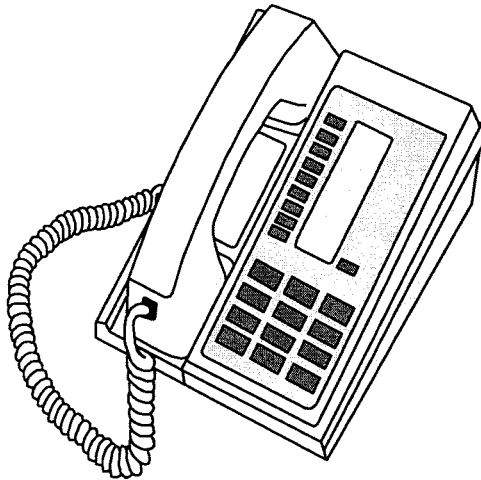


YEAR ENDING 2005

**ANNUAL REPORT**  
**OF**  
**Central Montana Communications, Inc.**

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**TELEPHONE UTILITY**



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

**General Information**

RECEIVED BY

Year: 2005

2006 MAY -1 AM 10: 42

PUBLIC SERVICE  
COMMISSION

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	6053
2	Richard Stuker, Chinook, MT 59523	6693
3	Thomas Bangs, Inverness, MT 59530	6269
4	Richard Pokorny, Big Sandy, MT 59520	6243
5	Paul VanCleve, Big Timber, MT 59011	6619
6	Douglas Lowry, Big Timber, MT 59011	4997
7	Donald Bitz, Box Elder, MT 59521	3897
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18	<b>Chairman of the Board:</b>	
19	Richard Stuker	
20		

**Officers**

Year: 2005

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		Paul Van Cleve, Big Timber, MT 59011
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## Total Company Balance Sheet

Year: 2005

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>CURRENT ASSETS:</b>		
2	1120	Cash and Equivalents	7,715,048	3,345,895
3	1180	Telecommunications Accounts Receivable - Net	802,116	808,403
4	1190	Other Accounts Receivable - Net	761,908	681,817
5	1200	Notes Receivable - Net		
6	1210	Interest and Dividends Receivable	28,834	29,072
7	1220	Materials and Supplies	772	
8	* 1280	Prepayments	107,256	34,672
9	^ 1290	Prepaid Rents		
10	^ 1300	Prepaid Taxes		
11	^ 1310	Prepaid Insurance		
12	^ 1320	Prepaid Directory Expenses		
13	^ 1330	Other Prepayments	107,256	34,672
14	1350	Other Current Assets		
15		<b>Total Current Assets</b>	9,415,934	4,899,859
16		<b>NONCURRENT ASSETS:</b>		
17	1401	Investments in Affiliated Companies	15,610	14,835
18	1402	Investments in Nonaffiliated Companies	8,195,378	8,295,191
19	1406	Nonregulated Investments	39,797	70,899
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>	8,250,785	8,380,925
27		<b>PROPERTY, PLANT, &amp; EQUIPMENT:</b>		
28	2001	Telecommunications Plant in Service	51,471,288	48,330,184
29	2002	Property Held for Future Telecommunications Use		
30	2003	Plant Under Construction - Short Term	2,026,815	4,372,168
31	2004	Plant Under Construction - Long Term	135,438	538,950
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	(24,986,960)	(24,316,047)
36	3200	Accumulated Depreciation - Held for Future Use		
37	3300	Accumulated Depreciation - Nonoperating		
38	3400	Accumulated Amortization	(10,068,964)	(9,195,292)
39		<b>Net Property, Plant, &amp; Equipment</b>	31,522,418	32,674,764
40		<b>TOTAL ASSETS</b>	49,189,137	45,955,548

^ Subaccount of account marked with a \*.

## Total Company Balance Sheet

Year: 2005

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
41		<b>CURRENT LIABILITIES:</b>		
42	4010	Accounts Payable	846,483	769,595
43	4020	Notes Payable		
44	4030	Advance Billing and Payments	355,650	327,875
45	4040	Customer Deposits	56,162	54,802
46	4050	Current Maturities - Long Term Debt	1,848,000	1,796,000
47	4060	Current Maturities - Capital Leases		
48	4070	Income Taxes - Accrued	3,435,700	3,276,470
49	4080	Other Taxes - Accrued	391,987	343,051
50	4100	Net Current Deferred Operating Income Taxes		
51	4110	Net Current Deferred Nonoperating Income Taxes		
52	4120	Other Accrued Liabilities	306,736	276,378
53	4130	Other Current Liabilities		
54		<b>Total Current Liabilities</b>	<b>7,240,718</b>	<b>6,844,171</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	22,929,542	21,648,233
63		<b>Total Long-Term Debt</b>	<b>22,929,542</b>	<b>21,648,233</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	12,628,877	11,073,144
79		<b>Total Stockholders' Equity</b>	<b>19,018,877</b>	<b>17,463,144</b>
80		<b>TOTAL LIAB. AND STOCKHOLDERS' EQUITY</b>	<b>49,189,137</b>	<b>45,955,548</b>

