



4004

ANNUAL REPORT

OF

Name: SOUTHEAST TELEPHONE COMPANY OF WISCONSIN, INC

Principal Office: 311 ELIZABETH ST
P.O. BOX 190
WATERFORD, WI 53185-0190

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 JAMES M. MITCHELL of
(Person responsible for accounts)

SOUTHEAST TELEPHONE COMPANY OF WISCONSIN, INC. , certify that I
(Utility Name)

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

JAMES M. MITCHELL 03/31/2000
(Person responsible for accounts) (Date)

GENERAL MANAGER
(Title)

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ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Access Line	Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency transmission, and/or time slot transmission. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice channel or a 64 kilobits per second digital channel.
Analog Signal	A signal that varies in a continuous manner such as voice or music. An analog signal must be contrasted with a digital signal which can assume only discrete values.
Cellular System	A high capacity land mobile radio system in which an assigned frequency spectrum is divided into discrete channels that are assigned to a cellular geographic serving area.
Central Office	A switching unit in a telephone system providing service to the general public, having the necessary equipment and operating arrangements for terminating and interconnecting lines and trunks.
Centrex	A service for customers with many stations that permits station-to-station dialing, one listed directory number for the customer, direct inward dialing to a particular station and station identification on outgoing calls. The switching functions are performed in a central office (stand alone, host or remote).
Channel	An electrical communications path between two or more points. A single pair of wires may provide more than one channel. A channel may also be provided by microwave.
Customer	A person who uses a telephone as a subscriber.
Digital Signal	A signal that has a limited number of discrete states. This may be contrasted with an analog signal that varies in a continuous manner and may have an infinite number of states.
Equal Access	The ability of the subscriber to use any long distance service by dialing the same number of digits.
Exchange	A defined area served by one or more central offices regardless of technical serving arrangements within which the company furnishes service at rates and rules prescribed for that area in the company's filed tariffs. The area is not necessarily marked by political boundaries or the location of host or remote switching units.
Extended Area Service (EAS)	The ability of a customer to call customers in other exchanges at no additional charge or at an additional charge per tariff.
Extended Community Calling (ECC)	The ability of a customer to call customers in other exchanges at rates usually above EAS rates but below toll rates for comparable distances. Rates generally include a duration element.
Feature Group A	Line-side originating and terminating LATA access for which an originating subscriber dials an assigned telephone number that connects to a specific interexchange carrier (IC). The IC returns a tone to signal the caller to input additional generated digits of the called number.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Feature Group B	Trunk-side originating and terminating LATA access for which an originating subscriber dials a 950-WXXX number (where W=0, 1 and XXX is the carrier access code (CAC)), which is translated to a specific XXX carrier trunk group. Optional rotary dial service and ANI may be available.
Feature Group C	Trunk-side LATA access for AT&T-Communications generally on a direct basis between each end office (EO) and an AT&T-C switching system.
Feature Group D	Also referred to as equal access. It is trunk-side LATA access affording call supervision of an interexchange carrier, a uniform access code (10XXXXX), optional calling party identification, recording of access-charge billing details and presubscription to a customer specified interexchange carrier.
FX-IN	A nonswitched service where the customer of the company is connected to and receives switching service through central office equipment located in another exchange area.
FX-OUT	A switched service where facilities are provided from the central office out to the exchange boundary where it meets the line from a foreign exchange subscriber.
Host Switching System	A switching system that provides centralized control over most of the switching functions of one or more remote switching units. The host switching system usually provides trunk access to the operating company intraLATA networks.
Local Access Transport Area (LATA)	A geographic area within which an operating company may offer its telecommunications services.
Mobile Telephone	A service which provides radio telephone communication from a mobile vehicle to another vehicle or to a regular telephone.
Paging	A service which provides one-way signal or voice communication over a radio channel to a miniature receiver carried by the customer.
Pair	Two wires of a single circuit.
Pay Station	A telephone which normally requires all users to deposit one or more coins or use a credit card to complete a call.
Private Line Service	Channel or circuit rented for private use and not intended to be connected to the general distribution system.
Private Branch Exchange (PBX)	A manually, or operator controlled switching system, usually on the customer's premises, which serves that customer's telephones over a common group of lines from the central office.
Radio Common Carrier (RCC)	A company which furnishes public telecommunications service using one or more radio channels.
Remote Switching Unit (RSU)	An electronic switching system that is remote from its host or control office. All of the central control equipment for the RSU is located in the host switching system.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Route Miles	Total number of route miles (to the nearest mile) of operating plant facilities including drop wire in the exchange. One route mile may consist of: <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: SOUTHEAST TELEPHONE COMPANY OF WISCONSIN, INC.
Utility Location: 311 ELIZABETH ST
P.O. BOX 190
WATERFORD, WI 53185-0190

Utility Web Site Address:

When was utility organized?: 03/28/1946

Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: MR JAMES M . MITCHELL
Title: GENERAL MANAGER

Office Address: 311 ELIZABETH STREET
WATERFORD , WI 53185

Fax Number: (414) 534 - 5101
Telephone Number: (414) 534 - 5110
Email Address:

