



LINCOLN TELEPHONE COMPANY, INC.

April 18, 2017

Montana Public Service Commission
1701 Prospect Avenue
P. O. Box 202601
Helena, MT 59620-2601

RE: Docket No. N2017.2.12

Enclosed please find copy of Lincoln Telephone Company's Montana Public Service Commission Annual Report for the year ending 2016. Please note the information requested in Schedule 5 is involved in litigation and said statement is reflected on schedule.

Lincoln's Annual Report was also filed electronically under Docket No. N2017.2.12.

Sincerely,

Ken Lumpkin
General Manager

"SERVING YOU SINCE 1921"

111 STEMPLE PASS ROAD • LINCOLN, MT 59639-9701 • 362-4216

General Information

Year: **2016**

1	Legal Name of Respondent:	Lincoln Telephone Company, Inc.
2	Name Under Which Respondent Does Business:	Lincoln Telephone Company, Inc.
3	Date of Incorporation:	1921
4	Address to send Correspondence Concerning Report:	111 Stemple Pass Road, Lincoln, MT 59639
5	Person Responsible for This Report:	Ken Lumpkin
5a.	Telephone Number:	(406) 362-4216

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:
	1b. Means by which control was held:
	1c. Percent Ownership:

Montana Total State Income Statement**2016**

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		REVENUES:		
2	5000	Basic Local Service Revenues	313,464	306,115
3	5080	Network Access Revenues	1,079,351	951,200
4	* 5100	Long Distance Message Revenue	0	0
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	15,514	15,515
10	^ 5230	Directory Revenue		
11	^ 5240	Rent Revenue		
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	15,514	15,515
14	^ 5270	Carrier Billing and Collection Revenue		
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	4,977	3,105
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)	1,403,352	1,269,725
18		OPERATING EXPENSES:		
19	6110	Network Support Expense		
20	6120	General Support Expense	32,504	37,383
21	6210	Central Office Switching Expense	262,262	233,944
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	108,121	65,285
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense	192,645	144,021
26	^ 6431	Aerial Wire Expense	5,694	3,953
27	^ 6441	Conduit Systems Expense	186,951	140,068
28	6510	Other Property, Plant & Equipment Expense		
29	6530	Network Operations Expense	62,759	71,124
30	6540	Access Expense	15,375	14,512
31	6560	Depreciation and Amortization Expense	330,386	309,319
32	6610	Marketing		
33	6620	Services	189,517	149,568
34	6710	Executive and Planning	94,592	95,555
35	6720	General and Administrative	281,402	292,215
36	6790	Provision for Uncollectible Notes Receivable		
37		Total Operating Expenses (Sum L.19 to L.36-L.26)	1,569,563	1,412,926
38	7100	Other Operating Income and Expense	(34,423)	(34,843)
39	7200	Operating Taxes	(100,390)	(5,621)
40		Net Operating Income (L.17-L.37+L.38-L.39)	(100,244)	(172,423)

^ Subaccount of the account marked with a *.

Not Required as company has less than 5,000 subscribers

Montana Intrastate Income Statement**2016**

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		REVENUES:		
2	5000	Basic Local Service Revenues		
3	5080	Network Access Revenues		
4	* 5100	Long Distance Message Revenue	0	0
5	^ 5110	Unidirectional Long Distance Revenue		
6	^ 5120	Long Distance Private Network Revenue		
7	^ 5160	Other Long Distance Revenue		
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18		OPERATING EXPENSES:		
19	6110	Network Support Expense		
20	6120	General Support Expense		
21	6210	Central Office Switching Expense		
22	6220	Operator Systems Expense		
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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.37)	0	0
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes		
40		Net Operating Income (L.17-L.37+L.38-L.39)	0	0

^ Subaccount of the account marked with a *.

Montana Intrastate Regulated Income Statement

2016

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		REVENUES:		
2	5000	Basic Local Service Revenues	313,464	306,115
3	5080	Network Access Revenues	1,079,351	951,200
4	* 5100	Long Distance Message Revenue	0	0
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39	7200	Operating Taxes	(100,390)	(5,621)
40		Net Operating Income (L.17-L.37+L.38-L.39)	(100,244)	(172,423)

^ Subaccount of the account marked with a *.

Average Rate Base - Total State**2016**

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	7849785	7470687
2	3100	Accumulated Depreciation	5056470	4726084
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies	24304	34372
6	4340	Noncurrent Deferred Operating Income Taxes	25459	138813
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)	2792160	2640162

Average Rate Base - Intrastate

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	7849785	7470687
2	3100	Accumulated Depreciation	5056470	4726084
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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)	2792160	2640162

Average Rate Base - Regulated Intrastate

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
		Not Required as company has less than 5,000 subscribers		
1	2001	Telecommunications Plant in Service		
2	3100	Accumulated Depreciation		
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies		
6	4340	Noncurrent Deferred Operating Income Taxes		
7		Pre-1971 Unamortized Investment Tax Credits		
8		Cash Working Capital (if allowed by Commission)		
9		Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7)	0	0

Executive Compensation - Montana-Based Employees

Name/Title (a)	Base Salary (b)	Bonuses (c)	Other Compensation (d)	Total Compensation (e)
Involved in Litigation				0
				0
				0
				0
				0
				0
				0
				0
				0
Total executive compensation in the aggregate				0