



4004

ANNUAL REPORT

OF

Name: UNION TELEPHONE COMPANY

Principal Office: 100 WEST NORTH STREET
P.O. BOX 96
PLAINFIELD, WI 54966-0096

For the Year Ended: DECEMBER 31, 1997

TELECOMMUNICATIONS UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN

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

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

GENERAL RULES FOR REPORTING

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

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ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

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: UNION TELEPHONE COMPANY
Utility Location: 100 WEST NORTH STREET
P.O. BOX 96
PLAINFIELD, WI 54966-0096

Utility Web Site Address:

When was utility organized?: 07/15/1900

Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: DWIGHT BOWDEN
Title: GENERAL MANAGER

Office Address: 100 WEST NORTH STREET
P.O. BOX 96
PLAINFIELD, WI 54966

Fax Number: (715) 335 - 6305
Telephone Number: (715) 335 - 6301
Email Address:

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

Name: KIESLING ASSOCIATES LLP
Title: ACCOUNTING FIRM
Firm: KIESLING ASSOCIATES LLP
Office Address: 6401 ODANA ROAD
MADISON, WI 53719

Fax Number: (608) 273 - 2383
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Email Address:

Person responsible for financial information contained in report

Name: DWIGHT BOWDEN
Title: GENERAL MANAGER

Office Address: 100 WEST NORTH STREET
P.O. BOX 96
PLAINFIELD, WI 54966

Fax Number: (715) 335 - 6305
Telephone Number: (715) 335 - 6301
Email Address:

Person responsible for statistical information contained in report

Name: DWIGHT BOWDEN
Title: GENERAL MANAGER

Office Address: 100 WEST NORTH STREET
P.O. BOX 96
PLAINFIELD, WI 54966

Fax Number: (715) 335 - 6305
Telephone Number: (715) 335 - 6301
Email Address:

IDENTIFICATION AND OWNERSHIP

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

Name: BEULAH M. SEVERNS
Address: WAUTOMA , WI 54982

Number of Shares Held: 9,361
Beneficial Owner: NONE

Name: DWIGHT H. BOWDEN
Address: ALMOND , WI 54909

Number of Shares Held: 15,421
Beneficial Owner: NONE

Name: WILL OF A.H. BOWDEN, TRUST I
Address: ALMOND , WI 54909

Number of Shares Held: 18,263
Beneficial Owner: NONE

Name: WILL OF A.H. BOWDEN, TRUST II
Address: ALMOND , WI 54909

Number of Shares Held: 9,132
Beneficial Owner: NONE

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	3,201,230	3,173,334	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	447,364	389,359	2
Plant Nonspecific Operations Expense	906,726	713,170	3
Customer Operations Expense (6610-6620)	392,360	360,280	4
Corporate Operations Expense (6710-6790)	265,487	224,302	5
Other Operating Income and Expense (7100)	0	0	6
Operating Taxes (7200)	482,152	615,599	7
Total Operating Expenses	2,494,089	2,302,710	8
Net Operating Income	707,141	870,624	9
Other Income			
Nonoperating Income and Expense (7300)	542,552	389,170	10
Nonoperating Taxes (7400)	167,672	117,556	11
Interest and Related Items (7500)	208,534	212,155	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	1,627	6,227	14
Total Nonoperating Income	167,973	65,686	15
Net Income	875,114	936,310	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.)

The accounting policies of the Company conform to generally accepted accounting principles. Management uses estimates and assumptions in preparing its financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Telephone operations reflect practices appropriate to the telephone industry. The accounting records of the company are maintained in accordance with Uniform System of Accounts for Class A and B Telephone Companies prescribed by the Federal Communications Commission as modified by the Public Service Commission of Wisconsin (PSCW).

A. Property and Equipment

Telephone plant is capitalized at original cost, including the capitalized cost of salaries and wages, materials, certain payroll taxes, and employee benefits.

The Company provides for depreciation for financial reporting purposes on the straight-line method by the application of rates, based on the estimated service lives of the various classes of depreciable property.

Renewals and betterments of units of property are charged to telephone plant in service. When telephone plant is retired, its cost is removed from the asset account and charged against accumulated depreciation, together with removal cost less any salvage realized. No gains or losses are recognized in connection with routine retirements of depreciable property. Repairs and renewals of minor items of property are included in plant specific operations expense.

B. Income taxes

Income taxes are accounted for using a liability method and provide for the tax effects of transactions reported in the financial statements including both taxes currently due and deferred. Deferred taxes are adjusted to reflect deferred tax consequences at current enacted tax rates. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities include the difference between carrying amounts of depreciable assets and partnership investment basis. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled.

Investment tax credits (ITC) which were deferred prior to the Tax Reform Act of 1986 are being amortized over the regulatory life of the plant which produced the ITC.

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:

C. Revenue Recognition

Revenues are recognized when earned regardless of the period in which they are billed.

Revenues relating to the provision of access services to customers are derived, in part, from tariffed access charges to toll service providers (interexchange carriers), and in part from sharing in interstate and intrastate pools. Interstate revenues are determined in accordance with nationwide average cost schedules.

The Company is compensated for intrastate access under access charge procedures based on expense and plant investment levels, as determined by the Company and approved by the PSCW.

D. Cash Equivalents

All highly liquid investments purchased with a maturity of one year or less are considered cash equivalents.

E. Investments

Non-marketable equity investments and temporary investments are stated at cost.

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

None.

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

The mortgage to the United States of America, underlying the RUS notes, contains certain restrictions on the declaration of payment of cash dividends, redemption of capital stock, or investment in affiliated companies. As of December 31, 1997, the maximum amount which could be distributed in accordance with these restrictions was \$3,475,000, except as might be specifically authorized in writing in advance by the RUS noteholders.

