



4004

ANNUAL REPORT

OF

Name: MARQUETTE-ADAMS TELEPHONE CO-OPERATIVE, INC.

Principal Office: 113 N OXFORD ST
P.O. BOX 45
OXFORD, WI 53952-0045

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.

SIGNATURE PAGE

I LESTER R. RODGER of
(Person responsible for accounts)

MARQUETTE-ADAMS TELEPHONE CO-OPERATIVE, INC. , certify that I
(Utility Name)

am the person responsible for accounts; that I have examined the following report and, to the best of my knowledge, information and belief, it is a correct statement of the business and affairs of said utility for the period covered by the report in respect to each and every matter set forth therein.

LESTER R. RODGER 04/28/1998
(Person responsible for accounts) (Date)

SECRETARY-TREASURER
(Title)

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ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

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

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

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

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

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

ABBREVIATIONS USED IN ANNUAL REPORTS

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

IDENTIFICATION AND OWNERSHIP

Exact Utility Name: MARQUETTE-ADAMS TELEPHONE CO-OPERATIVE, INC.
Utility Location: 113 N OXFORD ST
P.O. BOX 45
OXFORD, WI 53952-0045

Utility Web Site Address:

When was utility organized?: 04/21/1951

Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: MRS. DIANA M . LAPOINTE
Title: MANAGER

Office Address: 113 N. OXFORD STREET
P.O. BOX 45
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Individual or firm, if other than utility employee, preparing this report

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Person responsible for financial information contained in report

Name: MR. LESTER R . RODGER
Title: SECRETARY-TREASURER

Office Address: 113 N. OXFORD STREET
P.O. BOX 45
OXFORD , WI 53952

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Person responsible for statistical information contained in report

Name: MR. LESTER R . RODGER
Title: SECRETARY-TREASURER

Office Address: 113 N. OXFORD STREET
P.O. BOX 45
OXFORD , WI 53952-0045

Fax Number: (608) 586 - 5209
Telephone Number: (608) 586 - 4111
Email Address:

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	2,471,034	2,114,626	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	201,759	215,049	2
Plant Nonspecific Operations Expense	817,159	553,676	3
Customer Operations Expense (6610-6620)	321,905	297,881	4
Corporate Operations Expense (6710-6790)	342,081	246,059	5
Other Operating Income and Expense (7100)	0	0	6
Operating Taxes (7200)	128,639	93,363	7
Total Operating Expenses	1,811,543	1,406,028	8
Net Operating Income	659,491	708,598	9
Other Income			
Nonoperating Income and Expense (7300)	318,205	210,219	10
Nonoperating Taxes (7400)	99,211	63,066	11
Interest and Related Items (7500)	29,954	33,910	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	(21,231)	(36,054)	14
Total Nonoperating Income	167,809	77,189	15
Net Income	827,300	785,787	16

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT ASSETS			
CASH AND EQUIVALENTS			
Cash and Equivalents (1120)*	589,468	741,098	1
Cash (1130)			2
Special Cash Deposits (1140)			3
Working Cash Advances (1150)			4
Temporary Investments (1160)			5
TOTAL CASH AND EQUIVALENTS	589,468	741,098	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	157,026	177,490	6
Accounts Receivable Allowance-Telecom (1181)*			7
Net: Telecommunications Accounts Receivable	157,026	177,490	
Other Accounts Receivable (1190)*	427,409	236,490	8
Accounts Receivable Allowance--Other (1191)*			9
Net: Other Accounts Receivable	427,409	236,490	
Notes Receivable (1200)*			10
Notes Receivable Allowance (1201)*			11
Net: Notes Receivable	0	0	
Interest and Dividends Receivable (1210)*	1,394	1,394	12
TOTAL RECEIVABLES AND ALLOWANCES FOR DOUBTFUL	585,829	415,374	
SUPPLIES			
Inventories (1220)*	34,756	63,353	13
TOTAL SUPPLIES	34,756	63,353	
PREPAYMENTS			
Total Prepayments (1280)*	29,750	31,475	14
Prepaid Rents (1290)			15
Prepaid Taxes (1300)			16
Prepaid Insurance (1310)			17
Prepaid Directory Expenses (1320)			18
Other Prepayments (1330)			19
TOTAL PREPAYMENTS	29,750	31,475	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*			20
TOTAL OTHER CURRENT ASSETS	0	0	
TOTAL CURRENT ASSETS	1,239,803	1,251,300	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*			21
Investments in Nonaffiliated Companies (1402)*	1,330,964	1,321,680	22
Nonregulated Investments (1406)*	22,126	1,198	23
Unamortized Debt Issuance Expense (1407)*			24
Sinking Funds (1408)*			25

