4004

ANNUAL REPORT

OF

Name:	FARMERS INDEPENDENT TELEPHONE COMPANY
Principal Office:	139 W MADISON AVE P.O. BOX 447 GRANTSBURG, WI 54840-0447
For the Year Ended:	DECEMBER 31, 1998

TELECOMMUNICATIONS UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN

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

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

GENERAL RULES FOR REPORTING

1. Unless otherwise indicated, the information requested in this report should be taken from the accounts and other records in conformity with the Uniform System of Accounts prescribed by the Public Service Commission of Wisconsin in docket 05-US-102. The definitions and instructions contained therein should also apply to the report wherever applicable. A query or response concerning information contained in this report regarding any practice or transaction should not be construed as indicating conformity to accounting or other pertinent regulations.

2. Please follow all instructions and answer each question fully and accurately. Provide additional information as necessary to avoid misunderstandings or misleading responses. Abbreviations listed on page 6 may be used, however please show the exact name of the respondent in full on the "Identification and Ownership" page.

3. Wherever information is requested in a "note", please show that information in the space provided, or make reference to the adjacent page or insert where the note may be found. Please also identify each note. Footnote capability is included in the annual report software program. Please use it where necessary to fully explain particulars in the annual report.

4. Numeric items are limited to digits (0-9). A minus sign "-" should be entered in the software program to indicate negative values. Do not use parentheses for numeric values. The program will convert the minus sign to parentheses when a hard copy of the annual report is printed. Negative values may not be allowed for certain entries in the annual report due to restrictions contained in the software program.

5. Please report all dollar amounts to the nearest whole dollar.

6. This annual report should be complete in all respects. Unless otherwise authorized, avoid references to returns of former years or to other reports.

7. Wherever schedules call for data from the previous year and such data were reported in the previous annual report, that previous year's data should be reported without modification. If modified, an appropriate footnote indicator and explanation should be included in the current year's annual report.

8. Where part or all of the report is prepared by other than utility personnel, a disclosure is required in the notes to the income statement or the balance sheet, which describes the nature and extent of work performed.

9. Please print a hard copy of the annual report on 20 pound or heavier paper, sign it and compare with the electronic copy before officially filing it with the Public Service Commission of Wisconsin.

SIGNATURE PAGE

I DANA OLSON of
(Person responsible for accounts)

FARMERS INDEPENDENT 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.

DANA OLSON 04/14/1998
(Person responsible for accounts) (Date)

MANAGER
(Title)

TABLE OF CONTENTS

Schedule Name	Page
Cover Page	1
General Rules for Reporting	2
Signature Page	3
Table of Contents	4
Annual Telecommunications Report Glossary of Terms	5
Abbreviations Used in Annual Reports	6
Identification and Ownership	7
Income Statement - Total Company	8
Notes to Income Statement or Balance Sheet	9
Balance Sheet - Assets (Class B Use Accounts Designated By *)	10
Balance Sheet - Liabilities (Class B Use Accounts Designated By *)	11
Statement of Cash Flows	12
Important Changes During the Year	13
Affiliate Abbreviations	14
Affiliated Interest Transactions	15
Affiliated Assets and Liabilities	16
Accounts Receivable Net Write Offs - Telecommunications	17
Notes Receivable (Acct. 1200) and Allowances (Acct. 1201)	18
Investments in Nonaffiliated Companies (Acct. 1402)	19
Nonregulated Investments (Acct. 1406)	20
Deferred Maintenance and Retirements (Acct. 1438)	21
Telecommunications Plant in Service Class A & B	22
Telecommunications Plant in Service Class A & B (Sub-Class Accounts)	24
Accumulated Depreciation Class A & B	26
Accumulated Depreciation Class A & B (Sub-Class Accounts)	28
Net Deferred Operating Income Taxes (Acct. 1350, 1410, 1437, 4100, 4340, 4341 & 4361)	30
Notes Payable (Acct. 4020)	32
Long-Term Debt	33
Capital Stock Accounts at End of Year	35
Retained Earnings (Acct. 4550)	37
Distribution of Taxes	38
Revenues - Class A & B (Class B Use Accounts Designated By *)	40
Expense Matrix - Class A & B	41
Calculation of Assessable Revenues for Remainder, DOJ, and Tele. Relay Assessment Purposes	43
Calculation of Assessable Revenues for Universal Service Fund Assessment Purposes	43
Other Income Accounts (Class B Use Accounts Designated By *)	44
Nonregulated Net Income (Acct. 7990)	45
Distribution of Salaries and Wages	46
Employee Data	46
Telephone Calls and Minutes of Use Per Month	47
Access Usage	48
Outside Plant Statistics at End of Year	49
Special Access Circuits in Use at End of Year	49
Service Data	50

TABLE OF CONTENTS

Schedule Name	Page
Service Data - End of Year	52
Equipment Abbreviations	54
Manufacturer Abbreviations	54
Central Office Data - End of Year	55
General, Schedule Level and Schedule Line Footnotes	56

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: FARMERS INDEPENDENT TELEPHONE COMPANY
Utility Location: 139 W MADISON AVE
P.O. BOX 447
GRANTSBURG, WI 54840-0447
Utility Web Site Address:
When was utility organized?: 07/15/1907
Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: DANA OLSON
Title: MANAGER

Office Address: 139 WEST MADISON AVENUE
P.O. BOX 447
GRANTSBURG , WI 54840
Fax Number: (715) 463 - 5206
Telephone Number: (715) 463 - 5322
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

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

Person responsible for financial information contained in report

Name: DANA OLSON
Title: MANAGER

Office Address: 139 WEST MADISON AVENUE
P.O. BOX 447
GRANTSBURG , WI 54840
Fax Number: (715) 463 - 5206
Telephone Number: (715) 463 - 5322
Email Address:

Person responsible for statistical information contained in report

Name: DANA OLSON
Title: MANAGER

Office Address: 139 WEST MADISON AVENUE
P.O. BOX 447
GRANTSBURG , WI 54840
Fax Number: (715) 463 - 5206
Telephone Number: (715) 463 - 5322
Email Address:

IDENTIFICATION AND OWNERSHIP

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

Company Name: GRANTSBURG TELECOM 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)	1,888,443	1,817,361	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	183,782	201,339	2
Plant Nonspecific Operations Expense	373,144	346,232	3
Customer Operations Expense (6610-6620)	212,259	227,120	4
Corporate Operations Expense (6710-6790)	192,942	197,125	5
Other Operating Income and Expense (7100)	0	0	6
Operating Taxes (7200)	426,155	386,982	7
Total Operating Expenses	**1,388,282**	**1,358,798**	8
Net Operating Income	**500,161**	**458,563**	9
Other Income			
Nonoperating Income and Expense (7300)	223,746	115,958	10
Nonoperating Taxes (7400)	88,507	46,958	11
Interest and Related Items (7500)	3,963	5,672	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	(4,266)	1,446	14
Total Nonoperating Income	**127,010**	**64,774**	15
Net Income	**627,171**	**523,337**	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 transactions reported in the financial statements including both taxes currently due and deferred. Deferred taxes are adjusted to reflect deferred tax consequences at current enacted tax rates. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities include the difference between carrying amounts of depreciable assets and partnership investment basis. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled.

