

General Information

Year: 2012

1	Legal Name of Respondent:	Project Telephone Company
2	Name Under Which Respondent Does Business:	
3	Date of Incorporation:	1978
4	Address to send Correspondence Concerning Report:	Project Telephone Company PO Box 600 Scobey, Mt 59263
5	Person Responsible for This Report:	Steve Mueller
5a.	Telephone Number:	9406) 783-2225
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:	Nemont Telephone Cooperative, Inc. PO Box 600 Scobey, MT 59263
	1b. Means by which control was held:	Stock
	1c. Percent Ownership:	100%

Board of Directors		
Line No.	Name of Director and Address (City, State) (a)	Fees Paid During Year (b)
1	Linda Nelson	99
2	Jim Salveold	560
3	Roy D. Neufeld	160
4	Mike Mitchell	470
5	Duane Broadbent	2600
6	Vernon Whiteman	2950
7	Scott McGowan	10
8	Ben Boreson	274
9	Julie French	
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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		Linda Nelson, Medicine Lake, MT
2	Vice President		Jim Salveold, Culbertson, MT
3	Sec/Treasurer		Roy D. Neufeld, Larslan, MT
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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	130,039	3,138,206
3	1180	Telecommunications Accounts Receivable - Net	3,217,718	16,876
4	1190	Other Accounts Receivable - Net	818,654	857,160
5	1200	Notes Receivable - Net		8
6	1210	Interest and Dividends Receivable		
7	1220	Materials and Supplies	1,054,643	989,695
8	* 1280	Prepayments	240,550	39,911
9	^ 1290	Prepaid Rents		
10	^ 1300	Prepaid Taxes		
11	^ 1310	Prepaid Insurance	10,307	9,942
12	^ 1320	Prepaid Directory Expenses		
13	^ 1330	Other Prepayments	230,243	29,969
14	1350	Other Current Assets	6,845	19,217
15		Total Current Assets	5,468,449	5,061,073
16		NONCURRENT ASSETS:		
17	1401	Investments in Affiliated Companies	32,320,337	29,613,468
18	1402	Investments in Nonaffiliated Companies	410,051	395,853
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	32,730,388	30,009,321
27		PROPERTY, PLANT, & EQUIPMENT:		
28	2001	Telecommunications Plant in Service	39,215,737	38,593,936
29	2002	Property Held for Future Telecommunications Use		
30	2003	Plant Under Construction - Short Term	2,163,271	693,189
31	2004	Plant Under Construction - Long Term		
32	2005	Telecommunications Plant Adjustment		
33	2006	Nonoperating Plant		
34	2007	Goodwill	(20,909,185)	(21,583,671)
35	3100	Accumulated Depreciation		
36	3200	Accumulated Depreciation - Held for Future Use		
37	3300	Accumulated Depreciation - Nonoperating		
38	3400	Accumulated Amortization		
39		Net Property, Plant, & Equipment	20,469,823	17,703,454
40		TOTAL ASSETS	58,668,660	52,773,848

^ 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	3,911,243	2,259,960
43	4020	Notes Payable		
44	4030	Advance Billing and Payments	140,351	144,500
45	4040	Customer Deposits	51,958	47,334
46	4050	Current Maturities - Long Term Debt	401,921	644,352
47	4060	Current Maturities - Capital Leases		
48	4070	Income Taxes - Accrued		
49	4080	Other Taxes - Accrued	(1,318)	5,045
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	274,445	245,081
54		Total Current Liabilities	4,778,600	3,346,272
55		LONG-TERM DEBT:		
56	4210	Funded Debt	2,226,658	2,433,378
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	2,226,658	2,433,378
64		OTHER LIABILITIES AND DEFERRED CREDITS:		
65	4310	Other Long-Term Liabilities		
66	4320	Unamort. Oper. Invest. Tax Credits - Net		3,442
67	4330	Unamort. Nonoper. Invest. Tax Credits - Net		
68	4340	Net Noncurrent Deferred Oper. Income Taxes		
69	4350	Net Noncurrent Deferred Nonoper. Income Taxes	3,191,306	2,978,221
70	4360	Other Deferred Credits		
71	4370	Other Jurisdictional Liab. and Def. Credits		
72		Total Other Liabilities and Deferred Credits	3,191,306	2,981,663
73		STOCKHOLDERS' EQUITY:		
74	4510	Capital Stock	7,950	7,950
75	4520	Additional Paid-In Capital		
76	4530	Treasury Stock		
77	4540	Other Capital	61,594	63,527
78	4550	Retained Earnings	48,402,552	43,941,058
79		Total Stockholders' Equity	48,472,096	44,012,535
80		TOTAL LIAB. AND STOCKHOLDERS' EQUITY	58,668,660	52,773,848

