



4004

ANNUAL REPORT

OF

Name: NORTHEAST TELEPHONE COMPANY

Principal Office: 122 S ST AUGUSTINE ST
P.O. BOX 860
PULASKI, WI 54162-0860

For the Year Ended: DECEMBER 31, 1999

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 "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.
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: NORTHEAST TELEPHONE COMPANY
Utility Location: 122 S ST AUGUSTINE ST
P.O. BOX 860
PULASKI, WI 54162-0860

Utility Web Site Address:

When was utility organized?: 03/10/1910

Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: MR MARK M . NAZE
Title: TREASURER

Office Address: 450 SECURITY BLVD.
P.O. BOX 19079
GREEN BAY , WI 54307-9079

Fax Number: (920) 617 - 7329
Telephone Number: (920) 617 - 7103
Email Address: mark.naze@nsighttel.com

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

Name:
Title:

Office Address:

Fax Number:
Telephone Number:
Email Address:

Person responsible for financial information contained in report

Name: MS SHERYL L . MIELKE
Title: ACCOUNTING MANAGER

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P.O. BOX 19079
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Person responsible for statistical information contained in report

Name: MS SHERYL L . MIELKE
Title: ACCOUNTING MANAGER

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GREEN BAY , WI 54307-9079

Fax Number: (920) 617 - 7039
Telephone Number: (920) 617 - 7030
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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:	NORTHEAST COMMUNICATIONS OF WI, INC.
Address:	450 SECURITY BLVD. PO BOX 19079 GREEN BAY , WI 54307-9079
Number of Shares Held:	19,500
Beneficial Owner:	NONE

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	5,029,492	4,513,056	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	589,164	643,177	2
Plant Nonspecific Operations Expense	1,306,806	1,158,372	3
Customer Operations Expense (6610-6620)	606,834	565,098	4
Corporate Operations Expense (6710-6790)	542,026	568,694	5
Other Operating Income and Expense (7100)	0	0	6
Operating Taxes (7200)	892,137	702,666	7
Total Operating Expenses	3,936,967	3,638,007	8
Net Operating Income	1,092,525	875,049	9
Other Income			
Nonoperating Income and Expense (7300)	7,296	28,262	10
Nonoperating Taxes (7400)	1,748	8,617	11
Interest and Related Items (7500)	176,768	189,403	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	32,718	28,465	14
Total Nonoperating Income	(138,502)	(141,293)	15
Net Income	954,023	733,756	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 company is a provider of telecommunications exchange and local access services and telecommunications equipment in a service area located primarily in Brown County, Wisconsin.

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

Telephone plant and other property are capitalized at original cost including the capitalized cost of salaries and wages, materials, certain payroll taxes, employee benefits and interest incurred during the construction period. 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. These estimates are subject to change in the near term. Depreciation on depreciable property is included in plant nonspecific operations expense at \$1,160,243 and \$1,100,506 which resulted in composite rates of 8.14% and 8.25% for 1999 and 1998 respectively. 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.

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 taxes include telephone plant in service. 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, were 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:

Revenue Recognition

The Company recognizes revenues when earned regardless of the period in which they are billed. The Company is required to provide service to subscribers within its defined service territory.

Local network service revenues are recognized over the period a subscriber is connected to the telephone network. Telephone calls within an extended community calling area are recognized when made based on a rate per minute of usage as approved by the state regulatory authority.

Network access service revenues are derived from charges for access to the Company's local exchange network. The interstate portion of access revenues are based, in part, on average schedule settlements administered by the National Exchange Carrier Association (NECA) which is regulated by the FCC. The traffic sensitive portion of interstate access revenues are billed on an individual company access charge structure as approved by the FCC. The intrastate portion of access revenues are billed on individual company tariff access charge structure based on expense and plant investment of the Company as approved by the state regulatory authority. The tariffs developed from these formulas are used to charge the connecting carrier and recognize revenues in the period the traffic is transported based on the minutes of traffic carried.

Miscellaneous revenues include contractually determined arrangements for the provision of billing and collecting services and are recognized in the period when the services are performed.

Advertising Costs

Advertising costs are expensed as incurred.

Cash Equivalents

All highly liquid investments with a maturity of three months or less at the time of purchase are considered cash equivalents.

Investments

The Company's investments consist of nonmarketable equity investments which are carried at cost.

Reclassifications

Certain reclassifications have been made to the 1998 financial statements to conform with the 1999 presentation.

