

General Information

Year: 2012

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	Mary Agnes Wilderotter 3 High Ridge Park, Stamford, CT. 06905	None
2	Daniel J. McCarthy 3 High Ridge Park, Stamford, CT. 06905	None
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18	Chairman of the Board:	
19	Mary Agnes Wilderotter	
20		

Officers

Year: 2012

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.		John Jureller
4	V.P. & Controller		Susana D'Emic
5	V.P. Deputy Counsel & Secretary		Nancy Rights
6	V.P. & Treasurer		Robert W. Starr
7	V.P. Engineering		Michael Golob
8	V.P. Regulatory		Kenneth Mason
9	V.P. Tax		Alan Kelsey
10	V.P. and General Counsel		Andrew D. Crain
11	Assistant Secretary		David G Schwartz
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41			
42			
43			
44			
45			

Total Company Balance Sheet

Year: 2012

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		CURRENT ASSETS:		
2	1120	Cash and Equivalents	400	400
3	1180	Telecommunications Accounts Receivable - Net	489,630	539,938
4	1190	Other Accounts Receivable - Net	(2,837,444)	(289,037)
5	1200	Notes Receivable - Net		
6	1210	Interest and Dividends Receivable		
7	1220	Materials and Supplies	13,969	10,403
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	(2,333,446)	261,705
16		NONCURRENT ASSETS:		
17	1401	Investments in Affiliated Companies	13,293,358	7,629,728
18	1402	Investments in Nonaffiliated Companies		
19	1406	Nonregulated Investments	256	750
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	13,293,614	7,630,478
27		PROPERTY, PLANT, & EQUIPMENT:		
28	2001	Telecommunications Plant in Service	32,678,631	32,843,128
29	2002	Property Held for Future Telecommunications Use		
30	2003	Plant Under Construction - Short Term	124,418	145,695
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	(27,315,272)	(26,036,009)
36	3200	Accumulated Depreciation - Held for Future Use		
37	3300	Accumulated Depreciation - Nonoperating		
38	3400	Accumulated Amortization	(10,953,659)	(10,521,771)
39		Net Property, Plant, & Equipment	9,154,085	11,051,010
40		TOTAL ASSETS	20,114,254	18,943,192

^ Subaccount of account marked with a *.

Total Company Balance Sheet

Year: 2012

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
41		CURRENT LIABILITIES:		
42	4010	Accounts Payable	102,733	90,749
43	4020	Notes Payable		
44	4030	Advance Billing and Payments	265,125	270,834
45	4040	Customer Deposits	3,479	11,308
46	4050	Current Maturities - Long Term Debt		
47	4060	Current Maturities - Capital Leases		
48	4070	Income Taxes - Accrued		
49	4080	Other Taxes - Accrued	(23,163)	26,082
50	4100	Net Current Deferred Operating Income Taxes		
51	4110	Net Current Deferred Nonoperating Income Taxes		
52	4120	Other Accrued Liabilities	23,229	30,067
53	4130	Other Current Liabilities	1,053	1,158
54		Total Current Liabilities	372,455	430,199
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	5,563,196	5,432,336
69	4350	Net Noncurrent Deferred Nonoper. Income Taxes		
70	4360	Other Deferred Credits	12,558	50,381
71	4370	Other Jurisdictional Liab. and Def. Credits		
72		Total Other Liabilities and Deferred Credits	5,575,754	5,482,717
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	14,165,044	13,029,277
79		Total Stockholders' Equity	14,166,044	13,030,277
80		TOTAL LIAB. AND STOCKHOLDERS' EQUITY	20,114,254	18,943,192

Total Company Income Statement

Year: 2012

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		REVENUES:		
2	5000	Basic Local Service Revenues	2,156,004	2,291,451
3	5080	Network Access Revenues	3,523,079	3,767,655
4	* 5100	Long Distance Message Revenue	(512)	(174)
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	228,610	244,957
10	^ 5230	Directory Revenue	24,077	25,337
11	^ 5240	Rent Revenue	9,061	13,188
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	51,961	42,011
14	^ 5270	Carrier Billing and Collection Revenue	143,511	164,421
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	49,228	80,606
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)	5,857,953	6,223,283
18		OPERATING EXPENSES:		
19	6110	Network Support Expense	(371)	64
20	6120	General Support Expense	292,995	390,288
21	6210	Central Office Switching Expense	129,426	95,734
22	6220	Operator Systems Expense	534	4,180
23	6230	Central Office Transmission Expense	95,201	119,561
24	6310	Information Origination/Termination Expense	7,908	4,664
25	* 6410	Cable and Wire Facilities Expense	527,309	536,848
26	^ 6431	Aerial Wire Expense		
27	^ 6441	Conduit Systems Expense		
28	6510	Other Property, Plant & Equipment Expense	(785)	(17)
29	6530	Network Operations Expense	436,451	435,137
30	6540	Access Expense	150,380	124,278
31	6560	Depreciation and Amortization Expense	2,200,554	2,190,224
32	6610	Marketing	246,590	205,932
33	6620	Services	393,778	488,027
34	6710	Executive and Planning	58,508	83,467
35	6720	General and Administrative	299,710	481,369
36	6790	Provision for Uncollectible Notes Receivable		
37		Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)	4,838,188	5,159,757
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	1,072,847	1,127,550
40		Net Operating Income (L.17-L.37+L.38-L.39)	(53,082)	(64,024)
41	7300	Nonoperating Income and Expense	(1,397)	(4,135)
42	7400	Nonoperating Taxes		
43	7500	Interest and Related Items	63	42
44	7600	Extraordinary Items		
45	7910	Effects of Juris. Ratemaking Diff. - Net		
46	7990	Nonregulated Net Income	(1,190,311)	(1,348,906)
47		NET INCOME (L.40+L.41-L.42-L.43-L.44+L.45-L.46)	1,135,769	1,280,705

^ Subaccount of the account marked with a *.

