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YEAR ENDING

2013  
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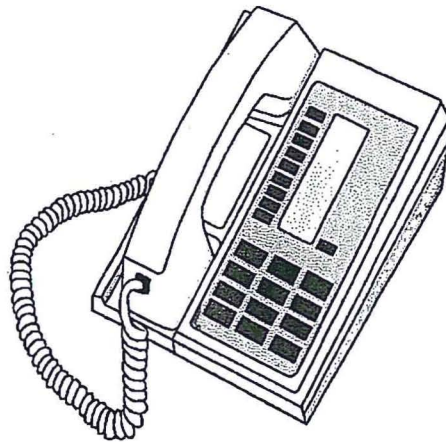
ANNUAL REPORT  
OF

2014 MAY -1 P 3: 04

PUBLIC SERVICE  
COMMISSION

RONAN TELEPHONE Company

TELEPHONE UTILITY



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

# Telephone Annual Report

## Instructions

### General

1. A Microsoft EXCEL workbook of the annual report is being provided on our website for your convenience. The workbook contains the schedules of the annual report. Each schedule is on the worksheet named that schedule. For example, Schedule 1 is on the sheet titled "Schedule 1". By entering your company name in the cell named "Company" of the first worksheet, the spreadsheet will put your company name on all the worksheets in the workbook. The same is true for inputting the year of the report in the cell named "YEAR". You can "GOTO" the proper cell by using the F5 key and selecting the name of the cell. You may also obtain these instructions and the report in both an Adobe Acrobat<sup>®</sup> format and as an EXCEL<sup>®</sup> file from our website at <http://psc.mt.gov/> under the "Reports" section on that page. Please be sure you use the 2009 report form.
2. Use of the EXCEL<sup>®</sup> file is optional. There are macros built into the workbook to assist you with the report.
3. All forms must be filled out in permanent ink and be legible. Note: Even if the computer disk is used, a printed version of the report shall be filed. **Please submit one unbound copy of the annual report along with the regular number of annual reports that you submit.** This aids in scanning the report so that it may be published on our web site. The orientation and margins are set up on each individual worksheet and should print on one page. If you elect not to use the disk, please format your reports to fit on one 8.5" by 11" page with the left binding edge (top if landscaped) set at .85", the right edge (bottom if landscaped) set at .4", and the remaining two margins at .5".
4. Unless otherwise indicated, all information required in these schedules shall be from the accounts prescribed in 47 C.F.R. Part 32 and the definitions and instructions therein will apply to this report wherever applicable.
5. Information on financial schedules may be rounded to thousands of dollars for companies with over 5,000 access lines. Companies submitting schedules rounded to thousands should so indicate at the top of the schedule.
6. Where more space is needed or more than one schedule is needed additional schedules may be attached and should be included directly behind the original schedule to which it pertains and be labeled accordingly (for example, Schedule 1A).
7. The information required with respect to any statement shall be furnished as a minimum requirement to which shall be added such further information as is necessary to make the required schedules not misleading.

8. The following schedules should be filled out with information on a total company basis:

Schedules 1 - 4  
Schedule 10  
Schedules 13 - 17  
Schedule 19  
Schedule 20, Page 1 of 2  
Schedules 33 and 34

All other schedules should be filled out with Montana specific data. Financial schedules should include all amounts originating in Montana or allocated to Montana from other jurisdictions.

9. All companies owned by another company shall attach a corporate structure chart of the holding company.
10. The following schedules are not required to be filled out or submitted by companies with less than 5,000 access lines:

Schedule 6  
Schedules 17 and 18  
Schedule 21

11. Schedules that have no activity during the year or are not applicable to the respondent should be marked as not applicable and submitted with the report.
12. Companies with under 5,000 lines may use summary accounts and should leave lines for subaccounts blank. Summary accounts are noted with an asterisk and subaccounts that are not required are noted with a caret.
13. Companies with over 5,000 lines must complete schedules to all required subaccount detail.
14. FCC Form M sheets may not be substituted in lieu of completing annual report schedules.
15. Common sense must be used when filling out all schedules.

### **Specific Instructions**

#### **Schedules 6, 7, 8, 18, 29, 30 and 35**

1. The Montana Public Service Commission approved intrastate depreciation rates must be utilized in the preparation of these schedules.

#### **Schedules 3 through 9**

1. **Schedules 3, 4, and 9** should include all notes to the financial statements required by the FCC or included in the financial statements issued as audited financial statements. These notes should be included in the report directly behind the schedules and should be labeled appropriately (Schedule 3A, etc.).



2. **Schedule 5** may be omitted for companies doing business only in Montana.
3. **Schedule 6** is not required for companies with under 5,000 lines.
4. **Schedule 7** must be completed by all companies. For companies under 5,000 lines, this schedule may be completed on a total state basis. Any such company completing the form on a total state basis shall indicate this fact clearly on the form.
5. **Schedule 8** - Companies with less than 5,000 lines are not required to fill out the intrastate portion. The regulated rate base must be separated from the deregulated rate base but this may be done on a total state basis. Any company so doing shall clearly indicate this on the form.
6. Only accounts designated on **Schedule 8** may be included in rate base. Only companies who have specifically been authorized in a Commission order to include cash working capital in rate base may fill out line 8 on Schedule 8. Cash working capital must be calculated using the methodology approved in the Commission order. The most recent Commission Order, and Docket, specifying cash working capital shall be noted on the schedule.
7. **Schedule 9** - Instructions to complete are similar to those used for the Statement of Cash Flows in the FCC Form M.

#### **Schedule 10**

1. For the purpose of this schedule, nonofficial companies shall include any company in which the respondent has an ownership interest which does not meet the definition of an affiliated company set out in 47 C.F.R. Section 32.9000. This schedule shall not include telecommunications accounts receivable from other customers.

#### **Schedule 11**

1. All amounts listed in Column f that represent individual items for which the higher of cost or market value was in excess of \$50,000 for companies with under 5,000 lines and in excess of \$100,000 for companies with over 5,000 lines must be fully explained in notes to this schedule. The explanation must include the plant description and location, the original cost, the net book cost, the market value, the value at which it was transferred or the price at which it was sold, and the party to which it was transferred or sold.

#### **Schedule 12**

1. Respondents shall list each item amounting individually to \$100,000 or more and report all others in the aggregate.
2. Amounts in Column f relating to individual items exceeding \$50,000 shall be fully explained.



**Schedule 15**

1. Line 1 must be completed by all companies for the most recent calendar year. The retention and price/earnings ratios shall be calculated on a year end basis. Enter the actual year end market price in the "Year Ended" row. If the computer disk is used, enter the year end market price in the "High" column.
2. Lines starting at 9 shall be completed for each of the twelve months of the report year for all companies with over 5,000 access lines. Earnings per share and dividends per share shall be reported on a quarterly basis and entries shall be made only to the months that end the respective quarters (for example, March, June, September, and December.)

