



4004

ANNUAL REPORT

OF

Name: SOUTHEAST TELEPHONE COMPANY OF WISCONSIN, INC

Principal Office: 311 ELIZABETH ST
P.O. BOX 190
WATERFORD, WI 53185-0190

For the Year Ended: DECEMBER 31, 1998

TELECOMMUNICATIONS UTILITY TO PUBLIC SERVICE COMMISSION OF WISCONSIN

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

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

GENERAL RULES FOR REPORTING

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

SIGNATURE PAGE

I JAMES M. MITCHELL of
(Person responsible for accounts)

SOUTHEAST TELEPHONE COMPANY OF WISCONSIN, INC. , certify that I
(Utility Name)

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

JAMES M. MITCHELL 04/15/1999
(Person responsible for accounts) (Date)

GENERAL MANAGER
(Title)

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ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

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

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

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

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

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

ABBREVIATIONS USED IN ANNUAL REPORTS

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

IDENTIFICATION AND OWNERSHIP

Exact Utility Name: SOUTHEAST TELEPHONE COMPANY OF WISCONSIN, INC.
Utility Location: 311 ELIZABETH ST
P.O. BOX 190
WATERFORD, WI 53185-0190

Utility Web Site Address:

When was utility organized?: 03/28/1946

Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: MR JAMES M . MITCHELL
Title: GENERAL MANAGER

Office Address: 311 ELIZABETH STREET
WATERFORD , WI 53185

Fax Number: (414) 534 - 5101
Telephone Number: (414) 534 - 5110
Email Address:

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

Name: KIESLING ASSOCIATES LLP
Title: ACCOUNTING FIRM
Firm: KIESLING ASSOCIATES LLP
Office Address: 6401 ODANA ROAD
MADISON , WI 53719-1155

Fax Number: (608) 273 - 2383
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Person responsible for financial information contained in report

Name: MR JAMES M . MITCHELL
Title: GENERAL MANAGER

Office Address: 311 ELIZABETH STREET
WATERFORD , WI 53185

Fax Number: (414) 534 - 5101
Telephone Number: (414) 534 - 5110
Email Address:

Person responsible for statistical information contained in report

Name: MR JAMES M . MITCHELL
Title: GENERAL MANAGER

Office Address: 311 ELIZABETH STREET
WATERFORD , WI 53185

Fax Number: (414) 534 - 5101
Telephone Number: (414) 534 - 5110
Email Address:

IDENTIFICATION AND OWNERSHIP

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

Name: NONE
Address: NONE
 NONE , WI 00000

Number of Shares Held:
Beneficial Owner: NONE

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

Company Name: NONE
Form of Interest: NONE
Extent Of Interest: NONE

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	5,964,500	4,998,696	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	772,989	807,453	2
Plant Nonspecific Operations Expense	2,315,185	1,036,955	3
Customer Operations Expense (6610-6620)	792,074	737,492	4
Corporate Operations Expense (6710-6790)	439,382	450,347	5
Other Operating Income and Expense (7100)	0	0	6
Operating Taxes (7200)	743,632	838,439	7
Total Operating Expenses	5,063,262	3,870,686	8
Net Operating Income	901,238	1,128,010	9
Other Income			
Nonoperating Income and Expense (7300)	80,596	263,647	10
Nonoperating Taxes (7400)	24,790	101,562	11
Interest and Related Items (7500)	263,423	282,797	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	(25,875)	(29,743)	14
Total Nonoperating Income	(233,492)	(150,455)	15
Net Income	667,746	977,555	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, 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.

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 common carrier line revenues are determined in accordance with cost separation procedures.

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

D. Cash Equivalents

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

E. Investments

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

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

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, none of the retained earnings are restricted under these provisions.

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT ASSETS			
CASH AND EQUIVALENTS			
Cash and Equivalents (1120)*			1
Cash (1130)	1,000,649	473,922	2
Special Cash Deposits (1140)			3
Working Cash Advances (1150)			4
Temporary Investments (1160)	601,793	500,000	5
TOTAL CASH AND EQUIVALENTS	1,602,442	973,922	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	550,746	531,578	6
Accounts Receivable Allowance-Telecom (1181)*			7
Net: Telecommunications Accounts Receivable	550,746	531,578	
Other Accounts Receivable (1190)*	404,850	371,629	8
Accounts Receivable Allowance--Other (1191)*			9
Net: Other Accounts Receivable	404,850	371,629	
Notes Receivable (1200)*	0	0	10
Notes Receivable Allowance (1201)*	0	0	11
Net: Notes Receivable	0	0	
Interest and Dividends Receivable (1210)*	9,056	6,717	12
TOTAL RECEIVABLES AND ALLOWANCES FOR DOUBTFUL	964,652	909,924	
SUPPLIES			
Inventories (1220)*	91,912	129,572	13
TOTAL SUPPLIES	91,912	129,572	
PREPAYMENTS			
Total Prepayments (1280)*			14
Prepaid Rents (1290)			15
Prepaid Taxes (1300)	120,437	33,555	16
Prepaid Insurance (1310)	21,735	27,240	17
Prepaid Directory Expenses (1320)			18
Other Prepayments (1330)	15,885	0	19
TOTAL PREPAYMENTS	158,057	60,795	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	159,221	120,222	20
TOTAL OTHER CURRENT ASSETS	159,221	120,222	
TOTAL CURRENT ASSETS	2,976,284	2,194,435	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	120,000	120,000	21
Investments in Nonaffiliated Companies (1402)*	194,832	194,832	22
Nonregulated Investments (1406)*	1,028,188	1,025,838	23
Unamortized Debt Issuance Expense (1407)*	5,313	5,645	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)*	110,791		26
TOTAL INVESTMENTS	1,459,124	1,346,315	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*	0	0	27
Deferred Maintenance and Retirements (1438)*	0	0	28
Deferred Charges (1439)*			29
TOTAL DEFERRED CHARGES	0	0	
TOTAL NONCURRENT ASSETS	1,459,124	1,346,315	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	16,643,014	15,447,190	30
Less: Accumulated Depreciation (3100)*	8,994,755	7,036,156	31
Less: Accumulated Amortization--Capitalized Leases (3410)*			32
Less: Accumulated Amortization--Leasehold Improvements (3420)*			33
Less: Accumulated Amortization--Intangible (3500)*			34
NET TELECOMMUNICATIONS PLANT IN SERVICE	7,648,259	8,411,034	
PROPERTY HELD FOR FUTURE USE			
Prop. Held for Future Telecommun. Use (2002)*			35
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200)*			36
NET PROPERTY HELD FOR FUTURE USE	0	0	
NONOPERATING PLANT			
Nonoperating Plant (2006)*			37
Less: Accumulated Depreciation--Nonoperating (3300)*			38
NET NONOPERATING PLANT	0	0	
TPUC			
TPUC (2003)*	53,527	146,337	39
TOTAL TPUC	53,527	146,337	
TELECOMMUNICATIONS PLANT ADJUSTMENT			
Telecommunications Plant Adjustment (2005)*			40
Less: Accumulated Amortization--Other (3600)*			41
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	0	0	
TOTAL PLANT	7,701,786	8,557,371	
TOTAL ASSETS AND OTHER DEBITS*	12,137,194	12,098,121	

