



4004

ANNUAL REPORT

OF

Name: BURLINGTON, BRIGHTON, & WHEATLAND TELEPHONE C

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

For the Year Ended: DECEMBER 31, 1998

TELECOMMUNICATIONS UTILITY TO PUBLIC SERVICE COMMISSION OF WISCONSIN

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

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

GENERAL RULES FOR REPORTING

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

SIGNATURE PAGE

I JOHN R. ERPENBACH of
(Person responsible for accounts)

BURLINGTON, BRIGHTON, & WHEATLAND TELEPHONE CO, certify that I
(Utility Name)

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

JOHN R. ERPENBACH 04/01/1999
(Person responsible for accounts) (Date)

ACCOUNTING MANAGER
(Title)

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ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

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

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

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

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

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

ABBREVIATIONS USED IN ANNUAL REPORTS

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

IDENTIFICATION AND OWNERSHIP

Exact Utility Name: BURLINGTON, BRIGHTON, & WHEATLAND TELEPHONE CO
Utility Location: 301 S WESTFIELD RD
P.O. BOX 5158
MADISON, WI 53705-0158

Utility Web Site Address:

When was utility organized?: 06/01/1905

Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: MR JOHN R . ERPENBACH
Title: ACCOUNTING MANAGER

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

Fax Number: (605) 664 - 4519
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Email Address: john.erpenbach@tdstelecom.com

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

Name: ROBERT J . SAWICKI
Title: SENIOR ACCOUNTANT
Firm: TDS TELECOM
Office Address: 301 S WESTFIELD RD
P.O. BOX 5158
MADISON , WI 53705-0158

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Person responsible for financial information contained in report

Name: MR JOHN R . ERPENBACH
Title: ACCOUNTING MANAGER

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

Fax Number: (608) 664 - 4519
Telephone Number: (608) 664 - 4289
Email Address: john.erpenbach@tdstelecom.com

Person responsible for statistical information contained in report

Name: VARIOUS CONTACTS
Title: X

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

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

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IDENTIFICATION AND OWNERSHIP

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

Name: TDS TELECOMMUNICATIONS CORPORATION
Address: 301 S WESTFIELD RD
MADISON , WI 53717-1707

Number of Shares Held: 29,575
Beneficial Owner: NONE

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	2,815,853	2,608,797	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	291,073	242,154	2
Plant Nonspecific Operations Expense	876,062	681,392	3
Customer Operations Expense (6610-6620)	519,452	504,423	4
Corporate Operations Expense (6710-6790)	454,455	379,497	5
Other Operating Income and Expense (7100)	(237)	936	6
Operating Taxes (7200)	310,084	357,955	7
Total Operating Expenses	2,451,363	2,164,485	8
Net Operating Income	364,490	444,312	9
Other Income			
Nonoperating Income and Expense (7300)	17,414	22,006	10
Nonoperating Taxes (7400)	5,978	7,517	11
Interest and Related Items (7500)	167,289	158,528	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	38,934	32,099	14
Total Nonoperating Income	(116,919)	(111,940)	15
Net Income	247,571	332,372	16

NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

-
1. A summary of significant accounting policies. (The summaries should disclose, but not be limited to, the utility's accounting policies with regard to pension cost, unbilled revenues, depreciation, and income taxes.)

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:

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

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

None.

-
3. The notes should include an explicit and precise explanation of any retained earnings restrictions and should state the amount of retained earnings affected by such restrictions.

The 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 no funds with Telecommunications Technologies Fund, Inc., and could distribute up to \$1,423,428 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)	
CURRENT ASSETS			
CASH AND EQUIVALENTS			
Cash and Equivalents (1120)*			1
Cash (1130)	381,087	183,172	2
Special Cash Deposits (1140)	0	0	3
Working Cash Advances (1150)	584	584	4
Temporary Investments (1160)	0	0	5
TOTAL CASH AND EQUIVALENTS	381,671	183,756	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	329,746	316,430	6
Accounts Receivable Allowance-Telecom (1181)*	0	0	7
Net: Telecommunications Accounts Receivable	329,746	316,430	
Other Accounts Receivable (1190)*	396,928	455,236	8
Accounts Receivable Allowance--Other (1191)*	0	0	9
Net: Other Accounts Receivable	396,928	455,236	
Notes Receivable (1200)*	0	0	10
Notes Receivable Allowance (1201)*	0	0	11
Net: Notes Receivable	0	0	
Interest and Dividends Receivable (1210)*	1,406	899	12
TOTAL RECEIVABLES AND ALLOWANCES FOR DOUBTFUL	728,080	772,565	
SUPPLIES			
Inventories (1220)*	27,427	50,579	13
TOTAL SUPPLIES	27,427	50,579	
PREPAYMENTS			
Total Prepayments (1280)*			14
Prepaid Rents (1290)	0	0	15
Prepaid Taxes (1300)	2,582	2,656	16
Prepaid Insurance (1310)	0	0	17
Prepaid Directory Expenses (1320)	817	1,408	18
Other Prepayments (1330)	13,193	9,803	19
TOTAL PREPAYMENTS	16,592	13,867	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	10	207	20
TOTAL OTHER CURRENT ASSETS	10	207	
TOTAL CURRENT ASSETS	1,153,780	1,020,974	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	0	0	21
Investments in Nonaffiliated Companies (1402)*	44,814	44,814	22
Nonregulated Investments (1406)*	27,458	23,434	23
Unamortized Debt Issuance Expense (1407)*	0	0	24
Sinking Funds (1408)*	0	0	25

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
NONCURRENT ASSETS			
INVESTMENTS			
Other Noncurrent Assets (1410)*	0	0	26
TOTAL INVESTMENTS	72,272	68,248	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*	32,262	34,448	27
Deferred Maintenance and Retirements (1438)*	0	0	28
Deferred Charges (1439)*	2,000	2,943	29
TOTAL DEFERRED CHARGES	34,262	37,391	
TOTAL NONCURRENT ASSETS	106,534	105,639	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	8,113,423	7,646,382	30
Less: Accumulated Depreciation (3100)*	3,206,820	2,793,032	31
Less: Accumulated Amortization--Capitalized Leases (3410)*	0	0	32
Less: Accumulated Amortization--Leasehold Improvements (3420)*	0	0	33
Less: Accumulated Amortization--Intangible (3500)*	0	0	34
NET TELECOMMUNICATIONS PLANT IN SERVICE	4,906,603	4,853,350	
PROPERTY HELD FOR FUTURE USE			
Prop. Held for Future Telecommun. Use (2002)*	0	0	35
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200)*	0	0	36
NET PROPERTY HELD FOR FUTURE USE	0	0	
NONOPERATING PLANT			
Nonoperating Plant (2006)*	0	0	37
Less: Accumulated Depreciation--Nonoperating (3300)*	0	0	38
NET NONOPERATING PLANT	0	0	
TPUC			
TPUC (2003)*	5,900	64,578	39
TOTAL TPUC	5,900	64,578	
TELECOMMUNICATIONS PLANT ADJUSTMENT			
Telecommunications Plant Adjustment (2005)*	0	0	40
Less: Accumulated Amortization--Other (3600)*	0	0	41
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	0	0	
TOTAL PLANT	4,912,503	4,917,928	
TOTAL ASSETS AND OTHER DEBITS*	6,172,817	6,044,541	

