



4004

ANNUAL REPORT

OF

Name: TENNEY TELEPHONE COMPANY

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

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.

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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: <ol style="list-style-type: none">1. One mile of roadway with any combination of outside plant facilities on any number of rights-of-way.2. One mile of a cross country route with any combination of outside plant facilities.3. One mile of point-to-point microwave or radio link.4. One mile of plant on either side of a limited access highway or natural barrier, such as a navigable waterway.5. One mile of joint use line where the utility either owns the facility or leases space.
Stand Alone Switch	A central office switch which has no remote switching units (RSUs) subtending it.
Trunk	A communications path connecting two switching systems in the establishment of an end-to-end connection.
Wide Area Telephone Service (WATS)	Customer leased access line or lines connected to the nationwide network over which an unlimited number of calls can be made for a fixed monthly charge.
Wire Center	The location of one or more local switching systems. A point at which customers' loops converge.

ABBREVIATIONS USED IN ANNUAL REPORTS

Acct	.....	Account
Accum	.....	Accumulated
Acq	.....	Acquisition
Admin	.....	Administrative
Alloc	.....	Allocation
Amort	.....	Amortization
CO	.....	Central Office
Depr	.....	Depreciation
Equip	.....	Equipment
Exp	.....	Expenses
EOY	.....	End of Year
FOY	.....	First of Year
Info	.....	Information
ITC	.....	Investment Tax Credit
Misc	.....	Miscellaneous
Nonoper	.....	Nonoperating
Nonreg	.....	Nonregulated
Oper	.....	Operating
Opns	.....	Operations
Orig	.....	Originating
Prop	.....	Property
Receiv	.....	Receivable
Reg	.....	Regulated
Rev	.....	Revenues
Svcs	.....	Services
Telecom	.....	Telecommunications
Term	.....	Terminating
TPIS	.....	Telecommunications Plant in Service
TPUC	.....	Telecommunications Plant Under Construction
Uncoll	.....	Uncollectible

IDENTIFICATION AND OWNERSHIP

Exact Utility Name: TENNEY TELEPHONE COMPANY
Utility Location: 301 S WESTFIELD RD
P.O. BOX 5158
MADISON, WI 53705-0158

Utility Web Site Address:

When was utility organized?: 01/01/1904

Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: JOHN R . ERPENBACH
Title: ACCOUNTING MANAGER

Office Address: 301 SOUTH WESTFIELD ROAD
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MADISON , WI 53705-0158

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

Name: DEBRA K . STITTLEBURG
Title: ACCOUNTANT
Firm: TDS TELECOM

Office Address: 301 SOUTH WESTFIELD ROAD
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MADISON , WI 53705-0158

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Person responsible for financial information contained in report

Name: MR JOHN R . ERPENBACH
Title: ACCOUNTING MANAGER

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

Fax Number: (608) 664 - 4519
Telephone Number: (608) 664 - 4289
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Person responsible for statistical information contained in report

Name: VARIOUS CONTACTS K
Title: X

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

Fax Number: (608) 664 - 4519
Telephone Number: (608) 999 - 9999
Email Address:

IDENTIFICATION AND OWNERSHIP

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

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

Number of Shares Held: 3,335
Beneficial Owner: NONE

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	812,130	735,666	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	95,992	91,675	2
Plant Nonspecific Operations Expense	243,784	215,828	3
Customer Operations Expense (6610-6620)	170,447	142,114	4
Corporate Operations Expense (6710-6790)	156,436	129,336	5
Other Operating Income and Expense (7100)	2,174	240	6
Operating Taxes (7200)	73,935	80,914	7
Total Operating Expenses	738,420	659,627	8
Net Operating Income	73,710	76,039	9
Other Income			
Nonoperating Income and Expense (7300)	3,624	6,073	10
Nonoperating Taxes (7400)	812	1,426	11
Interest and Related Items (7500)	46,512	37,752	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	14,178	8,190	14
Total Nonoperating Income	(29,522)	(24,915)	15
Net Income	44,188	51,124	16

NOTES TO INCOME STATEMENT OR BALANCE SHEET

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

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

TELEPHONE PLANT

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

DEPRECIATION

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

REVENUES

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

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

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

PENSION

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

INCOME TAXES

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

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

NOTES TO INCOME STATEMENT OR BALANCE SHEET

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

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

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

NONE

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

The company is restricted from transferring funds to the parent or other affiliates in the form of cash dividends until certain financial requirements of its mortgage indentures have been met. At December 31, 1998, the company has invested no funds with Telecommunications Technologies Fund and could distribute up to \$118,127 to the parent or other affiliates in the form of cash dividends.

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT ASSETS			
CASH AND EQUIVALENTS			
Cash and Equivalents (1120)*			1
Cash (1130)	125,215	79,672	2
Special Cash Deposits (1140)	0		3
Working Cash Advances (1150)	350	350	4
Temporary Investments (1160)	0		5
TOTAL CASH AND EQUIVALENTS	125,565	80,022	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	38,285	27,794	6
Accounts Receivable Allowance-Telecom (1181)*	0		7
Net: Telecommunications Accounts Receivable	38,285	27,794	
Other Accounts Receivable (1190)*	83,072	137,056	8
Accounts Receivable Allowance--Other (1191)*	0		9
Net: Other Accounts Receivable	83,072	137,056	
Notes Receivable (1200)*	0	0	10
Notes Receivable Allowance (1201)*	0	0	11
Net: Notes Receivable	0	0	
Interest and Dividends Receivable (1210)*	495	248	12
TOTAL RECEIVABLES AND ALLOWANCES FOR DOUBTFUL	121,852	165,098	
SUPPLIES			
Inventories (1220)*	16,723	18,818	13
TOTAL SUPPLIES	16,723	18,818	
PREPAYMENTS			
Total Prepayments (1280)*			14
Prepaid Rents (1290)	0		15
Prepaid Taxes (1300)	818		16
Prepaid Insurance (1310)	0		17
Prepaid Directory Expenses (1320)	348	195	18
Other Prepayments (1330)	3,998	4,300	19
TOTAL PREPAYMENTS	5,164	4,495	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	510	510	20
TOTAL OTHER CURRENT ASSETS	510	510	
TOTAL CURRENT ASSETS	269,814	268,943	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	0	0	21
Investments in Nonaffiliated Companies (1402)*	0	0	22
Nonregulated Investments (1406)*	8,840	64,805	23
Unamortized Debt Issuance Expense (1407)*	1,287	1,335	24
Sinking Funds (1408)*	0	0	25

