



4004

**ANNUAL REPORT**

OF

Name: MIDWAY TELEPHONE COMPANY

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Principal Office: 301 S WESTFIELD RD  
P.O. BOX 5901  
MADISON, WI 53705-0901

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For the Year Ended: DECEMBER 31, 1998

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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**

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

**ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS**

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

**ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS**

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

**ABBREVIATIONS USED IN ANNUAL REPORTS**

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

**IDENTIFICATION AND OWNERSHIP**

**Exact Utility Name:** MIDWAY TELEPHONE COMPANY  
**Utility Location:** 301 S WESTFIELD RD  
P.O. BOX 5901  
MADISON, WI 53705-0901

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

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

**Fax Number:** (608) 664 - 4519  
**Telephone Number:** (608) 664 - 4289  
**Email Address:**

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

**Name:** MS JACQUELINE M . MILSKI  
**Title:** STAFF ACCOUNTANT  
**Firm:**

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

**Fax Number:** (608) 664 - 4519  
**Telephone Number:** (608) 664 - 4353  
**Email Address:** jacqueline.milski@tdstelecom.com

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

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

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

**Fax Number:** (608) 664 - 4519  
**Telephone Number:** (608) 664 - 4289  
**Email Address:**

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

**Name:** VARIOUS CONTACTS  
**Title:**

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

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

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### IDENTIFICATION AND OWNERSHIP

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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).

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

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

**INCOME STATEMENT - TOTAL COMPANY**

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	5,463,074	5,113,629	1
<b>Operating Expenses</b>			
Plant Specific Operations Expense (6110-6410)	429,034	418,802	2
Plant Nonspecific Operations Expense	1,413,929	1,253,548	3
Customer Operations Expense (6610-6620)	1,039,347	1,000,878	4
Corporate Operations Expense (6710-6790)	998,713	866,299	5
Other Operating Income and Expense (7100)	11,761	2,928	6
Operating Taxes (7200)	782,796	755,449	7
<b>Total Operating Expenses</b>	<b>4,652,058</b>	<b>4,292,048</b>	<b>8</b>
<b>Net Operating Income</b>	<b>811,016</b>	<b>821,581</b>	<b>9</b>
<b>Other Income</b>			
Nonoperating Income and Expense (7300)	286,273	269,347	10
Nonoperating Taxes (7400)	79,249	58,557	11
Interest and Related Items (7500)	211,254	220,582	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	78,968	7,615	14
<b>Total Nonoperating Income</b>	<b>74,738</b>	<b>(2,177)</b>	<b>15</b>
<b>Net Income</b>	<b>885,754</b>	<b>819,404</b>	<b>16</b>

## NOTES TO INCOME STATEMENT OR BALANCE SHEET

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

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

### TELEPHONE PLANT

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

### DEPRECIATION

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

### REVENUES

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

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

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

### PENSION

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

### INCOME TAXES

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

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

**NOTES TO INCOME STATEMENT OR BALANCE SHEET**

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

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

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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

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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, 1998, the company has invested \$4,005,000 Telecommunications Technologies Fund, Inc., and could distribute up to \$6,689,704 to the parent or other affiliates in the form of cash dividends.

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
<b>CURRENT ASSETS</b>			
<b>CASH AND EQUIVALENTS</b>			
Cash and Equivalents (1120 )*			1
Cash (1130 )	1,003,689	549,091	2
Special Cash Deposits (1140 )	0	0	3
Working Cash Advances (1150 )	300	800	4
Temporary Investments (1160 )	4,405,000	4,805,000	5
<b>TOTAL CASH AND EQUIVALENTS</b>	<b>5,408,989</b>	<b>5,354,891</b>	
<b>RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS</b>			
Telecommunications Accounts Receivable (1180 )*	87,427	208,826	6
Accounts Receivable Allowance-Telecom (1181 )*	0	0	7
<b>Net: Telecommunications Accounts Receivable</b>	<b>87,427</b>	<b>208,826</b>	
Other Accounts Receivable (1190 )*	860,813	717,022	8
Accounts Receivable Allowance--Other (1191 )*	0	0	9
<b>Net: Other Accounts Receivable</b>	<b>860,813</b>	<b>717,022</b>	
Notes Receivable (1200 )*	0	0	10
Notes Receivable Allowance (1201 )*	0	0	11
<b>Net: Notes Receivable</b>	<b>0</b>	<b>0</b>	
Interest and Dividends Receivable (1210 )*	58,074	94,018	12
<b>TOTAL RECEIVABLES AND ALLOWANCES FOR DOUBTFUL</b>	<b>1,006,314</b>	<b>1,019,866</b>	
<b>SUPPLIES</b>			
Inventories (1220 )*	59,315	82,359	13
<b>TOTAL SUPPLIES</b>	<b>59,315</b>	<b>82,359</b>	
<b>PREPAYMENTS</b>			
Total Prepayments (1280 )*			14
Prepaid Rents (1290 )	0	0	15
Prepaid Taxes (1300 )	5,265	4,621	16
Prepaid Insurance (1310 )	0	0	17
Prepaid Directory Expenses (1320 )	3,317	0	18
Other Prepayments (1330 )	23,179	19,264	19
<b>TOTAL PREPAYMENTS</b>	<b>31,761</b>	<b>23,885</b>	
<b>OTHER CURRENT ASSETS</b>			
Other Current Assets (1350 )*	(385)	0	20
<b>TOTAL OTHER CURRENT ASSETS</b>	<b>(385)</b>	<b>0</b>	
<b>TOTAL CURRENT ASSETS</b>	<b>6,505,994</b>	<b>6,481,001</b>	
<b>NONCURRENT ASSETS</b>			
<b>INVESTMENTS</b>			
Investment in Affiliated Companies (1401 )*	0	0	21
Investments in Nonaffiliated Companies (1402 )*	231,137	231,137	22
Nonregulated Investments (1406 )*	48,380	50,854	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)	
<b>NONCURRENT ASSETS</b>			
<b>INVESTMENTS</b>			
Other Noncurrent Assets (1410 )*	0	0	26
<b>TOTAL INVESTMENTS</b>	<b>279,517</b>	<b>281,991</b>	
<b>DEFERRED CHARGES</b>			
Deferred Tax Regulatory Asset (1437 )*	3,503	4,208	27
Deferred Maintenance and Retirements (1438 )*	0	0	28
Deferred Charges (1439 )*	1,002	3,545	29
<b>TOTAL DEFERRED CHARGES</b>	<b>4,505</b>	<b>7,753</b>	
<b>TOTAL NONCURRENT ASSETS</b>	<b>284,022</b>	<b>289,744</b>	
<b>PLANT</b>			
<b>TELECOMMUNICATIONS PLANT IN SERVICE</b>			
Telecommunications Plant in Service (2001 )*	15,568,907	14,501,777	30
Less: Accumulated Depreciation (3100 )*	8,468,860	7,441,165	31
Less: Accumulated Amortization--Capitalized Leases (3410 )*	0	0	32
Less: Accumulated Amortization--Leasehold Improvements (3420 )*	0	0	33
Less: Accumulated Amortization--Intangible (3500 )*			34
<b>NET TELECOMMUNICATIONS PLANT IN SERVICE</b>	<b>7,100,047</b>	<b>7,060,612</b>	
<b>PROPERTY HELD FOR FUTURE USE</b>			
Prop. Held for Future Telecommun. Use (2002 )*	0	0	35
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200 )*	0	0	36
<b>NET PROPERTY HELD FOR FUTURE USE</b>	<b>0</b>	<b>0</b>	
<b>NONOPERATING PLANT</b>			
Nonoperating Plant (2006 )*	2,000	2,000	37
Less: Accumulated Depreciation--Nonoperating (3300 )*			38
<b>NET NONOPERATING PLANT</b>	<b>2,000</b>	<b>2,000</b>	
<b>TPUC</b>			
TPUC (2003 )*	36,576	70,558	39
<b>TOTAL TPUC</b>	<b>36,576</b>	<b>70,558</b>	
<b>TELECOMMUNICATIONS PLANT ADJUSTMENT</b>			
Telecommunications Plant Adjustment (2005 )*			40
Less: Accumulated Amortization--Other (3600 )*			41
<b>NET TELECOMMUNICATIONS PLANT ADJUSTMENT</b>	<b>0</b>	<b>0</b>	
<b>TOTAL PLANT</b>	<b>7,138,623</b>	<b>7,133,170</b>	
<b>TOTAL ASSETS AND OTHER DEBITS*</b>	<b>13,928,639</b>	<b>13,903,915</b>	

