



4004

ANNUAL REPORT

OF

Name: THE SCANDINAVIA TELEPHONE COMPANY

Principal Office: 525 JUNCTION ROAD
MADISON, WI 53717

For the Year Ended: DECEMBER 31, 2002

TELECOMMUNICATIONS UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN

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

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

GENERAL RULES FOR REPORTING

1. The annual report due date is April 1 of the following year. (Example: The 2001 report is due April 1, 2002.) If that date falls on a weekend or holiday, the annual report is due the following business day.
2. **Electronic filing via e-mail is required.** Go to the Public Service Commission of Wisconsin's web page at <http://psc.wi.gov>, click on Telecommunications and click on Annual Report for Incumbent Local Exchange Carriers (LECs).
3. LEC entities with no revenues for the report year are required to file a LEC annual report.
4. Unless otherwise indicated, the information requested in this report should be taken from the accounts and other records of the utility in conformity with the Uniform System of Accounts prescribed by the Public Service Commission in docket 05-US-102. The definitions and instructions contained therein should also apply to the report wherever applicable. A query or response concerning information contained in this report regarding any practice or transaction should not be construed as indicating conformity to accounting or other pertinent regulations.
5. Please follow all instructions and answer each question fully and accurately. Provide additional information as necessary to avoid misunderstandings or misleading responses. Abbreviations listed on page 6 may be used. However, please show the exact name of the respondent in full on the Identification and Ownership page.
6. Wherever information is requested in a "note," please show that information in the space provided, or make reference to the adjacent page or insert where the note may be found. Please also identify each note. Footnote capability is included in the annual report software program. Please use it where necessary to fully explain particulars in the annual report.
7. Numeric items are limited to digits (0-9). A minus sign "-" should be entered in the software program to indicate negative values. The program will convert the minus sign to parentheses if a hard copy of the annual report is printed. Negative values may not be allowed for certain entries in the annual report due to restrictions contained in the software program.
8. Please report all dollar amounts to the nearest whole dollar.
9. This annual report should be complete in all respects. Unless otherwise authorized, avoid references to returns of former years or to other reports.
10. Wherever schedules call for data from the previous year and such data were reported in the previous annual report, the previous year's data should be reported without modification. If modified, an appropriate footnote indicator and explanation should be included in the current year's annual report.
11. Where part or all of the report is prepared by other than utility personnel, a disclosure is required in the "Individual or firm, if other than utility employee, preparing this report" portion of the Identification and Ownership schedule, which describes the nature and extent of work performed.
12. The LEC annual report program incorporates provisional confidentiality capability for selected items, based on the Commission's confidentiality determination dated February 5, 2002.
13. It is not necessary to sign the signature page.
14. **Edit Check, Confidential Listing, Exported Annual Report, and Export Status Files;
Filing the Completed Report:**

GENERAL RULES FOR REPORTING

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

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

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

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

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

15. Name Changes:

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

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

These documents can be obtained by:

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

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

16. Changes to the Annual Report Subsequent to Filing:

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

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ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

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: THE SCANDINAVIA TELEPHONE COMPANY
Utility Location: 525 JUNCTION ROAD
MADISON, WI 53717

Utility Web Site Address:
When was utility organized?: 07/31/1903
Report any change in name and the effective date:

Telephone numbers for potential customers to contact company:
Business Customers: (715) 445 - 3711 Ext:
Residential Customers: (715) 445 - 3711 Ext:

Officer in charge of correspondence concerning this report

Name: JOHN R . ERPENBACH
Title: ACCOUNTING MANAGER

Office Address: 525 JUNCTION ROAD
MADISON , WI 53717

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

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

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

Fax Number: (604) 664 - 4519
Telephone Number: (608) 664 - 4316
Email Address: brad.krause@tdstelecom.com

Person responsible for financial information contained in report

Name: PAM DE VRIES
Title: STAFF ACCOUNTANT
Office Address: 525 JUNCTION ROAD
MADISON , WI 53717

Fax Number: (608) 664 - 4519
Telephone Number: (608) 664 - 8127
Email Address: pam.devries@tdstelecom.com

OFFICERS AND DIRECTORS

Name, Title/Occupation and Business Address

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

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	2,676,978	2,889,335	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	271,884	281,470	2
Plant Nonspecific Operations Expense	660,735	614,493	3
Customer Operations Expense (6610-6620)	427,715	548,003	4
Corporate Operations Expense (6710-6790)	348,028	365,667	5
Other Operating Income and Expense (7100)	27	27	6
Operating Taxes (7200)	410,474	448,261	7
Total Operating Expenses	2,118,809	2,257,867	8
Net Operating Income	558,169	631,468	9
Other Income			
Nonoperating Income and Expense (7300)	17,239	4,371	10
Nonoperating Taxes (7400)	6,710	2,278	11
Interest and Related Items (7500)	46,692	66,482	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	27,788	21,292	14
Total Nonoperating Income	(8,375)	(43,097)	15
Net Income	549,794	588,371	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.)

TELEPHONE PLANT

Telephone plant is stated as the original cost of construction including capitalized costs such as taxes, pensions, and other fringe benefits, and an allowance for funds used during construction (AFUDC).

DEPRECIATION

The company provides depreciation for financial reporting purposes using the straight-line method. Renewals and betterments of units of property are charged to telephone plant in service. The original cost of depreciable property retired, together with removal cost less any salvage realized, is charged to accumulated depreciation. Repairs and renewals of minor items of property are charged to maintenance expense. No gain or loss is recognized in connection with ordinary retirements of depreciable property.

REVENUES

Operating and nonoperating revenues are recognized when earned regardless of the period in which they are billed.

Compensation for all intrastate service is received through tariffed access charges billed to the long distance carrier and retained by the company.

