



4004

ANNUAL REPORT

OF

Name: INDIANHEAD TELEPHONE COMPANY

Principal Office: 211 MAIN ST S
P.O. BOX 428
HECTOR, MN 55342-0428

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 LINDA J. KRAMER of
(Person responsible for accounts)

INDIANHEAD TELEPHONE COMPANY, 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.

LINDA J. KRAMER 04/23/1998
(Person responsible for accounts) (Date)

TREASURER
(Title)

TABLE OF CONTENTS

Schedule Name	Page
Cover Page	1
General Rules for Reporting	2
Signature Page	3
Table of Contents	4
Annual Telecommunications Report Glossary of Terms	5
Abbreviations Used in Annual Reports	6
Identification and Ownership	7
Income Statement - Total Company	8
Notes to Income Statement or Balance Sheet	9
Balance Sheet - Assets (Class B Use Accounts Designated By *)	10
Balance Sheet - Liabilities (Class B Use Accounts Designated By *)	11
Statement of Cash Flows	12
Important Changes During the Year	13
Affiliate Abbreviations	14
Affiliated Interest Transactions	15
Affiliated Assets and Liabilities	16
Accounts Receivable Net Write Offs - Telecommunications	17
Notes Receivable (Acct. 1200) and Allowances (Acct. 1201)	18
Investments in Nonaffiliated Companies (Acct. 1402)	19
Nonregulated Investments (Acct. 1406)	20
Deferred Maintenance and Retirements (Acct. 1438)	21
Telecommunications Plant in Service Class A & B	22
Telecommunications Plant in Service Class A & B (Sub-Class Accounts)	24
Accumulated Depreciation Class A & B	26
Accumulated Depreciation Class A & B (Sub-Class Accounts)	28
Net Deferred Operating Income Taxes (Acct. 1350, 1410, 1437, 4100, 4340, 4341 & 4361)	30
Notes Payable (Acct. 4020)	32
Long-Term Debt	33
Capital Stock Accounts at End of Year	35
Retained Earnings (Acct. 4550)	37
Distribution of Taxes	38
Revenues - Class A & B (Class B Use Accounts Designated By *)	40
Expense Matrix - Class A & B	41
Calculation of Assessable Revenues for Remainder, DOJ, and Tele. Relay Assessment Purposes	43
Calculation of Assessable Revenues for Universal Service Fund Assessment Purposes	43
Other Income Accounts (Class B Use Accounts Designated By *)	44
Nonregulated Net Income (Acct. 7990)	45
Distribution of Salaries and Wages	46
Employee Data	46
Telephone Calls and Minutes of Use Per Month	47
Access Usage	48
Outside Plant Statistics at End of Year	49
Special Access Circuits in Use at End of Year	49
Service Data	50

TABLE OF CONTENTS

Schedule Name	Page
Service Data - End of Year	52
Equipment Abbreviations	54
Manufacturer Abbreviations	54
Central Office Data - End of Year	55
General, Schedule Level and Schedule Line Footnotes	56

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

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

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

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

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

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

ABBREVIATIONS USED IN ANNUAL REPORTS

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

IDENTIFICATION AND OWNERSHIP

Exact Utility Name: INDIANHEAD TELEPHONE COMPANY
Utility Location: 211 MAIN ST S
P.O. BOX 428
HECTOR, MN 55342-0428

Utility Web Site Address:

When was utility organized?: 12/31/1958

Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: MRS LINDA J . KRAMER
Title: TREASURER

Office Address: 211 MAIN STREET
P.O. BOX 428
HECTOR , MN 55342-0428

Fax Number: (320) 848 - 2323
Telephone Number: (320) 848 - 6611
Email Address: lkramer@means.net

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

Name:
Title:

Office Address:

Fax Number:
Telephone Number:
Email Address:

Person responsible for financial information contained in report

Name: MRS LINDA J . KRAMER
Title: TREASURER

Office Address: 211 MAIN STREET
P.O. BOX 428
HECTOR , MN 55342-0428

Fax Number: (320) 848 - 2323
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Person responsible for statistical information contained in report

Name: MR MATT SPARKS
Title: OPERATIONS MANAGER

Office Address: 211 MAIN STREET
P.O. BOX 428
HECTOR , MN 55342-0428

Fax Number: (320) 848 - 2323
Telephone Number: (320) 848 - 6611
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INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	2,206,064	1,953,884	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	202,401	164,726	2
Plant Nonspecific Operations Expense	654,712	582,135	3
Customer Operations Expense (6610-6620)	100,645	96,043	4
Corporate Operations Expense (6710-6790)	378,429	392,270	5
Other Operating Income and Expense (7100)	0	0	6
Operating Taxes (7200)	353,032	291,581	7
Total Operating Expenses	1,689,219	1,526,755	8
Net Operating Income	516,845	427,129	9
Other Income			
Nonoperating Income and Expense (7300)	211,356	196,483	10
Nonoperating Taxes (7400)	30,792	19,475	11
Interest and Related Items (7500)	174,719	127,584	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	(6,982)	(11,667)	14
Total Nonoperating Income	(1,137)	37,757	15
Net Income	515,708	464,886	16

NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

1. A summary of significant accounting policies. (The summaries should disclose, but not be limited to, the utility's accounting policies with regard to pension cost, unbilled revenues, depreciation, and income taxes.)

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.

Income Statement:

Line 1. Increase in access revenues due to increase of USF interstate settlements on cost per loop based on prior plant investments.

Line 1. Additional NECA revenues booked in December based on 1997 mini study (Mini-study entry in excess of \$100,000).

Line 12. Increase of interest expense due to draw downs of RUS funding in 1997.

Balance Sheet - Assets:

Line 1. Cash increase due to draw down of RUS financing includes temporary investment account which holds funds for on going projects to be paid upon engineering approval and 1st qtr. 1998 purchases.

Line 8. Includes receivable due from NECA - 1997 mini study.

Line 13. Inventory materials placed in service during year 1997.

Line 30. Significant plant placed in service during year 1997.

Balance Sheet - Liabilities:

Line 13. Increase of RUS funding.

