



4004

ANNUAL REPORT

OF

Name: SOUTHEAST TELEPHONE COMPANY OF WISCONSIN, INC

Principal Office: 311 ELIZABETH STREET
WATERFORD, WI 53185

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.

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ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

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

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

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

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

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

ABBREVIATIONS USED IN ANNUAL REPORTS

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

IDENTIFICATION AND OWNERSHIP

Exact Utility Name: SOUTHEAST TELEPHONE COMPANY OF WISCONSIN, INC.
Utility Location: 311 ELIZABETH STREET
WATERFORD, WI 53185

Utility Web Site Address:

When was utility organized?: 03/28/1946

Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: MR JAMES M . MITCHELL
Title: GENERAL MANAGER

Office Address: 311 ELIZABETH STREET
WATERFORD , WI 53185

Fax Number: (414) 534 - 5101
Telephone Number: (414) 534 - 5110
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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Person responsible for financial information contained in report

Name: MR JAMES M . MITCHELL
Title: GENERAL MANAGER

Office Address: 311 ELIZABETH STREET
WATERFORD , WI 53185

Fax Number: (414) 534 - 5101
Telephone Number: (414) 534 - 5110
Email Address:

Person responsible for statistical information contained in report

Name: MR JAMES M . MITCHELL
Title: GENERAL MANAGER

Office Address: 311 ELIZABETH STREET
WATERFORD , WI 53185

Fax Number: (414) 534 - 5101
Telephone Number: (414) 534 - 5110
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: NONE
Address: NONE
 NONE , WI 00000

Number of Shares Held:
Beneficial Owner: NONE

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

Company Name: NONE
Form of Interest: NONE
Extent Of Interest: NONE

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	4,650,198	4,294,178	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	524,012	424,190	2
Plant Nonspecific Operations Expense	1,290,830	1,005,149	3
Customer Operations Expense (6610-6620)	662,984	655,781	4
Corporate Operations Expense (6710-6790)	777,465	702,746	5
Other Operating Income and Expense (7100)	0	0	6
Operating Taxes (7200)	607,476	626,107	7
Total Operating Expenses	3,862,767	3,413,973	8
Net Operating Income	787,431	880,205	9
Other Income			
Nonoperating Income and Expense (7300)	135,933	83,849	10
Nonoperating Taxes (7400)	43,776	8,373	11
Interest and Related Items (7500)	284,390	289,791	12
Extraordinary Items (7600)	78,437	0	13
Nonregulated Net Income (7990)	(2,810)	(1,368)	14
Total Nonoperating Income	(116,606)	(215,683)	15
Net Income	670,825	664,522	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 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 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 carrier common line 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 and temporary 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 and RTB 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, none of the retained earnings are restricted under these provisions.

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT ASSETS			
CASH AND EQUIVALENTS			
Cash and Equivalents (1120)*			1
Cash (1130)	56,016	274,381	2
Special Cash Deposits (1140)		0	3
Working Cash Advances (1150)		0	4
Temporary Investments (1160)	300,000	600,000	5
TOTAL CASH AND EQUIVALENTS	356,016	874,381	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	480,722	461,451	6
Accounts Receivable Allowance-Telecom (1181)*		0	7
Net: Telecommunications Accounts Receivable	480,722	461,451	
Other Accounts Receivable (1190)*	310,954	393,161	8
Accounts Receivable Allowance--Other (1191)*		0	9
Net: Other Accounts Receivable	310,954	393,161	
Notes Receivable (1200)*	0	0	10
Notes Receivable Allowance (1201)*	0	0	11
Net: Notes Receivable	0	0	
Interest and Dividends Receivable (1210)*	13,527	12,468	12
TOTAL RECEIVABLES AND ALLOWANCES FOR DOUBTFUL	805,203	867,080	
SUPPLIES			
Inventories (1220)*	134,540	142,770	13
TOTAL SUPPLIES	134,540	142,770	
PREPAYMENTS			
Total Prepayments (1280)*		0	14
Prepaid Rents (1290)		0	15
Prepaid Taxes (1300)	28,749	33,887	16
Prepaid Insurance (1310)	48,738	49,197	17
Prepaid Directory Expenses (1320)		0	18
Other Prepayments (1330)	14,443	0	19
TOTAL PREPAYMENTS	91,930	83,084	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	92,257	43,314	20
TOTAL OTHER CURRENT ASSETS	92,257	43,314	
TOTAL CURRENT ASSETS	1,479,946	2,010,629	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	120,000	0	21
Investments in Nonaffiliated Companies (1402)*	194,832	194,832	22
Nonregulated Investments (1406)*	1,016,069	1,142,138	23
Unamortized Debt Issuance Expense (1407)*	5,978	6,310	24
Sinking Funds (1408)*	0	0	25

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
NONCURRENT ASSETS			
INVESTMENTS			
Other Noncurrent Assets (1410)*		0	26
TOTAL INVESTMENTS	1,336,879	1,343,280	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*	0	0	27
Deferred Maintenance and Retirements (1438)*	0	303,488	28
Deferred Charges (1439)*		6,500	29
TOTAL DEFERRED CHARGES	0	309,988	
TOTAL NONCURRENT ASSETS	1,336,879	1,653,268	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	14,896,470	13,159,861	30
Less: Accumulated Depreciation (3100)*	6,279,134	5,612,259	31
Less: Accumulated Amortization--Capitalized Leases (3410)*		0	32
Less: Accumulated Amortization--Leasehold Improvements (3420)*		0	33
Less: Accumulated Amortization--Intangible (3500)*		0	34
NET TELECOMMUNICATIONS PLANT IN SERVICE	8,617,336	7,547,602	
PROPERTY HELD FOR FUTURE USE			
Prop. Held for Future Telecommun. Use (2002)*		0	35
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200)*		0	36
NET PROPERTY HELD FOR FUTURE USE	0	0	
NONOPERATING PLANT			
Nonoperating Plant (2006)*		0	37
Less: Accumulated Depreciation--Nonoperating (3300)*		0	38
NET NONOPERATING PLANT	0	0	
TPUC			
TPUC (2003)*	136,654	0	39
TOTAL TPUC	136,654	0	
TELECOMMUNICATIONS PLANT ADJUSTMENT			
Telecommunications Plant Adjustment (2005)*		0	40
Less: Accumulated Amortization--Other (3600)*		0	41
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	0	0	
TOTAL PLANT	8,753,990	7,547,602	
TOTAL ASSETS AND OTHER DEBITS*	11,570,815	11,211,499	

