



4004

ANNUAL REPORT

OF

Name: RHINELANDER TELEPHONE COMPANY

Principal Office: 53 N STEVENS ST
P.O. BOX 340
RHINELANDER, WI 54501-0340

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.

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ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

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

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

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

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

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

ABBREVIATIONS USED IN ANNUAL REPORTS

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

IDENTIFICATION AND OWNERSHIP

Exact Utility Name: RHINELANDER TELEPHONE COMPANY
Utility Location: 53 N STEVENS ST
P.O. BOX 340
RHINELANDER, WI 54501-0340

Utility Web Site Address:

When was utility organized?: 01/01/1911

Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: MR LEE A . LAPPIN
Title: CONTROLER

Office Address: 53 NORTH STEVENS STREET
P.O. BOX 340
RHINELANDER , WI 54501-0340

Fax Number: (715) 369 - 2628
Telephone Number: (715) 365 - 7777
Email Address: lalap@newnorth.net

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

Name:
Title:

Office Address:

Fax Number:
Telephone Number:
Email Address:

Person responsible for financial information contained in report

Name: MR LEE A . LAPPIN
Title: CONTROLER

Office Address: 53 NORTH STEVENS STREET
P.O. BOX 340
RHINELANDER , WI 54501-0340

Fax Number: (715) 369 - 2628
Telephone Number: (715) 365 - 7777
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Person responsible for statistical information contained in report

Name: MR LEE A . LAPPIN
Title: CONTROLER

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RHINELANDER , WI 54501-0340

Fax Number: (715) 369 - 2628
Telephone Number: (715) 365 - 7777
Email Address: lalap@newnorth.net

IDENTIFICATION AND OWNERSHIP

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

Name:	RHINELANDER TELECOMMUNICATIONS, INC .
Address:	53 NORTH STEVENS STREET PO BOX 340 RHINELANDER , WI 54501-0340
Number of Shares Held:	1,746,240
Beneficial Owner:	NONE

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

Company Name:	HEADWATERS TELEPHONE COMPANY
Form of Interest:	STOCK
Extent Of Interest:	100% OWNED SUBSIDIARY

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	9,428,690	8,563,743	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	1,462,009	1,280,212	2
Plant Nonspecific Operations Expense	2,775,500	2,777,665	3
Customer Operations Expense (6610-6620)	1,483,786	1,498,876	4
Corporate Operations Expense (6710-6790)	1,039,776	819,197	5
Other Operating Income and Expense (7100)	0	0	6
Operating Taxes (7200)	1,239,624	990,330	7
Total Operating Expenses	8,000,695	7,366,280	8
Net Operating Income	1,427,995	1,197,463	9
Other Income			
Nonoperating Income and Expense (7300)	643,324	839,951	10
Nonoperating Taxes (7400)	48,713	44,157	11
Interest and Related Items (7500)	443,306	507,230	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	(27,732)	(52,489)	14
Total Nonoperating Income	123,573	236,075	15
Net Income	1,551,568	1,433,538	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.)

NONE

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.

NONE

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT ASSETS			
CASH AND EQUIVALENTS			
Cash and Equivalents (1120)*			1
Cash (1130)	95,623	150,806	2
Special Cash Deposits (1140)	0	0	3
Working Cash Advances (1150)	500	500	4
Temporary Investments (1160)	26,178	44,294	5
TOTAL CASH AND EQUIVALENTS	122,301	195,600	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	340,827	256,952	6
Accounts Receivable Allowance-Telecom (1181)*	0	0	7
Net: Telecommunications Accounts Receivable	340,827	256,952	
Other Accounts Receivable (1190)*	(1,149,389)	898,453	8
Accounts Receivable Allowance--Other (1191)*	0	0	9
Net: Other Accounts Receivable	(1,149,389)	898,453	
Notes Receivable (1200)*	0	0	10
Notes Receivable Allowance (1201)*	0	0	11
Net: Notes Receivable	0	0	
Interest and Dividends Receivable (1210)*	0	0	12
TOTAL RECEIVABLES AND ALLOWANCES FOR DOUBTFUL	(808,562)	1,155,405	
SUPPLIES			
Inventories (1220)*	359,679	279,102	13
TOTAL SUPPLIES	359,679	279,102	
PREPAYMENTS			
Total Prepayments (1280)*			14
Prepaid Rents (1290)	0	0	15
Prepaid Taxes (1300)	140,081	79,284	16
Prepaid Insurance (1310)	13,109	17,021	17
Prepaid Directory Expenses (1320)	0	0	18
Other Prepayments (1330)	28,802	62,572	19
TOTAL PREPAYMENTS	181,992	158,877	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	5,725	0	20
TOTAL OTHER CURRENT ASSETS	5,725	0	
TOTAL CURRENT ASSETS	(138,865)	1,788,984	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	73,570	73,570	21
Investments in Nonaffiliated Companies (1402)*	312,014	489,683	22
Nonregulated Investments (1406)*	537,879	242,089	23
Unamortized Debt Issuance Expense (1407)*	40,180	44,100	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	322,708	26
TOTAL INVESTMENTS	963,643	1,172,150	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*	0	0	27
Deferred Maintenance and Retirements (1438)*	0	0	28
Deferred Charges (1439)*	696,641	627,077	29
TOTAL DEFERRED CHARGES	696,641	627,077	
TOTAL NONCURRENT ASSETS	1,660,284	1,799,227	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	30,392,099	28,772,853	30
Less: Accumulated Depreciation (3100)*	14,533,412	12,835,616	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	15,858,687	15,937,237	
PROPERTY HELD FOR FUTURE USE			
Prop. Held for Future Telecommun. Use (2002)*	412,987	0	35
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200)*	0	0	36
NET PROPERTY HELD FOR FUTURE USE	412,987	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)*	1,024,109	884,447	39
TOTAL TPUC	1,024,109	884,447	
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	17,295,783	16,821,684	
TOTAL ASSETS AND OTHER DEBITS*	18,817,202	20,409,895	

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	768,993	604,589	1
Notes Payable (4020)*	0	1,225,000	2
Advance Billing and Payments (4030)*	44,583	45,190	3
Customer Deposits (4040)*	750	775	4
Current Maturities--Long-Term Debt (4050)*	0	0	5
Current Maturities--Capital Leases (4060)*	0	0	6
Income Taxes--Accrued (4070)*	193,308	13,224	7
Other Taxes--Accrued (4080)*	(32,766)	370	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)*	2,045,364	1,762,211	11
Other Current Liabilities (4130)*	0	0	12
TOTAL CURRENT LIABILITIES*	3,020,232	3,651,359	
LONG-TERM DEBT			
Funded Debt (4210)*	6,000,000	6,000,000	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*	6,000,000	6,000,000	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*	0	0	20
Unamortized Operating ITC--Net (4320)*	130,431	150,843	21
Unamortized Nonoperating ITC--Net (4330)*	0	0	22
Net Noncurrent Deferred Operating Income Taxes (4340)*	2,166,265	2,230,167	23
Net Deferred Tax Liability Adjustments (4341)*	(98,515)	(98,515)	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	0	0	25
Other Deferred Credits (4360)*	217,851	111,671	26
Deferred Tax Regulatory Liability (4361)*	98,515	98,515	27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS*	2,514,547	2,492,681	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	1,746,240	1,746,240	28
Additional Paid-in Capital (4520)*	1,608,903	1,608,903	29
Treasury Stock (4530)*	0	0	30
Other Capital (4540)*	0	0	31
Retained Earnings (4550)*	3,927,280	4,910,712	32
TOTAL STOCKHOLDERS' EQUITY*	7,282,423	8,265,855	
TOTAL LIABILITIES AND OTHER CREDITS*	18,817,202	20,409,895	

