4004

ANNUAL REPORT

OF

Name:	RICHLAND-GRANT TELEPHONE COOPERATIVE, INC.
Principal Office:	202 EAST ST P.O. BOX 67 BLUE RIVER, WI 53518-0067
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 ROBERT P CARY of
(Person responsible for accounts)

RICHLAND-GRANT TELEPHONE COOPERATIVE, 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.

ROBERT P CARY — 04/14/1999
(Person responsible for accounts) — (Date)

OFFICE MANAGER
(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: RICHLAND-GRANT TELEPHONE COOPERATIVE, INC.
Utility Location: 202 EAST ST
P.O. BOX 67
BLUE RIVER, WI 53518-0067

Utility Web Site Address:
When was utility organized?: 12/31/1951
Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: DAVID LULL
Title: GENERAL MANAGER

Office Address: 202 EAST STREET
P.O. BOX 67
BLUE RIVER, WI 53518
Fax Number: (608) 537 - 2222
Telephone Number: (608) 537 - 2461
Email Address: rgtc@mwt.net

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

Name: KIESLING ASSOCIATES LLP
Title: ACCOUNTING FIRM
Firm: KIESLING ASSOCIATES LLP
Office Address: 6401 ODANA ROAD
MADISON, WI 53719

Fax Number: (608) 273 - 2383
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Person responsible for financial information contained in report

Name: ROBERT P. CARY
Title: OFFICE MANAGER

Office Address: 202 EAST STREET
P.O. BOX 67
BLUE RIVER, WI 53518
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Email Address: rgtc@mwt,net

Person responsible for statistical information contained in report

Name: ROBERT P. CARY
Title: OFFICE MANAGER

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Telephone Number: (608) 537 - 2461
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IDENTIFICATION AND OWNERSHIP

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

Company Name: RICHLAND GRANT LONG DISTANCE, INC.
Form of Interest: OWNED
Extent Of Interest: 100%

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	2,118,728	2,088,415	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	251,422	301,812	2
Plant Nonspecific Operations Expense	577,859	501,907	3
Customer Operations Expense (6610-6620)	317,157	296,822	4
Corporate Operations Expense (6710-6790)	368,137	374,062	5
Other Operating Income and Expense (7100)	0	0	6
Operating Taxes (7200)	135,209	136,649	7
Total Operating Expenses	**1,649,784**	**1,611,252**	8
Net Operating Income	**468,944**	**477,163**	9
Other Income			
Nonoperating Income and Expense (7300)	67,351	73,491	10
Nonoperating Taxes (7400)	(10,347)	9,728	11
Interest and Related Items (7500)	220,092	201,897	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	49,268	1,816	14
Total Nonoperating Income	**(93,126)**	**(136,318)**	15
Net Income	**375,818**	**340,845**	16

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)*	945,290	1,077,214	1
Cash (1130)			2
Special Cash Deposits (1140)			3
Working Cash Advances (1150)			4
Temporary Investments (1160)			5
TOTAL CASH AND EQUIVALENTS	**945,290**	**1,077,214**	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	129,576	145,174	6
Accounts Receivable Allowance-Telecom (1181)*	228	2,290	7
Net: Telecommunications Accounts Receivable	**129,348**	**142,884**	
Other Accounts Receivable (1190)*	398,528	236,464	8
Accounts Receivable Allowance--Other (1191)*			9
Net: Other Accounts Receivable	**398,528**	**236,464**	
Notes Receivable (1200)*			10
Notes Receivable Allowance (1201)*			11
Net: Notes Receivable	**0**	**0**	
Interest and Dividends Receivable (1210)*	2,807	4,211	12
TOTAL RECEIVABLES AND ALLOWANCES FOR DOUBTFUL	**530,683**	**383,559**	
SUPPLIES			
Inventories (1220)*	68,445	80,986	13
TOTAL SUPPLIES	**68,445**	**80,986**	
PREPAYMENTS			
Total Prepayments (1280)*	36,526	35,102	14
Prepaid Rents (1290)			15
Prepaid Taxes (1300)			16
Prepaid Insurance (1310)			17
Prepaid Directory Expenses (1320)			18
Other Prepayments (1330)			19
TOTAL PREPAYMENTS	**36,526**	**35,102**	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*			20
TOTAL OTHER CURRENT ASSETS	**0**	**0**	
TOTAL CURRENT ASSETS	**1,580,944**	**1,576,861**	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	20,000		21
Investments in Nonaffiliated Companies (1402)*	209,259	201,721	22
Nonregulated Investments (1406)*	196,532	149,877	23
Unamortized Debt Issuance Expense (1407)*			24
Sinking Funds (1408)*	95,026	89,203	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)*	126,059	135,075	**26**
TOTAL INVESTMENTS	**646,876**	**575,876**	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*			**27**
Deferred Maintenance and Retirements (1438)*			**28**
Deferred Charges (1439)*	20,513	16,314	**29**
TOTAL DEFERRED CHARGES	**20,513**	**16,314**	
TOTAL NONCURRENT ASSETS	**667,389**	**592,190**	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	8,684,398	7,873,155	**30**
Less: Accumulated Depreciation (3100)*	4,098,767	3,768,871	**31**
Less: Accumulated Amortization--Capitalized Leases (3410)*			**32**
Less: Accumulated Amortization--Leasehold Improvements (3420)*			**33**
Less: Accumulated Amortization--Intangible (3500)*			**34**
NET TELECOMMUNICATIONS PLANT IN SERVICE	**4,585,631**	**4,104,284**	
PROPERTY HELD FOR FUTURE USE			
Prop. Held for Future Telecommun. Use (2002)*			**35**
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200)*			**36**
NET PROPERTY HELD FOR FUTURE USE	**0**	**0**	
NONOPERATING PLANT			
Nonoperating Plant (2006)*			**37**
Less: Accumulated Depreciation--Nonoperating (3300)*			**38**
NET NONOPERATING PLANT	**0**	**0**	
TPUC			
TPUC (2003)*	105,383	66,964	**39**
TOTAL TPUC	**105,383**	**66,964**	
TELECOMMUNICATIONS PLANT ADJUSTMENT			
Telecommunications Plant Adjustment (2005)*			**40**
Less: Accumulated Amortization--Other (3600)*			**41**
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	**0**	**0**	
TOTAL PLANT	**4,691,014**	**4,171,248**	
TOTAL ASSETS AND OTHER DEBITS*	**6,939,347**	**6,340,299**	

