



4004

ANNUAL REPORT

OF

Name: SIREN TELEPHONE COMPANY, INC.

Principal Office: 7723 WEST MAIN
P.O. BOX 506
SIREN, WI 54872-0506

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: SIREN TELEPHONE COMPANY, INC.
Utility Location: 7723 WEST MAIN
P.O. BOX 506
SIREN, WI 54872-0506

Utility Web Site Address:

When was utility organized?: 08/27/1957

Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: SID SHERSTAD
Title: VICE-PRESIDENT & GENERAL MANAGER

Office Address: 7723 W. MAIN
P.O. BOX 506
SIREN , WI 54872

Fax Number: (715) 349 - 2576
Telephone Number: (715) 349 - 2224
Email Address: sirentel.com

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

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Telephone Number: (608) 273 - 2315
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Person responsible for financial information contained in report

Name: SID SHERSTAD
Title: VICE-PRESIDENT & GENERAL MANAGER

Office Address: 7723 W. MAIN
P.O. BOX 506
SIREN , WI 54872

Fax Number: (715) 349 - 2576
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Person responsible for statistical information contained in report

Name: SID SHERSTAD
Title: VICE-PRESIDENT & GENERAL MANAGER

Office Address: 7723 W. MAIN
P.O. BOX 506
SIREN , WI 54872

Fax Number: (715) 349 - 2576
Telephone Number: (715) 349 - 2224
Email Address: sirentel.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: ANDREW B. QUAM
Address: PO BOX 317
SHELL LAKE , WI 54871

Number of Shares Held: 4,244
Beneficial Owner: NONE

Name: JOHN B. QUAM
Address: PO BOX 317
SHELL LAKE , WI 54871

Number of Shares Held: 1,612
Beneficial Owner: NONE

Name: NORMA A. CARLSTROM
Address: 313 N. RUSSELL
GRANTSBURG , WI 54840

Number of Shares Held: 1,612
Beneficial Owner: NONE

Name: PETER S. QUAM
Address: PO BOX 372
SHELL LAKE , WI 54871

Number of Shares Held: 1,612
Beneficial Owner: NONE

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

Company Name: SIREN COMMUNICATIONS, INC.
Form of Interest: OWNED
Extent Of Interest: 100%

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	1,580,675	1,489,514	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	160,605	152,214	2
Plant Nonspecific Operations Expense	434,311	379,865	3
Customer Operations Expense (6610-6620)	258,781	264,090	4
Corporate Operations Expense (6710-6790)	206,680	212,266	5
Other Operating Income and Expense (7100)	0	0	6
Operating Taxes (7200)	242,673	226,760	7
Total Operating Expenses	1,303,050	1,235,195	8
Net Operating Income	277,625	254,319	9
Other Income			
Nonoperating Income and Expense (7300)	82,025	52,846	10
Nonoperating Taxes (7400)	29,554	13,090	11
Interest and Related Items (7500)	39,577	40,454	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	(12,402)	(18,346)	14
Total Nonoperating Income	492	(19,044)	15
Net Income	278,117	235,275	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. Debt and marketable equity securities classified as available-for-sale are carried at fair value with unrealized holding gains and losses recorded as a separate component of stockholders' equity.

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

None

-
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 \$1,025,882, 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)*	816,381	1,122,242	1
Cash (1130)			2
Special Cash Deposits (1140)			3
Working Cash Advances (1150)			4
Temporary Investments (1160)			5
TOTAL CASH AND EQUIVALENTS	816,381	1,122,242	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	77,137	81,170	6
Accounts Receivable Allowance-Telecom (1181)*			7
Net: Telecommunications Accounts Receivable	77,137	81,170	
Other Accounts Receivable (1190)*	131,453	110,835	8
Accounts Receivable Allowance--Other (1191)*			9
Net: Other Accounts Receivable	131,453	110,835	
Notes Receivable (1200)*	0	0	10
Notes Receivable Allowance (1201)*	0	0	11
Net: Notes Receivable	0	0	
Interest and Dividends Receivable (1210)*			12
TOTAL RECEIVABLES AND ALLOWANCES FOR DOUBTFUL	208,590	192,005	
SUPPLIES			
Inventories (1220)*	54,429	46,789	13
TOTAL SUPPLIES	54,429	46,789	
PREPAYMENTS			
Total Prepayments (1280)*	13,420	7,647	14
Prepaid Rents (1290)			15
Prepaid Taxes (1300)			16
Prepaid Insurance (1310)			17
Prepaid Directory Expenses (1320)			18
Other Prepayments (1330)			19
TOTAL PREPAYMENTS	13,420	7,647	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	20,496	3,251	20
TOTAL OTHER CURRENT ASSETS	20,496	3,251	
TOTAL CURRENT ASSETS	1,113,316	1,371,934	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	328,114	8,908	21
Investments in Nonaffiliated Companies (1402)*	133,000	133,000	22
Nonregulated Investments (1406)*	18,212	9,446	23
Unamortized Debt Issuance Expense (1407)*	4,153	4,345	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	483,479	155,699	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*	0	0	27
Deferred Maintenance and Retirements (1438)*	0	0	28
Deferred Charges (1439)*		0	29
TOTAL DEFERRED CHARGES	0	0	
TOTAL NONCURRENT ASSETS	483,479	155,699	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	4,475,774	4,089,597	30
Less: Accumulated Depreciation (3100)*	2,459,991	2,155,721	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	2,015,783	1,933,876	
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	43,303	39
TOTAL TPUC	0	43,303	
TELECOMMUNICATIONS PLANT ADJUSTMENT			
Telecommunications Plant Adjustment (2005)*			40
Less: Accumulated Amortization--Other (3600)*			41
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	0	0	
TOTAL PLANT	2,015,783	1,977,179	
TOTAL ASSETS AND OTHER DEBITS*	3,612,578	3,504,812	