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
NONCURRENT ASSETS			
INVESTMENTS			
Other Noncurrent Assets (1410)*	140,156	1,328	26
TOTAL INVESTMENTS	1,493,246	1,324,206	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*			27
Deferred Maintenance and Retirements (1438)*			28
Deferred Charges (1439)*			29
TOTAL DEFERRED CHARGES	0	0	
TOTAL NONCURRENT ASSETS	1,493,246	1,324,206	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	8,574,444	7,674,356	30
Less: Accumulated Depreciation (3100)*	4,152,070	3,829,602	31
Less: Accumulated Amortization--Capitalized Leases (3410)*			32
Less: Accumulated Amortization--Leasehold Improvements (3420)*			33
Less: Accumulated Amortization--Intangible (3500)*			34
NET TELECOMMUNICATIONS PLANT IN SERVICE	4,422,374	3,844,754	
PROPERTY HELD FOR FUTURE USE			
Prop. Held for Future Telecommun. Use (2002)*			35
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200)*			36
NET PROPERTY HELD FOR FUTURE USE	0	0	
NONOPERATING PLANT			
Nonoperating Plant (2006)*			37
Less: Accumulated Depreciation--Nonoperating (3300)*			38
NET NONOPERATING PLANT	0	0	
TPUC			
TPUC (2003)*	171,022	471,735	39
TOTAL TPUC	171,022	471,735	
TELECOMMUNICATIONS PLANT ADJUSTMENT			
Telecommunications Plant Adjustment (2005)*			40
Less: Accumulated Amortization--Other (3600)*			41
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	0	0	
TOTAL PLANT	4,593,396	4,316,489	
TOTAL ASSETS AND OTHER DEBITS*	7,326,445	6,891,995	

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	174,624	138,425	1
Notes Payable (4020)*			2
Advance Billing and Payments (4030)*	1,368	1,220	3
Customer Deposits (4040)*	12,724	11,121	4
Current Maturities--Long-Term Debt (4050)*	106,300	101,900	5
Current Maturities--Capital Leases (4060)*			6
Income Taxes--Accrued (4070)*	61,066	65,347	7
Other Taxes--Accrued (4080)*	(12,472)	(7,995)	8
Net Current Deferred Operating Income Taxes (4100)*			9
Net Current Deferred Nonoperating Income Taxes (4110)*			10
Other Accrued Liabilities (4120)*	3,991	4,638	11
Other Current Liabilities (4130)*			12
TOTAL CURRENT LIABILITIES*	347,601	314,656	
LONG-TERM DEBT			
Funded Debt (4210)*	388,030	498,528	13
Premium on Long-Term Debt (4220)*			14
Discount on Long-Term Debt (4230)*			15
Reacquired Debt (4240)*			16
Obligations Under Capital Leases (4250)*			17
Advances from Affiliated Companies (4260)*			18
Other Long-Term Debt (4270)*			19
TOTAL LONG-TERM DEBT*	388,030	498,528	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*	67,651	69,153	20
Unamortized Operating ITC--Net (4320)*			21
Unamortized Nonoperating ITC--Net (4330)*			22
Net Noncurrent Deferred Operating Income Taxes (4340)*			23
Net Deferred Tax Liability Adjustments (4341)*			24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	0	(104,905)	25
Other Deferred Credits (4360)*			26
Deferred Tax Regulatory Liability (4361)*			27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS*	67,651	(35,752)	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	12,550	5,880	28
Additional Paid-in Capital (4520)*			29
Treasury Stock (4530)*			30
Other Capital (4540)*	(4,206)	(8,482)	31
Retained Earnings (4550)*	6,514,819	6,117,165	32
TOTAL STOCKHOLDERS' EQUITY*	6,523,163	6,114,563	
TOTAL LIABILITIES AND OTHER CREDITS*	7,326,445	6,891,995	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
GENERAL SUPPORT ASSETS				
Land	2111	27,368		1
Motor Vehicles	2112	152,637	23,067	2
Aircraft	2113			3
Special Purpose Vehicles	2114			4
Garage Work Equipment	2115	6,980		5
Other Work Equipment	2116	155,217	46	6
Buildings	2121	319,949	19,364	7
Furniture	2122	34,815		8
Office Equipment	2123	32,835	5,955	9 A
General Purpose Computers	2124	162,889	21,433	10 D
TOTAL--GENERAL SUPPORT ASSETS:		892,690	69,865	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211			11
Digital Electronic Switching	2212	1,925,108	54,143	12 A
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220			14
Radio Systems	2231	0	0	15
Circuit Equipment	2232	636,563	282,841	16 A
TOTAL--CENTRAL OFFICE ASSETS:		2,561,671	336,984	
INFORMATION ORIGATION/TERMINATION ASSETS				
Station Apparatus	2311			17
Customer Premises Wiring	2321	409,434		18
Large Private Branch Exchanges	2341			19
Public Telephone Terminal Equipment	2351	38,396	1,509	20 B
Other Terminal Equipment	2362			21
TOTAL--INFORMATION ORIG/TERM ASSETS:		447,830	1,509	
CABLE WIRE FACILITIES ASSETS				
Poles	2411			22
Aerial Cable	2421	0	0	23
Underground Cable	2422	0	0	24
Buried Cable	2423	3,740,108	774,887	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	32,057		30
TOTAL--CABLE WIRE FACILITIES ASSETS:		3,772,165	774,887	
AMORTIZABLE ASSETS				
Capital Leases	2681			31