**Schedule 19**

1. All companies are required to submit this form. Companies with more than one plan (for example, both a retirement plan and a deferred savings plan) shall complete a schedule for each plan.
2. Companies with defined benefit plans must complete the entire form using FASB 87 and 132 guidelines.
3. Interest rate percentages shall be listed to two decimal places.

**Schedule 20**

1. All changes to the employee benefit plans shall be explained in a narrative on lines 15 and 16. All cost containment measures implemented in the reporting year shall be explained and quantified in a narrative on lines 15 & 16. All assumptions used in quantifying cost containment results shall be disclosed.
2. The schedule shall be filled out using FASB 106 and 132 guidelines.

**Schedule 21**

1. Respondents shall disclose all payments made during the year where the aggregate payment to the recipient was \$25,000 or more. Payments must include fees, retainers, commissions, gifts, contributions, assessments, bonuses, subscriptions, allowances for expenses or any other form of payment for services or as a donation.

**Schedule 23**

1. Respondents shall provide an attached sheet detailing the type and corresponding number of access lines for all entries in Column L (Other). At the company's option, it may file for this information to be considered proprietary, however, the totals are not considered proprietary and need to be filed in the public annual report.

**Schedule 24**

1. Column (b). For each wire center that has a configuration of "Remote", Column (b) shall also reflect the respective "Host".
2. Column (c). Examples of Types of Switches are: Digital, Step by Step, and Crossbar.

**Schedule 25**

1. This schedule must be completed by all companies for the year following the reporting year.

**Schedule 25a**

1. This schedule should reflect the amount of total dollars spent in Montana during the reporting year and booked to the accounts listed on the schedule per the Code of Federal Regulations (CFR), Title 47, Chapter 1, Part 32. Universal System of Accounts.

**Schedule 26**

1. Respondents shall either report construction technicians and splicers as separate categories or footnote the appropriate categories and indicate the number of (1) construction technicians; and (2) splicers.

**Schedule 27**

1. Include in column (d) ALL additional forms of compensation, including, but not limited to: deferred compensation, deferred savings plan, profit sharing, supplemental or non-qualified retirement plan, employee stock ownership plan, restricted stock, stock options, stock appreciation rights, performance share awards, dividend equivalent shares, mortgage payments, use of company cars or car lease payments, tax preparation consulting, financial consulting, home security systems, company-paid physicals, subscriptions to periodicals, memberships, association or club dues, tuition reimbursement, employee discounts, and spouse travel.
2. The above compensation items shall be listed separately. Where more space is needed additional schedules may be attached and shall be included directly behind the original schedule to which it pertains.

**Schedule 28**

1. Respondents shall provide all executive compensation information in conformance with that required by the Securities and Exchange Commission (SEC) (Regulation S-K Item 402, Executive Compensation).
2. Include in column (d) ALL additional forms of compensation, including, but not limited to: deferred compensation, deferred savings plan, profit sharing, supplemental or non-qualified retirement plan, employee stock ownership plan, restricted stock, stock options, stock appreciation rights, performance share awards, dividend equivalent shares, mortgage payments, use of company cars or car lease payments, tax preparation consulting, financial consulting, home security systems, company-paid physicals, subscriptions to periodicals, memberships, association or club dues, tuition reimbursement, employee discounts, and spouse travel.
3. All items included in Column (d) - Other Compensation shall be listed separately. Where more space is needed additional schedules may be attached and shall be included directly behind the original schedule.



4. In addition, respondents shall attach a copy of the executive compensation information provided to the SEC.

**Schedule 29**

1. Information from this schedule is consolidated with information from other Utilities and reported to the National Association of Regulatory Utility Commissioners (NARUC). Your assistance in completing this schedule, even though information may be located in other areas of the annual report, expedites reporting to the NARUC and is appreciated.

**Schedule 30 and 30a**

1. If the total of lines 35 on these schedules differs from Line 31 on Schedule 7 please reconcile the difference.

**Schedules 33 and 34**

1. Respondents shall report all transactions with affiliated companies.
2. Column (c). Respondents shall indicate in column (c) the method used to determine the price. Respondents shall indicate if a contract is in place between the Affiliate and the Utility. If a contract is in place, respondents shall indicate the year the contract was initiated, the term of the contract and the method used to determine the contract price.
3. Column (c). If the method used to determine the price is different than the previous year, respondents shall provide an explanation, including the reason for the change.

**Schedule 35**

1. Respondents shall provide an attached sheet detailing the account and the amount for all entries made to Lines 9 and 16.
2. Only companies who have specifically been authorized in a Commission Order to include cash working capital in rate base may include cash working capital in lines 9 or 16. Cash working capital must be calculated using the methodology approved in the Commission Order. The Commission Order specifying cash working capital shall be noted on the attached sheet.
3. Respondents shall indicate, for each adjustment on lines 30 through 42, if the amount is updated or if it is from the last rate case. All adjustments shall be calculated using Commission methodology.

**Schedule 36**

1. Respondents shall list the amount of tax accrued or paid for the fiscal year attributable to Montana sources for each of the listed taxes

**Schedule 37**

2. Respondents shall list the amount of Universal Service Funds received from Montana and from the federal government.



# Telephone Annual Report

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## General Information

Year: 2013

1	Legal Name of Respondent:	RONAN TELEPHONE COMPANY A MONT CORP
2	Name Under Which Respondent Does Business:	RONAN TELEPHONE COMPANY
3	Date of Incorporation:	JAN 1 1971
4	Address to send Correspondence Concerning Report:	312 MAIN STREET S.W. RONAN MT 59864
5	Person Responsible for This Report:	JAY WILSON PRESTON
5a.	Telephone Number:	406 676-2751
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:	COMMUNITYTEL INC. 312 MAIN STREET S.W. RONAN MT 59864
1b.	Means by which control was held:	HOLDING COMPANY
1c.	Percent Ownership:	100%

Board of Directors		
Line No.	Name of Director and Address (City, State) (a)	Fees Paid During Year (b)
1	JUDITH G PRESTON	\$3,600
2		
3	PHILIP J GRAINEY	
4		
5	IVAN C EVILSIZER	
6		
7	ROBERT F ERICKSON	
8		
9	JAY W PRESTON	
10		
11	RICHARD E KIEHN	
12		
13	WADE P CULP	
14		
15		
16		
17		
18	<b>Chairman of the Board:</b>	
19	JAY WILSON PRESTON	
20	CHARLO MT	



## 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	OPERATIONS MANAGEMENT	JUDITH G PRESTON
2			POLSON MT 59860
3			
4	VICE PRESIDENT	OPERATIONS MANAGEMENT	VACANT
5			
6			
7	SECRETARY	LEGAL	PHILIP J GRAINEY
8			RONAN MT 59864
9			
10	TREASURER	FINANCIAL	ROBERT F ERICKSON
11			RONAN MT 59864
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## Total Company Balance Sheet

