



4004

ANNUAL REPORT

OF

Name: FARMERS TELEPHONE COMPANY

Principal Office: 140 NORTH MONROE STREET
P.O. BOX 467
LANCASTER, WI 53813-0467

For the Year Ended: DECEMBER 31, 1996

TELECOMMUNICATIONS UTILITY TO PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854
Madison, WI 53707-7854
(608) 267-9504

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

GENERAL RULES FOR REPORTING

1. Unless otherwise indicated, the information requested in this report should be taken from the accounts and other records in conformity with the Uniform System of Accounts prescribed by the Public Service Commission of Wisconsin in docket 05-US-102. The definitions and instructions contained therein should also apply to the report wherever applicable. A query or response concerning information contained in this report regarding any practice or transaction should not be construed as indicating conformity to accounting or other pertinent regulations.
2. Please follow all instructions and answer each question fully and accurately. Provide additional information as necessary to avoid misunderstandings or misleading responses. Abbreviations listed on page 6 may be used, however please show the exact name of the respondent in full on the "Identification and Ownership" page.
3. Wherever information is requested in a "note", please show that information in the space provided, or make reference to the adjacent page or insert where the note may be found. Please also identify each note. Footnote capability is included in the annual report software program. Please use it where necessary to fully explain particulars in the annual report.
4. Numeric items are limited to digits (0-9). A minus sign "-" should be entered in the software program to indicate negative values. Do not use parentheses for numeric values. The program will convert the minus sign to parentheses when a hard copy of the annual report is printed. Negative values may not be allowed for certain entries in the annual report due to restrictions contained in the software program.
5. Please report all dollar amounts to the nearest whole dollar.
6. This annual report should be complete in all respects. Unless otherwise authorized, avoid references to returns of former years or to other reports.
7. Wherever schedules call for data from the previous year and such data were reported in the previous annual report, that previous year's data should be reported without modification. If modified, an appropriate footnote indicator and explanation should be included in the current year's annual report.
8. Where part or all of the report is prepared by other than utility personnel, a disclosure is required in the notes to the income statement or the balance sheet, which describes the nature and extent of work performed.
9. Please print a hard copy of the annual report on 20 pound or heavier paper, sign it and compare with the electronic copy before officially filing it with the Public Service Commission of Wisconsin.

SIGNATURE PAGE

I TERRY M. MATHERS of
(Person responsible for accounts)

FARMERS TELEPHONE COMPANY, certify that I
(Utility Name)

am the person responsible for accounts; that I have examined the following report and, to the best of my knowledge, information and belief, it is a correct statement of the business and affairs of said utility for the period covered by the report in respect to each and every matter set forth therein.

TERRY M. MATHERS 05/05/1997
(Person responsible for accounts) (Date)

GENERAL MANAGER
(Title)

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ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Access Line	Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency transmission, and/or time slot transmission. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice channel or a 64 kilobits per second digital channel.
Analog Signal	A signal that varies in a continuous manner such as voice or music. An analog signal must be contrasted with a digital signal which can assume only discrete values.
Cellular System	A high capacity land mobile radio system in which an assigned frequency spectrum is divided into discrete channels that are assigned to a cellular geographic serving area.
Central Office	A switching unit in a telephone system providing service to the general public, having the necessary equipment and operating arrangements for terminating and interconnecting lines and trunks.
Centrex	A service for customers with many stations that permits station-to-station dialing, one listed directory number for the customer, direct inward dialing to a particular station and station identification on outgoing calls. The switching functions are performed in a central office (stand alone, host or remote).
Channel	An electrical communications path between two or more points. A single pair of wires may provide more than one channel. A channel may also be provided by microwave.
Customer	A person who uses a telephone as a subscriber.
Digital Signal	A signal that has a limited number of discrete states. This may be contrasted with an analog signal that varies in a continuous manner and may have an infinite number of states.
Equal Access	The ability of the subscriber to use any long distance service by dialing the same number of digits.
Exchange	A defined area served by one or more central offices regardless of technical serving arrangements within which the company furnishes service at rates and rules prescribed for that area in the company's filed tariffs. The area is not necessarily marked by political boundaries or the location of host or remote switching units.
Extended Area Service (EAS)	The ability of a customer to call customers in other exchanges at no additional charge or at an additional charge per tariff.
Extended Community Calling (ECC)	The ability of a customer to call customers in other exchanges at rates usually above EAS rates but below toll rates for comparable distances. Rates generally include a duration element.
Feature Group A	Line-side originating and terminating LATA access for which an originating subscriber dials an assigned telephone number that connects to a specific interexchange carrier (IC). The IC returns a tone to signal the caller to input additional generated digits of the called number.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Feature Group B	Trunk-side originating and terminating LATA access for which an originating subscriber dials a 950-WXXX number (where W=0, 1 and XXX is the carrier access code (CAC)), which is translated to a specific XXX carrier trunk group. Optional rotary dial service and ANI may be available.
Feature Group C	Trunk-side LATA access for AT&T-Communications generally on a direct basis between each end office (EO) and an AT&T-C switching system.
Feature Group D	Also referred to as equal access. It is trunk-side LATA access affording call supervision of an interexchange carrier, a uniform access code (10XXXXX), optional calling party identification, recording of access-charge billing details and presubscription to a customer specified interexchange carrier.
FX-IN	A nonswitched service where the customer of the company is connected to and receives switching service through central office equipment located in another exchange area.
FX-OUT	A switched service where facilities are provided from the central office out to the exchange boundary where it meets the line from a foreign exchange subscriber.
Host Switching System	A switching system that provides centralized control over most of the switching functions of one or more remote switching units. The host switching system usually provides trunk access to the operating company intraLATA networks.
Local Access Transport Area (LATA)	A geographic area within which an operating company may offer its telecommunications services.
Mobile Telephone	A service which provides radio telephone communication from a mobile vehicle to another vehicle or to a regular telephone.
Paging	A service which provides one-way signal or voice communication over a radio channel to a miniature receiver carried by the customer.
Pair	Two wires of a single circuit.
Pay Station	A telephone which normally requires all users to deposit one or more coins or use a credit card to complete a call.
Private Line Service	Channel or circuit rented for private use and not intended to be connected to the general distribution system.
Private Branch Exchange (PBX)	A manually, or operator controlled switching system, usually on the customer's premises, which serves that customer's telephones over a common group of lines from the central office.
Radio Common Carrier (RCC)	A company which furnishes public telecommunications service using one or more radio channels.
Remote Switching Unit (RSU)	An electronic switching system that is remote from its host or control office. All of the central control equipment for the RSU is located in the host switching system.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Route Miles	Total number of route miles (to the nearest mile) of operating plant facilities including drop wire in the exchange. One route mile may consist of: <ol style="list-style-type: none">1. One mile of roadway with any combination of outside plant facilities on any number of rights-of-way.2. One mile of a cross country route with any combination of outside plant facilities.3. One mile of point-to-point microwave or radio link.4. One mile of plant on either side of a limited access highway or natural barrier, such as a navigable waterway.5. One mile of joint use line where the utility either owns the facility or leases space.
Stand Alone Switch	A central office switch which has no remote switching units (RSUs) subtending it.
Trunk	A communications path connecting two switching systems in the establishment of an end-to-end connection.
Wide Area Telephone Service (WATS)	Customer leased access line or lines connected to the nationwide network over which an unlimited number of calls can be made for a fixed monthly charge.
Wire Center	The location of one or more local switching systems. A point at which customers' loops converge.

ABBREVIATIONS USED IN ANNUAL REPORTS

Acct	.....	Account
Accum	.....	Accumulated
Acq	.....	Acquisition
Admin	.....	Administrative
Alloc	.....	Allocation
Amort	.....	Amortization
CO	.....	Central Office
Depr	.....	Depreciation
Equip	.....	Equipment
Exp	.....	Expenses
EOY	.....	End of Year
FOY	.....	First of Year
Info	.....	Information
ITC	.....	Investment Tax Credit
Misc	.....	Miscellaneous
Nonoper	.....	Nonoperating
Nonreg	.....	Nonregulated
Oper	.....	Operating
Opns	.....	Operations
Orig	.....	Originating
Prop	.....	Property
Receiv	.....	Receivable
Reg	.....	Regulated
Rev	.....	Revenues
Svcs	.....	Services
Telecom	.....	Telecommunications
Term	.....	Terminating
TPIS	.....	Telecommunications Plant in Service
TPUC	.....	Telecommunications Plant Under Construction
Uncoll	.....	Uncollectible

IDENTIFICATION AND OWNERSHIP

Exact Utility Name: FARMERS TELEPHONE COMPANY
Utility Location: 140 NORTH MONROE STREET
P.O. BOX 467
LANCASTER, WI 53813-0467

Utility Web Site Address:

When was utility organized?: 06/21/1898

Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: MR TERRY M MATHERS
Title: GENERAL MANAGER/TREASURER

Office Address: 140 NORTH MONROE STREET
P.O. BOX 467
LANCASTER , WI 53813-0467

Fax Number: (608) 723 - 2400
Telephone Number: (607) 723 - 3634

Email Address:

Individual or firm, if other than utility employee, preparing this report

Name:
Title:

Office Address:

Fax Number:
Telephone Number:
Email Address:

Person responsible for financial information contained in report

Name: MR JAY G BRANT
Title: ACCOUNTING MANAGER

Office Address: 140 NORTH MONROE STREET
P.O. BOX 467
LANCASTER , WI 53813-0467

Fax Number: (608) 723 - 2410
Telephone Number: (608) 723 - 3629
Email Address: Jay@PCII.net

Person responsible for statistical information contained in report

Name: MR JAY G BRANT
Title: ACCOUNTING MANAGER

Office Address: 140 NORTH MONROE STREET
P.O. BOX 467
LANCASTER , WI 53813-0467

Fax Number: (608) 723 - 2410
Telephone Number: (608) 723 - 3629
Email Address: Jay@PCII.net

IDENTIFICATION AND OWNERSHIP

List names, addresses, and number of shares held by persons owning 5 percent or more of outstanding voting securities. If any stock is held by a nominee, give known particulars as to the beneficial owner (See Wis. Stat. § 196.795(1)(c), for definition of beneficial owner).

