



4004

ANNUAL REPORT

OF

Name: AMHERST TELEPHONE COMPANY

Principal Office: 120 MILL STREET
P.O. BOX 279
AMHERST, WI 54406

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.

SIGNATURE PAGE

I CARL BOHMAN of
(Person responsible for accounts)

AMHERST TELEPHONE COMPANY, certify that I
(Utility Name)

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

CARL BOHMAN 04/30/1997
(Person responsible for accounts) (Date)

GENERAL MANAGER
(Title)

TABLE OF CONTENTS

Schedule Name	Page
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
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
Statement of Cash Flows	12
Important Changes During the Year	13
Affiliate Abbreviations	14
Affiliated Interest Transactions	15
Affiliated Assets and Liabilities	16
Accounts Receivable Net Write Offs - Telecommunications	17
Notes Receivable (Acct. 1200) and Allowances (Acct. 1201)	18
Investments in Nonaffiliated Companies (Acct. 1402)	19
Nonregulated Investments (Acct. 1406)	20
Deferred Maintenance and Retirements (Acct. 1438)	21
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
Notes Payable (Acct. 4020)	32
Long-Term Debt	33
Capital Stock Accounts at End of Year	35
Retained Earnings (Acct. 4550)	37
Distribution of Taxes	38
Revenues - Class A & B (Class B Use Accounts Designated By *)	40
Expense Matrix - Class A & B	41
Out-of-State Operating Revenues	43
Other Income Accounts (Class B Use Accounts Designated By *)	44
Nonregulated Net Income (Acct. 7990)	45
Distribution of Salaries and Wages	46
Employee Data	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

TABLE OF CONTENTS

Schedule Name	Page
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

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

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

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

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

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

ABBREVIATIONS USED IN ANNUAL REPORTS

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

IDENTIFICATION AND OWNERSHIP

Exact Utility Name: AMHERST TELEPHONE COMPANY
Utility Location: 120 MILL STREET
P.O. BOX 279
AMHERST, WI 54406

Utility Web Site Address:

When was utility organized?: 07/03/1903

Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: MR CARL BOHMAN
Title: GENERAL MANAGER

Office Address: 120 MILL STREET
P.O. BOX 279
AMHERST , WI 54406

Fax Number: (715) 824 - 2050
Telephone Number: (715) 824 - 5529
Email Address:

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

Name: KIESLING ASSOCIATES LLP
Title: ACCOUNTING FIRM
Firm: KIESLING ASSOCIATES LLP
Office Address: 6401 ODANA ROAD
MADISON , WI 54719

Fax Number: (608) 273 - 2383
Telephone Number: (608) 273 - 2315
Email Address:

Person responsible for financial information contained in report

Name: MR CARL BOHMAN
Title: GENERAL MANAGER

Office Address: 120 MILL STREET
P.O. BOX 279
AMHERST , WI 54406

Fax Number: (715) 824 - 2050
Telephone Number: (715) 824 - 5529
Email Address:

Person responsible for statistical information contained in report

Name: MR CARL BOHMAN
Title: GENERAL MANAGER

Office Address: 120 MILL STREET
P.O. BOX 279
AMHERST , WI 54406

Fax Number: (715) 824 - 2050
Telephone Number: (715) 824 - 5529
Email Address:

IDENTIFICATION AND OWNERSHIP

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

Name: AUDREY M. MERRELL TRUST
Address: 71 BROADVIEW TERRACE GOVENORS ISLAND
GILFORD , NH 03246

Number of Shares Held: 1,749
Beneficial Owner: NONE

Name: CARL BOHMAN
Address: 198 N. HIGH STREET
AMHERST , WI 54406

Number of Shares Held: 3,306
Beneficial Owner: NONE

Name: CHARLES IVERSON
Address: 338 POND STREET
AMHERST , WI 54406

Number of Shares Held: 2,131
Beneficial Owner: NONE

Name: RITA DANIELSON
Address: 120 E. GREENTREE ROAD
CLINTONVILLE , WI 54929

Number of Shares Held: 2,445
Beneficial Owner: NONE

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

Company Name: TOMORROW VALLEY CABLE TELEVISION, INC.
Form of Interest: OWNED
Extent Of Interest: 100%

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	2,844,338	2,643,160	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	309,850	363,888	2
Plant Nonspecific Operations Expense	675,139	615,846	3
Customer Operations Expense (6610-6620)	293,801	317,736	4
Corporate Operations Expense (6710-6790)	305,998	267,626	5
Other Operating Income and Expense (7100)	634	813	6
Operating Taxes (7200)	505,080	418,326	7
Total Operating Expenses	2,089,234	1,982,609	8
Net Operating Income	755,104	660,551	9
Other Income			
Nonoperating Income and Expense (7300)	248,473	202,517	10
Nonoperating Taxes (7400)	37,302	34,934	11
Interest and Related Items (7500)	294,844	284,936	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	(16,518)	(13)	14
Total Nonoperating Income	(100,191)	(117,366)	15
Net Income	654,913	543,185	16

NOTES TO INCOME STATEMENT OR BALANCE SHEET

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

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

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

A. Property and Equipment

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

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

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

B. Income taxes

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

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

NOTES TO INCOME STATEMENT OR BALANCE SHEET

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

C. Revenue Recognition

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

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

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

D. Cash Equivalents

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

E. Investments

Non-marketable equity investments and certificates of deposit are stated at cost.

Certain investments are categorized as either trading, available-for-sale, or held-to-maturity. Debt and marketable equity securities bought and held principally for selling in the near future are classified as trading securities and carried at fair value. Unrealized holding gains and losses on trading securities are reported in earnings. Debt and marketable equity securities classified as available-for-sale are carried at fair value with unrealized holding gains and losses recorded as a separate component of stockholders' equity. Debt securities the Company has both the p

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

None

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

The mortgage to the United States of America, underlying the RUS and RTB notes, contains certain restrictions on the declaration of payment of cash dividends, redemption of capital stock, or investment in affiliated companies. As of December 31, 1996, the maximum amount which could be distributed in accordance with these restrictions was \$2,525,000 except as might be specifically authorized in writing in advance by the RUS and RTB noteholders.

