



4004

# ANNUAL REPORT

OF

Name: BADGER TELECOM, INC.

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

For the Year Ended: DECEMBER 31, 2001

## 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. The annual report due date is April 1 of the following year. (Example: The 2001 report is due April 1, 2002.) If that date falls on a weekend or holiday, the annual report is due the following business day.
2. **Electronic filing via e-mail is required.** Go to the Public Service Commission of Wisconsin's web page at <http://psc.wi.gov>, click on Telecommunications and click on Annual Report for Incumbent Local Exchange Carriers (LECs).
3. LEC entities with no revenues for the report year are required to file a LEC annual report.
4. Unless otherwise indicated, the information requested in this report should be taken from the accounts and other records of the utility in conformity with the Uniform System of Accounts prescribed by the Public Service Commission 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.
5. 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.
6. 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.
7. Numeric items are limited to digits (0-9). A minus sign "-" should be entered in the software program to indicate negative values. The program will convert the minus sign to parentheses if 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.
8. Please report all dollar amounts to the nearest whole dollar.
9. This annual report should be complete in all respects. Unless otherwise authorized, avoid references to returns of former years or to other reports.
10. Wherever schedules call for data from the previous year and such data were reported in the previous annual report, the 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.
11. 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.
12. The LEC annual report program incorporates provisional confidentiality capability for selected items, based on the Commission's confidentiality determination dated February 5, 2002.
13. It is not necessary to sign the signature page.
14. **Edit Check, Confidential Listing, Exported Annual Report, and Export Status Files;  
Filing the Completed Report:**

## GENERAL RULES FOR REPORTING

Program edit checks, which are located under the Admin dropdown menu, should be run at the completion of data entry. Each edit problem lists pertinent schedule(s) as well as the nature of the problem (such as "does not equal"). Edit items should be reviewed and corrected; unresolved problems should be footnoted in the report, if necessary. This screen automatically saves the edit checks to an .edt file that may be viewed and edited (for purposes of adding necessary notations) using a word processing package such as WordPad.

The confidential listing, which is located under the Admin dropdown menu, should also be run at the completion of data entry. This will create a .clf file.

Select the annual report to export from the Main-Report Selection window. Click Admin, Export Data to PSC to start the export process. This will create an .mdb file, which will subsequently be encrypted to a file with an .sen extension. An export status file is also created (with a .txt extension). The export status report file may also be viewed in a word processing package such as WordPad. If you encounter any export errors, please contact the Commission for assistance.

The .edt, .clf, .sen, and .txt files will be zipped to a file with a .zip extension. An e-mail message will be created, addressed to pscrcs@psc.state.wi.us. The .zip file is automatically attached to the e-mail message. After the e-mail is created, it will automatically be sent to the Commission.

Once received and processed by the Commission, you will receive a response indicating that your annual report has been received and is being processed. You will be notified if there are any problems with the annual report filing.

### 15. Name Changes:

If a name change is identified in the report, documents from the State of Wisconsin Department of Financial Institutions (DFI) also must be submitted to the Commission:

A domestic corporation should send a copy of the stamped page from its Articles of Amendment as filed with DFI. A foreign corporation should send a copy of their Amended Certificate of Authority as issued by DFI.

*These documents can be obtained by:*

1. Calling DFI at (608) 261-7577;
2. Contacting DFI on the web at [www.wdfi.org](http://www.wdfi.org); or
3. By writing to DFI at P.O. Box 7846, Madison, WI 53707-7846.

**While the electronic annual report filing may detail the name change (i.e., date of the change and the affected entities with their respective four-digit Commission utility identification numbers), a name change is not effective in the Commission's records until a separate notification letter is sent to the Commission including documentation to confirm registration of that change with the State of Wisconsin Department of Financial Institutions.**

### 16. Changes to the Annual Report Subsequent to Filing:

If making revisions to the report subsequent to filing with the Commission, resubmit the report via e-mail following the procedures set forth above in item number 14. New edit check, confidential listing, exported annual report, and export status files should be created as a result of the revisions.



**TABLE OF CONTENTS**

<b>Schedule Name</b>	<b>Page</b>
Cover Page	1
General Rules for Reporting	2
Signature Page	3
Table of Contents	4
Annual Telecommunications Report Glossary of Terms	5
Abbreviations Used in Annual Reports	6
Identification and Ownership	7
Officers and Directors	7
Income Statement - Total Company	8
Notes to Income Statement or Balance Sheet	9
Balance Sheet - Assets (Class B Use Accounts Designated By *)	10
Balance Sheet - Liabilities (Class B Use Accounts Designated By *)	11
Important Changes During the Year	13
Affiliate Abbreviations	14
Affiliated Interest Transactions	15
Affiliated Assets and Liabilities	16
Telecommunications Plant in Service Class A & B	22
Telecommunications Plant in Service Class A & B (Sub-Class Accounts)	24
Accumulated Depreciation Class A & B	26
Accumulated Depreciation Class A & B (Sub-Class Accounts)	28
Net Deferred Operating Income Taxes (Acct. 1350, 1410, 1437, 4100, 4340, 4341 & 4361)	30
Retained Earnings (Acct. 4550)	37
Revenues - Class A & B (Class B Use Accounts Designated By *)	40
Expenses - Class A & B	41
Calculation of Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	43
Calculation of Assessable Revenues for Universal Service Fund Assessment Purposes	43
Other Income Accounts	44
Nonregulated Activities	45
Distribution of Salaries and Wages	46
Employee Data - End of Year	46
Telephone Calls and Minutes of Use Per Month	47
Access Usage	48
Outside Plant Statistics at End of Year	49
Special Access Circuits in Use at End of Year	49
Service Data	50
Service Data - End of Year	52
Equipment Abbreviations	54
Manufacturer Abbreviations	54
Central Office Data - End of Year	55
General, Schedule Level and Schedule Line Footnotes	56

**ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS**

<b>Access Line</b>	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.
<b>Analog Signal</b>	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.
<b>Cellular System</b>	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.
<b>Central Office</b>	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.
<b>Centrex</b>	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).
<b>Channel</b>	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.
<b>Customer</b>	A person who uses a telephone as a subscriber.
<b>Digital Signal</b>	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.
<b>Equal Access</b>	The ability of the subscriber to use any long distance service by dialing the same number of digits.
<b>Exchange</b>	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.
<b>Extended Area Service (EAS)</b>	The ability of a customer to call customers in other exchanges at no additional charge or at an additional charge per tariff.
<b>Extended Community Calling (ECC)</b>	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.
<b>Feature Group A</b>	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**

<b>Feature Group B</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.
<b>Feature Group C</b>	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.
<b>Feature Group D</b>	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.
<b>FX-IN</b>	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.
<b>FX-OUT</b>	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.
<b>Host Switching System</b>	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.
<b>Local Access Transport Area (LATA)</b>	A geographic area within which an operating company may offer its telecommunications services.
<b>Mobile Telephone</b>	A service which provides radio telephone communication from a mobile vehicle to another vehicle or to a regular telephone.
<b>Paging</b>	A service which provides one-way signal or voice communication over a radio channel to a miniature receiver carried by the customer.
<b>Pair</b>	Two wires of a single circuit.
<b>Pay Station</b>	A telephone which normally requires all users to deposit one or more coins or use a credit card to complete a call.
<b>Private Line Service</b>	Channel or circuit rented for private use and not intended to be connected to the general distribution system.
<b>Private Branch Exchange (PBX)</b>	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.
<b>Radio Common Carrier (RCC)</b>	A company which furnishes public telecommunications service using one or more radio channels.
<b>Remote Switching Unit (RSU)</b>	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**

<b>Route Miles</b>	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"><li>1. One mile of roadway with any combination of outside plant facilities on any number of rights-of-way.</li><li>2. One mile of a cross country route with any combination of outside plant facilities.</li><li>3. One mile of point-to-point microwave or radio link.</li><li>4. One mile of plant on either side of a limited access highway or natural barrier, such as a navigable waterway.</li><li>5. One mile of joint use line where the utility either owns the facility or leases space.</li></ol>
<b>Stand Alone Switch</b>	A central office switch which has no remote switching units (RSUs) subtending it.
<b>Trunk</b>	A communications path connecting two switching systems in the establishment of an end-to-end connection.
<b>Wide Area Telephone Service (WATS)</b>	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.
<b>Wire Center</b>	The location of one or more local switching systems. A point at which customers' loops converge.

