



4004

# ANNUAL REPORT

OF

Name: SOUTHEAST TELEPHONE COMPANY OF WISCONSIN, INC

Principal Office: 525 JUNCTION ROAD  
MADISON, WI 53717

For the Year Ended: DECEMBER 31, 2002

## 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. The annual report due date is April 1 of the following year. (Example: The 2001 report is due April 1, 2002.) If that date falls on a weekend or holiday, the annual report is due the following business day.
2. **Electronic filing via e-mail is required.** Go to the Public Service Commission of Wisconsin's web page at <http://psc.wi.gov>, click on Telecommunications and click on Annual Report for Incumbent Local Exchange Carriers (LECs).
3. LEC entities with no revenues for the report year are required to file a LEC annual report.
4. Unless otherwise indicated, the information requested in this report should be taken from the accounts and other records of the utility in conformity with the Uniform System of Accounts prescribed by the Public Service Commission 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.
5. 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.
6. 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.
7. Numeric items are limited to digits (0-9). A minus sign "-" should be entered in the software program to indicate negative values. The program will convert the minus sign to parentheses if 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.
8. Please report all dollar amounts to the nearest whole dollar.
9. This annual report should be complete in all respects. Unless otherwise authorized, avoid references to returns of former years or to other reports.
10. Wherever schedules call for data from the previous year and such data were reported in the previous annual report, the 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.
11. 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.
12. The LEC annual report program incorporates provisional confidentiality capability for selected items, based on the Commission's confidentiality determination dated February 5, 2002.
13. It is not necessary to sign the signature page.
14. **Edit Check, Confidential Listing, Exported Annual Report, and Export Status Files;  
Filing the Completed Report:**

## GENERAL RULES FOR REPORTING

Program edit checks, which are located under the Admin dropdown menu, should be run at the completion of data entry. Each edit problem lists pertinent schedule(s) as well as the nature of the problem (such as "does not equal"). Edit items should be reviewed and corrected; unresolved problems should be footnoted in the report, if necessary. This screen automatically saves the edit checks to an .edt file that may be viewed and edited (for purposes of adding necessary notations) using a word processing package such as WordPad.

The confidential listing, which is located under the Admin dropdown menu, should also be run at the completion of data entry. This will create a .clf file.

Select the annual report to export from the Main-Report Selection window. Click Admin, Export Data to PSC to start the export process. This will create an .mdb file, which will subsequently be encrypted to a file with an .sen extension. An export status file is also created (with a .txt extension). The export status report file may also be viewed in a word processing package such as WordPad. If you encounter any export errors, please contact the Commission for assistance.

The .edt, .clf, .sen, and .txt files will be zipped to a file with a .zip extension. An e-mail message will be created, addressed to pscrcs@psc.state.wi.us. The .zip file is automatically attached to the e-mail message. After the e-mail is created, it will automatically be sent to the Commission.

Once received and processed by the Commission, you will receive a response indicating that your annual report has been received and is being processed. You will be notified if there are any problems with the annual report filing.

### 15. Name Changes:

If a name change is identified in the report, documents from the State of Wisconsin Department of Financial Institutions (DFI) also must be submitted to the Commission:

A domestic corporation should send a copy of the stamped page from its Articles of Amendment as filed with DFI. A foreign corporation should send a copy of their Amended Certificate of Authority as issued by DFI.

*These documents can be obtained by:*

1. Calling DFI at (608) 261-7577;
2. Contacting DFI on the web at [www.wdfi.org](http://www.wdfi.org); or
3. By writing to DFI at P.O. Box 7846, Madison, WI 53707-7846.

**While the electronic annual report filing may detail the name change (i.e., date of the change and the affected entities with their respective four-digit Commission utility identification numbers), a name change is not effective in the Commission's records until a separate notification letter is sent to the Commission including documentation to confirm registration of that change with the State of Wisconsin Department of Financial Institutions.**

### 16. Changes to the Annual Report Subsequent to Filing:

If making revisions to the report subsequent to filing with the Commission, resubmit the report via e-mail following the procedures set forth above in item number 14. New edit check, confidential listing, exported annual report, and export status files should be created as a result of the revisions.



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**ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS**

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

**ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS**

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

**ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS**

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

**ABBREVIATIONS USED IN ANNUAL REPORTS**

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

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**IDENTIFICATION AND OWNERSHIP**

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**Exact Utility Name:** SOUTHEAST TELEPHONE COMPANY OF WISCONSIN, INC.  
**Utility Location:** 525 JUNCTION ROAD  
MADISON, WI 53717

**Utility Web Site Address:**

**When was utility organized?:** 03/28/1946

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

**Telephone numbers for potential customers to contact company:**

Business Customers: (262) 534 - 5101 Ext:

Residential Customers: (262) 534 - 5101 Ext:

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

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**Name:** JOHN R . ERPENBACH  
**Title:** ACCOUNTING MANAGER

**Office Address:** 525 JUNCTION ROAD  
MADISON , WI 53717

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

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

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**Name:** BRADLEY A . KRAUSE  
**Title:** SENIOR ACCOUNTANT  
**Firm:** TDS TELECOM  
**Office Address:** 525 JUNCTION ROAD  
MADISON , WI 53717

**Fax Number:** (608) 664 - 4519  
**Telephone Number:** (608) 664 - 4316  
**Email Address:** brad.krause@tdstelecom.com

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

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**Name:** JASON VAN VUGHT  
**Title:** STAFF ACCOUNTANT  
**Office Address:** 525 JUNCTION ROAD  
MADISON , WI 53717

**Fax Number:** (608) 664 - 4519  
**Telephone Number:** (608) 664 - 4337  
**Email Address:** jason.vanvught@tdstelecom.com

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**IDENTIFICATION AND OWNERSHIP**

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

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**Name:** VARIOUS CONTACTS  
**Title:** VARIOUS CONTACTS  
  
**Office Address:** 525 JUNCTION ROAD  
MADISON , WI 53717  
  
**Fax Number:** (608) 999 - 9999  
**Telephone Number:** (608) 999 - 9999  
**Email Address:** N/A

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

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**Name:** TDS TELECOMMUNICATIONS CORPORATION  
**Address:** 525 JUNCTION ROAD  
MADISON , WI 53717  
  
**Number of Shares Held:** 41,274  
**Beneficial Owner:** NONE

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

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**Company Name:** NONE  
**Form of Interest:** NONE  
**Extent Of Interest:** NONE

**OFFICERS AND DIRECTORS****Name, Title/Occupation  
and Business Address**

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<b>Name:</b> DANIEL V.GREGORY <b>Title/Occupation:</b> VICE PRESIDENT <b>Business Address (1):</b> 8501 EXCELSIOR DRIVE <b>Business Address (2):</b> <b>Business Address (3):</b> <b>City State, Zip:</b> MADISON, WI 53717	<b>1</b>
<hr/>	
<b>Name:</b> DAVID P. JONES <b>Title/Occupation:</b> SECRETARY/TREASURER <b>Business Address (1):</b> 525 JUNCTION ROAD <b>Business Address (2):</b> <b>Business Address (3):</b> <b>City State, Zip:</b> MADISON, WI 53717	<b>2</b>
<hr/>	
<b>Name:</b> JOHN R. ERPENBACH <b>Title/Occupation:</b> ASSISTANT TREASURER <b>Business Address (1):</b> 525 JUNCTION ROAD <b>Business Address (2):</b> <b>Business Address (3):</b> <b>City State, Zip:</b> MADISON, WI 53717	<b>3</b>
<hr/>	
<b>Name:</b> MICHAEL A. PANDOW <b>Title/Occupation:</b> PRESIDENT <b>Business Address (1):</b> 8501 EXCELSIOR DRIVE <b>Business Address (2):</b> <b>Business Address (3):</b> <b>City State, Zip:</b> MADISON, WI 53717	<b>4</b>

