



4004

ANNUAL REPORT

OF

Name: MILLTOWN MUTUAL TELEPHONE COMPANY

Principal Office: 107 N MILLTOWN AVE
P.O. BOX 40
MILLTOWN, WI 54858-0040

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.

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ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

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

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

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

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

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

ABBREVIATIONS USED IN ANNUAL REPORTS

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

IDENTIFICATION AND OWNERSHIP

Exact Utility Name: MILLTOWN MUTUAL TELEPHONE COMPANY
Utility Location: 107 N MILLTOWN AVE
P.O. BOX 40
MILLTOWN, WI 54858-0040

Utility Web Site Address:

When was utility organized?: 01/01/1908

Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: JOHN K . KLATT
Title: GENERAL MANAGER

Office Address: 107 MILLTOWN AVENUE NORTH
MILLTOWN , WI 54858

Fax Number: (715) 825 - 4299
Telephone Number: (715) 825 - 2171
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

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

Person responsible for financial information contained in report

Name: JOHN K . KLATT
Title: GENERAL MANAGER

Office Address: 107 MILLTOWN AVENUE NORTH
MILLTOWN , WI 54858

Fax Number: (715) 825 - 4299
Telephone Number: (715) 825 - 2171
Email Address:

Person responsible for statistical information contained in report

Name: JOHN K . KLATT
Title: GENERAL MANAGER

Office Address: 107 MILLTOWN AVENUE NORTH
MILLTOWN , WI 54858

Fax Number: (715) 825 - 4299
Telephone Number: (715) 825 - 2171
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:	LAKELAND COMMUNICATIONS, INC.
Address:	28 1ST AVENUE WEST PO BOX 300 LUCK , WI 54853-0300
Number of Shares Held:	1,968
Beneficial Owner:	NONE

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

Company Name:	LAKES COMMUNICATIONS, INC.
Form of Interest:	COMMON STOCK
Extent Of Interest:	100%

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	1,208,821	1,253,798	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	190,891	235,438	2
Plant Nonspecific Operations Expense	304,589	264,411	3
Customer Operations Expense (6610-6620)	177,544	179,506	4
Corporate Operations Expense (6710-6790)	225,218	275,339	5
Other Operating Income and Expense (7100)	0	0	6
Operating Taxes (7200)	155,829	130,546	7
Total Operating Expenses	1,054,071	1,085,240	8
Net Operating Income	154,750	168,558	9
Other Income			
Nonoperating Income and Expense (7300)	78,888	21,075	10
Nonoperating Taxes (7400)	25,962	6,873	11
Interest and Related Items (7500)	37,097	38,030	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	15,030	(2,595)	14
Total Nonoperating Income	30,859	(26,423)	15
Net Income	185,609	142,135	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 cost separation procedures.

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

D. Cash Equivalents

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

E. Investments

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

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

None.

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

The mortgage to the United States of America, underlying the RUS 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 \$737,000, 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)*	430,636	251,833	1
Cash (1130)			2
Special Cash Deposits (1140)			3
Working Cash Advances (1150)			4
Temporary Investments (1160)			5
TOTAL CASH AND EQUIVALENTS	430,636	251,833	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	117,631	121,634	6
Accounts Receivable Allowance-Telecom (1181)*	0	0	7
Net: Telecommunications Accounts Receivable	117,631	121,634	
Other Accounts Receivable (1190)*	134,796	105,454	8
Accounts Receivable Allowance--Other (1191)*	0	0	9
Net: Other Accounts Receivable	134,796	105,454	
Notes Receivable (1200)*	0	0	10
Notes Receivable Allowance (1201)*	0	0	11
Net: Notes Receivable	0	0	
Interest and Dividends Receivable (1210)*	0	0	12
TOTAL RECEIVABLES AND ALLOWANCES FOR DOUBTFUL	252,427	227,088	
SUPPLIES			
Inventories (1220)*	27,241	22,241	13
TOTAL SUPPLIES	27,241	22,241	
PREPAYMENTS			
Total Prepayments (1280)*	10,637	33,452	14
Prepaid Rents (1290)			15
Prepaid Taxes (1300)			16
Prepaid Insurance (1310)			17
Prepaid Directory Expenses (1320)			18
Other Prepayments (1330)			19
TOTAL PREPAYMENTS	10,637	33,452	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	0	682	20
TOTAL OTHER CURRENT ASSETS	0	682	
TOTAL CURRENT ASSETS	720,941	535,296	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	216,274	211,344	21
Investments in Nonaffiliated Companies (1402)*	213,281	231,881	22
Nonregulated Investments (1406)*	29,815	19,116	23
Unamortized Debt Issuance Expense (1407)*	0	106	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)*	5,099	3,041	26
TOTAL INVESTMENTS	464,469	465,488	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*	0	0	27
Deferred Maintenance and Retirements (1438)*	0	0	28
Deferred Charges (1439)*	0	0	29
TOTAL DEFERRED CHARGES	0	0	
TOTAL NONCURRENT ASSETS	464,469	465,488	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	4,378,294	4,253,426	30
Less: Accumulated Depreciation (3100)*	2,705,299	2,484,756	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	1,672,995	1,768,670	
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)*	0	0	39
TOTAL TPUC	0	0	
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	1,672,995	1,768,670	
TOTAL ASSETS AND OTHER DEBITS*	2,858,405	2,769,454	

