

**General Information**

Year: 2009

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PUBLIC SERVICE  
COMMISSION

- 1 Legal Name of Respondent:  
Central Montana Communications, Inc.
- 2 Name Under Which Respondent Does Business:  
Triangle Communications
- 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) 394-2726

**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	4314
2	Richard Stuker, Chinook, MT 59523	4507
3	Thomas Bangs, Inverness, MT 59530	4257
4	Richard Pokorny, Big Sandy, MT 59520	4515
5	Paul Van Cleve, Big Timber, MT 59011	4128
6	Douglas Lowry, Big Timber, MT 59011	4321
7	Donald Bitz, Box Elder, MT 59521	4321
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18	<b>Chairman of the Board:</b>	
19	Richard Stuker	
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**Officers**

Year: 2009

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: 2009

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>CURRENT ASSETS:</b>		
2	1120	Cash and Equivalents	6,606,524	2,879,011
3	1180	Telecommunications Accounts Receivable - Net	951,461	949,575
4	1190	Other Accounts Receivable - Net	2,058,890	773,972
5	1200	Notes Receivable - Net		
6	1210	Interest and Dividends Receivable	22,653	30,128
7	1220	Materials and Supplies		
8	* 1280	Prepayments	30,035	26,695
9	^ 1290	Prepaid Rents		
10	^ 1300	Prepaid Taxes		
11	^ 1310	Prepaid Insurance		
12	^ 1320	Prepaid Directory Expenses		
13	^ 1330	Other Prepayments	30,035	26,695
14	1350	Other Current Assets		
15		<b>Total Current Assets</b>	9,669,563	4,659,381
16		<b>NONCURRENT ASSETS:</b>		
17	1401	Investments in Affiliated Companies	28,400	24,625
18	1402	Investments in Nonaffiliated Companies	6,670,544	8,430,667
19	1406	Nonregulated Investments		203
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>	6,698,944	8,455,495
27		<b>PROPERTY, PLANT, &amp; EQUIPMENT:</b>		
28	2001	Telecommunications Plant in Service	71,346,698	62,719,333
29	2002	Property Held for Future Telecommunications Use		
30	2003	Plant Under Construction - Short Term	822,604	7,198,885
31	2004	Plant Under Construction - Long Term	123,651	1,798,626
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	(29,547,062)	(29,511,255)
36	3200	Accumulated Depreciation - Held for Future Use		
37	3300	Accumulated Depreciation - Nonoperating		
38	3400	Accumulated Amortization	(12,944,801)	(12,689,980)
39		<b>Net Property, Plant, &amp; Equipment</b>	42,745,891	42,460,410
40		<b>TOTAL ASSETS</b>	59,114,398	55,575,286

^ Subaccount of account marked with a \*.

## Total Company Balance Sheet

Year: 2009

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
41		<b>CURRENT LIABILITIES:</b>		
42	4010	Accounts Payable	747,298	1,206,400
43	4020	Notes Payable		
44	4030	Advance Billing and Payments	378,989	376,857
45	4040	Customer Deposits	50,142	60,738
46	4050	Current Maturities - Long Term Debt	2,823,000	2,568,000
47	4060	Current Maturities - Capital Leases		
48	4070	Income Taxes - Accrued	7,196,710	4,541,820
49	4080	Other Taxes - Accrued	504,723	473,524
50	4100	Net Current Deferred Operating Income Taxes		
51	4110	Net Current Deferred Nonoperating Income Taxes		
52	4120	Other Accrued Liabilities	247,618	261,630
53	4130	Other Current Liabilities		
54		<b>Total Current Liabilities</b>	<b>11,948,480</b>	<b>9,488,969</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	20,324,552	21,994,684
63		<b>Total Long-Term Debt</b>	<b>20,324,552</b>	<b>21,994,684</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	20,451,366	17,701,633
79		<b>Total Stockholders' Equity</b>	<b>26,841,366</b>	<b>24,091,633</b>
80		<b>TOTAL LIAB. AND STOCKHOLDERS' EQUITY</b>	<b>59,114,398</b>	<b>55,575,286</b>