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT ASSETS			
CASH AND EQUIVALENTS			
Cash and Equivalents (1120)*	1,599,065	1,820,219	1
Cash (1130)			2
Special Cash Deposits (1140)			3
Working Cash Advances (1150)			4
Temporary Investments (1160)			5
TOTAL CASH AND EQUIVALENTS	1,599,065	1,820,219	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	220,592	224,035	6
Accounts Receivable Allowance-Telecom (1181)*		0	7
Net: Telecommunications Accounts Receivable	220,592	224,035	
Other Accounts Receivable (1190)*	230,763	383,519	8
Accounts Receivable Allowance--Other (1191)*		0	9
Net: Other Accounts Receivable	230,763	383,519	
Notes Receivable (1200)*	0	0	10
Notes Receivable Allowance (1201)*	0	0	11
Net: Notes Receivable	0	0	
Interest and Dividends Receivable (1210)*	23,428	26,104	12
TOTAL RECEIVABLES AND ALLOWANCES FOR DOUBTFUL	474,783	633,658	
SUPPLIES			
Inventories (1220)*	26,448	22,940	13
TOTAL SUPPLIES	26,448	22,940	
PREPAYMENTS			
Total Prepayments (1280)*	120,670	48,970	14
Prepaid Rents (1290)			15
Prepaid Taxes (1300)			16
Prepaid Insurance (1310)			17
Prepaid Directory Expenses (1320)			18
Other Prepayments (1330)			19
TOTAL PREPAYMENTS	120,670	48,970	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	11,686	15,211	20
TOTAL OTHER CURRENT ASSETS	11,686	15,211	
TOTAL CURRENT ASSETS	2,232,652	2,540,998	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	120,000	120,000	21
Investments in Nonaffiliated Companies (1402)*	3,881,221	3,618,591	22
Nonregulated Investments (1406)*	37,395	4,406	23
Unamortized Debt Issuance Expense (1407)*		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)*	0	6,004	26
TOTAL INVESTMENTS	4,038,616	3,749,001	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*	52,424	55,735	27
Deferred Maintenance and Retirements (1438)*	0	0	28
Deferred Charges (1439)*	0	0	29
TOTAL DEFERRED CHARGES	52,424	55,735	
TOTAL NONCURRENT ASSETS	4,091,040	3,804,736	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	12,392,436	11,347,676	30
Less: Accumulated Depreciation (3100)*	6,538,359	5,770,352	31
Less: Accumulated Amortization--Capitalized Leases (3410)*	0	0	32
Less: Accumulated Amortization--Leasehold Improvements (3420)*	0	0	33
Less: Accumulated Amortization--Intangible (3500)*	0	0	34
NET TELECOMMUNICATIONS PLANT IN SERVICE	5,854,077	5,577,324	
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)*	0	0	39
TOTAL TPUC	0	0	
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	5,854,077	5,577,324	
TOTAL ASSETS AND OTHER DEBITS*	12,177,769	11,923,058	

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	213,933	240,029	1
Notes Payable (4020)*	0	0	2
Advance Billing and Payments (4030)*	0	0	3
Customer Deposits (4040)*	1,814	1,459	4
Current Maturities--Long-Term Debt (4050)*	137,800	131,500	5
Current Maturities--Capital Leases (4060)*	0	0	6
Income Taxes--Accrued (4070)*	(173,035)	58,345	7
Other Taxes--Accrued (4080)*	(34,697)	(22,294)	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)*	33,722	38,519	11
Other Current Liabilities (4130)*	0	0	12
TOTAL CURRENT LIABILITIES*	179,537	447,558	
LONG-TERM DEBT			
Funded Debt (4210)*	3,959,184	4,100,161	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*	3,959,184	4,100,161	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*		0	20
Unamortized Operating ITC--Net (4320)*	94,567	141,851	21
Unamortized Nonoperating ITC--Net (4330)*	0	0	22
Net Noncurrent Deferred Operating Income Taxes (4340)*	625,009	611,971	23
Net Deferred Tax Liability Adjustments (4341)*	(49,694)	(63,586)	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	(142,009)	(126,232)	25
Other Deferred Credits (4360)*	139,813	69,848	26
Deferred Tax Regulatory Liability (4361)*	83,663	117,908	27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS*	751,349	751,760	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	564,860	564,860	28
Additional Paid-in Capital (4520)*	0	0	29
Treasury Stock (4530)*	0	0	30
Other Capital (4540)*	76,055	4,619	31
Retained Earnings (4550)*	6,646,784	6,054,100	32
TOTAL STOCKHOLDERS' EQUITY*	7,287,699	6,623,579	
TOTAL LIABILITIES AND OTHER CREDITS*	12,177,769	11,923,058	

STATEMENT OF CASH FLOWS

Item (a)	Amount (b)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	875,114	1
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and amortization	787,739	2
Interest during construction	0	3
Changes in assets and liabilities:		
Current assets (net)	87,192	4
Other noncurrent assets	9,315	5
Other current liabilities	(274,321)	6
Other liabilities and deferred credits	(411)	7
Other (specify):		
TOTAL ADJUSTMENTS	609,514	
NET CASH PROVIDED BY OPERATING ACTIVITIES (NET INCOME & ADJUST.)	1,484,628	
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures:		
Changes in plant (net)	(1,064,492)	8
Investments in affiliated companies	0	9
Nonoperating Investments	(295,619)	10
Other (specify):		
NET CASH USING IN INVESTING ACTIVITIES	(1,360,111)	
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in capital lease obligations (net)	0	11
Change in long-term debt (net)	(134,677)	12
Net changes in stockholder equity other than retained earnings	71,436	13
Change in short term borrowing (net)	0	14
Dividends paid	(282,430)	15
Miscellaneous debits/credits to retained earnings	0	16
Other (specify):		
Net Cash Provided by Financing Activities	(345,671)	
NET INCREASE IN CASH AND CASH EQUIVALENTS	(221,154)	
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.

