



4004

ANNUAL REPORT

OF

Name: THE MOSINEE TELEPHONE COMPANY

Principal Office: 410 4TH ST
MOSINEE, WI 54455-1110

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.

SIGNATURE PAGE

I MARY KNOEDLER of
(Person responsible for accounts)

THE MOSINEE TELEPHONE COMPANY, certify that I
(Utility Name)

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

MARY KNOEDLER 04/14/1999
(Person responsible for accounts) (Date)

PRESIDENT
(Title)

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ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

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

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

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

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

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

ABBREVIATIONS USED IN ANNUAL REPORTS

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

IDENTIFICATION AND OWNERSHIP

Exact Utility Name: THE MOSINEE TELEPHONE COMPANY
Utility Location: 410 4TH ST
MOSINEE, WI 54455-1110

Utility Web Site Address:

When was utility organized?: 01/01/1908

Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: MS MARY KNOEDLER
Title: PRESIDENT

Office Address: 410 4TH STREET
MOSINEE , WI 54455

Fax Number: (715) 693 - 5130
Telephone Number: (715) 693 - 2622
Email Address:

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

Name: KIESLING ASSOCIATES LLP
Title: ACCOUNTING FIRM
Firm: KIESLING ASSOCIATES LLP
Office Address: 6401 ODANA ROAD
MADISON , WI 53719

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

Person responsible for financial information contained in report

Name: MS MARY KNOEDLER
Title: PRESIDENT

Office Address: 410 4TH STREET
MOSINEE , WI 54455

Fax Number: (715) 693 - 5130
Telephone Number: (715) 693 - 2622
Email Address:

Person responsible for statistical information contained in report

Name: MS MARY KNOEDLER
Title: PRESIDENT

Office Address: 410 4TH STREET
MOSINEE , WI 54455

Fax Number: (715) 693 - 5130
Telephone Number: (715) 693 - 2622
Email Address:

IDENTIFICATION AND OWNERSHIP

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

Name: MARGARET KNOEDLER
Address: PO BOX 189
MOSINEE , WI 54455

Number of Shares Held: 74
Beneficial Owner: NONE

Name: MARY KNOEDLER
Address: PO BOX 189
MOSINEE , WI 54455

Number of Shares Held: 96
Beneficial Owner: NONE

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	3,379,937	3,277,222	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	541,461	532,536	2
Plant Nonspecific Operations Expense	630,947	644,296	3
Customer Operations Expense (6610-6620)	414,812	393,618	4
Corporate Operations Expense (6710-6790)	493,459	419,471	5
Other Operating Income and Expense (7100)	0	0	6
Operating Taxes (7200)	563,352	559,281	7
Total Operating Expenses	2,644,031	2,549,202	8
Net Operating Income	735,906	728,020	9
Other Income			
Nonoperating Income and Expense (7300)	106,424	88,943	10
Nonoperating Taxes (7400)	37,766	20,430	11
Interest and Related Items (7500)	208,624	197,935	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	(5,763)	(5,675)	14
Total Nonoperating Income	(145,729)	(135,097)	15
Net Income	590,177	592,923	16

NOTES TO INCOME STATEMENT OR BALANCE SHEET

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

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

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

A. Property and Equipment

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

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

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

B. Income taxes

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

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

NOTES TO INCOME STATEMENT OR BALANCE SHEET

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

C. Revenue Recognition

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

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

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

D. Cash Equivalents

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

E. Investments

Non-marketable equity investments and temporary investments are stated at cost.

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

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

The mortgage to the United States of America, underlying the RUS and RTB notes, contains certain restrictions on the declaration of payment of cash dividends, redemption of capital stock, or investment in affiliated companies. As of December 31, 1998, the maximum amount which could be distributed in accordance with these restrictions was \$1,211,000, except as might be specifically authorized in writing in advance by the RUS and RTB noteholders.

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT ASSETS			
CASH AND EQUIVALENTS			
Cash and Equivalents (1120)*	2,668,496	2,553,631	1
Cash (1130)			2
Special Cash Deposits (1140)			3
Working Cash Advances (1150)			4
Temporary Investments (1160)			5
TOTAL CASH AND EQUIVALENTS	2,668,496	2,553,631	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	255,075	255,582	6
Accounts Receivable Allowance-Telecom (1181)*	0	0	7
Net: Telecommunications Accounts Receivable	255,075	255,582	
Other Accounts Receivable (1190)*	202,043	238,177	8
Accounts Receivable Allowance--Other (1191)*	0	0	9
Net: Other Accounts Receivable	202,043	238,177	
Notes Receivable (1200)*	0	0	10
Notes Receivable Allowance (1201)*	0	0	11
Net: Notes Receivable	0	0	
Interest and Dividends Receivable (1210)*	10,068	11,986	12
TOTAL RECEIVABLES AND ALLOWANCES FOR DOUBTFUL	467,186	505,745	
SUPPLIES			
Inventories (1220)*	5,918	8,170	13
TOTAL SUPPLIES	5,918	8,170	
PREPAYMENTS			
Total Prepayments (1280)*	0	0	14
Prepaid Rents (1290)			15
Prepaid Taxes (1300)			16
Prepaid Insurance (1310)			17
Prepaid Directory Expenses (1320)			18
Other Prepayments (1330)			19
TOTAL PREPAYMENTS	0	0	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	28,109	6,597	20
TOTAL OTHER CURRENT ASSETS	28,109	6,597	
TOTAL CURRENT ASSETS	3,169,709	3,074,143	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	0	0	21
Investments in Nonaffiliated Companies (1402)*	93,250	93,250	22
Nonregulated Investments (1406)*	100,095	79,957	23
Unamortized Debt Issuance Expense (1407)*	13,388	14,080	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	206,733	187,287	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*	0	0	27
Deferred Maintenance and Retirements (1438)*	0	0	28
Deferred Charges (1439)*	0	0	29
TOTAL DEFERRED CHARGES	0	0	
TOTAL NONCURRENT ASSETS	206,733	187,287	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	11,192,184	10,493,443	30
Less: Accumulated Depreciation (3100)*	5,722,070	5,184,023	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	5,470,114	5,309,420	
PROPERTY HELD FOR FUTURE USE			
Prop. Held for Future Telecommun. Use (2002)*	0	0	35
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200)*	0	0	36
NET PROPERTY HELD FOR FUTURE USE	0	0	
NONOPERATING PLANT			
Nonoperating Plant (2006)*	0	0	37
Less: Accumulated Depreciation--Nonoperating (3300)*	0	0	38
NET NONOPERATING PLANT	0	0	
TPUC			
TPUC (2003)*	0	0	39
TOTAL TPUC	0	0	
TELECOMMUNICATIONS PLANT ADJUSTMENT			
Telecommunications Plant Adjustment (2005)*	(236,323)	(236,323)	40
Less: Accumulated Amortization--Other (3600)*	(194,964)	(171,332)	41
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	(41,359)	(64,991)	
TOTAL PLANT	5,428,755	5,244,429	
TOTAL ASSETS AND OTHER DEBITS*	8,805,197	8,505,859	