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	314,905	475,237	1
Notes Payable (4020)*	0	0	2
Advance Billing and Payments (4030)*			3
Customer Deposits (4040)*			4
Current Maturities--Long-Term Debt (4050)*	159,400	149,400	5
Current Maturities--Capital Leases (4060)*			6
Income Taxes--Accrued (4070)*		(155,372)	7
Other Taxes--Accrued (4080)*	3,679	50	8
Net Current Deferred Operating Income Taxes (4100)*	0	0	9
Net Current Deferred Nonoperating Income Taxes (4110)*			10
Other Accrued Liabilities (4120)*	25,426	139,729	11
Other Current Liabilities (4130)*			12
TOTAL CURRENT LIABILITIES*	503,410	609,044	
LONG-TERM DEBT			
Funded Debt (4210)*	3,645,931	3,805,452	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*	3,645,931	3,805,452	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*	281,245	191,039	20
Unamortized Operating ITC--Net (4320)*	133,202	155,280	21
Unamortized Nonoperating ITC--Net (4330)*			22
Net Noncurrent Deferred Operating Income Taxes (4340)*	0	563,561	23
Net Deferred Tax Liability Adjustments (4341)*	0	(61,337)	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*		(159,106)	25
Other Deferred Credits (4360)*	221,768		26
Deferred Tax Regulatory Liability (4361)*	0	0	27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS*	636,215	689,437	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	4,138,311	4,138,311	28
Additional Paid-in Capital (4520)*			29
Treasury Stock (4530)*	1,035	1,035	30
Other Capital (4540)*			31
Retained Earnings (4550)*	3,214,362	2,856,912	32
TOTAL STOCKHOLDERS' EQUITY*	7,351,638	6,994,188	
TOTAL LIABILITIES AND OTHER CREDITS*	12,137,194	12,098,121	

STATEMENT OF CASH FLOWS

Item (a)	Amount (b)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	667,746	1
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and amortization	2,096,570	2
Interest during construction	(11,667)	3
Changes in assets and liabilities:		
Current assets (net)	(153,329)	4
Other noncurrent assets	(111,123)	5
Other current liabilities	(115,634)	6
Other liabilities and deferred credits	(53,222)	7
Other (specify):		
TOTAL ADJUSTMENTS	1,651,595	
NET CASH PROVIDED BY OPERATING ACTIVITIES (NET INCOME & ADJUST.)	2,319,341	
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures:		
Changes in plant (net)	(1,229,318)	8
Investments in affiliated companies	0	9
Nonoperating Investments	(2,350)	10
Other (specify):		
NET CASH USING IN INVESTING ACTIVITIES	(1,231,668)	
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in capital lease obligations (net)	0	11
Change in long-term debt (net)	(148,857)	12
Net changes in stockholder equity other than retained earnings	0	13
Change in short term borrowing (net)	0	14
Dividends paid	(310,296)	15
Miscellaneous debits/credits to retained earnings	0	16
Other (specify):		
Net Cash Provided by Financing Activities	(459,153)	
NET INCREASE IN CASH AND CASH EQUIVALENTS	628,520	
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, Limited Liability Corporation	CS, LLC	1
Other	OTH	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	5570-AT-100					
Name of Affiliate	CS, LLC					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	0	9
Other:						
Plant Accounts						10
Accumulated Depreciation						11
Accumulated Amortization						12
Clearing						13
All Other	266,992					14
Total	266,992	0	0	0	0	15
Percent of affiliate's business billed to all affiliated regulated utilities	57.88					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, Limited Liability Corporation	1401	120,000	1

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	194,832	1
Other:		
Total Investments in Nonaffiliated Companies	194,832	