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	273,834	153,469	1
Notes Payable (4020)*	0	0	2
Advance Billing and Payments (4030)*	2,298	3,619	3
Customer Deposits (4040)*	250	0	4
Current Maturities--Long-Term Debt (4050)*	64,236	62,400	5
Current Maturities--Capital Leases (4060)*	0	0	6
Income Taxes--Accrued (4070)*	12,959	16,682	7
Other Taxes--Accrued (4080)*	(16,975)	(8,770)	8
Net Current Deferred Operating Income Taxes (4100)*	0	0	9
Net Current Deferred Nonoperating Income Taxes (4110)*	17,207	0	10
Other Accrued Liabilities (4120)*	6,104	23,516	11
Other Current Liabilities (4130)*	0	0	12
TOTAL CURRENT LIABILITIES*	359,913	250,916	
LONG-TERM DEBT			
Funded Debt (4210)*	864,930	929,546	13
Premium on Long-Term Debt (4220)*	0	0	14
Discount on Long-Term Debt (4230)*	0	0	15
Reacquired Debt (4240)*	0	0	16
Obligations Under Capital Leases (4250)*	0	0	17
Advances from Affiliated Companies (4260)*	0	0	18
Other Long-Term Debt (4270)*	0	0	19
TOTAL LONG-TERM DEBT*	864,930	929,546	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*	17,302	56,757	20
Unamortized Operating ITC--Net (4320)*	12,601	25,195	21
Unamortized Nonoperating ITC--Net (4330)*	0	0	22
Net Noncurrent Deferred Operating Income Taxes (4340)*	120,008	91,979	23
Net Deferred Tax Liability Adjustments (4341)*	(8,227)	(14,424)	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	(47,888)	(22,662)	25
Other Deferred Credits (4360)*	0	0	26
Deferred Tax Regulatory Liability (4361)*	8,227	14,424	27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS*	102,023	151,269	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	49,200	49,200	28
Additional Paid-in Capital (4520)*	0	0	29
Treasury Stock (4530)*	0	0	30
Other Capital (4540)*	27,746	21,118	31
Retained Earnings (4550)*	1,454,593	1,367,405	32
TOTAL STOCKHOLDERS' EQUITY*	1,531,539	1,437,723	
TOTAL LIABILITIES AND OTHER CREDITS*	2,858,405	2,769,454	

STATEMENT OF CASH FLOWS

Item (a)	Amount (b)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	185,609	1
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and amortization	293,061	2
Interest during construction	0	3
Changes in assets and liabilities:		
Current assets (net)	(6,842)	4
Other noncurrent assets	(2,165)	5
Other current liabilities	107,161	6
Other liabilities and deferred credits	(49,246)	7
Other (specify):		
TOTAL ADJUSTMENTS	341,969	
NET CASH PROVIDED BY OPERATING ACTIVITIES (NET INCOME & ADJUST.)	527,578	
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures:		
Changes in plant (net)	(197,386)	8
Investments in affiliated companies	(4,930)	9
Nonoperating Investments	7,901	10
Other (specify):		
NET CASH USING IN INVESTING ACTIVITIES	(194,415)	
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in capital lease obligations (net)	0	11
Change in long-term debt (net)	(62,567)	12
Net changes in stockholder equity other than retained earnings	6,628	13
Change in short term borrowing (net)	0	14
Dividends paid	(98,421)	15
Miscellaneous debits/credits to retained earnings	0	16
Other (specify):		
Net Cash Provided by Financing Activities	(154,360)	
NET INCREASE IN CASH AND CASH EQUIVALENTS	178,803	
Cash and cash equivalents at beginning of year (Accts. 1130-1160 for Class A; 1120 for Class B)		
Cash and cash equivalents at end of year (Accts. 1130-1160 for Class A; 1120 for Class B)		

IMPORTANT CHANGES DURING THE YEAR

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

None .

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

None .

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

None .

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

None .

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

None .

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

None .

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

None .

IMPORTANT CHANGES DURING THE YEAR

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

The company became a wholly owned subsidiary of Lakeland Communications, Inc. in January 1997.

During 1997 the Public Service Commission of Wisconsin (PSCW) allowed for the deregulation of public payphones.

Utility response 11/22/99: The public telephone equipment was transferred from a/c 2351 to a/c 1406.5. Related depreciation accounts were transferred. The entry was made in April 1997 as follows:

	Debit	Credit
1406.5 nonregulated public tel equip	\$12,620	
2351 public telephone equipment		\$12,620
3100.2351 accum depr public tel equip	\$6,917	
1406.06 accum depr nonreg tel equip		\$6,917
4350.1 noncurr deferred nonreg income txs fed	\$484	
4350.2 noncurr deferred nonreg income txs state	\$347	
4340.1 noncurr def oper income tax fed		\$484
4340.2 noncurr def oper income txs state		347

The description was to record transfer of payphones to nonregulated equipment. The transfer was made below the line at net book value.
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)	
Lakeland Communications, Inc.	LAKELAND	1
Lakes Communications, Inc.	LAKES	2
Luck Telephone Company	LUCK	3

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	3690-AT-000103	3690-AT-000101				
Name of Affiliate	LAKELAND	LUCK				1
Designate whether billed to or from:	FROM	FROM				2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C	C				3
Revenues						4
Expenses:						
Plant Specific Operations Expense		91,295				5
Plant Nonspecific Operations Expense		5,889				6
Customer Operations Expense		64,653				7
Corporate Operations Expense	30,798	59,190				8
Total Operating Expenses	30,798	221,027	0	0		9
Other:						
Plant Accounts		11,365				10
Accumulated Depreciation						11
Accumulated Amortization						12
Clearing						13
All Other		4,507				14
Total	30,798	236,899	0	0		15
Percent of affiliate's business billed to all affiliated regulated utilities						16
If cost based, rate of return on equity or markup incorporated in billings	0.00	0.00				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)	
Lakeland Communications, Inc.	1190	27,954	1
Lakes Communications, Inc.	1401	216,274	2
Luck Telephone Company	4010	123,399	3

