



4004

**ANNUAL REPORT**

OF

Name: CENTRAL STATE TELEPHONE COMPANY

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Principal Office: 301 S WESTFIELD RD  
P.O. BOX 5158  
MADISON, WI 53705-0158

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For the Year Ended: DECEMBER 31, 1997

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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

<b>Access Line</b>	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.
<b>Analog Signal</b>	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.
<b>Cellular System</b>	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.
<b>Central Office</b>	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.
<b>Centrex</b>	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).
<b>Channel</b>	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.
<b>Customer</b>	A person who uses a telephone as a subscriber.
<b>Digital Signal</b>	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.
<b>Equal Access</b>	The ability of the subscriber to use any long distance service by dialing the same number of digits.
<b>Exchange</b>	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.
<b>Extended Area Service (EAS)</b>	The ability of a customer to call customers in other exchanges at no additional charge or at an additional charge per tariff.
<b>Extended Community Calling (ECC)</b>	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.
<b>Feature Group A</b>	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

<b>Feature Group B</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.
<b>Feature Group C</b>	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.
<b>Feature Group D</b>	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.
<b>FX-IN</b>	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.
<b>FX-OUT</b>	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.
<b>Host Switching System</b>	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.
<b>Local Access Transport Area (LATA)</b>	A geographic area within which an operating company may offer its telecommunications services.
<b>Mobile Telephone</b>	A service which provides radio telephone communication from a mobile vehicle to another vehicle or to a regular telephone.
<b>Paging</b>	A service which provides one-way signal or voice communication over a radio channel to a miniature receiver carried by the customer.
<b>Pair</b>	Two wires of a single circuit.
<b>Pay Station</b>	A telephone which normally requires all users to deposit one or more coins or use a credit card to complete a call.
<b>Private Line Service</b>	Channel or circuit rented for private use and not intended to be connected to the general distribution system.
<b>Private Branch Exchange (PBX)</b>	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.
<b>Radio Common Carrier (RCC)</b>	A company which furnishes public telecommunications service using one or more radio channels.
<b>Remote Switching Unit (RSU)</b>	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

<b>Route Miles</b>	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"><li>1. One mile of roadway with any combination of outside plant facilities on any number of rights-of-way.</li><li>2. One mile of a cross country route with any combination of outside plant facilities.</li><li>3. One mile of point-to-point microwave or radio link.</li><li>4. One mile of plant on either side of a limited access highway or natural barrier, such as a navigable waterway.</li><li>5. One mile of joint use line where the utility either owns the facility or leases space.</li></ol>
<b>Stand Alone Switch</b>	A central office switch which has no remote switching units (RSUs) subtending it.
<b>Trunk</b>	A communications path connecting two switching systems in the establishment of an end-to-end connection.
<b>Wide Area Telephone Service (WATS)</b>	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.
<b>Wire Center</b>	The location of one or more local switching systems. A point at which customers' loops converge.

## ABBREVIATIONS USED IN ANNUAL REPORTS

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

## IDENTIFICATION AND OWNERSHIP

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**Exact Utility Name:** CENTRAL STATE TELEPHONE COMPANY  
**Utility Location:** 301 S WESTFIELD RD  
P.O. BOX 5158  
MADISON, WI 53705-0158

**Utility Web Site Address:**

**When was utility organized?:** 01/24/1908

**Report any change in name and the effective date:**

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**Officer in charge of correspondence concerning this report**

**Name:** GERALD A . RINGLUND  
**Title:** ASSISTANT TREASURER

**Office Address:** 301 SOUTH WESTFIELD ROAD  
P.O. BOX 5158  
MADISON , WI 53705-0158

**Fax Number:** (608) 664 - 4519  
**Telephone Number:** (608) 664 - 4554

**Email Address:**

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

**Name:** CAROL L . HYLAND  
**Title:** SENIOR ACCOUNTANT  
**Firm:** TDS TELECOM

**Office Address:** 301 SOUTH WESTFIELD ROAD  
P.O. BOX 5158  
MADISON , WI 53705-0158

**Fax Number:** (608) 664 - 4519  
**Telephone Number:** (608) 664 - 4559  
**Email Address:** carol.hyland@tdstelecom.com

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**Person responsible for financial information contained in report**

**Name:** GERALD A . RINGLUND  
**Title:** ASSISTANT TREASURER

**Office Address:** 301 SOUTH WESTFIELD ROAD  
P.O. BOX 5158  
MADISON , WI 53705-0158

**Fax Number:** (608) 664 - 4519  
**Telephone Number:** (608) 664 - 4554

**Email Address:**

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**Person responsible for statistical information contained in report**

**Name:** VARIOUS CONTACTS X A  
**Title:** X

**Office Address:** 301 SOUTH WESTFIELD ROAD  
MADISON , WI 53717-1707

**Fax Number:** (608) 999 - 9999  
**Telephone Number:** (608) 999 - 9999

**Email Address:**

## IDENTIFICATION AND OWNERSHIP

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**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).**

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**Name:** TDS TELECOMMUNICATIONS CORPORATION  
**Address:** 301 SOUTH WESTFIELD ROAD  
MADISON                   , WI 53717-1707

**Number of Shares Held:** 4,813  
**Beneficial Owner:** NONE

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

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**Company Name:**  
**Form of Interest:**  
**Extent Of Interest:**

**INCOME STATEMENT - TOTAL COMPANY**

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	7,766,196	7,099,181	1
<b>Operating Expenses</b>			
Plant Specific Operations Expense (6110-6410)	750,558	790,327	2
Plant Nonspecific Operations Expense	2,171,956	1,888,716	3
Customer Operations Expense (6610-6620)	1,125,287	1,028,569	4
Corporate Operations Expense (6710-6790)	1,023,215	833,911	5
Other Operating Income and Expense (7100)	2,184	1,980	6
Operating Taxes (7200)	1,255,342	1,164,743	7
<b>Total Operating Expenses</b>	<b>6,324,174</b>	<b>5,704,286</b>	<b>8</b>
<b>Net Operating Income</b>	<b>1,442,022</b>	<b>1,394,895</b>	<b>9</b>
<b>Other Income</b>			
Nonoperating Income and Expense (7300)	21,855	84,042	10
Nonoperating Taxes (7400)	6,726	30,568	11
Interest and Related Items (7500)	262,438	244,332	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	57,148	115,040	14
<b>Total Nonoperating Income</b>	<b>(190,161)</b>	<b>(75,818)</b>	<b>15</b>
<b>Net Income</b>	<b>1,251,861</b>	<b>1,319,077</b>	<b>16</b>

## 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.)

### TELEPHONE PLANT

Telephone plant is stated as the original cost of construction including capitalized costs such as taxes, pensions, and other fringe benefits, and an allowance for funds used during construction (AFUDC).

### DEPRECIATION

The company provides depreciation for financial reporting purposes using the straight-line method. Renewals and betterments of units of property are charged to telephone plant in service. The original cost of depreciable property retired, together with removal cost less any salvage realized, is charged to accumulated depreciation. Repairs and renewals of minor items of property are charged to maintenance expense. No gain or loss is recognized in connection with ordinary retirements of depreciable property.

### REVENUES

Operating and nonoperating revenues are recognized when earned regardless of the period in which they are billed.

Compensation for all intrastate service is received through tariffed access charges billed to the long distance carrier and retained by the company.

Compensation for interstate access services is received through tariffed access charges filed by the National Exchange Carrier Association (NECA) with the Federal Communications Commission (FCC) on behalf of the member companies. These access charges are billed by the company to the interstate long distance carrier, and pooled with like revenues from all NECA member companies.

### PENSION

The company is a member of the Telephone and Data Systems, Inc. Employees' Pension Trust I. This qualified, noncontributory defined contribution pension plan covers substantially all company employees. Under this plan, pension benefits and costs are funded currently.

### INCOME TAXES

The company is included in the TDS consolidated federal income tax return. For financial reporting purposes, the company computes its federal income tax by applying the statutory rate to all its taxable income.

The company uses the full-normalization method for all timing differences with the resulting book-tax differences being provisioned through the deferred tax accounts. Deferred income taxes resulting from accelerated depreciation used for income tax purposes had previously been provided through the depreciation accounts. Such deferred taxes are credited to income as the related timing differences reverse. Investment tax credits resulting from investments in qualifying telephone plant and equipment

## 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:

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have been deferred and are being amortized to income over the service lives of the related property.

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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.

None

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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.

The company is restricted from transferring funds to the parent or other affiliates in the form of cash dividends until certain financial requirements of its mortgage indentures have been met. At December 31, 1997, the company has invested no funds with Telecommunications Technologies Fund, Inc., and could distribute up to \$5,499,798 to the parent or other affiliates in the form of cash dividends.

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
<b>CURRENT ASSETS</b>			
<b>CASH AND EQUIVALENTS</b>			
Cash and Equivalents (1120 )*			1
Cash (1130 )	415,453	396,755	2
Special Cash Deposits (1140 )	0	0	3
Working Cash Advances (1150 )	600	600	4
Temporary Investments (1160 )	0	0	5
<b>TOTAL CASH AND EQUIVALENTS</b>	<b>416,053</b>	<b>397,355</b>	
<b>RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS</b>			
Telecommunications Accounts Receivable (1180 )*	824,563	737,861	6
Accounts Receivable Allowance-Telecom (1181 )*	0	0	7
<b>Net: Telecommunications Accounts Receivable</b>	<b>824,563</b>	<b>737,861</b>	
Other Accounts Receivable (1190 )*	971,005	890,646	8
Accounts Receivable Allowance--Other (1191 )*	0	0	9
<b>Net: Other Accounts Receivable</b>	<b>971,005</b>	<b>890,646</b>	
Notes Receivable (1200 )*	0	0	10
Notes Receivable Allowance (1201 )*	0	0	11
<b>Net: Notes Receivable</b>	<b>0</b>	<b>0</b>	
Interest and Dividends Receivable (1210 )*	1,309	2,389	12
<b>TOTAL RECEIVABLES AND ALLOWANCES FOR DOUBTFUL</b>	<b>1,796,877</b>	<b>1,630,896</b>	
<b>SUPPLIES</b>			
Inventories (1220 )*	51,973	52,901	13
<b>TOTAL SUPPLIES</b>	<b>51,973</b>	<b>52,901</b>	
<b>PREPAYMENTS</b>			
Total Prepayments (1280 )*			14
Prepaid Rents (1290 )	0	0	15
Prepaid Taxes (1300 )	7,520	0	16
Prepaid Insurance (1310 )	0	0	17
Prepaid Directory Expenses (1320 )	8,736	0	18
Other Prepayments (1330 )	25,308	15,981	19
<b>TOTAL PREPAYMENTS</b>	<b>41,564</b>	<b>15,981</b>	
<b>OTHER CURRENT ASSETS</b>			
Other Current Assets (1350 )*	1,372	1,507	20
<b>TOTAL OTHER CURRENT ASSETS</b>	<b>1,372</b>	<b>1,507</b>	
<b>TOTAL CURRENT ASSETS</b>	<b>2,307,839</b>	<b>2,098,640</b>	
<b>NONCURRENT ASSETS</b>			
<b>INVESTMENTS</b>			
Investment in Affiliated Companies (1401 )*	0	0	21
Investments in Nonaffiliated Companies (1402 )*	208,500	218,500	22
Nonregulated Investments (1406 )*	34,638	54,988	23
Unamortized Debt Issuance Expense (1407 )*	1,066	1,164	24
Sinking Funds (1408 )*	0	0	25

