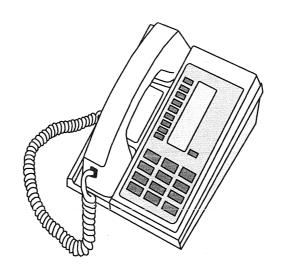
YEAR ENDING 2006

ANNUAL REPORT

TELEPHONE UTILITY



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

2006 Telephone Annual Report

Instructions

General

- 1. A Microsoft EXCEL workbook of the annual report is being provided on our website for your convenience. The workbook contains the schedules of the annual report. Each schedule is on the worksheet named that schedule. For example, Schedule 1 is on the sheet titled "Schedule 1". By entering your company name in the cell named "Company" of the first worksheet, the spreadsheet will put your company name on all the worksheets in the workbook. The same is true for inputting the year of the report in the cell named "YEAR". You can "GOTO" the proper cell by using the F5 key and selecting the name of the cell. You may also obtain these instructions and the report in both an Adobe Acrobat format and as an EXCEL file from our website at http://psc.mt.gov/ under the "Reports" section on that page. Please be sure you use the 2006 report form.
- 2. Use of the EXCEL© file is optional. There are macros built into the workbook to assist you with the report.
- 3. All forms must be filled out in permanent ink and be legible. Note: Even if the computer disk is used, a printed version of the report shall be filed. Please submit one unbound copy of the annual report along with the regular number of annual reports that you submit. This aids in scanning the report so that it may be published on our web site. The orientation and margins are set up on each individual worksheet and should print on one page. If you elect not to use the disk, please format your reports to fit on one 8.5" by 11" page with the left binding edge (top if landscaped) set at .85", the right edge (bottom if landscaped) set at .4", and the remaining two margins at .5".
- 4. Unless otherwise indicated, all information required in these schedules shall be from the accounts prescribed in 47 C.F.R. Part 32 and the definitions and instructions therein will apply to this report wherever applicable.
- 5. Information on financial schedules may be rounded to thousands of dollars for companies with over 5,000 access lines. Companies submitting schedules rounded to thousands should so indicate at the top of the schedule.
- 6. Where more space is needed or more than one schedule is needed additional schedules may be attached and should be included directly behind the original schedule to which it pertains and be labeled accordingly (for example, Schedule 1A).
- 7. The information required with respect to any statement shall be furnished as a minimum requirement to which shall be added such further information as is necessary to make the required schedules not misleading.

8. The following schedules should be filled out with information on a total company basis:

Schedules 1 - 4 Schedule 10 Schedules 13 - 17 Schedule 19 Schedule 20, Page 1 of 2 Schedules 33 and 34

All other schedules should be filled out with Montana specific data. Financial schedules should include all amounts originating in Montana or allocated to Montana from other jurisdictions.

- 9. All companies owned by another company shall attach a corporate structure chart of the holding company.
- 10. The following schedules are not required to be filled out or submitted by companies with less than 5,000 access lines:

Schedule 6 Schedules 17 and 18 Schedule 21

- 11. Schedules that have no activity during the year or are not applicable to the respondent should be marked as not applicable and submitted with the report.
- 12. Companies with under 5,000 lines may use summary accounts and should leave lines for subaccounts blank. Summary accounts are noted with an asterisk and subaccounts that are not required are noted with a caret.
- 13. Companies with over 5,000 lines must complete schedules to all required subaccount detail.
- 14. FCC Form M sheets may not be substituted in lieu of completing annual report schedules.
- 15. Common sense must be used when filling out all schedules.

Specific Instructions

Schedules 6, 7, 8, 18, 29, 30 and 35

1. The Montana Public Service Commission approved intrastate depreciation rates must be utilized in the preparation of these schedules.

Schedules 3 through 9

- 1. **Schedules 3, 4, and 9** should include all notes to the financial statements required by the FCC or included in the financial statements issued as audited financial statements. These notes should be included in the report directly behind the schedules and should be labeled appropriately (Schedule 3A, etc.).
- 2. **Schedule 5** may be omitted for companies doing business only in Montana.
- 3. **Schedule 6** is not required for companies with under 5,000 lines.
- 4. **Schedule 7** must be completed by all companies. For companies under 5,000 lines, this schedule may be completed on a total state basis. Any such company completing the form on a total state basis shall indicate this fact clearly on the form.
- 5. **Schedule 8** Companies with less than 5,000 lines are not required to fill out the intrastate portion. The regulated rate base must be separated from the deregulated rate base but this may be done on a total state basis. Any company so doing shall clearly indicate this on the form.
- 6. Only accounts designated on **Schedule 8** may be included in rate base. Only companies who have specifically been authorized in a Commission order to include cash working capital in rate base may fill out line 8 on Schedule 8. Cash working capital must be calculated using the methodology approved in the Commission order. The most recent Commission Order, and Docket, specifying cash working capital shall be noted on the schedule.
- 7. **Schedule 9** Instructions to complete are similar to those used for the Statement of Cash Flows in the FCC Form M.

Schedule 10

1. For the purpose of this schedule, nonofficial companies shall include any company in which the respondent has an ownership interest which does not meet the definition of an affiliated company set out in 47 C.F.R. Section 32.9000. This schedule shall not include telecommunications accounts receivable from other customers.

1. All amounts listed in Column f that represent individual items for which the higher of cost or market value was in excess of \$50,000 for companies with under 5,000 lines and in excess of \$100,000 for companies with over 5,000 lines must be fully explained in notes to this schedule. The explanation must include the plant description and location, the original cost, the net book cost, the market value, the value at which it was transferred or the price at which it was sold, and the party to which it was transferred or sold.

Schedule 12

- 1. Respondents shall list each item amounting individually to \$100,000 or more and report all others in the aggregate.
- 2. Amounts in Column f relating to individual items exceeding \$50,000 shall be fully explained.

Schedule 15

- 1. Line 1 must be completed by all companies for the most recent calendar year. The retention and price/earnings ratios shall be calculated on a year end basis. Enter the actual year end market price in the "Year Ended" row. If the computer disk is used, enter the year end market price in the "High" column.
- 2. Lines starting at 9 shall be completed for each of the twelve months of the report year for all companies with over 5,000 access lines. Earnings per share and dividends per share shall be reported on a quarterly basis and entries shall be made only to the months that end the respective quarters (for example, March, June, September, and December.)

Schedule 19

- 1. All companies are required to submit this form. Companies with more than one plan (for example, both a retirement plan and a deferred savings plan) shall complete a schedule for each plan.
- 2. Companies with defined benefit plans must complete the entire form using FASB 87 and 132 guidelines.
- 3. Interest rate percentages shall be listed to two decimal places.

Schedule 20

- 1. All changes to the employee benefit plans shall be explained in a narrative on lines 15 and 16. All cost containment measures implemented in the reporting year shall be explained and quantified in a narrative on lines 15 & 16. All assumptions used in quantifying cost containment results shall be disclosed.
- 2. The schedule shall be filled out using FASB 106 and 132 guidelines.

1. Respondents shall disclose all payments made during the year where the aggregate payment to the recipient was \$25,000 or more. Payments must include fees, retainers, commissions, gifts, contributions, assessments, bonuses, subscriptions, allowances for expenses or any other form of payment for services or as a donation.

Schedule 23

1. Respondents shall provide an attached sheet detailing the type and corresponding number of access lines for all entries in Column L (Other). At the company's option, it may file for this information to be considered proprietary, however, the totals are not considered proprietary and need to be filed in the public annual report.

Schedule 24

- 1. Column (b). For each wire center that has a configuration of "Remote", Column (b) shall also reflect the respective "Host".
- 2. Column (c). Examples of Types of Switches are: Digital, Step by Step, and Crossbar.

Schedule 25

1. This schedule must be completed by all companies for the year following the reporting year.

Schedule 25a

1. This schedule should reflect the amount of total dollars spent in Montana during the reporting year and booked to the accounts listed on the schedule per the Code of Federal Regulations (CFR), Title 47, Chapter 1, Part 32. Universal System of Accounts.

