



4004

ANNUAL REPORT

OF

Name: STATE LONG DISTANCE TELEPHONE COMPANY

Principal Office: 216 W WALWORTH ST
P.O. BOX 230
ELKHORN, WI 53121

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	<p>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:</p> <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	<p>A central office switch which has no remote switching units (RSUs) subtending it.</p>
Trunk	<p>A communications path connecting two switching systems in the establishment of an end-to-end connection.</p>
Wide Area Telephone Service (WATS)	<p>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.</p>
Wire Center	<p>The location of one or more local switching systems. A point at which customers' loops converge.</p>

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: STATE LONG DISTANCE TELEPHONE COMPANY
Utility Location: 216 W WALWORTH ST
P.O. BOX 230
ELKHORN, WI 53121

Utility Web Site Address:

When was utility organized?: 10/01/1900

Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: MR JERRY GUETSCHOW
Title: ASSISTANT TREASURER

Office Address: 216 W WALWORTH ST
P.O. BOX 230
ELKHORN , WI 53121

Fax Number: (414) 723 - 8387
Telephone Number: (414) 741 - 1129
Email Address: jgetch@elknet.net

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

Name:
Title:

Office Address:

Fax Number:
Telephone Number:
Email Address:

Person responsible for financial information contained in report

Name: MR JERRY GUETSCHOW
Title: ASSISTANT TREASURER

Office Address: 216 W WALWORTH ST
P.O. BOX 230
ELKHORN , WI 53121

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Person responsible for statistical information contained in report

Name: MR JERRY GUETSCHOW
Title: ASSISTANT TREASURER

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ELKHORN , WI 53121

Fax Number: (414) 723 - 8387
Telephone Number: (414) 741 - 1129
Email Address: jgetch@elknet.net

IDENTIFICATION AND OWNERSHIP

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

Name:	STATE LONG DISTANCE TELCOM, LTD
Address:	216 W WALWORTH ST PO BOX 230 ELKHORN , WI 53121
Number of Shares Held:	12,000
Beneficial Owner:	NONE

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

Company Name:
Form of Interest:
Extent Of Interest:

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	5,608,706	5,468,708	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	728,332	609,223	2
Plant Nonspecific Operations Expense	1,444,365	1,064,552	3
Customer Operations Expense (6610-6620)	857,925	835,079	4
Corporate Operations Expense (6710-6790)	795,035	824,236	5
Other Operating Income and Expense (7100)	0	0	6
Operating Taxes (7200)	899,728	1,030,614	7
Total Operating Expenses	4,725,385	4,363,704	8
Net Operating Income	883,321	1,105,004	9
Other Income			
Nonoperating Income and Expense (7300)	62,949	59,796	10
Nonoperating Taxes (7400)	(12,365)	(14,626)	11
Interest and Related Items (7500)	8	6	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	(32,788)	(24,983)	14
Total Nonoperating Income	42,518	49,433	15
Net Income	925,839	1,154,437	16

NOTES TO INCOME STATEMENT OR BALANCE SHEET

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

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

See the General Footnotes on Page # 56.

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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.

See the General Footnotes on Page # 56.

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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.

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)*	1,143,880	798,215	1
Cash (1130)		0	2
Special Cash Deposits (1140)		0	3
Working Cash Advances (1150)		0	4
Temporary Investments (1160)		0	5
TOTAL CASH AND EQUIVALENTS	1,143,880	798,215	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	318,114	336,659	6
Accounts Receivable Allowance-Telecom (1181)*	2,000	2,000	7
Net: Telecommunications Accounts Receivable	316,114	334,659	
Other Accounts Receivable (1190)*	359,885	405,852	8
Accounts Receivable Allowance--Other (1191)*	0	0	9
Net: Other Accounts Receivable	359,885	405,852	
Notes Receivable (1200)*	0	0	10
Notes Receivable Allowance (1201)*	0	0	11
Net: Notes Receivable	0	0	
Interest and Dividends Receivable (1210)*	3,687	3,787	12
TOTAL RECEIVABLES AND ALLOWANCES FOR DOUBTFUL	679,686	744,298	
SUPPLIES			
Inventories (1220)*	36,580	39,885	13
TOTAL SUPPLIES	36,580	39,885	
PREPAYMENTS			
Total Prepayments (1280)*	100,964	89,321	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	100,964	89,321	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	0	0	20
TOTAL OTHER CURRENT ASSETS	0	0	
TOTAL CURRENT ASSETS	1,961,110	1,671,719	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	0	0	21
Investments in Nonaffiliated Companies (1402)*	1,068,559	1,018,430	22
Nonregulated Investments (1406)*	17,070	0	23
Unamortized Debt Issuance Expense (1407)*	0	0	24
Sinking Funds (1408)*	0	0	25

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
NONCURRENT ASSETS			
INVESTMENTS			
Other Noncurrent Assets (1410)*	23,340	19,084	26
TOTAL INVESTMENTS	1,108,969	1,037,514	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*	0	0	27
Deferred Maintenance and Retirements (1438)*	0	0	28
Deferred Charges (1439)*	0	0	29
TOTAL DEFERRED CHARGES	0	0	
TOTAL NONCURRENT ASSETS	1,108,969	1,037,514	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	13,812,947	12,302,871	30
Less: Accumulated Depreciation (3100)*	6,142,129	5,222,561	31
Less: Accumulated Amortization--Capitalized Leases (3410)*	0	0	32
Less: Accumulated Amortization--Leasehold Improvements (3420)*	8,167	5,284	33
Less: Accumulated Amortization--Intangible (3500)*	0	0	34
NET TELECOMMUNICATIONS PLANT IN SERVICE	7,662,651	7,075,026	
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)*	84,929	604,688	39
TOTAL TPUC	84,929	604,688	
TELECOMMUNICATIONS PLANT ADJUSTMENT			
Telecommunications Plant Adjustment (2005)*	0	0	40
Less: Accumulated Amortization--Other (3600)*	0	0	41
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	0	0	
TOTAL PLANT	7,747,580	7,679,714	
TOTAL ASSETS AND OTHER DEBITS*	10,817,659	10,388,947	

