



4004

ANNUAL REPORT

OF

Name: CRANDON TELEPHONE COMPANY

Principal Office: 105 S HAZELDELL AVE
P.O. BOX 275
CRANDON, WI 54520-0275

For the Year Ended: DECEMBER 31, 1999

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 "Individual or firm, if other than utility employee, preparing this report" portion of the Identification and Ownership schedule, 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 LIVINGSTON ROSS of
(Person responsible for accounts)

CRANDON TELEPHONE COMPANY, certify that I
(Utility Name)

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

LIVINGSTON ROSS 03/31/2000
(Person responsible for accounts) (Date)

VICE PRESIDENT AND CHIEF ACCOUNTING OFFICER
(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: <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: CRANDON TELEPHONE COMPANY
Utility Location: 105 S HAZELDELL AVE
P.O. BOX 275
CRANDON, WI 54520-0275

Utility Web Site Address:

When was utility organized?: 01/01/1900

Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: MR SCOTT BOHLER
Title: MANAGER, STATE REGULATORY

Office Address: 137 HARRISON STREET
JOHNSTOWN , NY 12095

Fax Number: (518) 773 - 8814
Telephone Number: (518) 773 - 6886
Email Address: sbohler@czn.com

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

Name:
Title:

Office Address:

Fax Number:
Telephone Number:
Email Address:

Person responsible for financial information contained in report

Name: MS BETH THOMPSON
Title: CONTROLLER

Office Address: 5600 HEADQUARTERS DRIVE
PLANO , TX 75024

Fax Number: (469) 365 - 3505
Telephone Number: (469) 365 - 3502
Email Address: bethomps@czn.com

Person responsible for statistical information contained in report

Name: MR SCOTT BOHLER
Title: MANAGER, STATE REGULATORY

Office Address: 137 HARRISON STREET
JOHNSTOWN , NY 12095

Fax Number: (518) 773 - 8814
Telephone Number: (518) 773 - 6886
Email Address: sbohler@czn.com

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:	RHINELANDER TELECOMMUNICATIONS, INC.
Address:	53 NORTH STEVENS STREET PO BOX 340 RHINELANDER , WI 54501-0340
Number of Shares Held:	300
Beneficial Owner:	NONE

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	2,847,935	2,434,917	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	232,823	256,246	2
Plant Nonspecific Operations Expense	808,366	659,878	3
Customer Operations Expense (6610-6620)	398,663	302,926	4
Corporate Operations Expense (6710-6790)	425,697	206,380	5
Other Operating Income and Expense (7100)	0	0	6
Operating Taxes (7200)	292,044	402,580	7
Total Operating Expenses	2,157,593	1,828,010	8
Net Operating Income	690,342	606,907	9
Other Income			
Nonoperating Income and Expense (7300)	(175,084)	64,229	10
Nonoperating Taxes (7400)	(133,240)	25,422	11
Interest and Related Items (7500)	154,519	160,080	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	(235,881)	(7,444)	14
Total Nonoperating Income	(432,244)	(128,717)	15
Net Income	258,098	478,190	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.)

NONE

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

NONE

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

THE MORTGAGE TO THE UNITED STATE OF AMERICA, UNDERLYING THE RUS AND RTB NOTES, CONTAINS CERTAIN RESTRICTIONS ON THE DECLARATION OR PAYMENT OF CASH DIVIDENDS, REDEMPTIONS OF CAPITAL STOCK OR INVESTMENT IN AFFILIATED COMPANIES EXCEPT AS MIGHT BE SPECIFICALLY AUTHORIZED IN WRITING IN ADVANCE BY THE RUS AND RTB NOTEHOLDERS.

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT ASSETS			
CASH AND EQUIVALENTS			
Cash and Equivalents (1120)*			1
Cash (1130)	291,588	330,903	2
Special Cash Deposits (1140)	0		3
Working Cash Advances (1150)	(500)	500	4
Temporary Investments (1160)	0	186,979	5
TOTAL CASH AND EQUIVALENTS	291,088	518,382	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	41,956	32,437	6
Accounts Receivable Allowance-Telecom (1181)*	6,786		7
Net: Telecommunications Accounts Receivable	35,170	32,437	
Other Accounts Receivable (1190)*	1,660,783	333,374	8
Accounts Receivable Allowance--Other (1191)*	0		9
Net: Other Accounts Receivable	1,660,783	333,374	
Notes Receivable (1200)*	230	0	10
Notes Receivable Allowance (1201)*	0	0	11
Net: Notes Receivable	230	0	
Interest and Dividends Receivable (1210)*	0		12
TOTAL REC AND ALLOW FOR DOUBTFUL ACCOUNTS	1,696,183	365,811	
SUPPLIES			
Inventories (1220)*	86,601	39,433	13
TOTAL SUPPLIES	86,601	39,433	
PREPAYMENTS			
Total Prepayments (1280)*			14
Prepaid Rents (1290)	0		15
Prepaid Taxes (1300)	99,744	118,314	16
Prepaid Insurance (1310)	0		17
Prepaid Directory Expenses (1320)	23,147		18
Other Prepayments (1330)	34,831	7,939	19
TOTAL PREPAYMENTS	157,722	126,253	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	0		20
TOTAL OTHER CURRENT ASSETS	0	0	
TOTAL CURRENT ASSETS	2,231,594	1,049,879	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	311,215	0	21
RTB Class B Stock (1402)*	0	0	22
Other Investments in Nonaffiliated Companies (1402)*	0	334,765	23
Nonregulated Investments (1406)*	18,356	96,333	24
Unamortized Debt Issuance Expense (1407)*	2,672	2,807	25

