



4004

ANNUAL REPORT

OF

Name: LAKEFIELD TELEPHONE COMPANY

Principal Office: 7520 ENGLISH LAKE RD
P.O. BOX 102
NEWTON, WI 53063-0102

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 PHILIP NASS of
(Person responsible for accounts)

LAKEFIELD TELEPHONE COMPANY, certify that I
(Utility Name)

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

PHILIP NASS 04/24/1998
(Person responsible for accounts) (Date)

GENERAL MANAGER
(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: LAKEFIELD TELEPHONE COMPANY
Utility Location: 7520 ENGLISH LAKE RD
P.O. BOX 102
NEWTON, WI 53063-0102

Utility Web Site Address:

When was utility organized?: 01/01/1907

Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: MR PHILIP NASS NASS
Title: GENERAL MANAGER

Office Address: 7520 ENGLISH LAKE ROAD
P.O. BOX 102
NEWTON, WI 53063

Fax Number: (414) 758 - 2997
Telephone Number: (414) 758 - 2211
Email Address:

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

Name: KIESLING ASSOCIATES LLP
Title: ACCOUNTING FIRM
Firm: KIESLING ASSOCIATES LLP
Office Address: 6401 ODANA ROAD
MADISON, WI 53719-1155

Fax Number: (608) 273 - 2383
Telephone Number: (608) 273 - 2315
Email Address:

Person responsible for financial information contained in report

Name: MR PHILIP NASS
Title: GENERAL MANAGER

Office Address: 7520 ENGLISH LAKE ROAD
P.O. BOX 102
NEWTON, WI 53063

Fax Number: (414) 758 - 2997
Telephone Number: (414) 758 - 2211
Email Address:

Person responsible for statistical information contained in report

Name: MR PHILIP NASS
Title: GENERAL MANAGER

Office Address: 7520 ENGLISH LAKE ROAD
P.O. BOX 102
NEWTON, WI 53063

Fax Number: (414) 758 - 2997
Telephone Number: (414) 758 - 2211
Email Address:

IDENTIFICATION AND OWNERSHIP

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

Name: LAKEFIELD TELECOM, INC.
Address: 7520 ENGLISH LAKE ROAD
PO BOX 102
NEWTON , WI 53063
Number of Shares Held: 8,765
Beneficial Owner: NONE

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

Company Name: LTC, INC.
Form of Interest: OWNED
Extent Of Interest: 100%

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	1,125,948	1,089,273	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	101,594	140,877	2
Plant Nonspecific Operations Expense	348,399	296,207	3
Customer Operations Expense (6610-6620)	160,541	156,314	4
Corporate Operations Expense (6710-6790)	231,803	191,357	5
Other Operating Income and Expense (7100)	0	0	6
Operating Taxes (7200)	126,190	114,127	7
Total Operating Expenses	968,527	898,882	8
Net Operating Income	157,421	190,391	9
Other Income			
Nonoperating Income and Expense (7300)	(5,609)	15,932	10
Nonoperating Taxes (7400)	(4,191)	10,666	11
Interest and Related Items (7500)	91,304	89,266	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	32,747	(52,471)	14
Total Nonoperating Income	(59,975)	(136,471)	15
Net Income	97,446	53,920	16

NOTES TO INCOME STATEMENT OR BALANCE SHEET

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

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

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

A. Property and Equipment

Telephone plant is capitalized at original cost, including the capitalized cost of salaries and wages, materials, certain payroll taxes, and employee benefits.

The Company provides for depreciation for financial reporting purposes on the straight-line method by the application of rates, based on the estimated service lives of the various classes of depreciable property.

Renewals and betterments of units of property are charged to telephone plant in service. When telephone plant is retired, its cost is removed from the asset account and charged against accumulated depreciation, together with removal cost less any salvage realized. No gains or losses are recognized in connection with routine retirements of depreciable property. Repairs and renewals of minor items of property are included in plant specific operations expense.

B. Income taxes

Income taxes are accounted for using a liability method and provide for the tax effects of transactions reported in the financial statements including both taxes currently due and deferred. Deferred taxes are adjusted to reflect deferred tax consequences at current enacted tax rates. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities include the difference between carrying amounts of depreciable assets and partnership investment basis. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled.

Investment tax credits (ITC) which were deferred prior to the Tax Reform Act of 1986 are being amortized over the regulatory life of the plant which produced the ITC.

NOTES TO INCOME STATEMENT OR BALANCE SHEET

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

C. Revenue Recognition

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

Revenues relating to the provision of access services to customers are derived, in part, from tariffed access charges to toll service providers (interexchange carriers), and in part from sharing in interstate and intrastate pools. Interstate revenues are determined in accordance with nationwide average cost schedules.

The Company is compensated for intrastate access under access charge procedures based on expense and plant investment levels, as determined by the Company and approved by the PSCW.

D. Cash Equivalents

All highly liquid investments purchased with a maturity of one year or less are considered cash equivalents.

E. Investments

Non-marketable equity investments and temporary investments are stated at cost.

-
2. A summary of significant contingent assets and liabilities existing at year end, including a brief explanation of any action initiated by the Internal Revenue Service, Wisconsin Department of Revenue, or the utility involving a possible assessment or refund of taxes.

None

-
3. The notes should include an explicit and precise explanation of any retained earnings restrictions and should state the amount of retained earnings affected by such restrictions.

The mortgage to the United States of America, underlying the RUS notes, contains certain restrictions on the declaration of payment of cash dividends, redemption of capital stock, or investment in affiliated companies. As of December 31, 1997, the maximum amount which could be distributed in accordance with these restrictions was \$228,000, except as might be specifically authorized in writing in advance by the RUS noteholders.

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT ASSETS			
CASH AND EQUIVALENTS			
Cash and Equivalents (1120)*	170,926	184,071	1
Cash (1130)			2
Special Cash Deposits (1140)			3
Working Cash Advances (1150)			4
Temporary Investments (1160)			5
TOTAL CASH AND EQUIVALENTS	170,926	184,071	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	57,886	54,306	6
Accounts Receivable Allowance-Telecom (1181)*			7
Net: Telecommunications Accounts Receivable	57,886	54,306	
Other Accounts Receivable (1190)*	322,790	242,361	8
Accounts Receivable Allowance--Other (1191)*			9
Net: Other Accounts Receivable	322,790	242,361	
Notes Receivable (1200)*	0	0	10
Notes Receivable Allowance (1201)*	0	0	11
Net: Notes Receivable	0	0	
Interest and Dividends Receivable (1210)*			12
TOTAL RECEIVABLES AND ALLOWANCES FOR DOUBTFUL	380,676	296,667	
SUPPLIES			
Inventories (1220)*	11,488	23,396	13
TOTAL SUPPLIES	11,488	23,396	
PREPAYMENTS			
Total Prepayments (1280)*	(1,755)	1,520	14
Prepaid Rents (1290)			15
Prepaid Taxes (1300)			16
Prepaid Insurance (1310)			17
Prepaid Directory Expenses (1320)			18
Other Prepayments (1330)			19
TOTAL PREPAYMENTS	(1,755)	1,520	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	11,715	6,735	20
TOTAL OTHER CURRENT ASSETS	11,715	6,735	
TOTAL CURRENT ASSETS	573,050	512,389	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	122,522	120,000	21
Investments in Nonaffiliated Companies (1402)*	141,730	128,611	22
Nonregulated Investments (1406)*	45,190	38,926	23
Unamortized Debt Issuance Expense (1407)*	1,865	1,968	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)*	8,531	9,181	26
TOTAL INVESTMENTS	319,838	298,686	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*	0	0	27
Deferred Maintenance and Retirements (1438)*	0	0	28
Deferred Charges (1439)*	17,568	17,568	29
TOTAL DEFERRED CHARGES	17,568	17,568	
TOTAL NONCURRENT ASSETS	337,406	316,254	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	4,148,209	3,887,584	30
Less: Accumulated Depreciation (3100)*	2,046,411	1,751,458	31
Less: Accumulated Amortization--Capitalized Leases (3410)*			32
Less: Accumulated Amortization--Leasehold Improvements (3420)*			33
Less: Accumulated Amortization--Intangible (3500)*			34
NET TELECOMMUNICATIONS PLANT IN SERVICE	2,101,798	2,136,126	
PROPERTY HELD FOR FUTURE USE			
Prop. Held for Future Telecommun. Use (2002)*			35
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200)*			36
NET PROPERTY HELD FOR FUTURE USE	0	0	
NONOPERATING PLANT			
Nonoperating Plant (2006)*			37
Less: Accumulated Depreciation--Nonoperating (3300)*			38
NET NONOPERATING PLANT	0	0	
TPUC			
TPUC (2003)*			39
TOTAL TPUC	0	0	
TELECOMMUNICATIONS PLANT ADJUSTMENT			
Telecommunications Plant Adjustment (2005)*			40
Less: Accumulated Amortization--Other (3600)*			41
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	0	0	
TOTAL PLANT	2,101,798	2,136,126	
TOTAL ASSETS AND OTHER DEBITS*	3,012,254	2,964,769	

