



4004

ANNUAL REPORT

OF

Name: NIAGARA TELEPHONE COMPANY

Principal Office: 1133 MAIN ST
NIAGARA, WI 54151

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.

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
Notes to Income Statement or Balance Sheet	9
Balance Sheet - Assets (Class B Use Accounts Designated By *)	10
Balance Sheet - Liabilities (Class B Use Accounts Designated By *)	11
Statement of Cash Flows	12
Important Changes During the Year	13
Affiliate Abbreviations	14
Affiliated Interest Transactions	15
Affiliated Assets and Liabilities	16
Accounts Receivable Net Write Offs - Telecommunications	17
Notes Receivable (Acct. 1200) and Allowances (Acct. 1201)	18
Investments in Nonaffiliated Companies (Acct. 1402)	19
Nonregulated Investments (Acct. 1406)	20
Deferred Maintenance and Retirements (Acct. 1438)	21
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
Net Deferred Operating Income Taxes (Acct. 1350, 1410, 1437, 4100, 4340, 4341 & 4361)	30
Notes Payable (Acct. 4020)	32
Long-Term Debt	33
Capital Stock Accounts at End of Year	35
Retained Earnings (Acct. 4550)	37
Distribution of Taxes	38
Revenues - Class A & B (Class B Use Accounts Designated By *)	40
Expense Matrix - Class A & B	41
Out-of-State Operating Revenues	43
Other Income Accounts (Class B Use Accounts Designated By *)	44
Nonregulated Net Income (Acct. 7990)	45
Distribution of Salaries and Wages	46
Employee Data	46
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

TABLE OF CONTENTS

Schedule Name	Page
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: <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: NIAGARA TELEPHONE COMPANY
Utility Location: 1133 MAIN ST
NIAGARA, WI 54151

Utility Web Site Address:

When was utility organized?: 05/01/1941

Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: SYDNEY R . PETERSON
Title: PRESIDENT & MANAGER

Office Address: 1133 MAIN STREET
NIAGARA , WI 54151

Fax Number: (715) 251 - 1119
Telephone Number: (715) 251 - 3116
Email Address:

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

Name: KIESLING ASSOCIATES LLP
Title: ACCOUNTING FIRM
Firm: KIESLING ASSOCIATES LLP
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MADISON , WI 53719

Fax Number: (608) 273 - 2383
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Email Address:

Person responsible for financial information contained in report

Name: M. O. WILKINS
Title: TREASURER

Office Address: 104 WEST WALKER STREET
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WITTENBERG , WI 54499

Fax Number: (715) 253 - 3497
Telephone Number: (715) 253 - 2111
Email Address:

Person responsible for statistical information contained in report

Name: SYDNEY R . PETERSON
Title: PRESIDENT & MANAGER

Office Address: 1133 MAIN STREET
NIAGARA , WI 54151

Fax Number: (715) 251 - 1119
Telephone Number: (715) 251 - 3116
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: BEATE M. REUBER
Address: PO BOX 668
HECTOR , MN 55342

Number of Shares Held: 522
Beneficial Owner: NONE

Name: BRUCE C. REUBER
Address: PO BOX 668
HECTOR , MN 55342

Number of Shares Held: 522
Beneficial Owner: NONE

Name: NANCY L. PETERSON
Address: 288 HOOVER AVENUE
NIAGARA , WI 54151

Number of Shares Held: 278
Beneficial Owner: NONE

Name: SYDNEY R. PETERSON
Address: 288 HOOVER AVENUE
NIAGARA , WI 54151

Number of Shares Held: 1,496
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)	2,799,203	2,517,749	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	360,710	374,299	2
Plant Nonspecific Operations Expense	867,876	514,941	3
Customer Operations Expense (6610-6620)	334,289	343,112	4
Corporate Operations Expense (6710-6790)	393,718	345,966	5
Other Operating Income and Expense (7100)	2,078	141	6
Operating Taxes (7200)	363,545	396,297	7
Total Operating Expenses	2,318,060	1,974,474	8
Net Operating Income	481,143	543,275	9
Other Income			
Nonoperating Income and Expense (7300)	423,034	146,905	10
Nonoperating Taxes (7400)	155,826	52,885	11
Interest and Related Items (7500)	154,807	160,825	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	31,333	29,331	14
Total Nonoperating Income	143,734	(37,474)	15
Net Income	624,877	505,801	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.)

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 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).

A. 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.

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.

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 cost 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.

B. Income taxes

Income taxes are accounted for using a liability method and provide for the tax effects of transaction reported in the financial statements including both taxes currently due and deferred. Deferred taxes are 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 include the difference between carrying amounts of depreciable assets and partnership investment basis. The 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 the Tax Reform Act of 1986 are being amortized over the regulatory life of the plant which produced the ITC.

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:

C. Revenue Recognition

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 (interexchange carriers), and in part from sharing in interstate and intrastate pools. Interstate revenues are determined in accordance with cost separation procedures.

The Company is compensated for intrastate access under access charge procedures based on expense and plant investment levels, as determined by the Company and approved by the PSCW.

D. Cash Equivalents

All highly liquid investments purchased with a maturity of one year or less are considered cash equivalents.

E. Investments

Non-marketable equity investments over which the Company has significant influence or a 20% ownership, are reflected on the equity method. Other non-marketable equity investments are stated at cost.

-
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.

The mortgage to the United States of America, underlying the RUS notes, contains certain restrictions on the declaration of 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 \$1,490,000, except as might be specifically authorized in writing in advance by the RUS noteholders.