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	345,317	302,000	1
Notes Payable (4020)*	250,000	0	2
Advance Billing and Payments (4030)*		0	3
Customer Deposits (4040)*		0	4
Current Maturities--Long-Term Debt (4050)*	140,000	131,200	5
Current Maturities--Capital Leases (4060)*		0	6
Income Taxes--Accrued (4070)*	(18,118)	53,705	7
Other Taxes--Accrued (4080)*	102	81	8
Net Current Deferred Operating Income Taxes (4100)*	0	0	9
Net Current Deferred Nonoperating Income Taxes (4110)*		0	10
Other Accrued Liabilities (4120)*	139,030	137,963	11
Other Current Liabilities (4130)*		0	12
TOTAL CURRENT LIABILITIES*	856,331	624,949	
LONG-TERM DEBT			
Funded Debt (4210)*	3,955,116	4,095,269	13
Premium on Long-Term Debt (4220)*		0	14
Discount on Long-Term Debt (4230)*		0	15
Reacquired Debt (4240)*	0	0	16
Obligations Under Capital Leases (4250)*		0	17
Advances from Affiliated Companies (4260)*	0	0	18
Other Long-Term Debt (4270)*	0	0	19
TOTAL LONG-TERM DEBT*	3,955,116	4,095,269	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*	121,873	60,252	20
Unamortized Operating ITC--Net (4320)*	176,089	202,602	21
Unamortized Nonoperating ITC--Net (4330)*		0	22
Net Noncurrent Deferred Operating Income Taxes (4340)*	417,256	455,891	23
Net Deferred Tax Liability Adjustments (4341)*	(69,557)	(139,529)	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	(171,849)	(122,219)	25
Other Deferred Credits (4360)*		0	26
Deferred Tax Regulatory Liability (4361)*	0	150,630	27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS*	473,812	607,627	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	4,138,311	4,138,311	28
Additional Paid-in Capital (4520)*		0	29
Treasury Stock (4530)*	1,035	1,035	30
Other Capital (4540)*		0	31
Retained Earnings (4550)*	2,148,280	1,746,378	32
TOTAL STOCKHOLDERS' EQUITY*	6,285,556	5,883,654	
TOTAL LIABILITIES AND OTHER CREDITS*	11,570,815	11,211,499	

STATEMENT OF CASH FLOWS

Item (a)	Amount (b)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	670,825	1
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and amortization	1,095,810	2
Interest during construction	(17,861)	3
Changes in assets and liabilities:		
Current assets (net)	12,318	4
Other noncurrent assets	309,656	5
Other current liabilities	(27,418)	6
Other liabilities and deferred credits	(133,815)	7
Other (specify):		
TOTAL ADJUSTMENTS	1,238,690	
NET CASH PROVIDED BY OPERATING ACTIVITIES (NET INCOME & ADJUST.)	1,909,515	
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures:		
Changes in plant (net)	(2,284,337)	8
Investments in affiliated companies	(120,000)	9
Nonoperating Investments	126,069	10
Other (specify):		
NET CASH USING IN INVESTING ACTIVITIES	(2,278,268)	
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in capital lease obligations (net)	0	11
Change in long-term debt (net)	(130,689)	12
Net changes in stockholder equity other than retained earnings	0	13
Change in short term borrowing (net)	250,000	14
Dividends paid	(268,923)	15
Miscellaneous debits/credits to retained earnings	0	16
Other (specify):		
Net Cash Provided by Financing Activities	(149,612)	
NET INCREASE IN CASH AND CASH EQUIVALENTS	(518,365)	
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.

None

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	CS, LLC	1
Other	OTH	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	5570-AT-100					
Name of Affiliate	CS, LLC					1
Designate whether billed to or from:	FROM					2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	M					3
Revenues						4
Expenses:						
Plant Specific Operations Expense						5
Plant Nonspecific Operations Expense						6
Customer Operations Expense	281,739					7
Corporate Operations Expense						8
Total Operating Expenses	281,739	0	0	0	0	9
Other:						
Plant Accounts						10
Accumulated Depreciation						11
Accumulated Amortization						12
Clearing						13
All Other						14
Total	281,739	0	0	0	0	15
Percent of affiliate's business billed to all affiliated regulated utilities	89.94					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

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
Uncollectibles written off during the year		2
Net write offs during the year	<u><u>0</u></u>	

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

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

Name of Maker and purpose (a)	Issue Date (b)	Maturity (c)	Interest Rate (d)	Amount EOY (e)	Allowance Acct. 1201 (f)
--	-------------------------------	-------------------------	----------------------------------	-------------------------------	---

INVESTMENTS IN NONAFFILIATED COMPANIES (ACCT. 1402)

Name (a)	Balance EOY (b)	
RTB Class B Stock	194,832	1
Other:		
Total Investments in Nonaffiliated Companies	194,832	