Year: 2013

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>CURRENT ASSETS:</b>		
2	1120	Cash and Equivalents	7,232	434,825
3	1180	Telecommunications Accounts Receivable - Net	160,298	131,672
4	1190	Other Accounts Receivable - Net	326,420	512,119
5	1200	Notes Receivable - Net		
6	1210	Interest and Dividends Receivable		
7	1220	Materials and Supplies	38,122	64,693
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	60,800	57,500
15		<b>Total Current Assets</b>	<b>592,872</b>	<b>1,200,809</b>
16		<b>NONCURRENT ASSETS:</b>		
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 - NET NON-REG ASSETS	2,868,148	1,967,224
23	1438	Deferred Maintenance and Retirements		
24	1439	Deferred Charges		
25	1500	Other Jurisdictional Assets - Net		
26		<b>Total Noncurrent Assets</b>	<b>2,868,148</b>	<b>1,967,224</b>
27		<b>PROPERTY, PLANT, &amp; EQUIPMENT:</b>		
28	2001	Telecommunications Plant in Service	13,864,910	13,316,498
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	(9,197,251)	(8,730,040)
36	3200	Accumulated Depreciation - Held for Future Use		
37	3300	Accumulated Depreciation - Nonoperating		
38	3400	Accumulated Amortization		
39		<b>Net Property, Plant, &amp; Equipment</b>	<b>4,667,659</b>	<b>4,586,458</b>
40		<b>TOTAL ASSETS</b>	<b>8,128,679</b>	<b>7,754,491</b>

^ 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		<b>CURRENT LIABILITIES:</b>		
42	4010	Accounts Payable	133,447	218,066
43	4020	Notes Payable		
44	4030	Advance Billing and Payments		
45	4040	Customer Deposits	4,850	6,710
46	4050	Current Maturities - Long Term Debt		
47	4060	Current Maturities - Capital Leases		
48	4070	Income Taxes - Accrued	(120,703)	9,079
49	4080	Other Taxes - Accrued	48,919	47,223
50	4100	Net Current Deferred Operating Income Taxes		
51	4110	Net Current Deferred Nonoperating Income Taxes		
52	4120	Other Accrued Liabilities	186,805	150,376
53	4130	Other Current Liabilities		
54		<b>Total Current Liabilities</b>	253,318	431,454
55		<b>LONG-TERM DEBT:</b>		
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	365,979	79,649
63		<b>Total Long-Term Debt</b>	365,979	79,649
64		<b>OTHER LIABILITIES AND DEFERRED CREDITS:</b>		
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	1,450,300	1,570,900
69	4350	Net Noncurrent Deferred Nonoper. Income Taxes		
70	4360	Other Deferred Credits	176,128	172,363
71	4370	Other Jurisdictional Liab. and Def. Credits		
72		<b>Total Other Liabilities and Deferred Credits</b>	1,626,428	1,743,263
73		<b>STOCKHOLDERS' EQUITY:</b>		
74	4510	Capital Stock	114,400	114,400
75	4520	Additional Paid-In Capital		
76	4530	Treasury Stock	(10,000)	(10,000)
77	4540	Other Capital		
78	4550	Retained Earnings	5,778,554	5,395,725
79		<b>Total Stockholders' Equity</b>	5,882,954	5,500,125
80		<b>TOTAL LIAB. AND STOCKHOLDERS' EQUITY</b>	8,128,679	7,754,491



## Total Company Income Statement

Year: 2013

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>REVENUES:</b>		
2	5000	Basic Local Service Revenues	951,099	983,949
3	5080	Network Access Revenues	2,087,189	2,250,303
4	* 5100	Long Distance Message Revenue	83,540	80,123
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	600	2,050
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	(18,156)	(22,551)
17		<b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>	3,104,272	3,293,874
18		<b>OPERATING EXPENSES:</b>		
19	6110	Network Support Expense		
20	6120	General Support Expense	376,509	423,877
21	6210	Central Office Switching Expense	336,281	322,809
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	32,631	129,692
24	6310	Information Origination/Termination Expense	62	847
25	* 6410	Cable and Wire Facilities Expense	201,328	224,072
26	^ 6431	Aerial Wire Expense		
27	^ 6441	Conduit Systems Expense		
28	6510	Other Property, Plant & Equipment Expense		
29	6530	Network Operations Expense	111,118	114,030
30	6540	Access Expense		
31	6560	Depreciation and Amortization Expense	553,861	548,496
32	6610	Marketing	95,490	118,524
33	6620	Services	670,501	526,326
34	6710	Executive and Planning	149,192	64,678
35	6720	General and Administrative	642,451	679,077
36	6790	Provision for Uncollectible Notes Receivable		
37		<b>Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)</b>	3,169,424	3,152,428
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	87,529	127,686
40		<b>Net Operating Income (L.17-L.37+L.38-L.39)</b>	(152,681)	13,760
41	7300	Nonoperating Income and Expense		
42	7400	Nonoperating Taxes		
43	7500	Interest and Related Items		
44	7600	Extraordinary Items		
45	7910	Effects of Juris. Ratemaking Diff. - Net		
46	7990	Nonregulated Net Income or ( Loss)	500,257	2,280,483
47		<b>NET INCOME (L.40+L.41-L.42-L.43-L.44+L.45-L.46)</b>	347,576	2,294,243

^ 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		<b>REVENUES:</b>		
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	SCHEDULE NOT REQUIRED	
7	^ 5160	Other Long Distance Revenue		
8	^ 5169	Other Long Distance Revenue Settlements	ALL BUSINESS IS DONE IN	
9	* 5200	Miscellaneous Revenue	MONTANA	
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		<b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>		
18		<b>OPERATING EXPENSES:</b>		
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		<b>Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)</b>		
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes		
40		<b>Net Operating Income (L.17-L.37+L.38-L.39)</b>		

^ 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		<b>REVENUES:</b>	THIS SCHEDULE IS NOT REQUIRED	
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		<b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>		
18		<b>OPERATING EXPENSES:</b>		
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		<b>Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)</b>		
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes		
40		<b>Net Operating Income (L.17-L.37+L.38-L.39)</b>		

^ 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		<b>REVENUES:</b>		
2	5000	Basic Local Service Revenues	951,099	983,949
3	5080	Network Access Revenues	2,087,189	2,250,303
4	* 5100	Long Distance Message Revenue	83,540	80,123
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	600	2,050
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	(18,156)	(22,551)
17		<b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>	3,104,272	3,293,874
18		<b>OPERATING EXPENSES:</b>		
19	6110	Network Support Expense		
20	6120	General Support Expense	376,509	423,877
21	6210	Central Office Switching Expense	336,281	322,809
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	32,631	129,692
24	6310	Information Origination/Termination Expense	62	847
25	* 6410	Cable and Wire Facilities Expense	201,328	224,072
26	^ 6431	Aerial Wire Expense		
27	^ 6441	Conduit Systems Expense		
28	6510	Other Property, Plant & Equipment Expense		
29	6530	Network Operations Expense	111,118	114,030
30	6540	Access Expense		
31	6560	Depreciation and Amortization Expense	553,861	548,496
32	6610	Marketing	95,490	118,524
33	6620	Services	670,501	526,326
34	6710	Executive and Planning	149,192	64,678
35	6720	General and Administrative	642,451	679,077
36	6790	Provision for Uncollectible Notes Receivable		
37		<b>Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)</b>	3,169,424	3,152,428
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	87,529	127,686
40		<b>Net Operating Income (L.17-L.37+L.38-L.39)</b>	(152,681)	13,760

^ Subaccount of the account marked with a \*.

