4004

ANNUAL REPORT

OF

Name:	CLEAR LAKE TELEPHONE COMPANY INC
Principal Office:	316 3RD AVE P.O. BOX 47 CLEAR LAKE, WI 54005-0047
For the Year Ended:	DECEMBER 31, 1997

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 MARK ANDERSON of
(Person responsible for accounts)

CLEAR LAKE TELEPHONE COMPANY INC , certify that I
(Utility Name)

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

MARK ANDERSON 04/30/1998
(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:

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: CLEAR LAKE TELEPHONE COMPANY INC
Utility Location: 316 3RD AVE
P.O. BOX 47
CLEAR LAKE, WI 54005-0047

Utility Web Site Address:
When was utility organized?: 07/05/1907
Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: MR MARK L . ANDERSON
Title: GENERAL MANAGER

Office Address: 316 THIRD AVE
P.O. BOX 47
CLEAR LAKE , WI 54005
Fax Number: (715) 263 - 2267
Telephone Number: (715) 263 - 2755
Email Address: cltel@win.bright.net

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

Name:
Title:

Office Address:

Fax Number:
Telephone Number:
Email Address:

Person responsible for financial information contained in report

Name: MR MARK L . ANDERSON
Title: GENERAL MANAGER

Office Address: 316 THIRD AVE
P.O. BOX 47
CLEAR LAKE , WI 54005
Fax Number: (715) 263 - 2267
Telephone Number: (715) 263 - 2755
Email Address:

Person responsible for statistical information contained in report

Name: MR MARK L . ANDERSON
Title: GENERAL MANAGER

Office Address: 316 THIRD AVE
P.O. BOX 47
CLEAR LAKE , WI 54005
Fax Number: (715) 263 - 2267
Telephone Number: (715) 263 - 2755
Email Address: cltel@win.bright.net

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: ANDERSON FAMILY TRUST
Address: 316 THIRD AVE
PO BOX 47
CLEAR LAKE , WI 54005
Number of Shares Held: 48
Beneficial Owner: NONE

Name: JIM ANDERSON
Address: PO BOX 443
CLEAR LAKE , WI 54005
Number of Shares Held: 23
Beneficial Owner: NONE

Name: MATTHEW ANDERSON
Address: PO BOX 47
CLEAR LAKE , WI 54005
Number of Shares Held: 23
Beneficial Owner: NONE

Name: PENNY HEIBEL
Address: 79 WESTERN AVE N, UNIT 101
ST PAUL , MN 55102
Number of Shares Held: 23
Beneficial Owner: NONE

Name: VOTING TRUST, MARK ANDERSON, TRUSTEE
Address: 316 THIRD AVE
PO BOX 47
CLEAR LAKE , WI 54005
Number of Shares Held: 94
Beneficial Owner: NONE

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

Company Name: CLT HOLDING COMPANY, INC
Form of Interest: STOCK
Extent Of Interest: 100%

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	905,509	882,150	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	122,679	101,565	2
Plant Nonspecific Operations Expense	131,529	156,778	3
Customer Operations Expense (6610-6620)	92,146	89,619	4
Corporate Operations Expense (6710-6790)	139,442	137,999	5
Other Operating Income and Expense (7100)	0	0	6
Operating Taxes (7200)	193,080	167,469	7
Total Operating Expenses	**678,876**	**653,430**	8
Net Operating Income	**226,633**	**228,720**	9
Other Income			
Nonoperating Income and Expense (7300)	86,215	18,571	10
Nonoperating Taxes (7400)	25,923	16,212	11
Interest and Related Items (7500)	22,815	24,028	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	14,219	(2,673)	14
Total Nonoperating Income	**51,696**	**(24,342)**	15
Net Income	**278,329**	**204,378**	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.)

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.

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.

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)*	910,121	1,056,290	**1**
Cash (1130)			**2**
Special Cash Deposits (1140)			**3**
Working Cash Advances (1150)			**4**
Temporary Investments (1160)			**5**
TOTAL CASH AND EQUIVALENTS	**910,121**	**1,056,290**	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	107,428	108,465	**6**
Accounts Receivable Allowance-Telecom (1181)*	0	0	**7**
Net: Telecommunications Accounts Receivable	**107,428**	**108,465**	
Other Accounts Receivable (1190)*	101,824	108,978	**8**
Accounts Receivable Allowance--Other (1191)*	0	0	**9**
Net: Other Accounts Receivable	**101,824**	**108,978**	
Notes Receivable (1200)*	0	0	**10**
Notes Receivable Allowance (1201)*	0	0	**11**
Net: Notes Receivable	**0**	**0**	
Interest and Dividends Receivable (1210)*	15,768	12,108	**12**
TOTAL RECEIVABLES AND ALLOWANCES FOR DOUBTFUL	**225,020**	**229,551**	
SUPPLIES			
Inventories (1220)*	7,376	2,262	**13**
TOTAL SUPPLIES	**7,376**	**2,262**	
PREPAYMENTS			
Total Prepayments (1280)*	4,562	7,016	**14**
Prepaid Rents (1290)			**15**
Prepaid Taxes (1300)			**16**
Prepaid Insurance (1310)			**17**
Prepaid Directory Expenses (1320)			**18**
Other Prepayments (1330)			**19**
TOTAL PREPAYMENTS	**4,562**	**7,016**	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	3,977	5,283	**20**
TOTAL OTHER CURRENT ASSETS	**3,977**	**5,283**	
TOTAL CURRENT ASSETS	**1,151,056**	**1,300,402**	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	150,000	150,000	**21**
Investments in Nonaffiliated Companies (1402)*	361,899	361,901	**22**
Nonregulated Investments (1406)*	3,878	726	**23**
Unamortized Debt Issuance Expense (1407)*	180	193	**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)*	113,628	60,808	**26**
TOTAL INVESTMENTS	**629,585**	**573,628**	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*	0	0	**27**
Deferred Maintenance and Retirements (1438)*	0	0	**28**
Deferred Charges (1439)*	5,807	20,179	**29**
TOTAL DEFERRED CHARGES	**5,807**	**20,179**	
TOTAL NONCURRENT ASSETS	**635,392**	**593,807**	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	2,315,417	1,825,916	**30**
Less: Accumulated Depreciation (3100)*	1,317,908	1,244,675	**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	**997,509**	**581,241**	
PROPERTY HELD FOR FUTURE USE			
Prop. Held for Future Telecommun. Use (2002)*	19,917	19,917	**35**
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200)*	0	0	**36**
NET PROPERTY HELD FOR FUTURE USE	**19,917**	**19,917**	
NONOPERATING PLANT			
Nonoperating Plant (2006)*	0	0	**37**
Less: Accumulated Depreciation--Nonoperating (3300)*	0	0	**38**
NET NONOPERATING PLANT	**0**	**0**	
TPUC			
TPUC (2003)*	0	0	**39**
TOTAL TPUC	**0**	**0**	
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	**1,017,426**	**601,158**	
TOTAL ASSETS AND OTHER DEBITS*	**2,803,874**	**2,495,367**	

