



4004

ANNUAL REPORT

OF

Name: EASTCOAST TELECOM, INC

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

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	<p>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:</p> <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	<p>A central office switch which has no remote switching units (RSUs) subtending it.</p>
Trunk	<p>A communications path connecting two switching systems in the establishment of an end-to-end connection.</p>
Wide Area Telephone Service (WATS)	<p>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.</p>
Wire Center	<p>The location of one or more local switching systems. A point at which customers' loops converge.</p>

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: EASTCOAST TELECOM, INC
Utility Location: 301 S WESTFIELD RD
P.O. BOX 5158
MADISON, WI 53705-0158

Utility Web Site Address:

When was utility organized?: 02/01/1908

Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: JOHN 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: john.erpenbach@tdstelecom.com

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

Name: JENNIFER A . SCHMIDT
Title: SENIOR STAFF ACCOUNTANT
Firm: TDS TELECOM
Office Address: 301 S WESTFIELD RD
P.O. BOX 5158
MADISON , WI 53705-0158

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Person responsible for financial information contained in report

Name: JOHN 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: john.erpenbach@tdstelecom.com

Person responsible for statistical information contained in report

Name: VARIOUS CONTACTS
Title: X
Office Address: 301 S WESTFIELD RD
MADISON , WI 53717-1799

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

M

IDENTIFICATION AND OWNERSHIP

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

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

Number of Shares Held: 12,730
Beneficial Owner: NONE

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	4,369,890	4,190,305	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	284,408	315,792	2
Plant Nonspecific Operations Expense	1,375,125	1,176,371	3
Customer Operations Expense (6610-6620)	805,139	754,218	4
Corporate Operations Expense (6710-6790)	749,025	654,029	5
Other Operating Income and Expense (7100)	4,257	1,230	6
Operating Taxes (7200)	555,893	598,463	7
Total Operating Expenses	3,765,333	3,497,643	8
Net Operating Income	604,557	692,662	9
Other Income			
Nonoperating Income and Expense (7300)	22,146	11,147	10
Nonoperating Taxes (7400)	7,769	2,778	11
Interest and Related Items (7500)	170,953	159,765	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	38,877	16,752	14
Total Nonoperating Income	(117,699)	(134,644)	15
Net Income	486,858	558,018	16

NOTES TO INCOME STATEMENT OR BALANCE SHEET

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

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

TELEPHONE PLANT

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

DEPRECIATION

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

REVENUES

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

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

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

PENSION

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

INCOME TAXES

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

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

NOTES TO INCOME STATEMENT OR BALANCE SHEET

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

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

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

None

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

The company is restricted from transferring funds to the parent or other affiliates in the form of cash dividends until certain financial requirements of its mortgage indentures have been met. At December 31, 1998, the company has invested \$100,000 with Telecommunications Technologies Fund, Inc., and could distribute up to \$3,106,953 to the parent or other affiliates in the form of cash dividends.

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT ASSETS			
CASH AND EQUIVALENTS			
Cash and Equivalents (1120)*			1
Cash (1130)	178,886	337,611	2
Special Cash Deposits (1140)	0	0	3
Working Cash Advances (1150)	800	700	4
Temporary Investments (1160)	0	0	5
TOTAL CASH AND EQUIVALENTS	179,686	338,311	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	376,233	356,489	6
Accounts Receivable Allowance-Telecom (1181)*	0	0	7
Net: Telecommunications Accounts Receivable	376,233	356,489	
Other Accounts Receivable (1190)*	560,835	534,976	8
Accounts Receivable Allowance--Other (1191)*	0	0	9
Net: Other Accounts Receivable	560,835	534,976	
Notes Receivable (1200)*	0	0	10
Notes Receivable Allowance (1201)*	0	0	11
Net: Notes Receivable	0	0	
Interest and Dividends Receivable (1210)*	677	1,000	12
TOTAL RECEIVABLES AND ALLOWANCES FOR DOUBTFUL	937,745	892,465	
SUPPLIES			
Inventories (1220)*	71,334	57,635	13
TOTAL SUPPLIES	71,334	57,635	
PREPAYMENTS			
Total Prepayments (1280)*			14
Prepaid Rents (1290)	0	0	15
Prepaid Taxes (1300)	4,142	4,012	16
Prepaid Insurance (1310)	0	0	17
Prepaid Directory Expenses (1320)	12,780	13,982	18
Other Prepayments (1330)	21,595	15,444	19
TOTAL PREPAYMENTS	38,517	33,438	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	1,610	1,610	20
TOTAL OTHER CURRENT ASSETS	1,610	1,610	
TOTAL CURRENT ASSETS	1,228,892	1,323,459	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	0	0	21
Investments in Nonaffiliated Companies (1402)*	46,501	46,501	22
Nonregulated Investments (1406)*	18,344	12,501	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	64,845	59,002	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*	1,047	1,497	27
Deferred Maintenance and Retirements (1438)*	0	0	28
Deferred Charges (1439)*	2,000	2,500	29
TOTAL DEFERRED CHARGES	3,047	3,997	
TOTAL NONCURRENT ASSETS	67,892	62,999	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	15,735,051	14,606,076	30
Less: Accumulated Depreciation (3100)*	6,740,427	6,625,080	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	8,994,624	7,980,996	
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)*	52,392	67,766	39
TOTAL TPUC	52,392	67,766	
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	9,047,016	8,048,762	
TOTAL ASSETS AND OTHER DEBITS*	10,343,800	9,435,220	

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	967,116	326,959	1
Notes Payable (4020)*	1,378,000	1,428,000	2
Advance Billing and Payments (4030)*	92,940	89,200	3
Customer Deposits (4040)*	0	0	4
Current Maturities--Long-Term Debt (4050)*	87,707	95,600	5
Current Maturities--Capital Leases (4060)*	0	0	6
Income Taxes--Accrued (4070)*	13,740	39,676	7
Other Taxes--Accrued (4080)*	39,667	(5,532)	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)*	31,654	36,616	11
Other Current Liabilities (4130)*	13,157	13,107	12
TOTAL CURRENT LIABILITIES*	2,623,981	2,023,626	
LONG-TERM DEBT			
Funded Debt (4210)*	983,608	1,072,242	13
Premium on Long-Term Debt (4220)*	0	0	14
Discount on Long-Term Debt (4230)*	0	0	15
Reacquired Debt (4240)*	0	0	16
Obligations Under Capital Leases (4250)*	0	0	17
Advances from Affiliated Companies (4260)*	0	0	18
Other Long-Term Debt (4270)*	0	0	19
TOTAL LONG-TERM DEBT*	983,608	1,072,242	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*	(29)	98,066	20
Unamortized Operating ITC--Net (4320)*	0	3,486	21
Unamortized Nonoperating ITC--Net (4330)*	0	0	22
Net Noncurrent Deferred Operating Income Taxes (4340)*	732,466	644,528	23
Net Deferred Tax Liability Adjustments (4341)*	(2,959)	(6,104)	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	0	0	25
Other Deferred Credits (4360)*	0	0	26
Deferred Tax Regulatory Liability (4361)*	4,003	7,598	27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS*	733,481	747,574	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	636,500	636,500	28
Additional Paid-in Capital (4520)*	0	0	29
Treasury Stock (4530)*	800	700	30
Other Capital (4540)*	0	0	31
Retained Earnings (4550)*	5,367,022	4,955,977	32
TOTAL STOCKHOLDERS' EQUITY*	6,002,722	5,591,777	
TOTAL LIABILITIES AND OTHER CREDITS*	10,343,792	9,435,219	