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. 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 and RTB notes, contains certain restrictions on the declaration or payment of cash dividends, redemption of capital stock, or investment in affiliated companies except as might be specifically authorized in writing in advance by the RUS and RTB 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)*	438,136	395,571	1
Cash (1130)			2
Special Cash Deposits (1140)			3
Working Cash Advances (1150)			4
Temporary Investments (1160)			5
TOTAL CASH AND EQUIVALENTS	438,136	395,571	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	326,912	325,382	6
Accounts Receivable Allowance-Telecom (1181)*	0	0	7
Net: Telecommunications Accounts Receivable	326,912	325,382	
Other Accounts Receivable (1190)*	450,605	421,807	8
Accounts Receivable Allowance--Other (1191)*	0	0	9
Net: Other Accounts Receivable	450,605	421,807	
Notes Receivable (1200)*	0	0	10
Notes Receivable Allowance (1201)*	0	0	11
Net: Notes Receivable	0	0	
Interest and Dividends Receivable (1210)*	0	0	12
TOTAL REC AND ALLOW FOR DOUBTFUL ACCOUNTS	777,517	747,189	
SUPPLIES			
Inventories (1220)*	109,751	117,370	13
TOTAL SUPPLIES	109,751	117,370	
PREPAYMENTS			
Total Prepayments (1280)*	39,356	56,089	14
Prepaid Rents (1290)			15
Prepaid Taxes (1300)			16
Prepaid Insurance (1310)			17
Prepaid Directory Expenses (1320)			18
Other Prepayments (1330)			19
TOTAL PREPAYMENTS	39,356	56,089	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	23,944	39,494	20
TOTAL OTHER CURRENT ASSETS	23,944	39,494	
TOTAL CURRENT ASSETS	1,388,704	1,355,713	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	2,500	2,500	21
RTB Class B Stock (1402)*	118,508	118,508	22
Other Investments in Nonaffiliated Companies (1402)*	49,200	52,200	23
Nonregulated Investments (1406)*	51,312	47,597	24
Unamortized Debt Issuance Expense (1407)*	54,441	1,605	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	0	26
Other Noncurrent Assets (1410)*	1,933	7,757	27
TOTAL INVESTMENTS	277,894	230,167	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*	0	0	28
Deferred Maintenance and Retirements (1438)*	0	0	29
Deferred Charges (1439)*	7,522	52,105	30
TOTAL DEFERRED CHARGES	7,522	52,105	
TOTAL NONCURRENT ASSETS	285,416	282,272	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	14,592,104	13,811,054	31
Less: Accumulated Depreciation (3100)*	8,660,243	7,956,192	32
Less: Accumulated Amortization--Capitalized Leases (3410)*	0	0	33
Less: Accumulated Amortization--Leasehold Improvements (3420)*	0	0	34
Less: Accumulated Amortization--Intangible (3500)*	0	0	35
NET TELECOMMUNICATIONS PLANT IN SERVICE	5,931,861	5,854,862	
PROPERTY HELD FOR FUTURE USE			
Prop. Held for Future Telecommun. Use (2002)*	0	0	36
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200)*	0	0	37
NET PROPERTY HELD FOR FUTURE USE	0	0	
NONOPERATING PLANT			
Nonoperating Plant (2006)*	0	0	38
Less: Accumulated Depreciation--Nonoperating (3300)*	0	0	39
NET NONOPERATING PLANT	0	0	
TPUC			
TPUC (2003)*	62,587	4,536	40
TOTAL TPUC	62,587	4,536	
TELECOMMUNICATIONS PLANT ADJUSTMENT			
Telecommunications Plant Adjustment (2005)*	0	0	41
Less: Accumulated Amortization--Other (3600)*	0	0	42
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	0	0	
TOTAL PLANT	5,994,448	5,859,398	
TOTAL ASSETS AND OTHER DEBITS	7,668,568	7,497,383	

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	702,648	558,656	1
Notes Payable (4020)*	0	0	2
Advance Billing and Payments (4030)*	127,254	2,852	3
Customer Deposits (4040)*	0	(16)	4
Current Maturities--Long-Term Debt (4050)*	257,300	244,200	5
Current Maturities--Capital Leases (4060)*	0	0	6
Income Taxes--Accrued (4070)*	(12,282)	35,306	7
Other Taxes--Accrued (4080)*	(27,647)	(39,965)	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)*	27,271	34,208	11
Other Current Liabilities (4130)*	0	0	12
TOTAL CURRENT LIABILITIES	1,074,544	835,241	
LONG-TERM DEBT			
Funded Debt (4210)*	2,973,936	3,229,439	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	2,973,936	3,229,439	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*	0	0	20
Unamortized Operating ITC--Net (4320)*	0	0	21
Unamortized Nonoperating ITC--Net (4330)*	0	0	22
Net Noncurrent Deferred Operating Income Taxes (4340)*	20,708	37,314	23
Net Deferred Tax Liability Adjustments (4341)*	0	0	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	(6,728)	(6,696)	25
Other Deferred Credits (4360)*	0	0	26
Deferred Tax Regulatory Liability (4361)*	0	0	27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS	13,980	30,618	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	487,500	487,500	28
Additional Paid-in Capital (4520)*	(1,836)	(1,836)	29
Treasury Stock (4530)*	0	0	30
Other Capital (4540)*	2,400	2,400	31
Retained Earnings (4550)*	3,118,044	2,914,021	32
TOTAL STOCKHOLDERS' EQUITY	3,606,108	3,402,085	
TOTAL LIABILITIES AND OTHER CREDITS	7,668,568	7,497,383	

IMPORTANT CHANGES DURING THE YEAR

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

Effective July 1, 1999, Northeast Telephone Company increased the rate per business and residential access line by \$2.00 and eliminated the rate of business and residential touch-tone service. The annual increase to revenues will total \$77,650. The basis of this estimate is the growth rate Northeast Telephone Company experiences each year.

