



4004

ANNUAL REPORT

OF

Name: CITIZENS TELEPHONE COOPERATIVE, INC.

Principal Office: 143 E MAIN ST
P.O. BOX 127
NEW AUBURN, WI 54757-0127

For the Year Ended: DECEMBER 31, 1997

TELECOMMUNICATIONS UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854
Madison, WI 53707-7854
(608) 267-9504

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

GENERAL RULES FOR REPORTING

1. Unless otherwise indicated, the information requested in this report should be taken from the accounts and other records in conformity with the Uniform System of Accounts prescribed by the Public Service Commission of Wisconsin in docket 05-US-102. The definitions and instructions contained therein should also apply to the report wherever applicable. A query or response concerning information contained in this report regarding any practice or transaction should not be construed as indicating conformity to accounting or other pertinent regulations.
2. Please follow all instructions and answer each question fully and accurately. Provide additional information as necessary to avoid misunderstandings or misleading responses. Abbreviations listed on page 6 may be used, however please show the exact name of the respondent in full on the "Identification and Ownership" page.
3. Wherever information is requested in a "note", please show that information in the space provided, or make reference to the adjacent page or insert where the note may be found. Please also identify each note. Footnote capability is included in the annual report software program. Please use it where necessary to fully explain particulars in the annual report.
4. Numeric items are limited to digits (0-9). A minus sign "-" should be entered in the software program to indicate negative values. Do not use parentheses for numeric values. The program will convert the minus sign to parentheses when a hard copy of the annual report is printed. Negative values may not be allowed for certain entries in the annual report due to restrictions contained in the software program.
5. Please report all dollar amounts to the nearest whole dollar.
6. This annual report should be complete in all respects. Unless otherwise authorized, avoid references to returns of former years or to other reports.
7. Wherever schedules call for data from the previous year and such data were reported in the previous annual report, that previous year's data should be reported without modification. If modified, an appropriate footnote indicator and explanation should be included in the current year's annual report.
8. Where part or all of the report is prepared by other than utility personnel, a disclosure is required in the notes to the income statement or the balance sheet, which describes the nature and extent of work performed.
9. Please print a hard copy of the annual report on 20 pound or heavier paper, sign it and compare with the electronic copy before officially filing it with the Public Service Commission of Wisconsin.

SIGNATURE PAGE

I ROXANNE GRAVUNDER of
(Person responsible for accounts)

CITIZENS TELEPHONE COOPERATIVE, INC. , certify that I
(Utility Name)

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

ROXANNE GRAVUNDER 04/24/1998
(Person responsible for accounts) (Date)

BOOKKEEPER
(Title)

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ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

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

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

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

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

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

ABBREVIATIONS USED IN ANNUAL REPORTS

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

IDENTIFICATION AND OWNERSHIP

Exact Utility Name: CITIZENS TELEPHONE COOPERATIVE, INC.
Utility Location: 143 E MAIN ST
P.O. BOX 127
NEW AUBURN, WI 54757-0127

Utility Web Site Address:

When was utility organized?: 12/22/1952

Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: DENNIS L . BACHMAN
Title: MANAGER

Office Address: 143 E MAIN ST
P.O. BOX 127
NEW AUBURN , WI 54757-0127

Fax Number: (715) 237 - 2812
Telephone Number: (715) 237 - 2605
Email Address: cittel@win.bright.net

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

Name:
Title:

Office Address:

Fax Number:
Telephone Number:
Email Address:

Person responsible for financial information contained in report

Name: ROXANNE M . GRAVUNDER
Title: BOOKKEEPER

Office Address: 143 E MAIN ST
P.O. BOX 127
NEW AUBURN , WI 54757-0127

Fax Number: (715) 237 - 2812
Telephone Number: (715) 237 - 2605
Email Address: cittel@win.bright.net

Person responsible for statistical information contained in report

Name: MICHAEL A . KELLEN
Title: COE TECHNICIAN

Office Address: 143 E MAIN ST
P.O. BOX 127
NEW AUBURN , WI 54757-0127

Fax Number: (715) 237 - 2812
Telephone Number: (715) 237 - 2605
Email Address: cittel@win.bright.net

IDENTIFICATION AND OWNERSHIP

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

Name: NONE
Address: NONE
 PO BOX NONE
 NONE , WI 54757
Number of Shares Held:
Beneficial Owner: NONE

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

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

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	1,645,017	1,391,298	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	150,396	106,934	2
Plant Nonspecific Operations Expense	578,594	423,575	3
Customer Operations Expense (6610-6620)	175,471	131,226	4
Corporate Operations Expense (6710-6790)	243,609	177,192	5
Other Operating Income and Expense (7100)	429	83	6
Operating Taxes (7200)	149,778	154,969	7
Total Operating Expenses	1,297,419	993,813	8
Net Operating Income	347,598	397,485	9
Other Income			
Nonoperating Income and Expense (7300)	82,437	125,040	10
Nonoperating Taxes (7400)	0	0	11
Interest and Related Items (7500)	2,689	33,744	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	(30,585)	(24,067)	14
Total Nonoperating Income	49,163	67,229	15
Net Income	396,761	464,714	16