ACCOUNTS RECEIVABLE NET WRITE OFFS - TELECOMMUNICATIONS

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

Particulars (a)	Amount (b)	
Collection of amounts previously written off		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)
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INVESTMENTS IN NONAFFILIATED COMPANIES (ACCT. 1402)

Name (a)	Balance EOY (b)	
RTB Class B Stock	0	1
Other:		
Wisconsin RSA #1, Ltd. Partnership	213,281	2
Total Investments in Nonaffiliated Companies	213,281	

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):		
Permanent Investment	22,668	1
Inventory	7,147	2

DEFERRED MAINTENANCE AND RETIREMENTS (ACCT. 1438)

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

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

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
GENERAL SUPPORT ASSETS				
Land	2111	15,854		1
Motor Vehicles	2112	56,289	20,132	2
Aircraft	2113			3
Special Purpose Vehicles	2114			4
Garage Work Equipment	2115			5
Other Work Equipment	2116	87,075	2,978	6
Buildings	2121	253,180	73	7
Furniture	2122	19,515		8
Office Equipment	2123	26,020	2,463	9
General Purpose Computers	2124	33,013	25,893	10
TOTAL--GENERAL SUPPORT ASSETS:		490,946	51,539	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211			11
Digital Electronic Switching	2212	1,386,687	52,450	12
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220			14
Radio Systems	2231	0	0	15
Circuit Equipment	2232	405,443	65	16
TOTAL--CENTRAL OFFICE ASSETS:		1,792,130	52,515	
INFORMATION ORIGATION/TERMINATION ASSETS				
Station Apparatus	2311			17
Customer Premises Wiring	2321			18
Large Private Branch Exchanges	2341			19
Public Telephone Terminal Equipment	2351	12,620		20 A
Other Terminal Equipment	2362	10,168		21
TOTAL--INFORMATION ORIG/TERM ASSETS:		22,788	0	
CABLE WIRE FACILITIES ASSETS				
Poles	2411	6,096		22
Aerial Cable	2421	0	0	23
Underground Cable	2422	8,317	0	24
Buried Cable	2423	1,921,985	96,678	25
Submarine Cable	2424	1,500	0	26
Deep Sea Cable	2425			27
Intrabuilding Network Cable	2426	0	0	28
Aerial Wire	2431	263		29
Conduit Systems	2441	9,401		30
TOTAL--CABLE WIRE FACILITIES ASSETS:		1,947,562	96,678	
AMORTIZABLE ASSETS				
Capital Leases	2681			31

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

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2111			15,854	1
2112			76,421	2
2113			0	3
2114			0	4
2115			0	5
2116			90,053	6
2121			253,253	7
2122			19,515	8
2123	0	0	28,483	9
2124	25,116		33,790	10
	25,116	0	517,369	
2211			0	11
2212	0	0	1,439,137	12
2215	0	0	0	13
2220			0	14
2231	0	0	0	15
2232	36,634	0	368,874	16
	36,634	0	1,808,011	
2311			0	17
2321			0	18
2341			0	19
2351		(12,620)	0	20 A
2362			10,168	21
	0	(12,620)	10,168	
2411			6,096	22
2421	0	0	0	23
2422	0	0	8,317	24
2423	1,494	0	2,017,169	25
2424	0	0	1,500	26
2425			0	27
2426	0	0	0	28
2431			263	29
2441			9,401	30
	1,494	0	2,042,746	
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		32
Intangibles	2690		33
TOTAL--AMORTIZABLE ASSETS:		0	0
TOTAL TELECOM. PLANT IN SERVICE	2001	4,253,426	200,732
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	
	63,244	(12,620)	4,378,294	
2001			0	34
			4,378,294	

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	17,047	2,463	1
Company Communications Equipment	2123.2	8,973		2
Software	2212.1	126,700		3
Digital Switching - Central Office	2212.2	1,259,987	52,450	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	405,443	65	10
Analog Circuit Equipment	2232.2			11
Light Wave Circuit Equipment	2232.3			12
Aerial Cable - Nonmetallic	2421.1			13
Aerial Cable - Metallic	2421.2			14
Underground Cable - Nonmetallic	2422.1			15
Underground Cable - Metallic	2422.2	8,317		16
Buried Cable - Nonmetallic	2423.1	345,828	53,708	17
Buried Cable - Metallic	2423.2	1,576,157	42,970	18
Submarine Cable - Nonmetallic	2424.1			19
Submarine Cable - Metallic	2424.2	1,500		20
Intrabuilding Cable - Nonmetallic	2426.1			21
Intrabuilding Cable - Metallic	2426.2			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			19,510	1
2123.2			8,973	2
2212.1			126,700	3
2212.2			1,312,437	4
2212.3			0	5
2215.1			0	6
2215.2			0	7
2231.1			0	8
2231.2			0	9
2232.1	36,634		368,874	10
2232.2			0	11
2232.3			0	12
2421.1			0	13
2421.2			0	14
2422.1			0	15
2422.2			8,317	16
2423.1			399,536	17
2423.2	1,494		1,617,633	18
2424.1			0	19
2424.2			1,500	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	47,840		6,209	1
Aircraft	2113				2
Special Purpose Vehicles	2114				3
Garage Work Equipment	2115				4
Other Work Equipment	2116	76,626		3,632	5
Buildings	2121	111,715	2.63	6,660	6
Furniture	2122	19,011	12.5	140	7
Office Equipment	2123	20,718	12.5	4,198	8
General Purpose Computers	2124	30,241	20.0	7,826	9
Total-- GENERAL SUPPORT ASSETS		306,151		28,665	0
CENTRAL OFFICE ASSETS					
Analog Electronic Switching	2211				10
Digital Electronic Switching	2212	639,270	11.28	159,343	11G
Electro-Mechanical Switching	2215				12
Operator Systems	2220				13
Radio Systems	2231				14
Circuit Equipment	2232	404,858	8.33	650	15
Total-- CENTRAL OFFICE ASSETS		1,044,128		159,993	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	12,621	10.0		19A
Other Terminal Equipment	2362	2,517	10.0	1,017	20
Total-- INFORMATION ORIG/TERM ASSETS		15,138		1,017	0
CABLE WIRE FACILITIES ASSETS					
Poles	2411	4,070	11.7	349	21
Aerial Cable	2421				22
Underground Cable	2422	6,763	5.0	410	23
Buried Cable	2423	1,103,003	5.3	102,227	24
Submarine Cable	2424	473	5.3	79	25
Deep Sea Cable	2425				26
Intrabuilding Network Cable	2426				27
Aerial Wire	2431	263			28