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	139,135	127,573	1
Notes Payable (4020)*	145,341	189,278	2
Advance Billing and Payments (4030)*			3
Customer Deposits (4040)*	425	425	4
Current Maturities--Long-Term Debt (4050)*	73,900	70,300	5
Current Maturities--Capital Leases (4060)*			6
Income Taxes--Accrued (4070)*	6,129	(53,876)	7
Other Taxes--Accrued (4080)*	(10,409)	(10,365)	8
Net Current Deferred Operating Income Taxes (4100)*	0	0	9
Net Current Deferred Nonoperating Income Taxes (4110)*			10
Other Accrued Liabilities (4120)*	48,332	25,094	11
Other Current Liabilities (4130)*			12
TOTAL CURRENT LIABILITIES*	402,853	348,429	
LONG-TERM DEBT			
Funded Debt (4210)*	1,384,361	1,458,329	13
Premium on Long-Term Debt (4220)*			14
Discount on Long-Term Debt (4230)*			15
Reacquired Debt (4240)*	0	0	16
Obligations Under Capital Leases (4250)*			17
Advances from Affiliated Companies (4260)*	0	0	18
Other Long-Term Debt (4270)*	0	0	19
TOTAL LONG-TERM DEBT*	1,384,361	1,458,329	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*			20
Unamortized Operating ITC--Net (4320)*	70,918	82,019	21
Unamortized Nonoperating ITC--Net (4330)*			22
Net Noncurrent Deferred Operating Income Taxes (4340)*	148,786	145,295	23
Net Deferred Tax Liability Adjustments (4341)*	(37,418)	(40,112)	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	(11,251)	(10,957)	25
Other Deferred Credits (4360)*			26
Deferred Tax Regulatory Liability (4361)*	49,141	53,457	27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS*	220,176	229,702	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	438,250	438,250	28
Additional Paid-in Capital (4520)*			29
Treasury Stock (4530)*	0	0	30
Other Capital (4540)*	(25,826)	(59,935)	31
Retained Earnings (4550)*	592,440	549,994	32
TOTAL STOCKHOLDERS' EQUITY*	1,004,864	928,309	
TOTAL LIABILITIES AND OTHER CREDITS*	3,012,254	2,964,769	

STATEMENT OF CASH FLOWS

Item (a)	Amount (b)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	97,446	1
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and amortization	308,186	2
Interest during construction	0	3
Changes in assets and liabilities:		
Current assets (net)	(73,806)	4
Other noncurrent assets	546	5
Other current liabilities	94,761	6
Other liabilities and deferred credits	(9,526)	7
Other (specify):		
TOTAL ADJUSTMENTS	320,161	
NET CASH PROVIDED BY OPERATING ACTIVITIES (NET INCOME & ADJUST.)	417,607	
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures:		
Changes in plant (net)	(273,858)	8
Investments in affiliated companies	(2,522)	9
Nonoperating Investments	(19,383)	10
Other (specify):		
NET CASH USING IN INVESTING ACTIVITIES	(295,763)	
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in capital lease obligations (net)	0	11
Change in long-term debt (net)	(70,161)	12
Net changes in stockholder equity other than retained earnings	34,109	13
Change in short term borrowing (net)	(43,937)	14
Dividends paid	(55,000)	15
Miscellaneous debits/credits to retained earnings	0	16
Other (specify):		
Net Cash Provided by Financing Activities	(134,989)	
NET INCREASE IN CASH AND CASH EQUIVALENTS	(13,145)	
Cash and cash equivalents at beginning of year (Accts. 1130-1160 for Class A; 1120 for Class B)		
Cash and cash equivalents at end of year (Accts. 1130-1160 for Class A; 1120 for Class B)		

IMPORTANT CHANGES DURING THE YEAR

1. Give the name and address of all companies which during the year came under the direct control of the respondent otherwise than through title to securities, stating whether such control is sole or joint, how control was established, names of other parties to a joint agreement for control, the extent of control exercised by each party, and any other pertinent data requisite to a clear understanding of the arrangements relating to control (See Section 32.9000 of the Uniform System of Accounts). Where important details relating to control of a company have changed, give particulars. If during the year a company ceased to be controlled by the respondent, its name and a statement of fact will be sufficient.

Company formed LTC, Inc., a 100% wholly owned subsidiary during 1997.

2. Give the name and address of all companies which during the year came under the indirect control of the respondent through non-reporting intermediaries, stating whether such control is sole or joint, how control was established, names of other parties to a joint agreement for control, the extent of control exercised by each party, the name and address of the intermediary through which the indirect control exists, and any other pertinent data requisite to a clear understanding of the arrangements relating to control (See Section 32.9000 of the Uniform System of Accounts). Where important details relating to control of a company have changed, give particulars. If during the year a company ceased to be controlled by the respondent, its name and a statement of fact will be sufficient.

None

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

None

4. List extension of system (other than additions supplementing existing facilities of the respondent) whether by purchase, construction, donation, or otherwise, such as a substantially complete telephone system, exchange or toll line. Give the location, new territory covered, and dates of beginning operation, and in case of purchase give also the name and address of the company from which purchased, date of acquisition, the consideration given, and reference to Commission authorization.

None

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

None

6. Obligation incurred or assumed by respondent as guarantor for the performance by another of any agreement or obligation, excluding ordinary commercial paper maturing on demand or not later than one year after date of issue.

None

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

None

IMPORTANT CHANGES DURING THE YEAR

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

During 1997, the PSC required the deregulation of public payphone equipment. Lakefield Telephone Company subsequently transferred the public payphone equipment to a nonregulated account.