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):		
Cellular Limited Partnership	930,369	1
Wisconsin Independent Telecommunications Systems, Inc.	85,700	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	37,617	111,672	1
Motor Vehicles	2112	235,917	209,274	2
Aircraft	2113	0		3
Special Purpose Vehicles	2114	0		4
Garage Work Equipment	2115	0		5
Other Work Equipment	2116	436,636	8,403	6
Buildings	2121	573,776	74,547	7
Furniture	2122	57,811		8
Office Equipment	2123	84,245	3,299	9
General Purpose Computers	2124	94,403	43,763	10
TOTAL--GENERAL SUPPORT ASSETS:		1,520,405	450,958	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0		11
Digital Electronic Switching	2212	3,041,662	41,042	12
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220	0		14
Radio Systems	2231	0	0	15
Circuit Equipment	2232	808,144	597,274	16
TOTAL--CENTRAL OFFICE ASSETS:		3,849,806	638,316	
INFORMATION ORIGATION/TERMINATION ASSETS				
Station Apparatus	2311	0		17
Customer Premises Wiring	2321	0		18
Large Private Branch Exchanges	2341	0		19
Public Telephone Terminal Equipment	2351	35,097		20
Other Terminal Equipment	2362	0		21
TOTAL--INFORMATION ORIG/TERM ASSETS:		35,097	0	
CABLE WIRE FACILITIES ASSETS				
Poles	2411	0		22
Aerial Cable	2421	200,985	6,841	23
Underground Cable	2422	253,862	0	24
Buried Cable	2423	7,071,143	766,041	25
Submarine Cable	2424	0	0	26
Deep Sea Cable	2425	0		27
Intrabuilding Network Cable	2426	0	0	28
Aerial Wire	2431	0		29
Conduit Systems	2441	228,563		30
TOTAL--CABLE WIRE FACILITIES ASSETS:		7,754,553	772,882	
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			149,289	1
2112	108,928		336,263	2
2113			0	3
2114			0	4
2115			0	5
2116	15,982		429,057	6
2121			648,323	7
2122			57,811	8
2123	0	0	87,544	9
2124			138,166	10
	124,910	0	1,846,453	
2211			0	11
2212	0	0	3,082,704	12
2215	0	0	0	13
2220			0	14
2231	0	0	0	15
2232	0	0	1,405,418	16
	0	0	4,488,122	
2311			0	17
2321			0	18
2341			0	19
2351	637		34,460	20
2362			0	21
	637	0	34,460	
2411			0	22
2421	0	0	207,826	23
2422	0	0	253,862	24
2423	0	0	7,837,184	25
2424	0	0	0	26
2425			0	27
2426	0	0	0	28
2431			0	29
2441			228,563	30
	0	0	8,527,435	
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	13,159,861	1,862,156
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	
	125,547	0	14,896,470	
2001				34
			14,896,470	

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	69,260	3,299	1
Company Communications Equipment	2123.2	14,985		2
Software	2212.1	3,041,662		3 A
Digital Switching - Central Office	2212.2	0	41,042	4 A
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	808,144	597,274	10
Analog Circuit Equipment	2232.2	0		11
Light Wave Circuit Equipment	2232.3	0		12
Aerial Cable - Nonmetallic	2421.1	200,985		13 A
Aerial Cable - Metallic	2421.2	0	6,841	14 A
Underground Cable - Nonmetallic	2422.1	253,862		15 A
Underground Cable - Metallic	2422.2	0		16 A
Buried Cable - Nonmetallic	2423.1	7,071,143		17 A
Buried Cable - Metallic	2423.2	0	766,041	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			72,559	1
2123.2			14,985	2
2212.1		(3,041,662)	0	3 A
2212.2		3,041,662	3,082,704	4 A
2212.3			0	5
2215.1			0	6
2215.2			0	7
2231.1			0	8
2231.2			0	9
2232.1			1,405,418	10
2232.2			0	11
2232.3			0	12
2421.1		(200,985)	0	13 A
2421.2		200,985	207,826	14 A
2422.1		(253,862)	0	15 A
2422.2		253,862	253,862	16 A
2423.1		(7,071,143)	0	17 A
2423.2		7,071,143	7,837,184	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	205,453		34,107	1 H,I
Aircraft	2113	0			2
Special Purpose Vehicles	2114	0			3
Garage Work Equipment	2115	0			4
Other Work Equipment	2116	275,259	9.09	40,031	5
Buildings	2121	316,210	3.23	19,087	6
Furniture	2122	38,258	6.92	4,001	7
Office Equipment	2123	70,991		3,938	8
General Purpose Computers	2124	64,237	14.29	13,490	9
Total-- GENERAL SUPPORT ASSETS		970,408		114,654	0
CENTRAL OFFICE ASSETS					
Analog Electronic Switching	2211	0	.0		10
Digital Electronic Switching	2212	1,167,966	7.69	235,737	11
Electro-Mechanical Switching	2215	0			12
Operator Systems	2220	0			13
Radio Systems	2231	0			14
Circuit Equipment	2232	391,263	10.0	84,727	15
Total-- CENTRAL OFFICE ASSETS		1,559,229		320,464	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	35,097		(100)	19
Other Terminal Equipment	2362	0			20
Total-- INFORMATION ORIG/TERM ASSETS		35,097		(100)	0
CABLE WIRE FACILITIES ASSETS					
Poles	2411	0			21
Aerial Cable	2421	132,643		12,405	22 G
Underground Cable	2422	130,857	4.5	11,424	23
Buried Cable	2423	2,677,868		327,761	24 G
Submarine Cable	2424	0			25
Deep Sea Cable	2425	0			26
Intrabuilding Network Cable	2426	0			27
Aerial Wire	2431	0			28

