

General Information

Year: 2010

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%

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 2011 APR 29
 PUBLIC SERVICE
 COMMISSION
 APR 27

Board of Directors		
Line No.	Name of Director and Address (City, State) (a)	Fees Paid During Year (b)
1	Verlin Reichelt, Big Sandy, MT 59520	4321
2	Richard Stuker, Chinook, MT 59523	4758
3	Thomas Bangs, Inverness, MT 59530	4343
4	Richard Pokorny, Big Sandy, MT 59520	4400
5	Paul Van Cleve, Big Timber, MT 59011	3806
6	Douglas Lowry, Big Timber, MT 59011	4249
7	Donald Bitz, Box Elder, MT 59521	4289
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18	Chairman of the Board:	
19	Richard Stuker	
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Officers

Year: 2010

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: 2010

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		CURRENT ASSETS:		
2	1120	Cash and Equivalents	4,662,471	6,606,524
3	1180	Telecommunications Accounts Receivable - Net	1,037,887	951,461
4	1190	Other Accounts Receivable - Net	809,538	2,058,890
5	1200	Notes Receivable - Net	28,713	
6	1210	Interest and Dividends Receivable	8,289	22,653
7	1220	Materials and Supplies		
8	* 1280	Prepayments	20,980	30,035
9	^ 1290	Prepaid Rents		
10	^ 1300	Prepaid Taxes		
11	^ 1310	Prepaid Insurance		
12	^ 1320	Prepaid Directory Expenses		
13	^ 1330	Other Prepayments	20,980	30,035
14	1350	Other Current Assets		
15		Total Current Assets	6,567,878	9,669,563
16		NONCURRENT ASSETS:		
17	1401	Investments in Affiliated Companies	29,882	28,400
18	1402	Investments in Nonaffiliated Companies	3,292,883	6,670,544
19	1406	Nonregulated Investments		
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		Total Noncurrent Assets	3,322,765	6,698,944
27		PROPERTY, PLANT, & EQUIPMENT:		
28	2001	Telecommunications Plant in Service	72,431,006	71,346,698
29	2002	Property Held for Future Telecommunications Use		
30	2003	Plant Under Construction - Short Term	7,017,171	822,604
31	2004	Plant Under Construction - Long Term	1,355,380	123,651
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	(31,328,877)	(29,547,062)
36	3200	Accumulated Depreciation - Held for Future Use		
37	3300	Accumulated Depreciation - Nonoperating		
38	3400	Accumulated Amortization	(12,944,801)	(12,944,801)
39		Net Property, Plant, & Equipment	49,474,680	42,745,891
40		TOTAL ASSETS	59,365,323	59,114,398

^ Subaccount of account marked with a *.

Total Company Balance Sheet

Year: 2010

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
41		CURRENT LIABILITIES:		
42	4010	Accounts Payable	1,471,853	747,298
43	4020	Notes Payable		
44	4030	Advance Billing and Payments	395,847	378,989
45	4040	Customer Deposits	43,369	50,142
46	4050	Current Maturities - Long Term Debt	2,884,000	2,823,000
47	4060	Current Maturities - Capital Leases		
48	4070	Income Taxes - Accrued	7,810,680	7,196,710
49	4080	Other Taxes - Accrued	506,929	504,723
50	4100	Net Current Deferred Operating Income Taxes		
51	4110	Net Current Deferred Nonoperating Income Taxes		
52	4120	Other Accrued Liabilities	228,616	247,618
53	4130	Other Current Liabilities		
54		Total Current Liabilities	13,341,294	11,948,480
55		LONG-TERM DEBT:		
56	4210	Funded Debt		
57	4220	Premium on Long-Term Debt		
58	4230	Discount on Long-Term Debt		
59	4240	Reacquired Debt		
60	4250	Obligations Under Capital leases		
61	4260	Advances From Affiliated Companies		
62	4270	Other Long-Term Debt	17,512,760	20,324,552
63		Total Long-Term Debt	17,512,760	20,324,552
64		OTHER LIABILITIES AND DEFERRED CREDITS:		
65	4310	Other Long-Term Liabilities		
66	4320	Unamort. Oper. Invest. Tax Credits - Net		
67	4330	Unamort. Nonoper. Invest. Tax Credits - Net		
68	4340	Net Noncurrent Deferred Oper. Income Taxes		
69	4350	Net Noncurrent Deferred Nonoper. Income Taxes		
70	4360	Other Deferred Credits		
71	4370	Other Jurisdictional Liab. and Def. Credits		
72		Total Other Liabilities and Deferred Credits		
73		STOCKHOLDERS' EQUITY:		
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	22,121,269	20,451,366
79		Total Stockholders' Equity	28,511,269	26,841,366
80		TOTAL LIAB. AND STOCKHOLDERS' EQUITY	59,365,323	59,114,398

