



4004

ANNUAL REPORT

OF

Name: MIDWAY TELEPHONE COMPANY

Principal Office: 301 S WESTFIELD RD
P.O. BOX 5901
MADISON, WI 53705-0901

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.

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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: MIDWAY TELEPHONE COMPANY
Utility Location: 301 S WESTFIELD RD
P.O. BOX 5901
MADISON, WI 53705-0901

Utility Web Site Address:

When was utility organized?: 01/28/1909

Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: MR JOHN R . ERPENBACH
Title: ACCOUNTING MANAGER

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

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Email Address:

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

Name: MS JACQUELINE M . MILSKI
Title: STAFF ACCOUNTANT
Firm:

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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 ROAD
P.O. BOX 5158
MADISON , WI 53705-0158

Fax Number: (608) 664 - 4519
Telephone Number: (608) 664 - 4289

Email Address:

Person responsible for statistical information contained in report

Name: VARIOUS CONTACTS
Title:

a

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

Fax Number: (608) 999 - 9999
Telephone Number: (608) 999 - 9999

Email Address:

IDENTIFICATION AND OWNERSHIP

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

Name: TDS TELECOMMUNICATIONS CORPORATION
Address: 301 S. WESTFIELD RD
MADISON , WI 53717-1799

Number of Shares Held: 6,070
Beneficial Owner: NONE

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	5,938,452	5,463,074	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	447,004	429,034	2
Plant Nonspecific Operations Expense	1,601,084	1,413,929	3
Customer Operations Expense (6610-6620)	1,054,074	1,039,347	4
Corporate Operations Expense (6710-6790)	1,006,863	998,713	5
Other Operating Income and Expense (7100)	2,755	11,761	6
Operating Taxes (7200)	892,849	782,796	7
Total Operating Expenses	4,999,119	4,652,058	8
Net Operating Income	939,333	811,016	9
Other Income			
Nonoperating Income and Expense (7300)	293,332	286,273	10
Nonoperating Taxes (7400)	88,430	79,249	11
Interest and Related Items (7500)	194,815	211,254	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	29,019	78,968	14
Total Nonoperating Income	39,106	74,738	15
Net Income	978,439	885,754	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, 1999, the company has invested \$5,355,000 with Telecommunications Technologies Fund, Inc., and could distribute up to \$7,706,390 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)	155,041	1,003,689	2
Special Cash Deposits (1140)		0	3
Working Cash Advances (1150)	300	300	4
Temporary Investments (1160)	5,355,000	4,405,000	5
TOTAL CASH AND EQUIVALENTS	5,510,341	5,408,989	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	304,094	87,427	6
Accounts Receivable Allowance-Telecom (1181)*		0	7
Net: Telecommunications Accounts Receivable	304,094	87,427	
Other Accounts Receivable (1190)*	790,319	860,813	8
Accounts Receivable Allowance--Other (1191)*		0	9
Net: Other Accounts Receivable	790,319	860,813	
Notes Receivable (1200)*		0	10
Notes Receivable Allowance (1201)*		0	11
Net: Notes Receivable	0	0	
Interest and Dividends Receivable (1210)*	26,883	58,074	12
TOTAL REC AND ALLOW FOR DOUBTFUL ACCOUNTS	1,121,296	1,006,314	
SUPPLIES			
Inventories (1220)*	60,285	59,315	13
TOTAL SUPPLIES	60,285	59,315	
PREPAYMENTS			
Total Prepayments (1280)*			14
Prepaid Rents (1290)		0	15
Prepaid Taxes (1300)	5,684	5,265	16
Prepaid Insurance (1310)		0	17
Prepaid Directory Expenses (1320)	4,397	3,317	18
Other Prepayments (1330)	25,574	23,179	19
TOTAL PREPAYMENTS	35,655	31,761	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	(518)	(385)	20
TOTAL OTHER CURRENT ASSETS	(518)	(385)	
TOTAL CURRENT ASSETS	6,727,059	6,505,994	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	0	0	21
RTB Class B Stock (1402)*	229,137	229,137	22
Other Investments in Nonaffiliated Companies (1402)*	352,000	2,000	23
Nonregulated Investments (1406)*	34,435	48,380	24
Unamortized Debt Issuance Expense (1407)*		0	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	26
Other Noncurrent Assets (1410)*		0	27
TOTAL INVESTMENTS	615,572	279,517	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*	2,799	3,503	28
Deferred Maintenance and Retirements (1438)*		0	29
Deferred Charges (1439)*	750	1,002	30
TOTAL DEFERRED CHARGES	3,549	4,505	
TOTAL NONCURRENT ASSETS	619,121	284,022	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	16,864,831	15,568,907	31
Less: Accumulated Depreciation (3100)*	9,303,995	8,468,860	32
Less: Accumulated Amortization--Capitalized Leases (3410)*		0	33
Less: Accumulated Amortization--Leasehold Improvements (3420)*		0	34
Less: Accumulated Amortization--Intangible (3500)*			35
NET TELECOMMUNICATIONS PLANT IN SERVICE	7,560,836	7,100,047	
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)*	2,000	2,000	38
Less: Accumulated Depreciation--Nonoperating (3300)*			39
NET NONOPERATING PLANT	2,000	2,000	
TPUC			
TPUC (2003)*	45,968	36,576	40
TOTAL TPUC	45,968	36,576	
TELECOMMUNICATIONS PLANT ADJUSTMENT			
Telecommunications Plant Adjustment (2005)*			41
Less: Accumulated Amortization--Other (3600)*			42
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	0	0	
TOTAL PLANT	7,608,804	7,138,623	
TOTAL ASSETS AND OTHER DEBITS	14,954,984	13,928,639	