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT ASSETS			
CASH AND EQUIVALENTS			
Cash and Equivalents (1120)*	1,508,259	0	1
Cash (1130)		43,092	2
Special Cash Deposits (1140)		0	3
Working Cash Advances (1150)		265	4
Temporary Investments (1160)		1,431,773	5
TOTAL CASH AND EQUIVALENTS	1,508,259	1,475,130	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	74,506	77,374	6
Accounts Receivable Allowance-Telecom (1181)*	28,679	33,024	7
Net: Telecommunications Accounts Receivable	45,827	44,350	
Other Accounts Receivable (1190)*	196,778	160,616	8
Accounts Receivable Allowance--Other (1191)*	0	0	9
Net: Other Accounts Receivable	196,778	160,616	
Notes Receivable (1200)*	0	0	10
Notes Receivable Allowance (1201)*	0	0	11
Net: Notes Receivable	0	0	
Interest and Dividends Receivable (1210)*	5,443	27,664	12
TOTAL RECEIVABLES AND ALLOWANCES FOR DOUBTFUL	248,048	232,630	
SUPPLIES			
Inventories (1220)*	36,262	63,500	13
TOTAL SUPPLIES	36,262	63,500	
PREPAYMENTS			
Total Prepayments (1280)*	47,564	0	14
Prepaid Rents (1290)		0	15
Prepaid Taxes (1300)		0	16
Prepaid Insurance (1310)		976	17
Prepaid Directory Expenses (1320)		0	18
Other Prepayments (1330)		13,573	19
TOTAL PREPAYMENTS	47,564	14,549	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	0	0	20
TOTAL OTHER CURRENT ASSETS	0	0	
TOTAL CURRENT ASSETS	1,840,133	1,785,809	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	0	0	21
Investments in Nonaffiliated Companies (1402)*	317,171	316,211	22
Nonregulated Investments (1406)*	0	0	23
Unamortized Debt Issuance Expense (1407)*	0	0	24
Sinking Funds (1408)*	0	0	25

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
NONCURRENT ASSETS			
INVESTMENTS			
Other Noncurrent Assets (1410)*	67,035	63,206	26
TOTAL INVESTMENTS	384,206	379,417	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*	0	0	27
Deferred Maintenance and Retirements (1438)*	0	0	28
Deferred Charges (1439)*	3,777	0	29
TOTAL DEFERRED CHARGES	3,777	0	
TOTAL NONCURRENT ASSETS	387,983	379,417	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	5,632,421	4,126,129	30
Less: Accumulated Depreciation (3100)*	3,239,556	2,839,168	31
Less: Accumulated Amortization--Capitalized Leases (3410)*	0	0	32
Less: Accumulated Amortization--Leasehold Improvements (3420)*	0	0	33
Less: Accumulated Amortization--Intangible (3500)*	0	0	34
NET TELECOMMUNICATIONS PLANT IN SERVICE	2,392,865	1,286,961	
PROPERTY HELD FOR FUTURE USE			
Prop. Held for Future Telecommun. Use (2002)*	0	0	35
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200)*	0	0	36
NET PROPERTY HELD FOR FUTURE USE	0	0	
NONOPERATING PLANT			
Nonoperating Plant (2006)*	0	0	37
Less: Accumulated Depreciation--Nonoperating (3300)*	0	0	38
NET NONOPERATING PLANT	0	0	
TPUC			
TPUC (2003)*	7,020	957,280	39
TOTAL TPUC	7,020	957,280	
TELECOMMUNICATIONS PLANT ADJUSTMENT			
Telecommunications Plant Adjustment (2005)*	0	0	40
Less: Accumulated Amortization--Other (3600)*	0	0	41
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	0	0	
TOTAL PLANT	2,399,885	2,244,241	
TOTAL ASSETS AND OTHER DEBITS*	4,628,001	4,409,467	

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	126,300	201,627	1
Notes Payable (4020)*	0	0	2
Advance Billing and Payments (4030)*	3,884	4,487	3
Customer Deposits (4040)*	3,893	2,136	4
Current Maturities--Long-Term Debt (4050)*	151,000	78,000	5
Current Maturities--Capital Leases (4060)*	0	0	6
Income Taxes--Accrued (4070)*	8,355	5,175	7
Other Taxes--Accrued (4080)*	(4,346)	(7,431)	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)*	17,386	18,445	11
Other Current Liabilities (4130)*	0	0	12
TOTAL CURRENT LIABILITIES*	306,472	302,439	
LONG-TERM DEBT			
Funded Debt (4210)*	718,452	706,898	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)*	113,713	0	19
TOTAL LONG-TERM DEBT*	832,165	706,898	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*	0	0	20
Unamortized Operating ITC--Net (4320)*	0	0	21
Unamortized Nonoperating ITC--Net (4330)*	0	0	22
Net Noncurrent Deferred Operating Income Taxes (4340)*	0	0	23
Net Deferred Tax Liability Adjustments (4341)*	0	0	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	0	0	25
Other Deferred Credits (4360)*	4,221	7,431	26
Deferred Tax Regulatory Liability (4361)*	0	0	27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS*	4,221	7,431	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	21,400	21,150	28
Additional Paid-in Capital (4520)*	0	0	29
Treasury Stock (4530)*	0	0	30
Other Capital (4540)*	0	0	31
Retained Earnings (4550)*	3,463,743	3,371,549	32
TOTAL STOCKHOLDERS' EQUITY*	3,485,143	3,392,699	
TOTAL LIABILITIES AND OTHER CREDITS*	4,628,001	4,409,467	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
GENERAL SUPPORT ASSETS				
Land	2111	3,216	69,834	1
Motor Vehicles	2112	80,543	30,937	2
Aircraft	2113	0		3
Special Purpose Vehicles	2114	0		4
Garage Work Equipment	2115	0		5
Other Work Equipment	2116	142,510	55,000	6
Buildings	2121	110,570	107,245	7
Furniture	2122	4,468	2,739	8
Office Equipment	2123	25,065	3,421	9
General Purpose Computers	2124	40,276	238,249	10
TOTAL--GENERAL SUPPORT ASSETS:		406,648	507,425	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0		11
Digital Electronic Switching	2212	1,050,538	9,365	12
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220	0		14
Radio Systems	2231	0	0	15
Circuit Equipment	2232	718,162	304,129	16
TOTAL--CENTRAL OFFICE ASSETS:		1,768,700	313,494	
INFORMATION ORIGATION/TERMINATION ASSETS				
Station Apparatus	2311	0		17
Customer Premises Wiring	2321	0		18
Large Private Branch Exchanges	2341	0		19
Public Telephone Terminal Equipment	2351	18,614		20 A
Other Terminal Equipment	2362	0		21
TOTAL--INFORMATION ORIG/TERM ASSETS:		18,614	0	
CABLE WIRE FACILITIES ASSETS				
Poles	2411	0		22
Aerial Cable	2421	0	0	23
Underground Cable	2422	0	0	24
Buried Cable	2423	1,932,167	787,560	25
Submarine Cable	2424	0	0	26
Deep Sea Cable	2425	0		27
Intrabuilding Network Cable	2426	0	0	28
Aerial Wire	2431	0		29
Conduit Systems	2441	0		30
TOTAL--CABLE WIRE FACILITIES ASSETS:		1,932,167	787,560	
AMORTIZABLE ASSETS				
Capital Leases	2681	0		31

