42,998)
Employer contributions	6,047	50,437	3,387
Acquisitions	-	6,807	51,428
Benefits paid	(26,266)	(28,139)	(16,299)
<u>Fair value of plan assets at end of year</u>	<u>\$ 363,981</u>	<u>348,308</u>	<u>266,420</u>

At December 31, 2004 and 2003, the Company's underfunded pension plans (meaning those with benefit obligations in excess of plan assets) had aggregate benefit obligations of \$172.0 million and \$138.4 million, respectively, and aggregate plan assets of \$109.0 million and \$84.4 million, respectively.

Net periodic pension expense for 2004, 2003 and 2002 included the following components:

<u>Year ended December 31,</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
	(Dollars in thousands)		
Service cost	\$ 14,175	12,840	10,353
Interest cost	23,156	23,617	20,053
Expected return on plan assets	(28,195)	(22,065)	(28,575)
Settlements	1,093	2,233	-
Recognized net losses	5,525	7,214	1,248
Net amortization and deferral	279	397	395
<u>Net periodic pension expense</u>	<u>\$ 16,033</u>	<u>24,236</u>	<u>3,474</u>

The following table sets forth the combined plans' funded status and amounts recognized in the Company's consolidated balance sheet at December 31, 2004, 2003 and 2002.

December 31,	2004	2003	2002
	(Dollars in thousands)		
Benefit obligation	\$ (418,630)	(390,833)	(346,256)
Fair value of plan assets	363,981	348,308	266,420
Unrecognized transition asset	(648)	(900)	(1,152)
Unamortized prior service cost	3,618	3,721	4,370
Unrecognized net actuarial loss	98,479	98,759	102,664
<u>Prepaid pension cost</u>	<u>\$ 46,800</u>	<u>59,055</u>	<u>26,046</u>

The Company's accumulated benefit obligation as of December 31, 2004 and 2003 was \$353.1 million and \$329.0 million, respectively.

Amounts recognized on the balance sheet consist of:

December 31,	2004	2003	2002
	(Dollars in thousands)		
Prepaid pension cost (reflected in Other Assets)	\$ 46,800	59,055	26,046
Additional minimum pension liability (reflected in Deferred Credits and Other Liabilities)	(18,450)	-	(56,388)
Intangible asset (reflected in Other Assets)	3,043	-	1,212
Accumulated Other Comprehensive Loss	15,407	-	55,176
<u></u>	<u>\$ 46,800</u>	<u>59,055</u>	<u>26,046</u>

Assumptions used in accounting for the pension plans as of December 2004 and 2003 were:

	2004	2003
Determination of benefit obligation		
Discount rate	5.75%	6.0
Weighted average rate of compensation increase	4.0%	4.0
Determination of benefit cost		
Discount rate	6.0%	6.75
Weighted average rate of compensation increase	4.0%	4.50
Expected long-term rate of return on assets	8.25%	8.25

The Company employs a total return investment approach whereby a mix of equities and fixed income investments are used to maximize the long-term return of plan assets for a prudent level of risk. The intent of this strategy is to minimize plan expenses by outperforming plan liabilities over the long term. Risk tolerance is established through careful consideration of plan liabilities, plan funded status and corporate financial condition. Investment risk is measured and monitored on an ongoing basis through annual liability measurements, periodic asset studies and periodic portfolio reviews.

CENTURYTEL, INC.
Notes to Consolidated Financial Statements
December 31, 2004

The Company's pension plans weighted-average asset allocations at December 31, 2004 and 2003 by asset category are as follows:

	2004	2003
Equity securities	71.7%	54.0
Debt securities	25.5	11.0
Cash and cash equivalents	-	32.3
Other	2.8	2.7
<u>Total</u>	<u>100.0%</u>	<u>100.0</u>

In determining the expected return on plan assets, historical markets are studied and long-term relationships between equities and fixed income are preserved consistent with the widely-accepted capital market principle that assets with higher volatility and risk generate a greater return over the long term. Current market factors such as inflation and interest rates are evaluated before long-term capital market assumptions are determined. Peer data and historical returns are also reviewed to check for reasonableness.

