



4004

# ANNUAL REPORT

OF

Name: SPRING VALLEY TELEPHONE COMPANY, INC.

Principal Office: S131 MCKAY AVE  
P.O. BOX 220  
SPRING VALLEY, WI 54767-0220

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

<b>Access Line</b>	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.
<b>Analog Signal</b>	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.
<b>Cellular System</b>	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.
<b>Central Office</b>	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.
<b>Centrex</b>	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).
<b>Channel</b>	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.
<b>Customer</b>	A person who uses a telephone as a subscriber.
<b>Digital Signal</b>	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.
<b>Equal Access</b>	The ability of the subscriber to use any long distance service by dialing the same number of digits.
<b>Exchange</b>	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.
<b>Extended Area Service (EAS)</b>	The ability of a customer to call customers in other exchanges at no additional charge or at an additional charge per tariff.
<b>Extended Community Calling (ECC)</b>	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.
<b>Feature Group A</b>	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

<b>Feature Group B</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.
<b>Feature Group C</b>	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.
<b>Feature Group D</b>	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.
<b>FX-IN</b>	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.
<b>FX-OUT</b>	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.
<b>Host Switching System</b>	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.
<b>Local Access Transport Area (LATA)</b>	A geographic area within which an operating company may offer its telecommunications services.
<b>Mobile Telephone</b>	A service which provides radio telephone communication from a mobile vehicle to another vehicle or to a regular telephone.
<b>Paging</b>	A service which provides one-way signal or voice communication over a radio channel to a miniature receiver carried by the customer.
<b>Pair</b>	Two wires of a single circuit.
<b>Pay Station</b>	A telephone which normally requires all users to deposit one or more coins or use a credit card to complete a call.
<b>Private Line Service</b>	Channel or circuit rented for private use and not intended to be connected to the general distribution system.
<b>Private Branch Exchange (PBX)</b>	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.
<b>Radio Common Carrier (RCC)</b>	A company which furnishes public telecommunications service using one or more radio channels.
<b>Remote Switching Unit (RSU)</b>	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

<b>Route Miles</b>	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"><li>1. One mile of roadway with any combination of outside plant facilities on any number of rights-of-way.</li><li>2. One mile of a cross country route with any combination of outside plant facilities.</li><li>3. One mile of point-to-point microwave or radio link.</li><li>4. One mile of plant on either side of a limited access highway or natural barrier, such as a navigable waterway.</li><li>5. One mile of joint use line where the utility either owns the facility or leases space.</li></ol>
<b>Stand Alone Switch</b>	A central office switch which has no remote switching units (RSUs) subtending it.
<b>Trunk</b>	A communications path connecting two switching systems in the establishment of an end-to-end connection.
<b>Wide Area Telephone Service (WATS)</b>	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.
<b>Wire Center</b>	The location of one or more local switching systems. A point at which customers' loops converge.

## ABBREVIATIONS USED IN ANNUAL REPORTS

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

## IDENTIFICATION AND OWNERSHIP

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**Exact Utility Name:** SPRING VALLEY TELEPHONE COMPANY, INC.  
**Utility Location:** S131 MCKAY AVE  
P.O. BOX 220  
SPRING VALLEY, WI 54767-0220

**Utility Web Site Address:**

**When was utility organized?:** 07/07/1958

**Report any change in name and the effective date:**

---

**Officer in charge of correspondence concerning this report**

**Name:** MAXWELL O . DOWNS  
**Title:** GENERAL MANAGER

**Office Address:** 131 SOUTH MCKAY  
P.O. BOX 220  
SPRING VALLEY , WI 54767

**Fax Number:** (715) 778 - 4433  
**Telephone Number:** (715) 778 - 4798

**Email Address:**

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**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  
**Telephone Number:** (608) 273 - 2315

**Email Address:**

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**Person responsible for financial information contained in report**

**Name:** MAXWELL O . DOWNS  
**Title:** GENERAL MANAGER

**Office Address:** 131 SOUTH MCKAY  
P.O. BOX 220  
SPRING VALLEY , WI 54767

**Fax Number:** (715) 778 - 4433  
**Telephone Number:** (715) 778 - 4798

**Email Address:**

---

**Person responsible for statistical information contained in report**

**Name:** MAXWELL O . DOWNS  
**Title:** GENERAL MANAGER

**Office Address:** 131 SOUTH MCKAY  
P.O. BOX 220  
SPRING VALLEY , WI 54767

**Fax Number:** (715) 778 - 4433  
**Telephone Number:** (715) 778 - 4798

**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:** CHARLES D. RINGROSE  
**Address:** 122 NORTH RANDALL  
RIDGECREST , CA 93555

**Number of Shares Held:** 300  
**Beneficial Owner:** NONE

**Name:** SUE R. KROHN  
**Address:** 590 SHERRY LANE  
DEERFIELD , IL 60015

**Number of Shares Held:** 300  
**Beneficial Owner:** NONE

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

**Company Name:** SPRING VALLEY CELLULAR, INC.  
**Form of Interest:** OWNED  
**Extent Of Interest:** 100%

**Company Name:** SPRING VALLEY TELEPHONE LONG DISTANCE, 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)	861,649	805,391	1
<b>Operating Expenses</b>			
Plant Specific Operations Expense (6110-6410)	111,342	101,999	2
Plant Nonspecific Operations Expense	157,293	148,306	3
Customer Operations Expense (6610-6620)	140,653	127,831	4
Corporate Operations Expense (6710-6790)	177,802	175,533	5
Other Operating Income and Expense (7100)	0	0	6
Operating Taxes (7200)	121,049	102,190	7
<b>Total Operating Expenses</b>	<b>708,139</b>	<b>655,859</b>	<b>8</b>
<b>Net Operating Income</b>	<b>153,510</b>	<b>149,532</b>	<b>9</b>
<b>Other Income</b>			
Nonoperating Income and Expense (7300)	113,211	12,916	10
Nonoperating Taxes (7400)	(5,426)	930	11
Interest and Related Items (7500)	86,399	84,673	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	31,468	26,137	14
<b>Total Nonoperating Income</b>	<b>63,706</b>	<b>(46,550)</b>	<b>15</b>
<b>Net Income</b>	<b>217,216</b>	<b>102,982</b>	<b>16</b>

## 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 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 are 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.

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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 March 31, 1998, the maximum amount which could be distributed in accordance with these restrictions was \$270,000, except as might be specifically authorized in writing in advance by the RUS and RTB noteholders.

