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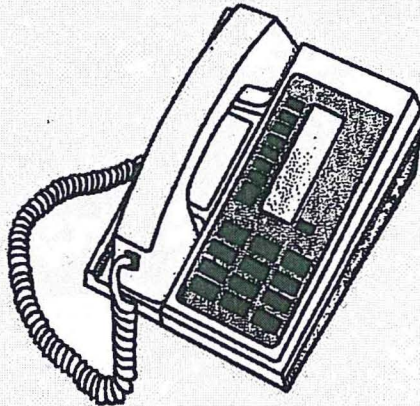
YEAR ENDING 2013

PUBLIC SERVICE
COMMISSION

ANNUAL REPORT OF

Citizens Tele Company of Montana

TELEPHONE UTILITY



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

General Information

Year: 2013

1	Legal Name of Respondent:	Citizens Telecommunications Company of Montana
2	Name Under Which Respondent Does Business:	Frontier Communications of Montana
3	Date of Incorporation:	07/07/93
4	Address to send Correspondence Concerning Report:	100 CTE Drive Dallas, PA 18612
5	Person Responsible for This Report:	Jessica Matushek
5a.	Telephone Number:	570 - 631 - 5003
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:	Frontier Communications Corporation 3 High Ridge Park Stamford, CT 06905
	1b. Means by which control was held:	Common Stock
	1c. Percent Ownership:	100%

Board of Directors		
Line No.	Name of Director and Address (City, State) (a)	Fees Paid During Year (b)
1	Mary Agnes Wilderotter 3 High Ridge Park, Stamford, CT. 06905	None
2	Daniel J. McCarthy 3 High Ridge Park, Stamford, CT. 06905	None
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18	Chairman of the Board:	
19	Mary Agnes Wilderotter	
20		

Officers

Year: 2013

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	Chairman		Mary Agnes Wilderotter
2	President & C.O.O.		Daniel J. McCarthy
3	V.P. & C.F.O.		John Jureller
4	VP & General Counsel and Secretary		Andrew D. Crain
5	V.P. & Treasurer		Robert W. Starr
6	VP, Tax		George McArthur
7	V.P Engineering		Michael Golob
8	V.P. Regulatory		Kenneth Mason
9	VP, Corporate Development		Heath Simpson
10	V.P. and General Counsel		Andrew D. Crain
11	VP, Area President		Kenneth Arndt
12	VP, Area President		Melinda White
13	VP, Area President		Rhonda Lutzke
14	VP, Area President		John Lass
15	Assistant Secretary		David G Schwartz
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Total Company Balance Sheet

Year: 2013

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		CURRENT ASSETS:		
2	1120	Cash and Equivalents	400	400
3	1180	Telecommunications Accounts Receivable - Net	445,128	489,630
4	1190	Other Accounts Receivable - Net	(431,272)	(2,837,444)
5	1200	Notes Receivable - Net		
6	1210	Interest and Dividends Receivable		
7	1220	Materials and Supplies	6,867	13,969
8	* 1280	Prepayments		
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	21,123	(2,333,446)
16		NONCURRENT ASSETS:		
17	1401	Investments in Affiliated Companies	12,567,303	13,293,358
18	1402	Investments in Nonaffiliated Companies		
19	1406	Nonregulated Investments	41,181	256
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	12,608,484	13,293,614
27		PROPERTY, PLANT, & EQUIPMENT:		
28	2001	Telecommunications Plant in Service	32,973,787	32,678,631
29	2002	Property Held for Future Telecommunications Use		
30	2003	Plant Under Construction - Short Term	530,425	124,418
31	2004	Plant Under Construction - Long Term		
32	2005	Telecommunications Plant Adjustment	14,619,967	14,619,967
33	2006	Nonoperating Plant		
34	2007	Goodwill		
35	3100	Accumulated Depreciation	(28,740,214)	(27,315,272)
36	3200	Accumulated Depreciation - Held for Future Use		
37	3300	Accumulated Depreciation - Nonoperating		
38	3400	Accumulated Amortization	(11,385,546)	(10,953,659)
39		Net Property, Plant, & Equipment	7,998,419	9,154,085
40		TOTAL ASSETS	20,628,026	20,114,254

^ Subaccount of account marked with a *.

Total Company Balance Sheet

Year: 2013

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
41		CURRENT LIABILITIES:		
42	4010	Accounts Payable	60,192	102,733
43	4020	Notes Payable		
44	4030	Advance Billing and Payments	246,839	265,125
45	4040	Customer Deposits	2,992	3,479
46	4050	Current Maturities - Long Term Debt		
47	4060	Current Maturities - Capital Leases		
48	4070	Income Taxes - Accrued		
49	4080	Other Taxes - Accrued	1,186	(23,163)
50	4100	Net Current Deferred Operating Income Taxes		
51	4110	Net Current Deferred Nonoperating Income Taxes		
52	4120	Other Accrued Liabilities	26,696	23,229
53	4130	Other Current Liabilities	85,116	1,053
54		Total Current Liabilities	423,022	372,455
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	5,210,937	5,563,196
69	4350	Net Noncurrent Deferred Nonoper. Income Taxes		
70	4360	Other Deferred Credits	11,815	12,558
71	4370	Other Jurisdictional Liab. and Def. Credits		
72		Total Other Liabilities and Deferred Credits	5,222,752	5,575,754
73		STOCKHOLDERS' EQUITY:		
74	4510	Capital Stock	1,000	1,000
75	4520	Additional Paid-In Capital		
76	4530	Treasury Stock		
77	4540	Other Capital		
78	4550	Retained Earnings	14,981,252	14,165,044
79		Total Stockholders' Equity	14,982,252	14,166,044
80		TOTAL LIAB. AND STOCKHOLDERS' EQUITY	20,628,026	20,114,254