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	366,310	180,158	1
Notes Payable (4020)*			2
Advance Billing and Payments (4030)*			3
Customer Deposits (4040)*			4
Current Maturities--Long-Term Debt (4050)*	195,000	185,300	5
Current Maturities--Capital Leases (4060)*			6
Income Taxes--Accrued (4070)*	6,500	(54,315)	7
Other Taxes--Accrued (4080)*	180	242	8
Net Current Deferred Operating Income Taxes (4100)*			9
Net Current Deferred Nonoperating Income Taxes (4110)*			10
Other Accrued Liabilities (4120)*	38,636	34,306	11
Other Current Liabilities (4130)*			12
TOTAL CURRENT LIABILITIES*	**606,626**	**345,691**	
LONG-TERM DEBT			
Funded Debt (4210)*	4,265,207	4,134,555	13
Premium on Long-Term Debt (4220)*			14
Discount on Long-Term Debt (4230)*			15
Reacquired Debt (4240)*			16
Obligations Under Capital Leases (4250)*			17
Advances from Affiliated Companies (4260)*			18
Other Long-Term Debt (4270)*			19
TOTAL LONG-TERM DEBT*	**4,265,207**	**4,134,555**	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*	291,892	304,739	20
Unamortized Operating ITC--Net (4320)*			21
Unamortized Nonoperating ITC--Net (4330)*			22
Net Noncurrent Deferred Operating Income Taxes (4340)*			23
Net Deferred Tax Liability Adjustments (4341)*			24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*			25
Other Deferred Credits (4360)*			26
Deferred Tax Regulatory Liability (4361)*			27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS*	**291,892**	**304,739**	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*			28
Additional Paid-in Capital (4520)*			29
Treasury Stock (4530)*			30
Other Capital (4540)*	19,586	16,995	31
Retained Earnings (4550)*	1,756,036	1,538,319	32
TOTAL STOCKHOLDERS' EQUITY*	**1,775,622**	**1,555,314**	
TOTAL LIABILITIES AND OTHER CREDITS*	**6,939,347**	**6,340,299**	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
GENERAL SUPPORT ASSETS				
Land	2111	64,811		1
Motor Vehicles	2112	463,415	63,000	2
Aircraft	2113	0		3
Special Purpose Vehicles	2114	0		4
Garage Work Equipment	2115	0		5
Other Work Equipment	2116	74,202	17,116	6
Buildings	2121	475,631	8,240	7
Furniture	2122	47,815	10,252	8
Office Equipment	2123	34,370	9,706	9
General Purpose Computers	2124	129,356	18,428	10
TOTAL--GENERAL SUPPORT ASSETS:		**1,289,600**	**126,742**	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0		11
Digital Electronic Switching	2212	1,863,027	123,674	12 H
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220	0		14
Radio Systems	2231	104,851	0	15
Circuit Equipment	2232	554,743	68,814	16 H
TOTAL--CENTRAL OFFICE ASSETS:		**2,522,621**	**192,488**	
INFORMATION ORIGINATION/TERMINATION ASSETS				
Station Apparatus	2311	12,565		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	0		21
TOTAL--INFORMATION ORIG/TERM ASSETS:		**12,565**	**0**	
CABLE WIRE FACILITIES ASSETS				
Poles	2411	0		22
Aerial Cable	2421	0	0	23
Underground Cable	2422	5,154	0	24
Buried Cable	2423	4,017,540	722,894	25
Submarine Cable	2424	0	0	26
Deep Sea Cable	2425	0		27
Intrabuilding Network Cable	2426	0	0	28
Aerial Wire	2431	1,588		29
Conduit Systems	2441	24,087		30
TOTAL--CABLE WIRE FACILITIES ASSETS:		**4,048,369**	**722,894**	
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			**64,811**	**1**	
2112	123,541		**402,874**	**2**	
2113			**0**	**3**	
2114			**0**	**4**	
2115			**0**	**5**	
2116	6,158		**85,160**	**6**	
2121			**483,871**	**7**	
2122	8,378		**49,689**	**8**	
2123	2,061	0	**42,015**	**9**	
2124			**147,784**	**10**	
	140,138	**0**	**1,276,204**		
2211			**0**	**11**	
2212	0	35,427	**2,022,128**	**12**	H
2215	0	0	**0**	**13**	
2220			**0**	**14**	
2231	0	0	**104,851**	**15**	
2232	73,692	(35,427)	**514,438**	**16**	H
	73,692	**0**	**2,641,417**		
2311			**12,565**	**17**	
2321			**0**	**18**	
2341			**0**	**19**	
2351			**0**	**20**	
2362			**0**	**21**	
	0	**0**	**12,565**		
2411			**0**	**22**	
2421	0	0	**0**	**23**	
2422	0	0	**5,154**	**24**	
2423	17,051	0	**4,723,383**	**25**	
2424	0	0	**0**	**26**	
2425			**0**	**27**	
2426	0	0	**0**	**28**	
2431			**1,588**	**29**	
2441			**24,087**	**30**	
	17,051	**0**	**4,754,212**		
2681			**0**	**31**	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
AMORTIZABLE ASSETS				
Leasehold Improvements	2682	0		**32**
Intangibles	2690	0		**33**
TOTAL--AMORTIZABLE ASSETS:		**0**	**0**	
TOTAL TELECOM. PLANT IN SERVICE	**2001**	**7,873,155**	**1,042,124**	
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**	
	230,881	**0**	**8,684,398**	
2001			0	**34**
			8,684,398	

