4004

ANNUAL REPORT

OF

Name:	NELSON TELEPHONE COOPERATIVE
Principal Office:	318 THIRD AVE WEST P.O. BOX 228 DURAND, WI 54736
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 CHRISTY BERGER of
(Person responsible for accounts)

NELSON TELEPHONE COOPERATIVE , 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.

CHRISTY BERGER 05/01/1997
(Person responsible for accounts) (Date)

OFFICE MANAGER
(Title)

TABLE OF CONTENTS

Schedule Name	Page
Cover Page	1
General Rules for Reporting	2
Signature Page	3
Table of Contents	4
Annual Telecommunications Report Glossary of Terms	5
Abbreviations Used in Annual Reports	6
Identification and Ownership	7
Income Statement - Total Company	8
Balance Sheet - Assets (Class B Use Accounts Designated By *)	10
Balance Sheet - Liabilities (Class B Use Accounts Designated By *)	11
Telecommunications Plant in Service Class A & B	22
Telecommunications Plant in Service Class A & B (Sub-Class Accounts)	24
Accumulated Depreciation Class A & B	26
Accumulated Depreciation Class A & B (Sub-Class Accounts)	28
Retained Earnings (Acct. 4550)	37
Revenues - Class A & B (Class B Use Accounts Designated By *)	40
Expense Matrix - Class A & B	41
Other Income Accounts (Class B Use Accounts Designated By *)	44
Telephone Calls and Minutes of Use Per Month	47
Access Usage	48
Outside Plant Statistics at End of Year	49
Special Access Circuits in Use at End of Year	49
Service Data	50
Service Data - End of Year	52
Equipment Abbreviations	54
Manufacturer Abbreviations	54
Central Office Data - End of Year	55
General, Schedule Level and Schedule Line Footnotes	56

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:

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: NELSON TELEPHONE COOPERATIVE
Utility Location: 318 THIRD AVE WEST
P.O. BOX 228
DURAND, WI 54736

Utility Web Site Address:
When was utility organized?: 11/01/1948
Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: MR GERALD L . LEVENSKE
Title: GENERAL MANAGER

Office Address: 318 THIRD AVE WEST
P.O. BOX 228
DURAND , WI 54736
Fax Number: (715) 672 - 4344
Telephone Number: (715) 672 - 4204
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: MS CHRISTY A . BERGER , CPA
Title: OFFICE MANAGER

Office Address: 318 THIRD AVE WEST
P.O. BOX 228
DURAND , WI 54736
Fax Number: (715) 672 - 4344
Telephone Number: (715) 672 - 4204
Email Address:

Person responsible for statistical information contained in report

Name: MS CHRISTY A . BERGER , CPA
Title: OFFICE MANAGER

Office Address: 318 THIRD AVE WEST
P.O. BOX 228
DURAND , WI 54736
Fax Number: (715) 672 - 4344
Telephone Number: (715) 672 - 420
Email Address:

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:
Address:

Number of Shares Held:
Beneficial Owner: NONE

List companies owned, controlled, or operated and form and extent of such ownership, control or operation.

Company Name:
Form of Interest:
Extent Of Interest:

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	2,323,466	2,264,206	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	291,767	311,225	2
Plant Nonspecific Operations Expense	618,199	550,699	3
Customer Operations Expense (6610-6620)	395,156	385,893	4
Corporate Operations Expense (6710-6790)	356,438	367,189	5
Other Operating Income and Expense (7100)	0	0	6
Operating Taxes (7200)	175,826	155,436	7
Total Operating Expenses	**1,837,386**	**1,770,442**	8
Net Operating Income	**486,080**	**493,764**	9
Other Income			
Nonoperating Income and Expense (7300)	183,790	178,405	10
Nonoperating Taxes (7400)	0	0	11
Interest and Related Items (7500)	324,997	315,800	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	4,935	40,385	14
Total Nonoperating Income	**(136,272)**	**(97,010)**	15
Net Income	**349,808**	**396,754**	16

