YEAR ENDING 2012

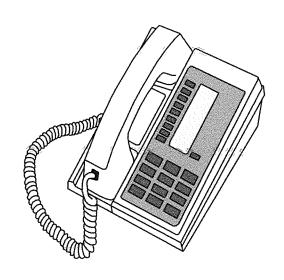
ANNUAL REPORTION APR 23 P 12: 03

OF

PUBLIC SERVICE
COMMISSION

# HOT SPRINGS TELEPHONE COMPANY

TELEPHONE UTILITY



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

1c. Percent Ownership:

# **General Information**

Year: 2012

1	Legal Name of Respondent: Hot Springs Telephone	Co.				
2	Name Under Which Respondent Does Business:	Same as above				
3	Date of Incorporation: 1/1/195	5				
4	Address to send Correspondence Concerning Report:	P.O. Box 17740 Missoula, MT.59808				
5	Person Responsible for This Report:	Kathe A Johnosn				
5a.	Telephone Number: (406) 721-0846					
Con	trol Over Respondent					
1-1	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: NA					
	1b. Means by which control was held:	N A				

NΑ

	Board of Directors	
Line No.	Name of Director and Address (City, State) (a)	Fees Paid During Year (b)
1	Jay W. Preston Sr. 312 Main St. SW, Ronan, MT. 59864	None
11	Robert B. Ekblad, P.O. Box 161, Dayton, MT. 59914	7,200
3	Jay Wilson Preston, 53595 Timberline Way Charlo, MT. 59824	3600
4	Kathryn L.Johnson, 31549 Meadow Rd. Polson, MT. 59860	7200
5	Kathe A. Johnson, 10410 Hwy. 10 W. Missoula, MT. 59808	None
2 3 4 5 6 7 8		
8		
9 10		
11		
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14		
15		
16		,
17		
18	Chairman of the Board:	
19		
20		

# Officers

Year: 2012

Line	Title	Department Over Which	Name and Address of Person
No.	of Officer	Jurisdiction is Exercised	Holding Office at Year End
	(a)	(b)	(c)
1	President		Jay W. Preston Sr. Ronan, MT.
2	Vice- president	Financial & Accounting and Forcasti	
3	Secretary	Financial & Forcasting	Kathryn L. Johnson
4	Treasurer	Financial & Accounting	Kathe A. Johnson
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<u> </u>			<u> </u>

Page 1 of 2

			<b>Total Company Balance Sheet</b>		Year: 2012
Line		Acct.		This	Last
No.		No.	Description	Year	Year
INO.		(a)	(b)	(c)	(d)
1			CURRENT ASSETS:		
2		1120	Cash and Equivalents	661,210	500,620
3		1180	Telecommunications Accounts Receivable - Net	97,670	5,900
4		1190	Other Accounts Receivable - Net		
5		1200	Notes Receivable - Net		
6		1210	Interest and Dividends Receivable		
7		1220	Materials and Supplies		
8	*	1280	Prepayments	22,180	12,765
9	^	1290	Prepaid Rents		
10	^	1300	Prepaid Taxes		
11	^	1310	Prepaid Insurance		
12	^	1320	Prepaid Directory Expenses		
13	^	1330	Other Prepayments		
14		1350	Other Current Assets		
15			Total Current Assets	781,060	519,285
16			NONCURRENT ASSETS:		
17		1401	Investments in Affiliated Companies		
18		1402	Investments in Nonaffiliated Companies		
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		
27			PROPERTY, PLANT, & EQUIPMENT:		
28		2001	Telecommunications Plant in Service	4,195,381	4,174,099
29		2002	Property Held for Future Telecommunications Use		50,000
30		2003	Plant Under Construction - Short Term		
31		2004	Plant Under Construction - Long Term		
32		2005	Telecommunications Plant Adjustment		
33		2006	Nonoperating Plant		
34		2007	Goodwill		
35		3100	Accumulated Depreciation	(3,070,888)	(2,956,226)
36		3200	Accumulated Depreciation - Held for Future Use		
37		3300	Accumulated Depreciation - Nonoperating		
38		3400	Accumulated Amortization		
39			Net Property, Plant, & Equipment	1,124,493	1,267,873
40			TOTAL ASSETS	1,905,553	1,787,158

<sup>^</sup> Subaccount of account marked with a \*.

SCHEDULE 3

Year: 2012

Page 2 of 2

**Total Company Balance Sheet** 

		F		
Line	Acct.		This	Last
1	No.	Description	Year	Year
No.	(a)	(b)	(c)	(d)
41		CURRENT LIABILITIES:		
42	4010	Accounts Payable	113,861	35,544
43	4020	Notes Payable		ŕ
44	4030	Advance Billing and Payments		
45	4040	Customer Deposits	20,736	18,620
46	4050	Current Maturities - Long Term Debt		·
47	4060	Current Maturities - Capital Leases		
48	4070	Income Taxes - Accrued		
49	4080	Other Taxes - Accrued		
50	4100	Net Current Deferred Operating Income Taxes		
51	4110	Net Current Deferred Nonoperating Income Taxes		
52	4120	Other Accrued Liabilities		
53	4130	Other Current Liabilities		
54		Total Current Liabilities	134,598	54,164
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		
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	80,000	80,000
75	4520	Additional Paid-In Capital	10,832	10,832
76	4530	Treasury Stock	(125,000)	(125,000)
77	4540	Other Capital		
78	4550	Retained Earnings	1,805,123	1,767,162
79		Total Stockholders' Equity	1,770,956	1,732,994
80		TOTAL LIAB. AND STOCKHOLDERS' EQUITY	1,905,553	1,787,158

