



4004

**ANNUAL REPORT**

OF

Name: GTE NORTH INC - ILLINOIS OPERATIONS

Principal Office: 8001 W. JEFFERSON BLVD.  
FORT WAYNE, IN 46804

For the Year Ended: DECEMBER 31, 1997

**TELECOMMUNICATIONS UTILITY  
TO  
PUBLIC SERVICE COMMISSION OF WISCONSIN**

P.O. Box 7854  
Madison, WI 53707-7854  
(608) 267-9504

*This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.*

## GENERAL RULES FOR REPORTING

1. Unless otherwise indicated, the information requested in this report should be taken from the accounts and other records in conformity with the Uniform System of Accounts prescribed by the Public Service Commission of Wisconsin in docket 05-US-102. The definitions and instructions contained therein should also apply to the report wherever applicable. A query or response concerning information contained in this report regarding any practice or transaction should not be construed as indicating conformity to accounting or other pertinent regulations.
2. Please follow all instructions and answer each question fully and accurately. Provide additional information as necessary to avoid misunderstandings or misleading responses. Abbreviations listed on page 6 may be used, however please show the exact name of the respondent in full on the "Identification and Ownership" page.
3. Wherever information is requested in a "note", please show that information in the space provided, or make reference to the adjacent page or insert where the note may be found. Please also identify each note. Footnote capability is included in the annual report software program. Please use it where necessary to fully explain particulars in the annual report.
4. Numeric items are limited to digits (0-9). A minus sign "-" should be entered in the software program to indicate negative values. Do not use parentheses for numeric values. The program will convert the minus sign to parentheses when a hard copy of the annual report is printed. Negative values may not be allowed for certain entries in the annual report due to restrictions contained in the software program.
5. Please report all dollar amounts to the nearest whole dollar.
6. This annual report should be complete in all respects. Unless otherwise authorized, avoid references to returns of former years or to other reports.
7. Wherever schedules call for data from the previous year and such data were reported in the previous annual report, that previous year's data should be reported without modification. If modified, an appropriate footnote indicator and explanation should be included in the current year's annual report.
8. Where part or all of the report is prepared by other than utility personnel, a disclosure is required in the notes to the income statement or the balance sheet, which describes the nature and extent of work performed.
9. Please print a hard copy of the annual report on 20 pound or heavier paper, sign it and compare with the electronic copy before officially filing it with the Public Service Commission of Wisconsin.



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## ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

|   |   |
|---|---|
| <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>                        | <p>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:</p> <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>                 | <p>A central office switch which has no remote switching units (RSUs) subtending it.</p>   |
| <b>Trunk</b>                              | <p>A communications path connecting two switching systems in the establishment of an end-to-end connection.</p>  |
| <b>Wide Area Telephone Service (WATS)</b> | <p>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.</p>  |
| <b>Wire Center</b>                        | <p>The location of one or more local switching systems. A point at which customers' loops converge.</p>  |

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

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## IDENTIFICATION AND OWNERSHIP

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**Exact Utility Name:** GTE NORTH INC - ILLINOIS OPERATIONS  
**Utility Location:** 8001 W. JEFFERSON BLVD.  
FORT WAYNE, IN 46804

**Utility Web Site Address:**  
**When was utility organized?:** 06/18/1992  
**Report any change in name and the effective date:**

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

---

**Name:** MR BRIAN W . MCCORMICK  
**Title:** ASSISTANT CONTROLLER

**Office Address:** 600 HIDDEN RIDGE  
IRVING , TX 75038

**Fax Number:** (972) 718 - 7422  
**Telephone Number:** (972) 718 - 5461  
**Email Address:**

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

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**Name:**  
**Title:**

**Office Address:**

**Fax Number:**  
**Telephone Number:**  
**Email Address:**

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

---

**Name:** MR BRIAN W . MCCORMICK  
**Title:** ASSISTANT CONTROLLER

**Office Address:** 600 HIDDEN RIDGE  
IRVING , TX 75038

**Fax Number:** (972) 718 - 7422  
**Telephone Number:** (972) 718 - 5461  
**Email Address:**

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

---

**Name:** MR BRIAN W . MCCORMICK  
**Title:** ASSISTANT CONTROLLER

**Office Address:** 600 HIDDEN RIDGE  
IRVING , TX 75038

**Fax Number:** (972) 718 - 7422  
**Telephone Number:** (972) 718 - 5461  
**Email Address:**

## IDENTIFICATION AND OWNERSHIP

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

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**Name:** GTE CORPORATION  
**Address:** ONE STAMFORD FORUM  
STAMFORD , CT 06904

**Number of Shares Held:** 978,350  
**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:** GTW TELEPHONE SYSTEMS INCORPORATED  
**Form of Interest:** COMMON STOCK  
**Extent Of Interest:** 100%

**INCOME STATEMENT - TOTAL COMPANY**

| Particulars<br>(a)                            | This Year<br>(b)   | Last Year<br>(c)   |           |
|---|--------------------|--------------------|-----------|
| Operating Revenues (5000-5300)                | 120,928,000        | 113,902,000        | 1         |
| <b>Operating Expenses</b>                     |                    |                    |           |
| Plant Specific Operations Expense (6110-6410) | 0                  | 0                  | 2         |
| Plant Nonspecific Operations Expense          | 0                  | 0                  | 3         |
| Customer Operations Expense (6610-6620)       | 0                  | 0                  | 4         |
| Corporate Operations Expense (6710-6790)      | 0                  | 0                  | 5         |
| Other Operating Income and Expense (7100)     | 0                  | 0                  | 6         |
| Operating Taxes (7200)                        | 0                  | 0                  | 7         |
| <b>Total Operating Expenses</b>               | <b>0</b>           | <b>0</b>           | <b>8</b>  |
| <b>Net Operating Income</b>                   | <b>120,928,000</b> | <b>113,902,000</b> | <b>9</b>  |
| <b>Other Income</b>                           |                    |                    |           |
| Nonoperating Income and Expense (7300)        | 0                  | 0                  | 10        |
| Nonoperating Taxes (7400)                     | 0                  | 0                  | 11        |
| Interest and Related Items (7500)             | 0                  | 0                  | 12        |
| Extraordinary Items (7600)                    | 0                  | 0                  | 13        |
| Nonregulated Net Income (7990)                | 0                  | 0                  | 14        |
| <b>Total Nonoperating Income</b>              | <b>0</b>           | <b>0</b>           | <b>15</b> |
| <b>Net Income</b>                             | <b>120,928,000</b> | <b>113,902,000</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.)

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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. 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.

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

| Particulars<br>(a)                                      | Balance--EOY<br>(b) | Balance--FOY<br>(c) |    |
|---|---------------------|---------------------|----|
| <b>CURRENT ASSETS</b>                                   |                     |                     |    |
| <b>CASH AND EQUIVALENTS</b>                             |                     |                     |    |
| Cash and Equivalents (1120 )*                           |                     |                     | 1  |
| Cash (1130 )  |                     |                     | 2  |
| Special Cash Deposits (1140 )                           |                     |                     | 3  |
| Working Cash Advances (1150 )                           |                     |                     | 4  |
| Temporary Investments (1160 )                           |                     |                     | 5  |
| <b>TOTAL CASH AND EQUIVALENTS</b>                       | <b>0</b>            | <b>0</b>            |    |
| <b>RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS</b> |                     |                     |    |
| Telecommunications Accounts Receivable (1180 )*         |                     |                     | 6  |
| Accounts Receivable Allowance-Telecom (1181 )*          |                     |                     | 7  |
| <b>Net: Telecommunications Accounts Receivable</b>      | <b>0</b>            | <b>0</b>            |    |
| Other Accounts Receivable (1190 )*                      |                     |                     | 8  |
| Accounts Receivable Allowance--Other (1191 )*           |                     |                     | 9  |
| <b>Net: Other Accounts Receivable</b>                   | <b>0</b>            | <b>0</b>            |    |
| Notes Receivable (1200 )*                               | 0                   |                     | 10 |
| Notes Receivable Allowance (1201 )*                     | 0                   |                     | 11 |
| <b>Net: Notes Receivable</b>                            | <b>0</b>            | <b>0</b>            |    |
| Interest and Dividends Receivable (1210 )*              |                     |                     | 12 |
| <b>TOTAL RECEIVABLES AND ALLOWANCES FOR DOUBTFUL</b>    | <b>0</b>            | <b>0</b>            |    |
| <b>SUPPLIES</b>   |                     |                     |    |
| Inventories (1220 )*                                    |                     |                     | 13 |
| <b>TOTAL SUPPLIES</b>                                   | <b>0</b>            | <b>0</b>            |    |
| <b>PREPAYMENTS</b>                                      |                     |                     |    |
| Total Prepayments (1280 )*                              |                     |                     | 14 |
| Prepaid Rents (1290 )                                   |                     |                     | 15 |
| Prepaid Taxes (1300 )                                   |                     |                     | 16 |
| Prepaid Insurance (1310 )                               |                     |                     | 17 |
| Prepaid Directory Expenses (1320 )                      |                     |                     | 18 |
| Other Prepayments (1330 )                               |                     |                     | 19 |
| <b>TOTAL PREPAYMENTS</b>                                | <b>0</b>            | <b>0</b>            |    |
| <b>OTHER CURRENT ASSETS</b>                             |                     |                     |    |
| Other Current Assets (1350 )*                           |                     |                     | 20 |
| <b>TOTAL OTHER CURRENT ASSETS</b>                       | <b>0</b>            | <b>0</b>            |    |
| <b>TOTAL CURRENT ASSETS</b>                             | <b>0</b>            | <b>0</b>            |    |
| <b>NONCURRENT ASSETS</b>                                |                     |                     |    |
| <b>INVESTMENTS</b>                                      |                     |                     |    |
| Investment in Affiliated Companies (1401 )*             | 0                   |                     | 21 |
| Investments in Nonaffiliated Companies (1402 )*         | 0                   |                     | 22 |
| Nonregulated Investments (1406 )*                       | 0                   |                     | 23 |
| Unamortized Debt Issuance Expense (1407 )*              |                     |                     | 24 |
| Sinking Funds (1408 )*                                  | 0                   |                     | 25 |

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

| Particulars<br>(a)  | Balance--EOY<br>(b) | Balance--FOY<br>(c) |
|---|---------------------|---------------------|
| <b>NONCURRENT ASSETS</b>  |                     |                     |
| <b>INVESTMENTS</b>  |                     |                     |
| Other Noncurrent Assets (1410 )*  |                     | 26                  |
| <b>TOTAL INVESTMENTS</b>  | <b>0</b>            | <b>0</b>            |
| <b>DEFERRED CHARGES</b>   |                     |                     |
| Deferred Tax Regulatory Asset (1437 )*  | 0                   | 27                  |
| Deferred Maintenance and Retirements (1438 )*                                   | 0                   | 28                  |
| Deferred Charges (1439 )*   |                     | 29                  |
| <b>TOTAL DEFERRED CHARGES</b>   | <b>0</b>            | <b>0</b>            |
| <b>TOTAL NONCURRENT ASSETS</b>  | <b>0</b>            | <b>0</b>            |
| <b>PLANT</b>  |                     |                     |
| <b>TELECOMMUNICATIONS PLANT IN SERVICE</b>                                      |                     |                     |
| Telecommunications Plant in Service (2001 )*                                    | 0                   | 30                  |
| Less: Accumulated Depreciation (3100 )*   | 0                   | 31                  |
| Less: Accumulated Amortization--Capitalized Leases (3410 )*                     |                     | 32                  |
| Less: Accumulated Amortization--Leasehold Improvements (3420 )*                 |                     | 33                  |
| Less: Accumulated Amortization--Intangible (3500 )*                             |                     | 34                  |
| <b>NET TELECOMMUNICATIONS PLANT IN SERVICE</b>                                  | <b>0</b>            | <b>0</b>            |
| <b>PROPERTY HELD FOR FUTURE USE</b>   |                     |                     |
| Prop. Held for Future Telecommun. Use (2002 )*                                  |                     | 35                  |
| Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200 )* |                     | 36                  |
| <b>NET PROPERTY HELD FOR FUTURE USE</b>   | <b>0</b>            | <b>0</b>            |
| <b>NONOPERATING PLANT</b>   |                     |                     |
| Nonoperating Plant (2006 )*   |                     | 37                  |
| Less: Accumulated Depreciation--Nonoperating (3300 )*                           |                     | 38                  |
| <b>NET NONOPERATING PLANT</b>   | <b>0</b>            | <b>0</b>            |
| <b>TPUC</b>   |                     |                     |
| TPUC (2003 )*   |                     | 39                  |
| <b>TOTAL TPUC</b>   | <b>0</b>            | <b>0</b>            |
| <b>TELECOMMUNICATIONS PLANT ADJUSTMENT</b>                                      |                     |                     |
| Telecommunications Plant Adjustment (2005 )*                                    |                     | 40                  |
| Less: Accumulated Amortization--Other (3600 )*                                  |                     | 41                  |
| <b>NET TELECOMMUNICATIONS PLANT ADJUSTMENT</b>                                  | <b>0</b>            | <b>0</b>            |
| <b>TOTAL PLANT</b>  | <b>0</b>            | <b>0</b>            |
| <b>TOTAL ASSETS AND OTHER DEBITS*</b>   | <b>0</b>            | <b>0</b>            |

