



4004

ANNUAL REPORT

OF

Name: NORTHEAST TELEPHONE COMPANY

Principal Office: 122 S ST AUGUSTINE ST
P.O. BOX 860
PULASKI, WI 54162-0860

For the Year Ended: DECEMBER 31, 1998

**TELECOMMUNICATIONS UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN**

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

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

GENERAL RULES FOR REPORTING

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

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ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

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

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

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

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

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

ABBREVIATIONS USED IN ANNUAL REPORTS

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

IDENTIFICATION AND OWNERSHIP

Exact Utility Name: NORTHEAST TELEPHONE COMPANY
Utility Location: 122 S ST AUGUSTINE ST
P.O. BOX 860
PULASKI, WI 54162-0860

Utility Web Site Address:

When was utility organized?: 03/10/1910

Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: MR MARK M . NAZE
Title: TREASURER

Office Address: 122 S. ST. AUGUSTINE ST.
P.O. BOX 860
PULASKI , WI 54162

Fax Number: (920) 822 - 8665
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Email Address: mark@netelco.com

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

Name:
Title:

Office Address:

Fax Number:
Telephone Number:
Email Address:

Person responsible for financial information contained in report

Name: MS SHERYL L . MIELKE
Title: ACCOUNTING MANAGER

Office Address: 122 S. ST. AUGUSTINE ST.
P.O. BOX 860
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Person responsible for statistical information contained in report

Name: MS SHERYL L . MIELKE
Title: ACCOUNTING MANAGER

Office Address: 122 S. ST. AUGUSTINE ST.
P.O. BOX 860
PULASKI , WI 54162

Fax Number: (920) 822 - 8665
Telephone Number: (920) 822 - 8886
Email Address: sheryl@netelco.com

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:	NORTHEAST COMMUNICATIONS OF WI, INC.
Address:	122 S. ST. AUGUSTINE ST. PO BOX 860 PULASKI , WI 54162
Number of Shares Held:	19,500
Beneficial Owner:	NONE

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	4,513,056	4,262,774	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	643,177	556,440	2
Plant Nonspecific Operations Expense	1,158,372	1,124,578	3
Customer Operations Expense (6610-6620)	565,098	501,437	4
Corporate Operations Expense (6710-6790)	568,694	500,733	5
Other Operating Income and Expense (7100)	0	0	6
Operating Taxes (7200)	702,666	685,678	7
Total Operating Expenses	3,638,007	3,368,866	8
Net Operating Income	875,049	893,908	9
Other Income			
Nonoperating Income and Expense (7300)	28,262	8,307	10
Nonoperating Taxes (7400)	8,617	2,992	11
Interest and Related Items (7500)	189,403	200,976	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	28,465	44,077	14
Total Nonoperating Income	(141,293)	(151,584)	15
Net Income	733,756	742,324	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 company is a provider of telecommunications exchange and local access services and telecommunications equipment in a service area located primarily in Brown County, Wisconsin.

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

Telephone plant and other property are capitalized at original cost including: the capitalized cost of salaries and wages, materials, certain payroll taxes, and employee benefits and interest incurred during the construction period. 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. These estimates are subject to change in the near term. Depreciation on depreciable property is included in plant nonspecific operations expense at \$1,100,506 and \$1,071,786 which resulted in composite rates of 8.25% and 7.84% for 1998 and 1997 respectively. 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.

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 taxes include telephone plant in service. 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, were 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:

Revenue Recognition

The Company recognizes revenues when earned regardless of the period in which they are billed. The Company is required to provide service to subscribers within its defined service territory.

Local network service revenues are recognized over the period a subscriber is connected to the telephone network. Calls within an extended community calling area are recognized when made based on a rate per minute of usage as approved by the PSCW.

Network access service revenues are derived from charges for access to the Companies' local exchange network. The interstate portion of access revenues are based, in part, on average schedule settlements administered by the National Exchange Carrier Association (NECA) which is regulated by the FCC. The traffic sensitive portion of interstate access revenues are billed on an individual company access charge structure as approved by the FCC. The intrastate portion of access revenues are billed on individual company tariff access charge structure based on expense and plant investment of the Company as approved by the PSCW. The tariffs developed from these formulas are used to charge the connecting carrier and recognize revenues in the period the traffic is transported based on the minutes of traffic carried.

Miscellaneous revenues include contractually determined arrangements for the provision of billing and collecting services and are recognized in the period when the services are performed.

Advertising Costs

Advertising costs are expenses as incurred.

Cash Equivalents

All highly liquid investments with a maturity of three months or less at the time of purchase are considered cash equivalents.

Investments

The Company's investments consist of nonmarketable equity investments which are carried at cost.

Reclassifications

Certain reclassifications have been made to the 1997 financial statements to conform with the 1998 presentation.

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 or payment of cash dividends, redemption of capital stock, or investment in affiliated companies 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)*	395,571	772,579	1
Cash (1130)			2
Special Cash Deposits (1140)			3
Working Cash Advances (1150)			4
Temporary Investments (1160)			5
TOTAL CASH AND EQUIVALENTS	395,571	772,579	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	325,382	340,909	6
Accounts Receivable Allowance-Telecom (1181)*	0	0	7
Net: Telecommunications Accounts Receivable	325,382	340,909	
Other Accounts Receivable (1190)*	421,807	412,718	8
Accounts Receivable Allowance--Other (1191)*	0	0	9
Net: Other Accounts Receivable	421,807	412,718	
Notes Receivable (1200)*	0	0	10
Notes Receivable Allowance (1201)*	0	0	11
Net: Notes Receivable	0	0	
Interest and Dividends Receivable (1210)*	0	0	12
TOTAL RECEIVABLES AND ALLOWANCES FOR DOUBTFUL	747,189	753,627	
SUPPLIES			
Inventories (1220)*	117,370	123,830	13
TOTAL SUPPLIES	117,370	123,830	
PREPAYMENTS			
Total Prepayments (1280)*	56,089	48,118	14
Prepaid Rents (1290)			15
Prepaid Taxes (1300)			16
Prepaid Insurance (1310)			17
Prepaid Directory Expenses (1320)			18
Other Prepayments (1330)			19
TOTAL PREPAYMENTS	56,089	48,118	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	39,494	12,149	20
TOTAL OTHER CURRENT ASSETS	39,494	12,149	
TOTAL CURRENT ASSETS	1,355,713	1,710,303	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	2,500	2,500	21
Investments in Nonaffiliated Companies (1402)*	170,708	167,708	22
Nonregulated Investments (1406)*	47,597	47,312	23
Unamortized Debt Issuance Expense (1407)*	1,605	1,751	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)*	7,757	8,334	26
TOTAL INVESTMENTS	230,167	227,605	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*	0	11,524	27
Deferred Maintenance and Retirements (1438)*	0	0	28
Deferred Charges (1439)*	52,105	18,427	29
TOTAL DEFERRED CHARGES	52,105	29,951	
TOTAL NONCURRENT ASSETS	282,272	257,556	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	13,811,054	12,736,194	30
Less: Accumulated Depreciation (3100)*	7,956,192	7,076,135	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	5,854,862	5,660,059	
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)*	4,536	3,302	39
TOTAL TPUC	4,536	3,302	
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	5,859,398	5,663,361	
TOTAL ASSETS AND OTHER DEBITS*	7,497,383	7,631,220	

