4004

ANNUAL REPORT

OF

Name: STOCKBRIDGE & SHERWOOD TELEPHONE COMPANY

Principal Office: N287 MILITARY ROAD
SHERWOOD, WI 54169-0159

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 A. RINGLUND of
(Person responsible for accounts)

STOCKBRIDGE & SHERWOOD TELEPHONE COMPANY , certify that I
(Utility Name)

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

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

ASSISTANT TREASURER
(Title)

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ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Access Line Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency transmission, and/or time slot transmission. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice channel or a 64 kilobits per second digital channel.

Analog Signal A signal that varies in a continuous manner such as voice or music. An analog signal must be contrasted with a digital signal which can assume only discrete values.

Cellular System A high capacity land mobile radio system in which an assigned frequency spectrum is divided into discrete channels that are assigned to a cellular geographic serving area.

Central Office A switching unit in a telephone system providing service to the general public, having the necessary equipment and operating arrangements for terminating and interconnecting lines and trunks.

Centrex A service for customers with many stations that permits station-to-station dialing, one listed directory number for the customer, direct inward dialing to a particular station and station identification on outgoing calls. The switching functions are performed in a central office (stand alone, host or remote).

Channel An electrical communications path between two or more points. A single pair of wires may provide more than one channel. A channel may also be provided by microwave.

Customer A person who uses a telephone as a subscriber.

Digital Signal A signal that has a limited number of discrete states. This may be contrasted with an analog signal that varies in a continuous manner and may have an infinite number of states.

Equal Access The ability of the subscriber to use any long distance service by dialing the same number of digits.

Exchange A defined area served by one or more central offices regardless of technical serving arrangements within which the company furnishes service at rates and rules prescribed for that area in the company's filed tariffs. The area is not necessarily marked by political boundaries or the location of host or remote switching units.

Extended Area Service (EAS) The ability of a customer to call customers in other exchanges at no additional charge or at an additional charge per tariff.

Extended Community Calling (ECC) The ability of a customer to call customers in other exchanges at rates usually above EAS rates but below toll rates for comparable distances. Rates generally include a duration element.

Feature Group A Line-side originating and terminating LATA access for which an originating subscriber dials an assigned telephone number that connects to a specific interexchange carrier (IC). The IC returns a tone to signal the caller to input additional generated digits of the called number.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

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

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Route Miles Total number of route miles (to the nearest mile) of operating plant facilities including drop wire in the exchange. One route mile may consist of:

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: STOCKBRIDGE & SHERWOOD TELEPHONE COMPANY
Utility Location: N287 MILITARY ROAD
SHERWOOD, WI 54169-0159

Utility Web Site Address:
When was utility organized?: 06/13/1906
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 S. WESTFIELD RD
P.O. BOX 5158
MADISON , WI 53705-0158
Fax Number: (608) 664 - 4519
Telephone Number: (608) 664 - 4554
Email Address: gerald.ringlund@tdstelecom.com

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

Name: MS JOHNSON L . PAM
Title: ACCOUNTING ASSISTANT
Firm: TDS TELECOM
Office Address: 301 S WESTFIELD RD
P.O. BOX 5158
MADISON , WI 53705-0158
Fax Number: (608) 664 - 4519
Telephone Number: (608) 664 - 4564
Email Address: pamela.johnson@tdstelecom.com

Person responsible for financial information contained in report

Name: MR GERALD A . RINGLUND , CPA
Title: ASSISTANT TREASURER

Office Address: 301 S. WESTFIELD RD
P.O. BOX 5158
MADISON , WI 53705-0158
Fax Number: (608) 664 - 4519
Telephone Number: (608) 664 - 4554
Email Address: gerald.ringlund@tdstelecom.com

Person responsible for statistical information contained in report

Name: VARIOUS CONTACTS a
Title: ASSISTANT TREASURER

Office Address: 301 S. WESTFIELD RD
P.O. BOX 5158
MADISON , WI 53705-0158
Fax Number: (608) 664 - 4519
Telephone Number: (608) 664 - 4554
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: TDS TELECOMMUNICATIONS CORPORATION
Address: 301 S WESTFIELD ROAD
MADISON , WI 53717-1707

Number of Shares Held: 14,993
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)	2,271,286	1,993,106	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	186,737	153,099	2
Plant Nonspecific Operations Expense	721,197	607,460	3
Customer Operations Expense (6610-6620)	433,694	338,567	4
Corporate Operations Expense (6710-6790)	353,722	364,117	5
Other Operating Income and Expense (7100)	432	396	6
Operating Taxes (7200)	271,680	261,232	7
Total Operating Expenses	**1,966,598**	**1,724,079**	8
Net Operating Income	**304,688**	**269,027**	9
Other Income			
Nonoperating Income and Expense (7300)	23,530	18,778	10
Nonoperating Taxes (7400)	5,024	6,192	11
Interest and Related Items (7500)	134,761	80,850	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	17,832	25,545	14
Total Nonoperating Income	**(98,423)**	**(42,719)**	15
Net Income	**206,265**	**226,308**	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 $998,303 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)	107,046	736,725	2
Special Cash Deposits (1140)			3
Working Cash Advances (1150)	600	600	4
Temporary Investments (1160)			5
TOTAL CASH AND EQUIVALENTS	**107,646**	**737,325**	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	214,986	196,375	6
Accounts Receivable Allowance-Telecom (1181)*			7
Net: Telecommunications Accounts Receivable	**214,986**	**196,375**	
Other Accounts Receivable (1190)*	355,245	243,131	8
Accounts Receivable Allowance--Other (1191)*			9
Net: Other Accounts Receivable	**355,245**	**243,131**	
Notes Receivable (1200)*	0	0	10
Notes Receivable Allowance (1201)*	0	0	11
Net: Notes Receivable	**0**	**0**	
Interest and Dividends Receivable (1210)*	1,727	2,344	12
TOTAL RECEIVABLES AND ALLOWANCES FOR DOUBTFUL	**571,958**	**441,850**	
SUPPLIES			
Inventories (1220)*	43,175	34,295	13
TOTAL SUPPLIES	**43,175**	**34,295**	
PREPAYMENTS			
Total Prepayments (1280)*			14
Prepaid Rents (1290)	1,000	1,333	15
Prepaid Taxes (1300)	2,380		16
Prepaid Insurance (1310)			17
Prepaid Directory Expenses (1320)	1,847		18
Other Prepayments (1330)	7,235	4,800	19
TOTAL PREPAYMENTS	**12,462**	**6,133**	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	761	771	20
TOTAL OTHER CURRENT ASSETS	**761**	**771**	
TOTAL CURRENT ASSETS	**736,002**	**1,220,374**	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	0	0	21
Investments in Nonaffiliated Companies (1402)*	10,400	10,400	22
Nonregulated Investments (1406)*	19,497	15,714	23
Unamortized Debt Issuance Expense (1407)*	3,477	3,821	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)*			26
TOTAL INVESTMENTS	**33,374**	**29,935**	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*	17,955	27,660	27
Deferred Maintenance and Retirements (1438)*	0	0	28
Deferred Charges (1439)*	2,862		29
TOTAL DEFERRED CHARGES	**20,817**	**27,660**	
TOTAL NONCURRENT ASSETS	**54,191**	**57,595**	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	9,440,495	7,940,662	30
Less: Accumulated Depreciation (3100)*	3,554,594	3,299,130	31
Less: Accumulated Amortization--Capitalized Leases (3410)*			32
Less: Accumulated Amortization--Leasehold Improvements (3420)*			33
Less: Accumulated Amortization--Intangible (3500)*			34
NET TELECOMMUNICATIONS PLANT IN SERVICE	**5,885,901**	**4,641,532**	
PROPERTY HELD FOR FUTURE USE			
Prop. Held for Future Telecommun. Use (2002)*			35
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200)*			36
NET PROPERTY HELD FOR FUTURE USE	**0**	**0**	
NONOPERATING PLANT			
Nonoperating Plant (2006)*			37
Less: Accumulated Depreciation--Nonoperating (3300)*			38
NET NONOPERATING PLANT	**0**	**0**	
TPUC			
TPUC (2003)*	20,836	181,619	39
TOTAL TPUC	**20,836**	**181,619**	
TELECOMMUNICATIONS PLANT ADJUSTMENT			
Telecommunications Plant Adjustment (2005)*			40
Less: Accumulated Amortization--Other (3600)*			41
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	**0**	**0**	
TOTAL PLANT	**5,906,737**	**4,823,151**	
TOTAL ASSETS AND OTHER DEBITS*	**6,696,930**	**6,101,120**	

