

**General Information**

Year: 2006

1	Legal Name of Respondent: Central Montana Communications, Inc.	<p><b>RECEIVED BY</b></p> <p>2007 MAY -1 A 9:41</p> <p><b>PUBLIC SERVICE COMMISSION</b></p>
2	Name Under Which Respondent Does Business: Central Montana Communications, Inc.	
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	
<b>Control Over Respondent</b>		
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	4254
2	Richard Stuker, Chinook, MT 59523	4726
3	Thomas Bangs, Inverness, MT 59530	4540
4	Richard Pokorny, Big Sandy, MT 59520	4369
5	Paul VanCleve, Big Timber, MT 59011	4586
6	Douglas Lowry, Big Timber, MT 59011	4758
7	Donald Bitz, Box Elder, MT 59521	4064
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18	<b>Chairman of the Board:</b>	
19	Richard Stuker	
20		

**Officers**

Year: 2006

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
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41			
42			
43			
44			
45			

## Total Company Balance Sheet

Year: 2006

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>CURRENT ASSETS:</b>		
2	1120	Cash and Equivalents	2,836,077	7,715,048
3	1180	Telecommunications Accounts Receivable - Net	824,595	802,116
4	1190	Other Accounts Receivable - Net	822,807	761,908
5	1200	Notes Receivable - Net		
6	1210	Interest and Dividends Receivable	29,502	28,834
7	1220	Materials and Supplies		772
8	* 1280	Prepayments	13,637	107,256
9	^ 1290	Prepaid Rents		
10	^ 1300	Prepaid Taxes		
11	^ 1310	Prepaid Insurance		
12	^ 1320	Prepaid Directory Expenses		
13	^ 1330	Other Prepayments	13,637	107,256
14	1350	Other Current Assets		
15		<b>Total Current Assets</b>	4,526,618	9,415,934
16		<b>NONCURRENT ASSETS:</b>		
17	1401	Investments in Affiliated Companies	16,378	15,610
18	1402	Investments in Nonaffiliated Companies	8,276,779	8,195,378
19	1406	Nonregulated Investments	1,214	39,797
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>	8,294,371	8,250,785
27		<b>PROPERTY, PLANT, &amp; EQUIPMENT:</b>		
28	2001	Telecommunications Plant in Service	53,658,051	51,471,288
29	2002	Property Held for Future Telecommunications Use		
30	2003	Plant Under Construction - Short Term	7,254,145	2,026,815
31	2004	Plant Under Construction - Long Term	952,633	135,438
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	(27,071,603)	(24,986,960)
36	3200	Accumulated Depreciation - Held for Future Use		
37	3300	Accumulated Depreciation - Nonoperating		
38	3400	Accumulated Amortization	(10,942,636)	(10,068,964)
39		<b>Net Property, Plant, &amp; Equipment</b>	36,795,391	31,522,418
40		<b>TOTAL ASSETS</b>	49,616,380	49,189,137

^ Subaccount of account marked with a \*.

## Total Company Balance Sheet

Year: 2006

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
41		<b>CURRENT LIABILITIES:</b>		
42	4010	Accounts Payable	1,215,513	846,483
43	4020	Notes Payable		
44	4030	Advance Billing and Payments	348,469	355,650
45	4040	Customer Deposits	61,283	56,162
46	4050	Current Maturities - Long Term Debt	2,161,000	1,848,000
47	4060	Current Maturities - Capital Leases		
48	4070	Income Taxes - Accrued	3,632,120	3,435,700
49	4080	Other Taxes - Accrued	401,805	391,987
50	4100	Net Current Deferred Operating Income Taxes		
51	4110	Net Current Deferred Nonoperating Income Taxes		
52	4120	Other Accrued Liabilities	302,765	306,736
53	4130	Other Current Liabilities		
54		<b>Total Current Liabilities</b>	<b>8,122,955</b>	<b>7,240,718</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	20,860,594	22,929,542
63		<b>Total Long-Term Debt</b>	<b>20,860,594</b>	<b>22,929,542</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	14,242,831	12,628,877
79		<b>Total Stockholders' Equity</b>	<b>20,632,831</b>	<b>19,018,877</b>
80		<b>TOTAL LIAB. AND STOCKHOLDERS' EQUITY</b>	<b>49,616,380</b>	<b>49,189,137</b>

