



4004

# ANNUAL REPORT

OF

Name: SOMERSET TELEPHONE COMPANY INC

Principal Office: 116 HARRIMAN AVE N  
AMERY, WI 54001-1069

For the Year Ended: DECEMBER 31, 2002

## TELECOMMUNICATIONS UTILITY TO PUBLIC SERVICE COMMISSION OF WISCONSIN

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

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

## GENERAL RULES FOR REPORTING

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

## GENERAL RULES FOR REPORTING

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

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

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

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

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

### 15. Name Changes:

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

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

*These documents can be obtained by:*

1. Calling DFI at (608) 261-7577;
2. Contacting DFI on the web at [www.wdfi.org](http://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

<b>Access Line</b>	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.
<b>Analog Signal</b>	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.
<b>Cellular System</b>	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.
<b>Central Office</b>	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.
<b>Centrex</b>	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).
<b>Channel</b>	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.
<b>Customer</b>	A person who uses a telephone as a subscriber.
<b>Digital Signal</b>	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.
<b>Equal Access</b>	The ability of the subscriber to use any long distance service by dialing the same number of digits.
<b>Exchange</b>	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.
<b>Extended Area Service (EAS)</b>	The ability of a customer to call customers in other exchanges at no additional charge or at an additional charge per tariff.
<b>Extended Community Calling (ECC)</b>	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.
<b>Feature Group A</b>	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

<b>Feature Group B</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.
<b>Feature Group C</b>	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.
<b>Feature Group D</b>	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.
<b>FX-IN</b>	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.
<b>FX-OUT</b>	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.
<b>Host Switching System</b>	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.
<b>Local Access Transport Area (LATA)</b>	A geographic area within which an operating company may offer its telecommunications services.
<b>Mobile Telephone</b>	A service which provides radio telephone communication from a mobile vehicle to another vehicle or to a regular telephone.
<b>Paging</b>	A service which provides one-way signal or voice communication over a radio channel to a miniature receiver carried by the customer.
<b>Pair</b>	Two wires of a single circuit.
<b>Pay Station</b>	A telephone which normally requires all users to deposit one or more coins or use a credit card to complete a call.
<b>Private Line Service</b>	Channel or circuit rented for private use and not intended to be connected to the general distribution system.
<b>Private Branch Exchange (PBX)</b>	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.
<b>Radio Common Carrier (RCC)</b>	A company which furnishes public telecommunications service using one or more radio channels.
<b>Remote Switching Unit (RSU)</b>	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

<b>Route Miles</b>	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"><li>1. One mile of roadway with any combination of outside plant facilities on any number of rights-of-way.</li><li>2. One mile of a cross country route with any combination of outside plant facilities.</li><li>3. One mile of point-to-point microwave or radio link.</li><li>4. One mile of plant on either side of a limited access highway or natural barrier, such as a navigable waterway.</li><li>5. One mile of joint use line where the utility either owns the facility or leases space.</li></ol>
<b>Stand Alone Switch</b>	A central office switch which has no remote switching units (RSUs) subtending it.
<b>Trunk</b>	A communications path connecting two switching systems in the establishment of an end-to-end connection.
<b>Wide Area Telephone Service (WATS)</b>	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.
<b>Wire Center</b>	The location of one or more local switching systems. A point at which customers' loops converge.

## ABBREVIATIONS USED IN ANNUAL REPORTS

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

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## IDENTIFICATION AND OWNERSHIP

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**Exact Utility Name:** SOMERSET TELEPHONE COMPANY INC  
**Utility Location:** 116 HARRIMAN AVE N  
AMERY, WI 54001-1069

**Utility Web Site Address:**  
**When was utility organized?:** 01/01/1956  
**Report any change in name and the effective date:**

**Telephone numbers for potential customers to contact company:**  
Business Customers: (715) 268 - 7101    Ext:  
Residential Customers: (715) 268 - 7101    Ext:

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### Officer in charge of correspondence concerning this report

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**Name:** MICHAEL            JENSEN  
**Title:** PRESIDENT  
  
**Office Address:** 116 N HARRIMAN AVE  
P.O. BOX 139  
AMERY                    , WI 54001  
**Fax Number:** (715) 268 - 9194  
**Telephone Number:** (715) 268 - 7101  
**Email Address:** amerytel@win.bright.net

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

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**Name:** MR MATTHEW            P                    . MACDONALD                    , CF  
**Title:** PARTNER  
**Firm:** KIESLING ASSOCIATES LLP  
**Office Address:** 8517 EXCELSIOR DR SUITE 301  
MADISON                    , WI 53717  
  
**Fax Number:** (608) 664 - 9112  
**Telephone Number:** (608) 664 - 9110  
**Email Address:** mmacdonald@kiesling.com

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### Person responsible for financial information contained in report

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**Name:** MR MICHAEL            D                    . JENSEN  
**Title:** PRESIDENT  
  
**Office Address:** 116 N HARRIMAN AVE  
P.O. BOX 139  
AMERY                    , WI 54001  
  
**Fax Number:** (715) 268 - 9194  
**Telephone Number:** (715) 268 - 7101  
**Email Address:** amerytel@win.bright.net

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## IDENTIFICATION AND OWNERSHIP

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### Person responsible for statistical information contained in report

---

**Name:** MR MICHAEL G . GRIFFIN  
**Title:** VICE PRESIDENT

**Office Address:** 116 N. HARRIMAN AVE  
P.O. BOX 139  
AMERY , WI 54001

**Fax Number:** (715) 268 - 9194  
**Telephone Number:** (715) 268 - 7101  
**Email Address:** amerytel@win.bright.net

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### 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).

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**Name:** AMERY TELCOM, INC.  
**Address:** 116 HARRIMAN AVE N  
PO BOX 139  
AMERY , WI 54001-0139

**Number of Shares Held:** 665  
**Beneficial Owner:** NONE

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

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**Company Name:** SOMERSET COMMUNICATIONS  
**Form of Interest:** OWNED  
**Extent Of Interest:** 100%