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
<b>NONCURRENT ASSETS</b>			
<b>INVESTMENTS</b>			
Other Noncurrent Assets (1410 )*	0	0	26
<b>TOTAL INVESTMENTS</b>	<b>244,204</b>	<b>274,652</b>	
<b>DEFERRED CHARGES</b>			
Deferred Tax Regulatory Asset (1437 )*	621	725	27
Deferred Maintenance and Retirements (1438 )*	0	0	28
Deferred Charges (1439 )*	3,697	0	29
<b>TOTAL DEFERRED CHARGES</b>	<b>4,318</b>	<b>725</b>	
<b>TOTAL NONCURRENT ASSETS</b>	<b>248,522</b>	<b>275,377</b>	
<b>PLANT</b>			
<b>TELECOMMUNICATIONS PLANT IN SERVICE</b>			
Telecommunications Plant in Service (2001 )*	27,198,758	25,126,664	30
Less: Accumulated Depreciation (3100 )*	13,777,310	12,215,362	31
Less: Accumulated Amortization--Capitalized Leases (3410 )*	0	0	32
Less: Accumulated Amortization--Leasehold Improvements (3420 )*	0	0	33
Less: Accumulated Amortization--Intangible (3500 )*	0	0	34
<b>NET TELECOMMUNICATIONS PLANT IN SERVICE</b>	<b>13,421,448</b>	<b>12,911,302</b>	
<b>PROPERTY HELD FOR FUTURE USE</b>			
Prop. Held for Future Telecommun. Use (2002 )*	0	0	35
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200 )*	0	0	36
<b>NET PROPERTY HELD FOR FUTURE USE</b>	<b>0</b>	<b>0</b>	
<b>NONOPERATING PLANT</b>			
Nonoperating Plant (2006 )*	0	0	37
Less: Accumulated Depreciation--Nonoperating (3300 )*	0	0	38
<b>NET NONOPERATING PLANT</b>	<b>0</b>	<b>0</b>	
<b>TPUC</b>			
TPUC (2003 )*	918,144	141,842	39
<b>TOTAL TPUC</b>	<b>918,144</b>	<b>141,842</b>	
<b>TELECOMMUNICATIONS PLANT ADJUSTMENT</b>			
Telecommunications Plant Adjustment (2005 )*	0	0	40
Less: Accumulated Amortization--Other (3600 )*	0	0	41
<b>NET TELECOMMUNICATIONS PLANT ADJUSTMENT</b>	<b>0</b>	<b>0</b>	
<b>TOTAL PLANT</b>	<b>14,339,592</b>	<b>13,053,144</b>	
<b>TOTAL ASSETS AND OTHER DEBITS*</b>	<b>16,895,953</b>	<b>15,427,161</b>	

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
<b>CURRENT LIABILITIES</b>			
Accounts Payable (4010 )*	1,257,540	645,402	1
Notes Payable (4020 )*	600,000	750,000	2
Advance Billing and Payments (4030 )*	211,086	189,495	3
Customer Deposits (4040 )*	1,600	2,550	4
Current Maturities--Long-Term Debt (4050 )*	166,100	157,800	5
Current Maturities--Capital Leases (4060 )*	0	0	6
Income Taxes--Accrued (4070 )*	94,940	6,878	7
Other Taxes--Accrued (4080 )*	59,437	35,777	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 )*	70,810	52,481	11
Other Current Liabilities (4130 )*	371,395	263,791	12
<b>TOTAL CURRENT LIABILITIES*</b>	<b>2,832,908</b>	<b>2,104,174</b>	
<b>LONG-TERM DEBT</b>			
Funded Debt (4210 )*	2,635,679	2,802,469	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
<b>TOTAL LONG-TERM DEBT*</b>	<b>2,635,679</b>	<b>2,802,469</b>	
<b>OTHER LIABILITIES AND DEFERRED CREDITS</b>			
Other Long-Term Liabilities (4310 )*	402,212	405,408	20
Unamortized Operating ITC--Net (4320 )*	0	17,341	21
Unamortized Nonoperating ITC--Net (4330 )*	0	0	22
Net Noncurrent Deferred Operating Income Taxes (4340 )*	964,584	963,950	23
Net Deferred Tax Liability Adjustments (4341 )*	(40,587)	(56,712)	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350 )*	0	0	25
Other Deferred Credits (4360 )*	0	0	26
Deferred Tax Regulatory Liability (4361 )*	41,208	57,437	27
<b>TOTAL OTHER LIABILITIES AND DEFERRED CREDITS*</b>	<b>1,367,417</b>	<b>1,387,424</b>	
<b>STOCKHOLDERS' EQUITY</b>			
Capital Stock (4510 )*	481,300	481,300	28
Additional Paid-in Capital (4520 )*	9,360	9,360	29
Treasury Stock (4530 )*	0	0	30
Other Capital (4540 )*	0	0	31
Retained Earnings (4550 )*	9,569,291	8,642,430	32
<b>TOTAL STOCKHOLDERS' EQUITY*</b>	<b>10,059,951</b>	<b>9,133,090</b>	
<b>TOTAL LIABILITIES AND OTHER CREDITS*</b>	<b>16,895,955</b>	<b>15,427,157</b>	

**STATEMENT OF CASH FLOWS**

Item (a)	Amount (b)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Income	1,251,861	1
<b>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:</b>		
Depreciation and amortization	1,710,977	2
Interest during construction	(6,018)	3
<b>Changes in assets and liabilities:</b>		
Current assets (net)	(190,501)	4
Other noncurrent assets	(3,690)	5
Other current liabilities	870,434	6
Other liabilities and deferred credits	(20,007)	7
<b>Other (specify):</b>		
<b>TOTAL ADJUSTMENTS</b>	<b>2,361,195</b>	
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES (NET INCOME &amp; ADJUST.)</b>	<b>3,613,056</b>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Capital Expenditures:</b>		
Changes in plant (net)	(2,991,407)	8
Investments in affiliated companies	0	9
Nonoperating Investments	30,350	10
<b>Other (specify):</b>		
<b>NET CASH USING IN INVESTING ACTIVITIES</b>	<b>(2,961,057)</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Change in capital lease obligations (net)	0	11
Change in long-term debt (net)	(158,295)	12
Net changes in stockholder equity other than retained earnings	0	13
Change in short term borrowing (net)	(150,000)	14
Dividends paid	(325,000)	15
Miscellaneous debits/credits to retained earnings	0	16
<b>Other (specify):</b>		
<b>Net Cash Provided by Financing Activities</b>	<b>(633,295)</b>	
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>18,704</b>	
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

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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

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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

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

None

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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

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

None

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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

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

None

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

In 1997 payphones were deregulated. Since that time, depreciation on this investment has been recorded as a nonregulated expense. However, temporarily for internal tracking purposes, the net investment has not been reclassified to nonregulated activities as of 12/31/1997.

**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.

<b>Name of Affiliate (a)</b>	<b>Abbreviations (b)</b>	
Badger Telecom, Inc.	BADGER	<b>1</b>
Black Earth Telephone Company	BLACK	<b>2</b>
Chatham Telephone Company	CHATHAM	<b>3</b>
EastCoast Telecom, Inc.	EASTCOAST	<b>4</b>
Grantland Telecom, Inc.	GRANTLAND	<b>5</b>
Midway Telephone Company	MIDWAY	<b>6</b>
Mt. Vernon	MT VERNON	<b>7</b>
Oklahoma Communications Systems, Inc.	OCSI	<b>8</b>
Other	OTH	<b>9</b>
Riverside Telecom, Inc.	RIVERSIDE	<b>10</b>
Scandinavia Telephone Company	SCAND	<b>11</b>
Stockbridge & Sherwood Telephone Company	STOCK	<b>12</b>
Suttle Press, Inc.	SUTTLE	<b>13</b>
TDS Telecommunications Corporation	TDS	<b>14</b>
Telephone and Data Systems, Inc	TDS CORP	<b>15</b>
TDS NET	TDS NET	<b>16</b>
TDS Telecom, Inc.	TDS TEL	<b>17</b>
TDS Computing Services, Inc.	TDS/CS	<b>18</b>
Tenney Telephone Company	TENNEY	<b>19</b>
Telecommunications Technologies Fund	TTF	<b>20</b>

### 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	0005-TI-000124	0005-TI-000124	0005-TI-000124	0005-TI-000124	
Name of Affiliate	OTH	OTH	TDS CORP	TDS/CS	1
Designate whether billed to or from:	FROM	TO	FROM	FROM	2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C	C	C	C	3
Revenues	0	0	0	0	4
<b>Expenses:</b>					
Plant Specific Operations Expense	233	294	0	0	5
Plant Nonspecific Operations Expense	0	1,860	3,144	4,956	6
Customer Operations Expense	0	399	27,594	303,056	7
Corporate Operations Expense	0	49	134,014	68,899	8
<b>Total Operating Expenses</b>	<b>233</b>	<b>2,602</b>	<b>164,752</b>	<b>376,911</b>	<b>9</b>
<b>Other:</b>					
Plant Accounts	1,686	0	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	0	758	0	0	14
<b>Total</b>	<b>1,919</b>	<b>3,360</b>	<b>164,752</b>	<b>376,911</b>	<b>15</b>
Percent of affiliate's business billed to all affiliated regulated utilities					16
If cost based, rate of return on equity or markup incorporated in billings	0.00		0.00	15.00	17
Footnotes			<b>S</b>		

**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	0005-TI-000124					
Name of Affiliate	TDS-TEL					1
Designate whether billed to or from:	FROM					2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C					3
Revenues	0					4
<b>Expenses:</b>						
Plant Specific Operations Expense	8,587					5
Plant Nonspecific Operations Expense	248,930					6
Customer Operations Expense	415,153					7
Corporate Operations Expense	700,145					8
<b>Total Operating Expenses</b>	<b>1,372,815</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>9</b>
<b>Other:</b>						
Plant Accounts	232,271					10
Accumulated Depreciation	0					11
Accumulated Amortization	0					12
Clearing	0					13
All Other	16,966					14
<b>Total</b>	<b>1,622,052</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>15</b>
Percent of affiliate's business billed to all affiliated regulated utilities						16
If cost based, rate of return on equity or markup incorporated in billings	0.00					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)	
Badger Telecom, Inc.	1190	71	<b>1</b>
Scandinavia Telephone Company	1190	5,250	<b>2</b>
TDS NET	1190	2,323	<b>3</b>
TDS Telecom, Inc.	1190	240,493	<b>4</b>
Badger Telecom, Inc.	4010	2,592	<b>5</b>
Mt. Vernon	4010	612	<b>6</b>
Scandinavia Telephone Company	4010	5,250	<b>7</b>
Telephone and Data Systems, Inc	4010	96,866	<b>8 P</b>
TDS Telecom, Inc.	4010	193,647	<b>9</b>
Telecommunications Technologies Fund	4010	4,650	<b>10</b>

## ACCOUNTS RECEIVABLE NET WRITE OFFS - TELECOMMUNICATIONS

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

<b>Particulars (a)</b>	<b>Amount (b)</b>	
Collection of amounts previously written off	0	1
Uncollectibles written off during the year	0	2
<b>Net write offs during the year</b>	<b>0</b>	

