4004

ANNUAL REPORT

OF

Name:	NORTHEAST TELEPHONE COMPANY
Principal Office:	122 S. ST. AUGUSTINE ST. P.O. BOX 860 PULASKI, WI 54162
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 MARK NAZE of
(Person responsible for accounts)

NORTHEAST TELEPHONE COMPANY , certify that I
(Utility Name)

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

MARK NAZE 05/07/1997
(Person responsible for accounts) (Date)

TREASURER
(Title)

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ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Access Line Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency transmission, and/or time slot transmission. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice channel or a 64 kilobits per second digital channel.

Analog Signal A signal that varies in a continuous manner such as voice or music. An analog signal must be contrasted with a digital signal which can assume only discrete values.

Cellular System A high capacity land mobile radio system in which an assigned frequency spectrum is divided into discrete channels that are assigned to a cellular geographic serving area.

Central Office A switching unit in a telephone system providing service to the general public, having the necessary equipment and operating arrangements for terminating and interconnecting lines and trunks.

Centrex A service for customers with many stations that permits station-to-station dialing, one listed directory number for the customer, direct inward dialing to a particular station and station identification on outgoing calls. The switching functions are performed in a central office (stand alone, host or remote).

Channel An electrical communications path between two or more points. A single pair of wires may provide more than one channel. A channel may also be provided by microwave.

Customer A person who uses a telephone as a subscriber.

Digital Signal A signal that has a limited number of discrete states. This may be contrasted with an analog signal that varies in a continuous manner and may have an infinite number of states.

Equal Access The ability of the subscriber to use any long distance service by dialing the same number of digits.

Exchange A defined area served by one or more central offices regardless of technical serving arrangements within which the company furnishes service at rates and rules prescribed for that area in the company's filed tariffs. The area is not necessarily marked by political boundaries or the location of host or remote switching units.

Extended Area Service (EAS) The ability of a customer to call customers in other exchanges at no additional charge or at an additional charge per tariff.

Extended Community Calling (ECC) The ability of a customer to call customers in other exchanges at rates usually above EAS rates but below toll rates for comparable distances. Rates generally include a duration element.

Feature Group A Line-side originating and terminating LATA access for which an originating subscriber dials an assigned telephone number that connects to a specific interexchange carrier (IC). The IC returns a tone to signal the caller to input additional generated digits of the called number.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Feature Group B Trunk-side originating and terminating LATA access for which an originating subscriber dials a 950-WXXX number (where W=0, 1 and XXX is the carrier access code (CAC)), which is translated to a specific XXX carrier trunk group. Optional rotary dial service and ANI may be available.

Feature Group C Trunk-side LATA access for AT&T-Communications generally on a direct basis between each end office (EO) and an AT&T-C switching system.

Feature Group D Also referred to as equal access. It is trunk-side LATA access affording call supervision of an interexchange carrier, a uniform access code (10XXXXX), optional calling party identification, recording of access-charge billing details and presubscription to a customer specified interexchange carrier.

FX-IN A nonswitched service where the customer of the company is connected to and receives switching service through central office equipment located in another exchange area.

FX-OUT A switched service where facilities are provided from the central office out to the exchange boundary where it meets the line from a foreign exchange subscriber.

Host Switching System A switching system that provides centralized control over most of the switching functions of one or more remote switching units. The host switching system usually provides trunk access to the operating company intraLATA networks.

Local Access Transport Area (LATA) A geographic area within which an operating company may offer its telecommunications services.

Mobile Telephone A service which provides radio telephone communication from a mobile vehicle to another vehicle or to a regular telephone.

Paging A service which provides one-way signal or voice communication over a radio channel to a miniature receiver carried by the customer.

Pair Two wires of a single circuit.

Pay Station A telephone which normally requires all users to deposit one or more coins or use a credit card to complete a call.

Private Line Service Channel or circuit rented for private use and not intended to be connected to the general distribution system.

Private Branch Exchange (PBX) A manually, or operator controlled switching system, usually on the customer’s premises, which serves that customer's telephones over a common group of lines from the central office.

Radio Common Carrier (RCC) A company which furnishes public telecommunications service using one or more radio channels.

Remote Switching Unit (RSU) An electronic switching system that is remote from its host or control office. All of the central control equipment for the RSU is located in the host switching system.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Route Miles Total number of route miles (to the nearest mile) of operating plant facilities including drop wire in the exchange. One route mile may consist of:

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: NORTHEAST TELEPHONE COMPANY
Utility Location: 122 S. ST. AUGUSTINE ST.
P.O. BOX 860
PULASKI, WI 54162

Utility Web Site Address:
When was utility organized?: 03/10/1910
Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: MR MARK M . NAZE
Title: TREASURER

Office Address: 122 S. ST. AUGUSTINE ST.
P.O. BOX 860
PULASKI , WI 54162
Fax Number: (414) 822 - 8665
Telephone Number: (414) 822 - 8865
Email Address: mark@netelco.com

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 SHERYL L . MIELKE
Title: ACCOUNTING MANAGER

Office Address: 122 S. ST. AUGUSTINE ST.
P.O. BOX 860
PULASKI , WI 54162
Fax Number: (414) 822 - 8665
Telephone Number: (414) 822 - 8886
Email Address: sheryl@netelco.com

Person responsible for statistical information contained in report

Name: MS SHERYL L . MIELKE
Title: ACCOUNTING MANAGER

Office Address: 122 S. ST. AUGUSTINE ST.
P.O. BOX 860
PULASKI , WI 54162
Fax Number: (414) 822 - 8665
Telephone Number: (414) 822 - 8886
Email Address: sheryl@netelco.com

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: NORTHEAST COMMUNICATIONS OF WI, INC.
Address: 122 S. ST. AUGUSTINE ST.
PO BOX 860
PULASKI , WI 54162
Number of Shares Held: 19,500
Beneficial Owner: NONE

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

Company Name: NET FINANCE, INC.
Form of Interest: WHOLLY OWNED
Extent Of Interest: 100%

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	3,813,610	3,516,502	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	643,273	524,243	2
Plant Nonspecific Operations Expense	953,571	765,809	3
Customer Operations Expense (6610-6620)	500,226	477,517	4
Corporate Operations Expense (6710-6790)	500,374	490,064	5
Other Operating Income and Expense (7100)	0	0	6
Operating Taxes (7200)	513,626	525,816	7
Total Operating Expenses	**3,111,070**	**2,783,449**	8
Net Operating Income	**702,540**	**733,053**	9
Other Income			
Nonoperating Income and Expense (7300)	(609)	(689)	10
Nonoperating Taxes (7400)	(241)	(9,610)	11
Interest and Related Items (7500)	212,237	221,852	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	29,870	35,358	14
Total Nonoperating Income	**(182,735)**	**(177,573)**	15
Net Income	**519,805**	**555,480**	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 company is a provider of telecommunications exchange and local access services and telecommunications equipment in a service area located primarily in Brown County, Wisconsin.

