General Information

Year:2004

1. Legal Name of Respondent: Hot Springs Telephone Co.

2. Name Under Which Respondent Does Business: Same as above

3. Date of Incorporation: 1/1/1955

4. Address to send Correspondence Concerning Report: P.O. Box 7850
Kalispell,MT 59904-0850

5. Person Responsible for This Report: Phyllis O. Ekblad

5a. Telephone Number: (406) 755-7231

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: NA

1b. Means by which control was held: NA

1c. Percent Ownership: NA

	Board of Directors	
Line No.	Name of Director and Address (City, State) (a)	Fees Paid During Year (b)
1	Jay W. Preston Sr. 312 Main St. SW, Ronan, MT. 59864	None
2	Robert B. Ekblad, P.O. Box 161, Dayton, MT. 59914	6000
3	Phyllis O. Ekblad, 319 Commons Way, Kalispell, MT. 59901	None
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18	**Chairman of the Board:**	
19		
20		

Company Name: Hot Springs Telephone Co.

Total Company Balance Sheet

Year:2004

Line No.		Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1			**CURRENT ASSETS:**		
2		1120	Cash and Equivalents	788,935	643,107
3		1180	Telecommunications Accounts Receivable - Net	7,981	8,462
4		1190	Other Accounts Receivable - Net		
5		1200	Notes Receivable - Net		
6		1210	Interest and Dividends Receivable		
7		1220	Materials and Supplies		
8	*	1280	Prepayments		9,348
9	^	1290	Prepaid Rents		
10	^	1300	Prepaid Taxes		
11	^	1310	Prepaid Insurance		
12	^	1320	Prepaid Directory Expenses		
13	^	1330	Other Prepayments		
14		1350	Other Current Assets		
15			**Total Current Assets**	796,916	660,917
16			**NONCURRENT ASSETS:**		
17		1401	Investments in Affiliated Companies		
18		1402	Investments in Nonaffiliated Companies		
19		1406	Nonregulated Investments		
20		1407	Unamortized Debt Issuance Expense		
21		1408	Sinking Funds		
22		1410	Other Noncurrent Assets		
23		1438	Deferred Maintenance and Retirements		
24		1439	Deferred Charges		
25		1500	Other Jurisdictional Assets - Net		
26			**Total Noncurrent Assets**		
27			**PROPERTY, PLANT, & EQUIPMENT:**		
28		2001	Telecommunications Plant in Service	2,878,201	2,801,109
29		2002	Property Held for Future Telecommunications Use	50,000	50,000
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	1,962,914	1,816,760
36		3200	Accumulated Depreciation - Held for Future Use		
37		3300	Accumulated Depreciation - Nonoperating		
38		3400	Accumulated Amortization		
39			**Net Property, Plant, & Equipment**	965,287	1,034,349
40			**TOTAL ASSETS**	1,762,203	1,695,266

^ Subaccount of account marked with a *.

Officers

Year:2004

Line No.	Title of Officer (a)	Department Over Which Jurisdiction is Exercised (b)	Name and Address of Person Holding Office at Year End (c)
1	President	General Manager	Jay W. Preston Sr., Ronan,MT.
2	Secretary-Treasurer	Financial & Accounting	Phyllis O. Ekblad, Kalispell, MT.
3	Vice-President	Engineering Studies, Technology	Robert B. Ekblad, Dayton,MT.
4		Forcasting & Advance Planning	
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Total Company Balance Sheet