None .

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.

None .

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

None .

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.

None .

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

None .

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.

None .

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

None .

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

None .

AFFILIATE ABBREVIATIONS

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

Name of Affiliate (a)	Abbreviations (b)	
Computer Systems Limited Liability Corporation	CSLLC	1

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	6000-AT-101					
Name of Affiliate	CSLLC					1
Designate whether billed to or from:	FROM					2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	M					3
Revenues						4
Expenses:						
Plant Specific Operations Expense						5
Plant Nonspecific Operations Expense						6
Customer Operations Expense	121,452					7
Corporate Operations Expense						8
Total Operating Expenses	121,452	0	0	0	0	9
Other:						
Plant Accounts						10
Accumulated Depreciation						11
Accumulated Amortization						12
Clearing						13
All Other						14
Total	121,452	0	0	0	0	15
Percent of affiliate's business billed to all affiliated regulated utilities	57.88					16
If cost based, rate of return on equity or markup incorporated in billings						17
Footnotes						

AFFILIATED ASSETS AND LIABILITIES

This schedule should be used to report affiliated activity concerning balances at the end of the year for the following accounts: 1120, Cash and Equivalents; 1160, Temporary Investments; 1180, Telecommunications Accounts Receivable; 1190, Other Accounts Receivable; 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)	
Computer Systems Limited Liability Corporation	1401	120,000	1

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		1
Uncollectibles written off during the year	0	2
Net write offs during the year	<u>0</u>	

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)
--	-------------------------------	-------------------------	----------------------------------	-------------------------------	---

INVESTMENTS IN NONAFFILIATED COMPANIES (ACCT. 1402)

Name (a)	Balance EOY (b)	
RTB Class B Stock	0	1
Other:		
Almond Fire Department	48,766	2
A.G. Edwards & Sons	559,746	3
Dean Witter	1,726,217	4
Other	39,166	5
Reserve for Market Value	125,713	6
Mid-Wisconsin DBS Cooperative	278,100	7
Rural Service Area #7 Partnership	1,103,513	8
Total Investments in Nonaffiliated Companies	3,881,221	

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):		
Telecommunications Equipment	5,504	1
Internet Equipment	31,891	2

DEFERRED MAINTENANCE AND RETIREMENTS (ACCT. 1438)

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

Description of Item (a)	Balance EOY (b)
--	--------------------------------

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
GENERAL SUPPORT ASSETS				
Land	2111	26,338		1
Motor Vehicles	2112	144,811		2
Aircraft	2113			3
Special Purpose Vehicles	2114			4
Garage Work Equipment	2115			5
Other Work Equipment	2116	179,659		6
Buildings	2121	1,021,691		7
Furniture	2122	39,868		8
Office Equipment	2123	26,741	1,161	9 G
General Purpose Computers	2124	75,275	1,641	10
TOTAL--GENERAL SUPPORT ASSETS:		1,514,383	2,802	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211			11
Digital Electronic Switching	2212	3,190,048	140,367	12 G
Electro-Mechanical Switching	2215	0	0	13 G
Operator Systems	2220			14
Radio Systems	2231	0	0	15 G
Circuit Equipment	2232	873,672	506,572	16 G
TOTAL--CENTRAL OFFICE ASSETS:		4,063,720	646,939	
INFORMATION ORIGATION/TERMINATION ASSETS				
Station Apparatus	2311			17
Customer Premises Wiring	2321			18
Large Private Branch Exchanges	2341			19
Public Telephone Terminal Equipment	2351	14,459		20 F
Other Terminal Equipment	2362			21
TOTAL--INFORMATION ORIG/TERM ASSETS:		14,459	0	
CABLE WIRE FACILITIES ASSETS				
Poles	2411	4,301		22
Aerial Cable	2421	2,561	0	23 G
Underground Cable	2422	0	0	24 G
Buried Cable	2423	5,741,539	418,554	25 G
Submarine Cable	2424	0	0	26 G
Deep Sea Cable	2425			27
Intrabuilding Network Cable	2426	0	0	28 G
Aerial Wire	2431			29
Conduit Systems	2441			30
TOTAL--CABLE WIRE FACILITIES ASSETS:		5,748,401	418,554	
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			26,338	1
2112	9,076		135,735	2
2113			0	3
2114			0	4
2115			0	5
2116			179,659	6
2121			1,021,691	7
2122			39,868	8
2123	0	0	27,902	9 G
2124			76,916	10
	9,076	0	1,508,109	
2211			0	11
2212	0	0	3,330,415	12 G
2215	0	0	0	13 G
2220			0	14
2231	0	0	0	15 G
2232	0	0	1,380,244	16 G
	0	0	4,710,659	
2311			0	17
2321			0	18
2341			0	19
2351		(14,459)	0	20 F
2362			0	21
	0	(14,459)	0	
2411			4,301	22
2421	0	0	2,561	23 G
2422	0	0	0	24 G
2423	0	0	6,160,093	25 G
2424	0	0	0	26 G
2425			0	27
2426	0	0	0	28 G
2431			0	29
2441			0	30
	0	0	6,166,955	
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	6,713	33
TOTAL--AMORTIZABLE ASSETS:		6,713	0
TOTAL TELECOM. PLANT IN SERVICE	2001	11,347,676	1,068,295
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			6,713	33
	0	0	6,713	
	9,076	(14,459)	12,392,436	
2001			0	34
			12,392,436	