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)*	81,213	210,407	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	81,213	210,407	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	197,044	198,457	6
Accounts Receivable Allowance-Telecom (1181)*	0	0	7
Net: Telecommunications Accounts Receivable	197,044	198,457	
Other Accounts Receivable (1190)*	641,329	491,991	8
Accounts Receivable Allowance--Other (1191)*	0	0	9
Net: Other Accounts Receivable	641,329	491,991	
Notes Receivable (1200)*	0	0	10
Notes Receivable Allowance (1201)*	0	0	11
Net: Notes Receivable	0	0	
Interest and Dividends Receivable (1210)*	0	0	12
TOTAL RECEIVABLES AND ALLOWANCES FOR DOUBTFUL	838,373	690,448	
SUPPLIES			
Inventories (1220)*	133,850	73,443	13
TOTAL SUPPLIES	133,850	73,443	
PREPAYMENTS			
Total Prepayments (1280)*	24,447	25,463	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	24,447	25,463	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	17,165	6,309	20
TOTAL OTHER CURRENT ASSETS	17,165	6,309	
TOTAL CURRENT ASSETS	1,095,048	1,006,070	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	120,000	0	21
Investments in Nonaffiliated Companies (1402)*	1,666,734	1,325,670	22
Nonregulated Investments (1406)*	53,256	34,430	23
Unamortized Debt Issuance Expense (1407)*	3,966	4,558	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)*	4,314	0	26
TOTAL INVESTMENTS	1,848,270	1,364,658	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*	0	4,377	27
Deferred Maintenance and Retirements (1438)*	0	0	28
Deferred Charges (1439)*	24,733	5,880	29
TOTAL DEFERRED CHARGES	24,733	10,257	
TOTAL NONCURRENT ASSETS	1,873,003	1,374,915	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	9,110,644	8,530,229	30
Less: Accumulated Depreciation (3100)*	4,594,865	3,809,824	31
Less: Accumulated Amortization--Capitalized Leases (3410)*	0	0	32
Less: Accumulated Amortization--Leasehold Improvements (3420)*	0	0	33
Less: Accumulated Amortization--Intangible (3500)*	0	0	34
NET TELECOMMUNICATIONS PLANT IN SERVICE	4,515,779	4,720,405	
PROPERTY HELD FOR FUTURE USE			
Prop. Held for Future Telecommun. Use (2002)*	0	0	35
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200)*	0	0	36
NET PROPERTY HELD FOR FUTURE USE	0	0	
NONOPERATING PLANT			
Nonoperating Plant (2006)*	21,457	21,457	37
Less: Accumulated Depreciation--Nonoperating (3300)*	6,111	5,287	38
NET NONOPERATING PLANT	15,346	16,170	
TPUC			
TPUC (2003)*	56,207	0	39
TOTAL TPUC	56,207	0	
TELECOMMUNICATIONS PLANT ADJUSTMENT			
Telecommunications Plant Adjustment (2005)*	0	0	40
Less: Accumulated Amortization--Other (3600)*	0	0	41
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	0	0	
TOTAL PLANT	4,587,332	4,736,575	
TOTAL ASSETS AND OTHER DEBITS*	7,555,383	7,117,560	

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	451,207	468,636	1
Notes Payable (4020)*	0	0	2
Advance Billing and Payments (4030)*	20,000	20,000	3
Customer Deposits (4040)*	2,220	1,922	4
Current Maturities--Long-Term Debt (4050)*	251,800	205,500	5
Current Maturities--Capital Leases (4060)*	0	0	6
Income Taxes--Accrued (4070)*	267,933	98,966	7
Other Taxes--Accrued (4080)*	2,692	5,017	8
Net Current Deferred Operating Income Taxes (4100)*	0	0	9
Net Current Deferred Nonoperating Income Taxes (4110)*	0	0	10
Other Accrued Liabilities (4120)*	78,329	76,239	11
Other Current Liabilities (4130)*	0	0	12
TOTAL CURRENT LIABILITIES*	1,074,181	876,280	
LONG-TERM DEBT			
Funded Debt (4210)*	2,617,532	2,777,852	13
Premium on Long-Term Debt (4220)*	0	0	14
Discount on Long-Term Debt (4230)*	0	0	15
Reacquired Debt (4240)*	0	0	16
Obligations Under Capital Leases (4250)*	0	0	17
Advances from Affiliated Companies (4260)*	0	0	18
Other Long-Term Debt (4270)*	0	0	19
TOTAL LONG-TERM DEBT*	2,617,532	2,777,852	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*	32,075	15,302	20
Unamortized Operating ITC--Net (4320)*	107,207	134,009	21
Unamortized Nonoperating ITC--Net (4330)*	0	0	22
Net Noncurrent Deferred Operating Income Taxes (4340)*	188,080	289,351	23
Net Deferred Tax Liability Adjustments (4341)*	(57,662)	(89,264)	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	(18,764)	38,032	25
Other Deferred Credits (4360)*	0	0	26
Deferred Tax Regulatory Liability (4361)*	77,807	96,348	27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS*	328,743	483,778	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	348,000	348,000	28
Additional Paid-in Capital (4520)*	0	0	29
Treasury Stock (4530)*	0	0	30
Other Capital (4540)*	0	0	31
Retained Earnings (4550)*	3,186,927	2,631,650	32
TOTAL STOCKHOLDERS' EQUITY*	3,534,927	2,979,650	
TOTAL LIABILITIES AND OTHER CREDITS*	7,555,383	7,117,560	

STATEMENT OF CASH FLOWS

Item (a)	Amount (b)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	624,877	1
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and amortization	791,872	2
Interest during construction	0	3
Changes in assets and liabilities:		
Current assets (net)	(218,172)	4
Other noncurrent assets	(19,382)	5
Other current liabilities	151,601	6
Other liabilities and deferred credits	(155,035)	7
Other (specify):		
TOTAL ADJUSTMENTS	550,884	
NET CASH PROVIDED BY OPERATING ACTIVITIES (NET INCOME & ADJUST.)	1,175,761	
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures:		
Changes in plant (net)	(642,629)	8
Investments in affiliated companies	(120,000)	9
Nonoperating Investments	(359,890)	10
Other (specify):		
NET CASH USING IN INVESTING ACTIVITIES	(1,122,519)	
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in capital lease obligations (net)	0	11
Change in long-term debt (net)	(112,836)	12
Net changes in stockholder equity other than retained earnings	0	13
Change in short term borrowing (net)	0	14
Dividends paid	(69,600)	15
Miscellaneous debits/credits to retained earnings	0	16
Other (specify):		
Net Cash Provided by Financing Activities	(182,436)	
NET INCREASE IN CASH AND CASH EQUIVALENTS	(129,194)	
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.