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	558,656	384,988	1
Notes Payable (4020)*	0	0	2
Advance Billing and Payments (4030)*	2,852	2,071	3
Customer Deposits (4040)*	(16)	125	4
Current Maturities--Long-Term Debt (4050)*	244,200	231,700	5
Current Maturities--Capital Leases (4060)*	0	0	6
Income Taxes--Accrued (4070)*	35,306	421,940	7
Other Taxes--Accrued (4080)*	(39,965)	(22,353)	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)*	34,208	18,674	11
Other Current Liabilities (4130)*	0	0	12
TOTAL CURRENT LIABILITIES*	835,241	1,037,145	
LONG-TERM DEBT			
Funded Debt (4210)*	3,229,439	3,471,963	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*	3,229,439	3,471,963	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*	0	0	20
Unamortized Operating ITC--Net (4320)*	0	0	21
Unamortized Nonoperating ITC--Net (4330)*	0	0	22
Net Noncurrent Deferred Operating Income Taxes (4340)*	37,314	81,958	23
Net Deferred Tax Liability Adjustments (4341)*	0	3,592	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	(6,696)	(6,768)	25
Other Deferred Credits (4360)*	0	0	26
Deferred Tax Regulatory Liability (4361)*	0	0	27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS*	30,618	78,782	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	487,500	487,500	28
Additional Paid-in Capital (4520)*	(1,836)	(1,836)	29
Treasury Stock (4530)*	0	0	30
Other Capital (4540)*	2,400	2,400	31
Retained Earnings (4550)*	2,914,021	2,555,265	32
TOTAL STOCKHOLDERS' EQUITY*	3,402,085	3,043,329	
TOTAL LIABILITIES AND OTHER CREDITS*	7,497,383	7,631,219	

STATEMENT OF CASH FLOWS

Item (a)	Amount (b)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	733,756	1
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and amortization	1,085,213	2
Interest during construction	(6,369)	3
Changes in assets and liabilities:		
Current assets (net)	(22,418)	4
Other noncurrent assets	(21,577)	5
Other current liabilities	(214,404)	6
Other liabilities and deferred credits	(48,164)	7
Other (specify):		
TOTAL ADJUSTMENTS	772,281	
NET CASH PROVIDED BY OPERATING ACTIVITIES (NET INCOME & ADJUST.)	1,506,037	
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures:		
Changes in plant (net)	(1,274,881)	8
Investments in affiliated companies	0	9
Nonoperating Investments	(3,285)	10
Other (specify):		
NET CASH USING IN INVESTING ACTIVITIES	(1,278,166)	
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in capital lease obligations (net)	0	11
Change in long-term debt (net)	(229,878)	12
Net changes in stockholder equity other than retained earnings	0	13
Change in short term borrowing (net)	0	14
Dividends paid	(375,000)	15
Miscellaneous debits/credits to retained earnings	0	16
Other (specify):		
Net Cash Provided by Financing Activities	(604,878)	
NET INCREASE IN CASH AND CASH EQUIVALENTS	(377,007)	
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.

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.

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

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.

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

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.

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

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

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)	
NEW-CELL, INC	NCI	1
NORTHEAST COMMUNICATIONS OF WI, INC.	NECW	2
NET CABLE, INC	NETCI	3
NORTHEAST TELEPHONE LONG DISTANCE, INC.	NETLD	4
NETNET, INC	NNETI	5
Other	OTH	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	4210-AT-000100	4210-AT-000105	4210-AT-000001	4210-AT-000103	
Name of Affiliate	NCI	NECW	NETCI	NETLD	1
Designate whether billed to or from:	TO	TO	TO	FROM	2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C	C	C	O	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	175,138	148,542	56,791		14
Total	175,138	148,542	56,791	0	15
Percent of affiliate's business billed to all affiliated regulated utilities				1.60	16
If cost based, rate of return on equity or markup incorporated in billings					17
Footnotes		B		B	

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	4210-AT-000103	4210-AT-000102	4210-AT-000102	None	
Name of Affiliate	NETLD	NNETI	NNETI	OTH	1
Designate whether billed to or from:	TO	FROM	TO	FROM	2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C	O	C	O	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	15,379		52,582		14
Total	15,379	0	52,582	0	15
Percent of affiliate's business billed to all affiliated regulated utilities		1.00		1.00	16
If cost based, rate of return on equity or markup incorporated in billings					17
Footnotes	B				

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)	
NETNET, INC	1180	21,000	1
NEW-CELL, INC	1190	5,455	2
NORTHEAST COMMUNICATIONS OF WI, INC.	1190	18,529	3
NORTHEAST TELEPHONE LONG DISTANCE, INC.	1190	29,950	4
Other	1190	1,775	5
Other	1401	2,500	6
NEW-CELL, INC	4010	16,778	7
NORTHEAST COMMUNICATIONS OF WI, INC.	4010	17,445	8
NET CABLE, INC	4010	1,741	9
NORTHEAST TELEPHONE LONG DISTANCE, INC.	4010	68,729	10
NETNET, INC	4010	9,404	11

ACCOUNTS RECEIVABLE NET WRITE OFFS - TELECOMMUNICATIONS

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

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

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

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

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

Name (a)	Balance EOY (b)	
RTB Class B Stock	104,350	1
Other:		
WITS	49,200	2
Wisconsin Telcom, LLC	3,000	3
RTB Class C Stock	14,158	4
Total Investments in Nonaffiliated Companies	170,708	