STATEMENT OF CASH FLOWS

Item (a)	Amount (b)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	486,858	1
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and amortization	1,048,488	2
Interest during construction	(7,193)	3
Changes in assets and liabilities:		
Current assets (net)	(64,058)	4
Other noncurrent assets	950	5
Other current liabilities	658,248	6
Other liabilities and deferred credits	(14,093)	7
Other (specify):		
TOTAL ADJUSTMENTS	1,622,342	
NET CASH PROVIDED BY OPERATING ACTIVITIES (NET INCOME & ADJUST.)	2,109,200	
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures:		
Changes in plant (net)	(2,039,549)	8
Investments in affiliated companies	0	9
Nonoperating Investments	(5,843)	10
Other (specify):		
NET CASH USING IN INVESTING ACTIVITIES	(2,045,392)	
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in capital lease obligations (net)	0	11
Change in long-term debt (net)	(96,527)	12
Net changes in stockholder equity other than retained earnings	(100)	13
Change in short term borrowing (net)	(50,000)	14
Dividends paid	(75,001)	15
Miscellaneous debits/credits to retained earnings	(812)	16
Other (specify):		
Net Cash Provided by Financing Activities	(222,440)	
NET INCREASE IN CASH AND CASH EQUIVALENTS	(158,632)	
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.

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.

Name of Affiliate (a)	Abbreviations (b)	
Other	OTHER	1
Suttle Press, Inc.	SUTTLE	2
Telephone & Data Systems	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	OTHER	OTHER	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
Expenses:					
Plant Specific Operations Expense					5
Plant Nonspecific Operations Expense					6
Customer Operations Expense					7
Corporate Operations Expense					8
Total Operating Expenses	0	0	0	0	9
Other:					
Plant Accounts					10
Accumulated Depreciation					11
Accumulated Amortization					12
Clearing					13
All Other	7,280	34,484	1,280	108,536	14
Total	7,280	34,484	1,280	108,536	15
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					

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
Expenses:						
Plant Specific Operations Expense						5
Plant Nonspecific Operations Expense						6
Customer Operations Expense						7
Corporate Operations Expense						8
Total Operating Expenses	0	0	0	0	0	9
Other:						
Plant Accounts						10
Accumulated Depreciation						11
Accumulated Amortization						12
Clearing						13
All Other	1,218,106	216,607				14
Total	1,218,106	216,607	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	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)	
Other	1190	2,698	1
TDS Telecom, Inc.	1190	148,951	2
Other	4010	611	3
Telephone & Data Systems	4010	1,142	4
TDS Telecom, Inc.	4010	208,666	5
Telecommunications Technologies Fund	4010	8,690	6

ACCOUNTS RECEIVABLE NET WRITE OFFS - TELECOMMUNICATIONS

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

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

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

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

Name of Maker and purpose (a)	Issue Date (b)	Maturity (c)	Interest Rate (d)	Amount EOY (e)	Allowance Acct. 1201 (f)
--	-------------------------------	-------------------------	----------------------------------	-------------------------------	---

INVESTMENTS IN NONAFFILIATED COMPANIES (ACCT. 1402)

Name (a)	Balance EOY (b)	
RTB Class B Stock	42,101	1
Other:		
RTB Class C Stock	4,000	2
Valders Development Corporation	300	3
St. Nazianz Community Growth Stock	100	4
Total Investments in Nonaffiliated Companies	46,501	

NONREGULATED INVESTMENTS (ACCT. 1406)

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

Name (a)	Balance EOY (b)	
Total Net Investment and Inventory (Accts. 1406.10, 1406.11, and 1406.12):		
Direct Broadcast Satellite	12,829	1
Leased phones and business systems	5,515	2 K

DEFERRED MAINTENANCE AND RETIREMENTS (ACCT. 1438)

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

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

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
GENERAL SUPPORT ASSETS				
Land	2111	41,181	0	1
Motor Vehicles	2112	220,784	0	2
Aircraft	2113	0	0	3 L
Special Purpose Vehicles	2114	0	0	4
Garage Work Equipment	2115	0	0	5
Other Work Equipment	2116	218,187	0	6 A
Buildings	2121	469,621	0	7
Furniture	2122	20,328	0	8 A
Office Equipment	2123	55,158	17,192	9 A
General Purpose Computers	2124	836,430	161,585	10
TOTAL--GENERAL SUPPORT ASSETS:		1,861,689	178,777	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0	0	11
Digital Electronic Switching	2212	3,141,639	774,013	12 A
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220	0	0	14
Radio Systems	2231	11,285	0	15
Circuit Equipment	2232	1,886,950	428,046	16 A
TOTAL--CENTRAL OFFICE ASSETS:		5,039,874	1,202,059	
INFORMATION ORIGATION/TERMINATION ASSETS				
Station Apparatus	2311	0	0	17
Customer Premises Wiring	2321	0	0	18
Large Private Branch Exchanges	2341	0	0	19
Public Telephone Terminal Equipment	2351	48,433	0	20
Other Terminal Equipment	2362	0	0	21
TOTAL--INFORMATION ORIG/TERM ASSETS:		48,433	0	
CABLE WIRE FACILITIES ASSETS				
Poles	2411	39,219	0	22
Aerial Cable	2421	338,546	8,656	23
Underground Cable	2422	167,546	9,524	24
Buried Cable	2423	6,845,942	695,633	25
Submarine Cable	2424	0	0	26
Deep Sea Cable	2425	0	0	27
Intrabuilding Network Cable	2426	0	0	28
Aerial Wire	2431	12,277		29
Conduit Systems	2441	252,550	0	30
TOTAL--CABLE WIRE FACILITIES ASSETS:		7,656,080	713,813	
AMORTIZABLE ASSETS				
Capital Leases	2681	0	0	31

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

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2111	0	0	41,181	1
2112	0	0	220,784	2
2113	0	37,107	37,107	3 L
2114	0	0	0	4
2115	0	0	0	5
2116	0	(27,250)	190,937	6 A
2121	0	0	469,621	7
2122	0	(11,265)	9,063	8 A
2123	0	(7,869)	64,481	9 A
2124	36,000	0	962,015	10
	36,000	(9,277)	1,995,189	
2211	0	0	0	11
2212	714,942	(10,547)	3,190,163	12 A
2215	0	0	0	13
2220	0	0	0	14
2231	0	0	11,285	15
2232	0	(760)	2,314,236	16 A
	714,942	(11,307)	5,515,684	
2311	0	0	0	17
2321	0	0	0	18
2341	0	0	0	19
2351	48,433	0	0	20
2362	0	0	0	21
	48,433	0	0	
2411	302	0	38,917	22
2421	8,860	0	338,342	23
2422	0	0	177,070	24
2423	136,532	0	7,405,043	25
2424	0	0	0	26
2425	0	0	0	27
2426	0	0	0	28
2431	21	0	12,256	29
2441	0	0	252,550	30
	145,715	0	8,224,178	
2681	0	0	0	31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
AMORTIZABLE ASSETS				
Leasehold Improvements	2682	0	0	32
Intangibles	2690	0	0	33
TOTAL--AMORTIZABLE ASSETS:		0	0	
TOTAL TELECOM. PLANT IN SERVICE	2001	14,606,076	2,094,649	
Less: Allocation to Nonregulated Activity - EOY	2001			34
NET REG. TOTAL TELE. PLANT IN SERV. - EOY	2001			

Explain all amounts shown in column (g).