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	15,781	1,161	1
Company Communications Equipment	2123.2	10,960		2
Software	2212.1			3
Digital Switching - Central Office	2212.2	3,190,048	140,367	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	873,672	506,572	10
Analog Circuit Equipment	2232.2			11
Light Wave Circuit Equipment	2232.3			12
Aerial Cable - Nonmetallic	2421.1			13
Aerial Cable - Metallic	2421.2	2,561		14
Underground Cable - Nonmetallic	2422.1			15
Underground Cable - Metallic	2422.2			16
Buried Cable - Nonmetallic	2423.1			17
Buried Cable - Metallic	2423.2	5,741,539	418,554	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			16,942	1
2123.2			10,960	2
2212.1			0	3
2212.2			3,330,415	4
2212.3			0	5
2215.1			0	6
2215.2			0	7
2231.1			0	8
2231.2			0	9
2232.1			1,380,244	10
2232.2			0	11
2232.3			0	12
2421.1			0	13
2421.2			2,561	14
2422.1			0	15
2422.2			0	16
2423.1			0	17
2423.2			6,160,093	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	82,899	20.0	17,462	1L
Aircraft	2113				2
Special Purpose Vehicles	2114				3
Garage Work Equipment	2115				4
Other Work Equipment	2116	147,597	10.0	17,966	5
Buildings	2121	305,244	2.5	25,542	6
Furniture	2122	35,525	10.0	3,987	7
Office Equipment	2123	21,610	12.75	1,607	8L
General Purpose Computers	2124	66,517	20.0	10,399	9
Total-- GENERAL SUPPORT ASSETS		659,392		76,963	0
CENTRAL OFFICE ASSETS					
Analog Electronic Switching	2211				10
Digital Electronic Switching	2212	1,937,879	10.0	313,542	11L
Electro-Mechanical Switching	2215				12
Operator Systems	2220				13
Radio Systems	2231				14
Circuit Equipment	2232	395,412	10.0	107,350	15
Total-- CENTRAL OFFICE ASSETS		2,333,291		420,892	0
INFORMATION ORIG/TERM ASSETS					
Station Apparatus	2311				16
Customer Premises Wiring	2321				17
Large Private Branch Exchanges	2341				18
Public Telephone Terminal Equipment	2351	14,458	10.0	0	19F
Other Terminal Equipment	2362				20
Total-- INFORMATION ORIG/TERM ASSETS		14,458		0	0
CABLE WIRE FACILITIES ASSETS					
Poles	2411	4,301			21
Aerial Cable	2421	2,563	7.14	0	22N
Underground Cable	2422				23
Buried Cable	2423	2,756,347	5.0	292,781	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	9,076		907		92,192	1 L
2113					0	2
2114					0	3
2115					0	4
2116					165,563	5
2121					330,786	6
2122					39,512	7
2123	0				23,217	8 L
2124					76,916	9
	9,076	0	907	0	728,186	
2211					0	10
2212	0				2,251,421	11 L
2215	0				0	12
2220					0	13
2231	0				0	14
2232	0				502,762	15
	0	0	0	0	2,754,183	
2311					0	16
2321					0	17
2341					0	18
2351				(14,458)	0	19 F
2362					0	20
	0	0	0	(14,458)	0	
2411					4,301	21
2421	0			(2)	2,561	22 N
2422	0				0	23
2423	0				3,049,128	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				29
Total-- CABLE WIRE FACILITIES ASSETS		2,763,211		292,781	0
Total Accumulated Depreciation	3100	5,770,352		790,636	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				790,636	0

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441					0	29
	0	0	0	(2)	3,055,990	
3100	9,076	0	907	(14,460)	6,538,359	
3100					0	30
3100					6,538,359	

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	10,650	10.0	1,607		1
Company Communications Equipment	2123.2	10,960	20.0	0		2
Software	2212.1					3
Digital Switching - Central Office	2212.2	1,937,879	10.0	313,542		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	395,412	10.0	107,350		10
Analog Circuit Equipment	2232.2					11
Light Wave Circuit Equipment	2232.3					12
Aerial Cable - Nonmetallic	2421.1					13
Aerial Cable - Metallic	2421.2	2,563	7.14	0		14 N
Underground Cable - Nonmetallic	2422.1					15
Underground Cable - Metallic	2422.2					16
Buried Cable - Nonmetallic	2423.1					17
Buried Cable - Metallic	2423.2	2,756,347	5.0	292,781		18
Submarine Cable - Nonmetallic	2424.1					19
Submarine Cable - Metallic	2424.2					20
Intrabuilding Cable - Nonmetallic	2426.1					21
Intrabuilding Cable - Metallic	2426.2					22

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

Subacct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2123.1					12,257	1
2123.2					10,960	2
2212.1					0	3
2212.2					2,251,421	4
2212.3					0	5
2215.1					0	6
2215.2					0	7
2231.1					0	8
2231.2					0	9
2232.1					502,762	10
2232.2					0	11
2232.3					0	12
2421.1					0	13
2421.2				(2)	2,561	14 N
2422.1					0	15
2422.2					0	16
2423.1					0	17
2423.2					3,049,128	18
2424.1					0	19
2424.2					0	20
2426.1					0	21
2426.2					0	22

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

This schedule should be used to report the deferred operating income tax portion of the stated accounts. In addition, column (e) of this schedule should be used to report the flowback of property related excess deferred taxes (e.g., 46 percent versus 34 percent federal tax rates). Credit amounts should be shown in ().