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
<b>CURRENT LIABILITIES</b>			
Accounts Payable (4010 )*	548,319	468,916	1
Notes Payable (4020 )*	0	0	2
Advance Billing and Payments (4030 )*	44,735	42,915	3
Customer Deposits (4040 )*	1,750	1,820	4
Current Maturities--Long-Term Debt (4050 )*	177,241	165,600	5
Current Maturities--Capital Leases (4060 )*	0	0	6
Income Taxes--Accrued (4070 )*	146,846	98,435	7
Other Taxes--Accrued (4080 )*	12,492	19,874	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 )*	64,720	65,638	11
Other Current Liabilities (4130 )*	1,572	0	12
<b>TOTAL CURRENT LIABILITIES*</b>	<b>997,675</b>	<b>863,198</b>	
<b>LONG-TERM DEBT</b>			
Funded Debt (4210 )*	2,740,786	2,918,672	13
Premium on Long-Term Debt (4220 )*	0	0	14
Discount on Long-Term Debt (4230 )*	0	0	15
Reacquired Debt (4240 )*	0	0	16
Obligations Under Capital Leases (4250 )*	0	0	17
Advances from Affiliated Companies (4260 )*	0	0	18
Other Long-Term Debt (4270 )*	0	0	19
<b>TOTAL LONG-TERM DEBT*</b>	<b>2,740,786</b>	<b>2,918,672</b>	
<b>OTHER LIABILITIES AND DEFERRED CREDITS</b>			
Other Long-Term Liabilities (4310 )*	(34)	4,863	20
Unamortized Operating ITC--Net (4320 )*	0	17,075	21
Unamortized Nonoperating ITC--Net (4330 )*	0	0	22
Net Noncurrent Deferred Operating Income Taxes (4340 )*	600,058	596,238	23
Net Deferred Tax Liability Adjustments (4341 )*	(17,500)	(31,481)	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350 )*	0	0	25
Other Deferred Credits (4360 )*	0	0	26
Deferred Tax Regulatory Liability (4361 )*	21,002	34,422	27
<b>TOTAL OTHER LIABILITIES AND DEFERRED CREDITS*</b>	<b>603,526</b>	<b>621,117</b>	
<b>STOCKHOLDERS' EQUITY</b>			
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 )*	8,968,929	8,883,175	32
<b>TOTAL STOCKHOLDERS' EQUITY*</b>	<b>9,586,679</b>	<b>9,500,925</b>	
<b>TOTAL LIABILITIES AND OTHER CREDITS*</b>	<b>13,928,666</b>	<b>13,903,912</b>	

**STATEMENT OF CASH FLOWS**

Item (a)	Amount (b)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Income	885,754	1
<b>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:</b>		
Depreciation and amortization	1,050,612	2
Interest during construction	(1,573)	3
<b>Changes in assets and liabilities:</b>		
Current assets (net)	29,105	4
Other noncurrent assets	3,248	5
Other current liabilities	122,836	6
Other liabilities and deferred credits	(17,591)	7
<b>Other (specify):</b>		
<b>TOTAL ADJUSTMENTS</b>	<b>1,186,637</b>	
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES (NET INCOME &amp; ADJUST.)</b>	<b>2,072,391</b>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Capital Expenditures:</b>		
Changes in plant (net)	(1,054,492)	8
Investments in affiliated companies	0	9
Nonoperating Investments	2,474	10
<b>Other (specify):</b>		
<b>NET CASH USING IN INVESTING ACTIVITIES</b>	<b>(1,052,018)</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Change in capital lease obligations (net)	0	11
Change in long-term debt (net)	(166,245)	12
Net changes in stockholder equity other than retained earnings	0	13
Change in short term borrowing (net)	0	14
Dividends paid	(800,000)	15
Miscellaneous debits/credits to retained earnings	0	16
<b>Other (specify):</b>		
<b>Net Cash Provided by Financing Activities</b>	<b>(966,245)</b>	
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>54,128</b>	
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

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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

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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

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

None

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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

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

None

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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

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

None

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

The company has adopted the American Institute of Certified Public Accountants, Accounting Standards Executive Committee, Statement of Position 98-1, Accounting for the Costs of Computer Software Developed or Obtained for Internal Use in 1998.

**AFFILIATE ABBREVIATIONS**

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

<b>Name of Affiliate (a)</b>	<b>Abbreviations (b)</b>	
Other	OTH	1
Suttle Press, Inc.	SUTTLE	2
Telephone & Data Systems, Inc.	TDS CORP	3
TDS Telecom, Inc.	TDS TEL	4
TDS Computing Services, Inc.	TDS/CS	5
Telecommunications Technologies Fund	TTF	6

**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					4
<b>Expenses:</b>					
Plant Specific Operations Expense					5
Plant Nonspecific Operations Expense					6
Customer Operations Expense					7
Corporate Operations Expense					8
<b>Total Operating Expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9</b>
<b>Other:</b>					
Plant Accounts					10
Accumulated Depreciation					11
Accumulated Amortization					12
Clearing					13
All Other	8,049	11,002	896	141,274	14
<b>Total</b>	<b>8,049</b>	<b>11,002</b>	<b>896</b>	<b>141,274</b>	<b>15</b>
Percent of affiliate's business billed to all affiliated regulated utilities			58.00		16
If cost based, rate of return on equity or markup incorporated in billings	0.00			0.00	17
Footnotes				x	

**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						4
<b>Expenses:</b>						
Plant Specific Operations Expense						5
Plant Nonspecific Operations Expense						6
Customer Operations Expense						7
Corporate Operations Expense						8
<b>Total Operating Expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>9</b>
<b>Other:</b>						
Plant Accounts						10
Accumulated Depreciation						11
Accumulated Amortization						12
Clearing						13
All Other	1,494,810	282,144				14
<b>Total</b>	<b>1,494,810</b>	<b>282,144</b>	<b>0</b>	<b>0</b>		<b>15</b>
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)	
Telecommunications Technologies Fund	1160	4,005,000	<b>1</b>
Other	1190	3,340	<b>2</b>
TDS Telecom, Inc.	1190	196,397	<b>3</b>
Telecommunications Technologies Fund	1210	18,572	<b>4</b>
Other	4010	5,471	<b>5</b>
Telephone & Data Systems, Inc.	4010	116,043	<b>6 H</b>
TDS Telecom, Inc.	4010	240,708	<b>7</b>

**ACCOUNTS RECEIVABLE NET WRITE OFFS - TELECOMMUNICATIONS**

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

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

**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.

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

Name (a)	Balance EOY (b)	
RTB Class B Stock	229,137	1
<b>Other:</b>		
RTB Class C Stock	2,000	2
<b>Total Investments in Nonaffiliated Companies</b>	<b>231,137</b>	

**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)	
<b>Total Net Investment and Inventory ( Accts. 1406.10, 1406.11, and 1406.12 ):</b>		
DBS	7,155	1
Leased Phones and Business Systems	41,225	21

