



4004

**ANNUAL REPORT**

OF

Name: LAVALLE TELEPHONE COOPERATIVE, INC.

Principal Office: 108 W MAIN ST  
P.O. BOX 28  
LA VALLE, WI 53941-0028

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 GREGORY J. ROCKWEILER of  
(Person responsible for accounts)

LAVALLE TELEPHONE COOPERATIVE, 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.

GREGORY J. ROCKWEILER 04/24/1998  
(Person responsible for accounts) (Date)

ACCOUNTANT  
(Title)

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## ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

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

## ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

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

## ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

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

## ABBREVIATIONS USED IN ANNUAL REPORTS

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

## IDENTIFICATION AND OWNERSHIP

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**Exact Utility Name:** LAVALLE TELEPHONE COOPERATIVE, INC.  
**Utility Location:** 108 W MAIN ST  
P.O. BOX 28  
LA VALLE, WI 53941-0028

**Utility Web Site Address:**

**When was utility organized?:** 03/26/1956

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

---

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

**Name:** GREGORY J . ROCKWEILER  
**Title:** ACCOUNTANT

**Office Address:** 108 WEST MAIN  
P.O. BOX 28  
LAVALLE , WI 53941

**Fax Number:** (608) 985 - 8080  
**Telephone Number:** (608) 985 - 7201  
**Email Address:** ltc@mwt.net

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

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

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

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

**Name:** GREGORY J . ROCKWEILER  
**Title:** ACCOUNTANT

**Office Address:** 108 WEST MAIN  
P.O. BOX 28  
LAVALLE , WI 53941

**Fax Number:** (608) 985 - 8080  
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**Person responsible for statistical information contained in report**

**Name:** GREGORY J . ROCKWEILER  
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**Email Address:** ltc@mwt.net

## IDENTIFICATION AND OWNERSHIP

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

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**Name:** NONE  
**Address:** N/A  
PO BOX 0  
N/A , WI 00000  
**Number of Shares Held:**  
**Beneficial Owner:** NONE

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

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**Company Name:** LA VALLE LONG DISTANCE INC.  
**Form of Interest:** OWNED  
**Extent Of Interest:** 100%

**INCOME STATEMENT - TOTAL COMPANY**

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	1,199,218	1,167,063	1
<b>Operating Expenses</b>			
Plant Specific Operations Expense (6110-6410)	263,684	221,687	2
Plant Nonspecific Operations Expense	323,612	267,345	3
Customer Operations Expense (6610-6620)	188,933	199,110	4
Corporate Operations Expense (6710-6790)	181,217	185,095	5
Other Operating Income and Expense (7100)	3,416	3,260	6
Operating Taxes (7200)	70,402	69,499	7
<b>Total Operating Expenses</b>	<b>1,024,432</b>	<b>939,476</b>	<b>8</b>
<b>Net Operating Income</b>	<b>174,786</b>	<b>227,587</b>	<b>9</b>
<b>Other Income</b>			
Nonoperating Income and Expense (7300)	46,305	45,618	10
Nonoperating Taxes (7400)	11,121	(2,670)	11
Interest and Related Items (7500)	112,341	86,660	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	71,400	24,738	14
<b>Total Nonoperating Income</b>	<b>(5,757)</b>	<b>(13,634)</b>	<b>15</b>
<b>Net Income</b>	<b>169,029</b>	<b>213,953</b>	<b>16</b>

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
<b>CURRENT ASSETS</b>			
<b>CASH AND EQUIVALENTS</b>			
Cash and Equivalents (1120 )*	184,436	253,904	1
Cash (1130 )			2
Special Cash Deposits (1140 )			3
Working Cash Advances (1150 )			4
Temporary Investments (1160 )			5
<b>TOTAL CASH AND EQUIVALENTS</b>	<b>184,436</b>	<b>253,904</b>	
<b>RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS</b>			
Telecommunications Accounts Receivable (1180 )*	78,630	94,753	6
Accounts Receivable Allowance-Telecom (1181 )*	0		7
<b>Net: Telecommunications Accounts Receivable</b>	<b>78,630</b>	<b>94,753</b>	
Other Accounts Receivable (1190 )*	127,671	78,204	8
Accounts Receivable Allowance--Other (1191 )*			9
<b>Net: Other Accounts Receivable</b>	<b>127,671</b>	<b>78,204</b>	
Notes Receivable (1200 )*	0	3,840	10
Notes Receivable Allowance (1201 )*	0		11
<b>Net: Notes Receivable</b>	<b>0</b>	<b>3,840</b>	
Interest and Dividends Receivable (1210 )*	4,597	4,818	12
<b>TOTAL RECEIVABLES AND ALLOWANCES FOR DOUBTFUL</b>	<b>210,898</b>	<b>181,615</b>	
<b>SUPPLIES</b>			
Inventories (1220 )*	88,014	94,172	13
<b>TOTAL SUPPLIES</b>	<b>88,014</b>	<b>94,172</b>	
<b>PREPAYMENTS</b>			
Total Prepayments (1280 )*	19,295	16,351	14
Prepaid Rents (1290 )			15
Prepaid Taxes (1300 )			16
Prepaid Insurance (1310 )			17
Prepaid Directory Expenses (1320 )			18
Other Prepayments (1330 )			19
<b>TOTAL PREPAYMENTS</b>	<b>19,295</b>	<b>16,351</b>	
<b>OTHER CURRENT ASSETS</b>			
Other Current Assets (1350 )*	0		20
<b>TOTAL OTHER CURRENT ASSETS</b>	<b>0</b>	<b>0</b>	
<b>TOTAL CURRENT ASSETS</b>	<b>502,643</b>	<b>546,042</b>	
<b>NONCURRENT ASSETS</b>			
<b>INVESTMENTS</b>			
Investment in Affiliated Companies (1401 )*	0		21
Investments in Nonaffiliated Companies (1402 )*	136,399	115,998	22
Nonregulated Investments (1406 )*			23
Unamortized Debt Issuance Expense (1407 )*			24
Sinking Funds (1408 )*	533,923	399,725	25