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112	108,928		9,000	(9,000)	130,632	1 H,I
2113					0	2
2114					0	3
2115					0	4
2116	15,982				299,308	5
2121					335,297	6
2122					42,259	7
2123	0				74,929	8
2124					77,727	9
	124,910	0	9,000	(9,000)	960,152	
2211					0	10
2212	0			0	1,403,703	11
2215	0				0	12
2220					0	13
2231	0				0	14
2232	0				475,990	15
	0	0	0	0	1,879,693	
2311					0	16
2321					0	17
2341					0	18
2351	637		100		34,460	19
2362					0	20
	637	0	100	0	34,460	
2411					0	21
2421	0			0	145,048	22 G
2422	0			0	142,281	23
2423	0			0	3,005,629	24 G
2424	0				0	25
2425					0	26
2426	0				0	27
2431					0	28

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
CABLE WIRE FACILITIES ASSETS					
Conduit Systems	2441	106,157	2.5	5,714	29
Total-- CABLE WIRE FACILITIES ASSETS		3,047,525		357,304	0
Total Accumulated Depreciation	3100	5,612,259		792,322	0
Less: Allocation to Nonregulated Activity - Columns e, f and I	3100				30
Net Regulated Total Accum Depreciation - 3100 Columns e, f and I				792,322	0

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441					111,871	29
	0	0	0	0	3,404,829	
3100	125,547	0	9,100	(9,000)	6,279,134	
3100						30
3100					6,279,134	

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	67,194	12.5	2,065		1
Company Communications Equipment	2123.2	3,797	12.5	1,873		2
Software	2212.1	1,167,966				3 A
Digital Switching - Central Office	2212.2	0	7.69	235,737		4 A
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	391,263	10.0	84,727		10
Analog Circuit Equipment	2232.2	0				11
Light Wave Circuit Equipment	2232.3	0				12
Aerial Cable - Nonmetallic	2421.1	132,643				13 A
Aerial Cable - Metallic	2421.2	0		12,405		14 A,G
Underground Cable - Nonmetallic	2422.1	130,857				15 A
Underground Cable - Metallic	2422.2	0	4.5	11,424		16 A
Buried Cable - Nonmetallic	2423.1	2,677,868				17 A
Buried Cable - Metallic	2423.2	0		327,761		18 G
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					69,259	1
2123.2					5,670	2
2212.1				(1,167,966)	0	3 A
2212.2				1,167,966	1,403,703	4 A
2212.3					0	5
2215.1					0	6
2215.2					0	7
2231.1					0	8
2231.2					0	9
2232.1					475,990	10
2232.2					0	11
2232.3					0	12
2421.1				(132,643)	0	13 A
2421.2				132,643	145,048	14 A,G
2422.1				(130,857)	0	15 A
2422.2				130,857	142,281	16 A
2423.1				(2,677,868)	0	17 A
2423.2				2,677,868	3,005,629	18 G
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)		1
Other Noncurrent Assets (1410)	0	2
Deferred Tax Regulatory Asset (1437)	0	3
Net Current Deferred Operating Income Taxes (4100)	0	4
Net Noncurrent Deferred Operating Income Taxes (4340)	(336,011)	5
Net Deferred Tax Liability Adjustments (4341)	139,529	6
Deferred Tax Regulatory Liability (4361)	(150,360)	7
Net Property Related Deferred Operating Income Taxes	(346,842)	
Less: Allocation to Nonregulated Activity		8
Net Regulated Total Property Related Deferred Operating Income Taxes	(346,842)	
NONPROPERTY RELATED		
Other Current Assets (1350)	43,314	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)	(119,880)	13
Net Deferred Tax Liability Adjustments (4341)	0	14
Deferred Tax Regulatory Liability (4361)	0	15
Total Nonproperty Related Deferred Operating Income Taxes	(76,566)	

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

Acct (c)	Current Year Accrual (d)	Current Year Amortization (e)	Adjustments Debit or (Credit) (f)	Balance EOY (g)	
7250				0	1
7250				0	2
				0	3
7250				0	4
7250	(81,245)			(417,256)	5
	(69,972)			69,557	6
	150,360			0	7
	(857)	0	0	(347,699)	8
				0	
	(857)	0	0	(347,699)	
7250	48,943			92,257	9
7250				0	10
				0	11
7250				0	12
7250	119,880			0	13
				0	14
				0	15
	168,823	0	0	92,257	

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)	
Other:					
Other	11/12/1996	11/08/1997	6.9000	250,000	1
Total Other				<u>250,000</u>	
Total Notes Payable				<u><u>250,000</u></u>	

LONG-TERM DEBT

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

Description of Debt (a)	Specific or Range of Stated Dates of Issue (b)	Specific or Range of Stated Dates of Maturity (c)	Specific or Range of Interest Rates (d)	
Funded Debt (Account 4210):				
RTB	01/02/1978	01/02/2013	6.5000	1
RTB	01/01/1981	01/01/2016	11.2500	2
RUS	01/01/1978	01/01/2013	5.0000	3
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)				
6.5000			2,521,721	91,000	2,612,721	1
11.2500			515,053	11,500	526,553	2
5.0000			918,342	37,500	955,842	3
	0	0	3,955,116	140,000	4,095,116	

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:			
	80,000	100.00	1
TOTAL COMMON STOCK	80,000		
TOTAL	<u>80,000</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:					
	41,383	4,138,311	10	1,035	1
	41,383	4,138,311	10	1,035	
TOTAL	<u>41,383</u>	<u>4,138,311</u>	<u>10</u>	<u>1,035</u>	

