



4004

ANNUAL REPORT

OF

Name: NORTHEAST TELEPHONE COMPANY

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

For the Year Ended: DECEMBER 31, 2001

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

Utility Web Site Address: www.netelco.com

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: MR MATTHEW P . MACDONALD , CF
Title: PARTNER
Firm: KIESLING ASSOCIATES, LLP
Office Address: 6401 ODANA ROAD
MADISON , WI 53719

Fax Number: (608) 273 - 2383
Telephone Number: (608) 273 - 2315
Email Address: mmacdonald@kiesling.com

Person responsible for financial information contained in report

Name: MS SHERYL L . MIELKE
Title: ACCOUNTING MANAGER

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

Fax Number: (920) 617 - 7039
Telephone Number: (920) 617 - 7030
Email Address: sheryl.mielke@nsighttel.com

Person responsible for statistical information contained in report

Name: MS SHERYL L . MIELKE
Title: ACCOUNTING MANAGER

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

Fax Number: (920) 617 - 7039
Telephone Number: (920) 617 - 7030
Email Address: sheryl.mielke@nsighttel.com

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

List companies owned, controlled, or operated and form and extent of such ownership, control or operation.

Company Name: NET FINANCE CORPORATION
Form of Interest: OWNED
Extent Of Interest: 100%

OFFICERS AND DIRECTORS**Name, Title/Occupation
and Business Address**

Name: EILEEN HARPER Title/Occupation: SECRETARY & DIRECTOR Business Address (1): 450 SECURITY BLVD Business Address (2): PO BOX 19079 Business Address (3): City State, Zip: GREEN BAY, WI 54307-9079	1
Name: LLOYD WIELGUS Title/Occupation: VICE-PRESIDENT & DIRECTOR Business Address (1): 450 SECURITY BLVD Business Address (2): PO BOX 19079 Business Address (3): City State, Zip: GREEN BAY, WI 54307-9079	2
Name: MARK NAZE Title/Occupation: TREASURER Business Address (1): 450 SECURITY BLVD Business Address (2): PO BOX 19079 Business Address (3): City State, Zip: GREEN BAY, WI 54307-9079	3
Name: PATRICK D. RIORDAN Title/Occupation: PRESIDENT & DIRECTOR Business Address (1): 450 SECURITY BLVD Business Address (2): PO BOX 19079 Business Address (3): City State, Zip: GREEN BAY, WI 54307-9079	4
Name: RAY J RIORDAN, JR. Title/Occupation: DIRECTOR Business Address (1): 450 SECURITY BLVD Business Address (2): PO BOX 19079 Business Address (3): City State, Zip: GREEN BAYGREEN BAY, WI 54307-9079	5
Name: ROBERT H. RIORDAN Title/Occupation: EXEC. VICE PRESIDENT & DIRECTOR Business Address (1): 450 SECURITY BLVD Business Address (2): PO BOX 19079 Business Address (3): City State, Zip: GREEN BAY, WI 54307-9079	6

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	5,811,904	5,414,059	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	604,505	599,567	2
Plant Nonspecific Operations Expense	1,624,219	1,505,223	3
Customer Operations Expense (6610-6620)	734,534	648,562	4
Corporate Operations Expense (6710-6790)	491,437	494,672	5
Other Operating Income and Expense (7100)	0	0	6
Operating Taxes (7200)	951,972	884,103	7
Total Operating Expenses	4,406,667	4,132,127	8
Net Operating Income	1,405,237	1,281,932	9
Other Income			
Nonoperating Income and Expense (7300)	51,155	35,458	10
Nonoperating Taxes (7400)	10,435	11,380	11
Interest and Related Items (7500)	225,976	182,223	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	55,634	51,103	14
Total Nonoperating Income	(129,622)	(107,042)	15
Net Income	1,275,615	1,174,890	16

NOTES TO INCOME STATEMENT OR BALANCE SHEET

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

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

The accounting policies of the Company and its subsidiary conform to generally accepted accounting principles in the United States of America. 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).

A. 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 as approved by the Board of Directors. These estimates are subject to change in the near term.

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.

Repairs of other property, as well as renewals of minor items, are charged to plant specific operations expense. A gain or loss is recognized when other property is sold or retired.

B. Income Taxes

The Company and its subsidiary are included in the consolidated tax return with its parent for income tax purposes. For financial reporting purposes, income taxes are presented by apportioning the consolidated tax provision in the ratio of the income taxes to be paid as if each were filing a separate return.

Income taxes are accounted for using a liability method and provide for the tax effects of transactions reported in the consolidated financial statements including both taxes currently due and deferred. Deferred taxes are adjusted to reflect deferred tax consequences at current enacted

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:

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.