**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.

<b>Name of Maker and purpose (a)</b>	<b>Issue Date (b)</b>	<b>Maturity (c)</b>	<b>Interest Rate (d)</b>	<b>Amount EOY (e)</b>	<b>Allowance Acct. 1201 (f)</b>
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**INVESTMENTS IN NONAFFILIATED COMPANIES (ACCT. 1402)**

<b>Name (a)</b>	<b>Balance EOY (b)</b>	
RTB Class B Stock	206,500	1
<b>Other:</b>		
RTB Class C Stock	2,000	2
<b>Total Investments in Nonaffiliated Companies</b>	<b>208,500</b>	

**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)	
<b>Total Net Investment and Inventory ( Accts. 1406.10, 1406.11, and 1406.12 ):</b>		
Direct Broadcast Satellite	24,761	1
Leased phones and business systems	9,877	2 a

**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
<b>Total</b>	<b>0</b>	

**TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B**

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
<b>GENERAL SUPPORT ASSETS</b>				
Land	2111	22,499	0	1
Motor Vehicles	2112	292,983	42,824	2
Aircraft	2113	0	0	3
Special Purpose Vehicles	2114	0	0	4
Garage Work Equipment	2115	0	0	5
Other Work Equipment	2116	400,492	4,799	6
Buildings	2121	384,568	0	7
Furniture	2122	17,833	0	8
Office Equipment	2123	46,610	0	9 c
General Purpose Computers	2124	887,639	251,311	10
<b>TOTAL--GENERAL SUPPORT ASSETS:</b>		<b>2,052,624</b>	<b>298,934</b>	
<b>CENTRAL OFFICE ASSETS</b>				
Analog Electronic Switching	2211	0	0	11
Digital Electronic Switching	2212	3,917,052	145,083	12 c
Electro-Mechanical Switching	2215	0	0	13 c
Operator Systems	2220	0	0	14
Radio Systems	2231	0	0	15 c
Circuit Equipment	2232	4,173,473	413,692	16 c
<b>TOTAL--CENTRAL OFFICE ASSETS:</b>		<b>8,090,525</b>	<b>558,775</b>	
<b>INFORMATION ORIGATION/TERMINATION ASSETS</b>				
Station Apparatus	2311	0	0	17
Customer Premises Wiring	2321	0	0	18
Large Private Branch Exchanges	2341	0	0	19
Public Telephone Terminal Equipment	2351	84,080	1,544	20
Other Terminal Equipment	2362	0	0	21
<b>TOTAL--INFORMATION ORIG/TERM ASSETS:</b>		<b>84,080</b>	<b>1,544</b>	
<b>CABLE WIRE FACILITIES ASSETS</b>				
Poles	2411	47,000	0	22
Aerial Cable	2421	427,274	(2,336)	23 c
Underground Cable	2422	35,855	193,262	24 c
Buried Cable	2423	14,248,411	1,194,936	25 c
Submarine Cable	2424	0	0	26 c
Deep Sea Cable	2425	0	0	27
Intrabuilding Network Cable	2426	0	0	28 c
Aerial Wire	2431	102,512	(1,763)	29
Conduit Systems	2441	38,383	226	30
<b>TOTAL--CABLE WIRE FACILITIES ASSETS:</b>		<b>14,899,435</b>	<b>1,384,325</b>	
<b>AMORTIZABLE ASSETS</b>				
Capital Leases	2681	0	0	31

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

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2111	0		22,499	1
2112	11,050		324,757	2
2113	0		0	3
2114	0		0	4
2115	0		0	5
2116	0		405,291	6
2121	0		384,568	7
2122	0		17,833	8
2123	0	0	46,610	9 c
2124	65,206		1,073,744	10
	<b>76,256</b>	<b>0</b>	<b>2,275,302</b>	
2211	0		0	11
2212	0	0	4,062,135	12 c
2215	0	0	0	13 c
2220	0		0	14
2231	0	0	0	15 c
2232	0	0	4,587,165	16 c
	<b>0</b>	<b>0</b>	<b>8,649,300</b>	
2311	0		0	17
2321	0		0	18
2341	0		0	19
2351	0		85,624	20
2362	0		0	21
	<b>0</b>	<b>0</b>	<b>85,624</b>	
2411	0		47,000	22
2421	2,464	0	422,474	23 c
2422	0	0	229,117	24 c
2423	92,689	0	15,350,658	25 c
2424	0	0	0	26 c
2425	0		0	27
2426	0	0	0	28 c
2431	75		100,674	29
2441	0		38,609	30
	<b>95,228</b>	<b>0</b>	<b>16,188,532</b>	
2681	0		0	31

**TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B**

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
<b>AMORTIZABLE ASSETS</b>				
Leasehold Improvements	2682	0	0	<b>32</b>
Intangibles	2690	0	0	<b>33</b>
<b>TOTAL--AMORTIZABLE ASSETS:</b>		<b>0</b>	<b>0</b>	
<b>TOTAL TELECOM. PLANT IN SERVICE</b>	<b>2001</b>	<b>25,126,664</b>	<b>2,243,578</b>	
Less: Allocation to Nonregulated Activity - EOY	2001			<b>34</b>
<b>NET REG. TOTAL TELE. PLANT IN SERV. - EOY</b>	<b>2001</b>			

Explain all amounts shown in column (g).

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

<b>Account (e)</b>	<b>Retirements (f)</b>	<b>Transfers / Adjustments (g)</b>	<b>Balance EOY (h)</b>	
2682	0		0	<b>32</b>
2690	0		0	<b>33</b>
	<b>0</b>	<b>0</b>	<b>0</b>	
	<b>171,484</b>	<b>0</b>	<b>27,198,758</b>	
2001			0	<b>34</b>
			<b>27,198,758</b>	

**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.

<b>Plant Subaccount (a)</b>	<b>Subaccount (b)</b>	<b>Balance FOY (c)</b>	<b>Additions (d)</b>	
Office Support Equipment	2123.1	16,797	0	<b>1</b>
Company Communications Equipment	2123.2	29,813	0	<b>2</b>
Software	2212.1	166,239	0	<b>3</b>
Digital Switching - Central Office	2212.2	2,906,950	141,221	<b>4</b>
Digital Switching - Remote	2212.3	843,863	3,862	<b>5</b>
Step by Step Switching	2215.1	0	0	<b>6</b>
Crossbar Switching	2215.2	0	0	<b>7</b>
Satellite and Earth Station Facilities	2231.1	0	0	<b>8</b>
Other Radio Facilities	2231.2	0	0	<b>9</b>
Digital Circuit Equipment	2232.1	2,914,664	173,868	<b>10</b>
Analog Circuit Equipment	2232.2	0	0	<b>11</b>
Light Wave Circuit Equipment	2232.3	1,258,809	239,824	<b>12</b>
Aerial Cable - Nonmetallic	2421.1	32,287	0	<b>13</b>
Aerial Cable - Metallic	2421.2	394,987	(2,336)	<b>14</b>
Underground Cable - Nonmetallic	2422.1	23,601	193,262	<b>15</b>
Underground Cable - Metallic	2422.2	12,254	0	<b>16</b>
Buried Cable - Nonmetallic	2423.1	2,288,310	127,740	<b>17</b>
Buried Cable - Metallic	2423.2	11,960,101	1,067,196	<b>18</b>
Submarine Cable - Nonmetallic	2424.1	0	0	<b>19</b>
Submarine Cable - Metallic	2424.2	0	0	<b>20</b>
Intrabuilding Cable - Nonmetallic	2426.1	0	0	<b>21</b>
Intrabuilding Cable - Metallic	2426.2	0	0	<b>22</b>

Explain all amounts shown in column (g).

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

<b>Subaccount (e)</b>	<b>Retirements (f)</b>	<b>Transfers / Adjustments (g)</b>	<b>Balance EOY (h)</b>	
2123.1	0		16,797	1
2123.2	0		29,813	2
2212.1	0		166,239	3
2212.2	0		3,048,171	4
2212.3	0		847,725	5
2215.1	0		0	6
2215.2	0		0	7
2231.1	0		0	8
2231.2	0		0	9
2232.1	0		3,088,532	10
2232.2	0		0	11
2232.3	0		1,498,633	12
2421.1	0		32,287	13
2421.2	2,464		390,187	14
2422.1	0		216,863	15
2422.2	0		12,254	16
2423.1	0		2,416,050	17
2423.2	92,689		12,934,608	18
2424.1	0		0	19
2424.2	0		0	20
2426.1	0		0	21
2426.2	0		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)
<b>GENERAL SUPPORT ASSETS</b>					
Motor Vehicles	2112	166,849	15.0	45,467	1
Aircraft	2113	0	.0	0	0 2
Special Purpose Vehicles	2114	0	.0	0	0 3
Garage Work Equipment	2115	0	.0	0	0 4
Other Work Equipment	2116	282,090	10.0	40,044	0 5
Buildings	2121	201,830	3.4	13,080	0 6
Furniture	2122	8,975	10.0	1,788	0 7
Office Equipment	2123	39,603	19.61	5,124	0 8
General Purpose Computers	2124	449,106	20.0	177,685	0 9
<b>Total-- GENERAL SUPPORT ASSETS</b>		<b>1,148,453</b>		<b>283,188</b>	<b>0</b>
<b>CENTRAL OFFICE ASSETS</b>					
Analog Electronic Switching	2211	0	.0	0	0 10
Digital Electronic Switching	2212	2,863,428	9.33	252,647	0 11
Electro-Mechanical Switching	2215	0	.0	0	0 12
Operator Systems	2220	0	.0	0	0 13
Radio Systems	2231	0	.0	0	0 14
Circuit Equipment	2232	1,437,553	9.71	411,558	0 15
<b>Total-- CENTRAL OFFICE ASSETS</b>		<b>4,300,981</b>		<b>664,205</b>	<b>0</b>
<b>INFORMATION ORIG/TERM ASSETS</b>					
Station Apparatus	2311	0	.0	0	0 16
Customer Premises Wiring	2321	0	.0	0	0 17
Large Private Branch Exchanges	2341	0	.0	0	0 18
Public Telephone Terminal Equipment	2351	75,084	13.6	6,258	0 19
Other Terminal Equipment	2362	0	.0	0	0 20
<b>Total-- INFORMATION ORIG/TERM ASSETS</b>		<b>75,084</b>		<b>6,258</b>	<b>0</b>
<b>CABLE WIRE FACILITIES ASSETS</b>					
Poles	2411	67,479	10.0	3,021	0 21R
Aerial Cable	2421	405,840	5.99	25,102	0 22R
Underground Cable	2422	9,619	4.12	2,808	0 23
Buried Cable	2423	6,123,911	4.99	717,544	0 24B
Submarine Cable	2424	0	.0	0	0 25
Deep Sea Cable	2425	0	.0	0	0 26
Intrabuilding Network Cable	2426	0	.0	0	0 27
Aerial Wire	2431	81,993	19.0	19,301	0 28