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	1,746,378	1,330,092	1
Changes:			
Balance Transferred from Income	670,825	664,522	2
Dividends Declared:			
Common	268,923	248,236	3
Preferred		0	4
Total Dividends Declared	268,923	248,236	
Miscellaneous Debits to Retained Earnings		0	5
Miscellaneous Credits to Retained Earnings		0	6
Balance--End of Year	<u>2,148,280</u>	<u>1,746,378</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)	271,319	74,068	246,922	1
Nonoperating Taxes (Accts. 7410 - 7450)		9,238	34,538	2
Extraordinary Items (Accts. 7630 & 7640)			51,212	3
Nonregulated Net Income (Acct. 7990)		(387)	(1,441)	4
Clearing Accounts				5
Construction				6
Payroll Taxes: FICA				7
Payroll Taxes: State Unemployment				8
Payroll Taxes: Federal Unemployment				9
Other (specify):				
Investment Tax Credit			26,513	10
Deferred Income Taxes		31,788	107,641	11
TOTAL	<u>271,319</u>	<u>114,707</u>	<u>465,385</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)	
13,132	2,035				607,476	1
					43,776	2
					51,212	3
					(1,828)	4
					0	5
					0	6
				48,836	48,836	7
				833	833	8
				968	968	9
					26,513	10
					139,429	11
<u>13,132</u>	<u>2,035</u>	<u>0</u>	<u>0</u>	<u>50,637</u>	<u>917,215</u>	

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

Particulars (a)	This Year (b)	Last Year (c)	
LOCAL NETWORK SERVICES REVENUES			
Basic Local Service Revenue (5000)*			1
Basic Area Revenue (5001)	1,820,712	1,686,246	2
Optional Extended Area Revenue (5002)		0	3
Cellular Mobile Revenue (5003)		0	4
Other Mobile Services Revenue (5004)		0	5
Public Telephone Revenue (5010)	9,622	10,289	6
Local Private Line Revenue (5040)	13,148	11,232	7
Customer Premises Revenue (5050)		0	8
Other Local Exchange Revenue (5060)	26,188	26,558	9
Other Local Exchange Revenue Settlements (5069)		0	10
TOTAL BASIC LOCAL SERVICE REVENUE (5000)	1,869,670	1,734,325	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	355,280	335,271	11
Switched Access Revenue (5082)*	839,233	785,698	12
Special Access Revenue (5083)*	21,597	1,943	13 J
TOTAL INTERSTATE ACCESS REVENUES (5080)	1,216,110	1,122,912	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*		0	14
Switched Access Revenue (5084.2)*	882,226	792,502	15
Special Access Revenue (5084.3)*	411	8,207	16 K
TOTAL INTRASTATE ACCESS REVENUES (5084)	882,637	800,709	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*	165,716	0	17 L
Long Distance Inward-Only Revenue (5111)		0	18
Long Distance Outward-Only Revenue (5112)		0	19
Unidirectional Long Distance Revenue (5110)	0	0	
Long Distance Private Network Revenues			
Subvoice Grade Revenue (5121)		0	20
Voice Grade Revenue (5122)		0	21
Audio Program Grade Revenue (5123)		0	22
Video Program Grade Revenue (5124)		0	23
Digital Transmission Revenue (5125)		0	24
Switching Revenue (5126)		0	25
Other Revenue (5128)		0	26
Other Revenue Settlements (5129)		0	27
Total Long Distance Private Network Revenue	0	0	
Other Long Distance Revenue (5160)		0	28
Other Long Distance Revenue Settlements (5169)		0	29
TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV.	165,716	0	

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

Particulars (a)	This Year (b)	Last Year (c)	
MISCELLANEOUS REVENUES			
Directory Revenue (5230)*	278,479	262,813	30
Rent Revenue (5240)*		0	31
Corporate Operations Revenue (5250)*		0	32
Miscellaneous:			
Miscellaneous Revenue (5260)*			33
Special Billing Arrangements Revenue (5261)		0	34
Customer Operations Revenue (5262)		0	35
Plant Operations Revenue (5263)		0	36
Other Incidental Regulated Revenue (5264)	12,828	10,328	37
Other Revenue Settlements (5269)		0	38
Total Miscellaneous Revenue (5260)	12,828	10,328	
Interstate Billing and Collection Revenue*	95,013	129,823	39 M
Intrastate Billing and Collection Revenue*	134,674	236,398	40 M
Total Carrier Billing and Collection Revenue (5270)*	229,687	366,221	
Nonregulated Operating Revenue (5280)**			41
TOTAL MISCELLANEOUS REVENUES	520,994	639,362	
GROSS OPERATING REVENUES	4,655,127	4,297,308	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*			42
Uncollectible Revenue--Telecommunications (5301)	4,929	3,130	43
Uncollectible Revenue--Other (5302)		0	44
TOTAL UNCOLLECTIBLE REVENUE (5300)	4,929	3,130	
TOTAL OPERATING REVENUES	4,650,198	4,294,178	