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	226,410	165,564	1
Notes Payable (4020)*	0	0	2
Advance Billing and Payments (4030)*	3,059	3,775	3
Customer Deposits (4040)*	3,375	3,875	4
Current Maturities--Long-Term Debt (4050)*	165,400	165,400	5
Current Maturities--Capital Leases (4060)*	0	0	6
Income Taxes--Accrued (4070)*	23,576	68,143	7
Other Taxes--Accrued (4080)*	(38,107)	(17,445)	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)*	7,703	8,143	11
Other Current Liabilities (4130)*	0	0	12
TOTAL CURRENT LIABILITIES*	391,416	397,455	
LONG-TERM DEBT			
Funded Debt (4210)*	4,078,145	4,246,335	13
Premium on Long-Term Debt (4220)*	0	0	14
Discount on Long-Term Debt (4230)*	0	0	15
Reacquired Debt (4240)*	0	0	16
Obligations Under Capital Leases (4250)*	0	0	17
Advances from Affiliated Companies (4260)*	0	0	18
Other Long-Term Debt (4270)*	0	0	19
TOTAL LONG-TERM DEBT*	4,078,145	4,246,335	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*	241,708	80,909	20
Unamortized Operating ITC--Net (4320)*	0	0	21
Unamortized Nonoperating ITC--Net (4330)*	0	0	22
Net Noncurrent Deferred Operating Income Taxes (4340)*	378,233	363,642	23
Net Deferred Tax Liability Adjustments (4341)*	0	0	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	(1,163)	(5,624)	25
Other Deferred Credits (4360)*	0	0	26
Deferred Tax Regulatory Liability (4361)*	0	0	27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS*	618,778	438,927	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	25,000	25,000	28
Additional Paid-in Capital (4520)*	0	0	29
Treasury Stock (4530)*	528,000	528,000	30
Other Capital (4540)*	0	0	31
Retained Earnings (4550)*	4,219,858	3,926,142	32
TOTAL STOCKHOLDERS' EQUITY*	3,716,858	3,423,142	
TOTAL LIABILITIES AND OTHER CREDITS*	8,805,197	8,505,859	

STATEMENT OF CASH FLOWS

Item (a)	Amount (b)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	590,177	1
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and amortization	569,541	2
Interest during construction	0	3
Changes in assets and liabilities:		
Current assets (net)	19,299	4
Other noncurrent assets	(692)	5
Other current liabilities	(6,039)	6
Other liabilities and deferred credits	179,851	7
Other (specify):		
TOTAL ADJUSTMENTS	761,960	
NET CASH PROVIDED BY OPERATING ACTIVITIES (NET INCOME & ADJUST.)	1,352,137	
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures:		
Changes in plant (net)	(753,867)	8
Investments in affiliated companies	0	9
Nonoperating Investments	(20,138)	10
Other (specify):		
NET CASH USING IN INVESTING ACTIVITIES	(774,005)	
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in capital lease obligations (net)	0	11
Change in long-term debt (net)	(166,806)	12
Net changes in stockholder equity other than retained earnings	0	13
Change in short term borrowing (net)	0	14
Dividends paid	(296,461)	15
Miscellaneous debits/credits to retained earnings	0	16
Other (specify):		
Net Cash Provided by Financing Activities	(463,267)	
NET INCREASE IN CASH AND CASH EQUIVALENTS	114,865	
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.

None .

AFFILIATE ABBREVIATIONS

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

Name of Affiliate
(a)

Abbreviations
(b)

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	8,750	1
Other:		
RTB Class C Stock	1,000	2
Comsat Stock	1,000	3
Metro Southwest PCS	82,500	4
Total Investments in Nonaffiliated Companies	93,250	

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):		
MPC - Leased Equipment	63,872	1
Station Apparatus	280,356	2
Internet Equipment	44,678	3
Public Payphones	14,366	4
Depreciation Reserve	(303,177)	5

DEFERRED MAINTENANCE AND RETIREMENTS (ACCT. 1438)

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

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

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
GENERAL SUPPORT ASSETS				
Land	2111	80,552	3,995	1
Motor Vehicles	2112	108,452	22,748	2
Aircraft	2113	0		3
Special Purpose Vehicles	2114	0		4
Garage Work Equipment	2115	0		5
Other Work Equipment	2116	101,256		6
Buildings	2121	564,167		7
Furniture	2122	81,920		8
Office Equipment	2123	22,967	5,928	9
General Purpose Computers	2124	33,135	5,671	10
TOTAL--GENERAL SUPPORT ASSETS:		992,449	38,342	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0		11
Digital Electronic Switching	2212	2,628,927	97,446	12
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220	0		14
Radio Systems	2231	0	0	15
Circuit Equipment	2232	294,769	150,732	16
TOTAL--CENTRAL OFFICE ASSETS:		2,923,696	248,178	
INFORMATION ORIGATION/TERMINATION ASSETS				
Station Apparatus	2311	0		17
Customer Premises Wiring	2321	0		18
Large Private Branch Exchanges	2341	0		19
Public Telephone Terminal Equipment	2351	0		20
Other Terminal Equipment	2362	4,178	18,448	21
TOTAL--INFORMATION ORIG/TERM ASSETS:		4,178	18,448	
CABLE WIRE FACILITIES ASSETS				
Poles	2411	40,070	196	22
Aerial Cable	2421	141,050	767	23
Underground Cable	2422	532,489	113,312	24
Buried Cable	2423	5,209,649	280,429	25
Submarine Cable	2424	0	0	26
Deep Sea Cable	2425	0		27
Intrabuilding Network Cable	2426	0	0	28
Aerial Wire	2431	6,122	119	29
Conduit Systems	2441	643,740	63,419	30
TOTAL--CABLE WIRE FACILITIES ASSETS:		6,573,120	458,242	
AMORTIZABLE ASSETS				
Capital Leases	2681	0		31