Montana Total State Income Statement

Year: 2012

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: 2012

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		REVENUES:		
2	5000	Basic Local Service Revenues	2,156,004	2,291,451
3	5080	Network Access Revenues	828,893	1,044,404
4	* 5100	Long Distance Message Revenue	(512)	(174)
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	154,952	154,010
10	^ 5230	Directory Revenue	24,077	25,337
11	^ 5240	Rent Revenue	9,061	13,188
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	51,961	42,011
14	^ 5270	Carrier Billing and Collection Revenue	69,853	73,474
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	49,228	80,606
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)	3,090,109	3,409,085
18		OPERATING EXPENSES:		
19	6110	Network Support Expense	(244)	42
20	6120	General Support Expense	192,966	257,044
21	6210	Central Office Switching Expense	85,240	63,050
22	6220	Operator Systems Expense	352	2,753
23	6230	Central Office Transmission Expense	62,699	78,743
24	6310	Information Origination/Termination Expense	5,208	3,072
25	* 6410	Cable and Wire Facilities Expense	347,285	353,568
26	^ 6431	Aerial Wire Expense		
27	^ 6441	Conduit Systems Expense		
28	6510	Other Property, Plant & Equipment Expense	(517)	(11)
29	6530	Network Operations Expense	287,272	286,407
30	6540	Access Expense	88,453	73,100
31	6560	Depreciation and Amortization Expense	1,580,878	1,573,457
32	6610	Marketing	145,908	121,850
33	6620	Services	293,758	364,068
34	6710	Executive and Planning	39,388	56,190
35	6720	General and Administrative	201,765	324,058
36	6790	Provision for Uncollectible Notes Receivable		
37		Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)	3,330,412	3,557,392
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	706,148	742,153
40		Net Operating Income (L.17-L.37+L.38-L.39)	(946,451)	(890,460)

^ Subaccount of the account marked with a *.

Montana Intrastate Regulated Income Statement

Year: 2012

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		REVENUES:		
2	5000	Basic Local Service Revenues	2,156,004	2,335,572
3	5080	Network Access Revenues	828,893	971,228
4	* 5100	Long Distance Message Revenue	(512)	684
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	154,952	145,103
10	^ 5230	Directory Revenue	24,077	26,942
11	^ 5240	Rent Revenue	9,061	6,337
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	51,961	38,848
14	^ 5270	Carrier Billing and Collection Revenue	69,853	72,976
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	49,228	62,482
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)	3,090,109	3,390,105
18		OPERATING EXPENSES:		
19	6110	Network Support Expense	(199)	4,728
20	6120	General Support Expense	167,728	205,785
21	6210	Central Office Switching Expense	85,240	60,354
22	6220	Operator Systems Expense	352	3,184
23	6230	Central Office Transmission Expense	59,634	107,599
24	6310	Information Origination/Termination Expense	122	444
25	* 6410	Cable and Wire Facilities Expense	347,285	290,127
26	^ 6431	Aerial Wire Expense		
27	^ 6441	Conduit Systems Expense		
28	6510	Other Property, Plant & Equipment Expense	(436)	2
29	6530	Network Operations Expense	281,184	341,075
30	6540	Access Expense	82,496	116,320
31	6560	Depreciation and Amortization Expense	1,563,275	1,527,525
32	6610	Marketing	87,069	57,527
33	6620	Services	232,607	246,352
34	6710	Executive and Planning	33,538	82,914
35	6720	General and Administrative	172,206	381,720
36	6790	Provision for Uncollectible Notes Receivable		
37		Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)	3,112,100	3,425,655
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	530,308	550,965
40		Net Operating Income (L.17-L.37+L.38-L.39)	(552,299)	(586,516)

^ Subaccount of the account marked with a *.

