



4004

ANNUAL REPORT

OF

Name: BADGER TELECOM, INC.

Principal Office: PO BOX 5158
P.O. BOX 5158
MADISON, WI 53717-1707

For the Year Ended: DECEMBER 31, 2000

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 "Individual or firm, if other than utility employee, preparing this report" portion of the Identification and Ownership schedule, 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.

TABLE OF CONTENTS

Schedule Name	Page
Cover Page	1
General Rules for Reporting	2
Signature Page	3
Table of Contents	4
Annual Telecommunications Report Glossary of Terms	5
Abbreviations Used in Annual Reports	6
Identification and Ownership	7
Income Statement - Total Company	8
Notes to Income Statement or Balance Sheet	9
Balance Sheet - Assets (Class B Use Accounts Designated By *)	10
Balance Sheet - Liabilities (Class B Use Accounts Designated By *)	11
Important Changes During the Year	13
Affiliate Abbreviations	14
Affiliated Interest Transactions	15
Affiliated Assets and Liabilities	16
Telecommunications Plant in Service Class A & B	22
Telecommunications Plant in Service Class A & B (Sub-Class Accounts)	24
Accumulated Depreciation Class A & B	26
Accumulated Depreciation Class A & B (Sub-Class Accounts)	28
Net Deferred Operating Income Taxes (Acct. 1350, 1410, 1437, 4100, 4340, 4341 & 4361)	30
Retained Earnings (Acct. 4550)	37
Revenues - Class A & B (Class B Use Accounts Designated By *)	40
Expenses - Class A & B	41
Calculation of Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	43
Calculation of Assessable Revenues for Universal Service Fund Assessment Purposes	43
Other Income Accounts	44
Nonregulated Activities	45
Distribution of Salaries and Wages	46
Telephone Calls and Minutes of Use Per Month	47
Access Usage	48
Outside Plant Statistics at End of Year	49
Special Access Circuits in Use at End of Year	49
Service Data	50
Service Data - End of Year	52
Equipment Abbreviations	54
Manufacturer Abbreviations	54
Central Office Data - End of Year	55
General, Schedule Level and Schedule Line Footnotes	56

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

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

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

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

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Route Miles	Total number of route miles (to the nearest mile) of operating plant facilities including drop wire in the exchange. One route mile may consist of: <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: BADGER TELECOM, INC.
Utility Location: PO BOX 5158
P.O. BOX 5158
MADISON, WI 53717-1707

Utility Web Site Address:

When was utility organized?: 05/08/1901

Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: JOHN R . ERPENBACH
Title: ACCOUNTING MANAGER

Office Address: 301 S. WESTFIELD RD
P.O. BOX 5158
MADISON , WY 53705-0158

Fax Number: (608) 664 - 4519
Telephone Number: (608) 664 - 4289
Email Address: john.erpenbach@tdstelecom.com

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

Name: THERESA L . KRUGER
Title: SENIOR ACCOUNTANT
Firm: TDS TELECOM

Office Address: 301 S WESTFIELD RD
P.O. BOX 5158
MADISON , WI 53705-0158

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Person responsible for financial information contained in report

Name: JOHN R . ERPENBACH
Title: ACCOUNTING MANAGER

Office Address: 301 S WESTFIELD RD
P.O. BOX 5158
MADISON , WI 53705-0158

Fax Number: (608) 664 - 4519
Telephone Number: (608) 664 - 4289
Email Address: john.erpenbach@tdstelecom.com

Person responsible for statistical information contained in report

Name: VARIOUS CONTACTS
Title: X

Office Address: 301 S WESTFIELD RD
MADISON , WI 53717-1707

Fax Number: (608) 999 - 9999
Telephone Number: (608) 999 - 9999
Email Address:

a

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: TDS TELECOMMUNICATIONS CORPORATION
Address: 301 S WESTFIELD RD
MADISON , WI 53717-1707

Number of Shares Held: 4,942
Beneficial Owner: NONE

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	5,612,601	5,246,581	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	443,577	382,878	2
Plant Nonspecific Operations Expense	1,547,802	1,749,728	3
Customer Operations Expense (6610-6620)	788,588	792,460	4
Corporate Operations Expense (6710-6790)	869,914	818,411	5
Other Operating Income and Expense (7100)	2,077	1,794	6
Operating Taxes (7200)	855,885	701,435	7
Total Operating Expenses	4,503,689	4,443,118	8
Net Operating Income	1,108,912	803,463	9
Other Income			
Nonoperating Income and Expense (7300)	87,397	23,528	10
Nonoperating Taxes (7400)	72,383	12,629	11
Interest and Related Items (7500)	217,262	216,064	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	(30,497)	(51,707)	14
Total Nonoperating Income	(232,745)	(256,872)	15
Net Income	876,167	546,591	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.)

TELEPHONE PLANT

Telephone plant is stated as the original cost of construction including capitalized costs such as taxes, pensions, and other fringe benefits, and an allowance for funds used during construction (AFUDC).

DEPRECIATION

The company provides depreciation for financial reporting purposes using the straight-line method. Renewals and betterments of units of property are charged to telephone plant in service. The original cost of depreciable property retired, together with removal cost less any salvage realized, is charged to accumulated depreciation. Repairs and renewals of minor items of property are charged to maintenance expense. No gain or loss is recognized in connection with ordinary retirements of depreciable property.

REVENUES

Operating and nonoperating revenues are recognized when earned regardless of the period in which they are billed.

Compensation for all intrastate service is received through tariffed access charges billed to the long distance carrier and retained by the company.

Compensation for interstate access services is received through tariffed access charges filed by the National Exchange Carrier Association (NECA) with the Federal Communications Commission (FCC) on behalf of the member companies. These access charges are billed by the company to the interstate long distance carrier, and pooled with like revenues from all NECA member companies.