C. 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 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 is based on average schedule settlements administered by the National Exchange Carrier Association (NECA) which is regulated by the FCC. The intrastate portion of access revenues is 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.

D. Cash Equivalents

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

E. Investments

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

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

None

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:

-
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 captial 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)*	505,327	209,034	1
Cash (1130)			2
Special Cash Deposits (1140)			3
Working Cash Advances (1150)			4
Temporary Investments (1160)			5
TOTAL CASH AND EQUIVALENTS	505,327	209,034	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	365,623	363,837	6
Accounts Receivable Allowance-Telecom (1181)*		0	7
Net: Telecommunications Accounts Receivable	365,623	363,837	
Other Accounts Receivable (1190)*	697,291	559,928	8
Accounts Receivable Allowance--Other (1191)*		0	9
Net: Other Accounts Receivable	697,291	559,928	
Notes Receivable (1200)*	0	0	10
Notes Receivable Allowance (1201)*		0	11
Net: Notes Receivable	0	0	
Interest and Dividends Receivable (1210)*		0	12
TOTAL REC AND ALLOW FOR DOUBTFUL ACCOUNTS	1,062,914	923,765	
SUPPLIES			
Inventories (1220)*	209,022	263,093	13
TOTAL SUPPLIES	209,022	263,093	
PREPAYMENTS			
Total Prepayments (1280)*	23,109	26,641	14
Prepaid Rents (1290)			15
Prepaid Taxes (1300)			16
Prepaid Insurance (1310)			17
Prepaid Directory Expenses (1320)			18
Other Prepayments (1330)			19
TOTAL PREPAYMENTS	23,109	26,641	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	22,904	23,436	20
TOTAL OTHER CURRENT ASSETS	22,904	23,436	
TOTAL CURRENT ASSETS	1,823,276	1,445,969	
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	49,200	23
Nonregulated Investments (1406)*	51,296	52,028	24
Unamortized Debt Issuance Expense (1407)*	6,542	6,962	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)*	(16,918)	(4,396)	27
TOTAL INVESTMENTS	211,128	224,802	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*		0	28
Deferred Maintenance and Retirements (1438)*		0	29
Deferred Charges (1439)*	43,004	50,179	30
TOTAL DEFERRED CHARGES	43,004	50,179	
TOTAL NONCURRENT ASSETS	254,132	274,981	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	18,213,261	16,251,715	31
Less: Accumulated Depreciation (3100)*	10,455,518	9,565,777	32
Less: Accumulated Amortization--Capitalized Leases (3410)*		0	33
Less: Accumulated Amortization--Leasehold Improvements (3420)*		0	34
Less: Accumulated Amortization--Intangible (3500)*		0	35
NET TELECOMMUNICATIONS PLANT IN SERVICE	7,757,743	6,685,938	
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)*	618,304	568,491	40
TOTAL TPUC	618,304	568,491	
TELECOMMUNICATIONS PLANT ADJUSTMENT			
Telecommunications Plant Adjustment (2005)*		0	41
Less: Accumulated Amortization--Other (3600)*		0	42
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	0	0	
TOTAL PLANT	8,376,047	7,254,429	
TOTAL ASSETS AND OTHER DEBITS	10,453,455	8,975,379	

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	843,827	981,851	1
Notes Payable (4020)*	0	0	2
Advance Billing and Payments (4030)*	90,320	105,501	3
Customer Deposits (4040)*		0	4
Current Maturities--Long-Term Debt (4050)*	437,478	312,000	5
Current Maturities--Capital Leases (4060)*		0	6
Income Taxes--Accrued (4070)*	99,521	21,378	7
Other Taxes--Accrued (4080)*	(5,645)	(6,138)	8
Net Current Deferred Operating Income Taxes (4100)*		0	9
Net Current Deferred Nonoperating Income Taxes (4110)*		0	10
Other Accrued Liabilities (4120)*	23,937	24,334	11
Other Current Liabilities (4130)*			12
TOTAL CURRENT LIABILITIES	1,489,438	1,438,926	
LONG-TERM DEBT			
Funded Debt (4210)*	4,419,020	3,518,395	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	4,419,020	3,518,395	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*		0	20
Unamortized Operating ITC--Net (4320)*		0	21
Unamortized Nonoperating ITC--Net (4330)*		0	22
Net Noncurrent Deferred Operating Income Taxes (4340)*	88,386	37,063	23
Net Deferred Tax Liability Adjustments (4341)*		0	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*		0	25
Other Deferred Credits (4360)*		0	26
Deferred Tax Regulatory Liability (4361)*		0	27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS	88,386	37,063	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	487,500	487,500	28
Additional Paid-in Capital (4520)*	(1,836)	(1,836)	29
Treasury Stock (4530)*		0	30
Other Capital (4540)*	2,400	2,400	31
Retained Earnings (4550)*	3,968,547	3,492,931	32
TOTAL STOCKHOLDERS' EQUITY	4,456,611	3,980,995	
TOTAL LIABILITIES AND OTHER CREDITS	10,453,455	8,975,379	

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.

