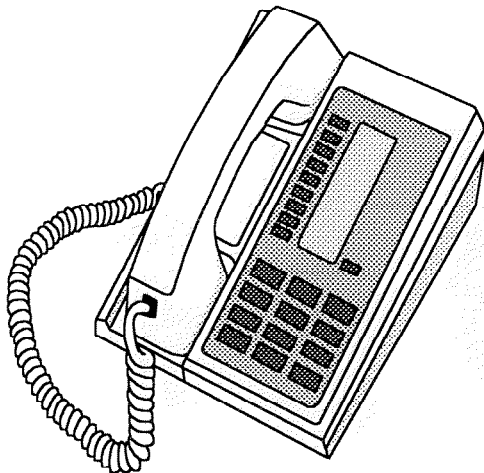


YEAR 1999

ANNUAL REPORT
OF
Project Telephone Company

TELEPHONE UTILITY



RECEIVED BY
MAY 25 AM 9:47
PUBLIC SERVICE
COMMISSION

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

Check No. 26026
\$25.00
Project Telephone Co.

General Information

Year: 1999

1.	Legal Name of Respondent:	PROJECT TELEPHONE COMPANY
2.	Name Under Which Respondent Does Business:	PROJECT TELEPHONE COMPANY
3.	Date of Incorporation:	1978
4.	Address to send Correspondence Concerning Report:	PROJECT TELEPHONE COMPANY P.O. BOX 600 SCOBEEY, MT 59263
5.	Person Responsible for This Report:	KATHY GREENWOOD
5a.	Telephone Number:	406-783-5659
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:	NEMONT TELEPHONE COOPERATIVE, INC. P.O. BOX 600 SCOBEEY, MT 59263
1b.	Means by which control was held:	STOCK
1c.	Percent Ownership:	100%

Board of Directors			
Line No.	Name of Director and Address (City, State)		Fees Paid During Year
	(a)		(b)
1	Kenneth Lauridsen	Brockton, MT	850
2	James Mosser	Fortuna, ND	800
3	Orvis Nelson	Homestead, MT	250
4	Roy Neufeld	Larslan, MT	750
5	Gregory Miller	Reserve, MT	750
6	Dayton Cherney	Nashua, MT	50
7	James Shipstead	Scobey, MT	200
8	Vernon Stoner	Outlook, MT	800
9	Charles McVee	Glasgow, MT	200
10	Ben Boreson	Opheim, MT	850
11	Gary Klind	Hinsdale, MT	800
12	Robert Heikens	Nashua, MT	250
13	Duane Broadbent	Ballantine, MT	3900
14	Vernon Whiteman	Lodge Grass, MT	3700
15			
16			
17			
18	Chairman of the Board:	ROY D NEUFELD	
19			
20			

Officers

Year: 1999

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		Roy Neufeld -- Larshan, MT
2	Vice-President		Gregory Miller -- Reserve, MT
3	Secretary/Treasurer		Vernon Stoner -- Outlook, MT
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Total Company Balance Sheet

Year: 1999

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		CURRENT ASSETS:		
2	1120	Cash and Equivalents	5,591,392	7,667,957
3	1180	Telecommunications Accounts Receivable - Net	455,129	397,793
4	1190	Other Accounts Receivable - Net	686,945	719,762
5	1200	Notes Receivable - Net		
6	1210	Interest and Dividends Receivable	41,926	44,002
7	1220	Materials and Supplies	627,171	443,093
8	* 1280	Prepayments	45,020	12,327
9	^ 1290	Prepaid Rents		
10	^ 1300	Prepaid Taxes		
11	^ 1310	Prepaid Insurance		
12	^ 1320	Prepaid Directory Expenses		
13	^ 1330	Other Prepayments	45,020	12,327
14	1350	Other Current Assets		
15		Total Current Assets	7,447,583	9,284,934
16		NONCURRENT ASSETS:		
17	1401	Investments in Affiliated Companies	13,192,166	9,494,105
18	1402	Investments in Nonaffiliated Companies	856,268	849,812
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	14,048,434	10,343,917
27		PROPERTY, PLANT, & EQUIPMENT:		
28	2001	Telecommunications Plant in Service	22,605,104	21,962,871
29	2002	Property Held for Future Telecommunications Use		
30	2003	Plant Under Construction - Short Term	114,178	94,787
31	2004	Plant Under Construction - Long Term		
32	2005	Telecommunications Plant Adjustment	4,395,210	4,395,210
33	2006	Nonoperating Plant		
34	2007	Goodwill		
35	3100	Accumulated Depreciation	(9,783,372)	(9,002,614)
36	3200	Accumulated Depreciation - Held for Future Use		
37	3300	Accumulated Depreciation - Nonoperating		
38	3400	Accumulated Amortization	(1,824,788)	(1,554,218)
39		Net Property, Plant, & Equipment	15,506,332	15,896,036
40		TOTAL ASSETS	37,002,349	35,524,887

^ Subaccount of account marked with a *.

Total Company Balance Sheet

Year: 1999

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
41		CURRENT LIABILITIES:		
42	4010	Accounts Payable	826,003	584,017
43	4020	Notes Payable		
44	4030	Advance Billing and Payments	141,883	125,292
45	4040	Customer Deposits	60,593	54,348
46	4050	Current Maturities - Long Term Debt	79,489	85,984
47	4060	Current Maturities - Capital Leases		
48	4070	Income Taxes - Accrued		(44,821)
49	4080	Other Taxes - Accrued	239,985	216,166
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	129,739	110,431
54		Total Current Liabilities	1,477,692	1,131,417
55		LONG-TERM DEBT:		
56	4210	Funded Debt	6,544,683	6,783,775
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	8,907,983	9,552,107
63		Total Long-Term Debt	15,452,666	16,335,882
64		OTHER LIABILITIES AND DEFERRED CREDITS:		
65	4310	Other Long-Term Liabilities		
66	4320	Unamort. Oper. Invest. Tax Credits - Net	155,886	188,850
67	4330	Unamort. Nonoper. Invest. Tax Credits - Net		
68	4340	Net Noncurrent Deferred Oper. Income Taxes	1,855,500	1,701,481
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	2,011,386	1,890,331
73		STOCKHOLDERS' EQUITY:		
74	4510	Capital Stock	7,950	7,950
75	4520	Additional Paid-In Capital		
76	4530	Treasury Stock		
77	4540	Other Capital		
78	4550	Retained Earnings	18,052,655	16,159,307
79		Total Stockholders' Equity	18,060,605	16,167,257
80		TOTAL LIAB. AND STOCKHOLDERS' EQUITY	37,002,349	35,524,887