**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
<b>Total</b>		<b>0</b>	

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

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
<b>GENERAL SUPPORT ASSETS</b>				
Land	2111	28,888	0	1
Motor Vehicles	2112	273,518	0	2 A
Aircraft	2113	0	0	3 L
Special Purpose Vehicles	2114	0	0	4
Garage Work Equipment	2115	0	0	5
Other Work Equipment	2116	240,916	51,147	6 A
Buildings	2121	474,372	0	7
Furniture	2122	45,272	0	8 A
Office Equipment	2123	65,375	7,161	9 A
General Purpose Computers	2124	939,538	199,857	10
<b>TOTAL--GENERAL SUPPORT ASSETS:</b>		<b>2,067,879</b>	<b>258,165</b>	
<b>CENTRAL OFFICE ASSETS</b>				
Analog Electronic Switching	2211	0	0	11
Digital Electronic Switching	2212	2,252,466	50,156	12
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220	0	0	14
Radio Systems	2231	36,019	0	15
Circuit Equipment	2232	2,438,760	220,736	16 A
<b>TOTAL--CENTRAL OFFICE ASSETS:</b>		<b>4,727,245</b>	<b>270,892</b>	
<b>INFORMATION ORIGATION/TERMINATION ASSETS</b>				
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	45,038	1,365	20
Other Terminal Equipment	2362	0	0	21
<b>TOTAL--INFORMATION ORIG/TERM ASSETS:</b>		<b>45,038</b>	<b>1,365</b>	
<b>CABLE WIRE FACILITIES ASSETS</b>				
Poles	2411	18,299	835	22
Aerial Cable	2421	327,344	1,910	23
Underground Cable	2422	201,128	5,214	24
Buried Cable	2423	6,935,101	662,823	25
Submarine Cable	2424	0	0	26
Deep Sea Cable	2425	0	0	27
Intrabuilding Network Cable	2426	0	0	28
Aerial Wire	2431	26,701	1,886	29 M
Conduit Systems	2441	153,042	0	30
<b>TOTAL--CABLE WIRE FACILITIES ASSETS:</b>		<b>7,661,615</b>	<b>672,668</b>	
<b>AMORTIZABLE ASSETS</b>				
Capital Leases	2681	0	0	31

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

<b>Account (e)</b>	<b>Retirements (f)</b>	<b>Transfers / Adjustments (g)</b>	<b>Balance EOY (h)</b>	
2111	0	0	28,888	1
2112	0	11,465	284,983	2 A
2113	0	35,714	35,714	3 L
2114	0	0	0	4
2115	0	0	0	5
2116	0	(15,225)	276,838	6 A
2121	0	0	474,372	7
2122	0	(15,771)	29,501	8 A
2123	0	(8,238)	64,298	9 A
2124	25,200	0	1,114,195	10
	<b>25,200</b>	<b>7,945</b>	<b>2,308,789</b>	
2211	0	0	0	11
2212	0	0	2,302,622	12
2215	0	0	0	13
2220	0	0	0	14
2231	0	0	36,019	15
2232	0	(222)	2,659,274	16 A
	<b>0</b>	<b>(222)</b>	<b>4,997,915</b>	
2311	0	0	0	17
2321	0	0	0	18
2341	0	0	0	19
2351	45,037	0	1,366	20
2362	0	0	0	21
	<b>45,037</b>	<b>0</b>	<b>1,366</b>	
2411	101	0	19,033	22
2421	4,547	0	324,707	23
2422	0	(2,127)	204,215	24
2423	66,671	0	7,531,253	25
2424	0	0	0	26
2425	0	0	0	27
2426	0	0	0	28
2431	0		28,587	29 M
2441	0	0	153,042	30
	<b>71,319</b>	<b>(2,127)</b>	<b>8,260,837</b>	
2681	0	0	0	31

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

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
<b>AMORTIZABLE ASSETS</b>				
Leasehold Improvements	2682	0	0	<b>32</b>
Intangibles	2690	0	0	<b>33</b>
<b>TOTAL--AMORTIZABLE ASSETS:</b>		<b>0</b>	<b>0</b>	
<b>TOTAL TELECOM. PLANT IN SERVICE</b>	<b>2001</b>	<b>14,501,777</b>	<b>1,203,090</b>	
Less: Allocation to Nonregulated Activity - EOY	2001			<b>34</b>
<b>NET REG. TOTAL TELE. PLANT IN SERV. - EOY</b>	<b>2001</b>			

Explain all amounts shown in column (g).

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

<b>Account (e)</b>	<b>Retirements (f)</b>	<b>Transfers / Adjustments (g)</b>	<b>Balance EOY (h)</b>	
2682	0	0	0	<b>32</b>
2690	0	0	0	<b>33</b>
	<b>0</b>	<b>0</b>	<b>0</b>	
	<b>141,556</b>	<b>5,596</b>	<b>15,568,907</b>	
2001			0	<b>34</b>
			<b>15,568,907</b>	

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

Report telecommunications plant data for each subaccount where primary plant accounts have subclassifications. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone plant at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subaccount (b)	Balance FOY (c)	Additions (d)	
Office Support Equipment	2123.1	15,750	0	<b>1 A</b>
Company Communications Equipment	2123.2	49,625	7,161	<b>2 A</b>
Software	2212.1	0	26,263	<b>3</b>
Digital Switching - Central Office	2212.2	1,765,251	21,446	<b>4</b>
Digital Switching - Remote	2212.3	487,215	2,447	<b>5</b>
Step by Step Switching	2215.1	0	0	<b>6</b>
Crossbar Switching	2215.2	0	0	<b>7</b>
Satellite and Earth Station Facilities	2231.1	0	0	<b>8</b>
Other Radio Facilities	2231.2	36,019	0	<b>9</b>
Digital Circuit Equipment	2232.1	2,068,248	183,739	<b>10 A</b>
Analog Circuit Equipment	2232.2	0	0	<b>11</b>
Light Wave Circuit Equipment	2232.3	370,512	36,997	<b>12</b>
Aerial Cable - Nonmetallic	2421.1	0	0	<b>13</b>
Aerial Cable - Metallic	2421.2	327,344	1,910	<b>14</b>
Underground Cable - Nonmetallic	2422.1	0	5,214	<b>15</b>
Underground Cable - Metallic	2422.2	201,128	0	<b>16 A</b>
Buried Cable - Nonmetallic	2423.1	715,747	45,120	<b>17</b>
Buried Cable - Metallic	2423.2	6,219,354	617,703	<b>18</b>
Submarine Cable - Nonmetallic	2424.1	0		<b>19</b>
Submarine Cable - Metallic	2424.2	0		<b>20</b>
Intrabuilding Cable - Nonmetallic	2426.1	0		<b>21</b>
Intrabuilding Cable - Metallic	2426.2	0		<b>22</b>

Explain all amounts shown in column (g).

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

Subaccount (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2123.1	0	(4,698)	11,052	1 A
2123.2	0	(3,540)	53,246	2 A
2212.1	0	0	26,263	3
2212.2	0	0	1,786,697	4
2212.3	0	0	489,662	5
2215.1	0	0	0	6
2215.2	0	0	0	7
2231.1	0	0	0	8
2231.2	0	0	36,019	9
2232.1	0	(222)	2,251,765	10 A
2232.2	0	0	0	11
2232.3	0	0	407,509	12
2421.1	0	0	0	13
2421.2	4,547	0	324,707	14
2422.1	0	0	5,214	15
2422.2	0	(2,127)	199,001	16 A
2423.1	0	0	760,867	17
2423.2	66,671	0	6,770,386	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)	
<b>GENERAL SUPPORT ASSETS</b>						
Motor Vehicles	2112	211,046	15.0	34,321	0	1A
Aircraft	2113	0	.0	2,284	0	2L
Special Purpose Vehicles	2114	0				3
Garage Work Equipment	2115	0				4
Other Work Equipment	2116	157,725	10.0	22,968	0	5A
Buildings	2121	303,602	3.4	16,128	0	6
Furniture	2122	34,535	10.0	2,951	0	7A
Office Equipment	2123	60,115	19.78	5,040	0	8A
General Purpose Computers	2124	526,518	20.0	185,478	0	9
<b>Total-- GENERAL SUPPORT ASSETS</b>		<b>1,293,541</b>		<b>269,170</b>	<b>0</b>	
<b>CENTRAL OFFICE ASSETS</b>						
Analog Electronic Switching	2211	0				10
Digital Electronic Switching	2212	771,111	8.17	183,811	0	11
Electro-Mechanical Switching	2215	0				12
Operator Systems	2220	0				13
Radio Systems	2231	22,099	8.3999	3,024	0	14
Circuit Equipment	2232	1,009,541	9.8100	216,153	0	15A
<b>Total-- CENTRAL OFFICE ASSETS</b>		<b>1,802,751</b>		<b>402,988</b>	<b>0</b>	
<b>INFORMATION ORIG/TERM ASSETS</b>						
Station Apparatus	2311	0				16
Customer Premises Wiring	2321	368	.0	0	0	17A
Large Private Branch Exchanges	2341	0				18
Public Telephone Terminal Equipment	2351	39,929	13.6	2,640	0	19A
Other Terminal Equipment	2362	0				20
<b>Total-- INFORMATION ORIG/TERM ASSETS</b>		<b>40,297</b>		<b>2,640</b>	<b>0</b>	
<b>CABLE WIRE FACILITIES ASSETS</b>						
Poles	2411	13,741	10.0	1,866	0	21
Aerial Cable	2421	296,187	6.0	19,591	0	22
Underground Cable	2422	162,010	4.4	8,871	0	23
Buried Cable	2423	3,674,853	4.99	351,989	0	24
Submarine Cable	2424	0				25
Deep Sea Cable	2425	0				26
Intrabuilding Network Cable	2426	0	.0			27
Aerial Wire	2431	28,809	19.0	5,055	0	28M