Average Rate Base - Total State

Year: 2012

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	32,760,879	32,555,436
2	3100	Accumulated Depreciation	26,675,641	25,176,628
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies	12,186	9,991
6	4340	Noncurrent Deferred Operating Income Taxes	5,497,766	5,366,906
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)	599,659	2,021,893

Average Rate Base - Intrastate

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	21,563,211	21,427,988
2	3100	Accumulated Depreciation	17,544,569	16,558,668
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies	9,028	7,401
6	4340	Noncurrent Deferred Operating Income Taxes	2,348,096	2,292,206
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)	1,679,574	2,584,515

Average Rate Base - Regulated Intrastate

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	21,101,758	21,187,995
2	3100	Accumulated Depreciation	17,160,343	16,346,717
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies	8,834	7,318
6	4340	Noncurrent Deferred Operating Income Taxes	586,554	577,407
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)	3,363,695	4,271,189

Statement of Cash Flows

Year: 2012

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		1,135,769
4	Reconciliation Adjustments:	1,711,149	
5	Depreciation & Amortization		
6	Provision for Accounts Receivable Losses		
7	Deferred Income Taxes - Net	130,861	
8	Unamortized Investment Tax Credits (ITCs) - Net		
9	Allowance for Funds Used During Construction (AFUDC)		
10	Change in Operating Receivables - Net	2,598,716	
11	Change in Materials, Supplies & Inventories - Net	(3,565)	
12	Change in Operating Payables & Accrued Liabilities - Net	(57,744)	
13	Change in Other Assets & Deferred Credits - Net		
14	Change in Other Liabilities & Deferred Credits - Net	(37,823)	
15	Other (explained on back of this page)		
16	Total Adjustments		4,341,594
17	Net Cash Provided by/(Used in) Operating Activities		5,477,362
18	Cash Inflows/Outflows From Investing Activities:		
19	Construction/Acquisition of Property, Plant & Equipment (net of		
20	AFUDC & Capital Lease Related Acquisitions)	185,774	
21	Proceeds from Disposals of Property, Plant & Equipment		
22	Investments In & Advances to Affiliates	(5,663,136)	
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		(5,477,362)
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		(0)
40	Cash & Cash Equivalents at Beginning of Period		400
41	Cash & Cash Equivalents at End of Period		400

Receivables and Investments-Affiliated & Nonaffiliated Companies

Year: 2012

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		523,075	(33,445)	(2,805,865)	(31,580)				13,293,358	
2											
3											
4											
5											
6											
7											
8											
9											
10											
11											
12											
13											
14											
15											
16											
17											
18											
19											
20											
21											
22											
23											
24											
25											
26											
27											
28											
29											
30	Totals		523,075	(33,445)	(2,805,865)	(31,580)				13,293,358	

Net Plant in Service - Detail

Year: 2012

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	2,677,469	40,139	(59,168)		2,658,440	1,760,166	898,274
2	^	2111 Land	76,722				76,722		76,722
3	^	2112 Motor Vehicles	455,180	40,139	(10,752)		484,567	296,160	188,407
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	254,629				254,629	167,577	87,052
8	^	2121 Buildings	1,758,703				1,758,703	1,199,627	559,076
9	^	2122 Furniture	4,208				4,208	(2,002)	6,210
10	^	2123 Office Equipment							
11	^	2124 General Purpose Computers	74,794		(48,416)		26,378	34,299	(7,921)
12		2211 Analog Electronic Switching							
13		2212 Digital Electronic Switching	3,791,741	38,128	(421,408)		3,408,461	2,770,002	638,459
14		2215 Electro-Mechanical Switching							
15		2220 Operator Systems							
16		2231 Radio Systems	1,405,105				1,405,105	1,389,224	15,881
17		2232 Circuit Equipment	5,991,980				6,085,802	5,711,710	374,092
18	*	2310 Information Orig & Term Equip	129,748	126,371	(32,549)		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	778,683	10,990	(623)		789,050	780,047	9,003
25	*	2420 Cable and Wire Facilities	17,874,567	147,610	(13,987)		18,008,190	14,556,639	3,451,551
26	^	2421 Aerial Cable	3,510,749	56,814	(9,293)		3,558,270	4,027,127	(468,857)
27	^	2422 Underground Cable	163,692				163,692	141,654	22,038
28	^	2423 Buried Cable	14,200,126	90,796	(4,694)		14,286,228	10,387,858	3,898,370
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	86,424	62,304
34		Totals	32,843,130	363,238	(527,735)		32,678,633	27,315,271	5,363,362

^ Subaccount of the account marked with a *.

Analysis of Plant Held for Future Use

Year: 2012

Line No.	Location and Description of Property (a)	Date Included in Account 2002 (b)	Book Cost of Property at Beginning of Year (c)	Additions During the Year (d)	Retirements During the Year (e)	Transfers and Adjustments Charges and (Credits) (f)	Book Cost of Property at End of Year (g)
1							
2							
3	none						
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)						

Average Cost of Long Term Debt

Year: 2012

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	n/a											
2												
3												
4												
5												
6												
7												
8												
9												
10												
11												
12												
13												
14												
15												
16												
17												
18												
19												
20												
21												
22												
23												
24												
25												
26												
27												
28												
29												
30	Total											

Year: 2012

Cost of Preferred Stock

Line No.	Description (a)	Date of Issuance (b)	Method of Offering (c)	Call Redemption Price (d)	Par Value Of Issue (e)	Gross Proceeds Amounts (f)	Net Proceeds Amounts (g)	Net Proceeds Per \$100 (h)	Cost of Money (i)	Principal Outstanding (j)	Annual Cost (k)	Embedded Cost (l)
1	n/a											
2												
3												
4												
5												
6												
7												
8												
9												
10												
11												
12												
13												
14												
15												
16												
17												
18												
19												
20												
21												
22												
23												
24												
25												
26												
27												
28												
29												
30	Totals (Sum L.1 to L.29)											

