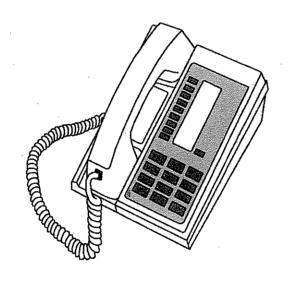
YEAR ENDING 2009

RECEIVED BY

ANNUAL REPORT 2000 JUN -9 P 12: 37 OF

HOT SPRINGS TELEPHONE **COMPANY**

TELEPHONE UTILITY



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

Telephone Annual Report

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SCHEDULE 1

Company Name:

Hot Springs Telephone Co.

General Information

1	Legal Name of Respondent: Hot Springs Telephon	e Co.									
2	Name Under Which Respondent Does Business:	Same as above									
3	Date of Incorporation: 1/1/195.	5									
4	Address to send Correspondence Concerning Report:	P.O. Box 7850 Kalispell, MT. 59904-0850									
5	Person Responsible for This Report:	Phyllis O. Ekblad									
5a.	Telephone Number: (406) 755-7231										
Cont	rol Over Respondent										
1	If direct control over the respondent was held by another										
	1a. Name and address of the controlling organization or person: N A										
	1b. Means by which control was held:	N A									
	1c. Percent Ownership:	NA									

	Board of Directors	
Line	Name of Director	Fees Paid During Year
No.	and Address (City, State)	- i
	(a)	(b)
1	Jay W. Preston Sr. 312 Main St. SW, Ronan, MT. 59864	None
2	Robert B. Ekblad, P.O. Box 161, Dayton, MT. 59914	7,200
3	Phyllis O. Ekblad, 319 Commons Way, Kalispell, MT. 59901	None
4		
5		
6		
7		
8		
2 3 4 5 6 7 8		
10		
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12		
13		
14		
15		
16		
17		
18	Chairman of the Board:	
19		
20		
<u> </u>		

Officers

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

Page 1 of 2

Total Company Balance Sheet

			Total Company Dalance Sheet	· · · · · · · · · · · · · · · · · · ·	
Line		Acct.		This	Last
No.		No.	Description	Year	Year
NO.		(a)	(b)	(c)	(d)
1			CURRENT ASSETS:		0.1.445
2		1120	Cash and Equivalents	811,998	941,445
3		1180	Telecommunications Accounts Receivable - Net	2,441	7,989
4		1190	Other Accounts Receivable - Net		
5		1200	Notes Receivable - Net		
6		1210	Interest and Dividends Receivable		
7		1220	Materials and Supplies		
8	*	1280	Prepayments	4,091	3,417
9	٨	1290	Prepaid Rents		
10	^	1300	Prepaid Taxes		
11	^	1310	Prepaid Insurance		
12	^	1320	Prepaid Directory Expenses		
13	۸	1330	Other Prepayments		
14		1350	Other Current Assets		
15			Total Current Assets	818,530	952,851
16			NONCURRENT ASSETS:		
17		1401	Investments in Affiliated Companies		
18		1402	Investments in Nonaffiliated Companies		J
19		1406	Nonregulated Investments		
20		1407	Unamortized Debt Issuance Expense		
21		1408	Sinking Funds		
22		1410	Other Noncurrent Assets		
23		1438	Deferred Maintenance and Retirements		
24		1439	Deferred Charges		
25		1500	Other Jurisdictional Assets - Net		
26			Total Noncurrent Assets		
27			PROPERTY, PLANT, & EQUIPMENT:		
28		2001	Telecommunications Plant in Service	3,701,020	3,437,080
29		2002	Property Held for Future Telecommunications Use	50,000	50,000
30		2003	Plant Under Construction - Short Term		
31		2004	Plant Under Construction - Long Term		
32	1	2005	Telecommunications Plant Adjustment		ļ
33		2006	Nonoperating Plant		
34		2007	Goodwill		,
35		3100	Accumulated Depreciation	(2,693,487)	(2,576,292)
36		3200	Accumulated Depreciation - Held for Future Use		
37		3300	Accumulated Depreciation - Nonoperating		
38		3400			010 =00
39			Net Property, Plant, & Equipment	1,057,533	910,788
					1 0 00 000
40	L	<u> </u>	TOTAL ASSETS	1,876,063	1,863,638
^ ~			C		

[^] Subaccount of account marked with a *.

Company Name: Hot Springs Telephone Co.

Page 2 of 2

Total Company Balance Sheet

		Total Company Dalance Succe		
y .	Acct		This	Last
Line	No.	Description	Year	Year
No.	(a)	(b)	(c)	(d)
41	T	CURRENT LIABILITIES:		
42	4010	Accounts Payable	171,927	175,295
43	4020	Notes Payable		
44	4030	Advance Billing and Payments		
45	4040	Customer Deposits	15,370	14,845
46	4050	Current Maturities - Long Term Debt		
47	4060	Current Maturities - Capital Leases		
48	4070	Income Taxes - Accrued		607
49	4086			
50	410	Net Current Deferred Operating Income Taxes		
51	4110	Net Current Deferred Nonoperating Income Taxes		1
52	412	Other Accrued Liabilities		
53	413	Other Current Liabilities		
54		Total Current Liabilities	187,298	190,748
55		LONG-TERM DEBT:		
56	421	Funded Debt		
57	422	Premium on Long-Term Debt		
58	423	Discount on Long-Term Debt		
59	424	Reacquired Debt		
60	425			
61	426	O Advances From Affiliated Companies		1117
62	427		4,117	4,117
63		Total Long-Term Debt	4,117	4,117
64		OTHER LIABILITIES AND DEFERRED CREDITS:		
65	431			
66	432			
67	433			
68	434			
69	435			
70	436			
71	437	0 Other Jurisdictional Liab. and Def. Credits		
72		Total Other Liabilities and Deferred Credits		
73		STOCKHOLDERS' EQUITY:	20.000	80,000
74	451	_	80,000 10,832	10,832
75	452	•	,	(125,000)
76	453	t · · · · · · · · · · · · · · · · · · ·	(125,000)	(123,000)
77	454	1 -	1 710 017	1,702,941
78	455		1,718,817 1,684,649	1,668,773
79	<u> </u>	Total Stockholders' Equity	1,084,049	1,000,773
80		TOTAL LIAB. AND STOCKHOLDERS' EQUITY	1,876,063	1,863,638