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

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2111			73,050	1
2112	14,177		97,303	2
2113			0	3
2114			0	4
2115			0	5
2116	57,664		139,846	6
2121			217,815	7
2122			7,207	8
2123	0	0	28,486	9
2124			278,525	10
	71,841	0	842,232	
2211			0	11
2212	2,872	0	1,057,031	12
2215	0	0	0	13
2220			0	14
2231	0	0	0	15
2232	0	0	1,022,291	16
	2,872	0	2,079,322	
2311			0	17
2321			0	18
2341			0	19
2351		(18,614)	0	20 A
2362			0	21
	0	(18,614)	0	
2411			0	22
2421	0	0	0	23
2422	0	0	0	24
2423	8,860	0	2,710,867	25
2424	0	0	0	26
2425			0	27
2426	0	0	0	28
2431			0	29
2441			0	30
	8,860	0	2,710,867	
2681			0	31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)
AMORTIZABLE ASSETS			
Leasehold Improvements	2682	0	32
Intangibles	2690	0	33
TOTAL--AMORTIZABLE ASSETS:		0	0
TOTAL TELECOM. PLANT IN SERVICE	2001	4,126,129	1,608,479
Less: Allocation to Nonregulated Activity - EOY	2001		34
NET REG. TOTAL TELE. PLANT IN SERV. - EOY	2001		

Explain all amounts shown in column (g).

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

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2682			0	32
2690			0	33
	0	0	0	
	83,573	(18,614)	5,632,421	
2001			0	34
			5,632,421	

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

Report telecommunications plant data for each subaccount where primary plant accounts have subclassifications. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone plant at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subaccount (b)	Balance FOY (c)	Additions (d)	
Office Support Equipment	2123.1	15,990	3,220	1
Company Communications Equipment	2123.2	9,075	201	2
Software	2212.1	257,934		3
Digital Switching - Central Office	2212.2	792,604	9,365	4
Digital Switching - Remote	2212.3	0		5
Step by Step Switching	2215.1	0		6
Crossbar Switching	2215.2	0		7
Satellite and Earth Station Facilities	2231.1	0		8
Other Radio Facilities	2231.2	0		9
Digital Circuit Equipment	2232.1	718,162	304,129	10
Analog Circuit Equipment	2232.2	0		11
Light Wave Circuit Equipment	2232.3	0		12
Aerial Cable - Nonmetallic	2421.1	0		13
Aerial Cable - Metallic	2421.2	0		14
Underground Cable - Nonmetallic	2422.1	0		15
Underground Cable - Metallic	2422.2	0		16
Buried Cable - Nonmetallic	2423.1	72,293	579,703	17
Buried Cable - Metallic	2423.2	1,859,874	207,857	18
Submarine Cable - Nonmetallic	2424.1	0		19
Submarine Cable - Metallic	2424.2	0		20
Intrabuilding Cable - Nonmetallic	2426.1	0		21
Intrabuilding Cable - Metallic	2426.2	0		22

Explain all amounts shown in column (g).

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

Subaccount (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2123.1			19,210	1
2123.2			9,276	2
2212.1			257,934	3
2212.2	2,872		799,097	4
2212.3			0	5
2215.1			0	6
2215.2			0	7
2231.1			0	8
2231.2			0	9
2232.1			1,022,291	10
2232.2			0	11
2232.3			0	12
2421.1			0	13
2421.2			0	14
2422.1			0	15
2422.2			0	16
2423.1			651,996	17
2423.2	8,860		2,058,871	18
2424.1			0	19
2424.2			0	20
2426.1			0	21
2426.2			0	22