## Total Company Income Statement

Year: 2005

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>REVENUES:</b>		
2	5000	Basic Local Service Revenues	3,542,855	3,106,158
3	5080	Network Access Revenues	8,038,666	8,406,454
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	199,839	245,568
10	^ 5230	Directory Revenue	39,968	43,094
11	^ 5240	Rent Revenue	42,990	42,449
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	3,176	4,724
14	^ 5270	Carrier Billing and Collection Revenue	113,705	155,301
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	33,931	6,273
17		<b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>	<b>11,747,429</b>	<b>11,751,907</b>
18		<b>OPERATING EXPENSES:</b>		
19	6110	Network Support Expense		
20	6120	General Support Expense	378,932	351,467
21	6210	Central Office Switching Expense	180,024	191,083
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	137,967	253,709
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense	509,781	485,347
26	^ 6431	Aerial Wire Expense	121,519	104,170
27	^ 6441	Conduit Systems Expense	388,262	381,177
28	6510	Other Property, Plant & Equipment Expense		
29	6530	Network Operations Expense	523,701	510,306
30	6540	Access Expense	616,582	599,923
31	6560	Depreciation and Amortization Expense	2,732,538	2,558,190
32	6610	Marketing	18,436	28,610
33	6620	Services	1,049,550	1,049,105
34	6710	Executive and Planning	131,315	109,547
35	6720	General and Administrative	628,096	604,153
36	6790	Provision for Uncollectible Notes Receivable		
37		<b>Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)</b>	<b>6,906,922</b>	<b>6,741,440</b>
38	7100	Other Operating Income and Expense		16
39	7200	Operating Taxes	1,853,995	1,903,206
40		<b>Net Operating Income (L.17-L.37+L.38-L.39)</b>	<b>2,986,512</b>	<b>3,107,277</b>
41	7300	Nonoperating Income and Expense	(392,242)	(502,918)
42	7400	Nonoperating Taxes	(77,877)	(117,758)
43	7500	Interest and Related Items	1,179,541	1,034,072
44	7600	Extraordinary Items		
45	7910	Effects of Juris. Ratemaking Diff. - Net		
46	7990	Nonregulated Net Income	(63,129)	(39,171)
47		<b>NET INCOME (L.40+L.41-L.42-L.43-L.44+L.45-L.46)</b>	<b>1,555,735</b>	<b>1,727,216</b>

^ Subaccount of the account marked with a \*.

## Montana Total State Income Statement

Year: 2005

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: 2005

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>REVENUES:</b>		
2	5000	Basic Local Service Revenues	3,542,855	3,106,158
3	5080	Network Access Revenues	1,719,473	2,148,600
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	199,839	233,678
10	^ 5230	Directory Revenue	39,968	43,094
11	^ 5240	Rent Revenue	42,990	42,449
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	3,176	4,724
14	^ 5270	Carrier Billing and Collection Revenue	113,705	143,411
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	33,931	6,273
17		<b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>	5,428,236	5,482,163
18		<b>OPERATING EXPENSES:</b>		
19	6110	Network Support Expense		
20	6120	General Support Expense	176,055	163,956
21	6210	Central Office Switching Expense	83,640	89,139
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	64,101	118,353
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense	236,855	226,410
26	^ 6431	Aerial Wire Expense	56,459	48,594
27	^ 6441	Conduit Systems Expense	180,396	177,816
28	6510	Other Property, Plant & Equipment Expense		
29	6530	Network Operations Expense	243,315	238,053
30	6540	Access Expense	286,468	279,859
31	6560	Depreciation and Amortization Expense	1,269,557	1,193,373
32	6610	Marketing	8,566	13,346
33	6620	Services	487,628	489,398
34	6710	Executive and Planning	61,010	51,103
35	6720	General and Administrative	291,818	281,832
36	6790	Provision for Uncollectible Notes Receivable		
37		<b>Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)</b>	3,209,013	3,144,822
38	7100	Other Operating Income and Expense		7
39	7200	Operating Taxes	861,380	887,829
40		<b>Net Operating Income (L.17-L.37+L.38-L.39)</b>	1,357,843	1,449,519

^ Subaccount of the account marked with a \*.



## Montana Intrastate Regulated Income Statement

Year: 2005

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>REVENUES:</b>		
2	5000	Basic Local Service Revenues	3,542,855	3,106,158
3	5080	Network Access Revenues	1,286,704	1,650,004
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>	4,829,559	4,756,162
18		<b>OPERATING EXPENSES:</b>		
19	6110	Network Support Expense		
20	6120	General Support Expense	155,785	142,244
21	6210	Central Office Switching Expense	74,011	77,334
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	56,721	102,680
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense	209,586	196,427
26	^ 6431	Aerial Wire Expense	49,959	42,159
27	^ 6441	Conduit Systems Expense	159,627	154,268
28	6510	Other Property, Plant & Equipment Expense		
29	6530	Network Operations Expense	215,302	206,528
30	6540	Access Expense	253,487	242,797
31	6560	Depreciation and Amortization Expense	1,123,391	1,035,336
32	6610	Marketing	7,580	11,579
33	6620	Services	431,487	424,588
34	6710	Executive and Planning	53,986	44,335
35	6720	General and Administrative	258,220	244,509
36	6790	Provision for Uncollectible Notes Receivable		
37		<b>Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)</b>	2,839,556	2,728,357
38	7100	Other Operating Income and Expense		6
39	7200	Operating Taxes	762,208	770,254
40		<b>Net Operating Income (L.17-L.37+L.38-L.39)</b>	1,227,795	1,257,557

^ Subaccount of the account marked with a \*.