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

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112	0	0	1,000	11,465	257,832	1 A
2113	0	0	0	24,296	26,580	2 L
2114	0				0	3
2115	0				0	4
2116	0	0	0	(8,100)	172,593	5 A
2121	0	0	0	0	319,730	6
2122	0	0	0	(12,031)	25,455	7 A
2123	0	0	0	(7,684)	57,471	8 A
2124	25,200	0	0	0	686,796	9
	<b>25,200</b>	<b>0</b>	<b>1,000</b>	<b>7,946</b>	<b>1,546,457</b>	
2211	0				0	10
2212	0	0	96,023	0	1,050,945	11
2215	0				0	12
2220	0				0	13
2231	0	0	0	0	25,123	14
2232	0	0	95	368	1,226,157	15 A
	<b>0</b>	<b>0</b>	<b>96,118</b>	<b>368</b>	<b>2,302,225</b>	
2311	0				0	16
2321	0	0	0	(368)	0	17 A
2341	0				0	18
2351	45,037	0	11,391	(8,833)	90	19 A
2362	0				0	20
	<b>45,037</b>	<b>0</b>	<b>11,391</b>	<b>(9,201)</b>	<b>90</b>	
2411	101	544	0	0	14,962	21
2421	4,547	3,393	0	0	307,838	22
2422	0	0	0	0	170,881	23
2423	66,671	1,539	748	0	3,959,380	24
2424	0				0	25
2425	0				0	26
2426	0				0	27
2431	0	445	0	0	33,419	28 M

**ACCUMULATED DEPRECIATION CLASS A & B**

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
<b>CABLE WIRE FACILITIES ASSETS</b>					
Conduit Systems	2441	128,976	3.03	4,632	0 29
<b>Total-- CABLE WIRE FACILITIES ASSETS</b>		<b>4,304,576</b>		<b>392,004</b>	<b>0</b>
<b>Total Accumulated Depreciation</b>	<b>3100</b>	<b>7,441,165</b>		<b>1,066,802</b>	<b>0</b>
Less: Allocation to Nonregulated Activity - Columns e, f and I	3100			0	0 30
<b>Net Regulated Total Accum Depreciation - 3100 Columns e, f and I</b>				<b>1,066,802</b>	<b>0</b>

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

<b>Acct (g)</b>	<b>Retired (h)</b>	<b>Cost of Removal (i)</b>	<b>Salvage (j)</b>	<b>Other (k)</b>	<b>Balance EOY (l)</b>	
2441	0	0	0	0	133,608	29
	<b>71,319</b>	<b>5,921</b>	<b>748</b>	<b>0</b>	<b>4,620,088</b>	
<b>3100</b>	<b>141,556</b>	<b>5,921</b>	<b>109,257</b>	<b>(887)</b>	<b>8,468,860</b>	
3100					0	30
<b>3100</b>					<b>8,468,860</b>	

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

Where subclassifications of primary plant accounts are used, report below the accumulated depreciation details for each subaccount. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone accumulated depreciation at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

<b>Plant Subaccount (a)</b>	<b>Subacct (b)</b>	<b>Balance FOY (c)</b>	<b>Depr Rate (d)</b>	<b>Annual Accrual (e)</b>	<b>Additional Accrual (f)</b>	
Office Support Equipment	2123.1	14,962	19.0	0	0	1 A
Company Communications Equipment	2123.2	45,153	20.0	5,040	0	2 A
Software	2212.1	0	33.33	2,916	0	3
Digital Switching - Central Office	2212.2	505,284	8.2700	142,539	0	4
Digital Switching - Remote	2212.3	265,827	7.85	38,356	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	22,099	8.3999	3,024	0	9
Digital Circuit Equipment	2232.1	911,467	9.8500	182,628	0	10 A
Analog Circuit Equipment	2232.2	0	.0			11
Light Wave Circuit Equipment	2232.3	98,074	9.5	33,525	0	12
Aerial Cable - Nonmetallic	2421.1	0				13
Aerial Cable - Metallic	2421.2	296,187	6.0	19,591	0	14
Underground Cable - Nonmetallic	2422.1	0	4.4	38		15
Underground Cable - Metallic	2422.2	162,010	4.4	8,833	0	16
Buried Cable - Nonmetallic	2423.1	136,893	4.8	34,714	0	17
Buried Cable - Metallic	2423.2	3,537,960	5.0	317,275	0	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.)**

<b>Subacct (g)</b>	<b>Retired (h)</b>	<b>Cost of Removal (i)</b>	<b>Salvage (j)</b>	<b>Other (k)</b>	<b>Balance EOY (l)</b>	
2123.1	0	0	0	(4,463)	<b>10,499</b>	1 A
2123.2	0	0	0	(3,221)	<b>46,972</b>	2 A
2212.1	0	0	0	0	<b>2,916</b>	3
2212.2	0	0	77,755	0	<b>725,578</b>	4
2212.3	0	0	18,268		<b>322,451</b>	5
2215.1	0				<b>0</b>	6
2215.2	0				<b>0</b>	7
2231.1	0				<b>0</b>	8
2231.2	0	0	0	0	<b>25,123</b>	9
2232.1	0	0	95	368	<b>1,094,558</b>	10 A
2232.2	0				<b>0</b>	11
2232.3	0	0	0	0	<b>131,599</b>	12
2421.1	0				<b>0</b>	13
2421.2	4,547	3,393	0	0	<b>307,838</b>	14
2422.1	0				<b>38</b>	15
2422.2	0	0	0	0	<b>170,843</b>	16
2423.1	0	0	0	0	<b>171,607</b>	17
2423.2	66,671	1,539	748	0	<b>3,787,773</b>	18
2424.1					<b>0</b>	19
2424.2					<b>0</b>	20
2426.1					<b>0</b>	21
2426.2					<b>0</b>	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)	
<b>PROPERTY RELATED</b>		
Other Current Assets (1350 )	0	1
Other Noncurrent Assets (1410 )	0	2
Deferred Tax Regulatory Asset (1437 )	4,208	3
Net Current Deferred Operating Income Taxes (4100 )	0	4
Net Noncurrent Deferred Operating Income Taxes (4340 )	(596,033)	5
Net Deferred Tax Liability Adjustments (4341 )	31,481	6
Deferred Tax Regulatory Liability (4361 )	(34,422)	7
<b>Net Property Related Deferred Operating Income Taxes</b>	<b>(594,766)</b>	
Less: Allocation to Nonregulated Activity	0	8
<b>Net Regulated Total Property Related Deferred Operating Income Taxes</b>	<b>(594,766)</b>	
<b>NONPROPERTY RELATED</b>		
Other Current Assets (1350 )	0	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 )	(205)	13
Net Deferred Tax Liability Adjustments (4341 )	0	14
Deferred Tax Regulatory Liability (4361 )	0	15
<b>Total Nonproperty Related Deferred Operating Income Taxes</b>	<b>(205)</b>	

**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
	(705)			3,503	3
7250				0	4
7250	(4,025)			(600,058)	5
	(13,981)			17,500	6
	13,420			(21,002)	7
	(5,291)	0	0	(600,057)	8
	0			0	8
	(5,291)	0	0	(600,057)	
7250	(385)			(385)	9
7250				0	10
				0	11
7250				0	12
7250	205			0	13
				0	14
				0	15
	(180)	0	0	(385)	

**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.

<b>Name (a)</b>	<b>Issue Date (b)</b>	<b>Maturity (c)</b>	<b>Interest Rate (d)</b>	<b>Balance EOY (e)</b>
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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)	
<b>Funded Debt (Account 4210):</b>				
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
<b>Total Funded Debt</b>				