## Total Company Income Statement

Year: 2009

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>REVENUES:</b>		
2	5000	Basic Local Service Revenues	3,873,700	3,847,637
3	5080	Network Access Revenues	11,048,568	9,255,673
4	* 5100	Long Distance Message Revenue	(28)	(67)
5	^ 5110	Unidirectional Long Distance Revenue		
6	^ 5120	Long Distance Private Network Revenue		
7	^ 5160	Other Long Distance Revenue	(28)	(67)
8	^ 5169	Other Long Distance Revenue Settlements		
9	* 5200	Miscellaneous Revenue	215,764	239,806
10	^ 5230	Directory Revenue	57,215	62,710
11	^ 5240	Rent Revenue	52,591	51,763
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	1,320	1,673
14	^ 5270	Carrier Billing and Collection Revenue	104,638	123,660
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	58,221	54,651
17		<b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>	<b>15,079,783</b>	<b>13,288,398</b>
18		<b>OPERATING EXPENSES:</b>		
19	6110	Network Support Expense		
20	6120	General Support Expense	458,869	436,495
21	6210	Central Office Switching Expense	189,756	191,231
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	238,428	193,680
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense	622,318	587,932
26	^ 6431	Aerial Wire Expense	116,709	148,625
27	^ 6441	Conduit Systems Expense	505,609	439,307
28	6510	Other Property, Plant & Equipment Expense		
29	6530	Network Operations Expense	673,738	597,868
30	6540	Access Expense	603,652	668,238
31	6560	Depreciation and Amortization Expense	3,929,916	4,288,388
32	6610	Marketing	27,908	23,551
33	6620	Services	1,020,376	1,013,878
34	6710	Executive and Planning	155,172	145,552
35	6720	General and Administrative	906,576	859,353
36	6790	Provision for Uncollectible Notes Receivable		
37		<b>Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)</b>	<b>8,826,709</b>	<b>9,006,166</b>
38	7100	Other Operating Income and Expense	(282)	(221)
39	7200	Operating Taxes	2,629,627	2,033,627
40		<b>Net Operating Income (L.17-L.37+L.38-L.39)</b>	<b>3,623,165</b>	<b>2,248,384</b>
41	7300	Nonoperating Income and Expense	320,584	509,969
42	7400	Nonoperating Taxes	143,740	(73,677)
43	7500	Interest and Related Items	992,901	1,254,294
44	7600	Extraordinary Items		
45	7910	Effects of Juris. Ratemaking Diff. - Net		
46	7990	Nonregulated Net Income	57,375	38,647
47		<b>NET INCOME (L.40+L.41-L.42-L.43-L.44+L.45-L.46)</b>	<b>2,749,733</b>	<b>1,539,089</b>

^ Subaccount of the account marked with a \*.

**Montana Total State Income Statement**

Year: 2009

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>REVENUES:</b>	Same as Schedule 4	Total Income
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: 2009

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>REVENUES:</b>		
2	5000	Basic Local Service Revenues	3,873,700	3,847,637
3	5080	Network Access Revenues	1,630,521	1,576,390
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	215,764	239,806
10	^ 5230	Directory Revenue	57,215	62,710
11	^ 5240	Rent Revenue	52,591	51,763
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	1,320	1,673
14	^ 5270	Carrier Billing and Collection Revenue	104,638	123,660
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	58,221	54,651
17		<b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>	<b>5,661,764</b>	<b>5,609,182</b>
18		<b>OPERATING EXPENSES:</b>		
19	6110	Network Support Expense		
20	6120	General Support Expense	172,284	184,250
21	6210	Central Office Switching Expense	71,245	80,721
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	89,519	81,754
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense	233,652	248,173
26	^ 6431	Aerial Wire Expense	43,819	62,736
27	^ 6441	Conduit Systems Expense	189,833	185,437
28	6510	Other Property, Plant & Equipment Expense		
29	6530	Network Operations Expense	252,958	252,367
30	6540	Access Expense	226,644	282,071
31	6560	Depreciation and Amortization Expense	1,475,502	1,810,177
32	6610	Marketing	10,478	9,941
33	6620	Services	383,104	427,969
34	6710	Executive and Planning	58,260	61,439
35	6720	General and Administrative	340,378	362,742
36	6790	Provision for Uncollectible Notes Receivable		
37		<b>Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)</b>	<b>3,314,024</b>	<b>3,801,604</b>
38	7100	Other Operating Income and Expense	(106)	(93)
39	7200	Operating Taxes	987,304	858,417
40		<b>Net Operating Income (L.17-L.37+L.38-L.39)</b>	<b>1,360,330</b>	<b>949,068</b>

^ Subaccount of the account marked with a \*.