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	237,297	262,570	1
Notes Payable (4020)*	850,000	400,000	2
Advance Billing and Payments (4030)*	42,600	39,400	3
Customer Deposits (4040)*			4
Current Maturities--Long-Term Debt (4050)*	150,300	109,469	5
Current Maturities--Capital Leases (4060)*			6
Income Taxes--Accrued (4070)*		26,828	7
Other Taxes--Accrued (4080)*	7,967	10,478	8
Net Current Deferred Operating Income Taxes (4100)*	0	0	9
Net Current Deferred Nonoperating Income Taxes (4110)*			10
Other Accrued Liabilities (4120)*	17,402	11,988	11
Other Current Liabilities (4130)*	2,978	89	12
TOTAL CURRENT LIABILITIES*	**1,308,544**	**860,822**	
LONG-TERM DEBT			
Funded Debt (4210)*	2,143,778	2,113,137	13
Premium on Long-Term Debt (4220)*			14
Discount on Long-Term Debt (4230)*			15
Reacquired Debt (4240)*	0	0	16
Obligations Under Capital Leases (4250)*			17
Advances from Affiliated Companies (4260)*	0	0	18
Other Long-Term Debt (4270)*	0	0	19
TOTAL LONG-TERM DEBT*	**2,143,778**	**2,113,137**	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*	(463)	(1,741)	20
Unamortized Operating ITC--Net (4320)*		5,203	21
Unamortized Nonoperating ITC--Net (4330)*			22
Net Noncurrent Deferred Operating Income Taxes (4340)*	394,987	370,172	23
Net Deferred Tax Liability Adjustments (4341)*	17,954	24,857	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*			25
Other Deferred Credits (4360)*			26
Deferred Tax Regulatory Liability (4361)*	0	2,802	27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS*	**412,478**	**401,293**	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	374,825	374,825	28
Additional Paid-in Capital (4520)*			29
Treasury Stock (4530)*	0	0	30
Other Capital (4540)*			31
Retained Earnings (4550)*	2,457,303	2,351,038	32
TOTAL STOCKHOLDERS' EQUITY*	**2,832,128**	**2,725,863**	
TOTAL LIABILITIES AND OTHER CREDITS*	**6,696,928**	**6,101,115**	

STATEMENT OF CASH FLOWS

Item (a)	Amount (b)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	206,265	1
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and amortization	554,402	2
Interest during construction	(10,259)	3
Changes in assets and liabilities:		
Current assets (net)	(145,307)	4
Other noncurrent assets	6,642	5
Other current liabilities	(43,109)	6
Other liabilities and deferred credits	11,185	7
Other (specify):		
TOTAL ADJUSTMENTS	**373,554**	
NET CASH PROVIDED BY OPERATING ACTIVITIES (NET INCOME & ADJUST.)	**579,819**	
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures:		
Changes in plant (net)	(1,627,729)	8
Investments in affiliated companies	0	9
Nonoperating Investments	(3,783)	10
Other (specify):		
NET CASH USING IN INVESTING ACTIVITIES	**(1,631,512)**	
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in capital lease obligations (net)	0	11
Change in long-term debt (net)	72,017	12
Net changes in stockholder equity other than retained earnings	0	13
Change in short term borrowing (net)	450,000	14
Dividends paid	(100,000)	15
Miscellaneous debits/credits to retained earnings	0	16
Other (specify):		
Net Cash Provided by Financing Activities	**422,017**	
NET INCREASE IN CASH AND CASH EQUIVALENTS	**(629,676)**	
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 EAR	1
Eastcoast Telecom	EASTCOAST	2
Mt. Vernon Telephone Company	MT. VERNON	3
Other	OTH	4
Suttle Press, Inc.	SUTTLE	5
Telephone & Data Systems, Inc.	TDS CORP	6
TDS Telecom, Inc.	TDS TEL	7
TDS Computing Services	TDS/CS	8
TDSNET	TDSNET	9
TDS Telecommunications, Inc.	TDS-TEL	10
Telecommunications Technology Fund	TTF	11

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	SUTTLE	TDS CORP	TDS TEL	1
Designate whether billed to or from:	FROM	FROM	FROM	FROM	2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C	M	C	C	3
Revenues	0	0	0	0	4
Expenses:					
Plant Specific Operations Expense	47	0	0	2,751	5
Plant Nonspecific Operations Expense	0	255	962	76,068	6
Customer Operations Expense	128	724	0	147,155	7
Corporate Operations Expense	0	0	49,394	204,311	8
Total Operating Expenses	**175**	**979**	**50,356**	**430,285**	9
Other:					
Plant Accounts	241	0	0	160,907	10
Accumulated Depreciation	0	0	0	0	11
Accumulated Amortization	0	0	0	0	12
Clearing	0	0	0	0	13
All Other	95	0	0	4,408	14
Total	**511**	**979**	**50,356**	**595,600**	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	0.00	17
Footnotes			**q**		