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)	
GENERAL SUPPORT ASSETS						
Motor Vehicles	2112	47,609	10.0	8,890	15,285	1
Aircraft	2113	0				2
Special Purpose Vehicles	2114	0				3
Garage Work Equipment	2115	0				4
Other Work Equipment	2116	100,719	11.47	16,191		5
Buildings	2121	90,599	3.7	4,744		6
Furniture	2122	2,427	7.14	867	1,722	7
Office Equipment	2123	7,963	11.28	3,021	4,685	8
General Purpose Computers	2124	37,625	25.0	64,581		9
Total-- GENERAL SUPPORT ASSETS		286,942		98,294	21,692	
CENTRAL OFFICE ASSETS						
Analog Electronic Switching	2211	0				10
Digital Electronic Switching	2212	671,789	13.85	145,991		11
Electro-Mechanical Switching	2215	0				12
Operator Systems	2220	0				13
Radio Systems	2231	0				14
Circuit Equipment	2232	534,508	9.54	82,984	1,864	15
Total-- CENTRAL OFFICE ASSETS		1,206,297		228,975	1,864	
INFORMATION ORIG/TERM ASSETS						
Station Apparatus	2311	0				16
Customer Premises Wiring	2321	0				17
Large Private Branch Exchanges	2341	0				18
Public Telephone Terminal Equipment	2351	11,139	10.0	620		19A
Other Terminal Equipment	2362	0				20
Total-- INFORMATION ORIG/TERM ASSETS		11,139		620	0	
CABLE WIRE FACILITIES ASSETS						
Poles	2411	0				21
Aerial Cable	2421	0				22
Underground Cable	2422	0				23
Buried Cable	2423	1,334,790	4.78	111,073		24
Submarine Cable	2424	0				25
Deep Sea Cable	2425	0				26
Intrabuilding Network Cable	2426	0				27
Aerial Wire	2431	0				28

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112	14,177		2,481		60,088	1
2113					0	2
2114					0	3
2115					0	4
2116	57,664		30,469		89,715	5
2121					95,343	6
2122					5,016	7
2123	0				15,669	8
2124					102,206	9
	71,841	0	32,950	0	368,037	
2211					0	10
2212	2,872		600		815,508	11
2215	0				0	12
2220					0	13
2231	0				0	14
2232	0				619,356	15
	2,872	0	600	0	1,434,864	
2311					0	16
2321					0	17
2341					0	18
2351				(11,759)	0	19 A
2362					0	20
	0	0	0	(11,759)	0	
2411					0	21
2421	0				0	22
2422	0				0	23
2423	8,860	470	122		1,436,655	24
2424	0				0	25
2425					0	26
2426	0				0	27
2431					0	28

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
CABLE WIRE FACILITIES ASSETS					
Conduit Systems	2441	0			29
Total-- CABLE WIRE FACILITIES ASSETS		1,334,790		111,073	0
Total Accumulated Depreciation	3100	2,839,168		438,962	23,556
Less: Allocation to Nonregulated Activity - Columns e, f and I	3100			0	0 30
Net Regulated Total Accum Depreciation - 3100 Columns e, f and I				438,962	23,556

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441					0	29
	8,860	470	122	0	1,436,655	
3100	83,573	470	33,672	(11,759)	3,239,556	
3100					0	30
3100					3,239,556	

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

Where subclassifications of primary plant accounts are used, report below the accumulated depreciation details for each subaccount. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone accumulated depreciation at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subacct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)	
Office Support Equipment	2123.1	3,570	7.14	1,199	4,685	1
Company Communications Equipment	2123.2	4,393	20.0	1,822		2
Software	2212.1	175,219	20.0	42,267		3
Digital Switching - Central Office	2212.2	496,570	13.0	103,724		4
Digital Switching - Remote	2212.3	0				5
Step by Step Switching	2215.1	0				6
Crossbar Switching	2215.2	0				7
Satellite and Earth Station Facilities	2231.1	0				8
Other Radio Facilities	2231.2	0				9
Digital Circuit Equipment	2232.1	534,508	9.54	82,984	1,864	10
Analog Circuit Equipment	2232.2	0				11
Light Wave Circuit Equipment	2232.3	0				12
Aerial Cable - Nonmetallic	2421.1	0				13
Aerial Cable - Metallic	2421.2	0				14
Underground Cable - Nonmetallic	2422.1	0				15
Underground Cable - Metallic	2422.2	0				16
Buried Cable - Nonmetallic	2423.1	21,990	5.0	27,769		17
Buried Cable - Metallic	2423.2	1,312,800	4.25	83,304		18
Submarine Cable - Nonmetallic	2424.1	0				19
Submarine Cable - Metallic	2424.2	0				20
Intrabuilding Cable - Nonmetallic	2426.1	0				21
Intrabuilding Cable - Metallic	2426.2	0				22

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

Subacct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2123.1					9,454	1
2123.2					6,215	2
2212.1					217,486	3
2212.2	2,872		600		598,022	4
2212.3					0	5
2215.1					0	6
2215.2					0	7
2231.1					0	8
2231.2					0	9
2232.1					619,356	10
2232.2					0	11
2232.3					0	12
2421.1					0	13
2421.2					0	14
2422.1					0	15
2422.2					0	16
2423.1					49,759	17
2423.2	8,860	470	122		1,386,896	18
2424.1					0	19
2424.2					0	20
2426.1					0	21
2426.2					0	22

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	3,371,549	3,191,766	1
Changes:			
Balance Transferred from Income	396,761	464,714	2
Dividends Declared:			
Common	305,770	285,425	3
Preferred	0	0	4
Total Dividends Declared	305,770	285,425	
Miscellaneous Debits to Retained Earnings	0	0	5
Miscellaneous Credits to Retained Earnings	1,203	494	6
Balance--End of Year	<u>3,463,743</u>	<u>3,371,549</u>	