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
NONCURRENT ASSETS			
INVESTMENTS			
Sinking Funds (1408)*	0	0	26
Other Noncurrent Assets (1410)*	23,550	1,738	27
TOTAL INVESTMENTS	355,793	435,643	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*	0	0	28
Deferred Maintenance and Retirements (1438)*	0	0	29
Deferred Charges (1439)*	24,551	29,812	30
TOTAL DEFERRED CHARGES	24,551	29,812	
TOTAL NONCURRENT ASSETS	380,344	465,455	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	10,132,800	9,977,377	31
Less: Accumulated Depreciation (3100)*	4,842,529	4,079,679	32
Less: Accumulated Amortization--Capitalized Leases (3410)*	0		33
Less: Accumulated Amortization--Leasehold Improvements (3420)*	0		34
Less: Accumulated Amortization--Intangible (3500)*	0		35
NET TELECOMMUNICATIONS PLANT IN SERVICE	5,290,271	5,897,698	
PROPERTY HELD FOR FUTURE USE			
Prop. Held for Future Telecommun. Use (2002)*	0		36
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200)*	0		37
NET PROPERTY HELD FOR FUTURE USE	0	0	
NONOPERATING PLANT			
Nonoperating Plant (2006)*	0		38
Less: Accumulated Depreciation--Nonoperating (3300)*	0		39
NET NONOPERATING PLANT	0	0	
TPUC			
TPUC (2003)*	389,375	42,288	40
TOTAL TPUC	389,375	42,288	
TELECOMMUNICATIONS PLANT ADJUSTMENT			
Telecommunications Plant Adjustment (2005)*	10,859,079		41
Less: Accumulated Amortization--Other (3600)*	225,277		42
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	10,633,802	0	
TOTAL PLANT	16,313,448	5,939,986	
TOTAL ASSETS AND OTHER DEBITS	18,925,386	7,455,320	

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	330,665	217,284	1
Notes Payable (4020)*	0	0	2
Advance Billing and Payments (4030)*	(1,200)		3
Customer Deposits (4040)*	0		4
Current Maturities--Long-Term Debt (4050)*	138,474	132,374	5
Current Maturities--Capital Leases (4060)*	0		6
Income Taxes--Accrued (4070)*	0		7
Other Taxes--Accrued (4080)*	210,014	(8,868)	8
Net Current Deferred Operating Income Taxes (4100)*	0	0	9
Net Current Deferred Nonoperating Income Taxes (4110)*	0		10
Other Accrued Liabilities (4120)*	29,896	36,925	11
Other Current Liabilities (4130)*	22,821		12
TOTAL CURRENT LIABILITIES	730,670	377,715	
LONG-TERM DEBT			
Funded Debt (4210)*	2,722,950	2,891,761	13
Premium on Long-Term Debt (4220)*	0		14
Discount on Long-Term Debt (4230)*	0		15
Reacquired Debt (4240)*	0	0	16
Obligations Under Capital Leases (4250)*	0		17
Advances from Affiliated Companies (4260)*	0	0	18
Other Long-Term Debt (4270)*	0	0	19
TOTAL LONG-TERM DEBT	2,722,950	2,891,761	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*	0		20
Unamortized Operating ITC--Net (4320)*	12,514	25,030	21
Unamortized Nonoperating ITC--Net (4330)*	0		22
Net Noncurrent Deferred Operating Income Taxes (4340)*	622,697	562,166	23
Net Deferred Tax Liability Adjustments (4341)*	0	(32,696)	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	0		25
Other Deferred Credits (4360)*	209,420	114,631	26
Deferred Tax Regulatory Liability (4361)*	0	32,696	27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS	844,631	701,827	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	7,500	7,500	28
Additional Paid-in Capital (4520)*	11,540,168		29 5
Treasury Stock (4530)*		0	30
Other Capital (4540)*	0		31
Retained Earnings (4550)*	3,079,467	3,476,517	32
TOTAL STOCKHOLDERS' EQUITY	14,627,135	3,484,017	
TOTAL LIABILITIES AND OTHER CREDITS	18,925,386	7,455,320	

IMPORTANT CHANGES DURING THE YEAR

1. Estimated increase or decrease in annual revenues due to important rate changes, giving bases of estimates.

None

2. Additional matters of fact (not elsewhere provided for) which respondent may desire to include in its report.

None

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)	
CITIZENS TELE. COMPANY - CTC ARIZONA RURAL	CTC AZ RUR	1
CITIZENS TELE. COMPANY - CTC CALIFORNIA	CTC CA	2
CITIZENS TELE. COMPANY - DIRECTORY SERVICES INC.	CTC DS INC	3
CITIZENS TELE. COMPANY - CTC NEVADA	CTC NV	4
CITIZENS TELE. COMPANY - CTC WEST VIRGINIA	CTC WV	5
CITIZENS TELE. SERVICE COMPANY	CTSC	6
HEADWATERS TELEPHONE COMPANY	HTC	7
CITIZENS TELE. COMPANY - NAV AZ	NAV AZ	8
CITIZENS TELE. COMPANY - NAV NM	NAV NM	9
NEW NORTH TELECOMMUNICATIONS	NTI	10
PUBLIC SERVICE ORGANIZATION	PSO	11
RIB LAKE TELEPHONE	RLT	12
RHINELANDER TELEPHONE COMPANY	RTC	13
RHINELANDER TELECOMMUNICATIONS, INC.	RTI	14
RIB LAKE TELECOM	RTV	15
STAMFORD ADMINISTRATIVE OFFICE	SAO	16

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.