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
<b>NONCURRENT ASSETS</b>			
<b>INVESTMENTS</b>			
Other Noncurrent Assets (1410 )*	91,110	111,890	26
<b>TOTAL INVESTMENTS</b>	<b>761,432</b>	<b>627,613</b>	
<b>DEFERRED CHARGES</b>			
Deferred Tax Regulatory Asset (1437 )*	0		27
Deferred Maintenance and Retirements (1438 )*	24,500		28
Deferred Charges (1439 )*	0	76,534	29
<b>TOTAL DEFERRED CHARGES</b>	<b>24,500</b>	<b>76,534</b>	
<b>TOTAL NONCURRENT ASSETS</b>	<b>785,932</b>	<b>704,147</b>	
<b>PLANT</b>			
<b>TELECOMMUNICATIONS PLANT IN SERVICE</b>			
Telecommunications Plant in Service (2001 )*	5,550,155	4,938,903	30
Less: Accumulated Depreciation (3100 )*	2,749,952	2,475,316	31
Less: Accumulated Amortization--Capitalized Leases (3410 )*	0		32
Less: Accumulated Amortization--Leasehold Improvements (3420 )*	0		33
Less: Accumulated Amortization--Intangible (3500 )*	0		34
<b>NET TELECOMMUNICATIONS PLANT IN SERVICE</b>	<b>2,800,203</b>	<b>2,463,587</b>	
<b>PROPERTY HELD FOR FUTURE USE</b>			
Prop. Held for Future Telecommun. Use (2002 )*			35
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200 )*	0		36
<b>NET PROPERTY HELD FOR FUTURE USE</b>	<b>0</b>	<b>0</b>	
<b>NONOPERATING PLANT</b>			
Nonoperating Plant (2006 )*			37
Less: Accumulated Depreciation--Nonoperating (3300 )*			38
<b>NET NONOPERATING PLANT</b>	<b>0</b>	<b>0</b>	
<b>TPUC</b>			
TPUC (2003 )*	14,210	90,134	39
<b>TOTAL TPUC</b>	<b>14,210</b>	<b>90,134</b>	
<b>TELECOMMUNICATIONS PLANT ADJUSTMENT</b>			
Telecommunications Plant Adjustment (2005 )*			40
Less: Accumulated Amortization--Other (3600 )*			41
<b>NET TELECOMMUNICATIONS PLANT ADJUSTMENT</b>	<b>0</b>	<b>0</b>	
<b>TOTAL PLANT</b>	<b>2,814,413</b>	<b>2,553,721</b>	
<b>TOTAL ASSETS AND OTHER DEBITS*</b>	<b>4,102,988</b>	<b>3,803,910</b>	

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
<b>CURRENT LIABILITIES</b>			
Accounts Payable (4010 )*	122,261	216,680	1
Notes Payable (4020 )*			2
Advance Billing and Payments (4030 )*			3
Customer Deposits (4040 )*	1,815	2,420	4
Current Maturities--Long-Term Debt (4050 )*	105,000	102,100	5
Current Maturities--Capital Leases (4060 )*			6
Income Taxes--Accrued (4070 )*	(9,548)		7
Other Taxes--Accrued (4080 )*	297	(6,459)	8
Net Current Deferred Operating Income Taxes (4100 )*			9
Net Current Deferred Nonoperating Income Taxes (4110 )*			10
Other Accrued Liabilities (4120 )*	18,497	16,870	11
Other Current Liabilities (4130 )*			12
<b>TOTAL CURRENT LIABILITIES*</b>	<b>238,322</b>	<b>331,611</b>	
<b>LONG-TERM DEBT</b>			
Funded Debt (4210 )*	2,396,850	2,089,216	13
Premium on Long-Term Debt (4220 )*			14
Discount on Long-Term Debt (4230 )*			15
Reacquired Debt (4240 )*			16
Obligations Under Capital Leases (4250 )*			17
Advances from Affiliated Companies (4260 )*			18
Other Long-Term Debt (4270 )*			19
<b>TOTAL LONG-TERM DEBT*</b>	<b>2,396,850</b>	<b>2,089,216</b>	
<b>OTHER LIABILITIES AND DEFERRED CREDITS</b>			
Other Long-Term Liabilities (4310 )*	131,044	124,880	20
Unamortized Operating ITC--Net (4320 )*			21
Unamortized Nonoperating ITC--Net (4330 )*			22
Net Noncurrent Deferred Operating Income Taxes (4340 )*			23
Net Deferred Tax Liability Adjustments (4341 )*			24
Net Noncurrent Deferred Nonoperating Income Taxes (4350 )*			25
Other Deferred Credits (4360 )*	840	1,840	26
Deferred Tax Regulatory Liability (4361 )*			27
<b>TOTAL OTHER LIABILITIES AND DEFERRED CREDITS*</b>	<b>131,884</b>	<b>126,720</b>	
<b>STOCKHOLDERS' EQUITY</b>			
Capital Stock (4510 )*			28
Additional Paid-in Capital (4520 )*			29
Treasury Stock (4530 )*			30
Other Capital (4540 )*			31
Retained Earnings (4550 )*	1,335,932	1,256,363	32
<b>TOTAL STOCKHOLDERS' EQUITY*</b>	<b>1,335,932</b>	<b>1,256,363</b>	
<b>TOTAL LIABILITIES AND OTHER CREDITS*</b>	<b>4,102,988</b>	<b>3,803,910</b>	

**TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B**

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
<b>GENERAL SUPPORT ASSETS</b>				
Land	2111	41,744	62,372	1
Motor Vehicles	2112	109,778	500	2
Aircraft	2113	0		3
Special Purpose Vehicles	2114	0		4
Garage Work Equipment	2115	0		5
Other Work Equipment	2116	196,848	7,872	6
Buildings	2121	321,633		7
Furniture	2122	33,745	1,913	8
Office Equipment	2123	33,165	14,684	9
General Purpose Computers	2124	108,611	14,793	10
<b>TOTAL--GENERAL SUPPORT ASSETS:</b>		<b>845,524</b>	<b>102,134</b>	
<b>CENTRAL OFFICE ASSETS</b>				
Analog Electronic Switching	2211			11
Digital Electronic Switching	2212	1,055,152	39,745	12 A
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220			14
Radio Systems	2231	176,394	0	15
Circuit Equipment	2232	323,622	146,207	16 A
<b>TOTAL--CENTRAL OFFICE ASSETS:</b>		<b>1,555,168</b>	<b>185,952</b>	
<b>INFORMATION ORIGATION/TERMINATION ASSETS</b>				
Station Apparatus	2311	0		17
Customer Premises Wiring	2321	0		18
Large Private Branch Exchanges	2341	0		19
Public Telephone Terminal Equipment	2351	0		20
Other Terminal Equipment	2362	0		21
<b>TOTAL--INFORMATION ORIG/TERM ASSETS:</b>		<b>0</b>	<b>0</b>	
<b>CABLE WIRE FACILITIES ASSETS</b>				
Poles	2411	12,795		22
Aerial Cable	2421	3,793	0	23
Underground Cable	2422	0	0	24
Buried Cable	2423	2,521,539	370,931	25
Submarine Cable	2424	0	0	26
Deep Sea Cable	2425	0		27
Intrabuilding Network Cable	2426	0	0	28
Aerial Wire	2431	0		29
Conduit Systems	2441	84		30
<b>TOTAL--CABLE WIRE FACILITIES ASSETS:</b>		<b>2,538,211</b>	<b>370,931</b>	
<b>AMORTIZABLE ASSETS</b>				
Capital Leases	2681	0		31