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):		
customer premise equipment	44,005	1
paging equipment	585	2
payphones	3,007	3

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	45,548	0	1
Motor Vehicles	2112	294,839	40,820	2
Aircraft	2113	0	0	3
Special Purpose Vehicles	2114	0	0	4
Garage Work Equipment	2115	0	0	5
Other Work Equipment	2116	196,051	73,962	6
Buildings	2121	767,572	16,451	7
Furniture	2122	65,440	0	8
Office Equipment	2123	103,355	0	9
General Purpose Computers	2124	453,904	33,748	10
TOTAL--GENERAL SUPPORT ASSETS:		1,926,709	164,981	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0	0	11
Digital Electronic Switching	2212	2,632,577	67,038	12
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220	0	0	14
Radio Systems	2231	0	0	15
Circuit Equipment	2232	1,489,506	572,328	16
TOTAL--CENTRAL OFFICE ASSETS:		4,122,083	639,366	
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	0	0	20
Other Terminal Equipment	2362	733	0	21
TOTAL--INFORMATION ORIG/TERM ASSETS:		733	0	
CABLE WIRE FACILITIES ASSETS				
Poles	2411	10,227	0	22
Aerial Cable	2421	238,658	3,436	23
Underground Cable	2422	119,099	19,910	24
Buried Cable	2423	6,190,789	492,901	25
Submarine Cable	2424	0	0	26
Deep Sea Cable	2425	0	0	27
Intrabuilding Network Cable	2426	5,026	0	28
Aerial Wire	2431	7,419	2,280	29
Conduit Systems	2441	115,451	13,265	30
TOTAL--CABLE WIRE FACILITIES ASSETS:		6,686,669	531,792	
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		45,548	1
2112	17,471		318,188	2
2113	0		0	3
2114	0		0	4
2115	0		0	5
2116	73,996		196,017	6
2121	3,177		780,846	7
2122	13,747		51,693	8
2123	26,717	0	76,638	9
2124	55,194		432,458	10
	190,302	0	1,901,388	
2211	0		0	11
2212	0	0	2,699,615	12
2215	0	0	0	13
2220	0		0	14
2231	0	0	0	15
2232	4,559	0	2,057,275	16
	4,559	0	4,756,890	
2311	0		0	17
2321	0		0	18
2341	0		0	19
2351	0		0	20
2362	0		733	21
	0	0	733	
2411	369		9,858	22
2421	3,933	0	238,161	23
2422	0	0	139,009	24
2423	62,116	0	6,621,574	25
2424	0	0	0	26
2425	0		0	27
2426	0	0	5,026	28
2431	0		9,699	29
2441	0		128,716	30
	66,418	0	7,152,043	
2681	0		0	31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
AMORTIZABLE ASSETS				
Leasehold Improvements	2682	0	0	32
Intangibles	2690	0	0	33
TOTAL--AMORTIZABLE ASSETS:		0	0	
TOTAL TELECOM. PLANT IN SERVICE	2001	12,736,194	1,336,139	
Less: Allocation to Nonregulated Activity - EOY	2001			34
NET REG. TOTAL TELE. PLANT IN SERV. - EOY	2001			

Explain all amounts shown in column (g).

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

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2682	0		0	32
2690	0		0	33
	0	0	0	
	261,279	0	13,811,054	
2001			0	34
			13,811,054	

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	28,415	0	1
Company Communications Equipment	2123.2	74,940	0	2
Software	2212.1	0		3
Digital Switching - Central Office	2212.2	2,632,577	67,038	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	1,413,146	558,202	10
Analog Circuit Equipment	2232.2	0		11
Light Wave Circuit Equipment	2232.3	76,360	14,126	12
Aerial Cable - Nonmetallic	2421.1	0		13
Aerial Cable - Metallic	2421.2	238,658	3,436	14
Underground Cable - Nonmetallic	2422.1	63,909	6,554	15
Underground Cable - Metallic	2422.2	55,190	13,356	16
Buried Cable - Nonmetallic	2423.1	1,136,268	103,816	17
Buried Cable - Metallic	2423.2	5,054,521	389,085	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	5,026		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	5,726		22,689	1
2123.2	20,991		53,949	2
2212.1			0	3
2212.2	0		2,699,615	4
2212.3			0	5
2215.1			0	6
2215.2			0	7
2231.1			0	8
2231.2			0	9
2232.1	4,559		1,966,789	10
2232.2			0	11
2232.3			90,486	12
2421.1			0	13
2421.2	3,933		238,161	14
2422.1			70,463	15
2422.2			68,546	16
2423.1	13,459		1,226,625	17
2423.2	48,657		5,394,949	18
2424.1			0	19
2424.2			0	20
2426.1			0	21
2426.2			5,026	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	187,617		42,629	1
Aircraft	2113	0			2
Special Purpose Vehicles	2114	0			3
Garage Work Equipment	2115	0			4
Other Work Equipment	2116	122,372		17,674	5
Buildings	2121	293,777	2.86	22,257	6
Furniture	2122	58,568	10.0	1,669	7
Office Equipment	2123	95,666	20.0	7,689	8
General Purpose Computers	2124	313,971		108,250	9
Total-- GENERAL SUPPORT ASSETS		1,071,971		200,168	0
CENTRAL OFFICE ASSETS					
Analog Electronic Switching	2211	0			10
Digital Electronic Switching	2212	1,799,862	14.29	382,148	11C
Electro-Mechanical Switching	2215	0			12
Operator Systems	2220	0			13
Radio Systems	2231	0			14
Circuit Equipment	2232	972,556	10.0	163,856	15
Total-- CENTRAL OFFICE ASSETS		2,772,418		546,004	0
INFORMATION ORIG/TERM ASSETS					
Station Apparatus	2311	0			16
Customer Premises Wiring	2321	0			17
Large Private Branch Exchanges	2341	0			18
Public Telephone Terminal Equipment	2351	0			19
Other Terminal Equipment	2362	733	10.0		20
Total-- INFORMATION ORIG/TERM ASSETS		733		0	0
CABLE WIRE FACILITIES ASSETS					
Poles	2411	7,641	10.0	1,014	21
Aerial Cable	2421	226,627	5.88	14,051	22
Underground Cable	2422	44,857	5.797	7,476	23
Buried Cable	2423	2,917,453		317,693	24
Submarine Cable	2424	0			25
Deep Sea Cable	2425	0			26
Intrabuilding Network Cable	2426	5,026	12.5		27
Aerial Wire	2431	4,702	50.0	3,885	28