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

NOTES TO INCOME STATEMENT OR BALANCE SHEET

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

C. Revenue Recognition

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

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

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

D. Cash Equivalents

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

E. Investments

Non-marketable equity investments 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, 1998, the maximum amount which could be distributed in accordance with these restrictions was $1,989,000, 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)*	1,520,808	1,188,791	**1**
Cash (1130)			**2**
Special Cash Deposits (1140)			**3**
Working Cash Advances (1150)			**4**
Temporary Investments (1160)			**5**
TOTAL CASH AND EQUIVALENTS	**1,520,808**	**1,188,791**	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	109,563	104,101	**6**
Accounts Receivable Allowance-Telecom (1181)*		0	**7**
Net: Telecommunications Accounts Receivable	**109,563**	**104,101**	
Other Accounts Receivable (1190)*	250,887	149,521	**8**
Accounts Receivable Allowance--Other (1191)*		0	**9**
Net: Other Accounts Receivable	**250,887**	**149,521**	
Notes Receivable (1200)*	0	0	**10**
Notes Receivable Allowance (1201)*	0	0	**11**
Net: Notes Receivable	**0**	**0**	
Interest and Dividends Receivable (1210)*	10,132	5,434	**12**
TOTAL RECEIVABLES AND ALLOWANCES FOR DOUBTFUL	**370,582**	**259,056**	
SUPPLIES			
Inventories (1220)*	25,542	40,254	**13**
TOTAL SUPPLIES	**25,542**	**40,254**	
PREPAYMENTS			
Total Prepayments (1280)*	7,909	7,360	**14**
Prepaid Rents (1290)			**15**
Prepaid Taxes (1300)			**16**
Prepaid Insurance (1310)			**17**
Prepaid Directory Expenses (1320)			**18**
Other Prepayments (1330)			**19**
TOTAL PREPAYMENTS	**7,909**	**7,360**	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	33,449	9,321	**20**
TOTAL OTHER CURRENT ASSETS	**33,449**	**9,321**	
TOTAL CURRENT ASSETS	**1,958,290**	**1,504,782**	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	549,826	374,826	**21**
Investments in Nonaffiliated Companies (1402)*	469,216	637,521	**22**
Nonregulated Investments (1406)*	6,695	6,888	**23**
Unamortized Debt Issuance Expense (1407)*	0	0	**24**
Sinking Funds (1408)*	0	0	**25**

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
NONCURRENT ASSETS			
INVESTMENTS			
Other Noncurrent Assets (1410)*	0	0	**26**
TOTAL INVESTMENTS	**1,025,737**	**1,019,235**	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*	0	0	**27**
Deferred Maintenance and Retirements (1438)*	0	0	**28**
Deferred Charges (1439)*	13,709	18,278	**29**
TOTAL DEFERRED CHARGES	**13,709**	**18,278**	
TOTAL NONCURRENT ASSETS	**1,039,446**	**1,037,513**	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	5,056,818	4,800,765	**30**
Less: Accumulated Depreciation (3100)*	3,210,970	2,897,147	**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	**1,845,848**	**1,903,618**	
PROPERTY HELD FOR FUTURE USE			
Prop. Held for Future Telecommun. Use (2002)*	0	0	**35**
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200)*	0	0	**36**
NET PROPERTY HELD FOR FUTURE USE	**0**	**0**	
NONOPERATING PLANT			
Nonoperating Plant (2006)*	0	0	**37**
Less: Accumulated Depreciation--Nonoperating (3300)*	0	0	**38**
NET NONOPERATING PLANT	**0**	**0**	
TPUC			
TPUC (2003)*	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	**1,845,848**	**1,903,618**	
TOTAL ASSETS AND OTHER DEBITS*	**4,843,584**	**4,445,913**	

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	154,188	111,354	1
Notes Payable (4020)*	0	0	2
Advance Billing and Payments (4030)*	(600)	715	3
Customer Deposits (4040)*	5,080	4,805	4
Current Maturities--Long-Term Debt (4050)*	32,100	31,500	5
Current Maturities--Capital Leases (4060)*	0	0	6
Income Taxes--Accrued (4070)*	145,538	96,650	7
Other Taxes--Accrued (4080)*	(15,703)	(11,124)	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)*	290,335	262,514	11
Other Current Liabilities (4130)*	0	0	12
TOTAL CURRENT LIABILITIES*	**610,938**	**496,414**	
LONG-TERM DEBT			
Funded Debt (4210)*	149,476	181,604	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*	**149,476**	**181,604**	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*	54,977	64,678	20
Unamortized Operating ITC--Net (4320)*	6,730	11,730	21
Unamortized Nonoperating ITC--Net (4330)*	0	0	22
Net Noncurrent Deferred Operating Income Taxes (4340)*	162,708	178,446	23
Net Deferred Tax Liability Adjustments (4341)*	(10,418)	(14,760)	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	(75,413)	(42,712)	25
Other Deferred Credits (4360)*	0	0	26
Deferred Tax Regulatory Liability (4361)*	19,837	25,636	27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS*	**158,421**	**223,018**	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	1,660,320	1,660,320	28
Additional Paid-in Capital (4520)*	1,775	1,775	29
Treasury Stock (4530)*	0	0	30
Other Capital (4540)*	2,258	510	31
Retained Earnings (4550)*	2,260,395	1,882,272	32
TOTAL STOCKHOLDERS' EQUITY*	**3,924,748**	**3,544,877**	
TOTAL LIABILITIES AND OTHER CREDITS*	**4,843,583**	**4,445,913**	