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
NONCURRENT ASSETS			
INVESTMENTS			
Other Noncurrent Assets (1410)*	0		26
TOTAL INVESTMENTS	10,127	66,140	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*	23,122	25,020	27
Deferred Maintenance and Retirements (1438)*	0	0	28
Deferred Charges (1439)*	2,173	166	29
TOTAL DEFERRED CHARGES	25,295	25,186	
TOTAL NONCURRENT ASSETS	35,422	91,326	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	2,728,313	2,518,490	30
Less: Accumulated Depreciation (3100)*	1,448,899	1,329,613	31
Less: Accumulated Amortization--Capitalized Leases (3410)*	0		32
Less: Accumulated Amortization--Leasehold Improvements (3420)*	0		33
Less: Accumulated Amortization--Intangible (3500)*	0		34
NET TELECOMMUNICATIONS PLANT IN SERVICE	1,279,414	1,188,877	
PROPERTY HELD FOR FUTURE USE			
Prop. Held for Future Telecommun. Use (2002)*	0		35
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200)*	0		36
NET PROPERTY HELD FOR FUTURE USE	0	0	
NONOPERATING PLANT			
Nonoperating Plant (2006)*	0		37
Less: Accumulated Depreciation--Nonoperating (3300)*	0		38
NET NONOPERATING PLANT	0	0	
TPUC			
TPUC (2003)*	3,900	20,606	39
TOTAL TPUC	3,900	20,606	
TELECOMMUNICATIONS PLANT ADJUSTMENT			
Telecommunications Plant Adjustment (2005)*	0		40
Less: Accumulated Amortization--Other (3600)*	0		41
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	0	0	
TOTAL PLANT	1,283,314	1,209,483	
TOTAL ASSETS AND OTHER DEBITS*	1,588,550	1,569,752	

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	90,819	135,053	1
Notes Payable (4020)*	250,000	200,000	2
Advance Billing and Payments (4030)*	6,100	6,246	3
Customer Deposits (4040)*	200		4
Current Maturities--Long-Term Debt (4050)*	21,813	25,700	5
Current Maturities--Capital Leases (4060)*	0		6
Income Taxes--Accrued (4070)*	(1,046)	(918)	7
Other Taxes--Accrued (4080)*	(7,078)	(4,738)	8
Net Current Deferred Operating Income Taxes (4100)*	0	0	9
Net Current Deferred Nonoperating Income Taxes (4110)*	0		10
Other Accrued Liabilities (4120)*	7,883	9,667	11
Other Current Liabilities (4130)*	2,273	2,119	12
TOTAL CURRENT LIABILITIES*	370,964	373,129	
LONG-TERM DEBT			
Funded Debt (4210)*	521,285	543,644	13
Premium on Long-Term Debt (4220)*	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*	521,285	543,644	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*	(4,507)	1,893	20
Unamortized Operating ITC--Net (4320)*	1	798	21
Unamortized Nonoperating ITC--Net (4330)*	0	0	22
Net Noncurrent Deferred Operating Income Taxes (4340)*	108,840	100,615	23
Net Deferred Tax Liability Adjustments (4341)*	10,602	11,808	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	0		25
Other Deferred Credits (4360)*	0		26
Deferred Tax Regulatory Liability (4361)*	3,205	3,897	27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS*	118,141	119,011	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	166,750	166,750	28
Additional Paid-in Capital (4520)*	0		29
Treasury Stock (4530)*	0	0	30
Other Capital (4540)*	0		31
Retained Earnings (4550)*	411,404	367,216	32
TOTAL STOCKHOLDERS' EQUITY*	578,154	533,966	
TOTAL LIABILITIES AND OTHER CREDITS*	1,588,544	1,569,750	

STATEMENT OF CASH FLOWS

Item (a)	Amount (b)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	44,188	1
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and amortization	185,197	2
Interest during construction	(364)	3
Changes in assets and liabilities:		
Current assets (net)	44,672	4
Other noncurrent assets	(157)	5
Other current liabilities	(48,278)	6
Other liabilities and deferred credits	(870)	7
Other (specify):		
TOTAL ADJUSTMENTS	180,200	
NET CASH PROVIDED BY OPERATING ACTIVITIES (NET INCOME & ADJUST.)	224,388	
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures:		
Changes in plant (net)	(258,664)	8
Investments in affiliated companies	0	9
Nonoperating Investments	55,965	10
Other (specify):		
NET CASH USING IN INVESTING ACTIVITIES	(202,699)	
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in capital lease obligations (net)	0	11
Change in long-term debt (net)	(26,150)	12
Net changes in stockholder equity other than retained earnings	0	13
Change in short term borrowing (net)	50,000	14
Dividends paid	0	15
Miscellaneous debits/credits to retained earnings	0	16
Other (specify):		
Net Cash Provided by Financing Activities	23,850	
NET INCREASE IN CASH AND CASH EQUIVALENTS	45,539	
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.

Rate Increase, April 1998, \$53,900 annual rate increase

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.

The Company has adopted the American Institute of Certified Public Accountants, Accounting Standards Executive Committee, Statement of Position 98-1, Accounting for the Costs of Computer Software Developed or Obtained for Internal Use in 1998.

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)	
Badger Telecom, Inc.	BADGER	1
Black Earth Telephone Company	BLACK EAR	2
Central State Telephone Company	CENTRAL	3
Midway Telephone Company	MIDWAY	4
Mount Vernon Telephone Company	MT. VERNON	5
Other	OTHER	6
Riverside Telecom, Inc.	RIVERSIDE	7
Suttle Press, Inc.	SUTTLE	8
Telephone and Data Systems, Inc.	TDS CORP	9
TDS Computing Services, Inc.	TDS/CS	10
TDS Telecom, Inc.	TDS-TEL	11
Telecommunications Technologies Fund	TTF	12

AFFILIATED INTEREST TRANSACTIONS

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

Particulars (a)	(b)	(c)	(d)	(e)	
Docket	0005-TI-000124	0005-TI-000124	None	0005-TI-000124	
Name of Affiliate	OTHER	OTHER	SUTTLE	TDS CORP	1
Designate whether billed to or from:	FROM	TO	FROM	FROM	2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C	C	M	C	3
Revenues					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	17,161	125	808	20,240	14
Total	17,161	125	808	20,240	15
Percent of affiliate's business billed to all affiliated regulated utilities			58.00		16
If cost based, rate of return on equity or markup incorporated in billings	0.00			0.00	17
Footnotes					

AFFILIATED INTEREST TRANSACTIONS

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

Particulars (a)	(b)	(c)	(d)	(e)		
Docket	0005-TI-000124	0005-TI-000124				
Name of Affiliate	TDS/CS	TDS-TEL				1
Designate whether billed to or from:	FROM	FROM				2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C	C				3
Revenues						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	40,057	229,826				14
Total	40,057	229,826	0	0		15
Percent of affiliate's business billed to all affiliated regulated utilities						16
If cost based, rate of return on equity or markup incorporated in billings	15.00	0.00				17
Footnotes						

AFFILIATED ASSETS AND LIABILITIES

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

Name of Affiliate (a)	Account Number (b)	Balance EOY (c)	
Telephone and Data Systems, Inc.	1190	12,419	1
TDS Telecom, Inc.	1190	20,122	2
Badger Telecom, Inc.	4010	1,172	3
Black Earth Telephone Company	4010	374	4
Mount Vernon Telephone Company	4010	114	5
Telephone and Data Systems, Inc.	4010	983	6 H
TDS Telecom, Inc.	4010	33,597	7

ACCOUNTS RECEIVABLE NET WRITE OFFS - TELECOMMUNICATIONS

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

Particulars (a)	Amount (b)	
Collection of amounts previously written off	0	1
Uncollectibles written off during the year	0	2
Net write offs during the year	0	

NOTES RECEIVABLE (ACCT. 1200) AND ALLOWANCES (ACCT. 1201)

For affiliates, list by issue or note by affiliate. Other, list by issue or note by entity. Separately identify economic development loans and associated particulars.