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**INCOME STATEMENT - TOTAL COMPANY**

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	6,368,406	6,864,674	1
<b>Operating Expenses</b>			
Plant Specific Operations Expense (6110-6410)	758,650	711,068	2
Plant Nonspecific Operations Expense	1,783,060	1,542,895	3
Customer Operations Expense (6610-6620)	890,779	707,856	4
Corporate Operations Expense (6710-6790)	802,272	502,807	5
Other Operating Income and Expense (7100)	2,196	0	6
Operating Taxes (7200)	896,578	1,339,641	7
<b>Total Operating Expenses</b>	<b>5,129,143</b>	<b>4,804,267</b>	<b>8</b>
<b>Net Operating Income</b>	<b>1,239,263</b>	<b>2,060,407</b>	<b>9</b>
<b>Other Income</b>			
Nonoperating Income and Expense (7300)	825,238	588,346	10
Nonoperating Taxes (7400)	265,838	173,128	11
Interest and Related Items (7500)	310,020	422,711	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	28,813	63,211	14
<b>Total Nonoperating Income</b>	<b>278,193</b>	<b>55,718</b>	<b>15</b>
<b>Net Income</b>	<b>1,517,456</b>	<b>2,116,125</b>	<b>16</b>

## 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:

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

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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.

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3. 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.

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
<b>CURRENT ASSETS</b>			
<b>CASH AND EQUIVALENTS</b>			
Cash and Equivalents (1120)*			1
Cash (1130)	8,418,632	7,269,091	2
Special Cash Deposits (1140)	0	0	3
Working Cash Advances (1150)	550	550	4
Temporary Investments (1160)	0	0	5
<b>TOTAL CASH AND EQUIVALENTS</b>	<b>8,419,182</b>	<b>7,269,641</b>	
<b>RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS</b>			
Telecommunications Accounts Receivable (1180)*	164,095	186,601	6
Accounts Receivable Allowance-Telecom (1181)*	7,300	0	7
<b>Net: Telecommunications Accounts Receivable</b>	<b>156,795</b>	<b>186,601</b>	
Other Accounts Receivable (1190)*	517,322	615,977	8
Accounts Receivable Allowance--Other (1191)*	79,199	0	9
<b>Net: Other Accounts Receivable</b>	<b>438,123</b>	<b>615,977</b>	
Notes Receivable (1200)*	0	0	10
Notes Receivable Allowance (1201)*	0	0	11
<b>Net: Notes Receivable</b>	<b>0</b>	<b>0</b>	
Interest and Dividends Receivable (1210)*	11,502	13,196	12
<b>TOTAL REC AND ALLOW FOR DOUBTFUL ACCOUNTS</b>	<b>606,420</b>	<b>815,774</b>	
<b>SUPPLIES</b>			
Inventories (1220)*	79,063	86,007	13
<b>TOTAL SUPPLIES</b>	<b>79,063</b>	<b>86,007</b>	
<b>PREPAYMENTS</b>			
Total Prepayments (1280)*			14
Prepaid Rents (1290)	0	0	15
Prepaid Taxes (1300)	4,863	5,300	16
Prepaid Insurance (1310)	0	0	17
Prepaid Directory Expenses (1320)	0	0	18
Other Prepayments (1330)	5,818	9,431	19
<b>TOTAL PREPAYMENTS</b>	<b>10,681</b>	<b>14,731</b>	
<b>OTHER CURRENT ASSETS</b>			
Other Current Assets (1350)*	0	0	20
<b>TOTAL OTHER CURRENT ASSETS</b>	<b>0</b>	<b>0</b>	
<b>TOTAL CURRENT ASSETS</b>	<b>9,115,346</b>	<b>8,186,153</b>	
<b>NONCURRENT ASSETS</b>			
<b>INVESTMENTS</b>			
Investment in Affiliated Companies (1401)*	930,369	930,369	21
RTB Class B Stock (1402)*	0	0	22
Other Investments in Nonaffiliated Companies (1402)*	599,241	719,241	23
Nonregulated Investments (1406)*	58,630	4,380	24
Unamortized Debt Issuance Expense (1407)*	0	0	25

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
<b>NONCURRENT ASSETS</b>			
<b>INVESTMENTS</b>			
Sinking Funds (1408)*	0	0	26
Other Noncurrent Assets (1410)*	0	0	27
<b>TOTAL INVESTMENTS</b>	<b>1,588,240</b>	<b>1,653,990</b>	
<b>DEFERRED CHARGES</b>			
Deferred Tax Regulatory Asset (1437)*	0	0	28
Deferred Maintenance and Retirements (1438)*	0	0	29
Deferred Charges (1439)*	0	0	30
<b>TOTAL DEFERRED CHARGES</b>	<b>0</b>	<b>0</b>	
<b>TOTAL NONCURRENT ASSETS</b>	<b>1,588,240</b>	<b>1,653,990</b>	
<b>PLANT</b>			
<b>TELECOMMUNICATIONS PLANT IN SERVICE</b>			
Telecommunications Plant in Service (2001)*	21,543,129	19,879,797	31
Less: Accumulated Depreciation (3100 )*	10,265,959	9,132,757	32
Less: Accumulated Amortization--Capitalized Leases (3410 )*	46,976	3,700	33
Less: Accumulated Amortization--Leasehold Improvements (3420 )*	0	0	34
Less: Accumulated Amortization--Intangible (3500 )*	96,745	0	35
<b>NET TELECOMMUNICATIONS PLANT IN SERVICE</b>	<b>11,133,449</b>	<b>10,743,340</b>	
<b>PROPERTY HELD FOR FUTURE USE</b>			
Prop. Held for Future Telecommun. Use (2002)*	179,238	179,238	36
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200 )*	0	0	37
<b>NET PROPERTY HELD FOR FUTURE USE</b>	<b>179,238</b>	<b>179,238</b>	
<b>NONOPERATING PLANT</b>			
Nonoperating Plant (2006)*	0	0	38
Less: Accumulated Depreciation--Nonoperating (3300 )*	0	0	39
<b>NET NONOPERATING PLANT</b>	<b>0</b>	<b>0</b>	
<b>TPUC</b>			
TPUC (2003)*	303,887	399,645	40
<b>TOTAL TPUC</b>	<b>303,887</b>	<b>399,645</b>	
<b>TELECOMMUNICATIONS PLANT ADJUSTMENT</b>			
Telecommunications Plant Adjustment (2005)*	0	0	41
Less: Accumulated Amortization--Other (3600 )*	0	0	42
<b>NET TELECOMMUNICATIONS PLANT ADJUSTMENT</b>	<b>0</b>	<b>0</b>	
<b>TOTAL PLANT</b>	<b>11,616,574</b>	<b>11,322,223</b>	
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>22,320,160</b>	<b>21,162,366</b>	