Compensation for interstate access services is received through tariffed access charges filed by the National Exchange Carrier Association (NECA) with the Federal Communications Commission (FCC) on behalf of the member companies. These access charges are billed by the company to the interstate long distance carrier, and pooled with like revenues from all NECA member companies.

PENSION

The company is a member of the Telephone and Data Systems, Inc. Employees' Pension Trust I. This qualified, noncontributory defined contribution pension plan covers substantially all company employees. Under this plan, pension benefits and costs are funded currently.

INCOME TAXES

The company is included in the TDS consolidated federal income tax return. For financial reporting purposes, the company computes its federal income tax by applying the statutory rate to all its taxable income.

The company uses the full-normalization method for all timing differences with the resulting book-tax differences being provisioned through the deferred tax accounts. Deferred income taxes resulting from accelerated depreciation used for income tax purposes had previously been provided through the depreciation accounts. Such deferred taxes are credited to income as the related timing differences reverse. Investment tax credits resulting from investments in qualifying telephone plant and equipment

NOTES TO INCOME STATEMENT OR BALANCE SHEET

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

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

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.

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

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT ASSETS			
CASH AND EQUIVALENTS			
Cash and Equivalents (1120)*			1
Cash (1130)	1,244,329	293,363	2
Special Cash Deposits (1140)	0	0	3
Working Cash Advances (1150)	500	500	4
Temporary Investments (1160)	0	0	5
TOTAL CASH AND EQUIVALENTS	1,244,829	293,863	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	66,087	84,759	6
Accounts Receivable Allowance-Telecom (1181)*	1,400	0	7
Net: Telecommunications Accounts Receivable	64,687	84,759	
Other Accounts Receivable (1190)*	293,917	335,590	8
Accounts Receivable Allowance--Other (1191)*	48,565		9
Net: Other Accounts Receivable	245,352	335,590	
Notes Receivable (1200)*	0	0	10
Notes Receivable Allowance (1201)*	0	0	11
Net: Notes Receivable	0	0	
Interest and Dividends Receivable (1210)*	1,476	572	12
TOTAL REC AND ALLOW FOR DOUBTFUL ACCOUNTS	311,515	420,921	
SUPPLIES			
Inventories (1220)*	11,507	17,359	13
TOTAL SUPPLIES	11,507	17,359	
PREPAYMENTS			
Total Prepayments (1280)*			14
Prepaid Rents (1290)	0	0	15
Prepaid Taxes (1300)	2,039	2,432	16
Prepaid Insurance (1310)	0	0	17
Prepaid Directory Expenses (1320)	255	345	18
Other Prepayments (1330)	7,258	9,307	19
TOTAL PREPAYMENTS	9,552	12,084	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	0		20
TOTAL OTHER CURRENT ASSETS	0	0	
TOTAL CURRENT ASSETS	1,577,403	744,227	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	0	0	21
RTB Class B Stock (1402)*	56,829	56,829	22
Other Investments in Nonaffiliated Companies (1402)*	2,000	2,000	23
Nonregulated Investments (1406)*	15,196	15,333	24
Unamortized Debt Issuance Expense (1407)*	0	0	25

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
NONCURRENT ASSETS			
INVESTMENTS			
Sinking Funds (1408)*	0		26
Other Noncurrent Assets (1410)*	0		27
TOTAL INVESTMENTS	74,025	74,162	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*	146	197	28
Deferred Maintenance and Retirements (1438)*	0		29
Deferred Charges (1439)*	0		30
TOTAL DEFERRED CHARGES	146	197	
TOTAL NONCURRENT ASSETS	74,171	74,359	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	7,657,197	7,453,628	31
Less: Accumulated Depreciation (3100)*	3,950,337	3,914,646	32
Less: Accumulated Amortization--Capitalized Leases (3410)*	0		33
Less: Accumulated Amortization--Leasehold Improvements (3420)*	0		34
Less: Accumulated Amortization--Intangible (3500)*	415,659		35
NET TELECOMMUNICATIONS PLANT IN SERVICE	3,291,201	3,538,982	
PROPERTY HELD FOR FUTURE USE			
Prop. Held for Future Telecommun. Use (2002)*	0		36
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200)*	0		37
NET PROPERTY HELD FOR FUTURE USE	0	0	
NONOPERATING PLANT			
Nonoperating Plant (2006)*	0		38
Less: Accumulated Depreciation--Nonoperating (3300)*	0		39
NET NONOPERATING PLANT	0	0	
TPUC			
TPUC (2003)*	2,006	17,256	40
TOTAL TPUC	2,006	17,256	
TELECOMMUNICATIONS PLANT ADJUSTMENT			
Telecommunications Plant Adjustment (2005)*	0		41
Less: Accumulated Amortization--Other (3600)*	0		42
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	0	0	
TOTAL PLANT	3,293,207	3,556,238	
TOTAL ASSETS AND OTHER DEBITS	4,944,781	4,374,824	