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	327,231	535,689	1
Notes Payable (4020)*	0	0	2
Advance Billing and Payments (4030)*	25,650	23,150	3
Customer Deposits (4040)*	315	137	4
Current Maturities--Long-Term Debt (4050)*	0	0	5
Current Maturities--Capital Leases (4060)*	0	0	6
Income Taxes--Accrued (4070)*	87,046	(15,889)	7
Other Taxes--Accrued (4080)*	(60,493)	(46,791)	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)*	22,359	50,719	11
Other Current Liabilities (4130)*	0	0	12
TOTAL CURRENT LIABILITIES*	402,108	547,015	
LONG-TERM DEBT			
Funded Debt (4210)*	0	0	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*	0	0	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*	271,722	253,394	20
Unamortized Operating ITC--Net (4320)*	55,190	72,069	21
Unamortized Nonoperating ITC--Net (4330)*	0	0	22
Net Noncurrent Deferred Operating Income Taxes (4340)*	874,298	868,103	23
Net Deferred Tax Liability Adjustments (4341)*	0	0	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	0	0	25
Other Deferred Credits (4360)*	0	0	26
Deferred Tax Regulatory Liability (4361)*	209,415	209,415	27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS*	1,410,625	1,402,981	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	1,200,000	1,200,000	28
Additional Paid-in Capital (4520)*	115,105	115,105	29
Treasury Stock (4530)*	0	0	30
Other Capital (4540)*	0	0	31
Retained Earnings (4550)*	7,689,821	7,123,846	32
TOTAL STOCKHOLDERS' EQUITY*	9,004,926	8,438,951	
TOTAL LIABILITIES AND OTHER CREDITS*	10,817,659	10,388,947	

STATEMENT OF CASH FLOWS

Item (a)	Amount (b)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	925,839	1
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and amortization	1,076,181	2
Interest during construction	0	3
Changes in assets and liabilities:		
Current assets (net)	56,274	4
Other noncurrent assets	(4,256)	5
Other current liabilities	(144,907)	6
Other liabilities and deferred credits	7,644	7
Other (specify):		
TOTAL ADJUSTMENTS	990,936	
NET CASH PROVIDED BY OPERATING ACTIVITIES (NET INCOME & ADJUST.)	1,916,775	
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures:		
Changes in plant (net)	(1,144,047)	8
Investments in affiliated companies	0	9
Nonoperating Investments	(67,199)	10
Other (specify):		
NET CASH USING IN INVESTING ACTIVITIES	(1,211,246)	
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in capital lease obligations (net)	0	11
Change in long-term debt (net)	0	12
Net changes in stockholder equity other than retained earnings	0	13
Change in short term borrowing (net)	0	14
Dividends paid	(360,000)	15
Miscellaneous debits/credits to retained earnings	136	16
Other (specify):		
Net Cash Provided by Financing Activities	(359,864)	
NET INCREASE IN CASH AND CASH EQUIVALENTS	345,665	
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)	
Non-regulated Operations	ELKNET	1
SLD Services, Ltd	SERVICES	2
State Long Distance Telcom, Ltd	TELCOM	3
SLD Broadcasting, Ltd	WSLD	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	None	None	5680-AT-100	5680-AT-103	
Name of Affiliate	ELKNET	SERVICES	SERVICES	TELCOM	1
Designate whether billed to or from:	TO	FROM	TO	TO	2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	CT	M	CT	C	3
Revenues	9,410	0	13,303	0	4
Expenses:					
Plant Specific Operations Expense	2,601	12,777	38,532	361	5
Plant Nonspecific Operations Expense	1,472	0	79,454	337	6
Customer Operations Expense	0	0	0	214	7
Corporate Operations Expense	2,112	0	14,983	0	8
Total Operating Expenses	6,185	12,777	132,969	912	9
Other:					
Plant Accounts	0	3,069	0	0	10
Accumulated Depreciation	0	0	0	0	11
Accumulated Amortization	0	0	0	0	12
Clearing	0	0	0	0	13
All Other	77,416	0	343,946	6,518	14
Total	93,011	15,846	490,218	7,430	15
Percent of affiliate's business billed to all affiliated regulated utilities		2.56			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	5680-AT-101			
Name of Affiliate	WSLD	WSLD			1
Designate whether billed to or from:	FROM	TO			2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	M	CT			3
Revenues	0	1,583			4
Expenses:					
Plant Specific Operations Expense	0	1,867			5
Plant Nonspecific Operations Expense	0	1,424			6
Customer Operations Expense	2,869	0			7
Corporate Operations Expense	2,310	1,449			8
Total Operating Expenses	5,179	4,740	0	0	9
Other:					
Plant Accounts	0	0			10
Accumulated Depreciation	0	0			11
Accumulated Amortization	0	0			12
Clearing	0	0			13
All Other	11,016	16,920			14
Total	16,195	23,243	0	0	15
Percent of affiliate's business billed to all affiliated regulated utilities	3.47				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)	
SLD Services, Ltd	1190	41,554	1
State Long Distance Telcom, Ltd	1190	749	2
SLD Broadcasting, Ltd	1190	1,884	3

ACCOUNTS RECEIVABLE NET WRITE OFFS - TELECOMMUNICATIONS

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

Particulars (a)	Amount (b)	
Collection of amounts previously written off	2,247	1
Uncollectibles written off during the year	5,573	2
Net write offs during the year	3,326	

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)	
From Affiliates:						
SERVICES	01/01/1996	01/01/1997	.0000	0	0	1
Total Affiliated				<u>0</u>	<u>0</u>	
From Others:						
None	01/01/1996	01/01/1997	.0000	0	0	2
Total Other				<u>0</u>	<u>0</u>	
Total				<u>0</u>	<u>0</u>	

INVESTMENTS IN NONAFFILIATED COMPANIES (ACCT. 1402)