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

Name: KIESLING ASSOCIATES LLP
Title: ACCOUNTING FIRM
Firm: KIESLING ASSOCIATES LLP
Office Address: 6401 ODANA ROAD
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Fax Number: (608) 273 - 2383
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Person responsible for financial information contained in report

Name: MR JAMES M . MITCHELL
Title: GENERAL MANAGER

Office Address: 311 ELIZABETH STREET
WATERFORD , WI 53185

Fax Number: (414) 534 - 5101
Telephone Number: (414) 534 - 5110
Email Address:

Person responsible for statistical information contained in report

Name: MR JAMES M . MITCHELL
Title: GENERAL MANAGER

Office Address: 311 ELIZABETH STREET
WATERFORD , WI 53185

Fax Number: (414) 534 - 5101
Telephone Number: (414) 534 - 5110
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: NONE
Address: NONE
 NONE , WI 00000

Number of Shares Held:
Beneficial Owner: NONE

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

Company Name: NONE
Form of Interest: NONE
Extent Of Interest: NONE

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	6,376,322	5,964,500	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	845,571	772,989	2
Plant Nonspecific Operations Expense	1,214,305	2,315,185	3
Customer Operations Expense (6610-6620)	856,781	792,074	4
Corporate Operations Expense (6710-6790)	195,958	439,382	5
Other Operating Income and Expense (7100)	0	0	6
Operating Taxes (7200)	1,368,905	743,632	7
Total Operating Expenses	4,481,520	5,063,262	8
Net Operating Income	1,894,802	901,238	9
Other Income			
Nonoperating Income and Expense (7300)	98,212	80,596	10
Nonoperating Taxes (7400)	32,140	24,790	11
Interest and Related Items (7500)	310,615	263,423	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	25,567	(25,875)	14
Total Nonoperating Income	(218,976)	(233,492)	15
Net Income	1,675,826	667,746	16

NOTES TO INCOME STATEMENT OR BALANCE SHEET

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

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

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

A. Property and Equipment

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

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

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

B. Income taxes

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

Investment tax credits (ITC) which were deferred prior to the Tax Reform Act of 1986 are being amortized over the regulatory life of the plant which produced the ITC.

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:

C. Revenue Recognition

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

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

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

D. Cash Equivalents

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

E. Investments

Non-marketable equity investments and temporary investments are stated at cost.

-
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 making any distributions, except as might be specifically authorized in writing in advance by the RTFC noteholders, unless certain conditions are met.

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)	1,361,853	1,000,649	2
Special Cash Deposits (1140)	0		3
Working Cash Advances (1150)	0		4
Temporary Investments (1160)	104,997	601,793	5
TOTAL CASH AND EQUIVALENTS	1,466,850	1,602,442	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	554,467	550,746	6
Accounts Receivable Allowance-Telecom (1181)*	0		7
Net: Telecommunications Accounts Receivable	554,467	550,746	
Other Accounts Receivable (1190)*	378,442	404,850	8
Accounts Receivable Allowance--Other (1191)*	0		9
Net: Other Accounts Receivable	378,442	404,850	
Notes Receivable (1200)*	0	0	10
Notes Receivable Allowance (1201)*	0	0	11
Net: Notes Receivable	0	0	
Interest and Dividends Receivable (1210)*	2,165	9,056	12
TOTAL REC AND ALLOW FOR DOUBTFUL ACCOUNTS	935,074	964,652	
SUPPLIES			
Inventories (1220)*	183,252	91,912	13
TOTAL SUPPLIES	183,252	91,912	
PREPAYMENTS			
Total Prepayments (1280)*			14
Prepaid Rents (1290)	0		15
Prepaid Taxes (1300)	45,068	120,437	16
Prepaid Insurance (1310)	21,290	21,735	17
Prepaid Directory Expenses (1320)	0		18
Other Prepayments (1330)	2,070	15,885	19
TOTAL PREPAYMENTS	68,428	158,057	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	108,416	159,221	20
TOTAL OTHER CURRENT ASSETS	108,416	159,221	
TOTAL CURRENT ASSETS	2,762,020	2,976,284	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	120,000	120,000	21
RTB Class B Stock (1402)*			22
Other Investments in Nonaffiliated Companies (1402)*	397,752	194,832	23
Nonregulated Investments (1406)*	1,021,484	1,028,188	24
Unamortized Debt Issuance Expense (1407)*	0	5,313	25

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
NONCURRENT ASSETS			
INVESTMENTS			
Sinking Funds (1408)*	1,510,975	0	26
Other Noncurrent Assets (1410)*	0	110,791	27
TOTAL INVESTMENTS	3,050,211	1,459,124	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*	0	0	28
Deferred Maintenance and Retirements (1438)*	0	0	29
Deferred Charges (1439)*	0		30
TOTAL DEFERRED CHARGES	0	0	
TOTAL NONCURRENT ASSETS	3,050,211	1,459,124	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	16,916,578	16,643,014	31
Less: Accumulated Depreciation (3100)*	6,869,695	8,994,755	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	10,046,883	7,648,259	
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)*	139,294	53,527	40
TOTAL TPUC	139,294	53,527	
TELECOMMUNICATIONS PLANT ADJUSTMENT			
Telecommunications Plant Adjustment (2005)*	0		41
Less: Accumulated Amortization--Other (3600)*	0		42
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	0	0	
TOTAL PLANT	10,186,177	7,701,786	
TOTAL ASSETS AND OTHER DEBITS	15,998,408	12,137,194	