Particulars (a)	(b)	(c)	(d)	(e)	
Docket	None	None	None	1410AT001001	
Name of Affiliate	HTC	NTI	RLT	RTC	1
Designate whether billed to or from:	FROM	FROM	TO	FROM	2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C	C	C	C	3
Total Dollar Activity	656	73,363	14,291	164,228	4
Percent of affiliate's business billed to all affiliated regulated utilities					5
If cost based, rate of return on equity or markup incorporated in billings	0.00	0.00		0.00	6
Footnotes					

Particulars (a)	(b)	(c)	(d)	(e)	
Docket	None	None			
Name of Affiliate	RTI	RTV			1
Designate whether billed to or from:	FROM	TO			2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C	C			3
Total Dollar Activity	264,586	7,479			4
Percent of affiliate's business billed to all affiliated regulated utilities					5
If cost based, rate of return on equity or markup incorporated in billings	0.00				6
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; 1200, Notes Receivable; 1210, Interest and Dividends Receivable; 1401, Investment in Affiliated Companies; 1408, Sinking Funds; 4010, Accounts Payable; 4020, Notes 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.

Name of Affiliate (a)	Account Number (b)	Balance EOY (c)	
CITIZENS TELE. COMPANY - CTC ARIZONA RURAL	1190	918	1
CITIZENS TELE. COMPANY - CTC CALIFORNIA	1190	25,100	2
CITIZENS TELE. COMPANY - CTC NEVADA	1190	5,264	3
CITIZENS TELE. COMPANY - CTC WEST VIRGINIA	1190	1,975	4
CITIZENS TELE. COMPANY - DIRECTORY SERVICES INC.	1190	78	5
CITIZENS TELE. COMPANY - NAV AZ	1190	(24,047)	6
CITIZENS TELE. COMPANY - NAV NM	1190	1,154	7
CITIZENS TELE. SERVICE COMPANY	1190	1,697,996	8
HEADWATERS TELEPHONE COMPANY	1190	656	9
NEW NORTH TELECOMMUNICATIONS	1190	73,363	10
PUBLIC SERVICE ORGANIZATION	1190	922	11
RHINELANDER TELECOMMUNICATIONS, INC.	1190	264,586	12
RHINELANDER TELEPHONE COMPANY	1190	164,228	13
RIB LAKE TELECOM	1190	(7,479)	14
RIB LAKE TELEPHONE	1190	(14,291)	15
STAMFORD ADMINISTRATIVE OFFICE	1190	(2,365,529)	16
HEADWATERS TELEPHONE COMPANY	1401	311,215	17

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
GENERAL SUPPORT ASSETS				
Land	2111	23,863	0	1
Motor Vehicles	2112	138,230	0	2
Aircraft	2113	0	0	3
Special Purpose Vehicles	2114	0	0	4
Garage Work Equipment	2115	0	0	5
Other Work Equipment	2116	221,610	0	6
Buildings	2121	776,387	0	7
Furniture	2122	17,612	0	8
Office Equipment	2123	36,346	0	9
General Purpose Computers	2124	68,429	0	10
TOTAL--GENERAL SUPPORT ASSETS:		1,282,477	0	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0	0	11
Digital Electronic Switching	2212	761,242	0	12
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220	0	0	14
Radio Systems	2231	0	0	15
Circuit Equipment	2232	1,261,767	0	16 0
TOTAL--CENTRAL OFFICE ASSETS:		2,023,009	0	
INFORMATION ORIGATION/TERMINATION ASSETS				
Station Apparatus	2311	0	2,768	17 0
Customer Premises Wiring	2321	0	0	18
Large Private Branch Exchanges	2341	0	0	19
Public Telephone Terminal Equipment	2351	0	0	20 0
Other Terminal Equipment	2362	1,722	0	21
TOTAL--INFORMATION ORIG/TERM ASSETS:		1,722	2,768	
CABLE WIRE FACILITIES ASSETS				
Poles	2411	0	0	22
Aerial Cable	2421	0	0	23
Underground Cable	2422	444,549	0	24
Buried Cable	2423	5,590,412	0	25
Submarine Cable	2424	0	0	26
Deep Sea Cable	2425	0	0	27
Intrabuilding Network Cable	2426	0	0	28
Aerial Wire	2431	0	0	29
Conduit Systems	2441	635,208	0	30
TOTAL--CABLE WIRE FACILITIES ASSETS:		6,670,169	0	
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	23,863	1
2112	0	0	138,230	2
2113	0	0	0	3
2114	0	0	0	4
2115	0	0	0	5
2116	0	0	221,610	6
2121	0	0	776,387	7
2122	0	0	17,612	8
2123	0	(1)	36,345	9
2124	0	0	68,429	10
	0	(1)	1,282,476	
2211	0	0	0	11
2212	0	0	761,242	12
2215	0	0	0	13
2220	0	0	0	14
2231	0	0	0	15
2232	0	(7)	1,261,760	16 0
	0	(7)	2,023,002	
2311	0	124,052	126,820	17 0
2321	0	0	0	18
2341	0	0	0	19
2351	0	28,611	28,611	20 0
2362	0	0	1,722	21
	0	152,663	157,153	
2411	0	0	0	22
2421	0	0	0	23
2422	0	0	444,549	24
2423	0	0	5,590,412	25
2424	0	0	0	26
2425	0	0	0	27
2426	0	0	0	28
2431	0	0	0	29
2441	0	0	635,208	30
	0	0	6,670,169	
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	9,977,377	2,768	
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	
	0	152,655	10,132,800	
2001			0	34
			10,132,800	