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 (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT ASSETS			
CASH AND EQUIVALENTS			
Cash and Equivalents (1120)*	2,400,213	430,623	1
Cash (1130)			2
Special Cash Deposits (1140)			3
Working Cash Advances (1150)			4
Temporary Investments (1160)			5
TOTAL CASH AND EQUIVALENTS	2,400,213	430,623	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	41,868	49,533	6
Accounts Receivable Allowance-Telecom (1181)*	1,255	651	7
Net: Telecommunications Accounts Receivable	40,613	48,882	
Other Accounts Receivable (1190)*	246,753	181,269	8
Accounts Receivable Allowance--Other (1191)*	0	0	9
Net: Other Accounts Receivable	246,753	181,269	
Notes Receivable (1200)*	0	0	10
Notes Receivable Allowance (1201)*	0	0	11
Net: Notes Receivable	0	0	
Interest and Dividends Receivable (1210)*	188	267	12
TOTAL RECEIVABLES AND ALLOWANCES FOR DOUBTFUL	287,554	230,418	
SUPPLIES			
Inventories (1220)*	17,431	33,280	13
TOTAL SUPPLIES	17,431	33,280	
PREPAYMENTS			
Total Prepayments (1280)*	12,135	11,575	14
Prepaid Rents (1290)			15
Prepaid Taxes (1300)			16
Prepaid Insurance (1310)			17
Prepaid Directory Expenses (1320)			18
Other Prepayments (1330)			19
TOTAL PREPAYMENTS	12,135	11,575	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	0	0	20
TOTAL OTHER CURRENT ASSETS	0	0	
TOTAL CURRENT ASSETS	2,717,333	705,896	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	1,260,338	1,410,823	21
Investments in Nonaffiliated Companies (1402)*	129,954	140,835	22
Nonregulated Investments (1406)*	9,345	7,514	23
Unamortized Debt Issuance Expense (1407)*	0	0	24
Sinking Funds (1408)*	0	0	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)*	2,367	4,733	26
TOTAL INVESTMENTS	1,402,004	1,563,905	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*	0	0	27
Deferred Maintenance and Retirements (1438)*	0	0	28
Deferred Charges (1439)*	0	11,397	29
TOTAL DEFERRED CHARGES	0	11,397	
TOTAL NONCURRENT ASSETS	1,402,004	1,575,302	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	8,979,803	7,966,252	30
Less: Accumulated Depreciation (3100)*	4,224,639	3,702,018	31
Less: Accumulated Amortization--Capitalized Leases (3410)*	0	0	32
Less: Accumulated Amortization--Leasehold Improvements (3420)*		0	33
Less: Accumulated Amortization--Intangible (3500)*		0	34
NET TELECOMMUNICATIONS PLANT IN SERVICE	4,755,164	4,264,234	
PROPERTY HELD FOR FUTURE USE			
Prop. Held for Future Telecommun. Use (2002)*	0	0	35
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200)*	0	0	36
NET PROPERTY HELD FOR FUTURE USE	0	0	
NONOPERATING PLANT			
Nonoperating Plant (2006)*	0	0	37
Less: Accumulated Depreciation--Nonoperating (3300)*	0	0	38
NET NONOPERATING PLANT	0	0	
TPUC			
TPUC (2003)*	83,265	68,900	39
TOTAL TPUC	83,265	68,900	
TELECOMMUNICATIONS PLANT ADJUSTMENT			
Telecommunications Plant Adjustment (2005)*	0	0	40
Less: Accumulated Amortization--Other (3600)*	0	0	41
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	0	0	
TOTAL PLANT	4,838,429	4,333,134	
TOTAL ASSETS AND OTHER DEBITS*	8,957,766	6,614,332	

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	99,246	114,381	1
Notes Payable (4020)*	0	0	2
Advance Billing and Payments (4030)*	0	0	3
Customer Deposits (4040)*	0	0	4
Current Maturities--Long-Term Debt (4050)*	141,000	135,600	5
Current Maturities--Capital Leases (4060)*	0	0	6
Income Taxes--Accrued (4070)*	14,754	9,982	7
Other Taxes--Accrued (4080)*	(7,997)	0	8
Net Current Deferred Operating Income Taxes (4100)*	0	0	9
Net Current Deferred Nonoperating Income Taxes (4110)*	0	0	10
Other Accrued Liabilities (4120)*	18,263	23,801	11
Other Current Liabilities (4130)*	0	0	12
TOTAL CURRENT LIABILITIES*	265,266	283,764	
LONG-TERM DEBT			
Funded Debt (4210)*	4,336,840	2,452,141	13
Premium on Long-Term Debt (4220)*	0	0	14
Discount on Long-Term Debt (4230)*	0	0	15
Reacquired Debt (4240)*	0	0	16
Obligations Under Capital Leases (4250)*	0	0	17
Advances from Affiliated Companies (4260)*	0	0	18
Other Long-Term Debt (4270)*	0	0	19
TOTAL LONG-TERM DEBT*	4,336,840	2,452,141	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*	0	0	20
Unamortized Operating ITC--Net (4320)*	31,415	41,265	21
Unamortized Nonoperating ITC--Net (4330)*	261	360	22
Net Noncurrent Deferred Operating Income Taxes (4340)*	158,648	370,496	23
Net Deferred Tax Liability Adjustments (4341)*	183,323	0	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	0	0	25
Other Deferred Credits (4360)*	0	0	26
Deferred Tax Regulatory Liability (4361)*	0	0	27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS*	373,647	412,121	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	33,180	33,180	28
Additional Paid-in Capital (4520)*	0	0	29
Treasury Stock (4530)*	0	0	30
Other Capital (4540)*	0	0	31
Retained Earnings (4550)*	3,948,833	3,433,126	32
TOTAL STOCKHOLDERS' EQUITY*	3,982,013	3,466,306	
TOTAL LIABILITIES AND OTHER CREDITS*	8,957,766	6,614,332	

STATEMENT OF CASH FLOWS

Item (a)	Amount (b)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	515,708	1
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and amortization	564,599	2
Interest during construction	(20,676)	3
Changes in assets and liabilities:		
Current assets (net)	(41,847)	4
Other noncurrent assets	13,763	5
Other current liabilities	(23,898)	6
Other liabilities and deferred credits	(38,474)	7
Other (specify):		
TOTAL ADJUSTMENTS	453,467	
NET CASH PROVIDED BY OPERATING ACTIVITIES (NET INCOME & ADJUST.)	969,175	
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures:		
Changes in plant (net)	(1,049,218)	8
Investments in affiliated companies	150,485	9
Nonoperating Investments	9,050	10
Other (specify):		
NET CASH USING IN INVESTING ACTIVITIES	(889,683)	
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in capital lease obligations (net)	0	11
Change in long-term debt (net)	1,890,099	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	(1)	16H
Other (specify):		
Net Cash Provided by Financing Activities	1,890,098	
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,969,590	
Cash and cash equivalents at beginning of year (Accts. 1130-1160 for Class A; 1120 for Class B)		
Cash and cash equivalents at end of year (Accts. 1130-1160 for Class A; 1120 for Class B)		

IMPORTANT CHANGES DURING THE YEAR

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.

N/A

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.

N/A

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

N/A

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.

N/A

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

N/A

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.

N/A

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

N/A

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

N/A

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)	
Hector Communications Corporation	HCC	1
Other	OTH	2
Pine Island Telephone Company	PITC	3

AFFILIATED INTEREST TRANSACTIONS

Provide a summary of transactions under established affiliated interest contracts and arrangements (see Wis. Stat. § 196.52, for "affiliated interest" definitions). Use the space below to report transactions with individual affiliates and multiple affiliated interest agreements or, at the utility's option, with individual affiliates and a single agreement. Activity associated with affiliated contracts or arrangements not in excess of \$25,000 or 5 percent of the equity of the utility, whichever is smaller, may be aggregated in a single record. For utilities whose intrastate gross operating revenues of the previous year exceeded \$100,000,000, individual contracts or arrangements not exceeding \$100,000 may be aggregated in a single record. Where an affiliate is both providing and receiving service use one record to show billings to and a second record for billings from. When billings to or from an affiliate are recorded on the books of the utility, the records underlying such billings shall be sufficient to show all the detail maintained to identify the associated accounts related to the billing and categorize billings according to the account categories shown below.