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

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2111			84,547	1
2112	15,867		115,333	2
2113			0	3
2114			0	4
2115			0	5
2116			101,256	6
2121			564,167	7
2122			81,920	8
2123	4,838	0	24,057	9
2124			38,806	10
	20,705	0	1,010,086	
2211			0	11
2212	0	0	2,726,373	12
2215	0	0	0	13
2220			0	14
2231	0	0	0	15
2232	24,165	0	421,336	16
	24,165	0	3,147,709	
2311			0	17
2321			0	18
2341			0	19
2351			0	20
2362	4,178		18,448	21
	4,178	0	18,448	
2411			40,266	22
2421	14,334	0	127,483	23
2422	0	0	645,801	24
2423	328	0	5,489,750	25
2424	0	0	0	26
2425			0	27
2426	0	0	0	28
2431	759		5,482	29
2441			707,159	30
	15,421	0	7,015,941	
2681			0	31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)
AMORTIZABLE ASSETS			
Leasehold Improvements	2682	0	32
Intangibles	2690	0	33
TOTAL--AMORTIZABLE ASSETS:		0	0
TOTAL TELECOM. PLANT IN SERVICE	2001	10,493,443	763,210
Less: Allocation to Nonregulated Activity - EOY	2001		34
NET REG. TOTAL TELE. PLANT IN SERV. - EOY	2001		

Explain all amounts shown in column (g).

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

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2682			0	32
2690			0	33
	0	0	0	
	64,469	0	11,192,184	
2001			0	34
			11,192,184	

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	17,224	5,342	1
Company Communications Equipment	2123.2	5,743	586	2
Software	2212.1	0		3
Digital Switching - Central Office	2212.2	2,628,927	97,446	4
Digital Switching - Remote	2212.3	0		5
Step by Step Switching	2215.1	0		6
Crossbar Switching	2215.2	0		7
Satellite and Earth Station Facilities	2231.1	0		8
Other Radio Facilities	2231.2	0		9
Digital Circuit Equipment	2232.1	294,769	150,732	10
Analog Circuit Equipment	2232.2	0		11
Light Wave Circuit Equipment	2232.3	0		12
Aerial Cable - Nonmetallic	2421.1	0		13
Aerial Cable - Metallic	2421.2	141,050	767	14
Underground Cable - Nonmetallic	2422.1	158,269		15
Underground Cable - Metallic	2422.2	374,220	113,312	16
Buried Cable - Nonmetallic	2423.1	483,632	4,138	17
Buried Cable - Metallic	2423.2	4,726,017	276,291	18
Submarine Cable - Nonmetallic	2424.1	0		19
Submarine Cable - Metallic	2424.2	0		20
Intrabuilding Cable - Nonmetallic	2426.1	0		21
Intrabuilding Cable - Metallic	2426.2	0		22

Explain all amounts shown in column (g).

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

Subaccount (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2123.1	4,838		17,728	1
2123.2			6,329	2
2212.1			0	3
2212.2			2,726,373	4
2212.3			0	5
2215.1			0	6
2215.2			0	7
2231.1			0	8
2231.2			0	9
2232.1	24,165		421,336	10
2232.2			0	11
2232.3			0	12
2421.1			0	13
2421.2	14,334		127,483	14
2422.1			158,269	15
2422.2			487,532	16
2423.1			487,770	17
2423.2	328		5,001,980	18
2424.1			0	19
2424.2			0	20
2426.1			0	21
2426.2			0	22

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
GENERAL SUPPORT ASSETS					
Motor Vehicles	2112	86,029		8,473	1
Aircraft	2113	0		0	2
Special Purpose Vehicles	2114	0		0	3
Garage Work Equipment	2115	0		0	4
Other Work Equipment	2116	95,922		4,128	5
Buildings	2121	221,322	3.46	19,539	6H
Furniture	2122	54,040	7.14	5,849	7
Office Equipment	2123	18,294	20.0	4,702	8
General Purpose Computers	2124	33,135	25.0	5,671	9
Total-- GENERAL SUPPORT ASSETS		508,742		48,362	0
CENTRAL OFFICE ASSETS					
Analog Electronic Switching	2211	0		0	10
Digital Electronic Switching	2212	1,356,137	6.7	163,452	11
Electro-Mechanical Switching	2215	0			12
Operator Systems	2220	0		0	13
Radio Systems	2231	0			14
Circuit Equipment	2232	115,200	10.0	35,806	15
Total-- CENTRAL OFFICE ASSETS		1,471,337		199,258	0
INFORMATION ORIG/TERM ASSETS					
Station Apparatus	2311	0		0	16
Customer Premises Wiring	2321	0		0	17
Large Private Branch Exchanges	2341	0		0	18
Public Telephone Terminal Equipment	2351	0		0	19
Other Terminal Equipment	2362	2,298	10.0	1,880	20
Total-- INFORMATION ORIG/TERM ASSETS		2,298		1,880	0
CABLE WIRE FACILITIES ASSETS					
Poles	2411	40,070	5.56	2,233	21 G,H
Aerial Cable	2421	141,050	5.56	7,465	22 G,H
Underground Cable	2422	236,374	4.7	27,828	23H
Buried Cable	2423	2,561,178	5.3	283,137	24H
Submarine Cable	2424	0			25
Deep Sea Cable	2425	0		0	26
Intrabuilding Network Cable	2426	0			27
Aerial Wire	2431	1,897	12.5	725	28

