4004

ANNUAL REPORT

OF

Name:	UTELCO 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)

UTELCO 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)

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

Utility Web Site Address:
When was utility organized?: 06/13/1902
Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: GERALD A . RINGLUND
Title: ASSISSTANT TREASURER

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

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

Name: JENNIFER A . SCHMIDT
Title: STAFF ACCOUNTANT
Firm: TDS TELECOM
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MADISON , WI 53705-0158
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Person responsible for financial information contained in report

Name: GERALD A . RINGLUND
Title: ASSISTANT TREASURER

Office Address: 301 S WESTFIELD ROAD
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: X

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

Fax Number: (608) 999 - 9999
Telephone Number: (608) 999 - 9999
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: MONROE COMMUNICATIONS CORPORATION
Address: 301 S WESTFIELD ROAD
MADISON , WI 53717-1707

Number of Shares Held: 13,600
Beneficial Owner: NONE

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

Company Name:
Form of Interest:
Extent Of Interest:

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	9,307,164	9,020,852	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	1,013,904	1,060,903	2
Plant Nonspecific Operations Expense	3,236,395	2,698,487	3
Customer Operations Expense (6610-6620)	1,771,794	1,429,020	4
Corporate Operations Expense (6710-6790)	1,734,671	1,737,431	5
Other Operating Income and Expense (7100)	0	0	6
Operating Taxes (7200)	636,629	810,000	7
Total Operating Expenses	**8,393,393**	**7,735,841**	8
Net Operating Income	**913,771**	**1,285,011**	9
Other Income			
Nonoperating Income and Expense (7300)	746,280	333,447	10
Nonoperating Taxes (7400)	254,248	97,799	11
Interest and Related Items (7500)	882,176	908,748	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	(59,968)	23,165	14
Total Nonoperating Income	**(450,112)**	**(649,935)**	15
Net Income	**463,659**	**635,076**	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 $2,931,125 with Telecommunications Technologies Fund, Inc., and could distribute up to $2,904,124 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)	1,031,701	1,468,495	2
Special Cash Deposits (1140)	1,171	1,171	3
Working Cash Advances (1150)	2,100	3,350	4
Temporary Investments (1160)	4,210,570	3,031,874	5
TOTAL CASH AND EQUIVALENTS	**5,245,542**	**4,504,890**	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	685,339	721,423	6
Accounts Receivable Allowance-Telecom (1181)*	0		7
Net: Telecommunications Accounts Receivable	**685,339**	**721,423**	
Other Accounts Receivable (1190)*	1,449,446	817,748	8
Accounts Receivable Allowance--Other (1191)*	0		9
Net: Other Accounts Receivable	**1,449,446**	**817,748**	
Notes Receivable (1200)*	0	0	10
Notes Receivable Allowance (1201)*	0	0	11
Net: Notes Receivable	**0**	**0**	
Interest and Dividends Receivable (1210)*	45,441	44,696	12
TOTAL RECEIVABLES AND ALLOWANCES FOR DOUBTFUL	**2,180,226**	**1,583,867**	
SUPPLIES			
Inventories (1220)*	85,464	87,402	13
TOTAL SUPPLIES	**85,464**	**87,402**	
PREPAYMENTS			
Total Prepayments (1280)*			14
Prepaid Rents (1290)	0	0	15
Prepaid Taxes (1300)	9,573	0	16
Prepaid Insurance (1310)	665	1,994	17
Prepaid Directory Expenses (1320)	0	0	18
Other Prepayments (1330)	11,017	22,215	19
TOTAL PREPAYMENTS	**21,255**	**24,209**	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	0	0	20
TOTAL OTHER CURRENT ASSETS	**0**	**0**	
TOTAL CURRENT ASSETS	**7,532,487**	**6,200,368**	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	0	0	21
Investments in Nonaffiliated Companies (1402)*	577,384	645,093	22
Nonregulated Investments (1406)*	60,782	206,511	23
Unamortized Debt Issuance Expense (1407)*	3,229	3,746	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	**641,395**	**855,350**	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*	0	0	**27**
Deferred Maintenance and Retirements (1438)*	136,512	0	**28**
Deferred Charges (1439)*	(69,600)	19,046	**29**
TOTAL DEFERRED CHARGES	**66,912**	**19,046**	
TOTAL NONCURRENT ASSETS	**708,307**	**874,396**	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	32,195,662	29,399,079	**30**
Less: Accumulated Depreciation (3100)*	17,848,830	15,688,988	**31**
Less: Accumulated Amortization--Capitalized Leases (3410)*	241,049	197,549	**32**
Less: Accumulated Amortization--Leasehold Improvements (3420)*	0	0	**33**
Less: Accumulated Amortization--Intangible (3500)*	0	0	**34**
NET TELECOMMUNICATIONS PLANT IN SERVICE	**14,105,783**	**13,512,542**	
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)*	121,215	1,036,307	**39**
TOTAL TPUC	**121,215**	**1,036,307**	
TELECOMMUNICATIONS PLANT ADJUSTMENT			
Telecommunications Plant Adjustment (2005)*	0	0	**40**
Less: Accumulated Amortization--Other (3600)*	0	0	**41**
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	**0**	**0**	
TOTAL PLANT	**14,226,998**	**14,548,849**	
TOTAL ASSETS AND OTHER DEBITS*	**22,467,792**	**21,623,613**	

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	905,261	153,628	**1**
Notes Payable (4020)*	0	0	**2**
Advance Billing and Payments (4030)*	68,773	0	**3**
Customer Deposits (4040)*	3,000	4,350	**4**
Current Maturities--Long-Term Debt (4050)*	478,320	477,800	**5**
Current Maturities--Capital Leases (4060)*	55,480	0	**6**
Income Taxes--Accrued (4070)*	0	0	**7**
Other Taxes--Accrued (4080)*	(79,003)	59,481	**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)*	136,259	89,742	**11**
Other Current Liabilities (4130)*	67,864	11,222	**12**
TOTAL CURRENT LIABILITIES*	**1,635,954**	**796,223**	
LONG-TERM DEBT			
Funded Debt (4210)*	10,976,395	11,475,836	**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)*	29,978	135,467	**17**
Advances from Affiliated Companies (4260)*	0	0	**18**
Other Long-Term Debt (4270)*	0	0	**19**
TOTAL LONG-TERM DEBT*	**11,006,373**	**11,611,303**	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*	298,911	315,266	**20**
Unamortized Operating ITC--Net (4320)*	88,874	106,274	**21**
Unamortized Nonoperating ITC--Net (4330)*	0	0	**22**
Net Noncurrent Deferred Operating Income Taxes (4340)*	994,065	814,584	**23**
Net Deferred Tax Liability Adjustments (4341)*	25,207	12,601	**24**
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	0	0	**25**
Other Deferred Credits (4360)*	0	0	**26**
Deferred Tax Regulatory Liability (4361)*	64,387	76,993	**27**
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS*	**1,471,444**	**1,325,718**	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	340,000	340,000	**28**
Additional Paid-in Capital (4520)*	0	0	**29**
Treasury Stock (4530)*	0	0	**30**
Other Capital (4540)*	(904)	(904)	**31**
Retained Earnings (4550)*	8,014,925	7,551,266	**32**
TOTAL STOCKHOLDERS' EQUITY*	**8,354,021**	**7,890,362**	
TOTAL LIABILITIES AND OTHER CREDITS*	**22,467,792**	**21,623,606**	

STATEMENT OF CASH FLOWS

Item (a)	Amount (b)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	463,659	**1**
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and amortization	2,273,284	**2**
Interest during construction	(21,352)	**3**
Changes in assets and liabilities:		
Current assets (net)	(591,467)	**4**
Other noncurrent assets	(48,383)	**5**
Other current liabilities	783,731	**6**
Other liabilities and deferred credits	145,726	**7**
Other (specify):		
TOTAL ADJUSTMENTS	**2,541,539**	
NET CASH PROVIDED BY OPERATING ACTIVITIES (NET INCOME & ADJUST.)	**3,005,198**	
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures:		
Changes in plant (net)	(1,930,081)	**8**
Investments in affiliated companies	0	**9**
Nonoperating Investments	213,438	**10**
Other (specify):		
NET CASH USING IN INVESTING ACTIVITIES	**(1,716,643)**	
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in capital lease obligations (net)	(50,009)	**11**
Change in long-term debt (net)	(497,887)	**12**
Net changes in stockholder equity other than retained earnings	0	**13**
Change in short term borrowing (net)	0	**14**
Dividends paid	0	**15**
Miscellaneous debits/credits to retained earnings	0	**16**
Other (specify):		
Net Cash Provided by Financing Activities	**(547,896)**	
NET INCREASE IN CASH AND CASH EQUIVALENTS	**740,659**	
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 nonregulatd activities as of 12/31/97.