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

| Particulars<br>(a)   | Balance--EOY<br>(b) | Balance--FOY<br>(c) |    |
|--|---------------------|---------------------|----|
| <b>CURRENT LIABILITIES</b>                                 |                     |                     |    |
| Accounts Payable (4010 )*                                  |                     |                     | 1  |
| Notes Payable (4020 )*                                     | 0                   |                     | 2  |
| Advance Billing and Payments (4030 )*                      |                     |                     | 3  |
| Customer Deposits (4040 )*                                 |                     |                     | 4  |
| Current Maturities--Long-Term Debt (4050 )*                | 0                   |                     | 5  |
| Current Maturities--Capital Leases (4060 )*                |                     |                     | 6  |
| Income Taxes--Accrued (4070 )*                             |                     |                     | 7  |
| Other Taxes--Accrued (4080 )*                              |                     |                     | 8  |
| Net Current Deferred Operating Income Taxes (4100 )*       | 0                   |                     | 9  |
| Net Current Deferred Nonoperating Income Taxes (4110 )*    |                     |                     | 10 |
| Other Accrued Liabilities (4120 )*                         |                     |                     | 11 |
| Other Current Liabilities (4130 )*                         |                     |                     | 12 |
| <b>TOTAL CURRENT LIABILITIES*</b>                          | <b>0</b>            | <b>0</b>            |    |
| <b>LONG-TERM DEBT</b>                                      |                     |                     |    |
| Funded Debt (4210 )*                                       | 0                   |                     | 13 |
| Premium on Long-Term Debt (4220 )*                         |                     |                     | 14 |
| Discount on Long-Term Debt (4230 )*                        |                     |                     | 15 |
| Reacquired Debt (4240 )*                                   | 0                   |                     | 16 |
| Obligations Under Capital Leases (4250 )*                  |                     |                     | 17 |
| Advances from Affiliated Companies (4260 )*                | 0                   |                     | 18 |
| Other Long-Term Debt (4270 )*                              | 0                   |                     | 19 |
| <b>TOTAL LONG-TERM DEBT*</b>                               | <b>0</b>            | <b>0</b>            |    |
| <b>OTHER LIABILITIES AND DEFERRED CREDITS</b>              |                     |                     |    |
| Other Long-Term Liabilities (4310 )*                       |                     |                     | 20 |
| Unamortized Operating ITC--Net (4320 )*                    |                     |                     | 21 |
| Unamortized Nonoperating ITC--Net (4330 )*                 |                     |                     | 22 |
| Net Noncurrent Deferred Operating Income Taxes (4340 )*    | 0                   |                     | 23 |
| Net Deferred Tax Liability Adjustments (4341 )*            | 0                   |                     | 24 |
| Net Noncurrent Deferred Nonoperating Income Taxes (4350 )* |                     |                     | 25 |
| Other Deferred Credits (4360 )*                            |                     |                     | 26 |
| Deferred Tax Regulatory Liability (4361 )*                 | 0                   |                     | 27 |
| <b>TOTAL OTHER LIABILITIES AND DEFERRED CREDITS*</b>       | <b>0</b>            | <b>0</b>            |    |
| <b>STOCKHOLDERS' EQUITY</b>                                |                     |                     |    |
| Capital Stock (4510 )*                                     | 0                   |                     | 28 |
| Additional Paid-in Capital (4520 )*                        |                     |                     | 29 |
| Treasury Stock (4530 )*                                    | 0                   |                     | 30 |
| Other Capital (4540 )*                                     |                     |                     | 31 |
| Retained Earnings (4550 )*                                 | 120,928,000         |                     | 32 |
| <b>TOTAL STOCKHOLDERS' EQUITY*</b>                         | <b>120,928,000</b>  | <b>0</b>            |    |
| <b>TOTAL LIABILITIES AND OTHER CREDITS*</b>                | <b>120,928,000</b>  | <b>0</b>            |    |

**STATEMENT OF CASH FLOWS**

| Item<br>(a)  | Amount<br>(b)      |    |
|--|--------------------|----|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                    |    |
| Net Income   | 120,928,000        | 1  |
| <b>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:</b>           |                    |    |
| Depreciation and amortization  | 0                  | 2  |
| Interest during construction   | 0                  | 3  |
| <b>Changes in assets and liabilities:</b>  |                    |    |
| Current assets (net)   | 0                  | 4  |
| Other noncurrent assets  | 0                  | 5  |
| Other current liabilities  | 0                  | 6  |
| Other liabilities and deferred credits   | 0                  | 7  |
| <b>Other (specify):</b>  |                    |    |
| <b>TOTAL ADJUSTMENTS</b>   | <b>0</b>           |    |
| <b>NET CASH PROVIDED BY OPERATING ACTIVITIES (NET INCOME &amp; ADJUST.)</b>                        | <b>120,928,000</b> |    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                    |    |
| <b>Capital Expenditures:</b>   |                    |    |
| Changes in plant (net)   | 0                  | 8  |
| Investments in affiliated companies  | 0                  | 9  |
| Nonoperating Investments   | 0                  | 10 |
| <b>Other (specify):</b>  |                    |    |
| <b>NET CASH USING IN INVESTING ACTIVITIES</b>  | <b>0</b>           |    |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |                    |    |
| Change in capital lease obligations (net)  | 0                  | 11 |
| Change in long-term debt (net)   | 0                  | 12 |
| Net changes in stockholder equity other than retained earnings                                     | 0                  | 13 |
| Change in short term borrowing (net)   | 0                  | 14 |
| Dividends paid   | 0                  | 15 |
| Miscellaneous debits/credits to retained earnings  | 0                  | 16 |
| <b>Other (specify):</b>  |                    |    |
| <b>Net Cash Provided by Financing Activities</b>   | <b>0</b>           |    |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>   | <b>120,928,000</b> |    |
| Cash and cash equivalents at beginning of year<br>(Accts. 1130-1160 for Class A; 1120 for Class B) |                    |    |
| Cash and cash equivalents at end of year<br>(Accts. 1130-1160 for Class A; 1120 for Class B)       |                    |    |

## IMPORTANT CHANGES DURING THE YEAR

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1. Give the name and address of all companies which during the year came under the direct control of the respondent otherwise than through title to securities, stating whether such control is sole or joint, how control was established, names of other parties to a joint agreement for control, the extent of control exercised by each party, and any other pertinent data requisite to a clear understanding of the arrangements relating to control (See Section 32.9000 of the Uniform System of Accounts). Where important details relating to control of a company have changed, give particulars. If during the year a company ceased to be controlled by the respondent, its name and a statement of fact will be sufficient.

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2. Give the name and address of all companies which during the year came under the indirect control of the respondent through non-reporting intermediaries, stating whether such control is sole or joint, how control was established, names of other parties to a joint agreement for control, the extent of control exercised by each party, the name and address of the intermediary through which the indirect control exists, and any other pertinent data requisite to a clear understanding of the arrangements relating to control (See Section 32.9000 of the Uniform System of Accounts). Where important details relating to control of a company have changed, give particulars. If during the year a company ceased to be controlled by the respondent, its name and a statement of fact will be sufficient.

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

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4. List extension of system (other than additions supplementing existing facilities of the respondent) whether by purchase, construction, donation, or otherwise, such as a substantially complete telephone system, exchange or toll line. Give the location, new territory covered, and dates of beginning operation, and in case of purchase give also the name and address of the company from which purchased, date of acquisition, the consideration given, and reference to Commission authorization.

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

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6. Obligation incurred or assumed by respondent as guarantor for the performance by another of any agreement or obligation, excluding ordinary commercial paper maturing on demand or not later than one year after date of issue.

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7. Changes in articles of incorporation or amendments to charter.

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

### 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)**

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## ACCOUNTS RECEIVABLE NET WRITE OFFS - TELECOMMUNICATIONS

This schedule should be used to report accounts receivable net write off activity.

| <b>Particulars<br/>(a)</b>                   | <b>Amount<br/>(b)</b>   |     |
|--|-------------------------|-----|
| Collection of amounts previously written off | 914,000                 | 1 E |
| Uncollectibles written off during the year   | 4,724,000               | 2 E |
| <b>Net write offs during the year</b>        | <b><u>3,810,000</u></b> |     |

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

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

| <b>Name of Maker<br/>and purpose<br/>(a)</b> | <b>Issue<br/>Date<br/>(b)</b> | <b>Maturity<br/>(c)</b> | <b>Interest<br/>Rate<br/>(d)</b> | <b>Amount<br/>EOY<br/>(e)</b> | <b>Allowance<br/>Acct. 1201<br/>(f)</b> |
|--|-------------------------------|-------------------------|----------------------------------|-------------------------------|---|
|--|-------------------------------|-------------------------|----------------------------------|-------------------------------|---|

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**INVESTMENTS IN NONAFFILIATED COMPANIES (ACCT. 1402)**

| Name<br>(a)   | Balance<br>EOY<br>(b) |   |
|---|-----------------------|---|
| RTB Class B Stock                                   |                       | 1 |
| <b>Other:</b>                                       |                       |   |
| <b>Total Investments in Nonaffiliated Companies</b> | <b>0</b>              |   |

**NONREGULATED INVESTMENTS (ACCT. 1406)**

Report below the name and end-of-year balance of total net investment and inventory (accts. 1406.10, 1406.11 and 1406.12) for each nonregulated activity. Telephone utilities not subject to dual jurisdiction should report materials and supplies held for resale in account 1406.

| <b>Name<br/>(a)</b>   | <b>Balance<br/>EOY<br/>(b)</b> |
|---|--------------------------------|
| <hr/>   |                                |
| <b>Total Net Investment and Inventory ( Accts. 1406.10, 1406.11, and 1406.12 ):</b> |                                |

**DEFERRED MAINTENANCE AND RETIREMENTS (ACCT. 1438)**

List items individually by Commission approval noting the date of approval.

| <b>Description<br/>of Item<br/>(a)</b> | <b>Balance<br/>EOY<br/>(b)</b> |
|--|--------------------------------|
| <hr/>                                  |                                |

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

| Plant Account<br>(a)                            | Account<br>(b) | Balance<br>FOY<br>(c) | Additions<br>(d) |    |
|---|----------------|-----------------------|------------------|----|
| <b>GENERAL SUPPORT ASSETS</b>                   |                |                       |                  |    |
| Land  | 2111           |                       |                  | 1  |
| Motor Vehicles                                  | 2112           |                       |                  | 2  |
| Aircraft  | 2113           |                       |                  | 3  |
| Special Purpose Vehicles                        | 2114           |                       |                  | 4  |
| Garage Work Equipment                           | 2115           |                       |                  | 5  |
| Other Work Equipment                            | 2116           |                       |                  | 6  |
| Buildings                                       | 2121           |                       |                  | 7  |
| Furniture                                       | 2122           |                       |                  | 8  |
| Office Equipment                                | 2123           | 0                     | 0                | 9  |
| General Purpose Computers                       | 2124           |                       |                  | 10 |
| <b>TOTAL--GENERAL SUPPORT ASSETS:</b>           |                | <b>0</b>              | <b>0</b>         |    |
| <b>CENTRAL OFFICE ASSETS</b>                    |                |                       |                  |    |
| Analog Electronic Switching                     | 2211           |                       |                  | 11 |
| Digital Electronic Switching                    | 2212           | 0                     | 0                | 12 |
| Electro-Mechanical Switching                    | 2215           | 0                     | 0                | 13 |
| Operator Systems                                | 2220           |                       |                  | 14 |
| Radio Systems                                   | 2231           | 0                     | 0                | 15 |
| Circuit Equipment                               | 2232           | 0                     | 0                | 16 |
| <b>TOTAL--CENTRAL OFFICE ASSETS:</b>            |                | <b>0</b>              | <b>0</b>         |    |
| <b>INFORMATION ORIGATION/TERMINATION ASSETS</b> |                |                       |                  |    |
| Station Apparatus                               | 2311           |                       |                  | 17 |
| Customer Premises Wiring                        | 2321           |                       |                  | 18 |
| Large Private Branch Exchanges                  | 2341           |                       |                  | 19 |
| Public Telephone Terminal Equipment             | 2351           |                       |                  | 20 |
| Other Terminal Equipment                        | 2362           |                       |                  | 21 |
| <b>TOTAL--INFORMATION ORIG/TERM ASSETS:</b>     |                | <b>0</b>              | <b>0</b>         |    |
| <b>CABLE WIRE FACILITIES ASSETS</b>             |                |                       |                  |    |
| Poles   | 2411           |                       |                  | 22 |
| Aerial Cable                                    | 2421           | 0                     | 0                | 23 |
| Underground Cable                               | 2422           | 0                     | 0                | 24 |
| Buried Cable                                    | 2423           | 0                     | 0                | 25 |
| Submarine Cable                                 | 2424           | 0                     | 0                | 26 |
| Deep Sea Cable                                  | 2425           |                       |                  | 27 |
| Intrabuilding Network Cable                     | 2426           | 0                     | 0                | 28 |
| Aerial Wire                                     | 2431           |                       |                  | 29 |
| Conduit Systems                                 | 2441           |                       |                  | 30 |
| <b>TOTAL--CABLE WIRE FACILITIES ASSETS:</b>     |                | <b>0</b>              | <b>0</b>         |    |
| <b>AMORTIZABLE ASSETS</b>                       |                |                       |                  |    |
| Capital Leases                                  | 2681           |                       |                  | 31 |

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

| Account<br>(e) | Retirements<br>(f) | Transfers /<br>Adjustments<br>(g) | Balance<br>EOY<br>(h) |    |
|----------------|--------------------|-----------------------------------|-----------------------|----|
| 2111           |                    |                                   | 0                     | 1  |
| 2112           |                    |                                   | 0                     | 2  |
| 2113           |                    |                                   | 0                     | 3  |
| 2114           |                    |                                   | 0                     | 4  |
| 2115           |                    |                                   | 0                     | 5  |
| 2116           |                    |                                   | 0                     | 6  |
| 2121           |                    |                                   | 0                     | 7  |
| 2122           |                    |                                   | 0                     | 8  |
| 2123           | 0                  | 0                                 | 0                     | 9  |
| 2124           |                    |                                   | 0                     | 10 |
|                | <b>0</b>           | <b>0</b>                          | <b>0</b>              |    |
| 2211           |                    |                                   | 0                     | 11 |
| 2212           | 0                  | 0                                 | 0                     | 12 |
| 2215           | 0                  | 0                                 | 0                     | 13 |
| 2220           |                    |                                   | 0                     | 14 |
| 2231           | 0                  | 0                                 | 0                     | 15 |
| 2232           | 0                  | 0                                 | 0                     | 16 |
|                | <b>0</b>           | <b>0</b>                          | <b>0</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                                 | 0                     | 23 |
| 2422           | 0                  | 0                                 | 0                     | 24 |
| 2423           | 0                  | 0                                 | 0                     | 25 |
| 2424           | 0                  | 0                                 | 0                     | 26 |
| 2425           |                    |                                   | 0                     | 27 |
| 2426           | 0                  | 0                                 | 0                     | 28 |
| 2431           |                    |                                   | 0                     | 29 |
| 2441           |                    |                                   | 0                     | 30 |
|                | <b>0</b>           | <b>0</b>                          | <b>0</b>              |    |
| 2681           |                    |                                   | 0                     | 31 |