**ABBREVIATIONS USED IN ANNUAL REPORTS**

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

**IDENTIFICATION AND OWNERSHIP**

**Exact Utility Name:** BADGER TELECOM, INC.  
**Utility Location:** 301 S WESTFIELD RD  
P.O. BOX 5158  
MADISON, WI 53705-0158

**Utility Web Site Address:**

**When was utility organized?:** 05/08/1901

**Report any change in name and the effective date:**

**Officer in charge of correspondence concerning this report**

**Name:** JOHN R . ERPENBACH  
**Title:** ACCOUNTING MANAGER

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

**Fax Number:** (608) 664 - 4519  
**Telephone Number:** (608) 664 - 4289  
**Email Address:** john.erpenbach@tdstelecom.com

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

**Name:** N/A N/A  
**Title:** N/A  
**Firm:** N/A  
**Office Address:** N/A  
P.O. BOX N/A  
N/A , WI 99999-9999

**Fax Number:** (999) 999 - 9999  
**Telephone Number:** (999) 999 - 9999  
**Email Address:** N/A

**Person responsible for financial information contained in report**

**Name:** TROY A . ULLMAN  
**Title:** STAFF ACCOUNTANT

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

**Fax Number:** (608) 664 - 4519  
**Telephone Number:** (608) 664 - 4531  
**Email Address:** troy.ullman@tdstelecom.com

**Person responsible for statistical information contained in report**

**Name:** VARIOUS CONTACTS . a  
**Title:** X

**Office Address:** 301 S WESTFIELD RD  
MADISON , WI 53717-1707

**Fax Number:** (608) 999 - 9999  
**Telephone Number:** (608) 999 - 9999  
**Email Address:** N/A

---

### 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).**

---

<b>Name:</b>	TDS TELECOMMUNICATIONS CORPORATION
<b>Address:</b>	301 S WESTFIELD RD PO BOX 5158 MADISON           , WI 53705-0158
<b>Number of Shares Held:</b>	4,942
<b>Beneficial Owner:</b>	NONE

**OFFICERS AND DIRECTORS**

**Name, Title/Occupation  
and Business Address**

---

<p><b>Name:</b> DANIEL V. GREGORY  <b>Title/Occupation:</b> VICE PRESIDENT  <b>Business Address (1):</b> 301 SOUTH WESTFIELD ROAD  <b>Business Address (2):</b> P.O. BOX 5158  <b>Business Address (3):</b>  <b>City State, Zip:</b> MADISON, WI 53705-0158</p>	1
---	---

---

<p><b>Name:</b> DAVID P. JONES  <b>Title/Occupation:</b> SECRETARY/TREASURER  <b>Business Address (1):</b> 301 SOUTH WESTFIELD ROAD  <b>Business Address (2):</b> P.O. BOX 5158  <b>Business Address (3):</b>  <b>City State, Zip:</b> MADISON, WI 53705-0158</p>	2
---	---

---

<p><b>Name:</b> JOHN R ERPENBACH  <b>Title/Occupation:</b> ASSISTANT TREASURER  <b>Business Address (1):</b> 301 SOUTH WESTFIELD ROAD  <b>Business Address (2):</b> P.O. BOX 5158  <b>Business Address (3):</b>  <b>City State, Zip:</b> MADISON, WI 53705-0158</p>	3
---	---

---

<p><b>Name:</b> MICHAEL A. PANDOW  <b>Title/Occupation:</b> PRESIDENT  <b>Business Address (1):</b> 301 SOUTH WESTFIELD ROAD  <b>Business Address (2):</b> P.O. BOX 5158  <b>Business Address (3):</b>  <b>City State, Zip:</b> MADISON, WI 53705-0158</p>	4
--	---

---

**INCOME STATEMENT - TOTAL COMPANY**

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	5,977,504	5,612,601	1
<b>Operating Expenses</b>			
Plant Specific Operations Expense (6110-6410)	468,076	443,577	2
Plant Nonspecific Operations Expense	1,737,378	1,547,802	3
Customer Operations Expense (6610-6620)	724,213	788,588	4
Corporate Operations Expense (6710-6790)	825,244	869,914	5
Other Operating Income and Expense (7100)	2,077	2,077	6
Operating Taxes (7200)	1,092,388	855,885	7
<b>Total Operating Expenses</b>	<b>4,845,222</b>	<b>4,503,689</b>	<b>8</b>
<b>Net Operating Income</b>	<b>1,132,282</b>	<b>1,108,912</b>	<b>9</b>
<b>Other Income</b>			
Nonoperating Income and Expense (7300)	114,932	87,397	10
Nonoperating Taxes (7400)	(285,967)	72,383	11
Interest and Related Items (7500)	206,940	217,262	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	(223,446)	(30,497)	14
<b>Total Nonoperating Income</b>	<b>(29,487)</b>	<b>(232,745)</b>	<b>15</b>
<b>Net Income</b>	<b>1,102,795</b>	<b>876,167</b>	<b>16</b>

## 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, 2001, the company could distribute up to \$4,331,613 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)	
<b>CURRENT ASSETS</b>			
<b>CASH AND EQUIVALENTS</b>			
Cash and Equivalents (1120)*			1
Cash (1130)	3,399,162	2,162,248	2
Special Cash Deposits (1140)	0	0	3
Working Cash Advances (1150)	4,200	1,200	4
Temporary Investments (1160)	0	0	5
<b>TOTAL CASH AND EQUIVALENTS</b>	<b>3,403,362</b>	<b>2,163,448</b>	
<b>RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS</b>			
Telecommunications Accounts Receivable (1180)*	379,633	453,072	6
Accounts Receivable Allowance-Telecom (1181)*	0	0	7
<b>Net: Telecommunications Accounts Receivable</b>	<b>379,633</b>	<b>453,072</b>	
Other Accounts Receivable (1190)*	598,659	466,140	8
Accounts Receivable Allowance--Other (1191)*	0	0	9
<b>Net: Other Accounts Receivable</b>	<b>598,659</b>	<b>466,140</b>	
Notes Receivable (1200)*	0	0	10
Notes Receivable Allowance (1201)*	0	0	11
<b>Net: Notes Receivable</b>	<b>0</b>	<b>0</b>	
Interest and Dividends Receivable (1210)*	7,065	11,473	12
<b>TOTAL REC AND ALLOW FOR DOUBTFUL ACCOUNTS</b>	<b>985,357</b>	<b>930,685</b>	
<b>SUPPLIES</b>			
Inventories (1220)*	48,872	64,231	13
<b>TOTAL SUPPLIES</b>	<b>48,872</b>	<b>64,231</b>	
<b>PREPAYMENTS</b>			
Total Prepayments (1280)*			14
Prepaid Rents (1290)	0	0	15
Prepaid Taxes (1300)	5,084	4,823	16
Prepaid Insurance (1310)	0	0	17
Prepaid Directory Expenses (1320)	6,781	7,230	18
Other Prepayments (1330)	20,745	18,133	19
<b>TOTAL PREPAYMENTS</b>	<b>32,610</b>	<b>30,186</b>	
<b>OTHER CURRENT ASSETS</b>			
Other Current Assets (1350)*	1,978	1,978	20
<b>TOTAL OTHER CURRENT ASSETS</b>	<b>1,978</b>	<b>1,978</b>	
<b>TOTAL CURRENT ASSETS</b>	<b>4,472,179</b>	<b>3,190,528</b>	
<b>NONCURRENT ASSETS</b>			
<b>INVESTMENTS</b>			
Investment in Affiliated Companies (1401)*	0	0	21
RTB Class B Stock (1402)*	75,608	75,608	22
Other Investments in Nonaffiliated Companies (1402)*	36,452	87,370	23
Nonregulated Investments (1406)*	65,745	75,820	24
Unamortized Debt Issuance Expense (1407)*	0	0	25

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
<b>NONCURRENT ASSETS</b>			
<b>INVESTMENTS</b>			
Sinking Funds (1408)*	0	0	26
Other Noncurrent Assets (1410)*	0	0	27
<b>TOTAL INVESTMENTS</b>	<b>177,805</b>	<b>238,798</b>	
<b>DEFERRED CHARGES</b>			
Deferred Tax Regulatory Asset (1437)*	7,053	9,820	28
Deferred Maintenance and Retirements (1438)*	0	0	29
Deferred Charges (1439)*	0	(669)	30
<b>TOTAL DEFERRED CHARGES</b>	<b>7,053</b>	<b>9,151</b>	
<b>TOTAL NONCURRENT ASSETS</b>	<b>184,858</b>	<b>247,949</b>	
<b>PLANT</b>			
<b>TELECOMMUNICATIONS PLANT IN SERVICE</b>			
Telecommunications Plant in Service (2001)*	19,931,386	19,458,724	31
Less: Accumulated Depreciation (3100 )*	11,032,519	9,858,111	32
Less: Accumulated Amortization--Capitalized Leases (3410 )*	0	0	33
Less: Accumulated Amortization--Leasehold Improvements (3420 )*	0	0	34
Less: Accumulated Amortization--Intangible (3500 )*	0	0	35
<b>NET TELECOMMUNICATIONS PLANT IN SERVICE</b>	<b>8,898,867</b>	<b>9,600,613</b>	
<b>PROPERTY HELD FOR FUTURE USE</b>			
Prop. Held for Future Telecommun. Use (2002)*	0	0	36
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200 )*	0	0	37
<b>NET PROPERTY HELD FOR FUTURE USE</b>	<b>0</b>	<b>0</b>	
<b>NONOPERATING PLANT</b>			
Nonoperating Plant (2006)*	0	0	38
Less: Accumulated Depreciation--Nonoperating (3300 )*	0	0	39
<b>NET NONOPERATING PLANT</b>	<b>0</b>	<b>0</b>	
<b>TPUC</b>			
TPUC (2003)*	102,612	87,244	40
<b>TOTAL TPUC</b>	<b>102,612</b>	<b>87,244</b>	
<b>TELECOMMUNICATIONS PLANT ADJUSTMENT</b>			
Telecommunications Plant Adjustment (2005)*	0	0	41
Less: Accumulated Amortization--Other (3600 )*	0	0	42
<b>NET TELECOMMUNICATIONS PLANT ADJUSTMENT</b>	<b>0</b>	<b>0</b>	
<b>TOTAL PLANT</b>	<b>9,001,479</b>	<b>9,687,857</b>	
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>13,658,516</b>	<b>13,126,334</b>	

