

**General Information**

Year: **2015**

|                         |  |  |
|-------------------------|--|--|
| 1                       | Legal Name of Respondent:  | CenturyTel of Montana, Inc. d/b/a CenturyLink  |
| 2                       | Name Under Which Respondent Does Business:   | CenturyTel of Montana, Inc. d/b/a CenturyLink  |
| 3                       | Date of Incorporation:   | October 23, 1946   |
| 4                       | Address to send Correspondence Concerning Report:  | 100 CenturyLink Drive<br>Monroe, LA 71203  |
| 5                       | Person Responsible for This Report:  | Lisa F. Grantham<br>Director Separations/Regulatory Finance  |
| 5a.                     | Telephone Number:  | (318) 388-9696   |
| 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:  | Pacific Corp. Holding, Inc. owned 100% of the voting securities of Pacific Telecom, Inc. until 12/1/97 when these securities were sold to CenturyLink, Inc., 100 CenturyLink Drive, Monroe, LA 71203 |
|                         | 1b. Means by which control was held:   | Ownership of voting securities   |
|                         | 1c. Percent Ownership:   | 99%  |

## Montana Total State Income Statement

2015

| Line No. | Acct. No.<br>(a) | Description<br>(b)                                      | This Year<br>(c)  | Last Year<br>(d)  |
|----------|------------------|---|-------------------|-------------------|
| 1        |                  | <b>REVENUES:</b>  |                   |                   |
| 2        | 5000             | Basic Local Service Revenues                            | 11,984,015        | 12,595,515        |
| 3        | 5080             | Network Access Revenues                                 | 18,478,720        | 19,632,343        |
| 4        | * 5100           | Long Distance Message Revenue                           | 108,249           | 115,353           |
| 5        | ^ 5110           | Unidirectional Long Distance Revenue                    | 0                 | 0                 |
| 6        | ^ 5120           | Long Distance Private Network Revenue                   | 108,249           | 115,353           |
| 7        | ^ 5160           | Other Long Distance Revenue                             | 0                 | 0                 |
| 8        | ^ 5169           | Other Long Distance Revenue Settlements                 | 0                 | 0                 |
| 9        | * 5200           | Miscellaneous Revenue                                   | 7,284,372         | 7,174,485         |
| 10       | ^ 5230           | Directory Revenue                                       | 1,970,335         | 1,969,252         |
| 11       | ^ 5240           | Rent Revenue  | 290,853           | 248,051           |
| 12       | ^ 5250           | Corporate Operations Revenue                            | 0                 | 0                 |
| 13       | ^ 5260           | Miscellaneous Revenue                                   | 2,888,199         | 2,533,157         |
| 14       | ^ 5270           | Carrier Billing and Collection Revenue                  | 444,282           | 625,919           |
| 15       | ^ 5280           | Nonregulated Revenue                                    | 1,690,703         | 1,798,106         |
| 16       | 5300             | Uncollectible Revenue                                   | 88,295            | 69,636            |
| 17       |                  | <b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>            | <b>37,767,061</b> | <b>39,448,060</b> |
| 18       |                  | <b>OPERATING EXPENSES:</b>                              |                   | 0                 |
| 19       | 6110             | Network Support Expense                                 | 27,820            | 28,656            |
| 20       | 6120             | General Support Expense                                 | 1,050,832         | 1,008,089         |
| 21       | 6210             | Central Office Switching Expense                        | 1,334,650         | 1,511,173         |
| 22       | 6220             | Operator Systems Expense                                | 0                 | 0                 |
| 23       | 6230             | Central Office Transmission Expense                     | 339,083           | 309,419           |
| 24       | 6310             | Information Origination/Termination Expense             | 1,135,331         | 1,029,622         |
| 25       | * 6410           | Cable and Wire Facilities Expense                       | 5,144,292         | 5,287,627         |
| 26       | ^ 6431           | Aerial Wire Expense                                     | 94                | 0                 |
| 27       | ^ 6441           | Conduit Systems Expense                                 | 19                | 6                 |
| 28       | 6510             | Other Property, Plant & Equipment Expense               | 49,907            | 89,600            |
| 29       | 6530             | Network Operations Expense                              | 1,918,799         | 1,943,559         |
| 30       | 6540             | Access Expense  | 613,645           | 623,038           |
| 31       | 6560             | Depreciation and Amortization Expense                   | 6,067,592         | 5,554,813         |
| 32       | 6610             | Marketing   | 1,972,721         | 1,356,325         |
| 33       | 6620             | Services  | 2,671,381         | 3,077,976         |
| 34       | 6710             | Executive and Planning                                  | 78,735            | 90,276            |
| 35       | 6720             | General and Administrative                              | 1,946,113         | 2,224,782         |
| 36       | 6790             | Provision for Uncollectible Notes Receivable            | 0                 | 0                 |
| 37       |                  | <b>Total Operating Expenses (Sum L.19 to L.36-L.26)</b> | <b>24,350,900</b> | <b>24,134,954</b> |
| 38       | 7100             | Other Operating Income and Expense                      | 230               | 326               |
| 39       | 7200             | Operating Taxes   | 6,510,921         | 6,840,434         |
| 40       |                  | <b>Net Operating Income (L.17-L.37+L.38-L.39)</b>       | <b>6,905,471</b>  | <b>8,472,998</b>  |