STATEMENT OF CASH FLOWS

Item (a)	Amount (b)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	627,171	1
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and amortization	362,975	2
Interest during construction	0	3
Changes in assets and liabilities:		
Current assets (net)	(121,491)	4
Other noncurrent assets	4,569	5
Other current liabilities	113,924	6
Other liabilities and deferred credits	(64,597)	7
Other (specify):		
TOTAL ADJUSTMENTS	**295,380**	
NET CASH PROVIDED BY OPERATING ACTIVITIES (NET INCOME & ADJUST.)	**922,551**	
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures:		
Changes in plant (net)	(305,205)	8
Investments in affiliated companies	(175,000)	9
Nonoperating Investments	168,498	10
Other (specify):		
NET CASH USING IN INVESTING ACTIVITIES	**(311,707)**	
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in capital lease obligations (net)	0	11
Change in long-term debt (net)	(31,528)	12
Net changes in stockholder equity other than retained earnings	1,748	13
Change in short term borrowing (net)	0	14
Dividends paid	(249,048)	15
Miscellaneous debits/credits to retained earnings	0	16
Other (specify):		
Net Cash Provided by Financing Activities	**(278,828)**	
NET INCREASE IN CASH AND CASH EQUIVALENTS	**332,016**	
Cash and cash equivalents at beginning of year (Accts. 1130-1160 for Class A; 1120 for Class B)		
Cash and cash equivalents at end of year (Accts. 1130-1160 for Class A; 1120 for Class B)		

IMPORTANT CHANGES DURING THE YEAR

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

   None

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

   None

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

   None

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

   None

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

   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)	
Grantsburg Telecom, Inc.	GRNTBRG	**1**
Rural Service Area #1 Partnership	RSA#1	**2**

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)

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)	
Grantsburg Telecom, Inc.	1401	336,545	**1**
Rural Service Area #1 Partnership	1401	213,281	**2**

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	**0**	

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

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

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

INVESTMENTS IN NONAFFILIATED COMPANIES (ACCT. 1402)

Name (a)	Balance EOY (b)	
RTB Class B Stock	0	1
Other:		
WITS Class A Stock	200	2
WITS Class B Stock	23,500	3
Grantsburg Industrial Stock	1,000	4
Grantsburg Fitness Center	10,000	5
Dean Witter - GNMA Pools/Certificates of Deposit	433,516	6
RTB Class C Stock	1,000	7
Total Investments in Nonaffiliated Companies	**469,216**	

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):		
Telephone Inventory (net)	2,165	**1**
Internet Equipment (net)	4,530	**2**

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	7,799		**1**
Motor Vehicles	2112	72,136	47,978	**2**
Aircraft	2113	0		**3**
Special Purpose Vehicles	2114	0		**4**
Garage Work Equipment	2115	0		**5**
Other Work Equipment	2116	99,698	32,009	**6**
Buildings	2121	210,277		**7**
Furniture	2122	22,178		**8**
Office Equipment	2123	18,517	2,742	**9**
General Purpose Computers	2124	55,193	4,324	**10**
TOTAL--GENERAL SUPPORT ASSETS:		**485,798**	**87,053**	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0		**11**
Digital Electronic Switching	2212	1,290,507	10,760	**12**
Electro-Mechanical Switching	2215	0	0	**13**
Operator Systems	2220	0		**14**
Radio Systems	2231	0	0	**15**
Circuit Equipment	2232	452,148	10,196	**16**
TOTAL--CENTRAL OFFICE ASSETS:		**1,742,655**	**20,956**	
INFORMATION ORIGINATION/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	0		**20**
Other Terminal Equipment	2362	20,858		**21**
TOTAL--INFORMATION ORIG/TERM ASSETS:		**20,858**	**0**	
CABLE WIRE FACILITIES ASSETS				
Poles	2411	8,101		**22**
Aerial Cable	2421	7,338	0	**23**
Underground Cable	2422	0	0	**24**
Buried Cable	2423	2,531,539	214,217	**25**
Submarine Cable	2424	0	0	**26**
Deep Sea Cable	2425	0		**27**
Intrabuilding Network Cable	2426	0	0	**28**
Aerial Wire	2431	4,476		**29**
Conduit Systems	2441	0		**30**
TOTAL--CABLE WIRE FACILITIES ASSETS:		**2,551,454**	**214,217**	
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			**7,799**	**1**
2112	17,721		**102,393**	**2**
2113			**0**	**3**
2114			**0**	**4**
2115			**0**	**5**
2116	15,225		**116,482**	**6**
2121			**210,277**	**7**
2122			**22,178**	**8**
2123	0	0	**21,259**	**9**
2124	23,268		**36,249**	**10**
	56,214	**0**	**516,637**	
2211			**0**	**11**
2212	196	0	**1,301,071**	**12**
2215	0	0	**0**	**13**
2220			**0**	**14**
2231	0	0	**0**	**15**
2232	0	0	**462,344**	**16**
	196	**0**	**1,763,415**	
2311			**0**	**17**
2321			**0**	**18**
2341			**0**	**19**
2351			**0**	**20**
2362			**20,858**	**21**
	0	**0**	**20,858**	
2411			**8,101**	**22**
2421	0	0	**7,338**	**23**
2422	0	0	**0**	**24**
2423	9,763	0	**2,735,993**	**25**
2424	0	0	**0**	**26**
2425			**0**	**27**
2426	0	0	**0**	**28**
2431			**4,476**	**29**
2441			**0**	**30**
	9,763	**0**	**2,755,908**	
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	0		**33**
TOTAL--AMORTIZABLE ASSETS:		**0**	**0**	
TOTAL TELECOM. PLANT IN SERVICE	**2001**	**4,800,765**	**322,226**	
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			**0**	**33**
	0	**0**	**0**	
	66,173	**0**	**5,056,818**	
2001			0	**34**
			5,056,818	

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	15,935	2,742	1
Company Communications Equipment	2123.2	2,582		2
Software	2212.1	132,104		3
Digital Switching - Central Office	2212.2	1,135,389	10,760	4
Digital Switching - Remote	2212.3	23,014		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	452,148	10,196	10
Analog Circuit Equipment	2232.2	0		11
Light Wave Circuit Equipment	2232.3	0		12
Aerial Cable - Nonmetallic	2421.1	0		13
Aerial Cable - Metallic	2421.2	7,338		14
Underground Cable - Nonmetallic	2422.1	0		15
Underground Cable - Metallic	2422.2	0		16
Buried Cable - Nonmetallic	2423.1	151,116	61,020	17
Buried Cable - Metallic	2423.2	2,380,423	153,197	18
Submarine Cable - Nonmetallic	2424.1	0		19
Submarine Cable - Metallic	2424.2	0		20
Intrabuilding Cable - Nonmetallic	2426.1	0		21
Intrabuilding Cable - Metallic	2426.2	0		22

Explain all amounts shown in column (g).