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):		
Cellular Limited Partnership	930,369	1
Wisconsin Independent Telecommunications Sytems, Inc.	85,700	2
Internet Equipment (net)	12,119	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)
<hr/>	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
GENERAL SUPPORT ASSETS				
Land	2111	149,064	60,724	1
Motor Vehicles	2112	301,023	38,671	2
Aircraft	2113	0		3
Special Purpose Vehicles	2114	0		4
Garage Work Equipment	2115	0		5
Other Work Equipment	2116	446,885	282,237	6
Buildings	2121	654,217		7
Furniture	2122	31,202	1,455	8
Office Equipment	2123	78,846	17,834	9
General Purpose Computers	2124	106,670	8,497	10
TOTAL--GENERAL SUPPORT ASSETS:		1,767,907	409,418	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0		11
Digital Electronic Switching	2212	3,236,770	8,372	12
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220	0		14
Radio Systems	2231	0	0	15
Circuit Equipment	2232	1,456,447	212,997	16
TOTAL--CENTRAL OFFICE ASSETS:		4,693,217	221,369	
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	0		22
Aerial Cable	2421	214,735	13,044	23
Underground Cable	2422	253,862	0	24
Buried Cable	2423	8,288,906	734,964	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	228,563		30
TOTAL--CABLE WIRE FACILITIES ASSETS:		8,986,066	748,008	
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			209,788	1
2112			339,694	2
2113			0	3
2114			0	4
2115			0	5
2116	50,322		678,800	6
2121			654,217	7
2122			32,657	8
2123	0	0	96,680	9
2124			115,167	10
	50,322	0	2,127,003	
2211			0	11
2212	0	0	3,245,142	12
2215	0	0	0	13
2220			0	14
2231	0	0	0	15
2232	0	0	1,669,444	16
	0	0	4,914,586	
2311			0	17
2321			0	18
2341			0	19
2351			0	20
2362			0	21
	0	0	0	
2411			0	22
2421	0	0	227,779	23
2422	0	0	253,862	24
2423	132,649	0	8,891,221	25
2424	0	0	0	26
2425			0	27
2426	0	0	0	28
2431			0	29
2441			228,563	30
	132,649	0	9,601,425	
2681			0	31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)
AMORTIZABLE ASSETS			
Leasehold Improvements	2682	0	32
Intangibles	2690	0	33
TOTAL--AMORTIZABLE ASSETS:		0	0
TOTAL TELECOM. PLANT IN SERVICE	2001	15,447,190	1,378,795
Less: Allocation to Nonregulated Activity - EOY	2001		34
NET REG. TOTAL TELE. PLANT IN SERV. - EOY	2001		

Explain all amounts shown in column (g).

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

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2682			0	32
2690			0	33
	0	0	0	
	182,971	0	16,643,014	
2001			0	34
			16,643,014	

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	63,731	16,399	1
Company Communications Equipment	2123.2	15,115	1,435	2
Software	2212.1	0		3
Digital Switching - Central Office	2212.2	3,236,770	8,372	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	1,456,447	212,997	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	214,735	13,044	14
Underground Cable - Nonmetallic	2422.1	0		15
Underground Cable - Metallic	2422.2	253,862		16
Buried Cable - Nonmetallic	2423.1	0		17
Buried Cable - Metallic	2423.2	8,288,906	734,964	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			80,130	1
2123.2			16,550	2
2212.1			0	3
2212.2			3,245,142	4
2212.3			0	5
2215.1			0	6
2215.2			0	7
2231.1			0	8
2231.2			0	9
2232.1			1,669,444	10
2232.2			0	11
2232.3			0	12
2421.1			0	13
2421.2			227,779	14
2422.1			0	15
2422.2			253,862	16
2423.1			0	17
2423.2	132,649		8,891,221	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	145,836		54,994	1m
Aircraft	2113	0			2
Special Purpose Vehicles	2114	0			3
Garage Work Equipment	2115	0			4
Other Work Equipment	2116	314,004	9.09	50,696	5
Buildings	2121	356,348	3.23	21,134	6
Furniture	2122	24,979	6.92	2,235	7
Office Equipment	2123	71,043	12.5	7,704	8
General Purpose Computers	2124	57,789	14.29	16,007	9
Total-- GENERAL SUPPORT ASSETS		969,999		152,770	0
CENTRAL OFFICE ASSETS					
Analog Electronic Switching	2211	0			10
Digital Electronic Switching	2212	1,646,731	7.69	1,375,633	11
Electro-Mechanical Switching	2215	0			12
Operator Systems	2220	0			13
Radio Systems	2231	0			14
Circuit Equipment	2232	618,101	10.0	146,224	15
Total-- CENTRAL OFFICE ASSETS		2,264,832		1,521,857	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	0			20
Total-- INFORMATION ORIG/TERM ASSETS		0		0	0
CABLE WIRE FACILITIES ASSETS					
Poles	2411	0			21
Aerial Cable	2421	158,742	6.0	14,751	22f
Underground Cable	2422	153,705	4.5	11,423	23
Buried Cable	2423	3,371,294	4.6	390,055	24f
Submarine Cable	2424	0			25
Deep Sea Cable	2425	0			26
Intrabuilding Network Cable	2426	0			27
Aerial Wire	2431	0			28

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112					200,830	1 m
2113					0	2
2114					0	3
2115					0	4
2116	50,322		45,000		359,378	5
2121					377,482	6
2122					27,214	7
2123	0				78,747	8
2124					73,796	9
	50,322	0	45,000	0	1,117,447	
2211					0	10
2212	0				3,022,364	11
2215	0				0	12
2220					0	13
2231	0				0	14
2232	0				764,325	15
	0	0	0	0	3,786,689	
2311					0	16
2321					0	17
2341					0	18
2351					0	19
2362					0	20
	0	0	0	0	0	
2411					0	21
2421	0				173,493	22 f
2422	0				165,128	23
2423	132,649				3,628,700	24 f
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	117,584	2.5	5,714	29
Total-- CABLE WIRE FACILITIES ASSETS		3,801,325		421,943	0
Total Accumulated Depreciation	3100	7,036,156		2,096,570	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				2,096,570	0