Schedule 26

1. Respondents shall either report construction technicians and splicers as separate categories or footnote the appropriate categories and indicate the number of (1) construction technicians; and (2) splicers.

Schedule 27

- 1. Include in column (d) ALL additional forms of compensation, including, but not limited to: deferred compensation, deferred savings plan, profit sharing, supplemental or non-qualified retirement plan, employee stock ownership plan, restricted stock, stock options, stock appreciation rights, performance share awards, dividend equivalent shares, mortgage payments, use of company cars or car lease payments, tax preparation consulting, financial consulting, home security systems, company-paid physicals, subscriptions to periodicals, memberships, association or club dues, tuition reimbursement, employee discounts, and spouse travel.
- 2. The above compensation items shall be listed separately. Where more space is needed additional schedules may be attached and shall be included directly behind the original schedule to which it pertains.

- 1. Respondents shall provide all executive compensation information in conformance with that required by the Securities and Exchange Commission (SEC) (Regulation S-K Item 402, Executive Compensation).
- 2. Include in column (d) ALL additional forms of compensation, including, but not limited to: deferred compensation, deferred savings plan, profit sharing, supplemental or non-qualified retirement plan, employee stock ownership plan, restricted stock, stock options, stock appreciation rights, performance share awards, dividend equivalent shares, mortgage payments, use of company cars or car lease payments, tax preparation consulting, financial consulting, home security systems, company-paid physicals, subscriptions to periodicals, memberships, association or club dues, tuition reimbursement, employee discounts, and spouse travel.
- 3. All items included in Column (d) Other Compensation shall be listed separately. Where more space is needed additional schedules may be attached and shall be included directly behind the original schedule.
- 4. In addition, respondents shall attach a copy of the executive compensation information provided to the SEC.

Schedule 29

1. Information from this schedule is consolidated with information from other Utilities and reported to the National Association of Regulatory Utility Commissioners (NARUC). Your assistance in completing this schedule, even though information may be located in other areas of the annual report, expedites reporting to the NARUC and is appreciated.

Schedule 30 and 30a

1. If the total of lines 35 on these schedules differs from Line 31 on Schedule 7 please reconcile the difference.

Schedules 33 and 34

- 1. Respondents shall report all transactions with affiliated companies.
- 2. Column (c). Respondents shall indicate in column (c) the method used to determine the price. Respondents shall indicate if a contract is in place between the Affiliate and the Utility. If a contract is in place, respondents shall indicate the year the contract was initiated, the term of the contract and the method used to determine the contract price.
- 3. Column (c). If the method used to determine the price is different than the previous year, respondents shall provide an explanation, including the reason for the change.

- 1. Respondents shall provide an attached sheet detailing the account and the amount for all entries made to Lines 9 and 16.
- 2. Only companies who have specifically been authorized in a Commission Order to include cash working capital in rate base may include cash working capital in lines 9 or 16. Cash working capital must be calculated using the methodology approved in the Commission Order. The Commission Order specifying cash working capital shall be noted on the attached sheet.
- 3. Respondents shall indicate, for each adjustment on lines 30 through 42, if the amount is updated or if it is from the last rate case. All adjustments shall be calculated using Commission methodology.

Schedule 36

1. Respondents shall list the amount of tax accrued or paid for the fiscal year attributable to Montana sources for each of the listed taxes

Schedule 37

2. Respondents shall list the amount of Universal Service Funds received from Montana and from the federal government.

Telephone Annual Report

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General Information

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- 1. Legal Name of Respondent:
- 2. Name Under Which Respondent Does Business:
- 3. Date of Incorporation:
- 4. Address to send Correspondence Concerning Report:
- 5. Person Responsible for This Report:
- Sa. Telephone Number:

Control Over Respondent

- 1. If direct control over the respondent was held by another entity at the end of year provide the following:
 la. Name and address of the controlling organization or person:
 - 1b. Means by which control was held:
 - 1c. Percent Ownership:

	Board of Directors	
Line No.		Fees Paid During Year
1	(4)	(b)
2		
3		
4		
5		
6		
7		
8		
9		
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11		
12		
13		
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15		
16		
17		
18	Chairman of the Board:	
19		
20		

Officers

Year

T .	53.14	Department Over Which	Year:
Line	of Officer	Jurisdiction is Exercised	Name and Address of Person
No.	(a)		Holding Office at Year End
1	(11)	(b)	(c)
2			
3	•		
4			
5			
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Page 1 of 2

Total Company Balance Sheet

Year:

	Т	A = = 2	Total Company Balance Sheet		Year:
Line		Acct. No.		This	Last
No.			Description	Year	Year
-	+	(a)	(b)	(c)	(d)
1		11120	CURRENT ASSETS:		
2		1120	Cash and Equivalents		
3		1180	Telecommunications Accounts Receivable - Net		
4		1190	Other Accounts Receivable - Net		
5	1	1200	Notes Receivable - Net		
6		1210	Interest and Dividends Receivable		
7		1220	Materials and Supplies		
8	*	1280	Prepayments		
9	^	1290	Prepaid Rents		
10	^	1300	Prepaid Taxes		
111	^	1310	Prepaid Insurance		
12	^	1320	Prepaid Directory Expenses		
13	^	1330	Other Prepayments		
14	igspace	1350	Other Current Assets		
15	_		Total Current Assets		
16			NONCURRENT ASSETS:		
17		1401	Investments in Affiliated Companies		
18		1402	Investments in Nonaffiliated Companies		
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	ï	
26			Total Noncurrent Assets		· · · · · · · · · · · · · · · · · · ·
27			PROPERTY, PLANT, & EQUIPMENT:		
28		2001	Telecommunications Plant in Service		
29		2002	Property Held for Future Telecommunications Use		
30		2003	Plant Under Construction - Short Term		
31	-	2004	Plant Under Construction - Long Term		
32		2005	Telecommunications Plant Adjustment		
33		2006	Nonoperating Plant		
34		2007	Goodwill		
35		3100	Accumulated Depreciation		
36		3200	Accumulated Depreciation - Held for Future Use		
37		3300	Accumulated Depreciation - Nonoperating		
38		3400	Accumulated Amortization		
39			Net Property, Plant, & Equipment		
	T		1		
40		ļr.	TOTAL ASSETS		,
^ Sub	300		account marked with a *		.

Page 2 of 2

Total Company Balance Sheet

		Total Company Balance Sheet		Year:
Line	Acci	į	This	Last
No.	No.	Description	Year	Year
	(a)	(b)	(c)	(d)
41		CURRENT LIABILITIES:		(d)
42	4010	i and a significant of the signi		
43	4020			·
44	4030	and I tryments		
45	4040	Customer Deposits		
46	4050	Current Maturities - Long Term Debt		
47	4060	Current Maturities - Capital Leases		
48	4070	Income Taxes - Accrued		
49	4080	Other Taxes - Accrued		
50	4100			
51	4110	Net Current Deferred Nonoperating Income Taxes		
52	4120	Other Accrued Liabilities		
53	4130			
54		Total Current Liabilities		
55		LONG-TERM DEBT:		
56	4210		·	
57	4220	Premium on Long-Term Debt		
58	4230			
59	4240			
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		
69	4350	Net Noncurrent Deferred Nonoper. Income Taxes	,	
70	4360	Other Deferred Credits		
71	4370	Other Jurisdictional Liab. and Def. Credits		
72		Total Other Liabilities and Deferred Credits		
73		STOCKHOLDERS' EQUITY:		
74	4510	Capital Stock		·
75	4520	Additional Paid-In Capital		
76	4530	Treasury Stock		
77	4540	Other Capital		
78	4550	Retained Earnings		
79 .	-	Total Stockholders' Equity		
00		TOTAL TELEVISION OF THE PROPERTY OF THE PROPER		
80		TOTAL LIAB. AND STOCKHOLDERS' EQUITY		

Total Company Income Statement

Year: Acct. Line This Last No. Description No. Year Year (a) (b) (c) (d) 1 REVENUES: 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 Total Operating Expenses (Sum L.19 to L.36-L.26-L.27) 37 38 7100 Other Operating Income and Expense 39 7200 Operating Taxes 40 **Net Operating Income** (L.17-L.37+L.38-L.39) 41 7300 Nonoperating Income and Expense 42 7400 Nonoperating Taxes 43 7500 Interest and Related Items 44 7600 Extraordinary Items 45 7910 Effects of Juris. Ratemaking Diff. - Net 46 7990 Nonregulated Net Income 47 NET INCOME (L.40+L.41-L.42-L.43-L.44+L.45-L.46)

^ Subaccount of the account marked with a *.