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	143,659	81,183	**1**
Notes Payable (4020)*	0	0	**2**
Advance Billing and Payments (4030)*	0	0	**3**
Customer Deposits (4040)*	3,155	2,511	**4**
Current Maturities--Long-Term Debt (4050)*	48,000	46,600	**5**
Current Maturities--Capital Leases (4060)*	0	0	**6**
Income Taxes--Accrued (4070)*	63,177	25,123	**7**
Other Taxes--Accrued (4080)*	(9,122)	(8,075)	**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)*	3,660	3,891	**11**
Other Current Liabilities (4130)*	0	0	**12**
TOTAL CURRENT LIABILITIES*	**252,529**	**151,233**	
LONG-TERM DEBT			
Funded Debt (4210)*	544,863	592,889	**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*	**544,863**	**592,889**	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*	37,432	38,900	**20**
Unamortized Operating ITC--Net (4320)*	19,300	28,984	**21**
Unamortized Nonoperating ITC--Net (4330)*	0	0	**22**
Net Noncurrent Deferred Operating Income Taxes (4340)*	0	0	**23**
Net Deferred Tax Liability Adjustments (4341)*	0	0	**24**
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	0	0	**25**
Other Deferred Credits (4360)*	56,484	54,301	**26**
Deferred Tax Regulatory Liability (4361)*	12,601	19,224	**27**
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS*	**125,817**	**141,409**	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	67,200	67,200	**28**
Additional Paid-in Capital (4520)*	0	0	**29**
Treasury Stock (4530)*	0	0	**30**
Other Capital (4540)*	13,706	13,706	**31**
Retained Earnings (4550)*	1,799,759	1,528,930	**32**
TOTAL STOCKHOLDERS' EQUITY*	**1,880,665**	**1,609,836**	
TOTAL LIABILITIES AND OTHER CREDITS*	**2,803,874**	**2,495,367**	

STATEMENT OF CASH FLOWS

Item (a)	Amount (b)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	278,329	1
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and amortization	101,199	2
Interest during construction	0	3
Changes in assets and liabilities:		
Current assets (net)	3,177	4
Other noncurrent assets	(38,461)	5
Other current liabilities	99,896	6
Other liabilities and deferred credits	(15,592)	7
Other (specify):		
TOTAL ADJUSTMENTS	**150,219**	
NET CASH PROVIDED BY OPERATING ACTIVITIES (NET INCOME & ADJUST.)	**428,548**	
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures:		
Changes in plant (net)	(517,467)	8
Investments in affiliated companies	0	9
Nonoperating Investments	(3,150)	10
Other (specify):		
NET CASH USING IN INVESTING ACTIVITIES	**(520,617)**	
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in capital lease obligations (net)	0	11
Change in long-term debt (net)	(46,600)	12
Net changes in stockholder equity other than retained earnings	0	13
Change in short term borrowing (net)	0	14
Dividends paid	(7,500)	15
Miscellaneous debits/credits to retained earnings	0	16
Other (specify):		
Net Cash Provided by Financing Activities	**(54,100)**	
NET INCREASE IN CASH AND CASH EQUIVALENTS	**(146,169)**	
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.

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.

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

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.

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.

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

IMPORTANT CHANGES DURING THE YEAR

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

Entered by PSC staff-ele pursuant to utility letter of October 13, 1998:

Journal Code 101, reference number 100043, General Journal, Date 12/31/97:

a/c1406.3010.000	Payphone Equipment	$5,978.35	
a/c7991.2830.114	Nonreg Deprec Payphone Equip.	$ 193.99	
a/c7991.3300.111	Payphone - Wages	88.22	
a/c7991.3300.112	Payphone - Benefits	32.73	
a/c7991.3300.114	Payphone - Other	2.88	
a/c3100.2351.000	Acc Dep-Pub Tele Ter Equip	5,321.20	
a/c1406.3110.000	Depr Reserve-payphone equip		$5,321.20
a/c6561.0000.114	Depreciation Expense		193.99
a/c6351.0000.111	Public Tele Term Equip Exp-wages		88.22
a/c6351.0000.112	Public Tele Term Equip Exp-benefits		32.73
a/c6351.0000.114	Public Tele Term Equip Exp-other		2.88
a/c2351.0000.000	Public Tele Term Equipment		5,978.35

This journal entry transferred the pay telephone investment, accumulated depreciation and all expenses for the entire year of 1997 below the line. The tranfer of the payphone equipment was done at original book cost along with all accumulated depreciation on the equipment. The journal entry was made in December 1997.

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)	
CLT Communications, Inc.	CLTC	**1**
CLT Holding Company, Inc.	CLTH	**2**
Wisconsin Independent Telecommunications System	WITS	**3**

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	None				
Name of Affiliate	WITS				1
Designate whether billed to or from:	FROM				2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	M				3
Revenues					4
Expenses:					
Plant Specific Operations Expense					5
Plant Nonspecific Operations Expense					6
Customer Operations Expense					7
Corporate Operations Expense					8
Total Operating Expenses	**0**	**0**	**0**	**0**	9
Other:					
Plant Accounts					10
Accumulated Depreciation					11
Accumulated Amortization					12
Clearing					13
All Other	17,319				14
Total	**17,319**	**0**	**0**	**0**	15
Percent of affiliate's business billed to all affiliated regulated utilities	0.50				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)	
CLT Holding Company, Inc.	1401	150,000	**1**

ACCOUNTS RECEIVABLE NET WRITE OFFS - TELECOMMUNICATIONS

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

Particulars (a)	Amount (b)	
Collection of amounts previously written off	11,918	1
Uncollectibles written off during the year	15,414	2
Net write offs during the year	**3,496**	

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)	
From Others:						
Not Applicable	12/31/1997	01/01/1998	.0000	0	0	1 8
Total Other				**0**	**0**	
Total				**0**	**0**	

INVESTMENTS IN NONAFFILIATED COMPANIES (ACCT. 1402)

Name (a)	Balance EOY (b)	
RTB Class B Stock	0	1
Other:		
Wisconsin RSA #1 Limited Partnership	212,653	2
West Central Cellular Limited Partnership	117,062	3
Wisconsin Independent Telecommunications System	18,700	4
Illuminet	12,384	5
Clear Lake Land Development Corporation	100	6
RTFC	1,000	7
Total Investments in Nonaffiliated Companies	**361,899**	

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):		
Investment in Nonregulated CPE	1,004	**1**
Investment in Internet Equipment	2,217	**2**
Investment in Payphone Equipment	657	**3**

DEFERRED MAINTENANCE AND RETIREMENTS (ACCT. 1438)