AFFILIATED INTEREST TRANSACTIONS

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

Particulars (a)	(b)	(c)	(d)	(e)	
Docket	0005-TI-000124				
Name of Affiliate	TDS/CS				1
Designate whether billed to or from:	FROM				2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C				3
Revenues	0				4
Expenses:					
Plant Specific Operations Expense	0				5
Plant Nonspecific Operations Expense	1,514				6
Customer Operations Expense	93,217				7
Corporate Operations Expense	21,095				8
Total Operating Expenses	**115,826**	**0**	**0**	**0**	9
Other:					
Plant Accounts	0				10
Accumulated Depreciation	0				11
Accumulated Amortization	0				12
Clearing	0				13
All Other	0				14
Total	**115,826**	**0**	**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	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)	
Telephone & Data Systems, Inc.	1190	27,457	1
TDS Telecom, Inc.	1190	74,399	2
TDSNET	1190	924	3
Black Earth Telephone Company	4010	1,318	4
Eastcoast Telecom	4010	791	5
Mt. Vernon Telephone Company	4010	189	6
Telephone & Data Systems, Inc.	4010	568	7
TDS Telecom, Inc.	4010	63,123	8
Telecommunications Technology Fund	4010	6,587	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)

INVESTMENTS IN NONAFFILIATED COMPANIES (ACCT. 1402)

Name (a)	Balance EOY (b)	
RTB Class B Stock	8,400	1
Other:		
RTB Class C Stock	2,000	2
Total Investments in Nonaffiliated Companies	**10,400**	

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	14,466	**1**
Leased phones & business systems	5,031	**2** p

DEFERRED MAINTENANCE AND RETIREMENTS (ACCT. 1438)

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

Description of Item (a)	Balance EOY (b)	
NONE	0	1
Total	**0**	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
GENERAL SUPPORT ASSETS				
Land	2111	6,689	3,328	**1**
Motor Vehicles	2112	88,044	17,594	**2**
Aircraft	2113	0	0	**3**
Special Purpose Vehicles	2114	0	0	**4**
Garage Work Equipment	2115	0	0	**5**
Other Work Equipment	2116	103,346	0	**6**
Buildings	2121	325,072	0	**7**
Furniture	2122	8,623	7,774	**8**
Office Equipment	2123	23,003	0	**9**
General Purpose Computers	2124	296,778	134,620	**10**
TOTAL--GENERAL SUPPORT ASSETS:		**851,555**	**163,316**	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0	0	**11**
Digital Electronic Switching	2212	1,350,668	502,992	**12**
Electro-Mechanical Switching	2215	0	0	**13**
Operator Systems	2220		0	**14**
Radio Systems	2231	0	0	**15**
Circuit Equipment	2232	1,164,692	309,698	**16**
TOTAL--CENTRAL OFFICE ASSETS:		**2,515,360**	**812,690**	
INFORMATION ORIGINATION/TERMINATION ASSETS				
Station Apparatus	2311	0	0	**17**
Customer Premises Wiring	2321	0	0	**18**
Large Private Branch Exchanges	2341	0	0	**19**
Public Telephone Terminal Equipment	2351	27,185	0	**20**
Other Terminal Equipment	2362	0	0	**21**
TOTAL--INFORMATION ORIG/TERM ASSETS:		**27,185**	**0**	
CABLE WIRE FACILITIES ASSETS				
Poles	2411	13,497	1,019	**22**
Aerial Cable	2421	143,932	41,814	**23**
Underground Cable	2422	0	15,407	**24**
Buried Cable	2423	4,335,337	752,781	**25** b
Submarine Cable	2424	0	0	**26**
Deep Sea Cable	2425	0	0	**27**
Intrabuilding Network Cable	2426	0	0	**28**
Aerial Wire	2431	14,661	1,637	**29**
Conduit Systems	2441	39,135	5,648	**30**
TOTAL--CABLE WIRE FACILITIES ASSETS:		**4,546,562**	**818,306**	
AMORTIZABLE ASSETS				
Capital Leases	2681	0	0	**31**

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

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)		
2111	0	0	**10,017**		**1**
2112	9,604	0	**96,034**		**2**
2113	0	0	**0**		**3**
2114	0	0	**0**		**4**
2115	0	0	**0**		**5**
2116	0	0	**103,346**		**6**
2121	0	0	**325,072**		**7**
2122	0	0	**16,397**		**8**
2123	0	0	**23,003**		**9**
2124	8,500	0	**422,898**		**10**
	18,104	**0**	**996,767**		
2211	0	0	**0**		**11**
2212	0	0	**1,853,660**		**12**
2215	0	0	**0**		**13**
2220	0	0	**0**		**14**
2231	0	0	**0**		**15**
2232	41,157	0	**1,433,233**		**16**
	41,157	**0**	**3,286,893**		
2311	0	0	**0**		**17**
2321	0	0	**0**		**18**
2341	0	0	**0**		**19**
2351	0	0	**27,185**		**20**
2362	0	0	**0**		**21**
	0	**0**	**27,185**		
2411	1,340	0	**13,176**		**22**
2421	15,026	0	**170,720**		**23**
2422	0	0	**15,407**		**24**
2423	219,346	735	**4,869,507**		**25** **b**
2424	0	0	**0**		**26**
2425	0	0	**0**		**27**
2426	0	0	**0**		**28**
2431	241	0	**16,057**		**29**
2441	0	0	**44,783**		**30**
	235,953	**735**	**5,129,650**		
2681	0	0	**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	0	**32**
Intangibles	2690	0	0	**33**
TOTAL--AMORTIZABLE ASSETS:		**0**	**0**	
TOTAL TELECOM. PLANT IN SERVICE	**2001**	**7,940,662**	**1,794,312**	
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	0	**0**	**32**
2690	0	0	**0**	**33**
	0	**0**	**0**	
	295,214	**735**	**9,440,495**	
2001			0	**34**
			9,440,495	

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	7,988	0	1
Company Communications Equipment	2123.2	15,015	0	2
Software	2212.1	0	0	3
Digital Switching - Central Office	2212.2	1,169,111	502,992	4
Digital Switching - Remote	2212.3	181,557	0	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	0	0	9
Digital Circuit Equipment	2232.1	1,077,556	99,567	10
Analog Circuit Equipment	2232.2	0		11
Light Wave Circuit Equipment	2232.3	87,136	210,131	12
Aerial Cable - Nonmetallic	2421.1	0		13
Aerial Cable - Metallic	2421.2	143,932	41,814	14
Underground Cable - Nonmetallic	2422.1	0	1,030	15
Underground Cable - Metallic	2422.2	0	14,377	16
Buried Cable - Nonmetallic	2423.1	263,765	133,512	17
Buried Cable - Metallic	2423.2	4,071,572	619,269	18 b
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