Montana Total State Income Statement

Year: Acct. Line This No. Last Description No. Year (a) Year (b) (c) 1 **REVENUES:** (d) 2 5000 Basic Local Service Revenues 3 5080 Network Access Revenues 4 Long Distance Message Revenue 5100 5 5110 Unidirectional Long Distance Revenue 6 Long Distance Private Network Revenue 5120 7 5160 Other Long Distance Revenue 8 Other Long Distance Revenue Settlements 5169 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 Central Office Transmission Expense 6230 24 Information Origination/Termination Expense 6310 25 6410 Cable and Wire Facilities Expense 26 6431 Aerial Wire Expense 27 6441 Conduit Systems Expense 28 Other Property, Plant & Equipment Expense 6510 29 6530 Network Operations Expense 30 6540 Access Expense Depreciation and Amortization Expense 31 6560 32 6610 Marketing 33 6620 Services 34 Executive and Planning 6710 35 6720 General and Administrative 36 Provision for Uncollectible Notes Receivable 6790 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)

Montana Intrastate Income Statement

Year.

	Т	Λ 4	Withtana Intrastate Income Statement		Year:
Line		Acct.		This	Last
No.		No.	Description	Year	Year
1	-	(a)	(b)	(c)	(d)
1		5000	REVENUES:		
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		4	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	1	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)		
A C 1	_			1	i

Montana Intrastate Regulated Income Statement

Year: Acct. Line This Last No. Description No. Year Year (a) (b) (c) (d) 1 **REVENUES:** 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 Other Long Distance Revenue 5160 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 Total Revenues (L.2+L.3+L.4+L.9-L.16) 17 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 Information Origination/Termination Expense 6310 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 *.

Average Rate Base - Total State

		Average Rate Base - Total State		Year:
Line No.	Acct. No. (a)	Description (b)	This Year	Last Year
1	2001	Telecommunications Plant in Service	(c)	(d)
2	3100	Accumulated Depreciation		
3		Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies	A	
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)		
		11, 210)		

Average Rate Base - Intrastate

	A .	8 2201		
Line	Acct.		This	Last
No.	No.	Description	Year	Year
INO.	(a)	(b)	1	1
1	2001	Telecommunications Plant in Service	(ċ)	(d)
.2	3100	Accumulated Depreciation		
3		Property Held for Future Telecommunications Use		
4		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+L.8)		

Average Rate Base - Regulated Intrastate

	Α .			
Line	Acct.	·	This	Last
No.	No.	Description	Year	Year
110.	(a)	(b)	(c)	
1	2001	Telecommunications Plant in Service	(0)	(d)
2	3100	Accumulated Depreciation		
3	2002	Property Held for Future Telecommunications Use		
4		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+L.8)		

Statement of Cash Flows

Year:

Line	Itom Description	7	Y ear:
No.	Item Description (a)	Amount	Amount
1	Increase/(decrease) in Cash & Cash Equivalents	(b)	(c)
2	Cash Flows from Operating Activities:		
3.	Net Income		
4	Reconciliation Adjustments:		
5	Depreciation & Amortization		
6	Provision for Accounts Receivable Losses		
7	Deferred Income Taxes - Net		
8	Unamortized Investment Tax Credits (ITCs) - Net		
9	Allowance for Funds Used During Construction (AFUDC)		
10	Change in Operating Receivables - Net		
11	Change in Materials, Supplies & Inventories - Net		
12	Change in Operating Payables & Accrued Liabilities - Net		
13	Change in Other Assets & Deferred Credits - Net		
14	Change in Other Liabilities & Deferred Credits - Net		
15	Other (explained on back of this page)		
16	Total Adjustments		
17	Net Cash Provided by/(Used in) Operating Activities		
18	Cash Inflows/Outflows From Investing Activities:		
19	Construction/Acquisition of Property, Plant & Equipment (net of		
20	AFUDC & Capital Lease Related Acquisitions)		
21	Proceeds from Disposals of Property, Plant & Equipment		
22	Investments In & Advances to Affiliates		
23	Proceeds from Repayment of Advances		
24	Other Investing Activities (explained on back of this page)		
25	Net Cash Provided by/(Used in) Investing Activities		
26	Cash Flows from Financing Activities:		
27	Net Incr./(Decr.) in Short-Term Debt, Original maturity < = 3 mo.		
28	Advances from Affiliates		,
29	Repayment of Advances from Affiliates		
30	Proceeds from Issuances of Long-Term Debt		
31	Repayment of Long-Term Debt		
32 33	Payment of Capital Lease Obligations		
34	Proceeds from Issuing Common Stock/Parent Co. Equity Investment		
35	Repurchase of Treasury Shares Dividends Paid		
36	· ·		
37	Other Financing Activities (explained on back of this page) Net Cash Provided by Financing Activities		
38	Effect of Exchange Rate Changes on Cash		
	Net Increase/(Decrease) in Cash & Cash Equivalents		
40	Cash & Cash Equivalents at Beginning of Period		
41	Cash & Cash Equivalents at End of Period		
	at Line of I CHOU		