**ACCUMULATED DEPRECIATION CLASS A & B (cont.)**

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112	11,050	0	1,906		203,172	1
2113	0	0	0		0	2
2114	0	0	0		0	3
2115	0	0	0		0	4
2116	0	0	0		322,134	5
2121	0	0	0		214,910	6
2122	0	0	0		10,763	7
2123	0	0	0		44,727	8
2124	65,206	0	0		561,585	9
	<b>76,256</b>	<b>0</b>	<b>1,906</b>	<b>0</b>	<b>1,357,291</b>	
2211	0	0	0		0	10
2212	0	0	16,000		3,132,075	11
2215	0	0	0		0	12
2220	0	0	0		0	13
2231	0	0	0		0	14
2232	0	0	0		1,849,111	15
	<b>0</b>	<b>0</b>	<b>16,000</b>	<b>0</b>	<b>4,981,186</b>	
2311	0	0	0		0	16
2321	0	0	0		0	17
2341	0	0	0		0	18
2351	0	0	0		81,342	19
2362	0	0	0		0	20
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>81,342</b>	
2411	0	0	0		70,500	21 R
2421	2,464	1,094	0		427,384	22 R
2422	0	0	0		12,427	23
2423	92,689	3,941	1,421	(1,055)	6,745,191	24 B
2424	0	0	0		0	25
2425	0	0	0		0	26
2426	0	0	0		0	27
2431	75	2,396	0		98,823	28

**ACCUMULATED DEPRECIATION CLASS A & B**

<b>Primary Plant Account (a)</b>	<b>Acct (b)</b>	<b>Balance FOY (c)</b>	<b>Depr Rate (d)</b>	<b>Annual Accrual (e)</b>	<b>Additional Accrual (f)</b>
<b>CABLE WIRE FACILITIES ASSETS</b>					
Conduit Systems	2441	2,002	3.03	1,164	0 29
<b>Total-- CABLE WIRE FACILITIES ASSETS</b>		<b>6,690,844</b>		<b>768,940</b>	<b>0</b>
<b>Total Accumulated Depreciation</b>	<b>3100</b>	<b>12,215,362</b>		<b>1,722,591</b>	<b>0</b>
Less: Allocation to Nonregulated Activity - Columns e, f and I	3100			0	0 30
<b>Net Regulated Total Accum Depreciation - 3100 Columns e, f and I</b>				<b>1,722,591</b>	<b>0</b>

**ACCUMULATED DEPRECIATION CLASS A & B (cont.)**

<b>Acct (g)</b>	<b>Retired (h)</b>	<b>Cost of Removal (i)</b>	<b>Salvage (j)</b>	<b>Other (k)</b>	<b>Balance EOY (l)</b>	
2441	0	0	0		3,166	<b>29</b>
	<b>95,228</b>	<b>7,431</b>	<b>1,421</b>	<b>(1,055)</b>	<b>7,357,491</b>	
<b>3100</b>	<b>171,484</b>	<b>7,431</b>	<b>19,327</b>	<b>(1,055)</b>	<b>13,777,310</b>	
3100					0	<b>30</b>
<b>3100</b>					<b>13,777,310</b>	

**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.

<b>Plant Subaccount (a)</b>	<b>Subacct (b)</b>	<b>Balance FOY (c)</b>	<b>Depr Rate (d)</b>	<b>Annual Accrual (e)</b>	<b>Additional Accrual (f)</b>	
Office Support Equipment	2123.1	16,797	19.0	(840)	0	<b>1</b>
Company Communications Equipment	2123.2	22,806	20.0	5,964	0	<b>2</b>
Software	2212.1	166,239	33.33	0	0	<b>3</b>
Digital Switching - Central Office	2212.2	1,852,089	7.95	237,007	0	<b>4</b>
Digital Switching - Remote	2212.3	845,100	7.85	15,640	0	<b>5 R</b>
Step by Step Switching	2215.1	0	.0	0	0	<b>6</b>
Crossbar Switching	2215.2	0	.0	0	0	<b>7</b>
Satellite and Earth Station Facilities	2231.1	0	.0	0	0	<b>8</b>
Other Radio Facilities	2231.2	0	.0	0	0	<b>9</b>
Digital Circuit Equipment	2232.1	1,142,131	9.76	290,165	0	<b>10</b>
Analog Circuit Equipment	2232.2	0	.0	0	0	<b>11</b>
Light Wave Circuit Equipment	2232.3	295,422	9.5	121,393	0	<b>12</b>
Aerial Cable - Nonmetallic	2421.1	3,096	4.8	1,548	0	<b>13</b>
Aerial Cable - Metallic	2421.2	402,744	6.0	23,554	0	<b>14 R</b>
Underground Cable - Nonmetallic	2422.1	9,333	4.1	2,268	0	<b>15</b>
Underground Cable - Metallic	2422.2	286	4.4	540	0	<b>16</b>
Buried Cable - Nonmetallic	2423.1	357,555	4.8	109,836	0	<b>17</b>
Buried Cable - Metallic	2423.2	5,766,356	5.0	607,708	0	<b>18 B</b>
Submarine Cable - Nonmetallic	2424.1	0	.0	0	0	<b>19</b>
Submarine Cable - Metallic	2424.2	0	.0	0	0	<b>20</b>
Intrabuilding Cable - Nonmetallic	2426.1	0	.0	0	0	<b>21</b>
Intrabuilding Cable - Metallic	2426.2	0	.0	0	0	<b>22</b>

**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	0	0	0		15,957	1
2123.2	0	0	0		28,770	2
2212.1	0	0	0		166,239	3
2212.2	0	0	16,000		2,105,096	4
2212.3	0	0	0		860,740	5 R
2215.1	0	0	0		0	6
2215.2	0	0	0		0	7
2231.1	0	0	0		0	8
2231.2	0	0	0		0	9
2232.1	0	0	0		1,432,296	10
2232.2	0	0	0		0	11
2232.3	0	0	0		416,815	12
2421.1	0	0	0		4,644	13
2421.2	2,464	1,094	0		422,740	14 R
2422.1	0	0	0		11,601	15
2422.2	0	0	0		826	16
2423.1	0	0	0		467,391	17
2423.2	92,689	3,941	1,421	(1,055)	6,277,800	18 B
2424.1	0	0	0		0	19
2424.2	0	0	0		0	20
2426.1	0	0	0		0	21
2426.2	0	0	0		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)	
<b>PROPERTY RELATED</b>		
Other Current Assets (1350 )	0	1
Other Noncurrent Assets (1410 )	0	2
Deferred Tax Regulatory Asset (1437 )	725	3
Net Current Deferred Operating Income Taxes (4100 )	0	4
Net Noncurrent Deferred Operating Income Taxes (4340 )	(963,950)	5
Net Deferred Tax Liability Adjustments (4341 )	56,712	6
Deferred Tax Regulatory Liability (4361 )	(57,437)	7
<b>Net Property Related Deferred Operating Income Taxes</b>	<b>(963,950)</b>	
Less: Allocation to Nonregulated Activity	0	8
<b>Net Regulated Total Property Related Deferred Operating Income Taxes</b>	<b>(963,950)</b>	
<b>NONPROPERTY RELATED</b>		
Other Current Assets (1350 )	1,507	9
Other Noncurrent Assets (1410 )	0	10
Deferred Tax Regulatory Asset (1437 )	0	11
Net Current Deferred Operating Income Taxes (4100 )	0	12
Net Noncurrent Deferred Operating Income Taxes (4340 )	0	13
Net Deferred Tax Liability Adjustments (4341 )	0	14
Deferred Tax Regulatory Liability (4361 )	0	15
<b>Total Nonproperty Related Deferred Operating Income Taxes</b>	<b>1,507</b>	

**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	0	0	0	1
7250	0	0	0	0	2
	(104)	0	0	621	3
7250	0	0	0	0	4
7250	(633)	0	(1)	(964,584)	5
	(16,125)	0	0	40,587	6
	16,229	0	0	(41,208)	7
	(633)	0	(1)	(964,584)	8
	0	0	0	0	
	(633)	0	(1)	(964,584)	
7250	0	0	(135)	1,372	9
7250	0	0	0	0	10
	0	0	0	0	11
7250	0	0	0	0	12
7250	0	0	0	0	13
	0	0	0	0	14
	0	0	0	0	15
	0	0	(135)	1,372	

**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)	
<b>Affiliated:</b>					
Telecommunications Technologies Fund	07/01/1997	12/31/1998	9.0000	600,000	1
<b>Total Affiliated</b>				<u>600,000</u>	
<b>Total Notes Payable</b>				<u><u>600,000</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)	
<b>Funded Debt (Account 4210):</b>				
REA/RTB	09/17/1963-01/16/1970	09/17/1998-01/16/2005	2.0000	1
REA/RTB	03/14/1972-05/14/1975	03/14/2007-05/14/2007	6.5000-7.5000	2
<b>Total Funded Debt</b>				

**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)				
2.0000	0	0	12,432	12,600	25,032	1
7.3149	0	0	2,623,247	153,500	2,776,747	2
	<b>0</b>	<b>0</b>	<b>2,635,679</b>	<b>166,100</b>	<b>2,801,779</b>	

### 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)	
<b>COMMON STOCK:</b>				
	5,000	100.00	.00	1
<b>TOTAL COMMON STOCK</b>	<b>5,000</b>			
<b>TOTAL</b>	<b>5,000</b>			

**CAPITAL STOCK ACCOUNTS AT END OF YEAR (cont.)**

	Acct. 4510 - Capital Stock		Acct. 4530 - Treasury Stock		
	Shares (e)	Amount (f)	Shares (g)	Amount (h)	
<b>COMMON STOCK:</b>					
	4,813	481,300	0	0	1
	<b>4,813</b>	<b>481,300</b>	<b>0</b>	<b>0</b>	
<b>TOTAL</b>	<b><u>4,813</u></b>	<b><u>481,300</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	

**RETAINED EARNINGS (ACCT. 4550)**

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	8,642,430	7,623,395	1
<b>Changes:</b>			
Balance Transferred from Income	1,251,861	1,319,077	2
<b>Dividends Declared:</b>			
Common	325,000	300,042	3
Preferred	0		4
<b>Total Dividends Declared</b>	<b>325,000</b>	<b>300,042</b>	
Miscellaneous Debits to Retained Earnings	0		5
Miscellaneous Credits to Retained Earnings	0		6
<b>Balance--End of Year</b>	<b><u>9,569,291</u></b>	<b><u>8,642,430</u></b>	

### 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)	466,721	166,294	617,387	1
Nonoperating Taxes (Accts. 7410 - 7450)		1,297	5,429	2
Extraordinary Items (Accts. 7630 & 7640)				3
Nonregulated Net Income (Acct. 7990)		4,579	18,514	4
Clearing Accounts				5
Construction				6
Payroll Taxes: FICA				7
Payroll Taxes: State Unemployment				8
Payroll Taxes: Federal Unemployment				9
<b>Other (specify):</b>				
<b>TOTAL</b>	<u><u>466,721</u></u>	<u><u>172,170</u></u>	<u><u>641,330</u></u>	

**DISTRIBUTION OF TAXES (cont.)**

<b>PSC Remainder Assessment (e)</b>	<b>Local Property Tax (f)</b>	<b>State &amp; Local Taxes Other than Wisconsin (g)</b>	<b>Other Taxes (h)</b>	<b>Payroll Taxes (i)</b>	<b>Total (j)</b>	
4,940					1,255,342	1
					6,726	2
					0	3
					23,093	4
					0	5
					0	6
					0	7
					0	8
					0	9
<b>4,940</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,285,161</b>	