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	0		**7,988**	**1**	
2123.2	0		**15,015**	**2**	
2212.1	0		**0**	**3**	
2212.2	0		**1,672,103**	**4**	
2212.3	0		**181,557**	**5**	
2215.1	0		**0**	**6**	
2215.2	0		**0**	**7**	
2231.1	0		**0**	**8**	
2231.2	0		**0**	**9**	
2232.1	41,157		**1,135,966**	**10**	
2232.2	0		**0**	**11**	
2232.3	0		**297,267**	**12**	
2421.1	0		**0**	**13**	
2421.2	15,026		**170,720**	**14**	
2422.1	0		**1,030**	**15**	
2422.2	0		**14,377**	**16**	
2423.1	0		**397,277**	**17**	
2423.2	219,346	735	**4,472,230**	**18**	**b**
2424.1	0		**0**	**19**	
2424.2	0		**0**	**20**	
2426.1	0		**0**	**21**	
2426.2	0		**0**	**22**	

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)	
GENERAL SUPPORT ASSETS						
Motor Vehicles	2112	35,156	15.0	13,749	0	1
Aircraft	2113	0	.0			2
Special Purpose Vehicles	2114	0	.0			3
Garage Work Equipment	2115	0	.0			4
Other Work Equipment	2116	69,769	10.0	10,332		5
Buildings	2121	110,196	3.4	11,052		6
Furniture	2122	8,097	10.0	936		7
Office Equipment	2123	13,020	19.8	4,512		8
General Purpose Computers	2124	174,889	20.0	60,204		9
Total-- GENERAL SUPPORT ASSETS		**411,127**		**100,785**	**0**	
CENTRAL OFFICE ASSETS						
Analog Electronic Switching	2211	0	.0			10
Digital Electronic Switching	2212	879,413	7.85	106,630		11
Electro-Mechanical Switching	2215	0	.0			12
Operator Systems	2220	0	.0			13
Radio Systems	2231	0	.0			14
Circuit Equipment	2232	525,283	9.8100	116,762		15
Total-- CENTRAL OFFICE ASSETS		**1,404,696**		**223,392**	**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	23,357	13.6	2,469		19
Other Terminal Equipment	2362	0	.0			20
Total-- INFORMATION ORIG/TERM ASSETS		**23,357**		**2,469**	**0**	
CABLE WIRE FACILITIES ASSETS						
Poles	2411	(3,621)	10.0	1,382		21
Aerial Cable	2421	122,897	6.0	9,892		22
Underground Cable	2422	0	4.37	315		23
Buried Cable	2423	1,331,868	4.99	215,592		24
Submarine Cable	2424	0	.0			25
Deep Sea Cable	2425	0	.0			26
Intrabuilding Network Cable	2426	0	.0			27
Aerial Wire	2431	6,436	19.0	2,867		28

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112	9,604		1,400		**40,701**	**1**
2113	0				**0**	**2**
2114	0				**0**	**3**
2115	0				**0**	**4**
2116	0				**80,101**	**5**
2121	0				**121,248**	**6**
2122	0				**9,033**	**7**
2123	0				**17,532**	**8**
2124	8,500				**226,593**	**9**
	18,104	**0**	**1,400**	**0**	**495,208**	
2211	0				**0**	**10**
2212	0				**986,043**	**11**
2215	0				**0**	**12**
2220	0				**0**	**13**
2231	0				**0**	**14**
2232	41,157				**600,888**	**15**
	41,157	**0**	**0**	**0**	**1,586,931**	
2311	0				**0**	**16**
2321	0				**0**	**17**
2341	0				**0**	**18**
2351	0				**25,826**	**19**
2362	0				**0**	**20**
	0	**0**	**0**	**0**	**25,826**	
2411	1,340				**(3,579)**	**21**
2421	15,026	792			**116,971**	**22**
2422	0				**315**	**23**
2423	219,346	5,407			**1,322,707**	**24**
2424	0				**0**	**25**
2425	0				**0**	**26**
2426	0				**0**	**27**
2431	241	1,370			**7,692**	**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	2,372	3.03	1,301		**29**
Total-- CABLE WIRE FACILITIES ASSETS		**1,459,952**		**231,349**	**0**	
Total Accumulated Depreciation	**3100**	**3,299,132**		**557,995**	**0**	
Less: Allocation to Nonregulated Activity - Columns e, f and l	3100			0	0	**30**
Net Regulated Total Accum Depreciation - Columns e, f and l	**3100**			**557,995**	**0**	

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441	0	1,150			**2,523**	**29**
	235,953	**8,719**	**0**	**0**	**1,446,629**	
3100	**295,214**	**8,719**	**1,400**	**0**	**3,554,594**	
3100					0	**30**
3100					**3,554,594**	

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	2,326	19.0	1,512		1
Company Communications Equipment	2123.2	10,694	20.0	3,000		2
Software	2212.1	0	33.33			3
Digital Switching - Central Office	2212.2	750,387	7.85	92,374		4
Digital Switching - Remote	2212.3	129,026	7.85	14,256		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	0	.0			9
Digital Circuit Equipment	2232.1	493,648	9.83	106,688		10
Analog Circuit Equipment	2232.2	0	.0			11
Light Wave Circuit Equipment	2232.3	31,635	9.5	10,074		12
Aerial Cable - Nonmetallic	2421.1	0	4.8			13
Aerial Cable - Metallic	2421.2	122,897	6.0	9,892		14
Underground Cable - Nonmetallic	2422.1	0	4.1	33		15
Underground Cable - Metallic	2422.2	0	4.4	282		16
Buried Cable - Nonmetallic	2423.1	34,875	4.8	13,672		17
Buried Cable - Metallic	2423.2	1,296,993	5.0	201,920		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				**3,838**	1
2123.2	0				**13,694**	2
2212.1	0				**0**	3
2212.2	0				**842,761**	4
2212.3	0				**143,282**	5
2215.1	0				**0**	6
2215.2	0				**0**	7
2231.1	0				**0**	8
2231.2	0				**0**	9
2232.1	41,157				**559,179**	10
2232.2	0				**0**	11
2232.3	0				**41,709**	12
2421.1	0				**0**	13
2421.2	15,026	792			**116,971**	14
2422.1	0				**33**	15
2422.2	0				**282**	16
2423.1	0				**48,547**	17
2423.2	219,346	5,407			**1,274,160**	18
2424.1	0				**0**	19
2424.2	0				**0**	20
2426.1	0				**0**	21
2426.2	0				**0**	22