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	31,460	0	1 0
Company Communications Equipment	2123.2	4,886	0	2
Software	2212.1	0	0	3
Digital Switching - Central Office	2212.2	761,242	0	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	1,079,992	0	10 0
Analog Circuit Equipment	2232.2	0	0	11
Light Wave Circuit Equipment	2232.3	181,775	0	12 0
Aerial Cable - Nonmetallic	2421.1	0	0	13
Aerial Cable - Metallic	2421.2	0	0	14
Underground Cable - Nonmetallic	2422.1	317,948	0	15 3
Underground Cable - Metallic	2422.2	126,601	0	16 3
Buried Cable - Nonmetallic	2423.1	5,001,622	0	17 3
Buried Cable - Metallic	2423.2	588,790	0	18 3
Submarine Cable - Nonmetallic	2424.1	0	0	19
Submarine Cable - Metallic	2424.2	0	0	20
Intrabuilding Cable - Nonmetallic	2426.1	0	0	21
Intrabuilding Cable - Metallic	2426.2	0	0	22

Explain all amounts shown in column (g).

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

Subaccount (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2123.1	0	(1)	31,459	1 0
2123.2	0	0	4,886	2
2212.1	0	0	0	3
2212.2	0	0	761,242	4
2212.3	0	0	0	5
2215.1	0	0	0	6
2215.2	0	0	0	7
2231.1	0	0	0	8
2231.2	0	0	0	9
2232.1	0	(6)	1,079,986	10 0
2232.2	0	0	0	11
2232.3	0	(1)	181,774	12 0
2421.1	0	0	0	13
2421.2	0	0	0	14
2422.1	0	0	317,948	15 3
2422.2	0	0	126,601	16 3
2423.1	0	0	5,001,622	17 3
2423.2	0	0	588,790	18 3
2424.1	0	0	0	19
2424.2	0	0	0	20
2426.1	0	0	0	21
2426.2	0	0	0	22

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)	
GENERAL SUPPORT ASSETS						
Motor Vehicles	2112	103,880	20.0	27,646	4,063	11
Aircraft	2113	0				2
Special Purpose Vehicles	2114	0				3
Garage Work Equipment	2115	0				4
Other Work Equipment	2116	148,702	10.0	22,161	3,257	51
Buildings	2121	345,201	3.33	25,854	3,799	61
Furniture	2122	15,939	10.0	1,761	259	71
Office Equipment	2123	35,239	20.0	7,269	1,068	81
General Purpose Computers	2124	67,172	25.0	17,107	2,514	91
Total-- GENERAL SUPPORT ASSETS		716,133		101,798	14,960	
CENTRAL OFFICE ASSETS						
Analog Electronic Switching	2211	0				10
Digital Electronic Switching	2212	246,682	7.85	59,757	8,781	111
Electro-Mechanical Switching	2215	0				12
Operator Systems	2220	0				13
Radio Systems	2231	0				14
Circuit Equipment	2232	813,234	12.0	146,867	21,583	151
Total-- CENTRAL OFFICE ASSETS		1,059,916		206,624	30,364	
INFORMATION ORIG/TERM ASSETS						
Station Apparatus	2311	0	.0	26,167	3,845	161
Customer Premises Wiring	2321	0				17
Large Private Branch Exchanges	2341	0				18
Public Telephone Terminal Equipment	2351	0	13.5	3,883	571	191
Other Terminal Equipment	2362	1,644	13.5	234	34	201
Total-- INFORMATION ORIG/TERM ASSETS		1,644		30,284	4,450	
CABLE WIRE FACILITIES ASSETS						
Poles	2411	0				21
Aerial Cable	2421	0				22
Underground Cable	2422	170,399	4.74	21,050	3,093	231
Buried Cable	2423	1,946,508	5.25	289,493	42,542	241
Submarine Cable	2424	0				25
Deep Sea Cable	2425	0				26
Intrabuilding Network Cable	2426	0				27
Aerial Wire	2431	0				28