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	459,644	548,319	1
Notes Payable (4020)*		0	2
Advance Billing and Payments (4030)*	53,100	44,735	3
Customer Deposits (4040)*	1,772	1,750	4
Current Maturities--Long-Term Debt (4050)*	192,072	177,241	5
Current Maturities--Capital Leases (4060)*		0	6
Income Taxes--Accrued (4070)*	61,813	146,846	7
Other Taxes--Accrued (4080)*	19,617	12,492	8
Net Current Deferred Operating Income Taxes (4100)*		0	9
Net Current Deferred Nonoperating Income Taxes (4110)*		0	10
Other Accrued Liabilities (4120)*	60,390	64,720	11
Other Current Liabilities (4130)*	4,572	1,572	12
TOTAL CURRENT LIABILITIES	852,980	997,675	
LONG-TERM DEBT			
Funded Debt (4210)*	2,838,889	2,740,786	13
Premium on Long-Term Debt (4220)*		0	14
Discount on Long-Term Debt (4230)*		0	15
Reacquired Debt (4240)*		0	16
Obligations Under Capital Leases (4250)*		0	17
Advances from Affiliated Companies (4260)*	0	0	18
Other Long-Term Debt (4270)*		0	19
TOTAL LONG-TERM DEBT	2,838,889	2,740,786	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*	93,510	(34)	20
Unamortized Operating ITC--Net (4320)*		0	21
Unamortized Nonoperating ITC--Net (4330)*		0	22
Net Noncurrent Deferred Operating Income Taxes (4340)*	559,480	600,058	23
Net Deferred Tax Liability Adjustments (4341)*	(13,979)	(17,500)	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*		0	25
Other Deferred Credits (4360)*		0	26
Deferred Tax Regulatory Liability (4361)*	16,777	21,002	27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS	655,788	603,526	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	607,000	607,000	28
Additional Paid-in Capital (4520)*	52,948	10,750	29
Treasury Stock (4530)*		0	30
Other Capital (4540)*		0	31
Retained Earnings (4550)*	9,947,368	8,968,929	32
TOTAL STOCKHOLDERS' EQUITY	10,607,316	9,586,679	
TOTAL LIABILITIES AND OTHER CREDITS	14,954,973	13,928,666	

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)	
Other	OTH	1
Suttle Press, Inc.	SUTTLE	2
Telephone & Data Systems, Inc.	TDS CORP	3
TDS Telecom, Inc.	TDS TEL	4
TDS Computing Services, Inc.	TDS/CS	5
Telecommunications Technologies Fund	TTF	6

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	0005TI000124	0005TI000124	None	0005TI000124	
Name of Affiliate	OTH	OTH	SUTTLE	TDS CORP	1
Designate whether billed to or from:	FROM	TO	FROM	FROM	2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C	C	M	C	3
Total Dollar Activity	15,731	8,313	1,151	126,490	4
Percent of affiliate's business billed to all affiliated regulated utilities			63.00		5
If cost based, rate of return on equity or markup incorporated in billings	0.00			0.00	6
Footnotes					

Particulars (a)	(b)	(c)	(d)	(e)	
Docket	0005TI000124	0005TI000124			
Name of Affiliate	TDS TEL	TDS/CS			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
Total Dollar Activity	2,215,572	241,073			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	15.00			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)	
Telecommunications Technologies Fund	1160	5,355,000	1
TDS Telecom, Inc.	1190	208,177	2
Telecommunications Technologies Fund	1190	25,721	3
Other	4010	2,599	4
TDS Telecom, Inc.	4010	235,306	5
Telephone & Data Systems, Inc.	4010	61,813	6