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	345,604	399,913	1
Notes Payable (4020)*	1,397,000	1,447,000	2
Advance Billing and Payments (4030)*	33,000	26,700	3
Customer Deposits (4040)*	0	440	4
Current Maturities--Long-Term Debt (4050)*	50,463	53,400	5
Current Maturities--Capital Leases (4060)*	0	0	6
Income Taxes--Accrued (4070)*	57,679	0	7
Other Taxes--Accrued (4080)*	10,455	28,545	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)*	22,599	27,152	11
Other Current Liabilities (4130)*	8,909	0	12
TOTAL CURRENT LIABILITIES*	1,925,709	1,983,150	
LONG-TERM DEBT			
Funded Debt (4210)*	462,590	512,973	13
Premium on Long-Term Debt (4220)*	0	0	14
Discount on Long-Term Debt (4230)*	0	0	15
Reacquired Debt (4240)*	0	0	16
Obligations Under Capital Leases (4250)*	0	0	17
Advances from Affiliated Companies (4260)*	0	0	18
Other Long-Term Debt (4270)*	0	0	19
TOTAL LONG-TERM DEBT*	462,590	512,973	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*	(327)	3,642	20
Unamortized Operating ITC--Net (4320)*	1	665	21
Unamortized Nonoperating ITC--Net (4330)*	0	0	22
Net Noncurrent Deferred Operating Income Taxes (4340)*	428,783	366,844	23
Net Deferred Tax Liability Adjustments (4341)*	32,213	34,028	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	0	0	25
Other Deferred Credits (4360)*	0	0	26
Deferred Tax Regulatory Liability (4361)*	48	413	27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS*	460,718	405,592	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	296,030	296,030	28
Additional Paid-in Capital (4520)*	0	0	29
Treasury Stock (4530)*	0	0	30
Other Capital (4540)*	0	0	31
Retained Earnings (4550)*	3,027,767	2,846,796	32
TOTAL STOCKHOLDERS' EQUITY*	3,323,797	3,142,826	
TOTAL LIABILITIES AND OTHER CREDITS*	6,172,814	6,044,541	

STATEMENT OF CASH FLOWS

Item (a)	Amount (b)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	247,571	1
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and amortization	583,186	2
Interest during construction	(3,344)	3
Changes in assets and liabilities:		
Current assets (net)	65,109	4
Other noncurrent assets	3,129	5
Other current liabilities	(4,504)	6
Other liabilities and deferred credits	55,126	7
Other (specify):		
TOTAL ADJUSTMENTS	698,702	
NET CASH PROVIDED BY OPERATING ACTIVITIES (NET INCOME & ADJUST.)	946,273	
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures:		
Changes in plant (net)	(574,417)	8
Investments in affiliated companies	0	9
Nonoperating Investments	(4,024)	10
Other (specify):		
NET CASH USING IN INVESTING ACTIVITIES	(578,441)	
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in capital lease obligations (net)	0	11
Change in long-term debt (net)	(53,320)	12
Net changes in stockholder equity other than retained earnings	0	13
Change in short term borrowing (net)	(50,000)	14
Dividends paid	(66,600)	15
Miscellaneous debits/credits to retained earnings	0	16
Other (specify):		
Net Cash Provided by Financing Activities	(169,920)	
NET INCREASE IN CASH AND CASH EQUIVALENTS	197,912	
Cash and cash equivalents at beginning of year (Accts. 1130-1160 for Class A; 1120 for Class B)		
Cash and cash equivalents at end of year (Accts. 1130-1160 for Class A; 1120 for Class B)		

IMPORTANT CHANGES DURING THE YEAR

1. Give the name and address of all companies which during the year came under the direct control of the respondent otherwise than through title to securities, stating whether such control is sole or joint, how control was established, names of other parties to a joint agreement for control, the extent of control exercised by each party, and any other pertinent data requisite to a clear understanding of the arrangements relating to control (See Section 32.9000 of the Uniform System of Accounts). Where important details relating to control of a company have changed, give particulars. If during the year a company ceased to be controlled by the respondent, its name and a statement of fact will be sufficient.

None .

2. Give the name and address of all companies which during the year came under the indirect control of the respondent through non-reporting intermediaries, stating whether such control is sole or joint, how control was established, names of other parties to a joint agreement for control, the extent of control exercised by each party, the name and address of the intermediary through which the indirect control exists, and any other pertinent data requisite to a clear understanding of the arrangements relating to control (See Section 32.9000 of the Uniform System of Accounts). Where important details relating to control of a company have changed, give particulars. If during the year a company ceased to be controlled by the respondent, its name and a statement of fact will be sufficient.

None .

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

None .

4. List extension of system (other than additions supplementing existing facilities of the respondent) whether by purchase, construction, donation, or otherwise, such as a substantially complete telephone system, exchange or toll line. Give the location, new territory covered, and dates of beginning operation, and in case of purchase give also the name and address of the company from which purchased, date of acquisition, the consideration given, and reference to Commission authorization.

None .

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

Rate increase, October 1998, \$123,337 annual rate increase.

6. Obligation incurred or assumed by respondent as guarantor for the performance by another of any agreement or obligation, excluding ordinary commercial paper maturing on demand or not later than one year after date of issue.

None .

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

None .

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

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.

Name of Affiliate (a)	Abbreviations (b)	
American Paging, Inc.	API	1
Black Earth Telephone Company	BLACK	2
EastCoast Telecom, Inc.	EASTCOAST	3
Mt. Vernon Telephone Company	MT VERNON	4
Other	OTH	5
Riverside Telecom, Inc.	RIVERSIDE	6
Suttle Press, Inc.	SUTTLE	7
TDS Telecommunications Corporation	TDS	8
Telephone and Data Systems, Inc.	TDS CORP	9
TDSNET	TDS NET	10
TDS Telecom, Inc.	TDS TEL	11
TDS Computing Services	TDS/CS	12
Telecommunications Technologies Fund	TTF	13
Waunakee Telephone Company	WAUNAKEE	14

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	None	0005-TI-000124	
Name of Affiliate	OTH	OTH	SUTTLE	TDS CORP	1
Designate whether billed to or from:	FROM	TO	FROM	FROM	2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C	C	M	C	3
Revenues					4
Expenses:					
Plant Specific Operations Expense					5
Plant Nonspecific Operations Expense					6
Customer Operations Expense					7
Corporate Operations Expense					8
Total Operating Expenses	0	0	0	0	9
Other:					
Plant Accounts					10
Accumulated Depreciation					11
Accumulated Amortization					12
Clearing					13
All Other	49,283	2,937	410	64,040	14
Total	49,283	2,937	410	64,040	15
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	0.00			0.00	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				
Name of Affiliate	TDS TEL	TDS/CS				1
Designate whether billed to or from:	FROM	FROM				2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C	C				3
Revenues						4
Expenses:						
Plant Specific Operations Expense						5
Plant Nonspecific Operations Expense						6
Customer Operations Expense						7
Corporate Operations Expense						8
Total Operating Expenses	0	0	0	0		9
Other:						
Plant Accounts						10
Accumulated Depreciation						11
Accumulated Amortization						12
Clearing						13
All Other	702,053	133,532				14
Total	702,053	133,532	0	0		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	0.00	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)	
TDSNET	1190	242	1
TDS Telecom, Inc.	1190	96,738	2
Black Earth Telephone Company	4010	1,188	3
Mt. Vernon Telephone Company	4010	362	4
Telephone and Data Systems, Inc.	4010	675	5
TDS Telecom, Inc.	4010	129,036	6 L
Telecommunications Technologies Fund	4010	9,925	7
Waunakee Telephone Company	4010	7,862	8