**Average Rate Base - Total State**

Year: 2005

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	51471288	48330184
2	3100	Accumulated Depreciation	24986960	24316047
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>	26484328	24014137

**Average Rate Base - Intrastate**

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	51471288	48330184
2	3100	Accumulated Depreciation	24986960	24316047
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>	26484328	24014137

**Average Rate Base - Regulated Intrastate**

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	51471288	48330184
2	3100	Accumulated Depreciation	24986960	24316047
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>	26484328	24014137

## Statement of Cash Flows

Year: 2005

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		1555733
4	Reconciliation Adjustments:		
5	Depreciation & Amortization	3614993	
6	Provision for Accounts Receivable Losses		
7	Deferred Income Taxes - Net	159230	
8	Unamortized Investment Tax Credits (ITCs) - Net		
9	Allowance for Funds Used During Construction (AFUDC)		
10	Change in Operating Receivables - Net	-73566	
11	Change in Materials, Supplies & Inventories - Net		
12	Change in Operating Payables & Accrued Liabilities - Net	106023	
13	Change in Other Assets & Deferred Credits - Net	-72584	
14	Change in Other Liabilities & Deferred Credits - Net		
15	Other (explained on back of this page)	79295	
16	Total Adjustments	3813391	
17	<b>Net Cash Provided by/(Used in) Operating Activities</b>		5369124
18	<b>Cash Inflows/Outflows From Investing Activities:</b>		
19	Construction/Acquisition of Property, Plant & Equipment (net of		
20	AFUDC & Capital Lease Related Acquisitions)	-2432318	
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)	99038	
25	<b>Net Cash Provided by/(Used in) Investing Activities</b>		-2333280
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	3210176	
31	Repayment of Long-Term Debt	-1876867	
32	Payment of Capital Lease Obligations		
33	Proceeds from Issuing Common Stock/Parent Co. Equity Investment		
34	Repurchase of Treasury Shares		
35	Dividends Paid		
36	Other Financing Activities (explained on back of this page)		
37	<b>Net Cash Provided by Financing Activities</b>		1333309
38	<b>Effect of Exchange Rate Changes on Cash</b>		
39	<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>		4369153
40	<b>Cash &amp; Cash Equivalents at Beginning of Period</b>		
41	<b>Cash &amp; Cash Equivalents at End of Period</b>		4369153

Company Name: Central Montana Communications, Inc.

SCHEDULE 9A

**Statement of Cash Flows**

Year: 2005

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Line 15	Other Taxes	48936
	Other Accrued Liabilities	<u>30359</u>
		<u><u>79295</u></u>
Line 24	Patronage capital allocations - RTFC	-91851
	Purchases of held-to-maturity securities	-2009059
	Sales of held-to-maturity securities	2068957
	Decrease in other investments	<u>130991</u>
		<u><u>99038</u></u>

Receivables and Investments-Affiliated & Nonaffiliated Companies Year: 2005

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	7600000									
2	Subscriber Receivables		809116	7000						15610	1440447
3	Reg and NonReg Sales				28518						4128
4	AT&T				35504						83644
5	NECA				357060						526
6	NCRPC				2839						-30
7	MILEC				199817						117.47
8	Other Interexchg Cxrs				87000						1000
9	Triangle Comm System				1263						6665545
10	USAC E-Rate				49932						
11	Returned Checks				-25						
12	Invest in Triangle Tel										
13	RTFC										
14	Electric Cooperatives										
15	NISC										
16	Farmers Union-GF										
17	Farmers Union-Moore										
18	Mountain View Coop										
19	NECA										
20	Bonds										
21											
22											
23											
24											
25											
26											
27											
28											
29											
30	<b>Totals</b>	7600000	809116	7000	761908					15610	8195377.47