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	202,818	190,526	1
Notes Payable (4020)*	0	0	2
Advance Billing and Payments (4030)*	9,474	9,848	3
Customer Deposits (4040)*			4
Current Maturities--Long-Term Debt (4050)*	27,800	26,800	5
Current Maturities--Capital Leases (4060)*			6
Income Taxes--Accrued (4070)*	20,178	49,787	7
Other Taxes--Accrued (4080)*			8
Net Current Deferred Operating Income Taxes (4100)*	0	0	9
Net Current Deferred Nonoperating Income Taxes (4110)*			10
Other Accrued Liabilities (4120)*	32,356	35,486	11
Other Current Liabilities (4130)*			12
TOTAL CURRENT LIABILITIES*	292,626	312,447	
LONG-TERM DEBT			
Funded Debt (4210)*	481,596	509,412	13
Premium on Long-Term Debt (4220)*			14
Discount on Long-Term Debt (4230)*			15
Reacquired Debt (4240)*	0	0	16
Obligations Under Capital Leases (4250)*			17
Advances from Affiliated Companies (4260)*	0	0	18
Other Long-Term Debt (4270)*	0	0	19
TOTAL LONG-TERM DEBT*	481,596	509,412	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*			20
Unamortized Operating ITC--Net (4320)*	4,086	6,125	21
Unamortized Nonoperating ITC--Net (4330)*	0	0	22
Net Noncurrent Deferred Operating Income Taxes (4340)*	180,318	206,334	23
Net Deferred Tax Liability Adjustments (4341)*	(2,641)	(3,998)	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	224	(14,292)	25
Other Deferred Credits (4360)*	223,444	264,076	26
Deferred Tax Regulatory Liability (4361)*	2,650	3,999	27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS*	408,081	462,244	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	127,000	127,000	28
Additional Paid-in Capital (4520)*			29
Treasury Stock (4530)*	0	0	30
Other Capital (4540)*	4,169	9,220	31
Retained Earnings (4550)*	2,299,106	2,084,489	32
TOTAL STOCKHOLDERS' EQUITY*	2,430,275	2,220,709	
TOTAL LIABILITIES AND OTHER CREDITS*	3,612,578	3,504,812	

STATEMENT OF CASH FLOWS

Item (a)	Amount (b)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	278,117	1
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and amortization	383,055	2
Interest during construction	0	3
Changes in assets and liabilities:		
Current assets (net)	(47,243)	4
Other noncurrent assets	(192)	5
Other current liabilities	(20,821)	6
Other liabilities and deferred credits	(54,163)	7
Other (specify):		
TOTAL ADJUSTMENTS	260,636	
NET CASH PROVIDED BY OPERATING ACTIVITIES (NET INCOME & ADJUST.)	538,753	
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures:		
Changes in plant (net)	(421,659)	8
Investments in affiliated companies	(319,206)	9
Nonoperating Investments	(8,766)	10
Other (specify):		
NET CASH USING IN INVESTING ACTIVITIES	(749,631)	
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in capital lease obligations (net)	0	11
Change in long-term debt (net)	(26,432)	12
Net changes in stockholder equity other than retained earnings	(5,051)	13
Change in short term borrowing (net)	0	14
Dividends paid	(63,500)	15
Miscellaneous debits/credits to retained earnings	0	16
Other (specify):		
Net Cash Provided by Financing Activities	(94,983)	
NET INCREASE IN CASH AND CASH EQUIVALENTS	(305,861)	
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)	
Computer Systems, LLC	CSLLC	1
Siren Communications, Inc.	SCI	2

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					
Name of Affiliate	CSLLC				1
Designate whether billed to or from:	FROM				2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	M				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	11,840				14
Total	11,840	0	0	0	15
Percent of affiliate's business billed to all affiliated regulated utilities	61.21				16
If cost based, rate of return on equity or markup incorporated in billings					17
Footnotes					

AFFILIATED ASSETS AND LIABILITIES

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

Name of Affiliate (a)	Account Number (b)	Balance EOY (c)	
Computer Systems, LLC	1401	144,274	1
Siren Communications, Inc.	1401	183,840	2

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)
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INVESTMENTS IN NONAFFILIATED COMPANIES (ACCT. 1402)

Name (a)	Balance EOY (b)	
RTB Class B Stock	115,700	1
Other:		
Investment in WITS	17,300	2
Total Investments in Nonaffiliated Companies	133,000	

NONREGULATED INVESTMENTS (ACCT. 1406)

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

Name (a)	Balance EOY (b)	
<hr/>		
Total Net Investment and Inventory (Accts. 1406.10, 1406.11, and 1406.12):		
Inventory- Communication Systems and Parts	18,212	1

DEFERRED MAINTENANCE AND RETIREMENTS (ACCT. 1438)