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	1,979,527	2,057,027
3	5080	Network Access Revenues	6,193,929	5,833,103
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	64,582	59,325
10	^ 5230	Directory Revenue	18,184	14,056
11	^ 5240	Rent Revenue	14,458	11,302
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	1,806	6,173
14	^ 5270	Carrier Billing and Collection Revenue		27,794
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	14,883	23,907
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)	8,223,155	7,925,548
18		OPERATING EXPENSES:		
19	6110	Network Support Expense	30,700	62,148
20	6120	General Support Expense	539,197	509,160
21	6210	Central Office Switching Expense	489,398	447,794
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	545,734	554,218
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense	1,650,056	1,693,798
26	^ 6431	Aerial Wire Expense	1,649,725	1,683,471
27	^ 6441	Conduit Systems Expense	331	10,327
28	6510	Other Property, Plant & Equipment Expense	11,510	9,105
29	6530	Network Operations Expense	656,908	565,854
30	6540	Access Expense	112,905	136,920
31	6560	Depreciation and Amortization Expense	1,482,536	1,601,820
32	6610	Marketing	92,610	54,627
33	6620	Services	341,799	340,864
34	6710	Executive and Planning	104,013	93,695
35	6720	General and Administrative	657,020	607,074
36	6790	Provision for Uncollectible Notes Receivable		
37		Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)	6,714,386	6,677,077
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	621,652	617,373
40		Net Operating Income (L.17-L.37+L.38-L.39)	887,117	631,098
41	7300	Nonoperating Income and Expense	4,139,435	2,891,198
42	7400	Nonoperating Taxes	3,354	(3,073)
43	7500	Interest and Related Items	146,204	182,462
44	7600	Extraordinary Items	(9,500)	(1,740)
45	7910	Effects of Juris. Ratemaking Diff. - Net		
46	7990	Nonregulated Net Income		
47		NET INCOME (L.40+L.41-L.42-L.43-L.44+L.45-L.46)	4,886,494	3,344,647

^ Subaccount of the account marked with a *.

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	1,922,525	1,995,868
3	5080	Network Access Revenues	6,139,288	5,773,648
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	63,759	58,023
10	^ 5230	Directory Revenue	17,665	13,601
11	^ 5240	Rent Revenue	14,458	11,302
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	1,806	6,123
14	^ 5270	Carrier Billing and Collection Revenue		26,997
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	14,883	23,907
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)	8,110,689	7,803,632
18		OPERATING EXPENSES:		
19	6110	Network Support Expense	30,281	62,148
20	6120	General Support Expense	530,766	502,041
21	6210	Central Office Switching Expense	483,763	446,409
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	543,635	551,219
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense	1,606,246	1,663,727
26	^ 6431	Aerial Wire Expense	1,649,725	1,653,400
27	^ 6441	Conduit Systems Expense	331	10,327
28	6510	Other Property, Plant & Equipment Expense	11,353	9,105
29	6530	Network Operations Expense	643,635	536,248
30	6540	Access Expense	111,361	129,085
31	6560	Depreciation and Amortization Expense	1,394,460	1,514,847
32	6610	Marketing	91,343	51,500
33	6620	Services	337,124	325,982
34	6710	Executive and Planning	102,590	88,334
35	6720	General and Administrative	648,034	572,335
36	6790	Provision for Uncollectible Notes Receivable		
37		Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)	6,534,591	6,452,980
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	613,045	611,794
40		Net Operating Income (L.17-L.37+L.38-L.39)	963,053	738,858

^ Subaccount of the account marked with a *.

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	1,922,525	1,995,868
3	5080	Network Access Revenues	6,139,288	5,773,648
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	63,759	58,023
10	^ 5230	Directory Revenue	17,665	13,601
11	^ 5240	Rent Revenue	14,458	11,302
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	1,806	6,123
14	^ 5270	Carrier Billing and Collection Revenue		26,997
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	14,883	23,907
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)	8,110,689	7,803,632
18		OPERATING EXPENSES:		
19	6110	Network Support Expense	30,281	62,148
20	6120	General Support Expense	530,766	502,041
21	6210	Central Office Switching Expense	483,763	446,409
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	543,635	551,219
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense	1,606,246	1,663,727
26	^ 6431	Aerial Wire Expense	1,649,725	1,653,400
27	^ 6441	Conduit Systems Expense	331	10,327
28	6510	Other Property, Plant & Equipment Expense	11,353	9,105
29	6530	Network Operations Expense	643,635	536,248
30	6540	Access Expense	111,361	129,085
31	6560	Depreciation and Amortization Expense	1,394,460	1,514,847
32	6610	Marketing	91,343	51,500
33	6620	Services	337,124	325,982
34	6710	Executive and Planning	102,590	88,334
35	6720	General and Administrative	648,034	572,335
36	6790	Provision for Uncollectible Notes Receivable		
37		Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)	6,534,591	6,452,980
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	613,045	611,794
40		Net Operating Income (L.17-L.37+L.38-L.39)	963,053	738,858

^ 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	1,922,525	1,995,868
3	5080	Network Access Revenues	6,139,288	5,773,648
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	63,759	58,023
10	^ 5230	Directory Revenue	17,665	13,601
11	^ 5240	Rent Revenue	14,458	11,302
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	1,806	6,123
14	^ 5270	Carrier Billing and Collection Revenue		26,997
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	14,883	23,907
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)	8,110,689	7,803,632
18		OPERATING EXPENSES:		
19	6110	Network Support Expense	30,281	62,148
20	6120	General Support Expense	530,766	502,041
21	6210	Central Office Switching Expense	483,763	446,409
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	543,635	551,219
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense	1,606,246	1,663,727
26	^ 6431	Aerial Wire Expense	1,649,725	1,653,400
27	^ 6441	Conduit Systems Expense	331	10,327
28	6510	Other Property, Plant & Equipment Expense	11,353	9,105
29	6530	Network Operations Expense	643,635	536,248
30	6540	Access Expense	111,361	129,085
31	6560	Depreciation and Amortization Expense	1,394,460	1,514,847
32	6610	Marketing	91,343	51,500
33	6620	Services	337,124	325,982
34	6710	Executive and Planning	102,590	88,334
35	6720	General and Administrative	648,034	572,335
36	6790	Provision for Uncollectible Notes Receivable		
37		Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)	6,534,591	6,452,980
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	613,045	611,794
40		Net Operating Income (L.17-L.37+L.38-L.39)	963,053	738,858