None .

AFFILIATE ABBREVIATIONS

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

Name of Affiliate (a)	Abbreviations (b)	
NEW-CELL, INC	NCI	1
NORTHEAST COMMUNICATIONS OF WI, INC.	NECW	2
NET CABLE, INC	NETCI	3
NORTHEAST TELEPHONE LONG DISTANCE, INC.	NETLD	4
NET LEC, LLC	NLEC	5
NETNET, INC	NNETI	6
Other	OTH	7

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	4210ATF1	4210ATF105	4210ATF001	4210ATF103		
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	20,972	12,205	55,668	22,828		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	4210ATF104	None				
Name of Affiliate	NLEC	OTH				1
Designate whether billed to or from:	TO	TO				2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C	C				3
Total Dollar Activity	13,969	22,143				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						

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)	
NEW-CELL, INC	1190	29,441	1
NORTHEAST TELEPHONE LONG DISTANCE, INC.	1190	189,637	2
Other	1190	4,784	3
Other	1401	2,500	4
NET LEC, LLC	4010	9,285	5
NEW-CELL, INC	4010	25,063	6
NORTHEAST TELEPHONE LONG DISTANCE, INC.	4010	98,416	7

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	327,312	43,056	2
Aircraft	2113	0		3
Special Purpose Vehicles	2114	0		4
Garage Work Equipment	2115	0		5
Other Work Equipment	2116	217,833	21,726	6
Buildings	2121	800,007	33,207	7
Furniture	2122	48,603		8
Office Equipment	2123	83,174	8,757	9
General Purpose Computers	2124	718,738	10,852	10
TOTAL--GENERAL SUPPORT ASSETS:		2,241,215	117,598	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0		11
Digital Electronic Switching	2212	3,354,964	100,608	12
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220	0		14
Radio Systems	2231	0	0	15
Circuit Equipment	2232	2,402,571	1,101,305	16
TOTAL--CENTRAL OFFICE ASSETS:		5,757,535	1,201,913	
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	8,190		22
Aerial Cable	2421	183,577	1,413	23
Underground Cable	2422	163,117	2,421	24
Buried Cable	2423	7,733,450	1,189,547	25
Submarine Cable	2424	0	0	26
Deep Sea Cable	2425	0		27
Intrabuilding Network Cable	2426	5,026	0	28
Aerial Wire	2431	12,145	2,638	29
Conduit Systems	2441	146,727	415	30
TOTAL--CABLE WIRE FACILITIES ASSETS:		8,252,232	1,196,434	
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	29,146		341,222	2
2113			0	3
2114			0	4
2115			0	5
2116	3,172		236,387	6
2121	17,240		815,974	7
2122	568		48,035	8
2123	23,985	0	67,946	9
2124	10,860		718,730	10
	84,971	0	2,273,842	
2211			0	11
2212	36,590	0	3,418,982	12
2215	0	0	0	13
2220			0	14
2231	0	0	0	15
2232	0	0	3,503,876	16
	36,590	0	6,922,858	
2311			0	17
2321			0	18
2341			0	19
2351			0	20
2362			733	21
	0	0	733	
2411	3,173		5,017	22
2421	25,978	0	159,012	23
2422	0	0	165,538	24
2423	403,687	0	8,519,310	25
2424	0	0	0	26
2425			0	27
2426	0	0	5,026	28
2431			14,783	29
2441			147,142	30
	432,838	0	9,015,828	
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	16,251,715	2,515,945
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	
	554,399	0	18,213,261	
2001			0	34
			18,213,261	