	Total Company Income Statement				Year: 2012
Line		Acct.		This	Last
		No.	Description	Year	Year
No.		(a)	(b)	(c)	(d)
1	Ţ	<del></del>	REVENUES:	<u> </u>	\
2		5000	Basic Local Service Revenues	427,288	404,763
3		5080	Network Access Revenues	1,077,727	966,807
4	*	5100	Long Distance Message Revenue	19,137	20,679
5		5110	Unidirectional Long Distance Revenue	,	20,079
6		5120	Long Distance Private Network Revenue		
7	Λ.	5160	Other Long Distance Revénue		
8	Λ	5169	Other Long Distance Revenue Settlements		
9	*	5200	Miscellaneous Revenue	210,468	89,630
10	Λ	5230	Directory Revenue	210,400	69,030
11	٨	5240	Rent Revenue	500	
12	٨	5250	i .	300	•
13	Α.	5260 <sup>-</sup>	Corporate Operations Revenue Miscellaneous Revenue	ı.	:
1	^		!		
14	^	5270	Carrier Billing and Collection Revenue	50.506	<b>50.014</b>
15	^	5280	Nonregulated Revenue	52,526	52,314
16		5300	Uncollectible Revenue	(1,787)	(3,520)
17			Total Revenues (L.2+L.3+L.4+L.9-L.16)	1,785,860	1,530,672
18			OPERATING EXPENSES:		
19		6110	Network Support Expense	318,583	302,601
20		6120	General Support Expense	22,272	18,056
21		6210	Central Office Switching Expense	23,255	16,568
22		6220	Operator Systems Expense		
23		6230	Central Office Transmission Expense		
24		6310	Information Origination/Termination Expense		
25	*	6410	Cable and Wire Facilities Expense	144,559 *	151,504
26	^	6431	Aerial Wire Expense		
27	^	6441	Conduit Systems Expense		
28		6510	Other Property, Plant & Equipment Expense	268,358	152,584
29		6530	Network Operations Expense	36,449	41,501
30		6540	Access Expense	95,456	82,114
31	- 1	6560	Depreciation and Amortization Expense	139,519	148,915
32		6610	Marketing		
33		6620	Services	183,719	159,354
34		6710	Executive and Planning	66,663	57,000
35		6720	General and Administrative	408,712	365,513
36		6790	Provision for Uncollectible Notes Receivable	·	·
37	1	:	Total Operating Expenses (Sum L.19 to L.36-L.26-L.2	1,707,543	1,495,710
38		7100	Other Operating Income and Expense		
39		7200	Operating Taxes	28,097	21,030
40			Net Operating Income (L.17-L.37+L.38-L.39)	50,219	13,932
41		7300	Nonoperating Income and Expense		
42		7400	Nonoperating Taxes		
43	-	7500	Interest and Related Items	758	874
44		7600	Extraordinary Items		•
45		7910	Effects of Juris. Ratemaking Diff Net		
46		7990	Nonregulated Net Income	8,564	2,571
47		,,,,	NET INCOME (L.40+L.41-L.42-L.43-L.44+L.45-L.46)	40,897	10,497

<sup>^</sup> Subaccount of the account marked with a \*.

Not Required---Doing Business Only In Montana

**Montana Total State Income Statement** 

Year: 2012

,			MIUHTAHA I UTAI STATE INCUME STATEMENT		1 cai. 2012
Line		Acct.		This	Last
No.		No.	Description	Year	Year
110.		(a)	(b)	(c)	(d)
1	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	l	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.		
38		7100	Other Operating Income and Expense		
39		7200	Operating Taxes		
40			Net Operating Income (L.17-L.37+L.38-L.39)		
				1	

<sup>^</sup> Subaccount of the account marked with a \*.

Year: 2012

Not Required-- We have less than 5,000 Access Lines

**Montana Intrastate Income Statement** 

				mi ·	1 tai. 2012
Line		Acct.		This	Last
No.		No.	Description	Year	Year
<u> </u>		(a)	(b)	(c)	(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	Λ,	.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	- 1	6720	General and Administrative		
36		6790	Provision for Uncollectible Notes Receivable		
37			Total Operating Expenses (Sum L.19 to L.36-L.26-I		
38	I	7100	Other Operating Income and Expense		
39		7200	Operating Taxes		
40			Net Operating Income (L.17-L.37+L.38-L.39)		
A :C-1					**************************************

<sup>^</sup> Subaccount of the account marked with a \*.

	Montana Intrastate Regulated Income Statement Year: 2012				
Line		Acct.		This	Last
No.		No.	Description	Year	Year
190.		(a)	(b)	(c)	(d)
1		:	REVENUES:	;	
2		5000	Basic Local Service Revenues	172,326	168,664
3		5080	Network Access Revenues	193,216	140,137
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	69,806	69,293
10	^	5230	Directory Revenue		
11	^	5240	Rent Revenue		
12	Λ,	5250	Corporate Operations Revenue		
13	^	5260	Miscellaneous Revenue		
14	٨	5270	Carrier Billing and Collection Revenue		
15	^	5280	Nonregulated Revenue		
16		5300	Uncollectible Revenue	1,787	3,520
17			Total Revenues (L.2+L.3+L.4+L.9-L.16)	433,561	374,574
18		-	OPERATING EXPENSES:	-	-
19		6110	Network Support Expense	20,008	28,471
20		6120	General Support Expense	22,272	18,056
21		6210	Central Office Switching Expense	23,255	16,568
22		6220	Operator Systems Expense		
23		6230	Central Office Transmission Expense		
24		6310	Information Origination/Termination Expense	144,559	151,504
25	*	6410	Cable and Wire Facilities Expense		
26	^	6431	Aerial Wire Expense		
27	^	6441	Conduit Systems Expense		
28		6510	Other Property, Plant & Equipment Expense	130,701	101,290
29		6530	Network Operations Expense	36,449	41,501
30		6540	Access Expense		
31		6560	Depreciation and Amortization Expense	137,795	147,500
32		6610	Marketing		
33		6620	Services	161,751	144,098
34	I	6710	Executive and Planning	66,663	57,000
35		6720	General and Administrative	324,171	291,405
36	l	6790	Provision for Uncollectible Notes Receivable		
37			Total Operating Expenses (Sum L.19 to L.36-L.2	1,067,624	997,393
38	I	7100	Other Operating Income and Expense		
39		7200	Operating Taxes	28,855	21,904
40			Net Operating Income (L.17-L.37+L.38-L.39)	(662,918)	(644,724)

<sup>^</sup> Subaccount of the account marked with a \*.

		Average Rate Base - Total Sta	ite	Year: 2012
Line	Acct.		This	Last
No.	No.	Description	Year	Year
INO.	(a)	(b)	(c)	(d)
1	2001	Telecommunications Plant in Service	4133144	4112558
2	3100	Accumulated Depreciation	3040128	2907119
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2006		
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	1093016	1205439

Not Required-- We have less than 5,000 access lines

# Average Rate Base - Intrastate

Line	Acct.		This	Last
No.	No.	Description	Year	Year
140.	(a)	(b)	(c)	(d)
1	2001	Telecommunications Plant in Service		
2	3100	Accumulated Depreciation		
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2006		
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		

Not Required-- We have less than 5,000 access lines

# Average Rate Base - Regulated Intrastate

-				
Line	Acct.		This	Last
No.	No.	Description	Year	Year
110.	(a)	(b)	(c)	(d)
1	2001	Telecommunications Plant in Service		
2	3100	Accumulated Depreciation		
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		