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

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

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
GENERAL SUPPORT ASSETS				
Land	2111	30,927		1
Motor Vehicles	2112	77,287		2
Aircraft	2113	0		3
Special Purpose Vehicles	2114	0		4
Garage Work Equipment	2115	0		5
Other Work Equipment	2116	249,015		6
Buildings	2121	264,200	5,685	7
Furniture	2122	13,792		8
Office Equipment	2123	10,375	5,608	9
General Purpose Computers	2124	31,518	22,680	10
TOTAL--GENERAL SUPPORT ASSETS:		677,114	33,973	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0		11
Digital Electronic Switching	2212	1,211,715	253,539	12
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220	0		14
Radio Systems	2231	0	0	15
Circuit Equipment	2232	270,935	77,856	16
TOTAL--CENTRAL OFFICE ASSETS:		1,482,650	331,395	
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	0		21
TOTAL--INFORMATION ORIG/TERM ASSETS:		0	0	
CABLE WIRE FACILITIES ASSETS				
Poles	2411	12,561		22
Aerial Cable	2421	0	0	23
Underground Cable	2422	0	0	24
Buried Cable	2423	1,916,691	104,382	25
Submarine Cable	2424	0	0	26
Deep Sea Cable	2425	0		27
Intrabuilding Network Cable	2426	0	0	28
Aerial Wire	2431	0		29
Conduit Systems	2441	0		30
TOTAL--CABLE WIRE FACILITIES ASSETS:		1,929,252	104,382	
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			30,927	1
2112	2,814		74,473	2
2113			0	3
2114			0	4
2115			0	5
2116	519		248,496	6
2121			269,885	7
2122			13,792	8
2123	4,654	0	11,329	9
2124	9,270		44,928	10
	17,257	0	693,830	
2211			0	11
2212	41,079	0	1,424,175	12
2215	0	0	0	13
2220			0	14
2231	0	0	0	15
2232	10,361	0	338,430	16
	51,440	0	1,762,605	
2311			0	17
2321			0	18
2341			0	19
2351			0	20
2362			0	21
	0	0	0	
2411			12,561	22
2421	0	0	0	23
2422	0	0	0	24
2423	14,295	0	2,006,778	25
2424	0	0	0	26
2425			0	27
2426	0	0	0	28
2431			0	29
2441			0	30
	14,295	0	2,019,339	
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	581		33 F
TOTAL--AMORTIZABLE ASSETS:		581	0	
TOTAL TELECOM. PLANT IN SERVICE	2001	4,089,597	469,750	
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		(581)	0	33 F
	0	(581)	0	
	82,992	(581)	4,475,774	
2001			0	34
			4,475,774	

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	5,267	5,608	1
Company Communications Equipment	2123.2	5,108		2
Software	2212.1	76,817	53,909	3
Digital Switching - Central Office	2212.2	1,134,898	199,630	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	270,935	77,856	10
Analog Circuit Equipment	2232.2	0		11
Light Wave Circuit Equipment	2232.3	0		12
Aerial Cable - Nonmetallic	2421.1	0		13
Aerial Cable - Metallic	2421.2	0		14
Underground Cable - Nonmetallic	2422.1	0		15
Underground Cable - Metallic	2422.2	0		16
Buried Cable - Nonmetallic	2423.1	0		17
Buried Cable - Metallic	2423.2	1,916,691	104,382	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	4,654		6,221	1
2123.2			5,108	2
2212.1			130,726	3
2212.2	41,079		1,293,449	4
2212.3			0	5
2215.1			0	6
2215.2			0	7
2231.1			0	8
2231.2			0	9
2232.1	10,361		338,430	10
2232.2			0	11
2232.3			0	12
2421.1			0	13
2421.2			0	14
2422.1			0	15
2422.2			0	16
2423.1			0	17
2423.2	14,295		2,006,778	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	32,825		9,245	1H
Aircraft	2113	0		0	2
Special Purpose Vehicles	2114	0		0	3
Garage Work Equipment	2115	0		0	4
Other Work Equipment	2116	105,641		16,621	5H
Buildings	2121	84,723	3.4	9,110	6
Furniture	2122	5,949	10.0	1,379	7
Office Equipment	2123	8,605	12.5	1,916	8
General Purpose Computers	2124	31,518	20.0	7,173	9
Total-- GENERAL SUPPORT ASSETS		269,261		45,444	0
CENTRAL OFFICE ASSETS					
Analog Electronic Switching	2211	0		0	10
Digital Electronic Switching	2212	681,248	12.0	181,848	11E
Electro-Mechanical Switching	2215	0			12
Operator Systems	2220	0		0	13
Radio Systems	2231	0			14
Circuit Equipment	2232	162,216	12.0	35,980	15
Total-- CENTRAL OFFICE ASSETS		843,464		217,828	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	0		0	20
Total-- INFORMATION ORIG/TERM ASSETS		0		0	0
CABLE WIRE FACILITIES ASSETS					
Poles	2411	0		628	21
Aerial Cable	2421	0			22
Underground Cable	2422	0			23
Buried Cable	2423	1,042,996	6.2	121,092	24
Submarine Cable	2424	0			25
Deep Sea Cable	2425	0		0	26
Intrabuilding Network Cable	2426	0			27
Aerial Wire	2431	0		0	28

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112	2,814				39,256	1 H
2113					0	2
2114					0	3
2115					0	4
2116	519				121,743	5 H
2121					93,833	6
2122					7,328	7
2123	4,654		2,270		8,137	8
2124	9,270				29,421	9
	17,257	0	2,270	0	299,718	
2211					0	10
2212	41,079				822,017	11 E
2215	0				0	12
2220					0	13
2231	0				0	14
2232	10,361				187,835	15
	51,440	0	0	0	1,009,852	
2311					0	16
2321					0	17
2341					0	18
2351					0	19
2362					0	20
	0	0	0	0	0	
2411					628	21
2421	0				0	22
2422	0				0	23
2423	14,295				1,149,793	24
2424	0				0	25
2425					0	26
2426	0				0	27
2431					0	28