Entry made April 1998:	Debit	Credit
1406.3 Nonreg public telephone equipment	\$36,050	
2351 - public telephone equipment		\$36,050
31-2351 Accum depr public telephone equip	\$31,411	
1406.31 accum depr nonreg tel equip		\$31,411

The description was to record transfer of payphones to nonregulated equipment. The transfer was made above the line at net book value.

12/7/99 ele

AFFILIATE ABBREVIATIONS

In column (b) provide the abbreviation for the name of the affiliate shown in column (a). Limit abbreviations to 10 characters or less. Use these abbreviations when completing the affiliated interest schedules. Insert "Other" in the Abbreviations column if the activity to be reported for a particular record in the Affiliated Interest Transactions or Affiliated Assets and Liabilities schedule represents an aggregation of activity not exceeding the dollar or percentage limits set forth in the header of that schedule.

Name of Affiliate (a)	Abbreviations (b)	
Computer Systems Limited Liability Corporation	CSLLC	1
Lakefield Communications, Inc.	LKFDCOMM	2
Lakefield Telecom, Inc.	LKFDTELCM	3
LTC, Inc.	LTC	4
Other	OTH	5

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	2970-AT-100					
Name of Affiliate	CSLLC					1
Designate whether billed to or from:	FROM					2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	M					3
Revenues						4
Expenses:						
Plant Specific Operations Expense						5
Plant Nonspecific Operations Expense						6
Customer Operations Expense	64,600					7
Corporate Operations Expense						8
Total Operating Expenses	64,600	0	0	0	0	9
Other:						
Plant Accounts						10
Accumulated Depreciation						11
Accumulated Amortization						12
Clearing						13
All Other						14
Total	64,600	0	0	0	0	15
Percent of affiliate's business billed to all affiliated regulated utilities	57.88					16
If cost based, rate of return on equity or markup incorporated in billings						17
Footnotes						

AFFILIATED ASSETS AND LIABILITIES

This schedule should be used to report affiliated activity concerning balances at the end of the year for the following accounts: 1120, Cash and Equivalents; 1160, Temporary Investments; 1180, Telecommunications Accounts Receivable; 1190, Other Accounts Receivable; 1210, Interest and Dividends Receivable; 1401, Investment in Affiliated Companies; 4010, Accounts Payable; and 4260, Advances from Affiliated Companies. Amounts at the end of the year for each affiliate should be identified by respective affiliate and account number. Report information below consecutively by respective account number; affiliated amounts of less than \$5,000 may be reported in aggregate as "other" for a particular account. Affiliated amounts recorded in accounts 1200, Notes Receivable, 1408, Sinking Funds, and 4020, Notes Payable, should not be reported in this schedule, but rather in the respective schedules contained elsewhere in this report.

Name of Affiliate (a)	Account Number (b)	Balance EOY (c)	
Lakefield Communications, Inc.	1190	82,203	1
Lakefield Telecom, Inc.	1190	114,940	2
Computer Systems Limited Liability Corporation	1401	120,000	3
LTC, Inc.	1401	2,522	4
Lakefield Communications, Inc.	4010	21,443	5

ACCOUNTS RECEIVABLE NET WRITE OFFS - TELECOMMUNICATIONS

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

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

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

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

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

INVESTMENTS IN NONAFFILIATED COMPANIES (ACCT. 1402)

Name (a)	Balance EOY (b)	
RTB Class B Stock	0	1
Other:		
WITS Class A Stock	200	2
WITS Class B Stock	20,600	3
Cash Surrender Value of Life Insurance	120,930	4
Total Investments in Nonaffiliated Companies	141,730	

NONREGULATED INVESTMENTS (ACCT. 1406)

Report below the name and end-of-year balance of total net investment and inventory (accts. 1406.10, 1406.11 and 1406.12) for each nonregulated activity. Telephone utilities not subject to dual jurisdiction should report materials and supplies held for resale in account 1406.

Name (a)	Balance EOY (b)	
Total Net Investment and Inventory (Accts. 1406.10, 1406.11, and 1406.12):		
Leased Telephone Equipment	35,962	1
Internet Equipment	26,956	2
Internet C.O. Equipment	17,475	3
Cellular Test Set	4,354	4
Cellular Office - test equipment	2,857	5
Public Paystations	5,121	6
Depreciation Reserve	(54,132)	7
Inventory (Acct. 1406.12)	6,597	8

DEFERRED MAINTENANCE AND RETIREMENTS (ACCT. 1438)

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

Description of Item (a)	Balance EOY (b)
----------------------------------------	--------------------------------

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
GENERAL SUPPORT ASSETS				
Land	2111	18,158		1
Motor Vehicles	2112	59,386	20,400	2
Aircraft	2113	0		3
Special Purpose Vehicles	2114	0		4
Garage Work Equipment	2115	0		5
Other Work Equipment	2116	56,802	834	6
Buildings	2121	526,281	21,842	7
Furniture	2122	58,898	3,416	8
Office Equipment	2123	34,245	319	9 A
General Purpose Computers	2124	79,718	16,490	10
TOTAL--GENERAL SUPPORT ASSETS:		833,488	63,301	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0		11
Digital Electronic Switching	2212	831,834	142,610	12 A
Electro-Mechanical Switching	2215	0	0	13 A
Operator Systems	2220	0		14
Radio Systems	2231	0	0	15 A
Circuit Equipment	2232	139,806	931	16 A
TOTAL--CENTRAL OFFICE ASSETS:		971,640	143,541	
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	2,562		20 B
Other Terminal Equipment	2362	0		21
TOTAL--INFORMATION ORIG/TERM ASSETS:		2,562	0	
CABLE WIRE FACILITIES ASSETS				
Poles	2411			22
Aerial Cable	2421	1,301	0	23 A
Underground Cable	2422	12,485	0	24 A
Buried Cable	2423	2,055,970	68,740	25 A
Submarine Cable	2424	0	0	26 A
Deep Sea Cable	2425	0		27
Intrabuilding Network Cable	2426	0	0	28 A
Aerial Wire	2431	2,492		29
Conduit Systems	2441	7,409		30
TOTAL--CABLE WIRE FACILITIES ASSETS:		2,079,657	68,740	
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			18,158	1
2112	12,395		67,391	2
2113			0	3
2114			0	4
2115			0	5
2116			57,636	6
2121			548,123	7
2122			62,314	8
2123	0	0	34,564	9 A
2124			96,208	10
	12,395	0	884,394	
2211			0	11
2212	0	0	974,444	12 A
2215	0	0	0	13 A
2220			0	14
2231	0	0	0	15 A
2232	0	0	140,737	16 A
	0	0	1,115,181	
2311			0	17
2321			0	18
2341			0	19
2351		(2,562)	0	20 B
2362			0	21
	0	(2,562)	0	
2411			0	22
2421	0	0	1,301	23 A
2422	0	0	12,485	24 A
2423	0	0	2,124,710	25 A
2424	0	0	0	26 A
2425			0	27
2426	0	0	0	28 A
2431			2,492	29
2441			7,409	30
	0	0	2,148,397	
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	237	33
TOTAL--AMORTIZABLE ASSETS:		237	0
TOTAL TELECOM. PLANT IN SERVICE	2001	3,887,584	275,582
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			237	33
	0	0	237	
	12,395	(2,562)	4,148,209	
2001			0	34
			4,148,209	