PENSION

The company is a member of the Telephone and Data Systems, Inc. Employees' Pension Trust I. This qualified, noncontributory defined contribution pension plan covers substantially all company employees. Under this plan, pension benefits and costs are funded currently.

INCOME TAXES

The company is included in the TDS consolidated federal income tax return. For financial reporting purposes, the company computes its federal income tax by applying the statutory rate to all its taxable income.

The company uses the full-normalization method for all timing differences with the resulting book-tax differences being provisioned through the deferred tax accounts. Deferred income taxes resulting from accelerated depreciation used for income tax purposes had previously been provided through the depreciation accounts. Such deferred taxes are credited to income as the related timing differences reverse. Investment tax credits resulting from investments in qualifying telephone plant and equipment

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:

have been deferred and are being amortized to income over the service lives of the related property.

-
2. A summary of significant contingent assets and liabilities existing at year end, including a brief explanation of any action initiated by the Internal Revenue Service, Wisconsin Department of Revenue, or the utility involving a possible assessment or refund of taxes.

None

-
3. The notes should include an explicit and precise explanation of any retained earnings restrictions and should state the amount of retained earnings affected by such restrictions.

The company is restricted from transferring funds to the parent or other affiliates in the form of cash dividends until certain financial requirements of its mortgage indentures have been met. At December 31, 2000, the company has invested \$0 with Telecommunications Technologies Fund, Inc., and could distribute up to \$3,381,443 to the parent or other affiliates in the form of cash dividends.

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)	2,162,248	171,257	2
Special Cash Deposits (1140)	0		3
Working Cash Advances (1150)	1,200	1,200	4
Temporary Investments (1160)	0	350,000	5
TOTAL CASH AND EQUIVALENTS	2,163,448	522,457	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	453,072	583,439	6
Accounts Receivable Allowance-Telecom (1181)*	0	0	7
Net: Telecommunications Accounts Receivable	453,072	583,439	
Other Accounts Receivable (1190)*	466,140	791,326	8
Accounts Receivable Allowance--Other (1191)*	0		9
Net: Other Accounts Receivable	466,140	791,326	
Notes Receivable (1200)*	0		10
Notes Receivable Allowance (1201)*	0		11
Net: Notes Receivable	0	0	
Interest and Dividends Receivable (1210)*	11,473	856	12
TOTAL REC AND ALLOW FOR DOUBTFUL ACCOUNTS	930,685	1,375,621	
SUPPLIES			
Inventories (1220)*	64,231	67,334	13
TOTAL SUPPLIES	64,231	67,334	
PREPAYMENTS			
Total Prepayments (1280)*			14
Prepaid Rents (1290)	0		15
Prepaid Taxes (1300)	4,823	4,145	16
Prepaid Insurance (1310)	0		17
Prepaid Directory Expenses (1320)	7,230	10,787	18
Other Prepayments (1330)	18,133	21,644	19
TOTAL PREPAYMENTS	30,186	36,576	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	1,978	1,978	20
TOTAL OTHER CURRENT ASSETS	1,978	1,978	
TOTAL CURRENT ASSETS	3,190,528	2,003,966	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	0	0	21
RTB Class B Stock (1402)*	75,608	75,608	22
Other Investments in Nonaffiliated Companies (1402)*	87,370	6,750	23
Nonregulated Investments (1406)*	75,820	92,991	24
Unamortized Debt Issuance Expense (1407)*	0		25

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
NONCURRENT ASSETS			
INVESTMENTS			
Sinking Funds (1408)*	0		26
Other Noncurrent Assets (1410)*	0		27
TOTAL INVESTMENTS	238,798	175,349	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*	9,820	12,586	28
Deferred Maintenance and Retirements (1438)*	0		29
Deferred Charges (1439)*	(669)	14,476	30
TOTAL DEFERRED CHARGES	9,151	27,062	
TOTAL NONCURRENT ASSETS	247,949	202,411	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	19,458,724	19,165,992	31
Less: Accumulated Depreciation (3100)*	9,858,111	9,023,200	32
Less: Accumulated Amortization--Capitalized Leases (3410)*	0		33
Less: Accumulated Amortization--Leasehold Improvements (3420)*	0		34
Less: Accumulated Amortization--Intangible (3500)*	0		35
NET TELECOMMUNICATIONS PLANT IN SERVICE	9,600,613	10,142,792	
PROPERTY HELD FOR FUTURE USE			
Prop. Held for Future Telecommun. Use (2002)*	0		36
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200)*	0		37
NET PROPERTY HELD FOR FUTURE USE	0	0	
NONOPERATING PLANT			
Nonoperating Plant (2006)*	0		38
Less: Accumulated Depreciation--Nonoperating (3300)*	0		39
NET NONOPERATING PLANT	0	0	
TPUC			
TPUC (2003)*	87,244	63,497	40
TOTAL TPUC	87,244	63,497	
TELECOMMUNICATIONS PLANT ADJUSTMENT			
Telecommunications Plant Adjustment (2005)*	0		41
Less: Accumulated Amortization--Other (3600)*	0		42
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	0	0	
TOTAL PLANT	9,687,857	10,206,289	
TOTAL ASSETS AND OTHER DEBITS	13,126,334	12,412,666	

