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YEAR ENDING _____ 2009

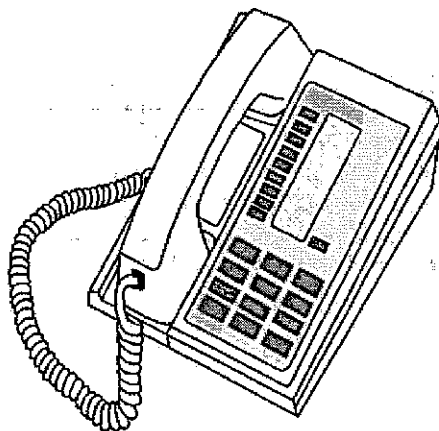
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PUBLIC SERVICE
COMMISSION

ANNUAL REPORT OF

CITIZENS TELECOMMUNICATIONS COMPANY OF MONTANA

TELEPHONE UTILITY



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

General Information

Year: 2009

1	Legal Name of Respondent:	Citizens Telecommunications Company of Montana
2	Name Under Which Respondent Does Business:	Frontier Communications of Montana
3	Date of Incorporation:	07/07/93
4	Address to send Correspondence Concerning Report:	100 CTE Drive Dallas, PA 18612
5	Person Responsible for This Report:	Jessica Matushek
5a.	Telephone Number:	570 - 631 - 5003
Control Over Respondent		
1.	If direct control over the respondent was held by another entity at the end of year provide the following:	
1a.	Name and address of the controlling organization or person:	Frontier Communications Corporation 3 High Ridge Park Stamford, CT 06905
1b.	Means by which control was held:	Common Stock
1c.	Percent Ownership:	100%

Board of Directors		
Line No.	Name of Director and Address (City, State) (a)	Fees Paid During Year (b)
1	Donald R Shassian 3 High Ridge Park, Stamford, CT. 06905	None
2	Mary Agnes Wilderotter 3 High Ridge Park, Stamford, CT. 06905	None
3	Daniel J. McCarthy 3 High Ridge Park, Stamford, CT. 06905	None
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18	Chairman of the Board:	
19	Mary Agnes Wilderotter	
20		

Officers

Year: 2009

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	Chairman		Mary Agnes Wilderotter
2	President & C.O.O.		Daniel J. McCarthy
3	V.P. & C.F.O.		Donald R. Shassian
4	V.P. & C.A.O.		Robert J. Larson
5	V.P. General Counsel & Sec'ty		Hilary E. Glassman
6	V.P. & Treasurer		David R. Whitehouse
7	V.P Engineering		Michael Golob
8	V.P. Regulatory		Kenneth Mason
9	V.P. Marketing		Peter B. Hayes
10	Assistant Secretary		David G Schwartz
11	Assistant Secretary		Gregg C. Sayre
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Total Company Balance Sheet

Year: 2009

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		CURRENT ASSETS:		
2	1120	Cash and Equivalents	(3,059)	8,557
3	1180	Telecommunications Accounts Receivable - Net	459,989	490,323
4	1190	Other Accounts Receivable - Net	447,893	389,568
5	1200	Notes Receivable - Net		
6	1210	Interest and Dividends Receivable		
7	1220	Materials and Supplies	8,825	17,066
8	* 1280	Prepayments		
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	913,647	905,514
16		NONCURRENT ASSETS:		
17	1401	Investments in Affiliated Companies	1,677,088	(561,355)
18	1402	Investments in Nonaffiliated Companies		
19	1406	Nonregulated Investments	1,738	2,232
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	1,678,826	(559,123)
27		PROPERTY, PLANT, & EQUIPMENT:		
28	2001	Telecommunications Plant in Service	31,654,272	29,896,678
29	2002	Property Held for Future Telecommunications Use		
30	2003	Plant Under Construction - Short Term	132,497	1,358,491
31	2004	Plant Under Construction - Long Term		
32	2005	Telecommunications Plant Adjustment	14,619,967	14,619,967
33	2006	Nonoperating Plant		
34	2007	Goodwill		
35	3100	Accumulated Depreciation	(22,678,161)	(21,084,371)
36	3200	Accumulated Depreciation - Held for Future Use		
37	3300	Accumulated Depreciation - Nonoperating		
38	3400	Accumulated Amortization	(9,657,997)	(9,226,110)
39		Net Property, Plant, & Equipment	14,070,577	15,564,655
40		TOTAL ASSETS	16,663,051	15,911,047

^ Subaccount of account marked with a *.

Total Company Balance Sheet

Year: 2009

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
41		CURRENT LIABILITIES:		
42	4010	Accounts Payable	85,085	675,466
43	4020	Notes Payable		
44	4030	Advance Billing and Payments	240,304	205,888
45	4040	Customer Deposits	10,323	(10,074)
46	4050	Current Maturities - Long Term Debt		
47	4060	Current Maturities - Capital Leases		
48	4070	Income Taxes - Accrued		
49	4080	Other Taxes - Accrued	239,399	217,806
50	4100	Net Current Deferred Operating Income Taxes		
51	4110	Net Current Deferred Nonoperating Income Taxes		
52	4120	Other Accrued Liabilities	(12,801)	14,027
53	4130	Other Current Liabilities	(3)	
54		Total Current Liabilities	562,306	1,103,113
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		
63		Total Long-Term Debt		
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	5,170,616	4,967,275
69	4350	Net Noncurrent Deferred Nonoper. Income Taxes		
70	4360	Other Deferred Credits	190,859	228,039
71	4370	Other Jurisdictional Liab. and Def. Credits		
72		Total Other Liabilities and Deferred Credits	5,361,476	5,195,314
73		STOCKHOLDERS' EQUITY:		
74	4510	Capital Stock	1,000	1,000
75	4520	Additional Paid-In Capital		
76	4530	Treasury Stock		
77	4540	Other Capital		
78	4550	Retained Earnings	10,738,269	9,611,620
79		Total Stockholders' Equity	10,739,269	9,612,620
80		TOTAL LIAB. AND STOCKHOLDERS' EQUITY	16,663,051	15,911,047

