



4004

ANNUAL REPORT

OF

Name: CENTRAL STATE TELEPHONE COMPANY

Principal Office: 106 NORTH VIRGINIA STREET
VESPER, WI 54489

For the Year Ended: DECEMBER 31, 1996

TELECOMMUNICATIONS UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854
Madison, WI 53707-7854
(608) 267-9504

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

GENERAL RULES FOR REPORTING

1. Unless otherwise indicated, the information requested in this report should be taken from the accounts and other records in conformity with the Uniform System of Accounts prescribed by the Public Service Commission of Wisconsin in docket 05-US-102. The definitions and instructions contained therein should also apply to the report wherever applicable. A query or response concerning information contained in this report regarding any practice or transaction should not be construed as indicating conformity to accounting or other pertinent regulations.
2. Please follow all instructions and answer each question fully and accurately. Provide additional information as necessary to avoid misunderstandings or misleading responses. Abbreviations listed on page 6 may be used, however please show the exact name of the respondent in full on the "Identification and Ownership" page.
3. Wherever information is requested in a "note", please show that information in the space provided, or make reference to the adjacent page or insert where the note may be found. Please also identify each note. Footnote capability is included in the annual report software program. Please use it where necessary to fully explain particulars in the annual report.
4. Numeric items are limited to digits (0-9). A minus sign "-" should be entered in the software program to indicate negative values. Do not use parentheses for numeric values. The program will convert the minus sign to parentheses when a hard copy of the annual report is printed. Negative values may not be allowed for certain entries in the annual report due to restrictions contained in the software program.
5. Please report all dollar amounts to the nearest whole dollar.
6. This annual report should be complete in all respects. Unless otherwise authorized, avoid references to returns of former years or to other reports.
7. Wherever schedules call for data from the previous year and such data were reported in the previous annual report, that previous year's data should be reported without modification. If modified, an appropriate footnote indicator and explanation should be included in the current year's annual report.
8. Where part or all of the report is prepared by other than utility personnel, a disclosure is required in the notes to the income statement or the balance sheet, which describes the nature and extent of work performed.
9. Please print a hard copy of the annual report on 20 pound or heavier paper, sign it and compare with the electronic copy before officially filing it with the Public Service Commission of Wisconsin.

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ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

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

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

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

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

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

ABBREVIATIONS USED IN ANNUAL REPORTS

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

IDENTIFICATION AND OWNERSHIP

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

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

Number of Shares Held: 4,813
Beneficial Owner: NONE

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

Company Name:
Form of Interest:
Extent Of Interest:

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	7,099,181	6,395,906	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	790,327	778,035	2
Plant Nonspecific Operations Expense	1,888,716	1,687,088	3
Customer Operations Expense (6610-6620)	1,028,569	915,597	4
Corporate Operations Expense (6710-6790)	833,911	832,181	5
Other Operating Income and Expense (7100)	1,980	1,980	6
Operating Taxes (7200)	1,164,743	1,003,222	7
Total Operating Expenses	5,704,286	5,214,143	8
Net Operating Income	1,394,895	1,181,763	9
Other Income			
Nonoperating Income and Expense (7300)	84,042	55,948	10
Nonoperating Taxes (7400)	30,568	17,742	11
Interest and Related Items (7500)	244,332	230,509	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	115,040	120,953	14
Total Nonoperating Income	(75,818)	(71,350)	15
Net Income	1,319,077	1,110,413	16

NOTES TO INCOME STATEMENT OR BALANCE SHEET

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

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

TELEPHONE PLANT

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

DEPRECIATION

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

REVENUES

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

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

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

PENSION

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

INCOME TAXES

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

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

NOTES TO INCOME STATEMENT OR BALANCE SHEET

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

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

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

None

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

The company is restricted from transferring funds to the parent or other affiliates in the form of cash dividends until certain financial requirements of its mortgage indentures have been met. At December 31, 1996, the company has invested no funds with Telecommunications Technologies Fund, Inc., and could distribute up to \$3,846,492 to the parent or other affiliates in the form of cash dividends.

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT ASSETS			
CASH AND EQUIVALENTS			
Cash and Equivalents (1120)*		0	1
Cash (1130)	396,755	330,309	2
Special Cash Deposits (1140)	0	0	3
Working Cash Advances (1150)	600	600	4
Temporary Investments (1160)	0	368,000	5
TOTAL CASH AND EQUIVALENTS	397,355	698,909	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	737,861	665,705	6
Accounts Receivable Allowance-Telecom (1181)*	0	0	7
Net: Telecommunications Accounts Receivable	737,861	665,705	
Other Accounts Receivable (1190)*	890,646	543,901	8
Accounts Receivable Allowance--Other (1191)*	0	0	9
Net: Other Accounts Receivable	890,646	543,901	
Notes Receivable (1200)*	0	0	10
Notes Receivable Allowance (1201)*	0	0	11
Net: Notes Receivable	0	0	
Interest and Dividends Receivable (1210)*	2,389	11,809	12
TOTAL RECEIVABLES AND ALLOWANCES FOR DOUBTFUL	1,630,896	1,221,415	
SUPPLIES			
Inventories (1220)*	52,901	58,139	13
TOTAL SUPPLIES	52,901	58,139	
PREPAYMENTS			
Total Prepayments (1280)*		0	14
Prepaid Rents (1290)	0	255	15
Prepaid Taxes (1300)	0	11,217	16
Prepaid Insurance (1310)	0	0	17
Prepaid Directory Expenses (1320)	0	7,653	18
Other Prepayments (1330)	15,981	170,991	19
TOTAL PREPAYMENTS	15,981	190,116	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	1,507	1,288	20
TOTAL OTHER CURRENT ASSETS	1,507	1,288	
TOTAL CURRENT ASSETS	2,098,640	2,169,867	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	0	0	21
Investments in Nonaffiliated Companies (1402)*	218,500	232,869	22
Nonregulated Investments (1406)*	54,988	76,501	23
Unamortized Debt Issuance Expense (1407)*	1,164	1,261	24
Sinking Funds (1408)*	0	0	25

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
NONCURRENT ASSETS			
INVESTMENTS			
Other Noncurrent Assets (1410)*	0	0	26
TOTAL INVESTMENTS	274,652	310,631	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*	725	829	27
Deferred Maintenance and Retirements (1438)*	0	0	28
Deferred Charges (1439)*	0	36,500	29
TOTAL DEFERRED CHARGES	725	37,329	
TOTAL NONCURRENT ASSETS	275,377	347,960	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	25,126,664	21,579,072	30
Less: Accumulated Depreciation (3100)*	12,215,362	11,208,994	31
Less: Accumulated Amortization--Capitalized Leases (3410)*	0	0	32
Less: Accumulated Amortization--Leasehold Improvements (3420)*	0	0	33
Less: Accumulated Amortization--Intangible (3500)*	0	0	34
NET TELECOMMUNICATIONS PLANT IN SERVICE	12,911,302	10,370,078	
PROPERTY HELD FOR FUTURE USE			
Prop. Held for Future Telecommun. Use (2002)*	0	0	35
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200)*	0	0	36
NET PROPERTY HELD FOR FUTURE USE	0	0	
NONOPERATING PLANT			
Nonoperating Plant (2006)*	0	0	37
Less: Accumulated Depreciation--Nonoperating (3300)*	0	0	38
NET NONOPERATING PLANT	0	0	
TPUC			
TPUC (2003)*	141,842	1,365,899	39
TOTAL TPUC	141,842	1,365,899	
TELECOMMUNICATIONS PLANT ADJUSTMENT			
Telecommunications Plant Adjustment (2005)*	0	0	40
Less: Accumulated Amortization--Other (3600)*	0	0	41
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	0	0	
TOTAL PLANT	13,053,144	11,735,977	
TOTAL ASSETS AND OTHER DEBITS*	15,427,161	14,253,804	