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441					123,298	29
	132,649	0	0	0	4,090,619	
3100	182,971	0	45,000	0	8,994,755	
3100					0	30
3100					8,994,755	

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	63,731	12.5	5,680	1
Company Communications Equipment	2123.2	7,312	12.5	2,024	2
Software	2212.1	0			3
Digital Switching - Central Office	2212.2	1,646,731	7.69	1,375,633	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	618,101	10.0	146,224	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	158,742	6.0	14,751	14 f
Underground Cable - Nonmetallic	2422.1	0			15
Underground Cable - Metallic	2422.2	153,705	4.5	11,423	16
Buried Cable - Nonmetallic	2423.1	0			17
Buried Cable - Metallic	2423.2	3,371,294	4.6	390,055	18 f
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					69,411	1
2123.2					9,336	2
2212.1					0	3
2212.2					3,022,364	4
2212.3					0	5
2215.1					0	6
2215.2					0	7
2231.1					0	8
2231.2					0	9
2232.1					764,325	10
2232.2					0	11
2232.3					0	12
2421.1					0	13
2421.2					173,493	14 f
2422.1					0	15
2422.2					165,128	16
2423.1					0	17
2423.2	132,649				3,628,700	18 f
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 n
Deferred Tax Regulatory Asset (1437)	0	3
Net Current Deferred Operating Income Taxes (4100)	0	4
Net Noncurrent Deferred Operating Income Taxes (4340)	(563,561)	5 n
Net Deferred Tax Liability Adjustments (4341)	61,337	6 n
Deferred Tax Regulatory Liability (4361)	0	7
Net Property Related Deferred Operating Income Taxes	(502,224)	
Less: Allocation to Nonregulated Activity	0	8
Net Regulated Total Property Related Deferred Operating Income Taxes	(502,224)	
NONPROPERTY RELATED		
Other Current Assets (1350)	120,222	9 n
Other Noncurrent Assets (1410)	0	10
Deferred Tax Regulatory Asset (1437)	0	11
Net Current Deferred Operating Income Taxes (4100)	0	12
Net Noncurrent Deferred Operating Income Taxes (4340)	0	13
Net Deferred Tax Liability Adjustments (4341)	0	14
Deferred Tax Regulatory Liability (4361)	0	15
Total Nonproperty Related Deferred Operating Income Taxes	120,222	

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			(195,019)	(195,019)	2 n
				0	3
7250				0	4
7250			563,561	0	5 n
			(61,337)	0	6 n
				0	7
	0	0	307,205	(195,019)	
				0	8
	0	0	307,205	(195,019)	
7250			38,999	159,221	9 n
7250				0	10
				0	11
7250				0	12
7250				0	13
				0	14
				0	15
	0	0	38,999	159,221	

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	08/14/1978	08/14/2013	6.5000	1
RTB	07/17/1981	07/17/2016	11.2500	2
RUS	08/14/1978	08/14/2013	5.0000	3
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)				
6.5000			2,343,015	81,400	2,424,415	1
11.2500			465,380	36,600	501,980	2
5.0000			837,536	41,400	878,936	3
	0	0	3,645,931	159,400	3,805,331	

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:			
	80,000	100.00	1
TOTAL COMMON STOCK	80,000		
TOTAL	<u>80,000</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:					
	41,383	4,138,311	10	1,035	1
	41,383	4,138,311	10	1,035	
TOTAL	<u>41,383</u>	<u>4,138,311</u>	<u>10</u>	<u>1,035</u>	

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	2,856,912	2,148,280	1
Changes:			
Balance Transferred from Income	667,746	977,555	2
Dividends Declared:			
Common	310,296	268,923	3
Preferred			4
Total Dividends Declared	310,296	268,923	
Miscellaneous Debits to Retained Earnings			5
Miscellaneous Credits to Retained Earnings			6
Balance--End of Year	<u>3,214,362</u>	<u>2,856,912</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)	344,152	85,121	307,579	1
Nonoperating Taxes (Accts. 7410 - 7450)		7,305	17,485	2
Extraordinary Items (Accts. 7630 & 7640)				3
Nonregulated Net Income (Acct. 7990)		2,198	8,385	4
Clearing Accounts				5
Construction				6
Payroll Taxes: FICA				7
Payroll Taxes: State Unemployment				8
Payroll Taxes: Federal Unemployment				9
Other (specify):				
Investment Tax Credit			22,078	10
TOTAL	<u>344,152</u>	<u>94,624</u>	<u>355,527</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)	
6,780					743,632	1
					24,790	2
					0	3
					10,583	4
					0	5
					0	6
				51,831	51,831	7
				212	212	8
				993	993	9
					22,078	10
6,780	0	0	0	53,036	854,119	