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

Property and Equipment

Telephone plant is capitalized at original cost, including the capitalized cost of salaries and wages, materials, certain payroll taxes and employee benefits. 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. These estimates are subject to change in the near term. Depreciation on depreciable property is included in plant nonspecific operations expense at $893,781 and $712,636, which resulted in composite rates of 7.6% and 6.4% for 1996 and 1995, respectively.

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.

Income Taxes

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

Revenue Recognition

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

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:

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 nationwide average cost schedules. 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.
Cash Equivalents
All highly liquid investments with a maturity of three months or less are considered cash equivalents.
Investments
The Company's investments consist of non-marketable equity investments which are carried 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.

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.

Dividend Restriction
The mortgage to the United States of America, underlying the RUS and RTB notes, contains certain restrictions on the declaration or 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 $430,139, except as might be specifically authorized in writing in advance by the RUS and RTB 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)*	798,380	622,860	**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	**798,380**	**622,860**	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	317,912	301,266	**6**
Accounts Receivable Allowance-Telecom (1181)*	0	0	**7**
Net: Telecommunications Accounts Receivable	**317,912**	**301,266**	
Other Accounts Receivable (1190)*	317,848	420,020	**8**
Accounts Receivable Allowance--Other (1191)*	0	0	**9**
Net: Other Accounts Receivable	**317,848**	**420,020**	
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	**635,760**	**721,286**	
SUPPLIES			
Inventories (1220)*	108,609	98,109	**13**
TOTAL SUPPLIES	**108,609**	**98,109**	
PREPAYMENTS			
Total Prepayments (1280)*	41,867	25,659	**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	**41,867**	**25,659**	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	15,526	5,144	**20**
TOTAL OTHER CURRENT ASSETS	**15,526**	**5,144**	
TOTAL CURRENT ASSETS	**1,600,142**	**1,473,058**	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	2,500	2,500	**21**
Investments in Nonaffiliated Companies (1402)*	167,708	167,708	**22**
Nonregulated Investments (1406)*	44,521	51,859	**23**
Unamortized Debt Issuance Expense (1407)*	1,897	2,043	**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)*	2,716	1,411	**26**
TOTAL INVESTMENTS	**219,342**	**225,521**	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*	11,996	12,468	**27**
Deferred Maintenance and Retirements (1438)*	0	0	**28**
Deferred Charges (1439)*	9,036	9,036	**29**
TOTAL DEFERRED CHARGES	**21,032**	**21,504**	
TOTAL NONCURRENT ASSETS	**240,374**	**247,025**	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	12,017,851	11,443,871	**30**
Less: Accumulated Depreciation (3100)*	6,226,876	5,405,749	**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	**5,790,975**	**6,038,122**	
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)*	0	0	**37**
Less: Accumulated Depreciation--Nonoperating (3300)*	0	0	**38**
NET NONOPERATING PLANT	**0**	**0**	
TPUC			
TPUC (2003)*	5,120	2,942	**39**
TOTAL TPUC	**5,120**	**2,942**	
TELECOMMUNICATIONS PLANT ADJUSTMENT			
Telecommunications Plant Adjustment (2005)*		0	**40**
Less: Accumulated Amortization--Other (3600)*		0	**41**
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	**0**	**0**	
TOTAL PLANT	**5,796,095**	**6,041,064**	
TOTAL ASSETS AND OTHER DEBITS*	**7,636,611**	**7,761,147**	

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	443,821	444,942	1
Notes Payable (4020)*	0	0	2
Advance Billing and Payments (4030)*	1,738	1,239	3
Customer Deposits (4040)*	125	250	4
Current Maturities--Long-Term Debt (4050)*	219,900	208,700	5
Current Maturities--Capital Leases (4060)*	0	0	6
Income Taxes--Accrued (4070)*	59,953	40,283	7
Other Taxes--Accrued (4080)*	(29,150)	(21,027)	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)*	19,617	20,616	11
Other Current Liabilities (4130)*	0	0	12
TOTAL CURRENT LIABILITIES*	**716,004**	**695,003**	
LONG-TERM DEBT			
Funded Debt (4210)*	3,702,110	3,920,422	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*	**3,702,110**	**3,920,422**	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*	0	0	20
Unamortized Operating ITC--Net (4320)*	18,521	37,121	21
Unamortized Nonoperating ITC--Net (4330)*	0	0	22
Net Noncurrent Deferred Operating Income Taxes (4340)*	161,561	244,130	23
Net Deferred Tax Liability Adjustments (4341)*	(7,215)	(22,895)	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	(2,003)	(2,338)	25 P
Other Deferred Credits (4360)*	0	0	26 P
Deferred Tax Regulatory Liability (4361)*	16,628	33,308	27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS*	**187,492**	**289,326**	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	487,500	487,500	28
Additional Paid-in Capital (4520)*	(1,836)	(1,836)	29
Treasury Stock (4530)*	0	0	30
Other Capital (4540)*	2,400	2,400	31
Retained Earnings (4550)*	2,542,941	2,368,336	32
TOTAL STOCKHOLDERS' EQUITY*	**3,031,005**	**2,856,400**	
TOTAL LIABILITIES AND OTHER CREDITS*	**7,636,611**	**7,761,151**	

STATEMENT OF CASH FLOWS

Item (a)	Amount (b)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	519,805	**1**
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and amortization	887,553	**2**
Interest during construction	0	**3**
Changes in assets and liabilities:		
Current assets (net)	48,436	**4**
Other noncurrent assets	(833)	**5**
Other current liabilities	9,801	**6**
Other liabilities and deferred credits	(101,834)	**7**
Other (specify):		
TOTAL ADJUSTMENTS	**843,123**	
NET CASH PROVIDED BY OPERATING ACTIVITIES (NET INCOME & ADJUST.)	**1,362,928**	
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures:		
Changes in plant (net)	(642,584)	**8**
Investments in affiliated companies	0	**9**
Nonoperating Investments	7,338	**10**
Other (specify):		
NET CASH USING IN INVESTING ACTIVITIES	**(635,246)**	
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in capital lease obligations (net)	0	**11**
Change in long-term debt (net)	(206,966)	**12**
Net changes in stockholder equity other than retained earnings	0	**13**
Change in short term borrowing (net)	0	**14**
Dividends paid	(345,200)	**15**
Miscellaneous debits/credits to retained earnings	0	**16**
Other (specify):		
Net Cash Provided by Financing Activities	**(552,166)**	
NET INCREASE IN CASH AND CASH EQUIVALENTS	**175,516**	
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.

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.

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

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.