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
<b>CURRENT ASSETS</b>			
<b>CASH AND EQUIVALENTS</b>			
Cash and Equivalents (1120 )*	390,118	477,130	1
Cash (1130 )			2
Special Cash Deposits (1140 )			3
Working Cash Advances (1150 )			4
Temporary Investments (1160 )			5
<b>TOTAL CASH AND EQUIVALENTS</b>	<b>390,118</b>	<b>477,130</b>	
<b>RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS</b>			
Telecommunications Accounts Receivable (1180 )*	65,044	55,144	6
Accounts Receivable Allowance-Telecom (1181 )*		0	7
<b>Net: Telecommunications Accounts Receivable</b>	<b>65,044</b>	<b>55,144</b>	
Other Accounts Receivable (1190 )*	131,036	110,116	8
Accounts Receivable Allowance--Other (1191 )*	0	0	9
<b>Net: Other Accounts Receivable</b>	<b>131,036</b>	<b>110,116</b>	
Notes Receivable (1200 )*	0	0	10
Notes Receivable Allowance (1201 )*	0	0	11
<b>Net: Notes Receivable</b>	<b>0</b>	<b>0</b>	
Interest and Dividends Receivable (1210 )*	1,673	1,949	12
<b>TOTAL RECEIVABLES AND ALLOWANCES FOR DOUBTFUL</b>	<b>197,753</b>	<b>167,209</b>	
<b>SUPPLIES</b>			
Inventories (1220 )*	15,847	15,561	13
<b>TOTAL SUPPLIES</b>	<b>15,847</b>	<b>15,561</b>	
<b>PREPAYMENTS</b>			
Total Prepayments (1280 )*	3,261	5,828	14
Prepaid Rents (1290 )			15
Prepaid Taxes (1300 )			16
Prepaid Insurance (1310 )			17
Prepaid Directory Expenses (1320 )			18
Other Prepayments (1330 )			19
<b>TOTAL PREPAYMENTS</b>	<b>3,261</b>	<b>5,828</b>	
<b>OTHER CURRENT ASSETS</b>			
Other Current Assets (1350 )*	10,043	(638)	20
<b>TOTAL OTHER CURRENT ASSETS</b>	<b>10,043</b>	<b>(638)</b>	
<b>TOTAL CURRENT ASSETS</b>	<b>617,022</b>	<b>665,090</b>	
<b>NONCURRENT ASSETS</b>			
<b>INVESTMENTS</b>			
Investment in Affiliated Companies (1401 )*	370,740	108,684	21
Investments in Nonaffiliated Companies (1402 )*	32,107	32,107	22
Nonregulated Investments (1406 )*	8,689	7,112	23
Unamortized Debt Issuance Expense (1407 )*	1,175	1,226	24
Sinking Funds (1408 )*	0	0	25

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
<b>NONCURRENT ASSETS</b>			
<b>INVESTMENTS</b>			
Other Noncurrent Assets (1410 )*	0	0	26
<b>TOTAL INVESTMENTS</b>	<b>412,711</b>	<b>149,129</b>	
<b>DEFERRED CHARGES</b>			
Deferred Tax Regulatory Asset (1437 )*	0	0	27
Deferred Maintenance and Retirements (1438 )*	0	0	28
Deferred Charges (1439 )*	15,768	0	29
<b>TOTAL DEFERRED CHARGES</b>	<b>15,768</b>	<b>0</b>	
<b>TOTAL NONCURRENT ASSETS</b>	<b>428,479</b>	<b>149,129</b>	
<b>PLANT</b>			
<b>TELECOMMUNICATIONS PLANT IN SERVICE</b>			
Telecommunications Plant in Service (2001 )*	2,725,787	2,531,617	30
Less: Accumulated Depreciation (3100 )*	932,940	787,549	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
<b>NET TELECOMMUNICATIONS PLANT IN SERVICE</b>	<b>1,792,847</b>	<b>1,744,068</b>	
<b>PROPERTY HELD FOR FUTURE USE</b>			
Prop. Held for Future Telecommun. Use (2002 )*	0	0	35
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200 )*	0	0	36
<b>NET PROPERTY HELD FOR FUTURE USE</b>	<b>0</b>	<b>0</b>	
<b>NONOPERATING PLANT</b>			
Nonoperating Plant (2006 )*	0	0	37
Less: Accumulated Depreciation--Nonoperating (3300 )*	0	0	38
<b>NET NONOPERATING PLANT</b>	<b>0</b>	<b>0</b>	
<b>TPUC</b>			
TPUC (2003 )*	0	127,275	39
<b>TOTAL TPUC</b>	<b>0</b>	<b>127,275</b>	
<b>TELECOMMUNICATIONS PLANT ADJUSTMENT</b>			
Telecommunications Plant Adjustment (2005 )*	0	0	40
Less: Accumulated Amortization--Other (3600 )*	0	0	41
<b>NET TELECOMMUNICATIONS PLANT ADJUSTMENT</b>	<b>0</b>	<b>0</b>	
<b>TOTAL PLANT</b>	<b>1,792,847</b>	<b>1,871,343</b>	
<b>TOTAL ASSETS AND OTHER DEBITS*</b>	<b>2,838,348</b>	<b>2,685,562</b>	

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
<b>CURRENT LIABILITIES</b>			
Accounts Payable (4010 )*	80,089	169,067	1
Notes Payable (4020 )*	0	0	2
Advance Billing and Payments (4030 )*	0	0	3
Customer Deposits (4040 )*	0	0	4
Current Maturities--Long-Term Debt (4050 )*	46,600	43,600	5
Current Maturities--Capital Leases (4060 )*	0	0	6
Income Taxes--Accrued (4070 )*	15,226	(25,535)	7
Other Taxes--Accrued (4080 )*	(3,209)	(9,382)	8
Net Current Deferred Operating Income Taxes (4100 )*	0	0	9
Net Current Deferred Nonoperating Income Taxes (4110 )*	0	0	10
Other Accrued Liabilities (4120 )*	4,911	5,075	11
Other Current Liabilities (4130 )*	0	0	12
<b>TOTAL CURRENT LIABILITIES*</b>	<b>143,617</b>	<b>182,825</b>	
<b>LONG-TERM DEBT</b>			
Funded Debt (4210 )*	1,359,111	1,297,989	13
Premium on Long-Term Debt (4220 )*	0	0	14
Discount on Long-Term Debt (4230 )*	0	0	15
Reacquired Debt (4240 )*	0	0	16
Obligations Under Capital Leases (4250 )*	0	0	17
Advances from Affiliated Companies (4260 )*	0	0	18
Other Long-Term Debt (4270 )*	0	0	19
<b>TOTAL LONG-TERM DEBT*</b>	<b>1,359,111</b>	<b>1,297,989</b>	
<b>OTHER LIABILITIES AND DEFERRED CREDITS</b>			
Other Long-Term Liabilities (4310 )*	0	0	20
Unamortized Operating ITC--Net (4320 )*	6,624	11,624	21
Unamortized Nonoperating ITC--Net (4330 )*	0	0	22
Net Noncurrent Deferred Operating Income Taxes (4340 )*	141,814	116,852	23
Net Deferred Tax Liability Adjustments (4341 )*	(4,338)	(6,395)	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350 )*	(4,909)	(6,306)	25
Other Deferred Credits (4360 )*	56,640	66,350	26
Deferred Tax Regulatory Liability (4361 )*	4,438	6,484	27
<b>TOTAL OTHER LIABILITIES AND DEFERRED CREDITS*</b>	<b>200,269</b>	<b>188,609</b>	
<b>STOCKHOLDERS' EQUITY</b>			
Capital Stock (4510 )*	60,000	60,000	28
Additional Paid-in Capital (4520 )*	0	0	29
Treasury Stock (4530 )*	0	0	30
Other Capital (4540 )*	0	0	31
Retained Earnings (4550 )*	1,075,351	956,139	32
<b>TOTAL STOCKHOLDERS' EQUITY*</b>	<b>1,135,351</b>	<b>1,016,139</b>	
<b>TOTAL LIABILITIES AND OTHER CREDITS*</b>	<b>2,838,348</b>	<b>2,685,562</b>	

**STATEMENT OF CASH FLOWS**

Item (a)	Amount (b)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Income	217,216	1
<b>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:</b>		
Depreciation and amortization	150,343	2
Interest during construction	0	3
<b>Changes in assets and liabilities:</b>		
Current assets (net)	(38,944)	4
Other noncurrent assets	(15,819)	5
Other current liabilities	(42,208)	6
Other liabilities and deferred credits	11,660	7
<b>Other (specify):</b>		
<b>TOTAL ADJUSTMENTS</b>	<b>65,032</b>	
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES (NET INCOME &amp; ADJUST.)</b>	<b>282,248</b>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Capital Expenditures:</b>		
Changes in plant (net)	(71,847)	8
Investments in affiliated companies	(262,056)	9
Nonoperating Investments	(1,577)	10
<b>Other (specify):</b>		
<b>NET CASH USING IN INVESTING ACTIVITIES</b>	<b>(335,480)</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Change in capital lease obligations (net)	0	11
Change in long-term debt (net)	64,224	12
Net changes in stockholder equity other than retained earnings	0	13
Change in short term borrowing (net)	0	14
Dividends paid	(98,004)	15
Miscellaneous debits/credits to retained earnings	0	16
<b>Other (specify):</b>		
<b>Net Cash Provided by Financing Activities</b>	<b>(33,780)</b>	
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(87,012)</b>	
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

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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**

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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**

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

**None**

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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**

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

**None**

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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**

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

**None**

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

**None**

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### 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.

