



4004

ANNUAL REPORT

OF

Name: VERNON TELEPHONE COOPERATIVE

Principal Office: 103 N MAIN ST
P.O. BOX 20
WESTBY, WI 54667-0020

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: VERNON TELEPHONE COOPERATIVE
Utility Location: 103 N MAIN ST
P.O. BOX 20
WESTBY, WI 54667-0020

Utility Web Site Address:

When was utility organized?: 10/22/1952

Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: MR SCOTT E . HAAKENSON
Title: ACCOUNTANT

Office Address: 103 NORTH MAIN STREET
P.O. BOX 20
WESTBY , WI 54667

Fax Number: (608) 634 - 2000
Telephone Number: (608) 634 - 3136 EXT 223
Email Address: hawkvtc@mwt.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 SCOTT E . HAAKENSON
Title: ACCOUNTANT

Office Address: 103 NORTH MAIN STREET
P.O. BOX 20
WESTBY , WI 54667

Fax Number: (608) 634 - 2000
Telephone Number: (608) 634 - 3136 EXT 223
Email Address: hawkvtc@mwt.net

Person responsible for statistical information contained in report

Name: MR KURT C . HAUGE
Title: PLANT MANAGER

Office Address: 103 NORTH MAIN STREET
P.O. BOX 20
WESTBY , WI 54667

Fax Number: (608) 634 - 2000
Telephone Number: (608) 634 - 3136 EXT 222
Email Address:

IDENTIFICATION AND OWNERSHIP

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

Name: N/A
Address: N/A
PO BOX N/A
N/A , WI 54667
Number of Shares Held:
Beneficial Owner: NONE

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

Company Name: VERNON TELEPHONE COOPERATIVE
Form of Interest: 100%
Extent Of Interest: 100%

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	4,352,052	4,152,667	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	607,846	578,085	2
Plant Nonspecific Operations Expense	1,726,523	1,537,289	3
Customer Operations Expense (6610-6620)	342,975	341,585	4
Corporate Operations Expense (6710-6790)	595,563	606,715	5
Other Operating Income and Expense (7100)	0	6,204	6
Operating Taxes (7200)	486,412	371,742	7
Total Operating Expenses	3,759,319	3,429,212	8
Net Operating Income	592,733	723,455	9
Other Income			
Nonoperating Income and Expense (7300)	76,555	69,518	10
Nonoperating Taxes (7400)	7,359	15,253	11
Interest and Related Items (7500)	174,450	220,356	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	101,043	(26,638)	14
Total Nonoperating Income	(4,211)	(192,729)	15
Net Income	588,522	530,726	16

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)	734,314	664,913	2
Special Cash Deposits (1140)			3
Working Cash Advances (1150)	350	350	4
Temporary Investments (1160)	774,783	234,329	5
TOTAL CASH AND EQUIVALENTS	1,509,447	899,592	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	270,345	270,345	6
Accounts Receivable Allowance-Telecom (1181)*			7
Net: Telecommunications Accounts Receivable	270,345	270,345	
Other Accounts Receivable (1190)*	626,909	475,500	8
Accounts Receivable Allowance--Other (1191)*			9
Net: Other Accounts Receivable	626,909	475,500	
Notes Receivable (1200)*			10
Notes Receivable Allowance (1201)*			11
Net: Notes Receivable	0	0	
Interest and Dividends Receivable (1210)*	7,717	16,890	12
TOTAL RECEIVABLES AND ALLOWANCES FOR DOUBTFUL	904,971	762,735	
SUPPLIES			
Inventories (1220)*	122,966	97,493	13
TOTAL SUPPLIES	122,966	97,493	
PREPAYMENTS			
Total Prepayments (1280)*			14
Prepaid Rents (1290)	108	550	15
Prepaid Taxes (1300)			16
Prepaid Insurance (1310)	12,637	24,231	17
Prepaid Directory Expenses (1320)			18
Other Prepayments (1330)	46,741	31,587	19
TOTAL PREPAYMENTS	59,486	56,368	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*			20
TOTAL OTHER CURRENT ASSETS	0	0	
TOTAL CURRENT ASSETS	2,596,870	1,816,188	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*			21
Investments in Nonaffiliated Companies (1402)*	651,549	1,096,188	22
Nonregulated Investments (1406)*	194,971	164,444	23
Unamortized Debt Issuance Expense (1407)*			24
Sinking Funds (1408)*			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)*	71,010	126,218	26
TOTAL INVESTMENTS	917,530	1,386,850	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*			27
Deferred Maintenance and Retirements (1438)*			28
Deferred Charges (1439)*	138,038	149,163	29
TOTAL DEFERRED CHARGES	138,038	149,163	
TOTAL NONCURRENT ASSETS	1,055,568	1,536,013	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	18,331,300	17,714,508	30
Less: Accumulated Depreciation (3100)*	11,565,432	10,549,809	31
Less: Accumulated Amortization--Capitalized Leases (3410)*			32
Less: Accumulated Amortization--Leasehold Improvements (3420)*			33
Less: Accumulated Amortization--Intangible (3500)*			34
NET TELECOMMUNICATIONS PLANT IN SERVICE	6,765,868	7,164,699	
PROPERTY HELD FOR FUTURE USE			
Prop. Held for Future Telecommun. Use (2002)*			35
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200)*			36
NET PROPERTY HELD FOR FUTURE USE	0	0	
NONOPERATING PLANT			
Nonoperating Plant (2006)*			37
Less: Accumulated Depreciation--Nonoperating (3300)*			38
NET NONOPERATING PLANT	0	0	
TPUC			
TPUC (2003)*	1,143,895	342,993	39
TOTAL TPUC	1,143,895	342,993	
TELECOMMUNICATIONS PLANT ADJUSTMENT			
Telecommunications Plant Adjustment (2005)*			40
Less: Accumulated Amortization--Other (3600)*			41
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	0	0	
TOTAL PLANT	7,909,763	7,507,692	
TOTAL ASSETS AND OTHER DEBITS*	11,562,201	10,859,893	