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

| Plant Account<br>(a)                             | Account<br>(b) | Balance<br>FOY<br>(c) | Additions<br>(d) |
|--|----------------|-----------------------|------------------|
| <b>AMORTIZABLE ASSETS</b>                        |                |                       |                  |
| Leasehold Improvements                           | 2682           |                       | 32               |
| Intangibles                                      | 2690           |                       | 33               |
| <b>TOTAL--AMORTIZABLE ASSETS:</b>                |                | <b>0</b>              | <b>0</b>         |
| <b>TOTAL TELECOM. PLANT IN SERVICE</b>           | <b>2001</b>    | <b>0</b>              | <b>0</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<br/>(e)</b> | <b>Retirements<br/>(f)</b> | <b>Transfers /<br/>Adjustments<br/>(g)</b> | <b>Balance<br/>EOY<br/>(h)</b> |           |
|------------------------|----------------------------|--|--------------------------------|-----------|
| 2682                   |                            |  | 0                              | <b>32</b> |
| 2690                   |                            |  | 0                              | <b>33</b> |
|                        | 0                          | 0  | 0                              |           |
|                        | 0                          | 0  | 0                              |           |
| 2001                   |                            |  |                                | <b>34</b> |
|                        |                            |  | 0                              |           |

**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<br>(a)                | Subaccount<br>(b) | Balance<br>FOY<br>(c) | Additions<br>(d) |
|--|-------------------|-----------------------|------------------|
| Office Support Equipment               | 2123.1            |                       | <b>1</b>         |
| Company Communications Equipment       | 2123.2            |                       | <b>2</b>         |
| Software                               | 2212.1            |                       | <b>3</b>         |
| Digital Switching - Central Office     | 2212.2            |                       | <b>4</b>         |
| Digital Switching - Remote             | 2212.3            |                       | <b>5</b>         |
| Step by Step Switching                 | 2215.1            |                       | <b>6</b>         |
| Crossbar Switching                     | 2215.2            |                       | <b>7</b>         |
| Satellite and Earth Station Facilities | 2231.1            |                       | <b>8</b>         |
| Other Radio Facilities                 | 2231.2            |                       | <b>9</b>         |
| Digital Circuit Equipment              | 2232.1            |                       | <b>10</b>        |
| Analog Circuit Equipment               | 2232.2            |                       | <b>11</b>        |
| Light Wave Circuit Equipment           | 2232.3            |                       | <b>12</b>        |
| Aerial Cable - Nonmetallic             | 2421.1            |                       | <b>13</b>        |
| Aerial Cable - Metallic                | 2421.2            |                       | <b>14</b>        |
| Underground Cable - Nonmetallic        | 2422.1            |                       | <b>15</b>        |
| Underground Cable - Metallic           | 2422.2            |                       | <b>16</b>        |
| Buried Cable - Nonmetallic             | 2423.1            |                       | <b>17</b>        |
| Buried Cable - Metallic                | 2423.2            |                       | <b>18</b>        |
| Submarine Cable - Nonmetallic          | 2424.1            |                       | <b>19</b>        |
| Submarine Cable - Metallic             | 2424.2            |                       | <b>20</b>        |
| Intrabuilding Cable - Nonmetallic      | 2426.1            |                       | <b>21</b>        |
| Intrabuilding Cable - Metallic         | 2426.2            |                       | <b>22</b>        |

Explain all amounts shown in column (g).

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

| <b>Subaccount<br/>(e)</b> | <b>Retirements<br/>(f)</b> | <b>Transfers /<br/>Adjustments<br/>(g)</b> | <b>Balance<br/>EOY<br/>(h)</b> |    |
|---------------------------|----------------------------|--|--------------------------------|----|
| 2123.1                    |                            |  | 0                              | 1  |
| 2123.2                    |                            |  | 0                              | 2  |
| 2212.1                    |                            |  | 0                              | 3  |
| 2212.2                    |                            |  | 0                              | 4  |
| 2212.3                    |                            |  | 0                              | 5  |
| 2215.1                    |                            |  | 0                              | 6  |
| 2215.2                    |                            |  | 0                              | 7  |
| 2231.1                    |                            |  | 0                              | 8  |
| 2231.2                    |                            |  | 0                              | 9  |
| 2232.1                    |                            |  | 0                              | 10 |
| 2232.2                    |                            |  | 0                              | 11 |
| 2232.3                    |                            |  | 0                              | 12 |
| 2421.1                    |                            |  | 0                              | 13 |
| 2421.2                    |                            |  | 0                              | 14 |
| 2422.1                    |                            |  | 0                              | 15 |
| 2422.2                    |                            |  | 0                              | 16 |
| 2423.1                    |                            |  | 0                              | 17 |
| 2423.2                    |                            |  | 0                              | 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     |                 |               |                    | 1                      |
| Aircraft                                    | 2113     |                 |               |                    | 2                      |
| Special Purpose Vehicles                    | 2114     |                 |               |                    | 3                      |
| Garage Work Equipment                       | 2115     |                 |               |                    | 4                      |
| Other Work Equipment                        | 2116     |                 |               |                    | 5                      |
| Buildings                                   | 2121     |                 |               |                    | 6                      |
| Furniture                                   | 2122     |                 |               |                    | 7                      |
| Office Equipment                            | 2123     |                 |               |                    | 8                      |
| General Purpose Computers                   | 2124     |                 |               |                    | 9                      |
| <b>Total-- GENERAL SUPPORT ASSETS</b>       |          | <b>0</b>        |               | <b>0</b>           | <b>0</b>               |
| <b>CENTRAL OFFICE ASSETS</b>                |          |                 |               |                    |                        |
| Analog Electronic Switching                 | 2211     |                 |               |                    | 10                     |
| Digital Electronic Switching                | 2212     |                 |               |                    | 11                     |
| Electro-Mechanical Switching                | 2215     |                 |               |                    | 12                     |
| Operator Systems                            | 2220     |                 |               |                    | 13                     |
| Radio Systems                               | 2231     |                 |               |                    | 14                     |
| Circuit Equipment                           | 2232     |                 |               |                    | 15                     |
| <b>Total-- CENTRAL OFFICE ASSETS</b>        |          | <b>0</b>        |               | <b>0</b>           | <b>0</b>               |
| <b>INFORMATION ORIG/TERM ASSETS</b>         |          |                 |               |                    |                        |
| Station Apparatus                           | 2311     |                 |               |                    | 16                     |
| Customer Premises Wiring                    | 2321     |                 |               |                    | 17                     |
| Large Private Branch Exchanges              | 2341     |                 |               |                    | 18                     |
| Public Telephone Terminal Equipment         | 2351     |                 |               |                    | 19                     |
| Other Terminal Equipment                    | 2362     |                 |               |                    | 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     |                 |               |                    | 21                     |
| Aerial Cable                                | 2421     |                 |               |                    | 22                     |
| Underground Cable                           | 2422     |                 |               |                    | 23                     |
| Buried Cable                                | 2423     |                 |               |                    | 24                     |
| Submarine Cable                             | 2424     |                 |               |                    | 25                     |
| Deep Sea Cable                              | 2425     |                 |               |                    | 26                     |
| Intrabuilding Network Cable                 | 2426     |                 |               |                    | 27                     |
| Aerial Wire                                 | 2431     |                 |               |                    | 28                     |

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

| <b>Acct<br/>(g)</b> | <b>Retired<br/>(h)</b> | <b>Cost of<br/>Removal<br/>(i)</b> | <b>Salvage<br/>(j)</b> | <b>Other<br/>(k)</b> | <b>Balance<br/>EOY<br/>(l)</b> |    |
|---------------------|------------------------|------------------------------------|------------------------|----------------------|--------------------------------|----|
| 2112                |                        |                                    |                        |                      | 0                              | 1  |
| 2113                |                        |                                    |                        |                      | 0                              | 2  |
| 2114                |                        |                                    |                        |                      | 0                              | 3  |
| 2115                |                        |                                    |                        |                      | 0                              | 4  |
| 2116                |                        |                                    |                        |                      | 0                              | 5  |
| 2121                |                        |                                    |                        |                      | 0                              | 6  |
| 2122                |                        |                                    |                        |                      | 0                              | 7  |
| 2123                | 0                      |                                    |                        |                      | 0                              | 8  |
| 2124                |                        |                                    |                        |                      | 0                              | 9  |
|                     | <b>0</b>               | <b>0</b>                           | <b>0</b>               | <b>0</b>             | <b>0</b>                       |    |
| 2211                |                        |                                    |                        |                      | 0                              | 10 |
| 2212                | 0                      |                                    |                        |                      | 0                              | 11 |
| 2215                | 0                      |                                    |                        |                      | 0                              | 12 |
| 2220                |                        |                                    |                        |                      | 0                              | 13 |
| 2231                | 0                      |                                    |                        |                      | 0                              | 14 |
| 2232                | 0                      |                                    |                        |                      | 0                              | 15 |
|                     | <b>0</b>               | <b>0</b>                           | <b>0</b>               | <b>0</b>             | <b>0</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                      |                                    |                        |                      | 0                              | 22 |
| 2422                | 0                      |                                    |                        |                      | 0                              | 23 |
| 2423                | 0                      |                                    |                        |                      | 0                              | 24 |
| 2424                | 0                      |                                    |                        |                      | 0                              | 25 |
| 2425                |                        |                                    |                        |                      | 0                              | 26 |
| 2426                | 0                      |                                    |                        |                      | 0                              | 27 |
| 2431                |                        |                                    |                        |                      | 0                              | 28 |

**ACCUMULATED DEPRECIATION CLASS A & B**

| Primary<br>Plant Account<br>(a)   | Acct<br>(b) | Balance<br>FOY<br>(c) | Depr<br>Rate<br>(d) | Annual<br>Accrual<br>(e) | Additional<br>Accrual<br>(f) |
|---|-------------|-----------------------|---------------------|--------------------------|------------------------------|
| <b>CABLE WIRE FACILITIES ASSETS</b>   |             |                       |                     |                          |                              |
| Conduit Systems   | 2441        |                       |                     |                          | 29                           |
| <b>Total-- CABLE WIRE FACILITIES ASSETS</b>                                 |             |                       | <b>0</b>            | <b>0</b>                 | <b>0</b>                     |
| <b>Total Accumulated Depreciation</b>                                       |             | <b>3100</b>           | <b>0</b>            | <b>0</b>                 | <b>0</b>                     |
| Less: Allocation to Nonregulated Activity -<br>Columns e, f and I           | 3100        |                       |                     |                          | 30                           |
| <b>Net Regulated Total Accum Depreciation - 3100<br/>Columns e, f and I</b> |             |                       |                     | <b>0</b>                 | <b>0</b>                     |

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

| <b>Acct<br/>(g)</b> | <b>Retired<br/>(h)</b> | <b>Cost of<br/>Removal<br/>(i)</b> | <b>Salvage<br/>(j)</b> | <b>Other<br/>(k)</b> | <b>Balance<br/>EOY<br/>(l)</b> |           |
|---------------------|------------------------|------------------------------------|------------------------|----------------------|--------------------------------|-----------|
| 2441                |                        |                                    |                        |                      | 0                              | <b>29</b> |
|                     | 0                      | 0                                  | 0                      | 0                    | 0                              |           |
| <b>3100</b>         | <b>0</b>               | <b>0</b>                           | <b>0</b>               | <b>0</b>             | <b>0</b>                       |           |
| 3100                |                        |                                    |                        |                      |                                | <b>30</b> |
| <b>3100</b>         |                        |                                    |                        |                      | <b>0</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<br>(a)                | Subacct<br>(b) | Balance<br>FOY<br>(c) | Depr<br>Rate<br>(d) | Annual<br>Accrual<br>(e) | Additional<br>Accrual<br>(f) |
|--|----------------|-----------------------|---------------------|--------------------------|------------------------------|
| Office Support Equipment               | 2123.1         |                       |                     |                          | 1                            |
| Company Communications Equipment       | 2123.2         |                       |                     |                          | 2                            |
| Software                               | 2212.1         |                       |                     |                          | 3                            |
| Digital Switching - Central Office     | 2212.2         |                       |                     |                          | 4                            |
| Digital Switching - Remote             | 2212.3         |                       |                     |                          | 5                            |
| Step by Step Switching                 | 2215.1         |                       |                     |                          | 6                            |
| Crossbar Switching                     | 2215.2         |                       |                     |                          | 7                            |
| Satellite and Earth Station Facilities | 2231.1         |                       |                     |                          | 8                            |
| Other Radio Facilities                 | 2231.2         |                       |                     |                          | 9                            |
| Digital Circuit Equipment              | 2232.1         |                       |                     |                          | 10                           |
| Analog Circuit Equipment               | 2232.2         |                       |                     |                          | 11                           |
| Light Wave Circuit Equipment           | 2232.3         |                       |                     |                          | 12                           |
| Aerial Cable - Nonmetallic             | 2421.1         |                       |                     |                          | 13                           |
| Aerial Cable - Metallic                | 2421.2         |                       |                     |                          | 14                           |
| Underground Cable - Nonmetallic        | 2422.1         |                       |                     |                          | 15                           |
| Underground Cable - Metallic           | 2422.2         |                       |                     |                          | 16                           |
| Buried Cable - Nonmetallic             | 2423.1         |                       |                     |                          | 17                           |
| Buried Cable - Metallic                | 2423.2         |                       |                     |                          | 18                           |
| Submarine Cable - Nonmetallic          | 2424.1         |                       |                     |                          | 19                           |
| Submarine Cable - Metallic             | 2424.2         |                       |                     |                          | 20                           |
| Intrabuilding Cable - Nonmetallic      | 2426.1         |                       |                     |                          | 21                           |
| Intrabuilding Cable - Metallic         | 2426.2         |                       |                     |                          | 22                           |