Name:	PIONEER COMMUNICATIONS, INC.
Address:	140 NORTH MONROE STREET
	PO BOX 231
	LANCASTER , WI 53813-0231
Number of Shares Held:	137,643
Beneficial Owner:	NONE

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	3,809,104	3,637,378	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	305,400	333,991	2
Plant Nonspecific Operations Expense	710,138	675,401	3
Customer Operations Expense (6610-6620)	309,293	255,678	4
Corporate Operations Expense (6710-6790)	326,387	283,655	5
Other Operating Income and Expense (7100)	(58)	(384)	6
Operating Taxes (7200)	925,296	880,896	7
Total Operating Expenses	2,576,572	2,430,005	8
Net Operating Income	1,232,532	1,207,373	9
Other Income			
Nonoperating Income and Expense (7300)	87,002	82,594	10
Nonoperating Taxes (7400)	(2,470)	(2,707)	11
Interest and Related Items (7500)	191,092	204,787	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	0	0	14
Total Nonoperating Income	(101,620)	(119,486)	15
Net Income	1,130,912	1,087,887	16

NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

1. A summary of significant accounting policies. (The summaries should disclose, but not be limited to, the utility's accounting policies with regard to pension cost, unbilled revenues, depreciation, and income taxes.)

See Footnote A - "Summary of Significant Accounting Policies".

A

2. A summary of significant contingent assets and liabilities existing at year end, including a brief explanation of any action initiated by the Internal Revenue Service, Wisconsin Department of Revenue, or the utility involving a possible assessment or refund of taxes.

None.

3. The notes should include an explicit and precise explanation of any retained earnings restrictions and should state the amount of retained earnings affected by such restrictions.

See Footnote B - "Dividend Restriction".

B

BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT ASSETS			
CASH AND EQUIVALENTS			
Cash and Equivalents (1120)*	1,571,119	1,526,830	1
Cash (1130)		0	2
Special Cash Deposits (1140)		0	3
Working Cash Advances (1150)		0	4
Temporary Investments (1160)		0	5
TOTAL CASH AND EQUIVALENTS	1,571,119	1,526,830	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	257,448	288,236	6
Accounts Receivable Allowance-Telecom (1181)*		0	7
Net: Telecommunications Accounts Receivable	257,448	288,236	
Other Accounts Receivable (1190)*	543,926	591,995	8
Accounts Receivable Allowance--Other (1191)*		0	9
Net: Other Accounts Receivable	543,926	591,995	
Notes Receivable (1200)*	0	0	10
Notes Receivable Allowance (1201)*	0	0	11
Net: Notes Receivable	0	0	
Interest and Dividends Receivable (1210)*	18,305	10,364	12
TOTAL RECEIVABLES AND ALLOWANCES FOR DOUBTFUL	819,679	890,595	
SUPPLIES			
Inventories (1220)*	204,207	155,560	13
TOTAL SUPPLIES	204,207	155,560	
PREPAYMENTS			
Total Prepayments (1280)*	49,282	37,067	14
Prepaid Rents (1290)		0	15
Prepaid Taxes (1300)		0	16
Prepaid Insurance (1310)		0	17
Prepaid Directory Expenses (1320)		0	18
Other Prepayments (1330)		0	19
TOTAL PREPAYMENTS	49,282	37,067	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*		0	20
TOTAL OTHER CURRENT ASSETS	0	0	
TOTAL CURRENT ASSETS	2,644,287	2,610,052	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	0	0	21
Investments in Nonaffiliated Companies (1402)*	246,564	246,564	22
Nonregulated Investments (1406)*	0	0	23
Unamortized Debt Issuance Expense (1407)*		0	24
Sinking Funds (1408)*	0	0	25

BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
NONCURRENT ASSETS			
INVESTMENTS			
Other Noncurrent Assets (1410)*		0	26
TOTAL INVESTMENTS	246,564	246,564	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*	15,855	16,757	27
Deferred Maintenance and Retirements (1438)*	0	0	28
Deferred Charges (1439)*		4,659	29
TOTAL DEFERRED CHARGES	15,855	21,416	
TOTAL NONCURRENT ASSETS	262,419	267,980	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	8,937,123	8,483,488	30
Less: Accumulated Depreciation (3100)*	4,919,863	4,358,503	31
Less: Accumulated Amortization--Capitalized Leases (3410)*		0	32
Less: Accumulated Amortization--Leasehold Improvements (3420)*		0	33
Less: Accumulated Amortization--Intangible (3500)*		0	34
NET TELECOMMUNICATIONS PLANT IN SERVICE	4,017,260	4,124,985	
PROPERTY HELD FOR FUTURE USE			
Prop. Held for Future Telecommun. Use (2002)*	37,533	37,533	35
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200)*	13,515	11,263	36
NET PROPERTY HELD FOR FUTURE USE	24,018	26,270	
NONOPERATING PLANT			
Nonoperating Plant (2006)*		0	37
Less: Accumulated Depreciation--Nonoperating (3300)*		0	38
NET NONOPERATING PLANT	0	0	
TPUC			
TPUC (2003)*	112,525	154,076	39
TOTAL TPUC	112,525	154,076	
TELECOMMUNICATIONS PLANT ADJUSTMENT			
Telecommunications Plant Adjustment (2005)*		0	40
Less: Accumulated Amortization--Other (3600)*		0	41
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	0	0	
TOTAL PLANT	4,153,803	4,305,331	
TOTAL ASSETS AND OTHER DEBITS*	7,060,509	7,183,363	

BALANCE SHEET - LIABILITIES (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	927,585	542,595	1
Notes Payable (4020)*	0	0	2
Advance Billing and Payments (4030)*	184	(48)	3
Customer Deposits (4040)*	4,225	3,355	4
Current Maturities--Long-Term Debt (4050)*	130,367	136,136	5
Current Maturities--Capital Leases (4060)*		0	6
Income Taxes--Accrued (4070)*	(1,826)	(24,134)	7
Other Taxes--Accrued (4080)*	(37,807)	(21,362)	8
Net Current Deferred Operating Income Taxes (4100)*	0	0	9
Net Current Deferred Nonoperating Income Taxes (4110)*		0	10
Other Accrued Liabilities (4120)*	28,218	52,825	11
Other Current Liabilities (4130)*		0	12
TOTAL CURRENT LIABILITIES*	1,050,946	689,367	
LONG-TERM DEBT			
Funded Debt (4210)*	2,517,417	2,642,431	13
Premium on Long-Term Debt (4220)*		0	14
Discount on Long-Term Debt (4230)*		0	15
Reacquired Debt (4240)*	0	0	16
Obligations Under Capital Leases (4250)*		0	17
Advances from Affiliated Companies (4260)*	0	0	18
Other Long-Term Debt (4270)*	0	0	19
TOTAL LONG-TERM DEBT*	2,517,417	2,642,431	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*		0	20
Unamortized Operating ITC--Net (4320)*	100,366	120,798	21
Unamortized Nonoperating ITC--Net (4330)*		0	22
Net Noncurrent Deferred Operating Income Taxes (4340)*	423,255	380,148	23
Net Deferred Tax Liability Adjustments (4341)*	(64,062)	(78,965)	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	(9,712)	0	25
Other Deferred Credits (4360)*		0	26
Deferred Tax Regulatory Liability (4361)*	77,669	95,866	27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS*	527,516	517,847	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	1,376,430	1,376,430	28
Additional Paid-in Capital (4520)*		0	29
Treasury Stock (4530)*	0	0	30
Other Capital (4540)*		0	31
Retained Earnings (4550)*	1,588,200	1,957,288	32
TOTAL STOCKHOLDERS' EQUITY*	2,964,630	3,333,718	
TOTAL LIABILITIES AND OTHER CREDITS*	7,060,509	7,183,363	

STATEMENT OF CASH FLOWS

Item (a)	Amount (b)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	1,130,912	1
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and amortization	637,666	2
Interest during construction	0	3
Changes in assets and liabilities:		
Current assets (net)	10,054	4
Other noncurrent assets	5,561	5
Other current liabilities	367,348	6
Other liabilities and deferred credits	9,669	7
Other (specify):		
TOTAL ADJUSTMENTS	1,030,298	
NET CASH PROVIDED BY OPERATING ACTIVITIES (NET INCOME & ADJUST.)	2,161,210	
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures:		
Changes in plant (net)	(486,138)	8
Investments in affiliated companies	0	9
Nonoperating Investments	0	10
Other (specify):		
NET CASH USING IN INVESTING ACTIVITIES	(486,138)	
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in capital lease obligations (net)	0	11
Change in long-term debt (net)	(130,783)	12
Net changes in stockholder equity other than retained earnings	0	13
Change in short term borrowing (net)	0	14
Dividends paid	(1,500,000)	15
Miscellaneous debits/credits to retained earnings	0	16
Other (specify):		
Net Cash Provided by Financing Activities	(1,630,783)	
NET INCREASE IN CASH AND CASH EQUIVALENTS	44,289	
Cash and cash equivalents at beginning of year (Accts. 1130-1160 for Class A; 1120 for Class B)		
Cash and cash equivalents at end of year (Accts. 1130-1160 for Class A; 1120 for Class B)		

IMPORTANT CHANGES DURING THE YEAR

1. Give the name and address of all companies which during the year came under the direct control of the respondent otherwise than through title to securities, stating whether such control is sole or joint, how control was established, names of other parties to a joint agreement for control, the extent of control exercised by each party, and any other pertinent data requisite to a clear understanding of the arrangements relating to control (See Section 32.9000 of the Uniform System of Accounts). Where important details relating to control of a company have changed, give particulars. If during the year a company ceased to be controlled by the respondent, its name and a statement of fact will be sufficient.

