



4004

ANNUAL REPORT

OF

Name: RIVERSIDE TELECOM, INC.

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

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 GERALD RINGLUND of
(Person responsible for accounts)

RIVERSIDE TELECOM, INC., certify that I
(Utility Name)

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

GERALD RINGLUND 04/17/1998
(Person responsible for accounts) (Date)

ASSISTANT TREASURER
(Title)

TABLE OF CONTENTS

Schedule Name	Page
Cover Page	1
General Rules for Reporting	2
Signature Page	3
Table of Contents	4
Annual Telecommunications Report Glossary of Terms	5
Abbreviations Used in Annual Reports	6
Identification and Ownership	7
Income Statement - Total Company	8
Notes to Income Statement or Balance Sheet	9
Balance Sheet - Assets (Class B Use Accounts Designated By *)	10
Balance Sheet - Liabilities (Class B Use Accounts Designated By *)	11
Statement of Cash Flows	12
Important Changes During the Year	13
Affiliate Abbreviations	14
Affiliated Interest Transactions	15
Affiliated Assets and Liabilities	16
Accounts Receivable Net Write Offs - Telecommunications	17
Notes Receivable (Acct. 1200) and Allowances (Acct. 1201)	18
Investments in Nonaffiliated Companies (Acct. 1402)	19
Nonregulated Investments (Acct. 1406)	20
Deferred Maintenance and Retirements (Acct. 1438)	21
Telecommunications Plant in Service Class A & B	22
Telecommunications Plant in Service Class A & B (Sub-Class Accounts)	24
Accumulated Depreciation Class A & B	26
Accumulated Depreciation Class A & B (Sub-Class Accounts)	28
Net Deferred Operating Income Taxes (Acct. 1350, 1410, 1437, 4100, 4340, 4341 & 4361)	30
Notes Payable (Acct. 4020)	32
Long-Term Debt	33
Capital Stock Accounts at End of Year	35
Retained Earnings (Acct. 4550)	37
Distribution of Taxes	38
Revenues - Class A & B (Class B Use Accounts Designated By *)	40
Expense Matrix - Class A & B	41
Calculation of Assessable Revenues for Remainder, DOJ, and Tele. Relay Assessment Purposes	43
Calculation of Assessable Revenues for Universal Service Fund Assessment Purposes	43
Other Income Accounts (Class B Use Accounts Designated By *)	44
Nonregulated Net Income (Acct. 7990)	45
Distribution of Salaries and Wages	46
Employee Data	46
Telephone Calls and Minutes of Use Per Month	47
Access Usage	48
Outside Plant Statistics at End of Year	49
Special Access Circuits in Use at End of Year	49
Service Data	50

TABLE OF CONTENTS

Schedule Name	Page
Service Data - End of Year	52
Equipment Abbreviations	54
Manufacturer Abbreviations	54
Central Office Data - End of Year	55
General, Schedule Level and Schedule Line Footnotes	56

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: RIVERSIDE TELECOM, INC.
Utility Location: 301 S WESTFIELD RD
P.O. BOX 5158
MADISON, WI 53705-0158

Utility Web Site Address:

When was utility organized?: 02/23/1907

Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: GERALD A . RINGLUND
Title: ASSISTANT TREASURER

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

Fax Number: (608) 664 - 4519
Telephone Number: (608) 664 - 4554
Email Address:

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

Name: PAM L . JOHNSON
Title: ACCOUNTING ASSISTANT
Firm: TDS TELECOM

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

Fax Number: (608) 664 - 4519
Telephone Number: (608) 664 - 4564
Email Address: pamela.johnson@tdstelcom.com

Person responsible for financial information contained in report

Name: GERALD A . RINGLUND
Title: ASSISTANT TREASURER

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

Fax Number: (608) 664 - 4519
Telephone Number: (608) 664 - 4554
Email Address:

Person responsible for statistical information contained in report

Name: VARIOUS CONTACTS X
Title: X

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

Fax Number:
Telephone Number: (608) 999 - 9999
Email Address:

a

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

Number of Shares Held: 6,806
Beneficial Owner: NONE

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

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

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	2,422,898	2,128,731	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	185,866	147,812	2
Plant Nonspecific Operations Expense	663,684	601,761	3
Customer Operations Expense (6610-6620)	382,249	312,006	4
Corporate Operations Expense (6710-6790)	401,962	386,412	5
Other Operating Income and Expense (7100)	2,328	2,112	6
Operating Taxes (7200)	354,040	306,148	7
Total Operating Expenses	1,985,473	1,752,027	8
Net Operating Income	437,425	376,704	9
Other Income			
Nonoperating Income and Expense (7300)	11,070	8,372	10
Nonoperating Taxes (7400)	1,178	2,345	11
Interest and Related Items (7500)	107,381	91,608	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	2,227	12,148	14
Total Nonoperating Income	(95,262)	(73,433)	15
Net Income	342,163	303,271	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.)

TELEPHONE PLANT

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

DEPRECIATION

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

REVENUES

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

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

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

PENSION

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

INCOME TAXES

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

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

NOTES TO INCOME STATEMENT OR BALANCE SHEET

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

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

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 company is restricted from transferring funds to the parent or other affiliates in the form of cash dividends until certain financial requirements of its mortgage indentures have been met. At December 31, 1997, the company has invested no funds with Telecommunications Technologies Fund, Inc., and could distribute up to \$884,438 to the parent or other affiliates in the form of cash dividends.

