



4004

ANNUAL REPORT

OF

Name: MIDWAY TELEPHONE COMPANY

Principal Office: 202 E. OGDEN STREET
MEDFORD, WI 54451

For the Year Ended: DECEMBER 31, 1997

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 GERALD A. RINGLUND of
(Person responsible for accounts)

MIDWAY 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.

GERALD A. RINGLUND 04/17/1997
(Person responsible for accounts) (Date)

ASSISTANT TREASURER
(Title)

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ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

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

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

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

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

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

ABBREVIATIONS USED IN ANNUAL REPORTS

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

IDENTIFICATION AND OWNERSHIP

Exact Utility Name: MIDWAY TELEPHONE COMPANY
Utility Location: 202 E. OGDEN STREET
MEDFORD, WI 54451

Utility Web Site Address:

When was utility organized?: 01/28/1909

Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: MR GERALD A . RINGLUND
Title: ASSISTANT TREASURER

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

Fax Number: (608) 664 - 4519
Telephone Number: (608) 664 - 4554
Email Address:

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

Name: MR ROBERT J . SAWICKI
Title: STAFF ACCOUNTANT
Firm:

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Person responsible for financial information contained in report

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Title: ASSISTANT TREASURER

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Person responsible for statistical information contained in report

Name: VARIOUS CONTACTS
Title:

M

Office Address: 301 S. WESTFIELD RD
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MADISON , WI 53705-0158

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

IDENTIFICATION AND OWNERSHIP

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

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

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

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)	5,113,629	4,673,255	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	418,802	312,419	2
Plant Nonspecific Operations Expense	1,253,548	1,184,680	3
Customer Operations Expense (6610-6620)	1,000,878	875,696	4
Corporate Operations Expense (6710-6790)	866,299	776,412	5
Other Operating Income and Expense (7100)	2,928	2,220	6
Operating Taxes (7200)	755,449	698,248	7
Total Operating Expenses	4,292,048	3,845,235	8
Net Operating Income	821,581	828,020	9
Other Income			
Nonoperating Income and Expense (7300)	269,347	362,507	10
Nonoperating Taxes (7400)	58,557	109,409	11
Interest and Related Items (7500)	220,582	227,421	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	7,615	116,797	14
Total Nonoperating Income	(2,177)	142,474	15
Net Income	819,404	970,494	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, 1997, the company has invested \$3,405,000 with Telecommunications Technologies Fund, Inc., and could distribute up to \$6,563,281 to the parent or other affiliates in the form of cash dividends.

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT ASSETS			
CASH AND EQUIVALENTS			
Cash and Equivalents (1120)*			1
Cash (1130)	549,091	201,532	2
Special Cash Deposits (1140)	0	0	3
Working Cash Advances (1150)	800	800	4
Temporary Investments (1160)	4,805,000	4,715,041	5
TOTAL CASH AND EQUIVALENTS	5,354,891	4,917,373	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	208,826	150,289	6
Accounts Receivable Allowance-Telecom (1181)*	0	0	7
Net: Telecommunications Accounts Receivable	208,826	150,289	
Other Accounts Receivable (1190)*	717,022	1,148,420	8
Accounts Receivable Allowance--Other (1191)*	0	0	9
Net: Other Accounts Receivable	717,022	1,148,420	
Notes Receivable (1200)*	0	0	10
Notes Receivable Allowance (1201)*	0	0	11
Net: Notes Receivable	0	0	
Interest and Dividends Receivable (1210)*	94,018	92,967	12
TOTAL RECEIVABLES AND ALLOWANCES FOR DOUBTFUL	1,019,866	1,391,676	
SUPPLIES			
Inventories (1220)*	82,359	83,653	13
TOTAL SUPPLIES	82,359	83,653	
PREPAYMENTS			
Total Prepayments (1280)*			14
Prepaid Rents (1290)	0	0	15
Prepaid Taxes (1300)	4,621	0	16
Prepaid Insurance (1310)	0	0	17
Prepaid Directory Expenses (1320)	0	0	18
Other Prepayments (1330)	19,264	13,558	19
TOTAL PREPAYMENTS	23,885	13,558	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	0	(764)	20
TOTAL OTHER CURRENT ASSETS	0	(764)	
TOTAL CURRENT ASSETS	6,481,001	6,405,496	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	0	0	21
Investments in Nonaffiliated Companies (1402)*	231,137	231,137	22
Nonregulated Investments (1406)*	50,854	69,306	23
Unamortized Debt Issuance Expense (1407)*	0	0	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	281,991	300,443	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*	4,208	5,616	27
Deferred Maintenance and Retirements (1438)*	0	0	28
Deferred Charges (1439)*	3,545	0	29
TOTAL DEFERRED CHARGES	7,753	5,616	
TOTAL NONCURRENT ASSETS	289,744	306,059	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	14,501,777	13,334,259	30
Less: Accumulated Depreciation (3100)*	7,441,165	6,583,423	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	34
NET TELECOMMUNICATIONS PLANT IN SERVICE	7,060,612	6,750,836	
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)*	2,000	2,000	37
Less: Accumulated Depreciation--Nonoperating (3300)*		0	38
NET NONOPERATING PLANT	2,000	2,000	
TPUC			
TPUC (2003)*	70,558	265,745	39
TOTAL TPUC	70,558	265,745	
TELECOMMUNICATIONS PLANT ADJUSTMENT			
Telecommunications Plant Adjustment (2005)*		0	40
Less: Accumulated Amortization--Other (3600)*		0	41
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	0	0	
TOTAL PLANT	7,133,170	7,018,581	
TOTAL ASSETS AND OTHER DEBITS*	13,903,915	13,730,136	