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

AFFILIATE ABBREVIATIONS

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

Name of Affiliate (a)	Abbreviations (b)	
NEW-CELL, INC	NCI	1
NORTHEAST COMMUNICATIONS OF WI, INC.	NECW	2
NET CABLE, INC	NETCI	3
NORTHEAST TELEPHONE LONG DISTANCE, INC.	NETLD	4
NETNET, INC	NNETI	5
Other	OTH	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	4210AT000100	4210AT000105	4210AT000001	4210AT000103		
Name of Affiliate	NCI	NECW	NETCI	NETLD		1
Designate whether billed to or from:	TO	TO	TO	TO		2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C	C	C	C		3
Total Dollar Activity	162,092	254,011	43,666	30,017		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						6
Footnotes						

Particulars (a)	(b)	(c)	(d)	(e)		
Docket	4210AT000102	4210AT000102	None			
Name of Affiliate	NNETI	NNETI	OTH			1
Designate whether billed to or from:	FROM	TO	TO			2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	O	C	C			3
Total Dollar Activity	5,000	18,579	15,765			4
Percent of affiliate's business billed to all affiliated regulated utilities	1.00					5
If cost based, rate of return on equity or markup incorporated in billings						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)	
NETNET, INC	1190	5,884	1
NEW-CELL, INC	1190	18,035	2
NORTHEAST COMMUNICATIONS OF WI, INC.	1190	7,760	3
NORTHEAST TELEPHONE LONG DISTANCE, INC.	1190	58,527	4
Other	1190	5,556	5
Other	1401	2,500	6
NEW-CELL, INC	4010	23,717	7
NORTHEAST COMMUNICATIONS OF WI, INC.	4010	18,751	8
NORTHEAST TELEPHONE LONG DISTANCE, INC.	4010	133,738	9
Other	4010	1,775	10

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
GENERAL SUPPORT ASSETS				
Land	2111	45,548		1
Motor Vehicles	2112	318,188	55,436	2
Aircraft	2113	0		3
Special Purpose Vehicles	2114	0		4
Garage Work Equipment	2115	0		5
Other Work Equipment	2116	196,017	27,430	6
Buildings	2121	780,846	5,782	7
Furniture	2122	51,693		8
Office Equipment	2123	76,638	8,190	9
General Purpose Computers	2124	432,458	55,591	10
TOTAL--GENERAL SUPPORT ASSETS:		1,901,388	152,429	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0		11
Digital Electronic Switching	2212	2,699,615	172,508	12
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220	0		14
Radio Systems	2231	0	0	15
Circuit Equipment	2232	2,057,275	359,655	16
TOTAL--CENTRAL OFFICE ASSETS:		4,756,890	532,163	
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	733		21
TOTAL--INFORMATION ORIG/TERM ASSETS:		733	0	
CABLE WIRE FACILITIES ASSETS				
Poles	2411	9,858		22
Aerial Cable	2421	238,161	510	23
Underground Cable	2422	139,009	17,139	24
Buried Cable	2423	6,621,574	567,668	25
Submarine Cable	2424	0	0	26
Deep Sea Cable	2425	0		27
Intrabuilding Network Cable	2426	5,026	0	28
Aerial Wire	2431	9,699	2,246	29
Conduit Systems	2441	128,716	733	30
TOTAL--CABLE WIRE FACILITIES ASSETS:		7,152,043	588,296	
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			45,548	1
2112	49,214		324,410	2
2113			0	3
2114			0	4
2115			0	5
2116	12,757		210,690	6
2121			786,628	7
2122	1,058		50,635	8
2123	640	0	84,188	9
2124	13,658		474,391	10
	77,327	0	1,976,490	
2211			0	11
2212	248,186	0	2,623,937	12
2215	0	0	0	13
2220			0	14
2231	0	0	0	15
2232	122,168	0	2,294,762	16
	370,354	0	4,918,699	
2311			0	17
2321			0	18
2341			0	19
2351			0	20
2362			733	21
	0	0	733	
2411			9,858	22
2421	0	0	238,671	23
2422	0	0	156,148	24
2423	44,157	0	7,145,085	25
2424	0	0	0	26
2425			0	27
2426	0	0	5,026	28
2431			11,945	29
2441			129,449	30
	44,157	0	7,696,182	
2681			0	31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)
AMORTIZABLE ASSETS			
Leasehold Improvements	2682	0	32
Intangibles	2690	0	33
TOTAL--AMORTIZABLE ASSETS:		0	0
TOTAL TELECOM. PLANT IN SERVICE	2001	13,811,054	1,272,888
Less: Allocation to Nonregulated Activity - EOY	2001		34
NET REG. TOTAL TELE. PLANT IN SERV. - EOY	2001		

Explain all amounts shown in column (g).