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

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

Plant Subaccount (a)	Subaccount (b)	Balance FOY (c)	Additions (d)	
Office Support Equipment	2123.1	32,470		1
Company Communications Equipment	2123.2	1,775	319	2
Software	2212.1	0		3
Digital Switching - Central Office	2212.2	831,834	142,610	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	29,858	931	10
Analog Circuit Equipment	2232.2	0		11
Light Wave Circuit Equipment	2232.3	109,948		12
Aerial Cable - Nonmetallic	2421.1	0		13
Aerial Cable - Metallic	2421.2	1,301		14
Underground Cable - Nonmetallic	2422.1	0		15
Underground Cable - Metallic	2422.2	12,485		16
Buried Cable - Nonmetallic	2423.1	196,758		17
Buried Cable - Metallic	2423.2	1,859,212	68,740	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			32,470	1
2123.2			2,094	2
2212.1			0	3
2212.2			974,444	4
2212.3			0	5
2215.1			0	6
2215.2			0	7
2231.1			0	8
2231.2			0	9
2232.1			30,789	10
2232.2			0	11
2232.3			109,948	12
2421.1			0	13
2421.2			1,301	14
2422.1			0	15
2422.2			12,485	16
2423.1			196,758	17
2423.2			1,927,952	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	42,704	20.0	11,439	1
Aircraft	2113				2
Special Purpose Vehicles	2114				3
Garage Work Equipment	2115				4
Other Work Equipment	2116	56,802	10.0		5
Buildings	2121	123,909	4.0	21,267	6
Furniture	2122	34,702	10.0	6,308	7
Office Equipment	2123	34,119	15.25	0	8H
General Purpose Computers	2124	53,333	20.0	17,546	9
Total-- GENERAL SUPPORT ASSETS		345,569		56,560	0
CENTRAL OFFICE ASSETS					
Analog Electronic Switching	2211				10
Digital Electronic Switching	2212	232,860	11.11	99,340	11
Electro-Mechanical Switching	2215				12
Operator Systems	2220				13
Radio Systems	2231				14
Circuit Equipment	2232	44,609	12.0	16,787	15
Total-- CENTRAL OFFICE ASSETS		277,469		116,127	0
INFORMATION ORIG/TERM ASSETS					
Station Apparatus	2311				16
Customer Premises Wiring	2321				17
Large Private Branch Exchanges	2341				18
Public Telephone Terminal Equipment	2351	777	10.0	64	19B
Other Terminal Equipment	2362				20
Total-- INFORMATION ORIG/TERM ASSETS		777		64	0
CABLE WIRE FACILITIES ASSETS					
Poles	2411				21
Aerial Cable	2421	566	5.0	65	22
Underground Cable	2422	6,752	4.5	562	23
Buried Cable	2423	1,117,080	6.62	134,313	24H
Submarine Cable	2424				25
Deep Sea Cable	2425				26
Intrabuilding Network Cable	2426				27
Aerial Wire	2431	1,421	12.5	312	28

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112	12,395				41,748	1
2113					0	2
2114					0	3
2115					0	4
2116					56,802	5
2121					145,176	6
2122					41,010	7
2123	0				34,119	8 H
2124					70,879	9
	12,395	0	0	0	389,734	
2211					0	10
2212	0				332,200	11
2215	0				0	12
2220					0	13
2231	0				0	14
2232	0				61,396	15
	0	0	0	0	393,596	
2311					0	16
2321					0	17
2341					0	18
2351				(841)	0	19 B
2362					0	20
	0	0	0	(841)	0	
2411					0	21
2421	0				631	22
2422	0				7,314	23
2423	0				1,251,393	24 H
2424	0				0	25
2425					0	26
2426	0				0	27
2431					1,733	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	1,824	2.5	186	29
Total-- CABLE WIRE FACILITIES ASSETS		1,127,643		135,438	0
Total Accumulated Depreciation	3100	1,751,458		308,189	0
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				308,189	0

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441					2,010	29
	0	0	0	0	1,263,081	
3100	12,395	0	0	(841)	2,046,411	
3100					0	30
3100					2,046,411	

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	32,470	15.0	0		1
Company Communications Equipment	2123.2	1,649	20.0			2
Software	2212.1					3
Digital Switching - Central Office	2212.2	232,860	11.11	99,340		4
Digital Switching - Remote	2212.3					5
Step by Step Switching	2215.1					6
Crossbar Switching	2215.2					7
Satellite and Earth Station Facilities	2231.1					8
Other Radio Facilities	2231.2					9
Digital Circuit Equipment	2232.1	13,820	12.0	3,593		10
Analog Circuit Equipment	2232.2					11
Light Wave Circuit Equipment	2232.3	30,789	12.0	13,194		12
Aerial Cable - Nonmetallic	2421.1					13
Aerial Cable - Metallic	2421.2	566	5.0	65		14
Underground Cable - Nonmetallic	2422.1					15
Underground Cable - Metallic	2422.2	6,752	4.5	562		16
Buried Cable - Nonmetallic	2423.1	28,229	4.5	8,854		17
Buried Cable - Metallic	2423.2	1,088,851	6.67	125,459		18
Submarine Cable - Nonmetallic	2424.1					19
Submarine Cable - Metallic	2424.2					20
Intrabuilding Cable - Nonmetallic	2426.1					21
Intrabuilding Cable - Metallic	2426.2					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					32,470	1
2123.2					1,649	2
2212.1					0	3
2212.2					332,200	4
2212.3					0	5
2215.1					0	6
2215.2					0	7
2231.1					0	8
2231.2					0	9
2232.1					17,413	10
2232.2					0	11
2232.3					43,983	12
2421.1					0	13
2421.2					631	14
2422.1					0	15
2422.2					7,314	16
2423.1					37,083	17
2423.2					1,214,310	18
2424.1					0	19
2424.2					0	20
2426.1					0	21
2426.2					0	22

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

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

Particulars (a)	Balance FOY (b)	
PROPERTY RELATED		
Other Current Assets (1350)	0	1
Other Noncurrent Assets (1410)	0	2
Deferred Tax Regulatory Asset (1437)	0	3
Net Current Deferred Operating Income Taxes (4100)	0	4
Net Noncurrent Deferred Operating Income Taxes (4340)	(145,295)	5
Net Deferred Tax Liability Adjustments (4341)	40,112	6
Deferred Tax Regulatory Liability (4361)	(53,457)	7
Net Property Related Deferred Operating Income Taxes	(158,640)	
Less: Allocation to Nonregulated Activity		8
Net Regulated Total Property Related Deferred Operating Income Taxes	(158,640)	
NONPROPERTY RELATED		
Other Current Assets (1350)	6,735	9
Other Noncurrent Assets (1410)	9,181	10
Deferred Tax Regulatory Asset (1437)		11
Net Current Deferred Operating Income Taxes (4100)		12
Net Noncurrent Deferred Operating Income Taxes (4340)		13
Net Deferred Tax Liability Adjustments (4341)		14
Deferred Tax Regulatory Liability (4361)		15
Total Nonproperty Related Deferred Operating Income Taxes	15,916	

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

Acct (c)	Current Year Accrual (d)	Current Year Amortization (e)	Adjustments Debit or (Credit) (f)	Balance EOY (g)	
7250				0	1
7250				0	2
				0	3
7250				0	4
7250	(3,491)			(148,786)	5
	(2,694)			37,418	6
	4,316			(49,141)	7
	(1,869)	0	0	(160,509)	8
				0	
	(1,869)	0	0	(160,509)	
7250	4,980			11,715	9
7250	(650)			8,531	10
				0	11
7250				0	12
7250				0	13
				0	14
				0	15
	4,330	0	0	20,246	

NOTES PAYABLE (ACCT. 4020)

For affiliate, list note by affiliate. For a particular affiliate, the identical affiliate name, as shown in the Affiliate Abbreviations schedule, should be reported in this schedule. For other, list by note by entity.