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
<b>CURRENT LIABILITIES</b>			
Accounts Payable (4010)*	949,040	998,503	1
Notes Payable (4020)*	0	0	2
Advance Billing and Payments (4030)*	17,911	17,700	3
Customer Deposits (4040)*	600	600	4
Current Maturities--Long-Term Debt (4050)*	339,546	319,757	5
Current Maturities--Capital Leases (4060)*	0	0	6
Income Taxes--Accrued (4070)*	223,681	141,955	7
Other Taxes--Accrued (4080)*	30,805	27,434	8
Net Current Deferred Operating Income Taxes (4100)*	156	3,008	9
Net Current Deferred Nonoperating Income Taxes (4110)*	0	0	10
Other Accrued Liabilities (4120)*	82,469	110,302	11
Other Current Liabilities (4130)*	38,394	91,621	12
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,682,602</b>	<b>1,710,880</b>	
<b>LONG-TERM DEBT</b>			
Funded Debt (4210)*	5,138,632	5,478,178	13
Premium on Long-Term Debt (4220)*	0	0	14
Discount on Long-Term Debt (4230)*	0	0	15
Reacquired Debt (4240)*	0	0	16
Obligations Under Capital Leases (4250)*	53,771	0	17
Advances from Affiliated Companies (4260)*	0	0	18
Other Long-Term Debt (4270)*	0	0	19
<b>TOTAL LONG-TERM DEBT</b>	<b>5,192,403</b>	<b>5,478,178</b>	
<b>OTHER LIABILITIES AND DEFERRED CREDITS</b>			
Other Long-Term Liabilities (4310)*	359,560	536,872	20
Unamortized Operating ITC--Net (4320)*	0	0	21
Unamortized Nonoperating ITC--Net (4330)*	0	0	22
Net Noncurrent Deferred Operating Income Taxes (4340)*	1,048,389	916,686	23
Net Deferred Tax Liability Adjustments (4341)*	0	0	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	0	0	25
Other Deferred Credits (4360)*	0	0	26
Deferred Tax Regulatory Liability (4361)*	0	0	27
<b>TOTAL OTHER LIABILITIES AND DEFERRED CREDITS</b>	<b>1,407,949</b>	<b>1,453,558</b>	
<b>STOCKHOLDERS' EQUITY</b>			
Capital Stock (4510)*	4,138,311	4,138,311	28
Additional Paid-in Capital (4520)*	0	0	29
Treasury Stock (4530)*	1,035	1,035	30
Other Capital (4540)*	0	0	31
Retained Earnings (4550)*	9,899,930	8,382,045	32
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>14,037,206</b>	<b>12,519,321</b>	
<b>TOTAL LIABILITIES AND OTHER CREDITS</b>	<b>22,320,160</b>	<b>21,161,937</b>	

### IMPORTANT CHANGES DURING THE YEAR

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

**None .**

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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)	
Burlington, Brighton & Wheatland Telephone Company	BB&W	1
Other	OTHER	2
Suttle-Straus	SUTTLE	3
Telephone & Data Systems, Inc.	TDS	4
TDS Communication Solutions, Inc.	TDS CS	5
TDS Long Distance Corporation	TDS LD	6
TDS Telecommunications Corporation	TDS TC	7
TDS Telecom Service Corporation	TDS TEL	8

### 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	None	0005TI000124	
Name of Affiliate	BB&W	OTHER	SUTTLE	TDS	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	M	C	3
Total Dollar Activity	133,787	54,245	402	132,314	4
Percent of affiliate's business billed to all affiliated regulated utilities			37.00		5
If cost based, rate of return on equity or markup incorporated in billings	0.00	0.00		0.00	6
Footnotes					

Particulars (a)	(b)	(c)	(d)	(e)	
Docket	0005AT000124	0005TI000124			
Name of Affiliate	TDS CS	TDS TEL			1
Designate whether billed to or from:	FROM	FROM			2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C	C			3
Total Dollar Activity	132,340	1,376,687			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			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)	
TDS Long Distance Corporation	1190	18,572	<b>1</b>
TDS Telecom Service Corporation	1190	10,497	<b>2</b>
TDS Telecom Service Corporation	1401	930,369	<b>3</b>
Burlington, Brighton & Wheatland Telephone Company	4010	13,266	<b>4</b>
Other	4010	5,523	<b>5</b>
TDS Communication Solutions, Inc.	4010	51,000	<b>6</b>
TDS Telecom Service Corporation	4010	203,491	<b>7</b>
TDS Telecommunications Corporation	4010	102,637	<b>8 E</b>

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

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
<b>GENERAL SUPPORT ASSETS</b>				
Land	2111	209,788		1
Motor Vehicles	2112	372,061	22,092	2
Aircraft	2113	0		3
Special Purpose Vehicles	2114	0		4
Garage Work Equipment	2115	0		5
Other Work Equipment	2116	699,194		6
Buildings	2121	983,205	47,789	7
Furniture	2122	110,724		8
Office Equipment	2123	40,391	0	9
General Purpose Computers	2124	258,189	51,300	10 c
<b>TOTAL--GENERAL SUPPORT ASSETS:</b>		<b>2,673,552</b>	<b>121,181</b>	
<b>CENTRAL OFFICE ASSETS</b>				
Analog Electronic Switching	2211	0		11
Digital Electronic Switching	2212	3,014,601	7,539	12 c
Electro-Mechanical Switching	2215	5,947	0	13 c
Operator Systems	2220	0		14
Radio Systems	2231	0	0	15
Circuit Equipment	2232	2,771,155	1,006,293	16
<b>TOTAL--CENTRAL OFFICE ASSETS:</b>		<b>5,791,703</b>	<b>1,013,832</b>	
<b>INFORMATION ORIGATION/TERMINATION ASSETS</b>				
Station Apparatus	2311	0		17
Customer Premises Wiring	2321	0		18
Large Private Branch Exchanges	2341	0		19
Public Telephone Terminal Equipment	2351	0		20
Other Terminal Equipment	2362	0		21
<b>TOTAL--INFORMATION ORIG/TERM ASSETS:</b>		<b>0</b>	<b>0</b>	
<b>CABLE WIRE FACILITIES ASSETS</b>				
Poles	2411	0		22
Aerial Cable	2421	245,304	2,558	23
Underground Cable	2422	259,419	0	24
Buried Cable	2423	10,548,056	522,097	25
Submarine Cable	2424	0	0	26
Deep Sea Cable	2425	0		27
Intrabuilding Network Cable	2426	0	0	28
Aerial Wire	2431	0		29
Conduit Systems	2441	228,563		30
<b>TOTAL--CABLE WIRE FACILITIES ASSETS:</b>		<b>11,281,342</b>	<b>524,655</b>	
<b>AMORTIZABLE ASSETS</b>				
Capital Leases	2681	133,200	15,930	31

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

<b>Account (e)</b>	<b>Retirements (f)</b>	<b>Transfers / Adjustments (g)</b>	<b>Balance EOY (h)</b>	
2111			209,788	1
2112			394,153	2
2113			0	3
2114			0	4
2115			0	5
2116			699,194	6
2121			1,030,994	7
2122			110,724	8
2123	0	0	40,391	9
2124		(175,996)	133,493	10 c
	<b>0</b>	<b>(175,996)</b>	<b>2,618,737</b>	
2211			0	11
2212	0	5,947	3,028,087	12 c
2215	0	(5,947)	0	13 c
2220			0	14
2231	0	0	0	15
2232	0	0	3,777,448	16
	<b>0</b>	<b>0</b>	<b>6,805,535</b>	
2311			0	17
2321			0	18
2341			0	19
2351			0	20
2362			0	21
	<b>0</b>	<b>0</b>	<b>0</b>	
2411			0	22
2421	0	0	247,862	23
2422	0	0	259,419	24
2423	12,266	0	11,057,887	25
2424	0	0	0	26
2425			0	27
2426	0	0	0	28
2431			0	29
2441			228,563	30
	<b>12,266</b>	<b>0</b>	<b>11,793,731</b>	
2681			149,130	31

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

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)
<b>AMORTIZABLE ASSETS</b>			
Leasehold Improvements	2682	0	32
Intangibles	2690	0	33 c
<b>TOTAL--AMORTIZABLE ASSETS:</b>		<b>133,200</b>	<b>15,930</b>
<b>TOTAL TELECOM. PLANT IN SERVICE</b>	<b>2001</b>	<b>19,879,797</b>	<b>1,675,598</b>
Less: Allocation to Nonregulated Activity - EOY	2001		34
<b>NET REG. TOTAL TELE. PLANT IN SERV. - EOY</b>	<b>2001</b>		

Explain all amounts shown in column (g).