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

| <b>Subacct<br/>(g)</b> | <b>Retired<br/>(h)</b> | <b>Cost of<br/>Removal<br/>(i)</b> | <b>Salvage<br/>(j)</b> | <b>Other<br/>(k)</b> | <b>Balance<br/>EOY<br/>(l)</b> |    |
|------------------------|------------------------|------------------------------------|------------------------|----------------------|--------------------------------|----|
| 2123.1                 |                        |                                    |                        |                      | 0                              | 1  |
| 2123.2                 |                        |                                    |                        |                      | 0                              | 2  |
| 2212.1                 |                        |                                    |                        |                      | 0                              | 3  |
| 2212.2                 |                        |                                    |                        |                      | 0                              | 4  |
| 2212.3                 |                        |                                    |                        |                      | 0                              | 5  |
| 2215.1                 |                        |                                    |                        |                      | 0                              | 6  |
| 2215.2                 |                        |                                    |                        |                      | 0                              | 7  |
| 2231.1                 |                        |                                    |                        |                      | 0                              | 8  |
| 2231.2                 |                        |                                    |                        |                      | 0                              | 9  |
| 2232.1                 |                        |                                    |                        |                      | 0                              | 10 |
| 2232.2                 |                        |                                    |                        |                      | 0                              | 11 |
| 2232.3                 |                        |                                    |                        |                      | 0                              | 12 |
| 2421.1                 |                        |                                    |                        |                      | 0                              | 13 |
| 2421.2                 |                        |                                    |                        |                      | 0                              | 14 |
| 2422.1                 |                        |                                    |                        |                      | 0                              | 15 |
| 2422.2                 |                        |                                    |                        |                      | 0                              | 16 |
| 2423.1                 |                        |                                    |                        |                      | 0                              | 17 |
| 2423.2                 |                        |                                    |                        |                      | 0                              | 18 |
| 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. In addition, column (e) of this schedule should be used to report the flowback of property related excess deferred taxes (e.g., 46 percent versus 34 percent federal tax rates). Credit amounts should be shown in ( ).

| Particulars<br>(a)  | Balance<br>FOY<br>(b) |    |
|---|-----------------------|----|
| <b>PROPERTY RELATED</b>   |                       |    |
| Other Current Assets (1350 )  |                       | 1  |
| Other Noncurrent Assets (1410 )   |                       | 2  |
| Deferred Tax Regulatory Asset (1437 )                                       |                       | 3  |
| Net Current Deferred Operating Income Taxes (4100 )                         |                       | 4  |
| Net Noncurrent Deferred Operating Income Taxes (4340 )                      |                       | 5  |
| Net Deferred Tax Liability Adjustments (4341 )                              |                       | 6  |
| Deferred Tax Regulatory Liability (4361 )                                   |                       | 7  |
| <b>Net Property Related Deferred Operating Income Taxes</b>                 | <b>0</b>              |    |
| Less: Allocation to Nonregulated Activity                                   |                       | 8  |
| <b>Net Regulated Total Property Related Deferred Operating Income Taxes</b> | <b>0</b>              |    |
| <b>NONPROPERTY RELATED</b>  |                       |    |
| Other Current Assets (1350 )  |                       | 9  |
| Other Noncurrent Assets (1410 )   |                       | 10 |
| Deferred Tax Regulatory Asset (1437 )                                       |                       | 11 |
| Net Current Deferred Operating Income Taxes (4100 )                         |                       | 12 |
| Net Noncurrent Deferred Operating Income Taxes (4340 )                      |                       | 13 |
| Net Deferred Tax Liability Adjustments (4341 )                              |                       | 14 |
| Deferred Tax Regulatory Liability (4361 )                                   |                       | 15 |
| <b>Total Nonproperty Related Deferred Operating Income Taxes</b>            | <b>0</b>              |    |

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

| Acct<br>(c) | Current Year<br>Accrual<br>(d) | Current Year<br>Amortization<br>(e) | Adjustments<br>Debit or (Credit)<br>(f) | Balance<br>EOY<br>(g) |    |
|-------------|--------------------------------|-------------------------------------|---|-----------------------|----|
| 7250        |                                |                                     |   | 0                     | 1  |
| 7250        |                                |                                     |   | 0                     | 2  |
|             |                                |                                     |   | 0                     | 3  |
| 7250        |                                |                                     |   | 0                     | 4  |
| 7250        |                                |                                     |   | 0                     | 5  |
|             |                                |                                     |   | 0                     | 6  |
|             |                                |                                     |   | 0                     | 7  |
|             | 0                              | 0                                   | 0                                       | 0                     | 8  |
|             | 0                              | 0                                   | 0                                       | 0                     |    |
| 7250        |                                |                                     |   | 0                     | 9  |
| 7250        |                                |                                     |   | 0                     | 10 |
|             |                                |                                     |   | 0                     | 11 |
| 7250        |                                |                                     |   | 0                     | 12 |
| 7250        |                                |                                     |   | 0                     | 13 |
|             |                                |                                     |   | 0                     | 14 |
|             |                                |                                     |   | 0                     | 15 |
|             | 0                              | 0                                   | 0                                       | 0                     |    |

**NOTES PAYABLE (ACCT. 4020)**

For affiliate, list note by affiliate. For a particular affiliate, the identical affiliate name, as shown in the Affiliate Abbreviations schedule, should be reported in this schedule. For other, list by note by entity.

| <b>Name<br/>(a)</b> | <b>Issue<br/>Date<br/>(b)</b> | <b>Maturity<br/>(c)</b> | <b>Interest<br/>Rate<br/>(d)</b> | <b>Balance<br/>EOY<br/>(e)</b> |
|---------------------|-------------------------------|-------------------------|----------------------------------|--------------------------------|
|---------------------|-------------------------------|-------------------------|----------------------------------|--------------------------------|

### LONG-TERM DEBT

Report data requested and show total for each long-term debt account at end of year. Information concerning the following debt issues may be reported on individual lines in aggregate: REA/RTB 2%, REA/RTB 5%, & REA/RTB 7%. In addition, REA/RTB and FFB debt, respectively, within a range of 200 basis points may also be reported in aggregate on individual lines. If reported in aggregate, a range of dates may be reported in columns (b) and (c) as well as a range of interest rates in column (d) and a composite interest rate in column (e). If aggregation is not utilized, column (e) should contain the same interest rate as reported in column (d). For account 4050 report only the amount of debt anticipated to be repaid in one year or less.

| Description of Debt<br>(a) | Specific or<br>Range of<br>Stated<br>Dates of<br>Issue<br>(b) | Specific or<br>Range of<br>Stated<br>Dates of<br>Maturity<br>(c) | Specific<br>or<br>Range of<br>Interest<br>Rates<br>(d) |
|----------------------------|---|--|--|
|----------------------------|---|--|--|

**LONG-TERM DEBT (cont.)**

| <b>Composite<br/>Interest<br/>Rate<br/>(e)</b> | <b>Held by Utility</b>                            |   | <b>Total<br/>Principal<br/>EOY<br/>(h)</b> | <b>Current<br/>Maturities<br/>Included in<br/>Acct. 4050<br/>(i)</b> | <b>Total<br/>Amount<br/>Outstanding<br/>(j)</b> |
|--|---|---|--|--|---|
|  | <b>Reacquired<br/>Debt<br/>Acct. 4240<br/>(f)</b> | <b>Sinking<br/>Funds<br/>Acct. 1408<br/>(g)</b> |  |  |   |

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### CAPITAL STOCK ACCOUNTS AT END OF YEAR

In column (a) indicate the stated dividend rate applicable to each series of preferred stock.

| <b>Class and Series<br/>(a)</b> | <b>Shares Authorized<br/>by Charter<br/>(b)</b> | <b>Par Value<br/>per Share<br/>(c)</b> | <b>Call Price<br/>End of Year<br/>(d)</b> |
|---------------------------------|---|--|---|
|---------------------------------|---|--|---|

**CAPITAL STOCK ACCOUNTS AT END OF YEAR (cont.)**

| <b>Acct. 4510 - Capital Stock</b> |               | <b>Acct. 4530 - Treasury Stock</b> |               |
|-----------------------------------|---------------|------------------------------------|---------------|
| <b>Shares</b>                     | <b>Amount</b> | <b>Shares</b>                      | <b>Amount</b> |
| <b>(e)</b>                        | <b>(f)</b>    | <b>(g)</b>                         | <b>(h)</b>    |

**RETAINED EARNINGS (ACCT. 4550)**

| Particulars<br>(a)                         | This Year<br>(b)          | Last Year<br>(c) |   |
|--|---------------------------|------------------|---|
| Balance-First of Year                      |                           |                  | 1 |
| <b>Changes:</b>                            |                           |                  |   |
| Balance Transferred from Income            | 120,928,000               |                  | 2 |
| <b>Dividends Declared:</b>                 |                           |                  |   |
| Common                                     |                           |                  | 3 |
| Preferred                                  |                           |                  | 4 |
| <b>Total Dividends Declared</b>            | <b>0</b>                  | <b>0</b>         |   |
| Miscellaneous Debits to Retained Earnings  |                           |                  | 5 |
| Miscellaneous Credits to Retained Earnings |                           |                  | 6 |
| <b>Balance--End of Year</b>                | <b><u>120,928,000</u></b> | <b><u>0</u></b>  |   |

### DISTRIBUTION OF TAXES

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

| Summary Account/<br>Function<br>Charged<br>(a) | Wisconsin<br>License<br>Fee<br>(b) | Wisconsin<br>Income<br>Tax<br>(c) | Federal<br>Income<br>Tax<br>(d) |   |
|--|------------------------------------|-----------------------------------|---------------------------------|---|
| Operating Taxes (Accts. 7210 - 7250)           |                                    |                                   |                                 | 1 |
| Nonoperating Taxes (Accts. 7410 - 7450)        |                                    |                                   |                                 | 2 |
| Extraordinary Items (Accts. 7630 & 7640)       |                                    |                                   |                                 | 3 |
| Nonregulated Net Income (Acct. 7990)           |                                    |                                   |                                 | 4 |
| Clearing Accounts                              |                                    |                                   |                                 | 5 |
| Construction                                   |                                    |                                   |                                 | 6 |
| Payroll Taxes: FICA                            |                                    |                                   |                                 | 7 |
| Payroll Taxes: State Unemployment              |                                    |                                   |                                 | 8 |
| Payroll Taxes: Federal Unemployment            |                                    |                                   |                                 | 9 |
| <b>Other (specify):</b>                        |                                    |                                   |                                 |   |
| <b>TOTAL</b>                                   | <u><u>0</u></u>                    | <u><u>0</u></u>                   | <u><u>0</u></u>                 |   |

**DISTRIBUTION OF TAXES (cont.)**

| <b>PSC<br/>Remainder<br/>Assessment<br/>(e)</b> | <b>Local<br/>Property<br/>Tax<br/>(f)</b> | <b>State &amp;<br/>Local Taxes<br/>Other than<br/>Wisconsin<br/>(g)</b> | <b>Other<br/>Taxes<br/>(h)</b> | <b>Payroll<br/>Taxes<br/>(i)</b> | <b>Total<br/>(j)</b> |   |
|---|---|---|--------------------------------|----------------------------------|----------------------|---|
|   |   |   |                                |                                  | 0                    | 1 |
|   |   |   |                                |                                  | 0                    | 2 |
|   |   |   |                                |                                  | 0                    | 3 |
|   |   |   |                                |                                  | 0                    | 4 |
|   |   |   |                                |                                  | 0                    | 5 |
|   |   |   |                                |                                  | 0                    | 6 |
|   |   |   |                                |                                  | 0                    | 7 |
|   |   |   |                                |                                  | 0                    | 8 |
|   |   |   |                                |                                  | 0                    | 9 |
| <b>0</b>  | <b>0</b>                                  | <b>0</b>  | <b>0</b>                       | <b>0</b>                         | <b>0</b>             |   |