The amount of the 2005 contribution will be determined based on a number of factors, including the results of the 2005 actuarial valuation report. At this time, the amount of the 2005 contribution is not known.

The Company's estimated future projected benefit payments under its defined benefit pension plans are as follows: 2005 - \$20.7 million; 2006 - \$22.1 million; 2007 - \$23.4 million; 2008 - \$26.2 million; 2009 - \$28.4 million; and 2010-2014 - \$176.8 million.

CenturyTel sponsors an Employee Stock Ownership Plan ("ESOP") which covers most employees with one year of service with the Company and is funded by Company contributions determined annually by the Board of Directors. The Company's expense related to the ESOP during 2004, 2003 and 2002 was \$8.1 million, \$8.9 million, and \$9.3 million, respectively. At December 31, 2004, the ESOP owned an aggregate of 6.8 million shares of CenturyTel common stock.

CenturyTel and certain subsidiaries also sponsor qualified profit sharing plans pursuant to Section 401(k) of the Internal Revenue Code (the "401(k) Plans") which are available to substantially all employees of the Company. The Company's matching contributions to the 401(k) Plans were \$9.1 million in 2004, \$8.2 million in 2003 and \$6.7 million in 2002.

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	Automotive Rentals , Inc.	Vehicle Maintenance	198,339	198,339	151,455
2	Flathead Janitorial	Janitorial Services	87,592	87,592	61,906
3	Johnson Controls, Inc.	Maintenance	166,530	166,530	117,696
4	Montana Telecom. Assco.	Membership Dues	37,567	37,567	28,687
5	The Berry Company	Avertising	57,476	57,476	43,825
6	Alamon Telco, Inc.	U-Dig Locates & Pole Surveys	160,543	160,543	118,503
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47					
48					
49	Total		708,047	708,047	522,073

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	247,365,226	81.27%	256,810,967	80.85%
3	Interstate, IntraLATA	14,379	0.00%	1,414	0.00%
4	Total Interstate Usage	247,379,605	81.28%	256,812,381	80.85%
5	Intrastate, InterLATA	17,155,593	5.64%	25,650,762	8.08%
6	Intrastate, IntraLATA	39,826,394	13.09%	35,168,840	11.07%
7	Total Intrastate Usage	56,981,987	18.72%	60,819,602	19.15%
8	Total Toll Usage	304,361,592	100.00%	317,631,983	100.00%
9	Centrex				
10	Local				
11	Total Minutes	304,361,592	100.00%	317,631,983	100.00%

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	Bigfork	Digital	3,494		949	Lifeline		553	30		5	474	100.0%	5,505
2	Columbia Falls	Digital	4,146	1	828	Customers		627	43		13	1,043	100.0%	6,701
3	Elmo	Digital	806		139	Pulled by		43	14		1	8	100.0%	1,011
4	Finley Point	Digital	529		83	Total-		24			1		100.0%	637
5	Hungry Horse	Digital	980		171	Not by		133	10		7	66	100.0%	1,367
6	Kalispell	Digital	18,644	61	4,362	Exchange		4,349	373		53	8,454	100.0%	36,296
7	Lakeside	Digital	1,249		297			144	12		4	234	100.0%	1,940
8	Marion	Digital	341		71			33	2			8	100.0%	455
9	McGregor Lake	Digital	130					19				13	100.0%	162
10	Olney	Digital	130		16			26				21	100.0%	193
11	Polson	Digital	3,795	4	711			804	38		9	1,082	100.0%	6,443
12	Somers	Digital	833		190			82	15		1	36	100.0%	1,157
13	Swan Lake	Digital	220		18			17			1		100.0%	256
14	Whitefish	Digital	6,277	9	1,540			1,163	113		18	1,920	100.0%	11,040
15	Yellow Bay	Digital	321		55			11	1		1	23	100.0%	412
33	Total		41,895	75	9,430			8,028	651		114	13,382		73,575