^ 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	37009377	36345796
2	3100	Accumulated Depreciation	19961691	20657721
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies	1054643	989695
6	4340	Noncurrent Deferred Operating Income Taxes	3001965	2801522
7		Pre-1971 Unamortized Investment Tax Credits		
8		Cash Working Capital (if allowed by Commission)		
9		Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)	15100364	13876248

Average Rate Base - Intrastate

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	37009377	36345796
2	3100	Accumulated Depreciation	19961691	20657721
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies	1054643	989695
6	4340	Noncurrent Deferred Operating Income Taxes	3001965	2801522
7		Pre-1971 Unamortized Investment Tax Credits		
8		Cash Working Capital (if allowed by Commission)		
9		Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)	15100364	13876248

Average Rate Base - Regulated Intrastate

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	37009377	36345796
2	3100	Accumulated Depreciation	19961691	20657721
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies	1054643	989695
6	4340	Noncurrent Deferred Operating Income Taxes	3001965	2801522
7		Pre-1971 Unamortized Investment Tax Credits		
8		Cash Working Capital (if allowed by Commission)		
9		Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)	15100364	13876248

Statement of Cash Flows

Year: 2012

Line No.	Item Description (a)	Amount (b)	Amount (c)
1	Increase/(decrease) in Cash & Cash Equivalents		
2	Cash Flows from Operating Activities:		
3	Net Income		4886494
4	Reconciliation Adjustments:		
5	Depreciation & Amortization	5740462	
6	Provision for Accounts Receivable Losses		
7	Deferred Income Taxes - Net	-542342	
8	Unamortized Investment Tax Credits (ITCs) - Net		
9	Allowance for Funds Used During Construction (AFUDC)		
10	Change in Operating Receivables - Net	-578800	
11	Change in Materials, Supplies & Inventories - Net	436250	
12	Change in Operating Payables & Accrued Liabilities - Net	-1042249	
13	Change in Other Assets & Deferred Credits - Net	42661	
14	Change in Other Liabilities & Deferred Credits - Net	35306	
15	Other (explained on back of this page)	840235	
16	Total Adjustments		4931523
17	Net Cash Provided by/(Used in) Operating Activities		9818017
18	Cash Inflows/Outflows From Investing Activities:		
19	Construction/Acquisition of Property, Plant & Equipment (net of	-7305022	
20	AFUDC & Capital Lease Related Acquisitions)		
21	Proceeds from Disposals of Property, Plant & Equipment	-10907	
22	Investments In & Advances to Affiliates	-969929	
23	Proceeds from Repayment of Advances	89743	
24	Other Investing Activities (explained on back of this page)		
25	Net Cash Provided by/(Used in) Investing Activities		-8196115
26	Cash Flows from Financing Activities:		
27	Net Incr./(Decr.) in Short-Term Debt, Original maturity <= 3 mo.	-648311	
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		
36	Other Financing Activities (explained on back of this page)		
37	Net Cash Provided by Financing Activities		-648311
38	Effect of Exchange Rate Changes on Cash		
39	Net Increase/(Decrease) in Cash & Cash Equivalents		973591
40	Cash & Cash Equivalents at Beginning of Period		9349851
41	Cash & Cash Equivalents at End of Period		10323442

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)
1	Nemont Communications										
2	AT&T				27,714					8,544,411	
3	QWEST				19						
4	NCRPC				98						
5	NECA				350,403						
6	Misc. LD Carriers				89,424						
7	Capital Credits										398,937
8	NCRPC Stock										10,000
9	Misc. Memberships										1,114
10	Life-Line USAC				18,325						
11											
12											
13											
14											
15											
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25											
26											
27											
28											
29											
30	Totals				485,982					8,544,411	410,051

Company Name: Project Telephone Company

Net Plant in Service - Detail

Year: 2012

Line No.	Account (a)	Description (b)	Beginning of Year Balance (c)	Additions (d)	Retirements (e)	Sales & Transfers (f)	End of Year Account 2012 Balance (g)	Year End Accumulated Depreciation (h)	End of Year Net Plant Balance (i)
1	* 2110	Land and Support Assets	4,357,324	134,160	73,681		4,417,803		4,417,803
2	^ 2111	Land	130,353				130,353		130,353
3	^ 2112	Motor Vehicles	979,326	131,360	73,681		1,037,005	874,461	162,544
4	^ 2113	Aircraft							
5	^ 2114	Special Purpose Vehicles	195,747	2,800			198,547	159,820	38,727
6	^ 2115	Garage Work Equipment	468,599				468,599	468,599	
7	^ 2116	Other Work Equipment	2,518,489				2,518,489	1,266,184	1,252,305
8	^ 2121	Buildings	7,036				7,036	3,834	3,202
9	^ 2122	Furniture	57,775				57,775	25,089	32,686
10	^ 2123	Office Equipment							
11	^ 2124	General Purpose Computers							
12	2211	Analog Electronic Switching	5,600,347	598,215	307,022		5,891,540	5,301,731	589,809
13	2212	Digital Electronic Switching							
14	2215	Electro-Mechanical Switching							
15	2220	Operator Systems							
16	2231	Radio Systems	180,042				180,042	78,827	101,215
17	2232	Circuit Equipment	6,705,591	447,100	1,361,103		5,791,589	2,126,424	3,665,164
18	* 2310	Information Orig. & Term Equip							
19	^ 2311	Station Apparatus							
20	^ 2321	Customer Premises Wiring							
21	^ 2341	Large Private Branch Exchanges							
22	^ 2351	Public Telephone Term. Equip.							
23	^ 2362	Other Terminal Equipment							
24	2411	Poles	64,376				64,376	64,376	
25	* 2420	Cable and Wire Facilities	20,748,821	1,818,231	634,099		21,932,953		21,932,953
26	^ 2421	Aerial Cable	167,700		844		166,856	166,856	
27	^ 2422	Underground Cable	181,533				181,533	157,273	24,260
28	^ 2423	Buried Cable	20,359,386	1,818,231	633,255		21,544,361	9,838,058	11,706,304
29	^ 2424	Submarine Cable							
30	^ 2425	Deep Sea Cable							
31	^ 2426	Intrabuilding Network Cable	40,203				40,203	40,203	
32	2431	Aerial Wire	3,748				3,748	3,748	
33	2441	Conduit Systems	933,687				933,687	333,703	599,984
34		Totals	38,593,936	2,997,706	2,375,905		39,215,737	20,909,185	18,306,553