Year:2004

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
41		**CURRENT LIABILITIES:**		
42	4010	Accounts Payable	203,819	189,098
43	4020	Notes Payable		
44	4030	Advance Billing and Payments		
45	4040	Customer Deposits	13,798	15,133
46	4050	Current Maturities - Long Term Debt		
47	4060	Current Maturities - Capital Leases		
48	4070	Income Taxes - Accrued	20,853	
49	4080	Other Taxes - Accrued		
50	4100	Net Current Deferred Operating Income Taxes		
51	4110	Net Current Deferred Nonoperating Income Taxes		
52	4120	Other Accrued Liabilities		
53	4130	Other Current Liabilities		
54		**Total Current Liabilities**	238,470	204,231
55		**LONG-TERM DEBT:**		
56	4210	Funded Debt		
57	4220	Premium on Long-Term Debt		
58	4230	Discount on Long-Term Debt		
59	4240	Reacquired Debt		
60	4250	Obligations Under Capital leases		
61	4260	Advances From Affiliated Companies		
62	4270	Other Long-Term Debt	54,117	129,117
63		**Total Long-Term Debt**	54,117	129,117
64		**OTHER LIABILITIES AND DEFERRED CREDITS:**		
65	4310	Other Long-Term Liabilities		
66	4320	Unamort. Oper. Invest. Tax Credits - Net		
67	4330	Unamort. Nonoper. Invest. Tax Credits - Net		
68	4340	Net Noncurrent Deferred Oper. Income Taxes		
69	4350	Net Noncurrent Deferred Nonoper. Income Taxes		
70	4360	Other Deferred Credits		
71	4370	Other Jurisdictional Liab. and Def. Credits		
72		**Total Other Liabilities and Deferred Credits**		
73		**STOCKHOLDERS' EQUITY:**		
74	4510	Capital Stock	80,000	80,000
75	4520	Additional Paid-In Capital	10,832	10,832
76	4530	Treasury Stock	(125,000)	(125,000)
77	4540	Other Capital		
78	4550	Retained Earnings	1,503,784	1,396,086
79		**Total Stockholders' Equity**	1,469,616	1,361,918
80		**TOTAL LIAB. AND STOCKHOLDERS' EQUITY**	1,762,203	1,695,266

Total Company Income Statement

Year:2004

Line No.		Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1			**REVENUES:**		
2		5000	Basic Local Service Revenues	273,912	261,190
3		5080	Network Access Revenues	968,610	974,967
4	*	5100	Long Distance Message Revenue	20,781	18,874
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	215,994	37,751
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	12,134	7,811
16		5300	Uncollectible Revenue	1,569	(1,659)
17			**Total Revenues (L.2+L.3+L.4+L.9-L.16)**	1,493,000	1,298,934
18			**OPERATING EXPENSES:**		
19		6110	Network Support Expense	156,336	119,494
20		6120	General Support Expense	30,724	12,893
21		6210	Central Office Switching Expense	48,432	66,146
22		6220	Operator Systems Expense		
23		6230	Central Office Transmission Expense		
24		6310	Information Origination/Termination Expense		
25	*	6410	Cable and Wire Facilities Expense	58,189	64,749
26	^	6431	Aerial Wire Expense		
27	^	6441	Conduit Systems Expense		
28		6510	Other Property, Plant & Equipment Expense	153,937	123,412
29		6530	Network Operations Expense	66,231	74,634
30		6540	Access Expense	102,915	62,622
31		6560	Depreciation and Amortization Expense	146,155	153,344
32		6610	Marketing		
33		6620	Services	94,671	91,463
34		6710	Executive and Planning	27,934	21,414
35		6720	General and Administrative	425,000	349,670
36		6790	Provision for Uncollectible Notes Receivable		
37			**Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)**	1,310,524	1,139,841
38		7100	Other Operating Income and Expense		
39		7200	Operating Taxes	52,334	33,217
40			**Net Operating Income (L.17-L.37+L.38-L.39)**	130,142	125,876
41		7300	Nonoperating Income and Expense		
42		7400	Nonoperating Taxes		
43		7500	Interest and Related Items	10,942	10,958
44		7600	Extraordinary Items		
45		7910	Effects of Juris. Ratemaking Diff. - Net		
46		7990	Nonregulated Net Income	12,004	5,282
47			**NET INCOME (L.40+L.41-L.42-L.43-L.44+L.45-L.46)**	107,196	109,636

^ Subaccount of the account marked with a *.

Company Name: Hot Springs Telephone Co.
Not Required--Doing Business Only In Montana

