



4004

**ANNUAL REPORT**

OF

Name: MOUNT HOREB TELEPHONE COMPANY

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Principal Office: 200 E MAIN ST  
P.O. BOX 65  
MOUNT HOREB, WI 53572-0065  
PO Box Zip Code: 53572-0065

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For the Year Ended: DECEMBER 31, 2003

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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 2002 report is due April 1, 2003.) 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, unless additional provisional confidential treatment is desired.** Go to the Public Service Commission of Wisconsin's Web Page at <http://psc.wi.gov>, click on the Annual Reports icon, click on Annual Report Programs - Telecommunications, and click the appropriate program 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-113. 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). Do not type commas when entering numbers. 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 thousand dollars.
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 January 29, 2003, as supplemented for the new nonregulated schedules and a request for additional confidential treatment dated April 15, 2004.
13. It is not necessary to manually or electronically "sign" the signature page. It is not necessary to file a hardcopy of the annual report with the Commission.

## GENERAL RULES FOR REPORTING

### 14. **Edit Check, Confidential Listing, Exported Annual Report, and Export Status Files; Filing the Completed Report:**

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 pscrecs@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 (e.g., the new name, the date of the change, and the affected entities with their respective four-digit Commission identification numbers) 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 <http://www.wdfi.org>; or
3. By writing to DFI at P.O. Box 7846, Madison, WI 53707-7846.

**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 an electronic 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.

Revisions to an annual report previously filed on a manual basis also require a new complete manual filing.

## **GENERAL RULES FOR REPORTING**



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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

## IDENTIFICATION AND OWNERSHIP

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**Exact Utility Name:** MOUNT HOREB TELEPHONE COMPANY  
**Utility Location:** 200 E MAIN ST  
P.O. BOX 65  
MOUNT HOREB, WI 53572-0065  
P.O. BOX ZIP 53572-0065

**Utility Web Site Address:**

**When was utility organized?:** 12/15/1919

**Report any change in name and the effective date:**

**Telephone numbers for potential customers to contact company:**

Business Customers: (608) 437 - 5551    Ext:

Residential Customers: (608) 437 - 5551    Ext:

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### Primary Utility Contact (located at utility address)

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**Name:** MR. JOHN A. KLARER  
**Title:** GENERAL MANAGER

**Office Address:** 200 EAST MAIN STREET  
P.O. BOX 65  
MOUNT HOREB, WI 53572

**Fax Number:** (608) 437 - 8898  
**Telephone Number:** (608) 437 - 5551  
**Email Address:** JAK@MHTC.NET

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### Officer in charge of correspondence concerning this report

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**Name:** MR. JOHN A. KLARER  
**Title:** GENERAL MANAGER/SECRETARY

**Office Address:** 200 EAST MAIN STREET  
P.O. BOX 65  
MOUNT HOREB, WI 53572

**Fax Number:** (608) 437 - 8898  
**Telephone Number:** (608) 437 - 5551  
**Email Address:** JAK@MHTC.NET

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

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**Name:**  
**Title:**

**Office Address:**

**Fax Number:**  
**Telephone Number:**  
**Email Address:**

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## IDENTIFICATION AND OWNERSHIP

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### Person responsible for financial information contained in report

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**Name:** MRS. KRISTINE MANCHESTER/MR. PAUL SUTTER  
**Title:** ACCOUNTANT

**Office Address:** 200 EAST MAIN STREET  
P.O. BOX 65  
MOUNT HOREB, WI 53572

**Fax Number:** (608) 437 - 8898  
**Telephone Number:** (608) 437 - 5551  
**Email Address:** KAM@MHTC.NET

### Person responsible for statistical information contained in report

---

**Name:** MRS. KRISTINE MANCHESTER/MR. PAUL SUTTER  
**Title:** ACCOUNTANT

**Office Address:** 200 EAST MAIN STREET  
P.O. BOX 65  
MOUNT HOREB, WI 53572

**Fax Number:** (608) 437 - 8898 EXT  
**Telephone Number:** (608) 437 - 5551  
**Email Address:** KAM@MHTC.NET

### Contact person for regulatory inquiries and complaints

---

**Name:** MR. JOHN A. KLARER  
**Title:** GENERAL MANAGER

**Office Address:** 200 EAST MAIN STREET  
P.O. BOX 65  
MOUNT HOREB, WI 53572

**Fax Number:** (608) 437 - 8898  
**Telephone Number:** (608) 437 - 5551  
**Email Address:** JAK@MHTC.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:** NONE  
**Address:** NONE  
PO BOX 00  
NONE, WI 00000