^ Subaccount of the account marked with a *

Company Name: Project Telephone Company

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						
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30	Totals	(Sum L.1 to L.29)					

Average Cost of Long Term Debt

Year: 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 Sheet (h)	Yield to Maturity (i)	Annual Net Cost (j)	Amortization of Premium or Discount (k)	Total Cost (%) (l)
1												
2												
3	RUS Loan	Nov-12	Aug-35	89,132	89,132	89,132		89,132		357		
4	RUS Loan	Dec-12	Aug-35	107,295	107,295	107,295		107,295				
5	RTFC Loan	Jul-76	Jan-18	85,000	85,000	85,000		17,858		385		
6	RTFC Loan	Nov-78	Nov-13	571,000	571,000	571,000		35,516		2,534		
7	RTFC Loan	Oct-83	Oct-18	2,170,000	2,170,000	2,170,000		648,704		35,075		
8	RTFC Loan	Oct-83	Oct-18	3,019,000	3,019,000	3,019,000		934,681		50,508		
9	RTFC Loan	Oct-83	Oct-18	1,376,000	1,376,000	1,376,000		447,771		24,176		
10	RTFC Loan	Oct-83	Oct-18	511,000	511,000	511,000		287,535		14,844		
11	RTB Loan	Aug-94	Feb-13	2,465,400	2,465,400	2,465,400		20,036		9,298		
12	RTB Loan	Aug-95	Nov-17	737,100	737,100	737,100		53,321		6,177		
13												
14												
15												
16												
17												
18												
19												
20												
21												
22												
23												
24												
25												
26												
27												
28												
29												
30	Total			11,130,927	11,130,927	11,130,927	100.00	2,641,848		143,353		5.43%

Year: 2012

Cost of Preferred Stock

Line No.	Description (a)	Date of Issuance (b)	Method of Offering (c)	Call Redemption Price (d)	Par Value Of Issue (e)	Gross Proceeds Amounts (f)	Net Proceeds Amounts (g)	Net Proceeds Per \$100 (h)	Cost of Money (i)	Principal Outstanding (i)	Annual Cost (k)	Embedded Cost (l)
1												
2	None											
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: Project Telephone Company

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	N/A							
4								
5								
6								
7								
8	Month by Month Data:							
9	January							
10	February							
11	March							
12	April							
13	May							
14	June							
15	July							
16	August							
17	September							
18	October							
19	November							
20	December							
21								
22								
23								

Company Name: Project Telephone Company

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

Total Company Expense Matrix

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	*	Network Support Expense	9,298	6,067	5,232	256,631	(246,529)	30,700
2	^	Motor Vehicle Expense	9,298	6,067		236,826	(246,529)	5,662
3	^	Aircraft Expense						
4	^	Special Purpose Vehicles Expense			5,232	14,503		19,735
5	^	Garage Work Equipment Expense						
6	^	Other Work Equipment Expense						
7	*	General Support Expense	92,382	60,278	268,667	5,302		5,302
8	^	Land and Building Expense	72,391	47,235	207,808	117,869		539,197
9	^	Furniture and Artworks Expense			6,456	99,557		426,991
10	^	Office Equipment Expense				733		7,189
11	^	General Purpose Computers Expense	19,990	13,044	35,875	4,165		40,041
12	*	Central Office Switching Expense	205,570	134,133	18,528	13,415		64,977
13	^	Analog Electronic Expense						
14	^	Digital Electronic Expense						
15	^	Electro-Mechanical Expense	205,570	134,133		149,695		489,398
16	^	Operator Systems Expense						
17	*	Central Office Transmission Expense	81,703	53,641		410,389		545,734
18	^	Radio Systems Expense	728	805		4,053		5,587
19	^	Circuit Equipment Expense	80,975	52,836		406,336		540,147
20	*	Information Origination/Termination Expense						
21	^	Station Apparatus Expense						
22	^	Large Private Branch Exchange Expense						
23	^	Public Telephone Terminal Equipment Exp.						
24	^	Other Terminal Equipment Expense	547,046	356,944	489,463	256,605		1,650,057
25	*	Cable and Wire Facilities Expense			8,219			8,219
26	^	Poles Expense						
27	^	Aerial Cable Expense	19,495	12,720		12,400		44,615
28	^	Underground Cable Expense						
29	^	Buried Cable Expense	527,550	344,223	480,913	244,205		1,596,892
30	^	Submarine Cable Expense						
31	^	Deep Sea Cable Expense						
32	^	Intrabuilding Network Cable Expense						
33	^	Aerial Wire Expense						
34		Subtotals	935,999	611,063	763,031	1,191,190	(246,529)	3,254,754

^ Subaccount of the account marked with a *.