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT ASSETS			
CASH AND EQUIVALENTS			
Cash and Equivalents (1120)*	1,327,726	906,119	1
Cash (1130)		0	2
Special Cash Deposits (1140)		0	3
Working Cash Advances (1150)		0	4
Temporary Investments (1160)		0	5
TOTAL CASH AND EQUIVALENTS	1,327,726	906,119	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	216,938	207,930	6
Accounts Receivable Allowance-Telecom (1181)*	0	0	7
Net: Telecommunications Accounts Receivable	216,938	207,930	
Other Accounts Receivable (1190)*	290,741	408,635	8
Accounts Receivable Allowance--Other (1191)*	0	0	9
Net: Other Accounts Receivable	290,741	408,635	
Notes Receivable (1200)*	0	0	10
Notes Receivable Allowance (1201)*	0	0	11
Net: Notes Receivable	0	0	
Interest and Dividends Receivable (1210)*	1,095	646	12
TOTAL RECEIVABLES AND ALLOWANCES FOR DOUBTFUL	508,774	617,211	
SUPPLIES			
Inventories (1220)*	23,146	19,306	13
TOTAL SUPPLIES	23,146	19,306	
PREPAYMENTS			
Total Prepayments (1280)*	89,898	151,776	14
Prepaid Rents (1290)		0	15
Prepaid Taxes (1300)		0	16
Prepaid Insurance (1310)		0	17
Prepaid Directory Expenses (1320)		0	18
Other Prepayments (1330)		0	19
TOTAL PREPAYMENTS	89,898	151,776	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	12,812	4,888	20
TOTAL OTHER CURRENT ASSETS	12,812	4,888	
TOTAL CURRENT ASSETS	1,962,356	1,699,300	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	717,634	753,160	21 F
Investments in Nonaffiliated Companies (1402)*	1,960,814	1,937,589	22 F
Nonregulated Investments (1406)*	28,827	29,707	23
Unamortized Debt Issuance Expense (1407)*	5,680	6,057	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)*	1,404	13,002	26
TOTAL INVESTMENTS	2,714,359	2,739,515	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*	64,214	69,190	27
Deferred Maintenance and Retirements (1438)*	0	0	28
Deferred Charges (1439)*	6,493	1,161	29
TOTAL DEFERRED CHARGES	70,707	70,351	
TOTAL NONCURRENT ASSETS	2,785,066	2,809,866	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	10,967,490	10,407,186	30
Less: Accumulated Depreciation (3100)*	4,242,513	3,657,727	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	6,724,977	6,749,459	
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)*	25,138	25,138	37
Less: Accumulated Depreciation--Nonoperating (3300)*	12,863	11,712	38
NET NONOPERATING PLANT	12,275	13,426	
TPUC			
TPUC (2003)*	79,968	73,958	39
TOTAL TPUC	79,968	73,958	
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	6,817,220	6,836,843	
TOTAL ASSETS AND OTHER DEBITS*	11,564,642	11,346,009	

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	284,585	332,928	1
Notes Payable (4020)*	17,313	13,586	2
Advance Billing and Payments (4030)*	5,884	10,959	3
Customer Deposits (4040)*	0	0	4
Current Maturities--Long-Term Debt (4050)*	221,900	210,000	5
Current Maturities--Capital Leases (4060)*	0	0	6
Income Taxes--Accrued (4070)*	0	0	7
Other Taxes--Accrued (4080)*	9,539	101	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)*	55,149	52,038	11
Other Current Liabilities (4130)*	0	0	12
TOTAL CURRENT LIABILITIES*	594,370	619,612	
LONG-TERM DEBT			
Funded Debt (4210)*	4,992,674	5,212,748	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*	4,992,674	5,212,748	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*	0	0	20
Unamortized Operating ITC--Net (4320)*	167,693	209,616	21
Unamortized Nonoperating ITC--Net (4330)*	0	0	22
Net Noncurrent Deferred Operating Income Taxes (4340)*	278,211	148,016	23
Net Deferred Tax Liability Adjustments (4341)*	(90,804)	(92,393)	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	(100,351)	(17,945)	25
Other Deferred Credits (4360)*	0	0	26
Deferred Tax Regulatory Liability (4361)*	137,641	156,027	27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS*	392,390	403,321	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	331,250	331,250	28
Additional Paid-in Capital (4520)*	6,250	6,250	29
Treasury Stock (4530)*	0	0	30
Other Capital (4540)*	50,479	31,762	31
Retained Earnings (4550)*	5,197,229	4,741,066	32
TOTAL STOCKHOLDERS' EQUITY*	5,585,208	5,110,328	
TOTAL LIABILITIES AND OTHER CREDITS*	11,564,642	11,346,009	

STATEMENT OF CASH FLOWS

Item (a)	Amount (b)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	654,913	1
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and amortization	622,820	2
Interest during construction	0	3
Changes in assets and liabilities:		
Current assets (net)	158,551	4
Other noncurrent assets	10,865	5
Other current liabilities	(40,869)	6
Other liabilities and deferred credits	(10,931)	7
Other (specify):		
TOTAL ADJUSTMENTS	740,436	
NET CASH PROVIDED BY OPERATING ACTIVITIES (NET INCOME & ADJUST.)	1,395,349	
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures:		
Changes in plant (net)	(603,197)	8
Investments in affiliated companies	35,526	9
Nonoperating Investments	(22,345)	10
Other (specify):		
NET CASH USING IN INVESTING ACTIVITIES	(590,016)	
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in capital lease obligations (net)	0	11
Change in long-term debt (net)	(207,420)	12
Net changes in stockholder equity other than retained earnings	18,717	13
Change in short term borrowing (net)	3,727	14
Dividends paid	(198,750)	15
Miscellaneous debits/credits to retained earnings	0	16
Other (specify):		
Net Cash Provided by Financing Activities	(383,726)	
NET INCREASE IN CASH AND CASH EQUIVALENTS	421,607	
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.

Effective September 1, 1996, the Company increased certain local service rates. Estimated annual increase in revenue is \$127,000.

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)	
COMPUTER SYSTEMS LIMITED LIABILITY CORPORATION	CSLLC	1
MID-WISCONSIN DBS COOPERATIVE, INC.	MWDBS	2
Other	OTH	3
TOMORROW VALLEY CABLE TELEVISION, INC.	TVCT	4

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	0170-AT-00100	None	0170-AT-00101	0170-AT-00001	
Name of Affiliate	CSLLC	MWDBS	MWDBS	TVCT	1
Designate whether billed to or from:	FROM	FROM	TO	TO	2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	M	C	C	C	3
Revenues					4
Expenses:					
Plant Specific Operations Expense					5
Plant Nonspecific Operations Expense					6
Customer Operations Expense	116,500		39,800		7
Corporate Operations Expense					8
Total Operating Expenses	116,500	0	39,800	0	9
Other:					
Plant Accounts					10
Accumulated Depreciation					11
Accumulated Amortization					12
Clearing					13
All Other		12,600		52,888	14
Total	116,500	12,600	39,800	52,888	15
Percent of affiliate's business billed to all affiliated regulated utilities	89.94				16
If cost based, rate of return on equity or markup incorporated in billings		0.00			17
Footnotes		G			

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)	
TOMORROW VALLEY CABLE TELEVISION, INC.	1190	5,145	1
COMPUTER SYSTEMS LIMITED LIABILITY CORPORATION	1401	120,000	2
MID-WISCONSIN DBS COOPERATIVE, INC.	1401	278,100	3
TOMORROW VALLEY CABLE TELEVISION, INC.	1401	319,534	4