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Vear	Account 1402 Investments in Nonaffil. Companies	(k)																									
	Account 1401 Investments in Affil. Companies	(j)						-																196			_
oanies	Account 1210 Interest and Dividends Receivable	(i)					-								,		-	-									_
iated Com	Account 1201 Notes Receivable Allowance	(h)	. •																								
& Nonaffil	Account 1200 Notes Receivable	(g)																-				•			·		
Receivables and Investments-Affiliated & Nonaffiliated Companies	Account 1191 Accounts Receivable Allow Other	(f)															* The second										
Investmen	Account 1190 Other Accounts Receivable	(e)																					***************************************				
eivables and	Account 1181 Accts. Rec. Telecom. Allowance	(p)												-						***************************************							
Rec	1 2 H &	(0)						The second second second																			
	Account 1160 Temporary Investments	(a)																									
	Name of Affiliate or Company	(a)		3																						Totals	
	Line No.	-	3 %	4	S	9 1	- ∞	6	10	. 12	13	4 .	21	17	81	19	70	21	77	2 2 2	25	97	27	28	+	30 1	
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Name:	
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Account Description Balance Account Description California Californi	Account Description Of Year Additions States & Account 2001 Accountation Of Year Additions States & Account 2001 Accountation Of Year Additions City Of Of Of Of Of Of Of O	<u> </u>					Beginning	C I I I I I I I I I I I I I I I I I I I	Ivet I tant in Service - Detail		End of Year	Vear End	Fnd of Vear
1 Comparison Compaction Splance Additions Retirements Transfers Balance Deprecation Compaction Compa	* 210 Land and Support Asserts Planafers Additions Retirements Planafers Depreciation Factor Planafers Pla	٠, ٦	ine		ţ	Ċ	of Year			Sales &	Account 2001	Accumulated	Net Plant
110 Land and Support Assets 2110 Land and Support Assets 2111 Land Actor Vehicles 2112 Motor Vehicles 2113 Motor Vehicles 2113 Motor Vehicles 2114 Grange Work Equipment 2115 Buildings 2116 Buildings 2116 Buildings 2121 Buildings 2121 Grange Work Equipment 2221 Grange Work Equipment 2221 Grange Buildings 2221 Grange Buildings 2221 Grange Buildings 2221 Radio Systems 2221 R	2110 Land and Support Assets 2110 Land and Support Assets 2111 Land Androv Vehicles 2112 Motor Vehicles 2113 Motor Vehicles 2113 Motor Vehicles 2114 Special Purpose Vehicles 2116 Other Work Equipment 2116 Other Work Equipment 2121 Buildings 2121 Buildings 2121 Digital Electronic Switching 2221 Digital Electronic Switching 2221 Cheer Ordic Switch	<u>~ 1</u>	Jo.	7	(a)	Description (b)	Balance (c)	Additions (d)	Retirements (e)	Transfers (f)	Balance	Depreciation	Balance
1	111 Morey Vehicles		_		2110	Land and Support Assets					(8)	(11)	(1)
1			7		2111	Land					-	-	
1	111 Aircraft		8		2112	Motor Vehicles		-					
10	114 Special Purpose Vehicles 115 Garage Work Equipment 116 Other Work Equipment 116 Other Work Equipment 117 Other Work Equipment 118 Other Other Switching 118 Other Other Other Switching 118 Other Ot		4		2113	Aircraft							
10 10 10 10 10 10 10 10	2116 Gorage Work Equipment 2116 Cohen Work Equipment 2117 Cohen Work Equipment 2118 Baildings 2119 Chine Equipment 2119 Chine Equipment 2110 Chine Equipment 2111 Analog Electronic Switching 2111 Analog Electronic Switching 2112 Chine Equipment 2113 Radio Systems 2113 Radio Systems 2114 Radio Systems 2115 Chine Equipment 2116 Chine Equipment 2117 Chine Equipment 2118 Chine Equipment 2119 Chine Equipment 2119 Poles 2110 Chine Equipment 2111 Poles 2111 Poles 2111 Poles 2112 Chine Equipment 2113 Buried Cable 2114 Poles 2115 Chine Equipment 2116 Chine Equipment 2117 Chine Equipment 2118 Chine Equipment 2119 Chine Equipment 2110 Chine Equipment 2110 Chine Equipment 2110 Chine Equipment 2111 Chine Equi		2		2114	Special Purpose Vehicles		-					
10	12 20 Other Work Equipment 2118 Duildings 212 Buildings 212 Buildings 213 Buildings 213 Chiffee Equipment 213 Office Equipment 214 General Purpose Computers 215 Chief Equipment 215 Chief Equipment 215 Electro-Mechanical Switching 215 Electro-Mechanical Switching 215 Electro-Mechanical Switching 216 Chief Equipment 217 Chief Equipment 218 Chief Equipment 218 Chief Chief Equipment 219 Information Orig & Term Equip 219 Chief Chief Equipment 219 Chief Chief Equipment 219 Chief Equipment 219 Chief Equipment 224 Shimarine Cable 224 Shimarine Cable 224 Shimarine Cable 224 Shimarine Cable 224 Chief Equipment 224		9		2115	Garage Work Equipment							
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10 10 10 10 10 10 10 10	A 2122 Furniture A 2123 Office Equipment A 2124 General Purpose Computers A 212 Office Equipment A 212 Digital Electronic Switching 2212 Digital Electronic Switching 2213 General Switching 2214 Electro-Mechanical Switching 2220 Operator Systems 2221 Radio Systems 2222 Circuit Equipment * 2310 Information Orig & Term Equip * 2311 Information Orig & Term Equip * 2312 Information Orig & Term Equip * 2313 Information Orig & Term Equip * 2314 Information Orig & Term Equip * 2315 Public Telephone Term. Equip. * 2321 Arriad Cable * 2421 Arriad Equipment * 2421 Arriad Equipment * 2422 Underground Cable * 2423 Exercise * 2424 Submarine Cable * 2425 Exercise * 2426 Intrabuliding Network Cable * 2436 Intrabuliding Network Cable * 2441 Arriad Wire * 2441 Arriad Wire * 2441 Conduit Systems * 2441 Conduit Systems * 2441 Conduit Systems * 2441 Conduit Systems * 2442 Underground of the account marked with a **		∞		2121	Buildings							
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2124 2212 2211 2212 2213 2213 2213 2220 2231 2231 2331 2331 2331 2341 2441 2441 2443 2443 2441	2211 Analog Electronic Switching 2212 Digital Electronic Switching 2212 Digital Electronic Switching 2212 Digital Electronic Switching 2212 Digital Electronic Switching 2213 Radio Systems 2223 Radio Systems 2223 Radio Systems 2224 Radio Systems 2221 Information Orig & Term Equip 2221 Circuit Equipment 2221 Large Private Branch Exchanges 2221 Large Private Branch Exchanges 2231 Large Private Branch Exchanges 2241 Large Private Branch Exchanges 2241 Large Private Branch Exchanges 2242 Cheer Terminal Equipment 2243 Cheer Terminal Equipment 2243 Buried Cable 2243 Buried Cable 2243 Buried Cable 2243 Buried Cable 2243 Radio Systems 2241 Acrial Wire 2243 Radio Systems 2241 Acrial Wire 2243 Large Manarine Cable 2243 Radio Systems 2243 Large Manarine Cable 2243 Large Manarine Cable 2244 Conduit Systems 2244 Londuit Systems		10		2123	Office Equipment	-						
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2220 2231 3 * 2330 > 2331 > 2331 > 2341 > 2341 > 2341 > 2421 > 2421 > 2424 > 2425 2431 > 2426 2431 2431	2220 Operator Systems 2231 Radio Systems 2231 Radio Systems 2231 Radio Systems 2231 Circuit Equipment 231 Circuit Equipment 231 Circuit Equipment 2321 Customer Premises Writing 2321 Customer Premises Writing 2321 Customer Premises Writing 2321 Customer Premises 2322 Customer Premises 2333 Public Telephone Premises 2341 Poles 2342 Cuble and Wire Facilities 2342 Cuble and Wire Facilities 2342 Cuble and Wire Facilities 2343 Suried Cable 2344 Submarine Cable 2345 Duratouilding Network Cable 2341 Conduit Systems 2341 Conduit Syste		4		2215	Electro-Mechanical Switching							
* 2231 * 2232 * 2310 > 2311 > 2311 > 2321 > 2321 > 2321 > 2321 > 2321 > 2421 > 2421 > 2424 > 2424 > 2424 > 2424 > 2424 > 2424 > 2426 2431 > 2426 2431 2431	2231 Radio Systems 2232 Circuit Equipment 2232 Circuit Equipment 2310 Information Orig & Term Equip 2321 Customer Premises Wiring 2321 Customer Premises Wiring 2321 Large Private Branch Exchanges 2321 Large Private Branch Exchanges 2321 Customer Premises Wiring 2321 Large Private Branch Exchanges 2321 Large Private Branch Exchanges 2321 Large Private Branch Exchanges 2322 Cuber Terminal Equipment 2323 Cuber Terminal Equipment 2423 Aerial Cable 2423 Murich Cable 2424 Submarine Cable 2424 Submarine Cable 2425 Intrabuilding Network Cable 2431 Aerial Wire 2441 Conduit Systems 2441 Arial Wire 2441 Aerial Wire	_	2		2220	Operator Systems							
* 2232 * 2310 > 2311 > 2311 > 2321 > 2321 > 2321 > 2321 > 2421 > 2420 > 2422 > 2422 > 2422 > 2423 > 2426 2431 > 2426 2431 2431 2424 2426 2431 2431	2232 Circuit Equipment 3 * 2310 Information Orig & Term Equip		9	. 4	2231	Radio Systems							
* 2310 > 2311 > 2321 > 2321 > 2341 > 2411 * 2420 > 2421 > 2422 > 2423 > 2424 > 2435 2436 2436 2436 2431 2431	3 * 2310 Information Orig & Term Equip 0 2311 Station Apparatus 1 2321 Customer Premises Wiring 2 2341 Large Private Branch Exchanges 2 2352 Other Terminal Equipment 2 2411 Poles 4 2420 Cable and Wire Facilities 5 2421 Aerial Cable 6 2422 Submarine Cable 7 2424 Submarine Cable 8 2425 Deep Sea Cable 9 2426 Intrabuilding Network Cable 2431 Aerial Wire 2431 Aerial Wire 2441 Conduit Systems	_	_	-	2232	Circuit Equipment							
* 2351 > 2321 > 2341 > 2351 * 2420 > 2421 > 2421 > 2422 > 2423 > 2423 > 2424 > 2426 2436 2436	2311 Station Apparatus 2321 Customer Premises Wiring 2321 Large Private Branch Exchanges 2321 Public Telephone Term. Equip. 2326 Other Terminal Equipment 2411 Poles 2420 Cable and Wire Facilities 2421 Aerial Cable 2422 Underground Cable 2423 Buried Cable 2424 Submarine Cable 2425 Deep Sea Cable 2425 Intrabuilding Network Cable 2426 Intrabuilding Network Cable 2427 Aerial Wire 2428 Aerial Wire 2431 Aerial Wire 2431 Aerial Wire 2431 Aerial Wire 2441 Conduit Systems Lotals	_	∞		2310	æ							
2321 2341 2341 2341 2411 * 2420 2421 2424 2431 2431 2431	19	_	6		2311	Station Apparatus							
2341 2352 2362 2411 2411 2421 2424 2425 2425 2431 2431 2431	↑ 2341 Large Private Branch Exchanges ↑ 2351 Public Telephone Term. Equip. ↑ 2362 Other Terminal Equipment 2411 Poles * 2420 Cable and Wire Facilities ↑ 2421 Aerial Cable ↑ 2422 Underground Cable ↑ 2423 Buried Cable ↑ 2424 Submarine Cable ↑ 2424 Submarine Cable ↑ 2425 Deep Sea Cable ↑ 2426 Intrabuilding Network Cable ↑ 2436 Aritabuilding Network Cable ↑ 2431 Acrial Wire 2431 Conduit Systems Ubaccount of the account marked with a **	\sim	0		2321	Customer Premises Wiring							
* 2351 * 2420 * 2421 * 2420 * 2422 * 2424 * 2425 * 2425 * 2425 * 2425 * 2431 * 2431	 2351 Public Telephone Term. Equip. 2362 Other Terminal Equipment 2411 Poles 2420 Cable and Wire Facilities 2421 Aerial Cable 2422 Underground Cable 2423 Buried Cable 2424 Submarine Cable 2424 Submarine Cable 2425 Deep Sea Cable 2426 Intrabuilding Network Cable 2431 Aerial Wire 2431 Conduit Systems 17otals 2441 Conduit systems 2441 Conduit systems 2441 Catals 	\sim	_		2341	Large Private Branch Exchanges	2			-			
* 2362 * 2411 * 2420 > 2421 > 2422 > 2423 > 2426 2431 > 2431 > 2431	* 2362 Other Terminal Equipment 2411 Poles * 2420 Cable and Wire Facilities	\sim 1	7		2351	Public Telephone Term. Equip.							
* 2411 * 2420 > 2421 > 2422 > 2423 > 2424 > 2424 > 2425 > 2426 > 2426 > 2426 > 2426 > 2426 > 2426	* 2420 Cable and Wire Facilities ^ 2421 Aerial Cable ^ 2422 Underground Cable ^ 2423 Buried Cable ^ 2424 Submarine Cable ^ 2425 Deep Sea Cable ^ 2426 Intrabuilding Network Cable ^ 2426 Intrabuilding Network Cable ^ 2426 Intrabuilding Network Cable 2431 Aerial Wire 2431 Conduit Systems ubaccount of the account marked with a **	\sim	3		2362	Other Terminal Equipment							
* 2420 > 2421 > 2423 > 2423 > 2424 > 2426 > 2426 > 2426 2431 2431	* 2420 Cable and Wire Facilities ^ 2421 Aerial Cable ^ 2422 Underground Cable ^ 2423 Buried Cable ^ 2424 Submarine Cable ^ 2425 Deep Sea Cable ^ 2426 Intrabuilding Network Cable ^ 2431 Aerial Wire 2431 Aerial Wire 2441 Conduit Systems ubaccount of the account marked with a **	\sim	4	- 7		Poles							
2421 2423 2424 2424 2426 2426 2426 2431 2431	^ 2421 Aerial Cable ^ 2422 Underground Cable ^ 2423 Buried Cable ^ 2424 Submarine Cable ^ 2424 Submarine Cable ^ 2425 Deep Sea Cable ^ 2426 Intrabuilding Network Cable ^ 2426 Intrabuilding Network Cable 2 2431 Aerial Wire 2 2441 Conduit Systems ubaccount of the account marked with a **	~				Cable and Wire Facilities							
2423 2424 2424 2425 2426 2426 2431 2441	^ 2422 Underground Cable ^ 2423 Buried Cable ^ 2424 Submarine Cable ^ 2425 Deep Sea Cable ^ 2426 Intrabuilding Network Cable ^ 2426 Intrabuilding Network Cable ^ 2431 Aerial Wire 2441 Conduit Systems 2441 Conduit Systems ubaccount of the account marked with a *.	~,	9			Aerial Cable							
2423 2424 2425 2425 2431 2431	^ 2423 Buried Cable ^ 2424 Submarine Cable ^ 2425 Deep Sea Cable ^ 2426 Intrabuilding Network Cable ^ 2426 Intrabuilding Network Cable 2431 Aerial Wire 2441 Conduit Systems ubaccount of the account marked with a *.	~ `	_		<u> </u>	Underground Cable							
2424 2425 2426 2431 2431 2441	^ 2424 Submarine Cable ^ 2425 Deep Sea Cable ^ 2426 Intrabuilding Network Cable 2431 Aerial Wire 2431 Aerial Wire 2441 Conduit Systems ubaccount of the account marked with a *	~ `	<u>~</u>			Buried Cable				- 1			
2425 2431 2431 2441	^ 2425 Deep Sea Cable ^ 2426 Intrabuilding Network Cable 2431 Aerial Wire 2441 Conduit Systems ubaccount of the account marked with a **		6			Submarine Cable					-		
2431 2431 2441	^ 2426 Intrabuilding Network Cable 2431 Aerial Wire 2441 Conduit Systems ubaccount of the account marked with a *		0			Deep Sea Cable							
2431 2441	2431 Aerial Wire 2441 Conduit Systems ubaccount of the account marked with a **					Intrabuilding Network Cable		·					
2441 Conduit Systems Totals	2441 Conduit Systems Totals Ubaccount of the account marked with a **	. 4	<u></u>	· 5	<u> </u>	Aerial Wire					-		
Totals	ubaccount of the account marked with a *	G) L	-	2	\neg	Conduit Systems							
	*	٧ I		-		Totals							