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

Description of Item (a)	Balance EOY (b)	
Not Applicable	0	1
Total	**0**	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
GENERAL SUPPORT ASSETS				
Land	2111	6,130	0	**1**
Motor Vehicles	2112	103,199	62,872	**2**
Aircraft	2113	0	0	**3**
Special Purpose Vehicles	2114	0	0	**4**
Garage Work Equipment	2115	5,568	2,982	**5**
Other Work Equipment	2116	140,171	5,684	**6**
Buildings	2121	199,554	4,627	**7**
Furniture	2122	14,423	0	**8**
Office Equipment	2123	30,217	10,951	**9**
General Purpose Computers	2124	26,984	3,385	**10**
TOTAL--GENERAL SUPPORT ASSETS:		**526,246**	**90,501**	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0	0	**11**
Digital Electronic Switching	2212	112,540	3,260	**12**
Electro-Mechanical Switching	2215	0	0	**13**
Operator Systems	2220	0	0	**14**
Radio Systems	2231	0	0	**15**
Circuit Equipment	2232	50,443	3,385	**16**
TOTAL--CENTRAL OFFICE ASSETS:		**162,983**	**6,645**	
INFORMATION ORIGINATION/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	5,127	851	**20**
Other Terminal Equipment	2362	0	0	**21**
TOTAL--INFORMATION ORIG/TERM ASSETS:		**5,127**	**851**	
CABLE WIRE FACILITIES ASSETS				
Poles	2411	0	0	**22**
Aerial Cable	2421	0	0	**23**
Underground Cable	2422	19,503	15,395	**24**
Buried Cable	2423	1,053,551	344,181	**25**
Submarine Cable	2424	0	0	**26**
Deep Sea Cable	2425	0	0	**27**
Intrabuilding Network Cable	2426	0	0	**28**
Aerial Wire	2431	0	0	**29**
Conduit Systems	2441	58,506	95,143	**30**
TOTAL--CABLE WIRE FACILITIES ASSETS:		**1,131,560**	**454,719**	
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	**6,130**	**1**
2112	53,486	0	**112,585**	**2**
2113	0	0	**0**	**3**
2114	0	0	**0**	**4**
2115	0	0	**8,550**	**5**
2116	0	0	**145,855**	**6**
2121	0	0	**204,181**	**7**
2122	0	0	**14,423**	**8**
2123	3,751	0	**37,417**	**9**
2124			**30,369**	**10**
	57,237	**0**	**559,510**	
2211	0	0	**0**	**11**
2212	0	0	**115,800**	**12**
2215	0	0	**0**	**13**
2220	0	0	**0**	**14**
2231	0	0	**0**	**15**
2232	0	0	**53,828**	**16**
	0	**0**	**169,628**	
2311	0	0	**0**	**17**
2321	0	0	**0**	**18**
2341	0	0	**0**	**19**
2351	5,978	0	**0**	**20**
2362	0	0	**0**	**21**
	5,978	**0**	**0**	
2411	0	0	**0**	**22**
2421	0	0	**0**	**23**
2422	0	0	**34,898**	**24**
2423	0	0	**1,397,732**	**25**
2424	0	0	**0**	**26**
2425	0	0	**0**	**27**
2426	0	0	**0**	**28**
2431	0	0	**0**	**29**
2441	0	0	**153,649**	**30**
	0	**0**	**1,586,279**	
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**	**1,825,916**	**552,716**	
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**	
	63,215	**0**	**2,315,417**	
2001			0	**34**
			2,315,417	

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	30,217	0	1	1
Company Communications Equipment	2123.2	0	10,951	2	1
Software	2212.1	112,540	0	3	2
Digital Switching - Central Office	2212.2	0	0	4	
Digital Switching - Remote	2212.3	0	3,260	5	2
Step by Step Switching	2215.1	0	0	6	
Crossbar Switching	2215.2	0	0	7	
Satellite and Earth Station Facilities	2231.1	0	0	8	
Other Radio Facilities	2231.2	0	0	9	
Digital Circuit Equipment	2232.1	50,443	1,393	10	3
Analog Circuit Equipment	2232.2	0	0	11	
Light Wave Circuit Equipment	2232.3	0	1,992	12	3
Aerial Cable - Nonmetallic	2421.1	0	0	13	
Aerial Cable - Metallic	2421.2	0	0	14	
Underground Cable - Nonmetallic	2422.1	19,503	15,395	15	4
Underground Cable - Metallic	2422.2	0	0	16	4
Buried Cable - Nonmetallic	2423.1	1,022,200	240,675	17	5
Buried Cable - Metallic	2423.2	31,351	103,506	18	5
Submarine Cable - Nonmetallic	2424.1	0	0	19	
Submarine Cable - Metallic	2424.2	0	0	20	
Intrabuilding Cable - Nonmetallic	2426.1	0	0	21	
Intrabuilding Cable - Metallic	2426.2	0	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	3,751	(3,019)	**23,447**	**1**	1
2123.2	0	3,019	**13,970**	**2**	1
2212.1	0	(112,540)	**0**	**3**	2
2212.2	0	0	**0**	**4**	
2212.3	0	112,540	**115,800**	**5**	2
2215.1	0	0	**0**	**6**	
2215.2	0	0	**0**	**7**	
2231.1	0	0	**0**	**8**	
2231.2	0	0	**0**	**9**	
2232.1	0	(39,319)	**12,517**	**10**	3
2232.2	0	0	**0**	**11**	
2232.3	0	39,319	**41,311**	**12**	3
2421.1	0	0	**0**	**13**	
2421.2	0	0	**0**	**14**	
2422.1	0	(4,020)	**30,878**	**15**	4
2422.2	0	4,020	**4,020**	**16**	4
2423.1	0	(993,806)	**269,069**	**17**	5
2423.2	0	993,806	**1,128,663**	**18**	5
2424.1	0	0	**0**	**19**	
2424.2	0	0	**0**	**20**	
2426.1	0	0	**0**	**21**	
2426.2	0	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	23,810	20.0	16,373		**1**
Aircraft	2113	0	.0	0	0	**2 0,0,0**
Special Purpose Vehicles	2114	0	.0	0	0	**3 0,0,0**
Garage Work Equipment	2115	5,568	8.0	342	0	**4**
Other Work Equipment	2116	113,385	10.0	6,302	0	**5**
Buildings	2121	81,821	3.4	6,849	0	**6**
Furniture	2122	14,423	10.0	0	0	**7**
Office Equipment	2123	30,217		1,477	0	**8**
General Purpose Computers	2124	18,647	25.0	6,887	0	**9**
Total-- GENERAL SUPPORT ASSETS		**287,871**		**38,230**	**0**	
CENTRAL OFFICE ASSETS						
Analog Electronic Switching	2211	0	.0	0	0	**10**
Digital Electronic Switching	2212	112,540		3,260	0	**11**
Electro-Mechanical Switching	2215	0		0	0	**12**
Operator Systems	2220	0	.0	0	0	**13**
Radio Systems	2231	0		0	0	**14**
Circuit Equipment	2232	15,078		4,867	0	**15**
Total-- CENTRAL OFFICE ASSETS		**127,618**		**8,127**	**0**	
INFORMATION ORIG/TERM ASSETS						
Station Apparatus	2311	0	.0	0	0	**16**
Customer Premises Wiring	2321	0	.0	0	0	**17**
Large Private Branch Exchanges	2341	0	.0	0	0	**18**
Public Telephone Terminal Equipment	2351	5,127	13.6	0	0	**19**
Other Terminal Equipment	2362	0	.0	0	0	**20**
Total-- INFORMATION ORIG/TERM ASSETS		**5,127**		**0**	**0**	
CABLE WIRE FACILITIES ASSETS						
Poles	2411	0	.0	0	0	**21**
Aerial Cable	2421	0		0	0	**22**
Underground Cable	2422	3,299		914	0	**23**
Buried Cable	2423	813,238		54,220	0	**24**
Submarine Cable	2424	0		0	0	**25**
Deep Sea Cable	2425	0	.0	0	0	**26**
Intrabuilding Network Cable	2426	0		0	0	**27**
Aerial Wire	2431	0	.0	0	0	**28**