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	2,531,217	314,905	1
Notes Payable (4020)*	0	0	2
Advance Billing and Payments (4030)*	0		3
Customer Deposits (4040)*	0		4
Current Maturities--Long-Term Debt (4050)*	179,000	159,400	5
Current Maturities--Capital Leases (4060)*	0		6
Income Taxes--Accrued (4070)*	28,799		7
Other Taxes--Accrued (4080)*	77	3,679	8
Net Current Deferred Operating Income Taxes (4100)*	0	0	9
Net Current Deferred Nonoperating Income Taxes (4110)*	0		10
Other Accrued Liabilities (4120)*	45,868	25,426	11
Other Current Liabilities (4130)*	0		12
TOTAL CURRENT LIABILITIES	2,784,961	503,410	
LONG-TERM DEBT			
Funded Debt (4210)*	3,836,320	3,645,931	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	3,836,320	3,645,931	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*	140,012	281,245	20
Unamortized Operating ITC--Net (4320)*	88,802	133,202	21
Unamortized Nonoperating ITC--Net (4330)*	0		22
Net Noncurrent Deferred Operating Income Taxes (4340)*	673,282	0	23
Net Deferred Tax Liability Adjustments (4341)*	(34,822)	0	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	(405,703)		25
Other Deferred Credits (4360)*	219,074	221,768	26
Deferred Tax Regulatory Liability (4361)*	0	0	27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS	680,645	636,215	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	4,138,311	4,138,311	28
Additional Paid-in Capital (4520)*			29
Treasury Stock (4530)*	1,035	1,035	30
Other Capital (4540)*	0		31
Retained Earnings (4550)*	4,559,206	3,214,362	32
TOTAL STOCKHOLDERS' EQUITY	8,696,482	7,351,638	
TOTAL LIABILITIES AND OTHER CREDITS	15,998,408	12,137,194	

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.

During 1999, the Company adopted the AICPA, Accounting Standards Executive Committee, Statement of Position 98-1.

On December 21, 1999, an Agreement and Plan of Merger was signed by Southeast Telephone Company of Wisconsin, Inc., and Telephone And Data Systems, Inc., (TDS). Under the agreement, TDS would acquire all the outstanding stock from its shareholders. The closing of this transaction is subject to certain terms and conditions including the approval of the shareholders.

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)	1
Computer Systems, Limited Liability Corporation	CS, LLC	

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	5570AT100			
Name of Affiliate	CS, LLC			1
Designate whether billed to or from:	FROM			2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	M			3
Total Dollar Activity	309,927			4
Percent of affiliate's business billed to all affiliated regulated utilities	61.86			5
If cost based, rate of return on equity or markup incorporated in billings				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)	
Computer Systems, Limited Liability Corporation	1401	120,000	1
Computer Systems, Limited Liability Corporation	4010	23,275	2

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
GENERAL SUPPORT ASSETS				
Land	2111	209,788		1
Motor Vehicles	2112	339,694	69,386	2
Aircraft	2113	0		3
Special Purpose Vehicles	2114	0		4
Garage Work Equipment	2115	0		5
Other Work Equipment	2116	678,800	36,717	6
Buildings	2121	654,217	7,711	7
Furniture	2122	32,657	19,973	8
Office Equipment	2123	96,680	11,250	9
General Purpose Computers	2124	115,167	26,810	10
TOTAL--GENERAL SUPPORT ASSETS:		2,127,003	171,847	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0		11
Digital Electronic Switching	2212	3,245,142	2,813,765	12
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220	0		14
Radio Systems	2231	0	0	15
Circuit Equipment	2232	1,669,444	30,679	16
TOTAL--CENTRAL OFFICE ASSETS:		4,914,586	2,844,444	
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	0		20
Other Terminal Equipment	2362	0		21
TOTAL--INFORMATION ORIG/TERM ASSETS:		0	0	
CABLE WIRE FACILITIES ASSETS				
Poles	2411	0		22
Aerial Cable	2421	227,779	5,896	23 E
Underground Cable	2422	253,862	0	24
Buried Cable	2423	8,891,221	424,742	25 E
Submarine Cable	2424	0	0	26
Deep Sea Cable	2425	0		27
Intrabuilding Network Cable	2426	0	0	28
Aerial Wire	2431	0		29
Conduit Systems	2441	228,563		30
TOTAL--CABLE WIRE FACILITIES ASSETS:		9,601,425	430,638	
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			209,788	1
2112	37,019		372,061	2
2113			0	3
2114			0	4
2115			0	5
2116	17,323		698,194	6
2121			661,928	7
2122			52,630	8
2123	9,445	0	98,485	9
2124	47,207		94,770	10
	110,994	0	2,187,856	
2211			0	11
2212	3,062,371	0	2,996,536	12
2215	0	0	0	13
2220			0	14
2231	0	0	0	15
2232	0	0	1,700,123	16
	3,062,371	0	4,696,659	
2311			0	17
2321			0	18
2341			0	19
2351			0	20
2362			0	21
	0	0	0	
2411			0	22
2421	0	3,547	237,222	23 E
2422	0	0	253,862	24
2423	0	(3,547)	9,312,416	25 E
2424	0	0	0	26
2425			0	27
2426	0	0	0	28
2431			0	29
2441			228,563	30
	0	0	10,032,063	
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	16,643,014	3,446,929
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	
	3,173,365	0	16,916,578	
2001			0	34
			16,916,578	