**Number of Shares Held:**  
**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:** MH COMMUNICATIONS INC  
**Form of Interest:** 100% OWNED SUBSIDIARY  
**Extent Of Interest:** 100% INTEREST

## IDENTIFICATION AND OWNERSHIP

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

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<b>Company Name:</b>	MH TELECOM, LLC
<b>Form of Interest:</b>	100% OWNED SUBSIDIARY
<b>Extent Of Interest:</b>	100% INTEREST

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

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<b>Name:</b> ARTHUR T. FIELD <b>Title/Occupation:</b> VICE PRESIDENT <b>Business Address (1):</b> 200 EAST MAIN STREET <b>Business Address (2):</b> <b>Business Address (3):</b> <b>City State, Zip:</b> MOUNT HOREB, WI 53572	<b>1</b>
<hr/>	
<b>Name:</b> CLARENCE V. THRONSON <b>Title/Occupation:</b> PRESIDENT <b>Business Address (1):</b> 200 EAST MAIN STREET <b>Business Address (2):</b> <b>Business Address (3):</b> <b>City State, Zip:</b> MOUNT HOREB, WI 53572	<b>2</b>
<hr/>	
<b>Name:</b> DAVID BYERS <b>Title/Occupation:</b> DIRECTOR <b>Business Address (1):</b> 200 EAST MAIN STREET <b>Business Address (2):</b> <b>Business Address (3):</b> <b>City State, Zip:</b> MOUNT HOREB, WI 53572	<b>3</b>
<hr/>	
<b>Name:</b> JOHN A. KLARER <b>Title/Occupation:</b> GENERAL MANAGER/SECRETARY <b>Business Address (1):</b> 200 EAST MAIN STREET <b>Business Address (2):</b> <b>Business Address (3):</b> <b>City State, Zip:</b> MOUNT HOREB, WI 53572	<b>4</b>
<hr/>	
<b>Name:</b> MARY LOU UNDERWOOD <b>Title/Occupation:</b> TREASURER <b>Business Address (1):</b> 200 EAST MAIN STREET <b>Business Address (2):</b> <b>Business Address (3):</b> <b>City State, Zip:</b> MOUNT HOREB, WI 53572	<b>5</b>

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**INCOME STATEMENT - TOTAL COMPANY**

Particulars (a)	This Year (000's) (b)	Last Year (000's) (c)	
<b>Operating Revenues</b>			
Operating Revenues (5000-5300)	5,602	5,071	1
<b>Total Operating Revenues</b>	<b>5,602</b>	<b>5,071</b>	
<b>Operating Expenses</b>			
Plant Specific Operations Expenses (6110-6410)	509	402	2
Other Plant Nonspecific Operations Expenses	1,535	1,376	3
Customer Operations Expense (6610-6620)	1,122	721	4
Corporate Operations Expense (6720-6790)	640	539	5
Other Operating Income and Expense (7100)	0	0	6
Operating Taxes (7200)	551	793	7
<b>Total Operating Expenses</b>	<b>4,357</b>	<b>3,831</b>	
<b>Net Operating Income</b>	<b>1,245</b>	<b>1,240</b>	
<b>Other Income</b>			
Nonoperating Income and Expense (7300)	220	168	8
Nonoperating Taxes (7400)	193	(19)	9
Interest and Related Items (7500)	437	440	10
Extraordinary Items (7600)	0	0	11
Nonregulated Net Income (7990)	0	59	12
<b>Total Nonoperating Income</b>	<b>(410)</b>	<b>(194)</b>	
<b>Net Income</b>	<b>835</b>	<b>1,046</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 effect 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 the Uniform System of Accounts for the Class A and B Telephone Companies prescribed by the FCC as modified by the PSCW. 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. 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 the cost of removal less any salvage realized. No gains or losses are recognized in connection with routine retirements of depreciable property. Repairs and renewals of minor items of property are included in plant specific operations expense.