**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			1,826,980	133,806	1,960,786	1
6.5000			913,806	43,435	957,241	2
	<b>0</b>	<b>0</b>	<b>2,740,786</b>	<b>177,241</b>	<b>2,918,027</b>	

**CAPITAL STOCK ACCOUNTS AT END OF YEAR**

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

<b>Class and Series (a)</b>	<b>Shares Authorized by Charter (b)</b>	<b>Par Value per Share (c)</b>	<b>Call Price End of Year (d)</b>	
<b>COMMON STOCK:</b>				
	7,500	100.00	.00	<b>1</b>
<b>TOTAL COMMON STOCK</b>	<b>7,500</b>			
<b>TOTAL</b>	<b><u>7,500</u></b>			

**CAPITAL STOCK ACCOUNTS AT END OF YEAR (cont.)**

	Acct. 4510 - Capital Stock		Acct. 4530 - Treasury Stock		
	Shares (e)	Amount (f)	Shares (g)	Amount (h)	
<b>COMMON STOCK:</b>					
	4,813	607,000	0	0	1
	<b>4,813</b>	<b>607,000</b>	<b>0</b>	<b>0</b>	
<b>TOTAL</b>	<b><u>4,813</u></b>	<b><u>607,000</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	

**RETAINED EARNINGS (ACCT. 4550)**

<b>Particulars (a)</b>	<b>This Year (b)</b>	<b>Last Year (c)</b>	
Balance-First of Year	8,883,175	8,363,771	<b>1</b>
<b>Changes:</b>			
Balance Transferred from Income	885,754	819,404	<b>2</b>
<b>Dividends Declared:</b>			
Common	800,000	300,000	<b>3</b>
Preferred	0	0	<b>4</b>
<b>Total Dividends Declared</b>	<b>800,000</b>	<b>300,000</b>	
Miscellaneous Debits to Retained Earnings	0	0	<b>5</b>
Miscellaneous Credits to Retained Earnings	0	0	<b>6</b>
<b>Balance--End of Year</b>	<b><u>8,968,929</u></b>	<b><u>8,883,175</u></b>	

**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)	315,218	100,297	359,059	1
Nonoperating Taxes (Accts. 7410 - 7450)		15,602	63,648	2
Extraordinary Items (Accts. 7630 & 7640)				3
Nonregulated Net Income (Acct. 7990)			5,939	4
Clearing Accounts				5
Construction				6
Payroll Taxes: FICA				7
Payroll Taxes: State Unemployment				8
Payroll Taxes: Federal Unemployment				9
<b>Other (specify):</b>				
<b>TOTAL</b>	<b><u>315,218</u></b>	<b><u>115,899</u></b>	<b><u>428,646</u></b>	

**DISTRIBUTION OF TAXES (cont.)**

<b>PSC Remainder Assessment (e)</b>	<b>Local Property Tax (f)</b>	<b>State &amp; Local Taxes Other than Wisconsin (g)</b>	<b>Other Taxes (h)</b>	<b>Payroll Taxes (i)</b>	<b>Total (j)</b>	
8,222					<b>782,796</b>	1
					<b>79,250</b>	2
					<b>0</b>	3
24,211					<b>30,150</b>	4
					<b>0</b>	5
					<b>0</b>	6
					<b>0</b>	7
					<b>0</b>	8
					<b>0</b>	9
<b>32,433</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>892,196</b>	

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

Particulars (a)	This Year (b)	Last Year (c)	
<b>LOCAL NETWORK SERVICES REVENUES</b>			
Basic Local Service Revenue (5000 )*			1
Basic Area Revenue (5001 )	1,581,796	1,521,516	2
Optional Extended Area Revenue (5002 )	0	0	3
Cellular Mobile Revenue (5003 )	0	0	4
Other Mobile Services Revenue (5004 )	8,805	10,502	5
Public Telephone Revenue (5010 )	0	4,260	6
Local Private Line Revenue (5040 )	11,732	10,604	7
Customer Premises Revenue (5050 )	442	432	8
Other Local Exchange Revenue (5060 )	251,359	192,098	9 E
Other Local Exchange Revenue Settlements (5069 )	0	0	10
<b>TOTAL BASIC LOCAL SERVICE REVENUE (5000)</b>	<b>1,854,134</b>	<b>1,739,412</b>	
<b>NETWORK INTERSTATE ACCESS SERVICES REV.</b>			
End User Revenue (5081 )*	398,262	386,520	11
Switched Access Revenue (5082 )*	948,731	837,450	12
Special Access Revenue (5083 )*	72,907	63,979	13
<b>TOTAL INTERSTATE ACCESS REVENUES (5080)</b>	<b>1,419,900</b>	<b>1,287,949</b>	
<b>NETWORK INTRASTATE ACCESS SERVICES REV.</b>			
End User Revenue (5084.1)*	0	4	14
Switched Access Revenue (5084.2)*	1,375,620	1,308,074	15
Special Access Revenue (5084.3)*	230,118	228,592	16
<b>TOTAL INTRASTATE ACCESS REVENUES (5084)</b>	<b>1,605,738</b>	<b>1,536,670</b>	
<b>LONG DISTANCE NETWORK SERVICES MESSAGE REV.</b>			
Long Distance Message Revenue (5100 )*	0	0	17
Long Distance Inward-Only Revenue (5111 )	0	0	18
Long Distance Outward-Only Revenue (5112 )	0	0	19
<b>Unidirectional Long Distance Revenue (5110)</b>	<b>0</b>	<b>0</b>	
<b>Long Distance Private Network Revenues</b>			
Subvoice Grade Revenue (5121 )	0	0	20
Voice Grade Revenue (5122 )	0	0	21
Audio Program Grade Revenue (5123 )	0	0	22
Video Program Grade Revenue (5124 )	0	0	23
Digital Transmission Revenue (5125 )	0	0	24
Switching Revenue (5126 )	0	0	25
Other Revenue (5128 )	0	0	26
Other Revenue Settlements (5129 )	0	0	27
<b>Total Long Distance Private Network Revenue</b>	<b>0</b>	<b>0</b>	
Other Long Distance Revenue (5160 )	0	0	28
Other Long Distance Revenue Settlements (5169 )	0	0	29
<b>TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV.</b>	<b>0</b>	<b>0</b>	

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

Particulars (a)	This Year (b)	Last Year (c)	
<b>MISCELLANEOUS REVENUES</b>			
Directory Revenue (5230 )*	292,939	290,781	<b>30</b>
Rent Revenue (5240 )*	998	956	<b>31</b>
Corporate Operations Revenue (5250 )*	0	0	<b>32</b>
<b>Miscellaneous:</b>			
Miscellaneous Revenue (5260 )*			<b>33</b>
Special Billing Arrangements Revenue (5261 )	(1,054)	139	<b>34</b>
Customer Operations Revenue (5262 )	0	0	<b>35</b>
Plant Operations Revenue (5263 )	0	0	<b>36</b>
Other Incidental Regulated Revenue (5264 )	71,074	42,786	<b>37 F</b>
Other Revenue Settlements (5269 )	1,215	1,327	<b>38</b>
<b>Total Miscellaneous Revenue (5260)</b>	<b>71,235</b>	<b>44,252</b>	
Interstate Billing and Collection Revenue*	65,307	69,585	<b>39</b>
Intrastate Billing and Collection Revenue*	123,322	147,620	<b>40</b>
<b>Total Carrier Billing and Collection Revenue (5270)*</b>	<b>188,629</b>	<b>217,205</b>	
Nonregulated Operating Revenue (5280 )**			<b>41</b>
<b>TOTAL MISCELLANEOUS REVENUES</b>	<b>553,801</b>	<b>553,194</b>	
<b>GROSS OPERATING REVENUES</b>	<b>5,433,573</b>	<b>5,117,225</b>	
<b>UNCOLLECTIBLE REVENUES</b>			
Uncollectible Revenue (5300 )*			<b>42</b>
Uncollectible Revenue--Telecommunications (5301 )	4,802	2,571	<b>43</b>
Uncollectible Revenue--Other (5302 )	(34,303)	1,025	<b>44 G</b>
<b>TOTAL UNCOLLECTIBLE REVENUE (5300)</b>	<b>(29,501)</b>	<b>3,596</b>	
<b>TOTAL OPERATING REVENUES</b>	<b>5,463,074</b>	<b>5,113,629</b>	