Total Company Income Statement

Year: 1999

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		REVENUES:		
2	5000	Basic Local Service Revenues	1,183,425	1,061,841
3	5080	Network Access Revenues	5,400,907	5,121,262
4	* 5100	Long Distance Message Revenue	6,749	37,445
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	6,749	37,445
9	* 5200	Miscellaneous Revenue	263,299	279,591
10	^ 5230	Directory Revenue	27,502	25,873
11	^ 5240	Rent Revenue	527	
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	6,223	6,184
14	^ 5270	Carrier Billing and Collection Revenue	229,047	247,534
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	11,183	17,963
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)	6,843,197	6,482,176
18		OPERATING EXPENSES:		
19	6110	Network Support Expense	25,652	12,841
20	6120	General Support Expense	341,407	241,226
21	6210	Central Office Switching Expense	195,842	209,353
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	102,212	81,893
24	6310	Information Origination/Termination Expense	1,374	253
25	* 6410	Cable and Wire Facilities Expense	625,206	590,887
26	^ 6431	Aerial Wire Expense	625,206	590,887
27	^ 6441	Conduit Systems Expense		
28	6510	Other Property, Plant & Equipment Expense		
29	6530	Network Operations Expense	242,060	206,317
30	6540	Access Expense	16,307	16,496
31	6560	Depreciation and Amortization Expense	1,407,853	1,345,026
32	6610	Marketing	41,889	36,491
33	6620	Services	491,973	453,459
34	6710	Executive and Planning	153,396	102,272
35	6720	General and Administrative	741,856	721,010
36	6790	Provision for Uncollectible Notes Receivable		
37		Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)	4,387,027	4,017,524
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	893,067	839,352
40		Net Operating Income (L.17-L.37+L.38-L.39)	1,563,103	1,625,300
41	7300	Nonoperating Income and Expense	1,368,863	4,333,259
42	7400	Nonoperating Taxes	180,970	189,700
43	7500	Interest and Related Items	955,966	1,005,432
44	7600	Extraordinary Items	(98,298)	(75,419)
45	7910	Effects of Juris. Ratemaking Diff. - Net		
46	7990	Nonregulated Net Income	(20)	(90)
47		NET INCOME (L.40+L.41-L.42-L.43-L.44+L.45-L.46)	1,893,348	4,838,936

^ Subaccount of the account marked with a *.

Montana Total State Income Statement

Year: 1999

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		REVENUES:		
2	5000	Basic Local Service Revenues	1,144,300	1,026,085
3	5080	Network Access Revenues	5,340,495	5,054,209
4	* 5100	Long Distance Message Revenue	6,749	37,445
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	6,749	37,445
9	* 5200	Miscellaneous Revenue	258,381	268,163
10	^ 5230	Directory Revenue	26,852	25,224
11	^ 5240	Rent Revenue	527	
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	6,214	6,183
14	^ 5270	Carrier Billing and Collection Revenue	224,788	236,756
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	11,183	17,963
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)	6,738,742	6,367,939
18		OPERATING EXPENSES:		
19	6110	Network Support Expense	25,652	12,841
20	6120	General Support Expense	338,119	238,069
21	6210	Central Office Switching Expense	191,026	206,830
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	99,977	81,893
24	6310	Information Origination/Termination Expense	1,374	253
25	* 6410	Cable and Wire Facilities Expense	608,288	577,400
26	^ 6431	Aerial Wire Expense	608,288	577,400
27	^ 6441	Conduit Systems Expense		
28	6510	Other Property, Plant & Equipment Expense		
29	6530	Network Operations Expense	234,375	201,241
30	6540	Access Expense	15,691	15,951
31	6560	Depreciation and Amortization Expense	1,372,672	1,312,412
32	6610	Marketing	40,306	35,286
33	6620	Services	480,213	442,691
34	6710	Executive and Planning	147,600	98,895
35	6720	General and Administrative	713,824	697,201
36	6790	Provision for Uncollectible Notes Receivable		
37		Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)	4,269,117	3,920,963
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	889,556	834,399
40		Net Operating Income (L.17-L.37+L.38-L.39)	1,580,069	1,612,577

^ Subaccount of the account marked with a *.

Montana Intrastate Income Statement

Year: 1999

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		REVENUES:		
2	5000	Basic Local Service Revenues	1,144,300	1,026,085
3	5080	Network Access Revenues	5,340,495	5,054,209
4	* 5100	Long Distance Message Revenue	6,749	37,445
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	6,749	37,445
9	* 5200	Miscellaneous Revenue	258,381	268,163
10	^ 5230	Directory Revenue	26,852	25,224
11	^ 5240	Rent Revenue	527	
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	6,214	6,183
14	^ 5270	Carrier Billing and Collection Revenue	224,788	236,756
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	11,183	17,963
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)	6,738,742	6,367,939
18		OPERATING EXPENSES:		
19	6110	Network Support Expense	25,652	12,841
20	6120	General Support Expense	338,119	238,069
21	6210	Central Office Switching Expense	191,026	206,830
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	99,977	81,893
24	6310	Information Origination/Termination Expense	1,374	253
25	* 6410	Cable and Wire Facilities Expense	608,288	577,400
26	^ 6431	Aerial Wire Expense	608,288	577,400
27	^ 6441	Conduit Systems Expense		
28	6510	Other Property, Plant & Equipment Expense		
29	6530	Network Operations Expense	234,375	201,241
30	6540	Access Expense	15,691	15,951
31	6560	Depreciation and Amortization Expense	1,372,672	1,312,412
32	6610	Marketing	40,306	35,286
33	6620	Services	480,213	442,691
34	6710	Executive and Planning	147,600	98,895
35	6720	General and Administrative	713,824	697,201
36	6790	Provision for Uncollectible Notes Receivable		
37		Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)	4,269,117	3,920,963
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	889,556	834,399
40		Net Operating Income (L.17-L.37+L.38-L.39)	1,580,069	1,612,577

^ Subaccount of the account marked with a *.