THIS SCHEDULE IS PREPARED ON A TOTAL STATE BASIS AS ALLOWED IN THE INSTRUCTIONS

**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	13,864,910	13,316,498
2	3100	Accumulated Depreciation	(9,197,251)	(8,730,040)
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies	38,122	64,693
6	4340	Noncurrent Deferred Operating Income Taxes	(1,389,500)	(1,513,400)
7		Pre-1971 Unamortized Investment Tax Credits		
8		Cash Working Capital (if allowed by Commission)	131,462	134,039
9		<b>Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)</b>	<b>3,447,743</b>	<b>3,271,790</b>

**Average Rate Base - Intrastate**

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	NOT REQUIRED	
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		<b>Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)</b>		

**Average Rate Base - Regulated Intrastate**

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	NOT REQUIRED	
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		<b>Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)</b>		

RONAN TELEPHONE COMPANY HAS LESS THAN 5000 ACCESS LINES AND REPORTS AVERAGE RATE BASE ON A TOTAL STATE BASIS. RATE BASE IN THIS SCHEDULE INCLUDES ONLY REGULATED RATE BASE. DEREGULATED RATE BASE HAS BEEN SEPERATED AND IS NOT INCLUDED IN THIS SCHEDULE.



## Statement of Cash Flows

Year: 2013

Line No.	Item Description (a)	Amount (b)	Amount (c)
1	<b>Increase/(decrease) in Cash &amp; Cash Equivalents</b>		
2	<b>Cash Flows from Operating Activities:</b>		
3	Net Income		\$267,659
4	Reconciliation Adjustments:		
5	Depreciation & Amortization	650,505	
6	Provision for Accounts Receivable Losses	-	
7	Deferred Income Taxes - Net	(137,500)	
8	Unamortized Investment Tax Credits (ITCs) - Net	-	
9	Allowance for Funds Used During Construction (AFUDC)	-	
10	Change in Operating Receivables - Net	271,080	
11	Change in Materials, Supplies & Inventories - Net	29,282	
12	Change in Operating Payables & Accrued Liabilities - Net	(1,305,545)	
13	Change in Other Assets & Deferred Credits - Net	-	
14	Change in Other Liabilities & Deferred Credits - Net	1,906	
15	Other (explained on back of this page)		
16	Total Adjustments		(490,272)
17	<b>Net Cash Provided by/(Used in) Operating Activities</b>		(222,613)
18	<b>Cash Inflows/Outflows From Investing Activities:</b>		
19	Construction/Acquisition of Property, Plant & Equipment (net of	(505,796)	
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) (A)	4,861,826	
25	<b>Net Cash Provided by/(Used in) Investing Activities</b>		4,356,030
26	<b>Cash Flows from Financing Activities:</b>		
27	Net Incr./(Decr.) in Short-Term Debt, Original maturity <= 3 mo.	294,166	
28	Advances from Affiliates	352,412	
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	115,171	
36	Other Financing Activities (explained on back of this page) (B)	(5,424,432)	
37	<b>Net Cash Provided by Financing Activities</b>		(4,662,683)
38	<b>Effect of Exchange Rate Changes on Cash</b>		-0-
39	<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>		(529,267)
40	<b>Cash &amp; Cash Equivalents at Beginning of Period</b>		540,986
41	<b>Cash &amp; Cash Equivalents at End of Period</b>		11,719

(A) Investment in Montana West \$4,454,801  
Increase in cash surrender value of life insurance (2,211)  
Purchase of investments 409,236  
\$4,861,826

(B) BTOP - Intercompany Activity



## Receivables and Investments-Affiliated &amp; 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	Subscribers		\$160,298								
2											
3	Carriers				\$225,862						
4											
5	Bank of America				\$27,280						
6											
7	WMCT Inc.				\$40,226						
8											
9	Miscellaneous Accounts				\$33,052						
10											
11											
12											
13											
14											
15											
16											
17											
18											
19											
20											
21											
22											
23											
24											
25											
26											
27											
28											
29											
30	<b>Totals</b>	0	\$160,298	0	\$326,420	0	0	0	0	0	0

## 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	2,216,535	214,792			2,431,327	1,565,299	866,028
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	71,788				71,788	71,788	0
14	2215	Electro-Mechanical Switching	4,405,477	72,595			4,478,072	3,642,749	835,323
15	2220	Operator Systems							
16	2231	Radio Systems							
17	2232	Circuit Equipment							
18	* 2310	Information Orig & Term Equip	488,641				488,641	407,063	81,578
19	^ 2311	Station Apparatus	20,027				20,027	19,150	877
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	21,555				21,555	16,669	4,886
25	* 2420	Cable and Wire Facilities	5,404,728	261,025			5,665,753	3,049,731	2,616,022
26	^ 2421	Aerial Cable							
27	^ 2422	Underground Cable							
28	^ 2423	Buried Cable							
29	^ 2424	Submarine Cable							
30	^ 2425	Deep Sea Cable							
31	^ 2426	Intrabuilding Network Cable							
32	2431	Aerial Wire	824				824	824	0
33	2441	Conduit Systems	686,923				686,923	423,978	262,945
34		<b>Totals</b>	<b>\$13,316,498</b>	<b>\$548,412</b>	<b>0</b>	<b>0</b>	<b>\$13,864,910</b>	<b>\$9,197,251</b>	<b>\$4,667,659</b>

^ Subaccount the account marked with a \*.

Company Name: **RONAN TELEPHONE COMPANY**

**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	NOTHING TO REPORT						
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	<b>Totals (Sum L.1 to L.29)</b>		0	0	0	0	0



Company Name: RONAN TELEPHONE COMPANY

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	NOTE PAYABLE	09/30/09	09/30/14	\$69,360	\$69,360	\$69,360	\$100.00	\$11,749	6.00%	\$1,179	0	6.00%
7												
8	NOTE PAYABLE	10/01/11	09/30/13	\$60,000	\$60,000	\$60,000	\$100.00	\$60,000	6.00%	\$3,600	0	6.00%
9												
10	NOTE PAYABLE	08/01/13	08/01/14	\$500,000	\$500,000	\$500,000	\$100.00	\$294,230	6.00%	\$30,000	0	6.00%
11												
12												
13												
14												
15												
16												
17												
18												
19												
20												
21												
22												
23												
24												
25												
26												
27												
28												
29												
30	<b>Total</b>			\$629,360	\$629,360	\$629,360	\$100.00	\$365,979		\$34,779	0	6.00%

Company Name: RONAN TELEPHONE COMPANY

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												
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)											