Net Plant in Service - Detail

Year: 2005

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	3375034	368814	182155		3561694		3561694
2	^ 2111	Land	73542				73542		73542
3	^ 2112	Motor Vehicles	1226415	213404	97305		1342515	607446	735069
4	^ 2113	Aircraft							
5	^ 2114	Special Purpose Vehicles	288744	130571	84850		334465	68760	265705
6	^ 2115	Garage Work Equipment							
7	^ 2116	Other Work Equipment	77610	2801			80411	25976	54435
8	^ 2121	Buildings	1708723	22038			1730761	737484	993277
9	^ 2122	Furniture							
10	^ 2123	Office Equipment							
11	^ 2124	General Purpose Computers							
12	2211	Analog Electronic Switching							
13	2212	Digital Electronic Switching							
14	2215	Electro-Mechanical Switching							
15	2220	Operator Systems	4290909	10032	142498		4158443	2067220	2091223
16	2231	Radio Systems							
17	2232	Circuit Equipment	8453470	1374048	661570		9165947	5706332	3459615
18	* 2310	Information Orig & Term Equip	24856				24856		
19	^ 2311	Station Apparatus	305077	10587	3834		311829	250215	61614
20	^ 2321	Customer Premises Wiring							
21	^ 2341	Large Private Branch Exchanges							
22	^ 2351	Public Telephone Term. Equip.							
23	^ 2362	Other Terminal Equipment	24856				24856		24856
24	2411	Poles	305077	10587	3834		311829	250215	61614
25	* 2420	Cable and Wire Facilities	31775326	3617896	1250215		34143006	15409969	18733037
26	^ 2421	Aerial Cable	1768613	102917	8535		1862995	786886	1076109
27	^ 2422	Underground Cable	728661	1526			730187	329072	401115
28	^ 2423	Buried Cable	29278052	3513453	1241680		31549824	14294011	17255813
29	^ 2424	Submarine Cable							
30	^ 2425	Deep Sea Cable							
31	^ 2426	Intrabuilding Network Cable							
32	2431	Aerial Wire	102184				102184	102184	1490
33	2441	Conduit Systems	3327				3327	1837	
34		<b>Totals</b>	48330183	5381377	2240272		51471286	24977423	26493863

^ Subaccount of the account marked with a \*.

**Analysis of Plant Held for Future Use** **Year: 2005**

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							
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19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30	<b>Totals (Sum L.1 to L.29)</b>						

Average Cost of Long Term Debt

Year: 2005

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: 2005

Cost of Preferred Stock

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

Analysis of Common Stock Year: 2005

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: 2005**

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	34869	23208	37928	182961	-278966	
2	^	Motor Vehicle Expense	28267	19080	37928	166531	-251806	
3	^	Aircraft Expense						
4	^	Special Purpose Vehicles Expense	6602	4128		16430	-27160	
5	^	Garage Work Equipment Expense						
6	^	Other Work Equipment Expense						
7	*	General Support Expense	59387	35142	189594	82965	11844	378932
8	^	Land and Building Expense	52664	29708	146382	65618	11844	306216
9	^	Furniture and Artworks Expense			43212	5770		48982
10	^	Office Equipment Expense				11577		23734
11	^	General Purpose Computers Expense	6723	5434				
12	*	Central Office Switching Expense	74418	45103		36225	24278	180024
13	^	Analog Electronic Expense						
14	^	Digital Electronic Expense						
15	^	Electro-Mechanical Expense	74418	45103		36225	24278	180024
16	^	Operator Systems Expense						
17	*	Central Office Transmission Expense	56530	33591		30203	17642	137966
18	^	Radio Systems Expense						
19	^	Circuit Equipment Expense	56530	33591		30203	17642	137966
20	*	Information Origination/Termination Expense	26	18				44
21	^	Station Apparatus Expense						
22	^	Large Private Branch Exchange Expense						
23	^	Public Telephone Terminal Equipment Exp.	26	18				44
24	^	Other Terminal Equipment Expense						
25	*	Cable and Wire Facilities Expense	216969	128990	11999	75146	76634	509738
26	^	Poles Expense	62	47	12057		17	12183
27	^	Aerial Cable Expense	54989	33427		14392	18712	121520
28	^	Underground Cable Expense	450	270			152	872
29	^	Buried Cable Expense						
30	^	Submarine Cable Expense	161468	95246		60754	57753	375163
31	^	Deep Sea Cable Expense						
32	^	Intrabuilding Network Cable Expense						
33	^	Aerial Wire Expense						
34		<b>Subtotals</b>	442,199	266,052	239,521	407,500	(148,568)	1206704

^ Subaccount of the account marked with a \*.

**Total Company Expense Matrix**

**Year: 2005**

Line No.	Acct. No. (a)	Description (b)	Salaries and Wages (c)	Benefits (d)	Rents (e)	Other Expenses (f)	Clearances (g)	Total (h)
35	^	Conduit Systems Expense						
36	6441	Other Property Expenses	222877	146331	17115	172575	-35197	523701
37	*	Network Operations Expense						
38	^	Power Expense	112218	72937	12456	76226	20265	76226
39	^	Network Administration Expense	11127	8302		73706	4949	291582
40	^	Testing Expense	50158	32572	4659	4631		29009
41	^	Plant Operations Expense	49374	32520		15740	-60411	42718
42	^	Engineering Expense				2272		84166
43	^	Access Expense				616581		616581
44	6561	Depreciation - Telecomm. Plant in Service				2732538		2732538
45	6562	Depreciation-Prop. for Future Telecom. Use						
46	6563	Amortization Expense - Tangible						
47	6564	Amortization Expense - Intangible						
48	6565	Amortization - Other	3414	2451		12571		18436
49	*	Marketing						
50	^	Product Management	63	49		8276		8388
51	^	Sales	3351	2402		4295		10048
52	^	Product Advertising	9749	7952		1176		18877
53	^	Call Completion Services	3355	2629		109146		115130
54	6622	Number Services	216439	157073	18264	523767		915543
55	6623	Customer Services	53691	30918		46465		131074
56	6711	Executive	138	104				242
57	6712	Planning	96209	63937	12168	83898		256212
58	6721	Accounting and Finance	10084	7797		51152		69033
59	6722	External Relations	4147	3181		18050		25378
60	6723	Human Relations	17079	14156		11418		42653
61	6724	Information Management				4291		4291
62	6725	Legal						
63	6726	Procurement						
64	6727	Research and Development	38049	35310	3348	153822		230529
65	6728	Other General and Administrative						
66	6790	Provision for Uncollectible Notes Receivable						
67		<b>Totals</b>	1,117,430	737,891	290,416	4,944,950	(183,765)	6906922