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

   We had a rate increase as of November 1, 1996. Annual revenues are expected to increase by $127,000.

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.

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

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

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)	
NEW-CELL, INC	NCI	**1**
NET CABLE, INC	NETCI	**2**
NETNET, INC	NNETI	**3**
Other	OTH	**4**

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	4210-AT-100	4210-AT-1	4210-AT-102	4210-AT-102	
Name of Affiliate	NCI	NETCI	NNETI	NNETI	1
Designate whether billed to or from:	TO	TO	FROM	TO	2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C	C	O	C	3
Revenues					4
Expenses:					
Plant Specific Operations Expense					5
Plant Nonspecific Operations Expense					6
Customer Operations Expense					7
Corporate Operations Expense					8
Total Operating Expenses	**0**	**0**	**0**	**0**	9
Other:					
Plant Accounts					10
Accumulated Depreciation					11
Accumulated Amortization					12
Clearing					13
All Other	278,051	37,542		133,416	14
Total	**278,051**	**37,542**	**0**	**133,416**	15
Percent of affiliate's business billed to all affiliated regulated utilities			1.00		16
If cost based, rate of return on equity or markup incorporated in billings					17
Footnotes					

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	None	None			
Name of Affiliate	OTH	OTH			**1**
Designate whether billed to or from:	FROM	TO			**2**
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	O	C			**3**
Revenues					**4**
Expenses:					
Plant Specific Operations Expense					**5**
Plant Nonspecific Operations Expense					**6**
Customer Operations Expense					**7**
Corporate Operations Expense					**8**
Total Operating Expenses	**0**	**0**	**0**	**0**	**9**
Other:					
Plant Accounts					**10**
Accumulated Depreciation					**11**
Accumulated Amortization					**12**
Clearing					**13**
All Other		34,144			**14**
Total	**0**	**34,144**	**0**	**0**	**15**
Percent of affiliate's business billed to all affiliated regulated utilities	1.00				**16**
If cost based, rate of return on equity or markup incorporated in billings					**17**
Footnotes	**Q**	**Q**			

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)	
NETNET, INC	1180	52	1
NEW-CELL, INC	1190	(7,871)	2
Other	1190	7,256	3
Other	1401	2,500	4
NEW-CELL, INC	4010	10,720	5
NET CABLE, INC	4010	398	6
NETNET, INC	4010	10,970	7
Other	4010	14,925	8

ACCOUNTS RECEIVABLE NET WRITE OFFS - TELECOMMUNICATIONS

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

Particulars (a)	Amount (b)	
Collection of amounts previously written off		1 A
Uncollectibles written off during the year		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	104,350	**1**
Other:		
WITS	49,200	**2**
RTB Class C Stock	14,158	**3**
Total Investments in Nonaffiliated Companies	**167,708**	

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):		
Deregulated Inventory Held for Resale	44,521	**1**

DEFERRED MAINTENANCE AND RETIREMENTS (ACCT. 1438)

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

Description of Item (a)	Balance EOY (b)

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
GENERAL SUPPORT ASSETS				
Land	2111	45,548		**1**
Motor Vehicles	2112	294,064	22,547	**2**
Aircraft	2113	0		**3**
Special Purpose Vehicles	2114	0		**4**
Garage Work Equipment	2115	0		**5**
Other Work Equipment	2116	171,948	1,172	**6**
Buildings	2121	694,257	338	**7**
Furniture	2122	64,548	892	**8**
Office Equipment	2123	105,077	1,842	**9**
General Purpose Computers	2124	161,942	313,796	**10**
TOTAL--GENERAL SUPPORT ASSETS:		**1,537,384**	**340,587**	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0		**11**
Digital Electronic Switching	2212	2,474,384	27,396	**12**
Electro-Mechanical Switching	2215	0	0	**13**
Operator Systems	2220	0		**14**
Radio Systems	2231	0	0	**15**
Circuit Equipment	2232	1,293,525	46,404	**16**
TOTAL--CENTRAL OFFICE ASSETS:		**3,767,909**	**73,800**	
INFORMATION ORIGINATION/TERMINATION ASSETS				
Station Apparatus	2311	0		**17**
Customer Premises Wiring	2321	0		**18**
Large Private Branch Exchanges	2341	0		**19**
Public Telephone Terminal Equipment	2351	59,842	1,914	**20**
Other Terminal Equipment	2362	733		**21**
TOTAL--INFORMATION ORIG/TERM ASSETS:		**60,575**	**1,914**	
CABLE WIRE FACILITIES ASSETS				
Poles	2411	10,362		**22**
Aerial Cable	2421	216,248	1,866	**23**
Underground Cable	2422	119,099	0	**24**
Buried Cable	2423	5,607,173	230,280	**25**
Submarine Cable	2424	0	0	**26**
Deep Sea Cable	2425	0		**27**
Intrabuilding Network Cable	2426	5,026	0	**28**
Aerial Wire	2431	4,644	2,137	**29**
Conduit Systems	2441	115,451		**30**
TOTAL--CABLE WIRE FACILITIES ASSETS:		**6,078,003**	**234,283**	
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			**45,548**	**1**
2112	13,255		**303,356**	**2**
2113			**0**	**3**
2114			**0**	**4**
2115			**0**	**5**
2116			**173,120**	**6**
2121			**694,595**	**7**
2122			**65,440**	**8**
2123	4,541	0	**102,378**	**9**
2124	24,267		**451,471**	**10**
	42,063	**0**	**1,835,908**	
2211			**0**	**11**
2212	0	0	**2,501,780**	**12**
2215	0	0	**0**	**13**
2220			**0**	**14**
2231	0	0	**0**	**15**
2232	1,814	0	**1,338,115**	**16**
	1,814	**0**	**3,839,895**	
2311			**0**	**17**
2321			**0**	**18**
2341			**0**	**19**
2351			**61,756**	**20**
2362			**733**	**21**
	0	**0**	**62,489**	
2411	34		**10,328**	**22**
2421	133	0	**217,981**	**23**
2422	0	0	**119,099**	**24**
2423	32,297	0	**5,805,156**	**25**
2424	0	0	**0**	**26**
2425			**0**	**27**
2426	0	0	**5,026**	**28**
2431	263		**6,518**	**29**
2441			**115,451**	**30**
	32,727	**0**	**6,279,559**	
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**	**11,443,871**	**650,584**	
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**	
	76,604	**0**	**12,017,851**	
2001				**34**
			12,017,851	