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	Bigfork	Remote	Digital	Nortel	Dual RSC	10,516	1985
2	Columbia Falls	Remote	Digital	Nortel	Dual RSC	12,312	1988
3	Elmo	Remote	Digital	Nortel	RLCM	1,856	1990
4	Finley Point	Remote	Digital	Nortel	RLCM	1,216	1990
5	Hungry Horse	Remote	Digital	Nortel	RSC	2,560	1989
6	Kalispell	Host	Digital	Nortel	DMS100	57,027	1981
7	Lakeside	Remote	Digital	Nortel	RSC	3,892	1990
8	Marion(MT)	Remote	Digital	Alcatel	LS2000 RDT	600	1999
9	McGregor Lake	Remote	Digital	Nortel	RLCM	640	1995
10	Olney	Remote	Digital	Alcatel	LS2000	732	1999
11	Polson	Remote	Digital	Nortel	Dual RSCS	10,473	1993
12	Somers	Remote	Digital	Nortel	RSC	2,732	1995
13	Swan Lake	Remote	Digital	Alcatel	LS2000	700	1999
14	Whitefish	Remote	Digital	Nortel	Dual RSCS	21,805	1994
15	Yellow Bay	Remote	Digital	Nortel	RLCM	640	1989
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32							
33							
34							
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	Central Office Assets:	
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	4,278,100
29	Total Central Office Budget (Total of Line 27 & Line 28)	4,278,100
30	Other Projects over \$500,000:	
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41	Total Other Projects over \$500,000	
42	Miscellaneous projects not over \$500,000	4,219,800
43	Total Construction Budget (Total of Lines 29, 41 & 42)	8,497,900

Montana Employee Counts

Year: 2004

Line No.	Category (a)	Beginning of Year (b)	End of Year (c)
1	Vice President and Managers	4	4
2	Supervisors and Superintendents	7	8
3	Comm. Technicians	12	11
4	Plant Technicians	19	20
5	Cable Technicians	5	5
6	Engineers/Drafting	12	11
7	Facility & Test Board Technicians	8	6
8	Special Apparatus Technicians	10	9
9	Commercial & General	37	39
10	Secretaries	6	5
11	Communication Consultants	1	1
12	LAN Administrator	1	1
13	Plant Support Technicians	10	9
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	Totals (Sum of Lines 1 through 42)	132	129

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	In order to protect the privacy interests of the company's employees, this schedule has historically been submitted as confidential and subject to protective order. The company is submitting the information on Schedule 27 under separate cover subject to the protective order currently in place.						
2							
3							
4							
5							
6							
7							
8							
9							
10							
11	Totals (Sum L.1 to L.10)						

Compensation of Top 5 Corporate Employees - SEC Information

Line No.	Name/Title (a)	Base Salary (b)	Bonuses (c)	Other Compensation (d)	Total Compensation (e)	Total Compensation Last Year (f)	% Increase Total Compensation (g)
1	N/A						
2	Note: CenturyTel of Montana, Inc. does not submit SEC information. See Schedule 27, Compensation of Top 10 Montana Based Employees.						
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		Plant (Intrastate Only) (000 Omitted)	
2	2001	Plant in Service	101,604
3	2003 - 2004	Construction Work in Progress	674
4	2005	Plant Acquisition Adjustments	
5	2002	Plant Held for Future Use	
6	1220	Materials & Supplies	6
7		(Less):	
8	3100 - 3400	Depreciation & Amortization Reserves	(61,479)
9	4360.2	Contributions in Aid of Construction	
10		NET BOOK COSTS	40,805
11		Revenues & Expenses (Intrastate Only) (000 Omitted)	
12	5000 - 5300	Operating Revenues	29,577
13	6560	Depreciation & Amortization Expenses	5,439
14		Federal & State Income Taxes	3,739
15		Other Taxes	1,153
16		Other Operating Expenses	14,365
17		TOTAL Operating Expenses	24,696
18		Net Operating Income	4,881
19		Other Income	
20		Other Deductions	
21		NET INCOME	4,881
22		Access Lines in Service (Intrastate Only)	
23		Residential Access Lines	41,895
24		Business Access Lines	8,028
25		PBX Access Lines	4,048
26		Other Access Lines	19,604
27		Total Number of Access Lines	73,575
28		Average Number of Calls Per Access Line	
29		Local Calls	N/A
30		Toll Calls (Intra- or Interstate)	304,361,592
31		Total Number of Calls Per Access Line (Total of Line 29 & Line 30)	304,361,592
32		Other Statistics (Intrastate Only)	
33		Average Residential Monthly Bill	N/A
34		Gross Plant Investment per Access Line	1.390