## Montana Intrastate Regulated Income Statement

Year: 2009

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>REVENUES:</b>		
2	5000	Basic Local Service Revenues	3,873,700	3,847,637
3	5080	Network Access Revenues	987,923	1,067,140
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>	<b>4,861,623</b>	<b>4,914,777</b>
18		<b>OPERATING EXPENSES:</b>		
19	6110	Network Support Expense		
20	6120	General Support Expense	147,936	161,440
21	6210	Central Office Switching Expense	61,176	70,728
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	76,868	71,633
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense	200,631	217,450
26	^ 6431	Aerial Wire Expense	37,626	54,970
27	^ 6441	Conduit Systems Expense	163,005	162,480
28	6510	Other Property, Plant & Equipment Expense		
29	6530	Network Operations Expense	217,209	221,124
30	6540	Access Expense	194,613	247,151
31	6560	Depreciation and Amortization Expense	1,266,979	1,586,081
32	6610	Marketing	8,997	8,711
33	6620	Services	328,963	374,987
34	6710	Executive and Planning	50,026	53,833
35	6720	General and Administrative	292,274	317,836
36	6790	Provision for Uncollectible Notes Receivable		
37		<b>Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)</b>	<b>2,845,672</b>	<b>3,330,974</b>
38	7100	Other Operating Income and Expense	(91)	(82)
39	7200	Operating Taxes	847,775	752,147
40		<b>Net Operating Income (L.17-L.37+L.38-L.39)</b>	<b>1,168,085</b>	<b>831,574</b>

^ Subaccount of the account marked with a \*.

**Average Rate Base - Total State**

Year: 2009

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	71346698	62719333
2	3100	Accumulated Depreciation	29547062	29511255
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>	41799636	33208078

**Average Rate Base - Intrastate**

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	71346698	62719333
2	3100	Accumulated Depreciation	29547062	29511255
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>	41799636	33208078

**Average Rate Base - Regulated Intrastate**

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	71346698	62719333
2	3100	Accumulated Depreciation	29547062	29511255
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>	41799636	33208078

## Statement of Cash Flows

Year: 2009

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		2749733
4	Reconciliation Adjustments:		
5	Depreciation & Amortization	3929916	
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	-905334	
11	Change in Materials, Supplies & Inventories - Net		
12	Change in Operating Payables & Accrued Liabilities - Net	-841561	
13	Change in Other Assets & Deferred Credits - Net	-3340	
14	Change in Other Liabilities & Deferred Credits - Net		
15	Other (explained on back of this page)	2672077	
16	Total Adjustments		4851758
17	<b>Net Cash Provided by/(Used in) Operating Activities</b>		7601491
18	<b>Cash Inflows/Outflows From Investing Activities:</b>		
19	Construction/Acquisition of Property, Plant & Equipment (net of	-4215397	
20	AFUDC & Capital Lease Related Acquisitions)		
21	Proceeds from Disposals of Property, Plant & Equipment		
22	Investments In & Advances to Affiliates		
23	Proceeds from Repayment of Advances		
24	Other Investing Activities (explained on back of this page)	1756551	
25	<b>Net Cash Provided by/(Used in) Investing Activities</b>		-2458846
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	1141737	
31	Repayment of Long-Term Debt	-2556869	
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>		-1415132
38	<b>Effect of Exchange Rate Changes on Cash</b>		
39	<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>		3727513
40	<b>Cash &amp; Cash Equivalents at Beginning of Period</b>		2879011
41	<b>Cash &amp; Cash Equivalents at End of Period</b>		6606524

**Statement of Cash Flows**

Year: 2009

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Line 15.	Other Operating Activities	
	Accrued Income Taxes	2,654,890
	Other Taxes Accrued	31,199
	Other Accrued Liabilities	-14,012
		<u>2,672,077</u>
Line 24.	Other Investing Activities	
	Triangle Telephone Cooperative Capital Credits	3,775
	National Information Solutions Cooperative	8,815
	Mid Rivers Communications	-15
	Vigilante Electric Cooperative	23
	Mountain View Cooperative	163
	Fergus Electric Cooperative	3,711
	Bonds	-1,715,062
	Rural Telephone Finance Cooperative Capital Credits	-57,758
	Nonregulated Investment in Other Terminal Equipment	-203
		<u>-1,756,551</u>