Name (a)	Balance EOY (b)	
RTB Class B Stock		1
Other:		
AT&T	11,220	2
Ameritech	68,385	3
Lucent Technologies	4,070	4
NCR	572	5
Access Wisconsin	60,700	6
Consumers Cooperative	270	7
EAHP II Partnership	138,233	8
Cash Surrender Value - Officers Life Insurance	289,500	9
Investments Held to Maturity	495,609	10
Total Investments in Nonaffiliated Companies	1,068,559	

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):		
Internet Equipment	21,338	1
Accumulated Depreciation	(4,268)	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)	
None	0	1
Total	0	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
GENERAL SUPPORT ASSETS				
Land	2111	77,506		1
Motor Vehicles	2112	447,505	63,777	2
Aircraft	2113	0		3
Special Purpose Vehicles	2114	0		4
Garage Work Equipment	2115	0		5
Other Work Equipment	2116	284,223	27,657	6
Buildings	2121	578,553		7
Furniture	2122	55,708	2,482	8
Office Equipment	2123	128,943	9,615	9
General Purpose Computers	2124	313,448	24,172	10
TOTAL--GENERAL SUPPORT ASSETS:		1,885,886	127,703	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0		11
Digital Electronic Switching	2212	3,304,679	225,221	12
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220	0		14
Radio Systems	2231	0	0	15
Circuit Equipment	2232	1,052,653	510,421	16
TOTAL--CENTRAL OFFICE ASSETS:		4,357,332	735,642	
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	97,504	3,795	20
Other Terminal Equipment	2362	253		21
TOTAL--INFORMATION ORIG/TERM ASSETS:		97,757	3,795	
CABLE WIRE FACILITIES ASSETS				
Poles	2411	17,394		22
Aerial Cable	2421	333,647	27,517	23
Underground Cable	2422	615,254	56,059	24
Buried Cable	2423	4,194,776	751,215	25
Submarine Cable	2424	0	0	26
Deep Sea Cable	2425	0		27
Intrabuilding Network Cable	2426	0	0	28
Aerial Wire	2431	5,116		29
Conduit Systems	2441	781,297		30
TOTAL--CABLE WIRE FACILITIES ASSETS:		5,947,484	834,791	
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			77,506	1
2112	35,201		476,081	2
2113			0	3
2114			0	4
2115			0	5
2116	697		311,183	6
2121			578,553	7
2122			58,190	8
2123	10,222	0	128,336	9
2124	13,037		324,583	10
	59,157	0	1,954,432	
2211			0	11
2212	19,616	(1,494)	3,508,790	12
2215	0	0	0	13
2220			0	14
2231	0	0	0	15
2232	(122)	1,494	1,564,690	16
	19,494	0	5,073,480	
2311			0	17
2321			0	18
2341			0	19
2351			101,299	20
2362			253	21
	0	0	101,552	
2411			17,394	22
2421	4,407	0	356,757	23
2422	0	0	671,313	24
2423	108,797	0	4,837,194	25
2424	0	0	0	26
2425			0	27
2426	0	0	0	28
2431			5,116	29
2441			781,297	30
	113,204	0	6,669,071	
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	14,412	32
Intangibles	2690	0	33
TOTAL--AMORTIZABLE ASSETS:		14,412	0
TOTAL TELECOM. PLANT IN SERVICE	2001	12,302,871	1,701,931
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			14,412	32
2690			0	33
	0	0	14,412	
	191,855	0	13,812,947	
2001				34
			13,812,947	

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	55,215	5,735	1
Company Communications Equipment	2123.2	73,728	3,880	2
Software	2212.1	3,304,679		3
Digital Switching - Central Office	2212.2	0	225,221	4
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	899,170	169,021	10
Analog Circuit Equipment	2232.2	0		11
Light Wave Circuit Equipment	2232.3	153,483	341,400	12
Aerial Cable - Nonmetallic	2421.1	333,647		13
Aerial Cable - Metallic	2421.2	0	27,517	14
Underground Cable - Nonmetallic	2422.1	160,109	55,462	15
Underground Cable - Metallic	2422.2	455,145	597	16
Buried Cable - Nonmetallic	2423.1	228,012	186,627	17
Buried Cable - Metallic	2423.2	3,966,764	564,588	18
Submarine Cable - Nonmetallic	2424.1	0		19
Submarine Cable - Metallic	2424.2	0		20
Intrabuilding Cable - Nonmetallic	2426.1	0		21
Intrabuilding Cable - Metallic	2426.2	0		22

Explain all amounts shown in column (g).

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

Subaccount (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2123.1	3,280		57,670	1
2123.2	6,942		70,666	2
2212.1		(3,304,679)	0	3
2212.2	19,616	3,303,185	3,508,790	4
2212.3			0	5
2215.1			0	6
2215.2			0	7
2231.1			0	8
2231.2			0	9
2232.1	(122)	(33,761)	1,034,552	10
2232.2			0	11
2232.3		35,255	530,138	12
2421.1		(333,647)	0	13
2421.2	4,407	333,647	356,757	14
2422.1			215,571	15
2422.2			455,742	16
2423.1			414,639	17
2423.2	108,797		4,422,555	18
2424.1			0	19
2424.2			0	20
2426.1			0	21
2426.2			0	22

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
GENERAL SUPPORT ASSETS					
Motor Vehicles	2112	248,207		67,133	1
Aircraft	2113	0			2
Special Purpose Vehicles	2114	0			3
Garage Work Equipment	2115	0			4
Other Work Equipment	2116	169,153		23,351	5
Buildings	2121	252,723	2.86	16,547	6
Furniture	2122	36,947	7.69	4,424	7
Office Equipment	2123	40,623		16,388	8
General Purpose Computers	2124	232,055	20.0	62,478	9
Total-- GENERAL SUPPORT ASSETS		979,708		190,321	0
CENTRAL OFFICE ASSETS					
Analog Electronic Switching	2211	0			10
Digital Electronic Switching	2212	1,244,471		527,141	11
Electro-Mechanical Switching	2215	0			12
Operator Systems	2220	0			13
Radio Systems	2231	0			14
Circuit Equipment	2232	455,402		98,415	15
Total-- CENTRAL OFFICE ASSETS		1,699,873		625,556	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	90,433	10.0	10,080	19
Other Terminal Equipment	2362	154	14.29	36	20
Total-- INFORMATION ORIG/TERM ASSETS		90,587		10,116	0
CABLE WIRE FACILITIES ASSETS					
Poles	2411	17,394	5.5	0	21
Aerial Cable	2421	155,405		18,873	22
Underground Cable	2422	224,353		26,630	23
Buried Cable	2423	1,894,326		202,269	24
Submarine Cable	2424	0			25
Deep Sea Cable	2425	0			26
Intrabuilding Network Cable	2426	0			27
Aerial Wire	2431	5,116			28

