

YEAR ENDING 2012

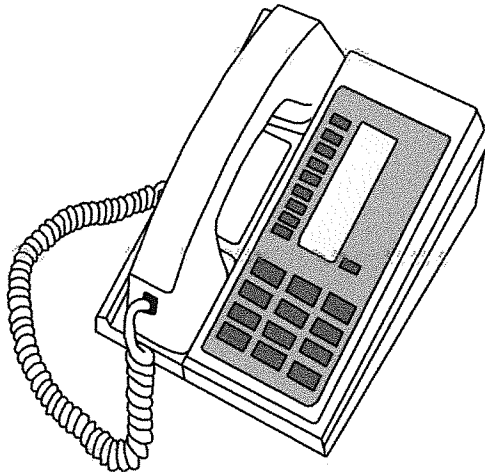
ANNUAL REPORT
OF

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2013 APR 23 P 12:03

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

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: 1/1/1955

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

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: N A

1b. Means by which control was held: N A

1c. Percent Ownership: N A

Board of Directors		
Line No.	Name of Director and Address (City, State)	Fees Paid During Year
	(a)	(b)
1	Jay W. Preston Sr. 312 Main St. SW, Ronan, MT. 59864	None
2	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
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18	Chairman of the Board:	
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Officers

Year: 2012

Line No.	Title of Officer (a)	Department Over Which Jurisdiction is Exercised (b)	Name and Address of Person Holding Office at Year End (c)
1	President	General Manager	Jay W. Preston Sr. Ronan, MT.
2	Vice- president	Financial & Accounting and Forecasting	Sandra M. Prongua
3	Secretary	Financial & Forecasting	Kathryn L. Johnson
4	Treasurer	Financial & Accounting	Kathe A. Johnson
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Total Company Balance Sheet

Year: 2012

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (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

^ Subaccount of account marked with a *.

Total Company Balance Sheet

Year: 2012

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
41		CURRENT LIABILITIES:		
42	4010	Accounts Payable	113,861	35,544
43	4020	Notes Payable		
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 No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		REVENUES:		
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		
6	^ 5120	Long Distance Private Network Revenue		
7	^ 5160	Other Long Distance Revenue		
8	^ 5169	Other Long Distance Revenue Settlements		
9	* 5200	Miscellaneous Revenue	210,468	89,630
10	^ 5230	Directory Revenue		
11	^ 5240	Rent Revenue	500	
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue		
14	^ 5270	Carrier Billing and Collection Revenue		
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	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		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

^ Subaccount of the account marked with a *.

Not Required---Doing Business Only In Montana

Montana Total State Income Statement

Year: 2012

Line No.	Acct. No. (a)	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.		
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 *.

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

Montana Intrastate Income Statement

Year: 2012

Line No.	Acct. No. (a)	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.37)		
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 Regulated Income Statement

Year: 2012

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (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	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue		
14	^ 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	6710	Executive and Planning	66,663	57,000
35	6720	General and Administrative	324,171	291,405
36	6790	Provision for Uncollectible Notes Receivable		
37		Total Operating Expenses (Sum L.19 to L.36-L.2)	1,067,624	997,393
38	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)

^ Subaccount of the account marked with a *.

Average Rate Base - Total State

Year: 2012

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (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 No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (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 No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (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 No.	Item Description (a)	Amount (b)	Amount (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		
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 Investment		
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

* Prepaid Expenses (Net Increase \$6,132.56)

^ Subscriber Deposits (Increase \$2,116.28)

Net Increase in Investments \$141.42

& Gain on Disposal of Property & Equipment (Net \$93,281.00)

Company Name: Hot Springs Telephone Co.

Does Not Apply

SCHEDULE 10

Receivables and Investments-Affiliated & Nonaffiliated Companies

Year: 2012

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)
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30	Totals										

Company Name: Hot Springs Telephone Co.