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT ASSETS			
CASH AND EQUIVALENTS			
Cash and Equivalents (1120)*			1
Cash (1130)	139,955	222,437	2
Special Cash Deposits (1140)	0	0	3
Working Cash Advances (1150)	440	440	4
Temporary Investments (1160)	0	0	5
TOTAL CASH AND EQUIVALENTS	140,395	222,877	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	107,309	97,477	6
Accounts Receivable Allowance-Telecom (1181)*	0	0	7
Net: Telecommunications Accounts Receivable	107,309	97,477	
Other Accounts Receivable (1190)*	488,619	489,282	8
Accounts Receivable Allowance--Other (1191)*	0	0	9
Net: Other Accounts Receivable	488,619	489,282	
Notes Receivable (1200)*	0	0	10
Notes Receivable Allowance (1201)*	0	0	11
Net: Notes Receivable	0	0	
Interest and Dividends Receivable (1210)*	0	937	12
TOTAL RECEIVABLES AND ALLOWANCES FOR DOUBTFUL	595,928	587,696	
SUPPLIES			
Inventories (1220)*	27,327	44,768	13
TOTAL SUPPLIES	27,327	44,768	
PREPAYMENTS			
Total Prepayments (1280)*			14
Prepaid Rents (1290)	0	0	15
Prepaid Taxes (1300)	2,544	0	16
Prepaid Insurance (1310)	0	0	17
Prepaid Directory Expenses (1320)	3,826	0	18
Other Prepayments (1330)	8,015	5,381	19
TOTAL PREPAYMENTS	14,385	5,381	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	1,506	1,591	20
TOTAL OTHER CURRENT ASSETS	1,506	1,591	
TOTAL CURRENT ASSETS	779,541	862,313	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	0	0	21
Investments in Nonaffiliated Companies (1402)*	347,047	387,047	22
Nonregulated Investments (1406)*	14,801	13,044	23
Unamortized Debt Issuance Expense (1407)*	4,643	4,893	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)*	0	0	26
TOTAL INVESTMENTS	366,491	404,984	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*	118	131	27
Deferred Maintenance and Retirements (1438)*	0	0	28
Deferred Charges (1439)*	2,966	0	29
TOTAL DEFERRED CHARGES	3,084	131	
TOTAL NONCURRENT ASSETS	369,575	405,115	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	8,140,275	7,154,824	30
Less: Accumulated Depreciation (3100)*	3,437,683	3,024,089	31
Less: Accumulated Amortization--Capitalized Leases (3410)*	0	0	32
Less: Accumulated Amortization--Leasehold Improvements (3420)*	(1)	(1)	33
Less: Accumulated Amortization--Intangible (3500)*		0	34
NET TELECOMMUNICATIONS PLANT IN SERVICE	4,702,593	4,130,736	
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)*	64,138	113,031	39
TOTAL TPUC	64,138	113,031	
TELECOMMUNICATIONS PLANT ADJUSTMENT			
Telecommunications Plant Adjustment (2005)*		0	40
Less: Accumulated Amortization--Other (3600)*		0	41
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	0	0	
TOTAL PLANT	4,766,731	4,243,767	
TOTAL ASSETS AND OTHER DEBITS*	5,915,847	5,511,195	

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	181,659	351,268	1
Notes Payable (4020)*	800,000	600,000	2
Advance Billing and Payments (4030)*	0	129	3
Customer Deposits (4040)*	0	500	4
Current Maturities--Long-Term Debt (4050)*	67,300	64,700	5
Current Maturities--Capital Leases (4060)*	0	0	6
Income Taxes--Accrued (4070)*	184,194	0	7
Other Taxes--Accrued (4080)*	6,831	6,755	8
Net Current Deferred Operating Income Taxes (4100)*	0	0	9
Net Current Deferred Nonoperating Income Taxes (4110)*	0	0	10
Other Accrued Liabilities (4120)*	18,811	12,726	11
Other Current Liabilities (4130)*	1,000	1,609	12
TOTAL CURRENT LIABILITIES*	1,259,795	1,037,687	
LONG-TERM DEBT			
Funded Debt (4210)*	1,257,474	1,325,672	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	17
Advances from Affiliated Companies (4260)*	0	0	18
Other Long-Term Debt (4270)*	0	0	19
TOTAL LONG-TERM DEBT*	1,257,474	1,325,672	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*	47,695	45,279	20
Unamortized Operating ITC--Net (4320)*	14,687	27,542	21
Unamortized Nonoperating ITC--Net (4330)*	0	0	22
Net Noncurrent Deferred Operating Income Taxes (4340)*	438,484	394,455	23
Net Deferred Tax Liability Adjustments (4341)*	(18,365)	(26,306)	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	0	0	25
Other Deferred Credits (4360)*	0	0	26
Deferred Tax Regulatory Liability (4361)*	18,484	26,438	27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS*	500,985	467,408	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	170,150	170,150	28
Additional Paid-in Capital (4520)*	0	0	29
Treasury Stock (4530)*	7,325	7,325	30
Other Capital (4540)*	0	0	31
Retained Earnings (4550)*	2,734,767	2,517,604	32
TOTAL STOCKHOLDERS' EQUITY*	2,897,592	2,680,429	
TOTAL LIABILITIES AND OTHER CREDITS*	5,915,846	5,511,196	

STATEMENT OF CASH FLOWS

Item (a)	Amount (b)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	342,163	1
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and amortization	496,740	2
Interest during construction	(2,767)	3
Changes in assets and liabilities:		
Current assets (net)	290	4
Other noncurrent assets	(3,203)	5
Other current liabilities	19,508	6
Other liabilities and deferred credits	33,577	7
Other (specify):		
TOTAL ADJUSTMENTS	544,145	
NET CASH PROVIDED BY OPERATING ACTIVITIES (NET INCOME & ADJUST.)	886,308	
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures:		
Changes in plant (net)	(1,016,937)	8
Investments in affiliated companies	0	9
Nonoperating Investments	38,243	10
Other (specify):		
NET CASH USING IN INVESTING ACTIVITIES	(978,694)	
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in capital lease obligations (net)	0	11
Change in long-term debt (net)	(65,098)	12
Net changes in stockholder equity other than retained earnings	0	13
Change in short term borrowing (net)	200,000	14
Dividends paid	(125,000)	15
Miscellaneous debits/credits to retained earnings	0	16
Other (specify):		
Net Cash Provided by Financing Activities	9,902	
NET INCREASE IN CASH AND CASH EQUIVALENTS	(82,484)	
Cash and cash equivalents at beginning of year (Accts. 1130-1160 for Class A; 1120 for Class B)		
Cash and cash equivalents at end of year (Accts. 1130-1160 for Class A; 1120 for Class B)		

IMPORTANT CHANGES DURING THE YEAR

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

None

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

None

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

None

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

None

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

None

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

None

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

None

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

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

AFFILIATE ABBREVIATIONS

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

Name of Affiliate (a)	Abbreviations (b)	
Black Earth Telephone Company	BLACK	1
Other	OTH	2
TDS Telecommunications Corporation	TDS	3
Telephone and Data Systems, Inc.	TDS CORP	4
TDS Telecom Inc.	TDS TEL	5
TDS Computing Service, Inc.	TDS/CS	6
TDSNET	TDSNET	7
Telecommunications Technologies Fund	TTF	8
Waunakee Telephone Company	WAUNAKEE	9

AFFILIATED INTEREST TRANSACTIONS

Provide a summary of transactions under established affiliated interest contracts and arrangements (see Wis. Stat. § 196.52, for "affiliated interest" definitions). Use the space below to report transactions with individual affiliates and multiple affiliated interest agreements or, at the utility's option, with individual affiliates and a single agreement. Activity associated with affiliated contracts or arrangements not in excess of \$25,000 or 5 percent of the equity of the utility, whichever is smaller, may be aggregated in a single record. For utilities whose intrastate gross operating revenues of the previous year exceeded \$100,000,000, individual contracts or arrangements not exceeding \$100,000 may be aggregated in a single record. Where an affiliate is both providing and receiving service use one record to show billings to and a second record for billings from. When billings to or from an affiliate are recorded on the books of the utility, the records underlying such billings shall be sufficient to show all the detail maintained to identify the associated accounts related to the billing and categorize billings according to the account categories shown below.