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)	
Mt. Vernon	MT VERNON	1
Other	OTH	2
Suttle Press	SUTTLE	3
Telephone and Data Systems, Inc.	TDS CORP	4
TDS Computing Services, Inc.	TDS/CS	5
TDS Telecommunications, Inc.	TDS-TEL	6
Telecommunications Technologies Fund	TTF	7

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	None	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	**4**
Expenses:					
Plant Specific Operations Expense	0	0	0	0	**5**
Plant Nonspecific Operations Expense	112	2,448	496	4,363	**6**
Customer Operations Expense	12	1,628	128	222,442	**7**
Corporate Operations Expense	0	0		0	**8**
Total Operating Expenses	**124**	**4,076**	**624**	**226,805**	**9**
Other:					
Plant Accounts	2,132	0		0	**10**
Accumulated Depreciation	0	0		0	**11**
Accumulated Amortization	0	0		0	**12**
Clearing	0	0		0	**13**
All Other	0	0		0	**14**
Total	**2,256**	**4,076**	**624**	**226,805**	**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				**U**	

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/CS	TDS-TEL			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				4
Expenses:					
Plant Specific Operations Expense	0	11,328			5
Plant Nonspecific Operations Expense	6,787	312,669			6
Customer Operations Expense	72,696	109,978			7
Corporate Operations Expense	97,324	1,118,607			8
Total Operating Expenses	**176,807**	**1,552,582**	**0**	**0**	9
Other:					
Plant Accounts	0	535,208			10
Accumulated Depreciation	0	0			11
Accumulated Amortization	0	0			12
Clearing	0	0			13
All Other	0	21,353			14
Total	**176,807**	**2,109,143**	**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	0.00			17

Footnotes

AFFILIATED ASSETS AND LIABILITIES

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

Name of Affiliate (a)	Account Number (b)	Balance EOY (c)	
Telecommunications Technologies Fund	1120	14,538	1
Telecommunications Technologies Fund	1160	2,931,135	2
Other	1190	997	3
Telephone and Data Systems, Inc.	1190	1,920	4
TDS Telecommunications, Inc.	1190	98,792	5
Other	4010	4,889	6
TDS Telecommunications, Inc.	4010	243,628	7

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	341,550	**1**
Other:		
Madison SMSA, LTD	235,834	**2**
RSA #8	0	**3**
Total Investments in Nonaffiliated Companies	**577,384**	

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):		
Distance Broadcast Satellite (DBS)	60,782	**1**

DEFERRED MAINTENANCE AND RETIREMENTS (ACCT. 1438)

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

Description of Item (a)	Balance EOY (b)	
Voice Mail and Operator Systems reserve deficiency. Verbal approval between Commission and Joel Dohmeier. Date of approval was September, 1997.	136,512	1
Total	**136,512**	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
GENERAL SUPPORT ASSETS				
Land	2111	94,728	0	**1**
Motor Vehicles	2112	325,407	0	**2**
Aircraft	2113	0	0	**3**
Special Purpose Vehicles	2114	0	0	**4**
Garage Work Equipment	2115	0	0	**5**
Other Work Equipment	2116	309,338	17,100	**6**
Buildings	2121	2,173,138	14,450	**7**
Furniture	2122	65,195	374	**8**
Office Equipment	2123	233,923	6,485	**9 B**
General Purpose Computers	2124	210,004	751,183	**10**
TOTAL--GENERAL SUPPORT ASSETS:		**3,411,733**	**789,592**	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0	0	**11**
Digital Electronic Switching	2212	9,018,762	168,564	**12**
Electro-Mechanical Switching	2215	132,003	0	**13**
Operator Systems	2220	214,812	0	**14**
Radio Systems	2231	56,265	0	**15**
Circuit Equipment	2232	2,029,158	430,971	**16**
TOTAL--CENTRAL OFFICE ASSETS:		**11,451,000**	**599,535**	
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	92,798	5,512	**20**
Other Terminal Equipment	2362	0	0	**21**
TOTAL--INFORMATION ORIG/TERM ASSETS:		**92,798**	**5,512**	
CABLE WIRE FACILITIES ASSETS				
Poles	2411	139,511	769	**22**
Aerial Cable	2421	824,789	30,449	**23 B**
Underground Cable	2422	1,815,424	71,057	**24**
Buried Cable	2423	9,719,959	1,475,833	**25**
Submarine Cable	2424	0	0	**26**
Deep Sea Cable	2425	0	0	**27**
Intrabuilding Network Cable	2426	27,121	0	**28**
Aerial Wire	2431	72,911	5,530	**29**
Conduit Systems	2441	1,533,187	101,062	**30**
TOTAL--CABLE WIRE FACILITIES ASSETS:		**14,132,902**	**1,684,700**	
AMORTIZABLE ASSETS				
Capital Leases	2681	306,300	0	**31**

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

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)		
2111	0		**94,728**	**1**	
2112	(247)		**325,654**	**2**	
2113	0		**0**	**3**	
2114	0		**0**	**4**	
2115	0		**0**	**5**	
2116	0		**326,438**	**6**	
2121	0		**2,187,588**	**7**	
2122	(28,983)		**94,552**	**8**	
2123	2,898	(11,615)	**225,895**	**9**	**B**
2124	5,710		**955,477**	**10**	
	(20,622)	**(11,615)**	**4,210,332**		
2211	0		**0**	**11**	
2212	0	0	**9,187,326**	**12**	
2215	0	0	**132,003**	**13**	
2220	214,812		**0**	**14**	
2231	0	0	**56,265**	**15**	
2232	0	0	**2,460,129**	**16**	
	214,812	**0**	**11,835,723**		
2311	0		**0**	**17**	
2321	0		**0**	**18**	
2341	0		**0**	**19**	
2351	0		**98,310**	**20**	
2362	0		**0**	**21**	
	0	**0**	**98,310**		
2411	2,079		**138,201**	**22**	
2421	19,063	(21)	**836,154**	**23**	**B**
2422	0	0	**1,886,481**	**24**	
2423	55,625	0	**11,140,167**	**25**	
2424	0	0	**0**	**26**	
2425	0		**0**	**27**	
2426	0	0	**27,121**	**28**	
2431	163		**78,278**	**29**	
2441	0		**1,634,249**	**30**	
	76,930	**(21)**	**15,740,651**		
2681	0		**306,300**	**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	4,346	0	**33**
TOTAL--AMORTIZABLE ASSETS:		**310,646**	**0**	
TOTAL TELECOM. PLANT IN SERVICE	**2001**	**29,399,079**	**3,079,339**	
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**	**32**
2690	0		**4,346**	**33**
	0	**0**	**310,646**	
	271,120	**(11,636)**	**32,195,662**	
2001			0	**34**
			32,195,662	