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112	17,471		4,500		217,275	1
2113	0				0	2
2114	0				0	3
2115	0				0	4
2116	73,996		24,675		90,725	5
2121	3,177	89			312,768	6
2122	13,747				46,490	7
2123	26,717				76,638	8
2124	55,194				367,027	9
	190,302	89	29,175	0	1,110,923	
2211	0				0	10
2212	0		800	(576)	2,182,234	11 c
2215	0				0	12
2220	0				0	13
2231	0				0	14
2232	4,559	812	1,080		1,132,121	15
	4,559	812	1,880	(576)	3,314,355	
2311	0				0	16
2321	0				0	17
2341	0				0	18
2351	0				0	19
2362	0				733	20
	0	0	0	0	733	
2411	369	431			7,855	21
2421	3,933	830			235,915	22
2422	0				52,333	23
2423	62,116	662	20,761		3,193,129	24
2424	0				0	25
2425	0				0	26
2426	0				5,026	27
2431	0	417			8,170	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	24,707	2.5	3,046	29
Total-- CABLE WIRE FACILITIES ASSETS		3,231,013		347,165	0
Total Accumulated Depreciation	3100	7,076,135		1,093,337	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				1,093,337	0

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441	0				27,753	29
	66,418	2,340	20,761	0	3,530,181	
3100	261,279	3,241	51,816	(576)	7,956,192	
3100					0	30
3100					7,956,192	

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	28,415	20.0	0	1
Company Communications Equipment	2123.2	67,251	20.0	7,689	2
Software	2212.1	0			3
Digital Switching - Central Office	2212.2	1,799,862	14.2857	382,148	4 c
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	916,217	10.0	155,093	10
Analog Circuit Equipment	2232.2	0			11
Light Wave Circuit Equipment	2232.3	56,339	10.0	8,763	12
Aerial Cable - Nonmetallic	2421.1	0			13
Aerial Cable - Metallic	2421.2	226,627	5.8824	14,051	14
Underground Cable - Nonmetallic	2422.1	5,731	5.7971	3,892	15
Underground Cable - Metallic	2422.2	39,126	5.7971	3,584	16
Buried Cable - Nonmetallic	2423.1	198,132		66,690	17
Buried Cable - Metallic	2423.2	2,719,321		251,003	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	5,026	12.5		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	5,726				22,689	1
2123.2	20,991				53,949	2
2212.1					0	3
2212.2	0		800	(576)	2,182,234	4 C
2212.3					0	5
2215.1					0	6
2215.2					0	7
2231.1					0	8
2231.2					0	9
2232.1	4,559	812	1,080		1,067,019	10
2232.2					0	11
2232.3					65,102	12
2421.1					0	13
2421.2	3,933	830			235,915	14
2422.1					9,623	15
2422.2					42,710	16
2423.1	13,459	10	19,063		270,416	17
2423.2	48,657	652	1,698		2,922,713	18
2424.1					0	19
2424.2					0	20
2426.1					0	21
2426.2					5,026	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)	4,465	2
Deferred Tax Regulatory Asset (1437)	11,524	3
Net Current Deferred Operating Income Taxes (4100)	0	4
Net Noncurrent Deferred Operating Income Taxes (4340)	(92,466)	5
Net Deferred Tax Liability Adjustments (4341)	(3,592)	6
Deferred Tax Regulatory Liability (4361)	0	7
Net Property Related Deferred Operating Income Taxes	(80,069)	
Less: Allocation to Nonregulated Activity	0	8
Net Regulated Total Property Related Deferred Operating Income Taxes	(80,069)	
NONPROPERTY RELATED		
Other Current Assets (1350)	12,149	9
Other Noncurrent Assets (1410)	1,850	10
Deferred Tax Regulatory Asset (1437)	0	11
Net Current Deferred Operating Income Taxes (4100)	0	12
Net Noncurrent Deferred Operating Income Taxes (4340)	10,508	13
Net Deferred Tax Liability Adjustments (4341)	0	14
Deferred Tax Regulatory Liability (4361)	0	15
Total Nonproperty Related Deferred Operating Income Taxes	24,507	

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	(2,374)			2,091	2
	(11,524)			0	3
7250	0			0	4
7250	40,050			(52,416)	5
	3,592			0	6
	0			0	7
	29,744	0	0	(50,325)	
	0			0	8
	29,744	0	0	(50,325)	
7250	27,345			39,494	9
7250	2,075			3,925	10
	0			0	11
7250	0			0	12
7250	4,594			15,102	13
	0			0	14
	0			0	15
	34,014	0	0	58,521	

NOTES PAYABLE (ACCT. 4020)

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

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

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

Description of Debt (a)	Specific or Range of Stated Dates of Issue (b)	Specific or Range of Stated Dates of Maturity (c)	Specific or Range of Interest Rates (d)	
Funded Debt (Account 4210):				
REA Mortgage Note	02/08/1974-06/23/1975	02/08/2009-06/23/2010	.0500	1
RTB #1	04/20/1990	04/20/2010	.0500	2
RTB #2	04/20/1990	04/20/2010	.0543	3
RTB #3	04/20/1990	04/20/2010	.0605	4
RTB #4	04/20/1990	04/20/2010	.0615	5
RTB #5	04/20/1990	04/20/2010	.0604	6
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)				
.0500			1,703,006	133,200	1,836,206	1
.0500			515,867	38,000	553,867	2
.0543			323,761	25,700	349,461	3
.0605			408,512	28,300	436,812	4
.0615			252,198	17,300	269,498	5
.0604			26,095	1,700	27,795	6
	0	0	3,229,439	244,200	3,473,639	

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:			
	19,500	25.00	1
TOTAL COMMON STOCK	19,500		
TOTAL	<u>19,500</u>		

CAPITAL STOCK ACCOUNTS AT END OF YEAR (cont.)