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112			3,347		57,396	1
2113					0	2
2114					0	3
2115					0	4
2116					80,258	5
2121					118,375	6
2122					19,151	7
2123	0				24,916	8
2124	25,116				12,951	9
	25,116	0	3,347	0	313,047	
2211					0	10
2212	0				798,613	11 G
2215	0				0	12
2220					0	13
2231	0				0	14
2232	36,634				368,874	15
	36,634	0	0	0	1,167,487	
2311					0	16
2321					0	17
2341					0	18
2351				(12,621)	0	19 A
2362					3,534	20
	0	0	0	(12,621)	3,534	
2411					4,419	21
2421	0				0	22
2422	0				7,173	23
2423	1,494				1,203,736	24
2424	0				552	25
2425					0	26
2426	0				0	27
2431					263	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	4,767	2.5	321	29
Total-- CABLE WIRE FACILITIES ASSETS		1,119,339		103,386	0
Total Accumulated Depreciation	3100	2,484,756		293,061	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				293,061	0

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441					5,088	29
	1,494	0	0	0	1,221,231	
3100	63,244	0	3,347	(12,621)	2,705,299	
3100					0	30
3100					2,705,299	

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	15,000	12.5	2,404		1
Company Communications Equipment	2123.2	5,718	12.5	1,794		2
Software	2212.1	68,823	25.0	31,670		3
Digital Switching - Central Office	2212.2	570,447	10.0	127,673		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	404,858	8.33	650		10
Analog Circuit Equipment	2232.2					11
Light Wave Circuit Equipment	2232.3					12
Aerial Cable - Nonmetallic	2421.1					13
Aerial Cable - Metallic	2421.2					14
Underground Cable - Nonmetallic	2422.1					15
Underground Cable - Metallic	2422.2	6,763	5.0	410		16
Buried Cable - Nonmetallic	2423.1	20,669	5.3	18,360		17
Buried Cable - Metallic	2423.2	1,082,334	5.3	83,867		18
Submarine Cable - Nonmetallic	2424.1					19
Submarine Cable - Metallic	2424.2	473	5.3	79		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					17,404	1
2123.2					7,512	2
2212.1					100,493	3
2212.2					698,120	4
2212.3					0	5
2215.1					0	6
2215.2					0	7
2231.1					0	8
2231.2					0	9
2232.1	36,634				368,874	10
2232.2					0	11
2232.3					0	12
2421.1					0	13
2421.2					0	14
2422.1					0	15
2422.2					7,173	16
2423.1					39,029	17
2423.2	1,494				1,164,707	18
2424.1					0	19
2424.2					552	20
2426.1					0	21
2426.2					0	22

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

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

Particulars (a)	Balance FOY (b)	
PROPERTY RELATED		
Other Current Assets (1350)		1
Other Noncurrent Assets (1410)		2
Deferred Tax Regulatory Asset (1437)		3
Net Current Deferred Operating Income Taxes (4100)		4
Net Noncurrent Deferred Operating Income Taxes (4340)	(109,899)	5
Net Deferred Tax Liability Adjustments (4341)	14,424	6
Deferred Tax Regulatory Liability (4361)	(14,424)	7
Net Property Related Deferred Operating Income Taxes	(109,899)	
Less: Allocation to Nonregulated Activity		8
Net Regulated Total Property Related Deferred Operating Income Taxes	(109,899)	
NONPROPERTY RELATED		
Other Current Assets (1350)	682	9
Other Noncurrent Assets (1410)		10
Deferred Tax Regulatory Asset (1437)		11
Net Current Deferred Operating Income Taxes (4100)		12
Net Noncurrent Deferred Operating Income Taxes (4340)	17,920	13
Net Deferred Tax Liability Adjustments (4341)		14
Deferred Tax Regulatory Liability (4361)		15
Total Nonproperty Related Deferred Operating Income Taxes	18,602	

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	(43,952)		(831)	(154,682)	5
	(6,197)			8,227	6
	6,197			(8,227)	7
	(43,952)	0	(831)	(154,682)	8
				0	
	(43,952)	0	(831)	(154,682)	
7250	(12,772)		12,090	0	9
7250				0	10
				0	11
7250				0	12
7250	16,757		(3)	34,674	13
				0	14
				0	15
	3,985	0	12,087	34,674	