## Total Company Income Statement

Year: 2006

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>REVENUES:</b>		
2	5000	Basic Local Service Revenues	3,600,253	3,542,855
3	5080	Network Access Revenues	8,390,687	8,038,666
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	215,567	199,839
10	^ 5230	Directory Revenue	47,003	39,968
11	^ 5240	Rent Revenue	43,737	42,990
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	2,170	3,176
14	^ 5270	Carrier Billing and Collection Revenue	122,657	113,705
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	2,261	33,931
17		<b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>	12,204,246	11,747,429
18		<b>OPERATING EXPENSES:</b>		
19	6110	Network Support Expense		
20	6120	General Support Expense	430,637	378,932
21	6210	Central Office Switching Expense	176,865	180,024
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	156,354	137,967
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense	577,692	509,781
26	^ 6431	Aerial Wire Expense	111,513	121,519
27	^ 6441	Conduit Systems Expense	466,179	388,262
28	6510	Other Property, Plant & Equipment Expense		
29	6530	Network Operations Expense	540,323	523,701
30	6540	Access Expense	528,871	616,582
31	6560	Depreciation and Amortization Expense	3,759,121	2,732,538
32	6610	Marketing	32,934	18,436
33	6620	Services	1,038,790	1,049,550
34	6710	Executive and Planning	133,161	131,315
35	6720	General and Administrative	737,737	628,096
36	6790	Provision for Uncollectible Notes Receivable		
37		<b>Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)</b>	8,112,485	6,906,922
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	1,852,843	1,853,995
40		<b>Net Operating Income (L.17-L.37+L.38-L.39)</b>	2,238,918	2,986,512
41	7300	Nonoperating Income and Expense	659,159	(392,242)
42	7400	Nonoperating Taxes	(20,047)	(77,877)
43	7500	Interest and Related Items	1,288,524	1,179,541
44	7600	Extraordinary Items		
45	7910	Effects of Juris. Ratemaking Diff. - Net		
46	7990	Nonregulated Net Income	15,646	(63,129)
47		<b>NET INCOME (L.40+L.41-L.42-L.43-L.44+L.45-L.46)</b>	1,613,954	1,555,735

^ Subaccount of the account marked with a \*.

## Montana Total State Income Statement

Year: 2006

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: 2006

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>REVENUES:</b>		
2	5000	Basic Local Service Revenues	3,600,253	3,542,855
3	5080	Network Access Revenues	1,675,771	1,719,473
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	236,320	199,839
10	^ 5230	Directory Revenue	47,003	39,968
11	^ 5240	Rent Revenue	43,737	42,990
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	2,170	3,176
14	^ 5270	Carrier Billing and Collection Revenue	143,410	113,705
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	2,261	33,931
17		<b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>	<b>5,510,083</b>	<b>5,428,236</b>
18		<b>OPERATING EXPENSES:</b>		
19	6110	Network Support Expense		
20	6120	General Support Expense	194,428	176,055
21	6210	Central Office Switching Expense	79,853	83,640
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	70,592	64,101
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense	260,822	236,855
26	^ 6431	Aerial Wire Expense	50,347	56,459
27	^ 6441	Conduit Systems Expense	210,475	180,396
28	6510	Other Property, Plant & Equipment Expense		
29	6530	Network Operations Expense	243,950	243,315
30	6540	Access Expense	238,779	286,468
31	6560	Depreciation and Amortization Expense	1,697,202	1,269,557
32	6610	Marketing	14,869	8,566
33	6620	Services	469,002	487,628
34	6710	Executive and Planning	60,121	61,010
35	6720	General and Administrative	333,080	291,818
36	6790	Provision for Uncollectible Notes Receivable		
37		<b>Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)</b>	<b>3,662,698</b>	<b>3,209,013</b>
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	836,538	861,380
40		<b>Net Operating Income (L.17-L.37+L.38-L.39)</b>	<b>1,010,847</b>	<b>1,357,843</b>

^ Subaccount of the account marked with a \*.

## Montana Intrastate Regulated Income Statement

Year: 2006

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>REVENUES:</b>		
2	5000	Basic Local Service Revenues	3,600,253	3,542,855
3	5080	Network Access Revenues	1,247,414	1,286,704
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>	4,847,667	4,829,559
18		<b>OPERATING EXPENSES:</b>		
19	6110	Network Support Expense		
20	6120	General Support Expense	171,054	155,785
21	6210	Central Office Switching Expense	70,253	74,011
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	62,106	56,721
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense	229,466	209,586
26	^ 6431	Aerial Wire Expense	44,294	49,959
27	^ 6441	Conduit Systems Expense	185,172	159,627
28	6510	Other Property, Plant & Equipment Expense		
29	6530	Network Operations Expense	214,623	215,302
30	6540	Access Expense	210,074	253,487
31	6560	Depreciation and Amortization Expense	1,493,166	1,123,391
32	6610	Marketing	13,082	7,580
33	6620	Services	412,619	431,487
34	6710	Executive and Planning	52,893	53,986
35	6720	General and Administrative	293,038	258,220
36	6790	Provision for Uncollectible Notes Receivable		
37		<b>Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)</b>	3,222,374	2,839,556
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	735,971	762,208
40		<b>Net Operating Income (L.17-L.37+L.38-L.39)</b>	889,322	1,227,795

^ Subaccount of the account marked with a \*.