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

| Particulars<br>(a)                                    | This Year<br>(b)  | Last Year<br>(c)  |      |
|---|-------------------|-------------------|------|
| <b>LOCAL NETWORK SERVICES REVENUES</b>                |                   |                   |      |
| Basic Local Service Revenue (5000 )*                  |                   |                   | 1    |
| Basic Area Revenue (5001 )                            | 43,589,000        | 41,287,000        | 2 C  |
| Optional Extended Area Revenue (5002 )                | 1,880,000         | 2,677,000         | 3 C  |
| Cellular Mobile Revenue (5003 )                       | 0                 | 0                 | 4 C  |
| Other Mobile Services Revenue (5004 )                 | 0                 | 10,000            | 5 C  |
| Public Telephone Revenue (5010 )                      | 0                 | 317,000           | 6 C  |
| Local Private Line Revenue (5040 )                    | 62,000            | 58,000            | 7 C  |
| Customer Premises Revenue (5050 )                     | 2,000             | 4,000             | 8 C  |
| Other Local Exchange Revenue (5060 )                  | 6,354,000         | 3,534,000         | 9 C  |
| Other Local Exchange Revenue Settlements (5069 )      | 0                 | 0                 | 10 C |
| <b>TOTAL BASIC LOCAL SERVICE REVENUE (5000)</b>       | <b>51,887,000</b> | <b>47,887,000</b> |      |
| <b>NETWORK INTERSTATE ACCESS SERVICES REV.</b>        |                   |                   |      |
| End User Revenue (5081 )*                             | 8,199,000         | 8,147,000         | 11 C |
| Switched Access Revenue (5082 )*                      | 19,850,000        | 18,730,000        | 12 C |
| Special Access Revenue (5083 )*                       | 4,831,000         | 3,440,000         | 13 C |
| <b>TOTAL INTERSTATE ACCESS REVENUES (5080)</b>        | <b>32,880,000</b> | <b>30,317,000</b> |      |
| <b>NETWORK INTRASTATE ACCESS SERVICES REV.</b>        |                   |                   |      |
| End User Revenue (5084.1)*                            | 17,129,000        | 14,672,000        | 14 C |
| Switched Access Revenue (5084.2)*                     | 0                 | 0                 | 15 C |
| Special Access Revenue (5084.3)*                      | 0                 | 0                 | 16 C |
| <b>TOTAL INTRASTATE ACCESS REVENUES (5084)</b>        | <b>17,129,000</b> | <b>14,672,000</b> |      |
| <b>LONG DISTANCE NETWORK SERVICES MESSAGE REV.</b>    |                   |                   |      |
| Long Distance Message Revenue (5100 )*                | 10,110,000        | 9,586,000         | 17 C |
| Long Distance Inward-Only Revenue (5111 )             | 91,000            | 99,000            | 18 C |
| Long Distance Outward-Only Revenue (5112 )            | 64,000            | 65,000            | 19 C |
| <b>Unidirectional Long Distance Revenue (5110)</b>    | <b>155,000</b>    | <b>164,000</b>    |      |
| <b>Long Distance Private Network Revenues</b>         |                   |                   |      |
| Subvoice Grade Revenue (5121 )                        | 0                 | 0                 | 20 C |
| Voice Grade Revenue (5122 )                           | 62,000            | 92,000            | 21 C |
| Audio Program Grade Revenue (5123 )                   | 0                 | 0                 | 22 C |
| Video Program Grade Revenue (5124 )                   | 0                 | 0                 | 23 C |
| Digital Transmission Revenue (5125 )                  | 12,000            | 12,000            | 24 C |
| Switching Revenue (5126 )                             | 0                 | 0                 | 25 C |
| Other Revenue (5128 )                                 | 1,000             | 1,000             | 26 C |
| Other Revenue Settlements (5129 )                     | 0                 | 4,000             | 27 C |
| <b>Total Long Distance Private Network Revenue</b>    | <b>75,000</b>     | <b>109,000</b>    |      |
| Other Long Distance Revenue (5160 )                   | 410,000           | 455,000           | 28 C |
| Other Long Distance Revenue Settlements (5169 )       | 0                 | (9,000)           | 29 C |
| <b>TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV.</b> | <b>10,750,000</b> | <b>10,305,000</b> |      |

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

| Particulars<br>(a)  | This Year<br>(b)          | Last Year<br>(c)          |             |
|---|---------------------------|---------------------------|-------------|
| <b>MISCELLANEOUS REVENUES</b>                               |                           |                           |             |
| Directory Revenue (5230 )*                                  | 3,050,000                 | 2,904,000                 | <b>30 C</b> |
| Rent Revenue (5240 )*                                       | 549,000                   | 1,178,000                 | <b>31 C</b> |
| Corporate Operations Revenue (5250 )*                       | 0                         | 0                         | <b>32 C</b> |
| <b>Miscellaneous:</b>                                       |                           |                           |             |
| Miscellaneous Revenue (5260 )*                              |                           |                           | <b>33</b>   |
| Special Billing Arrangements Revenue (5261 )                | 4,000                     | 3,000                     | <b>34 C</b> |
| Customer Operations Revenue (5262 )                         | 605,000                   | 359,000                   | <b>35 C</b> |
| Plant Operations Revenue (5263 )                            | 16,000                    | 17,000                    | <b>36 C</b> |
| Other Incidental Regulated Revenue (5264 )                  | 12,000                    | (400,000)                 | <b>37 C</b> |
| Other Revenue Settlements (5269 )                           | 0                         | 0                         | <b>38 C</b> |
| <b>Total Miscellaneous Revenue (5260)</b>                   | <b>637,000</b>            | <b>(21,000)</b>           |             |
| Interstate Billing and Collection Revenue*                  | 574,000                   | 384,000                   | <b>39 C</b> |
| Intrastate Billing and Collection Revenue*                  | 1,824,000                 | 4,387,000                 | <b>40 C</b> |
| <b>Total Carrier Billing and Collection Revenue (5270)*</b> | <b>2,398,000</b>          | <b>4,771,000</b>          |             |
| Nonregulated Operating Revenue (5280 )**                    | 3,179,000                 | 3,162,000                 | <b>41 C</b> |
| <b>TOTAL MISCELLANEOUS REVENUES</b>                         | <b>9,813,000</b>          | <b>11,994,000</b>         |             |
| <b>GROSS OPERATING REVENUES</b>                             | <b>122,459,000</b>        | <b>115,175,000</b>        |             |
| <b>UNCOLLECTIBLE REVENUES</b>                               |                           |                           |             |
| Uncollectible Revenue (5300 )*                              |                           |                           | <b>42</b>   |
| Uncollectible Revenue--Telecommunications (5301 )           | 1,336,000                 | 1,052,000                 | <b>43 C</b> |
| Uncollectible Revenue--Other (5302 )                        | 195,000                   | 221,000                   | <b>44 C</b> |
| <b>TOTAL UNCOLLECTIBLE REVENUE (5300)</b>                   | <b>1,531,000</b>          | <b>1,273,000</b>          |             |
| <b>TOTAL OPERATING REVENUES</b>                             | <b><u>120,928,000</u></b> | <b><u>113,902,000</u></b> |             |

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

**EXPENSE MATRIX - CLASS A & B**

| Particulars<br>(a)                                   | Total<br>Last Year<br>(b) | Total<br>This Year<br>(c) | Salaries /<br>Wages<br>(d) |
|--|---------------------------|---------------------------|----------------------------|
| <b>PLANT SPECIFIC OPERATIONS EXPENSE</b>             |                           |                           |                            |
| Total Network Support Expense ( 6110 )               |                           | 0                         | 1                          |
| Less: Nonregulated                                   |                           | 0                         | 2                          |
| <b>Net Regulated</b>                                 | <b>0</b>                  | <b>0</b>                  | <b>0 3</b>                 |
| Total General Support Expense ( 6120 )               |                           | 0                         | 4                          |
| Less: Nonregulated                                   |                           | 0                         | 5                          |
| <b>Net Regulated</b>                                 | <b>0</b>                  | <b>0</b>                  | <b>0 6</b>                 |
| Total Central Office Switching Expense ( 6210 )      |                           | 0                         | 7                          |
| Less: Nonregulated                                   |                           | 0                         | 8                          |
| <b>Net Regulated</b>                                 | <b>0</b>                  | <b>0</b>                  | <b>0 9</b>                 |
| Total Operator Systems Expense ( 6220 )              |                           | 0                         | 10                         |
| Less: Nonregulated                                   |                           | 0                         | 11                         |
| <b>Net Regulated</b>                                 | <b>0</b>                  | <b>0</b>                  | <b>0 12</b>                |
| Total Central Office Transmission Expenses ( 6230 )  |                           | 0                         | 13                         |
| Less: Nonregulated                                   |                           | 0                         | 14                         |
| <b>Net Regulated</b>                                 | <b>0</b>                  | <b>0</b>                  | <b>0 15</b>                |
| Total Information Orig. / Term. Expense ( 6310 )     |                           | 0                         | 16                         |
| Less: Nonregulated                                   |                           | 0                         | 17                         |
| <b>Net Regulated</b>                                 | <b>0</b>                  | <b>0</b>                  | <b>0 18</b>                |
| Total Cable and Wire Fac. Expense ( 6410 )           |                           | 0                         | 19                         |
| Less: Nonregulated                                   |                           | 0                         | 20                         |
| <b>Net Regulated</b>                                 | <b>0</b>                  | <b>0</b>                  | <b>0 21</b>                |
| <b>TOTAL PLANT SPECIFIC OPERATIONS EXPENSE</b>       | <b>0</b>                  | <b>0</b>                  | <b>0</b>                   |
| <b>Less: Nonregulated</b>                            | <b>0</b>                  | <b>0</b>                  | <b>0</b>                   |
| <b>Net Regulated</b>                                 | <b>0</b>                  | <b>0</b>                  | <b>0</b>                   |
| <b>PLANT NONSPECIFIC OPERATIONS EXPENSE</b>          |                           |                           |                            |
| Total Other Property, Plant and Equip. Exp. ( 6510 ) |                           | 0                         | 22                         |
| Less: Nonregulated                                   |                           | 0                         | 23                         |
| <b>Net Regulated</b>                                 | <b>0</b>                  | <b>0</b>                  | <b>0 24</b>                |
| Total Network Operations Expense ( 6530 )            |                           | 0                         | 25                         |
| Less: Nonregulated                                   |                           | 0                         | 26                         |
| <b>Net Regulated</b>                                 | <b>0</b>                  | <b>0</b>                  | <b>0 27</b>                |
| Access Expense ( 6540 )                              |                           | 0                         | 28                         |
| Less: Nonregulated                                   |                           | 0                         | 29                         |
| <b>Net Regulated</b>                                 | <b>0</b>                  | <b>0</b>                  | <b>0 30</b>                |
| Total Depreciation and Amortization Expense ( 6560 ) |                           | 0                         | 31                         |
| Less: Nonregulated                                   |                           | 0                         | 32                         |
| <b>Net Regulated</b>                                 | <b>0</b>                  | <b>0</b>                  | <b>0 33</b>                |
| <b>TOTAL PLANT NONSPECIFIC OPERATIONS EXP.</b>       | <b>0</b>                  | <b>0</b>                  | <b>0</b>                   |
| <b>Less: Nonregulated</b>                            | <b>0</b>                  | <b>0</b>                  | <b>0</b>                   |
| <b>Net Regulated</b>                                 | <b>0</b>                  | <b>0</b>                  | <b>0</b>                   |

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

| Account<br>(e) | Benefits<br>(f) | Rents<br>(g) | Other<br>(h) | Clearances<br>to (from)<br>(i) |    |
|----------------|-----------------|--------------|--------------|--------------------------------|----|
| 6110           |                 |              |              |                                | 1  |
|                |                 |              |              |                                | 2  |
|                | 0               | 0            | 0            | 0                              | 3  |
| 6120           |                 |              |              |                                | 4  |
|                |                 |              |              |                                | 5  |
|                | 0               | 0            | 0            | 0                              | 6  |
| 6210           |                 |              |              |                                | 7  |
|                |                 |              |              |                                | 8  |
|                | 0               | 0            | 0            | 0                              | 9  |
| 6220           |                 |              |              |                                | 10 |
|                |                 |              |              |                                | 11 |
|                | 0               | 0            | 0            | 0                              | 12 |
| 6230           |                 |              |              |                                | 13 |
|                |                 |              |              |                                | 14 |
|                | 0               | 0            | 0            | 0                              | 15 |
| 6310           |                 |              |              |                                | 16 |
|                |                 |              |              |                                | 17 |
|                | 0               | 0            | 0            | 0                              | 18 |
| 6410           |                 |              |              |                                | 19 |
|                |                 |              |              |                                | 20 |
|                | 0               | 0            | 0            | 0                              | 21 |
|                | 0               | 0            | 0            | 0                              |    |
|                | 0               | 0            | 0            | 0                              |    |
|                | 0               | 0            | 0            | 0                              |    |
| 6510           |                 |              |              |                                | 22 |
|                |                 |              |              |                                | 23 |
|                | 0               |              | 0            | 0                              | 24 |
| 6530           |                 |              |              |                                | 25 |
|                |                 |              |              |                                | 26 |
|                | 0               | 0            | 0            | 0                              | 27 |
| 6540           |                 |              |              |                                | 28 |
|                |                 |              |              |                                | 29 |
|                | 0               | 0            | 0            | 0                              | 30 |
| 6560           |                 |              |              |                                | 31 |
|                |                 |              |              |                                | 32 |
|                |                 |              | 0            |                                | 33 |
|                | 0               | 0            | 0            | 0                              |    |
|                | 0               | 0            | 0            | 0                              |    |
|                | 0               | 0            | 0            | 0                              |    |