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	8,757	1
Company Communications Equipment	2123.2	60,485		2
Software	2212.1	0		3
Digital Switching - Central Office	2212.2	3,354,964	100,608	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	2,304,578	1,096,176	10
Analog Circuit Equipment	2232.2	0		11
Light Wave Circuit Equipment	2232.3	97,993	5,129	12
Aerial Cable - Nonmetallic	2421.1	0		13
Aerial Cable - Metallic	2421.2	183,577	1,413	14
Underground Cable - Nonmetallic	2422.1	86,844	2,397	15
Underground Cable - Metallic	2422.2	76,273	24	16
Buried Cable - Nonmetallic	2423.1	1,508,506	456,860	17
Buried Cable - Metallic	2423.2	6,224,944	732,687	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		8,757	1
2123.2	1,296		59,189	2
2212.1			0	3
2212.2	36,590		3,418,982	4
2212.3			0	5
2215.1			0	6
2215.2			0	7
2231.1			0	8
2231.2			0	9
2232.1			3,400,754	10
2232.2			0	11
2232.3			103,122	12
2421.1			0	13
2421.2	25,978		159,012	14
2422.1			89,241	15
2422.2			76,297	16
2423.1	59,151		1,906,215	17
2423.2	344,536		6,613,095	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	230,342	8.25	28,973	1
Aircraft	2113	0			2
Special Purpose Vehicles	2114	0			3
Garage Work Equipment	2115	0			4
Other Work Equipment	2116	126,528	8.8	20,721	5
Buildings	2121	349,422	2.86	23,157	6
Furniture	2122	46,001	10.0	1,301	7
Office Equipment	2123	82,771	20.0	1,717	8
General Purpose Computers	2124	545,193	27.41	174,705	9
Total-- GENERAL SUPPORT ASSETS		1,380,257		250,574	0
CENTRAL OFFICE ASSETS					
Analog Electronic Switching	2211	0			10
Digital Electronic Switching	2212	2,670,767	14.29	471,203	11
Electro-Mechanical Switching	2215	0			12
Operator Systems	2220	0			13
Radio Systems	2231	0			14
Circuit Equipment	2232	1,372,100	10.0	210,667	15
Total-- CENTRAL OFFICE ASSETS		4,042,867		681,870	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	0	20
Total-- INFORMATION ORIG/TERM ASSETS		733		0	0
CABLE WIRE FACILITIES ASSETS					
Poles	2411	7,678	10.0	1,998	21
Aerial Cable	2421	182,969	5.88	9,474	22
Underground Cable	2422	69,605	5.797	9,481	23
Buried Cable	2423	3,830,237	6.81	458,221	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	12,120	50.0	4,918	28

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112	29,146				230,169	1
2113					0	2
2114					0	3
2115					0	4
2116	3,172		540		144,617	5
2121	17,240	3,811			351,528	6
2122	568				46,734	7
2123	23,985				60,503	8
2124	10,860				709,038	9
	84,971	3,811	540	0	1,542,589	
2211					0	10
2212	36,590	645			3,104,735	11
2215	0				0	12
2220					0	13
2231	0				0	14
2232	0	80			1,582,687	15
	36,590	725	0	0	4,687,422	
2311					0	16
2321					0	17
2341					0	18
2351					0	19
2362					733	20
	0	0	0	0	733	
2411	3,173	9,904			(3,401)	21
2421	25,978	24,240			142,225	22
2422	0				79,086	23
2423	403,687		64,858		3,949,629	24
2424	0				0	25
2425					0	26
2426	0				5,026	27
2431		2,784			14,254	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	34,285	2.5	3,670	29
Total-- CABLE WIRE FACILITIES ASSETS		4,141,920		487,762	0
Total Accumulated Depreciation	3100	9,565,777		1,420,206	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				1,420,206	0

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441					37,955	29
	432,838	36,928	64,858	0	4,224,774	
3100	554,399	41,464	65,398	0	10,455,518	
3100					0	30
3100					10,455,518	

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	1,314		1
Company Communications Equipment	2123.2	60,082	20.0	403		2
Software	2212.1	0				3
Digital Switching - Central Office	2212.2	2,670,767	14.2857	471,203		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	1,288,641	10.0	203,829		10
Analog Circuit Equipment	2232.2	0				11
Light Wave Circuit Equipment	2232.3	83,459	10.0	6,838		12
Aerial Cable - Nonmetallic	2421.1	0				13
Aerial Cable - Metallic	2421.2	182,969	5.8824	9,474		14
Underground Cable - Nonmetallic	2422.1	18,813	5.7971	5,058		15
Underground Cable - Metallic	2422.2	50,792	5.7971	4,423		16
Buried Cable - Nonmetallic	2423.1	424,200	5.7971	93,042		17
Buried Cable - Metallic	2423.2	3,406,037	6.41	365,179		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				1,314	1
2123.2	1,296				59,189	2
2212.1					0	3
2212.2	36,590	645			3,104,735	4
2212.3					0	5
2215.1					0	6
2215.2					0	7
2231.1					0	8
2231.2					0	9
2232.1		80			1,492,390	10
2232.2					0	11
2232.3					90,297	12
2421.1					0	13
2421.2	25,978	24,240			142,225	14
2422.1					23,871	15
2422.2					55,215	16
2423.1	59,151		59,132		517,223	17
2423.2	344,536		5,726		3,432,406	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	3,492,931	3,118,044	1 B
Changes:			
Balance Transferred from Income	1,275,615	1,174,890	2
Dividends Declared:			
Common	800,000	800,000	3
Preferred		0	4
Total Dividends Declared	800,000	800,000	
Miscellaneous Debits to Retained Earnings		3	5
Miscellaneous Credits to Retained Earnings	1	0	6
Balance--End of Year	<u>3,968,547</u>	<u>3,492,931</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)*	2,196,679	2,179,978	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)	2,196,679	2,179,978	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	494,088	463,664	11
Switched Access Revenue (5082)*	1,191,858	1,070,798	12
Special Access Revenue (5083)*	179,383	127,027	13 C
TOTAL INTERSTATE ACCESS REVENUES (5080)	1,865,329	1,661,489	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*		0	14
Switched Access Revenue (5084.2)*	1,013,052	986,436	15
Special Access Revenue (5084.3)*	125,075	116,589	16
TOTAL INTRASTATE ACCESS REVENUES (5084)	1,138,127	1,103,025	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*	163,621	117,253	17 E
Long Distance Inward-Only Revenue (5111)			18
Long Distance Outward-Only Revenue (5112)			19
Unidirectional Long Distance Revenue (5110)	0	0	
Long Distance Private Network Revenues			
Subvoice Grade Revenue (5121)			20
Voice Grade Revenue (5122)			21
Audio Program Grade Revenue (5123)			22
Video Program Grade Revenue (5124)			23
Digital Transmission Revenue (5125)			24
Switching Revenue (5126)			25
Other Revenue (5128)			26
Other Revenue Settlements (5129)			27
Total Long Distance Private Network Revenue	0	0	
Other Long Distance Revenue (5160)			28
Other Long Distance Revenue Settlements (5169)			29
TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV.	163,621	117,253	

