



4004

ANNUAL REPORT

OF

Name: LUCK TELEPHONE COMPANY

Principal Office: 28 1ST AVE W
P.O. BOX 300
LUCK, WI 54853-0300

For the Year Ended: DECEMBER 31, 1998

TELECOMMUNICATIONS UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN

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

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

GENERAL RULES FOR REPORTING

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

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ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

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

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

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

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

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

ABBREVIATIONS USED IN ANNUAL REPORTS

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

IDENTIFICATION AND OWNERSHIP

Exact Utility Name: LUCK TELEPHONE COMPANY
Utility Location: 28 1ST AVE W
P.O. BOX 300
LUCK, WI 54853-0300

Utility Web Site Address:

When was utility organized?: 01/01/1908

Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: MR JOHN K . KLATT
Title: PRESIDENT/CEO

Office Address: 28 1ST AVENUE WEST
P.O. BOX 300
LUCK , WI 54853

Fax Number: (715) 472 - 8880
Telephone Number: (715) 472 - 2101
Email Address: jkklatt@lakelandcommunications.net

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

Name:
Title:

Office Address:

Fax Number: () -
Telephone Number: () -
Email Address:

Person responsible for financial information contained in report

Name: SALLY A . BAJAK
Title: OFFICE MANAGER

Office Address: 28 1ST AVENUE WEST
P.O. BOX 300
LUCK , WI 54853-1155

Fax Number: (715) 472 - 8880
Telephone Number: (715) 472 - 2101
Email Address: sbajak@lakelandcommunications.net

Person responsible for statistical information contained in report

Name: SALLY A . BAJAK
Title: OFFICE MANAGER

Office Address: 28 1ST AVENUE WEST
P.O. BOX 300
LUCK , WI 54853

Fax Number: (715) 472 - 8880
Telephone Number: (715) 472 - 2101
Email Address: sbajak@lakelandcommunications.net

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: LAKELAND COMMUNICATIONS, INC.
Address: 28 1ST AVENUE WEST
PO BOX 300
LUCK , WI 54853-0300
Number of Shares Held: 37,089
Beneficial Owner: NONE

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

Company Name: LUCK CELLCOM, INC
Form of Interest: OWNED
Extent Of Interest: 100%

Company Name: LUCK TELCOM, 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)	1,462,991	1,457,203	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	132,901	143,951	2
Plant Nonspecific Operations Expense	321,221	330,142	3
Customer Operations Expense (6610-6620)	184,368	194,563	4
Corporate Operations Expense (6710-6790)	280,196	272,822	5
Other Operating Income and Expense (7100)	0	0	6
Operating Taxes (7200)	249,014	245,554	7
Total Operating Expenses	1,167,700	1,187,032	8
Net Operating Income	295,291	270,171	9
Other Income			
Nonoperating Income and Expense (7300)	141,295	68,052	10
Nonoperating Taxes (7400)	26,071	16,370	11
Interest and Related Items (7500)	7,690	8,447	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	6,660	10,290	14
Total Nonoperating Income	114,194	53,525	15
Net Income	409,485	323,696	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 of 1986 are being amortized over the regulatory life of the plant which produce 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 customer are derived, in part, from tariffed access charges to toll service providers (interexchange carriers), and in part from sharing in interstate and (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 temporary investments are stated at cost.

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

None.

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

The mortgage to the United States of America, underlying the RUS 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, 1998, the maximum amount which could be distributed in accordance with these restrictions was \$652,342, except as might be specifically authorized in writing in advance by the RUS 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)*	500,308	422,616	1
Cash (1130)			2
Special Cash Deposits (1140)			3
Working Cash Advances (1150)			4
Temporary Investments (1160)			5
TOTAL CASH AND EQUIVALENTS	500,308	422,616	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	83,646	86,777	6
Accounts Receivable Allowance-Telecom (1181)*	0	0	7
Net: Telecommunications Accounts Receivable	83,646	86,777	
Other Accounts Receivable (1190)*	335,785	274,500	8
Accounts Receivable Allowance--Other (1191)*	0	0	9
Net: Other Accounts Receivable	335,785	274,500	
Notes Receivable (1200)*	23,611	23,611	10
Notes Receivable Allowance (1201)*	0	0	11
Net: Notes Receivable	23,611	23,611	
Interest and Dividends Receivable (1210)*	0	0	12
TOTAL RECEIVABLES AND ALLOWANCES FOR DOUBTFUL	443,042	384,888	
SUPPLIES			
Inventories (1220)*	0	0	13
TOTAL SUPPLIES	0	0	
PREPAYMENTS			
Total Prepayments (1280)*	12,788	7,086	14
Prepaid Rents (1290)			15
Prepaid Taxes (1300)			16
Prepaid Insurance (1310)			17
Prepaid Directory Expenses (1320)			18
Other Prepayments (1330)			19
TOTAL PREPAYMENTS	12,788	7,086	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	33,899	18,396	20
TOTAL OTHER CURRENT ASSETS	33,899	18,396	
TOTAL CURRENT ASSETS	990,037	832,986	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	670,815	419,564	21
Investments in Nonaffiliated Companies (1402)*	66,661	424,008	22
Nonregulated Investments (1406)*	9,565	14,465	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	747,041	858,037	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*	0	0	27
Deferred Maintenance and Retirements (1438)*	0	0	28
Deferred Charges (1439)*	0	0	29
TOTAL DEFERRED CHARGES	0	0	
TOTAL NONCURRENT ASSETS	747,041	858,037	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	4,641,500	4,245,071	30
Less: Accumulated Depreciation (3100)*	2,946,711	2,681,606	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	1,694,789	1,563,465	
PROPERTY HELD FOR FUTURE USE			
Prop. Held for Future Telecommun. Use (2002)*	0	0	35
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200)*	0	0	36
NET PROPERTY HELD FOR FUTURE USE	0	0	
NONOPERATING PLANT			
Nonoperating Plant (2006)*	0	0	37
Less: Accumulated Depreciation--Nonoperating (3300)*	0	0	38
NET NONOPERATING PLANT	0	0	
TPUC			
TPUC (2003)*	0	346,962	39
TOTAL TPUC	0	346,962	
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	1,694,789	1,910,427	
TOTAL ASSETS AND OTHER DEBITS*	3,431,867	3,601,450	