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

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2111			27,368	1
2112	42,057		133,647	2
2113			0	3
2114			0	4
2115			6,980	5
2116			155,263	6
2121			339,313	7
2122			34,815	8
2123	0	505	39,295	9 A
2124	82,313	(2)	102,007	10 D
	124,370	503	838,688	
2211			0	11
2212	35,791	25,058	1,968,518	12 A
2215	0	0	0	13
2220			0	14
2231	0	0	0	15
2232	81,578	(25,564)	812,262	16 A
	117,369	(506)	2,780,780	
2311			0	17
2321			409,434	18
2341			0	19
2351		(39,905)	0	20 B
2362			0	21
	0	(39,905)	409,434	
2411			0	22
2421	0	0	0	23
2422	0	0	0	24
2423	1,510	0	4,513,485	25
2424	0	0	0	26
2425			0	27
2426	0	0	0	28
2431			0	29
2441			32,057	30
	1,510	0	4,545,542	
2681			0	31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)
AMORTIZABLE ASSETS			
Leasehold Improvements	2682		32
Intangibles	2690		33
TOTAL--AMORTIZABLE ASSETS:		0	0
TOTAL TELECOM. PLANT IN SERVICE	2001	7,674,356	1,183,245
Less: Allocation to Nonregulated Activity - EOY	2001		34
NET REG. TOTAL TELE. PLANT IN SERV. - EOY	2001		

Explain all amounts shown in column (g).

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

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2682			0	32
2690			0	33
	0	0	0	
	243,249	(39,908)	8,574,444	
2001			0	34
			8,574,444	

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

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

Plant Subaccount (a)	Subaccount (b)	Balance FOY (c)	Additions (d)	
Office Support Equipment	2123.1	20,891		1 A
Company Communications Equipment	2123.2	11,944	5,955	2
Software	2212.1	1,925,108	54,143	3 A
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	636,563	282,841	10 A
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	442,921	382,567	17
Buried Cable - Metallic	2423.2	3,297,187	392,320	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

Explain all amounts shown in column (g).

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

Subaccount (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2123.1		505	21,396	1 A
2123.2			17,899	2
2212.1	35,791	25,058	1,968,518	3 A
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	81,578	(25,564)	812,262	10 A
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			825,488	17
2423.2	1,510		3,687,997	18
2424.1			0	19
2424.2			0	20
2426.1			0	21
2426.2			0	22

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
GENERAL SUPPORT ASSETS					
Motor Vehicles	2112	78,703		20,002	1C
Aircraft	2113				2
Special Purpose Vehicles	2114				3
Garage Work Equipment	2115	4,413	10.0	698	4
Other Work Equipment	2116	89,376		14,696	5C
Buildings	2121	104,046	2.63	8,859	6
Furniture	2122	33,848	8.33	967	7
Office Equipment	2123	32,269		5,073	8P
General Purpose Computers	2124	122,949	7.0	10,981	9
Total-- GENERAL SUPPORT ASSETS		465,604		61,276	0
CENTRAL OFFICE ASSETS					
Analog Electronic Switching	2211				10
Digital Electronic Switching	2212	816,120		195,930	11A,P
Electro-Mechanical Switching	2215				12
Operator Systems	2220				13
Radio Systems	2231				14
Circuit Equipment	2232	330,016	10.0	74,024	15A
Total-- CENTRAL OFFICE ASSETS		1,146,136		269,954	0
INFORMATION ORIG/TERM ASSETS					
Station Apparatus	2311				16
Customer Premises Wiring	2321	357,621	12.65	51,790	17
Large Private Branch Exchanges	2341				18
Public Telephone Terminal Equipment	2351	28,816	10.0	1,380	19B
Other Terminal Equipment	2362				20
Total-- INFORMATION ORIG/TERM ASSETS		386,437		53,170	0
CABLE WIRE FACILITIES ASSETS					
Poles	2411				21
Aerial Cable	2421				22
Underground Cable	2422				23
Buried Cable	2423	1,821,685	5.0	201,618	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.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112	42,057		9,033		65,681	1 C
2113					0	2
2114					0	3
2115					5,111	4
2116					104,072	5 C
2121					112,905	6
2122					34,815	7
2123	0				37,342	8 P
2124	82,313		60		51,677	9
	124,370	0	9,093	0	411,603	
2211					0	10
2212	35,791			35,791	1,012,050	11 A,P
2215	0				0	12
2220					0	13
2231	0				0	14
2232	81,578			(35,791)	286,671	15 A
	117,369	0	0	0	1,298,721	
2311					0	16
2321					409,411	17
2341					0	18
2351				(30,196)	0	19 B
2362					0	20
	0	0	0	(30,196)	409,411	
2411					0	21
2421	0				0	22
2422	0				0	23
2423	1,510				2,021,793	24
2424	0				0	25
2425					0	26
2426	0				0	27
2431					0	28

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
CABLE WIRE FACILITIES ASSETS					
Conduit Systems	2441	9,740	2.5	802	29
Total-- CABLE WIRE FACILITIES ASSETS		1,831,425		202,420	0
Total Accumulated Depreciation	3100	3,829,602		586,820	0
Less: Allocation to Nonregulated Activity - Columns e, f and I	3100			0	0 30
Net Regulated Total Accum Depreciation - 3100 Columns e, f and I				586,820	0

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441					10,542	29
	1,510	0	0	0	2,032,335	
3100	243,249	0	9,093	(30,196)	4,152,070	
3100					0	30
3100					4,152,070	

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

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

Plant Subaccount (a)	Subacct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)	
Office Support Equipment	2123.1	20,264	10.0	2,089		1
Company Communications Equipment	2123.2	12,005	20.0	2,984		2
Software	2212.1	816,120		195,930		3 A,P
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	330,016	10.0	74,024		10 A
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	107,189	5.0	29,573		17
Buried Cable - Metallic	2423.2	1,714,496	5.0	172,045		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 H