Income taxes 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 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 arise from property and equipment and investments. 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.

Revenues are recognized when earned regardless of the period in which they are billed. Network access service revenues are derived from charges for access to the Company's local exchange network. The interstate portion of access revenues are based, in part, on cost separation procedures, except for traffic sensitive rates which are based on company tariffed rates, on file with the FCC. The intrastate portion of access revenues are billed on individual company tariff access charges approved by the PSCW. Debt and marketable equity securities bought and held principally for selling in the near future are classified as trading securities and carried at fair value. Unrealized holding gains and losses on trading securities are reported in earnings. Debt and marketable equity securities classified as available for sale are carried at fair value with unrealized holding gains and losses recorded as a separate component of stockholders' equity. Debt securities for which the company has both the

## 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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positive intent and ability to hold to maturity are classified as held to maturity and carried at amortized cost. The company uses the FIFO method of computing gains and losses. Nonmarketable equity investments, over which the Company has significant influence or a 20% ownership, are reflected on the equity method. Other nonmarketable equity investments are stated at cost.

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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

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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 delcaration or payment of cash dividends, redemption of capital stock, or investment in affiliated companies except as might be specifically authorized in writing in advance by the RUS and RTB noteholders.

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

Particulars (a)	Balance--EOY	Balance--FOY (000's) (c)	
<b>CURRENT ASSETS</b>			
<b>CASH AND EQUIVALENTS</b>			
Cash and Equivalents (1120)*	2,984	3,129	1
<b>TOTAL CASH AND EQUIVALENTS</b>	<b>2,984</b>	<b>3,129</b>	
<b>RECEIVABLES AND ALLOWANCE FOR DOUBTFUL ACCOUNTS</b>			
Telecommunications Accounts Receivable (1180)*	149	84	2
Other Accounts Receivable (1190)*	1,283	738	3
Receivables (1170)*	258	258	4
Accounts Receivable Allowance-Telecom (1181)*			5
Accounts Receivable Allowance-Other (1191)*			6
Allowance for Doubtful Accounts (1171)*			7
<b>TOTAL RECEIVABLES AND ALLOWANCE FOR DOUBTFUL ACCOUNTS</b>	<b>1,690</b>	<b>1,080</b>	
<b>SUPPLIES</b>			
Inventories (1220)*	306	381	8
<b>TOTAL SUPPLIES</b>	<b>306</b>	<b>381</b>	
<b>PREPAYMENTS</b>			
Prepayments (1280)*	92	102	9
<b>TOTAL PREPAYMENTS</b>	<b>92</b>	<b>102</b>	
<b>OTHER CURRENT ASSETS</b>			
Other Current Assets (1350)*	68	56	10
<b>TOTAL OTHER CURRENT ASSETS</b>	<b>68</b>	<b>56</b>	
<b>TOTAL CURRENT ASSETS</b>	<b>5,140</b>	<b>4,748</b>	
<b>NONCURRENT ASSETS</b>			
<b>INVESTMENTS</b>			
Nonregulated Investments (1406)*		65	11
RTB Class B Stock (1402)*	147	123	12
Other Noncurrent Assets (1410)*	7,678	7,341	13
<b>TOTAL INVESTMENTS</b>	<b>7,825</b>	<b>7,529</b>	
<b>DEFERRED CHARGES</b>			
Deferred Maint., Retirements and Other Deferred Charges (1438)*			14
<b>TOTAL DEFERRED CHARGES</b>	<b>0</b>	<b>0</b>	
<b>OTHER JURISDICTIONAL ASSETS-NET</b>			
Other Jurisdictional Assets-Net (1500)*			15
<b>TOTAL OTHER JURISDICTIONAL ASSETS-NET</b>	<b>0</b>	<b>0</b>	
<b>TOTAL NONCURRENT ASSETS</b>	<b>7,825</b>	<b>7,529</b>	
<b>PLANT</b>			
<b>TELECOMMUNICATIONS PLANT IN SERVICE</b>			
Telecommunications Plant in Service (2001)*	17,568	16,727	16
Less: Accumulated Depreciation (3100)*	9,321	8,068	17
Less: Accumulated Amortization-Tangible (3400)*			18
Less: Accumulated Amortization-Capitalized Leases (3410)			19
Less: Accumulated Amortization-Leasehold Improvements (3420)			20
<b>NET TELECOMMUNICATIONS PLANT IN SERVICE</b>	<b>8,247</b>	<b>8,659</b>	