Name of Maker and purpose (a)	Issue Date (b)	Maturity (c)	Interest Rate (d)	Amount EOY (e)	Allowance Acct. 1201 (f)
--	-------------------------------	-------------------------	----------------------------------	-------------------------------	---

INVESTMENTS IN NONAFFILIATED COMPANIES (ACCT. 1402)

Name (a)	Balance EOY (b)	
RTB Class B Stock	0	1
Other:		
Total Investments in Nonaffiliated Companies	0	

NONREGULATED INVESTMENTS (ACCT. 1406)

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

Name (a)	Balance EOY (b)	
Total Net Investment and Inventory (Accts. 1406.10, 1406.11, and 1406.12):		
Direct Broadcast Satellite	1,288	1
Leased Phones and Business Systems	7,552	2 L

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	1,564	0	1
Motor Vehicles	2112	37,015	19,036	2
Aircraft	2113	0	0	3 c, l
Special Purpose Vehicles	2114	0	0	4
Garage Work Equipment	2115	0	0	5
Other Work Equipment	2116	19,101	0	6 c
Buildings	2121	62,533	0	7
Furniture	2122	3,678	0	8 c
Office Equipment	2123	7,124	0	9 c
General Purpose Computers	2124	213,333	51,000	10
TOTAL--GENERAL SUPPORT ASSETS:		344,348	70,036	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0	0	11
Digital Electronic Switching	2212	592,537	84,757	12
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220	0	0	14
Radio Systems	2231	0	0	15
Circuit Equipment	2232	235,210	46,458	16
TOTAL--CENTRAL OFFICE ASSETS:		827,747	131,215	
INFORMATION ORIGATION/TERMINATION ASSETS				
Station Apparatus	2311	0	0	17
Customer Premises Wiring	2321	0	0	18
Large Private Branch Exchanges	2341	0	0	19
Public Telephone Terminal Equipment	2351	10,843	0	20
Other Terminal Equipment	2362	0	0	21
TOTAL--INFORMATION ORIG/TERM ASSETS:		10,843	0	
CABLE WIRE FACILITIES ASSETS				
Poles	2411	24,612	0	22 c
Aerial Cable	2421	208,611	3,270	23
Underground Cable	2422	8,181	0	24
Buried Cable	2423	1,085,101	77,508	25
Submarine Cable	2424	0	0	26
Deep Sea Cable	2425	0	0	27
Intrabuilding Network Cable	2426	0	0	28
Aerial Wire	2431	5,421	0	29 c
Conduit Systems	2441	3,626	0	30
TOTAL--CABLE WIRE FACILITIES ASSETS:		1,335,552	80,778	
AMORTIZABLE ASSETS				
Capital Leases	2681	0	0	31

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

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2111	0	0	1,564	1
2112	20,786	0	35,265	2
2113	0	12,762	12,762	3 C,I
2114	0	0	0	4
2115	0	0	0	5
2116	0	(7,901)	11,200	6 C
2121	0	0	62,533	7
2122	0	(928)	2,750	8 C
2123	0	(7,124)	0	9 C
2124	13,453	0	250,880	10
	34,239	(3,191)	376,954	
2211	0	0	0	11
2212	0	0	677,294	12
2215	0	0	0	13
2220	0	0	0	14
2231	0	0	0	15
2232	0	0	281,668	16
	0	0	958,962	
2311	0	0	0	17
2321	0	0	0	18
2341	0	0	0	19
2351	10,843	0	0	20
2362	0	0	0	21
	10,843	0	0	
2411	454	(2,328)	21,830	22 C
2421	3,315	0	208,566	23
2422	0	0	8,181	24
2423	17,720	0	1,144,889	25
2424	0	0	0	26
2425	0	0	0	27
2426	0	0	0	28
2431	0	(116)	5,305	29 C
2441	0	0	3,626	30
	21,489	(2,444)	1,392,397	
2681	0	0	0	31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
AMORTIZABLE ASSETS				
Leasehold Improvements	2682	0	0	32
Intangibles	2690	0	0	33
TOTAL--AMORTIZABLE ASSETS:		0	0	
TOTAL TELECOM. PLANT IN SERVICE	2001	2,518,490	282,029	
Less: Allocation to Nonregulated Activity - EOY	2001			34
NET REG. TOTAL TELE. PLANT IN SERV. - EOY	2001			

Explain all amounts shown in column (g).

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

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2682	0	0	0	32
2690	0	0	0	33
	0	0	0	
	66,571	(5,635)	2,728,313	
2001			0	34
			2,728,313	

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	1,812	0	1 c
Company Communications Equipment	2123.2	5,312	0	2 c
Software	2212.1	80,048	27,261	3
Digital Switching - Central Office	2212.2	512,489	57,496	4
Digital Switching - Remote	2212.3	0	0	5
Step by Step Switching	2215.1	0	0	6
Crossbar Switching	2215.2	0	0	7
Satellite and Earth Station Facilities	2231.1	0	0	8
Other Radio Facilities	2231.2	0	0	9
Digital Circuit Equipment	2232.1	213,426	46,458	10
Analog Circuit Equipment	2232.2	0	0	11
Light Wave Circuit Equipment	2232.3	21,784	0	12
Aerial Cable - Nonmetallic	2421.1	23,116	0	13
Aerial Cable - Metallic	2421.2	185,495	3,270	14
Underground Cable - Nonmetallic	2422.1	0	0	15
Underground Cable - Metallic	2422.2	8,181	0	16
Buried Cable - Nonmetallic	2423.1	5,598	0	17
Buried Cable - Metallic	2423.2	1,079,503	77,508	18
Submarine Cable - Nonmetallic	2424.1	0	0	19
Submarine Cable - Metallic	2424.2	0	0	20
Intrabuilding Cable - Nonmetallic	2426.1	0	0	21
Intrabuilding Cable - Metallic	2426.2	0	0	22