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

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2682	0	0	0	32
2690	0	0	0	33
	0	0	0	
	945,090	(20,584)	15,735,051	
2001			0	34
			15,735,051	

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	18,795	0	1 A
Company Communications Equipment	2123.2	36,363	17,192	2 A
Software	2212.1	62,809	3,887	3
Digital Switching - Central Office	2212.2	1,889,847		4 A
Digital Switching - Remote	2212.3	1,188,983	770,126	5
Step by Step Switching	2215.1	0	0	6
Crossbar Switching	2215.2	0	0	7
Satellite and Earth Station Facilities	2231.1	0	0	8
Other Radio Facilities	2231.2	11,285	0	9
Digital Circuit Equipment	2232.1	1,583,068	366,975	10 A
Analog Circuit Equipment	2232.2	0	0	11
Light Wave Circuit Equipment	2232.3	303,882	61,071	12
Aerial Cable - Nonmetallic	2421.1	0	0	13
Aerial Cable - Metallic	2421.2	338,546	8,656	14
Underground Cable - Nonmetallic	2422.1	1,413	9,006	15
Underground Cable - Metallic	2422.2	166,133	518	16
Buried Cable - Nonmetallic	2423.1	898,499	24,733	17
Buried Cable - Metallic	2423.2	5,947,443	670,900	18
Submarine Cable - Nonmetallic	2424.1	0	0	19
Submarine Cable - Metallic	2424.2	0	0	20
Intrabuilding Cable - Nonmetallic	2426.1	0	0	21
Intrabuilding Cable - Metallic	2426.2	0	0	22

Explain all amounts shown in column (g).

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

Subaccount (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2123.1	0	(4,412)	14,383	1 A
2123.2	0	(3,457)	50,098	2 A
2212.1	62,809	0	3,887	3
2212.2	423,162	(10,547)	1,456,138	4 A
2212.3	228,971	0	1,730,138	5
2215.1	0	0	0	6
2215.2	0	0	0	7
2231.1	0	0	0	8
2231.2	0	0	11,285	9
2232.1	0	(760)	1,949,283	10 A
2232.2	0	0	0	11
2232.3	0	0	364,953	12
2421.1	0	0	0	13
2421.2	8,860	0	338,342	14
2422.1	0	0	10,419	15
2422.2	0	0	166,651	16
2423.1	0	0	923,232	17
2423.2	136,532	0	6,481,811	18
2424.1	0	0	0	19
2424.2	0	0	0	20
2426.1	0	0	0	21
2426.2	0	0	0	22

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
GENERAL SUPPORT ASSETS					
Motor Vehicles	2112	153,094	15.0	33,120	1
Aircraft	2113	0		2,306	2L
Special Purpose Vehicles	2114	0			3
Garage Work Equipment	2115	0			4
Other Work Equipment	2116	173,198	10.0	19,092	5A
Buildings	2121	304,589	3.3	15,492	6
Furniture	2122	10,063	10.0	909	7A
Office Equipment	2123	54,218	19.7	4,355	8A
General Purpose Computers	2124	470,861	20.0	162,173	9
Total-- GENERAL SUPPORT ASSETS		1,166,023		237,447	0
CENTRAL OFFICE ASSETS					
Analog Electronic Switching	2211	0			10
Digital Electronic Switching	2212	1,835,183	8.4799	246,259	11A
Electro-Mechanical Switching	2215	0			12
Operator Systems	2220	0			13
Radio Systems	2231	10,721	9.5		14A
Circuit Equipment	2232	953,677	9.8999	187,914	15A
Total-- CENTRAL OFFICE ASSETS		2,799,581		434,173	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	45,536	13.6	276	19A
Other Terminal Equipment	2362	0			20
Total-- INFORMATION ORIG/TERM ASSETS		45,536		276	0
CABLE WIRE FACILITIES ASSETS					
Poles	2411	49,576	6.0	2,352	21N
Aerial Cable	2421	329,768	6.0	20,330	22
Underground Cable	2422	47,982	4.4	7,368	23
Buried Cable	2423	2,109,551	4.98	343,780	24A
Submarine Cable	2424	0			25
Deep Sea Cable	2425	0			26
Intrabuilding Network Cable	2426	0			27
Aerial Wire	2431	12,520	19.0	2,328	28N

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112	0				186,214	1
2113	0			25,579	27,885	2 L
2114	0				0	3
2115	0				0	4
2116	0			(21,631)	170,659	5 A
2121	0				320,081	6
2122	0			(5,576)	5,396	7 A
2123	0			(7,648)	50,925	8 A
2124	36,000				597,034	9
	36,000	0	0	(9,276)	1,358,194	
2211	0				0	10
2212	714,942		12,000	1,698	1,380,198	11 A
2215	0				0	12
2220	0				0	13
2231	0			(226)	10,495	14 A
2232	0			4,207	1,145,798	15 A
	714,942	0	12,000	5,679	2,536,491	
2311	0				0	16
2321	0				0	17
2341	0				0	18
2351	48,433		5,648	(3,027)	0	19 A
2362	0				0	20
	48,433	0	5,648	(3,027)	0	
2411	302	902	152		50,876	21 N
2421	8,860	6,582			334,656	22
2422	0				55,350	23
2423	136,532	2,369		2,401	2,316,831	24 A
2424	0				0	25
2425	0				0	26
2426	0				0	27
2431	21		1,003		15,830	28 N

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
CABLE WIRE FACILITIES ASSETS					
Conduit Systems	2441	64,543	3.03	7,656	29
Total-- CABLE WIRE FACILITIES ASSETS		2,613,940		383,814	0
Total Accumulated Depreciation	3100	6,625,080		1,055,710	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				1,055,710	0

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441	0				72,199	29
	145,715	9,853	1,155	2,401	2,845,742	
3100	945,090	9,853	18,803	(4,223)	6,740,427	
3100					0	30
3100					6,740,427	

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	17,855	19.0		1 A
Company Communications Equipment	2123.2	36,363	20.0	4,355	2 A
Software	2212.1	62,809	33.33		3
Digital Switching - Central Office	2212.2	1,409,596	8.01	150,352	4 A
Digital Switching - Remote	2212.3	362,778	7.85	95,907	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	10,721	9.5		9 A
Digital Circuit Equipment	2232.1	846,115	9.95	157,925	10 A
Analog Circuit Equipment	2232.2	0			11
Light Wave Circuit Equipment	2232.3	107,562	9.5	29,989	12
Aerial Cable - Nonmetallic	2421.1	0			13
Aerial Cable - Metallic	2421.2	329,768	6.0	20,330	14
Underground Cable - Nonmetallic	2422.1	0	4.4	60	15
Underground Cable - Metallic	2422.2	47,982	4.4	7,308	16
Buried Cable - Nonmetallic	2423.1	180,637	4.8	43,315	17
Buried Cable - Metallic	2423.2	1,928,914	5.0	300,465	18 A
Submarine Cable - Nonmetallic	2424.1	0			19
Submarine Cable - Metallic	2424.2	0			20
Intrabuilding Cable - Nonmetallic	2426.1	0			21
Intrabuilding Cable - Metallic	2426.2	0			22