Total Company Income Statement

Year: 2009

Line No.	Acct No. (a)	Description (b)	This Year (c)	Last Year (d)
1		REVENUES:		
2	5000	Basic Local Service Revenues	2,474,353	2,483,325
3	5080	Network Access Revenues	3,524,465	3,748,216
4	* 5100	Long Distance Message Revenue	914	1,445
5	^ 5110	Unidirectional Long Distance Revenue	914	1,445
6	^ 5120	Long Distance Private Network Revenue		
7	^ 5160	Other Long Distance Revenue		
8	^ 5169	Other Long Distance Revenue Settlements		
9	* 5200	Miscellaneous Revenue	250,662	216,704
10	^ 5230	Directory Revenue	30,020	32,110
11	^ 5240	Rent Revenue	18,485	7,980
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	33,114	33,222
14	^ 5270	Carrier Billing and Collection Revenue	169,043	143,392
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	119,883	56,883
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)	6,130,511	6,392,807
18		OPERATING EXPENSES:		
19	6110	Network Support Expense	13	86
20	6120	General Support Expense	343,364	355,644
21	6210	Central Office Switching Expense	89,576	106,883
22	6220	Operator Systems Expense	3,597	2,430
23	6230	Central Office Transmission Expense	157,591	104,475
24	6310	Information Origination/Termination Expense	4,738	7,547
25	* 6410	Cable and Wire Facilities Expense	477,275	438,179
26	^ 6431	Aerial Wire Expense		
27	^ 6441	Conduit Systems Expense		
28	6510	Other Property, Plant & Equipment Expense	101	86
29	6530	Network Operations Expense	424,172	361,749
30	6540	Access Expense	259,072	285,169
31	6560	Depreciation and Amortization Expense	2,098,863	2,010,077
32	6610	Marketing	237,295	224,337
33	6620	Services	356,371	308,440
34	6710	Executive and Planning	76,849	51,499
35	6720	General and Administrative	371,789	276,885
36	6790	Provision for Uncollectible Notes Receivable		
37		Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)	4,900,665	4,533,486
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	1,200,342	1,364,198
40		Net Operating Income (L.17-L.37+L.38-L.39)	29,504	495,123
41	7300	Nonoperating Income and Expense	243	13,923
42	7400	Nonoperating Taxes		
43	7500	Interest and Related Items	198	4,771
44	7600	Extraordinary Items		
45	7910	Effects of Juris. Ratemaking Diff. - Net		
46	7990	Nonregulated Net Income	(1,097,101)	(969,002)
47		NET INCOME (L.40+L.41-L.42-L.43-L.44+L.45-L.46)	1,126,650	1,473,276

^ Subaccount of the account marked with a *.

Montana Total State Income Statement

Year: 2009

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		REVENUES:	Same as Schedule 4	
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 *

Montana Intrastate Income Statement

Year: 2009

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		REVENUES:		
2	5000	Basic Local Service Revenues	2,474,353	2,483,325
3	5080	Network Access Revenues	950,538	1,080,885
4	* 5100	Long Distance Message Revenue	914	1,445
5	^ 5110	Unidirectional Long Distance Revenue	914	1,445
6	^ 5120	Long Distance Private Network Revenue		
7	^ 5160	Other Long Distance Revenue		
8	^ 5169	Other Long Distance Revenue Settlements		
9	* 5200	Miscellaneous Revenue	155,755	138,398
10	^ 5230	Directory Revenue	30,020	32,110
11	^ 5240	Rent Revenue	18,485	7,980
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	33,114	33,222
14	^ 5270	Carrier Billing and Collection Revenue	74,136	65,086
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	119,883	56,883
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)	3,461,677	3,647,170
18		OPERATING EXPENSES:		
19	6110	Network Support Expense	8	57
20	6120	General Support Expense	226,174	235,401
21	6210	Central Office Switching Expense	59,003	70,746
22	6220	Operator Systems Expense	2,370	1,609
23	6230	Central Office Transmission Expense	103,805	69,152
24	6310	Information Origination/Termination Expense	3,121	4,995
25	* 6410	Cable and Wire Facilities Expense	314,381	290,031
26	^ 6431	Aerial Wire Expense		
27	^ 6441	Conduit Systems Expense		
28	6510	Other Property, Plant & Equipment Expense	66	56
29	6530	Network Operations Expense	278,215	236,295
30	6540	Access Expense	195,884	215,845
31	6560	Depreciation and Amortization Expense	1,508,873	1,442,833
32	6610	Marketing	140,407	132,740
33	6620	Services	267,029	230,682
34	6710	Executive and Planning	51,758	34,726
35	6720	General and Administrative	250,400	186,704
36	6790	Provision for Uncollectible Notes Receivable		
37		Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)	3,401,493	3,151,870
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	787,304	891,094
40		Net Operating Income (L.17-L.37+L.38-L.39)	(727,120)	(395,794)

^ Subaccount of the account marked with a *.