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)*	3,450,219	3,145,541	**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	**3,450,219**	**3,145,541**	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	175,035	164,327	**6**
Accounts Receivable Allowance-Telecom (1181)*	20,005	19,174	**7**
Net: Telecommunications Accounts Receivable	**155,030**	**145,153**	
Other Accounts Receivable (1190)*	209,273	245,777	**8**
Accounts Receivable Allowance--Other (1191)*		0	**9**
Net: Other Accounts Receivable	**209,273**	**245,777**	
Notes Receivable (1200)*		0	**10**
Notes Receivable Allowance (1201)*		0	**11**
Net: Notes Receivable	**0**	**0**	
Interest and Dividends Receivable (1210)*	32,047	24,540	**12**
TOTAL RECEIVABLES AND ALLOWANCES FOR DOUBTFUL	**396,350**	**415,470**	
SUPPLIES			
Inventories (1220)*	31,342	38,581	**13**
TOTAL SUPPLIES	**31,342**	**38,581**	
PREPAYMENTS			
Total Prepayments (1280)*	29,734	38,156	**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	**29,734**	**38,156**	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*		0	**20**
TOTAL OTHER CURRENT ASSETS	**0**	**0**	
TOTAL CURRENT ASSETS	**3,907,645**	**3,637,748**	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	6,000	6,000	**21**
Investments in Nonaffiliated Companies (1402)*	361,581	367,372	**22**
Nonregulated Investments (1406)*		0	**23**
Unamortized Debt Issuance Expense (1407)*	21,798	12,391	**24**
Sinking Funds (1408)*		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)*	229,736	234,536	**26**
TOTAL INVESTMENTS	**619,115**	**620,299**	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*		0	**27**
Deferred Maintenance and Retirements (1438)*		0	**28**
Deferred Charges (1439)*		0	**29**
TOTAL DEFERRED CHARGES	**0**	**0**	
TOTAL NONCURRENT ASSETS	**619,115**	**620,299**	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	9,103,049	8,651,461	**30**
Less: Accumulated Depreciation (3100)*	4,305,652	3,838,294	**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	**4,797,397**	**4,813,167**	
PROPERTY HELD FOR FUTURE USE			
Prop. Held for Future Telecommun. Use (2002)*		0	**35**
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200)*		0	**36**
NET PROPERTY HELD FOR FUTURE USE	**0**	**0**	
NONOPERATING PLANT			
Nonoperating Plant (2006)*		0	**37**
Less: Accumulated Depreciation--Nonoperating (3300)*		0	**38**
NET NONOPERATING PLANT	**0**	**0**	
TPUC			
TPUC (2003)*	54,799	146,178	**39**
TOTAL TPUC	**54,799**	**146,178**	
TELECOMMUNICATIONS PLANT ADJUSTMENT			
Telecommunications Plant Adjustment (2005)*		0	**40**
Less: Accumulated Amortization--Other (3600)*		0	**41**
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	**0**	**0**	
TOTAL PLANT	**4,852,196**	**4,959,345**	
TOTAL ASSETS AND OTHER DEBITS*	**9,378,956**	**9,217,392**	