None

2. Give the name and address of all companies which during the year came under the indirect control of the respondent through non-reporting intermediaries, stating whether such control is sole or joint, how control was established, names of other parties to a joint agreement for control, the extent of control exercised by each party, the name and address of the intermediary through which the indirect control exists, and any other pertinent data requisite to a clear understanding of the arrangements relating to control (See Section 32.9000 of the Uniform System of Accounts). Where important details relating to control of a company have changed, give particulars. If during the year a company ceased to be controlled by the respondent, its name and a statement of fact will be sufficient.

None

3. Important leaseholds acquired, given, assigned or surrendered, giving effective dates, lengths of terms, names of parties, rents, and other conditions.

None

4. List extension of system (other than additions supplementing existing facilities of the respondent) whether by purchase, construction, donation, or otherwise, such as a substantially complete telephone system, exchange or toll line. Give the location, new territory covered, and dates of beginning operation, and in case of purchase give also the name and address of the company from which purchased, date of acquisition, the consideration given, and reference to Commission authorization.

None

5. Estimated increase or decrease in annual revenues due to important rate changes, giving bases of estimates.

None

6. Obligation incurred or assumed by respondent as guarantor for the performance by another of any agreement or obligation, excluding ordinary commercial paper maturing on demand or not later than one year after date of issue.

None

7. Changes in articles of incorporation or amendments to charter.

None

8. Additional matters of fact (not elsewhere provided for) which respondent may desire to include in its report.

Farmers Telephone Company is a subsidiary of the Holding Company - Pioneer Communications, Inc.

AFFILIATE ABBREVIATIONS

In column (b) provide the abbreviation for the name of the affiliate shown in column (a). Limit abbreviations to 10 characters or less. Use these abbreviations when completing the affiliated interest schedules. Insert "Other" in the Abbreviations column if the activity to be reported for a particular record in the Affiliated Interest Transactions or Affiliated Assets and Liabilities schedule represents an aggregation of activity not exceeding the dollar or percentage limits set forth in the header of that schedule.

Name of Affiliate (a)	Abbreviations (b)	
DICKEYVILLE TELEPHONE CORPORATION	DTC	1
PIONEER COMMUNICATIONS, INC.	PCI	2

AFFILIATED INTEREST TRANSACTIONS

Provide a summary of transactions under established affiliated interest contracts and arrangements (see Wis. Stat. § 196.52, for "affiliated interest" definitions). Use the space below to report transactions with individual affiliates and multiple affiliated interest agreements or, at the utility's option, with individual affiliates and a single agreement. Activity associated with affiliated contracts or arrangements not in excess of \$25,000 or 5 percent of the equity of the utility, whichever is smaller, may be aggregated in a single record. For utilities whose intrastate gross operating revenues of the previous year exceeded \$100,000,000, individual contracts or arrangements not exceeding \$100,000 may be aggregated in a single record. Where an affiliate is both providing and receiving service use one record to show billings to and a second record for billings from. When billings to or from an affiliate are recorded on the books of the utility, the records underlying such billings shall be sufficient to show all the detail maintained to identify the associated accounts related to the billing and categorize billings according to the account categories shown below.

Particulars (a)	(b)	(c)	(d)	(e)
Docket	Various	Various		
Name of Affiliate	DTC	PCI		1
Designate whether billed to or from:	TO	TO		2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C	C		3
Revenues				4
Expenses:				
Plant Specific Operations Expense	74,793	65,489		5
Plant Nonspecific Operations Expense	2,526			6
Customer Operations Expense	29,385	11,629		7
Corporate Operations Expense	23,000	36,531		8
Total Operating Expenses	129,704	113,649	0	0 9
Other:				
Plant Accounts	18,805	8,286		10
Accumulated Depreciation	1,210			11
Accumulated Amortization				12
Clearing				13
All Other		65,846		14
Total	149,719	187,781	0	0 15
Percent of affiliate's business billed to all affiliated regulated utilities				16
If cost based, rate of return on equity or markup incorporated in billings				17
Footnotes	M	M		

AFFILIATED ASSETS AND LIABILITIES

This schedule should be used to report affiliated activity concerning balances at the end of the year for the following accounts: 1120, Cash and Equivalents; 1160, Temporary Investments; 1180, Telecommunications Accounts Receivable; 1190, Other Accounts Receivable; 1210, Interest and Dividends Receivable; 1401, Investment in Affiliated Companies; 4010, Accounts Payable; and 4260, Advances from Affiliated Companies. Amounts at the end of the year for each affiliate should be identified by respective affiliate and account number. Report information below consecutively by respective account number; affiliated amounts of less than \$5,000 may be reported in aggregate as "other" for a particular account. Affiliated amounts recorded in accounts 1200, Notes Receivable, 1408, Sinking Funds, and 4020, Notes Payable, should not be reported in this schedule, but rather in the respective schedules contained elsewhere in this report.

Name of Affiliate (a)	Account Number (b)	Balance EOY (c)	
DICKEYVILLE TELEPHONE CORPORATION	1190	27,126	1
PIONEER COMMUNICATIONS, INC.	1190	23,965	2
DICKEYVILLE TELEPHONE CORPORATION	4010	740	3
PIONEER COMMUNICATIONS, INC.	4010	534,209	4

ACCOUNTS RECEIVABLE NET WRITE OFFS - TELECOMMUNICATIONS

This schedule should be used to report accounts receivable net write off activity.

Particulars (a)	Amount (b)	
Collection of amounts previously written off		1 c
Uncollectibles written off during the year		2
Net write offs during the year	<u><u>0</u></u>	

NOTES RECEIVABLE (ACCT. 1200) AND ALLOWANCES (ACCT. 1201)

For affiliates, list by issue or note by affiliate. Other, list by issue or note by entity. Separately identify economic development loans and associated particulars.

Name of Maker and purpose (a)	Issue Date (b)	Maturity (c)	Interest Rate (d)	Amount EOY (e)	Allowance Acct. 1201 (f)
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INVESTMENTS IN NONAFFILIATED COMPANIES (ACCT. 1402)

Name (a)	Balance EOY (b)	
RTB Class B Stock	173,959	1
Other:		
RTB Class C Stock	5,000	2
Archer-Daniels-Midland Company - Stock	1,292	3
People Community Oil Company	10	4
RSA-8 2% of Net Assets	66,303	5
Total Investments in Nonaffiliated Companies	246,564	

NONREGULATED INVESTMENTS (ACCT. 1406)

Report below the name and end-of-year balance of total net investment and inventory (accts. 1406.10, 1406.11 and 1406.12) for each nonregulated activity. Telephone utilities not subject to dual jurisdiction should report materials and supplies held for resale in account 1406.

Name (a)	Balance EOY (b)
<hr/>	
Total Net Investment and Inventory (Accts. 1406.10, 1406.11, and 1406.12):	
None	1

DEFERRED MAINTENANCE AND RETIREMENTS (ACCT. 1438)

List items individually by Commission approval noting the date of approval.

Description of Item (a)	Balance EOY (b)	
None	0	1
Total	0	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
GENERAL SUPPORT ASSETS				
Land	2111	97,629		1
Motor Vehicles	2112	230,562	31,867	2
Aircraft	2113	0		3
Special Purpose Vehicles	2114	0		4
Garage Work Equipment	2115	0		5
Other Work Equipment	2116	184,504	17,795	6
Buildings	2121	633,731	1,669	7
Furniture	2122	62,557	3,998	8
Office Equipment	2123	67,641	0	9
General Purpose Computers	2124	282,279	67,706	10
TOTAL--GENERAL SUPPORT ASSETS:		1,558,903	123,035	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0		11
Digital Electronic Switching	2212	1,765,759	226,445	12
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220	0		14
Radio Systems	2231	0	0	15
Circuit Equipment	2232	655,548	88,843	16
TOTAL--CENTRAL OFFICE ASSETS:		2,421,307	315,288	
INFORMATION ORIGATION/TERMINATION ASSETS				
Station Apparatus	2311	0		17
Customer Premises Wiring	2321	0		18
Large Private Branch Exchanges	2341	0		19
Public Telephone Terminal Equipment	2351	37,186	701	20
Other Terminal Equipment	2362	761		21
TOTAL--INFORMATION ORIG/TERM ASSETS:		37,947	701	
CABLE WIRE FACILITIES ASSETS				
Poles	2411	67,979	1,957	22
Aerial Cable	2421	416,892	17,920	23
Underground Cable	2422	120,746	1,183	24
Buried Cable	2423	3,679,590	73,479	25
Submarine Cable	2424	0	0	26
Deep Sea Cable	2425	0		27
Intrabuilding Network Cable	2426	0	0	28
Aerial Wire	2431	20,815		29
Conduit Systems	2441	159,309	902	30
TOTAL--CABLE WIRE FACILITIES ASSETS:		4,465,331	95,441	
AMORTIZABLE ASSETS				
Capital Leases	2681	0		31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2111			97,629	1
2112	13,999		248,430	2
2113			0	3
2114			0	4
2115			0	5
2116			202,299	6
2121	4,402		630,998	7
2122			66,555	8
2123	3,736	0	63,905	9
2124			349,985	10
	22,137	0	1,659,801	
2211			0	11
2212	1,438	0	1,990,766	12
2215	0	0	0	13
2220			0	14
2231	0	0	0	15
2232	40,426	0	703,965	16
	41,864	0	2,694,731	
2311			0	17
2321			0	18
2341			0	19
2351			37,887	20
2362			761	21
	0	0	38,648	
2411	250		69,686	22
2421	7,482	0	427,330	23
2422	0	0	121,929	24
2423	8,888	0	3,744,181	25
2424	0	0	0	26
2425			0	27
2426	0	0	0	28
2431	209		20,606	29
2441			160,211	30
	16,829	0	4,543,943	
2681			0	31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)
AMORTIZABLE ASSETS			
Leasehold Improvements	2682	0	32
Intangibles	2690	0	33
TOTAL--AMORTIZABLE ASSETS:		0	0
TOTAL TELECOM. PLANT IN SERVICE	2001	8,483,488	534,465
Less: Allocation to Nonregulated Activity - EOY	2001		34
NET REG. TOTAL TELE. PLANT IN SERV. - EOY	2001		

Explain all amounts shown in column (g).