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		1
Uncollectibles written off during the year		2
Net write offs during the year	<u><u>0</u></u>	

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)
--	-------------------------------	-------------------------	----------------------------------	-------------------------------	---

INVESTMENTS IN NONAFFILIATED COMPANIES (ACCT. 1402)

Name (a)	Balance EOY (b)	
RTB Class B Stock	85,750	1
Other:		
Wausau Cellular Telephone Co. Limited Partnership	491,897	2
Split Dollar Life Insurance	6,187	3
WITS (Class A and B Stock)	54,200	4
US Intelco Networks	19,961	5
RSA #7 Partnership (Limited and General)	1,119,382	6
First Federal Bancshares Stock	183,437	7
Total Investments in Nonaffiliated Companies	1,960,814	

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):		
Leased Telephone Equipment	70,781	1
Depreciation Reserve - Leased Equipment	(70,781)	2
Inventory	28,827	3

DEFERRED MAINTENANCE AND RETIREMENTS (ACCT. 1438)

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

Description of Item (a)	Balance EOY (b)
--	--------------------------------

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
GENERAL SUPPORT ASSETS				
Land	2111	24,098	4,826	1
Motor Vehicles	2112	143,577	10,653	2
Aircraft	2113	0		3
Special Purpose Vehicles	2114	0		4
Garage Work Equipment	2115	0		5
Other Work Equipment	2116	120,680	2,422	6
Buildings	2121	529,070	15,935	7
Furniture	2122	19,906		8
Office Equipment	2123	14,572	4,366	9
General Purpose Computers	2124	78,578	5,164	10
TOTAL--GENERAL SUPPORT ASSETS:		930,481	43,366	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0		11
Digital Electronic Switching	2212	1,741,554	214,406	12
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220	0		14
Radio Systems	2231	0	0	15
Circuit Equipment	2232	599,360	29,203	16
TOTAL--CENTRAL OFFICE ASSETS:		2,340,914	243,609	
INFORMATION ORIGATION/TERMINATION ASSETS				
Station Apparatus	2311	1,980		17
Customer Premises Wiring	2321	0		18
Large Private Branch Exchanges	2341	0		19
Public Telephone Terminal Equipment	2351	18,386	701	20
Other Terminal Equipment	2362	0		21
TOTAL--INFORMATION ORIG/TERM ASSETS:		20,366	701	
CABLE WIRE FACILITIES ASSETS				
Poles	2411	1,380		22
Aerial Cable	2421	2,923	0	23
Underground Cable	2422	74,673	(81)	24
Buried Cable	2423	6,887,343	317,156	25
Submarine Cable	2424	0	0	26
Deep Sea Cable	2425	0		27
Intrabuilding Network Cable	2426	0	0	28
Aerial Wire	2431	0		29
Conduit Systems	2441	149,106	159	30
TOTAL--CABLE WIRE FACILITIES ASSETS:		7,115,425	317,234	
AMORTIZABLE ASSETS				
Capital Leases	2681	0		31

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

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2111			28,924	1
2112	9,462		144,768	2
2113			0	3
2114			0	4
2115			0	5
2116			123,102	6
2121			545,005	7
2122	500		19,406	8
2123	4,069	0	14,869	9
2124	27,769		55,973	10
	41,800	0	932,047	
2211			0	11
2212	0	0	1,955,960	12
2215	0	0	0	13
2220			0	14
2231	0	0	0	15
2232	0	0	628,563	16
	0	0	2,584,523	
2311			1,980	17
2321			0	18
2341			0	19
2351			19,087	20
2362			0	21
	0	0	21,067	
2411	(279)		1,659	22
2421	2,923	0	0	23
2422	0	0	74,592	24
2423	162	0	7,204,337	25
2424	0	0	0	26
2425			0	27
2426	0	0	0	28
2431			0	29
2441			149,265	30
	2,806	0	7,429,853	
2681			0	31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)
AMORTIZABLE ASSETS			
Leasehold Improvements	2682	0	32
Intangibles	2690	0	33
TOTAL--AMORTIZABLE ASSETS:		0	0
TOTAL TELECOM. PLANT IN SERVICE	2001	10,407,186	604,910
Less: Allocation to Nonregulated Activity - EOY	2001		34
NET REG. TOTAL TELE. PLANT IN SERV. - EOY	2001		

Explain all amounts shown in column (g).

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

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2682			0	32
2690			0	33
	0	0	0	
	44,606	0	10,967,490	
2001				34
			10,967,490	

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	10,356	4,366	1
Company Communications Equipment	2123.2	4,216		2
Software	2212.1	0		3
Digital Switching - Central Office	2212.2	1,741,554	214,406	4
Digital Switching - Remote	2212.3	0		5
Step by Step Switching	2215.1	0		6
Crossbar Switching	2215.2	0		7
Satellite and Earth Station Facilities	2231.1	0		8
Other Radio Facilities	2231.2	0		9
Digital Circuit Equipment	2232.1	599,360	29,203	10
Analog Circuit Equipment	2232.2	0		11
Light Wave Circuit Equipment	2232.3	0		12
Aerial Cable - Nonmetallic	2421.1	2,923		13
Aerial Cable - Metallic	2421.2	0		14
Underground Cable - Nonmetallic	2422.1	6,847	(81)	15
Underground Cable - Metallic	2422.2	67,826		16
Buried Cable - Nonmetallic	2423.1	1,145,884	10,117	17
Buried Cable - Metallic	2423.2	5,741,459	307,039	18
Submarine Cable - Nonmetallic	2424.1	0		19
Submarine Cable - Metallic	2424.2	0		20
Intrabuilding Cable - Nonmetallic	2426.1	0		21
Intrabuilding Cable - Metallic	2426.2	0		22

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	3,682		11,040	1
2123.2	387		3,829	2
2212.1			0	3
2212.2			1,955,960	4
2212.3			0	5
2215.1			0	6
2215.2			0	7
2231.1			0	8
2231.2			0	9
2232.1			628,563	10
2232.2			0	11
2232.3			0	12
2421.1	2,923		0	13
2421.2			0	14
2422.1			6,766	15
2422.2			67,826	16
2423.1			1,156,001	17
2423.2	162		6,048,336	18
2424.1			0	19
2424.2			0	20
2426.1			0	21
2426.2			0	22