Completed fiber installation for Nicolet District Educational Network.

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)	
Computer Systems Limited Liability Corporation	CSLLC	1
Interstate Telcom Consulting Inc.	ITCI	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	4160-AT-100	4160-AT-101				
Name of Affiliate	CSLLC	ITCI				1
Designate whether billed to or from:	FROM	FROM				2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	M	M				3
Revenues						4
Expenses:						
Plant Specific Operations Expense						5
Plant Nonspecific Operations Expense						6
Customer Operations Expense	105,280	14,549				7
Corporate Operations Expense		42,969				8
Total Operating Expenses	105,280	57,518	0	0		9
Other:						
Plant Accounts						10
Accumulated Depreciation						11
Accumulated Amortization						12
Clearing						13
All Other						14
Total	105,280	57,518	0	0		15
Percent of affiliate's business billed to all affiliated regulated utilities	89.94	5.23				16
If cost based, rate of return on equity or markup incorporated in billings						17
Footnotes						

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)	
Computer Systems Limited Liability Corporation	1401	120,000	1
Computer Systems Limited Liability Corporation	4010	11,429	2
Interstate Telcom Consulting Inc.	4010	16,948	3

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	0	1
Uncollectibles written off during the year	0	2
Net write offs during the year	0	

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)
--	-------------------------------	-------------------------	----------------------------------	-------------------------------	---

INVESTMENTS IN NONAFFILIATED COMPANIES (ACCT. 1402)

Name (a)	Balance EOY (b)	
RTB Class B Stock	0	1
Other:		
Florence Medical Center Stock	100	2
SCC Certificate	62,022	3
RSA #3-Partnership	308,215	4
RSA #4-Partnership	1,167,247	5
WITS Class A Stock	200	6
WITS Class B Stock	32,700	7
Metro Southwest PCS, LLP	96,250	8
Total Investments in Nonaffiliated Companies	1,666,734	

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)	
Total Net Investment and Inventory (Accts. 1406.10, 1406.11, and 1406.12):		
Video Distance Learning Equipment	18,211	1
Inventory	35,045	2

DEFERRED MAINTENANCE AND RETIREMENTS (ACCT. 1438)

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

Description of Item (a)	Balance EOY (b)
--	--------------------------------

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
GENERAL SUPPORT ASSETS				
Land	2111	80,291		1
Motor Vehicles	2112	215,319	27,271	2
Aircraft	2113	0		3
Special Purpose Vehicles	2114	0		4
Garage Work Equipment	2115	0		5
Other Work Equipment	2116	121,271		6
Buildings	2121	850,382	2,560	7
Furniture	2122	14,886	9	8
Office Equipment	2123	9,872	0	9
General Purpose Computers	2124	35,092	17,973	10
TOTAL--GENERAL SUPPORT ASSETS:		1,327,113	47,813	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0		11
Digital Electronic Switching	2212	2,525,744	56,119	12 G
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220	0		14
Radio Systems	2231	0	0	15
Circuit Equipment	2232	484,876	72,349	16
TOTAL--CENTRAL OFFICE ASSETS:		3,010,620	128,468	
INFORMATION ORIGATION/TERMINATION ASSETS				
Station Apparatus	2311	1,599		17
Customer Premises Wiring	2321	0		18
Large Private Branch Exchanges	2341	0		19
Public Telephone Terminal Equipment	2351	36,050		20
Other Terminal Equipment	2362	0		21
TOTAL--INFORMATION ORIG/TERM ASSETS:		37,649	0	
CABLE WIRE FACILITIES ASSETS				
Poles	2411	76,191	11,036	22
Aerial Cable	2421	393,653	17,780	23
Underground Cable	2422	363,668	28,236	24
Buried Cable	2423	2,701,137	337,952	25
Submarine Cable	2424	0	0	26
Deep Sea Cable	2425	0		27
Intrabuilding Network Cable	2426	0	0	28
Aerial Wire	2431	5,727	96	29
Conduit Systems	2441	614,471	8,324	30
TOTAL--CABLE WIRE FACILITIES ASSETS:		4,154,847	403,424	
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			80,291	1
2112			242,590	2
2113			0	3
2114			0	4
2115			0	5
2116			121,271	6
2121			852,942	7
2122			14,895	8
2123	0	0	9,872	9
2124			53,065	10
	0	0	1,374,926	
2211			0	11
2212	0	21,686	2,603,549	12 G
2215	0	0	0	13
2220			0	14
2231	0	0	0	15
2232	0	0	557,225	16
	0	21,686	3,160,774	
2311			1,599	17
2321			0	18
2341			0	19
2351			36,050	20
2362			0	21
	0	0	37,649	
2411	1,222		86,005	22
2421	13,671	0	397,762	23
2422	0	0	391,904	24
2423	6,083	0	3,033,006	25
2424	0	0	0	26
2425			0	27
2426	0	0	0	28
2431			5,823	29
2441			622,795	30
	20,976	0	4,537,295	
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	8,530,229	579,705
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	
	20,976	21,686	9,110,644	
2001				34
			9,110,644	