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	468,916	823,369	1
Notes Payable (4020)*	0	0	2
Advance Billing and Payments (4030)*	42,915	40,315	3
Customer Deposits (4040)*	1,820	3,454	4
Current Maturities--Long-Term Debt (4050)*	165,600	154,462	5
Current Maturities--Capital Leases (4060)*	0	0	6
Income Taxes--Accrued (4070)*	98,435	0	7
Other Taxes--Accrued (4080)*	19,874	36,579	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)*	65,638	41,000	11
Other Current Liabilities (4130)*	0	0	12
TOTAL CURRENT LIABILITIES*	863,198	1,099,179	
LONG-TERM DEBT			
Funded Debt (4210)*	2,918,672	3,085,123	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*	2,918,672	3,085,123	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*	4,863	7,522	20
Unamortized Operating ITC--Net (4320)*	17,075	54,635	21
Unamortized Nonoperating ITC--Net (4330)*	0	0	22
Net Noncurrent Deferred Operating Income Taxes (4340)*	596,238	497,804	23
Net Deferred Tax Liability Adjustments (4341)*	(31,481)	(55,227)	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	0	0	25
Other Deferred Credits (4360)*	0	0	26
Deferred Tax Regulatory Liability (4361)*	34,422	59,576	27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS*	621,117	564,310	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	607,000	607,000	28
Additional Paid-in Capital (4520)*	10,750	10,750	29
Treasury Stock (4530)*	0	0	30
Other Capital (4540)*	0	0	31
Retained Earnings (4550)*	8,883,175	8,363,771	32
TOTAL STOCKHOLDERS' EQUITY*	9,500,925	8,981,521	
TOTAL LIABILITIES AND OTHER CREDITS*	13,903,912	13,730,133	

STATEMENT OF CASH FLOWS

Item (a)	Amount (b)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	819,404	1
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and amortization	938,845	2
Interest during construction	0	3
Changes in assets and liabilities:		
Current assets (net)	362,013	4
Other noncurrent assets	(2,137)	5
Other current liabilities	(247,119)	6
Other liabilities and deferred credits	56,807	7
Other (specify):		
TOTAL ADJUSTMENTS	1,108,409	
NET CASH PROVIDED BY OPERATING ACTIVITIES (NET INCOME & ADJUST.)	1,927,813	
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures:		
Changes in plant (net)	(1,053,434)	8
Investments in affiliated companies	0	9
Nonoperating Investments	18,452	10
Other (specify):		
NET CASH USING IN INVESTING ACTIVITIES	(1,034,982)	
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in capital lease obligations (net)	0	11
Change in long-term debt (net)	(155,313)	12
Net changes in stockholder equity other than retained earnings	0	13
Change in short term borrowing (net)	0	14
Dividends paid	(300,000)	15
Miscellaneous debits/credits to retained earnings	0	16
Other (specify):		
Net Cash Provided by Financing Activities	(455,313)	
NET INCREASE IN CASH AND CASH EQUIVALENTS	437,518	
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.

In 1997 payphones were deregulated. Since that time, depreciation on this investment has been recorded as a nonregulated expense. However, temporarily for internal tracking purposes, the net investment has not been reclassified to nonregulated activities as of 12/31/1997.

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	BADGER	1
Central State Telephone Company	CENTRAL	2
TDS Datacom, Inc.	DATACOM	3
Grantland Telecom	GRANTLAND	4
Mt. Vernon Telephone Company	MT VERNON	5
Other	OTH	6
Riverside Telecom	RIVERSIDE	7
Scandinavia Telephone Company	SCAND	8
Shiawassee Telephone Company	SHIAWASSE	9
Suttle Press, Inc.	SUTTLE	10
Telephone & Data Systems, Inc.	TDS CORP	11
TDS Telecommunications, Inc.	TDS TEL	12
TDS Computing Services, Inc.	TDS/CS	13
Tenney Telephone company	TENNEY	14

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 CORP	1
Designate whether billed to or from:	FROM	TO	FROM	FROM	2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C	C	M	C	3
Revenues	0	0	0	0	4
Expenses:					
Plant Specific Operations Expense	153	89	0	0	5
Plant Nonspecific Operations Expense	357	6,933	179	2,537	6
Customer Operations Expense	124	961	56	0	7
Corporate Operations Expense		110	0	130,439	8
Total Operating Expenses	634	8,093	235	132,976	9
Other:					
Plant Accounts	6,849	0	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	0	0	0	0	14
Total	7,483	8,093	235	132,976	15
Percent of affiliate's business billed to all affiliated regulated utilities			62.00		16
If cost based, rate of return on equity or markup incorporated in billings	0.00			0.00	17
Footnotes				P	

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		
Name of Affiliate	TDS TEL	TDS/CS		1
Designate whether billed to or from:	FROM	FROM		2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C	C		3
Revenues	0	0		4
Expenses:				
Plant Specific Operations Expense	8,384	0		5
Plant Nonspecific Operations Expense	200,914	4,000		6
Customer Operations Expense	331,216	240,634		7
Corporate Operations Expense	541,909	55,588		8
Total Operating Expenses	1,082,423	300,222	0	0
Other:				
Plant Accounts	159,153	0		10
Accumulated Depreciation	0	0		11
Accumulated Amortization	0	0		12
Clearing	0	0		13
All Other	11,559	0		14
Total	1,253,135	300,222	0	0
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	15.00		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)	
TDS Telecommunciations, Inc.	1160	3,405,000	1
Other	1190	3,088	2
TDS Telecommunciations, Inc.	1190	189,018	3
TDS Telecommunciations, Inc.	1210	16,728	4
Other	4010	3,088	5
TDS Telecommunciations, Inc.	4010	211,590	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	229,137	1
Other:		
RTB Class C Stock	2,000	2
Total Investments in Nonaffiliated Companies	231,137	

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 phones & business systems	50,311	1 0
Direct Broadcast Satellite Systems	543	2