Montana Intrastate Regulated Income Statement

Year: 1999

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		REVENUES:		
2	5000	Basic Local Service Revenues	1,144,300	1,026,085
3	5080	Network Access Revenues	5,340,495	5,054,209
4	* 5100	Long Distance Message Revenue	6,749	37,445
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	6,749	37,445
9	* 5200	Miscellaneous Revenue	258,381	268,163
10	^ 5230	Directory Revenue	26,852	25,224
11	^ 5240	Rent Revenue	527	
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	6,214	6,183
14	^ 5270	Carrier Billing and Collection Revenue	224,788	236,756
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	11,183	17,963
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)	6,738,742	6,367,939
18		OPERATING EXPENSES:		
19	6110	Network Support Expense	25,652	12,841
20	6120	General Support Expense	338,119	238,069
21	6210	Central Office Switching Expense	191,026	206,830
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	99,977	81,893
24	6310	Information Origination/Termination Expense	1,374	253
25	* 6410	Cable and Wire Facilities Expense	608,288	577,400
26	^ 6431	Aerial Wire Expense	608,288	577,400
27	^ 6441	Conduit Systems Expense		
28	6510	Other Property, Plant & Equipment Expense		
29	6530	Network Operations Expense	234,375	201,241
30	6540	Access Expense	15,691	15,951
31	6560	Depreciation and Amortization Expense	1,372,672	1,312,412
32	6610	Marketing	40,306	35,286
33	6620	Services	480,213	442,691
34	6710	Executive and Planning	147,600	98,895
35	6720	General and Administrative	713,824	697,201
36	6790	Provision for Uncollectible Notes Receivable		
37		Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)	4,269,117	3,920,963
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	889,556	834,399
40		Net Operating Income (L.17-L.37+L.38-L.39)	1,580,069	1,612,577

^ Subaccount of the account marked with a *.

Average Rate Base - Total State

Year: 1999

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	21598600	21107466
2	3100	Accumulated Depreciation	11258215	10222951
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies	603472	428462
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)	10943857	11312977

Average Rate Base - Intrastate

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	21598600	21107466
2	3100	Accumulated Depreciation	11258215	10222951
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies	603472	428462
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)	10943857	11312977

Average Rate Base - Regulated Intrastate

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	21598600	21107466
2	3100	Accumulated Depreciation	11258215	10222951
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies	603472	428462
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)	10943857	11312977

Statement of Cash Flows

Year: 1999

Line No.	Item Description (a)	Amount (b)	Amount (c)
1	Increase/(decrease) in Cash & Cash Equivalents		
2	Cash Flows from Operating Activities:		
3	Net Income		
4	Reconciliation Adjustments:	Information available in the 1999 audit reports.	
5	Depreciation & Amortization		
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		
11	Change in Materials, Supplies & Inventories - Net		
12	Change in Operating Payables & Accrued Liabilities - Net		
13	Change in Other Assets & Deferred Credits - Net		
14	Change in Other Liabilities & Deferred Credits - Net		
15	Other (explained on back of this page)		
16	Total Adjustments		
17	Net Cash Provided by/(Used in) Operating Activities		
18	Cash Inflows/Outflows From Investing Activities:		
19	Construction/Acquisition of Property, Plant & Equipment (net of		
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)		
25	Net Cash Provided by/(Used in) Investing Activities		
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		
32	Payment of Capital Lease Obligations		
33	Proceeds from Issuing Common Stock/Parent Co. Equity Investment		
34	Repurchase of Treasury Shares		
35	Dividends Paid		
36	Other Financing Activities (explained on back of this page)		
37	Net Cash Provided by Financing Activities		
38	Effect of Exchange Rate Changes on Cash		
39	Net Increase/(Decrease) in Cash & Cash Equivalents		
40	Cash & Cash Equivalents at Beginning of Period		
41	Cash & Cash Equivalents at End of Period		

Receivables and Investments-Affiliated & Nonaffiliated Companies

ar: 1999

Line No.	Name of Affiliate or Company (a)	Account 1160 Temporary Investments (b)	Account 1180 Telecom. Accounts Receivable (c)	Account 1181 Accts. Rec. 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	Nemont Commun, Inc				45585					13192166	
2	Valley Tele Comm, Inc.				5313						
3	Nemont Tele Coop Inc.				5296						
4	Sagebrush Cellular Inc.				315						
5	NRUCFC	5115065							41926		
6	AT&T				63771						
7	US West				55551						
8	NCRPC				10796						
9	NECA				217219						
10	Misc L.D. Carriers				198482						
11	RTFC										337669
12	REA Stock										241556
13	Capital Credits										231152
14	Misc. Memberships										1069
15	NCRPC Stock										10000
16	MAU										8100
17	Raymond James Security										26722
18											
19											
20											
21											
22											
23											
24											
25											
26											
27											
28											
29											
30	Totals	5115065			602328				41926	13192166	856268