Year: 2009 **Total Company Income Statement** Last This Acct. Line Year Year Description No. No. (d) (c) (b) (a) REVENUES: 1 380,481 393,104 2 5000 **Basic Local Service Revenues** 1,006,173 1,018,831 5080 Network Access Revenues 3 20,740 20,988 5100 Long Distance Message Revenue 4 5 5110 Unidirectional Long Distance Revenue Long Distance Private Network Revenue 6 5120 Other Long Distance Revenue 7 5160 8 5169 Other Long Distance Revenue Settlements 42,097 38,544 Miscellaneous Revenue 9 5200 5230 Directory Revenue 10 Rent Revenue 11 5240 5250 Corporate Operations Revenue 12 Miscellaneous Revenue 5260 13 Carrier Billing and Collection Revenue ۸ 14 5270 31,106 43,684 Nonregulated Revenue 15 5280 (1,880)(3,164)5300 Uncollectible Revenue 16 1,477,678 1,513,021 Total Revenues (L.2+L.3+L.4+L.9-L.16) 17 **OPERATING EXPENSES:** 18 278.661 336,078 6110 Network Support Expense 19 22,985 19,962 General Support Expense 20 6120 31,609 24,400 Central Office Switching Expense 21 6210 6220 Operator Systems Expense 22 Central Office Transmission Expense 23 6230 6310 Information Origination/Termination Expense 24 107,092 126,444 Cable and Wire Facilities Expense 6410 25 Aerial Wire Expense 6431 26 6441 Conduit Systems Expense 27 179,369 172,613 Other Property, Plant & Equipment Expense 6510 28 65,134 55,336 **Network Operations Expense** 6530 29 94,314 69,191 30 6540 Access Expense 104,727 117,195 Depreciation and Amortization Expense 6560 31 32 6610 Marketing 95,202 118,744 6620 Services 33 30,811 37,174 **Executive and Planning** 34 6710 366,497 380,063 General and Administrative 35 6720 6790 Provision for Uncollectible Notes Receivable 36 1,377,147 1,456,454 Total Operating Expenses (Sum L.19 to L.36-L.26-L.27) 37 Other Operating Income and Expense 7100 38 36,520 29,056 **Operating Taxes** 39 7200 64,011 27,511 (L,17-L,37+L,38-L,39) **Net Operating Income** 40 Nonoperating Income and Expense 7300 41 Nonoperating Taxes 7400 42 912 135 7500 Interest and Related Items 43 7600 **Extraordinary Items** 44 Effects of Juris. Ratemaking Diff. - Net 45 7910 5,366 178 Nonregulated Net Income 7990 46 27,199 57,733 NET INCOME (L.40+L.41-L.42-L.43-L.44+L.45-L.46)

[^] Subaccount of the account marked with a *.

Company Name: Hot Springs Telephone Co.

Not Required---Doing Business Only In Montana

Montana Total State Income Statement

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

[^] Subaccount of the account marked with a *.

Company Name: Hot Springs Telephone Co.

Not Required -- We have less than 5,000 Access Lines

Montana Intrastate Income Statement

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

[^] Subaccount of the account marked with a *.

Montana Intrastate Regulated Income Statement

Last This Acct. Line Year Year Description No. No. (d) (c) (b) (a) REVENUES: 1 190,941 198,423 **Basic Local Service Revenues** 5000 2 134,987 102,481 5080 **Network Access Revenues** 3 Long Distance Message Revenue 4 5100 Unidirectional Long Distance Revenue 5 5110 Long Distance Private Network Revenue 6 5120 Other Long Distance Revenue 7 5160 Other Long Distance Revenue Settlements 5169 8 62,054 64,363 Miscellaneous Revenue 5200 9 Directory Revenue 10 5230 5240 Rent Revenue 11 Corporate Operations Revenue 12 5250 Miscellaneous Revenue 5260 13 Carrier Billing and Collection Revenue 14 5270 Nonregulated Revenue 5280 15 (3,164)(1.880)Uncollectible Revenue 16 5300 366,123 392,170 Total Revenues (L.2+L.3+L.4+L.9-L.16) 17 **OPERATING EXPENSES:** 18 23,928 17,059 Network Support Expense 6110 19 19.962 22,985 General Support Expense 6120 20 31,609 24,400 Central Office Switching Expense 6210 21 Operator Systems Expense 6220 22 Central Office Transmission Expense 6230 23 107,092 126,444 Information Origination/Termination Expense 24 6310 Cable and Wire Facilities Expense 6410 25 Λ 26 6431 Aerial Wire Expense Conduit Systems Expense 6441 27 107,032 103,276 Other Property, Plant & Equipment Expense 6510 28 65,134 55.336 **Network Operations Expense** 29 6530 3,600 2,700 6540 Access Expense 30 104,186 116,209 Depreciation and Amortization Expense 6560 31 Marketing 6610 32 117,086 65,479 Services 33 6620 30,811 37,174 **Executive and Planning** 34 6710 325,874 307,885 General and Administrative 35 6720 Provision for Uncollectible Notes Receivable 6790 36 926,517 Total Operating Expenses (Sum L.19 to L.36-L.26-L.27) 888,743 37 7100 Other Operating Income and Expense 38 36,520 29,191 39 7200 Operating Taxes (596,914) (525,764)(L.17-L.37+L.38-L.39) **Net Operating Income** 40

[^] Subaccount of the account marked with a *.

Company Name: Hot Springs Telephone Co.

Average Rate Base - Total State

		Average Nate base Total State	This	Last
Line	Acct.		1	
	No.	Description	Year	Year
No.	(a)	(b)	(c)	(d)
1	2001	Telecommunications Plant in Service	3531817	3385751
2	3100	Accumulated Depreciation	2635178	2537462
3	2002	Property Held for Future Telecommunications Use	ļ	1
4	3200	Accumulated Depreciation - 2006	1	
5	1220	Materials and Supplies		
6	4340	Noncurrent Deferred Operating Income Taxes		
7		Pre-1971 Unamortized Investment Tax Credits		
8		Cash Working Capital (if allowed by Commission)		2.02.00
9		Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)	896639	848289

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

Average Rate Base - Intrastate

		Average Rate Date American	This	Last
Line	Acct.			1
	No.	Description	Year	Year
No.	(a)	(b)	(c)	(d)
1	2001	Telecommunications Plant in Service		
2		Accumulated Depreciation		
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2006		
5	1220	Materials and Supplies		
6	4340	Noncurrent Deferred Operating Income Taxes		
7		Pre-1971 Unamortized Investment Tax Credits		
8		Cash Working Capital (if allowed by Commission)		
9	-	Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)		<u> </u>

