



4004

**ANNUAL REPORT**

OF

Name: UTELCO INC

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Principal Office: 301 S WESTFIELD RD  
P.O. BOX 5158  
MADISON, WI 53705-0158

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For the Year Ended: DECEMBER 31, 1998

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**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**

**Exact Utility Name:** UTELCO INC  
**Utility Location:** 301 S WESTFIELD RD  
P.O. BOX 5158  
MADISON, WI 53705-0158

**Utility Web Site Address:**

**When was utility organized?:** 06/13/1902

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

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

**Name:** GERALD A . RINGLUND  
**Title:** ASSISSTANT TREASURER

**Office Address:** 301 S WESTFIELD ROAD  
P.O. BOX 5158  
MADISON , WI 53705-0158

**Fax Number:** (608) 664 - 4519  
**Telephone Number:** (608) 664 - 4554 EXT 4554  
**Email Address:** gerald.ringlund@tdstelecom.com

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

**Name:** JENNIFER A . SCHMIDT  
**Title:** STAFF ACCOUNTANT  
**Firm:** TDS TELECOM

**Office Address:** 301 S WESTFIELD ROAD  
P.O. BOX 5158  
MADISON , WI 53705-0158

**Fax Number:** (608) 664 - 4519  
**Telephone Number:** (608) 664 - 4556 EXT 4556  
**Email Address:** jennifer.schmid@tdstelecom.com

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

**Name:** GERALD A . RINGLUND  
**Title:** ASSISTANT TREASURER

**Office Address:** 301 S WESTFIELD ROAD  
P.O. BOX 5158  
MADISON , WI 53705-0158

**Fax Number:** (608) 664 - 4519  
**Telephone Number:** (608) 664 - 4554  
**Email Address:** gerald.ringlund@tdstelecom.com

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

**Name:** VARIOUS CONTACTS  
**Title:** X

**Office Address:** 301 S WESTFIELD ROAD  
MADISON , WI 53717-1707

**Fax Number:** (608) 999 - 9999  
**Telephone Number:** (608) 999 - 9999  
**Email Address:**

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### IDENTIFICATION AND OWNERSHIP

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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).

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**Name:** MONROE COMMUNICATIONS CORPORATION  
**Address:** 301 S WESTFIELD ROAD  
MADISON , WI 53717-1707

**Number of Shares Held:** 13,600  
**Beneficial Owner:** NONE

**INCOME STATEMENT - TOTAL COMPANY**

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	10,449,182	9,307,164	1
<b>Operating Expenses</b>			
Plant Specific Operations Expense (6110-6410)	735,010	1,013,904	2
Plant Nonspecific Operations Expense	3,521,878	3,236,395	3
Customer Operations Expense (6610-6620)	1,986,767	1,771,794	4
Corporate Operations Expense (6710-6790)	2,015,063	1,734,671	5
Other Operating Income and Expense (7100)	(14,394)	0	6
Operating Taxes (7200)	979,241	636,629	7
<b>Total Operating Expenses</b>	<b>9,252,353</b>	<b>8,393,393</b>	<b>8</b>
<b>Net Operating Income</b>	<b>1,196,829</b>	<b>913,771</b>	<b>9</b>
<b>Other Income</b>			
Nonoperating Income and Expense (7300)	299,048	746,280	10
Nonoperating Taxes (7400)	96,711	254,248	11
Interest and Related Items (7500)	835,894	882,176	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	113,350	(59,968)	14
<b>Total Nonoperating Income</b>	<b>(520,207)</b>	<b>(450,112)</b>	<b>15</b>
<b>Net Income</b>	<b>676,622</b>	<b>463,659</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.)

**TELEPHONE PLANT**

Telephone plant is stated as the original cost of construction including capitalized costs such as taxes, pensions, and other fringe benefits, and an allowance for funds used during construction (AFUDC).

**DEPRECIATION**

The company provides depreciation for financial reporting purposes using the straight-line method. Renewals and betterments of units of property are charged to telephone plant in service. The original cost of depreciable property retired, together with removal cost less any salvage realized, is charged to accumulated depreciation. Repairs and renewals of minor items of property are charged to maintenance expense. No gain or loss is recognized in connection with ordinary retirements of depreciable property.

**REVENUES**

Operating and nonoperating revenues are recognized when earned regardless of the period in which they are billed.

Compensation for all intrastate service is received through tariffed access charges billed to the long distance carrier and retained by the company.

Compensation for interstate access services is received through tariffed access charges filed by the National Exchange Carrier Association (NECA) with the Federal Communications Commission (FCC) on behalf of the member companies. These access charges are billed by the company to the interstate long distance carrier, and pooled with like revenues from all NECA member companies.

**PENSION**

The company is a member of the Telephone and Data Systems, Inc. Employees' Pension Trust I. This qualified, noncontributory defined contribution pension plan covers substantially all company employees. Under this plan, pension benefits and costs are funded currently.

**INCOME TAXES**

The company is included in the TDS consolidated federal income tax return. For financial reporting purposes, the company computes its federal income tax by applying the statutory rate to all its taxable income.

The company uses the full-normalization method for all timing differences with the resulting book-tax differences being provisioned through the deferred tax accounts. Deferred income taxes resulting from accelerated depreciation used for income tax purposes had previously been provided through the depreciation accounts. Such deferred taxes are credited to income as the related timing differences reverse. Investment tax credits resulting from investments in qualifying telephone plant and equipment

**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:

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have been deferred and are being amortized to income over the service lives of the related property.

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

None.

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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 company is restricted from transferring funds to the parent or other affiliates in the form of cash dividends until certain financial requirements of its mortgage indentures have been met. At December 31, 1998, the company has invested \$4,706,135 with Telecommunications Technologies Fund, Inc., and could distribute up to \$1,535,098 to the parent or other affiliates in the form of cash dividends.

**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 )*			1
Cash (1130 )	325,806	1,031,701	2
Special Cash Deposits (1140 )	1,171	1,171	3
Working Cash Advances (1150 )	1,800	2,100	4
Temporary Investments (1160 )	4,906,135	4,210,570	5
<b>TOTAL CASH AND EQUIVALENTS</b>	<b>5,234,912</b>	<b>5,245,542</b>	
<b>RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS</b>			
Telecommunications Accounts Receivable (1180 )*	821,962	685,339	6
Accounts Receivable Allowance-Telecom (1181 )*	0	0	7
<b>Net: Telecommunications Accounts Receivable</b>	<b>821,962</b>	<b>685,339</b>	
Other Accounts Receivable (1190 )*	1,939,973	1,449,446	8
Accounts Receivable Allowance--Other (1191 )*	0	0	9
<b>Net: Other Accounts Receivable</b>	<b>1,939,973</b>	<b>1,449,446</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 )*	34,824	45,441	12
<b>TOTAL RECEIVABLES AND ALLOWANCES FOR DOUBTFUL</b>	<b>2,796,759</b>	<b>2,180,226</b>	
<b>SUPPLIES</b>			
Inventories (1220 )*	78,212	85,464	13
<b>TOTAL SUPPLIES</b>	<b>78,212</b>	<b>85,464</b>	
<b>PREPAYMENTS</b>			
Total Prepayments (1280 )*			14
Prepaid Rents (1290 )	0	0	15
Prepaid Taxes (1300 )	9,217	9,573	16
Prepaid Insurance (1310 )	0	665	17
Prepaid Directory Expenses (1320 )	9,409	0	18
Other Prepayments (1330 )	26,583	11,017	19
<b>TOTAL PREPAYMENTS</b>	<b>45,209</b>	<b>21,255</b>	
<b>OTHER CURRENT ASSETS</b>			
Other Current Assets (1350 )*	0	0	20
<b>TOTAL OTHER CURRENT ASSETS</b>	<b>0</b>	<b>0</b>	
<b>TOTAL CURRENT ASSETS</b>	<b>8,155,092</b>	<b>7,532,487</b>	
<b>NONCURRENT ASSETS</b>			
<b>INVESTMENTS</b>			
Investment in Affiliated Companies (1401 )*	0	0	21
Investments in Nonaffiliated Companies (1402 )*	577,384	577,384	22
Nonregulated Investments (1406 )*	88,819	60,782	23
Unamortized Debt Issuance Expense (1407 )*	2,712	3,229	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>668,915</b>	<b>641,395</b>	
<b>DEFERRED CHARGES</b>			
Deferred Tax Regulatory Asset (1437 )*	0	0	27
Deferred Maintenance and Retirements (1438 )*	0	136,512	28
Deferred Charges (1439 )*	3,000	(69,600)	29
<b>TOTAL DEFERRED CHARGES</b>	<b>3,000</b>	<b>66,912</b>	
<b>TOTAL NONCURRENT ASSETS</b>	<b>671,915</b>	<b>708,307</b>	
<b>PLANT</b>			
<b>TELECOMMUNICATIONS PLANT IN SERVICE</b>			
Telecommunications Plant in Service (2001 )*	33,977,717	32,195,662	30
Less: Accumulated Depreciation (3100 )*	19,688,760	17,848,830	31
Less: Accumulated Amortization--Capitalized Leases (3410 )*	284,549	241,049	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>14,004,408</b>	<b>14,105,783</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 )*	67,452	121,215	39
<b>TOTAL TPUC</b>	<b>67,452</b>	<b>121,215</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>14,071,860</b>	<b>14,226,998</b>	
<b>TOTAL ASSETS AND OTHER DEBITS*</b>	<b>22,898,867</b>	<b>22,467,792</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 )*	1,243,190	905,261	1
Notes Payable (4020 )*	0	0	2
Advance Billing and Payments (4030 )*	104,437	68,773	3
Customer Deposits (4040 )*	3,550	3,000	4
Current Maturities--Long-Term Debt (4050 )*	480,800	478,320	5
Current Maturities--Capital Leases (4060 )*	29,977	55,480	6
Income Taxes--Accrued (4070 )*	267,382	0	7
Other Taxes--Accrued (4080 )*	29,152	(79,003)	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 )*	103,355	136,259	11
Other Current Liabilities (4130 )*	12,091	67,864	12
<b>TOTAL CURRENT LIABILITIES*</b>	<b>2,273,934</b>	<b>1,635,954</b>	
<b>LONG-TERM DEBT</b>			
Funded Debt (4210 )*	10,489,381	10,976,395	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	29,978	17
Advances from Affiliated Companies (4260 )*	0	0	18
Other Long-Term Debt (4270 )*	0	0	19
<b>TOTAL LONG-TERM DEBT*</b>	<b>10,489,381</b>	<b>11,006,373</b>	
<b>OTHER LIABILITIES AND DEFERRED CREDITS</b>			
Other Long-Term Liabilities (4310 )*	63,395	298,911	20
Unamortized Operating ITC--Net (4320 )*	71,474	88,874	21
Unamortized Nonoperating ITC--Net (4330 )*	0	0	22
Net Noncurrent Deferred Operating Income Taxes (4340 )*	970,040	994,065	23
Net Deferred Tax Liability Adjustments (4341 )*	(53,849)	25,207	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350 )*	0	0	25
Other Deferred Credits (4360 )*	0	0	26
Deferred Tax Regulatory Liability (4361 )*	53,849	64,387	27
<b>TOTAL OTHER LIABILITIES AND DEFERRED CREDITS*</b>	<b>1,104,909</b>	<b>1,471,444</b>	
<b>STOCKHOLDERS' EQUITY</b>			
Capital Stock (4510 )*	340,000	340,000	28
Additional Paid-in Capital (4520 )*	0	0	29
Treasury Stock (4530 )*	0	0	30
Other Capital (4540 )*	(904)	(904)	31
Retained Earnings (4550 )*	8,691,547	8,014,925	32
<b>TOTAL STOCKHOLDERS' EQUITY*</b>	<b>9,030,643</b>	<b>8,354,021</b>	
<b>TOTAL LIABILITIES AND OTHER CREDITS*</b>	<b>22,898,867</b>	<b>22,467,792</b>	