Company Name: Project Telephone Company

SCHEDULE 11

Net Plant in Service - Detail

Year:1999

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	2477277	251682	121028		2607931	1067725	1540206	check
2	^ 2111	Land	87882				87882		87882	1540206
3	^ 2112	Motor Vehicles	406525	92317	66678	4400	436564	268459	168105	
4	^ 2113	Aircraft								
5	^ 2114	Special Purpose Vehicles								
6	^ 2115	Garage Work Equipment	2113				2113	296	1817	
7	^ 2116	Other Work Equipment	455960	88733	54350	-4400	485943	275417	210526	
8	^ 2121	Buildings	1498937	2130			1501067	505604	995463	
9	^ 2122	Furniture	4356				4356	4356		
10	^ 2123	Office Equipment	21504	68502			90006	13593	76413	
11	^ 2124	General Purpose Computers								
12	2211	Analog Electronic Switching								
13	2212	Digital Electronic Switching	4292040	90528	133902		4248666	2177490	2071176	
14	2215	Electro-Mechanical Switching								
15	2220	Operator Systems								
16	2231	Radio Systems								
17	2232	Circuit Equipment	3177673	359210	72336		3464547	1392505	2072042	check
18	* 2310	Information Orig & Term Equip	12487				12487	12428	59	59
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	12487				12487	12428	59	
24	2411	Poles	71950		5407		66543	66543		check
25	* 2420	Cable and Wire Facilities	11700239	380509	125866		11954882	5037966	6916916	6916916
26	^ 2421	Aerial Cable	185238	705	43954		141989	68710	73279	
27	^ 2422	Underground Cable	26689	14498			41187	6544	34643	
28	^ 2423	Buried Cable	11448109	365306	81912		11731503	4933889	6797614	
29	^ 2424	Submarine Cable								
30	^ 2425	Deep Sea Cable								
31	^ 2426	Intrabuilding Network Cable	40203				40203	28823	11380	
32	2431	Aerial Wire	3748				3748	3748		
33	2441	Conduit Systems	227457	18843			246300	24966	221334	check
34		Totals	21962871	1100772	458539		22605104	9783371	12821733	12821733

^ Subaccount of the account marked with a *.

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Company Name: Project Telephone Company

SCHEDULE 12

Analysis of Plant Held for Future Use

Year:1999

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	NONE						
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
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20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30	Totals (Sum L.1 to L.29)						

Average Cost of Long Term Debt

Year:1999

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	TELEPHONE PLANT RUS											
2												
3	NOTE NO	2010	1957	Feb-92	50000	50000	50000					
4		2020	1958	Mar-93	175000	175000	175000					
5		2030	1958	Jul-93	55000	55000	55000					
6		2040	1959	Nov-94	25660	25660	25660					
7		2041	1959	Nov-94	12849	12849	12849					
8		2042	1959	Nov-94	10491	10491	10491	432		13		3.01 %
9		12050	1974	Nov-09	1085000	1085000	1085000	533814		27610		5.17 %
10		12060	1976	Jul-11	320000	320000	320000	138935		2876		2.07 %
11		12062	1976	Jul-11	85000	85000	85000	54946		1121		2.04 %
12		12071	1978	Nov-13	571000	571000	571000	374690		19148		5.11 %
13		12080	1983	Oct-18	2170000	2170000	2170000	1601912		81462		5.09 %
14		12090	1983	Oct-18	3019000	3019000	3019000	2297345		116821		5.09 %
15		12091	1983	Oct-18	1376000	1376000	1376000	1093138		55582		5.08 %
16		12092	1983	Oct-18	511000	511000	511000	456456		23064		5.05 %
17												
18	INTEREST ON PREPAYMENTS									-339		
19	PREPAYMENTS-DR.							-6986				
20												
21	TELEPHONE PLANT RUS 1984				3255000	3202500	3202500	2672639		181395		6.79 %
22												
23	TELEPHONE PLANT RTFC 1994				8886287	8886287	8441973	6235344		444008		7.12 %
24												
25												
26												
27												
28												
29												
30	Total				21607287	21554787	21110473	97.70	15452665	952761		6.17 %

Company Name: Project Telephone Company

Year: 1999

Cost of Preferred Stock

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	NONE											
2												
3												
4												
5												
6												
7												
8												
9												
10												
11												
12												
13												
14												
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18												
19												
20												
21												
22												
23												
24												
25												
26												
27												
28												
29												
30	Totals (Sum L.1 to L.29)											

Company Name: Project Telephone Company

SCHEDULE 15

Analysis of Common Stock

Year: 1999

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		Price/ Earnings Ratio (i)
							High (g)	Low (h)	
1	Year Ended December 31:								
2									
3	N/A								
4									
5									
6									
7									
8	Month by Month Data:								
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									

Capital Stock and Funded Debt Reacquired or Retired During the Year

Year: 1999

Line No.	Description of Security (a)	Call or Retirement Date (b)	Number of Shares (c)	Principal Amount (d)	Reacquisition or Retirement Cost (e)	Gain or (Loss) (f)	Retirement or Reacquisition (g)
1	NONE						
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	Totals (Sum L.1 to L.29)						