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	312,245	422,702	1
Notes Payable (4020)*	0		2
Advance Billing and Payments (4030)*	139,700	143,800	3
Customer Deposits (4040)*	875	1,425	4
Current Maturities--Long-Term Debt (4050)*	185,141	177,161	5
Current Maturities--Capital Leases (4060)*	0		6
Income Taxes--Accrued (4070)*	74,336	36,781	7
Other Taxes--Accrued (4080)*	18,721	13,431	8
Net Current Deferred Operating Income Taxes (4100)*	0	0	9
Net Current Deferred Nonoperating Income Taxes (4110)*	0		10
Other Accrued Liabilities (4120)*	44,600	39,043	11
Other Current Liabilities (4130)*	52,804	71,237	12
TOTAL CURRENT LIABILITIES	828,422	905,580	
LONG-TERM DEBT			
Funded Debt (4210)*	3,912,718	4,099,412	13
Premium on Long-Term Debt (4220)*	0		14
Discount on Long-Term Debt (4230)*	0		15
Reacquired Debt (4240)*	0		16
Obligations Under Capital Leases (4250)*	0		17
Advances from Affiliated Companies (4260)*	0	0	18
Other Long-Term Debt (4270)*	0		19
TOTAL LONG-TERM DEBT	3,912,718	4,099,412	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*	99,192	44,345	20
Unamortized Operating ITC--Net (4320)*	0		21
Unamortized Nonoperating ITC--Net (4330)*	0		22
Net Noncurrent Deferred Operating Income Taxes (4340)*	815,471	766,189	23
Net Deferred Tax Liability Adjustments (4341)*	9,822	12,585	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	0		25
Other Deferred Credits (4360)*	0		26
Deferred Tax Regulatory Liability (4361)*	(2)	(2)	27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS	924,483	823,117	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	494,200	494,200	28
Additional Paid-in Capital (4520)*	40,489	40,489	29
Treasury Stock (4530)*	215,000	215,000	30
Other Capital (4540)*	0		31
Retained Earnings (4550)*	7,141,022	6,264,856	32
TOTAL STOCKHOLDERS' EQUITY	7,460,711	6,584,545	
TOTAL LIABILITIES AND OTHER CREDITS	13,126,334	12,412,654	

IMPORTANT CHANGES DURING THE YEAR

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

None

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

None

AFFILIATE ABBREVIATIONS

In column (b) provide the abbreviation for the name of the affiliate shown in column (a). Limit abbreviations to 10 characters or less. Use these abbreviations when completing the affiliated interest schedules. Insert "Other" in the Abbreviations column if the activity to be reported for a particular record in the Affiliated Interest Transactions or Affiliated Assets and Liabilities schedule represents an aggregation of activity not exceeding the dollar or percentage limits set forth in the header of that schedule.

Name of Affiliate (a)	Abbreviations (b)	
Central State Telephone	C STATE	1
Mt Vernon Telephone	MT VERNON	2
Other	OTHER	3
Suttle Press, Inc.	SUTTLE	4
Telephone & Data Systems, Inc.	TDS CORP	5
TDS Datacom	TDS DATA	6
TDS Long Distance	TDS LD	7
TDS Telecom, Inc.	TDS TEL	8
TDS Computing Services, Inc.	TDS/CS	9
Telecommunications Technologies Fund	TTF	10

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.

Particulars (a)	(b)	(c)	(d)	(e)	
Docket	0005TI000124	0005TI000124	0005TI000124	None	
Name of Affiliate	C STATE	MT VERNON	OTHER	SUTTLE	1
Designate whether billed to or from:	TO	FROM	FROM	FROM	2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C	C	C	M	3
Total Dollar Activity	71,269	50,642	10,303	948	4
Percent of affiliate's business billed to all affiliated regulated utilities				63.00	5
If cost based, rate of return on equity or markup incorporated in billings		0.00	0.00		6
Footnotes					

Particulars (a)	(b)	(c)	(d)	(e)	
Docket	0005TI000124	7484TI000100	0005TI000124	0005TI000124	
Name of Affiliate	TDS CORP	TDS LD	TDS TEL	TDS/CS	1
Designate whether billed to or from:	FROM	FROM	FROM	FROM	2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C	C	C	C	3
Total Dollar Activity	106,546	48,243	1,356,283	193,741	4
Percent of affiliate's business billed to all affiliated regulated utilities					5
If cost based, rate of return on equity or markup incorporated in billings	0.00	0.00	0.00	15.00	6
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; 1200, Notes Receivable; 1210, Interest and Dividends Receivable; 1401, Investment in Affiliated Companies; 1408, Sinking Funds; 4010, Accounts Payable; 4020, Notes 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.

Name of Affiliate (a)	Account Number (b)	Balance EOY (c)	
Central State Telephone	1190	7,319	1
Other	1190	3,643	2
TDS Long Distance	1190	5,044	3
TDS Telecom, Inc.	1190	147,346	4
TDS Telecom, Inc.	4010	207,086	5 d