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

Subacct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2123.1					22,353	1
2123.2					14,989	2
2212.1	35,791			35,791	1,012,050	3 A,P
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	81,578			(35,791)	286,671	10 A
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					136,762	17
2423.2	1,510				1,885,031	18
2424.1					0	19
2424.2					0	20
2426.1					0	21
2426.2					0	22 H

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	6,117,165	5,769,196	1
Changes:			
Balance Transferred from Income	827,300	785,787	2
Dividends Declared:			
Common		842	3
Preferred			4
Total Dividends Declared	0	842	
Miscellaneous Debits to Retained Earnings	429,646	436,976	5
Miscellaneous Credits to Retained Earnings			6
Balance--End of Year	<u>6,514,819</u>	<u>6,117,165</u>	

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

Particulars (a)	This Year (b)	Last Year (c)	
LOCAL NETWORK SERVICES REVENUES			
Basic Local Service Revenue (5000)*	643,097	599,714	1
Basic Area Revenue (5001)			2
Optional Extended Area Revenue (5002)			3
Cellular Mobile Revenue (5003)			4
Other Mobile Services Revenue (5004)			5
Public Telephone Revenue (5010)			6
Local Private Line Revenue (5040)			7
Customer Premises Revenue (5050)			8
Other Local Exchange Revenue (5060)			9
Other Local Exchange Revenue Settlements (5069)			10
TOTAL BASIC LOCAL SERVICE REVENUE (5000)	643,097	599,714	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	147,709	141,450	11
Switched Access Revenue (5082)*	577,057	478,320	12
Special Access Revenue (5083)*	36,312	37,403	13
TOTAL INTERSTATE ACCESS REVENUES (5080)	761,078	657,173	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*			14
Switched Access Revenue (5084.2)*	633,536	576,558	15
Special Access Revenue (5084.3)*	51,740	31,719	16 F
TOTAL INTRASTATE ACCESS REVENUES (5084)	685,276	608,277	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*	196,340	0	17 E
Long Distance Inward-Only Revenue (5111)			18
Long Distance Outward-Only Revenue (5112)			19
Unidirectional Long Distance Revenue (5110)	0	0	
Long Distance Private Network Revenues			
Subvoice Grade Revenue (5121)			20
Voice Grade Revenue (5122)			21
Audio Program Grade Revenue (5123)			22
Video Program Grade Revenue (5124)			23
Digital Transmission Revenue (5125)			24
Switching Revenue (5126)			25
Other Revenue (5128)			26
Other Revenue Settlements (5129)			27
Total Long Distance Private Network Revenue	0	0	
Other Long Distance Revenue (5160)			28
Other Long Distance Revenue Settlements (5169)			29
TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV.	196,340	0	

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

Particulars (a)	This Year (b)	Last Year (c)	
MISCELLANEOUS REVENUES			
Directory Revenue (5230)*	67,696	64,196	30
Rent Revenue (5240)*			31
Corporate Operations Revenue (5250)*			32
Miscellaneous:			
Miscellaneous Revenue (5260)*	924	6,426	33 I
Special Billing Arrangements Revenue (5261)			34
Customer Operations Revenue (5262)			35
Plant Operations Revenue (5263)			36
Other Incidental Regulated Revenue (5264)			37
Other Revenue Settlements (5269)			38
Total Miscellaneous Revenue (5260)	924	6,426	
Interstate Billing and Collection Revenue*	26,339	33,588	39 J
Intrastate Billing and Collection Revenue*	87,487	133,011	40 J
Total Carrier Billing and Collection Revenue (5270)*	113,826	166,599	
Nonregulated Operating Revenue (5280)**			41
TOTAL MISCELLANEOUS REVENUES	182,446	237,221	
GROSS OPERATING REVENUES	2,468,237	2,102,385	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*	(2,797)	(12,241)	42 K
Uncollectible Revenue--Telecommunications (5301)			43
Uncollectible Revenue--Other (5302)			44
TOTAL UNCOLLECTIBLE REVENUE (5300)	(2,797)	(12,241)	
TOTAL OPERATING REVENUES	<u>2,471,034</u>	<u>2,114,626</u>	

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

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)	
PLANT SPECIFIC OPERATIONS EXPENSE				
Total Network Support Expense (6110)	1,752	2,929		1
Less: Nonregulated		0		2
Net Regulated	1,752	2,929		3
Total General Support Expense (6120)	51,316	60,035		4
Less: Nonregulated		0		5
Net Regulated	51,316	60,035		6
Total Central Office Switching Expense (6210)	75,810	77,080		7
Less: Nonregulated		0		8
Net Regulated	75,810	77,080		9
Total Operator Systems Expense (6220)	0	0		10
Less: Nonregulated		0		11
Net Regulated	0	0		12
Total Central Office Transmission Expenses (6230)	0	591		13
Less: Nonregulated		0		14
Net Regulated	0	591		15
Total Information Orig. / Term. Expense (6310)	2,994	534		16
Less: Nonregulated		0		17
Net Regulated	2,994	534		18
Total Cable and Wire Fac. Expense (6410)	83,177	60,590		19
Less: Nonregulated		0		20 G
Net Regulated	83,177	60,590		21
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	215,049	201,759		
Less: Nonregulated	0	0		
Net Regulated	215,049	201,759		
PLANT NONSPECIFIC OPERATIONS EXPENSE				
Total Other Property, Plant and Equip. Exp. (6510)	0	0		22
Less: Nonregulated		0		23
Net Regulated	0	0		24
Total Network Operations Expense (6530)	23,843	83,660		25
Less: Nonregulated		0		26 M
Net Regulated	23,843	83,660		27
Access Expense (6540)	0	146,750		28
Less: Nonregulated		0		29 E
Net Regulated	0	146,750		30
Total Depreciation and Amortization Expense (6560)	529,833	586,749		31
Less: Nonregulated		0		32
Net Regulated	529,833	586,749		33
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	553,676	817,159		
Less: Nonregulated	0	0		
Net Regulated	553,676	817,159		