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## OFFICERS AND DIRECTORS

### Name, Title/Occupation and Business Address

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<b>Name:</b> BERT D. PETERSEN <b>Title/Occupation:</b> ASSISTANT SECRETARY <b>Business Address (1):</b> 116 HARRIMAN AVE. N <b>Business Address (2):</b> <b>Business Address (3):</b> <b>City State, Zip:</b> AMERY, WI 54001	<b>1</b>
<hr/>	
<b>Name:</b> CYNTHIA A. JENSEN <b>Title/Occupation:</b> SECRETARY-TREASURER <b>Business Address (1):</b> 116 HARRIMAN AVE. N <b>Business Address (2):</b> <b>Business Address (3):</b> <b>City State, Zip:</b> AMERY, WI 54001	<b>2</b>
<hr/>	
<b>Name:</b> MICHAEL D. JENSEN <b>Title/Occupation:</b> PRESIDENT <b>Business Address (1):</b> 116 HARRIMAN AVE. N <b>Business Address (2):</b> <b>Business Address (3):</b> <b>City State, Zip:</b> AMERY, WI 54001	<b>3</b>
<hr/>	
<b>Name:</b> MICHAEL G. GRIFFIN <b>Title/Occupation:</b> VICE PRESIDENT <b>Business Address (1):</b> 116 HARRIMAN AVE. N <b>Business Address (2):</b> <b>Business Address (3):</b> <b>City State, Zip:</b> AMERY, WI 54001	<b>4</b>

**INCOME STATEMENT - TOTAL COMPANY**

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	1,734,255	1,710,763	1
<b>Operating Expenses</b>			
Plant Specific Operations Expense (6110-6410)	200,118	157,574	2
Plant Nonspecific Operations Expense	364,504	396,825	3
Customer Operations Expense (6610-6620)	134,399	106,633	4
Corporate Operations Expense (6710-6790)	61,774	107,689	5
Other Operating Income and Expense (7100)	0	0	6
Operating Taxes (7200)	405,591	394,623	7
<b>Total Operating Expenses</b>	<b>1,166,386</b>	<b>1,163,344</b>	<b>8</b>
<b>Net Operating Income</b>	<b>567,869</b>	<b>547,419</b>	<b>9</b>
<b>Other Income</b>			
Nonoperating Income and Expense (7300)	105,890	135,449	10
Nonoperating Taxes (7400)	40,096	47,528	11
Interest and Related Items (7500)	416	116	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	126,477	102,633	14
<b>Total Nonoperating Income</b>	<b>191,855</b>	<b>190,438</b>	<b>15</b>
<b>Net Income</b>	<b>759,724</b>	<b>737,857</b>	<b>16</b>

## NOTES TO INCOME STATEMENT OR BALANCE SHEET

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

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

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

### A. Property and Equipment

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

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

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

### B. Income taxes

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

### C. Revenue Recognition

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

## 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:

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

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

### D. Cash Equivalents

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

### E. Investments

Non-marketable equity investments and temporary investments are stated at cost. Investments in affiliated companies greater than 20% are accounted for on the equity method.

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

None.

- 
3. 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.

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
<b>CURRENT ASSETS</b>			
<b>CASH AND EQUIVALENTS</b>			
Cash and Equivalents (1120)*	3,259,615	2,464,339	1
Cash (1130)			2
Special Cash Deposits (1140)			3
Working Cash Advances (1150)			4
Temporary Investments (1160)			5
<b>TOTAL CASH AND EQUIVALENTS</b>	<b>3,259,615</b>	<b>2,464,339</b>	
<b>RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS</b>			
Telecommunications Accounts Receivable (1180)*	81,633	94,070	6
Accounts Receivable Allowance-Telecom (1181)*			7
<b>Net: Telecommunications Accounts Receivable</b>	<b>81,633</b>	<b>94,070</b>	
Other Accounts Receivable (1190)*	227,859	326,703	8
Accounts Receivable Allowance--Other (1191)*			9
<b>Net: Other Accounts Receivable</b>	<b>227,859</b>	<b>326,703</b>	
Notes Receivable (1200)*			10
Notes Receivable Allowance (1201)*			11
<b>Net: Notes Receivable</b>	<b>0</b>	<b>0</b>	
Interest and Dividends Receivable (1210)*			12
<b>TOTAL REC AND ALLOW FOR DOUBTFUL ACCOUNTS</b>	<b>309,492</b>	<b>420,773</b>	
<b>SUPPLIES</b>			
Inventories (1220)*	0	0	13
<b>TOTAL SUPPLIES</b>	<b>0</b>	<b>0</b>	
<b>PREPAYMENTS</b>			
Total Prepayments (1280)*	47	47	14
Prepaid Rents (1290)			15
Prepaid Taxes (1300)			16
Prepaid Insurance (1310)			17
Prepaid Directory Expenses (1320)			18
Other Prepayments (1330)			19
<b>TOTAL PREPAYMENTS</b>	<b>47</b>	<b>47</b>	
<b>OTHER CURRENT ASSETS</b>			
Other Current Assets (1350)*	23,349	13,656	20
<b>TOTAL OTHER CURRENT ASSETS</b>	<b>23,349</b>	<b>13,656</b>	
<b>TOTAL CURRENT ASSETS</b>	<b>3,592,503</b>	<b>2,898,815</b>	
<b>NONCURRENT ASSETS</b>			
<b>INVESTMENTS</b>			
Investment in Affiliated Companies (1401)*	0	110,758	21
RTB Class B Stock (1402)*			22
Other Investments in Nonaffiliated Companies (1402)*	37,025	37,025	23
Nonregulated Investments (1406)*	30,407	21,955	24
Unamortized Debt Issuance Expense (1407)*			25

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
<b>NONCURRENT ASSETS</b>			
<b>INVESTMENTS</b>			
Sinking Funds (1408)*			26
Other Noncurrent Assets (1410)*	47,640	51,282	27
<b>TOTAL INVESTMENTS</b>	<b>115,072</b>	<b>221,020</b>	
<b>DEFERRED CHARGES</b>			
Deferred Tax Regulatory Asset (1437)*			28
Deferred Maintenance and Retirements (1438)*			29
Deferred Charges (1439)*			30
<b>TOTAL DEFERRED CHARGES</b>	<b>0</b>	<b>0</b>	
<b>TOTAL NONCURRENT ASSETS</b>	<b>115,072</b>	<b>221,020</b>	
<b>PLANT</b>			
<b>TELECOMMUNICATIONS PLANT IN SERVICE</b>			
Telecommunications Plant in Service (2001)*	5,680,137	5,347,484	31
Less: Accumulated Depreciation (3100 )*	3,840,358	3,486,769	32
Less: Accumulated Amortization--Capitalized Leases (3410 )*			33
Less: Accumulated Amortization--Leasehold Improvements (3420 )*			34
Less: Accumulated Amortization--Intangible (3500 )*			35
<b>NET TELECOMMUNICATIONS PLANT IN SERVICE</b>	<b>1,839,779</b>	<b>1,860,715</b>	
<b>PROPERTY HELD FOR FUTURE USE</b>			
Prop. Held for Future Telecommun. Use (2002)*			36
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200 )*			37
<b>NET PROPERTY HELD FOR FUTURE USE</b>	<b>0</b>	<b>0</b>	
<b>NONOPERATING PLANT</b>			
Nonoperating Plant (2006)*			38
Less: Accumulated Depreciation--Nonoperating (3300 )*			39
<b>NET NONOPERATING PLANT</b>	<b>0</b>	<b>0</b>	
<b>TPUC</b>			
TPUC (2003)*	104,794	117,356	40
<b>TOTAL TPUC</b>	<b>104,794</b>	<b>117,356</b>	
<b>TELECOMMUNICATIONS PLANT ADJUSTMENT</b>			
Telecommunications Plant Adjustment (2005)*			41
Less: Accumulated Amortization--Other (3600 )*			42
<b>NET TELECOMMUNICATIONS PLANT ADJUSTMENT</b>	<b>0</b>	<b>0</b>	
<b>TOTAL PLANT</b>	<b>1,944,573</b>	<b>1,978,071</b>	
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>5,652,148</b>	<b>5,097,906</b>	