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
CABLE WIRE FACILITIES ASSETS					
Conduit Systems	2441	0		0	29
Total-- CABLE WIRE FACILITIES ASSETS		1,042,996		121,720	0
Total Accumulated Depreciation	3100	2,155,721		384,992	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				384,992	0

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441					0	29
	14,295	0	0	0	1,150,421	
3100	82,992	0	2,270	0	2,459,991	
3100					0	30
3100					2,459,991	

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	4,196	12.5	1,218	1
Company Communications Equipment	2123.2	4,409	16.67	698	2
Software	2212.1	44,851	12.0	29,647	3 E
Digital Switching - Central Office	2212.2	636,397	40.0	152,201	4 E
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	162,216	12.0	35,980	10
Analog Circuit Equipment	2232.2	0			11
Light Wave Circuit Equipment	2232.3	0			12
Aerial Cable - Nonmetallic	2421.1	0			13
Aerial Cable - Metallic	2421.2	0			14
Underground Cable - Nonmetallic	2422.1	0			15
Underground Cable - Metallic	2422.2	0			16
Buried Cable - Nonmetallic	2423.1	0			17
Buried Cable - Metallic	2423.2	1,042,996	6.2	121,092	18
Submarine Cable - Nonmetallic	2424.1	0			19
Submarine Cable - Metallic	2424.2	0			20
Intrabuilding Cable - Nonmetallic	2426.1	0			21
Intrabuilding Cable - Metallic	2426.2	0			22

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

Subacct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2123.1	4,654		2,270		3,030	1
2123.2					5,107	2
2212.1					74,498	3 E
2212.2	41,079				747,519	4 E
2212.3					0	5
2215.1					0	6
2215.2					0	7
2231.1					0	8
2231.2					0	9
2232.1	10,361				187,835	10
2232.2					0	11
2232.3					0	12
2421.1					0	13
2421.2					0	14
2422.1					0	15
2422.2					0	16
2423.1					0	17
2423.2	14,295				1,149,793	18
2424.1					0	19
2424.2					0	20
2426.1					0	21
2426.2					0	22

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

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

Particulars (a)	Balance FOY (b)	
PROPERTY RELATED		
Other Current Assets (1350)	0	1
Other Noncurrent Assets (1410)	0	2
Deferred Tax Regulatory Asset (1437)	0	3
Net Current Deferred Operating Income Taxes (4100)	0	4
Net Noncurrent Deferred Operating Income Taxes (4340)	(206,334)	5 D
Net Deferred Tax Liability Adjustments (4341)	3,998	6 D
Deferred Tax Regulatory Liability (4361)	(3,999)	7 D
Net Property Related Deferred Operating Income Taxes	(206,335)	
Less: Allocation to Nonregulated Activity	0	8 D
Net Regulated Total Property Related Deferred Operating Income Taxes	(206,335)	
NONPROPERTY RELATED		
Other Current Assets (1350)	3,251	9 D
Other Noncurrent Assets (1410)	0	10 D
Deferred Tax Regulatory Asset (1437)	0	11 D
Net Current Deferred Operating Income Taxes (4100)	0	12 D
Net Noncurrent Deferred Operating Income Taxes (4340)	0	13 D
Net Deferred Tax Liability Adjustments (4341)	0	14 D
Deferred Tax Regulatory Liability (4361)	0	15 D
Total Nonproperty Related Deferred Operating Income Taxes	3,251	

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

Acct (c)	Current Year Accrual (d)	Current Year Amortization (e)	Adjustments Debit or (Credit) (f)	Balance EOY (g)	
7250				0	1
7250				0	2
				0	3
7250				0	4
7250			26,016	(180,318)	5 D
			(1,357)	2,641	6 D
			1,349	(2,650)	7 D
	0	0	26,008	(180,327)	
			0	0	8 D
	0	0	26,008	(180,327)	
7250			17,245	20,496	9 D
7250			0	0	10 D
			0	0	11 D
7250			0	0	12 D
7250			0	0	13 D
			0	0	14 D
			0	0	15 D
	0	0	17,245	20,496	

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):				
RTB Note #S010	07/25/1985	07/25/2020	9.0000	1
RUS NOTES #2010, #2011	03/05/1968	08/05/2003	2.0000	2
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			93,297	6,700	99,997	1
2.0000			388,299	21,100	409,399	2
	0	0	481,596	27,800	509,396	

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:			
	20,000	10.00	1
TOTAL COMMON STOCK	20,000		
TOTAL	<u>20,000</u>		

CAPITAL STOCK ACCOUNTS AT END OF YEAR (cont.)

	Acct. 4510 - Capital Stock		Acct. 4530 - Treasury Stock		
	Shares (e)	Amount (f)	Shares (g)	Amount (h)	
COMMON STOCK:					
	12,700	127,000			1
	12,700	127,000	0	0	
TOTAL	<u>12,700</u>	<u>127,000</u>	<u>0</u>	<u>0</u>	