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112	15,867		9,000		87,635	1
2113					0	2
2114					0	3
2115					0	4
2116					100,050	5
2121					240,861	6 H
2122					59,889	7
2123	4,838		400		18,558	8
2124					38,806	9
	20,705	0	9,400	0	545,799	
2211					0	10
2212	0				1,519,589	11
2215	0				0	12
2220					0	13
2231	0				0	14
2232	24,165				126,841	15
	24,165	0	0	0	1,646,430	
2311					0	16
2321					0	17
2341					0	18
2351					0	19
2362	4,178				0	20
	4,178	0	0	0	0	
2411		112			42,191	21 G,H
2421	14,334	1,058			133,123	22 G,H
2422	0				264,202	23 H
2423	328	272			2,843,715	24 H
2424	0				0	25
2425					0	26
2426	0				0	27
2431	759	277	306		1,892	28

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
CABLE WIRE FACILITIES ASSETS					
Conduit Systems	2441	221,077	3.5	23,641	29
Total-- CABLE WIRE FACILITIES ASSETS		3,201,646		345,029	0
Total Accumulated Depreciation		3100	5,184,023	594,529	0
Less: Allocation to Nonregulated Activity - Columns e, f and I	3100			1,356	0 30
Net Regulated Total Accum Depreciation - 3100 Columns e, f and I				593,173	0

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441					244,718	29
	15,421	1,719	306	0	3,529,841	
3100	64,469	1,719	9,706	0	5,722,070	
3100					0	30
3100					5,722,070	

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	17,224	20.0	3,495		1
Company Communications Equipment	2123.2	1,070	20.0	1,207		2
Software	2212.1	0				3
Digital Switching - Central Office	2212.2	1,356,137	6.7	163,452		4
Digital Switching - Remote	2212.3	0				5
Step by Step Switching	2215.1	0				6
Crossbar Switching	2215.2	0				7
Satellite and Earth Station Facilities	2231.1	0				8
Other Radio Facilities	2231.2	0				9
Digital Circuit Equipment	2232.1	115,200	10.0	35,806		10
Analog Circuit Equipment	2232.2	0				11
Light Wave Circuit Equipment	2232.3	0				12
Aerial Cable - Nonmetallic	2421.1	0				13
Aerial Cable - Metallic	2421.2	141,050	5.56	7,465		14 G,H
Underground Cable - Nonmetallic	2422.1	15,452	4.0	6,331		15
Underground Cable - Metallic	2422.2	220,922	10.0	21,497		16
Buried Cable - Nonmetallic	2423.1	73,337	4.6	22,342		17
Buried Cable - Metallic	2423.2	2,487,841	5.36	260,795		18 H
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	4,838		400		16,281	1
2123.2					2,277	2
2212.1					0	3
2212.2					1,519,589	4
2212.3					0	5
2215.1					0	6
2215.2					0	7
2231.1					0	8
2231.2					0	9
2232.1	24,165				126,841	10
2232.2					0	11
2232.3					0	12
2421.1					0	13
2421.2	14,334	1,058			133,123	14 G,H
2422.1					21,783	15
2422.2					242,419	16
2423.1					95,679	17
2423.2	328	272			2,748,036	18 H
2424.1					0	19
2424.2					0	20
2426.1					0	21
2426.2					0	22

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

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

Particulars (a)	Balance FOY (b)	
PROPERTY RELATED		
Other Current Assets (1350)	0	1 F
Other Noncurrent Assets (1410)	0	2
Deferred Tax Regulatory Asset (1437)	0	3
Net Current Deferred Operating Income Taxes (4100)	0	4
Net Noncurrent Deferred Operating Income Taxes (4340)	(363,642)	5
Net Deferred Tax Liability Adjustments (4341)	0	6
Deferred Tax Regulatory Liability (4361)	0	7
Net Property Related Deferred Operating Income Taxes	(363,642)	
Less: Allocation to Nonregulated Activity	0	8
Net Regulated Total Property Related Deferred Operating Income Taxes	(363,642)	
NONPROPERTY RELATED		
Other Current Assets (1350)	6,597	9 F
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	6,597	

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	21,512		6,597	28,109	1 F
7250				0	2
				0	3
7250				0	4
7250	(14,591)			(378,233)	5
				0	6
				0	7
	6,921	0	6,597	(350,124)	8
				0	
	6,921	0	6,597	(350,124)	
7250			(6,597)	0	9 F
7250				0	10
				0	11
7250				0	12
7250				0	13
				0	14
				0	15
	0	0	(6,597)	0	

NOTES PAYABLE (ACCT. 4020)

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

Name (a)	Issue Date (b)	Maturity (c)	Interest Rate (d)	Balance EOY (e)
---------------------	-------------------------------	-------------------------	----------------------------------	--------------------------------

LONG-TERM DEBT

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

Description of Debt (a)	Specific or Range of Stated Dates of Issue (b)	Specific or Range of Stated Dates of Maturity (c)	Specific or Range of Interest Rates (d)	
Funded Debt (Account 4210):				
RTB 9%	11/16/1980	11/16/2015	9.0000	1
RUS 2%	02/05/1964-03/01/1972	02/05/1999-03/01/2007	2.0000	2
RUS 5%	11/06/1980-12/16/1986	11/06/2015-12/16/2021	5.0000	3
RUS 6.67%	03/01/1996	03/01/2031	6.6700	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)				
9.0000			146,974	3,800	150,774	1
2.0000			564,418	85,900	650,318	2
5.0000			2,990,468	73,600	3,064,068	3
6.6700			376,285	2,100	378,385	4
	0	0	4,078,145	165,400	4,243,545	

CAPITAL STOCK ACCOUNTS AT END OF YEAR

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

Class and Series (a)	Shares Authorized by Charter (b)	Par Value per Share (c)	Call Price End of Year (d)
COMMON STOCK:			
Common Stock	250	100.00	1
TOTAL COMMON STOCK	250		
TOTAL	250		

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:					
Common Stock	250	25,000	80	528,000	1
	250	25,000	80	528,000	
TOTAL	<u>250</u>	<u>25,000</u>	<u>80</u>	<u>528,000</u>	