^ Subaccount of the account marked with a \*

Total State Expense Matrix

Line No.	Acct. No. (a)	Description (b)	Salaries and Wages (c)	Benefits (d)	Rents (e)	Other Expenses (f)	Clearances (g)	Total (h)
1	*	Network Support Expense	Not Applicable					
2	^	Motor Vehicle Expense						
3	^	Aircraft Expense						
4	^	Special Purpose Vehicles Expense						
5	^	Garage Work Equipment Expense						
6	^	Other Work Equipment Expense						
7	*	General Support Expense						
8	^	Land and Building Expense						
9	^	Furniture and Artworks Expense						
10	^	Office Equipment Expense						
11	^	General Purpose Computers Expense						
12	*	Central Office Switching Expense						
13	^	Analog Electronic Expense						
14	^	Digital Electronic Expense						
15	^	Electro-Mechanical Expense						
16		Operator Systems Expense						
17	*	Central Office Transmission Expense						
18	^	Radio Systems Expense						
19	^	Circuit Equipment Expense						
20	*	Information Origination/Termination Expense						
21	^	Station Apparatus Expense						
22	^	Large Private Branch Exchange Expense						
23	^	Public Telephone Terminal Equipment Exp.						
24	^	Other Terminal Equipment Expense						
25	*	Cable and Wire Facilities Expense						
26	^	Poles Expense						
27	^	Aerial Cable Expense						
28	^	Underground Cable Expense						
29	^	Buried Cable Expense						
30	^	Submarine Cable Expense						
31	^	Deep Sea Cable Expense						
32	^	Intrabuilding Network Cable Expense						
33	^	Aerial Wire Expense						
34		<b>Subtotals</b>	#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	6510	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 \*.

**Pension Costs**

Year: 2005

1	Plan Name NTCA Savings Plan			
2	Defined Benefit Plan? _____	Defined Contribution Plan? _____		
3	Actuarial Cost Method? _____	IRS Code: _____		
4	Annual Contribution by Employer: _____ \$215,340.59 _____	Is the Plan Over Funded? _____		
5				
	Item	Current Year	Last Year	% Change
6	<b>Change in Benefit Obligation</b>			
7	Benefit obligation at beginning of year			
8	Service cost			
9	Interest Cost			
10	Plan participants' contributions			
11	Amendments			
12	Actuarial Gain			
13	Acquisition			
14	Benefits paid			
15	Benefit obligation at end of year			
16	<b>Change in Plan Assets</b>			
17	Fair value of plan assets at beginning of year			
18	Actual return on plan assets			
19	Acquisition			
20	Employer contribution			
21	Plan participants' contributions			
22	Benefits paid			
23	Fair value of plan assets at end of year			
24	<b>Funded Status</b>			
25	Unrecognized net actuarial loss			
26	Unrecognized prior service cost			
27	Prepaid (accrued) benefit cost			
28				
29	<b>Weighted-average Assumptions as of Year End</b>			
30	Discount rate			
31	Expected return on plan assets			
32	Rate of compensation increase			
33				
34	<b>Components of Net Periodic Benefit Costs</b>			
35	Service cost			
36	Interest cost			
37	Expected return on plan assets			
38	Amortization of prior service cost			
39	Recognized net actuarial loss			
40	Net periodic benefit cost			
41				
42	<b>Montana Intrastate Costs:</b>			
43	Pension Costs			
44	Pension Costs Capitalized			
45	Accumulated Pension Asset (Liability) at Year End			
46	<b>Number of Company Employees:</b>			
47	Covered by the Plan			
48	Not Covered by the Plan			
49	Active			
50	Retired			
51	Deferred Vested Terminated			



**Pension Costs**

Year: 2005

1	Plan Name NTCA Savings Plan			
2	Defined Benefit Plan? _____	Defined Contribution Plan? _____		
3	Actuarial Cost Method? _____	IRS Code: _____		
4	Annual Contribution by Employer: ___\$31,946.38___	Is the Plan Over Funded? _____		
5				
	Item	Current Year	Last Year	% Change
6	<b>Change in Benefit Obligation</b>			
7	Benefit obligation at beginning of year			
8	Service cost			
9	Interest Cost			
10	Plan participants' contributions			
11	Amendments			
12	Actuarial Gain			
13	Acquisition			
14	Benefits paid			
15	Benefit obligation at end of year			
16	<b>Change in Plan Assets</b>			
17	Fair value of plan assets at beginning of year			
18	Actual return on plan assets			
19	Acquisition			
20	Employer contribution			
21	Plan participants' contributions			
22	Benefits paid			
23	Fair value of plan assets at end of year			
24	<b>Funded Status</b>			
25	Unrecognized net actuarial loss			
26	Unrecognized prior service cost			
27	Prepaid (accrued) benefit cost			
28				
29	<b>Weighted-average Assumptions as of Year End</b>			
30	Discount rate			
31	Expected return on plan assets			
32	Rate of compensation increase			
33				
34	<b>Components of Net Periodic Benefit Costs</b>			
35	Service cost			
36	Interest cost			
37	Expected return on plan assets			
38	Amortization of prior service cost			
39	Recognized net actuarial loss			
40	Net periodic benefit cost			
41				
42	<b>Montana Intrastate Costs:</b>			
43	Pension Costs			
44	Pension Costs Capitalized			
45	Accumulated Pension Asset (Liability) at Year End			
46	<b>Number of Company Employees:</b>			
47	Covered by the Plan			
48	Not Covered by the Plan			
49	Active			
50	Retired			
51	Deferred Vested Terminated			