THIS SCHEDULE IS NOT APPLICABLE

## 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:	22,840	\$257.57	\$15.22	(1)	(1)	N/A - NOT PUBLICLY TRADED	
2								
3								
4	(1) NO DIVIDEND WAS DECLARED TO INDIVIDUAL STOCKHOLDERS AS RONAN TELEPHONE COMPANY							
5	IS OWNED 100% BY COMMUNITYTEL INC. (A HOLDING COMPANY)							
6								
7								
8	Month by Month Data:							
9	January							
10	February							
11	March			MONTHLY DATA IS NOT REQUIRED AS STATED IN THE INSTRUCTIONS				
12	April							
13	May							
14	June							
15	July							
16	August							
17	September							
18	October							
19	November							
20	December							
21								
22								
23								



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)	Reaquisition or Retirement Cost (e)	Gain or (Loss) (f)	Retirement or Reaquisition (g)
1	NO TRANSACTIONS OF THIS NATURE IN 2013						
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: RONAN TELEPHONE COMPANY

SCHEDULE 17

Page 1 of 2

Year:2013

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)
1	*	6110 Network Support Expense						
2	^	6112 Motor Vehicle Expense						
3	^	6113 Aircraft Expense						
4	^	6114 Special Purpose Vehicles Expense						
5	^	6115 Garage Work Equipment Expense						
6	^	6116 Other Work Equipment Expense						
7	*	6120 General Support Expense						
8	^	6121 Land and Building Expense						
9	^	6122 Furniture and Artworks Expense						
10	^	6123 Office Equipment Expense						
11	^	6124 General Purpose Computers Expense						
12	*	6210 Central Office Switching Expense						
13	^	6211 Analog Electronic Expense						
14	^	6212 Digital Electronic Expense						
15	^	6215 Electro-Mechanical Expense						
16		6220 Operator Systems Expense						
17	*	6230 Central Office Transmission Expense						
18	^	6231 Radio Systems Expense						
19	^	6232 Circuit Equipment Expense						
20	*	6310 Information Origination/Termination Expense						
21	^	6311 Station Apparatus Expense						
22	^	6341 Large Private Branch Exchange Expense						
23	^	6351 Public Telephone Terminal Equipment Exp.						
24	^	6362 Other Terminal Equipment Expense						
25	*	6410 Cable and Wire Facilities Expense						
26	^	6411 Poles Expense						
27	^	6421 Aerial Cable Expense						
28	^	6422 Underground Cable Expense						
29	^	6423 Buried Cable Expense						
30	^	6424 Submarine Cable Expense						
31	^	6425 Deep Sea Cable Expense						
32	^	6426 Intrabuilding Network Cable Expense						
33	^	6431 Aerial Wire Expense						
34		<b>Subtotals</b>						

THIS SCHEDULE IS NOT REQUIRED

^ Subaccount of the account marked with a \*.

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## 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						
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		<b>Totals</b>						

THIS SCHEDULE IS NOT REQUIRED

^ Subaccount of the account marked with a \*.



Company Name: RONAN TELEPHONE COMPANY

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	*	6110 Network Support Expense						
2	^	6112 Motor Vehicle Expense						
3	^	6113 Aircraft Expense						
4	^	6114 Special Purpose Vehicles Expense						
5	^	6115 Garage Work Equipment Expense						
6	^	6116 Other Work Equipment Expense						
7	*	6120 General Support Expense						
8	^	6121 Land and Building Expense						
9	^	6122 Furniture and Artworks Expense						
10	^	6123 Office Equipment Expense						
11	^	6124 General Purpose Computers Expense						
12	*	6210 Central Office Switching Expense						
13	^	6211 Analog Electronic Expense						
14	^	6212 Digital Electronic Expense						
15	^	6215 Electro-Mechanical Expense						
16		6220 Operator Systems Expense						
17	*	6230 Central Office Transmission Expense						
18	^	6231 Radio Systems Expense						
19	^	6232 Circuit Equipment Expense						
20	*	6310 Information Origination/Termination Expense						
21	^	6311 Station Apparatus Expense						
22	^	6341 Large Private Branch Exchange Expense						
23	^	6351 Public Telephone Terminal Equipment Exp.						
24	^	6362 Other Terminal Equipment Expense						
25	*	6410 Cable and Wire Facilities Expense						
26	^	6411 Poles Expense						
27	^	6421 Aerial Cable Expense						
28	^	6422 Underground Cable Expense						
29	^	6423 Buried Cable Expense						
30	^	6424 Submarine Cable Expense						
31	^	6425 Deep Sea Cable Expense						
32	^	6426 Intrabuilding Network Cable Expense						
33	^	6431 Aerial Wire Expense						
34		<b>Subtotals</b>						

THIS SCHEDULE IS NOT REQUIRED

^ Subaccount of the account marked with a \*.

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## 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		<b>Totals</b>						

THIS SCHEDULE IS NOT REQUIRED

^ Subaccount of the account marked with a \*.

**Pension Costs**

Year: 2013

1	Plan Name : RONAN TELEPHONE COMPANY 401(k) & PROFIT SHARING PLAN			
2	Defined Benefit Plan? <u>NO</u>	Defined Contribution Plan? <u>YES</u>		
3	Actuarial Cost Method? <u>N/A</u>	IRS Code: <u>414i</u>		
4	Annual Contribution by Employer: <u>\$103,591</u>	Is the Plan Over Funded? <u>NO</u>		
5				
	Item	Current Year	Last Year	% Change
6	<b>Change in Benefit Obligation</b>			
7	Benefit obligation at beginning of year			
8	Service cost			
9	Interest Cost			
10	Plan participants' contributions			
11	Amendments			
12	Actuarial Gain			
13	Acquisition			
14	Benefits paid			
15	Benefit obligation at end of year			
16	<b>Change in Plan Assets</b>			
17	Fair value of plan assets at beginning of year	SEE MOST CURRENT FORM 5500		
18	Actual return on plan assets	SCHEDULE I		
19	Acquisition	ATTACHED		
20	Employer contribution			
21	Plan participants' contributions			
22	Benefits paid			
23	Fair value of plan assets at end of year			
24	<b>Funded Status</b>			
25	Unrecognized net actuarial loss			
26	Unrecognized prior service cost			
27	Prepaid (accrued) benefit cost			
28				
29	<b>Weighted-average Assumptions as of Year End</b>			
30	Discount rate			
31	Expected return on plan assets			
32	Rate of compensation increase			
33				
34	<b>Components of Net Periodic Benefit Costs</b>			
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	<b>Montana Intrastate Costs:</b>			
43	Pension Costs			
44	Pension Costs Capitalized			
45	Accumulated Pension Asset (Liability) at Year End			
46	<b>Number of Company Employees:</b>			
47	Covered by the Plan	36	37	-2.70%
48	Not Covered by the Plan	5	8	-37.50%
49	Active	36	45	-20.00%
50	Retired	0	0	0.00%
51	Deferred Vested Terminated	0	0	0.00%



**SCHEDULE I  
(Form 5500)**Department of the Treasury  
Internal Revenue ServiceDepartment of Labor  
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

**Financial Information—Small Plan**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2013****This Form is Open to Public  
Inspection**

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

**A** Name of plan  
Ronan Telephone Company Profit Sharing Plan and Trust**B** Three-digit  
plan number (PN) ▶ 002**C** Plan sponsor's name as shown on line 2a of Form 5500

Ronan Telephone Company

**D** Employer Identification Number (EIN)

81-0308279

Complete Schedule I if the plan covered fewer than 100 participants as of the beginning of the plan year. You may also complete Schedule I if you are filing as a small plan under the 80-120 participant rule (see instructions). Complete Schedule H if reporting as a large plan or DFE.