^ Subaccount of the account marked with a \*.

## Montana Intrastate Income Statement

2015

| Line No. | Acct. No.<br>(a) | Description<br>(b)                                      | This Year<br>(c) | Last Year<br>(d) |
|----------|------------------|---|------------------|------------------|
| 1        |                  | <b>REVENUES:</b>  |                  |                  |
| 2        | 5000             | Basic Local Service Revenues                            | 11,984,015       | 12,595,515       |
| 3        | 5080             | Network Access Revenues                                 | 741,704          | 912,778          |
| 4        | * 5100           | Long Distance Message Revenue                           | 108,249          | 115,353          |
| 5        | ^ 5110           | Unidirectional Long Distance Revenue                    | 0                | 0                |
| 6        | ^ 5120           | Long Distance Private Network Revenue                   | 108,249          | 115,353          |
| 7        | ^ 5160           | Other Long Distance Revenue                             | 0                | 0                |
| 8        | ^ 5169           | Other Long Distance Revenue Settlements                 | 0                | 0                |
| 9        | * 5200           | Miscellaneous Revenue                                   | 5,046,667        | 4,760,919        |
| 10       | ^ 5230           | Directory Revenue                                       | 1,970,335        | 1,969,252        |
| 11       | ^ 5240           | Rent Revenue  | 195,560          | 173,155          |
| 12       | ^ 5250           | Corporate Operations Revenue                            | 0                | 0                |
| 13       | ^ 5260           | Miscellaneous Revenue                                   | 2,805,001        | 2,486,620        |
| 14       | ^ 5270           | Carrier Billing and Collection Revenue                  | 75,771           | 131,892          |
| 15       | ^ 5280           | Nonregulated Revenue                                    | 0                | 0                |
| 16       | 5300             | Uncollectible Revenue                                   | 77,607           | 53,280           |
| 17       |                  | <b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>            | 17,803,028       | 18,331,285       |
| 18       |                  | <b>OPERATING EXPENSES:</b>                              |                  |                  |
| 19       | 6110             | Network Support Expense                                 | 17,163           | 17,837           |
| 20       | 6120             | General Support Expense                                 | 661,610          | 636,794          |
| 21       | 6210             | Central Office Switching Expense                        | 720,077          | 815,316          |
| 22       | 6220             | Operator Systems Expense                                | 0                | 0                |
| 23       | 6230             | Central Office Transmission Expense                     | 182,944          | 166,939          |
| 24       | 6310             | Information Origination/Termination Expense             | 0                | 0                |
| 25       | * 6410           | Cable and Wire Facilities Expense                       | 3,758,989        | 3,863,735        |
| 26       | ^ 6431           | Aerial Wire Expense                                     | 69               | 0                |
| 27       | ^ 6441           | Conduit Systems Expense                                 | 14               | 5                |
| 28       | 6510             | Other Property, Plant & Equipment Expense               | 31,622           | 56,823           |
| 29       | 6530             | Network Operations Expense                              | 1,246,828        | 1,262,943        |
| 30       | 6540             | Access Expense  | 5,820            | 8,630            |
| 31       | 6560             | Depreciation and Amortization Expense                   | 3,675,501        | 3,316,592        |
| 32       | 6610             | Marketing   | 1,440,092        | 974,240          |
| 33       | 6620             | Services  | 2,041,940        | 2,355,841        |
| 34       | 6710             | Executive and Planning                                  | 53,272           | 61,309           |
| 35       | 6720             | General and Administrative                              | 1,311,699        | 1,505,157        |
| 36       | 6790             | Provision for Uncollectible Notes Receivable            | 0                | 0                |
| 37       |                  | <b>Total Operating Expenses (Sum L.19 to L.36-L.37)</b> | 15,147,556       | 15,042,157       |
| 38       | 7100             | Other Operating Income and Expense                      | 0                | 0                |
| 39       | 7200             | Operating Taxes   | 1,841,177        | 1,980,890        |
| 40       |                  | <b>Net Operating Income (L.17-L.37+L.38-L.39)</b>       | 814,295          | 1,308,238        |

^ Subaccount of the account marked with a \*.