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

<b>Account (e)</b>	<b>Retirements (f)</b>	<b>Transfers / Adjustments (g)</b>	<b>Balance EOY (h)</b>	
2111			104,116	1
2112			110,278	2
2113			0	3
2114			0	4
2115			0	5
2116			204,720	6
2121			321,633	7
2122			35,658	8
2123	4,428	0	43,421	9
2124			123,404	10
	<b>4,428</b>	<b>0</b>	<b>943,230</b>	
2211			0	11
2212	2,840	(106,465)	985,592	12 A
2215	0	0	0	13
2220			0	14
2231	0	0	176,394	15
2232	103	106,465	576,191	16 A
	<b>2,943</b>	<b>0</b>	<b>1,738,177</b>	
2311			0	17
2321			0	18
2341			0	19
2351			0	20
2362			0	21
	<b>0</b>	<b>0</b>	<b>0</b>	
2411			12,795	22
2421	70	0	3,723	23
2422	0	0	0	24
2423	40,324	0	2,852,146	25
2424	0	0	0	26
2425			0	27
2426	0	0	0	28
2431			0	29
2441			84	30
	<b>40,394</b>	<b>0</b>	<b>2,868,748</b>	
2681			0	31

**TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B**

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)
<b>AMORTIZABLE ASSETS</b>			
Leasehold Improvements	2682	0	32
Intangibles	2690	0	33
<b>TOTAL--AMORTIZABLE ASSETS:</b>		<b>0</b>	<b>0</b>
<b>TOTAL TELECOM. PLANT IN SERVICE</b>	<b>2001</b>	<b>4,938,903</b>	<b>659,017</b>
Less: Allocation to Nonregulated Activity - EOY	2001		34
<b>NET REG. TOTAL TELE. PLANT IN SERV. - EOY</b>	<b>2001</b>		

Explain all amounts shown in column (g).

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

<b>Account (e)</b>	<b>Retirements (f)</b>	<b>Transfers / Adjustments (g)</b>	<b>Balance EOY (h)</b>	
2682			0	32
2690			0	33
	0	0	0	
	47,765	0	5,550,155	
2001			0	34
			<b>5,550,155</b>	

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

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

<b>Plant Subaccount (a)</b>	<b>Subaccount (b)</b>	<b>Balance FOY (c)</b>	<b>Additions (d)</b>	
Office Support Equipment	2123.1	24,246	12,920	<b>1</b>
Company Communications Equipment	2123.2	8,919	1,764	<b>2</b>
Software	2212.1	0		<b>3</b>
Digital Switching - Central Office	2212.2	1,055,152	39,745	<b>4 A</b>
Digital Switching - Remote	2212.3	0		<b>5</b>
Step by Step Switching	2215.1	0		<b>6</b>
Crossbar Switching	2215.2	0		<b>7</b>
Satellite and Earth Station Facilities	2231.1	0		<b>8</b>
Other Radio Facilities	2231.2	176,394		<b>9</b>
Digital Circuit Equipment	2232.1	323,622	146,207	<b>10 A</b>
Analog Circuit Equipment	2232.2	0		<b>11</b>
Light Wave Circuit Equipment	2232.3	0		<b>12</b>
Aerial Cable - Nonmetallic	2421.1	0		<b>13</b>
Aerial Cable - Metallic	2421.2	3,793		<b>14</b>
Underground Cable - Nonmetallic	2422.1	0		<b>15</b>
Underground Cable - Metallic	2422.2	0		<b>16</b>
Buried Cable - Nonmetallic	2423.1	580,212	289,861	<b>17</b>
Buried Cable - Metallic	2423.2	1,941,327	81,070	<b>18</b>
Submarine Cable - Nonmetallic	2424.1	0		<b>19</b>
Submarine Cable - Metallic	2424.2	0		<b>20</b>
Intrabuilding Cable - Nonmetallic	2426.1	0		<b>21</b>
Intrabuilding Cable - Metallic	2426.2	0		<b>22</b>

Explain all amounts shown in column (g).

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

<b>Subaccount (e)</b>	<b>Retirements (f)</b>	<b>Transfers / Adjustments (g)</b>	<b>Balance EOY (h)</b>	
2123.1	4,428		<b>32,738</b>	<b>1</b>
2123.2			<b>10,683</b>	<b>2</b>
2212.1			<b>0</b>	<b>3</b>
2212.2	2,840	(106,465)	<b>985,592</b>	<b>4 A</b>
2212.3			<b>0</b>	<b>5</b>
2215.1			<b>0</b>	<b>6</b>
2215.2			<b>0</b>	<b>7</b>
2231.1			<b>0</b>	<b>8</b>
2231.2			<b>176,394</b>	<b>9</b>
2232.1	103	106,465	<b>576,191</b>	<b>10 A</b>
2232.2			<b>0</b>	<b>11</b>
2232.3			<b>0</b>	<b>12</b>
2421.1			<b>0</b>	<b>13</b>
2421.2	70		<b>3,723</b>	<b>14</b>
2422.1			<b>0</b>	<b>15</b>
2422.2			<b>0</b>	<b>16</b>
2423.1	29,132		<b>840,941</b>	<b>17</b>
2423.2	11,192		<b>2,011,205</b>	<b>18</b>
2424.1			<b>0</b>	<b>19</b>
2424.2			<b>0</b>	<b>20</b>
2426.1			<b>0</b>	<b>21</b>
2426.2			<b>0</b>	<b>22</b>