**Average Rate Base - Total State**

Year: 2006

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	53658051	51471288
2	3100	Accumulated Depreciation	27071603	24986960
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>	26586448	26484328

**Average Rate Base - Intrastate**

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	53658051	51471288
2	3100	Accumulated Depreciation	27071603	24986960
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>	26586448	26484328

**Average Rate Base - Regulated Intrastate**

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	53658051	51471288
2	3100	Accumulated Depreciation	27071603	24986960
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>	26586448	26484328

## Statement of Cash Flows

Year: 2006

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		1613954
4	Reconciliation Adjustments:		
5	Depreciation & Amortization	3759121	
6	Provision for Accounts Receivable Losses		
7	Deferred Income Taxes - Net		
8	Unamortized Investment Tax Credits (ITCs) - Net		
9	Allowance for Funds Used During Construction (AFUDC)		
10	Change in Operating Receivables - Net	-84047	
11	Change in Materials, Supplies & Inventories - Net	772	
12	Change in Operating Payables & Accrued Liabilities - Net	366972	
13	Change in Other Assets & Deferred Credits - Net	93619	
14	Change in Other Liabilities & Deferred Credits - Net		
15	Other (explained on back of this page)	202263	
16	Total Adjustments		4338700
17	<b>Net Cash Provided by/(Used in) Operating Activities</b>		5952654
18	<b>Cash Inflows/Outflows From Investing Activities:</b>		
19	Construction/Acquisition of Property, Plant & Equipment (net of		
20	AFUDC & Capital Lease Related Acquisitions)	-9032093	
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)	-43584	
25	<b>Net Cash Provided by/(Used in) Investing Activities</b>		-9075677
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	211180	
31	Repayment of Long-Term Debt	-1598282	
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)	-368846	
37	<b>Net Cash Provided by Financing Activities</b>		-1755948
38	<b>Effect of Exchange Rate Changes on Cash</b>		
39	<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>		-4878971
40	<b>Cash &amp; Cash Equivalents at Beginning of Period</b>		7715048
41	<b>Cash &amp; Cash Equivalents at End of Period</b>		2836077

**Statement of Cash Flows**

Year: 2006

---

Line 15.	Other Operating Activities	
	Accrued Income Tax	196420
	Other Taxes Accrued	9816
	Other Accrued Liabilities	-3973
		<u>202263</u>
Line 24.	Other Investing Activities	
	Fergus Electric Cooperative Capital Credits	-1438
	Mid Rivers Communication	13
	National Information Solutions Cooperative	-2565
	Mountain View Cooperative	-789
	Triangle Telephone Cooperative Capital Credits	-767
	Rural Telephone Finance Cooperative Capital Credits	19636
	Bonds	-96257
	Nonregulated Investment in Other Terminal Equipment	38583
		<u>-43584</u>
Line 36.	Other Financing Activities	
	REA Notes	<u>-368846</u>

Receivables and Investments-Affiliated & Nonaffiliated Companies

r: 2006

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	2350000									
2	Subscriber Receivables		831595	7000							
3	Reg and NonReg Sales				1509						
4	AT&T				31008						
5	NECA				453755						
6	NCRPC				1920						
7	MILEC				209728						
8	Other Inter-Exc Carriers				84963						
9	Triangle Comm System				-6733						
10	USAC E-Rate				46332						
11	Accts Rec Other - Uncoll					325					
13	Invest In Triangle Tele									16378	1420812
14	RTFC										5566
15	Electric Cooperatives										86210
16	NISC										526
17	Farmers Union - GF										-30
18	Farmers Union - Moore										907
19	Mountain View Coop										6761801
20	Bonds										1000
21	NECA										-13
22	Mid Rivers Comm										
23											
24											
25											
26											
27											
28											
29											
30	<b>Totals</b>	2350000	831595	7000	822482	325				16378	8276779