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	32,410	546	1	
Company Communications Equipment	2123.2	72,667	1,296	2	
Software	2212.1	2,474,384		3	B
Digital Switching - Central Office	2212.2	0	27,396	4	B
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	1,293,525	45,318	10	C
Analog Circuit Equipment	2232.2	0		11	
Light Wave Circuit Equipment	2232.3	0	1,086	12	C
Aerial Cable - Nonmetallic	2421.1	0		13	
Aerial Cable - Metallic	2421.2	216,248	1,866	14	
Underground Cable - Nonmetallic	2422.1	63,909		15	
Underground Cable - Metallic	2422.2	55,190		16	
Buried Cable - Nonmetallic	2423.1	1,029,529	6,824	17	
Buried Cable - Metallic	2423.2	4,577,644	223,456	18	
Submarine Cable - Nonmetallic	2424.1	0		19	
Submarine Cable - Metallic	2424.2	0		20	
Intrabuilding Cable - Nonmetallic	2426.1	0		21	
Intrabuilding Cable - Metallic	2426.2	5,026		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	4,541		**28,415**	**1**	
2123.2			**73,963**	**2**	
2212.1		(2,474,384)	**0**	**3**	**B**
2212.2		2,474,384	**2,501,780**	**4**	**B**
2212.3			**0**	**5**	
2215.1			**0**	**6**	
2215.2			**0**	**7**	
2231.1			**0**	**8**	
2231.2			**0**	**9**	
2232.1	1,814	(75,273)	**1,261,756**	**10**	**C**
2232.2			**0**	**11**	
2232.3		75,273	**76,359**	**12**	**C**
2421.1			**0**	**13**	
2421.2	133		**217,981**	**14**	
2422.1			**63,909**	**15**	
2422.2			**55,190**	**16**	
2423.1			**1,036,353**	**17**	
2423.2	32,297		**4,768,803**	**18**	
2424.1			**0**	**19**	
2424.2			**0**	**20**	
2426.1			**0**	**21**	
2426.2			**5,026**	**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	184,184		37,137		**1**
Aircraft	2113	0				**2**
Special Purpose Vehicles	2114	0				**3**
Garage Work Equipment	2115	0				**4**
Other Work Equipment	2116	113,505		13,108		**5**
Buildings	2121	263,465	.0286	19,838		**6**
Furniture	2122	45,510	.1	6,514		**7**
Office Equipment	2123	62,763	.2	20,776		**8**
General Purpose Computers	2124	161,479		72,435		**9**
Total-- GENERAL SUPPORT ASSETS		**830,906**		**169,808**	**0**	
CENTRAL OFFICE ASSETS						
Analog Electronic Switching	2211	0				**10**
Digital Electronic Switching	2212	1,080,730	.1429	355,227		**11**
Electro-Mechanical Switching	2215	(1,333)	.0769			**12**
Operator Systems	2220	0				**13**
Radio Systems	2231	0				**14**
Circuit Equipment	2232	698,768		114,254		**15**
Total-- CENTRAL OFFICE ASSETS		**1,778,165**		**469,481**	**0**	
INFORMATION ORIG/TERM ASSETS						
Station Apparatus	2311	0				**16**
Customer Premises Wiring	2321	0				**17**
Large Private Branch Exchanges	2341	0				**18**
Public Telephone Terminal Equipment	2351	50,092	.125	7,627		**19**
Other Terminal Equipment	2362	733	.1	0		**20**
Total-- INFORMATION ORIG/TERM ASSETS		**50,825**		**7,627**	**0**	
CABLE WIRE FACILITIES ASSETS						
Poles	2411	5,768	.1	1,035		**21**
Aerial Cable	2421	216,248	.0588	1,866		**22**
Underground Cable	2422	33,884		4,986		**23**
Buried Cable	2423	2,466,995		232,249		**24**
Submarine Cable	2424	0				**25**
Deep Sea Cable	2425	0				**26**
Intrabuilding Network Cable	2426	4,692	.125	334		**27**
Aerial Wire	2431	(669)	.5	2,682		**28**

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112	13,255	50	4,100		**212,116**	**1**
2113					**0**	**2**
2114					**0**	**3**
2115					**0**	**4**
2116					**126,613**	**5**
2121					**283,303**	**6**
2122					**52,024**	**7**
2123	4,541				**78,998**	**8**
2124	24,267				**209,647**	**9**
	42,063	**50**	**4,100**	**0**	**962,701**	
2211					**0**	**10**
2212	0			0	**1,435,957**	**11**
2215	0			0	**(1,333)**	**12**
2220					**0**	**13**
2231	0				**0**	**14**
2232	1,814			0	**811,208**	**15**
	1,814	**0**	**0**	**0**	**2,245,832**	
2311					**0**	**16**
2321					**0**	**17**
2341					**0**	**18**
2351					**57,719**	**19**
2362					**733**	**20**
	0	**0**	**0**	**0**	**58,452**	
2411	34	50			**6,719**	**21**
2421	133				**217,981**	**22**
2422	0				**38,870**	**23**
2423	32,297	176	1,089		**2,667,860**	**24**
2424	0				**0**	**25**
2425					**0**	**26**
2426	0				**5,026**	**27**
2431	263	136			**1,614**	**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	18,935	.025	2,886		**29**
Total-- CABLE WIRE FACILITIES ASSETS		**2,745,853**		**246,038**	**0**	
Total Accumulated Depreciation	**3100**	**5,405,749**		**892,954**	**0**	
Less: Allocation to Nonregulated Activity - Columns e, f and l	3100					**30**
Net Regulated Total Accum Depreciation - Columns e, f and l	**3100**			**892,954**	**0**	

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441					**21,821**	**29**
	32,727	**362**	**1,089**	**0**	**2,959,891**	
3100	**76,604**	**412**	**5,189**	**0**	**6,226,876**	
3100						**30**
3100					**6,226,876**	