**ACCUMULATED DEPRECIATION CLASS A & B**

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
<b>GENERAL SUPPORT ASSETS</b>					
Motor Vehicles	2112	67,859		8,584	1B
Aircraft	2113	0		0	2
Special Purpose Vehicles	2114	0		0	3
Garage Work Equipment	2115	0		0	4
Other Work Equipment	2116	135,464		12,589	5B
Buildings	2121	139,723	3.5	11,258	6
Furniture	2122	29,757	7.14	2,409	7
Office Equipment	2123	22,180	8.09	3,143	8E
General Purpose Computers	2124	53,075	20.0	22,237	9
<b>Total-- GENERAL SUPPORT ASSETS</b>		<b>448,058</b>		<b>60,220</b>	<b>0</b>
<b>CENTRAL OFFICE ASSETS</b>					
Analog Electronic Switching	2211	0		0	10
Digital Electronic Switching	2212	715,069	10.0	97,751	11
Electro-Mechanical Switching	2215	0			12
Operator Systems	2220	0		0	13
Radio Systems	2231	69,014	6.74	11,878	14E
Circuit Equipment	2232	223,441	7.5	23,548	15E
<b>Total-- CENTRAL OFFICE ASSETS</b>		<b>1,007,524</b>		<b>133,177</b>	<b>0</b>
<b>INFORMATION ORIG/TERM ASSETS</b>					
Station Apparatus	2311	0		0	16
Customer Premises Wiring	2321	0		0	17
Large Private Branch Exchanges	2341	0		0	18
Public Telephone Terminal Equipment	2351	0		0	19
Other Terminal Equipment	2362	0		0	20
<b>Total-- INFORMATION ORIG/TERM ASSETS</b>		<b>0</b>		<b>0</b>	<b>0</b>
<b>CABLE WIRE FACILITIES ASSETS</b>					
Poles	2411	8,803	6.88	881	21
Aerial Cable	2421	1,231	6.11	232	22
Underground Cable	2422	0			23
Buried Cable	2423	1,009,670	5.0	119,584	24
Submarine Cable	2424	0			25
Deep Sea Cable	2425	0		0	26
Intrabuilding Network Cable	2426	0			27
Aerial Wire	2431	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					76,443	1 B
2113					0	2
2114					0	3
2115					0	4
2116					148,053	5 B
2121					150,981	6
2122					32,166	7
2123	4,428		299		21,194	8 E
2124					75,312	9
	<b>4,428</b>	<b>0</b>	<b>299</b>	<b>0</b>	<b>504,149</b>	
2211					0	10
2212	2,840				809,980	11
2215	0				0	12
2220					0	13
2231	0				80,892	14 E
2232	103				246,886	15 E
	<b>2,943</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,137,758</b>	
2311					0	16
2321					0	17
2341					0	18
2351					0	19
2362					0	20
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
2411					9,684	21
2421	70				1,393	22
2422	0				0	23
2423	40,324		8,005		1,096,935	24
2424	0				0	25
2425					0	26
2426	0				0	27
2431					0	28

**ACCUMULATED DEPRECIATION CLASS A & B**

<b>Primary Plant Account (a)</b>	<b>Acct (b)</b>	<b>Balance FOY (c)</b>	<b>Depr Rate (d)</b>	<b>Annual Accrual (e)</b>	<b>Additional Accrual (f)</b>
<b>CABLE WIRE FACILITIES ASSETS</b>					
Conduit Systems	2441	30	4.0	3	<b>29</b>
<b>Total-- CABLE WIRE FACILITIES ASSETS</b>		<b>1,019,734</b>		<b>120,700</b>	<b>0</b>
<b>Total Accumulated Depreciation</b>	<b>3100</b>	<b>2,475,316</b>		<b>314,097</b>	<b>0</b>
Less: Allocation to Nonregulated Activity - Columns e, f and I	3100			0	<b>0 30</b>
<b>Net Regulated Total Accum Depreciation - 3100 Columns e, f and I</b>				<b>314,097</b>	<b>0</b>

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

<b>Acct (g)</b>	<b>Retired (h)</b>	<b>Cost of Removal (i)</b>	<b>Salvage (j)</b>	<b>Other (k)</b>	<b>Balance EOY (l)</b>	
2441					33	<b>29</b>
	<b>40,394</b>	<b>0</b>	<b>8,005</b>	<b>0</b>	<b>1,108,045</b>	
<b>3100</b>	<b>47,765</b>	<b>0</b>	<b>8,304</b>	<b>0</b>	<b>2,749,952</b>	
3100					0	<b>30</b>
<b>3100</b>					<b>2,749,952</b>	

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

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

<b>Plant Subaccount (a)</b>	<b>Subacct (b)</b>	<b>Balance FOY (c)</b>	<b>Depr Rate (d)</b>	<b>Annual Accrual (e)</b>	<b>Additional Accrual (f)</b>	
Office Support Equipment	2123.1	15,677	7.14	2,106		1
Company Communications Equipment	2123.2	6,503	11.0	1,037		2
Software	2212.1	0				3
Digital Switching - Central Office	2212.2	715,069	10.0	97,751		4
Digital Switching - Remote	2212.3	0				5
Step by Step Switching	2215.1	0				6
Crossbar Switching	2215.2	0				7
Satellite and Earth Station Facilities	2231.1	0				8
Other Radio Facilities	2231.2	69,014	6.74	11,878		9E
Digital Circuit Equipment	2232.1	223,441	7.5	23,548		10E
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	1,231	6.11	232		14
Underground Cable - Nonmetallic	2422.1	0				15
Underground Cable - Metallic	2422.2	0				16
Buried Cable - Nonmetallic	2423.1	3,190	5.0	29,010		17
Buried Cable - Metallic	2423.2	1,006,480	5.0	90,574		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.)**

<b>Subacct (g)</b>	<b>Retired (h)</b>	<b>Cost of Removal (i)</b>	<b>Salvage (j)</b>	<b>Other (k)</b>	<b>Balance EOY (l)</b>	
2123.1	4,428		299		<b>13,654</b>	<b>1</b>
2123.2					<b>7,540</b>	<b>2</b>
2212.1					<b>0</b>	<b>3</b>
2212.2	2,840				<b>809,980</b>	<b>4</b>
2212.3					<b>0</b>	<b>5</b>
2215.1					<b>0</b>	<b>6</b>
2215.2					<b>0</b>	<b>7</b>
2231.1					<b>0</b>	<b>8</b>
2231.2					<b>80,892</b>	<b>9 E</b>
2232.1	103				<b>246,886</b>	<b>10 E</b>
2232.2					<b>0</b>	<b>11</b>
2232.3					<b>0</b>	<b>12</b>
2421.1					<b>0</b>	<b>13</b>
2421.2	70				<b>1,393</b>	<b>14</b>
2422.1					<b>0</b>	<b>15</b>
2422.2					<b>0</b>	<b>16</b>
2423.1	29,132				<b>3,068</b>	<b>17</b>
2423.2	11,192		8,005		<b>1,093,867</b>	<b>18</b>
2424.1					<b>0</b>	<b>19</b>
2424.2					<b>0</b>	<b>20</b>
2426.1					<b>0</b>	<b>21</b>
2426.2					<b>0</b>	<b>22</b>

**RETAINED EARNINGS (ACCT. 4550)**

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	1,256,363	1,076,477	1
<b>Changes:</b>			
Balance Transferred from Income	169,029	213,953	2
<b>Dividends Declared:</b>			
Common	89,460	34,067	3
Preferred			4
<b>Total Dividends Declared</b>	<b>89,460</b>	<b>34,067</b>	
Miscellaneous Debits to Retained Earnings		0	5
Miscellaneous Credits to Retained Earnings			6
<b>Balance--End of Year</b>	<b><u>1,335,932</u></b>	<b><u>1,256,363</u></b>	