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		(1,812)	0	1 c
2123.2		(5,312)	0	2 c
2212.1			107,309	3
2212.2			569,985	4
2212.3			0	5
2215.1			0	6
2215.2			0	7
2231.1			0	8
2231.2			0	9
2232.1			259,884	10
2232.2			0	11
2232.3			21,784	12
2421.1			23,116	13
2421.2	3,315		185,450	14
2422.1			0	15
2422.2			8,181	16
2423.1			5,598	17
2423.2	17,720		1,139,291	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	21,640	11.2	4,124	0 1
Aircraft	2113	0	.0	493	0 2C,I
Special Purpose Vehicles	2114	0	.0	0	0 3
Garage Work Equipment	2115	0	.0	0	0 4
Other Work Equipment	2116	14,954	6.77	673	0 5C
Buildings	2121	48,748	2.6	1,620	0 6
Furniture	2122	2,685	6.3	157	0 7C
Office Equipment	2123	6,627	13.03	(104)	0 8C
General Purpose Computers	2124	81,774	14.29	29,312	0 9
Total-- GENERAL SUPPORT ASSETS		176,428		36,275	0
CENTRAL OFFICE ASSETS					
Analog Electronic Switching	2211	0	.0	0	0 10
Digital Electronic Switching	2212	341,899	7.15	60,338	0 11
Electro-Mechanical Switching	2215	0	.0	0	0 12
Operator Systems	2220	0	.0	0	0 13
Radio Systems	2231	0	.0	0	0 14
Circuit Equipment	2232	99,476	9.4799	25,409	0 15
Total-- CENTRAL OFFICE ASSETS		441,375		85,747	0
INFORMATION ORIG/TERM ASSETS					
Station Apparatus	2311	0	.0	0	0 16
Customer Premises Wiring	2321	0	.0	0	0 17
Large Private Branch Exchanges	2341	0	.0	0	0 18
Public Telephone Terminal Equipment	2351	10,301	.0	0	0 19C
Other Terminal Equipment	2362	0	.0	0	0 20
Total-- INFORMATION ORIG/TERM ASSETS		10,301		0	0
CABLE WIRE FACILITIES ASSETS					
Poles	2411	25,766	10.0	2,111	0 21J
Aerial Cable	2421	202,241	5.96	12,209	0 22J
Underground Cable	2422	2,684	4.4	360	0 23
Buried Cable	2423	462,554	4.4	48,279	0 24
Submarine Cable	2424	0	.0	0	0 25
Deep Sea Cable	2425	0	.0	0	0 26
Intrabuilding Network Cable	2426	0	.0	0	0 27
Aerial Wire	2431	6,588	19.0	996	0 28J

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112	20,786	0	3,610	0	8,588	1
2113	0	0	0	10,299	10,792	2 c,l
2114	0	0	0	0	0	3
2115	0	0	0	0	0	4
2116	0	0	0	(6,186)	9,441	5 c
2121	0	0	0	0	50,368	6
2122	0	0	0	(677)	2,165	7 c
2123	0	0	0	(6,627)	(104)	8 c
2124	13,453	0	0	0	97,633	9
	34,239	0	3,610	(3,191)	178,883	
2211	0	0	0	0	0	10
2212	0	0	0	0	402,237	11
2215	0	0	0	0	0	12
2220	0	0	0	0	0	13
2231	0	0	0	0	0	14
2232	0	0	0	0	124,885	15
	0	0	0	0	527,122	
2311	0	0	0	0	0	16
2321	0	0	0	0	0	17
2341	0	0	0	0	0	18
2351	10,843	0	2,476	(1,934)	0	19 c
2362	0	0	0	0	0	20
	10,843	0	2,476	(1,934)	0	
2411	454	0	0	0	27,423	21 J
2421	3,315	1,091	79	0	210,123	22 J
2422	0	0	0	0	3,044	23
2423	17,720	177	0	0	492,936	24
2424	0	0	0	0	0	25
2425	0	0	0	0	0	26
2426	0	0	0	0	0	27
2431	0	0	0	0	7,584	28 J

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	1,676	3.0	108	0 29
Total-- CABLE WIRE FACILITIES ASSETS		701,509		64,063	0
Total Accumulated Depreciation	3100	1,329,613		186,085	0
Less: Allocation to Nonregulated Activity - Columns e, f and I	3100			0	0 30
Net Regulated Total Accum Depreciation - 3100 Columns e, f and I				186,085	0

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441	0	0	0	0	1,784	29
	21,489	1,268	79	0	742,894	
3100	66,571	1,268	6,165	(5,125)	1,448,899	
3100					0	30
3100					1,448,899	

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	1,721	9.5	0	0	1 c
Company Communications Equipment	2123.2	4,906	14.3	(104)	0	2 c
Software	2212.1	0	25.0	23,421	0	3
Digital Switching - Central Office	2212.2	341,899	6.56	36,917	0	4
Digital Switching - Remote	2212.3	0	6.5	0	0	5
Step by Step Switching	2215.1	0	.0	0	0	6
Crossbar Switching	2215.2	0	.0	0	0	7
Satellite and Earth Station Facilities	2231.1	0	.0	0	0	8
Other Radio Facilities	2231.2	0	.0	0	0	9
Digital Circuit Equipment	2232.1	83,916	9.63	23,525	0	10
Analog Circuit Equipment	2232.2	0	.0	0	0	11
Light Wave Circuit Equipment	2232.3	15,560	8.63	1,884	0	12
Aerial Cable - Nonmetallic	2421.1	7,858	5.1	1,176	0	13
Aerial Cable - Metallic	2421.2	194,383	6.0	11,033	0	14 J
Underground Cable - Nonmetallic	2422.1	0	4.4	0	0	15
Underground Cable - Metallic	2422.2	2,684	4.4	360	0	16
Buried Cable - Nonmetallic	2423.1	2,074	4.8	264	0	17
Buried Cable - Metallic	2423.2	460,480	4.4	48,015	0	18
Submarine Cable - Nonmetallic	2424.1	0	.0	0	0	19
Submarine Cable - Metallic	2424.2	0	.0	0	0	20
Intrabuilding Cable - Nonmetallic	2426.1	0	.0	0	0	21
Intrabuilding Cable - Metallic	2426.2	0	.0	0	0	22

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

Subacct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2123.1		0	0	(1,721)	0	1 C
2123.2		0	0	(4,906)	(104)	2 C
2212.1		0	0	0	23,421	3
2212.2		0	0	0	378,816	4
2212.3		0	0	0	0	5
2215.1		0	0	0	0	6
2215.2		0	0	0	0	7
2231.1		0	0	0	0	8
2231.2		0	0	0	0	9
2232.1		0	0	0	107,441	10
2232.2		0	0	0	0	11
2232.3		0	0	0	17,444	12
2421.1		43	0	0	8,991	13
2421.2	3,315	1,048	79	0	201,132	14 J
2422.1		0	0	0	0	15
2422.2		0	0	0	3,044	16
2423.1		0	0	0	2,338	17
2423.2	17,720	177	0	0	490,598	18
2424.1		0	0	0	0	19
2424.2		0	0	0	0	20
2426.1		0	0	0	0	21
2426.2		0	0	0	0	22

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

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

Particulars (a)	Balance FOY (b)	
PROPERTY RELATED		
Other Current Assets (1350)	0	1
Other Noncurrent Assets (1410)	0	2
Deferred Tax Regulatory Asset (1437)	25,020	3
Net Current Deferred Operating Income Taxes (4100)	0	4
Net Noncurrent Deferred Operating Income Taxes (4340)	(106,559)	5
Net Deferred Tax Liability Adjustments (4341)	(11,808)	6
Deferred Tax Regulatory Liability (4361)	(3,897)	7
Net Property Related Deferred Operating Income Taxes	(97,244)	
Less: Allocation to Nonregulated Activity	0	8
Net Regulated Total Property Related Deferred Operating Income Taxes	(97,244)	
NONPROPERTY RELATED		
Other Current Assets (1350)	510	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)	5,944	13
Net Deferred Tax Liability Adjustments (4341)	0	14
Deferred Tax Regulatory Liability (4361)	0	15
Total Nonproperty Related Deferred Operating Income Taxes	6,454	