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	23,940	.2	6,119		1
Company Communications Equipment	2123.2	38,823	.2	14,657		2
Software	2212.1	1,080,730				3 I
Digital Switching - Central Office	2212.2	0	.1429	355,227		4 I
Digital Switching - Remote	2212.3	0	.0			5
Step by Step Switching	2215.1	(1,333)				6 J
Crossbar Switching	2215.2	0	.0769			7 J
Satellite and Earth Station Facilities	2231.1	0				8
Other Radio Facilities	2231.2	0				9
Digital Circuit Equipment	2232.1	698,768	.0	107,980		10 K
Analog Circuit Equipment	2232.2	0				11
Light Wave Circuit Equipment	2232.3	0	.0833	6,274		12 K
Aerial Cable - Nonmetallic	2421.1	0				13
Aerial Cable - Metallic	2421.2	216,248	.0588	1,866		14
Underground Cable - Nonmetallic	2422.1	173	.0435	2,779		15
Underground Cable - Metallic	2422.2	33,711	.04	2,207		16
Buried Cable - Nonmetallic	2423.1	90,046	.0435	44,787		17
Buried Cable - Metallic	2423.2	2,376,949		187,462		18
Submarine Cable - Nonmetallic	2424.1	0				19
Submarine Cable - Metallic	2424.2	0				20
Intrabuilding Cable - Nonmetallic	2426.1	0				21
Intrabuilding Cable - Metallic	2426.2	4,692	.125	334		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	4,541				**25,518**	**1**
2123.2					**53,480**	**2**
2212.1				(1,080,730)	**0**	**3** I
2212.2				1,080,730	**1,435,957**	**4** I
2212.3					**0**	**5**
2215.1				1,333	**0**	**6** J
2215.2				(1,333)	**(1,333)**	**7** J
2231.1					**0**	**8**
2231.2					**0**	**9**
2232.1	1,814			(22,757)	**782,177**	**10** K
2232.2					**0**	**11**
2232.3				22,757	**29,031**	**12** K
2421.1					**0**	**13**
2421.2	133				**217,981**	**14**
2422.1					**2,952**	**15**
2422.2					**35,918**	**16**
2423.1					**134,833**	**17**
2423.2	32,297	176	1,089		**2,533,027**	**18**
2424.1					**0**	**19**
2424.2					**0**	**20**
2426.1					**0**	**21**
2426.2					**5,026**	**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)	12,468	3
Net Current Deferred Operating Income Taxes (4100)	0	4
Net Noncurrent Deferred Operating Income Taxes (4340)	(244,130)	5 o
Net Deferred Tax Liability Adjustments (4341)	22,895	6
Deferred Tax Regulatory Liability (4361)	(33,308)	7
Net Property Related Deferred Operating Income Taxes	**(242,075)**	
Less: Allocation to Nonregulated Activity		8
Net Regulated Total Property Related Deferred Operating Income Taxes	**(242,075)**	
NONPROPERTY RELATED		
Other Current Assets (1350)	5,144	9
Other Noncurrent Assets (1410)	0	10 o
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 o
Net Deferred Tax Liability Adjustments (4341)	0	14
Deferred Tax Regulatory Liability (4361)	0	15
Total Nonproperty Related Deferred Operating Income Taxes	**5,144**	

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	(2,584)			**(2,584)**	**2**	
	(472)			**11,996**	**3**	
7250				**0**	**4**	
7250	78,819		(9,157)	**(174,468)**	**5**	o
	(15,680)			**7,215**	**6**	
	16,680			**(16,628)**	**7**	
	76,763	**0**	**(9,157)**	**(174,469)**		
				0	**8**	
	76,763	**0**	**(9,157)**	**(174,469)**		
7250	10,382			**15,526**	**9**	
7250	1,520		1,932	**3,452**	**10**	o
				0	**11**	
7250				**0**	**12**	
7250	5,682		7,225	**12,907**	**13**	o
				0	**14**	
				0	**15**	
	17,584	**0**	**9,157**	**31,885**		

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):				
REA Mortgage Note	02/08/1974-06/23/1975	02/08/2009-06/23/2010	.0500	**1**
RTB #1	04/20/1990	04/20/2010	.0500	**2**
RTB #2	04/20/1990	04/20/2010	.0543	**3**
RTB #3	04/20/1990	04/20/2010	.0605	**4**
RTB #4	04/20/1990	04/20/2010	.0615	**5**
RTB #5	04/20/1990	04/20/2010	.0604	**6**
Total Funded Debt				

LONG-TERM DEBT (cont.)

Composite Interest Rate (e)	Held by Utility: Reacquired Debt Acct. 4240 (f)	Held by Utility: Sinking Funds Acct. 1408 (g)	Total Principal EOY (h)	Current Maturities Included in Acct. 4050 (i)	Total Amount Outstanding (j)	
.0500			1,962,066	119,700	2,081,766	1
.0500			590,689	34,797	625,486	2
.0543			369,826	23,175	393,001	3
.0605			463,905	25,233	489,138	4
.0615			286,078	15,417	301,495	5
.0604			29,546	1,578	31,124	6
	0	**0**	**3,702,110**	**219,900**	**3,922,010**	

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:				
	19,500	25.00		**1**
TOTAL COMMON STOCK	**19,500**			
TOTAL	**19,500**			

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:					
	19,500	487,500			**1**
	19,500	**487,500**	**0**	**0**	
TOTAL	**19,500**	**487,500**	**0**	**0**	

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	2,368,336	2,130,857	**1**
Changes:			
Balance Transferred from Income	519,805	555,479	**2**
Dividends Declared:			
Common	345,200	318,000	**3**
Preferred	0	0	**4**
Total Dividends Declared	**345,200**	**318,000**	
Miscellaneous Debits to Retained Earnings		0	**5**
Miscellaneous Credits to Retained Earnings		0	**6**
Balance--End of Year	**2,542,941**	**2,368,336**	

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)	219,159	69,683	222,128	1
Nonoperating Taxes (Accts. 7410 - 7450)		(51)	(190)	2
Extraordinary Items (Accts. 7630 & 7640)				3
Nonregulated Net Income (Acct. 7990)		3,622	13,540	4
Clearing Accounts				5
Construction				6
Payroll Taxes: FICA				7
Payroll Taxes: State Unemployment				8
Payroll Taxes: Federal Unemployment				9
Other (specify):				
Account 6722 & 6623			37	10
TOTAL	**219,159**	**73,254**	**235,515**	

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)	
			2,656		**513,626**	1
					(241)	2
					0	3
					17,162	4
				(90,172)	**(90,172)**	5
					0	6
				82,053	**82,053**	7
				5,876	**5,876**	8
				2,243	**2,243**	9
10,492					**10,529**	10
10,492	**0**	**0**	**2,656**	**0**	**541,076**	

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

Particulars (a)	This Year (b)	Last Year (c)		
LOCAL NETWORK SERVICES REVENUES				
Basic Local Service Revenue (5000)*	1,241,322	1,092,153	1	
Basic Area Revenue (5001)			2	
Optional Extended Area Revenue (5002)			3	
Cellular Mobile Revenue (5003)			4	
Other Mobile Services Revenue (5004)			5	
Public Telephone Revenue (5010)			6	
Local Private Line Revenue (5040)			7	
Customer Premises Revenue (5050)			8	
Other Local Exchange Revenue (5060)			9	
Other Local Exchange Revenue Settlements (5069)			10	
TOTAL BASIC LOCAL SERVICE REVENUE (5000)	**1,241,322**	**1,092,153**		
NETWORK INTERSTATE ACCESS SERVICES REV.				
End User Revenue (5081)*	313,657	290,182	11	
Switched Access Revenue (5082)*	914,992	919,811	12	
Special Access Revenue (5083)*	68,005	35,649	13	L
TOTAL INTERSTATE ACCESS REVENUES (5080)	**1,296,654**	**1,245,642**		
NETWORK INTRASTATE ACCESS SERVICES REV.				
End User Revenue (5084.1)*	0	0	14	
Switched Access Revenue (5084.2)*	828,753	764,119	15	
Special Access Revenue (5084.3)*	40,814	38,695	16	
TOTAL INTRASTATE ACCESS REVENUES (5084)	**869,567**	**802,814**		
LONG DISTANCE NETWORK SERVICES MESSAGE REV.				
Long Distance Message Revenue (5100)*	54,785	29,093	17	M
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.	**54,785**	**29,093**		