** 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)	344	0	8,117	1
Less: Nonregulated		0		2
Net Regulated	344	0	8,117	3
Total General Support Expense (6120)	45,826	81,200	13,081	4
Less: Nonregulated		0		5 B
Net Regulated	45,826	81,200	13,081	6
Total Central Office Switching Expense (6210)	113,741	141,190	69,679	7
Less: Nonregulated		0		8 C
Net Regulated	113,741	141,190	69,679	9
Total Operator Systems Expense (6220)		0		10
Less: Nonregulated		0		11
Net Regulated	0	0	0	12
Total Central Office Transmission Expenses (6230)		35,850		13
Less: Nonregulated		0		14
Net Regulated	0	35,850	0	15
Total Information Orig. / Term. Expense (6310)	4,571	4,922	1,363	16
Less: Nonregulated		0		17
Net Regulated	4,571	4,922	1,363	18
Total Cable and Wire Fac. Expense (6410)	259,708	260,850	107,655	19
Less: Nonregulated		0		20
Net Regulated	259,708	260,850	107,655	21
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	424,190	524,012	199,895	
Less: Nonregulated	0	0	0	
Net Regulated	424,190	524,012	199,895	
PLANT NONSPECIFIC OPERATIONS EXPENSE				
Total Other Property, Plant and Equip. Exp. (6510)	0	22	81	22
Less: Nonregulated		0		23
Net Regulated	0	22	81	24
Total Network Operations Expense (6530)	149,500	156,424	86,417	25
Less: Nonregulated		0		26
Net Regulated	149,500	156,424	86,417	27
Access Expense (6540)	17,574	38,574		28
Less: Nonregulated		0		29 D
Net Regulated	17,574	38,574	0	30
Total Depreciation and Amortization Expense (6560)	838,075	1,095,810		31
Less: Nonregulated		0		32 E
Net Regulated	838,075	1,095,810		33
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	1,005,149	1,290,830	86,498	
Less: Nonregulated	0	0	0	
Net Regulated	1,005,149	1,290,830	86,498	

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6110	(2)		(8,115)		1
	(2)	0	(8,115)	0	2
6120	7,159		60,960		3
	7,159	0	60,960	0	4
6210	38,673		32,838		5 B
	38,673	0	32,838	0	6
6220					7
	0	0	0	0	8 C
6230			35,850		9
	0	0	35,850	0	10
6310	2,026		1,533		11
	2,026	0	1,533	0	12
6410	60,170		93,025		13
	60,170	0	93,025	0	14
	108,026	0	216,091	0	15
	0	0	0	0	16
	108,026	0	216,091	0	17
6510	12	0	(71)	0	18
	12		(71)	0	19
6530	30,907		39,100		20
	30,907	0	39,100	0	21
6540			38,574		22
	0	0	38,574	0	23 D
6560			1,095,810		24
			1,095,810		25 E
	30,919	0	1,173,413	0	26
	0	0	0	0	27
	30,919	0	1,173,413	0	28

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)	
CUSTOMER OPERATIONS EXPENSE				
Total Marketing (6610)		0		34
Less: Nonregulated		0		35
Net Regulated	0	0	0	36
Total Services (6620)	655,781	662,984	151,238	37
Less: Nonregulated		0		38
Net Regulated	655,781	662,984	151,238	39
TOTAL CUSTOMER OPERATIONS EXPENSE	655,781	662,984	151,238	
Less: Nonregulated	0	0	0	
Net Regulated	655,781	662,984	151,238	
CORPORATE OPERATIONS EXPENSE				
Total Exec. and Planning (6710)	97,935	121,837	75,491	40
Less: Nonregulated		0		41 F
Net Regulated	97,935	121,837	75,491	42
Total General and Administrative (6720)	604,811	655,628	115,417	43
Less: Nonregulated		0		44
Net Regulated	604,811	655,628	115,417	45
Provision for Uncollectible Notes Receiv. (6790)		0		46
Less: Nonregulated		0		47
Net Regulated	0	0		48
TOTAL CORPORATE OPERATIONS EXPENSE	702,746	777,465	190,908	
Less: Nonregulated	0	0	0	
Net Regulated	702,746	777,465	190,908	
TOTAL EXPENSES	2,787,866	3,255,291	628,539	
Less: Nonregulated	0	0	0	
Net Regulated	2,787,866	3,255,291	628,539	

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6610					34
	0	0	0	0	35
					36
6620	90,741		421,005		37
					38
	90,741		421,005	0	39
	90,741	0	421,005	0	
	0	0	0	0	
	90,741	0	421,005	0	
6710	36,436		9,910		40
					41 F
	36,436		9,910	0	42
6720	47,901		492,310		43
					44
	47,901		492,310	0	45
6790					46
					47
			0		48
	84,337	0	502,220	0	
	0	0	0	0	
	84,337	0	502,220	0	
	314,023	0	2,312,729	0	
	0	0	0	0	
	314,023	0	2,312,729	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	22	81	2
Total: Reported in Account 6510	0	22	81	
Depreciat. Exp.--Tele. Plant in Service (6561)	753,040	792,322		3
Depreciat. Exp.--Prop. Held for Future Tele. Use (6562)		0		4
Amortization Expense--Tangible (6563)	85,035	303,488		5
Amortization Expense--Intangible (6564)		0		6
Amortization Expense--Other (6565)		0		7
Total: Reported in Account 6560	838,075	1,095,810		

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

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6511					1
6512	12		(71)		2
	12		(71)	0	
6561			792,322		3
6562					4
6563			303,488		5
6564					6
6565					7
			1,095,810		