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
<b>CURRENT LIABILITIES</b>			
Accounts Payable (4010)*	429,089	312,245	1
Notes Payable (4020)*	0	0	2
Advance Billing and Payments (4030)*	144,300	139,700	3
Customer Deposits (4040)*	875	875	4
Current Maturities--Long-Term Debt (4050)*	194,394	185,141	5
Current Maturities--Capital Leases (4060)*	0	0	6
Income Taxes--Accrued (4070)*	158,064	74,336	7
Other Taxes--Accrued (4080)*	18,280	18,721	8
Net Current Deferred Operating Income Taxes (4100)*	0	0	9
Net Current Deferred Nonoperating Income Taxes (4110)*	0	0	10
Other Accrued Liabilities (4120)*	37,785	44,600	11
Other Current Liabilities (4130)*	60,801	52,804	12
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,043,588</b>	<b>828,422</b>	
<b>LONG-TERM DEBT</b>			
Funded Debt (4210)*	3,716,619	3,912,718	13
Premium on Long-Term Debt (4220)*	0	0	14
Discount on Long-Term Debt (4230)*	0	0	15
Reacquired Debt (4240)*	0	0	16
Obligations Under Capital Leases (4250)*	0	0	17
Advances from Affiliated Companies (4260)*	0	0	18
Other Long-Term Debt (4270)*	0	0	19
<b>TOTAL LONG-TERM DEBT</b>	<b>3,716,619</b>	<b>3,912,718</b>	
<b>OTHER LIABILITIES AND DEFERRED CREDITS</b>			
Other Long-Term Liabilities (4310)*	43,118	99,192	20
Unamortized Operating ITC--Net (4320)*	0	0	21
Unamortized Nonoperating ITC--Net (4330)*	0	0	22
Net Noncurrent Deferred Operating Income Taxes (4340)*	784,398	815,471	23
Net Deferred Tax Liability Adjustments (4341)*	7,055	9,822	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	0	0	25
Other Deferred Credits (4360)*	0	0	26
Deferred Tax Regulatory Liability (4361)*	(2)	(2)	27
<b>TOTAL OTHER LIABILITIES AND DEFERRED CREDITS</b>	<b>834,569</b>	<b>924,483</b>	
<b>STOCKHOLDERS' EQUITY</b>			
Capital Stock (4510)*	494,200	494,200	28
Additional Paid-in Capital (4520)*	40,489	40,489	29
Treasury Stock (4530)*	215,000	215,000	30
Other Capital (4540)*	0	0	31
Retained Earnings (4550)*	7,744,049	7,141,022	32
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>8,063,738</b>	<b>7,460,711</b>	
<b>TOTAL LIABILITIES AND OTHER CREDITS</b>	<b>13,658,514</b>	<b>13,126,334</b>	

---

### IMPORTANT CHANGES DURING THE YEAR

---

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

**No changes**

---

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

**An alternative regulation plan was filed in 2001, approved in February 2002, and will be effective 4/1/2002.**

**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.

<b>Name of Affiliate (a)</b>	<b>Abbreviations (b)</b>	
Central State Telephone	C STATE	1
Mt Vernon Telephone	MT VERNON	2
Other	OTHER	3
Suttle Press, Inc.	SUTTLE	4
Telephone & Data Systems, Inc.	TDS CORP	5
TDS Datacom	TDS DATA	6
TDS Long Distance	TDS LD	7
TDS Telecom, Inc.	TDS TEL	8
TDS Computing Services, Inc.	TDS/CS	9
Telecommunications Technologies Fund	TTF	10

**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.

<b>Particulars</b>	<b>(a)</b>	<b>(b)</b>	<b>(c)</b>	<b>(d)</b>	<b>(e)</b>	
Docket		0005TI000124	0005TI000124	0005TI000124	None	
Name of Affiliate		MT VERNON	OTHER	OTHER	SUTTLE	<b>1</b>
Designate whether billed to or from:		FROM	FROM	TO	FROM	<b>2</b>
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)		C	C	C	M	<b>3</b>
Total Dollar Activity		40,608	41,896	128,189	1,208	<b>4</b>
Percent of affiliate's business billed to all affiliated regulated utilities					63.00	<b>5</b>
If cost based, rate of return on equity or markup incorporated in billings		0.00	0.00			<b>6</b>
Footnotes						

<b>Particulars</b>	<b>(a)</b>	<b>(b)</b>	<b>(c)</b>	<b>(d)</b>	<b>(e)</b>	
Docket		0005TI000124	0005TI000124	0005TI000124		
Name of Affiliate		TDS CORP	TDS TEL	TDS/CS		<b>1</b>
Designate whether billed to or from:		FROM	FROM	FROM		<b>2</b>
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)		C	C	C		<b>3</b>
Total Dollar Activity		129,361	1,384,291	154,349		<b>4</b>
Percent of affiliate's business billed to all affiliated regulated utilities						<b>5</b>
If cost based, rate of return on equity or markup incorporated in billings		0.00	0.00	0.00		<b>6</b>
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)	
Central State Telephone	1190	1,148	<b>1</b>
Other	1190	8,559	<b>2</b>
TDS Long Distance	1190	23,167	<b>3</b>
TDS Telecom, Inc.	1190	236,042	<b>4</b>
Other	4010	1,253	<b>5</b>
TDS Telecom, Inc.	4010	274,753	<b>6</b>
Telephone & Data Systems, Inc.	4010	83,041	<b>7 b</b>

**TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B**

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
<b>GENERAL SUPPORT ASSETS</b>				
Land	2111	20,991	0	<b>1</b>
Motor Vehicles	2112	311,868	28,821	<b>2 c</b>
Aircraft	2113	15,505	0	<b>3 c,d</b>
Special Purpose Vehicles	2114	0	0	<b>4</b>
Garage Work Equipment	2115	0	0	<b>5</b>
Other Work Equipment	2116	263,848	0	<b>6</b>
Buildings	2121	474,239	42,766	<b>7</b>
Furniture	2122	18,953	0	<b>8</b>
Office Equipment	2123	30,239	0	<b>9</b>
General Purpose Computers	2124	1,207,457	49,606	<b>10</b>
<b>TOTAL--GENERAL SUPPORT ASSETS:</b>		<b>2,343,100</b>	<b>121,193</b>	
<b>CENTRAL OFFICE ASSETS</b>				
Analog Electronic Switching	2211	0	0	<b>11</b>
Digital Electronic Switching	2212	2,511,410	(17,503)	<b>12</b>
Electro-Mechanical Switching	2215	0	0	<b>13</b>
Operator Systems	2220	0	0	<b>14</b>
Radio Systems	2231	25,223	0	<b>15</b>
Circuit Equipment	2232	3,422,538	173,333	<b>16</b>
<b>TOTAL--CENTRAL OFFICE ASSETS:</b>		<b>5,959,171</b>	<b>155,830</b>	
<b>INFORMATION ORIGATION/TERMINATION ASSETS</b>				
Station Apparatus	2311	0	0	<b>17</b>
Customer Premises Wiring	2321	0	0	<b>18</b>
Large Private Branch Exchanges	2341	0	0	<b>19</b>
Public Telephone Terminal Equipment	2351	0	0	<b>20</b>
Other Terminal Equipment	2362	0	0	<b>21</b>
<b>TOTAL--INFORMATION ORIG/TERM ASSETS:</b>		<b>0</b>	<b>0</b>	
<b>CABLE WIRE FACILITIES ASSETS</b>				
Poles	2411	40,185	0	<b>22</b>
Aerial Cable	2421	447,007	10,419	<b>23 c</b>
Underground Cable	2422	204,483	0	<b>24</b>
Buried Cable	2423	10,243,998	398,271	<b>25</b>
Submarine Cable	2424	0	0	<b>26</b>
Deep Sea Cable	2425	0	0	<b>27</b>
Intrabuilding Network Cable	2426	0	0	<b>28</b>
Aerial Wire	2431	21,586	0	<b>29</b>
Conduit Systems	2441	199,194	0	<b>30</b>
<b>TOTAL--CABLE WIRE FACILITIES ASSETS:</b>		<b>11,156,453</b>	<b>408,690</b>	
<b>AMORTIZABLE ASSETS</b>				
Capital Leases	2681	0	0	<b>31</b>