Name (a)	Issue Date (b)	Maturity (c)	Interest Rate (d)	Balance EOY (e)	
Other:					
Business Note	03/15/1997	02/15/1998	9.5000	145,341	1
Total Other				145,341	
Total Notes Payable				145,341	

LONG-TERM DEBT

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

Description of Debt (a)	Specific or Range of Stated Dates of Issue (b)	Specific or Range of Stated Dates of Maturity (c)	Specific or Range of Interest Rates (d)	
Funded Debt (Account 4210):				
RUS Mortgage Notes	07/28/1980	07/28/2015	5.0000	1
Total Funded Debt				

LONG-TERM DEBT (cont.)

Composite Interest Rate (e)	Held by Utility		Total Principal EOY (h)	Current Maturities Included in Acct. 4050 (i)	Total Amount Outstanding (j)	
	Reacquired Debt Acct. 4240 (f)	Sinking Funds Acct. 1408 (g)				
5.0000			1,384,361	73,900	1,458,261	1
	0	0	1,384,361	73,900	1,458,261	

CAPITAL STOCK ACCOUNTS AT END OF YEAR

In column (a) indicate the stated dividend rate applicable to each series of preferred stock.

Class and Series (a)	Shares Authorized by Charter (b)	Par Value per Share (c)	Call Price End of Year (d)
COMMON STOCK:			
Common	10,000	50.00	1
TOTAL COMMON STOCK	10,000		
TOTAL	<u>10,000</u>		

CAPITAL STOCK ACCOUNTS AT END OF YEAR (cont.)

	Acct. 4510 - Capital Stock		Acct. 4530 - Treasury Stock		
	Shares (e)	Amount (f)	Shares (g)	Amount (h)	
COMMON STOCK:					
Common	8,765	438,250			1
	8,765	438,250	0	0	
TOTAL	<u>8,765</u>	<u>438,250</u>	<u>0</u>	<u>0</u>	

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	549,994	536,073	1
Changes:			
Balance Transferred from Income	97,446	53,920	2
Dividends Declared:			
Common	55,000	40,000	3
Preferred			4
Total Dividends Declared	55,000	40,000	
Miscellaneous Debits to Retained Earnings			5
Miscellaneous Credits to Retained Earnings		1	6
Balance--End of Year	<u>592,440</u>	<u>549,994</u>	

DISTRIBUTION OF TAXES

1. Report hereunder the summary accounts and functions charged with taxes accrued during the year.
2. Where allocation is necessary, explain the basis used.
3. Report in a footnote the amounts and kind of taxes cleared from prepaid taxes, if any.

Summary Account/ Function Charged (a)	Wisconsin License Fee (b)	Wisconsin Income Tax (c)	Federal Income Tax (d)	
Operating Taxes (Accts. 7210 - 7250)	64,795	13,137	46,757	1
Nonoperating Taxes (Accts. 7410 - 7450)		(765)	(3,426)	2
Extraordinary Items (Accts. 7630 & 7640)				3
Nonregulated Net Income (Acct. 7990)		4,510	16,586	4
Clearing Accounts				5
Construction				6
Payroll Taxes: FICA				7
Payroll Taxes: State Unemployment				8
Payroll Taxes: Federal Unemployment				9
Other (specify):				
ITC			11,100	10
Deferred Tax		(834)	(1,167)	11
TOTAL	<u><u>64,795</u></u>	<u><u>16,048</u></u>	<u><u>69,850</u></u>	

DISTRIBUTION OF TAXES (cont.)

PSC Remainder Assessment (e)	Local Property Tax (f)	State & Local Taxes Other than Wisconsin (g)	Other Taxes (h)	Payroll Taxes (i)	Total (j)	
1,501					126,190	1
					(4,191)	2
					0	3
					21,096	4
					0	5
					0	6
				22,565	22,565	7
				412	412	8
				628	628	9
					11,100	10
0					(2,001)	11
1,501	0	0	0	23,605	175,799	

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)*	405,536	378,296	1
Basic Area Revenue (5001)			2
Optional Extended Area Revenue (5002)			3
Cellular Mobile Revenue (5003)			4
Other Mobile Services Revenue (5004)			5
Public Telephone Revenue (5010)			6
Local Private Line Revenue (5040)			7
Customer Premises Revenue (5050)			8
Other Local Exchange Revenue (5060)			9
Other Local Exchange Revenue Settlements (5069)			10
TOTAL BASIC LOCAL SERVICE REVENUE (5000)	405,536	378,296	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	61,021	58,208	11
Switched Access Revenue (5082)*	331,315	290,050	12
Special Access Revenue (5083)*			13
TOTAL INTERSTATE ACCESS REVENUES (5080)	392,336	348,258	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*			14
Switched Access Revenue (5084.2)*	218,504	234,647	15
Special Access Revenue (5084.3)*	22,973	20,428	16
TOTAL INTRASTATE ACCESS REVENUES (5084)	241,477	255,075	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*			17
Long Distance Inward-Only Revenue (5111)			18
Long Distance Outward-Only Revenue (5112)			19
Unidirectional Long Distance Revenue (5110)	0	0	
Long Distance Private Network Revenues			
Subvoice Grade Revenue (5121)			20
Voice Grade Revenue (5122)			21
Audio Program Grade Revenue (5123)			22
Video Program Grade Revenue (5124)			23
Digital Transmission Revenue (5125)			24
Switching Revenue (5126)			25
Other Revenue (5128)			26
Other Revenue Settlements (5129)			27
Total Long Distance Private Network Revenue	0	0	
Other Long Distance Revenue (5160)			28
Other Long Distance Revenue Settlements (5169)			29
TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV.	0	0	

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

Particulars (a)	This Year (b)	Last Year (c)	
MISCELLANEOUS REVENUES			
Directory Revenue (5230)*	31,336	28,262	30
Rent Revenue (5240)*			31
Corporate Operations Revenue (5250)*			32
Miscellaneous:			
Miscellaneous Revenue (5260)*	4,389	7,342	33
Special Billing Arrangements Revenue (5261)			34
Customer Operations Revenue (5262)			35
Plant Operations Revenue (5263)			36
Other Incidental Regulated Revenue (5264)			37
Other Revenue Settlements (5269)			38
Total Miscellaneous Revenue (5260)	4,389	7,342	
Interstate Billing and Collection Revenue*	13,973	24,617	39 C
Intrastate Billing and Collection Revenue*	39,625	48,632	40
Total Carrier Billing and Collection Revenue (5270)*	53,598	73,249	
Nonregulated Operating Revenue (5280)**			41
TOTAL MISCELLANEOUS REVENUES	89,323	108,853	
GROSS OPERATING REVENUES	1,128,672	1,090,482	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*	2,724	1,209	42
Uncollectible Revenue--Telecommunications (5301)			43
Uncollectible Revenue--Other (5302)			44
TOTAL UNCOLLECTIBLE REVENUE (5300)	2,724	1,209	
TOTAL OPERATING REVENUES	<u>1,125,948</u>	<u>1,089,273</u>	