	Acct. 4510 - Capital Stock		Acct. 4530 - Treasury Stock		
	Shares (e)	Amount (f)	Shares (g)	Amount (h)	
COMMON STOCK:					
	19,500	487,500			1
	19,500	487,500	0	0	
TOTAL	<u>19,500</u>	<u>487,500</u>	<u>0</u>	<u>0</u>	

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	2,555,265	2,542,941	1
Changes:			
Balance Transferred from Income	733,756	742,324	2
Dividends Declared:			
Common	375,000	730,000	3
Preferred	0	0	4
Total Dividends Declared	375,000	730,000	
Miscellaneous Debits to Retained Earnings		0	5
Miscellaneous Credits to Retained Earnings	0	0	6
Balance--End of Year	<u>2,914,021</u>	<u>2,555,265</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)	258,408	92,401	351,500	1
Nonoperating Taxes (Accts. 7410 - 7450)		1,778	6,839	2
Extraordinary Items (Accts. 7630 & 7640)				3
Nonregulated Net Income (Acct. 7990)		3,952	15,634	4
Clearing Accounts				5
Construction				6
Payroll Taxes: FICA				7
Payroll Taxes: State Unemployment				8
Payroll Taxes: Federal Unemployment				9
Other (specify):				
Accounts 6722 & 6623				10
TOTAL	<u><u>258,408</u></u>	<u><u>98,131</u></u>	<u><u>373,973</u></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)	
			357		702,666	1
					8,617	2
					0	3
			(615)		18,971	4
				(92,289)	(92,289)	5
					0	6
				88,847	88,847	7
				1,384	1,384	8
				2,058	2,058	9
10,125					10,125	10
10,125	0	0	(258)	0	740,379	

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)*	1,645,078	1,482,276	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)	1,645,078	1,482,276	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	388,918	343,206	11
Switched Access Revenue (5082)*	1,021,829	987,540	12
Special Access Revenue (5083)*	81,779	68,741	13
TOTAL INTERSTATE ACCESS REVENUES (5080)	1,492,526	1,399,487	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*	0	0	14
Switched Access Revenue (5084.2)*	863,920	897,100	15
Special Access Revenue (5084.3)*	85,118	55,316	16 5
TOTAL INTRASTATE ACCESS REVENUES (5084)	949,038	952,416	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*	67,967	60,640	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.	67,967	60,640	

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

Particulars (a)	This Year (b)	Last Year (c)	
MISCELLANEOUS REVENUES			
Directory Revenue (5230)*	140,315	134,254	30
Rent Revenue (5240)*	4,350	4,184	31
Corporate Operations Revenue (5250)*	0	0	32
Miscellaneous:			
Miscellaneous Revenue (5260)*	31,290	27,462	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)	31,290	27,462	
Interstate Billing and Collection Revenue*	48,526	52,470	39
Intrastate Billing and Collection Revenue*	142,485	154,058	40
Total Carrier Billing and Collection Revenue (5270)*	191,011	206,528	
Nonregulated Operating Revenue (5280)**			41
TOTAL MISCELLANEOUS REVENUES	366,966	372,428	
GROSS OPERATING REVENUES	4,521,575	4,267,247	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*	8,519	4,473	42
Uncollectible Revenue--Telecommunications (5301)			43
Uncollectible Revenue--Other (5302)			44
TOTAL UNCOLLECTIBLE REVENUE (5300)	8,519	4,473	
TOTAL OPERATING REVENUES	4,513,056	4,262,774	

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

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)	
PLANT SPECIFIC OPERATIONS EXPENSE				
Total Network Support Expense (6110)	1,433	1,819	0	1
Less: Nonregulated	0	0	0	2
Net Regulated	1,433	1,819	0	3
Total General Support Expense (6120)	115,914	130,745	27,113	4
Less: Nonregulated	0	0	0	5
Net Regulated	115,914	130,745	27,113	6
Total Central Office Switching Expense (6210)	95,028	128,879	34,842	7
Less: Nonregulated	0	0	0	8 1
Net Regulated	95,028	128,879	34,842	9
Total Operator Systems Expense (6220)	0	0	0	10
Less: Nonregulated	0	0	0	11
Net Regulated	0	0	0	12
Total Central Office Transmission Expenses (6230)	17,553	24,471	15,407	13
Less: Nonregulated	0	0	0	14 2
Net Regulated	17,553	24,471	15,407	15
Total Information Orig. / Term. Expense (6310)	483	0	0	16
Less: Nonregulated	0	0	0	17
Net Regulated	483	0	0	18
Total Cable and Wire Fac. Expense (6410)	326,029	357,263	194,188	19
Less: Nonregulated	0	0	0	20
Net Regulated	326,029	357,263	194,188	21
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	556,440	643,177	271,550	
Less: Nonregulated	0	0	0	
Net Regulated	556,440	643,177	271,550	
PLANT NONSPECIFIC OPERATIONS EXPENSE				
Total Other Property, Plant and Equip. Exp. (6510)	0	0	13,876	22
Less: Nonregulated	0	0	0	23
Net Regulated	0	0	13,876	24
Total Network Operations Expense (6530)	44,984	45,628	16,170	25
Less: Nonregulated	0	0	0	26
Net Regulated	44,984	45,628	16,170	27
Access Expense (6540)	21,522	27,531	0	28
Less: Nonregulated	0	0	0	29 2
Net Regulated	21,522	27,531	0	30
Total Depreciation and Amortization Expense (6560)	1,058,072	1,085,213	0	31
Less: Nonregulated	0	0	0	32
Net Regulated	1,058,072	1,085,213	0	33
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	1,124,578	1,158,372	30,046	
Less: Nonregulated	0	0	0	
Net Regulated	1,124,578	1,158,372	30,046	

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6110	0	0	37,860	(36,041)	1
	0	0	0	0	2
	0	0	37,860	(36,041)	3
6120	4,761	14,208	84,663	0	4
	0	0	0	0	5
	4,761	14,208	84,663	0	6
6210	6,272	0	87,765	0	7
	0	0	0	0	8 1
	6,272	0	87,765	0	9
6220	0	0	0	0	10
	0	0	0	0	11
	0	0	0	0	12
6230	2,632	0	6,432	0	13
	0	0	0	0	14 2
	2,632	0	6,432	0	15
6310	0	0	0	0	16
	0	0	0	0	17
	0	0	0	0	18
6410	33,977	9,144	119,954	0	19
	0	0	0	0	20
	33,977	9,144	119,954	0	21
	47,642	23,352	336,674	(36,041)	
	0	0	0	0	
	47,642	23,352	336,674	(36,041)	
6510	2,372	0	3,267	(19,515)	22
					23
	2,372		3,267	(19,515)	24
6530	2,834	0	29,970	(3,346)	25
	0	0	0	0	26
	2,834	0	29,970	(3,346)	27
6540	0	0	27,531	0	28
	0	0	0	0	29 2
	0	0	27,531	0	30
6560			1,085,213		31
			0		32
			1,085,213		33
	5,206	0	1,145,981	(22,861)	
	0	0	0	0	
	5,206	0	1,145,981	(22,861)	