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	645,402	1,127,328	1
Notes Payable (4020)*	750,000	0	2
Advance Billing and Payments (4030)*	189,495	187,569	3
Customer Deposits (4040)*	2,550	2,700	4
Current Maturities--Long-Term Debt (4050)*	157,800	179,000	5
Current Maturities--Capital Leases (4060)*	0	0	6
Income Taxes--Accrued (4070)*	6,878	442,956	7
Other Taxes--Accrued (4080)*	35,777	48	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)*	52,481	51,868	11
Other Current Liabilities (4130)*	263,791	79,210	12
TOTAL CURRENT LIABILITIES*	2,104,174	2,070,679	
LONG-TERM DEBT			
Funded Debt (4210)*	2,802,469	2,959,781	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
TOTAL LONG-TERM DEBT*	2,802,469	2,959,781	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*	405,408	193,844	20
Unamortized Operating ITC--Net (4320)*	17,341	53,997	21
Unamortized Nonoperating ITC--Net (4330)*	0	0	22
Net Noncurrent Deferred Operating Income Taxes (4340)*	963,950	860,523	23
Net Deferred Tax Liability Adjustments (4341)*	(56,712)	(83,236)	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	0	0	25
Other Deferred Credits (4360)*	0	92	26
Deferred Tax Regulatory Liability (4361)*	57,437	84,065	27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS*	1,387,424	1,109,285	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	481,300	481,300	28
Additional Paid-in Capital (4520)*	9,360	9,360	29
Treasury Stock (4530)*	0	0	30
Other Capital (4540)*	0	0	31
Retained Earnings (4550)*	8,642,430	7,623,395	32
TOTAL STOCKHOLDERS' EQUITY*	9,133,090	8,114,055	
TOTAL LIABILITIES AND OTHER CREDITS*	15,427,157	14,253,800	

STATEMENT OF CASH FLOWS

Item (a)	Amount (b)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	1,319,077	1
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and amortization	1,477,209	2
Interest during construction	(43,900)	3
Changes in assets and liabilities:		
Current assets (net)	(230,327)	4
Other noncurrent assets	36,507	5
Other current liabilities	(695,305)	6
Other liabilities and deferred credits	278,139	7
Other (specify):		
TOTAL ADJUSTMENTS	822,323	
NET CASH PROVIDED BY OPERATING ACTIVITIES (NET INCOME & ADJUST.)	2,141,400	
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures:		
Changes in plant (net)	(2,750,476)	8
Investments in affiliated companies	0	9
Nonoperating Investments	35,882	10
Other (specify):		
NET CASH USING IN INVESTING ACTIVITIES	(2,714,594)	
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in capital lease obligations (net)	0	11
Change in long-term debt (net)	(178,318)	12
Net changes in stockholder equity other than retained earnings	0	13
Change in short term borrowing (net)	750,000	14
Dividends paid	(300,042)	15
Miscellaneous debits/credits to retained earnings	0	16
Other (specify):		
Net Cash Provided by Financing Activities	271,640	
NET INCREASE IN CASH AND CASH EQUIVALENTS	(301,554)	
Cash and cash equivalents at beginning of year (Accts. 1130-1160 for Class A; 1120 for Class B)		
Cash and cash equivalents at end of year (Accts. 1130-1160 for Class A; 1120 for Class B)		

IMPORTANT CHANGES DURING THE YEAR

1. Give the name and address of all companies which during the year came under the direct control of the respondent otherwise than through title to securities, stating whether such control is sole or joint, how control was established, names of other parties to a joint agreement for control, the extent of control exercised by each party, and any other pertinent data requisite to a clear understanding of the arrangements relating to control (See Section 32.9000 of the Uniform System of Accounts). Where important details relating to control of a company have changed, give particulars. If during the year a company ceased to be controlled by the respondent, its name and a statement of fact will be sufficient.

NONE

2. Give the name and address of all companies which during the year came under the indirect control of the respondent through non-reporting intermediaries, stating whether such control is sole or joint, how control was established, names of other parties to a joint agreement for control, the extent of control exercised by each party, the name and address of the intermediary through which the indirect control exists, and any other pertinent data requisite to a clear understanding of the arrangements relating to control (See Section 32.9000 of the Uniform System of Accounts). Where important details relating to control of a company have changed, give particulars. If during the year a company ceased to be controlled by the respondent, its name and a statement of fact will be sufficient.

NONE

3. Important leaseholds acquired, given, assigned or surrendered, giving effective dates, lengths of terms, names of parties, rents, and other conditions.

NONE

4. List extension of system (other than additions supplementing existing facilities of the respondent) whether by purchase, construction, donation, or otherwise, such as a substantially complete telephone system, exchange or toll line. Give the location, new territory covered, and dates of beginning operation, and in case of purchase give also the name and address of the company from which purchased, date of acquisition, the consideration given, and reference to Commission authorization.

NONE

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

NONE

6. Obligation incurred or assumed by respondent as guarantor for the performance by another of any agreement or obligation, excluding ordinary commercial paper maturing on demand or not later than one year after date of issue.

NONE

7. Changes in articles of incorporation or amendments to charter.

NONE

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

NONE

AFFILIATE ABBREVIATIONS

In column (b) provide the abbreviation for the name of the affiliate shown in column (a). Limit abbreviations to 10 characters or less. Use these abbreviations when completing the affiliated interest schedules. Insert "Other" in the Abbreviations column if the activity to be reported for a particular record in the Affiliated Interest Transactions or Affiliated Assets and Liabilities schedule represents an aggregation of activity not exceeding the dollar or percentage limits set forth in the header of that schedule.

Name of Affiliate (a)	Abbreviations (b)	
Badger Telecom, Inc.	BADGER	1
Black Earth Telephone Company	BLACK	2
Chatham Telephone Company	CHATHAM	3
Central Region-Telephone System Service Division, Inc.	CR-TSSD	4
EastCoast Telecom, Inc.	EASTCOAST	5
Grantland Telecom, Inc.	GRANTLAND	6
Midway Telephone Company	MIDWAY	7
Mt. Vernon	MT VERNON	8
Oklahoma Communications Systems, Inc.	OCSI	9
Other	OTH	10
Riverside Telecom, Inc.	RIVERSIDE	11
Scandinavia Telephone Company	SCAND	12
Stockbridge & Sherwood Telephone Company	STOCK	13
Suttle Press, Inc.	SUTTLE	14
TDS Computing Services, Inc.	TDS/CS	15
TDS TELECOMMUNICATIONS, INC.	TDS-TEL	16
Telephone and Data Systems, Inc	TEL-DAT	17
Tenney Telephone Company	TENNEY	18
Telephone System Services Division, Inc.	TSSD	19
Telecommunications Technologies Fund	TTF	20

AFFILIATED INTEREST TRANSACTIONS

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

Particulars (a)	(b)	(c)	(d)	(e)	
Docket	0005-TI-000124	0005-TI-000124	None	0005-TI-000124	
Name of Affiliate	OTH	OTH	SUTTLE	TDS/CS	1
Designate whether billed to or from:	FROM	TO	FROM	FROM	2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C	C	M	C	3
Revenues	0	0	0	0	4
Expenses:					
Plant Specific Operations Expense	0	505	42	2,062	5
Plant Nonspecific Operations Expense	0	136	614	11,380	6
Customer Operations Expense	5,223	1,935	1,143	210,140	7
Corporate Operations Expense	0	118	163	27,607	8
Total Operating Expenses	5,223	2,694	1,962	251,189	9
Other:					
Plant Accounts	282	44	0	0	10
Accumulated Depreciation	0	0	0	0	11
Accumulated Amortization	0	0	0	0	12
Clearing	0	0	0	0	13
All Other	3,628	2,136	0	228	14
Total	9,133	4,874	1,962	251,417	15
Percent of affiliate's business billed to all affiliated regulated utilities			58.60		16
If cost based, rate of return on equity or markup incorporated in billings	0.00			15.10	17
Footnotes					

AFFILIATED INTEREST TRANSACTIONS

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

Particulars (a)	(b)	(c)	(d)	(e)		
Docket	0005-TI-000124					
Name of Affiliate	TDS-TEL					1
Designate whether billed to or from:	FROM					2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C					3
Revenues	22,948					4
Expenses:						
Plant Specific Operations Expense	2,681					5
Plant Nonspecific Operations Expense	220,540					6
Customer Operations Expense	396,349					7
Corporate Operations Expense	705,067					8
Total Operating Expenses	1,324,637	0	0	0		9
Other:						
Plant Accounts	375,877					10
Accumulated Depreciation	0					11
Accumulated Amortization	0					12
Clearing	2,737					13
All Other	9,770					14
Total	1,735,969	0	0	0		15
Percent of affiliate's business billed to all affiliated regulated utilities						16
If cost based, rate of return on equity or markup incorporated in billings	0.00					17
Footnotes						

AFFILIATED ASSETS AND LIABILITIES

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

Name of Affiliate (a)	Account Number (b)	Balance EOY (c)	
Chatham Telephone Company	1190	1,094	1
TDS TELECOMMUNICATIONS, INC.	1190	201,385	2
Telecommunications Technologies Fund	1210	993	3
TDS TELECOMMUNICATIONS, INC.	4010	112,895	4
Telephone and Data Systems, Inc	4010	17,256	5
Telecommunications Technologies Fund	4010	4,557	6

ACCOUNTS RECEIVABLE NET WRITE OFFS - TELECOMMUNICATIONS

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

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

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

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

Name of Maker and purpose (a)	Issue Date (b)	Maturity (c)	Interest Rate (d)	Amount EOY (e)	Allowance Acct. 1201 (f)
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INVESTMENTS IN NONAFFILIATED COMPANIES (ACCT. 1402)

Name (a)	Balance EOY (b)	
RTB Class B Stock	206,500	1
Other:		
RTB Class C Stock	2,000	2
US Intelco Networks, Inc.	10,000	3
Total Investments in Nonaffiliated Companies	218,500	

NONREGULATED INVESTMENTS (ACCT. 1406)

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

Name (a)	Balance EOY (b)	
Total Net Investment and Inventory (Accts. 1406.10, 1406.11, and 1406.12):		
Terminal Equipment	54,988	1

DEFERRED MAINTENANCE AND RETIREMENTS (ACCT. 1438)

List items individually by Commission approval noting the date of approval.

