



4004

ANNUAL REPORT

OF

Name: LAKEFIELD TELEPHONE COMPANY

Principal Office: 7520 ENGLISH LAKE RD
P.O. BOX 102
NEWTON, WI 53063

For the Year Ended: DECEMBER 31, 1996

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 PHILIP NASS of
(Person responsible for accounts)

LAKEFIELD TELEPHONE COMPANY, 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.

PHILIP NASS 04/28/1997
(Person responsible for accounts) (Date)

GENERAL MANAGER
(Title)

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ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

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

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

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

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Route Miles	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: LAKEFIELD TELEPHONE COMPANY
Utility Location: 7520 ENGLISH LAKE RD
P.O. BOX 102
NEWTON, WI 53063

Utility Web Site Address:

When was utility organized?: 01/01/1907

Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: MR PHILIP NASS
Title: GENERAL MANAGER

Office Address: 7520 ENGLISH LAKE ROAD
P.O. BOX 102
NEWTON, WI 53063

Fax Number: (414) 758 - 2997
Telephone Number: (414) 758 - 2211

Email Address:

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

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

Fax Number: (608) 273 - 2383
Telephone Number: (608) 273 - 2315

Email Address:

Person responsible for financial information contained in report

Name: MR PHILIP NASS
Title: GENERAL MANAGER

Office Address: 7520 ENGLISH LAKE ROAD
P.O. BOX 102
NEWTON, WI 53063

Fax Number: (414) 758 - 2997
Telephone Number: (414) 758 - 2211

Email Address:

Person responsible for statistical information contained in report

Name: MR PHILIP NASS
Title: GENERAL MANAGER

Office Address: 7520 ENGLISH LAKE ROAD
P.O. BOX 102
NEWTON, WI 53063

Fax Number: (414) 758 - 2997
Telephone Number: (414) 758 - 2211

Email Address:

IDENTIFICATION AND OWNERSHIP

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

Name: LAKEFIELD TELECOM, INC.
Address: 7520 ENGLISH LAKE ROAD
PO BOX 102
NEWTON , WI 53063
Number of Shares Held: 8,765
Beneficial Owner: NONE

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

Company Name:
Form of Interest:
Extent Of Interest:

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	1,089,273	1,057,331	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	140,877	104,267	2
Plant Nonspecific Operations Expense	296,207	208,655	3
Customer Operations Expense (6610-6620)	156,314	125,472	4
Corporate Operations Expense (6710-6790)	191,357	214,441	5
Other Operating Income and Expense (7100)	0	0	6
Operating Taxes (7200)	114,127	170,652	7
Total Operating Expenses	898,882	823,487	8
Net Operating Income	190,391	233,844	9
Other Income			
Nonoperating Income and Expense (7300)	15,932	44,691	10
Nonoperating Taxes (7400)	10,666	13,802	11
Interest and Related Items (7500)	89,266	86,491	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	(52,471)	(23,751)	14
Total Nonoperating Income	(136,471)	(79,353)	15
Net Income	53,920	154,491	16

NOTES TO INCOME STATEMENT OR BALANCE SHEET

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

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

The accounting policies of the Company conform to generally accepted accounting principles. Management uses estimates and assumptions in preparing its financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Telephone operations reflect practices appropriate to the telephone industry. The accounting records of the company are maintained in accordance with Uniform System of Accounts for Class A and B Telephone Companies prescribed by the Federal Communications Commission as modified by the Public Service Commission of Wisconsin (PSCW).

A. Property and Equipment

Telephone plant is capitalized at original cost, including the capitalized cost of salaries and wages, materials, certain payroll taxes, and employee benefits.

The Company provides for depreciation for financial reporting purposes on the straight-line method by the application of rates, based on the estimated service lives of the various classes of depreciable property.

Renewals and betterments of units of property are charged to telephone plant in service. When telephone plant is retired, its cost is removed from the asset account and charged against accumulated depreciation, together with removal cost less any salvage realized. No gains or losses are recognized in connection with routine retirements of depreciable property. Repairs and renewals of minor items of property are included in plant specific operations expense.

B. Income taxes

Income taxes are accounted for using a liability method and provide for the tax effects of transaction reported in the financial statements including both taxes currently due and deferred. Deferred tax liabilities are adjusted to reflect deferred tax consequences at current enacted tax rates. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities include the difference between carrying amounts of depreciable assets and partnership investment basis. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled.

Investment tax credits (ITC) which were deferred prior to the Tax Reform Act of 1986 are being amortized over the regulatory life of the plant which produced the ITC.

NOTES TO INCOME STATEMENT OR BALANCE SHEET

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

C. Revenue Recognition

Revenues are recognized when earned regardless of the period in which they are billed.

Revenues relating to the provision of access services to customers are derived, in part, from tariffed access charges to toll service providers (interexchange carriers), and in part from sharing in interstate and intrastate pools. Interstate revenues are determined in accordance with nationwide average cost schedules.

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

D. Cash Equivalents

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

E. Investments

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

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

None

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

The mortgage to the United States of America, underlying the RUS notes, contains certain restrictions on the declaration of payment of cash dividends, redemption of capital stock, or investment in affiliated companies. As of December 31, 1996, the maximum amount which could be distributed in accordance with these restrictions was \$227,000, except as might be specifically authorized in writing in advance by the RUS noteholders.