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	309,279	151,703	1
Notes Payable (4020)*	0	0	2
Advance Billing and Payments (4030)*	0	0	3
Customer Deposits (4040)*	1,970	4,240	4
Current Maturities--Long-Term Debt (4050)*	64,800	64,100	5
Current Maturities--Capital Leases (4060)*	0	0	6
Income Taxes--Accrued (4070)*	10,824	20,999	7
Other Taxes--Accrued (4080)*	(15,637)	(10,062)	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)*	39,753	30,094	11
Other Current Liabilities (4130)*	49,710	43,517	12
TOTAL CURRENT LIABILITIES*	460,699	304,591	
LONG-TERM DEBT			
Funded Debt (4210)*	286,325	327,730	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)*	67,340	88,769	19
TOTAL LONG-TERM DEBT*	353,665	416,499	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*	45,156	53,010	20
Unamortized Operating ITC--Net (4320)*	15,078	30,150	21
Unamortized Nonoperating ITC--Net (4330)*	0	0	22
Net Noncurrent Deferred Operating Income Taxes (4340)*	108,344	111,557	23
Net Deferred Tax Liability Adjustments (4341)*	(9,750)	(19,945)	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	(141)	(4,373)	25
Other Deferred Credits (4360)*	0	0	26
Deferred Tax Regulatory Liability (4361)*	9,786	20,341	27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS*	168,473	190,740	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	945,875	945,875	28
Additional Paid-in Capital (4520)*	0	0	29
Treasury Stock (4530)*	82,060	82,060	30
Other Capital (4540)*	0	(1,131)	31
Retained Earnings (4550)*	1,585,215	1,826,936	32
TOTAL STOCKHOLDERS' EQUITY*	2,449,030	2,689,620	
TOTAL LIABILITIES AND OTHER CREDITS*	3,431,867	3,601,450	

STATEMENT OF CASH FLOWS

Item (a)	Amount (b)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	409,485	1
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and amortization	306,603	2
Interest during construction	0	3
Changes in assets and liabilities:		
Current assets (net)	(79,359)	4
Other noncurrent assets	0	5
Other current liabilities	155,408	6
Other liabilities and deferred credits	(22,267)	7
Other (specify):		
TOTAL ADJUSTMENTS	360,385	
NET CASH PROVIDED BY OPERATING ACTIVITIES (NET INCOME & ADJUST.)	769,870	
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures:		
Changes in plant (net)	(90,965)	8
Investments in affiliated companies	(251,251)	9
Nonoperating Investments	362,247	10
Other (specify):		
NET CASH USING IN INVESTING ACTIVITIES	20,031	
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in capital lease obligations (net)	0	11
Change in long-term debt (net)	(62,134)	12
Net changes in stockholder equity other than retained earnings	1,131	13
Change in short term borrowing (net)	0	14
Dividends paid	(651,206)	15
Miscellaneous debits/credits to retained earnings	0	16
Other (specify):		
Net Cash Provided by Financing Activities	(712,209)	
NET INCREASE IN CASH AND CASH EQUIVALENTS	77,692	
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.

During 1998, the Public Service Commission of Wisconsin (PSCW) approved the adoption of Statement of Position 98-1, Accounting for the Costs of Computer Software Developed or Obtained for Internal Use.

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)	
LAKELAND COMMUNICATIONS, INC.	LAKELAND	1
LUCK CELLCOM, INC.	LUCKCELLCM	2
LUCK TELCOM, INC.	LUCKTELCOM	3
MILLTOWN MUTUAL TELEPHONE COMPANY	MILLTOWN	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	3230-AT-000103	3230-AT-000101				
Name of Affiliate	LAKELAND	MILLTOWN				1
Designate whether billed to or from:	FROM	TO				2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C	C				3
Revenues						4
Expenses:						
Plant Specific Operations Expense						5
Plant Nonspecific Operations Expense						6
Customer Operations Expense						7
Corporate Operations Expense	50,232					8
Total Operating Expenses	50,232	0	0	0	0	9
Other:						
Plant Accounts						10
Accumulated Depreciation						11
Accumulated Amortization						12
Clearing						13
All Other		366,638				14
Total	50,232	366,638	0	0	0	15
Percent of affiliate's business billed to all affiliated regulated utilities						16
If cost based, rate of return on equity or markup incorporated in billings	0.00					17
Footnotes						

AFFILIATED ASSETS AND LIABILITIES

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

Name of Affiliate (a)	Account Number (b)	Balance EOY (c)	
LAKELAND COMMUNICATIONS, INC.	1190	51,232	1
MILLTOWN MUTUAL TELEPHONE COMPANY	1190	159,522	2
LAKELAND COMMUNICATIONS, INC.	1401	175,000	3
LUCK CELLCOM, INC.	1401	316,210	4
LUCK TELCOM, INC.	1401	179,605	5
LUCK CELLCOM, INC.	4010	126,878	6
LUCK TELCOM, INC.	4010	31,764	7
MILLTOWN MUTUAL TELEPHONE COMPANY	4010	407	8

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)
From Others:					
Luck Rural Fire Assoc. - New Fire Station	06/01/1992	06/01/2002	.0000	12,500	1 E
Village of Luck - New Medical Center	05/14/1993	04/30/2003	.0000	11,111	2 E
Total Other				<u>23,611</u>	<u>0</u>
Total				<u>23,611</u>	<u>0</u>

INVESTMENTS IN NONAFFILIATED COMPANIES (ACCT. 1402)

Name (a)	Balance EOY (b)	
RTB Class B Stock	0	1
Other:		
Government Backed Securities	1,499	2
Note Receivable - Luck Rural Fire Association	28,125	3
Note Receivable - Village of Luck	37,037	4
Total Investments in Nonaffiliated Companies	66,661	

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)	
<hr/>		
Total Net Investment and Inventory (Accts. 1406.10, 1406.11, and 1406.12):		
Inventory	9,565	1

DEFERRED MAINTENANCE AND RETIREMENTS (ACCT. 1438)