Total Company Income Statement

Year: 2013

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		REVENUES:		
2	5000	Basic Local Service Revenues	2,058,156	2,156,004
3	5080	Network Access Revenues	2,780,871	3,523,079
4	* 5100	Long Distance Message Revenue	237	(512)
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	208,352	228,610
10	^ 5230	Directory Revenue	22,761	24,077
11	^ 5240	Rent Revenue	15,636	9,061
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	33,172	51,961
14	^ 5270	Carrier Billing and Collection Revenue	136,783	143,511
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	15,115	49,228
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)	5,032,501	5,857,953
18		OPERATING EXPENSES:		
19	6110	Network Support Expense	39,382	(371)
20	6120	General Support Expense	261,632	292,995
21	6210	Central Office Switching Expense	143,395	129,426
22	6220	Operator Systems Expense	403	534
23	6230	Central Office Transmission Expense	103,882	95,201
24	6310	Information Origination/Termination Expense	733	7,908
25	* 6410	Cable and Wire Facilities Expense	340,297	527,309
26	^ 6431	Aerial Wire Expense		
27	^ 6441	Conduit Systems Expense		
28	6510	Other Property, Plant & Equipment Expense	1,047	(785)
29	6530	Network Operations Expense	596,709	436,451
30	6540	Access Expense	129,093	150,380
31	6560	Depreciation and Amortization Expense	1,865,970	2,200,554
32	6610	Marketing	353,084	246,590
33	6620	Services	515,861	393,778
34	6710	Executive and Planning	57,331	58,508
35	6720	General and Administrative	373,476	299,710
36	6790	Provision for Uncollectible Notes Receivable		
37		Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)	4,782,296	4,838,188
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	854,340	1,072,847
40		Net Operating Income (L.17-L.37+L.38-L.39)	(604,135)	(53,082)
41	7300	Nonoperating Income and Expense	8,139	(1,397)
42	7400	Nonoperating Taxes		
43	7500	Interest and Related Items	32	63
44	7600	Extraordinary Items		
45	7910	Effects of Juris. Ratemaking Diff. - Net		
46	7990	Nonregulated Net Income	(1,412,235)	(1,190,311)
47		NET INCOME (L.40+L.41-L.42-L.43-L.44+L.45-L.46)	816,207	1,135,769

^ Subaccount of the account marked with a *.

Montana Total State Income Statement

Year: 2013

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

^ Subaccount of the account marked with a *.

Montana Intrastate Income Statement

Year: 2013

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		REVENUES:		
2	5000	Basic Local Service Revenues	2,058,156	2,156,004
3	5080	Network Access Revenues	470,705	828,893
4	* 5100	Long Distance Message Revenue	237	(512)
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	138,386	154,952
10	^ 5230	Directory Revenue	22,761	24,077
11	^ 5240	Rent Revenue	15,636	9,061
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	33,172	51,961
14	^ 5270	Carrier Billing and Collection Revenue	66,817	69,853
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	15,115	49,228
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)	2,652,369	3,090,109
18		OPERATING EXPENSES:		
19	6110	Network Support Expense	26,461	(244)
20	6120	General Support Expense	175,791	192,966
21	6210	Central Office Switching Expense	96,347	85,240
22	6220	Operator Systems Expense	271	352
23	6230	Central Office Transmission Expense	69,798	62,699
24	6310	Information Origination/Termination Expense	492	5,208
25	* 6410	Cable and Wire Facilities Expense	228,645	347,285
26	^ 6431	Aerial Wire Expense		
27	^ 6441	Conduit Systems Expense		
28	6510	Other Property, Plant & Equipment Expense	735	(517)
29	6530	Network Operations Expense	418,950	287,272
30	6540	Access Expense	75,933	88,453
31	6560	Depreciation and Amortization Expense	1,340,513	1,580,878
32	6610	Marketing	208,920	145,908
33	6620	Services	360,019	293,758
34	6710	Executive and Planning	38,910	39,388
35	6720	General and Administrative	253,478	201,765
36	6790	Provision for Uncollectible Notes Receivable		
37		Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)	3,295,264	3,330,411
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	564,804	706,148
40		Net Operating Income (L.17-L.37+L.38-L.39)	(1,207,699)	(946,450)

^ Subaccount of the account marked with a *.

Montana Intrastate Regulated Income Statement

Year: 2013

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		REVENUES:		
2	5000	Basic Local Service Revenues	2,058,156	2,335,572
3	5080	Network Access Revenues	470,705	971,228
4	* 5100	Long Distance Message Revenue	237	684
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	138,386	145,103
10	^ 5230	Directory Revenue	22,761	26,942
11	^ 5240	Rent Revenue	15,636	6,337
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	33,172	38,848
14	^ 5270	Carrier Billing and Collection Revenue	66,817	72,976
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	15,115	62,482
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)	2,652,369	3,390,105
18		OPERATING EXPENSES:		
19	6110	Network Support Expense	16,746	4,728
20	6120	General Support Expense	131,838	205,785
21	6210	Central Office Switching Expense	96,347	60,354
22	6220	Operator Systems Expense	271	3,184
23	6230	Central Office Transmission Expense	66,871	107,599
24	6310	Information Origination/Termination Expense	2	444
25	* 6410	Cable and Wire Facilities Expense	228,645	290,127
26	^ 6431	Aerial Wire Expense		
27	^ 6441	Conduit Systems Expense		
28	6510	Other Property, Plant & Equipment Expense	558	2
29	6530	Network Operations Expense	412,315	341,075
30	6540	Access Expense	66,640	116,320
31	6560	Depreciation and Amortization Expense	1,313,078	1,527,525
32	6610	Marketing	123,554	57,527
33	6620	Services	32,907	246,352
34	6710	Executive and Planning	30,541	82,914
35	6720	General and Administrative	200,610	381,720
36	6790	Provision for Uncollectible Notes Receivable		
37		Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)	2,720,925	3,425,655
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	428,278	550,965
40		Net Operating Income (L.17-L.37+L.38-L.39)	(496,833)	(586,516)

^ Subaccount of the account marked with a *.