**EXPENSE MATRIX - CLASS A & B**

| Particulars<br>(a)                                 | Total<br>Last Year<br>(b) | Total<br>This Year<br>(c) | Salaries /<br>Wages<br>(d) |
|--|---------------------------|---------------------------|----------------------------|
| <b>CUSTOMER OPERATIONS EXPENSE</b>                 |                           |                           |                            |
| Total Marketing ( 6610 )                           |                           | 0                         | 34                         |
| Less: Nonregulated                                 |                           | 0                         | 35                         |
| <b>Net Regulated</b>                               | <b>0</b>                  | <b>0</b>                  | <b>0 36</b>                |
| <hr/>  |                           |                           |                            |
| Total Services ( 6620 )                            |                           | 0                         | 37                         |
| Less: Nonregulated                                 |                           | 0                         | 38                         |
| <b>Net Regulated</b>                               | <b>0</b>                  | <b>0</b>                  | <b>0 39</b>                |
| <hr/>  |                           |                           |                            |
| <b>TOTAL CUSTOMER OPERATIONS EXPENSE</b>           | <b>0</b>                  | <b>0</b>                  | <b>0</b>                   |
| <b>Less: Nonregulated</b>                          | <b>0</b>                  | <b>0</b>                  | <b>0</b>                   |
| <b>Net Regulated</b>                               | <b>0</b>                  | <b>0</b>                  | <b>0</b>                   |
| <hr/>  |                           |                           |                            |
| <b>CORPORATE OPERATIONS EXPENSE</b>                |                           |                           |                            |
| Total Exec. and Planning ( 6710 )                  |                           | 0                         | 40                         |
| Less: Nonregulated                                 |                           | 0                         | 41                         |
| <b>Net Regulated</b>                               | <b>0</b>                  | <b>0</b>                  | <b>0 42</b>                |
| <hr/>  |                           |                           |                            |
| Total General and Administrative ( 6720 )          |                           | 0                         | 43                         |
| Less: Nonregulated                                 |                           | 0                         | 44                         |
| <b>Net Regulated</b>                               | <b>0</b>                  | <b>0</b>                  | <b>0 45</b>                |
| <hr/>  |                           |                           |                            |
| Provision for Uncollectible Notes Receiv. ( 6790 ) |                           | 0                         | 46                         |
| Less: Nonregulated                                 |                           | 0                         | 47                         |
| <b>Net Regulated</b>                               | <b>0</b>                  | <b>0</b>                  | <b>0 48</b>                |
| <hr/>  |                           |                           |                            |
| <b>TOTAL CORPORATE OPERATIONS EXPENSE</b>          | <b>0</b>                  | <b>0</b>                  | <b>0</b>                   |
| <b>Less: Nonregulated</b>                          | <b>0</b>                  | <b>0</b>                  | <b>0</b>                   |
| <b>Net Regulated</b>                               | <b>0</b>                  | <b>0</b>                  | <b>0</b>                   |
| <hr/>  |                           |                           |                            |
| <b>TOTAL EXPENSES</b>                              | <b>0</b>                  | <b>0</b>                  | <b>0</b>                   |
| <b>Less: Nonregulated</b>                          | <b>0</b>                  | <b>0</b>                  | <b>0</b>                   |
| <b>Net Regulated</b>                               | <b>0</b>                  | <b>0</b>                  | <b>0</b>                   |
|  | <hr/> <hr/>               | <hr/> <hr/>               | <hr/> <hr/>                |

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

| Account<br>(e) | Benefits<br>(f) | Rents<br>(g) | Other<br>(h) | Clearances<br>to (from)<br>(i) |    |
|----------------|-----------------|--------------|--------------|--------------------------------|----|
| 6610           |                 |              |              |                                | 34 |
|                |                 |              |              |                                | 35 |
|                | 0               | 0            | 0            | 0                              | 36 |
| 6620           |                 |              |              |                                | 37 |
|                |                 |              |              |                                | 38 |
|                | 0               |              | 0            | 0                              | 39 |
|                | 0               | 0            | 0            | 0                              |    |
|                | 0               | 0            | 0            | 0                              |    |
|                | 0               | 0            | 0            | 0                              |    |
| 6710           |                 |              |              |                                | 40 |
|                |                 |              |              |                                | 41 |
|                | 0               |              | 0            | 0                              | 42 |
| 6720           |                 |              |              |                                | 43 |
|                |                 |              |              |                                | 44 |
|                | 0               |              | 0            | 0                              | 45 |
| 6790           |                 |              |              |                                | 46 |
|                |                 |              |              |                                | 47 |
|                |                 |              | 0            |                                | 48 |
|                | 0               | 0            | 0            | 0                              |    |
|                | 0               | 0            | 0            | 0                              |    |
|                | 0               | 0            | 0            | 0                              |    |
|                | 0               | 0            | 0            | 0                              |    |
|                | 0               | 0            | 0            | 0                              |    |
|                | 0               | 0            | 0            | 0                              |    |

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

| Particulars<br>(a)  | Total<br>Last Year<br>(b) | Total<br>This Year<br>(c) | Salaries/<br>Wages<br>(d) |   |
|---|---------------------------|---------------------------|---------------------------|---|
| Property Held for Future Tele. Use Exp. ( 6511 )          |                           | 0                         |                           | 1 |
| Provisioning Expense ( 6512 )                             |                           | 0                         |                           | 2 |
| <b>Total: Reported in Account 6510</b>                    | <b>0</b>                  | <b>0</b>                  | <b>0</b>                  |   |
| Depreciat. Exp.--Tele. Plant in Service ( 6561 )          |                           | 0                         |                           | 3 |
| Depreciat. Exp.--Prop. Held for Future Tele. Use ( 6562 ) |                           | 0                         |                           | 4 |
| Amortization Expense--Tangible ( 6563 )                   |                           | 0                         |                           | 5 |
| Amortization Expense--Intangible ( 6564 )                 |                           | 0                         |                           | 6 |
| Amortization Expense--Other ( 6565 )                      |                           | 0                         |                           | 7 |
| <b>Total: Reported in Account 6560</b>                    | <b>0</b>                  | <b>0</b>                  |                           |   |

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

| Account<br>(e) | Benefits<br>(f) | Rents<br>(g) | Other<br>(h) | Clearances<br>to (from)<br>(i) |   |
|----------------|-----------------|--------------|--------------|--------------------------------|---|
| 6511           |                 |              |              |                                | 1 |
| 6512           |                 |              |              |                                | 2 |
|                | 0               |              | 0            | 0                              |   |
| 6561           |                 |              |              |                                | 3 |
| 6562           |                 |              |              |                                | 4 |
| 6563           |                 |              |              |                                | 5 |
| 6564           |                 |              |              |                                | 6 |
| 6565           |                 |              |              |                                | 7 |
|                |                 |              | 0            |                                |   |

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

Currently, cooperatives are not billed for remainder assessment, but are subject to Department of Justice and telephone relay assessments.

| Description<br>(a)   | This Year<br>(b) |     |
|--|------------------|-----|
| Gross Operating Revenues   | 122,459,000      | 1   |
| Plus: Collection of amounts previously written off   | 914,000          | 2   |
| Less: Uncollectibles written off during the year   | 4,724,000        | 3   |
| Plus: Total Other Operating Income and (Expense) (7100)  | 0                | 4   |
| Less: Nonregulated Operating Revenue (included in Gross Oper. Rev. on Line 1)                            | 3,179,000        | 5   |
| Plus: Nonregulated Uncollectible Revenue (included in Gross Oper. Rev. on Line 1)                        | 0                | 6   |
| Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)                           | 114,992,098      | 7 H |
| Plus (or Less) Other (please specify):<br>NONE   | 0                | 8   |
| <b>Assessable Revenues for Remainder, Department of Justice, and Telephone Relay Assessment Purposes</b> | <b>477,902</b>   |     |

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

| Description<br>(a)  | This Year<br>(b) |     |
|---|------------------|-----|
| Total Basic Local Service Revenue (5000)                                  | 51,887,000       | 1   |
| Plus: Total Intrastate Access Revenues (5084)                             | 17,129,000       | 2   |
| Plus: Total Long Distance Network Services Revenue                        | 10,750,000       | 3   |
| Less: Out-of-State Operating Revenues (included in the above lines)       | 79,435,868       | 4 I |
| Plus (or Less) Other (please specify):<br>None                            | 0                | 5   |
| <b>Assessable Revenues for Universal Service Fund Assessment Purposes</b> | <b>330,132</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<br>(a)  | This Year<br>(b) |     |
|---|------------------|-----|
| Gross Operating Revenues  | 122,459,000      | 1   |
| Plus: Collection of amounts previously written off                                | 914,000          | 2   |
| Less: Uncollectibles written off during the year                                  | 4,724,000        | 3   |
| Plus: Total Other Operating Income and (Expense) (7100)                           | 0                | 4   |
| Less: Nonregulated Operating Revenue (included in Gross Oper. Rev. on Line 1)     | 3,179,000        | 5   |
| Plus: Nonregulated Uncollectible Revenue (included in Gross Oper. Rev. on Line 1) | 0                | 6   |
| Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)    | 114,992,098      | 7 H |
| Plus (or Less) Other (please specify):<br>NONE                                    | 0                | 8   |
| <b>Assessable Revenues for Remainder and Telephone Relay Assessment Purposes</b>  | <b>477,902</b>   |     |

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

| Description<br>(a)  | This Year<br>(b) |     |
|---|------------------|-----|
| Total Basic Local Service Revenue (5000)                                  | 51,887,000       | 1   |
| Plus: Total Intrastate Access Revenues (5084)                             | 17,129,000       | 2   |
| Plus: Total Long Distance Network Services Revenue                        | 10,750,000       | 3   |
| Less: Out-of-State Operating Revenues (included in the above lines)       | 79,435,868       | 4 I |
| Plus (or Less) Other (please specify):<br>None                            | 0                | 5   |
| <b>Assessable Revenues for Universal Service Fund Assessment Purposes</b> | <b>330,132</b>   |     |

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

| Particulars<br>(a)   | This Year<br>(b) | Last Year<br>(c) |     |
|--|------------------|------------------|-----|
| <b>OTHER OPERATING INCOME AND EXPENSE</b>                                    |                  |                  |     |
| Income from Custom Work (7110 )*   | 0                |                  | 1 D |
| Return from Nonregulated Use of Regulated Facilities (7130 )*                | 0                |                  | 2 D |
| Gains and (Losses) from Foreign Exchange (7140 )                             | 0                |                  | 3 D |
| Gains or (Losses) from the Disposition of Land and Artworks (7150 )          | 0                |                  | 4 D |
| Other Operating Gains and (Losses) (7160 )*                                  | 0                |                  | 5 D |
| <b>TOTAL OTHER OPERATING INCOME AND (EXPENSE) (7100)*</b>                    | <b>0</b>         | <b>0</b>         |     |
| <b>OPERATING TAXES</b>   |                  |                  |     |
| Operating Investment Tax Credits--Net (7210 )*                               |                  |                  | 6   |
| Operating Federal Income Taxes (7220 )*                                      |                  |                  | 7   |
| Operating State and Local Income Taxes (7230 )*                              |                  |                  | 8   |
| Operating Other Taxes (7240 )*   |                  |                  | 9   |
| Provision for Deferred Operating Income Taxes--Net (7250 )*                  |                  |                  | 10  |
| <b>TOTAL OPERATING TAXES (7200)*</b>   | <b>0</b>         | <b>0</b>         |     |
| <b>NONOPERATING INCOME AND EXPENSE</b>                                       |                  |                  |     |
| Dividend Income (7310 )*   |                  |                  | 11  |
| Interest Income (7320 )*   |                  |                  | 12  |
| Income from Sinking and Other Funds (7330 )*                                 |                  |                  | 13  |
| Allowance for Funds Used During Construction (7340 )*                        |                  |                  | 14  |
| Gains or (Losses) from the Disposition of Certain Property (7350 )*          |                  |                  | 15  |
| Other Nonoperating Income (7360 )*   |                  |                  | 16  |
| Special Charges (7370 )*   |                  |                  | 17  |
| <b>TOTAL NONOPERATING INCOME AND EXPENSE (7300)*</b>                         | <b>0</b>         | <b>0</b>         |     |
| <b>NONOPERATING TAXES</b>  |                  |                  |     |
| Nonoperating Investment Tax Credits--Net (7410 )*                            |                  |                  | 18  |
| Nonoperating Federal Income Taxes (7420 )*                                   |                  |                  | 19  |
| Nonoperating State and Local Income Taxes (7430 )*                           |                  |                  | 20  |
| Nonoperating Other Taxes (7440 )*  |                  |                  | 21  |
| Provision for Deferred Nonoperating Income Taxes-Net (7450 )*                |                  |                  | 22  |
| <b>TOTAL NONOPERATING TAXES (7400)*</b>                                      | <b>0</b>         | <b>0</b>         |     |
| <b>INTEREST AND RELATED ITEMS</b>  |                  |                  |     |
| Interest on Funded Debt (7510 )*   |                  |                  | 23  |
| Interest Expense--Capital Leases (7520 )*                                    |                  |                  | 24  |
| Amortization of Debt Issuance Expense (7530 )*                               |                  |                  | 25  |
| Other Interest Deductions (7540 )*   |                  |                  | 26  |
| <b>TOTAL INTEREST AND RELATED ITEMS (7500)*</b>                              | <b>0</b>         | <b>0</b>         |     |
| <b>EXTRAORDINARY ITEMS</b>   |                  |                  |     |
| Extraordinary Items (7600 )*   |                  |                  | 27  |
| Extraordinary Income Credits (7610 )   |                  |                  | 28  |
| Extraordinary Income Charges (7620 )   |                  |                  | 29  |
| Current Income Tax Effect of Extraordinary Items--Net (7630 )                |                  |                  | 30  |
| Provision for Deferred Income Tax Effect of Extraordinary Items--Net (7640 ) |                  |                  | 31  |
| <b>TOTAL EXTRAORDINARY ITEMS (7600)*</b>                                     | <b>0</b>         | <b>0</b>         |     |
| <b>NONREGULATED NET INCOME</b>   |                  |                  |     |
| Nonregulated Net Income (7990 )*   | 0                |                  | 32  |

**NONREGULATED NET INCOME (ACCT. 7990)**

| Particulars<br>(a)             | Amount<br>(b) |          |
|--------------------------------|---------------|----------|
| Revenues (Acct. 7990.1)        |               |          |
| Gross Sales                    |               | 1        |
| Less: Cost of Goods Sold       |               | 2        |
| <b>Net Sales</b>               | <b>0</b>      | <b>3</b> |
| Expenses (Acct. 7990.2)        |               | 4        |
| <b>Nonregulated Net Income</b> | <b>0</b>      | <b>5</b> |

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

If the revenues from an individual nonregulated activity represent in excess of 5% of the total operating revenues for the company, please provide the amounts, as requested above, for that individual activity:

### DISTRIBUTION OF SALARIES AND WAGES

| Description<br>(a)                | Amount<br>(b)   |   |
|-----------------------------------|-----------------|---|
| Regulated Expense                 |                 | 1 |
| Nonregulated Expense              |                 | 2 |
| Plant Accounts                    |                 | 3 |
| Accumulated Depreciation Accounts |                 | 4 |
| All Other Accounts                |                 | 5 |
| <b>Total Salaries and Wages</b>   | <u><u>0</u></u> | 6 |