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	635,290	403,080	1
Notes Payable (4020)*			2
Advance Billing and Payments (4030)*	1,687	1,749	3
Customer Deposits (4040)*			4
Current Maturities--Long-Term Debt (4050)*	231,800	370,000	5
Current Maturities--Capital Leases (4060)*			6
Income Taxes--Accrued (4070)*	117,731	31,786	7
Other Taxes--Accrued (4080)*	(609)	3,195	8
Net Current Deferred Operating Income Taxes (4100)*			9
Net Current Deferred Nonoperating Income Taxes (4110)*			10
Other Accrued Liabilities (4120)*	60,107	172,080	11
Other Current Liabilities (4130)*			12
TOTAL CURRENT LIABILITIES*	1,046,006	981,890	
LONG-TERM DEBT			
Funded Debt (4210)*	3,184,803	3,629,376	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
TOTAL LONG-TERM DEBT*	3,184,803	3,629,376	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*	1,565,354	1,371,745	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)*	417,485		26
Deferred Tax Regulatory Liability (4361)*			27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS*	1,982,839	1,371,745	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	149,909	146,517	28
Additional Paid-in Capital (4520)*			29
Treasury Stock (4530)*			30
Other Capital (4540)*	5,198,644	4,730,365	31
Retained Earnings (4550)*	0	0	32
TOTAL STOCKHOLDERS' EQUITY*	5,348,553	4,876,882	
TOTAL LIABILITIES AND OTHER CREDITS*	11,562,201	10,859,893	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
GENERAL SUPPORT ASSETS				
Land	2111	242,067		1 A
Motor Vehicles	2112	301,825	75,009	2
Aircraft	2113	0		3
Special Purpose Vehicles	2114	0		4
Garage Work Equipment	2115	6,714	1,050	5
Other Work Equipment	2116	322,673	16,571	6
Buildings	2121	1,216,600		7
Furniture	2122	33,341		8
Office Equipment	2123	105,284	4,831	9
General Purpose Computers	2124	417,318	19,345	10
TOTAL--GENERAL SUPPORT ASSETS:		2,645,822	116,806	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0		11
Digital Electronic Switching	2212	5,014,357	317,066	12
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220	0		14
Radio Systems	2231	105,258	0	15
Circuit Equipment	2232	1,114,578	205,478	16
TOTAL--CENTRAL OFFICE ASSETS:		6,234,193	522,544	
INFORMATION ORIGATION/TERMINATION ASSETS				
Station Apparatus	2311	0		17
Customer Premises Wiring	2321	0		18
Large Private Branch Exchanges	2341	0		19
Public Telephone Terminal Equipment	2351	0		20
Other Terminal Equipment	2362	0		21
TOTAL--INFORMATION ORIG/TERM ASSETS:		0	0	
CABLE WIRE FACILITIES ASSETS				
Poles	2411	31,045		22
Aerial Cable	2421	103,459	64	23
Underground Cable	2422	54,436	25,808	24
Buried Cable	2423	8,411,731	444,196	25
Submarine Cable	2424	0	0	26
Deep Sea Cable	2425	0		27
Intrabuilding Network Cable	2426	0	0	28
Aerial Wire	2431	18,132		29
Conduit Systems	2441	215,690	1,258	30
TOTAL--CABLE WIRE FACILITIES ASSETS:		8,834,493	471,326	
AMORTIZABLE ASSETS				
Capital Leases	2681	0		31

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

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2111		(348)	241,719	1 A
2112	46,666		330,168	2
2113			0	3
2114			0	4
2115			7,764	5
2116			339,244	6
2121	5,260		1,211,340	7
2122			33,341	8
2123	17,444	0	92,671	9
2124			436,663	10
	69,370	(348)	2,692,910	
2211			0	11
2212	0	0	5,331,423	12
2215	0	0	0	13
2220			0	14
2231	0	0	105,258	15
2232	309,863	0	1,010,193	16
	309,863	0	6,446,874	
2311			0	17
2321			0	18
2341			0	19
2351			0	20
2362			0	21
	0	0	0	
2411	6,125		24,920	22
2421	24,228	0	79,295	23
2422	1,910	0	78,334	24
2423	80,800	0	8,775,127	25
2424	0	0	0	26
2425			0	27
2426	0	0	0	28
2431	569		17,563	29
2441	671		216,277	30
	114,303	0	9,191,516	
2681			0	31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)
AMORTIZABLE ASSETS			
Leasehold Improvements	2682	0	32
Intangibles	2690	0	33
TOTAL--AMORTIZABLE ASSETS:		0	0
TOTAL TELECOM. PLANT IN SERVICE	2001	17,714,508	1,110,676
Less: Allocation to Nonregulated Activity - EOY	2001		34
NET REG. TOTAL TELE. PLANT IN SERV. - EOY	2001		

Explain all amounts shown in column (g).