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		<u>0</u>	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
GENERAL SUPPORT ASSETS				
Land	2111	28,888	0	1
Motor Vehicles	2112	258,883	39,024	2
Aircraft	2113	0	0	3
Special Purpose Vehicles	2114	0	0	4
Garage Work Equipment	2115	0	0	5
Other Work Equipment	2116	222,582	18,334	6
Buildings	2121	491,588	(17,216)	7
Furniture	2122	34,537	10,735	8
Office Equipment	2123	65,375	0	9 D
General Purpose Computers	2124	765,347	194,191	10
TOTAL--GENERAL SUPPORT ASSETS:		1,867,200	245,068	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0	0	11
Digital Electronic Switching	2212	2,253,342	(876)	12 D
Electro-Mechanical Switching	2215	0	0	13 D
Operator Systems	2220	0	0	14
Radio Systems	2231	36,019	0	15 D
Circuit Equipment	2232	1,794,621	644,139	16 D
TOTAL--CENTRAL OFFICE ASSETS:		4,083,982	643,263	
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	38,233	6,805	20
Other Terminal Equipment	2362	0	0	21
TOTAL--INFORMATION ORIG/TERM ASSETS:		38,233	6,805	
CABLE WIRE FACILITIES ASSETS				
Poles	2411	23,757	1,440	22
Aerial Cable	2421	359,193	4,141	23 D
Underground Cable	2422	200,989	139	24 D
Buried Cable	2423	6,582,393	383,148	25 D
Submarine Cable	2424	0	0	26 D
Deep Sea Cable	2425	0	0	27
Intrabuilding Network Cable	2426	0	0	28 D
Aerial Wire	2431	26,551	150	29
Conduit Systems	2441	151,961	1,081	30
TOTAL--CABLE WIRE FACILITIES ASSETS:		7,344,844	390,099	
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		28,888	1
2112	24,389		273,518	2
2113	0		0	3
2114	0		0	4
2115	0		0	5
2116	0		240,916	6
2121	0		474,372	7
2122	0		45,272	8
2123	0	0	65,375	9 D
2124	20,000		939,538	10
	44,389	0	2,067,879	
2211	0		0	11
2212	0	0	2,252,466	12 D
2215	0	0	0	13 D
2220	0		0	14
2231	0	0	36,019	15 D
2232	0	0	2,438,760	16 D
	0	0	4,727,245	
2311	0		0	17
2321	0		0	18
2341	0		0	19
2351	0		45,038	20
2362	0		0	21
	0	0	45,038	
2411	6,898		18,299	22
2421	35,990	0	327,344	23 D
2422	0	0	201,128	24 D
2423	30,440	0	6,935,101	25 D
2424	0	0	0	26 D
2425	0		0	27
2426	0	0	0	28 D
2431	0		26,701	29
2441	0		153,042	30
	73,328	0	7,661,615	
2681	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	33
TOTAL--AMORTIZABLE ASSETS:		0	0	
TOTAL TELECOM. PLANT IN SERVICE	2001	13,334,259	1,285,235	
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	32
2690	0		0	33
	0	0	0	
	117,717	0	14,501,777	
2001			0	34
			14,501,777	

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	15,750	0	1
Company Communications Equipment	2123.2	49,625	0	2
Software	2212.1	0	0	3
Digital Switching - Central Office	2212.2	1,758,020	7,231	4
Digital Switching - Remote	2212.3	495,322	(8,107)	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	36,019	0	9
Digital Circuit Equipment	2232.1	1,532,552	535,696	10
Analog Circuit Equipment	2232.2	0	0	11
Light Wave Circuit Equipment	2232.3	262,069	108,443	12
Aerial Cable - Nonmetallic	2421.1	0	0	13
Aerial Cable - Metallic	2421.2	359,193	4,141	14
Underground Cable - Nonmetallic	2422.1	0	0	15
Underground Cable - Metallic	2422.2	200,989	139	16
Buried Cable - Nonmetallic	2423.1	691,688	24,059	17
Buried Cable - Metallic	2423.2	5,890,705	359,089	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			15,750	1
2123.2			49,625	2
2212.1			0	3
2212.2			1,765,251	4
2212.3			487,215	5
2215.1			0	6
2215.2			0	7
2231.1			0	8
2231.2			36,019	9
2232.1			2,068,248	10
2232.2			0	11
2232.3			370,512	12
2421.1			0	13
2421.2	35,990		327,344	14
2422.1			0	15
2422.2			201,128	16
2423.1			715,747	17
2423.2	30,440		6,219,354	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	192,814	15.0	32,521	0	1
Aircraft	2113	0				2
Special Purpose Vehicles	2114					3
Garage Work Equipment	2115					4
Other Work Equipment	2116	135,353	10.0	22,372	0	5
Buildings	2121	288,752	3.4	14,850		6
Furniture	2122	34,361	10.0	162		7
Office Equipment	2123	50,979	19.72	9,136	0	8
General Purpose Computers	2124	392,745	20.0	153,773		9E
Total-- GENERAL SUPPORT ASSETS		1,095,004		232,814	0	
CENTRAL OFFICE ASSETS						
Analog Electronic Switching	2211	0				10
Digital Electronic Switching	2212	575,640	8.12	177,471		11
Electro-Mechanical Switching	2215	0				12
Operator Systems	2220	0				13
Radio Systems	2231	19,099	8.33	3,000		14
Circuit Equipment	2232	844,388	8.33	165,153		15
Total-- CENTRAL OFFICE ASSETS		1,439,127		345,624	0	
INFORMATION ORIG/TERM ASSETS						
Station Apparatus	2311					16
Customer Premises Wiring	2321	0				17E
Large Private Branch Exchanges	2341	0				18
Public Telephone Terminal Equipment	2351	36,886	13.6	3,043		19
Other Terminal Equipment	2362					20
Total-- INFORMATION ORIG/TERM ASSETS		36,886		3,043	0	
CABLE WIRE FACILITIES ASSETS						
Poles	2411	21,465	10.0	2,269		21E
Aerial Cable	2421	315,208	6.0	21,273		22E
Underground Cable	2422	153,166	4.4	8,844		23
Buried Cable	2423	3,373,592	4.99	331,884		24E
Submarine Cable	2424	0				25
Deep Sea Cable	2425	0				26
Intrabuilding Network Cable	2426	0				27
Aerial Wire	2431	24,607	19.0	5,041		28N