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

Subacct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2123.1	0			(4,191)	13,664	1 A
2123.2	0			(3,457)	37,261	2 A
2212.1	62,809				0	3
2212.2	423,162		12,000	1,698	1,150,484	4 A
2212.3	228,971				229,714	5
2215.1	0				0	6
2215.2	0				0	7
2231.1	0				0	8
2231.2	0			(226)	10,495	9 A
2232.1	0			4,207	1,008,247	10 A
2232.2	0				0	11
2232.3	0				137,551	12
2421.1	0				0	13
2421.2	8,860	6,582			334,656	14
2422.1	0				60	15
2422.2	0				55,290	16
2423.1	0				223,952	17
2423.2	136,532	2,369		2,401	2,092,879	18 A
2424.1	0				0	19
2424.2	0				0	20
2426.1	0				0	21
2426.2	0				0	22

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

This schedule should be used to report the deferred operating income tax portion of the stated accounts. In addition, column (e) of this schedule should be used to report the flowback of property related excess deferred taxes (e.g., 46 percent versus 34 percent federal tax rates). Credit amounts should be shown in ().

Particulars (a)	Balance FOY (b)	
PROPERTY RELATED		
Other Current Assets (1350)	0	1
Other Noncurrent Assets (1410)	0	2
Deferred Tax Regulatory Asset (1437)	1,497	3
Net Current Deferred Operating Income Taxes (4100)	0	4
Net Noncurrent Deferred Operating Income Taxes (4340)	(644,528)	5
Net Deferred Tax Liability Adjustments (4341)	6,104	6
Deferred Tax Regulatory Liability (4361)	(7,598)	7
Net Property Related Deferred Operating Income Taxes	(644,525)	
Less: Allocation to Nonregulated Activity	0	8
Net Regulated Total Property Related Deferred Operating Income Taxes	(644,525)	
NONPROPERTY RELATED		
Other Current Assets (1350)	1,610	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)	0	13
Net Deferred Tax Liability Adjustments (4341)	0	14
Deferred Tax Regulatory Liability (4361)	0	15
Total Nonproperty Related Deferred Operating Income Taxes	1,610	

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

Acct (c)	Current Year Accrual (d)	Current Year Amortization (e)	Adjustments Debit or (Credit) (f)	Balance EOY (g)	
7250	0			0	1
7250	0			0	2
	(450)			1,047	3
7250	0			0	4
7250	(87,938)			(732,466)	5
	(3,145)			2,959	6
	3,595			(4,003)	7
	(87,938)	0	0	(732,463)	8
				0	
	(87,938)	0	0	(732,463)	
7250				1,610	9
7250				0	10
				0	11
7250				0	12
7250				0	13
				0	14
				0	15
	0	0	0	1,610	

NOTES PAYABLE (ACCT. 4020)

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

Name (a)	Issue Date (b)	Maturity (c)	Interest Rate (d)	Balance EOY (e)	
Affiliated:					
Telecommunications Technologies Fund	07/01/1997	12/31/1999	.0000	1,378,000	1
Total Affiliated				<u>1,378,000</u>	
Total Notes Payable				<u><u>1,378,000</u></u>	

LONG-TERM DEBT

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

Description of Debt (a)	Specific or Range of Stated Dates of Issue (b)	Specific or Range of Stated Dates of Maturity (c)	Specific or Range of Interest Rates (d)	
Funded Debt (Account 4210):				
REA	11/08/1969-03/30/1976	11/08/2001-03/30/2005	2.0000	1
REA	06/23/1989	06/23/2018	5.0000	2
RTB	04/10/1978-01/01/1982	11/16/2011	7.0000	3
RTB	02/11/1979-03/12/1985	02/11/2011-03/12/2017	7.5000	4
Total Funded Debt				

LONG-TERM DEBT (cont.)

Composite Interest Rate (e)	Held by Utility		Total Principal EOY (h)	Current Maturities Included in Acct. 4050 (i)	Total Amount Outstanding (j)	
	Reacquired Debt Acct. 4240 (f)	Sinking Funds Acct. 1408 (g)				
2.0000			275,462	53,655	329,117	1
5.0000			143,040	4,612	147,652	2
7.0000			380,451	19,854	400,305	3
7.5000			184,655	9,586	194,241	4
	0	0	983,608	87,707	1,071,315	

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:			
	13,000	50.00	1
TOTAL COMMON STOCK	13,000		
TOTAL	<u>13,000</u>		

CAPITAL STOCK ACCOUNTS AT END OF YEAR (cont.)

	Acct. 4510 - Capital Stock		Acct. 4530 - Treasury Stock		
	Shares (e)	Amount (f)	Shares (g)	Amount (h)	
COMMON STOCK:					
	12,730	636,500	9	800	1
	12,730	636,500	9	800	
TOTAL	<u>12,730</u>	<u>636,500</u>	<u>9</u>	<u>800</u>	

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	4,955,977	4,622,959	1
Changes:			
Balance Transferred from Income	486,858	558,018	2
Dividends Declared:			
Common	75,001	225,000	3
Preferred		0	4
Total Dividends Declared	75,001	225,000	
Miscellaneous Debits to Retained Earnings	812	0	5
Miscellaneous Credits to Retained Earnings		0	6
Balance--End of Year	<u>5,367,022</u>	<u>4,955,977</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)	252,143	61,816	234,518	1
Nonoperating Taxes (Accts. 7410 - 7450)		1,508	6,260	2
Extraordinary Items (Accts. 7630 & 7640)				3
Nonregulated Net Income (Acct. 7990)		3,805	15,350	4
Clearing Accounts				5
Construction				6
Payroll Taxes: FICA				7
Payroll Taxes: State Unemployment				8
Payroll Taxes: Federal Unemployment				9
Other (specify):				
TOTAL	<u>252,143</u>	<u>67,129</u>	<u>256,128</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)	
7,416					55,893	1
					7,768	2
					0	3
					19,155	4
					0	5
					0	6
					0	7
					0	8
					0	9
7,416	0	0	0	0	582,816	