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

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2682			0	32
2690			0	33
	0	0	0	
	493,536	(348)	18,331,300	
2001			0	34
			18,331,300	

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	74,288	4,831	1
Company Communications Equipment	2123.2	30,996		2
Software	2212.1	0		3
Digital Switching - Central Office	2212.2	4,866,512	306,464	4
Digital Switching - Remote	2212.3	147,845	10,602	5
Step by Step Switching	2215.1	0		6
Crossbar Switching	2215.2	0		7
Satellite and Earth Station Facilities	2231.1	23,646		8
Other Radio Facilities	2231.2	81,612		9
Digital Circuit Equipment	2232.1	508,017	8,178	10
Analog Circuit Equipment	2232.2	0		11
Light Wave Circuit Equipment	2232.3	606,561	197,300	12
Aerial Cable - Nonmetallic	2421.1	0		13
Aerial Cable - Metallic	2421.2	103,459	64	14
Underground Cable - Nonmetallic	2422.1	0		15
Underground Cable - Metallic	2422.2	54,436	25,808	16
Buried Cable - Nonmetallic	2423.1	2,040,097	18,058	17
Buried Cable - Metallic	2423.2	6,371,634	426,138	18
Submarine Cable - Nonmetallic	2424.1	0		19
Submarine Cable - Metallic	2424.2	0		20
Intrabuilding Cable - Nonmetallic	2426.1	0		21
Intrabuilding Cable - Metallic	2426.2	0		22

Explain all amounts shown in column (g).

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

Subaccount (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2123.1	17,444		61,675	1
2123.2			30,996	2
2212.1			0	3
2212.2			5,172,976	4
2212.3			158,447	5
2215.1			0	6
2215.2			0	7
2231.1			23,646	8
2231.2			81,612	9
2232.1	309,863		206,332	10
2232.2			0	11
2232.3			803,861	12
2421.1			0	13
2421.2	24,228		79,295	14
2422.1			0	15
2422.2	1,910		78,334	16
2423.1	6,334		2,051,821	17
2423.2	74,466		6,723,306	18
2424.1			0	19
2424.2			0	20
2426.1			0	21
2426.2			0	22

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
GENERAL SUPPORT ASSETS					
Motor Vehicles	2112	236,402		48,642	1
Aircraft	2113	0			2
Special Purpose Vehicles	2114	0			3
Garage Work Equipment	2115	4,952		596	4
Other Work Equipment	2116	248,652		31,524	5
Buildings	2121	606,366		40,513	6
Furniture	2122	27,597		2,001	7
Office Equipment	2123	57,896		5,701	8D
General Purpose Computers	2124	152,600		85,634	9
Total-- GENERAL SUPPORT ASSETS		1,334,465		214,611	0
CENTRAL OFFICE ASSETS					
Analog Electronic Switching	2211	0			10
Digital Electronic Switching	2212	3,796,414		660,427	11
Electro-Mechanical Switching	2215	0			12
Operator Systems	2220	0			13
Radio Systems	2231	84,015		3,712	14
Circuit Equipment	2232	522,689		76,477	15E
Total-- CENTRAL OFFICE ASSETS		4,403,118		740,616	0
INFORMATION ORIG/TERM ASSETS					
Station Apparatus	2311	0			16
Customer Premises Wiring	2321	0			17
Large Private Branch Exchanges	2341	0			18
Public Telephone Terminal Equipment	2351	0			19
Other Terminal Equipment	2362	0			20
Total-- INFORMATION ORIG/TERM ASSETS		0		0	0
CABLE WIRE FACILITIES ASSETS					
Poles	2411	31,045			21
Aerial Cable	2421	103,459		395	22
Underground Cable	2422	35,609		3,145	23
Buried Cable	2423	4,597,602		500,881	24
Submarine Cable	2424	0			25
Deep Sea Cable	2425	0			26
Intrabuilding Network Cable	2426	0			27
Aerial Wire	2431	13,400		1,536	28

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112	46,666		7,300		245,678	1
2113					0	2
2114					0	3
2115					5,548	4
2116					280,176	5
2121	5,260				641,619	6
2122					29,598	7
2123	17,444		400	2,062	48,615	8 D
2124					238,234	9
	69,370	0	7,700	2,062	1,489,468	
2211					0	10
2212	0	448	1,915		4,458,308	11
2215	0				0	12
2220					0	13
2231	0				87,727	14
2232	309,863	11,726	750	42,961	321,288	15 E
	309,863	12,174	2,665	42,961	4,867,323	
2311					0	16
2321					0	17
2341					0	18
2351					0	19
2362					0	20
	0	0	0	0	0	
2411	6,125				24,920	21
2421	24,228	1,920			77,706	22
2422	1,910				36,844	23
2423	80,800		10		5,017,693	24
2424	0				0	25
2425					0	26
2426	0				0	27
2431	569				14,367	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	31,111		5,414	29
Total-- CABLE WIRE FACILITIES ASSETS		4,812,226		511,371	0
Total Accumulated Depreciation	3100	10,549,809		1,466,598	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				1,466,598	0

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441	671		1,257		37,111	29
	114,303	1,920	1,267	0	5,208,641	
3100	493,536	14,094	11,632	45,023	11,565,432	
3100					0	30
3100					11,565,432	

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	26,900		5,701	1 D
Company Communications Equipment	2123.2	30,996			2
Software	2212.1	0			3
Digital Switching - Central Office	2212.2	3,744,362		640,464	4
Digital Switching - Remote	2212.3	52,052		19,963	5
Step by Step Switching	2215.1	0			6
Crossbar Switching	2215.2	0			7
Satellite and Earth Station Facilities	2231.1	14,528		2,364	8
Other Radio Facilities	2231.2	69,487		1,348	9
Digital Circuit Equipment	2232.1	455,734		12,251	10 E
Analog Circuit Equipment	2232.2	0			11
Light Wave Circuit Equipment	2232.3	66,955		64,226	12
Aerial Cable - Nonmetallic	2421.1	0			13
Aerial Cable - Metallic	2421.2	103,459		395	14
Underground Cable - Nonmetallic	2422.1	0			15
Underground Cable - Metallic	2422.2	35,609		3,145	16
Buried Cable - Nonmetallic	2423.1	298,086		102,219	17
Buried Cable - Metallic	2423.2	4,299,516		398,662	18
Submarine Cable - Nonmetallic	2424.1	0			19
Submarine Cable - Metallic	2424.2	0			20
Intrabuilding Cable - Nonmetallic	2426.1	0			21
Intrabuilding Cable - Metallic	2426.2	0			22