	Statement of Cash Flows		Year: 2012
Line	Item Description	Amount	Amount
No.	(a)	(b)	(c)
1	Increase/(decrease) in Cash & Cash Equivalents		159,875.25
2	Cash Flows from Operating Activities:		
3	Net Income		49,461.33
4	Reconciliation Adjustments:		
5	Depreciation & Amortization		139,519.00
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		(91,770.31)
11	Change in Materials, Supplies & Inventories - Net		(573.82)
12	Change in Operating Payables & Accrued Liabilities - Net		75,035.53
13	* Change in Other Assets & Deferred Credits - Net		(6,132.56)
14	^ Change in Other Liabilities & Deferred Credits - Net		2,116.28
15	@ Other (explained on back of this page)		(93,281.00)
16	Total Adjustments		24,913.12
17	Net Cash Provided by/(Used in) Operating Activities		74,374.45
18	Cash Inflows/Outflows From Investing Activities:		
19	Construction/Acquisition of Property, Plant & Equipment (net of		(78,857.78)
20	AFUDC & Capital Lease Related Acquisitions)		
21	Proceeds from Disposals of Property, Plant & Equipment		176,000.00
22	Investments In & Advances to Affiliates		ŕ
23	Proceeds from Repayment of Advances		,
24	# Other Investing Activities (explained on back of this page)		(141.42)
25	Net Cash Provided by/(Used in) Investing Activities		97,000.80
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 Investme		
34	Repurchase of Treasury Shares		
35	Dividends Paid		(11,500.00)
36	Other Financing Activities (explained on back of this page)		
37	Net Cash Provided by Financing Activities		(11,500.00)
38	Effect of Exchange Rate Changes on Cash		
39	Net Increase/(Decrease) in Cash & Cash Equivalents		159,875.25
40	Cash & Cash Equivalents at Beginning of Period		350,396.14
41	Cash & Cash Equivalents at End of Period		510,271.39

<sup>\*</sup> Prepaid Expenses (Net Increase \$6,132.56)

<sup>^</sup> Subscriber Deposits (Increase \$2,116.28)

<sup>#</sup> Net Increase in Investments \$141.42

<sup>&</sup>amp; Gain on Disposal of Property & Equipment (Net \$93,281.00)

Company Name: Hot Springs Telephone Co.