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

Average Rate Base - Regulated Intrastate

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

Statement of Cash Flows

	Statement of Cash Flows		Year: 2009
Line	Item Description	Amount	Amount
No.	(a)	(b)	(c)
1	Increase/(decrease) in Cash & Cash Equivalents		(130,378.02)
2	Cash Flows from Operating Activities:		
3	Net Income		27,376.17
4	Reconciliation Adjustments:		
5	Depreciation & Amortization		117,195.00
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		5,548.58
11	Change in Materials, Supplies & Inventories - Net		(527.15)
12	Change in Operating Payables & Accrued Liabilities - Net		(3,369.20)
13	* Change in Other Assets & Deferred Credits - Net		(674.00)
14	^ Change in Other Liabilities & Deferred Credits - Net		525.00
15	(a) Other (explained on back of this page)		(607.00)
16	Total Adjustments		118,091.23
17	Net Cash Provided by/(Used in) Operating Activities		145,467.40
18	Cash Inflows/Outflows From Investing Activities:		
19	Construction/Acquisition of Property, Plant & Equipment (net of		(263,939.84)
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		
	# Other Investing Activities (explained on back of this page)		(405.58)
25	Net Cash Provided by/(Used in) Investing Activities		(264,345.42)
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		(44 500 00)
35	Dividends Paid		(11,500.00)
36	Other Financing Activities (explained on back of this page)		(11 500 00)
37	Net Cash Provided by Financing Activities		(11,500.00)
38	Effect of Exchange Rate Changes on Cash		(120.279.02)
39	Net Increase/(Decrease) in Cash & Cash Equivalents		(130,378.02)
40	Cash & Cash Equivalents at Beginning of Period		792,418.31
41	Cash & Cash Equivalents at End of Period		662,040.29

^{*} Prepaid Federal and StateIncome Taxes (Increase \$674.00)

[^] Subscriber Deposits (Increase \$525.00)

[#] Net Increase in Investments \$405.58

[@] State Taxes Payable (Decrease \$607.00)

30	29	28	27	26	25	24	23	22	21	20	19	10	16	15	14	13 [; <u>;</u>	10	9	» Л	60	4 a	ω κ	, 1-	Š	Line				
Totals					•																				(a)	Name of	•			
					-										,										(в)	Investments	J	Account 1160		
									·											·					(c)	Receivable	i elecom.	Account 1180	Neces	Does Not Apply
																				•					(d)	Allowance	Talagam	Account 1181	vabies and	y Wahlee and
																			•						(e)	Receivable	Accounts	Account 1190	THE COUNTY	Investments
	- was						•																	···	(f)	q	Peceivable	Account 1191		t Apply Becaire blee and Investments-Affiliated & Nonaffiliated Companies
									**																(g)	Receivable	Notes	Account 1.400	1000	Nonaffilia
					,																				(h)	Allowance	Receivable	Notes	A commt 1201	ted Compa
				***																					(i)	Receivable	Dividends	Interest and	Account 1210	anies
							<u></u>	•		-					, ,,		-								(1)	Companies	in Affil.	Investments	Account 1401	
																		-							(K)	Companies	in Nonaffil.	Investments	Account 1402	Year: 2009

PAGE 12	0/10007	333181/			146066	3385751	4 Totals			34
062200	225178	3/30				3750		2441		33
1.470	2280	27 60						2431		32
								2426	>	31
							Deep Sea Cable	2425	>	30
							Submarine Cable	2424	>	29
							Buried Cable	2423	>	28
							Underground Cable	2422	>	27
							Aerial Cable	2421	>	26
	1190001	rooper			68795	1312060	Cable and Wire Facilities	2420	*	25
250474	1120381	1290855				16627	Poles	2411		24
7076 84	0 A A O	16637					Other Terminal Equipment	2362	>	23
							Public Telephone Term. Equip.	2351	>	22
						,	Large Private Branch Exchanges	2341	>	21
							Customer Premises Wiring	2321	>	20
							Station Apparatus	2311	>	19
4	0,000	107270				107290	Information Orig & Term Equip	2310	*	18
17987.05	80303	107200				16238	Circuit Equipment	2232		17
16238	00,801	140241			4393	436548	Radio Systems	2231		16
133740	307301	440041			3		Operator Systems	2220		15
							Electro-Mechanical Switching	2215		14
	1000	0#00 / U			13008	533067	Digital Electronic Switching	2212		<u>;;</u>
93983	452092	*4K07*			4	· · · · · · · · · · · · · · · · · · ·	Analog Electronic Switching	2211		12
							General Purpose Computers	2124	>	<u></u>
							Office Equipment	2123	>	10
							Furniture		>	9
							Buildings		>	00
							Other Work Equipment		->	7
							Garage Work Equipment		. >	. 0
							Special Purpose Venicies		. >	U.
							Aircrait		. >	4
							Motor Aericies		. >	. u
							Land Team Viction		> >	, V
					() () (O) F	Land and Support Assets		> +	·
375669	644371	1020040			59870	960170	T and and Compart A spats	_	ŧ-	4
(i)	(h)	(g)	Ð	(e)	(d)	(c)	Description	Account		Z o.
Net Plant Balance	Accumulated Depreciation	Account 2009 Balance	Sales & Transfers	Detirements	A MARITICANO	of Year	j -			Line
End of Year	Year End	End of Year				Beginning			1	
Year:2009				Net Plant in Service - Detail	et Plant in Se	Z				

30		Line No.	
Totals (Sum L.1 to L.29)	None	Location and Description of Property (a)	
		Date Included in Account 2002 (b)	Analysis
		Book Cost of Property at Beginning of Year (c)	Analysis of Plant Held for Future Use
		Additions During the Year	Future Use
		Represents During the Year (e)	5
		Adjustments Charges and (Credits) (f)	Tropped and
		Property at End of Year (g)	Year:2009

-	27 28 29	22 23 24 25 26	17 18 19 20 21	13 14 15	9 10 11 12	410010	3 2 1	Line No.	
Total								Description (a)	
								Issue Date (b)	
								Maturity Date (c)	
				Annual Control of the				Principal Amount (d)	Ave
							t	Gross Proceeds (e)	Average Cost of Long Term Debt
-							ŧ	Net Proceeds (f)	of Long Te
-							1	Net Per \$100 (g)	rm Debt
								Per Balance Sheet (h)	t Outstanding
							1	Yield to Maturity (i)	
								Annual Net Cost (j)	
							r	of Premium or Discount (k)	Amortization
								Cost (%)	- 1

Company Name: Hot Springs Telephone Co.