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112	35,201		15,061		295,200	1
2113					0	2
2114					0	3
2115					0	4
2116	697				191,807	5
2121					269,270	6
2122					41,371	7
2123	10,222	142	2,965		49,612	8
2124	13,037		3,358		284,854	9
	59,157	142	21,384	0	1,132,114	
2211					0	10
2212	19,616			(125)	1,751,871	11
2215	0				0	12
2220					0	13
2231	0				0	14
2232	(122)	699		125	553,365	15
	19,494	699	0	0	2,305,236	
2311					0	16
2321					0	17
2341					0	18
2351		57			100,456	19
2362					190	20
	0	57	0	0	100,646	
2411					17,394	21
2421	4,407	2,752		0	167,119	22
2422	0				250,983	23
2423	108,797	1,144			1,986,654	24
2424	0				0	25
2425					0	26
2426	0				0	27
2431					5,116	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	155,799	2.7	21,068	29
Total-- CABLE WIRE FACILITIES ASSETS		2,452,393		268,840	0
Total Accumulated Depreciation	3100	5,222,561		1,094,833	0
Less: Allocation to Nonregulated Activity - Columns e, f and I	3100				30
Net Regulated Total Accum Depreciation - 3100 Columns e, f and I				1,094,833	0

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441					176,867	29
	113,204	3,896	0	0	2,604,133	
3100	191,855	4,794	21,384	0	6,142,129	
3100						30
3100					6,142,129	

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	23,443	11.88	6,567	1
Company Communications Equipment	2123.2	17,180	14.29	9,821	2
Software	2212.1	1,244,471			3
Digital Switching - Central Office	2212.2	0	15.38	527,141	4 J
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	440,703	5.56	62,326	10
Analog Circuit Equipment	2232.2	0			11
Light Wave Circuit Equipment	2232.3	14,699	10.0	36,089	12 J
Aerial Cable - Nonmetallic	2421.1	155,405			13
Aerial Cable - Metallic	2421.2	0	5.5	18,873	14 J
Underground Cable - Nonmetallic	2422.1	7,004	4.0	7,513	15
Underground Cable - Metallic	2422.2	217,349	4.2	19,117	16
Buried Cable - Nonmetallic	2423.1	6,709	4.35	13,977	17
Buried Cable - Metallic	2423.2	1,887,617	4.55	188,292	18
Submarine Cable - Nonmetallic	2424.1	0			19
Submarine Cable - Metallic	2424.2	0			20
Intrabuilding Cable - Nonmetallic	2426.1	0			21
Intrabuilding Cable - Metallic	2426.2	0			22

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

Subacct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2123.1	3,280				26,730	1
2123.2	6,942	142	2,965		22,882	2
2212.1				(1,244,471)	0	3
2212.2	19,616			1,244,346	1,751,871	4 J
2212.3					0	5
2215.1					0	6
2215.2					0	7
2231.1					0	8
2231.2					0	9
2232.1	(122)	699		(1,647)	500,805	10
2232.2					0	11
2232.3				1,772	52,560	12 J
2421.1				(155,405)	0	13
2421.2	4,407	2,752		155,405	167,119	14 J
2422.1					14,517	15
2422.2					236,466	16
2423.1					20,686	17
2423.2	108,797	1,144			1,965,968	18
2424.1					0	19
2424.2					0	20
2426.1					0	21
2426.2					0	22

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

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

Particulars (a)	Balance FOY (b)	
PROPERTY RELATED		
Other Current Assets (1350)	0	1
Other Noncurrent Assets (1410)	0	2
Deferred Tax Regulatory Asset (1437)	0	3
Net Current Deferred Operating Income Taxes (4100)	0	4
Net Noncurrent Deferred Operating Income Taxes (4340)	(1,003,166)	5
Net Deferred Tax Liability Adjustments (4341)	0	6
Deferred Tax Regulatory Liability (4361)	0	7
Net Property Related Deferred Operating Income Taxes	(1,003,166)	
Less: Allocation to Nonregulated Activity		8
Net Regulated Total Property Related Deferred Operating Income Taxes	(1,003,166)	
NONPROPERTY RELATED		
Other Current Assets (1350)	0	9
Other Noncurrent Assets (1410)	0	10
Deferred Tax Regulatory Asset (1437)	0	11
Net Current Deferred Operating Income Taxes (4100)	0	12
Net Noncurrent Deferred Operating Income Taxes (4340)	135,063	13
Net Deferred Tax Liability Adjustments (4341)	0	14
Deferred Tax Regulatory Liability (4361)	0	15
Total Nonproperty Related Deferred Operating Income Taxes	135,063	

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	(10,367)			(1,013,533)	5
				0	6
				0	7
	(10,367)	0	0	(1,013,533)	8
				0	
	(10,367)	0	0	(1,013,533)	
7250				0	9
7250				0	10
				0	11
7250				0	12
7250	4,172			139,235	13
				0	14
			(209,415)	(209,415)	15
	4,172	0	(209,415)	(70,180)	

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)
Affiliated:				
	05/03/1997			1
	05/03/1997			2
Total Affiliated				<u>0</u>
Other:				
	05/03/1997			3
	05/03/1997			4
Total Other				<u>0</u>
Total Notes Payable				<u><u>0</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):			
Total Funded Debt			1
Other Long-Term Debt (Acct. 4270):			
Total Other Long-Term Debt			2