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

Subacct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2123.1	17,444		400	2,062	17,619	1 D
2123.2					30,996	2
2212.1					0	3
2212.2		157	1,915		4,386,584	4
2212.3		291			71,724	5
2215.1					0	6
2215.2					0	7
2231.1					16,892	8
2231.2					70,835	9
2232.1	309,863	11,726	750	42,961	190,107	10 E
2232.2					0	11
2232.3					131,181	12
2421.1					0	13
2421.2	24,228	1,920			77,706	14
2422.1					0	15
2422.2	1,910				36,844	16
2423.1	6,334				393,971	17
2423.2	74,466		10		4,623,722	18
2424.1					0	19
2424.2					0	20
2426.1					0	21
2426.2					0	22

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	0	0	1
Changes:			
Balance Transferred from Income	588,522	530,726	2
Dividends Declared:			
Common			3
Preferred			4
Total Dividends Declared	0	0	
Miscellaneous Debits to Retained Earnings	588,522	530,726	5
Miscellaneous Credits to Retained Earnings			6
Balance--End of Year	<u>0</u>	<u>0</u>	

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

Particulars (a)	This Year (b)	Last Year (c)	
LOCAL NETWORK SERVICES REVENUES			
Basic Local Service Revenue (5000)*			1
Basic Area Revenue (5001)	975,052	939,101	2
Optional Extended Area Revenue (5002)			3
Cellular Mobile Revenue (5003)			4
Other Mobile Services Revenue (5004)	12,408	12,807	5
Public Telephone Revenue (5010)		2,953	6
Local Private Line Revenue (5040)			7
Customer Premises Revenue (5050)			8
Other Local Exchange Revenue (5060)	124,173	98,730	9 F
Other Local Exchange Revenue Settlements (5069)			10
TOTAL BASIC LOCAL SERVICE REVENUE (5000)	1,111,633	1,053,591	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	276,378	260,355	11
Switched Access Revenue (5082)*	1,370,015	1,312,524	12
Special Access Revenue (5083)*	114,840	88,817	13 G
TOTAL INTERSTATE ACCESS REVENUES (5080)	1,761,233	1,661,696	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*			14
Switched Access Revenue (5084.2)*	1,033,226	1,004,011	15
Special Access Revenue (5084.3)*	66,131	60,687	16
TOTAL INTRASTATE ACCESS REVENUES (5084)	1,099,357	1,064,698	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*	27,469	33,481	17
Long Distance Inward-Only Revenue (5111)			18
Long Distance Outward-Only Revenue (5112)			19
Unidirectional Long Distance Revenue (5110)	0	0	
Long Distance Private Network Revenues			
Subvoice Grade Revenue (5121)			20
Voice Grade Revenue (5122)			21
Audio Program Grade Revenue (5123)			22
Video Program Grade Revenue (5124)	5,030		23 H
Digital Transmission Revenue (5125)			24
Switching Revenue (5126)			25
Other Revenue (5128)			26
Other Revenue Settlements (5129)			27
Total Long Distance Private Network Revenue	5,030	0	
Other Long Distance Revenue (5160)			28
Other Long Distance Revenue Settlements (5169)			29
TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV.	32,499	33,481	

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

Particulars (a)	This Year (b)	Last Year (c)	
MISCELLANEOUS REVENUES			
Directory Revenue (5230)*	154,849	128,495	30
Rent Revenue (5240)*	5,562	6,933	31
Corporate Operations Revenue (5250)*			32
Miscellaneous:			
Miscellaneous Revenue (5260)*			33
Special Billing Arrangements Revenue (5261)			34
Customer Operations Revenue (5262)			35
Plant Operations Revenue (5263)			36
Other Incidental Regulated Revenue (5264)	9,473	4,086	37 I
Other Revenue Settlements (5269)			38
Total Miscellaneous Revenue (5260)	9,473	4,086	
Interstate Billing and Collection Revenue*	85,122	79,207	39
Intrastate Billing and Collection Revenue*	87,658	112,400	40 J
Total Carrier Billing and Collection Revenue (5270)*	172,780	191,607	
Nonregulated Operating Revenue (5280)**			41
TOTAL MISCELLANEOUS REVENUES	342,664	331,121	
GROSS OPERATING REVENUES	4,347,386	4,144,587	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*			42
Uncollectible Revenue--Telecommunications (5301)	(4,666)	(8,080)	43
Uncollectible Revenue--Other (5302)			44
TOTAL UNCOLLECTIBLE REVENUE (5300)	(4,666)	(8,080)	
TOTAL OPERATING REVENUES	<u>4,352,052</u>	<u>4,152,667</u>	

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

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)	
PLANT SPECIFIC OPERATIONS EXPENSE				
Total Network Support Expense (6110)	8,121	8,773		1
Less: Nonregulated	0	0		2
Net Regulated	8,121	8,773		3
Total General Support Expense (6120)	77,419	64,524		4
Less: Nonregulated	0	0		5
Net Regulated	77,419	64,524		6
Total Central Office Switching Expense (6210)	186,754	211,107		7
Less: Nonregulated	0	0		8
Net Regulated	186,754	211,107		9
Total Operator Systems Expense (6220)	0	0		10
Less: Nonregulated	0	0		11
Net Regulated	0	0		12
Total Central Office Transmission Expenses (6230)	16,844	18,413		13
Less: Nonregulated	0	0		14
Net Regulated	16,844	18,413		15
Total Information Orig. / Term. Expense (6310)	5,204	0		16
Less: Nonregulated	0	0		17 B
Net Regulated	5,204	0		18
Total Cable and Wire Fac. Expense (6410)	283,743	305,029		19
Less: Nonregulated	0	0		20
Net Regulated	283,743	305,029		21
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	578,085	607,846		
Less: Nonregulated	0	0		
Net Regulated	578,085	607,846		
PLANT NONSPECIFIC OPERATIONS EXPENSE				
Total Other Property, Plant and Equip. Exp. (6510)	5,991	6,167		22
Less: Nonregulated	0	0		23
Net Regulated	5,991	6,167		24
Total Network Operations Expense (6530)	161,830	185,099		25
Less: Nonregulated	0	0		26
Net Regulated	161,830	185,099		27
Access Expense (6540)	1,225	23,440		28
Less: Nonregulated	0	0		29 c
Net Regulated	1,225	23,440		30
Total Depreciation and Amortization Expense (6560)	1,368,243	1,511,817		31
Less: Nonregulated	0	0		32
Net Regulated	1,368,243	1,511,817		33
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	1,537,289	1,726,523		
Less: Nonregulated	0	0		
Net Regulated	1,537,289	1,726,523		