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

Particulars (a)	This Year (b)	Last Year (c)	
MISCELLANEOUS REVENUES			
Directory Revenue (5230)*	199,084	139,267	30 F
Rent Revenue (5240)*	9,927	6,448	31
Corporate Operations Revenue (5250)*		0	32
Miscellaneous:			
Miscellaneous Revenue (5260)*	26,297	32,600	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)	26,297	32,600	
Interstate Billing and Collection Revenue*	42,524	44,500	39
Intrastate Billing and Collection Revenue*	176,720	139,290	40 G
Total Carrier Billing and Collection Revenue (5270)*	219,244	183,790	
Nonregulated Operating Revenue (5280)**			41
TOTAL MISCELLANEOUS REVENUES	454,552	362,105	
GROSS OPERATING REVENUES	5,818,308	5,423,850	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*	6,404	9,791	42
Uncollectible Revenue--Telecommunications (5301)			43
Uncollectible Revenue--Other (5302)			44
TOTAL UNCOLLECTIBLE REVENUE (5300)	6,404	9,791	
TOTAL OPERATING REVENUES	5,811,904	5,414,059	

** 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)	0	551	1
Less: Nonregulated		0	2
Net Regulated	0	551	3
Total General Support Expense (6120)	92,013	91,308	4
Less: Nonregulated		0	5
Net Regulated	92,013	91,308	6
Total Central Office Switching Expense (6210)	121,885	159,387	7
Less: Nonregulated		0	8 D
Net Regulated	121,885	159,387	9
Total Operator Systems Expense (6220)	0	0	10
Less: Nonregulated		0	11
Net Regulated	0	0	12
Total Central Office Transmission Expenses (6230)	47,396	38,453	13
Less: Nonregulated		0	14
Net Regulated	47,396	38,453	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)	343,211	309,868	19
Less: Nonregulated		0	20
Net Regulated	343,211	309,868	21
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	604,505	599,567	
Less: Nonregulated	0	0	
Net Regulated	604,505	599,567	
PLANT NONSPECIFIC OPERATIONS EXPENSE			
Total Other Property, Plant and Equip. Exp. (6510)		0	22
Less: Nonregulated		0	23
Net Regulated	0	0	24
Total Network Operations Expense (6530)	76,339	64,684	25
Less: Nonregulated		0	26
Net Regulated	76,339	64,684	27
Access Expense (6540)	165,732	277,248	28
Less: Nonregulated		0	29 I
Net Regulated	165,732	277,248	30
Total Depreciation and Amortization Expense (6560)	1,382,148	1,163,291	31
Less: Nonregulated		0	32
Net Regulated	1,382,148	1,163,291	33
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	1,624,219	1,505,223	
Less: Nonregulated	0	0	
Net Regulated	1,624,219	1,505,223	