STATEMENT OF CASH FLOWS

Item (a)	Amount (b)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	1,551,568	1
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and amortization	1,985,491	2
Interest during construction	(22,385)	3
Changes in assets and liabilities:		
Current assets (net)	1,854,550	4
Other noncurrent assets	249,224	5
Other current liabilities	593,873	6
Other liabilities and deferred credits	21,866	7
Other (specify):		
TOTAL ADJUSTMENTS	4,682,619	
NET CASH PROVIDED BY OPERATING ACTIVITIES (NET INCOME & ADJUST.)	6,234,187	
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures:		
Changes in plant (net)	(2,437,205)	8
Investments in affiliated companies	0	9
Nonoperating Investments	(118,121)	10
Other (specify):		
NET CASH USING IN INVESTING ACTIVITIES	(2,555,326)	
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in capital lease obligations (net)	0	11
Change in long-term debt (net)	7,840	12
Net changes in stockholder equity other than retained earnings	0	13
Change in short term borrowing (net)	(1,225,000)	14
Dividends paid	(2,535,000)	15
Miscellaneous debits/credits to retained earnings	0	16
Other (specify):		
Net Cash Provided by Financing Activities	(3,752,160)	
NET INCREASE IN CASH AND CASH EQUIVALENTS	(73,299)	
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

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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

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

NONE

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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

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

DURING 1998, THE STOCK OF RHINELANDER TELECOMMUNICATIONS, INC. (PARENT) WAS ACQUIRED BY CITIZENS UTILITIES COMPANY.

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)	
CRANDON TELEPHONE COMPANY	CRANDON	1
HEADWATERS TELEPHONE COMPANY	HEADWATERS	2
NEW NORTH TELECOMMUNICATIONS	NTI	3
RIB LAKE TELEPHONE COMPANY	RIB LAKE	4
RHINELANDER TELECOMMUNICATIONS, INC.	RTI	5
CITIZENS UTILITIES - SAO	SAO	6

AFFILIATED INTEREST TRANSACTIONS

Provide a summary of transactions under established affiliated interest contracts and arrangements (see Wis. Stat. § 196.52, for "affiliated interest" definitions). Use the space below to report transactions with individual affiliates and multiple affiliated interest agreements or, at the utility's option, with individual affiliates and a single agreement. Activity associated with affiliated contracts or arrangements not in excess of \$25,000 or 5 percent of the equity of the utility, whichever is smaller, may be aggregated in a single record. For utilities whose intrastate gross operating revenues of the previous year exceeded \$100,000,000, individual contracts or arrangements not exceeding \$100,000 may be aggregated in a single record. Where an affiliate is both providing and receiving service use one record to show billings to and a second record for billings from. When billings to or from an affiliate are recorded on the books of the utility, the records underlying such billings shall be sufficient to show all the detail maintained to identify the associated accounts related to the billing and categorize billings according to the account categories shown below.

Particulars (a)	(b)	(c)	(d)	(e)	
Docket	5020-AT-106	5020-AT-106	5020-AT-105	5020-AT-105	
Name of Affiliate	CRANDON	CRANDON	HEADWATERS	HEADWATERS	1
Designate whether billed to or from:	FROM	TO	FROM	TO	2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C	C	C	C	3
Revenues	61,739	0	154,845	0	4
Expenses:					
Plant Specific Operations Expense	0	142	0	134,283	5
Plant Nonspecific Operations Expense	0	28,396	0	311,818	6
Customer Operations Expense	0	7,168	0	108,046	7
Corporate Operations Expense	0	38,792	0	127,601	8
Total Operating Expenses	0	74,498	0	681,748	9
Other:					
Plant Accounts	0	0	0	143,072	10
Accumulated Depreciation	0	0	0	305	11
Accumulated Amortization	0	0	0	0	12
Clearing	0	0	0	0	13
All Other	0	721	(8,195)	14,417	14
Total	61,739	75,219	146,650	839,542	15
Percent of affiliate's business billed to all affiliated regulated utilities					16
If cost based, rate of return on equity or markup incorporated in billings	0.00		0.00		17
Footnotes					

AFFILIATED INTEREST TRANSACTIONS

Provide a summary of transactions under established affiliated interest contracts and arrangements (see Wis. Stat. § 196.52, for "affiliated interest" definitions). Use the space below to report transactions with individual affiliates and multiple affiliated interest agreements or, at the utility's option, with individual affiliates and a single agreement. Activity associated with affiliated contracts or arrangements not in excess of \$25,000 or 5 percent of the equity of the utility, whichever is smaller, may be aggregated in a single record. For utilities whose intrastate gross operating revenues of the previous year exceeded \$100,000,000, individual contracts or arrangements not exceeding \$100,000 may be aggregated in a single record. Where an affiliate is both providing and receiving service use one record to show billings to and a second record for billings from. When billings to or from an affiliate are recorded on the books of the utility, the records underlying such billings shall be sufficient to show all the detail maintained to identify the associated accounts related to the billing and categorize billings according to the account categories shown below.

Particulars (a)	(b)	(c)	(d)	(e)	
Docket	5020-AT-108	5020-AT-107	5020-AT-107	None	
Name of Affiliate	NTI	RIB LAKE	RIB LAKE	RTI	1
Designate whether billed to or from:	TO	FROM	TO	FROM	2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C	C	C	C	3
Revenues	0	23,152	0	0	4
Expenses:					
Plant Specific Operations Expense	0	0	0	0	5
Plant Nonspecific Operations Expense	4,834	0	9,724	0	6
Customer Operations Expense	74,935	0	3,226	572	7
Corporate Operations Expense	6,148	0	50,078	18,366	8
Total Operating Expenses	85,917	0	63,028	18,938	9
Other:					
Plant Accounts	0	0	0	0	10
Accumulated Depreciation	0	0	0	0	11
Accumulated Amortization	0	0	0	0	12
Clearing	0	0	0	0	13
All Other	0	0	0	0	14
Total	85,917	23,152	63,028	18,938	15
Percent of affiliate's business billed to all affiliated regulated utilities					16
If cost based, rate of return on equity or markup incorporated in billings		0.00		0.00	17
Footnotes					

AFFILIATED ASSETS AND LIABILITIES

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

Name of Affiliate (a)	Account Number (b)	Balance EOY (c)	
CRANDON TELEPHONE COMPANY	1190	43,722	1
HEADWATERS TELEPHONE COMPANY	1190	(400,511)	2
NEW NORTH TELECOMMUNICATIONS	1190	(6,949)	3
RIB LAKE TELEPHONE COMPANY	1190	157,314	4
RHINELANDER TELECOMMUNICATIONS, INC.	1190	(41,285)	5
CITIZENS UTILITIES - SAO	1190	(2,502,906)	6
HEADWATERS TELEPHONE COMPANY	1401	73,570	7

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	38,770	1
Uncollectibles written off during the year	51,055	2
Net write offs during the year	<u>12,285</u>	

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

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

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

Name (a)	Balance EOY (b)	
RTB Class B Stock	0	1
Other:		
RSA #3 CELLULAR LIMITED PARTNERSHIP	312,014	2
Total Investments in Nonaffiliated Companies	312,014	

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)	
<hr/>		
Total Net Investment and Inventory (Accts. 1406.10, 1406.11, and 1406.12):		
LARGE PBX, NUMEROUS PAGERS, PAY TELEPHONES	537,879	1