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

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)	
PLANT SPECIFIC OPERATIONS EXPENSE				
Total Network Support Expense (6110)	2,036	2,621		1
Less: Nonregulated		0		2
Net Regulated	2,036	2,621	0	3
Total General Support Expense (6120)	29,252	29,131	13,283	4
Less: Nonregulated		0		5
Net Regulated	29,252	29,131	13,283	6
Total Central Office Switching Expense (6210)	38,367	41,109	13,195	7
Less: Nonregulated		0		8
Net Regulated	38,367	41,109	13,195	9
Total Operator Systems Expense (6220)	0	0		10
Less: Nonregulated		0		11
Net Regulated	0	0	0	12
Total Central Office Transmission Expenses (6230)	551	1,876		13
Less: Nonregulated		0		14
Net Regulated	551	1,876	0	15
Total Information Orig. / Term. Expense (6310)	1,261	71	30	16
Less: Nonregulated		0		17
Net Regulated	1,261	71	30	18
Total Cable and Wire Fac. Expense (6410)	69,410	26,786	8,257	19
Less: Nonregulated		0		20 E
Net Regulated	69,410	26,786	8,257	21
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	140,877	101,594	34,765	
Less: Nonregulated	0	0	0	
Net Regulated	140,877	101,594	34,765	
PLANT NONSPECIFIC OPERATIONS EXPENSE				
Total Other Property, Plant and Equip. Exp. (6510)	824	875	575	22
Less: Nonregulated		0		23
Net Regulated	824	875	575	24
Total Network Operations Expense (6530)	12,837	39,022	18,058	25
Less: Nonregulated		0		26 F
Net Regulated	12,837	39,022	18,058	27
Access Expense (6540)	0	316		28
Less: Nonregulated		0		29
Net Regulated	0	316	0	30
Total Depreciation and Amortization Expense (6560)	282,546	308,186		31
Less: Nonregulated		0		32
Net Regulated	282,546	308,186		33
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	296,207	348,399	18,633	
Less: Nonregulated	0	0	0	
Net Regulated	296,207	348,399	18,633	

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6110			3,718	(1,097)	1
					2
	0	0	3,718	(1,097)	3
6120	4,020		11,707	121	4
					5
	4,020	0	11,707	121	6
6210	3,854		23,971	89	7
					8
	3,854	0	23,971	89	9
6220					10
					11
	0	0	0	0	12
6230	61		1,815		13
					14
	61	0	1,815	0	15
6310	183		(142)		16
					17
	183	0	(142)	0	18
6410	2,206		15,438	885	19
					20 E
	2,206	0	15,438	885	21
	10,324	0	56,507	(2)	
	0	0	0	0	
	10,324	0	56,507	(2)	
6510	191	0	109	0	22
					23
	191		109	0	24
6530	9,732		11,232		25
					26 F
	9,732	0	11,232	0	27
6540			316		28
					29
	0	0	316	0	30
6560			308,186		31
					32
			308,186		33
	9,923	0	319,843	0	
	0	0	0	0	
	9,923	0	319,843	0	

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)	
CUSTOMER OPERATIONS EXPENSE				
Total Marketing (6610)	(1,269)	0		34
Less: Nonregulated		0		35
Net Regulated	(1,269)	0	0	36
Total Services (6620)	157,583	160,541	27,534	37
Less: Nonregulated		0		38
Net Regulated	157,583	160,541	27,534	39
TOTAL CUSTOMER OPERATIONS EXPENSE	156,314	160,541	27,534	
Less: Nonregulated	0	0	0	
Net Regulated	156,314	160,541	27,534	
CORPORATE OPERATIONS EXPENSE				
Total Exec. and Planning (6710)	69,824	58,765	37,556	40
Less: Nonregulated		0		41
Net Regulated	69,824	58,765	37,556	42
Total General and Administrative (6720)	121,533	173,038	51,020	43
Less: Nonregulated		0		44 G
Net Regulated	121,533	173,038	51,020	45
Provision for Uncollectible Notes Receiv. (6790)		0		46
Less: Nonregulated		0		47
Net Regulated	0	0		48
TOTAL CORPORATE OPERATIONS EXPENSE	191,357	231,803	88,576	
Less: Nonregulated	0	0	0	
Net Regulated	191,357	231,803	88,576	
TOTAL EXPENSES	784,755	842,337	169,508	
Less: Nonregulated	0	0	0	
Net Regulated	784,755	842,337	169,508	

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6610					34
	0	0	0	0	35
					36
6620	7,592		125,415		37
					38
	7,592		125,415	0	39
	7,592	0	125,415	0	
	0	0	0	0	
	7,592	0	125,415	0	
6710	10,759		10,450		40
					41
	10,759		10,450	0	42
6720	14,394		107,622	2	43
					44 G
	14,394		107,622	2	45
6790					46
					47
			0		48
	25,153	0	118,072	2	
	0	0	0	0	
	25,153	0	118,072	2	
	52,992	0	619,837	0	
	0	0	0	0	
	52,992	0	619,837	0	

EXPENSE MATRIX - CLASS A & B (DETAIL)

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries/ Wages (d)	
Property Held for Future Tele. Use Exp. (6511)	824	875	575	1
Provisioning Expense (6512)		0		2
Total: Reported in Account 6510	824	875	575	
Depreciat. Exp.--Tele. Plant in Service (6561)	282,546	308,186		3
Depreciat. Exp.--Prop. Held for Future Tele. Use (6562)		0		4
Amortization Expense--Tangible (6563)		0		5
Amortization Expense--Intangible (6564)		0		6
Amortization Expense--Other (6565)		0		7
Total: Reported in Account 6560	282,546	308,186		

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

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6511	191		109		1
6512					2
	191		109	0	
6561			308,186		3
6562					4
6563					5
6564					6
6565					7
			308,186		

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	1,128,672	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)	0	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): NONE	0	8
Assessable Revenues for Remainder, Department of Justice, and Telephone Relay Assessment Purposes	1,128,672	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	405,536	1
Plus: Total Intrastate Access Revenues (5084)	241,477	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus (or Less) Other (please specify): NONE	0	5
Assessable Revenues for Universal Service Fund Assessment Purposes	647,013	

