



100 CTE Drive  
Dallas, PA 18612

April 19, 2018

Public Service Commission  
State of Montana  
1701 Prospect Ave, PO Box 202601  
Helena, MT 59620-2601

To Whom It May Concern:

We have enclosed a 2017 Annual Report for Citizens Telecommunications Company of Montana for your review.

If you have any questions regarding this information, please contact me at the number below.

Sincerely,

A handwritten signature in blue ink that reads "Jessica Matushek".

Jessica Matushek  
Director, Accounting  
570.631.5003  
jessica.matushek@ftr.com

Company Name:

Citizens Telecommunications Company of Montana

SCHEDULE 1

**General Information**

Year: 2017

1	Legal Name of Respondent:	Citizens Telecommunications Company of Montana
2	Name Under Which Respondent Does Business:	Frontier Communications of Montana
3	Date of Incorporation:	07/07/93
4	Address to send Correspondence Concerning Report:	100 CTE Drive Dallas, PA 18612
5	Person Responsible for This Report:	Jessica Matushek
5a.	Telephone Number:	570 - 631 - 5003
Control Over Respondent		
1	If direct control over the respondent was held by another entity at the end of year provide the following:	
	1a. Name and address of the controlling organization or person:	Frontier Communications Corporation 401 Merritt 7 Norwalk, CT 06851
	1b. Means by which control was held:	Common Stock
	1c. Percent Ownership	100%

## Montana Total State Income Statement

Year: 2017

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>REVENUES:</b>		
2	5000	Basic Local Service Revenues	1,788,059	1,812,119
3	5080	Network Access Revenues	2,776,941	2,839,579
4	* 5100	Long Distance Message Revenue	1,069	891
5	^ 5110	Unidirectional Long Distance Revenue	0	0
6	^ 5120	Long Distance Private Network Revenue		
7	^ 5160	Other Long Distance Revenue	0	0
8	^ 5169	Other Long Distance Revenue Settlements		
9	* 5200	Miscellaneous Revenue	168,748	201,443
10	^ 5230	Directory Revenue	23,550	25,187
11	^ 5240	Rent Revenue	10,135	9,663
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	14,857	23,328
14	^ 5270	Carrier Billing and Collection Revenue	120,206	143,265
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	53,583	33,495
17		<b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>	<b>4,681,234</b>	<b>4,820,537</b>
18		<b>OPERATING EXPENSES:</b>		
19	6110	Network Support Expense	24,982	51,391
20	6120	General Support Expense	248,221	225,630
21	6210	Central Office Switching Expense	87,879	137,771
22	6220	Operator Systems Expense	207	560
23	6230	Central Office Transmission Expense	265,386	165,573
24	6310	Information Origination/Termination Expense	3,726	3,040
25	* 6410	Cable and Wire Facilities Expense	262,298	252,140
26	^ 6431	Aerial Wire Expense		
27	^ 6441	Conduit Systems Expense		
28	6510	Other Property, Plant & Equipment Expense	1,852	2,017
29	6530	Network Operations Expense	332,091	455,646
30	6540	Access Expense	268,437	201,693
31	6560	Depreciation and Amortization Expense	1,182,395	1,375,725
32	6610	Marketing	489,275	308,558
33	6620	Services	347,655	627,860
34	6710	Executive and Planning	113,784	89,154
35	6720	General and Administrative	338,031	501,682
36	6790	Provision for Uncollectible Notes Receivable		
37		<b>Total Operating Expenses (Sum L.19 to L.36-L.26)</b>	<b>3,966,219</b>	<b>4,398,438</b>
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	1,077,260	857,967
40		<b>Net Operating Income (L.17-L.37+L.38-L.39)</b>	<b>(362,245)</b>	<b>(435,868)</b>

^ Subaccount of the account marked with a \*.