ACCOUNTS RECEIVABLE NET WRITE OFFS - TELECOMMUNICATIONS

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

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

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

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

Name of Maker and purpose (a)	Issue Date (b)	Maturity (c)	Interest Rate (d)	Amount EOY (e)	Allowance Acct. 1201 (f)
--	-------------------------------	-------------------------	----------------------------------	-------------------------------	---

INVESTMENTS IN NONAFFILIATED COMPANIES (ACCT. 1402)

Name (a)	Balance EOY (b)	
RTB Class B Stock	42,814	1
Other:		
RTB Class C Stock	2,000	2
Total Investments in Nonaffiliated Companies	44,814	

NONREGULATED INVESTMENTS (ACCT. 1406)

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

Name (a)	Balance EOY (b)	
Total Net Investment and Inventory (Accts. 1406.10, 1406.11, and 1406.12):		
Direct Broadcast Satellite	9,646	1
Leased Phones & Business Systems	17,812	2 M

DEFERRED MAINTENANCE AND RETIREMENTS (ACCT. 1438)

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

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

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
GENERAL SUPPORT ASSETS				
Land	2111	42,356	0	1
Motor Vehicles	2112	91,688	39,439	2
Aircraft	2113	0	0	3 B,N
Special Purpose Vehicles	2114	0	0	4
Garage Work Equipment	2115	0	0	5
Other Work Equipment	2116	112,325	15,313	6 B
Buildings	2121	416,998	0	7
Furniture	2122	48,318	0	8 B
Office Equipment	2123	45,527	5,200	9 B
General Purpose Computers	2124	497,522	115,379	10
TOTAL--GENERAL SUPPORT ASSETS:		1,254,734	175,331	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0	0	11
Digital Electronic Switching	2212	1,540,089	83,079	12 B
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220	0	0	14
Radio Systems	2231	0	0	15
Circuit Equipment	2232	906,816	142,653	16 B
TOTAL--CENTRAL OFFICE ASSETS:		2,446,905	225,732	
INFORMATION ORIGATION/TERMINATION ASSETS				
Station Apparatus	2311	0	0	17
Customer Premises Wiring	2321	0	0	18
Large Private Branch Exchanges	2341	0	0	19
Public Telephone Terminal Equipment	2351	12,843	0	20
Other Terminal Equipment	2362	0	0	21
TOTAL--INFORMATION ORIG/TERM ASSETS:		12,843	0	
CABLE WIRE FACILITIES ASSETS				
Poles	2411	14,224		22 B
Aerial Cable	2421	138,262	2,482	23 B
Underground Cable	2422	3,152	1,251	24
Buried Cable	2423	3,727,994	395,525	25
Submarine Cable	2424	0	0	26
Deep Sea Cable	2425	0	0	27
Intrabuilding Network Cable	2426	0	0	28
Aerial Wire	2431	15,136		29 B
Conduit Systems	2441	33,132	4,979	30
TOTAL--CABLE WIRE FACILITIES ASSETS:		3,931,900	404,237	
AMORTIZABLE ASSETS				
Capital Leases	2681	0	0	31

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

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2111	0	0	42,356	1
2112	22,770	0	108,357	2
2113	0	11,728	11,728	3 B,N
2114	0	0	0	4
2115	0	0	0	5
2116	2,923	(10,055)	114,660	6 B
2121	0	0	416,998	7
2122	0	(4,247)	44,071	8 B
2123	965	(1,145)	48,617	9 B
2124	1,130	0	611,771	10
	27,788	(3,719)	1,398,558	
2211	0	0	0	11
2212	96,690	(48,213)	1,478,265	12 B
2215	0	0	0	13
2220	0	0	0	14
2231	0	0	0	15
2232	35,886	(51,857)	961,726	16 B
	132,576	(100,070)	2,439,991	
2311	0	0	0	17
2321	0	0	0	18
2341	0	0	0	19
2351	12,843	0	0	20
2362	0	0	0	21
	12,843	0	0	
2411	0	(48)	14,176	22 B
2421	1,064	(4,798)	134,882	23 B
2422	0	0	4,403	24
2423	55,081	0	4,068,438	25
2424	0	0	0	26
2425	0	0	0	27
2426	0	0	0	28
2431	231	(41)	14,864	29 B
2441	0	0	38,111	30
	56,376	(4,887)	4,274,874	
2681	0	0	0	31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
AMORTIZABLE ASSETS				
Leasehold Improvements	2682	0	0	32
Intangibles	2690	0	0	33
TOTAL--AMORTIZABLE ASSETS:		0	0	
TOTAL TELECOM. PLANT IN SERVICE	2001	7,646,382	805,300	
Less: Allocation to Nonregulated Activity - EOY	2001			34
NET REG. TOTAL TELE. PLANT IN SERV. - EOY	2001			

Explain all amounts shown in column (g).

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

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2682	0	0	0	32
2690	0	0	0	33
	0	0	0	
	229,583	(108,676)	8,113,423	
2001			0	34
			8,113,423	

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

Report telecommunications plant data for each subaccount where primary plant accounts have subclassifications. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone plant at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subaccount (b)	Balance FOY (c)	Additions (d)	
Office Support Equipment	2123.1	5,442	0	1 B
Company Communications Equipment	2123.2	40,085	5,200	2
Software	2212.1	96,793	77,779	3
Digital Switching - Central Office	2212.2	1,203,093	5,300	4
Digital Switching - Remote	2212.3	240,203		5 B
Step by Step Switching	2215.1	0		6
Crossbar Switching	2215.2	0		7
Satellite and Earth Station Facilities	2231.1	0		8
Other Radio Facilities	2231.2	0		9
Digital Circuit Equipment	2232.1	679,407	142,653	10
Analog Circuit Equipment	2232.2	0		11
Light Wave Circuit Equipment	2232.3	227,409		12 B
Aerial Cable - Nonmetallic	2421.1	0		13
Aerial Cable - Metallic	2421.2	138,262	2,482	14 B
Underground Cable - Nonmetallic	2422.1	0	995	15
Underground Cable - Metallic	2422.2	3,152	256	16
Buried Cable - Nonmetallic	2423.1	367,415	56,170	17
Buried Cable - Metallic	2423.2	3,360,579	339,355	18
Submarine Cable - Nonmetallic	2424.1	0		19
Submarine Cable - Metallic	2424.2	0		20
Intrabuilding Cable - Nonmetallic	2426.1	0		21
Intrabuilding Cable - Metallic	2426.2	0		22

Explain all amounts shown in column (g).