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	213,562	237,168	1
Notes Payable (4020)*	0	0	2
Advance Billing and Payments (4030)*	26,784	19,817	3
Customer Deposits (4040)*	0		4
Current Maturities--Long-Term Debt (4050)*	51,702	49,315	5
Current Maturities--Capital Leases (4060)*	0		6
Income Taxes--Accrued (4070)*	41,019	40,176	7
Other Taxes--Accrued (4080)*	9,695	8,735	8
Net Current Deferred Operating Income Taxes (4100)*	0	0	9
Net Current Deferred Nonoperating Income Taxes (4110)*	0		10
Other Accrued Liabilities (4120)*	18,048	17,485	11
Other Current Liabilities (4130)*	54,825	9,867	12
TOTAL CURRENT LIABILITIES	415,635	382,563	
LONG-TERM DEBT			
Funded Debt (4210)*	774,081	825,983	13
Premium on Long-Term Debt (4220)*	0		14
Discount on Long-Term Debt (4230)*	0		15
Reacquired Debt (4240)*	0		16
Obligations Under Capital Leases (4250)*	0		17
Advances from Affiliated Companies (4260)*	0	0	18
Other Long-Term Debt (4270)*	0		19
TOTAL LONG-TERM DEBT	774,081	825,983	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*	8,350	1,321	20
Unamortized Operating ITC--Net (4320)*	0		21
Unamortized Nonoperating ITC--Net (4330)*	0		22
Net Noncurrent Deferred Operating Income Taxes (4340)*	341,040	309,020	23
Net Deferred Tax Liability Adjustments (4341)*	146	195	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	0		25
Other Deferred Credits (4360)*	0		26
Deferred Tax Regulatory Liability (4361)*	4	6	27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS	349,540	310,542	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	238,750	238,750	28
Additional Paid-in Capital (4520)*	42,885	42,885	29
Treasury Stock (4530)*	0		30
Other Capital (4540)*	0		31
Retained Earnings (4550)*	3,123,890	2,574,104	32
TOTAL STOCKHOLDERS' EQUITY	3,405,525	2,855,739	
TOTAL LIABILITIES AND OTHER CREDITS	4,944,781	4,374,827	

IMPORTANT CHANGES DURING THE YEAR

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

None .

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

An alternative regulation plan was approved in 2002 and became effective 4/1/2002.

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)	
Other	OTHER	1
Suttle-Straus	SUTTLE	2
Telephone and Data Systems, Inc.	TDS	3
TDS Communicarions Solutions, Inc.	TDS CS	4
TDS Telecommunications Corporation	TDS TC	5
TDS Telecom Service Corporation	TDS TEL	6

AFFILIATED INTEREST TRANSACTIONS

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

Particulars (a)	(b)	(c)	(d)	(e)	
Docket	0005TI000124	None	0005TI000124	0005TI000124	
Name of Affiliate	OTHER	SUTTLE	TDS	TDS CS	1
Designate whether billed to or from:	FROM	FROM	FROM	FROM	2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C	M	C	C	3
Total Dollar Activity	37,876	400	51,554	50,204	4
Percent of affiliate's business billed to all affiliated regulated utilities		37.00			5
If cost based, rate of return on equity or markup incorporated in billings	0.00		0.00	0.00	6
Footnotes					

Particulars (a)	(b)	(c)	(d)	(e)	
Docket	0005TI000124				
Name of Affiliate	TDS TEL				1
Designate whether billed to or from:	FROM				2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C				3
Total Dollar Activity	465,880				4
Percent of affiliate's business billed to all affiliated regulated utilities					5
If cost based, rate of return on equity or markup incorporated in billings	0.00				6
Footnotes					

AFFILIATED ASSETS AND LIABILITIES

This schedule should be used to report affiliated activity concerning balances at the end of the year for the following accounts: 1120, Cash and Equivalents; 1160, Temporary Investments; 1180, Telecommunications Accounts Receivable; 1190, Other Accounts Receivable; 1200, Notes Receivable; 1210, Interest and Dividends Receivable; 1401, Investment in Affiliated Companies; 1408, Sinking Funds; 4010, Accounts Payable; 4020, Notes Payable; and 4260, Advances from Affiliated Companies. Amounts at the end of the year for each affiliate should be identified by respective affiliate and account number. Report information below consecutively by respective account number; affiliated amounts of less than \$5,000 may be reported in aggregate as "other" for a particular account.

Name of Affiliate (a)	Account Number (b)	Balance EOY (c)	
Other	1190	3,996	1
TDS Telecom Service Corporation	1190	70,887	2
Other	4010	3,866	3
TDS Telecom Service Corporation	4010	143,510	4
TDS Telecommunications Corporation	4010	2,251	5 G

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
GENERAL SUPPORT ASSETS				
Land	2111	3,061		1
Motor Vehicles	2112	88,369	20,936	2
Aircraft	2113	2,421		3 C
Special Purpose Vehicles	2114	0		4
Garage Work Equipment	2115	0		5
Other Work Equipment	2116	104,240	4,810	6
Buildings	2121	201,151		7
Furniture	2122	0		8
Office Equipment	2123	6,501	0	9
General Purpose Computers	2124	590,294	20,895	10 D
TOTAL--GENERAL SUPPORT ASSETS:		996,037	46,641	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0		11
Digital Electronic Switching	2212	1,304,692	25,321	12 F
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220	0		14
Radio Systems	2231	5,899	0	15
Circuit Equipment	2232	1,216,899	24,704	16
TOTAL--CENTRAL OFFICE ASSETS:		2,527,490	50,025	
INFORMATION ORIGATION/TERMINATION ASSETS				
Station Apparatus	2311	0		17
Customer Premises Wiring	2321	0		18
Large Private Branch Exchanges	2341	0		19
Public Telephone Terminal Equipment	2351	0		20
Other Terminal Equipment	2362	0		21
TOTAL--INFORMATION ORIG/TERM ASSETS:		0	0	
CABLE WIRE FACILITIES ASSETS				
Poles	2411	31,238		22
Aerial Cable	2421	146,224	3,788	23
Underground Cable	2422	36,572	0	24 F
Buried Cable	2423	3,702,316	159,857	25
Submarine Cable	2424	0	0	26
Deep Sea Cable	2425	0		27
Intrabuilding Network Cable	2426	0	0	28
Aerial Wire	2431	13,751		29
Conduit Systems	2441	0		30
TOTAL--CABLE WIRE FACILITIES ASSETS:		3,930,101	163,645	
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			3,061	1
2112			109,305	2
2113		(2,421)	0	3 C
2114			0	4
2115			0	5
2116			109,050	6
2121			201,151	7
2122			0	8
2123	0	0	6,501	9
2124		(414,759)	196,430	10 D
	0	(417,180)	625,498	
2211			0	11
2212	0	(1)	1,330,012	12 F
2215	0	0	0	13
2220			0	14
2231	0	0	5,899	15
2232	0	0	1,241,603	16
	0	(1)	2,577,514	
2311			0	17
2321			0	18
2341			0	19
2351			0	20
2362			0	21
	0	0	0	
2411			31,238	22
2421	48	0	149,964	23
2422	0	(2)	36,570	24 F
2423	55,170	0	3,807,003	25
2424	0	0	0	26
2425			0	27
2426	0	0	0	28
2431			13,751	29
2441			0	30
	55,218	(2)	4,038,526	
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	900	33 D
TOTAL--AMORTIZABLE ASSETS:		0	900	
TOTAL TELECOM. PLANT IN SERVICE	2001	7,453,628	261,211	
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		414,759	415,659	33 D
	0	414,759	415,659	
	55,218	(2,424)	7,657,197	
2001			0	34
			7,657,197	