**Part I Small Plan Financial Information**Report below the current value of assets and liabilities, income, expenses, transfers and changes in net assets during the plan year. Combine the value of plan assets held in more than one trust. Do not enter the value of the portion of an insurance contract that guarantees during this plan year to pay a specific dollar benefit at a future date. Include all income and expenses of the plan including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. **Round off amounts to the nearest dollar.**

<b>1 Plan Assets and Liabilities:</b>		<b>(a) Beginning of Year</b>	<b>(b) End of Year</b>
<b>a</b> Total plan assets .....	<b>1a</b>	7336359	8702602
<b>b</b> Total plan liabilities .....	<b>1b</b>		
<b>c</b> Net plan assets (subtract line 1b from line 1a) .....	<b>1c</b>	7336359	8702602
<b>2 Income, Expenses, and Transfers for this Plan Year:</b>		<b>(a) Amount</b>	<b>(b) Total</b>
<b>a</b> Contributions received or receivable:			
(1) Employers .....	<b>2a(1)</b>	103591	
(2) Participants .....	<b>2a(2)</b>	96049	
(3) Others (including rollovers) .....	<b>2a(3)</b>		
<b>b</b> Noncash contributions .....	<b>2b</b>	0	
<b>c</b> Other income .....	<b>2c</b>	1373779	
<b>d</b> Total income (add lines 2a(1), 2a(2), 2a(3), 2b, and 2c) .....	<b>2d</b>		1573419
<b>e</b> Benefits paid (including direct rollovers) .....	<b>2e</b>	163552	
<b>f</b> Corrective distributions (see instructions) .....	<b>2f</b>		
<b>g</b> Certain deemed distributions of participant loans (see instructions) .....	<b>2g</b>		
<b>h</b> Administrative service providers (salaries, fees, and commissions) .....	<b>2h</b>		
<b>i</b> Other expenses .....	<b>2i</b>	43624	
<b>j</b> Total expenses (add lines 2e, 2f, 2g, 2h, and 2i) .....	<b>2j</b>		207176
<b>k</b> Net income (loss) (subtract line 2j from line 2d) .....	<b>2k</b>		1366243
<b>l</b> Transfers to (from) the plan (see instructions) .....	<b>2l</b>		

**3 Specific Assets:** If the plan held assets at anytime during the plan year in any of the following categories, check "Yes" and enter the current value of any assets remaining in the plan as of the end of the plan year. Allocate the value of the plan's interest in a commingled trust containing the assets of more than one plan on a line-by-line basis unless the trust meets one of the specific exceptions described in the instructions.

	<b>Yes</b>	<b>No</b>	<b>Amount</b>
<b>a</b> Partnership/joint venture interests .....	<b>3a</b>	X	89750
<b>b</b> Employer real property .....	<b>3b</b>	X	
<b>c</b> Real estate (other than employer real property) .....	<b>3c</b>	X	255700
<b>d</b> Employer securities .....	<b>3d</b>	X	
Participant loans .....	<b>3e</b>	X	213513

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500

Schedule I (Form 5500) 2013



## Other Post Employment Benefits (OPEBS)

Item	Current Year	Last Year	% Change
<b>1 Regulatory Treatment:</b>			
2 Commission authorized - most recent			
3 Docket number: _____			
4 Order number: _____			
5 Amount recovered through rates			
<b>6 Weighted-average Assumptions as of Year End</b>			
7 Discount rate			
8 Expected return on plan assets			
9 Medical Cost Inflation Rate			
10 Actuarial Cost Method			
11 Rate of compensation increase			
<b>12 List each method used to fund OPEBs (ie: VEBA, 401(h)) and if tax advantaged:</b>			
13			
14			
<b>15 Describe any Changes to the Benefit Plan:</b>			
16			
<b>17 TOTAL COMPANY</b>			
<b>18 Change in Benefit Obligation</b>			
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			
<b>28 Change in Plan Assets</b>			
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			
<b>36 Funded Status</b>			
37 Unrecognized net actuarial loss			
38 Unrecognized prior service cost			
39 Prepaid (accrued) benefit cost			
<b>40 Components of Net Periodic Benefit Costs</b>			
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			
<b>47 Accumulated Post Retirement Benefit Obligation</b>			
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	<b>Number of Company Employees:</b>			
2	Covered by the Plan			
3	Not Covered by the Plan			
4	Active			
5	Retired			
6	Spouses/Dependants covered by the Plan			
7	<b>Montana</b>			
8	<b>Change in Benefit Obligation</b>			
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	<b>Change in Plan Assets</b>			
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	<b>Funded Status</b>			
27	Unrecognized net actuarial loss			
28	Unrecognized prior service cost			
29	Prepaid (accrued) benefit cost			
30	<b>Components of Net Periodic Benefit Costs</b>			
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	<b>Accumulated Post Retirement Benefit Obligation</b>			
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	<b>Montana Intrastate Costs:</b>			
47	Pension Costs			
48	Pension Costs Capitalized			
49	Accumulated Pension Asset (Liability) at Year End			
50	<b>Number of Montana Employees:</b>			
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					
2					
3					
4					
5					
6					
7					
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9					
10					
11					
12					
13					
14					
15					
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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:	4,804,471	4.50%	6,866,381	6.41%
2	Interstate, InterLATA				
3	Interstate, IntraLATA				
4	<b>Total Interstate Usage</b>	4,804,471	4.50%	6,866,381	6.41%
5	Intrastate, InterLATA	(1)		(1)	
6	Intrastate, IntraLATA	(1)		(1)	
7	<b>Total Intrastate Usage</b>	11,960,264	11.20%	8,204,645	7.66%
8	<b>Total Toll Usage</b>	16,764,735	15.70%	15,071,026	14.10%
9	Centrex				
10	<b>Local ESTIMATED</b>	90,000,000	84.30%	91,994,540	85.90%
11	<b>Total Minutes</b>	106,764,735	100.00%	107,065,566	100.00%

