

100 CenturyLink Drive
Monroe, LA 71203
Tel: 318.388.9000



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PUBLIC SERVICE
COMMISSION

May 26, 2011

Mr. Leroy Beeby
Montana Public Service Commission
Utility Division
1701 Prospect Avenue
P. O. Box 202601
Helena, MT 59620-2601

RE: 2010 Annual Report - CenturyTel of Montana, Inc. d/b/a CenturyLink

In accordance with Section 69-3-203 of the Montana Code Annotated, please find enclosed a complete copy of the 2010 Annual Report for CenturyTel of Montana, Inc. d/b/a CenturyLink. We appreciate the patience and understanding of the commission in our efforts to complete this report.

All questions regarding this correspondence should be addressed to:

Mr. Ted Hankins, Director
Regulatory Operations
P. O. Box 4065
Monroe, LA 71211-4065
318.388.9416

Please forward any future correspondence and forms associated with these submissions to my attention.

Sincerely,

Lisa Farrar, Director
Separations & Access

Enclosures

General Information

Year: 2010

1	Legal Name of Respondent:	CenturyTel of Montana, Inc. d/b/a CenturyLink
2	Name Under Which Respondent Does Business:	CenturyTel of Montana, Inc. d/b/a CenturyLink
3	Date of Incorporation:	October 23, 1946
4	Address to send Correspondence Concerning Report:	100 CenturyLink Drive Monroe, La. 71203
5	Person Responsible for This Report:	Ted Hankins Director Regulatory Operations
5a.	Telephone Number:	(318) 388 - 9416
Control Over Respondent		
1	If direct control over the respondent was held by another entity at the end of year provide the following:	
	1a. Name and address of the controlling organization or person: Pacific Corp. Holding, Inc. owned 100% of the voting securities of Pacific Telecom, Inc. until 12/1/97 when these securities were sold to CenturyLink, Inc., 100 CenturyLink Drive, Monroe, La. 71203	
	1b. Means by which control was held: Ownership of voting securities.	
	1c. Percent Ownership: 99%.	

	Board of Directors		
Line No.	Name of Director and Address (City, State) (a)		Fees Paid During Year (b)
1	Stacey W. Goff	100 CenturyLink Drive, Monroe, LA 71203	None
2	R. Stewart Ewing, Jr.	100 CenturyLink Drive, Monroe, LA 71203	None
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18	Chairman of the Board:	Glen F. Post, III	
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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	Chief Executive Officer and President	Company Wide	Glen F. Post, III
2	Chief Operating Officer	"	Karen A. Puckett
3	Executive Vice President	"	R. Stewart Ewing, Jr.
4	Senior Vice President	"	David D. Cole
5	Senior Vice President, Executive Vice President,	"	Stacey W. Goff
6	General Counsel, and Assistant Secretary	"	
7	Vice President and Controller	"	Neil A. Sweasy
8	Senior Vice President and Treasurer	"	G. Clay Bailey
9	Vice President	"	Terry Beeler
10	Vice President	"	Tim Walden
11	Vice President	"	Jeff Glover
12	Secretary	"	Kay Buchart
13	General Manager	CenturyTel of Montana, Inc.	Jeremy Ferkin
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19			All officers are based at 100 CenturyLink
20			Drive, Monroe, LA 71203, except for Jeremy
21			Ferkin who is based at 290 North Main,
22			Kalispell, MT, 59901
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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	3,718,668	4,019,348
3	1180	Telecommunications Accounts Receivable - Net	2,758,592	3,240,817
4	1190	Other Accounts Receivable - Net	1,397,067	1,873,443
5	1200	Notes Receivable - Net		
6	1210	Interest and Dividends Receivable		
7	1220	Materials and Supplies	3,155	14,230
8	* 1280	Prepayments	711,327	177,219
9	^ 1290	Prepaid Rents		
10	^ 1300	Prepaid Taxes		
11	^ 1310	Prepaid Insurance		
12	^ 1320	Prepaid Directory Expenses		
13	^ 1330	Other Prepayments	82,452	177,219
14	1350	Other Current Assets		
15		Total Current Assets	8,588,809	9,325,057
16		NONCURRENT ASSETS:		
17	1401	Investments in Affiliated Companies		
18	1402	Investments in Nonaffiliated Companies		
19	1406	Nonregulated Investments	612,615	939,744
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	3,515	2,544
25	1500	Other Jurisdictional Assets - Net		
26		Total Noncurrent Assets	616,129	942,288
27		PROPERTY, PLANT, & EQUIPMENT:		
28	2001	Telecommunications Plant in Service	171,566,705	169,367,587
29	2002	Property Held for Future Telecommunications Use		
30	2003	Plant Under Construction - Short Term	191,761	532,958
31	2004	Plant Under Construction - Long Term		
32	2005	Telecommunications Plant Adjustment		
33	2006	Nonoperating Plant	2,582	2,582
34	2007	Goodwill		
35	3100	Accumulated Depreciation	(122,771,982)	(116,614,329)
36	3200	Accumulated Depreciation - Held for Future Use		
37	3300	Accumulated Depreciation - Nonoperating		
38	3400	Accumulated Amortization		
39		Net Property, Plant, & Equipment	48,989,066	53,288,798
40		TOTAL ASSETS	58,194,004	63,556,143

^ 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	578,266	721,158
43	4020	Notes Payable		
44	4030	Advance Billing and Payments	1,351,869	763,476
45	4040	Customer Deposits	23,115	38,672
46	4050	Current Maturities - Long Term Debt		
47	4060	Current Maturities - Capital Leases		
48	4070	Income Taxes - Accrued		
49	4080	Other Taxes - Accrued	1,336,766	2,297,464
50	4100	Net Current Deferred Operating Income Taxes		
51	4110	Net Current Deferred Nonoperating Income Taxes		
52	4120	Other Accrued Liabilities	526,555	426,002
53	4130	Other Current Liabilities		
54		Total Current Liabilities	3,816,571	4,246,772
55		LONG-TERM DEBT:		
56	4210	Funded Debt		
57	4220	Premium on Long-Term Debt		
58	4230	Discount on Long-Term Debt		
59	4240	Reacquired Debt		
60	4250	Obligations Under Capital leases		
61	4260	Advances From Affiliated Companies		
62	4270	Other Long-Term Debt		
63		Total Long-Term Debt		
64		OTHER LIABILITIES AND DEFERRED CREDITS:		
65	4310	Other Long-Term Liabilities		
66	4320	Unamort. Oper. Invest. Tax Credits - Net		
67	4330	Unamort. Nonoper. Invest. Tax Credits - Net		
68	4340	Net Noncurrent Deferred Oper. Income Taxes	8,856,690	9,144,976
69	4350	Net Noncurrent Deferred Nonoper. Income Taxes		
70	4360	Other Deferred Credits	3,802,748	4,955,053
71	4370	Other Jurisdictional Liab. and Def. Credits		
72		Total Other Liabilities and Deferred Credits	12,659,437	14,100,029
73		STOCKHOLDERS' EQUITY:		
74	4510	Capital Stock	6,680,000	6,680,000
75	4520	Additional Paid-In Capital	141,016	141,016
76	4530	Treasury Stock	(130,500)	(130,500)
77	4540	Other Capital		
78	4550	Retained Earnings	35,027,480	38,518,826
79		Total Stockholders' Equity	41,717,996	45,209,342
80		TOTAL LIAB. AND STOCKHOLDERS' EQUITY	58,194,004	63,556,143