EXPENSE MATRIX - CLASS A & B (cont.)

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

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)
CUSTOMER OPERATIONS EXPENSE			
Total Marketing (6610)	4,673	14,246	34
Less: Nonregulated		0	35 N
Net Regulated	4,673	14,246	36
Total Services (6620)	293,208	307,659	37
Less: Nonregulated		0	38
Net Regulated	293,208	307,659	39
TOTAL CUSTOMER OPERATIONS EXPENSE	297,881	321,905	
Less: Nonregulated	0	0	
Net Regulated	297,881	321,905	
CORPORATE OPERATIONS EXPENSE			
Total Exec. and Planning (6710)	112,436	116,524	40
Less: Nonregulated		0	41
Net Regulated	112,436	116,524	42
Total General and Administrative (6720)	133,623	225,557	43
Less: Nonregulated		0	44 O
Net Regulated	133,623	225,557	45
Provision for Uncollectible Notes Receiv. (6790)		0	46
Less: Nonregulated		0	47
Net Regulated	0	0	48
TOTAL CORPORATE OPERATIONS EXPENSE	246,059	342,081	
Less: Nonregulated	0	0	
Net Regulated	246,059	342,081	
TOTAL EXPENSES	1,312,665	1,682,904	
Less: Nonregulated	0	0	
Net Regulated	1,312,665	1,682,904	

EXPENSE MATRIX - CLASS A & B (cont.)

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

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EXPENSE MATRIX - CLASS A & B (DETAIL)

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries/ Wages (d)	
Property Held for Future Tele. Use Exp. (6511)	0	0		1
Provisioning Expense (6512)		0		2
Total: Reported in Account 6510	0	0		
Depreciat. Exp.--Tele. Plant in Service (6561)	529,833	586,749		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
Total: Reported in Account 6560	529,833	586,749		

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

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

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

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

Description (a)	This Year (b)	
Gross Operating Revenues	2,468,237	1
Plus: Collection of amounts previously written off		2
Less: Uncollectibles written off during the year		3
Plus: Total Other Operating Income and (Expense) (7100)	0	4
Less: Nonregulated Operating Revenue (included Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Uncollectible Revenue (included in Gross Oper. Rev. on Line 1)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify): NONE	0	8
Assessable Revenues for Remainder, Department of Justice, and Telephone Relay Assessment Purposes	2,468,237	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	643,097	1
Plus: Total Intrastate Access Revenues (5084)	685,276	2
Plus: Total Long Distance Network Services Revenue	196,340	3
Less: Out-of-State Operating Revenues (included in the above lines)	84,444	4 L
Plus (or Less) Other (please specify): NONE	0	5
Assessable Revenues for Universal Service Fund Assessment Purposes	1,440,269	

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

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

Description (a)	This Year (b)	
Gross Operating Revenues	2,468,237	1
Plus: Collection of amounts previously written off		2
Less: Uncollectibles written off during the year		3
Plus: Total Other Operating Income and (Expense) (7100)	0	4
Less: Nonregulated Operating Revenue (included Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Uncollectible Revenue (included in Gross Oper. Rev. on Line 1)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify): NONE	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	<u>2,468,237</u>	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	643,097	1
Plus: Total Intrastate Access Revenues (5084)	685,276	2
Plus: Total Long Distance Network Services Revenue	196,340	3
Less: Out-of-State Operating Revenues (included in the above lines)	84,444	4 L
Plus (or Less) Other (please specify): NONE	0	5
Assessable Revenues for Universal Service Fund Assessment Purposes	<u>1,440,269</u>	