Particulars (a)	Balance FOY (b)	
PROPERTY RELATED		
Other Current Assets (1350)	0	1
Other Noncurrent Assets (1410)	(33,574)	2
Deferred Tax Regulatory Asset (1437)	0	3
Net Current Deferred Operating Income Taxes (4100)	0	4
Net Noncurrent Deferred Operating Income Taxes (4340)	(633,740)	5 M
Net Deferred Tax Liability Adjustments (4341)	63,586	6 M
Deferred Tax Regulatory Liability (4361)	(117,908)	7 M
Net Property Related Deferred Operating Income Taxes	(721,636)	
Less: Allocation to Nonregulated Activity		8
Net Regulated Total Property Related Deferred Operating Income Taxes	(721,636)	
NONPROPERTY RELATED		
Other Current Assets (1350)	15,211	9 M
Other Noncurrent Assets (1410)	5,821	10
Deferred Tax Regulatory Asset (1437)	55,735	11 M
Net Current Deferred Operating Income Taxes (4100)	0	12
Net Noncurrent Deferred Operating Income Taxes (4340)	21,769	13 M
Net Deferred Tax Liability Adjustments (4341)	0	14
Deferred Tax Regulatory Liability (4361)	0	15
Total Nonproperty Related Deferred Operating Income Taxes	98,536	

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	33,574			0	2
				0	3
7250				0	4
7250	(45,960)		(536)	(680,236)	5 M
	(13,892)			49,694	6 M
	34,245			(83,663)	7 M
	7,967	0	(536)	(714,205)	
				0	8
	7,967	0	(536)	(714,205)	
7250	(3,525)			11,686	9 M
7250	(5,821)			0	10
	(3,311)			52,424	11 M
7250				0	12
7250	33,458			55,227	13 M
				0	14
				0	15
	20,801	0	0	119,337	

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):				
RURAL DEVELOPMENT	06/01/1993	06/01/2003	.0000	1
RUS	09/16/1981	09/16/2016	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)				
			41,015	9,300	50,315	1
			3,918,169	128,500	4,046,669	2
	0	0	3,959,184	137,800	4,096,984	

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	80,000	10.00	1
TOTAL COMMON STOCK	80,000		
TOTAL	<u>80,000</u>		

CAPITAL STOCK ACCOUNTS AT END OF YEAR (cont.)

	Acct. 4510 - Capital Stock		Acct. 4530 - Treasury Stock		
	Shares	Amount	Shares	Amount	
	(e)	(f)	(g)	(h)	
COMMON STOCK:					
Common Stock	56,486	564,860			1
	56,486	564,860	0	0	
TOTAL	<u>56,486</u>	<u>564,860</u>	<u>0</u>	<u>0</u>	

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	6,054,100	5,315,491	1
Changes:			
Balance Transferred from Income	875,114	936,310	2
Dividends Declared:			
Common	282,430	197,701	3
Preferred		0	4
Total Dividends Declared	282,430	197,701	
Miscellaneous Debits to Retained Earnings		0	5
Miscellaneous Credits to Retained Earnings		0	6
Balance--End of Year	<u>6,646,784</u>	<u>6,054,100</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)	184,017	71,935	220,569	1
Nonoperating Taxes (Accts. 7410 - 7450)		41,826	125,846	2
Extraordinary Items (Accts. 7630 & 7640)				3
Nonregulated Net Income (Acct. 7990)		34	663	4
Clearing Accounts				5
Construction				6
Payroll Taxes: FICA				7
Payroll Taxes: State Unemployment				8
Payroll Taxes: Federal Unemployment				9
Other (specify):				
Investment Tax Credit			47,284	10
Deferred Oper Income Tax		(1,568)	30,336	11
Other Deferrd Taxes		5,678	20,696	12
TOTAL	<u>184,017</u>	<u>117,905</u>	<u>445,394</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)	
5,631					482,152	1
					167,672	2
					0	3
					697	4
					0	5
					0	6
				38,026	38,026	7
				363	363	8
				896	896	9
					47,284	10
					28,768	11
					26,374	12
5,631	0	0	0	39,285	792,232	

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)*	997,941	940,027	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)	997,941	940,027	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	194,778	186,043	11
Switched Access Revenue (5082)*	912,389	974,903	12
Special Access Revenue (5083)*	11,669	11,500	13
TOTAL INTERSTATE ACCESS REVENUES (5080)	1,118,836	1,172,446	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*		0	14
Switched Access Revenue (5084.2)*	793,512	784,518	15
Special Access Revenue (5084.3)*	51,350	43,638	16
TOTAL INTRASTATE ACCESS REVENUES (5084)	844,862	828,156	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*		0	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.	0	0	

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

Particulars (a)	This Year (b)	Last Year (c)	
MISCELLANEOUS REVENUES			
Directory Revenue (5230)*	79,183	69,935	30
Rent Revenue (5240)*	0	0	31
Corporate Operations Revenue (5250)*	0	0	32
Miscellaneous:			
Miscellaneous Revenue (5260)*	7,219	8,767	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)	7,219	8,767	
Interstate Billing and Collection Revenue*	99,954	45,163	39 H
Intrastate Billing and Collection Revenue*	66,579	131,238	40 H
Total Carrier Billing and Collection Revenue (5270)*	166,533	176,401	
Nonregulated Operating Revenue (5280)**			41
TOTAL MISCELLANEOUS REVENUES	252,935	255,103	
GROSS OPERATING REVENUES	3,214,574	3,195,732	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*	13,344	22,398	42 I
Uncollectible Revenue--Telecommunications (5301)			43
Uncollectible Revenue--Other (5302)			44
TOTAL UNCOLLECTIBLE REVENUE (5300)	13,344	22,398	
TOTAL OPERATING REVENUES	3,201,230	3,173,334	