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112	53,486		28,453		**15,150**	**1**
2113	0	0	0	0	**0**	**2** 0,0,0
2114	0	0	0	0	**0**	**3** 0,0,0
2115	0	0	0	0	**5,910**	**4**
2116	0	0	0	0	**119,687**	**5**
2121	0	0	0	0	**88,670**	**6**
2122	0	0	0	0	**14,423**	**7**
2123	3,751	0	0	0	**27,943**	**8**
2124		0	0	0	**25,534**	**9**
	57,237	**0**	**28,453**	**0**	**297,317**	
2211	0	0	0	0	**0**	**10**
2212	0	0	2,500	0	**118,300**	**11**
2215	0	0	0	0	**0**	**12**
2220	0	0	0	0	**0**	**13**
2231	0	0	0	0	**0**	**14**
2232	0	0	0	0	**19,945**	**15**
	0	**0**	**2,500**	**0**	**138,245**	
2311	0	0	0	0	**0**	**16**
2321	0	0	0	0	**0**	**17**
2341	0	0	0	0	**0**	**18**
2351	5,978	0	851		**0**	**19**
2362	0	0	0	0	**0**	**20**
	5,978	**0**	**851**	**0**	**0**	
2411	0	0	0	0	**0**	**21**
2421	0	0	0	0	**0**	**22**
2422	0	0	0	0	**4,213**	**23**
2423	0	0	0	0	**867,458**	**24**
2424	0	0	0	0	**0**	**25**
2425	0	0	0	0	**0**	**26**
2426	0	0	0	0	**0**	**27**
2431	0	0	0	0	**0**	**28**

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)	
CABLE WIRE FACILITIES ASSETS						
Conduit Systems	2441	7,522	3.5	3,153	0	**29**
Total-- CABLE WIRE FACILITIES ASSETS		**824,059**		**58,287**	**0**	
Total Accumulated Depreciation	**3100**	**1,244,675**		**104,644**	**0**	
Less: Allocation to Nonregulated Activity - Columns e, f and l	3100			0	0	**30**
Net Regulated Total Accum Depreciation - Columns e, f and l	**3100**			**104,644**	**0**	

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441	0	0	0	0	**10,675**	**29**
	0	**0**	**0**	**0**	**882,346**	
3100	**63,215**	**0**	**31,804**	**0**	**1,317,908**	
3100					0	**30**
3100					**1,317,908**	

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	29,643	19.0	0	0	1 9
Company Communications Equipment	2123.2	574	20.0	1,477	0	2 9
Software	2212.1	112,540	33.0	3,260	0	3 a
Digital Switching - Central Office	2212.2	0	.0	0	0	4
Digital Switching - Remote	2212.3	0	.0	0	0	5 a
Step by Step Switching	2215.1	0	.0	0	0	6
Crossbar Switching	2215.2	0	.0	0	0	7
Satellite and Earth Station Facilities	2231.1	0	.0	0	0	8
Other Radio Facilities	2231.2	0	.0	0	0	9
Digital Circuit Equipment	2232.1	11,342	9.5	1,086	0	10 b
Analog Circuit Equipment	2232.2	3,736	9.5	3,781	0	11 b
Light Wave Circuit Equipment	2232.3	0	.0	0	0	12 b
Aerial Cable - Nonmetallic	2421.1	0	.0	0	0	13
Aerial Cable - Metallic	2421.2	0	.0	0	0	14
Underground Cable - Nonmetallic	2422.1	3,118	4.1	728	0	15
Underground Cable - Metallic	2422.2	181	4.5	186	0	16
Buried Cable - Nonmetallic	2423.1	763,347	4.8	2,086	0	17 c
Buried Cable - Metallic	2423.2	49,891	5.0	52,134	0	18 c
Submarine Cable - Nonmetallic	2424.1	0	.0	0	0	19
Submarine Cable - Metallic	2424.2	0	.0	0	0	20
Intrabuilding Cable - Nonmetallic	2426.1	0	.0	0	0	21
Intrabuilding Cable - Metallic	2426.2	0	.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	3,751	0	0	0	**25,892**	1 9
2123.2	0	0	0	0	**2,051**	2 9
2212.1	0	0	2,500	0	**118,300**	3 a
2212.2	0	0	0	0	**0**	4
2212.3	0	0	0	0	**0**	5 a
2215.1	0	0	0	0	**0**	6
2215.2	0	0	0	0	**0**	7
2231.1	0	0	0	0	**0**	8
2231.2	0	0	0	0	**0**	9
2232.1	0	0	0	0	**12,428**	10 b
2232.2	0	0	0	0	**7,517**	11 b
2232.3	0	0	0	0	**0**	12 b
2421.1	0	0	0	0	**0**	13
2421.2	0	0	0	0	**0**	14
2422.1	0	0	0	0	**3,846**	15
2422.2	0	0	0	0	**367**	16
2423.1	0	0	0	0	**765,433**	17 c
2423.2	0	0	0	0	**102,025**	18 c
2424.1	0	0	0	0	**0**	19
2424.2	0	0	0	0	**0**	20
2426.1	0	0	0	0	**0**	21
2426.2	0	0	0	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)	5,283	**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)	0	**5**
Net Deferred Tax Liability Adjustments (4341)	0	**6**
Deferred Tax Regulatory Liability (4361)	(19,224)	**7**
Net Property Related Deferred Operating Income Taxes	**(13,941)**	
Less: Allocation to Nonregulated Activity	0	**8**
Net Regulated Total Property Related Deferred Operating Income Taxes	**(13,941)**	
NONPROPERTY RELATED		
Other Current Assets (1350)	0	**9**
Other Noncurrent Assets (1410)	0	**10**
Deferred Tax Regulatory Asset (1437)	0	**11**
Net Current Deferred Operating Income Taxes (4100)	0	**12**
Net Noncurrent Deferred Operating Income Taxes (4340)	0	**13**
Net Deferred Tax Liability Adjustments (4341)	0	**14**
Deferred Tax Regulatory Liability (4361)	0	**15**
Total Nonproperty Related Deferred Operating Income Taxes	**0**	

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	1,306		**3,977**	**1**
7250	65,390	12,570		**52,820**	**2**
	0			**0**	**3**
7250				**0**	**4**
7250				**0**	**5**
				0	**6**
	6,623			**(12,601)**	**7**
	72,013	**13,876**	**0**	**44,196**	
				0	**8**
	72,013	**13,876**	**0**	**44,196**	
7250				**0**	**9**
7250				**0**	**10**
				0	**11**
7250				**0**	**12**
7250				**0**	**13**
				0	**14**
				0	**15**
	0	**0**	**0**	**0**	

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)

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 2%	08/22/1969-11/29/1972	08/22/2004-11/29/2007	2.0000	**1**
RUS 5%	11/04/1977	11/04/2012	5.0000	**2**
Total Funded Debt				

LONG-TERM DEBT (cont.)