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT ASSETS			
CASH AND EQUIVALENTS			
Cash and Equivalents (1120)*	184,071	271,728	1
Cash (1130)		0	2
Special Cash Deposits (1140)		0	3
Working Cash Advances (1150)		0	4
Temporary Investments (1160)		0	5
TOTAL CASH AND EQUIVALENTS	184,071	271,728	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	54,306	48,271	6
Accounts Receivable Allowance-Telecom (1181)*		0	7
Net: Telecommunications Accounts Receivable	54,306	48,271	
Other Accounts Receivable (1190)*	242,361	200,098	8
Accounts Receivable Allowance--Other (1191)*		0	9
Net: Other Accounts Receivable	242,361	200,098	
Notes Receivable (1200)*	0	0	10
Notes Receivable Allowance (1201)*	0	0	11
Net: Notes Receivable	0	0	
Interest and Dividends Receivable (1210)*		0	12
TOTAL RECEIVABLES AND ALLOWANCES FOR DOUBTFUL	296,667	248,369	
SUPPLIES			
Inventories (1220)*	23,396	31,442	13
TOTAL SUPPLIES	23,396	31,442	
PREPAYMENTS			
Total Prepayments (1280)*	1,520	2,980	14 K
Prepaid Rents (1290)		0	15
Prepaid Taxes (1300)		0	16
Prepaid Insurance (1310)		0	17
Prepaid Directory Expenses (1320)		0	18
Other Prepayments (1330)		0	19
TOTAL PREPAYMENTS	1,520	2,980	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	6,735	5,785	20 K
TOTAL OTHER CURRENT ASSETS	6,735	5,785	
TOTAL CURRENT ASSETS	512,389	560,304	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	120,000	120,000	21 A
Investments in Nonaffiliated Companies (1402)*	128,611	134,878	22 A
Nonregulated Investments (1406)*	38,926	27,225	23
Unamortized Debt Issuance Expense (1407)*	1,968	2,072	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)*	9,181	11,666	26
TOTAL INVESTMENTS	298,686	295,841	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*	0	0	27
Deferred Maintenance and Retirements (1438)*	0	0	28
Deferred Charges (1439)*	17,568	0	29
TOTAL DEFERRED CHARGES	17,568	0	
TOTAL NONCURRENT ASSETS	316,254	295,841	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	3,887,584	3,516,445	30
Less: Accumulated Depreciation (3100)*	1,751,458	1,503,822	31
Less: Accumulated Amortization--Capitalized Leases (3410)*		0	32
Less: Accumulated Amortization--Leasehold Improvements (3420)*		0	33
Less: Accumulated Amortization--Intangible (3500)*		0	34
NET TELECOMMUNICATIONS PLANT IN SERVICE	2,136,126	2,012,623	
PROPERTY HELD FOR FUTURE USE			
Prop. Held for Future Telecommun. Use (2002)*		0	35
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200)*		0	36
NET PROPERTY HELD FOR FUTURE USE	0	0	
NONOPERATING PLANT			
Nonoperating Plant (2006)*		0	37
Less: Accumulated Depreciation--Nonoperating (3300)*		0	38
NET NONOPERATING PLANT	0	0	
TPUC			
TPUC (2003)*		0	39
TOTAL TPUC	0	0	
TELECOMMUNICATIONS PLANT ADJUSTMENT			
Telecommunications Plant Adjustment (2005)*		0	40
Less: Accumulated Amortization--Other (3600)*		0	41
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	0	0	
TOTAL PLANT	2,136,126	2,012,623	
TOTAL ASSETS AND OTHER DEBITS*	2,964,769	2,868,768	

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	127,573	107,861	1
Notes Payable (4020)*	189,278	0	2
Advance Billing and Payments (4030)*		0	3
Customer Deposits (4040)*	425	825	4
Current Maturities--Long-Term Debt (4050)*	70,300	67,000	5
Current Maturities--Capital Leases (4060)*		0	6
Income Taxes--Accrued (4070)*	(53,876)	12,050	7
Other Taxes--Accrued (4080)*	(10,365)	(6,264)	8
Net Current Deferred Operating Income Taxes (4100)*	0	0	9
Net Current Deferred Nonoperating Income Taxes (4110)*		0	10
Other Accrued Liabilities (4120)*	25,094	29,186	11
Other Current Liabilities (4130)*		0	12
TOTAL CURRENT LIABILITIES*	348,429	210,658	
LONG-TERM DEBT			
Funded Debt (4210)*	1,458,329	1,528,501	13
Premium on Long-Term Debt (4220)*		0	14
Discount on Long-Term Debt (4230)*		0	15
Reacquired Debt (4240)*	0	0	16
Obligations Under Capital Leases (4250)*		0	17
Advances from Affiliated Companies (4260)*	0	0	18
Other Long-Term Debt (4270)*	0	0	19
TOTAL LONG-TERM DEBT*	1,458,329	1,528,501	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*		0	20
Unamortized Operating ITC--Net (4320)*	82,019	93,119	21
Unamortized Nonoperating ITC--Net (4330)*		0	22
Net Noncurrent Deferred Operating Income Taxes (4340)*	145,295	139,257	23
Net Deferred Tax Liability Adjustments (4341)*	(40,112)	(45,485)	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	(10,957)	(7,684)	25
Other Deferred Credits (4360)*		0	26
Deferred Tax Regulatory Liability (4361)*	53,457	60,503	27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS*	229,702	239,710	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	438,250	439,650	28
Additional Paid-in Capital (4520)*		0	29
Treasury Stock (4530)*	0	1,400	30
Other Capital (4540)*	(59,935)	(84,424)	31
Retained Earnings (4550)*	549,994	536,073	32
TOTAL STOCKHOLDERS' EQUITY*	928,309	889,899	
TOTAL LIABILITIES AND OTHER CREDITS*	2,964,769	2,868,768	

STATEMENT OF CASH FLOWS

Item (a)	Amount (b)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	53,920	1
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and amortization	282,546	2
Interest during construction	(4,283)	3
Changes in assets and liabilities:		
Current assets (net)	(39,742)	4
Other noncurrent assets	(15,187)	5
Other current liabilities	(54,807)	6
Other liabilities and deferred credits	(10,008)	7
Other (specify):		
TOTAL ADJUSTMENTS	158,519	
NET CASH PROVIDED BY OPERATING ACTIVITIES (NET INCOME & ADJUST.)	212,439	
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures:		
Changes in plant (net)	(401,766)	8
Investments in affiliated companies	0	9
Nonoperating Investments	(5,433)	10M
Other (specify):		
NET CASH USING IN INVESTING ACTIVITIES	(407,199)	
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in capital lease obligations (net)	0	11
Change in long-term debt (net)	(66,664)	12
Net changes in stockholder equity other than retained earnings	24,489	13
Change in short term borrowing (net)	189,278	14
Dividends paid	(40,000)	15
Miscellaneous debits/credits to retained earnings	0	16M
Other (specify):		
Net Cash Provided by Financing Activities	107,103	
NET INCREASE IN CASH AND CASH EQUIVALENTS	(87,657)	
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.

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

None

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

None

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

None

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

None

AFFILIATE ABBREVIATIONS

In column (b) provide the abbreviation for the name of the affiliate shown in column (a). Limit abbreviations to 10 characters or less. Use these abbreviations when completing the affiliated interest schedules. Insert "Other" in the Abbreviations column if the activity to be reported for a particular record in the Affiliated Interest Transactions or Affiliated Assets and Liabilities schedule represents an aggregation of activity not exceeding the dollar or percentage limits set forth in the header of that schedule.