Montana Intrastate Regulated Income Statement

Year: 2009

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		REVENUES:		
2	5000	Basic Local Service Revenues	2,474,353	2,483,325
3	5080	Network Access Revenues	950,538	1,080,885
4	* 5100	Long Distance Message Revenue	914	1,445
5	^ 5110	Unidirectional Long Distance Revenue	914	1,445
6	^ 5120	Long Distance Private Network Revenue		
7	^ 5160	Other Long Distance Revenue		
8	^ 5169	Other Long Distance Revenue Settlements		
9	* 5200	Miscellaneous Revenue	155,755	138,398
10	^ 5230	Directory Revenue	30,020	32,110
11	^ 5240	Rent Revenue	18,485	7,980
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	33,114	33,222
14	^ 5270	Carrier Billing and Collection Revenue	74,136	65,086
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	119,883	56,883
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)	3,461,677	3,647,170
18		OPERATING EXPENSES:		
19	6110	Network Support Expense	7	49
20	6120	General Support Expense	202,932	213,043
21	6210	Central Office Switching Expense	59,003	70,746
22	6220	Operator Systems Expense	2,370	1,609
23	6230	Central Office Transmission Expense	102,504	68,151
24	6310	Information Origination/Termination Expense	72	200
25	* 6410	Cable and Wire Facilities Expense	314,381	290,031
26	^ 6431	Aerial Wire Expense		
27	^ 6441	Conduit Systems Expense		
28	6510	Other Property, Plant & Equipment Expense	60	52
29	6530	Network Operations Expense	271,719	231,833
30	6540	Access Expense	191,062	211,376
31	6560	Depreciation and Amortization Expense	1,489,824	1,422,359
32	6610	Marketing	55,998	60,128
33	6620	Services	224,611	192,013
34	6710	Executive and Planning	46,556	31,019
35	6720	General and Administrative	228,087	167,595
36	6790	Provision for Uncollectible Notes Receivable		
37		Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)	3,189,186	2,960,204
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	633,294	740,353
40		Net Operating Income (L.17-L.37+L.38-L.39)	(360,803)	(53,387)

^ Subaccount of the account marked with a *.

Average Rate Base - Total State

Year: 2009

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	30,775,475	29,531,364
2	3100	Accumulated Depreciation	21,881,266	20,393,817
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies	12,946	12,996
6	4340	Noncurrent Deferred Operating Income Taxes	5,068,946	4,920,414
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)	3,838,209	4,230,129

Average Rate Base - Intrastate

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	20,185,634	19,289,887
2	3100	Accumulated Depreciation	14,395,685	13,423,210
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies	9,591	9,628
6	4340	Noncurrent Deferred Operating Income Taxes	2,163,933	2,100,033
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)	3,635,607	3,776,272

Average Rate Base - Regulated Intrastate

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	19,880,831	18,969,675
2	3100	Accumulated Depreciation	14,395,685	13,423,210
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies	9,447	9,469
6	4340	Noncurrent Deferred Operating Income Taxes	1,968,313	1,888,139
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)	3,526,280	3,667,794

Statement of Cash Flows

Year: 2009

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		1,126,650
4	Reconciliation Adjustments:	2,025,677	
5	Depreciation & Amortization		
6	Provision for Accounts Receivable Losses		
7	Deferred Income Taxes - Net	203,341	
8	Unamortized Investment Tax Credits (ITCs) - Net		
9	Allowance for Funds Used During Construction (AFUDC)		
10	Change in Operating Receivables - Net	(27,990)	
11	Change in Materials, Supplies & Inventories - Net	8,241	
12	Change in Operating Payables & Accrued Liabilities - Net	(540,807)	
13	Change in Other Assets & Deferred Credits - Net		
14	Change in Other Liabilities & Deferred Credits - Net	(37,180)	
15	Other (explained on back of this page)		
16	Total Adjustments		1,631,282
17	Net Cash Provided by/(Used in) Operating Activities		2,757,933
18	Cash Inflows/Outflows From Investing Activities:		
19	Construction/Acquisition of Property, Plant & Equipment (net of		
20	AFUDC & Capital Lease Related Acquisitions)	(531,599)	
21	Proceeds from Disposals of Property, Plant & Equipment		
22	Investments In & Advances to Affiliates	(2,237,949)	
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		(2,769,549)
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		(11,616)
40	Cash & Cash Equivalents at Beginning of Period		8,557
41	Cash & Cash Equivalents at End of Period		(3,059)

Receivables and Investments-Affiliated & Nonaffiliated Companies

Year: 2009

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	Various		487,425	(27,436)	482,099	(34,207)				1,677,088	
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30	Totals		487,425	(27,436)	482,099	(34,207)				1,677,088	