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
<b>CURRENT LIABILITIES</b>			
Accounts Payable (4010)*	1,317,499	940,337	1
Notes Payable (4020)*			2
Advance Billing and Payments (4030)*			3
Customer Deposits (4040)*			4
Current Maturities--Long-Term Debt (4050)*			5
Current Maturities--Capital Leases (4060)*			6
Income Taxes--Accrued (4070)*	1,279,550	1,006,550	7
Other Taxes--Accrued (4080)*			8
Net Current Deferred Operating Income Taxes (4100)*			9
Net Current Deferred Nonoperating Income Taxes (4110)*			10
Other Accrued Liabilities (4120)*			11
Other Current Liabilities (4130)*			12
<b>TOTAL CURRENT LIABILITIES</b>	<b>2,597,049</b>	<b>1,946,887</b>	
<b>LONG-TERM DEBT</b>			
Funded Debt (4210)*			13
Premium on Long-Term Debt (4220)*			14
Discount on Long-Term Debt (4230)*			15
Reacquired Debt (4240)*			16
Obligations Under Capital Leases (4250)*			17
Advances from Affiliated Companies (4260)*	0	0	18
Other Long-Term Debt (4270)*			19
<b>TOTAL LONG-TERM DEBT</b>	<b>0</b>	<b>0</b>	
<b>OTHER LIABILITIES AND DEFERRED CREDITS</b>			
Other Long-Term Liabilities (4310)*	14,819	22,902	20
Unamortized Operating ITC--Net (4320)*			21
Unamortized Nonoperating ITC--Net (4330)*			22
Net Noncurrent Deferred Operating Income Taxes (4340)*	198,015	197,809	23
Net Deferred Tax Liability Adjustments (4341)*			24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	5,468	4,620	25
Other Deferred Credits (4360)*			26
Deferred Tax Regulatory Liability (4361)*			27
<b>TOTAL OTHER LIABILITIES AND DEFERRED CREDITS</b>	<b>218,302</b>	<b>225,331</b>	
<b>STOCKHOLDERS' EQUITY</b>			
Capital Stock (4510)*	66,500	66,500	28
Additional Paid-in Capital (4520)*			29
Treasury Stock (4530)*	31,661	31,661	30
Other Capital (4540)*			31
Retained Earnings (4550)*	2,801,958	2,890,849	32
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>2,836,797</b>	<b>2,925,688</b>	
<b>TOTAL LIABILITIES AND OTHER CREDITS</b>	<b>5,652,148</b>	<b>5,097,906</b>	

### IMPORTANT CHANGES DURING THE YEAR

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

**Estimated revenue increase was \$84,000. Relates to an end-user rate increase for multi-line and single line customers.**

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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.

<b>Name of Affiliate (a)</b>	<b>Abbreviations (b)</b>	
Amery Telcom, Inc.	AMERY	<b>1</b>
Somerset Communication, Inc.	SMST COMM	<b>2</b>

### 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	0150AT000100	0150AT000101		
Name of Affiliate	AMERY	SMST COMM		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	308,345	17,408		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)	
Amery Telcom, Inc.	1190	23,800	1
Somerset Communication, Inc.	1190	17,123	2
Amery Telcom, Inc.	4010	1,039,328	3

**TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B**

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
<b>GENERAL SUPPORT ASSETS</b>				
Land	2111	13,363		1
Motor Vehicles	2112	0		2
Aircraft	2113	0		3
Special Purpose Vehicles	2114	0		4
Garage Work Equipment	2115	0		5
Other Work Equipment	2116	70,132		6
Buildings	2121	171,844		7
Furniture	2122	1,645		8
Office Equipment	2123	17,373	0	9
General Purpose Computers	2124	0		10
<b>TOTAL--GENERAL SUPPORT ASSETS:</b>		<b>274,357</b>	<b>0</b>	
<b>CENTRAL OFFICE ASSETS</b>				
Analog Electronic Switching	2211	0		11
Digital Electronic Switching	2212	1,364,299	22,400	12
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220	0		14
Radio Systems	2231	0	0	15
Circuit Equipment	2232	766,215	10,250	16
<b>TOTAL--CENTRAL OFFICE ASSETS:</b>		<b>2,130,514</b>	<b>32,650</b>	
<b>INFORMATION ORIGATION/TERMINATION ASSETS</b>				
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	10,730		21
<b>TOTAL--INFORMATION ORIG/TERM ASSETS:</b>		<b>10,730</b>	<b>0</b>	
<b>CABLE WIRE FACILITIES ASSETS</b>				
Poles	2411	0		22
Aerial Cable	2421	0	0	23
Underground Cable	2422	99,224	41,714	24
Buried Cable	2423	2,561,188	262,994	25
Submarine Cable	2424	0	0	26
Deep Sea Cable	2425	0		27
Intrabuilding Network Cable	2426	0	0	28
Aerial Wire	2431	0		29
Conduit Systems	2441	271,471	5,787	30
<b>TOTAL--CABLE WIRE FACILITIES ASSETS:</b>		<b>2,931,883</b>	<b>310,495</b>	
<b>AMORTIZABLE ASSETS</b>				
Capital Leases	2681	0		31

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

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2111			13,363	1
2112			0	2
2113			0	3
2114			0	4
2115			0	5
2116			70,132	6
2121	10,492		161,352	7
2122			1,645	8
2123	0	0	17,373	9
2124			0	10
	<b>10,492</b>	<b>0</b>	<b>263,865</b>	
2211			0	11
2212	0	0	1,386,699	12
2215	0	0	0	13
2220			0	14
2231	0	0	0	15
2232	0	0	776,465	16
	<b>0</b>	<b>0</b>	<b>2,163,164</b>	
2311			0	17
2321			0	18
2341			0	19
2351			0	20
2362			10,730	21
	<b>0</b>	<b>0</b>	<b>10,730</b>	
2411			0	22
2421	0	0	0	23
2422	0	0	140,938	24
2423	0	0	2,824,182	25
2424	0	0	0	26
2425			0	27
2426	0	0	0	28
2431			0	29
2441			277,258	30
	<b>0</b>	<b>0</b>	<b>3,242,378</b>	
2681			0	31

**TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B**

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)
<b>AMORTIZABLE ASSETS</b>			
Leasehold Improvements	2682	0	32
Intangibles	2690	0	33
<b>TOTAL--AMORTIZABLE ASSETS:</b>		<b>0</b>	<b>0</b>
<b>TOTAL TELECOM. PLANT IN SERVICE</b>	<b>2001</b>	<b>5,347,484</b>	<b>343,145</b>
Less: Allocation to Nonregulated Activity - EOY	2001		34
<b>NET REG. TOTAL TELE. PLANT IN SERV. - EOY</b>	<b>2001</b>		

Explain all amounts shown in column (g).