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

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2682			0	32
2690			0	33
	0	0	0	
	491,838	0	14,592,104	
2001			0	34
			14,592,104	

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	22,689		1
Company Communications Equipment	2123.2	53,949	8,190	2
Software	2212.1	0		3
Digital Switching - Central Office	2212.2	2,699,615	172,508	4
Digital Switching - Remote	2212.3	0		5
Step by Step Switching	2215.1	0		6
Crossbar Switching	2215.2	0		7
Satellite and Earth Station Facilities	2231.1	0		8
Other Radio Facilities	2231.2	0		9
Digital Circuit Equipment	2232.1	1,966,789	352,674	10
Analog Circuit Equipment	2232.2	0		11
Light Wave Circuit Equipment	2232.3	90,486	6,981	12
Aerial Cable - Nonmetallic	2421.1	0		13
Aerial Cable - Metallic	2421.2	238,161	510	14
Underground Cable - Nonmetallic	2422.1	70,463	16,040	15
Underground Cable - Metallic	2422.2	68,546	1,099	16
Buried Cable - Nonmetallic	2423.1	1,226,625	158,188	17
Buried Cable - Metallic	2423.2	5,394,949	409,480	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	5,026		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			22,689	1
2123.2	640		61,499	2
2212.1			0	3
2212.2	248,186		2,623,937	4
2212.3			0	5
2215.1			0	6
2215.2			0	7
2231.1			0	8
2231.2			0	9
2232.1	122,168		2,197,295	10
2232.2			0	11
2232.3			97,467	12
2421.1			0	13
2421.2			238,671	14
2422.1			86,503	15
2422.2			69,645	16
2423.1			1,384,813	17
2423.2	44,157		5,760,272	18
2424.1			0	19
2424.2			0	20
2426.1			0	21
2426.2			5,026	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	217,275	10.85	35,211	1
Aircraft	2113	0			2
Special Purpose Vehicles	2114	0			3
Garage Work Equipment	2115	0			4
Other Work Equipment	2116	90,725	8.7200	19,355	5
Buildings	2121	312,768	2.86	22,324	6
Furniture	2122	46,490	10.0	1,300	7
Office Equipment	2123	76,638	20.0	0	8
General Purpose Computers	2124	367,027	27.41	121,022	9
Total-- GENERAL SUPPORT ASSETS		1,110,923		199,212	0
CENTRAL OFFICE ASSETS					
Analog Electronic Switching	2211	0			10
Digital Electronic Switching	2212	2,182,234	14.29	382,926	11
Electro-Mechanical Switching	2215	0			12
Operator Systems	2220	0			13
Radio Systems	2231	0			14
Circuit Equipment	2232	1,132,121	10.0	216,460	15
Total-- CENTRAL OFFICE ASSETS		3,314,355		599,386	0
INFORMATION ORIG/TERM ASSETS					
Station Apparatus	2311	0			16
Customer Premises Wiring	2321	0			17
Large Private Branch Exchanges	2341	0			18
Public Telephone Terminal Equipment	2351	0			19
Other Terminal Equipment	2362	733	10.0		20
Total-- INFORMATION ORIG/TERM ASSETS		733		0	0
CABLE WIRE FACILITIES ASSETS					
Poles	2411	7,855	10.0	986	21
Aerial Cable	2421	235,915	5.88	2,172	22
Underground Cable	2422	52,333	5.797	8,140	23
Buried Cable	2423	3,193,129	6.29	342,142	24
Submarine Cable	2424	0			25
Deep Sea Cable	2425	0			26
Intrabuilding Network Cable	2426	5,026	12.5	0	27
Aerial Wire	2431	8,170	50.0	3,631	28

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112	49,214	755	27,658		230,175	1
2113					0	2
2114					0	3
2115					0	4
2116	12,757		11,728		109,051	5
2121					335,092	6
2122	1,058				46,732	7
2123	640				75,998	8
2124	13,658				474,391	9
	77,327	755	39,386	0	1,271,439	
2211					0	10
2212	248,186		125		2,317,099	11
2215	0				0	12
2220					0	13
2231	0				0	14
2232	122,168	735			1,225,678	15
	370,354	735	125	0	3,542,777	
2311					0	16
2321					0	17
2341					0	18
2351					0	19
2362					733	20
	0	0	0	0	733	
2411		35			8,806	21
2421	0				238,087	22
2422	0				60,473	23
2423	44,157	888			3,490,226	24
2424	0				0	25
2425					0	26
2426	0				5,026	27
2431		101			11,700	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	27,753	2.5	3,223	29
Total-- CABLE WIRE FACILITIES ASSETS		3,530,181		360,294	0
Total Accumulated Depreciation	3100	7,956,192		1,158,892	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				1,158,892	0

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441					30,976	29
	44,157	1,024	0	0	3,845,294	
3100	491,838	2,514	39,511	0	8,660,243	
3100					0	30
3100					8,660,243	