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)				
					0	1
	0	0	0	0	0	
					0	2
	0	0	0	0	0	

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:			
Common Stock	15,000	100.00	1
TOTAL COMMON STOCK	15,000		
PREFERRED STOCK:			
Preferred Stock			2
TOTAL PREFERRED STOCK	0		
TOTAL	<u>15,000</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:					
Common Stock	12,000	1,200,000	0	0	1
	12,000	1,200,000	0	0	
PREFERRED STOCK:					
Preferred Stock	0	0	0	0	2
	0	0	0	0	
TOTAL	12,000	1,200,000	0	0	

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	7,123,846	6,415,425	1 A
Changes:			
Balance Transferred from Income	925,839	1,154,437	2
Dividends Declared:			
Common	360,000	390,000	3
Preferred	0	0	4
Total Dividends Declared	360,000	390,000	
Miscellaneous Debits to Retained Earnings	0	142,967	5
Miscellaneous Credits to Retained Earnings	136	86,951	6
Balance--End of Year	<u>7,689,821</u>	<u>7,123,846</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)	327,450	121,263	442,183	1
Nonoperating Taxes (Accts. 7410 - 7450)		4,482	(16,847)	2
Extraordinary Items (Accts. 7630 & 7640)				3
Nonregulated Net Income (Acct. 7990)		(4,517)	(16,891)	4
Clearing Accounts				5
Construction				6
Payroll Taxes: FICA				7
Payroll Taxes: State Unemployment				8
Payroll Taxes: Federal Unemployment				9
Other (specify):				
TOTAL	<u>327,450</u>	<u>121,228</u>	<u>408,445</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)	
8,569			263		899,728	1
					(12,365)	2
					0	3
					(21,408)	4
					0	5
					0	6
				113,918	113,918	7
				2,703	2,703	8
				2,519	2,519	9
8,569	0	0	263	119,140	985,095	

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)*	1,303,985	1,198,628	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)	1,303,985	1,198,628	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	404,248	381,456	11
Switched Access Revenue (5082)*	1,482,268	1,553,943	12
Special Access Revenue (5083)*	81,072	60,239	13 B
TOTAL INTERSTATE ACCESS REVENUES (5080)	1,967,588	1,995,638	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*		0	14
Switched Access Revenue (5084.2)*	1,321,747	1,253,616	15
Special Access Revenue (5084.3)*	165,584	159,928	16
TOTAL INTRASTATE ACCESS REVENUES (5084)	1,487,331	1,413,544	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*		0	17
Long Distance Inward-Only Revenue (5111)			18
Long Distance Outward-Only Revenue (5112)			19
Unidirectional Long Distance Revenue (5110)	0	0	
Long Distance Private Network Revenues			
Subvoice Grade Revenue (5121)			20
Voice Grade Revenue (5122)			21
Audio Program Grade Revenue (5123)			22
Video Program Grade Revenue (5124)			23
Digital Transmission Revenue (5125)			24
Switching Revenue (5126)			25
Other Revenue (5128)			26
Other Revenue Settlements (5129)			27
Total Long Distance Private Network Revenue	0	0	
Other Long Distance Revenue (5160)			28
Other Long Distance Revenue Settlements (5169)			29
TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV.	0	0	

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

Particulars (a)	This Year (b)	Last Year (c)	
MISCELLANEOUS REVENUES			
Directory Revenue (5230)*	518,189	480,448	30
Rent Revenue (5240)*	450	450	31
Corporate Operations Revenue (5250)*		0	32
Miscellaneous:			
Miscellaneous Revenue (5260)*	80,392	9,465	33 C
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)	80,392	9,465	
Interstate Billing and Collection Revenue*	114,284	132,382	39
Intrastate Billing and Collection Revenue*	139,813	237,052	40 D
Total Carrier Billing and Collection Revenue (5270)*	254,097	369,434	
Nonregulated Operating Revenue (5280)**			41
TOTAL MISCELLANEOUS REVENUES	853,128	859,797	
GROSS OPERATING REVENUES	5,612,032	5,467,607	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*	3,326	(1,101)	42
Uncollectible Revenue--Telecommunications (5301)			43
Uncollectible Revenue--Other (5302)			44
TOTAL UNCOLLECTIBLE REVENUE (5300)	3,326	(1,101)	
TOTAL OPERATING REVENUES	<u>5,608,706</u>	<u>5,468,708</u>	

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

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)	
PLANT SPECIFIC OPERATIONS EXPENSE				
Total Network Support Expense (6110)	44,965	53,472	11,257	1
Less: Nonregulated		0		2
Net Regulated	44,965	53,472	11,257	3
Total General Support Expense (6120)	77,332	107,332	16,402	4
Less: Nonregulated		0		5 E
Net Regulated	77,332	107,332	16,402	6
Total Central Office Switching Expense (6210)	177,046	186,227	103,266	7
Less: Nonregulated		0		8
Net Regulated	177,046	186,227	103,266	9
Total Operator Systems Expense (6220)		0		10
Less: Nonregulated		0		11
Net Regulated	0	0	0	12
Total Central Office Transmission Expenses (6230)	24,728	29,702	11,528	13
Less: Nonregulated		0		14
Net Regulated	24,728	29,702	11,528	15
Total Information Orig. / Term. Expense (6310)	15,574	12,033	5,378	16
Less: Nonregulated		0		17
Net Regulated	15,574	12,033	5,378	18
Total Cable and Wire Fac. Expense (6410)	269,578	339,566	155,968	19
Less: Nonregulated		0		20 F
Net Regulated	269,578	339,566	155,968	21
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	609,223	728,332	303,799	
Less: Nonregulated	0	0	0	
Net Regulated	609,223	728,332	303,799	
PLANT NONSPECIFIC OPERATIONS EXPENSE				
Total Other Property, Plant and Equip. Exp. (6510)	0	0	0	22
Less: Nonregulated		0		23
Net Regulated	0	0	0	24
Total Network Operations Expense (6530)	302,424	352,208	280,324	25
Less: Nonregulated		0		26
Net Regulated	302,424	352,208	280,324	27
Access Expense (6540)	16,473	15,976	0	28
Less: Nonregulated		0		29
Net Regulated	16,473	15,976	0	30
Total Depreciation and Amortization Expense (6560)	745,655	1,076,181		31
Less: Nonregulated		0		32 G
Net Regulated	745,655	1,076,181		33
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	1,064,552	1,444,365	280,324	
Less: Nonregulated	0	0	0	
Net Regulated	1,064,552	1,444,365	280,324	