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

<b>Account (e)</b>	<b>Retirements (f)</b>	<b>Transfers / Adjustments (g)</b>	<b>Balance EOY (h)</b>	
2682			<b>0</b>	<b>32</b>
2690		175,996	<b>175,996</b>	<b>33 c</b>
	<b>0</b>	<b>175,996</b>	<b>325,126</b>	
	<b>12,266</b>	<b>0</b>	<b>21,543,129</b>	
2001			0	<b>34</b>
			<b>21,543,129</b>	

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

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

Plant Subaccount (a)	Subaccount (b)	Balance FOY (c)	Additions (d)	
Office Support Equipment	2123.1	0		<b>1</b>
Company Communications Equipment	2123.2	40,391		<b>2</b>
Software	2212.1	0		<b>3</b>
Digital Switching - Central Office	2212.2	3,014,601	7,539	<b>4 c</b>
Digital Switching - Remote	2212.3	0		<b>5</b>
Step by Step Switching	2215.1	5,947		<b>6 c</b>
Crossbar Switching	2215.2	0		<b>7</b>
Satellite and Earth Station Facilities	2231.1	0		<b>8</b>
Other Radio Facilities	2231.2	0		<b>9</b>
Digital Circuit Equipment	2232.1	2,746,648	822,397	<b>10</b>
Analog Circuit Equipment	2232.2	0		<b>11</b>
Light Wave Circuit Equipment	2232.3	24,507	183,896	<b>12</b>
Aerial Cable - Nonmetallic	2421.1	0		<b>13</b>
Aerial Cable - Metallic	2421.2	245,304	2,558	<b>14</b>
Underground Cable - Nonmetallic	2422.1	5,557		<b>15</b>
Underground Cable - Metallic	2422.2	253,862		<b>16</b>
Buried Cable - Nonmetallic	2423.1	14,678	102,166	<b>17</b>
Buried Cable - Metallic	2423.2	10,533,378	419,931	<b>18</b>
Submarine Cable - Nonmetallic	2424.1	0		<b>19</b>
Submarine Cable - Metallic	2424.2	0		<b>20</b>
Intrabuilding Cable - Nonmetallic	2426.1	0		<b>21</b>
Intrabuilding Cable - Metallic	2426.2	0		<b>22</b>

Explain all amounts shown in column (g).

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

Subaccount (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2123.1			0	1
2123.2			40,391	2
2212.1			0	3
2212.2		5,947	3,028,087	4 c
2212.3			0	5
2215.1		(5,947)	0	6 c
2215.2			0	7
2231.1			0	8
2231.2			0	9
2232.1			3,569,045	10
2232.2			0	11
2232.3			208,403	12
2421.1			0	13
2421.2			247,862	14
2422.1			5,557	15
2422.2			253,862	16
2423.1			116,844	17
2423.2	12,266		10,941,043	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)
<b>GENERAL SUPPORT ASSETS</b>					
Motor Vehicles	2112	341,033	14.43		1
Aircraft	2113	0	.0		2
Special Purpose Vehicles	2114	0	.0		3
Garage Work Equipment	2115	0	.0		4
Other Work Equipment	2116	532,159	9.0	62,928	5D
Buildings	2121	423,361	3.3	32,511	6D
Furniture	2122	116,261	7.0	(5,536)	7G,D
Office Equipment	2123	17,839	14.3	5,772	8
General Purpose Computers	2124	83,844	12.5	6,166	9D
<b>Total-- GENERAL SUPPORT ASSETS</b>		<b>1,514,497</b>		<b>101,841</b>	<b>0</b>
<b>CENTRAL OFFICE ASSETS</b>					
Analog Electronic Switching	2211	0	.0		10
Digital Electronic Switching	2212	806,476	10.0	302,360	11
Electro-Mechanical Switching	2215	0	.0		12
Operator Systems	2220	0	.0		13
Radio Systems	2231	0	.0		14
Circuit Equipment	2232	1,315,141	7.54	247,016	15
<b>Total-- CENTRAL OFFICE ASSETS</b>		<b>2,121,617</b>		<b>549,376</b>	<b>0</b>
<b>INFORMATION ORIG/TERM ASSETS</b>					
Station Apparatus	2311	0	.0		16
Customer Premises Wiring	2321	0	.0		17
Large Private Branch Exchanges	2341	0	.0		18
Public Telephone Terminal Equipment	2351	0	.0		19
Other Terminal Equipment	2362	0	.0		20
<b>Total-- INFORMATION ORIG/TERM ASSETS</b>		<b>0</b>		<b>0</b>	<b>0</b>
<b>CABLE WIRE FACILITIES ASSETS</b>					
Poles	2411	0	.0		21
Aerial Cable	2421	168,011	6.8	16,680	22
Underground Cable	2422	201,202	4.99	12,936	23
Buried Cable	2423	4,986,995	4.9	529,580	24
Submarine Cable	2424	0	.0		25
Deep Sea Cable	2425	0	.0		26
Intrabuilding Network Cable	2426	0	.0		27
Aerial Wire	2431	0	.0		28

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

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112					341,033	1
2113					0	2
2114					0	3
2115					0	4
2116				(1)	595,086	5 D
2121				1	455,873	6 D
2122				(1)	110,724	7 G,D
2123	0				23,611	8
2124				(68,724)	21,286	9 D
	<b>0</b>	<b>0</b>	<b>0</b>	<b>(68,725)</b>	<b>1,547,613</b>	
2211					0	10
2212	0				1,108,836	11
2215	0				0	12
2220					0	13
2231	0				0	14
2232	0				1,562,157	15
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,670,993</b>	
2311					0	16
2321					0	17
2341					0	18
2351					0	19
2362					0	20
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
2411					0	21
2421	0	1,932			182,759	22
2422	0				214,138	23
2423	12,266			0	5,504,309	24
2424	0				0	25
2425					0	26
2426	0				0	27
2431					0	28

**ACCUMULATED DEPRECIATION CLASS A & B**

<b>Primary Plant Account (a)</b>	<b>Acct (b)</b>	<b>Balance FOY (c)</b>	<b>Depr Rate (d)</b>	<b>Annual Accrual (e)</b>	<b>Additional Accrual (f)</b>
<b>CABLE WIRE FACILITIES ASSETS</b>					
Conduit Systems	2441	140,435	2.5	5,712	<b>29</b>
<b>Total-- CABLE WIRE FACILITIES ASSETS</b>		<b>5,496,643</b>		<b>564,908</b>	<b>0</b>
<b>Total Accumulated Depreciation</b>	<b>3100</b>	<b>9,132,757</b>		<b>1,216,125</b>	<b>0</b>
Less: Allocation to Nonregulated Activity - Columns e, f and I	3100			0	<b>0 30</b>
<b>Net Regulated Total Accum Depreciation - 3100 Columns e, f and I</b>				<b>1,216,125</b>	<b>0</b>