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

Particulars (a)	This Year (b)	Last Year (c)	
LOCAL NETWORK SERVICES REVENUES			
Basic Local Service Revenue (5000)*			1
Basic Area Revenue (5001)	2,052,229	1,881,354	2
Optional Extended Area Revenue (5002)			3
Cellular Mobile Revenue (5003)			4
Other Mobile Services Revenue (5004)			5
Public Telephone Revenue (5010)		2,801	6
Local Private Line Revenue (5040)	12,416	12,561	7
Customer Premises Revenue (5050)			8
Other Local Exchange Revenue (5060)	73,966	44,756	9 g
Other Local Exchange Revenue Settlements (5069)			10
TOTAL BASIC LOCAL SERVICE REVENUE (5000)	2,138,611	1,941,472	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	411,146	383,857	11
Switched Access Revenue (5082)*	1,287,295	821,202	12 h
Special Access Revenue (5083)*	20,312	30,003	13 i
TOTAL INTERSTATE ACCESS REVENUES (5080)	1,718,753	1,235,062	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*			14
Switched Access Revenue (5084.2)*	1,242,957	1,085,237	15
Special Access Revenue (5084.3)*	33,260	17,369	16 i
TOTAL INTRASTATE ACCESS REVENUES (5084)	1,276,217	1,102,606	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*	285,952	227,032	17 k
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.	285,952	227,032	

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

Particulars (a)	This Year (b)	Last Year (c)	
MISCELLANEOUS REVENUES			
Directory Revenue (5230)*	342,101	307,802	30
Rent Revenue (5240)*			31
Corporate Operations Revenue (5250)*			32
Miscellaneous:			
Miscellaneous Revenue (5260)*			33
Special Billing Arrangements Revenue (5261)			34
Customer Operations Revenue (5262)			35
Plant Operations Revenue (5263)			36
Other Incidental Regulated Revenue (5264)	7,610	(2,952)	37
Other Revenue Settlements (5269)			38
Total Miscellaneous Revenue (5260)	7,610	(2,952)	
Interstate Billing and Collection Revenue*	100,320	94,469	39
Intrastate Billing and Collection Revenue*	99,912	98,926	40
Total Carrier Billing and Collection Revenue (5270)*	200,232	193,395	
Nonregulated Operating Revenue (5280)**			41
TOTAL MISCELLANEOUS REVENUES	549,943	498,245	
GROSS OPERATING REVENUES	5,969,476	5,004,417	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*			42
Uncollectible Revenue--Telecommunications (5301)	4,976	5,721	43
Uncollectible Revenue--Other (5302)			44
TOTAL UNCOLLECTIBLE REVENUE (5300)	4,976	5,721	
TOTAL OPERATING REVENUES	5,964,500	4,998,696	

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

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)
PLANT SPECIFIC OPERATIONS EXPENSE			
Total Network Support Expense (6110)	0	0	1
Less: Nonregulated	0	0	2
Net Regulated	0	0	0 3
Total General Support Expense (6120)	88,180	57,847	4
Less: Nonregulated	0	0	5 a
Net Regulated	88,180	57,847	0 6
Total Central Office Switching Expense (6210)	171,333	185,360	7
Less: Nonregulated	0	0	8
Net Regulated	171,333	185,360	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)	28,149	6,436	13
Less: Nonregulated	0	0	14 b
Net Regulated	28,149	6,436	0 15
Total Information Orig. / Term. Expense (6310)	2,947	0	16
Less: Nonregulated	0	0	17
Net Regulated	2,947	0	0 18
Total Cable and Wire Fac. Expense (6410)	516,844	523,346	19
Less: Nonregulated	0	0	20
Net Regulated	516,844	523,346	0 21
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	807,453	772,989	0
Less: Nonregulated	0	0	0
Net Regulated	807,453	772,989	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)	96,303	181,809	25
Less: Nonregulated	0	0	26 c
Net Regulated	96,303	181,809	0 27
Access Expense (6540)	16,718	36,806	28
Less: Nonregulated	0	0	29 d
Net Regulated	16,718	36,806	0 30
Total Depreciation and Amortization Expense (6560)	923,934	2,096,570	31
Less: Nonregulated	0	0	32 e
Net Regulated	923,934	2,096,570	33
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	1,036,955	2,315,185	0
Less: Nonregulated	0	0	0
Net Regulated	1,036,955	2,315,185	0

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6110					1
	0	0	0	0	2
					3
6120			57,847		4
	0	0	57,847	0	5 a
					6
6210			185,360		7
	0	0	185,360	0	8
					9
6220					10
	0	0	0	0	11
					12
6230			6,436		13
	0	0	6,436	0	14 b
					15
6310					16
	0	0	0	0	17
					18
6410			523,346		19
	0	0	523,346	0	20
					21
	0	0	772,989	0	
	0	0	0	0	
	0	0	772,989	0	
6510					22
					23
	0		0	0	24
6530			181,809		25
	0	0	181,809	0	26 c
					27
6540			36,806		28
	0	0	36,806	0	29 d
					30
6560			2,096,570		31
					32 e
			2,096,570		33
	0	0	2,315,185	0	
	0	0	0	0	
	0	0	2,315,185	0	

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)
CUSTOMER OPERATIONS EXPENSE			
Total Marketing (6610)	0	0	34
Less: Nonregulated	0	0	35
Net Regulated	0	0	0 36
Total Services (6620)	737,492	792,074	37
Less: Nonregulated	0	0	38
Net Regulated	737,492	792,074	0 39
TOTAL CUSTOMER OPERATIONS EXPENSE	737,492	792,074	0
Less: Nonregulated	0	0	0
Net Regulated	737,492	792,074	0
CORPORATE OPERATIONS EXPENSE			
Total Exec. and Planning (6710)	132,913	125,866	40
Less: Nonregulated	0	0	41
Net Regulated	132,913	125,866	0 42
Total General and Administrative (6720)	317,434	313,516	43
Less: Nonregulated	0	0	44
Net Regulated	317,434	313,516	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	450,347	439,382	0
Less: Nonregulated	0	0	0
Net Regulated	450,347	439,382	0
TOTAL EXPENSES	3,032,247	4,319,630	0
Less: Nonregulated	0	0	0
Net Regulated	3,032,247	4,319,630	0