Company Name: Project Telephone Company

SCHEDULE 17

Page 1 of 2

Year: 1999

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	5646	3020	2625	108822	-94462	25651	check
2	^	6112 Motor Vehicle Expense	4996	2743		78526	-84060	2205	25651
3	^	6113 Aircraft Expense							
4	^	6114 Special Purpose Vehicles Expense	47	23			-70		
5	^	6115 Garage Work Equipment Expense							
6	^	6116 Other Work Equipment Expense	603	254	2625	30296	-10332	23446	check
7	*	6120 General Support Expense	30439	16134	235014	59821		341408	341408
8	^	6121 Land and Building Expense	16987	8804	189687	41067		256545	
9	^	6122 Furniture and Artworks Expense				6037		6037	
10	^	6123 Office Equipment Expense				9138		9138	
11	^	6124 General Purpose Computers Expense	13452	7330	45327	3579		69688	check
12	*	6210 Central Office Switching Expense	80271	47097		68474		195842	195842
13	^	6211 Analog Electronic Expense							
14	^	6212 Digital Electronic Expense	80271	47097		68474		195842	
15	^	6215 Electro-Mechanical Expense							
16		6220 Operator Systems Expense							check
17	*	6230 Central Office Transmission Expense	37635	24955	900	38721		102211	102211
18	^	6231 Radio Systems Expense	438	228	900	1016		2582	
19	^	6232 Circuit Equipment Expense	37197	24727		37705		99629	check
20	*	6310 Information Origination/Termination Expense	586	277		511		1374	1374
21	^	6311 Station Apparatus Expense							
22	^	6341 Large Private Branch Exchange Expense							
23	^	6351 Public Telephone Terminal Equipment Exp.	586	277		511		1374	
24	^	6362 Other Terminal Equipment Expense							check
25	*	6410 Cable and Wire Facilities Expense	276605	161862	3916	182823		625206	625206
26	^	6411 Poles Expense	3148		3916	463		7527	
27	^	6421 Aerial Cable Expense	16820	9711		12283		38814	
28	^	6422 Underground Cable Expense							
29	^	6423 Buried Cable Expense	256637	152151		170006		578794	
30	^	6424 Submarine Cable Expense							
31	^	6425 Deep Sea Cable Expense							
32	^	6426 Intrabuilding Network Cable Expense							
33	^	6431 Aerial Wire Expense							check
34		Subtotals	431,182	253,345	242,455	459,101	(94,462)	1291621	1,291,621

^ Subaccount of the account marked with a *.

Company Name: Project Telephone Company

SCHEDULE 17

Page 2 of 2

Year:1999

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				71		71
36	6510	Other Property Expenses	12365	7818		4535	-24718	
37	* 6530	Network Operations Expense	128937	80631		100798	-68306	242060
38	^ 6531	Power Expense				45728		45728
39	^ 6532	Network Administration Expense				573		573
40	^ 6533	Testing Expense	4339	2912		102		7353
41	^ 6534	Plant Operations Expense	117997	74439		35679	-61515	166600
42	^ 6535	Engineering Expense	6601	3280		18716	-6791	21806
43	6540	Access Expense				16307		16307
44	6561	Depreciation - Telecomm. Plant in Service				1137282		1137282
45	6562	Depreciation-Prop. for Future Telecom. Use						
46	6563	Amortization Expense - Tangible						
47	6564	Amortization Expense - Intangible						
48	6565	Amortization - Other				270571		270571
49	* 6610	Marketing	12937	8082		20870		41889
50	^ 6611	Product Management						
51	^ 6612	Sales				4184		4184
52	^ 6613	Product Advertising	12937	8082		16686		37705
53	6621	Call Completion Services				6432		6432
54	6622	Number Services	5763	3694		10955		20412
55	6623	Customer Services	109878	73968		281283		465129
56	6711	Executive	35008	48381		70007		153396
57	6712	Planning	821	652				1473
58	6721	Accounting and Finance	81516	54482		98006		234004
59	6722	External Relations	44929	25544		80568		151041
60	6723	Human Relations	20887	14498		19089		54474
61	6724	Information Management						
62	6725	Legal				21973		21973
63	6726	Procurement	1234	594		7		1835
64	6727	Research and Development						
65	6728	Other General and Administrative	74867	45873		156317		277057
66	6790	Provision for Uncollectible Notes Receivable						
67		Totals	960,324	617,562	242,455	2,754,172	(187,486)	4387027

check
242060

check

check
41889

4,387,027

^ Subaccount of the account marked with a *.

Company Name: Project Telephone Company

SCHEDULE 18

Page 1 of 2

Year:1999

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	5646	3020	2625	108823	-94462	25652	check
2	^	6112 Motor Vehicle Expense	4996	2743		78526	-84060	2205	25652
3	^	6113 Aircraft Expense							
4	^	6114 Special Purpose Vehicles Expense	47	23			-70		
5	^	6115 Garage Work Equipment Expense							
6	^	6116 Other Work Equipment Expense	603	254	2625	30297	-10332	23447	check
7	*	6120 General Support Expense	30439	16134	235014	56532		338119	338119
8	^	6121 Land and Building Expense	16987	8804	189687	40986		256464	
9	^	6122 Furniture and Artworks Expense				5809		5809	
10	^	6123 Office Equipment Expense				8793		8793	
11	^	6124 General Purpose Computers Expense	13452	7330	45327	944		67053	check
12	*	6210 Central Office Switching Expense	77512	45517		67997		191026	191026
13	^	6211 Analog Electronic Expense							
14	^	6212 Digital Electronic Expense	77512	45517		67997		191026	
15	^	6215 Electro-Mechanical Expense							
16	^	6220 Operator Systems Expense							check
17	*	6230 Central Office Transmission Expense	36414	24110	900	38553		99977	99977
18	^	6231 Radio Systems Expense	438	228	900	1016		2582	
19	^	6232 Circuit Equipment Expense	35976	23882		37537		97395	check
20	*	6310 Information Origination/Termination Expense	586	277		511		1374	1374
21	^	6311 Station Apparatus Expense							
22	^	6341 Large Private Branch Exchange Expense							
23	^	6351 Public Telephone Terminal Equipment Exp.	586	277		511		1374	
24	^	6362 Other Terminal Equipment Expense							check
25	*	6410 Cable and Wire Facilities Expense	267758	156025	3916	180589		608288	608288
26	^	6411 Poles Expense	3148		3916	463		7527	
27	^	6421 Aerial Cable Expense	16820	9711		12283		38814	
28	^	6422 Underground Cable Expense							
29	^	6423 Buried Cable Expense	247790	146314		167772		561876	
30	^	6424 Submarine Cable Expense							
31	^	6425 Deep Sea Cable Expense							
32	^	6426 Intrabuilding Network Cable Expense							
33	^	6431 Aerial Wire Expense							check
34		Subtotals	418,355	245,083	242,455	452,934	(94,462)	1264365	1,264,365