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

Particulars (a)	Balance--EOY	Balance--FOY (000's) (c)
<b>PLANT</b>		
<b>PROPERTY HELD FOR FUTURE USE</b>		
Property Held for Future Telecommunications Use (2002)*		21
Less: Accumulated Depr.-Held for Future Telecom. Use (3200)*		22
<b>NET PROPERTY HELD FOR FUTURE USE</b>	<b>0</b>	<b>0</b>
<b>NONOPERATING PLANT</b>		
Nonoperating Plant (2006)*		23
Less: Accumulated Depreciation-Nonoperating (3300)*		24
<b>NET NONOPERATING PLANT</b>	<b>0</b>	<b>0</b>
<b>TPUC</b>		
Telecommunications Plant Under Construction (2003)*	1,258	11 25
<b>TOTAL TPUC</b>	<b>1,258</b>	<b>11</b>
<b>TELECOMMUNICATIONS PLANT ADJUSTMENT</b>		
Telecommunications Plant Adjustment (2005)*		26
<b>NET TELECOMMUNICATIONS PLANT ADJUSTMENT</b>	<b>0</b>	<b>0</b>
<b>GOODWILL</b>		
Goodwill (2007)*		27
<b>TOTAL GOODWILL</b>	<b>0</b>	<b>0</b>
<b>TOTAL PLANT</b>	<b>9,505</b>	<b>8,670</b>
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>22,470</b>	<b>20,947</b>

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

Particulars (a)	Balance--EOY (000's) (b)	Balance--FOY (000's) (c)	
<b>CURRENT LIABILITIES</b>			
Notes Payable (4020)*			1
Other Current Accounts and Notes Payable (4000)*	1,202	642	2
Customers' Deposits (4040)*			3
Income Taxes-Accrued (4070)*	(275)	365	4
Other Taxes-Accrued (4080)*		5	5
Net Current Deferred Operating Income Taxes (4100)*			6
Net Current Deferred Nonoperating Income Taxes (4110)*			7
Current Maturities-Long-Term Debt (4050)*	465	410	8
Current Maturities-Capital Leases (4060)*			9
Other Current Liabilities (4130)*	175	88	10
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,567</b>	<b>1,510</b>	
<b>LONG-TERM DEBT</b>			
Funded Debt (4210)*	7,449	7,434	11
Obligations Under Capital Leases (4250)*			12
Advances from Affiliated Companies (4260)*	0		13
Other Long-Term Debt (4270)*			14
Long-Term Debt and Funded Debt (4200)*			15
<b>TOTAL LONG-TERM DEBT</b>	<b>7,449</b>	<b>7,434</b>	
<b>OTHER LIABILITIES AND DEFERRED CREDITS</b>			
Other Liabilities and Deferred Credits (4300)*	70	77	16
Unamortized Operating Investment Tax Credits-Net (4320)*			17
Unamortized Nonoperating Investment Tax Credits-Net (4330)*			18
Net Noncurrent Deferred Operating Income Taxes (4340)*	663	575	19
Net Deferred Tax Liability Adjustments (4341)*			20
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	651	(59)	21
Deferred Tax Regulatory Adjustments-Net (4361)*			22
Other Jurisdictional Liabilities and Deferred Credits-Net (4370)*			23
<b>TOTAL OTHER LIABILITIES AND DEFERRED CREDITS</b>	<b>1,384</b>	<b>593</b>	
<b>STOCKHOLDERS' EQUITY</b>			
Capital Stock (4510)*	1,200	1,200	24
Additional Paid-in Capital (4520)*	81		25
Treasury Stock (4530)*	170	173	26
Other Capital (4540)*	13	(38)	27
Retained Earnings (4550)*	12,481	10,421	28
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>13,605</b>	<b>11,410</b>	
<b>TOTAL LIABILITIES AND OTHER CREDITS</b>	<b>24,005</b>	<b>20,947</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. Provide details and dollar amounts for increases and decreases, respectively, by revenue category noted on Operating Revenues schedule.