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112	24,389		10,100		211,046	1
2113	0				0	2
2114	0				0	3
2115	0				0	4
2116	0	0			157,725	5
2121	0				303,602	6
2122	0		12		34,535	7
2123	0	0	0		60,115	8
2124	20,000		794	(794)	526,518	9 E
	44,389	0	10,906	(794)	1,293,541	
2211	0				0	10
2212	0		18,000		771,111	11
2215	0				0	12
2220	0				0	13
2231	0				22,099	14
2232	0				1,009,541	15
	0	0	18,000	0	1,802,751	
2311	0				0	16
2321	0			368	368	17 E
2341	0				0	18
2351	0				39,929	19
2362	0				0	20
	0	0	0	368	40,297	
2411	6,898	2,948	999	(1,146)	13,741	21 E
2421	35,990	4,304		(140)	296,047	22 E
2422	0				162,010	23
2423	30,440	562	397	122	3,674,993	24 E
2424	0				0	25
2425	0				0	26
2426	0				0	27
2431	0	1,074	235		28,809	28 N

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	124,368	3.03	4,608	0 29
Total-- CABLE WIRE FACILITIES ASSETS		4,012,406		373,919	0
Total Accumulated Depreciation	3100	6,583,423		955,400	0
Less: Allocation to Nonregulated Activity - Columns e, f and I	3100			0	0 30
Net Regulated Total Accum Depreciation - 3100 Columns e, f and I				955,400	0

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441	0				128,976	29
	73,328	8,888	1,631	(1,164)	4,304,576	
3100	117,717	8,888	30,537	(1,590)	7,441,165	
3100					0	30
3100					7,441,165	

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	15,750	19.0	(788)	0	1
Company Communications Equipment	2123.2	35,229	20.0	9,924		2
Software	2212.1	0	33.33			3
Digital Switching - Central Office	2212.2	349,602	8.2700	137,682		4
Digital Switching - Remote	2212.3	226,038	7.85	39,789		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	19,099	8.33	3,000		9
Digital Circuit Equipment	2232.1	771,998	9.8500	139,469		10
Analog Circuit Equipment	2232.2	0				11
Light Wave Circuit Equipment	2232.3	72,390	9.5	25,684		12
Aerial Cable - Nonmetallic	2421.1	0	4.8			13
Aerial Cable - Metallic	2421.2	315,208	6.0	21,273		14 E
Underground Cable - Nonmetallic	2422.1	0	4.1			15
Underground Cable - Metallic	2422.2	153,166	4.4	8,844		16
Buried Cable - Nonmetallic	2423.1	103,689	4.8	33,204		17
Buried Cable - Metallic	2423.2	3,269,903	5.0	298,680		18 E
Submarine Cable - Nonmetallic	2424.1	0				19
Submarine Cable - Metallic	2424.2	0				20
Intrabuilding Cable - Nonmetallic	2426.1	0				21
Intrabuilding Cable - Metallic	2426.2	0				22

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		14,962	1
2123.2					45,153	2
2212.1					0	3
2212.2			18,000		505,284	4
2212.3					265,827	5
2215.1					0	6
2215.2					0	7
2231.1					0	8
2231.2					22,099	9
2232.1					911,467	10
2232.2					0	11
2232.3					98,074	12
2421.1					0	13
2421.2	35,990	4,304		(140)	296,047	14 E
2422.1					0	15
2422.2					162,010	16
2423.1					136,893	17
2423.2	30,440	562	397	122	3,538,100	18 E
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)	0	1
Other Noncurrent Assets (1410)	0	2
Deferred Tax Regulatory Asset (1437)	5,616	3
Net Current Deferred Operating Income Taxes (4100)	0	4
Net Noncurrent Deferred Operating Income Taxes (4340)	(497,804)	5 z
Net Deferred Tax Liability Adjustments (4341)	55,227	6
Deferred Tax Regulatory Liability (4361)	(59,576)	7
Net Property Related Deferred Operating Income Taxes	(496,537)	
Less: Allocation to Nonregulated Activity	0	8
Net Regulated Total Property Related Deferred Operating Income Taxes	(496,537)	
NONPROPERTY RELATED		
Other Current Assets (1350)	(764)	9 z
Other Noncurrent Assets (1410)	0	10 z
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 z
Net Deferred Tax Liability Adjustments (4341)		14
Deferred Tax Regulatory Liability (4361)		15
Total Nonproperty Related Deferred Operating Income Taxes	(764)	

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
	(1,408)			4,208	3
7250	0			0	4
7250	(98,469)		240	(596,033)	5 z
	(23,746)			31,481	6
	25,154			(34,422)	7
	(98,469)	0	240	(594,766)	
				0	8
	(98,469)	0	240	(594,766)	
7250	0		764	0	9 z
7250	0			0	10 z
	0			0	11
7250	0			0	12
7250	34		(239)	(205)	13 z
				0	14
				0	15
	34	0	525	(205)	

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

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	02/15/1973-08/15/1974	02/15/2009-08/15/2009	7.0000	1
REA/RTB	01/06/1981-05/06/1984	01/06/2013-05/06/2013	6.5000	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)				
7.0000			1,961,107	124,800	2,085,907	1
6.5000			957,565	40,800	998,365	2
	0	0	2,918,672	165,600	3,084,272	

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:				
	7,500	100.00	.00	1
TOTAL COMMON STOCK	7,500			
TOTAL	<u>7,500</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	607,000			1
	4,813	607,000	0	0	
TOTAL	<u>4,813</u>	<u>607,000</u>	<u>0</u>	<u>0</u>	

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	8,363,771	7,693,195	1
Changes:			
Balance Transferred from Income	819,404	970,495	2
Dividends Declared:			
Common	300,000	299,919	3
Preferred	0	0	4
Total Dividends Declared	300,000	299,919	
Miscellaneous Debits to Retained Earnings	0	0	5
Miscellaneous Credits to Retained Earnings	0	0	6
Balance--End of Year	<u>8,883,175</u>	<u>8,363,771</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)	323,298	97,450	331,957	1
Nonoperating Taxes (Accts. 7410 - 7450)		11,532	47,025	2
Extraordinary Items (Accts. 7630 & 7640)				3
Nonregulated Net Income (Acct. 7990)		414	1,683	4
Clearing Accounts				5
Construction				6
Payroll Taxes: FICA				7
Payroll Taxes: State Unemployment				8
Payroll Taxes: Federal Unemployment				9
Other (specify):				
TOTAL	<u>323,298</u>	<u>109,396</u>	<u>380,665</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)	
2,744	0		0		755,449	1
					58,557	2
					0	3
					2,097	4
					0	5
					0	6
					0	7
					0	8
					0	9
2,744	0	0	0	0	816,103	