<b>Name of Affiliate (a)</b>	<b>Abbreviations (b)</b>	
SPRING VALLEY CELLULAR	SPVY CELL	<b>1</b>
SPRING VALLEY TELEPHONE LONG DISTANCE	SPVY LD	<b>2</b>

### AFFILIATED INTEREST TRANSACTIONS

Provide a summary of transactions under established affiliated interest contracts and arrangements (see Wis. Stat. § 196.52, for "affiliated interest" definitions). Use the space below to report transactions with individual affiliates and multiple affiliated interest agreements or, at the utility's option, with individual affiliates and a single agreement. Activity associated with affiliated contracts or arrangements not in excess of \$25,000 or 5 percent of the equity of the utility, whichever is smaller, may be aggregated in a single record. For utilities whose intrastate gross operating revenues of the previous year exceeded \$100,000,000, individual contracts or arrangements not exceeding \$100,000 may be aggregated in a single record. Where an affiliate is both providing and receiving service use one record to show billings to and a second record for billings from. When billings to or from an affiliate are recorded on the books of the utility, the records underlying such billings shall be sufficient to show all the detail maintained to identify the associated accounts related to the billing and categorize billings according to the account categories shown below.

Particulars (a)	(b)	(c)	(d)	(e)		
Docket	7072-TI-100					
Name of Affiliate	SPVY LD					1
Designate whether billed to or from:	TO					2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	M					3
Revenues						4
<b>Expenses:</b>						
Plant Specific Operations Expense						5
Plant Nonspecific Operations Expense						6
Customer Operations Expense						7
Corporate Operations Expense						8
<b>Total Operating Expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9</b>
<b>Other:</b>						
Plant Accounts						10
Accumulated Depreciation						11
Accumulated Amortization						12
Clearing						13
All Other	27,726					14
<b>Total</b>	<b>27,726</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15</b>
Percent of affiliate's business billed to all affiliated regulated utilities						16
If cost based, rate of return on equity or markup incorporated in billings						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)	
SPRING VALLEY CELLULAR	1190	19,968	1
SPRING VALLEY TELEPHONE LONG DISTANCE	1190	3,200	2
SPRING VALLEY CELLULAR	1401	169,221	3
SPRING VALLEY TELEPHONE LONG DISTANCE	1401	201,519	4
SPRING VALLEY TELEPHONE LONG DISTANCE	4010	20,662	5

## ACCOUNTS RECEIVABLE NET WRITE OFFS - TELECOMMUNICATIONS

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

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

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

<b>Name (a)</b>	<b>Balance EOY (b)</b>	
RTB Class B Stock	22,707	1
<b>Other:</b>		
WITS STOCK	9,400	2
<b>Total Investments in Nonaffiliated Companies</b>	<b>32,107</b>	

**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)	
<b>Total Net Investment and Inventory ( Accts. 1406.10, 1406.11, and 1406.12 ):</b>		
Inventory	5,138	<b>1</b>
Nonregulated Investment (net)	3,551	<b>2</b>

**DEFERRED MAINTENANCE AND RETIREMENTS (ACCT. 1438)**

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

<b>Description of Item (a)</b>	<b>Balance EOY (b)</b>
<hr/>	

**TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B**

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
<b>GENERAL SUPPORT ASSETS</b>				
Land	2111	6,785		1
Motor Vehicles	2112	77,879		2
Aircraft	2113	0		3
Special Purpose Vehicles	2114	0		4
Garage Work Equipment	2115	0		5
Other Work Equipment	2116	86,194	4,842	6
Buildings	2121	151,435	3,504	7
Furniture	2122	2,586		8
Office Equipment	2123	12,769	0	9
General Purpose Computers	2124	31,418	6,569	10
<b>TOTAL--GENERAL SUPPORT ASSETS:</b>		<b>369,066</b>	<b>14,915</b>	
<b>CENTRAL OFFICE ASSETS</b>				
Analog Electronic Switching	2211	0		11
Digital Electronic Switching	2212	345,099	5,993	12
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220	0		14
Radio Systems	2231	0	0	15
Circuit Equipment	2232	265,908	362	16
<b>TOTAL--CENTRAL OFFICE ASSETS:</b>		<b>611,007</b>	<b>6,355</b>	
<b>INFORMATION ORIGATION/TERMINATION ASSETS</b>				
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	14,845		21
<b>TOTAL--INFORMATION ORIG/TERM ASSETS:</b>		<b>14,845</b>	<b>0</b>	
<b>CABLE WIRE FACILITIES ASSETS</b>				
Poles	2411	1,230		22
Aerial Cable	2421	2,550	0	23
Underground Cable	2422	0	0	24
Buried Cable	2423	1,532,647	177,852	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
<b>TOTAL--CABLE WIRE FACILITIES ASSETS:</b>		<b>1,536,427</b>	<b>177,852</b>	
<b>AMORTIZABLE ASSETS</b>				
Capital Leases	2681	0		31

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

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2111			6,785	1
2112			77,879	2
2113			0	3
2114			0	4
2115			0	5
2116			91,036	6
2121			154,939	7
2122	256		2,330	8
2123	2,638	0	10,131	9
2124	2,058		35,929	10
	<b>4,952</b>	<b>0</b>	<b>379,029</b>	
2211			0	11
2212	0	0	351,092	12
2215	0	0	0	13
2220			0	14
2231	0	0	0	15
2232	0	0	266,270	16
	<b>0</b>	<b>0</b>	<b>617,362</b>	
2311			0	17
2321			0	18
2341			0	19
2351			0	20
2362			14,845	21
	<b>0</b>	<b>0</b>	<b>14,845</b>	
2411			1,230	22
2421	0	0	2,550	23
2422	0	0	0	24
2423	0	0	1,710,499	25
2424	0	0	0	26
2425			0	27
2426	0	0	0	28
2431			0	29
2441			0	30
	<b>0</b>	<b>0</b>	<b>1,714,279</b>	
2681			0	31

**TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B**

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)
<b>AMORTIZABLE ASSETS</b>			
Leasehold Improvements	2682	0	32
Intangibles	2690	272	33
<b>TOTAL--AMORTIZABLE ASSETS:</b>		<b>272</b>	<b>0</b>
<b>TOTAL TELECOM. PLANT IN SERVICE</b>	<b>2001</b>	<b>2,531,617</b>	<b>199,122</b>
Less: Allocation to Nonregulated Activity - EOY	2001		34
<b>NET REG. TOTAL TELE. PLANT IN SERV. - EOY</b>	<b>2001</b>		

Explain all amounts shown in column (g).