\*\* 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)
<b>PLANT SPECIFIC OPERATIONS EXPENSE</b>			
Total Network Support Expense ( 6110 )	11,870	13,750	1
Less: Nonregulated	0	0	2
<b>Net Regulated</b>	<b>11,870</b>	<b>13,750</b>	<b>0 3</b>
Total General Support Expense ( 6120 )	103,445	85,004	4
Less: Nonregulated	0	0	5
<b>Net Regulated</b>	<b>103,445</b>	<b>85,004</b>	<b>0 6</b>
Total Central Office Switching Expense ( 6210 )	75,709	93,294	7
Less: Nonregulated	0	0	8 B
<b>Net Regulated</b>	<b>75,709</b>	<b>93,294</b>	<b>0 9</b>
Total Operator Systems Expense ( 6220 )	14	37	10
Less: Nonregulated	0	0	11
<b>Net Regulated</b>	<b>14</b>	<b>37</b>	<b>0 12</b>
Total Central Office Transmission Expenses ( 6230 )	48,246	51,925	13
Less: Nonregulated	0	0	14
<b>Net Regulated</b>	<b>48,246</b>	<b>51,925</b>	<b>0 15</b>
Total Information Orig. / Term. Expense ( 6310 )	3,280	0	16
Less: Nonregulated	0	0	17
<b>Net Regulated</b>	<b>3,280</b>	<b>0</b>	<b>0 18</b>
Total Cable and Wire Fac. Expense ( 6410 )	176,238	185,024	19
Less: Nonregulated	0	0	20
<b>Net Regulated</b>	<b>176,238</b>	<b>185,024</b>	<b>0 21</b>
<b>TOTAL PLANT SPECIFIC OPERATIONS EXPENSE</b>	<b>418,802</b>	<b>429,034</b>	<b>0</b>
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Regulated</b>	<b>418,802</b>	<b>429,034</b>	<b>0</b>
<b>PLANT NONSPECIFIC OPERATIONS EXPENSE</b>			
Total Other Property, Plant and Equip. Exp. ( 6510 )	8,638	10,758	0 22
Less: Nonregulated	0	0	23
<b>Net Regulated</b>	<b>8,638</b>	<b>10,758</b>	<b>0 24</b>
Total Network Operations Expense ( 6530 )	306,065	311,127	25
Less: Nonregulated	0	0	26
<b>Net Regulated</b>	<b>306,065</b>	<b>311,127</b>	<b>0 27</b>
Access Expense ( 6540 )	0	41,432	28
Less: Nonregulated	0	0	29 c
<b>Net Regulated</b>	<b>0</b>	<b>41,432</b>	<b>0 30</b>
Total Depreciation and Amortization Expense ( 6560 )	938,845	1,050,612	31
Less: Nonregulated	0	0	32
<b>Net Regulated</b>	<b>938,845</b>	<b>1,050,612</b>	<b>33</b>
<b>TOTAL PLANT NONSPECIFIC OPERATIONS EXP.</b>	<b>1,253,548</b>	<b>1,413,929</b>	<b>0</b>
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Regulated</b>	<b>1,253,548</b>	<b>1,413,929</b>	<b>0</b>

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

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6110			13,750		1
			0		2
	0	0	13,750	0	3
6120			85,004		4
			0		5
	0	0	85,004	0	6
6210			93,294		7
			0		8 B
	0	0	93,294	0	9
6220			37		10
			0		11
	0	0	37	0	12
6230			51,925		13
			0		14
	0	0	51,925	0	15
6310			0		16
			0		17
	0	0	0	0	18
6410			185,024		19
			0		20
	0	0	185,024	0	21
	0	0	429,034	0	
	0	0	0	0	
	0	0	429,034	0	
6510	0	0	10,758	0	22
			0		23
	0		10,758	0	24
6530			311,127		25
			0		26
	0	0	311,127	0	27
6540			41,432		28
			0		29 C
	0	0	41,432	0	30
6560			1,050,612		31
			0		32
			1,050,612		33
	0	0	1,413,929	0	
	0	0	0	0	
	0	0	1,413,929	0	

**EXPENSE MATRIX - CLASS A & B**

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)
<b>CUSTOMER OPERATIONS EXPENSE</b>			
Total Marketing ( 6610 )	263,743	285,188	34
Less: Nonregulated	0	0	35
<b>Net Regulated</b>	<b>263,743</b>	<b>285,188</b>	<b>0 36</b>
Total Services ( 6620 )	737,135	754,159	37
Less: Nonregulated	0	0	38
<b>Net Regulated</b>	<b>737,135</b>	<b>754,159</b>	<b>0 39</b>
<b>TOTAL CUSTOMER OPERATIONS EXPENSE</b>	<b>1,000,878</b>	<b>1,039,347</b>	<b>0</b>
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Regulated</b>	<b>1,000,878</b>	<b>1,039,347</b>	<b>0</b>
<b>CORPORATE OPERATIONS EXPENSE</b>			
Total Exec. and Planning ( 6710 )	131,008	167,155	40
Less: Nonregulated	0	0	41 D
<b>Net Regulated</b>	<b>131,008</b>	<b>167,155</b>	<b>0 42</b>
Total General and Administrative ( 6720 )	735,291	831,558	43
Less: Nonregulated	0	0	44
<b>Net Regulated</b>	<b>735,291</b>	<b>831,558</b>	<b>0 45</b>
Provision for Uncollectible Notes Receiv. ( 6790 )	0	0	46
Less: Nonregulated	0	0	47
<b>Net Regulated</b>	<b>0</b>	<b>0</b>	<b>48</b>
<b>TOTAL CORPORATE OPERATIONS EXPENSE</b>	<b>866,299</b>	<b>998,713</b>	<b>0</b>
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Regulated</b>	<b>866,299</b>	<b>998,713</b>	<b>0</b>
<b>TOTAL EXPENSES</b>	<b>3,539,527</b>	<b>3,881,023</b>	<b>0</b>
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Regulated</b>	<b>3,539,527</b>	<b>3,881,023</b>	<b>0</b>

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

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6610			285,188		34
			0		35
	0	0	285,188	0	36
6620			754,159		37
			0		38
	0		754,159	0	39
	0	0	1,039,347	0	
	0	0	0	0	
	0	0	1,039,347	0	
6710			167,155		40
			0		41 D
	0		167,155	0	42
6720			831,558		43
			0		44
	0		831,558	0	45
6790			0		46
			0		47
			0		48
	0	0	998,713	0	
	0	0	0	0	
	0	0	998,713	0	
	0	0	3,881,023	0	
	0	0	0	0	
	0	0	3,881,023	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 )	8,638	10,758		2
<b>Total: Reported in Account 6510</b>	<b>8,638</b>	<b>10,758</b>	<b>0</b>	
Depreciat. Exp.--Tele. Plant in Service ( 6561 )	938,845	1,048,328		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	2,284		7
<b>Total: Reported in Account 6560</b>	<b>938,845</b>	<b>1,050,612</b>		

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

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6511					1
6512			10,758		2
	0		10,758	0	
6561			1,048,328		3
6562			0		4
6563			0		5
6564			0		6
6565			2,284		7
			1,050,612		

### 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	5,433,573	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)	11,761	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)		7
Plus (or Less) Other (please specify):		8
<b>Assessable Revenues for Remainder, Department of Justice, and Telephone Relay Assessment Purposes</b>		
	<u>5,445,334</u>	

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

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	1,854,134	1
Plus: Total Intrastate Access Revenues (5084)	1,605,738	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus (or Less) Other (please specify):		5
<b>Assessable Revenues for Universal Service Fund Assessment Purposes</b>		
	<u>3,459,872</u>	

### 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	5,433,573	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)	11,761	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)		7
Plus (or Less) Other (please specify):		8
<b>Assessable Revenues for Remainder and Telephone Relay Assessment Purposes</b>	<b><u>5,445,334</u></b>	

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

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	1,854,134	1
Plus: Total Intrastate Access Revenues (5084)	1,605,738	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus (or Less) Other (please specify):		5
<b>Assessable Revenues for Universal Service Fund Assessment Purposes</b>	<b><u>3,459,872</u></b>	