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

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

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
GENERAL SUPPORT ASSETS				
Land	2111	9,131		1
Motor Vehicles	2112	62,085		2
Aircraft	2113	0		3
Special Purpose Vehicles	2114	0		4
Garage Work Equipment	2115	0		5
Other Work Equipment	2116	78,040		6
Buildings	2121	263,741	3,761	7
Furniture	2122	12,869		8
Office Equipment	2123	26,072	0	9
General Purpose Computers	2124	60,498	3,336	10
TOTAL--GENERAL SUPPORT ASSETS:		512,436	7,097	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0		11
Digital Electronic Switching	2212	1,587,570	18,389	12
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220	0		14
Radio Systems	2231	0	0	15
Circuit Equipment	2232	48,236	94,504	16
TOTAL--CENTRAL OFFICE ASSETS:		1,635,806	112,893	
INFORMATION ORIGATION/TERMINATION ASSETS				
Station Apparatus	2311	0		17
Customer Premises Wiring	2321	0		18
Large Private Branch Exchanges	2341	0		19
Public Telephone Terminal Equipment	2351	0		20
Other Terminal Equipment	2362	20,858		21
TOTAL--INFORMATION ORIG/TERM ASSETS:		20,858	0	
CABLE WIRE FACILITIES ASSETS				
Poles	2411	530		22
Aerial Cable	2421	0	0	23
Underground Cable	2422	56,171	0	24
Buried Cable	2423	1,959,345	350,727	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	59,746		30
TOTAL--CABLE WIRE FACILITIES ASSETS:		2,075,792	350,727	
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			9,131	1
2112	24,898		37,187	2
2113			0	3
2114			0	4
2115			0	5
2116	49,390		28,650	6
2121			267,502	7
2122			12,869	8
2123	0	0	26,072	9
2124			63,834	10
	74,288	0	445,245	
2211			0	11
2212	0	0	1,605,959	12
2215	0	0	0	13
2220			0	14
2231	0	0	0	15
2232	0	0	142,740	16
	0	0	1,748,699	
2311			0	17
2321			0	18
2341			0	19
2351			0	20
2362			20,858	21
	0	0	20,858	
2411			530	22
2421	0	0	0	23
2422	0	0	56,171	24
2423	0	0	2,310,072	25
2424	0	0	0	26
2425			0	27
2426	0	0	0	28
2431			0	29
2441			59,746	30
	0	0	2,426,519	
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	179	33
TOTAL--AMORTIZABLE ASSETS:		179	0
TOTAL TELECOM. PLANT IN SERVICE	2001	4,245,071	470,717
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			179	33
	0	0	179	
	74,288	0	4,641,500	
2001			0	34
			4,641,500	

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	13,680		1
Company Communications Equipment	2123.2	12,392		2
Software	2212.1	0		3
Digital Switching - Central Office	2212.2	1,587,570	18,389	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	48,236	94,504	10
Analog Circuit Equipment	2232.2	0		11
Light Wave Circuit Equipment	2232.3	0		12
Aerial Cable - Nonmetallic	2421.1	0		13
Aerial Cable - Metallic	2421.2	0		14
Underground Cable - Nonmetallic	2422.1	0		15
Underground Cable - Metallic	2422.2	56,171		16
Buried Cable - Nonmetallic	2423.1	172,610	320,162	17
Buried Cable - Metallic	2423.2	1,786,735	30,565	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			13,680	1
2123.2			12,392	2
2212.1			0	3
2212.2			1,605,959	4
2212.3			0	5
2215.1			0	6
2215.2			0	7
2231.1			0	8
2231.2			0	9
2232.1			142,740	10
2232.2			0	11
2232.3			0	12
2421.1			0	13
2421.2			0	14
2422.1			0	15
2422.2			56,171	16
2423.1			492,772	17
2423.2			1,817,300	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	25,193		2,700	1
Aircraft	2113	0			2
Special Purpose Vehicles	2114	0			3
Garage Work Equipment	2115	0			4
Other Work Equipment	2116	61,723	10.0	(4,674)	5
Buildings	2121	127,096	3.33	8,824	6
Furniture	2122	12,869	10.0	0	7
Office Equipment	2123	17,504	14.76	3,846	8F
General Purpose Computers	2124	60,498	20.0	3,336	9
Total-- GENERAL SUPPORT ASSETS		304,883		14,032	0
CENTRAL OFFICE ASSETS					
Analog Electronic Switching	2211	0			10
Digital Electronic Switching	2212	1,048,039	10.0	159,371	11
Electro-Mechanical Switching	2215	0			12
Operator Systems	2220	0			13
Radio Systems	2231	0			14
Circuit Equipment	2232	48,197	8.33	7,911	15
Total-- CENTRAL OFFICE ASSETS		1,096,236		167,282	0
INFORMATION ORIG/TERM ASSETS					
Station Apparatus	2311	0			16
Customer Premises Wiring	2321	0			17
Large Private Branch Exchanges	2341	0			18
Public Telephone Terminal Equipment	2351	0			19
Other Terminal Equipment	2362	2,124	10.0	2,124	20
Total-- INFORMATION ORIG/TERM ASSETS		2,124		2,124	0
CABLE WIRE FACILITIES ASSETS					
Poles	2411	530			21
Aerial Cable	2421	0			22
Underground Cable	2422	39,279	4.0	2,808	23
Buried Cable	2423	1,203,131	5.0	118,265	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	24,898		11,800		14,795	1
2113					0	2
2114					0	3
2115					0	4
2116	49,390		20,991		28,650	5
2121					135,920	6
2122					12,869	7
2123	0				21,350	8 F
2124					63,834	9
	74,288	0	32,791	0	277,418	
2211					0	10
2212	0				1,207,410	11
2215	0				0	12
2220					0	13
2231	0				0	14
2232	0				56,108	15
	0	0	0	0	1,263,518	
2311					0	16
2321					0	17
2341					0	18
2351					0	19
2362					4,248	20
	0	0	0	0	4,248	
2411					530	21
2421	0				0	22
2422	0				42,087	23
2423	0				1,321,396	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	35,423	2.5	2,091	29
Total-- CABLE WIRE FACILITIES ASSETS		1,278,363		123,164	0
Total Accumulated Depreciation	3100	2,681,606		306,602	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				306,602	0

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441					37,514	29
	0	0	0	0	1,401,527	
3100	74,288	0	32,791	0	2,946,711	
3100					0	30
3100					2,946,711	