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
GENERAL SUPPORT ASSETS					
Motor Vehicles	2112	69,244	12.18	17,563	1
Aircraft	2113	0			2
Special Purpose Vehicles	2114	0			3
Garage Work Equipment	2115	0			4
Other Work Equipment	2116	74,037	9.09	12,383	5
Buildings	2121	183,128	2.94	15,663	6
Furniture	2122	16,255	9.09	1,790	7
Office Equipment	2123	7,230	12.7	998	8
General Purpose Computers	2124	74,446	25.0	4,132	9
Total-- GENERAL SUPPORT ASSETS		424,340		52,529	0
CENTRAL OFFICE ASSETS					
Analog Electronic Switching	2211	0			10
Digital Electronic Switching	2212	111,731	8.5	150,429	11
Electro-Mechanical Switching	2215	0			12
Operator Systems	2220	0			13
Radio Systems	2231	0			14
Circuit Equipment	2232	137,949	9.5	57,436	15
Total-- CENTRAL OFFICE ASSETS		249,680		207,865	0
INFORMATION ORIG/TERM ASSETS					
Station Apparatus	2311	1,980			16
Customer Premises Wiring	2321	0			17
Large Private Branch Exchanges	2341	0			18
Public Telephone Terminal Equipment	2351	16,562	10.0	1,874	19
Other Terminal Equipment	2362	0			20
Total-- INFORMATION ORIG/TERM ASSETS		18,542		1,874	0
CABLE WIRE FACILITIES ASSETS					
Poles	2411	1,380	11.7		21
Aerial Cable	2421	2,923	6.3		22
Underground Cable	2422	37,951	4.2	3,347	23
Buried Cable	2423	2,882,222	5.1	355,062	24
Submarine Cable	2424	0			25
Deep Sea Cable	2425	0			26
Intrabuilding Network Cable	2426	0			27
Aerial Wire	2431	0			28

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112	9,462		3,992		81,337	1
2113					0	2
2114					0	3
2115					0	4
2116					86,420	5
2121					198,791	6
2122	500				17,545	7
2123	4,069		995		5,154	8
2124	27,769				50,809	9
	41,800	0	4,987	0	440,056	
2211					0	10
2212	0				262,160	11
2215	0				0	12
2220					0	13
2231	0				0	14
2232	0				195,385	15
	0	0	0	0	457,545	
2311					1,980	16
2321					0	17
2341					0	18
2351					18,436	19
2362					0	20
	0	0	0	0	20,416	
2411	(279)				1,659	21
2421	2,923				0	22
2422	0				41,298	23
2423	162				3,237,122	24
2424	0				0	25
2425					0	26
2426	0				0	27
2431					0	28

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
CABLE WIRE FACILITIES ASSETS					
Conduit Systems	2441	40,689	2.5	3,728	29
Total-- CABLE WIRE FACILITIES ASSETS		2,965,165		362,137	0
Total Accumulated Depreciation	3100	3,657,727		624,405	0
Less: Allocation to Nonregulated Activity - Columns e, f and I	3100				30
Net Regulated Total Accum Depreciation - 3100 Columns e, f and I				624,405	0

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441					44,417	29
	2,806	0	0	0	3,324,496	
3100	44,606	0	4,987	0	4,242,513	
3100						30
3100					4,242,513	

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	3,014	10.0	998		1
Company Communications Equipment	2123.2	4,216	20.0			2
Software	2212.1	0				3
Digital Switching - Central Office	2212.2	111,731	8.5	150,429		4
Digital Switching - Remote	2212.3	0				5
Step by Step Switching	2215.1	0				6
Crossbar Switching	2215.2	0				7
Satellite and Earth Station Facilities	2231.1	0				8
Other Radio Facilities	2231.2	0				9
Digital Circuit Equipment	2232.1	137,949	9.5	57,436		10
Analog Circuit Equipment	2232.2	0				11
Light Wave Circuit Equipment	2232.3	0				12
Aerial Cable - Nonmetallic	2421.1	2,923	6.3			13
Aerial Cable - Metallic	2421.2	0				14
Underground Cable - Nonmetallic	2422.1	866	4.1	287		15
Underground Cable - Metallic	2422.2	37,085	4.2	3,060		16
Buried Cable - Nonmetallic	2423.1	124,930	4.2	47,017		17
Buried Cable - Metallic	2423.2	2,757,292	5.3	308,045		18
Submarine Cable - Nonmetallic	2424.1	0				19
Submarine Cable - Metallic	2424.2	0				20
Intrabuilding Cable - Nonmetallic	2426.1	0				21
Intrabuilding Cable - Metallic	2426.2	0				22

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

Subacct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2123.1	3,682		995		1,325	1
2123.2	387				3,829	2
2212.1					0	3
2212.2					262,160	4
2212.3					0	5
2215.1					0	6
2215.2					0	7
2231.1					0	8
2231.2					0	9
2232.1					195,385	10
2232.2					0	11
2232.3					0	12
2421.1	2,923				0	13
2421.2					0	14
2422.1					1,153	15
2422.2					40,145	16
2423.1					171,947	17
2423.2	162				3,065,175	18
2424.1					0	19
2424.2					0	20
2426.1					0	21
2426.2					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)		1
Other Noncurrent Assets (1410)	3,168	2
Deferred Tax Regulatory Asset (1437)	69,190	3
Net Current Deferred Operating Income Taxes (4100)	0	4
Net Noncurrent Deferred Operating Income Taxes (4340)	(148,016)	5
Net Deferred Tax Liability Adjustments (4341)	92,393	6
Deferred Tax Regulatory Liability (4361)	(156,027)	7
Net Property Related Deferred Operating Income Taxes	(139,292)	
Less: Allocation to Nonregulated Activity		8
Net Regulated Total Property Related Deferred Operating Income Taxes	(139,292)	
NONPROPERTY RELATED		
Other Current Assets (1350)	4,888	9
Other Noncurrent Assets (1410)	(2,534)	10
Deferred Tax Regulatory Asset (1437)	0	11
Net Current Deferred Operating Income Taxes (4100)	0	12
Net Noncurrent Deferred Operating Income Taxes (4340)	0	13
Net Deferred Tax Liability Adjustments (4341)	0	14
Deferred Tax Regulatory Liability (4361)	0	15
Total Nonproperty Related Deferred Operating Income Taxes	2,354	

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	1
7250	(3,168)			0	2
	(4,976)			64,214	3
7250	0			0	4
7250	(130,195)			(278,211)	5
	(1,589)			90,804	6
	18,386			(137,641)	7
	(121,542)	0	0	(260,834)	8
				0	
	(121,542)	0	0	(260,834)	
7250	7,924			12,812	9
7250	2,534			0	10
				0	11
7250				0	12
7250				0	13
				0	14
				0	15
	10,458	0	0	12,812	

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)	
Other:					
Environmental Cleanup Project	10/26/1996	10/26/1997	8.7500	17,313	1
Total Other				<u>17,313</u>	
Total Notes Payable				<u><u>17,313</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):				
RTB Note #S012	04/23/1993	04/23/2009	6.8800	1
RTB Note #S013	04/23/1993	04/23/2009	6.4200	2
RTB Notes #S010 and S011	04/23/1993	04/23/2009	6.4000	3
RUS Notes #12010 and 12020	05/24/1979	05/24/2014	5.0000	4
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)				
6.8800			527,266	29,700	556,966	1
6.4200			451,736	27,000	478,736	2
6.4000			601,197	35,200	636,397	3
5.0000			3,412,475	130,000	3,542,475	4
	0	0	4,992,674	221,900	5,214,574	