Description of Item (a)	Balance EOY (b)	
NONE	0	1
Total	0	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
GENERAL SUPPORT ASSETS				
Land	2111	22,499	0	1
Motor Vehicles	2112	280,643	43,425	2
Aircraft	2113	0	0	3
Special Purpose Vehicles	2114	0	0	4
Garage Work Equipment	2115	0	0	5
Other Work Equipment	2116	330,860	77,057	6 B
Buildings	2121	382,778	1,790	7
Furniture	2122	17,833	0	8
Office Equipment	2123	37,856	8,754	9
General Purpose Computers	2124	617,608	322,131	10
TOTAL--GENERAL SUPPORT ASSETS:		1,690,077	453,157	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0	0	11
Digital Electronic Switching	2212	3,005,136	1,241,936	12
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220	0	0	14
Radio Systems	2231	0	0	15
Circuit Equipment	2232	3,126,065	1,047,408	16
TOTAL--CENTRAL OFFICE ASSETS:		6,131,201	2,289,344	
INFORMATION ORIGATION/TERMINATION ASSETS				
Station Apparatus	2311	0	0	17
Customer Premises Wiring	2321	0	0	18
Large Private Branch Exchanges	2341	0	0	19
Public Telephone Terminal Equipment	2351	81,078	3,002	20
Other Terminal Equipment	2362	0	0	21
TOTAL--INFORMATION ORIG/TERM ASSETS:		81,078	3,002	
CABLE WIRE FACILITIES ASSETS				
Poles	2411	47,000	0	22
Aerial Cable	2421	414,644	12,630	23
Underground Cable	2422	22,186	13,669	24
Buried Cable	2423	13,067,718	1,281,479	25
Submarine Cable	2424	0	0	26
Deep Sea Cable	2425	0	0	27
Intrabuilding Network Cable	2426	0	0	28
Aerial Wire	2431	99,768	3,387	29
Conduit Systems	2441	25,401	12,982	30
TOTAL--CABLE WIRE FACILITIES ASSETS:		13,676,717	1,324,147	
AMORTIZABLE ASSETS				
Capital Leases	2681	0	0	31

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

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2111	0	0	22,499	1
2112	31,085	0	292,983	2
2113	0	0	0	3
2114	0	0	0	4
2115	0	0	0	5
2116	0	(7,425)	400,492	6 B
2121	0	0	384,568	7
2122	0	0	17,833	8
2123	0	0	46,610	9
2124	52,100	0	887,639	10
	83,185	(7,425)	2,052,624	
2211	0	0	0	11
2212	330,020	0	3,917,052	12
2215	0	0	0	13
2220	0	0	0	14
2231	0	0	0	15
2232	0	0	4,173,473	16
	330,020	0	8,090,525	
2311	0	0	0	17
2321	0	0	0	18
2341	0	0	0	19
2351	0	0	84,080	20
2362	0	0	0	21
	0	0	84,080	
2411	0	0	47,000	22
2421	0	0	427,274	23
2422	0	0	35,855	24
2423	100,786	0	14,248,411	25
2424	0	0	0	26
2425	0	0	0	27
2426	0	0	0	28
2431	643	0	102,512	29
2441	0	0	38,383	30
	101,429	0	14,899,435	
2681	0	0	0	31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
AMORTIZABLE ASSETS				
Leasehold Improvements	2682	0	0	32
Intangibles	2690	0	0	33
TOTAL--AMORTIZABLE ASSETS:		0	0	
TOTAL TELECOM. PLANT IN SERVICE	2001	21,579,073	4,069,650	
Less: Allocation to Nonregulated Activity - EOY	2001			34
NET REG. TOTAL TELE. PLANT IN SERV. - EOY	2001			

Explain all amounts shown in column (g).

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

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2682	0	0	0	32
2690	0	0	0	33
	0	0	0	
	514,634	(7,425)	25,126,664	
2001				34
			25,126,664	

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	16,797	0	1
Company Communications Equipment	2123.2	21,059	8,754	2
Software	2212.1	166,239	0	3
Digital Switching - Central Office	2212.2	1,608,885	1,298,065	4
Digital Switching - Remote	2212.3	1,230,012	(56,129)	5
Step by Step Switching	2215.1	0	0	6
Crossbar Switching	2215.2	0	0	7
Satellite and Earth Station Facilities	2231.1	0	0	8
Other Radio Facilities	2231.2	0	0	9
Digital Circuit Equipment	2232.1	2,091,743	822,921	10
Analog Circuit Equipment	2232.2	0	0	11
Light Wave Circuit Equipment	2232.3	1,034,322	224,487	12
Aerial Cable - Nonmetallic	2421.1	32,287	0	13
Aerial Cable - Metallic	2421.2	382,357	12,630	14
Underground Cable - Nonmetallic	2422.1	22,186	1,415	15
Underground Cable - Metallic	2422.2	0	12,254	16
Buried Cable - Nonmetallic	2423.1	2,049,273	239,037	17
Buried Cable - Metallic	2423.2	11,018,445	1,042,442	18
Submarine Cable - Nonmetallic	2424.1	0	0	19
Submarine Cable - Metallic	2424.2	0	0	20
Intrabuilding Cable - Nonmetallic	2426.1	0	0	21
Intrabuilding Cable - Metallic	2426.2	0	0	22

Explain all amounts shown in column (g).

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

Subaccount (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2123.1	0	0	16,797	1
2123.2	0	0	29,813	2
2212.1	0	0	166,239	3
2212.2	0	0	2,906,950	4
2212.3	330,020	0	843,863	5
2215.1	0	0	0	6
2215.2	0	0	0	7
2231.1	0	0	0	8
2231.2	0	0	0	9
2232.1	0	0	2,914,664	10
2232.2	0	0	0	11
2232.3	0	0	1,258,809	12
2421.1	0	0	32,287	13
2421.2	0	0	394,987	14
2422.1	0	0	23,601	15
2422.2	0	0	12,254	16
2423.1	0	0	2,288,310	17
2423.2	100,786	0	11,960,101	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)
GENERAL SUPPORT ASSETS					
Motor Vehicles	2112	140,305	18.0	43,379	0 1
Aircraft	2113	0	.0	0	0 2
Special Purpose Vehicles	2114	0	.0	0	0 3
Garage Work Equipment	2115	0	.0	0	0 4
Other Work Equipment	2116	254,543	10.0	34,972	0 5B
Buildings	2121	188,810	3.4	13,020	0 6
Furniture	2122	7,187	10.0	1,788	0 7
Office Equipment	2123	32,920	19.57	6,683	0 8
General Purpose Computers	2124	361,433	20.0	139,773	0 9
Total-- GENERAL SUPPORT ASSETS		985,198		239,615	0
CENTRAL OFFICE ASSETS					
Analog Electronic Switching	2211	0	.0	0	0 10
Digital Electronic Switching	2212	2,960,259	9.34	197,590	0 11
Electro-Mechanical Switching	2215	0	.0	0	0 12
Operator Systems	2220	0	.0	0	0 13
Radio Systems	2231	0	.0	0	0 14
Circuit Equipment	2232	1,107,589	9.71	326,606	0 15
Total-- CENTRAL OFFICE ASSETS		4,067,848		524,196	0
INFORMATION ORIG/TERM ASSETS					
Station Apparatus	2311	0	.0	0	0 16
Customer Premises Wiring	2321	0	.0	0	0 17
Large Private Branch Exchanges	2341	0	.0	0	0 18
Public Telephone Terminal Equipment	2351	64,056	13.6	11,028	0 19
Other Terminal Equipment	2362	0	.0	0	0 20
Total-- INFORMATION ORIG/TERM ASSETS		64,056		11,028	0
CABLE WIRE FACILITIES ASSETS					
Poles	2411	63,260	10.0	4,351	0 21
Aerial Cable	2421	389,735	5.99	19,020	0 22
Underground Cable	2422	912	4.11	8,707	0 23
Buried Cable	2423	5,569,156	4.99	658,680	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	67,649	19.0	19,105	0 28