**Other Post Employment Benefits (OPEBS)**

Item	Current Year	Last Year	% Change
<b>1 Regulatory Treatment:</b>			
2 Commission authorized - most recent			
3 Docket number: _____			
4 Order number: _____			
5 Amount recovered through rates	Not Applicable		#VALUE!
<b>6 Weighted-average Assumptions as of Year End</b>			
7 Discount rate			
8 Expected return on plan assets			
9 Medical Cost Inflation Rate			
10 Actuarial Cost Method			
11 Rate of compensation increase			
<b>12 List each method used to fund OPEBs (ie: VEBA, 401(h)) and if tax advantaged:</b>			
13			
14			
<b>15 Describe any Changes to the Benefit Plan:</b>			
16			
<b>17 TOTAL COMPANY</b>			
<b>18 Change in Benefit Obligation</b>			
19 Benefit obligation at beginning of year			
20 Service cost			
21 Interest Cost			
22 Plan participants' contributions			
23 Amendments			
24 Actuarial Gain			
25 Acquisition			
26 Benefits paid			
27 Benefit obligation at end of year			
<b>28 Change in Plan Assets</b>			
29 Fair value of plan assets at beginning of year			
30 Actual return on plan assets			
31 Acquisition			
32 Employer contribution			
33 Plan participants' contributions			
34 Benefits paid			
35 Fair value of plan assets at end of year			
<b>36 Funded Status</b>			
37 Unrecognized net actuarial loss			
38 Unrecognized prior service cost			
39 Prepaid (accrued) benefit cost			
<b>40 Components of Net Periodic Benefit Costs</b>			
41 Service cost			
42 Interest cost			
43 Expected return on plan assets			
44 Amortization of prior service cost			
45 Recognized net actuarial loss			
46 Net periodic benefit cost			
<b>47 Accumulated Post Retirement Benefit Obligation</b>			
48 Amount Funded through VEBA			
49 Amount Funded through 401(h)			
50 Amount Funded through Other _____			
51 TOTAL			
52 Amount that was tax deductible - VEBA			
53 Amount that was tax deductible - 401(h)			
54 Amount that was tax deductible - Other _____			
55 TOTAL			

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

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

**Payments for Services to Persons Other Than Employees**

Year: 2005

Line No.	Name of Recipient (a)	Nature of Service (b)	Total Company Cost (c)	Total State Cost (d)	Intrastate Cost (e)
1	GVNW, Inc.	Cost Consulting	69428	69428	69428
2	Heberly & Associates	Engineering Services	544974	544974	544974
3	Hill County Electric Cooperative	Office & Equipment Rental	3500434	3500434	3500434
4	National Information Systems Coop	Data Processing Services	342085	342085	342085
5	North Widns Publishing	Directory Services	84807	84807	84807
6	Triangle Communication System	Internet & Long Distance Services	1022061	1022061	1022061
7	Triangle Telephone Cooperative	Office, Equip. & Switching Rental	3998897	3998897	3998897
8	Workplace, Inc.	Temporary Employment	23316	23316	23316
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	<b>Total</b>				

## Subscriber Line Usage Data

Year: 2005

Line No.	Description (a)	This Year (b)	% of Total (c)	Last Year (d)	% of Total (e)
1	Toll Usage:				
2	Interstate, InterLATA	25273416	52.04%	26609749	47.87%
3	Interstate, IntraLATA	2507	0.01%	2188	0.00%
4	<b>Total Interstate Usage</b>	<b>25275923</b>	<b>52.05%</b>	<b>26611937</b>	<b>47.87%</b>
5	Intrastate, InterLATA	6802317	14.01%	7202733	12.96%
6	Intrastate, IntraLATA	16482560	33.94%	21778210	39.17%
7	<b>Total Intrastate Usage</b>	<b>23284877</b>	<b>47.95%</b>	<b>28980943</b>	<b>52.13%</b>
8	<b>Total Toll Usage</b>	<b>48560800</b>	<b>100.00%</b>	<b>55592880</b>	<b>100.00%</b>
9	Centrex				
10	Local				
11	<b>Total Minutes</b>	<b>48560800</b>	<b>100.00%</b>	<b>55592880</b>	<b>100.00%</b>