Year: 2006

Net Plant in Service - Detail

Line No.	Account (a)	Description (b)	Beginning of Year Balance (c)	Additions (d)	Retirements (e)	Sales & Transfers (f)	End of Year Account 2001 Balance (g)	Year End Accumulated Depreciation (h)	End of Year Net Plant Balance (i)
1	* 2110	Land and Support Assets	3561694	328515	212685		3677524		3677524
2	^ 2111	Land	73542				73542		73542
3	^ 2112	Motor Vehicles	1342515	219686	212685		1349516	593281	756235
4	^ 2113	Aircraft							
5	^ 2114	Special Purpose Vehicles	334465				334465	92172	242293
6	^ 2115	Garage Work Equipment							
7	^ 2116	Other Work Equipment	80411				80411	28231	52180
8	^ 2121	Buildings	1730761	108829			1839590	803382	1036208
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	4158443	155125	32167	34342	4315743	2326124	1989619
15	2220	Operator Systems							
16	2231	Radio Systems							
17	2232	Circuit Equipment	9165947	1065816	524486	-34342	9672935	6185810	3487125
18	* 2310	Information Orig & Term Equip	24856				24856		
19	^ 2311	Station Apparatus	311829	1488	62		313255	264817	48438
20	^ 2321	Customer Premises Wiring	34143008	1538356	133137		35548227	37219720	-1671493
21	^ 2341	Large Private Branch Exchanges	1862996	20536	17478		1866054	862229	1003825
22	^ 2351	Public Telephone Term. Equip.	730187	4401			734588	363968	370620
23	^ 2362	Other Terminal Equipment	31549825	1513419	115659		32947585	15429989	17517596
24	2411	Poles							
25	* 2420	Cable and Wire Facilities							
26	^ 2421	Aerial Cable							
27	^ 2422	Underground Cable							
28	^ 2423	Buried Cable							
29	^ 2424	Submarine Cable							
30	^ 2425	Deep Sea Cable							
31	^ 2426	Intrabuilding Network Cable							
32	2431	Aerial Wire	102184				102184	102184	
33	2441	Conduit Systems	3327				3327	1903	1424
34		<b>Totals</b>	51471288	3089300	902537		53658051	27078946	26579105

^ Subaccount of the account marked with a \*.

**Analysis of Plant Held for Future Use** **Year: 2006**

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

**Average Cost of Long Term Debt** **Year: 2006**

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: 2006

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: 2006

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: 2006**

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	30704	21374	40580	201973	-294631	
2	^	Motor Vehicle Expense	25802	17951	40580	184091	-268424	
3	^	Aircraft Expense						
4	^	Special Purpose Vehicles Expense	4902	3423		17837	-26162	
5	^	Garage Work Equipment Expense				45	-45	430637
6	^	Other Work Equipment Expense				96940	11775	360163
7	*	General Support Expense	63363	35611	222948	82475	11775	
8	^	Land and Building Expense	55725	29972	180216			
9	^	Furniture and Artworks Expense			42732			45999
10	^	Office Equipment Expense				3267		24475
11	^	General Purpose Computers Expense	7638	5639		11198		176865
12	*	Central Office Switching Expense	57538	32791		63810	22726	
13	^	Analog Electronic Expense						176865
14	^	Digital Electronic Expense						
15	^	Electro-Mechanical Expense	57538	32791		63810	22726	
16		Operator Systems Expense						
17	*	Central Office Transmission Expense	62019	37883		32539	23913	156354
18	^	Radio Systems Expense	114	60				174
19	^	Circuit Equipment Expense	61905	37823		32539	23913	156180
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	228050	138587	12354	100617	98084	577692
26	^	Poles Expense			12354	34	7	12395
27	^	Aerial Cable Expense	51603	32044		5830	22036	111513
28	^	Underground Cable Expense	300	176			146	622
29	^	Buried Cable Expense	176147	106367		94753	75895	453162
30	^	Submarine Cable Expense						
31	^	Deep Sea Cable Expense						
32	^	Intrabuilding Network Cable Expense						
33	^	Aerial Wire Expense						
34		<b>Subtotals</b>	441,674	266,246	275,882	495,879	(138,133)	1341548

^ Subaccount of the account marked with a \*

**Total Company Expense Matrix**

Line No.	Acct. No. (a)	Description (b)	Salaries and Wages (c)	Benefits (d)	Rents (e)	Other Expenses (f)	Clearances (g)	Total (h)
35	^ 6441	Conduit Systems Expense						
36	6510	Other Property Expenses						
37	* 6530	Network Operations Expense	273441	178583	16967	123167	-51835	540323
38	^ 6531	Power Expense				80771		80771
39	^ 6532	Network Administration Expense	116447	78799	12288	24867	24369	256770
40	^ 6533	Testing Expense	9572	5810		1512	5299	22193
41	^ 6534	Plant Operations Expense	72383	45604	4679	9337	-81503	50500
42	^ 6535	Engineering Expense	75039	48370		6680		130089
43	6540	Access Expense				528871		528871
44	6561	Depreciation - Telecomm. Plant in Service				2885449		2885449
45	6562	Depreciation-Prop. for Future Telecom. Use						
46	6563	Amortization Expense - Tangible						
47	6564	Amortization Expense - Intangible						
48	6565	Amortization - Other				873672		873672
49	* 6610	Marketing	7847	5688		19399		32934
50	^ 6611	Product Management						
51	^ 6612	Sales	2159	1588		13213		16960
52	^ 6613	Product Advertising	5688	4100		6186		15974
53	6621	Call Completion Services	12749	8968		697		22414
54	6622	Number Services	4908	3430		94272		102610
55	6623	Customer Services	225205	160421	20100	508040		913766
56	6711	Executive	57385	32776		42246		132407
57	6712	Planning	409	286		59		754
58	6721	Accounting and Finance	94371	64816	13416	90656		263259
59	6722	External Relations	18216	13942		60259		92417
60	6723	Human Relations	7590	5635		36142		49367
61	6724	Information Management	22070	13448		45824		81342
62	6725	Legal				1274		1274
63	6726	Procurement						
64	6727	Research and Development						
65	6728	Other General and Administrative	43066	37261	8571	161180		250078
66	6790	Provision for Uncollectible Notes Receivable						
67		<b>Totals</b>	1,208,931	791,500	334,936	5,967,086	(189,968)	8,112,485