## Montana Intrastate Regulated Income Statement

2015

| Line No. | Acct. No.<br>(a) | Description<br>(b)                                      | This Year<br>(c) | Last Year<br>(d) |
|----------|------------------|---|------------------|------------------|
| 1        |                  | <b>REVENUES:</b>  |                  |                  |
| 2        | 5000             | Basic Local Service Revenues                            | 11,686,159       | 12,254,199       |
| 3        | 5080             | Network Access Revenues                                 | 608,987          | 770,247          |
| 4        | * 5100           | Long Distance Message Revenue                           | 90,463           | 96,453           |
| 5        | ^ 5110           | Unidirectional Long Distance Revenue                    | 0                | 0                |
| 6        | ^ 5120           | Long Distance Private Network Revenue                   | 90,498           | 96,476           |
| 7        | ^ 5160           | Other Long Distance Revenue                             | (36)             | (23)             |
| 8        | ^ 5169           | Other Long Distance Revenue Settlements                 | 0                | 0                |
| 9        | * 5200           | Miscellaneous Revenue                                   | 79,896           | 114,910          |
| 10       | ^ 5230           | Directory Revenue                                       | 64,564           | 41,001           |
| 11       | ^ 5240           | Rent Revenue  | 0                | 0                |
| 12       | ^ 5250           | Corporate Operations Revenue                            | 0                | 0                |
| 13       | ^ 5260           | Miscellaneous Revenue                                   | 15,332           | 73,908           |
| 14       | ^ 5270           | Carrier Billing and Collection Revenue                  | 0                | 0                |
| 15       | ^ 5280           | Nonregulated Revenue                                    | 0                | 0                |
| 16       | 5300             | Uncollectible Revenue                                   | 65,674           | 45,346           |
| 17       |                  | <b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>            | 12,399,832       | 13,190,463       |
| 18       |                  | <b>OPERATING EXPENSES:</b>                              |                  |                  |
| 19       | 6110             | Network Support Expense                                 | 16,796           | 17,456           |
| 20       | 6120             | General Support Expense                                 | 647,461          | 623,176          |
| 21       | 6210             | Central Office Switching Expense                        | 702,689          | 795,628          |
| 22       | 6220             | Operator Systems Expense                                | 0                | 0                |
| 23       | 6230             | Central Office Transmission Expense                     | 178,526          | 162,908          |
| 24       | 6310             | Information Origination/Termination Expense             | 0                | 0                |
| 25       | * 6410           | Cable and Wire Facilities Expense                       | 3,684,234        | 3,786,897        |
| 26       | ^ 6431           | Aerial Wire Expense                                     | 68               | 0                |
| 27       | ^ 6441           | Conduit Systems Expense                                 | 14               | 4                |
| 28       | 6510             | Other Property, Plant & Equipment Expense               | 30,946           | 55,608           |
| 29       | 6530             | Network Operations Expense                              | 1,220,166        | 1,235,936        |
| 30       | 6540             | Access Expense  | 5,820            | 8,630            |
| 31       | 6560             | Depreciation and Amortization Expense                   | 3,577,986        | 3,228,600        |
| 32       | 6610             | Marketing   | 1,389,072        | 939,724          |
| 33       | 6620             | Services  | 1,833,022        | 2,117,057        |
| 34       | 6710             | Executive and Planning                                  | 50,712           | 58,363           |
| 35       | 6720             | General and Administrative                              | 1,217,727        | 1,397,325        |
| 36       | 6790             | Provision for Uncollectible Notes Receivable            | 0                | 0                |
| 37       |                  | <b>Total Operating Expenses (Sum L.19 to L.36-L.37)</b> | 14,555,156       | 14,427,308       |
| 38       | 7100             | Other Operating Income and Expense                      | 0                | 0                |
| 39       | 7200             | Operating Taxes   | (61,698)         | 229,895          |
| 40       |                  | <b>Net Operating Income (L.17-L.37+L.38-L.39)</b>       | (2,093,626)      | (1,466,739)      |

^ Subaccount of the account marked with a \*.