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
GENERAL SUPPORT ASSETS				
Land	2111	19,634	1,357	1
Motor Vehicles	2112	233,179	78,690	2 b
Aircraft	2113	23,258		3 b
Special Purpose Vehicles	2114	0		4
Garage Work Equipment	2115	0		5
Other Work Equipment	2116	256,734	7,114	6
Buildings	2121	457,493	16,746	7
Furniture	2122	14,912	4,041	8
Office Equipment	2123	23,592	6,647	9
General Purpose Computers	2124	1,138,099	83,229	10 b
TOTAL--GENERAL SUPPORT ASSETS:		2,166,901	197,824	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0		11
Digital Electronic Switching	2212	2,942,363	(48,674)	12 b
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220	0		14
Radio Systems	2231	25,223	0	15
Circuit Equipment	2232	3,195,967	179,741	16 b
TOTAL--CENTRAL OFFICE ASSETS:		6,163,553	131,067	
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	40,557		22
Aerial Cable	2421	440,774	12,077	23 b
Underground Cable	2422	204,483	0	24
Buried Cable	2423	9,928,944	317,046	25 b
Submarine Cable	2424	0	0	26
Deep Sea Cable	2425	0		27
Intrabuilding Network Cable	2426	0	0	28
Aerial Wire	2431	21,586		29
Conduit Systems	2441	199,194		30
TOTAL--CABLE WIRE FACILITIES ASSETS:		10,835,538	329,123	
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			20,991	1
2112		(1)	311,868	2 b
2113		(7,753)	15,505	3 b
2114			0	4
2115			0	5
2116			263,848	6
2121			474,239	7
2122			18,953	8
2123	0	0	30,239	9
2124	13,870	(1)	1,207,457	10 b
	13,870	(7,755)	2,343,100	
2211			0	11
2212	264,318	(117,961)	2,511,410	12 b
2215	0	0	0	13
2220			0	14
2231	0	0	25,223	15
2232	71,130	117,960	3,422,538	16 b
	335,448	(1)	5,959,171	
2311			0	17
2321			0	18
2341			0	19
2351			0	20
2362			0	21
	0	0	0	
2411	372		40,185	22
2421	6,191	347	447,007	23 b
2422	0	0	204,483	24
2423	3,614	1,622	10,243,998	25 b
2424	0	0	0	26
2425			0	27
2426	0	0	0	28
2431			21,586	29
2441			199,194	30
	10,177	1,969	11,156,453	
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	19,165,992	658,014
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	
	359,495	(5,787)	19,458,724	
2001			0	34
			19,458,724	

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	0	6,647	1
Company Communications Equipment	2123.2	23,592		2
Software	2212.1	336,110	4,739	3 b
Digital Switching - Central Office	2212.2	1,806,129	(53,413)	4 b
Digital Switching - Remote	2212.3	800,124		5 b
Step by Step Switching	2215.1	0		6
Crossbar Switching	2215.2	0		7
Satellite and Earth Station Facilities	2231.1	0		8
Other Radio Facilities	2231.2	25,223		9
Digital Circuit Equipment	2232.1	2,514,668	175,704	10 b
Analog Circuit Equipment	2232.2	0		11
Light Wave Circuit Equipment	2232.3	681,299	4,037	12 b
Aerial Cable - Nonmetallic	2421.1	568		13
Aerial Cable - Metallic	2421.2	440,206	12,077	14 b
Underground Cable - Nonmetallic	2422.1	66,980		15
Underground Cable - Metallic	2422.2	137,503		16
Buried Cable - Nonmetallic	2423.1	1,345,607	17,168	17 b
Buried Cable - Metallic	2423.2	8,583,337	299,878	18 b
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			6,647	1
2123.2			23,592	2
2212.1		(165,690)	175,159	3 b
2212.2	237,261	51,267	1,566,722	4 b
2212.3	27,057	(3,538)	769,529	5 b
2215.1			0	6
2215.2			0	7
2231.1			0	8
2231.2			25,223	9
2232.1	71,130	21,360	2,640,602	10 b
2232.2			0	11
2232.3		96,600	781,936	12 b
2421.1			568	13
2421.2	6,191	347	446,439	14 b
2422.1			66,980	15
2422.2			137,503	16
2423.1		(1)	1,362,774	17 b
2423.2	3,614	1,623	8,881,224	18 b
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	209,831	15.0	5,448	1b
Aircraft	2113	18,840	.0	1,473	2b
Special Purpose Vehicles	2114	0			3
Garage Work Equipment	2115	0			4
Other Work Equipment	2116	232,963	10.0	23,772	5b
Buildings	2121	284,746	3.3	15,096	6
Furniture	2122	14,912	10.0		7
Office Equipment	2123	23,362	20.01		8
General Purpose Computers	2124	722,708	20.0	226,212	9b
Total-- GENERAL SUPPORT ASSETS		1,507,362		272,001	0
CENTRAL OFFICE ASSETS					
Analog Electronic Switching	2211	0			10
Digital Electronic Switching	2212	1,423,140	11.87	120,290	11b
Electro-Mechanical Switching	2215	0	.0		12b
Operator Systems	2220	0			13
Radio Systems	2231	13,062	8.3999	2,124	14
Circuit Equipment	2232	1,704,366	9.8500	265,992	15b
Total-- CENTRAL OFFICE ASSETS		3,140,568		388,406	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	36,627	10.0	4,038	21b
Aerial Cable	2421	331,373	6.0	26,540	22b
Underground Cable	2422	109,846	4.4	9,000	23b
Buried Cable	2423	3,774,107	4.98	495,419	24b
Submarine Cable	2424	0			25
Deep Sea Cable	2425	0			26
Intrabuilding Network Cable	2426	0			27
Aerial Wire	2431	29,761	19.0	4,104	28b

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112			727	(1)	216,005	1 b
2113				(7,753)	12,560	2 b
2114					0	3
2115					0	4
2116				(1)	256,734	5 b
2121		1,225			298,617	6
2122					14,912	7
2123	0				23,362	8
2124	13,870			1	935,051	9 b
	13,870	1,225	727	(7,754)	1,757,241	
2211					0	10
2212	264,318			(49)	1,279,063	11 b
2215	0			49	49	12 b
2220					0	13
2231	0				15,186	14
2232	71,130			1	1,899,229	15 b
	335,448	0	0	1	3,193,527	
2311					0	16
2321					0	17
2341					0	18
2351					0	19
2362					0	20
	0	0	0	0	0	
2411	372			(1,001)	39,292	21 b
2421	6,191			(3,161)	348,561	22 b
2422	0			(1)	118,845	23 b
2423	3,614	20		1,290	4,267,182	24 b
2424	0				0	25
2425					0	26
2426	0				0	27
2431				1	33,866	28 b

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	93,556	3.03	6,036	29b
Total-- CABLE WIRE FACILITIES ASSETS		4,375,270		545,137	0
Total Accumulated Depreciation		3100		9,023,200	1,205,544
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				1,205,544	0