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

Particulars (a)	This Year (b)	Last Year (c)	
<b>LOCAL NETWORK SERVICES REVENUES</b>			
Basic Local Service Revenue (5000 )*	394,320	364,538	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
<b>TOTAL BASIC LOCAL SERVICE REVENUE (5000)</b>	<b>394,320</b>	<b>364,538</b>	
<b>NETWORK INTERSTATE ACCESS SERVICES REV.</b>			
End User Revenue (5081 )*	81,616	79,084	11
Switched Access Revenue (5082 )*	376,086	378,513	12
Special Access Revenue (5083 )*			13
<b>TOTAL INTERSTATE ACCESS REVENUES (5080)</b>	<b>457,702</b>	<b>457,597</b>	
<b>NETWORK INTRASTATE ACCESS SERVICES REV.</b>			
End User Revenue (5084.1)*			14
Switched Access Revenue (5084.2)*	261,403	261,717	15
Special Access Revenue (5084.3)*	16,398	14,200	16
<b>TOTAL INTRASTATE ACCESS REVENUES (5084)</b>	<b>277,801</b>	<b>275,917</b>	
<b>LONG DISTANCE NETWORK SERVICES MESSAGE REV.</b>			
Long Distance Message Revenue (5100 )*	21	150	17
Long Distance Inward-Only Revenue (5111 )			18
Long Distance Outward-Only Revenue (5112 )			19
<b>Unidirectional Long Distance Revenue (5110)</b>	<b>0</b>	<b>0</b>	
<b>Long Distance Private Network Revenues</b>			
Subvoice Grade Revenue (5121 )			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
<b>Total Long Distance Private Network Revenue</b>	<b>0</b>	<b>0</b>	
Other Long Distance Revenue (5160 )			28
Other Long Distance Revenue Settlements (5169 )			29
<b>TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV.</b>	<b>21</b>	<b>150</b>	

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

Particulars (a)	This Year (b)	Last Year (c)	
<b>MISCELLANEOUS REVENUES</b>			
Directory Revenue (5230 )*	9,901	7,421	<b>30</b>
Rent Revenue (5240 )*	714	219	<b>31</b>
Corporate Operations Revenue (5250 )*			<b>32</b>
<b>Miscellaneous:</b>			
Miscellaneous Revenue (5260 )*	7,487	6,634	<b>33</b>
Special Billing Arrangements Revenue (5261 )			<b>34</b>
Customer Operations Revenue (5262 )			<b>35</b>
Plant Operations Revenue (5263 )			<b>36</b>
Other Incidental Regulated Revenue (5264 )			<b>37</b>
Other Revenue Settlements (5269 )			<b>38</b>
<b>Total Miscellaneous Revenue (5260)</b>	<b>7,487</b>	<b>6,634</b>	
Interstate Billing and Collection Revenue*	15,461	14,317	<b>39</b>
Intrastate Billing and Collection Revenue*	36,376	42,705	<b>40</b>
<b>Total Carrier Billing and Collection Revenue (5270)*</b>	<b>51,837</b>	<b>57,022</b>	
Nonregulated Operating Revenue (5280 )**			<b>41</b>
<b>TOTAL MISCELLANEOUS REVENUES</b>	<b>69,939</b>	<b>71,296</b>	
<b>GROSS OPERATING REVENUES</b>	<b>1,199,783</b>	<b>1,169,498</b>	
<b>UNCOLLECTIBLE REVENUES</b>			
Uncollectible Revenue (5300 )*	565	2,435	<b>42</b>
Uncollectible Revenue--Telecommunications (5301 )			<b>43</b>
Uncollectible Revenue--Other (5302 )			<b>44</b>
<b>TOTAL UNCOLLECTIBLE REVENUE (5300)</b>	<b>565</b>	<b>2,435</b>	
<b>TOTAL OPERATING REVENUES</b>	<b><u>1,199,218</u></b>	<b><u>1,167,063</u></b>	

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

**EXPENSE MATRIX - CLASS A & B**

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)	
<b>PLANT SPECIFIC OPERATIONS EXPENSE</b>				
Total Network Support Expense ( 6110 )	163	0		1
Less: Nonregulated	0	0		2
<b>Net Regulated</b>	<b>163</b>	<b>0</b>		<b>3</b>
Total General Support Expense ( 6120 )	36,055	51,159		4
Less: Nonregulated	0	0		5 C
<b>Net Regulated</b>	<b>36,055</b>	<b>51,159</b>		<b>6</b>
Total Central Office Switching Expense ( 6210 )	100,385	111,284		7
Less: Nonregulated	0	0		8
<b>Net Regulated</b>	<b>100,385</b>	<b>111,284</b>		<b>9</b>
Total Operator Systems Expense ( 6220 )	0	0		10
Less: Nonregulated	0	0		11
<b>Net Regulated</b>	<b>0</b>	<b>0</b>		<b>12</b>
Total Central Office Transmission Expenses ( 6230 )	1,587	1,680		13
Less: Nonregulated	0	0		14
<b>Net Regulated</b>	<b>1,587</b>	<b>1,680</b>		<b>15</b>
Total Information Orig. / Term. Expense ( 6310 )	510	68		16
Less: Nonregulated	0	0		17
<b>Net Regulated</b>	<b>510</b>	<b>68</b>		<b>18</b>
Total Cable and Wire Fac. Expense ( 6410 )	82,987	99,493		19
Less: Nonregulated	0	0		20 F
<b>Net Regulated</b>	<b>82,987</b>	<b>99,493</b>		<b>21</b>
<b>TOTAL PLANT SPECIFIC OPERATIONS EXPENSE</b>	<b>221,687</b>	<b>263,684</b>		
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>		
<b>Net Regulated</b>	<b>221,687</b>	<b>263,684</b>		
<b>PLANT NONSPECIFIC OPERATIONS EXPENSE</b>				
Total Other Property, Plant and Equip. Exp. ( 6510 )	(1,070)	673		22
Less: Nonregulated	0	0		23
<b>Net Regulated</b>	<b>(1,070)</b>	<b>673</b>		<b>24</b>
Total Network Operations Expense ( 6530 )	10,209	11,408		25
Less: Nonregulated	0	0		26
<b>Net Regulated</b>	<b>10,209</b>	<b>11,408</b>		<b>27</b>
Access Expense ( 6540 )	0	1,960		28
Less: Nonregulated	0	0		29
<b>Net Regulated</b>	<b>0</b>	<b>1,960</b>		<b>30</b>
Total Depreciation and Amortization Expense ( 6560 )	258,206	309,571		31
Less: Nonregulated	0	0		32
<b>Net Regulated</b>	<b>258,206</b>	<b>309,571</b>		<b>33</b>
<b>TOTAL PLANT NONSPECIFIC OPERATIONS EXP.</b>	<b>267,345</b>	<b>323,612</b>		
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>		
<b>Net Regulated</b>	<b>267,345</b>	<b>323,612</b>		