SCHEDULE 5

Montana Total State Income Statement

Year:2004

Line No.		Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1			**REVENUES:**		
2		5000	Basic Local Service Revenues		
3		5080	Network Access Revenues		
4	*	5100	Long Distance Message Revenue		
5	^	5110	Unidirectional Long Distance Revenue		
6	^	5120	Long Distance Private Network Revenue		
7	^	5160	Other Long Distance Revenue		
8	^	5169	Other Long Distance Revenue Settlements		
9	*	5200	Miscellaneous Revenue		
10	^	5230	Directory Revenue		
11	^	5240	Rent Revenue		
12	^	5250	Corporate Operations Revenue		
13	^	5260	Miscellaneous Revenue		
14	^	5270	Carrier Billing and Collection Revenue		
15	^	5280	Nonregulated Revenue		
16		5300	Uncollectible Revenue		
17			**Total Revenues (L.2+L.3+L.4+L.9-L.16)**		
18			**OPERATING EXPENSES:**		
19		6110	Network Support Expense		
20		6120	General Support Expense		
21		6210	Central Office Switching Expense		
22		6220	Operator Systems Expense		
23		6230	Central Office Transmission Expense		
24		6310	Information Origination/Termination Expense		
25	*	6410	Cable and Wire Facilities Expense		
26	^	6431	Aerial Wire Expense		
27	^	6441	Conduit Systems Expense		
28		6510	Other Property, Plant & Equipment Expense		
29		6530	Network Operations Expense		
30		6540	Access Expense		
31		6560	Depreciation and Amortization Expense		
32		6610	Marketing		
33		6620	Services		
34		6710	Executive and Planning		
35		6720	General and Administrative		
36		6790	Provision for Uncollectible Notes Receivable		
37			**Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)**		
38		7100	Other Operating Income and Expense		
39		7200	Operating Taxes		
40			**Net Operating Income (L.17-L.37+L.38-L.39)**		

^ Subaccount of the account marked with a *.

Company Name: Hot Springs Telephone Co.
Not Required-- We have less than 5,000 Access Lines

SCHEDULE 6

Montana Intrastate Income Statement

Year:2004

Line No.		Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1			**REVENUES:**		
2		5000	Basic Local Service Revenues		
3		5080	Network Access Revenues		
4	*	5100	Long Distance Message Revenue		
5	^	5110	Unidirectional Long Distance Revenue		
6	^	5120	Long Distance Private Network Revenue		
7	^	5160	Other Long Distance Revenue		
8	^	5169	Other Long Distance Revenue Settlements		
9	*	5200	Miscellaneous Revenue		
10	^	5230	Directory Revenue		
11	^	5240	Rent Revenue		
12	^	5250	Corporate Operations Revenue		
13	^	5260	Miscellaneous Revenue		
14	^	5270	Carrier Billing and Collection Revenue		
15	^	5280	Nonregulated Revenue		
16		5300	Uncollectible Revenue		
17			**Total Revenues (L.2+L.3+L.4+L.9-L.16)**		
18			**OPERATING EXPENSES:**		
19		6110	Network Support Expense		
20		6120	General Support Expense		
21		6210	Central Office Switching Expense		
22		6220	Operator Systems Expense		
23		6230	Central Office Transmission Expense		
24		6310	Information Origination/Termination Expense		
25	*	6410	Cable and Wire Facilities Expense		
26	^	6431	Aerial Wire Expense		
27	^	6441	Conduit Systems Expense		
28		6510	Other Property, Plant & Equipment Expense		
29		6530	Network Operations Expense		
30		6540	Access Expense		
31		6560	Depreciation and Amortization Expense		
32		6610	Marketing		
33		6620	Services		
34		6710	Executive and Planning		
35		6720	General and Administrative		
36		6790	Provision for Uncollectible Notes Receivable		
37			**Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)**		
38		7100	Other Operating Income and Expense		
39		7200	Operating Taxes		
40			**Net Operating Income (L.17-L.37+L.38-L.39)**		

^ Subaccount of the account marked with a *.

Company Name: Hot Springs Telephone Co.

SCHEDULE 7

Montana Intrastate Regulated Income Statement

Year:2004

Line No.		Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1			**REVENUES:**		
2		5000	Basic Local Service Revenues	160,824	165,595
3		5080	Network Access Revenues	278,799	304,388
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	51,764	43,227
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	(1,569)	1,659
17			**Total Revenues (L.2+L.3+L.4+L.9-L.16)**	492,956	511,551
18			**OPERATING EXPENSES:**		
19		6110	Network Support Expense	13,362	13,467
20		6120	General Support Expense	30,110	12,582
21		6210	Central Office Switching Expense	48,432	66,146
22		6220	Operator Systems Expense		
23		6230	Central Office Transmission Expense		
24		6310	Information Origination/Termination Expense	58,189	
25	*	6410	Cable and Wire Facilities Expense		64,749
26	^	6431	Aerial Wire Expense		
27	^	6441	Conduit Systems Expense		
28		6510	Other Property, Plant & Equipment Expense	114,706	83,213
29		6530	Network Operations Expense	66,231	74,634
30		6540	Access Expense	3,600	3,600
31		6560	Depreciation and Amortization Expense	146,103	153,145
32		6610	Marketing		
33		6620	Services	135,036	133,072
34		6710	Executive and Planning	27,375	20,900
35		6720	General and Administrative	349,907	269,934
36		6790	Provision for Uncollectible Notes Receivable		
37			**Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)**	993,051	895,441
38		7100	Other Operating Income and Expense		
39		7200	Operating Taxes	63,441	44,175
40			**Net Operating Income (L.17-L.37+L.38-L.39)**	(563,536)	(428,065)