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:			
Capital Stock	16,000	25.00	1
TOTAL COMMON STOCK	16,000		
TOTAL	<u>16,000</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:					
Capital Stock	13,250	331,250			1
	13,250	331,250	0	0	
TOTAL	<u>13,250</u>	<u>331,250</u>	<u>0</u>	<u>0</u>	

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	4,741,066	4,396,631	1
Changes:			
Balance Transferred from Income	654,913	543,185	2
Dividends Declared:			
Common	198,750	198,750	3
Preferred		0	4
Total Dividends Declared	198,750	198,750	
Miscellaneous Debits to Retained Earnings		0	5
Miscellaneous Credits to Retained Earnings		0	6
Balance--End of Year	<u>5,197,229</u>	<u>4,741,066</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)	165,847	81,888	252,810	1
Nonoperating Taxes (Accts. 7410 - 7450)		7,788	29,514	2
Extraordinary Items (Accts. 7630 & 7640)				3
Nonregulated Net Income (Acct. 7990)		(2,165)	(8,099)	4
Clearing Accounts				5
Construction				6
Payroll Taxes: FICA				7
Payroll Taxes: State Unemployment				8
Payroll Taxes: Federal Unemployment				9
Other (specify):				
Operating Deferred		(25,347)	(78,528)	10
Nonregulated Deferred		(54)	(200)	11
Nonoperating Deferred		18,999	71,038	12
Amort. ITC			41,923	13
TOTAL	<u>165,847</u>	<u>81,109</u>	<u>308,458</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)	
4,535					505,080	1
					37,302	2
					0	3
					(10,264)	4
					0	5
					0	6
				33,684	33,684	7
				773	773	8
				924	924	9
					(103,875)	10
					(254)	11
					90,037	12
					41,923	13
4,535	0	0	0	35,381	595,330	

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)*	862,667	753,187	1
Basic Area Revenue (5001)			2
Optional Extended Area Revenue (5002)			3
Cellular Mobile Revenue (5003)			4
Other Mobile Services Revenue (5004)			5
Public Telephone Revenue (5010)			6
Local Private Line Revenue (5040)			7
Customer Premises Revenue (5050)			8
Other Local Exchange Revenue (5060)			9
Other Local Exchange Revenue Settlements (5069)			10
TOTAL BASIC LOCAL SERVICE REVENUE (5000)	862,667	753,187	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	195,822	186,363	11
Switched Access Revenue (5082)*	656,868	683,192	12
Special Access Revenue (5083)*	108,319	115,983	13
TOTAL INTERSTATE ACCESS REVENUES (5080)	961,009	985,538	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*	0	0	14
Switched Access Revenue (5084.2)*	761,829	648,625	15
Special Access Revenue (5084.3)*	40,111	32,981	16 C
TOTAL INTRASTATE ACCESS REVENUES (5084)	801,940	681,606	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*	0	0	17
Long Distance Inward-Only Revenue (5111)			18
Long Distance Outward-Only Revenue (5112)			19
Unidirectional Long Distance Revenue (5110)	0	0	
Long Distance Private Network Revenues			
Subvoice Grade Revenue (5121)			20
Voice Grade Revenue (5122)			21
Audio Program Grade Revenue (5123)			22
Video Program Grade Revenue (5124)			23
Digital Transmission Revenue (5125)			24
Switching Revenue (5126)			25
Other Revenue (5128)			26
Other Revenue Settlements (5129)			27
Total Long Distance Private Network Revenue	0	0	
Other Long Distance Revenue (5160)			28
Other Long Distance Revenue Settlements (5169)			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)*	92,583	92,562	30
Rent Revenue (5240)*	1,089	121	31
Corporate Operations Revenue (5250)*	4,908	1,073	32
Miscellaneous:			
Miscellaneous Revenue (5260)*	8,751	3,875	33
Special Billing Arrangements Revenue (5261)			34
Customer Operations Revenue (5262)			35
Plant Operations Revenue (5263)			36
Other Incidental Regulated Revenue (5264)			37
Other Revenue Settlements (5269)			38
Total Miscellaneous Revenue (5260)	8,751	3,875	
Interstate Billing and Collection Revenue*	41,283	44,975	39
Intrastate Billing and Collection Revenue*	71,830	76,132	40
Total Carrier Billing and Collection Revenue (5270)*	113,113	121,107	
Nonregulated Operating Revenue (5280)**			41
TOTAL MISCELLANEOUS REVENUES	220,444	218,738	
GROSS OPERATING REVENUES	2,846,060	2,639,069	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*	1,722	(4,091)	42 D
Uncollectible Revenue--Telecommunications (5301)			43
Uncollectible Revenue--Other (5302)			44
TOTAL UNCOLLECTIBLE REVENUE (5300)	1,722	(4,091)	
TOTAL OPERATING REVENUES	2,844,338	2,643,160	

** 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)	0	0	0	1
Less: Nonregulated		0		2
Net Regulated	0	0	0	3
Total General Support Expense (6120)	52,238	21,555	4,106	4
Less: Nonregulated		0		5 A
Net Regulated	52,238	21,555	4,106	6
Total Central Office Switching Expense (6210)	168,959	138,503	66,144	7
Less: Nonregulated		0		8
Net Regulated	168,959	138,503	66,144	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)	13,721	5,137	1,689	13
Less: Nonregulated		0		14 B
Net Regulated	13,721	5,137	1,689	15
Total Information Orig. / Term. Expense (6310)	4,801	4,949	2,635	16
Less: Nonregulated		0		17
Net Regulated	4,801	4,949	2,635	18
Total Cable and Wire Fac. Expense (6410)	124,169	139,706	40,961	19
Less: Nonregulated		0		20
Net Regulated	124,169	139,706	40,961	21
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	363,888	309,850	115,535	
Less: Nonregulated	0	0	0	
Net Regulated	363,888	309,850	115,535	
PLANT NONSPECIFIC OPERATIONS EXPENSE				
Total Other Property, Plant and Equip. Exp. (6510)	0	0	2,249	22
Less: Nonregulated		0		23
Net Regulated	0	0	2,249	24
Total Network Operations Expense (6530)	52,638	52,319	25,998	25
Less: Nonregulated		0		26
Net Regulated	52,638	52,319	25,998	27
Access Expense (6540)		0	0	28
Less: Nonregulated		0		29
Net Regulated	0	0	0	30
Total Depreciation and Amortization Expense (6560)	563,208	622,820		31
Less: Nonregulated		0		32
Net Regulated	563,208	622,820		33
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	615,846	675,139	28,247	
Less: Nonregulated	0	0	0	
Net Regulated	615,846	675,139	28,247	