### EMPLOYEE DATA

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

| Employee<br>Category<br>(a)      | Number of Equivalent<br>Full-Time Employees |                   | Total<br>Compensation<br>(d) |   |
|----------------------------------|---|-------------------|------------------------------|---|
|                                  | FOY<br>(b)                                  | EOY<br>(c)        |                              |   |
| Officers                         |   |                   |                              | 1 |
| Supervision and Other Management |   |                   |                              | 2 |
| Other Employees                  |   |                   |                              | 3 |
| <b>Total</b>                     | <u><u>.00</u></u>                           | <u><u>.00</u></u> | <u><u>0</u></u>              |   |

### DISTRIBUTION OF SALARIES AND WAGES

| Description<br>(a)                | Amount<br>(b)   |   |
|-----------------------------------|-----------------|---|
| Regulated Expense                 |                 | 1 |
| Nonregulated Expense              |                 | 2 |
| Plant Accounts                    |                 | 3 |
| Accumulated Depreciation Accounts |                 | 4 |
| All Other Accounts                |                 | 5 |
| <b>Total Salaries and Wages</b>   | <u><u>0</u></u> | 6 |

### EMPLOYEE DATA

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

| Employee<br>Category<br>(a)      | Number of Equivalent<br>Full-Time Employees |                   | Total<br>Compensation<br>(d) |   |
|----------------------------------|---|-------------------|------------------------------|---|
|                                  | FOY<br>(b)                                  | EOY<br>(c)        |                              |   |
| Officers                         |   |                   |                              | 1 |
| Supervision and Other Management |   |                   |                              | 2 |
| Other Employees                  |   |                   |                              | 3 |
| <b>Total</b>                     | <u><u>.00</u></u>                           | <u><u>.00</u></u> | <u><u>0</u></u>              |   |

### TELEPHONE CALLS AND MINUTES OF USE PER MONTH

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

| Item<br>(a)                        | Telephone Calls<br>(000's)<br>(b) | Minutes of Use<br>(000's)<br>(c) |     |
|------------------------------------|-----------------------------------|----------------------------------|-----|
| <b>LOCAL</b>                       |                                   |                                  |     |
| Intra-Exchange                     |                                   |                                  | 1   |
| Extended Area Service              |                                   |                                  | 2   |
| Extended Community Calling         |                                   |                                  | 3   |
| Other Local-Undefined              | 240                               | 817                              | 4 G |
| <b>Total Local</b>                 | <b>240</b>                        | <b>817</b>                       |     |
| <b>TOLL</b>                        |                                   |                                  |     |
| Operator Handled: State--intraLATA | 0                                 | 0                                | 5   |
| Operator Handled: State--interLATA |                                   |                                  | 6   |
| Operator Handled: Interstate       | 0                                 | 0                                | 7   |
| Customer Dialed: State--intraLATA  | 0                                 | 0                                | 8   |
| Customer Dialed: State--interLATA  |                                   |                                  | 9   |
| Customer Dialed: Interstate        | 1                                 | 3                                | 10  |
| WATS                               | 0                                 | 0                                | 11  |
| Other Toll-Undefined               | 0                                 | 0                                | 12  |
| <b>Total Toll</b>                  | <b>1</b>                          | <b>3</b>                         |     |
| <b>Total Local &amp; Toll</b>      | <b>241</b>                        | <b>820</b>                       |     |

### ACCESS USAGE

Enter number, in thousands, of Billed Minutes.

| Description<br>(a)       | Billed Minutes (000's)         |                                |                                |                                |   |
|--------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|---|
|                          | Interstate<br>InterLATA<br>(b) | Intrastate<br>InterLATA<br>(c) | Intrastate<br>IntraLATA<br>(d) | Interstate<br>IntraLATA<br>(e) |   |
| Feature Group A -- Orig. |                                |                                |                                |                                | 1 |
| Feature Group A -- Term. |                                |                                |                                |                                | 2 |
| Feature Group B -- Orig. |                                |                                |                                |                                | 3 |
| Feature Group B -- Term. |                                |                                |                                |                                | 4 |
| Feature Group C -- Orig. |                                |                                |                                |                                | 5 |
| Feature Group C -- Term. |                                |                                |                                |                                | 6 |
| Feature Group D -- Orig. |                                |                                |                                |                                | 7 |
| Feature Group D -- Term. |                                |                                |                                |                                | 8 |

**OUTSIDE PLANT STATISTICS AT END OF YEAR**

| Description of Item<br>(a)           | Amount<br>(b) |     |
|--------------------------------------|---------------|-----|
| Sheath miles of plant - aerial       | 25            | 1   |
| Sheath miles of plant - buried       | 86            | 2   |
| Sheath miles of plant - fiber optics | 0             | 3   |
| Strand miles of plant - fiber optics | 0             | 4   |
| Route miles of plant - microwave     |               | 5 F |

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

| Circuit Type<br>(a) | InterLATA<br>Chan. Terms.<br>(b) | IntraLATA<br>Chan. Terms.<br>(c) |     |
|---------------------|----------------------------------|----------------------------------|-----|
| Voice grade         |                                  | 44                               | 1 B |
| 56 kbps             |                                  |                                  | 2 B |
| 64 kbps (DS0)       |                                  |                                  | 3 B |
| 1.54 Mbps (DS-1)    |                                  |                                  | 4 B |
| 45 Mbps (DS-3)      |                                  |                                  | 5 B |
| SONET OC-1          |                                  |                                  | 6   |
| SONET OC-3          |                                  |                                  | 7   |
| SONET OC-12         |                                  |                                  | 8   |
| SONET OC-48         |                                  |                                  | 9   |
| SONET OC-192        |                                  |                                  | 10  |

**OUTSIDE PLANT STATISTICS AT END OF YEAR**

| Description of Item<br>(a)           | Amount<br>(b) |     |
|--------------------------------------|---------------|-----|
| Sheath miles of plant - aerial       | 25            | 1   |
| Sheath miles of plant - buried       | 86            | 2   |
| Sheath miles of plant - fiber optics | 0             | 3   |
| Strand miles of plant - fiber optics | 0             | 4   |
| Route miles of plant - microwave     |               | 5 F |

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

| Circuit Type<br>(a) | InterLATA<br>Chan. Terms.<br>(b) | IntraLATA<br>Chan. Terms.<br>(c) |     |
|---------------------|----------------------------------|----------------------------------|-----|
| Voice grade         |                                  | 44                               | 1 B |
| 56 kbps             |                                  |                                  | 2 B |
| 64 kbps (DS0)       |                                  |                                  | 3 B |
| 1.54 Mbps (DS-1)    |                                  |                                  | 4 B |
| 45 Mbps (DS-3)      |                                  |                                  | 5 B |
| SONET OC-1          |                                  |                                  | 6   |
| SONET OC-3          |                                  |                                  | 7   |
| SONET OC-12         |                                  |                                  | 8   |
| SONET OC-48         |                                  |                                  | 9   |
| SONET OC-192        |                                  |                                  | 10  |

### SERVICE DATA

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

| Item<br>(a)                              | FOY<br>(b) | EOY<br>(c) |           |
|--|------------|------------|-----------|
| <b>Business</b>                          |            |            |           |
| 1 Party                                  | 64         | 68         | <b>3</b>  |
| 2 Party                                  | 0          |            | <b>4</b>  |
| 4 Party                                  | 0          |            | <b>5</b>  |
| PBX Trunks/System Trunks                 | 17         | 17         | <b>6</b>  |
| Centrex Trunks                           | 0          |            | <b>7</b>  |
| Centrex Lines                            | 0          |            | <b>8</b>  |
| Key System Trunks                        | 23         | 23         | <b>9</b>  |
| Mobile (Utility Provided Service)        | 0          |            | <b>10</b> |
| Paging (Utility Provided Service)        | 0          |            | <b>11</b> |
| FX-Out (Switched)                        | 0          |            | <b>12</b> |
| Pay Telephone                            | 0          | 5          | <b>13</b> |
| Coin-Operated Pay Telephone              | 0          |            | <b>14</b> |
| Independent Pay Telephone Provider       | 0          |            | <b>15</b> |
| Pay Stations - Public                    | 3          |            | <b>16</b> |
| - Semi-Public                            | 2          |            | <b>17</b> |
| - Cust. Owned                            | 0          |            | <b>18</b> |
| Other                                    | 0          |            | <b>19</b> |
| <b>Total Business Lines</b>              | <b>109</b> | <b>113</b> | <b>20</b> |
| <b>Residential (Incl. Emp. Concess.)</b> |            |            |           |
| 1 Party                                  | 656        | 663        | <b>22</b> |
| 2 Party                                  | 0          |            | <b>23</b> |
| 4 Party                                  | 0          |            | <b>24</b> |
| FX-Out (Switched)                        | 0          |            | <b>25</b> |
| Other                                    | 0          |            | <b>26</b> |
| <b>Total Residential Lines</b>           | <b>656</b> | <b>663</b> | <b>27</b> |
| <b>Total Bus &amp; Res Lines</b>         | <b>765</b> | <b>776</b> | <b>28</b> |
| Company Used Lines                       | 8          | 8          | <b>29</b> |
| <b>Total Lines Used</b>                  | <b>773</b> | <b>784</b> | <b>30</b> |

**SERVICE DATA (cont.)**

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

| Item<br>(a)  | FOY<br>(b) | EOY<br>(c) |    |
|--|------------|------------|----|
| <b>Miscellaneous</b>                                   |            |            |    |
| WATS Lines - OutWATS                                   | 0          |            | 3  |
| WATS Lines - 800 Service                               | 0          |            | 4  |
| FX-In-intraLATA  | 0          |            | 5  |
| Special Access-intraLATA                               |            |            | 6  |
| (expressed in equiv. access lines)                     | 45         | 44         | 7  |
| Special Access-interLATA                               |            |            | 8  |
| (expressed in equiv. access lines)                     | 0          |            | 9  |
| Feature Group A Lines                                  | 0          |            | 10 |
| Feature Group B Trunks                                 | 0          |            | 11 |
| Feature Group C Trunks                                 | 0          |            | 12 |
| Feature Group D Trunks                                 | 0          |            | 13 |
| TSPS - Trunks  | 0          |            | 14 |
| EAS - Trunks   | 0          |            | 15 |
| Cellular Trunks (Pub. Sw. Net.)                        | 0          |            | 16 |
| Video Distance Learning                                |            |            | 17 |
| - discounted (special tariff)                          | 0          |            | 18 |
| <b>Customers</b>                                       |            |            |    |
| Business - 2 Party Customers                           | 0          |            | 20 |
| Business - 4 Party Customers                           | 0          |            | 21 |
| Residential - 2 Party Customers                        | 0          |            | 22 |
| Residential - 4 Party Customers                        | 0          |            | 23 |
| <b>Other</b>   |            |            |    |
| Total Central Office, Info. Orig./Term., & Cable       |            |            | 25 |
| Wire Fac. Assets (based on physical location of plant) |            |            | 26 |
|  | 632,371    | 735,603    | 27 |
| Total Company Square Miles                             | 0          | 3          | 28 |
| Total Company Route Miles                              | 54         | 56         | 29 |
| Footnotes  |            | A          | 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<br>(a)                              | Exchange<br>(b) | Exchange<br>(c) | Exchange<br>(d) | Exchange<br>(e) |           |
|--|-----------------|-----------------|-----------------|-----------------|-----------|
| PSCW Exchange ID                         | 1285            | 1370            | 1496            |                 | 1         |
| <b>Business</b>                          |                 |                 |                 |                 | <b>2</b>  |
| 1 Party                                  | 1               | 64              | 3               |                 | 3         |
| 2 Party                                  |                 |                 |                 |                 | 4         |
| 4 Party                                  |                 |                 |                 |                 | 5         |
| PBX Trunks/System Trunks                 | 0               | 17              | 0               |                 | 6         |
| Centrex Trunks                           |                 |                 |                 |                 | 7         |
| Centrex Lines                            |                 |                 |                 |                 | 8         |
| Key System Trunks                        | 0               | 23              | 0               |                 | 9         |
| Mobile (utility provided service)        |                 |                 |                 |                 | 10        |
| Paging (utility provided service)        |                 |                 |                 |                 | 11        |
| FX-Out (Switched)                        |                 |                 |                 |                 | 12        |
| Pay Telephone                            | 0               | 5               | 0               |                 | 13        |
| Coin-Operated Pay Telephone              |                 |                 |                 |                 | 14        |
| Independent Pay Telephone Provider       |                 |                 |                 |                 | 15        |
| Pay Stations - Public                    |                 |                 |                 |                 | 16        |
| - Semi-Public                            |                 |                 |                 |                 | 17        |
| - Cust. Owned                            |                 |                 |                 |                 | 18        |
| Other                                    |                 |                 |                 |                 | 19        |
| <b>Total Business Lines</b>              | <b>1</b>        | <b>109</b>      | <b>3</b>        | <b>0</b>        | <b>20</b> |
| <b>Residential (Incl. Emp. Concess.)</b> |                 |                 |                 |                 | <b>21</b> |
| 1 Party                                  | 30              | 541             | 92              |                 | 22        |
| 2 Party                                  |                 |                 |                 |                 | 23        |
| 4 Party                                  |                 |                 |                 |                 | 24        |
| FX-Out (Switched)                        |                 |                 |                 |                 | 25        |
| Other                                    |                 |                 |                 |                 | 26        |
| <b>Total Residential Lines</b>           | <b>30</b>       | <b>541</b>      | <b>92</b>       | <b>0</b>        | <b>27</b> |
| <b>Total Bus &amp; Res Lines</b>         | <b>31</b>       | <b>650</b>      | <b>95</b>       | <b>0</b>        | <b>28</b> |
| Company Used Lines                       | 2               | 2               | 4               |                 | 29        |
| <b>Total Lines Used</b>                  | <b>33</b>       | <b>652</b>      | <b>99</b>       | <b>0</b>        | <b>30</b> |