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	2,084,489	1,906,364	1
Changes:			
Balance Transferred from Income	278,117	235,275	2
Dividends Declared:			
Common	63,500	57,150	3
Preferred			4
Total Dividends Declared	63,500	57,150	
Miscellaneous Debits to Retained Earnings			5
Miscellaneous Credits to Retained Earnings			6
Balance--End of Year	<u>2,299,106</u>	<u>2,084,489</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)	87,803	30,254	121,906	1
Nonoperating Taxes (Accts. 7410 - 7450)		6,131	23,423	2
Extraordinary Items (Accts. 7630 & 7640)				3
Nonregulated Net Income (Acct. 7990)		(1,722)	(6,630)	4
Clearing Accounts				5
Construction				6
Payroll Taxes: FICA				7
Payroll Taxes: State Unemployment				8
Payroll Taxes: Federal Unemployment				9
Other (specify):				
TOTAL	<u>87,803</u>	<u>34,663</u>	<u>138,699</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)	
2,710					242,673	1
					29,554	2
					0	3
					(8,352)	4
					0	5
					0	6
				24,286	24,286	7
				126	126	8
				560	560	9
2,710	0	0	0	24,972	288,847	

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)*	400,032	331,989	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)	400,032	331,989	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	119,044	110,744	11
Switched Access Revenue (5082)*	477,146	488,143	12
Special Access Revenue (5083)*	31,537	31,014	13
TOTAL INTERSTATE ACCESS REVENUES (5080)	627,727	629,901	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*		0	14
Switched Access Revenue (5084.2)*	303,005	285,680	15
Special Access Revenue (5084.3)*	27,124	35,599	16 B
TOTAL INTRASTATE ACCESS REVENUES (5084)	330,129	321,279	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*	40,632	20,316	17 B
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.	40,632	20,316	

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

Particulars (a)	This Year (b)	Last Year (c)	
MISCELLANEOUS REVENUES			
Directory Revenue (5230)*	77,382	72,953	30
Rent Revenue (5240)*			31
Corporate Operations Revenue (5250)*			32
Miscellaneous:			
Miscellaneous Revenue (5260)*	54,069	56,424	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)	54,069	56,424	
Interstate Billing and Collection Revenue*	28,140	30,327	39
Intrastate Billing and Collection Revenue*	25,681	29,504	40
Total Carrier Billing and Collection Revenue (5270)*	53,821	59,831	
Nonregulated Operating Revenue (5280)**			41
TOTAL MISCELLANEOUS REVENUES	185,272	189,208	
GROSS OPERATING REVENUES	1,583,792	1,492,693	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*	3,117	3,179	42
Uncollectible Revenue--Telecommunications (5301)			43
Uncollectible Revenue--Other (5302)			44
TOTAL UNCOLLECTIBLE REVENUE (5300)	3,117	3,179	
TOTAL OPERATING REVENUES	1,580,675	1,489,514	

** 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)	139	547	1
Less: Nonregulated	0	0	2
Net Regulated	139	547	0 3
Total General Support Expense (6120)	19,358	23,501	4
Less: Nonregulated	0	0	5
Net Regulated	19,358	23,501	0 6
Total Central Office Switching Expense (6210)	49,796	59,124	7
Less: Nonregulated	0	0	8
Net Regulated	49,796	59,124	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)	3,552	9,095	13
Less: Nonregulated	0	0	14 A
Net Regulated	3,552	9,095	0 15
Total Information Orig. / Term. Expense (6310)	1,916	731	16
Less: Nonregulated	0	0	17
Net Regulated	1,916	731	0 18
Total Cable and Wire Fac. Expense (6410)	77,453	67,607	19
Less: Nonregulated	0	0	20
Net Regulated	77,453	67,607	0 21
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	152,214	160,605	0
Less: Nonregulated	0	0	0
Net Regulated	152,214	160,605	0
PLANT NONSPECIFIC OPERATIONS EXPENSE			
Total Other Property, Plant and Equip. Exp. (6510)	0	0	22
Less: Nonregulated	0	0	23
Net Regulated	0	0	0 24
Total Network Operations Expense (6530)	42,311	49,522	25
Less: Nonregulated	0	0	26
Net Regulated	42,311	49,522	0 27
Access Expense (6540)	0	1,734	28
Less: Nonregulated	0	0	29
Net Regulated	0	1,734	0 30
Total Depreciation and Amortization Expense (6560)	337,554	383,055	31
Less: Nonregulated	0	0	32
Net Regulated	337,554	383,055	33
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	379,865	434,311	0
Less: Nonregulated	0	0	0
Net Regulated	379,865	434,311	0

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6110			547		1
	0	0	547	0	2
6120			23,501		3
	0	0	23,501	0	4
6210			59,124		5
	0	0	59,124	0	6
6220			0	0	7
	0	0	0	0	8
6230			9,095		9
	0	0	9,095	0	10
6310			731		11
	0	0	731	0	12
6410			67,607		13
	0	0	67,607	0	14
	0	0	160,605	0	15
	0	0	0	0	16
	0	0	160,605	0	17
6510					18
	0		0	0	19
6530			49,522		20
	0	0	49,522	0	21
6540			1,734		22
	0	0	1,734	0	23
6560			383,055		24
			383,055		25
	0	0	434,311	0	26
	0	0	0	0	27
	0	0	434,311	0	28

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	654	34
Less: Nonregulated	0	0	35
Net Regulated	0	654	0 36
Total Services (6620)	264,090	258,127	37
Less: Nonregulated	0	0	38
Net Regulated	264,090	258,127	0 39
TOTAL CUSTOMER OPERATIONS EXPENSE	264,090	258,781	0
Less: Nonregulated	0	0	0
Net Regulated	264,090	258,781	0
CORPORATE OPERATIONS EXPENSE			
Total Exec. and Planning (6710)	41,716	43,091	40
Less: Nonregulated	0	0	41
Net Regulated	41,716	43,091	0 42
Total General and Administrative (6720)	170,550	163,589	43
Less: Nonregulated	0	0	44
Net Regulated	170,550	163,589	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	212,266	206,680	0
Less: Nonregulated	0	0	0
Net Regulated	212,266	206,680	0
TOTAL EXPENSES	1,008,435	1,060,377	0
Less: Nonregulated	0	0	0
Net Regulated	1,008,435	1,060,377	0