Net Plant in Service - Detail

Year:2009

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	2,658,130	11,602	(19,911)		2,649,821	1,508,285	1,141,536
2	^ 2111	Land	76,722				76,722		76,722
3	^ 2112	Motor Vehicles	455,180				455,180	200,660	254,520
4	^ 2113	Aircraft							
5	^ 2114	Special Purpose Vehicles	53,233				53,233	64,505	(11,272)
6	^ 2115	Garage Work Equipment							
7	^ 2116	Other Work Equipment	232,092	7,457			239,549	125,256	114,293
8	^ 2121	Buildings	1,761,901	4,145	(19,911)		1,746,135	1,055,263	690,872
9	^ 2122	Furniture	4,208				4,208	(2,494)	6,702
10	^ 2123	Office Equipment							
11	^ 2124	General Purpose Computers	74,794				74,794	65,095	9,699
12		2211 Analog Electronic Switching							
13		2212 Digital Electronic Switching	3,827,582		(15,170)		3,812,412	2,496,604	1,315,808
14		2215 Electro-Mechanical Switching							
15		2220 Operator Systems							
16		2231 Radio Systems	1,384,952	54,495	(15,469)		1,423,978	1,394,811	29,167
17		2232 Circuit Equipment	5,234,748	274,678	(16,562)		5,492,864	4,488,937	1,003,927
18	* 2310	Information Orig & Term Equip	129,748				129,748	159,649	(29,901)
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	129,748				129,748	159,649	(29,901)
24		2411 Poles	642,724	72,233	(908)		714,049	648,431	65,618
25	* 2420	Cable and Wire Facilities	15,824,957	1,417,279	(4,670)		17,237,566	11,804,487	5,433,079
26	^ 2421	Aerial Cable	3,017,299	390,247	(1,005)		3,406,541	3,299,709	106,832
27	^ 2422	Underground Cable	163,692				163,692	118,663	45,029
28	^ 2423	Buried Cable	12,643,966	1,027,032	(3,665)		13,667,333	8,386,115	5,281,218
29	^ 2424	Submarine Cable							
30	^ 2425	Deep Sea Cable							
31	^ 2426	Intrabuilding Network Cable							
32		2431 Aerial Wire	45,109				45,109	101,410	(56,301)
33		2441 Conduit Systems	148,728				148,728	75,549	73,179
34		Totals	29,896,678	1,830,287	(72,690)		31,654,275	22,678,163	8,976,112

^ Subaccount of the account marked with a *.

Analysis of Plant Held for Future Use

Year: 2009

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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19							
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: 2009

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												
2	n/a											
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											

Cost of Preferred Stock

Year: 2009

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	n/a											
2												
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)											

Analysis of Common Stock

Year: 2009

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:	100**							
2									
3									
4		**Frontier Communications Corporation owns 100 shares, 100% of the outstanding common stock of CTC MT.							
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: 2009

Line No.	Description of Security (a)	Call or Retirement Date (b)	Number of Shares (c)	Principal Amount (d)	Requisition or Retirement Cost (e)	Gain or (Loss) (f)	Retirement or Reacquisition (g)
1							
2	n/a						
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	Totals (Sum L.1 to L.29)						

Total Company Expense Matrix

Year:2009

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	10	2				12
2	^	6112 Motor Vehicle Expense	10	2				12
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	18,574	6,747	30,536	287,507		343,364
8	^	6121 Land and Building Expense	6,010	2,190	23,937	109,374		141,511
9	^	6122 Furniture and Artworks Expense				2,782		2,782
10	^	6123 Office Equipment Expense			6,599	3,782		10,381
11	^	6124 General Purpose Computers Expense	12,564	4,556		171,569		188,690
12	*	6210 Central Office Switching Expense	35,836	15,039		38,701		89,575
13	^	6211 Analog Electronic Expense						
14	^	6212 Digital Electronic Expense	35,836	15,039		38,701		89,575
15	^	6215 Electro-Mechanical Expense						
16		6220 Operator Systems Expense				3,597		3,597
17	*	6230 Central Office Transmission Expense	99,152	42,149		16,290		157,591
18	^	6231 Radio Systems Expense	15,189	6,323		1,767		23,279
19	^	6232 Circuit Equipment Expense	83,963	35,826		14,523		134,312
20	*	6310 Information Origination/Termination Expense	3,083	1,273		382		4,738
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	3,083	1,273		382		4,738
25	*	6410 Cable and Wire Facilities Expense	181,968	76,836	52,861	165,610		477,275
26	^	6411 Poles Expense			52,861	26,500		79,361
27	^	6421 Aerial Cable Expense	51,816	21,958		13,063		86,837
28	^	6422 Underground Cable Expense				37		37
29	^	6423 Buried Cable Expense	130,153	54,878		126,010		311,040
30	^	6424 Submarine Cable Expense						
31	^	6425 Deep Sea Cable Expense						
32	^	6426 Intrabuilding Network Cable Expense						
33	^	6431 Aerial Wire Expense						
34		Subtotals	338,623	142,046	83,397	512,086		1,076,152

^ Subaccount of the account marked with a *.