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	15,603,735	17,060,484
3	5080	Network Access Revenues (1)	18,213,981	20,289,414
4	* 5100	Long Distance Message Revenue	150,631	172,591
5	^ 5110	Unidirectional Long Distance Revenue		
6	^ 5120	Long Distance Private Network Revenue	150,632	172,641
7	^ 5160	Other Long Distance Revenue (1)		(50)
8	^ 5169	Other Long Distance Revenue Settlements		
9	* 5200	Miscellaneous Revenue	7,502,853	7,590,429
10	^ 5230	Directory Revenue	3,281,669	3,898,847
11	^ 5240	Rent Revenue	274,275	145,529
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue (2)	3,216,785	2,786,388
14	^ 5270	Carrier Billing and Collection Revenue	730,125	759,665
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	283,313	165,836
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)	41,187,886	44,947,082
18		OPERATING EXPENSES:		
19	6110	Network Support Expense	30,661	61,299
20	6120	General Support Expense	805,275	775,486
21	6210	Central Office Switching Expense	1,759,999	1,761,270
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	704,793	824,070
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense	5,051,022	4,691,579
26	^ 6431	Aerial Wire Expense		
27	^ 6441	Conduit Systems Expense		
28	6510	Other Property, Plant & Equipment Expense	93,559	50,737
29	6530	Network Operations Expense	2,326,033	1,945,695
30	6540	Access Expense	888,168	1,463,921
31	6560	Depreciation and Amortization Expense	7,391,561	7,883,315
32	6610	Marketing	1,432,624	1,563,257
33	6620	Services	3,073,218	3,138,307
34	6710	Executive and Planning	261,475	901,710
35	6720	General and Administrative	3,482,380	3,330,600
36	6790	Provision for Uncollectible Notes Receivable		
37		Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)	27,300,768	28,391,246
38	7100	Other Operating Income and Expense	415	450
39	7200	Operating Taxes	6,205,399	7,812,356
40		Net Operating Income (L.17-L.37+L.38-L.39)	7,682,135	8,743,930
41	7300	Nonoperating Income and Expense	(27,196)	(18,281)
42	7400	Nonoperating Taxes		
43	7500	Interest and Related Items	2,007	2,828
44	7600	Extraordinary Items		
45	7910	Effects of Juris. Ratemaking Diff. - Net		
46	7990	Nonregulated Net Income	(459,571)	(457,289)
47		NET INCOME (L.40+L.41-L.42-L.43-L.44+L.45-L.46)	8,112,503	9,180,110

^ Subaccount of the account marked with a *.

(1) Includes Interstate Prior Period Adjustments of (\$226,198) in 2009 and \$(20,486) in 2010.

Includes Intrastate Prior Period Adjustments of (\$8,291) in 2009 and \$123,227 in 2010.

(2) Includes Miscellaneous Prior Period Adjustments of \$0 in 2009 and \$3,364 in 2010.

Montana Total State Income Statement

Year: 2010

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

^ Subaccount of the account marked with a *.

Montana Intrastate Income Statement

Year: 2010

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		REVENUES:		
2	5000	Basic Local Service Revenues	15,603,735	17,060,484
3	5080	Network Access Revenues	2,916,226	3,528,266
4	* 5100	Long Distance Message Revenue	150,631	172,637
5	^ 5110	Unidirectional Long Distance Revenue		
6	^ 5120	Long Distance Private Network Revenue	150,632	172,641
7	^ 5160	Other Long Distance Revenue	(1)	(4)
8	^ 5169	Other Long Distance Revenue Settlements		
9	* 5200	Miscellaneous Revenue	6,798,199	6,887,240
10	^ 5230	Directory Revenue	3,281,669	3,898,847
11	^ 5240	Rent Revenue	188,035	96,773
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	3,156,629	2,724,399
14	^ 5270	Carrier Billing and Collection Revenue	171,866	167,221
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	226,129	152,979
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)	25,242,662	27,495,648
18		OPERATING EXPENSES: (1)		
19	6110	Network Support Expense	20,905	41,921
20	6120	General Support Expense	549,054	530,343
21	6210	Central Office Switching Expense	1,087,357	1,073,386
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	440,919	516,539
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense	3,651,293	3,402,920
26	^ 6431	Aerial Wire Expense		
27	^ 6441	Conduit Systems Expense		
28	6510	Other Property, Plant & Equipment Expense	63,790	34,698
29	6530	Network Operations Expense	1,584,478	1,327,110
30	6540	Access Expense	308,047	482,648
31	6560	Depreciation and Amortization Expense	4,516,985	4,863,434
32	6610	Marketing	1,092,374	1,191,982
33	6620	Services	2,434,524	2,462,028
34	6710	Executive and Planning	188,153	648,155
35	6720	General and Administrative	2,468,863	2,356,551
36	6790	Provision for Uncollectible Notes Receivable		
37		Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)	18,406,742	18,931,715
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	4,158,811	5,266,769
40		Net Operating Income (L.17-L.37+L.38-L.39)	2,677,109	3,297,164

^ Subaccount of the account marked with a *.

Intrastate expenses include a portion of LNP expense up until the expiration date of the tariff for the Legacy Telcos 5/16/10. In any future ratemaking process, the LNP expenses will be removed to determine expenses solely on an Intrastate basis. LNP investment and expenses are being recovered through a charge to the enduser as approved by the FCC.

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	15,039,162	16,435,691
3	5080	Network Access Revenues	2,475,181	3,173,732
4	* 5100	Long Distance Message Revenue	131,731	153,691
5	^ 5110	Unidirectional Long Distance Revenue		
6	^ 5120	Long Distance Private Network Revenue	131,732	153,741
7	^ 5160	Other Long Distance Revenue	(1)	(50)
8	^ 5169	Other Long Distance Revenue Settlements		
9	* 5200	Miscellaneous Revenue	133,740	142,950
10	^ 5230	Directory Revenue	60,160	69,738
11	^ 5240	Rent Revenue		
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	73,580	73,212
14	^ 5270	Carrier Billing and Collection Revenue		
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	217,137	171,184
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)	17,562,678	19,734,879
18		OPERATING EXPENSES:		
19	6110	Network Support Expense	20,420	40,945
20	6120	General Support Expense	536,313	517,996
21	6210	Central Office Switching Expense	1,058,316	1,044,111
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	429,144	502,452
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense	3,574,646	3,332,219
26	^ 6431	Aerial Wire Expense		
27	^ 6441	Conduit Systems Expense		
28	6510	Other Property, Plant & Equipment Expense	62,311	33,892
29	6530	Network Operations Expense	1,547,708	1,296,213
30	6540	Access Expense	308,047	482,648
31	6560	Depreciation and Amortization Expense	4,372,395	4,707,882
32	6610	Marketing	1,053,673	1,149,752
33	6620	Services	2,208,011	2,263,927
34	6710	Executive and Planning	176,202	605,594
35	6720	General and Administrative	2,263,863	2,157,188
36	6790	Provision for Uncollectible Notes Receivable		
37		Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)	17,611,049	18,134,819
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	4,048,099	5,128,141
40		Net Operating Income (L.17-L.37+L.38-L.39)	(4,096,470)	(3,528,081)

^ 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	166,882,813	163,949,850
2	3100	Accumulated Depreciation	114,844,166	112,233,068
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies	8,693	14,237
6	4340	Noncurrent Deferred Operating Income Taxes	9,000,833	9,238,574
7		Pre-1971 Unamortized Investment Tax Credits		
8		Cash Working Capital (if allowed by Commission)	816,992	840,079
9		Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)	43,863,499	43,332,524

Average Rate Base - Intrastate

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	113,784,373	112,122,843
2	3100	Accumulated Depreciation	78,449,820	76,999,059
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies	6,305	10,326
6	4340	Noncurrent Deferred Operating Income Taxes	6,136,965	6,318,118
7		Pre-1971 Unamortized Investment Tax Credits		
8		Cash Working Capital (if allowed by Commission)	570,812	578,149
9		Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)	29,774,705	29,394,141

Average Rate Base - Regulated Intrastate

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	111,143,953	109,512,434
2	3100	Accumulated Depreciation	76,760,872	75,360,505
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies	6,174	10,111
6	4340	Noncurrent Deferred Operating Income Taxes	5,994,554	6,171,024
7		Pre-1971 Unamortized Investment Tax Credits		
8		Cash Working Capital (if allowed by Commission)	544,054	551,792
9		Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)	28,938,755	28,542,808

Notes to Schedule 8

(A) Revenues and expenses were allocated using FCC Part 36 separation rules. Allocation factors are based on 2000 traffic measurements per Separations Freeze Order (i.e. allocations for 2010 are based on the 2000 traffic measurement) which are the most current factors available.