^ Subaccount of the account marked with a \*

Total State Expense Matrix

Line No.	Acct. No.	Description	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	#VALUE!					#VALUE!
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	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		<b>Totals</b>	<b>#VALUE!</b>					<b>#VALUE!</b>

^ Subaccount of the account marked with a \*

**Pension Costs**

Year: 2006

1	Plan Name NTCA Savings Plan			
2	Defined Benefit Plan? _____	Defined Contribution Plan? _____		
3	Actuarial Cost Method? _____	IRS Code: _____		
4	Annual Contribution by Employer: ___\$218,758_____	Is the Plan Over Funded? _____		
5				
	<b>Item</b>	<b>Current Year</b>	<b>Last Year</b>	<b>% Change</b>
6	<b>Change in Benefit Obligation</b>			
7	Benefit obligation at beginning of year			
8	Service cost			
9	Interest Cost			
10	Plan participants' contributions			
11	Amendments			
12	Actuarial Gain			
13	Acquisition			
14	Benefits paid			
15	Benefit obligation at end of year			
16	<b>Change in Plan Assets</b>			
17	Fair value of plan assets at beginning of year			
18	Actual return on plan assets			
19	Acquisition			
20	Employer contribution			
21	Plan participants' contributions			
22	Benefits paid			
23	Fair value of plan assets at end of year			
24	<b>Funded Status</b>			
25	Unrecognized net actuarial loss			
26	Unrecognized prior service cost			
27	Prepaid (accrued) benefit cost			
28				
29	<b>Weighted-average Assumptions as of Year End</b>			
30	Discount rate			
31	Expected return on plan assets			
32	Rate of compensation increase			
33				
34	<b>Components of Net Periodic Benefit Costs</b>			
35	Service cost			
36	Interest cost			
37	Expected return on plan assets			
38	Amortization of prior service cost			
39	Recognized net actuarial loss			
40	Net periodic benefit cost			
41				
42	<b>Montana Intrastate Costs:</b>			
43	Pension Costs			
44	Pension Costs Capitalized			
45	Accumulated Pension Asset (Liability) at Year End			
46	<b>Number of Company Employees:</b>			
47	Covered by the Plan			
48	Not Covered by the Plan			
49	Active			
50	Retired			
51	Deferred Vested Terminated			

**Pension Costs**

Year: 2006

1	Plan Name NTCA Savings Plan			
2	Defined Benefit Plan? _____	Defined Contribution Plan? _____		
3	Actuarial Cost Method? _____	IRS Code: _____		
4	Annual Contribution by Employer: _____ \$34,290 _____	Is the Plan Over Funded? _____		
5				
	<b>Item</b>	<b>Current Year</b>	<b>Last Year</b>	<b>% Change</b>
6	<b>Change in Benefit Obligation</b>			
7	Benefit obligation at beginning of year			
8	Service cost			
9	Interest Cost			
10	Plan participants' contributions			
11	Amendments			
12	Actuarial Gain			
13	Acquisition			
14	Benefits paid			
15	Benefit obligation at end of year			
16	<b>Change in Plan Assets</b>			
17	Fair value of plan assets at beginning of year			
18	Actual return on plan assets			
19	Acquisition			
20	Employer contribution			
21	Plan participants' contributions			
22	Benefits paid			
23	Fair value of plan assets at end of year			
24	<b>Funded Status</b>			
25	Unrecognized net actuarial loss			
26	Unrecognized prior service cost			
27	Prepaid (accrued) benefit cost			
28				
29	<b>Weighted-average Assumptions as of Year End</b>			
30	Discount rate			
31	Expected return on plan assets			
32	Rate of compensation increase			
33				
34	<b>Components of Net Periodic Benefit Costs</b>			
35	Service cost			
36	Interest cost			
37	Expected return on plan assets			
38	Amortization of prior service cost			
39	Recognized net actuarial loss			
40	Net periodic benefit cost			
41				
42	<b>Montana Intrastate Costs:</b>			
43	Pension Costs			
44	Pension Costs Capitalized			
45	Accumulated Pension Asset (Liability) at Year End			
46	<b>Number of Company Employees:</b>			
47	Covered by the Plan			
48	Not Covered by the Plan			
49	Active			
50	Retired			
51	Deferred Vested Terminated			