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112	31,085	0	14,250	0	166,849	1
2113	0	0	0	0	0	2
2114	0	0	0	0	0	3
2115	0	0	0	0	0	4
2116	0	0	0	(7,425)	282,090	5 B
2121	0	0	0	0	201,830	6
2122	0	0	0	0	8,975	7
2123	0	0	0	0	39,603	8
2124	52,100	0	0	0	449,106	9
	83,185	0	14,250	(7,425)	1,148,453	
2211	0	0	0	0	0	10
2212	330,020	7,587	43,186	0	2,863,428	11
2215	0	0	0	0	0	12
2220	0	0	0	0	0	13
2231	0	0	0	0	0	14
2232	0	0	3,358	0	1,437,553	15
	330,020	7,587	46,544	0	4,300,981	
2311	0	0	0	0	0	16
2321	0	0	0	0	0	17
2341	0	0	0	0	0	18
2351	0	0	0	0	75,084	19
2362	0	0	0	0	0	20
	0	0	0	0	75,084	
2411	0	132	0	0	67,479	21
2421	0	2,915	0	0	405,840	22
2422	0	0	0	0	9,619	23
2423	100,786	3,234	95	0	6,123,911	24
2424	0	0	0	0	0	25
2425	0	0	0	0	0	26
2426	0	0	0	0	0	27
2431	643	4,118	0	0	81,993	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	1,179	3.03	823	0 29
Total-- CABLE WIRE FACILITIES ASSETS		6,091,891		710,686	0
Total Accumulated Depreciation	3100	11,208,993		1,485,525	0
Less: Allocation to Nonregulated Activity - Columns e, f and I	3100				30
Net Regulated Total Accum Depreciation - 3100 Columns e, f and I				1,485,525	0

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441	0	0	0	0	2,002	29
	101,429	10,399	95	0	6,690,844	
3100	514,634	17,986	60,889	(7,425)	12,215,362	
3100						30
3100					12,215,362	

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	14,744	19.0	2,053	0	1
Company Communications Equipment	2123.2	18,176	20.0	4,630	0	2
Software	2212.1	166,215	33.33	24	0	3
Digital Switching - Central Office	2212.2	1,564,032	7.9	244,871	0	4
Digital Switching - Remote	2212.3	1,230,012	7.85	(47,305)	0	5
Step by Step Switching	2215.1	0	.0	0	0	6
Crossbar Switching	2215.2	0	.0	0	0	7
Satellite and Earth Station Facilities	2231.1	0	.0	0	0	8
Other Radio Facilities	2231.2	0	.0	0	0	9
Digital Circuit Equipment	2232.1	919,726	9.75	222,405	0	10
Analog Circuit Equipment	2232.2	0	.0	0	0	11
Light Wave Circuit Equipment	2232.3	187,863	9.5	104,201	0	12
Aerial Cable - Nonmetallic	2421.1	1,548	4.8	1,548	0	13
Aerial Cable - Metallic	2421.2	388,187	6.0	17,472	0	14
Underground Cable - Nonmetallic	2422.1	912	4.1	8,421	0	15
Underground Cable - Metallic	2422.2	0	4.4	286	0	16
Buried Cable - Nonmetallic	2423.1	5,313,332	4.8	101,731	0	17 B
Buried Cable - Metallic	2423.2	255,824	5.0	556,949	0	18 B
Submarine Cable - Nonmetallic	2424.1	0	.0	0	0	19
Submarine Cable - Metallic	2424.2	0	.0	0	0	20
Intrabuilding Cable - Nonmetallic	2426.1	0	.0	0	0	21
Intrabuilding Cable - Metallic	2426.2	0	.0	0	0	22

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

Subacct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2123.1	0	0	0	0	16,797	1
2123.2	0	0	0	0	22,806	2
2212.1	0	0	0	0	166,239	3
2212.2	0	0	43,186	0	1,852,089	4
2212.3	330,020	7,587	0	0	845,100	5
2215.1	0	0	0	0	0	6
2215.2	0	0	0	0	0	7
2231.1	0	0	0	0	0	8
2231.2	0	0	0	0	0	9
2232.1	0	0	0	0	1,142,131	10
2232.2	0	0	0	0	0	11
2232.3	0	0	3,358	0	295,422	12
2421.1	0	0	0	0	3,096	13
2421.2	0	2,915	0	0	402,744	14
2422.1	0	0	0	0	9,333	15
2422.2	0	0	0	0	286	16
2423.1	0	0	0	(5,057,508)	357,555	17 B
2423.2	100,786	3,234	95	5,057,508	5,766,356	18 B
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. In addition, column (e) of this schedule should be used to report the flowback of property related excess deferred taxes (e.g., 46 percent versus 34 percent federal tax rates). Credit amounts should be shown in ().

Particulars (a)	Balance FOY (b)	
PROPERTY RELATED		
Other Current Assets (1350)	0	1
Other Noncurrent Assets (1410)	0	2
Deferred Tax Regulatory Asset (1437)	829	3
Net Current Deferred Operating Income Taxes (4100)	0	4
Net Noncurrent Deferred Operating Income Taxes (4340)	(873,232)	5
Net Deferred Tax Liability Adjustments (4341)	83,236	6
Deferred Tax Regulatory Liability (4361)	(84,065)	7
Net Property Related Deferred Operating Income Taxes	(873,232)	
Less: Allocation to Nonregulated Activity	0	8
Net Regulated Total Property Related Deferred Operating Income Taxes	(873,232)	
NONPROPERTY RELATED		
Other Current Assets (1350)	1,288	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)	12,713	13
Net Deferred Tax Liability Adjustments (4341)	0	14
Deferred Tax Regulatory Liability (4361)	0	15
Total Nonproperty Related Deferred Operating Income Taxes	14,001	

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

Acct (c)	Current Year Accrual (d)	Current Year Amortization (e)	Adjustments Debit or (Credit) (f)	Balance EOY (g)	
7250	0			0	1
7250	0			0	2
	(104)			725	3
7250	0			0	4
7250	(89,975)		(743)	(963,950)	5
	(26,524)			56,712	6
	26,628			(57,437)	7
	(89,975)	0	(743)	(963,950)	
	0			0	8
	(89,975)	0	(743)	(963,950)	
7250	0		219	1,507	9
7250	0			0	10
	0			0	11
7250	0			0	12
7250	(12,725)		12	0	13
	0			0	14
	0			0	15
	(12,725)	0	231	1,507	

NOTES PAYABLE (ACCT. 4020)

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

Name (a)	Issue Date (b)	Maturity (c)	Interest Rate (d)	Balance EOY (e)	
Affiliated:					
Telecommunications Technologies Fund	07/01/1996	12/31/1997	.0000	750,000	1
Total Affiliated				<u>750,000</u>	
Total Notes Payable				<u><u>750,000</u></u>	

LONG-TERM DEBT

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

Description of Debt (a)	Specific or Range of Stated Dates of Issue (b)	Specific or Range of Stated Dates of Maturity (c)	Specific or Range of Interest Rates (d)	
Funded Debt (Account 4210):				
REA/RTB	02/06/1962-01/16/1970	09/17/1998-01/16/2005	2.0000	1
REA/RTB	03/14/1972-08/19/1981	03/14/2007-08/19/2014	6.5000-7.5000	2
Total Funded Debt				

LONG-TERM DEBT (cont.)

Composite Interest Rate (e)	Held by Utility		Total Principal EOY (h)	Current Maturities Included in Acct. 4050 (i)	Total Amount Outstanding (j)	
	Reacquired Debt Acct. 4240 (f)	Sinking Funds Acct. 1408 (g)				
2.0000	0	0	25,726	14,857	40,583	1
7.3106	0	0	2,776,743	142,943	2,919,686	2
	0	0	2,802,469	157,800	2,960,269	

CAPITAL STOCK ACCOUNTS AT END OF YEAR

In column (a) indicate the stated dividend rate applicable to each series of preferred stock.

Class and Series (a)	Shares Authorized by Charter (b)	Par Value per Share (c)	Call Price End of Year (d)	
COMMON STOCK:				
	5,000	100.00	.00	1
TOTAL COMMON STOCK	5,000			
TOTAL	<u>5,000</u>			

CAPITAL STOCK ACCOUNTS AT END OF YEAR (cont.)