Composite Interest Rate (e)	Held by Utility: Reacquired Debt Acct. 4240 (f)	Held by Utility: Sinking Funds Acct. 1408 (g)	Total Principal EOY (h)	Current Maturities Included in Acct. 4050 (i)	Total Amount Outstanding (j)	
2.0000	0	0	225,625	32,600	258,225	**1**
5.0000	0	0	319,238	15,400	334,638	**2**
	0	**0**	**544,863**	**48,000**	**592,863**	

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:				
	1,000	.00	.00	**1**
TOTAL COMMON STOCK	**1,000**			
TOTAL	**1,000**			

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:					
	211	67,200	0	0	**1**
	211	**67,200**	**0**	**0**	
TOTAL	**211**	**67,200**	**0**	**0**	

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	1,528,930	1,324,552	**1**
Changes:			
Balance Transferred from Income	278,329	204,378	**2**
Dividends Declared:			
Common	7,500	0	**3**
Preferred	0	0	**4**
Total Dividends Declared	**7,500**	**0**	
Miscellaneous Debits to Retained Earnings	0	0	**5**
Miscellaneous Credits to Retained Earnings	0	0	**6**
Balance--End of Year	**1,799,759**	**1,528,930**	

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)	52,392	31,512	107,864	1
Nonoperating Taxes (Accts. 7410 - 7450)		5,470	20,453	2
Extraordinary Items (Accts. 7630 & 7640)				3
Nonregulated Net Income (Acct. 7990)		1,824	6,815	4
Clearing Accounts				5
Construction				6
Payroll Taxes: FICA				7
Payroll Taxes: State Unemployment				8
Payroll Taxes: Federal Unemployment				9
Other (specify):				
PSC Remainder Assessment				10
TOTAL	**52,392**	**38,806**	**135,132**	

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)	
			1,312		**193,080**	1
					25,923	2
					0	3
					8,639	4
					0	5
					0	6
				16,117	**16,117**	7
				169	**169**	8
				517	**517**	9
1,235					**1,235**	10
1,235	**0**	**0**	**1,312**	**16,803**	**245,680**	

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)*	184,861	175,988	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)	**184,861**	**175,988**	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	63,092	60,293	11
Switched Access Revenue (5082)*	312,128	295,620	12
Special Access Revenue (5083)*	6,805	7,807	13
TOTAL INTERSTATE ACCESS REVENUES (5080)	**382,025**	**363,720**	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*	0	0	14
Switched Access Revenue (5084.2)*	242,127	233,360	15
Special Access Revenue (5084.3)*	9,469	7,678	16
TOTAL INTRASTATE ACCESS REVENUES (5084)	**251,596**	**241,038**	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*	6,932	6,932	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.	**6,932**	**6,932**	

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

Particulars (a)	This Year (b)	Last Year (c)	
MISCELLANEOUS REVENUES			
Directory Revenue (5230)*	25,284	25,531	**30**
Rent Revenue (5240)*	0	0	**31**
Corporate Operations Revenue (5250)*	6,546	6,117	**32**
Miscellaneous:			
Miscellaneous Revenue (5260)*	680	538	**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)	**680**	**538**	
Interstate Billing and Collection Revenue*	13,751	18,268	**39**
Intrastate Billing and Collection Revenue*	37,330	51,122	**40 7**
Total Carrier Billing and Collection Revenue (5270)*	**51,081**	**69,390**	
Nonregulated Operating Revenue (5280)**			**41**
TOTAL MISCELLANEOUS REVENUES	**83,591**	**101,576**	
GROSS OPERATING REVENUES	**909,005**	**889,254**	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*	3,496	7,104	**42**
Uncollectible Revenue--Telecommunications (5301)			**43**
Uncollectible Revenue--Other (5302)			**44**
TOTAL UNCOLLECTIBLE REVENUE (5300)	**3,496**	**7,104**	
TOTAL OPERATING REVENUES	**905,509**	**882,150**	

** 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)	8,686	7,236	653	1
Less: Nonregulated	0	0	0	2
Net Regulated	**8,686**	**7,236**	**653**	3
Total General Support Expense (6120)	15,216	19,713	5,086	4
Less: Nonregulated	0	0	0	5
Net Regulated	**15,216**	**19,713**	**5,086**	6
Total Central Office Switching Expense (6210)	50,242	39,683	10,364	7
Less: Nonregulated	0	0	0	8 6
Net Regulated	**50,242**	**39,683**	**10,364**	9
Total Operator Systems Expense (6220)	0	0	0	10
Less: Nonregulated	0	0	0	11
Net Regulated	**0**	**0**	**0**	12
Total Central Office Transmission Expenses (6230)	40	727	542	13
Less: Nonregulated	0	0	0	14
Net Regulated	**40**	**727**	**542**	15
Total Information Orig. / Term. Expense (6310)	0	0	0	16
Less: Nonregulated	0	0	0	17
Net Regulated	**0**	**0**	**0**	18
Total Cable and Wire Fac. Expense (6410)	27,381	55,320	22,419	19
Less: Nonregulated	0	0	0	20
Net Regulated	**27,381**	**55,320**	**22,419**	21
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	**101,565**	**122,679**	**39,064**	
Less: Nonregulated	**0**	**0**	**0**	
Net Regulated	**101,565**	**122,679**	**39,064**	
PLANT NONSPECIFIC OPERATIONS EXPENSE				
Total Other Property, Plant and Equip. Exp. (6510)	0	0	0	22
Less: Nonregulated	0	0	0	23
Net Regulated	**0**	**0**	**0**	24
Total Network Operations Expense (6530)	47,875	30,330	19,770	25
Less: Nonregulated	0	0	0	26
Net Regulated	**47,875**	**30,330**	**19,770**	27
Access Expense (6540)	0	0	0	28
Less: Nonregulated	0	0	0	29
Net Regulated	**0**	**0**	**0**	30
Total Depreciation and Amortization Expense (6560)	108,903	101,199		31
Less: Nonregulated		0		32
Net Regulated	**108,903**	**101,199**		33
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	**156,778**	**131,529**	**19,770**	
Less: Nonregulated	**0**	**0**	**0**	
Net Regulated	**156,778**	**131,529**	**19,770**	