Total Company Income Statement

Year: 2010

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		REVENUES:		
2	5000	Basic Local Service Revenues	3,810,022	3,873,700
3	5080	Network Access Revenues	9,923,811	11,048,568
4	* 5100	Long Distance Message Revenue	(9)	(28)
5	^ 5110	Unidirectional Long Distance Revenue		
6	^ 5120	Long Distance Private Network Revenue		
7	^ 5160	Other Long Distance Revenue	(9)	(28)
8	^ 5169	Other Long Distance Revenue Settlements		
9	* 5200	Miscellaneous Revenue	191,550	215,764
10	^ 5230	Directory Revenue	39,264	57,215
11	^ 5240	Rent Revenue	51,940	52,591
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	1,540	1,320
14	^ 5270	Carrier Billing and Collection Revenue	98,806	104,638
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	(11,654)	58,221
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)	13,937,028	15,079,783
18		OPERATING EXPENSES:		
19	6110	Network Support Expense		
20	6120	General Support Expense	454,580	458,869
21	6210	Central Office Switching Expense	172,436	189,756
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	270,056	238,428
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense	720,328	622,318
26	^ 6431	Aerial Wire Expense	112,243	116,709
27	^ 6441	Conduit Systems Expense	608,085	505,609
28	6510	Other Property, Plant & Equipment Expense		
29	6530	Network Operations Expense	714,504	673,738
30	6540	Access Expense	627,819	603,652
31	6560	Depreciation and Amortization Expense	4,230,137	3,929,916
32	6610	Marketing	37,973	27,908
33	6620	Services	1,010,758	1,020,376
34	6710	Executive and Planning	161,569	155,172
35	6720	General and Administrative	920,837	906,576
36	6790	Provision for Uncollectible Notes Receivable		
37		Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)	9,320,997	8,826,709
38	7100	Other Operating Income and Expense	(1,934)	(282)
39	7200	Operating Taxes	1,984,594	2,629,627
40		Net Operating Income (L.17-L.37+L.38-L.39)	2,629,503	3,623,165
41	7300	Nonoperating Income and Expense	194,813	320,584
42	7400	Nonoperating Taxes	117,873	143,740
43	7500	Interest and Related Items	1,026,116	992,901
44	7600	Extraordinary Items		
45	7910	Effects of Juris. Ratemaking Diff. - Net		
46	7990	Nonregulated Net Income	10,424	57,375
47		NET INCOME (L.40+L.41-L.42-L.43-L.44+L.45-L.46)	1,669,903	2,749,733

^ Subaccount of the account marked with a *.

Montana Total State Income Statement

Year: 2010

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		REVENUES:		
2	5000	Basic Local Service Revenues	3,810,022	3,873,700
3	5080	Network Access Revenues	9,923,811	11,048,568
4	* 5100	Long Distance Message Revenue	(9)	(28)
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)	(28)
9	* 5200	Miscellaneous Revenue	191,550	215,764
10	^ 5230	Directory Revenue	39,264	57,215
11	^ 5240	Rent Revenue	51,940	52,591
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	1,540	1,320
14	^ 5270	Carrier Billing and Collection Revenue	98,806	104,638
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	(11,654)	58,221
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)	13,937,028	15,079,783
18		OPERATING EXPENSES:		
19	6110	Network Support Expense		
20	6120	General Support Expense	454,580	458,869
21	6210	Central Office Switching Expense	172,436	189,756
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	270,056	238,428
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense	720,328	622,318
26	^ 6431	Aerial Wire Expense	112,243	116,709
27	^ 6441	Conduit Systems Expense	608,085	505,609
28	6510	Other Property, Plant & Equipment Expense		
29	6530	Network Operations Expense	714,504	673,738
30	6540	Access Expense	627,819	603,652
31	6560	Depreciation and Amortization Expense	4,230,137	3,929,916
32	6610	Marketing	37,973	27,908
33	6620	Services	1,010,758	1,020,376
34	6710	Executive and Planning	161,569	155,172
35	6720	General and Administrative	920,837	906,576
36	6790	Provision for Uncollectible Notes Receivable		
37		Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)	9,320,997	8,826,709
38	7100	Other Operating Income and Expense	(1,934)	(282)
39	7200	Operating Taxes	1,984,594	2,629,627
40		Net Operating Income (L.17-L.37+L.38-L.39)	2,629,503	3,623,165

^ Subaccount of the account marked with a *.

Montana Intrastate Income Statement

Year: 2010

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		REVENUES:		
2	5000	Basic Local Service Revenues	3,810,022	3,873,700
3	5080	Network Access Revenues	1,680,340	1,630,521
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	191,550	215,764
10	^ 5230	Directory Revenue	39,264	57,215
11	^ 5240	Rent Revenue	51,940	52,591
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	1,540	1,320
14	^ 5270	Carrier Billing and Collection Revenue	98,806	104,638
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	(11,654)	58,221
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)	5,693,566	5,661,764
18		OPERATING EXPENSES:		
19	6110	Network Support Expense		
20	6120	General Support Expense	185,705	172,284
21	6210	Central Office Switching Expense	70,444	71,245
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	110,324	89,519
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense	294,269	233,652
26	^ 6431	Aerial Wire Expense	45,854	43,819
27	^ 6441	Conduit Systems Expense	248,415	189,833
28	6510	Other Property, Plant & Equipment Expense		
29	6530	Network Operations Expense	291,890	252,958
30	6540	Access Expense	256,477	226,644
31	6560	Depreciation and Amortization Expense	1,728,099	1,475,502
32	6610	Marketing	15,513	10,478
33	6620	Services	412,916	383,104
34	6710	Executive and Planning	66,004	58,260
35	6720	General and Administrative	376,181	340,378
36	6790	Provision for Uncollectible Notes Receivable		
37		Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)	3,807,822	3,314,024
38	7100	Other Operating Income and Expense	(790)	(106)
39	7200	Operating Taxes	810,748	987,304
40		Net Operating Income (L.17-L.37+L.38-L.39)	1,074,206	1,360,330