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	10,439	10.0	1,368		1
Company Communications Equipment	2123.2	7,065	20.0	2,478		2
Software	2212.1	0				3
Digital Switching - Central Office	2212.2	1,048,039	10.0	159,371		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	48,197	8.33	7,911		10
Analog Circuit Equipment	2232.2	0				11
Light Wave Circuit Equipment	2232.3	0				12
Aerial Cable - Nonmetallic	2421.1	0				13
Aerial Cable - Metallic	2421.2	0				14
Underground Cable - Nonmetallic	2422.1	0				15
Underground Cable - Metallic	2422.2	39,279	4.0	2,808		16
Buried Cable - Nonmetallic	2423.1	45,200	5.0	20,009		17
Buried Cable - Metallic	2423.2	1,157,931	5.0	98,256		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					11,807	1
2123.2					9,543	2
2212.1					0	3
2212.2					1,207,410	4
2212.3					0	5
2215.1					0	6
2215.2					0	7
2231.1					0	8
2231.2					0	9
2232.1					56,108	10
2232.2					0	11
2232.3					0	12
2421.1					0	13
2421.2					0	14
2422.1					0	15
2422.2					42,087	16
2423.1					65,209	17
2423.2					1,256,187	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)	0	1
Other Noncurrent Assets (1410)	0	2
Deferred Tax Regulatory Asset (1437)	0	3
Net Current Deferred Operating Income Taxes (4100)	0	4
Net Noncurrent Deferred Operating Income Taxes (4340)	(106,490)	5
Net Deferred Tax Liability Adjustments (4341)	19,945	6
Deferred Tax Regulatory Liability (4361)	(20,341)	7
Net Property Related Deferred Operating Income Taxes	(106,886)	
Less: Allocation to Nonregulated Activity	0	8
Net Regulated Total Property Related Deferred Operating Income Taxes	(106,886)	
NONPROPERTY RELATED		
Other Current Assets (1350)	18,396	9
Other Noncurrent Assets (1410)	0	10
Deferred Tax Regulatory Asset (1437)	0	11
Net Current Deferred Operating Income Taxes (4100)	0	12
Net Noncurrent Deferred Operating Income Taxes (4340)	(5,067)	13
Net Deferred Tax Liability Adjustments (4341)	0	14
Deferred Tax Regulatory Liability (4361)	0	15
Total Nonproperty Related Deferred Operating Income Taxes	13,329	

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				0	2
				0	3
7250				0	4
7250	(21,347)			(127,837)	5
	(10,195)			9,750	6
	10,555			(9,786)	7
	(20,987)	0	0	(127,873)	8
	0			0	
	(20,987)	0	0	(127,873)	
7250	15,503			33,899	9
7250				0	10
				0	11
7250				0	12
7250	24,560			19,493	13
				0	14
	0			0	15
	40,063	0	0	53,392	

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)
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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):				
RUS Note #2040, 2041, 2042	12/21/1964	12/21/1999	2.0000	1
RUS Note #2050 & 2051	03/09/1972	03/09/2007	2.0000	2
Total Funded Debt				
Other Long-Term Debt (Acct. 4270):				
Rural Development	06/01/1992	06/01/2002	.0000	3
Rural Development	05/13/1993	04/30/2003	.0000	4
Total Other Long-Term Debt				

LONG-TERM DEBT (cont.)

Composite Interest Rate (e)	Held by Utility		Total Principal EOY (h)	Current Maturities Included in Acct. 4050 (i)	Total Amount Outstanding (j)	
	Reacquired Debt Acct. 4240 (f)	Sinking Funds Acct. 1408 (g)				
2.0000			15,742	6,800	22,542	1
2.0000			270,583	34,600	305,183	2
	0	0	286,325	41,400	327,725	
.0000			29,166	12,500	41,666	3
.0000			38,174	10,900	49,074	4
	0	0	67,340	23,400	90,740	

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:			
Common Stock	40,000	25.00	1
TOTAL COMMON STOCK	40,000		
TOTAL	<u>40,000</u>		

CAPITAL STOCK ACCOUNTS AT END OF YEAR (cont.)

	Acct. 4510 - Capital Stock		Acct. 4530 - Treasury Stock		
	Shares	Amount	Shares	Amount	
	(e)	(f)	(g)	(h)	
COMMON STOCK:					
Common Stock	37,835	945,875	746	82,060	1
	37,835	945,875	746	82,060	
TOTAL	<u>37,835</u>	<u>945,875</u>	<u>746</u>	<u>82,060</u>	

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	1,826,936	1,601,661	1
Changes:			
Balance Transferred from Income	409,485	323,696	2
Dividends Declared:			
Common	651,206	98,421	3
Preferred			4
Total Dividends Declared	651,206	98,421	
Miscellaneous Debits to Retained Earnings			5
Miscellaneous Credits to Retained Earnings			6
Balance--End of Year	<u>1,585,215</u>	<u>1,826,936</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)	83,994	36,486	126,571	1
Nonoperating Taxes (Accts. 7410 - 7450)		6,000	20,071	2
Extraordinary Items (Accts. 7630 & 7640)				3
Nonregulated Net Income (Acct. 7990)		894	3,431	4
Clearing Accounts				5
Construction				6
Payroll Taxes: FICA				7
Payroll Taxes: State Unemployment				8
Payroll Taxes: Federal Unemployment				9
Other (specify):				
ITC Restored			15,072	10
Deferred Taxes		(15)	15,597	11
TOTAL	<u>83,994</u>	<u>43,365</u>	<u>180,742</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)	
1,963					249,014	1
					26,071	2
					0	3
					4,325	4
					0	5
					0	6
				60,966	60,966	7
				194	194	8
				828	828	9
					15,072	10
					15,582	11
<u>1,963</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>61,988</u>	<u>372,052</u>	

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

Particulars (a)	This Year (b)	Last Year (c)	
LOCAL NETWORK SERVICES REVENUES			
Basic Local Service Revenue (5000)*	364,264	347,852	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)	364,264	347,852	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	98,853	94,527	11
Switched Access Revenue (5082)*	524,812	562,581	12
Special Access Revenue (5083)*	9,315	11,012	13
TOTAL INTERSTATE ACCESS REVENUES (5080)	632,980	668,120	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*	331	0	14
Switched Access Revenue (5084.2)*	296,457	263,412	15
Special Access Revenue (5084.3)*	7,297	10,093	16
TOTAL INTRASTATE ACCESS REVENUES (5084)	304,085	273,505	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*	7,853	1,963	17 G
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.	7,853	1,963	