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

Particulars (a)	This Year (b)	Last Year (c)	
LOCAL NETWORK SERVICES REVENUES			
Basic Local Service Revenue (5000)*			1
Basic Area Revenue (5001)	1,631,920	1,545,884	2
Optional Extended Area Revenue (5002)	947	0	3
Cellular Mobile Revenue (5003)	0	0	4
Other Mobile Services Revenue (5004)	0	1,757	5
Public Telephone Revenue (5010)	138	2,813	6
Local Private Line Revenue (5040)	16,275	22,656	7 C
Customer Premises Revenue (5050)	35	75	8
Other Local Exchange Revenue (5060)	161,183	128,746	9 H
Other Local Exchange Revenue Settlements (5069)	0	0	10
TOTAL BASIC LOCAL SERVICE REVENUE (5000)	1,810,498	1,701,931	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	292,259	277,451	11
Switched Access Revenue (5082)*	850,868	891,540	12
Special Access Revenue (5083)*	78,973	0	13 F
TOTAL INTERSTATE ACCESS REVENUES (5080)	1,222,100	1,168,991	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*	0	0	14
Switched Access Revenue (5084.2)*	899,526	877,185	15
Special Access Revenue (5084.3)*	141,085	113,235	16 G
TOTAL INTRASTATE ACCESS REVENUES (5084)	1,040,611	990,420	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*	0	0	17
Long Distance Inward-Only Revenue (5111)	0	0	18
Long Distance Outward-Only Revenue (5112)	0	0	19
Unidirectional Long Distance Revenue (5110)	0	0	
Long Distance Private Network Revenues			
Subvoice Grade Revenue (5121)	0	0	20
Voice Grade Revenue (5122)	0	0	21
Audio Program Grade Revenue (5123)	0	0	22
Video Program Grade Revenue (5124)	0	0	23
Digital Transmission Revenue (5125)	0	0	24
Switching Revenue (5126)	0	0	25
Other Revenue (5128)	0	0	26
Other Revenue Settlements (5129)	0	0	27
Total Long Distance Private Network Revenue	0	0	
Other Long Distance Revenue (5160)	0	0	28
Other Long Distance Revenue Settlements (5169)	0	0	29
TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV.	0	0	

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

Particulars (a)	This Year (b)	Last Year (c)	
MISCELLANEOUS REVENUES			
Directory Revenue (5230)*	158,579	163,451	30
Rent Revenue (5240)*	1,382	1,323	31
Corporate Operations Revenue (5250)*	0	0	32
Miscellaneous:			
Miscellaneous Revenue (5260)*			33
Special Billing Arrangements Revenue (5261)	781	5,063	34
Customer Operations Revenue (5262)	0	0	35
Plant Operations Revenue (5263)	0	0	36
Other Incidental Regulated Revenue (5264)	7,330	4,306	37
Other Revenue Settlements (5269)	1,166	1,215	38
Total Miscellaneous Revenue (5260)	9,277	10,584	
Interstate Billing and Collection Revenue*	47,731	57,654	39
Intrastate Billing and Collection Revenue*	84,740	103,600	40
Total Carrier Billing and Collection Revenue (5270)*	132,471	161,254	
Nonregulated Operating Revenue (5280)**			41
TOTAL MISCELLANEOUS REVENUES	301,709	336,612	
GROSS OPERATING REVENUES	4,374,918	4,197,954	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*			42
Uncollectible Revenue--Telecommunications (5301)	5,028	6,616	43
Uncollectible Revenue--Other (5302)	0	1,033	44
TOTAL UNCOLLECTIBLE REVENUE (5300)	5,028	7,649	
TOTAL OPERATING REVENUES	4,369,890	4,190,305	

** 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)	8,651	11,233	1
Less: Nonregulated	0	0	2
Net Regulated	8,651	11,233	0 3
Total General Support Expense (6120)	74,842	69,518	4
Less: Nonregulated	0	0	5
Net Regulated	74,842	69,518	0 6
Total Central Office Switching Expense (6210)	84,770	51,473	7
Less: Nonregulated	0	0	8 B
Net Regulated	84,770	51,473	0 9
Total Operator Systems Expense (6220)	50	0	10
Less: Nonregulated	0	0	11
Net Regulated	50	0	0 12
Total Central Office Transmission Expenses (6230)	29,205	37,008	13
Less: Nonregulated	0	0	14 C
Net Regulated	29,205	37,008	0 15
Total Information Orig. / Term. Expense (6310)	643	165	16
Less: Nonregulated	0	0	17
Net Regulated	643	165	0 18
Total Cable and Wire Fac. Expense (6410)	117,631	115,011	19
Less: Nonregulated	0	0	20
Net Regulated	117,631	115,011	0 21
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	315,792	284,408	0
Less: Nonregulated	0	0	0
Net Regulated	315,792	284,408	0
PLANT NONSPECIFIC OPERATIONS EXPENSE			
Total Other Property, Plant and Equip. Exp. (6510)	17,377	15,601	0 22
Less: Nonregulated	0	0	23
Net Regulated	17,377	15,601	0 24
Total Network Operations Expense (6530)	242,445	278,568	25
Less: Nonregulated	0	0	26
Net Regulated	242,445	278,568	0 27
Access Expense (6540)	0	32,468	28
Less: Nonregulated	0	0	29 D
Net Regulated	0	32,468	0 30
Total Depreciation and Amortization Expense (6560)	916,549	1,048,488	31
Less: Nonregulated	0	0	32
Net Regulated	916,549	1,048,488	33
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	1,176,371	1,375,125	0
Less: Nonregulated	0	0	0
Net Regulated	1,176,371	1,375,125	0

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6110			11,233		1
	0	0	11,233	0	2
6120			69,518		3
	0	0	69,518	0	4
6210			51,473		5
	0	0	51,473	0	6
6220			0		7
	0	0	0	0	8 B
6230			37,008		9
	0	0	37,008	0	10
6310			165		11
	0	0	165	0	12
6410			115,011		13
	0	0	115,011	0	14 C
	0	0	284,408	0	15
	0	0	0	0	16
	0	0	284,408	0	17
6510	0	0	15,601	0	18
	0	0	15,601	0	19
6530			278,568		20
	0	0	278,568	0	21
6540			32,468		22
	0	0	32,468	0	23
6560			1,048,488		24
			1,048,488		25
			1,048,488		26
	0	0	1,375,125	0	27
	0	0	0	0	28
	0	0	1,375,125	0	29 D
					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)	188,556	200,666	34
Less: Nonregulated	0	0	35
Net Regulated	188,556	200,666	0 36
Total Services (6620)	565,662	604,473	37
Less: Nonregulated	0	0	38
Net Regulated	565,662	604,473	0 39
TOTAL CUSTOMER OPERATIONS EXPENSE	754,218	805,139	0
Less: Nonregulated	0	0	0
Net Regulated	754,218	805,139	0
CORPORATE OPERATIONS EXPENSE			
Total Exec. and Planning (6710)	104,370	130,110	40
Less: Nonregulated	0	0	41 E
Net Regulated	104,370	130,110	0 42
Total General and Administrative (6720)	549,659	618,915	43
Less: Nonregulated	0	0	44
Net Regulated	549,659	618,915	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	654,029	749,025	0
Less: Nonregulated	0	0	0
Net Regulated	654,029	749,025	0
TOTAL EXPENSES	2,900,410	3,213,697	0
Less: Nonregulated	0	0	0
Net Regulated	2,900,410	3,213,697	0

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6610			200,666		34
					35
	0	0	200,666	0	36
6620			604,473		37
					38
	0		604,473	0	39
	0	0	805,139	0	
	0	0	0	0	
	0	0	805,139	0	
6710			130,110		40
					41 E
	0		130,110	0	42
6720			618,915		43
					44
	0		618,915	0	45
6790			0		46
					47
			0		48
	0	0	749,025	0	
	0	0	0	0	
	0	0	749,025	0	
	0	0	3,213,697	0	
	0	0	0	0	
	0	0	3,213,697	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	15,601		1
Provisioning Expense (6512)	17,377	0		2
Total: Reported in Account 6510	17,377	15,601	0	
Depreciat. Exp.--Tele. Plant in Service (6561)	916,549	1,046,182		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	2,306		7
Total: Reported in Account 6560	916,549	1,048,488		