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	3,926,142	3,565,099	1
Changes:			
Balance Transferred from Income	590,177	592,923	2
Dividends Declared:			
Common	296,461	231,880	3
Preferred			4
Total Dividends Declared	296,461	231,880	
Miscellaneous Debits to Retained Earnings			5
Miscellaneous Credits to Retained Earnings			6
Balance--End of Year	<u>4,219,858</u>	<u>3,926,142</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)	194,641	71,452	287,564	1
Nonoperating Taxes (Accts. 7410 - 7450)		7,777	29,989	2
Extraordinary Items (Accts. 7630 & 7640)				3
Nonregulated Net Income (Acct. 7990)		(1,567)	(6,242)	4
Clearing Accounts				5
Construction				6
Payroll Taxes: FICA				7
Payroll Taxes: State Unemployment				8
Payroll Taxes: Federal Unemployment				9
Other (specify):				
Deferred Taxes		1,070	1,390	10
TOTAL	<u>194,641</u>	<u>78,732</u>	<u>312,701</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)	
9,695					563,352	1
					37,766	2
					0	3
					(7,809)	4
					0	5
					0	6
				57,791	57,791	7
				427	427	8
				876	876	9
					2,460	10
9,695	0	0	0	59,094	654,863	

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)*	1,113,437	1,028,082	1
Basic Area Revenue (5001)			2
Optional Extended Area Revenue (5002)			3
Cellular Mobile Revenue (5003)			4
Other Mobile Services Revenue (5004)			5
Public Telephone Revenue (5010)			6
Local Private Line Revenue (5040)			7
Customer Premises Revenue (5050)			8
Other Local Exchange Revenue (5060)			9
Other Local Exchange Revenue Settlements (5069)			10
TOTAL BASIC LOCAL SERVICE REVENUE (5000)	1,113,437	1,028,082	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	227,451	217,380	11
Switched Access Revenue (5082)*	713,877	768,547	12
Special Access Revenue (5083)*	81,074	51,579	13 D
TOTAL INTERSTATE ACCESS REVENUES (5080)	1,022,402	1,037,506	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*	0	0	14
Switched Access Revenue (5084.2)*	713,135	702,544	15
Special Access Revenue (5084.3)*	111,697	113,582	16
TOTAL INTRASTATE ACCESS REVENUES (5084)	824,832	816,126	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*	0	0	17
Long Distance Inward-Only Revenue (5111)			18
Long Distance Outward-Only Revenue (5112)			19
Unidirectional Long Distance Revenue (5110)	0	0	
Long Distance Private Network Revenues			
Subvoice Grade Revenue (5121)			20
Voice Grade Revenue (5122)			21
Audio Program Grade Revenue (5123)			22
Video Program Grade Revenue (5124)			23
Digital Transmission Revenue (5125)			24
Switching Revenue (5126)			25
Other Revenue (5128)			26
Other Revenue Settlements (5129)			27
Total Long Distance Private Network Revenue	0	0	
Other Long Distance Revenue (5160)			28
Other Long Distance Revenue Settlements (5169)			29
TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV.	0	0	

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

Particulars (a)	This Year (b)	Last Year (c)	
MISCELLANEOUS REVENUES			
Directory Revenue (5230)*	195,577	193,459	30
Rent Revenue (5240)*	79,482	79,450	31
Corporate Operations Revenue (5250)*		0	32
Miscellaneous:			
Miscellaneous Revenue (5260)*	8,888	9,390	33
Special Billing Arrangements Revenue (5261)			34
Customer Operations Revenue (5262)			35
Plant Operations Revenue (5263)			36
Other Incidental Regulated Revenue (5264)			37
Other Revenue Settlements (5269)			38
Total Miscellaneous Revenue (5260)	8,888	9,390	
Interstate Billing and Collection Revenue*	41,438	44,307	39
Intrastate Billing and Collection Revenue*	84,274	73,859	40
Total Carrier Billing and Collection Revenue (5270)*	125,712	118,166	
Nonregulated Operating Revenue (5280)**			41
TOTAL MISCELLANEOUS REVENUES	409,659	400,465	
GROSS OPERATING REVENUES	3,370,330	3,282,179	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*	(9,607)	4,957	42 E
Uncollectible Revenue--Telecommunications (5301)			43
Uncollectible Revenue--Other (5302)			44
TOTAL UNCOLLECTIBLE REVENUE (5300)	(9,607)	4,957	
TOTAL OPERATING REVENUES	<u>3,379,937</u>	<u>3,277,222</u>	

** Account 5280 is to be used only by those companies subject to dual jurisdiction.

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)
PLANT SPECIFIC OPERATIONS EXPENSE			
Total Network Support Expense (6110)	0	0	1
Less: Nonregulated	0	0	2
Net Regulated	0	0	0 3
Total General Support Expense (6120)	84,069	88,106	4
Less: Nonregulated	0	0	5
Net Regulated	84,069	88,106	0 6
Total Central Office Switching Expense (6210)	194,693	211,678	7
Less: Nonregulated	0	0	8
Net Regulated	194,693	211,678	0 9
Total Operator Systems Expense (6220)	0	0	10
Less: Nonregulated	0	0	11
Net Regulated	0	0	0 12
Total Central Office Transmission Expenses (6230)	4,822	12,581	13
Less: Nonregulated	0	0	14 c
Net Regulated	4,822	12,581	0 15
Total Information Orig. / Term. Expense (6310)	284	0	16
Less: Nonregulated	0	0	17
Net Regulated	284	0	0 18
Total Cable and Wire Fac. Expense (6410)	248,668	229,096	19
Less: Nonregulated	0	0	20
Net Regulated	248,668	229,096	0 21
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	532,536	541,461	0
Less: Nonregulated	0	0	0
Net Regulated	532,536	541,461	0
PLANT NONSPECIFIC OPERATIONS EXPENSE			
Total Other Property, Plant and Equip. Exp. (6510)	0	0	0 22
Less: Nonregulated	0	0	23
Net Regulated	0	0	0 24
Total Network Operations Expense (6530)	67,593	61,406	25
Less: Nonregulated	0	0	26
Net Regulated	67,593	61,406	0 27
Access Expense (6540)	0	0	28
Less: Nonregulated	0	0	29
Net Regulated	0	0	0 30
Total Depreciation and Amortization Expense (6560)	576,703	569,541	31
Less: Nonregulated	0	0	32
Net Regulated	576,703	569,541	33
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	644,296	630,947	0
Less: Nonregulated	0	0	0
Net Regulated	644,296	630,947	0