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

Particulars (a)	This Year (b)	Last Year (c)	
MISCELLANEOUS REVENUES			
Directory Revenue (5230)*	87,008	94,681	30
Rent Revenue (5240)*	6,421	5,485	31
Corporate Operations Revenue (5250)*	0	0	32
Miscellaneous:			
Miscellaneous Revenue (5260)*	9,589	9,850	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)	9,589	9,850	
Interstate Billing and Collection Revenue*	27,033	29,369	39
Intrastate Billing and Collection Revenue*	28,179	28,448	40
Total Carrier Billing and Collection Revenue (5270)*	55,212	57,817	
Nonregulated Operating Revenue (5280)**			41
TOTAL MISCELLANEOUS REVENUES	158,230	167,833	
GROSS OPERATING REVENUES	1,467,412	1,459,273	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*	4,421	2,070	42
Uncollectible Revenue--Telecommunications (5301)			43
Uncollectible Revenue--Other (5302)			44
TOTAL UNCOLLECTIBLE REVENUE (5300)	4,421	2,070	
TOTAL OPERATING REVENUES	1,462,991	1,457,203	

** 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)	1,523	1,454	1
Less: Nonregulated	0	0	2
Net Regulated	1,523	1,454	0 3
Total General Support Expense (6120)	8,994	28,745	4
Less: Nonregulated	0	0	5 B
Net Regulated	8,994	28,745	0 6
Total Central Office Switching Expense (6210)	35,488	17,963	7
Less: Nonregulated	0	0	8 C
Net Regulated	35,488	17,963	0 9
Total Operator Systems Expense (6220)	0	0	10
Less: Nonregulated	0	0	11
Net Regulated	0	0	0 12
Total Central Office Transmission Expenses (6230)	892	1,356	13
Less: Nonregulated	0	0	14
Net Regulated	892	1,356	0 15
Total Information Orig. / Term. Expense (6310)	215	0	16
Less: Nonregulated	0	0	17
Net Regulated	215	0	0 18
Total Cable and Wire Fac. Expense (6410)	96,839	83,383	19
Less: Nonregulated	0	0	20
Net Regulated	96,839	83,383	0 21
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	143,951	132,901	0
Less: Nonregulated	0	0	0
Net Regulated	143,951	132,901	0
PLANT NONSPECIFIC OPERATIONS EXPENSE			
Total Other Property, Plant and Equip. Exp. (6510)	0	0	0 22
Less: Nonregulated	0	0	23
Net Regulated	0	0	0 24
Total Network Operations Expense (6530)	24,430	13,329	25
Less: Nonregulated	0	0	26 D
Net Regulated	24,430	13,329	0 27
Access Expense (6540)	0	1,289	28
Less: Nonregulated	0	0	29
Net Regulated	0	1,289	0 30
Total Depreciation and Amortization Expense (6560)	305,712	306,603	31
Less: Nonregulated	0	0	32
Net Regulated	305,712	306,603	33
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	330,142	321,221	0
Less: Nonregulated	0	0	0
Net Regulated	330,142	321,221	0

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6110			1,454		1
	0	0	1,454	0	2
6120			28,745		3
	0	0	28,745	0	4
6210			17,963		5 B
	0	0	17,963	0	6
6220			0		7
	0	0	0	0	8 C
6230			1,356		9
	0	0	1,356	0	10
6310			0		11
	0	0	0	0	12
6410			83,383		13
	0	0	83,383	0	14
	0	0	132,901	0	15
	0	0	0	0	16
	0	0	132,901	0	17
6510	0	0	0	0	18
					19
	0		0	0	20
6530			13,329		21
	0	0	13,329	0	22
6540			1,289		23
	0	0	1,289	0	24
6560			306,603		25
					26 D
			306,603		27
	0	0	321,221	0	28
	0	0	0	0	29
	0	0	321,221	0	30
					31
					32
					33

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)
CUSTOMER OPERATIONS EXPENSE			
Total Marketing (6610)	592	420	34
Less: Nonregulated	0	0	35
Net Regulated	592	420	0 36
Total Services (6620)	193,971	183,948	37
Less: Nonregulated	0	0	38
Net Regulated	193,971	183,948	0 39
TOTAL CUSTOMER OPERATIONS EXPENSE	194,563	184,368	0
Less: Nonregulated	0	0	0
Net Regulated	194,563	184,368	0
CORPORATE OPERATIONS EXPENSE			
Total Exec. and Planning (6710)	139,450	124,733	40
Less: Nonregulated	0	0	41
Net Regulated	139,450	124,733	0 42
Total General and Administrative (6720)	133,372	155,463	43
Less: Nonregulated	0	0	44
Net Regulated	133,372	155,463	0 45
Provision for Uncollectible Notes Receiv. (6790)	0	0	46
Less: Nonregulated	0	0	47
Net Regulated	0	0	48
TOTAL CORPORATE OPERATIONS EXPENSE	272,822	280,196	0
Less: Nonregulated	0	0	0
Net Regulated	272,822	280,196	0
TOTAL EXPENSES	941,478	918,686	0
Less: Nonregulated	0	0	0
Net Regulated	941,478	918,686	0

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6610			420		34
					35
	0	0	420	0	36
6620			183,948		37
					38
	0		183,948	0	39
	0	0	184,368	0	
	0	0	0	0	
	0	0	184,368	0	
6710			124,733		40
					41
	0		124,733	0	42
6720			155,463		43
					44
	0		155,463	0	45
6790			0		46
					47
			0		48
	0	0	280,196	0	
	0	0	0	0	
	0	0	280,196	0	
	0	0	918,686	0	
	0	0	0	0	
	0	0	918,686	0	

EXPENSE MATRIX - CLASS A & B (DETAIL)

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries/ Wages (d)	
Property Held for Future Tele. Use Exp. (6511)	0	0		1
Provisioning Expense (6512)	0	0		2
Total: Reported in Account 6510	0	0	0	
Depreciat. Exp.--Tele. Plant in Service (6561)	305,712	306,603		3
Depreciat. Exp.--Prop. Held for Future Tele. Use (6562)	0	0		4
Amortization Expense--Tangible (6563)	0	0		5
Amortization Expense--Intangible (6564)	0	0		6
Amortization Expense--Other (6565)	0	0		7
Total: Reported in Account 6560	305,712	306,603		