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441				5	99,597	29 b
	10,177	20	0	(2,867)	4,907,343	
3100	359,495	1,245	727	(10,620)	9,858,111	
3100					0	30
3100					9,858,111	

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	(230)	19.0		1
Company Communications Equipment	2123.2	23,592	20.0		2
Software	2212.1	231,303	33.33	(81,282)	3 e
Digital Switching - Central Office	2212.2	670,091	8.7700	143,150	4 b
Digital Switching - Remote	2212.3	521,746	7.85	58,422	5 b
Step by Step Switching	2215.1	0			6 b
Crossbar Switching	2215.2	0			7
Satellite and Earth Station Facilities	2231.1	0			8
Other Radio Facilities	2231.2	13,062	8.3999	2,124	9
Digital Circuit Equipment	2232.1	1,460,980	9.91	196,680	10
Analog Circuit Equipment	2232.2	0			11
Light Wave Circuit Equipment	2232.3	243,386	9.5	69,312	12 b
Aerial Cable - Nonmetallic	2421.1	0	4.8	24	13 b
Aerial Cable - Metallic	2421.2	331,373	6.0	26,516	14 b
Underground Cable - Nonmetallic	2422.1	15,203	4.4	2,952	15
Underground Cable - Metallic	2422.2	94,643	4.4	6,048	16 b
Buried Cable - Nonmetallic	2423.1	384,612	4.8	64,584	17
Buried Cable - Metallic	2423.2	3,389,495	5.0	430,835	18 b
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					(230)	1
2123.2					23,592	2
2212.1					150,021	3 e
2212.2	237,261			(50)	575,930	4 b
2212.3	27,057			1	553,112	5 b
2215.1				49	49	6 b
2215.2					0	7
2231.1					0	8
2231.2					15,186	9
2232.1	71,130				1,586,530	10
2232.2					0	11
2232.3				1	312,699	12 b
2421.1				2	26	13 b
2421.2	6,191			(3,163)	348,535	14 b
2422.1					18,155	15
2422.2				(1)	100,690	16 b
2423.1					449,196	17
2423.2	3,614	20		1,290	3,817,986	18 b
2424.1					0	19
2424.2					0	20
2426.1					0	21
2426.2					0	22

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

This schedule should be used to report the deferred operating income tax portion of the stated accounts.
Credit amounts should be shown in ().

Particulars (a)	Balance EOY (b)	
PROPERTY RELATED		
Other Current Assets (1350)	0	1
Other Noncurrent Assets (1410)	0	2
Deferred Tax Regulatory Asset (1437)	9,820	3
Net Current Deferred Operating Income Taxes (4100)	0	4
Net Noncurrent Deferred Operating Income Taxes (4340)	(800,214)	5
Net Deferred Tax Liability Adjustments (4341)	(9,822)	6
Deferred Tax Regulatory Liability (4361)	2	7
Net Property Related Deferred Operating Income Taxes	(800,214)	
Less: Allocation to Nonregulated Activity	0	8
Net Regulated Total Property Related Deferred Operating Income Taxes	(800,214)	
NONPROPERTY RELATED		
Other Current Assets (1350)	1,978	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)	(15,257)	13
Net Deferred Tax Liability Adjustments (4341)	0	14
Deferred Tax Regulatory Liability (4361)	0	15
Total Nonproperty Related Deferred Operating Income Taxes	(13,279)	

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	6,264,856	5,718,265	1
Changes:			
Balance Transferred from Income	876,167	546,591	2
Dividends Declared:			
Common		0	3
Preferred		0	4
Total Dividends Declared	0	0	
Miscellaneous Debits to Retained Earnings		0	5
Miscellaneous Credits to Retained Earnings	(1)	0	6
Balance--End of Year	<u>7,141,022</u>	<u>6,264,856</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)	1,854,836	1,762,665	2
Optional Extended Area Revenue (5002)	4	0	3
Cellular Mobile Revenue (5003)	0	0	4
Other Mobile Services Revenue (5004)	3,950	5,653	5
Public Telephone Revenue (5010)	0	0	6
Local Private Line Revenue (5040)	106,378	117,723	7
Customer Premises Revenue (5050)	2,892	176	8
Other Local Exchange Revenue (5060)	824,834	540,734	9 f
Other Local Exchange Revenue Settlements (5069)	0	0	10
TOTAL BASIC LOCAL SERVICE REVENUE (5000)	2,792,894	2,426,951	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	363,280	348,434	11
Switched Access Revenue (5082)*	882,023	1,085,572	12
Special Access Revenue (5083)*	51,546	75,478	13 g
TOTAL INTERSTATE ACCESS REVENUES (5080)	1,296,849	1,509,484	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*	0	(8)	14
Switched Access Revenue (5084.2)*	1,005,467	838,392	15
Special Access Revenue (5084.3)*	134,384	116,107	16
TOTAL INTRASTATE ACCESS REVENUES (5084)	1,139,851	954,491	
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)	0	0	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	0	0	
Other Long Distance Revenue (5160)	0	0	28
Other Long Distance Revenue Settlements (5169)	0	0	29
TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV.	0	0	

