4004

ANNUAL REPORT

OF

Name:	MILLTOWN MUTUAL TELEPHONE COMPANY
Principal Office:	107 N MILLTOWN AVE P.O. BOX 40 MILLTOWN, WI 54858-0040
For the Year Ended:	DECEMBER 31, 1998

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 JOHN K. KLATT of
(Person responsible for accounts)

MILLTOWN MUTUAL TELEPHONE COMPANY , certify that I
(Utility Name)

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

JOHN K. KLATT 04/16/1999
(Person responsible for accounts) (Date)

PRESIDENT/CEO
(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: MILLTOWN MUTUAL TELEPHONE COMPANY
Utility Location: 107 N MILLTOWN AVE
P.O. BOX 40
MILLTOWN, WI 54858-0040
Utility Web Site Address:
When was utility organized?: 01/01/1908
Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: JOHN K . KLATT
Title: PRESIDENT/CEO

Office Address: 107 MILLTOWN AVENUE NORTH
P.O. BOX 40
MILLTOWN , WI 54858
Fax Number: (715) 825 - 4299
Telephone Number: (715) 825 - 2171
Email Address: jkklatt@lakelandcommunications.net

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

Name:
Title:

Office Address:

Fax Number: ( ) -
Telephone Number: ( ) -
Email Address:

Person responsible for financial information contained in report

Name: SALLY A . BAJAK
Title: OFFICE MANAGER

Office Address: 107 MILLTOWN AVENUE NORTH
P.O. BOX 40
MILLTOWN , WI 54858
Fax Number: (715) 825 - 4299
Telephone Number: (715) 825 - 2171
Email Address: sbajak@lakelandcommunications.net

Person responsible for statistical information contained in report

Name: SALLY A . BAJAK
Title: OFFICE MANAGER

Office Address: 107 MILLTOWN AVENUE NORTH
P.O. BOX 40
MILLTOWN , WI 54858
Fax Number: (715) 825 - 4299
Telephone Number: (715) 825 - 2171
Email Address: sbajak@lakelandcommunications.net

IDENTIFICATION AND OWNERSHIP

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

Name: LAKELAND COMMUNICATIONS, INC.
Address: 28 1ST AVENUE WEST
PO BOX 300
LUCK , WI 54853-0300
Number of Shares Held: 1,968
Beneficial Owner: NONE

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

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

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	1,335,793	1,208,821	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	259,450	190,891	2
Plant Nonspecific Operations Expense	340,960	304,589	3
Customer Operations Expense (6610-6620)	138,653	177,544	4
Corporate Operations Expense (6710-6790)	224,646	225,218	5
Other Operating Income and Expense (7100)	0	0	6
Operating Taxes (7200)	178,641	155,829	7
Total Operating Expenses	**1,142,350**	**1,054,071**	8
Net Operating Income	**193,443**	**154,750**	9
Other Income			
Nonoperating Income and Expense (7300)	218,900	78,888	10
Nonoperating Taxes (7400)	86,121	25,962	11
Interest and Related Items (7500)	34,238	37,097	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	41,795	15,030	14
Total Nonoperating Income	**140,336**	**30,859**	15
Net Income	**333,779**	**185,609**	16

NOTES TO INCOME STATEMENT OR BALANCE SHEET

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

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

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

A. Property and Equipment

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

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

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

B. Income Taxes

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

C. Revenue Recognition

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

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:

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

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

D. Cash and Cash Equivalents

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

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

None.

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

The mortgage to the United States of America, underlying the RUS notes, contains certain restrictions on the declaration of payment of cash dividends, redemption of capital stock, or investment in affiliated companies. As of December 31, 1998, the maximum amount which could be distributed in accordance with these restrictions was $677,049, except as might be specifically authorized in writing in advance by the RUS noteholders.

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT ASSETS			
CASH AND EQUIVALENTS			
Cash and Equivalents (1120)*	622,384	430,636	**1**
Cash (1130)			**2**
Special Cash Deposits (1140)			**3**
Working Cash Advances (1150)			**4**
Temporary Investments (1160)			**5**
TOTAL CASH AND EQUIVALENTS	**622,384**	**430,636**	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	83,179	117,631	**6**
Accounts Receivable Allowance-Telecom (1181)*	0	0	**7**
Net: Telecommunications Accounts Receivable	**83,179**	**117,631**	
Other Accounts Receivable (1190)*	183,024	134,796	**8**
Accounts Receivable Allowance--Other (1191)*	0	0	**9**
Net: Other Accounts Receivable	**183,024**	**134,796**	
Notes Receivable (1200)*	0	0	**10**
Notes Receivable Allowance (1201)*	0	0	**11**
Net: Notes Receivable	**0**	**0**	
Interest and Dividends Receivable (1210)*	0	0	**12**
TOTAL RECEIVABLES AND ALLOWANCES FOR DOUBTFUL	**266,203**	**252,427**	
SUPPLIES			
Inventories (1220)*	29,468	27,241	**13**
TOTAL SUPPLIES	**29,468**	**27,241**	
PREPAYMENTS			
Total Prepayments (1280)*	8,440	10,637	**14**
Prepaid Rents (1290)			**15**
Prepaid Taxes (1300)			**16**
Prepaid Insurance (1310)			**17**
Prepaid Directory Expenses (1320)			**18**
Other Prepayments (1330)			**19**
TOTAL PREPAYMENTS	**8,440**	**10,637**	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	8,171	0	**20**
TOTAL OTHER CURRENT ASSETS	**8,171**	**0**	
TOTAL CURRENT ASSETS	**934,666**	**720,941**	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	217,251	216,274	**21**
Investments in Nonaffiliated Companies (1402)*	213,281	213,281	**22**
Nonregulated Investments (1406)*	23,945	29,815	**23**
Unamortized Debt Issuance Expense (1407)*	0	0	**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)*	3,417	5,099	**26**
TOTAL INVESTMENTS	**457,894**	**464,469**	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*	0	0	**27**
Deferred Maintenance and Retirements (1438)*	0	0	**28**
Deferred Charges (1439)*	0	0	**29**
TOTAL DEFERRED CHARGES	**0**	**0**	
TOTAL NONCURRENT ASSETS	**457,894**	**464,469**	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	4,601,856	4,378,294	**30**
Less: Accumulated Depreciation (3100)*	3,025,120	2,705,299	**31**
Less: Accumulated Amortization--Capitalized Leases (3410)*	0	0	**32**
Less: Accumulated Amortization--Leasehold Improvements (3420)*	0	0	**33**
Less: Accumulated Amortization--Intangible (3500)*	0	0	**34**
NET TELECOMMUNICATIONS PLANT IN SERVICE	**1,576,736**	**1,672,995**	
PROPERTY HELD FOR FUTURE USE			
Prop. Held for Future Telecommun. Use (2002)*	0	0	**35**
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200)*	0	0	**36**
NET PROPERTY HELD FOR FUTURE USE	**0**	**0**	
NONOPERATING PLANT			
Nonoperating Plant (2006)*	0	0	**37**
Less: Accumulated Depreciation--Nonoperating (3300)*	0	0	**38**
NET NONOPERATING PLANT	**0**	**0**	
TPUC			
TPUC (2003)*	0	0	**39**
TOTAL TPUC	**0**	**0**	
TELECOMMUNICATIONS PLANT ADJUSTMENT			
Telecommunications Plant Adjustment (2005)*	0	0	**40**
Less: Accumulated Amortization--Other (3600)*	0	0	**41**
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	**0**	**0**	
TOTAL PLANT	**1,576,736**	**1,672,995**	
TOTAL ASSETS AND OTHER DEBITS*	**2,969,296**	**2,858,405**	