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

Subaccount (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2123.1			**18,677**	**1**
2123.2			**2,582**	**2**
2212.1			**132,104**	**3**
2212.2	196		**1,145,953**	**4**
2212.3			**23,014**	**5**
2215.1			**0**	**6**
2215.2			**0**	**7**
2231.1			**0**	**8**
2231.2			**0**	**9**
2232.1			**462,344**	**10**
2232.2			**0**	**11**
2232.3			**0**	**12**
2421.1			**0**	**13**
2421.2			**7,338**	**14**
2422.1			**0**	**15**
2422.2			**0**	**16**
2423.1			**212,136**	**17**
2423.2	9,763		**2,523,857**	**18**
2424.1			**0**	**19**
2424.2			**0**	**20**
2426.1			**0**	**21**
2426.2			**0**	**22**

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)	
GENERAL SUPPORT ASSETS						
Motor Vehicles	2112	44,894		11,121		1H
Aircraft	2113	0				2
Special Purpose Vehicles	2114	0				3
Garage Work Equipment	2115	0				4
Other Work Equipment	2116	67,913		6,078		5G
Buildings	2121	142,710	3.13	6,580		6
Furniture	2122	18,521	7.69	1,706		7
Office Equipment	2123	8,911	14.0	1,748		8G
General Purpose Computers	2124	30,276	16.67	9,672		9
Total-- GENERAL SUPPORT ASSETS		**313,225**		**36,905**	**0**	
CENTRAL OFFICE ASSETS						
Analog Electronic Switching	2211	0				10
Digital Electronic Switching	2212	810,331	10.0	161,886		11
Electro-Mechanical Switching	2215	0				12
Operator Systems	2220	0				13
Radio Systems	2231	0				14
Circuit Equipment	2232	299,421	8.33	38,003		15G
Total-- CENTRAL OFFICE ASSETS		**1,109,752**		**199,889**	**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	0				19
Other Terminal Equipment	2362	1,490	14.29	2,980		20
Total-- INFORMATION ORIG/TERM ASSETS		**1,490**		**2,980**	**0**	
CABLE WIRE FACILITIES ASSETS						
Poles	2411	8,101	5.21	0		21
Aerial Cable	2421	7,338	4.76	0		22
Underground Cable	2422	0				23
Buried Cable	2423	1,452,795	4.76	123,192		24
Submarine Cable	2424	0				25
Deep Sea Cable	2425	0				26
Intrabuilding Network Cable	2426	0				27
Aerial Wire	2431	4,446	6.94	0		28

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)		
2112	17,721		10,530		**48,824**	**1**	**H**
2113					**0**	**2**	
2114					**0**	**3**	
2115					**0**	**4**	
2116	15,225		6,500		**65,266**	**5**	**G**
2121					**149,290**	**6**	
2122					**20,227**	**7**	
2123	0				**10,659**	**8**	**G**
2124	23,268				**16,680**	**9**	
	56,214	**0**	**17,030**	**0**	**310,946**		
2211					**0**	**10**	
2212	196				**972,021**	**11**	
2215	0				**0**	**12**	
2220					**0**	**13**	
2231	0				**0**	**14**	
2232	0				**337,424**	**15**	**G**
	196	**0**	**0**	**0**	**1,309,445**		
2311					**0**	**16**	
2321					**0**	**17**	
2341					**0**	**18**	
2351					**0**	**19**	
2362					**4,470**	**20**	
	0	**0**	**0**	**0**	**4,470**		
2411					**8,101**	**21**	
2421	0				**7,338**	**22**	
2422	0				**0**	**23**	
2423	9,763				**1,566,224**	**24**	
2424	0				**0**	**25**	
2425					**0**	**26**	
2426	0				**0**	**27**	
2431					**4,446**	**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	0				**29**
Total-- CABLE WIRE FACILITIES ASSETS		**1,472,680**		**123,192**	**0**	
Total Accumulated Depreciation	**3100**	**2,897,147**		**362,966**	**0**	
Less: Allocation to Nonregulated Activity - Columns e, f and l	3100			1,900	0	**30**
Net Regulated Total Accum Depreciation - Columns e, f and l	**3100**			**361,066**	**0**	

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441					**0**	**29**
	9,763	**0**	**0**	**0**	**1,586,109**	
3100	**66,173**	**0**	**17,030**	**0**	**3,210,970**	
3100					0	**30**
3100					**3,210,970**	

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	7,959	7.69	1,231		1
Company Communications Equipment	2123.2	952	20.0	517		2
Software	2212.1	107,507	25.0	24,597		3
Digital Switching - Central Office	2212.2	679,810	12.0	137,289		4
Digital Switching - Remote	2212.3	23,014	9.09	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	299,421	8.33	38,003		10
Analog Circuit Equipment	2232.2	0				11
Light Wave Circuit Equipment	2232.3	0				12
Aerial Cable - Nonmetallic	2421.1	0				13
Aerial Cable - Metallic	2421.2	7,338	4.76	0		14
Underground Cable - Nonmetallic	2422.1	0				15
Underground Cable - Metallic	2422.2	0				16
Buried Cable - Nonmetallic	2423.1	16,019	4.76	8,207		17
Buried Cable - Metallic	2423.2	1,436,776	4.76	114,985		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					**9,190**	**1**
2123.2					**1,469**	**2**
2212.1					**132,104**	**3**
2212.2	196				**816,903**	**4**
2212.3					**23,014**	**5**
2215.1					**0**	**6**
2215.2					**0**	**7**
2231.1					**0**	**8**
2231.2					**0**	**9**
2232.1					**337,424**	**10**
2232.2					**0**	**11**
2232.3					**0**	**12**
2421.1					**0**	**13**
2421.2					**7,338**	**14**
2422.1					**0**	**15**
2422.2					**0**	**16**
2423.1					**24,226**	**17**
2423.2	9,763				**1,541,998**	**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)	(178,446)	5
Net Deferred Tax Liability Adjustments (4341)	14,760	6
Deferred Tax Regulatory Liability (4361)	0	7
Net Property Related Deferred Operating Income Taxes	**(163,686)**	
Less: Allocation to Nonregulated Activity	0	8
Net Regulated Total Property Related Deferred Operating Income Taxes	**(163,686)**	
NONPROPERTY RELATED		
Other Current Assets (1350)	9,321	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)	(25,636)	15
Total Nonproperty Related Deferred Operating Income Taxes	**(16,315)**	

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	15,738			**(162,708)**	**5**
	(4,342)			**10,418**	**6**
				0	**7**
	11,396	**0**	**0**	**(152,290)**	
				0	**8**
	11,396	**0**	**0**	**(152,290)**	
7250	24,128			**33,449**	**9**
7250				**0**	**10**
				0	**11**
7250				**0**	**12**
7250				**0**	**13**
				0	**14**
	5,799			**(19,837)**	**15**
	29,927	**0**	**0**	**13,612**	

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 #02031	11/01/1958	11/01/2003	2.0000	**1**
RUS #02040 & #20042	04/21/1969	04/21/2014	2.0000	**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			3,847	1,200	5,047	**1**
2.0000			145,629	30,900	176,529	**2**
	0	**0**	**149,476**	**32,100**	**181,576**	