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	3,792		1
Company Communications Equipment	2123.2	6,080		2
Software	2212.1	2,525,744		3 A
Digital Switching - Central Office	2212.2	0	56,119	4 A,G
Digital Switching - Remote	2212.3	0		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	484,876	72,349	10
Analog Circuit Equipment	2232.2	0		11
Light Wave Circuit Equipment	2232.3	0		12
Aerial Cable - Nonmetallic	2421.1	15,728		13
Aerial Cable - Metallic	2421.2	377,925	17,780	14
Underground Cable - Nonmetallic	2422.1	50,998	9,822	15
Underground Cable - Metallic	2422.2	312,670	18,414	16
Buried Cable - Nonmetallic	2423.1	2,701,137	178,983	17 A
Buried Cable - Metallic	2423.2	0	158,969	18 A
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			3,792	1
2123.2			6,080	2
2212.1		(2,375,778)	149,966	3 A
2212.2		2,397,464	2,453,583	4 A,G
2212.3			0	5
2215.1			0	6
2215.2			0	7
2231.1			0	8
2231.2			0	9
2232.1			557,225	10
2232.2			0	11
2232.3			0	12
2421.1			15,728	13
2421.2	13,671		382,034	14
2422.1			60,820	15
2422.2			331,084	16
2423.1		(2,607,161)	272,959	17 A
2423.2	6,083	2,607,161	2,760,047	18 A
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	141,770		16,244	1
Aircraft	2113	0			2
Special Purpose Vehicles	2114	0			3
Garage Work Equipment	2115	0			4
Other Work Equipment	2116	57,496	10.0	12,127	5
Buildings	2121	263,893	3.03	25,766	6
Furniture	2122	3,861	10.0	994	7
Office Equipment	2123	5,938		1,596	8
General Purpose Computers	2124	26,594	25.0	10,019	9
Total-- GENERAL SUPPORT ASSETS		499,552		66,746	0
CENTRAL OFFICE ASSETS					
Analog Electronic Switching	2211	0			10
Digital Electronic Switching	2212	1,128,438	10.0	460,176	11G
Electro-Mechanical Switching	2215	0			12
Operator Systems	2220	0			13
Radio Systems	2231	0			14
Circuit Equipment	2232	261,340	12.0	51,968	15
Total-- CENTRAL OFFICE ASSETS		1,389,778		512,144	0
INFORMATION ORIG/TERM ASSETS					
Station Apparatus	2311	1,599	9.09		16
Customer Premises Wiring	2321	0			17
Large Private Branch Exchanges	2341	0			18
Public Telephone Terminal Equipment	2351	29,600	12.0	858	19
Other Terminal Equipment	2362	0			20
Total-- INFORMATION ORIG/TERM ASSETS		31,199		858	0
CABLE WIRE FACILITIES ASSETS					
Poles	2411	50,458	6.39	5,007	21
Aerial Cable	2421	303,247		20,728	22
Underground Cable	2422	104,655		16,627	23
Buried Cable	2423	1,275,717		151,797	24
Submarine Cable	2424	0			25
Deep Sea Cable	2425	0			26
Intrabuilding Network Cable	2426	0			27
Aerial Wire	2431	5,726	20.0	96	28

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112					158,014	1
2113					0	2
2114					0	3
2115					0	4
2116					69,623	5
2121					289,659	6
2122					4,855	7
2123	0				7,534	8
2124					36,613	9
	0	0	0	0	566,298	
2211					0	10
2212	0			21,686	1,610,300	11 G
2215	0				0	12
2220					0	13
2231	0				0	14
2232	0				313,308	15
	0	0	0	21,686	1,923,608	
2311					1,599	16
2321					0	17
2341					0	18
2351					30,458	19
2362					0	20
	0	0	0	0	32,057	
2411	1,222	5,037	97		49,303	21
2421	13,671	8,077	1,849		304,076	22
2422	0				121,282	23
2423	6,083	93		0	1,421,338	24
2424	0				0	25
2425					0	26
2426	0				0	27
2431					5,822	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	149,492	3.5	21,589	29
Total-- CABLE WIRE FACILITIES ASSETS		1,889,295		215,844	0
Total Accumulated Depreciation	3100	3,809,824		795,592	0
Less: Allocation to Nonregulated Activity - Columns e, f and I	3100				30
Net Regulated Total Accum Depreciation -	3100			795,592	0
Columns e, f and I					

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441					171,081	29
	20,976	13,207	1,946	0	2,072,902	
3100	20,976	13,207	1,946	21,686	4,594,865	
3100						30
3100					4,594,865	

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	2,758	10.0	380	1
Company Communications Equipment	2123.2	3,180	20.0	1,216	2
Software	2212.1	1,128,438	25.0	34,898	3 A
Digital Switching - Central Office	2212.2	0	10.0	425,278	4 A,G
Digital Switching - Remote	2212.3	0			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	261,340	12.0	51,968	10
Analog Circuit Equipment	2232.2	0			11
Light Wave Circuit Equipment	2232.3	0			12
Aerial Cable - Nonmetallic	2421.1	1,070	5.0	747	13
Aerial Cable - Metallic	2421.2	302,177	5.26	19,981	14
Underground Cable - Nonmetallic	2422.1	2,706	4.1	2,205	15
Underground Cable - Metallic	2422.2	101,949	4.5	14,422	16
Buried Cable - Nonmetallic	2423.1	1,275,717	4.6	4,189	17 A
Buried Cable - Metallic	2423.2	0	5.5	147,608	18 A
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					3,138	1
2123.2					4,396	2
2212.1				(1,066,221)	97,115	3 A
2212.2				1,087,907	1,513,185	4 A,G
2212.3					0	5
2215.1					0	6
2215.2					0	7
2231.1					0	8
2231.2					0	9
2232.1					313,308	10
2232.2					0	11
2232.3					0	12
2421.1					1,817	13
2421.2	13,671	8,077	1,849		302,259	14
2422.1					4,911	15
2422.2					116,371	16
2423.1				(1,270,768)	9,138	17 A
2423.2	6,083	93		1,270,768	1,412,200	18 A
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)	0	3 A
Net Current Deferred Operating Income Taxes (4100)	0	4
Net Noncurrent Deferred Operating Income Taxes (4340)	(289,351)	5 A
Net Deferred Tax Liability Adjustments (4341)	0	6 A
Deferred Tax Regulatory Liability (4361)	0	7
Net Property Related Deferred Operating Income Taxes	(289,351)	
Less: Allocation to Nonregulated Activity		8
Net Regulated Total Property Related Deferred Operating Income Taxes	(289,351)	
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)	0	13 A
Net Deferred Tax Liability Adjustments (4341)	0	14
Deferred Tax Regulatory Liability (4361)	0	15
Total Nonproperty Related Deferred Operating Income Taxes	0	