**STATEMENT OF CASH FLOWS**

Item (a)	Amount (b)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Income	676,622	1
<b>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:</b>		
Depreciation and amortization	2,384,347	2
Interest during construction	(14,481)	3
<b>Changes in assets and liabilities:</b>		
Current assets (net)	(633,235)	4
Other noncurrent assets	63,395	5
Other current liabilities	661,003	6
Other liabilities and deferred credits	(366,535)	7
<b>Other (specify):</b>		
<b>TOTAL ADJUSTMENTS</b>	<b>2,094,494</b>	
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES (NET INCOME &amp; ADJUST.)</b>	<b>2,771,116</b>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Capital Expenditures:</b>		
Changes in plant (net)	(2,214,728)	8
Investments in affiliated companies	0	9
Nonoperating Investments	(28,037)	10
<b>Other (specify):</b>		
<b>NET CASH USING IN INVESTING ACTIVITIES</b>	<b>(2,242,765)</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Change in capital lease obligations (net)	(55,481)	11
Change in long-term debt (net)	(483,500)	12
Net changes in stockholder equity other than retained earnings	0	13
Change in short term borrowing (net)	0	14
Dividends paid	0	15
Miscellaneous debits/credits to retained earnings	0	16
<b>Other (specify):</b>		
<b>Net Cash Provided by Financing Activities</b>	<b>(538,981)</b>	
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(10,630)</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)		

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**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.

**Rate increase, June 1998, \$344,500 annual rate increase.**

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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.

**The Company has adopted the American Institute of Certified Public Accountants, Accounting Standards Executive Committee, Statement of Position 98-1, Accounting for the Costs of Computer Software Developed or Obtained for Internal Use in 1998.**

**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>	
Mt Vernon Telephone Company	MT VERNON	<b>1</b>
Other	OTH	<b>2</b>
Suttle Press	SUTTLE	<b>3</b>
Telephone and Data Systems, Inc.	TDS CORP	<b>4</b>
TDS Computing Services, Inc.	TDS/CS	<b>5</b>
TDS Telecommunications, Inc.	TDS-TEL	<b>6</b>
Telecommunications Technologies Fund	TTF	<b>7</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	0005-TI-000124	0005-TI-000124	0005-TI-000124	None	
Name of Affiliate	MT VERNON	OTH	OTH	SUTTLE	1
Designate whether billed to or from:	FROM	FROM	TO	FROM	2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C	C	C	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>9</b>
<b>Other:</b>					
Plant Accounts					10
Accumulated Depreciation					11
Accumulated Amortization					12
Clearing					13
All Other	107,660	3,287	7,313	2,372	14
<b>Total</b>	<b>107,660</b>	<b>3,287</b>	<b>7,313</b>	<b>2,372</b>	<b>15</b>
Percent of affiliate's business billed to all affiliated regulated utilities				58.00	16
If cost based, rate of return on equity or markup incorporated in billings	15.00	15.00			17
Footnotes					

**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	0005-TI-000124	0005-TI-000124	0005-TI-000124			
Name of Affiliate	TDS CORP	TDS/CS	TDS-TEL			1
Designate whether billed to or from:	FROM	FROM	FROM			2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C	C	C			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>	9
<b>Other:</b>						
Plant Accounts						10
Accumulated Depreciation						11
Accumulated Amortization						12
Clearing						13
All Other	283,169	559,109	2,944,118			14
<b>Total</b>	<b>283,169</b>	<b>559,109</b>	<b>2,944,118</b>	<b>0</b>		15
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	15.00	15.00	15.00			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)	
Telecommunications Technologies Fund	1120	21,823	1
Telecommunications Technologies Fund	1160	4,706,135	2
Other	1190	263	3
TDS Telecommunications, Inc.	1190	386,020	4
Other	4010	7,992	5
Telephone and Data Systems, Inc.	4010	201,029	6 v
TDS Telecommunications, Inc.	4010	354,146	7

**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	0	1
Uncollectibles written off during the year	0	2
<b>Net write offs during the year</b>	<b>0</b>	

**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	341,550	1
<b>Other:</b>		
Madison SMSA, LTD	235,834	2
RSA #8	0	3
<b>Total Investments in Nonaffiliated Companies</b>	<b>577,384</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>		
Distance Broadcast Satellite (DBS)	48,501	<b>1</b>
Leased Phones and Business Systems	40,318	<b>2 H</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>
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**TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B**

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
<b>GENERAL SUPPORT ASSETS</b>				
Land	2111	94,728		1
Motor Vehicles	2112	325,654	68,065	2
Aircraft	2113	0		3 K
Special Purpose Vehicles	2114	0		4
Garage Work Equipment	2115	0		5
Other Work Equipment	2116	326,438	11,039	6 F
Buildings	2121	2,187,588		7
Furniture	2122	94,552		8 F
Office Equipment	2123	225,895	5,207	9 F
General Purpose Computers	2124	955,477	386,048	10
<b>TOTAL--GENERAL SUPPORT ASSETS:</b>		<b>4,210,332</b>	<b>470,359</b>	
<b>CENTRAL OFFICE ASSETS</b>				
Analog Electronic Switching	2211	0		11
Digital Electronic Switching	2212	9,187,326	3,206,318	12
Electro-Mechanical Switching	2215	132,003	0	13
Operator Systems	2220	0		14
Radio Systems	2231	56,265	0	15
Circuit Equipment	2232	2,460,129	382,972	16
<b>TOTAL--CENTRAL OFFICE ASSETS:</b>		<b>11,835,723</b>	<b>3,589,290</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	98,310		20 F
Other Terminal Equipment	2362	0		21
<b>TOTAL--INFORMATION ORIG/TERM ASSETS:</b>		<b>98,310</b>	<b>0</b>	
<b>CABLE WIRE FACILITIES ASSETS</b>				
Poles	2411	138,201	1,687	22
Aerial Cable	2421	836,154	31,024	23
Underground Cable	2422	1,886,481	37,520	24
Buried Cable	2423	11,140,167	1,011,149	25
Submarine Cable	2424	0	0	26
Deep Sea Cable	2425	0		27
Intrabuilding Network Cable	2426	27,121	128	28
Aerial Wire	2431	78,278	370	29
Conduit Systems	2441	1,634,249	(27,101)	30
<b>TOTAL--CABLE WIRE FACILITIES ASSETS:</b>		<b>15,740,651</b>	<b>1,054,777</b>	
<b>AMORTIZABLE ASSETS</b>				
Capital Leases	2681	306,300		31

**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>	
2111			94,728	1
2112	20,043		373,676	2
2113		223,990	223,990	3 K
2114			0	4
2115			0	5
2116		(101,341)	236,136	6 F
2121			2,187,588	7
2122	4,712	(85,198)	4,642	8 F
2123	28,579	(93,448)	109,075	9 F
2124	39,139		1,302,386	10
	<b>92,473</b>	<b>(55,997)</b>	<b>4,532,221</b>	
2211			0	11
2212	0	(2,897,540)	9,496,104	12
2215	0	0	132,003	13
2220			0	14
2231	0	0	56,265	15
2232	0	0	2,843,101	16
	<b>0</b>	<b>(2,897,540)</b>	<b>12,527,473</b>	
2311			0	17
2321			0	18
2341			0	19
2351	98,311		(1)	20 F
2362			0	21
	<b>98,311</b>	<b>0</b>	<b>(1)</b>	
2411	2,289		137,599	22
2421	17,956	0	849,222	23
2422	0	0	1,924,001	24
2423	164,524	0	11,986,792	25
2424	0	0	0	26
2425			0	27
2426	257	0	26,992	28
2431	3,024		75,624	29
2441			1,607,148	30
	<b>188,050</b>	<b>0</b>	<b>16,607,378</b>	
2681			306,300	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	<b>32</b>
Intangibles	2690	4,346	<b>33</b>
<b>TOTAL--AMORTIZABLE ASSETS:</b>		<b>310,646</b>	<b>0</b>
<b>TOTAL TELECOM. PLANT IN SERVICE</b>	<b>2001</b>	<b>32,195,662</b>	<b>5,114,426</b>
Less: Allocation to Nonregulated Activity - EOY	2001		<b>34</b>
<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			0	32
2690			4,346	33
	0	0	310,646	
	378,834	(2,953,537)	33,977,717	
2001			0	34
			33,977,717	