^ Subaccount of the account marked with a *.

Montana Intrastate Regulated Income Statement

Year: 2010

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		REVENUES:		
2	5000	Basic Local Service Revenues	3,810,022	3,847,637
3	5080	Network Access Revenues	923,245	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		Total Revenues (L.2+L.3+L.4+L.9-L.16)	4,733,267	4,914,777
18		OPERATING EXPENSES:		
19	6110	Network Support Expense		
20	6120	General Support Expense	154,384	161,440
21	6210	Central Office Switching Expense	58,562	70,728
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	91,716	71,633
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense	244,637	217,450
26	^ 6431	Aerial Wire Expense	38,120	54,970
27	^ 6441	Conduit Systems Expense	206,517	162,480
28	6510	Other Property, Plant & Equipment Expense		
29	6530	Network Operations Expense	242,658	221,124
30	6540	Access Expense	213,219	247,151
31	6560	Depreciation and Amortization Expense	1,436,630	1,586,081
32	6610	Marketing	12,896	8,711
33	6620	Services	343,272	374,987
34	6710	Executive and Planning	54,872	53,833
35	6720	General and Administrative	312,733	317,836
36	6790	Provision for Uncollectible Notes Receivable		
37		Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)	3,165,579	3,330,974
38	7100	Other Operating Income and Expense	(657)	(82)
39	7200	Operating Taxes	674,004	752,147
40		Net Operating Income (L.17-L.37+L.38-L.39)	893,027	831,574

^ Subaccount of the account marked with a *.

Average Rate Base - Total State

Year: 2010

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	72431006	71346698
2	3100	Accumulated Depreciation	31328877	29547062
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		Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)	41102129	41799636

Average Rate Base - Intrastate

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	72431006	71346698
2	3100	Accumulated Depreciation	31328877	29547062
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		Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)	41102129	41799636

Average Rate Base - Regulated Intrastate

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	72431006	71346698
2	3100	Accumulated Depreciation	31328877	29547062
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		Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)	41102129	41799636

Statement of Cash Flows

Year: 2010

Line No.	Item Description (a)	Amount (b)	Amount (c)
1	Increase/(decrease) in Cash & Cash Equivalents		
2	Cash Flows from Operating Activities:		
3	Net Income		1669903
4	Reconciliation Adjustments:		
5	Depreciation & Amortization	4230137	
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	24917	
11	Change in Materials, Supplies & Inventories - Net		
12	Change in Operating Payables & Accrued Liabilities - Net	1858681	
13	Change in Other Assets & Deferred Credits - Net	9055	
14	Change in Other Liabilities & Deferred Credits - Net		
15	Other (explained on back of this page)	597174	
16	Total Adjustments		6719964
17	Net Cash Provided by/(Used in) Operating Activities		8389867
18	Cash Inflows/Outflows From Investing Activities:		
19	Construction/Acquisition of Property, Plant & Equipment (net of	-10959307	
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)	3376179	
25	Net Cash Provided by/(Used in) Investing Activities		-7583128
26	Cash Flows from Financing Activities:		
27	Net Incr./(Decr.) in Short-Term Debt, Original maturity <= 3 mo.		
28	Advances from Affiliates		
29	Repayment of Advances from Affiliates		
30	Proceeds from Issuances of Long-Term Debt		
31	Repayment of Long-Term Debt	-1925296	
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)	-825496	
37	Net Cash Provided by Financing Activities		-2750792
38	Effect of Exchange Rate Changes on Cash		
39	Net Increase/(Decrease) in Cash & Cash Equivalents		-1944053
40	Cash & Cash Equivalents at Beginning of Period		6606524
41	Cash & Cash Equivalents at End of Period		4662471

Statement of Cash Flows

Year: 2010

Line 15.	Other Operating Activities	
	Accrued Income Taxes	613,970
	Other Taxes Accrued	2,205
	Other Accrued Liabilities	<u>-19,001</u>
		<u>597,174</u>
Line 24.	Other Investing Activities	
	Triangle Telephone Cooperative Capital Credits	1,483
	National Information Solutions Cooperative	2,291
	Mid Rivers Communications	-20
	Mountain View Cooperative	-30
	Bonds	<u>-3,330,378</u>
	Rural Telephone Finance Cooperative Capital Credits	-49,525
	Nonregulated Investment in Other Terminal Equipment	<u>-3,376,179</u>
Line 36.	Other Financing Activities	
	REA Notes	<u>-825,496</u>