Total Company Expense Matrix

Year:2009

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	97	2		1		101
37	6530	Network Operations Expense	202,623	70,695		150,854		424,172
38	6531	Power Expense				45,141		45,141
39	6532	Network Administration Expense	76,098	29,517		37,635		143,250
40	6533	Testing Expense	18,502	7,506		70		26,078
41	6534	Plant Operations Expense	49,977	12,796		9,983		72,756
42	6535	Engineering Expense	58,046	20,876		58,026		136,948
43	6540	Access Expense				259,072		259,072
44	6561	Depreciation - Telecomm. Plant in Service				1,666,976		1,666,976
45	6562	Depreciation-Prop. for Future Telecom. Use						
46	6563	Amortization Expense - Tangible						
47	6564	Amortization Expense - Intangible						
48	6565	Amortization - Other				431,887		431,887
49	6610	Marketing	66,620	18,354		152,320		237,295
50	6611	Product Management	22,911	7,086		4,324		34,321
51	6612	Sales	42,261	11,174		56,308		109,743
52	6613	Product Advertising	1,448	95		91,688		93,231
53	6621	Call Completion Services	12,590	5,023		1,124		18,737
54	6622	Number Services	1,950	607		535		3,092
55	6623	Customer Services	201,009	72,150		61,383		334,542
56	6711	Executive	22,769	32,487		18,848		74,104
57	6712	Planning	1,955	611		179		2,745
58	6721	Accounting and Finance	50,332	14,392		17,078		81,801
59	6722	External Relations	16,794	5,638		58,324		80,756
60	6723	Human Relations	19,817	4,457		5,727		30,001
61	6724	Information Management	25,951	12,442		26,235		64,628
62	6725	Legal	5,494	922		3,445		9,861
63	6726	Procurement	3,883	1,401		(1,903)		3,381
64	6727	Research and Development						
65	6728	Other General and Administrative	13,490	(1,093)	8,520	80,446		101,362
66	6790	Provision for Uncollectible Notes Receivable						
67		Totals	983,996	380,135	91,917	3,444,616		4,900,664

^ Subaccount of the account marked with a *.

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	same as Schedule 17					
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 *.

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: 2009

1	Plan Name			
2	Defined Benefit Plan? _____	Defined Contribution Plan? _____		
3	Actuarial Cost Method? _____	IRS Code: _____		
4	Annual Contribution by Employer: _____	Is the Plan Over Funded? _____		
5				
	Item	Current Year	Last Year	% Change
6	Change in Benefit Obligation			
7	Benefit obligation at beginning of year	831,687,000	820,404,000	1.38%
8	Service cost	6,098,000	6,005,000	1.55%
9	Interest Cost	52,127,000	52,851,000	-1.37%
10	Plan Change	609,000		
11	Curtailment Gain			
12	Actuarial (Gain)/ Loss	69,861,000	20,230,000	245.33%
13	Benefits paid	(71,373,000)	(69,465,000)	2.75%
14	Special Termination Benefits and Other	1,567,000	1,662,000	-5.72%
15	Benefit obligation at end of year	890,576,000	831,687,000	7.08%
16	Change in Plan Assets			
17	Fair value of plan assets at beginning of year	589,776,000	822,165,000	-28.27%
18	Actual return on plan assets	90,222,000	(162,924,000)	-155.38%
19	Acquisition			
20	Employer contribution			
21	Plan participants' contributions			
22	Benefits paid	(71,373,000)	(69,465,000)	2.75%
23	Fair value of plan assets at end of year	608,625,000	589,776,000	3.20%
24	Funded Status	(281,951,000)	(241,911,000)	16.55%
25	Unrecognized net actuarial loss			
26	Unrecognized prior service cost			
27	Prepaid (accrued) benefit cost	(281,951,000)	(241,911,000)	16.55%
28				
29	Weighted-average Assumptions as of Year End			
30	Discount rate	5.75%	6.50%	11.54%
31	Expected return on plan assets	8.00%	8.25%	3.13%
32	Rate of compensation increase	3.00%	3.50%	16.67%
33	Components of Net Periodic Benefit Costs			
34	Service cost	6,098,000	6,005,000	-1.55%
35	Special Termination Charge and Other	1,567,000	1,662,000	5.72%
36	Interest cost	52,127,000	52,851,000	1.37%
37	Expected return on plan assets	(44,712,000)	(65,256,000)	-31.48%
38	Amortization of prior service cost	(255,000)	(255,000)	
39	Amortization of unrecognized loss	27,144,000	6,855,000	-295.97%
40	Net periodic benefit cost	41,969,000	1,862,000	-2153.97%
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	9	8	-12.50%
48	Not Covered by the Plan			
49	Active	9	8	-12.50%
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	6.500%	6.500%	
8 Expected return on plan assets	6.00%	6.00%	
9 Medical Cost Inflation Rate	5-8.5%	5-9.0%	
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	178,615,000	174,602,000	2.30%
20 Service cost	361,000	444,000	-18.69%
21 Interest Cost	11,017,000	11,255,000	-2.11%
22 Plan participants' contributions	4,086,000	3,753,000	8.87%
23 Amendments		(95,000)	
24 Actuarial (Gain)/ Loss	11,378,000	3,917,000	190.48%
25 Acquisition			
26 Benefits paid	(16,167,000)	(15,261,000)	5.94%
27 Benefit obligation at end of year	189,290,000	178,615,000	5.98%
28 Change in Plan Assets			
29 Fair value of plan assets at beginning of year	8,137,000	9,369,000	-13.15%
30 Actual return on plan assets	1,018,000	388,000	162.37%
31 Acquisition			
32 Employer contribution	10,954,000	9,888,000	10.78%
33 Plan participants' contributions			
34 Benefits paid	(12,081,000)	(11,508,000)	4.98%
35 Fair value of plan assets at end of year	8,028,000	8,137,000	-1.34%
36 Funded Status			
37 Unrecognized net actuarial loss			
38 Unrecognized prior service cost			
39 Prepaid (accrued) benefit cost	(181,262,000)	(170,478,000)	6.33%
40 Components of Net Periodic Benefit Costs			
41 Service cost	361,000	444,000	-18.69%
42 Interest cost	11,017,000	11,255,000	-2.11%
43 Expected return on plan assets	(439,000)	(514,000)	-14.59%
44 Amortization of prior service cost	(7,751,000)	(7,751,000)	
45 Amortization of unrecognized loss	5,041,000	5,946,000	-15.22%
46 Net periodic benefit cost	8,229,000	9,380,000	-12.27%
47 Accumulated Post Retirement Benefit Obligation			
48 Amount Funded through VEBA	8,028,000	8,137,000	-1.34%
49 Amount Funded through 401(h)			
50 Amount Funded through Other _____			
51 TOTAL	8,028,000	8,137,000	-1.34%
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: 2009