Name of Affiliate (a)	Abbreviations (b)	
Computer Systems Limited Liability Corporation	CSLLC	1
Lakefield Communications, Inc.	LKFDCOMM	2
Lakefield Telecom, Inc.	LKFDTELCM	3
Other	OTH	4

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	2970-AT-100					
Name of Affiliate	CSLLC					1
Designate whether billed to or from:	FROM					2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	M					3
Revenues						4
Expenses:						
Plant Specific Operations Expense						5
Plant Nonspecific Operations Expense						6
Customer Operations Expense	86,781					7
Corporate Operations Expense						8
Total Operating Expenses	86,781	0	0	0	0	9
Other:						
Plant Accounts						10
Accumulated Depreciation						11
Accumulated Amortization						12
Clearing						13
All Other						14
Total	86,781	0	0	0	0	15
Percent of affiliate's business billed to all affiliated regulated utilities	89.94					16
If cost based, rate of return on equity or markup incorporated in billings						17
Footnotes						

AFFILIATED ASSETS AND LIABILITIES

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

Name of Affiliate (a)	Account Number (b)	Balance EOY (c)	
Lakefield Communications, Inc.	1190	41,094	1
Lakefield Telecom, Inc.	1190	84,684	2
Computer Systems Limited Liability Corporation	1401	120,000	3

ACCOUNTS RECEIVABLE NET WRITE OFFS - TELECOMMUNICATIONS

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

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

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

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

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

Name (a)	Balance EOY (b)	
RTB Class B Stock	0	1
Other:		
WITS Class A Stock	200	2
WITS Class B Stock	20,600	3
Cash Surrender Value of Life Insurance	107,811	4
Total Investments in Nonaffiliated Companies	128,611	

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):		
Leased Telephone Equipment	35,962	1
Internet Equipment	10,705	2
Internet C.O. Equipment	17,475	3
Cellular Test Set	4,354	4
Cellular Office - test equipment	2,857	5
Depreciation Reserve (Acct. 1406.11)	(46,962)	6
Inventory (Acct. 1406.12)	14,535	7

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	18,158		1
Motor Vehicles	2112	71,589		2
Aircraft	2113	0		3
Special Purpose Vehicles	2114	0		4
Garage Work Equipment	2115	0		5
Other Work Equipment	2116	56,802		6
Buildings	2121	333,107	193,174	7
Furniture	2122	38,521	20,377	8
Office Equipment	2123	33,561	684	9
General Purpose Computers	2124	68,737	34,188	10
TOTAL--GENERAL SUPPORT ASSETS:		620,475	248,423	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0		11
Digital Electronic Switching	2212	745,385	86,449	12
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220	0		14
Radio Systems	2231	0	0	15
Circuit Equipment	2232	139,806	0	16
TOTAL--CENTRAL OFFICE ASSETS:		885,191	86,449	
INFORMATION ORIGATION/TERMINATION ASSETS				
Station Apparatus	2311	0		17
Customer Premises Wiring	2321	0		18
Large Private Branch Exchanges	2341	0		19
Public Telephone Terminal Equipment	2351	2,562		20
Other Terminal Equipment	2362	0		21
TOTAL--INFORMATION ORIG/TERM ASSETS:		2,562	0	
CABLE WIRE FACILITIES ASSETS				
Poles	2411	0		22
Aerial Cable	2421	1,301	0	23
Underground Cable	2422	12,485	0	24
Buried Cable	2423	1,984,340	71,630	25
Submarine Cable	2424	0	0	26
Deep Sea Cable	2425	0		27
Intrabuilding Network Cable	2426	0	0	28
Aerial Wire	2431	2,445	47	29
Conduit Systems	2441	7,409		30
TOTAL--CABLE WIRE FACILITIES ASSETS:		2,007,980	71,677	
AMORTIZABLE ASSETS				
Capital Leases	2681	0		31

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

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2111			18,158	1
2112	12,203		59,386	2
2113			0	3
2114			0	4
2115			0	5
2116			56,802	6
2121			526,281	7
2122			58,898	8
2123	0	0	34,245	9
2124	23,207		79,718	10
	35,410	0	833,488	
2211			0	11
2212	0	0	831,834	12
2215	0	0	0	13
2220			0	14
2231	0	0	0	15
2232	0	0	139,806	16
	0	0	971,640	
2311			0	17
2321			0	18
2341			0	19
2351			2,562	20
2362			0	21
	0	0	2,562	
2411			0	22
2421	0	0	1,301	23
2422	0	0	12,485	24
2423	0	0	2,055,970	25
2424	0	0	0	26
2425			0	27
2426	0	0	0	28
2431			2,492	29
2441			7,409	30
	0	0	2,079,657	
2681			0	31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)
AMORTIZABLE ASSETS			
Leasehold Improvements	2682	0	32
Intangibles	2690	237	33
TOTAL--AMORTIZABLE ASSETS:		237	0
TOTAL TELECOM. PLANT IN SERVICE	2001	3,516,445	406,549
Less: Allocation to Nonregulated Activity - EOY	2001		34
NET REG. TOTAL TELE. PLANT IN SERV. - EOY	2001		

Explain all amounts shown in column (g).

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

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2682			0	32
2690			237	33
	0	0	237	
	35,410	0	3,887,584	
2001				34
			3,887,584	

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	32,470		1
Company Communications Equipment	2123.2	1,091	684	2
Software	2212.1	745,385		3 A
Digital Switching - Central Office	2212.2	0	86,449	4 A
Digital Switching - Remote	2212.3	0		5
Step by Step Switching	2215.1	0		6
Crossbar Switching	2215.2	0		7
Satellite and Earth Station Facilities	2231.1	0		8
Other Radio Facilities	2231.2	0		9
Digital Circuit Equipment	2232.1	139,806		10 A
Analog Circuit Equipment	2232.2	0		11
Light Wave Circuit Equipment	2232.3	0		12 A
Aerial Cable - Nonmetallic	2421.1	1,301		13 A
Aerial Cable - Metallic	2421.2	0		14 A
Underground Cable - Nonmetallic	2422.1	12,485		15 A
Underground Cable - Metallic	2422.2	0		16 A
Buried Cable - Nonmetallic	2423.1	196,758		17 A
Buried Cable - Metallic	2423.2	1,787,582	71,630	18 A
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			32,470	1
2123.2			1,775	2
2212.1		(745,385)	0	3 A
2212.2		745,385	831,834	4 A
2212.3			0	5
2215.1			0	6
2215.2			0	7
2231.1			0	8
2231.2			0	9
2232.1		(109,948)	29,858	10 A
2232.2			0	11
2232.3		109,948	109,948	12 A
2421.1		(1,301)	0	13 A
2421.2		1,301	1,301	14 A
2422.1		(12,485)	0	15 A
2422.2		12,485	12,485	16 A
2423.1			196,758	17 A
2423.2			1,859,212	18 A
2424.1			0	19
2424.2			0	20
2426.1			0	21
2426.2			0	22