Receivables and Investments-Affiliated & Nonaffiliated Companies

Year: 2009

Line No.	Name of Affiliate or Company (a)	Account 1160 Temporary Investments (b)	Account 1180 Telecom. Accounts Receivable (c)	Account 1181 Accts. Rec. Telecom. Allowance (d)	Account 1190 Other Accounts Receivable (e)	Account 1191 Accounts Receivable Allow. - Other (f)	Account 1200 Notes Receivable (g)	Account 1201 Notes Receivable Allowance (h)	Account 1210 Interest and Dividends Receivable (i)	Account 1401 Investments in Affil. Companies (j)	Account 1402 Investments in Nonaffil. Companies (k)
1	NRUCFC	6500000									
2	Subscriber Receivables		956665	-5205							
3	Reg and Nonreg sales				9982						
4	AT&T				56024						
5	NECA				656353						
6	NCRPC				717						
7	MILEC				234810						
8	Other Inter-Exc Carriers				100786						
9	Triangle Comm System				1100312						
10	USAC E-Rate				26136						
11	Accts Rec Other - Unpaid				-147						
12	Accts Rec Other - Uncoll					-1260					
13	Accts Rec Other - Intra					-81657					
14	Accts Rec Other - Inter					-9260					
15	Accts Rec Other - Pool					-33906					
16	Invest In Triangle Tele									28400	
17	RTFC										1214022
18	Electric Cooperatives										15741
19	NISC										148897
20	Farmers Union - GF										526
21	Farmers Union - Moore										-30
22	Mountain View Coop										1037
23	Bonds										5289019
24	NECA										1000
25	Mid Rivers Coop										332
26											
27											
28											
29											
30	<b>Totals</b>	6500000	956665	-5205	2184973	-126083				28400	6670544

Net Plant in Service - Detail

Year:2009

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	4259075	422391	92199		4589267		4589267
2	^ 2111	Land	73542				73542		73542
3	^ 2112	Motor Vehicles	1657229	271937	92199		1836967	855804	981163
4	^ 2113	Aircraft							
5	^ 2114	Special Purpose Vehicles	472168				472168	133681	338487
6	^ 2115	Garage Work Equipment							
7	^ 2116	Other Work Equipment	105377				105377	36093	69284
8	^ 2121	Buildings	1950759	150454			2101213	1021557	1079656
9	^ 2122	Furniture							
10	^ 2123	Office Equipment							
11	^ 2124	General Purpose Computers							
12		2211 Analog Electronic Switching							
13		2212 Digital Electronic Switching	4584396	768764	16253		5336907	3010898	2326009
14		2215 Electro-Mechanical Switching							
15		2220 Operator Systems							
16		2231 Radio Systems							
17		2232 Circuit Equipment	11952837	4311411	1232537		15031711	7159359	7872352
18	* 2310	Information Orig & Term Equip	24856				24856		24856
19	^ 2311	Station Apparatus							
20	^ 2321	Customer Premises Wiring							
21	^ 2341	Large Private Branch Exchanges							
22	^ 2351	Public Telephone Term. Equip.							
23	^ 2362	Other Terminal Equipment	24856				24856	24856	
24		2411 Poles	322284	2694	38		324940	296972	27968
25	* 2420	Cable and Wire Facilities	41473873	6833685	2362677		45944881		45944881
26	^ 2421	Aerial Cable	2019319	645171	215736		2448754	807365	1641389
27	^ 2422	Underground Cable	830111	427819			1257930	475694	782236
28	^ 2423	Buried Cable	38624443	5760695	2146941		42238197	15635523	26602674
29	^ 2424	Submarine Cable							
30	^ 2425	Deep Sea Cable							
31	^ 2426	Intrabuilding Network Cable							
32		2431 Aerial Wire	98685		7876		90809	90809	
33		2441 Conduit Systems	3327				3327	2116	1211
34		<b>Totals</b>	62719333	12338945	3711580		71346698	29550727	41795971

^ Subaccount of the account marked with a \*.