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	1,128,672	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)	0	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): NONE	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	<u>1,128,672</u>	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	405,536	1
Plus: Total Intrastate Access Revenues (5084)	241,477	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus (or Less) Other (please specify): NONE	0	5
Assessable Revenues for Universal Service Fund Assessment Purposes	<u>647,013</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)*			1
Return from Nonregulated Use of Regulated Facilities (7130)*			2
Gains and (Losses) from Foreign Exchange (7140)			3
Gains or (Losses) from the Disposition of Land and Artworks (7150)			4
Other Operating Gains and (Losses) (7160)*			5
TOTAL OTHER OPERATING INCOME AND (EXPENSE) (7100)*	0	0	
OPERATING TAXES			
Operating Investment Tax Credits--Net (7210)*	(11,100)	(11,100)	6
Operating Federal Income Taxes (7220)*	58,776	41,545	7
Operating State and Local Income Taxes (7230)*	14,810	11,151	8
Operating Other Taxes (7240)*	66,296	65,638	9
Provision for Deferred Operating Income Taxes--Net (7250)*	(2,592)	6,893	10
TOTAL OPERATING TAXES (7200)*	126,190	114,127	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)*			11
Interest Income (7320)*	11,300	18,270	12
Income from Sinking and Other Funds (7330)*			13
Allowance for Funds Used During Construction (7340)*	0	4,283	14
Gains or (Losses) from the Disposition of Certain Property (7350)*			15
Other Nonoperating Income (7360)*	(23,822)	(13,591)	16
Special Charges (7370)*	(6,913)	(6,970)	17
TOTAL NONOPERATING INCOME AND EXPENSE (7300)*	(5,609)	15,932	
NONOPERATING TAXES			
Nonoperating Investment Tax Credits--Net (7410)*			18
Nonoperating Federal Income Taxes (7420)*	(2,001)	12,159	19
Nonoperating State and Local Income Taxes (7430)*	(535)	3,441	20
Nonoperating Other Taxes (7440)*			21
Provision for Deferred Nonoperating Income Taxes-Net (7450)*	(1,655)	(4,934)	22
TOTAL NONOPERATING TAXES (7400)*	(4,191)	10,666	
INTEREST AND RELATED ITEMS			
Interest on Funded Debt (7510)*	73,647	76,914	23
Interest Expense--Capital Leases (7520)*			24
Amortization of Debt Issuance Expense (7530)*	104	104	25
Other Interest Deductions (7540)*	17,553	12,248	26
TOTAL INTEREST AND RELATED ITEMS (7500)*	91,304	89,266	
EXTRAORDINARY ITEMS			
Extraordinary Items (7600)*	0	0	27
Extraordinary Income Credits (7610)			28
Extraordinary Income Charges (7620)			29
Current Income Tax Effect of Extraordinary Items--Net (7630)			30
Provision for Deferred Income Tax Effect of Extraordinary Items--Net (7640)			31
TOTAL EXTRAORDINARY ITEMS (7600)*	0	0	
NONREGULATED NET INCOME			
Nonregulated Net Income (7990)*	32,747	(52,471)	32

NONREGULATED NET INCOME (ACCT. 7990)

Particulars (a)	Amount (b)	
Revenues (Acct. 7990.1)		
Gross Sales	455,738	1
Less: Cost of Goods Sold		2
Net Sales	455,738	3
Expenses (Acct. 7990.2)	422,991	4
Nonregulated Net Income	<u><u>32,747</u></u>	5

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

Sale and lease of single line telephone and key systems. Sale, installation, and service of cellular telephones. Provider of internet services.

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:

Internet Service - \$231,257
Cellular Service and Sales - \$87,943

DISTRIBUTION OF SALARIES AND WAGES

Description (a)	Amount (b)	
Regulated Expense	169,508	1
Nonregulated Expense	94,634	2
Plant Accounts	9,451	3
Accumulated Depreciation Accounts	0	4
All Other Accounts	21,379	5
Total Salaries and Wages	294,972	6

EMPLOYEE DATA

Compensation includes wages, commissions, bonuses and any other cash allowances paid to employees.

Employee Category (a)	Number of Equivalent Full-Time Employees		Total Compensation (d)	
	FOY (b)	EOY (c)		
Officers	2.00	2.00	64,791	1
Supervision and Other Management	.00			2
Other Employees	6.00	9.00	230,181	3
Total	8.00	11.00	294,972	

DISTRIBUTION OF SALARIES AND WAGES

Description (a)	Amount (b)	
Regulated Expense	169,508	1
Nonregulated Expense	94,634	2
Plant Accounts	9,451	3
Accumulated Depreciation Accounts	0	4
All Other Accounts	21,379	5
Total Salaries and Wages	294,972	6

EMPLOYEE DATA

Compensation includes wages, commissions, bonuses and any other cash allowances paid to employees.

Employee Category (a)	Number of Equivalent Full-Time Employees		Total Compensation (d)	
	FOY (b)	EOY (c)		
Officers	2.00	2.00	64,791	1
Supervision and Other Management	.00			2
Other Employees	6.00	9.00	230,181	3
Total	8.00	11.00	294,972	

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	56	328	1
Extended Area Service	256	1,323	2
Extended Community Calling	17	78	3
Other Local-Undefined			4
Total Local	329	1,729	
TOLL			
Operator Handled: State--intraLATA		4	5
Operator Handled: State--interLATA		5	6
Operator Handled: Interstate		6	7
Customer Dialed: State--intraLATA	17	131	8
Customer Dialed: State--interLATA	13	161	9
Customer Dialed: Interstate	12	205	10
WATS			11
Other Toll-Undefined			12
Total Toll	42	512	
Total Local & Toll	371	2,241	

ACCESS USAGE

Enter number, in thousands, of Billed Minutes.

Description (a)	Billed Minutes (000's)				
	Interstate InterLATA (b)	Intrastate InterLATA (c)	Intrastate IntraLATA (d)	Interstate IntraLATA (e)	
Feature Group A -- Orig.					1
Feature Group A -- Term.	5	4			2
Feature Group B -- Orig.	1	2			3
Feature Group B -- Term.	18	5			4
Feature Group C -- Orig.			274		5
Feature Group C -- Term.			329		6
Feature Group D -- Orig.	833	777	702		7
Feature Group D -- Term.	1,690	1,268	319		8

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	0	1
Sheath miles of plant - buried	218	2
Sheath miles of plant - fiber optics	15	3
Strand miles of plant - fiber optics	230	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	0	6	1
56 kbps	1	2	2
64 kbps (DS0)	0	0	3
1.54 Mbps (DS-1)	5	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

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	0	1
Sheath miles of plant - buried	218	2
Sheath miles of plant - fiber optics	15	3
Strand miles of plant - fiber optics	230	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	0	6	1
56 kbps	1	2	2
64 kbps (DS0)	0	0	3
1.54 Mbps (DS-1)	5	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

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	110	141	3
2 Party	0		4
4 Party	0		5
PBX Trunks/System Trunks	0		6
Centrex Trunks	0		7
Centrex Lines	43	130	8
Key System Trunks	76	54	9
Mobile (Utility Provided Service)	0		10
Paging (Utility Provided Service)	0		11
FX-Out (Switched)	0		12
Pay Telephone	0	4	13
Coin-Operated Pay Telephone	0		14
Independent Pay Telephone Provider	0		15
Pay Stations - Public	2		16
- Semi-Public	0		17
- Cust. Owned	0		18
Other	0		19
Total Business Lines	231	329	20
Residential (Incl. Emp. Concess.)			
1 Party	1,315	1,336	22
2 Party	0		23
4 Party	0		24
FX-Out (Switched)	0		25
Other	0		26
Total Residential Lines	1,315	1,336	27
Total Bus & Res Lines	1,546	1,665	28
Company Used Lines	24	24	29
Total Lines Used	1,570	1,689	30

SERVICE DATA (cont.)