DOES NOT APPLY

SCHEDULE 14

30	28 29	27	26	25	23 24	22	21	20	19	18	17	16	<u></u>	14	យ	12	11	10	9 0	3 0 -	70	ν υ	4.	ω	2 +	<u>- </u>		Tina	_		
Totals (S														_													Des				
(Sum L.1 to L.29)																								•		(a)	Description				
										<u> </u>			, <u> </u>													(b)	Issuance	Date of			
	-																			•••						(c)	Offering	of,	Method		DOES NOT AFFET
			•					-	,																	(d)	Price	Redemption	Call		APPLI
		•••								-																(e)	OI Issue	Par Value	:	Cost of)
					-					-																(L)	Automits			Cost of Preferred Stock	
				,,,,,																						(8)	Contribounts	Proceeds	Net	Stock	21.
				•																						(#)	(4)	Proceeds	Net		٠
			,	***				•			,															(1)	(i)	Money	of .		
																										<	(i)	Outstanding	Dringing		
															-				•								8	Cost	A mnual		,
				***										***													e -	Cost	Emhedded	1 641 . 2007	Vear:2009

1 2 3 4 4 5 6 6 7 7 11 11 11 11 11 11 11 11 11 11 11 11	Line No.	
Year Ended December 31: Month by Month Data: January February March April May June July August September October November December	(a)	
	Avg. Number of Shares Outstanding (b)	
NOT REQUIRED- WE HAVE LESS THAN 5,000 ACCESS LINES	Book Value (per share) (c)	
)- WE HAVE LE	Earnings (per share)	Analysi
SS THAN 5,000	Dividends (per share)	Analysis of Common St
ACCESS LINES	Retention Ratio (f)	Stock
	Market Price High Low (g) (h)	
	Frice/ Earnings Ratio (i)	Year:2009

30	1 2 3 4 4 6 6 7 7 10 11 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 29 29 29 20 20 21 21 21 21 21 21 21 21 21 21 21 21 21	Line No.	
Totals (Sum L.1 to L.29)	NONE	Description of Security (a)	
		Call or Retirement Date (b)	Capital Sto
		Number of Shares (c)	Capital Stock and Funded Debt Reacquired or Retired During the Year
		Principal Amount (d)	ebt Reacquired
		Reaquisition or Retirement Cost (e)	or Retired During
		Gain or (Loss) (f)	the Year
		or Reaquisition (g)	Year:2009

Company Name: Hot Springs Telephone Co.

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

Tatal Company F

SCHEDULE 17
Page 1 of 2
Year: 2009

			To	Total Company Expense Matrix	Expense Matr	X			1641.2007
		Acct		Salaries			Other	Clorences	Total
Line		No.	Description	and Wages	Benefits (d)	(e)	Expenses	(g)	(h)
146		(a)	(0)	(0)					
<u>, </u>	*	6110	Network Support Expense						
2	>	6112	Motor Vehicle Expense						
w	>	6113	Aircraft Expense						
4	>	6114	Special Purpose Vehicles Expense						
(A	>	6115	Garage Work Equipment Expense						
6	>	6116	Other Work Equipment Expense						
7	*	6120	General Support Expense						
∞	>	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				ï		
30	>	6424	Submarine Cable Expense						
31		6425	Deep Sea Cable Expense						
32		6426	Intrabuilding Network Cable Expense				<u> </u>		
33	>	6431	Aerial Wire Expense						
	1								

SCHEDULE 17
Page 2 of 2
Year:2009

						H			
			<u> </u>			┪		1	17
							6790		66
						Other General and Administrative	6728		65
						Research and Development	6727		64
		•				Procurement	6726		63
						Legal	6725		62
						Information Management	6724		61
						Human Relations	6723		60
						External Relations	6722		59
						Accounting and Finance	6721		58
						Planning	6712		57
		•				Executive	6711		56
						Customer Services	6623		55
						Number Services	6622		54
						Call Completion Services	6621		53
*****						Product Advertising	6613	>	52
						Sales	6612	>	51
						Product Management	6611	>	50
						Marketing	6610	*	49
						Amortization - Other	6565		48
						Amortization Expense - Intangible	6564		47
						Amortization Expense - Tangible	6563		46
-						Depreciation-Prop. for Future Telecom. Use	6562		£
						Depreciation - Telecomm. Plant in Service	6561		44
			·			Access Expense	6540		43
						Engineering Expense	6535	>	42
						Plant Operations Expense	6534	>	41
						Testing Expense	6533	>	40
						Network Administration Expense	6532	>	39
						Power Expense	6531	>	38
						Network Operations Expense	6530	×	37
						Other Property Expenses	6510		36
						Conduit Systems Expense	6441	>	35
(11)	(8)	(I)	(e)	(d)	(c)	(b)	(a)		
(h)	Clearances	Expenses	Rents	Benefits	and Wages	Description	Z _o		Z į
		Other			Salaries		Acct		Time
Year:2009			rix	Expense Mat	Total Company Expense Matrix	T			

Company Name: Hot Sprii

Hot Springs Telephone Co.

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

Total State Expense Matrix

Page 1 of 2

SCHEDULE 18

Year:2009

Line ö 14 13 > > > > > > > * > > > * > > > > 6120 6116 6115 6114 6113 6112 6123 6122 6121 6124 6211 6210 6311 6310 6232 6231 6230 6220 6215 6212 6411 6362 6351 6341 6424 6423 6422 6421 6410 6425 Network Support Expense General Support Expense Operator Systems Expense Central Office Switching Expense Central Office Transmission Expense Motor Vehicle Expense Office Equipment Expense Land and Building Expense Other Work Equipment Expense Garage Work Equipment Expense Special Purpose Vehicles Expense Aircraft Expense Cable and Wire Facilities Expense Information Origination/Termination Expense Furniture and Artworks Expense Electro-Mechanical Expense Digital Electronic Expense Analog Electronic Expense General Purpose Computers Expense Radio Systems Expense Other Terminal Equipment Expense Public Telephone Terminal Equipment Exp Station Apparatus Expense Circuit Equipment Expense Buried Cable Expense Underground Cable Expense Aerial Cable Expense Poles Expense Large Private Branch Exchange Expense Deep Sea Cable Expense Submarine Cable Expense Intrabuilding Network Cable Expense Aerial Wire Expense Description and Wages Salaries Benefits <u>e</u> Rents @ Expenses Other \oplus Clearances 9 Total **(b)**

Subtotals

Subaccount of the account marked with a *.

Tatal State

SCHEDULE 18
Page 2 of 2
Year:2009

				Total State Expense Matrix	pense Matrix				1 6211.2002
Line		Acct.		Salaries	1	J	Other	Clearances	Total
No.		No.	Description	and Wages	Benefits (d)	(e)	(f)	(g)	(h)
3.5	>	(a) 6441	Conduit Systems Expense						
36		6510	Other Property Expenses						
37	*	6530	Network Operations Expense						
38 8	>	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	Amoruzation Expense - Langiote						
47		6564	Amortization Expense - Intangible				<u>, -</u>		
48	<u></u>	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		- Arithmetical Control of the Contro				
72	_		Totale						

Company Name: Hot Springs Telephone Co.