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	0		1
Company Communications Equipment	2123.2	34,370	9,706	2
Software	2212.1	148,286	25,491	3
Digital Switching - Central Office	2212.2	1,714,741	98,183	4 H
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	104,851		9
Digital Circuit Equipment	2232.1	554,743	68,814	10 H
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	5,154		16
Buried Cable - Nonmetallic	2423.1	0		17
Buried Cable - Metallic	2423.2	4,017,540	722,894	18
Submarine Cable - Nonmetallic	2424.1	0		19
Submarine Cable - Metallic	2424.2	0		20
Intrabuilding Cable - Nonmetallic	2426.1	0		21
Intrabuilding Cable - Metallic	2426.2	0		22

Explain all amounts shown in column (g).

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

Subaccount (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)		
2123.1			**0**	**1**	
2123.2	2,061		**42,015**	**2**	
2212.1			**173,777**	**3**	
2212.2		35,427	**1,848,351**	**4**	H
2212.3			**0**	**5**	
2215.1			**0**	**6**	
2215.2			**0**	**7**	
2231.1			**0**	**8**	
2231.2			**104,851**	**9**	
2232.1	73,692	(35,427)	**514,438**	**10**	H
2232.2			**0**	**11**	
2232.3			**0**	**12**	
2421.1			**0**	**13**	
2421.2			**0**	**14**	
2422.1			**0**	**15**	
2422.2			**5,154**	**16**	
2423.1			**0**	**17**	
2423.2	17,051		**4,723,383**	**18**	
2424.1			**0**	**19**	
2424.2			**0**	**20**	
2426.1			**0**	**21**	
2426.2			**0**	**22**	

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)	
GENERAL SUPPORT ASSETS						
Motor Vehicles	2112	184,389	.0	53,462		1M
Aircraft	2113	0				2
Special Purpose Vehicles	2114	0				3
Garage Work Equipment	2115	0				4
Other Work Equipment	2116	50,614	7.69	5,858		5
Buildings	2121	260,768	3.5	16,670		6
Furniture	2122	38,228	9.09	3,907		7
Office Equipment	2123	14,785	11.0	3,950		8
General Purpose Computers	2124	59,649	14.29	19,238		9
Total-- GENERAL SUPPORT ASSETS		**608,433**		**103,085**	**0**	
CENTRAL OFFICE ASSETS						
Analog Electronic Switching	2211	0				10
Digital Electronic Switching	2212	1,159,245	.0	203,788		11K
Electro-Mechanical Switching	2215	0				12
Operator Systems	2220	0				13
Radio Systems	2231	43,168	.0	7,486		14K
Circuit Equipment	2232	345,602	.0	31,864		15K
Total-- CENTRAL OFFICE ASSETS		**1,548,015**		**243,138**	**0**	
INFORMATION ORIG/TERM ASSETS						
Station Apparatus	2311	12,565	7.14	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	0				20
Total-- INFORMATION ORIG/TERM ASSETS		**12,565**		**0**	**0**	
CABLE WIRE FACILITIES ASSETS						
Poles	2411	0				21
Aerial Cable	2421	0				22
Underground Cable	2422	2,402	3.33	172		23
Buried Cable	2423	1,582,192	.0	209,414		24K
Submarine Cable	2424	0				25
Deep Sea Cable	2425	0				26
Intrabuilding Network Cable	2426	0				27
Aerial Wire	2431	1,295	5.56	88		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	13,969	2.5	602		**29**
Total-- CABLE WIRE FACILITIES ASSETS		**1,599,858**		**210,276**	**0**	
Total Accumulated Depreciation	**3100**	**3,768,871**		**556,499**	**0**	
Less: Allocation to Nonregulated Activity - Columns e, f and l	3100					**30**
Net Regulated Total Accum Depreciation - Columns e, f and l	**3100**					