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

Item (a)	FOY (b)	EOY (c)	
Miscellaneous			
WATS Lines - OutWATS	0		3
WATS Lines - 800 Service	0		4
FX-In-intraLATA	0		5
Special Access-intraLATA			6
(expressed in equiv. access lines)	90	8	7
Special Access-interLATA			8
(expressed in equiv. access lines)	73	121	9
Feature Group A Lines	0		10
Feature Group B Trunks	0		11
Feature Group C Trunks	0		12
Feature Group D Trunks	72	72	13
TSPS - Trunks	5	5	14
EAS - Trunks	114	138	15
Cellular Trunks (Pub. Sw. Net.)	0		16
Video Distance Learning			17
- discounted (special tariff)	0		18
Customers			
Business - 2 Party Customers	0		19
Business - 4 Party Customers	0		20
Residential - 2 Party Customers	0		21
Residential - 4 Party Customers	0		22
Other			
Total Central Office, Info. Orig./Term., & Cable			23
Wire Fac. Assets (based on physical location of plant)	3,053,859	3,263,578	24
Total Company Square Miles	87	87	25
Total Company Route Miles	227	233	26
Footnotes			27
			28
			29
			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	3810	3820			1
Business					2
1 Party	64	77			3
2 Party					4
4 Party					5
PBX Trunks/System Trunks					6
Centrex Trunks					7
Centrex Lines	27	103			8
Key System Trunks	23	31			9
Mobile (utility provided service)					10
Paging (utility provided service)					11
FX-Out (Switched)					12
Pay Telephone	2	2			13
Coin-Operated Pay Telephone					14
Independent Pay Telephone Provider					15
Pay Stations - Public					16
- Semi-Public					17
- Cust. Owned					18
Other					19
Total Business Lines	116	213	0	0	20
Residential (Incl. Emp. Concess.)					21
1 Party	510	826			22
2 Party					23
4 Party					24
FX-Out (Switched)					25
Other					26
Total Residential Lines	510	826	0	0	27
Total Bus & Res Lines	626	1,039	0	0	28
Company Used Lines	2	22			29
Total Lines Used	628	1,061	0	0	30

SERVICE DATA - END OF YEAR (cont.)

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

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	3810	3820			1
Miscellaneous					2
WATS Lines - OutWATS					3
WATS Lines - 800 Service					4
FX-In-intraLATA					5
Special Access-intraLATA					6
(equiv. access lines)	6	2			7
Special Access-interLATA					8
(equiv. access lines)	121				9
Feature Group A Lines					10
Feature Group B Trunks					11
Feature Group C Trunks					12
Feature Group D Trunks			72		13
TSPS - Trunks			5		14
EAS - Trunks			138		15
Cellular Trunks (Pub. Sw. Net.)					16
Video Distance Learning					17
- discounted (special tariff)					18
Customers					19
Business - 2 Party Customers					20
Business - 4 Party Customers					21
Residential - 2 Party Customers					22
Residential - 4 Party Customers					23
Other					24
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical					26
location of plant)	1,223,842	2,039,736			27
Exchange Square Miles	30	57			28
Exchange Route Miles	94	139			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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Electronic--Analog	A	2
Electronic--Digital	D	3
Electronic--Video	V	4

CENTRAL OFFICE DATA - END OF YEAR

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

Description (a)	Central Off. (b)	Central Off. (c)	Central Off. (d)	Central Off. (e)	
Exchange Name	NEWTON	NEWTONBURG			1
PSCW Exchange ID	3810	3820			2
Central Office Name	NEWTON	NEWTONBURG			3
PSCW Central Office ID	1	1			4
Manufacturer of COE (Page 54)	SC	SC			5
Year COE Installed	1993	1993			6
Type of Equipment (Page 54)	D	D			7
(S)tandalone, (H)ost, (R)emote	R	H			8
Remote Host PSCW Exchange ID	3820				9
Remote Host PSCW Central Office ID	1	0			10
COE Generic Software Release No.	19	19			11
SS7?	Yes	Yes			12
9-1-1?	Yes	Yes			13
Access Lines - In Use	628	1,061			14
- Equipped	720	1,080			15
- Wired	720	1,080			16
Trunks - In Use	0	215			17
- Equipped	0	239			18
- Wired	0	239			19
ISDN Available?	No	No			20
ISDN Lines - In Use (BRI)	0	0			21
- In Use (PRI)	0	0			22
Switched 56 Service?	No	No			23
Switched 56 lines in use	0	0			24
Digital Transmission Facilities: DS-1 - In Use	0	0			25
DS-3 - In Use	0	0			26
Advanced Data Service Available:					
Packet Switching?	No	No			27
SMDS?	No	No			28
Frame Relay?	No	No			29
ATM (Asynchronous Trans. Mode)?	No	No			30
Video Information - Service Available?	No	No			31
- In Use (# lines) ¹	0	0			32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	32	16			33
No. of fiber strands working (LIT) in C.O.	16	4			34
No. of fiber strands for interoffice use	32	16			35
Miles of fiber sheath in wire center	5	10			36
Access Tandem Serving this C.O.:					
- C.O. Name	MILWAUKEE	MILWAUKEE			37
- PSCW C.O. ID	3420-01	3420-01			38
Does this C.O. do access tandem switching?	Yes	Yes			39
Equal Access: InterLATA (1+)?	Yes	Yes			40
Equal Access: IntraLATA (1+)?	Yes	Yes			41
Footnotes					42

¹ Teleco provided end-to-end facility.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES**General Footnote**

Accountants Compilation Report

To the Board of Directors
Lakefield Telephone Company
Newton, Wisconsin 53063

We have compiled the balance sheets of Lakefield Telephone Company as of December 31, 1997 and 1996, and the related statements of income and retained earnings for the years then ended, and the statement of cash flows for the year ended December 31, 1997, included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary information presented in the prescribed form, except for pages 46 through 55.

Our compilation was limited to presenting in the form prescribed by the Public Service Commission of Wisconsin, information that is the representation of management. We have not audited or reviewed the financial statements and supplementary information referred to above and, accordingly, do not express an opinion or any other form of assurance on them. These financial statements were compiled by us from financial statements for the same period that we previously audited, as indicated in our report dated February 27, 1998.

These financial statements (including related disclosures) and the supplementary information are presented in accordance with the requirements of the Public Service Commission of Wisconsin, which differ from generally accepted accounting principles. Accordingly, these financial statements and supplementary information are not designed for those who are not informed about such differences.

The supplementary information contained on pages 46 through 55 of the accompanying prescribed form has not been audited, reviewed, or compiled by us, and, accordingly, we assume no responsibility for that information.

Madison, Wisconsin
April 17, 1998

Schedule Footnotes**Identification and Ownership Footnote. Page 7**

In 1999, the data file for the 1997 annual report was inadvertently sent to the PSC and loaded into the data base, instead of the 1998 annual report data file. This loaded over the 1997 annual report file loaded correctly in 1998. Staff has verified, to the best of their ability, that the file loaded over the previously filed 1997 data was the same, including any updates which may have been filed after May of 1998, and before the second file was inadvertently loaded. 6/17/99 ele

Outside Plant Statistics at End of Year Footnote. Page 49

sheath miles of plant aerial is less than one miles and program will not take a fraction, per Oct. 9, 1998 Kiesling letter. 6/21/99 ele

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES**Central Office Data - End of Year Footnote. Page 55**

Access Lines equipped and Trunk Lines Wired revised per Oct. 9, 1998

Kiesling letter. 6/21/99 ele

Schedule Line Footnotes

- A)** -0- transfers/adjustments amount carried over from page 24.
- B)** Transferred public payphone equipment to nonregulated account in 1997.
- C)** Decrease due to decrease in amount charged to interexchange carriers for billing and collections during 1997.
- D)** This footnote is not being used.
- E)** Decrease due to large engineering contract which was performed and expensed during 1996.
- F)** Increase due to the new position was created in 1997 for in-house engineer.
- G)** New employee and a change in the tasks and time coding of another employee caused payroll/benefits to increase. Also, the deferred compensation plan was extended five years.
- H)** Different depreciation rates are applied to each sub-account.