

EVILSIZER LAW OFFICE

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2014 APR 25 P 3:03

**PUBLIC SERVICE
COMMISSION**

April 25, 2014

Ms. Kate Whitney
Montana Public Service Commission
1701 Prospect Avenue
P.O. Box 202601
Helena, MT 59620-2601

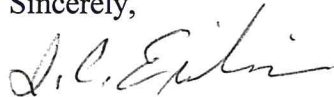
Re: Hot Springs Telephone Company - 2013 Annual Report

Dear Ms. Whitney:

Enclosed is the 2013 Annual Report for Hot Springs Telephone Company, pursuant to Section 69-3-203, MCA and ARM 38.5.2602. One bound copy and one unbound copy are enclosed. The employee compensation information (Schedule 27) will be provided when a Protective Order is issued by the Commission.

Please contact the undersigned if there are any questions.

Sincerely,



Ivan (Chuck) Evilsizer
Attorney for Hot Springs Telephone Company

Enclosures

YEAR ENDING 2013

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2014 APR 25 P 3:03

PUBLIC SERVICE
COMMISSION

ANNUAL REPORT OF

HOT SPRINGS TELEPHONE COMPANY TELEPHONE UTILITY



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

General Information

Year: 2013

1	Legal Name of Respondent:	Hot Springs Telephone Co.
2	Name Under Which Respondent Does Business:	Same as above
3	Date of Incorporation:	1/1/1955
4	Address to send Correspondence Concerning Report:	P.O. Box 17740 Missoula, MT. 59808
5	Person Responsible for This Report:	Kathe A Johnosn
5a.	Telephone Number:	(406) 721-0846
Control Over Respondent		
1	If direct control over the respondent was held by another entity at the end of year provide the following:	
	1a. Name and address of the controlling organization or person:	N A
	1b. Means by which control was held:	N A
	1c. Percent Ownership:	N A

Line No.	Board of Directors	
	Name of Director and Address (City, State)	Fees Paid During Year
	(a)	(b)
1	Robert B. Ekblad, P.O. Box 161, Dayton, MT. 59914	7,200
2	Jay Wilson Preston, 53595 Timberline Way Charlo, MT. 59824	7,200
3	Kathryn L. Johnson, 31549 Meadow Rd. Polson, MT. 59860	7,200
4	Kathe A. Johnson, 10410 Hwy. 10 W. Missoula, MT. 59808	None
5	Richard W. Beauchamp, 31549 Meadow Rd. Polson, MT. 59860	4,800
6	Sandra M. Prongua, P.O. Box 298 Hot Springs, MT. 59845	None
7		
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18	Chairman of the Board:	
19	Jay W. Preston Sr. 312 Main St. SW, Ronan, MT. 59864	14,000
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	President	General Manager	Kathryn L. Johnson
2	Vice- president	Financial & Accounting and Forecasting	Sandra M. Prongua
3	Secretary	Financial & Forecasting	Richad W. Beauchamp
4	Treasurer	Financial & Accounting	Kathe A. Johnson
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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	556,003	661,210
3	1180	Telecommunications Accounts Receivable - Net	136,993	97,670
4	1190	Other Accounts Receivable - Net		
5	1200	Notes Receivable - Net		
6	1210	Interest and Dividends Receivable		
7	1220	Materials and Supplies		
8	* 1280	Prepayments	14,464	22,180
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	707,460	781,060
16		NONCURRENT ASSETS:		
17	1401	Investments in Affiliated Companies		
18	1402	Investments in Nonaffiliated Companies		
19	1406	Nonregulated Investments		
20	1407	Unamortized Debt Issuance Expense		
21	1408	Sinking Funds		
22	1410	Other Noncurrent Assets		
23	1438	Deferred Maintenance and Retirements		
24	1439	Deferred Charges		
25	1500	Other Jurisdictional Assets - Net		
26		Total Noncurrent Assets		
27		PROPERTY, PLANT, & EQUIPMENT:		
28	2001	Telecommunications Plant in Service	4,287,033	4,195,381
29	2002	Property Held for Future Telecommunications Use		
30	2003	Plant Under Construction - Short Term		
31	2004	Plant Under Construction - Long Term		
32	2005	Telecommunications Plant Adjustment		
33	2006	Nonoperating Plant		
34	2007	Goodwill		
35	3100	Accumulated Depreciation	(3,224,038)	(3,070,888)
36	3200	Accumulated Depreciation - Held for Future Use		
37	3300	Accumulated Depreciation - Nonoperating		
38	3400	Accumulated Amortization		
39		Net Property, Plant, & Equipment	1,062,995	1,124,493
40		TOTAL ASSETS	1,770,455	1,905,553