EXPENSES - CLASS A & B

Particulars (a)	Total This Year (b)	Total Last Year (c)	
CUSTOMER OPERATIONS EXPENSE			
Total Marketing (6610)	31,575	29,329	34
Less: Nonregulated		0	35
Net Regulated	31,575	29,329	36
<hr/>			
Total Services (6620)	702,959	619,233	37
Less: Nonregulated		0	38
Net Regulated	702,959	619,233	39
<hr/>			
TOTAL CUSTOMER OPERATIONS EXPENSE	734,534	648,562	
Less: Nonregulated	0	0	
Net Regulated	734,534	648,562	
<hr/>			
CORPORATE OPERATIONS EXPENSE			
Total Exec. and Planning (6710)	74,869	200,574	40
Less: Nonregulated		0	41 J
Net Regulated	74,869	200,574	42
<hr/>			
Total General and Administrative (6720)	416,568	294,098	43
Less: Nonregulated		0	44 J
Net Regulated	416,568	294,098	45
<hr/>			
Provision for Uncollectible Notes Receiv. (6790)	0	0	46
Less: Nonregulated		0	47
Net Regulated	0	0	48
<hr/>			
TOTAL CORPORATE OPERATIONS EXPENSE	491,437	494,672	
Less: Nonregulated	0	0	
Net Regulated	491,437	494,672	
<hr/>			
TOTAL EXPENSES	3,454,695	3,248,024	
Less: Nonregulated	0	0	
Net Regulated	3,454,695	3,248,024	

EXPENSES - CLASS A & B (DETAIL)

Particulars (a)	Total This Year (b)	Total Last Year (c)	
Property Held for Future Tele. Use Exp. (6511)		0	1
Provisioning Expense (6512)		0	2
Total: Reported in Account 6510	0	0	
Depreciat. Exp.--Tele. Plant in Service (6561)	1,382,148	1,163,291	3
Depreciat. Exp.--Prop. Held for Future Tele. Use (6562		0	4
Amortization Expense--Tangible (6563)		0	5
Amortization Expense--Intangible (6564)		0	6
Amortization Expense--Other (6565)		0	7
Total: Reported in Account 6560	1,382,148	1,163,291	

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	5,818,308	1
Plus: Collection of amounts previously written off		2
Less: Uncollectibles written off during the year	6,404	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): None	0	8 A
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	<u>5,811,904</u>	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	2,196,679	1
Plus: Total Intrastate Access Revenues (5084)	1,138,127	2
Plus: Total Long Distance Network Services Revenue	163,621	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus: Intrastate Payphone Revenues	23,197	5
Plus (or Less) Other (please specify): none	0	6
Assessable Revenues for Universal Service Fund Assessment Purposes	<u>3,521,624</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	5,818,308	1
Plus: Collection of amounts previously written off		2
Less: Uncollectibles written off during the year	6,404	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): None	0	8 A
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	<u>5,811,904</u>	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	2,196,679	1
Plus: Total Intrastate Access Revenues (5084)	1,138,127	2
Plus: Total Long Distance Network Services Revenue	163,621	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus: Intrastate Payphone Revenues	23,197	5
Plus (or Less) Other (please specify): none	0	6
Assessable Revenues for Universal Service Fund Assessment Purposes	<u>3,521,624</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)	578,736	569,004	3
Operating State and Local Income Taxes (7230)	151,700	145,947	4
Operating Other Taxes (7240)	157,159	139,233	5
Provision for Deferred Operating Income Taxes--Net (7250)	64,377	29,919	6
TOTAL OPERATING TAXES (7200)	951,972	884,103	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)	10,900	2,244	7
Interest Income (7320)	20,516	34,931	8
Income from Sinking and Other Funds (7330)		0	9
Allowance for Funds Used During Construction (7340)	24,653	6,555	10
Gains or (Losses) from the Disposition of Certain Property (7350)		0	11
Other Nonoperating Income (7360)		0	12
Special Charges (7370)	4,914	8,272	13
TOTAL NONOPERATING INCOME AND EXPENSE (7300)	51,155	35,458	
NONOPERATING TAXES			
Total Nonoperating Taxes (7400)	10,435	11,380	14
INTEREST AND RELATED ITEMS			
Total Interest and Related Items (7500)	225,976	182,223	15
EXTRAORDINARY ITEMS			
Extraordinary Items (7600)		0	16
NONREGULATED NET INCOME			
Nonregulated Net Income (7990)	55,634	51,103	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

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	2	1
Central Office	1	2
Outside Plant	11	3
Building & Service	2	4
Other	2	5
Customer Operations		
Supervisory & Management	3	6
Operators		7
Business Office	5	8
Other		9
Corporate Operations		
Executive & General Management	2	10
Accounting & Finance	2	11
External Relations	3	12
Human Resources	1	13
Information Management	1	14
Legal		15
Procurement	2	16
Research & Development	1	17
Other		18
Other		
All Other Employees, Not Listed Above		19
Total Employees	38	
Part-Time Employees	8	20
Full-Time Employees	30	21
Total Part-Time and Full-Time Employees	38	

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 K
Extended Area Service	0	0	2 K
Extended Community Calling	0	0	3 K
Other Local-Undefined	3,700	0	4 K
Total Local	3,700	0	
TOLL			
Toll	270	3,063	5
Total Toll	270	3,063	
Total Local & Toll	3,970	3,063	

ACCESS USAGE

Enter number, in thousands, of Billed Minutes.