Particulars (a)	(b)	(c)	(d)	(e)		
Docket	4860-AT-000100					
Name of Affiliate	HCC					1
Designate whether billed to or from:	FROM					2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C					3
Revenues						4
Expenses:						
Plant Specific Operations Expense	8,533					5
Plant Nonspecific Operations Expense	26,189					6
Customer Operations Expense	18,449					7
Corporate Operations Expense	263,560					8
Total Operating Expenses	316,731	0	0	0		9
Other:						
Plant Accounts						10
Accumulated Depreciation						11
Accumulated Amortization						12
Clearing						13
All Other						14
Total	316,731	0	0	0		15
Percent of affiliate's business billed to all affiliated regulated utilities						16
If cost based, rate of return on equity or markup incorporated in billings	0.00					17
Footnotes	3					

AFFILIATED ASSETS AND LIABILITIES

This schedule should be used to report affiliated activity concerning balances at the end of the year for the following accounts: 1120, Cash and Equivalents; 1160, Temporary Investments; 1180, Telecommunications Accounts Receivable; 1190, Other Accounts Receivable; 1210, Interest and Dividends Receivable; 1401, Investment in Affiliated Companies; 4010, Accounts Payable; and 4260, Advances from Affiliated Companies. Amounts at the end of the year for each affiliate should be identified by respective affiliate and account number. Report information below consecutively by respective account number; affiliated amounts of less than \$5,000 may be reported in aggregate as "other" for a particular account. Affiliated amounts recorded in accounts 1200, Notes Receivable, 1408, Sinking Funds, and 4020, Notes Payable, should not be reported in this schedule, but rather in the respective schedules contained elsewhere in this report.

Name of Affiliate (a)	Account Number (b)	Balance EOY (c)	
Hector Communications Corporation	1401	465,273	1
Pine Island Telephone Company	1401	795,065	2

ACCOUNTS RECEIVABLE NET WRITE OFFS - TELECOMMUNICATIONS

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

Particulars (a)	Amount (b)	
Collection of amounts previously written off	3,356	1
Uncollectibles written off during the year	9,802	2
Net write offs during the year	6,446	

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.

Name of Maker and purpose (a)	Issue Date (b)	Maturity (c)	Interest Rate (d)	Amount EOY (e)	Allowance Acct. 1201 (f)
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INVESTMENTS IN NONAFFILIATED COMPANIES (ACCT. 1402)

Name (a)	Balance EOY (b)	
RTB Class B Stock	98,550	1
Other:		
RTB Class C Stock	5,000	2
Weyerhaeuser Industrial Development Corp.	200	3
GNMA	26,204	4
Total Investments in Nonaffiliated Companies	129,954	

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.

Name (a)	Balance EOY (b)	
Total Net Investment and Inventory (Accts. 1406.10, 1406.11, and 1406.12):		
CPE Leased, net a/c 140610	3,145	1
CPE Inventory a/c 140630	4,030	2
Public Telephone Term Equipment a/c 141051	2,170	3

DEFERRED MAINTENANCE AND RETIREMENTS (ACCT. 1438)

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

	Description of Item (a)	Balance EOY (b)	
None		0	1
Total		0	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
GENERAL SUPPORT ASSETS				
Land	2111	7,328		1
Motor Vehicles	2112	175,629	20,622	2 I
Aircraft	2113	0		3
Special Purpose Vehicles	2114	0		4
Garage Work Equipment	2115	0		5
Other Work Equipment	2116	95,532	4,752	6 I
Buildings	2121	536,317	1,044	7
Furniture	2122	23,036	1,106	8
Office Equipment	2123	9,657	551	9
General Purpose Computers	2124	7,116	1,771	10
TOTAL--GENERAL SUPPORT ASSETS:		854,615	29,846	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0		11
Digital Electronic Switching	2212	773,805	15,192	12 B
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220	0		14
Radio Systems	2231	0	0	15
Circuit Equipment	2232	1,296,664	433,806	16 B
TOTAL--CENTRAL OFFICE ASSETS:		2,070,469	448,998	
INFORMATION ORIGATION/TERMINATION ASSETS				
Station Apparatus	2311	3,243	64	17
Customer Premises Wiring	2321	0		18
Large Private Branch Exchanges	2341	0		19
Public Telephone Terminal Equipment	2351	19,038		20 C
Other Terminal Equipment	2362	0		21
TOTAL--INFORMATION ORIG/TERM ASSETS:		22,281	64	
CABLE WIRE FACILITIES ASSETS				
Poles	2411	1,704		22
Aerial Cable	2421	6,377	0	23
Underground Cable	2422	0	0	24
Buried Cable	2423	5,004,610	567,188	25
Submarine Cable	2424	0	0	26
Deep Sea Cable	2425	0		27
Intrabuilding Network Cable	2426	0	0	28
Aerial Wire	2431	0		29
Conduit Systems	2441	6,196		30
TOTAL--CABLE WIRE FACILITIES ASSETS:		5,018,887	567,188	
AMORTIZABLE ASSETS				
Capital Leases	2681	0		31

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

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2111			7,328	1
2112	12,047	1,465	185,669	2 I
2113			0	3
2114			0	4
2115			0	5
2116		(1,465)	98,819	6 I
2121			537,361	7
2122			24,142	8
2123	0	0	10,208	9
2124			8,887	10
	12,047	0	872,414	
2211			0	11
2212	0	15,574	804,571	12 B
2215	0	0	0	13
2220			0	14
2231	0	0	0	15
2232	0	817	1,731,287	16 B
	0	16,391	2,535,858	
2311	23		3,284	17
2321			0	18
2341			0	19
2351		(19,038)	0	20 C
2362			0	21
	23	(19,038)	3,284	
2411			1,704	22
2421	0	0	6,377	23
2422	0	0	0	24
2423	17,828	0	5,553,970	25
2424	0	0	0	26
2425			0	27
2426	0	0	0	28
2431			0	29
2441			6,196	30
	17,828	0	5,568,247	
2681			0	31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)
AMORTIZABLE ASSETS			
Leasehold Improvements	2682	0	32
Intangibles	2690	0	33
TOTAL--AMORTIZABLE ASSETS:		0	0
TOTAL TELECOM. PLANT IN SERVICE	2001	7,966,252	1,046,096
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	
	29,898	(2,647)	8,979,803	
2001			0	34
			8,979,803	