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6110					1
	0	0	0	0	2
6120			88,106		3
	0	0	88,106	0	4
6210			211,678		5
	0	0	211,678	0	6
6220					7
	0	0	0	0	8
6230			12,581		9
	0	0	12,581	0	10
6310			0		11
	0	0	0	0	12
6410			229,096		13
	0	0	229,096	0	14
	0	0	541,461	0	15
	0	0	0	0	16
	0	0	541,461	0	17
6510	0	0	0	0	18
	0	0	0	0	19
6530			61,406		20
	0	0	61,406	0	21
6540					22
	0	0	0	0	23
6560			569,541		24
			569,541		25
	0	0	630,947	0	26
	0	0	0	0	27
	0	0	630,947	0	28
					29
					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)	0	0	34
Less: Nonregulated	0	0	35
Net Regulated	0	0	0 36
Total Services (6620)	393,618	414,812	37
Less: Nonregulated	0	0	38
Net Regulated	393,618	414,812	0 39
TOTAL CUSTOMER OPERATIONS EXPENSE	393,618	414,812	0
Less: Nonregulated	0	0	0
Net Regulated	393,618	414,812	0
CORPORATE OPERATIONS EXPENSE			
Total Exec. and Planning (6710)	264,929	307,650	40
Less: Nonregulated	0	0	41
Net Regulated	264,929	307,650	0 42
Total General and Administrative (6720)	154,542	185,809	43
Less: Nonregulated	0	0	44
Net Regulated	154,542	185,809	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	419,471	493,459	0
Less: Nonregulated	0	0	0
Net Regulated	419,471	493,459	0
TOTAL EXPENSES	1,989,921	2,080,679	0
Less: Nonregulated	0	0	0
Net Regulated	1,989,921	2,080,679	0

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6610					34
					35
	0	0	0	0	36
6620			414,812		37
					38
	0		414,812	0	39
	0	0	414,812	0	
	0	0	0	0	
	0	0	414,812	0	
6710			307,650		40
					41
	0		307,650	0	42
6720			185,809		43
					44
	0		185,809	0	45
6790					46
					47
			0		48
	0	0	493,459	0	
	0	0	0	0	
	0	0	493,459	0	
	0	0	2,080,679	0	
	0	0	0	0	
	0	0	2,080,679	0	

EXPENSE MATRIX - CLASS A & B (DETAIL)

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries/ Wages (d)	
Property Held for Future Tele. Use Exp. (6511)	0	0		1
Provisioning Expense (6512)	0	0		2
Total: Reported in Account 6510	0	0	0	
Depreciat. Exp.--Tele. Plant in Service (6561)	600,335	593,173		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)	(23,632)	(23,632)		7
Total: Reported in Account 6560	576,703	569,541		

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

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6511					1
6512					2
	0		0	0	
6561			593,173		3
6562					4
6563					5
6564					6
6565			(23,632)		7
			569,541		

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	3,370,330	1
Plus: Collection of amounts previously written off	0	2
Less: Uncollectibles written off during the year	0	3
Plus: Total Other Operating Income and (Expense) (7100)	0	4
Less: Nonregulated Operating Revenue (included Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify): NONE	0	8
Assessable Revenues for Remainder, Department of Justice, and Telephone Relay Assessment Purposes	<u>3,370,330</u>	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	1,113,437	1
Plus: Total Intrastate Access Revenues (5084)	824,832	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): NONE	0	5
Assessable Revenues for Universal Service Fund Assessment Purposes	<u>1,938,269</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	3,370,330	1
Plus: Collection of amounts previously written off	0	2
Less: Uncollectibles written off during the year	0	3
Plus: Total Other Operating Income and (Expense) (7100)	0	4
Less: Nonregulated Operating Revenue (included Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify): NONE	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	<u>3,370,330</u>	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	1,113,437	1
Plus: Total Intrastate Access Revenues (5084)	824,832	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): NONE	0	5
Assessable Revenues for Universal Service Fund Assessment Purposes	<u>1,938,269</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)*	0	0	2
Gains and (Losses) from Foreign Exchange (7140)			3
Gains or (Losses) from the Disposition of Land and Artworks (7150)			4
Other Operating Gains and (Losses) (7160)*		0	5
TOTAL OTHER OPERATING INCOME AND (EXPENSE) (7100)*	0	0	
OPERATING TAXES			
Operating Investment Tax Credits--Net (7210)*	0	(5,182)	6
Operating Federal Income Taxes (7220)*	292,463	262,975	7
Operating State and Local Income Taxes (7230)*	73,474	68,812	8
Operating Other Taxes (7240)*	204,336	198,107	9
Provision for Deferred Operating Income Taxes--Net (7250)*	(6,921)	34,569	10
TOTAL OPERATING TAXES (7200)*	563,352	559,281	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)*	112	142	11
Interest Income (7320)*	110,507	91,975	12
Income from Sinking and Other Funds (7330)*	0	0	13
Allowance for Funds Used During Construction (7340)*	0	0	14
Gains or (Losses) from the Disposition of Certain Property (7350)*	0	0	15
Other Nonoperating Income (7360)*	0	0	16
Special Charges (7370)*	4,195	3,174	17
TOTAL NONOPERATING INCOME AND EXPENSE (7300)*	106,424	88,943	
NONOPERATING TAXES			
Nonoperating Investment Tax Credits--Net (7410)*	0	0	18
Nonoperating Federal Income Taxes (7420)*	28,059	14,135	19
Nonoperating State and Local Income Taxes (7430)*	7,290	3,784	20
Nonoperating Other Taxes (7440)*	0	0	21
Provision for Deferred Nonoperating Income Taxes-Net (7450)*	2,417	2,511	22
TOTAL NONOPERATING TAXES (7400)*	37,766	20,430	
INTEREST AND RELATED ITEMS			
Interest on Funded Debt (7510)*	207,932	197,239	23
Interest Expense--Capital Leases (7520)*	0	0	24
Amortization of Debt Issuance Expense (7530)*	692	692	25
Other Interest Deductions (7540)*	0	4	26
TOTAL INTEREST AND RELATED ITEMS (7500)*	208,624	197,935	
EXTRAORDINARY ITEMS			
Extraordinary Items (7600)*	0	0	27
Extraordinary Income Credits (7610)			28
Extraordinary Income Charges (7620)			29
Current Income Tax Effect of Extraordinary Items--Net (7630)			30
Provision for Deferred Income Tax Effect of Extraordinary Items--Net (7640)			31
TOTAL EXTRAORDINARY ITEMS (7600)*	0	0	
NONREGULATED NET INCOME			
Nonregulated Net Income (7990)*	(5,763)	(5,675)	32