^ Subaccount of the account marked with a *.

Average Rate Base - Total State

Year:2004

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	2,840,197	2,763,524
2	3100	Accumulated Depreciation	1,925,385	1,779,282
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2003		
5	1220	Materials and Supplies		
6	4340	Noncurrent Deferred Operating Income Taxes		
7		Pre-1971 Unamortized Investment Tax Credits		
8		Cash Working Capital (if allowed by Commission)		
9		**Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)**	914,812	984,242

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

Average Rate Base - Intrastate

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

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

Average Rate Base - Regulated Intrastate

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

Company Name: Hot Springs Telephone Co.

SCHEDULE 9

Statement of Cash Flows

Year:2004

Line No.	Item Description (a)	Amount (b)	Amount (c)
1	**Increase/(decrease) in Cash & Cash Equivalents**		145,117
2	**Cash Flows from Operating Activities:**		
3	Net Income		119,199
4	Reconciliation Adjustments:		
5	Depreciation & Amortization		146,154
6	Provision for Accounts Receivable Losses		
7	Deferred Income Taxes - Net		
8	Unamortized Investment Tax Credits (ITCs) - Net		
9	Allowance for Funds Used During Construction (AFUDC)		
10	Change in Operating Receivables - Net		481
11	Change in Materials, Supplies & Inventories - Net		79
12	Change in Operating Payables & Accrued Liabilities - Net		14,720
13	Change in Other Assets & Deferred Credits - Net		9,348
14	Change in Other Liabilities & Deferred Credits - Net		(1,335)
15	Other (explained on back of this page)		20,853
16	Total Adjustments		190,300
17	**Net Cash Provided by/(Used in) Operating Activities**		309,499
18	**Cash Inflows/Outflows From Investing Activities:**		
19	Construction/Acquisition of Property, Plant & Equipment (net of		(77,092)
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)		(789)
25	**Net Cash Provided by/(Used in) Investing Activities**		(77,881)
26	**Cash Flows from Financing Activities:**		
27	Net Incr./(Decr.) in Short-Term Debt, Original maturity < = 3 mo.		
28	Advances from Affiliates		
29	Repayment of Advances from Affiliates		
30	Proceeds from Issuances of Long-Term Debt		
31	Repayment of Long-Term Debt		(75,000)
32	Payment of Capital Lease Obligations		
33	Proceeds from Issuing Common Stock/Parent Co. Equity Investment		
34	Repurchase of Treasury Shares		
35	Dividends Paid		(11,500)
36	Other Financing Activities (explained on back of this page)		
37	**Net Cash Provided by Financing Activities**		(86,500)
38	**Effect of Exchange Rate Changes on Cash**		
39	**Net Increase/(Decrease) in Cash & Cash Equivalents**		145,118
40	**Cash & Cash Equivalents at Beginning of Period**		510,177
41	**Cash & Cash Equivalents at End of Period**		655,295

Company Name: Hot Springs Telephone Co.
Does Not Apply

SCHEDULE 10

Receivables and Investments-Affiliated & Nonaffiliated Companies

Year:2004

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											
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29											
30	**Totals**										

Company Name: Hot Springs Telephone Co.