^ 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				71		71
36		6510 Other Property Expenses	12365	7818		4535	-24718	
37	*	6530 Network Operations Expense	128937	80631		93113	-68306	234375
38	^	6531 Power Expense				45162		45162
39	^	6532 Network Administration Expense				573		573
40	^	6533 Testing Expense	4339	2912		102		7353
41	^	6534 Plant Operations Expense	117997	74439		29384	-61515	160305
42	^	6535 Engineering Expense	6601	3280		17892	-6791	20982
43		6540 Access Expense				15691		15691
44		6561 Depreciation - Telecomm. Plant in Service				1102101		1102101
45		6562 Depreciation-Prop. for Future Telecom. Use						
46		6563 Amortization Expense - Tangible						
47		6564 Amortization Expense - Intangible						
48		6565 Amortization - Other				270571		270571
49	*	6610 Marketing	12937	8082		19287		40306
50	^	6611 Product Management						
51	^	6612 Sales	12937	8082		4025		25044
52	^	6613 Product Advertising				15262		15262
53		6621 Call Completion Services	5763	3694		6189		15646
54		6622 Number Services	109878	73968		10184		194030
55		6623 Customer Services	35008	48381		270537		353926
56		6711 Executive	821	596		64211		65628
57		6712 Planning	81516	54482				135998
58		6721 Accounting and Finance	44929	25544		89163		159636
59		6722 External Relations	20887	14498		74861		110246
60		6723 Human Relations				17031		17031
61		6724 Information Management						
62		6725 Legal				21143		21143
63		6726 Procurement	1234	525		7		1766
64		6727 Research and Development						
65		6728 Other General and Administrative	74867	45873		145847		266587
66		6790 Provision for Uncollectible Notes Receivable						
67		Totals	947,497	609,175	242,455	2,657,476	(187,486)	4269117

check
234375

check

check
40306

4,269,117

^ Subaccount of the account marked with a *.

Pension Costs

Year: 1999

1	Plan Name	NTCA SAVINGS PLAN		
2	Defined Benefit Plan?	Defined Contribution Plan? ☒ X ☐		
3	Actuarial Cost Method?	IRS Code: _____		
4	Annual Contribution by Employer: \$75,221	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			
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	Change in Plan Assets			
17	Fair value of plan assets at beginning of year	115975		-100.00%
18	Actual return on plan assets			
19	Acquisition			
20	Employer contribution	75221	65676	-12.69%
21	Plan participants' contributions	55297	50299	-9.04%
22	Benefits paid			
23	Fair value of plan assets at end of year	246493	115975	-52.95%
24	Funded Status	246493	115975	-52.95%
25	Unrecognized net actuarial loss			
26	Unrecognized prior service cost			
27	Prepaid (accrued) benefit cost	246493	115975	-52.95%
28				
29	Weighted-average Assumptions as of Year End			
30	Discount rate			
31	Expected return on plan assets			
32	Rate of compensation increase			
33				
34	Components of Net Periodic Benefit Costs			
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:			
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	16	14	-12.50%
48	Not Covered by the Plan	2	4	100.00%
49	Active	16	11	-31.25%
50	Retired		2	#DIV/0!
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	N/A		#VALUE!
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

	Item	Current Year	Last Year	% Change
1	Number of Company Employees:			
2	Covered by the Plan	N/A		#VALUE!
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 Costs			
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			

Payments for Services to Persons Other Than Employees

Year: 1999

Line No.	Name of Recipient (a)	Nature of Service (b)	Total Company Cost (c)	Total State Cost (d)	Intrastate Cost (e)
1					
2	NCDC	DATA SERVICES	220120	220120	220120
3					
4	Montana Independent Tele Services	Legal	29093	29093	29093
5					
6					
7					
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46					
47					
48					
49	Total				

Subscriber Line Usage Data

ear: 1999

Line No.	Description (a)	This Year (b)	% of Total (c)	Last Year (d)	% of Total (e)
1	Toll Usage:				
2	Interstate, InterLATA	10524629	52.73%	9263663	47.51%
3	Interstate, IntraLATA	82814	0.41%	84318	0.43%
4	Total Interstate Usage	10607443	53.14%	9347981	47.94%
5	Intrastate, InterLATA	2541114	12.73%	2318411	11.89%
6	Intrastate, IntraLATA	6811338	34.13%	7832740	40.17%
7	Total Intrastate Usage	9352452	46.86%	10151151	52.06%
8	Total Toll Usage	19959895	100.00%	19499132	100.00%
9	Centrex				
10	Local				
11	Total Minutes	19959895	100.00%	19499132	100.00%

Central Office and Access Line Statistics

Year: 1999

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	Absarokee	UD/DIG	1387			6		370						1757
2	Belfry	UD/DIG	207			4		31						238
3	Clark	RSU	183					34						217
4	Crow Agency	UD/DIG	417			16		351						768
5	Fort Smith	RSU	203			3		84						287
6	Humley	RSU	462			4		83						545
7	Lodge Grass	RSU	439			17		68						507
8	Ponpeys Pillar	RSU	92					10						102
9	South Wyola	RSU	1					1						2
10	Worden	UD/DIG	831			11		160						991
11	Wyola	RSU	100			5		19						119
32														
33	Total		4322			66		1211						5533

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

Central Office and Switch Information

Year: 1999

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	ABSAROEKEE	HOST	DIGITAL	NTI	DMS10-SSO	1,263	1985
2	BELFRY	HOST	DIGITAL	NTI	DMS10-SSO	360	1985
3	CLARK	REMOTE	DIGITAL	NTI	RSLE	268	1996
4	CROW AGENCY	HOST	DIGITAL	NTI	DMS10-SSO	786	1994
5	FORT SMITH	REMOTE	DIGITAL	NTI	RSLE	322	1994
6	HUNTLEY	REMOTE	DIGITAL	NTI	RSLE	608	1996
7	LODGE GRASS	REMOTE	DIGITAL	NTI	RSLE	546	1994
8	WORDEN	HOST	DIGITAL	NTI	DMS10-SSO	1,256	1985
9	WYOLA	REMOTE	DIGITAL	NTI	RSLE	134	1994
10	NYE	REMOTE	DIGITAL	NTI	RSLE	293	1985
11	BEEHIVE	REMOTE	DIGITAL	NTI	RSLE	154	1985
12	ROSCOE	REMOTE	DIGITAL	NTI	RSLE	235	1996
13	DEAN	REMOTE	DIGITAL	NTI	RSLE	147	1996
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NOTE: Additional blank schedules are being provided for your convenience.