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
GENERAL SUPPORT ASSETS				
Land	2111	28,888		1
Motor Vehicles	2112	284,983	95,949	2
Aircraft	2113	35,714		3 c,b
Special Purpose Vehicles	2114	0		4
Garage Work Equipment	2115	0		5
Other Work Equipment	2116	276,838	13,049	6
Buildings	2121	474,372		7
Furniture	2122	29,501		8
Office Equipment	2123	64,298	0	9
General Purpose Computers	2124	1,114,195	293,074	10 b
TOTAL--GENERAL SUPPORT ASSETS:		2,308,789	402,072	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0		11
Digital Electronic Switching	2212	2,302,622	64,379	12
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220	0		14
Radio Systems	2231	36,019	0	15
Circuit Equipment	2232	2,659,274	197,204	16
TOTAL--CENTRAL OFFICE ASSETS:		4,997,915	261,583	
INFORMATION ORIGATION/TERMINATION ASSETS				
Station Apparatus	2311	0		17
Customer Premises Wiring	2321	0		18
Large Private Branch Exchanges	2341	0		19
Public Telephone Terminal Equipment	2351	1,366		20 b
Other Terminal Equipment	2362	0		21
TOTAL--INFORMATION ORIG/TERM ASSETS:		1,366	0	
CABLE WIRE FACILITIES ASSETS				
Poles	2411	19,033		22 b
Aerial Cable	2421	324,707	3,135	23 b
Underground Cable	2422	204,215	0	24 b
Buried Cable	2423	7,531,253	960,277	25 b
Submarine Cable	2424	0	0	26
Deep Sea Cable	2425	0		27
Intrabuilding Network Cable	2426	0	0	28
Aerial Wire	2431	28,587	930	29
Conduit Systems	2441	153,042	1,709	30 b
TOTAL--CABLE WIRE FACILITIES ASSETS:		8,260,837	966,051	
AMORTIZABLE ASSETS				
Capital Leases	2681	0		31

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

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2111			28,888	1
2112	96,232		284,700	2
2113		(8,928)	26,786	3 c,b
2114			0	4
2115			0	5
2116			289,887	6
2121			474,372	7
2122			29,501	8
2123	0	0	64,298	9
2124	27,729	31,000	1,410,540	10 b
	123,961	22,072	2,608,972	
2211			0	11
2212	4,971	0	2,362,030	12
2215	0	0	0	13
2220			0	14
2231	0	0	36,019	15
2232	613	0	2,855,865	16
	5,584	0	5,253,914	
2311			0	17
2321			0	18
2341			0	19
2351		(1,365)	1	20 b
2362			0	21
	0	(1,365)	1	
2411	1,317	(45)	17,671	22 b
2421	25,043	(470)	302,329	23 b
2422	0	(655)	203,560	24 b
2423	140,771	(2,752)	8,348,007	25 b
2424	0	0	0	26
2425			0	27
2426	0	0	0	28
2431			29,517	29
2441	56,593	2,702	100,860	30 b
	223,724	(1,220)	9,001,944	
2681			0	31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)
AMORTIZABLE ASSETS			
Leasehold Improvements	2682	0	32
Intangibles	2690	0	33
TOTAL--AMORTIZABLE ASSETS:		0	0
TOTAL TELECOM. PLANT IN SERVICE	2001	15,568,907	1,629,706
Less: Allocation to Nonregulated Activity - EOY	2001		34
NET REG. TOTAL TELE. PLANT IN SERV. - EOY	2001		

Explain all amounts shown in column (g).

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

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2682			0	32
2690			0	33
	0	0	0	
	353,269	19,487	16,864,831	
2001			0	34
			16,864,831	

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	11,052		1
Company Communications Equipment	2123.2	53,246		2
Software	2212.1	26,263	60,040	3
Digital Switching - Central Office	2212.2	1,786,697		4
Digital Switching - Remote	2212.3	489,662	4,339	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	36,019		9
Digital Circuit Equipment	2232.1	2,251,765	196,759	10
Analog Circuit Equipment	2232.2	0		11
Light Wave Circuit Equipment	2232.3	407,509	445	12
Aerial Cable - Nonmetallic	2421.1	0		13
Aerial Cable - Metallic	2421.2	324,707	3,135	14 b
Underground Cable - Nonmetallic	2422.1	5,214		15
Underground Cable - Metallic	2422.2	199,001		16 b
Buried Cable - Nonmetallic	2423.1	760,867	107,267	17 b
Buried Cable - Metallic	2423.2	6,770,386	853,010	18 b
Submarine Cable - Nonmetallic	2424.1	0		19
Submarine Cable - Metallic	2424.2	0		20
Intrabuilding Cable - Nonmetallic	2426.1	0		21
Intrabuilding Cable - Metallic	2426.2	0		22

Explain all amounts shown in column (g).