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 Stock	90,000	20.00		**1**
TOTAL COMMON STOCK	**90,000**			
TOTAL	**90,000**			

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:					
Common Stock	83,016	1,660,320			**1**
	83,016	**1,660,320**	**0**	**0**	
TOTAL	**83,016**	**1,660,320**	**0**	**0**	

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	1,882,272	1,591,380	**1 c**
Changes:			
Balance Transferred from Income	627,171	523,337	**2**
Dividends Declared:			
Common	249,048	232,445	**3**
Preferred			**4**
Total Dividends Declared	**249,048**	**232,445**	
Miscellaneous Debits to Retained Earnings			**5**
Miscellaneous Credits to Retained Earnings			**6**
Balance--End of Year	**2,260,395**	**1,882,272**	

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)	108,546	65,790	249,328	1
Nonoperating Taxes (Accts. 7410 - 7450)		18,835	69,672	2
Extraordinary Items (Accts. 7630 & 7640)				3
Nonregulated Net Income (Acct. 7990)		(916)	(3,554)	4
Clearing Accounts				5
Construction				6
Payroll Taxes: FICA				7
Payroll Taxes: State Unemployment				8
Payroll Taxes: Federal Unemployment				9
Other (specify):				
Operating ITC			5,000	10
Deferred Taxes		12,040	64,675	11
TOTAL	**108,546**	**95,749**	**385,121**	

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)	
2,491					**426,155**	**1**
					88,507	**2**
					0	**3**
					(4,470)	**4**
					0	**5**
					0	**6**
				25,136	**25,136**	**7**
				117	**117**	**8**
				550	**550**	**9**
					5,000	**10**
					76,715	**11**
2,491	**0**	**0**	**0**	**25,803**	**617,710**	

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)*	495,149	445,563	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)	**495,149**	**445,563**		
NETWORK INTERSTATE ACCESS SERVICES REV.				
End User Revenue (5081)*	134,112	128,301	11	
Switched Access Revenue (5082)*	704,735	736,083	12	
Special Access Revenue (5083)*	8,860	10,776	13	
TOTAL INTERSTATE ACCESS REVENUES (5080)	**847,707**	**875,160**		
NETWORK INTRASTATE ACCESS SERVICES REV.				
End User Revenue (5084.1)*		0	14	
Switched Access Revenue (5084.2)*	361,218	304,816	15	
Special Access Revenue (5084.3)*	10,543	11,921	16	
TOTAL INTRASTATE ACCESS REVENUES (5084)	**371,761**	**316,737**		
LONG DISTANCE NETWORK SERVICES MESSAGE REV.				
Long Distance Message Revenue (5100)*	9,702	3,234	17	B
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.	**9,702**	**3,234**		

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

Particulars (a)	This Year (b)	Last Year (c)	
MISCELLANEOUS REVENUES			
Directory Revenue (5230)*	88,705	90,155	**30**
Rent Revenue (5240)*		0	**31**
Corporate Operations Revenue (5250)*		0	**32**
Miscellaneous:			
Miscellaneous Revenue (5260)*	14,902	18,218	**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)	**14,902**	**18,218**	
Interstate Billing and Collection Revenue*	41,154	45,053	**39**
Intrastate Billing and Collection Revenue*	28,336	33,036	**40**
Total Carrier Billing and Collection Revenue (5270)*	**69,490**	**78,089**	
Nonregulated Operating Revenue (5280)**			**41**
TOTAL MISCELLANEOUS REVENUES	**173,097**	**186,462**	
GROSS OPERATING REVENUES	**1,897,416**	**1,827,156**	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*	8,973	9,795	**42**
Uncollectible Revenue--Telecommunications (5301)			**43**
Uncollectible Revenue--Other (5302)			**44**
TOTAL UNCOLLECTIBLE REVENUE (5300)	**8,973**	**9,795**	
TOTAL OPERATING REVENUES	**1,888,443**	**1,817,361**	

** 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)	0	(133)		1	
Less: Nonregulated	0	0		2	
Net Regulated	**0**	**(133)**	**0**	3	
Total General Support Expense (6120)	37,326	16,672		4	
Less: Nonregulated	0	0		5	A
Net Regulated	**37,326**	**16,672**	**0**	6	
Total Central Office Switching Expense (6210)	92,933	97,462		7	
Less: Nonregulated	0	0		8	
Net Regulated	**92,933**	**97,462**	**0**	9	
Total Operator Systems Expense (6220)	0	0		10	
Less: Nonregulated	0	0		11	
Net Regulated	**0**	**0**	**0**	12	
Total Central Office Transmission Expenses (6230)	1,019	2,867		13	
Less: Nonregulated	0	0		14	
Net Regulated	**1,019**	**2,867**	**0**	15	
Total Information Orig. / Term. Expense (6310)	958	0		16	
Less: Nonregulated	0	0		17	
Net Regulated	**958**	**0**	**0**	18	
Total Cable and Wire Fac. Expense (6410)	69,103	66,914		19	
Less: Nonregulated	0	0		20	
Net Regulated	**69,103**	**66,914**	**0**	21	
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	**201,339**	**183,782**	**0**		
Less: Nonregulated	**0**	**0**	**0**		
Net Regulated	**201,339**	**183,782**	**0**		
PLANT NONSPECIFIC OPERATIONS EXPENSE					
Total Other Property, Plant and Equip. Exp. (6510)	0	0		22	
Less: Nonregulated	0	0		23	
Net Regulated	**0**	**0**	**0**	24	
Total Network Operations Expense (6530)	12,669	9,963		25	
Less: Nonregulated	0	0		26	
Net Regulated	**12,669**	**9,963**	**0**	27	
Access Expense (6540)	0	2,106		28	
Less: Nonregulated	0	0		29	
Net Regulated	**0**	**2,106**	**0**	30	
Total Depreciation and Amortization Expense (6560)	334,763	362,975		31	
Less: Nonregulated	1,200	1,900		32	
Net Regulated	**333,563**	**361,075**		33	
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	**347,432**	**375,044**	**0**		
Less: Nonregulated	**1,200**	**1,900**	**0**		
Net Regulated	**346,232**	**373,144**	**0**		