Receivables and Investments-Affiliated & Nonaffiliated Companies

Year: 2010

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	4550000									
2	Subscriber Receivables		1045069	-7182							
3	Reg and Nonreg sales				3205						
4	AT&T				60347						
5	NECA				564850						
6	NCRPC				606						
7	MILEC				116275						
8	Other Inter-Exc Carriers				47874						
9	Triangle Comm System				-13090						
10	USAC E-Rate				40090						
11	Accts Rec Other - Unpaid				-280						
12	Accts Rec Other - Uncoll					-1260					
13	Accts Rec Other - Intra					-5639					
14	Accts Rec Other - Inter					98307					
15	Accts Rec Other - Pool					-98307					
16	Invest In Triangle Tele									29882	
17	RTFC										1164497
18	Electric Cooperatives										15741
19	NISC										151188
20	Farmers Union - GF										526
21	Farmers Union - Moore										-30
22	Mountain View Coop										1008
23	Bonds										1958641
24	NECA										1000
25	Mid Rivers Coop										312
26											
27											
28											
29											
30	Totals	4550000	1045069	-7182	819877	-6899				29882	3292883

Net Plant in Service - Detail

Year:2010

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	4589267	315118	44192		4860193		4860193
2	^ 2111	Land	73542				73542		73542
3	^ 2112	Motor Vehicles	1836967	274673	44192		2067448	1021574	1045874
4	^ 2113	Aircraft							
5	^ 2114	Special Purpose Vehicles	472168				472168	166731	305437
6	^ 2115	Garage Work Equipment							
7	^ 2116	Other Work Equipment	105377	2950			108327	39077	69250
8	^ 2121	Buildings	2101213	37495			2138708	1101861	1036847
9	^ 2122	Furniture							
10	^ 2123	Office Equipment							
11	^ 2124	General Purpose Computers							
12	2211	Analog Electronic Switching							
13	2212	Digital Electronic Switching	5336907	754441	1504755		4586593	1843154	2743439
14	2215	Electro-Mechanical Switching							
15	2220	Operator Systems							
16	2231	Radio Systems							
17	2232	Circuit Equipment	15031711	2181867	693491		16520087	8055586	8464501
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	324940		941		323999	311285	12714
25	* 2420	Cable and Wire Facilities	45944881	110905	34644		46021142		46021142
26	^ 2421	Aerial Cable	2448754	285173	950		2732977	952867	1780110
27	^ 2422	Underground Cable	1257930	-43882			1214048	534521	679527
28	^ 2423	Buried Cable	42238197	-130386	33694		42074117	17265891	24808226
29	^ 2424	Submarine Cable							
30	^ 2425	Deep Sea Cable							
31	^ 2426	Intrabuilding Network Cable							
32	2431	Aerial Wire	90809				90809	90809	
33	2441	Conduit Systems	3327				3327	2185	1142
34		Totals	71346698	3362331	2278023		72431006	31410397	41020609

^ Subaccount of the account marked with a *.

Analysis of Plant Held for Future Use

Year: 2010

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	Totals (Sum L.1 to L.29)						

Average Cost of Long Term Debt

Year: 2010

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	Total											

Year: 2010

Cost of Preferred Stock

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

Analysis of Common Stock

Year:2010

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: 2010

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	Totals (Sum L.1 to L.29)							

Total Company Expense Matrix

Line No.	Acct. No. (a)	Description (b)	Salaries and Wages (c)	Benefits (d)	Rents (e)	Other Expenses (f)	Clearances (g)	Total (h)
1	*	6110 Network Support Expense	33110	21369	56664	330240	-441383	
2	^	6112 Motor Vehicle Expense	29260	19246	56664	300979	-406149	
3	^	6113 Aircraft Expense						
4	^	6114 Special Purpose Vehicles Expense	3850	2123		29261	-35234	
5	^	6115 Garage Work Equipment Expense						
6	^	6116 Other Work Equipment Expense						
7	*	6120 General Support Expense	60100	37650	210441	131109	15280	454580
8	^	6121 Land and Building Expense	60100	37650	163889	97321	15280	374240
9	^	6122 Furniture and Artworks Expense						
10	^	6123 Office Equipment Expense			46552	9757		56309
11	^	6124 General Purpose Computers Expense				24031		24031
12	*	6210 Central Office Switching Expense	55956	35522		53096	27862	172436
13	^	6211 Analog Electronic Expense	41448	26715		20813	21001	109977
14	^	6212 Digital Electronic Expense	14508	8807		32283	6861	62459
15	^	6215 Electro-Mechanical Expense						
16		6220 Operator Systems Expense						
17	*	6230 Central Office Transmission Expense	100336	67043	2775	51850	48052	270056
18	^	6231 Radio Systems Expense	224	122				346
19	^	6232 Circuit Equipment Expense	100112	66921	2775	51850	48052	269710
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	264687	172024	21562	125186	136869	720328
26	^	6411 Poles Expense	403	246	21562		206	22417
27	^	6421 Aerial Cable Expense	51251	32813		631	27548	112243
28	^	6422 Underground Cable Expense	577	386			317	1280
29	^	6423 Buried Cable Expense	212456	138579		124555	108798	584388
30	^	6424 Submarine Cable Expense						
31	^	6425 Deep Sea Cable Expense						
32	^	6426 Intrabuilding Network Cable Expense						
33	^	6431 Aerial Wire Expense						
34		Subtotals	514,189	333,608	291,442	691,481	(213,320)	1617400