## Montana Intrastate Income Statement

Year: 2017

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>REVENUES:</b>		
2	5000	Basic Local Service Revenues	1,788,059	1,812,119
3	5080	Network Access Revenues	284,399	262,995
4	* 5100	Long Distance Message Revenue	1,069	891
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	168,748	201,443
10	^ 5230	Directory Revenue	23,550	25,187
11	^ 5240	Rent Revenue	10,135	9,663
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	14,857	23,328
14	^ 5270	Carrier Billing and Collection Revenue	120,206	143,265
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	53,583	33,495
17		<b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>	<b>2,188,692</b>	<b>2,243,953</b>
18		<b>OPERATING EXPENSES:</b>		
19	6110	Network Support Expense	16,785	34,530
20	6120	General Support Expense	166,780	151,601
21	6210	Central Office Switching Expense	59,046	92,568
22	6220	Operator Systems Expense	139	377
23	6230	Central Office Transmission Expense	178,313	111,248
24	6310	Information Origination/Termination Expense	2,504	2,042
25	* 6410	Cable and Wire Facilities Expense	176,238	169,413
26	^ 6431	Aerial Wire Expense	0	0
27	^ 6441	Conduit Systems Expense	0	0
28	6510	Other Property, Plant & Equipment Expense	1,301	1,416
29	6530	Network Operations Expense	233,161	319,909
30	6540	Access Expense	157,895	118,636
31	6560	Depreciation and Amortization Expense	849,433	988,321
32	6610	Marketing	289,504	182,574
33	6620	Services	242,628	438,183
34	6710	Executive and Planning	77,225	60,509
35	6720	General and Administrative	229,422	340,492
36	6790	Provision for Uncollectible Notes Receivable		
37		<b>Total Operating Expenses (Sum L.19 to L.36-L.37)</b>	<b>2,680,372</b>	<b>3,011,817</b>
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	712,177	567,202
40		<b>Net Operating Income (L.17-L.37+L.38-L.39)</b>	<b>(1,203,857)</b>	<b>(1,335,066)</b>

^ Subaccount of the account marked with a \*.

**Montana Intrastate Regulated Income Statement**

Year: 2017

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>REVENUES:</b>		
2	5000	Basic Local Service Revenues	1,788,059	1,812,119
3	5080	Network Access Revenues	284,399	262,995
4	* 5100	Long Distance Message Revenue	1,069	891
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	168,748	201,443
10	^ 5230	Directory Revenue	23,550	25,187
11	^ 5240	Rent Revenue	10,135	9,663
12	^ 5250	Corporate Operations Revenue	0	0
13	^ 5260	Miscellaneous Revenue	14,857	23,328
14	^ 5270	Carrier Billing and Collection Revenue	120,206	143,265
15	^ 5280	Nonregulated Revenue	0	0
16	5300	Uncollectible Revenue	53,583	33,495
17		<b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>	<b>2,188,692</b>	<b>2,243,953</b>
18		<b>OPERATING EXPENSES:</b>		
19	6110	Network Support Expense	10,536	21,674
20	6120	General Support Expense	122,358	111,222
21	6210	Central Office Switching Expense	59,046	92,569
22	6220	Operator Systems Expense	139	377
23	6230	Central Office Transmission Expense	175,590	109,550
24	6310	Information Origination/Termination Expense	64	52
25	* 6410	Cable and Wire Facilities Expense	176,238	169,413
26	^ 6431	Aerial Wire Expense		
27	^ 6441	Conduit Systems Expense		
28	6510	Other Property, Plant & Equipment Expense	988	1,075
29	6530	Network Operations Expense	226,932	311,362
30	6540	Access Expense	179,913	135,180
31	6560	Depreciation and Amortization Expense	866,625	1,008,323
32	6610	Marketing	171,724	108,296
33	6620	Services	21,459	38,754
34	6710	Executive and Planning	60,584	47,470
35	6720	General and Administrative	180,699	268,181
36	6790	Provision for Uncollectible Notes Receivable	0	0
37		<b>Total Operating Expenses (Sum L.19 to L.36-L.37)</b>	<b>2,252,894</b>	<b>2,423,498</b>
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	455,647	362,893
40		<b>Net Operating Income (L.17-L.37+L.38-L.39)</b>	<b>(519,849)</b>	<b>(542,437)</b>

^ Subaccount of the account marked with a \*.

**Average Rate Base - Total State**

Year: 2017

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	34,627,962	34,007,820
2	3100	Accumulated Depreciation	32,048,074	31,353,308
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies	22,466	22,545
6	4340	Noncurrent Deferred Operating Income Taxes	4,050,870	4,355,375
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+)</b>	<b>(1,448,515)</b>	<b>(1,678,318)</b>

**Average Rate Base - Intrastate**

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	22,892,545	22,482,570
2	3100	Accumulated Depreciation	21,148,524	20,690,048
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies	16,645	16,704
6	4340	Noncurrent Deferred Operating Income Taxes	1,730,937	1,861,052
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+)</b>	<b>29,730</b>	<b>(51,826)</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	22,315,653	21,916,009
2	3100	Accumulated Depreciation	20,638,844	20,191,418
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies	16,226	16,283
6	4340	Noncurrent Deferred Operating Income Taxes	414,213	445,350
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+)</b>	<b>1,278,822</b>	<b>1,295,524</b>

**Executive Compensation - Montana-Based Employees**

Name/Title (a)	Base Salary (b)	Bonuses (c)	Other Compensation (d)	Total Compensation (e)
There are no employees with compensation exceeding \$100,000				0
				0
				0
				0
				0
				0
				0
				0
				0
				0
				0
<b>Total executive compensation in the aggregate</b>				<b>0</b>