(1) INTRASTATE LONG DISTANCE USAGE IS REPORTED ON A TOTAL STATE BASIS  
IN ORDER TO AVOID INACCURACIES

Company Name: RONAN TELEPHONE COMPANY

SCHEDULE 23

Page 1 of 1

**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	676 RONAN	DIGITAL	1,151	72	985	259	368	150	477	0	17	96	100%	1,891
2														
3	675 PABLO	DIGITAL	504	0	517	143	131	38	135	0	9	2	100%	688
4														
5														
6														
7														
8														
9														
10														
11														
12														
13	COLUMN L - OTHER													
14	THESE ARE COMPANY LINES FOR OFFICIAL USE & TESTING													
15														
16														
17														
18														
19														
20														
21														
22														
23														
24														
25														
26														
27														
28														
29														
30														
31														
32														
33	<b>Total</b>		1,655	72	1,502	402	499	188	612	0	26	98	100%	2,579

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	676 RONAN	HOST	DIGITAL	SIEMENS	DCO-E	3,780	1991
2							
3	675 PABLO	REMOTE	DIGITAL	SIEMENS	DCO-RLS	1,800	1995
4							
5	676 ROUND BUTTE E	REMOTE	DIGITAL	SIEMENS	DCO-RLS	180	2001
6							
7	676 ROUND BUTTE W	REMOTE	DIGITAL	SIEMENS	DCO-RLS	270	2001
8							
9	676/675 NORTH CROW	REMOTE	DIGITAL	SIEMENS	DCO-RLS	360	1994
10							
11	676 TIMBERLANE	REMOTE	DIGITAL	SIEMENS	DCO-RLS	270	1995
12							
13	676/675 PABLO WEST	REMOTE	DIGITAL	SIEMENS	DCO-RLS	270	2001
14							
15	676 RONAN	STAND ALONE	SOFT - SWITCH	COPPERCOM	CSX 1100	120 T-1's	2005
16							
17							
18	676 RONAN	REMOTE	DIGITAL	OCCAM	BLC	96	2010
19							
20	676 RONAN	REMOTE	DIGITAL	OCCAM	BLC	48	2012
21							
22	675 PABLO	REMOTE	DIGITAL	OCCAM	BLC	144	2013
23							
24							
25							
26							
27							
28							
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31							
32							
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47							
48							

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

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## Construction Budget - Montana

Year: 2014

Line No.	Description (a)	2,014 (b)
1	<b>Central Office Assets:</b>	
2		
3	SOFT - SWITCH	\$600,000
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	\$600,000
28	Miscellaneous Central Office Projects not over \$500,000	
29	<b>Total Central Office Budget (Total of Line 27 &amp; Line 28)</b>	<b>\$600,000</b>
30	<b>Other Projects over \$500,000:</b>	
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41	Total Other Projects over \$500,000	0
42	Miscellaneous projects not over \$500,000	\$100,000
43	<b>Total Construction Budget (Total of Lines 29, 41 &amp; 42)</b>	<b>\$700,000</b>

YEAR:2013

**Montana Total State Construction Expenditures**

<b>Line No.</b>	<b>FCC Part 32 Account No. (a)</b>	<b>Description (b)</b>	<b>This Year (c)</b>	<b>Last Year (d)</b>	<b>Percent Change (e)</b>
1	2110	General Support Assets	214,792	187,222	14.73%
2	2210	Central Office Assets	72,595	160,597	-54.80%
3	2220	Operator Systems	0	0	
4	2230	Central Office Transmission	0	0	
5	2310	Information/Termination Assets	0	0	
6	2410	Cable and Wire Facilities Assets	261,025	148,043	76.32%
7	2680	Amortizable Tangible Assets	0	0	
8	2690	Intangibles	0	0	
9		Total Construction Expenditures	\$548,412	\$495,862	10.60%



## Montana Employee Counts

Year: 2013

Line No.	Category (a)	Beginning of Year (b)	End of Year (c)
1	GENERAL MANAGEMENT	2	1
2			
3	FINANCE & ACCOUNTING	2	2
4			
5	CENTRAL OFFICE	3	3
6			
7	DATA PROCESSING	2	2
8			
9	OUTSIDE PLANT - COMBINATIONMAN	2	5
10			
11	OUTSIDE PLANT - SPLICER	1	1
12			
13	OUTSIDE PLANT - CONSTRUCTION	0	9
14			
15	COMMERCIAL REPRESENTATIVES	12	6
16			
17	MARKETING	1	1
18			
19	ENGINEERING / DRAFTING TECHNICIAN	2	2
20			
21	HUMAN RESOURCE	0	1
22			
23	INTERCONNECT SALES & INVENTORY MANAGEMENT	1	1
24			
25	VIDEO SERVICES	2	2
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41			
42			
43	<b>Totals (Sum of Lines 1 through 42)</b>	<b>30</b>	<b>36</b>

## 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							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11	Totals (Sum L.1 to L.10)						

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

Line No.	Name/Title (a)	Base Salary (b)	Bonuses (c)	Other Compensation (d)	Total Compensation (e)	Total Compensation Last Year (f)	% Increase Total Compensation (g)
1							
2		THIS PAGE IS NOT APPLICABLE					
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		<b>Plant (Intrastate Only) (000 Omitted)</b>	
2	2001	Plant in Service	13,865
3	2003 - 2004	Construction Work in Progress	0
4	2005	Plant Acquisition Adjustments	0
5	2002	Plant Held for Future Use	0
6	1220	Materials & Supplies	38
7		(Less):	
8	3100 - 3400	Depreciation & Amortization Reserves	(9,198)
9	4360.2	Contributions in Aid of Construction	0
10		<b>NET BOOK COSTS</b>	4,705
11		<b>Revenues &amp; Expenses (Intrastate Only) (000 Omitted)</b>	
12	5000 - 5300	Operating Revenues	3,104
13	6560	Depreciation & Amortization Expenses	554
14		Federal & State Income Taxes	0
15		Other Taxes	87
16		Other Operating Expenses	2,616
17		TOTAL Operating Expenses	3,257
18		Net Operating Income (Loss)	(153)
19		Other Income	
20		Other Deductions	
21		<b>NET INCOME (Loss)</b>	(153)
22		<b>Access Lines in Service (Intrastate Only)</b>	
23		Residential Access Lines	1655
24		Business Access Lines	550
25		PBX Access Lines	250
26		Other Access Lines	124
27		<b>Total Number of Access Lines</b>	2579
28		<b>Average Number of Calls Per Access Line</b>	
29		Local Calls	1200
30		Toll Calls (Intra- or Interstate)	500
31		<b>Total Number of Calls Per Access Line</b> (Total of Line 29 & Line 30 divided by Line 27)	1700
32		<b>Other Statistics (Intrastate Only)</b>	
33		Average Residential Monthly Bill	\$49.00
34		Gross Plant Investment per Access Line	\$5,376