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

<b>Account (e)</b>	<b>Retirements (f)</b>	<b>Transfers / Adjustments (g)</b>	<b>Balance EOY (h)</b>	
2111	0	0	20,991	1
2112	0	(18,506)	322,183	2 c
2113	0	(7,753)	7,752	3 c,d
2114	0	0	0	4
2115	0	0	0	5
2116	0	0	263,848	6
2121	0	0	517,005	7
2122	0	0	18,953	8
2123	0	0	30,239	9
2124	0	0	1,257,063	10
	<b>0</b>	<b>(26,259)</b>	<b>2,438,034</b>	
2211	0	0	0	11
2212	125,853	0	2,368,054	12
2215	0	0	0	13
2220	0	0	0	14
2231	0	0	25,223	15
2232	44,666	0	3,551,205	16
	<b>170,519</b>	<b>0</b>	<b>5,944,482</b>	
2311	0	0	0	17
2321	0	0	0	18
2341	0	0	0	19
2351	0	0	0	20
2362	0	0	0	21
	<b>0</b>	<b>0</b>	<b>0</b>	
2411	0	0	40,185	22
2421	5,479	(208)	451,739	23 c
2422	0	0	204,483	24
2423	10,586	0	10,631,683	25
2424	0	0	0	26
2425	0	0	0	27
2426	0	0	0	28
2431	0	0	21,586	29
2441	0	0	199,194	30
	<b>16,065</b>	<b>(208)</b>	<b>11,548,870</b>	
2681	0	0	0	31

**TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B**

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
<b>AMORTIZABLE ASSETS</b>				
Leasehold Improvements	2682	0	0	<b>32</b>
Intangibles	2690	0	0	<b>33</b>
<b>TOTAL--AMORTIZABLE ASSETS:</b>		<b>0</b>	<b>0</b>	
<b>TOTAL TELECOM. PLANT IN SERVICE</b>	<b>2001</b>	<b>19,458,724</b>	<b>685,713</b>	
Less: Allocation to Nonregulated Activity - EOY	2001			<b>34</b>
<b>NET REG. TOTAL TELE. PLANT IN SERV. - EOY</b>	<b>2001</b>			

Explain all amounts shown in column (g).

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

<b>Account (e)</b>	<b>Retirements (f)</b>	<b>Transfers / Adjustments (g)</b>	<b>Balance EOY (h)</b>	
2682	0	0	0	<b>32</b>
2690	0	0	0	<b>33</b>
	<b>0</b>	<b>0</b>	<b>0</b>	
	<b>186,584</b>	<b>(26,467)</b>	<b>19,931,386</b>	
2001			0	<b>34</b>
			<b>19,931,386</b>	

**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.

<b>Plant Subaccount (a)</b>	<b>Subaccount (b)</b>	<b>Balance FOY (c)</b>	<b>Additions (d)</b>	
Office Support Equipment	2123.1	6,647	0	<b>1</b>
Company Communications Equipment	2123.2	23,592	0	<b>2</b>
Software	2212.1	175,159	5,528	<b>3 c</b>
Digital Switching - Central Office	2212.2	1,566,722	(23,031)	<b>4 c</b>
Digital Switching - Remote	2212.3	769,529	0	<b>5</b>
Step by Step Switching	2215.1	0	0	<b>6</b>
Crossbar Switching	2215.2	0	0	<b>7</b>
Satellite and Earth Station Facilities	2231.1	0	0	<b>8</b>
Other Radio Facilities	2231.2	25,223	0	<b>9</b>
Digital Circuit Equipment	2232.1	2,640,602	172,668	<b>10</b>
Analog Circuit Equipment	2232.2	0	0	<b>11</b>
Light Wave Circuit Equipment	2232.3	781,936	665	<b>12</b>
Aerial Cable - Nonmetallic	2421.1	568	0	<b>13</b>
Aerial Cable - Metallic	2421.2	446,439	10,419	<b>14 c</b>
Underground Cable - Nonmetallic	2422.1	66,980	0	<b>15</b>
Underground Cable - Metallic	2422.2	137,503	0	<b>16</b>
Buried Cable - Nonmetallic	2423.1	1,362,774	0	<b>17</b>
Buried Cable - Metallic	2423.2	8,881,224	398,271	<b>18</b>
Submarine Cable - Nonmetallic	2424.1	0	0	<b>19</b>
Submarine Cable - Metallic	2424.2	0	0	<b>20</b>
Intrabuilding Cable - Nonmetallic	2426.1	0	0	<b>21</b>
Intrabuilding Cable - Metallic	2426.2	0	0	<b>22</b>

Explain all amounts shown in column (g).

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

<b>Subaccount (e)</b>	<b>Retirements (f)</b>	<b>Transfers / Adjustments (g)</b>	<b>Balance EOY (h)</b>	
2123.1	0	0	6,647	1
2123.2	0	0	23,592	2
2212.1	98,196	(25,553)	56,938	3 c
2212.2	1,000	25,553	1,568,244	4 c
2212.3	26,657	0	742,872	5
2215.1	0	0	0	6
2215.2	0	0	0	7
2231.1	0	0	0	8
2231.2	0	0	25,223	9
2232.1	44,666	0	2,768,604	10
2232.2	0	0	0	11
2232.3	0	0	782,601	12
2421.1	0	0	568	13
2421.2	5,479	(208)	451,171	14 c
2422.1	0	0	66,980	15
2422.2	0	0	137,503	16
2423.1	0	0	1,362,774	17
2423.2	10,586	0	9,268,909	18
2424.1	0	0	0	19
2424.2	0	0	0	20
2426.1	0	0	0	21
2426.2	0	0	0	22

**ACCUMULATED DEPRECIATION CLASS A & B**

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
<b>GENERAL SUPPORT ASSETS</b>					
Motor Vehicles	2112	216,005	15.0	45,981	0 1c
Aircraft	2113	12,560	.0	1,473	0 2c,d
Special Purpose Vehicles	2114	0	.0	0	0 3
Garage Work Equipment	2115	0	.0	0	0 4
Other Work Equipment	2116	256,734	10.0	7,114	0 5
Buildings	2121	298,617	3.3	15,864	0 6
Furniture	2122	14,912	10.0	1,896	0 7
Office Equipment	2123	23,362	19.98	1,260	0 8
General Purpose Computers	2124	935,051	20.0	245,790	0 9
<b>Total-- GENERAL SUPPORT ASSETS</b>		<b>1,757,241</b>		<b>319,378</b>	<b>0</b>
<b>CENTRAL OFFICE ASSETS</b>					
Analog Electronic Switching	2211	0	.0	0	0 10
Digital Electronic Switching	2212	1,279,063	10.36	192,038	0 11
Electro-Mechanical Switching	2215	49	.0	0	0 12e
Operator Systems	2220	0	.0	0	0 13
Radio Systems	2231	15,186	8.3999	2,124	0 14
Circuit Equipment	2232	1,899,229	9.83	301,988	0 15
<b>Total-- CENTRAL OFFICE ASSETS</b>		<b>3,193,527</b>		<b>496,150</b>	<b>0</b>
<b>INFORMATION ORIG/TERM ASSETS</b>					
Station Apparatus	2311	0	.0	0	0 16
Customer Premises Wiring	2321	0	.0	0	0 17
Large Private Branch Exchanges	2341	0	.0	0	0 18
Public Telephone Terminal Equipment	2351	0	13.6	0	0 19
Other Terminal Equipment	2362	0	.0	0	0 20
<b>Total-- INFORMATION ORIG/TERM ASSETS</b>		<b>0</b>		<b>0</b>	<b>0</b>
<b>CABLE WIRE FACILITIES ASSETS</b>					
Poles	2411	39,292	10.0	4,020	0 21e
Aerial Cable	2421	348,561	6.0	26,816	0 22
Underground Cable	2422	118,845	4.4	9,000	0 23
Buried Cable	2423	4,267,182	4.98	511,813	0 24
Submarine Cable	2424	0	.0	0	0 25
Deep Sea Cable	2425	0	.0	0	0 26
Intrabuilding Network Cable	2426	0	.0	0	0 27
Aerial Wire	2431	33,866	19.0	3,534	0 28e