PAGE 12

Company Name:

Totals (Smr11fa1720) Location and Description of Property Account 2002 Beginning of Year Additions During Account 2002 Columbia Charles and Book Coc Charles and Chockies Property at Additions During Charles and Chockies Charles and C			Analysis	of Plant Held for Future Use	Future Use			Wear.
Totals (Sum I. 1 to 1.20)	Line No.		Date Included in Account 2002 (b)	Book Cost of Property at Beginning of Year (c)	Additions During the Year	Retirements During the Year	Transfers and Adjustments Charges and (Credits)	Book Cost of Property at End of Year
Totals	1 2							(2)
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Totals	91			-				
Totals	_ «							
Totals	19						,	
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Totals	23							
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Totals	25						-	
Totals	27.							
Totals	28							
	30	Totals (Sum I. 1 to I. 29)				-		

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K Car.	Total Cost (%)	9
	Amortization of Premium or Discount	X)
	Annual Net Cost	
-	Yield to Maturity	3
Out of our din a	Outstanding Per Balance Sheet	
erm Deb	Net Per \$100	
Average Cost of Long Term Debt	Net Proceeds	
erage Cost	Gross Proceeds (e)	
Ave	Principal Amount (d)	
	Maturity Date (c)	
	Issue Date (b)	
	Description (a)	Total
	Line No.	1

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	Embedded Cost (1)		
	Annual Cost (k)		
	Principal Outstanding (j)		
	Cost of Money (i)		
	Net Proceeds Per \$100 (h)		
d Stock	Net Proceeds Amounts (g)		_
Cost of Preferred Stock	Gross Proceeds Amounts (f)		
Cost of	Par Value Of Issue (e)		The state of the s
	Call Redemption Price (d)		
	Method of Offering (c)		
	Date of Issuance (b)		
	Description (a)	Totals (Sum L.1 to L.29)	
	Line No.	20 20 20 30 30 4 4 4 4 10 10 10 10 10 10 10 10 10 10 10 10 10	