**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.

<b>Plant Subaccount (a)</b>	<b>Subaccount (b)</b>	<b>Balance FOY (c)</b>	<b>Additions (d)</b>	
Office Support Equipment	2123.1	79,731	0	<b>1 F</b>
Company Communications Equipment	2123.2	146,164	5,207	<b>2 F</b>
Software	2212.1	2,768,963	230,169	<b>3</b>
Digital Switching - Central Office	2212.2	6,418,363	26,499	<b>4 F</b>
Digital Switching - Remote	2212.3	0	2,949,650	<b>5</b>
Step by Step Switching	2215.1	132,003	0	<b>6</b>
Crossbar Switching	2215.2	0	0	<b>7</b>
Satellite and Earth Station Facilities	2231.1	56,265	0	<b>8</b>
Other Radio Facilities	2231.2	0	0	<b>9</b>
Digital Circuit Equipment	2232.1	1,746,480	352,159	<b>10</b>
Analog Circuit Equipment	2232.2	0	0	<b>11</b>
Light Wave Circuit Equipment	2232.3	713,649	30,813	<b>12</b>
Aerial Cable - Nonmetallic	2421.1	0	0	<b>13</b>
Aerial Cable - Metallic	2421.2	836,154	31,024	<b>14</b>
Underground Cable - Nonmetallic	2422.1	412,553	30,246	<b>15</b>
Underground Cable - Metallic	2422.2	1,473,928	7,274	<b>16</b>
Buried Cable - Nonmetallic	2423.1	2,019,382	315,545	<b>17</b>
Buried Cable - Metallic	2423.2	9,120,785	695,604	<b>18</b>
Submarine Cable - Nonmetallic	2424.1	0	0	<b>19</b>
Submarine Cable - Metallic	2424.2	0	0	<b>20</b>
Intrabuilding Cable - Nonmetallic	2426.1	0	0	<b>21</b>
Intrabuilding Cable - Metallic	2426.2	27,121	128	<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	14,486	(35,019)	<b>30,226</b>	1 F
2123.2	14,093	(58,429)	<b>78,849</b>	2 F
2212.1	0		<b>2,999,132</b>	3
2212.2	0	(2,897,540)	<b>3,547,322</b>	4 F
2212.3	0		<b>2,949,650</b>	5
2215.1	0		<b>132,003</b>	6
2215.2	0		<b>0</b>	7
2231.1	0		<b>56,265</b>	8
2231.2	0		<b>0</b>	9
2232.1	0		<b>2,098,639</b>	10
2232.2	0		<b>0</b>	11
2232.3	0		<b>744,462</b>	12
2421.1	0		<b>0</b>	13
2421.2	17,956		<b>849,222</b>	14
2422.1	0		<b>442,799</b>	15
2422.2	0		<b>1,481,202</b>	16
2423.1	51,714		<b>2,283,213</b>	17
2423.2	112,810		<b>9,703,579</b>	18
2424.1	0		<b>0</b>	19
2424.2	0		<b>0</b>	20
2426.1	0		<b>0</b>	21
2426.2	257		<b>26,992</b>	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	233,939	18.0	45,334	1
Aircraft	2113	0	.0	3,150	2K
Special Purpose Vehicles	2114	0			3
Garage Work Equipment	2115	0			4
Other Work Equipment	2116	275,704	8.33	18,966	5F
Buildings	2121	1,112,767	2.63	57,528	6
Furniture	2122	94,554	6.4		7F
Office Equipment	2123	225,895	12.87	940	8F
General Purpose Computers	2124	221,152	14.3	135,866	9
<b>Total-- GENERAL SUPPORT ASSETS</b>		<b>2,164,011</b>		<b>261,784</b>	<b>0</b>
<b>CENTRAL OFFICE ASSETS</b>					
Analog Electronic Switching	2211	0			10
Digital Electronic Switching	2212	4,604,287	15.61	1,038,708	11
Electro-Mechanical Switching	2215	132,003	.0		12
Operator Systems	2220	0			13
Radio Systems	2231	56,265	.0		14
Circuit Equipment	2232	1,346,695	9.67	195,545	15
<b>Total-- CENTRAL OFFICE ASSETS</b>		<b>6,139,250</b>		<b>1,234,253</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	49,772	9.0	3,685	19F
Other Terminal Equipment	2362	0			20
<b>Total-- INFORMATION ORIG/TERM ASSETS</b>		<b>49,772</b>		<b>3,685</b>	<b>0</b>
<b>CABLE WIRE FACILITIES ASSETS</b>					
Poles	2411	157,935	6.0	8,304	21L
Aerial Cable	2421	855,714	5.5	46,283	22F
Underground Cable	2422	971,583	4.74	89,300	23
Buried Cable	2423	6,626,854	4.54	513,370	24
Submarine Cable	2424	0	.0		25
Deep Sea Cable	2425	0	.0		26
Intrabuilding Network Cable	2426	17,406	7.53	1,352	27
Aerial Wire	2431	52,933	12.5	9,775	28

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

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112	20,043		9,000		268,230	1
2113				208,241	211,391	2 K
2114					0	3
2115					0	4
2116			145	(85,592)	209,223	5 F
2121					1,170,295	6
2122	4,712			(85,198)	4,644	7 F
2123	28,579			(93,448)	104,808	8 F
2124	39,139				317,879	9
	<b>92,473</b>	<b>0</b>	<b>9,145</b>	<b>(55,997)</b>	<b>2,286,470</b>	
2211					0	10
2212	0			0	5,642,995	11
2215	0				132,003	12
2220					0	13
2231	0				56,265	14
2232	0				1,542,240	15
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,373,503</b>	
2311					0	16
2321					0	17
2341					0	18
2351	98,311		30,459	14,394	(1)	19 F
2362					0	20
	<b>98,311</b>	<b>0</b>	<b>30,459</b>	<b>14,394</b>	<b>(1)</b>	
2411	2,289	44			163,906	21 L
2421	17,956	7,521		(124)	876,396	22 F
2422	0				1,060,883	23
2423	164,524	5,481	23,840		6,994,059	24
2424	0				0	25
2425					0	26
2426	257				18,501	27
2431	3,024				59,684	28