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6610					34
					35
	0	0	0	0	36
6620			792,074		37
					38
	0		792,074	0	39
	0	0	792,074	0	
	0	0	0	0	
	0	0	792,074	0	
6710			125,866		40
					41
	0		125,866	0	42
6720			313,516		43
					44
	0		313,516	0	45
6790					46
					47
			0		48
	0	0	439,382	0	
	0	0	0	0	
	0	0	439,382	0	
	0	0	4,319,630	0	
	0	0	0	0	
	0	0	4,319,630	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)	923,934	2,096,570		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	923,934	2,096,570		

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			2,096,570		3
6562					4
6563					5
6564					6
6565					7
			2,096,570		

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

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

Description (a)	This Year (b)	
Gross Operating Revenues	5,969,476	1
Plus: Collection of amounts previously written off	0	2
Less: Uncollectibles written off during the year	0	3
Plus: Total Other Operating Income and (Expense) (7100)	0	4
Less: Nonregulated Operating Revenue (included Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify): None	0	8
Assessable Revenues for Remainder, Department of Justice, and Telephone Relay Assessment Purposes	5,969,476	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	2,138,611	1
Plus: Total Intrastate Access Revenues (5084)	1,276,217	2
Plus: Total Long Distance Network Services Revenue	285,952	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus (or Less) Other (please specify): None	0	5
Assessable Revenues for Universal Service Fund Assessment Purposes	3,700,780	

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

Currently, cooperatives are not billed for remainder assessment, but are subject to the telephone relay assessment.

Description (a)	This Year (b)	
Gross Operating Revenues	5,969,476	1
Plus: Collection of amounts previously written off	0	2
Less: Uncollectibles written off during the year	0	3
Plus: Total Other Operating Income and (Expense) (7100)	0	4
Less: Nonregulated Operating Revenue (included Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify):		
None	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	<u>5,969,476</u>	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	2,138,611	1
Plus: Total Intrastate Access Revenues (5084)	1,276,217	2
Plus: Total Long Distance Network Services Revenue	285,952	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus (or Less) Other (please specify):		
None	0	5
Assessable Revenues for Universal Service Fund Assessment Purposes	<u>3,700,780</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)*			1
Return from Nonregulated Use of Regulated Facilities (7130)*			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)*			5
TOTAL OTHER OPERATING INCOME AND (EXPENSE) (7100)*	0	0	
OPERATING TAXES			
Operating Investment Tax Credits--Net (7210)*	(22,078)	(20,809)	6
Operating Federal Income Taxes (7220)*	602,999	338,081	7
Operating State and Local Income Taxes (7230)*	157,984	93,511	8
Operating Other Taxes (7240)*	350,931	301,096	9
Provision for Deferred Operating Income Taxes--Net (7250)*	(346,204)	126,560	10 np
TOTAL OPERATING TAXES (7200)*	743,632	838,439	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)*			11
Interest Income (7320)*	69,632	33,228	12
Income from Sinking and Other Funds (7330)*			13
Allowance for Funds Used During Construction (7340)*	11,667	9,708	14
Gains or (Losses) from the Disposition of Certain Property (7350)*			15
Other Nonoperating Income (7360)*	21,880	249,926	16
Special Charges (7370)*	22,583	29,215	17
TOTAL NONOPERATING INCOME AND EXPENSE (7300)*	80,596	263,647	
NONOPERATING TAXES			
Nonoperating Investment Tax Credits--Net (7410)*			18
Nonoperating Federal Income Taxes (7420)*	135,050	72,068	19
Nonoperating State and Local Income Taxes (7430)*	35,038	18,967	20
Nonoperating Other Taxes (7440)*			21
Provision for Deferred Nonoperating Income Taxes-Net (7450)*	(145,298)	10,527	22
TOTAL NONOPERATING TAXES (7400)*	24,790	101,562	
INTEREST AND RELATED ITEMS			
Interest on Funded Debt (7510)*	263,091	282,465	23
Interest Expense--Capital Leases (7520)*			24
Amortization of Debt Issuance Expense (7530)*	332	332	25
Other Interest Deductions (7540)*			26
TOTAL INTEREST AND RELATED ITEMS (7500)*	263,423	282,797	
EXTRAORDINARY ITEMS			
Extraordinary Items (7600)*			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)*	(25,875)	(29,743)	32

NONREGULATED NET INCOME (ACCT. 7990)

Particulars (a)	Amount (b)	
Revenues (Acct. 7990.1)		
Gross Sales	115,859	1
Less: Cost of Goods Sold	6,445	2
Net Sales	109,414	3
Expenses (Acct. 7990.2)	135,289	4
Nonregulated Net Income	<u><u>(25,875)</u></u>	5

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

Nonregulated activity includes repair of customer premise equipment, inside wiring repairs and maintenance, and provision of internet services.