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

Particulars (a)	This Year (b)	Last Year (c)	
MISCELLANEOUS REVENUES			
Directory Revenue (5230)*	162,568	159,070	30
Rent Revenue (5240)*	73,832	37,371	31 h
Corporate Operations Revenue (5250)*	0	0	32
Miscellaneous:			
Miscellaneous Revenue (5260)*			33
Special Billing Arrangements Revenue (5261)	0	0	34
Customer Operations Revenue (5262)	0	0	35
Plant Operations Revenue (5263)	0	0	36
Other Incidental Regulated Revenue (5264)	8,525	4,402	37
Other Revenue Settlements (5269)	40	141	38
Total Miscellaneous Revenue (5260)	8,565	4,543	
Interstate Billing and Collection Revenue*	54,111	49,311	39
Intrastate Billing and Collection Revenue*	101,938	113,380	40
Total Carrier Billing and Collection Revenue (5270)*	156,049	162,691	
Nonregulated Operating Revenue (5280)**			41
TOTAL MISCELLANEOUS REVENUES	401,014	363,675	
GROSS OPERATING REVENUES	5,630,608	5,254,601	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*			42
Uncollectible Revenue--Telecommunications (5301)	18,007	8,020	43
Uncollectible Revenue--Other (5302)		0	44
TOTAL UNCOLLECTIBLE REVENUE (5300)	18,007	8,020	
TOTAL OPERATING REVENUES	<u>5,612,601</u>	<u>5,246,581</u>	

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

EXPENSES - CLASS A & B

Particulars (a)	Total This Year (b)	Total Last Year (c)	
PLANT SPECIFIC OPERATIONS EXPENSE			
Total Network Support Expense (6110)	17,564	17,722	1
Less: Nonregulated		0	2
Net Regulated	17,564	17,722	3
Total General Support Expense (6120)	90,068	63,381	4
Less: Nonregulated		0	5 i
Net Regulated	90,068	63,381	6
Total Central Office Switching Expense (6210)	84,807	92,309	7
Less: Nonregulated		0	8
Net Regulated	84,807	92,309	9
Total Operator Systems Expense (6220)	0	0	10
Less: Nonregulated		0	11
Net Regulated	0	0	12
Total Central Office Transmission Expenses (6230)	54,840	58,506	13
Less: Nonregulated		0	14
Net Regulated	54,840	58,506	15
Total Information Orig. / Term. Expense (6310)	0	0	16
Less: Nonregulated		0	17
Net Regulated	0	0	18
Total Cable and Wire Fac. Expense (6410)	196,298	150,960	19
Less: Nonregulated		0	20 j
Net Regulated	196,298	150,960	21
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	443,577	382,878	
Less: Nonregulated	0	0	
Net Regulated	443,577	382,878	
PLANT NONSPECIFIC OPERATIONS EXPENSE			
Total Other Property, Plant and Equip. Exp. (6510)	(1,226)	8,432	22
Less: Nonregulated		0	23
Net Regulated	(1,226)	8,432	24
Total Network Operations Expense (6530)	312,964	316,407	25
Less: Nonregulated		0	26
Net Regulated	312,964	316,407	27
Access Expense (6540)	40,058	47,950	28
Less: Nonregulated		0	29
Net Regulated	40,058	47,950	30
Total Depreciation and Amortization Expense (6560)	1,196,006	1,376,939	31
Less: Nonregulated		0	32
Net Regulated	1,196,006	1,376,939	33
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	1,547,802	1,749,728	
Less: Nonregulated	0	0	
Net Regulated	1,547,802	1,749,728	

EXPENSES - CLASS A & B

Particulars (a)	Total This Year (b)	Total Last Year (c)	
CUSTOMER OPERATIONS EXPENSE			
Total Marketing (6610)	186,093	211,323	34
Less: Nonregulated		0	35
Net Regulated	186,093	211,323	36
<hr/>			
Total Services (6620)	602,495	581,137	37
Less: Nonregulated		0	38
Net Regulated	602,495	581,137	39
<hr/>			
TOTAL CUSTOMER OPERATIONS EXPENSE	788,588	792,460	
Less: Nonregulated	0	0	
Net Regulated	788,588	792,460	
<hr/>			
CORPORATE OPERATIONS EXPENSE			
Total Exec. and Planning (6710)	178,165	139,811	40
Less: Nonregulated		0	41 k
Net Regulated	178,165	139,811	42
<hr/>			
Total General and Administrative (6720)	691,749	678,600	43
Less: Nonregulated		0	44
Net Regulated	691,749	678,600	45
<hr/>			
Provision for Uncollectible Notes Receiv. (6790)	0	0	46
Less: Nonregulated		0	47
Net Regulated	0	0	48
<hr/>			
TOTAL CORPORATE OPERATIONS EXPENSE	869,914	818,411	
Less: Nonregulated	0	0	
Net Regulated	869,914	818,411	
<hr/>			
TOTAL EXPENSES	3,649,881	3,743,477	
Less: Nonregulated	0	0	
Net Regulated	3,649,881	3,743,477	

EXPENSES - CLASS A & B (DETAIL)

Particulars (a)	Total This Year (b)	Total Last Year (c)	
Property Held for Future Tele. Use Exp. (6511)	0	0	1
Provisioning Expense (6512)	(1,226)	8,432	2
Total: Reported in Account 6510	(1,226)	8,432	
Depreciat. Exp.--Tele. Plant in Service (6561)	1,194,533	1,375,466	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)	1,473	1,473	7
Total: Reported in Account 6560	1,196,006	1,376,939	

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	5,630,608	1
Plus: Collection of amounts previously written off	0	2
Less: Uncollectibles written off during the year	0	3
Plus: Total Other Operating Income and (Expense) (7100)	2,077	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): none	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	<u>5,632,685</u>	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	2,792,894	1
Plus: Total Intrastate Access Revenues (5084)	1,139,851	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus: Intrastate Payphone Revenues	0	5
Plus (or Less) Other (please specify): none	0	6
Assessable Revenues for Universal Service Fund Assessment Purposes	<u>3,932,745</u>	