## Depreciation - Montana Intrastate Regulated

Year: 2013

Line No.	Acct No. (a)	Description (b)	Composite Rate % (c)	Total Expense \$ (d)
1	2112	Motor Vehicles	12.5%	10,567
2	2114	Special Purpose Vehicles	20.0%	16,177
3	2115	Garage Work Equipment		
4	2116	Other work Equipment		
5	2121	Buildings	2.5%	21,691
6	2122	Furniture	10.0%	5,062
7	2123.1	Office Support Equipment		
8	2123.2	Company Communications Equipment		
9	2124	General Purpose Computers	20.0%	12,900
10	2211	Analog Electronic Switching Equipment SOFTWARE	10.0%	41,417
11	2212	Digital Electronic Switching Equipment	10.0%	142,505
12	2215	Step By Step Switching Equipment		
13	2215	Crossbar Switching Equipment		
14	2220	Operator System		
15	2231	Radio Systems	10.0%	42,128
16	2232	Circuit DDS		
17	2232	Circuit Digital	10.0%	919
18	2232	Circuit Analog	10.0%	15,801
19	2351	Public Telephone Terminating Equipment	10.0%	524
20	2362	Other Terminal Equipment		
21	2411	Poles	3.6%	792
22	2421	Aerial Cable Metallic	4.5%	2,565
23	2421	Aerial Cable Nonmetallic		
24	2422	Underground Cable Metallic	4.5%	5,776
25	2422	Underground Cable Nonmetallic		
26	2423	Buried Cable Metallic	3.6%	124,192
27	2423	Buried Cable Nonmetallic	4.5%	88,093
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	3.3%	22,752
34				
35		<b>COMPOSITE TOTAL</b>		<b>\$553,861</b>
36	<b>Please list the Montana Public Service Commission Docket Order No. approving these depreciation rates</b>  Docket Number <u>80.4.8</u> Order Number <u>4715(b)</u>			
37				
38				
39				
40				

Company Name: RONAN TELEPHONE COMPANY

SCHEDULE 30a

**Amortization - Montana Intrastate Regulated**

Year: 2013

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



## Montana Regulatory Capital Structure &amp; Costs

Year: 2013

Line No.	Description (a)	% Cap. Str. (b)	% Cost Rate (c)	Weighted Cost (d)
	<b>Commission Accepted - Most Recent</b>			
1	Docket Number 80 . 4 . 8			
2	Order Number 4715 (b)			
3				
4	Common Equity	46.37%	12.600%	5.843%
5	Preferred Stock			
6	Long Term Debt	53.63%	9.080%	4.870%
7	Other			
8	<b>Total</b>	100.00%		10.712%
9				
10	<b>Actual at Year End</b>			
11				
12	Common Equity	94.14%	12.600%	11.862%
13	Preferred Stock			
14	Long Term Debt	5.86%	6.000%	0.352%
15	Other			
16	<b>Total</b>	100.00%		12.213%

## Network Access - Charges and Revenues

Year: 2013

Line No.	Description (a)	Access Charges Paid (b)	Access Revenues Received (c)
1	Montana - Total State	0	2,087,189
2			
3	Montana - Intrastate	0	773,833
4			
5	Montana - Intrastate Regulated	0	773,833
6			
7			
8			
9			
10			
11			
12			
13			

## Affiliate Transactions - Products &amp; 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	CommunityTel Inc. (Parent - Holding Company)	Executive, Management, Financial & Business Development Services	Contract	\$175,987	20.5%	\$175,987
2						
3						
4						
5						
6	Montana West L.L.C. (Wholly Owned Subsidiary)	Wholesale Bandwidth	Market Price	\$94,050	6.5%	\$94,050
7						
8						
9						
10						
11						
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16						
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18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30	TOTAL			\$270,037		\$270,037

## Affiliate Transactions - Products &amp; 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	Montana West L.L.C. (Wholly Owned Subsidiary)	Telephone Service	Tariff Rates	\$1,349	0.2%	0
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
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22						
23						
24						
25						
26						
27						
28						
29						
30	TOTAL			\$1,349		\$ 0



## 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	13,864,910	13,316,498	4.12%
3	2002 Prop. Held for Future Telecommunications Use			
4	3100-3200 (Less) Accumulated Depreciation	(9,197,251)	(8,730,040)	-5.35%
5	<b>Plant in Service</b>	<b>4,667,659</b>	<b>4,586,458</b>	<b>1.77%</b>
6				
7	<b>Additions</b>			
8	1220 Materials & Supplies	38,122	64,693	-41.07%
9	1280 Prepayments			
10	Other Additions (1) CASH WORKING CAPITAL	131,462	134,039	-1.92%
11	<b>TOTAL Additions</b>	<b>169,584</b>	<b>198,732</b>	<b>-14.67%</b>
12				
13	<b>Deductions</b>			
14	4100 Current Deferred Operating Income Taxes	(60,800)	(57,500)	-5.74%
15	4320 Unamortized Operating Investment Tax Credits			
16	4340 Noncurrent Deferred Operating Income Taxes	1,450,300	1,570,900	-7.68%
17	Customer Advances for Construction			
18	Other Deductions			
19	<b>TOTAL Deductions</b>	<b>1,389,500</b>	<b>1,513,400</b>	<b>-8.19%</b>
20	<b>TOTAL Rate Base</b>	<b>3,447,743</b>	<b>3,271,790</b>	<b>5.38%</b>
21				
22	<b>Net Earnings (Loss)</b>	<b>(152,681)</b>	<b>13,760</b>	<b>-1209.60%</b>
23				
24	<b>Rate of Return on Average Rate Base</b>	<b>-4.430%</b>	<b>0.420%</b>	<b>-1154.76%</b>
25				
26	<b>Rate of Return on Average Equity</b>	<b>-2.600%</b>	<b>0.250%</b>	<b>-1140.00%</b>
27				
28	Major Normalizing Adjustments & Commission			
29	Ratemaking adjustments to Utility Operations			
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43	<b>Adjusted Rate of Return on Average Rate Base</b>	<b>-4.430%</b>	<b>0.420%</b>	<b>-1154.76%</b>
44				
45	<b>Adjusted Rate of Return on Average Equity</b>	<b>-2.600%</b>	<b>0.250%</b>	<b>-1140.00%</b>

(1) AS ALLOWED IN DOCKET 80.4.8 ORDER 4715(b)

**Other Taxes Paid**

Year: 2013

Line No.	Description (a)	Last Year (b)	This Year (c)
1	Montana Telephone Company License Tax	0	0
2	Montana Public Service Commission Tax	5,411	6,645
3	Montana Consumer Counsel Tax	2,817	1,917
4	911 Emergency Telephone Fee	31,339	29,705
5	Montana Telecommunications Access Service (TDD)	3,133	2,945
6	Montana Corporate License Tax	0	0
7	Personal Property Tax	22,606	23,156
8	Real Property Tax	25,958	29,247
9			
10			
11			
12	<b>Total</b>	<b>\$91,264</b>	<b>\$93,615</b>

## SCHEDULE 37

**Universal Service Funds Received**

Year: 2013

Line No.	Description (a)	Last Year (b)	This Year (c)
13	Funds received from Montana Sources	0	0
14	Funds received from Federal Sources	674,222	720,409
15			
16			
17			
18			
19			
20			
21			
22			
23			
24	<b>Total</b>	<b>\$674,222</b>	<b>\$720,409</b>