**NOTE 1: Interstate special access rates were adjusted to levels specified in the company's interstate access tariff dated 7-1-03. Estimated increase in the annual revenue is \$31,000. Estimate is based on historic cost and demand from the previous two years.**

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

### AFFILIATE ABBREVIATIONS

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

<b>Name of Affiliate (a)</b>	<b>Abbreviations (b)</b>	
MH COMMUNICATIONS, INC.	MHCOM	<b>1</b>
MH TELECOM, LLC	MHTELECOM	<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	3940ATF103	Various	3940ATF103	Various	
Name of Affiliate	MHCOM	MHCOM	MHTELECOM	MHTELECOM	1
Designate whether billed to or from:	FROM	TO	FROM	TO	2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	M	CM	M	CM	3
Total Dollar Activity (000's)	5	61	10	1,446	4
Percent of affiliate's business billed to all affiliated regulated utilities	1.42		0.30		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: 1160, Temporary Investments; 1120, Cash and Equivalents (for other than former account 1160); 1180, Telecommunications Accounts Receivable; 1190, Other Accounts Receivable; 1200, Notes Receivable; 1210, Interest and Dividends Receivable; 1170, Receivables (for other than former accounts 1180, 1190, 1200, and 1210); 1401, Investment in Affiliated Companies; 1408, Sinking Funds; 1410, Other Noncurrent Assets (for other than former accounts 1401 and 1408); 4010, Accounts Payable; 4020, Notes Payable; 4000, Current Accounts and Notes Payable (for other than former accounts 4010 and 4020); 4260, Advances from Affiliated Companies; and 4200, Long Term Debt and Funded Debt (for other than former account 4260). 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 (000's) (c)	
MH COMMUNICATIONS, INC.	1170	57	<b>1</b>
MH TELECOM, LLC	1170	749	<b>2</b>
MH TELECOM, LLC	1200	250	<b>3</b>
MH TELECOM, LLC	1210	3	<b>4</b>
MH COMMUNICATIONS, INC.	1401	1	<b>5</b>
MH TELECOM, LLC	1401	6,500	<b>6</b>
MH COMMUNICATIONS, INC.	4010	165	<b>7</b>
MH TELECOM, LLC	4010	404	<b>8</b>

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

Plant Account (a)	Account (b)	Balance FOY (000's) (c)	Additions (000's) (d)	
<b>GENERAL SUPPORT ASSETS</b>				
Land	2111	207		1
Motor Vehicles	2112	267	26	2
Aircraft	2113			3
Tools and Other Work Equipment	2114	122		4
Buildings	2121	1,039	50	5
Furniture	2122	59		6
Office Equipment	2123	57	0	7
General Purpose Computers	2124	212	559	8
<b>NET REG--GENERAL SUPPORT ASSETS:</b>		<b>1,963</b>	<b>635</b>	
<b>CENTRAL OFFICE ASSETS</b>				
Non-Digital Switching	2211			9
Digital Electronic Switching	2212	2,130	39	10
Operator Systems	2220			11
Radio Systems	2231			12
Circuit Equipment	2232	1,786	148	13
<b>NET REG--CENTRAL OFFICE ASSETS:</b>		<b>3,916</b>	<b>187</b>	
<b>INFORMATION ORIGATION/TERMINATION ASSETS</b>				
Station Apparatus	2311	3		14
Customer Premises Wiring	2321			15
Large Private Branch Exchanges	2341			16
Public Telephone Terminal Equipment	2351			17
Other Terminal Equipment	2362			18
<b>NET REG--INFORMATION ORIG/TERM ASSETS:</b>		<b>3</b>	<b>0</b>	
<b>CABLE &amp; WIRE FACILITIES ASSETS</b>				
Poles	2411	6		19
Aerial Cable	2421	44	0	20
Underground Cable	2422	1,311	3	21
Buried Cable	2423	7,620	224	22
Submarine and Deep Sea Cable	2424	0	0	23
Intrabuilding Network Cable	2426	5	0	24
Aerial Wire	2431	3		25
Conduit Systems	2441	1,813		26
<b>NET REG--CABLE &amp; WIRE FACILITIES ASSETS:</b>		<b>10,802</b>	<b>227</b>	
<b>AMORTIZABLE ASSETS</b>				
Capital Leases	2681	44		27
Leasehold Improvements	2682			28
Intangibles	2690			29
Accumulated Amortization - Intangible	3500			30
<b>NET REG--AMORTIZABLE ASSETS:</b>		<b>44</b>	<b>0</b>	