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

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

Statement of Cash Flows

Year: 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		8,112,503
4	Reconciliation Adjustments:		
5	Depreciation & Amortization	7,391,561	
6	Provision for Accounts Receivable Losses		
7	Deferred Income Taxes - Net	288,286	
8	Unamortized Investment Tax Credits (ITCs) - Net		
9	Allowance for Funds Used During Construction (AFUDC)		
10	Change in Operating Receivables - Net	958,601	
11	Change in Materials, Supplies & Inventories - Net	11,075	
12	Change in Operating Payables & Accrued Liabilities - Net	(142,892)	
13	Change in Other Assets & Deferred Credits - Net	(534,108)	
14	Change in Other Liabilities & Deferred Credits - Net	(287,309)	
15	Other (explained on back of this page)	(1,728,877)	
16	Total Adjustments		5,956,337
17	Net Cash Provided by/(Used in) Operating Activities		14,068,840
18	Cash Inflows/Outflows From Investing Activities:		
19	Construction/Acquisition of Property, Plant & Equipment (net of	(3,091,829)	
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)	326,159	
25	Net Cash Provided by/(Used in) Investing Activities		(2,765,670)
26	Cash Flows from Financing Activities:		
27	Net Incr./(Decr.) in Short-Term Debt, Original maturity <= 3 mo.		
28	Advances from Affiliates		
29	Repayment of Advances from Affiliates		
30	Proceeds from Issuances of Long-Term Debt		
31	Repayment of Long-Term Debt		
32	Payment of Capital Lease Obligations		
33	Proceeds from Issuing Common Stock/Parent Co. Equity Investment		
34	Repurchase of Treasury Shares		
35	Dividends Paid	(11,603,850)	
36	Other Financing Activities (explained on back of this page)		
37	Net Cash Provided by Financing Activities		(11,603,850)
38	Effect of Exchange Rate Changes on Cash		
39	Net Increase/(Decrease) in Cash & Cash Equivalents		(300,680)
40	Cash & Cash Equivalents at Beginning of Period		4,019,348
41	Cash & Cash Equivalents at End of Period		3,718,668

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	AT&T				1,552						
2	NECA				159,633						
3	All Other Connecting Companies				1,080,587						
4											
5											
6											
7											
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22											
23											
24											
25											
26											
27											
28											
29	Aggregate of all balances		2,977,354	(285,280)	221,813						
30	Totals		2,977,354	(285,280)	1,463,585						

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	7,616,568	236,182	191,941	(3,087)	7,657,722	5,521,330	2,136,392
2	^	2111 Land	467,745				467,745		467,745
3	^	2112 Motor Vehicles	1,761,744	161,674	191,941		1,731,477	1,470,010	261,467
4	^	2113 Aircraft							
5	^	2114 Special Purpose Vehicles							
6	^	2115 Garage Work Equipment							
7	^	2116 Other Work Equipment	646,949	62,856			709,805	547,079	162,726
8	^	2121 Buildings	3,878,250	6,535			3,884,785	2,737,037	1,147,748
9	^	2122 Furniture	10,949				10,949	4,594	6,355
10	^	2123 Office Equipment	179,328				179,328	179,328	
11	^	2124 General Purpose Computers	671,603	5,117		(3,087)	673,633	583,282	90,351
12		2211 Analog Electronic Switching							
13		2212 Digital Electronic Switching	32,189,069	22,777	50,156	11,842	32,173,532	28,999,694	3,173,838
14		2215 Electro-Mechanical Switching							
15		2220 Operator Systems							
16		2231 Radio Systems	6,258				6,258	(34,087)	40,345
17		2232 Circuit Equipment	38,344,252	1,432,123	403,778	(7,097)	39,365,500	31,064,661	8,300,839
18	*	2310 Information Orig & Term Equip							
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							
24		2411 Poles	1,417,997	16,735	25,192	(171)	1,409,369	1,361,419	47,950
25	*	2420 Cable and Wire Facilities	87,998,609	1,665,112	532,687	15,609	89,146,643	54,807,094	34,339,549
26	^	2421 Aerial Cable	10,807,036	64,799	124,136	(4,810)	10,742,889	10,531,834	211,055
27	^	2422 Underground Cable	1,726,431	17,661	2,251		1,741,841	977,759	764,082
28	^	2423 Buried Cable	75,398,927	1,573,138	406,300	21,415	76,587,180	43,257,393	33,329,787
29	^	2424 Submarine Cable	5,831				5,831	4,232	1,599
30	^	2425 Deep Sea Cable							
31	^	2426 Intrabuilding Network Cable	60,384	9,514		(996)	68,902	35,876	33,026
32		2431 Aerial Wire	404,698				404,698	404,512	186
33		2441 Conduit Systems	1,390,136	12,847			1,402,983	647,359	755,624
34		Totals	169,367,587	3,385,776	1,203,754	17,096	171,566,705	122,771,982	48,794,723

^ Subaccount of the account marked with a *.

Company Name: CenturyTel of Montana, Inc. d/b/a CenturyLink

SCHEDULE 12

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	N/A						
2							
3							
4							
5							
6							
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27							
28							
29							
30	Totals (Sum L.1 to L.29)						

Company Name: CenturyTel of Montana, Inc. d/b/a CenturyLink

SCHEDULE 13

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	N/A											
2												
3												
4												
5												
6												
7												
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26												
27												
28												
29												
30	Total											

Cost of Preferred Stock

Year:2010

Cost of Preferred Stock												Year: 2011
Line No.	Description (a)	Date of Issuance (b)	Method of Offering (c)	Call Redemption Price (d)	Par Value Of Issue (e)	Gross Proceeds Amounts (f)	Net Proceeds Amounts (g)	Net Proceeds Per \$100 (h)	Cost of Money (i)	Principal Outstanding (j)	Annual Cost (k)	Embedded Cost (l)
1	Preferred Stock 5% cumulative authorized & outstanding, 500 shares of \$100 par value. (includes 390 held in treasury)	12/50	Private	None	\$100	(A)	(A)	(A)	(A)	50,000	1,125	0
2												
3												
4												
5												
6	Serial Preferred 10% cumulative authorized 100,000 shares of \$100 par value; 1,800 shares issued. (includes 1200 held in treasury)	12/71	Private	None	\$100	(A)	(A)	(A)	(A)	180,000	6,000	0
7												
8												
9												
10												
11												
12												
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24												
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29												
30	Totals (Sum L.1 to L.29)									230,000	7,125	

(A) No Preferred Stock transactions took place in the reporting year.

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 31,2010	96,000		84.51		(A)	(A)	(A)	(A)
2									
3									
4									
5									
6									
7									
8	Month by Month Data:								
9	January		482.17						
10	February		481.95						
11	March		466.92	18.28					
12	April		477.45						
13	May		476.98						
14	June		477.46	19.15					
15	July		477.46						
16	August		477.99						
17	September		478.97	21.72					
18	October		476.45						
19	November		478.23						
20	December		447.03	25.36					
21									
22									
23									

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

Company Name: CenturyTel of Montana, Inc. d/b/a CenturyLink

SCHEDULE 16

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	N/A						
2							
3							
4							
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26							
27							
28							
29							
30	Totals (Sum L.1 to L.29)						

Total Company Expense Matrix

Year:2010

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	9,897	2,996	107	17,662		30,661
2	^	6112	Motor Vehicle Expense	3,491	693	2	2,198		6,384
3	^	6113	Aircraft Expense	6,405	2,303	105	15,464		24,277
4	^	6114	Special Purpose Vehicles Expense						
5	^	6115	Garage Work Equipment Expense						
6	^	6116	Other Work Equipment Expense						
7	*	6120	General Support Expense	152,855	45,981	160,698	445,743		805,275
8	^	6121	Land and Building Expense	40,636	7,149	49,695	225,953		323,432
9	^	6122	Furniture and Artworks Expense						
10	^	6123	Office Equipment Expense						
11	^	6124	General Purpose Computers Expense	112,219	38,832	111,002	219,790		481,843
12	*	6210	Central Office Switching Expense	552,646	248,755	1,803	956,795		1,759,999
13	^	6211	Analog Electronic Expense						
14	^	6212	Digital Electronic Expense	552,646	248,755	1,803	956,795		1,759,999
15	^	6215	Electro-Mechanical Expense						
16		6220	Operator Systems Expense						
17	*	6230	Central Office Transmission Expense	346,155	149,150		209,489		704,793
18	^	6231	Radio Systems Expense						
19	^	6232	Circuit Equipment Expense	346,155	149,150		209,489		704,793
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	1,957,338	848,360	1,202,158	1,043,166		5,051,022
26	^	6411	Poles Expense	6,168	2,764	237,253	804		246,990
27	^	6421	Aerial Cable Expense	380,854	172,919	39	126,576		680,389
28	^	6422	Underground Cable Expense	645	218	0	102		966
29	^	6423	Buried Cable Expense	1,569,670	672,458	964,866	915,684		4,122,678
30	^	6424	Submarine Cable Expense						
31	^	6425	Deep Sea Cable Expense						
32	^	6426	Intrabuilding Network Cable Expense						
33	^	6431	Aerial Wire Expense						
34			Subtotals	3,018,891	1,295,241	1,364,765	2,672,854		8,351,751