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6110	0		26,220	(26,220)	1
	0	0	26,220	(26,220)	2
	0	0	26,220	(26,220)	3
6120	1,646		15,803		4
	1,646	0	15,803	0	5 A
	1,646	0	15,803	0	6
6210	25,179		47,180		7
	25,179	0	47,180	0	8
	25,179	0	47,180	0	9
6220	0		0		10
	0	0	0	0	11
	0	0	0	0	12
6230	626		2,822		13
	626	0	2,822	0	14 B
	626	0	2,822	0	15
6310	1,119		1,195		16
	1,119	0	1,195	0	17
	1,119	0	1,195	0	18
6410	15,579		83,166		19
	15,579	0	83,166	0	20
	15,579	0	83,166	0	21
	44,149	0	176,386	(26,220)	
	0	0	0	0	
	44,149	0	176,386	(26,220)	
6510	878	0	968	(4,095)	22
	878		968	(4,095)	23
	878		968	(4,095)	24
6530	10,175		16,146		25
	10,175	0	16,146	0	26
	10,175	0	16,146	0	27
6540	0		0		28
	0	0	0	0	29
	0	0	0	0	30
6560			622,820		31
			622,820		32
			622,820		33
	11,053	0	639,934	(4,095)	
	0	0	0	0	
	11,053	0	639,934	(4,095)	

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)	
CUSTOMER OPERATIONS EXPENSE				
Total Marketing (6610)		0	0	34
Less: Nonregulated		0		35
Net Regulated	0	0	0	36
Total Services (6620)	317,736	293,801	51,227	37
Less: Nonregulated		0		38
Net Regulated	317,736	293,801	51,227	39
TOTAL CUSTOMER OPERATIONS EXPENSE	317,736	293,801	51,227	
Less: Nonregulated	0	0	0	
Net Regulated	317,736	293,801	51,227	
CORPORATE OPERATIONS EXPENSE				
Total Exec. and Planning (6710)	97,250	109,786	64,346	40
Less: Nonregulated		0		41
Net Regulated	97,250	109,786	64,346	42
Total General and Administrative (6720)	170,376	196,212	50,957	43
Less: Nonregulated		0		44
Net Regulated	170,376	196,212	50,957	45
Provision for Uncollectible Notes Receiv. (6790)		0		46
Less: Nonregulated		0		47
Net Regulated	0	0		48
TOTAL CORPORATE OPERATIONS EXPENSE	267,626	305,998	115,303	
Less: Nonregulated	0	0	0	
Net Regulated	267,626	305,998	115,303	
TOTAL EXPENSES	1,565,096	1,584,788	310,312	
Less: Nonregulated	0	0	0	
Net Regulated	1,565,096	1,584,788	310,312	

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6610	0		0		34
					35
	0	0	0	0	36
6620	20,311		222,263		37
					38
	20,311		222,263	0	39
	20,311	0	222,263	0	
	0	0	0	0	
	20,311	0	222,263	0	
6710	25,485		19,955		40
					41
	25,485		19,955	0	42
6720	20,149		125,106		43
					44
	20,149		125,106	0	45
6790			0		46
					47
			0		48
	45,634	0	145,061	0	
	0	0	0	0	
	45,634	0	145,061	0	
	121,147	0	1,183,644	(30,315)	
	0	0	0	0	
	121,147	0	1,183,644	(30,315)	

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	2,249	1
Provisioning Expense (6512)	0	0		2
Total: Reported in Account 6510	0	0	2,249	
Depreciat. Exp.--Tele. Plant in Service (6561)	563,208	622,820		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	563,208	622,820		

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

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6511	878		968	(4,095)	1
6512					2
	878		968	(4,095)	
6561			622,820		3
6562					4
6563					5
6564					6
6565					7
			622,820		

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	1
Less: current year write-offs of uncollectible accounts - out-of-state utility customers only	2
Plus: current year collection of out-of-state utility customer accounts previously written off	3
Net out-of-state operating revenues	<u><u>0</u></u>

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)*	634	813	1
Return from Nonregulated Use of Regulated Facilities (7130)*	0	0	2
Gains and (Losses) from Foreign Exchange (7140)		0	3
Gains or (Losses) from the Disposition of Land and Artworks (7150)		0	4
Other Operating Gains and (Losses) (7160)*	0	0	5
TOTAL OTHER OPERATING INCOME AND (EXPENSE) (7100)*	634	813	
OPERATING TAXES			
Operating Investment Tax Credits--Net (7210)*	(41,923)	(27,417)	6
Operating Federal Income Taxes (7220)*	216,205	176,346	7
Operating State and Local Income Taxes (7230)*	56,541	48,260	8
Operating Other Taxes (7240)*	170,382	155,305	9
Provision for Deferred Operating Income Taxes--Net (7250)*	103,875	65,832	10
TOTAL OPERATING TAXES (7200)*	505,080	418,326	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)*	2,600	500	11
Interest Income (7320)*	54,957	54,693	12
Income from Sinking and Other Funds (7330)*	0	0	13
Allowance for Funds Used During Construction (7340)*	0	0	14
Gains or (Losses) from the Disposition of Certain Property (7350)*	0	0	15
Other Nonoperating Income (7360)*	191,892	150,058	16
Special Charges (7370)*	976	2,734	17
TOTAL NONOPERATING INCOME AND EXPENSE (7300)*	248,473	202,517	
NONOPERATING TAXES			
Nonoperating Investment Tax Credits--Net (7410)*	0	0	18
Nonoperating Federal Income Taxes (7420)*	100,552	94,091	19
Nonoperating State and Local Income Taxes (7430)*	26,787	25,132	20
Nonoperating Other Taxes (7440)*	0	0	21
Provision for Deferred Nonoperating Income Taxes-Net (7450)*	(90,037)	(84,289)	22
TOTAL NONOPERATING TAXES (7400)*	37,302	34,934	
INTEREST AND RELATED ITEMS			
Interest on Funded Debt (7510)*	294,467	284,357	23
Interest Expense--Capital Leases (7520)*	0	0	24
Amortization of Debt Issuance Expense (7530)*	377	377	25
Other Interest Deductions (7540)*	0	202	26
TOTAL INTEREST AND RELATED ITEMS (7500)*	294,844	284,936	
EXTRAORDINARY ITEMS			
Extraordinary Items (7600)*	0	0	27
Extraordinary Income Credits (7610)		0	28
Extraordinary Income Charges (7620)		0	29
Current Income Tax Effect of Extraordinary Items--Net (7630)		0	30
Provision for Deferred Income Tax Effect of Extraordinary Items--Net (7640)		0	31
TOTAL EXTRAORDINARY ITEMS (7600)*	0	0	
NONREGULATED NET INCOME			
Nonregulated Net Income (7990)*	(16,518)	(13)	32

NONREGULATED NET INCOME (ACCT. 7990)

Particulars (a)	Amount (b)	
Revenues (Acct. 7990.1)		
Gross Sales	108,281	1
Less: Cost of Goods Sold		2
Net Sales	108,281	3
Expenses (Acct. 7990.2)	124,799	4
Nonregulated Net Income	<u>(16,518)</u>	5

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

Selling and leasing of telephone and DBS equipment.