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	76,144	6,485	1
Company Communications Equipment	2123.2	157,779	0	2 B
Software	2212.1	2,768,963	0	3
Digital Switching - Central Office	2212.2	6,249,799	168,564	4
Digital Switching - Remote	2212.3	0	0	5
Step by Step Switching	2215.1	132,003	0	6
Crossbar Switching	2215.2	0	0	7
Satellite and Earth Station Facilities	2231.1	56,265	0	8
Other Radio Facilities	2231.2	0	0	9
Digital Circuit Equipment	2232.1	673,825	180,767	10 B
Analog Circuit Equipment	2232.2	891,888	0	11 B
Light Wave Circuit Equipment	2232.3	463,445	250,204	12
Aerial Cable - Nonmetallic	2421.1	0	0	13
Aerial Cable - Metallic	2421.2	824,789	30,449	14 B
Underground Cable - Nonmetallic	2422.1	385,208	27,345	15
Underground Cable - Metallic	2422.2	1,430,216	43,712	16
Buried Cable - Nonmetallic	2423.1	1,340,038	691,024	17
Buried Cable - Metallic	2423.2	8,379,921	784,809	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	27,121	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	2,898		**79,731**	**1**	
2123.2	0	(11,615)	**146,164**	**2**	**B**
2212.1	0		**2,768,963**	**3**	
2212.2	0		**6,418,363**	**4**	
2212.3	0		**0**	**5**	
2215.1	0		**132,003**	**6**	
2215.2	0		**0**	**7**	
2231.1	0		**56,265**	**8**	
2231.2	0		**0**	**9**	
2232.1	0	891,888	**1,746,480**	**10**	**B**
2232.2	0	(891,888)	**0**	**11**	**B**
2232.3	0		**713,649**	**12**	
2421.1	0		**0**	**13**	
2421.2	19,063	(21)	**836,154**	**14**	**B**
2422.1	0		**412,553**	**15**	
2422.2	0		**1,473,928**	**16**	
2423.1	11,680		**2,019,382**	**17**	
2423.2	43,945		**9,120,785**	**18**	
2424.1	0		**0**	**19**	
2424.2	0		**0**	**20**	
2426.1	0		**0**	**21**	
2426.2	0		**27,121**	**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	168,160	18.0	57,832	0	**1**
Aircraft	2113	0	.0	0	0	**2**
Special Purpose Vehicles	2114	0	.0	0	0	**3**
Garage Work Equipment	2115	0	.0	0	0	**4**
Other Work Equipment	2116	245,993	8.33	26,961	0	**5**
Buildings	2121	1,055,476	2.63	57,291	0	**6**
Furniture	2122	65,195	6.4	316	0	**7B**
Office Equipment	2123	207,459	12.75	21,344	0	**8B**
General Purpose Computers	2124	201,441	14.3	25,421	0	**9**
Total-- GENERAL SUPPORT ASSETS		**1,943,724**		**189,165**	**0**	
CENTRAL OFFICE ASSETS						
Analog Electronic Switching	2211	0	.0	0	0	**10**
Digital Electronic Switching	2212	3,491,071	15.03	1,103,216	0	**11**
Electro-Mechanical Switching	2215	118,079	11.14	13,924	0	**12**
Operator Systems	2220	23,186	6.66	55,114	0	**13B**
Radio Systems	2231	56,265	10.0	0	0	**14**
Circuit Equipment	2232	1,089,467	7.3	209,431	0	**15**
Total-- CENTRAL OFFICE ASSETS		**4,778,068**		**1,381,685**	**0**	
INFORMATION ORIG/TERM ASSETS						
Station Apparatus	2311	0	.0	0	0	**16**
Customer Premises Wiring	2321	0	.0	0	0	**17**
Large Private Branch Exchanges	2341	0	.0	0	0	**18**
Public Telephone Terminal Equipment	2351	41,014	9.0	8,758	0	**19**
Other Terminal Equipment	2362	0	.0	0	0	**20**
Total-- INFORMATION ORIG/TERM ASSETS		**41,014**		**8,758**	**0**	
CABLE WIRE FACILITIES ASSETS						
Poles	2411	153,838	6.0	8,345	0	**21T**
Aerial Cable	2421	834,826	5.5	45,587	0	**22T**
Underground Cable	2422	886,880	4.7	84,703	0	**23**
Buried Cable	2423	6,216,224	4.54	467,978	0	**24**
Submarine Cable	2424	0	.0	0	0	**25**
Deep Sea Cable	2425	0	.0	0	0	**26**
Intrabuilding Network Cable	2426	16,037	8.1899	1,369	0	**27**
Aerial Wire	2431	43,328	12.5	9,768	0	**28**

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)		
2112	(247)	0	7,700		**233,939**	**1**	
2113	0	0	0		**0**	**2**	
2114	0	0	0		**0**	**3**	
2115	0	0	0		**0**	**4**	
2116	0	0	2,750		**275,704**	**5**	
2121	0	0	0		**1,112,767**	**6**	
2122	(28,983)	0	50	10	**94,554**	**7**	**B**
2123	2,898	0	0	(10)	**225,895**	**8**	**B**
2124	5,710	0	0		**221,152**	**9**	
	(20,622)	**0**	**10,500**	**0**	**2,164,011**		
2211	0	0	0		**0**	**10**	
2212	0	0	10,000		**4,604,287**	**11**	
2215	0	0	0		**132,003**	**12**	
2220	214,812	0	0	136,512	**0**	**13**	**B**
2231	0	0	0		**56,265**	**14**	
2232	0	0	47,797	0	**1,346,695**	**15**	
	214,812	**0**	**57,797**	**136,512**	**6,139,250**		
2311	0	0	0		**0**	**16**	
2321	0	0	0		**0**	**17**	
2341	0	0	0		**0**	**18**	
2351	0	0	0		**49,772**	**19**	
2362	0	0	0		**0**	**20**	
	0	**0**	**0**	**0**	**49,772**		
2411	2,079	2,169	0		**157,935**	**21**	**T**
2421	19,063	5,636	0		**855,714**	**22**	**T**
2422	0	0	0	0	**971,583**	**23**	
2423	55,625	1,723	0	0	**6,626,854**	**24**	
2424	0	0	0		**0**	**25**	
2425	0	0	0		**0**	**26**	
2426	0	0	0		**17,406**	**27**	
2431	163	0	0		**52,933**	**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	775,050	2.5	38,322	0	**29**
Total-- CABLE WIRE FACILITIES ASSETS		**8,926,183**		**656,072**	**0**	
Total Accumulated Depreciation	**3100**	**15,688,989**		**2,235,680**	**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**			**2,235,680**	**0**	

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441	0	0	0		**813,372**	**29**
	76,930	**9,528**	**0**	**0**	**9,495,797**	
3100	**271,120**	**9,528**	**68,297**	**136,512**	**17,848,830**	
3100					0	**30**
3100					**17,848,830**	

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	76,784	10.0	2,988	0	1 B
Company Communications Equipment	2123.2	130,675	14.3	18,356	0	2 B
Software	2212.1	1,520,496	25.0	692,244	0	3
Digital Switching - Central Office	2212.2	1,970,575	6.5	410,972	0	4
Digital Switching - Remote	2212.3	0	.0	0	0	5
Step by Step Switching	2215.1	118,079	11.14	13,924	0	6
Crossbar Switching	2215.2	0	.0	0	0	7
Satellite and Earth Station Facilities	2231.1	56,265	10.0	0	0	8
Other Radio Facilities	2231.2	0	.0	0	0	9
Digital Circuit Equipment	2232.1	261,993	10.0	167,218	0	10 B
Analog Circuit Equipment	2232.2	574,214	.0	0	0	11 B
Light Wave Circuit Equipment	2232.3	253,260	8.3999	42,213	0	12 B
Aerial Cable - Nonmetallic	2421.1	0	.0	0	0	13
Aerial Cable - Metallic	2421.2	834,826	5.5	45,587	0	14 T
Underground Cable - Nonmetallic	2422.1	54,028	3.7	14,382	0	15 B
Underground Cable - Metallic	2422.2	832,852	4.77	70,321	0	16 B
Buried Cable - Nonmetallic	2423.1	313,167	4.35	77,586	0	17 B
Buried Cable - Metallic	2423.2	5,903,057	4.55	390,392	0	18 B
Submarine Cable - Nonmetallic	2424.1	0	.0	0	0	19
Submarine Cable - Metallic	2424.2	0	.0	0	0	20
Intrabuilding Cable - Nonmetallic	2426.1	0	.0	0	0	21
Intrabuilding Cable - Metallic	2426.2	16,037	8.1899	1,369	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	2,898	0	0	2,857	**79,731**	1 B
2123.2	0	0	0	(2,867)	**146,164**	2 B
2212.1	0	0	0		**2,212,740**	3
2212.2	0	0	10,000		**2,391,547**	4
2212.3	0	0	0		**0**	5
2215.1	0	0	0		**132,003**	6
2215.2	0	0	0		**0**	7
2231.1	0	0	0		**56,265**	8
2231.2	0	0	0		**0**	9
2232.1	0	0	47,797	602,940	**1,079,948**	10 B
2232.2	0	0	0	(574,214)	**0**	11 B
2232.3	0	0	0	(28,726)	**266,747**	12 B
2421.1	0	0	0		**0**	13
2421.2	19,063	5,636	0		**855,714**	14 T
2422.1	0	0	0	(7)	**68,403**	15 B
2422.2	0	0	0	7	**903,180**	16 B
2423.1	11,680	0	0	(638)	**378,435**	17 B
2423.2	43,945	1,723	0	638	**6,248,419**	18 B
2424.1	0	0	0		**0**	19
2424.2	0	0	0		**0**	20
2426.1	0	0	0		**0**	21
2426.2	0	0	0		**17,406**	22