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	1
Return from Nonregulated Use of Regulated Facilities (7130)*		0	2
Gains and (Losses) from Foreign Exchange (7140)		0	3
Gains or (Losses) from the Disposition of Land and Artworks (7150)		0	4
Other Operating Gains and (Losses) (7160)*		0	5
TOTAL OTHER OPERATING INCOME AND (EXPENSE) (7100)*	0	0	
OPERATING TAXES			
Operating Investment Tax Credits--Net (7210)*	(26,513)	(26,513)	6
Operating Federal Income Taxes (7220)*	341,913	279,476	7
Operating State and Local Income Taxes (7230)*	95,385	77,865	8
Operating Other Taxes (7240)*	286,486	258,934	9
Provision for Deferred Operating Income Taxes--Net (7250)*	(89,795)	36,345	10
TOTAL OPERATING TAXES (7200)*	607,476	626,107	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)*		0	11
Interest Income (7320)*	45,244	49,733	12
Income from Sinking and Other Funds (7330)*		0	13
Allowance for Funds Used During Construction (7340)*	17,861	0	14
Gains or (Losses) from the Disposition of Certain Property (7350)*		0	15
Other Nonoperating Income (7360)*	84,484	41,220	16
Special Charges (7370)*	11,656	7,104	17
TOTAL NONOPERATING INCOME AND EXPENSE (7300)*	135,933	83,849	
NONOPERATING TAXES			
Nonoperating Investment Tax Credits--Net (7410)*		0	18
Nonoperating Federal Income Taxes (7420)*	73,701	44,243	19
Nonoperating State and Local Income Taxes (7430)*	19,709	11,831	20
Nonoperating Other Taxes (7440)*		0	21
Provision for Deferred Nonoperating Income Taxes-Net (7450)*	(49,634)	(47,701)	22
TOTAL NONOPERATING TAXES (7400)*	43,776	8,373	
INTEREST AND RELATED ITEMS			
Interest on Funded Debt (7510)*	281,392	289,459	23
Interest Expense--Capital Leases (7520)*		0	24
Amortization of Debt Issuance Expense (7530)*	332	332	25
Other Interest Deductions (7540)*	2,666	0	26
TOTAL INTEREST AND RELATED ITEMS (7500)*	284,390	289,791	
EXTRAORDINARY ITEMS			
Extraordinary Items (7600)*		0	27
Extraordinary Income Credits (7610)	129,649	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)	51,212	0	31
TOTAL EXTRAORDINARY ITEMS (7600)*	78,437	0	
NONREGULATED NET INCOME			
Nonregulated Net Income (7990)*	(2,810)	(1,368)	32

NONREGULATED NET INCOME (ACCT. 7990)

Particulars (a)	Amount (b)	
Revenues (Acct. 7990.1)		
Gross Sales	11,456	1
Less: Cost of Goods Sold	8,080	2
Net Sales	3,376	3
Expenses (Acct. 7990.2)	6,186	4
Nonregulated Net Income	<u><u>(2,810)</u></u>	5

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

Nonregulated activity includes repair of customer premise equipment and inside wiring repairs and maintenance.

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	628,539	1
Nonregulated Expense	6,183	2
Plant Accounts	57,244	3
Accumulated Depreciation Accounts		4
All Other Accounts		5
Total Salaries and Wages	<u>691,966</u>	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	1.00	1.00	116,140	1
Supervision and Other Management	2.00	2.00	132,656	2
Other Employees	18.00	19.00	443,170	3
Total	<u>21.00</u>	<u>22.00</u>	<u>691,966</u>	

DISTRIBUTION OF SALARIES AND WAGES

Description (a)	Amount (b)	
Regulated Expense	628,539	1
Nonregulated Expense	6,183	2
Plant Accounts	57,244	3
Accumulated Depreciation Accounts		4
All Other Accounts		5
Total Salaries and Wages	<u>691,966</u>	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	1.00	1.00	116,140	1
Supervision and Other Management	2.00	2.00	132,656	2
Other Employees	18.00	19.00	443,170	3
Total	<u>21.00</u>	<u>22.00</u>	<u>691,966</u>	

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	628		1
Extended Area Service	580		2
Extended Community Calling	250		3
Other Local-Undefined			4
Total Local	1,458	0	
TOLL			
Operator Handled: State--intraLATA	1	5	5
Operator Handled: State--interLATA	1	5	6
Operator Handled: Interstate	3	14	7
Customer Dialed: State--intraLATA	158	648	8
Customer Dialed: State--interLATA	197	885	9
Customer Dialed: Interstate	328	1,492	10
WATS	152	480	11
Other Toll-Undefined	226	93	12
Total Toll	1,066	3,622	
Total Local & Toll	2,524	3,622	

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.					2
Feature Group B -- Orig.	52				3
Feature Group B -- Term.	648	7			4
Feature Group C -- Orig.	2	2,127	8,186	8	5
Feature Group C -- Term.					6
Feature Group D -- Orig.	11,729	6,376			7
Feature Group D -- Term.	10,249	4,081			8

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	19	1
Sheath miles of plant - buried	410	2
Sheath miles of plant - fiber optics	8	3
Strand miles of plant - fiber optics	2,176	4
Route miles of plant - microwave		5

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	8	50	1
56 kbps			2
64 kbps (DS0)			3
1.54 Mbps (DS-1)	6	8	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)	
Sheath miles of plant - aerial	19	1
Sheath miles of plant - buried	410	2
Sheath miles of plant - fiber optics	8	3
Strand miles of plant - fiber optics	2,176	4
Route miles of plant - microwave		5

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	8	50	1
56 kbps			2
64 kbps (DS0)			3
1.54 Mbps (DS-1)	6	8	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