^ 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	365932	249555	14316	173416	-88715	714504
38	^ 6531	Power Expense				113236		113236
39	^ 6532	Network Administration Expense	152237	103495	11972	45257	36294	349255
40	^ 6533	Testing Expense	12061	8810		1092	8669	30632
41	^ 6534	Plant Operations Expense	107953	74024	2344	8202	-133678	58845
42	^ 6535	Engineering Expense	93681	63226		5629		162536
43	6540	Access Expense				627819		627819
44	6561	Depreciation - Telecomm. Plant in Service				4230137		4230137
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	11641	7294		19038		37973
50	^ 6611	Product Management						
51	^ 6612	Sales	2790	1674		14197		18661
52	^ 6613	Product Advertising	8851	5620		4841		19312
53	6621	Call Completion Services	10112	7449		428		17989
54	6622	Number Services	4912	2887		49201		57000
55	6623	Customer Services	276912	204510	22435	431912		935769
56	6711	Executive	69391	39926		45549		154866
57	6712	Planning	4221	2482				6703
58	6721	Accounting and Finance	108046	65949	14672	76673		265340
59	6722	External Relations	57025	40364		108050		205439
60	6723	Human Relations	29089	19171		32675		80935
61	6724	Information Management	54724	37561		16353		108638
62	6725	Legal				10201		10201
63	6726	Procurement						
64	6727	Research and Development						
65	6728	Other General and Administrative	47792	41627	409	160456		250284
66	6790	Provision for Uncollectible Notes Receivable						
67		Totals	1,553,986	1,052,383	343,274	6,673,389	(302,035)	9320997

^ 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	* 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		Subtotals	#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		Totals		#VALUE!					#VALUE!

^ Subaccount of the account marked with a *.

Pension Costs

Year: 2010

1	Plan Name NTCA Savings Plan			
2	Defined Benefit Plan? _____	Defined Contribution Plan? _____		
3	Actuarial Cost Method? _____	IRS Code: _____		
4	Annual Contribution by Employer: <u>\$287,400</u>	Is the Plan Over Funded? _____		
5				
	Item	Current Year	Last Year	% Change
6	Change in Benefit Obligation			
7	Benefit obligation at beginning of year			
8	Service cost			
9	Interest Cost			
10	Plan participants' contributions			
11	Amendments			
12	Actuarial Gain			
13	Acquisition			
14	Benefits paid			
15	Benefit obligation at end of year			
16	Change in Plan Assets			
17	Fair value of plan assets at beginning of year			
18	Actual return on plan assets			
19	Acquisition			
20	Employer contribution			
21	Plan participants' contributions			
22	Benefits paid			
23	Fair value of plan assets at end of year			
24	Funded Status			
25	Unrecognized net actuarial loss			
26	Unrecognized prior service cost			
27	Prepaid (accrued) benefit cost			
28				
29	Weighted-average Assumptions as of Year End			
30	Discount rate			
31	Expected return on plan assets			
32	Rate of compensation increase			
33				
34	Components of Net Periodic Benefit Costs			
35	Service cost			
36	Interest cost			
37	Expected return on plan assets			
38	Amortization of prior service cost			
39	Recognized net actuarial loss			
40	Net periodic benefit cost			
41				
42	Montana Intrastate Costs:			
43	Pension Costs			
44	Pension Costs Capitalized			
45	Accumulated Pension Asset (Liability) at Year End			
46	Number of Company Employees:			
47	Covered by the Plan			
48	Not Covered by the Plan			
49	Active			
50	Retired			
51	Deferred Vested Terminated			