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)
35	^	Conduit Systems Expense			331			331
36		Other Property Expenses	35,308	23,038		30,682	(77,518)	11,510
37	*	Network Operations Expense	322,951	210,723		206,546	(83,312)	656,908
38	^	Power Expense				112,745		112,745
39	^	Network Administration Expense	6,918	4,514		20,874		32,306
40	^	Testing Expense	7,598	4,958		504		13,060
41	^	Plant Operations Expense	170,706	111,384		24,474	(43,114)	263,450
42	^	Engineering Expense	137,728	89,867		47,950	(40,198)	235,347
43		Access Expense				112,905		112,905
44		Depreciation - Telecomm. Plant in Service				1,482,536		1,482,536
45		Depreciation-Prop. for Future Telecom. Use						
46		Amortization Expense - Tangible						
47		Amortization Expense - Intangible						
48		Amortization - Other						
49	*	Marketing	51,455	33,574		7,581		92,610
50	^	Product Management						
51	^	Sales	31,214	20,367		5,742		57,323
52	^	Product Advertising	20,240	13,207		1,839		35,286
53		Call Completion Services				163		163
54		Number Services	1,729	1,128		561		3,419
55		Customer Services	123,157	80,359		134,701		338,217
56		Executive	27,196	17,745		59,071		104,013
57		Planning						
58		Accounting and Finance	97,757	63,786		121,397		282,940
59		External Relations	34,578	22,562		79,467		136,607
60		Human Relations	4,489	2,929		11,225		18,644
61		Information Management						
62		Legal				9,939		9,939
63		Procurement						
64		Research and Development						
65		Other General and Administrative	84,817	55,343		68,730		208,890
66		Provision for Uncollectible Notes Receivable						
67		Totals	1,719,436	1,122,251	763,362	3,516,696	(407,359)	6,714,386

^ Subaccount of the account marked with a *.

Total State Expense Matrix

Line No.	Acct. No. (a)	Description (b)	Salaries and Wages (c)	Benefits (d)	Rents (e)	Other Expenses (f)	Clearances (g)	Total (h)
1	*	Network Support Expense	9,298	6,067	5,232	256,631	(246,529)	30,700
2	^	Motor Vehicle Expense	9,298	6,067		236,826	(246,529)	5,662
3	^	Aircraft Expense						
4	^	Special Purpose Vehicles Expense			5,232	14,503		19,735
5	^	Garage Work Equipment Expense				5,302		5,302
6	^	Other Work Equipment Expense				117,678		538,125
7	*	General Support Expense	92,382	60,278	267,787	99,365		425,919
8	^	Land and Building Expense	72,391	47,235		733		7,189
9	^	Furniture and Artworks Expense				4,165		40,041
10	^	Office Equipment Expense				13,415		64,977
11	^	General Purpose Computers Expense	19,990	13,044	18,528	148,854		483,762
12	*	Central Office Switching Expense	202,669	132,240				
13	^	Analog Electronic Expense				148,854		483,762
14	^	Digital Electronic Expense						
15	^	Electro-Mechanical Expense						
16	^	Operator Systems Expense						
17	*	Central Office Transmission Expense	80,559	52,894		410,181		543,635
18	^	Radio Systems Expense	728	805		4,053		5,587
19	^	Circuit Equipment Expense	79,831	52,089		406,128		538,048
20	*	Information Origination/Termination Expense						
21	^	Station Apparatus Expense						
22	^	Large Private Branch Exchange Expense						
23	^	Public Telephone Terminal Equipment Exp.						
24	^	Other Terminal Equipment Expense						
25	*	Cable and Wire Facilities Expense	524,986	342,550	489,164	249,548		1,606,247
26	^	Poles Expense			8,219			8,219
27	^	Aerial Cable Expense	19,495	12,720		12,400		44,615
28	^	Underground Cable Expense						
29	^	Buried Cable Expense						
30	^	Submarine Cable Expense						
31	^	Deep Sea Cable Expense						
32	^	Intrabuilding Network Cable Expense	505,491	329,829	480,615	237,148		1,553,083
33	^	Aerial Wire Expense						
34		Subtotals	909,893	594,030	761,853	1,182,892	(246,529)	3,202,139