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	22,689	20.0	0	1
Company Communications Equipment	2123.2	53,949	20.0	0	2
Software	2212.1	0			3
Digital Switching - Central Office	2212.2	2,182,234	14.2857	382,926	4
Digital Switching - Remote	2212.3	0			5
Step by Step Switching	2215.1	0			6
Crossbar Switching	2215.2	0			7
Satellite and Earth Station Facilities	2231.1	0			8
Other Radio Facilities	2231.2	0			9
Digital Circuit Equipment	2232.1	1,067,019	10.0	207,156	10
Analog Circuit Equipment	2232.2	0			11
Light Wave Circuit Equipment	2232.3	65,102	10.0	9,304	12
Aerial Cable - Nonmetallic	2421.1	0			13
Aerial Cable - Metallic	2421.2	235,915	5.8824	2,172	14
Underground Cable - Nonmetallic	2422.1	9,623	5.7971	4,161	15
Underground Cable - Metallic	2422.2	42,710	5.7971	3,979	16
Buried Cable - Nonmetallic	2423.1	270,416	5.7971	71,953	17
Buried Cable - Metallic	2423.2	2,922,713	6.41	270,189	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	5,026	12.5	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					22,689	1
2123.2	640				53,309	2
2212.1					0	3
2212.2	248,186		125		2,317,099	4
2212.3					0	5
2215.1					0	6
2215.2					0	7
2231.1					0	8
2231.2					0	9
2232.1	122,168	735			1,151,272	10
2232.2					0	11
2232.3					74,406	12
2421.1					0	13
2421.2					238,087	14
2422.1					13,784	15
2422.2					46,689	16
2423.1					342,369	17
2423.2	44,157	888			3,147,857	18
2424.1					0	19
2424.2					0	20
2426.1					0	21
2426.2					5,026	22

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	2,914,021	2,555,265	1
Changes:			
Balance Transferred from Income	954,023	733,756	2
Dividends Declared:			
Common	750,000	375,000	3
Preferred		0	4
Total Dividends Declared	750,000	375,000	
Miscellaneous Debits to Retained Earnings		0	5
Miscellaneous Credits to Retained Earnings		0	6
Balance--End of Year	<u>3,118,044</u>	<u>2,914,021</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)*	1,921,561	1,645,078	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)	1,921,561	1,645,078	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	431,395	388,918	11
Switched Access Revenue (5082)*	1,073,538	1,021,829	12
Special Access Revenue (5083)*	101,193	81,779	13 1
TOTAL INTERSTATE ACCESS REVENUES (5080)	1,606,126	1,492,526	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*	0	0	14
Switched Access Revenue (5084.2)*	921,806	863,920	15
Special Access Revenue (5084.3)*	115,187	85,118	16 1
TOTAL INTRASTATE ACCESS REVENUES (5084)	1,036,993	949,038	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*	111,803	67,967	17 2
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.	111,803	67,967	

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

Particulars (a)	This Year (b)	Last Year (c)	
MISCELLANEOUS REVENUES			
Directory Revenue (5230)*	152,663	140,315	30
Rent Revenue (5240)*	8,700	4,350	31
Corporate Operations Revenue (5250)*	0	0	32
Miscellaneous:			
Miscellaneous Revenue (5260)*	26,067	31,290	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)	26,067	31,290	
Interstate Billing and Collection Revenue*	42,943	48,526	39
Intrastate Billing and Collection Revenue*	128,660	142,485	40
Total Carrier Billing and Collection Revenue (5270)*	171,603	191,011	
Nonregulated Operating Revenue (5280)**			41
TOTAL MISCELLANEOUS REVENUES	359,033	366,966	
GROSS OPERATING REVENUES	5,035,516	4,521,575	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*	6,024	8,519	42
Uncollectible Revenue--Telecommunications (5301)			43
Uncollectible Revenue--Other (5302)			44
TOTAL UNCOLLECTIBLE REVENUE (5300)	6,024	8,519	
TOTAL OPERATING REVENUES	5,029,492	4,513,056	

** 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)	1,602	1,819	1
Less: Nonregulated	0	0	2
Net Regulated	1,602	1,819	3
Total General Support Expense (6120)	108,541	130,745	4
Less: Nonregulated	0	0	5
Net Regulated	108,541	130,745	6
Total Central Office Switching Expense (6210)	106,185	128,879	7
Less: Nonregulated	0	0	8
Net Regulated	106,185	128,879	9
Total Operator Systems Expense (6220)	0	0	10
Less: Nonregulated	0	0	11
Net Regulated	0	0	12
Total Central Office Transmission Expenses (6230)	33,225	24,471	13
Less: Nonregulated	0	0	14
Net Regulated	33,225	24,471	15
Total Information Orig. / Term. Expense (6310)	0	0	16
Less: Nonregulated	0	0	17
Net Regulated	0	0	18
Total Cable and Wire Fac. Expense (6410)	339,611	357,263	19
Less: Nonregulated	0	0	20
Net Regulated	339,611	357,263	21
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	589,164	643,177	
Less: Nonregulated	0	0	
Net Regulated	589,164	643,177	
PLANT NONSPECIFIC OPERATIONS EXPENSE			
Total Other Property, Plant and Equip. Exp. (6510)	0	0	22
Less: Nonregulated	0	0	23
Net Regulated	0	0	24
Total Network Operations Expense (6530)	63,512	45,628	25
Less: Nonregulated	0	0	26 3
Net Regulated	63,512	45,628	27
Access Expense (6540)	89,276	27,531	28
Less: Nonregulated	0	0	29 4
Net Regulated	89,276	27,531	30
Total Depreciation and Amortization Expense (6560)	1,154,018	1,085,213	31
Less: Nonregulated	0	0	32
Net Regulated	1,154,018	1,085,213	33
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	1,306,806	1,158,372	
Less: Nonregulated	0	0	
Net Regulated	1,306,806	1,158,372	