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

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6511			0	0	1
6512			0	0	2
	0		0	0	
6561			306,603		3
6562					4
6563					5
6564					6
6565					7
			306,603		

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	1,467,412	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)	0	4
Less: Nonregulated Operating Revenue (included Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)	0	7
Plus (or Less) Other (please specify): NONE	0	8
Assessable Revenues for Remainder, Department of Justice, and Telephone Relay Assessment Purposes	1,467,412	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	364,264	1
Plus: Total Intrastate Access Revenues (5084)	304,085	2
Plus: Total Long Distance Network Services Revenue	7,853	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus (or Less) Other (please specify): NONE	0	5
Assessable Revenues for Universal Service Fund Assessment Purposes	676,202	

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	1,467,412	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)	0	4
Less: Nonregulated Operating Revenue (included Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)	0	7
Plus (or Less) Other (please specify): NONE	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	1,467,412	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	364,264	1
Plus: Total Intrastate Access Revenues (5084)	304,085	2
Plus: Total Long Distance Network Services Revenue	7,853	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus (or Less) Other (please specify): NONE	0	5
Assessable Revenues for Universal Service Fund Assessment Purposes	676,202	

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)*	0	0	2
Gains and (Losses) from Foreign Exchange (7140)			3
Gains or (Losses) from the Disposition of Land and Artworks (7150)			4
Other Operating Gains and (Losses) (7160)*	0	0	5
TOTAL OTHER OPERATING INCOME AND (EXPENSE) (7100)*	0	0	
OPERATING TAXES			
Operating Investment Tax Credits--Net (7210)*	(15,072)	(15,075)	6
Operating Federal Income Taxes (7220)*	160,004	149,186	7
Operating State and Local Income Taxes (7230)*	37,201	36,900	8
Operating Other Taxes (7240)*	85,957	86,349	9
Provision for Deferred Operating Income Taxes--Net (7250)*	(19,076)	(11,806)	10
TOTAL OPERATING TAXES (7200)*	249,014	245,554	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)*	0	0	11
Interest Income (7320)*	51,935	42,055	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)*	90,787	27,696	16
Special Charges (7370)*	1,427	1,699	17
TOTAL NONOPERATING INCOME AND EXPENSE (7300)*	141,295	68,052	
NONOPERATING TAXES			
Nonoperating Investment Tax Credits--Net (7410)*	0	0	18
Nonoperating Federal Income Taxes (7420)*	17,412	12,578	19
Nonoperating State and Local Income Taxes (7430)*	5,280	3,363	20
Nonoperating Other Taxes (7440)*	0	0	21
Provision for Deferred Nonoperating Income Taxes-Net (7450)*	3,379	429	22
TOTAL NONOPERATING TAXES (7400)*	26,071	16,370	
INTEREST AND RELATED ITEMS			
Interest on Funded Debt (7510)*	7,024	7,793	23
Interest Expense--Capital Leases (7520)*	0	0	24
Amortization of Debt Issuance Expense (7530)*	0	0	25
Other Interest Deductions (7540)*	666	654	26
TOTAL INTEREST AND RELATED ITEMS (7500)*	7,690	8,447	
EXTRAORDINARY ITEMS			
Extraordinary Items (7600)*	0	0	27
Extraordinary Income Credits (7610)			28
Extraordinary Income Charges (7620)			29
Current Income Tax Effect of Extraordinary Items--Net (7630)			30
Provision for Deferred Income Tax Effect of Extraordinary Items--Net (7640)			31
TOTAL EXTRAORDINARY ITEMS (7600)*	0	0	
NONREGULATED NET INCOME			
Nonregulated Net Income (7990)*	6,660	10,290	32

NONREGULATED NET INCOME (ACCT. 7990)

Particulars (a)	Amount (b)	
Revenues (Acct. 7990.1)		
Gross Sales	104,389	1
Less: Cost of Goods Sold		2
Net Sales	104,389	3
Expenses (Acct. 7990.2)	97,729	4
Nonregulated Net Income	<u>6,660</u>	5

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

Sale of CPE
 Sale of Cellular Phones
 Provider of Internet Services

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:

Internet service - \$39,627
 Cellular phone sales - \$37,551

DISTRIBUTION OF SALARIES AND WAGES

Description (a)	Amount (b)	
Regulated Expense	0	1
Nonregulated Expense	0	2
Plant Accounts	0	3
Accumulated Depreciation Accounts	0	4
All Other Accounts	458,958	5
Total Salaries and Wages	458,958	6 A

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			0	1
Supervision and Other Management	2.00	3.00	170,915	2
Other Employees	9.00	9.00	288,043	3
Total	11.00	12.00	458,958	

DISTRIBUTION OF SALARIES AND WAGES

Description (a)	Amount (b)	
Regulated Expense	0	1
Nonregulated Expense	0	2
Plant Accounts	0	3
Accumulated Depreciation Accounts	0	4
All Other Accounts	458,958	5
Total Salaries and Wages	458,958	6 A

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			0	1
Supervision and Other Management	2.00	3.00	170,915	2
Other Employees	9.00	9.00	288,043	3
Total	11.00	12.00	458,958	

TELEPHONE CALLS AND MINUTES OF USE PER MONTH

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

Item (a)	Telephone Calls (000's) (b)	Minutes of Use (000's) (c)	
LOCAL			
Intra-Exchange	0	0	1
Extended Area Service	0	0	2
Extended Community Calling	0	0	3
Other Local-Undefined	0	0	4
Total Local	0	0	
TOLL			
Operator Handled: State--intraLATA	0	5	5
Operator Handled: State--interLATA	0	5	6
Operator Handled: Interstate	0	15	7
Customer Dialed: State--intraLATA	18	175	8
Customer Dialed: State--interLATA	20	176	9
Customer Dialed: Interstate	35	506	10
WATS	0	0	11
Other Toll-Undefined	0	0	12
Total Toll	73	882	
Total Local & Toll	73	882	