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

Subaccount (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2123.1	965	(1,145)	3,332	1 B
2123.2	0		45,285	2
2212.1	69,200		105,372	3
2212.2	27,490		1,180,903	4
2212.3	0	(48,213)	191,990	5 B
2215.1	0		0	6
2215.2	0		0	7
2231.1	0		0	8
2231.2	0		0	9
2232.1	35,886		786,174	10
2232.2	0		0	11
2232.3	0	(51,857)	175,552	12 B
2421.1	0		0	13
2421.2	1,064	(4,798)	134,882	14 B
2422.1	0		995	15
2422.2	0		3,408	16
2423.1	305		423,280	17
2423.2	54,776		3,645,158	18
2424.1	0		0	19
2424.2	0		0	20
2426.1	0		0	21
2426.2	0		0	22

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
GENERAL SUPPORT ASSETS					
Motor Vehicles	2112	67,531	90.0	14,292	1
Aircraft	2113	0	.0	769	2B,N
Special Purpose Vehicles	2114	0	.0	0	3
Garage Work Equipment	2115	0	.0	0	4
Other Work Equipment	2116	99,461	100.0	12,383	5B
Buildings	2121	127,697	100.0	13,761	6
Furniture	2122	19,048	100.0	4,383	7B
Office Equipment	2123	36,290	99.58	8,921	8B
General Purpose Computers	2124	264,430	100.0	101,562	9
Total-- GENERAL SUPPORT ASSETS		614,457		156,071	0
CENTRAL OFFICE ASSETS					
Analog Electronic Switching	2211	0	.0	0	10
Digital Electronic Switching	2212	476,346	100.0	151,532	11
Electro-Mechanical Switching	2215	0	.0	0	12
Operator Systems	2220	0	.0	0	13
Radio Systems	2231	0	.0	0	14
Circuit Equipment	2232	368,948	93.0	76,986	15B
Total-- CENTRAL OFFICE ASSETS		845,294		228,518	0
INFORMATION ORIG/TERM ASSETS					
Station Apparatus	2311	0	.0	0	16
Customer Premises Wiring	2321	0	.0	0	17
Large Private Branch Exchanges	2341	0	.0	0	18
Public Telephone Terminal Equipment	2351	7,041	95.0	730	19B
Other Terminal Equipment	2362	0	.0	0	20
Total-- INFORMATION ORIG/TERM ASSETS		7,041		730	0
CABLE WIRE FACILITIES ASSETS					
Poles	2411	14,641	150.0	1,416	21B,G
Aerial Cable	2421	70,650	125.0	7,978	22
Underground Cable	2422	3,310	110.0	156	23
Buried Cable	2423	1,218,660	110.0	191,302	24
Submarine Cable	2424	0	.0	0	25
Deep Sea Cable	2425	0	.0	0	26
Intrabuilding Network Cable	2426	0	.0	0	27
Aerial Wire	2431	12,934	171.0	2,849	28G

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112	22,770		4,600		63,653	1
2113	0			7,881	8,650	2 B,N
2114	0				0	3
2115	0				0	4
2116	2,923			(8,904)	100,017	5 B
2121	0				141,458	6
2122	0			(1,674)	21,757	7 B
2123	965			(235)	44,011	8 B
2124	1,130				364,862	9
	27,788	0	4,600	(2,932)	744,408	
2211	0				0	10
2212	96,690		52,611		583,799	11
2215	0				0	12
2220	0				0	13
2231	0				0	14
2232	35,886			79	410,127	15 B
	132,576	0	52,611	79	993,926	
2311	0				0	16
2321	0				0	17
2341	0				0	18
2351	12,843		3,467	1,605	0	19 B
2362	0				0	20
	12,843	0	3,467	1,605	0	
2411	0	198		172	16,031	21 B,G
2421	1,064	2,387			75,177	22
2422	0				3,466	23
2423	55,081	3,608			1,351,273	24
2424	0				0	25
2425	0				0	26
2426	0				0	27
2431	231				15,552	28 G

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
CABLE WIRE FACILITIES ASSETS					
Conduit Systems	2441	6,045	100.0	1,044	29
Total-- CABLE WIRE FACILITIES ASSETS		1,326,240		204,745	0
Total Accumulated Depreciation	3100	2,793,032		590,064	0
Less: Allocation to Nonregulated Activity - Columns e, f and I	3100			0	0 30
Net Regulated Total Accum Depreciation - 3100 Columns e, f and I				590,064	0

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441	0	102			6,987	29
	56,376	6,295	0	172	1,468,486	
3100	229,583	6,295	60,678	(1,076)	3,206,820	
3100					0	30
3100					3,206,820	

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

Where subclassifications of primary plant accounts are used, report below the accumulated depreciation details for each subaccount. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone accumulated depreciation at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subacct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)	
Office Support Equipment	2123.1	3,587	95.0	731		1 B
Company Communications Equipment	2123.2	32,703	100.0	8,190		2
Software	2212.1	69,200	100.0	45,999		3
Digital Switching - Central Office	2212.2	402,655	100.11	91,609		4
Digital Switching - Remote	2212.3	4,491	97.0	13,924		5
Step by Step Switching	2215.1	0	.0	0		6
Crossbar Switching	2215.2	0	.0	0		7
Satellite and Earth Station Facilities	2231.1	0	.0	0		8
Other Radio Facilities	2231.2	0	.0	0		9
Digital Circuit Equipment	2232.1	307,533	93.0	56,464		10 B
Analog Circuit Equipment	2232.2	0	.0	0		11
Light Wave Circuit Equipment	2232.3	61,415	93.0	20,522		12
Aerial Cable - Nonmetallic	2421.1	0	125.0	0		13
Aerial Cable - Metallic	2421.2	70,650	125.0	7,978		14
Underground Cable - Nonmetallic	2422.1	0	110.0	12		15
Underground Cable - Metallic	2422.2	3,310	110.0	144		16 G
Buried Cable - Nonmetallic	2423.1	73,185	110.0	18,312		17
Buried Cable - Metallic	2423.2	1,145,475	110.0	172,990		18
Submarine Cable - Nonmetallic	2424.1	0	.0	0		19
Submarine Cable - Metallic	2424.2	0	.0	0		20
Intrabuilding Cable - Nonmetallic	2426.1	0	.0	0		21
Intrabuilding Cable - Metallic	2426.2	0	.0	0		22

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

Subacct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2123.1	965			(235)	3,118	1 B
2123.2	0				40,893	2
2212.1	69,200				45,999	3
2212.2	27,490		43,838		510,612	4
2212.3	0		8,773		27,188	5
2215.1	0				0	6
2215.2	0				0	7
2231.1	0				0	8
2231.2	0				0	9
2232.1	35,886			79	328,190	10 B
2232.2	0				0	11
2232.3	0				81,937	12
2421.1	0				0	13
2421.2	1,064	2,387			75,177	14
2422.1	0				12	15
2422.2	0				3,454	16 G
2423.1	305				91,192	17
2423.2	54,776	3,608			1,260,081	18
2424.1	0				0	19
2424.2	0				0	20
2426.1	0				0	21
2426.2	0				0	22

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

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

Particulars (a)	Balance FOY (b)	
PROPERTY RELATED		
Other Current Assets (1350)	0	1
Other Noncurrent Assets (1410)	0	2
Deferred Tax Regulatory Asset (1437)	34,448	3
Net Current Deferred Operating Income Taxes (4100)	0	4
Net Noncurrent Deferred Operating Income Taxes (4340)	(366,913)	5
Net Deferred Tax Liability Adjustments (4341)	(34,028)	6
Deferred Tax Regulatory Liability (4361)	(413)	7
Net Property Related Deferred Operating Income Taxes	(366,906)	
Less: Allocation to Nonregulated Activity	0	8
Net Regulated Total Property Related Deferred Operating Income Taxes	(366,906)	
NONPROPERTY RELATED		
Other Current Assets (1350)	207	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)	69	13
Net Deferred Tax Liability Adjustments (4341)	0	14
Deferred Tax Regulatory Liability (4361)	0	15
Total Nonproperty Related Deferred Operating Income Taxes	276	