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

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6511			15,601		1
6512					2
	0		15,601	0	
6561			1,046,182		3
6562					4
6563					5
6564					6
6565			2,306		7
			1,048,488		

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	4,374,918	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)	4,257	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
Assessable Revenues for Remainder, Department of Justice, and Telephone Relay Assessment Purposes		
	<u>4,379,175</u>	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	1,810,498	1
Plus: Total Intrastate Access Revenues (5084)	1,040,611	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
Assessable Revenues for Universal Service Fund Assessment Purposes		
	<u>2,851,109</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	4,374,918	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)	4,257	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
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	<u>4,379,175</u>	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	1,810,498	1
Plus: Total Intrastate Access Revenues (5084)	1,040,611	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
Assessable Revenues for Universal Service Fund Assessment Purposes	<u>2,851,109</u>	

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

Particulars (a)	This Year (b)	Last Year (c)	
OTHER OPERATING INCOME AND EXPENSE			
Income from Custom Work (7110)*	0	0	1
Return from Nonregulated Use of Regulated Facilities (7130)*	1,230	1,230	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)*	3,027	0	5
TOTAL OTHER OPERATING INCOME AND (EXPENSE) (7100)*	4,257	1,230	
OPERATING TAXES			
Operating Investment Tax Credits--Net (7210)*	(3,486)	(15,701)	6
Operating Federal Income Taxes (7220)*	167,936	220,835	7
Operating State and Local Income Taxes (7230)*	43,945	58,531	8
Operating Other Taxes (7240)*	259,559	255,698	9
Provision for Deferred Operating Income Taxes--Net (7250)*	87,939	79,100	10
TOTAL OPERATING TAXES (7200)*	555,893	598,463	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)*	290	290	11
Interest Income (7320)*	20,161	15,470	12
Income from Sinking and Other Funds (7330)*	0	0	13
Allowance for Funds Used During Construction (7340)*	7,193	0	14
Gains or (Losses) from the Disposition of Certain Property (7350)*	0	0	15
Other Nonoperating Income (7360)*	0	0	16
Special Charges (7370)*	5,498	4,613	17
TOTAL NONOPERATING INCOME AND EXPENSE (7300)*	22,146	11,147	
NONOPERATING TAXES			
Nonoperating Investment Tax Credits--Net (7410)*	0	0	18
Nonoperating Federal Income Taxes (7420)*	6,261	2,226	19
Nonoperating State and Local Income Taxes (7430)*	1,508	552	20
Nonoperating Other Taxes (7440)*	0	0	21
Provision for Deferred Nonoperating Income Taxes-Net (7450)*	0	0	22
TOTAL NONOPERATING TAXES (7400)*	7,769	2,778	
INTEREST AND RELATED ITEMS			
Interest on Funded Debt (7510)*	58,417	62,731	23
Interest Expense--Capital Leases (7520)*	0	0	24
Amortization of Debt Issuance Expense (7530)*	0	0	25
Other Interest Deductions (7540)*	112,536	97,034	26
TOTAL INTEREST AND RELATED ITEMS (7500)*	170,953	159,765	
EXTRAORDINARY ITEMS			
Extraordinary Items (7600)*			27
Extraordinary Income Credits (7610)	0	0	28
Extraordinary Income Charges (7620)	0	0	29
Current Income Tax Effect of Extraordinary Items--Net (7630)	0	0	30
Provision for Deferred Income Tax Effect of Extraordinary Items--Net (7640)	0	0	31
TOTAL EXTRAORDINARY ITEMS (7600)*	0	0	
NONREGULATED NET INCOME			
Nonregulated Net Income (7990)*	38,877	16,752	32

NONREGULATED NET INCOME (ACCT. 7990)

Particulars (a)	Amount (b)	
Revenues (Acct. 7990.1)		
Gross Sales	248,759	1
Less: Cost of Goods Sold	82,705	2
Net Sales	166,054	3
Expenses (Acct. 7990.2)	127,177	4
Nonregulated Net Income	<u><u>38,877</u></u>	5

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

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

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

DISTRIBUTION OF SALARIES AND WAGES

Description (a)	Amount (b)	
Regulated Expense	0	1
Nonregulated Expense	34,371	2
Plant Accounts	124,022	3
Accumulated Depreciation Accounts	0	4
All Other Accounts	417,535	5
Total Salaries and Wages	<u>575,928</u>	6 J

EMPLOYEE DATA

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

Employee Category (a)	Number of Equivalent Full-Time Employees		Total Compensation (d)	
	FOY (b)	EOY (c)		
Officers	.00			1
Supervision and Other Management	2.00	2.00	117,010	2
Other Employees	11.00	11.00	410,036	3
Total	<u>13.00</u>	<u>13.00</u>	<u>527,046</u>	

DISTRIBUTION OF SALARIES AND WAGES

Description (a)	Amount (b)	
Regulated Expense	0	1
Nonregulated Expense	34,371	2
Plant Accounts	124,022	3
Accumulated Depreciation Accounts	0	4
All Other Accounts	417,535	5
Total Salaries and Wages	575,928	6 J

EMPLOYEE DATA

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

Employee Category (a)	Number of Equivalent Full-Time Employees		Total Compensation (d)	
	FOY (b)	EOY (c)		
Officers	.00			1
Supervision and Other Management	2.00	2.00	117,010	2
Other Employees	11.00	11.00	410,036	3
Total	13.00	13.00	527,046	

TELEPHONE CALLS AND MINUTES OF USE PER MONTH

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

Item (a)	Telephone Calls (000's) (b)	Minutes of Use (000's) (c)	
LOCAL			
Intra-Exchange			1
Extended Area Service			2
Extended Community Calling			3
Other Local-Undefined			4
Total Local	0	0	
TOLL			
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		2,249	12
Total Toll	0	2,249	
Total Local & Toll	0	2,249	

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	2	0	0	3
Feature Group B -- Term.	80	22	3	0	4
Feature Group C -- Orig.	0	0	0	0	5
Feature Group C -- Term.	0	0	0	0	6
Feature Group D -- Orig.	5,151	4,188	3,697	0	7
Feature Group D -- Term.	4,452	3,565	4,125	0	8