** 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)	(4,715)	170	21	1
Less: Nonregulated		0		2 A,J,K
Net Regulated	(4,715)	170	21	3
Total General Support Expense (6120)	36,123	40,763	4,745	4
Less: Nonregulated		0		5
Net Regulated	36,123	40,763	4,745	6
Total Central Office Switching Expense (6210)	171,540	177,009	64,242	7
Less: Nonregulated		0		8
Net Regulated	171,540	177,009	64,242	9
Total Operator Systems Expense (6220)		0		10
Less: Nonregulated		0		11
Net Regulated	0	0	0	12
Total Central Office Transmission Expenses (6230)	12,641	19,455	6,136	13
Less: Nonregulated		0		14 B
Net Regulated	12,641	19,455	6,136	15
Total Information Orig. / Term. Expense (6310)	838	336	299	16
Less: Nonregulated		0		17
Net Regulated	838	336	299	18
Total Cable and Wire Fac. Expense (6410)	172,932	209,631	91,537	19
Less: Nonregulated		0		20 C
Net Regulated	172,932	209,631	91,537	21
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	389,359	447,364	166,980	
Less: Nonregulated	0	0	0	
Net Regulated	389,359	447,364	166,980	
PLANT NONSPECIFIC OPERATIONS EXPENSE				
Total Other Property, Plant and Equip. Exp. (6510)	0	0	0	22
Less: Nonregulated		0		23
Net Regulated	0	0	0	24
Total Network Operations Expense (6530)	100,634	118,987	58,564	25
Less: Nonregulated		0		26
Net Regulated	100,634	118,987	58,564	27
Access Expense (6540)		0		28
Less: Nonregulated		0		29
Net Regulated	0	0	0	30
Total Depreciation and Amortization Expense (6560)	612,536	787,739		31
Less: Nonregulated		0		32 D
Net Regulated	612,536	787,739		33
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	713,170	906,726	58,564	
Less: Nonregulated	0	0	0	
Net Regulated	713,170	906,726	58,564	

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6110	(8)		157		1
	(8)	0	157	0	2 A,J,K
6120	2,544		33,474		3
	2,544	0	33,474	0	4
6210	31,338		81,429		5
	31,338	0	81,429	0	6
6220	0	0	0	0	7
	0	0	0	0	8
6230	2,443		10,876		9
	2,443	0	10,876	0	10 B
6310	143		(106)		11
	143	0	(106)	0	12
6410	45,295		72,799		13
	45,295	0	72,799	0	14 C
	81,755	0	198,629	0	15
	0	0	0	0	16
	81,755	0	198,629	0	17
6510	0	0	0	0	18
	0	0	0	0	19
6530	27,528		32,895		20
	27,528	0	32,895	0	21
6540	0	0	0	0	22
	0	0	0	0	23
6560			787,739		24
			787,739		25
	27,528	0	820,634	0	26
	0	0	0	0	27
	27,528	0	820,634	0	28
					29
					30
					31 D
					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)		0		34
Less: Nonregulated		0		35
Net Regulated	0	0	0	36
Total Services (6620)	360,280	392,360	113,314	37
Less: Nonregulated		0		38
Net Regulated	360,280	392,360	113,314	39
TOTAL CUSTOMER OPERATIONS EXPENSE	360,280	392,360	113,314	
Less: Nonregulated	0	0	0	
Net Regulated	360,280	392,360	113,314	
CORPORATE OPERATIONS EXPENSE				
Total Exec. and Planning (6710)	118,536	152,170	77,259	40
Less: Nonregulated		0		41 E
Net Regulated	118,536	152,170	77,259	42
Total General and Administrative (6720)	105,766	113,317	23,362	43
Less: Nonregulated		0		44
Net Regulated	105,766	113,317	23,362	45
Provision for Uncollectible Notes Receiv. (6790)		0		46
Less: Nonregulated		0		47
Net Regulated	0	0		48
TOTAL CORPORATE OPERATIONS EXPENSE	224,302	265,487	100,621	
Less: Nonregulated	0	0	0	
Net Regulated	224,302	265,487	100,621	
TOTAL EXPENSES	1,687,111	2,011,937	439,479	
Less: Nonregulated	0	0	0	
Net Regulated	1,687,111	2,011,937	439,479	

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6610					34
	0	0	0	0	35
6620	49,436		229,610		36
	49,436		229,610	0	37
	49,436	0	229,610	0	38
	0	0	0	0	39
	49,436	0	229,610	0	
6710	36,066		38,845		40
	36,066		38,845	0	41 E
6720	10,069		79,886		42
	10,069		79,886	0	43
6790					44
			0		45
	46,135	0	118,731	0	46
	0	0	0	0	47
	46,135	0	118,731	0	48
	204,854	0	1,367,604	0	
	0	0	0	0	
	204,854	0	1,367,604	0	

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		1
Provisioning Expense (6512)		0		2
Total: Reported in Account 6510	0	0	0	
Depreciat. Exp.--Tele. Plant in Service (6561)	612,536	787,739		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	612,536	787,739		

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			787,739		3
6562					4
6563					5
6564					6
6565					7
			787,739		

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	3,214,574	1
Plus: Collection of amounts previously written off	0	2
Less: Uncollectibles written off during the year	0	3
Plus: Total Other Operating Income and (Expense) (7100)	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	<u>3,214,574</u>	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	997,941	1
Plus: Total Intrastate Access Revenues (5084)	844,862	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus (or Less) Other (please specify): NONE	0	5
Assessable Revenues for Universal Service Fund Assessment Purposes	<u>1,842,803</u>	