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

Particulars (a)	This Year (b)	Last Year (c)	
LOCAL NETWORK SERVICES REVENUES			
Basic Local Service Revenue (5000)*			1
Basic Area Revenue (5001)	1,521,516	1,429,465	2
Optional Extended Area Revenue (5002)	0	0	3
Cellular Mobile Revenue (5003)	0	0	4
Other Mobile Services Revenue (5004)	10,502	8,602	5
Public Telephone Revenue (5010)	4,260	13,327	6 F
Local Private Line Revenue (5040)	10,604	11,170	7
Customer Premises Revenue (5050)	432	328	8
Other Local Exchange Revenue (5060)	192,098	131,992	9 G
Other Local Exchange Revenue Settlements (5069)	0	0	10
TOTAL BASIC LOCAL SERVICE REVENUE (5000)	1,739,412	1,594,884	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	386,520	363,856	11
Switched Access Revenue (5082)*	837,450	677,690	12 H
Special Access Revenue (5083)*	63,979	60,369	13
TOTAL INTERSTATE ACCESS REVENUES (5080)	1,287,949	1,101,915	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*	4	(76)	14
Switched Access Revenue (5084.2)*	1,308,074	1,339,589	15
Special Access Revenue (5084.3)*	228,592	140,824	16 I
TOTAL INTRASTATE ACCESS REVENUES (5084)	1,536,670	1,480,337	
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)*	290,781	269,532	30
Rent Revenue (5240)*	956	0	31
Corporate Operations Revenue (5250)*	0	0	32
Miscellaneous:			
Miscellaneous Revenue (5260)*			33
Special Billing Arrangements Revenue (5261)	139	485	34
Customer Operations Revenue (5262)	0	0	35
Plant Operations Revenue (5263)	0	0	36
Other Incidental Regulated Revenue (5264)	42,786	16,170	37 J
Other Revenue Settlements (5269)	1,327	1,351	38
Total Miscellaneous Revenue (5260)	44,252	18,006	
Interstate Billing and Collection Revenue*	69,585	97,671	39 K
Intrastate Billing and Collection Revenue*	147,620	112,297	40 L
Total Carrier Billing and Collection Revenue (5270)*	217,205	209,968	
Nonregulated Operating Revenue (5280)**			41
TOTAL MISCELLANEOUS REVENUES	553,194	497,506	
GROSS OPERATING REVENUES	5,117,225	4,674,642	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*			42
Uncollectible Revenue--Telecommunications (5301)	2,571	1,559	43
Uncollectible Revenue--Other (5302)	1,025	(172)	44
TOTAL UNCOLLECTIBLE REVENUE (5300)	3,596	1,387	
TOTAL OPERATING REVENUES	5,113,629	4,673,255	

** 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)	11,467	11,870	2,480	1
Less: Nonregulated	0	0	0	2
Net Regulated	11,467	11,870	2,480	3
Total General Support Expense (6120)	73,492	103,445	10,318	4
Less: Nonregulated	0	0	0	5 A
Net Regulated	73,492	103,445	10,318	6
Total Central Office Switching Expense (6210)	66,369	75,709	32,388	7
Less: Nonregulated	0	0	0	8
Net Regulated	66,369	75,709	32,388	9
Total Operator Systems Expense (6220)	58	14	8	10
Less: Nonregulated	0	0	0	11
Net Regulated	58	14	8	12
Total Central Office Transmission Expenses (6230)	42,104	48,246	16,959	13
Less: Nonregulated	0	0	0	14
Net Regulated	42,104	48,246	16,959	15
Total Information Orig. / Term. Expense (6310)	6,019	3,280	1,067	16
Less: Nonregulated	0	0	0	17
Net Regulated	6,019	3,280	1,067	18
Total Cable and Wire Fac. Expense (6410)	112,910	176,238	91,196	19
Less: Nonregulated	0	0	0	20 B
Net Regulated	112,910	176,238	91,196	21
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	312,419	418,802	154,416	
Less: Nonregulated	0	0	0	
Net Regulated	312,419	418,802	154,416	
PLANT NONSPECIFIC OPERATIONS EXPENSE				
Total Other Property, Plant and Equip. Exp. (6510)	7,102	8,638	4,398	22
Less: Nonregulated		0		23
Net Regulated	7,102	8,638	4,398	24
Total Network Operations Expense (6530)	268,631	306,065	84,556	25
Less: Nonregulated	0	0	0	26
Net Regulated	268,631	306,065	84,556	27
Access Expense (6540)	0	0		28
Less: Nonregulated	0	0		29
Net Regulated	0	0	0	30
Total Depreciation and Amortization Expense (6560)	908,947	938,845		31
Less: Nonregulated		0		32
Net Regulated	908,947	938,845		33
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	1,184,680	1,253,548	88,954	
Less: Nonregulated	0	0	0	
Net Regulated	1,184,680	1,253,548	88,954	

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6110	1,319	0	71,617	(63,546)	1
	0	0	0		2
	1,319	0	71,617	(63,546)	3
6120	7,294	0	85,833	0	4
	0	0	0	0	5 A
	7,294	0	85,833	0	6
6210	23,530	0	19,791	0	7
	0	0	0	0	8
	23,530	0	19,791	0	9
6220	6	0	0	0	10
	0	0	0	0	11
	6	0	0	0	12
6230	12,068	0	19,219	0	13
	0	0	0	0	14
	12,068	0	19,219	0	15
6310	707	0	1,506	0	16
	0	0	0	0	17
	707	0	1,506	0	18
6410	64,037	3,160	17,845	0	19
	0	0	0	0	20 B
	64,037	3,160	17,845	0	21
	108,961	3,160	215,811	(63,546)	
	0	0	0	0	
	108,961	3,160	215,811	(63,546)	
6510	2,527	0	1,713	0	22
			0	0	23
	2,527		1,713	0	24
6530	44,489	0	240,953	(63,933)	25
	0	0	0	0	26
	44,489	0	240,953	(63,933)	27
6540		0	0	0	28
		0	0	0	29
	0	0	0	0	30
6560			938,845		31
			0		32
			938,845		33
	47,016	0	1,181,511	(63,933)	
	0	0	0	0	
	47,016	0	1,181,511	(63,933)	