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

Particulars (a)	This Year (b)	Last Year (c)	
OTHER OPERATING INCOME AND EXPENSE			
Income from Custom Work (7110)*			1
Return from Nonregulated Use of Regulated Facilities (7130)*			2
Gains and (Losses) from Foreign Exchange (7140)			3
Gains or (Losses) from the Disposition of Land and Artworks (7150)			4
Other Operating Gains and (Losses) (7160)*			5
TOTAL OTHER OPERATING INCOME AND (EXPENSE) (7100)*	0	0	
OPERATING TAXES			
Operating Investment Tax Credits--Net (7210)*			6
Operating Federal Income Taxes (7220)*	(4,222)	(29,010)	7
Operating State and Local Income Taxes (7230)*			8
Operating Other Taxes (7240)*	132,861	122,373	9
Provision for Deferred Operating Income Taxes--Net (7250)*			10
TOTAL OPERATING TAXES (7200)*	128,639	93,363	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)*	4,311	3,627	11
Interest Income (7320)*	38,054	37,842	12
Income from Sinking and Other Funds (7330)*			13
Allowance for Funds Used During Construction (7340)*	5,958	0	14
Gains or (Losses) from the Disposition of Certain Property (7350)*			15
Other Nonoperating Income (7360)*	269,932	168,750	16
Special Charges (7370)*	50	0	17
TOTAL NONOPERATING INCOME AND EXPENSE (7300)*	318,205	210,219	
NONOPERATING TAXES			
Nonoperating Investment Tax Credits--Net (7410)*			18
Nonoperating Federal Income Taxes (7420)*	133,134	137,930	19
Nonoperating State and Local Income Taxes (7430)*			20
Nonoperating Other Taxes (7440)*			21
Provision for Deferred Nonoperating Income Taxes-Net (7450)*	(33,923)	(74,864)	22
TOTAL NONOPERATING TAXES (7400)*	99,211	63,066	
INTEREST AND RELATED ITEMS			
Interest on Funded Debt (7510)*	28,492	33,290	23
Interest Expense--Capital Leases (7520)*			24
Amortization of Debt Issuance Expense (7530)*			25
Other Interest Deductions (7540)*	1,462	620	26
TOTAL INTEREST AND RELATED ITEMS (7500)*	29,954	33,910	
EXTRAORDINARY ITEMS			
Extraordinary Items (7600)*			27
Extraordinary Income Credits (7610)			28
Extraordinary Income Charges (7620)			29
Current Income Tax Effect of Extraordinary Items--Net (7630)			30
Provision for Deferred Income Tax Effect of Extraordinary Items--Net (7640)			31
TOTAL EXTRAORDINARY ITEMS (7600)*	0	0	
NONREGULATED NET INCOME			
Nonregulated Net Income (7990)*	(21,231)	(36,054)	32

TELEPHONE CALLS AND MINUTES OF USE PER MONTH

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

Item (a)	Telephone Calls (000's) (b)	Minutes of Use (000's) (c)	
LOCAL			
Intra-Exchange	179	573	1
Extended Area Service			2
Extended Community Calling	55	226	3
Other Local-Undefined			4
Total Local	234	799	
TOLL			
Operator Handled: State--intraLATA	0	2	5
Operator Handled: State--interLATA	0	1	6
Operator Handled: Interstate	1	4	7
Customer Dialed: State--intraLATA	49	189	8
Customer Dialed: State--interLATA	27	158	9
Customer Dialed: Interstate	28	152	10
WATS	0		11
Other Toll-Undefined	64	149	12
Total Toll	169	655	
Total Local & Toll	403	1,454	

ACCESS USAGE

Enter number, in thousands, of Billed Minutes.

Description (a)	Billed Minutes (000's)				
	Interstate InterLATA (b)	Intrastate InterLATA (c)	Intrastate IntraLATA (d)	Interstate IntraLATA (e)	
Feature Group A -- Orig.					1
Feature Group A -- Term.		3			2
Feature Group B -- Orig.					3
Feature Group B -- Term.		0			4
Feature Group C -- Orig.			113		5
Feature Group C -- Term.			128		6
Feature Group D -- Orig.	239	223	208	1	7
Feature Group D -- Term.	249	270	126		8

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	0	1
Sheath miles of plant - buried	821	2
Sheath miles of plant - fiber optics	83	3
Strand miles of plant - fiber optics	1,181	4
Route miles of plant - microwave		5

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

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

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	0	1
Sheath miles of plant - buried	821	2
Sheath miles of plant - fiber optics	83	3
Strand miles of plant - fiber optics	1,181	4
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SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

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

SERVICE DATA

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

Item (a)	FOY (b)	EOY (c)	
Business			
1 Party	293	334	3
2 Party	0		4
4 Party	0		5
PBX Trunks/System Trunks	5	5	6
Centrex Trunks	0		7
Centrex Lines	0		8
Key System Trunks	50	53	9
Mobile (Utility Provided Service)	0		10
Paging (Utility Provided Service)	0		11
FX-Out (Switched)	0		12
Pay Telephone	0		13
Coin-Operated Pay Telephone	0	0	14
Independent Pay Telephone Provider	0	0	15
Pay Stations - Public	7	6	16
- Semi-Public	4	7	17
- Cust. Owned	5	6	18
Other	0		19
Total Business Lines	364	411	20
Residential (Incl. Emp. Concess.)			
1 Party	3,028	3,163	22
2 Party	0		23
4 Party	0		24
FX-Out (Switched)	0		25
Other	0		26
Total Residential Lines	3,028	3,163	27
Total Bus & Res Lines	3,392	3,574	28
Company Used Lines	57	60	29
Total Lines Used	3,449	3,634	30

SERVICE DATA (cont.)