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

<b>Account (e)</b>	<b>Retirements (f)</b>	<b>Transfers / Adjustments (g)</b>	<b>Balance EOY (h)</b>	
2682			0	<b>32</b>
2690			0	<b>33</b>
	<b>0</b>	<b>0</b>	<b>0</b>	
	<b>10,492</b>	<b>0</b>	<b>5,680,137</b>	
2001			0	<b>34</b>
			<b>5,680,137</b>	

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

Report telecommunications plant data for each subaccount where primary plant accounts have subclassifications. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone plant at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subaccount (b)	Balance FOY (c)	Additions (d)	
Office Support Equipment	2123.1	3,291		<b>1</b>
Company Communications Equipment	2123.2	14,082		<b>2</b>
Software	2212.1	1,364,299	22,400	<b>3</b>
Digital Switching - Central Office	2212.2	0		<b>4</b>
Digital Switching - Remote	2212.3	0		<b>5</b>
Step by Step Switching	2215.1	0		<b>6</b>
Crossbar Switching	2215.2	0		<b>7</b>
Satellite and Earth Station Facilities	2231.1	0		<b>8</b>
Other Radio Facilities	2231.2	0		<b>9</b>
Digital Circuit Equipment	2232.1	766,215	10,250	<b>10</b>
Analog Circuit Equipment	2232.2	0		<b>11</b>
Light Wave Circuit Equipment	2232.3	0		<b>12</b>
Aerial Cable - Nonmetallic	2421.1	0		<b>13</b>
Aerial Cable - Metallic	2421.2	0		<b>14</b>
Underground Cable - Nonmetallic	2422.1	22,941		<b>15</b>
Underground Cable - Metallic	2422.2	76,283	41,714	<b>16</b>
Buried Cable - Nonmetallic	2423.1	617,199		<b>17</b>
Buried Cable - Metallic	2423.2	1,943,989	262,994	<b>18</b>
Submarine Cable - Nonmetallic	2424.1	0		<b>19</b>
Submarine Cable - Metallic	2424.2	0		<b>20</b>
Intrabuilding Cable - Nonmetallic	2426.1	0		<b>21</b>
Intrabuilding Cable - Metallic	2426.2	0		<b>22</b>

Explain all amounts shown in column (g).

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

<b>Subaccount (e)</b>	<b>Retirements (f)</b>	<b>Transfers / Adjustments (g)</b>	<b>Balance EOY (h)</b>	
2123.1			3,291	1
2123.2			14,082	2
2212.1			1,386,699	3
2212.2			0	4
2212.3			0	5
2215.1			0	6
2215.2			0	7
2231.1			0	8
2231.2			0	9
2232.1			776,465	10
2232.2			0	11
2232.3			0	12
2421.1			0	13
2421.2			0	14
2422.1			22,941	15
2422.2			117,997	16
2423.1			617,199	17
2423.2			2,206,983	18
2424.1			0	19
2424.2			0	20
2426.1			0	21
2426.2			0	22

**ACCUMULATED DEPRECIATION CLASS A & B**

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
<b>GENERAL SUPPORT ASSETS</b>					
Motor Vehicles	2112	0			1
Aircraft	2113	0			2
Special Purpose Vehicles	2114	0			3
Garage Work Equipment	2115	0			4
Other Work Equipment	2116	70,132			5
Buildings	2121	107,931	3.4	5,783	6
Furniture	2122	1,658			7A
Office Equipment	2123	17,371			8
General Purpose Computers	2124	0			9
<b>Total-- GENERAL SUPPORT ASSETS</b>		<b>197,092</b>		<b>5,783</b>	<b>0</b>
<b>CENTRAL OFFICE ASSETS</b>					
Analog Electronic Switching	2211	0			10
Digital Electronic Switching	2212	1,266,730	12.0	119,969	11
Electro-Mechanical Switching	2215	0			12
Operator Systems	2220	0			13
Radio Systems	2231	0			14
Circuit Equipment	2232	425,706	12.0	86,399	15
<b>Total-- CENTRAL OFFICE ASSETS</b>		<b>1,692,436</b>		<b>206,368</b>	<b>0</b>
<b>INFORMATION ORIG/TERM ASSETS</b>					
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	10,040	12.0	690	20
<b>Total-- INFORMATION ORIG/TERM ASSETS</b>		<b>10,040</b>		<b>690</b>	<b>0</b>
<b>CABLE WIRE FACILITIES ASSETS</b>					
Poles	2411	0	.0		21
Aerial Cable	2421	0			22
Underground Cable	2422	38,397	5.0	4,732	23
Buried Cable	2423	1,472,149	5.3	137,007	24
Submarine Cable	2424	0			25
Deep Sea Cable	2425	0			26
Intrabuilding Network Cable	2426	0			27
Aerial Wire	2431	0			28

**ACCUMULATED DEPRECIATION CLASS A & B (cont.)**

<b>Acct (g)</b>	<b>Retired (h)</b>	<b>Cost of Removal (i)</b>	<b>Salvage (j)</b>	<b>Other (k)</b>	<b>Balance EOY (l)</b>	
2112					0	1
2113					0	2
2114					0	3
2115					0	4
2116					70,132	5
2121	10,492				103,222	6
2122					1,658	7 A
2123	0				17,371	8
2124					0	9
	<b>10,492</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>192,383</b>	
2211					0	10
2212	0				1,386,699	11
2215	0				0	12
2220					0	13
2231	0				0	14
2232	0				512,105	15
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,898,804</b>	
2311					0	16
2321					0	17
2341					0	18
2351					0	19
2362					10,730	20
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10,730</b>	
2411					0	21
2421	0				0	22
2422	0				43,129	23
2423	0				1,609,156	24
2424	0				0	25
2425					0	26
2426	0				0	27
2431					0	28