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

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

Particulars (a)	Balance FOY (b)	
PROPERTY RELATED		
Other Current Assets (1350)	0	1
Other Noncurrent Assets (1410)	0	2
Deferred Tax Regulatory Asset (1437)	27,660	3
Net Current Deferred Operating Income Taxes (4100)	0	4
Net Noncurrent Deferred Operating Income Taxes (4340)	(378,582)	5
Net Deferred Tax Liability Adjustments (4341)	(24,857)	6
Deferred Tax Regulatory Liability (4361)	(2,802)	7
Net Property Related Deferred Operating Income Taxes	**(378,581)**	
Less: Allocation to Nonregulated Activity	0	8
Net Regulated Total Property Related Deferred Operating Income Taxes	**(378,581)**	
NONPROPERTY RELATED		
Other Current Assets (1350)	771	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)	8,410	13
Net Deferred Tax Liability Adjustments (4341)	0	14
Deferred Tax Regulatory Liability (4361)	0	15
Total Nonproperty Related Deferred Operating Income Taxes	**9,181**	

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**
	(9,705)			**17,955**	**3**
7250				**0**	**4**
7250	(21,863)		(1)	**(400,446)**	**5**
	6,903			**(17,954)**	**6**
	2,802			**0**	**7**
	(21,863)	**0**	**(1)**	**(400,445)**	
				0	**8**
	(21,863)	**0**	**(1)**	**(400,445)**	
7250			(10)	**761**	**9**
7250				**0**	**10**
				0	**11**
7250				**0**	**12**
7250	(2,950)		(1)	**5,459**	**13**
				0	**14**
				0	**15**
	(2,950)	**0**	**(11)**	**6,220**	

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 Technology Fund	07/01/1997	12/31/1998	9.0000	850,000	**1**
Total Affiliated				**850,000**	
Total Notes Payable				**850,000**	

LONG-TERM DEBT

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

Description of Debt (a)	Specific or Range of Stated Dates of Issue (b)	Specific or Range of Stated Dates of Maturity (c)	Specific or Range of Interest Rates (d)	
Funded Debt (Account 4210):				
RUS	06/17/1970-06/19/1984	06/17/2004-06/19/2013	2.0000	**1**
RUS	03/15/1991	03/15/2011	5.0000	**2**
Total Funded Debt				

LONG-TERM DEBT (cont.)

Composite Interest Rate (e)	Held by Utility: Reacquired Debt Acct. 4240 (f)	Held by Utility: Sinking Funds Acct. 1408 (g)	Total Principal EOY (h)	Current Maturities Included in Acct. 4050 (i)	Total Amount Outstanding (j)	
2.0000	0	0	365,322	48,500	413,822	**1**
5.0000	0	0	1,778,456	101,800	1,880,256	**2**
	0	**0**	**2,143,778**	**150,300**	**2,294,078**	

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:				
	15,000	25.00		**1**
TOTAL COMMON STOCK	**15,000**			
TOTAL	**15,000**			

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:					
	14,993	374,825	0	0	**1**
	14,993	**374,825**	**0**	**0**	
TOTAL	**14,993**	**374,825**	**0**	**0**	

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	2,351,038	2,224,629	1
Changes:			
Balance Transferred from Income	206,265	226,307	2
Dividends Declared:			
Common	100,000	99,898	3
Preferred	0		4
Total Dividends Declared	**100,000**	**99,898**	
Miscellaneous Debits to Retained Earnings	0		5
Miscellaneous Credits to Retained Earnings	0		6
Balance--End of Year	**2,457,303**	**2,351,038**	

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)	137,099	29,276	104,434	1
Nonoperating Taxes (Accts. 7410 - 7450)		996	4,028	2
Extraordinary Items (Accts. 7630 & 7640)				3
Nonregulated Net Income (Acct. 7990)		962	3,924	4
Clearing Accounts				5
Construction				6
Payroll Taxes: FICA				7
Payroll Taxes: State Unemployment				8
Payroll Taxes: Federal Unemployment				9
Other (specify):				
TOTAL	**137,099**	**31,234**	**112,386**	

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)	
871	0		0		**271,680**	**1**
					5,024	**2**
					0	**3**
					4,886	**4**
					0	**5**
					0	**6**
					0	**7**
					0	**8**
					0	**9**
871	**0**	**0**	**0**	**0**	**281,590**	

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)	782,590	739,007	2
Optional Extended Area Revenue (5002)	0		3
Cellular Mobile Revenue (5003)	0		4
Other Mobile Services Revenue (5004)	316		5
Public Telephone Revenue (5010)	758	1,475	6
Local Private Line Revenue (5040)	1,945	2,478	7
Customer Premises Revenue (5050)	310	309	8
Other Local Exchange Revenue (5060)	38,119	39,355	9
Other Local Exchange Revenue Settlements (5069)	0		10
TOTAL BASIC LOCAL SERVICE REVENUE (5000)	**824,038**	**782,624**	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	134,101	125,604	11
Switched Access Revenue (5082)*	506,528	411,040	12 j
Special Access Revenue (5083)*	0		13
TOTAL INTERSTATE ACCESS REVENUES (5080)	**640,629**	**536,644**	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*	0		14
Switched Access Revenue (5084.2)*	589,855	483,401	15 k
Special Access Revenue (5084.3)*	45,201	31,829	16 l
TOTAL INTRASTATE ACCESS REVENUES (5084)	**635,056**	**515,230**	
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)*	73,610	66,465	**30**	
Rent Revenue (5240)*	924	171	**31**	
Corporate Operations Revenue (5250)*	0		**32**	
Miscellaneous:				
Miscellaneous Revenue (5260)*			**33**	
Special Billing Arrangements Revenue (5261)	2,560	2,629	**34**	
Customer Operations Revenue (5262)	0		**35**	
Plant Operations Revenue (5263)	0		**36**	
Other Incidental Regulated Revenue (5264)	180	189	**37**	
Other Revenue Settlements (5269)	756	788	**38**	
Total Miscellaneous Revenue (5260)	**3,496**	**3,606**		
Interstate Billing and Collection Revenue*	32,070	42,850	**39**	**m**
Intrastate Billing and Collection Revenue*	66,286	50,208	**40**	**n**
Total Carrier Billing and Collection Revenue (5270)*	**98,356**	**93,058**		
Nonregulated Operating Revenue (5280)**			**41**	
TOTAL MISCELLANEOUS REVENUES	**176,386**	**163,300**		
GROSS OPERATING REVENUES	**2,276,109**	**1,997,798**		
UNCOLLECTIBLE REVENUES				
Uncollectible Revenue (5300)*			**42**	
Uncollectible Revenue--Telecommunications (5301)	4,823	4,692	**43**	
Uncollectible Revenue--Other (5302)	0		**44**	
TOTAL UNCOLLECTIBLE REVENUE (5300)	**4,823**	**4,692**		
TOTAL OPERATING REVENUES	**2,271,286**	**1,993,106**		