Average Rate Base - Total State

Year: 2013

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	32,826,209	32,760,879
2	3100	Accumulated Depreciation	28,027,743	26,675,641
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies	10,418	12,186
6	4340	Noncurrent Deferred Operating Income Taxes	5,387,067	5,497,766
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)	(578,183)	599,658

Average Rate Base - Intrastate

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	21,701,407	21,563,211
2	3100	Accumulated Depreciation	18,495,508	17,544,569
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies	7,719	9,028
6	4340	Noncurrent Deferred Operating Income Taxes	2,301,894	2,348,096
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)	911,724	1,679,574

Average Rate Base - Regulated Intrastate

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	21,154,531	21,101,758
2	3100	Accumulated Depreciation	18,049,766	17,160,343
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies	7,524	8,834
6	4340	Noncurrent Deferred Operating Income Taxes	550,843	586,554
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)	2,561,446	3,363,695

Statement of Cash Flows

Year: 2013

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		816,207
4	Reconciliation Adjustments:	1,856,829	
5	Depreciation & Amortization		
6	Provision for Accounts Receivable Losses		
7	Deferred Income Taxes - Net	(352,259)	
8	Unamortized Investment Tax Credits (ITCs) - Net		
9	Allowance for Funds Used During Construction (AFUDC)		
10	Change in Operating Receivables - Net	(2,361,670)	
11	Change in Materials, Supplies & Inventories - Net	7,102	
12	Change in Operating Payables & Accrued Liabilities - Net	50,567	
13	Change in Other Assets & Deferred Credits - Net		
14	Change in Other Liabilities & Deferred Credits - Net	(743)	
15	Other (explained on back of this page)		
16	Total Adjustments		(800,174)
17	Net Cash Provided by/(Used in) Operating Activities		16,033
18	Cash Inflows/Outflows From Investing Activities:		
19	Construction/Acquisition of Property, Plant & Equipment (net of		
20	AFUDC & Capital Lease Related Acquisitions)	(701,163)	
21	Proceeds from Disposals of Property, Plant & Equipment		
22	Investments In & Advances to Affiliates	685,130	
23	Proceeds from Repayment of Advances		
24	Other Investing Activities (explained on back of this page)		
25	Net Cash Provided by/(Used in) Investing Activities		(16,033)
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		
36	Other Financing Activities (explained on back of this page)		
37	Net Cash Provided by Financing Activities		
38	Effect of Exchange Rate Changes on Cash		
39	Net Increase/(Decrease) in Cash & Cash Equivalents		(0)
40	Cash & Cash Equivalents at Beginning of Period		400
41	Cash & Cash Equivalents at End of Period		400

Receivables and Investments-Affiliated & Nonaffiliated Companies

Year: 2013

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	Various		454,449	(9,322)	(415,622)	(15,651)				12,567,303	
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30	Totals		454,449	(9,322)	(415,622)	(15,651)				12,567,303	

Net Plant in Service - Detail

Year:2013

Line No.	Account (a)	Description (b)	Beginning of Year Balance (c)	Additions (d)	Retirements (e)	Sales & Transfers (f)	End of Year Account 2001 Balance (g)	Year End Accumulated Depreciation (h)	End of Year Net Plant Balance (i)
1	* 2110	Land and Support Assets	2,658,440				2,658,440	1,862,904	795,536
2	^ 2111	Land	76,722				76,722		76,722
3	^ 2112	Motor Vehicles	484,566				484,566	333,472	151,094
4	^ 2113	Aircraft							
5	^ 2114	Special Purpose Vehicles	53,233				53,233	64,505	(11,272)
6	^ 2115	Garage Work Equipment							
7	^ 2116	Other Work Equipment	254,630				254,630	181,836	72,794
8	^ 2121	Buildings	1,758,703				1,758,703	1,250,630	508,073
9	^ 2122	Furniture	4,208				4,208	(1,838)	6,046
10	^ 2123	Office Equipment							
11	^ 2124	General Purpose Computers	26,378				26,378	34,299	(7,921)
12	2211	Analog Electronic Switching							
13	2212	Digital Electronic Switching	3,408,461				3,408,461	2,991,552	416,909
14	2215	Electro-Mechanical Switching							
15	2220	Operator Systems							
16	2231	Radio Systems	1,405,105				1,405,105	1,394,367	10,738
17	2232	Circuit Equipment	6,085,802	155,749			6,241,551	5,953,684	287,867
18	* 2310	Information Orig & Term Equip	129,749				129,749	159,649	(29,900)
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	129,749				129,749	159,649	(29,900)
24	2411	Poles	789,048	30,905			819,953	798,380	21,573
25	* 2420	Cable and Wire Facilities	18,006,710	114,544	(6,041)		18,115,213	15,388,538	2,726,675
26	^ 2421	Aerial Cable	3,558,270	11,759	(1,502)		3,568,527	4,167,887	(599,360)
27	^ 2422	Underground Cable	163,463				163,463	149,336	14,127
28	^ 2423	Buried Cable	14,284,977	102,785	(4,539)		14,383,223	11,071,315	3,311,908
29	^ 2424	Submarine Cable							
30	^ 2425	Deep Sea Cable							
31	^ 2426	Intrabuilding Network Cable							
32	2431	Aerial Wire	45,109				45,109	101,410	(56,301)
33	2441	Conduit Systems	150,208				150,208	89,730	60,478
34		Totals	32,678,632	301,198	(6,041)		32,973,789	28,740,214	4,233,575

^ Subaccount of the account marked with a *.