Pension Costs

Plan Name Hot Springs Telephone Co. Profit Sharing Plan Defined Contribution Plan? Yes 2 Defined Benefit Plan? N/A IRS Code: ___ 401 3 Actuarial Cost Method? _ N/A 4 Annual Contribution by Employer: Based on Profits Is the Plan Over Funded? __No_ % Change Last Year Current Year Item 6 Change in Benefit Obligation 889,419.99 -20.84% 1,123,535.71 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 889,419.99 -20.84% 1,123,535.71 15 Benefit obligation at end of year 16 Change in Plan Assets 16.57% 1.036.839.01 889,419.99 17 Fair value of plan assets at beginning of year -219.59% (214,834.96) 179,649.32 18 Actual return on plan assets 19 Acquisition 54,466.40 67,415.94 23.78% 20 Employer contribution 21 Plan participants' contributions 22 Benefits paid -20.84% 889,419,99 1,123,535.71 23 Fair value of plan assets at end of year N/A N/A 24 Funded Status 25 Unrecognized net actuarial loss 26 Unrecognized prior service cost 27 Prepaid (accrued) benefit cost 28 N/A N/A 29 Weighted-average Assumptions as of Year End 30 Discount rate 31 Expected return on plan assets 32 Rate of compensation increase N/A N/A 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 N/A N/A 42 Montana Intrastate Costs: 43 **Pension Costs** Pension Costs Capitalized 44 Accumulated Pension Asset (Liability) at Year End 46 Number of Company Employees: 11 10.00% 10 Covered by the Plan 47 2 Not Covered by the Plan 48 11 10.00% 10 49 Active 50 Retired **Deferred Vested Terminated** 51

SCHEDULE 20

Company Name: Hot Springs Telephone Co.
DOES NOT APPLY
Other Post Employment Benefits (OPEBS) Page 1 of 2
Year: 2009

	OMOLI OUT F-3	Current Year	Last Year	% Change
1989) 1984	ltem	Oditolic 1 od.		
-	Regulatory Treatment:	ļ		
	Commission authorized - most recent			
	Docket number:			
	Order number:			
	Amount recovered through rates			
	Weighted-average Assumptions as of Year End			
	7 Discount rate			
	Expected return on plan assets			1
	Medical Cost Inflation Rate			
	O Actuarial Cost Method	1		
	1 Rate of compensation increase 2 List each method used to fund OPEBs (ie: VEBA, 40	1(h)) and if tax advar	itaged:	
		, ,,		
	3			
1	4 Panofit Plan			
1	5 Describe any Changes to the Benefit Plan:			
	6 COTAL COMPAN	V		
1	7 TOTAL COMPAN			
1	8 Change in Benefit Obligation			
1	9 Benefit obligation at beginning of year			(
2	0 Service cost			
1	Interest Cost			
3	22 Plan participants' contributions			
1	23 Amendments		1	- 1
	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	1		
1	29 Fall value of plan assets			ļ
1	30 Actual return on plan assets			1
	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			
Ì	37 Unrecognized net actuarial loss			
1	38 Unrecognized prior service cost			
	30 Prenaid (accrued) benefit cost		+	
-	40 Components of Net Periodic Benefit Costs			
ĺ	41 Service cost	T T T T T T T T T T T T T T T T T T T		
	42 Interest cost		•	·
-	43 Expected return on plan assets			1
-	44 Amortization of prior service cost			
	45 Recognized net actuarial loss			
	46 Net periodic benefit cost			
L	47 Accumulated Post Retirement Benefit Obligation			1
ļ	4/ Accumulated Post Reutement Benefit Obligation			1
	48 Amount Funded through VEBA			ļ
Ì	49 Amount Funded through 401(h)	· ·		1
	50 Amount Funded through Other	–		Ì
	51 TOTAL			
	52 Amount that was tax deductible - VEBA			
-	53 Amount that was tax deductible - 401(h)			1
	54 Amount that was tax deductible - Other			
I.	55 TOTAL			Page

Page 2 of 2

Other Post Employment Benefits (OPEBS) Continued

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

SCHEDULE 21

Page 1 of Year: 2009

Payments for Services to Persons Other Than Employees

	1 ayments for Services	W I CISUMS OTHER THAN			··· · · · · · · · · · · · · · · · · ·
			Total	Total	
] [Name of	Nature of	Company	State	Intrastate
Line	Recipient	Service	Cost	Cost	Cost
No.	Recipient	(b)	(c)	(d)	(e)
	(a)	(6)	(0)		- (-)
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SCHEDULE 22

Year: 2009

Company Name: Hot Springs Telephone Co.

Subscriber Line Usage Data

% of Last % of This Line Total Year Total Year Description (e) No. (đ) (c) (b) (a) Toll Usage: 25% 24% 3,156,098 3,146,140 Interstate, InterLATA 2 Interstate, IntraLATA 3 25% 3,156,098 24% 3,146,140 **Total Interstate Usage** 4 181,912 1% 2% 200,564 5 Intrastate, InterLATA 18% 2,353,844 2,928,758 22% Intrastate, IntraLATA 6 2,535,756 20% 24% 3,129,322 **Total Intrastate Usage** 7 44% 5,691,854 47% 6,275,462 8 **Total Toll Usage** 9 Centrex 7,120,248 56% 53% 7,026,920 Local 10 100% 12,812,102 100% 13,302,382 **Total Minutes** 11

Company Name: Hot Springs Telephone Co.

SCHEDULE 23

Year: 2009 Page 1 of

Cental Office and Access Line Statistics

33 T	32	3 3	30	29	28	27	26	25	24	23	22	21	20	19	18	17	16	15	14	13	12	11	<u> </u>	 o ∞	7	6	υ ‡	- ω	2 Rural	1 Urban	No.	Line	-
Total																													21	an (a)	wire Center		
															<u></u>																OHICE OHICE	Type or	;
222							- · · ·					·																	154	68	<u></u>	Kesideiiliai	
																														(3)	€	NGGI	TOTAL
222						•																							126	96	e)	אטעה	707
188						, , ,																							75	113	(f)	Customers	T ifalina
8) 		,																						•				***			2	TMC
35	2						•																						27	8	(h)	Rusiness	ani I
102																													19		(i)	Business	Time
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	1																														(1)	Other	
		<u> </u>					•																								(m)	T. Tone	Lines w/
10/	78					•											-												404	377	(n)	Lines	Access

SCHEDULE 24

Page 1 of Year: 2009

Central Office and Switch Information

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		Office				G 1.1	1
		Configuration		Switch		Switch	
Line		(Host, Remote,	Type of	Vendor/	Switch	Line	Year
No.	Wire Center	Stand alone)	Switch	Manufacturer	Model No.	Capacity	Deployed
110.	(a)	(b)	(c)	(d)	(e)	(f)	(g)
<u> </u>	HOT SPRINGS	(Stand alone)	DIGITAL	SIEMENS	DCO-RNS-SE	1,080	1999
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	Construction Budget - Montana	Year: 2010
Line	Description	2010
No.	(a)	(b)
1	Central Office Assets:	
2	Central Charles 1200000	
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27	Total Switching and Central Office Projects over \$500,000	20,000
28	Miscellaneous Central Office Projects not over \$500,000 Software & Misc.	20,000
30	Total Central Office Budget (Total of Line 27 & Line 28) Other Projects over \$500,000:	20,000
	Fiber to the Carriers Buildings	90,000
32	i too to the current randings	Í
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40		00.000
41	Total Other Projects over \$500,000	90,000
42	Miscellaneous projects not over \$500,000 Fiber	110,000
43	Total Construction Budget (Total of Lines 29, 41 & 42)	110,000