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	(508)			(508)	2
	(4,377)		4,377	0	3 A
7250				0	4
7250	91,512		(546)	(198,385)	5 A
	(31,602)		89,264	57,662	6 A
	55,025	0	93,095	(141,231)	7
				0	8
	55,025	0	93,095	(141,231)	
7250				0	9
7250	4,822			4,822	10
				0	11
7250				0	12
7250	9,759		546	10,305	13 A
				0	14
	18,541		(96,348)	(77,807)	15
	33,122	0	(95,802)	(62,680)	

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)
---------------------	-------------------------------	-------------------------	----------------------------------	--------------------------------

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):				
RTFC Note	06/11/1994	07/11/1999	6.5500	1
RUS Notes	08/12/1978	08/12/2013	5.0000	2
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)				
6.5500			250,430	155,200	405,630	1
5.0000			2,367,102	96,600	2,463,702	2
	0	0	2,617,532	251,800	2,869,332	

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:			
Capital Stock	4,000	100.00	1
TOTAL COMMON STOCK	4,000		
TOTAL	<u>4,000</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:					
Capital Stock	3,480	348,000			1
	3,480	348,000	0	0	
TOTAL	<u>3,480</u>	<u>348,000</u>	<u>0</u>	<u>0</u>	

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	2,631,650	2,285,929	1
Changes:			
Balance Transferred from Income	624,877	505,801	2
Dividends Declared:			
Common	69,600	160,080	3
Preferred		0	4
Total Dividends Declared	69,600	160,080	
Miscellaneous Debits to Retained Earnings		0	5
Miscellaneous Credits to Retained Earnings		0	6
Balance--End of Year	<u>3,186,927</u>	<u>2,631,650</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)	162,926	47,176	148,205	1
Nonoperating Taxes (Accts. 7410 - 7450)		32,447	123,379	2
Extraordinary Items (Accts. 7630 & 7640)				3
Nonregulated Net Income (Acct. 7990)		2,745	8,222	4
Clearing Accounts				5
Construction				6
Payroll Taxes: FICA				7
Payroll Taxes: State Unemployment				8
Payroll Taxes: Federal Unemployment				9
Other (specify):				
Operating Deferred		17,012	77,168	10
Nonregulated Deferred		637	3,114	11
Nonoperating Deferred		12,642	45,226	12
Operating ITC			26,802	13
TOTAL	<u>162,926</u>	<u>112,659</u>	<u>432,116</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)	
4,457	781				363,545	1
					155,826	2
					0	3
					10,967	4
					0	5
					0	6
				52,454	52,454	7
				2,055	2,055	8
				1,346	1,346	9
					94,180	10
					3,751	11
					57,868	12
					26,802	13
4,457	781	0	0	55,855	768,794	

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)*	723,439	623,416	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)	723,439	623,416	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	174,483	169,407	11
Switched Access Revenue (5082)*	1,046,427	888,345	12
Special Access Revenue (5083)*	23,875	14,940	13 D
TOTAL INTERSTATE ACCESS REVENUES (5080)	1,244,785	1,072,692	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*	0	0	14
Switched Access Revenue (5084.2)*	456,561	434,372	15
Special Access Revenue (5084.3)*	51,978	52,572	16
TOTAL INTRASTATE ACCESS REVENUES (5084)	508,539	486,944	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*	0	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)*	111,266	98,441	30
Rent Revenue (5240)*	515	0	31
Corporate Operations Revenue (5250)*	0	0	32
Miscellaneous:			
Miscellaneous Revenue (5260)*	6,364	6,831	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)	6,364	6,831	
Interstate Billing and Collection Revenue*	148,867	144,733	39
Intrastate Billing and Collection Revenue*	47,541	78,196	40 E
Total Carrier Billing and Collection Revenue (5270)*	196,408	222,929	
Nonregulated Operating Revenue (5280)**			41
TOTAL MISCELLANEOUS REVENUES	314,553	328,201	
GROSS OPERATING REVENUES	2,791,316	2,511,253	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*	(7,887)	(6,496)	42
Uncollectible Revenue--Telecommunications (5301)			43
Uncollectible Revenue--Other (5302)			44
TOTAL UNCOLLECTIBLE REVENUE (5300)	(7,887)	(6,496)	
TOTAL OPERATING REVENUES	<u>2,799,203</u>	<u>2,517,749</u>	