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

Subaccount (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2123.1			11,052	1
2123.2			53,246	2
2212.1			86,303	3
2212.2			1,786,697	4
2212.3	4,971		489,030	5
2215.1			0	6
2215.2			0	7
2231.1			0	8
2231.2			36,019	9
2232.1			2,448,524	10
2232.2			0	11
2232.3	613		407,341	12
2421.1			0	13
2421.2	25,043	(470)	302,329	14 b
2422.1			5,214	15
2422.2		(655)	198,346	16 b
2423.1	2,556	(2,702)	862,876	17 b
2423.2	138,215	(50)	7,485,131	18 b
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	257,832	15.0	7,751	1
Aircraft	2113	26,580	.0	2,284	2b
Special Purpose Vehicles	2114	0			3
Garage Work Equipment	2115	0			4
Other Work Equipment	2116	172,593	10.0	28,038	5
Buildings	2121	319,730	3.4	16,128	6
Furniture	2122	25,455	10.0	2,952	7
Office Equipment	2123	57,471	19.83	6,273	8
General Purpose Computers	2124	686,796	20.0	248,796	9b
Total-- GENERAL SUPPORT ASSETS		1,546,457		312,222	0
CENTRAL OFFICE ASSETS					
Analog Electronic Switching	2211	0			10
Digital Electronic Switching	2212	1,050,945	8.37	196,170	11
Electro-Mechanical Switching	2215	0			12
Operator Systems	2220	0			13
Radio Systems	2231	25,123	8.3999	3,024	14
Circuit Equipment	2232	1,226,157	9.8100	240,530	15
Total-- CENTRAL OFFICE ASSETS		2,302,225		439,724	0
INFORMATION ORIG/TERM ASSETS					
Station Apparatus	2311	0			16
Customer Premises Wiring	2321	0			17
Large Private Branch Exchanges	2341	0			18
Public Telephone Terminal Equipment	2351	90	13.6	15	19b
Other Terminal Equipment	2362	0			20
Total-- INFORMATION ORIG/TERM ASSETS		90		15	0
CABLE WIRE FACILITIES ASSETS					
Poles	2411	14,962	10.0	1,898	21
Aerial Cable	2421	307,838	6.0	19,315	22b
Underground Cable	2422	170,881	4.4	8,976	23b
Buried Cable	2423	3,959,380	4.99	382,669	24
Submarine Cable	2424	0			25
Deep Sea Cable	2425	0			26
Intrabuilding Network Cable	2426	0			27
Aerial Wire	2431	33,419	19.0	5,478	28m

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112	96,232		9,271		178,622	1
2113				(8,928)	19,936	2 b
2114					0	3
2115					0	4
2116					200,631	5
2121					335,858	6
2122					28,407	7
2123	0				63,744	8
2124	27,729			1,800	909,663	9 b
	123,961	0	9,271	(7,128)	1,736,861	
2211					0	10
2212	4,971		18,000		1,260,144	11
2215	0				0	12
2220					0	13
2231	0				28,147	14
2232	613				1,466,074	15
	5,584	0	18,000	0	2,754,365	
2311					0	16
2321					0	17
2341					0	18
2351				(90)	15	19 b
2362					0	20
	0	0	0	(90)	15	
2411	1,317		60		15,603	21
2421	25,043	4,193		706	298,623	22 b
2422	0			(693)	179,164	23 b
2423	140,771	1,445			4,199,833	24
2424	0				0	25
2425					0	26
2426	0				0	27
2431		1,046			37,851	28 m

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	133,608	3.03	4,665	29
Total-- CABLE WIRE FACILITIES ASSETS		4,620,088		423,001	0
Total Accumulated Depreciation	3100	8,468,860		1,174,962	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				1,174,962	0

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441	56,593				81,680	29
	223,724	6,684	60	13	4,812,754	
3100	353,269	6,684	27,331	(7,205)	9,303,995	
3100					0	30
3100					9,303,995	

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	10,499	19.0		1
Company Communications Equipment	2123.2	46,972	20.0	6,273	2
Software	2212.1	2,916	33.33	14,574	3
Digital Switching - Central Office	2212.2	725,578	8.2700	143,160	4
Digital Switching - Remote	2212.3	322,451	7.85	38,436	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	25,123	8.3999	3,024	9
Digital Circuit Equipment	2232.1	1,094,558	9.8500	201,798	10
Analog Circuit Equipment	2232.2	0			11
Light Wave Circuit Equipment	2232.3	131,599	9.5	38,732	12
Aerial Cable - Nonmetallic	2421.1	0	4.8		13
Aerial Cable - Metallic	2421.2	307,838	6.0	19,315	14 b
Underground Cable - Nonmetallic	2422.1	38	4.4	228	15
Underground Cable - Metallic	2422.2	170,843	4.4	8,748	16 b
Buried Cable - Nonmetallic	2423.1	171,607	4.8	36,905	17
Buried Cable - Metallic	2423.2	3,787,773	5.0	345,764	18
Submarine Cable - Nonmetallic	2424.1	0			19
Submarine Cable - Metallic	2424.2	0			20
Intrabuilding Cable - Nonmetallic	2426.1	0			21
Intrabuilding Cable - Metallic	2426.2	0			22