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

Acct (c)	Current Year Accrual (d)	Current Year Amortization (e)	Adjustments Debit or (Credit) (f)	Balance EOY (g)	
7250	0	0		0	1
7250	0	0		0	2
	(1,898)	0		23,122	3
7250	0	0		0	4
7250	(2,304)	0		(108,863)	5
	1,206	0		(10,602)	6
	692	0		(3,205)	7
	(2,304)	0	0	(99,548)	
	0	0		0	8
	(2,304)	0	0	(99,548)	
7250	0	0		510	9
7250	0	0		0	10
	0	0		0	11
7250	0	0		0	12
7250	(5,921)	0		23	13
	0	0		0	14
	0	0		0	15
	(5,921)	0	0	533	

NOTES PAYABLE (ACCT. 4020)

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

Name (a)	Issue Date (b)	Maturity (c)	Interest Rate (d)	Balance EOY (e)	
Affiliated:					
Telecommunications Technologies Fund	07/01/1998	12/31/1999	8.2500	250,000	1
Total Affiliated				<u>250,000</u>	
Total Notes Payable				<u><u>250,000</u></u>	

LONG-TERM DEBT

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

Description of Debt (a)	Specific or Range of Stated Dates of Issue (b)	Specific or Range of Stated Dates of Maturity (c)	Specific or Range of Interest Rates (d)	
Funded Debt (Account 4210):				
RUS/RTB	06/23/1972-07/09/1997	06/23/2004-07/09/2004	2.0000	1
RUS/RTB	08/18/1991-05/16/1994	08/18/2004	5.0000	2
Total Funded Debt				

LONG-TERM DEBT (cont.)

Composite Interest Rate (e)	Held by Utility		Total Principal EOY (h)	Current Maturities Included in Acct. 4050 (i)	Total Amount Outstanding (j)	
	Reacquired Debt Acct. 4240 (f)	Sinking Funds Acct. 1408 (g)				
2.0000	0	0	58,993	12,456	71,449	1
5.0000	0	0	462,292	9,357	471,649	2
	0	0	521,285	21,813	543,098	

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:			
	5,000	50.00	1
TOTAL COMMON STOCK	5,000		
TOTAL	<u>5,000</u>		

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:					
	3,335	166,750			1
	3,335	166,750	0	0	
TOTAL	<u>3,335</u>	<u>166,750</u>	<u>0</u>	<u>0</u>	

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	367,216	316,092	1
Changes:			
Balance Transferred from Income	44,188	51,124	2
Dividends Declared:			
Common			3
Preferred			4
Total Dividends Declared	0	0	
Miscellaneous Debits to Retained Earnings			5
Miscellaneous Credits to Retained Earnings			6
Balance--End of Year	<u>411,404</u>	<u>367,216</u>	

DISTRIBUTION OF TAXES

1. Report hereunder the summary accounts and functions charged with taxes accrued during the year.
2. Where allocation is necessary, explain the basis used.
3. Report in a footnote the amounts and kind of taxes cleared from prepaid taxes, if any.

Summary Account/ Function Charged (a)	Wisconsin License Fee (b)	Wisconsin Income Tax (c)	Federal Income Tax (d)	
Operating Taxes (Accts. 7210 - 7250)	46,862	7,511	19,033	1
Nonoperating Taxes (Accts. 7410 - 7450)		0	811	2
Extraordinary Items (Accts. 7630 & 7640)				3
Nonregulated Net Income (Acct. 7990)		0	3,760	4
Clearing Accounts				5
Construction				6
Payroll Taxes: FICA				7
Payroll Taxes: State Unemployment				8
Payroll Taxes: Federal Unemployment				9
Other (specify):				
TOTAL	<u>46,862</u>	<u>7,511</u>	<u>23,604</u>	

DISTRIBUTION OF TAXES (cont.)

PSC Remainder Assessment (e)	Local Property Tax (f)	State & Local Taxes Other than Wisconsin (g)	Other Taxes (h)	Payroll Taxes (i)	Total (j)	
529	0		0		73,935	1
					811	2
					0	3
					3,760	4
					0	5
					0	6
					0	7
					0	8
					0	9
529	0	0	0	0	78,506	

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

Particulars (a)	This Year (b)	Last Year (c)	
LOCAL NETWORK SERVICES REVENUES			
Basic Local Service Revenue (5000)*			1
Basic Area Revenue (5001)	250,708	205,401	2 D
Optional Extended Area Revenue (5002)	2		3
Cellular Mobile Revenue (5003)	0		4
Other Mobile Services Revenue (5004)	0		5
Public Telephone Revenue (5010)	0	341	6
Local Private Line Revenue (5040)	2,605	2,376	7
Customer Premises Revenue (5050)	90	97	8
Other Local Exchange Revenue (5060)	52,432	69,922	9 E
Other Local Exchange Revenue Settlements (5069)	0		10
TOTAL BASIC LOCAL SERVICE REVENUE (5000)	305,837	278,137	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	56,702	49,269	11
Switched Access Revenue (5082)*	211,361	199,161	12
Special Access Revenue (5083)*	8,306	5,199	13
TOTAL INTERSTATE ACCESS REVENUES (5080)	276,369	253,629	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*	0		14
Switched Access Revenue (5084.2)*	139,327	119,924	15
Special Access Revenue (5084.3)*	20,214	11,620	16 F
TOTAL INTRASTATE ACCESS REVENUES (5084)	159,541	131,544	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*	0		17
Long Distance Inward-Only Revenue (5111)	0		18
Long Distance Outward-Only Revenue (5112)	0		19
Unidirectional Long Distance Revenue (5110)	0	0	
Long Distance Private Network Revenues			
Subvoice Grade Revenue (5121)	0		20
Voice Grade Revenue (5122)	0		21
Audio Program Grade Revenue (5123)	0		22
Video Program Grade Revenue (5124)	0		23
Digital Transmission Revenue (5125)	0		24
Switching Revenue (5126)	0		25
Other Revenue (5128)	0		26
Other Revenue Settlements (5129)	0		27
Total Long Distance Private Network Revenue	0	0	
Other Long Distance Revenue (5160)	0		28
Other Long Distance Revenue Settlements (5169)	0		29
TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV.	0	0	

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

Particulars (a)	This Year (b)	Last Year (c)	
MISCELLANEOUS REVENUES			
Directory Revenue (5230)*	34,049	34,305	30
Rent Revenue (5240)*	0		31
Corporate Operations Revenue (5250)*	0		32
Miscellaneous:			
Miscellaneous Revenue (5260)*			33
Special Billing Arrangements Revenue (5261)	(333)	46	34
Customer Operations Revenue (5262)	0		35
Plant Operations Revenue (5263)	0		36
Other Incidental Regulated Revenue (5264)	121	1,235	37
Other Revenue Settlements (5269)	195	301	38
Total Miscellaneous Revenue (5260)	(17)	1,582	
Interstate Billing and Collection Revenue*	16,507	17,876	39
Intrastate Billing and Collection Revenue*	18,039	19,590	40
Total Carrier Billing and Collection Revenue (5270)*	34,546	37,466	
Nonregulated Operating Revenue (5280)**			41
TOTAL MISCELLANEOUS REVENUES	68,578	73,353	
GROSS OPERATING REVENUES	810,325	736,663	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*			42
Uncollectible Revenue--Telecommunications (5301)	848	997	43
Uncollectible Revenue--Other (5302)	(2,653)		44
TOTAL UNCOLLECTIBLE REVENUE (5300)	(1,805)	997	
TOTAL OPERATING REVENUES	812,130	735,666	