^ 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	108,342	113,861
43	4020	Notes Payable		
44	4030	Advance Billing and Payments		
45	4040	Customer Deposits	21,280	20,736
46	4050	Current Maturities - Long Term Debt		
47	4060	Current Maturities - Capital Leases		
48	4070	Income Taxes - Accrued		
49	4080	Other Taxes - Accrued		
50	4100	Net Current Deferred Operating Income Taxes	130,012	
51	4110	Net Current Deferred Nonoperating Income Taxes		
52	4120	Other Accrued Liabilities		
53	4130	Other Current Liabilities	600	
54		Total Current Liabilities	260,234	134,598
55		LONG-TERM DEBT:		
56	4210	Funded Debt		
57	4220	Premium on Long-Term Debt		
58	4230	Discount on Long-Term Debt		
59	4240	Reacquired Debt		
60	4250	Obligations Under Capital leases		
61	4260	Advances From Affiliated Companies		
62	4270	Other Long-Term Debt		
63		Total Long-Term Debt		
64		OTHER LIABILITIES AND DEFERRED CREDITS		
65	4310	Other Long-Term Liabilities		
66	4320	Unamort. Oper. Invest. Tax Credits - Net		
67	4330	Unamort. Nonoper. Invest. Tax Credits - Net		
68	4340	Net Noncurrent Deferred Oper. Income Taxes		
69	4350	Net Noncurrent Deferred Nonoper. Income Taxes		
70	4360	Other Deferred Credits		
71	4370	Other Jurisdictional Liab. and Def. Credits		
72		Total Other Liabilities and Deferred Credits		
73		STOCKHOLDERS' EQUITY:		
74	4510	Capital Stock	87,500	80,000
75	4520	Additional Paid-In Capital	10,832	10,832
76	4530	Treasury Stock	(125,000)	(125,000)
77	4540	Other Capital		
78	4550	Retained Earnings	1,536,889	1,805,123
79		Total Stockholders' Equity	1,510,221	1,770,956
80		TOTAL LIAB. AND STOCKHOLDERS' EQUITY	1,770,455	1,905,553

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	437,065	427,288
3	5080	Network Access Revenues	960,374	1,077,727
4	* 5100	Long Distance Message Revenue	14,127	19,137
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	64,556	210,468
10	^ 5230	Directory Revenue		
11	^ 5240	Rent Revenue	1,850	500
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue		
14	^ 5270	Carrier Billing and Collection Revenue		
15	^ 5280	Nonregulated Revenue	69,913	52,526
16	5300	Uncollectible Revenue	(3,400)	(1,787)
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)	1,544,485	1,785,860
18		OPERATING EXPENSES:		
19	6110	Network Support Expense	297,542	318,583
20	6120	General Support Expense	22,890	22,272
21	6210	Central Office Switching Expense	44,917	23,255
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense		
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense	127,607	144,559
26	^ 6431	Aerial Wire Expense		
27	^ 6441	Conduit Systems Expense		
28	6510	Other Property, Plant & Equipment Expense	257,788	268,358
29	6530	Network Operations Expense	77,832	36,449
30	6540	Access Expense	84,477	95,456
31	6560	Depreciation and Amortization Expense	153,150	139,519
32	6610	Marketing		
33	6620	Services	192,384	183,719
34	6710	Executive and Planning	73,133	66,663
35	6720	General and Administrative	311,681	408,712
36	6790	Provision for Uncollectible Notes Receivable		
37		Total Operating Expenses (Sum L.19 to L.36-L.26-L.2)	1,643,400	1,707,543
38	7100	Other Operating Income and Expense	13,481	
39	7200	Operating Taxes	19,444	28,097
40		Net Operating Income (L.17-L.37+L.38-L.39)	(104,877)	50,219
41	7300	Nonoperating Income and Expense		
42	7400	Nonoperating Taxes		
43	7500	Interest and Related Items	864	758
44	7600	Extraordinary Items		
45	7910	Effects of Juris. Ratemaking Diff. - Net		
46	7990	Nonregulated Net Income	(325)	8,564
47		NET INCOME (L.40+L.41-L.42-L.43-L.44+L.45-L.46)	(105,417)	40,897

^ Subaccount of the account marked with a *.