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

Account (e)	Retirements (000's) (f)	Transfers / Adjustments (000's) (g)	Balance EOY (000's) (h)	
2111			207	1
2112	24		269	2
2113			0	3
2114			122	4
2121			1,089	5
2122			59	6
2123	4	0	53	7
2124			771	8
	<b>28</b>	<b>0</b>	<b>2,570</b>	
2211			0	9
2212	56	0	2,113	10
2220			0	11
2231			0	12
2232	105	0	1,829	13
	<b>161</b>	<b>0</b>	<b>3,942</b>	
2311			3	14
2321			0	15
2341			0	16
2351			0	17
2362			0	18
	<b>0</b>	<b>0</b>	<b>3</b>	
2411			6	19
2421	7	0	37	20
2422	10	0	1,304	21
2423	7	0	7,837	22
2424	0	0	0	23
2426	0	0	5	24
2431			3	25
2441			1,813	26
	<b>24</b>	<b>0</b>	<b>11,005</b>	
2681	44		0	27
2682			0	28
2690			0	29
3500			0	30
	<b>44</b>	<b>0</b>	<b>0</b>	

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

Plant Account (a)	Account (b)	Balance FOY (000's) (c)	Additions (000's) (d)	
<b>NET REG TELECOM. PLANT IN SERVICE</b>		<b>16,728</b>	<b>1,049</b>	
Plus: Allocation to Nonregulated Activity - EOY	2001			<b>31</b>
<b>TOTAL TELECOM. PLANT IN SERVICE - EOY</b>				
Explain all amounts shown in column (g).				

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

<b>Account (e)</b>	<b>Retirements (000's) (f)</b>	<b>Transfers / Adjustments (000's) (g)</b>	<b>Balance EOY (000's) (h)</b>	
	<b>257</b>	<b>0</b>	<b>17,520</b>	
2001			48	<b>31</b>
			<b>17,568</b>	

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

Report telecommunications plant data for each subaccount where primary plant accounts have subclassifications. 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.

<b>Plant Subaccount (a)</b>	<b>Subaccount (b)</b>	<b>Balance FOY (000's) (c)</b>	<b>Additions (000's) (d)</b>	
Office Support Equipment	2123.1	28		<b>1</b>
Company Communications Equipment	2123.2	29		<b>2</b>
Digital Electronic Switching - Circuit	2212.1			<b>3</b>
Digital Electronic Switching - Packet	2212.2	2,130	39	<b>4</b>
Circuit Equipment - Electronic	2232.1	124	7	<b>5</b>
Circuit Equipment- Optical	2232.2	1,662	141	<b>6</b>
Aerial Cable - Nonmetallic	2421.1			<b>7</b>
Aerial Cable - Metallic	2421.2	44		<b>8</b>
Underground Cable - Nonmetallic	2422.1	256	3	<b>9</b>
Underground Cable - Metallic	2422.2	1,055		<b>10</b>
Buried Cable - Nonmetallic	2423.1	1,538		<b>11</b>
Buried Cable - Metallic	2423.2	6,082	224	<b>12</b>
Submarine and Deep Sea Cable - Nonmetallic	2424.1			<b>13</b>
Submarine and Deep Sea Cable - Metallic	2424.2			<b>14</b>
Intrabuilding Cable - Nonmetallic	2426.1			<b>15</b>
Intrabuilding Cable - Metallic	2426.2	5		<b>16</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 (000's) (f)</b>	<b>Transfers / Adjustments (000's) (g)</b>	<b>Balance EOY (000's) (h)</b>	
2123.1	4		24	1
2123.2			29	2
2212.1			0	3
2212.2	56		2,113	4
2232.1			131	5
2232.2	105		1,698	6
2421.1			0	7
2421.2	7		37	8
2422.1	8		251	9
2422.2	2		1,053	10
2423.1			1,538	11
2423.2	7		6,299	12
2424.1			0	13
2424.2			0	14
2426.1			0	15
2426.2			5	16