^ Subaccount of the account marked with a *

Total State Expense Matrix

Line No.	Acct. No. (a)	Description (b)	Salaries and Wages (c)	Benefits (d)	Rents (e)	Other Expenses (f)	Clearances (g)	Total (h)
35	^	Conduit Systems Expense			331			331
36		Other Property Expenses	35,308	23,038		30,682	(77,518)	11,510
37	*	Network Operations Expense	322,951	210,723		200,096	(83,312)	650,457
38	^	Power Expense				106,294		106,294
39	^	Network Administration Expense	6,918	4,514		20,874		32,306
40	^	Testing Expense	7,598	4,958		504		13,060
41	^	Plant Operations Expense	170,706	111,384		24,474	(43,114)	263,450
42	^	Engineering Expense	137,728	89,867		47,950	(40,198)	235,347
43		Access Expense				112,905		112,905
44		Depreciation - Telecomm. Plant in Service				1,474,460		1,474,460
45		Depreciation-Prop. for Future Telecom. Use						
46		Amortization Expense - Tangible						
47		Amortization Expense - Intangible						
48		Amortization - Other						
49	*	Marketing	51,455	33,574		7,581		92,610
50	^	Product Management						
51	^	Sales	31,214	20,367		5,742		57,323
52	^	Product Advertising	20,240	13,207		1,839		35,286
53		Call Completion Services				163		163
54		Number Services	1,729	1,128		561		3,419
55		Customer Services	123,157	80,359		134,701		338,217
56		Executive	27,196	17,745		59,071		104,013
57		Planning						
58		Accounting and Finance	97,757	63,786		121,397		282,940
59		External Relations	34,578	22,562		79,467		136,607
60		Human Relations	4,489	2,929		11,225		18,644
61		Information Management						
62		Legal				9,939		9,939
63		Procurement						
64		Research and Development						
65		Other General and Administrative	84,817	55,343		68,730		208,890
66		Provision for Uncollectible Notes Receivable						
67		Totals	1,693,331	1,105,217	762,183	3,493,872	(407,359)	6,647,244

^ Subaccount of the account marked with a *

Pension Costs

Year: 2012

1	Plan Name NTCA Savings Plan			
2	Defined Benefit Plan? _____	Defined Contribution Plan? _____		
3	Actuarial Cost Method? _____	IRS Code: _____		
4	Annual Contribution by Employer: 12% of W-2 Wages	Is the Plan Over Funded? _____		
5				
	Item	Current Year	Last Year	% Change
6	Change in Benefit Obligation			
7	Benefit obligation at beginning of year	N/A		#VALUE!
8	Service cost			
9	Interest Cost			
10	Plan participants' contributions			
11	Amendments			
12	Actuarial Gain			
13	Acquisition			
14	Benefits paid			
15	Benefit obligation at end of year			
16	Change in Plan Assets			
17	Fair value of plan assets at beginning of year	3313565	3018589	-8.90%
18	Actual return on plan assets			
19	Acquisition			
20	Employer contribution	158297.25	159319	0.65%
21	Plan participants' contributions	117252.59	135657	15.70%
22	Benefits paid			
23	Fair value of plan assets at end of year	3589114.84	3313565	-7.68%
24	Funded Status	3589114.84	3313565	-7.68%
25	Unrecognized net actuarial loss			
26	Unrecognized prior service cost			
27	Prepaid (accrued) benefit cost	3589114.84	3313565	-7.68%
28				
29	Weighted-average Assumptions as of Year End			
30	Discount rate			
31	Expected return on plan assets			
32	Rate of compensation increase			
33				
34	Components of Net Periodic Benefit Costs			
35	Service cost			
36	Interest cost			
37	Expected return on plan assets			
38	Amortization of prior service cost			
39	Recognized net actuarial loss			
40	Net periodic benefit cost			
41				
42	Montana Intrastate Costs:			
43	Pension Costs			
44	Pension Costs Capitalized			
45	Accumulated Pension Asset (Liability) at Year End			
46	Number of Company Employees:			
47	Covered by the Plan	22	20	-9.09%
48	Not Covered by the Plan	1	1	
49	Active	23	21	-8.70%
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	N/A		
7	Discount rate			
8	Expected return on plan assets			
9	Medical Cost Inflation Rate			
10	Actuarial Cost Method			
11	Rate of compensation increase			
12	List each method used to fund OPEBs (ie: VEBA, 401(h)) and if tax advantaged:			
13				
14				
15	Describe any Changes to the Benefit Plan:			
16				
17	TOTAL COMPANY			
18	Change in Benefit Obligation	N/A		
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	N/A		
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	N/A		#VALUE!
37	Unrecognized net actuarial loss			
38	Unrecognized prior service cost			
39	Prepaid (accrued) benefit cost			
40	Components of Net Periodic Benefit Costs	N/A		
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	N/A		
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:	N/A		
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	N/A		
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	N/A		
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	N/A		#VALUE!
27	Unrecognized net actuarial loss			
28	Unrecognized prior service cost			
29	Prepaid (accrued) benefit cost			
30	Components of Net Periodic Benefit Cccosts	N/A		
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	N/A		
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:	N/A		
47	Pension Costs			
48	Pension Costs Capitalized			
49	Accumulated Pension Asset (Liability) at Year End			
50	Number of Montana Employees:	N/A		
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	NISC	Data Services	212,880	212,880	212,880
2	MITS	Legal Services	21,785	21,785	21,785
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
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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	4609350	77.92%	5260350	78.36%
3	Interstate, IntraLATA	58591	0.99%	70960	1.06%
4	Total Interstate Usage	4667941	78.91%	5331310	79.42%
5	Intrastate, InterLATA	805089	13.61%	889300	13.25%
6	Intrastate, IntraLATA	442503	7.48%	492453	7.34%
7	Total Intrastate Usage	1247592	21.09%	1381753	20.58%
8	Total Toll Usage	5915533	100.00%	6713063	100.00%
9	Centrex				
10	Local				
11	Total Minutes	5915533	100.00%	6713063	100.00%