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

<b>Acct (g)</b>	<b>Retired (h)</b>	<b>Cost of Removal (i)</b>	<b>Salvage (j)</b>	<b>Other (k)</b>	<b>Balance EOY (l)</b>	
2441					146,147	<b>29</b>
	<b>12,266</b>	<b>1,932</b>	<b>0</b>	<b>0</b>	<b>6,047,353</b>	
<b>3100</b>	<b>12,266</b>	<b>1,932</b>	<b>0</b>	<b>(68,725)</b>	<b>10,265,959</b>	
3100					0	<b>30</b>
<b>3100</b>					<b>10,265,959</b>	

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

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

Plant Subaccount (a)	Subacct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
Office Support Equipment	2123.1	0			1
Company Communications Equipment	2123.2	17,839	14.3	5,772	2
Software	2212.1	0			3
Digital Switching - Central Office	2212.2	806,476	10.0	302,360	4
Digital Switching - Remote	2212.3	0			5
Step by Step Switching	2215.1	0			6
Crossbar Switching	2215.2	0			7
Satellite and Earth Station Facilities	2231.1	0			8
Other Radio Facilities	2231.2	0			9
Digital Circuit Equipment	2232.1	1,315,141	7.71	243,596	10
Analog Circuit Equipment	2232.2	0			11
Light Wave Circuit Equipment	2232.3	0	8.3999	3,420	12
Aerial Cable - Nonmetallic	2421.1	0			13
Aerial Cable - Metallic	2421.2	168,011	6.8	16,680	14
Underground Cable - Nonmetallic	2422.1	0	4.4	240	15
Underground Cable - Metallic	2422.2	201,202	5.0	12,696	16
Buried Cable - Nonmetallic	2423.1	88	4.4	753	17 c
Buried Cable - Metallic	2423.2	4,986,907	5.0	528,827	18 c
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					0	1
2123.2					23,611	2
2212.1					0	3
2212.2					1,108,836	4
2212.3					0	5
2215.1					0	6
2215.2					0	7
2231.1					0	8
2231.2					0	9
2232.1					1,558,737	10
2232.2					0	11
2232.3					3,420	12
2421.1					0	13
2421.2		1,932			182,759	14
2422.1					240	15
2422.2					213,898	16
2423.1				45	886	17 C
2423.2	12,266			(45)	5,503,423	18 C
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	8,382,045	6,265,920	1 F
<b>Changes:</b>			
Balance Transferred from Income	1,517,456	2,116,125	2
<b>Dividends Declared:</b>			
Common	0	0	3
Preferred	0	0	4
<b>Total Dividends Declared</b>	<b>0</b>	<b>0</b>	
Miscellaneous Debits to Retained Earnings	0	0	5
Miscellaneous Credits to Retained Earnings	429	0	6
<b>Balance--End of Year</b>	<b><u>9,899,930</u></b>	<b><u>8,382,045</u></b>	

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

Particulars (a)	This Year (b)	Last Year (c)	
<b>LOCAL NETWORK SERVICES REVENUES</b>			
Basic Local Service Revenue (5000 )*			1
Basic Area Revenue (5001 )	2,106,396	2,141,983	2
Optional Extended Area Revenue (5002 )	61,792	54,990	3
Cellular Mobile Revenue (5003 )	0	0	4
Other Mobile Services Revenue (5004 )	0	0	5
Public Telephone Revenue (5010 )	0	(153)	6
Local Private Line Revenue (5040 )	25,266	17,020	7
Customer Premises Revenue (5050 )	5,292	6,578	8
Other Local Exchange Revenue (5060 )	512,528	599,902	9
Other Local Exchange Revenue Settlements (5069 )	0	0	10
<b>TOTAL BASIC LOCAL SERVICE REVENUE (5000)</b>	<b>2,711,274</b>	<b>2,820,320</b>	
<b>NETWORK INTERSTATE ACCESS SERVICES REV.</b>			
End User Revenue (5081 )*	810,485	523,829	11 H
Switched Access Revenue (5082 )*	730,127	817,646	12
Special Access Revenue (5083 )*	143,139	18,879	13 I
<b>TOTAL INTERSTATE ACCESS REVENUES (5080)</b>	<b>1,683,751</b>	<b>1,360,354</b>	
<b>NETWORK INTRASTATE ACCESS SERVICES REV.</b>			
End User Revenue (5084.1)*	0	(65)	14
Switched Access Revenue (5084.2)*	1,502,597	2,140,418	15 J
Special Access Revenue (5084.3)*	86,845	78,364	16
<b>TOTAL INTRASTATE ACCESS REVENUES (5084)</b>	<b>1,589,442</b>	<b>2,218,717</b>	
<b>LONG DISTANCE NETWORK SERVICES MESSAGE REV.</b>			
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
<b>Unidirectional Long Distance Revenue (5110)</b>	<b>0</b>	<b>0</b>	
<b>Long Distance Private Network Revenues</b>			
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
<b>Total Long Distance Private Network Revenue</b>	<b>0</b>	<b>0</b>	
Other Long Distance Revenue (5160 )	0	0	28
Other Long Distance Revenue Settlements (5169 )	0	0	29
<b>TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV.</b>	<b>0</b>	<b>0</b>	

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

Particulars (a)	This Year (b)	Last Year (c)	
<b>MISCELLANEOUS REVENUES</b>			
Directory Revenue (5230 )*	253,744	230,837	<b>30</b>
Rent Revenue (5240 )*	0	14,367	<b>31 K</b>
Corporate Operations Revenue (5250 )*	0	0	<b>32</b>
<b>Miscellaneous:</b>			
Miscellaneous Revenue (5260 )*			<b>33</b>
Special Billing Arrangements Revenue (5261 )	0	0	<b>34</b>
Customer Operations Revenue (5262 )	0	0	<b>35</b>
Plant Operations Revenue (5263 )	0	0	<b>36</b>
Other Incidental Regulated Revenue (5264 )	26,031	4,825	<b>37 L</b>
Other Revenue Settlements (5269 )	110	205	<b>38</b>
<b>Total Miscellaneous Revenue (5260)</b>	<b>26,141</b>	<b>5,030</b>	
Interstate Billing and Collection Revenue*	42,389	61,554	<b>39 M</b>
Intrastate Billing and Collection Revenue*	172,953	186,811	<b>40</b>
<b>Total Carrier Billing and Collection Revenue (5270)*</b>	<b>215,342</b>	<b>248,365</b>	
Nonregulated Operating Revenue (5280 )**			<b>41</b>
<b>TOTAL MISCELLANEOUS REVENUES</b>	<b>495,227</b>	<b>498,599</b>	
<b>GROSS OPERATING REVENUES</b>	<b>6,479,694</b>	<b>6,897,990</b>	
<b>UNCOLLECTIBLE REVENUES</b>			
Uncollectible Revenue (5300 )*			<b>42</b>
Uncollectible Revenue--Telecommunications (5301 )	14,012	31,983	<b>43 N</b>
Uncollectible Revenue--Other (5302 )	97,276	1,333	<b>44 O</b>
<b>TOTAL UNCOLLECTIBLE REVENUE (5300)</b>	<b>111,288</b>	<b>33,316</b>	
<b>TOTAL OPERATING REVENUES</b>	<b><u>6,368,406</u></b>	<b><u>6,864,674</u></b>	