Analysis of Common Stock

Year: 2012

Line No.	(a)	Avg. Number of Shares Outstanding (b)	Book Value (per share) (c)	Earnings (per share) (d)	Dividends (per share) (e)	Retention Ratio (f)	Market Price High (g) Low (h)	Price/Earnings Ratio (i)
1	Year Ended December 31:	100**						
2								
3								
4								
5								
6								
7								
8	Month by Month Data:							
9	January							
10	February							
11	March							
12	April							
13	May							
14	June							
15	July							
16	August							
17	September							
18	October							
19	November							
20	December							
21								
22								
23								

**Frontier Communications Corporation owns 100 shares, 100% of the outstanding common stock of CTC MT.

Capital Stock and Funded Debt Reacquired or Retired During the Year

Year: 2012

Line No.	Description of Security (a)	Call or Retirement Date (b)	Number of Shares (c)	Principal Amount (d)	Reacquisition or Retirement Cost (e)	Gain or (Loss) (f)	Retirement or Reacquisition (g)
1							
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

Line No.	Acct. No. (a)	Description (b)	Salaries and Wages (c)	Benefits (d)	Rents (e)	Other Expenses (f)	Clearances (g)	Total (h)
1	*	Network Support Expense	(5)	(1)		(364)		(371)
2	^	Motor Vehicle Expense	(5)	(1)		(377)		(384)
3	^	Aircraft Expense						
4	^	Special Purpose Vehicles Expense				13		13
5	^	Garage Work Equipment Expense				0		0
6	^	Other Work Equipment Expense						
7	*	General Support Expense	10,515	4,573	24,122	253,785		292,995
8	^	Land and Building Expense	8,191	3,574	23,095	84,870		119,731
9	^	Furniture and Artworks Expense			1,027	1,423		1,423
10	^	Office Equipment Expense	2,324	998	0	2,761		3,788
11	^	General Purpose Computers Expense	41,056	15,651		164,731		168,053
12	*	Central Office Switching Expense				72,719		129,426
13	^	Analog Electronic Expense						
14	^	Digital Electronic Expense	41,056	15,651		72,719		129,426
15	^	Electro-Mechanical Expense						
16		Operator Systems Expense				534		534
17	*	Central Office Transmission Expense	61,392	23,958		9,851		95,201
18	^	Radio Systems Expense	11,137	4,647		1,615		17,399
19	^	Circuit Equipment Expense	50,255	19,311		8,237		77,802
20	*	Information Origination/Termination Expense	5,132	1,855		921		7,908
21	^	Station Apparatus Expense						
22	^	Large Private Branch Exchange Expense						
23	^	Public Telephone Terminal Equipment Exp.						
24	^	Other Terminal Equipment Expense	5,132	1,855		921		7,908
25	*	Cable and Wire Facilities Expense	223,923	85,067	54,734	163,584		527,309
26	^	Poles Expense			54,734			54,734
27	^	Aerial Cable Expense	69,674	26,455		30,041		126,169
28	^	Underground Cable Expense				972		972
29	^	Buried Cable Expense				132,571		345,433
30	^	Submarine Cable Expense	154,249	58,612				
31	^	Deep Sea Cable Expense						
32	^	Intrabuilding Network Cable Expense						
33	^	Aerial Wire Expense						
34		Subtotals	342,012	131,102	78,857	501,031		1,053,002

^ Subaccount of the account marked with a *.

Total Company Expense Matrix

Line No.	Acct. No. (a)	Description (b)	Salaries and Wages (c)	Benefits (d)	Rents (e)	Other Expenses (f)	Clearances (g)	Total (h)
35	^	Conduit Systems Expense	67	(1)		(851)		(785)
36		Other Property Expenses						
37	*	Network Operations Expense	186,884	79,117	54	170,395		436,451
38	^	Power Expense				33,210		33,210
39	^	Network Administration Expense	45,211	20,145		39,756		105,112
40	^	Testing Expense	5,808	2,170		4		7,982
41	^	Plant Operations Expense	88,935	32,905		48,184		170,024
42	^	Engineering Expense	46,930	23,896	54	49,242		120,122
43		Access Expense				150,380		150,380
44		Depreciation - Telecomm. Plant in Service				1,768,667		1,768,667
45		Depreciation-Prop. for Future Telecom. Use						
46		Amortization Expense - Tangible						
47		Amortization Expense - Intangible						
48		Amortization - Other						
49	*	Marketing				431,887		431,887
50	^	Product Management	61,582	17,824		167,184		246,590
51	^	Sales	14,370	5,041		15,488		34,900
52	^	Product Advertising	47,212	12,783		41,316		101,311
53		Call Completion Services				110,380		110,380
54		Number Services	9,920	4,242		1,877		16,039
55		Customer Services	532	202		32		766
56		Executive	230,478	85,403		61,094		376,974
57		Planning	25,451	24,577		6,221		56,248
58		Accounting and Finance	1,382	542		335		2,260
59		External Relations	32,220	10,557		15,386		58,162
60		Human Relations	9,092	3,430		18,793		31,315
61		Information Management	9,313	2,316		3,576		15,205
62		Legal	35,639	18,106		80,189		133,934
63		Procurement	3,912	775		6,038		10,725
64		Research and Development	3,748	1,505		(1,207)		4,045
65		Other General and Administrative						
66		Provision for Uncollectible Notes Receivable	5,798	5,689	3,647	31,188		46,323
67		Totals	958,029	385,386	82,558	3,412,215		4,838,189