Company Name: Citizens Telecommunications Company of Montana

SCHEDULE 12

Analysis of Plant Held for Future Use

Year:2013

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							
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10							
11							
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20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30	Totals (Sum L.1 to L.29)						

Company Name: Citizens Telecommunications Company of Montana

SCHEDULE 13

Average Cost of Long Term Debt

Year: 2013

Line No.	Description (a)	Issue Date (b)	Maturity Date (c)	Principal Amount (d)	Gross Proceeds (e)	Net Proceeds (f)	Net Per \$100 (g)	Outstanding Per Balance Sheet (h)	Yield to Maturity (i)	Annual Net Cost (j)	Amortization of Premium or Discount (k)	Total Cost (%) (l)
1	n/a											
2												
3												
4												
5												
6												
7												
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9												
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25												
26												
27												
28												
29												
30	Total											

Company Name: Citizens Telecommunications Company of Montana

SCHEDULE 14

Cost of Preferred Stock

Year:2013

Line No.	Description (a)	Date of Issuance (b)	Method of Offering (c)	Call Redemption Price (d)	Par Value Of Issue (e)	Gross Proceeds Amounts (f)	Net Proceeds Amounts (g)	Net Proceeds Per \$100 (h)	Cost of Money (i)	Principal Outstanding (j)	Annual Cost (k)	Embedded Cost (l)
1	n/a											
2												
3												
4												
5												
6												
7												
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9												
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24												
25												
26												
27												
28												
29												
30	Totals (Sum L.1 to L.29)											

Analysis of Common Stock

Year: 2013

Line No.	(a)	Avg. Number of Shares Outstanding (b)	Book Value (per share) (c)	Earnings (per share) (d)	Dividends (per share) (e)	Retention Ratio (f)	Market Price		Price/Earnings Ratio (i)
							High (g)	Low (h)	
1	Year Ended December 31:	100**							
2									
3									
4		**Frontier Communications Corporation owns 100 shares, 100% of the outstanding common stock of CTC MT.							
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: Citizens Telecommunications Company of Montana

SCHEDULE 16

Capital Stock and Funded Debt Reacquired or Retired During the Year

Year:2013

Line No.	Description of Security (a)	Call or Retirement Date (b)	Number of Shares (c)	Principal Amount (d)	Reacquisition or Retirement Cost (e)	Gain or (Loss) (f)	Retirement or Reacquisition (g)
1	n/a						
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
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19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30	Totals (Sum L.1 to L.29)						

Total Company Expense Matrix

Year:2013

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	996	663	19	37,704		39,382
2	^ 6112	Motor Vehicle Expense	996	663	19	34,062		35,740
3	^ 6113	Aircraft Expense						
4	^ 6114	Special Purpose Vehicles Expense				11		11
5	^ 6115	Garage Work Equipment Expense				0		0
6	^ 6116	Other Work Equipment Expense				3,631		3,631
7	* 6120	General Support Expense	15,512	9,007	6,937	230,177		261,633
8	^ 6121	Land and Building Expense	14,214	8,310	6,102	83,389		112,016
9	^ 6122	Furniture and Artworks Expense				1,215		1,215
10	^ 6123	Office Equipment Expense			835	4,393		5,228
11	^ 6124	General Purpose Computers Expense	1,298	697	0	141,180		143,174
12	* 6210	Central Office Switching Expense	29,162	13,178		101,055		143,395
13	^ 6211	Analog Electronic Expense						
14	^ 6212	Digital Electronic Expense	29,162	13,178		101,055		143,395
15	^ 6215	Electro-Mechanical Expense						
16	6220	Operator Systems Expense				403		403
17	* 6230	Central Office Transmission Expense	69,653	31,079		3,150		103,882
18	^ 6231	Radio Systems Expense	15,515	7,273				22,788
19	^ 6232	Circuit Equipment Expense	54,138	23,806		3,150		81,094
20	* 6310	Information Origination/Termination Expense	417	161		155		733
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	417	161		155		733
25	* 6410	Cable and Wire Facilities Expense	179,555	78,549	53,810	28,382		340,297
26	^ 6411	Poles Expense			53,810	10,319		64,130
27	^ 6421	Aerial Cable Expense	68,143	30,589		12,181		110,913
28	^ 6422	Underground Cable Expense				916		916
29	^ 6423	Buried Cable Expense	111,412	47,960		4,966		164,338
30	^ 6424	Submarine Cable Expense						
31	^ 6425	Deep Sea Cable Expense						
32	^ 6426	Intrabuilding Network Cable Expense						
33	^ 6431	Aerial Wire Expense						
34		Subtotals	295,294	132,638	60,767	401,026		889,725

^ Subaccount of the account marked with a *.