	Item	Current Year	Last Year	% Change
1	Number of Company Employees:			
2	Covered by the Plan	3,610	3,770	-4.24%
3	Not Covered by the Plan			
4	Active	1,122	1,252	-10.38%
5	Retired	2,488	2,518	-1.19%
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	9	8	12.50%
54	Retired			
55	Spouses/Dependants covered by the Plan			

Payments for Services to Persons Other Than Employees

Year: 2009

Line No.	Name of Recipient (a)	Nature of Service (b)	Total Company Cost (c)	Total State Cost (d)	Intrastate Cost (e)
1	Preferred Electric Inc	Wire Manual Transfer Switch	528	528	528
2	Quick Response Outsourcing	Staffing Services	205	205	205
3	SOS Staffing Services, Inc.	Staffing Services	4,891	4,891	4,891
4	Ted Bacht	Air Dryer Inspection	217	217	217
5	Track Utilities Inc.	Inspection Labor	85,753	85,753	85,753
6	Montana One	Call Answering Service	1,777	1,777	1,777
7	C4 Direct Solutions, LLC	Door to Door Vendor	1,170	1,170	1,170
8	Mountain LTD	Contract Labor	53,025	53,025	53,025
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
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42					
43					
44					
45					
46					
47					
48					
49	Total		147,567	147,567	147,567

Subscriber Line Usage Data

Year: 2009

Line No.	Description (a)	This Year (b)	% of Total (c)	Last Year (d)	% of Total (e)
1	Toll Usage:				
2	Interstate, InterLATA	27,568,497	68.10%	30,456,218	68.76%
3	Interstate, IntraLATA	1,600,939	3.95%	1,602,131	3.62%
4	Total Interstate Usage	29,169,436	72.06%	32,058,349	72.37%
5	Intrastate, InterLATA	7,837,503	19.36%	8,819,232	19.91%
6	Intrastate, IntraLATA	3,465,129	8.56%	3,412,054	7.70%
7	Total Intrastate Usage	11,302,632	27.92%	12,231,286	27.61%
8	Total Toll Usage	40,472,068	99.98%	44,289,635	99.99%
9	Centrex				
10	Local	7,921	0.02%	6,346	0.01%
11	Total Minutes	40,479,989	100.00%	44,295,981	100.00%

Central Office and Access Line Statistics

Year: 2009

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	Libby, MT	DMS-10	3,546					1,182	151	2	28	199	99.9%	5,108
2	Troy, MT	DMS-10	1,728					287	9	2	11	65	99.9%	2,102
3	Eureka, MT	DMS-10	51					36	6	1	5	24	99.9%	123
4														
5	Total Company					365								
33	Total		5325			365		1505	166	5	44	288	2.997	7333

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

Central Office and Switch Information

Year: 2009

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	Libby, Mt	Host HSO Stand Alone	DMS 10	NORTEL	502.1	6,400	1996
2	Troy, Mt	Remote SSO	DMS 10	NORTEL	412.2	2,560	1992
3	Eureka, Mt	Remote RSC	RSC-S	NORTEL	502.1	1,920	1996
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NOTE: Additional blank schedules are being provided for your convenience.

Construction Budget - Montana

Year: 2009

Line No.	Description (a)	2010 (b)
1	Central Office Assets:	
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27	Total Switching and Central Office Projects over \$500,000	
28	Miscellaneous Central Office Projects not over \$500,000	389,743
29	Total Central Office Budget (Total of Line 27 & Line 28)	389,743
30	Other Projects over \$500,000:	
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41	Total Other Projects over \$500,000	
42	Miscellaneous projects not over \$500,000	224,861
43	Total Construction Budget (Total of Lines 29, 41 & 42)	614,604

Montana Total State Construction Expenditures

Line No.	FCC Part 32 Account No. (a)	Description (b)	This Year (c)	Last Year (d)	Percent Change (e)
1	2110	General Support Assets			
2	2210	Central Office Assets			
3	2220	Operator Systems			
4	2230	Central Office Transmission			
5	2310	Information/Termination Assets			
6	2410	Cable and Wire Facilities Assets			
7	2680	Amortizable Tangible Assets			
8	2690	Intangibles			
9		Total Construction Expenditures	604,291	2,042,921	-70.42%

Montana Employee Counts

Year: 2009

Line No.	Category (a)	Beginning of Year (b)	End of Year (c)
1	Exempt	1	1
2	Non-Exempt	7	8
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43	Totals (Sum of Lines 1 through 42)	8	9