EXPENSES - CLASS A & B

Particulars (a)	Total This Year (b)	Total Last Year (c)	
CUSTOMER OPERATIONS EXPENSE			
Total Marketing (6610)	22,483	24,603	34
Less: Nonregulated	0	0	35
Net Regulated	22,483	24,603	36
<hr/>			
Total Services (6620)	584,351	540,495	37
Less: Nonregulated	0	0	38
Net Regulated	584,351	540,495	39
<hr/>			
TOTAL CUSTOMER OPERATIONS EXPENSE	606,834	565,098	
Less: Nonregulated	0	0	
Net Regulated	606,834	565,098	
<hr/>			
CORPORATE OPERATIONS EXPENSE			
Total Exec. and Planning (6710)	263,918	287,343	40
Less: Nonregulated	0	0	41
Net Regulated	263,918	287,343	42
<hr/>			
Total General and Administrative (6720)	278,108	281,351	43
Less: Nonregulated	0	0	44
Net Regulated	278,108	281,351	45
<hr/>			
Provision for Uncollectible Notes Receiv. (6790)	0	0	46
Less: Nonregulated	0	0	47
Net Regulated	0	0	48
<hr/>			
TOTAL CORPORATE OPERATIONS EXPENSE	542,026	568,694	
Less: Nonregulated	0	0	
Net Regulated	542,026	568,694	
<hr/>			
TOTAL EXPENSES	3,044,830	2,935,341	
Less: Nonregulated	0	0	
Net Regulated	3,044,830	2,935,341	

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	0	2
Total: Reported in Account 6510	0	0	
Depreciat. Exp.--Tele. Plant in Service (6561)	1,154,018	1,085,213	3
Depreciat. Exp.--Prop. Held for Future Tele. Use (6562	0	0	4
Amortization Expense--Tangible (6563)	0	0	5
Amortization Expense--Intangible (6564)	0	0	6
Amortization Expense--Other (6565)	0	0	7
Total: Reported in Account 6560	1,154,018	1,085,213	

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	5,035,516	1
Plus: Collection of amounts previously written off		2
Less: Uncollectibles written off during the year		3
Plus: Total Other Operating Income and (Expense) (7100)	0	4
Less: Nonregulated Operating Revenue (included 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)		7
Plus (or Less) Other (please specify): Uncollectible (see footnote)	(6,024)	8 A
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	<u><u>5,029,492</u></u>	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	1,921,561	1
Plus: Total Intrastate Access Revenues (5084)	1,036,993	2
Plus: Total Long Distance Network Services Revenue	111,803	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus: Intrastate Payphone Revenues	32,425	5
Plus (or Less) Other (please specify): none	0	6
Assessable Revenues for Universal Service Fund Assessment Purposes	<u><u>3,102,782</u></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	5,035,516	1
Plus: Collection of amounts previously written off		2
Less: Uncollectibles written off during the year		3
Plus: Total Other Operating Income and (Expense) (7100)	0	4
Less: Nonregulated Operating Revenue (included 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)		7
Plus (or Less) Other (please specify): Uncollectible (see footnote)	(6,024)	8 A
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	<u>5,029,492</u>	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	1,921,561	1
Plus: Total Intrastate Access Revenues (5084)	1,036,993	2
Plus: Total Long Distance Network Services Revenue	111,803	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus: Intrastate Payphone Revenues	32,425	5
Plus (or Less) Other (please specify): none	0	6
Assessable Revenues for Universal Service Fund Assessment Purposes	<u>3,102,782</u>	