Total Company Expense Matrix

Line No.	Acct. No. (a)	Description (b)	Salaries and Wages (c)	Benefits (d)	Rents (e)	Other Expenses (f)	Clearances (g)	Total (h)
35	^ 6441	Conduit Systems Expense						
36	6510	Other Property Expenses	226	821				1,047
37	* 6530	Network Operations Expense	188,210	70,715		337,785		596,709
38	^ 6531	Power Expense				31,439		31,439
39	^ 6532	Network Administration Expense	62,855	31,617		40,959		135,430
40	^ 6533	Testing Expense	4,768	2,143		(1)		6,910
41	^ 6534	Plant Operations Expense	115,461	30,510		262,256		408,227
42	^ 6535	Engineering Expense	5,127	6,445		3,131		14,703
43	6540	Access Expense				129,093		129,093
44	6561	Depreciation - Telecomm. Plant in Service				1,434,083		1,434,083
45	6562	Depreciation-Prop. for Future Telecom. Use						
46	6563	Amortization Expense - Tangible						
47	6564	Amortization Expense - Intangible						
48	6565	Amortization - Other				431,887		431,887
49	* 6610	Marketing	115,841	40,014		197,229		353,084
50	^ 6611	Product Management	20,248	8,583		10,374		39,205
51	^ 6612	Sales	95,596	31,430		76,157		203,184
52	^ 6613	Product Advertising	(3)			110,698		110,696
53	6621	Call Completion Services	10,815	5,574		2,515		18,903
54	6622	Number Services	523	256		16		795
55	6623	Customer Services	306,005	134,044		56,114		496,162
56	6711	Executive	14,238	26,645		7,231		48,114
57	6712	Planning	5,482	1,951		1,784		9,217
58	6721	Accounting and Finance	35,312	13,389		21,254		69,955
59	6722	External Relations	10,974	4,734		19,433		35,141
60	6723	Human Relations	19,255	7,202		5,194		31,651
61	6724	Information Management	42,959	30,217	1,735	76,063		150,974
62	6725	Legal	5,389	1,437		20,496		27,321
63	6726	Procurement	3,304	1,638		(600)		4,343
64	6727	Research and Development						
65	6728	Other General and Administrative	6,909	6,987	3,885	36,309		54,090
66	6790	Provision for Uncollectible Notes Receivable						
67		Totals	1,060,735	478,263	66,387	3,176,912		4,782,296

^ Subaccount of the account marked with a *.

Total State Expense Matrix

Line No.	Acct. No. (a)	Description (b)	Salaries and Wages (c)	Benefits (d)	Rents (e)	Other Expenses (f)	Clearances (g)	Total (h)
1	*	6110 Network Support Expense	same as Schedule 17					
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: Citizens Telecommunications Company of Montana

SCHEDULE 18

Page 2 of 2

Year:2013

Total State Expense Matrix

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

^ Subaccount of the account marked with a *.

Pension Costs

Year: 2013

1	Plan Name			
2	Defined Benefit Plan? _____	Defined Contribution Plan? _____		
3	Actuarial Cost Method? _____	IRS Code: _____		
4	Annual Contribution by Employer: _____	Is the Plan Over Funded? _____		
5				
	Item	Current Year	Last Year	% Change
6	Change in Benefit Obligation			
7	Benefit obligation at beginning of year	1,944,731,000	1,799,313,000	8.08%
8	Service cost	47,651,000	43,688,000	9.07%
9	Interest Cost	75,812,000	78,027,000	-2.84%
10	Plan Change			
11	PBO of Acquired Business & Actuarial Adj. To Plan			
12	Actuarial (Gain)/ Loss	(180,709,000)	196,304,000	-192.06%
13	Benefits paid	(54,151,000)	(172,601,000)	-68.63%
14	Special Termination Benefits and Other	(164,608,000)		#DIV/0!
15	Benefit obligation at end of year	1,668,726,000	1,944,731,000	-14.19%
16	Change in Plan Assets			
17	Fair value of plan assets at beginning of year	1,253,666,000	1,257,990,000	-0.34%
18	Actual return on plan assets	119,328,000	139,679,000	-14.57%
19	Fair value of plan assests for Acquired Business			
20	Employer contribution	62,290,000	28,598,000	
21	Plan participants' contributions			
22	Benefits paid	(54,151,000)	(172,601,000)	-68.63%
23	Fair value of plan assets at end of year	1,216,525,000	1,253,666,000	-2.96%
24	Funded Status	(452,201,000)	(518,308,675)	-12.75%
25	Unrecognized net actuarial loss			
26	Unrecognized prior service cost			
27	Prepaid (accrued) benefit cost	(452,201,000)	(518,308,675)	-12.75%
28				
29	Weighted-average Assumptions as of Year End			
30	Discount rate	4.00%	4.50%	11.11%
31	Expected return on plan assets	8.00%	7.75%	-3.13%
32	Rate of compensation increase	2.50%	2.50%	
33	Components of Net Periodic Benefit Costs			
34	Service cost	47,651,000	43,688,000	-9.07%
35	Special Termination Charge and Other			
36	Interest cost	75,812,000	78,027,000	2.84%
37	Expected return on plan assets	(94,695,000)	(95,778,000)	-1.13%
38	Amortization of prior service cost	8,000	(199,000)	-104.02%
39	Amortization of unrecognized loss	36,930,000	29,890,000	-23.55%
40	Net periodic benefit cost	65,706,000	55,628,000	-18.12%
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	6	10	40.00%
48	Not Covered by the Plan			
49	Active	6	10	40.00%
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	4.00-4.20%	4.5-4.75%	
8	Expected return on plan assets	3.00% / 4.00%	4.00% / 3.00%	
9	Medical Cost Inflation Rate	5.00-8.00%	5-7.5%	
10	Actuarial Cost Method			
11	Rate of compensation increase			
12	List each method used to fund OPEBs (ie: VEBA, 401(h)) and if tax advantaged:			
13				
14				
15	Describe any Changes to the Benefit Plan:			
16				
17	TOTAL COMPANY			
18	Change in Benefit Obligation			
19	Benefit obligation at beginning of year	438,550,000	391,596,000	11.99%
20	Service cost	12,533,000	10,812,000	15.92%
21	Interest Cost	17,241,000	17,842,000	-3.37%
22	Plan participants' contributions	4,293,000	4,059,000	5.76%
23	Benefit obligation of Acquired Business at acquisition			
24	Actuarial (Gain)/ Loss	(67,547,000)	30,958,000	-318.19%
25	Plan Change		(743,000)	
26	Benefits paid	(19,447,000)	(15,974,000)	21.74%
27	Benefit obligation at end of year	385,623,000	438,550,000	-12.07%
28	Change in Plan Assets			
29	Fair value of plan assets at beginning of year	5,055,000	5,101,000	-0.90%
30	Actual return on plan assets	(122,000)	466,000	-126.18%
31	Acquisition			
32	Employer contribution	12,528,000	11,403,000	9.87%
33	Plan participants' contributions			
34	Benefits paid	(15,154,000)	(11,915,000)	27.18%
35	Fair value of plan assets at end of year	2,307,000	5,055,000	-54.36%
36	Funded Status	(383,316,000)	(433,495,000)	-11.58%
37	Unrecognized net actuarial loss			
38	Unrecognized prior service cost			
39	Prepaid (accrued) benefit cost	(383,316,000)	(433,495,000)	-11.58%
40	Components of Net Periodic Benefit Costs			
41	Service cost	12,533,000	10,812,000	15.92%
42	Interest cost	17,241,000	17,842,000	-3.37%
43	Expected return on plan assets	(136,000)	(172,000)	-20.93%
44	Amortization of prior service cost	(6,101,000)	(10,068,000)	-39.40%
45	Amortization of unrecognized loss	7,846,000	7,537,000	4.10%
46	Net periodic benefit cost	31,383,000	25,951,000	20.93%
47	Accumulated Post Retirement Benefit Obligation			
48	Amount Funded through VEBA			
49	Amount Funded through 401(h)			
50	Amount Funded through Other _____	2,307,000	5,055,000	-54.36%
51	TOTAL	2,307,000	5,055,000	-54.36%
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