Pension Costs

Year: 2010

1	Plan Name NTCA Savings Plan			
2	Defined Benefit Plan? _____	Defined Contribution Plan? _____		
3	Actuarial Cost Method? _____	IRS Code: _____		
4	Annual Contribution by Employer: <u>\$44,140</u>	Is the Plan Over Funded? _____		
5				
	Item	Current Year	Last Year	% Change
6	Change in Benefit Obligation			
7	Benefit obligation at beginning of year			
8	Service cost			
9	Interest Cost			
10	Plan participants' contributions			
11	Amendments			
12	Actuarial Gain			
13	Acquisition			
14	Benefits paid			
15	Benefit obligation at end of year			
16	Change in Plan Assets			
17	Fair value of plan assets at beginning of year			
18	Actual return on plan assets			
19	Acquisition			
20	Employer contribution			
21	Plan participants' contributions			
22	Benefits paid			
23	Fair value of plan assets at end of year			
24	Funded Status			
25	Unrecognized net actuarial loss			
26	Unrecognized prior service cost			
27	Prepaid (accrued) benefit cost			
28				
29	Weighted-average Assumptions as of Year End			
30	Discount rate			
31	Expected return on plan assets			
32	Rate of compensation increase			
33				
34	Components of Net Periodic Benefit Costs			
35	Service cost			
36	Interest cost			
37	Expected return on plan assets			
38	Amortization of prior service cost			
39	Recognized net actuarial loss			
40	Net periodic benefit cost			
41				
42	Montana Intrastate Costs:			
43	Pension Costs			
44	Pension Costs Capitalized			
45	Accumulated Pension Asset (Liability) at Year End			
46	Number of Company Employees:			
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	Regulatory Treatment:			
2	Commission authorized - most recent			
3	Docket number: _____			
4	Order number: _____			
5	Amount recovered through rates	Not Applicable		#VALUE!
6	Weighted-average Assumptions as of Year End			
7	Discount rate			
8	Expected return on plan assets			
9	Medical Cost Inflation Rate			
10	Actuarial Cost Method			
11	Rate of compensation increase			
12	List each method used to fund OPEBs (ie: VEBA, 401(h)) and if tax advantaged:			
13				
14				
15	Describe any Changes to the Benefit Plan:			
16				
17	TOTAL COMPANY			
18	Change in Benefit Obligation			
19	Benefit obligation at beginning of year			
20	Service cost			
21	Interest Cost			
22	Plan participants' contributions			
23	Amendments			
24	Actuarial Gain			
25	Acquisition			
26	Benefits paid			
27	Benefit obligation at end of year			
28	Change in Plan Assets			
29	Fair value of plan assets at beginning of year			
30	Actual return on plan assets			
31	Acquisition			
32	Employer contribution			
33	Plan participants' contributions			
34	Benefits paid			
35	Fair value of plan assets at end of year			
36	Funded Status			
37	Unrecognized net actuarial loss			
38	Unrecognized prior service cost			
39	Prepaid (accrued) benefit cost			
40	Components of Net Periodic Benefit Costs			
41	Service cost			
42	Interest cost			
43	Expected return on plan assets			
44	Amortization of prior service cost			
45	Recognized net actuarial loss			
46	Net periodic benefit cost			
47	Accumulated Post Retirement Benefit Obligation			
48	Amount Funded through VEBA			
49	Amount Funded through 401(h)			
50	Amount Funded through Other _____			
51	TOTAL			
52	Amount that was tax deductible - VEBA			
53	Amount that was tax deductible - 401(h)			
54	Amount that was tax deductible - Other _____			
55	TOTAL			

Year: 2010

Other Post Employment Benefits (OPEBS) Continued

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

Payments for Services to Persons Other Than Employees

Year: 2010

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	51880	51880	51880
2	Heberly and Associates	Engineering Services	1308203	1308203	1308203
3	Hill County Electric Cooperative	Office and Equipment Rental	4844691	4844691	4844691
4	National Information Systems Coop.	Data Processing Services	305181	305181	305181
5	Northern Directory Publishing	Directory Services	37960	37960	37960
6	Triangle Communication System	Internet & Long Distance Services	702577	702577	702577
7	Triangle Telephone Cooperative	Office, Equip. & Switching Rental	2893698	2893698	2893698
8	Bosch Kuhr Dugdale ET AL	Legal Services	4200	4200	4200
9	Buckentin Construction	Construction Services	1157	1157	1157
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47					
48					
49	Total				10149547

Subscriber Line Usage Data

Year: 2010

Line No.	Description (a)	This Year (b)	% of Total (c)	Last Year (d)	% of Total (e)
1	Toll Usage:				
2	Interstate, InterLATA	17518563	47.37%	19365148	48.08%
3	Interstate, IntraLATA	2261	0.01%	2243	0.01%
4	Total Interstate Usage	17520824	47.38%	19367391	48.09%
5	Intrastate, InterLATA	5674214	15.34%	6181620	15.35%
6	Intrastate, IntraLATA	13784178	37.28%	14727430	36.57%
7	Total Intrastate Usage	19458392	52.62%	20909050	51.91%
8	Total Toll Usage	36979216	100.00%	40276441	100.00%
9	Centrex				
10	Local				
11	Total Minutes	36979216	100.00%	40276441	100.00%

Cental Office and Access Line Statistics

Year: 2010

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	624		344	192			365	1				990
2	374 - Moore	Remote	231		207	2			44	1				276
3	383 - Dodson	Remote	93		54	5			13					106
4	423 - Hobson	Remote	311		172	7			82	1				394
5	473 - Judith Gap	Remote	106		64				17					123
6	547 - White Sulpher Spr	Host	675		374	22			279	3				957
7	566 - Stanford	Occam	296		195	8			98	1				395
8	567 - Denton	Occam	215		148	2			61					276
9	572 - Martinsdale	Remote	148		63	1			18	1				167
10	622 - Fort Benton	Host	566		327	13			349	4				919
11	632 - Harlowton	Remote	597		360	11			244	2				843
12	654 - Malta	Host	989		650	38			471	1				1461
13	737 - Geraldine	Remote	237		151	5			51					288
14														
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32														
33	Total		5088		3109	306			2092	15				7195