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Construction Budget - Montana

Year: 2000

Line No.	Description (a)	2000 (b)
1	Central Office Assets:	
2	Pryor Microwave System	300000
3	Absarokee Microwave System	30000
4	Hardin RSC-S Switch	362000
5	Worden Lightwave Equipment to Crow Agency	430000
6	Worden BMC	72000
7	Hardin Central Office Building	35000
8	ADSL	40000
9	Worden DAC'S	45000
10	Hardin Power Board	15000
11	Hardin Central Office Building	8000
12	Misc Items	70000
13		
14		
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23		
24		
25		
26		
27	Total Switching and Central Office Projects over \$500,000	1227000
28	Miscellaneous Central Office Projects not over \$500,000	180000
29	Total Central Office Budget (Total of Line 27 & Line 28)	1407000
30	Other Projects over \$500,000:	
31		
32	CABLE & WIRE UPGRADE	600000
33		
34		
35		
36		
37		
38		
39		
40		
41	Total Other Projects over \$500,000	600000
42	Miscellaneous projects not over \$500,000	
43	Total Construction Budget (Total of Lines 29, 41 & 42)	2007000

Montana Employee Counts

Year: 1999

Line No.	Category (a)	Beginning of Year (b)	End of Year (c)
1	Central Office Technician	1	2
2	Combinationman	9	9
3	Custodial (Partime)	2	2
4	District Manager	1	1
5	Customer Service Rep	1	1
6	Right of Way Clerk	1	1
7	Plant supervisor	1	1
8	Engineer Mgr.		1
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43	Totals (Sum of Lines 1 through 42)	16	18

Compensation of Top 10 Montana Based Employees

Year: 1999

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	Manager/CEO	143000		6402 12004 17050	178456	162232	10.00%
2	Operations Mgr.	81900		6006 3583	91489	78000	17.29%
3	COE/Network Supervisor	53600		2144 4020	59764	57193	4.50%
4	Office Manager	72000		2880 5400	80280	76377	5.11%
5	Cellular Operation Mgr.	66675		2885 5409 5450	80419	71866	11.90%
6	District Supervisor	66641		2727 5113 1538	76019	73388	3.59%
7	Public Affairs Mgr.	63860		2629 4929 1858	73276	71553	2.41%
8	Plant Manager	64375		2575 4828	71778	68613	4.61%
9	Human Resource Mgr.	53850		2270 4256 2900	63276	61252	3.30%
10	Safety/Loss Supervisor	50000		2000 3750	55750	54534	2.23%
35% of Salary paid by Nemont Telephone, 40% is paid by VTI, and 25% is paid by Project Telephone as duties are shared by all 3 companies.							
11	Totals (Sum L.1 to L.10)	715901		114606	830507	775008	7.16%

Year: 1999

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	N/A						
2							
3							
4							
5							
6	Totals (Sum L.1 to L.5)						

Montana Composite Statistics

Year: 1999

Line No.	Account No.	Description (a)	Amount (b)
1		Plant (Intrastate Only) (000 Omitted)	
2	2001	Plant in Service	21598600
3	2003 - 2004	Construction Work in Progress	114178
4	2005	Plant Acquisition Adjustments	4377116
5	2002	Plant Held for Future Use	
6	1220	Materials & Supplies	603472
7		(Less):	
8	3100 - 3400	Depreciation & Amortization Reserves	-11258215
9	4360.2	Contributions in Aid of Construction	
10		NET BOOK COSTS	15435151
11		Revenues & Expenses (Intrastate Only) (000 Omitted)	
12	5000 - 5300	Operating Revenues	6738742
13	6560	Depreciation & Amortization Expenses	1372672
14		Federal & State Income Taxes	237137
15		Other Taxes	652419
16		Other Operating Expenses	2896445
17		TOTAL Operating Expenses	5158673
18		Net Operating Income	1580069
19		Other Income	1234465
20		Other Deductions	919842
21		NET INCOME	1894692
22		Access Lines in Service (Intrastate Only)	
23		Residential Access Lines	4322
24		Business Access Lines	1211
25		PBX Access Lines	
26		Other Access Lines	
27		Total Number of Access Lines	5533
28		Average Number of Calls Per Access Line	
29		Local Calls	11205199
30		Toll Calls (Intra- or Interstate)	13012756
31		Total Number of Calls Per Access Line (Total of Line 29 & Line 30)	24217955
32		Other Statistics (Intrastate Only)	
33		Average Residential Monthly Bill	35
34		Gross Plant Investment per Access Line	4715