^ 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	31,854	7,587	517	53,599		93,559
37	* 6530	Network Operations Expense	1,203,552	356,768	14,714	750,998		2,326,033
38	^ 6531	Power Expense				241,821		241,821
39	^ 6532	Network Administration Expense	221,988	70,374	4,267	134,417		431,046
40	^ 6533	Testing Expense	387,294	112,141	2,857	161,786		664,078
41	^ 6534	Plant Operations Expense	158,862	43,447	2,805	88,983		294,098
42	^ 6535	Engineering Expense	435,408	130,806	4,785	123,992		694,991
43	6540	Access Expense				888,168		888,168
44	6561	Depreciation - Telecomm. Plant in Service				7,391,561		7,391,561
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	721,489	246,925	8,820	455,390		1,432,624
50	^ 6611	Product Management	89,971	23,814	2,037	55,428		171,251
51	^ 6612	Sales	631,517	223,111	6,783	194,656		1,056,067
52	^ 6613	Product Advertising				205,306		205,306
53	6621	Call Completion Services				2,597		2,597
54	6622	Number Services				119,807		119,807
55	6623	Customer Services	1,284,276	556,968	11,649	1,097,921		2,950,814
56	6711	Executive	124,845	43,176	1,435	92,020		261,475
57	6712	Planning						
58	6721	Accounting and Finance	161,898	67,836	3,696	142,893		376,322
59	6722	External Relations	125,444	29,770	7,950	153,827		316,992
60	6723	Human Relations	96,284	25,293	6,073	77,292		204,943
61	6724	Information Management	542,087	144,047	35,452	1,425,322		2,146,908
62	6725	Legal	48,225	8,635	2,254	93,012		152,126
63	6726	Procurement	29,795	5,802	2,694	9,474		47,765
64	6727	Research and Development						
65	6728	Other General and Administrative	8,829	23,752	381	204,364		237,325
66	6790	Provision for Uncollectible Notes Receivable						
67		Totals	7,397,467	2,811,800	1,460,402	15,631,099		27,300,768

^ 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						
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					
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			
2	Defined Benefit Plan? <u> X </u>	Defined Contribution Plan? <u> </u>		
3	Actuarial Cost Method? <u> </u>	IRS Code: <u> </u>		
4	Annual Contribution by Employer: <u> </u>	Is the Plan Over Funded? <u> </u>		
5				
	Item	Current Year	Last Year	% Change
6	Change in Benefit Obligation	See Note (A) Below		
7	Benefit obligation at beginning of year			
8	Service cost			
9	Interest Cost			
10	Plan participants' contributions			
11	Amendments			
12	Actuarial Gain			
13	Acquisition			
14	Benefits paid			
15	Benefit obligation at end of year			
16	Change in Plan Assets			
17	Fair value of plan assets at beginning of year			
18	Actual return on plan assets			
19	Acquisition			
20	Employer contribution			
21	Plan participants' contributions			
22	Benefits paid			
23	Fair value of plan assets at end of year			
24	Funded Status			
25	Unrecognized net actuarial loss			
26	Unrecognized prior service cost			
27	Prepaid (accrued) benefit cost			
28				
29	Weighted-average Assumptions as of Year End			
30	Discount rate			
31	Expected return on plan assets			
32	Rate of compensation increase			
33				
34	Components of Net Periodic Benefit Costs			
35	Service cost			
36	Interest cost			
37	Expected return on plan assets			
38	Amortization of prior service cost			
39	Recognized net actuarial loss			
40	Net periodic benefit cost			
41				
42	Montana Intrastate Costs:			
43	Pension Costs	275,269	255,633	-7.13%
44	Pension Costs Capitalized	15,293	14,202	-7.13%
45	Accumulated Pension Asset (Liability) at Year End			
46	Number of Company Employees:			
47	Covered by the Plan	86	86	
48	Not Covered by the Plan			
49	Active	86	86	
50	Retired	90	91	1.11%
51	Deferred Vested Terminated			

(A) This information is not available on an individual basis. Information regarding the pension plan is summarized in the attached copy of Footnote 11 of CenturyTel, Inc. 2008 Form 10-K.

(12) DEFINED BENEFIT AND OTHER RETIREMENT PLANS

We sponsor defined benefit pension plans for substantially all employees, including separate plans for legacy CenturyLink employees and legacy Embarq employees. Until such time as we elect to integrate Embarq's benefit plans with ours, we plan to continue to operate the plans independently. Pension benefits for participants of these plans who are represented by a collective bargaining agreement are based on negotiated schedules. All other participants' pension benefits are based on each individual participant's years of service and compensation. Both CenturyLink and Embarq have previously sponsored, or continue to sponsor, supplemental executive retirement plans providing certain officers with supplemental retirement, death and disability benefits. We use a December 31 measurement date for all our plans.

To align our benefit structure closer to those offered by our competitors, in late 2010 we froze pension benefit accruals for our non-represented employees as of December 31, 2010. Such action resulted in a reduction of our benefit obligation of approximately \$110.2 million and resulted in the recognition of a curtailment gain of approximately \$20.9 million in 2010.

In late February 2008, our Board of Directors approved certain actions related to CenturyLink's Supplemental Executive Retirement Plan, including (i) freezing benefit accruals effective February 29, 2008 and (ii) amending the plan in the second quarter of 2008 to permit participants to receive in 2009 a lump sum distribution of the present value of their accrued plan benefits based on their election. We also enhanced plan termination benefits by (i) crediting each active participant with three additional years of service and (ii) crediting each participant who was not in pay status under the plan with three additional years of age in connection with calculating the present value of any lump sum distribution. We recorded an aggregate curtailment loss of approximately \$8.2 million in 2008 related to the above-described items. In addition, principally due to the payment of the lump sum distributions in early 2009, we also recognized a settlement loss (which is included in selling, general and administrative expense) of approximately \$7.7 million in 2009.

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Due to change of control provisions that were triggered upon the consummation of the Embarq acquisition on July 1, 2009, certain retirees who were receiving monthly annuity payments under a CenturyLink supplemental executive retirement plan were paid a lump sum distribution calculated in accordance with the provisions of the plan. A settlement expense of approximately \$8.9 million was recognized in the third quarter of 2009 as a result of these actions.

The legacy Embarq pension plan contains a provision that grants early retirement benefits for certain participants affected by workforce reductions. During 2009, we recognized approximately \$14.7 million of additional pension expense related to these contractual benefits.

The following is a reconciliation of the beginning and ending balances for the aggregate benefit obligation and the assets for our above-referenced defined benefit plans.

December 31	2010	2009	2008
	(Dollars in thousands)		
Change in benefit obligation			
Benefit obligation at beginning of year	\$ 4,181,582	462,701	469,437
Service cost	61,156	36,223	13,761
Interest cost	245,753	134,898	29,373
Plan amendments	4,304	16,016	2,393
Acquisitions	-	3,467,260	-
Actuarial (gain) loss	426,700	231,663	(24,819)
Contractual retirement benefits	-	14,676	-
Curtailment (gain) loss	(110,169)	-	8,235
Settlements	-	8,294	(1,945)
Benefits paid	(275,357)	(190,149)	(33,734)
Benefit obligation at end of year	\$ 4,533,969	4,181,582	462,701
Change in plan assets			
Fair value of plan assets at beginning of year	\$ 3,219,706	352,830	459,198
Return (loss) on plan assets	482,709	473,878	(123,210)
Acquisitions	-	2,407,200	-
Employer contributions	304,811	175,946	52,521

Settlements			(1,945)
Benefits paid	(275,357)	(190,148)	(33,734)
Fair value of plan assets at end of year	\$ 3,731,869	3,219,706	352,830

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The following table sets forth the combined plans' funded status and amounts recognized in our consolidated balance sheet at December 31, 2010, 2009 and 2008.

December 31,	2010	2009	2008
	(Dollars in thousands)		
Benefit obligation	\$ (4,533,969)	(4,181,582)	(462,701)
Fair value of plan assets	3,731,869	3,219,706	352,830
Net amount recognized	\$ (802,100)	(961,876)	(109,871)

Amounts recognized on the balance sheet consist of:

December 31,	2010	2009
	(Dollars in thousands)	
Accrued expenses and other current liabilities	\$ (10)	(1,266)
Other deferred credits	(802,090)	(960,610)
Net amount recognized	\$ (802,100)	(961,876)

Our aggregate accumulated benefit obligation as of December 31, 2010 and 2009 was \$4.509 billion and \$4.042 billion, respectively.