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	296,414	273,834	**1**
Notes Payable (4020)*	0	0	**2**
Advance Billing and Payments (4030)*	276	2,298	**3**
Customer Deposits (4040)*	1,950	250	**4**
Current Maturities--Long-Term Debt (4050)*	64,800	64,236	**5**
Current Maturities--Capital Leases (4060)*	0	0	**6**
Income Taxes--Accrued (4070)*	217,232	12,959	**7**
Other Taxes--Accrued (4080)*	(6,135)	(16,975)	**8**
Net Current Deferred Operating Income Taxes (4100)*	0	0	**9**
Net Current Deferred Nonoperating Income Taxes (4110)*	0	17,207	**10**
Other Accrued Liabilities (4120)*	8,731	6,104	**11**
Other Current Liabilities (4130)*	0	0	**12**
TOTAL CURRENT LIABILITIES*	**583,268**	**359,913**	
LONG-TERM DEBT			
Funded Debt (4210)*	800,130	864,930	**13**
Premium on Long-Term Debt (4220)*	0	0	**14**
Discount on Long-Term Debt (4230)*	0	0	**15**
Reacquired Debt (4240)*	0	0	**16**
Obligations Under Capital Leases (4250)*	0	0	**17**
Advances from Affiliated Companies (4260)*	0	0	**18**
Other Long-Term Debt (4270)*	0	0	**19**
TOTAL LONG-TERM DEBT*	**800,130**	**864,930**	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*	14,739	17,302	**20**
Unamortized Operating ITC--Net (4320)*	0	12,601	**21**
Unamortized Nonoperating ITC--Net (4330)*	0	0	**22**
Net Noncurrent Deferred Operating Income Taxes (4340)*	122,579	120,008	**23**
Net Deferred Tax Liability Adjustments (4341)*	0	(8,227)	**24**
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	(72,458)	(47,888)	**25**
Other Deferred Credits (4360)*	0	0	**26**
Deferred Tax Regulatory Liability (4361)*	0	8,227	**27**
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS*	**64,860**	**102,023**	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	49,200	49,200	**28**
Additional Paid-in Capital (4520)*	0	0	**29**
Treasury Stock (4530)*	0	0	**30**
Other Capital (4540)*	0	27,746	**31**
Retained Earnings (4550)*	1,471,838	1,454,593	**32**
TOTAL STOCKHOLDERS' EQUITY*	**1,521,038**	**1,531,539**	
TOTAL LIABILITIES AND OTHER CREDITS*	**2,969,296**	**2,858,405**	

STATEMENT OF CASH FLOWS

Item (a)	Amount (b)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	333,779	**1**
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and amortization	331,459	**2**
Interest during construction	0	**3**
Changes in assets and liabilities:		
Current assets (net)	(21,977)	**4**
Other noncurrent assets	1,682	**5**
Other current liabilities	222,791	**6**
Other liabilities and deferred credits	(37,163)	**7**
Other (specify):		
TOTAL ADJUSTMENTS	**496,792**	
NET CASH PROVIDED BY OPERATING ACTIVITIES (NET INCOME & ADJUST.)	**830,571**	
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures:		
Changes in plant (net)	(235,200)	**8**
Investments in affiliated companies	(977)	**9**
Nonoperating Investments	5,870	**10**
Other (specify):		
NET CASH USING IN INVESTING ACTIVITIES	**(230,307)**	
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in capital lease obligations (net)	0	**11**
Change in long-term debt (net)	(64,236)	**12**
Net changes in stockholder equity other than retained earnings	(27,746)	**13**
Change in short term borrowing (net)	0	**14**
Dividends paid	(316,534)	**15**
Miscellaneous debits/credits to retained earnings	0	**16**
Other (specify):		
Net Cash Provided by Financing Activities	**(408,516)**	
NET INCREASE IN CASH AND CASH EQUIVALENTS	**191,748**	
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.

   During 1998, the Public Service Commission of Wisconsin (PSCW) approved the adoption of Statement of Position 98-1, Accounting for the Costs of Computer Software Developed or Obtained for Internal Use.

AFFILIATE ABBREVIATIONS

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

Name of Affiliate (a)	Abbreviations (b)	
Lakeland Communications, Inc.	LAKELAND	**1**
Lakes Communications, Inc.	LAKES	**2**
Luck Telephone Company	LUCK	**3**

AFFILIATED INTEREST TRANSACTIONS

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

Particulars (a)	(b)	(c)	(d)	(e)	
Docket	3690-AT-000103	3690-AT-000100			
Name of Affiliate	LAKELAND	LUCK			1
Designate whether billed to or from:	FROM	FROM			2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C	C			3
Revenues					4
Expenses:					
Plant Specific Operations Expense					5
Plant Nonspecific Operations Expense					6
Customer Operations Expense					7
Corporate Operations Expense					8
Total Operating Expenses	**0**	**0**	**0**	**0**	9
Other:					
Plant Accounts					10
Accumulated Depreciation					11
Accumulated Amortization					12
Clearing					13
All Other	50,232	366,638			14
Total	**50,232**	**366,638**	**0**	**0**	15
Percent of affiliate's business billed to all affiliated regulated utilities					16
If cost based, rate of return on equity or markup incorporated in billings	0.00	0.00			17
Footnotes	**H**	**H**			

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)	
Lakes Communications, Inc.	1401	217,251	**1**
Lakeland Communications, Inc.	4010	30,979	**2**
Luck Telephone Company	4010	159,115	**3**

ACCOUNTS RECEIVABLE NET WRITE OFFS - TELECOMMUNICATIONS

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

Particulars (a)	Amount (b)	
Collection of amounts previously written off		1
Uncollectibles written off during the year		2
Net write offs during the year	**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	0	**1**
Other:		
Wisconsin RSA #1, Ltd. Partnership	213,281	**2**
Total Investments in Nonaffiliated Companies	**213,281**	

NONREGULATED INVESTMENTS (ACCT. 1406)

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

Name (a)	Balance EOY (b)	
Total Net Investment and Inventory (Accts. 1406.10, 1406.11, and 1406.12):		
Permanent Investment	15,795	**1**
Inventory	8,150	**2**

DEFERRED MAINTENANCE AND RETIREMENTS (ACCT. 1438)

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

Description of Item (a)	Balance EOY (b)