Year: 2005

**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	678		99	171			369	2			100.0%	1049
2	374 - Moore	Remote	236		13				48				100.0%	284
3	383 - Dodson	Remote	86		9	8			15				100.0%	101
4	423 - Hobson	Remote	359		69	5			59				100.0%	418
5	473 - Judith Gap	Remote	126		26	3			24				100.0%	150
6	547 - White Sulphur Spring	Host	750		123	19			263	2			100.0%	1015
7	566 - Stanford	Remote	325		42	6			111	1			100.0%	437
8	567 - Denton	Remote	244		34	3			71				100.0%	315
9	572 - Martinsdale	Remote	143		21	1			23				100.0%	166
10	622 - Fort Benton	Host	790		161	19			355	2			100.0%	1147
11	632 - Harlowton	Remote	665		139	15			252	2			100.0%	919
12	654 - Malta	Host	1119		248	52			494	1			100.0%	1614
13	737 - Geraldine	Remote	234		60	4			46				100.0%	280
33	<b>Total</b>		5755		1044	306			2130	10			13	7895

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

Central Office and Switch Information

Year: 2005

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 Spring	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
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48							

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

**Construction Budget - Montana**

Year: 2006

Line No.	Description (a)	2006 (b)
1	<b>Central Office Assets:</b>	
2		
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26		
27	Total Switching and Central Office Projects over \$500,000	
28	Miscellaneous Central Office Projects not over \$500,000	2125000
29	<b>Total Central Office Budget (Total of Line 27 &amp; Line 28)</b>	2125000
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	8633275
43	<b>Total Construction Budget (Total of Lines 29, 41 &amp; 42)</b>	10758275



## Montana Total State Construction Expenditures

Line No.	FCC Part 32 Account No. (a)	Description (b)	This Year (c)	Last Year (d)	Percent Change (e)
1	2110	General Support Assets	3561694	3375034	5.53%
2	2210	Central Office Assets	4158443	4290909	-3.09%
3	2220	Operator Systems			
4	2230	Central Office Transmission	9165947	8453470	8.43%
5	2310	Information/Termination Assets	24856	24856	0.00%
6	2410	Cable and Wire Facilities Assets	34560347	32185914	7.38%
7	2680	Amortizable Tangible Assets			
8	2690	Intangibles			
9		<b>Total Construction Expenditures</b>	<b>51471287</b>	<b>48330183</b>	<b>6.50%</b>

**Montana Employee Counts**

Year: 2005

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 hwere joint use employees are used follow:		
3			
4	Staff	24	22
5	Outside Plant	15	16
6			
7			
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9			
10			
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43	<b>Totals (Sum of Lines 1 through 42)</b>	39	38

**Compensation of Top 10 Montana Based Employees**

Year: 2005

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	<b>Totals (Sum L.1 to L.5)</b>						

## Montana Composite Statistics

Year: 2005

Line No.	Account No.	Description (a)	Amount (b)
1		<b>Plant (Intrastate Only) (000 Omitted)</b>	
2	2001	Plant in Service	51471
3	2003 - 2004	Construction Work in Progress	2162
4	2005	Plant Acquisition Adjustments	12945
5	2002	Plant Held for Future Use	
6	1220	Materials & Supplies	
7		(Less):	
8	3100 - 3400	Depreciation & Amortization Reserves	-35056
9	4360.2	Contributions in Aid of Construction	
10		<b>NET BOOK COSTS</b>	31522
11		<b>Revenues &amp; Expenses (Intrastate Only) (000 Omitted)</b>	
12	5000 - 5300	Operating Revenues	11747
13	6560	Depreciation & Amortization Expenses	2732
14		Federal & State Income Taxes	972
15		Other Taxes	804
16		Other Operating Expenses	4987
17		TOTAL Operating Expenses	9495
18		Net Operating Income	2252
19		Other Income	653
20		Other Deductions	1349
21		<b>NET INCOME</b>	1556
22		<b>Access Lines in Service (Intrastate Only)</b>	
23		Residential Access Lines	5755
24		Business Access Lines	1898
25		PBX Access Lines	242
26		Other Access Lines	
27		<b>Total Number of Access Lines</b>	7895
28		<b>Average Number of Calls Per Access Line</b>	
29		Local Calls	180
30		Toll Calls (Intra- or Interstate)	203
31		<b>Total Number of Calls Per Access Line</b> (Total of Line 29 & Line 30 divided by Line 27)	383
32		<b>Other Statistics (Intrastate Only)</b>	
33		Average Residential Monthly Bill	12
34		Gross Plant Investment per Access Line	8433

**Depreciation - Montana Intrastate Regulated**

Year: 2005

Line No.	Acct No. (a)	Description (b)	Composite Rate % (c)	Total Expense \$ (d)
1	2112	Motor Vehicles	9.7%	127,788
2	2114	Special Purpose Vehicles	7.0%	21,543
3	2115	Garage Work Equipment	8.4%	
4	2116	Other work Equipment	2.8%	2,221
5	2121	Buildings	3.8%	64,994
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%	64,123
11	2212	Digital Electronic Switching Equipment	7.0%	251,849
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%	899,817
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%	14,331
22	2421	Aerial Cable Metallic	5.4%	90,615
23	2421	Aerial Cable Nonmetallic	4.2%	3,430
24	2422	Underground Cable Metallic	4.4%	1,513
25	2422	Underground Cable Nonmetallic	4.8%	33,215
26	2423	Buried Cable Metallic	4.2%	836,982
27	2423	Buried Cable Nonmetallic	3.9%	320,074
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	<p>Please list the Montana Public Service Commission Docket Order No. approving these depreciation rates</p> <p>Docket Number _____ Order Number _____</p>			
37				
38				
39				
40				