**Other Post Employment Benefits (OPEBS)**

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

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

Year: 2006

	Item	Current Year	Last Year	% Change
1	<b>Number of Company Employees:</b>	Not Applicable		
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: 2006

Line No.	Name of Recipient (a)	Nature of Service (b)	Total Company Cost (c)	Total State Cost (d)	Intrastate Cost (e)
1	Douglas Olmstead	Construction Services	211466	211466	211466
2	GVNW, Inc.	Cost Consulting	67487	67487	67487
3	Heberly & Associates	Engineering Services	541808	541808	541808
4	Hill County Electric Cooperative	Office & Equipment Rental	3766534	3766534	3766534
5	National Information Systems Coop.	Data Processing Services	290943	290943	290943
6	North Winds Publishing	Directory Services	58459	58459	58459
7	Triangle Communication System	Internet & Long Distance Services	576005	576005	576005
8	Triangle Telephone Cooperative	Office, Equip. & Switching Rental	3322008	3322008	3322008
9	Workplace, Inc.	Temporary Employment	644	644	644
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: 2006

Line No.	Description (a)	This Year (b)	% of Total (c)	Last Year (d)	% of Total (e)
1	Toll Usage:				
2	Interstate, InterLATA	23634209	50.76%	25273416	52.04%
3	Interstate, IntraLATA	2531	0.01%	2507	0.01%
4	<b>Total Interstate Usage</b>	<b>23636740</b>	<b>50.76%</b>	<b>25275923</b>	<b>52.05%</b>
5	Intrastate, InterLATA	7210023	15.48%	6802317	14.01%
6	Intrastate, IntraLATA	15716923	33.75%	16482560	33.94%
7	<b>Total Intrastate Usage</b>	<b>22926946</b>	<b>49.24%</b>	<b>23284877</b>	<b>47.95%</b>
8	<b>Total Toll Usage</b>	<b>46563686</b>	<b>100.00%</b>	<b>48560800</b>	<b>100.00%</b>
9	Centrex				
10	Local				
11	<b>Total Minutes</b>	<b>46563686</b>	<b>100.00%</b>	<b>48560800</b>	<b>100.00%</b>

Year: 2006

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	705		137	183			359	1				1065
2	374 - Moore	Remote	243		115				44					287
3	383 - Dodson	Remote	87		20	4			13					100
4	423 - Hobson	Remote	349		95	5			58					407
5	473 - Judith Gap	Remote	120		36	3			19					139
6	547 - White Sulphur Spr	Host	746		180	19			268					1014
7	566 - Starford	Remote	330		58	7			108	1				439
8	567 - Denton	Remote	237		45	3			66					303
9	572 - Martinsdale	Remote	144		32				20					164
10	622 - Fort Benton	Host	756		215	15			357	1				1114
11	632 - Harlowton	Remote	657		182	15			243	2				902
12	654 - Malta	Host	1118		329	50			479					1597
13	737 - Geraldine	Remote	233		79	6			49					282
33	<b>Total</b>		5725		1523	310			2083	5				7813

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

Central Office and Switch Information

Year: 2006

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 Telc	DMS - 10	7,500	1995
2	374 - Moore	Remote	Digital	Northern Telc	RSLE	1,025	1995
3	383 - Dodson	Remote	Digital	Northern Telc	RSLE	192	1994
4	423 - Hobson	Remote	Digital	Northern Telc	RSLE	1,024	1995
5	473 - Judith Gap	Remote	Digital	Northern Telc	RSLE	192	1995
6	547 - White Sulphur Spr	Host	Digital	Northern Telc	DMS - 10	7,500	1996
7	566 - Stanford	Remote	Digital	Northern Telc	RSLE	1,024	1995
8	567 - Denton	Remote	Digital	Northern Telc	RSLE	1,024	1995
9	572 - Martinsdale	Remote	Digital	Northern Telc	RSLE	192	1996
10	622 - Fort Benton	Host	Digital	Northern Telc	DMS - 10	7,500	1995
11	632 - Harlowton	Remote	Digital	Northern Telc	RSC	1,600	1999
12	654 - Malta	Host	Digital	Northern Telc	DMS - 10	7,500	1994
13	737 - Geraldine	Remote	Digital	Northern Telc	RSLE	1,024	1995
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32							
33							
34							
35							
36							
37							
38							
39							
40							
41							
42							
43							
44							
45							
46							
47							
48							