\*\* 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)	
<b>PLANT SPECIFIC OPERATIONS EXPENSE</b>			
Total Network Support Expense ( 6110 )	15,543	10,338	1
Less: Nonregulated		0	2
<b>Net Regulated</b>	<b>15,543</b>	<b>10,338</b>	<b>3</b>
Total General Support Expense ( 6120 )	40,676	34,441	4
Less: Nonregulated		0	5
<b>Net Regulated</b>	<b>40,676</b>	<b>34,441</b>	<b>6</b>
Total Central Office Switching Expense ( 6210 )	63,999	92,844	7
Less: Nonregulated		0	8 P
<b>Net Regulated</b>	<b>63,999</b>	<b>92,844</b>	<b>9</b>
Total Operator Systems Expense ( 6220 )	0	0	10
Less: Nonregulated		0	11
<b>Net Regulated</b>	<b>0</b>	<b>0</b>	<b>12</b>
Total Central Office Transmission Expenses ( 6230 )	61,425	29,135	13
Less: Nonregulated		0	14 Q
<b>Net Regulated</b>	<b>61,425</b>	<b>29,135</b>	<b>15</b>
Total Information Orig. / Term. Expense ( 6310 )	0	0	16
Less: Nonregulated		0	17
<b>Net Regulated</b>	<b>0</b>	<b>0</b>	<b>18</b>
Total Cable and Wire Fac. Expense ( 6410 )	577,007	544,310	19
Less: Nonregulated		0	20
<b>Net Regulated</b>	<b>577,007</b>	<b>544,310</b>	<b>21</b>
<b>TOTAL PLANT SPECIFIC OPERATIONS EXPENSE</b>	<b>758,650</b>	<b>711,068</b>	
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	
<b>Net Regulated</b>	<b>758,650</b>	<b>711,068</b>	
<b>PLANT NONSPECIFIC OPERATIONS EXPENSE</b>			
Total Other Property, Plant and Equip. Exp. ( 6510 )	0	21,654	22
Less: Nonregulated		0	23 R
<b>Net Regulated</b>	<b>0</b>	<b>21,654</b>	<b>24</b>
Total Network Operations Expense ( 6530 )	421,075	261,333	25
Less: Nonregulated		0	26 S
<b>Net Regulated</b>	<b>421,075</b>	<b>261,333</b>	<b>27</b>
Access Expense ( 6540 )	84,696	56,872	28
Less: Nonregulated		0	29 T
<b>Net Regulated</b>	<b>84,696</b>	<b>56,872</b>	<b>30</b>
Total Depreciation and Amortization Expense ( 6560 )	1,277,289	1,203,036	31
Less: Nonregulated		0	32
<b>Net Regulated</b>	<b>1,277,289</b>	<b>1,203,036</b>	<b>33</b>
<b>TOTAL PLANT NONSPECIFIC OPERATIONS EXP.</b>	<b>1,783,060</b>	<b>1,542,895</b>	
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	
<b>Net Regulated</b>	<b>1,783,060</b>	<b>1,542,895</b>	

**EXPENSES - CLASS A & B**

Particulars (a)	Total This Year (b)	Total Last Year (c)	
<b>CUSTOMER OPERATIONS EXPENSE</b>			
Total Marketing ( 6610 )	226,270	141,729	34
Less: Nonregulated		0	35 s
<b>Net Regulated</b>	<b>226,270</b>	<b>141,729</b>	<b>36</b>
<hr/>			
Total Services ( 6620 )	664,509	566,127	37
Less: Nonregulated		0	38
<b>Net Regulated</b>	<b>664,509</b>	<b>566,127</b>	<b>39</b>
<hr/>			
<b>TOTAL CUSTOMER OPERATIONS EXPENSE</b>	<b>890,779</b>	<b>707,856</b>	
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	
<b>Net Regulated</b>	<b>890,779</b>	<b>707,856</b>	
<hr/>			
<b>CORPORATE OPERATIONS EXPENSE</b>			
Total Exec. and Planning ( 6710 )	126,370	88,727	40
Less: Nonregulated		0	41 s
<b>Net Regulated</b>	<b>126,370</b>	<b>88,727</b>	<b>42</b>
<hr/>			
Total General and Administrative ( 6720 )	675,902	414,080	43
Less: Nonregulated		0	44 s
<b>Net Regulated</b>	<b>675,902</b>	<b>414,080</b>	<b>45</b>
<hr/>			
Provision for Uncollectible Notes Receiv. ( 6790 )	0	0	46
Less: Nonregulated		0	47
<b>Net Regulated</b>	<b>0</b>	<b>0</b>	<b>48</b>
<hr/>			
<b>TOTAL CORPORATE OPERATIONS EXPENSE</b>	<b>802,272</b>	<b>502,807</b>	
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	
<b>Net Regulated</b>	<b>802,272</b>	<b>502,807</b>	
<hr/>			
<b>TOTAL EXPENSES</b>	<b>4,234,761</b>	<b>3,464,626</b>	
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	
<b>Net Regulated</b>	<b>4,234,761</b>	<b>3,464,626</b>	

**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 )	0	21,654	2
<b>Total: Reported in Account 6510</b>	<b>0</b>	<b>21,654</b>	
Depreciat. Exp.--Tele. Plant in Service ( 6561 )	1,205,991	1,199,336	3
Depreciat. Exp.--Prop. Held for Future Tele. Use ( 6562	0	0	4
Amortization Expense--Tangible ( 6563 )	0	0	5
Amortization Expense--Intangible ( 6564 )	28,022	0	6
Amortization Expense--Other ( 6565 )	43,276	3,700	7
<b>Total: Reported in Account 6560</b>	<b>1,277,289</b>	<b>1,203,036</b>	

**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	6,479,694	1
Plus: Collection of amounts previously written off	0	2
Less: Uncollectibles written off during the year	111,289	3
Plus: Total Other Operating Income and (Expense) (7100)	2,196	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)	0	7
Plus (or Less) Other (please specify): None	0	8
<b>Assessable Revenues for Remainder and Telephone Relay Assessment Purposes</b>	<b>6,370,601</b>	

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

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	2,711,274	1
Plus: Total Intrastate Access Revenues (5084)	1,589,442	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)	0	4
Plus: Intrastate Payphone Revenues	0	5
Plus (or Less) Other (please specify): None	0	6
<b>Assessable Revenues for Universal Service Fund Assessment Purposes</b>	<b>4,300,716</b>	

### 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	6,479,694	1
Plus: Collection of amounts previously written off	0	2
Less: Uncollectibles written off during the year	111,289	3
Plus: Total Other Operating Income and (Expense) (7100)	2,196	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)	0	7
Plus (or Less) Other (please specify):		
None	0	8
<b>Assessable Revenues for Remainder and Telephone Relay Assessment Purposes</b>	<b><u>6,370,601</u></b>	

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

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	2,711,274	1
Plus: Total Intrastate Access Revenues (5084)	1,589,442	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)	0	4
Plus: Intrastate Payphone Revenues	0	5
Plus (or Less) Other (please specify):		
None	0	6
<b>Assessable Revenues for Universal Service Fund Assessment Purposes</b>	<b><u>4,300,716</u></b>	