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
					6
6210					7
					8
					9
6220					10
					11
					12
6230					13
					14
					15
6310					16
					17 B
					18
6410					19
					20
					21
6510					22
					23
					24
6530					25
					26
					27
6540					28
					29 C
					30
6560					31
					32
					33

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)
CUSTOMER OPERATIONS EXPENSE			
Total Marketing (6610)	0	0	34
Less: Nonregulated	0	0	35
Net Regulated	0	0	36
Total Services (6620)	341,585	342,975	37
Less: Nonregulated	0	0	38
Net Regulated	341,585	342,975	39
TOTAL CUSTOMER OPERATIONS EXPENSE	341,585	342,975	
Less: Nonregulated	0	0	
Net Regulated	341,585	342,975	
CORPORATE OPERATIONS EXPENSE			
Total Exec. and Planning (6710)	338,015	312,218	40
Less: Nonregulated	0	0	41
Net Regulated	338,015	312,218	42
Total General and Administrative (6720)	268,700	283,345	43
Less: Nonregulated	0	0	44
Net Regulated	268,700	283,345	45
Provision for Uncollectible Notes Receiv. (6790)	0	0	46
Less: Nonregulated	0	0	47
Net Regulated	0	0	48
TOTAL CORPORATE OPERATIONS EXPENSE	606,715	595,563	
Less: Nonregulated	0	0	
Net Regulated	606,715	595,563	
TOTAL EXPENSES	3,063,674	3,272,907	
Less: Nonregulated	0	0	
Net Regulated	3,063,674	3,272,907	

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
				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)	5,991	6,167		2
Total: Reported in Account 6510	5,991	6,167		
Depreciat. Exp.--Tele. Plant in Service (6561)	1,368,243	1,511,817		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	1,368,243	1,511,817		

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

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
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	4,347,386	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)	0	4
Less: Nonregulated Operating Revenue (included in 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	4,347,386	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	1,111,633	1
Plus: Total Intrastate Access Revenues (5084)	1,099,357	2
Plus: Total Long Distance Network Services Revenue	32,499	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	2,243,489	

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	4,347,386	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)	0	4
Less: Nonregulated Operating Revenue (included in 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	<u><u>4,347,386</u></u>	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	1,111,633	1
Plus: Total Intrastate Access Revenues (5084)	1,099,357	2
Plus: Total Long Distance Network Services Revenue	32,499	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	<u><u>2,243,489</u></u>	

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

Particulars (a)	This Year (b)	Last Year (c)	
OTHER OPERATING INCOME AND EXPENSE			
Income from Custom Work (7110)*		6,204	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
TOTAL OTHER OPERATING INCOME AND (EXPENSE) (7100)*	0	6,204	
OPERATING TAXES			
Operating Investment Tax Credits--Net (7210)*			6
Operating Federal Income Taxes (7220)*	244,364	115,654	7
Operating State and Local Income Taxes (7230)*			8
Operating Other Taxes (7240)*	242,048	251,889	9
Provision for Deferred Operating Income Taxes--Net (7250)*		4,199	10
TOTAL OPERATING TAXES (7200)*	486,412	371,742	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)*	13,708	5,127	11
Interest Income (7320)*	62,739	65,990	12
Income from Sinking and Other Funds (7330)*			13
Allowance for Funds Used During Construction (7340)*			14
Gains or (Losses) from the Disposition of Certain Property (7350)*			15
Other Nonoperating Income (7360)*	2,220	1,197	16
Special Charges (7370)*	2,112	2,796	17
TOTAL NONOPERATING INCOME AND EXPENSE (7300)*	76,555	69,518	
NONOPERATING TAXES			
Nonoperating Investment Tax Credits--Net (7410)*			18
Nonoperating Federal Income Taxes (7420)*	(249)	32,857	19
Nonoperating State and Local Income Taxes (7430)*			20
Nonoperating Other Taxes (7440)*			21
Provision for Deferred Nonoperating Income Taxes-Net (7450)*	7,608	(17,604)	22
TOTAL NONOPERATING TAXES (7400)*	7,359	15,253	
INTEREST AND RELATED ITEMS			
Interest on Funded Debt (7510)*	174,450	216,292	23
Interest Expense--Capital Leases (7520)*			24
Amortization of Debt Issuance Expense (7530)*			25
Other Interest Deductions (7540)*		4,064	26
TOTAL INTEREST AND RELATED ITEMS (7500)*	174,450	220,356	
EXTRAORDINARY ITEMS			
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
TOTAL EXTRAORDINARY ITEMS (7600)*	0	0	
NONREGULATED NET INCOME			
Nonregulated Net Income (7990)*	101,043	(26,638)	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)	
LOCAL			
Intra-Exchange			1
Extended Area Service			2
Extended Community Calling	37	175	3
Other Local-Undefined			4
Total Local	37	175	
TOLL			
Operator Handled: State--intraLATA	3	6	5
Operator Handled: State--interLATA	1	3	6
Operator Handled: Interstate	1	2	7
Customer Dialed: State--intraLATA	55	253	8
Customer Dialed: State--interLATA	83	2,019	9
Customer Dialed: Interstate	21	175	10
WATS			11
Other Toll-Undefined			12
Total Toll	164	2,458	
Total Local & Toll	201	2,633	