Does Not Apply

Receivables and Investments-Affiliated & Nonaffiliated Companies

Year: 2012

SCHEDULE 10

30	29	28	27	26	2, 1	23	22	21	20	19	18	17	16	15	74	<u></u>	12	 5 9		7	6	υ	4	ယ	2 •	-	No.			
Totals																										(a)	Affiliate or Company		·	
																			********			- Au annual				(b)	Investments	Temporary		Account 1160
																			-							(c)	Receivable	Accounts	Telecom.	Account 1180
																										(d)	Allowance	Telecom.	Accts. Rec.	Account 1181
							Webserson and					,														(e)	Receivable	Accounts	Other	Account 1190
		~~~~	n		w			***************************************	***************************************	-																(t)	Allow Other	Receivable	Accounts	Account 1191
																									************************	(g)	Receivable	Notes		Account 1200
					www.kules	***********				· ·																(h)	Allowance	Receivable	Notes	Account 1201
																										(i)	Receivable	Dividends	Interest and	Account 1210
																										(1)	Companies	in Affil.	Investments	Account 1401
										-		· · · · · · · · · · · · · · · · · · ·													Mark Mark Samuel	(k)	Companies	in Nonaffil.	Investments	Account 1402

# Company Name: Hot Springs Telephone Co.

End of Year Year End End of Year Account 2012 Accumulated Net Plant	20	Service - Detail	Net Plant in S	ning	
SCHEDULE 11					Hot Springs Telephone Co.
Net Plant in Service - Detail  Beginning of Year of Year	Beginning of Year	Beginning of Year	Beginning of Year	Hot Springs Telephone Co.	

34	33	32	31	30	29	28	27	26		24	23	22	21	20	19	18	17	16	15	14	13	12	<u>,</u>	10	9	<u></u>	7	6	5	4	ω	2	<b>,</b>	ĪVO.		T:	
	2441	2431	^ 2426	^ 2425	^ 2424	^ 2423	^ 2422	^ 2421		2411	^ 2362	^ 2351	^ 2341	^ 2321	^ 2311	* 2310	2232	2231	2220	2215	2212	2211	^ 2124	^ 2123	^ 2122	^ 2121	^ 2116	^ 2115	^ 2114	^ 2113	^ 2112	^ 2111	* 2110	3)	Account		
Totals	41 Conduit Systems	31 Aerial Wire		25 Deep Sea Cable		23   Buried Cable	22 Underground Cable	21 Aerial Cable	20 Cable and Wire Facilities		62 Other Terminal Equipment	51   Public Telephone Term. Equip.	41   Large Private Branch Exchanges	21   Customer Premises Wiring	11   Station Apparatus		32   Circuit Equipment	31 Radio Systems		15 Electro-Mechanical Switching		11 Analog Electronic Switching		23 Office Equipment						13 Aircraft	12   Motor Vehicles		10 Land and Support Assets	(a) (b)	ınt Description		
4112558	3750	· · · · · · · · · · · · · · · · · · ·							1653101	16627	arata e da t					117290	16238	443769			610546								ng gaylan da da				1251238	(c)	Balance	of Year	Beginning
20586									15301									392			37476	*********	Mahaman da a										-32583	(d)	Additions	-	
																																		(e)	Retirements	***************************************	
																																		(f)	Transfers	Sales &	
4133144	3750								1668401	16627						117290	16238	444160			648022					-							1218655	(g)	Balance	Account 2012	End of Year
3040128	3405							****	1272092	10954						92793		378337			503844								<u></u>				778703	(h)	Depreciation	Accumulated	Year End
1093016	345		<del></del>	****					396309	5672.84					-	24497.05	16238	65823			144178												439952	<u></u>	Balance	Net Plant	End of Year

	Analy	Analysis of Plant Held for Future Use	or Future Use	,		Year:2012
Line location and Description of Propert	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
			\\ \frac{1}{2}	(3)	(2)	ic c
2 None						
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26						
27						
28						
29						
30   Totals (Sum L.1 to L.29)						

30	29	28	27	26	25	24	23	22	21	20	19	<del>-</del> 8	17	16	15	14	13	12	 10	9	∞	7	6	s	4	ယ	2 -		No.	Line		
Total																												(a)	Description			
																												(b)	Date	Issue		
																												(c)	Date	Maturity		
																												(d)	Amount	Principal		Av
																											ı	(e)	Proceeds	Gross		<b>Average Cost of Long Term Debt</b>
																											1	(f)	Proceeds	Net		of Long To
																				-							ŧ	(g)	Per \$100	Net		erm Deb
																												(h)	Sheet	Per Balance	Outstanding	t
					******																						ı	Θ	Maturity	Yield to		
																												(j)	Net Cost	Annual		
																						***********					ı	(k)	or Discount	of Premium	Amortization	
																												(1)	(%)	Cost	Total	Year:2012

30	5 6 7 8 8 9 9 10 11 11 12 13 14 15 16 17 18 19 20 21 22 22 23 24 25 26 27 27 28 29 29 29 20 20 21 21 21 21 21 21 21 21 21 21 21 21 21	Line No.
Totals (Sum L.1 to L.29)		Description (a)
L.29)		Date of Issuance (b)
		Method of Offering (c)
		Call Redemption Price (d)
		Cost of Par Value Of Issue (e)
		Cost of Preferred Stock Gross Net Value Proceeds Proceed Issue Amounts Amount (e) (f) (g)
		Net Proceeds Amounts (g)
		Net Proceeds Per \$100
		Cost of Money
		Principal Outstanding (j)
		Annual Cost (k)
		Year:2012 Embedded Cost (l)

20 21 22 23	19	17	16	15	14	13	12	}\ }\	10	9	<b>«</b>	7	6	5	4	ယ	2		140.		I.		
December		September October		July				March		January	Month by Month Data:							Year Ended December 31:	(a)				
				**************************************															(b)	Outstanding	of Shares	Avg. Number	
											NOT REQUIRE								(c)	(per share)	Value	Book	
											NOT REQUIRED- WE HAVE LESS THAN 5,000 ACCESS LINES								(d)	(per share)	Earnings		Analys
				***************************************							SS THAN 5,000								(e)	(per share)	Dividends		<b>Analysis of Common Stock</b>
											ACCESS LINES								(f)	Ratio	Retention		Stock
																		**************************************	(g)		Price	Market	
				************															(h)	Low	Эe	ket	
																			<b>(i)</b>	Ratio	Earnings	Price/	Year:2012

30	1 2 3 4 4 5 6 7 7 8 8 9 110 111 112 113 114 115 116 117 118 119 20 21 22 23 24 25 27 27 28 29 29 29 20 20 21 21 21 21 21 21 21 21 21 21 21 21 21	No.	Line	
Totals (Sum L.1 to L.29)	NONE	(a)	Description of Security	
		(b)	Call or Retirement	Capital Sto
		(c)	Number of Shares	Capital Stock and Funded Debt Reacquired or
		(d)	Principal	ebt Reacquired o
		(e)	Reaquisition or Retirement Cost	r Retired During the Year
		(f)	Gain or (Loss)	the Year
		(g)	Retirement  or  Resonisition	Year:2012

Company Name: Hot Springs Telephone Co.

NOT REQUIRED- WE HAVE LESS THAN 5,000 ACCESS LINES

SCHEDULE 17
Page 1 of 2
Year: 2012