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

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

Description (a)	This Year (b)	
Gross Operating Revenues	3,214,574	1
Plus: Collection of amounts previously written off	0	2
Less: Uncollectibles written off during the year	0	3
Plus: Total Other Operating Income and (Expense) (7100)	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>3,214,574</u>	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	997,941	1
Plus: Total Intrastate Access Revenues (5084)	844,862	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus (or Less) Other (please specify): NONE	0	5
Assessable Revenues for Universal Service Fund Assessment Purposes	<u>1,842,803</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	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	5
TOTAL OTHER OPERATING INCOME AND (EXPENSE) (7100)*	0	0	
OPERATING TAXES			
Operating Investment Tax Credits--Net (7210)*	(47,284)	(31,230)	6
Operating Federal Income Taxes (7220)*	298,189	313,834	7
Operating State and Local Income Taxes (7230)*	70,367	78,752	8
Operating Other Taxes (7240)*	189,648	189,991	9
Provision for Deferred Operating Income Taxes--Net (7250)*	(28,768)	64,252	10
TOTAL OPERATING TAXES (7200)*	482,152	615,599	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)*	1,140	915	11
Interest Income (7320)*	262,894	199,642	12
Income from Sinking and Other Funds (7330)*		0	13
Allowance for Funds Used During Construction (7340)*		0	14
Gains or (Losses) from the Disposition of Certain Property (7350)*		0	15
Other Nonoperating Income (7360)*	278,323	190,852	16
Special Charges (7370)*	(195)	2,239	17
TOTAL NONOPERATING INCOME AND EXPENSE (7300)*	542,552	389,170	
NONOPERATING TAXES			
Nonoperating Investment Tax Credits--Net (7410)*		0	18
Nonoperating Federal Income Taxes (7420)*	149,148	130,235	19
Nonoperating State and Local Income Taxes (7430)*	48,058	37,873	20
Nonoperating Other Taxes (7440)*		0	21
Provision for Deferred Nonoperating Income Taxes-Net (7450)*	(29,534)	(50,552)	22
TOTAL NONOPERATING TAXES (7400)*	167,672	117,556	
INTEREST AND RELATED ITEMS			
Interest on Funded Debt (7510)*	204,895	211,409	23
Interest Expense--Capital Leases (7520)*		0	24
Amortization of Debt Issuance Expense (7530)*		0	25
Other Interest Deductions (7540)*	3,639	746	26
TOTAL INTEREST AND RELATED ITEMS (7500)*	208,534	212,155	
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)*	1,627	6,227	32

NONREGULATED NET INCOME (ACCT. 7990)

Particulars (a)	Amount (b)	
Revenues (Acct. 7990.1)		
Gross Sales	195,802	1
Less: Cost of Goods Sold		2
Net Sales	195,802	3
Expenses (Acct. 7990.2)	194,175	4
Nonregulated Net Income	<u><u>1,627</u></u>	5

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

Lease of telecommunications equipment

Sale of telecommunications equipment

Internet services

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	439,479	1
Nonregulated Expense	41,507	2
Plant Accounts	15,868	3
Accumulated Depreciation Accounts		4
All Other Accounts	21,547	5
Total Salaries and Wages	518,401	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	3.00	3.00	98,467	1
Supervision and Other Management	1.00	1.00	58,525	2
Other Employees	11.00	13.00	361,409	3
Total	15.00	17.00	518,401	

DISTRIBUTION OF SALARIES AND WAGES

Description (a)	Amount (b)	
Regulated Expense	439,479	1
Nonregulated Expense	41,507	2
Plant Accounts	15,868	3
Accumulated Depreciation Accounts		4
All Other Accounts	21,547	5
Total Salaries and Wages	518,401	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	3.00	3.00	98,467	1
Supervision and Other Management	1.00	1.00	58,525	2
Other Employees	11.00	13.00	361,409	3
Total	15.00	17.00	518,401	

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	0	0	1
Extended Area Service	0	0	2
Extended Community Calling	102	425	3
Other Local-Undefined	0	0	4
Total Local	102	425	
TOLL			
Operator Handled: State--intraLATA	0	10	5
Operator Handled: State--interLATA	1	19	6
Operator Handled: Interstate	1	21	7
Customer Dialed: State--intraLATA	42	324	8
Customer Dialed: State--interLATA	56	620	9
Customer Dialed: Interstate	45	689	10
WATS	0	0	11
Other Toll-Undefined	0	0	12
Total Toll	145	1,683	
Total Local & Toll	247	2,108	