^ 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	*	Network Support Expense	same as Schedule 17					
2	^	Motor Vehicle Expense						
3	^	Aircraft Expense						
4	^	Special Purpose Vehicles Expense						
5	^	Garage Work Equipment Expense						
6	^	Other Work Equipment Expense						
7	*	General Support Expense						
8	^	Land and Building Expense						
9	^	Furniture and Artworks Expense						
10	^	Office Equipment Expense						
11	^	General Purpose Computers Expense						
12	*	Central Office Switching Expense						
13	^	Analog Electronic Expense						
14	^	Digital Electronic Expense						
15	^	Electro-Mechanical Expense						
16		Operator Systems Expense						
17	*	Central Office Transmission Expense						
18	^	Radio Systems Expense						
19	^	Circuit Equipment Expense						
20	*	Information Origination/Termination Expense						
21	^	Station Apparatus Expense						
22	^	Large Private Branch Exchange Expense						
23	^	Public Telephone Terminal Equipment Exp.						
24	^	Other Terminal Equipment Expense						
25	*	Cable and Wire Facilities Expense						
26	^	Poles Expense						
27	^	Aerial Cable Expense						
28	^	Underground Cable Expense						
29	^	Buried Cable Expense						
30	^	Submarine Cable Expense						
31	^	Deep Sea Cable Expense						
32	^	Intrabuilding Network Cable Expense						
33	^	Aerial Wire Expense						
34		Subtotals						

^ Subaccount of the account marked with a *.

Year: 2012

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: 2012

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	1,799,313,000	1,644,657,000	9.40%
8	Service cost	43,688,000	38,879,000	12.37%
9	Interest Cost	78,027,000	84,228,000	-7.36%
10	Plan Change			
11	PBO of Acquired Business & Actuarial Adj. To Plan			
12	Actuarial (Gain)/ Loss	196,304,000	160,390,000	22.39%
13	Benefits paid	(172,601,000)	(128,841,000)	33.96%
14	Special Termination Benefits and Other			#DIV/0!
15	Benefit obligation at end of year	1,944,731,000	1,799,313,000	8.08%
16	Change in Plan Assets			
17	Fair value of plan assets at beginning of year	1,257,990,000	1,290,274,000	-2.50%
18	Actual return on plan assets	139,679,000	19,883,000	602.50%
19	Fair value of plan assets for Acquired Business			
20	Employer contribution	28,598,000	76,674,000	
21	Plan participants' contributions			
22	Benefits paid	(172,601,000)	(128,841,000)	33.96%
23	Fair value of plan assets at end of year	1,253,666,000	1,257,990,000	-0.34%
24	Funded Status	(518,308,675)	(541,323,000)	-4.25%
25	Unrecognized net actuarial loss			
26	Unrecognized prior service cost			
27	Prepaid (accrued) benefit cost	(518,308,675)	(541,323,000)	-4.25%
28				
29	Weighted-average Assumptions as of Year End			
30	Discount rate	4.50%	4.50%	
31	Expected return on plan assets	7.75%	8.00%	3.23%
32	Rate of compensation increase	2.50%	2.50%	
33	Components of Net Periodic Benefit Costs			
34	Service cost	43,688,000	38,879,000	-12.37%
35	Special Termination Charge and Other			
36	Interest cost	78,027,000	84,228,000	7.36%
37	Expected return on plan assets	(95,778,000)	(100,558,000)	-4.75%
38	Amortization of prior service cost	(199,000)	(199,000)	
39	Amortization of unrecognized loss	29,890,000	15,364,000	-94.55%
40	Net periodic benefit cost	55,628,000	37,714,000	-47.50%
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	10	9	-11.11%
48	Not Covered by the Plan			
49	Active	10	9	-11.11%
50	Retired			
51	Deferred Vested Terminated			

Other Post Employment Benefits (OPEBS)