OTHER INCOME ACCOUNTS

Particulars (a)	This Year (b)	Last Year (c)	
OTHER OPERATING INCOME AND EXPENSE			
Total Other Oper. Income and (Expense) (7100)	0	0	1
OPERATING TAXES			
Operating Investment Tax Credits--Net (7210)	0	0	2
Operating Federal Income Taxes (7220)	485,397	413,758	3
Operating State and Local Income Taxes (7230)	113,744	95,659	4
Operating Other Taxes (7240)	288,313	257,007	5
Provision for Deferred Operating Income Taxes--Net (7250)	4,683	(63,758)	6
TOTAL OPERATING TAXES (7200)	892,137	702,666	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)	1,405	1,866	7
Interest Income (7320)	17,811	32,743	8
Income from Sinking and Other Funds (7330)	0	0	9
Allowance for Funds Used During Construction (7340)	2,839	6,369	10
Gains or (Losses) from the Disposition of Certain Property (7350)	0	0	11
Other Nonoperating Income (7360)	(5,375)	0	12
Special Charges (7370)	9,384	12,716	13
TOTAL NONOPERATING INCOME AND EXPENSE (7300)	7,296	28,262	
NONOPERATING TAXES			
Total Nonoperating Taxes (7400)	1,748	8,617	14
INTEREST AND RELATED ITEMS			
Total Interest and Related Items (7500)	176,768	189,403	15
EXTRAORDINARY ITEMS			
Extraordinary Items (7600)	0	0	16
NONREGULATED NET INCOME			
Nonregulated Net Income (7990)	32,718	28,465	17

NONREGULATED ACTIVITIES

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

Nonregulated Activity	
(a)	
authorized cellular and paging service distribution for Cellcom	1
customer premise equipment, leasing, sales and servicing	2
provide public telephone service and equipment	3

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			1
Extended Area Service			2
Extended Community Calling			3
Other Local-Undefined	3,700		4 c
Total Local	3,700	0	
TOLL			
Toll	231	2,621	5
Total Toll	231	2,621	
Total Local & Toll	3,931	2,621	

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.	2	0	0	0	1
Feature Group A -- Term.	0	0	0	0	2
Feature Group B -- Orig.	1	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.	4,846	2,798	5,461	0	7
Feature Group D -- Term.	11,265	5,260	1,822	0	8

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - fiber optics	59	1
Strand miles of plant - fiber optics	1,958	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	11	11	1
56 kbps	16	2	2
64 kbps (DS0)	6	1	3
1.54 Mbps (DS-1)	16	2	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	59	1
Strand miles of plant - fiber optics	1,958	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	11	11	1
56 kbps	16	2	2
64 kbps (DS0)	6	1	3
1.54 Mbps (DS-1)	16	2	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	749	850	3
2 Party			4
4 Party			5
PBX Trunks/System Trunks	38	37	6
Centrex Trunks			7
Centrex Lines	1,118	1,327	8
Key System Trunks	174	171	9
Mobile (Utility Provided Service)			10
Paging (Utility Provided Service)			11
FX-Out (Switched)			12
Pay Telephone	48	51	13
Coin-Operated Pay Telephone	0	0	14
Independent Pay Telephone Provider	0	0	15
Pay Stations - Public	0	0	16
- Semi-Public	0	0	17
- Cust. Owned	0	0	18
Other	227	323	19
Total Business Lines	2,354	2,759	20
Residential (Incl. Emp. Concess.)			
1 Party	6,002	6,371	22
2 Party			23
4 Party			24
FX-Out (Switched)			25
Other			26
Total Residential Lines	6,002	6,371	27
Total Bus & Res Lines	8,356	9,130	28
Company Used Lines	117	116	29
Total Lines Used	8,473	9,246	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			3
WATS Lines - 800 Service			4
FX-In-intraLATA	19	8	5
Special Access-intraLATA			6
(expressed in equiv. access lines)	122	62	7
Special Access-interLATA			8
(expressed in equiv. access lines)	496	417	9
Feature Group A Lines			10
Feature Group B Trunks			11
Feature Group C Trunks			12
Feature Group D Trunks	339	339	13
TSPS - Trunks	25	25	14
EAS - Trunks	917	1,712	15
Cellular Trunks (Pub. Sw. Net.)			16
Video Distance Learning			17
- discounted (special tariff)			18
Customers			
Business - 2 Party Customers			19
Business - 4 Party Customers			20
Residential - 2 Party Customers			21
Residential - 4 Party Customers			22
Other			
Total Central Office, Info. Orig./Term., & Cable			23
Wire Fac. Assets (based on physical location of plant)			24
	11,909,666	12,615,614	25
Total Company Square Miles	182	182	26
Total Company Route Miles	756	804	27
Footnotes			28
			29
			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	2750	3390	3970	4440	1
Business					2
1 Party	39	166	146	499	3
2 Party					4
4 Party					5
PBX Trunks/System Trunks			37		6
Centrex Trunks					7
Centrex Lines	13	64	358	892	8
Key System Trunks	2	44	38	87	9
Mobile (utility provided service)					10
Paging (utility provided service)					11
FX-Out (Switched)					12
Pay Telephone	0	4	13	34	13
Coin-Operated Pay Telephone	0	0	0	0	14
Independent Pay Telephone Provider	0	0	0	0	15
Pay Stations - Public	0	0	0	0	16
- Semi-Public	0	0	0	0	17
- Cust. Owned	0	0	0	0	18
Other			106	217	19
Total Business Lines	54	278	698	1,729	20
Residential (Incl. Emp. Concess.)					21
1 Party	391	1,248	1,281	3,451	22
2 Party					23
4 Party					24
FX-Out (Switched)					25
Other					26
Total Residential Lines	391	1,248	1,281	3,451	27
Total Bus & Res Lines	445	1,526	1,979	5,180	28
Company Used Lines		7	4	105	29
Total Lines Used	445	1,533	1,983	5,285	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	2750	3390	3970	4440	1
Miscellaneous					2
WATS Lines - OutWATS					3
WATS Lines - 800 Service					4
FX-In-intraLATA	2	1	4	1	5
Special Access-intraLATA					6
(equiv. access lines)	0	3	52	7	7
Special Access-interLATA					8
(equiv. access lines)	1	78	183	155	9
Feature Group A Lines					10
Feature Group B Trunks					11
Feature Group C Trunks					12
Feature Group D Trunks		96	98	145	13
TSPS - Trunks		5	10	10	14
EAS - Trunks		259	466	987	15
Cellular Trunks (Pub. Sw. Net.)					16
Video Distance Learning					17
- discounted (special tariff)					18
Customers					19
Business - 2 Party Customers					20
Business - 4 Party Customers					21
Residential - 2 Party Customers					22
Residential - 4 Party Customers					23
Other					24
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical					26
location of plant)	436,908	2,606,685	2,717,311	6,854,710	27
Exchange Square Miles	24	28	31	99	28
Exchange Route Miles	62	164	163	415	29
Footnotes					30