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)	
CUSTOMER OPERATIONS EXPENSE				
Total Marketing (6610)	217,872	263,743	33,986	34
Less: Nonregulated	0	0	0	35 c
Net Regulated	217,872	263,743	33,986	36
Total Services (6620)	657,824	737,135	109,285	37
Less: Nonregulated	0	0	0	38
Net Regulated	657,824	737,135	109,285	39
TOTAL CUSTOMER OPERATIONS EXPENSE	875,696	1,000,878	143,271	
Less: Nonregulated	0	0	0	
Net Regulated	875,696	1,000,878	143,271	
CORPORATE OPERATIONS EXPENSE				
Total Exec. and Planning (6710)	153,332	131,008	33,219	40
Less: Nonregulated	0	0	0	41
Net Regulated	153,332	131,008	33,219	42
Total General and Administrative (6720)	623,080	735,291	31,222	43
Less: Nonregulated	0	0	0	44
Net Regulated	623,080	735,291	31,222	45
Provision for Uncollectible Notes Receiv. (6790)		0		46
Less: Nonregulated		0		47
Net Regulated	0	0		48
TOTAL CORPORATE OPERATIONS EXPENSE	776,412	866,299	64,441	
Less: Nonregulated	0	0	0	
Net Regulated	776,412	866,299	64,441	
TOTAL EXPENSES	3,149,207	3,539,527	451,082	
Less: Nonregulated	0	0	0	
Net Regulated	3,149,207	3,539,527	451,082	

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6610	13,138	550	216,069	0	34
	0	0	0	0	35 c
	13,138	550	216,069	0	36
6620	52,340		575,510	0	37
	0		0	0	38
	52,340		575,510	0	39
	65,478	550	791,579	0	
	0	0	0	0	
	65,478	550	791,579	0	
6710	10,687		87,102	0	40
	0		0	0	41
	10,687		87,102	0	42
6720	17,115		686,954	0	43
	0		0	0	44
	17,115		686,954	0	45
6790			0		46
			0		47
			0		48
	27,802	0	774,056	0	
	0	0	0	0	
	27,802	0	774,056	0	
	249,257	3,710	2,962,957	(127,479)	
	0	0	0	0	
	249,257	3,710	2,962,957	(127,479)	

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	0	1
Provisioning Expense (6512)	7,102	8,638	4,398	2
Total: Reported in Account 6510	7,102	8,638	4,398	
Depreciat. Exp.--Tele. Plant in Service (6561)	908,947	938,845		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	908,947	938,845		

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

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6511	0		0	0	1
6512	2,527		1,713	0	2
	2,527		1,713	0	
6561			938,845		3
6562			0		4
6563			0		5
6564			0		6
6565			0		7
			938,845		

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

Currently, cooperatives are not billed for remainder assessment, but are subject to Department of Justice and telephone relay assessments.

Description (a)	This Year (b)	
Gross Operating Revenues	5,117,225	1
Plus: Collection of amounts previously written off	0	2
Less: Uncollectibles written off during the year	0	3
Plus: Total Other Operating Income and (Expense) (7100)	2,928	4
Less: Nonregulated Operating Revenue (included Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Uncollectible Revenue (included in Gross Oper. Rev. on Line 1)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)	0	7
Plus (or Less) Other (please specify): Other	0	8
Assessable Revenues for Remainder, Department of Justice, and Telephone Relay Assessment Purposes	5,120,153	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	1,739,412	1
Plus: Total Intrastate Access Revenues (5084)	1,536,670	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)	0	4
Plus (or Less) Other (please specify): Other	0	5
Assessable Revenues for Universal Service Fund Assessment Purposes	3,276,082	

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

Currently, cooperatives are not billed for remainder assessment, but are subject to the telephone relay assessment.

Description (a)	This Year (b)	
Gross Operating Revenues	5,117,225	1
Plus: Collection of amounts previously written off	0	2
Less: Uncollectibles written off during the year	0	3
Plus: Total Other Operating Income and (Expense) (7100)	2,928	4
Less: Nonregulated Operating Revenue (included Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Uncollectible Revenue (included in Gross Oper. Rev. on Line 1)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)	0	7
Plus (or Less) Other (please specify):		
Other	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	<u>5,120,153</u>	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	1,739,412	1
Plus: Total Intrastate Access Revenues (5084)	1,536,670	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)	0	4
Plus (or Less) Other (please specify):		
Other	0	5
Assessable Revenues for Universal Service Fund Assessment Purposes	<u>3,276,082</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)*	0	0	1
Return from Nonregulated Use of Regulated Facilities (7130)*	2,928	2,220	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)*	2,928	2,220	
OPERATING TAXES			
Operating Investment Tax Credits--Net (7210)*	(37,560)	(37,560)	6
Operating Federal Income Taxes (7220)*	299,035	214,531	7
Operating State and Local Income Taxes (7230)*	69,499	33,136	8
Operating Other Taxes (7240)*	326,042	261,877	9
Provision for Deferred Operating Income Taxes--Net (7250)*	98,433	226,264	10
TOTAL OPERATING TAXES (7200)*	755,449	698,248	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)*	145	150	11
Interest Income (7320)*	289,022	361,961	12
Income from Sinking and Other Funds (7330)*	0	0	13
Allowance for Funds Used During Construction (7340)*	0	14,795	14
Gains or (Losses) from the Disposition of Certain Property (7350)*	0	0	15
Other Nonoperating Income (7360)*	4	3,414	16
Special Charges (7370)*	19,824	17,813	17
TOTAL NONOPERATING INCOME AND EXPENSE (7300)*	269,347	362,507	
NONOPERATING TAXES			
Nonoperating Investment Tax Credits--Net (7410)*	0	0	18
Nonoperating Federal Income Taxes (7420)*	47,025	87,880	19
Nonoperating State and Local Income Taxes (7430)*	11,532	21,529	20
Nonoperating Other Taxes (7440)*	0	0	21
Provision for Deferred Nonoperating Income Taxes-Net (7450)*	0	0	22
TOTAL NONOPERATING TAXES (7400)*	58,557	109,409	
INTEREST AND RELATED ITEMS			
Interest on Funded Debt (7510)*	216,919	227,209	23
Interest Expense--Capital Leases (7520)*	0	0	24
Amortization of Debt Issuance Expense (7530)*	0	0	25
Other Interest Deductions (7540)*	3,663	212	26
TOTAL INTEREST AND RELATED ITEMS (7500)*	220,582	227,421	
EXTRAORDINARY ITEMS			
Extraordinary Items (7600)*			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)*	7,615	116,797	32