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	211,980	322,093	1
Notes Payable (4020)*		0	2
Advance Billing and Payments (4030)*		0	3
Customer Deposits (4040)*	9,650	11,150	4
Current Maturities--Long-Term Debt (4050)*		0	5
Current Maturities--Capital Leases (4060)*		0	6
Income Taxes--Accrued (4070)*	2,519	9,782	7
Other Taxes--Accrued (4080)*	63	22	8
Net Current Deferred Operating Income Taxes (4100)*		0	9
Net Current Deferred Nonoperating Income Taxes (4110)*		0	10
Other Accrued Liabilities (4120)*	65,467	59,080	11
Other Current Liabilities (4130)*		0	12
TOTAL CURRENT LIABILITIES*	**289,679**	**402,127**	
LONG-TERM DEBT			
Funded Debt (4210)*	6,072,122	5,967,609	13
Premium on Long-Term Debt (4220)*		0	14
Discount on Long-Term Debt (4230)*		0	15
Reacquired Debt (4240)*		0	16
Obligations Under Capital Leases (4250)*		0	17
Advances from Affiliated Companies (4260)*		0	18
Other Long-Term Debt (4270)*		0	19
TOTAL LONG-TERM DEBT*	**6,072,122**	**5,967,609**	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*	105,015	129,750	20
Unamortized Operating ITC--Net (4320)*		0	21
Unamortized Nonoperating ITC--Net (4330)*		0	22
Net Noncurrent Deferred Operating Income Taxes (4340)*		0	23
Net Deferred Tax Liability Adjustments (4341)*		0	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*		0	25
Other Deferred Credits (4360)*	6,036	5,288	26
Deferred Tax Regulatory Liability (4361)*		0	27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS*	**111,051**	**135,038**	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	1,460	1,460	28
Additional Paid-in Capital (4520)*		0	29
Treasury Stock (4530)*		0	30
Other Capital (4540)*		0	31
Retained Earnings (4550)*	2,904,644	2,711,158	32
TOTAL STOCKHOLDERS' EQUITY*	**2,906,104**	**2,712,618**	
TOTAL LIABILITIES AND OTHER CREDITS*	**9,378,956**	**9,217,392**	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
GENERAL SUPPORT ASSETS				
Land	2111	118,804	28,845	**1**
Motor Vehicles	2112	207,209	79,039	**2**
Aircraft	2113	0		**3**
Special Purpose Vehicles	2114	0		**4**
Garage Work Equipment	2115	85,317		**5**
Other Work Equipment	2116	135,576	11,132	**6**
Buildings	2121	456,827	226,992	**7**
Furniture	2122	62,239		**8**
Office Equipment	2123	65,174	2,345	**9**
General Purpose Computers	2124	79,888	11,307	**10**
TOTAL--GENERAL SUPPORT ASSETS:		**1,211,034**	**359,660**	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0		**11**
Digital Electronic Switching	2212	1,635,468	10,047	**12**
Electro-Mechanical Switching	2215	0	0	**13**
Operator Systems	2220	0		**14**
Radio Systems	2231	0	0	**15**
Circuit Equipment	2232	230,076	0	**16**
TOTAL--CENTRAL OFFICE ASSETS:		**1,865,544**	**10,047**	
INFORMATION ORIGINATION/TERMINATION ASSETS				
Station Apparatus	2311	12,368		**17**
Customer Premises Wiring	2321	0		**18**
Large Private Branch Exchanges	2341	0		**19**
Public Telephone Terminal Equipment	2351	27,267	2,411	**20**
Other Terminal Equipment	2362	0		**21**
TOTAL--INFORMATION ORIG/TERM ASSETS:		**39,635**	**2,411**	
CABLE WIRE FACILITIES ASSETS				
Poles	2411	2,411		**22**
Aerial Cable	2421	13,252	0	**23**
Underground Cable	2422	206,625	29	**24**
Buried Cable	2423	4,745,664	155,499	**25**
Submarine Cable	2424	0	0	**26**
Deep Sea Cable	2425	0		**27**
Intrabuilding Network Cable	2426	361,484	4,011	**28**
Aerial Wire	2431	0		**29**
Conduit Systems	2441	205,810	8,690	**30**
TOTAL--CABLE WIRE FACILITIES ASSETS:		**5,535,246**	**168,229**	
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			**147,649**	**1**
2112	61,041		**225,207**	**2**
2113			**0**	**3**
2114			**0**	**4**
2115			**85,317**	**5**
2116			**146,708**	**6**
2121			**683,819**	**7**
2122			**62,239**	**8**
2123	10,344	0	**57,175**	**9**
2124			**91,195**	**10**
	71,385	**0**	**1,499,309**	
2211			**0**	**11**
2212	0	0	**1,645,515**	**12**
2215	0	0	**0**	**13**
2220			**0**	**14**
2231	0	0	**0**	**15**
2232	0	0	**230,076**	**16**
	0	**0**	**1,875,591**	
2311			**12,368**	**17**
2321			**0**	**18**
2341			**0**	**19**
2351			**29,678**	**20**
2362			**0**	**21**
	0	**0**	**42,046**	
2411			**2,411**	**22**
2421	0	0	**13,252**	**23**
2422	0	0	**206,654**	**24**
2423	17,372	0	**4,883,791**	**25**
2424	0	0	**0**	**26**
2425			**0**	**27**
2426	0	0	**365,495**	**28**
2431			**0**	**29**
2441			**214,500**	**30**
	17,372	**0**	**5,686,103**	
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**	**8,651,459**	**540,347**	
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**	
	88,757	**0**	**9,103,049**	
2001				**34**
			9,103,049	

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	18,753	1,197	1	3
Company Communications Equipment	2123.2	46,421	1,148	2	3
Software	2212.1	1,003,545		3	3
Digital Switching - Central Office	2212.2	306,046	10,047	4	3
Digital Switching - Remote	2212.3	325,877		5	3
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	230,076		10	
Analog Circuit Equipment	2232.2	0		11	
Light Wave Circuit Equipment	2232.3	0		12	
Aerial Cable - Nonmetallic	2421.1	13,252		13	3
Aerial Cable - Metallic	2421.2	0		14	3
Underground Cable - Nonmetallic	2422.1	206,625		15	3
Underground Cable - Metallic	2422.2	0	29	16	3
Buried Cable - Nonmetallic	2423.1	4,296,079	7,132	17	3
Buried Cable - Metallic	2423.2	449,585	148,367	18	3
Submarine Cable - Nonmetallic	2424.1	0		19	
Submarine Cable - Metallic	2424.2	0		20	
Intrabuilding Cable - Nonmetallic	2426.1	361,484		21	3
Intrabuilding Cable - Metallic	2426.2	0	4,011	22	3