Particulars (a)	(b)	(c)	(d)	(e)	
Docket	0005-TI-000124	0005-TI-000124	0005-TI-000124	0005-TI-000124	
Name of Affiliate	OTH	OTH	SUTTLE	TDS CORP	1
Designate whether billed to or from:	FROM	TO	FROM	FROM	2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C	C	M	C	3
Revenues	0	0	0	0	4
Expenses:					
Plant Specific Operations Expense	1,438	0	0	0	5
Plant Nonspecific Operations Expense	0	1,322	59	983	6
Customer Operations Expense	0	0	38	0	7
Corporate Operations Expense	0	0	0	50,468	8
Total Operating Expenses	1,438	1,322	97	51,451	9
Other:					
Plant Accounts	12,191	0	0	0	10
Accumulated Depreciation	0	0	0	0	11
Accumulated Amortization	0	0	0	0	12
Clearing	0	0	0	0	13
All Other	0	0	0	0	14
Total	13,629	1,322	97	51,451	15
Percent of affiliate's business billed to all affiliated regulated utilities			62.00		16
If cost based, rate of return on equity or markup incorporated in billings	0.00			0.00	17
Footnotes				p	

AFFILIATED INTEREST TRANSACTIONS

Provide a summary of transactions under established affiliated interest contracts and arrangements (see Wis. Stat. § 196.52, for "affiliated interest" definitions). Use the space below to report transactions with individual affiliates and multiple affiliated interest agreements or, at the utility's option, with individual affiliates and a single agreement. Activity associated with affiliated contracts or arrangements not in excess of \$25,000 or 5 percent of the equity of the utility, whichever is smaller, may be aggregated in a single record. For utilities whose intrastate gross operating revenues of the previous year exceeded \$100,000,000, individual contracts or arrangements not exceeding \$100,000 may be aggregated in a single record. Where an affiliate is both providing and receiving service use one record to show billings to and a second record for billings from. When billings to or from an affiliate are recorded on the books of the utility, the records underlying such billings shall be sufficient to show all the detail maintained to identify the associated accounts related to the billing and categorize billings according to the account categories shown below.

Particulars (a)	(b)	(c)	(d)	(e)
Docket	0005-TI-000124	0005-TI-000124		
Name of Affiliate	TDS TEL	TDS/CS		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	0	0		4
Expenses:				
Plant Specific Operations Expense	3,006	0		5
Plant Nonspecific Operations Expense	77,701	1,548		6
Customer Operations Expense	98,425	97,477		7
Corporate Operations Expense	210,060	21,523		8
Total Operating Expenses	389,192	120,548	0	0
Other:				
Plant Accounts	79,106	0		10
Accumulated Depreciation	0	0		11
Accumulated Amortization	0	0		12
Clearing	0	0		13
All Other	4,470	0		14
Total	472,768	120,548	0	0
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	15.00		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)	
Other	1190	763	1
Telephone and Data Systems, Inc.	1190	119,699	2
TDS Telecom Inc.	1190	73,568	3
Black Earth Telephone Company	4010	1,338	4
Other	4010	1,678	5
Telephone and Data Systems, Inc.	4010	159,934	6
TDS Telecom Inc.	4010	69,331	7
Telecommunications Technologies Fund	4010	5,650	8
Waunkaee Telephone Company	4010	1,345	9

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	0	1
Uncollectibles written off during the year	0	2
Net write offs during the year	0	

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	21,847	1
Other:		
RTB Class C Stock	5,000	2
Communications Satellite Corporation	200	3
RED Grant Loaned to Clty of Johnson Creek for Water Tower	320,000	4
Total Investments in Nonaffiliated Companies	347,047	

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):		
Direct Broadcast Satellite(DBS)	6,927	1
Leased phones & business systems	7,874	2 m

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	17,857		1
Motor Vehicles	2112	103,502		2
Aircraft	2113	0		3
Special Purpose Vehicles	2114	0		4
Garage Work Equipment	2115	0		5
Other Work Equipment	2116	137,771		6
Buildings	2121	484,947		7
Furniture	2122	12,127		8
Office Equipment	2123	52,331	0	9
General Purpose Computers	2124	480,741	35,055	10
TOTAL--GENERAL SUPPORT ASSETS:		1,289,276	35,055	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0		11
Digital Electronic Switching	2212	1,812,810	163,329	12
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220	0		14
Radio Systems	2231	28,068	0	15
Circuit Equipment	2232	474,721	332,137	16
TOTAL--CENTRAL OFFICE ASSETS:		2,315,599	495,466	
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	28,156	4,461	20
Other Terminal Equipment	2362	0		21
TOTAL--INFORMATION ORIG/TERM ASSETS:		28,156	4,461	
CABLE WIRE FACILITIES ASSETS				
Poles	2411	24,021		22
Aerial Cable	2421	133,873	276	23
Underground Cable	2422	27,559	6,993	24
Buried Cable	2423	3,231,935	484,352	25
Submarine Cable	2424	0	0	26
Deep Sea Cable	2425	0		27
Intrabuilding Network Cable	2426	0	0	28
Aerial Wire	2431	9,543		29
Conduit Systems	2441	94,864	44,189	30
TOTAL--CABLE WIRE FACILITIES ASSETS:		3,521,795	535,810	
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			17,857	1
2112			103,502	2
2113			0	3
2114			0	4
2115			0	5
2116			137,771	6
2121			484,947	7
2122			12,127	8
2123	0	0	52,331	9
2124	14,200		501,596	10
	14,200	0	1,310,131	
2211			0	11
2212	0	0	1,976,139	12
2215	0	0	0	13
2220			0	14
2231	0	0	28,068	15
2232	0	0	806,858	16
	0	0	2,811,065	
2311			0	17
2321			0	18
2341			0	19
2351			32,617	20
2362			0	21
	0	0	32,617	
2411	891		23,130	22
2421	2,851	0	131,298	23
2422	0	0	34,552	24
2423	67,401	0	3,648,886	25
2424	0	0	0	26
2425			0	27
2426	0	0	0	28
2431			9,543	29
2441			139,053	30
	71,143	0	3,986,462	
2681			0	31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)
AMORTIZABLE ASSETS			
Leasehold Improvements	2682	0	32
Intangibles	2690	0	33
TOTAL--AMORTIZABLE ASSETS:		0	0
TOTAL TELECOM. PLANT IN SERVICE	2001	7,154,826	1,070,792
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	
	85,343	0	8,140,275	
2001			0	34
			8,140,275	