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)	
CUSTOMER OPERATIONS EXPENSE				
Total Marketing (6610)	9,724	24,603	19,456	34
Less: Nonregulated	0	0	0	35 3
Net Regulated	9,724	24,603	19,456	36
Total Services (6620)	491,713	540,495	187,687	37
Less: Nonregulated	0	0	0	38
Net Regulated	491,713	540,495	187,687	39
TOTAL CUSTOMER OPERATIONS EXPENSE	501,437	565,098	207,143	
Less: Nonregulated	0	0	0	
Net Regulated	501,437	565,098	207,143	
CORPORATE OPERATIONS EXPENSE				
Total Exec. and Planning (6710)	290,373	287,343	180,739	40
Less: Nonregulated	0	0	0	41
Net Regulated	290,373	287,343	180,739	42
Total General and Administrative (6720)	210,360	281,351	96,801	43
Less: Nonregulated	0	0	0	44 4
Net Regulated	210,360	281,351	96,801	45
Provision for Uncollectible Notes Receiv. (6790)	0	0		46
Less: Nonregulated	0	0		47
Net Regulated	0	0		48
TOTAL CORPORATE OPERATIONS EXPENSE	500,733	568,694	277,540	
Less: Nonregulated	0	0	0	
Net Regulated	500,733	568,694	277,540	
TOTAL EXPENSES	2,683,188	2,935,341	786,279	
Less: Nonregulated	0	0	0	
Net Regulated	2,683,188	2,935,341	786,279	

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6610	3,360	0	1,787	0	34
	0	0	0	0	35 3
	3,360	0	1,787	0	36
6620	33,042		319,766	0	37
	0		0	0	38
	33,042		319,766	0	39
	36,402	0	321,553	0	
	0	0	0	0	
	36,402	0	321,553	0	
6710	31,053		75,551	0	40
	0		0	0	41
	31,053		75,551	0	42
6720	16,700		392,210	(224,360)	43
	0		0	0	44 4
	16,700		392,210	(224,360)	45
6790					46
					47
			0		48
	47,753	0	467,761	(224,360)	
	0	0	0	0	
	47,753	0	467,761	(224,360)	
	137,003	23,352	2,271,969	(283,262)	
	0	0	0	0	
	137,003	23,352	2,271,969	(283,262)	

EXPENSE MATRIX - CLASS A & B (DETAIL)

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries/ Wages (d)	
Property Held for Future Tele. Use Exp. (6511)	0	0	0	1
Provisioning Expense (6512)	0	0	13,876	2
Total: Reported in Account 6510	0	0	13,876	
Depreciat. Exp.--Tele. Plant in Service (6561)	1,058,072	1,085,213		3
Depreciat. Exp.--Prop. Held for Future Tele. Use (6562)	0	0		4
Amortization Expense--Tangible (6563)	0	0		5
Amortization Expense--Intangible (6564)	0	0		6
Amortization Expense--Other (6565)	0	0		7
Total: Reported in Account 6560	1,058,072	1,085,213		

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

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6511	0		0	0	1
6512	2,372		3,267	(19,515)	2
	2,372		3,267	(19,515)	
6561			1,085,213		3
6562			0		4
6563			0		5
6564			0		6
6565			0		7
			1,085,213		

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	4,521,575	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): see footnote	(8,519)	8 D
Assessable Revenues for Remainder, Department of Justice, and Telephone Relay Assessment Purposes	4,513,056	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	1,645,078	1
Plus: Total Intrastate Access Revenues (5084)	949,038	2
Plus: Total Long Distance Network Services Revenue	67,967	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	2,662,083	

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	4,521,575	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): see footnote	(8,519)	8 D
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	<u>4,513,056</u>	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	1,645,078	1
Plus: Total Intrastate Access Revenues (5084)	949,038	2
Plus: Total Long Distance Network Services Revenue	67,967	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>2,662,083</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	0	5
TOTAL OTHER OPERATING INCOME AND (EXPENSE) (7100)*	0	0	
OPERATING TAXES			
Operating Investment Tax Credits--Net (7210)*	0	(18,521)	6
Operating Federal Income Taxes (7220)*	413,758	441,156	7
Operating State and Local Income Taxes (7230)*	95,659	104,637	8
Operating Other Taxes (7240)*	257,007	245,427	9
Provision for Deferred Operating Income Taxes--Net (7250)*	(63,758)	(87,021)	10
TOTAL OPERATING TAXES (7200)*	702,666	685,678	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)*	1,866	1,854	11
Interest Income (7320)*	32,743	29,916	12
Income from Sinking and Other Funds (7330)*	0	0	13
Allowance for Funds Used During Construction (7340)*	6,369	731	14
Gains or (Losses) from the Disposition of Certain Property (7350)*	0	0	15
Other Nonoperating Income (7360)*	0	0	16
Special Charges (7370)*	12,716	24,194	17
TOTAL NONOPERATING INCOME AND EXPENSE (7300)*	28,262	8,307	
NONOPERATING TAXES			
Nonoperating Investment Tax Credits--Net (7410)*	0	0	18
Nonoperating Federal Income Taxes (7420)*	6,839	2,361	19
Nonoperating State and Local Income Taxes (7430)*	1,778	631	20
Nonoperating Other Taxes (7440)*	0	0	21
Provision for Deferred Nonoperating Income Taxes-Net (7450)*	0	0	22
TOTAL NONOPERATING TAXES (7400)*	8,617	2,992	
INTEREST AND RELATED ITEMS			
Interest on Funded Debt (7510)*	189,184	200,961	23
Interest Expense--Capital Leases (7520)*	0	0	24
Amortization of Debt Issuance Expense (7530)*	0	0	25
Other Interest Deductions (7540)*	219	15	26
TOTAL INTEREST AND RELATED ITEMS (7500)*	189,403	200,976	
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)*	28,465	44,077	32

NONREGULATED NET INCOME (ACCT. 7990)