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	80,130	11,250	1 A
Company Communications Equipment	2123.2	16,550		2 A
Software	2212.1	0		3
Digital Switching - Central Office	2212.2	3,245,142	2,813,765	4
Digital Switching - Remote	2212.3	0		5
Step by Step Switching	2215.1	0		6
Crossbar Switching	2215.2	0		7
Satellite and Earth Station Facilities	2231.1	0		8
Other Radio Facilities	2231.2	0		9
Digital Circuit Equipment	2232.1	1,669,444	30,679	10
Analog Circuit Equipment	2232.2	0		11
Light Wave Circuit Equipment	2232.3	0		12
Aerial Cable - Nonmetallic	2421.1	0		13
Aerial Cable - Metallic	2421.2	227,779	5,896	14 E
Underground Cable - Nonmetallic	2422.1	0		15
Underground Cable - Metallic	2422.2	253,862		16
Buried Cable - Nonmetallic	2423.1	0		17
Buried Cable - Metallic	2423.2	8,891,221	424,742	18 E
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	9,445	1,434	83,369	1 A
2123.2		(1,434)	15,116	2 A
2212.1			0	3
2212.2	3,062,371		2,996,536	4
2212.3			0	5
2215.1			0	6
2215.2			0	7
2231.1			0	8
2231.2			0	9
2232.1			1,700,123	10
2232.2			0	11
2232.3			0	12
2421.1			0	13
2421.2		3,547	237,222	14 E
2422.1			0	15
2422.2			253,862	16
2423.1			0	17
2423.2		(3,547)	9,312,416	18 E
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	200,830	14.3	59,484	1B
Aircraft	2113	0			2
Special Purpose Vehicles	2114	0			3
Garage Work Equipment	2115	0			4
Other Work Equipment	2116	359,378	9.09	62,892	5
Buildings	2121	377,482	3.23	21,290	6
Furniture	2122	27,214	6.92	2,658	7
Office Equipment	2123	78,747	12.5	12,256	8
General Purpose Computers	2124	73,796	14.29	15,421	9
Total-- GENERAL SUPPORT ASSETS		1,117,447		174,001	0
CENTRAL OFFICE ASSETS					
Analog Electronic Switching	2211	0			10
Digital Electronic Switching	2212	3,022,364	10.0	257,377	11
Electro-Mechanical Switching	2215	0			12
Operator Systems	2220	0			13
Radio Systems	2231	0			14
Circuit Equipment	2232	764,325	10.0	170,175	15
Total-- CENTRAL OFFICE ASSETS		3,786,689		427,552	0
INFORMATION ORIG/TERM ASSETS					
Station Apparatus	2311	0			16
Customer Premises Wiring	2321	0			17
Large Private Branch Exchanges	2341	0			18
Public Telephone Terminal Equipment	2351	0			19
Other Terminal Equipment	2362	0			20
Total-- INFORMATION ORIG/TERM ASSETS		0		0	0
CABLE WIRE FACILITIES ASSETS					
Poles	2411	0			21
Aerial Cable	2421	173,493	6.0	15,849	22C
Underground Cable	2422	165,128	4.5	11,424	23
Buried Cable	2423	3,628,700	4.6	413,766	24C
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	37,019				223,295	1 B
2113					0	2
2114					0	3
2115					0	4
2116	17,323				404,947	5
2121					398,772	6
2122					29,872	7
2123	9,445				81,558	8
2124	47,207				42,010	9
	110,994	0	0	0	1,180,454	
2211					0	10
2212	3,062,371				217,370	11
2215	0				0	12
2220					0	13
2231	0				0	14
2232	0				934,500	15
	3,062,371	0	0	0	1,151,870	
2311					0	16
2321					0	17
2341					0	18
2351					0	19
2362					0	20
	0	0	0	0	0	
2411					0	21
2421	0				189,342	22 C
2422	0				176,552	23
2423	0				4,042,466	24 C
2424	0				0	25
2425					0	26
2426	0				0	27
2431					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	123,298	2.5	5,713	29
Total-- CABLE WIRE FACILITIES ASSETS		4,090,619		446,752	0
Total Accumulated Depreciation	3100	8,994,755		1,048,305	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				1,048,305	0