Net periodic pension expense for 2010, 2009 (which only includes the effects of our Embarq acquisition subsequent to July 1, 2009) and 2008 included the following components:

Year ended December 31,	2010	2009	2008
	(Dollars in thousands)		
Service cost	\$ 61,156	36,223	13,761
Interest cost	245,753	134,898	29,373
Expected return on plan assets	(283,026)	(127,613)	(36,667)
Curtailment (gain) loss	(20,908)	-	8,235
Settlements	-	17,834	410
Contractual retirement benefits	-	14,676	-
Net amortization and deferral	18,765	16,271	3,377
Net periodic pension expense	\$ 21,740	92,289	18,489

The unamortized prior service cost (\$18.9 million as of December 31, 2010) and unrecognized net actuarial loss (\$187.5 million as of December 31, 2010) components have been reflected as a \$206.4 million net reduction (\$127.1 million after-tax) to accumulated other comprehensive loss within stockholders' equity. The estimated amount of amortization expense of the above unrecognized amounts that will be amortized from accumulated other comprehensive loss and reflected as a component of net periodic pension cost for 2011 are (i) \$2.4 million for the prior service cost and (ii) \$13.4 million for the net actuarial loss.

Assumptions used in accounting for pension plans as of December 31, 2010 and 2009 were:

	2010	2009
Determination of benefit obligation		
Discount rate	5.0-5.5%	5.5-6.0
Weighted average rate of compensation increase	3.25-4.0%	3.5-4.0
Determination of benefit cost		
Discount rate	5.5-6.0%	6.60-6.90
Weighted average rate of compensation increase	3.5-4.0%	4.0
Expected return on plan assets*	8.25-8.50%	8.25-8.50

* For 2011, we are reducing our long-term assumed rate of return assumption to 7.5% for our legacy CenturyLink pension plan and 8.0% for our legacy Embarq pension plan.

Our discount rate is based on a hypothetical portfolio of bonds rated AA- or better that produces a cash flow matching the projected benefit payments of the plans. In determining the expected return on plan assets, we study historical markets and apply the widely-accepted capital market principle that assets with higher volatility and risk generate a greater return over the long term. We evaluate current market factors such as inflation and interest rates before determining long-term capital market assumptions. We also review peer data and historical returns to check for reasonableness.

We employ a total return investment approach whereby a mix of equities and fixed income investments are used to maximize the long-term return of plan assets for a prudent level of risk. Risk tolerance is established through careful consideration of plan liabilities, plan funded status and corporate financial condition. We measure and monitor investment risk on an ongoing basis through annual liability measurements, periodic asset studies and periodic portfolio reviews. The fair value of most of our pension plan assets is determined by reference to observable market data consisting of published market quotes.

Our pension plans weighted-average asset allocations at December 31, 2010 and 2009 by asset category are as follows:

	2010	2009
Equity securities	52.3%	49.3
Debt securities	33.4	28.8
Hedge funds	4.3	8.5
Real estate	4.9	5.0
Cash equivalents and other	5.1	8.4
Total	100.0%	100.0

As of December 31, 2010, we used the following valuation techniques to measure fair value for assets. There were no changes to these methodologies during 2010:

Level 1 - Assets were valued using the closing price reported in the active market in which the individual security was traded.

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Level 2 - Assets were valued using quoted prices in markets that are not active, broker dealer quotations, net asset value of shares held by the plans and other methods by which all significant input were observable at the measurement date.

Level 3 - Assets were valued using valuation reports from the respective institutions at the measurement date.

The following table presents the hierarchy levels for our defined benefit pension plans' investments as of December 31, 2010:

	Level 1	Level 2	Level 3	Total
	(Dollars in thousands)			
Equity securities				
Common stocks, preferred stocks, equity funds and related securities	\$ 1,675,565	277,269	-	1,952,834
Debt securities				
Corporate bonds and related securities	-	911,122	1,589	912,711

Government bonds, municipal bonds and related securities	331,937	2,899	334,836
Hedge funds	-	161,612	161,612
Real estate	-	181,581	181,581
Cash and cash equivalents	26,041	-	26,041
Other	13,473	146,172	162,254
Total	<u>\$ 1,715,079</u>	<u>1,666,500</u>	<u>3,381,579</u>

The following table presents the hierarchy levels for our defined benefit pension plans' investments as of December 31, 2009:

	Level 1	Level 2	Level 3	Total
	(Dollars in thousands)			
Equity securities				
Common stocks, preferred stocks, equity funds and related securities	\$ 1,345,669	242,852	-	1,588,521
Debt securities				
Corporate bonds and related securities	-	798,143	1,005	799,148
Government bonds, municipal bonds and related securities	-	129,129	-	129,129
Hedge funds	-	113,340	159,886	273,226
Real estate	-	-	161,336	161,336
Cash and cash equivalents	21,210	-	-	21,210
Other	67,156	181,116	(1,136)	247,136
Total	<u>\$ 1,434,035</u>	<u>1,464,580</u>	<u>321,091</u>	<u>3,219,706</u>

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The following sets forth a summary of changes in the fair value of our defined benefit pension plans' Level 3 assets for the year ended December 31, 2010:

	Real estate	Hedge funds	All other	Total
	(Dollars in thousand)			
Balance, beginning of year	\$ 161,336	159,886	(131)	321,091
Realized gain (loss) in investments, net	(1,677)	2,102	92	517
Unrealized gain (loss) in investments, net	20,038	8,851	169	29,058
Purchases and sales, net	1,884	(9,227)	6,967	(376)
Balance, end of year	<u>\$ 181,581</u>	<u>161,612</u>	<u>7,097</u>	<u>350,290</u>

The following sets forth a summary of changes in the fair value of our defined benefit pension plans' Level 3 assets for the year ended December 31, 2009:

	Real estate	Hedge funds	All other	Total
	(Dollars in thousand)			
Balance, beginning of year	\$			
Level 3 assets acquired in the Embarq acquisition	182,819	146,335	(4,875)	324,279
Transfers to (from) Level 3	-	-	(3,458)	(3,458)
Realized gain (loss) in investments, net	21	-	70	91
Unrealized gain (loss) in investments, net	(24,223)	13,551	31	(10,641)
Purchases and sales, net	2,719	-	8,101	10,820
Balance, end of year	<u>\$ 161,336</u>	<u>159,886</u>	<u>(131)</u>	<u>321,091</u>

Our plans invest in various securities, some of which are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that those changes could materially affect the value of our pension plan assets.

Some of our plans' investment securities have contractual cash flows, such as asset backed securities, collateralized mortgage obligations, and commercial and government mortgage backed securities, including securities backed by sub-prime mortgage loans. The value, liquidity, and related income of these securities are sensitive to changes in economic conditions, including real estate values, delinquencies or defaults, or both, and may be adversely affected by shifts in the market's perception of the issuers and changes in interest rates.

During 2010, we contributed \$300 million to the legacy Embarq pension plan. Based on current actuarial estimates, we expect to contribute approximately \$100 million to the legacy Embarq pension plan in 2011.

Our estimated future projected benefit payments under our defined benefit pension plans are as follows: 2011 - \$268.0 million; 2012 - \$272.6 million; 2013 - \$280.3 million; 2014 - \$284.7 million; 2015 - \$289.8 million; and 2016-2020 - \$1.526 billion.

We also sponsor qualified profit sharing plans pursuant to Section 401(k) of the Internal Revenue Code which are available to substantially all employees. Our matching contributions to these plans were \$16.7 million in 2010, \$13.8 million in 2009 and \$10.5 million in 2008.

Other Post Employment Benefits (OPEBS)

Item	Current Year	Last Year	% Change
1 Regulatory Treatment:			
2 Commission authorized - most recent			
3 Docket number: _____			
4 Order number: _____			
5 Amount recovered through rates			
6 Weighted-average Assumptions as of Year End	See Note (A) Below		
7 Discount rate			
8 Expected return on plan assets			
9 Medical Cost Inflation Rate			
10 Actuarial Cost Method			
11 Rate of compensation increase			
12 List each method used to fund OPEBs (ie: VEBA, 401(h)) and if tax advantaged:			
13			
14			
15 Describe any Changes to the Benefit Plan:			
16			
17 TOTAL COMPANY			
18 Change in Benefit Obligation			
19 Benefit obligation at beginning of year			
20 Service cost			
21 Interest Cost			
22 Plan participants' contributions			
23 Amendments			
24 Actuarial Gain			
25 Acquisition			
26 Benefits paid			
27 Benefit obligation at end of year			
28 Change in Plan Assets			
29 Fair value of plan assets at beginning of year			
30 Actual return on plan assets			
31 Acquisition			
32 Employer contribution			
33 Plan participants' contributions			
34 Benefits paid			
35 Fair value of plan assets at end of year			
36 Funded Status			
37 Unrecognized net actuarial loss			
38 Unrecognized prior service cost			
39 Prepaid (accrued) benefit cost			
40 Components of Net Periodic Benefit Costs			
41 Service cost			
42 Interest cost			
43 Expected return on plan assets			
44 Amortization of prior service cost			
45 Recognized net actuarial loss			
46 Net periodic benefit cost	347,811	451,633	29.85%
47 Accumulated Post Retirement Benefit Obligation			
48 Amount Funded through VEBA			
49 Amount Funded through 401(h)			
50 Amount Funded through Other _____			
51 TOTAL			
52 Amount that was tax deductible - VEBA			
53 Amount that was tax deductible - 401(h)			
54 Amount that was tax deductible - Other _____			
55 TOTAL			

(A) The actuary provides information on a total plan basis only. Information regarding the OPEB plan is included in the attached copy of Footnote 10 of the CenturyTel, Inc. 2008 Form 10-K.