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

Particulars (a)	This Year (b)	Last Year (c)	
LOCAL NETWORK SERVICES REVENUES			
Basic Local Service Revenue (5000)*	278,312		1 I
Basic Area Revenue (5001)		217,920	2
Optional Extended Area Revenue (5002)			3
Cellular Mobile Revenue (5003)			4
Other Mobile Services Revenue (5004)			5
Public Telephone Revenue (5010)		1,873	6
Local Private Line Revenue (5040)		2,570	7
Customer Premises Revenue (5050)			8
Other Local Exchange Revenue (5060)		40,652	9
Other Local Exchange Revenue Settlements (5069)			10
TOTAL BASIC LOCAL SERVICE REVENUE (5000)	278,312	263,015	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	86,508	83,853	11
Switched Access Revenue (5082)*	639,549	513,650	12 J
Special Access Revenue (5083)*	18,038	17,417	13
TOTAL INTERSTATE ACCESS REVENUES (5080)	744,095	614,920	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*	0	0	14
Switched Access Revenue (5084.2)*	364,347	355,098	15
Special Access Revenue (5084.3)*	19,983	15,700	16
TOTAL INTRASTATE ACCESS REVENUES (5084)	384,330	370,798	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*	100,097		17 K
Long Distance Inward-Only Revenue (5111)			18
Long Distance Outward-Only Revenue (5112)			19
Unidirectional Long Distance Revenue (5110)	0	0	
Long Distance Private Network Revenues			
Subvoice Grade Revenue (5121)			20
Voice Grade Revenue (5122)			21
Audio Program Grade Revenue (5123)			22
Video Program Grade Revenue (5124)			23
Digital Transmission Revenue (5125)			24
Switching Revenue (5126)			25
Other Revenue (5128)			26
Other Revenue Settlements (5129)			27
Total Long Distance Private Network Revenue	0	0	
Other Long Distance Revenue (5160)			28
Other Long Distance Revenue Settlements (5169)			29
TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV.	100,097	0	

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

Particulars (a)	This Year (b)	Last Year (c)	
MISCELLANEOUS REVENUES			
Directory Revenue (5230)*	37,447	36,794	30
Rent Revenue (5240)*	1,051	1,051	31
Corporate Operations Revenue (5250)*	0	0	32
Miscellaneous:			
Miscellaneous Revenue (5260)*	8,417		33 I
Special Billing Arrangements Revenue (5261)		0	34
Customer Operations Revenue (5262)		5,337	35
Plant Operations Revenue (5263)		0	36
Other Incidental Regulated Revenue (5264)		769	37
Other Revenue Settlements (5269)		641	38
Total Miscellaneous Revenue (5260)	8,417	6,747	
Interstate Billing and Collection Revenue*	32,328	22,677	39 L
Intrastate Billing and Collection Revenue*	60,140	76,496	40 M
Total Carrier Billing and Collection Revenue (5270)*	92,468	99,173	
Nonregulated Operating Revenue (5280)**			41
TOTAL MISCELLANEOUS REVENUES	139,383	143,765	
GROSS OPERATING REVENUES	1,646,217	1,392,498	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*	1,200		42
Uncollectible Revenue--Telecommunications (5301)		1,200	43
Uncollectible Revenue--Other (5302)			44
TOTAL UNCOLLECTIBLE REVENUE (5300)	1,200	1,200	
TOTAL OPERATING REVENUES	1,645,017	1,391,298	

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

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)	
PLANT SPECIFIC OPERATIONS EXPENSE				
Total Network Support Expense (6110)	0	1,242		1
Less: Nonregulated	0	0		2
Net Regulated	0	1,242		3
Total General Support Expense (6120)	8,180	15,577		4
Less: Nonregulated	0	0		5 B
Net Regulated	8,180	15,577		6
Total Central Office Switching Expense (6210)	42,384	59,552		7
Less: Nonregulated	0	0		8 C
Net Regulated	42,384	59,552		9
Total Operator Systems Expense (6220)	0	0		10
Less: Nonregulated	0	0		11
Net Regulated	0	0		12
Total Central Office Transmission Expenses (6230)	4,006	8,637		13
Less: Nonregulated	0	0		14
Net Regulated	4,006	8,637		15
Total Information Orig. / Term. Expense (6310)	2,302	563		16
Less: Nonregulated	0	0		17
Net Regulated	2,302	563		18
Total Cable and Wire Fac. Expense (6410)	50,062	64,825		19
Less: Nonregulated	0	0		20 D
Net Regulated	50,062	64,825		21
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	106,934	150,396		
Less: Nonregulated	0	0		
Net Regulated	106,934	150,396		
PLANT NONSPECIFIC OPERATIONS EXPENSE				
Total Other Property, Plant and Equip. Exp. (6510)	3,221	2,447		22
Less: Nonregulated	0	0		23
Net Regulated	3,221	2,447		24
Total Network Operations Expense (6530)	34,454	37,997		25
Less: Nonregulated	0	0		26
Net Regulated	34,454	37,997		27
Access Expense (6540)	0	94,142		28
Less: Nonregulated	0	0		29 E
Net Regulated	0	94,142		30
Total Depreciation and Amortization Expense (6560)	385,900	444,008		31
Less: Nonregulated	0	0		32
Net Regulated	385,900	444,008		33
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	423,575	578,594		
Less: Nonregulated	0	0		
Net Regulated	423,575	578,594		

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6110					1
					2
					3
6120					4
					5 B
					6
6210					7
					8 C
					9
6220					10
					11
					12
6230					13
					14
					15
6310					16
					17
					18
6410					19
					20 D
					21
6510					22
					23
					24
6530					25
					26
					27
6540					28
					29 E
					30
6560					31
					32
					33