NONREGULATED NET INCOME (ACCT. 7990)

Particulars (a)	Amount (b)	
Revenues (Acct. 7990.1)		
Gross Sales	128,309	1
Less: Cost of Goods Sold		2
Net Sales	128,309	3
Expenses (Acct. 7990.2)	134,072	4
Nonregulated Net Income	<u><u>(5,763)</u></u>	5

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

Leasing of customer premise equipment
 Repair of customer inside wiring
 Internet service

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	51,112	2
Plant Accounts	37,752	3
Accumulated Depreciation Accounts		4
All Other Accounts	760,873	5
Total Salaries and Wages	849,737	6 A

EMPLOYEE DATA

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

Employee Category (a)	Number of Equivalent Full-Time Employees		Total Compensation (d)	
	FOY (b)	EOY (c)		
Officers	2.00	2.00	253,159	1
Supervision and Other Management	2.00	2.00	123,455	2
Other Employees	12.00	12.00	473,123	3
Total	16.00	16.00	849,737	

DISTRIBUTION OF SALARIES AND WAGES

Description (a)	Amount (b)	
Regulated Expense	0	1
Nonregulated Expense	51,112	2
Plant Accounts	37,752	3
Accumulated Depreciation Accounts		4
All Other Accounts	760,873	5
Total Salaries and Wages	849,737	6 A

EMPLOYEE DATA

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

Employee Category (a)	Number of Equivalent Full-Time Employees		Total Compensation (d)	
	FOY (b)	EOY (c)		
Officers	2.00	2.00	253,159	1
Supervision and Other Management	2.00	2.00	123,455	2
Other Employees	12.00	12.00	473,123	3
Total	16.00	16.00	849,737	

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	445	1,465	1
Extended Area Service	806	3,844	2
Extended Community Calling	60	256	3
Other Local-Undefined	152	194	4
Total Local	1,463	5,759	
TOLL			
Operator Handled: State--intraLATA	1		5
Operator Handled: State--interLATA	1		6
Operator Handled: Interstate	1		7
Customer Dialed: State--intraLATA	93		8
Customer Dialed: State--interLATA	11		9
Customer Dialed: Interstate	13		10
WATS	0		11
Other Toll-Undefined	0		12
Total Toll	120	0	
Total Local & Toll	1,583	5,759	

ACCESS USAGE

Enter number, in thousands, of Billed Minutes.

Description (a)	Billed Minutes (000's)				
	Interstate InterLATA (b)	Intrastate InterLATA (c)	Intrastate IntraLATA (d)	Interstate IntraLATA (e)	
Feature Group A -- Orig.					1
Feature Group A -- Term.					2
Feature Group B -- Orig.	485	321			3
Feature Group B -- Term.	650	428			4
Feature Group C -- Orig.					5
Feature Group C -- Term.					6
Feature Group D -- Orig.	4,787	2,756	2,748		7
Feature Group D -- Term.	4,312	2,600	2,645		8

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	21	1
Sheath miles of plant - buried	527	2
Sheath miles of plant - fiber optics	44	3
Strand miles of plant - fiber optics	1,084	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	14	22	1
56 kbps	19	14	2
64 kbps (DS0)	0	0	3
1.54 Mbps (DS-1)	11	7	4
45 Mbps (DS-3)	0	3	5
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	1	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	21	1
Sheath miles of plant - buried	527	2
Sheath miles of plant - fiber optics	44	3
Strand miles of plant - fiber optics	1,084	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	14	22	1
56 kbps	19	14	2
64 kbps (DS0)	0	0	3
1.54 Mbps (DS-1)	11	7	4
45 Mbps (DS-3)	0	3	5
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	1	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	539	630	3
2 Party			4
4 Party			5
PBX Trunks/System Trunks	51	45	6
Centrex Trunks			7
Centrex Lines			8
Key System Trunks	299	319	9
Mobile (Utility Provided Service)			10
Paging (Utility Provided Service)			11
FX-Out (Switched)			12
Pay Telephone	10	12	13
Coin-Operated Pay Telephone			14
Independent Pay Telephone Provider	33	35	15
Pay Stations - Public			16
- Semi-Public			17
- Cust. Owned			18
Other			19
Total Business Lines	932	1,041	20
Residential (Incl. Emp. Concess.)			
1 Party	3,845	4,019	22
2 Party			23
4 Party			24
FX-Out (Switched)			25
Other			26
Total Residential Lines	3,845	4,019	27
Total Bus & Res Lines	4,777	5,060	28
Company Used Lines	114	114	29
Total Lines Used	4,891	5,174	30

SERVICE DATA (cont.)

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

Item (a)	FOY (b)	EOY (c)	
Miscellaneous			
WATS Lines - OutWATS	3	1	3
WATS Lines - 800 Service			4
FX-In-intraLATA		8	5
Special Access-intraLATA			6
(expressed in equiv. access lines)	39	34,476	7
Special Access-interLATA			8
(expressed in equiv. access lines)	27	297	9
Feature Group A Lines			10
Feature Group B Trunks			11
Feature Group C Trunks			12
Feature Group D Trunks	168	216	13
TSPS - Trunks	12	12	14
EAS - Trunks	168	240	15
Cellular Trunks (Pub. Sw. Net.)			16
Video Distance Learning			17
- discounted (special tariff)			18
Customers			
Business - 2 Party Customers			19
Business - 4 Party Customers			20
Residential - 2 Party Customers			21
Residential - 4 Party Customers			22
Other			
Total Central Office, Info. Orig./Term., & Cable			23
Wire Fac. Assets (based on physical location of plant)	9,500,994	10,182,098	24
Total Company Square Miles	214	214	25
Total Company Route Miles	537	537	26
Footnotes			27
			28
			29
			30

SERVICE DATA - END OF YEAR

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

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	3540				1
Business					2
1 Party	630				3
2 Party					4
4 Party					5
PBX Trunks/System Trunks	45				6
Centrex Trunks					7
Centrex Lines					8
Key System Trunks	319				9
Mobile (utility provided service)					10
Paging (utility provided service)					11
FX-Out (Switched)					12
Pay Telephone	12				13
Coin-Operated Pay Telephone					14
Independent Pay Telephone Provider	35				15
Pay Stations - Public					16
- Semi-Public					17
- Cust. Owned					18
Other					19
Total Business Lines	1,041	0	0	0	20
Residential (Incl. Emp. Concess.)					21
1 Party	4,019				22
2 Party					23
4 Party					24
FX-Out (Switched)					25
Other					26
Total Residential Lines	4,019	0	0	0	27
Total Bus & Res Lines	5,060	0	0	0	28
Company Used Lines	114				29
Total Lines Used	5,174	0	0	0	30

SERVICE DATA - END OF YEAR (cont.)