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	10,344	31,548	**41,154**	**1**	3
2123.2		(31,548)	**16,021**	**2**	3
2212.1		(914,625)	**88,920**	**3**	3
2212.2		1,240,502	**1,556,595**	**4**	3
2212.3		(325,877)	**0**	**5**	3
2215.1			**0**	**6**	
2215.2			**0**	**7**	
2231.1			**0**	**8**	
2231.2			**0**	**9**	
2232.1			**230,076**	**10**	
2232.2			**0**	**11**	
2232.3			**0**	**12**	
2421.1		(13,252)	**0**	**13**	3
2421.2		13,252	**13,252**	**14**	3
2422.1		(158,531)	**48,094**	**15**	3
2422.2		158,531	**158,560**	**16**	3
2423.1		(3,493,638)	**809,573**	**17**	3
2423.2	17,372	3,493,638	**4,074,218**	**18**	3
2424.1			**0**	**19**	
2424.2			**0**	**20**	
2426.1		(361,484)	**0**	**21**	3
2426.2		361,484	**365,495**	**22**	3

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	71,403	20.0	42,189		1 4
Aircraft	2113	0				2
Special Purpose Vehicles	2114	0				3
Garage Work Equipment	2115	85,317	9.09			4
Other Work Equipment	2116	67,032	15.0	14,420		5
Buildings	2121	203,820	2.63	16,846		6
Furniture	2122	60,125	20.0	2,114		7
Office Equipment	2123	58,748		7,676		8
General Purpose Computers	2124	66,854	20.0	17,469		9
Total-- GENERAL SUPPORT ASSETS		**613,299**		**100,714**	**0**	
CENTRAL OFFICE ASSETS						
Analog Electronic Switching	2211	0				10
Digital Electronic Switching	2212	582,090		175,723		11
Electro-Mechanical Switching	2215	0				12
Operator Systems	2220	0				13
Radio Systems	2231	0				14
Circuit Equipment	2232	230,076				15
Total-- CENTRAL OFFICE ASSETS		**812,166**		**175,723**	**0**	
INFORMATION ORIG/TERM ASSETS						
Station Apparatus	2311	12,368	20.0			16
Customer Premises Wiring	2321	0				17
Large Private Branch Exchanges	2341	0				18
Public Telephone Terminal Equipment	2351	17,136	6.67	4,113		19
Other Terminal Equipment	2362	0				20
Total-- INFORMATION ORIG/TERM ASSETS		**29,504**		**4,113**	**0**	
CABLE WIRE FACILITIES ASSETS						
Poles	2411	1,322	10.0	241		21
Aerial Cable	2421	10,080		737		22
Underground Cable	2422	98,476		7,946		23
Buried Cable	2423	1,891,555		217,016		24
Submarine Cable	2424	0				25
Deep Sea Cable	2425	0				26
Intrabuilding Network Cable	2426	292,480		18,136		27
Aerial Wire	2431	0				28

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112	61,041			25,363	**77,914**	**1** 4
2113					**0**	**2**
2114					**0**	**3**
2115					**85,317**	**4**
2116					**81,452**	**5**
2121					**220,666**	**6**
2122					**62,239**	**7**
2123	10,344			0	**56,080**	**8**
2124					**84,323**	**9**
	71,385	**0**	**0**	**25,363**	**667,991**	
2211					**0**	**10**
2212	0			0	**757,813**	**11**
2215	0				**0**	**12**
2220					**0**	**13**
2231	0				**0**	**14**
2232	0				**230,076**	**15**
	0	**0**	**0**	**0**	**987,889**	
2311					**12,368**	**16**
2321					**0**	**17**
2341					**0**	**18**
2351					**21,249**	**19**
2362					**0**	**20**
	0	**0**	**0**	**0**	**33,617**	
2411					**1,563**	**21**
2421	0				**10,817**	**22**
2422	0				**106,422**	**23**
2423	17,372	220			**2,090,979**	**24**
2424	0				**0**	**25**
2425					**0**	**26**
2426	0				**310,616**	**27**
2431					**0**	**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	89,411		6,347		**29**
Total-- CABLE WIRE FACILITIES ASSETS		**2,383,324**		**250,423**	**0**	
Total Accumulated Depreciation	**3100**	**3,838,293**		**530,973**	**0**	
Less: Allocation to Nonregulated Activity - Columns e, f and l	3100					**30**
Net Regulated Total Accum Depreciation - Columns e, f and l	**3100**			**530,973**	**0**	