Analysis of Plant Held for Future Use

Line No.	Location and Description of Property (a)	Date Included in Account 2002 (b)	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)	Year:2009
							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</b>						

Average Cost of Long Term Debt											Year: 2009	
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>											

Cost of Preferred Stock

Year: 2009

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												
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16												
17												
18												
19												
20												
21												
22												
23												
24												
25												
26												
27												
28												
29												
30	Totals (Sum L.1 to L.29)											

Analysis of Common Stock

Year:2009

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		Price/Earnings Ratio (i)
							High (g)	Low (h)	
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: 2009

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							
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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**

**Year:2009**

Line No.	Acct. No. (a)	Description (b)	Salaries and Wages (c)	Benefits (d)	Rents (e)	Other Expenses (f)	Clearances (g)	Total (h)
1	*	6110 Network Support Expense	46818	29646	55104	245177	-376745	
2	^	6112 Motor Vehicle Expense	41506	26152	55104	227920	-350682	
3	^	6113 Aircraft Expense						
4	^	6114 Special Purpose Vehicles Expense	5247	3445		17257	-25949	
5	^	6115 Garage Work Equipment Expense						
6	^	6116 Other Work Equipment Expense	65	49			-114	
7	*	6120 General Support Expense	62229	36132	214992	131876	13640	458869
8	^	6121 Land and Building Expense	62229	36132	168312	100141	13640	380454
9	^	6122 Furniture and Artworks Expense						
10	^	6123 Office Equipment Expense			46680	7584		54264
11	^	6124 General Purpose Computers Expense				24151		24151
12	*	6210 Central Office Switching Expense	66577	40805		55106	27268	189756
13	^	6211 Analog Electronic Expense	39159	23794		11865	16545	91363
14	^	6212 Digital Electronic Expense	27418	17011		43241	10723	98393
15	^	6215 Electro-Mechanical Expense						
16		6220 Operator Systems Expense						
17	*	6230 Central Office Transmission Expense	85343	48911		69400	34774	238428
18	^	6231 Radio Systems Expense						
19	^	6232 Circuit Equipment Expense	85343	48911		69400	34774	238428
20	*	6310 Information Origination/Termination Expense						
21	^	6311 Station Apparatus Expense						
22	^	6341 Large Private Branch Exchange Expense						
23	^	6351 Public Telephone Terminal Equipment Exp.						
24	^	6362 Other Terminal Equipment Expense						
25	*	6410 Cable and Wire Facilities Expense	239520	143158	20734	122322	96584	622318
26	^	6411 Poles Expense	1011	548	20734	1060	11	23364
27	^	6421 Aerial Cable Expense	52380	31754		10769	21805	116708
28	^	6422 Underground Cable Expense	657	386			278	1321
29	^	6423 Buried Cable Expense	185472	110470		110493	74490	480925
30	^	6424 Submarine Cable Expense						
31	^	6425 Deep Sea Cable Expense						
32	^	6426 Intrabuilding Network Cable Expense						
33	^	6431 Aerial Wire Expense						
34		<b>Subtotals</b>	<b>500,487</b>	<b>298,652</b>	<b>290,830</b>	<b>623,881</b>	<b>(204,479)</b>	<b>1509371</b>

^ Subaccount of the account marked with a \*.