	Acct. 4510 - Capital Stock		Acct. 4530 - Treasury Stock		
	Shares (e)	Amount (f)	Shares (g)	Amount (h)	
COMMON STOCK:					
	4,813	481,300	0	0	1
	4,813	481,300	0	0	
TOTAL	<u>4,813</u>	<u>481,300</u>	<u>0</u>	<u>0</u>	

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	7,623,395	6,786,939	1
Changes:			
Balance Transferred from Income	1,319,077	1,110,412	2
Dividends Declared:			
Common	300,042	273,956	3
Preferred		0	4
Total Dividends Declared	300,042	273,956	
Miscellaneous Debits to Retained Earnings		0	5
Miscellaneous Credits to Retained Earnings		0	6
Balance--End of Year	<u>8,642,430</u>	<u>7,623,395</u>	

DISTRIBUTION OF TAXES

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

Summary Account/ Function Charged (a)	Wisconsin License Fee (b)	Wisconsin Income Tax (c)	Federal Income Tax (d)	
Operating Taxes (Accts. 7210 - 7250)	395,408	162,363	582,661	1
Nonoperating Taxes (Accts. 7410 - 7450)		6,006	24,562	2
Extraordinary Items (Accts. 7630 & 7640)				3
Nonregulated Net Income (Acct. 7990)		12,795	52,118	4
Clearing Accounts				5
Construction				6
Payroll Taxes: FICA				7
Payroll Taxes: State Unemployment				8
Payroll Taxes: Federal Unemployment				9
Other (specify):				
TOTAL	<u>395,408</u>	<u>181,164</u>	<u>659,341</u>	

DISTRIBUTION OF TAXES (cont.)

PSC Remainder Assessment (e)	Local Property Tax (f)	State & Local Taxes Other than Wisconsin (g)	Other Taxes (h)	Payroll Taxes (i)	Total (j)	
22,412			1,899		1,164,743	1
					30,568	2
					0	3
					64,913	4
					0	5
					0	6
					0	7
					0	8
					0	9
22,412	0	0	1,899	0	1,260,224	

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)	2,677,214	2,280,785	2
Optional Extended Area Revenue (5002)	0	0	3
Cellular Mobile Revenue (5003)	0	0	4
Other Mobile Services Revenue (5004)	0	0	5
Public Telephone Revenue (5010)	10,274	11,802	6
Local Private Line Revenue (5040)	8,502	7,279	7
Customer Premises Revenue (5050)	830	945	8
Other Local Exchange Revenue (5060)	682,378	149,427	9 I,O
Other Local Exchange Revenue Settlements (5069)	0	0	10
TOTAL BASIC LOCAL SERVICE REVENUE (5000)	3,379,198	2,450,238	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	426,919	392,370	11
Switched Access Revenue (5082)*	1,097,261	1,522,908	12 O
Special Access Revenue (5083)*	253,310	201,265	13 J
TOTAL INTERSTATE ACCESS REVENUES (5080)	1,777,490	2,116,543	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*	0	0	14
Switched Access Revenue (5084.2)*	1,256,141	1,139,551	15
Special Access Revenue (5084.3)*	161,618	185,830	16
TOTAL INTRASTATE ACCESS REVENUES (5084)	1,417,759	1,325,381	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
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
Unidirectional Long Distance Revenue (5110)	0	0	
Long Distance Private Network Revenues			
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
Total Long Distance Private Network Revenue	0	0	
Other Long Distance Revenue (5160)	0	0	28
Other Long Distance Revenue Settlements (5169)	0	0	29
TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV.	0	0	

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

Particulars (a)	This Year (b)	Last Year (c)	
MISCELLANEOUS REVENUES			
Directory Revenue (5230)*	161,653	149,808	30
Rent Revenue (5240)*	66,262	44,956	31 K
Corporate Operations Revenue (5250)*	0	0	32
Miscellaneous:			
Miscellaneous Revenue (5260)*			33
Special Billing Arrangements Revenue (5261)	3,017	0	34
Customer Operations Revenue (5262)	0	0	35
Plant Operations Revenue (5263)	0	0	36
Other Incidental Regulated Revenue (5264)	29,944	28,546	37
Other Revenue Settlements (5269)	1,814	2,830	38
Total Miscellaneous Revenue (5260)	34,775	31,376	
Interstate Billing and Collection Revenue*	123,481	98,137	39 L
Intrastate Billing and Collection Revenue*	141,136	190,360	40 M
Total Carrier Billing and Collection Revenue (5270)*	264,617	288,497	
Nonregulated Operating Revenue (5280)**			41
TOTAL MISCELLANEOUS REVENUES	527,307	514,637	
GROSS OPERATING REVENUES	7,101,754	6,406,799	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*			42
Uncollectible Revenue--Telecommunications (5301)	5,548	5,218	43
Uncollectible Revenue--Other (5302)	(2,975)	5,675	44 N
TOTAL UNCOLLECTIBLE REVENUE (5300)	2,573	10,893	
TOTAL OPERATING REVENUES	7,099,181	6,395,906	

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

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)	
PLANT SPECIFIC OPERATIONS EXPENSE				
Total Network Support Expense (6110)	17,619	22,904	5,396	1
Less: Nonregulated		0		2 c
Net Regulated	17,619	22,904	5,396	3
Total General Support Expense (6120)	84,267	88,794	8,264	4
Less: Nonregulated		0		5
Net Regulated	84,267	88,794	8,264	6
Total Central Office Switching Expense (6210)	237,870	235,215	49,716	7
Less: Nonregulated		0		8
Net Regulated	237,870	235,215	49,716	9
Total Operator Systems Expense (6220)		0	0	10
Less: Nonregulated		0		11
Net Regulated	0	0	0	12
Total Central Office Transmission Expenses (6230)	83,641	60,962	28,103	13
Less: Nonregulated		0		14 D
Net Regulated	83,641	60,962	28,103	15
Total Information Orig. / Term. Expense (6310)	16,660	17,565	6,455	16
Less: Nonregulated		0		17
Net Regulated	16,660	17,565	6,455	18
Total Cable and Wire Fac. Expense (6410)	337,978	364,887	152,573	19
Less: Nonregulated		0		20
Net Regulated	337,978	364,887	152,573	21
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	778,035	790,327	250,507	
Less: Nonregulated	0	0	0	
Net Regulated	778,035	790,327	250,507	
PLANT NONSPECIFIC OPERATIONS EXPENSE				
Total Other Property, Plant and Equip. Exp. (6510)	0	15,639	11,203	22
Less: Nonregulated		0		23 E
Net Regulated	0	15,639	11,203	24
Total Network Operations Expense (6530)	300,674	395,868	118,762	25
Less: Nonregulated		0		26 F
Net Regulated	300,674	395,868	118,762	27
Access Expense (6540)		0	0	28
Less: Nonregulated		0		29
Net Regulated	0	0	0	30
Total Depreciation and Amortization Expense (6560)	1,386,414	1,477,209		31
Less: Nonregulated		0		32
Net Regulated	1,386,414	1,477,209		33
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	1,687,088	1,888,716	129,965	
Less: Nonregulated	0	0	0	
Net Regulated	1,687,088	1,888,716	129,965	

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6110	2,874	0	94,281	(79,647)	1
	2,874	0	94,281	(79,647)	2 C
6120	4,179	950	75,401	0	3
	4,179	950	75,401	0	4
6210	27,960	96,399	61,140	0	5
	27,960	96,399	61,140	0	6
6220	0	0	0	0	7
	0	0	0	0	8
6230	15,510	500	16,849	0	9
	15,510	500	16,849	0	10
6310	4,038	0	7,072	0	11
	4,038	0	7,072	0	12
6410	88,916	17,308	106,090	0	13
	88,916	17,308	106,090	0	14 D
	143,477	115,157	360,833	(79,647)	15
	0	0	0	0	16
	143,477	115,157	360,833	(79,647)	17
6510	5,790	0	(498)	(856)	18
	5,790		(498)	(856)	19
6530	53,828	0	286,958	(63,680)	20
	53,828	0	286,958	(63,680)	21
6540	0	0	0	0	22
	0	0	0	0	23 E
6560			1,477,209		24
			1,477,209		25
	59,618	0	1,763,669	(64,536)	26 F
	0	0	0	0	27
	59,618	0	1,763,669	(64,536)	28
					29
					30
					31
					32
					33