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

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6110					1
					2
					3
6120					4
					5 C
					6
6210					7
					8
					9
6220					10
					11
					12
6230					13
					14
					15
6310					16
					17
					18
6410					19
					20 F
					21
<hr/>					
6510					22
					23
					24
6530					25
					26
					27
6540					28
					29
					30
6560					31
					32
					33

**EXPENSE MATRIX - CLASS A & B**

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)
<b>CUSTOMER OPERATIONS EXPENSE</b>			
Total Marketing ( 6610 )	175	0	34
Less: Nonregulated	0	0	35
<b>Net Regulated</b>	<b>175</b>	<b>0</b>	<b>36</b>
Total Services ( 6620 )	198,935	188,933	37
Less: Nonregulated	0	0	38
<b>Net Regulated</b>	<b>198,935</b>	<b>188,933</b>	<b>39</b>
<b>TOTAL CUSTOMER OPERATIONS EXPENSE</b>	<b>199,110</b>	<b>188,933</b>	
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	
<b>Net Regulated</b>	<b>199,110</b>	<b>188,933</b>	
<b>CORPORATE OPERATIONS EXPENSE</b>			
Total Exec. and Planning ( 6710 )	48,710	40,470	40
Less: Nonregulated	0	0	41
<b>Net Regulated</b>	<b>48,710</b>	<b>40,470</b>	<b>42</b>
Total General and Administrative ( 6720 )	136,385	140,747	43
Less: Nonregulated	0	0	44
<b>Net Regulated</b>	<b>136,385</b>	<b>140,747</b>	<b>45</b>
Provision for Uncollectible Notes Receiv. ( 6790 )	0	0	46
Less: Nonregulated	0	0	47 E
<b>Net Regulated</b>	<b>0</b>	<b>0</b>	<b>48</b>
<b>TOTAL CORPORATE OPERATIONS EXPENSE</b>	<b>185,095</b>	<b>181,217</b>	
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	
<b>Net Regulated</b>	<b>185,095</b>	<b>181,217</b>	
<b>TOTAL EXPENSES</b>	<b>873,237</b>	<b>957,446</b>	
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	
<b>Net Regulated</b>	<b>873,237</b>	<b>957,446</b>	

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

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6610					34
					35
					36
6620					37
					38
					39
6710					40
					41
					42
6720					43
					44
					45
6790					46
					47 E
					48

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**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 )	(1,070)	673		2
<b>Total: Reported in Account 6510</b>	<b>(1,070)</b>	<b>673</b>		
Depreciat. Exp.--Tele. Plant in Service ( 6561 )	258,206	309,559		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	12		7
<b>Total: Reported in Account 6560</b>	<b>258,206</b>	<b>309,571</b>		

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

<b>Account (e)</b>	<b>Benefits (f)</b>	<b>Rents (g)</b>	<b>Other (h)</b>	<b>Clearances to (from) (i)</b>	
6511					1
6512					2
6561					3
6562					4
6563					5
6564					6
6565					7

### 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	1,199,783	1
Plus: Collection of amounts previously written off		2
Less: Uncollectibles written off during the year		3
Plus: Total Other Operating Income and (Expense) (7100)	3,416	4
Less: Nonregulated Operating Revenue (included Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify):		8
<b>Assessable Revenues for Remainder, Department of Justice, and Telephone Relay Assessment Purposes</b>		
	<u>1,203,199</u>	

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

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	394,320	1
Plus: Total Intrastate Access Revenues (5084)	277,801	2
Plus: Total Long Distance Network Services Revenue	21	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus (or Less) Other (please specify):		5
<b>Assessable Revenues for Universal Service Fund Assessment Purposes</b>		
	<u>672,142</u>	

### CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

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

Description (a)	This Year (b)	
Gross Operating Revenues	1,199,783	1
Plus: Collection of amounts previously written off		2
Less: Uncollectibles written off during the year		3
Plus: Total Other Operating Income and (Expense) (7100)	3,416	4
Less: Nonregulated Operating Revenue (included Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify):		8
<hr/>		
<b>Assessable Revenues for Remainder and Telephone Relay Assessment Purposes</b>	<u><u>1,203,199</u></u>	

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

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	394,320	1
Plus: Total Intrastate Access Revenues (5084)	277,801	2
Plus: Total Long Distance Network Services Revenue	21	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus (or Less) Other (please specify):		5
<hr/>		
<b>Assessable Revenues for Universal Service Fund Assessment Purposes</b>	<u><u>672,142</u></u>	

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

Particulars (a)	This Year (b)	Last Year (c)	
<b>OTHER OPERATING INCOME AND EXPENSE</b>			
Income from Custom Work (7110 )*	3,416	3,260	1
Return from Nonregulated Use of Regulated Facilities (7130 )*			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 )*			5
<b>TOTAL OTHER OPERATING INCOME AND (EXPENSE) (7100)*</b>	<b>3,416</b>	<b>3,260</b>	
<b>OPERATING TAXES</b>			
Operating Investment Tax Credits--Net (7210 )*			6
Operating Federal Income Taxes (7220 )*	1,236	2,187	7
Operating State and Local Income Taxes (7230 )*			8
Operating Other Taxes (7240 )*	69,166	67,312	9
Provision for Deferred Operating Income Taxes--Net (7250 )*			10
<b>TOTAL OPERATING TAXES (7200)*</b>	<b>70,402</b>	<b>69,499</b>	
<b>NONOPERATING INCOME AND EXPENSE</b>			
Dividend Income (7310 )*	809	1,102	11
Interest Income (7320 )*	36,034	36,023	12
Income from Sinking and Other Funds (7330 )*	0		13
Allowance for Funds Used During Construction (7340 )*	7,409	8,493	14
Gains or (Losses) from the Disposition of Certain Property (7350 )*			15
Other Nonoperating Income (7360 )*		0	16
Special Charges (7370 )*	(2,053)		17
<b>TOTAL NONOPERATING INCOME AND EXPENSE (7300)*</b>	<b>46,305</b>	<b>45,618</b>	
<b>NONOPERATING TAXES</b>			
Nonoperating Investment Tax Credits--Net (7410 )*			18
Nonoperating Federal Income Taxes (7420 )*	2,896	10,157	19
Nonoperating State and Local Income Taxes (7430 )*			20
Nonoperating Other Taxes (7440 )*			21
Provision for Deferred Nonoperating Income Taxes-Net (7450 )*	8,225	(12,827)	22
<b>TOTAL NONOPERATING TAXES (7400)*</b>	<b>11,121</b>	<b>(2,670)</b>	
<b>INTEREST AND RELATED ITEMS</b>			
Interest on Funded Debt (7510 )*	112,310	86,632	23
Interest Expense--Capital Leases (7520 )*			24
Amortization of Debt Issuance Expense (7530 )*			25
Other Interest Deductions (7540 )*	31	28	26
<b>TOTAL INTEREST AND RELATED ITEMS (7500)*</b>	<b>112,341</b>	<b>86,660</b>	
<b>EXTRAORDINARY ITEMS</b>			
Extraordinary Items (7600 )*			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
<b>TOTAL EXTRAORDINARY ITEMS (7600)*</b>	<b>0</b>	<b>0</b>	
<b>NONREGULATED NET INCOME</b>			
Nonregulated Net Income (7990 )*	71,400	24,738	32