Year: 2012

	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	4.00% / 4.20%	4.50% / 4.75%	
8	Expected return on plan assets	4.00% / 3.00%	6.00% / 3.00%	
9	Medical Cost Inflation Rate	5-7.5%	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	391,596,000	478,576,000	-18.17%
20	Service cost	10,812,000	8,958,000	20.70%
21	Interest Cost	17,842,000	17,722,000	0.68%
22	Plan participants' contributions	4,059,000	4,389,000	-7.52%
23	Benefit obligation of Acquired Business at acquisition		(125,445,000)	
24	Actuarial (Gain)/ Loss	30,958,000	22,564,000	37.20%
25	Plan Change	(743,000)		
26	Benefits paid	(15,974,000)	(15,168,000)	5.31%
27	Benefit obligation at end of year	438,550,000	391,596,000	11.99%
28	Change in Plan Assets			
29	Fair value of plan assets at beginning of year	5,101,000	6,240,000	-18.25%
30	Actual return on plan assets	466,000	219,000	112.79%
31	Acquisition			
32	Employer contribution	11,403,000	9,421,000	21.04%
33	Plan participants' contributions			
34	Benefits paid	(11,915,000)	(10,779,000)	10.54%
35	Fair value of plan assets at end of year	5,055,000	5,101,000	-0.90%
36	Funded Status	(433,495,000)	(386,495,000)	12.16%
37	Unrecognized net actuarial loss			
38	Unrecognized prior service cost			
39	Prepaid (accrued) benefit cost	(433,495,000)	(386,495,000)	12.16%
40	Components of Net Periodic Benefit Costs			
41	Service cost	10,812,000	8,958,000	20.70%
42	Interest cost	17,842,000	17,722,000	0.68%
43	Expected return on plan assets	(172,000)	(324,000)	-46.91%
44	Amortization of prior service cost	(10,068,000)	(10,198,000)	-1.27%
45	Amortization of unrecognized loss	7,537,000	4,424,000	70.37%
46	Net periodic benefit cost	25,951,000	20,582,000	26.09%
47	Accumulated Post Retirement Benefit Obligation			
48	Amount Funded through VEBA	5,055,000	5,101,000	-0.90%
49	Amount Funded through 401(h)			
50	Amount Funded through Other _____			
51	TOTAL	5,055,000	5,101,000	-0.90%
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: 2012

	Item	Current Year	Last Year	% Change
1	Number of Company Employees:			
2	Covered by the Plan	7,963	7,349	8.35%
3	Not Covered by the Plan			
4	Active	5,361	5,017	6.86%
5	Retired	2,602	2,332	11.58%
6	Spouses/Dependants covered by the Plan			
7	Montana			
8	Change in Benefit Obligation			
9	Benefit obligation at beginning of year			
10	Service cost			
11	Interest Cost			
12	Plan participants' contributions			
13	Amendments			
14	Actuarial Gain			
15	Acquisition			
16	Benefits paid			
17	Benefit obligation at end of year			
18	Change in Plan Assets			
19	Fair value of plan assets at beginning of year			
20	Actual return on plan assets			
21	Acquisition			
22	Employer contribution			
23	Plan participants' contributions			
24	Benefits paid			
25	Fair value of plan assets at end of year			
26	Funded Status			
27	Unrecognized net actuarial loss			
28	Unrecognized prior service cost			
29	Prepaid (accrued) benefit cost			
30	Components of Net Periodic Benefit Cccosts			
31	Service cost			
32	Interest cost			
33	Expected return on plan assets	#VALUE!		
34	Amortization of prior service cost			
35	Recognized net actuarial loss			
36	Net periodic benefit cost	#VALUE!		
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	10	9	11.11%
54	Retired			
55	Spouses/Dependants covered by the Plan			

Payments for Services to Persons Other Than Employees

Year: 2012

Line No.	Name of Recipient (a)	Nature of Service (b)	Total Company Cost (c)	Total State Cost (d)	Intrastate Cost (e)
1	Allegis Group Services, Inc.	Contractor Support	33,291	33,291	33,291
2	Track Utilities Inc.	Contract Labor	109,238	109,238	109,238
3	Mountain LTD	Contract Labor	750	750	750
4	Royal Service	Equipment Repair	972	972	972
5	ATCO Communications Svcs LLC	Contractor Support	453	453	453
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					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47					
48					
49	Total		144,703	144,703	144,703

Subscriber Line Usage Data

Year: 2012

Line No.	Description (a)	This Year (b)	% of Total (c)	Last Year (d)	% of Total (e)
1	Toll Usage:				
2	Interstate, InterLATA	20,627,258	63.86%	23,367,019	64.56%
3	Interstate, IntraLATA	1,429,006	4.42%	1,440,625	3.98%
4	Total Interstate Usage	22,056,264	68.29%	24,807,644	68.54%
5	Intrastate, InterLATA	5,933,583	18.37%	6,836,092	18.89%
6	Intrastate, IntraLATA	4,297,603	13.31%	4,508,995	12.46%
7	Total Intrastate Usage	10,231,186	31.68%	11,345,087	31.35%
8	Total Toll Usage	32,287,450	99.96%	36,152,731	99.89%
9	Centrex				
10	Local	11,979	0.04%	39,898	0.11%
11	Total Minutes	32,299,429	100.00%	36,192,629	100.00%

Cental Office and Access Line Statistics

Year: 2012

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	3,074					1,119	103		23	315	99.9%	4,634
2	Troy, MT	DMS-10	1,590					256	10		10	71	99.9%	1,937
3	Eureka, MT	DMS-10	28					20	6		5	24	99.9%	83
4	Total Company													
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														
31														
32														
33	Total		4692			313		1395	119		38	410	2.997	6654

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

Central Office and Switch Information

Year: 2012

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
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							
31							
32							
33							
34							
35							
36							
37							
38							
39							
40							
41							
42							
43							
44							
45							
46							
47							
48							