**Amortization - Montana Intrastate Regulated**

Year: 2005

Line No.	Acct No. (a)	Description (b)	Composite Rate % (c)	Total Expense \$ (d)
1				
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32				
33				
34				
35		<b>COMPOSITE TOTAL</b>		
36	Please list the Montana Public Service Commission Docket Order No. approving these amortization rates Docket Number _____ Order Number _____			
37				
38				
39				
40				

**Montana Regulatory Capital Structure & Costs**

Year: 2005

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

**Network Access - Charges and Revenues**

Year: 2005

Line No.	Description (a)	Access Charges Paid (b)	Access Revenues Received (c)
1	Montana - Total State		8038666
2			
3	Montana - Intrastate		1716473
4			
5	Montana - Intrastate Regulated		1286704
6			
7			
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12			
13			



Company Name: Central Montana Communications, Inc.

**Affiliate Transactions - Products & Services Provided to Utility**

Line No.	Affiliate Name (a)	Products & Services (b)	Method to Determine Price (c)	Charges to Utility (d)	% Total Affil. Revenues (e)
1	Triangle Telephone Cooperative, Inc.	Office Rent	Floor Space	118,884	
2	Triangle Telephone Cooperative, Inc.	Equipment Rent	Average hourly operating exp.	20,106	
3	Triangle Telephone Cooperative, Inc.	Retirement Plan Reimbursements	Labor hours charged	3,421	
4	Triangle Telephone Cooperative, Inc.	Expense Reimbursements	Actual amounts charged	1,318,718	
5	Triangle Telephone Cooperative, Inc.	Long Distance Service	Actual amounts billed	558,085	
6	Triangle Telephone Cooperative, Inc.	Construction Material	Actual Cost	175,097	
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29					
30	<b>TOTAL</b>			\$2,194,311	

SCHEDULE 33

Year: 2005

Charges to MT Utility (f)	

Company Name: Central Montana Communications, Inc.

**Affiliate Transactions - Products & Services Provided by Utility**

Line No.	Affiliate Name (a)	Products & Services (b)	Method to Determine Price (c)	Charges to Affiliate (d)	% Total Affil. Revenues (e)
1	Triangle Telephone Cooperative, Inc.	Equipment Rent	Average hourly operating exp	8,364	
2	Triangle Telephone Cooperative, Inc.	Billing and Collection	Actual Cost	100,293	
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30	<b>TOTAL</b>			\$108,657	

SCHEDULE 34

Year: 2005

Charges to MT Utility (f)	

**Montana Intrastate Regulated Earned Rate of Return**

Year: 2005

Line No.	Description Rate Base (a)	This Year (b)	Last Year (c)	Percent Change (d)
1				
2	2001 Plant in Service	51,471,288	48,330,184	6.50%
3	2002 Prop. Held for Future Telecommunications Use			
4	3100-3200 (Less) Accumulated Depreciation	(25,002,278)	(24,331,307)	-2.76%
5	<b>Plant in Service</b>	<b>26,469,010</b>	<b>23,998,877</b>	<b>10.29%</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>26,469,010</b>	<b>23,998,877</b>	<b>10.29%</b>
21				
22	<b>Net Earnings</b>			
23				
24	<b>Rate of Return on Average Rate Base</b>	<b>13.200%</b>	<b>7.590%</b>	<b>73.91%</b>
25				
26	<b>Rate of Return on Average Equity</b>	<b>18.260%</b>	<b>10.405%</b>	<b>75.49%</b>
27				
28	Major Normalizing Adjustments & Commission			
29	Ratemaking adjustments to Utility Operations			
30				
31				
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42				
43	<b>Adjusted Rate of Return on Average Rate Base</b>	<b>13.200%</b>	<b>7.590%</b>	<b>73.91%</b>
44				
45	<b>Adjusted Rate of Return on Average Equity</b>	<b>18.260%</b>	<b>10.405%</b>	<b>75.49%</b>

**Other Taxes Paid**

Year: 2005

Line No.	Description (a)	Last Year (b)	This Year (c)
1	Montana Telephone Company License Tax		
2	Montana Public Service Commission Tax	14045	13268
3	Montana Consumer Counsel Tax	5463	5597
4	911 Emergency Telephone Fee		
5	Montana Telecommunications Access Service (TDD)		
6	Montana Corporate License Tax	189434	170626
7	Personal Property Tax		
8	Real Property Tax	686729	785189
9			
10			
11			
12	<b>Total</b>	895671	974680

## SCHEDULE 37

**Universal Service Funds Received**

Year: 2005

Line No.	Description (a)	Last Year (b)	This Year (c)
13	Funds received from Montana Sources		
14	Funds received from Federal Sources	1969652	1985474
15			
16			
17			
18			
19			
20			
21			
22			
23			
24	<b>Total</b>	1969652	1985474