SCHEDULE 11

Net Plant in Service - Detail

Year: 2012

Line No.	Account	Description	Beginning of Year Balance	Additions	Retirements	Sales & Transfers	End of Year Account Balance	Year End Accumulated Depreciation	End of Year Net Plant Balance
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	*	2110 Land and Support Assets	1251238	-32583			1218655	778703	439952
2	^	2111 Land							
3	^	2112 Motor Vehicles							
4	^	2113 Aircraft							
5	^	2114 Special Purpose Vehicles							
6	^	2115 Garage Work Equipment							
7	^	2116 Other Work Equipment							
8	^	2121 Buildings							
9	^	2122 Furniture							
10	^	2123 Office Equipment							
11	^	2124 General Purpose Computers							
12		2211 Analog Electronic Switching							
13		2212 Digital Electronic Switching	610546	37476			648022	503844	144178
14		2215 Electro-Mechanical Switching							
15		2220 Operator Systems							
16		2231 Radio Systems	443769	392			444160	378337	65823
17		2232 Circuit Equipment	16238				16238		16238
18	*	2310 Information Orig & Term Equip	117290				117290	92793	24497.05
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	16627				16627	10954	5672.84
25	*	2420 Cable and Wire Facilities	1653101	15301			1668401	1272092	396309
26	^	2421 Aerial Cable							
27	^	2422 Underground Cable							
28	^	2423 Buried Cable							
29	^	2424 Submarine Cable							
30	^	2425 Deep Sea Cable							
31	^	2426 Intrabuilding Network Cable							
32		2431 Aerial Wire	3750				3750	3405	345
33		2441 Conduit Systems							
34		Totals	4112558	20586			4133144	3040128	1093016

Company Name: Hot Springs Telephone Co.

SCHEDULE 12

Analysis of Plant Held for Future Use

Year: 2012

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	None						
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30	Totals (Sum L.1 to L.29)						

Company Name: Hot Springs Telephone Co.

SCHEDULE 13

Average Cost of Long Term Debt

Year: 2012

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					-	-	-		-		-	
2												
3												
4												
5												
6												
7												
8												
9												
10												
11												
12												
13												
14												
15												
16												
17												
18												
19												
20												
21												
22												
23												
24												
25												
26												
27												
28												
29												
30	Total											

Company Name: Hot Springs Telephone Co.

DOES NOT APPLY

SCHEDULE 14

Cost of Preferred Stock

Year: 2012

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 \$1.00 (h)	Cost of Money (i)	Principal Outstanding (j)	Annual Cost (k)	Embedded Cost (l)
1												
2												
3												
4												
5												
6												
7												
8												
9												
10												
11												
12												
13												
14												
15												
16												
17												
18												
19												
20												
21												
22												
23												
24												
25												
26												
27												
28												
29												
30	Totals (Sum L.1 to L.29)											

Company Name: Hot Springs Telephone Co.

SCHEDULE 15

Analysis of Common Stock

Year: 2012

Line No.	(a)	Avg. Number of Shares Outstanding (b)	Book Value (per share) (c)	Earnings (per share) (d)	Dividends (per share) (e)	Retention Ratio (f)	Market Price High (g) Low (h)	Price/ Earnings Ratio (i)
1	Year Ended December 31:							
2								
3								
4								
5								
6								
7								
8	Month by Month Data:		NOT REQUIRED- WE HAVE LESS THAN 5,000 ACCESS LINES					
9	January							
10	February							
11	March							
12	April							
13	May							
14	June							
15	July							
16	August							
17	September							
18	October							
19	November							
20	December							
21								
22								
23								

Company Name: Hot Springs Telephone Co.

SCHEDULE 16

Capital Stock and Funded Debt Reacquired or Retired During the Year

Year: 2012

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	NONE						
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30	Totals (Sum L.1 to L.29)						

Company Name: **Hot Springs Telephone Co.**

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

SCHEDULE 17

Page 1 of 2

Total Company Expense Matrix**Year:2012**

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						
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						

Company Name: Hot Springs Telephone Co.

Total Company Expense Matrix

SCHEDULE 17
Page 2 of 2
Year:2012

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	*	Marketing						
50	6610	Product Management						
51	6611	Sales						
52	6612	Product Advertising						
53	6613	Call Completion Services						
54	6621	Number Services						
55	6622	Customer Services						
56	6623	Executive						
57	6711	Planning						
58	6712	Accounting and Finance						
59	6721	External Relations						
60	6722	Human Relations						
61	6723	Information Management						
62	6724	Legal						
63	6725	Procurement						
64	6726	Research and Development						
65	6727	Other General and Administrative						
66	6728	Provision for Uncollectible Notes Receivable						
67	6790	Totals						

Company Name: **Hot Springs Telephone Co.**

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

SCHEDULE 18

Page 1 of 2

Total State Expense Matrix

Year: 2012

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						
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						