Montana Total State Construction Expenditures 0

			1		
	FCC				Percent
	Part 32	Disconinglian	This Year	Last Year	Change
Line	Account No.	1			•
No.	(a)	(b)	(c)	(d)	(e)
1	2110	General Support Assets	173,936	59,411	192.77%
2	2210	Central Office Assets			
3	2220	Operator Systems			
4	2230	Central Office Transmission	17,401	9,371	85.70%
5	2310	Information/Termination Assets	2,934	4,857	-39.60%
6	2410	Cable and Wire Facilities Assets	68,795	5,698	1107.39%
7	2680	Amortizable Tangible Assets			
8	2690	Intangibles			
9		Total Construction Expenditures	263,066	79,337	231.58%

	Montana Employee Counts	Ŋ	Year: 2009
I		Beginning	End
Line	Category	of Year	of Year
No.	(a)	(b)	(c)
1	GENERAL MANAGER	1	1
	OFFICE MANAGER	1	1
3	COE MAINTENANCE MANAGER & LINEMAN	1	1
	PART TIME OFFICE CLERK	1	1
5	ACCOUNTANT & FINANCIAL MANAGER	1	1
6	ASSISTANT ACCOUNTANT & PAYROLL CLERK	1	1
7	INSTALLATIONS, LINEMEN & CONSTRUCTION WORKERS	3	3
	INTERNET CONSULTANT	2	2
	FULL TIME OFFICE CLERK	1	1
10	TOTAL TARREST CONTRACT]	
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43	Totals (Sum of Lines 1 through 42)		L

Company Name: Hot Springs Telephone Co.

CONFIDENTIAL

Compensation of Top 10 Montana Based Employees

	Compensation			D ' DI	I V	Total	% Increase
		_		Pension Plan	or , 1	Commention	Total
Line		Base		Other	Total	Compensation	Total
No.	Name/Title	Salary	Bonuses	Compensation	Compensation	Last Year	Compensation
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
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11	Totals (Sum L.1 to L.10)						
11	1 totals (Sum L.1 to L.10)	<u> </u>		<u> </u>		1	DACE 21

DOES NOT APPLY

SCHEDULE 28

(Compensation of Top 5 Corporate Employees - SEC Information							
Line No.	Name/Title	Base Salary	Bonuses	Other Compensation	Total Compensation	Total Compensation Last Year	% Increase Total Compensation	
1	(a)	(b)	(c)	(d)	(e)	<u>(f)</u>	(g)	
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6	Totals (Sum L.1 to L.5)						
							PAGE 32