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112	0			(4,063)	131,526	1 1
2113	0				0	2
2114	0				0	3
2115	0				0	4
2116	0			(3,257)	170,863	5 1
2121	0			(3,799)	371,055	6 1
2122	0			(259)	17,700	7 1
2123	0			(1,068)	42,508	8 1
2124	0			(2,514)	84,279	9 1
	0	0	0	(14,960)	817,931	
2211	0				0	10
2212	0			(8,780)	306,440	11 1
2215	0				0	12
2220	0				0	13
2231	0				0	14
2232	0			(21,583)	960,101	15 1
	0	0	0	(30,363)	1,266,541	
2311	0			59,891	89,903	16 1
2321	0				0	17
2341	0				0	18
2351	0			27,188	31,642	19 1
2362	0			(34)	1,878	20 1
	0	0	0	87,045	123,423	
2411	0				0	21
2421	0				0	22
2422	0			(3,093)	191,449	23 1
2423	0			(42,542)	2,236,001	24 1
2424	0				0	25
2425	0				0	26
2426	0				0	27
2431	0				0	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	185,079	3.48	22,105	3,248 291
Total-- CABLE WIRE FACILITIES ASSETS		2,301,986		332,648	48,883
Total Accumulated Depreciation		3100	4,079,679	671,354	98,657
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				671,354	98,657

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441	0			(3,248)	207,184	29 1
	0	0	0	(48,883)	2,634,634	
3100	0	0	0	(7,161)	4,842,529	
3100					0	30
3100					4,842,529	

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	31,460	20.0	6,292	925	11
Company Communications Equipment	2123.2	3,779	20.0	977	143	21
Software	2212.1	0				3
Digital Switching - Central Office	2212.2	246,682	7.85	59,757	8,781	41
Digital Switching - Remote	2212.3	0				5
Step by Step Switching	2215.1	0				6
Crossbar Switching	2215.2	0				7
Satellite and Earth Station Facilities	2231.1	0				8
Other Radio Facilities	2231.2	0				9
Digital Circuit Equipment	2232.1	740,116	12.0	117,484	17,265	101
Analog Circuit Equipment	2232.2	0	12.0	12,114	1,780	111
Light Wave Circuit Equipment	2232.3	73,118	9.5	17,269	2,538	121
Aerial Cable - Nonmetallic	2421.1	0				13
Aerial Cable - Metallic	2421.2	0				14
Underground Cable - Nonmetallic	2422.1	18,542	5.0	15,897	2,336	151
Underground Cable - Metallic	2422.2	151,857	4.07	5,153	757	161
Buried Cable - Nonmetallic	2423.1	103,225	5.25	262,585	38,588	171
Buried Cable - Metallic	2423.2	1,843,283	4.57	26,908	3,954	181
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			(925)	37,752	11
2123.2	0			(143)	4,756	21
2212.1	0				0	3
2212.2	0			(8,780)	306,440	41
2212.3	0				0	5
2215.1	0				0	6
2215.2	0				0	7
2231.1	0				0	8
2231.2	0				0	9
2232.1	0			(151,615)	723,250	101
2232.2	0			96,809	110,703	111
2232.3	0			33,223	126,148	121
2421.1	0				0	13
2421.2	0				0	14
2422.1	0			130,979	167,754	151
2422.2	0			(134,072)	23,695	161
2423.1	0			1,701,471	2,105,869	171
2423.2	0			(1,744,013)	130,132	181
2424.1	0				0	19
2424.2	0				0	20
2426.1	0				0	21
2426.2	0				0	22

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	3,476,517	3,248,327	1 5
Changes:			
Balance Transferred from Income	258,098	478,190	2
Dividends Declared:			
Common	0	250,000	3
Preferred	0	0	4
Total Dividends Declared	0	250,000	
Miscellaneous Debits to Retained Earnings	655,148	0	5
Miscellaneous Credits to Retained Earnings	0	0	6
Balance--End of Year	<u>3,079,467</u>	<u>3,476,517</u>	

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)	645,672	586,542	2
Optional Extended Area Revenue (5002)	0		3
Cellular Mobile Revenue (5003)	3,201		4
Other Mobile Services Revenue (5004)	62,763		5
Public Telephone Revenue (5010)	0	0	6
Local Private Line Revenue (5040)	6,786	1,927	7
Customer Premises Revenue (5050)	0		8
Other Local Exchange Revenue (5060)	81,463	74,888	9
Other Local Exchange Revenue Settlements (5069)	0		10
TOTAL BASIC LOCAL SERVICE REVENUE (5000)	799,885	663,357	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	191,717	178,879	11
Switched Access Revenue (5082)*	949,021	724,499	12
Special Access Revenue (5083)*	30,655	27,208	13
TOTAL INTERSTATE ACCESS REVENUES (5080)	1,171,393	930,586	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*	0		14
Switched Access Revenue (5084.2)*	653,407	576,362	15
Special Access Revenue (5084.3)*	0	41,537	16
TOTAL INTRASTATE ACCESS REVENUES (5084)	653,407	617,899	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*	7,484		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	14,968	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	14,968	
Other Long Distance Revenue (5160)	7,484		28
Other Long Distance Revenue Settlements (5169)	0		29
TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV.	14,968	14,968	