Not Required---Doing Business Only In Montana

Montana Total State 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		
3	5080	Network Access Revenues		
4	* 5100	Long Distance Message Revenue		
5	^ 5110	Unidirectional Long Distance Revenue		
6	^ 5120	Long Distance Private Network Revenue		
7	^ 5160	Other Long Distance Revenue		
8	^ 5169	Other Long Distance Revenue Settlements		
9	* 5200	Miscellaneous Revenue		
10	^ 5230	Directory Revenue		
11	^ 5240	Rent Revenue		
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue		
14	^ 5270	Carrier Billing and Collection Revenue		
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue		
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)		
18		OPERATING EXPENSES:		
19	6110	Network Support Expense		
20	6120	General Support Expense		
21	6210	Central Office Switching Expense		
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense		
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense		
26	^ 6431	Aerial Wire Expense		
27	^ 6441	Conduit Systems Expense		
28	6510	Other Property, Plant & Equipment Expense		
29	6530	Network Operations Expense		
30	6540	Access Expense		
31	6560	Depreciation and Amortization Expense		
32	6610	Marketing		
33	6620	Services		
34	6710	Executive and Planning		
35	6720	General and Administrative		
36	6790	Provision for Uncollectible Notes Receivable		
37		Total Operating Expenses (Sum L.19 to L.36-L.26-L.37)		
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes		
40		Net Operating Income (L.17-L.37+L.38-L.39)		

^ Subaccount of the account marked with a *.

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

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		
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.36-L.37-L.38-L.39)		
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes		
40		Net Operating Income (L.17-L.37+L.38-L.39)		

^ Subaccount of the account marked with a *.

Montana Intrastate Regulated Income Statement

Year: 2013

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		REVENUES:		
2	5000	Basic Local Service Revenues	168,625	172,326
3	5080	Network Access Revenues	129,551	193,216
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	63,718	69,806
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	3,400	1,787
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)	358,494	433,561
18		OPERATING EXPENSES:		
19	6110	Network Support Expense	21,748	20,008
20	6120	General Support Expense	22,890	22,272
21	6210	Central Office Switching Expense	44,917	23,255
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense		
24	6310	Information Origination/Termination Expense	125,032	144,559
25	* 6410	Cable and Wire Facilities Expense		
26	^ 6431	Aerial Wire Expense		
27	^ 6441	Conduit Systems Expense		
28	6510	Other Property, Plant & Equipment Expense	145,204	130,701
29	6530	Network Operations Expense	77,832	36,449
30	6540	Access Expense		
31	6560	Depreciation and Amortization Expense	151,085	137,795
32	6610	Marketing		
33	6620	Services	171,390	161,751
34	6710	Executive and Planning	73,133	66,663
35	6720	General and Administrative	220,731	324,171
36	6790	Provision for Uncollectible Notes Receivable		
37		Total Operating Expenses (Sum L.19 to L.36-L.2)	1,053,961	1,067,624
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	19,444	28,855
40		Net Operating Income (L.17-L.37+L.38-L.39)	(714,911)	(662,918)

^ 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	4224796	4133144
2	3100	Accumulated Depreciation	3191213	3040128
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2006		
5	1220	Materials and Supplies		
6	4340	Noncurrent Deferred Operating Income Taxes		
7		Pre-1971 Unamortized Investment Tax Credits		
8		Cash Working Capital (if allowed by Commission)		
9		Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7)	1033583	1093016

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

Average Rate Base - Intrastate

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service		
2	3100	Accumulated Depreciation		
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2006		
5	1220	Materials and Supplies		
6	4340	Noncurrent Deferred Operating Income Taxes		
7		Pre-1971 Unamortized Investment Tax Credits		
8		Cash Working Capital (if allowed by Commission)		
9		Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7)		