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	43	1
Sheath miles of plant - buried	445	2
Sheath miles of plant - fiber optics	57	3
Strand miles of plant - fiber optics	862	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	10	18	1
56 kbps	8	8	2
64 kbps (DS0)	1	1	3
1.54 Mbps (DS-1)	17	5	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	43	1
Sheath miles of plant - buried	445	2
Sheath miles of plant - fiber optics	57	3
Strand miles of plant - fiber optics	862	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	10	18	1
56 kbps	8	8	2
64 kbps (DS0)	1	1	3
1.54 Mbps (DS-1)	17	5	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	613	641	3
2 Party	0	0	4
4 Party	0	0	5
PBX Trunks/System Trunks	114	99	6
Centrex Trunks	0	0	7
Centrex Lines	327	345	8
Key System Trunks	186	228	9
Mobile (Utility Provided Service)	0	0	10
Paging (Utility Provided Service)	0	0	11
FX-Out (Switched)	2	5	12
Pay Telephone	20	0	13
Coin-Operated Pay Telephone	0	0	14
Independent Pay Telephone Provider	0	0	15
Pay Stations - Public	0	0	16
- Semi-Public	0	0	17
- Cust. Owned	0	0	18
Other	0	0	19
Total Business Lines	1,262	1,318	20
Residential (Incl. Emp. Concess.)			
1 Party	4,770	4,991	22
2 Party	0	0	23
4 Party	0	0	24
FX-Out (Switched)	11	12	25
Other	2	1	26
Total Residential Lines	4,783	5,004	27
Total Bus & Res Lines	6,045	6,322	28
Company Used Lines	207	231	29
Total Lines Used	6,252	6,553	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	0	0	3
WATS Lines - 800 Service	1	1	4
FX-In-intraLATA	0	30	5
Special Access-intraLATA			6
(expressed in equiv. access lines)	83	147	7
Special Access-interLATA			8
(expressed in equiv. access lines)	209	427	9
Feature Group A Lines	0	0	10
Feature Group B Trunks	0	0	11
Feature Group C Trunks	0	0	12
Feature Group D Trunks	360	240	13
TSPS - Trunks	34	27	14
EAS - Trunks	462	360	15
Cellular Trunks (Pub. Sw. Net.)	0	0	16
Video Distance Learning			17
- discounted (special tariff)	0	1	18
Customers			
Business - 2 Party Customers	0	0	20
Business - 4 Party Customers	0	0	21
Residential - 2 Party Customers	0	0	22
Residential - 4 Party Customers	0	0	23
Other			
Total Central Office, Info. Orig./Term., & Cable			25
Wire Fac. Assets (based on physical location of plant)			26
	12,744,387	13,739,859	27
Total Company Square Miles	202	202	28
Total Company Route Miles	493	518	29
Footnotes			30

SERVICE DATA - END OF YEAR

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

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	1130	1220	2450	4730	1
Business					2
1 Party	153	24	309	61	3
2 Party	0	0	0	0	4
4 Party	0	0	0	0	5
PBX Trunks/System Trunks	19	0	67	13	6
Centrex Trunks	0	0	0	0	7
Centrex Lines	33	20	111	51	8
Key System Trunks	46	0	129	4	9
Mobile (utility provided service)	0	0	0	0	10
Paging (utility provided service)	0	0	0	0	11
FX-Out (Switched)	3	0	1	1	12
Pay Telephone	0	0	0	0	13
Coin-Operated Pay Telephone	0	0	0	0	14
Independent Pay Telephone Provider	0	0	0	0	15
Pay Stations - Public	0	0	0	0	16
- Semi-Public	0	0	0	0	17
- Cust. Owned	0	0	0	0	18
Other	0	0	0	0	19
Total Business Lines	254	44	617	130	20
Residential (Incl. Emp. Concess.)					21
1 Party	1,139	263	1,963	689	22
2 Party	0	0	0	0	23
4 Party	0	0	0	0	24
FX-Out (Switched)	4	0	3	4	25
Other	1	0	0	0	26
Total Residential Lines	1,144	263	1,966	693	27
Total Bus & Res Lines	1,398	307	2,583	823	28
Company Used Lines	99	11	34	10	29
Total Lines Used	1,497	318	2,617	833	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	5470				1
Business					
1 Party	94				2
2 Party	0				3
4 Party	0				4
PBX Trunks/System Trunks	0				5
Centrex Trunks	0				6
Centrex Lines	130				7
Key System Trunks	49				8
Mobile (utility provided service)	0				9
Paging (utility provided service)	0				10
FX-Out (Switched)	0				11
Pay Telephone	0				12
Coin-Operated Pay Telephone	0				13
Independent Pay Telephone Provider	0				14
Pay Stations - Public	0				15
- Semi-Public	0				16
- Cust. Owned	0				17
Other	0				18
Total Business Lines	273	0	0	0	19
Residential (Incl. Emp. Concess.)					
1 Party	937				20
2 Party	0				21
4 Party	0				22
FX-Out (Switched)	1				23
Other	0				24
Total Residential Lines	938	0	0	0	25
Total Bus & Res Lines	1,211	0	0	0	26
Company Used Lines	77				27
Total Lines Used	1,288	0	0	0	28
					29
					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	1130	1220	2450	4730	1
Miscellaneous					2
WATS Lines - OutWATS	0	0	0	0	3
WATS Lines - 800 Service	0	0	1	0	4
FX-In-intraLATA	18	0	4	3	5
Special Access-intraLATA					6
(equiv. access lines)	62	1	32	1	7
Special Access-interLATA					8
(equiv. access lines)	195	0	152	24	9
Feature Group A Lines	0	0	0	0	10
Feature Group B Trunks	0	0	0	0	11
Feature Group C Trunks	0	0	0	0	12
Feature Group D Trunks	240	0	0	0	13
TSPS - Trunks	15	0	12	0	14
EAS - Trunks	360	0	0	0	15
Cellular Trunks (Pub. Sw. Net.)	0	0	0	0	16
Video Distance Learning					17
- discounted (special tariff)	1	0	0	0	18
Customers					19
Business - 2 Party Customers	0	0	0	0	20
Business - 4 Party Customers	0	0	0	0	21
Residential - 2 Party Customers	0	0	0	0	22
Residential - 4 Party Customers	0	0	0	0	23
Other					24
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical					26
location of plant)	3,872,670	948,620	4,836,729	1,426,546	27
Exchange Square Miles	37	44	51	23	28
Exchange Route Miles	143	120	55	67	29
Footnotes					30

SERVICE DATA - END OF YEAR (cont.)

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

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	5470				1
Miscellaneous					2
WATS Lines - OutWATS	0				3
WATS Lines - 800 Service	0				4
FX-In-intraLATA	5				5
Special Access-intraLATA					6
(equiv. access lines)	51				7
Special Access-interLATA					8
(equiv. access lines)	56				9
Feature Group A Lines	0				10
Feature Group B Trunks	0				11
Feature Group C Trunks	0				12
Feature Group D Trunks	0				13
TSPS - Trunks	0				14
EAS - Trunks	0				15
Cellular Trunks (Pub. Sw. Net.)	0				16
Video Distance Learning					17
- discounted (special tariff)	0				18
Customers					19
Business - 2 Party Customers	0				20
Business - 4 Party Customers	0				21
Residential - 2 Party Customers	0				22
Residential - 4 Party Customers	0				23
Other					24
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical					26
location of plant)	2,655,294				27
Exchange Square Miles	47				28
Exchange Route Miles	133				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

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
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Lucent	ATT/LUC	5
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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