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)		
2112	123,541		3,000		**117,310**	1	M
2113					**0**	2	
2114					**0**	3	
2115					**0**	4	
2116	6,158				**50,314**	5	
2121					**277,438**	6	
2122	8,378				**33,757**	7	
2123	2,061				**16,674**	8	
2124					**78,887**	9	
	140,138	**0**	**3,000**	**0**	**574,380**		
2211					**0**	10	
2212	0			(84,110)	**1,278,923**	11	K
2215	0				**0**	12	
2220					**0**	13	
2231	0				**50,654**	14	K
2232	73,692			84,110	**387,884**	15	K
	73,692	**0**	**0**	**0**	**1,717,461**		
2311					**12,565**	16	
2321					**0**	17	
2341					**0**	18	
2351					**0**	19	
2362					**0**	20	
	0	**0**	**0**	**0**	**12,565**		
2411					**0**	21	
2421	0				**0**	22	
2422	0				**2,574**	23	
2423	17,051		1,278		**1,775,833**	24	K
2424	0				**0**	25	
2425					**0**	26	
2426	0				**0**	27	
2431					**1,383**	28	

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441					**14,571**	**29**
	17,051	**0**	**1,278**	**0**	**1,794,361**	
3100	**230,881**	**0**	**4,278**	**0**	**4,098,767**	
3100						**30**
3100						

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	0				1
Company Communications Equipment	2123.2	14,785	11.0	3,950		2
Software	2212.1	85,030	20.0	28,869		3
Digital Switching - Central Office	2212.2	1,074,215	10.0	174,919		4 J
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	43,168	7.14	7,486		9
Digital Circuit Equipment	2232.1	345,602	7.72	31,864		10 C,J
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	2,402	3.33	172		16
Buried Cable - Nonmetallic	2423.1	0				17
Buried Cable - Metallic	2423.2	1,582,192	7.35	209,414		18 C
Submarine Cable - Nonmetallic	2424.1	0				19
Submarine Cable - Metallic	2424.2	0				20
Intrabuilding Cable - Nonmetallic	2426.1	0				21
Intrabuilding Cable - Metallic	2426.2	0				22

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

Subacct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2123.1					**0**	**1**
2123.2	2,061				**16,674**	**2**
2212.1					**113,899**	**3**
2212.2				(84,110)	**1,165,024**	**4 J**
2212.3					**0**	**5**
2215.1					**0**	**6**
2215.2					**0**	**7**
2231.1					**0**	**8**
2231.2					**50,654**	**9**
2232.1	73,692			84,110	**387,884**	**10 C,J**
2232.2					**0**	**11**
2232.3					**0**	**12**
2421.1					**0**	**13**
2421.2					**0**	**14**
2422.1					**0**	**15**
2422.2					**2,574**	**16**
2423.1					**0**	**17**
2423.2	17,051		1,278		**1,775,833**	**18 C**
2424.1					**0**	**19**
2424.2					**0**	**20**
2426.1					**0**	**21**
2426.2					**0**	**22**

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	1,538,319	1,347,910	1
Changes:			
Balance Transferred from Income	375,818	340,845	2
Dividends Declared:			
Common	158,101	150,436	3
Preferred			4
Total Dividends Declared	**158,101**	**150,436**	
Miscellaneous Debits to Retained Earnings			5
Miscellaneous Credits to Retained Earnings			6
Balance--End of Year	**1,756,036**	**1,538,319**	

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)*	572,394	553,736	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)	**572,394**	**553,736**	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	113,024	110,042	11
Switched Access Revenue (5082)*	718,178	671,230	12
Special Access Revenue (5083)*			13
TOTAL INTERSTATE ACCESS REVENUES (5080)	**831,202**	**781,272**	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*			14
Switched Access Revenue (5084.2)*	511,376	507,712	15
Special Access Revenue (5084.3)*			16
TOTAL INTRASTATE ACCESS REVENUES (5084)	**511,376**	**507,712**	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*			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.	**0**	**0**	

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

Particulars (a)	This Year (b)	Last Year (c)		
MISCELLANEOUS REVENUES				
Directory Revenue (5230)*			30	
Rent Revenue (5240)*			31	
Corporate Operations Revenue (5250)*	64,274	72,030	32	
Miscellaneous:				
Miscellaneous Revenue (5260)*	44,019	31,894	33	D
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)	**44,019**	**31,894**		
Interstate Billing and Collection Revenue*	18,814	21,553	39	
Intrastate Billing and Collection Revenue*	80,649	109,218	40	E
Total Carrier Billing and Collection Revenue (5270)*	**99,463**	**130,771**		
Nonregulated Operating Revenue (5280)**			41	
TOTAL MISCELLANEOUS REVENUES	**207,756**	**234,695**		
GROSS OPERATING REVENUES	**2,122,728**	**2,077,415**		
UNCOLLECTIBLE REVENUES				
Uncollectible Revenue (5300)*	4,000	(11,000)	42	F
Uncollectible Revenue--Telecommunications (5301)			43	
Uncollectible Revenue--Other (5302)			44	
TOTAL UNCOLLECTIBLE REVENUE (5300)	**4,000**	**(11,000)**		
TOTAL OPERATING REVENUES	**2,118,728**	**2,088,415**		