** 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)	0	0	5,358	1
Less: Nonregulated		0		2
Net Regulated	0	0	5,358	3
Total General Support Expense (6120)	52,923	49,228	16,534	4
Less: Nonregulated		0		5
Net Regulated	52,923	49,228	16,534	6
Total Central Office Switching Expense (6210)	106,789	83,877	55,067	7
Less: Nonregulated		0		8 B
Net Regulated	106,789	83,877	55,067	9
Total Operator Systems Expense (6220)		0		10
Less: Nonregulated		0		11
Net Regulated	0	0	0	12
Total Central Office Transmission Expenses (6230)	10,120	13,503	6,583	13
Less: Nonregulated		0		14
Net Regulated	10,120	13,503	6,583	15
Total Information Orig. / Term. Expense (6310)	2,958	3,478	1,970	16
Less: Nonregulated		0		17
Net Regulated	2,958	3,478	1,970	18
Total Cable and Wire Fac. Expense (6410)	201,509	210,624	115,829	19
Less: Nonregulated		0		20
Net Regulated	201,509	210,624	115,829	21
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	374,299	360,710	201,341	
Less: Nonregulated	0	0	0	
Net Regulated	374,299	360,710	201,341	
PLANT NONSPECIFIC OPERATIONS EXPENSE				
Total Other Property, Plant and Equip. Exp. (6510)	0	0	19,014	22
Less: Nonregulated		0		23
Net Regulated	0	0	19,014	24
Total Network Operations Expense (6530)	95,375	76,004	47,670	25
Less: Nonregulated		0		26
Net Regulated	95,375	76,004	47,670	27
Access Expense (6540)		0		28
Less: Nonregulated		0		29
Net Regulated	0	0	0	30
Total Depreciation and Amortization Expense (6560)	419,566	791,872		31
Less: Nonregulated		0		32 F
Net Regulated	419,566	791,872		33
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	514,941	867,876	66,684	
Less: Nonregulated	0	0	0	
Net Regulated	514,941	867,876	66,684	

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6110	315		(5,673)		1
					2
	315	0	(5,673)	0	3
6120	5,179		27,515		4
					5
	5,179	0	27,515	0	6
6210	20,537		8,273		7
					8 B
	20,537	0	8,273	0	9
6220					10
					11
	0	0	0	0	12
6230	2,357		4,563		13
					14
	2,357	0	4,563	0	15
6310	657		851		16
					17
	657	0	851	0	18
6410	46,040		48,755		19
					20
	46,040	0	48,755	0	21
	75,085	0	84,284	0	
	0	0	0	0	
	75,085	0	84,284	0	
6510	3,132	0	(22,146)	0	22
					23
	3,132		(22,146)	0	24
6530	11,339		16,995		25
					26
	11,339	0	16,995	0	27
6540					28
					29
	0	0	0	0	30
6560			791,872		31
					32 F
			791,872		33
	14,471	0	786,721	0	
	0	0	0	0	
	14,471	0	786,721	0	

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)	
CUSTOMER OPERATIONS EXPENSE				
Total Marketing (6610)	4,091	4,543	1,354	34
Less: Nonregulated		0		35
Net Regulated	4,091	4,543	1,354	36
<hr/>				
Total Services (6620)	339,021	329,746	65,155	37
Less: Nonregulated		0		38
Net Regulated	339,021	329,746	65,155	39
<hr/>				
TOTAL CUSTOMER OPERATIONS EXPENSE	343,112	334,289	66,509	
Less: Nonregulated	0	0	0	
Net Regulated	343,112	334,289	66,509	
<hr/>				
CORPORATE OPERATIONS EXPENSE				
Total Exec. and Planning (6710)	151,687	148,512	99,517	40
Less: Nonregulated		0		41
Net Regulated	151,687	148,512	99,517	42
<hr/>				
Total General and Administrative (6720)	194,279	245,206	66,813	43
Less: Nonregulated		0		44 c
Net Regulated	194,279	245,206	66,813	45
<hr/>				
Provision for Uncollectible Notes Receiv. (6790)		0		46
Less: Nonregulated		0		47
Net Regulated	0	0		48
<hr/>				
TOTAL CORPORATE OPERATIONS EXPENSE	345,966	393,718	166,330	
Less: Nonregulated	0	0	0	
Net Regulated	345,966	393,718	166,330	
<hr/>				
TOTAL EXPENSES	1,578,318	1,956,593	500,864	
Less: Nonregulated	0	0	0	
Net Regulated	1,578,318	1,956,593	500,864	

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6610	440		2,749		34
					35
	440	0	2,749	0	36
6620	26,545		238,046		37
					38
	26,545		238,046	0	39
	26,985	0	240,795	0	
	0	0	0	0	
	26,985	0	240,795	0	
6710	37,504		11,491		40
					41
	37,504		11,491	0	42
6720	16,710		161,683		43
					44 C
	16,710		161,683	0	45
6790					46
					47
			0		48
	54,214	0	173,174	0	
	0	0	0	0	
	54,214	0	173,174	0	
	170,755	0	1,284,974	0	
	0	0	0	0	
	170,755	0	1,284,974	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	0	19,014	2
Total: Reported in Account 6510	0	0	19,014	
Depreciat. Exp.--Tele. Plant in Service (6561)	419,566	791,872		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	419,566	791,872		

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

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6511					1
6512	3,132		(22,146)		2
	3,132		(22,146)	0	
6561			791,872		3
6562					4
6563					5
6564					6
6565					7
			791,872		

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	0	2
Plus: current year collection of out-of-state utility customer accounts previously written off	0	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)*	2,078	141	1
Return from Nonregulated Use of Regulated Facilities (7130)*	0	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	0	5
TOTAL OTHER OPERATING INCOME AND (EXPENSE) (7100)*	2,078	141	
OPERATING TAXES			
Operating Investment Tax Credits--Net (7210)*	(26,802)	(17,718)	6
Operating Federal Income Taxes (7220)*	252,175	170,837	7
Operating State and Local Income Taxes (7230)*	64,188	44,530	8
Operating Other Taxes (7240)*	168,164	149,499	9
Provision for Deferred Operating Income Taxes--Net (7250)*	(94,180)	49,149	10
TOTAL OPERATING TAXES (7200)*	363,545	396,297	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)*	6,741	0	11
Interest Income (7320)*	5,359	6,612	12
Income from Sinking and Other Funds (7330)*	0	0	13
Allowance for Funds Used During Construction (7340)*	0	0	14
Gains or (Losses) from the Disposition of Certain Property (7350)*	0	0	15
Other Nonoperating Income (7360)*	411,619	144,780	16
Special Charges (7370)*	685	4,487	17
TOTAL NONOPERATING INCOME AND EXPENSE (7300)*	423,034	146,905	
NONOPERATING TAXES			
Nonoperating Investment Tax Credits--Net (7410)*	0	0	18
Nonoperating Federal Income Taxes (7420)*	168,605	62,938	19
Nonoperating State and Local Income Taxes (7430)*	45,089	16,831	20
Nonoperating Other Taxes (7440)*	0	0	21
Provision for Deferred Nonoperating Income Taxes-Net (7450)*	(57,868)	(26,884)	22
TOTAL NONOPERATING TAXES (7400)*	155,826	52,885	
INTEREST AND RELATED ITEMS			
Interest on Funded Debt (7510)*	152,985	159,625	23
Interest Expense--Capital Leases (7520)*	0	0	24
Amortization of Debt Issuance Expense (7530)*	592	592	25
Other Interest Deductions (7540)*	1,230	608	26
TOTAL INTEREST AND RELATED ITEMS (7500)*	154,807	160,825	
EXTRAORDINARY ITEMS			
Extraordinary Items (7600)*	0	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)*	31,333	29,331	32

