



100 CTE Drive  
Dallas, PA 18612

April 16, 2019

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 2018 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

**General Information**

**Year: 2018**

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: 2018

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>REVENUES:</b>		
2	5000	Basic Local Service Revenues	1,700,924	1,788,059
3	5080	Network Access Revenues	2,719,468	2,776,941
4	* 5100	Long Distance Message Revenue	2,137	1,069
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	171,295	168,748
10	^ 5230	Directory Revenue	22,727	23,550
11	^ 5240	Rent Revenue	10,482	10,135
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	25,222	14,857
14	^ 5270	Carrier Billing and Collection Revenue	112,864	120,206
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	(31,829)	53,583
17		<b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>	4,625,653	4,681,234
18		<b>OPERATING EXPENSES:</b>		
19	6110	Network Support Expense	24,686	24,982
20	6120	General Support Expense	181,932	248,221
21	6210	Central Office Switching Expense	81,011	87,879
22	6220	Operator Systems Expense	93	207
23	6230	Central Office Transmission Expense	248,676	265,386
24	6310	Information Origination/Termination Expense	1,860	3,726
25	* 6410	Cable and Wire Facilities Expense	375,621	262,298
26	^ 6431	Aerial Wire Expense		
27	^ 6441	Conduit Systems Expense		
28	6510	Other Property, Plant & Equipment Expense	5,671	1,852
29	6530	Network Operations Expense	364,185	332,091
30	6540	Access Expense	381,945	268,437
31	6560	Depreciation and Amortization Expense	980,743	1,182,395
32	6610	Marketing	669,464	489,275
33	6620	Services	172,163	347,655
34	6710	Executive and Planning	43,792	113,784
35	6720	General and Administrative	406,540	338,031
36	6790	Provision for Uncollectible Notes Receivable		
37		<b>Total Operating Expenses (Sum L.19 to L.36-L.26)</b>	3,938,383	3,966,219
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	697,478	1,077,260
40		<b>Net Operating Income (L.17-L.37+L.38-L.39)</b>	(10,208)	(362,245)

^ Subaccount of the account marked with a \*.

## Montana Intrastate Income Statement

Year: 2018

Line No.		Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1			<b>REVENUES:</b>		
2		5000	Basic Local Service Revenues	1,700,924	1,788,059
3		5080	Network Access Revenues	215,085	284,399
4	*	5100	Long Distance Message Revenue	2,137	1,069
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	116,989	168,748
10	^	5230	Directory Revenue	22,727	23,550
11	^	5240	Rent Revenue	10,482	10,135
12	^	5250	Corporate Operations Revenue		
13	^	5260	Miscellaneous Revenue	25,222	14,857
14	^	5270	Carrier Billing and Collection Revenue	58,558	120,206
15	^	5280	Nonregulated Revenue		
16		5300	Uncollectible Revenue	(31,829)	53,583
17			<b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>	<b>2,066,964</b>	<b>2,188,692</b>
18			<b>OPERATING EXPENSES:</b>		
19		6110	Network Support Expense	16,586	16,785
20		6120	General Support Expense	122,240	166,780
21		6210	Central Office Switching Expense	54,431	59,046
22		6220	Operator Systems Expense	62	139
23		6230	Central Office Transmission Expense	167,086	178,313
24		6310	Information Origination/Termination Expense	1,250	2,504
25	*	6410	Cable and Wire Facilities Expense	252,380	176,238
26	^	6431	Aerial Wire Expense	0	0
27	^	6441	Conduit Systems Expense	0	0
28		6510	Other Property, Plant & Equipment Expense	3,982	1,301
29		6530	Network Operations Expense	255,694	233,161
30		6540	Access Expense	224,660	157,895
31		6560	Depreciation and Amortization Expense	704,566	849,433
32		6610	Marketing	396,122	289,504
33		6620	Services	120,153	242,628
34		6710	Executive and Planning	29,722	77,225
35		6720	General and Administrative	275,919	229,422
36		6790	Provision for Uncollectible Notes Receivable		
37			<b>Total Operating Expenses (Sum L.19 to L.36-I)</b>	<b>2,624,852</b>	<b>2,680,372</b>
38		7100	Other Operating Income and Expense		
39		7200	Operating Taxes	461,103	712,177
40			<b>Net Operating Income (L.17-L.37+L.38-L.39)</b>	<b>(1,018,991)</b>	<b>(1,203,857)</b>

^ Subaccount of the account marked with a \*.

## Montana Intrastate Regulated Income Statement

Year: 2018

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>REVENUES:</b>		
2	5000	Basic Local Service Revenues	1,700,924	1,788,059
3	5080	Network Access Revenues	215,085	284,399
4	* 5100	Long Distance Message Revenue	2,137	1,069
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	116,989	168,748
10	^ 5230	Directory Revenue	22,727	23,550
11	^ 5240	Rent Revenue	10,482	10,135
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	25,222	14,857
14	^ 5270	Carrier Billing and Collection Revenue	58,558	120,206
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	(31,829)	53,583
17		<b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>	2,066,964	2,188,692
18		<b>OPERATING EXPENSES:</b>		
19	6110	Network Support Expense	10,411	10,536
20	6120	General Support Expense	89,681	122,358
21	6210	Central Office Switching Expense	54,431	59,046
22	6220	Operator Systems Expense	62	139
23	6230	Central Office Transmission Expense	164,534	175,590
24	6310	Information Origination/Termination Expense	32	64
25	* 6410	Cable and Wire Facilities Expense	252,380	176,238
26	^ 6431	Aerial Wire Expense		
27	^ 6441	Conduit Systems Expense		
28	6510	Other Property, Plant & Equipment Expense	3,024	988
29	6530	Network Operations Expense	248,863	226,932
30	6540	Access Expense	255,989	179,913
31	6560	Depreciation and Amortization Expense	718,825	866,625
32	6610	Marketing	234,966	171,724
33	6620	Services	10,627	21,459
34	6710	Executive and Planning	23,317	60,584
35	6720	General and Administrative	217,322	180,699
36	6790	Provision for Uncollectible Notes Receivable		
37		<b>Total Operating Expenses (Sum L.19 to L.36-L.37)</b>	2,284,465	2,252,894
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	295,011	455,647
40		<b>Net Operating Income (L.17-L.37+L.38-L.39)</b>	(512,512)	(519,849)

^ Subaccount of the account marked with a \*.

**Average Rate Base - Total State**

Year: 2018

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	35,087,436	34,627,962
2	3100	Accumulated Depreciation	32,629,587	32,048,074
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies	23,465	22,466
6	4340	Noncurrent Deferred Operating Income Taxes	3,840,691	4,050,870
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>(1,359,377)</b>	<b>(1,448,515)</b>

**Average Rate Base - Intrastate**

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	23,196,304	22,892,545
2	3100	Accumulated Depreciation	21,532,264	21,148,524
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies	17,385	16,645
6	4340	Noncurrent Deferred Operating Income Taxes	1,641,127	1,730,937
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>40,297</b>	<b>29,730</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	22,611,757	22,315,653
2	3100	Accumulated Depreciation	21,013,337	20,638,844
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies	16,947	16,226
6	4340	Noncurrent Deferred Operating Income Taxes	392,722	414,213
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>1,222,645</b>	<b>1,278,822</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
<b>Total executive compensation in the aggregate</b>				<b>0</b>