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)
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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):				
- #12050, #12052	09/12/1978	09/12/2013	5.0000	1
- #2030, #2031, #2032	01/17/1966	01/17/2001	2.0000	2
- #2040, #2041	07/08/1971	07/08/2006	2.0000	3
RUS Mortgage Note - #2021	11/18/1960	11/18/1998	2.0000	4
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			520,535	21,704	542,239	1
2.0000			16,923	5,765	22,688	2
2.0000			327,472	35,375	362,847	3
2.0000				1,392	1,392	4
	0	0	864,930	64,236	929,166	

CAPITAL STOCK ACCOUNTS AT END OF YEAR

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

Class and Series (a)	Shares Authorized by Charter (b)	Par Value per Share (c)	Call Price End of Year (d)
COMMON STOCK:			
Common Stock	2,000	25.00	1
TOTAL COMMON STOCK	2,000		
TOTAL	<u>2,000</u>		

CAPITAL STOCK ACCOUNTS AT END OF YEAR (cont.)

	Acct. 4510 - Capital Stock		Acct. 4530 - Treasury Stock		
	Shares (e)	Amount (f)	Shares (g)	Amount (h)	
COMMON STOCK:					
Common Stock	1,968	49,200			1
	1,968	49,200	0	0	
TOTAL	<u>1,968</u>	<u>49,200</u>	<u>0</u>	<u>0</u>	

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	1,367,405	1,284,310	1
Changes:			
Balance Transferred from Income	185,609	142,135	2
Dividends Declared:			
Common	98,421	59,040	3
Preferred			4
Total Dividends Declared	98,421	59,040	
Miscellaneous Debits to Retained Earnings			5
Miscellaneous Credits to Retained Earnings			6
Balance--End of Year	<u>1,454,593</u>	<u>1,367,405</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)	69,306	19,182	65,538	1
Nonoperating Taxes (Accts. 7410 - 7450)		6,156	19,806	2
Extraordinary Items (Accts. 7630 & 7640)				3
Nonregulated Net Income (Acct. 7990)		1,426	6,209	4
Clearing Accounts				5
Construction				6
Payroll Taxes: FICA				7
Payroll Taxes: State Unemployment				8
Payroll Taxes: Federal Unemployment				9
Other (specify):				
ITC			12,594	10
Deferred Income Taxes		(8,431)	(6,236)	11
TOTAL	<u><u>69,306</u></u>	<u><u>18,333</u></u>	<u><u>97,911</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)	
1,803					155,829	1
					25,962	2
					0	3
					7,635	4
					0	5
					0	6
				3,170	3,170	7
				91	91	8
				305	305	9
					12,594	10
					(14,667)	11
<u>1,803</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,566</u>	<u>190,919</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)*	443,049	440,350	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)	443,049	440,350	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	97,089	93,399	11
Switched Access Revenue (5082)*	306,722	377,123	12
Special Access Revenue (5083)*	12,328	11,931	13
TOTAL INTERSTATE ACCESS REVENUES (5080)	416,139	482,453	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*	0	0	14
Switched Access Revenue (5084.2)*	210,618	167,359	15 F
Special Access Revenue (5084.3)*	5,682	4,210	16
TOTAL INTRASTATE ACCESS REVENUES (5084)	216,300	171,569	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*	2,563	2,563	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.	2,563	2,563	

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

Particulars (a)	This Year (b)	Last Year (c)	
MISCELLANEOUS REVENUES			
Directory Revenue (5230)*	57,362	63,603	30
Rent Revenue (5240)*	4,725	873	31
Corporate Operations Revenue (5250)*	0	0	32
Miscellaneous:			
Miscellaneous Revenue (5260)*	11,008	8,069	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)	11,008	8,069	
Interstate Billing and Collection Revenue*	32,486	43,100	39 E
Intrastate Billing and Collection Revenue*	33,727	52,895	40 E
Total Carrier Billing and Collection Revenue (5270)*	66,213	95,995	
Nonregulated Operating Revenue (5280)**			41
TOTAL MISCELLANEOUS REVENUES	139,308	168,540	
GROSS OPERATING REVENUES	1,217,359	1,265,475	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*	8,538	11,677	42
Uncollectible Revenue--Telecommunications (5301)			43
Uncollectible Revenue--Other (5302)			44
TOTAL UNCOLLECTIBLE REVENUE (5300)	8,538	11,677	
TOTAL OPERATING REVENUES	<u>1,208,821</u>	<u>1,253,798</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)	2,987	5,944	72	1
Less: Nonregulated		0		2
Net Regulated	2,987	5,944	72	3
Total General Support Expense (6120)	40,592	29,691	726	4
Less: Nonregulated		0		5 B
Net Regulated	40,592	29,691	726	6
Total Central Office Switching Expense (6210)	82,004	79,624	10,997	7
Less: Nonregulated		0		8
Net Regulated	82,004	79,624	10,997	9
Total Operator Systems Expense (6220)		0		10
Less: Nonregulated		0		11
Net Regulated	0	0	0	12
Total Central Office Transmission Expenses (6230)	144	685		13
Less: Nonregulated		0		14
Net Regulated	144	685	0	15
Total Information Orig. / Term. Expense (6310)	102	34	48	16
Less: Nonregulated		0		17
Net Regulated	102	34	48	18
Total Cable and Wire Fac. Expense (6410)	109,609	74,913	6,896	19
Less: Nonregulated		0		20 C
Net Regulated	109,609	74,913	6,896	21
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	235,438	190,891	18,739	
Less: Nonregulated	0	0	0	
Net Regulated	235,438	190,891	18,739	
PLANT NONSPECIFIC OPERATIONS EXPENSE				
Total Other Property, Plant and Equip. Exp. (6510)	(12)	314	290	22
Less: Nonregulated		0		23
Net Regulated	(12)	314	290	24
Total Network Operations Expense (6530)	1,759	11,214	4,801	25
Less: Nonregulated		0		26 C
Net Regulated	1,759	11,214	4,801	27
Access Expense (6540)		0		28
Less: Nonregulated		0		29
Net Regulated	0	0	0	30
Total Depreciation and Amortization Expense (6560)	263,464	293,061		31
Less: Nonregulated	800	0		32
Net Regulated	262,664	293,061		33
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	265,211	304,589	5,091	
Less: Nonregulated	800	0	0	
Net Regulated	264,411	304,589	5,091	