>	32   ^ 6	31 ^ 6	30   ^   6	_	29   ^   6	> >	> > >	> > > >	> > > *	> > > * >	>>>>	>>> >>>	>>>>	>>>>	>>>> *>>	>>>> *>>>	>>>> * >> *	>>>> * >> *	>>>> * >> * > > * > > * > > * > > * > > * > > * > > * > > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * > * * > * > * > * > * * > * > * * > * > * * > * > * * > * > * * > * > * * > * > * * > * > * * > * > * * > * > * * > * > * * > * * > * * > * * > * * > * * > * * > * * > * * > * * > * * > * * > * * > * * > * * > * * > * * > * * > * * > * * > * * * > * * > * * > * * > * * > * * > * * > * * * > * * > * * > * * * > * * * > * * * > * * * > * * * > * * * > * * * > * * * > * * * > * * * > * * * > * * * * > * * * * > * * * * * > * * * * * > * * * * * > * * * * * * * * * * * * * * * * * * * *	>>>> *>> > *>> > *>> *>> *>> *>> *>> *>	>>>> *>>>	>>>> * >> * * > > * * > > * * > * * * *	>>>> *>> *>	>>>> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * * >> * * >> * * * >> * * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * >> * * * >> * * * >> * * * >> * * * >> * * * >> * * * >> * * * >> * * * >> * * * >> * * * >> * * * >> * * * >> * * * >> * * * >> * * * >> * * * >> * * * >> * * * >> * * * >> * * * >> * * * >> * * * >> * * * >> * * * >> * * * >> * * * >> * * * >> * * * >> * * * >> * * * >> * * * >> * * * >> * * * >> * * * >> * * * >> * * * >> * * * >> * * * >> * * * >> * * * >> * * * >> * * * >> * * * >> * * * * >> * * * * >> * * * * > * * * * >> * * * * > * * * * * * > * * * * * * * * * * * * * * * * * * * *	>>>> *>>> *>>> *>>> *>> *>>> *>>> *>>> *>>> *>>> *>>> *>>> *>>>> *>>>> *>>>> *>>>>>>	>>>> *>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>	>>>> * >> * * > > * * > > * * > * * > * * > * * * > * * * * * * * * * * * * * * * * * * * *	>>>> *>> *>> *>	>>>> * >>	>>>> *>>> *>>> *>>> *>>> *>>> *>>>	>>>> *>>>>	>>>> *>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>	>>>> * >>	>>>> *>> * * > > * > > * * > > * * > > * * > > * * > > * * > > * * * > > * * * > > * * * > > * * * * * * * * * * * * * * * * * * * *	>>>> * >> * * > > * * > > * * > > * * > > * * > > * * > > * * > > * * > > * * > > * * * > > * * * * * * * * * * * * * * * * * * * *	>>>> * > > > * > > * > > * > > * > > * > > * > > * * > > * * > > * * > > * * > > * * > > * * * * > > * * * * * * * * * * * * * * * * * * * *	>>>> *>> * * > > * > > * > > * * > > * * > > * * > > * * > > * * > > * * > > * * > > * * * > > * * * * * * * * * * * * * * * * * * * *
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Electronic Expense Electro-Mechanical Expense Electro-Mechanical Expense Perator Systems Expense Pentral Office Transmission Expense Radio Systems Expense Circuit Equipment Expense Circuit Equipment Expense Information Origination/Termination E Station Apparatus Expense Large Private Branch Exchange Expe Public Telephone Terminal Equipmen Other Terminal Equipment Expense Poles Expense Poles Expense Underground Cable Expense Buried Cable Expense Submarine Cable Expense	t Expense Computers Expense c Expense c Expense cal Expense Expense expense tt Expense tt Expense tt Expense atton/Termination I s Expense anch Exchange Expense cultities Expense cultities Expense die Expense	works Expense t Expense Computers Expense tching Expense c Expense c Expense cal Expense Expense tation/Termination I s Expense action/Termination I s Expense cation/Terminate s Expense cation/Terminate s Expense cation/Terminate s Expense tation/Terminate s Expense cation/Termination I	g Expense works Expense t 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Expense Expense t Expense al Expense al Expense and Expense c Expense trense duipment Expense cilities Expense ole Expense	Expense  vehicles Expense  vehicles Expense  vehicles Expense  pment Expense  xpense  g Expense  g Expense  t Expense  t Expense  t Expense  c Expense  c Expense  tation/Termination I s Expense  atton/Terminal Equipmen  quipment Expense  quipment Expense  clifties Expense  duipment Expense  clifties Expense	Description  (b)  Expense  Expense  Vehicles Expense  pment Expense  xpense  g Expense  c Expense  t Expense  c Expense  tation/Termination I s Expense  t Expense  cthing Expense  cal Expense	Description (b) Expense  kpense  Vehicles Expense pment Expense pment Expense g Expense g Expense c Expense c Expense c Expense c Expense expense tation/Termination I s Expense attom/Termination I s Expense cattom/Termination I s Expense
	nse —									86	nent Exp.	xpense nent Exp.	xpense nent Exp.	n Expense xpense nent Exp. se	n Expense xpense nent Exp. se	n Expense xpense nent Exp. se	n Expense xpense nent Exp. se	n Expense xpense nent Exp. se	n Expense  xpense  nent Exp.  se	se n Expense xpense nent Exp. se	n Expense xpense nent Exp. se	se n Expense xpense xpense se	nse se n Expense xpense ment Exp. se	nse se n Expense xpense nent Exp. se	nse se n Expense xpense nent Exp. se	nse se n Expense xpense ment Exp. se	nse se n Expense xpense ment Exp. se	nse se n Expense xpense nent Exp. se	nse n Expense xpense nent Exp. se	nse nse n Expense xpense nent Exp. se	nse se n Expense xpense ment Exp. se	nse nse n Expense xpense nent Exp. se	nse n Expense xpense nent Exp. se	nse nExpense nent Exp. se	nse nse n Expense xpense nent Exp. se	nse n Expense xpense nent Exp. se	Total (
	<del></del>	· Section and the section and							***************************************	·																								(c)	and Wages (c)	Salaries and Wages (c)	Salaries and Wages (c)
																																		(d)	Benefits (d)	Benefits (d)	Salaries and Wages (c) (d)  Solution (d)
				-																														(e)	(e)		
					***************************************																													(f)	Expenses (f)	Other Expenses (f)	Other Expenses (f)
				_							,	•																		•				· · · · · · · · · · · · · · · · · · ·	Clearances (g)	Clearances (g)	Clearances (g)
				-																																	

**Total Company Expense Matrix** 

67	66	65	64	63	62	61	60	59	58	57	56	55	54	53	52	51	50	49	48	47	46	45	44	43	42	41	40	39	38	37	36	35		No.	Line
															>	>	>	*							>	>	>	>	>	*		>			٦
	6790	6728	6727	6726	6725	6724	6723	6722	6721	6712	6711	6623	6622	6621	6613	6612	6611	6610	6565	6564	6563	6562	6561	6540	6535	6534	6533	6532	6531	6530	6510	6441	(a)	No.	Acct.
Totals	Provision for Uncollectible Notes Receivable	Other General and Administrative	Research and Development	Procurement	Legal	Information Management	Human Relations	External Relations	Accounting and Finance	Planning	Executive	Customer Services	Number Services	Call Completion Services	Product Advertising	Sales	Product Management	Marketing	Amortization - Other	Amortization Expense - Intangible	Amortization Expense - Tangible	Depreciation-Prop. for Future Telecom. Use	Depreciation - Telecomm. Plant in Service	Access Expense	Engineering Expense	Plant Operations Expense	Testing Expense	Network Administration Expense	Power Expense	Network Operations Expense	Other Property Expenses	Conduit Systems Expense	(b)	Description	
														en e	***************************************	T-10-1-1-0	in the second second		<del></del>				***************************************		P-I SPANNEN								(c)	and Wages	Salaries