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	3,282	0	1
Company Communications Equipment	2123.2	6,375	551	2
Software	2212.1	0	0	3
Digital Switching - Central Office	2212.2	773,805	15,192	4 B
Digital Switching - Remote	2212.3	0	0	5
Step by Step Switching	2215.1	0	0	6
Crossbar Switching	2215.2	0	0	7
Satellite and Earth Station Facilities	2231.1	0	0	8
Other Radio Facilities	2231.2	0	0	9
Digital Circuit Equipment	2232.1	1,296,664	204,823	10 B
Analog Circuit Equipment	2232.2	0	0	11
Light Wave Circuit Equipment	2232.3	0	228,983	12
Aerial Cable - Nonmetallic	2421.1	0	0	13
Aerial Cable - Metallic	2421.2	6,377	0	14
Underground Cable - Nonmetallic	2422.1	0	0	15
Underground Cable - Metallic	2422.2	0	0	16
Buried Cable - Nonmetallic	2423.1	0	0	17 D
Buried Cable - Metallic	2423.2	5,004,610	567,188	18 D
Submarine Cable - Nonmetallic	2424.1	0	0	19
Submarine Cable - Metallic	2424.2	0	0	20
Intrabuilding Cable - Nonmetallic	2426.1	0	0	21
Intrabuilding Cable - Metallic	2426.2	0	0	22

Explain all amounts shown in column (g).

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

Subaccount (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2123.1	0		3,282	1
2123.2	0		6,926	2
2212.1	0		0	3
2212.2	0	15,574	804,571	4 B
2212.3	0		0	5
2215.1	0		0	6
2215.2	0		0	7
2231.1	0		0	8
2231.2	0		0	9
2232.1	0	817	1,502,304	10 B
2232.2	0		0	11
2232.3	0		228,983	12
2421.1	0		0	13
2421.2	0		6,377	14
2422.1	0		0	15
2422.2	0		0	16
2423.1	0	882,862	882,862	17 D
2423.2	17,828	(882,862)	4,671,108	18 D
2424.1	0		0	19
2424.2	0		0	20
2426.1	0		0	21
2426.2	0		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	144,646	25.0	15,252	1
Aircraft	2113	0			2
Special Purpose Vehicles	2114	0			3
Garage Work Equipment	2115	0			4
Other Work Equipment	2116	64,165	10.0	6,078	5
Buildings	2121	164,719	3.33	17,895	6
Furniture	2122	19,830	10.0	2,359	7
Office Equipment	2123	4,292	20.0	1,987	8
General Purpose Computers	2124	6,640	25.0	697	9
Total-- GENERAL SUPPORT ASSETS		404,292		44,268	0
CENTRAL OFFICE ASSETS					
Analog Electronic Switching	2211	0			10
Digital Electronic Switching	2212	307,355	11.0	87,750	11E
Electro-Mechanical Switching	2215	0	.0		12
Operator Systems	2220	0			13
Radio Systems	2231	0	.0		14
Circuit Equipment	2232	997,597	12.5	173,882	15E
Total-- CENTRAL OFFICE ASSETS		1,304,952		261,632	0
INFORMATION ORIG/TERM ASSETS					
Station Apparatus	2311	2,001	14.29	466	16
Customer Premises Wiring	2321	0			17
Large Private Branch Exchanges	2341	0			18
Public Telephone Terminal Equipment	2351	14,149	.0	906	19G
Other Terminal Equipment	2362	0			20
Total-- INFORMATION ORIG/TERM ASSETS		16,150		1,372	0
CABLE WIRE FACILITIES ASSETS					
Poles	2411	1,534	6.67		21
Aerial Cable	2421	5,740	5.0	0	22
Underground Cable	2422	0			23
Buried Cable	2423	1,968,226	4.87	257,079	24F
Submarine Cable	2424	0	.0		25
Deep Sea Cable	2425	0			26
Intrabuilding Network Cable	2426	0			27
Aerial Wire	2431	0			28

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112	12,047				147,851	1
2113					0	2
2114					0	3
2115					0	4
2116					70,243	5
2121					182,614	6
2122					22,189	7
2123	0				6,279	8
2124					7,337	9
	12,047	0	0	0	436,513	
2211					0	10
2212	0			(13,653)	381,452	11 E
2215	0				0	12
2220					0	13
2231	0				0	14
2232	0			18,647	1,190,126	15 E
	0	0	0	4,994	1,571,578	
2311	23				2,444	16
2321					0	17
2341					0	18
2351				(15,055)	0	19 G
2362					0	20
	23	0	0	(15,055)	2,444	
2411					1,534	21
2421	0				5,740	22
2422	0				0	23
2423	17,828	1,980		(38)	2,205,459	24 F
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	1,123	4.0	248	29
Total-- CABLE WIRE FACILITIES ASSETS		1,976,623		257,327	0
Total Accumulated Depreciation	3100	3,702,017		564,599	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				564,599	0

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441					1,371	29
	17,828	1,980	0	(38)	2,214,104	
3100	29,898	1,980	0	(10,099)	4,224,639	
3100					0	30
3100					4,224,639	

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	2,033	20.0	656		1
Company Communications Equipment	2123.2	2,259	20.0	1,331		2
Software	2212.1	0				3
Digital Switching - Central Office	2212.2	307,355	11.0	87,750		4 E
Digital Switching - Remote	2212.3	0				5
Step by Step Switching	2215.1	0				6
Crossbar Switching	2215.2	0				7
Satellite and Earth Station Facilities	2231.1	0				8
Other Radio Facilities	2231.2	0				9
Digital Circuit Equipment	2232.1	997,597	12.5	162,433		10 E
Analog Circuit Equipment	2232.2	0				11
Light Wave Circuit Equipment	2232.3	0	10.0	11,449		12 E
Aerial Cable - Nonmetallic	2421.1	0				13
Aerial Cable - Metallic	2421.2	5,740	5.0	0		14
Underground Cable - Nonmetallic	2422.1	0				15
Underground Cable - Metallic	2422.2	0				16
Buried Cable - Nonmetallic	2423.1	0	4.35	37,258		17 F
Buried Cable - Metallic	2423.2	1,968,226	5.0	219,821		18 F
Submarine Cable - Nonmetallic	2424.1	0				19
Submarine Cable - Metallic	2424.2	0				20
Intrabuilding Cable - Nonmetallic	2426.1	0				21
Intrabuilding Cable - Metallic	2426.2	0				22