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6110	4		5,868		1
	4	0	5,868	0	2
6120	35		28,930		3
	35	0	28,930	0	4
6210	537		68,090		5 B
	537	0	68,090	0	6
6220					7
	0	0	0	0	8
6230			685		9
	0	0	685	0	10
6310	3		(17)		11
	3	0	(17)	0	12
6410	367		67,650		13
	367	0	67,650	0	14
	946	0	171,206	0	15
	0	0	0	0	16
	946	0	171,206	0	17
6510	9	0	15	0	18
	9		15	0	19
6530	260		6,153		20 C
	260	0	6,153	0	21
6540					22
	0	0	0	0	23
6560			293,061		24
			293,061		25
	269	0	299,229	0	26 C
	0	0	0	0	27
	269	0	299,229	0	28
					29
					30
					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)		0	34
Less: Nonregulated		0	35
Net Regulated	0	0	0 36
Total Services (6620)	179,506	177,544	13,800 37
Less: Nonregulated		0	38
Net Regulated	179,506	177,544	13,800 39
TOTAL CUSTOMER OPERATIONS EXPENSE	179,506	177,544	13,800
Less: Nonregulated	0	0	0
Net Regulated	179,506	177,544	13,800
CORPORATE OPERATIONS EXPENSE			
Total Exec. and Planning (6710)	103,463	100,750	40
Less: Nonregulated		0	41
Net Regulated	103,463	100,750	0 42
Total General and Administrative (6720)	171,876	124,468	1,879 43
Less: Nonregulated		0	44 D
Net Regulated	171,876	124,468	1,879 45
Provision for Uncollectible Notes Receiv. (6790)		0	46
Less: Nonregulated		0	47
Net Regulated	0	0	48
TOTAL CORPORATE OPERATIONS EXPENSE	275,339	225,218	1,879
Less: Nonregulated	0	0	0
Net Regulated	275,339	225,218	1,879
TOTAL EXPENSES	955,494	898,242	39,509
Less: Nonregulated	800	0	0
Net Regulated	954,694	898,242	39,509

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
6620	711		163,033		36
	711		163,033	0	37
	711	0	163,033	0	38
	0	0	0	0	39
	711	0	163,033	0	
6710			100,750		40
	0		100,750	0	41
6720	234		122,355		42
	234		122,355	0	43
6790					44 D
			0		45
	234	0	223,105	0	46
	0	0	0	0	47
	234	0	223,105	0	48
	2,160	0	856,573	0	
	0	0	0	0	
	2,160	0	856,573	0	

EXPENSE MATRIX - CLASS A & B (DETAIL)

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries/ Wages (d)	
Property Held for Future Tele. Use Exp. (6511)		0		1
Provisioning Expense (6512)	(12)	314	290	2
Total: Reported in Account 6510	(12)	314	290	
Depreciat. Exp.--Tele. Plant in Service (6561)	263,464	293,061		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	263,464	293,061		

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

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6511					1
6512	9		15		2
	9		15	0	
6561			293,061		3
6562					4
6563					5
6564					6
6565					7
			293,061		

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	1,217,359	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	1,217,359	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	443,049	1
Plus: Total Intrastate Access Revenues (5084)	216,300	2
Plus: Total Long Distance Network Services Revenue	2,563	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	661,912	

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	1,217,359	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>1,217,359</u>	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	443,049	1
Plus: Total Intrastate Access Revenues (5084)	216,300	2
Plus: Total Long Distance Network Services Revenue	2,563	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>661,912</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)*		0	1
Return from Nonregulated Use of Regulated Facilities (7130)*		0	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)*		0	5
TOTAL OTHER OPERATING INCOME AND (EXPENSE) (7100)*	0	0	
OPERATING TAXES			
Operating Investment Tax Credits--Net (7210)*	(12,594)	(11,197)	6
Operating Federal Income Taxes (7220)*	51,570	37,433	7
Operating State and Local Income Taxes (7230)*	5,776	10,242	8
Operating Other Taxes (7240)*	71,110	74,802	9
Provision for Deferred Operating Income Taxes--Net (7250)*	39,967	19,266	10
TOTAL OPERATING TAXES (7200)*	155,829	130,546	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)*	2,838	2,421	11
Interest Income (7320)*	5,805	9,185	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)*	68,684	9,653	16
Special Charges (7370)*	(1,561)	184	17
TOTAL NONOPERATING INCOME AND EXPENSE (7300)*	78,888	21,075	
NONOPERATING TAXES			
Nonoperating Investment Tax Credits--Net (7410)*	0	0	18
Nonoperating Federal Income Taxes (7420)*	39,655	26,490	19
Nonoperating State and Local Income Taxes (7430)*	10,733	8,226	20
Nonoperating Other Taxes (7440)*	0	0	21
Provision for Deferred Nonoperating Income Taxes-Net (7450)*	(24,426)	(27,843)	22
TOTAL NONOPERATING TAXES (7400)*	25,962	6,873	
INTEREST AND RELATED ITEMS			
Interest on Funded Debt (7510)*	36,058	37,895	23
Interest Expense--Capital Leases (7520)*	0	0	24
Amortization of Debt Issuance Expense (7530)*	107	135	25
Other Interest Deductions (7540)*	932	0	26
TOTAL INTEREST AND RELATED ITEMS (7500)*	37,097	38,030	
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)*	15,030	(2,595)	32