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.					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.	7,288	2,997	6,230	4	7
Feature Group D -- Term.	7,876	3,622	3,655		8

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	24	1
Sheath miles of plant - buried	1,683	2
Sheath miles of plant - fiber optics	190	3
Strand miles of plant - fiber optics	3,705	4
Route miles of plant - microwave		5

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	1	5	1
56 kbps	12	30	2
64 kbps (DS0)	0	1	3
1.54 Mbps (DS-1)	0	6	4
45 Mbps (DS-3)	0	2	5
SONET OC-1			6
SONET OC-3			7
SONET OC-12			8
SONET OC-48			9
SONET OC-192			10

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	24	1
Sheath miles of plant - buried	1,683	2
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SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

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56 kbps	12	30	2
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1.54 Mbps (DS-1)	0	6	4
45 Mbps (DS-3)	0	2	5
SONET OC-1			6
SONET OC-3			7
SONET OC-12			8
SONET OC-48			9
SONET OC-192			10

SERVICE DATA

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

Item (a)	FOY (b)	EOY (c)	
Business			
1 Party	669	726	3
2 Party			4
4 Party			5
PBX Trunks/System Trunks	57	63	6
Centrex Trunks			7
Centrex Lines			8
Key System Trunks	252	271	9
Mobile (Utility Provided Service)	10	7	10
Paging (Utility Provided Service)			11
FX-Out (Switched)			12
Pay Telephone	50	52	13
Coin-Operated Pay Telephone	0		14
Independent Pay Telephone Provider	0		15
Pay Stations - Public			16
- Semi-Public			17
- Cust. Owned			18
Other			19
Total Business Lines	1,038	1,119	20
Residential (Incl. Emp. Concess.)			
1 Party	5,215	5,363	22
2 Party			23
4 Party			24
FX-Out (Switched)			25
Other			26
Total Residential Lines	5,215	5,363	27
Total Bus & Res Lines	6,253	6,482	28
Company Used Lines			29
Total Lines Used	6,253	6,482	30

SERVICE DATA (cont.)

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

Item (a)	FOY (b)	EOY (c)	
Miscellaneous			
WATS Lines - OutWATS			3
WATS Lines - 800 Service	2		4
FX-In-intraLATA			5
Special Access-intraLATA			6
(expressed in equiv. access lines)	43	1,524	7
Special Access-interLATA			8
(expressed in equiv. access lines)	319	13	9
Feature Group A Lines			10
Feature Group B Trunks			11
Feature Group C Trunks			12
Feature Group D Trunks	433	435	13
TSPS - Trunks	44	44	14
EAS - Trunks	697	788	15
Cellular Trunks (Pub. Sw. Net.)	24	24	16
Video Distance Learning			17
- discounted (special tariff)		1	18
Customers			19
Business - 2 Party Customers			20
Business - 4 Party Customers			21
Residential - 2 Party Customers			22
Residential - 4 Party Customers			23
Other			24
Total Central Office, Info. Orig./Term., & Cable			25
Wire Fac. Assets (based on physical location of plant)			26
	15,068,686	15,638,390	27
Total Company Square Miles	549	549	28
Total Company Route Miles	1,867	1,901	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	1480	2010	2790	2940	1
Business					2
1 Party	87	59	145	24	3
2 Party					4
4 Party					5
PBX Trunks/System Trunks	2	13	2		6
Centrex Trunks					7
Centrex Lines					8
Key System Trunks	27	8	45	4	9
Mobile (utility provided service)					10
Paging (utility provided service)					11
FX-Out (Switched)					12
Pay Telephone	7	7	6	1	13
Coin-Operated Pay Telephone					14
Independent Pay Telephone Provider					15
Pay Stations - Public					16
- Semi-Public					17
- Cust. Owned					18
Other					19
Total Business Lines	123	87	198	29	20
Residential (Incl. Emp. Concess.)					21
1 Party	738	559	882	330	22
2 Party					23
4 Party					24
FX-Out (Switched)					25
Other					26
Total Residential Lines	738	559	882	330	27
Total Bus & Res Lines	861	646	1,080	359	28
Company Used Lines					29
Total Lines Used	861	646	1,080	359	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	4500	5520	5780	6050	1
Business					2
1 Party	46	75	275	15	3
2 Party					4
4 Party					5
PBX Trunks/System Trunks		8	38		6
Centrex Trunks					7
Centrex Lines					8
Key System Trunks	17	37	133		9
Mobile (utility provided service)			7		10
Paging (utility provided service)					11
FX-Out (Switched)					12
Pay Telephone	6	9	15	1	13
Coin-Operated Pay Telephone					14
Independent Pay Telephone Provider					15
Pay Stations - Public					16
- Semi-Public					17
- Cust. Owned					18
Other					19
Total Business Lines	69	129	468	16	20
Residential (Incl. Emp. Concess.)					21
1 Party	372	519	1,785	178	22
2 Party					23
4 Party					24
FX-Out (Switched)					25
Other					26
Total Residential Lines	372	519	1,785	178	27
Total Bus & Res Lines	441	648	2,253	194	28
Company Used Lines					29
Total Lines Used	441	648	2,253	194	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	1480	2010	2790	2940	1
Miscellaneous					2
WATS Lines - OutWATS					3
WATS Lines - 800 Service					4
FX-In-intraLATA					5
Special Access-intraLATA					6
(equiv. access lines)	674	4	2		7
Special Access-interLATA					8
(equiv. access lines)		3			9
Feature Group A Lines					10
Feature Group B Trunks					11
Feature Group C Trunks					12
Feature Group D Trunks	55	53	69	48	13
TSPS - Trunks	5	5	8	4	14
EAS - Trunks	100	105	109	96	15
Cellular Trunks (Pub. Sw. Net.)					16
Video Distance Learning					17
- discounted (special tariff)					18
Customers					19
Business - 2 Party Customers					20
Business - 4 Party Customers					21
Residential - 2 Party Customers					22
Residential - 4 Party Customers					23
Other					24
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical					26
location of plant)	2,020,668	1,791,903	2,581,437	1,298,118	27
Exchange Square Miles	80	56	90	48	28
Exchange Route Miles	299	209	311	212	29
Footnotes					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	4500	5520	5780	6050	1
Miscellaneous					2
WATS Lines - OutWATS					3
WATS Lines - 800 Service					4
FX-In-intraLATA					5
Special Access-intraLATA					6
(equiv. access lines)	1	4	839		7
Special Access-interLATA					8
(equiv. access lines)	1	3	6		9
Feature Group A Lines					10
Feature Group B Trunks					11
Feature Group C Trunks					12
Feature Group D Trunks	50	52	108		13
TSPS - Trunks	6	6	10		14
EAS - Trunks	94	92	192		15
Cellular Trunks (Pub. Sw. Net.)			24		16
Video Distance Learning					17
- discounted (special tariff)			1		18
Customers					19
Business - 2 Party Customers					20
Business - 4 Party Customers					21
Residential - 2 Party Customers					22
Residential - 4 Party Customers					23
Other					24
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical					26
location of plant)	1,177,279	1,688,779	4,501,586	578,620	27
Exchange Square Miles	42	83	104	46	28
Exchange Route Miles	132	181	467	90	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