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6610			654		34
					35
	0	0	654	0	36
6620			258,127		37
					38
	0		258,127	0	39
	0	0	258,781	0	
	0	0	0	0	
	0	0	258,781	0	
6710			43,091		40
					41
	0		43,091	0	42
6720			163,589		43
					44
	0		163,589	0	45
6790					46
					47
			0		48
	0	0	206,680	0	
	0	0	0	0	
	0	0	206,680	0	
	0	0	1,060,377	0	
	0	0	0	0	
	0	0	1,060,377	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)	337,554	382,474		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	581		7
Total: Reported in Account 6560	337,554	383,055		

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			382,474		3
6562					4
6563					5
6564					6
6565			581		7
			383,055		

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

Currently, cooperatives are not billed for remainder assessment, but are subject to Department of Justice and telephone relay assessments.

Description (a)	This Year (b)	
Gross Operating Revenues	1,583,792	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):		8
Assessable Revenues for Remainder, Department of Justice, and Telephone Relay Assessment Purposes		
	<u>1,583,792</u>	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	400,032	1
Plus: Total Intrastate Access Revenues (5084)	330,129	2
Plus: Total Long Distance Network Services Revenue	40,632	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>770,793</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	1,583,792	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):		8
<hr/>		
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	<u><u>1,583,792</u></u>	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	400,032	1
Plus: Total Intrastate Access Revenues (5084)	330,129	2
Plus: Total Long Distance Network Services Revenue	40,632	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus (or Less) Other (please specify):		5
<hr/>		
Assessable Revenues for Universal Service Fund Assessment Purposes	<u><u>770,793</u></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)*	(2,042)	(2,496)	6
Operating Federal Income Taxes (7220)*	156,160	134,045	7
Operating State and Local Income Taxes (7230)*	37,977	33,249	8
Operating Other Taxes (7240)*	90,513	84,977	9
Provision for Deferred Operating Income Taxes--Net (7250)*	(39,935)	(23,015)	10
TOTAL OPERATING TAXES (7200)*	242,673	226,760	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)*	2,561	1,656	11
Interest Income (7320)*	39,637	34,797	12
Income from Sinking and Other Funds (7330)*	0		13
Allowance for Funds Used During Construction (7340)*	0		14
Gains or (Losses) from the Disposition of Certain Property (7350)*	0		15
Other Nonoperating Income (7360)*	40,476	16,493	16
Special Charges (7370)*	649	100	17
TOTAL NONOPERATING INCOME AND EXPENSE (7300)*	82,025	52,846	
NONOPERATING TAXES			
Nonoperating Investment Tax Credits--Net (7410)*			18
Nonoperating Federal Income Taxes (7420)*	12,389	8,853	19
Nonoperating State and Local Income Taxes (7430)*	3,218	2,348	20
Nonoperating Other Taxes (7440)*	0	0	21
Provision for Deferred Nonoperating Income Taxes-Net (7450)*	13,947	1,889	22
TOTAL NONOPERATING TAXES (7400)*	29,554	13,090	
INTEREST AND RELATED ITEMS			
Interest on Funded Debt (7510)*	39,329	40,262	23
Interest Expense--Capital Leases (7520)*	0	0	24
Amortization of Debt Issuance Expense (7530)*	192	192	25
Other Interest Deductions (7540)*	56	0	26
TOTAL INTEREST AND RELATED ITEMS (7500)*	39,577	40,454	
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)*	(12,402)	(18,346)	32

NONREGULATED NET INCOME (ACCT. 7990)

Particulars (a)	Amount (b)	
Revenues (Acct. 7990.1)		
Gross Sales	118,472	1
Less: Cost of Goods Sold		2
Net Sales	118,472	3
Expenses (Acct. 7990.2)	130,874	4
Nonregulated Net Income	<u><u>(12,402)</u></u>	5

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

The nonregulated activities consist of internet and lease and sale of telephone 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	0	1
Nonregulated Expense		2
Plant Accounts		3
Accumulated Depreciation Accounts		4
All Other Accounts	318,747	5
Total Salaries and Wages	<u>318,747</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	3.00	3.00	94,577	1
Supervision and Other Management	1.00	1.00	46,780	2
Other Employees	6.00	6.00	177,390	3
Total	<u>10.00</u>	<u>10.00</u>	<u>318,747</u>	

DISTRIBUTION OF SALARIES AND WAGES

Description (a)	Amount (b)	
Regulated Expense	0	1
Nonregulated Expense		2
Plant Accounts		3
Accumulated Depreciation Accounts		4
All Other Accounts	318,747	5
Total Salaries and Wages	<u>318,747</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	3.00	3.00	94,577	1
Supervision and Other Management	1.00	1.00	46,780	2
Other Employees	6.00	6.00	177,390	3
Total	<u>10.00</u>	<u>10.00</u>	<u>318,747</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	309	0	1 G
Extended Area Service	54	0	2
Extended Community Calling	32	0	3 G
Other Local-Undefined	0	0	4 G
Total Local	395	0	
TOLL			
Operator Handled: State--intraLATA	0	0	5
Operator Handled: State--interLATA	0	0	6
Operator Handled: Interstate	0	0	7
Customer Dialed: State--intraLATA	0	0	8
Customer Dialed: State--interLATA	0	0	9
Customer Dialed: Interstate	0	0	10
WATS	0	0	11
Other Toll-Undefined	79	830	12 C
Total Toll	79	830	
Total Local & Toll	474	830	

ACCESS USAGE

Enter number, in thousands, of Billed Minutes.