																																	(d)	Benefits	
																																	(e)	Rents	
																																	Э	Expenses	Other
																																	(2g	Clearances	
					•																												(h)	Total	1 (01.4014

Company Name: Hot Springs Telephone Co.

NOT REQUIRED- WE HAVE LESS THAN 5,000 ACCESS LINES

SCHEDULE 18
Page 1 of 2

						Subtotals		_	34	
						Aerial Wire Expense	6431	>	33	
						Intrabuilding Network Cable Expense	6426	>	32	
						Deep Sea Cable Expense	6425	>	3	
						Submarine Cable Expense	6424	>	30	
				************		Buried Cable Expense	6423	>	29	
				<b>10,000,000,000</b>		Underground Cable Expense	6422	>	28	
						Aerial Cable Expense	6421	>	27	
		***************************************				Poles Expense	6411	>	26	
						Cable and Wire Facilities Expense	6410	*	25	
				-		Other Terminal Equipment Expense	6362	>	24	
						Public Telephone Terminal Equipment Exp.	6351	>	23	
	*******					Large Private Branch Exchange Expense	6341	>	22	
						Station Apparatus Expense	6311	>	21	
						Information Origination/Termination Expense	6310	*	20	
						Circuit Equipment Expense	6232	>	19	
						Radio Systems Expense	6231	>	<del></del>	
						Central Office Transmission Expense	6230	*	17	
						Operator Systems Expense	6220		16	
						Electro-Mechanical Expense	6215	>	15	
						Digital Electronic Expense	6212	>	14	
						Analog Electronic Expense	6211	>	13	
				-		Central Office Switching Expense	6210	*	12	
						General Purpose Computers Expense	6124	>	1	
						Office Equipment Expense	6123	>	10	
						Furniture and Artworks Expense	6122	>	9	
					Walker	Land and Building Expense	6121	>	∞	
						General Support Expense	6120	*	7	
						Other Work Equipment Expense	6116	>	6	
						Garage Work Equipment Expense	6115	>	5	
						Special Purpose Vehicles Expense	6114	>	4	
						Aircraft Expense	6113	>	ယ	
						Motor Vehicle Expense	6112	>	2	
						Network Support Expense	6110	*	,	
(h)	(g)	(f)	(e)	(d)	(c)	(b)	(a)		NO.	1
Total	Clearances	Expenses	Rents	Benefits	and Wages	Description	No.		N L	, r
		Other			Salaries		Acct.		5	٦
Year:2012				ense Matrix	<b>Fotal State Expense Matrix</b>	ر ا				
Ċ										

^ Subaccount of the account marked with a \*. Company Name: Hot Springs Telephone Co.

PAGE 20 SCHEDULE 18

				Total State Expense Matrix	oense Matrix				Page 2 of 2 <b>Year:2012</b>
Line		Acct.		Salaries			Other		1
No.		No.	Description	and Wages	Benefits	Rents	Expenses	Clearances	Total
		(a)	(b)	(c) (	(d)	(e)	(£)	(g)	(h)
35	>	6441	Conduit Systems Expense						
36		6510	Other Property Expenses					************	No.
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		PAS-1204-P-00				
53		6621	Call Completion Services		No Made Sussession			····	
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						

#### **Pension Costs**

Year: 2012 Plan Name Hot Springs Telephone Co. Profit Sharing Plan 2 Defined Benefit Plan? N/A **Defined Contribution Plan?** Yes Actuarial Cost Method? N/A IRS Code: \_\_\_401\_ 4 Annual Contribution by Employer: Based on Profits X Is the Plan Over Funded? \_\_No\_ Item Current Year Last Year % Change 6 Change in Benefit Obligation Benefit obligation at beginning of year 1,025,133.63 1,338,543.27 -23.40% 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 1,025,133.63 1,338,543.27 -23.40% 16 Change in Plan Assets 17 Fair value of plan assets at beginning of year 1,338,543.27 1,276,509.65 18 Actual return on plan assets 111,257.13 41,307.13 19 Acquisition 20 Employer contribution 53,987.49 47,880.75 21 Plan participants' contributions 22 Benefits paid (478,654.26)(27, 154.26)23 Fair value of plan assets at end of year 1,025,133.63 1,338,543.27 24 Funded Status N/A N/A 25 Unrecognized net actuarial loss 26 Unrecognized prior service cost 27 Prepaid (accrued) benefit cost 28 29 Weighted-average Assumptions as of Year End N/A N/A 30 Discount rate 31 Expected return on plan assets 32 Rate of compensation increase 34 Components of Net Periodic Benefit Costs N/A N/A 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: N/A N/A 43 **Pension Costs** 44 Pension Costs Capitalized Accumulated Pension Asset (Liability) at Year End 46 Number of Company Employees: 47 Covered by the Plan 10 11 48 Not Covered by the Plan 3 3 49 Active 9 10 50 Retired 51 **Deferred Vested Terminated** 

Company Name: Hot Springs Telephone Co.
DOES NOT APPLY
Other Post Employment Benefits (OPEBS)

SCHEDULE 20

Page 1 of 2 Year: 2012

	Item	Current Year	Last Year	% Change
1	Regulatory Treatment:			
2	Commission authorized - most recent			
3	Docket number:			
4	Order number:			
	Amount recovered through rates			
6	Weighted-average Assumptions as of Year End			
	Discount rate			
8	Expected return on plan assets			
9	Medical Cost Inflation Rate			
10	Actuarial Cost Method			
11	Rate of compensation increase			]
	List each method used to fund OPEBs (ie: VEBA, 40	1(h)) and if tax adva	antaged:	1
13	,		•	
14	,			
	Describe any Changes to the Benefit Plan:			
17				
	TOTAL COMPANY Change in Benefit Obligation			
	Benefit obligation at beginning of year			
	Service cost			
	Interest Cost			
	Plan participants' contributions Amendments			]
	Actuarial Gain			
	Acquisition Reposite paid			
	Benefits paid			
21	Benefit obligation at end of year			
	Change in Plan Assets			
	Fair value of plan assets at beginning of year			
	Actual return on plan assets			
	Acquisition			
	Employer contribution			
	Plan participants' contributions			
	Benefits paid			
30	Fair value of plan assets at end of year			
1	Funded Status			
1	Unrecognized net actuarial loss			
	Unrecognized prior service cost			
	Prepaid (accrued) benefit cost			
	Components of Net Periodic Benefit Costs			
	Service cost			
	Interest cost			
	Expected return on plan assets			ĺ
	Amortization of prior service cost			[
	Recognized net actuarial loss			
	Net periodic benefit cost			
	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	l		i

55

Spouses/Dependants covered by the Plan

Page 2 of 2

Other Post Employment Benefits (OPEBS) Continued Year: 2012 Item **Current Year** % Change Last Year 1 Number of Company Employees: 2 Covered by the Plan 3 Not Covered by the Plan 4 Active 5 Retired Spouses/Dependants covered by the Plan 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 Cccosts 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 TOTAL 41 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 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

Page 1 of Year: 2012

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

- 	ayments for Services to 1	CISCUS COMOL LIMIT			Cai. 2012
			Total	Total	
	Name of	Nature of	Company	State	Intrastate
Line			Cost		Cost
No.	Recipient	Service	Cost	Cost	
	(a)	(b)	(c)	(d)	(e)
1					
2	NONE				
	110112				