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

Item (a)	FOY (b)	EOY (c)	
Miscellaneous			
WATS Lines - OutWATS	0		3
WATS Lines - 800 Service	1	0	4
FX-In-intraLATA	5	5	5
Special Access-intraLATA			6
(expressed in equiv. access lines)	36	37	7
Special Access-interLATA			8
(expressed in equiv. access lines)	101	150	9
Feature Group A Lines	0		10
Feature Group B Trunks	0		11
Feature Group C Trunks	0		12
Feature Group D Trunks	149	149	13
TSPS - Trunks	30	30	14
EAS - Trunks	16	16	15
Cellular Trunks (Pub. Sw. Net.)	0		16
Video Distance Learning			17
- discounted (special tariff)	0		18
Customers			
Business - 2 Party Customers	0		19
Business - 4 Party Customers	0		20
Residential - 2 Party Customers	0		21
Residential - 4 Party Customers	0		22
Other			
Total Central Office, Info. Orig./Term., & Cable			23
Wire Fac. Assets (based on physical location of plant)	6,781,666	7,735,756	24
Total Company Square Miles	201	201	25
Total Company Route Miles	765	821	26
Footnotes			27

SERVICE DATA - END OF YEAR

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

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	0760	1790	4060	4070	1
Business					2
1 Party	50	56	152	76	3
2 Party					4
4 Party					5
PBX Trunks/System Trunks	5				6
Centrex Trunks					7
Centrex Lines					8
Key System Trunks		19	30	4	9
Mobile (utility provided service)					10
Paging (utility provided service)					11
FX-Out (Switched)					12
Pay Telephone					13
Coin-Operated Pay Telephone	0	0	0	0	14
Independent Pay Telephone Provider	0	0	0	0	15
Pay Stations - Public	1	1	2	2	16
- Semi-Public	1		4	2	17
- Cust. Owned	1	1	3	1	18
Other					19
Total Business Lines	58	77	191	85	20
Residential (Incl. Emp. Concess.)					21
1 Party	908	395	1,335	525	22
2 Party					23
4 Party					24
FX-Out (Switched)					25
Other					26
Total Residential Lines	908	395	1,335	525	27
Total Bus & Res Lines	966	472	1,526	610	28
Company Used Lines	9	5	42	4	29
Total Lines Used	975	477	1,568	614	30

SERVICE DATA - END OF YEAR (cont.)

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

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	0760	1790	4060	4070	1
Miscellaneous					2
WATS Lines - OutWATS					3
WATS Lines - 800 Service			0		4
FX-In-intraLATA		2	3		5
Special Access-intraLATA					6
(equiv. access lines)		2	33	2	7
Special Access-interLATA					8
(equiv. access lines)	145		3	2	9
Feature Group A Lines					10
Feature Group B Trunks					11
Feature Group C Trunks					12
Feature Group D Trunks			149		13
TSPS - Trunks			30		14
EAS - Trunks			16		15
Cellular Trunks (Pub. Sw. Net.)					16
Video Distance Learning					17
- discounted (special tariff)					18
Customers					19
Business - 2 Party Customers					20
Business - 4 Party Customers					21
Residential - 2 Party Customers					22
Residential - 4 Party Customers					23
Other					24
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical					26
location of plant)	2,088,654	1,005,648	3,326,375	1,315,079	27
Exchange Square Miles	57	36	78	30	28
Exchange Route Miles	313	101	291	116	29
Footnotes					30

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

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

EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

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

MANUFACTURER ABBREVIATIONS

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Electronic--Analog	A	2
Electronic--Digital	D	3
Electronic--Video	V	4

CENTRAL OFFICE DATA - END OF YEAR

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

Description (a)	Central Off. (b)	Central Off. (c)	Central Off. (d)	Central Off. (e)	
Exchange Name	BROOKS	BROOKS	BROOKS	ENDEAVOR	1
PSCW Exchange ID	0760	0760	0760	1790	2
Central Office Name	BROOKS	EASTON	FCI	ENDEAVOR	3
PSCW Central Office ID	1	2	3	1	4
Manufacturer of COE (Page 54)	SC	SC	SC	SC	5
Year COE Installed	1988	1988	1997	1988	6
Type of Equipment (Page 54)	D	D	D	D	7
(S)tandalone, (H)ost, (R)emote	R	R	R	R	8
Remote Host PSCW Exchange ID	4060	4060	4060	4060	9
Remote Host PSCW Central Office ID	1	1	1	1	10
COE Generic Software Release No.	20	20	20	20	11
SS7?	Yes	Yes	Yes	Yes	12
9-1-1?	Yes	Yes	Yes	Yes	13
Access Lines - In Use	368	469	138	477	14
- Equipped	65	79	29	76	15
- Wired	540	630	180	630	16
Trunks - In Use	0	0	0		17
- Equipped	0	0	0		18
- Wired	0	0	0		19
ISDN Available?	No	No	No	No	20
ISDN Lines - In Use (BRI)	0	0	0	0	21
- In Use (PRI)	0	0	0	0	22
Switched 56 Service?	No	No	No	No	23
Switched 56 lines in use	0	0	0	0	24
Digital Transmission Facilities: DS-1 - In Use	6	0	0	0	25
DS-3 - In Use	0	0	0	0	26
Advanced Data Service Available:					
Packet Switching?	No	No	No	No	27
SMDS?	No	No	No	No	28
Frame Relay?	No	No	No	No	29
ATM (Asynchronous Trans. Mode)?	No	No	No	No	30
Video Information - Service Available?	No	No	No	No	31
- In Use (# lines) ¹	0	0	0	0	32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	48	32	12	20	33
No. of fiber strands working (LIT) in C.O.	16	12	4	8	34
No. of fiber strands for interoffice use	0	0	0	0	35
Miles of fiber sheath in wire center	52	0	0	7	36
Access Tandem Serving this C.O.:					
- C.O. Name	MADISON	MADISON	MADISON	MADISON	37
- PSCW C.O. ID	3080-01	3080-01	3080-01	3080-01	38
Does this C.O. do access tandem switching?	No	No	No	No	39
Equal Access: InterLATA (1+)?	Yes	Yes	Yes	Yes	40
Equal Access: IntraLATA (1+)?	Yes	Yes	Yes	Yes	41
Footnotes					42

¹ Teleco provided end-to-end facility.