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	27,231		1
Company Communications Equipment	2123.2	25,100		2
Software	2212.1	30,269		3
Digital Switching - Central Office	2212.2	1,782,541	163,329	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	28,068		9
Digital Circuit Equipment	2232.1	396,163	299,643	10
Analog Circuit Equipment	2232.2	0		11
Light Wave Circuit Equipment	2232.3	78,558	32,494	12
Aerial Cable - Nonmetallic	2421.1	0		13
Aerial Cable - Metallic	2421.2	133,873	276	14
Underground Cable - Nonmetallic	2422.1	0		15
Underground Cable - Metallic	2422.2	27,559	6,993	16
Buried Cable - Nonmetallic	2423.1	176,949	32,573	17
Buried Cable - Metallic	2423.2	3,054,986	451,779	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			27,231	1
2123.2			25,100	2
2212.1			30,269	3
2212.2			1,945,870	4
2212.3			0	5
2215.1			0	6
2215.2			0	7
2231.1			0	8
2231.2			28,068	9
2232.1			695,806	10
2232.2			0	11
2232.3			111,052	12
2421.1			0	13
2421.2	2,851		131,298	14
2422.1			0	15
2422.2			34,552	16
2423.1			209,522	17
2423.2	67,401		3,439,364	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	62,317	15.0	15,528	1
Aircraft	2113	0	.0		2
Special Purpose Vehicles	2114	0	.0		3
Garage Work Equipment	2115	0	.0		4
Other Work Equipment	2116	103,898	10.0	13,776	5
Buildings	2121	124,324	3.4	16,488	6
Furniture	2122	11,456	10.0	671	7
Office Equipment	2123	45,654	19.52	4,981	0 8
General Purpose Computers	2124	202,594	20.0	83,732	9
Total-- GENERAL SUPPORT ASSETS		550,243		135,176	0
CENTRAL OFFICE ASSETS					
Analog Electronic Switching	2211	0	.0		10
Digital Electronic Switching	2212	808,196	8.8199	143,240	11
Electro-Mechanical Switching	2215	0	.0		12
Operator Systems	2220	0	.0		13
Radio Systems	2231	28,068	9.5	(1,403)	14
Circuit Equipment	2232	228,986	9.95	41,917	15
Total-- CENTRAL OFFICE ASSETS		1,065,250		183,754	0
INFORMATION ORIG/TERM ASSETS					
Station Apparatus	2311	0	.0		16
Customer Premises Wiring	2321	0	.0		17
Large Private Branch Exchanges	2341	0	.0		18
Public Telephone Terminal Equipment	2351	28,156	13.6	(298)	19
Other Terminal Equipment	2362	0	.0		20
Total-- INFORMATION ORIG/TERM ASSETS		28,156		(298)	0
CABLE WIRE FACILITIES ASSETS					
Poles	2411	30,336	10.0	2,379	21n
Aerial Cable	2421	80,483	6.0	7,971	22
Underground Cable	2422	10,923	4.4	1,212	23
Buried Cable	2423	1,235,757	5.0	165,317	24
Submarine Cable	2424	0	.0		25
Deep Sea Cable	2425	0	.0		26
Intrabuilding Network Cable	2426	0	.0		27
Aerial Wire	2431	8,757	19.0	1,812	28n

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112					77,845	1
2113					0	2
2114					0	3
2115					0	4
2116					117,674	5
2121					140,812	6
2122					12,127	7
2123	0	0	0	0	50,635	8
2124	14,200				272,126	9
	14,200	0	0	0	671,219	
2211					0	10
2212	0				951,436	11
2215	0				0	12
2220					0	13
2231	0				26,665	14
2232	0		588		271,491	15
	0	0	588	0	1,249,592	
2311					0	16
2321					0	17
2341					0	18
2351					27,858	19
2362					0	20
	0	0	0	0	27,858	
2411	891				31,824	21 n
2421	2,851	435			85,168	22
2422	0				12,135	23
2423	67,401	1,286	33		1,332,420	24
2424	0				0	25
2425					0	26
2426	0				0	27
2431		334			10,235	28 n

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	14,184	3.03	3,048	29
Total-- CABLE WIRE FACILITIES ASSETS		1,380,440		181,739	0
Total Accumulated Depreciation	3100	3,024,089		500,371	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				500,371	0

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441					17,232	29
	71,143	2,055	33	0	1,489,014	
3100	85,343	2,055	621	0	3,437,683	
3100					0	30
3100					3,437,683	

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	20,363	19.0	5,172	0	1
Company Communications Equipment	2123.2	25,291	20.0	(191)		2
Software	2212.1	30,273	33.33	(4)		3
Digital Switching - Central Office	2212.2	777,923	7.94	143,244		4
Digital Switching - Remote	2212.3	0	7.85			5
Step by Step Switching	2215.1	0	.0			6
Crossbar Switching	2215.2	0	.0			7
Satellite and Earth Station Facilities	2231.1	0	.0			8
Other Radio Facilities	2231.2	28,068	9.5	(1,403)		9
Digital Circuit Equipment	2232.1	207,355	10.0	34,030		10
Analog Circuit Equipment	2232.2	0	.0			11
Light Wave Circuit Equipment	2232.3	21,631	9.5	7,887		12
Aerial Cable - Nonmetallic	2421.1	0	4.8			13
Aerial Cable - Metallic	2421.2	80,483	6.0	7,971		14
Underground Cable - Nonmetallic	2422.1	0	4.1			15
Underground Cable - Metallic	2422.2	10,923	4.4	1,212		16
Buried Cable - Nonmetallic	2423.1	21,451	4.8	8,731		17
Buried Cable - Metallic	2423.2	1,214,306	5.0	156,586		18
Submarine Cable - Nonmetallic	2424.1	0	.0			19
Submarine Cable - Metallic	2424.2	0	.0			20
Intrabuilding Cable - Nonmetallic	2426.1	0	.0			21
Intrabuilding Cable - Metallic	2426.2	0	.0			22

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

Subacct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2123.1		0	0	0	25,535	1
2123.2					25,100	2
2212.1					30,269	3
2212.2					921,167	4
2212.3					0	5
2215.1					0	6
2215.2					0	7
2231.1					0	8
2231.2					26,665	9
2232.1			588		241,973	10
2232.2					0	11
2232.3					29,518	12
2421.1					0	13
2421.2	2,851	435			85,168	14
2422.1					0	15
2422.2					12,135	16
2423.1					30,182	17
2423.2	67,401	1,286	33		1,302,238	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)	131	3
Net Current Deferred Operating Income Taxes (4100)	0	4
Net Noncurrent Deferred Operating Income Taxes (4340)	(394,475)	5
Net Deferred Tax Liability Adjustments (4341)	26,306	6
Deferred Tax Regulatory Liability (4361)	(26,438)	7
Net Property Related Deferred Operating Income Taxes	(394,476)	
Less: Allocation to Nonregulated Activity	0	8
Net Regulated Total Property Related Deferred Operating Income Taxes	(394,476)	
NONPROPERTY RELATED		
Other Current Assets (1350)	1,591	9
Other Noncurrent Assets (1410)	0	10
Deferred Tax Regulatory Asset (1437)	0	11
Net Current Deferred Operating Income Taxes (4100)	0	12
Net Noncurrent Deferred Operating Income Taxes (4340)	20	13
Net Deferred Tax Liability Adjustments (4341)	0	14
Deferred Tax Regulatory Liability (4361)	0	15
Total Nonproperty Related Deferred Operating Income Taxes	1,611	