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)
CUSTOMER OPERATIONS EXPENSE			
Total Marketing (6610)	798	16,439	34
Less: Nonregulated	0	0	35 F
Net Regulated	798	16,439	36
Total Services (6620)	130,428	159,032	37
Less: Nonregulated	0	0	38 G
Net Regulated	130,428	159,032	39
TOTAL CUSTOMER OPERATIONS EXPENSE	131,226	175,471	
Less: Nonregulated	0	0	
Net Regulated	131,226	175,471	
CORPORATE OPERATIONS EXPENSE			
Total Exec. and Planning (6710)	83,384	95,868	40
Less: Nonregulated	0	0	41
Net Regulated	83,384	95,868	42
Total General and Administrative (6720)	93,808	147,741	43
Less: Nonregulated	0	0	44 H
Net Regulated	93,808	147,741	45
Provision for Uncollectible Notes Receiv. (6790)	0	0	46
Less: Nonregulated	0	0	47
Net Regulated	0	0	48
TOTAL CORPORATE OPERATIONS EXPENSE	177,192	243,609	
Less: Nonregulated	0	0	
Net Regulated	177,192	243,609	
TOTAL EXPENSES	838,927	1,148,070	
Less: Nonregulated	0	0	
Net Regulated	838,927	1,148,070	

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6610					34
					35 F
					36
6620					37
					38 G
					39
6710					40
					41
					42
6720					43
					44 H
					45
6790					46
					47
					48

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EXPENSE MATRIX - CLASS A & B (DETAIL)

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries/ Wages (d)	
Property Held for Future Tele. Use Exp. (6511)	0	0		1
Provisioning Expense (6512)	3,221	2,447		2
Total: Reported in Account 6510	3,221	2,447		
Depreciat. Exp.--Tele. Plant in Service (6561)	385,900	443,588		3
Depreciat. Exp.--Prop. Held for Future Tele. Use (6562)	0	0		4
Amortization Expense--Tangible (6563)	0	420		5
Amortization Expense--Intangible (6564)	0	0		6
Amortization Expense--Other (6565)	0	0		7
Total: Reported in Account 6560	385,900	444,008		

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

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

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	1,646,217	1
Plus: Collection of amounts previously written off	4,577	2
Less: Uncollectibles written off during the year	10,122	3
Plus: Total Other Operating Income and (Expense) (7100)	429	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)	0	7
Plus (or Less) Other (please specify): NONE	0	8
Assessable Revenues for Remainder, Department of Justice, and Telephone Relay Assessment Purposes	1,641,101	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	278,312	1
Plus: Total Intrastate Access Revenues (5084)	384,330	2
Plus: Total Long Distance Network Services Revenue	100,097	3
Less: Out-of-State Operating Revenues (included in the above lines)	0	4
Plus (or Less) Other (please specify): NONE	0	5
Assessable Revenues for Universal Service Fund Assessment Purposes	762,739	

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	1,646,217	1
Plus: Collection of amounts previously written off	4,577	2
Less: Uncollectibles written off during the year	10,122	3
Plus: Total Other Operating Income and (Expense) (7100)	429	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)	0	7
Plus (or Less) Other (please specify): NONE	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	<u>1,641,101</u>	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	278,312	1
Plus: Total Intrastate Access Revenues (5084)	384,330	2
Plus: Total Long Distance Network Services Revenue	100,097	3
Less: Out-of-State Operating Revenues (included in the above lines)	0	4
Plus (or Less) Other (please specify): NONE	0	5
Assessable Revenues for Universal Service Fund Assessment Purposes	<u>762,739</u>	

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

Particulars (a)	This Year (b)	Last Year (c)	
OTHER OPERATING INCOME AND EXPENSE			
Income from Custom Work (7110)*	429	83	1
Return from Nonregulated Use of Regulated Facilities (7130)*	0	0	2
Gains and (Losses) from Foreign Exchange (7140)		0	3
Gains or (Losses) from the Disposition of Land and Artworks (7150)		0	4
Other Operating Gains and (Losses) (7160)*	0	0	5
TOTAL OTHER OPERATING INCOME AND (EXPENSE) (7100)*	429	83	
OPERATING TAXES			
Operating Investment Tax Credits--Net (7210)*	0	0	6
Operating Federal Income Taxes (7220)*	50,537	73,175	7
Operating State and Local Income Taxes (7230)*	8,355	0	8
Operating Other Taxes (7240)*	90,886	81,794	9
Provision for Deferred Operating Income Taxes--Net (7250)*	0	0	10
TOTAL OPERATING TAXES (7200)*	149,778	154,969	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)*	0	0	11
Interest Income (7320)*	96,553	126,375	12
Income from Sinking and Other Funds (7330)*	0	0	13
Allowance for Funds Used During Construction (7340)*	0	0	14
Gains or (Losses) from the Disposition of Certain Property (7350)*	0	0	15
Other Nonoperating Income (7360)*	0	0	16
Special Charges (7370)*	14,116	1,335	17
TOTAL NONOPERATING INCOME AND EXPENSE (7300)*	82,437	125,040	
NONOPERATING TAXES			
Nonoperating Investment Tax Credits--Net (7410)*	0	0	18
Nonoperating Federal Income Taxes (7420)*	0	0	19
Nonoperating State and Local Income Taxes (7430)*	0	0	20
Nonoperating Other Taxes (7440)*	0	0	21
Provision for Deferred Nonoperating Income Taxes-Net (7450)*	0	0	22
TOTAL NONOPERATING TAXES (7400)*	0	0	
INTEREST AND RELATED ITEMS			
Interest on Funded Debt (7510)*	2,632	33,684	23
Interest Expense--Capital Leases (7520)*	0	0	24
Amortization of Debt Issuance Expense (7530)*	0	0	25
Other Interest Deductions (7540)*	57	60	26
TOTAL INTEREST AND RELATED ITEMS (7500)*	2,689	33,744	
EXTRAORDINARY ITEMS			
Extraordinary Items (7600)*	0		27
Extraordinary Income Credits (7610)		0	28
Extraordinary Income Charges (7620)		0	29
Current Income Tax Effect of Extraordinary Items--Net (7630)		0	30
Provision for Deferred Income Tax Effect of Extraordinary Items--Net (7640)		0	31
TOTAL EXTRAORDINARY ITEMS (7600)*	0	0	
NONREGULATED NET INCOME			
Nonregulated Net Income (7990)*	(30,585)	(24,067)	32