Other Post Employment Benefits (OPEBS) Continued

Year: 2010

	Item	Current Year	Last Year	% Change
1	Number of Company Employees:			
2	Covered by the Plan	86	86	
3	Not Covered by the Plan			
4	Active	86	86	
5	Retired	77	75	-2.60%
6	Spouses/Dependants covered by the Plan	5	5	
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			

(11) POSTRETIREMENT BENEFITS

Our postretirement health care plan provides postretirement benefits to qualified retirees. The postretirement health care plan we assumed as part of our acquisition of Embarq provides postretirement benefits to qualified legacy Embarq retirees and allows (i) eligible employees retiring before certain dates to receive benefits at no or reduced cost and (ii) eligible employees retiring after certain dates to receive benefits on a shared cost basis. The postretirement health care plan is generally funded by us and we expect to continue funding these postretirement obligations as benefits are paid. Our plan uses a December 31 measurement date.

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

December 31,	2010	2009	2008
	(Dollars in thousands)		
Change in benefit obligation			
Benefit obligation at beginning of year	\$ 582,345	292,887	306,633
Service cost	14,680	8,764	4,926
Interest cost	32,118	26,693	19,395
Participant contributions	14,382	3,013	2,789
Plan amendments	(846)	-	(9,093)
Acquisitions	-	228,200	-
Direct subsidy receipts	1,092	626	1,092
Actuarial (gain) loss	(31,977)	58,455	(11,992)
Benefits paid	(54,073)	(36,293)	(20,863)
Benefit obligation at end of year	\$ 557,721	582,345	292,887
Change in plan assets			
Fair value of plan assets at beginning of year	\$ 57,312	16,805	28,324
Return (loss) on plan assets	5,916	6,405	(6,166)
Acquisitions	-	33,200	-
Employer contributions	30,277	34,182	12,721
Participant contributions	14,382	3,013	2,789
Benefits paid	(54,073)	(36,293)	(20,863)
Fair value of plan assets at end of year	\$ 53,814	57,312	16,805

The following table sets forth the amounts recognized as liabilities on the balance sheet for postretirement benefits at December 31, 2010, 2009 and 2008.

December 31,	2010	2009	2008
	(Dollars in thousands)		
Benefit obligation	\$ (557,721)	(582,345)	(292,887)
Fair value of plan assets	53,814	57,312	16,805
Accrued benefit cost	\$ (503,907)	(525,033)	(276,082)

Net periodic postretirement benefit cost for 2010, 2009 (which only includes the effects of our Embarq acquisition subsequent to July 1, 2009) and 2008 included the following components:

Year ended December 31,	2010	2009	2008
	(Dollars in thousands)		
Service cost	\$ 14,680	8,764	4,926
Interest cost	32,118	26,693	19,395
Expected return on plan assets	(3,435)	(2,386)	(2,337)

Amortization of unrecognized prior service credit	(3,433)	(3,546)	(2,606)
Amortization of unrecognized net loss	942	-	-
periodic postretirement benefit cost	\$ 40,872	29,525	19,378

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The unamortized prior service credit (\$11.7 million as of December 31, 2010) and unrecognized net actuarial loss (\$30.6 million as of December 31, 2010) components have been reflected as a \$12.3 million after-tax decrease to accumulated other comprehensive loss within stockholders' equity. The estimated amount of net amortization income of the above unrecognized items that will be amortized from accumulated other comprehensive loss and reflected as a component of net periodic postretirement cost during 2011 is \$2.3 million income for the prior service credit.

Assumptions used in accounting for postretirement benefits as of December 31, 2010 and 2009 were:

	2010	2009
Determination of benefit obligation		
Discount rate	5.30%	5.7-5.8%
Healthcare cost increase trend rates		
Following year	8.50%	8.0%
Rate to which the cost trend rate is assumed to decline (the ultimate cost trend rate)	5.0%	5.0%
Year that the rate reaches the ultimate cost trend rate	2018	2014
Determination of benefit cost		
Discount rate	5.7-5.8%	6.4-6.90%
Expected return on plan assets	7.25%	8.25-8.50%

Our discount rate is based on a hypothetical portfolio of bonds rated AA- or better that produces a cash flow matching the projected benefit payments of the plans. In determining the expected return on plan assets, we study historical markets and apply the widely-accepted capital market principle that assets with higher volatility and risk generate a greater return over the long term. We evaluate current market factors such as inflation and interest rates before determining long-term capital market assumptions. We also review peer data and historical returns to check for reasonableness.

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

	1-Percentage Point Increase	1-Percentage Point Decrease
	(Dollars in thousands)	
Effect on annual total of service and interest cost components	\$ 108	(132)
Effect on postretirement benefit obligation	\$ 1,285	(1,527)

We employ a total return investment approach whereby a mix of equities and fixed income investments are used to maximize the long-term return of plan assets for a prudent level of risk. Risk tolerance is established through careful consideration of plan liabilities, plan funded status and corporate financial condition. We measure and monitor investment risk on an ongoing basis through annual liability measurements, periodic asset studies and periodic portfolio reviews.

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Our weighted-average asset allocations at December 31, 2010 and 2009 by asset category are as follows:

	2010	2009
Equity securities	19.9%	18.6
Debt securities	72.2	64.5

Cash and cash equivalents	7.9	16.9
Total	100.0%	100.0

As of December 31, 2010, we used the following valuation techniques to measure fair value for assets. There were no changes to these methodologies during 2010:

Level 1 - Assets were valued using the closing price reported in the active market in which the individual security was traded.

Level 2 - Assets were valued using quoted prices in markets that are not active, broker dealer quotations, net asset value of shares held by the plans and other methods by which all significant input were observable at the measurement date.

Level 3 - Assets were valued using valuation reports from the respective institutions at the measurement date.

The following table presents the hierarchy levels for our postretirement benefit plan's investments as of December 31, 2010:

	Level 1	Level 2	Level 3	Total
	(Dollars in thousands)			
Equity securities				
Common stocks, preferred stocks, equity funds and related securities	\$ 5,204	5,487	-	10,691
Debt securities	35,222	3,648	-	38,870
Cash	4,253	-	-	4,253
Total	\$ 44,679	9,135	-	53,814

The following table presents the hierarchy levels for our postretirement benefit plan's investments as of December 31, 2009:

	Level 1	Level 2	Level 3	Total
	(Dollars in thousands)			
Equity securities				
Common stocks, preferred stocks, equity funds and related securities	\$ 4,967	5,688	-	10,655
Debt securities	32,900	4,075	-	36,975
Cash	9,682	-	-	9,682
Total	\$ 47,549	9,763	-	57,312

Our plan invests in various securities, some of which are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that those changes could materially affect the amounts reported in the statement of net assets available for benefits.

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Based on current estimates, we expect to contribute approximately \$47.9 million to our postretirement benefit plan in 2011.