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

Particulars (a)	This Year (b)	Last Year (c)	
<b>LOCAL NETWORK SERVICES REVENUES</b>			
Basic Local Service Revenue (5000 )*			1
Basic Area Revenue (5001 )	2,830,737	2,677,214	2
Optional Extended Area Revenue (5002 )	0	0	3
Cellular Mobile Revenue (5003 )	0	0	4
Other Mobile Services Revenue (5004 )	0	0	5
Public Telephone Revenue (5010 )	2,440	10,274	6 I
Local Private Line Revenue (5040 )	8,165	8,502	7
Customer Premises Revenue (5050 )	547	830	8
Other Local Exchange Revenue (5060 )	953,494	682,378	9 J
Other Local Exchange Revenue Settlements (5069 )	0	0	10
<b>TOTAL BASIC LOCAL SERVICE REVENUE (5000)</b>	<b>3,795,383</b>	<b>3,379,198</b>	
<b>NETWORK INTERSTATE ACCESS SERVICES REV.</b>			
End User Revenue (5081 )*	455,348	426,919	11
Switched Access Revenue (5082 )*	1,212,086	1,097,261	12
Special Access Revenue (5083 )*	221,773	253,310	13
<b>TOTAL INTERSTATE ACCESS REVENUES (5080)</b>	<b>1,889,207</b>	<b>1,777,490</b>	
<b>NETWORK INTRASTATE ACCESS SERVICES REV.</b>			
End User Revenue (5084.1)*	0	0	14
Switched Access Revenue (5084.2)*	1,339,128	1,256,141	15
Special Access Revenue (5084.3)*	196,612	161,618	16 K
<b>TOTAL INTRASTATE ACCESS REVENUES (5084)</b>	<b>1,535,740</b>	<b>1,417,759</b>	
<b>LONG DISTANCE NETWORK SERVICES MESSAGE REV.</b>			
Long Distance Message Revenue (5100 )*	0	0	17
Long Distance Inward-Only Revenue (5111 )	0	0	18
Long Distance Outward-Only Revenue (5112 )	0	0	19
<b>Unidirectional Long Distance Revenue (5110)</b>	<b>0</b>	<b>0</b>	
<b>Long Distance Private Network Revenues</b>			
Subvoice Grade Revenue (5121 )	0	0	20
Voice Grade Revenue (5122 )	0	0	21
Audio Program Grade Revenue (5123 )	0	0	22
Video Program Grade Revenue (5124 )	0	0	23
Digital Transmission Revenue (5125 )	0	0	24
Switching Revenue (5126 )	0	0	25
Other Revenue (5128 )	0	0	26
Other Revenue Settlements (5129 )	0	0	27
<b>Total Long Distance Private Network Revenue</b>	<b>0</b>	<b>0</b>	
Other Long Distance Revenue (5160 )	0	0	28
Other Long Distance Revenue Settlements (5169 )	0	0	29
<b>TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV.</b>	<b>0</b>	<b>0</b>	

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

Particulars (a)	This Year (b)	Last Year (c)	
<b>MISCELLANEOUS REVENUES</b>			
Directory Revenue (5230 )*	157,000	161,653	<b>30</b>
Rent Revenue (5240 )*	102,381	66,262	<b>31 L</b>
Corporate Operations Revenue (5250 )*	0	0	<b>32</b>
<b>Miscellaneous:</b>			
Miscellaneous Revenue (5260 )*			<b>33</b>
Special Billing Arrangements Revenue (5261 )	2,204	3,017	<b>34</b>
Customer Operations Revenue (5262 )	0	0	<b>35</b>
Plant Operations Revenue (5263 )	0	0	<b>36</b>
Other Incidental Regulated Revenue (5264 )	28,563	29,944	<b>37</b>
Other Revenue Settlements (5269 )	1,939	1,814	<b>38</b>
<b>Total Miscellaneous Revenue (5260)</b>	<b>32,706</b>	<b>34,775</b>	
Interstate Billing and Collection Revenue*	94,609	123,481	<b>39 M</b>
Intrastate Billing and Collection Revenue*	178,839	141,136	<b>40 N</b>
<b>Total Carrier Billing and Collection Revenue (5270)*</b>	<b>273,448</b>	<b>264,617</b>	
Nonregulated Operating Revenue (5280 )**			<b>41</b>
<b>TOTAL MISCELLANEOUS REVENUES</b>	<b>565,535</b>	<b>527,307</b>	
<b>GROSS OPERATING REVENUES</b>	<b>7,785,865</b>	<b>7,101,754</b>	
<b>UNCOLLECTIBLE REVENUES</b>			
Uncollectible Revenue (5300 )*			<b>42</b>
Uncollectible Revenue--Telecommunications (5301 )	19,646	5,548	<b>43 O</b>
Uncollectible Revenue--Other (5302 )	23	(2,975)	<b>44</b>
<b>TOTAL UNCOLLECTIBLE REVENUE (5300)</b>	<b>19,669</b>	<b>2,573</b>	
<b>TOTAL OPERATING REVENUES</b>	<b>7,766,196</b>	<b>7,099,181</b>	

\*\* 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)	
<b>PLANT SPECIFIC OPERATIONS EXPENSE</b>				
Total Network Support Expense ( 6110 )	22,904	17,023	4,780	1
Less: Nonregulated		0	0	2 D
<b>Net Regulated</b>	<b>22,904</b>	<b>17,023</b>	<b>4,780</b>	<b>3</b>
Total General Support Expense ( 6120 )	88,794	90,022	8,521	4
Less: Nonregulated		0	0	5
<b>Net Regulated</b>	<b>88,794</b>	<b>90,022</b>	<b>8,521</b>	<b>6</b>
Total Central Office Switching Expense ( 6210 )	235,215	237,579	49,823	7
Less: Nonregulated		0	0	8
<b>Net Regulated</b>	<b>235,215</b>	<b>237,579</b>	<b>49,823</b>	<b>9</b>
Total Operator Systems Expense ( 6220 )	0	0	0	10
Less: Nonregulated		0	0	11
<b>Net Regulated</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12</b>
Total Central Office Transmission Expenses ( 6230 )	60,962	56,516	25,374	13
Less: Nonregulated		0	0	14
<b>Net Regulated</b>	<b>60,962</b>	<b>56,516</b>	<b>25,374</b>	<b>15</b>
Total Information Orig. / Term. Expense ( 6310 )	17,565	5,023	1,534	16
Less: Nonregulated		0	0	17 E
<b>Net Regulated</b>	<b>17,565</b>	<b>5,023</b>	<b>1,534</b>	<b>18</b>
Total Cable and Wire Fac. Expense ( 6410 )	364,887	344,395	126,281	19
Less: Nonregulated		0	0	20
<b>Net Regulated</b>	<b>364,887</b>	<b>344,395</b>	<b>126,281</b>	<b>21</b>
<b>TOTAL PLANT SPECIFIC OPERATIONS EXPENSE</b>	<b>790,327</b>	<b>750,558</b>	<b>216,313</b>	
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Net Regulated</b>	<b>790,327</b>	<b>750,558</b>	<b>216,313</b>	
<b>PLANT NONSPECIFIC OPERATIONS EXPENSE</b>				
Total Other Property, Plant and Equip. Exp. ( 6510 )	15,639	22,469	12,829	22
Less: Nonregulated		0	0	23 F
<b>Net Regulated</b>	<b>15,639</b>	<b>22,469</b>	<b>12,829</b>	<b>24</b>
Total Network Operations Expense ( 6530 )	395,868	438,510	122,376	25
Less: Nonregulated		0	0	26
<b>Net Regulated</b>	<b>395,868</b>	<b>438,510</b>	<b>122,376</b>	<b>27</b>
Access Expense ( 6540 )	0	0	0	28
Less: Nonregulated		0	0	29
<b>Net Regulated</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>30</b>
Total Depreciation and Amortization Expense ( 6560 )	1,477,209	1,710,977		31
Less: Nonregulated		0		32
<b>Net Regulated</b>	<b>1,477,209</b>	<b>1,710,977</b>		<b>33</b>
<b>TOTAL PLANT NONSPECIFIC OPERATIONS EXP.</b>	<b>1,888,716</b>	<b>2,171,956</b>	<b>135,205</b>	
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Net Regulated</b>	<b>1,888,716</b>	<b>2,171,956</b>	<b>135,205</b>	

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

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6110	2,777	(5,428)	85,045	(70,151)	1
	0	0	0	0	2 D
	<b>2,777</b>	<b>(5,428)</b>	<b>85,045</b>	<b>(70,151)</b>	3
6120	5,792	805	74,904	0	4
	0	0	0	0	5
	<b>5,792</b>	<b>805</b>	<b>74,904</b>	<b>0</b>	6
6210	31,636	106,514	49,606	0	7
	0	0	0	0	8
	<b>31,636</b>	<b>106,514</b>	<b>49,606</b>	<b>0</b>	9
6220	0	0	0	0	10
	0	0	0	0	11
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	12
6230	16,243	0	14,899	0	13
	0	0	0	0	14
	<b>16,243</b>	<b>0</b>	<b>14,899</b>	<b>0</b>	15
6310	1,428	0	2,061	0	16
	0	0	0	0	17 E
	<b>1,428</b>	<b>0</b>	<b>2,061</b>	<b>0</b>	18
6410	81,662	15,214	121,238	0	19
	0	0	0	0	20
	<b>81,662</b>	<b>15,214</b>	<b>121,238</b>	<b>0</b>	21
	<b>139,538</b>	<b>117,105</b>	<b>347,753</b>	<b>(70,151)</b>	
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
	<b>139,538</b>	<b>117,105</b>	<b>347,753</b>	<b>(70,151)</b>	
6510	7,559	0	2,081	0	22
				0	23 F
	<b>7,559</b>		<b>2,081</b>	<b>0</b>	24
6530	59,629	0	315,321	(58,816)	25
	0	0	0	0	26
	<b>59,629</b>	<b>0</b>	<b>315,321</b>	<b>(58,816)</b>	27
6540	0	0	0	0	28
	0	0	0	0	29
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	30
6560			1,710,977		31
			0		32
			<b>1,710,977</b>		33
	<b>67,188</b>	<b>0</b>	<b>2,028,379</b>	<b>(58,816)</b>	
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
	<b>67,188</b>	<b>0</b>	<b>2,028,379</b>	<b>(58,816)</b>	

**EXPENSE MATRIX - CLASS A & B**

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)	
<b>CUSTOMER OPERATIONS EXPENSE</b>				
Total Marketing ( 6610 )	227,505	310,268	14,367	34
Less: Nonregulated		0	0	35 G
<b>Net Regulated</b>	<b>227,505</b>	<b>310,268</b>	<b>14,367</b>	<b>36</b>
Total Services ( 6620 )	801,064	815,019	114,596	37
Less: Nonregulated	0	0	0	38
<b>Net Regulated</b>	<b>801,064</b>	<b>815,019</b>	<b>114,596</b>	<b>39</b>
<b>TOTAL CUSTOMER OPERATIONS EXPENSE</b>	<b>1,028,569</b>	<b>1,125,287</b>	<b>128,963</b>	
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Net Regulated</b>	<b>1,028,569</b>	<b>1,125,287</b>	<b>128,963</b>	
<b>CORPORATE OPERATIONS EXPENSE</b>				
Total Exec. and Planning ( 6710 )	160,361	150,334	28,469	40
Less: Nonregulated	0	0	0	41
<b>Net Regulated</b>	<b>160,361</b>	<b>150,334</b>	<b>28,469</b>	<b>42</b>
Total General and Administrative ( 6720 )	673,550	872,881	13,243	43
Less: Nonregulated	0	0	0	44 H
<b>Net Regulated</b>	<b>673,550</b>	<b>872,881</b>	<b>13,243</b>	<b>45</b>
Provision for Uncollectible Notes Receiv. ( 6790 )		0		46
Less: Nonregulated	0	0		47
<b>Net Regulated</b>	<b>0</b>	<b>0</b>		<b>48</b>
<b>TOTAL CORPORATE OPERATIONS EXPENSE</b>	<b>833,911</b>	<b>1,023,215</b>	<b>41,712</b>	
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Net Regulated</b>	<b>833,911</b>	<b>1,023,215</b>	<b>41,712</b>	
<b>TOTAL EXPENSES</b>	<b>4,541,523</b>	<b>5,071,016</b>	<b>522,193</b>	
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Net Regulated</b>	<b>4,541,523</b>	<b>5,071,016</b>	<b>522,193</b>	