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
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39 41					
41					
42					
43					
44					
45					
46					
47	,				
40					
49	Total				
			***************************************		DAGE 25

	Subscrib	er Line Usage I	Data		Year: 2012
Line		This	% of	Last	% of
No.	Description	Year	Total	Year	Total
140.	(a) · ·	(b)	(c)	(d)	(e)
1	Toll Usage:				
2	Interstate, InterLATA	3,174,336	24%	2,944,501	23%
3	Interstate, IntraLATA	_		· · · · · -	
	*				
4	Total Interstate Usage	3,174,336	24%	2,944,501	23%
5	Intrastate, InterLATA	199,070	2%	194,643	2%
6	Intrastate, IntraLATA	2,855,302	22%	2,951,078	23%
7	Total Intrastate Usage	3,054,372	23%	3,145,721	24%
8	Total Toll Usage	6,228,708	47%	6,090,222	47%
9	Centrex	_		-	
10	Local	6,969,901	53%	6,820,562	53%
11	Total Minutes	13,198,609	100%	12,910,784	100%

Company Name: Hot Springs Telephone Co.

SCHEDULE 23

33	26	31	30	29	28	27	26	25	24	23	22	21	20	19	×	5 -	1 6	7	7	14	<u></u>	12		10	9	∞	7	6	Ŋ	4	ယ	2	-	Ņ.	Line	
Total																							W-18 (18 A)									Rural	I Irhan	wire Center	<del></del>	
																																	(b)	Omce	Type of	
167		**********	************	······································																					***************************************							132	(C)	)	Residential	
												***************************************			*****														-		***********		a	}	ISDN	
285							-									-		·														166	(e)	<u> </u>	ADSL	
207									*********		***************************************																					69	(t)	Customers	Lifeline	
													·	<b>9</b> 4.7			·																(8)	Cus		Vesidentian
48		***************************************																•	·													20 20	(h)	Business	Line	Single
100		**********																***********										- Constant			1	14		Business	Line	Multi-
								**********							-											t-t							(i)	Coin	Owned	Customer
=											-																······································				,	<u>~</u> ∝	(k)	Coin	Owned	Company
1												***************************************							********	···	**************************************												9	Other		
	******			······································																										***************************************			(m)	T. Tone	Lines w/	% of
007																																423 404	(B)	Lines	Access	Total

Page 1 of

## Cantral Office and Switch Information

		. 1000		. •			geror
<b>,</b>	Cent	tral Office and Sw	itch Info	rmation		Yea	er: 2012
		Office					
		Configuration		Switch		Switch	
Line		(Host, Remote,	Type of	Vendor/	Switch	Line	Year
No.	Wire Center	Stand alone)	Switch	Manufacturer	Model No.	Capacity	Deployed
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	HOT SPRINGS	(Stand alone)	DIGITAL	SIEMENS	DCO-RNS-SE	1,080	1999
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	Construction Budget - Montana	Year: 2013
Line	Description	2013
No.	(a)	2013 (b)
1	Central Office Assets:	(2)
2		
3		
4		
5		
6		
7		
8 9		
10		
11		
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16		
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19 20		
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23		
24		
25		
26		
27	Total Switching and Central Office Projects over \$500,000	25.000
28	Miscellaneous Central Office Projects not over \$500,000	25,000 25,000
30	Total Central Office Budget (Total of Line 27 & Line 28) Other Projects over \$500,000:	23,000
31	Other Projects over-assoc, soo.	
32		
33		
34		
35		
36		
37		
38		
39 40		
41	Total Other Projects over \$500,000	_
42	Miscellaneous projects not over \$500,000 Fiber	225,000
43	Total Construction Budget (Total of Lines 29, 41 & 42)	250,000

Montana Total State Construction Expenditures

	FCC Part 32				Percent
Line	Account No.	Description	This Year	Last Year	Change
No.	(a)	(b)	(c)	(d)	(e)
1	2110	General Support Assets	15,712	57,182	-72.52%
2	2210	Central Office Assets			
3	2220	Operator Systems			
4	2230	Central Office Transmission	37,868	26,185	44.62%
5	2310	Information/Termination Assets			:
6	2410	Cable and Wire Facilities Assets	15,750	38,055	-58.61%
7	2680	Amortizable Tangible Assets			
8	2690	Intangibles			
9		Total Construction Expenditures	69,330	121,422	-42.90%

	Montana Employee Counts		Year: 2012
Line		Beginning	End
No.	Category	of Year	of Year
INO.	(a)	(b)	(c)
	GENERAL MANAGER	1	1
2	OFFICE MANAGER	1	1
	COE MAINTENANCE MANAGER & LINEMAN	1	1
	PART TIME OFFICE CLERK		
	ACCOUNTANT & FINANCIAL MANAGER	1	1
	ASSISTANT ACCOUNTANT & PAYROLL CLERK	1	_
	INSTALLATIONS, LINEMEN & CONSTRUCTION WORKERS	2	2
	INTERNET CONSULTANT	2	2
	FULL TIME OFFICE CLERK	2	2
10			
11			
12			
13		er.	1
14			1
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18			[
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39			
40			
41			
42			
43	Totals (Sum of Lines 1 through 42)	11	10

	Compensat	tion of Top	10 Mon	tana Based	Employees	Y	Year: 2012
Line No.	Name/Title	Base Salary	Bonuses	Pension Plan Other Compensation	Total Compensation	Total Compensation Last Year	% Increase Total Compensation
1	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	N/A						
2							
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J							
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9							
10							
10							
	:						
11	Totals (Sum L.1 to L.10)	-	-	-	w	-	

DOES NOT APPLY

SCHEDULE 28

Year: 2012

# **Compensation of Top 5 Corporate Employees - SEC Information**

				project ~			
						Total	% Increase
Line		Base		Other	Total	Compensation	Total
	Name/Title	Salary	Bonuses	Compensation	Compensation	Last Year	Compensation
No.		(h)		(4)	(2)		
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1							
2							
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	:						
6	Totals (Sum L.1 to L.5)						T
	Totals (Sull Tut to Tus)	I	L	I	L	I	I

# **Montana Composite Statistics**

<b></b>		Montana Composite Statistics	Year: 2012
Line	Account		
No.	No.	Description	Amount
		(a)	(b)
1		Plant (Intrastate Only) (000 Omitted)	
2	2001	Plant in Service	413
3	2001	Construction Work in Progress	413
4	2005	Plant Acquisition Adjustments	
5	2002	Plant Held for Future Use	
6	1220	Materials & Supplies	
7	··	(Less):	
8	3100 - 3400	Depreciation & Amortization Reserves	-3040
9	4360.2	Contributions in Aid of Construction	
10		NET BOOK COSTS	-2627
11		Revenues & Expenses (Intrastate Only) (000 Omitted)	
12	5000 - 5300	Operating Revenues	433
13	6560	Depreciation & Amortization Expenses	133
14		Federal & State Income Taxes	8
15		Other Taxes	99
16		Other Operating Expenses	150
17		TOTAL Operating Expenses	390
18		Net Operating Income	43
19		Other Income	20
20		Other Deductions	14
21		NET INCOME	49
22		Access Lines in Service (Intrastate Only)	
23		Residential Access Lines	659