2 2001 Plant in Service Plant Acquisition Adjustments Plant Acquisition Acquisition Adjustments Plant Acquisition			Montana Composite Statistics	Year: 2009
No. No. Plant (Intrastate Only) (000 Omitted)	τ.	Account		
Plant (Intrastate Only) (000 Omitted) 2	1	Ł	Description	i i
2 2001 Plant in Service 3533 2003 - 2004 4 2005 Plant Acquisition Adjustments Plant Acquisition Adjustments Plant Acquisition Adjustments Plant Acquisition Adjustments Plant Acquisition Adjustments Plant Acquisition Reserves 266 1220 Materials & Supplies (Less);	No.			(b)
2	1		Plant (Intrastate Only) (000 Omitted)	
2003 - 2004 2005 2004 2005 2002	2	2001	Plant in Service	3535
Plant Acquisition Adjustments Plant Held for Future Use Materials & Supplies	1 1	1		
Plant Held for Future Use Materials & Supplies (Less): 10	1 !			
Materials & Supplies (Loss); Closs);				
7	t 1	i	Materials & Supplies	
8		:		
9	1 1	3100 - 3400	Depreciation & Amortization Reserves	-2635
10				-4
12 5000 - 5300 Operating Revenues 33 13 6560 Depreciation & Amortization Expenses 1 14 Federal & State Income Taxes Other Taxes Other Taxes Other Taxes Other Operating Expenses 1 16 Other Operating Expenses 1 17 TOTAL Operating Expenses 3 18 Net Operating Income Other Income Other Deductions Other Deductions Other Deductions Other Deductions Other Deductions Other Operating Expenses 1 22 Access Lines in Service (Intrastate Only) Residential Access Lines 0 23 Residential Access Lines 0 24 Business Access Lines 0 25 PBX Access Lines Other Access Lines 0 26 Other Access Lines Pay Phones 0 27 Total Number of Access Lines 0 28 Average Number of Calls Per Access Line 1 29 Local Calls Toli Calls (Intra- or Interstate) 1 30 Tolal Number of Calls Per Access Line 1 10 Total Number of Calls Per Access Line 2 17 Total Of Line 29 & Line 30 divided by Line 27) 1 32 Other Statistics (Intrastate Only) Average Residential Monthly Bill	10		NET BOOK COSTS	896
13	11		Revenues & Expenses (Intrastate Only) (000 Omitted)	
13	12	5000 - 5300		392
14				116
15 Other Taxes 16 Other Operating Expenses 17 TOTAL Operating Expenses 18 Net Operating Income 19 Other Income 20 Other Deductions 21 NET INCOME 22 Access Lines in Service (Intrastate Only) 23 Residential Access Lines 24 Business Access Lines 25 PBX Access Lines 26 Other Access Lines Pay Phones 27 Total Number of Access Lines 28 Average Number of Calls Per Access Line 29 Local Calls 30 Total Calls (Intra- or Interstate) 31 Total Number of Calls Per Access Line 32 (Total of Line 29 & Line 30 divided by Line 27) 32 Other Statistics (Intrastate Only) Average Residential Monthly Bill		6560		11
15 Other Operating Expenses 16 Other Operating Expenses 17 TOTAL Operating Expenses 18 Net Operating Income 19 Other Income 20 Other Deductions 21 NET INCOME 22 Access Lines in Service (Intrastate Only) 23 Residential Access Lines 24 Business Access Lines 25 PBX Access Lines 26 Other Access Lines 27 Total Number of Access Lines 28 Average Number of Calls Per Access Line 29 Local Calls 30 Total Calls (Intra- or Interstate) 31 Total Number of Calls Per Access Line 32 (Total of Line 29 & Line 30 divided by Line 27) 33 Other Statistics (Intrastate Only) 34 Average Residential Monthly Bill	1 1			81
16 TOTAL Operating Expenses 18 Net Operating Income 19 Other Income 20 Other Deductions 21 NET INCOME 22 Access Lines in Service (Intrastate Only) 23 Residential Access Lines Business Access Lines PBX Access Lines Other Access Lines PBX Access Lines Other Access Lines Other Access Lines Other Access Lines Other Access Lines 28 Average Number of Calls Per Access Line 29 Local Calls Total Number of Calls Per Access Line 29 Local Calls Total Number of Calls Per Access Line 20 (Total of Line 29 & Line 30 divided by Line 27) 31 Other Statistics (Intrastate Only) Average Residential Monthly Bill			1	170
Net Operating Income Other Income Other Income Other Deductions NET INCOME Access Lines in Service (Intrastate Only) Residential Access Lines Business Access Lines PBX Access Lines Other Access Lines Other Access Lines Total Number of Access Lines Average Number of Calls Per Access Line Local Calls Total Calls (Intra- or Interstate) Total Number of Calls Per Access Line (Total of Line 29 & Line 30 divided by Line 27) Other Statistics (Intrastate Only) Average Residential Monthly Bill	1 1			378
19 Other Income 20 Other Deductions 21 NET INCOME 22 Access Lines in Service (Intrastate Only) 23 Residential Access Lines 24 Business Access Lines 25 PBX Access Lines 26 Other Access Lines Pay Phones 27 Total Number of Access Lines 28 Average Number of Calls Per Access Line 29 Local Calls 30 Toll Calls (Intra- or Interstate) 31 Total Number of Calls Per Access Line (Total of Line 29 & Line 30 divided by Line 27) 32 Other Statistics (Intrastate Only) Average Residential Monthly Bill	17		TOTAL Operating Expenses	
Other Deductions NET INCOME Access Lines in Service (Intrastate Only) Residential Access Lines Business Access Lines PBX Access Lines Other Access Lines Other Access Lines Total Number of Access Lines Average Number of Calls Per Access Line Local Calls Total Number of Calls Per Access Line Total Number of Calls Per Access Line (Total of Line 29 & Line 30 divided by Line 27) Average Residential Monthly Bill	18		Net Operating Income	14
21 NET INCOME 22 Access Lines in Service (Intrastate Only) 23 Residential Access Lines 24 Business Access Lines 25 PBX Access Lines 26 Other Access Lines Pay Phones 27 Total Number of Access Lines 28 Average Number of Calls Per Access Line 29 Local Calls 30 Toll Calls (Intra- or Interstate) 31 Total Number of Calls Per Access Line (Total of Line 29 & Line 30 divided by Line 27) 32 Other Statistics (Intrastate Only) Average Residential Monthly Bill	19		Other Income	26
Access Lines in Service (Intrastate Only) Residential Access Lines Business Access Lines PBX Access Lines Other Access Lines Pay Phones Total Number of Access Lines Average Number of Calls Per Access Line Local Calls Total Calls (Intra- or Interstate) Total Number of Calls Per Access Line Total Number of Calls Per Access Line Total Number of Calls Per Access Line Total Number of Calls Per Access Line Total Number of Calls Per Access Line (Total of Line 29 & Line 30 divided by Line 27) Average Residential Monthly Bill	20		Other Deductions	12
Residential Access Lines Business Access Lines PBX Access Lines Other Access Lines Other Access Lines Average Number of Access Line Local Calls Total Number of Calls Per Access Line Local Calls Total Number of Calls Per Access Line Total Number of Calls Per Access Line CTotal of Line 29 & Line 30 divided by Line 27) Other Statistics (Intrastate Only) Average Residential Monthly Bill	21		NET INCOME	27
Business Access Lines PBX Access Lines Other Access Lines Pay Phones Total Number of Access Lines Average Number of Calls Per Access Line Local Calls Toll Calls (Intra- or Interstate) Total Number of Calls Per Access Line (Total of Line 29 & Line 30 divided by Line 27) Average Residential Monthly Bill	22		Access Lines in Service (Intrastate Only)	
Business Access Lines PBX Access Lines Other Access Lines Other Access Lines Pay Phones Total Number of Access Lines Average Number of Calls Per Access Line Local Calls Toll Calls (Intra- or Interstate) Total Number of Calls Per Access Line (Total of Line 29 & Line 30 divided by Line 27) Other Statistics (Intrastate Only) Average Residential Monthly Bill	23		Residential Access Lines	632
PBX Access Lines Other Access Lines Pay Phones Total Number of Access Lines Average Number of Calls Per Access Line Local Calls Toll Calls (Intra- or Interstate) Total Number of Calls Per Access Line (Total of Line 29 & Line 30 divided by Line 27) Other Statistics (Intrastate Only) Average Residential Monthly Bill				137
Other Access Lines Pay Phones Total Number of Access Lines Average Number of Calls Per Access Line Local Calls Toll Calls (Intra- or Interstate) Total Number of Calls Per Access Line (Total of Line 29 & Line 30 divided by Line 27) Average Residential Monthly Bill	1			
Total Number of Access Lines Average Number of Calls Per Access Line Local Calls Total Calls (Intra- or Interstate) Total Number of Calls Per Access Line (Total of Line 29 & Line 30 divided by Line 27) Other Statistics (Intrastate Only) Average Residential Monthly Bill			Other Access Lines Pay Phones	12
Local Calls Toll Calls (Intra- or Interstate) Total Number of Calls Per Access Line (Total of Line 29 & Line 30 divided by Line 27) Other Statistics (Intrastate Only) Average Residential Monthly Bill				781
Total Salis (Intra- or Interstate) Total Number of Calls Per Access Line (Total of Line 29 & Line 30 divided by Line 27) Other Statistics (Intrastate Only) Average Residential Monthly Bill	28		Average Number of Calls Per Access Line	
Total Number of Calls Per Access Line (Total of Line 29 & Line 30 divided by Line 27) Other Statistics (Intrastate Only) Average Residential Monthly Bill	20		Local Calls	1171153
Total Number of Calls Per Access Line (Total of Line 29 & Line 30 divided by Line 27) Other Statistics (Intrastate Only) Average Residential Monthly Bill	ı			1045910
(Total of Line 29 & Line 30 divided by Line 27) 32 Other Statistics (Intrastate Only) Average Residential Monthly Bill	1 -		Total Number of Calls Per Access Line	2839
32 Other Statistics (Intrastate Only) Average Residential Monthly Bill	1 71			
33 Average Residential Monthly Bill	32			
	33		Average Residential Monthly Bill	30
34 Gross Plant Investment per Access Line 4.	_ I			4522