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

Subacct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2123.1	0				2,689	1
2123.2	0				3,590	2
2212.1	0				0	3
2212.2	0			(13,653)	381,452	4 E
2212.3	0				0	5
2215.1	0				0	6
2215.2	0				0	7
2231.1	0				0	8
2231.2	0				0	9
2232.1	0			18,647	1,178,677	10 E
2232.2	0				0	11
2232.3	0				11,449	12 E
2421.1	0				0	13
2421.2	0				5,740	14
2422.1	0				0	15
2422.2	0				0	16
2423.1	0			25,927	63,185	17 F
2423.2	17,828	1,980		(25,965)	2,142,274	18 F
2424.1	0				0	19
2424.2	0				0	20
2426.1	0				0	21
2426.2	0				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 (a)	Balance FOY (b)	
PROPERTY RELATED		
Other Current Assets (1350)	0	1
Other Noncurrent Assets (1410)	0	2
Deferred Tax Regulatory Asset (1437)	0	3
Net Current Deferred Operating Income Taxes (4100)	0	4
Net Noncurrent Deferred Operating Income Taxes (4340)	0	5
Net Deferred Tax Liability Adjustments (4341)	(211,848)	6
Deferred Tax Regulatory Liability (4361)	0	7
Net Property Related Deferred Operating Income Taxes	(211,848)	
Less: Allocation to Nonregulated Activity	0	8
Net Regulated Total Property Related Deferred Operating Income Taxes	(211,848)	
NONPROPERTY RELATED		
Other Current Assets (1350)	0	9
Other Noncurrent Assets (1410)	0	10
Deferred Tax Regulatory Asset (1437)	0	11
Net Current Deferred Operating Income Taxes (4100)	0	12
Net Noncurrent Deferred Operating Income Taxes (4340)	(158,648)	13
Net Deferred Tax Liability Adjustments (4341)		14
Deferred Tax Regulatory Liability (4361)		15
Total Nonproperty Related Deferred Operating Income Taxes	(158,648)	

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

Acct (c)	Current Year Accrual (d)	Current Year Amortization (e)	Adjustments Debit or (Credit) (f)	Balance EOY (g)	
7250				0	1
7250				0	2
				0	3
7250				0	4
7250				0	5
		(28,525)		(183,323)	6
	0	(28,525)	0	(183,323)	7
				0	8
	0	(28,525)	0	(183,323)	
7250				0	9
7250				0	10
				0	11
7250				0	12
7250				(158,648)	13
				0	14
				0	15
	0	0	0	(158,648)	

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.

Name (a)	Issue Date (b)	Maturity (c)	Interest Rate (d)	Balance EOY (e)
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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 (a)	Specific or Range of Stated Dates of Issue (b)	Specific or Range of Stated Dates of Maturity (c)	Specific or Range of Interest Rates (d)	
Funded Debt (Account 4210):				
RTB	12/31/1975-12/31/1995	12/31/2017	6.0500-7.5000	1
RUS	12/31/1961-12/31/1997	12/31/2018	2.0000-5.0000	2
Total Funded Debt				

LONG-TERM DEBT (cont.)

Composite Interest Rate (e)	Held by Utility		Total Principal EOY (h)	Current Maturities Included in Acct. 4050 (i)	Total Amount Outstanding (j)	
	Reacquired Debt Acct. 4240 (f)	Sinking Funds Acct. 1408 (g)				
6.2700			1,563,806	50,843	1,614,649	1
4.1200			2,773,034	90,157	2,863,191	2
	0	0	4,336,840	141,000	4,477,840	

CAPITAL STOCK ACCOUNTS AT END OF YEAR

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

Class and Series (a)	Shares Authorized by Charter (b)	Par Value per Share (c)	Call Price End of Year (d)
COMMON STOCK:			
Common Stock	1,250	40.00	1
TOTAL COMMON STOCK	1,250		
TOTAL	<u>1,250</u>		

CAPITAL STOCK ACCOUNTS AT END OF YEAR (cont.)

	Acct. 4510 - Capital Stock		Acct. 4530 - Treasury Stock		
	Shares (e)	Amount (f)	Shares (g)	Amount (h)	
COMMON STOCK:					
Common Stock	829	33,180	0	0	1
	829	33,180	0	0	
TOTAL	829	33,180	0	0	

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	3,433,126	2,968,239	1 H
Changes:			
Balance Transferred from Income	515,708	464,886	2
Dividends Declared:			
Common	0	0	3
Preferred	0	0	4
Total Dividends Declared	0	0	
Miscellaneous Debits to Retained Earnings	1	0	5
Miscellaneous Credits to Retained Earnings	0	1	6
Balance--End of Year	<u>3,948,833</u>	<u>3,433,126</u>	

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/ Function Charged (a)	Wisconsin License Fee (b)	Wisconsin Income Tax (c)	Federal Income Tax (d)	
Operating Taxes (Accts. 7210 - 7250)	136,774	32,187	176,594	1
Nonoperating Taxes (Accts. 7410 - 7450)		6,494	24,298	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
Other (specify):				
TOTAL	<u><u>136,774</u></u>	<u><u>38,681</u></u>	<u><u>200,892</u></u>	

DISTRIBUTION OF TAXES (cont.)

PSC Remainder Assessment (e)	Local Property Tax (f)	State & Local Taxes Other than Wisconsin (g)	Other Taxes (h)	Payroll Taxes (i)	Total (j)	
6,711			766		353,032	1
					30,792	2
					0	3
					0	4
					0	5
					0	6
					0	7
					0	8
					0	9
6,711	0	0	766	0	383,824	

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)*	693,451	687,117	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)	693,451	687,117	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	85,474	82,968	11
Switched Access Revenue (5082)*	999,647	785,333	12 K
Special Access Revenue (5083)*	16,713	17,498	13
TOTAL INTERSTATE ACCESS REVENUES (5080)	1,101,834	885,799	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*	0	0	14
Switched Access Revenue (5084.2)*	288,387	252,219	15
Special Access Revenue (5084.3)*	23,482	22,421	16
TOTAL INTRASTATE ACCESS REVENUES (5084)	311,869	274,640	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*	(2,088)	(1,226)	17
Long Distance Inward-Only Revenue (5111)			18
Long Distance Outward-Only Revenue (5112)			19
Unidirectional Long Distance Revenue (5110)	0	0	
Long Distance Private Network Revenues			
Subvoice Grade Revenue (5121)			20
Voice Grade Revenue (5122)			21
Audio Program Grade Revenue (5123)			22
Video Program Grade Revenue (5124)			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.	(2,088)	(1,226)	

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

Particulars (a)	This Year (b)	Last Year (c)	
MISCELLANEOUS REVENUES			
Directory Revenue (5230)*	19,547	21,977	30
Rent Revenue (5240)*	0	0	31
Corporate Operations Revenue (5250)*	0	0	32
Miscellaneous:			
Miscellaneous Revenue (5260)*	21,880	24,439	33
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)	21,880	24,439	
Interstate Billing and Collection Revenue*	23,641	24,751	39
Intrastate Billing and Collection Revenue*	42,980	40,237	40
Total Carrier Billing and Collection Revenue (5270)*	66,621	64,988	
Nonregulated Operating Revenue (5280)**			41
TOTAL MISCELLANEOUS REVENUES	108,048	111,404	
GROSS OPERATING REVENUES	2,213,114	1,957,734	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*	7,050	3,850	42
Uncollectible Revenue--Telecommunications (5301)			43
Uncollectible Revenue--Other (5302)			44
TOTAL UNCOLLECTIBLE REVENUE (5300)	7,050	3,850	
TOTAL OPERATING REVENUES	2,206,064	1,953,884	