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					10,499	1
2123.2					53,245	2
2212.1					17,490	3
2212.2			18,000		886,738	4
2212.3	4,971				355,916	5
2215.1					0	6
2215.2					0	7
2231.1					0	8
2231.2					28,147	9
2232.1					1,296,356	10
2232.2					0	11
2232.3	613				169,718	12
2421.1					0	13
2421.2	25,043	4,193		706	298,623	14 b
2422.1					266	15
2422.2				(693)	178,898	16 b
2423.1	2,556				205,956	17
2423.2	138,215	1,445			3,993,877	18
2424.1					0	19
2424.2					0	20
2426.1					0	21
2426.2					0	22

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	8,968,929	8,883,175	1
Changes:			
Balance Transferred from Income	978,439	885,754	2
Dividends Declared:			
Common	0	800,000	3
Preferred	0	0	4
Total Dividends Declared	0	800,000	
Miscellaneous Debits to Retained Earnings	0	0	5
Miscellaneous Credits to Retained Earnings	0	0	6
Balance--End of Year	<u>9,947,368</u>	<u>8,968,929</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)	1,646,223	1,581,796	2
Optional Extended Area Revenue (5002)		0	3
Cellular Mobile Revenue (5003)		0	4
Other Mobile Services Revenue (5004)	9,052	8,805	5
Public Telephone Revenue (5010)		0	6
Local Private Line Revenue (5040)	54,922	11,732	7 d
Customer Premises Revenue (5050)	338	442	8
Other Local Exchange Revenue (5060)	443,462	251,359	9 e
Other Local Exchange Revenue Settlements (5069)		0	10
TOTAL BASIC LOCAL SERVICE REVENUE (5000)	2,153,997	1,854,134	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	418,779	398,262	11
Switched Access Revenue (5082)*	838,087	948,731	12
Special Access Revenue (5083)*	156,196	72,907	13 f
TOTAL INTERSTATE ACCESS REVENUES (5080)	1,413,062	1,419,900	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*	(135)	0	14
Switched Access Revenue (5084.2)*	1,468,300	1,375,620	15
Special Access Revenue (5084.3)*	377,304	230,118	16 f
TOTAL INTRASTATE ACCESS REVENUES (5084)	1,845,469	1,605,738	
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)*	277,573	292,939	30
Rent Revenue (5240)*	17,947	998	31 g
Corporate Operations Revenue (5250)*		0	32
Miscellaneous:			
Miscellaneous Revenue (5260)*			33
Special Billing Arrangements Revenue (5261)		(1,054)	34
Customer Operations Revenue (5262)		0	35
Plant Operations Revenue (5263)		0	36
Other Incidental Regulated Revenue (5264)	76,471	71,074	37
Other Revenue Settlements (5269)	90	1,215	38
Total Miscellaneous Revenue (5260)	76,561	71,235	
Interstate Billing and Collection Revenue*	59,413	65,307	39
Intrastate Billing and Collection Revenue*	101,618	123,322	40
Total Carrier Billing and Collection Revenue (5270)*	161,031	188,629	
Nonregulated Operating Revenue (5280)**			41
TOTAL MISCELLANEOUS REVENUES	533,112	553,801	
GROSS OPERATING REVENUES	5,945,640	5,433,573	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*			42
Uncollectible Revenue--Telecommunications (5301)	7,188	4,802	43
Uncollectible Revenue--Other (5302)		(34,303)	44 h
TOTAL UNCOLLECTIBLE REVENUE (5300)	7,188	(29,501)	
TOTAL OPERATING REVENUES	5,938,452	5,463,074	

** 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)	13,602	13,750	1
Less: Nonregulated		0	2
Net Regulated	13,602	13,750	3
Total General Support Expense (6120)	70,668	85,004	4
Less: Nonregulated		0	5
Net Regulated	70,668	85,004	6
Total Central Office Switching Expense (6210)	106,203	93,294	7
Less: Nonregulated		0	8
Net Regulated	106,203	93,294	9
Total Operator Systems Expense (6220)		37	10
Less: Nonregulated		0	11
Net Regulated	0	37	12
Total Central Office Transmission Expenses (6230)	74,012	51,925	13
Less: Nonregulated		0	14 i
Net Regulated	74,012	51,925	15
Total Information Orig. / Term. Expense (6310)	1,365	0	16
Less: Nonregulated		0	17
Net Regulated	1,365	0	18
Total Cable and Wire Fac. Expense (6410)	181,154	185,024	19
Less: Nonregulated		0	20
Net Regulated	181,154	185,024	21
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	447,004	429,034	
Less: Nonregulated	0	0	
Net Regulated	447,004	429,034	
PLANT NONSPECIFIC OPERATIONS EXPENSE			
Total Other Property, Plant and Equip. Exp. (6510)	1,199	10,758	22
Less: Nonregulated		0	23
Net Regulated	1,199	10,758	24
Total Network Operations Expense (6530)	381,897	311,127	25
Less: Nonregulated		0	26 j
Net Regulated	381,897	311,127	27
Access Expense (6540)	56,593	41,432	28
Less: Nonregulated		0	29 k
Net Regulated	56,593	41,432	30
Total Depreciation and Amortization Expense (6560)	1,161,395	1,050,612	31
Less: Nonregulated		0	32
Net Regulated	1,161,395	1,050,612	33
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	1,601,084	1,413,929	
Less: Nonregulated	0	0	
Net Regulated	1,601,084	1,413,929	