**ACCUMULATED DEPRECIATION CLASS A & B**

<b>Primary Plant Account (a)</b>	<b>Acct (b)</b>	<b>Balance FOY (c)</b>	<b>Depr Rate (d)</b>	<b>Annual Accrual (e)</b>	<b>Additional Accrual (f)</b>
<b>CABLE WIRE FACILITIES ASSETS</b>					
Conduit Systems	2441	813,372	2.5	39,914	<b>29</b>
<b>Total-- CABLE WIRE FACILITIES ASSETS</b>		<b>9,495,797</b>		<b>708,298</b>	<b>0</b>
<b>Total Accumulated Depreciation</b>	<b>3100</b>	<b>17,848,830</b>		<b>2,208,020</b>	<b>0</b>
Less: Allocation to Nonregulated Activity - Columns e, f and I	3100			2,208,020	0 <b>30L</b>
<b>Net Regulated Total Accum Depreciation - 3100 Columns e, f and I</b>				<b>0</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			2,073		855,359	<b>29</b>
	<b>188,050</b>	<b>13,046</b>	<b>25,913</b>	<b>(124)</b>	<b>10,028,788</b>	
<b>3100</b>	<b>378,834</b>	<b>13,046</b>	<b>65,517</b>	<b>(41,727)</b>	<b>19,688,760</b>	
3100					19,688,758	<b>30 L</b>
<b>3100</b>					<b>2</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	79,731	10.0		1 F
Company Communications Equipment	2123.2	146,164	14.3	940	2 F
Software	2212.1	2,212,740	25.0	620,240	3
Digital Switching - Central Office	2212.2	2,391,547	6.5	276,808	4 F
Digital Switching - Remote	2212.3	0	6.5	141,660	5 F
Step by Step Switching	2215.1	132,003			6
Crossbar Switching	2215.2	0			7
Satellite and Earth Station Facilities	2231.1	56,265			8
Other Radio Facilities	2231.2	0			9
Digital Circuit Equipment	2232.1	1,079,948	10.0	135,336	10
Analog Circuit Equipment	2232.2	0			11
Light Wave Circuit Equipment	2232.3	266,747	8.3999	60,209	12
Aerial Cable - Nonmetallic	2421.1	0	5.5		13
Aerial Cable - Metallic	2421.2	855,714	5.5	46,283	14 F
Underground Cable - Nonmetallic	2422.1	68,403	4.4	18,884	15
Underground Cable - Metallic	2422.2	903,180	4.77	70,416	16
Buried Cable - Nonmetallic	2423.1	378,435	4.4	92,977	17
Buried Cable - Metallic	2423.2	6,248,419	4.55	420,393	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	17,406	7.53	1,352	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	14,486			(35,019)	<b>30,226</b>	1 F
2123.2	14,093			(58,429)	<b>74,582</b>	2 F
2212.1	0				<b>2,832,980</b>	3
2212.2	0			(1,141,889)	<b>1,526,466</b>	4 F
2212.3	0			1,141,889	<b>1,283,549</b>	5 F
2215.1	0				<b>132,003</b>	6
2215.2	0				<b>0</b>	7
2231.1	0				<b>56,265</b>	8
2231.2	0				<b>0</b>	9
2232.1	0				<b>1,215,284</b>	10
2232.2	0				<b>0</b>	11
2232.3	0				<b>326,956</b>	12
2421.1	0				<b>0</b>	13
2421.2	17,956	7,521		(124)	<b>876,396</b>	14 F
2422.1	0				<b>87,287</b>	15
2422.2	0				<b>973,596</b>	16
2423.1	51,714		3,628		<b>423,326</b>	17
2423.2	112,810	5,481	20,212		<b>6,570,733</b>	18
2424.1	0				<b>0</b>	19
2424.2	0				<b>0</b>	20
2426.1	0				<b>0</b>	21
2426.2	257				<b>18,501</b>	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 )	(1,003,118)	5 J
Net Deferred Tax Liability Adjustments (4341 )	(25,207)	6
Deferred Tax Regulatory Liability (4361 )	(64,387)	7
<b>Net Property Related Deferred Operating Income Taxes</b>	<b>(1,092,712)</b>	
Less: Allocation to Nonregulated Activity	0	8
<b>Net Regulated Total Property Related Deferred Operating Income Taxes</b>	<b>(1,092,712)</b>	
<b>NONPROPERTY RELATED</b>		
Other Current Assets (1350 )	0	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 )	9,053	13 J
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>9,053</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	(52,479)		(82,744)	(1,138,341)	5 J
	79,056			53,849	6
	10,538			(53,849)	7
	<b>37,115</b>	<b>0</b>	<b>(82,744)</b>	<b>(1,138,341)</b>	
				0	8
	<b>37,115</b>	<b>0</b>	<b>(82,744)</b>	<b>(1,138,341)</b>	
7250				0	9
7250				0	10
				0	11
7250				0	12
7250	166,098		(6,850)	168,301	13 J
				0	14
				0	15
	<b>166,098</b>	<b>0</b>	<b>(6,850)</b>	<b>168,301</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>				
REA/RTB	01/07/1963-03/03/1974	01/01/1999-03/03/2006	2.0000	1
REA/RTB	11/06/1985	11/06/2020	5.0000	2
REA/RTB	04/17/1977	04/17/2009	7.0000	3
REA/RTB	09/02/1975-11/06/1988	12/31/2009-11/06/2020	7.7910-9.0000	4
<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)				
2.0000			390,306	75,300	465,606	1
5.0000			1,798,505	47,900	1,846,405	2
7.0000			1,733,018	126,000	1,859,018	3
8.6168			6,567,552	231,600	6,799,152	4
	<b>0</b>	<b>0</b>	<b>10,489,381</b>	<b>480,800</b>	<b>10,970,181</b>	

**CAPITAL STOCK ACCOUNTS AT END OF YEAR**

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

<b>Class and Series (a)</b>	<b>Shares Authorized by Charter (b)</b>	<b>Par Value per Share (c)</b>	<b>Call Price End of Year (d)</b>	
<b>COMMON STOCK:</b>				
	18,000	25.00	450,000.00	<b>1</b>
<b>TOTAL COMMON STOCK</b>	<b>18,000</b>			
<b>TOTAL</b>	<b><u>18,000</u></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>					
	13,600	340,000			1
	<b>13,600</b>	<b>340,000</b>	<b>0</b>	<b>0</b>	
<b>TOTAL</b>	<b><u>13,600</u></b>	<b><u>340,000</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	

**RETAINED EARNINGS (ACCT. 4550)**

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	8,014,925	7,551,266	1
<b>Changes:</b>			
Balance Transferred from Income	676,622	463,659	2
<b>Dividends Declared:</b>			
Common	0	0	3
Preferred	0	0	4
<b>Total Dividends Declared</b>	<b>0</b>	<b>0</b>	
Miscellaneous Debits to Retained Earnings	0	0	5
Miscellaneous Credits to Retained Earnings	0	0	6
<b>Balance--End of Year</b>	<b><u>8,691,547</u></b>	<b><u>8,014,925</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)	597,580	80,115	287,778	1
Nonoperating Taxes (Accts. 7410 - 7450)		19,035	77,675	2
Extraordinary Items (Accts. 7630 & 7640)				3
Nonregulated Net Income (Acct. 7990)		10,661	43,494	4
Clearing Accounts				5
Construction				6
Payroll Taxes: FICA				7
Payroll Taxes: State Unemployment				8
Payroll Taxes: Federal Unemployment				9
<b>Other (specify):</b>				
<b>TOTAL</b>	<b><u>597,580</u></b>	<b><u>109,811</u></b>	<b><u>408,947</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>	
13,768					979,241	1
					96,710	2
					0	3
					54,155	4
					0	5
					0	6
					0	7
					0	8
					0	9
<b>13,768</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,130,106</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 )*			1
Basic Area Revenue (5001 )	3,399,478	3,315,433	2
Optional Extended Area Revenue (5002 )	1,121	0	3
Cellular Mobile Revenue (5003 )	0	0	4
Other Mobile Services Revenue (5004 )	34,154	7,157	5 A
Public Telephone Revenue (5010 )	(829)	18,045	6 G
Local Private Line Revenue (5040 )	224,309	92,667	7 I
Customer Premises Revenue (5050 )	616	338	8
Other Local Exchange Revenue (5060 )	687,705	277,770	9 P
Other Local Exchange Revenue Settlements (5069 )	0	0	10
<b>TOTAL BASIC LOCAL SERVICE REVENUE (5000)</b>	<b>4,346,554</b>	<b>3,711,410</b>	
<b>NETWORK INTERSTATE ACCESS SERVICES REV.</b>			
End User Revenue (5081 )*	773,044	763,027	11
Switched Access Revenue (5082 )*	2,268,495	2,061,358	12
Special Access Revenue (5083 )*	87,500	7,724	13 Q
<b>TOTAL INTERSTATE ACCESS REVENUES (5080)</b>	<b>3,129,039</b>	<b>2,832,109</b>	
<b>NETWORK INTRASTATE ACCESS SERVICES REV.</b>			
End User Revenue (5084.1)*	13	0	14
Switched Access Revenue (5084.2)*	1,691,117	1,537,027	15
Special Access Revenue (5084.3)*	199,765	163,653	16 Q
<b>TOTAL INTRASTATE ACCESS REVENUES (5084)</b>	<b>1,890,895</b>	<b>1,700,680</b>	
<b>LONG DISTANCE NETWORK SERVICES MESSAGE REV.</b>			
Long Distance Message Revenue (5100 )*	13,602	95,214	17 R
Long Distance Inward-Only Revenue (5111 )	0	0	18
Long Distance Outward-Only Revenue (5112 )	0	0	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 )	0	0	20
Voice Grade Revenue (5122 )	0	0	21
Audio Program Grade Revenue (5123 )	0	0	22
Video Program Grade Revenue (5124 )	0	0	23
Digital Transmission Revenue (5125 )	0	0	24
Switching Revenue (5126 )	0	0	25
Other Revenue (5128 )	0	0	26
Other Revenue Settlements (5129 )	0	67,124	27 S
<b>Total Long Distance Private Network Revenue</b>	<b>0</b>	<b>67,124</b>	
Other Long Distance Revenue (5160 )	0	0	28
Other Long Distance Revenue Settlements (5169 )	0	0	29
<b>TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV.</b>	<b>13,602</b>	<b>162,338</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 )*	621,614	545,875	<b>30</b>
Rent Revenue (5240 )*	13,212	12,510	<b>31</b>
Corporate Operations Revenue (5250 )*	0	0	<b>32</b>
<b>Miscellaneous:</b>			
Miscellaneous Revenue (5260 )*			<b>33</b>
Special Billing Arrangements Revenue (5261 )	0	790	<b>34</b>
Customer Operations Revenue (5262 )	0	0	<b>35</b>
Plant Operations Revenue (5263 )	0	0	<b>36</b>
Other Incidental Regulated Revenue (5264 )	38,175	10,519	<b>37 T</b>
Other Revenue Settlements (5269 )	1,810	6,057	<b>38</b>
<b>Total Miscellaneous Revenue (5260)</b>	<b>39,985</b>	<b>17,366</b>	
Interstate Billing and Collection Revenue*	187,615	152,103	<b>39 T</b>
Intrastate Billing and Collection Revenue*	264,011	208,573	<b>40 T</b>
<b>Total Carrier Billing and Collection Revenue (5270)*</b>	<b>451,626</b>	<b>360,676</b>	
Nonregulated Operating Revenue (5280 )**			<b>41</b>
<b>TOTAL MISCELLANEOUS REVENUES</b>	<b>1,126,437</b>	<b>936,427</b>	
<b>GROSS OPERATING REVENUES</b>	<b>10,506,527</b>	<b>9,342,964</b>	
<b>UNCOLLECTIBLE REVENUES</b>			
Uncollectible Revenue (5300 )*			<b>42</b>
Uncollectible Revenue--Telecommunications (5301 )	56,841	35,800	<b>43 U</b>
Uncollectible Revenue--Other (5302 )	504		<b>44</b>
<b>TOTAL UNCOLLECTIBLE REVENUE (5300)</b>	<b>57,345</b>	<b>35,800</b>	
<b>TOTAL OPERATING REVENUES</b>	<b>10,449,182</b>	<b>9,307,164</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 )	27,986	43,691	1
Less: Nonregulated	0	0	2 B
<b>Net Regulated</b>	<b>27,986</b>	<b>43,691</b>	<b>0 3</b>
Total General Support Expense ( 6120 )	422,987	251,942	4
Less: Nonregulated	0	0	5 B
<b>Net Regulated</b>	<b>422,987</b>	<b>251,942</b>	<b>0 6</b>
Total Central Office Switching Expense ( 6210 )	206,495	125,698	7
Less: Nonregulated	0	0	8 B
<b>Net Regulated</b>	<b>206,495</b>	<b>125,698</b>	<b>0 9</b>
Total Operator Systems Expense ( 6220 )	568	0	10
Less: Nonregulated	0	0	11
<b>Net Regulated</b>	<b>568</b>	<b>0</b>	<b>0 12</b>
Total Central Office Transmission Expenses ( 6230 )	68,070	76,288	13
Less: Nonregulated	0	0	14
<b>Net Regulated</b>	<b>68,070</b>	<b>76,288</b>	<b>0 15</b>
Total Information Orig. / Term. Expense ( 6310 )	2,466	241	16
Less: Nonregulated	0	0	17
<b>Net Regulated</b>	<b>2,466</b>	<b>241</b>	<b>0 18</b>
Total Cable and Wire Fac. Expense ( 6410 )	285,332	237,150	19
Less: Nonregulated	0	0	20
<b>Net Regulated</b>	<b>285,332</b>	<b>237,150</b>	<b>0 21</b>
<b>TOTAL PLANT SPECIFIC OPERATIONS EXPENSE</b>	<b>1,013,904</b>	<b>735,010</b>	<b>0</b>
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Regulated</b>	<b>1,013,904</b>	<b>735,010</b>	<b>0</b>
<b>PLANT NONSPECIFIC OPERATIONS EXPENSE</b>			
Total Other Property, Plant and Equip. Exp. ( 6510 )	9,786	4,763	0 22
Less: Nonregulated	0	0	23 B
<b>Net Regulated</b>	<b>9,786</b>	<b>4,763</b>	<b>0 24</b>
Total Network Operations Expense ( 6530 )	812,217	878,021	25
Less: Nonregulated	0	0	26
<b>Net Regulated</b>	<b>812,217</b>	<b>878,021</b>	<b>0 27</b>
Access Expense ( 6540 )	141,108	254,747	28
Less: Nonregulated	0	0	29 c
<b>Net Regulated</b>	<b>141,108</b>	<b>254,747</b>	<b>0 30</b>
Total Depreciation and Amortization Expense ( 6560 )	2,273,284	2,384,347	31
Less: Nonregulated	0	0	32
<b>Net Regulated</b>	<b>2,273,284</b>	<b>2,384,347</b>	<b>33</b>
<b>TOTAL PLANT NONSPECIFIC OPERATIONS EXP.</b>	<b>3,236,395</b>	<b>3,521,878</b>	<b>0</b>
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Regulated</b>	<b>3,236,395</b>	<b>3,521,878</b>	<b>0</b>