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

Particulars (a)	This Year (b)	Last Year (c)	
MISCELLANEOUS REVENUES			
Directory Revenue (5230)*	112,115	83,605	30
Rent Revenue (5240)*	12,428		31
Corporate Operations Revenue (5250)*	0		32
Miscellaneous:			
Miscellaneous Revenue (5260)*			33
Special Billing Arrangements Revenue (5261)	(4,062)	8,463	34
Customer Operations Revenue (5262)	0		35
Plant Operations Revenue (5263)	0		36
Other Incidental Regulated Revenue (5264)	9,070		37
Other Revenue Settlements (5269)	0	23,337	38
Total Miscellaneous Revenue (5260)	5,008	31,800	
Interstate Billing and Collection Revenue*	14,063	24,141	39
Intrastate Billing and Collection Revenue*	64,796	75,152	40
Total Carrier Billing and Collection Revenue (5270)*	78,859	99,293	
Nonregulated Operating Revenue (5280)**			41
TOTAL MISCELLANEOUS REVENUES	208,410	214,698	
GROSS OPERATING REVENUES	2,848,063	2,441,508	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*			42
Uncollectible Revenue--Telecommunications (5301)	128	6,591	43
Uncollectible Revenue--Other (5302)	0		44
TOTAL UNCOLLECTIBLE REVENUE (5300)	128	6,591	
TOTAL OPERATING REVENUES	2,847,935	2,434,917	

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

EXPENSES - CLASS A & B

Particulars (a)	Total This Year (b)	Total Last Year (c)	
PLANT SPECIFIC OPERATIONS EXPENSE			
Total Network Support Expense (6110)	0	880	1
Less: Nonregulated	0	0	2
Net Regulated	0	880	3
Total General Support Expense (6120)	117,369	46,182	4
Less: Nonregulated	14,179	0	5
Net Regulated	103,190	46,182	6
Total Central Office Switching Expense (6210)	90,976	116,341	7
Less: Nonregulated	4,027	0	8
Net Regulated	86,949	116,341	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)	12,787	3,673	13
Less: Nonregulated	1,953	0	14
Net Regulated	10,834	3,673	15
Total Information Orig. / Term. Expense (6310)	2,617	0	16
Less: Nonregulated	2,438	0	17
Net Regulated	179	0	18
Total Cable and Wire Fac. Expense (6410)	31,880	89,170	19
Less: Nonregulated	209	0	20
Net Regulated	31,671	89,170	21
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	255,629	256,246	
Less: Nonregulated	22,806	0	
Net Regulated	232,823	256,246	
PLANT NONSPECIFIC OPERATIONS EXPENSE			
Total Other Property, Plant and Equip. Exp. (6510)	929	0	22
Less: Nonregulated	31	0	23
Net Regulated	898	0	24
Total Network Operations Expense (6530)	86,230	74,392	25
Less: Nonregulated	4,065	0	26
Net Regulated	82,165	74,392	27
Access Expense (6540)	6,171	0	28
Less: Nonregulated	0	0	29
Net Regulated	6,171	0	30
Total Depreciation and Amortization Expense (6560)	770,011	585,486	31
Less: Nonregulated	50,879	0	32
Net Regulated	719,132	585,486	33
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	863,341	659,878	
Less: Nonregulated	54,975	0	
Net Regulated	808,366	659,878	

EXPENSES - CLASS A & B

Particulars (a)	Total This Year (b)	Total Last Year (c)	
CUSTOMER OPERATIONS EXPENSE			
Total Marketing (6610)	184,514	16,040	34
Less: Nonregulated	90,877	0	35
Net Regulated	93,637	16,040	36
Total Services (6620)	309,714	286,886	37
Less: Nonregulated	4,688	0	38
Net Regulated	305,026	286,886	39
TOTAL CUSTOMER OPERATIONS EXPENSE	494,228	302,926	
Less: Nonregulated	95,565	0	
Net Regulated	398,663	302,926	
CORPORATE OPERATIONS EXPENSE			
Total Exec. and Planning (6710)	54,690	52,887	40
Less: Nonregulated	6,311	0	41
Net Regulated	48,379	52,887	42
Total General and Administrative (6720)	470,340	153,493	43
Less: Nonregulated	93,022	0	44
Net Regulated	377,318	153,493	45
Provision for Uncollectible Notes Receiv. (6790)	0	0	46
Less: Nonregulated	0	0	47
Net Regulated	0	0	48
TOTAL CORPORATE OPERATIONS EXPENSE	525,030	206,380	
Less: Nonregulated	99,333	0	
Net Regulated	425,697	206,380	
TOTAL EXPENSES	2,138,228	1,425,430	
Less: Nonregulated	272,679	0	
Net Regulated	1,865,549	1,425,430	

EXPENSES - CLASS A & B (DETAIL)

Particulars (a)	Total This Year (b)	Total Last Year (c)	
Property Held for Future Tele. Use Exp. (6511)	0	0	1
Provisioning Expense (6512)	929	0	2
Total: Reported in Account 6510	929	0	
Depreciat. Exp.--Tele. Plant in Service (6561)	770,011	585,486	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	770,011	585,486	

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	2,848,063	1
Plus: Collection of amounts previously written off	(3,778)	2
Less: Uncollectibles written off during the year	7,938	3
Plus: Total Other Operating Income and (Expense) (7100)	0	4
Less: Nonregulated Operating Revenue (included in 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	<u>2,836,347</u>	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	799,885	1
Plus: Total Intrastate Access Revenues (5084)	653,407	2
Plus: Total Long Distance Network Services Revenue	14,968	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus: Intrastate Payphone Revenues		5
Plus (or Less) Other (please specify): None	0	6
Assessable Revenues for Universal Service Fund Assessment Purposes	<u>1,468,260</u>	