**OTHER INCOME ACCOUNTS**

Particulars (a)	This Year (b)	Last Year (c)	
<b>OTHER OPERATING INCOME AND EXPENSE</b>			
Total Other Oper. Income and (Expense) (7100 )	2,196	0	1
<b>OPERATING TAXES</b>			
Operating Investment Tax Credits--Net (7210 )	0	(44,401)	2
Operating Federal Income Taxes (7220 )	417,655	633,411	3
Operating State and Local Income Taxes (7230 )	163,140	162,732	4
Operating Other Taxes (7240 )	184,080	201,633	5
Provision for Deferred Operating Income Taxes--Net (7250 )	131,703	386,266	6
<b>TOTAL OPERATING TAXES (7200)</b>	<b>896,578</b>	<b>1,339,641</b>	
<b>NONOPERATING INCOME AND EXPENSE</b>			
Dividend Income (7310 )	725,601	384,367	7
Interest Income (7320 )	168,253	241,566	8
Income from Sinking and Other Funds (7330 )	0	0	9
Allowance for Funds Used During Construction (7340 )	8,435	10,792	10
Gains or (Losses) from the Disposition of Certain Property (7350 )	(73,588)	0	11
Other Nonoperating Income (7360 )	0	469	12
Special Charges (7370 )	3,463	48,848	13
<b>TOTAL NONOPERATING INCOME AND EXPENSE (7300)</b>	<b>825,238</b>	<b>588,346</b>	
<b>NONOPERATING TAXES</b>			
Total Nonoperating Taxes (7400 )	265,838	173,128	14
<b>INTEREST AND RELATED ITEMS</b>			
Total Interest and Related Items (7500 )	310,020	422,711	15
<b>EXTRAORDINARY ITEMS</b>			
Extraordinary Items (7600 )	0	0	16
<b>NONREGULATED NET INCOME</b>			
Nonregulated Net Income (7990 )	28,813	63,211	17

### NONREGULATED ACTIVITIES

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

<b>Nonregulated Activity (a)</b>	
1 & 2 line phones, business systems and inside wiring.	<b>1</b>
Direct Broadcast Satellite (DBS) where available.	<b>2</b>
Internet service where available.	<b>3</b>
Mobile equipment where tariff allows and where available.	<b>4</b>
Paging service where tariff allows and where available.	<b>5</b>
Voicemail service where tariff allows and where available.	<b>6</b>

### EMPLOYEE DATA - END OF YEAR

Report employee data based on primary allocation of respective wages and salaries.

Particulars (a)	Employees (b)	
<b>Plant Operations</b>		
Supervisory & Management	1	1
Central Office	2	2
Outside Plant	4	3
Building & Service		4
Other		5
<b>Customer Operations</b>		
Supervisory & Management		6
Operators		7
Business Office	5	8
Other		9
<b>Corporate Operations</b>		
Executive & General Management		10
Accounting & Finance		11
External Relations		12
Human Resources		13
Information Management		14
Legal		15
Procurement		16
Research & Development		17
Other		18
<b>Other</b>		
All Other Employees, Not Listed Above		19
<b>Total Employees</b>	<b>12</b>	
Part-Time Employees	1	20
Full-Time Employees	11	21
<b>Total Part-Time and Full-Time Employees</b>	<b>12</b>	

### TELEPHONE CALLS AND MINUTES OF USE PER MONTH

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

Item (a)	Telephone Calls (000's) (b)	Minutes of Use (000's) (c)	
<b>LOCAL</b>			
Intra-Exchange	0	0	1 A
Extended Area Service	0	0	2 A
Extended Community Calling	0	0	3 A
Other Local-Undefined	0	0	4 A
<b>Total Local</b>	<b>0</b>	<b>0</b>	
<b>TOLL</b>			
Toll	1,341	4,698	5
<b>Total Toll</b>	<b>1,341</b>	<b>4,698</b>	
<b>Total Local &amp; Toll</b>	<b>1,341</b>	<b>4,698</b>	

### ACCESS USAGE

Enter number, in thousands, of Billed Minutes.

Description (a)	Billed Minutes (000's)				
	Interstate InterLATA (b)	Intrastate InterLATA (c)	Intrastate IntraLATA (d)	Interstate IntraLATA (e)	
Feature Group A -- Orig.	0	0	0	0	1
Feature Group A -- Term.	0	0	0	0	2
Feature Group B -- Orig.	20	0	0	0	3
Feature Group B -- Term.	5	2	0	0	4
Feature Group C -- Orig.	0	0	0	0	5
Feature Group C -- Term.	0	0	0	0	6
Feature Group D -- Orig.	13,720	4,977	21,985	0	7
Feature Group D -- Term.	7,613	2,799	17,194	0	8

**OUTSIDE PLANT STATISTICS AT END OF YEAR**

Description of Item (a)	Amount (b)	
Sheath miles of plant - fiber optics	26	1
Strand miles of plant - fiber optics	492	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	0	8	1 B
56 kbps	10	16	2
64 kbps (DS0)	1	1	3
1.54 Mbps (DS-1)	64	13	4
45 Mbps (DS-3)	2	0	5 B
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

**OUTSIDE PLANT STATISTICS AT END OF YEAR**

Description of Item (a)	Amount (b)	
Sheath miles of plant - fiber optics	26	<b>1</b>
Strand miles of plant - fiber optics	492	<b>2</b>
Route miles of plant - microwave	0	<b>3</b>

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

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	0	8	<b>1 B</b>
56 kbps	10	16	<b>2</b>
64 kbps (DS0)	1	1	<b>3</b>
1.54 Mbps (DS-1)	64	13	<b>4</b>
45 Mbps (DS-3)	2	0	<b>5 B</b>
SONET OC-1	0	0	<b>6</b>
SONET OC-3	0	0	<b>7</b>
SONET OC-12	0	0	<b>8</b>
SONET OC-48	0	0	<b>9</b>
SONET OC-192	0	0	<b>10</b>

### SERVICE DATA

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

Item (a)	FOY (b)	EOY (c)	
<b>Business</b>			
1 Party	1,387	1,409	<b>3</b>
2 Party	0	0	<b>4</b>
4 Party	0	0	<b>5</b>
PBX Trunks/System Trunks	48	46	<b>6</b>
Centrex Trunks	0	0	<b>7</b>
Centrex Lines	73	73	<b>8</b>
Key System Trunks	160	152	<b>9</b>
Mobile (Utility Provided Service)	0	0	<b>10</b>
Paging (Utility Provided Service)	0	0	<b>11</b>
FX-Out (Switched)	0	0	<b>12</b>
Pay Telephone	28	13	<b>13</b>
Coin-Operated Pay Telephone	0	0	<b>14</b>
Independent Pay Telephone Provider	0	0	<b>15</b>
Other	0	0	<b>16</b>
<b>Total Business Lines</b>	<b>1,696</b>	<b>1,693</b>	<b>17</b>
<b>Residential (Incl. Emp. Concess.)</b>			
1 Party	9,003	8,962	<b>19</b>
2 Party	0	0	<b>20</b>
4 Party	0	0	<b>21</b>
FX-Out (Switched)	0	0	<b>22</b>
Other	1	136	<b>23</b>
<b>Total Residential Lines</b>	<b>9,004</b>	<b>9,098</b>	<b>24</b>
<b>Total Bus &amp; Res Lines</b>	<b>10,700</b>	<b>10,791</b>	<b>25</b>
Company Used Lines	114	124	<b>26</b>
<b>Total Lines Used</b>	<b>10,814</b>	<b>10,915</b>	<b>27</b>