CENTRAL OFFICE DATA - END OF YEAR

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

Description (a)	Central Off. (b)	Central Off. (c)	Central Off. (d)	Central Off. (e)	
Exchange Name	OXFORD	OXFORD	PACKWAUKEE		1
PSCW Exchange ID	4060	4060	4070		2
Central Office Name	OXFORD	JORDAN LAKE	PACKWAUKEE		3
PSCW Central Office ID	1	2	1		4
Manufacturer of COE (Page 54)	SC	SC	SC		5
Year COE Installed	1988	1988	1988		6
Type of Equipment (Page 54)	D	D	D		7
(S)tandalone, (H)ost, (R)emote	H	R	R		8
Remote Host PSCW Exchange ID		4060	4060		9
Remote Host PSCW Central Office ID		2	1		10
COE Generic Software Release No.	20	20	20		11
SS7?	Yes	Yes	Yes		12
9-1-1?	Yes	Yes	Yes		13
Access Lines - In Use	1,176	463	543		14
- Equipped	239	68	83		15
- Wired	1,710	630	720		16
Trunks - In Use	149	0			17
- Equipped	149	0			18
- Wired	170	0			19
ISDN Available?	No	No	No		20
ISDN Lines - In Use (BRI)	0	0			21
- In Use (PRI)	0	0			22
Switched 56 Service?	No	No	No		23
Switched 56 lines in use	0	0			24
Digital Transmission Facilities: DS-1 - In Use	1	0			25
DS-3 - In Use	0	0			26
Advanced Data Service Available:					
Packet Switching?	No	No	No		27
SMDS?	No	No	No		28
Frame Relay?	No	No	No		29
ATM (Asynchronous Trans. Mode)?	No	No	No		30
Video Information - Service Available?	No	No	No		31
- In Use (# lines) ¹	0	0			32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	92	4	16		33
No. of fiber strands working (LIT) in C.O.	28	4	4		34
No. of fiber strands for interoffice use	0	0	0		35
Miles of fiber sheath in wire center	18	0	6		36
Access Tandem Serving this C.O.:					
- C.O. Name	MADISON	MADISON	MADISON		37
- PSCW C.O. ID	3080-01	3080-01	3080-01		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

¹ Teleco provided end-to-end facility.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

General Footnote

Accountants Compilation Report

To the Board of Directors
Marquette-Adams Telephone Cooperative, Inc.
Oxford, Wisconsin

We have compiled the balance sheet of Marquette-Adams Telephone Cooperative, Inc. as of December 31, 1997 and 1996, and the related statements of income and retained earnings for the year then ended, and the statement of cash flows for the year ended December 31, 1997, included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary information presented in the prescribed form, except for pages 46 through 55.

Our compilation was limited to presenting in the form prescribed by the Public Service Commission of Wisconsin, information that is the representation of management. We have not audited or reviewed the financial statements and supplementary information referred to above and, accordingly, do not express an opinion or any other form of assurance on them. These financial statements were compiled by us from financial statements for the same period that we previously audited, as indicated in our report dated February 13, 1998.

These financial statements (including related disclosures) and the supplementary information are presented in accordance with the requirements of the Public Service Commission of Wisconsin, which differ from generally accepted accounting principles. Accordingly, these financial statements and supplementary information are not designed for those who are not informed about such differences.

The supplementary information contained on pages 46 through 55 of the accompanying prescribed form has not been audited, reviewed, or compiled by us, and, accordingly, we assume no responsibility for that information.

Kiesling Associates LLP
Madison, Wisconsin
April 27, 1998

Schedule Footnotes

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

Balance Sheet - Assets (Class B Use Accounts Designated By *) Footnote. Page 10

Accumulated Depreciation Class A & B Footnote. Page 26

General, Schedule Level and Schedule Line Footnotes Footnote. Page 56

This footnote not being used.

Schedule Line Footnotes

- A) Reclassification of equipment and related depreciation to proper account in 1997.
- B) Transfer of paystations and related depreciation to deregulated during 1997.
- C) Vehicles and other work equipment are depreciated on a per unit basis.
- D) Adjustment to reflect correct beginning of year balance.
- E) This is a new service provided in 1997.
- F) Increase is consistent with prior year and with increase in minutes of use.
- G) 1996 amount was high due to increased payroll and overheads due to storms.
- H) This footnote is not being used.
 - I) Decrease in message settlement with Ameritech in 1997.
 - J) Decrease due to MATC offering toll service in 1997.
 - K) Less recoveries from interexchange carriers in 1997.
 - L) Interstate long distance message revenue.
 - M) Increase due to new mapping project done in 1997.
 - N) Increased amount of advertising and increase of coding time to this account which was previously expensed to another account.
 - O) Increase in consulting fees, due to forecast studies done in 1997.
 - P) Various depreciation rates are used within this account and sub-class accounts.