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6110	194	0	6,389	0	**1**
	0	0	0	0	**2**
	194	**0**	**6,389**	**0**	**3**
6120	1,190	1,071	12,366	0	**4**
	0	0	0	0	**5**
	1,190	**1,071**	**12,366**	**0**	**6**
6210	3,692	0	25,627	0	**7**
	0	0	0	0	**8** 6
	3,692	**0**	**25,627**	**0**	**9**
6220	0	0	0	0	**10**
	0	0	0	0	**11**
	0	**0**	**0**	**0**	**12**
6230	185	0	0	0	**13**
	0	0	0	0	**14**
	185	**0**	**0**	**0**	**15**
6310	0	0	0	0	**16**
	0	0	0	0	**17**
	0	**0**	**0**	**0**	**18**
6410	7,409	0	25,492	0	**19**
	0	0	0	0	**20**
	7,409	**0**	**25,492**	**0**	**21**
	12,670	**1,071**	**69,874**	**0**	
	0	**0**	**0**	**0**	
	12,670	**1,071**	**69,874**	**0**	
6510	0	0	0	0	**22**
	0		0	0	**23**
	0		**0**	**0**	**24**
6530	5,968	0	4,592	0	**25**
	0	0	0	0	**26**
	5,968	**0**	**4,592**	**0**	**27**
6540	0	0	0	0	**28**
	0	0	0	0	**29**
	0	**0**	**0**	**0**	**30**
6560			101,199		**31**
					32
			101,199		**33**
	5,968	**0**	**105,791**	**0**	
	0	**0**	**0**	**0**	
	5,968	**0**	**105,791**	**0**	

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)	
CUSTOMER OPERATIONS EXPENSE				
Total Marketing (6610)	0	0	0	**34**
Less: Nonregulated	0	0	0	**35**
Net Regulated	**0**	**0**	**0**	**36**
Total Services (6620)	89,619	92,146	15,361	**37**
Less: Nonregulated	0	0	0	**38**
Net Regulated	**89,619**	**92,146**	**15,361**	**39**
TOTAL CUSTOMER OPERATIONS EXPENSE	**89,619**	**92,146**	**15,361**	
Less: Nonregulated	**0**	**0**	**0**	
Net Regulated	**89,619**	**92,146**	**15,361**	
CORPORATE OPERATIONS EXPENSE				
Total Exec. and Planning (6710)	81,291	80,409	48,304	**40**
Less: Nonregulated	0	0	0	**41**
Net Regulated	**81,291**	**80,409**	**48,304**	**42**
Total General and Administrative (6720)	56,708	59,033	18,424	**43**
Less: Nonregulated	0	0	0	**44**
Net Regulated	**56,708**	**59,033**	**18,424**	**45**
Provision for Uncollectible Notes Receiv. (6790)	0	0		**46**
Less: Nonregulated	0	0		**47**
Net Regulated	**0**	**0**		**48**
TOTAL CORPORATE OPERATIONS EXPENSE	**137,999**	**139,442**	**66,728**	
Less: Nonregulated	**0**	**0**	**0**	
Net Regulated	**137,999**	**139,442**	**66,728**	
TOTAL EXPENSES	**485,961**	**485,796**	**140,923**	
Less: Nonregulated	**0**	**0**	**0**	
Net Regulated	**485,961**	**485,796**	**140,923**	

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6610	0	0	0	0	**34**
	0	0	0	0	**35**
	0	**0**	**0**	**0**	**36**
6620	2,825		73,960	0	**37**
	0		0	0	**38**
	2,825		**73,960**	**0**	**39**
	2,825	**0**	**73,960**	**0**	
	0	**0**	**0**	**0**	
	2,825	**0**	**73,960**	**0**	
6710	15,939		16,166	0	**40**
	0		0	0	**41**
	15,939		**16,166**	**0**	**42**
6720	3,557		37,052	0	**43**
	0		0	0	**44**
	3,557		**37,052**	**0**	**45**
6790			0		**46**
			0		**47**
			0		**48**
	19,496	**0**	**53,218**	**0**	
	0	**0**	**0**	**0**	
	19,496	**0**	**53,218**	**0**	
	40,959	**1,071**	**302,843**	**0**	
	0	**0**	**0**	**0**	
	40,959	**1,071**	**302,843**	**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	0	1
Provisioning Expense (6512)	0	0	0	2
Total: Reported in Account 6510	**0**	**0**	**0**	
Depreciat. Exp.--Tele. Plant in Service (6561)	108,903	101,199		3
Depreciat. Exp.--Prop. Held for Future Tele. Use (6562	0	0		4
Amortization Expense--Tangible (6563)	0	0		5
Amortization Expense--Intangible (6564)	0	0		6
Amortization Expense--Other (6565)	0	0		7
Total: Reported in Account 6560	**108,903**	**101,199**		

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

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6511	0		0	0	**1**
6512	0		0	0	**2**
	0		**0**	**0**	
6561			101,199		**3**
6562			0		**4**
6563			0		**5**
6564			0		**6**
6565			0		**7**
			101,199		

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	909,005	1
Plus: Collection of amounts previously written off	11,918	2
Less: Uncollectibles written off during the year	15,414	3
Plus: Total Other Operating Income and (Expense) (7100)	0	4
Less: Nonregulated Operating Revenue (included Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Uncollectible Revenue (included in Gross Oper. Rev. on Line 1)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify): NONE	0	8
Assessable Revenues for Remainder, Department of Justice, and Telephone Relay Assessment Purposes	**905,509**	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	184,861	1
Plus: Total Intrastate Access Revenues (5084)	251,596	2
Plus: Total Long Distance Network Services Revenue	6,932	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus (or Less) Other (please specify): NONE	0	5
Assessable Revenues for Universal Service Fund Assessment Purposes	**443,389**	

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	909,005	1
Plus: Collection of amounts previously written off	11,918	2
Less: Uncollectibles written off during the year	15,414	3
Plus: Total Other Operating Income and (Expense) (7100)	0	4
Less: Nonregulated Operating Revenue (included Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Uncollectible Revenue (included in Gross Oper. Rev. on Line 1)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify): NONE	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	**905,509**	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	184,861	1
Plus: Total Intrastate Access Revenues (5084)	251,596	2
Plus: Total Long Distance Network Services Revenue	6,932	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus (or Less) Other (please specify): NONE	0	5
Assessable Revenues for Universal Service Fund Assessment Purposes	**443,389**	