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)		
GENERAL SUPPORT ASSETS					
Land	2111	15,854		1	
Motor Vehicles	2112	76,421	70,128	2	
Aircraft	2113	0		3	
Special Purpose Vehicles	2114	0		4	
Garage Work Equipment	2115	0		5	
Other Work Equipment	2116	90,053	82,095	6	
Buildings	2121	253,253		7	
Furniture	2122	19,515		8	
Office Equipment	2123	28,483	0	9	
General Purpose Computers	2124	33,790		10	
TOTAL--GENERAL SUPPORT ASSETS:		**517,369**	**152,223**		
CENTRAL OFFICE ASSETS					
Analog Electronic Switching	2211	0		11	
Digital Electronic Switching	2212	1,439,137	16,173	12	
Electro-Mechanical Switching	2215	0	0	13	
Operator Systems	2220	0		14	
Radio Systems	2231	0	0	15	
Circuit Equipment	2232	368,874	0	16	A
TOTAL--CENTRAL OFFICE ASSETS:		**1,808,011**	**16,173**		
INFORMATION ORIGINATION/TERMINATION ASSETS					
Station Apparatus	2311	0		17	
Customer Premises Wiring	2321	0		18	
Large Private Branch Exchanges	2341	0		19	
Public Telephone Terminal Equipment	2351	0		20	
Other Terminal Equipment	2362	10,168		21	
TOTAL--INFORMATION ORIG/TERM ASSETS:		**10,168**	**0**		
CABLE WIRE FACILITIES ASSETS					
Poles	2411	6,096		22	
Aerial Cable	2421	0	0	23	
Underground Cable	2422	8,317	0	24	
Buried Cable	2423	2,017,169	134,212	25	B,C
Submarine Cable	2424	1,500	0	26	
Deep Sea Cable	2425	0		27	
Intrabuilding Network Cable	2426	0	0	28	
Aerial Wire	2431	263		29	
Conduit Systems	2441	9,401		30	
TOTAL--CABLE WIRE FACILITIES ASSETS:		**2,042,746**	**134,212**		
AMORTIZABLE ASSETS					
Capital Leases	2681	0		31	

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

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)		
2111			**15,854**	**1**	
2112	32,470		**114,079**	**2**	
2113			**0**	**3**	
2114			**0**	**4**	
2115			**0**	**5**	
2116	46,576		**125,572**	**6**	
2121			**253,253**	**7**	
2122			**19,515**	**8**	
2123	0	0	**28,483**	**9**	
2124			**33,790**	**10**	
	79,046	**0**	**590,546**		
2211			**0**	**11**	
2212	0	0	**1,455,310**	**12**	
2215	0	0	**0**	**13**	
2220			**0**	**14**	
2231	0	0	**0**	**15**	
2232	0	52,848	**421,722**	**16**	**A**
	0	**52,848**	**1,877,032**		
2311			**0**	**17**	
2321			**0**	**18**	
2341			**0**	**19**	
2351			**0**	**20**	
2362			**10,168**	**21**	
	0	**0**	**10,168**		
2411			**6,096**	**22**	
2421	0	0	**0**	**23**	
2422	0	0	**8,317**	**24**	
2423	0	(52,848)	**2,098,533**	**25**	**B,C**
2424	0	0	**1,500**	**26**	
2425			**0**	**27**	
2426	0	0	**0**	**28**	
2431			**263**	**29**	
2441			**9,401**	**30**	
	0	**(52,848)**	**2,124,110**		
2681			**0**	**31**	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
AMORTIZABLE ASSETS				
Leasehold Improvements	2682	0		**32**
Intangibles	2690	0		**33**
TOTAL--AMORTIZABLE ASSETS:		**0**	**0**	
TOTAL TELECOM. PLANT IN SERVICE	**2001**	**4,378,294**	**302,608**	
Less: Allocation to Nonregulated Activity - EOY	2001			**34**
NET REG. TOTAL TELE. PLANT IN SERV. - EOY	**2001**			

Explain all amounts shown in column (g).

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

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2682			**0**	**32**
2690			**0**	**33**
	0	**0**	**0**	
	79,046	**0**	**4,601,856**	
2001			0	**34**
			4,601,856	

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	19,510		1	
Company Communications Equipment	2123.2	8,973		2	
Software	2212.1	126,700	7,349	3	
Digital Switching - Central Office	2212.2	1,312,437	8,824	4	
Digital Switching - Remote	2212.3	0		5	
Step by Step Switching	2215.1	0		6	
Crossbar Switching	2215.2	0		7	
Satellite and Earth Station Facilities	2231.1	0		8	
Other Radio Facilities	2231.2	0		9	
Digital Circuit Equipment	2232.1	368,874		10	A
Analog Circuit Equipment	2232.2	0		11	
Light Wave Circuit Equipment	2232.3	0		12	
Aerial Cable - Nonmetallic	2421.1	0		13	
Aerial Cable - Metallic	2421.2	0		14	
Underground Cable - Nonmetallic	2422.1	0		15	
Underground Cable - Metallic	2422.2	8,317		16	
Buried Cable - Nonmetallic	2423.1	399,536	73,163	17	B
Buried Cable - Metallic	2423.2	1,617,633	61,049	18	C
Submarine Cable - Nonmetallic	2424.1	0		19	
Submarine Cable - Metallic	2424.2	1,500		20	
Intrabuilding Cable - Nonmetallic	2426.1	0		21	
Intrabuilding Cable - Metallic	2426.2	0		22	

Explain all amounts shown in column (g).

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

Subaccount (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)		
2123.1			**19,510**	**1**	
2123.2			**8,973**	**2**	
2212.1			**134,049**	**3**	
2212.2			**1,321,261**	**4**	
2212.3			**0**	**5**	
2215.1			**0**	**6**	
2215.2			**0**	**7**	
2231.1			**0**	**8**	
2231.2			**0**	**9**	
2232.1		52,848	**421,722**	**10**	**A**
2232.2			**0**	**11**	
2232.3			**0**	**12**	
2421.1			**0**	**13**	
2421.2			**0**	**14**	
2422.1			**0**	**15**	
2422.2			**8,317**	**16**	
2423.1		(50,413)	**422,286**	**17**	**B**
2423.2		(2,435)	**1,676,247**	**18**	**C**
2424.1			**0**	**19**	
2424.2			**1,500**	**20**	
2426.1			**0**	**21**	
2426.2			**0**	**22**	

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)	
GENERAL SUPPORT ASSETS						
Motor Vehicles	2112	57,396		12,210		**1**
Aircraft	2113	0				**2**
Special Purpose Vehicles	2114	0				**3**
Garage Work Equipment	2115	0				**4**
Other Work Equipment	2116	80,258		(3,031)		**5**
Buildings	2121	118,375	2.63	6,661		**6**
Furniture	2122	19,151	12.5	129		**7**
Office Equipment	2123	24,916	12.5	3,567		**8**
General Purpose Computers	2124	12,951	20.0	6,757		**9**
Total-- GENERAL SUPPORT ASSETS		**313,047**		**26,293**	**0**	
CENTRAL OFFICE ASSETS						
Analog Electronic Switching	2211	0				**10**
Digital Electronic Switching	2212	798,613	11.28	194,320		**11** J
Electro-Mechanical Switching	2215	0				**12**
Operator Systems	2220	0				**13**
Radio Systems	2231	0				**14**
Circuit Equipment	2232	368,874	8.33	0		**15**
Total-- CENTRAL OFFICE ASSETS		**1,167,487**		**194,320**	**0**	
INFORMATION ORIG/TERM ASSETS						
Station Apparatus	2311	0				**16**
Customer Premises Wiring	2321	0				**17**
Large Private Branch Exchanges	2341	0				**18**
Public Telephone Terminal Equipment	2351	0				**19**
Other Terminal Equipment	2362	3,534	10.0	1,017		**20**
Total-- INFORMATION ORIG/TERM ASSETS		**3,534**		**1,017**	**0**	
CABLE WIRE FACILITIES ASSETS						
Poles	2411	4,419	11.7	381		**21**
Aerial Cable	2421	0				**22**
Underground Cable	2422	7,173	5.0	416		**23**
Buried Cable	2423	1,203,736	5.3	108,624		**24**
Submarine Cable	2424	552	5.3	79		**25**
Deep Sea Cable	2425	0				**26**
Intrabuilding Network Cable	2426	0				**27**
Aerial Wire	2431	263				**28**