Company Name:

				Analys	Analysis of Common Stock	n Stock			Kear.
		Avg. Number	Book				Ma	rket	Price/
Line		of Shares	Value	Earnings	Dividends	Retention	Pr	Price	Earnings
No		Outstanding	(per share)	(per share)	(per share)	Ratio	High	Low	Ratio
	(a)	(p)	(c)	(p)	(e)	(£)	(g)	(Q)	(=
	Year Ended December 31:) 		
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7 0									
∞	Month by Month Data:								
6	January								
10	February				٠	<i>i</i>			
Ε	March						-		
12	April								
13	May								
14	June						-		
15	July								-
16	August	-							
17	September					-			
18	October								
19	November								13112000
20	December								
21			-						
22									
23									

Company Name:

		Capital St	ock and Funded	Debt Reacquired	Capital Stock and Funded Debt Reacquired or Retired During the Year	g the Year	Kear.
		Call or	Number		Reaquisition	Gain	Retirement
Line		Retirement	Jo	Principal	or Retirement	or	or
Z	Description	Date	Shares	Amount	Cost	(Loss)	Reaquisition
	(a)	(b)	(c)	(p)	(e)	(f)	(g)
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27							
28							
29							
30	Totals (Sum L.1 to L.29)						
	l						

Company Name:

SCHEDULE 17

Acct	Kear.	Total	(h)																													
No. Description Acet. Selarities Acet. Ace		Clearances	(g)					-															-									
Acct. Description and Wages Benefits		Other Expenses	(f)																													-
Acct. Description	I IA	Rents	(e)						-																			•				
# 6610 No. (a) (b) (b) (c) (c) (e) (e) (e) (e) (e) (e	EApense man	Benefits	(p)																					•								
Acct. Description	otal Company	Salaries and Wages	(c)																									-				
* < < < < * < < < * < < < < < < < < < <	4	и			Fynense	Expense	xpense		se	xpense		xnense	Se		ense	6)	on Expense		ıse	ermination Expense	Se	xollalige Expelise	ent Expense	Expense	•		Sense		ense	nse	rk Cable Expense	
* * * * * * * * * * * * * * * * * * * *		Description	Network Comment During	Motor Vehicle Expense	Aircraft Expense Special Purpose Vehicles	Garage Work Equipment	Other Work Equipment E	General Support Expense	Land and Building Expen	Furniture and Artworks E	Office Equipment Expense	Central Office Switching E	Analog Electronic Expen	Digital Electronic Expen	Electro-Mechanical Exp	Operator Systems Expense	Central Office Transmissic	Radio Systems Expense	Circuit Equipment Exper	Information Origination/T	Varion Apparatus Expension Varion Var	Public Telephone Termi	Other Terminal Equipme	Cable and Wire Facilities	Poles Expense	Aerial Cable Expense	Underground Cable Exp	Buried Cable Expense	Submarine Cable Expo	Deep Sea Cable Expe	Intrabuilding Netwo	Cultativille Expense
	+00 \		+																													10

Company Name:

SCHEDULE 17
Page 2 of 2

No.	1001:	Salaries			Other		
	No. Description	and Wages	Benefits	Rents	Expenses	Clearances	Total
?)	(a) (b)) (0)	(p)	(e)	€)		10ta1
<	6441 Conduit Systems Expense				(*)	(8)	(11)
36 65	6510 Other Property Expenses						
37 * 65	6530 Network Operations Expense						
38 ^ 65	6531 Power Expense						-
39 ^ 65	6532 Network Administration Expense						
40 ^ 65	6533 Testing Expense		The second				
41 ^ 65	6534 Plant Operations Expense					-	
42 ^ 65:	6535 Engineering Expense						
43 65	6540 Access Expense						
44 6561							
45 6562							
46 6563						٠	
47 6564					-		
48 6565							
49 * 6610							
50 ^ 6611				-			
51 ^ 6612							
52 ^ 6613	13 Product Advertising						
53 6621	_						
54 6622	22 Number Services			-			
	23 Customer Services						
	11 Executive						
	12 Planning				-		
58 6721	21 Accounting and Finance						
	22 External Relations		-	-			
60 6723	23 Human Relations	-					
61 6724	24 Information Management						
62 6725							
63 6726	Procurement						
64 6727							
65 6728	.8 Other General and Administrative				***************************************		
99 99	Provision for Uncollectible Notes Receivable		T A STATE A STATE OF				
67	Totals						

Company Name:

SCHEDULE 18

		(h)																																
	Clearances	(g)											***************************************							10 1000														
Other	Expenses	(f)												-																				
	Rents	(e)							:					-																				
Salaries Salaries	Benefits	(a)	-									·														,								
Salaries	and Wages	(5)																		,														
·	Description (b)	Network Support Evans	Motor Vehicle Expense	Aircraft Expense	Special Purpose Vehicles Expense	Garage Work Equipment Expense	Other Work Equipment Expense	General Support Expense	Land and Building Expense	Furniture and Artworks Expense	Office Equipment Expense	General Purpose Computers Expense	Central Office Switching Expense	Analog Electronic Expense	Digital Electronic Expense	Electro-Mechanical Expense	Operator Systems Expense	Central Office Transmission Expense	Radio Systems Expense	Circuit Equipment Expense	Information Origination/Termination Expense	Station Apparatus Expense	Large Private Branch Exchange Expense	Public Telephone Terminal Equipment Exp.	Other Terminal Equipment Expense	Cable and Wire Facilities Expense	Foles Expense	Aerial Cable Expense	Underground Cable Expense	Submarine Cable Expense	Deep Sea Cable Expense	Intrabuilding Network Cable Expense	Aerial Wire Expense	
Acct.	No. (a)	6110	6112	6113	6114	6115	6116	6120	6121	6122	6123	6124	6210	6211	6212	6215	6220	6230	6231	6232	6310	6311	. 6341	6351	6362	6410	6411	0421	0422	6424	6425	6426	6431	
Line	No.	*	> 2	< د	4	>		*							<	< > >	9	*			*				24	¢ < 70 %		\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \		30 ^	<	<	<	_

PAGE 20

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Line	Acct.		Salaries	Salaries		Other		**************************************
No.	No.	Description (A)	and Wages	Benefits	Rents	Expenses	Clearances	Total
35	^ 6441	Conduit Systems Exr	(5)	(p)	(e)	(f)	(g)	(h)
36	6510			18 Table 1 Table 1				
37	* 6530			,			-	
38	^ 6531							
39	^ 6532	·						
40	^ 6533							
41	^ 6534							
42	· 6535					-		
43	6540	∢						
44	6561	Depreciation - Telecomm. Plant in Service						
45	6562							
46	6563	Amortization Expense - Tangible						
47	6564	Amortization Expense - Intangible	•					
48	6565	Amortization - Other						
49	* 6610	Marketing						
50	^ 6611	Product Management						
51	^ 6612	Sales						
	^ 6613	Product Advertising						
53	6621	Call Completion Services						
54	6622	Number Services				•		
55	6623	Customer Services						
99	6711	Executive						
57	6712	Planning						
28	6721	Accounting and Finance			-			
59	6722	External Relations						
09	6723	Human Relations						
61	6724	Information Management		-				
62	6725	Legal						
63	6726	Procurement						
64	6727	Research and Development						
65	6728	Other General and Administrative						
99	6790	Provision for Uncollectible Notes Receivable						
77								

Pension Costs

Year:

	Plan Name			rear:
2	Defined Benefit Plan?	Defined Contribution	on Plan?	
:	Actuarial Cost Method?	IRS Code:		
4	Annual Contribution by Employer:	Is the Plan Over Fu	unded?	
50000000				_
	ltem	Current Year	Last Year	% Change
6	Change in Benefit Obligation			
	Benefit obligation at beginning of year			4
1	Service cost			
•	Interest Cost			
	Plan participants' contributions			
l .	Amendments			
	Actuarial Gain			-
	Acquisition			
	Benefits paid			
10	Benefit obligation at end of year			
	Change in Plan Assets	4.4		
10	Fair value of plan assets at beginning of year			
	Actual return on plan assets			
	Acquisition Employer contribution			
21	Plan participants' contributions			
	Benefits paid			1
	Fair value of plan assets at end of year			
24	Funded Status			
	Unrecognized net actuarial loss			
26	Unrecognized prior service cost		·	
	Prepaid (accrued) benefit cost			_
28				
	Weighted-average Assumptions as of Year End			1
30	Discount rate			
	Expected return on plan assets			
	Rate of compensation increase			
33				
34	Components of Net Periodic Benefit Costs			
35	Service cost			
	Interest cost			
37	Expected return on plan assets			
	Amortization of prior service cost			
39	Recognized net actuarial loss			
	Net periodic benefit cost			-
41				-
42	Montana Intrastate Costs:			
43	Pension Costs	·		
44	Pension Costs Capitalized			.
45	Accumulated Pension Asset (Liability) at Year End			
	Number of Company Employees:			
47	Covered by the Plan			
48	Not Covered by the Plan			
49	Active			
50	Retired			
51	Deferred Vested Terminated			

Other Post Employment Benefits (OPEBS)

Page 1 of 2 Year:

	ltem	Current Year	Last Year	% Change
1	Regulatory Treatment:			1 / Gridings
2	Commission authorized - most recent			
3	Docket number:			
4	Order number:			
5	Amount recovered through rates			T
	Weighted-average Assumptions as of Year End			
8	Expected return on plan assets			
	Medical Cost Inflation Rate			
	Actuarial Cost Method			
11	Rate of compensation increase			
12	List each method used to fund OPEBs (ie: VEBA, 401(I	i)) and if tax advan	taged:	
13				
14				ta ta
15	Describe any Changes to the Benefit Plan:			
16				
17	TOTAL COMPANY			
	Change in Benefit Obligation			
19	Benefit obligation at beginning of year			
	Service cost	·		
1	Interest Cost			
	Plan participants' contributions			
	Amendments			
	Actuarial Gain			
	Acquisition			
	Benefits paid			
27	Benefit obligation at end of year		·	
	Change in Plan Assets		•	
29	Fair value of plan assets at beginning of year		•	
	Actual return on plan assets			
	Acquisition			
	Employer contribution			
	Plan participants' contributions			
	Benefits paid			
35	Fair value of plan assets at end of year			
	Funded Status			
	Unrecognized net actuarial loss			ŀ
	Unrecognized prior service cost			
	Prepaid (accrued) benefit cost			
40	Components of Net Periodic Benefit Costs Service cost			
- 1	Interest cost			
			•	
43	Expected return on plan assets		·	
	Amortization of prior service cost			
	Recognized net actuarial loss			
	Net periodic benefit cost			
	Accumulated Post Retirement Benefit Obligation			
48	Amount Funded through VEBA			ĺ
49	Amount Funded through 401(h)			
50	Amount Funded through Other			1
51	TOTAL			
52	Amount that was tax deductible - VEBA			
53	Amount that was tax deductible - 401(h)			
54	Amount that was tax deductible - Other			
55	TOTAL		e e e	

Page 2 of 2

Other Post Employment Benefits (OPEBS) Continued Year: Item Current Year Last Year % Change 1 Number of Company Employees: Covered by the Plan 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 42 Amount that was tax deductible - VEBA 43 Amount that was tax deductible - 401(h) Amount that was tax deductible - Other 44 45 **TOTAL** 46 Montana Intrastate Costs: 47 **Pension Costs** Pension Costs Capitalized 48 49 Accumulated Pension Asset (Liability) at Year End 50 Number of Montana Employees: Covered by the Plan 52 Not Covered by the Plan 53 Active 54 Retired Spouses/Dependants covered by the Plan

Page 1 of

Payments for Services to Persons Other Than Employees

Year:

Line	Name of Recipient	Nature of Service	Total Company Cost	Total State Cost	Intrastate Cost
No.	(a)	(b)	(c)	(d)	(e)
1					
2	·				
3				-	
4					-
5					
6 7					-
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18 19					
20					
21					
22					
23					
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26					
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29					
30 31	*				
32					
33					
34					
35					
36				·	
37					
38	"				
39					
40					
41			1		
42 43					
44					
45			1		
46					
47					
48					
49	Total				

	Subscribe	r Line Usage D	ata		Year:
Line		This	% of	Last	% of
No.	Description	Year	Total	Year	Total
	(a)	(b)	(c)	(d)	(e)
1	Toll Usage:				
2	Interstate, InterLATA				
3	Interstate, IntraLATA				
4	Total Interstate Usage				
5 6	Intrastate, InterLATA Intrastate, IntraLATA				
7	Total Intrastate Usage		-		
8	Total Toll Usage		manuscus and a superior and a superi		
9	Centrex		-		
10	Local				
11	Total Minutes				

SCHEDULE 23

Company Name:

Page 1 of

Access Lines Total Year: (n) Lines w/ T. Tone Jo % (m) Other Company Owned Coin (X Customer Owned Coin 9 Business Multi-Line Cental Office and Access Line Statistics Ξ Single Business Line (h) Residential Customers | Customers LMS (g) Lifeline NOTE: Additional blank schedules are being provided for your convenience. ADSL (e) ISDN **(b)** Type of Residential Office (O 9 Wire Center Total Line No.

PAGE 27

Page 1 of

Central Office and Switch Information

Year:

Contract office and Switch information						1 car.	
Line No.	Wire Center (a)	Office Configuration (Host, Remote, Stand alone) (b)	Type of Switch	Switch Vendor/ Manufacturer	Switch Model No.	Switch Line Capacity	Year Deployed
 1	(a)	(υ)	(c)	(d)	(e) <u>.</u>	(f)	(g)
1							
2							
3							
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38					1		
39					1		
40					1		
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41							
42		·					
43					.		
44							
45			l				
46							
47							
48							
NOTE	C. Additional blank ask also					L	

	Construction Budget - Montana	Year:
Line		
No.	Description	
1	Central Office Assets:	(b)
2	Central Office Assets:	
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	Total Switching and Central Office Projects over \$500,000	
28	Miscellaneous Central Office Projects not over \$500,000	•
29	Total Central Office Budget (Total of Line 27 & Line 28)	
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	
43	Total Construction Budget (Total of Lines 29, 41 & 42)	
L		

Montana Total State Construction Expenditures

·	FCC	The state of the s			
	Part 32				Percent
Line	Account No.	Description	This Year	Last Year	Change
No.	(a)	(b)	(c)	(d)	(e)
1	2110	General Support Assets		(-)	(6)
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			

	Montana Employee Counts		Year:
Line		Beginning	End
No.	Category (a)	of Year (b)	of Year
1			(c)
2 3			
4			
5			
6 7			
8			
9			
11			
12			
13 14			
15			
16			
17 18			
19			
20 21		-	
22			
23			
24 25			
26			
27 28			
29			
30			
31			
33			
34			
35 36			
37			
38 39			
40			
41			
42	Totals (Sum of Lines 1 through 42)		
7.7	Country (Sum of Lines I infough 42)		

	Compensati	on of Top	10 Mont	ana Based	Employees		Year:
Line No.	Name/Title (a)	Base Salary (b)	Bonuses (c)	Other Compensation (d)	Total Compensation (e)	Total Compensation Last Year (f)	% Increase Total Compensation
1				(=)	(6)	(1)	(g)
2 -							
3							
4							
5			-				
6							
7							
8		· 					
9							
10							
11	Totals (Sum L.1 to L.10)						

Year:

Compensation of Top 5 Corporate Employees - SEC Information

		bp b corpe	1	1		Total	07.7
Line		Base		Other	Total	Compensation	% Increase Total
No.	Name/Title	Salary	Bonuses	Compensation	Compensation	Last Year	
	(a)	(b)	(c)	(d)	(e)	(f)	Compensation
1				(4)	(6)	. (1)	(g)
2							
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3							
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		1					
6	Totals (Com I 14- I 5)						
0	Totals (Sum L.1 to L.5)						