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441					129,011	29
	0	0	0	0	4,537,371	
3100	3,173,365	0	0	0	6,869,695	
3100					0	30
3100					6,869,695	

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	69,411	12.5	10,322	1
Company Communications Equipment	2123.2	9,336	12.5	1,934	2
Software	2212.1	0			3
Digital Switching - Central Office	2212.2	3,022,364	10.0	257,377	4
Digital Switching - Remote	2212.3	0			5
Step by Step Switching	2215.1	0			6
Crossbar Switching	2215.2	0			7
Satellite and Earth Station Facilities	2231.1	0			8
Other Radio Facilities	2231.2	0			9
Digital Circuit Equipment	2232.1	764,325	10.0	170,175	10
Analog Circuit Equipment	2232.2	0			11
Light Wave Circuit Equipment	2232.3	0			12
Aerial Cable - Nonmetallic	2421.1	0			13
Aerial Cable - Metallic	2421.2	173,493	6.0	15,849	14 c
Underground Cable - Nonmetallic	2422.1	0			15
Underground Cable - Metallic	2422.2	165,128	4.5	11,424	16
Buried Cable - Nonmetallic	2423.1	0			17
Buried Cable - Metallic	2423.2	3,628,700	4.6	413,766	18 c
Submarine Cable - Nonmetallic	2424.1	0			19
Submarine Cable - Metallic	2424.2	0			20
Intrabuilding Cable - Nonmetallic	2426.1	0			21
Intrabuilding Cable - Metallic	2426.2	0			22

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

Subacct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2123.1	9,445				70,288	1
2123.2					11,270	2
2212.1					0	3
2212.2	3,062,371				217,370	4
2212.3					0	5
2215.1					0	6
2215.2					0	7
2231.1					0	8
2231.2					0	9
2232.1					934,500	10
2232.2					0	11
2232.3					0	12
2421.1					0	13
2421.2					189,342	14 C
2422.1					0	15
2422.2					176,552	16
2423.1					0	17
2423.2					4,042,466	18 C
2424.1					0	19
2424.2					0	20
2426.1					0	21
2426.2					0	22

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	3,214,362	2,856,912	1
Changes:			
Balance Transferred from Income	1,675,826	667,746	2
Dividends Declared:			
Common	330,982	310,296	3
Preferred		0	4
Total Dividends Declared	330,982	310,296	
Miscellaneous Debits to Retained Earnings		0	5
Miscellaneous Credits to Retained Earnings		0	6
Balance--End of Year	<u>4,559,206</u>	<u>3,214,362</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)	2,268,308	2,052,229	2
Optional Extended Area Revenue (5002)	0		3
Cellular Mobile Revenue (5003)	0		4
Other Mobile Services Revenue (5004)	0		5
Public Telephone Revenue (5010)	0		6
Local Private Line Revenue (5040)	12,416	12,416	7
Customer Premises Revenue (5050)	0		8
Other Local Exchange Revenue (5060)	64,723	73,966	9
Other Local Exchange Revenue Settlements (5069)			10
TOTAL BASIC LOCAL SERVICE REVENUE (5000)	2,345,447	2,138,611	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	438,814	411,146	11
Switched Access Revenue (5082)*	1,444,695	1,287,295	12
Special Access Revenue (5083)*	15,350	20,312	13
TOTAL INTERSTATE ACCESS REVENUES (5080)	1,898,859	1,718,753	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*	0		14
Switched Access Revenue (5084.2)*	1,374,462	1,242,957	15
Special Access Revenue (5084.3)*	36,122	33,260	16
TOTAL INTRASTATE ACCESS REVENUES (5084)	1,410,584	1,276,217	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*	65,371	285,952	17 G
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.	65,371	285,952	

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

Particulars (a)	This Year (b)	Last Year (c)	
MISCELLANEOUS REVENUES			
Directory Revenue (5230)*	363,335	342,101	30
Rent Revenue (5240)*	0		31
Corporate Operations Revenue (5250)*			32
Miscellaneous:			
Miscellaneous Revenue (5260)*			33
Special Billing Arrangements Revenue (5261)			34
Customer Operations Revenue (5262)			35
Plant Operations Revenue (5263)			36
Other Incidental Regulated Revenue (5264)	9,540	7,610	37
Other Revenue Settlements (5269)	0		38
Total Miscellaneous Revenue (5260)	9,540	7,610	
Interstate Billing and Collection Revenue*	126,283	100,320	39 G
Intrastate Billing and Collection Revenue*	165,335	99,912	40 G
Total Carrier Billing and Collection Revenue (5270)*	291,618	200,232	
Nonregulated Operating Revenue (5280)**			41
TOTAL MISCELLANEOUS REVENUES	664,493	549,943	
GROSS OPERATING REVENUES	6,384,754	5,969,476	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*			42
Uncollectible Revenue--Telecommunications (5301)	8,432	4,976	43
Uncollectible Revenue--Other (5302)	0		44
TOTAL UNCOLLECTIBLE REVENUE (5300)	8,432	4,976	
TOTAL OPERATING REVENUES	6,376,322	5,964,500	