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

<b>Account (e)</b>	<b>Benefits (f)</b>	<b>Rents (g)</b>	<b>Other (h)</b>	<b>Clearances to (from) (i)</b>	
<b>6610</b>	4,110	450	291,341	0	<b>34</b>
	0	0	0	0	<b>35 G</b>
	<b>4,110</b>	<b>450</b>	<b>291,341</b>	<b>0</b>	<b>36</b>
<b>6620</b>	53,952		646,471	0	<b>37</b>
			0	0	<b>38</b>
	<b>53,952</b>		<b>646,471</b>	<b>0</b>	<b>39</b>
	<b>58,062</b>	<b>450</b>	<b>937,812</b>	<b>0</b>	
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
	<b>58,062</b>	<b>450</b>	<b>937,812</b>	<b>0</b>	
<b>6710</b>	9,791		112,074	0	<b>40</b>
	0		0	0	<b>41</b>
	<b>9,791</b>		<b>112,074</b>	<b>0</b>	<b>42</b>
<b>6720</b>	7,200		852,438	0	<b>43</b>
	0		0	0	<b>44 H</b>
	<b>7,200</b>		<b>852,438</b>	<b>0</b>	<b>45</b>
<b>6790</b>			0		<b>46</b>
			0		<b>47</b>
			0		<b>48</b>
	<b>16,991</b>	<b>0</b>	<b>964,512</b>	<b>0</b>	
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
	<b>16,991</b>	<b>0</b>	<b>964,512</b>	<b>0</b>	
	<b>281,779</b>	<b>117,555</b>	<b>4,278,456</b>	<b>(128,967)</b>	
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
	<b>281,779</b>	<b>117,555</b>	<b>4,278,456</b>	<b>(128,967)</b>	

**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	0	1
Provisioning Expense ( 6512 )	15,639	22,469	12,829	2
<b>Total: Reported in Account 6510</b>	<b>15,639</b>	<b>22,469</b>	<b>12,829</b>	
Depreciat. Exp.--Tele. Plant in Service ( 6561 )	1,477,209	1,710,977		3
Depreciat. Exp.--Prop. Held for Future Tele. Use ( 6562 )	0	0		4
Amortization Expense--Tangible ( 6563 )	0	0		5
Amortization Expense--Intangible ( 6564 )	0	0		6
Amortization Expense--Other ( 6565 )	0	0		7
<b>Total: Reported in Account 6560</b>	<b>1,477,209</b>	<b>1,710,977</b>		

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

<b>Account (e)</b>	<b>Benefits (f)</b>	<b>Rents (g)</b>	<b>Other (h)</b>	<b>Clearances to (from) (i)</b>	
6511	0		0	0	1
6512	7,559		2,081	0	2
	<b>7,559</b>		<b>2,081</b>	<b>0</b>	
6561			1,710,977		3
6562			0		4
6563			0		5
6564			0		6
6565			0		7
			<b>1,710,977</b>		

**CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES**

Currently, cooperatives are not billed for remainder assessment, but are subject to Department of Justice and telephone relay assessments.

Description (a)	This Year (b)	
Gross Operating Revenues	7,785,865	1
Plus: Collection of amounts previously written off	0	2
Less: Uncollectibles written off during the year	0	3
Plus: Total Other Operating Income and (Expense) (7100)	2,184	4
Less: Nonregulated Operating Revenue (included Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Uncollectible Revenue (included in Gross Oper. Rev. on Line 1)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify):		8
<b>Assessable Revenues for Remainder, Department of Justice, and Telephone Relay Assessment Purposes</b>		
	<u>7,788,049</u>	

**CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES**

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	3,795,383	1
Plus: Total Intrastate Access Revenues (5084)	1,535,740	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)	0	4
Plus (or Less) Other (please specify):		
NONE	0	5
<b>Assessable Revenues for Universal Service Fund Assessment Purposes</b>		
	<u>5,331,123</u>	

### CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

**Currently, cooperatives are not billed for remainder assessment, but are subject to the telephone relay assessment.**

Description (a)	This Year (b)	
Gross Operating Revenues	7,785,865	1
Plus: Collection of amounts previously written off	0	2
Less: Uncollectibles written off during the year	0	3
Plus: Total Other Operating Income and (Expense) (7100)	2,184	4
Less: Nonregulated Operating Revenue (included Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Uncollectible Revenue (included in Gross Oper. Rev. on Line 1)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify):		8
<hr/>		
<b>Assessable Revenues for Remainder and Telephone Relay Assessment Purposes</b>	<u><u>7,788,049</u></u>	

### CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	3,795,383	1
Plus: Total Intrastate Access Revenues (5084)	1,535,740	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)	0	4
Plus (or Less) Other (please specify):		
NONE	0	5
<hr/>		
<b>Assessable Revenues for Universal Service Fund Assessment Purposes</b>	<u><u>5,331,123</u></u>	

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

Particulars (a)	This Year (b)	Last Year (c)	
<b>OTHER OPERATING INCOME AND EXPENSE</b>			
Income from Custom Work (7110 )*	0	0	1
Return from Nonregulated Use of Regulated Facilities (7130 )*	2,184	1,980	2
Gains and (Losses) from Foreign Exchange (7140 )	0	0	3
Gains or (Losses) from the Disposition of Land and Artworks (7150 )	0	0	4
Other Operating Gains and (Losses) (7160 )*	0	0	5
<b>TOTAL OTHER OPERATING INCOME AND (EXPENSE) (7100)*</b>	<b>2,184</b>	<b>1,980</b>	
<b>OPERATING TAXES</b>			
Operating Investment Tax Credits--Net (7210 )*	(17,341)	(36,656)	6
Operating Federal Income Taxes (7220 )*	638,473	531,371	7
Operating State and Local Income Taxes (7230 )*	161,915	146,883	8
Operating Other Taxes (7240 )*	471,661	419,719	9
Provision for Deferred Operating Income Taxes--Net (7250 )*	634	103,426	10
<b>TOTAL OPERATING TAXES (7200)*</b>	<b>1,255,342</b>	<b>1,164,743</b>	
<b>NONOPERATING INCOME AND EXPENSE</b>			
Dividend Income (7310 )*	145	150	11
Interest Income (7320 )*	33,540	45,895	12
Income from Sinking and Other Funds (7330 )*	0	0	13
Allowance for Funds Used During Construction (7340 )*	6,018	43,900	14
Gains or (Losses) from the Disposition of Certain Property (7350 )*	0	0	15
Other Nonoperating Income (7360 )*	(10,000)	0	16
Special Charges (7370 )*	7,848	5,903	17
<b>TOTAL NONOPERATING INCOME AND EXPENSE (7300)*</b>	<b>21,855</b>	<b>84,042</b>	
<b>NONOPERATING TAXES</b>			
Nonoperating Investment Tax Credits--Net (7410 )*	0	0	18
Nonoperating Federal Income Taxes (7420 )*	5,429	24,562	19
Nonoperating State and Local Income Taxes (7430 )*	1,297	6,006	20
Nonoperating Other Taxes (7440 )*	0	0	21
Provision for Deferred Nonoperating Income Taxes-Net (7450 )*	0	0	22
<b>TOTAL NONOPERATING TAXES (7400)*</b>	<b>6,726</b>	<b>30,568</b>	
<b>INTEREST AND RELATED ITEMS</b>			
Interest on Funded Debt (7510 )*	209,392	219,578	23
Interest Expense--Capital Leases (7520 )*	0	0	24
Amortization of Debt Issuance Expense (7530 )*	97	97	25
Other Interest Deductions (7540 )*	52,949	24,657	26
<b>TOTAL INTEREST AND RELATED ITEMS (7500)*</b>	<b>262,438</b>	<b>244,332</b>	
<b>EXTRAORDINARY ITEMS</b>			
Extraordinary Items (7600 )*			27
Extraordinary Income Credits (7610 )	0	0	28
Extraordinary Income Charges (7620 )	0	0	29
Current Income Tax Effect of Extraordinary Items--Net (7630 )	0	0	30
Provision for Deferred Income Tax Effect of Extraordinary Items--Net (7640 )	0	0	31
<b>TOTAL EXTRAORDINARY ITEMS (7600)*</b>	<b>0</b>	<b>0</b>	
<b>NONREGULATED NET INCOME</b>			
Nonregulated Net Income (7990 )*	57,148	115,040	32

**NONREGULATED NET INCOME (ACCT. 7990)**

Particulars (a)	Amount (b)	
Revenues (Acct. 7990.1)		
Gross Sales	430,518	1
Less: Cost of Goods Sold	126,204	2
<b>Net Sales</b>	<b>304,314</b>	<b>3</b>
Expenses (Acct. 7990.2)	247,166	4
<b>Nonregulated Net Income</b>	<u><u>57,148</u></u>	<b>5</b>

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

Nonregulated activities include the sale, leasing, installation and maintenance of 1 & 2 line phones, key systems, PBXs, data modems and Direct Broadcast Satellite (DBS). In addition, nonregulated activities include sales and leasing of mobile and pager equipment where the tariff allows.

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	522,193	1
Nonregulated Expense	53,438	2
Plant Accounts	173,216	3
Accumulated Depreciation Accounts	0	4
All Other Accounts	122,289	5
<b>Total Salaries and Wages</b>	<b>871,136</b>	<b>6</b>

### 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
Supervision and Other Management	2.00	2.00	107,433	2
Other Employees	23.00	23.00	728,017	3
<b>Total</b>	<b>25.00</b>	<b>25.00</b>	<b>835,450</b>	

### DISTRIBUTION OF SALARIES AND WAGES

Description (a)	Amount (b)	
Regulated Expense	522,193	1
Nonregulated Expense	53,438	2
Plant Accounts	173,216	3
Accumulated Depreciation Accounts	0	4
All Other Accounts	122,289	5
<b>Total Salaries and Wages</b>	<b>871,136</b>	<b>6</b>

### 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
Supervision and Other Management	2.00	2.00	107,433	2
Other Employees	23.00	23.00	728,017	3
<b>Total</b>	<b>25.00</b>	<b>25.00</b>	<b>835,450</b>	

## 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)	
<b>LOCAL</b>			
Intra-Exchange	0	0	1
Extended Area Service	0	0	2
Extended Community Calling	0	0	3
Other Local-Undefined	1,658	9,144	4
<b>Total Local</b>	<b>1,658</b>	<b>9,144</b>	
<b>TOLL</b>			
Operator Handled: State--intraLATA	0	0	5
Operator Handled: State--interLATA	0	0	6
Operator Handled: Interstate	0	0	7
Customer Dialed: State--intraLATA	0	1,198	8
Customer Dialed: State--interLATA	0	1,066	9
Customer Dialed: Interstate	0	1,353	10
WATS	0	0	11
Other Toll-Undefined	0	0	12
<b>Total Toll</b>	<b>0</b>	<b>3,617</b>	
<b>Total Local &amp; Toll</b>	<b>1,658</b>	<b>12,761</b>	

### ACCESS USAGE

Enter number, in thousands, of Billed Minutes.