Year: 2013

	Item	Current Year	Last Year	% Change
1	Number of Company Employees:			
2	Covered by the Plan	7,351	7,963	-7.69%
3	Not Covered by the Plan			
4	Active	3,989	5,361	-25.59%
5	Retired	3,362	2,602	29.21%
6	Spouses/Dependants covered by the Plan			
7	Montana			
8	Change in Benefit Obligation			
9	Benefit obligation at beginning of year			
10	Service cost			
11	Interest Cost			
12	Plan participants' contributions			
13	Amendments			
14	Actuarial Gain			
15	Acquisition			
16	Benefits paid			
17	Benefit obligation at end of year			
18	Change in Plan Assets			
19	Fair value of plan assets at beginning of year			
20	Actual return on plan assets			
21	Acquisition			
22	Employer contribution			
23	Plan participants' contributions			
24	Benefits paid			
25	Fair value of plan assets at end of year			
26	Funded Status			
27	Unrecognized net actuarial loss			
28	Unrecognized prior service cost			
29	Prepaid (accrued) benefit cost			
30	Components of Net Periodic Benefit Costs			
31	Service cost			
32	Interest cost			
33	Expected return on plan assets	#VALUE!		
34	Amortization of prior service cost			
35	Recognized net actuarial loss			
36	Net periodic benefit cost	#VALUE!		
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	6	10	-40.00%
54	Retired			
55	Spouses/Dependants covered by the Plan			

Payments for Services to Persons Other Than Employees

Year: 2013

Line No.	Name of Recipient (a)	Nature of Service (b)	Total Company Cost (c)	Total State Cost (d)	Intrastate Cost (e)
1	Allegis Group Services, Inc.	Contractor Support	21,869	21,869	21,869
2	Track Utilities Inc.	Contract Labor	263,200	263,200	263,200
3	E & E Electric LLC	Electrical Services	750	750	750
4	ATCO Communications Svcs LLC	Contractor Support	1,892	1,892	1,892
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6					
7					
8					
9					
10					
11					
12					
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48					
49	Total		287,712	287,712	287,712

Subscriber Line Usage Data

Year: 2013

Line No.	Description (a)	This Year (b)	% of Total (c)	Last Year (d)	% of Total (e)
1	Toll Usage:				
2	Interstate, InterLATA	19,583,651	62.87%	20,627,258	63.86%
3	Interstate, IntraLATA	1,298,176	4.17%	1,429,006	4.42%
4	Total Interstate Usage	20,881,827	67.03%	22,056,264	68.29%
5	Intrastate, InterLATA	6,022,722	19.33%	5,933,583	18.37%
6	Intrastate, IntraLATA	4,241,802	13.62%	4,297,603	13.31%
7	Total Intrastate Usage	10,264,524	32.95%	10,231,186	31.68%
8	Total Toll Usage	31,146,351	99.98%	32,287,450	99.96%
9	Centrex				
10	Local	4,991	0.02%	11,979	0.04%
11	Total Minutes	31,151,342	100.00%	32,299,429	100.00%

Company Name: Citizens Telecommunications Company of Montana

SCHEDULE 23

Page 1 of

Cental Office and Access Line Statistics

Year: 2013

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	Libby, MT	DMS-10	2,812					1,103	105		23	267	99.9%	4,310
2	Troy, MT	DMS-10	1,493					269	9		10	71	99.9%	1,852
3	Eureka, MT	DMS-10	26					18	6		5	24	99.9%	79
4														
5	Total Company					143								
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32														
33	Total		4331			143		1390	120		38	362	2.997	6241

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

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Central Office and Switch Information

Year: 2013

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	Libby, Mt	Host HSO Stand Alone	DMS 10	NORTEL	502.1	6,400	1996
2	Troy, Mt	Remote SSO	DMS 10	NORTEL	412.2	2,560	1992
3	Eureka, Mt	Remote RSC	RSC-S	NORTEL	502.1	1,920	1996
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NOTE: Additional blank schedules are being provided for your convenience.