** 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)	0	0	0	1
Less: Nonregulated	0	0		2
Net Regulated	0	0	0	3
Total General Support Expense (6120)	15,354	18,857	7,486	4
Less: Nonregulated	0	0		5
Net Regulated	15,354	18,857	7,486	6
Total Central Office Switching Expense (6210)	40,218	46,350	19,706	7
Less: Nonregulated	0	0		8
Net Regulated	40,218	46,350	19,706	9
Total Operator Systems Expense (6220)	0	0	0	10
Less: Nonregulated	0	0		11
Net Regulated	0	0	0	12
Total Central Office Transmission Expenses (6230)	14,129	18,105	10,700	13
Less: Nonregulated	0	0		14
Net Regulated	14,129	18,105	10,700	15
Total Information Orig. / Term. Expense (6310)	729	502	317	16
Less: Nonregulated	0	0		17
Net Regulated	729	502	317	18
Total Cable and Wire Fac. Expense (6410)	94,296	118,587	56,869	19
Less: Nonregulated	0	0		20 ²
Net Regulated	94,296	118,587	56,869	21
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	164,726	202,401	95,078	
Less: Nonregulated	0	0	0	
Net Regulated	164,726	202,401	95,078	
PLANT NONSPECIFIC OPERATIONS EXPENSE				
Total Other Property, Plant and Equip. Exp. (6510)	0	0	0	22
Less: Nonregulated	0	0		23
Net Regulated	0	0	0	24
Total Network Operations Expense (6530)	86,676	90,113	26,386	25
Less: Nonregulated	0	0		26
Net Regulated	86,676	90,113	26,386	27
Access Expense (6540)	0	0	0	28
Less: Nonregulated	0	0		29
Net Regulated	0	0	0	30
Total Depreciation and Amortization Expense (6560)	495,459	564,599		31
Less: Nonregulated		0		32
Net Regulated	495,459	564,599		33
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	582,135	654,712	26,386	
Less: Nonregulated	0	0	0	
Net Regulated	582,135	654,712	26,386	

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6110	0	0	0	0	1
					2
	0	0	0	0	3
6120	3,187	0	8,184	0	4
					5
	3,187	0	8,184	0	6
6210	8,176	0	15,371	3,097	7
					8
	8,176	0	15,371	3,097	9
6220	0	0	0	0	10
					11
	0	0	0	0	12
6230	4,355	0	1,690	1,360	13
					14
	4,355	0	1,690	1,360	15
6310	133	0	0	52	16
					17
	133	0	0	52	18
6410	24,184	0	26,121	11,413	19
					20 ²
	24,184	0	26,121	11,413	21
	40,035	0	51,366	15,922	
	0	0	0	0	
	40,035	0	51,366	15,922	
6510	0	0	0	0	22
					23
	0	0	0	0	24
6530	9,473	0	53,366	888	25
					26
	9,473	0	53,366	888	27
6540	0	0	0	0	28
					29
	0	0	0	0	30
6560			564,599		31
					32
			564,599		33
	9,473	0	617,965	888	
	0	0	0	0	
	9,473	0	617,965	888	

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)	
CUSTOMER OPERATIONS EXPENSE				
Total Marketing (6610)	3,729	187	0	34
Less: Nonregulated	0	0		35
Net Regulated	3,729	187	0	36
<hr/>				
Total Services (6620)	92,314	100,458	30,910	37
Less: Nonregulated	0	0		38
Net Regulated	92,314	100,458	30,910	39
<hr/>				
TOTAL CUSTOMER OPERATIONS EXPENSE	96,043	100,645	30,910	
Less: Nonregulated	0	0	0	
Net Regulated	96,043	100,645	30,910	
<hr/>				
CORPORATE OPERATIONS EXPENSE				
Total Exec. and Planning (6710)	102,414	103,419	0	40
Less: Nonregulated	0	0		41
Net Regulated	102,414	103,419	0	42
<hr/>				
Total General and Administrative (6720)	289,856	275,010	1,712	43
Less: Nonregulated	0	0		44
Net Regulated	289,856	275,010	1,712	45
<hr/>				
Provision for Uncollectible Notes Receiv. (6790)		0		46
Less: Nonregulated		0		47
Net Regulated	0	0		48
<hr/>				
TOTAL CORPORATE OPERATIONS EXPENSE	392,270	378,429	1,712	
Less: Nonregulated	0	0	0	
Net Regulated	392,270	378,429	1,712	
<hr/>				
TOTAL EXPENSES	1,235,174	1,336,187	154,086	
Less: Nonregulated	0	0	0	
Net Regulated	1,235,174	1,336,187	154,086	

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6610	0	0	187	0	34
					35
	0	0	187	0	36
6620	15,817		53,731	0	37
					38
	15,817		53,731	0	39
	15,817	0	53,918	0	
	0	0	0	0	
	15,817	0	53,918	0	
6710	0		103,419	0	40
					41
	0		103,419	0	42
6720	885		272,413	0	43
					44
	885		272,413	0	45
6790			0		46
					47
			0		48
	885	0	375,832	0	
	0	0	0	0	
	885	0	375,832	0	
	66,210	0	1,099,081	16,810	
	0	0	0	0	
	66,210	0	1,099,081	16,810	

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	0		2
Total: Reported in Account 6510	0	0	0	
Depreciat. Exp.--Tele. Plant in Service (6561)	495,459	564,599		3
Depreciat. Exp.--Prop. Held for Future Tele. Use (6562)	0	0		4
Amortization Expense--Tangible (6563)	0	0		5
Amortization Expense--Intangible (6564)	0	0		6
Amortization Expense--Other (6565)	0	0		7
Total: Reported in Account 6560	495,459	564,599		

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

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6511					1
6512					2
	0		0	0	
6561			564,599		3
6562					4
6563					5
6564					6
6565					7
			564,599		

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	2,213,114	1
Plus: Collection of amounts previously written off	3,356	2
Less: Uncollectibles written off during the year	9,802	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	2,206,668	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	693,451	1
Plus: Total Intrastate Access Revenues (5084)	311,869	2
Plus: Total Long Distance Network Services Revenue	(2,088)	3
Less: Out-of-State Operating Revenues (included in the above lines)	0	4
Plus (or Less) Other (please specify): NONE	0	5
Assessable Revenues for Universal Service Fund Assessment Purposes	1,003,232	