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)		
2112	32,470		22,509		**59,645**	**1**	
2113					**0**	**2**	
2114					**0**	**3**	
2115					**0**	**4**	
2116	46,576		44,899		**75,550**	**5**	
2121					**125,036**	**6**	
2122					**19,280**	**7**	
2123	0				**28,483**	**8**	
2124					**19,708**	**9**	
	79,046	**0**	**67,408**	**0**	**327,702**		
2211					**0**	**10**	
2212	0				**992,933**	**11**	J
2215	0				**0**	**12**	
2220					**0**	**13**	
2231	0				**0**	**14**	
2232	0				**368,874**	**15**	
	0	**0**	**0**	**0**	**1,361,807**		
2311					**0**	**16**	
2321					**0**	**17**	
2341					**0**	**18**	
2351					**0**	**19**	
2362					**4,551**	**20**	
	0	**0**	**0**	**0**	**4,551**		
2411					**4,800**	**21**	
2421	0				**0**	**22**	
2422	0				**7,589**	**23**	
2423	0				**1,312,360**	**24**	
2424	0				**631**	**25**	
2425					**0**	**26**	
2426	0				**0**	**27**	
2431					**263**	**28**	

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)	
CABLE WIRE FACILITIES ASSETS						
Conduit Systems	2441	5,088	2.5	329		**29**
Total-- CABLE WIRE FACILITIES ASSETS		**1,221,231**		**109,829**	**0**	
Total Accumulated Depreciation	**3100**	**2,705,299**		**331,459**	**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**			**331,459**	**0**	

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441					**5,417**	**29**
	0	**0**	**0**	**0**	**1,331,060**	
3100	**79,046**	**0**	**67,408**	**0**	**3,025,120**	
3100					0	**30**
3100					**3,025,120**	

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	17,404	12.5	2,106		1
Company Communications Equipment	2123.2	7,512	12.5	1,461		2
Software	2212.1	100,493	25.0	32,593		3
Digital Switching - Central Office	2212.2	698,120	10.0	161,727		4
Digital Switching - Remote	2212.3	0				5
Step by Step Switching	2215.1	0				6
Crossbar Switching	2215.2	0				7
Satellite and Earth Station Facilities	2231.1	0				8
Other Radio Facilities	2231.2	0				9
Digital Circuit Equipment	2232.1	368,874	8.33	0		10
Analog Circuit Equipment	2232.2	0				11
Light Wave Circuit Equipment	2232.3	0				12
Aerial Cable - Nonmetallic	2421.1	0				13
Aerial Cable - Metallic	2421.2	0				14
Underground Cable - Nonmetallic	2422.1	0				15
Underground Cable - Metallic	2422.2	7,173	5.0	416		16
Buried Cable - Nonmetallic	2423.1	39,029	5.3	22,310		17
Buried Cable - Metallic	2423.2	1,164,707	5.3	86,314		18
Submarine Cable - Nonmetallic	2424.1	0				19
Submarine Cable - Metallic	2424.2	552	5.3	79		20
Intrabuilding Cable - Nonmetallic	2426.1	0				21
Intrabuilding Cable - Metallic	2426.2	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					19,510	1
2123.2					8,973	2
2212.1					133,086	3
2212.2					859,847	4
2212.3					0	5
2215.1					0	6
2215.2					0	7
2231.1					0	8
2231.2					0	9
2232.1					368,874	10
2232.2					0	11
2232.3					0	12
2421.1					0	13
2421.2					0	14
2422.1					0	15
2422.2					7,589	16
2423.1					61,339	17
2423.2					1,251,021	18
2424.1					0	19
2424.2					631	20
2426.1					0	21
2426.2					0	22

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

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

Particulars (a)	Balance FOY (b)	
PROPERTY RELATED		
Other Current Assets (1350)	0	**1** 2
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)	(154,682)	**5**
Net Deferred Tax Liability Adjustments (4341)	8,227	**6**
Deferred Tax Regulatory Liability (4361)	(8,227)	**7**
Net Property Related Deferred Operating Income Taxes	**(154,682)**	
Less: Allocation to Nonregulated Activity	0	**8**
Net Regulated Total Property Related Deferred Operating Income Taxes	**(154,682)**	
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)	34,674	**13**
Net Deferred Tax Liability Adjustments (4341)	0	**14**
Deferred Tax Regulatory Liability (4361)	0	**15**
Total Nonproperty Related Deferred Operating Income Taxes	**34,674**	

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	8,171			**8,171**	**1 2**
7250	0			**0**	**2**
	0			**0**	**3**
7250	0			**0**	**4**
7250	323			**(154,359)**	**5**
	(8,227)			**0**	**6**
	8,227			**0**	**7**
	8,494	**0**	**0**	**(146,188)**	
				0	**8**
	8,494	**0**	**0**	**(146,188)**	
7250				**0**	**9**
7250				**0**	**10**
				0	**11**
7250				**0**	**12**
7250	(2,894)			**31,780**	**13**
				0	**14**
				0	**15**
	(2,894)	**0**	**0**	**31,780**	

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):				
- #12050, #12052	09/12/1978	09/12/2013	5.0000	**1**
- #2030, #2031, #2032	01/17/1966	01/17/2001	2.0000	**2**
- #2040, #2041	07/08/1971	07/08/2006	2.0000	**3**
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)	
5.0000			497,734	22,800	520,534	**1**
2.0000			11,020	5,905	16,925	**2**
2.0000			291,376	36,095	327,471	**3**
	0	**0**	**800,130**	**64,800**	**864,930**	

CAPITAL STOCK ACCOUNTS AT END OF YEAR

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

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

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:					
Common Stock	1,968	49,200			**1**
	1,968	**49,200**	**0**	**0**	
TOTAL	**1,968**	**49,200**	**0**	**0**	

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	1,454,593	1,367,405	1
Changes:			
Balance Transferred from Income	333,779	185,609	2
Dividends Declared:			
Common	316,534	98,421	3
Preferred			4
Total Dividends Declared	**316,534**	**98,421**	
Miscellaneous Debits to Retained Earnings			5
Miscellaneous Credits to Retained Earnings			6
Balance--End of Year	**1,471,838**	**1,454,593**	

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)	77,182	21,406	78,610	1
Nonoperating Taxes (Accts. 7410 - 7450)		18,152	67,969	2
Extraordinary Items (Accts. 7630 & 7640)				3
Nonregulated Net Income (Acct. 7990)		4,375	16,898	4
Clearing Accounts				5
Construction				6
Payroll Taxes: FICA				7
Payroll Taxes: State Unemployment				8
Payroll Taxes: Federal Unemployment				9
Other (specify):				
TOTAL	**77,182**	**43,933**	**163,477**	

DISTRIBUTION OF TAXES (cont.)