Our estimated future projected benefit payments under our postretirement benefit plan are as follows:

Year	Before Medicare Subsidy	Medicare Subsidy	Net of Medicare Subsidy
	(Dollars in thousands)		
2011	\$ 49,206	(1,351)	47,855
2012	\$ 51,186	(1,600)	49,586
2013	\$ 47,751	(1,852)	45,899
2014	\$ 46,281	(2,099)	44,182

2015	\$	45,620	(2,351)	43,269
2016-2020	\$	203,780	(5,537)	198,243

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	Automotive Rentals, Inc.	Vehicle Maintenance & Rental	239,328	239,328	169,824
2	911 Datamaster	Switching Services	52,699	52,699	32,969
3	Flathead Janitorial, Inc.	Janitorial Services	85,454	85,454	58,265
4	Montana Dept. of Revenue	Public Service Reg. Fee and	43,772	43,772	43,772
5		Consumer Council Fee			
6	Montana Telecomm. Assoc.	Dues & Fees	59,483	59,483	59,483
7	Montana One Call Center	Locating & Utility Services	29,690	29,690	21,463
8	One Call Locators, Ltd.	Locating & Utility Services	195,133	195,133	141,058
9	Johnson Controls, Inc.	Bldg. Maintenance- Heat & A/C	63,245	63,245	43,122
10	Laporte Sehrt Romig Hang CPA	Funding Administer for LA USF	26,382	26,382	17,988
11	Rocky Mountain Contractors	C & W Maintenance	814,623	814,623	588,876
12	Trace Woodring Flooring	Snow Plowing	26,688	26,688	16,696
13	Dialogic Communications Corp.	E911 Software Support	57,841	57,841	36,185
14	Iconnect Montana, LLC	Switching Services	36,023	36,023	22,536
15	Vision Net, Inc.	Warrantee & Switching Services	996,026	996,026	623,115
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49	Total		2,726,386	2,726,386	1,875,350

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	137,200,266	82.68%	148,757,869	82.69%
3	Interstate, IntraLATA	844	0.00%	845	0.00%
4	Total Interstate Usage	137,201,110	82.68%	148,758,714	82.69%
5	Intrastate, InterLATA	10,292,374	6.20%	11,087,015	6.16%
6	Intrastate, IntraLATA	18,445,592	11.12%	20,044,698	11.14%
7	Total Intrastate Usage	28,737,966	17.32%	31,131,713	17.31%
8	Total Toll Usage	165,939,076	100.00%	179,890,427	100.00%
9	Centrex				
10	Local				
11	Total Minutes	165,939,076	100.00%	179,890,427	100.00%

Cental Office and Access Line Statistics (Revised)

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	Big Fork	Digital	2,517			377		217	306		0	295		3,335
2	Columbia Falls	Digital	2,714			975		224	374		5	853		4,170
3	Elmo	Digital	579			270		18	19			5		621
4	Finley Point	Digital	290			114		12	8		0	1		311
5	Hungry Horse	Digital	768			413		56	65		2	35		926
6	Kalispell	Digital	12,715			5,777		1,184	3,047		9	4,249		21,204
7	Lakeside	Digital	846			93		47	84		0	47		1,024
8	Marion	Digital	335			65		15	16			9		375
9	McGregor Lake	Digital	125			24		6	14			11		156
10	Olney	Digital	120			69		12	9			13		154
11	Polson	Digital	2,415			1,768		247	466		1	715		3,844
12	Somers	Digital	535			48		40	47			36		658
13	Swan Lake	Digital	166			0		9	4		1	0		180
14	Whitefish	Digital	4,011			1,020		322	740		3	1,310		6,386
15	Yellow Bay	Digital	220			24		9	7		0	8		244
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30														0
31														0
32														0
33	Total		28,356	0	0	11,037	0	2,418	5,206	0	21	7,587	0	43,588

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

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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	Bigfork	Remote	Digital	NORTEL	DUAL RSC	3,200	1985
2	Columbia Falls	Remote	Digital	NORTEL	DUAL RSC	5,120	1988
3	Elmo	Remote	Digital	NORTEL	RLCM	640	1990
4	Finley Point	Remote	Digital	NORTEL	RLCM	640	1990
5	Hungry Horse	Remote	Digital	NORTEL	RSC	1,280	1989
6	Kalispell	Host	Digital	NORTEL	DMS100	50,651	1981
7	Lakeside	Remote	Digital	NORTEL	RSC	1,920	1990
8	Marion(MT)	Remote	Digital	ALCATEL	LITESPAN 2000	600	1999
9	McGregor Lake	Remote	Digital	NORTEL	RLCM	640	1995
10	Olney	Remote	Digital	ALCATEL	LITESPAN 2000	732	1999
11	Polson	Remote	Digital	NORTEL	DUAL RSCS	4,351	1993
12	Somers	Remote	Digital	NORTEL	RSC	1,280	1995
13	Swan Lake	Remote	Digital	ALCATEL	LITESPAN 2000	700	1999
14	Whitefish	Remote	Digital	NORTEL	DUAL RSCS	12,607	1994
15	Yellow Bay	Remote	Digital	NORTEL	RLCM	640	1989
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NOTE: Additional blank schedules are being provided for your convenience.

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Construction Budget - Montana

Year: 2011

Line No.	Description (a)	2011 (b)
1	Central Office Assets:	
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27	Total Switching and Central Office Projects over \$500,000	
28	Miscellaneous Central Office Projects not over \$500,000	602,130
29	Total Central Office Budget (Total of Line 27 & Line 28)	602,130
30	Other Projects over \$500,000:	
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41	Total Other Projects over \$500,000	
42	Miscellaneous projects not over \$500,000	3,757,384
43	Total Construction Budget (Total of Lines 29, 41 & 42)	4,359,514

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	236,182	343,822	-31.31%
2	2210	Central Office Assets	21,603	273,744	-92.11%
3	2220	Operator Systems	0	0	
4	2230	Central Office Transmission	1,064,408	1,704,606	-37.56%
5	2310	Information/Termination Assets	0	0	
6	2410	Cable and Wire Facilities Assets	1,423,622	1,649,721	-13.71%
7	2680	Amortizable Tangible Assets	0	0	
8	2690	Intangibles	0	0	
9		Total Construction Expenditures	2,745,815	3,971,893	-30.87%

Montana Employee Counts

Year: 2010

Line No.	Category (a)	Beginning of Year (b)	End of Year (c)
1	Vice President and Managers	3	3
2	Supervisors & Superintendants	5	5
3	Comm. Technicians	8	10
4	Plant Technicians	19	21
5	Cable Technicians	5	5
6	Engineers/Drafting	7	7
7	Facility & Test Board Technicians	1	1
8	Special Apparatus Technicians		1
9	Commercial & General	13	16
10	Secretaries	3	2
11	LAN Administrator	1	1
12	Plant Support Technicians	9	8
13			
14			
15			
16			
17			
18			
19			
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39			
40			
41			
42			
43	Totals (Sum of Lines 1 through 42)	74	80

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	In order to protect the privacy interests of the company's employees, this schedule has historically been submitted as confidential and subject to protective order. In the past the company has submitted the information on Schedule 27 under separate cover subject to the protective order currently in place. According to Docket Number N2011.3.27 (Waiver of Annual Report Salary Schedule Filing), the company not required to provide this schedule.						
2							
3							
4							
5							
6							
7							
8							
9							
10							
11	Totals (Sum L.1 to L.10)						

Compensation of Top 5 Corporate Employees - SEC Information

Line No.	Name/Title (a)	Base Salary (b)	Bonuses (c)	Other Compensation (d)	Total Compensation (e)	Total Compensation Last Year (f)	% Increase Total Compensation (g)
1	N/A						
	Note: CenturyTel of Montana, Inc. does not submit SEC information. See Schedule 27, Compensations of Top 10 Montana based employees.						
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	113,784
3	2003 - 2004	Construction Work in Progress	248
4	2005	Plant Acquisition Adjustments	
5	2002	Plant Held for Future Use	
6	1220	Materials & Supplies	6
7		(Less):	
8	3100 - 3400	Depreciation & Amortization Reserves	(78,450)
9	4360.2	Contributions in Aid of Construction	
10		NET BOOK COSTS	35,588
11		Revenues & Expenses (Intrastate Only) (000 Omitted)	
12	5000 - 5300	Operating Revenues	25,243
13	6560	Depreciation & Amortization Expenses	4,517
14		Federal & State Income Taxes	3,328
15		Other Taxes	831
16		Other Operating Expenses	13,890
17		TOTAL Operating Expenses	22,566
18		Net Operating Income	2,677
19		Other Income	
20		Other Deductions	
21		NET INCOME	2,677
22		Access Lines in Service (Intrastate Only)	
23		Residential Access Lines	28,391
24		Business Access Lines	7,625
25		PBX Access Lines	2,339
26		Other Access Lines	5,269
27		Total Number of Access Lines	43,624
28		Average Number of Calls Per Access Line	
29		Local Calls	28,737,966
30		Toll Calls (Intra- or Interstate)	165,939,076
31		Total Number of Calls Per Access Line (Total of Line 29 & Line 30 divided by Line 27)	4,463
32		Other Statistics (Intrastate Only)	
33		Average Residential Monthly Bill	N/A
34		Gross Plant Investment per Access Line (Line 2 divided by Line 27)	2.61