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

Average Rate Base - Regulated Intrastate

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

Statement of Cash Flows

Year: 2013

Line No.	Item Description (a)	Amount (b)	Amount (c)
1	Increase/(decrease) in Cash & Cash Equivalents		(106,689.00)
2	Cash Flows from Operating Activities:		
3	Net Income		(105,740.00)
4	Reconciliation Adjustments:		
5	Depreciation & Amortization		153,150.00
6	Provision for Accounts Receivable Losses		
7	Deferred Income Taxes - Net		(13,481.00)
8	Unamortized Investment Tax Credits (ITCs) - Net		
9	Allowance for Funds Used During Construction (AFUDC)		
10	Change in Operating Receivables - Net		(39,323.00)
11	Change in Materials, Supplies & Inventories - Net		(1,481.00)
12	Change in Operating Payables & Accrued Liabilities - Net		(1,449.00)
13	* Change in Other Assets & Deferred Credits - Net		7,716.00
14	^ Change in Other Liabilities & Deferred Credits - Net		(2,927.00)
15	@ Other (explained on back of this page)		
16	Total Adjustments		102,205.00
17	Net Cash Provided by/(Used in) Operating Activities		(3,535.00)
18	Cash Inflows/Outflows From Investing Activities:		
19	Construction/Acquisition of Property, Plant & Equipment (net of		(91,654.00)
20	AFUDC & Capital Lease Related Acquisitions)		
21	Proceeds from Disposals of Property, Plant & Equipment		
22	Investments In & Advances to Affiliates		
23	Proceeds from Repayment of Advances		
24	# Other Investing Activities (explained on back of this page)		
25	Net Cash Provided by/(Used in) Investing Activities		(91,654.00)
26	Cash Flows from Financing Activities:		
27	Net Incr./(Decr.) in Short-Term Debt, Original maturity <= 3 mo.		
28	Advances from Affiliates		
29	Repayment of Advances from Affiliates		
30	Proceeds from Issuances of Long-Term Debt		
31	Repayment of Long-Term Debt		
32	Payment of Capital Lease Obligations		
33	Proceeds from Issuing Common Stock/Parent Co. Equity Investment		
34	Repurchase of Treasury Shares		
35	Dividends Paid		(11,500.00)
36	Other Financing Activities (explained on back of this page)		
37	Net Cash Provided by Financing Activities		(11,500.00)
38	Effect of Exchange Rate Changes on Cash		
39	Net Increase/(Decrease) in Cash & Cash Equivalents		(106,689.00)
40	Cash & Cash Equivalents at Beginning of Period		658,316.00
41	Cash & Cash Equivalents at End of Period		551,627.00

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

^ Subscriber Deposits (Increase \$2,116.28)

Net Increase in Investments \$141.42

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

Company Name: Hot Springs Telephone Co.

SCHEDULE 10

Does Not Apply

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)
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30	Totals										

Company Name: Hot Springs Telephone Co.

SCHEDULE 11

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 2013 Balance (g)	Year End Accumulated Depreciation (h)	End of Year Net Plant Balance (i)
1	*	2110 Land and Support Assets	1218655	54588			1273243	838610	434633
2	^	2111 Land							
3	^	2112 Motor Vehicles							
4	^	2113 Aircraft							
5	^	2114 Special Purpose Vehicles							
6	^	2115 Garage Work Equipment							
7	^	2116 Other Work Equipment							
8	^	2121 Buildings							
9	^	2122 Furniture							
10	^	2123 Office Equipment							
11	^	2124 General Purpose Computers							
12		2211 Analog Electronic Switching							
13		2212 Digital Electronic Switching	648022	16006			664028	525616	138412
14		2215 Electro-Mechanical Switching							
15		2220 Operator Systems							
16		2231 Radio Systems	444160				444631	397152	47479
17		2232 Circuit Equipment	16238	470			16238		16238
18	*	2310 Information Orig & Term Equip	117290	1996			119286	94567	24718.81
19	^	2311 Station Apparatus							
20	^	2321 Customer Premises Wiring							
21	^	2341 Large Private Branch Exchanges							
22	^	2351 Public Telephone Term. Equip.							
23	^	2362 Other Terminal Equipment							
24		2411 Poles	16627						
25	*	2420 Cable and Wire Facilities	1668401				16627	11422	5204.84
26	^	2421 Aerial Cable		18592			1686993	1320171	366822
27	^	2422 Underground Cable							
28	^	2423 Buried Cable							
29	^	2424 Submarine Cable							
30	^	2425 Deep Sea Cable							
31	^	2426 Intrabuilding Network Cable							
32		2431 Aerial Wire							
33		2441 Conduit Systems	3750				3750	3675	75
34		Totals	4133144	91652			4224796	3191213	1033583

Company Name: Hot Springs Telephone Co.