** 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)	4,818	3,755	568	1	
Less: Nonregulated		0		2	
Net Regulated	**4,818**	**3,755**	**568**	3	
Total General Support Expense (6120)	58,548	59,720	9,353	4	
Less: Nonregulated		0		5	
Net Regulated	**58,548**	**59,720**	**9,353**	6	
Total Central Office Switching Expense (6210)	9,497	37,567	8,611	7	
Less: Nonregulated		0		8	c
Net Regulated	**9,497**	**37,567**	**8,611**	9	
Total Operator Systems Expense (6220)	17	0	0	10	
Less: Nonregulated		0		11	
Net Regulated	**17**	**0**	**0**	12	
Total Central Office Transmission Expenses (6230)	16,893	10,797	5,152	13	
Less: Nonregulated		0		14	d
Net Regulated	**16,893**	**10,797**	**5,152**	15	
Total Information Orig. / Term. Expense (6310)	1,092	101	53	16	
Less: Nonregulated		0		17	
Net Regulated	**1,092**	**101**	**53**	18	
Total Cable and Wire Fac. Expense (6410)	62,234	74,797	20,705	19	
Less: Nonregulated		0		20	e
Net Regulated	**62,234**	**74,797**	**20,705**	21	
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	**153,099**	**186,737**	**44,442**		
Less: Nonregulated	**0**	**0**	**0**		
Net Regulated	**153,099**	**186,737**	**44,442**		
PLANT NONSPECIFIC OPERATIONS EXPENSE					
Total Other Property, Plant and Equip. Exp. (6510)	1,949	4,429	1,986	22	
Less: Nonregulated		0		23	
Net Regulated	**1,949**	**4,429**	**1,986**	24	
Total Network Operations Expense (6530)	137,287	133,372	34,603	25	
Less: Nonregulated		0		26	
Net Regulated	**137,287**	**133,372**	**34,603**	27	
Access Expense (6540)	0	28,994	0	28	
Less: Nonregulated		0		29	f
Net Regulated	**0**	**28,994**	**0**	30	
Total Depreciation and Amortization Expense (6560)	468,224	554,402		31	
Less: Nonregulated		0		32	
Net Regulated	**468,224**	**554,402**		33	
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	**607,460**	**721,197**	**36,589**		
Less: Nonregulated	**0**	**0**	**0**		
Net Regulated	**607,460**	**721,197**	**36,589**		

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)		
6110	269	(14)	21,080	(18,148)	**1**	
	0				**2**	
	269	**(14)**	**21,080**	**(18,148)**	**3**	
6120	5,866	269	44,232	0	**4**	
					5	
	5,866	**269**	**44,232**	**0**	**6**	
6210	5,973	8,902	14,081	0	**7**	
					8	c
	5,973	**8,902**	**14,081**	**0**	**9**	
6220	0	0	0	0	**10**	
					11	
	0	**0**	**0**	**0**	**12**	
6230	3,477	0	2,168	0	**13**	
					14	d
	3,477	**0**	**2,168**	**0**	**15**	
6310	4	0	44	0	**16**	
					17	
	4	**0**	**44**	**0**	**18**	
6410	14,570	4,796	34,726	0	**19**	
					20	e
	14,570	**4,796**	**34,726**	**0**	**21**	
	30,159	**13,953**	**116,331**	**(18,148)**		
	0	**0**	**0**	**0**		
	30,159	**13,953**	**116,331**	**(18,148)**		
6510	929	0	1,514	0	**22**	
					23	
	929		**1,514**	**0**	**24**	
6530	16,718	0	111,828	(29,777)	**25**	
					26	
	16,718	**0**	**111,828**	**(29,777)**	**27**	
6540	0	0	28,994	0	**28**	
					29	f
	0	**0**	**28,994**	**0**	**30**	
6560			554,402		**31**	
					32	
			554,402		**33**	
	17,647	**0**	**696,738**	**(29,777)**		
	0	**0**	**0**	**0**		
	17,647	**0**	**696,738**	**(29,777)**		

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)		
CUSTOMER OPERATIONS EXPENSE					
Total Marketing (6610)	69,687	93,645	2,845	34	
Less: Nonregulated		0		35	g
Net Regulated	**69,687**	**93,645**	**2,845**	36	
Total Services (6620)	268,880	340,049	41,523	37	
Less: Nonregulated		0		38	h
Net Regulated	**268,880**	**340,049**	**41,523**	39	
TOTAL CUSTOMER OPERATIONS EXPENSE	**338,567**	**433,694**	**44,368**		
Less: Nonregulated	**0**	**0**	**0**		
Net Regulated	**338,567**	**433,694**	**44,368**		
CORPORATE OPERATIONS EXPENSE					
Total Exec. and Planning (6710)	100,176	56,804	13,887	40	
Less: Nonregulated		0		41	i
Net Regulated	**100,176**	**56,804**	**13,887**	42	
Total General and Administrative (6720)	263,941	296,918	16,163	43	
Less: Nonregulated		0		44	
Net Regulated	**263,941**	**296,918**	**16,163**	45	
Provision for Uncollectible Notes Receiv. (6790)	0	0		46	
Less: Nonregulated		0		47	
Net Regulated	**0**	**0**		48	
TOTAL CORPORATE OPERATIONS EXPENSE	**364,117**	**353,722**	**30,050**		
Less: Nonregulated	**0**	**0**	**0**		
Net Regulated	**364,117**	**353,722**	**30,050**		
TOTAL EXPENSES	**1,463,243**	**1,695,350**	**155,449**		
Less: Nonregulated	**0**	**0**	**0**		
Net Regulated	**1,463,243**	**1,695,350**	**155,449**		

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6610	1,377	550	88,873	0	**34**
					35 g
	1,377	**550**	**88,873**	**0**	**36**
6620	20,244		278,282		**37**
					38 h
	20,244		**278,282**	**0**	**39**
	21,621	**550**	**367,155**	**0**	
	0	**0**	**0**	**0**	
	21,621	**550**	**367,155**	**0**	
6710	4,710		38,207		**40**
					41 i
	4,710		**38,207**	**0**	**42**
6720	7,514		273,241		**43**
					44
	7,514		**273,241**	**0**	**45**
6790			0		**46**
					47
			0		**48**
	12,224	**0**	**311,448**	**0**	
	0	**0**	**0**	**0**	
	12,224	**0**	**311,448**	**0**	
	81,651	**14,503**	**1,491,672**	**(47,925)**	
	0	**0**	**0**	**0**	
	81,651	**14,503**	**1,491,672**	**(47,925)**	