	Depreciation - Montana Intrastate Regulated Year: 2009							
			Composite	Total				
	Acct	Description	Rate	Expense				
Line	No.		%	\$				
No.	(a)	(b)	(c)	(d)				
1	2112	Motor Vehicles	20.0%	9,835				
2	2114	Special Purpose Vehicles						
3	2115	Garage Work Equipment		· •				
4	2116	Other work Equipment	20.0%	3,147				
5	2121	Buildings	5.0%	9,227				
6	2122	Furniture	20.0%	1,778				
7	2123.1	Office Support Equipment						
8	2123.2	Company Communications Equipment						
9	2124	General Purpose Computers	20.0%	4,184				
10	2211	Analog Electronic Switching Equipment						
11	2212	Digital Electronic Switching Equipment	10.0%	16,180				
12	2215	Step By Step Switching Equipment						
13	2215	Crossbar Switching Equipment						
14	2220	Operator System						
15	2231	Radio Systems	10.0%	28,468				
16	2232	Circuit DDS						
17	2232	Circuit Digital						
18	2232	Circuit Analog	10.0%	:				
19	2351	Public Telephone Terminating Equipment	1					
20	2362	Other Terminal Equipment	10.0%					
21	2411	Poles						
22	2421	Aerial Cable Metallic	10.0%	8,235				
23	2421	Aerial Cable Nonmetallic		!				
24	2422	Underground Cable Metallic						
25	2422	Underground Cable Nonmetallic						
26	2423	Buried Cable Metallic	5.0%	25,056				
27	2423	Buried Cable Nonmetallic	5.0%	9,724				
28	2424	Submarine Cable Metallic						
29	2424	Submarine Cable Nonmetallic						
30	i	Intrabuilding Network Cable Metallic						
31	2426	Intrabuilding Network Cable Nonmetallic						
32	2431	Aerial Wire						
33	2441	Conduit Systems	10.0%	375				
34								
35		COMPOSITE TOTAL	3.3%	116,209				
36			 -					
37	Plea	se list the Montana Public Service Commssion Docket	Order No. approving these de	preciation rates				
38								
39	0.1.37.1							
40								

SCHEDULE 30a

Year: 2009

Company Name: Hot Springs Telephone Co.

Amortization - Montana Intrastate Regulated

-				Composite	Total
		Acct	Description	Rate	Expense
I	ine		Bosonphon	%	\$
	No.	No.	(b)	(c)	(d)
		(a)	(0)		
	1				
	2				
	3		N/A		[
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	34	i i	COMPOSITE TOTAL		
	35		COMPOSITE TOTAL		
İ	36)	ist the Montana Public Service Commission Docket	Order No. approving the	se amortization rates
	37		IST THE PARTIERA PUBLIC SERVICE COMMISSION DOCKER	Oraci ito abbiotime	
	38		Destart Number	der Number	
	39	1	Docket NumberOrd	TOT THERE	
	1 11	11			

Company Name: Hot Springs Telephone Co.

	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		
1 2 3	Docket Number Order Number			
4	Common Equity N/A			
	Preferred Stock			
	Long Term Debt Other			
8	Total		San San San San San San San San San San	
9 10	Actual at Year End			
11 12	Common Equity	99.76%	12.500%	12.470%
	Preferred Stock	0.7404	0.0000	0.0010/
	Long Term Debt	0.24%	9.000%	0.021%
	Other Total	100.00%		12.492%

Company Name: Hot Springs Telephone Co.

SCHEDULE 32

Year: 2009

Network Access - Charges and Revenues

Line No.	Description (a)	Access Charges Paid (b)	Access Revenues Received (c)
1	Montana - Total State		143,603
3	Montana - Intrastate		8,616
5	Montana - Intrastate Regulated		134987
6 7			-
8 9			
10 11	i e e e e e e e e e e e e e e e e e e e		
12 13			

30	10 11 11 11 11 11 11 11 11 11 11 11 11 1	Line No.	
TOTAL		Affiliate Name	DOES NOT AFFLY
		Products & Services (b)	Affiliate Transactions
		Method to Determine Price (c)	Affiliate Transactions - Products & Services Provided to Utility
, and the second		Charges to Utility (d)	ovided to Utilit
		% Total Affil. Revenues (e)	ty
		Charges to MT Utility (f)	Year: 2009

30	<u> </u>	28	27	26	25	24	23	22	21	20	19	18	17	16	15	14	: [1 F	5 =	; ;	1 Y	× ×	, \) 0	. Vi	4	w	2 +	-	Line No.] .
TOTAL	i de de la companya d																												(a)	Affiliate Name	DOES NOT AFFLY
																													(0)	Products & Services	Affiliate Transactions
Living Control of the					***************************************																									Method to Determine Price	Affiliate Transactions - Products & Services Provided by Utility
			,																											Charges to Affiliate (d)	ovided by Utili
							·																							% Total Affil. Revenues (e)	ţy
																														Charges to MT Utility (f)	Year: 2009

	Montana Intrastate Regulated Earned Ra	te of Return	Ye	ar: 2009
γ.	Description	This	Last	Percent
Line	Rate Base	Year	Year	Change
No.	(a)	(b)	(c)	(d)
1				
2	2001 Plant in Service	3,531,817	3,385,751	4.31%
3	2002 Prop. Held for Future Telecommunications Use			
4	3100-3200 (Less) Accumulated Depreciation	(2,635,178)	(2,537,462)	-3.85%
5	Plant in Service	896,639	848,289	5.70%
6				
7	Additions			İ
8	1220 Materials & Supplies			
9	1280 Prepayments			
10	Other Additions			
11	TOTAL Additions			
12				
13			-	
14				
15		1		
16				
17	Customer Advances for Construction			
18	Other Deductions	-		
19	TOTAL Deductions			
20	TOTAL Rate Base	896,639	848,289	5.70%
21				
22	Net Earnings	27,198	57,733	-52.89%
23				
24	Rate of Return on Average Rate Base	3.033%	6.806%	-55.43%
25			2.25024	F2 220/
26	Rate of Return on Average Equity	1.614%	3.460%	-53,33%
27				
	Major Normalizing Adjustments & Commission			1
				:
30				
31	N/A		į	
32	·			
33				
34				
35			1	
36				
37]
38				
39		1		
40				
41	i		1	
42				
43				
44				
4.5	Adjusted Rate of Return on Average Equity			

SCHEDULE 36

Company Name: Hot Springs Telephone Co.

	Other Taxes Paid		Year: 2009
Line	Description (a)	Last Year	This Year
No.		(b)	(c)
1	Montana Telephone Company License Tax Montana Public Service Commission Tax Montana Consumer Counsel Tax 911 Emergency Telephone Fee Montana Telecommunications Access Service (TDD) Montana Corporate License Tax Personal Property Tax Real Property Tax Montana State Excise Tax	998	829
2		418	225
3		9410	9334
4		934	925
5		4551	3667
6		2912	2464
7		16504	13961
8		13643	13082
11	Total	49370	44487

SCHEDULE 37

Universal Service Funds Received

	Universal Service Fund	Year: 2009_		
Line	Description	Last Year	This Year (c)	
No.	(a)	(b)		
13	Funds received from Montana Sources			
14	Funds received from Federal Sources	292,008	261,123	
15				
16	1			
17				
18				
19				
20			,	
21				
22				
23		202.000	061 102	
24	Total	292,008	261,123	