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

CENTRAL OFFICE DATA - END OF YEAR

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

Description (a)	Central Off. (b)	Central Off. (c)	Central Off. (d)	Central Off. (e)	
Exchange Name	DESOTO	GENOA	LA FARGE	LIBERTY POLE	1
PSCW Exchange ID	1480	2010	2790	2940	2
Central Office Name	DESOTO	GENOA	LA FARGE	LIBERTY POLE	3
PSCW Central Office ID	1	1	1	1	4
Manufacturer of COE (Page 54)	NTI	NTI	NTI	NTI	5
Year COE Installed	1986	1986	1983	1987	6
Type of Equipment (Page 54)	D	D	D	D	7
(S)tandalone, (H)ost, (R)emote	S	S	S	S	8
Remote Host PSCW Exchange ID					9
Remote Host PSCW Central Office ID	0	0	0	0	10
COE Generic Software Release No.	410.10	410.10	410.10	410.10	11
SS7?	Yes	Yes	Yes	Yes	12
9-1-1?	No	No	Yes	No	13
Access Lines - In Use	861	646	1,080	359	14
- Equipped	945	688	1,139	428	15
- Wired	1,280	1,280	1,344	1,280	16
Trunks - In Use	171	181	196	152	17
- Equipped	192	192	240	192	18
- Wired	288	288	288	288	19
ISDN Available?	No	No	No	No	20
ISDN Lines - In Use (BRI)	0	0	0	0	21
- In Use (PRI)	0	0	0	0	22
Switched 56 Service?	No	No	No	No	23
Switched 56 lines in use	0	0	0	0	24
Digital Transmission Facilities: DS-1 - In Use	8	10	21	12	25
DS-3 - In Use	1	0	0	0	26
Advanced Data Service Available:					
Packet Switching?	No	No	No	No	27
SMDS?	No	No	No	No	28
Frame Relay?	No	No	No	No	29
ATM (Asynchronous Trans. Mode)?	No	No	No	No	30
Video Information - Service Available?	Yes	Yes	Yes	Yes	31
- In Use (# lines) ¹	1	0	0	0	32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	68	60	52	60	33
No. of fiber strands working (LIT) in C.O.	20	17	28	14	34
No. of fiber strands for interoffice use	0	0	0	0	35
Miles of fiber sheath in wire center	26	27	31	17	36
Access Tandem Serving this C.O.:					
- C.O. Name	VIROQUA	VIROQUA	VIROQUA	VIROQUA	37
- PSCW C.O. ID	5530-01	5530-01	5530-01	5530-01	38
Does this C.O. do access tandem switching?	No	No	No	No	39
Equal Access: InterLATA (1+)?	Yes	Yes	Yes	Yes	40
Equal Access: IntraLATA (1+)?	Yes	Yes	Yes	Yes	41
Footnotes					42

¹ Teleco provided end-to-end facility.