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

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

Description (a)	This Year (b)	
Gross Operating Revenues	5,630,608	1
Plus: Collection of amounts previously written off	0	2
Less: Uncollectibles written off during the year	0	3
Plus: Total Other Operating Income and (Expense) (7100)	2,077	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): none	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	<u>5,632,685</u>	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	2,792,894	1
Plus: Total Intrastate Access Revenues (5084)	1,139,851	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus: Intrastate Payphone Revenues	0	5
Plus (or Less) Other (please specify): none	0	6
Assessable Revenues for Universal Service Fund Assessment Purposes	<u>3,932,745</u>	

OTHER INCOME ACCOUNTS

Particulars (a)	This Year (b)	Last Year (c)	
OTHER OPERATING INCOME AND EXPENSE			
Total Other Oper. Income and (Expense) (7100)	2,077	1,794	1
OPERATING TAXES			
Operating Investment Tax Credits--Net (7210)	0	(8,981)	2
Operating Federal Income Taxes (7220)	460,475	202,402	3
Operating State and Local Income Taxes (7230)	111,277	37,464	4
Operating Other Taxes (7240)	238,989	301,174	5
Provision for Deferred Operating Income Taxes--Net (7250)	45,144	169,376	6
TOTAL OPERATING TAXES (7200)	855,885	701,435	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)	226	220	7
Interest Income (7320)	105,534	31,992	8
Income from Sinking and Other Funds (7330)	0	0	9
Allowance for Funds Used During Construction (7340)	0	211	10
Gains or (Losses) from the Disposition of Certain Property (7350)	0	0	11
Other Nonoperating Income (7360)	(230)	(26)	12
Special Charges (7370)	18,133	8,869	13
TOTAL NONOPERATING INCOME AND EXPENSE (7300)	87,397	23,528	
NONOPERATING TAXES			
Total Nonoperating Taxes (7400)	72,383	12,629	14
INTEREST AND RELATED ITEMS			
Total Interest and Related Items (7500)	217,262	216,064	15
EXTRAORDINARY ITEMS			
Extraordinary Items (7600)	0	0	16
NONREGULATED NET INCOME			
Nonregulated Net Income (7990)	(30,497)	(51,707)	17

NONREGULATED ACTIVITIES

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

Nonregulated Activity (a)	
Sale and leasing of mobile equipment where the tariff allows.	1
Sale and leasing of pager equipment where the tariff allows.	2
Sale, installation and maintenance of Direct Broadcast Satellite(DBS).	3
Sale, leasing, installation and maintenance of 1 & 2 line phones.	4
Sale, leasing, installation and maintenance of data modems.	5
Sale, leasing, installation and maintenance of key systems.	6
Sale, leasing, installation and maintenance of PBXs.	7

DISTRIBUTION OF SALARIES AND WAGES

Description (a)	Amount (b)	
Regulated Expense	400,695	1
All Other Accounts	331,210	2
Total Salaries and Wages	<u>731,905</u>	3

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			3
Other Local-Undefined	1,926	5,931	4
Total Local	1,926	5,931	
TOLL			
Toll	858	3,003	5
Total Toll	858	3,003	
Total Local & Toll	2,784	8,934	

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.	6,278	7,281	3,930	0	7
Feature Group D -- Term.	5,152	6,680	4,350	0	8

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - fiber optics	81	1
Strand miles of plant - fiber optics	1,571	2
Route miles of plant - microwave	0	3

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	3	7	1
56 kbps	10	6	2
64 kbps (DS0)	14	7	3
1.54 Mbps (DS-1)			4 c
45 Mbps (DS-3)			5 c
SONET OC-1			6 c
SONET OC-3			7 c
SONET OC-12			8 c
SONET OC-48			9 c
SONET OC-192			10 c

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - fiber optics	81	1
Strand miles of plant - fiber optics	1,571	2
Route miles of plant - microwave	0	3

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	3	7	1
56 kbps	10	6	2
64 kbps (DS0)	14	7	3
1.54 Mbps (DS-1)			4 c
45 Mbps (DS-3)			5 c
SONET OC-1			6 c
SONET OC-3			7 c
SONET OC-12			8 c
SONET OC-48			9 c
SONET OC-192			10 c