PSC Remainder Assessment (e)	Local Property Tax (f)	State & Local Taxes Other than Wisconsin (g)	Other Taxes (h)	Payroll Taxes (i)	Total (j)	
1,443					**178,641**	**1**
					86,121	**2**
					0	**3**
					21,273	**4**
					0	**5**
					0	**6**
					0	**7**
					0	**8**
					0	**9**
1,443	**0**	**0**	**0**	**0**	**286,035**	

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)*	456,988	443,049	1	
Basic Area Revenue (5001)			2	
Optional Extended Area Revenue (5002)			3	
Cellular Mobile Revenue (5003)			4	
Other Mobile Services Revenue (5004)			5	
Public Telephone Revenue (5010)			6	
Local Private Line Revenue (5040)			7	
Customer Premises Revenue (5050)			8	
Other Local Exchange Revenue (5060)			9	
Other Local Exchange Revenue Settlements (5069)			10	
TOTAL BASIC LOCAL SERVICE REVENUE (5000)	**456,988**	**443,049**		
NETWORK INTERSTATE ACCESS SERVICES REV.				
End User Revenue (5081)*	100,041	97,089	11	
Switched Access Revenue (5082)*	370,121	306,722	12	
Special Access Revenue (5083)*	8,972	12,328	13	
TOTAL INTERSTATE ACCESS REVENUES (5080)	**479,134**	**416,139**		
NETWORK INTRASTATE ACCESS SERVICES REV.				
End User Revenue (5084.1)*	0	0	14	
Switched Access Revenue (5084.2)*	256,543	210,618	15	F
Special Access Revenue (5084.3)*	7,161	5,682	16	
TOTAL INTRASTATE ACCESS REVENUES (5084)	**263,704**	**216,300**		
LONG DISTANCE NETWORK SERVICES MESSAGE REV.				
Long Distance Message Revenue (5100)*	2,563	2,563	17	
Long Distance Inward-Only Revenue (5111)			18	
Long Distance Outward-Only Revenue (5112)			19	
Unidirectional Long Distance Revenue (5110)	**0**	**0**		
Long Distance Private Network Revenues				
Subvoice Grade Revenue (5121)			20	
Voice Grade Revenue (5122)			21	
Audio Program Grade Revenue (5123)			22	
Video Program Grade Revenue (5124)			23	
Digital Transmission Revenue (5125)			24	
Switching Revenue (5126)			25	
Other Revenue (5128)			26	
Other Revenue Settlements (5129)			27	
Total Long Distance Private Network Revenue	**0**	**0**		
Other Long Distance Revenue (5160)			28	
Other Long Distance Revenue Settlements (5169)			29	
TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV.	**2,563**	**2,563**		

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

Particulars (a)	This Year (b)	Last Year (c)		
MISCELLANEOUS REVENUES				
Directory Revenue (5230)*	62,691	57,362	**30**	
Rent Revenue (5240)*	8,627	4,725	**31**	
Corporate Operations Revenue (5250)*	0	0	**32**	
Miscellaneous:				
Miscellaneous Revenue (5260)*	12,708	11,008	**33**	
Special Billing Arrangements Revenue (5261)			**34**	
Customer Operations Revenue (5262)			**35**	
Plant Operations Revenue (5263)			**36**	
Other Incidental Regulated Revenue (5264)			**37**	
Other Revenue Settlements (5269)			**38**	
Total Miscellaneous Revenue (5260)	**12,708**	**11,008**		
Interstate Billing and Collection Revenue*	36,695	32,486	**39**	
Intrastate Billing and Collection Revenue*	31,957	33,727	**40**	
Total Carrier Billing and Collection Revenue (5270)*	**68,652**	**66,213**		
Nonregulated Operating Revenue (5280)**			**41**	
TOTAL MISCELLANEOUS REVENUES	**152,678**	**139,308**		
GROSS OPERATING REVENUES	**1,355,067**	**1,217,359**		
UNCOLLECTIBLE REVENUES				
Uncollectible Revenue (5300)*	19,274	8,538	**42**	**G**
Uncollectible Revenue--Telecommunications (5301)			**43**	
Uncollectible Revenue--Other (5302)			**44**	
TOTAL UNCOLLECTIBLE REVENUE (5300)	**19,274**	**8,538**		
TOTAL OPERATING REVENUES	**1,335,793**	**1,208,821**		

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

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)		
PLANT SPECIFIC OPERATIONS EXPENSE					
Total Network Support Expense (6110)	5,944	9,393		1	
Less: Nonregulated	0	0		2	D
Net Regulated	**5,944**	**9,393**	**0**	3	
Total General Support Expense (6120)	29,691	32,158		4	
Less: Nonregulated	0	0		5	
Net Regulated	**29,691**	**32,158**	**0**	6	
Total Central Office Switching Expense (6210)	79,624	93,745		7	
Less: Nonregulated	0	0		8	
Net Regulated	**79,624**	**93,745**	**0**	9	
Total Operator Systems Expense (6220)	0	0		10	
Less: Nonregulated	0	0		11	
Net Regulated	**0**	**0**	**0**	12	
Total Central Office Transmission Expenses (6230)	685	3,043		13	
Less: Nonregulated	0	0		14	
Net Regulated	**685**	**3,043**	**0**	15	
Total Information Orig. / Term. Expense (6310)	34	0		16	
Less: Nonregulated	0	0		17	
Net Regulated	**34**	**0**	**0**	18	
Total Cable and Wire Fac. Expense (6410)	74,913	121,111		19	
Less: Nonregulated	0	0		20	D
Net Regulated	**74,913**	**121,111**	**0**	21	
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	**190,891**	**259,450**	**0**		
Less: Nonregulated	**0**	**0**	**0**		
Net Regulated	**190,891**	**259,450**	**0**		
PLANT NONSPECIFIC OPERATIONS EXPENSE					
Total Other Property, Plant and Equip. Exp. (6510)	314	0	0	22	
Less: Nonregulated	0	0		23	
Net Regulated	**314**	**0**	**0**	24	
Total Network Operations Expense (6530)	11,214	7,471		25	
Less: Nonregulated	0	0		26	
Net Regulated	**11,214**	**7,471**	**0**	27	
Access Expense (6540)	0	2,030		28	
Less: Nonregulated	0	0		29	
Net Regulated	**0**	**2,030**	**0**	30	
Total Depreciation and Amortization Expense (6560)	293,061	331,459		31	
Less: Nonregulated	0	0		32	
Net Regulated	**293,061**	**331,459**		33	
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	**304,589**	**340,960**	**0**		
Less: Nonregulated	**0**	**0**	**0**		
Net Regulated	**304,589**	**340,960**	**0**		

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)		
6110			9,393		1	
					2	D
	0	0	9,393	0	3	
6120			32,158		4	
					5	
	0	0	32,158	0	6	
6210			93,745		7	
					8	
	0	0	93,745	0	9	
6220			0		10	
					11	
	0	0	0	0	12	
6230			3,043		13	
					14	
	0	0	3,043	0	15	
6310			0		16	
					17	
	0	0	0	0	18	
6410			121,111		19	
					20	D
	0	0	121,111	0	21	
	0	0	259,450	0		
	0	0	0	0		
	0	0	259,450	0		
6510	0	0	0	0	22	
					23	
	0		0	0	24	
6530			7,471		25	
					26	
	0	0	7,471	0	27	
6540			2,030		28	
					29	
	0	0	2,030	0	30	
6560			331,459		31	
					32	
			331,459		33	
	0	0	340,960	0		
	0	0	0	0		
	0	0	340,960	0		