** 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)	(1,125)	1,099		1
Less: Nonregulated	0	0		2
Net Regulated	(1,125)	1,099	0	3
Total General Support Expense (6120)	24,640	20,304		4
Less: Nonregulated	0	0		5
Net Regulated	24,640	20,304	0	6
Total Central Office Switching Expense (6210)	10,929	17,974		7
Less: Nonregulated	0	0		8 A
Net Regulated	10,929	17,974	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)	11,433	10,826		13
Less: Nonregulated	0	0		14
Net Regulated	11,433	10,826	0	15
Total Information Orig. / Term. Expense (6310)	250	0		16
Less: Nonregulated	0	0		17
Net Regulated	250	0	0	18
Total Cable and Wire Fac. Expense (6410)	45,548	45,789		19
Less: Nonregulated	0	0		20
Net Regulated	45,548	45,789	0	21
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	91,675	95,992	0	
Less: Nonregulated	0	0	0	
Net Regulated	91,675	95,992	0	
PLANT NONSPECIFIC OPERATIONS EXPENSE				
Total Other Property, Plant and Equip. Exp. (6510)	307	2,743	0	22
Less: Nonregulated	0	0		23
Net Regulated	307	2,743	0	24
Total Network Operations Expense (6530)	54,872	54,620		25
Less: Nonregulated	0	0		26
Net Regulated	54,872	54,620	0	27
Access Expense (6540)	0	1,224		28
Less: Nonregulated	0	0		29
Net Regulated	0	1,224	0	30
Total Depreciation and Amortization Expense (6560)	160,649	185,197		31
Less: Nonregulated	0	0		32
Net Regulated	160,649	185,197		33
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	215,828	243,784	0	
Less: Nonregulated	0	0	0	
Net Regulated	215,828	243,784	0	

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6110			1,099		1
			0		2
	0	0	1,099	0	3
6120			20,304		4
			0		5
	0	0	20,304	0	6
6210			17,974		7
			0		8 A
	0	0	17,974	0	9
6220			0		10
			0		11
	0	0	0	0	12
6230			10,826		13
			0		14
	0	0	10,826	0	15
6310			0		16
			0		17
	0	0	0	0	18
6410			45,789		19
			0		20
	0	0	45,789	0	21
	0	0	95,992	0	
	0	0	0	0	
	0	0	95,992	0	
6510	0	0	2,743	0	22
					23
	0		2,743	0	24
6530			54,620		25
			0		26
	0	0	54,620	0	27
6540			1,224		28
			0		29
	0	0	1,224	0	30
6560			185,197		31
					32
			185,197		33
	0	0	243,784	0	
	0	0	0	0	
	0	0	243,784	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)	33,299	42,878	34
Less: Nonregulated	0	0	35 B
Net Regulated	33,299	42,878	0 36
Total Services (6620)	108,815	127,569	37
Less: Nonregulated	0	0	38
Net Regulated	108,815	127,569	0 39
TOTAL CUSTOMER OPERATIONS EXPENSE	142,114	170,447	0
Less: Nonregulated	0	0	0
Net Regulated	142,114	170,447	0
CORPORATE OPERATIONS EXPENSE			
Total Exec. and Planning (6710)	17,197	21,995	40
Less: Nonregulated	0	0	41
Net Regulated	17,197	21,995	0 42
Total General and Administrative (6720)	112,139	134,441	43
Less: Nonregulated	0	0	44
Net Regulated	112,139	134,441	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	129,336	156,436	0
Less: Nonregulated	0	0	0
Net Regulated	129,336	156,436	0
TOTAL EXPENSES	578,953	666,659	0
Less: Nonregulated	0	0	0
Net Regulated	578,953	666,659	0

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6610			42,878		34
			0		35 B
	0	0	42,878	0	36
6620			127,569		37
			0		38
	0		127,569	0	39
	0	0	170,447	0	
	0	0	0	0	
	0	0	170,447	0	
6710			21,995		40
			0		41
	0		21,995	0	42
6720			134,441		43
			0		44
	0		134,441	0	45
6790			0		46
			0		47
			0		48
	0	0	156,436	0	
	0	0	0	0	
	0	0	156,436	0	
	0	0	666,659	0	
	0	0	0	0	
	0	0	666,659	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)	307	2,743		2
Total: Reported in Account 6510	307	2,743	0	
Depreciat. Exp.--Tele. Plant in Service (6561)	160,649	184,704		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	493		7
Total: Reported in Account 6560	160,649	185,197		

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

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6511			0		1
6512			2,743		2
	0		2,743	0	
6561			184,704		3
6562			0		4
6563			0		5
6564			0		6
6565			493		7
			185,197		

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	810,325	1
Plus: Collection of amounts previously written off	0	2
Less: Uncollectibles written off during the year	0	3
Plus: Total Other Operating Income and (Expense) (7100)	2,174	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	812,499	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	305,837	1
Plus: Total Intrastate Access Revenues (5084)	159,541	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus (or Less) Other (please specify): NONE	0	5
Assessable Revenues for Universal Service Fund Assessment Purposes	465,378	

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	810,325	1
Plus: Collection of amounts previously written off	0	2
Less: Uncollectibles written off during the year	0	3
Plus: Total Other Operating Income and (Expense) (7100)	2,174	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	812,499	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	305,837	1
Plus: Total Intrastate Access Revenues (5084)	159,541	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus (or Less) Other (please specify): NONE	0	5
Assessable Revenues for Universal Service Fund Assessment Purposes	465,378	

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

Particulars (a)	This Year (b)	Last Year (c)	
OTHER OPERATING INCOME AND EXPENSE			
Income from Custom Work (7110)*	0		1
Return from Nonregulated Use of Regulated Facilities (7130)*	240	240	2
Gains and (Losses) from Foreign Exchange (7140)	0		3
Gains or (Losses) from the Disposition of Land and Artworks (7150)	0		4
Other Operating Gains and (Losses) (7160)*	1,934		5
TOTAL OTHER OPERATING INCOME AND (EXPENSE) (7100)*	2,174	240	
OPERATING TAXES			
Operating Investment Tax Credits--Net (7210)*	(797)	(1,427)	6
Operating Federal Income Taxes (7220)*	19,091	31,971	7
Operating State and Local Income Taxes (7230)*	25	1,307	8
Operating Other Taxes (7240)*	47,391	45,814	9
Provision for Deferred Operating Income Taxes--Net (7250)*	8,225	3,249	10
TOTAL OPERATING TAXES (7200)*	73,935	80,914	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)*	0		11
Interest Income (7320)*	3,420	3,835	12
Income from Sinking and Other Funds (7330)*	0		13
Allowance for Funds Used During Construction (7340)*	364		14
Gains or (Losses) from the Disposition of Certain Property (7350)*	0		15
Other Nonoperating Income (7360)*	1,406	3,181	16
Special Charges (7370)*	1,566	943	17
TOTAL NONOPERATING INCOME AND EXPENSE (7300)*	3,624	6,073	
NONOPERATING TAXES			
Nonoperating Investment Tax Credits--Net (7410)*	0		18
Nonoperating Federal Income Taxes (7420)*	812	1,145	19
Nonoperating State and Local Income Taxes (7430)*	0	281	20
Nonoperating Other Taxes (7440)*	0		21
Provision for Deferred Nonoperating Income Taxes-Net (7450)*	0		22
TOTAL NONOPERATING TAXES (7400)*	812	1,426	
INTEREST AND RELATED ITEMS			
Interest on Funded Debt (7510)*	25,434	26,158	23
Interest Expense--Capital Leases (7520)*	0		24
Amortization of Debt Issuance Expense (7530)*	48	48	25
Other Interest Deductions (7540)*	21,030	11,546	26
TOTAL INTEREST AND RELATED ITEMS (7500)*	46,512	37,752	
EXTRAORDINARY ITEMS			
Extraordinary Items (7600)*			27
Extraordinary Income Credits (7610)	0	0	28
Extraordinary Income Charges (7620)	0	0	29
Current Income Tax Effect of Extraordinary Items--Net (7630)	0	0	30
Provision for Deferred Income Tax Effect of Extraordinary Items--Net (7640)	0	0	31
TOTAL EXTRAORDINARY ITEMS (7600)*	0	0	
NONREGULATED NET INCOME			
Nonregulated Net Income (7990)*	14,178	8,190	32