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
	(2,186)			32,262	3
7250				0	4
7250	(61,946)			(428,859)	5
	1,815			(32,213)	6
	365			(48)	7
	(61,952)	0	0	(428,858)	8
				0	
	(61,952)	0	0	(428,858)	
7250	(197)			10	9
7250				0	10
				0	11
7250				0	12
7250	7			76	13
				0	14
				0	15
	(190)	0	0	86	

NOTES PAYABLE (ACCT. 4020)

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

Name (a)	Issue Date (b)	Maturity (c)	Interest Rate (d)	Balance EOY (e)	
Affiliated:					
Telecommunications Technologies Fund	07/01/1997	12/31/1999	8.2500	1,397,000	1
Total Affiliated				<u>1,397,000</u>	
Total Notes Payable				<u><u>1,397,000</u></u>	

LONG-TERM DEBT

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

Description of Debt (a)	Specific or Range of Stated Dates of Issue (b)	Specific or Range of Stated Dates of Maturity (c)	Specific or Range of Interest Rates (d)	
Funded Debt (Account 4210):				
REA/RTB	06/09/1967-11/17/1967	06/09/1999-11/17/1999	2.0000	1
REA/RTB	06/15/1975-05/02/1983	06/15/2007-05/02/2012	6.5000-8.0000	2
Total Funded Debt				

LONG-TERM DEBT (cont.)

Composite Interest Rate (e)	Held by Utility		Total Principal EOY (h)	Current Maturities Included in Acct. 4050 (i)	Total Amount Outstanding (j)	
	Reacquired Debt Acct. 4240 (f)	Sinking Funds Acct. 1408 (g)				
2.0000				11,762	11,762	1
7.5858			462,590	38,701	501,291	2
	0	0	462,590	50,463	513,053	

CAPITAL STOCK ACCOUNTS AT END OF YEAR

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

Class and Series (a)	Shares Authorized by Charter (b)	Par Value per Share (c)	Call Price End of Year (d)
COMMON STOCK:			
	45,800	10.00	.00 1
TOTAL COMMON STOCK	45,800		
TOTAL	<u>45,800</u>		

CAPITAL STOCK ACCOUNTS AT END OF YEAR (cont.)

	Acct. 4510 - Capital Stock		Acct. 4530 - Treasury Stock		
	Shares (e)	Amount (f)	Shares (g)	Amount (h)	
COMMON STOCK:					
	26,903	296,030			1
	26,903	296,030	0	0	
TOTAL	<u>26,903</u>	<u>296,030</u>	<u>0</u>	<u>0</u>	

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	2,846,796	2,714,425	1
Changes:			
Balance Transferred from Income	247,571	332,372	2
Dividends Declared:			
Common	66,600	200,001	3
Preferred		0	4
Total Dividends Declared	66,600	200,001	
Miscellaneous Debits to Retained Earnings		0	5
Miscellaneous Credits to Retained Earnings		0	6
Balance--End of Year	<u>3,027,767</u>	<u>2,846,796</u>	

DISTRIBUTION OF TAXES

1. Report hereunder the summary accounts and functions charged with taxes accrued during the year.
2. Where allocation is necessary, explain the basis used.
3. Report in a footnote the amounts and kind of taxes cleared from prepaid taxes, if any.

Summary Account/ Function Charged (a)	Wisconsin License Fee (b)	Wisconsin Income Tax (c)	Federal Income Tax (d)	
Operating Taxes (Accts. 7210 - 7250)	162,475	29,428	113,566	1
Nonoperating Taxes (Accts. 7410 - 7450)		1,176	4,803	2
Extraordinary Items (Accts. 7630 & 7640)			0	3
Nonregulated Net Income (Acct. 7990)		3,936	16,022	4
Clearing Accounts				5
Construction				6
Payroll Taxes: FICA				7
Payroll Taxes: State Unemployment				8
Payroll Taxes: Federal Unemployment				9
Other (specify):				
TOTAL	<u>162,475</u>	<u>34,540</u>	<u>134,391</u>	

DISTRIBUTION OF TAXES (cont.)

PSC Remainder Assessment (e)	Local Property Tax (f)	State & Local Taxes Other than Wisconsin (g)	Other Taxes (h)	Payroll Taxes (i)	Total (j)	
4,615					310,084	1
					5,979	2
					0	3
					19,958	4
					0	5
					0	6
					0	7
					0	8
					0	9
4,615	0	0	0	0	336,021	

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

Particulars (a)	This Year (b)	Last Year (c)	
LOCAL NETWORK SERVICES REVENUES			
Basic Local Service Revenue (5000)*			1
Basic Area Revenue (5001)	671,333	624,610	2
Optional Extended Area Revenue (5002)	796	0	3
Cellular Mobile Revenue (5003)	0	0	4
Other Mobile Services Revenue (5004)	0	0	5
Public Telephone Revenue (5010)	0	470	6
Local Private Line Revenue (5040)	3,589	4,103	7
Customer Premises Revenue (5050)	2,538	721	8
Other Local Exchange Revenue (5060)	144,889	114,383	9 H
Other Local Exchange Revenue Settlements (5069)	0	0	10
TOTAL BASIC LOCAL SERVICE REVENUE (5000)	823,145	744,287	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	161,168	155,557	11
Switched Access Revenue (5082)*	1,050,987	976,653	12
Special Access Revenue (5083)*	7,357	0	13 I
TOTAL INTERSTATE ACCESS REVENUES (5080)	1,219,512	1,132,210	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*	0	0	14
Switched Access Revenue (5084.2)*	467,322	407,745	15
Special Access Revenue (5084.3)*	54,168	41,764	16 J
TOTAL INTRASTATE ACCESS REVENUES (5084)	521,490	449,509	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*	0	0	17
Long Distance Inward-Only Revenue (5111)	0	0	18
Long Distance Outward-Only Revenue (5112)	0	0	19
Unidirectional Long Distance Revenue (5110)	0	0	
Long Distance Private Network Revenues			
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	0	27
Total Long Distance Private Network Revenue	0	0	
Other Long Distance Revenue (5160)	0	0	28
Other Long Distance Revenue Settlements (5169)	0	0	29
TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV.	0	0	

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

Particulars (a)	This Year (b)	Last Year (c)	
MISCELLANEOUS REVENUES			
Directory Revenue (5230)*	115,238	117,415	30
Rent Revenue (5240)*	956	1,806	31
Corporate Operations Revenue (5250)*	0	0	32
Miscellaneous:			
Miscellaneous Revenue (5260)*			33
Special Billing Arrangements Revenue (5261)	17	1,783	34
Customer Operations Revenue (5262)	0	0	35
Plant Operations Revenue (5263)	0	0	36
Other Incidental Regulated Revenue (5264)	4,804	5,032	37
Other Revenue Settlements (5269)	963	1,059	38
Total Miscellaneous Revenue (5260)	5,784	7,874	
Interstate Billing and Collection Revenue*	67,931	75,933	39
Intrastate Billing and Collection Revenue*	70,479	87,944	40
Total Carrier Billing and Collection Revenue (5270)*	138,410	163,877	
Nonregulated Operating Revenue (5280)**			41
TOTAL MISCELLANEOUS REVENUES	260,388	290,972	
GROSS OPERATING REVENUES	2,824,535	2,616,978	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*			42
Uncollectible Revenue--Telecommunications (5301)	8,983	8,181	43
Uncollectible Revenue--Other (5302)	(301)	0	44
TOTAL UNCOLLECTIBLE REVENUE (5300)	8,682	8,181	
TOTAL OPERATING REVENUES	2,815,853	2,608,797	