EXPENSES - CLASS A & B

Particulars (a)	Total This Year (b)	Total Last Year (c)	
CUSTOMER OPERATIONS EXPENSE			
Total Marketing (6610)	301,585	285,188	34
Less: Nonregulated		0	35
Net Regulated	301,585	285,188	36
Total Services (6620)	752,489	754,159	37
Less: Nonregulated		0	38
Net Regulated	752,489	754,159	39
TOTAL CUSTOMER OPERATIONS EXPENSE	1,054,074	1,039,347	
Less: Nonregulated	0	0	
Net Regulated	1,054,074	1,039,347	
CORPORATE OPERATIONS EXPENSE			
Total Exec. and Planning (6710)	211,790	167,155	40
Less: Nonregulated		0	41
Net Regulated	211,790	167,155	42
Total General and Administrative (6720)	795,073	831,558	43
Less: Nonregulated		0	44
Net Regulated	795,073	831,558	45
Provision for Uncollectible Notes Receiv. (6790)		0	46
Less: Nonregulated		0	47
Net Regulated	0	0	48
TOTAL CORPORATE OPERATIONS EXPENSE	1,006,863	998,713	
Less: Nonregulated	0	0	
Net Regulated	1,006,863	998,713	
TOTAL EXPENSES	4,109,025	3,881,023	
Less: Nonregulated	0	0	
Net Regulated	4,109,025	3,881,023	

EXPENSES - CLASS A & B (DETAIL)

Particulars (a)	Total This Year (b)	Total Last Year (c)	
Property Held for Future Tele. Use Exp. (6511)		0	1
Provisioning Expense (6512)	1,199	10,758	2
Total: Reported in Account 6510	1,199	10,758	
Depreciat. Exp.--Tele. Plant in Service (6561)	1,161,395	1,048,328	3
Depreciat. Exp.--Prop. Held for Future Tele. Use (6562		0	4
Amortization Expense--Tangible (6563)		0	5
Amortization Expense--Intangible (6564)		0	6
Amortization Expense--Other (6565)		2,284	7
Total: Reported in Account 6560	1,161,395	1,050,612	

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	5,945,640	1
Plus: Collection of amounts previously written off		2
Less: Uncollectibles written off during the year		3
Plus: Total Other Operating Income and (Expense) (7100)	2,755	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)		7
Plus (or Less) Other (please specify): NONE	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	<u>5,948,395</u>	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	2,153,997	1
Plus: Total Intrastate Access Revenues (5084)	1,845,469	2
Plus: Total Long Distance Network Services Revenue	0	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>3,999,466</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	5,945,640	1
Plus: Collection of amounts previously written off		2
Less: Uncollectibles written off during the year		3
Plus: Total Other Operating Income and (Expense) (7100)	2,755	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)		7
Plus (or Less) Other (please specify): NONE	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	<u>5,948,395</u>	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	2,153,997	1
Plus: Total Intrastate Access Revenues (5084)	1,845,469	2
Plus: Total Long Distance Network Services Revenue	0	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>3,999,466</u>	

OTHER INCOME ACCOUNTS

Particulars (a)	This Year (b)	Last Year (c)	
OTHER OPERATING INCOME AND EXPENSE			
Total Other Oper. Income and (Expense) (7100)	2,755	11,761	1
OPERATING TAXES			
Operating Investment Tax Credits--Net (7210)		(17,075)	2
Operating Federal Income Taxes (7220)	477,675	373,124	3
Operating State and Local Income Taxes (7230)	113,958	98,222	4
Operating Other Taxes (7240)	341,795	323,440	5
Provision for Deferred Operating Income Taxes--Net (7250)	(40,579)	5,085	6
TOTAL OPERATING TAXES (7200)	892,849	782,796	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)	110	145	7
Interest Income (7320)	303,138	301,551	8
Income from Sinking and Other Funds (7330)		0	9
Allowance for Funds Used During Construction (7340)	3,416	1,573	10
Gains or (Losses) from the Disposition of Certain Property (7350)		0	11
Other Nonoperating Income (7360)	(80)	(116)	12
Special Charges (7370)	13,252	16,880	13
TOTAL NONOPERATING INCOME AND EXPENSE (7300)	293,332	286,273	
NONOPERATING TAXES			
Total Nonoperating Taxes (7400)	88,430	79,249	14
INTEREST AND RELATED ITEMS			
Total Interest and Related Items (7500)	194,815	211,254	15
EXTRAORDINARY ITEMS			
Extraordinary Items (7600)		0	16
NONREGULATED NET INCOME			
Nonregulated Net Income (7990)	29,019	78,968	17