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	26,215	2
Plant Accounts	80,675	3
Accumulated Depreciation Accounts		4
All Other Accounts	583,180	5
Total Salaries and Wages	<u>690,070</u>	6 o

EMPLOYEE DATA

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

Employee Category (a)	Number of Equivalent Full-Time Employees		Total Compensation (d)	
	FOY (b)	EOY (c)		
Officers	1.00	1.00	84,252	1
Supervision and Other Management	3.00	3.00	170,300	2
Other Employees	17.00	12.00	435,518	3
Total	<u>21.00</u>	<u>16.00</u>	<u>690,070</u>	

DISTRIBUTION OF SALARIES AND WAGES

Description (a)	Amount (b)	
Regulated Expense	0	1
Nonregulated Expense	26,215	2
Plant Accounts	80,675	3
Accumulated Depreciation Accounts		4
All Other Accounts	583,180	5
Total Salaries and Wages	690,070	6 o

EMPLOYEE DATA

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

Employee Category (a)	Number of Equivalent Full-Time Employees		Total Compensation (d)	
	FOY (b)	EOY (c)		
Officers	1.00	1.00	84,252	1
Supervision and Other Management	3.00	3.00	170,300	2
Other Employees	17.00	12.00	435,518	3
Total	21.00	16.00	690,070	

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	818	0	1
Extended Area Service	918	0	2
Extended Community Calling	102	0	3
Other Local-Undefined	0	0	4
Total Local	1,838	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	1,147	4,226	12
Total Toll	1,147	4,226	
Total Local & Toll	2,985	4,226	

ACCESS USAGE

Enter number, in thousands, of Billed Minutes.

Description (a)	Billed Minutes (000's)				
	Interstate InterLATA (b)	Intrastate InterLATA (c)	Intrastate IntraLATA (d)	Interstate IntraLATA (e)	
Feature Group A -- Orig.					1
Feature Group A -- Term.					2
Feature Group B -- Orig.	20				3
Feature Group B -- Term.	227				4
Feature Group C -- Orig.			8,476	2	5
Feature Group C -- Term.			8,465	2	6
Feature Group D -- Orig.	11,358	6,511			7
Feature Group D -- Term.	10,084	5,391			8

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	19	1
Sheath miles of plant - buried	435	2
Sheath miles of plant - fiber optics	17	3
Strand miles of plant - fiber optics	294	4
Route miles of plant - microwave		5

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	5	46	1
56 kbps	8	5	2
64 kbps (DS0)	0	1	3
1.54 Mbps (DS-1)	8	8	4
45 Mbps (DS-3)	0	1	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	19	1
Sheath miles of plant - buried	435	2
Sheath miles of plant - fiber optics	17	3
Strand miles of plant - fiber optics	294	4
Route miles of plant - microwave		5

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	5	46	1
56 kbps	8	5	2
64 kbps (DS0)	0	1	3
1.54 Mbps (DS-1)	8	8	4
45 Mbps (DS-3)	0	1	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	1,065	1,167	3
2 Party			4
4 Party			5
PBX Trunks/System Trunks	33	38	6
Centrex Trunks			7
Centrex Lines			8
Key System Trunks	171	165	9
Mobile (Utility Provided Service)			10
Paging (Utility Provided Service)			11
FX-Out (Switched)	40	7	12
Pay Telephone			13
Coin-Operated Pay Telephone	26	26	14
Independent Pay Telephone Provider	19	19	15
Pay Stations - Public	0	0	16
- Semi-Public	0	0	17
- Cust. Owned	0	0	18
Other			19
Total Business Lines	1,354	1,422	20
Residential (Incl. Emp. Concess.)			
1 Party	7,507	8,001	22
2 Party			23
4 Party			24
FX-Out (Switched)	8	38	25
Other			26
Total Residential Lines	7,515	8,039	27
Total Bus & Res Lines	8,869	9,461	28
Company Used Lines	76	25	29
Total Lines Used	8,945	9,486	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	50	51	5
Special Access-intraLATA			6
(expressed in equiv. access lines)	146	916	7
Special Access-interLATA			8
(expressed in equiv. access lines)	180	205	9
Feature Group A Lines			10
Feature Group B Trunks			11
Feature Group C Trunks			12
Feature Group D Trunks			13
TSPS - Trunks			14
EAS - Trunks			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)			24
	13,679,283	14,516,011	25
Total Company Square Miles	132	132	26
Total Company Route Miles	455	471	27
Footnotes			28
			29
			30

SERVICE DATA - END OF YEAR

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

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	5610	5920			1
Business					2
1 Party	868	299			3
2 Party					4
4 Party					5
PBX Trunks/System Trunks	38				6
Centrex Trunks					7
Centrex Lines					8
Key System Trunks	152	13			9
Mobile (utility provided service)					10
Paging (utility provided service)					11
FX-Out (Switched)	4	3			12
Pay Telephone					13
Coin-Operated Pay Telephone	23	3			14
Independent Pay Telephone Provider	14	5			15
Pay Stations - Public	0	0			16
- Semi-Public	0	0			17
- Cust. Owned	0	0			18
Other					19
Total Business Lines	1,099	323	0	0	20
Residential (Incl. Emp. Concess.)					21
1 Party	5,135	2,866			22
2 Party					23
4 Party					24
FX-Out (Switched)	18	20			25
Other					26
Total Residential Lines	5,153	2,886	0	0	27
Total Bus & Res Lines	6,252	3,209	0	0	28
Company Used Lines	16	9			29
Total Lines Used	6,268	3,218	0	0	30

SERVICE DATA - END OF YEAR (cont.)