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

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)
PLANT SPECIFIC OPERATIONS EXPENSE			
Total Network Support Expense (6110)	4,672	4,445	1
Less: Nonregulated	0	0	2
Net Regulated	4,672	4,445	0 3
Total General Support Expense (6120)	35,097	40,549	4
Less: Nonregulated	0	0	5
Net Regulated	35,097	40,549	0 6
Total Central Office Switching Expense (6210)	38,695	32,988	7
Less: Nonregulated	0	0	8
Net Regulated	38,695	32,988	0 9
Total Operator Systems Expense (6220)	0	0	10
Less: Nonregulated	0	0	11
Net Regulated	0	0	0 12
Total Central Office Transmission Expenses (6230)	22,398	25,512	13
Less: Nonregulated	0	0	14
Net Regulated	22,398	25,512	0 15
Total Information Orig. / Term. Expense (6310)	795	74	16
Less: Nonregulated	0	0	17
Net Regulated	795	74	0 18
Total Cable and Wire Fac. Expense (6410)	140,497	187,505	19
Less: Nonregulated	0	0	20 C
Net Regulated	140,497	187,505	0 21
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	242,154	291,073	0
Less: Nonregulated	0	0	0
Net Regulated	242,154	291,073	0
PLANT NONSPECIFIC OPERATIONS EXPENSE			
Total Other Property, Plant and Equip. Exp. (6510)	3,183	3,764	0 22
Less: Nonregulated	0	0	23
Net Regulated	3,183	3,764	0 24
Total Network Operations Expense (6530)	166,447	179,327	25
Less: Nonregulated	0	0	26
Net Regulated	166,447	179,327	0 27
Access Expense (6540)	45,468	109,785	28
Less: Nonregulated	0	0	29 D
Net Regulated	45,468	109,785	0 30
Total Depreciation and Amortization Expense (6560)	466,294	583,186	31
Less: Nonregulated	0	0	32 E
Net Regulated	466,294	583,186	33
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	681,392	876,062	0
Less: Nonregulated	0	0	0
Net Regulated	681,392	876,062	0

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6110			4,445		1
			0		2
	0	0	4,445	0	3
6120			40,549		4
			0		5
	0	0	40,549	0	6
6210			32,988		7
			0		8
	0	0	32,988	0	9
6220			0		10
			0		11
	0	0	0	0	12
6230			25,512		13
			0		14
	0	0	25,512	0	15
6310			74		16
			0		17
	0	0	74	0	18
6410			187,505		19
			0		20 C
	0	0	187,505	0	21
	0	0	291,073	0	
	0	0	0	0	
	0	0	291,073	0	
6510	0	0	3,764	0	22
			0		23
	0		3,764	0	24
6530			179,327		25
			0		26
	0	0	179,327	0	27
6540			109,785		28
			0		29 D
	0	0	109,785	0	30
6560			583,186		31
			0		32 E
			583,186		33
	0	0	876,062	0	
	0	0	0	0	
	0	0	876,062	0	

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)
CUSTOMER OPERATIONS EXPENSE			
Total Marketing (6610)	120,491	144,559	34
Less: Nonregulated	0	0	35
Net Regulated	120,491	144,559	0 36
Total Services (6620)	383,932	374,893	37
Less: Nonregulated	0	0	38
Net Regulated	383,932	374,893	0 39
TOTAL CUSTOMER OPERATIONS EXPENSE	504,423	519,452	0
Less: Nonregulated	0	0	0
Net Regulated	504,423	519,452	0
CORPORATE OPERATIONS EXPENSE			
Total Exec. and Planning (6710)	57,778	86,354	40
Less: Nonregulated	0	0	41 F
Net Regulated	57,778	86,354	0 42
Total General and Administrative (6720)	321,719	368,101	43
Less: Nonregulated	0	0	44
Net Regulated	321,719	368,101	0 45
Provision for Uncollectible Notes Receiv. (6790)	0	0	46
Less: Nonregulated	0	0	47
Net Regulated	0	0	48
TOTAL CORPORATE OPERATIONS EXPENSE	379,497	454,455	0
Less: Nonregulated	0	0	0
Net Regulated	379,497	454,455	0
TOTAL EXPENSES	1,807,466	2,141,042	0
Less: Nonregulated	0	0	0
Net Regulated	1,807,466	2,141,042	0

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6610			144,559		34
			0		35
	0	0	144,559	0	36
6620			374,893		37
			0		38
	0		374,893	0	39
	0	0	519,452	0	
	0	0	0	0	
	0	0	519,452	0	
6710			86,354		40
			0		41 F
	0		86,354	0	42
6720			368,101		43
			0		44
	0		368,101	0	45
6790					46
			0		47
			0		48
	0	0	454,455	0	
	0	0	0	0	
	0	0	454,455	0	
	0	0	2,141,042	0	
	0	0	0	0	
	0	0	2,141,042	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)	3,183	3,764		2
Total: Reported in Account 6510	3,183	3,764	0	
Depreciat. Exp.--Tele. Plant in Service (6561)	466,294	582,417		3
Depreciat. Exp.--Prop. Held for Future Tele. Use (6562)	0	0		4
Amortization Expense--Tangible (6563)	0	0		5
Amortization Expense--Intangible (6564)	0	0		6
Amortization Expense--Other (6565)	0	769		7
Total: Reported in Account 6560	466,294	583,186		

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

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6511			0		1
6512			3,764		2
	0		3,764	0	
6561			582,417		3
6562			0		4
6563			0		5
6564			0		6
6565			769		7
			583,186		

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	2,824,535	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)	(237)	4
Less: Nonregulated Operating Revenue (included Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify):		8
Assessable Revenues for Remainder, Department of Justice, and Telephone Relay Assessment Purposes		
	<u>2,824,298</u>	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	823,145	1
Plus: Total Intrastate Access Revenues (5084)	521,490	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus (or Less) Other (please specify):		5
Assessable Revenues for Universal Service Fund Assessment Purposes		
	<u>1,344,635</u>	

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

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

Description (a)	This Year (b)	
Gross Operating Revenues	2,824,535	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)	(237)	4
Less: Nonregulated Operating Revenue (included Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify):		8
<hr/>		
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	<u>2,824,298</u>	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	823,145	1
Plus: Total Intrastate Access Revenues (5084)	521,490	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus (or Less) Other (please specify):		5
<hr/>		
Assessable Revenues for Universal Service Fund Assessment Purposes	<u>1,344,635</u>	