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

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6110			43,691		1
			0		2 B
	0	0	43,691	0	3
6120			251,942		4
					5 B
	0	0	251,942	0	6
6210			125,698		7
					8 B
	0	0	125,698	0	9
6220			0		10
					11
	0	0	0	0	12
6230			76,288		13
					14
	0	0	76,288	0	15
6310			241		16
					17
	0	0	241	0	18
6410			237,150		19
					20
	0	0	237,150	0	21
	0	0	735,010	0	
	0	0	0	0	
	0	0	735,010	0	
6510	0	0	4,763	0	22
					23 B
	0		4,763	0	24
6530			878,021		25
					26
	0	0	878,021	0	27
6540			254,747		28
					29 C
	0	0	254,747	0	30
6560			2,384,347		31
					32
			2,384,347		33
	0	0	3,521,878	0	
	0	0	0	0	
	0	0	3,521,878	0	

**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 )	446,872	558,290	34
Less: Nonregulated	0	0	35 B
<b>Net Regulated</b>	<b>446,872</b>	<b>558,290</b>	<b>0 36</b>
Total Services ( 6620 )	1,324,922	1,428,477	37
Less: Nonregulated	0	0	38
<b>Net Regulated</b>	<b>1,324,922</b>	<b>1,428,477</b>	<b>0 39</b>
<b>TOTAL CUSTOMER OPERATIONS EXPENSE</b>	<b>1,771,794</b>	<b>1,986,767</b>	<b>0</b>
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Regulated</b>	<b>1,771,794</b>	<b>1,986,767</b>	<b>0</b>
<b>CORPORATE OPERATIONS EXPENSE</b>			
Total Exec. and Planning ( 6710 )	402,679	338,454	40
Less: Nonregulated	0	0	41
<b>Net Regulated</b>	<b>402,679</b>	<b>338,454</b>	<b>0 42</b>
Total General and Administrative ( 6720 )	1,331,992	1,676,609	43
Less: Nonregulated	0	0	44 B
<b>Net Regulated</b>	<b>1,331,992</b>	<b>1,676,609</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>1,734,671</b>	<b>2,015,063</b>	<b>0</b>
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Regulated</b>	<b>1,734,671</b>	<b>2,015,063</b>	<b>0</b>
<b>TOTAL EXPENSES</b>	<b>7,756,764</b>	<b>8,258,718</b>	<b>0</b>
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Regulated</b>	<b>7,756,764</b>	<b>8,258,718</b>	<b>0</b>

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

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6610			558,290		34
	0	0	558,290	0	35 B
6620			1,428,477		36
	0		1,428,477	0	37
	0	0	1,986,767	0	38
	0	0	0	0	39
	0	0	1,986,767	0	
6710			338,454		40
	0		338,454	0	41
6720			1,676,609		42
	0		1,676,609	0	43
6790			0		44 B
			0		45
	0	0	2,015,063	0	46
	0	0	0	0	47
	0	0	2,015,063	0	48
	0	0	8,258,718	0	
	0	0	0	0	
	0	0	8,258,718	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 )	9,786	4,763		2
<b>Total: Reported in Account 6510</b>	<b>9,786</b>	<b>4,763</b>	<b>0</b>	
Depreciat. Exp.--Tele. Plant in Service ( 6561 )	2,229,784	2,337,697		3
Depreciat. Exp.--Prop. Held for Future Tele. Use ( 6562 )	0	0		4
Amortization Expense--Tangible ( 6563 )	43,500	43,500		5
Amortization Expense--Intangible ( 6564 )	0	0		6
Amortization Expense--Other ( 6565 )	0	3,150		7
<b>Total: Reported in Account 6560</b>	<b>2,273,284</b>	<b>2,384,347</b>		

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

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6511			0		1
6512			4,763		2
	0		4,763	0	
6561			2,337,697		3
6562			0		4
6563			43,500		5
6564			0		6
6565			3,150		7
			2,384,347		

### 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	10,506,527	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)	(14,394)	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>	<b><u>10,492,133</u></b>	

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

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	4,346,554	1
Plus: Total Intrastate Access Revenues (5084)	1,890,895	2
Plus: Total Long Distance Network Services Revenue	13,602	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>	<b><u>6,251,051</u></b>	

### 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	10,506,527	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)	(14,394)	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 and Telephone Relay Assessment Purposes</b>	<b><u>10,492,133</u></b>	

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

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	4,346,554	1
Plus: Total Intrastate Access Revenues (5084)	1,890,895	2
Plus: Total Long Distance Network Services Revenue	13,602	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>	<b><u>6,251,051</u></b>	

**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	1
Return from Nonregulated Use of Regulated Facilities (7130 )*		0	2
Gains and (Losses) from Foreign Exchange (7140 )		0	3
Gains or (Losses) from the Disposition of Land and Artworks (7150 )		0	4
Other Operating Gains and (Losses) (7160 )*	(14,394)	0	5
<b>TOTAL OTHER OPERATING INCOME AND (EXPENSE) (7100)*</b>	<b>(14,394)</b>	<b>0</b>	
<b>OPERATING TAXES</b>			
Operating Investment Tax Credits--Net (7210 )*	(17,400)	(17,400)	6
Operating Federal Income Taxes (7220 )*	396,433	(84,400)	7
Operating State and Local Income Taxes (7230 )*	102,479	(15,603)	8
Operating Other Taxes (7240 )*	611,348	574,552	9
Provision for Deferred Operating Income Taxes--Net (7250 )*	(113,619)	179,480	10
<b>TOTAL OPERATING TAXES (7200)*</b>	<b>979,241</b>	<b>636,629</b>	
<b>NONOPERATING INCOME AND EXPENSE</b>			
Dividend Income (7310 )*	0	6,895	11
Interest Income (7320 )*	292,538	244,547	12
Income from Sinking and Other Funds (7330 )*	0	0	13
Allowance for Funds Used During Construction (7340 )*	14,481	21,352	14
Gains or (Losses) from the Disposition of Certain Property (7350 )*	0	0	15
Other Nonoperating Income (7360 )*	(86)	490,049	16
Special Charges (7370 )*	7,885	16,563	17
<b>TOTAL NONOPERATING INCOME AND EXPENSE (7300)*</b>	<b>299,048</b>	<b>746,280</b>	
<b>NONOPERATING TAXES</b>			
Nonoperating Investment Tax Credits--Net (7410 )*	0	0	18
Nonoperating Federal Income Taxes (7420 )*	77,676	204,244	19
Nonoperating State and Local Income Taxes (7430 )*	19,035	50,004	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>96,711</b>	<b>254,248</b>	
<b>INTEREST AND RELATED ITEMS</b>			
Interest on Funded Debt (7510 )*	827,410	869,402	23
Interest Expense--Capital Leases (7520 )*	6,310	11,781	24
Amortization of Debt Issuance Expense (7530 )*	517	517	25
Other Interest Deductions (7540 )*	1,657	476	26
<b>TOTAL INTEREST AND RELATED ITEMS (7500)*</b>	<b>835,894</b>	<b>882,176</b>	
<b>EXTRAORDINARY ITEMS</b>			
Extraordinary Items (7600 )*			27
Extraordinary Income Credits (7610 )	0	0	28
Extraordinary Income Charges (7620 )	0	0	29
Current Income Tax Effect of Extraordinary Items--Net (7630 )	0	0	30
Provision for Deferred Income Tax Effect of Extraordinary Items--Net (7640 )	0	0	31
<b>TOTAL EXTRAORDINARY ITEMS (7600)*</b>	<b>0</b>	<b>0</b>	
<b>NONREGULATED NET INCOME</b>			
Nonregulated Net Income (7990 )*	113,350	(59,968)	32

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

Particulars (a)	Amount (b)	
Revenues (Acct. 7990.1)		
Gross Sales	592,249	1
Less: Cost of Goods Sold	126,830	2
<b>Net Sales</b>	<b>465,419</b>	<b>3</b>
Expenses (Acct. 7990.2)	352,069	4
<b>Nonregulated Net Income</b>	<b><u>113,350</u></b>	<b>5</b>

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

Nonregulated activities include the sale, leasing, installation and maintenance of 1 & 2 line phones, key systems, PBXs and data modems. In addition, nonregulated activities include sales and leasing of mobile and pager equipment where the tariff allows.