** 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)	0	0		1	
Less: Nonregulated	0	0		2	
Net Regulated	**0**	**0**		3	
Total General Support Expense (6120)	91,400	66,167		4	
Less: Nonregulated	0	0		5	A
Net Regulated	**91,400**	**66,167**		6	
Total Central Office Switching Expense (6210)	86,473	80,943		7	
Less: Nonregulated	0	0		8	
Net Regulated	**86,473**	**80,943**		9	
Total Operator Systems Expense (6220)	0	0		10	
Less: Nonregulated	0	0		11	
Net Regulated	**0**	**0**		12	
Total Central Office Transmission Expenses (6230)	10,215	12,496		13	
Less: Nonregulated	0	0		14	
Net Regulated	**10,215**	**12,496**		15	
Total Information Orig. / Term. Expense (6310)	2,927	0		16	
Less: Nonregulated	0	0		17	
Net Regulated	**2,927**	**0**		18	
Total Cable and Wire Fac. Expense (6410)	110,797	91,816		19	
Less: Nonregulated	0	0		20	
Net Regulated	**110,797**	**91,816**		21	
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	**301,812**	**251,422**			
Less: Nonregulated	**0**	**0**			
Net Regulated	**301,812**	**251,422**			
PLANT NONSPECIFIC OPERATIONS EXPENSE					
Total Other Property, Plant and Equip. Exp. (6510)	758	1,654		22	
Less: Nonregulated	0	0		23	
Net Regulated	**758**	**1,654**		24	
Total Network Operations Expense (6530)	19,956	19,706		25	
Less: Nonregulated	0	0		26	
Net Regulated	**19,956**	**19,706**		27	
Access Expense (6540)	0	0		28	
Less: Nonregulated	0	0		29	
Net Regulated	**0**	**0**		30	
Total Depreciation and Amortization Expense (6560)	481,193	556,499		31	
Less: Nonregulated	0	0		32	
Net Regulated	**481,193**	**556,499**		33	
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	**501,907**	**577,859**			
Less: Nonregulated	**0**	**0**			
Net Regulated	**501,907**	**577,859**			

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)		
6110					1	
					2	
					3	
6120					4	
					5	A
					6	
6210					7	
					8	
					9	
6220					10	
					11	
					12	
6230					13	
					14	
					15	
6310					16	
					17	
					18	
6410					19	
					20	
					21	
6510					22	
					23	
					24	
6530					25	
					26	
					27	
6540					28	
					29	
					30	
6560					31	
					32	
					33	

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)	
CUSTOMER OPERATIONS EXPENSE				
Total Marketing (6610)	3,408	4,173		34
Less: Nonregulated	0	0		35
Net Regulated	**3,408**	**4,173**		36
Total Services (6620)	293,414	312,984		37
Less: Nonregulated	0	0		38
Net Regulated	**293,414**	**312,984**		39
TOTAL CUSTOMER OPERATIONS EXPENSE	**296,822**	**317,157**		
Less: Nonregulated	**0**	**0**		
Net Regulated	**296,822**	**317,157**		
CORPORATE OPERATIONS EXPENSE				
Total Exec. and Planning (6710)	167,188	131,810		40
Less: Nonregulated	0	0		41 B
Net Regulated	**167,188**	**131,810**		42
Total General and Administrative (6720)	206,874	236,327		43
Less: Nonregulated	0	0		44
Net Regulated	**206,874**	**236,327**		45
Provision for Uncollectible Notes Receiv. (6790)	0	0		46
Less: Nonregulated	0	0		47
Net Regulated	**0**	**0**		48
TOTAL CORPORATE OPERATIONS EXPENSE	**374,062**	**368,137**		
Less: Nonregulated	**0**	**0**		
Net Regulated	**374,062**	**368,137**		
TOTAL EXPENSES	**1,474,603**	**1,514,575**		
Less: Nonregulated	**0**	**0**		
Net Regulated	**1,474,603**	**1,514,575**		

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6610					34
					35
					36
6620					37
					38
					39
6710					40
					41 B
					42
6720					43
					44
					45
6790					46
					47
					48

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)	758	1,654		1
Provisioning Expense (6512)	0	0		2
Total: Reported in Account 6510	**758**	**1,654**		
Depreciat. Exp.--Tele. Plant in Service (6561)	481,193	556,499		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	**481,193**	**556,499**		

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

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

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

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

Description (a)	This Year (b)	
Gross Operating Revenues	2,122,728	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)	0	7
Plus (or Less) Other (please specify): NONE	0	8
Assessable Revenues for Remainder, Department of Justice, and Telephone Relay Assessment Purposes	**2,122,728**	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	572,394	1
Plus: Total Intrastate Access Revenues (5084)	511,376	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)	0	4
Plus (or Less) Other (please specify): NONE	0	5
Assessable Revenues for Universal Service Fund Assessment Purposes	**1,083,770**	

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

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

Description (a)	This Year (b)	
Gross Operating Revenues	2,122,728	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)	0	7
Plus (or Less) Other (please specify): NONE	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	**2,122,728**	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	572,394	1
Plus: Total Intrastate Access Revenues (5084)	511,376	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)	0	4
Plus (or Less) Other (please specify): NONE	0	5
Assessable Revenues for Universal Service Fund Assessment Purposes	**1,083,770**	