24		Business Access Lines	157
25		PBX Access Lines	
26		Other Access Lines Pay Phones	11
27		Total Number of Access Lines	827
28	***************************************	Average Number of Calls Per Access Line	***************************************
29		Local Cails	1161650
30		Toll Calls (Intra- or Interstate)	1038118
31		Total Number of Calls Per Access Line	2660
		(Total of Line 29 & Line 30 divided by Line 27)	
32	***	Other Statistics (Intrastate Only)	
33		Average Residential Monthly Bill	30
34		Gross Plant Investment per Access Line	4998
		•	

		Depreciation - Montana Intrastato	e Regulated	Year: 2012
			Composite	Total
T :	Acct	Description	Rate	Expense
Line	No.		%	\$
No.	(a)	(b)	(c)	(d)
1	2112	Motor Vehicles	20.0%	18,861
2	2114	Special Purpose Vehicles		
3	2115	Garage Work Equipment		
4	2116	Other work Equipment	20.0%	2,445
5	2121	Buildings	5.0%	11,296
6	2122	Furniture	20.0%	1,872
7	2123.1	Office Support Equipment		
8	2123.2	Company Communications Equipment		
9	2124	General Purpose Computers	20.0%	5,579
10	2211	Analog Electronic Switching Equipment		
11	2212	Digital Electronic Switching Equipment	10.0%	19,690
12	2215	Step By Step Switching Equipment		ĺ
13	2215	Crossbar Switching Equipment		
14	2220	Operator System		
15	2231	Radio Systems	10.0%	19,681
16	2232	Circuit DDS		,
17	2232	Circuit Digital		
18	2232	Circuit Analog	10.0%	
19	2351	Public Telephone Terminating Equipment		
20	2362	Other Terminal Equipment	10.0%	667
21	2411	Poles		
22	2421	Aerial Cable Metallic	10.0%	6,679
23	2421	Aerial Cable Nonmetallic		5,075
24	2422	Underground Cable Metallic		
25	2422	Underground Cable Nonmetallic		
26	2423	Buried Cable Metallic	5.0%	26,071
27	2423	Buried Cable Nonmetallic	5.0%	19,793
28	2424	Submarine Cable Metallic		
29	2424	Submarine Cable Nonmetallic		
30	2426	Intrabuilding Network Cable Metallic		
31	2426	Intrabuilding Network Cable Nonmetallic		
32	2431	Aerial Wire		
33	2441	Conduit Systems	10.0%	375
34				5,5
35		COMPOSITE TOTAL	3.3%	133,009
36				,
37	Please list	the Montana Public Service Commssion Docket On	rder No. approving thes	e depreciation rates
38				
39		Docket Number Order Num	mber	
40				

Amortization - Montana Intrastate Regulated Year: 2012 Composite Total Description Rate Expense Acct Line % \$ No. No. (c) (d) (a) (b) N/A COMPOSITE TOTAL 37 Please list the Montana Public Service Commission Docket Order No. approving these amortization rates Docket Number Order Number \_\_\_\_\_

**SCHEDULE 31** 

Year: 2012

Company Name: Hot Springs Telephone Co.

Montana Regulatory Capital Structure & Costs

	Walter and a second	or jour production		~~	
Line No.	Description (a)		% Cap. Str. (b)	% Cost Rate (c)	Weighted Cost (d)
	Commission Accepted - Most	Recent			
1	Docket Number				
	Order Number				
3					
4	Common Equity	N/A			
5	Preferred Stock				
	Long Term Debt				
7	Other				
8	Total				
9					
10	Actual at Year End				
11	C 77.		100 000/	10.5000/	12 5009/
12	Common Equity		100.00%	12.500%	12.500%
	Preferred Stock				
	Long Term Debt				
	Other		100.00%		12.500%
10	Total		100.00%		12.30076

Company Name: Hot Springs Telephone Co.

**SCHEDULE 32** 

Year: 2012

**Network Access - Charges and Revenues** 

	11ctwork 11ctcos Charges and 1ttl charce		rour. Doin
		Access Charges	Access Revenues
Line	Description	Paid	Received
No.	(a)	(b)	(c)
1	Montana - Total State		212,476
3	Montana - Intrastate		19,260
4			
5	Montana - Intrastate Regulated		193216
6			-
7			
8		*	
9			
10			
11			
12			
13			

50		29	28	27	26	25	24	23	22	21	20	19	18	17	16	15	14	13	12	 10	0 0	۰	10	'n	4	ယ	2	1	N E		
IOIAL	TOTAL																											(a)	Affiliate Name		
									**************************************																			(b)	Products & Services		Affiliate Transactions - Products & Services Provided to Utility
					,					44-44	•				and a management		vi i					and an extended						(c)	Method to Determine Price		- Products & Services
																												(d)	to Utility	Charges	Provided to Ut
																												(e)	Affil. Revenues	% Total	iity
																												(†)	MT Utility	Charges to	Year: 2012

30	29	28	27	26	25	24	23	22	21	20	19	18	17	16	15	14	13	12	 10	9	∞	7	ט ר	4 α	_ ω	2	-	NO.	Line			
TOTAL																												(a)	Affiliate Name			
			***************************************																									(b)	Products & Services		Affiliate Transaction	
													***************************************															(c)	Method to Determine Price		Affiliate Transactions - Products & Services Provided by Utility	;
																												(d)	to Affiliate	Charges	Provided by U	
					-																							(e)	Affil. Revenues	% Total	tility	
																												(f)	MT Utility	Charges to	Year: 2012	1

	Montana Intrastate Regulated Earned Rate	of Return	Y	ear: 2012
Line	Description	This	Last	Percent
No.	Rate Base	Year	Year	Change
INO.	(a)	(b)	(c)	(d)
1				
2	2001 Plant in Service	4,133,144	4,112,558	0.50%
3	2002 Prop. Held for Future Telecommunications Use			
4	3100-3200 (Less) Accumulated Depreciation	(3,027,538)	(2,914,279)	-3.89%
5	Plant in Service	1,105,606	1,198,279	-7.73%
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		1	
18	Other Deductions		l	
19	TOTAL Deductions			
20	TOTAL Rate Base	1,105,606	1,198,279	-7.73%
21	N. ( 77)			
22 23	Net Earnings	40,897	10,487	289.98%
23	Pate of Patrum on Assuran Patr Par	0.6000		
25	Rate of Return on Average Rate Base	3.699%	0.875%	322.67%
26	Rate of Return on Average Equity	2.309%	0.605%	201 (20)
27	Auto of Return on Exerage Equity	2.309%	0.003%	281.62%
1 1	Major Normalizing Adjustments & Commission			
	Ratemaking adjustments to Utility Operations	Ī		
30	guerranto to outro, operations			
31	N/A			
32	- "			
33				
34				1
35				
36				
37			1	
38				
39				
40				
41				
42				
43	Adjusted Rate of Return on Average Rate Base			
44				*
45	Adjusted Rate of Return on Average Equity			

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11

12 Total

	Other Taxes Paid		Year: 2012
Line	Description	Last Year	This Year
No.	(a)	(b)	(c)
1	Montana Telephone Company License Tax		
2	Montana Public Service Commission Tax	1067	923
3	Montana Consumer Counsel Tax	379	495
4	911 Emergency Telephone Fee	9044	9262
5	Montana Telecommunications Access Service (TDD)	898	681.8
6	Montana Corporate License Tax	2995	3659
7	Personal Property Tax	2876	2800
8	Real Property Tax	16296	15865
9	Montana State Excise Tax	14280	14148.6
10			

### SCHEDULE 37

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	Universal Service Funds Received		Year: 2012
Line	Description	Last Year	This Year
No.	(a)	(b)	(c)
13	Funds received from Montana Sources		
14	Funds received from Federal Sources	228,116	204,540
15	,		
16			
17			
18			
19			
20			
21			
22			
23			
24	Total	228,116	204,540