NONREGULATED NET INCOME (ACCT. 7990)

Particulars (a)	Amount (b)	
Revenues (Acct. 7990.1)		
Gross Sales	100,497	1
Less: Cost of Goods Sold		2
Net Sales	100,497	3
Expenses (Acct. 7990.2)	85,467	4
Nonregulated Net Income	<u><u>15,030</u></u>	5

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

Lease telephone equipment
Provide 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:

DISTRIBUTION OF SALARIES AND WAGES

Description (a)	Amount (b)	
Regulated Expense	39,509	1
Nonregulated Expense	1,702	2
Plant Accounts	188	3
Accumulated Depreciation Accounts	0	4
All Other Accounts	37	5
Total Salaries and Wages	<u>41,436</u>	6

EMPLOYEE DATA

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

Employee Category (a)	Number of Equivalent Full-Time Employees		Total Compensation (d)	
	FOY (b)	EOY (c)		
Officers				1
Supervision and Other Management	1.00	.00		2
Other Employees	6.00	.00	41,436	3
Total	<u>7.00</u>	<u>.00</u>	<u>41,436</u>	

DISTRIBUTION OF SALARIES AND WAGES

Description (a)	Amount (b)	
Regulated Expense	39,509	1
Nonregulated Expense	1,702	2
Plant Accounts	188	3
Accumulated Depreciation Accounts	0	4
All Other Accounts	37	5
Total Salaries and Wages	<u>41,436</u>	6

EMPLOYEE DATA

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

Employee Category (a)	Number of Equivalent Full-Time Employees		Total Compensation (d)	
	FOY (b)	EOY (c)		
Officers				1
Supervision and Other Management	1.00	.00		2
Other Employees	6.00	.00	41,436	3
Total	<u>7.00</u>	<u>.00</u>	<u>41,436</u>	

TELEPHONE CALLS AND MINUTES OF USE PER MONTH

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

Item (a)	Telephone Calls (000's) (b)	Minutes of Use (000's) (c)	
LOCAL			
Intra-Exchange	68	753	1
Extended Area Service	159	566	2
Extended Community Calling	57	151	3
Other Local-Undefined	0	0	4
Total Local	284	1,470	
TOLL			
Operator Handled: State--intraLATA	0	5	5
Operator Handled: State--interLATA	0	3	6
Operator Handled: Interstate	1	14	7
Customer Dialed: State--intraLATA	8	149	8
Customer Dialed: State--interLATA	18	107	9
Customer Dialed: Interstate	47	455	10
WATS	0	0	11
Other Toll-Undefined	0	0	12
Total Toll	74	733	
Total Local & Toll	358	2,203	