Depreciation - Montana Intrastate Regulated

Year: 2004

Line No.	Acct No. (a)	Description (b)	Composite Rate % (c)	Total Expense \$ (d)
1	2112	Motor Vehicles	16.20%	253,018
2	2114	Special Purpose Vehicles		
3	2115	Garage Work Equipment		
4	2116	Other work Equipment	9.38%	6,629
5	2121	Buildings	3.04%	106,034
6	2122	Furniture	8.19%	17,737
7	2123.1	Office Support Equipment	13.06%	16,554
8	2123.2	Company Communications Equipment		(487,840)
9	2124	General Purpose Computers	17.26%	237,582
10	2211	Analog Electronic Switching Equipment		
11	2212	Digital Electronic Switching Equipment	9.39%	2,503,148
12	2215	Step By Step Switching Equipment	9.39%	4,757
13	2215	Crossbar Switching Equipment		
14	2220	Operator System		
15	2231	Radio Systems		(68,160)
16	2232	Circuit DDS		
17	2232	Circuit Digital	9.39%	2,818,357
18	2232	Circuit Analog		(698,851)
19	2351	Public Telephone Terminating Equipment		
20	2362	Other Terminal Equipment		
21	2411	Poles		(175,340)
22	2421	Aerial Cable Metallic	9.32%	435,346
23	2421	Aerial Cable Nonmetallic	9.32%	108,870
24	2422	Underground Cable Metallic	3.41%	45,270
25	2422	Underground Cable Nonmetallic	3.41%	4,961
26	2423	Buried Cable Metallic	4.43%	2,495,866
27	2423	Buried Cable Nonmetallic	4.43%	252,121
28	2424	Submarine Cable Metallic	3.30%	192
29	2424	Submarine Cable Nonmetallic		
30	2426	Intrabuilding Network Cable Metallic		(5,842)
31	2426	Intrabuilding Network Cable Nonmetallic		
32	2431	Aerial Wire		(119,912)
33	2441	Conduit Systems	2.37%	27,985
34				
35		COMPOSITE TOTAL		7,778,482
36	Have these rates been approved by the Commission? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO			
37				
38				
39	If yes: <u>83.9.88</u> Docket Number <u>5052</u> Order Number			
40				

Montana Regulatory Capital Structure & Costs

Year: 2004

Line No.	Description (a)	% Cap. Str. (b)	% Cost Rate (c)	Weighted Cost (d)
Commission Accepted - Most Recent				
1	Docket Number 92.7.32			
2	Order Number 5638C			
3				
4	Common Equity			
5	Preferred Stock			
6	Long Term Debt			
7	Other			
8	Total			
Actual at Year End				
12	Common Equity 59,018,177	99.61%	13.70%	13.65%
13	Preferred Stock 230,000	0.39%	8.91%	0.03%
14	Long Term Debt			
15	Other			
16	Total 59,248,177	100.00%		13.68%

Network Access - Charges and Revenues

Year: 2004

Line No.	Description (a)	Access Charges Paid (b)	Access Revenues Received (c)
1	Montana - Total State	N/A	17,441,486
2			
3	Montana - Intrastate		5,331,734
4			
5	Montana - Intrastate Regulated		4,455,898
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	CenturyTel Service Group, Inc.	Management, Accounting, Operating and Miscellaneous Services	Contract Year - 2003	6,666,276		6,666,276
2						
3						
4	CenturyTel, Inc.	"	"	392,358		392,358
5	CenturyTel of Washington, Inc.	"	"	33,124		33,124
6	CenturyTel of Wyoming, Inc.	"	"	31,518		31,518
7	CenturyTel of Ohio, Inc.	"	"	30,908		30,908
8	CenturyTel Holdings MO., Inc.	"	Contract Year - 2002	25,684		25,684
9	All Other	"		9,521		9,521
10	CenturyTel Supply, Inc.	Warehouse	Contract Year - 2003	656,127		656,127
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30	TOTAL			\$7,845,516		\$7,845,516