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

PAGE 28

Construction Budget - Montana

Year: 2012

Line No.	Description (a)	2013 (b)
1	Central Office Assets:	
2	DSLAM TA 1248 48 Port W8 T1 IMA	12,316.47
3	Comtest 24 Port Splitter Card	1,136.59
4	Calix ADSL 2-24 Card	7,420.11
5	Calix GE-2P/FE-4P I-Temp	11,884.07
6	Calix 1 GIGE SFP RJ45CU 100MITE	541.62
7	TSM-24DC Secure Serial Consol	4,675.08
8	140494 Inverter 3KVA, 120V AC B	8,099.70
9	SFP-OC48/STM16, LR2, L-16.2, 15	10,794.35
10	DSLAM TA 1248 48 Port W8 T1 IMA	11,519.31
11	48 PRT Expnsn OSP DSLM, -48V LC	14,478.40
12	Clousure SPL FOSC450 30"6PRT NT	1,251.21
13	AFL Panel W/50 Meter Tail	22,126.19
14	ADTRAN TA-1248A Host	8,439.08
15	GLC-ZX-SM (Compatible)	1,201.95
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27	Total Switching and Central Office Projects over \$500,000	
28	Miscellaneous Central Office Projects not over \$500,000	115,884
29	Total Central Office Budget (Total of Line 27 & Line 28)	115,884
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	270,634
43	Total Construction Budget (Total of Lines 29, 41 & 42)	386,518

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	341,961	487,903	-29.91%

Montana Employee Counts

Year: 2012

Line No.	Category (a)	Beginning of Year (b)	End of Year (c)
1	Exempt	none	1
2	Non-Exempt	9	7
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			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41			
42			
43	Totals (Sum of Lines 1 through 42)	9	8

Compensation of Top 10 Montana Based Employees

Year: 2012

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						#DIV/0!
2	COMMUNICATIONS TECHNICIAN						#DIV/0!
3	GENERAL MANAGER						#DIV/0!
4	COMMUNICATIONS TECHNICIAN						#DIV/0!
5	COMMUNICATIONS TECHNICIAN						#DIV/0!
6	COMMUNICATIONS TECHNICIAN						#DIV/0!
7	COMMUNICATIONS TECHNICIAN						#DIV/0!
8	CUSTOMER CARE REPRESENTATIVE						#DIV/0!
9	CUSTOMER CARE REPRESENTATIVE						#DIV/0!
10	CUSTOMER CARE REPRESENTATIVE						100.00%
11	LOCAL MANAGER						100.00%
Not Completed will file when Cause # ADV 2010-945 is resolved							
11	Totals (Sum L.1 to L.10)						

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: 2012

Line No.	Account No.	Description (a)	Amount (b)
1		Plant (Intrastate Only) (000 Omitted)	
2	2001	Plant in Service	21,509
3	2003 - 2004	Construction Work in Progress	82
4	2005	Plant Acquisition Adjustments	9,623
5	2002	Plant Held for Future Use	
6	1220	Materials & Supplies	10
7		(Less):	
8	3100 - 3400	Depreciation & Amortization Reserves	25,169
9	4360.2	Contributions in Aid of Construction	
10		NET BOOK COSTS	56,394
11		Revenues & Expenses (Intrastate Only) (000 Omitted)	
12	5000 - 5300	Operating Revenues	3,090
13	6560	Depreciation & Amortization Expenses	1,581
14		Federal & State Income Taxes	706
15		Other Taxes	
16		Other Operating Expenses	1,750
17		TOTAL Operating Expenses	4,037
18		Net Operating Income	(946)
19		Other Income	
20		Other Deductions	
21		NET INCOME	(946)
22		Access Lines in Service (Intrastate Only)	
23		Residential Access Lines	4692
24		Business Access Lines	1477
25		PBX Access Lines	37
26		Other Access Lines	448
27		Total Number of Access Lines	6654
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	3,233

Depreciation - Montana Intrastate Regulated

Year: 2012

Line No.	Acct No. (a)	Description (b)	Composite Rate % (c)	Total Expense \$ (d)
1	2112	Motor Vehicles	7.7%	20,995
2	2114	Special Purpose Vehicles		
3	2115	Garage Work Equipment		
4	2116	Other work Equipment	5.6%	7,830
5	2121	Buildings	2.9%	34,390
6	2122	Furniture	3.9%	95
7	2123.1	Office Support Equipment		
8	2123.2	Company Communications Equipment		
9	2124	General Purpose Computers	9.8%	1,764
10	2211	Analog Electronic Switching Equipment		
11	2212	Digital Electronic Switching Equipment	6.5%	171,739
12	2215	Step By Step Switching Equipment		
13	2215	Crossbar Switching Equipment		
14	2220	Operator System		
15	2231	Radio Systems		
16	2232	Circuit DDS	7.1%	311,938
17	2232	Circuit Digital		
18	2232	Circuit Analog		
19	2351	Public Telephone Terminating Equipment		
20	2362	Other Terminal Equipment		
21	2411	Poles	6.3%	35,118
22	2421	Aerial Cable Metallic	6.9%	174,594
23	2421	Aerial Cable Nonmetallic		
24	2422	Underground Cable Metallic	4.7%	5,526
25	2422	Underground Cable Nonmetallic		
26	2423	Buried Cable Metallic	4.8%	490,107
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		
33	2441	Conduit Systems	2.2%	2,353
34				
35		COMPOSITE TOTAL		
36	Please list the Montana Public Service Commission Docket Order No. approving these depreciation rates Docket Number <u>93.7.30</u> Order Number _____			
37				
38				
39				
40				