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6110	5,728	0	142,255	(105,768)	1
	5,728	0	142,255	(105,768)	2
					3
6120	8,148	11,822	68,710	2,250	4
	8,148	11,822	68,710	2,250	5 E
					6
6210	50,385	2,400	14,446	15,730	7
	50,385	2,400	14,446	15,730	8
					9
6220					10
	0	0	0	0	11
					12
6230	5,328	0	11,106	1,740	13
	5,328	0	11,106	1,740	14
					15
6310	2,759	0	2,880	1,016	16
	2,759	0	2,880	1,016	17
					18
6410	76,863	7,819	54,917	43,999	19
	76,863	7,819	54,917	43,999	20 F
					21
	149,211	22,041	294,314	(41,033)	
	0	0	0	0	
	149,211	22,041	294,314	(41,033)	
6510	0	0	0	0	22
					23
	0		0	0	24
6530	137,731	0	43,846	(109,693)	25
	137,731	0	43,846	(109,693)	26
					27
6540	0	0	15,976	0	28
	0	0	15,976	0	29
					30
6560			1,076,181		31
					32 G
			1,076,181		33
	137,731	0	1,136,003	(109,693)	
	0	0	0	0	
	137,731	0	1,136,003	(109,693)	

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)	
CUSTOMER OPERATIONS EXPENSE				
Total Marketing (6610)	23,415	36,367	16,036	34
Less: Nonregulated		0		35 H
Net Regulated	23,415	36,367	16,036	36
<hr/>				
Total Services (6620)	811,664	821,558	170,316	37
Less: Nonregulated		0		38
Net Regulated	811,664	821,558	170,316	39
<hr/>				
TOTAL CUSTOMER OPERATIONS EXPENSE	835,079	857,925	186,352	
Less: Nonregulated	0	0	0	
Net Regulated	835,079	857,925	186,352	
<hr/>				
CORPORATE OPERATIONS EXPENSE				
Total Exec. and Planning (6710)	511,986	478,894	275,424	40
Less: Nonregulated		0		41
Net Regulated	511,986	478,894	275,424	42
<hr/>				
Total General and Administrative (6720)	312,250	316,141	119,562	43
Less: Nonregulated		0		44
Net Regulated	312,250	316,141	119,562	45
<hr/>				
Provision for Uncollectible Notes Receiv. (6790)		0		46
Less: Nonregulated		0		47
Net Regulated	0	0		48
<hr/>				
TOTAL CORPORATE OPERATIONS EXPENSE	824,236	795,035	394,986	
Less: Nonregulated	0	0	0	
Net Regulated	824,236	795,035	394,986	
<hr/>				
TOTAL EXPENSES	3,333,090	3,825,657	1,165,461	
Less: Nonregulated	0	0	0	
Net Regulated	3,333,090	3,825,657	1,165,461	

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6610	8,193	0	12,138	0	34
	8,193	0	12,138	0	35 H
					36
6620	81,018		569,782	442	37
					38
	81,018		569,782	442	39
	89,211	0	581,920	442	
	0	0	0	0	
	89,211	0	581,920	442	
6710	131,309		72,161	0	40
					41
	131,309		72,161	0	42
6720	57,679		138,900	0	43
					44
	57,679		138,900	0	45
6790					46
					47
			0		48
	188,988	0	211,061	0	
	0	0	0	0	
	188,988	0	211,061	0	
	565,141	22,041	2,223,298	(150,284)	
	0	0	0	0	
	565,141	22,041	2,223,298	(150,284)	

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	0	1
Provisioning Expense (6512)		0		2
Total: Reported in Account 6510	0	0	0	
Depreciat. Exp.--Tele. Plant in Service (6561)	742,773	1,073,299		3
Depreciat. Exp.--Prop. Held for Future Tele. Use (6562)		0		4
Amortization Expense--Tangible (6563)	2,882	2,882		5
Amortization Expense--Intangible (6564)		0		6
Amortization Expense--Other (6565)		0		7
Total: Reported in Account 6560	745,655	1,076,181		

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

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6511	0		0	0	1
6512					2
	0		0	0	
6561			1,073,299		3
6562			0		4
6563			2,882		5
6564			0		6
6565			0		7
			1,076,181		

OUT-OF-STATE OPERATING REVENUES

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

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

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

Particulars (a)	This Year (b)	Last Year (c)	
OTHER OPERATING INCOME AND EXPENSE			
Income from Custom Work (7110)*	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)*	(16,879)	(17,975)	6
Operating Federal Income Taxes (7220)*	456,972	491,273	7
Operating State and Local Income Taxes (7230)*	117,248	127,996	8
Operating Other Taxes (7240)*	336,282	321,933	9
Provision for Deferred Operating Income Taxes--Net (7250)*	6,105	107,387	10
TOTAL OPERATING TAXES (7200)*	899,728	1,030,614	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)*	2,750	2,615	11
Interest Income (7320)*	70,066	66,567	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)*	(11,558)	(12,840)	16
Special Charges (7370)*	(1,691)	(3,454)	17
TOTAL NONOPERATING INCOME AND EXPENSE (7300)*	62,949	59,796	
NONOPERATING TAXES			
Nonoperating Investment Tax Credits--Net (7410)*	0	0	18
Nonoperating Federal Income Taxes (7420)*	(16,847)	(18,624)	19
Nonoperating State and Local Income Taxes (7430)*	4,482	3,998	20
Nonoperating Other Taxes (7440)*	0	0	21
Provision for Deferred Nonoperating Income Taxes-Net (7450)*	0	0	22
TOTAL NONOPERATING TAXES (7400)*	(12,365)	(14,626)	
INTEREST AND RELATED ITEMS			
Interest on Funded Debt (7510)*	0	0	23
Interest Expense--Capital Leases (7520)*	0	0	24
Amortization of Debt Issuance Expense (7530)*	0	0	25
Other Interest Deductions (7540)*	8	6	26
TOTAL INTEREST AND RELATED ITEMS (7500)*	8	6	
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)*	(32,788)	(24,983)	32