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:

None.

**DISTRIBUTION OF SALARIES AND WAGES**

Description (a)	Amount (b)	
Regulated Expense	0	1
Nonregulated Expense	137,065	2
Plant Accounts	108,275	3
Accumulated Depreciation Accounts	0	4
All Other Accounts	314,384	5
<b>Total Salaries and Wages</b>	<b><u>559,724</u></b>	<b>6</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		.00		1
Supervision and Other Management	5.00	7.00	450,230	2
Other Employees	43.00	40.00	1,283,564	3
<b>Total</b>	<b><u>48.00</u></b>	<b><u>47.00</u></b>	<b><u>1,733,794</u></b>	

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Description (a)	Amount (b)	
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Nonregulated Expense	137,065	2
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<b>Total Salaries and Wages</b>	<b><u>559,724</u></b>	<b>6</b>

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Supervision and Other Management	5.00	7.00	450,230	2
Other Employees	43.00	40.00	1,283,564	3
<b>Total</b>	<b><u>48.00</u></b>	<b><u>47.00</u></b>	<b><u>1,733,794</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			1
Extended Area Service			2
Extended Community Calling			3
Other Local-Undefined	3,548	15,074	4
<b>Total Local</b>	<b>3,548</b>	<b>15,074</b>	
<b>TOLL</b>			
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		6,593	12
<b>Total Toll</b>	<b>0</b>	<b>6,593</b>	
<b>Total Local &amp; Toll</b>	<b>3,548</b>	<b>21,667</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.					2
Feature Group B -- Orig.	1	1	14		3
Feature Group B -- Term.					4
Feature Group C -- Orig.					5
Feature Group C -- Term.					6
Feature Group D -- Orig.	18,503	6,373	11,008	36	7
Feature Group D -- Term.	20,198	5,884	11,945	41	8

**OUTSIDE PLANT STATISTICS AT END OF YEAR**

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	172	1
Sheath miles of plant - buried	1,485	2
Sheath miles of plant - fiber optics	181	3
Strand miles of plant - fiber optics	2,345	4
Route miles of plant - microwave	0	5

**SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR**

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	30	10	1
56 kbps	44	9	2
64 kbps (DS0)	3	1	3
1.54 Mbps (DS-1)	44	8	4
45 Mbps (DS-3)	0	0	5
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

**OUTSIDE PLANT STATISTICS AT END OF YEAR**

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	172	1
Sheath miles of plant - buried	1,485	2
Sheath miles of plant - fiber optics	181	3
Strand miles of plant - fiber optics	2,345	4
Route miles of plant - microwave	0	5

**SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR**

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	30	10	1
56 kbps	44	9	2
64 kbps (DS0)	3	1	3
1.54 Mbps (DS-1)	44	8	4
45 Mbps (DS-3)	0	0	5
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

**SERVICE DATA**

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

Item (a)	FOY (b)	EOY (c)	
<b>Business</b>			
1 Party	2,183	1,945	<b>3</b>
2 Party	0	0	<b>4</b>
4 Party	0	0	<b>5</b>
PBX Trunks/System Trunks	65	70	<b>6</b>
Centrex Trunks	0	0	<b>7</b>
Centrex Lines	3,752	4,557	<b>8</b>
Key System Trunks	560	565	<b>9</b>
Mobile (Utility Provided Service)	2	0	<b>10</b>
Paging (Utility Provided Service)	185	206	<b>11</b>
FX-Out (Switched)	0	0	<b>12</b>
Pay Telephone	115	17	<b>13</b>
Coin-Operated Pay Telephone	0	0	<b>14</b>
Independent Pay Telephone Provider	0	0	<b>15</b>
Pay Stations - Public	0	0	<b>16</b>
- Semi-Public	0	0	<b>17</b>
- Cust. Owned	0	0	<b>18</b>
Other	0	0	<b>19</b>
<b>Total Business Lines</b>	<b>6,862</b>	<b>7,360</b>	<b>20</b>
<b>Residential (Incl. Emp. Concess.)</b>			
1 Party	10,037	10,302	<b>22</b>
2 Party	0	0	<b>23</b>
4 Party	0	0	<b>24</b>
FX-Out (Switched)	0	0	<b>25</b>
Other	1	7	<b>26</b>
<b>Total Residential Lines</b>	<b>10,038</b>	<b>10,309</b>	<b>27</b>
<b>Total Bus &amp; Res Lines</b>	<b>16,900</b>	<b>17,669</b>	<b>28</b>
Company Used Lines	108	99	<b>29</b>
<b>Total Lines Used</b>	<b>17,008</b>	<b>17,768</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	1	1	<b>3</b>
WATS Lines - 800 Service	3	3	<b>4</b>
FX-In-intraLATA	0	0	<b>5</b>
Special Access-intraLATA			<b>6</b>
(expressed in equiv. access lines)	120	212	<b>7</b>
Special Access-interLATA			<b>8</b>
(expressed in equiv. access lines)	398	1,133	<b>9</b>
Feature Group A Lines	0	0	<b>10</b>
Feature Group B Trunks	14	0	<b>11</b>
Feature Group C Trunks	264	0	<b>12</b>
Feature Group D Trunks	828	828	<b>13</b>
TSPS - Trunks	70	70	<b>14</b>
EAS - Trunks	180	180	<b>15</b>
Cellular Trunks (Pub. Sw. Net.)	0	0	<b>16</b>
Video Distance Learning			<b>17</b>
- discounted (special tariff)	0	0	<b>18</b>
<b>Customers</b>			
Business - 2 Party Customers	0	0	<b>20</b>
Business - 4 Party Customers	0	0	<b>21</b>
Residential - 2 Party Customers	0	0	<b>22</b>
Residential - 4 Party Customers	0	0	<b>23</b>
<b>Other</b>			
Total Central Office, Info. Orig./Term., & Cable			<b>25</b>
Wire Fac. Assets (based on physical location of plant)			<b>26</b>
	27,674,684	29,134,852	<b>27</b>
Total Company Square Miles	495	495	<b>28</b>
Total Company Route Miles	1,659	1,673	<b>29</b>
Footnotes			<b>30</b>

**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	0030	0560	0770	2610	1
<b>Business</b>					<b>2</b>
1 Party	110	112	71	76	3
2 Party	0	0	0	0	4
4 Party	0	0	0	0	5
PBX Trunks/System Trunks	0	0	0	0	6
Centrex Trunks	0	0	0	0	7
Centrex Lines	0	0	0	27	8
Key System Trunks	21	20	10	27	9
Mobile (utility provided service)	0	0	0	0	10
Paging (utility provided service)	0	0	0	0	11
FX-Out (Switched)	0	0	0	0	12
Pay Telephone	0		0	1	13
Coin-Operated Pay Telephone	0	0	0	0	14
Independent Pay Telephone Provider	0	0	0	0	15
Pay Stations - Public	0	0	0	0	16
- Semi-Public	0	0	0	0	17
- Cust. Owned	0	0	0	0	18
Other	0	0	0	0	19
<b>Total Business Lines</b>	<b>131</b>	<b>132</b>	<b>81</b>	<b>131</b>	<b>20</b>
<b>Residential (Incl. Emp. Concess.)</b>					<b>21</b>
1 Party	968	800	491	381	22
2 Party	0	0	0	0	23
4 Party	0	0	0	0	24
FX-Out (Switched)	0	0	0	0	25
Other	1	1	0	0	26
<b>Total Residential Lines</b>	<b>969</b>	<b>801</b>	<b>491</b>	<b>381</b>	<b>27</b>
<b>Total Bus &amp; Res Lines</b>	<b>1,100</b>	<b>933</b>	<b>572</b>	<b>512</b>	<b>28</b>
Company Used Lines	4	3	4	5	29
<b>Total Lines Used</b>	<b>1,104</b>	<b>936</b>	<b>576</b>	<b>517</b>	<b>30</b>