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.	72	1	0	0	2
Feature Group B -- Orig.	0	0	0	0	3
Feature Group B -- Term.	0	0	0	0	4
Feature Group C -- Orig.	0	0	1,076	0	5
Feature Group C -- Term.	0	0	998	0	6
Feature Group D -- Orig.	2,673	463	89	0	7
Feature Group D -- Term.	3,514	1,716	0	0	8

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	0	1
Sheath miles of plant - buried	293	2
Sheath miles of plant - fiber optics	34	3
Strand miles of plant - fiber optics	1,081	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	4	2	1
56 kbps	2	1	2
64 kbps (DS0)	0	0	3
1.54 Mbps (DS-1)	2	0	4
45 Mbps (DS-3)	0	0	5
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	0	1
Sheath miles of plant - buried	293	2
Sheath miles of plant - fiber optics	34	3
Strand miles of plant - fiber optics	1,081	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	4	2	1
56 kbps	2	1	2
64 kbps (DS0)	0	0	3
1.54 Mbps (DS-1)	2	0	4
45 Mbps (DS-3)	0	0	5
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

SERVICE DATA

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

Item (a)	FOY (b)	EOY (c)	
Business			
1 Party	411	310	3
2 Party			4
4 Party			5
PBX Trunks/System Trunks	9	9	6
Centrex Trunks			7
Centrex Lines			8
Key System Trunks	43	88	9
Mobile (Utility Provided Service)			10
Paging (Utility Provided Service)			11
FX-Out (Switched)			12
Pay Telephone	6	6	13
Coin-Operated Pay Telephone			14
Independent Pay Telephone Provider	1	2	15
Pay Stations - Public			16
- Semi-Public			17
- Cust. Owned			18
Other			19
Total Business Lines	470	415	20
Residential (Incl. Emp. Concess.)			
1 Party	1,831	1,888	22
2 Party			23
4 Party			24
FX-Out (Switched)	2		25
Other		8	26
Total Residential Lines	1,833	1,896	27
Total Bus & Res Lines	2,303	2,311	28
Company Used Lines	55	47	29
Total Lines Used	2,358	2,358	30

SERVICE DATA (cont.)

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

Item (a)	FOY (b)	EOY (c)	
Miscellaneous			
WATS Lines - OutWATS			3
WATS Lines - 800 Service			4
FX-In-intraLATA			5
Special Access-intraLATA			6
(expressed in equiv. access lines)	3	3	7
Special Access-interLATA			8
(expressed in equiv. access lines)	55	54	9
Feature Group A Lines	2	2	10
Feature Group B Trunks			11
Feature Group C Trunks			12
Feature Group D Trunks	100	88	13
TSPS - Trunks	9	7	14
EAS - Trunks	156	109	15
Cellular Trunks (Pub. Sw. Net.)			16
Video Distance Learning			17
- discounted (special tariff)	1	1	18
Customers			
Business - 2 Party Customers			19
Business - 4 Party Customers			20
Residential - 2 Party Customers			21
Residential - 4 Party Customers			22
Other			
Total Central Office, Info. Orig./Term., & Cable			23
Wire Fac. Assets (based on physical location of plant)			24
	3,732,456	4,196,076	25
Total Company Square Miles	123	123	26
Total Company Route Miles	190	194	27
Footnotes			28
			29
			30

SERVICE DATA - END OF YEAR

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

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	1350	3050			1
Business					2
1 Party	47	263			3
2 Party					4
4 Party					5
PBX Trunks/System Trunks	1	8			6
Centrex Trunks					7
Centrex Lines					8
Key System Trunks	5	83			9
Mobile (utility provided service)					10
Paging (utility provided service)					11
FX-Out (Switched)					12
Pay Telephone	1	5			13
Coin-Operated Pay Telephone					14
Independent Pay Telephone Provider		2			15
Pay Stations - Public					16
- Semi-Public					17
- Cust. Owned					18
Other					19
Total Business Lines	54	361	0	0	20
Residential (Incl. Emp. Concess.)					21
1 Party	430	1,458			22
2 Party					23
4 Party					24
FX-Out (Switched)					25
Other	1	7			26
Total Residential Lines	431	1,465	0	0	27
Total Bus & Res Lines	485	1,826	0	0	28
Company Used Lines	9	38			29
Total Lines Used	494	1,864	0	0	30

SERVICE DATA - END OF YEAR (cont.)

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

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	1350	3050			1
Miscellaneous					2
WATS Lines - OutWATS					3
WATS Lines - 800 Service					4
FX-In-intraLATA					5
Special Access-intraLATA					6
(equiv. access lines)	1	2			7
Special Access-interLATA					8
(equiv. access lines)		54			9
Feature Group A Lines		2			10
Feature Group B Trunks					11
Feature Group C Trunks					12
Feature Group D Trunks		88			13
TSPS - Trunks		7			14
EAS - Trunks		109			15
Cellular Trunks (Pub. Sw. Net.)					16
Video Distance Learning					17
- discounted (special tariff)	0	1			18
Customers					19
Business - 2 Party Customers					20
Business - 4 Party Customers					21
Residential - 2 Party Customers					22
Residential - 4 Party Customers					23
Other					24
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical					26
location of plant)	839,217	3,356,859			27
Exchange Square Miles	36	87			28
Exchange Route Miles	59	135			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--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	CUSHING	LUCK			1
PSCW Exchange ID	1350	3050			2
Central Office Name	CUSHING	LUCK			3
PSCW Central Office ID	1	1			4
Manufacturer of COE (Page 54)	SC	SC			5
Year COE Installed	1986	1986			6
Type of Equipment (Page 54)	D	D			7
(S)tandalone, (H)ost, (R)emote	R	H			8
Remote Host PSCW Exchange ID	1350				9
Remote Host PSCW Central Office ID	0	0			10
COE Generic Software Release No.		19			11
SS7?	Yes	Yes			12
9-1-1?	Yes	Yes			13
Access Lines - In Use	493	1,884			14
- Equipped	601	2,251			15
- Wired	656	2,314			16
Trunks - In Use	48	313			17
- Equipped	72	436			18
- Wired	72	460			19
ISDN Available?	No	No			20
ISDN Lines - In Use (BRI)	0	0			21
- In Use (PRI)	0	0			22
Switched 56 Service?	No	No			23
Switched 56 lines in use	0	0			24
Digital Transmission Facilities: DS-1 - In Use	3	16			25
DS-3 - In Use	0	0			26
Advanced Data Service Available:					
Packet Switching?	No	No			27
SMDS?	No	No			28
Frame Relay?	No	No			29
ATM (Asynchronous Trans. Mode)?	No	No			30
Video Information - Service Available?	No	No			31
- In Use (# lines) ¹	0	0			32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	84	160			33
No. of fiber strands working (LIT) in C.O.	0	13			34
No. of fiber strands for interoffice use	48	124			35
Miles of fiber sheath in wire center	5	29			36
Access Tandem Serving this C.O.:					
- C.O. Name	FREDERIC	FREDERIC			37
- PSCW C.O. ID	1960-01	1960-01			38
Does this C.O. do access tandem switching?	No	No			39
Equal Access: InterLATA (1+)?	Yes	Yes			40
Equal Access: IntraLATA (1+)?	No	No			41
Footnotes					42