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

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

Particulars (a)	Balance FOY (b)	
PROPERTY RELATED		
Other Current Assets (1350)	0	1
Other Noncurrent Assets (1410)	0	2
Deferred Tax Regulatory Asset (1437)	0	3
Net Current Deferred Operating Income Taxes (4100)	0	4
Net Noncurrent Deferred Operating Income Taxes (4340)	(814,584)	5
Net Deferred Tax Liability Adjustments (4341)	(12,601)	6
Deferred Tax Regulatory Liability (4361)	(76,993)	7
Net Property Related Deferred Operating Income Taxes	**(904,178)**	
Less: Allocation to Nonregulated Activity	0	8
Net Regulated Total Property Related Deferred Operating Income Taxes	**(904,178)**	
NONPROPERTY RELATED		
Other Current Assets (1350)	0	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)	0	13
Net Deferred Tax Liability Adjustments (4341)	0	14
Deferred Tax Regulatory Liability (4361)	0	15
Total Nonproperty Related Deferred Operating Income Taxes	**0**	

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

Acct (c)	Current Year Accrual (d)	Current Year Amortization (e)	Adjustments Debit or (Credit) (f)	Balance EOY (g)	
7250				**0**	**1**
7250				**0**	**2**
				0	**3**
7250				**0**	**4**
7250	(212,945)		24,411	**(1,003,118)**	**5**
	(12,606)			**(25,207)**	**6**
	12,606			**(64,387)**	**7**
	(212,945)	**0**	**24,411**	**(1,092,712)**	
				0	**8**
	(212,945)	**0**	**24,411**	**(1,092,712)**	
7250				**0**	**9**
7250				**0**	**10**
				0	**11**
7250				**0**	**12**
7250	33,465		(24,412)	**9,053**	**13**
				0	**14**
				0	**15**
	33,465	**0**	**(24,412)**	**9,053**	

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)

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	01/07/1963-03/03/1974	01/07/1998-03/03/2006	2.0000	**1**
REA/RTB	11/06/1985	11/06/2020	5.0000	**2**
REA/RTB	04/17/1977	04/17/2009	7.0000	**3**
REA/RTB	09/02/1975-11/06/1988	12/31/2009-11/06/2020	7.7910-9.0000	**4**
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	470,054	102,200	572,254	**1**
5.0000	0	0	1,846,547	45,600	1,892,147	**2**
7.0000	0	0	1,830,321	117,500	1,947,821	**3**
8.5767	0	0	6,829,473	213,020	7,042,493	**4**
	0	**0**	**10,976,395**	**478,320**	**11,454,715**	

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:				
	18,000	25.00	450,000.00	**1**
TOTAL COMMON STOCK	**18,000**			
TOTAL	**18,000**			

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:					
	13,600	340,000	0	0	**1**
	13,600	**340,000**	**0**	**0**	
TOTAL	**13,600**	**340,000**	**0**	**0**	

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	7,551,266	7,111,944	**1**
Changes:			
Balance Transferred from Income	463,659	635,075	**2**
Dividends Declared:			
Common	0	196,656	**3**
Preferred	0		**4**
Total Dividends Declared	**0**	**196,656**	
Miscellaneous Debits to Retained Earnings	0	(903)	**5**
Miscellaneous Credits to Retained Earnings	0		**6**
Balance--End of Year	**8,014,925**	**7,551,266**	

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)	569,331	19,725	42,352	1
Nonoperating Taxes (Accts. 7410 - 7450)		50,004	204,244	2
Extraordinary Items (Accts. 7630 & 7640)				3
Nonregulated Net Income (Acct. 7990)		(6,175)	(25,406)	4
Clearing Accounts				5
Construction				6
Payroll Taxes: FICA				7
Payroll Taxes: State Unemployment				8
Payroll Taxes: Federal Unemployment				9
Other (specify):				
TOTAL	**569,331**	**63,554**	**221,190**	

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)	
5,223		(2)			**636,629**	**1**
					254,248	**2**
					0	**3**
					(31,581)	**4**
					0	**5**
					0	**6**
					0	**7**
					0	**8**
					0	**9**
5,223	**0**	**(2)**	**0**	**0**	**859,296**	

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)	3,315,433	3,403,507	2	
Optional Extended Area Revenue (5002)	0	0	3	
Cellular Mobile Revenue (5003)	0	0	4	
Other Mobile Services Revenue (5004)	7,157	0	5	C
Public Telephone Revenue (5010)	18,045	41,042	6	D
Local Private Line Revenue (5040)	92,667	44,532	7	C
Customer Premises Revenue (5050)	338	0	8	
Other Local Exchange Revenue (5060)	277,770	63,761	9	C
Other Local Exchange Revenue Settlements (5069)	0	0	10	
TOTAL BASIC LOCAL SERVICE REVENUE (5000)	**3,711,410**	**3,552,842**		
NETWORK INTERSTATE ACCESS SERVICES REV.				
End User Revenue (5081)*	763,027	630,338	11	E
Switched Access Revenue (5082)*	2,061,358	1,810,425	12	
Special Access Revenue (5083)*	7,724	140,866	13	F
TOTAL INTERSTATE ACCESS REVENUES (5080)	**2,832,109**	**2,581,629**		
NETWORK INTRASTATE ACCESS SERVICES REV.				
End User Revenue (5084.1)*	0	0	14	
Switched Access Revenue (5084.2)*	1,537,027	1,570,165	15	
Special Access Revenue (5084.3)*	163,653	96,113	16	G
TOTAL INTRASTATE ACCESS REVENUES (5084)	**1,700,680**	**1,666,278**		
LONG DISTANCE NETWORK SERVICES MESSAGE REV.				
Long Distance Message Revenue (5100)*	95,214	165,220	17	H
Long Distance Inward-Only Revenue (5111)	0	0	18	
Long Distance Outward-Only Revenue (5112)	0	0	19	
Unidirectional Long Distance Revenue (5110)	**0**	**0**		
Long Distance Private Network Revenues				
Subvoice Grade Revenue (5121)	0	0	20	
Voice Grade Revenue (5122)	0	0	21	
Audio Program Grade Revenue (5123)	0	0	22	
Video Program Grade Revenue (5124)	0	0	23	
Digital Transmission Revenue (5125)	0	0	24	
Switching Revenue (5126)	0	0	25	
Other Revenue (5128)	0	0	26	
Other Revenue Settlements (5129)	67,124	100,247	27	C
Total Long Distance Private Network Revenue	**67,124**	**100,247**		
Other Long Distance Revenue (5160)	0	0	28	
Other Long Distance Revenue Settlements (5169)	0	2,120	29	
TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV.	**162,338**	**267,587**		

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

Particulars (a)	This Year (b)	Last Year (c)		
MISCELLANEOUS REVENUES				
Directory Revenue (5230)*	545,875	544,344	**30**	
Rent Revenue (5240)*	12,510	14,240	**31**	
Corporate Operations Revenue (5250)*	0	0	**32**	
Miscellaneous:				
Miscellaneous Revenue (5260)*			**33**	
Special Billing Arrangements Revenue (5261)	790	0	**34**	
Customer Operations Revenue (5262)	0	0	**35**	
Plant Operations Revenue (5263)	0	0	**36**	
Other Incidental Regulated Revenue (5264)	10,519	20,263	**37**	**I**
Other Revenue Settlements (5269)	6,057	366	**38**	**I**
Total Miscellaneous Revenue (5260)	**17,366**	**20,629**		
Interstate Billing and Collection Revenue*	152,103	149,178	**39**	
Intrastate Billing and Collection Revenue*	208,573	217,553	**40**	
Total Carrier Billing and Collection Revenue (5270)*	**360,676**	**366,731**		
Nonregulated Operating Revenue (5280)**			**41**	
TOTAL MISCELLANEOUS REVENUES	**936,427**	**945,944**		
GROSS OPERATING REVENUES	**9,342,964**	**9,014,280**		
UNCOLLECTIBLE REVENUES				
Uncollectible Revenue (5300)*			**42**	
Uncollectible Revenue--Telecommunications (5301)	35,800	(6,572)	**43**	**J**
Uncollectible Revenue--Other (5302)			**44**	
TOTAL UNCOLLECTIBLE REVENUE (5300)	**35,800**	**(6,572)**		
TOTAL OPERATING REVENUES	**9,307,164**	**9,020,852**		