**SERVICE DATA (cont.)**

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

Item (a)	FOY (b)	EOY (c)	
<b>Miscellaneous</b>			
WATS Lines - OutWATS	0	0	<b>3</b>
WATS Lines - 800 Service	0	0	<b>4</b>
FX-In-intraLATA	0	0	<b>5</b>
Special Access-intraLATA			<b>6</b>
(expressed in equiv. access lines)	276	337	<b>7</b>
Special Access-interLATA			<b>8</b>
(expressed in equiv. access lines)	922	2,891	<b>9</b>
Feature Group A Lines	0	0	<b>10</b>
Feature Group B Trunks	0	0	<b>11</b>
Feature Group C Trunks	0	0	<b>12</b>
Feature Group D Trunks	740	764	<b>13</b>
TSPS - Trunks	32	32	<b>14</b>
EAS - Trunks	696	696	<b>15</b>
Cellular Trunks (Pub. Sw. Net.)	0	0	<b>16</b>
Video Distance Learning	0	0	<b>17</b>
- discounted (special tariff)			<b>18</b>
<b>Customers</b>			
Lifeline Customers	30	30	<b>20</b>
Linkup Customers	5	4	<b>21</b>
<b>Other</b>			
Total Company Square Miles	106	106	<b>23</b>
Total Company Route Miles	486	404	<b>24</b>
Footnotes			<b>25</b>

### 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	5610	5920			1
<b>Business</b>					<b>2</b>
1 Party	1,061	348			3
2 Party	0	0			4
4 Party	0	0			5
PBX Trunks/System Trunks	46	0			6
Centrex Trunks	0	0			7
Centrex Lines	67	6			8
Key System Trunks	144	8			9
Mobile (utility provided service)	0	0			10
Paging (utility provided service)	0	0			11
FX-Out (Switched)	0	0			12
Pay Telephone	12	1			13
Coin-Operated Pay Telephone	0	0			14
Independent Pay Telephone Provider	0	0			15
Other	0	0			16
<b>Total Business Lines</b>	<b>1,330</b>	<b>363</b>	<b>0</b>	<b>0</b>	<b>17</b>
<b>Residential (Incl. Emp. Concess.)</b>					<b>18</b>
1 Party	5,936	3,026			19
2 Party	0	0			20
4 Party	0	0			21
FX-Out (Switched)	0	0			22
Other	98	38			23
<b>Total Residential Lines</b>	<b>6,034</b>	<b>3,064</b>	<b>0</b>	<b>0</b>	<b>24</b>
<b>Total Bus &amp; Res Lines</b>	<b>7,364</b>	<b>3,427</b>	<b>0</b>	<b>0</b>	<b>25</b>
Company Used Lines	89	35			26
<b>Total Lines Used</b>	<b>7,453</b>	<b>3,462</b>	<b>0</b>	<b>0</b>	<b>27</b>

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

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

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	5610	5920			<b>1</b>
<b>Miscellaneous</b>					<b>2</b>
WATS Lines - OutWATS	0	0			<b>3</b>
WATS Lines - 800 Service	0	0			<b>4</b>
FX-In-intraLATA	0	0			<b>5</b>
Special Access-intraLATA (equiv. access lines)	327	10			<b>6</b> <b>7</b>
Special Access-interLATA (equiv. access lines)	2,698	193			<b>8</b> <b>9</b>
Feature Group A Lines	0	0			<b>10</b>
Feature Group B Trunks	0	0			<b>11</b>
Feature Group C Trunks	0	0			<b>12</b>
Feature Group D Trunks	502	262			<b>13</b>
TSPS - Trunks	20	12			<b>14</b>
EAS - Trunks	336	360			<b>15</b>
Cellular Trunks (Pub. Sw. Net.)	0	0			<b>16</b>
Video Distance Learning - discounted (special tariff)	0	0			<b>17</b> <b>18</b>
<b>Other</b>					<b>19</b>
Exchange Square Miles	79	27			<b>20</b>
Exchange Route Miles	317	87			<b>21</b>
Footnotes					<b>22</b>

### MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

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

### EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

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

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Electronic--Digital	D	3
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	WATERFORD	WIND LAKE			1
PSCW Exchange ID	5610	5920			2
Central Office Name	WATERFORD	WIND LAKE			3
PSCW Central Office ID	1	1			4
Central Office CLLI Code	WTFRWIXADSO	WDLKWIXADSO			5
Manufacturer of COE (Page 54)	SI	SI			6
Year COE Installed	1999	1999			7
Type of Equipment (Page 54)	D	D			8
(S)tandalone, (H)ost, (R)emote, (A)dv Fiber Comm	S	S			9
Remote Host PSCW Exchange ID					10
Remote Host PSCW Central Office ID	0	0			11
COE Generic Software Release No.	19.0	19.0			12
SS7?	Yes	Yes			13
9-1-1?	Yes	Yes			14
Access Lines - In Use	7,453	3,462			15
- Equipped	9,000	4,500			16
- Wired	9,000	4,500			17
Trunks - In Use	1,834	548			18
- Equipped	2,664	2,016			19
- Wired	3,096	2,016			20
ISDN Available?	Yes	Yes			21
ISDN Lines - In Use (BRI)	0	0			22
- In Use (PRI)	2	0			23
XDSL Available?	No	No			24
- In Use (# lines)					25
Switched 56 Service?	No	No			26
Switched 56 lines in use	0	0			27
Digital Transmission Facilities: DS-1 - In Use	170	45			28
DS-3 - In Use	7	3			29
Advanced Data Service Available:					
Packet Switching?	No	No			30
SMDS?	No	No			31
Frame Relay?	No	No			32
ATM (Asynchronous Trans. Mode)?	Yes	Yes			33
Video Information - Service Available?	No	No			34
- In Use (# lines) <sup>1</sup>	0	0			35
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	88	8			36
No. of fiber strands working (LIT) in C.O.	12	4			37
No. of fiber strands for interoffice use	4	4			38
Miles of fiber sheath in wire center	24	2			39
Access Tandem Serving this C.O.:					
- C.O. Name	MILWAUKEE	MILWAUKEE			40
- PSCW C.O. ID	3420-01	3420-01			41
Does this C.O. do access tandem switching?	No	No			42
Footnotes					43

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

## GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

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### General Footnote

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### Schedule Footnotes

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### Schedule Line Footnotes

- A) This information is not available.
- B) The Company does not have these types of circuits in service.
- C) Amounts listed on pages 22 and 24, in column (g) and pages 26 and 28, column (k) are reclasses between accounts or transfers with affiliates.
- D) Rounding Adjustments
- E) Federal Income Tax payable to parent is recorded in A/C 4070100.
- F) Prior year correction.
- G) Negative accrual corrects prior year over-depreciation.
- H) Increase is due to a reassignment of common line and switched revenue to end user revenue in 2002.
  - I) Increase is due to the implementation of DSL in 2002.
- J) Decrease is due to a switch audit that was performed and several cellular contracts were cancelled.
- K) Decrease is due to the cancellation of a internet contract.
- L) Increase is due to Ameritech back billing which hit in late 2002.
- M) Decrease is due to new B&C contracts beginning in 2002.
- N) Decrease is due to improved collections.
- O) Increase is due the Global Crossing and MCI WorldCom bankruptcies.
- P) Decrease is due to a drop in digital electronic expense.
- Q) Increase is due to an increase in circuit equipment expense.
- R) Decrease is due to a drop in the inventory adjustment that was made in 2001.
- S) Increase is due to a change in allocated expenses from the parent company.
- T) Increase is due to an increase in USAC and Wisconsin TEACH expenses.
- U) Increase is due to a change in allocated expenses from the parent company.
- V) Increase is due to a change in allocated expenses from the parent company.