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	4,407		1 F
Company Communications Equipment	2123.2	2,094		2 F
Software	2212.1	341,538	9,495	3 F
Digital Switching - Central Office	2212.2	921,222	15,826	4
Digital Switching - Remote	2212.3	41,932		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	5,899		9
Digital Circuit Equipment	2232.1	921,648	20,289	10
Analog Circuit Equipment	2232.2	0		11
Light Wave Circuit Equipment	2232.3	295,251	4,415	12
Aerial Cable - Nonmetallic	2421.1	0		13
Aerial Cable - Metallic	2421.2	146,224	3,788	14
Underground Cable - Nonmetallic	2422.1	23,800		15 F
Underground Cable - Metallic	2422.2	12,772		16 F
Buried Cable - Nonmetallic	2423.1	571,265	25,801	17
Buried Cable - Metallic	2423.2	3,131,051	134,056	18
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

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		(1)	4,406	1 F
2123.2		1	2,095	2 F
2212.1		(1)	351,032	3 F
2212.2			937,048	4
2212.3			41,932	5
2215.1			0	6
2215.2			0	7
2231.1			0	8
2231.2			5,899	9
2232.1			941,937	10
2232.2			0	11
2232.3			299,666	12
2421.1			0	13
2421.2	48		149,964	14
2422.1		(1)	23,799	15 F
2422.2		(1)	12,771	16 F
2423.1			597,066	17
2423.2	55,170		3,209,937	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	37,585	11.43	10,104	0	1F
Aircraft	2113	1,840	.0	580	0	2C
Special Purpose Vehicles	2114	0	.0	0	0	3
Garage Work Equipment	2115	0	.0	0	0	4
Other Work Equipment	2116	104,240	7.14	0	0	5
Buildings	2121	127,073	3.3	6,636	0	6
Furniture	2122	0	.0	0	0	7
Office Equipment	2123	6,501	9.5	0	0	8
General Purpose Computers	2124	542,473	15.0	21,983	0	9D
Total-- GENERAL SUPPORT ASSETS		819,712		39,303	0	
CENTRAL OFFICE ASSETS						
Analog Electronic Switching	2211	0	.0	0	0	10
Digital Electronic Switching	2212	525,000	11.93	157,104	0	11F
Electro-Mechanical Switching	2215	0	.0	0	0	12
Operator Systems	2220	0	.0	0	0	13
Radio Systems	2231	5,899	9.5	0	0	14
Circuit Equipment	2232	757,964	8.3999	98,810	0	15F
Total-- CENTRAL OFFICE ASSETS		1,288,863		255,914	0	
INFORMATION ORIG/TERM ASSETS						
Station Apparatus	2311	0	.0	0	0	16
Customer Premises Wiring	2321	0	.0	0	0	17
Large Private Branch Exchanges	2341	0	.0	0	0	18
Public Telephone Terminal Equipment	2351	0	.0	0	0	19
Other Terminal Equipment	2362	0	.0	0	0	20
Total-- INFORMATION ORIG/TERM ASSETS		0		0	0	
CABLE WIRE FACILITIES ASSETS						
Poles	2411	48,686	6.67	1,469	0	21E
Aerial Cable	2421	160,121	6.3	2,819	0	22E,F
Underground Cable	2422	1,054	4.4	1,608	0	23
Buried Cable	2423	1,575,583	4.4	162,893	0	24
Submarine Cable	2424	0	.0	0	0	25
Deep Sea Cable	2425	0	.0	0	0	26
Intrabuilding Network Cable	2426	0	.0	0	0	27
Aerial Wire	2431	20,627	12.5	0	0	28E

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112		0	0	(1)	47,688	1 F
2113		0	0	(2,420)	0	2 C
2114		0	0	0	0	3
2115		0	0	0	0	4
2116		0	0	0	104,240	5
2121		0	0	0	133,709	6
2122		0	0	0	0	7
2123	0	0	0	0	6,501	8
2124		0	0	(368,926)	195,530	9 D
	0	0	0	(371,347)	487,668	
2211		0	0	0	0	10
2212	0	0	0	1	682,105	11 F
2215	0	0	0	0	0	12
2220		0	0	0	0	13
2231	0	0	0	0	5,899	14
2232	0	0	0	1	856,775	15 F
	0	0	0	2	1,544,779	
2311		0	0	0	0	16
2321		0	0	0	0	17
2341		0	0	0	0	18
2351		0	0	0	0	19
2362		0	0	0	0	20
	0	0	0	0	0	
2411		740	0	0	49,415	21 E
2421	48	968	0	(1)	161,923	22 E,F
2422	0	0	0	0	2,662	23
2423	55,170	43	0	0	1,683,263	24
2424	0	0	0	0	0	25
2425		0	0	0	0	26
2426	0	0	0	0	0	27
2431		0	0	0	20,627	28 E