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

Central Office and Switch Information

Year: 2010

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	Genband	C15	7,500	2010
2	374 - Moore	Remote	Digital	Norther Telco	RSLE	1,024	1995
3	383 - Dodson	Remote	Digital	Norther Telco	RSLE	192	1994
4	423 - Hobson	Remote	Digital	Norther Telco	RSLE	1,024	1995
5	473 - Judith Gap	Remote	Digital	Norther Telco	RSLE	192	1995
6	547 - White Sulpher Spr	Host	Digital	Genband	C15	7,500	2010
7	566 - Stanford	Occam	Digital	Occam	BLC	934	2007
8	567 - Denton	Occam	Digital	Occam	BLC	672	2007
9	572 - Martinsdale	Remote	Digital	Norther Telco	RSLE	192	1996
10	622 - Fort Benton	Host	Digital	Genband	C15	7,500	2009
11	632 - Harlowton	Remote	Digital	Norther Telco	RSC	1,600	1999
12	654 - Malta	Host	Digital	Genband	C15	7,500	2010
13	737 - Geraldine	Remote	Digital	Norther Telco	RSLE	1,024	1995
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NOTE: Additional blank schedules are being provided for your convenience.

Construction Budget - Montana

Year: 2011

Line No.	Description (a)	2011 (b)
1	Central Office Assets:	
2		
3	White Sulphur Springs Exchange Upgrade	772500
4		
5		
6		
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25		
26		
27	Total Switching and Central Office Projects over \$500,000	772500
28	Miscellaneous Central Office Projects not over \$500,000	1925000
29	Total Central Office Budget (Total of Line 27 & Line 28)	2697500
30	Other Projects over \$500,000:	
31		
32	Malta Cable Upgrade	850000
33	White Sulphur Springs Exchange Upgrade	1725000
34	Malta Exchange Upgrade	6737500
35	White Sulphur Springs Exchange Upgrade	11540000
36		
37		
38		
39		
40		
41	Total Other Projects over \$500,000	20852500
42	Miscellaneous projects not over \$500,000	1567500
43	Total Construction Budget (Total of Lines 29, 41 & 42)	25117500

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	4860194	4589268	5.90%
2	2210	Central Office Assets	4586593	5336907	-14.06%
3	2220	Operator Systems			
4	2230	Central Office Transmission	16520087	15031711	9.90%
5	2310	Information/Termination Assets	24856	24856	0.00%
6	2410	Cable and Wire Facilities Assets	46439276	46363956	0.16%
7	2680	Amortizable Tangible Assets			
8	2690	Intangibles			
9		Total Construction Expenditures	72431006	71346698	1.52%

Montana Employee Counts

Year: 2010

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	26	27
5	Outside Plant	18	16
6			
7			
8			
9			
10			
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43	Totals (Sum of Lines 1 through 42)	44	43

Compensation of Top 10 Montana Based Employees

Year: 2010

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 Cooperative, Inc.						
2							
3							
4							
5							
6							
7							
8							
9							
10							
11	Totals (Sum L.1 to L.10)						

Compensation of Top 5 Corporate Employees - SEC Information

Line No.	Name/Title (a)	Base Salary (b)	Bonuses (c)	Other Compensation (d)	Total Compensation (e)	Total Compensation Last Year (f)	% Increase Total Compensation (g)
1	Not Applicable						
2							
3							
4							
5							
6	Totals (Sum L.1 to L.5)						

Montana Composite Statistics

Year: 2010

Line No.	Account No.	Description (a)	Amount (b)
1		Plant (Intrastate Only) (000 Omitted)	
2	2001	Plant in Service	72431
3	2003 - 2004	Construction Work in Progress	8373
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	-44274
9	4360.2	Contributions in Aid of Construction	
10		NET BOOK COSTS	49475
11		Revenues & Expenses (Intrastate Only) (000 Omitted)	
12	5000 - 5300	Operating Revenues	13937
13	6560	Depreciation & Amortization Expenses	4230
14		Federal & State Income Taxes	954
15		Other Taxes	1030
16		Other Operating Expenses	4854
17		TOTAL Operating Expenses	11068
18		Net Operating Income	2869
19		Other Income	263
20		Other Deductions	1462
21		NET INCOME	1670
22		Access Lines in Service (Intrastate Only)	
23		Residential Access Lines	5088
24		Business Access Lines	1920
25		PBX Access Lines	187
26		Other Access Lines	
27		Total Number of Access Lines	7195
28		Average Number of Calls Per Access Line	
29		Local Calls	145
30		Toll Calls (Intra- or Interstate)	223
31		Total Number of Calls Per Access Line (Total of Line 29 & Line 30 divided by Line 27)	368
32		Other Statistics (Intrastate Only)	
33		Average Residential Monthly Bill	66
34		Gross Plant Investment per Access Line	13030