NONREGULATED NET INCOME (ACCT. 7990)

Particulars (a)	Amount (b)	
Revenues (Acct. 7990.1)		
Gross Sales	189,735	1
Less: Cost of Goods Sold		2
Net Sales	189,735	3
Expenses (Acct. 7990.2)	158,402	4
Nonregulated Net Income	<u>31,333</u>	5

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

Selling and leasing of customer premise equipment.
Mobile radio sales and internet provider.

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	500,864	1
Nonregulated Expense	51,140	2
Plant Accounts	87,051	3
Accumulated Depreciation Accounts	8,316	4
All Other Accounts		5
Total Salaries and Wages	647,371	6

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	5.00	5.00	142,360	1
Supervision and Other Management	1.00	1.00	50,897	2
Other Employees	11.00	12.00	454,114	3
Total	17.00	18.00	647,371	

DISTRIBUTION OF SALARIES AND WAGES

Description (a)	Amount (b)	
Regulated Expense	500,864	1
Nonregulated Expense	51,140	2
Plant Accounts	87,051	3
Accumulated Depreciation Accounts	8,316	4
All Other Accounts		5
Total Salaries and Wages	647,371	6

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	5.00	5.00	142,360	1
Supervision and Other Management	1.00	1.00	50,897	2
Other Employees	11.00	12.00	454,114	3
Total	17.00	18.00	647,371	

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	484	1,688	1
Extended Area Service	113	396	2
Extended Community Calling	26	105	3
Other Local-Undefined	0	0	4
Total Local	623	2,189	
TOLL			
Operator Handled: State--intraLATA		6	5
Operator Handled: State--interLATA	1	18	6
Operator Handled: Interstate	3	29	7
Customer Dialed: State--intraLATA	0	0	8
Customer Dialed: State--interLATA	58	569	9
Customer Dialed: Interstate	102	939	10
WATS	0	0	11
Other Toll-Undefined	0	0	12
Total Toll	164	1,561	
Total Local & Toll	787	3,750	

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.	1	9	0	0	2
Feature Group B -- Orig.	3	2	0	0	3
Feature Group B -- Term.	0	0	0	0	4
Feature Group C -- Orig.	0	0	6	2,336	5
Feature Group C -- Term.	0	0	0	1,980	6
Feature Group D -- Orig.	2,636	3,224	0	0	7
Feature Group D -- Term.	4,661	3,799	0	0	8

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	49	1
Sheath miles of plant - buried	583	2
Sheath miles of plant - fiber optics	31	3
Strand miles of plant - fiber optics	3	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	19	8	1
56 kbps	3	0	2
64 kbps (DS0)	2	0	3
1.54 Mbps (DS-1)	2	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	49	1
Sheath miles of plant - buried	583	2
Sheath miles of plant - fiber optics	31	3
Strand miles of plant - fiber optics	3	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	19	8	1
56 kbps	3	0	2
64 kbps (DS0)	2	0	3
1.54 Mbps (DS-1)	2	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	502	529	3
2 Party	0		4
4 Party	0		5
PBX Trunks/System Trunks	26		6
Centrex Trunks	0	26	7
Centrex Lines	0		8
Key System Trunks	130	132	9
Mobile (Utility Provided Service)	0		10
Paging (Utility Provided Service)	0		11
FX-Out (Switched)	0		12
Pay Telephone			13
Coin-Operated Pay Telephone			14
Independent Pay Telephone Provider			15
Pay Stations - Public	34	33	16
- Semi-Public	7	7	17
- Cust. Owned	4	4	18
Other	0		19
Total Business Lines	703	731	20
Residential (Incl. Emp. Concess.)			
1 Party	3,174	3,225	22
2 Party	0		23
4 Party	0		24
FX-Out (Switched)	0		25
Other	17	17	26
Total Residential Lines	3,191	3,242	27
Total Bus & Res Lines	3,894	3,973	28
Company Used Lines	21	21	29
Total Lines Used	3,915	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	0	3
WATS Lines - 800 Service	4	0	4
FX-In-intraLATA	0	0	5
Special Access-intraLATA			6
(expressed in equiv. access lines)	9	8	7
Special Access-interLATA			8
(expressed in equiv. access lines)	51	72	9
Feature Group A Lines	0		10
Feature Group B Trunks	0		11
Feature Group C Trunks	0		12
Feature Group D Trunks	845	1,250	13
TSPS - Trunks	22	22	14
EAS - Trunks	82	78	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
	7,203,116	7,735,718	27
Total Company Square Miles	389	389	28
Total Company Route Miles	513	528	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	0250	1880	3830	5040	1
Business					2
1 Party	86	158	209	76	3
2 Party					4
4 Party					5
PBX Trunks/System Trunks					6
Centrex Trunks			26		7
Centrex Lines					8
Key System Trunks	13	58	54	7	9
Mobile (utility provided service)					10
Paging (utility provided service)					11
FX-Out (Switched)					12
Pay Telephone					13
Coin-Operated Pay Telephone					14
Independent Pay Telephone Provider					15
Pay Stations - Public	6	8	14	5	16
- Semi-Public		3	3	1	17
- Cust. Owned		3	1		18
Other					19
Total Business Lines	105	230	307	89	20
Residential (Incl. Emp. Concess.)					21
1 Party	636	884	1,126	579	22
2 Party					23
4 Party					24
FX-Out (Switched)					25
Other	2	1	14		26
Total Residential Lines	638	885	1,140	579	27
Total Bus & Res Lines	743	1,115	1,447	668	28
Company Used Lines	7	3	7	4	29
Total Lines Used	750	1,118	1,454	672	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	0250	1880	3830	5040	1
Miscellaneous					2
WATS Lines - OutWATS	0	0	0	0	3
WATS Lines - 800 Service	0	0	0	0	4
FX-In-intraLATA	0	0	0	0	5
Special Access-intraLATA					6
(equiv. access lines)	2	0	4	2	7
Special Access-interLATA					8
(equiv. access lines)	1	37	33	1	9
Feature Group A Lines					10
Feature Group B Trunks					11
Feature Group C Trunks					12
Feature Group D Trunks	142	156	818	134	13
TSPS - Trunks	4	5	9	4	14
EAS - Trunks	48	6	0	24	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)	1,446,675	2,170,986	2,817,413	1,300,644	27
Exchange Square Miles	93	208	61	27	28
Exchange Route Miles	128	183	125	92	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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EQUIPMENT ABBREVIATIONS