TELEPHONE CALLS AND MINUTES OF USE PER MONTH

Enter average number, in thousands, of calls and minutes of use per month. The averages may be based on actual counts taken periodically during the year. Please provide level of detail available.

Item (a)	Telephone Calls (000's) (b)	Minutes of Use (000's) (c)	
LOCAL			
Intra-Exchange	93	31	1
Extended Area Service	184	400	2
Extended Community Calling	10	63	3
Other Local-Undefined	0	0	4
Total Local	287	494	
TOLL			
Operator Handled: State--intraLATA	8	7	5
Operator Handled: State--interLATA	3	4	6
Operator Handled: Interstate	9	10	7
Customer Dialed: State--intraLATA	32	254	8
Customer Dialed: State--interLATA	12	152	9
Customer Dialed: Interstate	26	343	10
WATS	0	0	11
Other Toll-Undefined	0	0	12
Total Toll	90	770	
Total Local & Toll	377	1,264	

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.	21	26	0	0	2
Feature Group B -- Orig.	0	1	0	0	3
Feature Group B -- Term.	0	0	0	0	4
Feature Group C -- Orig.	0	0	774	0	5
Feature Group C -- Term.	0	0	676	0	6
Feature Group D -- Orig.	1,643	639	1,088	0	7
Feature Group D -- Term.	2,585	1,221	605	0	8

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	0	1 N
Sheath miles of plant - buried	476	2
Sheath miles of plant - fiber optics	44	3
Strand miles of plant - fiber optics	1,299	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	1	1	1
56 kbps	1	0	2
64 kbps (DS0)	0	0	3
1.54 Mbps (DS-1)	3	0	4
45 Mbps (DS-3)	0	0	5
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

OUTSIDE PLANT STATISTICS AT END OF YEAR

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Sheath miles of plant - aerial	0	1 N
Sheath miles of plant - buried	476	2
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SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

SERVICE DATA

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

Item (a)	FOY (b)	EOY (c)	
Business			
1 Party	204	219	3
2 Party	0	0	4
4 Party	0	0	5
PBX Trunks/System Trunks	0	0	6
Centrex Trunks	0	0	7
Centrex Lines	0	0	8
Key System Trunks	8	5	9
Mobile (Utility Provided Service)	0	0	10
Paging (Utility Provided Service)	0	0	11
FX-Out (Switched)	0	0	12
Pay Telephone	0	20	13
Coin-Operated Pay Telephone	0	0	14
Independent Pay Telephone Provider	0	3	15
Pay Stations - Public	20	0	16
- Semi-Public	1	0	17
- Cust. Owned	3	0	18
Other	0	0	19
Total Business Lines	236	247	20
Residential (Incl. Emp. Concess.)			
1 Party	1,819	1,877	22
2 Party	0	0	23
4 Party	0	0	24
FX-Out (Switched)	3	3	25
Other	0	0	26
Total Residential Lines	1,822	1,880	27
Total Bus & Res Lines	2,058	2,127	28
Company Used Lines	46	48	29
Total Lines Used	2,104	2,175	30

SERVICE DATA (cont.)

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

Item (a)	FOY (b)	EOY (c)	
Miscellaneous			
WATS Lines - OutWATS	0	0	3
WATS Lines - 800 Service	0	0	4
FX-In-intraLATA	1	0	5
Special Access-intraLATA			6
(expressed in equiv. access lines)	2	1	7
Special Access-interLATA			8
(expressed in equiv. access lines)	72	74	9
Feature Group A Lines	0	0	10
Feature Group B Trunks	2	2	11
Feature Group C Trunks	47	47	12
Feature Group D Trunks	398	432	13
TSPS - Trunks	23	23	14
EAS - Trunks	144	144	15
Cellular Trunks (Pub. Sw. Net.)	0	0	16
Video Distance Learning			17
- discounted (special tariff)	0	0	18
Customers			
Business - 2 Party Customers	0	0	20
Business - 4 Party Customers	0	0	21
Residential - 2 Party Customers	0	0	22
Residential - 4 Party Customers	0	0	23
Other			
Total Central Office, Info. Orig./Term., & Cable			25
Wire Fac. Assets (based on physical location of plant)			26
	3,719,481	4,790,189	27
Total Company Square Miles	191	191	28
Total Company Route Miles	515	520	29
Footnotes			30

SERVICE DATA - END OF YEAR

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

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	0920	3030	3730		1
Business					2
1 Party	62	63	94		3
2 Party	0	0	0		4
4 Party	0	0	0		5
PBX Trunks/System Trunks	0	0	0		6
Centrex Trunks	0	0	0		7
Centrex Lines	0	0	0		8
Key System Trunks	0	0	5		9
Mobile (utility provided service)	0	0	0		10
Paging (utility provided service)	0	0	0		11
FX-Out (Switched)	0	0	0		12
Pay Telephone	4	10	6		13
Coin-Operated Pay Telephone	0	0	0		14
Independent Pay Telephone Provider	0	0	3		15
Pay Stations - Public	0	0	0		16
- Semi-Public	0	0	0		17
- Cust. Owned	0	0	0		18
Other	0	0	0		19
Total Business Lines	66	73	108	0	20
Residential (Incl. Emp. Concess.)					21
1 Party	590	654	633		22
2 Party	0	0	0		23
4 Party	0	0	0		24
FX-Out (Switched)	0	3	0		25
Other	0	0	0		26
Total Residential Lines	590	657	633	0	27
Total Bus & Res Lines	656	730	741	0	28
Company Used Lines	12	8	28		29
Total Lines Used	668	738	769	0	30

SERVICE DATA - END OF YEAR (cont.)