** 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	0	1
Less: Nonregulated	0	0	2
Net Regulated	0	0	3
Total General Support Expense (6120)	64,191	57,847	4
Less: Nonregulated	0	0	5
Net Regulated	64,191	57,847	6
Total Central Office Switching Expense (6210)	184,440	185,360	7
Less: Nonregulated	0	0	8
Net Regulated	184,440	185,360	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)	22,050	6,436	13
Less: Nonregulated	0	0	14 H
Net Regulated	22,050	6,436	15
Total Information Orig. / Term. Expense (6310)	0	0	16
Less: Nonregulated	0	0	17
Net Regulated	0	0	18
Total Cable and Wire Fac. Expense (6410)	574,890	523,346	19
Less: Nonregulated	0	0	20
Net Regulated	574,890	523,346	21
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	845,571	772,989	
Less: Nonregulated	0	0	
Net Regulated	845,571	772,989	
PLANT NONSPECIFIC OPERATIONS EXPENSE			
Total Other Property, Plant and Equip. Exp. (6510)	0	0	22
Less: Nonregulated	0	0	23
Net Regulated	0	0	24
Total Network Operations Expense (6530)	104,607	181,809	25
Less: Nonregulated	0	0	26 I
Net Regulated	104,607	181,809	27
Access Expense (6540)	67,421	36,806	28
Less: Nonregulated	0	0	29 J
Net Regulated	67,421	36,806	30
Total Depreciation and Amortization Expense (6560)	1,042,277	2,096,570	31
Less: Nonregulated	0	0	32 K
Net Regulated	1,042,277	2,096,570	33
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	1,214,305	2,315,185	
Less: Nonregulated	0	0	
Net Regulated	1,214,305	2,315,185	

EXPENSES - CLASS A & B

Particulars (a)	Total This Year (b)	Total Last Year (c)	
CUSTOMER OPERATIONS EXPENSE			
Total Marketing (6610)	0	0	34
Less: Nonregulated		0	35
Net Regulated	0	0	36
<hr/>			
Total Services (6620)	856,781	792,074	37
Less: Nonregulated	0	0	38
Net Regulated	856,781	792,074	39
<hr/>			
TOTAL CUSTOMER OPERATIONS EXPENSE	856,781	792,074	
Less: Nonregulated	0	0	
Net Regulated	856,781	792,074	
<hr/>			
CORPORATE OPERATIONS EXPENSE			
Total Exec. and Planning (6710)	157,919	125,866	40
Less: Nonregulated	0	0	41 L
Net Regulated	157,919	125,866	42
<hr/>			
Total General and Administrative (6720)	38,039	313,516	43
Less: Nonregulated	0	0	44 M
Net Regulated	38,039	313,516	45
<hr/>			
Provision for Uncollectible Notes Receiv. (6790)	0	0	46
Less: Nonregulated	0	0	47
Net Regulated	0	0	48
<hr/>			
TOTAL CORPORATE OPERATIONS EXPENSE	195,958	439,382	
Less: Nonregulated	0	0	
Net Regulated	195,958	439,382	
<hr/>			
TOTAL EXPENSES	3,112,615	4,319,630	
Less: Nonregulated	0	0	
Net Regulated	3,112,615	4,319,630	

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)	0	0	2
Total: Reported in Account 6510	0	0	
Depreciat. Exp.--Tele. Plant in Service (6561)	1,042,277	2,096,570	3 K
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)		0	7
Total: Reported in Account 6560	1,042,277	2,096,570	

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	6,384,754	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)	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)		7
Plus (or Less) Other (please specify): NONE	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	<u>6,384,754</u>	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	2,345,447	1
Plus: Total Intrastate Access Revenues (5084)	1,410,584	2
Plus: Total Long Distance Network Services Revenue	65,371	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus: Intrastate Payphone Revenues		5
Plus (or Less) Other (please specify):	0	6
Assessable Revenues for Universal Service Fund Assessment Purposes	<u>3,821,402</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	6,384,754	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)	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)		7
Plus (or Less) Other (please specify): NONE	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	<u>6,384,754</u>	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	2,345,447	1
Plus: Total Intrastate Access Revenues (5084)	1,410,584	2
Plus: Total Long Distance Network Services Revenue	65,371	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus: Intrastate Payphone Revenues		5
Plus (or Less) Other (please specify):	0	6
Assessable Revenues for Universal Service Fund Assessment Purposes	<u>3,821,402</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)	(44,401)	(22,078)	2
Operating Federal Income Taxes (7220)	424,239	602,999	3
Operating State and Local Income Taxes (7230)	118,166	157,984	4
Operating Other Taxes (7240)	376,654	350,931	5
Provision for Deferred Operating Income Taxes--Net (7250)	494,247	(346,204)	6
TOTAL OPERATING TAXES (7200)	1,368,905	743,632	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)	0		7
Interest Income (7320)	111,253	69,632	8
Income from Sinking and Other Funds (7330)	0		9
Allowance for Funds Used During Construction (7340)	8,727	11,667	10
Gains or (Losses) from the Disposition of Certain Property (7350)	0		11
Other Nonoperating Income (7360)	(6,796)	21,880	12
Special Charges (7370)	14,972	22,583	13
TOTAL NONOPERATING INCOME AND EXPENSE (7300)	98,212	80,596	
NONOPERATING TAXES			
Total Nonoperating Taxes (7400)	32,140	24,790	14
INTEREST AND RELATED ITEMS			
Total Interest and Related Items (7500)	310,615	263,423	15
EXTRAORDINARY ITEMS			
Extraordinary Items (7600)	0	0	16
NONREGULATED NET INCOME			
Nonregulated Net Income (7990)	25,567	(25,875)	17