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	2,848,063	1
Plus: Collection of amounts previously written off	(3,778)	2
Less: Uncollectibles written off during the year	7,938	3
Plus: Total Other Operating Income and (Expense) (7100)	0	4
Less: Nonregulated Operating Revenue (included in 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	<u>2,836,347</u>	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
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Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus: Intrastate Payphone Revenues		5
Plus (or Less) Other (please specify): None	0	6
Assessable Revenues for Universal Service Fund Assessment Purposes	<u>1,468,260</u>	

OTHER INCOME ACCOUNTS

Particulars (a)	This Year (b)	Last Year (c)	
OTHER OPERATING INCOME AND EXPENSE			
Total Other Oper. Income and (Expense) (7100)	0	0	1
OPERATING TAXES			
Operating Investment Tax Credits--Net (7210)	0	(25,032)	2
Operating Federal Income Taxes (7220)	85,886	204,450	3
Operating State and Local Income Taxes (7230)	78,833	57,584	4
Operating Other Taxes (7240)	220,552	158,847	5
Provision for Deferred Operating Income Taxes--Net (7250)	(93,227)	6,731	6
TOTAL OPERATING TAXES (7200)	292,044	402,580	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)	0		7
Interest Income (7320)	3,664	7,142	8
Income from Sinking and Other Funds (7330)	0		9
Allowance for Funds Used During Construction (7340)	8,231	0	10
Gains or (Losses) from the Disposition of Certain Property (7350)	0		11
Other Nonoperating Income (7360)	(183,198)	59,955	12
Special Charges (7370)	3,781	2,868	13
TOTAL NONOPERATING INCOME AND EXPENSE (7300)	(175,084)	64,229	
NONOPERATING TAXES			
Total Nonoperating Taxes (7400)	(133,240)	25,422	14
INTEREST AND RELATED ITEMS			
Total Interest and Related Items (7500)	154,519	160,080	15
EXTRAORDINARY ITEMS			
Extraordinary Items (7600)	0	0	16
NONREGULATED NET INCOME			
Nonregulated Net Income (7990)	(235,881)	(7,444)	17

NONREGULATED ACTIVITIES

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

Nonregulated Activity	
(a)	
Cellular	1 4
Inside Wiring	2 4
Paging	3 4
Sales & Maintenance of Customer Premise Equipment (CPE)	4 4

TELEPHONE CALLS AND MINUTES OF USE PER MONTH

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

Item (a)	Telephone Calls (000's) (b)	Minutes of Use (000's) (c)	
LOCAL			
Intra-Exchange			1
Extended Area Service			2
Extended Community Calling			3
Other Local-Undefined			4
Total Local	0	0	
TOLL			
Toll			5
Total Toll	0	0	
Total Local & Toll	0	0	

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
Feature Group B -- Orig.					3
Feature Group B -- Term.					4
Feature Group C -- Orig.					5
Feature Group C -- Term.					6
Feature Group D -- Orig.					7
Feature Group D -- Term.					8

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - fiber optics	40	1
Strand miles of plant - fiber optics	733	2
Route miles of plant - microwave	0	3

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	3	11	1
56 kbps	10	11	2
64 kbps (DS0)	2	0	3
1.54 Mbps (DS-1)	3	5	4
45 Mbps (DS-3)	1	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 - fiber optics	40	1
Strand miles of plant - fiber optics	733	2
Route miles of plant - microwave	0	3