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

<b>Account (e)</b>	<b>Retirements (f)</b>	<b>Transfers / Adjustments (g)</b>	<b>Balance EOY (h)</b>	
2682			<b>0</b>	<b>32</b>
2690			<b>272</b>	<b>33</b>
	<b>0</b>	<b>0</b>	<b>272</b>	
	<b>4,952</b>	<b>0</b>	<b>2,725,787</b>	
2001			<b>0</b>	<b>34</b>
			<b>2,725,787</b>	

**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	7,506		<b>1</b>
Company Communications Equipment	2123.2	5,263		<b>2</b>
Software	2212.1	0		<b>3</b>
Digital Switching - Central Office	2212.2	345,099	5,993	<b>4</b>
Digital Switching - Remote	2212.3	0		<b>5</b>
Step by Step Switching	2215.1	0		<b>6</b>
Crossbar Switching	2215.2	0		<b>7</b>
Satellite and Earth Station Facilities	2231.1	0		<b>8</b>
Other Radio Facilities	2231.2	0		<b>9</b>
Digital Circuit Equipment	2232.1	265,908	362	<b>10</b>
Analog Circuit Equipment	2232.2	0		<b>11</b>
Light Wave Circuit Equipment	2232.3	0		<b>12</b>
Aerial Cable - Nonmetallic	2421.1	0		<b>13</b>
Aerial Cable - Metallic	2421.2	2,550		<b>14</b>
Underground Cable - Nonmetallic	2422.1	0		<b>15</b>
Underground Cable - Metallic	2422.2	0		<b>16</b>
Buried Cable - Nonmetallic	2423.1	0		<b>17</b>
Buried Cable - Metallic	2423.2	1,532,647	177,852	<b>18</b>
Submarine Cable - Nonmetallic	2424.1	0		<b>19</b>
Submarine Cable - Metallic	2424.2	0		<b>20</b>
Intrabuilding Cable - Nonmetallic	2426.1	0		<b>21</b>
Intrabuilding Cable - Metallic	2426.2	0		<b>22</b>

Explain all amounts shown in column (g).

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

<b>Subaccount (e)</b>	<b>Retirements (f)</b>	<b>Transfers / Adjustments (g)</b>	<b>Balance EOY (h)</b>	
2123.1			7,506	1
2123.2	2,638		2,625	2
2212.1			0	3
2212.2			351,092	4
2212.3			0	5
2215.1			0	6
2215.2			0	7
2231.1			0	8
2231.2			0	9
2232.1			266,270	10
2232.2			0	11
2232.3			0	12
2421.1			0	13
2421.2			2,550	14
2422.1			0	15
2422.2			0	16
2423.1			0	17
2423.2			1,710,499	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)
<b>GENERAL SUPPORT ASSETS</b>					
Motor Vehicles	2112	40,291	15.0	11,682	1 G
Aircraft	2113	0			2
Special Purpose Vehicles	2114	0			3
Garage Work Equipment	2115	0			4
Other Work Equipment	2116	31,313	8.2200	7,184	5 G
Buildings	2121	44,467	2.5	3,806	6
Furniture	2122	1,246	7.0	176	7
Office Equipment	2123	8,527	12.5	1,442	8 E
General Purpose Computers	2124	21,205	20.0	6,406	9
<b>Total-- GENERAL SUPPORT ASSETS</b>		<b>147,049</b>		<b>30,696</b>	<b>0</b>
<b>CENTRAL OFFICE ASSETS</b>					
Analog Electronic Switching	2211	0			10
Digital Electronic Switching	2212	38,088	10.0	34,634	11
Electro-Mechanical Switching	2215	0			12
Operator Systems	2220	0			13
Radio Systems	2231	0			14
Circuit Equipment	2232	60,025	8.33	22,150	15
<b>Total-- CENTRAL OFFICE ASSETS</b>		<b>98,113</b>		<b>56,784</b>	<b>0</b>
<b>INFORMATION ORIG/TERM ASSETS</b>					
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	5,069	10.0	1,490	20
<b>Total-- INFORMATION ORIG/TERM ASSETS</b>		<b>5,069</b>		<b>1,490</b>	<b>0</b>
<b>CABLE WIRE FACILITIES ASSETS</b>					
Poles	2411	1,230	6.0	0	21
Aerial Cable	2421	2,550	4.5	0	22
Underground Cable	2422	0			23
Buried Cable	2423	533,538	4.0	61,373	24
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					51,973	1 G
2113					0	2
2114					0	3
2115					0	4
2116					38,497	5 G
2121					48,273	6
2122	256				1,166	7
2123	2,638				7,331	8 E
2124	2,058				25,553	9
	<b>4,952</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>172,793</b>	
2211					0	10
2212	0				72,722	11
2215	0				0	12
2220					0	13
2231	0				0	14
2232	0				82,175	15
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>154,897</b>	
2311					0	16
2321					0	17
2341					0	18
2351					0	19
2362					6,559	20
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,559</b>	
2411					1,230	21
2421	0				2,550	22
2422	0				0	23
2423	0				594,911	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)
<b>CABLE WIRE FACILITIES ASSETS</b>					
Conduit Systems	2441	0			29
<b>Total-- CABLE WIRE FACILITIES ASSETS</b>		<b>537,318</b>		<b>61,373</b>	<b>0</b>
<b>Total Accumulated Depreciation</b>	<b>3100</b>	<b>787,549</b>		<b>150,343</b>	<b>0</b>
Less: Allocation to Nonregulated Activity - Columns e, f and I	3100			0	0 30
<b>Net Regulated Total Accum Depreciation - 3100 Columns e, f and I</b>				<b>150,343</b>	<b>0</b>

**ACCUMULATED DEPRECIATION CLASS A & B (cont.)**

<b>Acct (g)</b>	<b>Retired (h)</b>	<b>Cost of Removal (i)</b>	<b>Salvage (j)</b>	<b>Other (k)</b>	<b>Balance EOY (l)</b>	
2441					0	29
	0	0	0	0	598,691	
<b>3100</b>	<b>4,952</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>932,940</b>	
3100					0	30
<b>3100</b>					<b>932,940</b>	

**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.

<b>Plant Subaccount (a)</b>	<b>Subacct (b)</b>	<b>Balance FOY (c)</b>	<b>Depr Rate (d)</b>	<b>Annual Accrual (e)</b>	<b>Additional Accrual (f)</b>	
Office Support Equipment	2123.1	5,130	10.0	751		1
Company Communications Equipment	2123.2	3,397	15.0	691		2
Software	2212.1	0	10.0			3
Digital Switching - Central Office	2212.2	38,088	10.0	34,634		4
Digital Switching - Remote	2212.3	0	10.0			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	60,025	8.33	22,150		10
Analog Circuit Equipment	2232.2	0	8.33			11
Light Wave Circuit Equipment	2232.3	0	8.33			12
Aerial Cable - Nonmetallic	2421.1	0	4.5			13
Aerial Cable - Metallic	2421.2	2,550	4.5	0		14
Underground Cable - Nonmetallic	2422.1	0				15
Underground Cable - Metallic	2422.2	0				16
Buried Cable - Nonmetallic	2423.1	0	4.0			17
Buried Cable - Metallic	2423.2	533,538	4.0	61,373		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.)**

<b>Subacct (g)</b>	<b>Retired (h)</b>	<b>Cost of Removal (i)</b>	<b>Salvage (j)</b>	<b>Other (k)</b>	<b>Balance EOY (l)</b>	
2123.1					5,881	1
2123.2	2,638				1,450	2
2212.1					0	3
2212.2					72,722	4
2212.3					0	5
2215.1					0	6
2215.2					0	7
2231.1					0	8
2231.2					0	9
2232.1					82,175	10
2232.2					0	11
2232.3					0	12
2421.1					0	13
2421.2					2,550	14
2422.1					0	15
2422.2					0	16
2423.1					0	17
2423.2					594,911	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)	
<b>PROPERTY RELATED</b>		
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 )	(116,852)	5
Net Deferred Tax Liability Adjustments (4341 )	6,395	6
Deferred Tax Regulatory Liability (4361 )	(6,484)	7
<b>Net Property Related Deferred Operating Income Taxes</b>	<b>(116,941)</b>	
Less: Allocation to Nonregulated Activity	0	8
<b>Net Regulated Total Property Related Deferred Operating Income Taxes</b>	<b>(116,941)</b>	
<b>NONPROPERTY RELATED</b>		
Other Current Assets (1350 )	(638)	9
Other Noncurrent Assets (1410 )	0	10
Deferred Tax Regulatory Asset (1437 )	0	11
Net Current Deferred Operating Income Taxes (4100 )	0	12
Net Noncurrent Deferred Operating Income Taxes (4340 )	0	13
Net Deferred Tax Liability Adjustments (4341 )	0	14
Deferred Tax Regulatory Liability (4361 )	0	15
<b>Total Nonproperty Related Deferred Operating Income Taxes</b>	<b>(638)</b>	