Depreciation - Montana Intrastate Regulated

Year: 2010

Line No.	Acct No. (a)	Description (b)	Composite Rate % (c)	Total Expense \$ (d)
1	2112	Motor Vehicles	9.7%	196,861
2	2114	Special Purpose Vehicles	7.0%	33,050
3	2115	Garage Work Equipment	8.4%	
4	2116	Other work Equipment	2.8%	2,985
5	2121	Buildings	3.8%	80,304
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%	156,790
11	2212	Digital Electronic Switching Equipment	7.0%	251,850
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%	1,607,791
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%	15,255
22	2421	Aerial Cable Metallic	5.4%	92,128
23	2421	Aerial Cable Nonmetallic	4.2%	38,856
24	2422	Underground Cable Metallic	4.4%	3,572
25	2422	Underground Cable Nonmetallic	4.8%	55,255
26	2423	Buried Cable Metallic	3.9%	941,256
27	2423	Buried Cable Nonmetallic	4.2%	754,115
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%	70
34				
35		COMPOSITE TOTAL		4,230,137
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: 2010

Line No.	Acct No. (a)	Description (b)	Composite Rate % (c)	Total Expense \$ (d)
1		Not Applicable		
2				
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35		COMPOSITE TOTAL		
36	Please list the Montana Public Service Commission Docket Order No. approving these amortization rates			
37				
38				
39	Docket Number _____ Order Number _____			
40				

Montana Regulatory Capital Structure & Costs

Year: 2010

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

Network Access - Charges and Revenues

Year: 2010

Line No.	Description (a)	Access Charges Paid (b)	Access Revenues Received (c)
1	Montana - Total State		9923811
2			
3	Montana - Intrastate		1680340
4			
5	Montana - Intrastate Regulated		923245
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Affiliate Transactions - Products & Services Provided to Utility Year: 2010

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	149,340		
2	Triangle Telephone Cooperative, Inc.	Equipment Rent	Average hourly operating exp.	9,032		
3	Triangle Telephone Cooperative, Inc.	Expense Reimbursements	Actual amounts charged	379,159		
4	Triangle Telephone Cooperative, Inc.	Long Distance Service	Actual amounts billed	615,737		
5	Triangle Telephone Cooperative, Inc.	Construction Material	Actual cost	56,973		
6	Triangle Telephone Cooperative, Inc.	Expense Allocations	Actual cost	21,664		
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29						
30	TOTAL			\$1,231,905		

Affiliate Transactions - Products & Services Provided by Utility Year: 2010

Line No.	Affiliate Name (a)	Products & Services (b)	Method to Determine Price (c)	Charges to Affiliate (d)	% Total Affil. Revenues (e)	Charges to MT Utility (f)
1	Triangle Telephone Cooperative, Inc.	Equipment Rent	Average hourly operating exp.	9,070		
2	Triangle Telephone Cooperative, Inc.	Billing and Collection	Actual Cost	96,388		
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29						
30	TOTAL			\$105,458		

Montana Intrastate Regulated Earned Rate of Return

Year: 2010

Line No.	Description Rate Base (a)	This Year (b)	Last Year (c)	Percent Change (d)
1				
2	2001 Plant in Service	72,431,006	71,346,698	1.52%
3	2002 Prop. Held for Future Telecommunications Use			
4	3100-3200 (Less) Accumulated Depreciation	(31,410,397)	(29,550,727)	-6.29%
5	Plant in Service	41,020,609	41,795,971	-1.86%
6				
7	Additions			
8	1220 Materials & Supplies			
9	1280 Prepayments			
10	Other Additions			
11	TOTAL Additions			
12				
13	Deductions			
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	TOTAL Deductions			
20	TOTAL Rate Base	41,020,609	41,795,971	-1.86%
21				
22	Net Earnings			
23				
24	Rate of Return on Average Rate Base	4.032%	7.338%	-45.05%
25				
26	Rate of Return on Average Equity	6.034%	10.797%	-44.11%
27				
28	Major Normalizing Adjustments & Commission			
29	Rate-making adjustments to Utility Operations			
30				
31				
32				
33				
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40				
41				
42				
43	Adjusted Rate of Return on Average Rate Base	4.032%	7.338%	-45.05%
44				
45	Adjusted Rate of Return on Average Equity	6.034%	10.797%	-44.11%

Other Taxes Paid

Year: 2010

Line No.	Description (a)	Last Year (b)	This Year (c)
1	Montana Telephone Company License Tax		
2	Montana Public Service Commission Tax	14622	14322
3	Montana Consumer Counsel Tax	6144	2369
4	911 Emergency Telephone Fee		
5	Montana Telecommunications Access Service (TDD)		
6	Montana Corporate License Tax	174171	188518
7	Personal Property Tax		
8	Real Property Tax	948573	1013429
9			
10			
11			
12	Total	1143510	1218638

Universal Service Funds Received

Year: 2010

Line No.	Description (a)	Last Year (b)	This Year (c)
13	Funds received from Montana Sources		
14	Funds received from Federal Sources	3513736	3343851
15			
16			
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19			
20			
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22			
23			
24	Total	3513736	3343851