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)		
6110			(133)			1
						2
	0	0	(133)	0		3
6120			16,672			4
					A	5
	0	0	16,672	0		6
6210			97,462			7
						8
	0	0	97,462	0		9
6220						10
						11
	0	0	0	0		12
6230			2,867			13
						14
	0	0	2,867	0		15
6310						16
						17
	0	0	0	0		18
6410			66,914			19
						20
	0	0	66,914	0		21
	0	0	183,782	0		
	0	0	0	0		
	0	0	183,782	0		
6510						22
						23
	0		0	0		24
6530			9,963			25
						26
	0	0	9,963	0		27
6540			2,106			28
						29
	0	0	2,106	0		30
6560			362,975			31
			1,900			32
			361,075			33
	0	0	375,044	0		
	0	0	1,900	0		
	0	0	373,144	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)	1,444	316		**34**
Less: Nonregulated	0	0		**35**
Net Regulated	**1,444**	**316**	**0**	**36**
Total Services (6620)	225,676	211,943		**37**
Less: Nonregulated	0	0		**38**
Net Regulated	**225,676**	**211,943**	**0**	**39**
TOTAL CUSTOMER OPERATIONS EXPENSE	**227,120**	**212,259**	**0**	
Less: Nonregulated	**0**	**0**	**0**	
Net Regulated	**227,120**	**212,259**	**0**	
CORPORATE OPERATIONS EXPENSE				
Total Exec. and Planning (6710)	100,875	91,874		**40**
Less: Nonregulated	0	0		**41**
Net Regulated	**100,875**	**91,874**	**0**	**42**
Total General and Administrative (6720)	96,250	101,068		**43**
Less: Nonregulated	0	0		**44**
Net Regulated	**96,250**	**101,068**	**0**	**45**
Provision for Uncollectible Notes Receiv. (6790)	0	0		**46**
Less: Nonregulated	0	0		**47**
Net Regulated	**0**	**0**		**48**
TOTAL CORPORATE OPERATIONS EXPENSE	**197,125**	**192,942**	**0**	
Less: Nonregulated	**0**	**0**	**0**	
Net Regulated	**197,125**	**192,942**	**0**	
TOTAL EXPENSES	**973,016**	**964,027**	**0**	
Less: Nonregulated	**1,200**	**1,900**	**0**	
Net Regulated	**971,816**	**962,127**	**0**	

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6610			316		**34**
					35
	0	**0**	**316**	**0**	**36**
6620			211,943		**37**
					38
	0		**211,943**	**0**	**39**
	0	**0**	**212,259**	**0**	
	0	**0**	**0**	**0**	
	0	**0**	**212,259**	**0**	
6710			91,874		**40**
					41
	0		**91,874**	**0**	**42**
6720			101,068		**43**
					44
	0		**101,068**	**0**	**45**
6790					**46**
					47
			0		**48**
	0	**0**	**192,942**	**0**	
	0	**0**	**0**	**0**	
	0	**0**	**192,942**	**0**	
	0	**0**	**964,027**	**0**	
	0	**0**	**1,900**	**0**	
	0	**0**	**962,127**	**0**	

EXPENSE MATRIX - CLASS A & B (DETAIL)

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries/ Wages (d)	
Property Held for Future Tele. Use Exp. (6511)	0	0		1
Provisioning Expense (6512)	0	0		2
Total: Reported in Account 6510	**0**	**0**	**0**	
Depreciat. Exp.--Tele. Plant in Service (6561)	334,763	362,975		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	**334,763**	**362,975**		

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

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6511					**1**
6512					**2**
	0		**0**	**0**	
6561			362,975		**3**
6562					**4**
6563					**5**
6564					**6**
6565					**7**
			362,975		

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	1,897,416	1
Plus: Collection of amounts previously written off	0	2
Less: Uncollectibles written off during the year	0	3
Plus: Total Other Operating Income and (Expense) (7100)	0	4
Less: Nonregulated Operating Revenue (included Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify): NONE	0	8
Assessable Revenues for Remainder, Department of Justice, and Telephone Relay Assessment Purposes	**1,897,416**	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	495,149	1
Plus: Total Intrastate Access Revenues (5084)	371,761	2
Plus: Total Long Distance Network Services Revenue	9,702	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	**876,612**	

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	1,897,416	1
Plus: Collection of amounts previously written off	0	2
Less: Uncollectibles written off during the year	0	3
Plus: Total Other Operating Income and (Expense) (7100)	0	4
Less: Nonregulated Operating Revenue (included Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify): NONE	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	**1,897,416**	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	495,149	1
Plus: Total Intrastate Access Revenues (5084)	371,761	2
Plus: Total Long Distance Network Services Revenue	9,702	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	**876,612**	

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)			3
Gains or (Losses) from the Disposition of Land and Artworks (7150)			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)*	(5,000)	(5,000)	6
Operating Federal Income Taxes (7220)*	290,348	233,000	7
Operating State and Local Income Taxes (7230)*	71,093	56,354	8
Operating Other Taxes (7240)*	111,037	107,136	9
Provision for Deferred Operating Income Taxes--Net (7250)*	(41,323)	(4,508)	10
TOTAL OPERATING TAXES (7200)*	**426,155**	**386,982**	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)*	20,322	60,186	11
Interest Income (7320)*	77,866	62,230	12
Income from Sinking and Other Funds (7330)*		0	13
Allowance for Funds Used During Construction (7340)*		0	14
Gains or (Losses) from the Disposition of Certain Property (7350)*		0	15
Other Nonoperating Income (7360)*	126,624	0	16
Special Charges (7370)*	1,066	6,458	17
TOTAL NONOPERATING INCOME AND EXPENSE (7300)*	**223,746**	**115,958**	
NONOPERATING TAXES			
Nonoperating Investment Tax Credits--Net (7410)*		0	18
Nonoperating Federal Income Taxes (7420)*	95,931	49,748	19
Nonoperating State and Local Income Taxes (7430)*	24,949	13,304	20
Nonoperating Other Taxes (7440)*		0	21
Provision for Deferred Nonoperating Income Taxes-Net (7450)*	(32,373)	(16,094)	22
TOTAL NONOPERATING TAXES (7400)*	**88,507**	**46,958**	
INTEREST AND RELATED ITEMS			
Interest on Funded Debt (7510)*	3,910	4,531	23
Interest Expense--Capital Leases (7520)*		0	24
Amortization of Debt Issuance Expense (7530)*		0	25
Other Interest Deductions (7540)*	53	1,141	26
TOTAL INTEREST AND RELATED ITEMS (7500)*	**3,963**	**5,672**	
EXTRAORDINARY ITEMS			
Extraordinary Items (7600)*		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)*	(4,266)	1,446	32

NONREGULATED NET INCOME (ACCT. 7990)

Particulars (a)	Amount (b)	
Revenues (Acct. 7990.1)		
Gross Sales	150,501	1
Less: Cost of Goods Sold		2
Net Sales	**150,501**	3
Expenses (Acct. 7990.2)	154,767	4
Nonregulated Net Income	**(4,266)**	5

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

Leasing of customer premise equipment
Leasing of inside wiring
Leasing of pagers
Provider of internet service