** 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)	21,718	27,986	7,382	1	
Less: Nonregulated	0	0	0	2	K
Net Regulated	**21,718**	**27,986**	**7,382**	3	
Total General Support Expense (6120)	268,290	422,987	28,654	4	
Less: Nonregulated	0	0	0	5	L
Net Regulated	**268,290**	**422,987**	**28,654**	6	
Total Central Office Switching Expense (6210)	419,648	206,495	88,717	7	
Less: Nonregulated	0	0	0	8	L,M
Net Regulated	**419,648**	**206,495**	**88,717**	9	
Total Operator Systems Expense (6220)	1,685	568	336	10	
Less: Nonregulated	0	0	0	11	
Net Regulated	**1,685**	**568**	**336**	12	
Total Central Office Transmission Expenses (6230)	53,795	68,070	18,802	13	
Less: Nonregulated	0	0	0	14	N
Net Regulated	**53,795**	**68,070**	**18,802**	15	
Total Information Orig. / Term. Expense (6310)	9,890	2,466	1,231	16	
Less: Nonregulated	0	0	0	17	O
Net Regulated	**9,890**	**2,466**	**1,231**	18	
Total Cable and Wire Fac. Expense (6410)	285,877	285,332	77,040	19	
Less: Nonregulated	0	0	0	20	
Net Regulated	**285,877**	**285,332**	**77,040**	21	
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	**1,060,903**	**1,013,904**	**222,162**		
Less: Nonregulated	**0**	**0**	**0**		
Net Regulated	**1,060,903**	**1,013,904**	**222,162**		
PLANT NONSPECIFIC OPERATIONS EXPENSE					
Total Other Property, Plant and Equip. Exp. (6510)	(236)	9,786	4,312	22	
Less: Nonregulated	0	0	0	23	P
Net Regulated	**(236)**	**9,786**	**4,312**	24	
Total Network Operations Expense (6530)	633,264	812,217	325,182	25	
Less: Nonregulated	0	0	0	26	Q
Net Regulated	**633,264**	**812,217**	**325,182**	27	
Access Expense (6540)	101,049	141,108	0	28	
Less: Nonregulated	0	0	0	29	R
Net Regulated	**101,049**	**141,108**	**0**	30	
Total Depreciation and Amortization Expense (6560)	1,964,410	2,273,284		31	
Less: Nonregulated		0		32	
Net Regulated	**1,964,410**	**2,273,284**		33	
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	**2,698,487**	**3,236,395**	**329,494**		
Less: Nonregulated	**0**	**0**	**0**		
Net Regulated	**2,698,487**	**3,236,395**	**329,494**		

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)		
6110	3,575	0	92,782	(75,753)	**1**	
	0	0	0	0	**2**	**K**
	3,575	**0**	**92,782**	**(75,753)**	**3**	
6120	18,853	0	375,480	0	**4**	
	0	0	0	0	**5**	**L**
	18,853	**0**	**375,480**	**0**	**6**	
6210	65,370	600	51,808	0	**7**	
	0	0	0	0	**8**	**L,M**
	65,370	**600**	**51,808**	**0**	**9**	
6220	232	0	0	0	**10**	
	0	0	0	0	**11**	
	232	**0**	**0**	**0**	**12**	
6230	15,355	0	33,913	0	**13**	
	0	0	0	0	**14**	**N**
	15,355	**0**	**33,913**	**0**	**15**	
6310	943	0	292	0	**16**	
	0	0	0	0	**17**	**O**
	943	**0**	**292**	**0**	**18**	
6410	72,590	12,883	122,819	0	**19**	
	0	0	0	0	**20**	
	72,590	**12,883**	**122,819**	**0**	**21**	
	176,918	**13,483**	**677,094**	**(75,753)**		
	0	**0**	**0**	**0**		
	176,918	**13,483**	**677,094**	**(75,753)**		
6510	2,104	0	3,370	0	**22**	
	0		0	0	**23**	**P**
	2,104		**3,370**	**0**	**24**	
6530	167,701	0	445,685	(126,351)	**25**	
	0	0	0	0	**26**	**Q**
	167,701	**0**	**445,685**	**(126,351)**	**27**	
6540	0	0	141,108	0	**28**	
	0	0	0	0	**29**	**R**
	0	**0**	**141,108**	**0**	**30**	
6560			2,273,284		**31**	
			0		**32**	
			2,273,284		**33**	
	169,805	**0**	**2,863,447**	**(126,351)**		
	0	**0**	**0**	**0**		
	169,805	**0**	**2,863,447**	**(126,351)**		

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)	
CUSTOMER OPERATIONS EXPENSE				
Total Marketing (6610)	200,210	446,872	50,134	**34**
Less: Nonregulated	0	0	0	**35** s
Net Regulated	**200,210**	**446,872**	**50,134**	**36**
Total Services (6620)	1,228,810	1,324,922	527,872	**37**
Less: Nonregulated	0	0	0	**38**
Net Regulated	**1,228,810**	**1,324,922**	**527,872**	**39**
TOTAL CUSTOMER OPERATIONS EXPENSE	**1,429,020**	**1,771,794**	**578,006**	
Less: Nonregulated	**0**	**0**	**0**	
Net Regulated	**1,429,020**	**1,771,794**	**578,006**	
CORPORATE OPERATIONS EXPENSE				
Total Exec. and Planning (6710)	495,067	402,679	188,897	**40**
Less: Nonregulated	0	0	0	**41**
Net Regulated	**495,067**	**402,679**	**188,897**	**42**
Total General and Administrative (6720)	1,242,364	1,331,992	50,717	**43**
Less: Nonregulated	0	0	0	**44**
Net Regulated	**1,242,364**	**1,331,992**	**50,717**	**45**
Provision for Uncollectible Notes Receiv. (6790)		0		**46**
Less: Nonregulated		0		**47**
Net Regulated	**0**	**0**		**48**
TOTAL CORPORATE OPERATIONS EXPENSE	**1,737,431**	**1,734,671**	**239,614**	
Less: Nonregulated	**0**	**0**	**0**	
Net Regulated	**1,737,431**	**1,734,671**	**239,614**	
TOTAL EXPENSES	**6,925,841**	**7,756,764**	**1,369,276**	
Less: Nonregulated	**0**	**0**	**0**	
Net Regulated	**6,925,841**	**7,756,764**	**1,369,276**	

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6610	22,699	550	373,489	0	**34**
	0	0	0	0	**35** s
	22,699	**550**	**373,489**	**0**	**36**
6620	268,243		528,807	0	**37**
	0		0	0	**38**
	268,243		**528,807**	**0**	**39**
	290,942	**550**	**902,296**	**0**	
	0	**0**	**0**	**0**	
	290,942	**550**	**902,296**	**0**	
6710	68,235		145,547	0	**40**
	0		0	0	**41**
	68,235		**145,547**	**0**	**42**
6720	25,952		1,255,323	0	**43**
	0		0	0	**44**
	25,952		**1,255,323**	**0**	**45**
6790			0		**46**
			0		**47**
			0		**48**
	94,187	**0**	**1,400,870**	**0**	
	0	**0**	**0**	**0**	
	94,187	**0**	**1,400,870**	**0**	
	731,852	**14,033**	**5,843,707**	**(202,104)**	
	0	**0**	**0**	**0**	
	731,852	**14,033**	**5,843,707**	**(202,104)**	

EXPENSE MATRIX - CLASS A & B (DETAIL)

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries/ Wages (d)	
Property Held for Future Tele. Use Exp. (6511)	0	0	0	1
Provisioning Expense (6512)	(236)	9,786	4,312	2
Total: Reported in Account 6510	**(236)**	**9,786**	**4,312**	
Depreciat. Exp.--Tele. Plant in Service (6561)	1,920,910	2,229,784		3
Depreciat. Exp.--Prop. Held for Future Tele. Use (6562	0	0		4
Amortization Expense--Tangible (6563)	43,500	43,500		5
Amortization Expense--Intangible (6564)	0	0		6
Amortization Expense--Other (6565)	0	0		7
Total: Reported in Account 6560	**1,964,410**	**2,273,284**		