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

Company Name: Hot Springs Telephone Co.

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

Company Name: Hot Springs Telephone Co.

SCHEDULE 14

DOES NOT APPLY

Year: 2013

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

Company Name: Hot Springs Telephone Co.

SCHEDULE 15

Analysis of Common Stock

Year: 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 High (g) Low (h)	Price/Earnings Ratio (i)
1	Year Ended December 31:							
2								
3								
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								

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

Company Name: Hot Springs Telephone Co.

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	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)						

Total Company Expense Matrix						
Line No.	Acct. No.	Description (b)	Salaries and Wages (c)	Benefits (d)	Rents (e)	Other Expenses (f)
1	6110	Network Support Expense				
2	6112	Motor Vehicle Expense				
3	6113	Aircraft Expense				
4	6114	Special Purpose Vehicles Expense				
5	6115	Garage Work Equipment Expense				
6	6116	Other Work Equipment Expense				
7	6120	General Support Expense				
8	6121	Land and Building Expense				
9	6122	Furniture and Airwork 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				

Total Company Expense Matrix						
Line No.	Acct. No.	Description (b)	Salaries and Wages (c)	Benefits (d)	Rents (e)	Other Expenses (f)
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	6729	Provision for Uncollected Notes Receivable				
67		Totals				

Company Name: Hot Springs Telephone Co.

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

SCHEDULE 18

Page 1 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)
1	*	Network Support Expense						
2	^	Motor Vehicle Expense						
3	^	Aircraft Expense						
4	^	Special Purpose Vehicles Expense						
5	^	Garage Work Equipment Expense						
6	^	Other Work Equipment Expense						
7	*	General Support Expense						
8	^	Land and Building Expense						
9	^	Furniture and Artworks Expense						
10	^	Office Equipment Expense						
11	^	General Purpose Computers Expense						
12	*	Central Office Switching Expense						
13	^	Analog Electronic Expense						
14	^	Digital Electronic Expense						
15	^	Electro-Mechanical Expense						
16		Operator Systems Expense						
17	*	Central Office Transmission Expense						
18	^	Radio Systems Expense						
19	^	Circuit Equipment Expense						
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						
26	^	Poles Expense						
27	^	Aerial Cable Expense						
28	^	Underground Cable Expense						
29	^	Buried Cable Expense						
30	^	Submarine Cable Expense						
31	^	Deep Sea Cable Expense						
32	^	Intrabuilding Network Cable Expense						
33	^	Aerial Wire Expense						
34		Subtotals						

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

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						
36		Other Property Expenses						
37	*	Network Operations Expense						
38	^	Power Expense						
39	^	Network Administration Expense						
40	^	Testing Expense						
41	^	Plant Operations Expense						
42	^	Engineering Expense						
43		Access Expense						
44		Depreciation - Telecomm. Plant in Service						
45		Depreciation-Prop. for Future Telecom. Use						
46		Amortization Expense - Tangible						
47		Amortization Expense - Intangible						
48		Amortization - Other						
49	*	Marketing						
50	^	Product Management						
51	^	Sales						
52	^	Product Advertising						
53		Call Completion Services						
54		Number Services						
55		Customer Services						
56		Executive						
57		Planning						
58		Accounting and Finance						
59		External Relations						
60		Human Relations						
61		Information Management						
62		Legal						
63		Procurement						
64		Research and Development						
65		Other General and Administrative						
66		Provision for Uncollectible Notes Receivable						
67		Totals						