NONREGULATED NET INCOME (ACCT. 7990)

Particulars (a)	Amount (b)	
Revenues (Acct. 7990.1)		
Gross Sales	143,580	1
Less: Cost of Goods Sold		2
Net Sales	143,580	3
Expenses (Acct. 7990.2)	176,368	4
Nonregulated Net Income	<u>(32,788)</u>	5

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

1. Internet Provider
2. Toll Resale (Branding)

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	1,165,461	1
Nonregulated Expense	50,973	2
Plant Accounts	66,651	3
Accumulated Depreciation Accounts	873	4
All Other Accounts	235,027	5
Total Salaries and Wages	<u>1,518,985</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	5.00	3.00	313,033	1
Supervision and Other Management	8.00	9.00	406,242	2
Other Employees	28.00	29.00	839,321	3
Total	<u>41.00</u>	<u>41.00</u>	<u>1,558,596</u>	

DISTRIBUTION OF SALARIES AND WAGES

Description (a)	Amount (b)	
Regulated Expense	1,165,461	1
Nonregulated Expense	50,973	2
Plant Accounts	66,651	3
Accumulated Depreciation Accounts	873	4
All Other Accounts	235,027	5
Total Salaries and Wages	<u>1,518,985</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	5.00	3.00	313,033	1
Supervision and Other Management	8.00	9.00	406,242	2
Other Employees	28.00	29.00	839,321	3
Total	<u>41.00</u>	<u>41.00</u>	<u>1,558,596</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			1
Extended Area Service			2
Extended Community Calling			3
Other Local-Undefined			4
Total Local	0	0	
TOLL			
Operator Handled: State--intraLATA			5
Operator Handled: State--interLATA			6
Operator Handled: Interstate			7
Customer Dialed: State--intraLATA			8
Customer Dialed: State--interLATA			9
Customer Dialed: Interstate			10
WATS			11
Other Toll-Undefined			12
Total Toll	0	0	
Total Local & Toll	0	0	

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.	36	0	0	0	1
Feature Group A -- Term.	0	0	0	0	2
Feature Group B -- Orig.	0	0	0	0	3
Feature Group B -- Term.	0	148	0	0	4
Feature Group C -- Orig.	0	0	4,686	0	5
Feature Group C -- Term.	0	0	4,370	0	6
Feature Group D -- Orig.	8,977	3,964	1,422	0	7
Feature Group D -- Term.	13,535	4,749	0	0	8

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	21	1
Sheath miles of plant - buried	290	2
Sheath miles of plant - fiber optics	24	3
Strand miles of plant - fiber optics	622	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	23	65	1
56 kbps	17	14	2
64 kbps (DS0)	1	9	3
1.54 Mbps (DS-1)	240	264	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	21	1
Sheath miles of plant - buried	290	2
Sheath miles of plant - fiber optics	24	3
Strand miles of plant - fiber optics	622	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	23	65	1
56 kbps	17	14	2
64 kbps (DS0)	1	9	3
1.54 Mbps (DS-1)	240	264	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	1,115	1,175	3
2 Party	0		4
4 Party	0		5
PBX Trunks/System Trunks	1,114	1,044	6
Centrex Trunks	0		7
Centrex Lines	0		8
Key System Trunks	0		9
Mobile (Utility Provided Service)	0		10
Paging (Utility Provided Service)	0		11
FX-Out (Switched)	12	20	12
Pay Telephone			13
Coin-Operated Pay Telephone			14
Independent Pay Telephone Provider			15
Pay Stations - Public	51	49	16
- Semi-Public	35	37	17
- Cust. Owned	53	42	18
Other	0		19
Total Business Lines	2,380	2,367	20
Residential (Incl. Emp. Concess.)			
1 Party	5,721	5,970	22
2 Party	0		23
4 Party	0		24
FX-Out (Switched)	0		25
Other	0		26
Total Residential Lines	5,721	5,970	27
Total Bus & Res Lines	8,101	8,337	28
Company Used Lines	64	67	29
Total Lines Used	8,165	8,404	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	13	11	3
WATS Lines - 800 Service	5	2	4
FX-In-intraLATA	38	6	5
Special Access-intraLATA			6
(expressed in equiv. access lines)	0		7
Special Access-interLATA			8
(expressed in equiv. access lines)	162		9
Feature Group A Lines	2	2	10
Feature Group B Trunks	42	30	11
Feature Group C Trunks	144	144	12
Feature Group D Trunks	496	532	13
TSPS - Trunks	26	82	14
EAS - Trunks	252	276	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
	10,402,573	11,844,103	27
Total Company Square Miles	75	75	28
Total Company Route Miles	0		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	1730				1
Business					
1 Party	1,175				2
2 Party					3
4 Party					4
PBX Trunks/System Trunks	1,044				5
Centrex Trunks					6
Centrex Lines					7
Key System Trunks					8
Mobile (utility provided service)					9
Paging (utility provided service)					10
FX-Out (Switched)	20				11
Pay Telephone					12
Coin-Operated Pay Telephone					13
Independent Pay Telephone Provider					14
Pay Stations - Public	49				15
- Semi-Public	37				16
- Cust. Owned	42				17
Other					18
Total Business Lines	2,367	0	0	0	19
Residential (Incl. Emp. Concess.)					
1 Party	5,970				20
2 Party					21
4 Party					22
FX-Out (Switched)					23
Other					24
Total Residential Lines	5,970	0	0	0	25
Total Bus & Res Lines	8,337	0	0	0	26
Company Used Lines	67				27
Total Lines Used	8,404	0	0	0	28