**ACCUMULATED DEPRECIATION CLASS A & B**

<b>Primary Plant Account (a)</b>	<b>Acct (b)</b>	<b>Balance FOY (c)</b>	<b>Depr Rate (d)</b>	<b>Annual Accrual (e)</b>	<b>Additional Accrual (f)</b>
<b>CABLE WIRE FACILITIES ASSETS</b>					
Conduit Systems	2441	76,655	3.5	9,501	<b>29</b>
<b>Total-- CABLE WIRE FACILITIES ASSETS</b>		<b>1,587,201</b>		<b>151,240</b>	<b>0</b>
<b>Total Accumulated Depreciation</b>	<b>3100</b>	<b>3,486,769</b>		<b>364,081</b>	<b>0</b>
Less: Allocation to Nonregulated Activity - Columns e, f and I	3100			0	<b>0 30</b>
<b>Net Regulated Total Accum Depreciation - 3100 Columns e, f and I</b>				<b>364,081</b>	<b>0</b>

**ACCUMULATED DEPRECIATION CLASS A & B (cont.)**

<b>Acct (g)</b>	<b>Retired (h)</b>	<b>Cost of Removal (i)</b>	<b>Salvage (j)</b>	<b>Other (k)</b>	<b>Balance EOY (l)</b>	
2441					86,156	29
	0	0	0	0	1,738,441	
<b>3100</b>	<b>10,492</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,840,358</b>	
3100					0	30
<b>3100</b>					<b>3,840,358</b>	

**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.

<b>Plant Subaccount (a)</b>	<b>Subacct (b)</b>	<b>Balance FOY (c)</b>	<b>Depr Rate (d)</b>	<b>Annual Accrual (e)</b>	<b>Additional Accrual (f)</b>
Office Support Equipment	2123.1	3,290			1
Company Communications Equipment	2123.2	14,081			2
Software	2212.1	1,266,730	12.0	119,969	3
Digital Switching - Central Office	2212.2	0			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	425,706	12.0	86,399	10
Analog Circuit Equipment	2232.2	0			11
Light Wave Circuit Equipment	2232.3	0			12
Aerial Cable - Nonmetallic	2421.1	0			13
Aerial Cable - Metallic	2421.2	0			14
Underground Cable - Nonmetallic	2422.1	2,983	5.0	918	15
Underground Cable - Metallic	2422.2	35,414	4.0	3,814	16
Buried Cable - Nonmetallic	2423.1	163,669	5.3	32,712	17
Buried Cable - Metallic	2423.2	1,308,480	5.3	104,295	18
Submarine Cable - Nonmetallic	2424.1	0			19
Submarine Cable - Metallic	2424.2	0			20
Intrabuilding Cable - Nonmetallic	2426.1	0			21
Intrabuilding Cable - Metallic	2426.2	0			22

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

<b>Subacct (g)</b>	<b>Retired (h)</b>	<b>Cost of Removal (i)</b>	<b>Salvage (j)</b>	<b>Other (k)</b>	<b>Balance EOY (l)</b>	
2123.1					3,290	1
2123.2					14,081	2
2212.1					1,386,699	3
2212.2					0	4
2212.3					0	5
2215.1					0	6
2215.2					0	7
2231.1					0	8
2231.2					0	9
2232.1					512,105	10
2232.2					0	11
2232.3					0	12
2421.1					0	13
2421.2					0	14
2422.1					3,901	15
2422.2					39,228	16
2423.1					196,381	17
2423.2					1,412,775	18
2424.1					0	19
2424.2					0	20
2426.1					0	21
2426.2					0	22

**RETAINED EARNINGS (ACCT. 4550)**

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	2,890,849	2,911,008	1
<b>Changes:</b>			
Balance Transferred from Income	759,724	737,857	2
<b>Dividends Declared:</b>			
Common	737,857	758,016	3
Preferred		0	4
<b>Total Dividends Declared</b>	<b>737,857</b>	<b>758,016</b>	
Miscellaneous Debits to Retained Earnings	110,758	0	5
Miscellaneous Credits to Retained Earnings		0	6
<b>Balance--End of Year</b>	<b><u>2,801,958</u></b>	<b><u>2,890,849</u></b>	

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

Particulars (a)	This Year (b)	Last Year (c)	
<b>LOCAL NETWORK SERVICES REVENUES</b>			
Basic Local Service Revenue (5000 )*	518,871	494,322	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
<b>TOTAL BASIC LOCAL SERVICE REVENUE (5000)</b>	<b>518,871</b>	<b>494,322</b>	
<b>NETWORK INTERSTATE ACCESS SERVICES REV.</b>			
End User Revenue (5081 )*	212,778	128,615	11 B
Switched Access Revenue (5082 )*	577,073	708,767	12
Special Access Revenue (5083 )*	57,424	29,493	13 C
<b>TOTAL INTERSTATE ACCESS REVENUES (5080)</b>	<b>847,275</b>	<b>866,875</b>	
<b>NETWORK INTRASTATE ACCESS SERVICES REV.</b>			
End User Revenue (5084.1)*			14
Switched Access Revenue (5084.2)*	308,864	227,864	15 D
Special Access Revenue (5084.3)*	12,125	22,954	16 D
<b>TOTAL INTRASTATE ACCESS REVENUES (5084)</b>	<b>320,989</b>	<b>250,818</b>	
<b>LONG DISTANCE NETWORK SERVICES MESSAGE REV.</b>			
Long Distance Message Revenue (5100 )*	8,083	7,410	17
Long Distance Inward-Only Revenue (5111 )			18
Long Distance Outward-Only Revenue (5112 )			19
<b>Unidirectional Long Distance Revenue (5110)</b>	<b>0</b>	<b>0</b>	
<b>Long Distance Private Network Revenues</b>			
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
<b>Total Long Distance Private Network Revenue</b>	<b>0</b>	<b>0</b>	
Other Long Distance Revenue (5160 )			28
Other Long Distance Revenue Settlements (5169 )			29
<b>TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV.</b>	<b>8,083</b>	<b>7,410</b>	