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	READSTOWN	VIOLA	WESTBY	YUBA	1
PSCW Exchange ID	4500	5520	5780	6050	2
Central Office Name	READSTOWN	VIOLA	WESTBY	YUBA	3
PSCW Central Office ID	1	1	1	1	4
Manufacturer of COE (Page 54)	NTI	NTI	NTI	NTI	5
Year COE Installed	1987	1987	1983	1992	6
Type of Equipment (Page 54)	D	D	D	D	7
(S)tandalone, (H)ost, (R)emote	S	S	S	R	8
Remote Host PSCW Exchange ID				2790	9
Remote Host PSCW Central Office ID	0	0	0	2790	10
COE Generic Software Release No.	410.10	410.10	410.10		11
SS7?	Yes	Yes	Yes	Yes	12
9-1-1?	No	Yes	No	Yes	13
Access Lines - In Use	441	648	2,253	194	14
- Equipped	500	815	2,529	220	15
- Wired	1,280	1,280	3,184	512	16
Trunks - In Use	158	208	442	0	17
- Equipped	192	216	576	0	18
- Wired	288	288	728	0	19
ISDN Available?	No	No	No	No	20
ISDN Lines - In Use (BRI)	0	0	0	0	21
- In Use (PRI)	0	0	0	0	22
Switched 56 Service?	No	No	No	No	23
Switched 56 lines in use	0	0	0	0	24
Digital Transmission Facilities: DS-1 - In Use	13	15	109	4	25
DS-3 - In Use	0	0	1	0	26
Advanced Data Service Available:					
Packet Switching?	No	No	No	No	27
SMDS?	No	No	No	No	28
Frame Relay?	No	No	No	No	29
ATM (Asynchronous Trans. Mode)?	No	No	No	No	30
Video Information - Service Available?	Yes	Yes	Yes	Yes	31
- In Use (# lines) ¹	0	0	0	0	32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	32	104	88	12	33
No. of fiber strands working (LIT) in C.O.	8	16	28	8	34
No. of fiber strands for interoffice use	0	0	0	0	35
Miles of fiber sheath in wire center	16	29	33	10	36
Access Tandem Serving this C.O.:					
- C.O. Name	VIROQUA	VIROQUA	VIROQUA	VIROQUA	37
- PSCW C.O. ID	5530-01	5530-01	5530-01	5530-01	38
Does this C.O. do access tandem switching?	No	No	No	No	39
Equal Access: InterLATA (1+)?	Yes	Yes	Yes	Yes	40
Equal Access: IntraLATA (1+)?	Yes	Yes	Yes	Yes	41
Footnotes					42

¹ Teleco provided end-to-end facility.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

General Footnote

Response received 12/22/99

Item 1: Information provided

Item 2: Noted

Item 3: Minutes were not reported in thousands

Item 4: video distance learning on page 51 is related to BadgerNet.
ele

October 27, 1999

Mr. Scott E. Haakenson, Accountant
Vernon Telephone Cooperative
103 North Main Street
P.O. Box 20
Westby, WI 54667-0020

Re:1998 Analytical ReviewDWCCA-6090-ELE

Dear Mr. Haakenson:

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, as of today's date, a response has not been received to our 1997 analytical review letter dated September 28, 1998. Item 5 of that letter was regarding the pay stations reported on obsolete lines end of year 1997 on the Service Data and Service Data End of Year schedules, page 50 and 52. The line items: Pay Stations - Public/Semi-Public/Cust. Owned are obsolete. The information should be reported as line items: Pay Telephone, Coin Operated Pay Telephone or Independent Telephone Provider. This information was reported incorrectly again in 1998. Please provide the corrections to pages 50 and 52 for both the 1997 and 1998 annual report

2. 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 the 1999 report, estimated number of calls and minutes of use per month may be provided. ~~Non availability of this information should be documented in a footnote~~

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

NON AVAILABILITY OF THIS INFORMATION SHOULD BE DOCUMENTED IN A FOOTNOTE that states clearly the reason(s) as to why it is not available and outlines the actions taken by the company to obtain such information (such as the results of discussions with switch vendors and the cost associated with adding this feature to the switching equipment or software).

3. During our review of the Access Usage schedule, page 48, it appeared that some of the billed minutes in 1997 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 1997 to reflect those changes. Or, in the alternative, if you believe the originally filed schedules were correctly reported in thousands, explain why 1997 minutes are significantly greater than 1998.

4. During our review, we noted that first of year video distance learning is reported as 0 on the Service Data schedule, page 51, and end of year is reported as 1. There is no footnote for this activity. The schedule reference sheet for this schedule, Operations Manual 1998 annual report, indicates there is an edit check for first of year 0, end of year greater than 0 requiring "a footnote indicator and associated explanation." Please provide the explanation for this situation. We did note footnote H on page 40 related to revenue received for the BadgerNet contract. Is this video distance learning line related to the BadgerNet contract? If

Schedule Footnotes

Telecommunications Plant in Service Class A & B Footnote. Page 22

Service Data Footnote. Page 50

First of year Pay stations revised to Pay telephone cell per utility response. 1/11/00 ele

Service Data - End of Year Footnote. Page 52

Pay stations revised to Pay Telephone cell per utility response. 1/11/00 ele

Schedule Line Footnotes

- A) The adjustment of (\$348) to the Land account (2111) is due to the sale of property where a central office once existed. This property has been out of service for a number of years.
- B) The differential in Total Information Orig./Term. Expense (Acct. 6310) is due to the deregulation of paystations and paystation booths in 1997. The result is no expense incurred in 1998.
- C) The increase in Access Expense (Acct. 6540) is due to USAC and USF payments coded to this account per FCC RAO Letter 27.
- D) The adjustment to Accum. Deprec. - Office Support Equipment (Acct. 312123.1) is due to correcting the account balance after a retirement was made. The retirement created a debit balance in the A/D account.
- E) The adjustment to Accum. Deprec. - Digital Circuit Equipment (Acct. 312232.1) is due to correcting the account balance after a retirement was made. The retirement created a debit balance in the A/D account.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

- F)** The increase in Other Local Exchange Revenue (Acct. 5060) is due to an increase in the number of subscribers we now have, as well as an increase in the amount of services requested by these subscribers.
- G)** The increase in Special Access Revenue (Acct. 5083) is due to an increase in the usage of special access circuits this year versus last year.
- H)** The increase in Video Program Grade Revenue (Acct. 5124) is due to revenue received from the BadgerNET contract. The amount represents one month of amortization of the amount received. The length of amortization will be from Dec., 1998 to Nov., 2005.
- I)** The increase in Other Incidental Regulated Revenue (Acct. 5264) is due to an increase in the number of subscribers we now have, as well as an increase in the amount of services requested by these subscribers.
- J)** The decrease in Intrastate Billing & Collection Revenue (Acct. 5270) is due to a decrease in the amount of revenue received from Ameritech for billing and collecting activities on their behalf.