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)*			6
Operating Federal Income Taxes (7220)*	12,894	16,595	7
Operating State and Local Income Taxes (7230)*			8
Operating Other Taxes (7240)*	122,315	120,054	9
Provision for Deferred Operating Income Taxes--Net (7250)*			10
TOTAL OPERATING TAXES (7200)*	**135,209**	**136,649**	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)*	673	673	11
Interest Income (7320)*	62,556	60,175	12
Income from Sinking and Other Funds (7330)*	0	956	13
Allowance for Funds Used During Construction (7340)*	4,804	0	14
Gains or (Losses) from the Disposition of Certain Property (7350)*			15
Other Nonoperating Income (7360)*	0	12,151	16
Special Charges (7370)*	682	464	17
TOTAL NONOPERATING INCOME AND EXPENSE (7300)*	**67,351**	**73,491**	
NONOPERATING TAXES			
Nonoperating Investment Tax Credits--Net (7410)*			18
Nonoperating Federal Income Taxes (7420)*	(4,347)	15,569	19
Nonoperating State and Local Income Taxes (7430)*			20
Nonoperating Other Taxes (7440)*			21
Provision for Deferred Nonoperating Income Taxes-Net (7450)*	(6,000)	(5,841)	22
TOTAL NONOPERATING TAXES (7400)*	**(10,347)**	**9,728**	
INTEREST AND RELATED ITEMS			
Interest on Funded Debt (7510)*	220,092	201,812	23
Interest Expense--Capital Leases (7520)*			24
Amortization of Debt Issuance Expense (7530)*			25
Other Interest Deductions (7540)*	0	85	26
TOTAL INTEREST AND RELATED ITEMS (7500)*	**220,092**	**201,897**	
EXTRAORDINARY ITEMS			
Extraordinary Items (7600)*			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)*	49,268	1,816	32

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** L
Extended Area Service			**2** L
Extended Community Calling	29	135	**3**
Other Local-Undefined			**4** L
Total Local	**29**	**135**	
TOLL			
Operator Handled: State--intraLATA	2	8	**5**
Operator Handled: State--interLATA	1	2	**6**
Operator Handled: Interstate	1	8	**7**
Customer Dialed: State--intraLATA	72	334	**8**
Customer Dialed: State--interLATA	4	31	**9**
Customer Dialed: Interstate	9	77	**10**
WATS			**11**
Other Toll-Undefined			**12**
Total Toll	**89**	**460**	
Total Local & Toll	**118**	**595**	

ACCESS USAGE

Enter number, in thousands, of Billed Minutes.

Description (a)	Billed Minutes (000's) Interstate InterLATA (b)	Intrastate InterLATA (c)	Intrastate IntraLATA (d)	Interstate IntraLATA (e)	
Feature Group A -- Orig.					1
Feature Group A -- Term.	2	13			2
Feature Group B -- Orig.					3
Feature Group B -- Term.	6				4
Feature Group C -- Orig.			2,298	3	5
Feature Group C -- Term.			2,350	3	6
Feature Group D -- Orig.	1,692	1,429	1,500	1	7
Feature Group D -- Term.	3,050	1,697	1,526	2	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	897	2
Sheath miles of plant - fiber optics	36	3
Strand miles of plant - fiber optics	1,407	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	0	33	1
56 kbps	4	21	2
64 kbps (DS0)	0	0	3
1.54 Mbps (DS-1)	8	1	4
45 Mbps (DS-3)	0	0	5
SONET OC-1			6
SONET OC-3			7
SONET OC-12			8
SONET OC-48			9
SONET OC-192			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	897	2
Sheath miles of plant - fiber optics	36	3
Strand miles of plant - fiber optics	1,407	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	0	33	1
56 kbps	4	21	2
64 kbps (DS0)	0	0	3
1.54 Mbps (DS-1)	8	1	4
45 Mbps (DS-3)	0	0	5
SONET OC-1			6
SONET OC-3			7
SONET OC-12			8
SONET OC-48			9
SONET OC-192			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	273	300	3
2 Party			4
4 Party			5
PBX Trunks/System Trunks	12	12	6
Centrex Trunks			7
Centrex Lines			8
Key System Trunks	79	85	9
Mobile (Utility Provided Service)			10
Paging (Utility Provided Service)			11
FX-Out (Switched)			12
Pay Telephone	10	10	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	**375**	**408**	20
Residential (Incl. Emp. Concess.)			21
1 Party	2,205	2,255	22
2 Party			23
4 Party			24
FX-Out (Switched)	14	13	25
Other			26
Total Residential Lines	**2,219**	**2,268**	27
Total Bus & Res Lines	**2,594**	**2,676**	28
Company Used Lines	20	20	29