Description (a)	Billed Minutes (000's)				
	Interstate InterLATA (b)	Intrastate InterLATA (c)	Intrastate IntraLATA (d)	Interstate IntraLATA (e)	
Feature Group A -- Orig.	0	0	0	0	1
Feature Group A -- Term.	0	0	0	0	2
Feature Group B -- Orig.	0	0	0	0	3
Feature Group B -- Term.	0	0	0	0	4
Feature Group C -- Orig.	0	0	0	0	5
Feature Group C -- Term.	0	0	0	0	6
Feature Group D -- Orig.	5,418	3,000	5,889	0	7
Feature Group D -- Term.	14,493	6,308	1,645	0	8

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - fiber optics	96	1
Strand miles of plant - fiber optics	2,958	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	7	6	1
56 kbps	16	1	2
64 kbps (DS0)	3	3	3
1.54 Mbps (DS-1)	33	6	4
45 Mbps (DS-3)	0	0	5 H
SONET OC-1	0	0	6 H
SONET OC-3	0	0	7 H
SONET OC-12	0	0	8 H
SONET OC-48	0	0	9 H
SONET OC-192	0	0	10 H

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - fiber optics	96	1
Strand miles of plant - fiber optics	2,958	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	7	6	1
56 kbps	16	1	2
64 kbps (DS0)	3	3	3
1.54 Mbps (DS-1)	33	6	4
45 Mbps (DS-3)	0	0	5 H
SONET OC-1	0	0	6 H
SONET OC-3	0	0	7 H
SONET OC-12	0	0	8 H
SONET OC-48	0	0	9 H
SONET OC-192	0	0	10 H

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	914	953	3
2 Party			4
4 Party			5
PBX Trunks/System Trunks	41	41	6
Centrex Trunks			7
Centrex Lines	1,339	1,323	8
Key System Trunks	155	153	9
Mobile (Utility Provided Service)			10
Paging (Utility Provided Service)			11
FX-Out (Switched)			12
Pay Telephone	51	53	13
Coin-Operated Pay Telephone	0	0	14
Independent Pay Telephone Provider	0	0	15
Other	371	371	16
Total Business Lines	2,871	2,894	17
Residential (Incl. Emp. Concess.)			
1 Party	6,676	6,849	19
2 Party			20
4 Party			21
FX-Out (Switched)			22
Other			23
Total Residential Lines	6,676	6,849	24
Total Bus & Res Lines	9,547	9,743	25
Company Used Lines	131	138	26
Total Lines Used	9,678	9,881	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			3
WATS Lines - 800 Service			4
FX-In-intraLATA	7	7	5
Special Access-intraLATA			6
(expressed in equiv. access lines)	159	154	7
Special Access-interLATA			8
(expressed in equiv. access lines)	582	818	9
Feature Group A Lines			10
Feature Group B Trunks			11
Feature Group C Trunks			12
Feature Group D Trunks	387	387	13
TSPS - Trunks	25	25	14
EAS - Trunks	1,832	1,904	15
Cellular Trunks (Pub. Sw. Net.)			16
Video Distance Learning			17
- discounted (special tariff)			18
Customers			
Lifeline Customers	67	71	20
Linkup Customers	2	0	21
Other			
Total Company Square Miles	182	182	23
Total Company Route Miles	489	541	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	2750	3390	3970	4440	1
Business					2
1 Party	43	176	181	553	3
2 Party					4
4 Party					5
PBX Trunks/System Trunks			37	4	6
Centrex Trunks					7
Centrex Lines	19	88	337	879	8
Key System Trunks	2	41	29	81	9
Mobile (utility provided service)					10
Paging (utility provided service)					11
FX-Out (Switched)					12
Pay Telephone	0	6	13	34	13
Coin-Operated Pay Telephone	0	0	0	0	14
Independent Pay Telephone Provider	0	0	0	0	15
Other			130	241	16
Total Business Lines	64	311	727	1,792	17
Residential (Incl. Emp. Concess.)					18
1 Party	430	1,332	1,336	3,751	19
2 Party					20
4 Party					21
FX-Out (Switched)					22
Other					23
Total Residential Lines	430	1,332	1,336	3,751	24
Total Bus & Res Lines	494	1,643	2,063	5,543	25
Company Used Lines	1	9	11	117	26
Total Lines Used	495	1,652	2,074	5,660	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	2750	3390	3970	4440	1
Miscellaneous					2
WATS Lines - OutWATS					3
WATS Lines - 800 Service					4
FX-In-intraLATA	2	1	4	0	5
Special Access-intraLATA					6
(equiv. access lines)	0	25	122	7	7
Special Access-interLATA					8
(equiv. access lines)	51	195	324	248	9
Feature Group A Lines					10
Feature Group B Trunks					11
Feature Group C Trunks					12
Feature Group D Trunks		120	98	169	13
TSPS - Trunks		5	10	10	14
EAS - Trunks		307	514	1,083	15
Cellular Trunks (Pub. Sw. Net.)					16
Video Distance Learning					17
- discounted (special tariff)					18
Other					19
Exchange Square Miles	24	28	31	99	20
Exchange Route Miles	53	97	106	285	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
ATTC	ATT	2
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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