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	1730				1
Miscellaneous					2
WATS Lines - OutWATS	11				3
WATS Lines - 800 Service	2				4
FX-In-intraLATA	6				5
Special Access-intraLATA					6
(equiv. access lines)					7
Special Access-interLATA					8
(equiv. access lines)					9
Feature Group A Lines	2				10
Feature Group B Trunks	30				11
Feature Group C Trunks	144				12
Feature Group D Trunks	532				13
TSPS - Trunks	82				14
EAS - Trunks	276				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)	11,844,103				27
Exchange Square Miles	75				28
Exchange Route Miles					29
Footnotes		1			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	ELKHORN	ELKHORN			1
PSCW Exchange ID	1730	1730			2
Central Office Name	ELKHORN	LAUDERDALE			3
PSCW Central Office ID	1	2			4
Manufacturer of COE (Page 54)	NEC	NEC			5
Year COE Installed	1991	1991			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.	4.0	4.0			11
SS7?	Yes	Yes			12
9-1-1?	Yes	Yes			13
Access Lines - In Use	6,290	2,311			14
- Equipped	7,480	4,040			15
- Wired	7,968	4,352			16
Trunks - In Use	1,251	165			17
- Equipped	1,584	720			18
- Wired	1,680	720			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	75	10			25
DS-3 - In Use	3	1			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.	168	60			33
No. of fiber strands working (LIT) in C.O.	18	4			34
No. of fiber strands for interoffice use	156	73			35
Miles of fiber sheath in wire center	16	8			36
Access Tandem Serving this C.O.:					
- C.O. Name	ELKHORN	ELKHORN			37
- PSCW C.O. ID	1730-02	1730-02			38
Does this C.O. do access tandem switching?	Yes	No			39
Equal Access: InterLATA (1+)?	Yes	Yes			40
Equal Access: IntraLATA (1+)?	No	No			41
Footnotes					42

¹ Teleco provided end-to-end facility.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

General Footnote

The accounting policies of the company conform to generally accepted accounting principles and reflect practices appropriate to the telephone industry. The accounting records of the company are maintained in accordance with the uniform system of accounts as prescribed by the Public Service Commission of Wisconsin.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenues are recognized when earned, regardless of the period in which they are billed.

Telecommunications plant in service is recorded at original cost and depreciation is computed on the straight-line basis for statement purposes. The provision rate is applied to group account assets for computation of annual depreciation. Retirements are recorded using average unit costs.

Payroll taxes and employee benefit costs are capitalized on all plant additions. This capitalization is being treated as additions to telephone plant for both statement and tax purposes. Interest during construction is capitalized on major construction projects lasting more than one year. There was no interest during construction capitalized during 1996 or 1995.

The company maintains a defined contribution money purchase pension plan for its eligible employees. Contributions to the plan are based upon compensation earned during the plan year.

In 1993 the company adopted SFAS 106. This statement requires the company to accrue postretirement benefits other than pensions while its employees are actively working. The transition obligation is being amortized over 20 years as allowed under SFAS 106. During 1996 and 1995 the company expensed \$62,770 and \$64,234 as its postretirement benefit obligation.

The company and its affiliates operate under agreements whereby the company provides general administrative, management and other services, including accounting, data processing, purchasing and personnel costs to its affiliates. These charges were billed to the affiliates at the company's costs and amounted to \$589,607 for the year 1996 and \$506,819 for the year 1995.

Schedule Footnotes

Telecommunications Plant in Service Class A & B Footnote. Page 22

Items reported in column g represent amounts transferred between accounts.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

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

Items reported in column g represent amounts transferred between accounts.

Accumulated Depreciation Class A & B Footnote. Page 26

Items reported in column k represent amounts transferred between accounts.

Accumulated Depreciation Class A & B (Sub-Class Accounts) Footnote. Page 28

Items reported in column k represent amounts transferred between accounts.

Telephone Calls and Minutes of Use Per Month Footnote. Page 47

Minutes of Use data is not available for the year 1996.

Schedule Line Footnotes

- 1) (blank on annual report, ele, 7/11/97)
- A) SFAS 115 - Market value adjustment to marketable securities, net of income taxes.
- B) 1996 Interstate Special Access Revenue has increased \$20,833 from the amount reported for 1995. This represents an increase of 35%. The increase is due to a 20% increase in special access circuits, and a shift from lower grade circuits to high speed data circuits.
- C) Miscellaneous Revenue increased for the year 1996 due to a one time revenue source to provide a video distance learning circuit for the Gateway Technical College campus.
- D) Intrastate Billing and Collection Revenue decreased due to a decrease in B & C rates negotiated with Ameritech.
- E) General Support Expense increased \$30,000 going from \$77,332 in 1995 to \$107,332 in 1996. This increase is due to increased general maintenance costs of company owned buildings, computer equipment and telephone equipment, plus the additional costs of providing rented facilities for the corporate accounting department.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

- F)** Cable & Wire Facilities Expense went from \$269,578 in 1995 to \$339,566 for the year 1996. The \$69,988 increase is due largely to the additional maintenance costs incurred because of a State Highway Department road move in our exchange. This road move necessitated that we provide numerous cable locates and cable repairs, that exceed normal work volumes.
- G)** Depreciation Expense increased \$330,526 from the 1995 amount of \$745,655. Of the total increase \$239,265 is for Digital Central Office Equipment. State Long Distance Telephone Company has accepted the fact that our switches not only are obsolete due to the manufacturer discontinuing support of them, but we are also faced with line growth that will exceed the switch capacity in the next few years, therefore we are providing annual depreciation that will fully recover the plant costs by the anticipated replacement date in the year 2000.
- H)** Marketing Expense has gone up \$12,952 from \$23,415 in 1995 to \$36,367 in 1996. This increase is due to the addition of a marketing employee in late 1995.
- I)** Total company and exchange route miles are not available from company records.
- J)** Amounts included in column k represent items transferred from / to the beginning balance.