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

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	5610	5920			1
Miscellaneous					2
WATS Lines - OutWATS					3
WATS Lines - 800 Service					4
FX-In-intraLATA	29	22			5
Special Access-intraLATA (equiv. access lines)	877	39			6 7
Special Access-interLATA (equiv. access lines)	155	50			8 9
Feature Group A Lines					10
Feature Group B Trunks					11
Feature Group C Trunks					12
Feature Group D Trunks					13
TSPS - Trunks					14
EAS - Trunks					15
Cellular Trunks (Pub. Sw. Net.)					16
Video Distance Learning - discounted (special tariff)					17 18
Customers					19
Business - 2 Party Customers					20
Business - 4 Party Customers					21
Residential - 2 Party Customers					22
Residential - 4 Party Customers					23
Other					24
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical location of plant)	9,456,251	5,059,760			26 27
Exchange Square Miles	88	44			28
Exchange Route Miles	297	174			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--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	WATERFORD	WIND LAKE			1
PSCW Exchange ID	5610	5920			2
Central Office Name	WATERFORD	WIND LAKE			3
PSCW Central Office ID	1	1			4
Manufacturer of COE (Page 54)	NEC	NEC			5
Year COE Installed	1991	1993			6
Type of Equipment (Page 54)	D	D			7
(S)tandalone, (H)ost, (R)emote	S	S			8
Remote Host PSCW Exchange ID					9
Remote Host PSCW Central Office ID	0	0			10
COE Generic Software Release No.	0				11
SS7?	Yes	Yes			12
9-1-1?	Yes	Yes			13
Access Lines - In Use	0	0			14
- Equipped	8,880	4,160			15
- Wired	8,880	4,928			16
Trunks - In Use	0	0			17
- Equipped	0	0			18
- Wired	0	0			19
ISDN Available?	No	No			20
ISDN Lines - In Use (BRI)	0	0			21
- In Use (PRI)	0	0			22
Switched 56 Service?	No	No			23
Switched 56 lines in use	0	0			24
Digital Transmission Facilities: DS-1 - In Use	147	39			25
DS-3 - In Use	6	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.	40	8			33
No. of fiber strands working (LIT) in C.O.	8	4			34
No. of fiber strands for interoffice use	4	4			35
Miles of fiber sheath in wire center	15	2			36
Access Tandem Serving this C.O.:					
- C.O. Name	MILWAUKEE	MILWAUKEE			37
- PSCW C.O. ID	3420-01	3420-01			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 Ryon Kautz, Kiesling, 11/26/99.

Item 1: noted

Item 2: 1997 response attached.(1997 items closed)

Item 3: Referred to Clarence. Ok-Per utility correspondence, \$1,100,000 was expensed in additional depreciation. Authorization was not requested because the PSC order authorizing the installation of the NEC switches required any loss due to early retirement be borne by the stockholders.

Item 4: All efforts will be made to provide in 1999 report.

ele

October 25, 1999

Mr. James M. Mitchell, General Manager
Southeast Telephone Company of Wisconsin, Inc.
311 Elizabeth Street
Waterford, WI 53185-4385

Re:1998 Analytical ReviewDWCCA-5570-ELE

Dear Mr. Mitchell:

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 that some of the pages filed in your public 1998 annual report were out of order and should be arranged as follows:

Copy 1 of Page 50 should read across to Copy 1 of Page 52

Copy 1 of Page 52 should read across to Copy 1 of Page 53

In the future, be sure your pages are arranged in the correct order.

2. 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 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.

3. 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.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

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

4. Staff review of page 47 reveals that information related to telephone calls and minutes of use per month are either partially provided or not provided at all. Further, no footnote is provided as to the reason(s) for not furnishing this information.

Your attention is drawn to the instructions for filing this data shown in the Commission staff e?mail dated November 19, 1998, concerning the 1998 report and the schedule reference sheet for page 47, Telephone Calls and Minutes of Use Per Month, in the 1998 Operations Manual. Even though the Commission is not requiring your company to furnish this data for the 1998 annual report due to time constraints, all efforts should be made to provide this information for the 1999 annual report due April 1, 2000. In cases where actual data cannot be made available for the 1999 report, estimated number of calls and minutes of use per month may be provided. Nonavailability of this information should be documented in a footnote that states clearly the reason(s) as to why it is not available and outlines the actions taken by the company to obtain such information (such as the results of discussions with switch vendors and the cost associated with adding this feature to the switching equipment or software).

We appreciate your cooperation in providing the above information. These recommendations are intended to provide accounting assistance and should not be construed as criticisms of utility personnel. If you have any questions, please feel free to contact me at

Schedule Footnotes

Cover Page Footnote. Page 1

Identification and Ownership Footnote. Page 7

There is a handwritten note in the public copy that the fax number and telephone number should be reversed. I dont know if this was written by staff or the utility. 9/28/99 ele (numbers remain as filed)

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.

Accumulated Depreciation Class A & B Footnote. Page 26

Not used.

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.

Service Data - End of Year Footnote. Page 52

Schedule Line Footnotes

- a) In 1997 there were CPR adjustments, they purchased new software and made computer repairs. These expenses were not present in 1998.
- b) Decrease due to a coding change in 1998 and employees attending a training class in 1997.
- c) Increase due to change to Autocads system and mapping charges related to buried cable.
- d) Increase due to new USF charges.
- e) Additional depreciation taken on switches which will be retired in 1999.
- f) There are different depreciation rates being used within this sub-class account, rate given is a composite.
- g) In 1998 charges for Directory Assistance increased.
- h) Company converted from NECA Interstate average schedule to cost during 1998.
- i) Increase/Decrease due change in special circuits.
- j) Not used.
- k) Increase due to full year of service versus 10 months in 1997. Also video Distance Learning started in 1998.
- l) 1997 included an adjustment to payables for contract with MCI. This adjustment did not exist in 1998.
- m) Vehicles are depreciated on a per unit basis.
- n) See Net Deferred Operating Income Taxes Schedule Footnote.
- o) The Regulated Expense amount for salaries and wages is included on line 5, All Other Accounts due to changes in Expense Matrix, page 41. See Expense Matrix schedule footnote.
- p) Balance reflects the increase in temporary difference due to operating activities.