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	908	946	3
2 Party	0		4
4 Party	0		5
PBX Trunks/System Trunks	51	33	6
Centrex Trunks	0		7
Centrex Lines	0		8
Key System Trunks	145	170	9
Mobile (Utility Provided Service)	0		10
Paging (Utility Provided Service)	0		11
FX-Out (Switched)	10	36	12
Pay Telephone			13
Coin-Operated Pay Telephone			14
Independent Pay Telephone Provider			15
Pay Stations - Public	14	17	16
- Semi-Public	11	9	17
- Cust. Owned	0	10	18
Other	0		19
Total Business Lines	1,139	1,221	20
Residential (Incl. Emp. Concess.)			
1 Party	6,731	7,050	22
2 Party	0		23
4 Party	0		24
FX-Out (Switched)	8	8	25
Other	0		26
Total Residential Lines	6,739	7,058	27
Total Bus & Res Lines	7,878	8,279	28
Company Used Lines	67	70	29
Total Lines Used	7,945	8,349	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	54	49	5
Special Access-intraLATA			6
(expressed in equiv. access lines)	0	242	7
Special Access-interLATA			8
(expressed in equiv. access lines)	0	152	9
Feature Group A Lines	0		10
Feature Group B Trunks	0		11
Feature Group C Trunks	0		12
Feature Group D Trunks	0		13
TSPS - Trunks	0		14
EAS - Trunks	0		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
	11,639,456	13,050,017	27
Total Company Square Miles	132	132	28
Total Company Route Miles	419	438	29
Footnotes		A	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	5610	5920			1
Business					2
1 Party	689	257			3
2 Party					4
4 Party					5
PBX Trunks/System Trunks	33				6
Centrex Trunks					7
Centrex Lines					8
Key System Trunks	155	15			9
Mobile (utility provided service)					10
Paging (utility provided service)					11
FX-Out (Switched)	16	20			12
Pay Telephone					13
Coin-Operated Pay Telephone					14
Independent Pay Telephone Provider					15
Pay Stations - Public	16	1			16
- Semi-Public	9				17
- Cust. Owned	5	5			18
Other					19
Total Business Lines	923	298	0	0	20
Residential (Incl. Emp. Concess.)					21
1 Party	4,429	2,621			22
2 Party					23
4 Party					24
FX-Out (Switched)	6	2			25
Other					26
Total Residential Lines	4,435	2,623	0	0	27
Total Bus & Res Lines	5,358	2,921	0	0	28
Company Used Lines	51	19			29
Total Lines Used	5,409	2,940	0	0	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	5610	5920			1
Miscellaneous					2
WATS Lines - OutWATS					3
WATS Lines - 800 Service					4
FX-In-intraLATA	27	22			5
Special Access-intraLATA (equiv. access lines)	157	85			6 7
Special Access-interLATA (equiv. access lines)	98	54			8 9
Feature Group A Lines					10
Feature Group B Trunks					11
Feature Group C Trunks					12
Feature Group D Trunks					13
TSPS - Trunks					14
EAS - Trunks					15
Cellular Trunks (Pub. Sw. Net.)					16
Video Distance Learning - discounted (special tariff)					17 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 location of plant)	8,482,511	4,567,506			26 27
Exchange Square Miles	88	44			28
Exchange Route Miles	267	171			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--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	WATERFORD	WIND LAKE			1
PSCW Exchange ID	5610	5920			2
Central Office Name	WATERFORD	WIND LAKE			3
PSCW Central Office ID	1	1			4
Manufacturer of COE (Page 54)	NEC	NEC			5
Year COE Installed	1991	1993			6
Type of Equipment (Page 54)	D	D			7
(S)tandalone, (H)ost, (R)emote	S	S			8
Remote Host PSCW Exchange ID					9
Remote Host PSCW Central Office ID	0	0			10
COE Generic Software Release No.	0				11
SS7?	Yes	Yes			12
9-1-1?	Yes	Yes			13
Access Lines - In Use	0	0			14
- Equipped	8,880	4,160			15
- Wired	8,880	4,928			16
Trunks - In Use	0	0			17
- Equipped	0	0			18
- Wired	0	0			19
ISDN Available?	No	No			20
ISDN Lines - In Use (BRI)	0	0			21
- In Use (PRI)	0	0			22
Switched 56 Service?	No	No			23
Switched 56 lines in use	0	0			24
Digital Transmission Facilities: DS-1 - In Use	65	24			25
DS-3 - In Use	4	2			26
Advanced Data Service Available:					
Packet Switching?	No	No			27
SMDS?	No	No			28
Frame Relay?	No	No			29
ATM (Asynchronous Trans. Mode)?	No	No			30
Video Information - Service Available?	No	No			31
- In Use (# lines) ¹	0	0			32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	40	8			33
No. of fiber strands working (LIT) in C.O.	8	4			34
No. of fiber strands for interoffice use	7	7			35
Miles of fiber sheath in wire center	5	3			36
Access Tandem Serving this C.O.:					
- C.O. Name	MILWAUKEE	MILWAUKEE			37
- PSCW C.O. ID	3420-01	3420-01			38
Does this C.O. do access tandem switching?	No	No			39
Equal Access: InterLATA (1+)?	Yes	Yes			40
Equal Access: IntraLATA (1+)?	Yes	Yes			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
Southeast Telephone Company of Wisconsin, Inc.
Waterford, Wisconsin 53185

We have compiled the balance sheets of Southeast Telephone Company of Wisconsin, Inc. 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 January 8, 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 29, 1997

Schedule Footnotes

Telecommunications Plant in Service Class A & B (Sub-Class Accounts) Footnote. Page 24
This footnote is not being used.

General, Schedule Level and Schedule Line Footnotes Footnote. Page 56
This footnote is not being used.

Schedule Line Footnotes

- A)** To properly reflect first of year balances.
- B)** Increase due to reroofing office building.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

- C)** Increase due to higher labor charges in 1996.
- D)** Increase due to coding change of facility statements from A/C 6627.4.
- E)** Increase due to additions in plant with more to depreciate.
- F)** Increase due to higher labor charges.
- G)** There are different depreciation rates being used within this sub-class account.
- H)** Vehicles are depreciated on a per unit basis.
 - I)** The "other" column is a gain on sale of vehicle.
- J)** Interstate revenue increase due to increase in special access circuits in 1996.
- K)** Intrastate revenue decrease due to decrease in special access circuits in 1996.
- L)** Increase due to new account in 1996.
- M)** Decrease due to contractual reduction in rates.