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)	1,949	4,429	1,986	2
Total: Reported in Account 6510	**1,949**	**4,429**	**1,986**	
Depreciat. Exp.--Tele. Plant in Service (6561)	468,224	554,402		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	**468,224**	**554,402**		

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

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6511					**1**
6512	929		1,514	0	**2**
	929		**1,514**	**0**	
6561			554,402		**3**
6562					**4**
6563					**5**
6564					**6**
6565					**7**
			554,402		

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	2,276,109	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)	432	4
Less: Nonregulated Operating Revenue (included Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Uncollectible Revenue (included in Gross Oper. Rev. on Line 1)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify):		8
Assessable Revenues for Remainder, Department of Justice, and Telephone Relay Assessment Purposes	**2,276,541**	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	824,038	1
Plus: Total Intrastate Access Revenues (5084)	635,056	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus (or Less) Other (please specify):		5
Assessable Revenues for Universal Service Fund Assessment Purposes	**1,459,094**	

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	2,276,109	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)	432	4
Less: Nonregulated Operating Revenue (included Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Uncollectible Revenue (included in Gross Oper. Rev. on Line 1)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify):		8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	**2,276,541**	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	824,038	1
Plus: Total Intrastate Access Revenues (5084)	635,056	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus (or Less) Other (please specify):		5
Assessable Revenues for Universal Service Fund Assessment Purposes	**1,459,094**	

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)*	432	396	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)*	**432**	**396**	
OPERATING TAXES			
Operating Investment Tax Credits--Net (7210)*	(5,203)	(5,917)	6
Operating Federal Income Taxes (7220)*	93,630	153,070	7
Operating State and Local Income Taxes (7230)*	20,469	39,179	8
Operating Other Taxes (7240)*	137,970	117,165	9
Provision for Deferred Operating Income Taxes--Net (7250)*	24,814	(42,265)	10
TOTAL OPERATING TAXES (7200)*	**271,680**	**261,232**	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)*	145	150	11
Interest Income (7320)*	19,309	18,398	12
Income from Sinking and Other Funds (7330)*	0		13
Allowance for Funds Used During Construction (7340)*	10,259	3,040	14
Gains or (Losses) from the Disposition of Certain Property (7350)*	0		15
Other Nonoperating Income (7360)*	0		16
Special Charges (7370)*	6,183	2,810	17
TOTAL NONOPERATING INCOME AND EXPENSE (7300)*	**23,530**	**18,778**	
NONOPERATING TAXES			
Nonoperating Investment Tax Credits--Net (7410)*	0		18
Nonoperating Federal Income Taxes (7420)*	4,028	5,002	19
Nonoperating State and Local Income Taxes (7430)*	996	1,190	20
Nonoperating Other Taxes (7440)*	0		21
Provision for Deferred Nonoperating Income Taxes-Net (7450)*	0		22
TOTAL NONOPERATING TAXES (7400)*	**5,024**	**6,192**	
INTEREST AND RELATED ITEMS			
Interest on Funded Debt (7510)*	93,496	76,955	23
Interest Expense--Capital Leases (7520)*	0		24
Amortization of Debt Issuance Expense (7530)*	201	201	25
Other Interest Deductions (7540)*	41,064	3,694	26
TOTAL INTEREST AND RELATED ITEMS (7500)*	**134,761**	**80,850**	
EXTRAORDINARY ITEMS			
Extraordinary Items (7600)*			27
Extraordinary Income Credits (7610)	0		28
Extraordinary Income Charges (7620)	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)*	17,832	25,545	32

NONREGULATED NET INCOME (ACCT. 7990)

Particulars (a)	Amount (b)	
Revenues (Acct. 7990.1)		
Gross Sales	130,615	1
Less: Cost of Goods Sold	46,500	2
Net Sales	**84,115**	3
Expenses (Acct. 7990.2)	66,283	4
Nonregulated Net Income	**17,832**	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,data modems and Direct Broadcast Satellite(DBS). In addition, nonregulated activities include sales and leasing of mobile and pager equipment where the tarriff 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	155,449	1
Nonregulated Expense	16,672	2
Plant Accounts	90,330	3
Accumulated Depreciation Accounts	0	4
All Other Accounts	49,782	5
Total Salaries and Wages	**312,233**	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 FOY (b)	EOY (c)	Total Compensation (d)	
Officers	.00			1
Supervision and Other Management	1.00	1.00	53,030	2
Other Employees	6.00	6.00	220,517	3
Total	**7.00**	**7.00**	**273,547**	

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Total	**7.00**	**7.00**	**273,547**	

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		266	8
Customer Dialed: State--interLATA		628	9
Customer Dialed: Interstate		442	10
WATS			11
Other Toll-Undefined			12
Total Toll	**0**	**1,336**	
Total Local & Toll	**0**	**1,336**	

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	144	0	0	**1**
Feature Group A -- Term.	0	0	0	0	**2**
Feature Group B -- Orig.	0	0	0	0	**3**
Feature Group B -- Term.	0	2	0	0	**4**
Feature Group C -- Orig.	0	0	0	0	**5**
Feature Group C -- Term.	0	0	0	0	**6**
Feature Group D -- Orig.	3,352	3,959	1,500	0	**7**
Feature Group D -- Term.	1,594	2,944	1,488	0	**8**