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	310,312	1
Nonregulated Expense	39,715	2
Plant Accounts	27,831	3
Accumulated Depreciation Accounts		4
All Other Accounts	62,730	5
Total Salaries and Wages	440,588	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	3.00	2.00	118,174	1
Supervision and Other Management		1.00	19,800	2
Other Employees	13.00	8.50	302,614	3
Total	16.00	11.50	440,588	

DISTRIBUTION OF SALARIES AND WAGES

Description (a)	Amount (b)	
Regulated Expense	310,312	1
Nonregulated Expense	39,715	2
Plant Accounts	27,831	3
Accumulated Depreciation Accounts		4
All Other Accounts	62,730	5
Total Salaries and Wages	440,588	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	3.00	2.00	118,174	1
Supervision and Other Management		1.00	19,800	2
Other Employees	13.00	8.50	302,614	3
Total	16.00	11.50	440,588	

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	391	1,396	1
Extended Area Service	134	478	2
Extended Community Calling	90	762	3
Other Local-Undefined			4
Total Local	615	2,636	
TOLL			
Operator Handled: State--intraLATA	6	51	5
Operator Handled: State--interLATA	2	27	6
Operator Handled: Interstate	2	25	7
Customer Dialed: State--intraLATA	129	1,092	8
Customer Dialed: State--interLATA	37	498	9
Customer Dialed: Interstate	50	613	10
WATS	2		11
Other Toll-Undefined			12
Total Toll	228	2,306	
Total Local & Toll	843	4,942	

ACCESS USAGE

Enter number, in thousands, of Billed Minutes.

Description (a)	Billed Minutes (000's)				
	Interstate InterLATA (b)	Intrastate InterLATA (c)	Intrastate IntraLATA (d)	Interstate IntraLATA (e)	
Feature Group A -- Orig.					1
Feature Group A -- Term.					2
Feature Group B -- Orig.	25				3
Feature Group B -- Term.	6				4
Feature Group C -- Orig.			2,659		5
Feature Group C -- Term.			2,365		6
Feature Group D -- Orig.	3,418	3,327			7
Feature Group D -- Term.	3,751	2,669			8

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial		1
Sheath miles of plant - buried	797	2
Sheath miles of plant - fiber optics	76	3
Strand miles of plant - fiber optics	1,063	4
Route miles of plant - microwave		5

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade		17	1
56 kbps		8	2
64 kbps (DS0)			3
1.54 Mbps (DS-1)	20	1	4
45 Mbps (DS-3)			5
SONET OC-1		1	6
SONET OC-3			7
SONET OC-12			8
SONET OC-48			9
SONET OC-192			10

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial		1
Sheath miles of plant - buried	797	2
Sheath miles of plant - fiber optics	76	3
Strand miles of plant - fiber optics	1,063	4
Route miles of plant - microwave		5

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade		17	1
56 kbps		8	2
64 kbps (DS0)			3
1.54 Mbps (DS-1)	20	1	4
45 Mbps (DS-3)			5
SONET OC-1		1	6
SONET OC-3			7
SONET OC-12			8
SONET OC-48			9
SONET OC-192			10

SERVICE DATA

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

Item (a)	FOY (b)	EOY (c)	
Business			
1 Party	567	596	3
2 Party	0		4
4 Party	0		5
PBX Trunks/System Trunks	8	8	6
Centrex Trunks	0		7
Centrex Lines	0		8
Key System Trunks	147	149	9
Mobile (Utility Provided Service)	0		10
Paging (Utility Provided Service)	0		11
FX-Out (Switched)	5	3	12
Pay Telephone			13
Coin-Operated Pay Telephone			14
Independent Pay Telephone Provider			15
Pay Stations - Public	7	7	16
- Semi-Public	10	8	17
- Cust. Owned	5	5	18
Other	0		19
Total Business Lines	749	776	20
Residential (Incl. Emp. Concess.)			
1 Party	3,505	3,618	22
2 Party	0		23
4 Party	0		24
FX-Out (Switched)	0		25
Other	0		26
Total Residential Lines	3,505	3,618	27
Total Bus & Res Lines	4,254	4,394	28
Company Used Lines	14	17	29
Total Lines Used	4,268	4,411	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	5	3	3
WATS Lines - 800 Service	5		4
FX-In-intraLATA	10	9	5
Special Access-intraLATA			6
(expressed in equiv. access lines)	0	721	7
Special Access-interLATA			8
(expressed in equiv. access lines)	15	480	9
Feature Group A Lines	0		10
Feature Group B Trunks	0		11
Feature Group C Trunks	0		12
Feature Group D Trunks	269	269	13
TSPS - Trunks	10	10	14
EAS - Trunks	72	120	15
Cellular Trunks (Pub. Sw. Net.)	0		16
Video Distance Learning			17
- discounted (special tariff)	0		18
Customers			
Business - 2 Party Customers	0		20
Business - 4 Party Customers	0		21
Residential - 2 Party Customers	0		22
Residential - 4 Party Customers	0		23
Other			
Total Central Office, Info. Orig./Term., & Cable			25
Wire Fac. Assets (based on physical location of plant)			26
	9,476,705	10,035,443	27
Total Company Square Miles	249	249	28
Total Company Route Miles	907	930	29
Footnotes		F	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	0120	4290	4680		1
Business					2
1 Party	317	154	125		3
2 Party					4
4 Party					5
PBX Trunks/System Trunks	8				6
Centrex Trunks					7
Centrex Lines					8
Key System Trunks	91	35	23		9
Mobile (utility provided service)					10
Paging (utility provided service)					11
FX-Out (Switched)			3		12
Pay Telephone					13
Coin-Operated Pay Telephone					14
Independent Pay Telephone Provider					15
Pay Stations - Public	4	1	2		16
- Semi-Public	3	3	2		17
- Cust. Owned	4		1		18
Other					19
Total Business Lines	427	193	156	0	20
Residential (Incl. Emp. Concess.)					21
1 Party	1,651	1,126	841		22
2 Party					23
4 Party					24
FX-Out (Switched)					25
Other					26
Total Residential Lines	1,651	1,126	841	0	27
Total Bus & Res Lines	2,078	1,319	997	0	28
Company Used Lines	11	4	2		29
Total Lines Used	2,089	1,323	999	0	30

SERVICE DATA - END OF YEAR (cont.)