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
	(13)			118	3
7250	0			0	4
7250	(44,020)			(438,495)	5
	(7,941)			18,365	6
	7,954			(18,484)	7
	(44,020)	0	0	(438,496)	8
				0	8
	(44,020)	0	0	(438,496)	
7250			(85)	1,506	9
7250				0	10
				0	11
7250				0	12
7250	(9)			11	13
				0	14
				0	15
	(9)	0	(85)	1,517	

NOTES PAYABLE (ACCT. 4020)

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

Name (a)	Issue Date (b)	Maturity (c)	Interest Rate (d)	Balance EOY (e)	
Affiliated:					
Telecommunications Technologies Fund	07/01/1997	12/31/1998	9.0000	800,000	1
Total Affiliated				<u>800,000</u>	
Total Notes Payable				<u><u>800,000</u></u>	

LONG-TERM DEBT

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

Description of Debt (a)	Specific or Range of Stated Dates of Issue (b)	Specific or Range of Stated Dates of Maturity (c)	Specific or Range of Interest Rates (d)	
Funded Debt (Account 4210):				
REA/RTB	04/10/1962-11/17/1970	04/10/1997-11/17/2005	2.0000	1
REA/RTB	08/12/1975-03/26/1990	08/12/2010-03/26/2025	5.0000	2
REA/RTB	03/26/1975-11/17/1981	03/26/2010-11/17/2016	8.0000	3
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)				
2.0000	0	0	188,794	31,281	220,075	1
5.0000	0	0	718,536	32,560	751,096	2
8.0000	0	0	350,144	3,459	353,603	3
	0	0	1,257,474	67,300	1,324,774	

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:				
	8,000	25.00	.00	1
TOTAL COMMON STOCK	8,000			
TOTAL	<u>8,000</u>			

CAPITAL STOCK ACCOUNTS AT END OF YEAR (cont.)

	Acct. 4510 - Capital Stock		Acct. 4530 - Treasury Stock		
	Shares	Amount	Shares	Amount	
	(e)	(f)	(g)	(h)	
COMMON STOCK:					
	6,806	170,150	293	7,325	1
	6,806	170,150	293	7,325	
TOTAL	<u>6,806</u>	<u>170,150</u>	<u>293</u>	<u>7,325</u>	

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	2,517,604	2,339,382	1
Changes:			
Balance Transferred from Income	342,163	303,272	2
Dividends Declared:			
Common	125,000	125,050	3
Preferred		0	4
Total Dividends Declared	125,000	125,050	
Miscellaneous Debits to Retained Earnings		0	5
Miscellaneous Credits to Retained Earnings		0	6
Balance--End of Year	<u>2,734,767</u>	<u>2,517,604</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)	145,417	45,177	162,282	1
Nonoperating Taxes (Accts. 7410 - 7450)		249	929	2
Extraordinary Items (Accts. 7630 & 7640)				3
Nonregulated Net Income (Acct. 7990)		57	232	4
Clearing Accounts				5
Construction				6
Payroll Taxes: FICA				7
Payroll Taxes: State Unemployment				8
Payroll Taxes: Federal Unemployment				9
Other (specify):				
TOTAL	<u>145,417</u>	<u>45,483</u>	<u>163,443</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)	
1,164	0		0		354,040	1
					1,178	2
					0	3
					289	4
					0	5
					0	6
					0	7
					0	8
					0	9
1,164	0	0	0	0	355,507	

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

Particulars (a)	This Year (b)	Last Year (c)	
LOCAL NETWORK SERVICES REVENUES			
Basic Local Service Revenue (5000)*			1
Basic Area Revenue (5001)	681,836	652,474	2
Optional Extended Area Revenue (5002)		0	3
Cellular Mobile Revenue (5003)		0	4
Other Mobile Services Revenue (5004)	1,070	0	5
Public Telephone Revenue (5010)	1,413	4,418	6
Local Private Line Revenue (5040)	4,652	4,486	7
Customer Premises Revenue (5050)	844	125	8
Other Local Exchange Revenue (5060)	82,036	67,289	9 g
Other Local Exchange Revenue Settlements (5069)		0	10
TOTAL BASIC LOCAL SERVICE REVENUE (5000)	771,851	728,792	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	143,415	135,218	11
Switched Access Revenue (5082)*	616,119	504,759	12 h
Special Access Revenue (5083)*		0	13
TOTAL INTERSTATE ACCESS REVENUES (5080)	759,534	639,977	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*		0	14
Switched Access Revenue (5084.2)*	611,655	502,281	15 i
Special Access Revenue (5084.3)*	52,609	25,562	16 j
TOTAL INTRASTATE ACCESS REVENUES (5084)	664,264	527,843	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*		0	17
Long Distance Inward-Only Revenue (5111)		0	18
Long Distance Outward-Only Revenue (5112)		0	19
Unidirectional Long Distance Revenue (5110)	0	0	
Long Distance Private Network Revenues			
Subvoice Grade Revenue (5121)		0	20
Voice Grade Revenue (5122)		0	21
Audio Program Grade Revenue (5123)		0	22
Video Program Grade Revenue (5124)		0	23
Digital Transmission Revenue (5125)		0	24
Switching Revenue (5126)		0	25
Other Revenue (5128)		0	26
Other Revenue Settlements (5129)		0	27
Total Long Distance Private Network Revenue	0	0	
Other Long Distance Revenue (5160)		0	28
Other Long Distance Revenue Settlements (5169)		0	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)*	108,254	93,466	30
Rent Revenue (5240)*	2,352	1,374	31
Corporate Operations Revenue (5250)*		0	32
Miscellaneous:			
Miscellaneous Revenue (5260)*			33
Special Billing Arrangements Revenue (5261)	1,679	2,110	34
Customer Operations Revenue (5262)		0	35
Plant Operations Revenue (5263)		0	36
Other Incidental Regulated Revenue (5264)	7,234	7,543	37
Other Revenue Settlements (5269)	815	750	38
Total Miscellaneous Revenue (5260)	9,728	10,403	
Interstate Billing and Collection Revenue*	32,613	45,680	39 k
Intrastate Billing and Collection Revenue*	80,637	85,397	40
Total Carrier Billing and Collection Revenue (5270)*	113,250	131,077	
Nonregulated Operating Revenue (5280)**			41
TOTAL MISCELLANEOUS REVENUES	233,584	236,320	
GROSS OPERATING REVENUES	2,429,233	2,132,932	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*			42
Uncollectible Revenue--Telecommunications (5301)	8,542	4,201	43
Uncollectible Revenue--Other (5302)	(2,207)	0	44
TOTAL UNCOLLECTIBLE REVENUE (5300)	6,335	4,201	
TOTAL OPERATING REVENUES	2,422,898	2,128,731	