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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	AURORA	FLORENCE	NIAGARA	SPREAD EAGLE	1
PSCW Exchange ID	0250	1880	3830	5040	2
Central Office Name	AURORA	FLORENCE	NIAGARA	SPREAD EAGLE	3
PSCW Central Office ID	1	1	1	1	4
Manufacturer of COE (Page 54)	SC	SC	SC	SC	5
Year COE Installed	1981	1980	1983	1991	6
Type of Equipment (Page 54)	D	D	D	D	7
(S)tandalone, (H)ost, (R)emote	S	S	S	S	8
Remote Host PSCW Exchange ID					9
Remote Host PSCW Central Office ID	250	1880	3830	250	10
COE Generic Software Release No.	14.1	14.1	19	17	11
SS7?	No	No	No	No	12
9-1-1?	No	No	Yes	No	13
Access Lines - In Use	770	1,262	1,473	795	14
- Equipped	856	1,280	1,830	891	15
- Wired	880	1,310	2,640	990	16
Trunks - In Use	137	91	638	135	17
- Equipped	190	156	818	194	18
- Wired	264	156	828	444	19
ISDN Available?	No	No	No	No	20
ISDN Lines - In Use (BRI)	0	0	0	0	21
- In Use (PRI)	0	0	0	0	22
Switched 56 Service?	No	No	No	No	23
Switched 56 lines in use	0	0	0	0	24
Digital Transmission Facilities: DS-1 - In Use	0	1	1	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?	No	No	No	No	31
- In Use (# lines) ¹	0	0	0	0	32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	32	16	48	16	33
No. of fiber strands working (LIT) in C.O.	8	0	8	0	34
No. of fiber strands for interoffice use	6	0	6	0	35
Miles of fiber sheath in wire center	9	8	14	0	36
Access Tandem Serving this C.O.:					
- C.O. Name	NIAGARA	NIAGARA	NIAGARA	NIAGARA	37
- PSCW C.O. ID	3830-01	3830-01	3830-01	3830-01	38
Does this C.O. do access tandem switching?	No	No	Yes	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****Accountants Compilation Report**

To the Board of Directors
Niagara Telephone Company
Wittenberg, Wisconsin 54499

We have compiled the balance sheets of Niagara Telephone Company as of December 31, 1996 and 1995, and the related statements of income and retained earnings for the years then ended, and the statement of cash flows for the year ended December 31, 1996, included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary information presented in the prescribed form, except for pages 46 through 55.

Our compilation was limited to presenting in the form prescribed by the Public Service Commission of Wisconsin, information that is the representation of management. We have not audited or reviewed the financial statements and supplementary information referred to above and, accordingly, do not express an opinion or any other form of assurance on them. These financial statements were compiled by us from financial statements for the same period that we previously audited, as indicated in our report dated February 28, 1997.

These financial statements (including related disclosures) and the supplementary information are presented in accordance with the requirements of the Public Service Commission of Wisconsin, which differ from generally accepted accounting principles. Accordingly, these financial statements and supplementary information are not designed for those who are not informed about such differences.

The supplementary information contained on pages 46 through 55 of the accompanying prescribed form has not been audited, reviewed, or compiled by us, and, accordingly, we assume no responsibility for that information.

Kiesling Associates LLP
Madison, Wisconsin
April 25, 1997

Schedule Footnotes**Identification and Ownership Footnote. Page 7**

Data missing from load, entered by Cliff, corrected by RL July 24, 1997

Schedule Line Footnotes

- A)** To properly reflect first of year balances.
- B)** 1995 required \$14,000 more than 1996 for outside repairs of central office equipment and spares. Also decrease in payroll and overheads due to COE repair.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

- C)** Increase due to additional accounting fees from tariff work and cost consulting. Also payments were made to the Wisconsin Advance Telecommunications Foundation and the Wisconsin Universal Service Fund in 1996 only.
- D)** Cost consultant identified additional special service circuits which were first billed in 1996.
- E)** AT&T reduced recording and rating changes early in 1996.
- F)** New depreciation rates for 1996.
- G)** To adjust recording of prior year retirement entry.
- X)** This footnote is not being used.