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	2,213,114	1
Plus: Collection of amounts previously written off	3,356	2
Less: Uncollectibles written off during the year	9,802	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>2,206,668</u>	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	693,451	1
Plus: Total Intrastate Access Revenues (5084)	311,869	2
Plus: Total Long Distance Network Services Revenue	(2,088)	3
Less: Out-of-State Operating Revenues (included in the above lines)	0	4
Plus (or Less) Other (please specify): NONE	0	5
Assessable Revenues for Universal Service Fund Assessment Purposes	<u>1,003,232</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)*	0	0	1
Return from Nonregulated Use of Regulated Facilities (7130)*	0	0	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)*	0	0	5
TOTAL OTHER OPERATING INCOME AND (EXPENSE) (7100)*	0	0	
OPERATING TAXES			
Operating Investment Tax Credits--Net (7210)*	(9,949)	(13,268)	6
Operating Federal Income Taxes (7220)*	186,543	145,159	7
Operating State and Local Income Taxes (7230)*	32,187	43,036	8
Operating Other Taxes (7240)*	144,251	116,654	9
Provision for Deferred Operating Income Taxes--Net (7250)*	0	0	10
TOTAL OPERATING TAXES (7200)*	353,032	291,581	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)*	363	375	11
Interest Income (7320)*	63,469	42,957	12
Income from Sinking and Other Funds (7330)*	0	0	13
Allowance for Funds Used During Construction (7340)*	20,676	17,043	14
Gains or (Losses) from the Disposition of Certain Property (7350)*	1,000	700	15
Other Nonoperating Income (7360)*	126,414	135,518	16
Special Charges (7370)*	566	110	17
TOTAL NONOPERATING INCOME AND EXPENSE (7300)*	211,356	196,483	
NONOPERATING TAXES			
Nonoperating Investment Tax Credits--Net (7410)*	0	0	18
Nonoperating Federal Income Taxes (7420)*	24,298	15,368	19
Nonoperating State and Local Income Taxes (7430)*	6,494	4,107	20
Nonoperating Other Taxes (7440)*	0	0	21
Provision for Deferred Nonoperating Income Taxes-Net (7450)*	0	0	22
TOTAL NONOPERATING TAXES (7400)*	30,792	19,475	
INTEREST AND RELATED ITEMS			
Interest on Funded Debt (7510)*	175,747	126,303	23
Interest Expense--Capital Leases (7520)*	0	0	24
Amortization of Debt Issuance Expense (7530)*	0	0	25
Other Interest Deductions (7540)*	(1,028)	1,281	26
TOTAL INTEREST AND RELATED ITEMS (7500)*	174,719	127,584	
EXTRAORDINARY ITEMS			
Extraordinary Items (7600)*	0	0	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)*	(6,982)	(11,667)	32

NONREGULATED NET INCOME (ACCT. 7990)

Particulars (a)	Amount (b)	
Revenues (Acct. 7990.1)		
Gross Sales	55,927	1
Less: Cost of Goods Sold	316	2
Net Sales	55,611	3
Expenses (Acct. 7990.2)	62,593	4
Nonregulated Net Income	<u>(6,982)</u>	5

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

CPE, CPW, Internet, installations.
 Lease, sales and repair of CPE, CPW.
 Public telephone term. Equipment.

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 (a)	Amount (b)	
Regulated Expense	154,086	1
Nonregulated Expense	9,075	2
Plant Accounts	17,693	3
Accumulated Depreciation Accounts	0	4
All Other Accounts	21,442	5
Total Salaries and Wages	<u>202,296</u>	6

EMPLOYEE DATA

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

Employee Category (a)	Number of Equivalent Full-Time Employees		Total Compensation (d)	
	FOY (b)	EOY (c)		
Officers	.00			1
Supervision and Other Management	1.00	1.00	42,223	2
Other Employees	6.00	6.00	160,623	3
Total	<u>7.00</u>	<u>7.00</u>	<u>202,846</u>	

DISTRIBUTION OF SALARIES AND WAGES

Description (a)	Amount (b)	
Regulated Expense	154,086	1
Nonregulated Expense	9,075	2
Plant Accounts	17,693	3
Accumulated Depreciation Accounts	0	4
All Other Accounts	21,442	5
Total Salaries and Wages	<u>202,296</u>	6

EMPLOYEE DATA

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

Employee Category (a)	Number of Equivalent Full-Time Employees		Total Compensation (d)	
	FOY (b)	EOY (c)		
Officers	.00			1
Supervision and Other Management	1.00	1.00	42,223	2
Other Employees	6.00	6.00	160,623	3
Total	<u>7.00</u>	<u>7.00</u>	<u>202,846</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 (a)	Telephone Calls (000's) (b)	Minutes of Use (000's) (c)	
LOCAL			
Intra-Exchange	247	652	1
Extended Area Service	28	53	2
Extended Community Calling	46	360	3
Other Local-Undefined	0	0	4
Total Local	321	1,065	
TOLL			
Operator Handled: State--intraLATA	1	2	5
Operator Handled: State--interLATA	0	1	6 A
Operator Handled: Interstate	1	5	7
Customer Dialed: State--intraLATA	24	103	8
Customer Dialed: State--interLATA	15	64	9
Customer Dialed: Interstate	41	178	10
WATS	0	0	11
Other Toll-Undefined	0	0	12
Total Toll	82	353	
Total Local & Toll	403	1,418	

ACCESS USAGE

Enter number, in thousands, of Billed Minutes.

Description (a)	Billed Minutes (000's)				
	Interstate InterLATA (b)	Intrastate InterLATA (c)	Intrastate IntraLATA (d)	Interstate IntraLATA (e)	
Feature Group A -- Orig.	0	0	0	0	1
Feature Group A -- Term.	0	0	0	0	2
Feature Group B -- Orig.	0	0	0	0	3
Feature Group B -- Term.	0	0	0	0	4
Feature Group C -- Orig.	0	0	0	0	5
Feature Group C -- Term.	0	0	0	0	6
Feature Group D -- Orig.	2,188	792	1,252	0	7 J
Feature Group D -- Term.	2,359	1,027	914	0	8 J

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	1	1
Sheath miles of plant - buried	773	2
Sheath miles of plant - fiber optics	94	3
Strand miles of plant - fiber optics	1,974	4
Route miles of plant - microwave	0	5

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	2	7	1
56 kbps	1	0	2
64 kbps (DS0)	0	0	3
1.54 Mbps (DS-1)	3	0	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	1	1
Sheath miles of plant - buried	773	2
Sheath miles of plant - fiber optics	94	3
Strand miles of plant - fiber optics	1,974	4
Route miles of plant - microwave	0	5

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	2	7	1
56 kbps	1	0	2
64 kbps (DS0)	0	0	3
1.54 Mbps (DS-1)	3	0	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	212	215	3
2 Party	0	0	4
4 Party	0	0	5
PBX Trunks/System Trunks	0	0	6
Centrex Trunks	0	0	7
Centrex Lines	0	0	8
Key System Trunks	0	0	9
Mobile (Utility Provided Service)	0	0	10
Paging (Utility Provided Service)	0	0	11
FX-Out (Switched)	0	0	12
Pay Telephone	0	13	13
Coin-Operated Pay Telephone	0	0	14
Independent Pay Telephone Provider	0	0	15
Pay Stations - Public	17	0	16
- Semi-Public	0	0	17
- Cust. Owned	0	0	18
Other	0	0	19
Total Business Lines	229	228	20
Residential (Incl. Emp. Concess.)			
1 Party	1,797	1,805	22
2 Party	0	0	23
4 Party	0	0	24
FX-Out (Switched)	0	0	25
Other	0	0	26
Total Residential Lines	1,797	1,805	27
Total Bus & Res Lines	2,026	2,033	28
Company Used Lines	31	39	29
Total Lines Used	2,057	2,072	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	0	3
WATS Lines - 800 Service	0	0	4
FX-In-intraLATA	3	3	5
Special Access-intraLATA			6
(expressed in equiv. access lines)	8	7	7
Special Access-interLATA			8
(expressed in equiv. access lines)	75	75	9
Feature Group A Lines	0	0	10
Feature Group B Trunks	0	0	11
Feature Group C Trunks	219	338	12
Feature Group D Trunks	0	0	13
TSPS - Trunks	24	24	14
EAS - Trunks	22	22	15
Cellular Trunks (Pub. Sw. Net.)	0	0	16
Video Distance Learning			17
- discounted (special tariff)	0	0	18
Customers			
Business - 2 Party Customers	0	0	20
Business - 4 Party Customers	0	0	21
Residential - 2 Party Customers	0	0	22
Residential - 4 Party Customers	0	0	23
Other			
Total Central Office, Info. Orig./Term., & Cable			25
Wire Fac. Assets (based on physical location of plant)			26
	7,111,637	8,107,389	27
Total Company Square Miles	399	399	28
Total Company Route Miles	578	596	29
Footnotes			30