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	CenturyTel Internet Services, Inc.	Management, Billing & Coll., Operating & Miscellaneous Services	Contract Year - 2001	312,435		
2						
3						
4	CenturyTel Long Distance, LLC	"	Contract Year - 2001	394,762		
5	CenturyTel of Idaho, Inc.	"	Contract Year - 2003	380,231		
6	CenturyTel of Colorado, Inc.	"	"	50,129		
7	CenturyTel of Ohio, Inc.	"	"	42,182		
8	CenturyTel of the S. West, Inc. (NMF)	"	"	11,167		
9	CenturyTel of Gem State, Inc. (NV)	"	"	35,569		
10	CenturyTel of Gem State, Inc. (ID)	"	"	150,529		
11	CenturyTel of Eagle, Inc.	"	"	455,416		
12	CenturyTel of Wyoming, Inc.	"	"	293,166		
13	CenturyTel of North Alabama, Inc.	"	"	10,880		
14	CenturyTel of South Alabama, Inc.	"	"	12,816		
15	CenturyTel of Missouri Inc.	"	"	17,919		
16	CenturyTel of Washington, Inc.	"	"	14,192		
17	Spectra Communications Group, LLC	"	"	10,995		
18	All Other	"	"	114,344		
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30	TOTAL			\$2,306,732		

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	99,224,590	96,400,801	2.93%
3	2002 Prop. Held for Future Telecommunications Use			
4	3100-3200 (Less) Accumulated Depreciation	(60,148,111)	(57,168,413)	-5.21%
5	Plant in Service	39,076,479	39,232,388	-0.40%
6				
7	Additions			
8	1220 Materials & Supplies	5,543	16,534	-66.48%
9	1280 Prepayments			
10	Other Additions	565,285	523,096	8.07%
11	TOTAL Additions	570,828	539,630	5.78%
12				
13	Deductions			
14	4100 Current Deferred Operating Income Taxes			
15	4320 Unamortized Operating Investment Tax Credits			
16	4340 Noncurrent Deferred Operating Income Taxes	(5,847,930)	(5,607,095)	-4.30%
17	Customer Advances for Construction			
18	Other Deductions			
19	TOTAL Deductions	(5,847,930)	(5,607,095)	-4.30%
20	TOTAL Rate Base	33,799,377	34,164,923	-1.07%
21				
22	Net Earnings	265,674	(2,129,437)	112.48%
23				
24	Rate of Return on Average Rate Base	0.786%	-6.233%	112.61%
25				
26	Rate of Return on Average Equity	13.700%	13.700%	
27				
28	Major Normalizing Adjustments & Commission			
29	Ratemaking adjustments to Utility Operations			
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43	Adjusted Rate of Return on Average Rate Base			
44				
45	Adjusted Rate of Return on Average Equity			

Other Taxes Paid

Year: 2004

Line No.	Description (a)	Last Year (b)	This Year (c)
1	Montana Telephone Company License Tax	1,148,897	1,120,334
2	Montana Public Service Commission Tax	44,659	61,024
3	Montana Consumer Counsel Tax	20,915	26,703
4	911 Emergency Telephone Fee	413,118	371,328
5	Montana Telecommunications Access Service (TDD)	76,419	74,662
6	Montana Corporate License Tax	375,000	500,000
7	Real Property Tax	1,798,800	1,774,606
8			
9			
10			
11			
12	Total	3,877,808	3,928,657

Company Name: CenturyTel of Montana, Inc.

SCHEDULE 37

Universal Service Funds Received

Year: 2004

Line No.	Description (a)	Last Year (b)	This Year (c)
13	Funds received from Montana Sources	N/A	N/A
14	Funds received from Federal Sources	826,859	1,109,904
15			
16			
17			
18			
19			
20			
21			
22			
23			
24	Total	826,859	1,109,904