**ACCUMULATED DEPRECIATION CLASS A & B (cont.)**

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112	0	0	3,000	(2,082)	<b>262,904</b>	1 c
2113	0	0	0	(7,753)	<b>6,280</b>	2 c,d
2114	0	0	0	0	<b>0</b>	3
2115	0	0	0	0	<b>0</b>	4
2116	0	0	0	0	<b>263,848</b>	5
2121	0	0	0	0	<b>314,481</b>	6
2122	0	0	0	0	<b>16,808</b>	7
2123	0	0	0	0	<b>24,622</b>	8
2124	0	0	0	0	<b>1,180,841</b>	9
	<b>0</b>	<b>0</b>	<b>3,000</b>	<b>(9,835)</b>	<b>2,069,784</b>	
2211	0	0	0	0	<b>0</b>	10
2212	125,853	0	0	0	<b>1,345,248</b>	11
2215	0	0	0	0	<b>49</b>	12 e
2220	0	0	0	0	<b>0</b>	13
2231	0	0	0	0	<b>17,310</b>	14
2232	44,666	0	0	0	<b>2,156,551</b>	15
	<b>170,519</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,519,158</b>	
2311	0	0	0	0	<b>0</b>	16
2321	0	0	0	0	<b>0</b>	17
2341	0	0	0	0	<b>0</b>	18
2351	0	0	0	0	<b>0</b>	19
2362	0	0	0	0	<b>0</b>	20
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
2411	0	38	15	0	<b>43,289</b>	21 e
2421	5,479	7,323	0	0	<b>362,575</b>	22
2422	0	0	0	0	<b>127,845</b>	23
2423	10,586	1,086	0	0	<b>4,767,323</b>	24
2424	0	0	0	0	<b>0</b>	25
2425	0	0	0	0	<b>0</b>	26
2426	0	0	0	0	<b>0</b>	27
2431	0	488	0	0	<b>36,912</b>	28 e

**ACCUMULATED DEPRECIATION CLASS A & B**

<b>Primary Plant Account (a)</b>	<b>Acct (b)</b>	<b>Balance FOY (c)</b>	<b>Depr Rate (d)</b>	<b>Annual Accrual (e)</b>	<b>Additional Accrual (f)</b>
<b>CABLE WIRE FACILITIES ASSETS</b>					
Conduit Systems	2441	99,597	3.03	6,036	0 29
<b>Total-- CABLE WIRE FACILITIES ASSETS</b>		<b>4,907,343</b>		<b>561,219</b>	<b>0</b>
<b>Total Accumulated Depreciation</b>	<b>3100</b>	<b>9,858,111</b>		<b>1,376,747</b>	<b>0</b>
Less: Allocation to Nonregulated Activity - Columns e, f and I	3100			0	0 30
<b>Net Regulated Total Accum Depreciation - 3100 Columns e, f and I</b>				<b>1,376,747</b>	<b>0</b>

**ACCUMULATED DEPRECIATION CLASS A & B (cont.)**

<b>Acct (g)</b>	<b>Retired (h)</b>	<b>Cost of Removal (i)</b>	<b>Salvage (j)</b>	<b>Other (k)</b>	<b>Balance EOY (l)</b>	
2441	0	0	0	0	105,633	29
	16,065	8,935	15	0	5,443,577	
<b>3100</b>	<b>186,584</b>	<b>8,935</b>	<b>3,015</b>	<b>(9,835)</b>	<b>11,032,519</b>	
3100					0	30
<b>3100</b>					<b>11,032,519</b>	

**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	(230)	19.0	1,260	0	1
Company Communications Equipment	2123.2	23,592	20.0	0	0	2
Software	2212.1	150,021	33.33	5,112	0	3
Digital Switching - Central Office	2212.2	575,930	8.88	126,692	0	4
Digital Switching - Remote	2212.3	553,112	7.85	60,234	0	5
Step by Step Switching	2215.1	49	.0	0	0	6 e
Crossbar Switching	2215.2	0	.0	0	0	7
Satellite and Earth Station Facilities	2231.1	0	.0	0	0	8
Other Radio Facilities	2231.2	15,186	8.3999	2,124	0	9
Digital Circuit Equipment	2232.1	1,586,530	9.8999	227,684	0	10
Analog Circuit Equipment	2232.2	0	.0	0	0	11
Light Wave Circuit Equipment	2232.3	312,699	9.5	74,304	0	12
Aerial Cable - Nonmetallic	2421.1	26	4.8	24	0	13
Aerial Cable - Metallic	2421.2	348,535	6.0	26,792	0	14
Underground Cable - Nonmetallic	2422.1	18,155	4.4	2,952	0	15
Underground Cable - Metallic	2422.2	100,690	4.4	6,048	0	16
Buried Cable - Nonmetallic	2423.1	449,196	4.8	65,412	0	17
Buried Cable - Metallic	2423.2	3,817,986	5.0	446,401	0	18
Submarine Cable - Nonmetallic	2424.1	0	.0	0	0	19
Submarine Cable - Metallic	2424.2	0	.0	0	0	20
Intrabuilding Cable - Nonmetallic	2426.1	0	.0	0	0	21
Intrabuilding Cable - Metallic	2426.2	0	.0	0	0	22

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

<b>Subacct (g)</b>	<b>Retired (h)</b>	<b>Cost of Removal (i)</b>	<b>Salvage (j)</b>	<b>Other (k)</b>	<b>Balance EOY (l)</b>	
2123.1	0	0	0	0	1,030	1
2123.2	0	0	0	0	23,592	2
2212.1	98,196	0	0	0	56,937	3
2212.2	1,000	0	0	0	701,622	4
2212.3	26,657	0	0	0	586,689	5
2215.1	0	0	0	0	49	6 <sup>e</sup>
2215.2	0	0	0	0	0	7
2231.1	0	0	0	0	0	8
2231.2	0	0	0	0	17,310	9
2232.1	44,666	0	0	0	1,769,548	10
2232.2	0	0	0	0	0	11
2232.3	0	0	0	0	387,003	12
2421.1	0	0	0	0	50	13
2421.2	5,479	7,323	0	0	362,525	14
2422.1	0	0	0	0	21,107	15
2422.2	0	0	0	0	106,738	16
2423.1	0	0	0	0	514,608	17
2423.2	10,586	1,086	0	0	4,252,715	18
2424.1	0	0	0	0	0	19
2424.2	0	0	0	0	0	20
2426.1	0	0	0	0	0	21
2426.2	0	0	0	0	0	22

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

This schedule should be used to report the deferred operating income tax portion of the stated accounts.  
Credit amounts should be shown in ( ).

Particulars (a)	Balance EOY (b)	
<b>PROPERTY RELATED</b>		
Other Current Assets (1350 )	0	1
Other Noncurrent Assets (1410 )	0	2
Deferred Tax Regulatory Asset (1437 )	7,053	3
Net Current Deferred Operating Income Taxes (4100 )	0	4
Net Noncurrent Deferred Operating Income Taxes (4340 )	(769,106)	5
Net Deferred Tax Liability Adjustments (4341 )	(7,055)	6
Deferred Tax Regulatory Liability (4361 )	2	7
<b>Net Property Related Deferred Operating Income Taxes</b>	<b>(769,106)</b>	
Less: Allocation to Nonregulated Activity	0	8
<b>Net Regulated Total Property Related Deferred Operating Income Taxes</b>	<b>(769,106)</b>	
<b>NONPROPERTY RELATED</b>		
Other Current Assets (1350 )	1,978	9
Other Noncurrent Assets (1410 )	0	10
Deferred Tax Regulatory Asset (1437 )	0	11
Net Current Deferred Operating Income Taxes (4100 )	0	12
Net Noncurrent Deferred Operating Income Taxes (4340 )	(15,292)	13
Net Deferred Tax Liability Adjustments (4341 )	0	14
Deferred Tax Regulatory Liability (4361 )	0	15
<b>Total Nonproperty Related Deferred Operating Income Taxes</b>	<b>(13,314)</b>	

**RETAINED EARNINGS (ACCT. 4550)**

<b>Particulars (a)</b>	<b>This Year (b)</b>	<b>Last Year (c)</b>	
Balance-First of Year	7,141,022	6,264,856	<b>1</b>
<b>Changes:</b>			
Balance Transferred from Income	1,102,795	876,167	<b>2</b>
<b>Dividends Declared:</b>			
Common	499,768	0	<b>3</b>
Preferred	0	0	<b>4</b>
<b>Total Dividends Declared</b>	<b>499,768</b>	<b>0</b>	
Miscellaneous Debits to Retained Earnings	0	0	<b>5</b>
Miscellaneous Credits to Retained Earnings	0	(1)	<b>6</b>
<b>Balance--End of Year</b>	<b><u>7,744,049</u></b>	<b><u>7,141,022</u></b>	