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

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6511	0		0	0	**1**
6512	2,104		3,370	0	**2**
	2,104		**3,370**	**0**	
6561			2,229,784		**3**
6562			0		**4**
6563			43,500		**5**
6564			0		**6**
6565			0		**7**
			2,273,284		

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	9,342,964	1
Plus: Collection of amounts previously written off	0	2
Less: Uncollectibles written off during the year	0	3
Plus: Total Other Operating Income and (Expense) (7100)	0	4
Less: Nonregulated Operating Revenue (included Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Uncollectible Revenue (included in Gross Oper. Rev. on Line 1)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify):		8
Assessable Revenues for Remainder, Department of Justice, and Telephone Relay Assessment Purposes	**9,342,964**	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	3,711,410	1
Plus: Total Intrastate Access Revenues (5084)	1,700,680	2
Plus: Total Long Distance Network Services Revenue	162,338	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	**5,574,428**	

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	9,342,964	1
Plus: Collection of amounts previously written off	0	2
Less: Uncollectibles written off during the year	0	3
Plus: Total Other Operating Income and (Expense) (7100)	0	4
Less: Nonregulated Operating Revenue (included Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Uncollectible Revenue (included in Gross Oper. Rev. on Line 1)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify):		8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	**9,342,964**	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	3,711,410	1
Plus: Total Intrastate Access Revenues (5084)	1,700,680	2
Plus: Total Long Distance Network Services Revenue	162,338	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	**5,574,428**	

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	0	1
Return from Nonregulated Use of Regulated Facilities (7130)*	0	0	2
Gains and (Losses) from Foreign Exchange (7140)	0	0	3
Gains or (Losses) from the Disposition of Land and Artworks (7150)	0	0	4
Other Operating Gains and (Losses) (7160)*	0	0	5
TOTAL OTHER OPERATING INCOME AND (EXPENSE) (7100)*	**0**	**0**	
OPERATING TAXES			
Operating Investment Tax Credits--Net (7210)*	(17,400)	(17,400)	6
Operating Federal Income Taxes (7220)*	(84,400)	164,883	7
Operating State and Local Income Taxes (7230)*	(15,603)	40,409	8
Operating Other Taxes (7240)*	574,552	517,758	9
Provision for Deferred Operating Income Taxes--Net (7250)*	179,480	104,350	10
TOTAL OPERATING TAXES (7200)*	**636,629**	**810,000**	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)*	6,895	1,444	11
Interest Income (7320)*	244,547	287,617	12
Income from Sinking and Other Funds (7330)*	0	0	13
Allowance for Funds Used During Construction (7340)*	21,352	75,971	14
Gains or (Losses) from the Disposition of Certain Property (7350)*	0	0	15
Other Nonoperating Income (7360)*	490,049	0	16
Special Charges (7370)*	16,563	31,585	17
TOTAL NONOPERATING INCOME AND EXPENSE (7300)*	**746,280**	**333,447**	
NONOPERATING TAXES			
Nonoperating Investment Tax Credits--Net (7410)*	0	0	18
Nonoperating Federal Income Taxes (7420)*	204,244	78,548	19
Nonoperating State and Local Income Taxes (7430)*	50,004	19,251	20
Nonoperating Other Taxes (7440)*	0	0	21
Provision for Deferred Nonoperating Income Taxes-Net (7450)*	0	0	22
TOTAL NONOPERATING TAXES (7400)*	**254,248**	**97,799**	
INTEREST AND RELATED ITEMS			
Interest on Funded Debt (7510)*	869,402	903,410	23
Interest Expense--Capital Leases (7520)*	11,781	5,048	24
Amortization of Debt Issuance Expense (7530)*	517	215	25
Other Interest Deductions (7540)*	476	75	26
TOTAL INTEREST AND RELATED ITEMS (7500)*	**882,176**	**908,748**	
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)*	(59,968)	23,165	32

NONREGULATED NET INCOME (ACCT. 7990)

Particulars (a)	Amount (b)	
Revenues (Acct. 7990.1)		
Gross Sales	573,491	1
Less: Cost of Goods Sold	280,881	2
Net Sales	**292,610**	3
Expenses (Acct. 7990.2)	352,578	4
Nonregulated Net Income	**(59,968)**	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, Direct Broadcast Satellite (DBS), PBXs 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	1,369,276	1
Nonregulated Expense	161,118	2
Plant Accounts	130,454	3
Accumulated Depreciation Accounts	0	4
All Other Accounts	285,640	5
Total Salaries and Wages	**1,946,488**	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	1.00			1
Supervision and Other Management	9.00	5.00	312,153	2
Other Employees	47.00	43.00	1,600,221	3
Total	**57.00**	**48.00**	**1,912,374**	

DISTRIBUTION OF SALARIES AND WAGES

Description (a)	Amount (b)	
Regulated Expense	1,369,276	1
Nonregulated Expense	161,118	2
Plant Accounts	130,454	3
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All Other Accounts	285,640	5
Total Salaries and Wages	**1,946,488**	6

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Supervision and Other Management	9.00	5.00	312,153	2
Other Employees	47.00	43.00	1,600,221	3
Total	**57.00**	**48.00**	**1,912,374**	

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	3,354	20,512	4
Total Local	**3,354**	**20,512**	
TOLL			
Operator Handled: State--intraLATA			5
Operator Handled: State--interLATA			6
Operator Handled: Interstate			7
Customer Dialed: State--intraLATA		1,317	8
Customer Dialed: State--interLATA		66	9
Customer Dialed: Interstate		2,312	10
WATS			11
Other Toll-Undefined			12
Total Toll	**0**	**3,695**	
Total Local & Toll	**3,354**	**24,207**	

ACCESS USAGE

Enter number, in thousands, of Billed Minutes.

Description (a)	Billed Minutes (000's) Interstate InterLATA (b)	Intrastate InterLATA (c)	Intrastate IntraLATA (d)	Interstate IntraLATA (e)	
Feature Group A -- Orig.	0	0	0	0	**1**
Feature Group A -- Term.	0	0	0	0	**2**
Feature Group B -- Orig.	0	0	18	0	**3**
Feature Group B -- Term.	0	0	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.	15,710	5,732	9,145	38	**7**
Feature Group D -- Term.	15,567	5,683	8,687	41	**8**