Description (a)	Billed Minutes (000's)				
	Interstate InterLATA (b)	Intrastate InterLATA (c)	Intrastate IntraLATA (d)	Interstate IntraLATA (e)	
Feature Group A -- Orig.	0	0	0	0	1
Feature Group A -- Term.	0	0	0	0	2
Feature Group B -- Orig.	2	1	0	0	3
Feature Group B -- Term.	0	0	1	0	4
Feature Group C -- Orig.	0	0	0	0	5
Feature Group C -- Term.	0	0	0	0	6
Feature Group D -- Orig.	7,820	6,339	6,481	6	7
Feature Group D -- Term.	7,341	5,615	6,951	2	8

**OUTSIDE PLANT STATISTICS AT END OF YEAR**

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	54	1
Sheath miles of plant - buried	1,447	2
Sheath miles of plant - fiber optics	156	3
Strand miles of plant - fiber optics	2,903	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	13	32	1
56 kbps	12	2	2
64 kbps (DS0)	0	0	3
1.54 Mbps (DS-1)	18	2	4
45 Mbps (DS-3)	0	0	5
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

**OUTSIDE PLANT STATISTICS AT END OF YEAR**

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	54	1
Sheath miles of plant - buried	1,447	2
Sheath miles of plant - fiber optics	156	3
Strand miles of plant - fiber optics	2,903	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	13	32	1
56 kbps	12	2	2
64 kbps (DS0)	0	0	3
1.54 Mbps (DS-1)	18	2	4
45 Mbps (DS-3)	0	0	5
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

### SERVICE DATA

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
<b>Business</b>			
1 Party	977	1,045	<b>3</b>
2 Party	0	0	<b>4</b>
4 Party	0	0	<b>5</b>
PBX Trunks/System Trunks	0	0	<b>6</b>
Centrex Trunks	0	0	<b>7</b>
Centrex Lines	660	934	<b>8</b>
Key System Trunks	171	154	<b>9</b>
Mobile (Utility Provided Service)	0	0	<b>10</b>
Paging (Utility Provided Service)	0	0	<b>11</b>
FX-Out (Switched)	0	0	<b>12</b>
Pay Telephone		54	<b>13</b>
Coin-Operated Pay Telephone	0	0	<b>14</b>
Independent Pay Telephone Provider	0	0	<b>15</b>
Pay Stations - Public	32	0	<b>16</b>
- Semi-Public	20	0	<b>17</b>
- Cust. Owned	0	0	<b>18</b>
Other	0	0	<b>19</b>
<b>Total Business Lines</b>	<b>1,860</b>	<b>2,187</b>	<b>20</b>
<b>Residential (Incl. Emp. Concess.)</b>			
1 Party	7,630	7,861	<b>22</b>
2 Party	0	0	<b>23</b>
4 Party	0	0	<b>24</b>
FX-Out (Switched)	3	3	<b>25</b>
Other	1	0	<b>26</b>
<b>Total Residential Lines</b>	<b>7,634</b>	<b>7,864</b>	<b>27</b>
<b>Total Bus &amp; Res Lines</b>	<b>9,494</b>	<b>10,051</b>	<b>28</b>
Company Used Lines	283	289	<b>29</b>
<b>Total Lines Used</b>	<b>9,777</b>	<b>10,340</b>	<b>30</b>

**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)	
<b>Miscellaneous</b>			
WATS Lines - OutWATS	2	2	<b>3</b>
WATS Lines - 800 Service	2	2	<b>4</b>
FX-In-intraLATA	18	0	<b>5</b>
Special Access-intraLATA			<b>6</b>
(expressed in equiv. access lines)	66	82	<b>7</b>
Special Access-interLATA			<b>8</b>
(expressed in equiv. access lines)	3	457	<b>9</b>
Feature Group A Lines	0	0	<b>10</b>
Feature Group B Trunks	0	0	<b>11</b>
Feature Group C Trunks	0	0	<b>12</b>
Feature Group D Trunks	496	496	<b>13</b>
TSPS - Trunks	22	34	<b>14</b>
EAS - Trunks	272	491	<b>15</b>
Cellular Trunks (Pub. Sw. Net.)	0	0	<b>16</b>
Video Distance Learning			<b>17</b>
- discounted (special tariff)	1	1	<b>18</b>
<b>Customers</b>			
Business - 2 Party Customers	0	0	<b>20</b>
Business - 4 Party Customers	0	0	<b>21</b>
Residential - 2 Party Customers	0	0	<b>22</b>
Residential - 4 Party Customers	0	0	<b>23</b>
<b>Other</b>			
Total Central Office, Info. Orig./Term., & Cable			<b>25</b>
Wire Fac. Assets (based on physical location of plant)	23,074,040	24,923,456	<b>26</b>
Total Company Square Miles	1,012	1,054	<b>28</b>
Total Company Route Miles	1,124	1,236	<b>29</b>
Footnotes			<b>30</b>

### 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	0230	1295	2630	2960	1
<b>Business</b>					<b>2</b>
1 Party	169	42	117	71	3
2 Party	0	0	0	0	4
4 Party	0	0	0	0	5
PBX Trunks/System Trunks	0	0	0	0	6
Centrex Trunks	0	0	0	0	7
Centrex Lines	290	0	64	10	8
Key System Trunks	32	9	0	5	9
Mobile (utility provided service)	0	0	0	0	10
Paging (utility provided service)	0	0	0	0	11
FX-Out (Switched)	0	0	0	0	12
Pay Telephone	11	0	6	1	13
Coin-Operated Pay Telephone	0	0	0	0	14
Independent Pay Telephone Provider	0	0	0	0	15
Pay Stations - Public	0	0	0	0	16
- Semi-Public	0	0	0	0	17
- Cust. Owned	0	0	0	0	18
Other	0	0	0	0	19
<b>Total Business Lines</b>	<b>502</b>	<b>51</b>	<b>187</b>	<b>87</b>	<b>20</b>
<b>Residential (Incl. Emp. Concess.)</b>					<b>21</b>
1 Party	1,235	406	1,294	912	22
2 Party	0	0	0	0	23
4 Party	0	0	0	0	24
FX-Out (Switched)	1	0	0	1	25
Other	0	0	0	0	26
<b>Total Residential Lines</b>	<b>1,236</b>	<b>406</b>	<b>1,294</b>	<b>913</b>	<b>27</b>
<b>Total Bus &amp; Res Lines</b>	<b>1,738</b>	<b>457</b>	<b>1,481</b>	<b>1,000</b>	<b>28</b>
Company Used Lines	50	0	64	13	29
<b>Total Lines Used</b>	<b>1,788</b>	<b>457</b>	<b>1,545</b>	<b>1,013</b>	<b>30</b>

### 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	3395	3640	4220	5510	1
<b>Business</b>					<b>2</b>
1 Party	73	406	146	21	3
2 Party	0	0	0	0	4
4 Party	0	0	0	0	5
PBX Trunks/System Trunks	0	0	0	0	6
Centrex Trunks	0	0	0	0	7
Centrex Lines	0	326	123	121	8
Key System Trunks	23	47	14	24	9
Mobile (utility provided service)	0	0	0	0	10
Paging (utility provided service)	0	0	0	0	11
FX-Out (Switched)	0	0	0	0	12
Pay Telephone	3	22	7	4	13
Coin-Operated Pay Telephone	0	0	0	0	14
Independent Pay Telephone Provider	0	0	0	0	15
Pay Stations - Public	0	0	0	0	16
- Semi-Public	0	0	0	0	17
- Cust. Owned	0	0	0	0	18
Other	0	0	0	0	19
<b>Total Business Lines</b>	<b>99</b>	<b>801</b>	<b>290</b>	<b>170</b>	<b>20</b>
<b>Residential (Incl. Emp. Concess.)</b>					<b>21</b>
1 Party	108	1,937	1,316	653	22
2 Party	0	0	0	0	23
4 Party	0	0	0	0	24
FX-Out (Switched)	0	1	0	0	25
Other	0	0	0	0	26
<b>Total Residential Lines</b>	<b>108</b>	<b>1,938</b>	<b>1,316</b>	<b>653</b>	<b>27</b>
<b>Total Bus &amp; Res Lines</b>	<b>207</b>	<b>2,739</b>	<b>1,606</b>	<b>823</b>	<b>28</b>
Company Used Lines	0	54	22	86	29
<b>Total Lines Used</b>	<b>207</b>	<b>2,793</b>	<b>1,628</b>	<b>909</b>	<b>30</b>

**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	0230	1295	2630	2960	1
<b>Miscellaneous</b>					<b>2</b>
WATS Lines - OutWATS	1	0	0	0	3
WATS Lines - 800 Service	0	0	0	0	4
FX-In-intraLATA	0	0	0	0	5
Special Access-intraLATA					6
(equiv. access lines)	31	0	8	0	7
Special Access-interLATA					8
(equiv. access lines)	100	0	0	0	9
Feature Group A Lines	0	0	0	0	10
Feature Group B Trunks	0	0	0	0	11
Feature Group C Trunks	0	0	0	0	12
Feature Group D Trunks	280	0	96	0	13
TSPS - Trunks	12	0	11	0	14
EAS - Trunks	371	0	48	0	15
Cellular Trunks (Pub. Sw. Net.)	0	0	0	0	16
Video Distance Learning					17
- discounted (special tariff)	0	0	0	0	18
<b>Customers</b>					<b>19</b>
Business - 2 Party Customers	0	0	0	0	20
Business - 4 Party Customers	0	0	0	0	21
Residential - 2 Party Customers	0	0	0	0	22
Residential - 4 Party Customers	0	0	0	0	23
<b>Other</b>					<b>24</b>
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical					26
location of plant)	5,003,131	692,407	4,931,464	2,098,122	27
Exchange Square Miles	109	57	125	75	28
Exchange Route Miles	186	68	215	145	29
Footnotes					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	3395	3640	4220	5510	1
<b>Miscellaneous</b>					<b>2</b>
WATS Lines - OutWATS	0	0	1	0	3
WATS Lines - 800 Service	0	1	1	0	4
FX-In-intraLATA	0	0	0	0	5
Special Access-intraLATA					6
(equiv. access lines)	0	35	2	6	7
Special Access-interLATA					8
(equiv. access lines)	2	299	49	7	9
Feature Group A Lines	0	0	0	0	10
Feature Group B Trunks	0	0	0	0	11
Feature Group C Trunks	0	0	0	0	12
Feature Group D Trunks	0	120	0	0	13
TSPS - Trunks	0	11	0	0	14
EAS - Trunks	0	72	0	0	15
Cellular Trunks (Pub. Sw. Net.)	0	0	0	0	16
Video Distance Learning					17
- discounted (special tariff)	0	1	0	0	18
<b>Customers</b>					<b>19</b>
Business - 2 Party Customers	0	0	0	0	20
Business - 4 Party Customers	0	0	0	0	21
Residential - 2 Party Customers	0	0	0	0	22
Residential - 4 Party Customers	0	0	0	0	23
<b>Other</b>					<b>24</b>
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical					26
location of plant)	256,623	5,436,270	4,186,907	2,318,532	27
Exchange Square Miles	6	207	421	54	28
Exchange Route Miles	22	250	240	110	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
Lucent	ATT/LUC	5
Nippon Electric	NEC	6
Northern Telecom	NTI	7
Siemens	SI	8
Stromberg-Carlson	SC	9
VIDAR	VI	10

### EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Equipment Type (a)	Abbreviation (b)	
Electromechanical	EM	1
Electronic--Analog	A	2
Electronic--Digital	D	3
Electronic--Video	V	4

### MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

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ATTC	ATT	2
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ITT	ITT	4
Lucent	ATT/LUC	5
Nippon Electric	NEC	6
Northern Telecom	NTI	7
Siemens	SI	8
Stromberg-Carlson	SC	9
VIDAR	VI	10

### EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Equipment Type (a)	Abbreviation (b)	
Electromechanical	EM	1
Electronic--Analog	A	2
Electronic--Digital	D	3
Electronic--Video	V	4

**CENTRAL OFFICE DATA - END OF YEAR**

When an exchange has more than one central office, data must be reported for each central office.