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	86,773	0	1 E
Motor Vehicles	2112	862,369	225,532	2
Aircraft	2113	0	0	3
Special Purpose Vehicles	2114	0	0	4
Garage Work Equipment	2115	0	0	5
Other Work Equipment	2116	556,879	119,945	6
Buildings	2121	1,793,370	508,098	7 F
Furniture	2122	328,684	647	8 F
Office Equipment	2123	81,472	3,086	9
General Purpose Computers	2124	573,489	24,315	10
TOTAL--GENERAL SUPPORT ASSETS:		4,283,036	881,623	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0	0	11
Digital Electronic Switching	2212	8,370,359	400,992	12 A
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220	0	0	14
Radio Systems	2231	0	0	15
Circuit Equipment	2232	2,799,364	104,985	16 A
TOTAL--CENTRAL OFFICE ASSETS:		11,169,723	505,977	
INFORMATION ORIGATION/TERMINATION ASSETS				
Station Apparatus	2311	0	0	17
Customer Premises Wiring	2321	0	0	18
Large Private Branch Exchanges	2341	0	0	19
Public Telephone Terminal Equipment	2351	0	0	20
Other Terminal Equipment	2362	0	0	21
TOTAL--INFORMATION ORIG/TERM ASSETS:		0	0	
CABLE WIRE FACILITIES ASSETS				
Poles	2411	165,255	53	22
Aerial Cable	2421	632,558	23,995	23
Underground Cable	2422	1,609,414	41,987	24
Buried Cable	2423	9,891,099	343,964	25
Submarine Cable	2424	15,509	0	26
Deep Sea Cable	2425	0	0	27
Intrabuilding Network Cable	2426	0	0	28
Aerial Wire	2431	33,270	987	29
Conduit Systems	2441	972,989	660	30
TOTAL--CABLE WIRE FACILITIES ASSETS:		13,320,094	411,646	
AMORTIZABLE ASSETS				
Capital Leases	2681	0	0	31

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

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2111	0	(8,983)	77,790	1 E
2112	66,629	0	1,021,272	2
2113	0	0	0	3
2114	0	0	0	4
2115	0	0	0	5
2116	2,943	0	673,881	6
2121	0	21,753	2,323,221	7 F
2122	0	(39,894)	289,437	8 F
2123	0	0	84,558	9
2124	10,572		587,232	10
	80,144	(27,124)	5,057,391	
2211	0	0	0	11
2212	4,889	156,799	8,923,261	12 A
2215	0	0	0	13
2220	0	0	0	14
2231	0	0	0	15
2232	282,641	107,499	2,729,207	16 A
	287,530	264,298	11,652,468	
2311	0	0	0	17
2321	0	0	0	18
2341	0	0	0	19
2351	0	0	0	20
2362	0	0	0	21
	0	0	0	
2411	1,813		163,495	22
2421	12,415	0	644,138	23
2422	(3,820)	0	1,655,221	24
2423	23,583	0	10,211,480	25
2424	15,509	0	0	26
2425	0	0	0	27
2426	0	0	0	28
2431	0	0	34,257	29
2441	0	0	973,649	30
	49,500	0	13,682,240	
2681	0	0	0	31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
AMORTIZABLE ASSETS				
Leasehold Improvements	2682	0	0	32
Intangibles	2690	0	0	33
TOTAL--AMORTIZABLE ASSETS:		0	0	
TOTAL TELECOM. PLANT IN SERVICE	2001	28,772,853	1,799,246	
Less: Allocation to Nonregulated Activity - EOY	2001			34
NET REG. TOTAL TELE. PLANT IN SERV. - EOY	2001			

Explain all amounts shown in column (g).

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

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2682	0	0	0	32
2690	0	0	0	33
	0	0	0	
	417,174	237,174	30,392,099	
2001			0	34
			30,392,099	

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	81,472	3,086	1
Company Communications Equipment	2123.2	0	0	2
Software	2212.1	210,276	0	3
Digital Switching - Central Office	2212.2	8,160,083	400,992	4 A
Digital Switching - Remote	2212.3	0	0	5
Step by Step Switching	2215.1	0	0	6
Crossbar Switching	2215.2	0	0	7
Satellite and Earth Station Facilities	2231.1	0	0	8
Other Radio Facilities	2231.2	0	0	9
Digital Circuit Equipment	2232.1	2,553,357	101,370	10 A
Analog Circuit Equipment	2232.2	246,007	3,615	11
Light Wave Circuit Equipment	2232.3	0	0	12
Aerial Cable - Nonmetallic	2421.1	632,558	23,995	13
Aerial Cable - Metallic	2421.2	0	0	14
Underground Cable - Nonmetallic	2422.1	245,097	702	15
Underground Cable - Metallic	2422.2	1,364,317	41,285	16
Buried Cable - Nonmetallic	2423.1	612,586	22,100	17
Buried Cable - Metallic	2423.2	9,278,513	321,864	18
Submarine Cable - Nonmetallic	2424.1	15,509	0	19
Submarine Cable - Metallic	2424.2	0	0	20
Intrabuilding Cable - Nonmetallic	2426.1	0	0	21
Intrabuilding Cable - Metallic	2426.2	0	0	22

Explain all amounts shown in column (g).

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

Subaccount (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2123.1	0	0	84,558	1
2123.2	0	0	0	2
2212.1	0	0	210,276	3
2212.2	4,889	156,799	8,712,985	4 A
2212.3	0	0	0	5
2215.1	0	0	0	6
2215.2	0	0	0	7
2231.1	0	0	0	8
2231.2	0	0	0	9
2232.1	205,216	107,499	2,557,010	10 A
2232.2	77,425	0	172,197	11
2232.3	0	0	0	12
2421.1	12,415	0	644,138	13
2421.2	0	0	0	14
2422.1	0	0	245,799	15
2422.2	(3,820)		1,409,422	16
2423.1	0	0	634,686	17
2423.2	23,583	0	9,576,794	18
2424.1	15,509	0	0	19
2424.2	0	0	0	20
2426.1	0	0	0	21
2426.2	0	0	0	22

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
GENERAL SUPPORT ASSETS					
Motor Vehicles	2112	439,119	.0	109,711	0 1
Aircraft	2113	0	.0	0	0 2
Special Purpose Vehicles	2114	0	.0	0	0 3
Garage Work Equipment	2115	0	.0	0	0 4
Other Work Equipment	2116	475,823	10.0	61,033	0 5
Buildings	2121	597,978	3.33	64,186	0 6L
Furniture	2122	102,567	10.0	29,091	0 7L,L
Office Equipment	2123	65,392	20.0	16,886	0 8
General Purpose Computers	2124	521,621	25.0	76,183	0 9
Total-- GENERAL SUPPORT ASSETS		2,202,500		357,090	0
CENTRAL OFFICE ASSETS					
Analog Electronic Switching	2211	0	.0	0	0 10
Digital Electronic Switching	2212	3,808,199	7.85	650,437	0 11F
Electro-Mechanical Switching	2215	0	.0	0	0 12
Operator Systems	2220	0	.0	0	0 13
Radio Systems	2231	0	.0	0	0 14
Circuit Equipment	2232	1,636,062	12.0	324,102	0 15N
Total-- CENTRAL OFFICE ASSETS		5,444,261		974,539	0
INFORMATION ORIG/TERM ASSETS					
Station Apparatus	2311	0	.0	0	0 16
Customer Premises Wiring	2321	0	.0	0	0 17
Large Private Branch Exchanges	2341	0	.0	0	0 18
Public Telephone Terminal Equipment	2351	0	.0	0	0 19
Other Terminal Equipment	2362	0	.0	0	0 20
Total-- INFORMATION ORIG/TERM ASSETS		0		0	0
CABLE WIRE FACILITIES ASSETS					
Poles	2411	165,255	11.67	3,269	0 21
Aerial Cable	2421	488,262	6.25	40,051	0 22
Underground Cable	2422	606,591	4.54	79,262	0 23
Buried Cable	2423	3,613,073	4.91	520,721	0 24
Submarine Cable	2424	15,509	4.78	0	0 25
Deep Sea Cable	2425	0	.0	0	0 26
Intrabuilding Network Cable	2426	0	.0	0	0 270,0
Aerial Wire	2431	33,269	25.0	1,751	0 28