Compensation of Top 10 Montana Based Employees

Year: 2009

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	COMMUNICATIONS TECHNICIAN	60,143		31,926	92,069	80,332	14.61%
2	COMMUNICATIONS TECHNICIAN	50,708		18,722	69,429	74,565	-6.89%
3	GENERAL MANAGER					68,024	-100.00%
4	COMMUNICATIONS TECHNICIAN	37,540		6,871	44,411	62,970	-29.47%
5	COMMUNICATIONS TECHNICIAN	53,761		10,321	64,082	62,829	1.99%
6	COMMUNICATIONS TECHNICIAN	52,836		9,625	62,461	56,819	9.93%
7	COMMUNICATIONS TECHNICIAN	52,986		12,985	65,971	54,433	21.20%
8	CUSTOMER CARE REPRESENTATIVE	33,647		8,738	42,385	46,313	-8.48%
9	CUSTOMER CARE REPRESENTATIVE					30,136	-100.00%
10	CUSTOMER CARE REPRESENTATIVE	7168		3557.98	10,726		100.00%
11	LOCAL MANAGER	5944.48	8000		13,944		100.00%
11	Totals (Sum L.1 to L.10)	354,734	8,000	102,745	465,479	536,421	-13.23%

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	See Proxy Statement www.sec.gov						
2							
3							
4							
5							
6	Totals (Sum L.1 to L.5)						

Montana Composite Statistics

Year: 2009

Line No.	Account No.	Description (a)	Amount (b)
1		Plant (Intrastate Only) (000 Omitted)	
2	2001	Plant in Service	20,762
3	2003 - 2004	Construction Work in Progress	87
4	2005	Plant Acquisition Adjustments	9,589
5	2002	Plant Held for Future Use	
6	1220	Materials & Supplies	7
7		(Less):	
8	3100 - 3400	Depreciation & Amortization Reserves	21,274
9	4360.2	Contributions in Aid of Construction	
10		NET BOOK COSTS	51,719
11		Revenues & Expenses (Intrastate Only) (000 Omitted)	
12	5000 - 5300	Operating Revenues	3,462
13	6560	Depreciation & Amortization Expenses	1,509
14		Federal & State Income Taxes	787
15		Other Taxes	
16		Other Operating Expenses	1,893
17		TOTAL Operating Expenses	4,189
18		Net Operating Income	(727)
19		Other Income	
20		Other Deductions	
21		NET INCOME	(727)
22		Access Lines in Service (Intrastate Only)	
23		Residential Access Lines	5325
24		Business Access Lines	1633
25		PBX Access Lines	38
26		Other Access Lines	337
27		Total Number of Access Lines	7333
28		Average Number of Calls Per Access Line	
29		Local Calls	n/a
30		Toll Calls (Intra- or Interstate)	n/a
31		Total Number of Calls Per Access Line (Total of Line 29 & Line 30 divided by Line 27)	
32		Other Statistics (Intrastate Only)	
33		Average Residential Monthly Bill	12
34		Gross Plant Investment per Access Line	2,831

Depreciation - Montana Intrastate Regulated

Year: 2009

Line No.	Acct No. (a)	Description (b)	Composite Rate % (c)	Total Expense \$ (d)
1	2112	Motor Vehicles	7.7%	22,173
2	2114	Special Purpose Vehicles	7.7%	
3	2115	Garage Work Equipment		
4	2116	Other work Equipment	5.6%	8,762
5	2121	Buildings	2.9%	33,295
6	2122	Furniture	3.9%	104
7	2123.1	Office Support Equipment	4.9%	
8	2123.2	Company Communications Equipment		
9	2124	General Purpose Computers	9.8%	4,613
10	2211	Analog Electronic Switching Equipment		
11	2212	Digital Electronic Switching Equipment	6.5%	178,602
12	2215	Step By Step Switching Equipment		
13	2215	Crossbar Switching Equipment		
14	2220	Operator System		
15	2231	Radio Systems	6.4%	
16	2232	Circuit DDS	7.1%	273,528
17	2232	Circuit Digital		
18	2232	Circuit Analog		
19	2351	Public Telephone Terminating Equipment		
20	2362	Other Terminal Equipment	7.2%	
21	2411	Poles	6.3%	31,845
22	2421	Aerial Cable Metallic	6.9%	165,038
23	2421	Aerial Cable Nonmetallic		
24	2422	Underground Cable Metallic	4.7%	5,531
25	2422	Underground Cable Nonmetallic		
26	2423	Buried Cable Metallic	4.8%	464,314
27	2423	Buried Cable Nonmetallic		
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	20.9%	
33	2441	Conduit Systems	2.2%	2,352
34				
35		COMPOSITE TOTAL		
36	<p>Please list the Montana Public Service Commission Docket Order No. approving these depreciation rates</p> <p>Docket Number <u>93.7.30</u> Order Number _____</p>			
37				
38				
39				
40				

Amortization - Montana Intrastate Regulated

Year: 2009

Line No.	Acct No. (a)	Description (b)	Composite Rate % (c)	Total Expense \$ (d)
1				
2		N/A		
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35		COMPOSITE TOTAL		
36	Please list the Montana Public Service Commission Docket Order No. approving these amortization rates			
37				
38				
39	Docket Number _____ Order Number _____			
40				