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	CLEVELAND	COLLINS	HOWARDS GROVE	SAINT NAZIANZ	1
PSCW Exchange ID	1130	1220	2450	4730	2
Central Office Name	CLEVELAND	COLLINS	HOWARDS GROVE	SAINT NAZIANZ	3
PSCW Central Office ID	1	1	1	1	4
Manufacturer of COE (Page 54)	ATT	ATT/LUC	ATT	ATT/LUC	5
Year COE Installed	1995	1998	1996	1998	6
Type of Equipment (Page 54)	D	D	D	D	7
(S)tandalone, (H)ost, (R)emote	H	R	R	R	8
Remote Host PSCW Exchange ID		5470	1130	5470	9
Remote Host PSCW Central Office ID		1	1	1	10
COE Generic Software Release No.	5E12	RMT	RMT	RMT	11
SS7?	Yes	Yes	Yes	Yes	12
9-1-1?	Yes	Yes	Yes	Yes	13
Access Lines - In Use	1,497	318	2,617	833	14
- Equipped	2,526	496	4,520	856	15
- Wired	2,622	672	4,520	960	16
Trunks - In Use	615	0	0	0	17
- Equipped	816	0	0	0	18
- Wired	1,640	0	0	0	19
ISDN Available?	Yes	Yes	Yes	Yes	20
ISDN Lines - In Use (BRI)	5	0	0	0	21
- In Use (PRI)	0	0	0	0	22
Switched 56 Service?	Yes	Yes	Yes	Yes	23
Switched 56 lines in use	0	0	0	0	24
Digital Transmission Facilities: DS-1 - In Use	78	8	28	20	25
DS-3 - In Use	5	1	1	1	26
Advanced Data Service Available:					
Packet Switching?	No	No	No	No	27
SMDS?	No	No	No	No	28
Frame Relay?	No	No	No	No	29
ATM (Asynchronous Trans. Mode)?	No	No	No	No	30
Video Information - Service Available?	No	No	No	No	31
- In Use (# lines) ¹	0	0	0	0	32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	48	16	32	30	33
No. of fiber strands working (LIT) in C.O.	20	4	12	14	34
No. of fiber strands for interoffice use	24	8	16	16	35
Miles of fiber sheath in wire center	17	4	9	11	36
Access Tandem Serving this C.O.:					
- C.O. Name	MILWAUKEE	MILWAUKEE	MILWAUKEE	MILWAUKEE	37
- PSCW C.O. ID	3420-01	3420-01	3420-01	3420-01	38
Does this C.O. do access tandem switching?	No	No	No	No	39
Equal Access: InterLATA (1+)?	Yes	Yes	Yes	Yes	40
Equal Access: IntraLATA (1+)?	Yes	Yes	Yes	Yes	41
Footnotes					42

¹ Teleco provided end-to-end facility.

CENTRAL OFFICE DATA - END OF YEAR

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

Description (a)	Central Off. (b)	Central Off. (c)	Central Off. (d)	Central Off. (e)	
Exchange Name	VALDERS				1
PSCW Exchange ID	5470				2
Central Office Name	VALDERS				3
PSCW Central Office ID	1				4
Manufacturer of COE (Page 54)	ATT/LUC				5
Year COE Installed	1998				6
Type of Equipment (Page 54)	D				7
(S)tandalone, (H)ost, (R)emote	R				8
Remote Host PSCW Exchange ID	1130				9
Remote Host PSCW Central Office ID	1				10
COE Generic Software Release No.	RMT				11
SS7?	Yes				12
9-1-1?	Yes				13
Access Lines - In Use	1,288				14
- Equipped	3,360				15
- Wired	3,379				16
Trunks - In Use	0				17
- Equipped	0				18
- Wired	0				19
ISDN Available?	Yes				20
ISDN Lines - In Use (BRI)	0				21
- In Use (PRI)	0				22
Switched 56 Service?	Yes				23
Switched 56 lines in use	0				24
Digital Transmission Facilities: DS-1 - In Use	62				25
DS-3 - In Use	1				26
Advanced Data Service Available:					
Packet Switching?	No				27
SMDS?	No				28
Frame Relay?	No				29
ATM (Asynchronous Trans. Mode)?	No				30
Video Information - Service Available?	No				31
- In Use (# lines) ¹	0				32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	36				33
No. of fiber strands working (LIT) in C.O.	10				34
No. of fiber strands for interoffice use	16				35
Miles of fiber sheath in wire center	16				36
Access Tandem Serving this C.O.:					
- C.O. Name	MILWAUKEE				37
- PSCW C.O. ID	3420-01				38
Does this C.O. do access tandem switching?	No				39
Equal Access: InterLATA (1+)?	Yes				40
Equal Access: IntraLATA (1+)?	Yes				41
Footnotes					42

¹ Teleco provided end-to-end facility.

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

October 27, 1999

Mr. John Erpenbach, Accounting Manager
Eastcoast Telecom, Inc.
301 South Westfield Road
P.O. Box 5158
Madison, WI 53705-0158

Re:1998 Analytical ReviewDWCCA-3880-PJL

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:

1. In the future, be sure and file your list of Records Read and Records Written with the diskette. This is used in the PSC loading process and will save staff time looking for it among the other filing papers.
2. 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.
3. Staff review of page 47 reveals that information related to telephone calls and minutes of use per month are either partially provided or not provided at all. Further, no footnote is provided as to the reason(s) for not furnishing this information.

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 the 1998 annual report due to time constraints, all efforts should be made to provide this information for the 1999 annual report due April 1, 2000. In cases where actual data cannot be made available for the 1999 report, estimated number of calls and minutes of use per month may be provided. Non-availability of this information should be documented in a footnote that states clearly the reason(s) as to why it is not available and outlines the actions taken by the company to obtain such information (such as the results of discussions with switch vendors and the cost associated with adding this feature to the switching equipment or software).

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) 267-9198. Please respond within 30 days of this letter. If we have no questions regarding

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

response 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,

Peter J. Leege
Financial Specialist
Division of Water, Compliance, and Consumer Affairs

PJL:tlk:w:\compl\telco letters\3880 rev letter

Response received 11/22/99

#1, noted

#2, revised page 15 provided, line 14, column b of copy 2 of page 15 was changed.

#3, Response says please see footnotes re: page 47.

Review closed.

PJL

Schedule Footnotes

Identification and Ownership Footnote. Page 7

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 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

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.

Schedule Line Footnotes

- A)** Amounts listed on pages 23 & 25, in column (g) and pages 27 & 29, in column (k) are reclasses between accounts or transfers with affiliates
- B)** Central Office Switching Expense (6210) decreased from 1997 because in 1997 there was a switch upgrade.
- C)** Pursuant to agreement with PSCW staff, not material.
- D)** Expenses in 1998 Access expense include payments to USAC for the schools and libraries fund and also the TEACH program in Wisconsin.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

- E)** Executive and Planning (6710) expenses increased in 1998 due to higher charges from affiliates for management services.
- F)** Special Access Revenue (5083) increased due to an increase in the number of special access circuits.
- G)** Special Access Revenue (5084.3) increased due to an increase in the number of special access circuits.
- H)** Other Local Exchange Revenue (5060) increased due to additional USF dollars received in 1998.
- I)** Federal income tax payable to parent of \$13,740 is recorded in a/c 4070100 and included on this line.
- J)** Regulated salaries/wages of \$337,559 are included on line 5 of page 46.
- K)** Balance consists primarily of leased phones and business systems net of depreciation. This leased investment is depreciated with a rate of 33.33% per year. Individual leases are not tracked separately.
- 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)** 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.
- N)** Accumulated Depreciation is greater than the asset balance because per the WI PSC, we are allowed to depreciate more than 100% of this account group.