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

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	0920	3030	3730		1
Miscellaneous					2
WATS Lines - OutWATS	0	0	0		3
WATS Lines - 800 Service	0	0	0		4
FX-In-intraLATA	0	0	0		5
Special Access-intraLATA					6
(equiv. access lines)	1	0	0		7
Special Access-interLATA					8
(equiv. access lines)	0	0	74		9
Feature Group A Lines	0	0	0		10
Feature Group B Trunks	0	0	2		11
Feature Group C Trunks	0	0	47		12
Feature Group D Trunks	56	0	376		13
TSPS - Trunks	5	0	18		14
EAS - Trunks	72	0	72		15
Cellular Trunks (Pub. Sw. Net.)	0	0	0		16
Video Distance Learning					17
- discounted (special tariff)	0	0	0		18
Customers					19
Business - 2 Party Customers	0	0	0		20
Business - 4 Party Customers	0	0	0		21
Residential - 2 Party Customers	0	0	0		22
Residential - 4 Party Customers	0	0	0		23
Other					24
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical					26
location of plant)	1,796,599	898,678	2,094,912		27
Exchange Square Miles	56	59	76		28
Exchange Route Miles	151	157	212		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

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CENTRAL OFFICE DATA - END OF YEAR

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

Description (a)	Central Off. (b)	Central Off. (c)	Central Off. (d)	Central Off. (e)	
Exchange Name	CANTON	LONG LAKE	NEW AUBURN		1
PSCW Exchange ID	0920	3030	3730		2
Central Office Name	CANTON	LONG LAKE	NEW AUBURN		3
PSCW Central Office ID	1	1	1		4
Manufacturer of COE (Page 54)	NTI	NTI	NTI		5
Year COE Installed	1988	1989	1988		6
Type of Equipment (Page 54)	D	D	D		7
(S)tandalone, (H)ost, (R)emote	S	R	H		8
Remote Host PSCW Exchange ID		3730			9
Remote Host PSCW Central Office ID	0	1	0		10
COE Generic Software Release No.	408.11	408.11	408.11		11
SS7?	Yes	Yes	Yes		12
9-1-1?	Yes	Yes	Yes		13
Access Lines - In Use	668	738	769		14
- Equipped	832	960	960		15
- Wired	1,472	1,216	1,472		16
Trunks - In Use	172	0	615		17
- Equipped	192	0	720		18
- Wired	288	0	720		19
ISDN Available?	No	No	No		20
ISDN Lines - In Use (BRI)	0	0	0		21
- In Use (PRI)	0	0	0		22
Switched 56 Service?	No	No	No		23
Switched 56 lines in use	0	0	0		24
Digital Transmission Facilities: DS-1 - In Use	11	11	44		25
DS-3 - In Use	0	0	1		26
Advanced Data Service Available:					
Packet Switching?	No	No	No		27
SMDS?	No	No	No		28
Frame Relay?	No	No	No		29
ATM (Asynchronous Trans. Mode)?	No	No	No		30
Video Information - Service Available?	No	No	No		31
- In Use (# lines) ¹	0	0	0		32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	64	0	42		33
No. of fiber strands working (LIT) in C.O.	12	0	8		34
No. of fiber strands for interoffice use	4	0	4		35
Miles of fiber sheath in wire center	23	0	21		36
Access Tandem Serving this C.O.:					
- C.O. Name	NEW AUBURN	NEW AUBURN	NEW AUBURN		37
- PSCW C.O. ID	3730-01	3730-01	3730-01		38
Does this C.O. do access tandem switching?	No	No	Yes		39
Equal Access: InterLATA (1+)?	Yes	Yes	Yes		40
Equal Access: IntraLATA (1+)?	Yes	Yes	Yes		41
Footnotes					42

¹ Teleco provided end-to-end facility.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

General Footnote

Schedule Footnotes

Accumulated Depreciation Class A & B Footnote. Page 26

Revenues - Class A & B (Class B Use Accounts Designated By *) Footnote. Page 40

Schedule Line Footnotes

- A) To reclassify Public Terminal Equipment from regulated to non-regulated account.
- B) Increased activity in building repairs.
- C) Repair of damage caused by power outage to Central Office Equipment.
- D) Increased activity and labor on repair of buried cable.
- E) Access expense related to Toll Reselling activity which began in 1997.
- F) Marketing expenses related to commencing of toll reselling activities.
- G) Hired new employee to perform customer service duties.
- H) Converted to new accounting system requiring training and learning curve.
 - I) Switched from reporting as a Class A to Class B Telephone Company.
- J) Switched Access Revenue has increased due to increased minutes of use.
- K) Commenced Long Distance Reselling activities in 1997.
- L) Increased minutes of use.
- M) Decrease in Billing & Collecting rates paid by Ameritech.
- N) All of our plant is buried, therefore there are no miles to report.