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2682			0	32
2690			0	33
	0	0	0	
	80,830	0	8,937,123	
2001				34
			8,937,123	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)

Report telecommunications plant data for each subaccount where primary plant accounts have subclassifications. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone plant at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subaccount (b)	Balance FOY (c)	Additions (d)	
Office Support Equipment	2123.1	51,908		1
Company Communications Equipment	2123.2	15,733		2
Software	2212.1	1,765,759		3 D
Digital Switching - Central Office	2212.2	0	223,514	4 D
Digital Switching - Remote	2212.3	0	2,931	5 D
Step by Step Switching	2215.1	0		6
Crossbar Switching	2215.2	0		7
Satellite and Earth Station Facilities	2231.1	0		8
Other Radio Facilities	2231.2	0		9
Digital Circuit Equipment	2232.1	320,456	76,716	10
Analog Circuit Equipment	2232.2	142,972	10,291	11
Light Wave Circuit Equipment	2232.3	192,120	1,836	12
Aerial Cable - Nonmetallic	2421.1	416,892		13 D
Aerial Cable - Metallic	2421.2	0	17,920	14 D
Underground Cable - Nonmetallic	2422.1	8,797		15
Underground Cable - Metallic	2422.2	111,949	1,183	16
Buried Cable - Nonmetallic	2423.1	510,193		17
Buried Cable - Metallic	2423.2	3,169,397	73,479	18
Submarine Cable - Nonmetallic	2424.1	0		19
Submarine Cable - Metallic	2424.2	0		20
Intrabuilding Cable - Nonmetallic	2426.1	0		21
Intrabuilding Cable - Metallic	2426.2	0		22

Explain all amounts shown in column (g).

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)
(cont.)

Subaccount (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2123.1	3,132		48,776	1
2123.2	604		15,129	2
2212.1		(1,765,759)	0	3 D
2212.2		1,294,365	1,517,879	4 D
2212.3	1,438	471,394	472,887	5 D
2215.1			0	6
2215.2			0	7
2231.1			0	8
2231.2			0	9
2232.1	34,067		363,105	10
2232.2	6,359		146,904	11
2232.3			193,956	12
2421.1		(416,892)	0	13 D
2421.2	7,482	416,892	427,330	14 D
2422.1			8,797	15
2422.2			113,132	16
2423.1			510,193	17
2423.2	8,888		3,233,988	18
2424.1			0	19
2424.2			0	20
2426.1			0	21
2426.2			0	22

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
GENERAL SUPPORT ASSETS					
Motor Vehicles	2112	125,267	6.43	19,339	1G
Aircraft	2113	0			2
Special Purpose Vehicles	2114	0			3
Garage Work Equipment	2115	0			4
Other Work Equipment	2116	98,867	8.13	15,245	5H
Buildings	2121	248,362	3.13	19,786	6
Furniture	2122	46,339	6.67	4,373	7I
Office Equipment	2123	38,145	16.21	10,501	8
General Purpose Computers	2124	126,568	20.0	65,718	9
Total-- GENERAL SUPPORT ASSETS		683,548		134,962	0
CENTRAL OFFICE ASSETS					
Analog Electronic Switching	2211	0			10
Digital Electronic Switching	2212	236,020	10.0	190,765	11
Electro-Mechanical Switching	2215	0			12
Operator Systems	2220	0			13
Radio Systems	2231	0			14
Circuit Equipment	2232	530,023	7.39	49,607	15
Total-- CENTRAL OFFICE ASSETS		766,043		240,372	0
INFORMATION ORIG/TERM ASSETS					
Station Apparatus	2311	0			16
Customer Premises Wiring	2321	0			17
Large Private Branch Exchanges	2341	0			18
Public Telephone Terminal Equipment	2351	26,815	12.5	4,677	19
Other Terminal Equipment	2362	492	15.0	115	20
Total-- INFORMATION ORIG/TERM ASSETS		27,307		4,792	0
CABLE WIRE FACILITIES ASSETS					
Poles	2411	67,741	6.94	2,244	21
Aerial Cable	2421	341,549	5.25	22,222	22
Underground Cable	2422	49,991	4.0	4,860	23
Buried Cable	2423	2,333,472	6.0	221,967	24
Submarine Cable	2424	0			25
Deep Sea Cable	2425	0			26
Intrabuilding Network Cable	2426	0			27
Aerial Wire	2431	20,815	17.51		28

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112	13,999		778		131,385	1 G
2113					0	2
2114					0	3
2115					0	4
2116					114,112	5 H
2121	4,402				263,746	6
2122			100		50,812	7 I
2123	3,736				44,910	8
2124					192,286	9
	22,137	0	878	0	797,251	
2211					0	10
2212	1,438	949		0	424,398	11
2215	0				0	12
2220					0	13
2231	0				0	14
2232	40,426	380	10,652		549,476	15
	41,864	1,329	10,652	0	973,874	
2311					0	16
2321					0	17
2341					0	18
2351					31,492	19
2362					607	20
	0	0	0	0	32,099	
2411	250	1,201			68,534	21
2421	7,482	2,021	240	0	354,508	22
2422	0				54,851	23
2423	8,888	498	55		2,546,108	24
2424	0				0	25
2425					0	26
2426	0				0	27
2431	209				20,606	28

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
CABLE WIRE FACILITIES ASSETS					
Conduit Systems	2441	68,037	2.5	3,995	29
Total-- CABLE WIRE FACILITIES ASSETS		2,881,605		255,288	0
Total Accumulated Depreciation	3100	4,358,503		635,414	0
Less: Allocation to Nonregulated Activity - Columns e, f and I	3100				30
Net Regulated Total Accum Depreciation - 3100 Columns e, f and I				635,414	0

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441					72,032	29
	16,829	3,720	295	0	3,116,639	
3100	80,830	5,049	11,825	0	4,919,863	
3100						30
3100					4,919,863	

ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS)

Where subclassifications of primary plant accounts are used, report below the accumulated depreciation details for each subaccount. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone accumulated depreciation at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subacct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)	
Office Support Equipment	2123.1	33,707	15.0	7,355		1
Company Communications Equipment	2123.2	4,438	20.0	3,146		2
Software	2212.1	236,020				3 E
Digital Switching - Central Office	2212.2	0	10.0			4
Digital Switching - Remote	2212.3	0	10.0	190,765		5 E
Step by Step Switching	2215.1	0				6
Crossbar Switching	2215.2	0				7
Satellite and Earth Station Facilities	2231.1	0				8
Other Radio Facilities	2231.2	0				9
Digital Circuit Equipment	2232.1	312,035	10.0	32,812		10
Analog Circuit Equipment	2232.2	142,972	20.0	3,965		11
Light Wave Circuit Equipment	2232.3	75,016	6.67	12,830		12
Aerial Cable - Nonmetallic	2421.1	341,549				13 F
Aerial Cable - Metallic	2421.2	0	5.25	22,222		14 F
Underground Cable - Nonmetallic	2422.1	1,886	4.0	352		15
Underground Cable - Metallic	2422.2	48,105	4.0	4,508		16
Buried Cable - Nonmetallic	2423.1	162,053	6.0	30,611		17
Buried Cable - Metallic	2423.2	2,171,419	6.0	191,356		18
Submarine Cable - Nonmetallic	2424.1	0				19
Submarine Cable - Metallic	2424.2	0				20
Intrabuilding Cable - Nonmetallic	2426.1	0				21
Intrabuilding Cable - Metallic	2426.2	0				22

ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS) (cont.)

Subacct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2123.1	3,132				37,930	1
2123.2	604				6,980	2
2212.1				(236,020)	0	3 E
2212.2					0	4
2212.3	1,438	949		236,020	424,398	5 E
2215.1					0	6
2215.2					0	7
2231.1					0	8
2231.2					0	9
2232.1	34,067	216	5,964		316,528	10
2232.2	6,359	164	4,688		145,102	11
2232.3					87,846	12
2421.1				(341,549)	0	13 F
2421.2	7,482	2,021	240	341,549	354,508	14 F
2422.1					2,238	15
2422.2					52,613	16
2423.1					192,664	17
2423.2	8,888	498	55		2,353,444	18
2424.1					0	19
2424.2					0	20
2426.1					0	21
2426.2					0	22

NET DEFERRED OPERATING INCOME TAXES (ACCT. 1350, 1410, 1437, 4100, 4340, 4341 & 4361)

This schedule should be used to report the deferred operating income tax portion of the stated accounts. In addition, column (e) of this schedule should be used to report the flowback of property related excess deferred taxes (e.g., 46 percent versus 34 percent federal tax rates). Credit amounts should be shown in ().