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	0	.0	0	0 29
Total-- CABLE WIRE FACILITIES ASSETS		1,806,071		168,789	0
Total Accumulated Depreciation	3100	3,914,646		464,006	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				464,006	0

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441		0	0	0	0	29
	55,218	1,751	0	(1)	1,917,890	
3100	55,218	1,751	0	(371,346)	3,950,337	
3100					0	30
3100					3,950,337	

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	4,407	9.5	0	0	1 F
Company Communications Equipment	2123.2	2,094	14.3	0	0	2 F
Software	2212.1	110,548	25.0	86,172	0	3
Digital Switching - Central Office	2212.2	373,778	7.63	70,932	0	4 F
Digital Switching - Remote	2212.3	40,674	7.76	0	0	5
Step by Step Switching	2215.1	0	.0	0	0	6
Crossbar Switching	2215.2	0	.0	0	0	7
Satellite and Earth Station Facilities	2231.1	0	.0	0	0	8
Other Radio Facilities	2231.2	5,899	9.5	0	0	9
Digital Circuit Equipment	2232.1	636,669	8.3999	73,851	0	10 F
Analog Circuit Equipment	2232.2	0	.0	0	0	11
Light Wave Circuit Equipment	2232.3	121,295	8.3999	24,959	0	12
Aerial Cable - Nonmetallic	2421.1	0	.0	0	0	13
Aerial Cable - Metallic	2421.2	160,121	6.3	2,819	0	14 E,F
Underground Cable - Nonmetallic	2422.1	800	4.4	1,044	0	15
Underground Cable - Metallic	2422.2	254	4.4	564	0	16
Buried Cable - Nonmetallic	2423.1	166,975	4.4	25,149	0	17
Buried Cable - Metallic	2423.2	1,408,608	4.4	137,744	0	18
Submarine Cable - Nonmetallic	2424.1	0	.0	0	0	19
Submarine Cable - Metallic	2424.2	0	.0	0	0	20
Intrabuilding Cable - Nonmetallic	2426.1	0	.0	0	0	21
Intrabuilding Cable - Metallic	2426.2	0	.0	0	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	0	(1)	4,406	1 F
2123.2		0	0	1	2,095	2 F
2212.1		0	0	0	196,720	3
2212.2		0	0	1	444,711	4 F
2212.3		0	0	0	40,674	5
2215.1		0	0	0	0	6
2215.2		0	0	0	0	7
2231.1		0	0	0	0	8
2231.2		0	0	0	5,899	9
2232.1		0	0	1	710,521	10 F
2232.2		0	0	0	0	11
2232.3		0	0	0	146,254	12
2421.1		0	0	0	0	13
2421.2	48	968	0	(1)	161,923	14 E,F
2422.1		0	0	0	1,844	15
2422.2		0	0	0	818	16
2423.1		0	0	0	192,124	17
2423.2	55,170	43	0	0	1,491,139	18
2424.1		0	0	0	0	19
2424.2		0	0	0	0	20
2426.1		0	0	0	0	21
2426.2		0	0	0	0	22

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	2,574,104	1,985,733	1 F
Changes:			
Balance Transferred from Income	549,794	588,371	2
Dividends Declared:			
Common	0	0	3
Preferred	0	0	4
Total Dividends Declared	0	0	
Miscellaneous Debits to Retained Earnings	8	0	5
Miscellaneous Credits to Retained Earnings	0	0	6
Balance--End of Year	<u>3,123,890</u>	<u>2,574,104</u>	

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

Particulars (a)	This Year (b)	Last Year (c)	
LOCAL NETWORK SERVICES REVENUES			
Basic Local Service Revenue (5000)*			1
Basic Area Revenue (5001)	838,564	815,061	2
Optional Extended Area Revenue (5002)	24,019	7,439	3 H
Cellular Mobile Revenue (5003)	0	0	4
Other Mobile Services Revenue (5004)	0	(346)	5
Public Telephone Revenue (5010)	0	0	6
Local Private Line Revenue (5040)	78,440	60,892	7 I
Customer Premises Revenue (5050)	1,540	1,668	8
Other Local Exchange Revenue (5060)	115,579	95,777	9 I
Other Local Exchange Revenue Settlements (5069)	0	0	10
TOTAL BASIC LOCAL SERVICE REVENUE (5000)	1,058,142	980,491	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	235,224	146,857	11 J
Switched Access Revenue (5082)*	592,096	729,456	12
Special Access Revenue (5083)*	48,776	49,880	13
TOTAL INTERSTATE ACCESS REVENUES (5080)	876,096	926,193	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*	0	0	14
Switched Access Revenue (5084.2)*	561,052	738,945	15 K
Special Access Revenue (5084.3)*	106,267	95,913	16
TOTAL INTRASTATE ACCESS REVENUES (5084)	667,319	834,858	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*	0		17
Long Distance Inward-Only Revenue (5111)	0		18
Long Distance Outward-Only Revenue (5112)	0		19
Unidirectional Long Distance Revenue (5110)	0	0	
Long Distance Private Network Revenues			
Subvoice Grade Revenue (5121)	0		20
Voice Grade Revenue (5122)	0		21
Audio Program Grade Revenue (5123)	0		22
Video Program Grade Revenue (5124)	0		23
Digital Transmission Revenue (5125)	0		24
Switching Revenue (5126)	0		25
Other Revenue (5128)	0		26
Other Revenue Settlements (5129)	0		27
Total Long Distance Private Network Revenue	0	0	
Other Long Distance Revenue (5160)	0		28
Other Long Distance Revenue Settlements (5169)	0		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)*	56,820	84,761	30 L
Rent Revenue (5240)*	265		31
Corporate Operations Revenue (5250)*	0		32
Miscellaneous:			
Miscellaneous Revenue (5260)*			33
Special Billing Arrangements Revenue (5261)	0		34
Customer Operations Revenue (5262)	0		35
Plant Operations Revenue (5263)	0		36
Other Incidental Regulated Revenue (5264)	14,503	10,595	37
Other Revenue Settlements (5269)	26	23	38
Total Miscellaneous Revenue (5260)	14,529	10,618	
Interstate Billing and Collection Revenue*	10,718	10,018	39
Intrastate Billing and Collection Revenue*	42,709	44,997	40
Total Carrier Billing and Collection Revenue (5270)*	53,427	55,015	
Nonregulated Operating Revenue (5280)**			41
TOTAL MISCELLANEOUS REVENUES	125,041	150,394	
GROSS OPERATING REVENUES	2,726,598	2,891,936	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*			42
Uncollectible Revenue--Telecommunications (5301)	(286)	2,594	43
Uncollectible Revenue--Other (5302)	49,906	7	44 M
TOTAL UNCOLLECTIBLE REVENUE (5300)	49,620	2,601	
TOTAL OPERATING REVENUES	2,676,978	2,889,335	