SCHEDULE 11

Net Plant in Service - Detail

Year:2004

Line No.	Account (a)		Description (b)	Beginning of Year Balance (c)	Additions (d)	Retirements (e)	Sales & Transfers (f)	End of Year Account 2004 Balance (g)	Year End Accumulated Depreciation (h)	End of Year Net Plant Balance (i)
1	*	2110	Land and Support Assets	789,977	44,822	-	-	834,799	504,615	330,184
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	441,510	10,154			451,664	286,508	165,156
14		2215	Electro-Mechanical Switching							-
15		2220	Operator Systems							-
16		2231	Radio Systems	260,968	337			261,305	157,466	103,839
17		2232	Circuit Equipment	16,238				16,238	16,320	(82)
18	*	2310	Information Orig & Term Equip	100,647		-	-	100,647	79,896	20,751
19	^	2311	Station Apparatus							-
20	^	2321	Customer Premises Wiring					-		-
21	^	2341	Large Private Branch Exchanges							-
22	^	2351	Public Telephone Term. Equip.							-
23	^	2362	Other Terminal Equipment							-
24		2411	Poles	9,097				9,097	6,658	2,439
25	*	2420	Cable and Wire Facilities	1,143,223	19,474	-	-	1,162,697	873,517	289,180
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							-
33		2441	Conduit Systems	1,864	1,886			3,750	405	3,345
34			**Totals**	2,763,524	76,673	-	-	2,840,197	1,925,385	914,812

^ Subaccount of the account marked with a *.

Company Name: Hot Springs Telephone Co.

SCHEDULE 12

Analysis of Plant Held for Future Use

Year:2004

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							
2	NONE						
3							
4							
5							
6							
7							
8							
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26							
27							
28							
29							
30	**Totals (Sum L.1 to L.29)**						

Company Name: Hot Springs Telephone Co.

SCHEDULE 13

Average Cost of Long Term Debt

Year:2004

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	Demand Note	Jun-92	Jan-06	50,000	-	-	-	50,000	-	4,000		8.00%
2												
3												
4												
5												
6												
7												
8												
9												
10												
11												
12												
13												
14												
15												
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18												
19												
20												
21												
22												
23												
24												
25												
26												
27												
28												
29												
30	**Total**			50000				50000		4000		8.00%

Company Name: Hot Springs Telephone Co.

Does Not Apply

SCHEDULE 14

Cost of Preferred Stock

Year:2004

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												
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16												
17												
18												
19												
20												
21												
22												
23												
24												
25												
26												
27												
28												
29												
30	**Totals (Sum L.1 to L.29)**											

Company Name: Hot Springs Telephone Co.

SCHEDULE 15

Analysis of Common Stock

Year:2004

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)	Market Price Low (h)	Price/ Earnings Ratio (i)
1	Year Ended December 31:								
2									
3									
4									
5									
6									
7									
8	Month by Month Data:		Not Required-We have less than 5,000 access lines						
9	January								
10	February								
11	March								
12	April								
13	May								
14	June								
15	July								
16	August								
17	September								
18	October								
19	November								
20	December								
21									
22									
23									

Company Name: Hot Springs Telephone Co.

SCHEDULE 16

Capital Stock and Funded Debt Reacquired or Retired During the Year

Year:2004

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							
2	None						
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
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20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30	**Totals (Sum L.1 to L.29)**						

Company Name: Hot Springs Telephone Co.

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

Year:2004

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			**Subtotals**						

^ Subaccount of the account marked with a *.

Company Name: Hot Springs Telephone Co.

Total Company Expense Matrix

Year:2004

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			**Totals**						

^ Subaccount of the account marked with a *.

Company Name: Hot Springs Telephone Co.

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

Year:2004

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			**Subtotals**						

^ Subaccount of the account marked with a *.

Company Name: Hot Springs Telephone Co.

Year:2004

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			**Totals**						

^ Subaccount of the account marked with a *.