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

Particulars (a)	This Year (b)	Last Year (c)	
MISCELLANEOUS REVENUES			
Directory Revenue (5230)*	113,812	107,366	**30**
Rent Revenue (5240)*	4,784	3,584	**31**
Corporate Operations Revenue (5250)*	0	0	**32**
Miscellaneous:			
Miscellaneous Revenue (5260)*	17,959	16,981	**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)	**17,959**	**16,981**	
Interstate Billing and Collection Revenue*	61,648	60,466	**39**
Intrastate Billing and Collection Revenue*	157,054	161,367	**40**
Total Carrier Billing and Collection Revenue (5270)*	**218,702**	**221,833**	
Nonregulated Operating Revenue (5280)**			**41**
TOTAL MISCELLANEOUS REVENUES	**355,257**	**349,764**	
GROSS OPERATING REVENUES	**3,817,585**	**3,519,466**	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*	3,975	2,964	**42**
Uncollectible Revenue--Telecommunications (5301)			**43**
Uncollectible Revenue--Other (5302)			**44**
TOTAL UNCOLLECTIBLE REVENUE (5300)	**3,975**	**2,964**	
TOTAL OPERATING REVENUES	**3,813,610**	**3,516,502**	

** 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)	2,756	1,764		1	
Less: Nonregulated		0		2	
Net Regulated	**2,756**	**1,764**	**0**	3	
Total General Support Expense (6120)	104,561	148,381	33,149	4	
Less: Nonregulated		0		5	D
Net Regulated	**104,561**	**148,381**	**33,149**	6	
Total Central Office Switching Expense (6210)	84,038	128,275	32,885	7	
Less: Nonregulated		0		8	E
Net Regulated	**84,038**	**128,275**	**32,885**	9	
Total Operator Systems Expense (6220)		0		10	
Less: Nonregulated		0		11	
Net Regulated	**0**	**0**	**0**	12	
Total Central Office Transmission Expenses (6230)	23,877	22,990	13,317	13	
Less: Nonregulated		0		14	
Net Regulated	**23,877**	**22,990**	**13,317**	15	
Total Information Orig. / Term. Expense (6310)	2,531	4,426	1,532	16	
Less: Nonregulated		0		17	
Net Regulated	**2,531**	**4,426**	**1,532**	18	
Total Cable and Wire Fac. Expense (6410)	306,480	337,437	187,449	19	
Less: Nonregulated		0		20	
Net Regulated	**306,480**	**337,437**	**187,449**	21	
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	**524,243**	**643,273**	**268,332**		
Less: Nonregulated	**0**	**0**	**0**		
Net Regulated	**524,243**	**643,273**	**268,332**		
PLANT NONSPECIFIC OPERATIONS EXPENSE					
Total Other Property, Plant and Equip. Exp. (6510)	0	0	11,058	22	
Less: Nonregulated		0		23	
Net Regulated	**0**	**0**	**11,058**	24	
Total Network Operations Expense (6530)	50,090	45,313	17,128	25	
Less: Nonregulated		0		26	
Net Regulated	**50,090**	**45,313**	**17,128**	27	
Access Expense (6540)	12,076	20,705		28	
Less: Nonregulated		0		29	F
Net Regulated	**12,076**	**20,705**	**0**	30	
Total Depreciation and Amortization Expense (6560)	703,643	887,553		31	
Less: Nonregulated		0		32	G
Net Regulated	**703,643**	**887,553**		33	
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	**765,809**	**953,571**	**28,186**		
Less: Nonregulated	**0**	**0**	**0**		
Net Regulated	**765,809**	**953,571**	**28,186**		

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)		
6110			40,565	(38,801)	**1**	
					2	
	0	**0**	**40,565**	**(38,801)**	**3**	
6120	6,659	24,509	84,064		**4**	
					5	**D**
	6,659	**24,509**	**84,064**	**0**	**6**	
6210	6,639		88,751		**7**	
					8	**E**
	6,639	**0**	**88,751**	**0**	**9**	
6220					**10**	
					11	
	0	**0**	**0**	**0**	**12**	
6230	2,642		7,031		**13**	
					14	
	2,642	**0**	**7,031**	**0**	**15**	
6310	289		2,605		**16**	
					17	
	289	**0**	**2,605**	**0**	**18**	
6410	38,232	8,980	102,776		**19**	
					20	
	38,232	**8,980**	**102,776**	**0**	**21**	
	54,461	**33,489**	**325,792**	**(38,801)**		
	0	**0**	**0**	**0**		
	54,461	**33,489**	**325,792**	**(38,801)**		
6510	2,235	0	2,394	(15,687)	**22**	
					23	
	2,235		**2,394**	**(15,687)**	**24**	
6530	3,542		24,643		**25**	
					26	
	3,542	**0**	**24,643**	**0**	**27**	
6540			20,705		**28**	
					29	**F**
	0	**0**	**20,705**	**0**	**30**	
6560			887,553		**31**	
					32	**G**
			887,553		**33**	
	5,777	**0**	**935,295**	**(15,687)**		
	0	**0**	**0**	**0**		
	5,777	**0**	**935,295**	**(15,687)**		

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)		
CUSTOMER OPERATIONS EXPENSE					
Total Marketing (6610)	3,199	1,531	503	34	
Less: Nonregulated		0		35	
Net Regulated	**3,199**	**1,531**	**503**	36	
Total Services (6620)	474,318	498,695	161,222	37	
Less: Nonregulated		0		38	
Net Regulated	**474,318**	**498,695**	**161,222**	39	
TOTAL CUSTOMER OPERATIONS EXPENSE	**477,517**	**500,226**	**161,725**		
Less: Nonregulated	**0**	**0**	**0**		
Net Regulated	**477,517**	**500,226**	**161,725**		
CORPORATE OPERATIONS EXPENSE					
Total Exec. and Planning (6710)	328,679	304,899	181,542	40	
Less: Nonregulated		0		41	
Net Regulated	**328,679**	**304,899**	**181,542**	42	
Total General and Administrative (6720)	161,385	195,475	76,027	43	
Less: Nonregulated		0		44	H
Net Regulated	**161,385**	**195,475**	**76,027**	45	
Provision for Uncollectible Notes Receiv. (6790)		0		46	
Less: Nonregulated		0		47	
Net Regulated	**0**	**0**		48	
TOTAL CORPORATE OPERATIONS EXPENSE	**490,064**	**500,374**	**257,569**		
Less: Nonregulated	**0**	**0**	**0**		
Net Regulated	**490,064**	**500,374**	**257,569**		
TOTAL EXPENSES	**2,257,633**	**2,597,444**	**715,812**		
Less: Nonregulated	**0**	**0**	**0**		
Net Regulated	**2,257,633**	**2,597,444**	**715,812**		