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

Particulars (a)	This Year (b)	Last Year (c)	
<b>LOCAL NETWORK SERVICES REVENUES</b>			
Basic Local Service Revenue (5000 )*			1
Basic Area Revenue (5001 )	1,877,072	1,854,836	2
Optional Extended Area Revenue (5002 )	50	4	3
Cellular Mobile Revenue (5003 )	0	0	4
Other Mobile Services Revenue (5004 )	2,965	3,950	5
Public Telephone Revenue (5010 )	0	0	6
Local Private Line Revenue (5040 )	102,926	106,378	7
Customer Premises Revenue (5050 )	3,536	2,892	8
Other Local Exchange Revenue (5060 )	1,053,670	824,834	9 h
Other Local Exchange Revenue Settlements (5069 )	0	0	10
<b>TOTAL BASIC LOCAL SERVICE REVENUE (5000)</b>	<b>3,040,219</b>	<b>2,792,894</b>	
<b>NETWORK INTERSTATE ACCESS SERVICES REV.</b>			
End User Revenue (5081 )*	400,843	363,280	11
Switched Access Revenue (5082 )*	866,137	882,023	12
Special Access Revenue (5083 )*	117,121	51,546	13 i
<b>TOTAL INTERSTATE ACCESS REVENUES (5080)</b>	<b>1,384,101</b>	<b>1,296,849</b>	
<b>NETWORK INTRASTATE ACCESS SERVICES REV.</b>			
End User Revenue (5084.1)*	(1)	0	14
Switched Access Revenue (5084.2)*	973,675	1,005,467	15
Special Access Revenue (5084.3)*	181,048	134,384	16 j
<b>TOTAL INTRASTATE ACCESS REVENUES (5084)</b>	<b>1,154,722</b>	<b>1,139,851</b>	
<b>LONG DISTANCE NETWORK SERVICES MESSAGE REV.</b>			
Long Distance Message Revenue (5100 )*	0	0	17
Long Distance Inward-Only Revenue (5111 )	0	0	18
Long Distance Outward-Only Revenue (5112 )	0	0	19
<b>Unidirectional Long Distance Revenue (5110)</b>	<b>0</b>	<b>0</b>	
<b>Long Distance Private Network Revenues</b>			
Subvoice Grade Revenue (5121 )	0	0	20
Voice Grade Revenue (5122 )	0	0	21
Audio Program Grade Revenue (5123 )	0	0	22
Video Program Grade Revenue (5124 )	0	0	23
Digital Transmission Revenue (5125 )	0	0	24
Switching Revenue (5126 )	0	0	25
Other Revenue (5128 )	0	0	26
Other Revenue Settlements (5129 )	0	0	27
<b>Total Long Distance Private Network Revenue</b>	<b>0</b>	<b>0</b>	
Other Long Distance Revenue (5160 )	0	0	28
Other Long Distance Revenue Settlements (5169 )	0	0	29
<b>TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV.</b>	<b>0</b>	<b>0</b>	

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

Particulars (a)	This Year (b)	Last Year (c)	
<b>MISCELLANEOUS REVENUES</b>			
Directory Revenue (5230 )*	163,234	162,568	<b>30</b>
Rent Revenue (5240 )*	53,354	73,832	<b>31 k</b>
Corporate Operations Revenue (5250 )*	0	0	<b>32</b>
<b>Miscellaneous:</b>			
Miscellaneous Revenue (5260 )*			<b>33</b>
Special Billing Arrangements Revenue (5261 )	0	0	<b>34</b>
Customer Operations Revenue (5262 )	0	0	<b>35</b>
Plant Operations Revenue (5263 )	0	0	<b>36</b>
Other Incidental Regulated Revenue (5264 )	24,345	8,525	<b>37 I</b>
Other Revenue Settlements (5269 )	24	40	<b>38</b>
<b>Total Miscellaneous Revenue (5260)</b>	<b>24,369</b>	<b>8,565</b>	
Interstate Billing and Collection Revenue*	48,457	54,111	<b>39</b>
Intrastate Billing and Collection Revenue*	133,924	101,938	<b>40 m</b>
<b>Total Carrier Billing and Collection Revenue (5270)*</b>	<b>182,381</b>	<b>156,049</b>	
Nonregulated Operating Revenue (5280 )**			<b>41</b>
<b>TOTAL MISCELLANEOUS REVENUES</b>	<b>423,338</b>	<b>401,014</b>	
<b>GROSS OPERATING REVENUES</b>	<b>6,002,380</b>	<b>5,630,608</b>	
<b>UNCOLLECTIBLE REVENUES</b>			
Uncollectible Revenue (5300 )*			<b>42</b>
Uncollectible Revenue--Telecommunications (5301 )	25,197	18,007	<b>43</b>
Uncollectible Revenue--Other (5302 )	(321)		<b>44</b>
<b>TOTAL UNCOLLECTIBLE REVENUE (5300)</b>	<b>24,876</b>	<b>18,007</b>	
<b>TOTAL OPERATING REVENUES</b>	<b>5,977,504</b>	<b>5,612,601</b>	

\*\* 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)	
<b>PLANT SPECIFIC OPERATIONS EXPENSE</b>			
Total Network Support Expense ( 6110 )	19,078	17,564	1
Less: Nonregulated	0	0	2
<b>Net Regulated</b>	<b>19,078</b>	<b>17,564</b>	<b>3</b>
Total General Support Expense ( 6120 )	72,767	90,068	4
Less: Nonregulated	0	0	5
<b>Net Regulated</b>	<b>72,767</b>	<b>90,068</b>	<b>6</b>
Total Central Office Switching Expense ( 6210 )	82,873	84,807	7
Less: Nonregulated	0	0	8
<b>Net Regulated</b>	<b>82,873</b>	<b>84,807</b>	<b>9</b>
Total Operator Systems Expense ( 6220 )	0	0	10
Less: Nonregulated	0	0	11
<b>Net Regulated</b>	<b>0</b>	<b>0</b>	<b>12</b>
Total Central Office Transmission Expenses ( 6230 )	63,199	54,840	13
Less: Nonregulated	0	0	14
<b>Net Regulated</b>	<b>63,199</b>	<b>54,840</b>	<b>15</b>
Total Information Orig. / Term. Expense ( 6310 )	133	0	16
Less: Nonregulated	0	0	17
<b>Net Regulated</b>	<b>133</b>	<b>0</b>	<b>18</b>
Total Cable and Wire Fac. Expense ( 6410 )	230,026	196,298	19
Less: Nonregulated	0	0	20
<b>Net Regulated</b>	<b>230,026</b>	<b>196,298</b>	<b>21</b>
<b>TOTAL PLANT SPECIFIC OPERATIONS EXPENSE</b>	<b>468,076</b>	<b>443,577</b>	
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	
<b>Net Regulated</b>	<b>468,076</b>	<b>443,577</b>	
<b>PLANT NONSPECIFIC OPERATIONS EXPENSE</b>			
Total Other Property, Plant and Equip. Exp. ( 6510 )	(1,333)	(1,226)	22
Less: Nonregulated	0	0	23
<b>Net Regulated</b>	<b>(1,333)</b>	<b>(1,226)</b>	<b>24</b>
Total Network Operations Expense ( 6530 )	323,695	312,964	25
Less: Nonregulated	0	0	26
<b>Net Regulated</b>	<b>323,695</b>	<b>312,964</b>	<b>27</b>
Access Expense ( 6540 )	47,808	40,058	28
Less: Nonregulated	0	0	29
<b>Net Regulated</b>	<b>47,808</b>	<b>40,058</b>	<b>30</b>
Total Depreciation and Amortization Expense ( 6560 )	1,367,208	1,196,006	31
Less: Nonregulated	0	0	32
<b>Net Regulated</b>	<b>1,367,208</b>	<b>1,196,006</b>	<b>33</b>
<b>TOTAL PLANT NONSPECIFIC OPERATIONS EXP.</b>	<b>1,737,378</b>	<b>1,547,802</b>	
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	
<b>Net Regulated</b>	<b>1,737,378</b>	<b>1,547,802</b>	

**EXPENSES - CLASS A & B**

Particulars (a)	Total This Year (b)	Total Last Year (c)	
<b>CUSTOMER OPERATIONS EXPENSE</b>			
Total Marketing ( 6610 )	157,821	186,093	34
Less: Nonregulated	0	0	35
<b>Net Regulated</b>	<b>157,821</b>	<b>186,093</b>	<b>36</b>
<hr/>			
Total Services ( 6620 )	566,392	602,495	37
Less: Nonregulated	0	0	38
<b>Net Regulated</b>	<b>566,392</b>	<b>602,495</b>	<b>39</b>
<hr/>			
<b>TOTAL CUSTOMER OPERATIONS EXPENSE</b>	<b>724,213</b>	<b>788,588</b>	
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	
<b>Net Regulated</b>	<b>724,213</b>	<b>788,588</b>	
<hr/>			
<b>CORPORATE OPERATIONS EXPENSE</b>			
Total Exec. and Planning ( 6710 )	148,602	178,165	40
Less: Nonregulated	0	0	41
<b>Net Regulated</b>	<b>148,602</b>	<b>178,165</b>	<b>42</b>
<hr/>			
Total General and Administrative ( 6720 )	676,642	691,749	43
Less: Nonregulated	0	0	44
<b>Net Regulated</b>	<b>676,642</b>	<b>691,749</b>	<b>45</b>
<hr/>			
Provision for Uncollectible Notes Receiv. ( 6790 )	0	0	46
Less: Nonregulated	0	0	47
<b>Net Regulated</b>	<b>0</b>	<b>0</b>	<b>48</b>
<hr/>			
<b>TOTAL CORPORATE OPERATIONS EXPENSE</b>	<b>825,244</b>	<b>869,914</b>	
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	
<b>Net Regulated</b>	<b>825,244</b>	<b>869,914</b>	
<hr/>			
<b>TOTAL EXPENSES</b>	<b>3,754,911</b>	<b>3,649,881</b>	
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	
<b>Net Regulated</b>	<b>3,754,911</b>	<b>3,649,881</b>	