**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	3490	3530	4990	6010	1
<b>Business</b>					<b>2</b>
1 Party	1,359	129	70	18	<b>3</b>
2 Party	0	0	0	0	<b>4</b>
4 Party	0	0	0	0	<b>5</b>
PBX Trunks/System Trunks	70	0	0	0	<b>6</b>
Centrex Trunks	0	0	0	0	<b>7</b>
Centrex Lines	4,499	31	0	0	<b>8</b>
Key System Trunks	430	37	18	2	<b>9</b>
Mobile (utility provided service)	0	0	0	0	<b>10</b>
Paging (utility provided service)	206	0	0	0	<b>11</b>
FX-Out (Switched)	0	0	0	0	<b>12</b>
Pay Telephone	16	0	0	0	<b>13</b>
Coin-Operated Pay Telephone	0	0	0	0	<b>14</b>
Independent Pay Telephone Provider	0	0	0	0	<b>15</b>
Pay Stations - Public	0	0	0	0	<b>16</b>
- Semi-Public	0	0	0	0	<b>17</b>
- Cust. Owned	0	0	0	0	<b>18</b>
Other	0	0	0	0	<b>19</b>
<b>Total Business Lines</b>	<b>6,580</b>	<b>197</b>	<b>88</b>	<b>20</b>	<b>20</b>
<b>Residential (Incl. Emp. Concess.)</b>					<b>21</b>
1 Party	6,243	844	472	103	<b>22</b>
2 Party		0	0	0	<b>23</b>
4 Party		0	0	0	<b>24</b>
FX-Out (Switched)		0	0	0	<b>25</b>
Other	4	1	0	0	<b>26</b>
<b>Total Residential Lines</b>	<b>6,247</b>	<b>845</b>	<b>472</b>	<b>103</b>	<b>27</b>
<b>Total Bus &amp; Res Lines</b>	<b>12,827</b>	<b>1,042</b>	<b>560</b>	<b>123</b>	<b>28</b>
Company Used Lines	69	9	1	4	<b>29</b>
<b>Total Lines Used</b>	<b>12,896</b>	<b>1,051</b>	<b>561</b>	<b>127</b>	<b>30</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	0030	0560	0770	2610	1
<b>Miscellaneous</b>					<b>2</b>
WATS Lines - OutWATS	0	0	0	0	3
WATS Lines - 800 Service	0	0	0	0	4
FX-In-intraLATA	0	0	0	0	5
Special Access-intraLATA					6
(equiv. access lines)	1	27	0	0	7
Special Access-interLATA					8
(equiv. access lines)	26	2	1	2	9
Feature Group A Lines					10
Feature Group B Trunks	0				11
Feature Group C Trunks	0				12
Feature Group D Trunks	0				13
TSPS - Trunks	0				14
EAS - Trunks	0				15
Cellular Trunks (Pub. Sw. Net.)					16
Video Distance Learning					17
- discounted (special tariff)					18
<b>Customers</b>					<b>19</b>
Business - 2 Party Customers	0	0	0	0	20
Business - 4 Party Customers	0	0	0	0	21
Residential - 2 Party Customers	0	0	0	0	22
Residential - 4 Party Customers	0	0	0	0	23
<b>Other</b>					<b>24</b>
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical					26
location of plant)	1,840,796	1,852,472	1,318,570	864,748	27
Exchange Square Miles	55	84	54	35	28
Exchange Route Miles	176	218	142	101	29
Footnotes					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	3490	3530	4990	6010	1
<b>Miscellaneous</b>					<b>2</b>
WATS Lines - OutWATS	1	0	0	0	3
WATS Lines - 800 Service	3	0	0	0	4
FX-In-intraLATA	0	0	0	0	5
Special Access-intraLATA					6
(equiv. access lines)	136	24	24	0	7
Special Access-interLATA					8
(equiv. access lines)	1,097	2	3	0	9
Feature Group A Lines	0				10
Feature Group B Trunks	0				11
Feature Group C Trunks	0				12
Feature Group D Trunks	828				13
TSPS - Trunks	70				14
EAS - Trunks	180				15
Cellular Trunks (Pub. Sw. Net.)	0				16
Video Distance Learning					17
- discounted (special tariff)	0				18
<b>Customers</b>					<b>19</b>
Business - 2 Party Customers	0	0	0	0	20
Business - 4 Party Customers	0	0	0	0	21
Residential - 2 Party Customers	0	0	0	0	22
Residential - 4 Party Customers	0	0	0	0	23
<b>Other</b>					<b>24</b>
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical					26
location of plant)	20,729,996	1,685,858	572,456	269,955	27
Exchange Square Miles	143	66	47	11	28
Exchange Route Miles	708	173	124	31	29
Footnotes					30

**MANUFACTURER ABBREVIATIONS**

Use these abbreviations when completing the central office data schedule.

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

**EQUIPMENT ABBREVIATIONS**

Use these abbreviations when completing the central office data schedule.

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

**MANUFACTURER ABBREVIATIONS**

Use these abbreviations when completing the central office data schedule.

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

**EQUIPMENT ABBREVIATIONS**

Use these abbreviations when completing the central office data schedule.

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

**CENTRAL OFFICE DATA - END OF YEAR**

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

<b>Description (a)</b>	<b>Central Off. (b)</b>	<b>Central Off. (c)</b>	<b>Central Off. (d)</b>	<b>Central Off. (e)</b>	
Exchange Name	ALBANY	BLANCHARDVILL	BROWNTOWN	JUDA	<b>1</b>
PSCW Exchange ID	0030	0560	0770	2610	<b>2</b>
Central Office Name	ALBANY	BLANCHARDVILLE	BROWNTOWN	JUDA	<b>3</b>
PSCW Central Office ID	1	1	1	1	<b>4</b>
Manufacturer of COE (Page 54)	NTI	NTI	NTI	NTI	<b>5</b>
Year COE Installed	1988	1988	1988	1988	<b>6</b>
Type of Equipment (Page 54)	D	D	D	D	<b>7</b>
(S)tandalone, (H)ost, (R)emote	R	R	R	R	<b>8</b>
Remote Host PSCW Exchange ID	3490	3490	3490	3490	<b>9</b>
Remote Host PSCW Central Office ID	1	1	1	1	<b>10</b>
COE Generic Software Release No.	NA007	NA007	NA007	NA007	<b>11</b>
SS7?	Yes	Yes	Yes	Yes	<b>12</b>
9-1-1?	Yes	Yes	Yes	Yes	<b>13</b>
Access Lines - In Use	1,100	939	578	517	<b>14</b>
- Equipped	1,216	1,024	640	576	<b>15</b>
- Wired	1,216	1,024	640	576	<b>16</b>
Trunks - In Use	0	0	0	0	<b>17</b>
- Equipped	0	0	0	0	<b>18</b>
- Wired	0	0	0	0	<b>19</b>
ISDN Available?	Yes	Yes	Yes	Yes	<b>20</b>
ISDN Lines - In Use (BRI)	0	0	0	0	<b>21</b>
- In Use (PRI)	0	0	0	0	<b>22</b>
Switched 56 Service?	Yes	Yes	Yes	Yes	<b>23</b>
Switched 56 lines in use	0	0	0	0	<b>24</b>
Digital Transmission Facilities: DS-1 - In Use	6	7	20	12	<b>25</b>
DS-3 - In Use	1	1	1	1	<b>26</b>
Advanced Data Service Available:					
Packet Switching?	No	No	No	No	<b>27</b>
SMDS?	No	No	No	No	<b>28</b>
Frame Relay?	No	No	No	No	<b>29</b>
ATM (Asynchronous Trans. Mode)?	No	No	No	No	<b>30</b>
Video Information - Service Available?	No	No	No	No	<b>31</b>
- In Use (# lines) <sup>1</sup>	0	0	0	0	<b>32</b>
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	56	36	8	24	<b>33</b>
No. of fiber strands working (LIT) in C.O.	19	12	8	4	<b>34</b>
No. of fiber strands for interoffice use	50	4	8	20	<b>35</b>
Miles of fiber sheath in wire center	25	26	6	4	<b>36</b>
Access Tandem Serving this C.O.:					
- C.O. Name	MONROE	MONROE	MONROE	MONROE	<b>37</b>
- PSCW C.O. ID	3490-01	3490-01	3490-01	3490-01	<b>38</b>
Does this C.O. do access tandem switching?	No	No	No	No	<b>39</b>
Equal Access: InterLATA (1+)?	Yes	Yes	Yes	Yes	<b>40</b>
Equal Access: IntraLATA (1+)?	No	No	No	No	<b>41</b>
Footnotes					<b>42</b>