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

Particulars (a)	This Year (b)	Last Year (c)	
<b>MISCELLANEOUS REVENUES</b>			
Directory Revenue (5230 )*	50,712	49,037	<b>30</b>
Rent Revenue (5240 )*			<b>31</b>
Corporate Operations Revenue (5250 )*			<b>32</b>
<b>Miscellaneous:</b>			
Miscellaneous Revenue (5260 )*	(5,269)	2,101	<b>33</b>
Special Billing Arrangements Revenue (5261 )			<b>34</b>
Customer Operations Revenue (5262 )			<b>35</b>
Plant Operations Revenue (5263 )			<b>36</b>
Other Incidental Regulated Revenue (5264 )			<b>37</b>
Other Revenue Settlements (5269 )			<b>38</b>
<b>Total Miscellaneous Revenue (5260)</b>	<b>(5,269)</b>	<b>2,101</b>	
Interstate Billing and Collection Revenue*	18,114	37,104	<b>39 E</b>
Intrastate Billing and Collection Revenue*	12,103	10,904	<b>40</b>
<b>Total Carrier Billing and Collection Revenue (5270)*</b>	<b>30,217</b>	<b>48,008</b>	
Nonregulated Operating Revenue (5280 )**			<b>41</b>
<b>TOTAL MISCELLANEOUS REVENUES</b>	<b>75,660</b>	<b>99,146</b>	
<b>GROSS OPERATING REVENUES</b>	<b>1,770,878</b>	<b>1,718,571</b>	
<b>UNCOLLECTIBLE REVENUES</b>			
Uncollectible Revenue (5300 )*	36,623	7,808	<b>42 F</b>
Uncollectible Revenue--Telecommunications (5301 )			<b>43</b>
Uncollectible Revenue--Other (5302 )			<b>44</b>
<b>TOTAL UNCOLLECTIBLE REVENUE (5300)</b>	<b>36,623</b>	<b>7,808</b>	
<b>TOTAL OPERATING REVENUES</b>	<b><u>1,734,255</u></b>	<b><u>1,710,763</u></b>	

\*\* 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)	
<b>PLANT SPECIFIC OPERATIONS EXPENSE</b>			
Total Network Support Expense ( 6110 )	454	458	1
Less: Nonregulated		0	2
<b>Net Regulated</b>	<b>454</b>	<b>458</b>	<b>3</b>
Total General Support Expense ( 6120 )	9,227	12,319	4
Less: Nonregulated		0	5
<b>Net Regulated</b>	<b>9,227</b>	<b>12,319</b>	<b>6</b>
Total Central Office Switching Expense ( 6210 )	75,375	66,157	7
Less: Nonregulated		0	8
<b>Net Regulated</b>	<b>75,375</b>	<b>66,157</b>	<b>9</b>
Total Operator Systems Expense ( 6220 )		0	10
Less: Nonregulated		0	11
<b>Net Regulated</b>	<b>0</b>	<b>0</b>	<b>12</b>
Total Central Office Transmission Expenses ( 6230 )	17,595	9,612	13
Less: Nonregulated		0	14
<b>Net Regulated</b>	<b>17,595</b>	<b>9,612</b>	<b>15</b>
Total Information Orig. / Term. Expense ( 6310 )	0	57	16
Less: Nonregulated		0	17
<b>Net Regulated</b>	<b>0</b>	<b>57</b>	<b>18</b>
Total Cable and Wire Fac. Expense ( 6410 )	97,467	68,971	19
Less: Nonregulated		0	20 G
<b>Net Regulated</b>	<b>97,467</b>	<b>68,971</b>	<b>21</b>
<b>TOTAL PLANT SPECIFIC OPERATIONS EXPENSE</b>	<b>200,118</b>	<b>157,574</b>	
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	
<b>Net Regulated</b>	<b>200,118</b>	<b>157,574</b>	
<b>PLANT NONSPECIFIC OPERATIONS EXPENSE</b>			
Total Other Property, Plant and Equip. Exp. ( 6510 )	0	0	22
Less: Nonregulated		0	23
<b>Net Regulated</b>	<b>0</b>	<b>0</b>	<b>24</b>
Total Network Operations Expense ( 6530 )	425	1,038	25
Less: Nonregulated		0	26
<b>Net Regulated</b>	<b>425</b>	<b>1,038</b>	<b>27</b>
Access Expense ( 6540 )	0	0	28
Less: Nonregulated		0	29
<b>Net Regulated</b>	<b>0</b>	<b>0</b>	<b>30</b>
Total Depreciation and Amortization Expense ( 6560 )	364,079	395,787	31
Less: Nonregulated		0	32 H
<b>Net Regulated</b>	<b>364,079</b>	<b>395,787</b>	<b>33</b>
<b>TOTAL PLANT NONSPECIFIC OPERATIONS EXP.</b>	<b>364,504</b>	<b>396,825</b>	
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	
<b>Net Regulated</b>	<b>364,504</b>	<b>396,825</b>	

**EXPENSES - CLASS A & B**

Particulars (a)	Total This Year (b)	Total Last Year (c)	
<b>CUSTOMER OPERATIONS EXPENSE</b>			
Total Marketing ( 6610 )	2,048	733	34
Less: Nonregulated		0	35
<b>Net Regulated</b>	<b>2,048</b>	<b>733</b>	<b>36</b>
<hr/>			
Total Services ( 6620 )	132,351	105,900	37
Less: Nonregulated		0	38 I
<b>Net Regulated</b>	<b>132,351</b>	<b>105,900</b>	<b>39</b>
<hr/>			
<b>TOTAL CUSTOMER OPERATIONS EXPENSE</b>	<b>134,399</b>	<b>106,633</b>	
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	
<b>Net Regulated</b>	<b>134,399</b>	<b>106,633</b>	
<hr/>			
<b>CORPORATE OPERATIONS EXPENSE</b>			
Total Exec. and Planning ( 6710 )	22,106	62,438	40
Less: Nonregulated		0	41 J
<b>Net Regulated</b>	<b>22,106</b>	<b>62,438</b>	<b>42</b>
<hr/>			
Total General and Administrative ( 6720 )	39,668	45,251	43
Less: Nonregulated		0	44
<b>Net Regulated</b>	<b>39,668</b>	<b>45,251</b>	<b>45</b>
<hr/>			
Provision for Uncollectible Notes Receiv. ( 6790 )	0	0	46
Less: Nonregulated		0	47
<b>Net Regulated</b>	<b>0</b>	<b>0</b>	<b>48</b>
<hr/>			
<b>TOTAL CORPORATE OPERATIONS EXPENSE</b>	<b>61,774</b>	<b>107,689</b>	
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	
<b>Net Regulated</b>	<b>61,774</b>	<b>107,689</b>	
<hr/>			
<b>TOTAL EXPENSES</b>	<b>760,795</b>	<b>768,721</b>	
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	
<b>Net Regulated</b>	<b>760,795</b>	<b>768,721</b>	

**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
<b>Total: Reported in Account 6510</b>	<b>0</b>	<b>0</b>	
Depreciat. Exp.--Tele. Plant in Service ( 6561 )	364,079	395,787	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
<b>Total: Reported in Account 6560</b>	<b>364,079</b>	<b>395,787</b>	

### 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	1,770,878	1
Plus: Collection of amounts previously written off		2
Less: Uncollectibles written off during the year	36,623	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
<b>Assessable Revenues for Remainder and Telephone Relay Assessment Purposes</b>	<b>1,734,255</b>	

### CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	518,871	1
Plus: Total Intrastate Access Revenues (5084)	320,989	2
Plus: Total Long Distance Network Services Revenue	8,083	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus: Intrastate Payphone Revenues	0	5
Plus (or Less) Other (please specify): None	0	6
<b>Assessable Revenues for Universal Service Fund Assessment Purposes</b>	<b>847,943</b>	

### 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	1,770,878	1
Plus: Collection of amounts previously written off		2
Less: Uncollectibles written off during the year	36,623	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
<b>Assessable Revenues for Remainder and Telephone Relay Assessment Purposes</b>	<b>1,734,255</b>	

### CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	518,871	1
Plus: Total Intrastate Access Revenues (5084)	320,989	2
Plus: Total Long Distance Network Services Revenue	8,083	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus: Intrastate Payphone Revenues	0	5
Plus (or Less) Other (please specify): None	0	6
<b>Assessable Revenues for Universal Service Fund Assessment Purposes</b>	<b>847,943</b>	

**OTHER INCOME ACCOUNTS**

Particulars (a)	This Year (b)	Last Year (c)	
<b>OTHER OPERATING INCOME AND EXPENSE</b>			
Total Other Oper. Income and (Expense) (7100 )		0	1
<b>OPERATING TAXES</b>			
Operating Investment Tax Credits--Net (7210 )			2
Operating Federal Income Taxes (7220 )	296,299	312,451	3
Operating State and Local Income Taxes (7230 )	80,818	74,763	4
Operating Other Taxes (7240 )	37,961	39,844	5
Provision for Deferred Operating Income Taxes--Net (7250 )	(9,487)	(32,435)	6
<b>TOTAL OPERATING TAXES (7200)</b>	<b>405,591</b>	<b>394,623</b>	
<b>NONOPERATING INCOME AND EXPENSE</b>			
Dividend Income (7310 )	9,534	12,372	7
Interest Income (7320 )	96,356	108,831	8
Income from Sinking and Other Funds (7330 )			9
Allowance for Funds Used During Construction (7340 )			10
Gains or (Losses) from the Disposition of Certain Property (7350 )			11
Other Nonoperating Income (7360 )	0	14,246	12
Special Charges (7370 )			13
<b>TOTAL NONOPERATING INCOME AND EXPENSE (7300)</b>	<b>105,890</b>	<b>135,449</b>	
<b>NONOPERATING TAXES</b>			
Total Nonoperating Taxes (7400 )	40,096	47,528	14
<b>INTEREST AND RELATED ITEMS</b>			
Total Interest and Related Items (7500 )	416	116	15
<b>EXTRAORDINARY ITEMS</b>			
Extraordinary Items (7600 )			16
<b>NONREGULATED NET INCOME</b>			
Nonregulated Net Income (7990 )	126,477	102,633	17

## NONREGULATED ACTIVITIES

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

<b>Nonregulated Activity</b>	
<b>(a)</b>	
Leasing of customer premise equipment	<b>1</b>
Providing internet access	<b>2</b>

### EMPLOYEE DATA - END OF YEAR

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

Particulars (a)	Employees (b)	
<b>Plant Operations</b>		
Supervisory & Management	0	1
Central Office	0	2
Outside Plant	0	3
Building & Service	0	4
Other	0	5
<b>Customer Operations</b>		
Supervisory & Management	0	6
Operators	0	7
Business Office	0	8
Other	0	9
<b>Corporate Operations</b>		
Executive & General Management	0	10
Accounting & Finance	0	11
External Relations	0	12
Human Resources	0	13
Information Management	0	14
Legal	0	15
Procurement	0	16
Research & Development	0	17
Other	0	18
<b>Other</b>		
All Other Employees, Not Listed Above	0	19
<b>Total Employees</b>	<b>0</b>	
Part-Time Employees	0	20
Full-Time Employees	0	21
<b>Total Part-Time and Full-Time Employees</b>	<b>0</b>	

### 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)	
<b>LOCAL</b>			
Intra-Exchange	0	0	1 K
Extended Area Service	0	0	2 K
Extended Community Calling	0	0	3 K
Other Local-Undefined	0	0	4 K
<b>Total Local</b>	<b>0</b>	<b>0</b>	
<b>TOLL</b>			
Toll	118	1,277	5
<b>Total Toll</b>	<b>118</b>	<b>1,277</b>	
<b>Total Local &amp; Toll</b>	<b>118</b>	<b>1,277</b>	

### 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.	90	7	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.	3,908	486	1,129	0	7
Feature Group D -- Term.	6,912	2,356	443	0	8

**OUTSIDE PLANT STATISTICS AT END OF YEAR**

Description of Item (a)	Amount (b)	
Sheath miles of plant - fiber optics	43	1
Strand miles of plant - fiber optics	998	2
Route miles of plant - microwave		3

**SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR**

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	2	3	1
56 kbps	2	0	2 L
64 kbps (DS0)	1	0	3 L
1.54 Mbps (DS-1)	14	1	4
45 Mbps (DS-3)	0	0	5 L
SONET OC-1	0	0	6 L
SONET OC-3	0	0	7 L
SONET OC-12	0	0	8 L
SONET OC-48	0	0	9 L
SONET OC-192	0	0	10 L

**OUTSIDE PLANT STATISTICS AT END OF YEAR**

Description of Item (a)	Amount (b)	
Sheath miles of plant - fiber optics	43	1
Strand miles of plant - fiber optics	998	2
Route miles of plant - microwave		3

**SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR**

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	2	3	1
56 kbps	2	0	2 L
64 kbps (DS0)	1	0	3 L
1.54 Mbps (DS-1)	14	1	4
45 Mbps (DS-3)	0	0	5 L
SONET OC-1	0	0	6 L
SONET OC-3	0	0	7 L
SONET OC-12	0	0	8 L
SONET OC-48	0	0	9 L
SONET OC-192	0	0	10 L

### 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)	
<b>Business</b>			
1 Party	519	519	<b>3</b>
2 Party			<b>4</b>
4 Party			<b>5</b>
PBX Trunks/System Trunks	33	33	<b>6</b>
Centrex Trunks	0	0	<b>7</b>
Centrex Lines	21	9	<b>8</b>
Key System Trunks	119	143	<b>9</b>
Mobile (Utility Provided Service)			<b>10</b>
Paging (Utility Provided Service)			<b>11</b>
FX-Out (Switched)			<b>12</b>
Pay Telephone			<b>13</b>
Coin-Operated Pay Telephone	10	11	<b>14</b>
Independent Pay Telephone Provider			<b>15</b>
Other	0	0	<b>16</b>
<b>Total Business Lines</b>	<b>702</b>	<b>715</b>	<b>17</b>
<b>Residential (Incl. Emp. Concess.)</b>			
1 Party	2,014	2,145	<b>19</b>
2 Party			<b>20</b>
4 Party			<b>21</b>
FX-Out (Switched)			<b>22</b>
Other			<b>23</b>
<b>Total Residential Lines</b>	<b>2,014</b>	<b>2,145</b>	<b>24</b>
<b>Total Bus &amp; Res Lines</b>	<b>2,716</b>	<b>2,860</b>	<b>25</b>
Company Used Lines			<b>26</b>
<b>Total Lines Used</b>	<b>2,716</b>	<b>2,860</b>	<b>27</b>