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6610	28		1,000		**34**
					35
	28	**0**	**1,000**	**0**	**36**
6620	32,612		304,861		**37**
					38
	32,612		**304,861**	**0**	**39**
	32,640	**0**	**305,861**	**0**	
	0	**0**	**0**	**0**	
	32,640	**0**	**305,861**	**0**	
6710	37,093		86,264		**40**
					41
	37,093		**86,264**	**0**	**42**
6720	15,380		104,068		**43**
					44 H
	15,380		**104,068**	**0**	**45**
6790					**46**
					47
			0		**48**
	52,473	**0**	**190,332**	**0**	
	0	**0**	**0**	**0**	
	52,473	**0**	**190,332**	**0**	
	145,351	**33,489**	**1,757,280**	**(54,488)**	
	0	**0**	**0**	**0**	
	145,351	**33,489**	**1,757,280**	**(54,488)**	

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	11,058	2
Total: Reported in Account 6510	**0**	**0**	**11,058**	
Depreciat. Exp.--Tele. Plant in Service (6561)	703,643	887,553		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	**703,643**	**887,553**		

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

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6511					**1**
6512	2,235		2,394	(15,687)	**2**
	2,235		**2,394**	**(15,687)**	
6561			887,553		**3**
6562					**4**
6563					**5**
6564					**6**
6565					**7**
			887,553		

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		1
Less: current year write-offs of uncollectible accounts - out-of-state utility customers only		2
Plus: current year collection of out-of-state utility customer accounts previously written off		3
Net out-of-state operating revenues	**0**	

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

Particulars (a)	This Year (b)	Last Year (c)	
OTHER OPERATING INCOME AND EXPENSE			
Income from Custom Work (7110)*	0	0	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)*	**0**	**0**	
OPERATING TAXES			
Operating Investment Tax Credits--Net (7210)*	(18,600)	(15,173)	6
Operating Federal Income Taxes (7220)*	325,830	287,776	7
Operating State and Local Income Taxes (7230)*	78,965	66,553	8
Operating Other Taxes (7240)*	221,778	199,453	9
Provision for Deferred Operating Income Taxes--Net (7250)*	(94,347)	(12,793)	10 N
TOTAL OPERATING TAXES (7200)*	**513,626**	**525,816**	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)*	1,875	2,001	11
Interest Income (7320)*	17,755	21,261	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)*	0	0	16
Special Charges (7370)*	20,239	23,951	17
TOTAL NONOPERATING INCOME AND EXPENSE (7300)*	**(609)**	**(689)**	
NONOPERATING TAXES			
Nonoperating Investment Tax Credits--Net (7410)*	0	0	18
Nonoperating Federal Income Taxes (7420)*	(190)	(7,582)	19
Nonoperating State and Local Income Taxes (7430)*	(51)	(2,028)	20
Nonoperating Other Taxes (7440)*	0	0	21
Provision for Deferred Nonoperating Income Taxes-Net (7450)*	0	0	22
TOTAL NONOPERATING TAXES (7400)*	**(241)**	**(9,610)**	
INTEREST AND RELATED ITEMS			
Interest on Funded Debt (7510)*	212,149	221,812	23
Interest Expense--Capital Leases (7520)*	0	0	24
Amortization of Debt Issuance Expense (7530)*	0	0	25
Other Interest Deductions (7540)*	88	40	26
TOTAL INTEREST AND RELATED ITEMS (7500)*	**212,237**	**221,852**	
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)*	29,870	35,358	32

NONREGULATED NET INCOME (ACCT. 7990)

Particulars (a)	Amount (b)	
Revenues (Acct. 7990.1)		
Gross Sales	179,892	1
Less: Cost of Goods Sold	59,830	2
Net Sales	**120,062**	3
Expenses (Acct. 7990.2)	90,192	4
Nonregulated Net Income	**29,870**	5

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

customer premise equipment, leasing, sales and servicing
authorized cellular service distribution for Cellcom
autocad software vendor

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	715,812	1
Nonregulated Expense	62,061	2
Plant Accounts	75,266	3
Accumulated Depreciation Accounts	276	4
All Other Accounts	282,574	5
Total Salaries and Wages	**1,135,989**	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 FOY (b)	EOY (c)	Total Compensation (d)	
Officers	4.00	4.00	234,665	1
Supervision and Other Management	10.00	8.00	276,916	2
Other Employees	34.00	32.00	624,408	3
Total	**48.00**	**44.00**	**1,135,989**	

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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
Extended Community Calling			3
Other Local-Undefined	2,415		4
Total Local	**2,415**	**0**	
TOLL			
Operator Handled: State--intraLATA	2	18	5
Operator Handled: State--interLATA	1	15	6
Operator Handled: Interstate	1	26	7
Customer Dialed: State--intraLATA	74	602	8
Customer Dialed: State--interLATA	45	487	9
Customer Dialed: Interstate	59	872	10
WATS		1	11
Other Toll-Undefined			12
Total Toll	**182**	**2,021**	
Total Local & Toll	**2,597**	**2,021**	

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.					1
Feature Group A -- Term.	22	30			2
Feature Group B -- Orig.	12	8			3
Feature Group B -- Term.	167	14			4
Feature Group C -- Orig.			3,792		5
Feature Group C -- Term.			3,278		6
Feature Group D -- Orig.	3,656	2,549	384		7
Feature Group D -- Term.	6,931	3,434			8

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	36	1
Sheath miles of plant - buried	450	2
Sheath miles of plant - fiber optics	49	3
Strand miles of plant - fiber optics	1,434	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	12	21	1
56 kbps	9	3	2
64 kbps (DS0)	2	1	3
1.54 Mbps (DS-1)	8	3	4
45 Mbps (DS-3)			5
SONET OC-1			6
SONET OC-3			7
SONET OC-12			8
SONET OC-48			9
SONET OC-192			10