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
GENERAL SUPPORT ASSETS					
Motor Vehicles	2112	46,449		7,958	11
Aircraft	2113	0			2
Special Purpose Vehicles	2114	0			3
Garage Work Equipment	2115	0			4
Other Work Equipment	2116	57,802	10.0	(1,000)	5
Buildings	2121	105,627	4.0	18,282	6
Furniture	2122	30,644	10.0	4,058	7
Office Equipment	2123	33,806		313	8J
General Purpose Computers	2124	59,988	20.0	16,552	9
Total-- GENERAL SUPPORT ASSETS		334,316		46,163	0
CENTRAL OFFICE ASSETS					
Analog Electronic Switching	2211	0			10
Digital Electronic Switching	2212	145,245	11.11	87,615	11
Electro-Mechanical Switching	2215	0			12
Operator Systems	2220	0			13
Radio Systems	2231	0			14
Circuit Equipment	2232	27,693	12.0	16,916	15
Total-- CENTRAL OFFICE ASSETS		172,938		104,531	0
INFORMATION ORIG/TERM ASSETS					
Station Apparatus	2311	0			16
Customer Premises Wiring	2321	0			17
Large Private Branch Exchanges	2341	0			18
Public Telephone Terminal Equipment	2351	521	10.0	256	19
Other Terminal Equipment	2362	0			20
Total-- INFORMATION ORIG/TERM ASSETS		521		256	0
CABLE WIRE FACILITIES ASSETS					
Poles	2411	0			21
Aerial Cable	2421	501	5.0	65	22
Underground Cable	2422	6,190	4.5	562	23
Buried Cable	2423	986,606		130,474	24J
Submarine Cable	2424	0			25
Deep Sea Cable	2425	0			26
Intrabuilding Network Cable	2426	0			27
Aerial Wire	2431	1,111	12.5	310	28

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112	12,203		500		42,704	1 I
2113					0	2
2114					0	3
2115					0	4
2116					56,802	5
2121					123,909	6
2122					34,702	7
2123	0				34,119	8 J
2124	23,207				53,333	9
	35,410	0	500	0	345,569	
2211					0	10
2212	0			0	232,860	11
2215	0				0	12
2220					0	13
2231	0				0	14
2232	0			0	44,609	15
	0	0	0	0	277,469	
2311					0	16
2321					0	17
2341					0	18
2351					777	19
2362					0	20
	0	0	0	0	777	
2411					0	21
2421	0			0	566	22
2422	0			0	6,752	23
2423	0				1,117,080	24 J
2424	0				0	25
2425					0	26
2426	0				0	27
2431					1,421	28

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
CABLE WIRE FACILITIES ASSETS					
Conduit Systems	2441	1,639	2.5	185	29
Total-- CABLE WIRE FACILITIES ASSETS		996,047		131,596	0
Total Accumulated Depreciation	3100	1,503,822		282,546	0
Less: Allocation to Nonregulated Activity - Columns e, f and I	3100				30
Net Regulated Total Accum Depreciation -	3100			282,546	0
Columns e, f and I					

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441					1,824	29
	0	0	0	0	1,127,643	
3100	35,410	0	500	0	1,751,458	
3100						30
3100					1,751,458	

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	32,175	15.0	295		1
Company Communications Equipment	2123.2	1,631	20.0	18		2
Software	2212.1	145,245				3 A
Digital Switching - Central Office	2212.2	0	11.11	87,615		4 A
Digital Switching - Remote	2212.3	0				5
Step by Step Switching	2215.1	0				6
Crossbar Switching	2215.2	0				7
Satellite and Earth Station Facilities	2231.1	0				8
Other Radio Facilities	2231.2	0				9
Digital Circuit Equipment	2232.1	27,693	12.0	3,583		10 A
Analog Circuit Equipment	2232.2	0				11
Light Wave Circuit Equipment	2232.3	0	12.0	13,333		12 A
Aerial Cable - Nonmetallic	2421.1	501				13 A
Aerial Cable - Metallic	2421.2	0	5.0	65		14 A
Underground Cable - Nonmetallic	2422.1	6,190				15 A
Underground Cable - Metallic	2422.2	0	4.5	562		16 A
Buried Cable - Nonmetallic	2423.1	19,375	4.5	8,854		17
Buried Cable - Metallic	2423.2	967,231	6.67	121,620		18
Submarine Cable - Nonmetallic	2424.1	0				19
Submarine Cable - Metallic	2424.2	0				20
Intrabuilding Cable - Nonmetallic	2426.1	0				21
Intrabuilding Cable - Metallic	2426.2	0				22

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

Subacct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2123.1					32,470	1
2123.2					1,649	2
2212.1				(145,245)	0	3 A
2212.2				145,245	232,860	4 A
2212.3					0	5
2215.1					0	6
2215.2					0	7
2231.1					0	8
2231.2					0	9
2232.1				(17,456)	13,820	10 A
2232.2					0	11
2232.3				17,456	30,789	12 A
2421.1				(501)	0	13 A
2421.2				501	566	14 A
2422.1				(6,190)	0	15 A
2422.2				6,190	6,752	16 A
2423.1					28,229	17
2423.2					1,088,851	18
2424.1					0	19
2424.2					0	20
2426.1					0	21
2426.2					0	22

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

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

Particulars (a)	Balance FOY (b)	
PROPERTY RELATED		
Other Current Assets (1350)	0	1
Other Noncurrent Assets (1410)	0	2
Deferred Tax Regulatory Asset (1437)	0	3
Net Current Deferred Operating Income Taxes (4100)	0	4
Net Noncurrent Deferred Operating Income Taxes (4340)	(139,257)	5
Net Deferred Tax Liability Adjustments (4341)	45,485	6
Deferred Tax Regulatory Liability (4361)	(60,503)	7
Net Property Related Deferred Operating Income Taxes	(154,275)	
Less: Allocation to Nonregulated Activity		8
Net Regulated Total Property Related Deferred Operating Income Taxes	(154,275)	
NONPROPERTY RELATED		
Other Current Assets (1350)	5,785	9 A
Other Noncurrent Assets (1410)	11,666	10 A
Deferred Tax Regulatory Asset (1437)	0	11
Net Current Deferred Operating Income Taxes (4100)	0	12
Net Noncurrent Deferred Operating Income Taxes (4340)	0	13
Net Deferred Tax Liability Adjustments (4341)	0	14
Deferred Tax Regulatory Liability (4361)	0	15
Total Nonproperty Related Deferred Operating Income Taxes	17,451	