Total Lines Used	**2,614**	**2,696**	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			5
Special Access-intraLATA			6
(expressed in equiv. access lines)	57	78	7
Special Access-interLATA			8
(expressed in equiv. access lines)	54	196	9
Feature Group A Lines			10
Feature Group B Trunks			11
Feature Group C Trunks	991	44	12
Feature Group D Trunks	147	147	13
TSPS - Trunks	25	25	14
EAS - Trunks	286	446	15
Cellular Trunks (Pub. Sw. Net.)			16
Video Distance Learning			17
- discounted (special tariff)			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)	6,583,555	7,408,194	27
Total Company Square Miles	276	276	28
Total Company Route Miles	844	897	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	0600	0610	1990	4700	1
Business					2
1 Party	65	44	94	27	3
2 Party					4
4 Party					5
PBX Trunks/System Trunks					6
Centrex Trunks	---CONF---	---CONF---	---CONF---	---CONF---	7
Centrex Lines					8
Key System Trunks	16	7	23	12	9
Mobile (utility provided service)					10
Paging (utility provided service)					11
FX-Out (Switched)					12
Pay Telephone	2	3	1	1	13
Coin-Operated Pay Telephone	0				14
Independent Pay Telephone Provider	1				15
Pay Stations - Public					16
- Semi-Public					17
- Cust. Owned					18
Other					19
Total Business Lines	**84**	**54**	**118**	**40**	20
Residential (Incl. Emp. Concess.)					21
1 Party	525	322	470	275	22
2 Party					23
4 Party					24
FX-Out (Switched)			1	8	25
Other					26
Total Residential Lines	**525**	**322**	**471**	**283**	27
Total Bus & Res Lines	**609**	**376**	**589**	**323**	28
Company Used Lines	12	2	2	2	29
Total Lines Used	**621**	**378**	**591**	**325**	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	4950				1
Business					2
1 Party	70				3
2 Party					4
4 Party					5
PBX Trunks/System Trunks	12				6
Centrex Trunks	---CONF---				7
Centrex Lines					8
Key System Trunks	27				9
Mobile (utility provided service)					10
Paging (utility provided service)					11
FX-Out (Switched)					12
Pay Telephone	3				13
Coin-Operated Pay Telephone					14
Independent Pay Telephone Provider					15
Pay Stations - Public					16
- Semi-Public					17
- Cust. Owned					18
Other					19
Total Business Lines	**112**	**0**	**0**	**0**	20
Residential (Incl. Emp. Concess.)					21
1 Party	663				22
2 Party					23
4 Party					24
FX-Out (Switched)	4				25
Other					26
Total Residential Lines	**667**	**0**	**0**	**0**	27
Total Bus & Res Lines	**779**	**0**	**0**	**0**	28
Company Used Lines	2				29
Total Lines Used	**781**	**0**	**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	0600	0610	1990	4700	1
Miscellaneous					2
WATS Lines - OutWATS					3
WATS Lines - 800 Service					4
FX-In-intraLATA					5
Special Access-intraLATA					6
(equiv. access lines)	16	1	16	4	7
Special Access-interLATA					8
(equiv. access lines)	72		48	52	9
Feature Group A Lines					10
Feature Group B Trunks					11
Feature Group C Trunks	26	0	0	0	12
Feature Group D Trunks	22	27	42	31	13
TSPS - Trunks	5	6	5	4	14
EAS - Trunks	110	46	53	160	15
Cellular Trunks (Pub. Sw. Net.)					16
Video Distance Learning					17
- discounted (special tariff)					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)	1,569,712	1,312,927	1,247,710	1,462,216	27
Exchange Square Miles	60	50	53	52	28
Exchange Route Miles	161	169	159	154	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	4950				1
Miscellaneous					2
WATS Lines - OutWATS					3
WATS Lines - 800 Service					4
FX-In-intraLATA					5
Special Access-intraLATA					6
(equiv. access lines)	41				7
Special Access-interLATA					8
(equiv. access lines)	24				9
Feature Group A Lines					10
Feature Group B Trunks					11
Feature Group C Trunks	18				12
Feature Group D Trunks	25				13
TSPS - Trunks	5				14
EAS - Trunks	77				15
Cellular Trunks (Pub. Sw. Net.)					16
Video Distance Learning					17
- discounted (special tariff)					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)	1,815,629				27
Exchange Square Miles	61				28
Exchange Route Miles	254				29
Footnotes					30