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	19	1
Sheath miles of plant - buried	332	2
Sheath miles of plant - fiber optics	34	3
Strand miles of plant - fiber optics	574	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	4	5	1
56 kbps	2	1	2
64 kbps (DS0)	0	0	3
1.54 Mbps (DS-1)	4	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	19	1
Sheath miles of plant - buried	332	2
Sheath miles of plant - fiber optics	34	3
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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	287	295	3
2 Party	0		4
4 Party	0		5
PBX Trunks/System Trunks	0		6
Centrex Trunks	0		7
Centrex Lines	69	113	8
Key System Trunks	50	48	9
Mobile (Utility Provided Service)	0		10
Paging (Utility Provided Service)	0	2	11
FX-Out (Switched)	5	1	12
Pay Telephone		12	13
Coin-Operated Pay Telephone	0	0	14
Independent Pay Telephone Provider	0	0	15
Pay Stations - Public	14		16
- Semi-Public	1		17
- Cust. Owned	9		18
Other	0		19
Total Business Lines	**435**	**471**	20
Residential (Incl. Emp. Concess.)			21
1 Party	2,484	2,593	22
2 Party	0		23
4 Party	0		24
FX-Out (Switched)	0		25
Other	0		26
Total Residential Lines	**2,484**	**2,593**	27
Total Bus & Res Lines	**2,919**	**3,064**	28
Company Used Lines	48	53	29
Total Lines Used	**2,967**	**3,117**	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	47		5
Special Access-intraLATA			6
(expressed in equiv. access lines)	12	6	7
Special Access-interLATA			8
(expressed in equiv. access lines)	24	102	9
Feature Group A Lines	0		10
Feature Group B Trunks	0		11
Feature Group C Trunks	0		12
Feature Group D Trunks	288	192	13
TSPS - Trunks	15	15	14
EAS - Trunks	168	164	15
Cellular Trunks (Pub. Sw. Net.)	0		16
Video Distance Learning			17
- discounted (special tariff)	0	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
Total Central Office, Info. Orig./Term., & Cable			25
Wire Fac. Assets (based on physical			26
location of plant)	7,089,107	8,443,725	27
Total Company Square Miles	144	131	28
Total Company Route Miles	276	312	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	2360	4880	5160	5350	1
Business					2
1 Party	3	187	62	43	3
2 Party					4
4 Party					5
PBX Trunks/System Trunks					6
Centrex Trunks					7
Centrex Lines		105	6	2	8
Key System Trunks		29	17	2	9
Mobile (utility provided service)					10
Paging (utility provided service)		2			11
FX-Out (Switched)		1			12
Pay Telephone		5	5	2	13
Coin-Operated Pay Telephone	0	0			14
Independent Pay Telephone Provider	0	0			15
Pay Stations - Public					16
- Semi-Public					17
- Cust. Owned					18
Other					19
Total Business Lines	**3**	**329**	**90**	**49**	20
Residential (Incl. Emp. Concess.)					21
1 Party	48	1,352	614	579	22
2 Party					23
4 Party					24
FX-Out (Switched)					25
Other					26
Total Residential Lines	**48**	**1,352**	**614**	**579**	27
Total Bus & Res Lines	**51**	**1,681**	**704**	**628**	28
Company Used Lines		38	4	11	29
Total Lines Used	**51**	**1,719**	**708**	**639**	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	2360	4880	5160	5350	1
Miscellaneous					2
WATS Lines - OutWATS					3
WATS Lines - 800 Service					4
FX-In-intraLATA					5
Special Access-intraLATA					6
(equiv. access lines)		4	2		7
Special Access-interLATA					8
(equiv. access lines)		76	26		9
Feature Group A Lines					10
Feature Group B Trunks					11
Feature Group C Trunks					12
Feature Group D Trunks		120		72	13
TSPS - Trunks		10		5	14
EAS - Trunks		120		44	15
Cellular Trunks (Pub. Sw. Net.)					16
Video Distance Learning					17
- discounted (special tariff)			0	0	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)	35,222	5,140,116	1,570,023	1,698,364	27
Exchange Square Miles	3	50	25	53	28
Exchange Route Miles	6	138	55	113	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
Switcher	SW	11

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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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	HILBERT	SHERWOOD	STOCKBRIDGE	TISCH MILLS	1
PSCW Exchange ID	2360	4880	5160	5350	2
Central Office Name	HILBERT	SHERWOOD	STOCKBRIDGE	TISCH MILLS	3
PSCW Central Office ID	1	1	1	1	4
Manufacturer of COE (Page 54)	SW	NTI	NTI	NTI	5
Year COE Installed	0	1990	1990	1991	6
Type of Equipment (Page 54)	SW	D	D	D	7
(S)tandalone, (H)ost, (R)emote	S	H	R	H	8
Remote Host PSCW Exchange ID			4880		9
Remote Host PSCW Central Office ID			1		10
COE Generic Software Release No.	SWITCHER	409.1	rmt	409.1	11
SS7?	No	Yes	Yes	Yes	12
9-1-1?	No	Yes	Yes	Yes	13
Access Lines - In Use	51	1,719	708	639	14
- Equipped	51	2,000	1,024	966	15
- Wired	51	2,000	1,024	966	16
Trunks - In Use		358	0	125	17
- Equipped		384	0	144	18
- Wired		384	0	144	19
ISDN Available?	No	No	No	No	20
ISDN Lines - In Use (BRI)		0			21
- In Use (PRI)		0			22
Switched 56 Service?	No	No	No	No	23
Switched 56 lines in use		0			24
Digital Transmission Facilities: DS-1 - In Use		30	14	7	25
DS-3 - In Use		0	0	0	26
Advanced Data Service Available:					
Packet Switching?	No	No	No	No	27
SMDS?	No	No	No	No	28
Frame Relay?	No	No	No	No	29
ATM (Asynchronous Trans. Mode)?	No	No	No	No	30
Video Information - Service Available?	No	No	No	No	31
- In Use (# lines) [1]		0			32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	0	96	8	52	33
No. of fiber strands working (LIT) in C.O.	0	12	4	4	34
No. of fiber strands for interoffice use	0	12	4	16	35
Miles of fiber sheath in wire center	0	23	4	7	36
Access Tandem Serving this C.O.:					
- C.O. Name	APPLETON	APPLETON	APPLETON	APPLETON	37
- PSCW C.O. ID	0150-01	0150-01	0150-01	0150-01	38
Does this C.O. do access tandem switching?	No	No	No	No	39
Equal Access: InterLATA (1+)?	Yes	Yes	Yes	Yes	40
Equal Access: IntraLATA (1+)?	No	No	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.

b) Amounts in columns (g) and (k) are reclasses between accounts or transfers with affiliates.

c) Central office switching expense increased due to a credit for Access line overcharges on GTE Hilbert bill.

d) Central office transmissions expenses decreased due to payroll.

e) Cable and wire expense increased in 1997 due to a write off of exempt material in 1996.

f) Access expense increased due primarily to paying a cellular provider to route their traffic through Stockbridge & Sherwood switch rather than a major LECs switch.

g) Marketing expense are up in 1997 due to an increase in product management and sales charges from corporate affiliates.

h) Total services increased due to a credit in 1996 from Ameritech on Service & Facilities for operator services and a increase in Directory services.

i) Exec. and planning decreased due to less image related advertising in 1997.

j) Increase due to interstate MOU growth along with the impact of prior period adjustments for the 24 month NECA window.

k) Increase is the result of intrastate MOU growth, which inturn resulted in increased stub periof accruals.

l) Increased special access cirucits.

m) Decrease the result of decreased program development charges billed to a major IXC.

n) Increase the result of growth in messages along with beginning the billing of intra/intra bill rendering messages for a major IXC in February 1997.

p) Balance consists primarily of leased phones and business systems net of depreciation. This leased investment is depreciated with a rate of 33/33% per year. Individual leases are not tracked separately.

q) 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.