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	(6,038)			(145,295)	5
	(5,373)			40,112	6
	7,046			(53,457)	7
	(4,365)	0	0	(158,640)	8
				0	
	(4,365)	0	0	(158,640)	
7250	950			6,735	9 A
7250		2,485		9,181	10 A
				0	11
7250				0	12
7250				0	13
				0	14
				0	15
	950	2,485	0	15,916	

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)	
Other:					
Business Note	02/14/1996	02/15/1997	9.2500	189,278	1
Total Other				189,278	
Total Notes Payable				189,278	

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):				
RUS Mortgage Notes	07/28/1980	07/28/2015	5.0000	1
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)				
5.0000			1,458,329	70,300	1,528,629	1
	0	0	1,458,329	70,300	1,528,629	

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:			
Common	10,000	50.00	1
TOTAL COMMON STOCK	10,000		
TOTAL	<u>10,000</u>		

CAPITAL STOCK ACCOUNTS AT END OF YEAR (cont.)

	Acct. 4510 - Capital Stock		Acct. 4530 - Treasury Stock		
	Shares (e)	Amount (f)	Shares (g)	Amount (h)	
COMMON STOCK:					
Common	8,765	438,250			1
	8,765	438,250	0	0	
TOTAL	<u>8,765</u>	<u>438,250</u>	<u>0</u>	<u>0</u>	

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	536,073	448,506	1
Changes:			
Balance Transferred from Income	53,920	154,491	2
Dividends Declared:			
Common	40,000	40,000	3
Preferred		0	4
Total Dividends Declared	40,000	40,000	
Miscellaneous Debits to Retained Earnings		26,924	5
Miscellaneous Credits to Retained Earnings	1	0	6
Balance--End of Year	<u>549,994</u>	<u>536,073</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)	63,849	12,930	35,559	1
Nonoperating Taxes (Accts. 7410 - 7450)		2,358	8,308	2
Extraordinary Items (Accts. 7630 & 7640)				3
Nonregulated Net Income (Acct. 7990)		(1,160)	(25,299)	4
Clearing Accounts				5
Construction				6
Payroll Taxes: FICA				7
Payroll Taxes: State Unemployment				8
Payroll Taxes: Federal Unemployment				9
Other (specify):				
ITC			11,100	10
Deferred Tax		(786)	(1,841)	11
TOTAL	<u><u>63,849</u></u>	<u><u>13,342</u></u>	<u><u>27,827</u></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)	
1,789					114,127	1
					10,666	2
					0	3
					(26,459)	4
					0	5
					0	6
				18,428	18,428	7
				208	208	8
				504	504	9
					11,100	10
					(2,627)	11
<u>1,789</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>19,140</u>	<u>125,947</u>	

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)*	378,296	358,599	1
Basic Area Revenue (5001)			2
Optional Extended Area Revenue (5002)			3
Cellular Mobile Revenue (5003)			4
Other Mobile Services Revenue (5004)			5
Public Telephone Revenue (5010)			6
Local Private Line Revenue (5040)			7
Customer Premises Revenue (5050)			8
Other Local Exchange Revenue (5060)			9
Other Local Exchange Revenue Settlements (5069)			10
TOTAL BASIC LOCAL SERVICE REVENUE (5000)	378,296	358,599	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	58,208	56,642	11
Switched Access Revenue (5082)*	290,050	299,301	12
Special Access Revenue (5083)*		0	13
TOTAL INTERSTATE ACCESS REVENUES (5080)	348,258	355,943	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*		0	14
Switched Access Revenue (5084.2)*	234,647	226,037	15
Special Access Revenue (5084.3)*	20,428	12,863	16 H
TOTAL INTRASTATE ACCESS REVENUES (5084)	255,075	238,900	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*		0	17
Long Distance Inward-Only Revenue (5111)			18
Long Distance Outward-Only Revenue (5112)			19
Unidirectional Long Distance Revenue (5110)	0	0	
Long Distance Private Network Revenues			
Subvoice Grade Revenue (5121)			20
Voice Grade Revenue (5122)			21
Audio Program Grade Revenue (5123)			22
Video Program Grade Revenue (5124)			23
Digital Transmission Revenue (5125)			24
Switching Revenue (5126)			25
Other Revenue (5128)			26
Other Revenue Settlements (5129)			27
Total Long Distance Private Network Revenue	0	0	
Other Long Distance Revenue (5160)			28
Other Long Distance Revenue Settlements (5169)			29
TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV.	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)*	28,262	28,429	30
Rent Revenue (5240)*		0	31
Corporate Operations Revenue (5250)*		0	32
Miscellaneous:			
Miscellaneous Revenue (5260)*	7,342	3,582	33
Special Billing Arrangements Revenue (5261)			34
Customer Operations Revenue (5262)			35
Plant Operations Revenue (5263)			36
Other Incidental Regulated Revenue (5264)			37
Other Revenue Settlements (5269)			38
Total Miscellaneous Revenue (5260)	7,342	3,582	
Interstate Billing and Collection Revenue*	24,617	20,843	39
Intrastate Billing and Collection Revenue*	48,632	53,251	40
Total Carrier Billing and Collection Revenue (5270)*	73,249	74,094	
Nonregulated Operating Revenue (5280)**			41
TOTAL MISCELLANEOUS REVENUES	108,853	106,105	
GROSS OPERATING REVENUES	1,090,482	1,059,547	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*	1,209	2,216	42
Uncollectible Revenue--Telecommunications (5301)			43
Uncollectible Revenue--Other (5302)			44
TOTAL UNCOLLECTIBLE REVENUE (5300)	1,209	2,216	
TOTAL OPERATING REVENUES	<u>1,089,273</u>	<u>1,057,331</u>	