**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)	
<b>Miscellaneous</b>			
WATS Lines - OutWATS			<b>3</b>
WATS Lines - 800 Service			<b>4</b>
FX-In-intraLATA	1	1	<b>5</b>
Special Access-intraLATA			<b>6</b>
(expressed in equiv. access lines)	54	27	<b>7</b>
Special Access-interLATA			<b>8</b>
(expressed in equiv. access lines)	315	341	<b>9</b>
Feature Group A Lines			<b>10</b>
Feature Group B Trunks			<b>11</b>
Feature Group C Trunks			<b>12</b>
Feature Group D Trunks	186		<b>13</b>
TSPS - Trunks	6		<b>14</b>
EAS - Trunks	93		<b>15</b>
Cellular Trunks (Pub. Sw. Net.)			<b>16</b>
Video Distance Learning	1		<b>17</b>
- discounted (special tariff)			<b>18</b>
<b>Customers</b>			
Lifeline Customers	4	9	<b>20</b>
Linkup Customers	0	0	<b>21</b>
<b>Other</b>			
Total Company Square Miles	45	45	<b>23</b>
Total Company Route Miles	151	176	<b>24</b>
Footnotes			<b>25</b>

### 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	4980				1
<b>Business</b>					
1 Party	519				2
2 Party					3
4 Party					4
PBX Trunks/System Trunks	33				5
Centrex Trunks	0				6
Centrex Lines	9				7
Key System Trunks	143				8
Mobile (utility provided service)					9
Paging (utility provided service)					10
FX-Out (Switched)					11
Pay Telephone					12
Coin-Operated Pay Telephone	11				13
Independent Pay Telephone Provider					14
Other	0				15
<b>Total Business Lines</b>	<b>715</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>16</b>
<b>Residential (Incl. Emp. Concess.)</b>					
1 Party	2,145				17
2 Party					18
4 Party					19
FX-Out (Switched)					20
Other					21
<b>Total Residential Lines</b>	<b>2,145</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>22</b>
<b>Total Bus &amp; Res Lines</b>	<b>2,860</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>23</b>
Company Used Lines					24
<b>Total Lines Used</b>	<b>2,860</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>25</b>

**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	4980				1
<b>Miscellaneous</b>					<b>2</b>
WATS Lines - OutWATS					3
WATS Lines - 800 Service					4
FX-In-intraLATA	1				5
Special Access-intraLATA					6
(equiv. access lines)	27				7
Special Access-interLATA					8
(equiv. access lines)	341				9
Feature Group A Lines					10
Feature Group B Trunks					11
Feature Group C Trunks					12
Feature Group D Trunks					13
TSPS - Trunks					14
EAS - Trunks					15
Cellular Trunks (Pub. Sw. Net.)					16
Video Distance Learning					17
- discounted (special tariff)					18
<b>Other</b>					<b>19</b>
Exchange Square Miles	45				20
Exchange Route Miles	176				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

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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	SOMERSET				1
PSCW Exchange ID	4980				2
Central Office Name	SOMERSET				3
PSCW Central Office ID	1				4
Central Office CLLI Code	SMRTWIXADSO				5
Manufacturer of COE (Page 54)	NT				6
Year COE Installed	1983				7
Type of Equipment (Page 54)	D				8
(S)tandalone, (H)ost, (R)emote, (A)dv Fiber Comm	S				9
Remote Host PSCW Exchange ID					10
Remote Host PSCW Central Office ID	0				11
COE Generic Software Release No.	502.10				12
SS7?	Yes				13
9-1-1?	Yes				14
Access Lines - In Use	2,860				15
- Equipped	4,012				16
- Wired	5,936				17
Trunks - In Use	192				18
- Equipped	192				19
- Wired	192				20
ISDN Available?	No				21
ISDN Lines - In Use (BRI)	0				22
- In Use (PRI)	0				23
XDSL Available?	No				24
- In Use (# lines)					25
Switched 56 Service?	No				26
Switched 56 lines in use	0				27
Digital Transmission Facilities: DS-1 - In Use	0				28
DS-3 - In Use	0				29
Advanced Data Service Available:					
Packet Switching?	No				30
SMDS?	No				31
Frame Relay?	No				32
ATM (Asynchronous Trans. Mode)?	No				33
Video Information - Service Available?	No				34
- In Use (# lines) <sup>1</sup>	0				35
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	184				36
No. of fiber strands working (LIT) in C.O.	8				37
No. of fiber strands for interoffice use	0				38
Miles of fiber sheath in wire center	43				39
Access Tandem Serving this C.O.:					
- C.O. Name	NEW RICHMOND				40
- PSCW C.O. ID	3800-01				41
Does this C.O. do access tandem switching?	No				42
Footnotes					43

<sup>1</sup> Teleco provided end-to-end facility.

## GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

### General Footnote

Accountants Compilation Report

To the Board of Directors  
Somerset Telephone Company, Inc.  
Amery, Wisconsin

We have compiled the balance sheets of Somerset Telephone Company, Inc. as of December 31, 2002 and 2001, 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, 2003

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### Schedule Footnotes

Affiliated Interest Transactions Footnote. Page 15

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

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### Schedule Line Footnotes

- A) Was overdepreciated in 2001, will be corrected in 2003.
- B) Increase in end user charges.
- C) Increase in special access circuits.
- D) Reclassification of intrastate revenues. Net change in 5084s below variance threshold.
- E) Decrease due to decrease in Ameritech billing and collection in 2002.
- F) Increase due to write-offs of Worldcom and Global Crossing.

## GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

- G)** Increase in maintenance and locating cost for outside plant.
- H)** Retired or fully depreciated certain assets.
  - I)** Increase in billing related costs.
- J)** Decrease in executive expenses in 2002.
- K)** Local telephone calls and minutes of use data are not available for lines 1-4 on page 47. The cost incurred for the necessary software and record keeping for usage sensitive recording would not be practical for information that will not be used elsewhere.
- L)** The reported amount of zero for these special access circuits is correct for the Company.