Pension Costs

Year: 2013

1	Plan Name Hot Springs Telephone Co. Profit Sharing Plan			
2	Defined Benefit Plan? <u> N/A </u>	Defined Contribution Plan? Yes <u> X </u>		
3	Actuarial Cost Method? <u> N/A </u>	IRS Code: <u> 401 </u>		
4	Annual Contribution by Employer: Based on Profits <u> X </u>	Is the Plan Over Funded? <u> No </u>		
5				
	Item	Current Year	Last Year	% Change
6	Change in Benefit Obligation			
7	Benefit obligation at beginning of year	1,025,133.63	1,025,133.63	-23.40%
8	Service cost			
9	Interest Cost			
10	Plan participants' contributions			
11	Amendments			
12	Actuarial Gain			
13	Acquisition			
14	Benefits paid			
15	Benefit obligation at end of year	1,025,133.63	1,025,133.63	-23.40%
16	Change in Plan Assets			
17	Fair value of plan assets at beginning of year	1,025,133.63	1,338,543.27	
18	Actual return on plan assets	138,860.98	111,257.13	
19	Acquisition			
20	Employer contribution	28,364.07	53,987.49	
21	Plan participants' contributions			
22	Benefits paid	(2,079.86)	(478,654.26)	
23	Fair value of plan assets at end of year	1,190,278.82	1,025,133.63	
24	Funded Status	N/A	N/A	
25	Unrecognized net actuarial loss			
26	Unrecognized prior service cost			
27	Prepaid (accrued) benefit cost			
28				
29	Weighted-average Assumptions as of Year End	N/A	N/A	
30	Discount rate			
31	Expected return on plan assets			
32	Rate of compensation increase			
33				
34	Components of Net Periodic Benefit Costs	N/A	N/A	
35	Service cost			
36	Interest cost			
37	Expected return on plan assets			
38	Amortization of prior service cost			
39	Recognized net actuarial loss			
40	Net periodic benefit cost			
41				
42	Montana Intrastate Costs:	N/A	N/A	
43	Pension Costs			
44	Pension Costs Capitalized			
45	Accumulated Pension Asset (Liability) at Year End			
46	Number of Company Employees:			
47	Covered by the Plan	10	10	
48	Not Covered by the Plan		3	
49	Active	9	9	
50	Retired	1		
51	Deferred Vested Terminated			

Other Post Employment Benefits (OPEBS)

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

Other Post Employment Benefits (OPEBS) Continued

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

Payments for Services to Persons Other Than Employees

Year: 2013

Line No.	Name of Recipient (a)	Nature of Service (b)	Total Company Cost (c)	Total State Cost (d)	Intrastate Cost (e)
1	NONE				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
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33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47					
48					
49	Total				

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	2,982,622	23%	3,174,336	24%
3	Interstate, IntraLATA	-		-	
4	Total Interstate Usage	2,982,622	23%	3,174,336	24%
5	Intrastate, InterLATA	196,509	2%	199,070	2%
6	Intrastate, IntraLATA	2,969,464	23%	2,855,302	22%
7	Total Intrastate Usage	3,165,973	24%	3,054,372	23%
8	Total Toll Usage	6,148,595	47%	6,228,708	47%
9	Centrex	-		-	
10	Local	6,874,337	53%	6,969,901	53%
11	Total Minutes	13,022,932	100%	13,198,609	100%

Company Name: Hot Springs Telephone Co.

Central 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	Urban		256		140	118	72	32	97		8		100.0%	723
2	Rural		388		189	85	65	16	13		2			758
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														
31														
32														
33	Total		644		329	203	137	48	110		10		1	812

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

N=C+H+I+K

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	HOT SPRINGS	(Stand alone)	DIGITAL	SIEMENS	DCO-RNS-SE	1,080	1999
2							
3							
4							
5							
6							
7							
8							
9							
10							
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14							
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45							
46							
47							
48							

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

Construction Budget - Montana

Year: 2014

Line No.	Description (a)	2014 (b)
1	Central Office Assets:	
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27	Total Switching and Central Office Projects over \$500,000	
28	Miscellaneous Central Office Projects not over \$500,000	125,000
29	Total Central Office Budget (Total of Line 27 & Line 28)	125,000
30	Other Projects over \$500,000: —	
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41	Total Other Projects over \$500,000-	-
42	Miscellaneous projects not over \$500,000	203,000
43	Total Construction Budget (Total of Lines 29, 41 & 42)	328,000