### TELEPHONE CALLS AND MINUTES OF USE PER MONTH

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

Item (a)	Telephone Calls (000's) (b)	Minutes of Use (000's) (c)	
<b>LOCAL</b>			
Intra-Exchange	0	0	1 G
Extended Area Service	0	0	2 G
Extended Community Calling	21	95	3
Other Local-Undefined	0	0	4 G
<b>Total Local</b>	<b>21</b>	<b>95</b>	
<b>TOLL</b>			
Operator Handled: State--intraLATA	0	0	5 D
Operator Handled: State--interLATA	0	0	6 D
Operator Handled: Interstate	0	0	7 D
Customer Dialed: State--intraLATA	0	0	8 D
Customer Dialed: State--interLATA	0	0	9 D
Customer Dialed: Interstate	0	0	10 D
WATS	0	0	11
Other Toll-Undefined	50	620	12
<b>Total Toll</b>	<b>50</b>	<b>620</b>	
<b>Total Local &amp; Toll</b>	<b>71</b>	<b>715</b>	

### ACCESS USAGE

Enter number, in thousands, of Billed Minutes.

Description (a)	Billed Minutes (000's)				
	Interstate InterLATA (b)	Intrastate InterLATA (c)	Intrastate IntraLATA (d)	Interstate IntraLATA (e)	
Feature Group A -- Orig.					1
Feature Group A -- Term.	1	1			2
Feature Group B -- Orig.					3
Feature Group B -- Term.					4
Feature Group C -- Orig.					5
Feature Group C -- Term.					6
Feature Group D -- Orig.	1,228	1,204	830	2	7
Feature Group D -- Term.	2,092	1,353	750	2	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	405	2
Sheath miles of plant - fiber optics	48	3
Strand miles of plant - fiber optics	1,101	4
Route miles of plant - microwave	18	5

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

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	0	2	1
56 kbps	0	4	2
64 kbps (DS0)	0	0	3
1.54 Mbps (DS-1)	1	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**

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	0	1
Sheath miles of plant - buried	405	2
Sheath miles of plant - fiber optics	48	3
Strand miles of plant - fiber optics	1,101	4
Route miles of plant - microwave	18	5

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

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	0	2	1
56 kbps	0	4	2
64 kbps (DS0)	0	0	3
1.54 Mbps (DS-1)	1	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)	
<b>Business</b>			
1 Party	143	155	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)	67	65	11
FX-Out (Switched)	3	3	12
Pay Telephone	8	0	13
Coin-Operated Pay Telephone	0	0	14
Independent Pay Telephone Provider	0	0	15
Pay Stations - Public	0	4	16
- Semi-Public	0	4	17
- Cust. Owned		0	18
Other			19
<b>Total Business Lines</b>	<b>221</b>	<b>231</b>	<b>20</b>
<b>Residential (Incl. Emp. Concess.)</b>			
1 Party	1,745	1,814	22
2 Party			23
4 Party			24
FX-Out (Switched)			25
Other			26
<b>Total Residential Lines</b>	<b>1,745</b>	<b>1,814</b>	<b>27</b>
<b>Total Bus &amp; Res Lines</b>	<b>1,966</b>	<b>2,045</b>	<b>28</b>
Company Used Lines	23	24	29
<b>Total Lines Used</b>	<b>1,989</b>	<b>2,069</b>	<b>30</b>

**SERVICE DATA (cont.)**

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

Item (a)	FOY (b)	EOY (c)	
<b>Miscellaneous</b>			
WATS Lines - OutWATS			3
WATS Lines - 800 Service			4
FX-In-intraLATA			5
Special Access-intraLATA			6
(expressed in equiv. access lines)	4	6	7
Special Access-interLATA			8
(expressed in equiv. access lines)	24	24	9
Feature Group A Lines			10
Feature Group B Trunks			11
Feature Group C Trunks			12
Feature Group D Trunks	102	168	13
TSPS - Trunks	10	10	14
EAS - Trunks	168	206	15
Cellular Trunks (Pub. Sw. Net.)			16
Video Distance Learning			17
- discounted (special tariff)			18
<b>Customers</b>			
Business - 2 Party Customers	0		20
Business - 4 Party Customers	0		21
Residential - 2 Party Customers	0		22
Residential - 4 Party Customers	0		23
<b>Other</b>			
Total Central Office, Info. Orig./Term., & Cable			25
Wire Fac. Assets (based on physical location of plant)			26
	4,093,379	4,606,925	27
Total Company Square Miles	124	124	28
Total Company Route Miles	382	409	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	0980	2900			1
<b>Business</b>					<b>2</b>
1 Party	36	119			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)		65			11
FX-Out (Switched)	3				12
Pay Telephone		0			13
Coin-Operated Pay Telephone	0	0			14
Independent Pay Telephone Provider	0	0			15
Pay Stations - Public	1	3			16
- Semi-Public	1	3			17
- Cust. Owned		0			18
Other					19
<b>Total Business Lines</b>	<b>41</b>	<b>190</b>	<b>0</b>	<b>0</b>	<b>20</b>
<b>Residential (Incl. Emp. Concess.)</b>					<b>21</b>
1 Party	415	1,399			22
2 Party					23
4 Party					24
FX-Out (Switched)					25
Other					26
<b>Total Residential Lines</b>	<b>415</b>	<b>1,399</b>	<b>0</b>	<b>0</b>	<b>27</b>
<b>Total Bus &amp; Res Lines</b>	<b>456</b>	<b>1,589</b>	<b>0</b>	<b>0</b>	<b>28</b>
Company Used Lines	5	19			29
<b>Total Lines Used</b>	<b>461</b>	<b>1,608</b>	<b>0</b>	<b>0</b>	<b>30</b>