**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	(24,962)			(141,814)	5
	(2,057)			4,338	6
	2,046			(4,438)	7
	<b>(24,973)</b>	0	0	<b>(141,914)</b>	8
				0	
	<b>(24,973)</b>	0	0	<b>(141,914)</b>	
7250	10,681			10,043	9
7250				0	10
				0	11
7250				0	12
7250				0	13
				0	14
				0	15
	<b>10,681</b>	0	0	<b>10,043</b>	

**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.

<b>Name (a)</b>	<b>Issue Date (b)</b>	<b>Maturity (c)</b>	<b>Interest Rate (d)</b>	<b>Balance EOY (e)</b>
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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)	
<b>Funded Debt (Account 4210):</b>				
RTB NOTES #SO10 & SO11	03/19/1985	03/19/2020	9.0000	1
RUS NOTE #12043	05/31/1998	05/31/2018	5.0000	2
RUS NOTE #2023	12/24/1959	12/24/1994	2.0000	3
RUS NOTE #2030	08/23/1966	08/23/2001	2.0000	4
RUS NOTE #2032	08/23/1966	08/23/2001	2.0000	5
RUS NOTES #12040, 12041, 12042	12/31/1994	12/31/2014	5.0000	6
<b>Total Funded Debt</b>				

**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			419,461	7,900	427,361	1
5.0000			109,436	800	110,236	2
2.0000			2,620	300	2,920	3
2.0000			13,943	7,500	21,443	4
2.0000			2,759	300	3,059	5
5.0000			810,892	29,800	840,692	6
	<b>0</b>	<b>0</b>	<b>1,359,111</b>	<b>46,600</b>	<b>1,405,711</b>	

**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)
<b>COMMON STOCK:</b>			
Common Stock	600	100.00	1
<b>TOTAL COMMON STOCK</b>	<b>600</b>		
<b>TOTAL</b>	<b>600</b>		

**CAPITAL STOCK ACCOUNTS AT END OF YEAR (cont.)**

	Acct. 4510 - Capital Stock		Acct. 4530 - Treasury Stock		
	Shares (e)	Amount (f)	Shares (g)	Amount (h)	
<b>COMMON STOCK:</b>					
Common Stock	600	60,000			1
	<b>600</b>	<b>60,000</b>	<b>0</b>	<b>0</b>	
<b>TOTAL</b>	<b>600</b>	<b>60,000</b>	<b>0</b>	<b>0</b>	

**RETAINED EARNINGS (ACCT. 4550)**

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	956,139	951,161	1 c
<b>Changes:</b>			
Balance Transferred from Income	217,216	102,982	2
<b>Dividends Declared:</b>			
Common	98,004	98,004	3
Preferred			4
<b>Total Dividends Declared</b>	<b>98,004</b>	<b>98,004</b>	
Miscellaneous Debits to Retained Earnings			5
Miscellaneous Credits to Retained Earnings			6
<b>Balance--End of Year</b>	<b><u>1,075,351</u></b>	<b><u>956,139</u></b>	

### 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)	50,453	12,277	57,514	1
Nonoperating Taxes (Accts. 7410 - 7450)		(1,119)	(4,307)	2
Extraordinary Items (Accts. 7630 & 7640)				3
Nonregulated Net Income (Acct. 7990)		4,154	16,391	4
Clearing Accounts				5
Construction				6
Payroll Taxes: FICA				7
Payroll Taxes: State Unemployment				8
Payroll Taxes: Federal Unemployment				9
<b>Other (specify):</b>				
ITC Amortized			5,000	10
Deferred Operating Tax		(495)	(17,057)	11
Deferred Nonregulated Tax		(201)	(1,196)	12
<b>TOTAL</b>	<b><u>50,453</u></b>	<b><u>14,616</u></b>	<b><u>56,345</u></b>	

**DISTRIBUTION OF TAXES (cont.)**

<b>PSC Remainder Assessment (e)</b>	<b>Local Property Tax (f)</b>	<b>State &amp; Local Taxes Other than Wisconsin (g)</b>	<b>Other Taxes (h)</b>	<b>Payroll Taxes (i)</b>	<b>Total (j)</b>	
805					121,049	1
					(5,426)	2
					0	3
					20,545	4
					0	5
					0	6
				13,731	13,731	7
				65	65	8
				290	290	9
					5,000	10
					(17,552)	11
					(1,397)	12
<b>805</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14,086</b>	<b>136,305</b>	

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

Particulars (a)	This Year (b)	Last Year (c)	
<b>LOCAL NETWORK SERVICES REVENUES</b>			
Basic Local Service Revenue (5000 )*	268,747	231,828	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
<b>TOTAL BASIC LOCAL SERVICE REVENUE (5000)</b>	<b>268,747</b>	<b>231,828</b>	
<b>NETWORK INTERSTATE ACCESS SERVICES REV.</b>			
End User Revenue (5081 )*	49,599	49,716	11
Switched Access Revenue (5082 )*	251,455	234,484	12
Special Access Revenue (5083 )*	3,563	2,491	13
<b>TOTAL INTERSTATE ACCESS REVENUES (5080)</b>	<b>304,617</b>	<b>286,691</b>	
<b>NETWORK INTRASTATE ACCESS SERVICES REV.</b>			
End User Revenue (5084.1)*		0	14
Switched Access Revenue (5084.2)*	161,238	163,665	15
Special Access Revenue (5084.3)*	20,888	14,763	16 B
<b>TOTAL INTRASTATE ACCESS REVENUES (5084)</b>	<b>182,126</b>	<b>178,428</b>	
<b>LONG DISTANCE NETWORK SERVICES MESSAGE REV.</b>			
Long Distance Message Revenue (5100 )*	9,710	9,710	17
Long Distance Inward-Only Revenue (5111 )			18
Long Distance Outward-Only Revenue (5112 )			19
<b>Unidirectional Long Distance Revenue (5110)</b>	<b>0</b>	<b>0</b>	
<b>Long Distance Private Network Revenues</b>			
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
<b>Total Long Distance Private Network Revenue</b>	<b>0</b>	<b>0</b>	
Other Long Distance Revenue (5160 )			28
Other Long Distance Revenue Settlements (5169 )			29
<b>TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV.</b>	<b>9,710</b>	<b>9,710</b>	

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

Particulars (a)	This Year (b)	Last Year (c)	
<b>MISCELLANEOUS REVENUES</b>			
Directory Revenue (5230 )*	41,886	41,009	<b>30</b>
Rent Revenue (5240 )*	0	0	<b>31</b>
Corporate Operations Revenue (5250 )*	0	0	<b>32</b>
<b>Miscellaneous:</b>			
Miscellaneous Revenue (5260 )*	8,772	7,861	<b>33</b>
Special Billing Arrangements Revenue (5261 )			<b>34</b>
Customer Operations Revenue (5262 )			<b>35</b>
Plant Operations Revenue (5263 )			<b>36</b>
Other Incidental Regulated Revenue (5264 )			<b>37</b>
Other Revenue Settlements (5269 )			<b>38</b>
<b>Total Miscellaneous Revenue (5260)</b>	<b>8,772</b>	<b>7,861</b>	
Interstate Billing and Collection Revenue*	15,022	18,539	<b>39</b>
Intrastate Billing and Collection Revenue*	32,589	30,696	<b>40</b>
<b>Total Carrier Billing and Collection Revenue (5270)*</b>	<b>47,611</b>	<b>49,235</b>	
Nonregulated Operating Revenue (5280 )**			<b>41</b>
<b>TOTAL MISCELLANEOUS REVENUES</b>	<b>98,269</b>	<b>98,105</b>	
<b>GROSS OPERATING REVENUES</b>	<b>863,469</b>	<b>804,762</b>	
<b>UNCOLLECTIBLE REVENUES</b>			
Uncollectible Revenue (5300 )*	1,820	(629)	<b>42</b>
Uncollectible Revenue--Telecommunications (5301 )			<b>43</b>
Uncollectible Revenue--Other (5302 )			<b>44</b>
<b>TOTAL UNCOLLECTIBLE REVENUE (5300)</b>	<b>1,820</b>	<b>(629)</b>	
<b>TOTAL OPERATING REVENUES</b>	<b>861,649</b>	<b>805,391</b>	