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112	66,629	0	11,900	0	494,101	1
2113	0	0	0	0	0	2
2114	0	0	0	0	0	3
2115	0	0	0	0	0	4
2116	2,943	0	2,050	0	535,963	5
2121	0	7,500	0	2,900	657,564	6 L
2122	0	0	0	(2,900)	128,758	7 L,L
2123	0	0	0	0	82,278	8
2124	10,572	0	0	0	587,232	9
	80,144	7,500	13,950	0	2,485,896	
2211	0	0	0	0	0	10
2212	4,889	0	13,400	9,779	4,476,926	11 F
2215	0	0	0	0	0	12
2220	0	0	0	0	0	13
2231	0	0	0	0	0	14
2232	282,641	18	20,774	77,557	1,775,836	15 N
	287,530	18	34,174	87,336	6,252,762	
2311	0	0	0	0	0	16
2321	0	0	0	0	0	17
2341	0	0	0	0	0	18
2351	0	0	0	0	0	19
2362	0	0	0	0	0	20
	0	0	0	0	0	
2411	1,813	3,682	465	0	163,494	21
2421	12,415	19,050	0	0	496,848	22
2422	(3,820)	703	0	0	688,970	23
2423	23,583	625	2,347	0	4,111,933	24
2424	15,509	1,507	0	0	(1,507)	25
2425	0	0	0	0	0	26
2426	0	0	0	0	0	27 0,0
2431	0	764	0	0	34,256	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	266,896	3.48	33,864	0 29
Total-- CABLE WIRE FACILITIES ASSETS		5,188,855		678,918	0
Total Accumulated Depreciation	3100	12,835,616		2,010,547	0
Less: Allocation to Nonregulated Activity - Columns e, f and I	3100			0	0 30
Net Regulated Total Accum Depreciation - 3100 Columns e, f and I				2,010,547	0

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441	0	0	0	0	300,760	29
	49,500	26,331	2,812	0	5,794,754	
3100	417,174	33,849	50,936	87,336	14,533,412	
3100					0	30
3100					14,533,412	

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	65,392	20.0	16,886	0	1
Company Communications Equipment	2123.2	0	.0	0	0	2
Software	2212.1	210,276	25.0	0	0	3
Digital Switching - Central Office	2212.2	3,597,923	7.85	650,437	0	4 G
Digital Switching - Remote	2212.3	0	.0	0	0	5
Step by Step Switching	2215.1	0	.0	0	0	6
Crossbar Switching	2215.2	0	.0	0	0	7
Satellite and Earth Station Facilities	2231.1	0	.0	0	0	8
Other Radio Facilities	2231.2	0	12.0	0	0	9
Digital Circuit Equipment	2232.1	1,390,055	12.0	320,487	0	10 G
Analog Circuit Equipment	2232.2	246,007	21.0	3,615	0	11
Light Wave Circuit Equipment	2232.3	0	.0	0	0	12
Aerial Cable - Nonmetallic	2421.1	488,262	6.25	40,051	0	13
Aerial Cable - Metallic	2421.2	0	.0	0	0	14
Underground Cable - Nonmetallic	2422.1	23,173	4.07	9,992	0	15
Underground Cable - Metallic	2422.2	583,418	5.0	69,270	0	16
Buried Cable - Nonmetallic	2423.1	96,779	4.57	28,211	0	17
Buried Cable - Metallic	2423.2	3,516,294	5.25	492,510	0	18
Submarine Cable - Nonmetallic	2424.1	15,509	4.78	0	0	19
Submarine Cable - Metallic	2424.2	0	.0	0	0	20
Intrabuilding Cable - Nonmetallic	2426.1	0	.0	0	0	21
Intrabuilding Cable - Metallic	2426.2	0	.0	0	0	22

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

Subacct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2123.1	0	0	0	0	82,278	1
2123.2	0	0	0	0	0	2
2212.1	0	0	0	0	210,276	3
2212.2	4,889	0	13,400	9,779	4,266,650	4 G
2212.3	0	0	0	0	0	5
2215.1	0	0	0	0	0	6
2215.2	0	0	0	0	0	7
2231.1	0	0	0	0	0	8
2231.2	0	0	0	0	0	9
2232.1	205,216	18	20,774	77,557	1,603,639	10 G
2232.2	77,425	0	0	0	172,197	11
2232.3	0	0	0	0	0	12
2421.1	12,415	19,050	0	0	496,848	13
2421.2	0	0	0	0	0	14
2422.1	0	0	0	0	33,165	15
2422.2	(3,820)	703	0	0	655,805	16
2423.1	0	0	0	0	124,990	17
2423.2	23,583	625	2,347	0	3,986,943	18
2424.1	15,509	1,507			(1,507)	19
2424.2	0	0	0	0	0	20
2426.1	0	0	0	0	0	21
2426.2	0	0	0	0	0	22

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

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

Particulars (a)	Balance FOY (b)	
PROPERTY RELATED		
Other Current Assets (1350)	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)	(2,356,221)	5 M
Net Deferred Tax Liability Adjustments (4341)	98,515	6
Deferred Tax Regulatory Liability (4361)	(98,515)	7
Net Property Related Deferred Operating Income Taxes	(2,356,221)	
Less: Allocation to Nonregulated Activity	0	8
Net Regulated Total Property Related Deferred Operating Income Taxes	(2,356,221)	
NONPROPERTY RELATED		
Other Current Assets (1350)	0	9
Other Noncurrent Assets (1410)	0	10
Deferred Tax Regulatory Asset (1437)	0	11
Net Current Deferred Operating Income Taxes (4100)	0	12
Net Noncurrent Deferred Operating Income Taxes (4340)	126,054	13
Net Deferred Tax Liability Adjustments (4341)	0	14
Deferred Tax Regulatory Liability (4361)	0	15
Total Nonproperty Related Deferred Operating Income Taxes	126,054	

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			0	1
7250	0			0	2
	0			0	3
7250	0			0	4
7250	0		63,902	(2,292,319)	5 M
	0			98,515	6
				(98,515)	7
	0	0	63,902	(2,292,319)	
				0	8
	0	0	63,902	(2,292,319)	
7250				0	9
7250				0	10
				0	11
7250				0	12
7250				126,054	13
				0	14
				0	15
	0	0	0	126,054	

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):				
FIRST MORTGAGE BOND	05/24/1994	03/01/2009	6.7600	1
Total Funded Debt				

LONG-TERM DEBT (cont.)

Composite Interest Rate (e)	Held by Utility		Total Principal EOY (h)	Current Maturities Included in Acct. 4050 (i)	Total Amount Outstanding (j)	
	Reacquired Debt Acct. 4240 (f)	Sinking Funds Acct. 1408 (g)				
6.7600			6,000,000	0	6,000,000	1
	0	0	6,000,000	0	6,000,000	

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:			
	2,000,000	1.00	.00 1
TOTAL COMMON STOCK	2,000,000		
TOTAL	<u>2,000,000</u>		

CAPITAL STOCK ACCOUNTS AT END OF YEAR (cont.)