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

DISTRIBUTION OF SALARIES AND WAGES

Description (a)	Amount (b)	
Regulated Expense	0	1
Nonregulated Expense		2
Plant Accounts		3
Accumulated Depreciation Accounts		4
All Other Accounts	328,844	5
Total Salaries and Wages	**328,844**	6 E

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	2.00	2.00	5,700	1
Supervision and Other Management	1.00	1.00	60,888	2
Other Employees	9.00	9.00	262,256	3
Total	**12.00**	**12.00**	**328,844**	

DISTRIBUTION OF SALARIES AND WAGES

Description (a)	Amount (b)	
Regulated Expense	0	1
Nonregulated Expense		2
Plant Accounts		3
Accumulated Depreciation Accounts		4
All Other Accounts	328,844	5
Total Salaries and Wages	**328,844**	6 E

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	2.00	2.00	5,700	1
Supervision and Other Management	1.00	1.00	60,888	2
Other Employees	9.00	9.00	262,256	3
Total	**12.00**	**12.00**	**328,844**	

TELEPHONE CALLS AND MINUTES OF USE PER MONTH

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

Item (a)	Telephone Calls (000's) (b)	Minutes of Use (000's) (c)	
LOCAL			
Intra-Exchange	0	0	**1**
Extended Area Service	0	0	**2**
Extended Community Calling	0	0	**3**
Other Local-Undefined	0	0	**4**
Total Local	**0**	**0**	
TOLL			
Operator Handled: State--intraLATA	0	0	**5**
Operator Handled: State--interLATA	0	0	**6**
Operator Handled: Interstate	0	0	**7**
Customer Dialed: State--intraLATA	0	0	**8**
Customer Dialed: State--interLATA	0	0	**9**
Customer Dialed: Interstate	0	0	**10**
WATS			**11**
Other Toll-Undefined	97	1,197	**12**
Total Toll	**97**	**1,197**	
Total Local & Toll	**97**	**1,197**	

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.	74	1			2
Feature Group B -- Orig.		3			3
Feature Group B -- Term.					4
Feature Group C -- Orig.			1,178	3	5
Feature Group C -- Term.			1,227	2	6
Feature Group D -- Orig.	4,016	607	324		7
Feature Group D -- Term.	4,796	2,165			8

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	0	1 D
Sheath miles of plant - buried	585	2
Sheath miles of plant - fiber optics	16	3
Strand miles of plant - fiber optics	648	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	4	2	1
56 kbps	6	2	2
64 kbps (DS0)	0	0	3
1.54 Mbps (DS-1)	2	0	4
45 Mbps (DS-3)	0	0	5
SONET OC-1			6
SONET OC-3			7
SONET OC-12			8
SONET OC-48			9
SONET OC-192			10

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	0	1 D
Sheath miles of plant - buried	585	2
Sheath miles of plant - fiber optics	16	3
Strand miles of plant - fiber optics	648	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	4	2	1
56 kbps	6	2	2
64 kbps (DS0)	0	0	3
1.54 Mbps (DS-1)	2	0	4
45 Mbps (DS-3)	0	0	5
SONET OC-1			6
SONET OC-3			7
SONET OC-12			8
SONET OC-48			9
SONET OC-192			10

SERVICE DATA

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

Item (a)	FOY (b)	EOY (c)	
Business			
1 Party	303	340	3
2 Party			4
4 Party			5
PBX Trunks/System Trunks	9	9	6
Centrex Trunks			7
Centrex Lines			8
Key System Trunks	184	194	9
Mobile (Utility Provided Service)	0	0	10
Paging (Utility Provided Service)	3	0	11
FX-Out (Switched)	5	5	12
Pay Telephone	10	0	13
Coin-Operated Pay Telephone		0	14
Independent Pay Telephone Provider	6	6	15
Pay Stations - Public		5	16
- Semi-Public		1	17
- Cust. Owned		6	18
Other			19
Total Business Lines	**520**	**566**	20
Residential (Incl. Emp. Concess.)			21
1 Party	2,324	2,414	22
2 Party			23
4 Party			24
FX-Out (Switched)			25
Other			26
Total Residential Lines	**2,324**	**2,414**	27
Total Bus & Res Lines	**2,844**	**2,980**	28
Company Used Lines	36	36	29
Total Lines Used	**2,880**	**3,016**	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
WATS Lines - 800 Service			4
FX-In-intraLATA			5
Special Access-intraLATA			6
(expressed in equiv. access lines)	3	4	7
Special Access-interLATA			8
(expressed in equiv. access lines)	33	58	9
Feature Group A Lines			10
Feature Group B Trunks			11
Feature Group C Trunks			12
Feature Group D Trunks			13
TSPS - Trunks	8	8	14
EAS - Trunks			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
Total Central Office, Info. Orig./Term., & Cable			25
Wire Fac. Assets (based on physical			26
location of plant)	4,314,967	4,540,181	27
Total Company Square Miles	260	260	28
Total Company Route Miles	581	612	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	1860	2140	5380		1
Business					2
1 Party	37	271	32		3
2 Party					4
4 Party					5
PBX Trunks/System Trunks		9			6
Centrex Trunks					7
Centrex Lines					8
Key System Trunks	27	164	3		9
Mobile (utility provided service)	0				10
Paging (utility provided service)	0				11
FX-Out (Switched)	1	3	1		12
Pay Telephone	0	0			13
Coin-Operated Pay Telephone	0				14
Independent Pay Telephone Provider	0	6			15
Pay Stations - Public	1	4			16
- Semi-Public	1				17
- Cust. Owned	6				18
Other					19
Total Business Lines	**73**	**457**	**36**	**0**	20
Residential (Incl. Emp. Concess.)					21
1 Party	640	1,274	500		22
2 Party					23
4 Party					24
FX-Out (Switched)					25
Other					26
Total Residential Lines	**640**	**1,274**	**500**	**0**	27
Total Bus & Res Lines	**713**	**1,731**	**536**	**0**	28
Company Used Lines	8	21	7		29
Total Lines Used	**721**	**1,752**	**543**	**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	1860	2140	5380		1
Miscellaneous					2
WATS Lines - OutWATS					3
WATS Lines - 800 Service					4
FX-In-intraLATA					5
Special Access-intraLATA					6
(equiv. access lines)		3	1		7
Special Access-interLATA					8
(equiv. access lines)		58	0		9
Feature Group A Lines					10
Feature Group B Trunks					11
Feature Group C Trunks					12
Feature Group D Trunks					13
TSPS - Trunks		8			14
EAS - Trunks					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)	1,014,249	2,662,025	863,907		27
Exchange Square Miles	36	100	124		28
Exchange Route Miles	127	300	185		29
Footnotes					30