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441					**95,758**	**29**
	17,372	**220**	**0**	**0**	**2,616,155**	
3100	**88,757**	**220**	**0**	**25,363**	**4,305,652**	
3100						**30**
3100					**4,305,652**	

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	15,602	20.0	4,472		1 3
Company Communications Equipment	2123.2	43,146	20.0	3,204		2 3
Software	2212.1	191,184	33.0	29,740		3 3
Digital Switching - Central Office	2212.2	105,601	8.8900	145,983		4 3
Digital Switching - Remote	2212.3	285,305				5
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	230,076	9.17			10
Analog Circuit Equipment	2232.2	0				11
Light Wave Circuit Equipment	2232.3	0				12
Aerial Cable - Nonmetallic	2421.1	10,080	5.56	737		13
Aerial Cable - Metallic	2421.2	0				14
Underground Cable - Nonmetallic	2422.1	98,476	3.33	7,946		15
Underground Cable - Metallic	2422.2	0				16
Buried Cable - Nonmetallic	2423.1	1,441,970	4.7	216,996		17
Buried Cable - Metallic	2423.2	449,585	5.56	20		18
Submarine Cable - Nonmetallic	2424.1	0				19
Submarine Cable - Metallic	2424.2	0				20
Intrabuilding Cable - Nonmetallic	2426.1	292,480	5.0	18,136		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	10,344			31,423	**41,153**	1 3
2123.2				(31,423)	**14,927**	2 3
2212.1				(157,108)	**63,816**	3 3
2212.2				442,413	**693,997**	4 3
2212.3				(285,305)	**0**	5
2215.1					**0**	6
2215.2					**0**	7
2231.1					**0**	8
2231.2					**0**	9
2232.1					**230,076**	10
2232.2					**0**	11
2232.3					**0**	12
2421.1					**10,817**	13
2421.2					**0**	14
2422.1					**106,422**	15
2422.2					**0**	16
2423.1		200			**1,658,766**	17
2423.2	17,372	20			**432,213**	18
2424.1					**0**	19
2424.2					**0**	20
2426.1					**310,616**	21
2426.2					**0**	22

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	2,711,158	2,493,381	1
Changes:			
Balance Transferred from Income	349,808	396,753	2
Dividends Declared:			
Common		0	3
Preferred		0	4
Total Dividends Declared	**0**	**0**	
Miscellaneous Debits to Retained Earnings	156,322	178,976	5
Miscellaneous Credits to Retained Earnings		0	6
Balance--End of Year	**2,904,644**	**2,711,158**	

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)*	410,377	374,860	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)	**410,377**	**374,860**	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	166,836	161,501	11
Switched Access Revenue (5082)*	683,999	694,751	12
Special Access Revenue (5083)*	18,899	13,707	13 1
TOTAL INTERSTATE ACCESS REVENUES (5080)	**869,734**	**869,959**	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*	43,031	42,153	14
Switched Access Revenue (5084.2)*	689,065	651,003	15
Special Access Revenue (5084.3)*		0	16
TOTAL INTRASTATE ACCESS REVENUES (5084)	**732,096**	**693,156**	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*			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)*	118,326	120,367	**30**
Rent Revenue (5240)*	17,075	8,166	**31 2**
Corporate Operations Revenue (5250)*		0	**32**
Miscellaneous:			
Miscellaneous Revenue (5260)*	14,581	10,846	**33**
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)	**14,581**	**10,846**	
Interstate Billing and Collection Revenue*	56,874	55,712	**39**
Intrastate Billing and Collection Revenue*	108,003	134,640	**40 5**
Total Carrier Billing and Collection Revenue (5270)*	**164,877**	**190,352**	
Nonregulated Operating Revenue (5280)**			**41**
TOTAL MISCELLANEOUS REVENUES	**314,859**	**329,731**	
GROSS OPERATING REVENUES	**2,327,066**	**2,267,706**	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*	3,600	3,500	**42**
Uncollectible Revenue--Telecommunications (5301)			**43**
Uncollectible Revenue--Other (5302)			**44**
TOTAL UNCOLLECTIBLE REVENUE (5300)	**3,600**	**3,500**	
TOTAL OPERATING REVENUES	**2,323,466**	**2,264,206**	