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

Total State Expense Matrix

PAGE 20
SCHEDULE 18
Page 2 of 2
Year: 2012

Line No.	Acct. No. (a)	Description (b)	Salaries and Wages (c)	Benefits (d)	Rents (e)	Other Expenses (f)	Clearances (g)	Total (h)
35	^	6441						
36		6510						
37	*	6530						
38	^	6531						
39	^	6532						
40	^	6533						
41	^	6534						
42	^	6535						
43		6540						
44		6561						
45		6562						
46		6563						
47		6564						
48		6565						
49	*	6610						
50	^	6611						
51	^	6612						
52	^	6613						
53		6621						
54		6622						
55		6623						
56		6711						
57		6712						
58		6721						
59		6722						
60		6723						
61		6724						
62		6725						
63		6726						
64		6727						
65		6728						
66		6790						
67		Totals						

Pension Costs

Year: 2012

1	Plan Name Hot Springs Telephone Co. Profit Sharing Plan			
2	Defined Benefit Plan? <u> N/A </u>	Defined Contribution Plan? Yes <u> X </u>		
3	Actuarial Cost Method? <u> N/A </u>	IRS Code: <u> 401 </u>		
4	Annual Contribution by Employer: Based on Profits <u> X </u>		Is the Plan Over Funded? <u> No </u>	
5				
	Item	Current Year	Last Year	% Change
6	Change in Benefit Obligation			
7	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			
33				
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			
45	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			

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			
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:			
17	TOTAL COMPANY			
18	Change in Benefit Obligation			
19	Benefit obligation at beginning of year			
20	Service cost			
21	Interest Cost			
22	Plan participants' contributions			
23	Amendments			
24	Actuarial Gain			
25	Acquisition			
26	Benefits paid			
27	Benefit obligation at end of year			
28	Change in Plan Assets			
29	Fair value of plan assets at beginning of year			
30	Actual return on plan assets			
31	Acquisition			
32	Employer contribution			
33	Plan participants' contributions			
34	Benefits paid			
35	Fair value of plan assets at end of year			
36	Funded Status			
37	Unrecognized net actuarial loss			
38	Unrecognized prior service cost			
39	Prepaid (accrued) benefit cost			
40	Components of Net Periodic Benefit Costs			
41	Service cost			
42	Interest cost			
43	Expected return on plan assets			
44	Amortization of prior service cost			
45	Recognized net actuarial loss			
46	Net periodic benefit cost			
47	Accumulated Post Retirement Benefit Obligation			
48	Amount Funded through VEBA			
49	Amount Funded through 401(h)			
50	Amount Funded through Other _____			
51	TOTAL			
52	Amount that was tax deductible - VEBA			
53	Amount that was tax deductible - 401(h)			
54	Amount that was tax deductible - Other _____			
55	TOTAL			

Other Post Employment Benefits (OPEBS) Continued

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

Payments for Services to Persons Other Than Employees

Year: 2012

Line No.	Name of Recipient (a)	Nature of Service (b)	Total Company Cost (c)	Total State Cost (d)	Intrastate Cost (e)
1	NONE				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
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34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47					
48					
49	Total				

Subscriber Line Usage Data

Year: 2012

Line No.	Description (a)	This Year (b)	% of Total (c)	Last Year (d)	% of Total (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.

Central Office and Access Line Statistics

SCHEDULE 23
Page 1 of 1
Year: 2012

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	Urban		35		119	138		28	95					423
2	Rural		132		166	69		20	14		8			404
3														
4														
5														
6														
7														
8														
9														
10														
11														
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22														
23														
24														
25														
26														
27														
28														
29														
30														
31														
32														
33	Total		167		285	207		48	109		11			827

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

Central Office and Switch Information

Year: 2012

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	HOT SPRINGS	(Stand alone)	DIGITAL	SIEMENS	DCO-RNS-SE	1,080	1999
2							
3							
4							
5							
6							
7							
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44							
45							
46							
47							
48							

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

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Construction Budget - Montana

Year: 2013

Line No.	Description (a)	2013 (b)
1	Central Office Assets:	
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27	Total Switching and Central Office Projects over \$500,000	
28	Miscellaneous Central Office Projects not over \$500,000	25,000
29	Total Central Office Budget (Total of Line 27 & Line 28)	25,000
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 Fiber	225,000
43	Total Construction Budget (Total of Lines 29, 41 & 42)	250,000