**ACCUMULATED DEPRECIATION CLASS A & B**

<b>Primary Plant Account (a)</b>	<b>Acct (b)</b>	<b>Balance FOY (000's) (c)</b>	<b>Depr Rate (d)</b>	<b>Annual Accrual (000's) (e)</b>	<b>Additional Accrual (000's) (f)</b>	
<b>GENERAL SUPPORT ASSETS</b>						
Motor Vehicles	2112	180	20.0000	16		1
Aircraft	2113					2
Tools and Other Work Equipment	2114	105	10.0000	2		3
Buildings	2121	443	3.4000	36		4
Furniture	2122	37	8.3000	5		5
Office Equipment	2123	48	20.0000	6	0	6
General Purpose Computers	2124	165	22.5000	131		7
<b>NET REG--GENERAL SUPPORT ASSETS</b>		<b>978</b>		<b>196</b>	<b>0</b>	
<b>CENTRAL OFFICE ASSETS</b>						
Non-Digital Switching	2211					8
Digital Electronic Switching	2212	424	10.8700	227	0	9
Operator Systems	2220					10
Radio Systems	2231					11
Circuit Equipment	2232	485	10.0600	179	0	12
<b>NET REG--CENTRAL OFFICE ASSETS</b>		<b>909</b>		<b>406</b>	<b>0</b>	
<b>INFORMATION ORINATION/TERMINATION ASSETS</b>						
Station Apparatus	2311	3				13
Customer Premises Wiring	2321					14
Large Private Branch Exchanges	2341					15
Public Telephone Terminal Equipment	2351					16
Other Terminal Equipment	2362					17
<b>NET REG--INFORMATION ORIG/TERM ASSETS</b>		<b>3</b>		<b>0</b>	<b>0</b>	
<b>CABLE &amp; WIRE FACILITIES ASSETS</b>						
Poles	2411	4	11.6700	1		18
Aerial Cable	2421	17	6.0000	3	0	19
Underground Cable	2422	869	8.3000	111	0	20
Buried Cable	2423	4,587	7.9600	625	0	21
Submarine and Deep Sea Cable	2424	0		0	0	22
Intrabuilding Network Cable	2426	3	6.5000	1	0	23
Aerial Wire	2431	3				24
Conduit Systems	2441	694	3.4800	63		25
<b>NET REG--CABLE &amp; WIRE FACILITIES ASSETS</b>		<b>6,177</b>		<b>804</b>	<b>0</b>	
<b>Net Reg Accumulated Depreciation</b>		<b>8,067</b>		<b>1,406</b>	<b>0</b>	
Plus: Nonreg Accumulated Depreciation	3100			13	0	26
<b>Total Accumulated Depreciation</b>				<b>1,419</b>	<b>0</b>	
<b>Columns e, f and I</b>						

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

Acct (g)	Retired (000's) (h)	Cost of Removal (000's) (i)	Salvage (000's) (j)	Other (000's) (k)	Balance EOY (000's) (l)	
2112	24		7		179	1
2113	0				0	2
2114	0				107	3
2121	0				479	4
2122	0				42	5
2123	4	0	0	0	50	6
2124	0		3		299	7
	28	0	10	0	1,156	
2211	0				0	8
2212	56	0	0	0	595	9
2220	0				0	10
2231	0				0	11
2232	105	0	10	0	569	12
	161	0	10	0	1,164	
2311	0				3	13
2321	0				0	14
2341	0				0	15
2351	0				0	16
2362	0				0	17
	0	0	0	0	3	
2411	0				5	18
2421	7	2	0	0	11	19
2422	10	0	2	0	972	20
2423	7	0	1	0	5,206	21
2424	0	0	0	0	0	22
2426	0	0	0	0	4	23
2431	0				3	24
2441	0				757	25
	24	2	3	0	6,958	
	213	2	23	0	9,281	
3100					40	26
					9,321	