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

Particulars (a)	This Year (b)	Last Year (c)	
<b>OTHER OPERATING INCOME AND EXPENSE</b>			
Income from Custom Work (7110 )*	0	0	1
Return from Nonregulated Use of Regulated Facilities (7130 )*	2,928	2,928	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 )*	8,833	0	5
<b>TOTAL OTHER OPERATING INCOME AND (EXPENSE) (7100)*</b>	<b>11,761</b>	<b>2,928</b>	
<b>OPERATING TAXES</b>			
Operating Investment Tax Credits--Net (7210 )*	(17,075)	(37,560)	6
Operating Federal Income Taxes (7220 )*	373,124	299,035	7
Operating State and Local Income Taxes (7230 )*	98,222	69,499	8
Operating Other Taxes (7240 )*	323,440	326,042	9
Provision for Deferred Operating Income Taxes--Net (7250 )*	5,085	98,433	10
<b>TOTAL OPERATING TAXES (7200)*</b>	<b>782,796</b>	<b>755,449</b>	
<b>NONOPERATING INCOME AND EXPENSE</b>			
Dividend Income (7310 )*	145	145	11
Interest Income (7320 )*	301,551	289,022	12
Income from Sinking and Other Funds (7330 )*	0	0	13
Allowance for Funds Used During Construction (7340 )*	1,573	0	14
Gains or (Losses) from the Disposition of Certain Property (7350 )*	0	0	15
Other Nonoperating Income (7360 )*	(116)	4	16
Special Charges (7370 )*	16,880	19,824	17
<b>TOTAL NONOPERATING INCOME AND EXPENSE (7300)*</b>	<b>286,273</b>	<b>269,347</b>	
<b>NONOPERATING TAXES</b>			
Nonoperating Investment Tax Credits--Net (7410 )*	0	0	18
Nonoperating Federal Income Taxes (7420 )*	63,648	47,025	19
Nonoperating State and Local Income Taxes (7430 )*	15,601	11,532	20
Nonoperating Other Taxes (7440 )*	0	0	21
Provision for Deferred Nonoperating Income Taxes-Net (7450 )*	0	0	22
<b>TOTAL NONOPERATING TAXES (7400)*</b>	<b>79,249</b>	<b>58,557</b>	
<b>INTEREST AND RELATED ITEMS</b>			
Interest on Funded Debt (7510 )*	205,813	216,919	23
Interest Expense--Capital Leases (7520 )*	0	0	24
Amortization of Debt Issuance Expense (7530 )*	0	0	25
Other Interest Deductions (7540 )*	5,441	3,663	26
<b>TOTAL INTEREST AND RELATED ITEMS (7500)*</b>	<b>211,254</b>	<b>220,582</b>	
<b>EXTRAORDINARY ITEMS</b>			
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
<b>TOTAL EXTRAORDINARY ITEMS (7600)*</b>	<b>0</b>	<b>0</b>	
<b>NONREGULATED NET INCOME</b>			
Nonregulated Net Income (7990 )*	78,968	7,615	32

**NONREGULATED NET INCOME (ACCT. 7990)**

Particulars (a)	Amount (b)	
Revenues (Acct. 7990.1)		
Gross Sales	538,269	1
Less: Cost of Goods Sold	195,582	2
<b>Net Sales</b>	<b>342,687</b>	<b>3</b>
Expenses (Acct. 7990.2)	263,719	4
<b>Nonregulated Net Income</b>	<b><u>78,968</u></b>	<b>5</b>

**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, PBXx, data modems and Direct Broadcast Satellite (DBS). In addition, nonregulated activities include sales and leasing of mobile and pager equipment where the tariff allows.

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

Sale of PBX for \$115,282 in December.

**DISTRIBUTION OF SALARIES AND WAGES**

Description (a)	Amount (b)	
Regulated Expense	0	1
Nonregulated Expense	60,870	2
Plant Accounts	144,776	3
Accumulated Depreciation Accounts	0	4
All Other Accounts	540,432	5
<b>Total Salaries and Wages</b>	<b><u>746,078</u></b>	<b>6 κ</b>

**EMPLOYEE DATA**

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

Employee Category (a)	Number of Equivalent Full-Time Employees		Total Compensation (d)	
	FOY (b)	EOY (c)		
Officers				1
Supervision and Other Management	5.00	4.00	151,300	2
Other Employees	16.00	16.00	589,230	3
<b>Total</b>	<b><u>21.00</u></b>	<b><u>20.00</u></b>	<b><u>740,530</u></b>	

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Description (a)	Amount (b)	
Regulated Expense	0	1
Nonregulated Expense	60,870	2
Plant Accounts	144,776	3
Accumulated Depreciation Accounts	0	4
All Other Accounts	540,432	5
<b>Total Salaries and Wages</b>	<b><u>746,078</u></b>	<b>6 κ</b>

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Employee Category (a)	Number of Equivalent Full-Time Employees		Total Compensation (d)	
	FOY (b)	EOY (c)		
Officers				1
Supervision and Other Management	5.00	4.00	151,300	2
Other Employees	16.00	16.00	589,230	3
<b>Total</b>	<b><u>21.00</u></b>	<b><u>20.00</u></b>	<b><u>740,530</u></b>	

**TELEPHONE CALLS AND MINUTES OF USE PER MONTH**

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

Item (a)	Telephone Calls (000's) (b)	Minutes of Use (000's) (c)	
<b>LOCAL</b>			
Intra-Exchange			1
Extended Area Service			2
Extended Community Calling			3
Other Local-Undefined	2,318	6,462	4
<b>Total Local</b>	<b>2,318</b>	<b>6,462</b>	
<b>TOLL</b>			
Operator Handled: State--intraLATA			5
Operator Handled: State--interLATA			6
Operator Handled: Interstate			7
Customer Dialed: State--intraLATA			8
Customer Dialed: State--interLATA			9
Customer Dialed: Interstate			10
WATS			11
Other Toll-Undefined		3,271	12
<b>Total Toll</b>	<b>0</b>	<b>3,271</b>	
<b>Total Local &amp; Toll</b>	<b>2,318</b>	<b>9,733</b>	

**ACCESS USAGE**

Enter number, in thousands, of Billed Minutes.

Description (a)	Billed Minutes (000's)				
	Interstate InterLATA (b)	Intrastate InterLATA (c)	Intrastate IntraLATA (d)	Interstate IntraLATA (e)	
Feature Group A -- Orig.	0	0	0	0	1
Feature Group A -- Term.	0	0	0	0	2
Feature Group B -- Orig.	8	0	2	0	3
Feature Group B -- Term.	16	4	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.	7,495	6,614	4,900	0	7
Feature Group D -- Term.	6,426	6,258	4,955	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	51	3
Strand miles of plant - fiber optics	933	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	22	14	1
56 kbps	0	0	2
64 kbps (DS0)	1	0	3
1.54 Mbps (DS-1)	14	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**

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	51	3
Strand miles of plant - fiber optics	933	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	22	14	1
56 kbps	0	0	2
64 kbps (DS0)	1	0	3
1.54 Mbps (DS-1)	14	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

**SERVICE DATA**

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

Item (a)	FOY (b)	EOY (c)	
<b>Business</b>			
1 Party	1,016	1,061	<b>3</b>
2 Party	0	0	<b>4</b>
4 Party	0	0	<b>5</b>
PBX Trunks/System Trunks	126	121	<b>6</b>
Centrex Trunks	0	0	<b>7</b>
Centrex Lines	541	438	<b>8</b>
Key System Trunks	315	308	<b>9</b>
Mobile (Utility Provided Service)	0	0	<b>10</b>
Paging (Utility Provided Service)	87	79	<b>11</b>
FX-Out (Switched)	0	1	<b>12</b>
Pay Telephone	47	0	<b>13</b>
Coin-Operated Pay Telephone	0	0	<b>14</b>
Independent Pay Telephone Provider	0	0	<b>15</b>
Pay Stations - Public	0	0	<b>16</b>
- Semi-Public	0	0	<b>17</b>
- Cust. Owned	0	0	<b>18</b>
Other	0	0	<b>19</b>
<b>Total Business Lines</b>	<b>2,132</b>	<b>2,008</b>	<b>20</b>
<b>Residential (Incl. Emp. Concess.)</b>			
1 Party	6,098	6,273	<b>22</b>
2 Party	0	0	<b>23</b>
4 Party	0	0	<b>24</b>
FX-Out (Switched)	3	4	<b>25</b>
Other	0	0	<b>26</b>
<b>Total Residential Lines</b>	<b>6,101</b>	<b>6,277</b>	<b>27</b>
<b>Total Bus &amp; Res Lines</b>	<b>8,233</b>	<b>8,285</b>	<b>28</b>
Company Used Lines	90	102	<b>29</b>
<b>Total Lines Used</b>	<b>8,323</b>	<b>8,387</b>	<b>30</b>