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

**Construction Budget - Montana**

Year:

Line No.	Description (a)	(b)
1	<b>Central Office Assets:</b>	
2		
3	Lightwave Transport Network Upgrades	600000
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	600000
28	Miscellaneous Central Office Projects not over \$500,000	1409000
29	<b>Total Central Office Budget (Total of Line 27 &amp; Line 28)</b>	<b>2009000</b>
30	<b>Other Projects over \$500,000:</b>	
31		
32	General Fund Capital Expenditures	672500
33	Stanford & Denton Cable Upgrade Cable	750000
34		
35		
36		
37		
38		
39		
40		
41	Total Other Projects over \$500,000	1422500
42	Miscellaneous projects not over \$500,000	2575000
43	<b>Total Construction Budget (Total of Lines 29, 41 &amp; 42)</b>	<b>6006500</b>

## 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	3677524	3561694	3.25%
2	2210	Central Office Assets	4315742	4158443	3.78%
3	2220	Operator Systems			
4	2230	Central Office Transmission	9672936	9165947	5.53%
5	2310	Information/Termination Assets	24856	24856	0.00%
6	2410	Cable and Wire Facilities Assets	35966993	34560347	4.07%
7	2680	Amortizable Tangible Assets			
8	2690	Intangibles			
<b>9</b>		<b>Total Construction Expenditures</b>	<b>53658051</b>	<b>51471287</b>	<b>4.25%</b>



**Montana Employee Counts**

Year: 2006

Line No.	Category (a)	Beginning of Year (b)	End of Year (c)
1	Employees are provided through a Joint Use Agreement with Hill County		
2	Electric Cooperative, Inc. Areas where joint use employees are used follow:		
3			
4	Staff	22	23
5	Outside Plant	16	14
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41			
42			
43	<b>Totals (Sum of Lines 1 through 42)</b>	<b>38</b>	<b>37</b>

**Compensation of Top 10 Montana Based Employees**

Year: 2006

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: 2006

Line No.	Account No.	Description (a)	Amount (b)
1		<b>Plant (Intrastate Only) (000 Omitted)</b>	
2	2001	Plant in Service	53658
3	2003 - 2004	Construction Work in Progress	8207
4	2005	Plant Acquisition Adjustments	12944
5	2002	Plant Held for Future Use	
6	1220	Materials & Supplies	
7		(Less):	
8	3100 - 3400	Depreciation & Amortization Reserves	-38014
9	4360.2	Contributions in Aid of Construction	
10		<b>NET BOOK COSTS</b>	36795
11		<b>Revenues &amp; Expenses (Intrastate Only) (000 Omitted)</b>	
12	5000 - 5300	Operating Revenues	12204
13	6560	Depreciation & Amortization Expenses	3759
14		Federal & State Income Taxes	1042
15		Other Taxes	810
16		Other Operating Expenses	3545
17		TOTAL Operating Expenses	9156
18		Net Operating Income	3048
19		Other Income	616
20		Other Deductions	2050
21		<b>NET INCOME</b>	1614
22		<b>Access Lines in Service (Intrastate Only)</b>	
23		Residential Access Lines	5725
24		Business Access Lines	1859
25		PBX Access Lines	229
26		Other Access Lines	
27		<b>Total Number of Access Lines</b>	7813
28		<b>Average Number of Calls Per Access Line</b>	
29		Local Calls	154
30		Toll Calls (Intra- or Interstate)	211
31		<b>Total Number of Calls Per Access Line</b> (Total of Line 29 & Line 30 divided by Line 27)	365
32		<b>Other Statistics (Intrastate Only)</b>	
33		Average Residential Monthly Bill	39
34		Gross Plant Investment per Access Line	9575

**Depreciation - Montana Intrastate Regulated**

Year: 2006

Line No.	Acct No. (a)	Description (b)	Composite Rate % (c)	Total Expense \$ (d)
1	2112	Motor Vehicles	9.7%	129,526
2	2114	Special Purpose Vehicles	7.0%	23,412
3	2115	Garage Work Equipment	8.4%	
4	2116	Other work Equipment	2.8%	2,256
5	2121	Buildings	3.8%	65,898
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%	36,330
11	2212	Digital Electronic Switching Equipment	7.0%	252,162
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%	974,230
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%	14,664
22	2421	Aerial Cable Metallic	5.4%	96,138
23	2421	Aerial Cable Nonmetallic	4.2%	3,432
24	2422	Underground Cable Metallic	4.4%	1,620
25	2422	Underground Cable Nonmetallic	4.8%	33,276
26	2423	Buried Cable Metallic	3.9%	879,287
27	2423	Buried Cable Nonmetallic	4.2%	373,146
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>		
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: 2006