NONREGULATED ACTIVITIES

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

Nonregulated Activity (a)	
Sale and Leasing of mobile equipment where the tariff allows.	1
Sale and Leasing of pager equipment where the tariff allows.	2
Sale, installation and maintenance of Direct Broadcast Satellite(DBS)	3
Sale, Leasing, installation and maintenance of 1 & 2 line phones.	4
Sale, Leasing, installation and maintenance of data modems	5
Sale, Leasing, installation and maintenance of key systems.	6
Sale, Leasing, installation and maintenance of PBXS	7

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	2,378	6,754	4
Total Local	2,378	6,754	
TOLL			
Toll	828	3,419	5
Total Toll	828	3,419	
Total Local & Toll	3,206	10,173	

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.	7	0	0	0	3
Feature Group B -- Term.	22	5	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.	8,117	7,276	5,231	0	7
Feature Group D -- Term.	5,811	6,233	5,636	0	8

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - fiber optics	62	1
Strand miles of plant - fiber optics	951	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	4	12	1
56 kbps	22	15	2
64 kbps (DS0)	3	0	3 n
1.54 Mbps (DS-1)	20	16	4
45 Mbps (DS-3)	0	0	5 n
SONET OC-1			6
SONET OC-3			7
SONET OC-12			8
SONET OC-48			9
SONET OC-192			10

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - fiber optics	62	1
Strand miles of plant - fiber optics	951	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	4	12	1
56 kbps	22	15	2
64 kbps (DS0)	3	0	3 n
1.54 Mbps (DS-1)	20	16	4
45 Mbps (DS-3)	0	0	5 n
SONET OC-1			6
SONET OC-3			7
SONET OC-12			8
SONET OC-48			9
SONET OC-192			10