NONREGULATED NET INCOME (ACCT. 7990)

Particulars (a)	Amount (b)	
Revenues (Acct. 7990.1)		
Gross Sales	424,401	1
Less: Cost of Goods Sold	152,751	2
Net Sales	271,650	3
Expenses (Acct. 7990.2)	264,035	4
Nonregulated Net Income	<u><u>7,615</u></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, PBSx and data modems. Nonregulated activities also include sales of direct broadcast satellite systems and sales and leasing of mobile pager equipemnt 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	451,082	1
Nonregulated Expense	74,996	2
Plant Accounts	116,184	3
Accumulated Depreciation Accounts	0	4
All Other Accounts	103,272	5
Total Salaries and Wages	<u>745,534</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	.00			1
Supervision and Other Management	4.00	5.00	185,633	2
Other Employees	16.00	16.00	534,521	3
Total	<u>20.00</u>	<u>21.00</u>	<u>720,154</u>	

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Total	20.00	21.00	720,154	

TELEPHONE CALLS AND MINUTES OF USE PER MONTH

Enter average number, in thousands, of calls and minutes of use per month. The averages may be based on actual counts taken periodically during the year. Please provide level of detail available.

Item (a)	Telephone Calls (000's) (b)	Minutes of Use (000's) (c)	
LOCAL			
Intra-Exchange			1
Extended Area Service			2
Extended Community Calling			3
Other Local-Undefined	2,228	6,221	4
Total Local	2,228	6,221	
TOLL			
Operator Handled: State--intraLATA			5
Operator Handled: State--interLATA			6
Operator Handled: Interstate			7
Customer Dialed: State--intraLATA		854	8
Customer Dialed: State--interLATA		1,090	9
Customer Dialed: Interstate		1,149	10
WATS			11
Other Toll-Undefined			12
Total Toll	0	3,093	
Total Local & Toll	2,228	9,314	

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.	15	0	5	0	3
Feature Group B -- Term.	10	2	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.	7,009	6,364	4,950	0	7
Feature Group D -- Term.	5,853	5,853	4,621	0	8

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	28	1
Sheath miles of plant - buried	534	2
Sheath miles of plant - fiber optics	49	3
Strand miles of plant - fiber optics	904	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	5	7	1
56 kbps	16	14	2
64 kbps (DS0)	0	1	3
1.54 Mbps (DS-1)	11	6	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

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Sheath miles of plant - aerial	28	1
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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	873	1,016	3
2 Party	0	0	4
4 Party	0	0	5
PBX Trunks/System Trunks	127	126	6
Centrex Trunks	0	0	7
Centrex Lines	373	541	8
Key System Trunks	315	315	9
Mobile (Utility Provided Service)	0	0	10
Paging (Utility Provided Service)	0	87	11
FX-Out (Switched)	1	0	12
Pay Telephone		47	13
Coin-Operated Pay Telephone	0	0	14
Independent Pay Telephone Provider	0	0	15
Pay Stations - Public	26	0	16
- Semi-Public	20	0	17
- Cust. Owned	10	0	18
Other	0	0	19
Total Business Lines	1,745	2,132	20
Residential (Incl. Emp. Concess.)			
1 Party	5,763	6,098	22
2 Party	0	0	23
4 Party	0	0	24
FX-Out (Switched)	4	3	25
Other	0	0	26
Total Residential Lines	5,767	6,101	27
Total Bus & Res Lines	7,512	8,233	28
Company Used Lines	99	90	29
Total Lines Used	7,611	8,323	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	1	4
FX-In-intraLATA	3	3	5
Special Access-intraLATA			6
(expressed in equiv. access lines)	95	166	7
Special Access-interLATA			8
(expressed in equiv. access lines)	48	285	9
Feature Group A Lines	0	0	10
Feature Group B Trunks	0	0	11
Feature Group C Trunks	0	0	12
Feature Group D Trunks	260	260	13
TSPS - Trunks	17	17	14
EAS - Trunks	41	52	15
Cellular Trunks (Pub. Sw. Net.)	0	0	16
Video Distance Learning			17
- discounted (special tariff)	0	0	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
	11,467,058	12,433,897	27
Total Company Square Miles	172	440	28
Total Company Route Miles	242	620	29
Footnotes			30

SERVICE DATA - END OF YEAR

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

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	1510	3280	5120		1
Business					2
1 Party	105	811	100		3
2 Party	0	0	0		4
4 Party	0	0	0		5
PBX Trunks/System Trunks	0	126	0		6
Centrex Trunks	0	0	0		7
Centrex Lines	53	452	36		8
Key System Trunks	38	260	17		9
Mobile (utility provided service)	0	0	0		10
Paging (utility provided service)	1	80	6		11
FX-Out (Switched)	0	0	0		12
Pay Telephone	1	42	4		13
Coin-Operated Pay Telephone	0	0	0		14
Independent Pay Telephone Provider	0	0	0		15
Pay Stations - Public	0	0	0		16
- Semi-Public	0	0	0		17
- Cust. Owned	0	0	0		18
Other	0	0	0		19
Total Business Lines	198	1,771	163	0	20
Residential (Incl. Emp. Concess.)					21
1 Party	815	4,490	793		22
2 Party	0	0	0		23
4 Party	0	0	0		24
FX-Out (Switched)	1	1	1		25
Other	0	0	0		26
Total Residential Lines	816	4,491	794	0	27
Total Bus & Res Lines	1,014	6,262	957	0	28
Company Used Lines	6	78	6		29
Total Lines Used	1,020	6,340	963	0	30

SERVICE DATA - END OF YEAR (cont.)