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

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

EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

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

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

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EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Equipment Type (a)	Abbreviation (b)	
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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	KRAKOW	MILL CENTER	ONEIDA	PULASKI	1
PSCW Exchange ID	2750	3390	3970	4440	2
Central Office Name	KRAKOW	MILL CENTER	ONEIDA	PULASKI	3
PSCW Central Office ID	1	1	1	1	4
Manufacturer of COE (Page 54)	NTI	NTI	NTI	NTI	5
Year COE Installed	1991	1982	1981	1985	6
Type of Equipment (Page 54)	D	D	D	D	7
(S)tandalone, (H)ost, (R)emote	R	S	S	H	8
Remote Host PSCW Exchange ID	4440				9
Remote Host PSCW Central Office ID	1	0	0		10
COE Generic Software Release No.	410.10	410.10	410.10	410.10	11
SS7?	Yes	Yes	Yes	Yes	12
9-1-1?	Yes	Yes	Yes	Yes	13
Access Lines - In Use	445	1,533	1,983	5,285	14
- Equipped	512	2,380	2,600	7,741	15
- Wired	512	2,392	2,936	9,772	16
Trunks - In Use	0	360	504	1,152	17
- Equipped	0	360	504	1,152	18
- Wired	0	432	574	1,152	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?	Yes	Yes	Yes	Yes	23
Switched 56 lines in use	0	0	0	6	24
Digital Transmission Facilities: DS-1 - In Use	0	24	24	48	25
DS-3 - In Use	0	4	2	1	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.	0	74	20	146	33
No. of fiber strands working (LIT) in C.O.	0	34	16	74	34
No. of fiber strands for interoffice use	0	12	12	18	35
Miles of fiber sheath in wire center	0	18	9	41	36
Access Tandem Serving this C.O.:					
- C.O. Name	GREEN BAY	GREEN BAY	GREEN BAY	GREEN BAY	37
- PSCW C.O. ID	2160-01	2160-01	2160-01	2160-01	38
Does this C.O. do access tandem switching?	No	No	No	No	39
Equal Access: InterLATA (1+)?	Yes	Yes	Yes	Yes	40
Equal Access: IntraLATA (1+)?	Yes	Yes	Yes	Yes	41
Footnotes					42

¹ Teleco provided end-to-end facility.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

General Footnote

Schedule Footnotes

Schedule Line Footnotes

- 1) Additional circuits have been added during the second half of 1998 and all of the year for 1999. We have full year revenues this year over 1998 for most of these circuits.
- 2) Additional circuits have been added during the year of 1999. Some circuits are converted from special access to toll private line type circuits.
- 3) A plant engineer was hired in May 1999. Early in 1999, we changed the labor rate allocations for plant employees to be based on actual wage rates and not on a plant average wage. We spent more time in 1999 on overall engineering of the plant area.
- 4) In 1999, we started paying other carriers for reciprocal compensation agreements. There has been a change in accounting for USF fees to this account from 6720 in the year 1999.
- A) We write off uncollectibles directly to account 5300 as they become uncollectible. The amount in this line is the net total for the year 1999.
- B) We have no InterLATA or IntraLATA chan. terms. for some of the circuit types. In these spaces a 0 was entered.
- C) Detailed local calling information is not available at this time. The call recording devices for our central offices do not have the capacity to record the detail for local calls. The hard drive is too small. We have looked into replacing it with a much larger hard drive, but at this time we cannot justify the cost (over \$50,000) to upgrade. Other than this report, we do not have any need to record local calls. Since we have never recorded these calls, we do not feel that we could even provide a reasonable estimate.