** 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)	2,514	1,524		1
Less: Nonregulated		0		2
Net Regulated	**2,514**	**1,524**		3
Total General Support Expense (6120)	42,638	35,764		4
Less: Nonregulated		0		5
Net Regulated	**42,638**	**35,764**		6
Total Central Office Switching Expense (6210)	122,709	145,718		7
Less: Nonregulated		0		8
Net Regulated	**122,709**	**145,718**		9
Total Operator Systems Expense (6220)		0		10
Less: Nonregulated		0		11
Net Regulated	**0**	**0**		12
Total Central Office Transmission Expenses (6230)	2,097	2,732		13
Less: Nonregulated		0		14
Net Regulated	**2,097**	**2,732**		15
Total Information Orig. / Term. Expense (6310)	112	90		16
Less: Nonregulated		0		17
Net Regulated	**112**	**90**		18
Total Cable and Wire Fac. Expense (6410)	141,155	105,939		19
Less: Nonregulated		0		20 6
Net Regulated	**141,155**	**105,939**		21
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	**311,225**	**291,767**		
Less: Nonregulated	**0**	**0**		
Net Regulated	**311,225**	**291,767**		
PLANT NONSPECIFIC OPERATIONS EXPENSE				
Total Other Property, Plant and Equip. Exp. (6510)		0		22
Less: Nonregulated		0		23
Net Regulated	**0**	**0**		24
Total Network Operations Expense (6530)	95,247	102,234		25
Less: Nonregulated		0		26
Net Regulated	**95,247**	**102,234**		27
Access Expense (6540)		0		28
Less: Nonregulated		0		29
Net Regulated	**0**	**0**		30
Total Depreciation and Amortization Expense (6560)	457,073	521,874		31
Less: Nonregulated	1,621	5,909		32
Net Regulated	**455,452**	**515,965**		33
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	**552,320**	**624,108**		
Less: Nonregulated	**1,621**	**5,909**		
Net Regulated	**550,699**	**618,199**		

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6110					1
					2
					3
6120					4
					5
					6
6210					7
					8
					9
6220					10
					11
					12
6230					13
					14
					15
6310					16
					17
					18
6410					19
					20 6
					21
6510					22
					23
					24
6530					25
					26
					27
6540					28
					29
					30
6560					31
					32
					33

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)	
CUSTOMER OPERATIONS EXPENSE				
Total Marketing (6610)	46,129	52,812		34
Less: Nonregulated		0		35
Net Regulated	**46,129**	**52,812**		36
Total Services (6620)	339,764	342,344		37
Less: Nonregulated		0		38
Net Regulated	**339,764**	**342,344**		39
TOTAL CUSTOMER OPERATIONS EXPENSE	**385,893**	**395,156**		
Less: Nonregulated	**0**	**0**		
Net Regulated	**385,893**	**395,156**		
CORPORATE OPERATIONS EXPENSE				
Total Exec. and Planning (6710)	222,956	209,503		40
Less: Nonregulated		0		41
Net Regulated	**222,956**	**209,503**		42
Total General and Administrative (6720)	144,233	146,935		43
Less: Nonregulated		0		44
Net Regulated	**144,233**	**146,935**		45
Provision for Uncollectible Notes Receiv. (6790)		0		46
Less: Nonregulated		0		47
Net Regulated	**0**	**0**		48
TOTAL CORPORATE OPERATIONS EXPENSE	**367,189**	**356,438**		
Less: Nonregulated	**0**	**0**		
Net Regulated	**367,189**	**356,438**		
TOTAL EXPENSES	**1,616,627**	**1,667,469**		
Less: Nonregulated	**1,621**	**5,909**		
Net Regulated	**1,615,006**	**1,661,560**		

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6610					34
					35
					36
6620					37
					38
					39
6710					40
					41
					42
6720					43
					44
					45
6790					46
					47
					48

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**		
Depreciat. Exp.--Tele. Plant in Service (6561)	457,073	521,874		3
Depreciat. Exp.--Prop. Held for Future Tele. Use (6562		0		4
Amortization Expense--Tangible (6563)		0		5
Amortization Expense--Intangible (6564)		0		6
Amortization Expense--Other (6565)		0		7
Total: Reported in Account 6560	**457,073**	**521,874**		