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

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	1510	3280	5120		1
Miscellaneous					2
WATS Lines - OutWATS	0	2	0		3
WATS Lines - 800 Service	0	1	0		4
FX-In-intraLATA	0	3	0		5
Special Access-intraLATA					6
(equiv. access lines)	3	162	1		7
Special Access-interLATA					8
(equiv. access lines)	2	281	2		9
Feature Group A Lines	0	0	0		10
Feature Group B Trunks	0	0	0		11
Feature Group C Trunks	0	0	0		12
Feature Group D Trunks	0	260	0		13
TSPS - Trunks	0	17	0		14
EAS - Trunks	0	52	0		15
Cellular Trunks (Pub. Sw. Net.)	0	0	0		16
Video Distance Learning					17
- discounted (special tariff)	0	0	0		18
Customers					19
Business - 2 Party Customers	0	0	0		20
Business - 4 Party Customers	0	0	0		21
Residential - 2 Party Customers	0	0	0		22
Residential - 4 Party Customers	0	0	0		23
Other					24
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical					26
location of plant)	1,401,949	9,310,200	1,721,748		27
Exchange Square Miles	46	307	87		28
Exchange Route Miles	81	410	129		29
Footnotes					30

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

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

EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

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

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Electronic--Video	V	4

CENTRAL OFFICE DATA - END OF YEAR

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

Description (a)	Central Off. (b)	Central Off. (c)	Central Off. (d)	Central Off. (e)	
Exchange Name	DORCHESTER	MEDFORD	STETSONVILLE		1
PSCW Exchange ID	1510	3280	5120		2
Central Office Name	DORCHESTER	MEDFORD	STETSONVILLE		3
PSCW Central Office ID	1	1	1		4
Manufacturer of COE (Page 54)	SC	SC	SC		5
Year COE Installed	1996	1996	1996		6
Type of Equipment (Page 54)	Digi	Digi	DIGI		7
(S)tandalone, (H)ost, (R)emote	R	H	R		8
Remote Host PSCW Exchange ID	3280		3280		9
Remote Host PSCW Central Office ID	1	0	1		10
COE Generic Software Release No.	RMT	14	RMT		11
SS7?	Yes	Yes	Yes		12
9-1-1?	Yes	Yes	Yes		13
Access Lines - In Use	1,020	6,214	963		14
- Equipped	1,164	6,214	1,050		15
- Wired	1,164	11,368	1,050		16
Trunks - In Use	0	329	0		17
- Equipped	0	672	0		18
- Wired	0	672	0		19
ISDN Available?	Yes	Yes	Yes		20
ISDN Lines - In Use (BRI)	0	0	0		21
- In Use (PRI)	0	0	0		22
Switched 56 Service?	No	No	No		23
Switched 56 lines in use	0	0	0		24
Digital Transmission Facilities: DS-1 - In Use	9	53	9		25
DS-3 - In Use	1	4	1		26
Advanced Data Service Available:					
Packet Switching?	No	No	No		27
SMDS?	No	No	No		28
Frame Relay?	No	No	No		29
ATM (Asynchronous Trans. Mode)?	No	No	No		30
Video Information - Service Available?	No	No	No		31
- In Use (# lines) ¹	0	0	0		32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	8	32	24		33
No. of fiber strands working (LIT) in C.O.	4	12	14		34
No. of fiber strands for interoffice use	4	16	16		35
Miles of fiber sheath in wire center	4	32	13		36
Access Tandem Serving this C.O.:					
- C.O. Name	WAUSAU	WAUSAU	WAUSAU		37
- PSCW C.O. ID	5700-01	5700-01	5700-01		38
Does this C.O. do access tandem switching?	No	No	No		39
Equal Access: InterLATA (1+)?	Yes	Yes	Yes		40
Equal Access: IntraLATA (1+)?	No	No	No		41
Footnotes					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**

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 companys method of tracking call traffic. We no longer track by 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

- A) Significant remodeling costs incurred in 1997.
- B) Inventory adjustment made during 1996 reducing the 1996 balance.
- C) Due to system conversion in 1996 only 9 months of product management and sales expense were recorded in 1996 as compared to 12 months in 1997.
- D) No data entered in column (g) or (k) for these accounts.
- E) Amounts in columns (g) and (k) are reclasses between accounts or transfers with affiliates.
- F) Public telephone revenue decreased as a result of deregulation that occurred on 4/1/97.
- G) The initial offering and growth in class services increased revenues. Additional growth in voice mail, custom calling features and increased revenues from miscellaneous regulated service fees also contributed to the increased revenues.
- H) Operating expenses and investment returns increased.
 - I) Intrastate interlata special acces revenues increased due to an increase in circuits. Intrastate intralata special access revenues increased due to an increase in circuits.
- J) Other incidental regulated revenue increased due to an increase in 911 revenues.
- K) 1996 revenues reflect an increased amount of revenues due to AT&T program development that occurred in 1996. 1997 revenues are also slightly lower because of a decline in minutes of use.
- L) Intrastate/interlata billing and collection revenues increased because of an increase in minutes of use. Intrastate/intralata billing and collection revenues also increased because of an increase in minutes of use.
- M) Contact Gerald Ringlund at 608-664-4554 with questions on page 47, page 48, page 49 Special Access Circuits only, page 50, page 51 lines 1-9, page 52 and page 53 lines 1-9. Contact Dave Esser at 608-664-4530 with questions on page 49 Outside Plant only, page 51 lines 10-30, page 53 lines 10-30 and page 55.
- N) Per the PSC, we are allowed to depreciate this asset class at 110%.
- O) Balance consists primarily of leased phones and business systems net of depreciation. This leased investment is depreciated with a rate of 33.33% per year. Individual leases are not tracked separately.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

- P)** TDS Corp Chicago and TDS Corp Madison were merged 4/1/96. All charges from TDS Corp Madison after 4/1/96 are included in the TDS Corp column.
- Z)** Adjustments are due to rounding or are reclasses between the Property Related and Nonproperty Related classification.