** 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)	5,335	3,512	816	1
Less: Nonregulated		0		2
Net Regulated	5,335	3,512	816	3
Total General Support Expense (6120)	33,645	28,185	6,057	4
Less: Nonregulated		0		5
Net Regulated	33,645	28,185	6,057	6
Total Central Office Switching Expense (6210)	41,995	43,547	2,729	7
Less: Nonregulated		0		8
Net Regulated	41,995	43,547	2,729	9
Total Operator Systems Expense (6220)	0	0	0	10
Less: Nonregulated		0		11
Net Regulated	0	0	0	12
Total Central Office Transmission Expenses (6230)	8,716	17,424	2,987	13
Less: Nonregulated		0		14 c
Net Regulated	8,716	17,424	2,987	15
Total Information Orig. / Term. Expense (6310)	1,236	497	151	16
Less: Nonregulated		0		17
Net Regulated	1,236	497	151	18
Total Cable and Wire Fac. Expense (6410)	56,885	92,701	22,792	19
Less: Nonregulated		0		20 d
Net Regulated	56,885	92,701	22,792	21
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	147,812	185,866	35,532	
Less: Nonregulated	0	0	0	
Net Regulated	147,812	185,866	35,532	
PLANT NONSPECIFIC OPERATIONS EXPENSE				
Total Other Property, Plant and Equip. Exp. (6510)	5,394	7,451	4,663	22
Less: Nonregulated		0		23
Net Regulated	5,394	7,451	4,663	24
Total Network Operations Expense (6530)	139,220	118,993	29,108	25
Less: Nonregulated		0		26
Net Regulated	139,220	118,993	29,108	27
Access Expense (6540)	0	40,500	0	28
Less: Nonregulated		0		29 e
Net Regulated	0	40,500	0	30
Total Depreciation and Amortization Expense (6560)	457,147	496,740		31
Less: Nonregulated		0		32
Net Regulated	457,147	496,740		33
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	601,761	663,684	33,771	
Less: Nonregulated	0	0	0	
Net Regulated	601,761	663,684	33,771	

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6110	501	(4)	16,246	(14,047)	1
					2
	501	(4)	16,246	(14,047)	3
6120	4,096	0	18,032	0	4
					5
	4,096	0	18,032	0	6
6210	1,664	0	39,154	0	7
					8
	1,664	0	39,154	0	9
6220	0	0	0	0	10
					11
	0	0	0	0	12
6230	2,013	0	12,424	0	13
					14 c
	2,013	0	12,424	0	15
6310	130	0	216	0	16
					17
	130	0	216	0	18
6410	15,316	5,037	49,556	0	19
					20 d
	15,316	5,037	49,556	0	21
	23,720	5,033	135,628	(14,047)	
	0	0	0	0	
	23,720	5,033	135,628	(14,047)	
6510	2,787	0	1	0	22
					23
	2,787		1	0	24
6530	15,931	0	100,262	(26,308)	25
					26
	15,931	0	100,262	(26,308)	27
6540	0	0	40,500	0	28
					29 e
	0	0	40,500	0	30
6560			496,740		31
					32
			496,740		33
	18,718	0	637,503	(26,308)	
	0	0	0	0	
	18,718	0	637,503	(26,308)	

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)	
CUSTOMER OPERATIONS EXPENSE				
Total Marketing (6610)	70,320	103,588	4,523	34
Less: Nonregulated		0		35 f
Net Regulated	70,320	103,588	4,523	36
<hr/>				
Total Services (6620)	241,686	278,661	49,898	37
Less: Nonregulated		0		38
Net Regulated	241,686	278,661	49,898	39
<hr/>				
TOTAL CUSTOMER OPERATIONS EXPENSE	312,006	382,249	54,421	
Less: Nonregulated	0	0	0	
Net Regulated	312,006	382,249	54,421	
<hr/>				
CORPORATE OPERATIONS EXPENSE				
Total Exec. and Planning (6710)	127,427	120,612	57,582	40
Less: Nonregulated		0		41
Net Regulated	127,427	120,612	57,582	42
<hr/>				
Total General and Administrative (6720)	258,985	281,350	9,342	43
Less: Nonregulated		0		44
Net Regulated	258,985	281,350	9,342	45
<hr/>				
Provision for Uncollectible Notes Receiv. (6790)		0		46
Less: Nonregulated		0		47
Net Regulated	0	0		48
<hr/>				
TOTAL CORPORATE OPERATIONS EXPENSE	386,412	401,962	66,924	
Less: Nonregulated	0	0	0	
Net Regulated	386,412	401,962	66,924	
<hr/>				
TOTAL EXPENSES	1,447,991	1,633,761	190,648	
Less: Nonregulated	0	0	0	
Net Regulated	1,447,991	1,633,761	190,648	

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6610	2,143	0	96,922	0	34
	2,143	0	96,922	0	35 f
6620	26,920		201,843	0	36
	26,920		201,843	0	37
	29,063	0	298,765	0	38
	0	0	0	0	39
	29,063	0	298,765	0	
6710	24,226		38,804	0	40
	24,226		38,804	0	41
6720	5,211		266,797	0	42
	5,211		266,797	0	43
6790			0		44
			0		45
	29,437	0	305,601	0	46
	0	0	0	0	47
	29,437	0	305,601	0	48
	100,938	5,033	1,377,497	(40,355)	
	0	0	0	0	
	100,938	5,033	1,377,497	(40,355)	

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)	5,394	7,451	4,663	2
Total: Reported in Account 6510	5,394	7,451	4,663	
Depreciat. Exp.--Tele. Plant in Service (6561)	457,147	496,740		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	457,147	496,740		

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

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6511					1
6512	2,787		1		2
	2,787		1	0	
6561			496,740		3
6562					4
6563					5
6564					6
6565					7
			496,740		

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	2,429,233	1
Plus: Collection of amounts previously written off	0	2
Less: Uncollectibles written off during the year	0	3
Plus: Total Other Operating Income and (Expense) (7100)	2,328	4
Less: Nonregulated Operating Revenue (included Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Uncollectible Revenue (included in Gross Oper. Rev. on Line 1)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)	0	7
Plus (or Less) Other (please specify): NONE	0	8
Assessable Revenues for Remainder, Department of Justice, and Telephone Relay Assessment Purposes	2,431,561	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	771,851	1
Plus: Total Intrastate Access Revenues (5084)	664,264	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)	0	4
Plus (or Less) Other (please specify): NONE	0	5
Assessable Revenues for Universal Service Fund Assessment Purposes	1,436,115	