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
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Sheath miles of plant - buried	450	2
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SONET OC-1			6
SONET OC-3			7
SONET OC-12			8
SONET OC-48			9
SONET OC-192			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	564	620	3
2 Party	0		4
4 Party	0		5
PBX Trunks/System Trunks	34	71	6
Centrex Trunks	0		7
Centrex Lines	564	674	8
Key System Trunks	134	147	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	38	36	16
- Semi-Public	11	12	17
- Cust. Owned	6	6	18
Other	30	36	19
Total Business Lines	**1,381**	**1,602**	20
Residential (Incl. Emp. Concess.)			21
1 Party	5,111	5,426	22
2 Party	0		23
4 Party	0		24
FX-Out (Switched)	0		25
Other	0		26
Total Residential Lines	**5,111**	**5,426**	27
Total Bus & Res Lines	**6,492**	**7,028**	28
Company Used Lines	94	86	29
Total Lines Used	**6,586**	**7,114**	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	7	11	5
Special Access-intraLATA			6
(expressed in equiv. access lines)	37	97	7
Special Access-interLATA			8
(expressed in equiv. access lines)	138	215	9
Feature Group A Lines	0		10
Feature Group B Trunks	0		11
Feature Group C Trunks	0		12
Feature Group D Trunks	272	314	13
TSPS - Trunks	25	25	14
EAS - Trunks	431	531	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)	9,906,487	10,181,943	27
Total Company Square Miles	182	182	28
Total Company Route Miles	659	679	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	2750	3390	3970	4440	1
Business					2
1 Party	32	99	112	377	3
2 Party					4
4 Party					5
PBX Trunks/System Trunks			45	26	6
Centrex Trunks					7
Centrex Lines	11	32	230	401	8
Key System Trunks	2	46	32	67	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	1	3	8	24	16
- Semi-Public		3	7	2	17
- Cust. Owned	2	2	1	1	18
Other			36		19
Total Business Lines	**48**	**185**	**471**	**898**	20
Residential (Incl. Emp. Concess.)					21
1 Party	331	1,074	1,123	2,898	22
2 Party					23
4 Party					24
FX-Out (Switched)					25
Other					26
Total Residential Lines	**331**	**1,074**	**1,123**	**2,898**	27
Total Bus & Res Lines	**379**	**1,259**	**1,594**	**3,796**	28
Company Used Lines		1		85	29
Total Lines Used	**379**	**1,260**	**1,594**	**3,881**	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	2750	3390	3970	4440	1
Miscellaneous					2
WATS Lines - OutWATS					3
WATS Lines - 800 Service					4
FX-In-intraLATA	2	1	2	6	5
Special Access-intraLATA					6
(equiv. access lines)	1	2	37	57	7
Special Access-interLATA					8
(equiv. access lines)	3	9	122	81	9
Feature Group A Lines					10
Feature Group B Trunks					11
Feature Group C Trunks					12
Feature Group D Trunks		71	74	169	13
TSPS - Trunks		5	10	10	14
EAS - Trunks		141	148	242	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)	542,445	1,803,381	2,281,419	5,554,698	27
Exchange Square Miles	24	28	31	99	28
Exchange Route Miles	53	135	138	353	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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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	KRAKOW	MILL CENTER	ONEIDA	PULASKI	1
PSCW Exchange ID	2750	3390	3970	4440	2
Central Office Name	KRAKOW	MILL CENTER	ONEIDA	PULASKI	3
PSCW Central Office ID	1	1	1	1	4
Manufacturer of COE (Page 54)	NTI	NTI	NTI	NTI	5
Year COE Installed	1991	1982	1981	1985	6
Type of Equipment (Page 54)	D	D	D	D	7
(S)tandalone, (H)ost, (R)emote	R	S	S	H	8
Remote Host PSCW Exchange ID	4440				9
Remote Host PSCW Central Office ID	1	0	0		10
COE Generic Software Release No.	408.10	408.10	408.10	408.10	11
SS7?	Yes	Yes	Yes	Yes	12
9-1-1?	Yes	Yes	Yes	Yes	13
Access Lines - In Use	379	1,260	1,594	3,881	14
- Equipped	600	1,500	2,100	4,700	15
- Wired	600	1,500	2,100	4,700	16
Trunks - In Use	0	217	232	421	17
- Equipped	0	217	232	421	18
- Wired	0	265	280	517	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?	Yes	Yes	Yes	Yes	23
Switched 56 lines in use	0	0	0	0	24
Digital Transmission Facilities: DS-1 - In Use	0	10	10	20	25
DS-3 - In Use	0	3	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	0	0	32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	0	48	20	70	33
No. of fiber strands working (LIT) in C.O.	0	20	16	22	34
No. of fiber strands for interoffice use	0	4	12	4	35
Miles of fiber sheath in wire center	0	13	10	26	36
Access Tandem Serving this C.O.:					
- C.O. Name	GREEN BAY	GREEN BAY	GREEN BAY	GREEN BAY	37
- PSCW C.O. ID	2160-01	2160-01	2160-01	2160-01	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

Telecommunications Plant in Service Class A & B (Sub-Class Accounts) Footnote. Page 24

Padlocks were opened on footnotes July 1997 by ele per July 1, 1997 letter from Mark Naze.

Schedule Line Footnotes

A) We write-off uncollectibles directly to account 5300 as they become uncollectible. We do not set-up an accounts receivable allowance.

B) Adjustment is to correct FOY Balance. $2,474,384 should be in account 2212.2 and removed from account 2212.1.

C) Adjustment is to correct FOY Balance. $75,273 should be in account 2232.3 and removed from account 2232.1.

D) 1996 was the first full year at our executive offices and there were a number of building and office related expenses that were not incurred during 1995. Also, early in 1996 our plant area was reorganized. This consisted of relocating offices and rearranging the inventory area which incurred additional building expenses. We also had a computer memory upgrade to all of our computers in 1996.

E) During 1996 we purchased 408 generic upgrade software. We also purchased caller name delivery software.

F) Billing increased due to the number of circuits and lines that were installed during 1996.

G) Central office equipment is now depreciated over 7 years instead of 10 years. There is now depreciation of computer software and the amount of computer equipment we are depreciating has increased. Near the end of 1995 we put quite a bit of buried cable into service which increased depreciation expense for 1996.

H) USF dues up for 1996. We spent more on employee recognition and administration expenses. There was an increase in USTA and WSTA dues. We made a donation to the library.

I) The FOY amounts in this record (2212.1) should be in account 2212.2 instead.

J) The FOY amount in account 2215.1 should actually be in account 2215.2

K) $22,757 of the FOY balance in account 2232.1 should actually be in account 2232.3

L) A number of new circuits were added in the second half of 1995. Only had revenues for half of 1995 and now all of 1996.

M) New dedicated facilities installed early in 1996 and increased prices on another circuit.

N) Last year amount for account 7250 was incorrect. The correct amount is now entered.

O) Adjustments to reclassify non-property related deferred taxes to proper section.

P) The FOY amount should be in account 4350 so an adjustment was made to each account.

Q) There is no docket number for these "other" affiliates.