**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 )	(1,333)	(1,226)	2
<b>Total: Reported in Account 6510</b>	<b>(1,333)</b>	<b>(1,226)</b>	
Depreciat. Exp.--Tele. Plant in Service ( 6561 )	1,365,735	1,194,533	3
Depreciat. Exp.--Prop. Held for Future Tele. Use ( 6562	0	0	4
Amortization Expense--Tangible ( 6563 )	0	0	5
Amortization Expense--Intangible ( 6564 )	0	0	6
Amortization Expense--Other ( 6565 )	1,473	1,473	7
<b>Total: Reported in Account 6560</b>	<b>1,367,208</b>	<b>1,196,006</b>	

## 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	6,002,380	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)	2,077	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
<b>Assessable Revenues for Remainder and Telephone Relay Assessment Purposes</b>	<b><u>6,004,457</u></b>	

## CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	3,040,219	1
Plus: Total Intrastate Access Revenues (5084)	1,154,722	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
<b>Assessable Revenues for Universal Service Fund Assessment Purposes</b>	<b><u>4,194,941</u></b>	

### 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	6,002,380	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)	2,077	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
<b>Assessable Revenues for Remainder and Telephone Relay Assessment Purposes</b>	<b><u>6,004,457</u></b>	

### CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	3,040,219	1
Plus: Total Intrastate Access Revenues (5084)	1,154,722	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
<b>Assessable Revenues for Universal Service Fund Assessment Purposes</b>	<b><u>4,194,941</u></b>	

**OTHER INCOME ACCOUNTS**

Particulars (a)	This Year (b)	Last Year (c)	
<b>OTHER OPERATING INCOME AND EXPENSE</b>			
Total Other Oper. Income and (Expense) (7100 )	2,077	2,077	1
<b>OPERATING TAXES</b>			
Operating Investment Tax Credits--Net (7210 )	0	0	2
Operating Federal Income Taxes (7220 )	731,405	460,475	3
Operating State and Local Income Taxes (7230 )	180,909	111,277	4
Operating Other Taxes (7240 )	211,147	238,989	5
Provision for Deferred Operating Income Taxes--Net (7250 )	(31,073)	45,144	6
<b>TOTAL OPERATING TAXES (7200)</b>	<b>1,092,388</b>	<b>855,885</b>	
<b>NONOPERATING INCOME AND EXPENSE</b>			
Dividend Income (7310 )	218	226	7
Interest Income (7320 )	122,737	105,534	8
Income from Sinking and Other Funds (7330 )	0	0	9
Allowance for Funds Used During Construction (7340 )	3,494	0	10
Gains or (Losses) from the Disposition of Certain Property (7350 )	0	0	11
Other Nonoperating Income (7360 )	0	(230)	12
Special Charges (7370 )	11,517	18,133	13
<b>TOTAL NONOPERATING INCOME AND EXPENSE (7300)</b>	<b>114,932</b>	<b>87,397</b>	
<b>NONOPERATING TAXES</b>			
Total Nonoperating Taxes (7400 )	(285,967)	72,383	14
<b>INTEREST AND RELATED ITEMS</b>			
Total Interest and Related Items (7500 )	206,940	217,262	15
<b>EXTRAORDINARY ITEMS</b>			
Extraordinary Items (7600 )	0	0	16
<b>NONREGULATED NET INCOME</b>			
Nonregulated Net Income (7990 )	(223,446)	(30,497)	17

**NONREGULATED ACTIVITIES**

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

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

**DISTRIBUTION OF SALARIES AND WAGES**

Description (a)	Amount (b)	
Regulated Expense	406,536	1
All Other Accounts	296,122	2
<b>Total Salaries and Wages</b>	<b><u>702,658</u></b>	<b>3 g</b>

**EMPLOYEE DATA - END OF YEAR**

Report employee data based on primary allocation of respective wages and salaries.

<b>Particulars (a)</b>	<b>Employees (b)</b>	
<b>Plant Operations</b>		
Supervisory & Management	1	1
Central Office	3	2
Outside Plant	5	3
Building & Service	1	4
Other		5
<b>Customer Operations</b>		
Supervisory & Management		6
Operators		7
Business Office	5	8
Other	2	9
<b>Corporate Operations</b>		
Executive & General Management	1	10
Accounting & Finance		11
External Relations		12
Human Resources		13
Information Management		14
Legal		15
Procurement		16
Research & Development		17
Other		18
<b>Other</b>		
All Other Employees, Not Listed Above		19
<b>Total Employees</b>	<b>18</b>	
Part-Time Employees	0	20
Full-Time Employees	18	21
<b>Total Part-Time and Full-Time Employees</b>	<b>18</b>	

**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)	
<b>LOCAL</b>			
Intra-Exchange			1
Extended Area Service			2
Extended Community Calling			3
Other Local-Undefined	1,712	5,991	4
<b>Total Local</b>	<b>1,712</b>	<b>5,991</b>	
<b>TOLL</b>			
Toll	825	2,889	5
<b>Total Toll</b>	<b>825</b>	<b>2,889</b>	
<b>Total Local &amp; Toll</b>	<b>2,537</b>	<b>8,880</b>	

**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.	3	0	0	0	3
Feature Group B -- Term.	0	0	0	0	4
Feature Group C -- Orig.	0	0	0	0	5
Feature Group C -- Term.	0	0	0	0	6
Feature Group D -- Orig.	6,178	7,460	4,220	0	7
Feature Group D -- Term.	4,501	5,787	4,254	0	8

**OUTSIDE PLANT STATISTICS AT END OF YEAR**

Description of Item (a)	Amount (b)	
Sheath miles of plant - fiber optics	81	1
Strand miles of plant - fiber optics	1,571	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	0	12	1 f
56 kbps	12	5	2
64 kbps (DS0)	0	0	3 f
1.54 Mbps (DS-1)	22	8	4
45 Mbps (DS-3)	0	0	5 f
SONET OC-1	0	0	6 f
SONET OC-3	0	0	7 f
SONET OC-12	0	0	8 f
SONET OC-48	0	0	9 f
SONET OC-192	0	0	10 f

**OUTSIDE PLANT STATISTICS AT END OF YEAR**

Description of Item (a)	Amount (b)	
Sheath miles of plant - fiber optics	81	1
Strand miles of plant - fiber optics	1,571	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	0	12	1 f
56 kbps	12	5	2
64 kbps (DS0)	0	0	3 f
1.54 Mbps (DS-1)	22	8	4
45 Mbps (DS-3)	0	0	5 f
SONET OC-1	0	0	6 f
SONET OC-3	0	0	7 f
SONET OC-12	0	0	8 f
SONET OC-48	0	0	9 f
SONET OC-192	0	0	10 f

**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)	
<b>Business</b>			
1 Party	630	599	<b>3</b>
2 Party			<b>4</b>
4 Party			<b>5</b>
PBX Trunks/System Trunks	7	6	<b>6</b>
Centrex Trunks			<b>7</b>
Centrex Lines	1,108	1,068	<b>8</b>
Key System Trunks	112	116	<b>9</b>
Mobile (Utility Provided Service)			<b>10</b>
Paging (Utility Provided Service)	36	27	<b>11</b>
FX-Out (Switched)			<b>12</b>
Pay Telephone			<b>13</b>
Coin-Operated Pay Telephone	0	0	<b>14</b>
Independent Pay Telephone Provider	0	0	<b>15</b>
Other			<b>16</b>
<b>Total Business Lines</b>	<b>1,893</b>	<b>1,816</b>	<b>17</b>
<b>Residential (Incl. Emp. Concess.)</b>			
1 Party	5,238	5,272	<b>19</b>
2 Party			<b>20</b>
4 Party			<b>21</b>
FX-Out (Switched)	5	5	<b>22</b>
Other		2	<b>23</b>
<b>Total Residential Lines</b>	<b>5,243</b>	<b>5,279</b>	<b>24</b>
<b>Total Bus &amp; Res Lines</b>	<b>7,136</b>	<b>7,095</b>	<b>25</b>
Company Used Lines	190	197	<b>26</b>
<b>Total Lines Used</b>	<b>7,326</b>	<b>7,292</b>	<b>27</b>