Particulars (a)	Amount (b)	
Revenues (Acct. 7990.1)		
Gross Sales	240,452	1
Less: Cost of Goods Sold	81,540	2
Net Sales	158,912	3
Expenses (Acct. 7990.2)	130,447	4
Nonregulated Net Income	<u><u>28,465</u></u>	5

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

customer premise equipment, leasing, sales and servicing
 authorized cellular and paging service distribution for Cellcom
 providing public telephone service and equipment

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	786,279	1
Nonregulated Expense	63,326	2
Plant Accounts	105,826	3
Accumulated Depreciation Accounts	1,831	4
All Other Accounts	329,675	5
Total Salaries and Wages	<u>1,286,937</u>	6

EMPLOYEE DATA

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

Employee Category (a)	Number of Equivalent Full-Time Employees		Total Compensation (d)	
	FOY (b)	EOY (c)		
Officers	4.00	3.00	295,357	1
Supervision and Other Management	6.00	7.00	260,472	2
Other Employees	31.00	30.00	697,079	3
Total	<u>41.00</u>	<u>40.00</u>	<u>1,252,908</u>	

DISTRIBUTION OF SALARIES AND WAGES

Description (a)	Amount (b)	
Regulated Expense	786,279	1
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Plant Accounts	105,826	3
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All Other Accounts	329,675	5
Total Salaries and Wages	<u>1,286,937</u>	6

EMPLOYEE DATA

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

Employee Category (a)	Number of Equivalent Full-Time Employees		Total Compensation (d)	
	FOY (b)	EOY (c)		
Officers	4.00	3.00	295,357	1
Supervision and Other Management	6.00	7.00	260,472	2
Other Employees	31.00	30.00	697,079	3
Total	<u>41.00</u>	<u>40.00</u>	<u>1,252,908</u>	

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	3,611		4 E
Total Local	3,611	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	199	2,277	12
Total Toll	199	2,277	
Total Local & Toll	3,810	2,277	

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.	2	0	0	0	1
Feature Group A -- Term.	1	0	0	0	2
Feature Group B -- Orig.	1	1	0	0	3
Feature Group B -- Term.	0	0	0	0	4
Feature Group C -- Orig.	0	0	0	0	5
Feature Group C -- Term.	0	0	0	0	6
Feature Group D -- Orig.	4,296	2,464	5,215	0	7
Feature Group D -- Term.	8,897	4,309	2,195	0	8

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	38	1
Sheath miles of plant - buried	643	2
Sheath miles of plant - fiber optics	59	3
Strand miles of plant - fiber optics	1,628	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	15	18	1
56 kbps	13	5	2
64 kbps (DS0)	12	3	3
1.54 Mbps (DS-1)	19	4	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	38	1
Sheath miles of plant - buried	643	2
Sheath miles of plant - fiber optics	59	3
Strand miles of plant - fiber optics	1,628	4
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SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	15	18	1
56 kbps	13	5	2
64 kbps (DS0)	12	3	3
1.54 Mbps (DS-1)	19	4	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	666	749	3
2 Party			4
4 Party			5
PBX Trunks/System Trunks	64	38	6
Centrex Trunks			7
Centrex Lines	824	1,118	8
Key System Trunks	159	174	9
Mobile (Utility Provided Service)			10
Paging (Utility Provided Service)			11
FX-Out (Switched)			12
Pay Telephone	48	48	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	57	227	19
Total Business Lines	1,818	2,354	20
Residential (Incl. Emp. Concess.)			
1 Party	5,681	6,002	22
2 Party			23
4 Party			24
FX-Out (Switched)			25
Other			26
Total Residential Lines	5,681	6,002	27
Total Bus & Res Lines	7,499	8,356	28
Company Used Lines	99	117	29
Total Lines Used	7,598	8,473	30

SERVICE DATA (cont.)

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

Item (a)	FOY (b)	EOY (c)	
Miscellaneous			
WATS Lines - OutWATS			3
WATS Lines - 800 Service			4
FX-In-intraLATA	19	19	5
Special Access-intraLATA			6
(expressed in equiv. access lines)	100	122	7
Special Access-interLATA			8
(expressed in equiv. access lines)	265	496	9
Feature Group A Lines			10
Feature Group B Trunks			11
Feature Group C Trunks			12
Feature Group D Trunks	302	339	13
TSPS - Trunks	25	25	14
EAS - Trunks	666	917	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)	10,809,485	11,909,666	24
Total Company Square Miles	182	182	25
Total Company Route Miles	707	756	26
Footnotes			27

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	2750	3390	3970	4440	1
Business					2
1 Party	38	140	131	440	3
2 Party					4
4 Party					5
PBX Trunks/System Trunks			38	0	6
Centrex Trunks					7
Centrex Lines	13	67	346	692	8
Key System Trunks	2	44	42	86	9
Mobile (utility provided service)					10
Paging (utility provided service)					11
FX-Out (Switched)					12
Pay Telephone	0	6	14	28	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			82	145	19
Total Business Lines	53	257	653	1,391	20
Residential (Incl. Emp. Concess.)					21
1 Party	376	1,176	1,221	3,229	22
2 Party					23
4 Party					24
FX-Out (Switched)					25
Other					26
Total Residential Lines	376	1,176	1,221	3,229	27
Total Bus & Res Lines	429	1,433	1,874	4,620	28
Company Used Lines		7	3	107	29
Total Lines Used	429	1,440	1,877	4,727	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	2750	3390	3970	4440	1
Miscellaneous					2
WATS Lines - OutWATS					3
WATS Lines - 800 Service					4
FX-In-intraLATA	2	1	11	5	5
Special Access-intraLATA					6
(equiv. access lines)	1	5	107	9	7
Special Access-interLATA					8
(equiv. access lines)	2	6	210	278	9
Feature Group A Lines					10
Feature Group B Trunks					11
Feature Group C Trunks					12
Feature Group D Trunks		96	98	145	13
TSPS - Trunks		5	10	10	14
EAS - Trunks		155	262	500	15
Cellular Trunks (Pub. Sw. Net.)					16
Video Distance Learning					17
- discounted (special tariff)					18
Customers					19
Business - 2 Party Customers					20
Business - 4 Party Customers					21
Residential - 2 Party Customers					22
Residential - 4 Party Customers					23
Other					24
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical					26
location of plant)	427,341	2,643,108	2,661,442	6,177,775	27
Exchange Square Miles	24	28	31	99	28
Exchange Route Miles	60	156	154	386	29
Footnotes					30