Description (a)	Billed Minutes (000's)				
	Interstate InterLATA (b)	Intrastate InterLATA (c)	Intrastate IntraLATA (d)	Interstate IntraLATA (e)	
Feature Group A -- Orig.	0	0	0	0	1
Feature Group A -- Term.	60	1	0	0	2
Feature Group B -- Orig.	0	0	0	0	3
Feature Group B -- Term.	0	0	0	0	4
Feature Group C -- Orig.	0	0	897	0	5
Feature Group C -- Term.	0	0	971	0	6
Feature Group D -- Orig.	2,279	508	252	1	7
Feature Group D -- Term.	3,406	1,605	0	0	8

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	0	1
Sheath miles of plant - buried	500	2
Sheath miles of plant - fiber optics	22	3
Strand miles of plant - fiber optics	730	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	7	4	1
56 kbps	4	3	2
64 kbps (DS0)	1	0	3
1.54 Mbps (DS-1)	3	0	4
45 Mbps (DS-3)	0	0	5
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	0	1
Sheath miles of plant - buried	500	2
Sheath miles of plant - fiber optics	22	3
Strand miles of plant - fiber optics	730	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	7	4	1
56 kbps	4	3	2
64 kbps (DS0)	1	0	3
1.54 Mbps (DS-1)	3	0	4
45 Mbps (DS-3)	0	0	5
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

SERVICE DATA

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

Item (a)	FOY (b)	EOY (c)	
Business			
1 Party	451	497	3
2 Party	0	0	4
4 Party	0	0	5
PBX Trunks/System Trunks	79	105	6
Centrex Trunks	0	0	7
Centrex Lines	0	0	8
Key System Trunks	82	91	9
Mobile (Utility Provided Service)	0	0	10
Paging (Utility Provided Service)	0	0	11
FX-Out (Switched)	4	2	12
Pay Telephone	13	13	13
Coin-Operated Pay Telephone	16	17	14
Independent Pay Telephone Provider	0	0	15
Pay Stations - Public	0	11	16
- Semi-Public	0	7	17
- Cust. Owned	0	0	18
Other	0	0	19
Total Business Lines	645	743	20
Residential (Incl. Emp. Concess.)			
1 Party	1,762	1,786	22
2 Party	0	0	23
4 Party	0	0	24
FX-Out (Switched)	1	1	25
Other	7	7	26
Total Residential Lines	1,770	1,794	27
Total Bus & Res Lines	2,415	2,537	28
Company Used Lines	53	32	29
Total Lines Used	2,468	2,569	30

SERVICE DATA (cont.)

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

Item (a)	FOY (b)	EOY (c)	
Miscellaneous			
WATS Lines - OutWATS	0	0	3
WATS Lines - 800 Service	0	1	4
FX-In-intraLATA	2	2	5
Special Access-intraLATA			6
(expressed in equiv. access lines)	11	7	7
Special Access-interLATA			8
(expressed in equiv. access lines)	83	84	9
Feature Group A Lines	0	0	10
Feature Group B Trunks	0	0	11
Feature Group C Trunks	0	0	12
Feature Group D Trunks	71	96	13
TSPS - Trunks	9	9	14
EAS - Trunks	20	20	15
Cellular Trunks (Pub. Sw. Net.)	0	0	16
Video Distance Learning			17
- discounted (special tariff)	0	0	18
Customers			
Business - 2 Party Customers	0	0	20
Business - 4 Party Customers	0	0	21
Residential - 2 Party Customers	0	0	22
Residential - 4 Party Customers	0	0	23
Other			
Total Central Office, Info. Orig./Term., & Cable			25
Wire Fac. Assets (based on physical location of plant)			26
	3,411,902	3,781,944	27
Total Company Square Miles	89	89	28
Total Company Route Miles	268	270	29
Footnotes			30

SERVICE DATA - END OF YEAR

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

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	4920				1
Business					
1 Party	497				2
2 Party	0				3
4 Party	0				4
PBX Trunks/System Trunks	105				5
Centrex Trunks	0				6
Centrex Lines	0				7
Key System Trunks	91				8
Mobile (utility provided service)	0				9
Paging (utility provided service)	0				10
FX-Out (Switched)	2				11
Pay Telephone	13				12
Coin-Operated Pay Telephone	17				13
Independent Pay Telephone Provider	0				14
Pay Stations - Public	11				15
- Semi-Public	7				16
- Cust. Owned	0				17
Other	0				18
Total Business Lines	743	0	0	0	19
Residential (Incl. Emp. Concess.)					
1 Party	1,786				20
2 Party	0				21
4 Party	0				22
FX-Out (Switched)	1				23
Other	7				24
Total Residential Lines	1,794	0	0	0	25
Total Bus & Res Lines	2,537	0	0	0	26
Company Used Lines	32				27
Total Lines Used	2,569	0	0	0	28