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

**CENTRAL OFFICE DATA - END OF YEAR**

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

<b>Description (a)</b>	<b>Central Off. (b)</b>	<b>Central Off. (c)</b>	<b>Central Off. (d)</b>	<b>Central Off. (e)</b>	
Exchange Name	MONROE	MONROE	MONROE	MONROE	<b>1</b>
PSCW Exchange ID	3490	3490	3490	3490	<b>2</b>
Central Office Name	MAIN	WEST	PLEASNT	EAST	<b>3</b>
PSCW Central Office ID	1	2	3	4	<b>4</b>
Manufacturer of COE (Page 54)	NTI	NTI	NTI	NTI	<b>5</b>
Year COE Installed	1988	1988	1988	1988	<b>6</b>
Type of Equipment (Page 54)	D	D	D	D	<b>7</b>
(S)tandalone, (H)ost, (R)emote	H	R	R	R	<b>8</b>
Remote Host PSCW Exchange ID		3490	3490	3490	<b>9</b>
Remote Host PSCW Central Office ID	0	1	1	1	<b>10</b>
COE Generic Software Release No.	NA007	NA007	NA007	NA007	<b>11</b>
SS7?	Yes	Yes	Yes	Yes	<b>12</b>
9-1-1?	Yes	Yes	Yes	Yes	<b>13</b>
Access Lines - In Use	8,788	1,850	325	303	<b>14</b>
- Equipped	9,042	1,983	417	332	<b>15</b>
- Wired	9,440	1,984	512	640	<b>16</b>
Trunks - In Use	1,953	0	0	0	<b>17</b>
- Equipped	2,880	0	0	0	<b>18</b>
- Wired	2,880	0	0	0	<b>19</b>
ISDN Available?	Yes	Yes	Yes	Yes	<b>20</b>
ISDN Lines - In Use (BRI)	35	0	0	0	<b>21</b>
- In Use (PRI)	2	0	0	0	<b>22</b>
Switched 56 Service?	Yes	No	No	Yes	<b>23</b>
Switched 56 lines in use	0	0	0	0	<b>24</b>
Digital Transmission Facilities: DS-1 - In Use	156	24	4	4	<b>25</b>
DS-3 - In Use	12	1	0	0	<b>26</b>
Advanced Data Service Available:					
Packet Switching?	No	No	No	No	<b>27</b>
SMDS?	No	No	No	No	<b>28</b>
Frame Relay?	No	No	No	No	<b>29</b>
ATM (Asynchronous Trans. Mode)?	No	No	No	No	<b>30</b>
Video Information - Service Available?	No	Yes	Yes	No	<b>31</b>
- In Use (# lines) <sup>1</sup>	0	0	0	0	<b>32</b>
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	288	4	0	4	<b>33</b>
No. of fiber strands working (LIT) in C.O.	80	4	0	4	<b>34</b>
No. of fiber strands for interoffice use	48	4	0	4	<b>35</b>
Miles of fiber sheath in wire center	86	0	0	0	<b>36</b>
Access Tandem Serving this C.O.:					
- C.O. Name	MONROE	MONROE	MONROE	MONROE	<b>37</b>
- PSCW C.O. ID	3490-01	3490-01	3490-01	3490-01	<b>38</b>
Does this C.O. do access tandem switching?	Yes	No	No	No	<b>39</b>
Equal Access: InterLATA (1+)?	Yes	Yes	Yes	Yes	<b>40</b>
Equal Access: IntraLATA (1+)?	No	No	No	No	<b>41</b>
Footnotes					<b>42</b>

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

**CENTRAL OFFICE DATA - END OF YEAR**

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

<b>Description (a)</b>	<b>Central Off. (b)</b>	<b>Central Off. (c)</b>	<b>Central Off. (d)</b>	<b>Central Off. (e)</b>	
Exchange Name	MONROE	MONROE	MONTICELLO	SOUTH WAYNE	<b>1</b>
PSCW Exchange ID	3490	3490	3530	4990	<b>2</b>
Central Office Name	MONROE	CLINIC	MONTICELLO	SOUTH WAYNE	<b>3</b>
PSCW Central Office ID	5	6	1	1	<b>4</b>
Manufacturer of COE (Page 54)	NTI	NTI	NTI	NTI	<b>5</b>
Year COE Installed	1992	1993	1988	1988	<b>6</b>
Type of Equipment (Page 54)	D	D	D	D	<b>7</b>
(S)tandalone, (H)ost, (R)emote	R	R	R	R	<b>8</b>
Remote Host PSCW Exchange ID	3490	3490	3490	3490	<b>9</b>
Remote Host PSCW Central Office ID	1	1	1	1	<b>10</b>
COE Generic Software Release No.	NA007	NA007	NA007	NA007	<b>11</b>
SS7?	Yes	Yes	Yes	Yes	<b>12</b>
9-1-1?	Yes	Yes	Yes	Yes	<b>13</b>
Access Lines - In Use	125	1,079	1,054	561	<b>14</b>
- Equipped	142	1,122	1,153	640	<b>15</b>
- Wired	256	1,280	1,184	640	<b>16</b>
Trunks - In Use	0	0	0	0	<b>17</b>
- Equipped	0	0	0	0	<b>18</b>
- Wired	0	0	48	48	<b>19</b>
ISDN Available?	Yes	Yes	Yes	Yes	<b>20</b>
ISDN Lines - In Use (BRI)	0	0	0	0	<b>21</b>
- In Use (PRI)	0	0	0	0	<b>22</b>
Switched 56 Service?	Yes	Yes	Yes	Yes	<b>23</b>
Switched 56 lines in use	0	0	0	0	<b>24</b>
Digital Transmission Facilities: DS-1 - In Use	4	8	17	4	<b>25</b>
DS-3 - In Use	0	1	2	1	<b>26</b>
Advanced Data Service Available:					
Packet Switching?	No	No	No	No	<b>27</b>
SMDS?	No	No	No	No	<b>28</b>
Frame Relay?	No	No	No	No	<b>29</b>
ATM (Asynchronous Trans. Mode)?	No	No	No	No	<b>30</b>
Video Information - Service Available?	No	No	No	No	<b>31</b>
- In Use (# lines) <sup>1</sup>	0	0	0	0	<b>32</b>
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	4	12	48	76	<b>33</b>
No. of fiber strands working (LIT) in C.O.	2	4	24	12	<b>34</b>
No. of fiber strands for interoffice use	2	4	16	8	<b>35</b>
Miles of fiber sheath in wire center	0	0	19	15	<b>36</b>
Access Tandem Serving this C.O.:					
- C.O. Name	MONROE	MONROE	MONROE	MONROE	<b>37</b>
- PSCW C.O. ID	3490-01	3490-01	3490-01	3490-01	<b>38</b>
Does this C.O. do access tandem switching?	No	No	No	No	<b>39</b>
Equal Access: InterLATA (1+)?	Yes	Yes	Yes	Yes	<b>40</b>
Equal Access: IntraLATA (1+)?	No	No	No	No	<b>41</b>
Footnotes					<b>42</b>

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

**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	WOODFORD				1
PSCW Exchange ID	6010				2
Central Office Name	WOODFORD				3
PSCW Central Office ID	1				4
Manufacturer of COE (Page 54)	NTI				5
Year COE Installed	1988				6
Type of Equipment (Page 54)	D				7
(S)tandalone, (H)ost, (R)emote	R				8
Remote Host PSCW Exchange ID	3490				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	126				14
- Equipped	132				15
- Wired	192				16
Trunks - In Use	0				17
- Equipped	0				18
- Wired	0				19
ISDN Available?	Yes				20
ISDN Lines - In Use (BRI)	0				21
- In Use (PRI)	0				22
Switched 56 Service?	Yes				23
Switched 56 lines in use	0				24
Digital Transmission Facilities: DS-1 - In Use	4				25
DS-3 - In Use	0				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.	0				33
No. of fiber strands working (LIT) in C.O.	0				34
No. of fiber strands for interoffice use	0				35
Miles of fiber sheath in wire center	0				36
Access Tandem Serving this C.O.:					
- C.O. Name	MONROE				37
- PSCW C.O. ID	3490-01				38
Does this C.O. do access tandem switching?	No				39
Equal Access: InterLATA (1+)?	Yes				40
Equal Access: IntraLATA (1+)?	No				41
Footnotes					42

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

## GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

### General Footnote

October 22, 1999

Mr. Gerald A. Ringlund, Assistant Treasurer  
Utelco Inc.  
301 South Westfield Road  
P.O. Box 5158  
Madison, WI 53705-0158

Re: 1998 Analytical Review DWCCA-6030-PJL

Dear Mr. Ringlund:

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:

Please file a revised page 15 to reflect corrections to the 1998 annual report as discussed with Chris Larson of our staff during the recent annual review of the earnings of small telecommunications utilities.

We appreciate your cooperation in providing the above information. These recommendations are intended to provide accounting assistance and should not be construed as criticisms of utility personnel. If you have any questions, please feel free to contact me at (608) 267-9198. Please respond within 30 days of this letter. If we have no questions regarding your response, you can consider the review closed.

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

Sincerely,

Peter J. Leege  
Financial Specialist  
Division of Water, Compliance, and Consumer Affairs

PJL:tlk:w:\compl\telco letters\6030 rev letter

MR GERALD A RINGLUND

Response received 11/22/99

Revised page 15 submitted, change was made to line 14 of column d of copy 2 of page 15.

Review closed.

P.J.L.

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

F U L

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**Schedule Footnotes****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.

**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.

**Distribution of Salaries and Wages Footnote. Page 46**

The regulated amount for salaries of \$1,226,371 is included on line 5.

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

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)** Acct 5004 - Reclassification resulting from new billing system
- B)** 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
- C)** Acct 6540 - Expenses in 1998 include payment to USAC for the schools and libraries fund and also the TEACH program in Wisconsin.
- E)** Contact John Erpenbach at (608) 664-4289 with questions on page 47, page 48, page 49 Special Access Circuits only, page 50, page 51 lines 1-9, page 52 and page 53 lines 1-9. Contact Dave Esser at (608) 664-4530 with questions on page 49 Outside Plant only, page 51 lines 10-30, page 53 lines 10-30 and page 55.
- F)** Amounts listed on pages 23 and 25, in column (g) and pages 27 and 29, column (k) are reclasses between accounts or transfers with affiliates.
- G)** Acct 501 - Paystations were deregulated in April 1997
- H)** Balance consists primarily of leased phones and business systems net of depreciation. This leased investment is depreciated with a rate of 33.33% per year. Individual leases are not tracked separately.
- I)** Acct 504 - Increase in the number of dedicated circuits billed.
- J)** Account 4340120 - Adjustment to beginning balance, \$89,594

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

- K)** Acct 2113 - Aircraft actually consists of general support assets under \$2,000 and are the result of the FCC docket No 95-60 for accounting and reporting general assets under \$2,000.
- L)** PSC approved depreciation rate
- M)** Disregard footnote.
- N)** Disregard footnote
- O)** Disregard footnote
  
- P)** Acct 506 - Increase in centrex lines and calling features
- Q)** Acct 5083 - Increase in the number of special access circuits
- R)** Acct 510 - Operator Services ended in 1997
- S)** Acct 512 - Recorded billing element toll private line revenues in 1997
- T)** Acct 526 - Reclass of 911 revenue
- U)** Acct 5301 - Write-off in early 1998 that pertained to 1997
- V)** Acct 40701 - Federal Income Tax payable to parent is recorded in a/c/4070100