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)	
CUSTOMER OPERATIONS EXPENSE				
Total Marketing (6610)	118,448	227,505	12,503	34
Less: Nonregulated		0		35 G
Net Regulated	118,448	227,505	12,503	36
Total Services (6620)	797,149	801,064	119,250	37
Less: Nonregulated		0		38
Net Regulated	797,149	801,064	119,250	39
TOTAL CUSTOMER OPERATIONS EXPENSE	915,597	1,028,569	131,753	
Less: Nonregulated	0	0	0	
Net Regulated	915,597	1,028,569	131,753	
CORPORATE OPERATIONS EXPENSE				
Total Exec. and Planning (6710)	269,327	160,361	21,800	40
Less: Nonregulated		0		41 H
Net Regulated	269,327	160,361	21,800	42
Total General and Administrative (6720)	562,854	673,550	13,936	43
Less: Nonregulated		0		44
Net Regulated	562,854	673,550	13,936	45
Provision for Uncollectible Notes Receiv. (6790)		0		46
Less: Nonregulated		0		47
Net Regulated	0	0		48
TOTAL CORPORATE OPERATIONS EXPENSE	832,181	833,911	35,736	
Less: Nonregulated	0	0	0	
Net Regulated	832,181	833,911	35,736	
TOTAL EXPENSES	4,212,901	4,541,523	547,961	
Less: Nonregulated	0	0	0	
Net Regulated	4,212,901	4,541,523	547,961	

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6610	4,819	450	209,733	0	34
					35 G
	4,819	450	209,733	0	36
6620	52,560		629,254	0	37
					38
	52,560		629,254	0	39
	57,379	450	838,987	0	
	0	0	0	0	
	57,379	450	838,987	0	
6710	8,836		129,725	0	40
					41 H
	8,836		129,725	0	42
6720	7,037		652,577	0	43
					44
	7,037		652,577	0	45
6790					46
					47
			0		48
	15,873	0	782,302	0	
	0	0	0	0	
	15,873	0	782,302	0	
	276,347	115,607	3,745,791	(144,183)	
	0	0	0	0	
	276,347	115,607	3,745,791	(144,183)	

EXPENSE MATRIX - CLASS A & B (DETAIL)

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries/ Wages (d)	
Property Held for Future Tele. Use Exp. (6511)		0	0	1
Provisioning Expense (6512)	0	15,639	11,203	2
Total: Reported in Account 6510	0	15,639	11,203	
Depreciat. Exp.--Tele. Plant in Service (6561)	1,386,414	1,477,209		3
Depreciat. Exp.--Prop. Held for Future Tele. Use (6562)		0		4
Amortization Expense--Tangible (6563)		0		5
Amortization Expense--Intangible (6564)		0		6
Amortization Expense--Other (6565)		0		7
Total: Reported in Account 6560	1,386,414	1,477,209		

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

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6511					1
6512	5,790		(498)	(856)	2
	5,790		(498)	(856)	
6561			1,477,209		3
6562					4
6563					5
6564					6
6565					7
			1,477,209		

OUT-OF-STATE OPERATING REVENUES

1. This schedule is to be completed only by those companies having out-of-state revenues. For the purpose of completing this schedule, and for PSCW use in calculating Wisconsin remainder assessment revenues, out-of-state revenues are specifically defined in headnote 2.
2. Out-of-state revenues are those derived exclusively from communications physically originating outside of Wisconsin. Out-of-state revenues do not include a) access revenues from "inbound" communications originating outside the state, or b) revenues from communications originating in Wisconsin and terminating outside the state, or c) revenues allocable to Wisconsin-based facilities used for communications originating and terminating outside of the state.

Description (a)	This Year (b)	
Out-of-state operating revenues	0	1
Less: current year write-offs of uncollectible accounts - out-of-state utility customers only	0	2
Plus: current year collection of out-of-state utility customer accounts previously written off	0	3
Net out-of-state operating revenues	0	

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

Particulars (a)	This Year (b)	Last Year (c)	
OTHER OPERATING INCOME AND EXPENSE			
Income from Custom Work (7110)*	0	0	1
Return from Nonregulated Use of Regulated Facilities (7130)*	1,980	1,980	2
Gains and (Losses) from Foreign Exchange (7140)	0	0	3
Gains or (Losses) from the Disposition of Land and Artworks (7150)	0	0	4
Other Operating Gains and (Losses) (7160)*	0	0	5
TOTAL OTHER OPERATING INCOME AND (EXPENSE) (7100)*	1,980	1,980	
OPERATING TAXES			
Operating Investment Tax Credits--Net (7210)*	(36,656)	(36,656)	6
Operating Federal Income Taxes (7220)*	531,371	741,735	7
Operating State and Local Income Taxes (7230)*	146,883	193,662	8
Operating Other Taxes (7240)*	419,719	374,807	9
Provision for Deferred Operating Income Taxes--Net (7250)*	103,426	(270,326)	10
TOTAL OPERATING TAXES (7200)*	1,164,743	1,003,222	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)*	150	150	11
Interest Income (7320)*	45,895	64,777	12
Income from Sinking and Other Funds (7330)*	0	0	13
Allowance for Funds Used During Construction (7340)*	43,900	12,477	14
Gains or (Losses) from the Disposition of Certain Property (7350)*	0	0	15
Other Nonoperating Income (7360)*	0	(459)	16
Special Charges (7370)*	5,903	20,997	17
TOTAL NONOPERATING INCOME AND EXPENSE (7300)*	84,042	55,948	
NONOPERATING TAXES			
Nonoperating Investment Tax Credits--Net (7410)*	0	0	18
Nonoperating Federal Income Taxes (7420)*	24,562	14,250	19
Nonoperating State and Local Income Taxes (7430)*	6,006	3,492	20
Nonoperating Other Taxes (7440)*	0	0	21
Provision for Deferred Nonoperating Income Taxes-Net (7450)*	0	0	22
TOTAL NONOPERATING TAXES (7400)*	30,568	17,742	
INTEREST AND RELATED ITEMS			
Interest on Funded Debt (7510)*	219,578	230,245	23
Interest Expense--Capital Leases (7520)*	0	0	24
Amortization of Debt Issuance Expense (7530)*	97	97	25
Other Interest Deductions (7540)*	24,657	167	26
TOTAL INTEREST AND RELATED ITEMS (7500)*	244,332	230,509	
EXTRAORDINARY ITEMS			
Extraordinary Items (7600)*		0	27
Extraordinary Income Credits (7610)	0	0	28
Extraordinary Income Charges (7620)	0	0	29
Current Income Tax Effect of Extraordinary Items--Net (7630)	0	0	30
Provision for Deferred Income Tax Effect of Extraordinary Items--Net (7640)	0	0	31
TOTAL EXTRAORDINARY ITEMS (7600)*	0	0	
NONREGULATED NET INCOME			
Nonregulated Net Income (7990)*	115,040	120,953	32

NONREGULATED NET INCOME (ACCT. 7990)

Particulars (a)	Amount (b)	
Revenues (Acct. 7990.1)		
Gross Sales	435,851	1
Less: Cost of Goods Sold	91,293	2
Net Sales	344,558	3
Expenses (Acct. 7990.2)	229,518	4
Nonregulated Net Income	<u>115,040</u>	5

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

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

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

DISTRIBUTION OF SALARIES AND WAGES

Description (a)	Amount (b)	
Regulated Expense	547,961	1
Nonregulated Expense	46,375	2
Plant Accounts	179,209	3
Accumulated Depreciation Accounts	0	4
All Other Accounts	133,928	5
Total Salaries and Wages	<u>907,473</u>	6

EMPLOYEE DATA

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

Employee Category (a)	Number of Equivalent Full-Time Employees		Total Compensation (d)	
	FOY (b)	EOY (c)		
Officers				1
Supervision and Other Management	2.00	2.00	103,295	2
Other Employees	23.00	23.00	739,600	3
Total	<u>25.00</u>	<u>25.00</u>	<u>842,895</u>	

DISTRIBUTION OF SALARIES AND WAGES

Description (a)	Amount (b)	
Regulated Expense	547,961	1
Nonregulated Expense	46,375	2
Plant Accounts	179,209	3
Accumulated Depreciation Accounts	0	4
All Other Accounts	133,928	5
Total Salaries and Wages	907,473	6

EMPLOYEE DATA

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

Employee Category (a)	Number of Equivalent Full-Time Employees		Total Compensation (d)	
	FOY (b)	EOY (c)		
Officers				1
Supervision and Other Management	2.00	2.00	103,295	2
Other Employees	23.00	23.00	739,600	3
Total	25.00	25.00	842,895	