Central Office and Access Line Statistics

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	Absarokee	UD/DIG	1092		731	9		217				19		2059
2	Belfry	UD/DIG	168		111	5		24				5		308
3	Clark	RSU	221		151			43				4		419
4	Crow Agency	US/DIG	307		168	139		354				9		838
5	Fort Smith	RSU	190		96	16		94				2		382
6	Huntley	RSU	289		142	4		70				3		504
7	Lodge Grass	RSU	302		96	93		58				2		458
8	Pompeys Pillar	RSU	51		36	1		17				2		106
9	South Wyola	RSU	1					1				19		2
10	Worden	UD/DIG	478		256	18		113				1		866
11	Wyola	RSU	77		19	23		25						122
33	Total		3176		1806	308		1016				66		6064

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	Absarokee	Host	Digital	NTI	DMS10-SS	1,709	1985
2	Belfry	Host	Digital	NTI	DMS10-SS	4,036	1985
3	Clark	Remote	Digital	NTI	RSLE	354	1996
4	Crow Agency	Host	Digital	NTI	DMS10-SS	1,056	1994
5	Fort Smith	Remote	Digital	NTI	RSLE	363	1994
6	Huntley	Remote	Digital	NTI	RSLE	597	1996
7	Lodge Grass	Remote	Digital	NTI	RSLE	669	1994
8	Worden	Remote	Digital	NTI	DMS10-SS	1,524	1985
9	Wyola	Host	Digital	NTI	RSLE	171	1994
10	Nye	Remote	Digital	NTI	RSLE	335	1985
11	Roscoe	Remote	Digital	NTI	RSLE	251	1996
12	Dean	Remote	Digital	NTI	RSLE	160	1996
13							
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48							

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

Construction Budget - Montana

Year: 2013

Line No.	Description (a)	2013 (b)
1	Central Office Assets:	
2		
3	Calix Electronics VoIP Migration	730804
4		
5		
6		
7		
8		
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24		
25		
26		
27	Total Switching and Central Office Projects over \$500,000	
28	Miscellaneous Central Office Projects not over \$500,000	
29	Total Central Office Budget (Total of Line 27 & Line 28)	
30	Other Projects over \$500,000:	
31		
32	Last Mile Stimulus	815561
33	General Work Order Projects	500000
34		
35		
36		
37		
38		
39		
40		
41	Total Other Projects over \$500,000	
42	Miscellaneous projects not over \$500,000	
43	Total Construction Budget (Total of Lines 29, 41 & 42)	

Montana Total State Construction Expenditures

Line No.	FCC Part 32 Account No. (a)	Description (b)	This Year (c)	Last Year (d)	Percent Change (e)
1	2110	General Support Assets	134,160	58,576	129.04%
2	2210	Central Office Assets	598,215	3,532	16837.00%
3	2220	Operator Systems			
4	2230	Central Office Transmission	447,100	442,111	1.13%
5	2310	Information/Termination Assets			
6	2410	Cable and Wire Facilities Assets	1,818,231	810,295	124.39%
7	2680	Amortizable Tangible Assets			
8	2690	Intangibles			
9		Total Construction Expenditures	2,997,706	1,314,514	128.05%

Montana Employee Counts

Year: 2012

Line No.	Category (a)	Beginning of Year (b)	End of Year (c)
1	Central Office Tech	3	3
2	Combination Tech	7	8
3	Construction Tech	3	3
4	Custodian	2	2
5	Customer Service Specialist	3	4
6	Right of Way Clerk	1	1
7	Plant Supervisor	1	1
8	Engineer	1	1
9			
10			
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42			
43	Totals (Sum of Lines 1 through 42)	21	23

Compensation of Top 10 Montana Based Employees

Year: 2012

Line No.	Name/Title (a)	Base Salary (b)	Bonuses (c)	Other Compensation (d)	Total Compensation (e)	Total Compensation Last Year (f)	% Increase Total Compensation (g)
1	N/A						
2							
3							
4							
5							
6							
7							
8							
9							
10							
11	Totals (Sum L.1 to L.10)						

Compensation of Top 5 Corporate Employees - SEC Information

Line No.	Name/Title (a)	Base Salary (b)	Bonuses (c)	Other Compensation (d)	Total Compensation (e)	Total Compensation Last Year (f)	% Increase Total Compensation (g)
1	N/A						
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	39,215,737
3	2003 - 2004	Construction Work in Progress	2,163,271
4	2005	Plant Acquisition Adjustments	
5	2002	Plant Held for Future Use	
6	1220	Materials & Supplies	
7		(Less):	
8	3100 - 3400	Depreciation & Amortization Reserves	20,909,185
9	4360.2	Contributions in Aid of Construction	
10		NET BOOK COSTS	62,288,193
11		Revenues & Expenses (Intrastate Only) (000 Omitted)	
12	5000 - 5300	Operating Revenues	8,223,155
13	6560	Depreciation & Amortization Expenses	1,482,536
14		Federal & State Income Taxes	311,119
15		Other Taxes	313,887
16		Other Operating Expenses	5,231,850
17		TOTAL Operating Expenses	7,339,392
18		Net Operating Income	883,763
19		Other Income	4,139,436
20		Other Deductions	136,705
21		NET INCOME	4,886,494
22		Access Lines in Service (Intrastate Only)	
23		Residential Access Lines	3176
24		Business Access Lines	1016
25		PBX Access Lines	
26		Other Access Lines	1872
27		Total Number of Access Lines	6064
28		Average Number of Calls Per Access Line	
29		Local Calls	2900153
30		Toll Calls (Intra- or Interstate)	3580436
31		Total Number of Calls Per Access Line (Total of Line 29 & Line 30 divided by Line 27)	6480589 1018
32		Other Statistics (Intrastate Only)	
33		Average Residential Monthly Bill	44.44
34		Gross Plant Investment per Access Line	6,467