** 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)	6,255	2,036		1
Less: Nonregulated		0		2
Net Regulated	6,255	2,036	0	3
Total General Support Expense (6120)	22,162	29,252	10,880	4
Less: Nonregulated		0		5 B
Net Regulated	22,162	29,252	10,880	6
Total Central Office Switching Expense (6210)	50,954	38,367	8,396	7
Less: Nonregulated		0		8 C
Net Regulated	50,954	38,367	8,396	9
Total Operator Systems Expense (6220)		0		10
Less: Nonregulated		0		11
Net Regulated	0	0	0	12
Total Central Office Transmission Expenses (6230)	1,097	551		13
Less: Nonregulated		0		14
Net Regulated	1,097	551	0	15
Total Information Orig. / Term. Expense (6310)	321	1,261	239	16
Less: Nonregulated		0		17
Net Regulated	321	1,261	239	18
Total Cable and Wire Fac. Expense (6410)	23,478	69,410	6,194	19
Less: Nonregulated		0		20 D
Net Regulated	23,478	69,410	6,194	21
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	104,267	140,877	25,709	
Less: Nonregulated	0	0	0	
Net Regulated	104,267	140,877	25,709	
PLANT NONSPECIFIC OPERATIONS EXPENSE				
Total Other Property, Plant and Equip. Exp. (6510)	300	824	658	22
Less: Nonregulated		0		23
Net Regulated	300	824	658	24
Total Network Operations Expense (6530)	19,246	12,837	1,845	25
Less: Nonregulated		0		26 E
Net Regulated	19,246	12,837	1,845	27
Access Expense (6540)		0		28
Less: Nonregulated		0		29
Net Regulated	0	0	0	30
Total Depreciation and Amortization Expense (6560)	189,109	282,546		31
Less: Nonregulated		0		32 F
Net Regulated	189,109	282,546		33
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	208,655	296,207	2,503	
Less: Nonregulated	0	0	0	
Net Regulated	208,655	296,207	2,503	

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6110			3,283	(1,247)	1
					2
	0	0	3,283	(1,247)	3
6120	2,826		15,543	3	4
					5 B
	2,826	0	15,543	3	6
6210	2,281		27,595	95	7
					8 C
	2,281	0	27,595	95	9
6220					10
					11
	0	0	0	0	12
6230			551		13
					14
	0	0	551	0	15
6310	64		958		16
					17
	64	0	958	0	18
6410	1,497		60,580	1,139	19
					20 D
	1,497	0	60,580	1,139	21
	6,668	0	108,510	(10)	
	0	0	0	0	
	6,668	0	108,510	(10)	
6510	166	0	0	0	22
					23
	166		0	0	24
6530	473		10,519		25
					26 E
	473	0	10,519	0	27
6540					28
					29
	0	0	0	0	30
6560			282,546		31
					32 F
			282,546		33
	639	0	293,065	0	
	0	0	0	0	
	639	0	293,065	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)	2,093	(1,269)		34
Less: Nonregulated		0		35
Net Regulated	2,093	(1,269)	0	36
Total Services (6620)	123,379	157,583	22,380	37
Less: Nonregulated		0		38 G
Net Regulated	123,379	157,583	22,380	39
TOTAL CUSTOMER OPERATIONS EXPENSE	125,472	156,314	22,380	
Less: Nonregulated	0	0	0	
Net Regulated	125,472	156,314	22,380	
CORPORATE OPERATIONS EXPENSE				
Total Exec. and Planning (6710)	74,727	69,824	43,587	40
Less: Nonregulated		0		41
Net Regulated	74,727	69,824	43,587	42
Total General and Administrative (6720)	139,714	121,533	43,157	43
Less: Nonregulated		0		44
Net Regulated	139,714	121,533	43,157	45
Provision for Uncollectible Notes Receiv. (6790)		0		46
Less: Nonregulated		0		47
Net Regulated	0	0		48
TOTAL CORPORATE OPERATIONS EXPENSE	214,441	191,357	86,744	
Less: Nonregulated	0	0	0	
Net Regulated	214,441	191,357	86,744	
TOTAL EXPENSES	652,835	784,755	137,336	
Less: Nonregulated	0	0	0	
Net Regulated	652,835	784,755	137,336	

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6610			(1,269)		34
	0	0	(1,269)	0	35
6620	6,097		129,106		36
	6,097		129,106	0	37
	6,097	0	127,837	0	38 G
	0	0	0	0	39
	6,097	0	127,837	0	
6710	11,658		14,579		40
	11,658		14,579	0	41
6720	11,007		67,359	10	42
	11,007		67,359	10	43
6790			0		44
	22,665	0	81,938	10	45
	0	0	0	0	46
	22,665	0	81,938	10	47
	36,069	0	611,350	0	48
	0	0	0	0	
	36,069	0	611,350	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		1
Provisioning Expense (6512)	300	824	658	2
Total: Reported in Account 6510	300	824	658	
Depreciat. Exp.--Tele. Plant in Service (6561)	189,109	282,546		3
Depreciat. Exp.--Prop. Held for Future Tele. Use (6562)		0		4
Amortization Expense--Tangible (6563)		0		5
Amortization Expense--Intangible (6564)		0		6
Amortization Expense--Other (6565)		0		7
Total: Reported in Account 6560	189,109	282,546		

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

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6511					1
6512	166				2
	166		0	0	
6561			282,546		3
6562					4
6563					5
6564					6
6565					7
			282,546		

OUT-OF-STATE OPERATING REVENUES

1. This schedule is to be completed only by those companies having out-of-state revenues. For the purpose of completing this schedule, and for PSCW use in calculating Wisconsin remainder assessment revenues, out-of-state revenues are specifically defined in headnote 2.
2. Out-of-state revenues are those derived exclusively from communications physically originating outside of Wisconsin. Out-of-state revenues do not include a) access revenues from "inbound" communications originating outside the state, or b) revenues from communications originating in Wisconsin and terminating outside the state, or c) revenues allocable to Wisconsin-based facilities used for communications originating and terminating outside of the state.

Description (a)	This Year (b)
Out-of-state operating revenues	1
Less: current year write-offs of uncollectible accounts - out-of-state utility customers only	2
Plus: current year collection of out-of-state utility customer accounts previously written off	3
Net out-of-state operating revenues	<u>0</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	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)*		0	5
TOTAL OTHER OPERATING INCOME AND (EXPENSE) (7100)*	0		0
OPERATING TAXES			
Operating Investment Tax Credits--Net (7210)*	(11,100)	25,814	6
Operating Federal Income Taxes (7220)*	41,545	27,694	7
Operating State and Local Income Taxes (7230)*	11,151	17,872	8
Operating Other Taxes (7240)*	65,638	62,291	9
Provision for Deferred Operating Income Taxes--Net (7250)*	6,893	36,981	10
TOTAL OPERATING TAXES (7200)*	114,127	170,652	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)*		0	11
Interest Income (7320)*	18,270	21,700	12
Income from Sinking and Other Funds (7330)*		0	13
Allowance for Funds Used During Construction (7340)*	4,283	0	14
Gains or (Losses) from the Disposition of Certain Property (7350)*		0	15
Other Nonoperating Income (7360)*	(13,591)	16,600	16
Special Charges (7370)*	(6,970)	(6,391)	17
TOTAL NONOPERATING INCOME AND EXPENSE (7300)*	15,932	44,691	
NONOPERATING TAXES			
Nonoperating Investment Tax Credits--Net (7410)*		0	18
Nonoperating Federal Income Taxes (7420)*	12,159	17,720	19
Nonoperating State and Local Income Taxes (7430)*	3,441	4,952	20
Nonoperating Other Taxes (7440)*		0	21
Provision for Deferred Nonoperating Income Taxes-Net (7450)*	(4,934)	(8,870)	22
TOTAL NONOPERATING TAXES (7400)*	10,666	13,802	
INTEREST AND RELATED ITEMS			
Interest on Funded Debt (7510)*	76,914	81,309	23
Interest Expense--Capital Leases (7520)*		0	24
Amortization of Debt Issuance Expense (7530)*	104	104	25
Other Interest Deductions (7540)*	12,248	5,078	26
TOTAL INTEREST AND RELATED ITEMS (7500)*	89,266	86,491	
EXTRAORDINARY ITEMS			
Extraordinary Items (7600)*		0	27
Extraordinary Income Credits (7610)		0	28
Extraordinary Income Charges (7620)		0	29
Current Income Tax Effect of Extraordinary Items--Net (7630)		0	30
Provision for Deferred Income Tax Effect of Extraordinary Items--Net (7640)		0	31
TOTAL EXTRAORDINARY ITEMS (7600)*	0	0	
NONREGULATED NET INCOME			
Nonregulated Net Income (7990)*	(52,471)	(23,751)	32