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)*	0	0	2
Gains and (Losses) from Foreign Exchange (7140)			3
Gains or (Losses) from the Disposition of Land and Artworks (7150)			4
Other Operating Gains and (Losses) (7160)*	0	0	5
TOTAL OTHER OPERATING INCOME AND (EXPENSE) (7100)*	**0**	**0**	
OPERATING TAXES			
Operating Investment Tax Credits--Net (7210)*	(9,684)	(4,918)	6
Operating Federal Income Taxes (7220)*	113,970	111,875	7
Operating State and Local Income Taxes (7230)*	29,471	29,828	8
Operating Other Taxes (7240)*	53,704	52,484	9
Provision for Deferred Operating Income Taxes--Net (7250)*	5,619	(21,800)	10
TOTAL OPERATING TAXES (7200)*	**193,080**	**167,469**	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)*	0	0	11
Interest Income (7320)*	56,891	49,286	12
Income from Sinking and Other Funds (7330)*	0	0	13
Allowance for Funds Used During Construction (7340)*	0	0	14
Gains or (Losses) from the Disposition of Certain Property (7350)*	0	0	15
Other Nonoperating Income (7360)*	42,808	0	16
Special Charges (7370)*	13,484	30,715	17
TOTAL NONOPERATING INCOME AND EXPENSE (7300)*	**86,215**	**18,571**	
NONOPERATING TAXES			
Nonoperating Investment Tax Credits--Net (7410)*	0	0	18
Nonoperating Federal Income Taxes (7420)*	72,046	31,526	19
Nonoperating State and Local Income Taxes (7430)*	19,267	8,431	20
Nonoperating Other Taxes (7440)*	0	0	21
Provision for Deferred Nonoperating Income Taxes-Net (7450)*	(65,390)	(23,745)	22
TOTAL NONOPERATING TAXES (7400)*	**25,923**	**16,212**	
INTEREST AND RELATED ITEMS			
Interest on Funded Debt (7510)*	22,514	23,890	23
Interest Expense--Capital Leases (7520)*	0	0	24
Amortization of Debt Issuance Expense (7530)*	13	13	25
Other Interest Deductions (7540)*	288	125	26
TOTAL INTEREST AND RELATED ITEMS (7500)*	**22,815**	**24,028**	
EXTRAORDINARY ITEMS			
Extraordinary Items (7600)*	0	0	27
Extraordinary Income Credits (7610)			28
Extraordinary Income Charges (7620)			29
Current Income Tax Effect of Extraordinary Items--Net (7630)			30
Provision for Deferred Income Tax Effect of Extraordinary Items--Net (7640)			31
TOTAL EXTRAORDINARY ITEMS (7600)*	**0**	**0**	
NONREGULATED NET INCOME			
Nonregulated Net Income (7990)*	14,219	(2,673)	32

NONREGULATED NET INCOME (ACCT. 7990)

Particulars (a)	Amount (b)	
Revenues (Acct. 7990.1)		
Gross Sales	209,521	1
Less: Cost of Goods Sold	102,283	2
Net Sales	**107,238**	3
Expenses (Acct. 7990.2)	93,019	4
Nonregulated Net Income	**14,219**	5

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

Sales of CPE, Lease of CPE, Inside Wire Maintenance, Internet Access

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

Sale of CPE - $163,437

DISTRIBUTION OF SALARIES AND WAGES

Description (a)	Amount (b)	
Regulated Expense	140,923	1
Nonregulated Expense	35,513	2
Plant Accounts	14,819	3
Accumulated Depreciation Accounts	0	4
All Other Accounts	5,357	5
Total Salaries and Wages	**196,612**	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 FOY (b)	EOY (c)	Total Compensation (d)	
Officers	1.00	2.10	107,368	1
Supervision and Other Management	2.00		25,312	2
Other Employees	3.00	2.40	63,932	3
Total	**6.00**	**4.50**	**196,612**	

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Total	**6.00**	**4.50**	**196,612**	

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	175	0	**1**
Extended Area Service	55	0	**2**
Extended Community Calling	9	42	**3**
Other Local-Undefined	0	0	**4**
Total Local	**239**	**42**	
TOLL			
Operator Handled: State--intraLATA	1	1	**5**
Operator Handled: State--interLATA	1	1	**6**
Operator Handled: Interstate	1	1	**7**
Customer Dialed: State--intraLATA	33	216	**8**
Customer Dialed: State--interLATA	9	75	**9**
Customer Dialed: Interstate	19	271	**10**
WATS	0	0	**11**
Other Toll-Undefined	0	0	**12**
Total Toll	**64**	**565**	
Total Local & Toll	**303**	**607**	

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.	0	0	0	0	3
Feature Group B -- Term.	0	0	0	0	4
Feature Group C -- Orig.	0	0	1,362	1	5
Feature Group C -- Term.	0	0	1,253	0	6
Feature Group D -- Orig.	1,733	478	0	0	7
Feature Group D -- Term.	1,883	566	0	0	8

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	0	1
Sheath miles of plant - buried	285	2
Sheath miles of plant - fiber optics	21	3
Strand miles of plant - fiber optics	957	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	2	9	1
56 kbps	1	0	2
64 kbps (DS0)	0	0	3
1.54 Mbps (DS-1)	0	0	4
45 Mbps (DS-3)	0	0	5
SONET OC-1	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

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56 kbps	1	0	2
64 kbps (DS0)	0	0	3
1.54 Mbps (DS-1)	0	0	4
45 Mbps (DS-3)	0	0	5
SONET OC-1	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	264	299	3
2 Party	0		4
4 Party	0		5
PBX Trunks/System Trunks	0		6
Centrex Trunks	0		7
Centrex Lines	0		8
Key System Trunks	0		9
Mobile (Utility Provided Service)	0		10
Paging (Utility Provided Service)	0		11
FX-Out (Switched)	0		12
Pay Telephone	0	3	13
Coin-Operated Pay Telephone	0		14
Independent Pay Telephone Provider	0	2	15
Pay Stations - Public	3		16
- Semi-Public	0		17
- Cust. Owned	0		18
Other	0		19
Total Business Lines	**267**	**304**	20
Residential (Incl. Emp. Concess.)			21
1 Party	1,063	1,083	22
2 Party	0		23
4 Party	0		24
FX-Out (Switched)	0		25
Other	0		26
Total Residential Lines	**1,063**	**1,083**	27
Total Bus & Res Lines	**1,330**	**1,387**	28
Company Used Lines	17	17	29
Total Lines Used	**1,347**	**1,404**	30

SERVICE DATA (cont.)