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

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

EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

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

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Electronic--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	KRAKOW	MILL CENTER	ONEIDA	PULASKI	1
PSCW Exchange ID	2750	3390	3970	4440	2
Central Office Name	KRAKOW	MILL CENTER	ONEIDA	PULASKI	3
PSCW Central Office ID	1	1	1	1	4
Manufacturer of COE (Page 54)	NTI	NTI	NTI	NTI	5
Year COE Installed	1991	1982	1981	1985	6
Type of Equipment (Page 54)	D	D	D	D	7
(S)tandalone, (H)ost, (R)emote	R	S	S	H	8
Remote Host PSCW Exchange ID	4440				9
Remote Host PSCW Central Office ID	1	0	0		10
COE Generic Software Release No.	410.10	410.10	410.10	410.10	11
SS7?	Yes	Yes	Yes	Yes	12
9-1-1?	Yes	Yes	Yes	Yes	13
Access Lines - In Use	429	1,440	1,877	4,727	14
- Equipped	512	2,380	2,600	7,551	15
- Wired	512	2,392	2,936	9,044	16
Trunks - In Use	0	256	370	655	17
- Equipped	0	256	370	655	18
- Wired	0	288	432	720	19
ISDN Available?	No	No	No	No	20
ISDN Lines - In Use (BRI)	0	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	0	10	11	20	25
DS-3 - In Use	0	4	2	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.	0	74	20	146	33
No. of fiber strands working (LIT) in C.O.	0	34	16	68	34
No. of fiber strands for interoffice use	0	12	12	8	35
Miles of fiber sheath in wire center	0	18	9	32	36
Access Tandem Serving this C.O.:					
- C.O. Name	GREEN BAY	GREEN BAY	GREEN BAY	GREEN BAY	37
- PSCW C.O. ID	2160-01	2160-01	2160-01	2160-01	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.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

General Footnote

October 26, 1999

Mr. Mark M. Naze, Treasurer
Northeast Telephone Company
122 South St. Augustine Street
P.O. Box 860
Pulaski, WI 54162-0860

Re:1998 Analytical ReviewDWCCA-4210-PJL

Dear Mr. Naze:

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 25, 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. The Commissions Case Management System indicates that an affiliated interest agreement between Northeast Telephone Company and Net Lec, LLC was filed with the Commission in January 1999 and has been assigned docket 4210-AT-104. Please state if any affiliated interest transactions occurring in 1998 warrant revision to information contained in the 1998 annual report.

3. In reviewing page 15 of your annual report regarding Affiliated Interest Transactions, it indicates transactions with the affiliate, Net Cable, Inc. (NETCI) are under docket 4210-AT-1. The Commissions Case Management System indicates that the agreement in docket 4210-AT-1 covers transactions between Northeast Telephone Company and Northeast Communications of WI, Inc. Please either amend the agreement docketed as 4210-AT-1 to reflect the correct name of the affiliate or file a new agreement for the relationship with Net Cable, Inc.

4. The Case Management System identifies 4210-AT-101 as an affiliated agreement between Northeast Telephone Company and Northeast Communications of Wisconsin, Inc. However, this docket number is not shown on page 15 of your report. Please state if any affiliated interest activity occurred in 1998 concerning this agreement. If so, provide necessary revisions to the 1998 report. If not, please state if this agreement should be terminated.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

5.A review of footnote B on copy 1 of page 56 indicates that the docket numbers for the affiliated agreements between Northeast Telephone Company and Northeast Communications of WI, Inc. (NECW), and the telephone company and Northeast Telephone Long Distance, Inc. (NETLD), filed with the Commission in January 1999 were not available at the time of preparation of the 1998 report. A review of the Case Management System indicates that 4210-AT-105 has been assigned as the docket number for the agreement with NECW and 4210-AT-103 for the agreement with NETLD. Please confirm that these respective docket numbers should be inserted for NECW and NETLD on copies 1 and 2 of page 15.

In addition, staff notes that with the filing of 4210-AT-105 the Case Management System shows three affiliated agreements (4210-AT-1, 4210-AT-101 and 4210-AT-105) between Northeast Telephone Company and Northeast Communications of Wisconsin, Inc. Please state if all three of these agreements are applicable to this affiliated relationship and are currently active.

6.As per staff analysis, the company had 455 local calls per month per access line in 1998 based on the information provided on pages 47 and 50. This number is well above the industry average of 20 to 400 for most of the telephone companies in the state. Pl

Schedule Footnotes

Cover Page Footnote. Page 1

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.

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

- 1) We purchased DMS10 software for upgraded centrex services, 800 cellular traffic and Y2K compliant switch equipment.
- 2) Pursuant to agreement with PSCW staff, not material.
- 3) A new employee was hired in this area in August of 1997 to work on the marketing aspect of our company. 1998 was the first full year of expenses for this employee.
- 4) There are a number of items that make up the large increase to the 6720 accounts. We purchased a new accounting software program in 1998. A new tax accountant was hired in June 1998. We converted to a new payroll software program during the second half of 1998. Reciprocal compensation agreements with six different companies were entered into this year. USF charges have increased substantially since 1997.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

- 5)** Many additional circuits have been added during the second half of 1997 and all during 1998. We have full year revenues this year over 1997 for most of these circuits.
- A)** We write off uncollectibles directly to account 5300 as they become uncollectible. We do not set up an accounts receivable allowance.
- B)** Affiliated interest agreements have recently been drawn up and were filed January 22, 1999 for two of Northeast Telephones affiliates. However, as of this filing date we have not yet received any information as to the docket numbers. Therefore, in the docket number space we have recorded "none" for NECW and NETLD.
- C)** The (\$576) amount in the other column is due to a change in coding of the 2212 and this is the corresponding depreciation adjustment.
- D)** Since we do not set up an accounts receivable allowance, we do not fill in anything in the schedule on page 17 except a footnote (A). Therefore, I am showing our uncollectible revenue as "other" in this schedule.
- E)** Detailed local calling information is not available at this time. The call recording devices for our central offices do not have the capacity to record the detail for local calls. The hard drive is too small. We have looked into replacing it with a much larger hard drive, but at this time we cant justify the cost (over \$50,000) to upgrade. Other than this report, we do not have any need to record local calls. Since weve never recorded these calls, we do not feel that we could even provide a reasonable estimate.