Pension Costs

Year:2004

1	Hot Springs Telephone Co. Profit Sharing Plan			
2	N/A	Defined Contribution Plan? __ Yes		
3	Actuarial Cost Method? _____	IRS Code: _____401_____		
4	Annual Contribution by Employer: _____	Is the Plan Over Funded? _No_____		
5				
	Item	Current Year	Last Year	% Change
6	**Change in Benefit Obligation**			
7	Benefit obligation at beginning of year	715,884.02	686,779.78	4.24%
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	715,884.02	686,779.78	4.24%
16	**Change in Plan Assets**			
17	Fair value of plan assets at beginning of year	686,779.78	549,133.94	25.07%
18	Actual return on plan assets	50,112.08	75,322.29	-33.47%
19	Acquisition			
20	Employer contribution	78,443.52	62,323.54	25.86%
21	Plan participants' contributions	-	-	
22	Benefits paid	99,451.36	-	
23	Fair value of plan assets at end of year	815,335.38	686,779.78	18.72%
24	**Funded Status**	N/A	N/A	
25	Unrecognized net actuarial loss			
26	Unrecognized prior service cost			
27	Prepaid (accrued) benefit cost			
28				
29	**Weighted-average Assumptions as of Year End**	N/A	N/A	
30	Discount rate			
31	Expected return on plan assets			
32	Rate of compensation increase			
33				
34	**Components of Net Periodic Benefit Costs**	N/A	N/A	
35	Service cost			
36	Interest cost			
37	Expected return on plan assets			
38	Amortization of prior service cost			
39	Recognized net actuarial loss			
40	Net periodic benefit cost			
41				
42	**Montana Intrastate Costs:**	N/A	N/A	
43	Pension Costs			
44	Pension Costs Capitalized			
45	Accumulated Pension Asset (Liability) at Year End			
46	**Number of Company Employees:**			
47	Covered by the Plan	8	10	-20.00%
48	Not Covered by the Plan	5	4	25.00%
49	Active	8	10	-20.00%
50	Retired			
51	Deferred Vested Terminated			

Other Post Employment Benefits (OPEBS)

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

Other Post Employment Benefits (OPEBS) Continued

Year:2004

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

Company Name: Hot Springs Telephone Co.

Payments for Services to Persons Other Than Employees

Year:2004

Line No.	Name of Recipient (a)	Nature of Service (b)	Total Company Cost (c)	Total State Cost (d)	Intrastate Cost (e)
1					
2	NONE				
3					
4					
5					
6					
7					
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9					
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42					
43					
44					
45					
46					
47					
48					
49	**Total**				

Subscriber Line Usage Data

Year:2004

Line No.	Description (a)	This Year (b)	% of Total (c)	Last Year (d)	% of Total (e)
1	Toll Usage:				
2	Interstate, InterLATA	2,919,727	22.64%	2,571,003	21.18%
3	Interstate, IntraLATA				
4	**Total Interstate Usage**	2,919,727	22.64%	2,571,003	21.18%
5	Intrastate, InterLATA	191,548	1.49%	176,883	1.46%
6	Intrastate, IntraLATA	2,882,089	22.35%	2,786,627	22.96%
7	**Total Intrastate Usage**	3,073,637	23.84%	2,963,510	24.41%
8	**Total Toll Usage**	5,993,364	46.48%	5,534,513	45.59%
9	Centrex	-			
10	Local	6,901,433	53.52%	6,604,698	54.41%
11	**Total Minutes**	12,894,797	100.00%	12,139,211	100.00%

Company Name: Hot Springs Telephone Co.

Cental Office and Access Line Statistics

Year:2004

Line No.	Wire Center (a)	Type of Office (b)	Residential (c)	ISDN (d)	ADSL (e)	Lifeline Customers (f)	Residential LMS Customers (g)	Single Line Business (h)	Multi-Line Business (i)	Customer Owned Coin (j)	Company Owned Coin (k)	Other (l)	% of Lines w/ T. Tone (m)	Total Access Lines (n)
1	*Urban*		*203*		*37*	*72*		*25*	*65*	*1*	*9*			412
2	*Rural*		*315*		*27*	*31*		*18*	*20*		*3*			414
3														
4														
5														
6														
7														
8														
9														
10														
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15														
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24														
25														
26														
27														
28														
29														
30														
31														
32														
33	**Total**		518		64	103		43	85	1	12			826

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

Company Name: Hot Springs Telephone Co.

Central Office and Switch Information

Year:2004

Line No.	Wire Center (a)	Office Configuration (Host, Remote, Stand alone) (b)	Type of Switch (c)	Switch Vendor/ Manufacturer (d)	Switch Model No. (e)	Switch Line Capacity (f)	Year Deployed (g)
1	Hot Springs	Stand alone	Digital	Siemens	DCO-RNS-SE	1,080	1999
2							
3							
4							
5							
6							
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48							

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

Company Name: Hot Springs Telephone Co.