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

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

| Item<br>(a)                               | Exchange<br>(b) | Exchange<br>(c) | Exchange<br>(d) | Exchange<br>(e) |    |
|---|-----------------|-----------------|-----------------|-----------------|----|
| PSCW Exchange ID                          | 1285            | 1370            | 1496            |                 | 1  |
| <b>Miscellaneous</b>                      |                 |                 |                 |                 | 2  |
| WATS Lines - OutWATS                      |                 |                 |                 |                 | 3  |
| WATS Lines - 800 Service                  |                 |                 |                 |                 | 4  |
| FX-In-intraLATA                           |                 |                 |                 |                 | 5  |
| Special Access-intraLATA                  |                 |                 |                 |                 | 6  |
| (equiv. access lines)                     | 8               | 22              | 14              |                 | 7  |
| Special Access-interLATA                  |                 |                 |                 |                 | 8  |
| (equiv. access lines)                     |                 |                 |                 |                 | 9  |
| Feature Group A Lines                     |                 |                 |                 |                 | 10 |
| Feature Group B Trunks                    |                 |                 |                 |                 | 11 |
| Feature Group C Trunks                    |                 |                 |                 |                 | 12 |
| Feature Group D Trunks                    |                 |                 |                 |                 | 13 |
| TSPS - Trunks                             |                 |                 |                 |                 | 14 |
| EAS - Trunks                              |                 |                 |                 |                 | 15 |
| Cellular Trunks (Pub. Sw. Net.)           |                 |                 |                 |                 | 16 |
| Video Distance Learning                   |                 |                 |                 |                 | 17 |
| - discounted (special tariff)             |                 |                 |                 |                 | 18 |
| <b>Customers</b>                          |                 |                 |                 |                 | 19 |
| Business - 2 Party Customers              |                 |                 |                 |                 | 20 |
| Business - 4 Party Customers              |                 |                 |                 |                 | 21 |
| Residential - 2 Party Customers           |                 |                 |                 |                 | 22 |
| Residential - 4 Party Customers           |                 |                 |                 |                 | 23 |
| <b>Other</b>                              |                 |                 |                 |                 | 24 |
| Exchange C.O., Info. Orig./Term., & Cable |                 |                 |                 |                 | 25 |
| Wire Fac. Assets (based on physical       |                 |                 |                 |                 | 26 |
| location of plant)                        | 61,064          | 550,035         | 124,504         |                 | 27 |
| Exchange Square Miles                     | 1               | 1               | 1               |                 | 28 |
| Exchange Route Miles                      | 22              | 24              | 10              |                 | 29 |
| Footnotes                                 | A               | A               | A               |                 | 30 |

### MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

| Manufacturer Name<br>(a) | Abbreviation<br>(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<br>(a) | Abbreviation<br>(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<br>(a) | Abbreviation<br>(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<br>(a) | Abbreviation<br>(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.

| <b>Description<br/>(a)</b>                     | <b>Central Off.<br/>(b)</b> | <b>Central Off.<br/>(c)</b> | <b>Central Off.<br/>(d)</b> | <b>Central Off.<br/>(e)</b> |    |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|----|
| Exchange Name                                  | NORTH APPLE RIVER           | FAIRPLAY                    | NORTH WARREN                |                             | 1  |
| PSCW Exchange ID                               | 1285                        | 1370                        | 1496                        |                             | 2  |
| Central Office Name                            | NORTH APPLE RIVER           | EAST DUBUQUE                | NORTH WARREN                |                             | 3  |
| PSCW Central Office ID                         | 1                           | 2                           | 1                           |                             | 4  |
| Manufacturer of COE (Page 54)                  | NTI                         | NTI                         | NTI                         |                             | 5  |
| Year COE Installed                             | 1988                        | 1979                        | 1987                        |                             | 6  |
| Type of Equipment (Page 54)                    | D                           | D                           | D                           |                             | 7  |
| (S)tandalone, (H)ost, (R)emote                 | R                           | S                           | R                           |                             | 8  |
| Remote Host PSCW Exchange ID                   | 0000                        |                             | 0000                        |                             | 9  |
| Remote Host PSCW Central Office ID             | 0                           |                             | 0                           |                             | 10 |
| COE Generic Software Release No.               | NA007                       | BCS 408.11                  | NA007                       |                             | 11 |
| SS7?   | Yes                         | No                          | Yes                         |                             | 12 |
| 9-1-1?   | Yes                         | No                          | Yes                         |                             | 13 |
| Access Lines - In Use                          | 33                          | 652                         | 99                          |                             | 14 |
| - Equipped                                     | 33                          | 652                         | 99                          |                             | 15 |
| - Wired  | 33                          | 652                         | 99                          |                             | 16 |
| Trunks - In Use                                | 0                           | 0                           | 0                           |                             | 17 |
| - Equipped                                     | 0                           | 0                           | 0                           |                             | 18 |
| - Wired  | 0                           | 0                           | 0                           |                             | 19 |
| ISDN Available?                                | No                          | No                          | No                          |                             | 20 |
| ISDN Lines - In Use (BRI)                      |                             |                             |                             |                             | 21 |
| - In Use (PRI)                                 |                             |                             |                             |                             | 22 |
| Switched 56 Service?                           | No                          | No                          | No                          |                             | 23 |
| Switched 56 lines in use                       |                             |                             |                             |                             | 24 |
| Digital Transmission Facilities: DS-1 - In Use | 0                           | 13                          | 0                           |                             | 25 |
| DS-3 - In Use                                  | 0                           | 0                           | 0                           |                             | 26 |
| Advanced Data Service Available:               |                             |                             |                             |                             |    |
| Packet Switching?                              | No                          | No                          | No                          |                             | 27 |
| SMDS?  | No                          | No                          | No                          |                             | 28 |
| Frame Relay?                                   | Yes                         | No                          | Yes                         |                             | 29 |
| ATM (Asynchronous Trans. Mode)?                | No                          | No                          | No                          |                             | 30 |
| Video Information - Service Available?         | No                          | No                          | No                          |                             | 31 |
| - In Use (# lines) <sup>1</sup>                |                             |                             |                             |                             | 32 |
| Fiber Transmission Facilities:                 |                             |                             |                             |                             |    |
| No. of fiber strands entering C.O.             | 12                          | 0                           | 8                           |                             | 33 |
| No. of fiber strands working (LIT) in C.O.     | 8                           | 0                           | 8                           |                             | 34 |
| No. of fiber strands for interoffice use       | 8                           | 0                           | 8                           |                             | 35 |
| Miles of fiber sheath in wire center           | 0                           | 0                           | 0                           |                             | 36 |
| Access Tandem Serving this C.O.:               |                             |                             |                             |                             |    |
| - C.O. Name                                    | FREERPORT                   | ROCK ISLAND                 | FREERPORT                   |                             | 37 |
| - PSCW C.O. ID                                 | 0000-01                     | 0000-02                     | 0000-01                     |                             | 38 |
| Does this C.O. do access tandem switching?     | No                          | No                          | No                          |                             | 39 |
| Equal Access: InterLATA (1+)?                  | Yes                         | Yes                         | Yes                         |                             | 40 |
| Equal Access: IntraLATA (1+)?                  | Yes                         | Yes                         | Yes                         |                             | 41 |
| Footnotes                                      |                             |                             |                             |                             | 42 |

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

**GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES**

**General Footnote**

**Schedule Footnotes**

**Table of Contents Footnote. Page 4**

The schedules on pages 8 through 16, 18 through 39, 41, 42, 45 and 46, are not required by the Commission staff.

**Revenues - Class A & B (Class B Use Accounts Designated By \*) Footnote. Page 40**

Disregard this footnote.

**Calculation of Assessable Revenues for Universal Service Fund Assessment Purposes Footnote. Page 43**

The purpose of the following computations is to derive Assessable Revenues for Universal Service Fund Assessment for Contel, Il.- Wisconsin from total Contel - Illinois financial data.

**Computation of the Contel, Il.- Wisconsin Assessable Revenues:**

|   |              |
|---|--------------|
| -----   |              |
| Total Basic Local Service Revenue(5000)                 | \$51,887,000 |
| Plus: Total Intrastate Access Revenues(5084)            | 17,129,000   |
| Plus: Total Long Distance Network Services Revenue      | 10,750,000   |
| Total Contel - Illinois Assessable Revenue(a)           | \$79,766,000 |
| Multiplied by Contel, Il.- Wisconsin Access Lines Ratio | 0.004138755  |

|  |           |
|--|-----------|
| Contel, Il.- Wisconsin Assessable Revenue(b) | \$330,132 |
|--|-----------|

|                                      |              |
|--------------------------------------|--------------|
| Out-of-State Operating Revenues(a-b) | \$79,435,868 |
|--------------------------------------|--------------|

**Computation of the Contel, Il.- Wisconsin Access Lines Ratio:**

|  |     |
|--|-----|
| -----  |     |
| Contel, Il.- Wisconsin Access Lines Used (page 50) | 784 |
| Less: Company Used Lines (page 50)                 | (8) |
| Customer Used Lines (page 50)                      | 776 |

|   |             |
|---|-------------|
| Divided by total Contel - Illinois Access Lines excluding<br>Company Used Lines | 187,496     |
| Contel, Il.- Wisconsin Access Lines Ratio                                       | 0.004138755 |

## GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

### Calculation of Assessable Revenues for Remainder, DOJ, and Tele. Relay Assessment Purposes Footnote. Page 43

The purpose of the following computations is to derive Assessable Revenues for Remainder, Department of Justice and Telephone Relay Assessment for Contel, Il.- Wisconsin from total Contel - Illinois financial data.

#### Computation of the Contel, Il.- Wisconsin Assessable Revenues:

|   |               |
|---|---------------|
| -----   |               |
| Gross Operating Revenues                                | \$122,459,000 |
| Plus: Collection of Amounts Previously Written Off      | 914,000       |
| Less: Uncollectibles Written Off During the Year        | (4,724,000)   |
| Plus: Total Other Operating Income and (Expense)(7100)  | 0             |
| Less: Nonregulated Operating Revenue                    | (3,179,000)   |
| Plus: Nonregulated Uncollectible Revenue                | 0             |
| Total Contel - Illinois Assessable Revenue(a)           | \$115,470,000 |
| Multiplied by Contel, Il.- Wisconsin Access Lines Ratio | 0.004138755   |

Contel, Il.- Wisconsin Assessable Revenue(b) \$477,902

Out-of-State Operating Revenues(a-b) \$114,992,098

#### Computation of the Contel, Il.- Wisconsin Access Lines Ratio:

|  |     |
|--|-----|
| -----  |     |
| Contel, Il.- Wisconsin Access Lines Used (page 50) | 784 |
| Less: Company Used Lines (page 50)                 | (8) |
| Customer Used Lines (page 50)                      | 776 |

Divided by total Contel - Illinois Access Lines excluding  
Company Used Lines 187,496  
Contel, Il.- Wisconsin Access Lines Ratio 0.004138755

### Access Usage Footnote. Page 48

Unable to separate CTIL-WI exchange data from the Contel-Illinois exchanges, because all access usage is recorded and billed to Contel-Illinois.

### Outside Plant Statistics at End of Year Footnote. Page 49

In 1997 we transferred the fiber optics that were reported in 1996 for these 3 exchanges to exchanges in Illinois.

#### Schedule Line Footnotes

- A)** The amount (1) reported for Exchange Square Miles for each exchange was inputted in order to perform a file save command.
- B)** All exchanges reported null values for Voice grade interLATA channel terminations. All exchanges reported null values for 56 kbps, 64 kbps, 1.54 Mbps and 45Mbps circuit types for both intraLATA and interLATA channel terminations. This is due to the fact that the exchanges do not have these types of circuits in use.
- C)** The data in this Revenues - Class A & B schedule has been inputted solely to populate the two calculations of assessable revenue schedules on page 43 of the annual report. This data reflects the total Contel, Illinois study area.

## GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

- D)** The data in this Other Income Accounts schedule has been inputted solely to populate the Calculation of Assessable Revenues for Remainder, Department of Justice and Telephone Relay Assessment Purposes schedule on page 43 of the annual report. To be consistent in the manner in which data was inputted on the Revenues schedule on page 40, data was inputted reporting the first three digits as zeroes. Based on this method of input, none of the Other Operating Income and Expense account balances that require input (7100 accounts), were large enough to report amounts. This data reflects the total Contel, Illinois study area.
- E)** The data in this Accounts Receivable Net Write Offs - Telecommunications schedule has been inputted solely to populate the Calculation of Assessable Revenues for Remainder, Department of Justice and Telephone Relay Assessment Purposes schedule on page 43 of the annual report. To be consistent in the manner in which data was inputted on the Revenues schedule on page 40, data was inputted reporting the first three digits as zeroes. This data reflects the total Contel, Illinois study area.
- F)** Route miles of plant - microwave does not exist.
- G)** The following is an explanation for Total Local calls multiplied by 1,000 and divided by the average Total Business & Residential lines ratio, falling outside the prescribed parameters:
- It appears that the local holding time is not accurately representing calling patterns since the advent of the Internet. The activity of Internet Service Providers (ISPs) providing local dial up access to the Internet has caused industry concern over the required resource demands on the local telephone network. In some cases, ISPs have advertised a mass event, such as "a chat with a celebrity", causing a mass calling for the local telephone network. Additionally, these ISPs typically provide service at a flat monthly rate for unlimited access. All of these factors are potentially contributing to increased local holding time.
- H)** The amount reported for Out-of-State Operating Revenues represents the difference between the Total Contel - Illinois Assessable Revenue and the Contel, Il.- Wisconsin Assessable Revenue.  
Refer to the Schedule Footnote (Page 43) for the Calculation of Assessable Revenues for Remainder, Department of Justice and Telephone Relay Assessment Purposes schedule.
- I)** The amount reported for Out-of-State Operating Revenues represents the difference between the Total Contel - Illinois Assessable Revenue and the Contel, Il.- Wisconsin Assessable Revenue.  
Refer to the Schedule Footnote (Page 43) for the Calculation of Assessable Revenues for Universal Service Fund Assessment Purposes schedule.