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

Item (a)	FOY (b)	EOY (c)	
Miscellaneous			
WATS Lines - OutWATS	3	3	3
WATS Lines - 800 Service	1	1	4
FX-In-intraLATA	0		5
Special Access-intraLATA			6
(expressed in equiv. access lines)	7	7	7
Special Access-interLATA			8
(expressed in equiv. access lines)	3	3	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	42	42	13
TSPS - Trunks	6	6	14
EAS - Trunks	32	32	15
Cellular Trunks (Pub. Sw. Net.)	0	0	16
Video Distance Learning			17
- discounted (special tariff)	1	1	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
Total Central Office, Info. Orig./Term., & Cable			25
Wire Fac. Assets (based on physical			26
location of plant)	1,294,543	1,755,906	27
Total Company Square Miles	75	75	28
Total Company Route Miles	255	285	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	1110				1
Business					2
1 Party	299				3
2 Party					4
4 Party					5
PBX Trunks/System Trunks					6
Centrex Trunks					7
Centrex Lines					8
Key System Trunks					9
Mobile (utility provided service)					10
Paging (utility provided service)					11
FX-Out (Switched)					12
Pay Telephone	3				13
Coin-Operated Pay Telephone					14
Independent Pay Telephone Provider	2				15
Pay Stations - Public					16
- Semi-Public					17
- Cust. Owned					18
Other					19
Total Business Lines	**304**	**0**	**0**	**0**	20
Residential (Incl. Emp. Concess.)					21
1 Party	1,083				22
2 Party					23
4 Party					24
FX-Out (Switched)					25
Other					26
Total Residential Lines	**1,083**	**0**	**0**	**0**	27
Total Bus & Res Lines	**1,387**	**0**	**0**	**0**	28
Company Used Lines	17				29
Total Lines Used	**1,404**	**0**	**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	1110				1
Miscellaneous					2
WATS Lines - OutWATS	3				3
WATS Lines - 800 Service	1				4
FX-In-intraLATA					5
Special Access-intraLATA					6
(equiv. access lines)	7				7
Special Access-interLATA					8
(equiv. access lines)	3				9
Feature Group A Lines	0				10
Feature Group B Trunks	0				11
Feature Group C Trunks	0				12
Feature Group D Trunks	42				13
TSPS - Trunks	6				14
EAS - Trunks	32				15
Cellular Trunks (Pub. Sw. Net.)	0				16
Video Distance Learning					17
- discounted (special tariff)	1				18
Customers					19
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					24
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical					26
location of plant)	1,755,906				27
Exchange Square Miles	75				28
Exchange Route Miles	285				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	CLEAR LAKE				1
PSCW Exchange ID	1110				2
Central Office Name	CLEAR LAKE				3
PSCW Central Office ID	1				4
Manufacturer of COE (Page 54)	VI				5
Year COE Installed	1994				6
Type of Equipment (Page 54)	D				7
(S)tandalone, (H)ost, (R)emote	S				8
Remote Host PSCW Exchange ID					9
Remote Host PSCW Central Office ID					10
COE Generic Software Release No.	9.1.7.8				11
SS7?	No				12
9-1-1?	Yes				13
Access Lines - In Use	1,401				14
- Equipped	1,500				15
- Wired	1,500				16
Trunks - In Use	168				17
- Equipped	168				18
- Wired	168				19
ISDN Available?	No				20
ISDN Lines - In Use (BRI)					21
- In Use (PRI)					22
Switched 56 Service?	No				23
Switched 56 lines in use					24
Digital Transmission Facilities: DS-1 - In Use	1				25
DS-3 - In Use	2				26
Advanced Data Service Available:					
Packet Switching?	No				27
SMDS?	No				28
Frame Relay?	No				29
ATM (Asynchronous Trans. Mode)?	No				30
Video Information - Service Available?	No				31
- In Use (# lines) [1]					32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	92				33
No. of fiber strands working (LIT) in C.O.	8				34
No. of fiber strands for interoffice use	4				35
Miles of fiber sheath in wire center	21				36
Access Tandem Serving this C.O.:					
- C.O. Name	AMERY				37
- PSCW C.O. ID	0110-01				38
Does this C.O. do access tandem switching?	No				39
Equal Access: InterLATA (1+)?	Yes				40
Equal Access: IntraLATA (1+)?	No				41
Footnotes					42

[1] Teleco provided end-to-end facility.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

General Footnote

Schedule Footnotes

Notes Receivable (Acct. 1200) and Allowances (Acct. 1201) Footnote. Page 18

8) Even though this schedule is not applicable it forced me to enter dates in order to close the schedule. (footnote keyed by PSC staff pursuant to utility review response letter 10/19/98 ele)

Accumulated Depreciation Class A & B (Sub-Class Accounts) Footnote. Page 28

9) Adjustment to reclassify portion of accumulated depreciation from 2123.1 to 2123.2

a) Adjustment to reclassify accumulated depreciation in 2212.1 to 2212.3. The accumulated depreciation exceeds the asset account balance due to the sale of the old switch retired in 1994. The $2500 sale price for this was credited to the accumulated depreciation account resulting in the over accrual of the accumulated depreciation.

b) Adjustment to reclassify accumulated depreciation from 2232.1 and 2232.2 to 2232.3

c) Adjustment to reclassify accumulated depreciation from 2423.1 to 2423.2

Footnotes 9, a), b), c) keyed by PSC staff pursuant to utility review response letter 10/19/98 ele

Net Deferred Operating Income Taxes (Acct. 1350, 1410, 1437, 4100, 4340, 4341 & 4361) Footnote. Page 30

Footnote entered by PSC staff-ele pursuant to utility letter of October 13, 1998: The amounts reported on page 31, columns d, e and f contain deferrals for operating, nonoperating and nonregulated deferred taxes. The amount shown on page 44, column b, shows only the net deferred operating taxes for 1997.

Expense Matrix - Class A & B Footnote. Page 41

Footnote entered by PSC staff-ele pursuant to utility letter dated October 13, 1998: a/c 6410 increased by over $5,000 and 20% due to year to year differences in the coding of wages. Clear Lake Telephone Company has only two plant employees. There are often large differences in the accounts that their time is coded to depending on the types of projects that are worked on each year. This explanation also accounts for the decrease of over 20% noted for a/c 6530. Also during 1997 we had our plant maps digitized for viewing and modification with an Autocad program. This resulted in expenditures of $14,589.98 that were in addition to our normal expenses.

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

Clear Lake does not measure local service minutes so that value was left blank. (Footnote entered 8/19/98 by ele from note on the Listing of Edit Check Results).

Electronic report did not agree with paper. Electronic copy revised by PSC staff pursuant to utility review response 10/13/98 ele

ECC minutes revised. Intraexchange and EAS calls are not recorded due to the expense this would require without a corresponding revenue stream. Pursuant to utility letter of 10/13/98 ele

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

Outside Plant Statistics at End of Year Footnote. Page 49

Footnote entered by PSC staff-ele pursuant to utility letter of October 13, 1998: Our company does not have aerial plant, we are 100% underground outside plant. This is why page 49, line 1 is reported as 0.

Service Data Footnote. Page 50

Payphone information revised pursuant to utility letter dated October 13, 1998. ele

Service Data - End of Year Footnote. Page 52

Payphone information revised by PSC staff-ele pursuant to utility letter dated October 13, 1998.

Schedule Line Footnotes

1) This is a reclassification from 2123.1 to 2123.2
2) This is a reclassification from 2212.1 to 2212.3
3) This is a reclassification from 2232.1 to 2232.3
4) This is a reclassification from 2422.1 to 2422.2
5) This is a reclassification from 2423.1 to 2423.2
6) Less labor was spent on switching maintenance during 1997
7) We signed a new Ameritech billing & collection contract at reduced rates in 1997