SCHEDULE 25

Construction Budget - Montana

Year: 2004

Line No.	Description (a)	(b)
1	**Central Office Assets:**	
2	Digital Carrier Equipment	52,000
3	DCO Digital Switch Software	30,000
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	
28	Miscellaneous Central Office Projects not over $500,000	
29	**Total Central Office Budget (Total of Line 27 & Line 28)**	82,000
30	**Other Projects ~~over $500,000:~~**	
31	Cable Additions	30,000
32	Miscellaneous Projects	10,000
33		
34		
35		
36		
37		
38		
39		
40		
41	Total Other Projects ~~over $500,000~~	
42	Miscellaneous projects not over $500,000	40,000
43	**Total Construction Budget (Total of Lines 29, 41 & 42)**	122000

Company Name: Hot Springs Telephone Co.

SCHEDULE 26

Montana Employee Counts

Year:2004

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

Company Name: Hot Springs Telephone Co.

Does not apply

SCHEDULE 28

Year:2004

Compensation of Top 5 Corporate Employees - SEC Information

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

Company Name: Hot Springs Telephone Co.

SCHEDULE 29

Montana Composite Statistics

Year:2004

Line No.	Account No.	Description (a)	Amount (b)
1		**Plant (Intrastate Only) (000 Omitted)**	
2	2001	Plant in Service	2,844
3	2003 - 2004	Construction Work in Progress	
4	2005	Plant Acquisition Adjustments	
5	2002	Plant Held for Future Use	
6	1220	Materials & Supplies	
7		(Less):	
8	3100 - 3400	Depreciation & Amortization Reserves	(1,925)
9	4360.2	Contributions in Aid of Construction	(4)
10		**NET BOOK COSTS**	915
11		**Revenues & Expenses (Intrastate Only) (000 Omitted)**	
12	5000 - 5300	Operating Revenues	493
13	6560	Depreciation & Amortization Expenses	146
14		Federal & State Income Taxes	35
15		Other Taxes	63
16		Other Operating Expenses	813
17		TOTAL Operating Expenses	1,057
18		Net Operating Income	(564)
19		Other Income	726
20		Other Deductions	43
21		**NET INCOME**	119
22		**Access Lines in Service (Intrastate Only)**	
23		Residential Access Lines	665
24		Business Access Lines	148
25		PBX Access Lines	
26		Other Access Lines	13
27		**Total Number of Access Lines**	826
28		**Average Number of Calls Per Access Line**	
29		Local Calls	1393
30		Toll Calls (Intra- or Interstate)	1209
31		**Total Number of Calls Per Access Line (Total of Line 29 & Line 30)**	2602
32		**Other Statistics (Intrastate Only)**	
33		Average Residential Monthly Bill	24
34		Gross Plant Investment per Access Line	3438

Depreciation - Montana Intrastate Regulated

Year:2004

Line No.	Acct No. (a)	Description (b)	Composite Rate % (c)	Total Expense $ (d)
1	2112	Motor Vehicles	20.0%	10,417
2	2114	Special Purpose Vehicles		
3	2115	Garage Work Equipment		
4	2116	Other work Equipment	20.0%	4,969
5	2121	Buildings	5.0%	11,864
6	2122	Furniture	20.0%	684
7	2123.1	Office Support Equipment		
8	2123.2	Company Communications Equipment		
9	2124	General Purpose Computers	20.0%	3,305
10	2211	Analog Electronic Switching Equipment		
11	2212	Digital Electronic Switching Equipment	10.0%	31,961
12	2215	Step By Step Switching Equipment		
13	2215	Crossbar Switching Equipment		
14	2220	Operator System		
15	2231	Radio Systems	10.0%	22,372
16	2232	Circuit DDS		
17	2232	Circuit Digital		
18	2232	Circuit Analog	10.0%	393
19	2351	Public Telephone Terminating Equipment		
20	2362	Other Terminal Equipment	10.0%	6,384
21	2411	Poles		
22	2421	Aerial Cable Metallic	10.0%	10,076
23	2421	Aerial Cable Nonmetallic		
24	2422	Underground Cable Metallic		
25	2422	Underground Cable Nonmetallic		
26	2423	Buried Cable Metallic	5.0%	36,579
27	2423	Buried Cable Nonmetallic	5.0%	6,803
28	2424	Submarine Cable Metallic		
29	2424	Submarine Cable Nonmetallic		
30	2426	Intrabuilding Network Cable Metallic		
31	2426	Intrabuilding Network Cable Nonmetallic		
32	2431	Aerial Wire		
33	2441	Conduit Systems	10.0%	296
34				146,103
35		**COMPOSITE TOTAL**	5.2%	

36

37 Have these rates been approved by the Commission? _____YES ____X__ NO

38

39 If yes: _____ Docket Number _____ Order Number

40

Company Name: Hot Springs Telephone Co.