\*\* 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)
<b>PLANT SPECIFIC OPERATIONS EXPENSE</b>			
Total Network Support Expense ( 6110 )	1,720	1,431	1
Less: Nonregulated	0	0	2
<b>Net Regulated</b>	<b>1,720</b>	<b>1,431</b>	<b>0 3</b>
Total General Support Expense ( 6120 )	15,530	7,742	4
Less: Nonregulated	0	0	5 A
<b>Net Regulated</b>	<b>15,530</b>	<b>7,742</b>	<b>0 6</b>
Total Central Office Switching Expense ( 6210 )	52,589	61,174	7
Less: Nonregulated	0	0	8
<b>Net Regulated</b>	<b>52,589</b>	<b>61,174</b>	<b>0 9</b>
Total Operator Systems Expense ( 6220 )	0	0	10
Less: Nonregulated	0	0	11
<b>Net Regulated</b>	<b>0</b>	<b>0</b>	<b>0 12</b>
Total Central Office Transmission Expenses ( 6230 )	2,672	5,838	13
Less: Nonregulated	0	0	14
<b>Net Regulated</b>	<b>2,672</b>	<b>5,838</b>	<b>0 15</b>
Total Information Orig. / Term. Expense ( 6310 )	29	0	16
Less: Nonregulated	0	0	17
<b>Net Regulated</b>	<b>29</b>	<b>0</b>	<b>0 18</b>
Total Cable and Wire Fac. Expense ( 6410 )	29,459	35,157	19
Less: Nonregulated	0	0	20
<b>Net Regulated</b>	<b>29,459</b>	<b>35,157</b>	<b>0 21</b>
<b>TOTAL PLANT SPECIFIC OPERATIONS EXPENSE</b>	<b>101,999</b>	<b>111,342</b>	<b>0</b>
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Regulated</b>	<b>101,999</b>	<b>111,342</b>	<b>0</b>
<b>PLANT NONSPECIFIC OPERATIONS EXPENSE</b>			
Total Other Property, Plant and Equip. Exp. ( 6510 )	0	705	0 22
Less: Nonregulated	0	0	23
<b>Net Regulated</b>	<b>0</b>	<b>705</b>	<b>0 24</b>
Total Network Operations Expense ( 6530 )	4,558	4,818	25
Less: Nonregulated	0	0	26
<b>Net Regulated</b>	<b>4,558</b>	<b>4,818</b>	<b>0 27</b>
Access Expense ( 6540 )	253	1,427	28
Less: Nonregulated	0	0	29
<b>Net Regulated</b>	<b>253</b>	<b>1,427</b>	<b>0 30</b>
Total Depreciation and Amortization Expense ( 6560 )	143,495	150,343	31
Less: Nonregulated	0	0	32
<b>Net Regulated</b>	<b>143,495</b>	<b>150,343</b>	<b>33</b>
<b>TOTAL PLANT NONSPECIFIC OPERATIONS EXP.</b>	<b>148,306</b>	<b>157,293</b>	<b>0</b>
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Regulated</b>	<b>148,306</b>	<b>157,293</b>	<b>0</b>

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

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6110			1,431		1
	0	0	1,431	0	2
6120			7,742		3
	0	0	7,742	0	4
6210			61,174		5 A
	0	0	61,174	0	6
6220			0	0	7
	0	0	0	0	8
6230			5,838		9
	0	0	5,838	0	10
6310			0	0	11
	0	0	0	0	12
6410			35,157		13
	0	0	35,157	0	14
	0	0	111,342	0	15
	0	0	0	0	16
	0	0	111,342	0	17
6510	0	0	705	0	18
	0	0	705	0	19
6530			4,818		20
	0	0	4,818	0	21
6540			1,427		22
	0	0	1,427	0	23
6560			150,343		24
			150,343		25
	0	0	157,293	0	26
	0	0	0	0	27
	0	0	157,293	0	28
					29
					30
					31
					32
					33

**EXPENSE MATRIX - CLASS A & B**

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)
<b>CUSTOMER OPERATIONS EXPENSE</b>			
Total Marketing ( 6610 )	0	0	34
Less: Nonregulated	0	0	35
<b>Net Regulated</b>	<b>0</b>	<b>0</b>	<b>0 36</b>
Total Services ( 6620 )	127,831	140,653	37
Less: Nonregulated	0	0	38
<b>Net Regulated</b>	<b>127,831</b>	<b>140,653</b>	<b>0 39</b>
<b>TOTAL CUSTOMER OPERATIONS EXPENSE</b>	<b>127,831</b>	<b>140,653</b>	<b>0</b>
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Regulated</b>	<b>127,831</b>	<b>140,653</b>	<b>0</b>
<b>CORPORATE OPERATIONS EXPENSE</b>			
Total Exec. and Planning ( 6710 )	94,618	99,312	40
Less: Nonregulated	0	0	41
<b>Net Regulated</b>	<b>94,618</b>	<b>99,312</b>	<b>0 42</b>
Total General and Administrative ( 6720 )	80,915	78,490	43
Less: Nonregulated	0	0	44
<b>Net Regulated</b>	<b>80,915</b>	<b>78,490</b>	<b>0 45</b>
Provision for Uncollectible Notes Receiv. ( 6790 )	0	0	46
Less: Nonregulated	0	0	47
<b>Net Regulated</b>	<b>0</b>	<b>0</b>	<b>48</b>
<b>TOTAL CORPORATE OPERATIONS EXPENSE</b>	<b>175,533</b>	<b>177,802</b>	<b>0</b>
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Regulated</b>	<b>175,533</b>	<b>177,802</b>	<b>0</b>
<b>TOTAL EXPENSES</b>	<b>553,669</b>	<b>587,090</b>	<b>0</b>
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Regulated</b>	<b>553,669</b>	<b>587,090</b>	<b>0</b>

**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			140,653		37
					38
	0		140,653	0	39
	0	0	140,653	0	
	0	0	0	0	
	0	0	140,653	0	
6710			99,312		40
					41
	0		99,312	0	42
6720			78,490		43
					44
	0		78,490	0	45
6790					46
					47
			0		48
	0	0	177,802	0	
	0	0	0	0	
	0	0	177,802	0	
	0	0	587,090	0	
	0	0	0	0	
	0	0	587,090	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	705		2
<b>Total: Reported in Account 6510</b>	<b>0</b>	<b>705</b>	<b>0</b>	
Depreciat. Exp.--Tele. Plant in Service ( 6561 )	143,495	150,343		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
<b>Total: Reported in Account 6560</b>	<b>143,495</b>	<b>150,343</b>		

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

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6511					1
6512			705		2
	0		705	0	
6561			150,343		3
6562					4
6563					5
6564					6
6565					7
			150,343		

### 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	863,469	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
<b>Assessable Revenues for Remainder, Department of Justice, and Telephone Relay Assessment Purposes</b>		
	<u>863,469</u>	

### CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	268,747	1
Plus: Total Intrastate Access Revenues (5084)	182,126	2
Plus: Total Long Distance Network Services Revenue	9,710	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus (or Less) Other (please specify):		5
<b>Assessable Revenues for Universal Service Fund Assessment Purposes</b>		
	<u>460,583</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	863,469	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/>		
<b>Assessable Revenues for Remainder and Telephone Relay Assessment Purposes</b>	<u><u>863,469</u></u>	

### CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	268,747	1
Plus: Total Intrastate Access Revenues (5084)	182,126	2
Plus: Total Long Distance Network Services Revenue	9,710	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus (or Less) Other (please specify):		5
<hr/>		
<b>Assessable Revenues for Universal Service Fund Assessment Purposes</b>	<u><u>460,583</u></u>	

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

Particulars (a)	This Year (b)	Last Year (c)	
<b>OTHER OPERATING INCOME AND EXPENSE</b>			
Income from Custom Work (7110 )*	0	0	1
Return from Nonregulated Use of Regulated Facilities (7130 )*	0	0	2
Gains and (Losses) from Foreign Exchange (7140 )			3
Gains or (Losses) from the Disposition of Land and Artworks (7150 )			4
Other Operating Gains and (Losses) (7160 )*	0	0	5
<b>TOTAL OTHER OPERATING INCOME AND (EXPENSE) (7100)*</b>	<b>0</b>	<b>0</b>	
<b>OPERATING TAXES</b>			
Operating Investment Tax Credits--Net (7210 )*	(5,000)	(4,000)	6
Operating Federal Income Taxes (7220 )*	45,457	19,531	7
Operating State and Local Income Taxes (7230 )*	11,782	6,473	8
Operating Other Taxes (7240 )*	51,258	47,091	9
Provision for Deferred Operating Income Taxes--Net (7250 )*	17,552	33,095	10
<b>TOTAL OPERATING TAXES (7200)*</b>	<b>121,049</b>	<b>102,190</b>	
<b>NONOPERATING INCOME AND EXPENSE</b>			
Dividend Income (7310 )*	0	0	11
Interest Income (7320 )*	12,397	25,587	12
Income from Sinking and Other Funds (7330 )*	0	0	13
Allowance for Funds Used During Construction (7340 )*	0	0	14
Gains or (Losses) from the Disposition of Certain Property (7350 )*	0	0	15
Other Nonoperating Income (7360 )*	102,055	(12,036)	16
Special Charges (7370 )*	1,241	635	17
<b>TOTAL NONOPERATING INCOME AND EXPENSE (7300)*</b>	<b>113,211</b>	<b>12,916</b>	
<b>NONOPERATING TAXES</b>			
Nonoperating Investment Tax Credits--Net (7410 )*	0	0	18
Nonoperating Federal Income Taxes (7420 )*	(4,307)	711	19
Nonoperating State and Local Income Taxes (7430 )*	(1,119)	219	20
Nonoperating Other Taxes (7440 )*	0	0	21
Provision for Deferred Nonoperating Income Taxes-Net (7450 )*	0	0	22
<b>TOTAL NONOPERATING TAXES (7400)*</b>	<b>(5,426)</b>	<b>930</b>	
<b>INTEREST AND RELATED ITEMS</b>			
Interest on Funded Debt (7510 )*	86,348	84,622	23
Interest Expense--Capital Leases (7520 )*	0	0	24
Amortization of Debt Issuance Expense (7530 )*	51	51	25
Other Interest Deductions (7540 )*	0	0	26
<b>TOTAL INTEREST AND RELATED ITEMS (7500)*</b>	<b>86,399</b>	<b>84,673</b>	
<b>EXTRAORDINARY ITEMS</b>			
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
<b>TOTAL EXTRAORDINARY ITEMS (7600)*</b>	<b>0</b>	<b>0</b>	
<b>NONREGULATED NET INCOME</b>			
Nonregulated Net Income (7990 )*	31,468	26,137	32

**NONREGULATED NET INCOME (ACCT. 7990)**

Particulars (a)	Amount (b)	
Revenues (Acct. 7990.1)		
Gross Sales	107,501	1
Less: Cost of Goods Sold		2
<b>Net Sales</b>	<b>107,501</b>	<b>3</b>
Expenses (Acct. 7990.2)	76,033	4
<b>Nonregulated Net Income</b>	<u><u>31,468</u></u>	<b>5</b>

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

Leasing of customer premise equipment.  
 Provider of internet access.

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	186,237	5
<b>Total Salaries and Wages</b>	<b><u>186,237</u></b>	<b>6 F</b>

### EMPLOYEE DATA

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

Employee Category (a)	Number of Equivalent Full-Time Employees		Total Compensation (d)	
	FOY (b)	EOY (c)		
Officers	2.00	2.00	4,000	1
Supervision and Other Management	1.00	1.00	64,229	2
Other Employees	4.00	4.00	118,008	3
<b>Total</b>	<b><u>7.00</u></b>	<b><u>7.00</u></b>	<b><u>186,237</u></b>	

### 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	186,237	5
<b>Total Salaries and Wages</b>	<b><u>186,237</u></b>	<b>6 F</b>

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	FOY (b)	EOY (c)		
Officers	2.00	2.00	4,000	1
Supervision and Other Management	1.00	1.00	64,229	2
Other Employees	4.00	4.00	118,008	3
<b>Total</b>	<b><u>7.00</u></b>	<b><u>7.00</u></b>	<b><u>186,237</u></b>	

### 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)	
<b>LOCAL</b>			
Intra-Exchange	0	0	1 D
Extended Area Service	0	0	2 D
Extended Community Calling	0	0	3
Other Local-Undefined	0	0	4 D
<b>Total Local</b>	<b>0</b>	<b>0</b>	
<b>TOLL</b>			
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	31	430	12
<b>Total Toll</b>	<b>31</b>	<b>430</b>	
<b>Total Local &amp; Toll</b>	<b>31</b>	<b>430</b>	

### 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.	26				2
Feature Group B -- Orig.	1				3
Feature Group B -- Term.					4
Feature Group C -- Orig.					5
Feature Group C -- Term.					6
Feature Group D -- Orig.	1,104	283	963		7
Feature Group D -- Term.	1,664	764	379		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	0	2
Sheath miles of plant - fiber optics	23	3
Strand miles of plant - fiber optics	216	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	0	2	1
56 kbps	0	5	2
64 kbps (DS0)	0	0	3
1.54 Mbps (DS-1)	0	0	4
45 Mbps (DS-3)	0	0	5
SONET OC-1			6
SONET OC-3			7
SONET OC-12			8
SONET OC-48			9
SONET OC-192			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	0	2
Sheath miles of plant - fiber optics	23	3
Strand miles of plant - fiber optics	216	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	0	2	1
56 kbps	0	5	2
64 kbps (DS0)	0	0	3
1.54 Mbps (DS-1)	0	0	4
45 Mbps (DS-3)	0	0	5
SONET OC-1			6
SONET OC-3			7
SONET OC-12			8
SONET OC-48			9
SONET OC-192			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)	
<b>Business</b>			
1 Party	199	204	3
2 Party			4
4 Party			5
PBX Trunks/System Trunks			6
Centrex Trunks			7
Centrex Lines			8
Key System Trunks	69	79	9
Mobile (Utility Provided Service)			10
Paging (Utility Provided Service)			11
FX-Out (Switched)			12
Pay Telephone	7	0	13
Coin-Operated Pay Telephone			14
Independent Pay Telephone Provider	2	0	15
Pay Stations - Public	0	2	16
- Semi-Public	0	4	17
- Cust. Owned	0	2	18
Other			19
<b>Total Business Lines</b>	<b>277</b>	<b>291</b>	<b>20</b>
<b>Residential (Incl. Emp. Concess.)</b>			
1 Party	736	786	22
2 Party			23
4 Party			24
FX-Out (Switched)			25
Other			26
<b>Total Residential Lines</b>	<b>736</b>	<b>786</b>	<b>27</b>
<b>Total Bus &amp; Res Lines</b>	<b>1,013</b>	<b>1,077</b>	<b>28</b>
Company Used Lines	9	9	29
<b>Total Lines Used</b>	<b>1,022</b>	<b>1,086</b>	<b>30</b>