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	172	1
Sheath miles of plant - buried	1,446	2
Sheath miles of plant - fiber optics	157	3
Strand miles of plant - fiber optics	1,960	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	29	12	1
56 kbps	31	11	2
64 kbps (DS0)	2	1	3
1.54 Mbps (DS-1)	14	4	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	172	1
Sheath miles of plant - buried	1,446	2
Sheath miles of plant - fiber optics	157	3
Strand miles of plant - fiber optics	1,960	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	29	12	1
56 kbps	31	11	2
64 kbps (DS0)	2	1	3
1.54 Mbps (DS-1)	14	4	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	1,717	2,183	3
2 Party	0	0	4
4 Party	0	0	5
PBX Trunks/System Trunks	52	65	6
Centrex Trunks	0	0	7
Centrex Lines	3,480	3,752	8
Key System Trunks	555	560	9
Mobile (Utility Provided Service)	0	2	10
Paging (Utility Provided Service)	0	185	11
FX-Out (Switched)	0	0	12
Pay Telephone	0	115	13
Coin-Operated Pay Telephone	0	0	14
Independent Pay Telephone Provider	0	0	15
Pay Stations - Public	80	0	16
- Semi-Public	25	0	17
- Cust. Owned	0	0	18
Other	46	0	19
Total Business Lines	**5,955**	**6,862**	20
Residential (Incl. Emp. Concess.)			21
1 Party	10,038	10,037	22
2 Party	0	0	23
4 Party	0	0	24
FX-Out (Switched)	0	0	25
Other	0	1	26
Total Residential Lines	**10,038**	**10,038**	27
Total Bus & Res Lines	**15,993**	**16,900**	28
Company Used Lines	44	108	29
Total Lines Used	**16,037**	**17,008**	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	3	1	3
WATS Lines - 800 Service	3	3	4
FX-In-intraLATA	15	0	5
Special Access-intraLATA			6
(expressed in equiv. access lines)	101	120	7
Special Access-interLATA			8
(expressed in equiv. access lines)	61	398	9
Feature Group A Lines	0	0	10
Feature Group B Trunks	14	14	11
Feature Group C Trunks	264	264	12
Feature Group D Trunks	781	828	13
TSPS - Trunks	51	70	14
EAS - Trunks	180	180	15
Cellular Trunks (Pub. Sw. Net.)	34	0	16
Video Distance Learning			17
- discounted (special tariff)	0	0	18
Customers			19
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			24
Total Central Office, Info. Orig./Term., & Cable			25
Wire Fac. Assets (based on physical			26
location of plant)	25,676,700	27,674,684	27
Total Company Square Miles	473	495	28
Total Company Route Miles	1,583	1,659	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	0030	0560	0770	2610	1
Business					2
1 Party	101	102	63	66	3
2 Party	0	0	0	0	4
4 Party	0	0	0	0	5
PBX Trunks/System Trunks	0	0	0	0	6
Centrex Trunks	0	0	0	0	7
Centrex Lines	0	0	0	27	8
Key System Trunks	21	20	10	28	9
Mobile (utility provided service)	0	0	0	0	10
Paging (utility provided service)	0	0	0	0	11
FX-Out (Switched)	0	0	0	0	12
Pay Telephone	6	2	3	13	13
Coin-Operated Pay Telephone	0	0	0	0	14
Independent Pay Telephone Provider	0	0	0	0	15
Pay Stations - Public	0	0	0	0	16
- Semi-Public	0	0	0	0	17
- Cust. Owned	0	0	0	0	18
Other	0	0	0	0	19
Total Business Lines	**128**	**124**	**76**	**134**	20
Residential (Incl. Emp. Concess.)					21
1 Party	925	779	484	379	22
2 Party	0	0	0	0	23
4 Party	0	0	0	0	24
FX-Out (Switched)	0	0	0	0	25
Other	0	0	0	0	26
Total Residential Lines	**925**	**779**	**484**	**379**	27
Total Bus & Res Lines	**1,053**	**903**	**560**	**513**	28
Company Used Lines	4	3	4	5	29
Total Lines Used	**1,057**	**906**	**564**	**518**	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	3490	3530	4990	6010	1
Business					2
1 Party	1,651	116	67	17	3
2 Party	0	0	0	0	4
4 Party	0	0	0	0	5
PBX Trunks/System Trunks	65	0	0	0	6
Centrex Trunks	0	0	0	0	7
Centrex Lines	3,694	31	0	0	8
Key System Trunks	425	38	16	2	9
Mobile (utility provided service)	2	0	0	0	10
Paging (utility provided service)	185	0	0	0	11
FX-Out (Switched)	0	0	0	0	12
Pay Telephone	81	5	5	0	13
Coin-Operated Pay Telephone	0	0	0	0	14
Independent Pay Telephone Provider	0	0	0	0	15
Pay Stations - Public	0	0	0	0	16
- Semi-Public	0	0	0	0	17
- Cust. Owned		0	0	0	18
Other	0	0	0	0	19
Total Business Lines	**6,103**	**190**	**88**	**19**	20
Residential (Incl. Emp. Concess.)					21
1 Party	6,093	823	456	98	22
2 Party		0	0	0	23
4 Party		0	0	0	24
FX-Out (Switched)		0	0	0	25
Other		1	0	0	26
Total Residential Lines	**6,093**	**824**	**456**	**98**	27
Total Bus & Res Lines	**12,196**	**1,014**	**544**	**117**	28
Company Used Lines	75	9	4	4	29
Total Lines Used	**12,271**	**1,023**	**548**	**121**	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	0030	0560	0770	2610	1
Miscellaneous					2
WATS Lines - OutWATS	0	0	0	0	3
WATS Lines - 800 Service	0	0	0	0	4
FX-In-intraLATA	0	0	0	0	5
Special Access-intraLATA					6
(equiv. access lines)	2	2	0	0	7
Special Access-interLATA					8
(equiv. access lines)	24	1	1	3	9
Feature Group A Lines					10
Feature Group B Trunks	0				11
Feature Group C Trunks	0				12
Feature Group D Trunks	0				13
TSPS - Trunks	0				14
EAS - Trunks	0				15
Cellular Trunks (Pub. Sw. Net.)					16
Video Distance Learning					17
- discounted (special tariff)					18
Customers					19
Business - 2 Party Customers	0	0	0	0	20
Business - 4 Party Customers	0	0	0	0	21
Residential - 2 Party Customers	0	0	0	0	22
Residential - 4 Party Customers	0	0	0	0	23
Other					24
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical					26
location of plant)	1,830,026	1,573,031	1,266,027	856,232	27
Exchange Square Miles	55	84	54	35	28
Exchange Route Miles	176	212	142	101	29
Footnotes					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	3490	3530	4990	6010	1
Miscellaneous					2
WATS Lines - OutWATS	1	0	0	0	3
WATS Lines - 800 Service	3	0	0	0	4
FX-In-intraLATA	0	0	0	0	5
Special Access-intraLATA					6
(equiv. access lines)	115	1	0	0	7
Special Access-interLATA					8
(equiv. access lines)	366	2	1	0	9
Feature Group A Lines	0				10
Feature Group B Trunks	14				11
Feature Group C Trunks	264				12
Feature Group D Trunks	828				13
TSPS - Trunks	70				14
EAS - Trunks	180				15
Cellular Trunks (Pub. Sw. Net.)	0				16
Video Distance Learning					17
- discounted (special tariff)	0				18
Customers					19
Business - 2 Party Customers	0	0	0	0	20
Business - 4 Party Customers	0	0	0	0	21
Residential - 2 Party Customers	0	0	0	0	22
Residential - 4 Party Customers	0	0	0	0	23
Other					24
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical					26
location of plant)	19,137,334	1,546,068	1,194,428	271,538	27
Exchange Square Miles	143	66	47	11	28
Exchange Route Miles	700	173	124	31	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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Equipment Type (a)	Abbreviation (b)	
Electromechanical	EM	**1**
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	ALBANY	BLANCHARDVILL	BROWNTOWN	JUDA	1
PSCW Exchange ID	0030	0560	0770	2610	2
Central Office Name	ALBANY	BLANCHARDVILLE	BROWNTOWN	JUDA	3
PSCW Central Office ID	1	1	1	1	4
Manufacturer of COE (Page 54)	NTI	NTI	NTI	NTI	5
Year COE Installed	1988	1988	1988	1988	6
Type of Equipment (Page 54)	D	D	D	D	7
(S)tandalone, (H)ost, (R)emote	R	R	R	R	8
Remote Host PSCW Exchange ID	3490	3490	3490	3490	9
Remote Host PSCW Central Office ID	1	1	1	1	10
COE Generic Software Release No.	NA005	NA005	NA005	NA005	11
SS7?	Yes	Yes	Yes	Yes	12
9-1-1?	Yes	Yes	Yes	Yes	13
Access Lines - In Use	1,057	906	564	518	14
- Equipped	1,216	1,024	640	576	15
- Wired	1,216	1,024	640	576	16
Trunks - In Use	0	0	0	0	17
- Equipped	0	0	0	0	18
- Wired	0	0	0	0	19
ISDN Available?	Yes	Yes	Yes	Yes	20
ISDN Lines - In Use (BRI)	0	0	0	0	21
- In Use (PRI)	0	0	0	0	22
Switched 56 Service?	Yes	Yes	Yes	Yes	23
Switched 56 lines in use	0	0	0	0	24
Digital Transmission Facilities: DS-1 - In Use	6	5	20	12	25
DS-3 - In Use	1	1	1	1	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	0	0	0	32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	56	36	8	24	33
No. of fiber strands working (LIT) in C.O.	19	8	8	4	34
No. of fiber strands for interoffice use	50	4	8	20	35
Miles of fiber sheath in wire center	25	20	6	4	36
Access Tandem Serving this C.O.:					
- C.O. Name	MONROE	MONROE	MONROE	MONROE	37
- PSCW C.O. ID	3490-01	3490-01	3490-01	3490-01	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.