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	4920				1
Miscellaneous					2
WATS Lines - OutWATS	0				3
WATS Lines - 800 Service	1				4
FX-In-intraLATA	2				5
Special Access-intraLATA					6
(equiv. access lines)	7				7
Special Access-interLATA					8
(equiv. access lines)	84				9
Feature Group A Lines	0				10
Feature Group B Trunks	0				11
Feature Group C Trunks	0				12
Feature Group D Trunks	96				13
TSPS - Trunks	9				14
EAS - Trunks	20				15
Cellular Trunks (Pub. Sw. Net.)	0				16
Video Distance Learning					17
- discounted (special tariff)	0				18
Customers					19
Business - 2 Party Customers	0				20
Business - 4 Party Customers	0				21
Residential - 2 Party Customers	0				22
Residential - 4 Party Customers	0				23
Other					24
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical					26
location of plant)	3,781,944				27
Exchange Square Miles	89				28
Exchange Route Miles	270				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	SIREN	SIREN			1
PSCW Exchange ID	4920	4920			2
Central Office Name	SIREN	VIOLA LAKE			3
PSCW Central Office ID	1	2			4
Manufacturer of COE (Page 54)	NTI	NTI			5
Year COE Installed	1987	1989			6
Type of Equipment (Page 54)	D	D			7
(S)tandalone, (H)ost, (R)emote	H	R			8
Remote Host PSCW Exchange ID		4920			9
Remote Host PSCW Central Office ID		1			10
COE Generic Software Release No.	411.10	411.10			11
SS7?	Yes	Yes			12
9-1-1?	Yes	Yes			13
Access Lines - In Use	2,004	563			14
- Equipped	2,308	627			15
- Wired	2,560	640			16
Trunks - In Use	211	0			17
- Equipped	336	0			18
- Wired	336	0			19
ISDN Available?	No	No			20
ISDN Lines - In Use (BRI)	0	0			21
- In Use (PRI)	0	0			22
Switched 56 Service?	Yes	Yes			23
Switched 56 lines in use	0	0			24
Digital Transmission Facilities: DS-1 - In Use	20	5			25
DS-3 - In Use	2	0			26
Advanced Data Service Available:					
Packet Switching?	No	No			27
SMDS?	No	No			28
Frame Relay?	No	No			29
ATM (Asynchronous Trans. Mode)?	No	No			30
Video Information - Service Available?	No	No			31
- In Use (# lines) ¹	0	0			32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	70	24			33
No. of fiber strands working (LIT) in C.O.	102	2			34
No. of fiber strands for interoffice use	14	0			35
Miles of fiber sheath in wire center	22	0			36
Access Tandem Serving this C.O.:					
- C.O. Name	FREDERIC	FREDERIC			37
- PSCW C.O. ID	1960-01	1960-01			38
Does this C.O. do access tandem switching?	No	No			39
Equal Access: InterLATA (1+)?	Yes	Yes			40
Equal Access: IntraLATA (1+)?	Yes	Yes			41
Footnotes					42

¹ Teleco provided end-to-end facility.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

General Footnote

Response received from Kiesling 11/26/99.

Item 1: no transactions that would warrant revisions.

Item 2: reclassification of the investment in WITS from page 19 to page 16 will be made on the 1999 annual report per 5490-AT-100

Item 3: payphone entries provided and entered into 1997 annual report

Item 4: Referred to Clarence

12/9/99 ele

October 21, 1999

Mr. Sid Sherstad, Vice-President & General Manager

Siren Telephone Company, Inc.

7723 West Main Street

P.O. Box 506

Siren, WI 54872-0506

Re:1998 Analytical Review DWCCA-5490-ELE

Dear Mr. Sherstad:

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. Staff notes that an affiliated interest agreement between Siren Telephone Company, Inc. and Siren Communications, Inc. was filed with the Commission and docketed as 5490-AT-101 in June 1999. Please confirm that no affiliated interest transactions occurred in 1998 that would warrant revision to the filed information in the 1998 annual report.

2. An investment in Wisconsin Independent Telecommunications System, Inc. (WITS) in the amount of \$17,300 is reported in Account 1402, Investments in Nonaffiliated Companies, on page 19 of the 1998 annual report. Since WITS is an affiliated interest of Siren Telephone Company, Inc. (as evidenced by the affiliated interest agreement in docket 5490-AT-100), staff believes that the investment in WITS should instead be recorded in Account 1401, Investment in Affiliated Companies, and be reflected on the Affiliated Assets and Liabilities schedule on page 16 of the annual report. Please confirm that this reclassification and associated reporting change will be made for 1999.

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

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

response, and we apologize for any inconvenience.

4. Wis. Stat. § 196.09(9) authorizes the Commission to establish depreciation rate ranges and a composite rate for all classes of telecommunications plant. By order, 05-DT-102, the maximum depreciation rate for Account 2212, Digital Electronic Switching, is 9.7 percent, Account 2423, Buried Cable, is 5.8 percent, and the total company composite depreciation rate is 8.75 percent.

Please explain the reason why the depreciation rates on your 1998 annual report for the above accounts and total company composite exceed the Commission authorized maximum rates.

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

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

Sincerely,

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

Schedule Footnotes

Central Office Lookup Table Footnote. Page 0

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.

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

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

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

Expense Matrix - Class A & B Footnote. Page 41

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

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

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

General, Schedule Level and Schedule Line Footnotes Footnote. Page 56

Schedule Line Footnotes

- A) See Schedule Footnote.
- B) Decrease in special circuits in 1998.
- C) See Schedule Footnote
- D) See Schedule Footnote.
- E) Different depreciation rates are used within these accounts and sub-class accounts.
- F) Reclassification to match CPR adjustments.
- G) Minutes of use data are not available for lines 1,2, and 4, of page 47. Siren is a flat rate company and the cost incurred for the necessary software and record keeping for usage sensitive recording would not be practical for information that will not be used elsewhere.
- H) Vehicles and other work equipment are depreciated on a per unit basis.
- I) The regulated expense amount for salaries and wages included therein. See also schedule line footnote.