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

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

EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

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

MANUFACTURER ABBREVIATIONS

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EQUIPMENT ABBREVIATIONS

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CENTRAL OFFICE DATA - END OF YEAR

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

Description (a)	Central Off. (b)	Central Off. (c)	Central Off. (d)	Central Off. (e)	
Exchange Name	BLUE RIVER	BOAZ	GAYS MILLS	SABIN	1
PSCW Exchange ID	0600	0610	1990	4700	2
Central Office Name	BLUE RIVER	BOAZ	GAYS MILLS	SABIN	3
PSCW Central Office ID	1	1	1	1	4
Manufacturer of COE (Page 54)	SC	SC	SC	SC	5
Year COE Installed	1986	1987	1987	1987	6
Type of Equipment (Page 54)	D	D	D	D	7
(S)tandalone, (H)ost, (R)emote	H	S	S	S	8
Remote Host PSCW Exchange ID					9
Remote Host PSCW Central Office ID		0	0		10
COE Generic Software Release No.	19	19	19	19	11
SS7?	Yes	Yes	Yes	Yes	12
9-1-1?	Yes	Yes	No	Yes	13
Access Lines - In Use	621	378	591	325	14
- Equipped	786	414	591	540	15
- Wired	810	540	720	540	16
Trunks - In Use	396	130	192	378	17
- Equipped	576	192	312	576	18
- Wired	576	192	384	576	19
ISDN Available?	No	No	No	No	20
ISDN Lines - In Use (BRI)	0	0	0		21
- In Use (PRI)	0	0	0		22
Switched 56 Service?	No	No	No	No	23
Switched 56 lines in use	0	0	0		24
Digital Transmission Facilities: DS-1 - In Use	35	20	20	68	25
DS-3 - In Use	0	0	0		26
Advanced Data Service Available:					
Packet Switching?	No	No	No	No	27
SMDS?	No	No	No	No	28
Frame Relay?	No	No	No	No	29
ATM (Asynchronous Trans. Mode)?	No	No	No	No	30
Video Information - Service Available?	No	No	No	No	31
- In Use (# lines) [1]	0	0	0		32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	48	48	48	84	33
No. of fiber strands working (LIT) in C.O.	4	8	0	12	34
No. of fiber strands for interoffice use	0	0	0	0	35
Miles of fiber sheath in wire center	6	19	7	18	36
Access Tandem Serving this C.O.:					
- C.O. Name	BOSCOBEL	BOSCOBEL	BOSCOBEL	BOSCOBEL	37
- PSCW C.O. ID	0640-01	0640-01	0640-01	0640-01	38
Does this C.O. do access tandem switching?	Yes	Yes	Yes	Yes	39
Equal Access: InterLATA (1+)?	Yes	Yes	Yes	Yes	40
Equal Access: IntraLATA (1+)?	Yes	Yes	Yes	Yes	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	SOLDIERS GROV				1
PSCW Exchange ID	4950				2
Central Office Name	SOLDIERS GROVE				3
PSCW Central Office ID	1				4
Manufacturer of COE (Page 54)	SC				5
Year COE Installed	1987				6
Type of Equipment (Page 54)	D				7
(S)tandalone, (H)ost, (R)emote	S				8
Remote Host PSCW Exchange ID					9
Remote Host PSCW Central Office ID					10
COE Generic Software Release No.	19				11
SS7?	Yes				12
9-1-1?	No				13
Access Lines - In Use	781				14
- Equipped	900				15
- Wired	900				16
Trunks - In Use	161				17
- Equipped	264				18
- Wired	288				19
ISDN Available?	No				20
ISDN Lines - In Use (BRI)					21
- In Use (PRI)					22
Switched 56 Service?	No				23
Switched 56 lines in use					24
Digital Transmission Facilities: DS-1 - In Use	18				25
DS-3 - In Use					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]					32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	48				33
No. of fiber strands working (LIT) in C.O.					34
No. of fiber strands for interoffice use					35
Miles of fiber sheath in wire center	12				36
Access Tandem Serving this C.O.:					
- C.O. Name	VIROQUA				37
- PSCW C.O. ID	5530-01				38
Does this C.O. do access tandem switching?	Yes				39
Equal Access: InterLATA (1+)?	Yes				40
Equal Access: IntraLATA (1+)?	Yes				41
Footnotes					42

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

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

General Footnote

October 27, 1999

Mr. David Lull, General Manager
Richland-Grant Telephone Cooperative, Inc.
202 East Street
P.O. Box 67
Blue River, WI 53518-0067

Re: 1998 Analytical Review DWCCA-5080-ELE

Dear Mr. Lull:

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 anc the preparation of future annual reports.

During our review, we noted that some of the pages filed in your public 1998 annual report were out of order and were rearranged as follows:

Copy 2 of page 52 was flipped with Copy 1 of page 53

In the future, be sure your pages are arranged in the correct order.

These recommendations are intended to provide accounting and report filing 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. You can consider the 1998 analytical review closed.

Sincerely,

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

ELE:tlk:w:\compl\telco letters\5080 rev letter

Accountants Compilation Report

To the Board of Directors
Richland-Grant Telephone Cooperative, Inc.
Blue River, Wisconsin 53518

We have compiled the balance sheets of Richland-Grant Telephone Cooperative as of December 31, 1998 and 1997, and the related statements

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

of income and retained earnings for the years then ended, and the statement of cash flows for the year ended December 31, 1998, included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary information presented in the prescribed form, except for pages 46 through 55.

Our compilation was limited to presenting in the form prescribed by the Public Service Commission of Wisconsin, information that is the representation of management. We have not audited or reviewed the financial statements and supplementary information referred to above and, accordingly, do not express an opinion or any other form of assurance on them. These financial statements were compiled by us from financial statements for the same period that we previously audited, as indicated in our report dated January 28, 1999.

These financial statements (including related disclosures) and the supplementary information are presented in accordance with the requirements of the Public Service Commission of Wisconsin, which differ from generally accepted accounting principles. Accordingly, these financial statements and supplementary information are not designed for those who are not informed about such differences.

The supplementary information contained on pages 46 through 55 of the accompanying prescribed form has not been audited, reviewed, or compiled by us, and, accordingly, we assume no responsibility for that information.

Kiesling Associates LLP
Madison, Wisconsin
April 14, 1999

Schedule Footnotes

Central Office Lookup Table Footnote. Page 0

Schedule Line Footnotes

A) Decrease due to high balance in 1997 from roof repairs. 1998 amount comparable to 1996 amount.

B) Decrease due to one less person on payroll as of 4/98, and directors travelled less in 1998.

C) Average depreciation rate calculated due to varying rates within the sub-accounts.

D) Increase due to reclassification of revenues from account 5250 in 1998.

E) Decrease due to lower billing and collection rates.

F) Decrease due to a high 1997 balance. 1998 amount is comparable to 1996 amount.

G) This footnote is not being used.

H) Transfer to match revised CPR support.

I) This footnote is not being used.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

J) To reclass accumulated depreciation to match revised CPR support.

K) Various depreciation rates are used for this account and subclass accouunts.

L) Local, toll telephone calls, and minutes of use data are not available for lines 1, 2, and 4 of page 47. Richland Grant is a flat rate company and the cost incurred for the neccessary software and record keeping for usage sensitive recording would not be practical for information that will not be used elsewhere. However, page 47, line 3, columns (b) and (c), should be correct.

M) Various depreciation rates are used for this account. Assets in this account are being depreciated using the unit method.