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

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

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)*		0	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)*	**0**	**0**	
OPERATING TAXES			
Operating Investment Tax Credits--Net (7210)*		0	6
Operating Federal Income Taxes (7220)*	41,581	26,233	7
Operating State and Local Income Taxes (7230)*	25	25	8
Operating Other Taxes (7240)*	134,220	129,178	9
Provision for Deferred Operating Income Taxes--Net (7250)*		0	10
TOTAL OPERATING TAXES (7200)*	**175,826**	**155,436**	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)*	388	392	11
Interest Income (7320)*	175,653	174,345	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)*		0	16
Special Charges (7370)*	(7,749)	(3,668)	17
TOTAL NONOPERATING INCOME AND EXPENSE (7300)*	**183,790**	**178,405**	
NONOPERATING TAXES			
Nonoperating Investment Tax Credits--Net (7410)*		0	18
Nonoperating Federal Income Taxes (7420)*		0	19
Nonoperating State and Local Income Taxes (7430)*		0	20
Nonoperating Other Taxes (7440)*		0	21
Provision for Deferred Nonoperating Income Taxes-Net (7450)*		0	22
TOTAL NONOPERATING TAXES (7400)*	**0**	**0**	
INTEREST AND RELATED ITEMS			
Interest on Funded Debt (7510)*	323,602	314,601	23
Interest Expense--Capital Leases (7520)*		0	24
Amortization of Debt Issuance Expense (7530)*	915	743	25
Other Interest Deductions (7540)*	480	456	26
TOTAL INTEREST AND RELATED ITEMS (7500)*	**324,997**	**315,800**	
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)*	4,935	40,385	32

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			**1**
Extended Area Service	2	7	**2**
Extended Community Calling	32	146	**3**
Other Local-Undefined			**4**
Total Local	**34**	**153**	
TOLL			
Operator Handled: State--intraLATA	1	13	**5**
Operator Handled: State--interLATA	1	8	**6**
Operator Handled: Interstate	1	12	**7**
Customer Dialed: State--intraLATA	48	432	**8**
Customer Dialed: State--interLATA	34	315	**9**
Customer Dialed: Interstate	50	628	**10**
WATS		0	**11**
Other Toll-Undefined	0	0	**12**
Total Toll	**135**	**1,408**	
Total Local & Toll	**169**	**1,561**	

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.	53	28	0	0	**2**
Feature Group B -- Orig.	23	6	0	0	**3**
Feature Group B -- Term.	98	25	0	0	**4**
Feature Group C -- Orig.	0	0	2,697	0	**5**
Feature Group C -- Term.	0	0	2,657	0	**6**
Feature Group D -- Orig.	2,702	1,574	0	0	**7**
Feature Group D -- Term.	4,819	2,250	0	0	**8**

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	1	1
Sheath miles of plant - buried	731	2
Sheath miles of plant - fiber optics	72	3
Strand miles of plant - fiber optics	1,110	4
Route miles of plant - microwave	0	5

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	4	15	1
56 kbps	7	1	2
64 kbps (DS0)	1	0	3
1.54 Mbps (DS-1)	5	0	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	1	1
Sheath miles of plant - buried	731	2
Sheath miles of plant - fiber optics	72	3
Strand miles of plant - fiber optics	1,110	4
Route miles of plant - microwave	0	5