NONREGULATED NET INCOME (ACCT. 7990)

Particulars (a)	Amount (b)	
Revenues (Acct. 7990.1)		
Gross Sales	123,912	1
Less: Cost of Goods Sold	82,749	2
Net Sales	41,163	3
Expenses (Acct. 7990.2)	26,985	4
Nonregulated Net Income	<u>14,178</u>	5

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

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

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

E911 system sale: \$40,631

DISTRIBUTION OF SALARIES AND WAGES

Description (a)	Amount (b)	
Regulated Expense	0	1
Nonregulated Expense	4,480	2
Plant Accounts	21,217	3
Accumulated Depreciation Accounts	0	4
All Other Accounts	96,121	5
Total Salaries and Wages	121,818	6 G

EMPLOYEE DATA

Compensation includes wages, commissions, bonuses and any other cash allowances paid to employees.

Employee Category (a)	Number of Equivalent Full-Time Employees		Total Compensation (d)	
	FOY (b)	EOY (c)		
Officers				1
Supervision and Other Management	1.00	1.00	47,698	2
Other Employees	2.00	2.00	67,146	3
Total	3.00	3.00	114,844	

DISTRIBUTION OF SALARIES AND WAGES

Description (a)	Amount (b)	
Regulated Expense	0	1
Nonregulated Expense	4,480	2
Plant Accounts	21,217	3
Accumulated Depreciation Accounts	0	4
All Other Accounts	96,121	5
Total Salaries and Wages	121,818	6 G

EMPLOYEE DATA

Compensation includes wages, commissions, bonuses and any other cash allowances paid to employees.

Employee Category (a)	Number of Equivalent Full-Time Employees		Total Compensation (d)	
	FOY (b)	EOY (c)		
Officers				1
Supervision and Other Management	1.00	1.00	47,698	2
Other Employees	2.00	2.00	67,146	3
Total	3.00	3.00	114,844	

TELEPHONE CALLS AND MINUTES OF USE PER MONTH

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

Item (a)	Telephone Calls (000's) (b)	Minutes of Use (000's) (c)	
LOCAL			
Intra-Exchange			1
Extended Area Service			2
Extended Community Calling			3
Other Local-Undefined	161	612	4
Total Local	161	612	
TOLL			
Operator Handled: State--intraLATA			5
Operator Handled: State--interLATA			6
Operator Handled: Interstate			7
Customer Dialed: State--intraLATA			8
Customer Dialed: State--interLATA			9
Customer Dialed: Interstate			10
WATS			11
Other Toll-Undefined		509	12
Total Toll	0	509	
Total Local & Toll	161	1,121	

ACCESS USAGE

Enter number, in thousands, of Billed Minutes.

Description (a)	Billed Minutes (000's)				
	Interstate InterLATA (b)	Intrastate InterLATA (c)	Intrastate IntraLATA (d)	Interstate IntraLATA (e)	
Feature Group A -- Orig.	0	0	0	0	1
Feature Group A -- Term.	0	0	0	0	2
Feature Group B -- Orig.	1	0	8	0	3
Feature Group B -- Term.	1	0	0	0	4
Feature Group C -- Orig.	0	0	0	0	5
Feature Group C -- Term.	0	0	0	0	6
Feature Group D -- Orig.	1,522	1,109	427	0	7
Feature Group D -- Term.	1,310	895	435	0	8

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	11	1
Sheath miles of plant - buried	275	2
Sheath miles of plant - fiber optics	2	3
Strand miles of plant - fiber optics	19	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	1	7	1
56 kbps	6	0	2
64 kbps (DS0)	0	0	3
1.54 Mbps (DS-1)	1	2	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	11	1
Sheath miles of plant - buried	275	2
Sheath miles of plant - fiber optics	2	3
Strand miles of plant - fiber optics	19	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	1	7	1
56 kbps	6	0	2
64 kbps (DS0)	0	0	3
1.54 Mbps (DS-1)	1	2	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	128	139	3
2 Party	0	0	4
4 Party	0	0	5
PBX Trunks/System Trunks	11	11	6
Centrex Trunks	0	0	7
Centrex Lines	162	174	8
Key System Trunks	43	39	9
Mobile (Utility Provided Service)	0	0	10
Paging (Utility Provided Service)	0	0	11
FX-Out (Switched)	0	0	12
Pay Telephone	0	0	13
Coin-Operated Pay Telephone	0	0	14
Independent Pay Telephone Provider	0	0	15
Pay Stations - Public	10	0	16
- Semi-Public	0	0	17
- Cust. Owned	0	0	18
Other	0	0	19
Total Business Lines	354	363	20
Residential (Incl. Emp. Concess.)			
1 Party	788	811	22
2 Party	0	0	23
4 Party	0	0	24
FX-Out (Switched)	0	0	25
Other	0	0	26
Total Residential Lines	788	811	27
Total Bus & Res Lines	1,142	1,174	28
Company Used Lines	31	35	29
Total Lines Used	1,173	1,209	30

SERVICE DATA (cont.)