SERVICE DATA

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

Item (a)	FOY (b)	EOY (c)	
Business			
1 Party	1,061	1,076	3
2 Party	0	0	4
4 Party	0	0	5
PBX Trunks/System Trunks	121	124	6
Centrex Trunks	0	0	7
Centrex Lines	438	483	8
Key System Trunks	308	333	9
Mobile (Utility Provided Service)	0	0	10
Paging (Utility Provided Service)	79	81	11
FX-Out (Switched)	1	1	12
Pay Telephone	0	0	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	2,008	2,098	20
Residential (Incl. Emp. Concess.)			
1 Party	6,273	6,542	22
2 Party	0	0	23
4 Party	0	0	24
FX-Out (Switched)	4	4	25
Other	0	1	26
Total Residential Lines	6,277	6,547	27
Total Bus & Res Lines	8,285	8,645	28
Company Used Lines	102	150	29
Total Lines Used	8,387	8,795	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	2	1	3
WATS Lines - 800 Service	1	1	4
FX-In-intraLATA	3	3	5
Special Access-intraLATA			6
(expressed in equiv. access lines)	158	411	7
Special Access-interLATA			8
(expressed in equiv. access lines)	359	509	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	312	312	13
TSPS - Trunks	17	17	14
EAS - Trunks	52	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
	13,260,118	14,255,857	27
Total Company Square Miles	440	440	28
Total Company Route Miles	623	627	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	1510	3280	5120		1
Business					2
1 Party	122	855	99		3
2 Party	0	0	0		4
4 Party	0	0	0		5
PBX Trunks/System Trunks	0	124	0		6
Centrex Trunks	0	0	0		7
Centrex Lines	55	385	43		8
Key System Trunks	40	274	19		9
Mobile (utility provided service)	0	0	0		10
Paging (utility provided service)	1	76	4		11
FX-Out (Switched)	0	1	0		12
Pay Telephone	0	0	0		13
Coin-Operated Pay Telephone	0	0	0		14
Independent Pay Telephone Provider	0	0	0		15
Pay Stations - Public	0	0	0		16
- Semi-Public	0	0	0		17
- Cust. Owned	0	0	0		18
Other	0	0	0		19
Total Business Lines	218	1,715	165	0	20
Residential (Incl. Emp. Concess.)					21
1 Party	863	4,825	854		22
2 Party	0	0	0		23
4 Party	0	0	0		24
FX-Out (Switched)	1	2	1		25
Other	0	1	0		26
Total Residential Lines	864	4,828	855	0	27
Total Bus & Res Lines	1,082	6,543	1,020	0	28
Company Used Lines	6	138	6		29
Total Lines Used	1,088	6,681	1,026	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	1510	3280	5120		1
Miscellaneous					2
WATS Lines - OutWATS	0	1	0		3
WATS Lines - 800 Service	0	1	0		4
FX-In-intraLATA	0	3	0		5
Special Access-intraLATA					6
(equiv. access lines)	3	384	24		7
Special Access-interLATA					8
(equiv. access lines)	25	434	50		9
Feature Group A Lines	0	0	0		10
Feature Group B Trunks	0	0	0		11
Feature Group C Trunks	0	0	0		12
Feature Group D Trunks	0	312	0		13
TSPS - Trunks	0	17	0		14
EAS - Trunks	0	0	0		15
Cellular Trunks (Pub. Sw. Net.)	0	0	0		16
Video Distance Learning					17
- discounted (special tariff)	0	1	0		18
Customers					19
Business - 2 Party Customers	0	0	0		20
Business - 4 Party Customers	0	0	0		21
Residential - 2 Party Customers	0	0	0		22
Residential - 4 Party Customers	0	0	0		23
Other					24
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical					26
location of plant)	1,599,264	10,741,572	1,915,021		27
Exchange Square Miles	46	307	87		28
Exchange Route Miles	82	415	130		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)	
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EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Equipment Type (a)	Abbreviation (b)	
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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	DORCHESTER	MEDFORD	STETSONVILLE		1
PSCW Exchange ID	1510	3280	5120		2
Central Office Name	DORCHESTER	MEDFORD	STETSONVILLE		3
PSCW Central Office ID	1	1	1		4
Manufacturer of COE (Page 54)	SC	SC	SC		5
Year COE Installed	1996	1996	1996		6
Type of Equipment (Page 54)	Digi	D	DIGI		7
(S)tandalone, (H)ost, (R)emote	R	H	R		8
Remote Host PSCW Exchange ID	3280		3280		9
Remote Host PSCW Central Office ID	1	0	1		10
COE Generic Software Release No.	RMT	14	RMT		11
SS7?	Yes	Yes	Yes		12
9-1-1?	Yes	Yes	Yes		13
Access Lines - In Use	1,088	6,681	1,026		14
- Equipped	1,164	6,681	1,050		15
- Wired	1,164	11,368	1,050		16
Trunks - In Use	0	401	0		17
- Equipped	0	672	0		18
- Wired	0	672	0		19
ISDN Available?	Yes	Yes	Yes		20
ISDN Lines - In Use (BRI)	0	4	1		21
- In Use (PRI)	0	1	0		22
Switched 56 Service?	Yes	Yes	Yes		23
Switched 56 lines in use	0	0	0		24
Digital Transmission Facilities: DS-1 - In Use	9	35	9		25
DS-3 - In Use	1	4	1		26
Advanced Data Service Available:					
Packet Switching?	No	No	No		27
SMDS?	No	No	No		28
Frame Relay?	No	No	No		29
ATM (Asynchronous Trans. Mode)?	No	No	No		30
Video Information - Service Available?	Yes	Yes	Yes		31
- In Use (# lines) ¹	0	1	0		32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	32	56	48		33
No. of fiber strands working (LIT) in C.O.	4	12	14		34
No. of fiber strands for interoffice use	4	16	16		35
Miles of fiber sheath in wire center	5	43	14		36
Access Tandem Serving this C.O.:					
- C.O. Name	WAUSAU	WAUSAU	WAUSAU		37
- PSCW C.O. ID	5700-01	5700-01	5700-01		38
Does this C.O. do access tandem switching?	No	No	No		39
Equal Access: InterLATA (1+)?	Yes	Yes	Yes		40
Equal Access: IntraLATA (1+)?	Yes	Yes	Yes		41
Footnotes					42

¹ Teleco provided end-to-end facility.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

General Footnote

Schedule Footnotes

Schedule Line Footnotes

- a) 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 pages 55.
- b) 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.
- c) The dollars showing in a/c 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.
- d) Local Private Line revenue is up in 1999 due to a new billing for a T-1 line.
- e) The increase in other local exchange revenue is due to growth in voice mail, custom calling features and class service. It is also due to High Cost Fund support.
- f) Special Access Revenue is up due to additional special circuits being billed.
- g) Rent revenue is up due to billing for a distance learning line.
- h) The change in uncollectible revenue is due to a write-off in 1998.
- i) Central Office Transmission Expense is up due to increased maintenance in 1999.
- j) Network operations expense increased due to increased activity in network planning.
- k) Access Expense is up due to an increase in USAC payments for schools and libraries and the TEACH program.
- l) Corporate Operation expense is up due to additional charges related to the retirement of the manager.
- m) Per the PSC, we are allowed to depreciate this at greater than 100%.
- n) The company has no 64kbps intralata channel terms and no 45 Mbps channel terms.