Montana Total State Construction Expenditures

0

Line No.	FCC Part 32 Account No. (a)	Description (b)	This Year (c)	Last Year (d)	Percent Change (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 No.	Category (a)	Beginning of Year (b)	End of Year (c)
1	GENERAL MANAGER	1	1
2	OFFICE MANAGER	1	1
3	COE MAINTENANCE MANAGER & LINEMAN	1	1
4	PART TIME OFFICE CLERK		
5	ACCOUNTANT & FINANCIAL MANAGER	1	1
6	ASSISTANT ACCOUNTANT & PAYROLL CLERK	1	
7	INSTALLATIONS, LINEMEN & CONSTRUCTION WORKERS	2	2
8	INTERNET CONSULTANT	2	2
9	FULL TIME OFFICE CLERK	2	2
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
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31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41			
42			
43	Totals (Sum of Lines 1 through 42)	11	10

Compensation of Top 10 Montana Based Employees

Year: 2012

Line No.	Name/Title (a)	Base Salary (b)	Bonuses (c)	Pension Plan Other Compensation (d)	Total Compensation (e)	Total Compensation Last Year (f)	% Increase Total Compensation (g)
1	N/A						
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							
2							
3							
4							
5							
6	Totals (Sum L.1 to L.5)						

Montana Composite Statistics

Year: 2012

Line No.	Account No.	Description (a)	Amount (b)
1		Plant (Intrastate Only) (000 Omitted)	
2	2001	Plant in Service	413
3	2003 - 2004	Construction Work in Progress	
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 Calls	1161650
30		Toll Calls (Intra- or Interstate)	1038118
31		Total Number of Calls Per Access Line (Total of Line 29 & Line 30 divided by Line 27)	2660
32		Other Statistics (Intrastate Only)	
33		Average Residential Monthly Bill	30
34		Gross Plant Investment per Access Line	4998

Depreciation - Montana Intrastate Regulated

Year: 2012

Line No.	Acct No. (a)	Description (b)	Composite Rate % (c)	Total Expense \$ (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		
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		
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				
35		COMPOSITE TOTAL	3.3%	133,009
36				
37	Please list the Montana Public Service Commission Docket Order No. approving these depreciation rates			
38				
39	Docket Number _____ Order Number _____			
40				

Amortization - Montana Intrastate Regulated

Year: 2012

Line No.	Acct No. (a)	Description (b)	Composite Rate % (c)	Total Expense \$ (d)
1				
2				
3		N/A		
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35		COMPOSITE TOTAL		
36				
37	Please list the Montana Public Service Commission Docket Order No. approving these amortization rates			
38				
39	Docket Number _____ Order Number _____			
40				

Montana Regulatory Capital Structure & Costs

Year: 2012

Line No.	Description (a)	% Cap. Str. (b)	% Cost Rate (c)	Weighted Cost (d)
	Commission Accepted - Most Recent			
1	Docket Number _____			
2	Order Number _____			
3				
4	Common Equity N/A			
5	Preferred Stock			
6	Long Term Debt			
7	Other			
8	Total			
9				
10	Actual at Year End			
11				
12	Common Equity	100.00%	12.500%	12.500%
13	Preferred Stock			
14	Long Term Debt			
15	Other			
16	Total	100.00%		12.500%

Network Access - Charges and Revenues

Year: 2012

Line No.	Description (a)	Access Charges Paid (b)	Access Revenues Received (c)
1	Montana - Total State		212,476
2			
3	Montana - Intrastate		19,260
4			
5	Montana - Intrastate Regulated		193216
6			-
7			
8			
9			
10			
11			
12			
13			

Company Name: Hot Springs Telephone Co.
DOES NOT APPLY

SCHEDULE 33

Affiliate Transactions - Products & Services Provided to Utility

Year: 2012

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						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30	TOTAL					

Company Name: Hot Springs Telephone Co.
DOES NOT APPLY

SCHEDULE 34

Affiliate Transactions - Products & Services Provided by Utility

Year: 2012

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						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30	TOTAL					

Montana Intrastate Regulated Earned Rate of Return

Year: 2012

Line No.	Description Rate Base (a)	This Year (b)	Last Year (c)	Percent Change (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			
18	Other Deductions			
19	TOTAL Deductions			
20	TOTAL Rate Base	1,105,606	1,198,279	-7.73%
21				
22	Net Earnings	40,897	10,487	289.98%
23				
24	Rate of Return on Average Rate Base	3.699%	0.875%	322.67%
25				
26	Rate of Return on Average Equity	2.309%	0.605%	281.62%
27				
28	Major Normalizing Adjustments & Commission			
29	<u>Ratemaking adjustments to Utility Operations</u>			
30				
31	N/A			
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: 2012

Line No.	Description (a)	Last Year (b)	This Year (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			
11			
12	Total	47834	47834

SCHEDULE 37

Universal Service Funds Received

Year: 2012

Line No.	Description (a)	Last Year (b)	This Year (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