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

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	3540				1
Miscellaneous					2
WATS Lines - OutWATS	1				3
WATS Lines - 800 Service					4
FX-In-intraLATA	8				5
Special Access-intraLATA (equiv. access lines)	34,476				6 7
Special Access-interLATA (equiv. access lines)	297				8 9
Feature Group A Lines					10
Feature Group B Trunks					11
Feature Group C Trunks					12
Feature Group D Trunks	216				13
TSPS - Trunks	12				14
EAS - Trunks	240				15
Cellular Trunks (Pub. Sw. Net.)					16
Video Distance Learning - discounted (special tariff)					17 18
Customers					19
Business - 2 Party Customers					20
Business - 4 Party Customers					21
Residential - 2 Party Customers					22
Residential - 4 Party Customers					23
Other					24
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical location of plant)	10,182,100				26 27
Exchange Square Miles	214				28
Exchange Route Miles	537				29
Footnotes					30

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

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

EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

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

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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	MOSINEE				1
PSCW Exchange ID	3540				2
Central Office Name	MOSINEE				3
PSCW Central Office ID	1				4
Manufacturer of COE (Page 54)	NTI				5
Year COE Installed	1988				6
Type of Equipment (Page 54)	D				7
(S)tandalone, (H)ost, (R)emote	H				8
Remote Host PSCW Exchange ID					9
Remote Host PSCW Central Office ID	0				10
COE Generic Software Release No.	411.10				11
SS7?	Yes				12
9-1-1?	Yes				13
Access Lines - In Use	5,174				14
- Equipped	5,400				15
- Wired	6,000				16
Trunks - In Use	516				17
- Equipped	624				18
- Wired	624				19
ISDN Available?	No				20
ISDN Lines - In Use (BRI)	0				21
- In Use (PRI)	0				22
Switched 56 Service?	No				23
Switched 56 lines in use	0				24
Digital Transmission Facilities: DS-1 - In Use	47				25
DS-3 - In Use	3				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.	136				33
No. of fiber strands working (LIT) in C.O.	16				34
No. of fiber strands for interoffice use	0				35
Miles of fiber sheath in wire center	44				36
Access Tandem Serving this C.O.:					
- C.O. Name	STEVENS POINT				37
- PSCW C.O. ID	5140-01				38
Does this C.O. do access tandem switching?	No				39
Equal Access: InterLATA (1+)?	Yes				40
Equal Access: IntraLATA (1+)?	No				41
Footnotes					42

¹ Teleco provided end-to-end facility.

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

Located 1997 review response to item 1. It was filed confidentially and DWCCA did not receive notice. 1997 report has been revised to include payphone deregulation entries. ele

Response to item 2 provided by letter dated 11/9/99 and schedule corrected (CR#09000).
ele

October 20, 1999

Ms. Mary Knoedler, President
The Mosinee Telephone Company
410 4th Street
Mosinee, WI 54455-1199

Re:1998 Analytical ReviewDWCCA-3900-PJL

Dear Ms. Knoedler:

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. During our review, we noted we cannot locate a response to your 1997 analytical review letter dated September 23, 1998. One matter remains relevant: Please provide the journal entry(ies) recorded on the telcos books for this transaction concerning the deregulation of payphone assets, whether transferred below-the-line or to a separate affiliate, basis of valuation and how it compared to net book value, and the date of such journal entry(ies). If you did reply, please provide a copy of your response, and we apologize for any inconvenience.

2. During our review, we noted the intraLATA and interLATA chan. terms reported on the Special Access Circuits in Use schedule, page 49, do not agree with the Special Access IntraLATA and Special Access InterLATA reported on the Service Data schedule, page 50. Please furnish an explanation, or corrected schedules. Please note that both these schedules are filed under confidential treatment.

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 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~~

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

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:compltelco letters3900 rev letter

Accountants Compilation Report

To the Board of Directors
The Mosinee Telephone Company
Mosinee, Wisconsin

We have compiled the balance sheets of The Mosinee Telephone Company as of December 31, 1998 and 1997, and the related statements of income and retained earnings for the years then ended, and the statement of cash flows for the year ended December 31, 1998, included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary information presented in the prescribed form, except for pages 46 through 55.

Our compilation was limited to presenting in the form prescribed by the Public Service Commission of Wisconsin, information that is the representation of management. We have not audited or reviewed the financial statements and supplementary information referred to above and, accordingly, do not express an opinion or any other form of assurance on them. These financial statements were compiled by us from financial statements of the same period that we previously audited, as indicated in our report dated, February 10, 1999.

These financial state

Schedule Footnotes

Cover Page Footnote. Page 1

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES**Net Deferred Operating Income Taxes (Acct. 1350, 1410, 1437, 4100, 4340, 4341 & 4361)
Footnote. Page 30**

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

Expense Matrix - Class A & B Footnote. Page 41

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

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

"Pursant 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."

Service Data - End of Year Footnote. Page 52

corrections to special access intra and interLATA provided by letter dated November 9, 1999, CR#09000.ele

Schedule Line Footnotes

- A)** Amount includes Other and Regulated Expense.
- B)** This footnote is not being used.
- C)** Pursuant to agreement with PSCW staff, difference is immaterial.
- D)** Increase in special circuits.
- E)** Unexpected recovery of previously written off receivables in prior year.
- F)** Adjust beginning balance in relation to agreement with PSCW staff, see schedule footnote.
- G)** Overdepreciated by 20% for future cost of removal.
- H)** Depreciation rate given is a composite.