¹ Teleco provided end-to-end facility.

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

Response received 11/22/99

Item 1: docket number 3230-AT-100 should be 3230-AT-101.

Item 2: there was no affiliated activity for 3230-AT-102 or 3230-AT-104 in 1998.

Item 3: amounts represent federal taxes (write utility and indicate that in future reports, income taxes between affiliates should be reported on page 15 and be covered by affiliated agreement(s).

Item 4: provided (and entered into 1997 report)

Item 5: all efforts will be made to provide info in 1999 report.

ele

October 25, 1999

Mr. John K. Klatt, President/CEO
Luck Telephone Company
28 1st Avenue West
P.O. Box 300
Luck, WI 54853-0300

Re:1998 Analytical ReviewDWCCA-3230-ELE

Dear Mr. Klatt:

The Public Service Commission (PSC) is in the process of completing an analytical review of your utility's 1998 annual report. The purposes of an analytical review are to detect possible reporting or accounting related errors and to identify significant fluctuations from established trends in reported data not sufficiently explained in the annual report. It is our hope that our review will supply information that will enable us to better provide guidance to your utility regarding proper utility accounting and the preparation of future annual reports. In order to complete this review, we request the following information:

1. On copy 1 of page 14, Milltown Mutual Telephone Company (MILLTOWN) is identified as an affiliate. The Commission's Case Management System indicates that an application for approval or notification of an affiliated interest contract between the utility and MILLTOWN was filed with the Commission in 1997 and was docketed as 3230-AT-101. However, no affiliated interest activity for 1998 is reported for MILLTOWN for docket 3230-AT-101 on copy 1 of page 15. Please provide any necessary changes to the 1998 annual report to include such activity or, in the alternative, confirm that no affiliated interest activity occurred in 1998 with MILLTOWN under 3230-AT-101. If the latter, please state if any affiliated activity with MILLTOWN under 3230-AT-101 will be reported in the 1999 report.

2. The Case Management System also lists two additional affiliated interest agreements, 3230-AT-102 (agreement between Luck Telephone Company and Lakeland Communications, Inc.) and 3230-AT-104 (agreement between Luck Telephone Company and Lakeland Telecom, Inc.), both of which were filed in 1997. No affiliated activity is reported for either agreement on copy 1 of page 15. Please provide the status of both agreements, including whether any revisions are necessary to copy 1 of page 15 to reflect 1998 activity for these agreements.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

3. Copy 1 of page 16 reports that accounts payable balances of \$126,878 and \$31,764 exist at December 31, 1998, with Luck Cellcom, Inc. and Luck Telcom, Inc., respectively. Please state what these amounts represent and whether it is necessary to revise affiliated interest transactions information reported on copy 1 of page 15 and file affiliated interest agreements with the Commission to cover such activity.

4. During our review, we noted we cannot locate a response to your 1997 analytical review letter dated September 24, 1998. One matter remains relevant: Please provide the journal entry(ies) recorded on the telcos books for the transaction concerning the deregulation of payphone assets, whether transferred below-the-line or to a separate affiliate, basis of valuation and how it compared to net book value, and the date of such journal entry(ies). If you did reply, please provide a copy of your response, and we apologize for any inconvenience.

5. Staff review of page 47 reveals that information related to telephone calls and minutes of use per month are not provided with a footnote stating "Information not available."

Your attention is drawn to the instructions for filing this data shown in the Commission staff e-mail dated November 19, 1998, concerning the 1998 report and the schedule reference sheet for page 47, Telephone Calls and Minutes of Use Per Month, in the 1998 Operations Manual. Even though the Commission is not requiring your company to furnish this data for

Schedule Footnotes**Affiliated Interest Transactions Footnote. Page 15**

3230-AT-100 revised to 3230-AT-000101 per utility response dated 11/19/99
ele

Net Deferred Operating Income Taxes (Acct. 1350, 1410, 1437, 4100, 4340, 4341 & 4361) Footnote. Page 30

Pursuant to agreement with PSCW staff, net deferred operating income tax property and nonproperty related detail and activity is not required for the 1998 annual report. The total amounts for accounts 1437, 4100, 4340, 4341 and 4361 are included in the Balance EOY column in order that the Balance Sheet schedules may be populated with the appropriate end-of-year balances for these accounts in the program.

Expense Matrix - Class A & B Footnote. Page 41

Pursuant to agreement with PSCW staff, expense matrix subsidiary record category detail is not required for the 1998 annual report. The total amount for each item is included in the Other column in order to facilitate the summation function in the program.

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

Information for local telephone calls and local minutes of use were not available for 1998.

Schedule Line Footnotes

- A) Pursuant to agreement with PSCW staff, the regulated expense amount for salaries and wages are included in line 5, All Other Accounts.
- B) Increase in general repairs and maintenance to land, buildings and other office equipment.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

- C)** Decrease in digital central office repairs in 1998 coupled with an overaccrual from 1997 related to the OPEB liability.
- D)** Decrease in labor in plant operations administration expense due to the consolidation of jobs from 1997 as a direct result of the Luck Telephone Company and Milltown Mutual Telephone Company merger.
- E)** Notes were derived from economic development loans made in 1992 and 1993.
- F)** Depreciation rate given is a composite.
- G)** Increase due to full 12 months of revenue generated from video distance learning network line installed in late 1997.