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	3	11	1
56 kbps	10	11	2
64 kbps (DS0)	2	0	3
1.54 Mbps (DS-1)	3	5	4
45 Mbps (DS-3)	1	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	366	395	3
2 Party	0	0	4
4 Party	0	0	5
PBX Trunks/System Trunks	0	0	6
Centrex Trunks	3	0	7
Centrex Lines	501	642	8
Key System Trunks	139	137	9
Mobile (Utility Provided Service)	0	0	10
Paging (Utility Provided Service)	83	0	11
FX-Out (Switched)	2	0	12
Pay Telephone	24	37	13
Coin-Operated Pay Telephone	0	0	14
Independent Pay Telephone Provider	14	0	15
Pay Stations - Public	0	0	16
- Semi-Public	0	0	17
- Cust. Owned	0	0	18
Other	0	0	19
Total Business Lines	1,132	1,211	20
Residential (Incl. Emp. Concess.)			
1 Party	2,562	2,704	22
2 Party	0	0	23
4 Party	0	0	24
FX-Out (Switched)	0	0	25
Other	0	0	26
Total Residential Lines	2,562	2,704	27
Total Bus & Res Lines	3,694	3,915	28
Company Used Lines	64	66	29
Total Lines Used	3,758	3,981	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	3	3	5
Special Access-intraLATA			6
(expressed in equiv. access lines)	142	150	7
Special Access-interLATA			8
(expressed in equiv. access lines)	759	764	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	0	0	13
TSPS - Trunks	0	0	14
EAS - Trunks	0	0	15
Cellular Trunks (Pub. Sw. Net.)	0	0	16
Video Distance Learning			17
- discounted (special tariff)	1	1	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
	8,694,900	8,694,900	27
Total Company Square Miles	311	311	28
Total Company Route Miles	606	606	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	0180	1290			1
Business					2
1 Party	45	350			3
2 Party	0	0			4
4 Party	0	0			5
PBX Trunks/System Trunks	0	0			6
Centrex Trunks	0	0			7
Centrex Lines	0	642			8
Key System Trunks	2	135			9
Mobile (utility provided service)	0	0			10
Paging (utility provided service)	0	0			11
FX-Out (Switched)	0	0			12
Pay Telephone	3	34			13
Coin-Operated Pay Telephone	0	0			14
Independent Pay Telephone Provider	0	0			15
Pay Stations - Public	0	0			16
- Semi-Public	0	0			17
- Cust. Owned	0	0			18
Other	0	0			19
Total Business Lines	50	1,161	0	0	20
Residential (Incl. Emp. Concess.)					21
1 Party	505	2,199			22
2 Party	0	0			23
4 Party	0	0			24
FX-Out (Switched)	0	0			25
Other	0	0			26
Total Residential Lines	505	2,199	0	0	27
Total Bus & Res Lines	555	3,360	0	0	28
Company Used Lines	5	61			29
Total Lines Used	560	3,421	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	0180	1290			1
Miscellaneous					2
WATS Lines - OutWATS	0	0			3
WATS Lines - 800 Service	0	0			4
FX-In-intraLATA	0	3			5
Special Access-intraLATA					6
(equiv. access lines)	2	148			7
Special Access-interLATA					8
(equiv. access lines)	0	764			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	0	0			13
TSPS - Trunks	0	0			14
EAS - Trunks	0	0			15
Cellular Trunks (Pub. Sw. Net.)	0	0			16
Video Distance Learning					17
- discounted (special tariff)	0	1			18
Customers					19
Business - 2 Party Customers	0	0			20
Business - 4 Party Customers	0	0			21
Residential - 2 Party Customers	0	0			22
Residential - 4 Party Customers	0	0			23
Other					24
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical					26
location of plant)	970,865	7,724,035			27
Exchange Square Miles	141	170			28
Exchange Route Miles	103	503			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

Use these abbreviations when completing the central office data schedule.

Manufacturer Name (a)	Abbreviation (b)	
Alcatel	AL	1
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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

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	ARGONNE	CRANDON			1
PSCW Exchange ID	0180	1290			2
Central Office Name	ARGONNE	CRANDON			3
PSCW Central Office ID	1	1			4
Manufacturer of COE (Page 54)	NTI	NTI			5
Year COE Installed	1997	1997			6
Type of Equipment (Page 54)	D	D			7
(S)tandalone, (H)ost, (R)emote	R	R			8
Remote Host PSCW Exchange ID	4550	4550			9
Remote Host PSCW Central Office ID	1	1			10
COE Generic Software Release No.	LLT0008	LLT0008			11
SS7?	Yes	Yes			12
9-1-1?	No	No			13
Access Lines - In Use	558	3,410			14
- Equipped	1,152	5,437			15
- Wired	1,280	5,760			16
Trunks - In Use	0	0			17
- Equipped	0	0			18
- Wired	0	0			19
ISDN Available?	No	No			20
ISDN Lines - In Use (BRI)	0	0			21
- In Use (PRI)	0	0			22
Switched 56 Service?	Yes	Yes			23
Switched 56 lines in use	0	0			24
Digital Transmission Facilities: DS-1 - In Use	4	59			25
DS-3 - In Use	0	2			26
Advanced Data Service Available:					
Packet Switching?	No	No			27
SMDS?	No	No			28
Frame Relay?	No	No			29
ATM (Asynchronous Trans. Mode)?	No	No			30
Video Information - Service Available?	Yes	Yes			31
- In Use (# lines) ¹	0	0			32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	16	120			33
No. of fiber strands working (LIT) in C.O.	4	22			34
No. of fiber strands for interoffice use	4	20			35
Miles of fiber sheath in wire center	6	34			36
Access Tandem Serving this C.O.:					
- C.O. Name	RHINELANDER	RHINELANDER			37
- PSCW C.O. ID	4550-01	4550-01			38
Does this C.O. do access tandem switching?	No	No			39
Equal Access: InterLATA (1+)?	Yes	Yes			40
Equal Access: IntraLATA (1+)?	Yes	Yes			41
Footnotes					42

¹ Teleco provided end-to-end facility.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES**General Footnote**

reloaded by ele 10/25/00

Schedule Footnotes**Expenses - Class A & B Footnote. Page 41**

Schedule Line Footnotes

- 0) These amounts represent adjustments to bring the accounts into alignment with the plant summary report and they also contain non-regulated data that was not reported in 1998.
- 1) The allocated expense is reflected in the additional accrual column. In order to tie the schedule to the reserve reports, the addition accrual must then be backed out in the other column. The allocated reserve resides on CTSCs books.

The depreciation rates for accounts 2232, 2311, 2422, and 2423 are various.

- 3) Amounts in 2422.1 and 2422.2 were reversed in 1998 and are reported in 1999 the way that they appear on the books. The same applies for 2423.1 and 2423.2.
- 4) Non-regulated activities.
- 5) The adjustments related to retained earnings were a result of the 12/98 acquisition of Crandon Telephone Company by Citizens Utilities.

The increase in APIC was a result of the excess purchase price over the fair market value of the assets purchased in the 12/98 acquisition.