	Acct. 4510 - Capital Stock		Acct. 4530 - Treasury Stock		
	Shares (e)	Amount (f)	Shares (g)	Amount (h)	
COMMON STOCK:					
	1,746,240	1,746,240	0	0	1
	1,746,240	1,746,240	0	0	
TOTAL	<u>1,746,240</u>	<u>1,746,240</u>	<u>0</u>	<u>0</u>	

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	4,910,712	4,912,174	1
Changes:			
Balance Transferred from Income	1,551,568	1,433,538	2
Dividends Declared:			
Common	2,535,000	1,435,000	3
Preferred	0	0	4
Total Dividends Declared	2,535,000	1,435,000	
Miscellaneous Debits to Retained Earnings	0	0	5
Miscellaneous Credits to Retained Earnings	0	0	6
Balance--End of Year	<u>3,927,280</u>	<u>4,910,712</u>	

DISTRIBUTION OF TAXES

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

Summary Account/ Function Charged (a)	Wisconsin License Fee (b)	Wisconsin Income Tax (c)	Federal Income Tax (d)	
Operating Taxes (Accts. 7210 - 7250)	547,735	133,516	476,999	1
Nonoperating Taxes (Accts. 7410 - 7450)		10,278	38,435	2
Extraordinary Items (Accts. 7630 & 7640)				3
Nonregulated Net Income (Acct. 7990)		(3,781)	(14,140)	4
Clearing Accounts				5
Construction				6
Payroll Taxes: FICA				7
Payroll Taxes: State Unemployment				8
Payroll Taxes: Federal Unemployment				9
Other (specify):				
TOTAL	<u><u>547,735</u></u>	<u><u>140,013</u></u>	<u><u>501,294</u></u>	

DISTRIBUTION OF TAXES (cont.)

PSC Remainder Assessment (e)	Local Property Tax (f)	State & Local Taxes Other than Wisconsin (g)	Other Taxes (h)	Payroll Taxes (i)	Total (j)	
11,551			69,823		1,239,624	1
					48,713	2
					0	3
					(17,921)	4
					0	5
					0	6
				240,849	240,849	7
				8,035	8,035	8
				6,041	6,041	9
11,551	0	0	69,823	254,925	1,525,341	

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

Particulars (a)	This Year (b)	Last Year (c)	
LOCAL NETWORK SERVICES REVENUES			
Basic Local Service Revenue (5000)*			1
Basic Area Revenue (5001)	3,112,246	2,943,598	2
Optional Extended Area Revenue (5002)	0	0	3
Cellular Mobile Revenue (5003)	0	0	4
Other Mobile Services Revenue (5004)	0	0	5
Public Telephone Revenue (5010)	(1,324)	17,142	6 H
Local Private Line Revenue (5040)	75,801	84,118	7
Customer Premises Revenue (5050)	0	0	8
Other Local Exchange Revenue (5060)	269,203	209,680	9 I
Other Local Exchange Revenue Settlements (5069)	0		10
TOTAL BASIC LOCAL SERVICE REVENUE (5000)	3,455,926	3,254,538	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	701,182	644,391	11
Switched Access Revenue (5082)*	2,072,666	1,618,672	12 J
Special Access Revenue (5083)*	309,326	191,910	13 J
TOTAL INTERSTATE ACCESS REVENUES (5080)	3,083,174	2,454,973	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*	0	0	14
Switched Access Revenue (5084.2)*	1,460,538	1,504,496	15
Special Access Revenue (5084.3)*	89,565	61,490	16 J
TOTAL INTRASTATE ACCESS REVENUES (5084)	1,550,103	1,565,986	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*	0	0	17
Long Distance Inward-Only Revenue (5111)	0	0	18
Long Distance Outward-Only Revenue (5112)	0	0	19
Unidirectional Long Distance Revenue (5110)	0	0	
Long Distance Private Network Revenues			
Subvoice Grade Revenue (5121)	0	0	20
Voice Grade Revenue (5122)	0	0	21
Audio Program Grade Revenue (5123)	0	0	22
Video Program Grade Revenue (5124)	6,347	9,634	23
Digital Transmission Revenue (5125)	0	0	24
Switching Revenue (5126)	0	0	25
Other Revenue (5128)	0	0	26
Other Revenue Settlements (5129)	0	0	27
Total Long Distance Private Network Revenue	6,347	9,634	
Other Long Distance Revenue (5160)	0	0	28
Other Long Distance Revenue Settlements (5169)	0	0	29
TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV.	6,347	9,634	

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

Particulars (a)	This Year (b)	Last Year (c)	
MISCELLANEOUS REVENUES			
Directory Revenue (5230)*	746,952	720,930	30
Rent Revenue (5240)*	239,736	212,700	31
Corporate Operations Revenue (5250)*	0	0	32
Miscellaneous:			
Miscellaneous Revenue (5260)*			33
Special Billing Arrangements Revenue (5261)		0	34
Customer Operations Revenue (5262)		0	35
Plant Operations Revenue (5263)		0	36
Other Incidental Regulated Revenue (5264)	25,995	31,739	37
Other Revenue Settlements (5269)	0	0	38
Total Miscellaneous Revenue (5260)	25,995	31,739	
Interstate Billing and Collection Revenue*	94,818	94,543	39
Intrastate Billing and Collection Revenue*	237,923	242,178	40
Total Carrier Billing and Collection Revenue (5270)*	332,741	336,721	
Nonregulated Operating Revenue (5280)**			41
TOTAL MISCELLANEOUS REVENUES	1,345,424	1,302,090	
GROSS OPERATING REVENUES	9,440,974	8,587,221	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*			42
Uncollectible Revenue--Telecommunications (5301)	12,284	23,478	43 K
Uncollectible Revenue--Other (5302)	0	0	44
TOTAL UNCOLLECTIBLE REVENUE (5300)	12,284	23,478	
TOTAL OPERATING REVENUES	9,428,690	8,563,743	

** 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)	3,041	2,930	1,212	1
Less: Nonregulated	0	0	0	2
Net Regulated	3,041	2,930	1,212	3
Total General Support Expense (6120)	436,373	481,969	113,360	4
Less: Nonregulated	0	0	0	5
Net Regulated	436,373	481,969	113,360	6
Total Central Office Switching Expense (6210)	432,607	447,418	182,847	7
Less: Nonregulated	0	0	0	8
Net Regulated	432,607	447,418	182,847	9
Total Operator Systems Expense (6220)	0	0	0	10
Less: Nonregulated	0	0	0	11
Net Regulated	0	0	0	12
Total Central Office Transmission Expenses (6230)	90,776	71,456	18,715	13
Less: Nonregulated	0	0	0	14 B
Net Regulated	90,776	71,456	18,715	15
Total Information Orig. / Term. Expense (6310)	9,066	0	0	16
Less: Nonregulated	0	0	0	17 C
Net Regulated	9,066	0	0	18
Total Cable and Wire Fac. Expense (6410)	308,349	458,236	237,503	19
Less: Nonregulated	0	0	0	20 B
Net Regulated	308,349	458,236	237,503	21
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	1,280,212	1,462,009	553,637	
Less: Nonregulated	0	0	0	
Net Regulated	1,280,212	1,462,009	553,637	
PLANT NONSPECIFIC OPERATIONS EXPENSE				
Total Other Property, Plant and Equip. Exp. (6510)	1,421	12,267	10,160	22
Less: Nonregulated	0	0	0	23 D
Net Regulated	1,421	12,267	10,160	24
Total Network Operations Expense (6530)	817,315	777,742	534,872	25
Less: Nonregulated	0	0	0	26
Net Regulated	817,315	777,742	534,872	27
Access Expense (6540)	0	0	0	28
Less: Nonregulated	0	0	0	29
Net Regulated	0	0	0	30
Total Depreciation and Amortization Expense (6560)	1,958,929	1,985,491		31
Less: Nonregulated	0	0		32
Net Regulated	1,958,929	1,985,491		33
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	2,777,665	2,775,500	545,032	
Less: Nonregulated	0	0	0	
Net Regulated	2,777,665	2,775,500	545,032	