**Total Company Expense Matrix**

**Year:2009**

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	359560	215646	14364	210235	-126067	673738
38	^ 6531	Power Expense				121873		121873
39	^ 6532	Network Administration Expense	139715	87447	12000	63392	29800	332354
40	^ 6533	Testing Expense	10736	6763		1750	5740	24989
41	^ 6534	Plant Operations Expense	116751	65059	2364	18508	-161607	41075
42	^ 6535	Engineering Expense	92358	56377		4712		153447
43	6540	Access Expense				603652		603652
44	6561	Depreciation - Telecomm. Plant in Service				3675095		3675095
45	6562	Depreciation-Prop. for Future Telecom. Use						
46	6563	Amortization Expense - Tangible						
47	6564	Amortization Expense - Intangible						
48	6565	Amortization - Other				254821		254821
49	* 6610	Marketing	7672	4892		15344		27908
50	^ 6611	Product Management						
51	^ 6612	Sales	2187	1672		12083		15942
52	^ 6613	Product Advertising	5485	3220		3261		11966
53	6621	Call Completion Services	7420	5052		487		12959
54	6622	Number Services	4868	3086		83557		91511
55	6623	Customer Services	259808	177148	21624	457326		915906
56	6711	Executive	68351	37183		43970		149504
57	6712	Planning	3556	2112				5668
58	6721	Accounting and Finance	109227	59932	15593	92613		277365
59	6722	External Relations	49127	31260		102709		183096
60	6723	Human Relations	28011	16855		38690		83556
61	6724	Information Management	47597	27771		19654		95022
62	6725	Legal				4981		4981
63	6726	Procurement						
64	6727	Research and Development						
65	6728	Other General and Administrative	56380	47829	3388	154959		262556
66	6790	Provision for Uncollectible Notes Receivable						
67		<b>Totals</b>	1,502,064	927,418	345,799	6,381,974	(330,546)	8826709

^ Subaccount of the account marked with a \*.

**Total State Expense Matrix**

**Year:2009**

Line No.	Acct. No. (a)	Description (b)	Salaries and Wages (c)	Benefits (d)	Rents (e)	Other Expenses (f)	Clearances (g)	Total (h)
1	* 6110	Network Support Expense	Not Applicable					
2	^ 6112	Motor Vehicle Expense						
3	^ 6113	Aircraft Expense						
4	^ 6114	Special Purpose Vehicles Expense						
5	^ 6115	Garage Work Equipment Expense						
6	^ 6116	Other Work Equipment Expense						
7	* 6120	General Support Expense						
8	^ 6121	Land and Building Expense						
9	^ 6122	Furniture and Artworks Expense						
10	^ 6123	Office Equipment Expense						
11	^ 6124	General Purpose Computers Expense						
12	* 6210	Central Office Switching Expense						
13	^ 6211	Analog Electronic Expense						
14	^ 6212	Digital Electronic Expense						
15	^ 6215	Electro-Mechanical Expense						
16	6220	Operator Systems Expense						
17	* 6230	Central Office Transmission Expense						
18	^ 6231	Radio Systems Expense						
19	^ 6232	Circuit Equipment Expense						
20	* 6310	Information Origination/Termination Expense						
21	^ 6311	Station Apparatus Expense						
22	^ 6341	Large Private Branch Exchange Expense						
23	^ 6351	Public Telephone Terminal Equipment Exp.						
24	^ 6362	Other Terminal Equipment Expense						
25	* 6410	Cable and Wire Facilities Expense	#VALUE!					#VALUE!
26	^ 6411	Poles Expense						
27	^ 6421	Aerial Cable Expense						
28	^ 6422	Underground Cable Expense						
29	^ 6423	Buried Cable Expense						
30	^ 6424	Submarine Cable Expense						
31	^ 6425	Deep Sea Cable Expense						
32	^ 6426	Intrabuilding Network Cable Expense						
33	^ 6431	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	^ 6441	Conduit Systems Expense	Not Applicable					
36	6510	Other Property Expenses						
37	* 6530	Network Operations Expense						
38	^ 6531	Power Expense						
39	^ 6532	Network Administration Expense						
40	^ 6533	Testing Expense						
41	^ 6534	Plant Operations Expense						
42	^ 6535	Engineering Expense						
43	6540	Access Expense						
44	6561	Depreciation - Telecomm. Plant in Service						
45	6562	Depreciation-Prop. for Future Telecom. Use						
46	6563	Amortization Expense - Tangible						
47	6564	Amortization Expense - Intangible						
48	6565	Amortization - Other						
49	* 6610	Marketing						
50	^ 6611	Product Management						
51	^ 6612	Sales						
52	^ 6613	Product Advertising						
53	6621	Call Completion Services						
54	6622	Number Services						
55	6623	Customer Services						
56	6711	Executive						
57	6712	Planning						
58	6721	Accounting and Finance						
59	6722	External Relations						
60	6723	Human Relations						
61	6724	Information Management						
62	6725	Legal						
63	6726	Procurement						
64	6727	Research and Development						
65	6728	Other General and Administrative						
66	6790	Provision for Uncollectible Notes Receivable						
67		<b>Totals</b>		#VALUE!				

^ Subaccount of the account marked with a \*.









