Depreciation - Montana Intrastate Regulated

Year: 1999

Line No.	Acct No. (a)	Description (b)	Composite Rate % (c)	Total Expense \$ (d)
1	2112	Motor Vehicles	25.0%	47,413
2	2114	Special Purpose Vehicles		
3	2115	Garage Work Equipment	8.0%	169
4	2116	Other work Equipment	20.0%	51,149
5	2121	Buildings	3.1%	45,761
6	2122	Furniture	7.5%	270
7	2123.1	Office Support Equipment	7.5%	602
8	2123.2	Company Communications Equipment	7.5%	2,953
9	2124	General Purpose Computers		
10	2211	Analog Electronic Switching Equipment		
11	2212	Digital Electronic Switching Equipment	8.2%	339,360
12	2215	Step By Step Switching Equipment		
13	2215	Crossbar Switching Equipment		
14	2220	Operator System		
15	2231	Radio Systems		
16	2232	Circuit DDS	6.5%	214,820
17	2232	Circuit Digital		
18	2232	Circuit Analog		
19	2351	Public Telephone Terminating Equipment		
20	2362	Other Terminal Equipment	9.2%	1,149
21	2411	Poles		
22	2421	Aerial Cable Metallic	9.2%	13,694
23	2421	Aerial Cable Nonmetallic	9.2%	526
24	2422	Underground Cable Metallic	9.2%	1,913
25	2422	Underground Cable Nonmetallic	9.2%	1,179
26	2423	Buried Cable Metallic	3.3%	328,090
27	2423	Buried Cable Nonmetallic	4.0%	42,276
28	2424	Submarine Cable Metallic		
29	2424	Submarine Cable Nonmetallic		
30	2426	Intrabuilding Network Cable Metallic	3.3%	1,327
31	2426	Intrabuilding Network Cable Nonmetallic		
32	2431	Aerial Wire		
33	2441	Conduit Systems	4.0%	9,450
34				
35		COMPOSITE TOTAL		1,102,101
36				
37	Have these rates been approved by the Commission? ____ YES __X__ NO			
38				
39	If yes: _____ Docket Number _____ Order Number			
40				

Montana Regulatory Capital Structure & Costs

Year: 1999

Line No.	Description (a)	% Cap. Str. (b)	% Cost Rate (c)	Weighted Cost (d)
	Commission Accepted - Most Recent			
1	Docket Number _____			
2	Order Number _____			
3				
4	Common Equity			
5	Preferred Stock			
6	Long Term Debt			
7	Other			
8	Total			
9				
10	Actual at Year End			
11				
12	Common Equity	53.89 %	10.480 %	5.648 %
13	Preferred Stock			
14	Long Term Debt	46.11 %	85.560 %	39.452 %
15	Other			
16	Total	100.00 %		45.099 %

Network Access - Charges and Revenues

Year: 1999

Line No.	Description (a)	Access Charges Paid (b)	Access Revenues Received (c)
1	Montana - Total State		2672447
2			
3	Montana - Intrastate		
4			
5	Montana - Intrastate Regulated		2672447
6			
7			
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Affiliate Transactions - Products & Services Provided to Utility

Year: 1999

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	NCI	COMPUTER LEASE	LEASE AGREEMENT	45,327	0.7%	45,327
2						
3	NEMONT TELEPHONE	MGMT AGREEMENT	LEASE AGREEMENT	867,874	9.7%	867,874
4						
5	NEMONT TELEPHONE	BUILDING LEASE	LEASE AGREEMENT	97,053	1.1%	97,053
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30	TOTAL			\$1,010,254		\$1,010,254

Affiliate Transactions - Products & Services Provided by Utility

Year: 1999

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	NCI	WAGES , LABOR	COST	50,149	0.7 %	50,149
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29						
30	TOTAL			\$50,149		\$50,149

Montana Intrastate Regulated Earned Rate of Return

Year: 1999

Line No.	Description Rate Base (a)	This Year (b)	Last Year (c)	Percent Change (d)
1				
2	2001 Plant in Service	26,089,894	25,579,369	2.00 %
3	2002 Prop. Held for Future Telecommunications Use			
4	3100-3200 (Less) Accumulated Depreciation	(11,258,215)	(10,222,951)	-10.13 %
5	Plant in Service	14,831,679	15,356,418	-3.42 %
6				
7	Additions			
8	1220 Materials & Supplies	603,472	428,462	40.85 %
9	1280 Prepayments			
10	Other Additions			
11	TOTAL Additions	603,472	428,462	40.85 %
12				
13	Deductions			
14	4100 Current Deferred Operating Income Taxes			
15	4320 Unamortized Operating Investment Tax Credits	155,886	188,850	-17.46 %
16	4340 Noncurrent Deferred Operating Income Taxes	1,855,500	1,701,481	9.05 %
17	Customer Advances for Construction			
18	Other Deductions			
19	TOTAL Deductions	2,011,386	1,890,331	6.40 %
20	TOTAL Rate Base	13,423,765	13,894,549	-3.39 %
21				
22	Net Earnings	1,894,692	4,842,642	-60.87 %
23				
24	Rate of Return on Average Rate Base	14.110 %	34.850 %	-59.51 %
25				
26	Rate of Return on Average Equity	10.490 %	29.950 %	-64.97 %
27				
28	Major Normalizing Adjustments & Commission			
29	Ratemaking adjustments to Utility Operations			
30				
31				
32				
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40				
41				
42				
43	Adjusted Rate of Return on Average Rate Base			
44				
45	Adjusted Rate of Return on Average Equity			

Other Taxes Paid

Year: 1999

Line No.	Description (a)	Last Year (b)	This Year (c)
1	Montana Telephone Company License Tax	17885	18686
2	Montana Public Service Commission Tax	6329	6972
3	Montana Consumer Counsel Tax	1980	2642
4	911 Emergency Telephone Fee	27981	29705
5	Montana Telecommunications Access Service (TDD)	5523	5940
6	Montana Corporate License Tax	10	10
7	Personal Property Tax	419990	465674
8	Real Property Tax		
9			
10			
11			
12	Total	479698	529629

Company Name: Project Telephone Company

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Universal Service Funds Received

Year: 1999

Line No.	Description (a)	Last Year (b)	This Year (c)
13	Funds received from Montana Sources		
14	Funds received from Federal Sources	1054657	1224596
15			
16			
17			
18			
19			
20			
21			
22			
23			
24	Total	1054657	1224596