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6110	0	0	1,718	0	1
	0	0	0	0	2
	0	0	1,718	0	3
6120	37,579	103,178	227,852	0	4
	0	0	0	0	5
	37,579	103,178	227,852	0	6
6210	61,341	0	203,230	0	7
	0	0	0	0	8
	61,341	0	203,230	0	9
6220	0	0	0	0	10
	0	0	0	0	11
	0	0	0	0	12
6230	6,082	0	46,659	0	13
	0	0	0	0	14 B
	6,082	0	46,659	0	15
6310	0	0	0	0	16
	0	0	0	0	17 C
	0	0	0	0	18
6410	70,862	0	149,871	0	19
	0	0	0	0	20 B
	70,862	0	149,871	0	21
	175,864	103,178	629,330	0	
	0	0	0	0	
	175,864	103,178	629,330	0	
6510	2,112	0	(5)	0	22
	0		0	0	23 D
	2,112		(5)	0	24
6530	179,349	0	63,521	0	25
	0	0	0	0	26
	179,349	0	63,521	0	27
6540	0	0	0	0	28
	0	0	0	0	29
	0	0	0	0	30
6560			1,985,491		31
			0		32
			1,985,491		33
	181,461	0	2,049,007	0	
	0	0	0	0	
	181,461	0	2,049,007	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)	65,973	61,832	19,767	34
Less: Nonregulated	0	0	0	35
Net Regulated	65,973	61,832	19,767	36
Total Services (6620)	1,432,903	1,421,954	442,983	37
Less: Nonregulated	0	0	0	38
Net Regulated	1,432,903	1,421,954	442,983	39
TOTAL CUSTOMER OPERATIONS EXPENSE	1,498,876	1,483,786	462,750	
Less: Nonregulated	0	0	0	
Net Regulated	1,498,876	1,483,786	462,750	
CORPORATE OPERATIONS EXPENSE				
Total Exec. and Planning (6710)	34,299	360,700	326,855	40
Less: Nonregulated	0	0	0	41 D
Net Regulated	34,299	360,700	326,855	42
Total General and Administrative (6720)	784,898	679,076	255,090	43
Less: Nonregulated	0	0	0	44
Net Regulated	784,898	679,076	255,090	45
Provision for Uncollectible Notes Receiv. (6790)	0	0		46
Less: Nonregulated	0	0		47
Net Regulated	0	0		48
TOTAL CORPORATE OPERATIONS EXPENSE	819,197	1,039,776	581,945	
Less: Nonregulated	0	0	0	
Net Regulated	819,197	1,039,776	581,945	
TOTAL EXPENSES	6,375,950	6,761,071	2,143,364	
Less: Nonregulated	0	0	0	
Net Regulated	6,375,950	6,761,071	2,143,364	

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6610	5,480	0	36,585	0	34
	0	0	0	0	35
	5,480	0	36,585	0	36
6620	114,516		864,455	0	37
	0		0	0	38
	114,516		864,455	0	39
	119,996	0	901,040	0	
	0	0	0	0	
	119,996	0	901,040	0	
6710	18,712		15,133	0	40
	0		0	0	41 D
	18,712		15,133	0	42
6720	65,356		358,630	0	43
	0		0	0	44
	65,356		358,630	0	45
6790			0		46
			0		47
			0		48
	84,068	0	373,763	0	
	0	0	0	0	
	84,068	0	373,763	0	
	561,389	103,178	3,953,140	0	
	0	0	0	0	
	561,389	103,178	3,953,140	0	

EXPENSE MATRIX - CLASS A & B (DETAIL)

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries/ Wages (d)	
Property Held for Future Tele. Use Exp. (6511)	0	0	0	1
Provisioning Expense (6512)	1,421	12,267	10,160	2
Total: Reported in Account 6510	1,421	12,267	10,160	
Depreciat. Exp.--Tele. Plant in Service (6561)	1,958,929	1,985,491		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	1,958,929	1,985,491		

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

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6511	0		0	0	1
6512	2,112		(5)	0	2
	2,112		(5)	0	
6561			1,985,491		3
6562			0		4
6563			0		5
6564			0		6
6565			0		7
			1,985,491		

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	9,440,974	1
Plus: Collection of amounts previously written off	38,770	2
Less: Uncollectibles written off during the year	51,055	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):		8
Assessable Revenues for Remainder, Department of Justice, and Telephone Relay Assessment Purposes	9,428,689	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	3,455,926	1
Plus: Total Intrastate Access Revenues (5084)	1,550,103	2
Plus: Total Long Distance Network Services Revenue	6,347	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus (or Less) Other (please specify):		5
Assessable Revenues for Universal Service Fund Assessment Purposes	5,012,376	

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	9,440,974	1
Plus: Collection of amounts previously written off	38,770	2
Less: Uncollectibles written off during the year	51,055	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):		8
<hr/>		
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	9,428,689	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	3,455,926	1
Plus: Total Intrastate Access Revenues (5084)	1,550,103	2
Plus: Total Long Distance Network Services Revenue	6,347	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus (or Less) Other (please specify):		5
<hr/>		
Assessable Revenues for Universal Service Fund Assessment Purposes	5,012,376	

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

Particulars (a)	This Year (b)	Last Year (c)	
OTHER OPERATING INCOME AND EXPENSE			
Income from Custom Work (7110)*	0	0	1
Return from Nonregulated Use of Regulated Facilities (7130)*	0	0	2
Gains and (Losses) from Foreign Exchange (7140)	0	0	3
Gains or (Losses) from the Disposition of Land and Artworks (7150)	0	0	4
Other Operating Gains and (Losses) (7160)*	0	0	5
TOTAL OTHER OPERATING INCOME AND (EXPENSE) (7100)*	0	0	
OPERATING TAXES			
Operating Investment Tax Credits--Net (7210)*	(20,412)	(21,136)	6
Operating Federal Income Taxes (7220)*	559,847	433,679	7
Operating State and Local Income Taxes (7230)*	149,591	142,993	8
Operating Other Taxes (7240)*	629,109	506,370	9
Provision for Deferred Operating Income Taxes--Net (7250)*	(78,511)	(71,576)	10
TOTAL OPERATING TAXES (7200)*	1,239,624	990,330	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)*	520,000	655,000	11
Interest Income (7320)*	4,743	2,654	12
Income from Sinking and Other Funds (7330)*	0	0	13
Allowance for Funds Used During Construction (7340)*	22,385	66,258	14
Gains or (Losses) from the Disposition of Certain Property (7350)*	40,344	45,605	15
Other Nonoperating Income (7360)*	66,960	80,710	16
Special Charges (7370)*	11,108	10,276	17
TOTAL NONOPERATING INCOME AND EXPENSE (7300)*	643,324	839,951	
NONOPERATING TAXES			
Nonoperating Investment Tax Credits--Net (7410)*	0	0	18
Nonoperating Federal Income Taxes (7420)*	75,545	64,503	19
Nonoperating State and Local Income Taxes (7430)*	20,160	18,064	20
Nonoperating Other Taxes (7440)*	0	0	21
Provision for Deferred Nonoperating Income Taxes-Net (7450)*	(46,992)	(38,410)	22
TOTAL NONOPERATING TAXES (7400)*	48,713	44,157	
INTEREST AND RELATED ITEMS			
Interest on Funded Debt (7510)*	438,636	501,177	23
Interest Expense--Capital Leases (7520)*	0	0	24
Amortization of Debt Issuance Expense (7530)*	3,920	3,920	25
Other Interest Deductions (7540)*	750	2,133	26
TOTAL INTEREST AND RELATED ITEMS (7500)*	443,306	507,230	
EXTRAORDINARY ITEMS			
Extraordinary Items (7600)*			27
Extraordinary Income Credits (7610)	0	0	28
Extraordinary Income Charges (7620)	0	0	29
Current Income Tax Effect of Extraordinary Items--Net (7630)	0	0	30
Provision for Deferred Income Tax Effect of Extraordinary Items--Net (7640)	0	0	31
TOTAL EXTRAORDINARY ITEMS (7600)*	0	0	
NONREGULATED NET INCOME			
Nonregulated Net Income (7990)*	(27,732)	(52,489)	32