Montana Total State Construction Expenditures

0

Line No.	FCC Part 32 Account No. (a)	Description (b)	This Year (c)	Last Year (d)	Percent Change (e)
1	2110	General Support Assets	52,013	15,712	231.05%
2	2210	Central Office Assets			
3	2220	Operator Systems			
4	2230	Central Office Transmission	16,476	37,868	-56.49%
5	2310	Information/Termination Assets			
6	2410	Cable and Wire Facilities Assets	21,167	15,750	34.39%
7	2680	Amortizable Tangible Assets			
8	2690	Intangibles			
9		Total Construction Expenditures	89,656	69,330	29.32%

Montana Employee Counts

Year: 2013

Line No.	Category (a)	Beginning of Year (b)	End of Year (c)
1	GENERAL MANAGER	1	1
2	OFFICE MANAGER	1	1
3	COE MAINTENANCE MANAGER & LINEMAN	1	1
4	PART TIME OFFICE CLERK		
5	ACCOUNTANT & FINANCIAL MANAGER	1	1
6	ASSISTANT ACCOUNTANT & PAYROLL CLERK		
7	INSTALLATIONS, LINEMEN & CONSTRUCTION WORKERS	2	2
8	INTERNET CONSULTANT	2	2
9	FULL TIME OFFICE CLERK	2	2
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
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28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41			
42			
43	Totals (Sum of Lines 1 through 42)	10	10

Company Name: Hot Springs Telephone Co.

SCHEDULE 28

DOES NOT APPLY

Year: 2013

Compensation of Top 5 Corporate Employees - SEC Information

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

Montana Composite Statistics

Year: 2013

Line No.	Account No.	Description (a)	Amount (b)
1		Plant (Intrastate Only) (000 Omitted)	
2	2001	Plant in Service	422
3	2003 - 2004	Construction Work in Progress	
4	2005	Plant Acquisition Adjustments	
5	2002	Plant Held for Future Use	
6	1220	Materials & Supplies	
7		(Less):	
8	3100 - 3400	Depreciation & Amortization Reserves	-3191
9	4360.2	Contributions in Aid of Construction	
10		NET BOOK COSTS	-2769
11		Revenues & Expenses (Intrastate Only) (000 Omitted)	
12	5000 - 5300	Operating Revenues	358
13	6560	Depreciation & Amortization Expenses	151
14		Federal & State Income Taxes	5
15		Other Taxes	93
16		Other Operating Expenses	248
17		TOTAL Operating Expenses	497
18		Net Operating Income	-139
19		Other Income	51
20		Other Deductions	17
21		NET INCOME	-105
22		Access Lines in Service (Intrastate Only)	
23		Residential Access Lines	644
24		Business Access Lines	158
25		PBX Access Lines	
26		Other Access Lines Pay Phones	10
27		Total Number of Access Lines	812
28		Average Number of Calls Per Access Line	
29		Local Calls	1145723
30		Toll Calls (Intra- or Interstate)	1024766
31		Total Number of Calls Per Access Line (Total of Line 29 & Line 30 divided by Line 27)	2673
32		Other Statistics (Intrastate Only)	
33		Average Residential Monthly Bill	30
34		Gross Plant Investment per Access Line	5203

Depreciation - Montana Intrastate Regulated

Year: 2013

Line No.	Acct No. (a)	Description (b)	Composite Rate % (c)	Total Expense \$ (d)
1	2112	Motor Vehicles	20.0%	30,772
2	2114	Special Purpose Vehicles		
3	2115	Garage Work Equipment		
4	2116	Other work Equipment	20.0%	6,017
5	2121	Buildings	5.0%	11,849
6	2122	Furniture	20.0%	1,131
7	2123.1	Office Support Equipment		
8	2123.2	Company Communications Equipment		
9	2124	General Purpose Computers	20.0%	5,947
10	2211	Analog Electronic Switching Equipment		
11	2212	Digital Electronic Switching Equipment	10.0%	22,713
12	2215	Step By Step Switching Equipment		
13	2215	Crossbar Switching Equipment		
14	2220	Operator System		
15	2231	Radio Systems	10.0%	18,815
16	2232	Circuit DDS		
17	2232	Circuit Digital		
18	2232	Circuit Analog	10.0%	
19	2351	Public Telephone Terminating Equipment		
20	2362	Other Terminal Equipment	10.0%	833
21	2411	Poles		
22	2421	Aerial Cable Metallic	10.0%	7,599
23	2421	Aerial Cable Nonmetallic		
24	2422	Underground Cable Metallic		
25	2422	Underground Cable Nonmetallic		
26	2423	Buried Cable Metallic	5.0%	25,643
27	2423	Buried Cable Nonmetallic	5.0%	19,496
28	2424	Submarine Cable Metallic		
29	2424	Submarine Cable Nonmetallic		
30	2426	Intrabuilding Network Cable Metallic		
31	2426	Intrabuilding Network Cable Nonmetallic		
32	2431	Aerial Wire		
33	2441	Conduit Systems	10.0%	270
34				
35		COMPOSITE TOTAL	3.6%	151,085
36	Please list the Montana Public Service Commission Docket Order No. approving these depreciation rates Docket Number _____ Order Number _____			
37				
38				
39				
40				