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	2,429,233	1
Plus: Collection of amounts previously written off	0	2
Less: Uncollectibles written off during the year	0	3
Plus: Total Other Operating Income and (Expense) (7100)	2,328	4
Less: Nonregulated Operating Revenue (included Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Uncollectible Revenue (included in Gross Oper. Rev. on Line 1)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)	0	7
Plus (or Less) Other (please specify): NONE	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	<u>2,431,561</u>	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	771,851	1
Plus: Total Intrastate Access Revenues (5084)	664,264	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)	0	4
Plus (or Less) Other (please specify): NONE	0	5
Assessable Revenues for Universal Service Fund Assessment Purposes	<u>1,436,115</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)*	2,328	2,112	2
Gains and (Losses) from Foreign Exchange (7140)		0	3
Gains or (Losses) from the Disposition of Land and Artworks (7150)		0	4
Other Operating Gains and (Losses) (7160)*		0	5
TOTAL OTHER OPERATING INCOME AND (EXPENSE) (7100)*	2,328	2,112	
OPERATING TAXES			
Operating Investment Tax Credits--Net (7210)*	(12,855)	(12,855)	6
Operating Federal Income Taxes (7220)*	139,686	27,938	7
Operating State and Local Income Taxes (7230)*	36,599	19,406	8
Operating Other Taxes (7240)*	146,581	126,019	9
Provision for Deferred Operating Income Taxes--Net (7250)*	44,029	145,640	10
TOTAL OPERATING TAXES (7200)*	354,040	306,148	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)*	363	375	11
Interest Income (7320)*	10,013	10,026	12
Income from Sinking and Other Funds (7330)*		0	13
Allowance for Funds Used During Construction (7340)*	2,767	0	14
Gains or (Losses) from the Disposition of Certain Property (7350)*		0	15
Other Nonoperating Income (7360)*		0	16
Special Charges (7370)*	2,073	2,029	17
TOTAL NONOPERATING INCOME AND EXPENSE (7300)*	11,070	8,372	
NONOPERATING TAXES			
Nonoperating Investment Tax Credits--Net (7410)*		0	18
Nonoperating Federal Income Taxes (7420)*	929	1,879	19
Nonoperating State and Local Income Taxes (7430)*	249	466	20
Nonoperating Other Taxes (7440)*		0	21
Provision for Deferred Nonoperating Income Taxes-Net (7450)*		0	22
TOTAL NONOPERATING TAXES (7400)*	1,178	2,345	
INTEREST AND RELATED ITEMS			
Interest on Funded Debt (7510)*	46,226	46,898	23
Interest Expense--Capital Leases (7520)*		0	24
Amortization of Debt Issuance Expense (7530)*	250	250	25
Other Interest Deductions (7540)*	60,905	44,460	26
TOTAL INTEREST AND RELATED ITEMS (7500)*	107,381	91,608	
EXTRAORDINARY ITEMS			
Extraordinary Items (7600)*			27
Extraordinary Income Credits (7610)	0	0	28
Extraordinary Income Charges (7620)	0	0	29
Current Income Tax Effect of Extraordinary Items--Net (7630)	0	0	30
Provision for Deferred Income Tax Effect of Extraordinary Items--Net (7640)	0	0	31
TOTAL EXTRAORDINARY ITEMS (7600)*	0	0	
NONREGULATED NET INCOME			
Nonregulated Net Income (7990)*	2,227	12,148	32

NONREGULATED NET INCOME (ACCT. 7990)

Particulars (a)	Amount (b)	
Revenues (Acct. 7990.1)		
Gross Sales	99,728	1
Less: Cost of Goods Sold	42,861	2
Net Sales	56,867	3
Expenses (Acct. 7990.2)	54,640	4
Nonregulated Net Income	<u><u>2,227</u></u>	5

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

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

If the revenues from an individual nonregulated activity represent in excess of 5% of the total operating revenues for the company, please provide the amounts, as requested above, for that individual activity:

DISTRIBUTION OF SALARIES AND WAGES

Description (a)	Amount (b)	
Regulated Expense	190,648	1
Nonregulated Expense	12,606	2
Plant Accounts	61,824	3
Accumulated Depreciation Accounts	0	4
All Other Accounts	48,937	5
Total Salaries and Wages	314,015	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	2.00	1.00	58,289	2
Other Employees	6.00	6.00	240,891	3
Total	8.00	7.00	299,180	

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TELEPHONE CALLS AND MINUTES OF USE PER MONTH

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

Item (a)	Telephone Calls (000's) (b)	Minutes of Use (000's) (c)	
LOCAL			
Intra-Exchange			1
Extended Area Service			2
Extended Community Calling			3
Other Local-Undefined			4
Total Local	0	0	
TOLL			
Operator Handled: State--intraLATA			5
Operator Handled: State--interLATA			6
Operator Handled: Interstate			7
Customer Dialed: State--intraLATA		495	8
Customer Dialed: State--interLATA		476	9
Customer Dialed: Interstate		625	10
WATS			11
Other Toll-Undefined			12
Total Toll	0	1,596	
Total Local & Toll	0	1,596	

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.					2
Feature Group B -- Orig.	6	3	0		3
Feature Group B -- Term.	41	9	1		4
Feature Group C -- Orig.					5
Feature Group C -- Term.					6
Feature Group D -- Orig.	5,000	3,721	2,959		7
Feature Group D -- Term.	1,960	1,610	2,593		8

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	20	1
Sheath miles of plant - buried	198	2
Sheath miles of plant - fiber optics	13	3
Strand miles of plant - fiber optics	195	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	8	13	1
56 kbps	4	2	2
64 kbps (DS0)	1	0	3
1.54 Mbps (DS-1)	7	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	20	1
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1.54 Mbps (DS-1)	7	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	408	343	3
2 Party	0	0	4
4 Party	0	0	5
PBX Trunks/System Trunks	0	0	6
Centrex Trunks	0	0	7
Centrex Lines	127	205	8
Key System Trunks	102	106	9
Mobile (Utility Provided Service)	0	0	10
Paging (Utility Provided Service)	0	0	11
FX-Out (Switched)	10	10	12
Pay Telephone	0	16	13
Coin-Operated Pay Telephone	0	0	14
Independent Pay Telephone Provider	0	0	15
Pay Stations - Public	11	0	16
- Semi-Public	5	0	17
- Cust. Owned	0	0	18
Other	0	0	19
Total Business Lines	663	680	20
Residential (Incl. Emp. Concess.)			
1 Party	2,368	2,478	22
2 Party	0	0	23
4 Party	0	0	24
FX-Out (Switched)	3	3	25
Other	0	0	26
Total Residential Lines	2,371	2,481	27
Total Bus & Res Lines	3,034	3,161	28
Company Used Lines	49	58	29
Total Lines Used	3,083	3,219	30

SERVICE DATA (cont.)