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

EXPENSES - CLASS A & B

Particulars (a)	Total This Year (b)	Total Last Year (c)	
PLANT SPECIFIC OPERATIONS EXPENSE			
Total Network Support Expense (6110)	1,127	2,967	1
Less: Nonregulated		0	2
Net Regulated	1,127	2,967	3
Total General Support Expense (6120)	64,410	19,110	4
Less: Nonregulated		0	5 N
Net Regulated	64,410	19,110	6
Total Central Office Switching Expense (6210)	46,346	42,929	7
Less: Nonregulated		0	8
Net Regulated	46,346	42,929	9
Total Operator Systems Expense (6220)	0	0	10
Less: Nonregulated		0	11
Net Regulated	0	0	12
Total Central Office Transmission Expenses (6230)	55,217	74,483	13
Less: Nonregulated		0	14 O
Net Regulated	55,217	74,483	15
Total Information Orig. / Term. Expense (6310)	0	0	16
Less: Nonregulated		0	17
Net Regulated	0	0	18
Total Cable and Wire Fac. Expense (6410)	104,784	141,981	19
Less: Nonregulated		0	20 P
Net Regulated	104,784	141,981	21
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	271,884	281,470	
Less: Nonregulated	0	0	
Net Regulated	271,884	281,470	
PLANT NONSPECIFIC OPERATIONS EXPENSE			
Total Other Property, Plant and Equip. Exp. (6510)	0	(662)	22
Less: Nonregulated		0	23
Net Regulated	0	(662)	24
Total Network Operations Expense (6530)	124,937	113,027	25
Less: Nonregulated		0	26
Net Regulated	124,937	113,027	27
Access Expense (6540)	27,334	13,450	28
Less: Nonregulated		0	29 Q
Net Regulated	27,334	13,450	30
Total Depreciation and Amortization Expense (6560)	508,464	488,678	31
Less: Nonregulated		0	32
Net Regulated	508,464	488,678	33
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	660,735	614,493	
Less: Nonregulated	0	0	
Net Regulated	660,735	614,493	

EXPENSES - CLASS A & B

Particulars (a)	Total This Year (b)	Total Last Year (c)	
CUSTOMER OPERATIONS EXPENSE			
Total Marketing (6610)	162,587	261,308	34
Less: Nonregulated		0	35 R
Net Regulated	162,587	261,308	36
Total Services (6620)	265,128	286,695	37
Less: Nonregulated		0	38
Net Regulated	265,128	286,695	39
TOTAL CUSTOMER OPERATIONS EXPENSE	427,715	548,003	
Less: Nonregulated	0	0	
Net Regulated	427,715	548,003	
CORPORATE OPERATIONS EXPENSE			
Total Exec. and Planning (6710)	78,620	86,900	40
Less: Nonregulated		0	41
Net Regulated	78,620	86,900	42
Total General and Administrative (6720)	269,408	278,767	43
Less: Nonregulated		0	44
Net Regulated	269,408	278,767	45
Provision for Uncollectible Notes Receiv. (6790)	0	0	46
Less: Nonregulated		0	47
Net Regulated	0	0	48
TOTAL CORPORATE OPERATIONS EXPENSE	348,028	365,667	
Less: Nonregulated	0	0	
Net Regulated	348,028	365,667	
TOTAL EXPENSES	1,708,362	1,809,633	
Less: Nonregulated	0	0	
Net Regulated	1,708,362	1,809,633	

EXPENSES - CLASS A & B (DETAIL)

Particulars (a)	Total This Year (b)	Total Last Year (c)	
Property Held for Future Tele. Use Exp. (6511)	0	0	1
Provisioning Expense (6512)	0	(662)	2
Total: Reported in Account 6510	0	(662)	
Depreciat. Exp.--Tele. Plant in Service (6561)	461,151	488,158	3
Depreciat. Exp.--Prop. Held for Future Tele. Use (6562	0	0	4
Amortization Expense--Tangible (6563)	0	0	5
Amortization Expense--Intangible (6564)	46,733	0	6
Amortization Expense--Other (6565)	580	520	7
Total: Reported in Account 6560	508,464	488,678	