NONREGULATED NET INCOME (ACCT. 7990)

Particulars (a)	Amount (b)	
Revenues (Acct. 7990.1)		
Gross Sales	536,384	1
Less: Cost of Goods Sold	149,310	2
Net Sales	387,074	3
Expenses (Acct. 7990.2)	414,806	4
Nonregulated Net Income	<u><u>(27,732)</u></u>	5

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

SALE OF CUSTOMER PREMISE EQUIPMENT(CPE), MAINTENANCE OF CPE AND INSIDE WIRING, LEASE OF CPE CELLULAR ACTIVITIES, AND PAGING ACTIVITIES

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	2,143,364	1
Nonregulated Expense	157,473	2
Plant Accounts	289,123	3
Accumulated Depreciation Accounts	10,474	4
All Other Accounts	755,708	5
Total Salaries and Wages	<u>3,356,142</u>	6

EMPLOYEE DATA

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

Employee Category (a)	Number of Equivalent Full-Time Employees		Total Compensation (d)	
	FOY (b)	EOY (c)		
Officers	3.00	.00	265,944	1
Supervision and Other Management	10.00	9.00	621,513	2
Other Employees	67.00	61.00	2,468,685	3
Total	<u>80.00</u>	<u>70.00</u>	<u>3,356,142</u>	

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Other Employees	67.00	61.00	2,468,685	3
Total	<u>80.00</u>	<u>70.00</u>	<u>3,356,142</u>	

TELEPHONE CALLS AND MINUTES OF USE PER MONTH

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

Item (a)	Telephone Calls (000's) (b)	Minutes of Use (000's) (c)	
LOCAL			
Intra-Exchange	0	0	1
Extended Area Service	0	0	2
Extended Community Calling	50	200	3
Other Local-Undefined	0	0	4
Total Local	50	200	
TOLL			
Operator Handled: State--intraLATA	4	11	5
Operator Handled: State--interLATA	3	16	6
Operator Handled: Interstate	4	16	7
Customer Dialed: State--intraLATA	204	1,207	8
Customer Dialed: State--interLATA	176	1,117	9
Customer Dialed: Interstate	410	3,002	10
WATS	3	10	11
Other Toll-Undefined	0	0	12 z
Total Toll	804	5,379	
Total Local & Toll	854	5,579	

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.	5	0	0	0	1
Feature Group A -- Term.	2	2	1	0	2
Feature Group B -- Orig.	12	0	0	0	3
Feature Group B -- Term.	11	0	0	0	4
Feature Group C -- Orig.	0	0	2,997	0	5
Feature Group C -- Term.	0	0	6,445	0	6
Feature Group D -- Orig.	16,424	7,696	5,245	0	7
Feature Group D -- Term.	19,771	5,935	27	0	8

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	420	1
Sheath miles of plant - buried	1,334	2
Sheath miles of plant - fiber optics	89	3
Strand miles of plant - fiber optics	1,805	4
Route miles of plant - microwave	955	5

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	39	40	1
56 kbps	40	79	2
64 kbps (DS0)	13	27	3
1.54 Mbps (DS-1)	50	62	4
45 Mbps (DS-3)	2	2	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	420	1
Sheath miles of plant - buried	1,334	2
Sheath miles of plant - fiber optics	89	3
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Route miles of plant - microwave	955	5

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	39	40	1
56 kbps	40	79	2
64 kbps (DS0)	13	27	3
1.54 Mbps (DS-1)	50	62	4
45 Mbps (DS-3)	2	2	5
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

SERVICE DATA

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

Item (a)	FOY (b)	EOY (c)	
Business			
1 Party	1,568	1,659	3
2 Party	7	6	4
4 Party	0	0	5
PBX Trunks/System Trunks	210	221	6
Centrex Trunks	24	24	7
Centrex Lines	2,426	2,861	8
Key System Trunks	589	586	9
Mobile (Utility Provided Service)	0	0	10
Paging (Utility Provided Service)	355	458	11
FX-Out (Switched)	0	0	12
Pay Telephone	127	82	13
Coin-Operated Pay Telephone	0	0	14
Independent Pay Telephone Provider	0	45	15
Pay Stations - Public	0	0	16
- Semi-Public	0	0	17
- Cust. Owned	0	0	18
Other	0	0	19
Total Business Lines	5,306	5,942	20
Residential (Incl. Emp. Concess.)			
1 Party	8,684	8,918	22
2 Party	362	302	23
4 Party	0	0	24
FX-Out (Switched)	0	0	25
Other	0	0	26
Total Residential Lines	9,046	9,220	27
Total Bus & Res Lines	14,352	15,162	28
Company Used Lines	274	293	29
Total Lines Used	14,626	15,455	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	16	15	3
WATS Lines - 800 Service	16	7	4
FX-In-intraLATA	0	0	5
Special Access-intraLATA			6
(expressed in equiv. access lines)	1,619	2,978	7
Special Access-interLATA			8
(expressed in equiv. access lines)	1,103	2,636	9
Feature Group A Lines	15	0	10
Feature Group B Trunks	0	0	11
Feature Group C Trunks	0	0	12
Feature Group D Trunks	0	0	13
TSPS - Trunks	0	0	14
EAS - Trunks	0	0	15
Cellular Trunks (Pub. Sw. Net.)	0	108	16
Video Distance Learning			17
- discounted (special tariff)	2	3	18
Customers			
Business - 2 Party Customers	7	6	20
Business - 4 Party Customers	0	0	21
Residential - 2 Party Customers	362	302	22
Residential - 4 Party Customers	0	0	23
Other			
Total Central Office, Info. Orig./Term., & Cable			25
Wire Fac. Assets (based on physical location of plant)	24,489,817	25,334,708	27
Total Company Square Miles	314	314	28
Total Company Route Miles	1,795	1,806	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	1300	4550			1
Business					2
1 Party	109	1,550			3
2 Party	3	3			4
4 Party	0	0			5
PBX Trunks/System Trunks	0	221			6
Centrex Trunks	0	24			7
Centrex Lines	20	2,841			8
Key System Trunks	7	579			9
Mobile (utility provided service)	0	0			10
Paging (utility provided service)	0	458			11
FX-Out (Switched)	0	0			12
Pay Telephone	3	79			13
Coin-Operated Pay Telephone	0	0			14
Independent Pay Telephone Provider	1	44			15
Pay Stations - Public	0	0			16
- Semi-Public	0	0			17
- Cust. Owned	0	0			18
Other	0	0			19
Total Business Lines	143	5,799	0	0	20
Residential (Incl. Emp. Concess.)					21
1 Party	1,697	7,221			22
2 Party	75	227			23
4 Party	0	0			24
FX-Out (Switched)	0	0			25
Other	0	0			26
Total Residential Lines	1,772	7,448	0	0	27
Total Bus & Res Lines	1,915	13,247	0	0	28
Company Used Lines	35	258			29
Total Lines Used	1,950	13,505	0	0	30

SERVICE DATA - END OF YEAR (cont.)