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.	50	12	0	0	2
Feature Group B -- Orig.	0	0	0	0	3
Feature Group B -- Term.	0	0	0	0	4
Feature Group C -- Orig.	0	0	854	1	5
Feature Group C -- Term.	0	0	901	1	6
Feature Group D -- Orig.	2,536	396	93	0	7
Feature Group D -- Term.	3,039	918	5	0	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	12	2
Sheath miles of plant - fiber optics	25	3
Strand miles of plant - fiber optics	200	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	2	3	1
56 kbps	3	1	2
64 kbps (DS0)	0	0	3
1.54 Mbps (DS-1)	1	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	12	2
Sheath miles of plant - fiber optics	25	3
Strand miles of plant - fiber optics	200	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	2	3	1
56 kbps	3	1	2
64 kbps (DS0)	0	0	3
1.54 Mbps (DS-1)	1	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	184	283	3
2 Party	0		4
4 Party	0		5
PBX Trunks/System Trunks	0		6
Centrex Trunks	0		7
Centrex Lines	0		8
Key System Trunks	55	61	9
Mobile (Utility Provided Service)	0		10
Paging (Utility Provided Service)	53	142	11
FX-Out (Switched)	3	3	12
Pay Telephone	0	14	13
Coin-Operated Pay Telephone	0		14
Independent Pay Telephone Provider	0	1	15
Pay Stations - Public	14		16
- Semi-Public	0		17
- Cust. Owned	1		18
Other	0		19
Total Business Lines	310	504	20
Residential (Incl. Emp. Concess.)			
1 Party	2,072	2,098	22
2 Party	0		23
4 Party	0		24
FX-Out (Switched)	0		25
Other	15	12	26
Total Residential Lines	2,087	2,110	27
Total Bus & Res Lines	2,397	2,614	28
Company Used Lines	47	64	29
Total Lines Used	2,444	2,678	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	1	1	5
Special Access-intraLATA			6
(expressed in equiv. access lines)	7	4	7
Special Access-interLATA			8
(expressed in equiv. access lines)	26	29	9
Feature Group A Lines	0		10
Feature Group B Trunks	0		11
Feature Group C Trunks	0		12
Feature Group D Trunks	95	95	13
TSPS - Trunks	9	9	14
EAS - Trunks	143	143	15
Cellular Trunks (Pub. Sw. Net.)	0		16
Video Distance Learning			17
- discounted (special tariff)	1	1	18
Customers			
Business - 2 Party Customers	0		20
Business - 4 Party Customers	0		21
Residential - 2 Party Customers	0		22
Residential - 4 Party Customers	0		23
Other			
Total Central Office, Info. Orig./Term., & Cable			25
Wire Fac. Assets (based on physical location of plant)	3,762,480	3,860,925	26
Total Company Square Miles	86	86	28
Total Company Route Miles	273	273	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	1940	3400			1
Business					2
1 Party	52	231			3
2 Party					4
4 Party					5
PBX Trunks/System Trunks					6
Centrex Trunks					7
Centrex Lines					8
Key System Trunks		61			9
Mobile (utility provided service)					10
Paging (utility provided service)		142			11
FX-Out (Switched)		3			12
Pay Telephone	6	8			13
Coin-Operated Pay Telephone					14
Independent Pay Telephone Provider		1			15
Pay Stations - Public					16
- Semi-Public					17
- Cust. Owned					18
Other					19
Total Business Lines	58	446	0	0	20
Residential (Incl. Emp. Concess.)					21
1 Party	918	1,180			22
2 Party					23
4 Party					24
FX-Out (Switched)					25
Other		12			26
Total Residential Lines	918	1,192	0	0	27
Total Bus & Res Lines	976	1,638	0	0	28
Company Used Lines	7	57			29
Total Lines Used	983	1,695	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	1940	3400			1
Miscellaneous					2
WATS Lines - OutWATS					3
WATS Lines - 800 Service					4
FX-In-intraLATA		1			5
Special Access-intraLATA					6
(equiv. access lines)		4			7
Special Access-interLATA					8
(equiv. access lines)		29			9
Feature Group A Lines					10
Feature Group B Trunks					11
Feature Group C Trunks					12
Feature Group D Trunks		95			13
TSPS - Trunks		9			14
EAS - Trunks		143			15
Cellular Trunks (Pub. Sw. Net.)					16
Video Distance Learning					17
- discounted (special tariff)		1			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)	1,544,370	2,316,555			27
Exchange Square Miles	36	50			28
Exchange Route Miles	110	163			29
Footnotes					30

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Manufacturer Name (a)	Abbreviation (b)	
Alcatel	AL	1
ATTC	ATT	2
GTE	GTE	3
ITT	ITT	4
Lucent	ATT/LUC	5
Nippon Electric	NEC	6
Northern Telecom	NTI	7
Siemens	SI	8
Stromberg-Carlson	SC	9
VIDAR	VI	10

EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

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

MANUFACTURER ABBREVIATIONS

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Stromberg-Carlson	SC	9
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EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Equipment Type (a)	Abbreviation (b)	
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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	FOX CREEK	MILLTOWN			1
PSCW Exchange ID	1940	3400			2
Central Office Name	FOX CREEK	MILLTOWN			3
PSCW Central Office ID	1	1			4
Manufacturer of COE (Page 54)	SC	SC			5
Year COE Installed	1986	1986			6
Type of Equipment (Page 54)	D	D			7
(S)tandalone, (H)ost, (R)emote	R	H			8
Remote Host PSCW Exchange ID	3400				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	922	1,554			14
- Equipped	1,071	1,958			15
- Wired	1,080	1,980			16
Trunks - In Use	0	256			17
- Equipped	0	264			18
- Wired	0	288			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	5	16			25
DS-3 - In Use	0	1			26
Advanced Data Service Available:					
Packet Switching?	No	No			27
SMDS?	No	No			28
Frame Relay?	No	No			29
ATM (Asynchronous Trans. Mode)?	No	No			30
Video Information - Service Available?	No	No			31
- In Use (# lines) ¹	0	0			32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	24	64			33
No. of fiber strands working (LIT) in C.O.	4	21			34
No. of fiber strands for interoffice use	4	4			35
Miles of fiber sheath in wire center	0	25			36
Access Tandem Serving this C.O.:					
- C.O. Name	FREDERIC	FREDERIC			37
- PSCW C.O. ID	1960-01	1960-01			38
Does this C.O. do access tandem switching?	No	Yes			39
Equal Access: InterLATA (1+)?	Yes	Yes			40
Equal Access: IntraLATA (1+)?	No	No			41
Footnotes					42

¹ Teleco provided end-to-end facility.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

General Footnote

Accountants Compilation Report

To the Board of Directors
Milltown Mutual Telephone Company
Milltown, Wisconsin

We have compiled the balance sheets of Milltown Mutual 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 11, 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.

Kiesling Associates LLP
Madison, Wisconsin
April 21, 1998

Schedule Footnotes

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

This footnote is not being used.

General, Schedule Level and Schedule Line Footnotes Footnote. Page 56

This footnote is not being used.

Schedule Line Footnotes

- A) During 1997 the Public Service Commission of Wisconsin (PSCW) allowed for the deregulation of public payphones.
- B) Less general repairs and maintenance to land, buildings, and other office equipment.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

- C) Reclassification of administrative time between Plant Nonspecific and Plant Specific in 1997 from prior year.
- D) The company had fewer legal expenses in 1997 from prior year.
- E) Decrease in rates in 1997.
- F) Increase of minutes of use from prior year.
- G) Depreciation rate given is a composite.