Particulars (a)	Balance FOY (b)	
PROPERTY RELATED		
Other Current Assets (1350)	0	1
Other Noncurrent Assets (1410)	0	2
Deferred Tax Regulatory Asset (1437)	16,757	3
Net Current Deferred Operating Income Taxes (4100)	0	4
Net Noncurrent Deferred Operating Income Taxes (4340)	(340,364)	5
Net Deferred Tax Liability Adjustments (4341)	0	6
Deferred Tax Regulatory Liability (4361)	0	7
Net Property Related Deferred Operating Income Taxes	(323,607)	
Less: Allocation to Nonregulated Activity		8
Net Regulated Total Property Related Deferred Operating Income Taxes	(323,607)	
NONPROPERTY RELATED		
Other Current Assets (1350)	0	9
Other Noncurrent Assets (1410)	0	10
Deferred Tax Regulatory Asset (1437)	0	11
Net Current Deferred Operating Income Taxes (4100)	0	12
Net Noncurrent Deferred Operating Income Taxes (4340)	(39,784)	13
Net Deferred Tax Liability Adjustments (4341)	78,965	14
Deferred Tax Regulatory Liability (4361)	(95,866)	15
Total Nonproperty Related Deferred Operating Income Taxes	(56,685)	

NET DEFERRED OPERATING INCOME TAXES (ACCT. 1350, 1410, 1437, 4100, 4340, 4341 & 4361) (cont.)

Acct (c)	Current Year Accrual (d)	Current Year Amortization (e)	Adjustments Debit or (Credit) (f)	Balance EOY (g)	
7250				0	1
7250				0	2
	(902)			15,855	3
7250				0	4
7250	(30,500)			(370,864)	5
				0	6
				0	7
	(31,402)	0	0	(355,009)	8
				0	
	(31,402)	0	0	(355,009)	
7250				0	9
7250				0	10
				0	11
7250				0	12
7250	(12,607)			(52,391)	13
	(14,903)			64,062	14
	18,197			(77,669)	15
	(9,313)	0	0	(65,998)	

NOTES PAYABLE (ACCT. 4020)

For affiliate, list note by affiliate. For a particular affiliate, the identical affiliate name, as shown in the Affiliate Abbreviations schedule, should be reported in this schedule. For other, list by note by entity.

Name (a)	Issue Date (b)	Maturity (c)	Interest Rate (d)	Balance EOY (e)
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LONG-TERM DEBT

Report data requested and show total for each long-term debt account at end of year. Information concerning the following debt issues may be reported on individual lines in aggregate: REA/RTB 2%, REA/RTB 5%, & REA/RTB 7%. In addition, REA/RTB and FFB debt, respectively, within a range of 200 basis points may also be reported in aggregate on individual lines. If reported in aggregate, a range of dates may be reported in columns (b) and (c) as well as a range of interest rates in column (d) and a composite interest rate in column (e). If aggregation is not utilized, column (e) should contain the same interest rate as reported in column (d). For account 4050 report only the amount of debt anticipated to be repaid in one year or less.

Description of Debt (a)	Specific or Range of Stated Dates of Issue (b)	Specific or Range of Stated Dates of Maturity (c)	Specific or Range of Interest Rates (d)	
Funded Debt (Account 4210):				
RTB Note #S010	01/06/1975	01/06/2010	8.0000	1
RTB Note #S013	01/06/1975	01/06/2010	8.0000	2
RTB Note #S030	09/22/1989	09/22/2011	6.0500	3
RTB Note #S031	09/22/1989	09/22/2011	6.0400	4
RUS Note #2031	05/29/1967	05/25/2002	2.0000	5
RUS Note #2040	02/13/1968	02/13/2003	2.0000	6
RUS Note #2041	02/13/1968	02/13/2003	2.0000	7
RUS Note #2042	02/14/1974	02/14/2009	2.0000	8
Total Funded Debt				

LONG-TERM DEBT (cont.)

Composite Interest Rate (e)	Held by Utility		Total Principal EOY (h)	Current Maturities Included in Acct. 4050 (i)	Total Amount Outstanding (j)	
	Reacquired Debt Acct. 4240 (f)	Sinking Funds Acct. 1408 (g)				
8.0000			1,353,469	59,889	1,413,358	1
8.0000			228,897	10,128	239,025	2
6.0500			535,762	23,706	559,468	3
6.0400			228,905	10,129	239,034	4
2.0000			3,125	486	3,611	5
2.0000			112,639	17,529	130,168	6
2.0000			15,936	2,480	18,416	7
2.0000			38,684	6,020	44,704	8
	0	0	2,517,417	130,367	2,647,784	

CAPITAL STOCK ACCOUNTS AT END OF YEAR

In column (a) indicate the stated dividend rate applicable to each series of preferred stock.

Class and Series (a)	Shares Authorized by Charter (b)	Par Value per Share (c)	Call Price End of Year (d)
COMMON STOCK:			
	200,000	10.00	1
TOTAL COMMON STOCK	200,000		
TOTAL	<u>200,000</u>		

CAPITAL STOCK ACCOUNTS AT END OF YEAR (cont.)

	Acct. 4510 - Capital Stock		Acct. 4530 - Treasury Stock		
	Shares (e)	Amount (f)	Shares (g)	Amount (h)	
COMMON STOCK:					
	137,643	1,376,430			1
	137,643	1,376,430	0	0	
TOTAL	<u>137,643</u>	<u>1,376,430</u>	<u>0</u>	<u>0</u>	

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	1,957,288	2,169,401	1
Changes:			
Balance Transferred from Income	1,130,912	1,087,887	2
Dividends Declared:			
Common	1,500,000	1,300,000	3
Preferred		0	4
Total Dividends Declared	1,500,000	1,300,000	
Miscellaneous Debits to Retained Earnings		0	5
Miscellaneous Credits to Retained Earnings		0	6
Balance--End of Year	<u>1,588,200</u>	<u>1,957,288</u>	

DISTRIBUTION OF TAXES

1. Report hereunder the summary accounts and functions charged with taxes accrued during the year.
2. Where allocation is necessary, explain the basis used.
3. Report in a footnote the amounts and kind of taxes cleared from prepaid taxes, if any.

Summary Account/ Function Charged (a)	Wisconsin License Fee (b)	Wisconsin Income Tax (c)	Federal Income Tax (d)	
Operating Taxes (Accts. 7210 - 7250)	216,846	154,085	547,903	1
Nonoperating Taxes (Accts. 7410 - 7450)		(517)	(1,953)	2
Extraordinary Items (Accts. 7630 & 7640)				3
Nonregulated Net Income (Acct. 7990)				4
Clearing Accounts				5
Construction				6
Payroll Taxes: FICA				7
Payroll Taxes: State Unemployment				8
Payroll Taxes: Federal Unemployment				9
Other (specify):				
ITC			20,432	10
Deferred Taxes		(8,808)	(11,206)	11
TOTAL	<u><u>216,846</u></u>	<u><u>144,760</u></u>	<u><u>555,176</u></u>	

DISTRIBUTION OF TAXES (cont.)

PSC Remainder Assessment (e)	Local Property Tax (f)	State & Local Taxes Other than Wisconsin (g)	Other Taxes (h)	Payroll Taxes (i)	Total (j)	
6,462					925,296	1
					(2,470)	2
					0	3
					0	4
					0	5
					0	6
				48,971	48,971	7
				567	567	8
				1,499	1,499	9
					20,432	10
					(20,014)	11
<u>6,462</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>51,037</u>	<u>974,281</u>	

REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
LOCAL NETWORK SERVICES REVENUES			
Basic Local Service Revenue (5000)*	1,073,700	990,265	1
Basic Area Revenue (5001)			2
Optional Extended Area Revenue (5002)			3
Cellular Mobile Revenue (5003)			4
Other Mobile Services Revenue (5004)			5
Public Telephone Revenue (5010)			6
Local Private Line Revenue (5040)			7
Customer Premises Revenue (5050)			8
Other Local Exchange Revenue (5060)			9
Other Local Exchange Revenue Settlements (5069)			10
TOTAL BASIC LOCAL SERVICE REVENUE (5000)	1,073,700	990,265	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	273,753	267,275	11
Switched Access Revenue (5082)*	1,007,000	999,082	12
Special Access Revenue (5083)*	38,782	34,205	13
TOTAL INTERSTATE ACCESS REVENUES (5080)	1,319,535	1,300,562	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*		0	14
Switched Access Revenue (5084.2)*	749,316	723,377	15
Special Access Revenue (5084.3)*	189,412	174,843	16
TOTAL INTRASTATE ACCESS REVENUES (5084)	938,728	898,220	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*		0	17
Long Distance Inward-Only Revenue (5111)			18
Long Distance Outward-Only Revenue (5112)			19
Unidirectional Long Distance Revenue (5110)	0	0	
Long Distance Private Network Revenues			
Subvoice Grade Revenue (5121)			20
Voice Grade Revenue (5122)			21
Audio Program Grade Revenue (5123)			22
Video Program Grade Revenue (5124)			23
Digital Transmission Revenue (5125)			24
Switching Revenue (5126)			25
Other Revenue (5128)			26
Other Revenue Settlements (5129)			27
Total Long Distance Private Network Revenue	0	0	
Other Long Distance Revenue (5160)			28
Other Long Distance Revenue Settlements (5169)			29
TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV.	0	0	

REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
MISCELLANEOUS REVENUES			
Directory Revenue (5230)*	113,287	101,542	30
Rent Revenue (5240)*	9,592	9,610	31
Corporate Operations Revenue (5250)*		0	32
Miscellaneous:			
Miscellaneous Revenue (5260)*	140,605	77,469	33 K
Special Billing Arrangements Revenue (5261)			34
Customer Operations Revenue (5262)			35
Plant Operations Revenue (5263)			36
Other Incidental Regulated Revenue (5264)			37
Other Revenue Settlements (5269)			38
Total Miscellaneous Revenue (5260)	140,605	77,469	
Interstate Billing and Collection Revenue*	75,757	97,316	39 L
Intrastate Billing and Collection Revenue*	139,770	162,861	40
Total Carrier Billing and Collection Revenue (5270)*	215,527	260,177	
Nonregulated Operating Revenue (5280)**			41
TOTAL MISCELLANEOUS REVENUES	479,011	448,798	
GROSS OPERATING REVENUES	3,810,974	3,637,845	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*	1,870	467	42
Uncollectible Revenue--Telecommunications (5301)			43
Uncollectible Revenue--Other (5302)			44
TOTAL UNCOLLECTIBLE REVENUE (5300)	1,870	467	
TOTAL OPERATING REVENUES	3,809,104	3,637,378	

** Account 5280 is to be used only by those companies subject to dual jurisdiction.

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)	
PLANT SPECIFIC OPERATIONS EXPENSE				
Total Network Support Expense (6110)	7,466	7,299	1,236	1
Less: Nonregulated		0		2
Net Regulated	7,466	7,299	1,236	3
Total General Support Expense (6120)	100,196	82,600	10,590	4
Less: Nonregulated		0		5
Net Regulated	100,196	82,600	10,590	6
Total Central Office Switching Expense (6210)	92,004	84,297	44,456	7
Less: Nonregulated		0		8
Net Regulated	92,004	84,297	44,456	9
Total Operator Systems Expense (6220)		0		10
Less: Nonregulated		0		11
Net Regulated	0	0	0	12
Total Central Office Transmission Expenses (6230)	14,491	17,416	3,558	13
Less: Nonregulated		0		14
Net Regulated	14,491	17,416	3,558	15
Total Information Orig. / Term. Expense (6310)	2,187	1,309	541	16
Less: Nonregulated		0		17
Net Regulated	2,187	1,309	541	18
Total Cable and Wire Fac. Expense (6410)	117,647	112,479	46,812	19
Less: Nonregulated		0		20
Net Regulated	117,647	112,479	46,812	21
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	333,991	305,400	107,193	
Less: Nonregulated	0	0	0	
Net Regulated	333,991	305,400	107,193	
PLANT NONSPECIFIC OPERATIONS EXPENSE				
Total Other Property, Plant and Equip. Exp. (6510)		0		22
Less: Nonregulated		0		23
Net Regulated	0	0	0	24
Total Network Operations Expense (6530)	75,718	72,472	40,166	25
Less: Nonregulated		0		26
Net Regulated	75,718	72,472	40,166	27
Access Expense (6540)		0		28
Less: Nonregulated		0		29
Net Regulated	0	0	0	30
Total Depreciation and Amortization Expense (6560)	599,683	637,666		31
Less: Nonregulated		0		32
Net Regulated	599,683	637,666		33
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	675,401	710,138	40,166	
Less: Nonregulated	0	0	0	
Net Regulated	675,401	710,138	40,166	

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6110	352		5,711		1
	352	0	5,711	0	2
6120	1,630	27,468	42,912		3
	1,630	27,468	42,912	0	4
6210	11,289		28,552		5
	11,289	0	28,552	0	6
6220					7
	0	0	0	0	8
6230	948	4,555	8,355		9
	948	4,555	8,355	0	10
6310	138		630		11
	138	0	630	0	12
6410	12,214	20,017	33,436		13
	12,214	20,017	33,436	0	14
	26,571	52,040	119,596	0	15
	0	0	0	0	16
	26,571	52,040	119,596	0	17
6510					18
	0		0	0	19
6530	10,438		21,868		20
	10,438	0	21,868	0	21
6540					22
	0	0	0	0	23
6560			637,666		24
			637,666		25
	10,438	0	659,534	0	26
	0	0	0	0	27
	10,438	0	659,534	0	28

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)	
CUSTOMER OPERATIONS EXPENSE				
Total Marketing (6610)	4,261	3,841	1,589	34
Less: Nonregulated		0		35
Net Regulated	4,261	3,841	1,589	36
Total Services (6620)	251,417	305,452	110,139	37
Less: Nonregulated		0		38 J
Net Regulated	251,417	305,452	110,139	39
TOTAL CUSTOMER OPERATIONS EXPENSE	255,678	309,293	111,728	
Less: Nonregulated	0	0	0	
Net Regulated	255,678	309,293	111,728	
CORPORATE OPERATIONS EXPENSE				
Total Exec. and Planning (6710)	164,365	184,297	151,109	40
Less: Nonregulated		0		41
Net Regulated	164,365	184,297	151,109	42
Total General and Administrative (6720)	119,290	142,090	44,496	43
Less: Nonregulated		0		44
Net Regulated	119,290	142,090	44,496	45
Provision for Uncollectible Notes Receiv. (6790)		0		46
Less: Nonregulated		0		47
Net Regulated	0	0		48
TOTAL CORPORATE OPERATIONS EXPENSE	283,655	326,387	195,605	
Less: Nonregulated	0	0	0	
Net Regulated	283,655	326,387	195,605	
TOTAL EXPENSES	1,548,725	1,651,218	454,692	
Less: Nonregulated	0	0	0	
Net Regulated	1,548,725	1,651,218	454,692	

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6610	355		1,897		34
					35
	355	0	1,897	0	36
6620	28,218		167,095		37
					38 J
	28,218		167,095	0	39
	28,573	0	168,992	0	
	0	0	0	0	
	28,573	0	168,992	0	
6710	14,481		18,707		40
					41
	14,481		18,707	0	42
6720	11,461		86,133		43
					44
	11,461		86,133	0	45
6790					46
					47
			0		48
	25,942	0	104,840	0	
	0	0	0	0	
	25,942	0	104,840	0	
	91,524	52,040	1,052,962	0	
	0	0	0	0	
	91,524	52,040	1,052,962	0	

EXPENSE MATRIX - CLASS A & B (DETAIL)

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries/ Wages (d)	
Property Held for Future Tele. Use Exp. (6511)		0		1
Provisioning Expense (6512)		0		2
Total: Reported in Account 6510	0	0	0	
Depreciat. Exp.--Tele. Plant in Service (6561)	597,431	635,414		3
Depreciat. Exp.--Prop. Held for Future Tele. Use (6562)	2,252	2,252		4
Amortization Expense--Tangible (6563)		0		5
Amortization Expense--Intangible (6564)		0		6
Amortization Expense--Other (6565)		0		7
Total: Reported in Account 6560	599,683	637,666		

EXPENSE MATRIX - CLASS A & B (DETAIL) (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6511					1
6512					2
	0		0	0	
6561			635,414		3
6562			2,252		4
6563					5
6564					6
6565					7
			637,666		

OUT-OF-STATE OPERATING REVENUES

1. This schedule is to be completed only by those companies having out-of-state revenues. For the purpose of completing this schedule, and for PSCW use in calculating Wisconsin remainder assessment revenues, out-of-state revenues are specifically defined in headnote 2.
2. Out-of-state revenues are those derived exclusively from communications physically originating outside of Wisconsin. Out-of-state revenues do not include a) access revenues from "inbound" communications originating outside the state, or b) revenues from communications originating in Wisconsin and terminating outside the state, or c) revenues allocable to Wisconsin-based facilities used for communications originating and terminating outside of the state.

Description (a)	This Year (b)	
Out-of-state operating revenues	0	1
Less: current year write-offs of uncollectible accounts - out-of-state utility customers only		2
Plus: current year collection of out-of-state utility customer accounts previously written off		3
Net out-of-state operating revenues	0	

OTHER INCOME ACCOUNTS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
OTHER OPERATING INCOME AND EXPENSE			
Income from Custom Work (7110)*	(58)	(384)	1
Return from Nonregulated Use of Regulated Facilities (7130)*		0	2
Gains and (Losses) from Foreign Exchange (7140)		0	3
Gains or (Losses) from the Disposition of Land and Artworks (7150)		0	4
Other Operating Gains and (Losses) (7160)*		0	5
TOTAL OTHER OPERATING INCOME AND (EXPENSE) (7100)*	(58)	(384)	
OPERATING TAXES			
Operating Investment Tax Credits--Net (7210)*	(20,432)	(25,215)	6
Operating Federal Income Taxes (7220)*	549,466	435,520	7
Operating State and Local Income Taxes (7230)*	143,228	113,476	8
Operating Other Taxes (7240)*	223,308	212,488	9
Provision for Deferred Operating Income Taxes--Net (7250)*	29,726	144,627	10
TOTAL OPERATING TAXES (7200)*	925,296	880,896	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)*	481	462	11
Interest Income (7320)*	87,210	95,827	12
Income from Sinking and Other Funds (7330)*		0	13
Allowance for Funds Used During Construction (7340)*		0	14
Gains or (Losses) from the Disposition of Certain Property (7350)*		0	15
Other Nonoperating Income (7360)*	93	147	16
Special Charges (7370)*	782	13,842	17
TOTAL NONOPERATING INCOME AND EXPENSE (7300)*	87,002	82,594	
NONOPERATING TAXES			
Nonoperating Investment Tax Credits--Net (7410)*		0	18
Nonoperating Federal Income Taxes (7420)*	5,710	(2,140)	19
Nonoperating State and Local Income Taxes (7430)*	1,532	(567)	20
Nonoperating Other Taxes (7440)*		0	21
Provision for Deferred Nonoperating Income Taxes-Net (7450)*	(9,712)	0	22
TOTAL NONOPERATING TAXES (7400)*	(2,470)	(2,707)	
INTEREST AND RELATED ITEMS			
Interest on Funded Debt (7510)*	188,442	199,696	23
Interest Expense--Capital Leases (7520)*		0	24
Amortization of Debt Issuance Expense (7530)*		0	25
Other Interest Deductions (7540)*	2,650	5,091	26
TOTAL INTEREST AND RELATED ITEMS (7500)*	191,092	204,787	
EXTRAORDINARY ITEMS			
Extraordinary Items (7600)*		0	27
Extraordinary Income Credits (7610)		0	28
Extraordinary Income Charges (7620)		0	29
Current Income Tax Effect of Extraordinary Items--Net (7630)		0	30
Provision for Deferred Income Tax Effect of Extraordinary Items--Net (7640)		0	31
TOTAL EXTRAORDINARY ITEMS (7600)*	0	0	
NONREGULATED NET INCOME			
Nonregulated Net Income (7990)*	0	0	32