Montana Regulatory Capital Structure & Costs

Year: 2009

Line No.	Description (a)	% Cap. Str. (b)	% Cost Rate (c)	Weighted Cost (d)
Commission Accepted - Most Recent				
1	Docket Number <u>93.3.12</u>			
2	Order Number <u>5632d</u>			
3				
4	Common Equity	56.21%	9.83%	5.52%
5	Preferred Stock	0.51%	8.28%	0.04%
6	Long Term Debt	43.28%	12.67%	3.39%
7	Other			
8	Total	100.00%		8.953%
9				
Actual at Year End				
10				
11				
12	Common Equity	50.50%	-18.86%	-9.52%
13	Preferred Stock			
14	Long Term Debt	49.50%	7.94%	3.93%
15	Other			
16	Total	100.00%		-5.592%

Network Access - Charges and Revenues

Year: 2009

Line No.	Description (a)	Access Charges Paid (b)	Access Revenues Received (c)
1	Montana - Total State		3,524,465
2			
3	Montana - Intrastate		950,538
4			
5	Montana - Intrastate Regulated		950,538
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Affiliate Transactions - Products & Services Provided to Utility

Year: 2009

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	Citizens Communication Company (Parent)	Executive Mgmt, Legal, Accounting, Share Holder Relations, HR	Fully Distributed Cost per FCC Part 64.901	107,100		107,100
2						
3						
4						
5	Telecom Sector Central Services	Financial, Regulatory, G/L, A/P, PY, IT, Legal, Engineering, Customer Service	Fully Distributed Cost per FCC Part 64.901	908,574		908,574
6						
7						
8						
9	Telecom Regional Services	Local Management	Fully Distributed Cost per FCC Part 64.901	269,388		269,388
10						
11						
12	Telecom Sector Central Services (Conversion)	Billing System Conversion	Fully Distributed Cost per FCC Part 64.901	102,000		102,000
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14						
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17						
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19						
20						
21						
22						
23						
24						
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29						
30	TOTAL			\$1,387,063		\$1,387,063

Affiliate Transactions - Products & Services Provided by Utility

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	N/A						
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30	TOTAL						

Montana Intrastate Regulated Earned Rate of Return

Year: 2009

Line No.	Description Rate Base (a)	This Year (b)	Last Year (c)	Percent Change (d)
1				
2	2001 Plant in Service	19,880,831	18,969,675	4.80%
3	2002 Prop. Held for Future Telecommunications Use			
4	3100-3200 (Less) Accumulated Depreciation	(14,395,685)	(13,423,210)	-7.24%
5	Plant in Service	5,485,146	5,546,465	-1.11%
6				
7	Additions			
8	1220 Materials & Supplies	9,447	9,469	-0.23%
9	1280 Prepayments			
10	Other Additions			
11	TOTAL Additions	9,447	9,469	-0.23%
12				
13	Deductions			
14	4100 Current Deferred Operating Income Taxes			
15	4320 Unamortized Operating Investment Tax Credits			
16	4340 Noncurrent Deferred Operating Income Taxes	1,968,313	1,888,139	4.25%
17	Customer Advances for Construction			
18	Other Deductions			
19	TOTAL Deductions	1,968,313	1,888,139	4.25%
20	TOTAL Rate Base	3,526,280	3,667,795	-3.86%
21				
22	Net Earnings	(360,803)	(53,387)	-575.82%
23				
24	Rate of Return on Average Rate Base	-10.232%	-1.456%	-602.95%
25				
26	Rate of Return on Average Equity	-28.044%	-10.400%	-169.65%
27				
28	Major Normalizing Adjustments & Commission			
29	<u>Ratemaking adjustments to Utility Operations</u>			
30	4340 Remove Deferred Income Taxes related to Telecom	(1,407,148)	(1,351,494)	
31	Plant Adjustment (TPA)			
32				
33	Comp Tax Rate @ 39.39% w/interest expense adjustment	84,918	82,947	2.38%
34				
35				
36				
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41				
42				
43	Adjusted Rate of Return on Average Rate Base	-5.59%	0.59%	-1049.55%
44				
45	Adjusted Rate of Return on Average Equity	-18.86%	-6.35%	-196.95%

Other Taxes Paid

Year: 2009

Line No.	Description (a)	Last Year (b)	This Year (c)
1	Montana Retail telecommunications Excise Tax	63,944	113,181
2	Montana Public Service Commission Tax	6,295	6,077
3	Montana Consumer Counsel Tax	2,658	1,773
4	911 Emergency Telephone Fee	77,922	74,638
5	Montana Telecommunications Access Service (TDD)	7,729	7,408
6	Real Property Tax	392,263	427,163
7			
8			
9			
10			
11			
12	Total	550,811	630,239

Universal Service Funds Received

Year: 2009

Line No.	Description (a)	Last Year (b)	This Year (c)
13	Funds received from Montana Sources		
14	Funds received from Federal Sources	939,822	810,496
15			
16			
17			
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22			
23			
24	Total	939,822	810,496

Citizens Telecommunications Company of Montana
Year ended December 31, 2009

I have examined the foregoing report; that to the best of my knowledge,
information and belief, all statements of fact in this report are true; and that this
report correctly states the respondent's business and affairs in each matter set
forth from January 1, 2009 through December 31, 2009

Signature: 
Name & Title: Jessica Matushek, Senior Manager