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	2,726,598	1
Plus: Collection of amounts previously written off	0	2
Less: Uncollectibles written off during the year	49,621	3
Plus: Total Other Operating Income and (Expense) (7100)	27	4
Less: Nonregulated Operating Revenue (included in Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)	0	7
Plus (or Less) Other (please specify): NONE	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	<u>2,677,004</u>	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	1,058,142	1
Plus: Total Intrastate Access Revenues (5084)	667,319	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)	0	4
Plus: Intrastate Payphone Revenues	0	5
Plus (or Less) Other (please specify):	0	6
Assessable Revenues for Universal Service Fund Assessment Purposes	<u>1,725,461</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	2,726,598	1
Plus: Collection of amounts previously written off	0	2
Less: Uncollectibles written off during the year	49,621	3
Plus: Total Other Operating Income and (Expense) (7100)	27	4
Less: Nonregulated Operating Revenue (included in Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)	0	7
Plus (or Less) Other (please specify): NONE	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	<u>2,677,004</u>	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	1,058,142	1
Plus: Total Intrastate Access Revenues (5084)	667,319	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)	0	4
Plus: Intrastate Payphone Revenues	0	5
Plus (or Less) Other (please specify):	0	6
Assessable Revenues for Universal Service Fund Assessment Purposes	<u>1,725,461</u>	

OTHER INCOME ACCOUNTS

Particulars (a)	This Year (b)	Last Year (c)	
OTHER OPERATING INCOME AND EXPENSE			
Total Other Oper. Income and (Expense) (7100)	27	27	1
OPERATING TAXES			
Operating Investment Tax Credits--Net (7210)	0	0	2
Operating Federal Income Taxes (7220)	245,040	290,539	3
Operating State and Local Income Taxes (7230)	69,030	71,736	4
Operating Other Taxes (7240)	64,384	67,960	5
Provision for Deferred Operating Income Taxes--Net (7250)	32,020	18,026	6
TOTAL OPERATING TAXES (7200)	410,474	448,261	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)	10,626	109	7
Interest Income (7320)	13,684	9,876	8
Income from Sinking and Other Funds (7330)	0	0	9
Allowance for Funds Used During Construction (7340)	0	2,660	10
Gains or (Losses) from the Disposition of Certain Property (7350)	0	0	11
Other Nonoperating Income (7360)	0	0	12
Special Charges (7370)	7,071	8,274	13
TOTAL NONOPERATING INCOME AND EXPENSE (7300)	17,239	4,371	
NONOPERATING TAXES			
Total Nonoperating Taxes (7400)	6,710	2,278	14
INTEREST AND RELATED ITEMS			
Total Interest and Related Items (7500)	46,692	66,482	15
EXTRAORDINARY ITEMS			
Extraordinary Items (7600)	0	0	16
NONREGULATED NET INCOME			
Nonregulated Net Income (7990)	27,788	21,292	17

NONREGULATED ACTIVITIES

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

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

EMPLOYEE DATA - END OF YEAR

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

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

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 A
Extended Area Service	0	0	2 A
Extended Community Calling	0	0	3 A
Other Local-Undefined	0	0	4 A
Total Local	0	0	
TOLL			
Toll	551	1,932	5
Total Toll	551	1,932	
Total Local & Toll	551	1,932	

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.	2	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.	6,506	6,069	2,882	0	7
Feature Group D -- Term.	2,677	1,397	2,735	0	8

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - fiber optics	40	1
Strand miles of plant - fiber optics	535	2
Route miles of plant - microwave	0	3

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	2	5	1
56 kbps	5	4	2
64 kbps (DS0)	2	2	3
1.54 Mbps (DS-1)	11	8	4
45 Mbps (DS-3)	0	0	5 B
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - fiber optics	40	1
Strand miles of plant - fiber optics	535	2
Route miles of plant - microwave	0	3

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	2	5	1
56 kbps	5	4	2
64 kbps (DS0)	2	2	3
1.54 Mbps (DS-1)	11	8	4
45 Mbps (DS-3)	0	0	5 B
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

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	300	298	3
2 Party	0	0	4
4 Party	0	0	5
PBX Trunks/System Trunks	26	26	6
Centrex Trunks	0	0	7
Centrex Lines	79	80	8
Key System Trunks	66	66	9
Mobile (Utility Provided Service)	0	0	10
Paging (Utility Provided Service)	0	0	11
FX-Out (Switched)	1	1	12
Pay Telephone	0	0	13
Coin-Operated Pay Telephone	0	0	14
Independent Pay Telephone Provider	0	0	15
Other	0	0	16
Total Business Lines	472	471	17
Residential (Incl. Emp. Concess.)			
1 Party	2,341	2,312	18
2 Party	0	0	19
4 Party	0	0	20
FX-Out (Switched)	3	3	21
Other	0	0	22
Total Residential Lines	2,344	2,315	23
Total Bus & Res Lines	2,816	2,786	24
Company Used Lines	27	29	25
Total Lines Used	2,843	2,815	26
			27

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	0	0	5
Special Access-intraLATA			6
(expressed in equiv. access lines)	199	203	7
Special Access-interLATA			8
(expressed in equiv. access lines)	297	273	9
Feature Group A Lines	0	0	10
Feature Group B Trunks	0	0	11
Feature Group C Trunks	0	0	12
Feature Group D Trunks	192	192	13
TSPS - Trunks	23	23	14
EAS - Trunks	168	216	15
Cellular Trunks (Pub. Sw. Net.)	0	0	16
Video Distance Learning	0	0	17
- discounted (special tariff)			18
Customers			
Lifeline Customers	58	69	20
Linkup Customers	5	7	21
Other			
Total Company Square Miles	134	134	23
Total Company Route Miles	251	264	24
Footnotes			25