**Average Rate Base - Total State**

2015

| Line No. | Acct. No.<br>(a) | Description<br>(b)   | This Year<br>(c)  | Last Year<br>(d)  |
|----------|------------------|--|-------------------|-------------------|
| 1        | 2001             | Telecommunications Plant in Service                          | 175,111,984       | 173,464,279       |
| 2        | 3100             | Accumulated Depreciation                                     | 140,732,176       | 136,264,023       |
| 3        | 2002             | Property Held for Future Telecommunications Use              | -                 | -                 |
| 4        | 3200             | Accumulated Depreciation - 2002                              | -                 | -                 |
| 5        | 1220             | Materials and Supplies                                       | 1,952             | 1,960             |
| 6        | 4340             | Noncurrent Deferred Operating Income Taxes                   | 8,598,525         | 9,812,961         |
| 7        |                  | Pre-1971 Unamortized Investment Tax Credits                  |                   | -                 |
| 8        |                  | Cash Working Capital (if allowed by Commission)              | 690,163           | 706,154           |
| 9        |                  | <b>Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7)</b> | <b>26,473,398</b> | <b>28,095,409</b> |

**Average Rate Base - Intrastate**

| Line No. | Acct. No.<br>(a) | Description<br>(b)   | This Year<br>(c)  | Last Year<br>(d)  |
|----------|------------------|--|-------------------|-------------------|
| 1        | 2001             | Telecommunications Plant in Service                          | 113,791,620       | 112,720,905       |
| 2        | 3100             | Accumulated Depreciation                                     | 89,380,599        | 86,542,825        |
| 3        | 2002             | Property Held for Future Telecommunications Use              | -                 | -                 |
| 4        | 3200             | Accumulated Depreciation - 2002                              | -                 | -                 |
| 5        | 1220             | Materials and Supplies                                       | 1,426             | 1,432             |
| 6        | 4340             | Noncurrent Deferred Operating Income Taxes                   | 5,587,512         | 6,376,680         |
| 7        |                  | Pre-1971 Unamortized Investment Tax Credits                  | 172,489           | -                 |
| 8        |                  | Cash Working Capital (if allowed by Commission)              | 471,454           | 481,873           |
| 9        |                  | <b>Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7)</b> | <b>19,123,901</b> | <b>20,284,705</b> |

**Average Rate Base - Regulated Intrastate**

| Line No. | Acct. No.<br>(a) | Description<br>(b)   | This Year<br>(c)  | Last Year<br>(d)  |
|----------|------------------|--|-------------------|-------------------|
| 1        | 2001             | Telecommunications Plant in Service                          | 111,358,264       | 110,310,445       |
| 2        | 3100             | Accumulated Depreciation                                     | 87,519,823        | 84,741,127        |
| 3        | 2002             | Property Held for Future Telecommunications Use              | -                 | -                 |
| 4        | 3200             | Accumulated Depreciation - 2002                              | -                 | -                 |
| 5        | 1220             | Materials and Supplies                                       | 1,398             | 1,404             |
| 6        | 4340             | Noncurrent Deferred Operating Income Taxes                   | 5,468,030         | 6,240,321         |
| 7        |                  | Pre-1971 Unamortized Investment Tax Credits                  | -                 | -                 |
| 8        |                  | Cash Working Capital (if allowed by Commission)              | 451,117           | 460,221           |
| 9        |                  | <b>Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7)</b> | <b>18,822,926</b> | <b>19,790,621</b> |

**Executive Compensation - Montana-Based Employees**

| Name/Title<br>(a)  | Base<br>Salary<br>(b) | Bonuses<br>(c) | Other<br>Compensation<br>(d) | Total<br>Compensation<br>(e) |
|--|-----------------------|----------------|------------------------------|------------------------------|
| CenturyLink has no presidents, chief executive officers, chief financial officers, vice presidents or upper-level managers based in Montana. |                       |                |                              |                              |
|  |                       |                |                              | 0                            |
|  |                       |                |                              | 0                            |
|  |                       |                |                              | 0                            |
|  |                       |                |                              | 0                            |
|  |                       |                |                              | 0                            |
|  |                       |                |                              | 0                            |
|  |                       |                |                              | 0                            |
| <b>Total executive compensation in the aggregate</b>   |                       |                |                              | 0                            |