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	0	0	1
Extended Area Service	0	0	2
Extended Community Calling	0	0	3
Other Local-Undefined	1,502	7,189	4
Total Local	1,502	7,189	
TOLL			
Operator Handled: State--intraLATA	0	0	5
Operator Handled: State--interLATA	0	0	6
Operator Handled: Interstate	0	0	7
Customer Dialed: State--intraLATA	0	1,111	8
Customer Dialed: State--interLATA	0	1,026	9
Customer Dialed: Interstate	0	1,343	10
WATS	0	0	11
Other Toll-Undefined	0	0	12
Total Toll	0	3,480	
Total Local & Toll	1,502	10,669	

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.	52	18	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.	7,757	6,152	6,376	2	7
Feature Group D -- Term.	7,250	5,334	6,084	2	8

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	54	1
Sheath miles of plant - buried	1,404	2
Sheath miles of plant - fiber optics	127	3
Strand miles of plant - fiber optics	2,775	4
Route miles of plant - microwave	0	5

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	3	41	1
56 kbps	0	1	2
64 kbps (DS0)	0	0	3
1.54 Mbps (DS-1)	0	1	4
45 Mbps (DS-3)	0	0	5
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	54	1
Sheath miles of plant - buried	1,404	2
Sheath miles of plant - fiber optics	127	3
Strand miles of plant - fiber optics	2,775	4
Route miles of plant - microwave	0	5

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	3	41	1
56 kbps	0	1	2
64 kbps (DS0)	0	0	3
1.54 Mbps (DS-1)	0	1	4
45 Mbps (DS-3)	0	0	5
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

SERVICE DATA

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

Item (a)	FOY (b)	EOY (c)	
Business			
1 Party	887	977	3
2 Party	0	0	4
4 Party	0	0	5
PBX Trunks/System Trunks	0	0	6
Centrex Trunks	0	0	7
Centrex Lines	516	660	8
Key System Trunks	167	171	9
Mobile (Utility Provided Service)	0	0	10
Paging (Utility Provided Service)	0	0	11
FX-Out (Switched)	0	0	12
Pay Telephone			13
Coin-Operated Pay Telephone			14
Independent Pay Telephone Provider			15
Pay Stations - Public	29	32	16
- Semi-Public	21	20	17
- Cust. Owned	0	0	18
Other	0	0	19
Total Business Lines	1,620	1,860	20
Residential (Incl. Emp. Concess.)			
1 Party	7,378	7,630	22
2 Party	0	0	23
4 Party	0	0	24
FX-Out (Switched)	3	3	25
Other	1	1	26
Total Residential Lines	7,382	7,634	27
Total Bus & Res Lines	9,002	9,494	28
Company Used Lines	219	283	29
Total Lines Used	9,221	9,777	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	2	3
WATS Lines - 800 Service	2	2	4
FX-In-intraLATA	0	18	5
Special Access-intraLATA			6
(expressed in equiv. access lines)	0	66	7
Special Access-interLATA			8
(expressed in equiv. access lines)	0	3	9
Feature Group A Lines	0	0	10
Feature Group B Trunks	0	0	11
Feature Group C Trunks	108	0	12
Feature Group D Trunks	478	496	13
TSPS - Trunks	23	22	14
EAS - Trunks	223	272	15
Cellular Trunks (Pub. Sw. Net.)	0	0	16
Video Distance Learning			17
- discounted (special tariff)	0	1	18
Customers			
Business - 2 Party Customers	0	0	20
Business - 4 Party Customers	0	0	21
Residential - 2 Party Customers	0	0	22
Residential - 4 Party Customers	0	0	23
Other			
Total Central Office, Info. Orig./Term., & Cable			25
Wire Fac. Assets (based on physical location of plant)			26
	19,888,996	23,074,037	27
Total Company Square Miles	1,012	1,012	28
Total Company Route Miles	1,124	1,124	29
Footnotes			30

SERVICE DATA - END OF YEAR

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

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	0230	1295	2630	2960	1
Business					2
1 Party	194	39	105	70	3
2 Party	0	0	0	0	4
4 Party	0	0	0	0	5
PBX Trunks/System Trunks	0	0	0	0	6
Centrex Trunks	0	0	0	0	7
Centrex Lines	150	0	54	10	8
Key System Trunks	34	9	11	5	9
Mobile (utility provided service)	0	0	0	0	10
Paging (utility provided service)	0	0	0	0	11
FX-Out (Switched)	0	0	0	0	12
Pay Telephone					13
Coin-Operated Pay Telephone					14
Independent Pay Telephone Provider					15
Pay Stations - Public	5	0	4	1	16
- Semi-Public	6	0	1	0	17
- Cust. Owned	0	0	0	0	18
Other	0	0	0	0	19
Total Business Lines	389	48	175	86	20
Residential (Incl. Emp. Concess.)					21
1 Party	1,232	392	1,241	879	22
2 Party	0	0	0	0	23
4 Party	0	0	0	0	24
FX-Out (Switched)	1	0	0	1	25
Other	0	0	0	0	26
Total Residential Lines	1,233	392	1,241	880	27
Total Bus & Res Lines	1,622	440	1,416	966	28
Company Used Lines	46	0	58	11	29
Total Lines Used	1,668	440	1,474	977	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	3395	3640	4220	5510	1
Business					2
1 Party	66	325	161	17	3
2 Party	0	0	0	0	4
4 Party	0	0	0	0	5
PBX Trunks/System Trunks	0	0	0	0	6
Centrex Trunks	0	0	0	0	7
Centrex Lines	0	283	64	99	8
Key System Trunks	23	49	14	26	9
Mobile (utility provided service)	0	0	0	0	10
Paging (utility provided service)	0	0	0	0	11
FX-Out (Switched)	0	0	0	0	12
Pay Telephone					13
Coin-Operated Pay Telephone					14
Independent Pay Telephone Provider					15
Pay Stations - Public	0	14	7	1	16
- Semi-Public	3	7	0	3	17
- Cust. Owned	0	0	0	0	18
Other	0	0	0	0	19
Total Business Lines	92	678	246	146	20
Residential (Incl. Emp. Concess.)					21
1 Party	106	1,864	1,283	633	22
2 Party	0	0	0	0	23
4 Party	0	0	0	0	24
FX-Out (Switched)	0	1	0	0	25
Other	1	0	0	0	26
Total Residential Lines	107	1,865	1,283	633	27
Total Bus & Res Lines	199	2,543	1,529	779	28
Company Used Lines	0	55	21	92	29
Total Lines Used	199	2,598	1,550	871	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	0230	1295	2630	2960	1
Miscellaneous					2
WATS Lines - OutWATS	1	0	0	0	3
WATS Lines - 800 Service	0	0	0	0	4
FX-In-intraLATA	0	0	11	1	5
Special Access-intraLATA					6
(equiv. access lines)	10	0	11	0	7
Special Access-interLATA					8
(equiv. access lines)	0	0	0	0	9
Feature Group A Lines	0	0	0	0	10
Feature Group B Trunks	0	0	0	0	11
Feature Group C Trunks	0	0	0	0	12
Feature Group D Trunks	280	0	96	0	13
TSPS - Trunks	0	0	11	0	14
EAS - Trunks	152	0	48	0	15
Cellular Trunks (Pub. Sw. Net.)	0	0	0	0	16
Video Distance Learning					17
- discounted (special tariff)	0	0	0	0	18
Customers					19
Business - 2 Party Customers	0	0	0	0	20
Business - 4 Party Customers	0	0	0	0	21
Residential - 2 Party Customers	0	0	0	0	22
Residential - 4 Party Customers	0	0	0	0	23
Other					24
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical					26
location of plant)	4,556,874	595,844	4,475,505	1,946,590	27
Exchange Square Miles	107	57	60	82	28
Exchange Route Miles	167	68	188	139	29
Footnotes					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	3395	3640	4220	5510	1
Miscellaneous					2
WATS Lines - OutWATS	0	0	1	0	3
WATS Lines - 800 Service	0	1	1	0	4
FX-In-intraLATA	0	0	5	1	5
Special Access-intraLATA					6
(equiv. access lines)	0	37	2	6	7
Special Access-interLATA					8
(equiv. access lines)	0	1	0	2	9
Feature Group A Lines	0	0	0	0	10
Feature Group B Trunks	0	0	0	0	11
Feature Group C Trunks	0	0	0	0	12
Feature Group D Trunks	0	120	0	0	13
TSPS - Trunks	0	11	0	0	14
EAS - Trunks	0	72	0	0	15
Cellular Trunks (Pub. Sw. Net.)	0	0	0	0	16
Video Distance Learning					17
- discounted (special tariff)	0	1	0	0	18
Customers					19
Business - 2 Party Customers	0	0	0	0	20
Business - 4 Party Customers	0	0	0	0	21
Residential - 2 Party Customers	0	0	0	0	22
Residential - 4 Party Customers	0	0	0	0	23
Other					24
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical					26
location of plant)	247,789	5,120,558	3,956,314	2,174,563	27
Exchange Square Miles	6	205	439	56	28
Exchange Route Miles	19	241	212	90	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
Nippon Electric	NEC	5
Northern Telecom	NTI	6
Siemens	SI	7
Stromberg-Carlson	SC	8
VIDAR	VI	9
Switcher	SW	10 1