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	2510	4790			1
Business					2
1 Party	232	66			3
2 Party	0	0			4
4 Party	0	0			5
PBX Trunks/System Trunks	26	0			6
Centrex Trunks	0	0			7
Centrex Lines	54	26			8
Key System Trunks	59	7			9
Mobile (utility provided service)	0	0			10
Paging (utility provided service)	0	0			11
FX-Out (Switched)	0	1			12
Pay Telephone	0	0			13
Coin-Operated Pay Telephone	0	0			14
Independent Pay Telephone Provider	0	0			15
Other	0	0			16
Total Business Lines	371	100	0	0	17
Residential (Incl. Emp. Concess.)					18
1 Party	1,820	492			19
2 Party	0	0			20
4 Party	0	0			21
FX-Out (Switched)	3	0			22
Other	0	0			23
Total Residential Lines	1,823	492	0	0	24
Total Bus & Res Lines	2,194	592	0	0	25
Company Used Lines	23	6			26
Total Lines Used	2,217	598	0	0	27

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	2510	4790			1
Miscellaneous					2
WATS Lines - OutWATS	0	0			3
WATS Lines - 800 Service	0	0			4
FX-In-intraLATA	0	0			5
Special Access-intraLATA (equiv. access lines)	126	77			6 7
Special Access-interLATA (equiv. access lines)	249	24			8 9
Feature Group A Lines	0	0			10
Feature Group B Trunks	0	0			11
Feature Group C Trunks	0	0			12
Feature Group D Trunks	192	0			13
TSPS - Trunks	23	0			14
EAS - Trunks	216	0			15
Cellular Trunks (Pub. Sw. Net.)	0	0			16
Video Distance Learning - discounted (special tariff)	0	0			17 18
Other					19
Exchange Square Miles	101	33			20
Exchange Route Miles	186	78			21
Footnotes					22

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

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

EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

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

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Manufacturer Name (a)	Abbreviation (b)	
Alcatel	AL	1
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Siemens	SI	8
Stromberg-Carlson	SC	9
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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

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	IOLA	SCANDINAVIA			1
PSCW Exchange ID	2510	4790			2
Central Office Name	IOLA	SCANDINAVIA			3
PSCW Central Office ID	1	1			4
Central Office CLLI Code	IOLAWIXADSA	SCNDWIXARSO			5
Manufacturer of COE (Page 54)	ATT/LUC	ATT/LUC			6
Year COE Installed	1998	1998			7
Type of Equipment (Page 54)	D	D			8
(S)tandalone, (H)ost, (R)emote, (A)dv Fiber Comm	H	R			9
Remote Host PSCW Exchange ID		2510			10
Remote Host PSCW Central Office ID	0	1			11
COE Generic Software Release No.	5E15	SLC2000			12
SS7?	Yes	Yes			13
9-1-1?	Yes	Yes			14
Access Lines - In Use	2,217	598			15
- Equipped	2,417	836			16
- Wired	2,766	1,464			17
Trunks - In Use	791	0			18
- Equipped	1,392	0			19
- Wired	1,392	0			20
ISDN Available?	No	No			21
ISDN Lines - In Use (BRI)	0	0			22
- In Use (PRI)	0	0			23
XDSL Available?	No	No			24
- In Use (# lines)					25
Switched 56 Service?	Yes	Yes			26
Switched 56 lines in use	0	0			27
Digital Transmission Facilities: DS-1 - In Use	34	0			28
DS-3 - In Use	2	1			29
Advanced Data Service Available:					
Packet Switching?	No	No			30
SMDS?	No	No			31
Frame Relay?	No	No			32
ATM (Asynchronous Trans. Mode)?	No	No			33
Video Information - Service Available?	Yes	Yes			34
- In Use (# lines) ¹	0	0			35
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	40	28			36
No. of fiber strands working (LIT) in C.O.	18	10			37
No. of fiber strands for interoffice use	16	16			38
Miles of fiber sheath in wire center	34	6			39
Access Tandem Serving this C.O.:					
- C.O. Name	STEVENS POINT	STEVENS POINT			40
- PSCW C.O. ID	5140-01	5140-01			41
Does this C.O. do access tandem switching?	No	No			42
Footnotes					43

¹ Teleco provided end-to-end facility.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

General Footnote

Schedule Footnotes

Schedule Line Footnotes

- A) This information is not available.
- B) The Company does not have these types of circuits in service.
- C) The dollars showing in a/c 2113 - Aircraft actually consist of general support assets under \$2,000 and are the result of the FCC docket No. 95-60 for accounting and reporting general support assets under \$2,000.
- D) Software was moved to Intangibles in 2002.
- E) Accumulated Depreciation is greater than the asset balance because per WI PSC, we are allowed to depreciate more than 100% of this account group.
- F) Rounding Adjustments
- G) Federal Income Tax payable to parent is recorded in A/C 4070100.
- H) Increase is due to U.S. Cellular reciprocal compensation received in late 2002.
 - I) Increase is due to a rate increase in 2002.
- J) Increase is due to a shift in revenues from common line and switched to end user revenues in 2002.
- K) Decrease is due to a decrease in Minutes of Use in 2002.
- L) Decrease is a result of this category now being netted with Directory Expense. Break out of expenses is no longer tracked separately.
- M) Increase is due to the Global Crossing and MCI WorldCom bankruptcies.
- N) Increase is due to an increase in land and building maintenance for improvements.
- O) Decrease is due to a decrease in circuit equipment expense in 2002.
- P) Decrease is due to a decrease in pole rental expense.
- Q) Increase is due to USAC revenues which were not received in 2001 but were in 2002.
- R) Decrease is due to the movement of the payment processing center from Scandinavia to TDS Telecom Service Corporation.