Line No.	Acct No. (a)	Description (b)	Composite Rate % (c)	Total Expense \$ (d)
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				
31				
32				
33				
34				
35		<b>COMPOSITE TOTAL</b>		
36	<p>Please list the Montana Public Service Commission Docket Order No. approving these amortization rates</p> <p>Docket Number _____ Order Number _____</p>			
37				
38				
39				
40				

**Montana Regulatory Capital Structure & Costs**

Year: 2006

Line No.	Description (a)	% Cap. Str. (b)	% Cost Rate (c)	Weighted Cost (d)
	<b>Commission Accepted - Most Recent</b>	Not Applicable		
1	Docket Number _____			
2	Order Number _____			
3				
4	Common Equity			
5	Preferred Stock			
6	Long Term Debt			
7	Other			
8	<b>Total</b>			
9				
10	<b>Actual at Year End</b>			
11				
12	Common Equity			
13	Preferred Stock			
14	Long Term Debt			
15	Other			
16	<b>Total</b>			

**Network Access - Charges and Revenues**

Year: 2006

Line No.	Description (a)	Access Charges Paid (b)	Access Revenues Received (c)
1	Montana - Total State		8390687
2			
3	Montana - Intrastate		1675711
4			
5	Montana - Intrastate Regulated		1247414
6			
7			
8			
9			
10			
11			
12			
13			

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

Year: 2006

Line No.	Affiliate Name (a)	Products & Services (b)	Method to Determine Price (c)	Charges to Utility (d)	% Total Affil. Revenues (e)	Charges to MT Utility (f)
1	Triangle Telephone Cooperative, Inc.	Office Rent	Floor space	123,372		
2	Triangle Telephone Cooperative, Inc.	Equipment Rent	Average hourly operating exp.	9,504		
3	Triangle Telephone Cooperative, Inc.	Retirement Plan Reimbursements	Labor hours charged	8,911		
4	Triangle Telephone Cooperative, Inc.	Expense Reimbursements	Actual amounts charged	2,218,902		
5	Triangle Telephone Cooperative, Inc.	Long Distance Service	Actual amounts billed	563,770		
6	Triangle Telephone Cooperative, Inc.	Construction Material	Actual cost	156,803		
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>			\$3,081,262		



**Affiliate Transactions - Products & Services Provided by Utility** Year: 2006

Line No.	Affiliate Name (a)	Products & Services (b)	Method to Determine Price (c)	Charges to Affiliate (d)	% Total Affil. Revenues (e)	Charges to MT Utility (f)
1	Triangle Telephone Cooperative, Inc.	Equipment Rent	Average hourly operating exp	7,836		
2	Triangle Telephone Cooperative, Inc.	Billing and Collection	Actual Cost	114,371		
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>			\$122,207		

**Montana Intrastate Regulated Earned Rate of Return**

Year: 2006

Line No.	Description Rate Base (a)	This Year (b)	Last Year (c)	Percent Change (d)
1				
2	2001 Plant in Service	53,658,051	51,471,288	4.25%
3	2002 Prop. Held for Future Telecommunications Use			
4	3100-3200 (Less) Accumulated Depreciation	(27,078,946)	(25,002,278)	-8.31%
5	<b>Plant in Service</b>	26,579,105	26,469,010	0.42%
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>	26,579,105	26,469,010	0.42%
21				
22	<b>Net Earnings</b>			
23				
24	<b>Rate of Return on Average Rate Base</b>	6.085%	13.200%	-53.90%
25				
26	<b>Rate of Return on Average Equity</b>	8.141%	18.260%	-55.42%
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	<b>Adjusted Rate of Return on Average Rate Base</b>	6.085%	13.200%	-53.90%
44				
45	<b>Adjusted Rate of Return on Average Equity</b>	8.141%	18.260%	-55.42%

**Other Taxes Paid**

Year: 2006

Line No.	Description (a)	Last Year (b)	This Year (c)
1	Montana Telephone Company License Tax		
2	Montana Public Service Commission Tax	13268	11749
3	Montana Consumer Counsel Tax	5597	3270
4	911 Emergency Telephone Fee		
5	Montana Telecommunications Access Service (TDD)		
6	Montana Corporate License Tax	170626	179585
7	Personal Property Tax		
8	Real Property Tax	785189	795462
9			
10			
11			
12	<b>Total</b>	974680	990066

SCHEDULE 37

**Universal Service Funds Received**

Year: 2006

Line No.	Description (a)	Last Year (b)	This Year (c)
13	Funds received from Montana Sources		
14	Funds received from Federal Sources	1985474	2189088
15			
16			
17			
18			
19			
20			
21			
22			
23			
24	<b>Total</b>	1985474	2189088