NONREGULATED ACTIVITIES

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

Nonregulated Activity	
(a)	
1. Provision of Internet services	1
2. Repair of customer premise equipment	2
3. Inside wiring & maintenance	3

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	864		1 D
Extended Area Service	979		2 D
Extended Community Calling	113		3 D
Other Local-Undefined			4 D
Total Local	1,956	0	
TOLL			
Toll	1,182	4,373	5
Total Toll	1,182	4,373	
Total Local & Toll	3,138	4,373	

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.	19	0			3
Feature Group B -- Term.	234	3			4
Feature Group C -- Orig.			7,146	3	5
Feature Group C -- Term.			7,058	3	6
Feature Group D -- Orig.	12,589	9,103			7
Feature Group D -- Term.	9,609	6,353			8

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - fiber optics	17	1
Strand miles of plant - fiber optics	294	2
Route miles of plant - microwave		3

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	2	48	1
56 kbps	8	4	2
64 kbps (DS0)	1	1	3
1.54 Mbps (DS-1)	12	11	4
45 Mbps (DS-3)	0	0	5 F
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	17	1
Strand miles of plant - fiber optics	294	2
Route miles of plant - microwave		3

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	2	48	1
56 kbps	8	4	2
64 kbps (DS0)	1	1	3
1.54 Mbps (DS-1)	12	11	4
45 Mbps (DS-3)	0	0	5 F
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	1,167	1,266	3
2 Party			4
4 Party			5
PBX Trunks/System Trunks	38	40	6
Centrex Trunks			7
Centrex Lines			8
Key System Trunks	165	164	9
Mobile (Utility Provided Service)			10
Paging (Utility Provided Service)			11
FX-Out (Switched)	7	6	12
Pay Telephone			13
Coin-Operated Pay Telephone	28	27	14
Independent Pay Telephone Provider	20	19	15
Pay Stations - Public	0	0	16
- Semi-Public	0	0	17
- Cust. Owned	0	0	18
Other			19
Total Business Lines	1,425	1,522	20
Residential (Incl. Emp. Concess.)			
1 Party	8,001	8,477	22
2 Party			23
4 Party			24
FX-Out (Switched)	38	38	25
Other			26
Total Residential Lines	8,039	8,515	27
Total Bus & Res Lines	9,464	10,037	28
Company Used Lines	25	28	29
Total Lines Used	9,489	10,065	30

SERVICE DATA (cont.)

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

Item (a)	FOY (b)	EOY (c)	
Miscellaneous			
WATS Lines - OutWATS			3
WATS Lines - 800 Service			4
FX-In-intraLATA	51	51	5
Special Access-intraLATA			6
(expressed in equiv. access lines)	916	317	7
Special Access-interLATA			8
(expressed in equiv. access lines)	205	299	9
Feature Group A Lines			10
Feature Group B Trunks			11
Feature Group C Trunks			12
Feature Group D Trunks			13
TSPS - Trunks			14
EAS - Trunks			15
Cellular Trunks (Pub. Sw. Net.)			16
Video Distance Learning			17
- discounted (special tariff)			18
Customers			
Business - 2 Party Customers			19
Business - 4 Party Customers			20
Residential - 2 Party Customers			21
Residential - 4 Party Customers			22
Other			
Total Central Office, Info. Orig./Term., & Cable			23
Wire Fac. Assets (based on physical location of plant)			24
	14,516,011	14,728,722	25
Total Company Square Miles	132	132	26
Total Company Route Miles	471	471	27
Footnotes			28
			29
			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	5610	5920			1
Business					2
1 Party	968	298			3
2 Party					4
4 Party					5
PBX Trunks/System Trunks	40				6
Centrex Trunks					7
Centrex Lines					8
Key System Trunks	150	14			9
Mobile (utility provided service)					10
Paging (utility provided service)					11
FX-Out (Switched)	4	2			12
Pay Telephone					13
Coin-Operated Pay Telephone	24	3			14
Independent Pay Telephone Provider	15	4			15
Pay Stations - Public	0	0			16
- Semi-Public	0	0			17
- Cust. Owned	0	0			18
Other					19
Total Business Lines	1,201	321	0	0	20
Residential (Incl. Emp. Concess.)					21
1 Party	5,503	2,974			22
2 Party					23
4 Party					24
FX-Out (Switched)	18	20			25
Other					26
Total Residential Lines	5,521	2,994	0	0	27
Total Bus & Res Lines	6,722	3,315	0	0	28
Company Used Lines	19	9			29
Total Lines Used	6,741	3,324	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	5610	5920			1
Miscellaneous					2
WATS Lines - OutWATS					3
WATS Lines - 800 Service					4
FX-In-intraLATA	29	22			5
Special Access-intraLATA					6
(equiv. access lines)	279	38			7
Special Access-interLATA					8
(equiv. access lines)	251	48			9
Feature Group A Lines					10
Feature Group B Trunks					11
Feature Group C Trunks					12
Feature Group D Trunks					13
TSPS - Trunks					14
EAS - Trunks					15
Cellular Trunks (Pub. Sw. Net.)					16
Video Distance Learning					17
- discounted (special tariff)					18
Customers					19
Business - 2 Party Customers					20
Business - 4 Party Customers					21
Residential - 2 Party Customers					22
Residential - 4 Party Customers					23
Other					24
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical					26
location of plant)	9,864,298	4,864,424			27
Exchange Square Miles	88	44			28
Exchange Route Miles	297	174			29
Footnotes					30