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

Particulars (a)	This Year (b)	Last Year (c)	
OTHER OPERATING INCOME AND EXPENSE			
Income from Custom Work (7110)*	0	0	1
Return from Nonregulated Use of Regulated Facilities (7130)*	1,368	936	2
Gains and (Losses) from Foreign Exchange (7140)	0	0	3
Gains or (Losses) from the Disposition of Land and Artworks (7150)	0	0	4
Other Operating Gains and (Losses) (7160)*	(1,605)	0	5
TOTAL OTHER OPERATING INCOME AND (EXPENSE) (7100)*	(237)	936	
OPERATING TAXES			
Operating Investment Tax Credits--Net (7210)*	(665)	(4,143)	6
Operating Federal Income Taxes (7220)*	64,619	75,494	7
Operating State and Local Income Taxes (7230)*	17,094	20,941	8
Operating Other Taxes (7240)*	167,090	158,094	9
Provision for Deferred Operating Income Taxes--Net (7250)*	61,946	107,569	10
TOTAL OPERATING TAXES (7200)*	310,084	357,955	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)*	145	145	11
Interest Income (7320)*	14,423	13,205	12
Income from Sinking and Other Funds (7330)*	0	0	13
Allowance for Funds Used During Construction (7340)*	3,344	10,376	14
Gains or (Losses) from the Disposition of Certain Property (7350)*	0	0	15
Other Nonoperating Income (7360)*	(14)	0	16
Special Charges (7370)*	484	1,720	17
TOTAL NONOPERATING INCOME AND EXPENSE (7300)*	17,414	22,006	
NONOPERATING TAXES			
Nonoperating Investment Tax Credits--Net (7410)*	0	0	18
Nonoperating Federal Income Taxes (7420)*	4,802	6,039	19
Nonoperating State and Local Income Taxes (7430)*	1,176	1,478	20
Nonoperating Other Taxes (7440)*	0	0	21
Provision for Deferred Nonoperating Income Taxes-Net (7450)*	0	0	22
TOTAL NONOPERATING TAXES (7400)*	5,978	7,517	
INTEREST AND RELATED ITEMS			
Interest on Funded Debt (7510)*	39,233	42,873	23
Interest Expense--Capital Leases (7520)*	0	0	24
Amortization of Debt Issuance Expense (7530)*	0	989	25
Other Interest Deductions (7540)*	128,056	114,666	26
TOTAL INTEREST AND RELATED ITEMS (7500)*	167,289	158,528	
EXTRAORDINARY ITEMS			
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
TOTAL EXTRAORDINARY ITEMS (7600)*	0	0	
NONREGULATED NET INCOME			
Nonregulated Net Income (7990)*	38,934	32,099	32

NONREGULATED NET INCOME (ACCT. 7990)

Particulars (a)	Amount (b)	
Revenues (Acct. 7990.1)		
Gross Sales	255,610	1
Less: Cost of Goods Sold	105,042	2
Net Sales	150,568	3
Expenses (Acct. 7990.2)	111,634	4
Nonregulated Net Income	<u>38,934</u>	5

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, data modems and Direct Broadcast Satellite (DBS). 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:

DISTRIBUTION OF SALARIES AND WAGES

Description (a)	Amount (b)	
Regulated Expense	0	1
Nonregulated Expense	24,191	2
Plant Accounts	38,473	3
Accumulated Depreciation Accounts	0	4
All Other Accounts	306,143	5
Total Salaries and Wages	<u>368,807</u>	6 κ

EMPLOYEE DATA

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

Employee Category (a)	Number of Equivalent Full-Time Employees		Total Compensation (d)	
	FOY (b)	EOY (c)		
Officers				1
Supervision and Other Management	1.00	1.00	57,020	2
Other Employees	7.00	7.00	257,518	3
Total	<u>8.00</u>	<u>8.00</u>	<u>314,538</u>	

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Total	<u>8.00</u>	<u>8.00</u>	<u>314,538</u>	

TELEPHONE CALLS AND MINUTES OF USE PER MONTH

Enter average number, in thousands, of calls and minutes of use per month. The averages may be based on actual counts taken periodically during the year. Please provide level of detail available.

Item (a)	Telephone Calls (000's) (b)	Minutes of Use (000's) (c)	
LOCAL			
Intra-Exchange	0	0	1
Extended Area Service	0	0	2
Extended Community Calling	0	0	3
Other Local-Undefined	0	0	4
Total Local	0	0	
TOLL			
Operator Handled: State--intraLATA	0	0	5
Operator Handled: State--interLATA	0	0	6
Operator Handled: Interstate	0	0	7
Customer Dialed: State--intraLATA	0	0	8
Customer Dialed: State--interLATA	0	0	9
Customer Dialed: Interstate	0	0	10
WATS	0	0	11
Other Toll-Undefined	0	2,547	12
Total Toll	0	2,547	
Total Local & Toll	0	2,547	

ACCESS USAGE

Enter number, in thousands, of Billed Minutes.

Description (a)	Billed Minutes (000's)				
	Interstate InterLATA (b)	Intrastate InterLATA (c)	Intrastate IntraLATA (d)	Interstate IntraLATA (e)	
Feature Group A -- Orig.	0	0	0	0	1
Feature Group A -- Term.	0	0	0	0	2
Feature Group B -- Orig.	6	3	0	0	3
Feature Group B -- Term.	76	19	16	0	4
Feature Group C -- Orig.	0	0	0	0	5
Feature Group C -- Term.	0	0	0	0	6
Feature Group D -- Orig.	9,809	4,039	3,803	0	7
Feature Group D -- Term.	6,312	933	3,653	0	8

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	8	1
Sheath miles of plant - buried	141	2
Sheath miles of plant - fiber optics	22	3
Strand miles of plant - fiber optics	309	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	0	5	1
56 kbps	2	2	2
64 kbps (DS0)	0	0	3
1.54 Mbps (DS-1)	9	3	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	8	1
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1.54 Mbps (DS-1)	9	3	4
45 Mbps (DS-3)	0	0	5
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

SERVICE DATA

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

Item (a)	FOY (b)	EOY (c)	
Business			
1 Party	311	285	3
2 Party	0	0	4
4 Party	0	0	5
PBX Trunks/System Trunks	0	0	6
Centrex Trunks	0	0	7
Centrex Lines	16	22	8
Key System Trunks	85	77	9
Mobile (Utility Provided Service)	0	0	10
Paging (Utility Provided Service)	0	0	11
FX-Out (Switched)	4	5	12
Pay Telephone	14	13	13
Coin-Operated Pay Telephone	0	0	14
Independent Pay Telephone Provider	0	0	15
Pay Stations - Public	0	0	16
- Semi-Public	0	0	17
- Cust. Owned	0	0	18
Other	0	0	19
Total Business Lines	430	402	20
Residential (Incl. Emp. Concess.)			
1 Party	3,233	3,418	22
2 Party	0	0	23
4 Party	0	0	24
FX-Out (Switched)	2	5	25
Other	5	7	26
Total Residential Lines	3,240	3,430	27
Total Bus & Res Lines	3,670	3,832	28
Company Used Lines	47	47	29
Total Lines Used	3,717	3,879	30

SERVICE DATA (cont.)