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)		
CUSTOMER OPERATIONS EXPENSE					
Total Marketing (6610)	0	(45)		34	
Less: Nonregulated	0	0		35	
Net Regulated	**0**	**(45)**	**0**	36	
Total Services (6620)	177,544	138,698		37	
Less: Nonregulated	0	0		38	E
Net Regulated	**177,544**	**138,698**	**0**	39	
TOTAL CUSTOMER OPERATIONS EXPENSE	**177,544**	**138,653**	**0**		
Less: Nonregulated	**0**	**0**	**0**		
Net Regulated	**177,544**	**138,653**	**0**		
CORPORATE OPERATIONS EXPENSE					
Total Exec. and Planning (6710)	100,750	90,796		40	
Less: Nonregulated	0	0		41	
Net Regulated	**100,750**	**90,796**	**0**	42	
Total General and Administrative (6720)	124,468	133,850		43	
Less: Nonregulated	0	0		44	
Net Regulated	**124,468**	**133,850**	**0**	45	
Provision for Uncollectible Notes Receiv. (6790)	0	0		46	
Less: Nonregulated	0	0		47	
Net Regulated	**0**	**0**		48	
TOTAL CORPORATE OPERATIONS EXPENSE	**225,218**	**224,646**	**0**		
Less: Nonregulated	**0**	**0**	**0**		
Net Regulated	**225,218**	**224,646**	**0**		
TOTAL EXPENSES	**898,242**	**963,709**	**0**		
Less: Nonregulated	**0**	**0**	**0**		
Net Regulated	**898,242**	**963,709**	**0**		

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)		
6610			(45)		**34**	
					35	
	0	**0**	**(45)**	**0**	**36**	
6620			138,698		**37**	
					38	E
	0		**138,698**	**0**	**39**	
	0	**0**	**138,653**	**0**		
	0	**0**	**0**	**0**		
	0	**0**	**138,653**	**0**		
6710			90,796		**40**	
					41	
	0		**90,796**	**0**	**42**	
6720			133,850		**43**	
					44	
	0		**133,850**	**0**	**45**	
6790			0		**46**	
					47	
			0		**48**	
	0	**0**	**224,646**	**0**		
	0	**0**	**0**	**0**		
	0	**0**	**224,646**	**0**		
	0	**0**	**963,709**	**0**		
	0	**0**	**0**	**0**		
	0	**0**	**963,709**	**0**		

EXPENSE MATRIX - CLASS A & B (DETAIL)

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries/ Wages (d)	
Property Held for Future Tele. Use Exp. (6511)	0	0		1
Provisioning Expense (6512)	314	0		2
Total: Reported in Account 6510	**314**	**0**	**0**	
Depreciat. Exp.--Tele. Plant in Service (6561)	293,061	331,459		3
Depreciat. Exp.--Prop. Held for Future Tele. Use (6562	0	0		4
Amortization Expense--Tangible (6563)	0	0		5
Amortization Expense--Intangible (6564)	0	0		6
Amortization Expense--Other (6565)	0	0		7
Total: Reported in Account 6560	**293,061**	**331,459**		

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

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6511			0		**1**
6512			0		**2**
	0		**0**	**0**	
6561			331,459		**3**
6562					**4**
6563					**5**
6564					**6**
6565					**7**
			331,459		

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

Currently, cooperatives are not billed for remainder assessment, but are subject to Department of Justice and telephone relay assessments.

Description (a)	This Year (b)	
Gross Operating Revenues	1,355,067	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 Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify): NONE	0	8
Assessable Revenues for Remainder, Department of Justice, and Telephone Relay Assessment Purposes	**1,355,067**	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	456,988	1
Plus: Total Intrastate Access Revenues (5084)	263,704	2
Plus: Total Long Distance Network Services Revenue	2,563	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus (or Less) Other (please specify): NONE	0	5
Assessable Revenues for Universal Service Fund Assessment Purposes	**723,255**	

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

Currently, cooperatives are not billed for remainder assessment, but are subject to the telephone relay assessment.

Description (a)	This Year (b)	
Gross Operating Revenues	1,355,067	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 Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify): NONE	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	**1,355,067**	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	456,988	1
Plus: Total Intrastate Access Revenues (5084)	263,704	2
Plus: Total Long Distance Network Services Revenue	2,563	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus (or Less) Other (please specify): NONE	0	5
Assessable Revenues for Universal Service Fund Assessment Purposes	**723,255**	

OTHER INCOME ACCOUNTS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
OTHER OPERATING INCOME AND EXPENSE			
Income from Custom Work (7110)*			1
Return from Nonregulated Use of Regulated Facilities (7130)*			2
Gains and (Losses) from Foreign Exchange (7140)			3
Gains or (Losses) from the Disposition of Land and Artworks (7150)			4
Other Operating Gains and (Losses) (7160)*			5
TOTAL OTHER OPERATING INCOME AND (EXPENSE) (7100)*	**0**	**0**	
OPERATING TAXES			
Operating Investment Tax Credits--Net (7210)*	(12,600)	(12,594)	6
Operating Federal Income Taxes (7220)*	93,285	51,570	7
Operating State and Local Income Taxes (7230)*	24,932	5,776	8
Operating Other Taxes (7240)*	78,624	71,110	9
Provision for Deferred Operating Income Taxes--Net (7250)*	(5,600)	39,967	10
TOTAL OPERATING TAXES (7200)*	**178,641**	**155,829**	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)*	19,666	2,838	11
Interest Income (7320)*	12,876	5,805	12
Income from Sinking and Other Funds (7330)*		0	13
Allowance for Funds Used During Construction (7340)*		0	14
Gains or (Losses) from the Disposition of Certain Property (7350)*		0	15
Other Nonoperating Income (7360)*	188,008	68,684	16
Special Charges (7370)*	1,650	(1,561)	17
TOTAL NONOPERATING INCOME AND EXPENSE (7300)*	**218,900**	**78,888**	
NONOPERATING TAXES			
Nonoperating Investment Tax Credits--Net (7410)*		0	18
Nonoperating Federal Income Taxes (7420)*	86,022	39,655	19
Nonoperating State and Local Income Taxes (7430)*	22,351	10,733	20
Nonoperating Other Taxes (7440)*		0	21
Provision for Deferred Nonoperating Income Taxes-Net (7450)*	(22,252)	(24,426)	22
TOTAL NONOPERATING TAXES (7400)*	**86,121**	**25,962**	
INTEREST AND RELATED ITEMS			
Interest on Funded Debt (7510)*	34,231	36,058	23
Interest Expense--Capital Leases (7520)*	0	0	24
Amortization of Debt Issuance Expense (7530)*	0	107	25
Other Interest Deductions (7540)*	7	932	26
TOTAL INTEREST AND RELATED ITEMS (7500)*	**34,238**	**37,097**	
EXTRAORDINARY ITEMS			
Extraordinary Items (7600)*	0	0	27
Extraordinary Income Credits (7610)			28
Extraordinary Income Charges (7620)			29
Current Income Tax Effect of Extraordinary Items--Net (7630)			30
Provision for Deferred Income Tax Effect of Extraordinary Items--Net (7640)			31
TOTAL EXTRAORDINARY ITEMS (7600)*	**0**	**0**	
NONREGULATED NET INCOME			
Nonregulated Net Income (7990)*	41,795	15,030	32

NONREGULATED NET INCOME (ACCT. 7990)