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

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

EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

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

MANUFACTURER ABBREVIATIONS

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**

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	FALUN	GRANTSBURG	TRADE LAKE		1
PSCW Exchange ID	1860	2140	5380		2
Central Office Name	FALUM	GRANTSBURG	TRADE LAKE		3
PSCW Central Office ID	1	1	1		4
Manufacturer of COE (Page 54)	SC	SC	SC		5
Year COE Installed	1986	1986	1986		6
Type of Equipment (Page 54)	D	D	D		7
(S)tandalone, (H)ost, (R)emote	R	H	R		8
Remote Host PSCW Exchange ID	2140		2140		9
Remote Host PSCW Central Office ID	1	0	1		10
COE Generic Software Release No.	19	19	19		11
SS7?	Yes	Yes	Yes		12
9-1-1?	Yes	Yes	Yes		13
Access Lines - In Use	722	1,752	543		14
- Equipped	810	1,980	630		15
- Wired	810	1,980	630		16
Trunks - In Use	0	92	0		17
- Equipped	0	92	0		18
- Wired	0	92	0		19
ISDN Available?	No	No	No		20
ISDN Lines - In Use (BRI)	0	0	0		21
- In Use (PRI)	0	0	0		22
Switched 56 Service?	No	No	No		23
Switched 56 lines in use	0	0	0		24
Digital Transmission Facilities: DS-1 - In Use	0	0	0		25
DS-3 - In Use	0	0	0		26
Advanced Data Service Available:					
Packet Switching?	No	No	No		27
SMDS?	No	No	No		28
Frame Relay?	No	No	No		29
ATM (Asynchronous Trans. Mode)?	No	No	No		30
Video Information - Service Available?	No	No	No		31
- In Use (# lines) [1]	0	0	0		32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	24	24	0		33
No. of fiber strands working (LIT) in C.O.	0	10	0		34
No. of fiber strands for interoffice use	0	0	0		35
Miles of fiber sheath in wire center	5	11	0		36
Access Tandem Serving this C.O.:					
- C.O. Name	FREDERIC	FREDERIC	FREDERIC		37
- PSCW C.O. ID	1960-01	1960-01	1960-01		38
Does this C.O. do access tandem switching?	No	No	No		39
Equal Access: InterLATA (1+)?	Yes	Yes	Yes		40
Equal Access: IntraLATA (1+)?	No	No	No		41
Footnotes					42

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

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

General Footnote

**1997 response dated October 14, 1998 provided on November 15, 1999.
item 1 and 2 provided
item 3 moot
item 4/5 noted
ele**

October 20, 1999

**Ms. Dana Olson, Manager
Farmers Independent Telephone Company
139 West Madison Avenue
P.O. Box 447
Grantsburg, WI 54840-0447**

Re:1998 Analytical ReviewDWCCA-1940-PJL

Dear Ms. Olson:

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

1During our review, we noted that, as of todays date, a response has not been received to our 1997 analytical review letter dated September 23, 1998. Item 4 of that letter was regarding the pay stations reported on obsolete lines end of year 1997 on the Service Data and Service Data End of Year schedules, pages 50 and 52. The line items: Pay Stations - Public/Semi-Public/Cust. Owned are obsolete. The information should be reported as line items: Pay Telephone, Coin Operated Pay Telephone or Independent Telephone Provider. This information was reported incorrectly again in 1998. Please provide the corrections to pages 50 and 52 for both the 1997 and 1998 annual report. Please note that this information was filed confidentially in both annual reports, and will need a confidentiality request form if you wish confidential treatment for any information contained in your response.

2The Commission still needs a response to item number 3 of the letter referenced above regarding our review of the 1997 annual report. Following is the question as written last year.

The Unique Characteristics section of the schedule reference sheet for annual report page 13 in the Operations Manual requests that item number 8 of the Important Changes During the Year schedule be used to disclose the journal entry(ies) recorded on the telcos books and date of such journal entry(ies). We noted during our review that the total balance of $6,609.00 was reported as a transfer/adjustment, Telecommunications Plant, Account 2351, Public Telephone Terminal Equipment, page 23, column (g), line 20. The journal entries for this transaction and the date, whether transferred below-the-line or to a separate affiliate, basis of valuation

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

transferred below the line or to a separate affiliate, basis of valuation and how it compared to net book value, however, are not provided in item number 8, page 13, as requested. Please provide this information.

3During our review, we noted that while you typed "CONF" on several lines of the public copy of page 43, page 43 was not provided in the confidential filing number 8768. Please provide a copy of page 43 as a public copy or as a new confidentiality request.

4In the future, please be sure to include as part of your filing a copy of the Listing of Edit Check Results.

5The Listing of Edit Check Results indicated that Accounts 2123 and 2232 in the Accumulated Deprecation schedule on page 26 in the electronic copy of the annual report did not have a depreciation rate provided in column (d). Upon reviewing the paper copy of the report we noted that a depreciation rate was provided for both of those accounts. Please note that the paper copy of the report should not be printed until all changes have been made to the electronic copy to insure that there are no discrepancies between the two. You should also have been alerted to this problem when you ran your Listing of Edit Check Results. Please indicate that PSC staff should update our electronic copy of the annual report with the depreciation rates provided in the paper copy of the report which are 14.0 for Account 2123 and 8.33 for Account 2232.

Schedule Footnotes

Accumulated Depreciation Class A & B Footnote. Page 26

depreciation rates entered for a/c 2123 and 2232 by PSC staff to correspond to paper copy, 12/13/99 ele

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

Pursuant to agreement with PSCW staff, net deferred operating income tax property and nonproperty related detail and activity is not required for the 1998 annual report. The total amounts for accounts 1437, 4100, 4340, 4341, and 4361 are included in the Balance EOY column in order that the Balance Sheet schedules may be populated with the appropriate end-of-year balances for these accounts in the program.

Expense Matrix - Class A & B Footnote. Page 41

Pursuant to agreement with PSCW staff, expense matrix subsidiary record category detail is not required for the 1998 annual report. The total amount for each item is included in the Other column in order to facilitate the summation function in the program.

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

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

Schedule Line Footnotes

A) More renovations in 1997 on buildings.

B) Greater Volume in 1998.

C) This footnote is not being used.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

D) Amount owned is less than one-half mile, rounds down to zero.

E) Regulated Expense amount for salaries and wages included therein.

G) Different depreciation rates are used for accounts and sub-class accounts.

H) Vehicles are depreciated on a per unit basis.

I) Local telephone calls and minutes of use data are not available for lines 1, 2, and 4 of page 47. Farmers Independent Telephone Company is a flat rate company and the cost incurred for the necessary software and record keeping for usage sensitive recording would not be practical for information that will not be used elsewhere.