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

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

EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

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

MANUFACTURER ABBREVIATIONS

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Equipment 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	WATERFORD	WIND LAKE			1
PSCW Exchange ID	5610	5920			2
Central Office Name	WATERFORD	WIND LAKE			3
PSCW Central Office ID	1	1			4
Manufacturer of COE (Page 54)	SI	SI			5
Year COE Installed	1999	1999			6
Type of Equipment (Page 54)	D	D			7
(S)tandalone, (H)ost, (R)emote	S	S			8
Remote Host PSCW Exchange ID					9
Remote Host PSCW Central Office ID	0	0			10
COE Generic Software Release No.	0				11
SS7?	Yes	Yes			12
9-1-1?	Yes	Yes			13
Access Lines - In Use	0	0			14
- Equipped	9,000	4,500			15
- Wired	9,000	4,500			16
Trunks - In Use	0	0			17
- Equipped	0	0			18
- Wired	0	0			19
ISDN Available?	Yes	Yes			20
ISDN Lines - In Use (BRI)	0	0			21
- In Use (PRI)	0	0			22
Switched 56 Service?	No	No			23
Switched 56 lines in use	0	0			24
Digital Transmission Facilities: DS-1 - In Use	153	45			25
DS-3 - In Use	6	0			26
Advanced Data Service Available:					
Packet Switching?	No	No			27
SMDS?	No	No			28
Frame Relay?	No	No			29
ATM (Asynchronous Trans. Mode)?	No	No			30
Video Information - Service Available?	No	No			31
- In Use (# lines) ¹	0	0			32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	40	8			33
No. of fiber strands working (LIT) in C.O.	8	4			34
No. of fiber strands for interoffice use	4	4			35
Miles of fiber sheath in wire center	15	2			36
Access Tandem Serving this C.O.:					
- C.O. Name	MILWAUKEE	MILWAUKEE			37
- PSCW C.O. ID	3420-01	3420-01			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

Accountants Compilation Report

To the Board of Directors
Southeast Telephone Company of Wisconsin, Inc.
Waterford, Wisconsin

We have compiled the balance sheets of Southeast Telephone Company of Wisconsin, Inc. as of December 31, 1999 and 1998, and the related statements of income and retained earnings for the years then ended included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary information presented in the prescribed form, except for pages 47 through 55.

Our compilation was limited to presenting in the form prescribed by the Public Service Commission of Wisconsin, information that is the representation of management. We have not audited or reviewed the financial statements and supplementary information referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

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

The supplementary information contained on pages 47 through 55 of the accompanying prescribed form has not been audited, reviewed, or compiled by us, and, accordingly, we assume no responsibility for that information.

Madison, Wisconsin
March 23, 2000

Schedule Footnotes

Schedule Line Footnotes

- A) To transfer office equipment into proper account
- B) Vehicles are depreciated on a per unit basis. Approximate composite depreciation rate is given.
- C) Different depreciation rates are used within sub-class accounts. Composite rate is given.
- D) Local telephone calls and minutes of use data are not available for lines 1-4 of page 47. The cost incurred for the necessary software and record keeping for usage sensitive recording would not be practical for information that will not be used elsewhere.
- E) To transfer cable into proper account
- F) Reported amount of special access circuits of 0 at EOY is correct.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

- G)** Ameritech alliance ended in April of 1999. Related revenues are included in B&C starting in May.
- H)** Additional labor and other expenses were incurred in 1999 due to replacement of switch.
- I)** OSP maps updated in 1998. In 1999 mapping costs recorded to 6423.
- J)** TEACH and USAC charges began in September 1998 and occurred throughout 1999.
- K)** Additional depreciation was recorded in 1998 in order to fully retire switches which were replaced in 1999.
- L)** Increase due to general payroll increases in 1999.
- M)** Decrease due to OPEBS adjustment made to reflect plan curtailment.