NONREGULATED NET INCOME (ACCT. 7990)

Particulars (a)	Amount (b)	
Revenues (Acct. 7990.1)		
Gross Sales		1
Less: Cost of Goods Sold		2
Net Sales	0	3
Expenses (Acct. 7990.2)		4
Nonregulated Net Income	<u>0</u>	5

List the type of nonregulated activities that company is involved in:

None .

If the revenues from an individual nonregulated activity represent in excess of 5% of the total operating revenues for the company, please provide the amounts, as requested above, for that individual activity:

DISTRIBUTION OF SALARIES AND WAGES

Description (a)	Amount (b)	
Regulated Expense	454,692	1
Nonregulated Expense		2
Plant Accounts	60,231	3
Accumulated Depreciation Accounts	3,193	4
All Other Accounts	122,240	5
Total Salaries and Wages	640,356	6 N

EMPLOYEE DATA

Compensation includes wages, commissions, bonuses and any other cash allowances paid to employees.

Employee Category (a)	Number of Equivalent Full-Time Employees		Total Compensation (d)	
	FOY (b)	EOY (c)		
Officers	1.05	1.05	69,967	1
Supervision and Other Management	7.00	7.00	264,397	2
Other Employees	12.84	13.91	305,992	3
Total	20.89	21.96	640,356	

DISTRIBUTION OF SALARIES AND WAGES

Description (a)	Amount (b)	
Regulated Expense	454,692	1
Nonregulated Expense		2
Plant Accounts	60,231	3
Accumulated Depreciation Accounts	3,193	4
All Other Accounts	122,240	5
Total Salaries and Wages	640,356	6 N

EMPLOYEE DATA

Compensation includes wages, commissions, bonuses and any other cash allowances paid to employees.

Employee Category (a)	Number of Equivalent Full-Time Employees		Total Compensation (d)	
	FOY (b)	EOY (c)		
Officers	1.05	1.05	69,967	1
Supervision and Other Management	7.00	7.00	264,397	2
Other Employees	12.84	13.91	305,992	3
Total	20.89	21.96	640,356	

TELEPHONE CALLS AND MINUTES OF USE PER MONTH

Enter average number, in thousands, of calls and minutes of use per month. The averages may be based on actual counts taken periodically during the year. Please provide level of detail available.

Item (a)	Telephone Calls (000's) (b)	Minutes of Use (000's) (c)	
LOCAL			
Intra-Exchange	532		1 o
Extended Area Service	208		2 o
Extended Community Calling	63	251	3
Other Local-Undefined			4
Total Local	803	251	
TOLL			
Operator Handled: State--intraLATA	4	16	5 P
Operator Handled: State--interLATA		12	6
Operator Handled: Interstate		32	7
Customer Dialed: State--intraLATA	52	523	8
Customer Dialed: State--interLATA	254	382	9 q
Customer Dialed: Interstate		1,031	10
WATS			11
Other Toll-Undefined			12
Total Toll	310	1,996	
Total Local & Toll	1,113	2,247	

ACCESS USAGE

Enter number, in thousands, of Billed Minutes.

Description (a)	Billed Minutes (000's)				
	Interstate InterLATA (b)	Intrastate InterLATA (c)	Intrastate IntraLATA (d)	Interstate IntraLATA (e)	
Feature Group A -- Orig.	0	0	0	0	1
Feature Group A -- Term.	26	47	0	0	2
Feature Group B -- Orig.	0	0	0	0	3
Feature Group B -- Term.	14	0	0	0	4
Feature Group C -- Orig.	0	0	3,086	3	5
Feature Group C -- Term.	0	0	2,855	2	6
Feature Group D -- Orig.	4,073	1,765	524	1	7
Feature Group D -- Term.	8,639	2,914	0	0	8

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	66	1
Sheath miles of plant - buried	430	2
Sheath miles of plant - fiber optics	58	3
Strand miles of plant - fiber optics	520	4
Route miles of plant - microwave		5

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	11	53	1
56 kbps	8	19	2
64 kbps (DS0)	1	1	3
1.54 Mbps (DS-1)	1	2	4
45 Mbps (DS-3)	0	0	5
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	66	1
Sheath miles of plant - buried	430	2
Sheath miles of plant - fiber optics	58	3
Strand miles of plant - fiber optics	520	4
Route miles of plant - microwave		5

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	11	53	1
56 kbps	8	19	2
64 kbps (DS0)	1	1	3
1.54 Mbps (DS-1)	1	2	4
45 Mbps (DS-3)	0	0	5
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

SERVICE DATA

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
Business			
1 Party	845	853	3
2 Party	0		4
4 Party	0		5
PBX Trunks/System Trunks	35	25	6
Centrex Trunks	0		7
Centrex Lines	240	265	8
Key System Trunks	389	423	9
Mobile (Utility Provided Service)	0		10
Paging (Utility Provided Service)	100	108	11
FX-Out (Switched)	0		12
Pay Telephone			13
Coin-Operated Pay Telephone			14
Independent Pay Telephone Provider			15
Pay Stations - Public	49	45	16
- Semi-Public	0		17
- Cust. Owned	2	8	18
Other	0	7	19
Total Business Lines	1,660	1,734	20
Residential (Incl. Emp. Concess.)			
1 Party	4,429	4,462	22
2 Party	0		23
4 Party	0		24
FX-Out (Switched)	15	15	25
Other	0		26
Total Residential Lines	4,444	4,477	27
Total Bus & Res Lines	6,104	6,211	28
Company Used Lines	79	87	29
Total Lines Used	6,183	6,298	30

SERVICE DATA (cont.)

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
Miscellaneous			
WATS Lines - OutWATS	3	1	3
WATS Lines - 800 Service	2	2	4
FX-In-intraLATA	15		5
Special Access-intraLATA			6
(expressed in equiv. access lines)	114	121	7
Special Access-interLATA			8
(expressed in equiv. access lines)	41	44	9
Feature Group A Lines	0		10
Feature Group B Trunks	0		11
Feature Group C Trunks	144	144	12
Feature Group D Trunks	192	192	13
TSPS - Trunks	16	16	14
EAS - Trunks	240	240	15
Cellular Trunks (Pub. Sw. Net.)	0		16
Video Distance Learning			17
- discounted (special tariff)	0		18
Customers			
Business - 2 Party Customers	0		20
Business - 4 Party Customers	0		21
Residential - 2 Party Customers	0		22
Residential - 4 Party Customers	0		23
Other			
Total Central Office, Info. Orig./Term., & Cable			25
Wire Fac. Assets (based on physical location of plant)			26
	6,924,585	7,277,322	27
Total Company Square Miles	330	330	28
Total Company Route Miles	892	917	29
Footnotes			30

SERVICE DATA - END OF YEAR

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	0390	0960	2850	4350	1
Business					2
1 Party	44	122	567	120	3
2 Party					4
4 Party					5
PBX Trunks/System Trunks		2	23		6
Centrex Trunks					7
Centrex Lines		1	260	4	8
Key System Trunks	9	36	308	70	9
Mobile (utility provided service)					10
Paging (utility provided service)	1	8	94	5	11
FX-Out (Switched)					12
Pay Telephone					13
Coin-Operated Pay Telephone					14
Independent Pay Telephone Provider					15
Pay Stations - Public	3	9	29	4	16
- Semi-Public					17
- Cust. Owned		2	6		18
Other		1	3	3	19
Total Business Lines	57	181	1,290	206	20
Residential (Incl. Emp. Concess.)					21
1 Party	456	785	2,391	830	22
2 Party					23
4 Party					24
FX-Out (Switched)			11	4	25
Other					26
Total Residential Lines	456	785	2,402	834	27
Total Bus & Res Lines	513	966	3,692	1,040	28
Company Used Lines	5	4	73	5	29
Total Lines Used	518	970	3,765	1,045	30

SERVICE DATA - END OF YEAR (cont.)