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	621	630	3
2 Party	0		4
4 Party	0		5
PBX Trunks/System Trunks	6	7	6
Centrex Trunks	0		7
Centrex Lines	1,090	1,108	8
Key System Trunks	101	112	9
Mobile (Utility Provided Service)	0		10
Paging (Utility Provided Service)	41	36	11
FX-Out (Switched)	5		12
Pay Telephone	0		13
Coin-Operated Pay Telephone	0	0	14
Independent Pay Telephone Provider	0	0	15
Pay Stations - Public	0		16
- Semi-Public	0		17
- Cust. Owned	0		18
Other	0		19
Total Business Lines	1,864	1,893	20
Residential (Incl. Emp. Concess.)			
1 Party	5,191	5,238	22
2 Party	0		23
4 Party	0		24
FX-Out (Switched)	1	5	25
Other	0		26
Total Residential Lines	5,192	5,243	27
Total Bus & Res Lines	7,056	7,136	28
Company Used Lines	178	190	29
Total Lines Used	7,234	7,326	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	1		3
WATS Lines - 800 Service	0		4
FX-In-intraLATA	0		5
Special Access-intraLATA			6
(expressed in equiv. access lines)	159	20	7
Special Access-interLATA			8
(expressed in equiv. access lines)	209	27	9
Feature Group A Lines	0		10
Feature Group B Trunks	0		11
Feature Group C Trunks	0		12
Feature Group D Trunks	312	264	13
TSPS - Trunks	15	15	14
EAS - Trunks	144		15
Cellular Trunks (Pub. Sw. Net.)	0		16
Video Distance Learning			17
- discounted (special tariff)	3	3	18
Customers			
Business - 2 Party Customers	0		20
Business - 4 Party Customers	0		21
Residential - 2 Party Customers	0		22
Residential - 4 Party Customers	0		23
Other			
Total Central Office, Info. Orig./Term., & Cable			25
Wire Fac. Assets (based on physical location of plant)			26
	16,999,091	17,115,624	27
Total Company Square Miles	514	511	28
Total Company Route Miles	682	682	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	1060	2130	2190	3660	1
Business					2
1 Party	43	75	146	366	3
2 Party					4
4 Party					5
PBX Trunks/System Trunks				7	6
Centrex Trunks					7
Centrex Lines	35		308	765	8
Key System Trunks		26	23	63	9
Mobile (utility provided service)					10
Paging (utility provided service)	25			11	11
FX-Out (Switched)					12
Pay Telephone					13
Coin-Operated Pay Telephone	0	0	0	0	14
Independent Pay Telephone Provider	0	0	0	0	15
Pay Stations - Public					16
- Semi-Public					17
- Cust. Owned					18
Other					19
Total Business Lines	103	101	477	1,212	20
Residential (Incl. Emp. Concess.)					21
1 Party	383	660	1,374	2,821	22
2 Party					23
4 Party					24
FX-Out (Switched)		4	1		25
Other					26
Total Residential Lines	383	664	1,375	2,821	27
Total Bus & Res Lines	486	765	1,852	4,033	28
Company Used Lines	11	15	18	146	29
Total Lines Used	497	780	1,870	4,179	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	1060	2130	2190	3660	1
Miscellaneous					2
WATS Lines - OutWATS					3
WATS Lines - 800 Service					4
FX-In-intraLATA					5
Special Access-intraLATA					6
(equiv. access lines)	4	2	7	7	7
Special Access-interLATA					8
(equiv. access lines)			10	17	9
Feature Group A Lines					10
Feature Group B Trunks					11
Feature Group C Trunks					12
Feature Group D Trunks				264	13
TSPS - Trunks				15	14
EAS - Trunks					15
Cellular Trunks (Pub. Sw. Net.)					16
Video Distance Learning					17
- discounted (special tariff)		1	1	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)	1,344,234	2,228,416	3,899,984	9,642,990	27
Exchange Square Miles	33	90	153	235	28
Exchange Route Miles	56	95	263	268	29
Footnotes					30

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

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

EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

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

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Manufacturer Name (a)	Abbreviation (b)	
Alcatel	AL	1
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Siemens	SI	8
Stromberg-Carlson	SC	9
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EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

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

CENTRAL OFFICE DATA - END OF YEAR

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

Description (a)	Central Off. (b)	Central Off. (c)	Central Off. (d)	Central Off. (e)	
Exchange Name	CHILI	GRANTON	GREENWOOD	NEILLSVILLE	1
PSCW Exchange ID	1060	2130	2190	3660	2
Central Office Name	CHILI	GRANTON	GREENWOOD	NEILLSVILLE	3
PSCW Central Office ID	1	1	1	1	4
Manufacturer of COE (Page 54)	ATT/LUC	ATT/LUC	ATT/LUC	ATT/LUC	5
Year COE Installed	1988	1988	1998	1998	6
Type of Equipment (Page 54)	D	D	D	D	7
(S)tandalone, (H)ost, (R)emote	R	R	R	H	8
Remote Host PSCW Exchange ID	3660	3660	3660		9
Remote Host PSCW Central Office ID	1	1	1		10
COE Generic Software Release No.	RMT	RMT	RMT	5E14	11
SS7?	Yes	Yes	Yes	Yes	12
9-1-1?	Yes	Yes	Yes	Yes	13
Access Lines - In Use	472	780	1,870	4,168	14
- Equipped	508	900	3,362	7,160	15
- Wired	512	902	3,420	7,160	16
Trunks - In Use	0	0	0	928	17
- Equipped	0	0	0	1,344	18
- Wired	0	0	0	1,344	19
ISDN Available?	Yes	Yes	Yes	Yes	20
ISDN Lines - In Use (BRI)	0	0	0	0	21
- In Use (PRI)	0	0	0	6	22
Switched 56 Service?	Yes	Yes	Yes	Yes	23
Switched 56 lines in use	0	0	0	0	24
Digital Transmission Facilities: DS-1 - In Use	12	32	21	85	25
DS-3 - In Use	1	2	2	10	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	1	1	1	32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	16	64	32	112	33
No. of fiber strands working (LIT) in C.O.	4	28	8	36	34
No. of fiber strands for interoffice use	6	40	16	44	35
Miles of fiber sheath in wire center	8	13	12	48	36
Access Tandem Serving this C.O.:					
- C.O. Name	WAUSAU	WAUSAU	WAUSAU	WAUSAU	37
- PSCW C.O. ID	5700-01	5700-01	5700-01	5700-01	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

Schedule Footnotes

Schedule Line Footnotes

- a) Contact John Erpenbach at (608) 664-4289 with questions on page 47, page 48, page 49 Special Access Circuits only, page 50, page 51 lines 1-9, page 52 and page 53 lines 1-9. Contact Dave Esser at 9608) 664-4530 with questions on page 49 Outside Plant only, page 51 lines 10-30, page 53 lines 10-30 and page 55.
- b) Amounts listed on pages 23 and 25, in column (g) and pages 27 and 29, column (k) are reclasses between accounts or transfers with affiliates.
- c) We do not have this type of circuit in service.
- d) Federal Income Tax payable to parent is recorded in a/c 4070100.
- e) Prior period adjustment to depreciation.
- f) Increase due to rate increases.
- g) Decrease in Special Circuits
- h) Additional rent revenue for new lease.
- i) One time increase for office remodeling.
- j) Increase in cable maintenance.
- k) Increase in managerial wages.