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
Switcher	SW	5 1

MANUFACTURER ABBREVIATIONS

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ATTC	ATT	2
GTE	GTE	3
ITT	ITT	4
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Siemens	SI	7
Stromberg-Carlson	SC	8
VIDAR	VI	9
Switcher	SW	10 1

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
Switcher	SW	5 1

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	AUBURNDALE	CRANMOOR	JUNCTION CITY	LINDSEY	1
PSCW Exchange ID	0230	1295	2630	2960	2
Central Office Name	AUBURNDALE	CRANMOOR	JUNCTION CITY	LINDSEY	3
PSCW Central Office ID	1	1	1	1	4
Manufacturer of COE (Page 54)	NEC	SW	ATT	NEC	5
Year COE Installed	1989	0	1996	1990	6
Type of Equipment (Page 54)	D	SW	D	D	7
(S)tandalone, (H)ost, (R)emote	H	S	S	R	8
Remote Host PSCW Exchange ID				0230	9
Remote Host PSCW Central Office ID	0			1	10
COE Generic Software Release No.	G3.2	Switcher	10.1	RMT	11
SS7?	No	Yes	Yes	No	12
9-1-1?	Yes	Yes	Yes	Yes	13
Access Lines - In Use	1,668	440	1,474	977	14
- Equipped	1,858	440	1,788	996	15
- Wired	1,920	440	2,408	1,056	16
Trunks - In Use	432	0	155	0	17
- Equipped	696	0	624	0	18
- Wired	696	0	624	0	19
ISDN Available?	No	No	No	No	20
ISDN Lines - In Use (BRI)	0	0	0	0	21
- In Use (PRI)	0	0	0	0	22
Switched 56 Service?	No	No	No	No	23
Switched 56 lines in use	0	0	0	0	24
Digital Transmission Facilities: DS-1 - In Use	38	0	47	10	25
DS-3 - In Use	7	0	0	0	26
Advanced Data Service Available:					
Packet Switching?	No	No	No	No	27
SMDS?	No	No	No	No	28
Frame Relay?	No	No	No	No	29
ATM (Asynchronous Trans. Mode)?	No	No	No	No	30
Video Information - Service Available?	No	No	No	No	31
- In Use (# lines) ¹	0	0	0	0	32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	120	0	96	52	33
No. of fiber strands working (LIT) in C.O.	36	0	4	22	34
No. of fiber strands for interoffice use	52	0	40	20	35
Miles of fiber sheath in wire center	34	0	13	13	36
Access Tandem Serving this C.O.:					
- C.O. Name	STEVENS POINT	WISCONSIN RAPIDS	STEVENS POINT	STEVENS POINT	37
- PSCW C.O. ID	5140-01	5970-01	5140-01	5140-01	38
Does this C.O. do access tandem switching?	No	No	No	No	39
Equal Access: InterLATA (1+)?	Yes	Yes	Yes	Yes	40
Equal Access: IntraLATA (1+)?	No	No	No	No	41
Footnotes		1			42

¹ Teleco provided end-to-end facility.

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	MILL CREEK	NECEDAH	PITTSVILLE	VESPER	1
PSCW Exchange ID	3395	3640	4220	5510	2
Central Office Name	MILL CREEK	NECEDAH	PITTSVILLE	VESPER	3
PSCW Central Office ID	1	1	1	1	4
Manufacturer of COE (Page 54)	SW	NEC	NEC	NEC	5
Year COE Installed	0	1990	1989	1989	6
Type of Equipment (Page 54)	SW	D	D	D	7
(S)tandalone, (H)ost, (R)emote	S	S	R	R	8
Remote Host PSCW Exchange ID			0230	0230	9
Remote Host PSCW Central Office ID			1	1	10
COE Generic Software Release No.	Switcher	G3.2	RMT	RMT	11
SS7?	Yes	No	No	No	12
9-1-1?	Yes	No	Yes	Yes	13
Access Lines - In Use	199	2,598	1,550	871	14
- Equipped	199	2,872	1,652	1,048	15
- Wired	199	2,968	1,728	1,056	16
Trunks - In Use	0	192	0	0	17
- Equipped	0	216	0	0	18
- Wired	0	240	0	0	19
ISDN Available?	No	No	No	No	20
ISDN Lines - In Use (BRI)	0	0	0	0	21
- In Use (PRI)	0	0	0	0	22
Switched 56 Service?	No	No	No	No	23
Switched 56 lines in use	0	0	0	0	24
Digital Transmission Facilities: DS-1 - In Use	0	20	0	14	25
DS-3 - In Use	0	2	0	0	26
Advanced Data Service Available:					
Packet Switching?	No	No	No	No	27
SMDS?	No	No	No	No	28
Frame Relay?	No	No	No	No	29
ATM (Asynchronous Trans. Mode)?	No	No	No	No	30
Video Information - Service Available?	No	No	No	No	31
- In Use (# lines) ¹	0	0	0	0	32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	0	88	64	36	33
No. of fiber strands working (LIT) in C.O.	0	28	8	20	34
No. of fiber strands for interoffice use	0	20	16	28	35
Miles of fiber sheath in wire center	0	28	20	19	36
Access Tandem Serving this C.O.:					
- C.O. Name	WAUSAU	MADISON	STEVENS POINT	STEVENS POINT	37
- PSCW C.O. ID	5700-01	3080-01	5140-01	5140-01	38
Does this C.O. do access tandem switching?	No	No	No	No	39
Equal Access: InterLATA (1+)?	Yes	Yes	Yes	Yes	40
Equal Access: IntraLATA (1+)?	No	No	No	No	41
Footnotes	2				42

¹ Teleco provided end-to-end facility.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

General Footnote

Schedule Footnotes

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

This schedule has been completed to the best of our ability. The information requested by number of telephone calls in column (b) is not available due to a change in our companies method of tracking call traffic. We no longer track by the number of calls. Numbers in column (c), lines 8 through 10, contain both customer dialed and operator handled minutes of use. Further breakdown is not available.

Schedule Line Footnotes

- 1) This exchange has switcher service provided by several central offices of Wood County Telephone Company. See the Wood County annual report for further central office detail.
- 2) This exchange has switcher service provided by GTE North-Wisconsin Marshfield central office. See the GTE North annual report for further central office detail.
- A) Contact Gerald Ringlund at (608) 845-4554 with questions on page 47, page 48, page 49 Special Access Circuits only, page 50 lines 1-31, and page 52 lines 1-35. Contact Dave Esser at (608) 845-4530 with questions on page 49 Outside Plant only, page 52 lines 36-44, page 53 and page 55.
- B) Amounts listed in columns (g) and (k) are reclasses between accounts, transfers with affiliates, or adjustments to the beginning balances pulled in incorrectly from last years report.
- C) Network support expenses are up in 1996 due to increased motor vehicle maintenance costs.
- D) Central office transmission expenses are down in 1996 due to decreased circuit equipment costs.
- E) Other property, plant and equipment expense increased in 1996 due to increased provisioning labor and benefit costs.
- F) Network operations expense increased in 1996 due to increased affiliated management administration costs.
- G) Marketing expenses are up in 1996 due to an intensified effort to promote regulated product lines.
- H) Executive and planning charges are down in 1996 due to a shift of affiliated management expense to general and administrative affiliated management.
- I) Other local exchange revenue increased in 1996 due to more optional services purchased.
- J) Interstate special access revenue increased in 1996 due to an increase in the number of special access circuits. Also, the 1995 cost study true up increased special access revenue.
- K) Rent revenue increased in 1996 due to the addition of three new distance learning leases and the effect of having a full year of revenue on the leases added in 1995.
- L) Interstate billing and collection revenue increased in 1996 due to increased program development charges billed to a major IXC.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

- M)** Intrastate billing and collection revenue decreased mainly due to a rate change from Ameritech that resulted in a straight rate for all Wisconsin companies. There was also some impact from the partial discontinuance of billing services for a major IXC.
- N)** Uncollectible revenue is up in 1996 due to recovery on previously written off IXC receivables.
- O)** Other local exchange revenue increased and switched access revenue decreased in 1996 due to a reclass of \$496,496 of USF revenue requested by the Wisconsin PSC for uniform presentation among companies.