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

Item (a)	FOY (b)	EOY (c)	
Miscellaneous			
WATS Lines - OutWATS	0	0	3
WATS Lines - 800 Service	0	0	4
FX-In-intraLATA	0	0	5
Special Access-intraLATA			6
(expressed in equiv. access lines)	306	55	7
Special Access-interLATA			8
(expressed in equiv. access lines)	59	31	9
Feature Group A Lines	0	0	10
Feature Group B Trunks	0	0	11
Feature Group C Trunks	0	0	12
Feature Group D Trunks	65	64	13
TSPS - Trunks	7	7	14
EAS - Trunks	48	48	15
Cellular Trunks (Pub. Sw. Net.)	0	0	16
Video Distance Learning			17
- discounted (special tariff)	0	0	18
Customers			
Business - 2 Party Customers	0	0	20
Business - 4 Party Customers	0	0	21
Residential - 2 Party Customers	0	0	22
Residential - 4 Party Customers	0	0	23
Other			
Total Central Office, Info. Orig./Term., & Cable			25
Wire Fac. Assets (based on physical location of plant)			26
	2,174,138	2,351,359	27
Total Company Square Miles	113	113	28
Total Company Route Miles	285	285	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	0060				1
Business					
1 Party	139				2
2 Party	0				3
4 Party	0				4
PBX Trunks/System Trunks	11				5
Centrex Trunks	0				6
Centrex Lines	174				7
Key System Trunks	39				8
Mobile (utility provided service)	0				9
Paging (utility provided service)	0				10
FX-Out (Switched)	0				11
Pay Telephone	0				12
Coin-Operated Pay Telephone	0				13
Independent Pay Telephone Provider	0				14
Pay Stations - Public	0				15
- Semi-Public	0				16
- Cust. Owned	0				17
Other	0				18
Total Business Lines	363	0	0	0	19
Residential (Incl. Emp. Concess.)					
1 Party	811				20
2 Party	0				21
4 Party	0				22
FX-Out (Switched)	0				23
Other	0				24
Total Residential Lines	811	0	0	0	25
Total Bus & Res Lines	1,174	0	0	0	26
Company Used Lines	35				27
Total Lines Used	1,209	0	0	0	28

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	0060				1
Miscellaneous					2
WATS Lines - OutWATS	0				3
WATS Lines - 800 Service	0				4
FX-In-intraLATA	0				5
Special Access-intraLATA					6
(equiv. access lines)	55				7
Special Access-interLATA					8
(equiv. access lines)	31				9
Feature Group A Lines	0				10
Feature Group B Trunks	0				11
Feature Group C Trunks	0				12
Feature Group D Trunks	64				13
TSPS - Trunks	7				14
EAS - Trunks	48				15
Cellular Trunks (Pub. Sw. Net.)	0				16
Video Distance Learning					17
- discounted (special tariff)	0				18
Customers					19
Business - 2 Party Customers	0				20
Business - 4 Party Customers	0				21
Residential - 2 Party Customers	0				22
Residential - 4 Party Customers	0				23
Other					24
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical					26
location of plant)	2,351,359				27
Exchange Square Miles	113				28
Exchange Route Miles	285				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--Analog	A	2
Electronic--Digital	D	3
Electronic--Video	V	4

CENTRAL OFFICE DATA - END OF YEAR

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

Description (a)	Central Off. (b)	Central Off. (c)	Central Off. (d)	Central Off. (e)	
Exchange Name	ALMA				1
PSCW Exchange ID	0060				2
Central Office Name	ALMA				3
PSCW Central Office ID	1				4
Manufacturer of COE (Page 54)	SC				5
Year COE Installed	1990				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.	20.0				11
SS7?	No				12
9-1-1?	Yes				13
Access Lines - In Use	1,209				14
- Equipped	1,960				15
- Wired	2,320				16
Trunks - In Use	119				17
- Equipped	384				18
- Wired	384				19
ISDN Available?	No				20
ISDN Lines - In Use (BRI)	0				21
- In Use (PRI)	0				22
Switched 56 Service?	No				23
Switched 56 lines in use	0				24
Digital Transmission Facilities: DS-1 - In Use	8				25
DS-3 - In Use	0				26
Advanced Data Service Available:					
Packet Switching?	No				27
SMDS?	No				28
Frame Relay?	No				29
ATM (Asynchronous Trans. Mode)?	No				30
Video Information - Service Available?	No				31
- In Use (# lines) ¹	0				32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	8				33
No. of fiber strands working (LIT) in C.O.	4				34
No. of fiber strands for interoffice use	8				35
Miles of fiber sheath in wire center	2				36
Access Tandem Serving this C.O.:					
- C.O. Name	LACROSSE				37
- PSCW C.O. ID	2770-03				38
Does this C.O. do access tandem switching?	No				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 22, 1999

Mr. John R. Erpenbach, Accounting Manager
Tenney Telephone Company
301 South Westfield Road
P.O. Box 5158
Madison, WI 53705-0158

Re:1998 Analytical ReviewDWCCA-5850-PJL

Dear Mr. Erpenbach:

The Public Service Commission (PSC) is in the process of completing an analytical review of your utility's 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.As was indicated in number 4 of the Listing of Edit Check Results which you submitted as part of your annual report filing, the asset side of the balance sheet differs from the liabilities side by the amount of \$4,469. Please explain and provide the necessary corrections, taking care to ensure that you provide the changes to all effected schedules.

2.Please file a revised page 15 to reflect corrections to the 1998 annual report as discussed with Chris Larson of our staff during the recent annual review of the earnings of small telecommunications utilities.

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) 267-9198. 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,

Peter J. Leege
Financial Specialist
Division of Water, Compliance, and Consumer Affairs

PJL:tlk:w:\compl\telco letters\5850 rev letter

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

Response received 11/22/99

#1, A keying error was noted on page 31, column d. A revised page 31 was provided as well as a copy of the resulting corrected balance sheet.

#2, a revised copy of page 15 was submitted, line 14 of column c on copy 2 of page 15 was changed.

Review closed.

PJL

Schedule Footnotes**Affiliated Interest Transactions Footnote. Page 15**

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.

Expense Matrix - Class A & B Footnote. Page 41

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.

Telephone Calls and Minutes of Use Per Month Footnote. Page 47

Pursuant to agreement with PSCW staff, toll telephone calls and minutes of use per month detail is not required for the 1998 annual report. The total toll amount for each item is included on the Other Toll-Undefined line in order to facilitate the summation function in the program.

Schedule Line Footnotes

- A)** Central Office Switching expense was high in 1998 due to E-911 enhancements.
- B)** Marketing expenses are up in 1998 due to an increase in product management and sales charges from corporate affiliates.
- C)** Amounts listed on pages 23 and 25, in column (g) and pages 27 and 29, column (k) are reclasses between accounts or transfers with affiliates.
- D)** Basic Area Revenues increased in 1998 due to an increase in customers.
- E)** Other Local Exchange Revenues decreased in 1998 due to a reduction in USF monies received in 1998.
- F)** Special access revenues increased due to an increase in the number of special access circuits.
- G)** The regulated expense amount for sales of \$80,536 is included on line 5.
- H)** Federal income tax payable to parent is recorded in account 4070100.
- I)** The dollars showing in account 2113-Aircraft actually consist of general support assets under \$2,000 and are the result of the FCC docket No. 95-60 for accounting and reporting general support assets under \$2,000.
- J)** Accumulated depreciation is greater than the asset balance because per the WI PSC, we are allowed to depreciate more than 100% of this account group.
- K)** Contact John Erpenbach at (608) 664-4289 with questions on page 47, page 48, page 49 Special Access Circuits only, page 50, page 51 lines 1-9, page 52 and page 53 lines 1-9. Contact Dave Esser at (608) 664-4530 with questions on page 49 Outside Plant only, page 51 lines 10-30, page 53 lines 10-30 and page 55.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

- L) Balance consists primarily of leased phones and business systems net of depreciation. This leased investment is depreciated with a rate of 33.33% per year. Individual leases are not tracked separately.