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

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	0120	4290	4680		1
Miscellaneous					2
WATS Lines - OutWATS	1		2		3
WATS Lines - 800 Service					4
FX-In-intraLATA	5		4		5
Special Access-intraLATA (equiv. access lines)	721				6 7
Special Access-interLATA (equiv. access lines)	408	72			8 9
Feature Group A Lines					10
Feature Group B Trunks					11
Feature Group C Trunks					12
Feature Group D Trunks	269				13
TSPS - Trunks	10				14
EAS - Trunks	120				15
Cellular Trunks (Pub. Sw. Net.)					16
Video Distance Learning - discounted (special tariff)					17 18
Customers					19
Business - 2 Party Customers					20
Business - 4 Party Customers					21
Residential - 2 Party Customers					22
Residential - 4 Party Customers					23
Other					24
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical location of plant)	4,745,938	3,012,460	2,277,045		26 27
Exchange Square Miles	101	67	81		28
Exchange Route Miles	411	270	249		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

EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

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

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

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

EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

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

CENTRAL OFFICE DATA - END OF YEAR

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

Description (a)	Central Off. (b)	Central Off. (c)	Central Off. (d)	Central Off. (e)	
Exchange Name	AMHERST	AMHERST	AMHERST	AMHERST	1
PSCW Exchange ID	0120	0120	0120	0120	2
Central Office Name	AMHERST	B&K	JJK	NELSONVILLE	3
PSCW Central Office ID	1	2	3	4	4
Manufacturer of COE (Page 54)	SI	SI	SI	SI	5
Year COE Installed	1995	1996	1996	1996	6
Type of Equipment (Page 54)	D	D	D	D	7
(S)tandalone, (H)ost, (R)emote	H	R	R	R	8
Remote Host PSCW Exchange ID		0120	0120	0120	9
Remote Host PSCW Central Office ID	0	1	1	1	10
COE Generic Software Release No.	11	11	11	11	11
SS7?	Yes	Yes	Yes	Yes	12
9-1-1?	Yes	Yes	Yes	Yes	13
Access Lines - In Use	1,515	189	156	130	14
- Equipped	2,231	307	209	528	15
- Wired	4,000	800	800	800	16
Trunks - In Use	399				17
- Equipped	423				18
- Wired	519				19
ISDN Available?	Yes	No	No	Yes	20
ISDN Lines - In Use (BRI)	0				21
- In Use (PRI)	0				22
Switched 56 Service?	No	No	No	No	23
Switched 56 lines in use	0				24
Digital Transmission Facilities: DS-1 - In Use	18				25
DS-3 - In Use	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				32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	82	40	40	24	33
No. of fiber strands working (LIT) in C.O.	22	8	8	8	34
No. of fiber strands for interoffice use	377	64	64	48	35
Miles of fiber sheath in wire center	22	4	4	4	36
Access Tandem Serving this C.O.:					
- C.O. Name	STEVENS POINT				37
- PSCW C.O. ID	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					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	AMHERST	POLONIA	POLONIA	ROSHOLT	1
PSCW Exchange ID	0120	4290	4290	4680	2
Central Office Name	Q&A	POLONIA	CUSTER	ROSHOLT	3
PSCW Central Office ID	5	1	2	1	4
Manufacturer of COE (Page 54)	SI	SI	SI	SI	5
Year COE Installed	1996	1995	1995	1995	6
Type of Equipment (Page 54)	D	D	D	D	7
(S)tandalone, (H)ost, (R)emote	R	R	R	R	8
Remote Host PSCW Exchange ID	0120	0120	0120	0120	9
Remote Host PSCW Central Office ID	1	1	1	1	10
COE Generic Software Release No.	11	11	11	11	11
SS7?	Yes	Yes	Yes	Yes	12
9-1-1?	Yes	Yes	Yes	Yes	13
Access Lines - In Use	102	819	504	996	14
- Equipped	256	1,062	640	1,182	15
- Wired	400	1,600	800	1,600	16
Trunks - In Use		0		0	17
- Equipped		0		0	18
- Wired		0		0	19
ISDN Available?	No	Yes	Yes	Yes	20
ISDN Lines - In Use (BRI)		0		0	21
- In Use (PRI)		0		0	22
Switched 56 Service?	No	No	No	No	23
Switched 56 lines in use		0		0	24
Digital Transmission Facilities: DS-1 - In Use		3		0	25
DS-3 - In Use		0		1	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	Yes	31
- In Use (# lines) ¹		0		1	32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	12	20	52	48	33
No. of fiber strands working (LIT) in C.O.	4	6	12	16	34
No. of fiber strands for interoffice use	12	108	130	260	35
Miles of fiber sheath in wire center	1	14	5	22	36
Access Tandem Serving this C.O.:					
- C.O. Name		STEVENS POINT			37
- PSCW C.O. ID		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		E			42

¹ Teleco provided end-to-end facility.

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

Accountants Compilation Report

To the Board of Directors
Amherst Telephone Company
Amherst, Wisconsin 54406

We have compiled the balance sheets of Amherst Telephone Company as of December 31, 1996 and 1995, and the related statements of income and retained earnings for the years then ended, and the statement of cash flows for the year ended December 31, 1996, included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary information presented in the prescribed form, except for pages 46 through 55.

Our compilation was limited to presenting in the form prescribed by the Public Service Commission of Wisconsin, information that is the representation of management. We have not audited or reviewed the financial statements and supplementary information referred to above and, accordingly, do not express an opinion or any other form of assurance on them. These financial statements were compiled by us from financial statements for the same period that we previously audited, as indicated in our report dated February 5, 1997.

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

The supplementary information contained on pages 46 through 55 of the accompanying prescribed form has not been audited, reviewed, or compiled by us, and, accordingly, we assume no responsibility for that information.

Kiesling Associates LLP
Madison, Wisconsin
April 28, 1997

Schedule Footnotes**Notes to Income Statement or Balance Sheet Footnote. Page 9**

This footnote is not being used.

Nonregulated Net Income (Acct. 7990) Footnote. Page 45

List of types of nonregulated activity which did not load entered by ele on 7/22/97 from the hardcopy.

General, Schedule Level and Schedule Line Footnotes Footnote. Page 56

This footnote is not being used.

Schedule Line Footnotes

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

- A) Decrease due to extensive roof, generator, and air conditioning maintenance in 1995.
- B) Decrease due to less circuit equipment maintenance in 1996.
- C) Increase due to increase in intrastate minutes of use in 1996.
- D) Increase due to fewer recoveries of accounts written off from interexchange carriers in 1996.
- E) There is no access tandem serving this C.O., but Stevens Point could not be deleted.
- F) To properly reflect first of year balances.
- G) Purchase of DBS equipment for resale.