Company Name: Hot Springs Telephone Co.

SCHEDULE 30a

Amortization - Montana Intrastate Regulated

Year: 2013

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

Montana Regulatory Capital Structure & Costs

Year: 2013

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

Network Access - Charges and Revenues

Year: 2013

Line No.	Description (a)	Access Charges Paid (b)	Access Revenues Received (c)
1	Montana - Total State		138,168
2			
3	Montana - Intrastate		8,616
4			
5	Montana - Intrastate Regulated		129551
6			-
7			
8			
9			
10			
11			
12			
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						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30	TOTAL					

Company Name: Hot Springs Telephone Co.
DOES NOT APPLY

SCHEDULE 34

Year: 2013
Affiliate Transactions - Products & Services Provided by Utility

Line No.	Affiliate Name (a)	Products & Services (b)	Method to Determine Price (c)	Charges to Affiliate (d)	% Total Affil. Revenues (e)	Charges to MT Utility (f)
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30	TOTAL					

Montana Intrastate Regulated Earned Rate of Return

Year: 2013

Line No.	Description Rate Base (a)	This Year (b)	Last Year (c)	Percent Change (d)
1				
2	2001 Plant in Service	4,224,796	4,133,144	2.22%
3	2002 Prop. Held for Future Telecommunications Use			
4	3100-3200 (Less) Accumulated Depreciation	(3,178,623)	(3,027,538)	-4.99%
5	Plant in Service	1,046,173	1,105,606	-5.38%
6				
7	Additions			
8	1220 Materials & Supplies			
9	1280 Prepayments			
10	Other Additions			
11	TOTAL Additions			
12				
13	Deductions			
14	4100 Current Deferred Operating Income Taxes			
15	4320 Unamortized Operating Investment Tax Credits			
16	4340 Noncurrent Deferred Operating Income Taxes			
17	Customer Advances for Construction			
18	Other Deductions			
19	TOTAL Deductions			
20	TOTAL Rate Base	1,046,173	1,105,606	-5.38%
21				
22	Net Earnings	(105,416)	40,897	-357.76%
23				
24	Rate of Return on Average Rate Base	-10.076%	3.699%	-372.40%
25				
26	Rate of Return on Average Equity	-6.980%	2.309%	-402.26%
27				
28	Major Normalizing Adjustments & Commission			
29	<u>Ratemaking adjustments to Utility Operations</u>			
30				
31	N/A			
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43	Adjusted Rate of Return on Average Rate Base			
44				
45	Adjusted Rate of Return on Average Equity			

Other Taxes Paid

Year: 2013

Line No.	Description (a)	Last Year (b)	This Year (c)
1	Montana Telephone Company License Tax		
2	Montana Public Service Commission Tax	923	846
3	Montana Consumer Counsel Tax	495	244
4	911 Emergency Telephone Fee	9262	7383.39
5	Montana Telecommunications Access Service (TDD)	681.8	3106.58
6	Montana Corporate License Tax	3659	4037
7	Personal Property Tax	2800	2675
8	Real Property Tax	15865	15157
9	Montana State Excise Tax	14148.6	14959.62
10			
11			
12	Total	47834	48409

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	204,540	161,093
15			
16			
17			
18			
19			
20			
21			
22			
23			
24	Total	204,540	161,093