Depreciation - Montana Intrastate Regulated

Year: 2012

Line No.	Acct No. (a)	Description (b)	Composite Rate % (c)	Total Expense \$ (d)
1	2112	Motor Vehicles	25.0%	115,641
2	2114	Special Purpose Vehicles	8.0%	16,100
3	2115	Garage Work Equipment		
4	2116	Other work Equipment	8.0%	16,457
5	2121	Buildings	3.1%	77,036
6	2122	Furniture	7.5%	528
7	2123.1	Office Support Equipment	7.5%	4,333
8	2123.2	Company Communications Equipment		
9	2124	General Purpose Computers		
10	2211	Analog Electronic Switching Equipment		
11	2212	Digital Electronic Switching Equipment	8.2%	8,405
12	2215	Step By Step Switching Equipment		
13	2215	Crossbar Switching Equipment		
14	2220	Operator System		
15	2231	Radio Systems	8.2%	18,294
16	2232	Circuit DDS	6.5%	418,837
17	2232	Circuit Digital		
18	2232	Circuit Analog		
19	2351	Public Telephone Terminating Equipment		
20	2362	Other Terminal Equipment		
21	2411	Poles		
22	2421	Aerial Cable Metallic	9.2%	(844)
23	2421	Aerial Cable Nonmetallic		
24	2422	Underground Cable Metallic	9.2%	8,775
25	2422	Underground Cable Nonmetallic	9.2%	5,730
26	2423	Buried Cable Metallic	3.3%	524,304
27	2423	Buried Cable Nonmetallic	4.0%	150,052
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	4.0%	30,813
34				
35		COMPOSITE TOTAL		1,394,460
36	<p>Please list the Montana Public Service Commission Docket Order No. approving these depreciation rates</p> <p>Docket Number _____ Order Number _____</p>			
37				
38				
39				
40				

Amortization - Montana Intrastate Regulated

Year: 2012

Line No.	Acct No. (a)	Description (b)	Composite Rate % (c)	Total Expense \$ (d)
1				
2				
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34				
35		COMPOSITE TOTAL		
36	<p>Please list the Montana Public Service Commission Docket Order No. approving these amortization rates</p> <p>Docket Number _____ Order Number _____</p>			
37				
38				
39				
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			
5	Preferred Stock			
6	Long Term Debt			
7	Other			
8	Total			
Actual at Year End				
10				
11				
12	Common Equity	95.00%	7.490%	7.116%
13	Preferred Stock			
14	Long Term Debt	5.00%	5.500%	0.275%
15	Other			
16	Total	100.00%		7.391%

Network Access - Charges and Revenues

Year: 2012

Line No.	Description (a)	Access Charges Paid (b)	Access Revenues Received (c)
1	Montana - Total State		3,455,842
2			
3	Montana - Intrastate		3,455,842
4			
5	Montana - Intrastate Regulated		3,455,842
6			
7			
8			
9			
10			
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12			
13			

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	Nemont Communications	Computer Leases	Lease Agreement	18,528	0.1%	
2	Nemont Communications	Building Lease	Lease Agreement	206,582	1.5%	
3	Nemont Communications	Other Office & Comm Eq	Lease Agreement	46,884	0.3%	
4	Nemont Communications	Fiber Lease	Lease Agreement	622,051	4.5%	
5	Nemont Telephone Coop	Management Lease	Lease Agreement	933,328	4.8%	
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29						
30	TOTAL			\$1,827,373		

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	N/A					
2						
3						
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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	37,009,378	37,038,984	-0.08%
3	2002 Prop. Held for Future Telecommunications Use			
4	3100-3200 (Less) Accumulated Depreciation	(19,961,691)	(20,657,721)	3.37%
5	Plant in Service	17,047,687	16,381,263	4.07%
6				
7	Additions			
8	1220 Materials & Supplies	1,054,643	933,061	13.03%
9	1280 Prepayments	240,550		
10	Other Additions			
11	TOTAL Additions	1,295,193	933,061	38.81%
12				
13	Deductions			
14	4100 Current Deferred Operating Income Taxes			
15	4320 Unamortized Operating Investment Tax Credits		3,442	-100.00%
16	4340 Noncurrent Deferred Operating Income Taxes	2,205,297	2,329,436	-5.33%
17	Customer Advances for Construction			
18	Other Deductions			
19	TOTAL Deductions	2,205,297	2,332,878	-5.47%
20	TOTAL Rate Base	16,137,583	14,981,446	7.72%
21				
22	Net Earnings	4,962,430	3,297,405	50.50%
23				
24	Rate of Return on Average Rate Base			
25				
26	Rate of Return on Average Equity			
27				
28	Major Normalizing Adjustments & Commission			
29	<u>Ratemaking adjustments to Utility Operations</u>			
30				
31				
32				
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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	10,680	15,180
3	Montana Consumer Counsel Tax	3,284	4,618
4	911 Emergency Telephone Fee	78,980	68,613
5	Montana Telecommunications Access Service (TDD)	7,186	6,845
6	Montana Corporate License Tax	15	
7	Personal Property Tax		
8	Real Property Tax	278,323	286,357
9			
10			
11			
12	Total	378,468	381,614

Universal Service Funds Received

Year: 2012

Line No.	Description (a)	Last Year (b)	This Year (c)
13	Funds received from Montana Sources	1363785	1619941
14	Funds received from Federal Sources	113630	126220
15			
16			
17			
18			
19			
20			
21			
22			
23			
24	Total	1477415	1746161