**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)	
<b>Miscellaneous</b>			
WATS Lines - OutWATS			<b>3</b>
WATS Lines - 800 Service			<b>4</b>
FX-In-intraLATA			<b>5</b>
Special Access-intraLATA			<b>6</b>
(expressed in equiv. access lines)	20	208	<b>7</b>
Special Access-interLATA			<b>8</b>
(expressed in equiv. access lines)	27	540	<b>9</b>
Feature Group A Lines			<b>10</b>
Feature Group B Trunks			<b>11</b>
Feature Group C Trunks			<b>12</b>
Feature Group D Trunks	264	336	<b>13</b>
TSPS - Trunks	15	15	<b>14</b>
EAS - Trunks		168	<b>15</b>
Cellular Trunks (Pub. Sw. Net.)			<b>16</b>
Video Distance Learning	3	3	<b>17</b>
- discounted (special tariff)			<b>18</b>
<b>Customers</b>			
Lifeline Customers	270	326	<b>20</b>
Linkup Customers	35	40	<b>21</b>
<b>Other</b>			
Total Company Square Miles	511	540	<b>23</b>
Total Company Route Miles	682	697	<b>24</b>
Footnotes			<b>25</b>

**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	1060	2130	2190	3660	1
<b>Business</b>					2
1 Party	43	69	140	347	3
2 Party					4
4 Party					5
PBX Trunks/System Trunks				6	6
Centrex Trunks					7
Centrex Lines	33	7	316	712	8
Key System Trunks	1	26	23	66	9
Mobile (utility provided service)					10
Paging (utility provided service)	21			6	11
FX-Out (Switched)					12
Pay Telephone					13
Coin-Operated Pay Telephone	0	0	0	0	14
Independent Pay Telephone Provider	0	0	0	0	15
Other					16
<b>Total Business Lines</b>	<b>98</b>	<b>102</b>	<b>479</b>	<b>1,137</b>	17
<b>Residential (Incl. Emp. Concess.)</b>					18
1 Party	401	676	1,364	2,831	19
2 Party					20
4 Party					21
FX-Out (Switched)		4	1		22
Other				2	23
<b>Total Residential Lines</b>	<b>401</b>	<b>680</b>	<b>1,365</b>	<b>2,833</b>	24
<b>Total Bus &amp; Res Lines</b>	<b>499</b>	<b>782</b>	<b>1,844</b>	<b>3,970</b>	25
Company Used Lines	12	16	20	149	26
<b>Total Lines Used</b>	<b>511</b>	<b>798</b>	<b>1,864</b>	<b>4,119</b>	27

**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	1060	2130	2190	3660	1
<b>Miscellaneous</b>					<b>2</b>
WATS Lines - OutWATS					3
WATS Lines - 800 Service					4
FX-In-intraLATA					5
Special Access-intraLATA					6
(equiv. access lines)	4	25	75	104	7
Special Access-interLATA					8
(equiv. access lines)		25	174	341	9
Feature Group A Lines					10
Feature Group B Trunks					11
Feature Group C Trunks					12
Feature Group D Trunks				336	13
TSPS - Trunks				15	14
EAS - Trunks				168	15
Cellular Trunks (Pub. Sw. Net.)					16
Video Distance Learning					17
- discounted (special tariff)		1	1	1	18
<b>Other</b>					<b>19</b>
Exchange Square Miles	39	90	153	258	20
Exchange Route Miles	56	96	271	274	21
Footnotes					22

**MANUFACTURER ABBREVIATIONS**

Use these abbreviations when completing the central office data schedule.

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

**EQUIPMENT ABBREVIATIONS**

Use these abbreviations when completing the central office data schedule.

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

**MANUFACTURER ABBREVIATIONS**

Use these abbreviations when completing the central office data schedule.

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

**EQUIPMENT ABBREVIATIONS**

Use these abbreviations when completing the central office data schedule.

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

**CENTRAL OFFICE DATA - END OF YEAR**

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

<b>Description (a)</b>	<b>Central Off. (b)</b>	<b>Central Off. (c)</b>	<b>Central Off. (d)</b>	<b>Central Off. (e)</b>	
Exchange Name	CHILI	GRANTON	GREENWOOD	NEILLSVILLE	<b>1</b>
PSCW Exchange ID	1060	2130	2190	3660	<b>2</b>
Central Office Name	CHILI	GRANTON	GREENWOOD	NEILLSVILLE	<b>3</b>
PSCW Central Office ID	1	1	1	1	<b>4</b>
Central Office CLLI Code	CHILWIXARS0	GNTNWIXARS0	GRWDWIXARS0	NSVLWIXADSC	<b>5</b>
Manufacturer of COE (Page 54)	ATT/LUC	ATT/LUC	ATT/LUC	ATT/LUC	<b>6</b>
Year COE Installed	1988	1988	1998	1998	<b>7</b>
Type of Equipment (Page 54)	D	D	D	D	<b>8</b>
(S)tandalone, (H)ost, (R)emote, (A)dv Fiber Comm	R	R	R	H	<b>9</b>
Remote Host PSCW Exchange ID	3660	3660	3660		<b>10</b>
Remote Host PSCW Central Office ID	1	1	1		<b>11</b>
COE Generic Software Release No.	RMT	RMT	RMT	5E14	<b>12</b>
SS7?	Yes	Yes	Yes	Yes	<b>13</b>
9-1-1?	Yes	Yes	Yes	Yes	<b>14</b>
Access Lines - In Use	490	798	1,864	4,133	<b>15</b>
- Equipped	564	1,088	2,526	6,036	<b>16</b>
- Wired	1,224	2,040	3,302	8,310	<b>17</b>
Trunks - In Use	0	0	0	928	<b>18</b>
- Equipped	0	0	0	1,344	<b>19</b>
- Wired	0	0	0	1,344	<b>20</b>
ISDN Available?	Yes	Yes	Yes	Yes	<b>21</b>
ISDN Lines - In Use (BRI)	0	0	0	0	<b>22</b>
- In Use (PRI)	0	0	0	6	<b>23</b>
XDSL Available?	No	No	No	No	<b>24</b>
- In Use (# lines)					<b>25</b>
Switched 56 Service?	Yes	Yes	Yes	Yes	<b>26</b>
Switched 56 lines in use	0	0	0	0	<b>27</b>
Digital Transmission Facilities: DS-1 - In Use	12	32	21	85	<b>28</b>
DS-3 - In Use	1	2	2	10	<b>29</b>
Advanced Data Service Available:					
Packet Switching?	No	No	No	No	<b>30</b>
SMDS?	No	No	No	No	<b>31</b>
Frame Relay?	No	No	No	No	<b>32</b>
ATM (Asynchronous Trans. Mode)?	No	No	No	No	<b>33</b>
Video Information - Service Available?	Yes	Yes	Yes	Yes	<b>34</b>
- In Use (# lines) <sup>1</sup>	0	1	1	1	<b>35</b>
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	16	64	32	112	<b>36</b>
No. of fiber strands working (LIT) in C.O.	4	28	8	36	<b>37</b>
No. of fiber strands for interoffice use	6	40	16	44	<b>38</b>
Miles of fiber sheath in wire center	8	13	12	48	<b>39</b>
Access Tandem Serving this C.O.:					
- C.O. Name	WAUSAU	WAUSAU	WAUSAU	WAUSAU	<b>40</b>
- PSCW C.O. ID	5700-01	5700-01	5700-01	5700-01	<b>41</b>
Does this C.O. do access tandem switching?	No	No	No	No	<b>42</b>
Footnotes					<b>43</b>

<sup>1</sup> 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 Robert Gilbert at (207) 634-7211 with questions on page 49 Outside Plant only, page 51 lines 10-30, page 53 lines 10-30 and page 55.
- b) Federal Income Tax payable to parent is recorded in a/c 4070100.
- c) Amounts listed on pages 22 and 24, in column (g) and pages 26 and 28, column (k) are reclasses between accounts or transfers with affiliates.
- d) 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.
- e) Accumulated Depreciation is greater than the asset balance because per the Wisconsin PSC, we are allowed to depreciate more than 100% of this account group.
- f) We do not have these types of circuits in service.
- g) Total Net Regulated expenses is not 0 per Expenses schedule. Distribution of Salaries and Wages, Regulated Expense is less than or equal to Total Net Regulated expenses.
- h) Variance is due to an increase in the High Cost Fund (USF).
  - i) Increase in special circuits.
  - j) Additional circuits were added.
  - k) Variance is due to fewer leases.
  - l) Variance is due to an increase in 911 billings.
- m) The increase is due to TDS LD being added as a B&C carrier late in 2000. This new carrier increased the B&C significantly in 2001 over 2000.