Particulars (a)	Amount (b)	
Revenues (Acct. 7990.1)		
Gross Sales	142,926	1
Less: Cost of Goods Sold	0	2
Net Sales	**142,926**	3
Expenses (Acct. 7990.2)	101,131	4
Nonregulated Net Income	**41,795**	5

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

Provide Internet services
Lease telephone equipment

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

Internet services - $81,322

DISTRIBUTION OF SALARIES AND WAGES

Description (a)	Amount (b)	
Regulated Expense	0	1
Nonregulated Expense	0	2
Plant Accounts	0	3
Accumulated Depreciation Accounts	0	4
All Other Accounts	0	5
Total Salaries and Wages	**0**	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
Supervision and Other Management	.00			2
Other Employees	.00			3
Total	**.00**	**.00**	**0**	

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Description (a)	Amount (b)	
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Plant Accounts	0	3
Accumulated Depreciation Accounts	0	4
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Officers				1
Supervision and Other Management	.00			2
Other Employees	.00			3
Total	**.00**	**.00**	**0**	

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	66	70	**1**
Extended Area Service	159	566	**2**
Extended Community Calling	57	151	**3**
Other Local-Undefined	0	0	**4**
Total Local	**282**	**787**	
TOLL			
Operator Handled: State--intraLATA	1	6	**5**
Operator Handled: State--interLATA	0	4	**6**
Operator Handled: Interstate	1	14	**7**
Customer Dialed: State--intraLATA	18	168	**8**
Customer Dialed: State--interLATA	9	146	**9**
Customer Dialed: Interstate	53	464	**10**
WATS	0	0	**11**
Other Toll-Undefined	0	0	**12**
Total Toll	**82**	**802**	
Total Local & Toll	**364**	**1,589**	

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.	62	1	0	0	**2**
Feature Group B -- Orig.	0	0	0	0	**3**
Feature Group B -- Term.	0	0	0	0	**4**
Feature Group C -- Orig.	0	0	961	1	**5**
Feature Group C -- Term.	0	0	978	1	**6**
Feature Group D -- Orig.	2,531	351	157	0	**7**
Feature Group D -- Term.	3,144	1,463	0	0	**8**

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	0	1
Sheath miles of plant - buried	290	2
Sheath miles of plant - fiber optics	32	3
Strand miles of plant - fiber optics	296	4
Route miles of plant - microwave	0	5

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	2	3	1
56 kbps	1	1	2
64 kbps (DS0)	0	0	3
1.54 Mbps (DS-1)	1	0	4
45 Mbps (DS-3)	0	0	5
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	0	1
Sheath miles of plant - buried	290	2
Sheath miles of plant - fiber optics	32	3
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56 kbps	1	1	2
64 kbps (DS0)	0	0	3
1.54 Mbps (DS-1)	1	0	4
45 Mbps (DS-3)	0	0	5
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

SERVICE DATA

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

Item (a)	FOY (b)	EOY (c)	
Business			
1 Party	283	232	3
2 Party			4
4 Party			5
PBX Trunks/System Trunks			6
Centrex Trunks			7
Centrex Lines			8
Key System Trunks	61	68	9
Mobile (Utility Provided Service)			10
Paging (Utility Provided Service)	142	165	11
FX-Out (Switched)	3	3	12
Pay Telephone	14	7	13
Coin-Operated Pay Telephone		0	14
Independent Pay Telephone Provider	1	1	15
Pay Stations - Public			16
- Semi-Public			17
- Cust. Owned			18
Other			19
Total Business Lines	**504**	**476**	20
Residential (Incl. Emp. Concess.)			21
1 Party	2,098	2,164	22
2 Party			23
4 Party			24
FX-Out (Switched)			25
Other	12	13	26
Total Residential Lines	**2,110**	**2,177**	27
Total Bus & Res Lines	**2,614**	**2,653**	28
Company Used Lines	64	87	29
Total Lines Used	**2,678**	**2,740**	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
WATS Lines - 800 Service			4
FX-In-intraLATA	1	1	5
Special Access-intraLATA			6
(expressed in equiv. access lines)	4	4	7
Special Access-interLATA			8
(expressed in equiv. access lines)	29	27	9
Feature Group A Lines			10
Feature Group B Trunks			11
Feature Group C Trunks			12
Feature Group D Trunks	95	95	13
TSPS - Trunks	9	9	14
EAS - Trunks	143	154	15
Cellular Trunks (Pub. Sw. Net.)			16
Video Distance Learning			17
- discounted (special tariff)	1	1	18
Customers			19
Business - 2 Party Customers			20
Business - 4 Party Customers			21
Residential - 2 Party Customers			22
Residential - 4 Party Customers			23
Other			24
Total Central Office, Info. Orig./Term., & Cable			25
Wire Fac. Assets (based on physical			26
location of plant)	3,860,925	4,011,310	27
Total Company Square Miles	86	86	28
Total Company Route Miles	273	292	29
Footnotes			30

SERVICE DATA - END OF YEAR

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

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	1940	3400			1
Business					2
1 Party	38	194			3
2 Party					4
4 Party					5
PBX Trunks/System Trunks					6
Centrex Trunks					7
Centrex Lines					8
Key System Trunks		68			9
Mobile (utility provided service)					10
Paging (utility provided service)		165			11
FX-Out (Switched)		3			12
Pay Telephone	2	5			13
Coin-Operated Pay Telephone	0	0			14
Independent Pay Telephone Provider	0	1			15
Pay Stations - Public					16
- Semi-Public					17
- Cust. Owned					18
Other					19
Total Business Lines	**40**	**436**	**0**	**0**	20
Residential (Incl. Emp. Concess.)					21
1 Party	933	1,231			22
2 Party					23
4 Party					24
FX-Out (Switched)					25
Other	3	10			26
Total Residential Lines	**936**	**1,241**	**0**	**0**	27
Total Bus & Res Lines	**976**	**1,677**	**0**	**0**	28
Company Used Lines	8	79			29
Total Lines Used	**984**	**1,756**	**0**	**0**	30

SERVICE DATA - END OF YEAR (cont.)

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

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	1940	3400			1
Miscellaneous					2
WATS Lines - OutWATS					3
WATS Lines - 800 Service					4
FX-In-intraLATA		1			5
Special Access-intraLATA					6
(equiv. access lines)		4			7
Special Access-interLATA					8
(equiv. access lines)		27			9
Feature Group A Lines					10
Feature Group B Trunks					11
Feature Group C Trunks					12
Feature Group D Trunks		95			13
TSPS - Trunks		9			14
EAS - Trunks		154			15
Cellular Trunks (Pub. Sw. Net.)					16
Video Distance Learning					17
- discounted (special tariff)		1			18
Customers					19
Business - 2 Party Customers					20
Business - 4 Party Customers					21
Residential - 2 Party Customers					22
Residential - 4 Party Customers					23
Other					24
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical					26
location of plant)	1,604,524	2,406,786			27
Exchange Square Miles	36	50			28
Exchange Route Miles	121	171			29
Footnotes					30

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

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

EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

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

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Electronic--Digital	D	3
Electronic--Video	V	4