Amortization - Montana Intrastate Regulated

Year: 2012

Line No.	Acct No. (a)	Description (b)	Composite Rate % (c)	Total Expense \$ (d)
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				
31				
32				
33				
34				
35		COMPOSITE TOTAL		
36	Please list the Montana Public Service Commission Docket Order No. approving these amortization rates			
37				
38				
39				
40				
		Docket Number _____	Order Number _____	

Montana Regulatory Capital Structure & Costs

Year: 2012

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				
10	Actual at Year End			
11				
12	Common Equity	50.50%	-27.74%	-14.01%
13	Preferred Stock			
14	Long Term Debt	49.50%	7.97%	3.95%
15	Other			
16	Total	100.00%		-10.066%

Network Access - Charges and Revenues

Year: 2012

Line No.	Description (a)	Access Charges Paid (b)	Access Revenues Received (c)
1	Montana - Total State		3,523,079
2			
3	Montana - Intrastate		828,893
4			
5	Montana - Intrastate Regulated		828,893
6			
7			
8			
9			
10			
11			
12			
13			

Affiliate Transactions - Products & Services Provided to Utility

Year: 2012

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	Executive Mgmt, Legal, Accounting, Share Holder Relations, HR	Fully Distributed Cost per FCC Part 64.901	75,004		75,004
2	Company (Parent)					
3						
4	Telecom Sector Central Services	Financial, Regulatory, G/L, A/P, PY, IT, Legal, Engineering, Customer Service	Fully Distributed Cost per FCC Part 64.901	1,111,528		1,111,528
5						
6	Telecom Regional Services	Local Management	Fully Distributed Cost per FCC Part 64.901	106,017		106,017
7						
8						
9	Telecom Sector Central Services	Billing System Conversion	Fully Distributed Cost per FCC Part 64.901	120,001		120,001
10						
11						
12	Telecom Sector Central Services (Conversion)					
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30	TOTAL			\$1,412,549		\$1,412,549

Affiliate Transactions - Products & Services Provided by Utility

Year: 2012

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	N/A					
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30	TOTAL					

Montana Intrastate Regulated Earned Rate of Return

Year: 2012

Line No.	Description Rate Base (a)	This Year (b)	Last Year (c)	Percent Change (d)
1				
2	2001 Plant in Service	21,101,758	21,187,995	-0.41%
3	2002 Prop. Held for Future Telecommunications Use			
4	3100-3200 (Less) Accumulated Depreciation	(17,160,343)	(16,346,717)	-4.98%
5	Plant in Service	3,941,415	4,841,278	-18.59%
6				
7	Additions			
8	1220 Materials & Supplies	8,834	7,318	20.72%
9	1280 Prepayments			
10	Other Additions			
11	TOTAL Additions	8,834	7,318	20.72%
12				
13	Deductions			
14	4100 Current Deferred Operating Income Taxes			
15	4320 Unamortized Operating Investment Tax Credits			
16	4340 Noncurrent Deferred Operating Income Taxes	586,554	577,407	1.58%
17	Customer Advances for Construction			
18	Other Deductions			
19	TOTAL Deductions	586,554	577,407	1.58%
20	TOTAL Rate Base	3,363,695	4,271,189	-21.25%
21				
22	Net Earnings	(552,299)	(534,950)	-3.24%
23				
24	Rate of Return on Average Rate Base	-16.419%	-12.525%	-31.09%
25				
26	Rate of Return on Average Equity	-40.326%	-32.672%	-23.43%
27				
28	Major Normalizing Adjustments & Commission			
29	Rate-making adjustments to Utility Operations			
30	4340 Remove Deferred Income Taxes related to Telecom	(1,514,699)	(1,479,069)	
31	Plant Adjustment (TPA)			
32				
33	Comp Tax Rate @ 39.39% w/interest expense adjustment	61,249	75,800	-19.20%
34				
35				
36				
37				
38				
39				
40				
41				
42				
43	Adjusted Rate of Return on Average Rate Base	-10.07%	-7.98%	-26.06%
44				
45	Adjusted Rate of Return on Average Equity	-27.74%	-23.68%	-17.16%

Other Taxes Paid

Year: 2012

Line No.	Description (a)	Last Year (b)	This Year (c)
1	Montana Retail telecommunications Excise Tax	113,364	111,363
2	Montana Public Service Commission Tax	9,997	4,850
3	Montana Consumer Counsel Tax	2,411	2,977
4	911 Emergency Telephone Fee	71,074	73,937
5	Montana Telecommunications Access Service (TDD)	6,132	5,873
6	Real Property Tax	359,819	346,583
7			
8			
9			
10			
11			
12	Total	562,797	545,583

SCHEDULE 37**Universal Service Funds Received**

Year: 2012

Line No.	Description (a)	Last Year (b)	This Year (c)
13	Funds received from Montana Sources		
14	Funds received from Federal Sources	779,117	786,951
15			
16			
17			
18			
19			
20			
21			
22			
23			
24	Total	779,117	786,951