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.	27	22			2
Feature Group B -- Orig.					3
Feature Group B -- Term.					4
Feature Group C -- Orig.			2,194		5
Feature Group C -- Term.			1,828		6
Feature Group D -- Orig.	2,747	3,500			7
Feature Group D -- Term.	5,749	4,157			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	1,363	2
Sheath miles of plant - fiber optics	102	3
Strand miles of plant - fiber optics	1,343	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	4	21	1
56 kbps	2	2	2
64 kbps (DS0)	0	1	3
1.54 Mbps (DS-1)	2	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	0	1
Sheath miles of plant - buried	1,363	2
Sheath miles of plant - fiber optics	102	3
Strand miles of plant - fiber optics	1,343	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	4	21	1
56 kbps	2	2	2
64 kbps (DS0)	0	1	3
1.54 Mbps (DS-1)	2	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	574	579	3
2 Party	0		4
4 Party	0		5
PBX Trunks/System Trunks	0		6
Centrex Trunks	0		7
Centrex Lines	0		8
Key System Trunks	198	203	9
Mobile (Utility Provided Service)	0		10
Paging (Utility Provided Service)	0		11
FX-Out (Switched)	0		12
Pay Telephone			13
Coin-Operated Pay Telephone	0	0	14
Independent Pay Telephone Provider	0	37	15
Pay Stations - Public	10	0	16
- Semi-Public	12	0	17
- Cust. Owned	15	0	18
Other	0		19
Total Business Lines	809	819	20
Residential (Incl. Emp. Concess.)			
1 Party	3,309	3,342	22
2 Party			23
4 Party	0		24
FX-Out (Switched)	0		25
Other	0		26
Total Residential Lines	3,309	3,342	27
Total Bus & Res Lines	4,118	4,161	28
Company Used Lines	0		29
Total Lines Used	4,118	4,161	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	2	2	3
WATS Lines - 800 Service	1	0	4
FX-In-intraLATA	0		5
Special Access-intraLATA			6
(expressed in equiv. access lines)	27	24	7
Special Access-interLATA			8
(expressed in equiv. access lines)	52	54	9
Feature Group A Lines	0		10
Feature Group B Trunks	9	9	11
Feature Group C Trunks	0		12
Feature Group D Trunks	515	515	13
TSPS - Trunks	20	20	14
EAS - Trunks	32	36	15
Cellular Trunks (Pub. Sw. Net.)	0		16
Video Distance Learning			17
- discounted (special tariff)	0		18
Customers			
Business - 2 Party Customers	0		20
Business - 4 Party Customers	0		21
Residential - 2 Party Customers	0		22
Residential - 4 Party Customers	0		23
Other			
Total Central Office, Info. Orig./Term., & Cable			25
Wire Fac. Assets (based on physical location of plant)			26
	9,826,580	10,877,614	27
Total Company Square Miles	620	620	28
Total Company Route Miles	1,396	1,416	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	0090	1230	2230	4240	1
Business					2
1 Party	113	148	95	223	3
2 Party					4
4 Party					5
PBX Trunks/System Trunks					6
Centrex Trunks					7
Centrex Lines					8
Key System Trunks	29	49	19	106	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	7	6	6	18	15
Pay Stations - Public	0	0	0	0	16
- Semi-Public	0	0	0	0	17
- Cust. Owned	0	0	0	0	18
Other					19
Total Business Lines	149	203	120	347	20
Residential (Incl. Emp. Concess.)					21
1 Party	877	681	733	1,051	22
2 Party					23
4 Party					24
FX-Out (Switched)					25
Other					26
Total Residential Lines	877	681	733	1,051	27
Total Bus & Res Lines	1,026	884	853	1,398	28
Company Used Lines					29
Total Lines Used	1,026	884	853	1,398	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	0090	1230	2230	4240	1
Miscellaneous					2
WATS Lines - OutWATS		2			3
WATS Lines - 800 Service	0				4
FX-In-intraLATA					5
Special Access-intraLATA					6
(equiv. access lines)	5	6	5	8	7
Special Access-interLATA					8
(equiv. access lines)		26		28	9
Feature Group A Lines					10
Feature Group B Trunks				9	11
Feature Group C Trunks					12
Feature Group D Trunks				515	13
TSPS - Trunks	5			15	14
EAS - Trunks	20			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 location of plant)	2,719,404	2,284,299	2,175,523	3,698,388	26
Exchange Square Miles	259	105	122	134	27
Exchange Route Miles	388	302	300	426	28
Footnotes					29
					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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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	ALMOND	COLOMA	HANCOCK	PLAINFIELD	1
PSCW Exchange ID	0090	1230	2230	4240	2
Central Office Name	ALMOND	COLOMA	HANCOCK	PLAINFIELD	3
PSCW Central Office ID	1	1	1	1	4
Manufacturer of COE (Page 54)	SC	SC	SC	SC	5
Year COE Installed	1982	1984	1984	1983	6
Type of Equipment (Page 54)	D	D	D	D	7
(S)tandalone, (H)ost, (R)emote	S	R	R	H	8
Remote Host PSCW Exchange ID		4240	4240		9
Remote Host PSCW Central Office ID	0	1	1	0	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	1,026	935	891	1,472	14
- Equipped	1,244	1,059	1,068	1,973	15
- Wired	1,380	1,080	1,080	2,295	16
Trunks - In Use	130	96	96	967	17
- Equipped	228	96	96	1,188	18
- Wired	228	192	192	1,206	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	0	1	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.	36	28	24	72	33
No. of fiber strands working (LIT) in C.O.	14	8	4	20	34
No. of fiber strands for interoffice use	86	16	35	122	35
Miles of fiber sheath in wire center	25	20	18	39	36
Access Tandem Serving this C.O.:					
- C.O. Name	PLAINFIELD	PLAINFIELD	PLAINFIELD	PLAINFIELD	37
- PSCW C.O. ID	4240-01	4240-01	4240-01	4240-01	38
Does this C.O. do access tandem switching?	No	No	No	Yes	39
Equal Access: InterLATA (1+)?	Yes	Yes	Yes	Yes	40
Equal Access: IntraLATA (1+)?	No	No	No	No	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
Union Telephone Company
Plainfield, Wisconsin 54966

We have compiled the balance sheets of Union Telephone Company as of December 31, 1997 and 1996, and the related statements of income and retained earnings for the years 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 (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 24, 1998

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

None

Schedule Line Footnotes

- A) Additional roof repairs made in 1997.
- B) Increased circuit equipment expense for 1997.
- C) New outside plant employee hired late 1996, worked full year in 1997.
- D) Depreciation rate changes - increased for cable and switching equipment.
- E) Increased Payroll and Benefit cost in 1997.
- F) Transfer of payphones and accumulated depreciation to Non-Regulated in 1997.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

- G)** -0- carried over from other schedules on PSC report.
- H)** Variance due to misclassification of revenues in 1996 between intrastate and interstate B&C, problem corrected in 1997, reclassified to correct accounts.
- I)** More uncollectible bills turned over to collection agency in 1997.
- J)** Footnote not used.
- K)** Footnote not used.
- L)** Actual depreciation rates vary between sub-accounts, rate given is a composite.
- M)** To properly reflect first of year balances.
- N)** \$2 adjustment to reflect correct EOY asset and accumulated depreciation amounts.