SCHEDULE 31

Montana Regulatory Capital Structure & Costs

Year:2004

Line No.	Description (a)	% Cap. Str. (b)	% Cost Rate (c)	Weighted Cost (d)
	Commission Accepted - Most Recent			
1	Docket Number			
2	Order Number			
3	**N/A**			
4	Common Equity			
5	Preferred Stock			
6	Long Term Debt			
7	Other			
8	**Total**			
9				
10	**Actual at Year End**			
11				
12	Common Equity	96.46%	12.500%	12.057%
13	Preferred Stock			
14	Long Term Debt	3.54%	9.000%	0.319%
15	Other			
16	**Total**	100.00%		12.376%

Company Name: Hot Springs Tele

SCHEDULE 32

Network Access - Charges and Revenues

Year:2004

Line No.	Description (a)	Access Charges Paid (b)	Access Revenues Received (c)
1	Montana - Total State		375,392
2			2,807
3	Montana - Intrastate		
4			
5	Montana - Intrastate Regulated		278,799
6			
7			
8			
9			
10			
11			
12			
13			

Company Name: Hot Springs Telephone Co.
Does Not Apply

SCHEDULE 33

Affiliate Transactions - Products & Services Provided to Utility

Year:2004

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

Company Name: Hot Springs Telephone Co.
Does Not Apply

SCHEDULE 34

Affiliate Transactions - Products & Services Provided by Utility

Year:2004

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

Montana Intrastate Regulated Earned Rate of Return

Year:2004

Line No.		Description Rate Base (a)	This Year (b)	Last Year (c)	Percent Change (d)
1					
2	2001	Plant in Service	2,840,197	2,763,524	2.77%
3	2002	Prop. Held for Future Telecommunications Use			
4	3100-3200	(Less) Accumulated Depreciation	(1,925,385)	(1,779,282)	-8.21%
5		**Plant in Service**	914,812	984,242	-7.05%
6					
7		**Additions**			
8	1220	Materials & Supplies			
9	1280	Prepayments			
10		Other Additions			
11		**TOTAL Additions**			
12					
13		**Deductions**			
14	4100	Current Deferred Operating Income Taxes			
15	4320	Unamortized Operating Investment Tax Credits			
16	4340	Noncurrent Deferred Operating Income Taxes			
17		Customer Advances for Construction			
18		Other Deductions			
19		**TOTAL Deductions**			
20		**TOTAL Rate Base**	914,812	984,242	-7.05%
21					
22		**Net Earnings**	107,195	109,636	-2.23%
23					
24		**Rate of Return on Average Rate Base**	11.718%	11.139%	5.19%
25					
26		**Rate of Return on Average Equity**	7.294%	8.050%	-9.39%
27					
28	Major Normalizing Adjustments & Commission				
29	Ratemaking adjustments to Utility Operations				
30					
31					
32					
33		N/A			
34					
35					
36					
37					
38					
39					
40					
41					
42					
43		**Adjusted Rate of Return on Average Rate Base**			
44					
45		**Adjusted Rate of Return on Average Equity**			

Company Name: Hot Springs Telephone Co.

SCHEDULE 36

Other Taxes Paid

Year:2004

Line No.	Description (a)	Last Year (b)	This Year (c)
1	Montana Telephone Company License Tax		
2	Montana Public Service Commission Tax	1,146	1,408
3	Montana Consumer Counsel Tax	454	548
4	911 Emergency Telephone Fee	4,856	4,813
5	Montana Telecommunications Access Service (TDD)	965	958
6	Montana Corporate License Tax	4,190	7,807
7	Personal Property Tax	2,695	2,380
8	Real Property Tax	15,270	13,489
9	Montana State Excise Tax	13,082	12,417
10			
11			
12	**Total**	42,658	43,820

Company Name: Hot Springs Telephone Co.

SCHEDULE 37

Universal Service Funds Received

Year:2004

Line No.	Description (a)	Last Year (b)	This Year (c)
13	Funds received from Montana Sources		
14	Funds received from Federal Sources	217,212	222,926
15			
16			
17			
18			
19			
20			
21			
22			
23			
24	**Total**	217212	222926