**SERVICE DATA - END OF YEAR (cont.)**

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

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	0980	2900			1
<b>Miscellaneous</b>					2
WATS Lines - OutWATS					3
WATS Lines - 800 Service					4
FX-In-intraLATA					5
Special Access-intraLATA					6
(equiv. access lines)	2	4			7
Special Access-interLATA					8
(equiv. access lines)		24			9
Feature Group A Lines					10
Feature Group B Trunks					11
Feature Group C Trunks					12
Feature Group D Trunks	72	96			13
TSPS - Trunks	4	6			14
EAS - Trunks	44	162			15
Cellular Trunks (Pub. Sw. Net.)					16
Video Distance Learning					17
- discounted (special tariff)					18
<b>Customers</b>					19
Business - 2 Party Customers					20
Business - 4 Party Customers					21
Residential - 2 Party Customers					22
Residential - 4 Party Customers					23
<b>Other</b>					24
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical					26
location of plant)	1,419,851	3,187,074			27
Exchange Square Miles	51	73			28
Exchange Route Miles	119	290			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)	
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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	CAZENOVIA	LAVALLE			1
PSCW Exchange ID	0980	2900			2
Central Office Name	CAZENOVIA	LAVALLE			3
PSCW Central Office ID	1	1			4
Manufacturer of COE (Page 54)	SC	SC			5
Year COE Installed	1987	1987			6
Type of Equipment (Page 54)	D	D			7
(S)tandalone, (H)ost, (R)emote	H	H			8
Remote Host PSCW Exchange ID					9
Remote Host PSCW Central Office ID					10
COE Generic Software Release No.	19	19			11
SS7?	Yes	Yes			12
9-1-1?	Yes	Yes			13
Access Lines - In Use	558	1,557			14
- Equipped	618	1,840			15
- Wired	720	1,890			16
Trunks - In Use	149	369			17
- Equipped	192	384			18
- Wired	2,029	2,069			19
ISDN Available?	No	No			20
ISDN Lines - In Use (BRI)	0	0			21
- In Use (PRI)	0	0			22
Switched 56 Service?	No	No			23
Switched 56 lines in use	0	0			24
Digital Transmission Facilities: DS-1 - In Use	18	38			25
DS-3 - In Use	0	0			26
Advanced Data Service Available:					
Packet Switching?	No	No			27
SMDS?	No	No			28
Frame Relay?	No	No			29
ATM (Asynchronous Trans. Mode)?	No	No			30
Video Information - Service Available?	No	No			31
- In Use (# lines) <sup>1</sup>	0	0			32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	42	120			33
No. of fiber strands working (LIT) in C.O.	4	4			34
No. of fiber strands for interoffice use	0	0			35
Miles of fiber sheath in wire center	14	34			36
Access Tandem Serving this C.O.:					
- C.O. Name	MADISON	MADISON			37
- PSCW C.O. ID	3080-01	3080-01			38
Does this C.O. do access tandem switching?	No	No			39
Equal Access: InterLATA (1+)?	Yes	Yes			40
Equal Access: IntraLATA (1+)?	Yes	Yes			41
Footnotes					42

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

## GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

### General Footnote

Response received 11/10/99

Item 1: noted

Item 2: Page 43 provided

Item 3: Minutes were filed as actual and changes are correct.

ele

October 27, 1999

Mr. Gregory J. Rockweiler, Accountant  
LaValle Telephone Cooperative, Inc.  
108 West Main Street  
P.O. Box 28  
LaValle, WI 53941-0028

Re:1998 Analytical ReviewDWCCA-3090-ELE

Dear Mr. Rockweiler:

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

1. During our review, we noted that some of the pages filed in your public 1998 annual report were out of order and were rearranged as follows:

Copy 1 of page 24 was flipped to copy 2 of page 23

Copy 1 of page 37 was flipped to copy 1 of page 29

In the future, be sure your pages are arranged in the correct order.

2. During our review of your confidential filing, we noted that page 43, Calculation of Assessable Revenues schedules, is missing. Please provide this page with confidential data and a confidentiality request form if you wish page 43 to receive confidential treatment. If you do not wish page 43 to receive confidential treatment, please provide a public copy.

3. During our review of the Access Usage schedule, page 48, it appeared that some of the billed minutes in 1996 were not reported in thousands as requested on the schedule. We have corrected our paper and electronic copies of the annual report. If you do not agree that minutes were originally reported as actual and believe some other change is necessary, please provide a correct Access Usage schedule for the year 1996 to reflect those changes. Or, in the alternative, if you believe the originally filed schedules were correctly reported in thousands, explain why 1996 minutes are significantly greater than 1997 and 1998. Please note that this schedule is confidential, and if your reply contains any confidential information, you must file a confidentiality request form.

We appreciate your cooperation in providing the above information. These

## GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

We appreciate your cooperation in providing the above information. These recommendations are intended to provide accounting assistance and should not be construed as criticisms of utility personnel. If you have any questions, please feel free to contact me at (608) 266-3768. Please respond within 30 days of this letter. If we have no questions regarding your response, you can consider the review closed.

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

Sincerely,

Elaine L. Engelke  
Financial Specialist  
Division of Water, Compliance, and Consumer Affairs

ELE:tlk:w:\compl\telco letters\3090 rev letter

Accountants Compilation Report

To the Board of Directors  
La Valle Telephone Cooperative  
La Valle, Wisconsin

We have compiled the balance sheets of La Valle Telephone Cooperative as of December 31, 1998 and 1997, and the related statements of income and retained earnings for the years then ended, and the statement of cash flows for the year ended December 31, 1998, included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary information presented in the prescribed form, except for pages 46 through 55.

Our compilation was limited to presenting in the form prescribed by the Public Service Commission of Wisconsin, information that is the representation of management. We have not audited or reviewed the financial statements and supplementary information referred to above and, according

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### Schedule Footnotes

Central Office Lookup Table Footnote. Page 0

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### Schedule Line Footnotes

- A) Transfer to match revised CPR support.
- B) Assets in this account are depreciated on a per unit basis.
- C) Various insignificant (<\$500) expenses, related to office and building maintenance.

## GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

- D)** 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 hte Other Toll - Undefined line in order to facilitate the summation function in the program.
- E)** Actual depreciation rates vary between sub accounts. Rate given is a composite.
- F)** Increased material usage and locating expense.
- G)** Local, Toll telephone calls and minutes of use data are not available for lines 1,2, and 4 of page 47. La Valle 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 is not used elsewhere. However page 47 line 3 should be correct.