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	4	15	1
56 kbps	7	1	2
64 kbps (DS0)	1	0	3
1.54 Mbps (DS-1)	5	0	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	419	466	3
2 Party	0		4
4 Party	0		5
PBX Trunks/System Trunks	20	20	6
Centrex Trunks	0		7
Centrex Lines	0		8
Key System Trunks	228	228	9
Mobile (Utility Provided Service)	0		10
Paging (Utility Provided Service)	106	127	11
FX-Out (Switched)	0		12
Pay Telephone			13
Coin-Operated Pay Telephone			14
Independent Pay Telephone Provider			15
Pay Stations - Public	23	23	16
- Semi-Public	0		17
- Cust. Owned	0		18
Other	0		19
Total Business Lines	**796**	**864**	20
Residential (Incl. Emp. Concess.)			21
1 Party	2,915	2,989	22
2 Party	0		23
4 Party	0		24
FX-Out (Switched)	0		25
Other	0		26
Total Residential Lines	**2,915**	**2,989**	27
Total Bus & Res Lines	**3,711**	**3,853**	28
Company Used Lines	142	141	29
Total Lines Used	**3,853**	**3,994**	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	0		3
WATS Lines - 800 Service	0		4
FX-In-intraLATA	15	13	5
Special Access-intraLATA			6
(expressed in equiv. access lines)	0	16	7
Special Access-interLATA			8
(expressed in equiv. access lines)	0	132	9
Feature Group A Lines	0		10
Feature Group B Trunks	0		11
Feature Group C Trunks	0		12
Feature Group D Trunks	148	148	13
TSPS - Trunks	8	8	14
EAS - Trunks	129	129	15
Cellular Trunks (Pub. Sw. Net.)	0		16
Video Distance Learning			17
- discounted (special tariff)	0		18
Customers			19
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			24
Total Central Office, Info. Orig./Term., & Cable			25
Wire Fac. Assets (based on physical			26
location of plant)	7,440,425	7,603,740	27
Total Company Square Miles	366	368	28
Total Company Route Miles	736	740	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	0200	1560	2050	3680	1
Business					2
1 Party	32	357	37	40	3
2 Party					4
4 Party					5
PBX Trunks/System Trunks		20			6
Centrex Trunks					7
Centrex Lines					8
Key System Trunks	10	204	8	6	9
Mobile (utility provided service)					10
Paging (utility provided service)		118	2	7	11
FX-Out (Switched)					12
Pay Telephone					13
Coin-Operated Pay Telephone					14
Independent Pay Telephone Provider					15
Pay Stations - Public	1	18	1	3	16
- Semi-Public					17
- Cust. Owned					18
Other					19
Total Business Lines	**43**	**717**	**48**	**56**	20
Residential (Incl. Emp. Concess.)					21
1 Party	449	1,666	458	416	22
2 Party					23
4 Party					24
FX-Out (Switched)					25
Other					26
Total Residential Lines	**449**	**1,666**	**458**	**416**	27
Total Bus & Res Lines	**492**	**2,383**	**506**	**472**	28
Company Used Lines	16	104	11	10	29
Total Lines Used	**508**	**2,487**	**517**	**482**	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	0200	1560	2050	3680	1
Miscellaneous					2
WATS Lines - OutWATS					3
WATS Lines - 800 Service					4
FX-In-intraLATA		13			5
Special Access-intraLATA					6
(equiv. access lines)		14	1	1	7
Special Access-interLATA					8
(equiv. access lines)	24	60	24	24	9
Feature Group A Lines					10
Feature Group B Trunks					11
Feature Group C Trunks					12
Feature Group D Trunks		148			13
TSPS - Trunks		8			14
EAS - Trunks		129			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)	1,023,774	4,266,283	1,393,359	920,324	27
Exchange Square Miles	64	135	105	64	28
Exchange Route Miles	113	331	212	84	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**

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**

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	ARKANSAW	DURAND	GILMANTON	NELSON	1
PSCW Exchange ID	0200	1560	2050	3680	2
Central Office Name	ARKANSAW	DURAND	GILMANTON	NELSON	3
PSCW Central Office ID	1	1	1	1	4
Manufacturer of COE (Page 54)	NTI	NTI	NTI	NTI	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	S	H	S	S	8
Remote Host PSCW Exchange ID					9
Remote Host PSCW Central Office ID		0			10
COE Generic Software Release No.	408.10	406.10	408.1	406.10	11
SS7?	Yes	Yes	Yes	Yes	12
9-1-1?	Yes	Yes	No	No	13
Access Lines - In Use	508	2,487	517	482	14
- Equipped	600	2,621	600	600	15
- Wired	640	3,200	640	640	16
Trunks - In Use		285		0	17
- Equipped		432		0	18
- Wired		432		0	19
ISDN Available?	No	No	No	No	20
ISDN Lines - In Use (BRI)		0		0	21
- In Use (PRI)		0		0	22
Switched 56 Service?	No	No	No	No	23
Switched 56 lines in use		0		0	24
Digital Transmission Facilities: DS-1 - In Use	6	34	8	7	25
DS-3 - In Use	1	5	1	1	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?	No	No	No	No	31
- In Use (# lines) [1]		0		0	32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	24	84	72	12	33
No. of fiber strands working (LIT) in C.O.	5	22	8	4	34
No. of fiber strands for interoffice use		0		0	35
Miles of fiber sheath in wire center	3	40	21	8	36
Access Tandem Serving this C.O.:					
- C.O. Name	EAU CLAIRE	EAU CLAIRE	EAU CLAIRE	EAU CLAIRE	37
- PSCW C.O. ID	1630-01	1630-01	1630-01	1630-01	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

Padlocks were opened on all footnotes, July 1997, by ele per July 2, 1997 letter from Jerry Levenske, General Manager.

Schedule Line Footnotes

1) We had an increase in special access circuits this year
2) Nelson Telephone is renting facilities to another company this year
3) To adjust Balance FOY to correct amounts
4) Vehicles are depreciated on an asset by asset basis so $35,678 was retired not $61041
5) We experienced a reduction in our B&C rates this year.
6) We experienced an increase in lightning troubles and in locating cable.