Depreciation - Montana Intrastate Regulated

Year: 2010

Line No.	Acct No. (a)	Description (b)	Composite Rate % (c)	Total Expense \$ (d)
1	2112	Motor Vehicles	16.20%	12,939
2	2114	Special Purpose Vehicles		
3	2115	Garage Work Equipment		
4	2116	Other work Equipment	9.38%	62,989
5	2121	Buildings	3.04%	117,972
6	2122	Furniture	8.19%	897
7	2123.1	Office Support Equipment	13.06%	
8	2123.2	Company Communications Equipment	23.44%	
9	2124	General Purpose Computers	17.26%	115,987
10	2211	Analog Electronic Switching Equipment		
11	2212	Digital Electronic Switching Equipment	9.39%	652,728
12	2215	Step By Step Switching Equipment		
13	2215	Crossbar Switching Equipment		
14	2220	Operator System		
15	2231	Radio Systems	9.39%	16
16	2232	Circuit DDS		
17	2232	Circuit Digital	9.39%	2,807,061
18	2232	Circuit Analog		
19	2351	Public Telephone Terminating Equipment		
20	2362	Other Terminal Equipment		
21	2411	Poles	11.29%	9,969
22	2421	Aerial Cable Metallic	9.32%	148,174
23	2421	Aerial Cable Nonmetallic	9.32%	9,640
24	2422	Underground Cable Metallic	3.41%	52,750
25	2422	Underground Cable Nonmetallic	3.41%	6,143
26	2423	Buried Cable Metallic	4.43%	2,954,693
27	2423	Buried Cable Nonmetallic	4.43%	404,981
28	2424	Submarine Cable Metallic	3.30%	192
29	2424	Submarine Cable Nonmetallic		
30	2426	Intrabuilding Network Cable Metallic	4.43%	1,370
31	2426	Intrabuilding Network Cable Nonmetallic		
32	2431	Aerial Wire	9.09%	22
33	2441	Conduit Systems	23.37%	33,038
34				
35		COMPOSITE TOTAL		7,391,561
36	Please list the Montana Public Service Commission Docket Order No. approving these depreciation rates			
37				
38				
39	Docket Number	83.9.88	Order Number	5052
40	THIS SCHEDULE IS REPORTED FOR TOTAL MONTANA AND AGREES WITH SCHEDULE 4, LINE 31.			

Company Name: CenturyTel of Montana, Inc. d/b/a CenturyLink

SCHEDULE 30a

Amortization - Montana Intrastate Regulated

Year: 2010

Line No.	Acct No. (a)	Description (b)	Composite Rate % (c)	Total Expense \$ (d)
1				
2				
3				
4				
5				
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27				
28				
29				
30				
31				
32				
33				
34				
35		COMPOSITE TOTAL		
36	Please list the Montana Public Service Commission Docket Order No. approving these amortization rates			
37				
38				
39				
40	Docket Number _____ Order Number _____			

Montana Regulatory Capital Structure & Costs

Year: 2010

Line No.	Description (a)	% Cap. Str. (b)	% Cost Rate (c)	Weighted Cost (d)
Commission Accepted - Most Recent				
1	Docket Number <u>92.7.32</u>			
2	Order Number <u>5638C</u>			
3				
4	Common Equity			
5	Preferred Stock			
6	Long Term Debt			
7	Other			
8	Total			
9				
Actual at Year End				
10				
11				
12	Common Equity 41,487,996	99.45%	13.700%	13.625%
13	Preferred Stock 230,000	0.55%	8.913%	0.049%
14	Long Term Debt			
15	Other			
16	Total 41,717,996	100.00%		13.674%

Network Access - Charges and Revenues

Year: 2010

Line No.	Description (a)	Access Charges Paid (b)	Access Revenues Received (c)
1	Montana - Total State	308,047	18,213,981
2			
3	Montana - Intrastate	308,047	2,977,226
4			
5	Montana - Intrastate Regulated	308,047	2,977,226
6			
7			
8			
9			
10			
11			
12			
13			

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	CenturyTel Service Group, LLC	Management, Accounting,	Contract Year - 2003	4,480,673		4,480,673
2		Operating and Miscellaneous				
3		Services & Supplies				
4	CenturyTel, Inc.	"	Contract Year - 2003	99,614		99,614
5	CenturyTel of Washington, Inc.	"	Contract Year - 2003	590,483		590,483
6	CenturyTel Holdings, Inc.	"	Contract Year - 2002	118,623		118,623
7	Embarq Management Company	"		2,618,204		2,618,204
8	Embarq Network Company, LLC	"		88,308		88,308
9	Embarq Mid-Atlantic Management Services Company	"		137,286		137,286
10	Embarq Midwest Management Services Company	"		218,043		218,043
11	Central Telephone Company	"		61,121		61,121
12	United Telephone Company of the Northwest	"	Contract Year - 2009	210,818		210,818
13	Embarq Florida, Inc.	"	Contract Year - 2009	190,993		190,993
14	CenturyTel Supply Group, Inc.	Warehouse	Contract Year - 2003	119,542		119,542
15	All Other			155,453		155,453
16						
17			For all Affiliates Contract Price			
18			Determined by Fully Distributed			
19			Costs			
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30	TOTAL			\$9,089,159		\$9,089,159

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	CenturyTel Broadband Services, LLC	Management, Billing & Coll.,	Contract Year - 2001	3,678,766	52.7%	3,678,766
2	CenturyTel Long Distance, LLC	Operating, DSL, and	Contract Year - 2001	1,718,355	24.6%	1,718,355
3	CenturyTel Service Group, LLC	Miscellaneous Services	Contract Year - 2003	118,335	1.7%	118,335
4	CenturyTel Fiber Company II, LLC	"	"	601,299	8.6%	601,299
5	CenturyTel of Idaho, Inc.	"	"	141,667	2.0%	141,667
6	CenturyTel of Gem State, Inc.	"	"	102,346	1.5%	102,346
7	CenturyTel of Eagle, Inc	"	"	180,751	2.6%	180,751
8	CenturyTel of Wyoming	"	"	155,476	2.2%	155,476
9	All Other	"	"	277,301	4.0%	277,301
10						
11						
12						
13						
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16						
17						
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21						
22						
23						
24						
25						
26						
27						
28						
29						
30	TOTAL			\$6,974,296		\$6,974,296

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	111,143,953	109,512,434	1.49%
3	2002 Prop. Held for Future Telecommunications Use			
4	3100-3200 (Less) Accumulated Depreciation	(76,760,872)	(75,360,505)	-1.86%
5	Plant in Service	34,383,081	34,151,929	0.68%
6				
7	Additions			
8	1220 Materials & Supplies	6,174	10,111	-38.94%
9	1280 Prepayments			
10	Other Additions	544,054	551,792	-1.40%
11	TOTAL Additions	550,228	561,903	-2.08%
12				
13	Deductions			
14	4100 Current Deferred Operating Income Taxes			
15	4320 Unamortized Operating Investment Tax Credits			
16	4340 Noncurrent Deferred Operating Income Taxes	5,994,554	6,171,024	-2.86%
17	Customer Advances for Construction			
18	Other Deductions			
19	TOTAL Deductions	5,994,554	6,171,024	-2.86%
20	TOTAL Rate Base	28,938,755	28,542,808	1.39%
21				
22	Net Earnings	(4,096)	(4,170)	1.77%
23				
24	Rate of Return on Average Rate Base	-0.014%	-0.015%	3.12%
25				
26	Rate of Return on Average Equity	13.700%	13.700%	
27				
28	Major Normalizing Adjustments & Commission			
29	<u>Ratemaking adjustments to Utility Operations</u>			
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43	Adjusted Rate of Return on Average Rate Base			
44				
45	Adjusted Rate of Return on Average Equity			

Other Taxes Paid

Year: 2010

Line No.	Description (a)	Last Year (b)	This Year (c)
1	Montana Telephone Company License Tax	837,245	770,383
2	Montana Public Service Commission Tax	43,433	38,245
3	Montana Consumer Counsel Tax	12,962	5,528
4	911 Emergency Telephone Fee	599,675	553,270
5	Montana Telecommunications Access Service (TDD)	59,998	55,361
6	Montana Corporate License Tax	440,000	756,892
7	Personal Property Tax		
8	Real Property Tax	2,177,648	2,089,791
9			
10			
11			
12	Total	4,170,961	4,269,468

SCHEDULE 37

Universal Service Funds Received

Year: 2010

Line No.	Description (a)	Last Year (b)	This Year (c)
13	Funds received from Montana Sources	N/A	N/A
14	Funds received from Federal Sources	1,333,392	173,490
15			
16			
17			
18			
19			
20			
21			
22			
23			
24	Total	1,333,392	173,490