**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)	
<b>Miscellaneous</b>			
WATS Lines - OutWATS			3
WATS Lines - 800 Service			4
FX-In-intraLATA	0	0	5
Special Access-intraLATA			6
(expressed in equiv. access lines)	2	7	7
Special Access-interLATA			8
(expressed in equiv. access lines)	24	0	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
<b>Customers</b>			
Business - 2 Party Customers			19
Business - 4 Party Customers			20
Residential - 2 Party Customers			21
Residential - 4 Party Customers			22
<b>Other</b>			
Total Central Office, Info. Orig./Term., & Cable			23
Wire Fac. Assets (based on physical location of plant)			24
	2,162,279	2,346,486	25
Total Company Square Miles	39	39	26
Total Company Route Miles	96	96	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	5090				1
<b>Business</b>					
1 Party	204				2
2 Party					3
4 Party					4
PBX Trunks/System Trunks					5
Centrex Trunks					6
Centrex Lines					7
Key System Trunks	79				8
Mobile (utility provided service)					9
Paging (utility provided service)					10
FX-Out (Switched)					11
Pay Telephone	0				12
Coin-Operated Pay Telephone					13
Independent Pay Telephone Provider	0				14
Pay Stations - Public	2				15
- Semi-Public	4				16
- Cust. Owned	2				17
Other					18
<b>Total Business Lines</b>	<b>291</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>19</b>
<b>Residential (Incl. Emp. Concess.)</b>					
1 Party	786				20
2 Party					21
4 Party					22
FX-Out (Switched)					23
Other					24
<b>Total Residential Lines</b>	<b>786</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>25</b>
<b>Total Bus &amp; Res Lines</b>	<b>1,077</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>26</b>
Company Used Lines	9				27
<b>Total Lines Used</b>	<b>1,086</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>28</b>

**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	5090				1
<b>Miscellaneous</b>					2
WATS Lines - OutWATS					3
WATS Lines - 800 Service					4
FX-In-intraLATA	0				5
Special Access-intraLATA					6
(equiv. access lines)	7				7
Special Access-interLATA					8
(equiv. access lines)	0				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
<b>Customers</b>					19
Business - 2 Party Customers					20
Business - 4 Party Customers					21
Residential - 2 Party Customers					22
Residential - 4 Party Customers					23
<b>Other</b>					24
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical					26
location of plant)	2,346,486				27
Exchange Square Miles	39				28
Exchange Route Miles	96				29
Footnotes					30

### MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

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

### EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

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

### MANUFACTURER ABBREVIATIONS

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Electromechanical	EM	1
Electronic--Analog	A	2
Electronic--Digital	D	3
Electronic--Video	V	4

**CENTRAL OFFICE DATA - END OF YEAR**

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

Description (a)	Central Off. (b)	Central Off. (c)	Central Off. (d)	Central Off. (e)	
Exchange Name	SPRING VALLEY				1
PSCW Exchange ID	5090				2
Central Office Name	SPRING VALLEY				3
PSCW Central Office ID	1				4
Manufacturer of COE (Page 54)	NTI				5
Year COE Installed	1996				6
Type of Equipment (Page 54)	D				7
(S)tandalone, (H)ost, (R)emote	R				8
Remote Host PSCW Exchange ID	1740				9
Remote Host PSCW Central Office ID	1				10
COE Generic Software Release No.	NA007				11
SS7?	Yes				12
9-1-1?	Yes				13
Access Lines - In Use	1,086				14
- Equipped	1,200				15
- Wired	1,400				16
Trunks - In Use	5				17
- Equipped	5				18
- Wired	5				19
ISDN Available?	Yes				20
ISDN Lines - In Use (BRI)	1				21
- In Use (PRI)	0				22
Switched 56 Service?	No				23
Switched 56 lines in use	0				24
Digital Transmission Facilities: DS-1 - In Use	4				25
DS-3 - In Use	1				26
Advanced Data Service Available:					
Packet Switching?	No				27
SMDS?	No				28
Frame Relay?	No				29
ATM (Asynchronous Trans. Mode)?	No				30
Video Information - Service Available?	No				31
- In Use (# lines) <sup>1</sup>	0				32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	68				33
No. of fiber strands working (LIT) in C.O.	22				34
No. of fiber strands for interoffice use	0				35
Miles of fiber sheath in wire center	23				36
Access Tandem Serving this C.O.:					
- C.O. Name	ELK LAKE				37
- PSCW C.O. ID	1740-01				38
Does this C.O. do access tandem switching?	No				39
Equal Access: InterLATA (1+)?	Yes				40
Equal Access: IntraLATA (1+)?	Yes				41
Footnotes					42

<sup>1</sup> Teleco provided end-to-end facility.

## GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

### General Footnote

Response received 11/11/99

Item 1: This is the first year the affiliated activity has exceeded the \$25,000 threshold. An affiliated interest agreement between Spring Valley Telephone and Spring Valley Long Distance will be filed within 30 days of this letter.

Item 2: (payphone info provided and entered in Important Changes schedule of 1997 report).

Item 3: provided page 43  
ele

October 21, 1999

Mr. Maxwell O. Downs, General Manager  
Spring Valley Telephone Company, Inc.  
131 South McKay Avenue  
P.O. Box 220  
Spring Valley, WI 54767-0220

Re:1998 Analytical ReviewDWCCA-5660-ELE

Dear Mr. Downs:

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. On copy 1 of page 15, you report affiliated activity with Spring Valley Telephone Long Distance (SPVY LD) in the amount of \$27,726, together with the docket number 7072?TI?100. Please note that although 7072?TI?100 represents a docket number in the Commissions Case Management System, it does not represent an affiliated interest docket number. The Case Management System does not show any affiliated interest agreement on file between Spring Valley Telephone Company, Inc. and SPVY LD. The filing of an affiliated interest agreement with the Commission for transactions with an affiliate where the activity level exceeds \$25,000 or five percent of the equity of the telephone company, whichever is smaller, is required within 30 days of the agreement becoming effective. Please state when such affiliated agreement will be filed with the Commission.

2. During our review, we noted we cannot locate a response to your 1997 analytical review letter dated September 24, 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. During our review, we noted that both schedules on page 43. Calculation~~

## GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

During our review, we noted that both schedules on page 13, calculation of Assessable Revenues for Remainder Assessment and Universal Service Fund are filed as confidential in your electronic and paper public annual report. However, a confidential paper page 43 was not provided with your confidentiality filing 08760, 1998 annual report. If you want page 43 to be accorded confidential treatment, please file this page and a confidentiality request with your response to this letter, or provide a public, unmasked copy of page 43.

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

ELE:tlk:w:\compl\telco letters\5660 rev letter

Accountants Compilation Report

To the Board of Directors  
Spring Valley Telephone Company, Inc

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### Schedule Footnotes

#### Affiliated Interest Transactions Footnote. Page 15

Pursuant to agreement with PSWC 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.

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### Schedule Line Footnotes

- A) Land and Building Expenses unusually high in 1997. Total for 1998 comparable to 1996 total of \$11,000.
- B) Increase in State Intralata traffic in 1998.
- C) This footnote is not being used.
- D) Local telephone calls and minutes of use data are not available for lines 1, 2, and 4 of page 47. Spring Valley Telephone Company 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.
- E) Various depreciation rates are used within each account and sub-class account.
- F) Regulated Expense amount for salaries and wages included therein.
- G) Vehicles and Other Work Equipment are depreciated on a per unit basis.