CENTRAL OFFICE DATA - END OF YEAR

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

Description (a)	Central Off. (b)	Central Off. (c)	Central Off. (d)	Central Off. (e)	
Exchange Name	FOX CREEK	MILLTOWN			1
PSCW Exchange ID	1940	3400			2
Central Office Name	FOX CREEK	MILLTOWN			3
PSCW Central Office ID	1	1			4
Manufacturer of COE (Page 54)	SC	SC			5
Year COE Installed	1986	1986			6
Type of Equipment (Page 54)	D	D			7
(S)tandalone, (H)ost, (R)emote	R	H			8
Remote Host PSCW Exchange ID	3400				9
Remote Host PSCW Central Office ID	1	0			10
COE Generic Software Release No.	19	19			11
SS7?	Yes	Yes			12
9-1-1?	Yes	Yes			13
Access Lines - In Use	927	1,653			14
- Equipped	1,071	1,958			15
- Wired	1,080	1,980			16
Trunks - In Use	0	256			17
- Equipped	0	264			18
- Wired	0	288			19
ISDN Available?	No	No			20
ISDN Lines - In Use (BRI)	0	0			21
- In Use (PRI)	0	0			22
Switched 56 Service?	No	No			23
Switched 56 lines in use	0	0			24
Digital Transmission Facilities: DS-1 - In Use	5	16			25
DS-3 - In Use	0	1			26
Advanced Data Service Available:					
Packet Switching?	No	No			27
SMDS?	No	No			28
Frame Relay?	No	No			29
ATM (Asynchronous Trans. Mode)?	No	No			30
Video Information - Service Available?	No	No			31
- In Use (# lines) [1]	0	0			32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	48	64			33
No. of fiber strands working (LIT) in C.O.	4	21			34
No. of fiber strands for interoffice use	4	4			35
Miles of fiber sheath in wire center	7	25			36
Access Tandem Serving this C.O.:					
- C.O. Name	FREDERIC	FREDERIC			37
- PSCW C.O. ID	1960-01	1960-01			38
Does this C.O. do access tandem switching?	No	No			39
Equal Access: InterLATA (1+)?	Yes	Yes			40
Equal Access: IntraLATA (1+)?	No	No			41
Footnotes					42

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

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

General Footnote

Response received 11/22/99
Item 1: $316,406 of billings from Luck on page 15 should be $366,638.
Item 2: Page 15, docket number 3690-AT-000101 should be 3690-AT-000100.
Item 3: there was no affiliated activity for either 3690-AT-102 or 3690-AT-104. No revisions should be made.
Item 4: payphone 1997 entries provided.
ele

October 20, 1999

Mr. John K. Klatt, President/CEO
Milltown Mutual Telephone Company
107 Milltown Avenue North
P.O. Box 40
Milltown, WI 54858-0040

Re:1998 Analytical ReviewDWCCA-3690-ELE

Dear Mr. Klatt:

The Public Service Commission (PSC) is in the process of completing an analytical review of your utilitys 1998 annual report. The purposes of an analytical review are to detect possible reporting or accounting related errors and to identify significant fluctuations from established trends in reported data not sufficiently explained in the annual report. It is our hope that our review will supply information that will enable us to better provide guidance to your utility regarding proper utility accounting and the preparation of future annual reports. In order to complete this review, we request the following information:

1.The 1998 annual report for Luck Telephone Company shows affiliated interest billings to Milltown Mutual Telephone Company of $366,638 in 1998. Copy 1 of page 15 in Milltowns 1998 report shows only $316,406 of billings from Luck. Please reconcile this variation.

2.On copy 1 of page 14, Luck Telephone Company (LUCK) is identified as an affiliate. The Commissions Case Management System indicates that an application for approval or notification of an affiliated interest contract between the utility and LUCK was filed with the Commission in 1997 and was docketed as 3690?AT?100. However, no affiliated interest activity for 1998 is reported for LUCK for docket 3690?AT?100 on copy 1 of page 15. Please provide any necessary changes to the 1998 annual report to include such activity or, in the alternative, confirm that no affiliated interest activity occurred in 1998 with LUCK under 3690?AT?100. If the latter, please state if any affiliated activity with LUCK under 3690?AT?100 will be reported in the 1999 report.

3.The Case Management System also lists two additional affiliated interest agreements, 3690?AT?102 (agreement between Milltown Mutual Telephone Company and Lakeland Communications, Inc.) and 3690?AT?104 (agreement between Milltown Mutual Telephone Company and Lakeland Telecom, Inc.), both of which were filed in 1997. No affiliated activity is reported for either agreement on copy 1 of page 15. Please provide the status of both agreements, including whether any revisions are necessary to copy 1 of page 15 to reflect 1998 activity for these agreements.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

to copy 1 of page 15 to reflect 1998 activity for these agreements.

4.During our review, we noted we cannot locate a response to your 1997 analytical review letter dated September of 1998. One matter remains relevant: Please provide the journal entry(ies) recorded on the telcos books for the transaction concerning the deregulation of payphone assets, whether transferred below-the-line or to a separate affiliate, basis of valuation and how it compared to net book value, and the date of such journal entry(ies). If you did reply, please provide a copy of your response, and we apologize for any inconvenience.

We appreciate your cooperation in providing the above information. These recommendations are intended to provide accounting assistance and should not be construed as criticisms of utility personnel. If you have any questions, please feel free to contact me at (608) 266-3768. Please respond within 30 days of this letter. If we have no questions regarding your response, you can consider the review closed.

Please note that if your response to this letter contains any data that you want to be subject to confidential treatment, you must submit a confidentiality request form with your response.

Sincerely,

Elaine L. Engelke
Financial Specialist
Division of Water, Compliance, and Consumer Affairs

ELE:tlk:w:compltelco letters3690 rev letter

Schedule Footnotes

Affiliated Interest Transactions Footnote. Page 15

Record 2 revised to $366,638 and 3690-AT-000100 per utility response 11/22/99 ele

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

1. Pursuant to agreement with PSCW staff, net deferred operating income tax property and nonproperty related detail and activity is not required for the 1998 annual report. The total amounts for accounts 1437,4100,4340,4341 and 4361 are included in the Balance EOY column in order that the Balance Sheet schedules may be populated with the appropriate end-of-year balances for these accounts in the program.

Expense Matrix - Class A & B Footnote. Page 41

1. Pursuant to agreement with PSCW staff, expense matrix subsidiary record category detail is not required for the 1998 annual report. The total amount for each item is included in the Other Column in order to facilitate the summation function in the program.

Schedule Line Footnotes

2) This footnote is not being used.

A) 1996 Plant additions transferred from 2323.10, Buried Cable-Fiber, per the request of our cost accountants.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

B) 1996 plant addition transferred to 2232.10, Digital Circuit Equipment, coupled with a 1997 plant addition transferred from 2423.20, Buried Cable-Metallic, per the requests of our cost consultants.

C) 1996 and 1997 plant additions transferred to 2232.10, Digital Circuit Equipment, and 2423.10, Buried Cable-Fiber, per the request of our cost consultants.

D) An increase occurred in Buried Cable Expense due to an increase in repairs and maintenance to the buried cable.

E) Fewer expenses in customer operation expenses due primarily to Milltown Mutual Telephone Company becoming a wholly owned subsidiary of Lakeland Communications, Inc. in January 1997, thereby consolidating customer operation efforts.

F) Increase in minutes of use from prior year.

G) Established a more stringent collection policy in 1998 thereby creating an increase in uncollectibles.

H) Pursuant to agreement with PSCW staff, revenue, expense and other detail amounts are not required for the 1998 annual report. The total amount for each column is included on the All Other line in order to facilitate the summation function in the program.

J) Depreciation rate given is a composite.