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Construction Budget - Montana

Year: 2013

Line No.	Description (a)	2014 (b)
1	Central Office Assets:	
2	Station Connection	126,489.52
3	Special Circuits	86,127.54
4	Batteries	41,589.78
5		
6		
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26		
27	Total Switching and Central Office Projects over \$500,000	
28	Miscellaneous Central Office Projects not over \$500,000	254,207
29	Total Central Office Budget (Total of Line 27 & Line 28)	254,207
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	260,803
43	Total Construction Budget (Total of Lines 29, 41 & 42)	515,010

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			
2	2210	Central Office Assets			
3	2220	Operator Systems			
4	2230	Central Office Transmission			
5	2310	Information/Termination Assets			
6	2410	Cable and Wire Facilities Assets			
7	2680	Amortizable Tangible Assets			
8	2690	Intangibles			
9		Total Construction Expenditures	707,204	341,961	106.81%

Montana Employee Counts

Year: 2013

Line No.	Category (a)	Beginning of Year (b)	End of Year (c)
1	Exempt	1	1
2	Non-Exempt	7	5
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42			
43	Totals (Sum of Lines 1 through 42)	8	6

Compensation of Top 10 Montana Based Employees

Year: 2013

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	COMMUNICATIONS TECHNICIAN						#DIV/0!
2	COMMUNICATIONS TECHNICIAN						#DIV/0!
3	GENERAL MANAGER						#DIV/0!
4	COMMUNICATIONS TECHNICIAN						#DIV/0!
5	COMMUNICATIONS TECHNICIAN						#DIV/0!
6	COMMUNICATIONS TECHNICIAN						#DIV/0!
7	COMMUNICATIONS TECHNICIAN						#DIV/0!
8	CUSTOMER CARE REPRESENTATIVE						#DIV/0!
9	CUSTOMER CARE REPRESENTATIVE						#DIV/0!
10	CUSTOMER CARE REPRESENTATIVE						100.00%
11	LOCAL MANAGER						100.00%
Not Completed will file when Cause # ADV 2010-945 is resolved							
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	See Proxy Statement www.sec.gov						
2							
3							
4							
5							
6	Totals (Sum L.1 to L.5)						

Montana Composite Statistics

Year: 2013

Line No.	Account No.	Description (a)	Amount (b)
1		Plant (Intrastate Only) (000 Omitted)	
2	2001	Plant in Service	21,799
3	2003 - 2004	Construction Work in Progress	351
4	2005	Plant Acquisition Adjustments	9,665
5	2002	Plant Held for Future Use	
6	1220	Materials & Supplies	5
7		(Less):	
8	3100 - 3400	Depreciation & Amortization Reserves	26,479
9	4360.2	Contributions in Aid of Construction	
10		NET BOOK COSTS	58,299
11		Revenues & Expenses (Intrastate Only) (000 Omitted)	
12	5000 - 5300	Operating Revenues	2,652
13	6560	Depreciation & Amortization Expenses	1,341
14		Federal & State Income Taxes	565
15		Other Taxes	
16		Other Operating Expenses	1,955
17		TOTAL Operating Expenses	3,860
18		Net Operating Income	(1,208)
19		Other Income	
20		Other Deductions	
21		NET INCOME	(1,208)
22		Access Lines in Service (Intrastate Only)	
23		Residential Access Lines	4331
24		Business Access Lines	1473
25		PBX Access Lines	37
26		Other Access Lines	400
27		Total Number of Access Lines	6241
28		Average Number of Calls Per Access Line	
29		Local Calls	n/a
30		Toll Calls (Intra- or Interstate)	n/a
31		Total Number of Calls Per Access Line (Total of Line 29 & Line 30 divided by Line 27)	
32		Other Statistics (Intrastate Only)	
33		Average Residential Monthly Bill	13
34		Gross Plant Investment per Access Line	3,493

Depreciation - Montana Intrastate Regulated

Year: 2013

Line No.	Acct No. (a)	Description (b)	Composite Rate % (c)	Total Expense \$ (d)
1	2112	Motor Vehicles	7.7%	14,686
2	2114	Special Purpose Vehicles		
3	2115	Garage Work Equipment		
4	2116	Other work Equipment	5.6%	8,254
5	2121	Buildings	2.9%	1,427,488,042
6	2122	Furniture	3.9%	67
7	2123.1	Office Support Equipment		
8	2123.2	Company Communications Equipment		
9	2124	General Purpose Computers	9.8%	1,234
10	2211	Analog Electronic Switching Equipment		
11	2212	Digital Electronic Switching Equipment	6.5%	171,739
12	2215	Step By Step Switching Equipment		
13	2215	Crossbar Switching Equipment		
14	2220	Operator System		
15	2231	Radio Systems		
16	2232	Circuit DDS	7.1%	311,938
17	2232	Circuit Digital		
18	2232	Circuit Analog		
19	2351	Public Telephone Terminating Equipment		
20	2362	Other Terminal Equipment		
21	2411	Poles	6.3%	35,118
22	2421	Aerial Cable Metallic	6.9%	174,594
23	2421	Aerial Cable Nonmetallic		
24	2422	Underground Cable Metallic	4.7%	5,526
25	2422	Underground Cable Nonmetallic		
26	2423	Buried Cable Metallic	4.8%	490,107
27	2423	Buried Cable Nonmetallic		
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	2.2%	2,353
34				
35		COMPOSITE TOTAL		
36	Please list the Montana Public Service Commission Docket Order No. approving these depreciation rates Docket Number <u>93.7.30</u> Order Number _____			
37				
38				
39				
40				