NONREGULATED NET INCOME (ACCT. 7990)

Particulars (a)	Amount (b)	
Revenues (Acct. 7990.1)		
Gross Sales	327,851	1
Less: Cost of Goods Sold		2
Net Sales	327,851	3
Expenses (Acct. 7990.2)	380,322	4
Nonregulated Net Income	<u>(52,471)</u>	5

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

Sale and lease of single line telephone and key systems. Sale, installation, and service of cellular telephones. Provider of internet services.

If the revenues from an individual nonregulated activity represent in excess of 5% of the total operating revenues for the company, please provide the amounts, as requested above, for that individual activity:

DISTRIBUTION OF SALARIES AND WAGES

Description (a)	Amount (b)	
Regulated Expense	137,336	1
Nonregulated Expense	76,875	2
Plant Accounts	5,579	3
Accumulated Depreciation Accounts		4
All Other Accounts	22,596	5
Total Salaries and Wages	242,386	6

EMPLOYEE DATA

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

Employee Category (a)	Number of Equivalent Full-Time Employees		Total Compensation (d)	
	FOY (b)	EOY (c)		
Officers	2.00	2.00	64,749	1
Supervision and Other Management	.00	.00		2
Other Employees	6.00	6.00	177,637	3
Total	8.00	8.00	242,386	

DISTRIBUTION OF SALARIES AND WAGES

Description (a)	Amount (b)	
Regulated Expense	137,336	1
Nonregulated Expense	76,875	2
Plant Accounts	5,579	3
Accumulated Depreciation Accounts		4
All Other Accounts	22,596	5
Total Salaries and Wages	242,386	6

EMPLOYEE DATA

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

Employee Category (a)	Number of Equivalent Full-Time Employees		Total Compensation (d)	
	FOY (b)	EOY (c)		
Officers	2.00	2.00	64,749	1
Supervision and Other Management	.00	.00		2
Other Employees	6.00	6.00	177,637	3
Total	8.00	8.00	242,386	

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	53	233	1
Extended Area Service	285	1,191	2
Extended Community Calling	16	74	3
Other Local-Undefined			4
Total Local	354	1,498	
TOLL			
Operator Handled: State--intraLATA		4	5
Operator Handled: State--interLATA		5	6
Operator Handled: Interstate		5	7
Customer Dialed: State--intraLATA	17	133	8
Customer Dialed: State--interLATA	13	165	9
Customer Dialed: Interstate	11	187	10
WATS			11
Other Toll-Undefined			12
Total Toll	41	499	
Total Local & Toll	395	1,997	

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.	5	8			2
Feature Group B -- Orig.		2			3
Feature Group B -- Term.	55	21			4
Feature Group C -- Orig.			865		5
Feature Group C -- Term.			786		6
Feature Group D -- Orig.	780	865			7
Feature Group D -- Term.	1,474	1,154			8

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial		1
Sheath miles of plant - buried	212	2
Sheath miles of plant - fiber optics	15	3
Strand miles of plant - fiber optics	230	4
Route miles of plant - microwave		5

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

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

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial		1
Sheath miles of plant - buried	212	2
Sheath miles of plant - fiber optics	15	3
Strand miles of plant - fiber optics	230	4
Route miles of plant - microwave		5