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	0390	0960	2850	4350	1
Miscellaneous					2
WATS Lines - OutWATS			1		3
WATS Lines - 800 Service			2		4
FX-In-intraLATA					5
Special Access-intraLATA					6
(equiv. access lines)	1	61	55	4	7
Special Access-interLATA					8
(equiv. access lines)		1	43		9
Feature Group A Lines					10
Feature Group B Trunks					11
Feature Group C Trunks			144		12
Feature Group D Trunks			192		13
TSPS - Trunks			16		14
EAS - Trunks			240		15
Cellular Trunks (Pub. Sw. Net.)					16
Video Distance Learning					17
- discounted (special tariff)					18
Customers					19
Business - 2 Party Customers					20
Business - 4 Party Customers					21
Residential - 2 Party Customers					22
Residential - 4 Party Customers					23
Other					24
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical					26
location of plant)	1,035,217	933,455	4,295,752	1,012,898	27
Exchange Square Miles	79	54	130	67	28
Exchange Route Miles	187	148	404	178	29
Footnotes					30

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Manufacturer Name (a)	Abbreviation (b)	
Alcatel	AL	1
ATTC	ATT	2
GTE	GTE	3
ITT	ITT	4
Nippon Electric	NEC	5
Northern Telecom	NTI	6
Siemens	SI	7
Stromberg-Carlson	SC	8
VIDAR	VI	9

EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Equipment Type (a)	Abbreviation (b)	
Electromechanical	EM	1
Electronic--Analog	A	2
Electronic--Digital	D	3
Electronic--Video	V	4

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CENTRAL OFFICE DATA - END OF YEAR

When an exchange has more than one central office, data must be reported for each central office.

Description (a)	Central Off. (b)	Central Off. (c)	Central Off. (d)	Central Off. (e)	
Exchange Name	BEETOWN	CASSVILLE	LANCASTER	POTOSI	1
PSCW Exchange ID	0390	0960	2850	4350	2
Central Office Name	BEETOWN	CASSVILLE	LANCASTER	POTOSI	3
PSCW Central Office ID	1	1	1	1	4
Manufacturer of COE (Page 54)	SI	SI	SI	SI	5
Year COE Installed	1994	1994	1994	1994	6
Type of Equipment (Page 54)	D	D	D	D	7
(S)tandalone, (H)ost, (R)emote	R	R	H	R	8
Remote Host PSCW Exchange ID	2850	2850		2850	9
Remote Host PSCW Central Office ID	1	1	0	1	10
COE Generic Software Release No.	13.0	13.0	13.0	13.0	11
SS7?	Yes	Yes	Yes	Yes	12
9-1-1?	Yes	Yes	Yes	Yes	13
Access Lines - In Use	519	1,032	3,866	1,049	14
- Equipped	636	1,272	4,504	1,368	15
- Wired	768	1,536	4,608	1,536	16
Trunks - In Use	0	0	592	0	17
- Equipped	0	0	936	0	18
- Wired	0	0	936	0	19
ISDN Available?	Yes	Yes	Yes	Yes	20
ISDN Lines - In Use (BRI)	0	1	3	3	21
- In Use (PRI)	0	0	0	0	22
Switched 56 Service?	Yes	Yes	Yes	Yes	23
Switched 56 lines in use	0	0	0	0	24
Digital Transmission Facilities: DS-1 - In Use	0	4	0	0	25
DS-3 - In Use	0	0	0	0	26
Advanced Data Service Available:					
Packet Switching?	No	No	No	No	27
SMDS?	No	No	No	No	28
Frame Relay?	No	No	No	No	29
ATM (Asynchronous Trans. Mode)?	No	No	No	No	30
Video Information - Service Available?	Yes	Yes	Yes	Yes	31
- In Use (# lines) ¹	0	0	0	0	32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	16	8	44	16	33
No. of fiber strands working (LIT) in C.O.	12	4	24	12	34
No. of fiber strands for interoffice use	16	8	36	16	35
Miles of fiber sheath in wire center	12	6	29	11	36
Access Tandem Serving this C.O.:					
- C.O. Name	PLATTEVILLE	PLATTEVILLE	PLATTEVILLE	PLATTEVILLE	37
- PSCW C.O. ID	4250-02	4250-02	4250-02	4250-02	38
Does this C.O. do access tandem switching?	No	No	No	No	39
Equal Access: InterLATA (1+)?	Yes	Yes	Yes	Yes	40
Equal Access: IntraLATA (1+)?	No	No	No	No	41
Footnotes					42

¹ Teleco provided end-to-end facility.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

General Footnote

Schedule Footnotes**Expense Matrix - Class A & B Footnote. Page 41**

Expense Matrix page 41: The amount of salaries and wages reported on page 41 does not equal the amount reported on page 46 (Employee Data) for several reasons. The amounts reported on the expense matrix pages for salaries and wages include the following: (1) amounts charged to/from Dickeyville Telephone Corporation and Pioneer Communications, Inc. through affiliated billings, (2) compensated absences, (3) Farmers Telephone Companys actual payroll, and (4) payroll accruals. The amount reported on page 46 is Farmers Telephone Companys actual payroll, which matches the W-2s.

Schedule Line Footnotes

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

A) Footnote A - Summary of Significant Accounting Policies

PIONEER COMMUNICATIONS, INC.

The Farmers Telephone Company is a wholly owned subsidiary of Pioneer Communications, Inc. (Pioneer). Affiliates of Pioneer provide services to other affiliates at cost plus a return on investment.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company is a provider of telecommunications exchange and local access services in a service area located in southwestern Wisconsin.

The accounting policies of the Company conform to generally accepted accounting principles. Management uses estimates and assumptions in preparing its financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Telephone operations reflect practices appropriate to the telephone industry. The accounting records of the Company are maintained in accordance with the Uniform System of Accounts for Class A and B Telephone Companies prescribed by the Federal Communications Commission, as modified by the Public Service Commission of Wisconsin (PSCW).

PROPERTY AND EQUIPMENT

Telephone plant is capitalized at original cost, including the capitalized cost of salaries and wages, materials, certain payroll taxes and employee benefits. Beginning in September 1995, regulators modified accounting principles for the allowance for funds used during construction (AFUDC) to conform with Statement of Financial Accounting Standards No. 34 "Capitalization of Interest Cost." The impact of this change was not material. No AFUDC was taken in 1996.

The Company provides for depreciation for financial reporting purposes on the straight-line method by the application of rates, based on the estimated service lives of the various classes of depreciable property, as approved by the Board of Directors.

Depreciation on depreciable property is included in plant nonspecific operations expense at \$637,666 for 1996.

Renewals and betterments of units of property are charged to telephone plant in service. When telephone plant is retired, its cost is removed from the asset account and charged against accumulated depreciation, together with removal costs less any salvage realized. No gains or losses are recognized in connection with routine retirements of depreciable property. Repairs and renewals of minor items of property are included in plant specific operations expense.

INCOME TAXES

For federal income tax purposes, the Company is included in a consolidated tax return, along with other subsidiaries held by Pioneer. For financial reporting purposes, income taxes are presented by apportioning the consolidated tax provision in the ratio of income taxes to be paid as if each were filing a separate return.

Income taxes are accounted for using a liability method and provide for the tax effects of transactions reported in the financial statements including both taxes currently due and deferred. Deferred taxes are

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

Income tax expense is adjusted to reflect deferred tax consequences at current enacted tax rates. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled.

Investment tax credits (ITC), which were deferred prior to 1986, are being amortized over the regulatory life of the plant which produced the ITC.

REVENUE RECOGNITION

Local network services, network access, and miscellaneous revenues are recognized when earned regardless of the period in which they are billed.

Revenues relating to the provision of access services to customers are derived, in part, from tariffed access charges to toll service providers (interex

B) Footnote B - Dividend Restriction

The mortgage to the United States of America, underlying the RUS and RTB notes, contains certain restrictions on the declaration or the payment of cash dividends, redemption of capital stock, or investment in affiliated companies. As of December 31, 1996, the maximum amount which could be distributed in accordance with these restrictions was \$131,467, except as might be specifically authorized in writing in advance by the RUS and RTB noteholders.

C) Reserve method not used.**D) Amounts in column (g) are to correct beginning of year balances.****E) Amounts in column (k) are to correct beginning balances. Depreciation for account 2212 is only maintained in total. No sub-class accounts are maintained for depreciation purposes. Total depreciation will be shown under sub-class account 2212.3.****F) Amounts in column (k) are to correct beginning balances. All Aerial Cable is metallic.****G) Depreciation rate for Motor Vehicles is on a unit basis. The composite rate is 6.43%.****H) Depreciation rate for Other Work Equipment: Major - on a unit basis. Misc - 10%. The composite rate is 8.13%.****I) A table was sold for \$100.00, however we forgot to retire it. The retirement entry will be made in 1997.****J) Acct 6620: Farmers Telephone Company is the lead company in Grant County for E911. 1995 expenses were lower than normal because some of the employees time was capitalized when the E911 database was set up. In 1996 their time began being expended for the maintenance of the database. Account 6620 also increased because since conversion to equal access FGB traffic has increased. PTI Communications records FGB terminating traffic for Farmers Telephone Company, therefore, their invoices have increased.**

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

- K)** Acct 5260: Increase in revenues due to E911 revenues received from other telcos in Grant County.
- L)** Acct 5270: Interstate Billing & Collection revenues are down because Ameritech CABS are down due to ECC. Revenues are also down because of less customers being picked to AT&T (converted to equal access in 1995).
- M)** Affiliated Interest Transactions Docket No. 1630-AT-102 and 1960-AT-101 relate to page 15 for Dickeyville Telephone Corporation and Pioneer Communications, Inc.
- N)** The amount for line 1 - Regulated Expense should be \$351,455 and the amount for line 5 - All other accounts should be \$225,477. The program would not allow me to change line 1. See also Schedule footnote for expense matrix (page 41) for further explanation.
- O)** Minutes of use data for Intra-Exchange and Extended Area Service is not available for 1996. This data should be available for the 1997 Annual Report.
- P)** Data for Telephone Calls for Operator Handled: State-intraLATA and State interLATA have been combined into one on line number 5.
- Q)** Data for Telephone Calls for Customer Dialed: State-interLATA and Interstate have been combined into one on line number 9.