SERVICE DATA - END OF YEAR

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

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	1820	4460	5820		1
Business					2
1 Party	45	101	69		3
2 Party	0	0	0		4
4 Party	0	0	0		5
PBX Trunks/System Trunks	0	0	0		6
Centrex Trunks	0	0	0		7
Centrex Lines	0	0	0		8
Key System Trunks	0	0	0		9
Mobile (utility provided service)	0	0	0		10
Paging (utility provided service)	0	0	0		11
FX-Out (Switched)	0	0	0		12
Pay Telephone	1	6	6		13
Coin-Operated Pay Telephone	0	0	0		14
Independent Pay Telephone Provider	0	0	0		15
Pay Stations - Public	0	0	0		16
- Semi-Public	0	0	0		17
- Cust. Owned	0	0	0		18
Other	0	0	0		19
Total Business Lines	46	107	75	0	20
Residential (Incl. Emp. Concess.)					21
1 Party	499	727	579		22
2 Party	0	0	0		23
4 Party	0	0	0		24
FX-Out (Switched)	0	0	0		25
Other	0	0	0		26
Total Residential Lines	499	727	579	0	27
Total Bus & Res Lines	545	834	654	0	28
Company Used Lines	6	12	21		29
Total Lines Used	551	846	675	0	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	1820	4460	5820		1
Miscellaneous					2
WATS Lines - OutWATS	0	0	0		3
WATS Lines - 800 Service	0	0	0		4
FX-In-intraLATA	0	3	0		5
Special Access-intraLATA					6
(equiv. access lines)	2	2	3		7
Special Access-interLATA					8
(equiv. access lines)	2	0	73		9
Feature Group A Lines	0	0	0		10
Feature Group B Trunks	0	0	0		11
Feature Group C Trunks	91	82	165		12
Feature Group D Trunks	0	0	0		13
TSPS - Trunks	7	10	7		14
EAS - Trunks	11	11	0		15
Cellular Trunks (Pub. Sw. Net.)	0	0	0		16
Video Distance Learning					17
- discounted (special tariff)	0	0	0		18
Customers					19
Business - 2 Party Customers	0	0	0		20
Business - 4 Party Customers	0	0	0		21
Residential - 2 Party Customers	0	0	0		22
Residential - 4 Party Customers	0	0	0		23
Other					24
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical					26
location of plant)	2,436,268	3,024,576	2,646,545		27
Exchange Square Miles	170	133	96		28
Exchange Route Miles	193	218	185		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

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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	EXELAND	RADISSON	WEYERHAEUSER		1
PSCW Exchange ID	1820	4460	5820		2
Central Office Name	EXELAND	RADISSON	WEYERHAEUSER		3
PSCW Central Office ID	1	1	1		4
Manufacturer of COE (Page 54)	NTI	NTI	NTI		5
Year COE Installed	1991	1991	1991		6
Type of Equipment (Page 54)	D	D	D		7
(S)tandalone, (H)ost, (R)emote	S	S	S		8
Remote Host PSCW Exchange ID					9
Remote Host PSCW Central Office ID	0	0	0		10
COE Generic Software Release No.	404.41	404.41	404.41		11
SS7?	No	No	No		12
9-1-1?	Yes	Yes	Yes		13
Access Lines - In Use	551	846	675		14
- Equipped	640	1,082	781		15
- Wired	640	1,088	1,088		16
Trunks - In Use	91	82	165		17
- Equipped	120	120	216		18
- Wired	144	144	288		19
ISDN Available?	No	No	No		20
ISDN Lines - In Use (BRI)	0	0	0		21
- In Use (PRI)	0	0	0		22
Switched 56 Service?	No	No	No		23
Switched 56 lines in use	0	0	0		24
Digital Transmission Facilities: DS-1 - In Use	9	16	41		25
DS-3 - In Use	1	3	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	0		32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	68	44	60		33
No. of fiber strands working (LIT) in C.O.	0	0	0		34
No. of fiber strands for interoffice use	0	0	0		35
Miles of fiber sheath in wire center	34	45	15		36
Access Tandem Serving this C.O.:					
- C.O. Name	RICE LAKE	RICE LAKE	RICE LAKE		37
- PSCW C.O. ID	4570-01	4570-01	4570-01		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+)?	No	No	No		41
Footnotes					42

¹ Teleco provided end-to-end facility.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

General Footnote

Schedule Footnotes

Schedule Line Footnotes

- 2) A/C 6410 expense increased \$24,291 in 1997 over 1996 due to construction in 1997.
- 3) Affiliated interest transactions from HCC are billed at actual cost.
- a) The number of Intrastate Interlata calls was too small to round up in thousands.
- b) \$817 is reclassified from account 2212.2 to account 2232.1. 16,390.90 is to transfer Internet equipment back to Central Office from deferred charges.
- C) Public telephone term. equipment transferred to non-regulated per F.C.C. order.
- d) To transfer \$882,862 from account 2423.2 buried cable, metallic, to account 2423.1 buried cable, non-metallic. Additions were gathered to account 2423.2 and later reclassified.
- E) \$18,647 of plant was reclassified from account 2212.2 to account 2232.1. Also \$4,994.30 was reclassified to account 2212.2 from Internet Deferred Charges for plant reclassified. ((18,647) + 4994 = (13,653))
- F) \$25,927 reclassified from metallic buried cable to fiber optic buried cable. \$38 reduction from metallic buried cable is due to a key-in error in accounts payable. This is to be fixed in 1998.
- G) \$15,055, public telephone term. equipment depreciation transferred to non-regulated area per F.C.C. Order.
- H) To adjust for rounding.
- I) Reclassification of \$1465 from account 2116 to account 2112 is the registration fee for vehicle purchased in 1996.
- J) 1996 annual report erroneously reported minutes as Interstate Intralata: 677 originating and 633 terminating should have been reported as Intrastate Interlata.
- K) Account 5082 - Increase in Universal Service Fund payments from NECA.