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
Central Office CLLI Code	KRAKWIXADSO	MLCWIXADSO	ONEDWIXADSO	PLSKWIXADSO	5
Manufacturer of COE (Page 54)	NTI	NTI	NTI	NTI	6
Year COE Installed	1991	1982	1981	1985	7
Type of Equipment (Page 54)	D	D	D	D	8
(S)tandalone, (H)ost, (R)emote, (A)dv Fiber Comm	R	S	S	H	9
Remote Host PSCW Exchange ID	4440				10
Remote Host PSCW Central Office ID	1	0	0		11
COE Generic Software Release No.	502.10	502.10	502.10	502.10	12
SS7?	Yes	Yes	Yes	Yes	13
9-1-1?	Yes	Yes	Yes	Yes	14
Access Lines - In Use	494	1,643	2,063	5,543	15
- Equipped	512	2,664	2,600	8,075	16
- Wired	512	4,352	4,416	10,932	17
Trunks - In Use	0	408	528	1,248	18
- Equipped	0	576	574	1,296	19
- Wired	0	600	598	1,320	20
ISDN Available?	No	No	No	No	21
ISDN Lines - In Use (BRI)	0	0	0	0	22
- In Use (PRI)	0	0	0	0	23
XDSL Available?	No	No	No	No	24
- In Use (# lines)					25
Switched 56 Service?	Yes	Yes	Yes	Yes	26
Switched 56 lines in use	0	0	0	6	27
Digital Transmission Facilities: DS-1 - In Use	0	24	24	48	28
DS-3 - In Use	0	4	2	2	29
Advanced Data Service Available:					
Packet Switching?	No	No	No	No	30
SMDS?	No	No	No	No	31
Frame Relay?	No	No	No	No	32
ATM (Asynchronous Trans. Mode)?	No	No	No	No	33
Video Information - Service Available?	No	No	No	No	34
- In Use (# lines) ¹	0	0	0	0	35
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	72	74	106	146	36
No. of fiber strands working (LIT) in C.O.	24	48	26	78	37
No. of fiber strands for interoffice use	14	12	18	18	38
Miles of fiber sheath in wire center	9	20	19	48	39
Access Tandem Serving this C.O.:					
- C.O. Name	GREEN BAY	GREEN BAY	GREEN BAY	GREEN BAY	40
- PSCW C.O. ID	2160-01	2160-01	2160-01	2160-01	41
Does this C.O. do access tandem switching?	No	No	No	No	42
Footnotes					43

¹ Teleco provided end-to-end facility.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

General Footnote

Accountants Compilation Report

To the Board of Directors
Northeast Telephone Company
Green Bay, Wisconsin

We have compiled the balance sheets of Northeast Telephone Company as of December 31, 2001 and 2000, and the related statements of income and retained earnings for the years then ended included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary information presented in the prescribed form, except for pages 46 through 55.

Our compilation was limited to presenting in the form prescribed by the Public Service Commission of Wisconsin, information that is the representation of management. We have not audited or reviewed the financial statements and supplementary information referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

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

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

Kiesling Associates LLP
Madison, Wisconsin
March 31, 2002

Schedule Footnotes

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

None

Schedule Line Footnotes

- A) The Company writes off uncollectibles directly to account 5301 as they become uncollectible. The amount in this line is the net total for the year 2001.
- B) The miscellaneous credit to retained earnings is due to rounding.
- C) New contracts obtained during 2001.
- D) Expense has normalized in 2001, as extra expense was incurred in 2000 due to the new software put into service in the 4th Quarter of 2000.
- E) Increase in private line revenues.
- F) Increase in Directory settlements.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

- G)** Increase in intrastate B&C services in 2001.
- H)** The reported amount of -0- for the special access circuits is correct.
 - I)** The decrease in this expense is due to a contract change that occurred in 2001.
- J)** The change in these two accounts relates to the change in payroll allocation during 2001.
- K)** 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 Company has looked into replacing it, but at this time the Company can not justify the cost of the upgrade. Other than this report there is no need to report local calls.