		Year:	
Line	Account	Montana Composite Statistics	1 001.
No.	No.	Description	Amount
1		(a)	(b)
1		Plant (Intrastate Only) (000 Omitted)	
2	2001	Plant in Service	
3	2003 - 2004	Construction Work in Progress	
4	2005	Plant Acquisition Adjustments	
5	2002	Plant Held for Future Use	
6	1220	Materials & Supplies	
7		(Less):	
8	3100 - 3400	Depreciation & Amortization Reserves	
9	4360.2	Contributions in Aid of Construction	
10		MET BOOK GOOMS	
10		NET BOOK COSTS	
11		Revenues & Expenses (Intrastate Only) (000 Omitted)	
		200 of Expenses (Intrastate Only) (000 Omitten)	1
12	5000 - 5300	Operating Revenues	
13	6560	Depreciation & Amortization Expenses	
14		Federal & State Income Taxes	
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	
27		Total Number of Access Lines	
28		Average Number of Calls Per Access Line	
20		T 10 "	
29		Local Calls	
31		Total Number of Colls Box Assess I.	
J1		Total Number of Calls Per Access Line (Total of Line 29 & Line 30 divided by Line 27)	
32		(Total of Line 29 & Line 30 divided by Line 27) Other Statistics (Intrastate Only)	
		Children Child	
33		Average Residential Monthly Bill	
34		Gross Plant Investment per Access Line	

Depreciation - Montana Intrastate Regulated

		Depreciation - Montana I	ntrastate R	egulated	Year:
	Acct			Composite	Total
Line	No.	Description		Rate	Expense
No.	(a)			%	\$
1	2112	Motor Vehicles (b)		(c)	(d)
2	2112				
3	2114	Special Purpose Vehicles			
4		Garage Work Equipment			
5	2116	Other work Equipment			
1 1	2121	Buildings			
6	2122	Furniture			
7	2123.1	Office Support Equipment			
8	2123.2	Company Communications Equipment			
9	2124	General Purpose Computers			
10	2211	Analog Electronic Switching Equipment			
11	2212	Digital Electronic Switching Equipment			
12	2215	Step By Step Switching Equipment			
13	2215	Crossbar Switching Equipment			
14	2220	Operator System	*		
15	2231	Radio Systems			
16	2232	Circuit DDS		•	
17	2232	Circuit Digital			
18	2232	Circuit Analog			
19	2351	Public Telephone Terminating Equipment			
20	2362	Other Terminal Equipment			
21	2411	Poles			
22	2421	Aerial Cable Metallic			
23	2421	Aerial Cable Nonmetallic			
24	2422	Underground Cable Metallic			
25	2422	Underground Cable Nonmetallic		•	·
26	2423	Buried Cable Metallic		•	
27	2423	Buried Cable Nonmetallic			
28	2424	Submarine Cable Metallic			
29	2424	Submarine Cable Nonmetallic			
30	2426	Intrabuilding Network Cable Metallic			
31		Intrabuilding Network Cable Nonmetallic			
32	2431	Aerial Wire			
33	2441	Conduit Systems	1		
34					
35		COMPOSITE TOTAL	.		
36		TOTAL OUTE TOTAL			
37	Pleasa	list the Montana Public Comments			
38	_ 10436	list the Montana Public Service Commssion D	locket Order No	o. approving these d	epreciation rates
39					
40		DOCKET NUMBER	Order Number		
.0					

		Amortization - Montana Intrastate	Regulated	Year:
Line No.	Acct No.	Description	Composite Rate	Total Expense
	(a)	(b)	16	
1 2 3 4 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27	1	(b)	% (c)	\$ (d)
28 29 30 31 32 33 34 35		COMPOSITE TOTAL		
36 37 38 39 40	Please list	the Montana Public Service Commission Docket Order Docket Number Order Number		amortization rates

Montana Regulatory Capital Structure & Costs

	Montana Regulatory Capita	l Structure &	Costs	Year:
Line No.		% Cap. Str. (b)	% Cost Rate	Weighted Cost (d)
	Commission Accepted - Most Recent	,		
1	Docket Number			
2	Order Number			
3 4	Communication			
	Common Equity Preferred Stock			
	Long Term Debt			
	Other			
	Total			
9	Actual at Year End			
11				
	Common Equity			
	Preferred Stock Long Term Debt			
	Other			
	Total			

Company Name:

SCHEDULE 32

Network Access - Charges and Revenues

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	Year:							
Line No.	Description (a)	Access Charges Paid (b)	Access Revenues Received (c)					
1	Montana - Total State							
4	Montana - Intrastate Montana - Intrastate Regulated							
13								

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Year:	Charges to MT Utility (f)			
,	% Total Affil. Revenues (e)			
ovided to Utility	Charges to Utility (d)			
Products & Services Pr	Method to Determine Price (c)			
Attiliate I ransactions - Products & Services Provided to Utility	Products & Services (b)			
	Affiliate Name (a)			TOTAL
	Line No.	1 2 5 4 5 5 7 8 6 0 11 12 13 13 13 13 15 15 16 16 16 16 16 16 16 16 16 16 16 16 16	1	30 TO

SCHEDULE 34

Company Name:

r car:	Charges to MT Utility (f)		
7	% Total Affil. Revenues (e)		
- C	Charges to Affiliate (d)		
	Method to Determine Price (c)		
	Products & Services (b)		
	Affiliate Name (a)		
	Line No.	22 22 23 24 31 31 32 33 34 35 36 37 37 37 37 37 37 37 37 37 37 37 37 37	24 25 26 27 29

Montana Intrastate Regulated Earned Rate of Return

	Wiontana Intrastate Regulated Earned Ra	te of Return	1	Year:
Line	Description	This	Last	Percent
No.	Rate Base	Year	Year	Change
	(a)	(b)	(c)	(d)
2	i '			
3				
4	F 2014 Tol 1 dtale 1 electrifications (188			
5	(2005) Recall and Depreciation			
6				
7	f .			
8				
9	supplies			
10	Payments			
11	TOTAL Additions			
12				
13				
14				
15	per atting income Taxes			
16	por ating investment Tax Clettins			
17	- I and operating modific rands			
18	Customer Advances for Construction Other Deductions			
19			*.	
20	TOTAL Pede P			
21	TOTAL Rate Base			
22	Not Forming			
23	Net Earnings			
24	Rate of Return on Average Rate Base			
25	Aute of Actual on Average Rate Base			
26	Rate of Return on Average Equity			
27	2. 2. 2. 2. 2. 2. 2. 2. 2. 2. 2. 2. 2. 2			
	Major Normalizing Adjustments & Commission		1	
29	Ratemaking adjustments to Utility Operations			
30	a a substitution of the su			
31				
32				
33				***
34				
35				
36				
37				
38				
39				
40				
41				
42				
43	Adjusted Rate of Return on Average Rate Base			
44	988G OF MEETING IN WALLASE WHICH DANSE			
45	Adjusted Rate of Return on Average Equity			
	or research on reverage Equity			

Other Taxes Paid

r - :	Other Taxes Paid		Year:
Line	Description	Last Year	This Year
No.	(a)	(b)	(c)
1	Montana Telephone Company License Tax		
2	Montana Public Service Commission Tax		
3	Montana Consumer Counsel Tax		
4	911 Emergency Telephone Fee		
5	Montana Telecommunications Access Service (TDD)		
	Montana Corporate License Tax		
7	Personal Property Tax		
8	Real Property Tax		
9			
10			
11			
12	Total		

SCHEDULE 37

Universal Service Funds Received

70.7	
v	200
1	Call

		Year:
Description	Last Year	This Year
(a)	1	(c)
Funds received from Montana Sources		(0)
Funds received from Federal Sources		
·		
Total		
	Funds received from Montana Sources Funds received from Federal Sources	Funds received from Montana Sources Funds received from Federal Sources