**SERVICE DATA (cont.)**

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

Item (a)	FOY (b)	EOY (c)	
<b>Miscellaneous</b>			
WATS Lines - OutWATS	2	2	<b>3</b>
WATS Lines - 800 Service	1	1	<b>4</b>
FX-In-intraLATA	3	3	<b>5</b>
Special Access-intraLATA			<b>6</b>
(expressed in equiv. access lines)	166	158	<b>7</b>
Special Access-interLATA			<b>8</b>
(expressed in equiv. access lines)	285	359	<b>9</b>
Feature Group A Lines	0	0	<b>10</b>
Feature Group B Trunks	0	0	<b>11</b>
Feature Group C Trunks	0	0	<b>12</b>
Feature Group D Trunks	260	312	<b>13</b>
TSPS - Trunks	17	17	<b>14</b>
EAS - Trunks	52	52	<b>15</b>
Cellular Trunks (Pub. Sw. Net.)	0	0	<b>16</b>
Video Distance Learning			<b>17</b>
- discounted (special tariff)	1	1	<b>18</b>
<b>Customers</b>			
Business - 2 Party Customers	0	0	<b>20</b>
Business - 4 Party Customers	0	0	<b>21</b>
Residential - 2 Party Customers	0	0	<b>22</b>
Residential - 4 Party Customers	0	0	<b>23</b>
<b>Other</b>			
Total Central Office, Info. Orig./Term., & Cable			<b>25</b>
Wire Fac. Assets (based on physical location of plant)			<b>26</b>
	12,433,897	13,260,118	<b>27</b>
Total Company Square Miles	440	440	<b>28</b>
Total Company Route Miles	620	623	<b>29</b>
Footnotes			<b>30</b>

**SERVICE DATA - END OF YEAR**

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

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	1510	3280	5120		1
<b>Business</b>					2
1 Party	108	856	97		3
2 Party	0	0	0		4
4 Party	0	0	0		5
PBX Trunks/System Trunks	0	121	0		6
Centrex Trunks	0	0	0		7
Centrex Lines	54	347	37		8
Key System Trunks	38	251	19		9
Mobile (utility provided service)	0	0	0		10
Paging (utility provided service)	1	76	2		11
FX-Out (Switched)	0	1	0		12
Pay Telephone	0	0	0		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
<b>Total Business Lines</b>	<b>201</b>	<b>1,652</b>	<b>155</b>	<b>0</b>	<b>20</b>
<b>Residential (Incl. Emp. Concess.)</b>					<b>21</b>
1 Party	837	4,611	825		22
2 Party	0	0	0		23
4 Party	0	0	0		24
FX-Out (Switched)	1	2	1		25
Other	0	0	0		26
<b>Total Residential Lines</b>	<b>838</b>	<b>4,613</b>	<b>826</b>	<b>0</b>	<b>27</b>
<b>Total Bus &amp; Res Lines</b>	<b>1,039</b>	<b>6,265</b>	<b>981</b>	<b>0</b>	<b>28</b>
Company Used Lines	6	91	5		29
<b>Total Lines Used</b>	<b>1,045</b>	<b>6,356</b>	<b>986</b>	<b>0</b>	<b>30</b>

**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
<b>Miscellaneous</b>					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)	2	156	0		7
Special Access-interLATA					8
(equiv. access lines)	2	356	1		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	312	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	1	0		18
<b>Customers</b>					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
<b>Other</b>					24
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical					26
location of plant)	1,548,022	9,841,256	1,870,840		27
Exchange Square Miles	46	307	87		28
Exchange Route Miles	81	413	129		29
Footnotes					30

**MANUFACTURER ABBREVIATIONS**

Use these abbreviations when completing the central office data schedule.

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

**EQUIPMENT ABBREVIATIONS**

Use these abbreviations when completing the central office data schedule.

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

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**CENTRAL OFFICE DATA - END OF YEAR**

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

<b>Description (a)</b>	<b>Central Off. (b)</b>	<b>Central Off. (c)</b>	<b>Central Off. (d)</b>	<b>Central Off. (e)</b>	
Exchange Name	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	1,045	6,356	986		14
- Equipped	1,164	6,356	1,050		15
- Wired	1,164	11,368	1,050		16
Trunks - In Use	0	381	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	54	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) <sup>1</sup>	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	34	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+)?	Yes	Yes	Yes		41
Footnotes					42

<sup>1</sup> Teleco provided end-to-end facility.

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

Responded/revisions provided 12/2/99 ele

October 20, 1999

Mr. John R. Erpenbach, Accounting Manager  
Midway Telephone Company  
301 South Westfield Road  
P.O. Box 5158  
Madison, WI 53705-0158

Re:1998 Analytical ReviewFile DWCCA-3660-ELE

Dear Mr. Erpenbach:

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:

Please file a revised page 15 to reflect corrections to the 1998 annual report as discussed with Chris Larson of our staff during the recent annual review of the earnings of small telecommunications utilities.

We appreciate your cooperation in providing the above information. These recommendations are intended to provide accounting assistance and should not be construed as criticisms of utility personnel. If you have any questions, please feel free to contact me at (608) 266-3768. Please respond within 30 days of this letter. If we have no questions regarding your response, you can consider the review closed.

Please note that if your response to this letter contains any data that you want to be subject to confidential treatment, you must submit a confidentiality request form with your response.

Sincerely,

Elaine L. Engelke  
Financial Specialist  
Division of Water, Compliance, and Consumer Affairs

ELE:tlk:w:\compl\telco letters\3660 rev letter

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**Schedule Footnotes**

**Identification and Ownership Footnote. Page 7**

**GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES****Affiliated Interest Transactions Footnote. Page 15**

pursuant to agreement with PSCW staff, revenue, expense and other detail amounts are not required for the 1998 annual report. The total amount for each column is included on the All Other Line in order to facilitate the summation function of 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**

Pursuant to agreement with PSCW staff, toll telephone calls and minutes of use per month detail is not required for the 1998 annual report. The total toll amount for each item is included on the Other Toll - Undefined line in order to facilitate the summation function in the program.

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**Schedule Line Footnotes**

- A) Amounts listed on pages 23 and 25, in column (g) and pages 27 and 29, column (k) are reclasses between accounts or transfers with affiliates.
- B) Central Office Switching expense is up in 1998 due to STP Dedicated Network Access Link charges.
- C) Expenses in 1998 include payments to USAC for the schools and libraires fund and also the TEACH program in Wisconsin.
- D) General and Administration expenses increased in 1998 due to higher charges from affiliates for information management and planning services.
- E) The increase in other local exchange revenue is do to the significant growth in the following services: voice mail, custom calling features and class service.
- F) The growth in other local exchange revenues is due to an increase in 911 compensation.
- G) The change in uncollectible revenue is due to the write-off of prior year IXC balances.
- H) Federal Income Tax payable to parent is recorded in a/c 4070100.
  - I) Balance consists primarily of leased phones and business systems net of depreication. this leased investment is depreicated with a rate of 33.33% per year. Individual leases are not tracked separately.
- J) Contact John Erpenbach at (608) 664-4289 with questions on page 47, page 48, page 49 Special Access Circuits only, page 50, page 51 lines 1-9, page 52 and page 53 lines 1-9. Contact 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.
- K) The regulated expense amount for saleries of \$432,304 is included on line 5.
- L) The dollars showing in a/c 2113 - Aircraft actually consist of general support assets under \$2,000 and are the result of the FCC docket No. 95-60 for accounting and reporting general support assets under \$2,000.
- M) Per the PSC, we are allowed to depreciate this asset class to 110%.

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

**x)** Page 15, Copy 1, column e and copy 2, column c revised per utility response 12/2/99 ele