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

Item (a)	FOY (b)	EOY (c)	
Miscellaneous			
WATS Lines - OutWATS	0	0	3
WATS Lines - 800 Service	0	0	4
FX-In-intraLATA	0	20	5
Special Access-intraLATA			6
(expressed in equiv. access lines)	35	79	7
Special Access-interLATA			8
(expressed in equiv. access lines)	75	218	9
Feature Group A Lines	0	0	10
Feature Group B Trunks	0	0	11
Feature Group C Trunks	0	0	12
Feature Group D Trunks	0	0	13
TSPS - Trunks	0	0	14
EAS - Trunks	0	0	15
Cellular Trunks (Pub. Sw. Net.)	0	0	16
Video Distance Learning			17
- discounted (special tariff)	0	0	18
Customers			
Business - 2 Party Customers	0	0	20
Business - 4 Party Customers	0	0	21
Residential - 2 Party Customers	0	0	22
Residential - 4 Party Customers	0	0	23
Other			
Total Central Office, Info. Orig./Term., & Cable			25
Wire Fac. Assets (based on physical location of plant)	6,391,648	6,714,867	26
Total Company Square Miles	72	72	28
Total Company Route Miles	141	144	29
Footnotes			30

SERVICE DATA - END OF YEAR

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

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	0620	5830			1
Business					2
1 Party	143	142			3
2 Party	0	0			4
4 Party	0	0			5
PBX Trunks/System Trunks	0	0			6
Centrex Trunks	0	0			7
Centrex Lines	8	14			8
Key System Trunks	35	42			9
Mobile (utility provided service)	0	0			10
Paging (utility provided service)	0	0			11
FX-Out (Switched)	1	4			12
Pay Telephone	5	8			13
Coin-Operated Pay Telephone	0	0			14
Independent Pay Telephone Provider	0	0			15
Pay Stations - Public	0	0			16
- Semi-Public	0	0			17
- Cust. Owned	0	0			18
Other	0	0			19
Total Business Lines	192	210	0	0	20
Residential (Incl. Emp. Concess.)					21
1 Party	1,447	1,971			22
2 Party	0	0			23
4 Party	0	0			24
FX-Out (Switched)	3	2			25
Other	5	2			26
Total Residential Lines	1,455	1,975	0	0	27
Total Bus & Res Lines	1,647	2,185	0	0	28
Company Used Lines	29	18			29
Total Lines Used	1,676	2,203	0	0	30

SERVICE DATA - END OF YEAR (cont.)

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

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	0620	5830			1
Miscellaneous					2
WATS Lines - OutWATS	0	0			3
WATS Lines - 800 Service	0	0			4
FX-In-intraLATA	1	19			5
Special Access-intraLATA					6
(equiv. access lines)	4	75			7
Special Access-interLATA					8
(equiv. access lines)	122	96			9
Feature Group A Lines	0	0			10
Feature Group B Trunks	0	0			11
Feature Group C Trunks	0	0			12
Feature Group D Trunks	0	0			13
TSPS - Trunks	0	0			14
EAS - Trunks	0	0			15
Cellular Trunks (Pub. Sw. Net.)	0	0			16
Video Distance Learning					17
- discounted (special tariff)	0	0			18
Customers					19
Business - 2 Party Customers	0	0			20
Business - 4 Party Customers	0	0			21
Residential - 2 Party Customers	0	0			22
Residential - 4 Party Customers	0	0			23
Other					24
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical					26
location of plant)	3,774,636	2,940,231			27
Exchange Square Miles	27	45			28
Exchange Route Miles	68	76			29
Footnotes					30

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

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

EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

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

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CENTRAL OFFICE DATA - END OF YEAR

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

Description (a)	Central Off. (b)	Central Off. (c)	Central Off. (d)	Central Off. (e)	
Exchange Name	BOHNERS LAKE	WHEATLAND			1
PSCW Exchange ID	0620	5830			2
Central Office Name	BOHNERS LAKE	WHEATLAND			3
PSCW Central Office ID	1	1			4
Manufacturer of COE (Page 54)	SI	SI			5
Year COE Installed	1996	1997			6
Type of Equipment (Page 54)	D	D			7
(S)tandalone, (H)ost, (R)emote	H	R			8
Remote Host PSCW Exchange ID		0620			9
Remote Host PSCW Central Office ID	0	1			10
COE Generic Software Release No.	14.0	14.0			11
SS7?	Yes	Yes			12
9-1-1?	Yes	Yes			13
Access Lines - In Use	1,676	2,203			14
- Equipped	2,992	2,756			15
- Wired	3,353	2,756			16
Trunks - In Use	398	0			17
- Equipped	576	0			18
- Wired	576	0			19
ISDN Available?	Yes	Yes			20
ISDN Lines - In Use (BRI)	7	0			21
- In Use (PRI)	0	0			22
Switched 56 Service?	No	No			23
Switched 56 lines in use	0	0			24
Digital Transmission Facilities: DS-1 - In Use	15	12			25
DS-3 - In Use	2	1			26
Advanced Data Service Available:					
Packet Switching?	No	No			27
SMDS?	No	No			28
Frame Relay?	No	No			29
ATM (Asynchronous Trans. Mode)?	No	No			30
Video Information - Service Available?	No	No			31
- In Use (# lines) ¹	0	0			32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	44	48			33
No. of fiber strands working (LIT) in C.O.	14	14			34
No. of fiber strands for interoffice use	16	12			35
Miles of fiber sheath in wire center	15	7			36
Access Tandem Serving this C.O.:					
- C.O. Name	MILWAUKEE	MILWAUKEE			37
- PSCW C.O. ID	3420-43	3420-01			38
Does this C.O. do access tandem switching?	No	No			39
Equal Access: InterLATA (1+)?	Yes	Yes			40
Equal Access: IntraLATA (1+)?	Yes	Yes			41
Footnotes					42

¹ Teleco provided end-to-end facility.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

General Footnote

October 26, 1999

Mr. John R. Erpenbach, Accounting Manager
Burlington, Brighton, & Wheatland Telephone Company
301 South Westfield Road
P.O. Box 5158
Madison, WI 53705-0158

Re: 1998 Analytical Review DWCCA-850-PJL

Dear Mr. Erpenbach:

The Public Service Commission (PSC) is in the process of completing an analytical review of your utility's 1998 annual report. The purposes of an analytical review are to detect possible reporting or accounting related errors and to identify significant fluctuations from established trends in reported data not sufficiently explained in the annual report. It is our hope that our review will supply information that will enable us to better provide guidance to your utility regarding proper utility accounting and the preparation of future annual reports. In order to complete this review, we request the following information:

1. 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.

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

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

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

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

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\850 rev letter

Response received 11/22/99

#1, Revised page 15 provided. Line 14 of column b on copy 2 of page 15 was changed and record 6 was added.

#2, Response was "Please refer to Telephone Calls and Minutes of Use Per Month schedule footnote regarding the information provided on page 47." Review closed.

PJL

Schedule Footnotes

Identification and Ownership Footnote. Page 7

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.

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

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

Schedule Line Footnotes

- A) 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.
- B) 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.
- C) Expense up due to ICC charges from a major IXC and increased maintenance labor costs.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

- D) Expenses in 1998 include payments to USAC for the schools and libraries fund and also the TEACH program in Wisconsin.
- E) Depreciation increased in 1998 due to net plant additions that included the installation of a new switch and a large outside plant project.
- F) Executive and Planning (6710) expenses increased in 1998 due to higher charges from affiliates for management services.
- G) Accumulated depreciation is greater than the asset balance because per the WI PSC, we are allowed to depreciate more than 100% of this account group.
- H) Increase in calling features.
 - I) Pursuant to agreement with PSCW staff, not material.
 - J) Increase in the number of special access circuits.
- K) The regulated expense amount for salaries of \$256,855 is included on line 5.
- L) Federal Income Tax Payable to parent is recorded in account 4070100.
- M) 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.
- N) The amounts shown in account 2113 - Aircraft actually consist of general support assets under \$2,000 and are a result of the FCC docket No. 95-60 for accounting and reporting general support assets under \$2,000.