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	MONROE	MONROE	MONROE	MONROE	1
PSCW Exchange ID	3490	3490	3490	3490	2
Central Office Name	MAIN	WEST	PLEASNT	EAST	3
PSCW Central Office ID	1	2	3	4	4
Manufacturer of COE (Page 54)	NTI	NTI	NTI	NTI	5
Year COE Installed	1988	1988	1988	1988	6
Type of Equipment (Page 54)	D	D	D	D	7
(S)tandalone, (H)ost, (R)emote	H	R	R	R	8
Remote Host PSCW Exchange ID		3490	3490	3490	9
Remote Host PSCW Central Office ID	0	1	1	1	10
COE Generic Software Release No.	NA005	NA005	NA005	NA005	11
SS7?	Yes	Yes	Yes	Yes	12
9-1-1?	Yes	Yes	Yes	Yes	13
Access Lines - In Use	8,616	1,845	323	303	14
- Equipped	9,042	1,983	417	332	15
- Wired	9,440	1,984	512	640	16
Trunks - In Use	1,953	0	0	0	17
- Equipped	2,880	0	0	0	18
- Wired	2,880	0	0	0	19
ISDN Available?	Yes	Yes	Yes	Yes	20
ISDN Lines - In Use (BRI)	16	0	0	0	21
- In Use (PRI)	2	0	0	0	22
Switched 56 Service?	Yes	No	No	Yes	23
Switched 56 lines in use	0	0	0	0	24
Digital Transmission Facilities: DS-1 - In Use	148	24	4	4	25
DS-3 - In Use	12	1	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	Yes	Yes	No	31
- In Use (# lines) [1]	0	0	0	0	32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	288	4	0	4	33
No. of fiber strands working (LIT) in C.O.	76	4	0	4	34
No. of fiber strands for interoffice use	48	4	0	4	35
Miles of fiber sheath in wire center	73	0	0	0	36
Access Tandem Serving this C.O.:					
- C.O. Name	MONROE	MONROE	MONROE	MONROE	37
- PSCW C.O. ID	3490-01	3490-01	3490-01	3490-01	38
Does this C.O. do access tandem switching?	Yes	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.

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	MONROE	MONROE	MONTICELLO	SOUTH WAYNE	1
PSCW Exchange ID	3490	3490	3530	4990	2
Central Office Name	MONROE	CLINIC	MONTICELLO	SOUTH WAYNE	3
PSCW Central Office ID	5	6	1	1	4
Manufacturer of COE (Page 54)	NTI	NTI	NTI	NTI	5
Year COE Installed	1992	1993	1988	1988	6
Type of Equipment (Page 54)	D	D	D	D	7
(S)tandalone, (H)ost, (R)emote	R	R	R	R	8
Remote Host PSCW Exchange ID	3490	3490	3490	3490	9
Remote Host PSCW Central Office ID	1	1	1	1	10
COE Generic Software Release No.	NA005	NA005	NA005	NA005	11
SS7?	Yes	Yes	Yes	Yes	12
9-1-1?	Yes	Yes	Yes	Yes	13
Access Lines - In Use	125	1,059	1,023	548	14
- Equipped	142	1,122	1,153	640	15
- Wired	256	1,280	1,184	640	16
Trunks - In Use	0	0	0	0	17
- Equipped	0	0	0	0	18
- Wired	0	0	48	48	19
ISDN Available?	Yes	Yes	Yes	Yes	20
ISDN Lines - In Use (BRI)	0	0	0	0	21
- In Use (PRI)	0	0	0	0	22
Switched 56 Service?	Yes	Yes	Yes	Yes	23
Switched 56 lines in use	0	0	0	0	24
Digital Transmission Facilities: DS-1 - In Use	4	8	15	4	25
DS-3 - In Use	0	1	2	1	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	0	0	0	32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	4	12	48	76	33
No. of fiber strands working (LIT) in C.O.	2	4	20	12	34
No. of fiber strands for interoffice use	2	4	16	8	35
Miles of fiber sheath in wire center	0	0	14	15	36
Access Tandem Serving this C.O.:					
- C.O. Name	MONROE	MONROE	MONROE	MONROE	37
- PSCW C.O. ID	3490-01	3490-01	3490-01	3490-01	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.

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	WOODFORD				1
PSCW Exchange ID	6010				2
Central Office Name	WOODFORD				3
PSCW Central Office ID	1				4
Manufacturer of COE (Page 54)	NTI				5
Year COE Installed	1988				6
Type of Equipment (Page 54)	D				7
(S)tandalone, (H)ost, (R)emote	R				8
Remote Host PSCW Exchange ID	3490				9
Remote Host PSCW Central Office ID	1				10
COE Generic Software Release No.	NA005				11
SS7?	Yes				12
9-1-1?	Yes				13
Access Lines - In Use	121				14
- Equipped	132				15
- Wired	192				16
Trunks - In Use	0				17
- Equipped	0				18
- Wired	0				19
ISDN Available?	Yes				20
ISDN Lines - In Use (BRI)	0				21
- In Use (PRI)	0				22
Switched 56 Service?	Yes				23
Switched 56 lines in use	0				24
Digital Transmission Facilities: DS-1 - In Use	4				25
DS-3 - In Use	0				26
Advanced Data Service Available:					
Packet Switching?	No				27
SMDS?	No				28
Frame Relay?	No				29
ATM (Asynchronous Trans. Mode)?	No				30
Video Information - Service Available?	No				31
- In Use (# lines) [1]	0				32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	0				33
No. of fiber strands working (LIT) in C.O.	0				34
No. of fiber strands for interoffice use	0				35
Miles of fiber sheath in wire center	0				36
Access Tandem Serving this C.O.:					
- C.O. Name	MONROE				37
- PSCW C.O. ID	3490-01				38
Does this C.O. do access tandem switching?	No				39
Equal Access: InterLATA (1+)?	Yes				40
Equal Access: IntraLATA (1+)?	No				41
Footnotes					42

[1] Teleco provided end-to-end facility.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

General Footnote

Schedule Footnotes

Net Deferred Operating Income Taxes (Acct. 1350, 1410, 1437, 4100, 4340, 4341 & 4361) Footnote. Page 30

Adjustments are due to rounding or are reclasses between the Property Related and Nonproperty Related classification.

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. Numbers in colunm (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, and 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) The amounts on pages 22-29, columns (g) and (k) are reclasses between accounts or adjustments to reconcile the previous owners general ledger to our accounts.

C) Increase/decrease in various revenue categories is due to a change in the customer billing system in November 1997. The new system is coding some revenues differently than the old system.

D) Public Telephone revenues decreased in 1997 as a result of deregulation effective April, 1997.

E) Interstate-End User Revenue increased due to a classification error. The offset is in Interstate Access Revenues.

F) Interstate Special Access Revenues decreased in 1997 due to a prior period adjustment.

G) Intrastate Special Access Revenue increased in 1997 due to an increase in circuits.

H) Long Distance Message Revenue decreased in 1997 due to the discontinuation of operators in August, 1997. Utelco previously employed operators, this service is now contracted out to a third party.

I) Other Incidental Regulated Revenue decreased in 1997 due to a change in coding commissions on credit cards.

J) Uncollectible Revenues - Telecommunications increased due to larger write-offs of customer accounts in 1997.

K) Network Support Expense increased due to increased maintenance on motor vehicles and special purpose vehicles.

L) General Support Expense increased and Central Office Switching Expense decreased partially due to coding problems during the transition to a new financial system in 1996. The change in financial systems occured after the acquisition of Utelco, Inc. by Monroe Communications Coproration. Monroe Communications Corporation is a wholly owned subsidiary of TDS Telecommunications Corporation.

M) General Support Expense also increased due to office remodeling in 1997.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

N) Central Office Transmission Expenses increased due to increased maintenance.

O) Information Orig./Term. Expense decreased in 1997 due primarily to the deregulation of pay phones.

P) Other Property, Plant and Equip. Expense increased due to coding problems during the transition to a new financial system in 1996. The change in financial systems occured after the acquisition of Utelco, Inc. by Monroe Communications Coproration. Monroe Communications Corporation is a wholly owned subsidiary of TDS Telecommunications Corporation.

Q) Network Operations Expense increased due to costs relating to the relocation of several exchanges.

R) Access expense increased due to an increase in special circuits - see footnote G.

S) Marketing expenses increased in 1997 due to intensified efforts to promote regulated product lines and an increase in management services costs.

T) Per the Public Service Commission of Wisconsin (PSC) this account group is allowed to be depreciated to greater than 100%.

U) TDS Corporate Chicago and TDS Corporate Madison were merged 4/1/96. All charges from TDS Corporate Madison after 4/1/96 are included in the TDS CORP column.