<b>Description (a)</b>	<b>Central Off. (b)</b>	<b>Central Off. (c)</b>	<b>Central Off. (d)</b>	<b>Central Off. (e)</b>	
Exchange Name	AUBURNDALE	CRANMOOR	JUNCTION CITY	LINDSEY	<b>1</b>
PSCW Exchange ID	0230	1295	2630	2960	<b>2</b>
Central Office Name	AUBURNDALE	CRANMOOR	JUNCTION CITY	LINDSEY	<b>3</b>
PSCW Central Office ID	1	1	1	1	<b>4</b>
Manufacturer of COE (Page 54)	NEC	SW	ATT	NEC	<b>5</b>
Year COE Installed	1989	0	1996	1990	<b>6</b>
Type of Equipment (Page 54)	D	SW	D	D	<b>7</b>
(S)tandalone, (H)ost, (R)emote	H	S	H	R	<b>8</b>
Remote Host PSCW Exchange ID				0230	<b>9</b>
Remote Host PSCW Central Office ID	0			1	<b>10</b>
COE Generic Software Release No.	G3.2	Switcher	11.	RMT	<b>11</b>
SS7?	No	Yes	Yes	No	<b>12</b>
9-1-1?	Yes	Yes	Yes	Yes	<b>13</b>
Access Lines - In Use	1,788	457	1,545	1,013	<b>14</b>
- Equipped	2,064	457	1,788	1,092	<b>15</b>
- Wired	2,064	457	2,408	1,152	<b>16</b>
Trunks - In Use	669	0	155	0	<b>17</b>
- Equipped	696	0	624	0	<b>18</b>
- Wired	696	0	624	0	<b>19</b>
ISDN Available?	No	No	Yes	No	<b>20</b>
ISDN Lines - In Use (BRI)	0	0	1	0	<b>21</b>
- In Use (PRI)	0	0	0	0	<b>22</b>
Switched 56 Service?	No	No	Yes	No	<b>23</b>
Switched 56 lines in use	0	0	0	0	<b>24</b>
Digital Transmission Facilities: DS-1 - In Use	62	0	47	10	<b>25</b>
DS-3 - In Use	7	0	0	0	<b>26</b>
Advanced Data Service Available:					
Packet Switching?	No	No	No	No	<b>27</b>
SMDS?	No	No	No	No	<b>28</b>
Frame Relay?	No	No	No	No	<b>29</b>
ATM (Asynchronous Trans. Mode)?	No	No	No	No	<b>30</b>
Video Information - Service Available?	No	No	No	No	<b>31</b>
- In Use (# lines) <sup>1</sup>	0	0	0	0	<b>32</b>
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	120	0	96	52	<b>33</b>
No. of fiber strands working (LIT) in C.O.	36	0	4	22	<b>34</b>
No. of fiber strands for interoffice use	52	0	40	20	<b>35</b>
Miles of fiber sheath in wire center	34	0	27	19	<b>36</b>
Access Tandem Serving this C.O.:					
- C.O. Name	STEVENS POINT	WISCONSIN RAPIDS	STEVENS POINT	STEVENS POINT	<b>37</b>
- PSCW C.O. ID	5140-01	5970-01	5140-01	5140-01	<b>38</b>
Does this C.O. do access tandem switching?	No	No	No	No	<b>39</b>
Equal Access: InterLATA (1+)?	Yes	Yes	Yes	Yes	<b>40</b>
Equal Access: IntraLATA (1+)?	No	No	No	No	<b>41</b>
Footnotes		<b>1</b>			<b>42</b>

<sup>1</sup> Teleco provided end-to-end facility.

**CENTRAL OFFICE DATA - END OF YEAR**

When an exchange has more than one central office, data must be reported for each central office.

<b>Description (a)</b>	<b>Central Off. (b)</b>	<b>Central Off. (c)</b>	<b>Central Off. (d)</b>	<b>Central Off. (e)</b>	
Exchange Name	MILL CREEK	NECEDAH	PITTSVILLE	VESPER	<b>1</b>
PSCW Exchange ID	3395	3640	4220	5510	<b>2</b>
Central Office Name	MILL CREEK	NECEDAH	PITTSVILLE	VESPER	<b>3</b>
PSCW Central Office ID	1	1	1	1	<b>4</b>
Manufacturer of COE (Page 54)	SW	NEC	NEC	NEC	<b>5</b>
Year COE Installed	0	1990	1989	1989	<b>6</b>
Type of Equipment (Page 54)	SW	D	D	D	<b>7</b>
(S)tandalone, (H)ost, (R)emote	S	H	R	R	<b>8</b>
Remote Host PSCW Exchange ID			0230	0230	<b>9</b>
Remote Host PSCW Central Office ID			1	1	<b>10</b>
COE Generic Software Release No.	Switcher	G3.2	RMT	RMT	<b>11</b>
SS7?	Yes	No	No	No	<b>12</b>
9-1-1?	Yes	Yes	Yes	Yes	<b>13</b>
Access Lines - In Use	207	2,793	1,628	909	<b>14</b>
- Equipped	207	2,872	1,920	1,048	<b>15</b>
- Wired	207	2,968	1,920	1,056	<b>16</b>
Trunks - In Use	0	173	0	0	<b>17</b>
- Equipped	0	216	0	0	<b>18</b>
- Wired	0	240	0	0	<b>19</b>
ISDN Available?	No	No	No	No	<b>20</b>
ISDN Lines - In Use (BRI)	0	0	0	0	<b>21</b>
- In Use (PRI)	0	0	0	0	<b>22</b>
Switched 56 Service?	No	No	No	No	<b>23</b>
Switched 56 lines in use	0	0	0	0	<b>24</b>
Digital Transmission Facilities: DS-1 - In Use	0	19	12	14	<b>25</b>
DS-3 - In Use	0	2	0	0	<b>26</b>
Advanced Data Service Available:					
Packet Switching?	No	No	No	No	<b>27</b>
SMDS?	No	No	No	No	<b>28</b>
Frame Relay?	No	No	No	No	<b>29</b>
ATM (Asynchronous Trans. Mode)?	No	No	No	No	<b>30</b>
Video Information - Service Available?	No	No	No	No	<b>31</b>
- In Use (# lines) <sup>1</sup>	0	0	0	0	<b>32</b>
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	0	88	64	36	<b>33</b>
No. of fiber strands working (LIT) in C.O.	0	28	8	20	<b>34</b>
No. of fiber strands for interoffice use	0	20	16	28	<b>35</b>
Miles of fiber sheath in wire center	0	28	29	19	<b>36</b>
Access Tandem Serving this C.O.:					
- C.O. Name	WAUSAU	MADISON	STEVENS POINT	STEVENS POINT	<b>37</b>
- PSCW C.O. ID	5700-01	3080-01	5140-01	5140-01	<b>38</b>
Does this C.O. do access tandem switching?	No	No	No	No	<b>39</b>
Equal Access: InterLATA (1+)?	Yes	Yes	Yes	Yes	<b>40</b>
Equal Access: IntraLATA (1+)?	No	No	No	No	<b>41</b>
Footnotes	<b>2</b>				<b>42</b>

<sup>1</sup> Teleco provided end-to-end facility.

## GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

### General Footnote

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#### Schedule Footnotes

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

This schedule has been completed to the best of our ability. The information requested by number of telephone calls in column (b) is not available due to a change in our company's method of tracking call traffic. We no longer track by the number of calls. Numbers in column (c), lines 8 through 10, contain both customer dialed and operator handled minutes of use. Further breakdown is not available.

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#### Schedule Line Footnotes

- 1) This exchange has switcher service provided by several central offices of Wood County Telephone Company. See the Wood County Telephone Company annual report for further central office detail.
- 2) This exchange has switcher service provided by GTE North-Wisconsin's Marshfield central office. See the GTE North annual report for further central office detail.
- A) Contact Gerald Ringlund at (608) 664-4554 with questions on page 47, page 48, page 49 Special Access Circuits only, page 50, page 51 lines 1-9, page 52 and page 53 lines 1-9. Contact Dave Esser at (608) 664-4530 with questions on page 49 Outside Plant only, page 51 lines 10-30, page 53 lines 10-30 and page 55.
- B) Amounts in columns (g) and (k) are reclasses between accounts or transfers with affiliates.
- C) No data entered in columns (g) and (k) for these accounts.
- D) Network support expenses are down in 1997 due to charging rent to an affiliate for equipment to bury cable.
- E) Information originating/terminating expenses decreased in 1997 due primarily to the deregulation of payphones.
- F) Other property, plant and equipment expense increased in 1997 due primarily to increased provisioning labor and benefit costs.
- G) Marketing expenses are up in 1997 due to an increase in product management and sales charges from corporate affiliates.
- H) General and administrative expenses are up in 1997 due primarily to increased information management and accounting & finance charges from corporate affiliates.
- I) Public telephone revenue decreased in 1997 due to the deregulation of public telephone equipment 4-15-97.
- J) Other local exchange revenue increased due to an increase in USF revenues, which was the result of increased subscriber investment and expenses.
- K) Intrastate special access revenue increased in 1997 due to an increase in the number of special access circuits, backbillings, and a true up of advance billings.
- L) Rent revenue increased in 1997 due to the addition of three new distance learning leases in the fourth quarter 1996, and one new distance learning lease in the fourth quarter of 1997.
- M) Interstate billing and collection revenue decreased in 1997 due to decreased program development charges billed to a major IXC.

## GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

- N)** Intrastate billing and collection revenue increased in 1997 due to billing a major LEC for Intra/Intra bill rendering messages starting the first quarter of 1997.
- O)** Uncollectible revenue is down in 1997 due to writing off a greater portion of customer accounts, offset by fewer recoveries.
- P)** Federal Income Tax payable to parent is recorded in account 4070100.
- Q)** Balance consists primarily of leased phones and business systems net of depreciation. This leased investment is depreciated with a rate of 33.33% per year. Individual leases are not tracked separately.
- R)** Accumulated depreciation is greater than the asset balance because per the WI PSC, we are allowed to depreciate more than 100% of this account group.
- S)** TDS Corp Chicago and TDS Corp Madison were merged 4/1/96. All charges from TDS Corp Madison after 4/1/96 are included in the TDS Corp column.