Amortization - Montana Intrastate Regulated

Year: 2013

Line No.	Acct No. (a)	Description (b)	Composite Rate % (c)	Total Expense \$ (d)
1				
2		N/A		
3				
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34				
35		COMPOSITE TOTAL		
36	Please list the Montana Public Service Commission Docket Order No. approving these amortization rates Docket Number _____ Order Number _____			
37				
38				
39				
40				

Montana Regulatory Capital Structure & Costs

Year: 2013

Line No.	Description (a)	% Cap. Str. (b)	% Cost Rate (c)	Weighted Cost (d)
Commission Accepted - Most Recent				
1	Docket Number 93.3.12			
2	Order Number 5632d			
3				
4	Common Equity	56.21%	9.83%	5.52%
5	Preferred Stock	0.51%	8.28%	0.04%
6	Long Term Debt	43.28%	12.67%	3.39%
7	Other			
8	Total	100.00%		8.953%
9				
Actual at Year End				
10				
11				
12	Common Equity	50.50%	-29.95%	-15.13%
13	Preferred Stock			
14	Long Term Debt	49.50%	7.82%	3.87%
15	Other			
16	Total	100.00%		-11.255%

Network Access - Charges and Revenues

Year: 2013

Line No.	Description (a)	Access Charges Paid (b)	Access Revenues Received (c)
1	Montana - Total State		2,780,871
2			
3	Montana - Intrastate		470,705
4			
5	Montana - Intrastate Regulated		470,705
6			
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13			

Affiliate Transactions - Products & Services Provided to Utility

Year: 2013

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	Citizens Communication Company (Parent)	Executive Mgmt, Legal, Accounting, Share Holder Relations, HR	Fully Distributed Cost per FCC Part 64.901	75,817		75,817
2						
3						
4						
5	Telecom Sector Central Services	Financial, Regulatory, G/L, A/P, PY, IT, Legal, Engineering, Customer Service	Fully Distributed Cost per FCC Part 64.901	1,235,849		1,235,849
6						
7						
8						
9	Telecom Regional Services	Local Management	Fully Distributed Cost per FCC Part 64.901	411,356		411,356
10						
11						
12						
13	Telecom Sector Central Services (Conversion)	Billing System Conversion	Fully Distributed Cost per FCC Part 64.901	15,444		15,444
14						
15						
16						
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29						
30	TOTAL			\$1,738,466		\$1,738,466

Company Name: Citizens Telecommunications Company of Montana

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Affiliate Transactions - Products & Services Provided by Utility

Year: 2013

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						
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29						
30	TOTAL					

Montana Intrastate Regulated Earned Rate of Return

Year: 2013

Line No.	Description Rate Base (a)	This Year (b)	Last Year (c)	Percent Change (d)
1				
2	2001 Plant in Service	21,154,531	21,101,758	0.25%
3	2002 Prop. Held for Future Telecommunications Use			
4	3100-3200 (Less) Accumulated Depreciation	(18,049,766)	(17,160,343)	-5.18%
5	Plant in Service	3,104,765	3,941,415	-21.23%
6				
7	Additions			
8	1220 Materials & Supplies	7,524	8,834	-14.83%
9	1280 Prepayments			
10	Other Additions			
11	TOTAL Additions	7,524	8,834	-14.83%
12				
13	Deductions			
14	4100 Current Deferred Operating Income Taxes			
15	4320 Unamortized Operating Investment Tax Credits			
16	4340 Noncurrent Deferred Operating Income Taxes	550,843	586,554	-6.09%
17	Customer Advances for Construction			
18	Other Deductions			
19	TOTAL Deductions	550,843	586,554	-6.09%
20	TOTAL Rate Base	2,561,446	3,363,695	-23.85%
21				
22	Net Earnings	(496,833)	(552,299)	10.04%
23				
24	Rate of Return on Average Rate Base	-19.397%	-16.419%	-18.13%
25				
26	Rate of Return on Average Equity	-46.074%	-40.326%	-14.25%
27				
28	Major Normalizing Adjustments & Commission			
29	<u>Ratemaking adjustments to Utility Operations</u>			
30	4340 Remove Deferred Income Taxes related to Telecom	(1,432,274)	(1,514,699)	
31	Plant Adjustment (TPA)			
32				
33	Comp Tax Rate @ 39.39% w/interest expense adjustment	47,340	61,249	-22.71%
34				
35				
36				
37				
38				
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40				
41				
42				
43	Adjusted Rate of Return on Average Rate Base	-11.26%	-10.07%	-11.81%
44				
45	Adjusted Rate of Return on Average Equity	-29.95%	-27.74%	-7.98%

Other Taxes Paid

Year: 2013

Line No.	Description (a)	Last Year (b)	This Year (c)
1	Montana Retail telecommunications Excise Tax	111,363	76,818
2	Montana Public Service Commission Tax	4,850	5,167
3	Montana Consumer Counsel Tax	2,977	1,747
4	911 Emergency Telephone Fee	73,937	68,038
5	Montana Telecommunications Access Service (TDD)	5,873	6,038
6	Real Property Tax	346,583	356,045
7			
8			
9			
10			
11			
12	Total	545,583	513,853

SCHEDULE 37

Universal Service Funds Received

Year: 2013

Line No.	Description (a)	Last Year (b)	This Year (c)
13	Funds received from Montana Sources		
14	Funds received from Federal Sources	786,951	788,809
15			
16			
17			
18			
19			
20			
21			
22			
23			
24	Total	786,951	788,809