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

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

SERVICE DATA

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

Item (a)	FOY (b)	EOY (c)	
Business			
1 Party	111	110	3
2 Party	0		4
4 Party	0		5
PBX Trunks/System Trunks	0		6
Centrex Trunks	0		7
Centrex Lines	15	43	8
Key System Trunks	72	76	9
Mobile (Utility Provided Service)	0		10
Paging (Utility Provided Service)	0		11
FX-Out (Switched)	0		12
Pay Telephone			13
Coin-Operated Pay Telephone			14
Independent Pay Telephone Provider			15
Pay Stations - Public	2	2	16
- Semi-Public	0		17
- Cust. Owned	0		18
Other	0		19
Total Business Lines	200	231	20
Residential (Incl. Emp. Concess.)			
1 Party	1,271	1,315	22
2 Party	0		23
4 Party	0		24
FX-Out (Switched)	0		25
Other	0		26
Total Residential Lines	1,271	1,315	27
Total Bus & Res Lines	1,471	1,546	28
Company Used Lines	20	24	29
Total Lines Used	1,491	1,570	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		3
WATS Lines - 800 Service	0		4
FX-In-intraLATA	0		5
Special Access-intraLATA			6
(expressed in equiv. access lines)	0	9	7
Special Access-interLATA			8
(expressed in equiv. access lines)	0	73	9
Feature Group A Lines	0		10
Feature Group B Trunks	0		11
Feature Group C Trunks	0		12
Feature Group D Trunks	72	72	13
TSPS - Trunks	5	5	14
EAS - Trunks	114	114	15
Cellular Trunks (Pub. Sw. Net.)	0		16
Video Distance Learning			17
- discounted (special tariff)	0		18
Customers			
Business - 2 Party Customers	0		20
Business - 4 Party Customers	0		21
Residential - 2 Party Customers	0		22
Residential - 4 Party Customers	0		23
Other			
Total Central Office, Info. Orig./Term., & Cable			25
Wire Fac. Assets (based on physical location of plant)			26
	2,895,733	3,053,859	27
Total Company Square Miles	0	87	28
Total Company Route Miles	220	227	29
Footnotes		L	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	3810	3820			1
Business					2
1 Party	50	60			3
2 Party					4
4 Party					5
PBX Trunks/System Trunks					6
Centrex Trunks					7
Centrex Lines		43			8
Key System Trunks	49	27			9
Mobile (utility provided service)					10
Paging (utility provided service)					11
FX-Out (Switched)					12
Pay Telephone					13
Coin-Operated Pay Telephone					14
Independent Pay Telephone Provider					15
Pay Stations - Public	1	1			16
- Semi-Public					17
- Cust. Owned					18
Other					19
Total Business Lines	100	131	0	0	20
Residential (Incl. Emp. Concess.)					21
1 Party	499	816			22
2 Party					23
4 Party					24
FX-Out (Switched)					25
Other					26
Total Residential Lines	499	816	0	0	27
Total Bus & Res Lines	599	947	0	0	28
Company Used Lines	2	22			29
Total Lines Used	601	969	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	3810	3820			1
Miscellaneous					2
WATS Lines - OutWATS					3
WATS Lines - 800 Service					4
FX-In-intraLATA					5
Special Access-intraLATA					6
(equiv. access lines)	7	2			7
Special Access-interLATA					8
(equiv. access lines)	73				9
Feature Group A Lines					10
Feature Group B Trunks					11
Feature Group C Trunks					12
Feature Group D Trunks			72		13
TSPS - Trunks			5		14
EAS - Trunks			114		15
Cellular Trunks (Pub. Sw. Net.)					16
Video Distance Learning					17
- discounted (special tariff)					18
Customers					19
Business - 2 Party Customers					20
Business - 4 Party Customers					21
Residential - 2 Party Customers					22
Residential - 4 Party Customers					23
Other					24
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical					26
location of plant)	1,862,854	1,191,005			27
Exchange Square Miles	30	57			28
Exchange Route Miles	92	135			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
Nippon Electric	NEC	5
Northern Telecom	NTI	6
Siemens	SI	7
Stromberg-Carlson	SC	8
VIDAR	VI	9

EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

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

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Electronic--Digital	D	3
Electronic--Video	V	4

CENTRAL OFFICE DATA - END OF YEAR

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

Description (a)	Central Off. (b)	Central Off. (c)	Central Off. (d)	Central Off. (e)	
Exchange Name	NEWTON	NEWTONBURG			1
PSCW Exchange ID	3810	3820			2
Central Office Name	NEWTON	NEWTONBURG			3
PSCW Central Office ID	1	1			4
Manufacturer of COE (Page 54)	SC	SC			5
Year COE Installed	1993	1993			6
Type of Equipment (Page 54)	D	D			7
(S)tandalone, (H)ost, (R)emote	R	H			8
Remote Host PSCW Exchange ID	3820				9
Remote Host PSCW Central Office ID	1	0			10
COE Generic Software Release No.	19	19			11
SS7?	Yes	Yes			12
9-1-1?	Yes	Yes			13
Access Lines - In Use	601	969			14
- Equipped	0	0			15
- Wired	720	1,080			16
Trunks - In Use	0	181			17
- Equipped	0	181			18
- Wired	0	0			19
ISDN Available?	No	No			20
ISDN Lines - In Use (BRI)	0	0			21
- In Use (PRI)	0	0			22
Switched 56 Service?	No	No			23
Switched 56 lines in use	0	0			24
Digital Transmission Facilities: DS-1 - In Use	0	0			25
DS-3 - In Use	0	0			26
Advanced Data Service Available:					
Packet Switching?	No	No			27
SMDS?	No	No			28
Frame Relay?	No	No			29
ATM (Asynchronous Trans. Mode)?	No	No			30
Video Information - Service Available?	No	No			31
- In Use (# lines) ¹	0	0			32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	32	16			33
No. of fiber strands working (LIT) in C.O.	16	4			34
No. of fiber strands for interoffice use	32	16			35
Miles of fiber sheath in wire center	5	10			36
Access Tandem Serving this C.O.:					
- C.O. Name	MILWAUKEE	MILWAUKEE			37
- PSCW C.O. ID	3420-01	3420-01			38
Does this C.O. do access tandem switching?	Yes	Yes			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**

Accountants Compilation Report

To the Board of Directors
Lakefield Telephone Company
Newton, Wisconsin 53063

We have compiled the balance sheets of Lakefield Telephone Company as of December 31, 1996 and 1995, and the related statements of income and retained earnings for the years then ended, and the statement of cash flows for the year ended December 31, 1996, included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary information presented in the prescribed form, except for pages 46 through 55.

Our compilation was limited to presenting in the form prescribed by the Public Service Commission of Wisconsin, information that is the representation of management. We have not audited or reviewed the financial statements and supplementary information referred to above and, accordingly, do not express an opinion or any other form of assurance on them. These financial statements were compiled by us from financial statements for the same period that we previously audited, as indicated in our report dated February 27, 1997.

These financial statements (including related disclosures) and the supplementary information are presented in accordance with the requirements of the Public Service Commission of Wisconsin, which differ from generally accepted accounting principles. Accordingly, these financial statements and supplementary information are not designed for those who are not informed about such differences.

The supplementary information contained on pages 46 through 55 of the accompanying prescribed form has not been audited, reviewed, or compiled by us, and, accordingly, we assume no responsibility for that information.

Kiesling Associates LLP
Madison, Wisconsin
April 28, 1997

Schedule Footnotes**Identification and Ownership Footnote. Page 7**

Data missing from load, entered by Cliff, corrected by RL July 24, 1997

Nonregulated Net Income (Acct. 7990) Footnote. Page 45

List type of nonregulated activities did not load. Updated 7/10/97 by ele from hardcopy.

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

This footnote is not being used.

Schedule Line Footnotes

A) To properly reflect first of year balances.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

- B)** Increase due to payroll and overheads from building remodeling.
- C)** Decrease due to payroll and benefits from employee leaving.
- D)** Increase due to updating maps and designing outside plant.
- E)** Decrease due to payroll and benefits from employee leaving.
- F)** Increase due to rate increases for 1996.
- G)** Increase due to payroll, overheads, increased rates, and additional programming charge from billing center.
- H)** Increase due to increase in special circuits in 1996.
- I)** Vehicles are depreciated on a per unit basis.
- J)** There are different depreciation rates being used within each sub-class account.
- K)** Reclassification of first of year balance due to 1350 used by Class B in 1996.
- L)** Updated first of year numbers for lines 10 and 12.
- M)** Due to rounding.