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

Item (a)	FOY (b)	EOY (c)	
Miscellaneous			
WATS Lines - OutWATS	0	0	3
WATS Lines - 800 Service	1	1	4
FX-In-intraLATA	8	0	5
Special Access-intraLATA			6
(expressed in equiv. access lines)	15	15	7
Special Access-interLATA			8
(expressed in equiv. access lines)	0	181	9
Feature Group A Lines	0	0	10
Feature Group B Trunks	0	0	11
Feature Group C Trunks	0	0	12
Feature Group D Trunks	360	168	13
TSPS - Trunks	15	15	14
EAS - Trunks	144	216	15
Cellular Trunks (Pub. Sw. Net.)	0	0	16
Video Distance Learning			17
- discounted (special tariff)	0	0	18
Customers			
Business - 2 Party Customers	0	0	20
Business - 4 Party Customers	0	0	21
Residential - 2 Party Customers	0	0	22
Residential - 4 Party Customers	0	0	23
Other			
Total Central Office, Info. Orig./Term., & Cable			25
Wire Fac. Assets (based on physical location of plant)			26
	5,865,551	6,830,145	27
Total Company Square Miles	122	113	28
Total Company Route Miles	198	211	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	2600	4540			1
Business					2
1 Party	241	102			3
2 Party		0			4
4 Party		0			5
PBX Trunks/System Trunks		0			6
Centrex Trunks	0	0			7
Centrex Lines	162	43			8
Key System Trunks	89	17			9
Mobile (utility provided service)		0			10
Paging (utility provided service)		0			11
FX-Out (Switched)	9	1			12
Pay Telephone	14	2			13
Coin-Operated Pay Telephone	0	0			14
Independent Pay Telephone Provider	0	0			15
Pay Stations - Public		0			16
- Semi-Public		0			17
- Cust. Owned		0			18
Other		0			19
Total Business Lines	515	165	0	0	20
Residential (Incl. Emp. Concess.)					21
1 Party	1,529	949			22
2 Party		0			23
4 Party		0			24
FX-Out (Switched)	3	0			25
Other		0			26
Total Residential Lines	1,532	949	0	0	27
Total Bus & Res Lines	2,047	1,114	0	0	28
Company Used Lines	37	21			29
Total Lines Used	2,084	1,135	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	2600	4540			1
Miscellaneous					2
WATS Lines - OutWATS		0			3
WATS Lines - 800 Service	1	0			4
FX-In-intraLATA		0			5
Special Access-intraLATA					6
(equiv. access lines)	9	6			7
Special Access-interLATA					8
(equiv. access lines)	181	0			9
Feature Group A Lines		0			10
Feature Group B Trunks		0			11
Feature Group C Trunks	0	0			12
Feature Group D Trunks	96	72			13
TSPS - Trunks	9	6			14
EAS - Trunks	168	48			15
Cellular Trunks (Pub. Sw. Net.)		0			16
Video Distance Learning					17
- discounted (special tariff)		0			18
Customers					19
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					24
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical					26
location of plant)	4,453,106	2,377,039			27
Exchange Square Miles	55	58			28
Exchange Route Miles	126	85			29
Footnotes					30

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

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

EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

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

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CENTRAL OFFICE DATA - END OF YEAR

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

Description (a)	Central Off. (b)	Central Off. (c)	Central Off. (d)	Central Off. (e)	
Exchange Name	JOHNSON CREEK REESEVILLE				1
PSCW Exchange ID	2600	4540			2
Central Office Name	JOHNSON CREEK REESEVILLE				3
PSCW Central Office ID	1	1			4
Manufacturer of COE (Page 54)	ATT	NTI			5
Year COE Installed	1995	1989			6
Type of Equipment (Page 54)	D	D			7
(S)tandalone, (H)ost, (R)emote	S	S			8
Remote Host PSCW Exchange ID					9
Remote Host PSCW Central Office ID					10
COE Generic Software Release No.	5E9.3	402.53			11
SS7?	Yes	No			12
9-1-1?	Yes	Yes			13
Access Lines - In Use	2,084	1,135			14
- Equipped	2,587	1,280			15
- Wired	2,587	1,280			16
Trunks - In Use	297	152			17
- Equipped	504	228			18
- Wired	504	300			19
ISDN Available?	Yes	No			20
ISDN Lines - In Use (BRI)	4	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	15	9			25
DS-3 - In Use	1	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.	60	16			33
No. of fiber strands working (LIT) in C.O.	8	4			34
No. of fiber strands for interoffice use	24	16			35
Miles of fiber sheath in wire center	8	5			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?	No	No			39
Equal Access: InterLATA (1+)?	Yes	Yes			40
Equal Access: IntraLATA (1+)?	No	No			41
Footnotes					42

¹ Teleco provided end-to-end facility.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES**General Footnote****Schedule Footnotes****Telephone Calls and Minutes of Use Per Month Footnote. Page 47**

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

Schedule Line Footnotes

- a) Contact Gerald Ringlund at (608) 664-4554 with questions on page 47, page 48, page 49 Special Access Circuits only, page 50, page 51 lines 1-9, page 52 and page 53 lines 1-9. Contact Dave Esser at (608) 664-4530 with questions on page 49 Outside Plant only, page 51 lines 10-30, page 53 lines 10-30 and page 55.
- c) Central office transmission expenses are up in 1997 due to an increase in circuit equipment maintenance expense.
- d) Cable and wire expenses are up in 1997 due to a write off of exempt material in 1996, and also due to increased outside maintenance expense.
- e) Access expense increased due primarily to paying a cellular provider to route their traffic through Riverside switch rather than a major LECs switch.
- f) Marketing expenses are up in 1997 due to an increase in product management and sales charges from corporate affiliates.
- g) Increase is the result of increased quantities of voice mail, custom calling and advance calling services.
- h) Increase in large part due to interstate MOU growth along with the impact of prior period adjustments for the 24 month NECA window.
- i) Increase result of intrastate MOU growth, which in turn resulted in increased stub period accruals.
- j) New intra/inter special access circuits, along with an increase in intra/intra special access circuits accounts for the increase.
- k) Decrease mainly the result of decreased program development charges billed to a major IXC.
- l) Federal income tax payable to parent is recorded in account 4070100.
- m) Balance consists primarily of leased phones and business systems net of depreciation. This leased investments is depreciated with a rate of 33.33% per year. Individual leases are not tracked separately.
- n) Accumulated depreciation is greater than the asset balance because per the WI PSC, we are allowed to depreciate more than 100% of this account group.
- p) TDS Corp Chicago and TDS Corp Madison were merged 4/1/96. All charges from TDS Corp Madison after 4/1/96 are included in the TDS CORP column.