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

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	1300	4550			1
Miscellaneous					2
WATS Lines - OutWATS	0	15			3
WATS Lines - 800 Service	0	7			4
FX-In-intraLATA	0	0			5
Special Access-intraLATA					6
(equiv. access lines)	0	2,978			7
Special Access-interLATA					8
(equiv. access lines)	0	2,636			9
Feature Group A Lines	0	0			10
Feature Group B Trunks	0	0			11
Feature Group C Trunks	0	0			12
Feature Group D Trunks	0	0			13
TSPS - Trunks	0	0			14
EAS - Trunks	0	0			15
Cellular Trunks (Pub. Sw. Net.)	0	108			16
Video Distance Learning					17
- discounted (special tariff)	0	3			18
Customers					19
Business - 2 Party Customers	3	3			20
Business - 4 Party Customers	0	0			21
Residential - 2 Party Customers	75	227			22
Residential - 4 Party Customers	0	0			23
Other					24
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical					26
location of plant)	2,526,633	22,808,076			27
Exchange Square Miles	97	217			28
Exchange Route Miles	181	1,625			29
Footnotes	E	E			30

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

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

EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

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

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Electronic--Digital	D	3
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CENTRAL OFFICE DATA - END OF YEAR

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

Description (a)	Central Off. (b)	Central Off. (c)	Central Off. (d)	Central Off. (e)	
Exchange Name	CRESCENT LAKE RHINELANDER				1
PSCW Exchange ID	1300	4550			2
Central Office Name	CRESCENT LAKE RHINELANDER				3
PSCW Central Office ID	1	1			4
Manufacturer of COE (Page 54)	NTI	NTI			5
Year COE Installed	1992	1993			6
Type of Equipment (Page 54)	D	D			7
(S)tandalone, (H)ost, (R)emote	R	H			8
Remote Host PSCW Exchange ID	4550				9
Remote Host PSCW Central Office ID	1	0			10
COE Generic Software Release No.	LLT00008	LLT00008			11
SS7?	Yes	Yes			12
9-1-1?	Yes	Yes			13
Access Lines - In Use	1,950	12,967			14
- Equipped	2,288	15,984			15
- Wired	5,216	21,952			16
Trunks - In Use	0	3,842			17
- Equipped	0	4,517			18
- Wired	0	4,547			19
ISDN Available?	No	No			20
ISDN Lines - In Use (BRI)	0	0			21
- In Use (PRI)	0	0			22
Switched 56 Service?	Yes	Yes			23
Switched 56 lines in use	0	14			24
Digital Transmission Facilities: DS-1 - In Use	27	626			25
DS-3 - In Use	0	33			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?	Yes	Yes			31
- In Use (# lines) ¹	0	3			32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	86	264			33
No. of fiber strands working (LIT) in C.O.	20	62			34
No. of fiber strands for interoffice use	20	62			35
Miles of fiber sheath in wire center	33	56			36
Access Tandem Serving this C.O.:					
- C.O. Name	RHINELANDER	RHINELANDER			37
- PSCW C.O. ID	4550-01	4550-01			38
Does this C.O. do access tandem switching?	No	Yes			39
Equal Access: InterLATA (1+)?	Yes	Yes			40
Equal Access: IntraLATA (1+)?	Yes	Yes			41
Footnotes					42

¹ Teleco provided end-to-end facility.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

General Footnote

Utility response dated 11/23/99:

Item 1:a) Citizens utilities paid short term debt for Rhinelander Telephone Co. Page 15 will not be revised since only balance sheet items were effected by this transaction. b) Response for affiliated interest agreement will be provided in the first week of December, 1999.

Item 2: noted

Item 3: (payphone entries were provided and entered into the Important Changes schedule of the 1997 annual report).

Item 4: Telephone calls/minutes of use will be filed completely in 1999.

Item 5: noted

Item 6: At this time, we are still offering two-party service to our customers. Due to the large volume of seasonal customers, this seems to be the service which those customers appreciate. However, we are set up for the provision of one party service to any customer which desires that level of service.

12/9/99 ele

October 27, 1999

Mr. Lee A. Lappin, Controller
Rhinelander Telephone Company
53 North Stevens Street
P.O. Box 340
Rhinelander, WI 54501-0340

Re:1998 Analytical ReviewDWCCA-5020-ELE

Dear Mr. Lappin:

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. Page 16 reports a balance of \$2,502,906 in Account 1190, Other Accounts Receivable, from Citizens Utilities - SAO. Since there was no such balance reported in the 1997 annual report, this balance appears to have been created in a transaction occurring during 1998.

a) Please explain whether the transaction(s), which created this balance, are reported on page 15, or file a revised page 15, which gives the required data for these transactions.

b) Please state if affiliated interest agreements have been filed with the Commission to address this affiliated activity.

2. During our review, we noted that the Listing of Edit Check Results and Listing of Confidential Locks were filed within the 1998 annual report. In the future, please do not include the Listing of Edit Check Results or Listing of Confidential Locks inside the annual report. It is routed to

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

Listing of Confidential Books inside the annual report. It is routed to review staff and is easier for the records unit staff to locate if it is loose and not bound within the annual report.

3. During our review, we noted we cannot locate a response to your 1997 analytical review letter dated September 24, 1998. One matter remains relevant: Please provide the journal entry(ies) recorded on the telcos books for the transaction concerning the deregulation of payphone assets, whether transferred below-the-line or to a separate affiliate, basis of valuation and how it compared to net book value, and the date of such journal entry(ies). If you did reply, please provide a copy of your response, and we apologize for any inconvenience.

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

Your attention is drawn to the instructions for filing this data shown in the Commission staff e-mail dated November 19, 1998, concerning the 1998 report and the schedule reference sheet for page 47, Telephone Calls and Minutes of Use Per Month, in the 1998 Operations Manual. Even though the Commission is not requiring your company to furnish this data for the 1998 annual report due to time constraints, all efforts should be made to provide this information for the 1999 annual report due April 1, 2000. In cases where actual data cannot be made available for

Schedule Footnotes

Central Office Lookup Table Footnote. Page 0

Cover Page Footnote. Page 1

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

M. SEE "LINE ITEM FOOTNOTE" M.

Expense Matrix - Class A & B Footnote. Page 41

B REDUCED LABOR & ASSOC COSTS

Schedule Line Footnotes

- 0) NOT USED
- A) TRANSFER TO PROPER ACCOUNT
- B) REDUCED LABOR AND ASSOCIATED COSTS
- C) RECLASSIFIED EXPENSES
- D) INCREASED LABOR AND ASSOCIATED COSTS
- E) TRANSFER TO BUILDINGS
- F) TRANSFER FROM FURNITURE
- G) TRANSFER ADJUSTMENTS
- H) RECLASSIFY TO PROPER ACCOUNTS
- I) INCREASED LOCAL EXCHANGE ACTIVITY

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

- J) INCREASED ACCESS SETTLEMENTS**
- K) LOWER ACTUAL WRITE-OFFS**
- L) TRANSFER TO PROPER ACCOUNT**
- M) 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 FROM ACCOUNTS 1437, 4100, 4340, 4341 AND 4361 ARE INCLUDED IN THE BALANCE EOY COLUMN IN ORDER THAT THE END-OF-YEAR BALANCES FOR THESE ACCOUNTS IN THE PROGRAM.**
- N) TRANSFER FROM AFFILIATE**
- Z) REPORTING ECC DEMAND ONLY. SEE "EDIT CHECK RESULT" ON ACCEPTABLE VALUES COMMENT.**