**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 or subsidiary record. 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 (000's) (c)	Depr Rate (d)	Annual Accrual (000's) (e)	Additional Accrual (000's) (f)
Office Support Equipment	2123.1	28	15.0		1
Company Communications Equipment	2123.2	20	20.0	6	2
Digital Electronic Switching - Circuit	2212.1				3
Digital Electronic Switching - Packet	2212.2	424	10.87	227	4
Circuit Equipment - Electronic	2232.1	80	12.0	15	5
Circuit Equipment- Optical	2232.2	405	10.0	164	6
Aerial Cable - Nonmetallic	2421.1				7
Aerial Cable - Metallic	2421.2	17	6.0	3	8
Underground Cable - Nonmetallic	2422.1	134	6.5	16	9
Underground Cable - Metallic	2422.2	735	9.0	95	10
Buried Cable - Nonmetallic	2423.1	712	6.5	100	11
Buried Cable - Metallic	2423.2	3,875	8.5	525	12
Submarine and Deep Sea Cable - Nonmetall	2424.1				13
Submarine and Deep Sea Cable - Metallic	2424.2				14
Intrabuilding Cable - Nonmetallic	2426.1				15
Intrabuilding Cable - Metallic	2426.2	3	6.5	1	16

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

<b>Subacct (g)</b>	<b>Retired (000's) (h)</b>	<b>Cost of Removal (000's) (i)</b>	<b>Salvage (000's) (j)</b>	<b>Other (000's) (k)</b>	<b>Balance EOY (000's) (l)</b>	
2123.1	4				24	1
2123.2	0				26	2
2212.1	0				0	3
2212.2	56				595	4
2232.1	0				95	5
2232.2	105		10		474	6
2421.1	0				0	7
2421.2	7	2			11	8
2422.1	8		1		143	9
2422.2	2		1		829	10
2423.1	0				812	11
2423.2	7		1		4,394	12
2424.1	0				0	13
2424.2	0				0	14
2426.1	0				0	15
2426.2	0				4	16

**RETAINED EARNINGS (ACCT. 4550)**

Particulars (a)	This Year (000's) (b)	Last Year (000's) (c)	
Balance-First of Year	10,421	9,680	1
<b>Changes:</b>			
Balance Transferred from Income	2,370	2,422	2
<b>Dividends Declared:</b>			
Common	310	305	3
Preferred			4
<b>Total Dividends Declared</b>	<b>310</b>	<b>305</b>	
Miscellaneous Debits to Retained Earnings			5
Miscellaneous Credits to Retained Earnings			6
<b>Balance--End of Year</b>	<b><u>12,481</u></b>	<b><u>11,797</u></b>	

**REVENUES (CLASS B USE ACCOUNTS DESIGNATED BY \*)**

Particulars (a)	This Year (000's) (b)	Last Year (000's) (c)	
<b>LOCAL NETWORK SERVICES REVENUES</b>			
Basic Local Service Revenue (5000)*	1,967	2,339	1
Basic Area Revenue (5001)			2
Private Line Revenue (5040)			3
Other Basic Area Revenue (5060)			4
<b>TOTAL LOCAL NETWORK SERVICES REVENUES</b>	<b>1,967</b>	<b>2,339</b>	
<b>INTERSTATE NETWORK ACCESS SERVICES REV.</b>			
End User Revenue (5081)*	441	392	5
Switched Access Revenue (5082)*	881	726	6 B
Special Access Revenue (5083)*	339	207	7 C
<b>TOTAL INTERSTATE NETWORK ACCESS SERVICES REV.</b>	<b>1,661</b>	<b>1,325</b>	
<b>INTRASTATE NETWORK ACCESS SERVICES REV.</b>			
End User Revenue (5081)*			8
Switched Access Revenue (5082)*	568	579	9
Special Access Revenue (5083)*	428	377	10
<b>TOTAL INTRASTATE NETWORK ACCESS SERVICES REV.</b>	<b>996</b>	<b>956</b>	
<b>LONG DISTANCE NETWORK SERVICES MESSAGE REV.</b>			
Long Distance Message Revenue (5100)*			11
<b>TOTAL LONG DISTANCE NETWORK SERVICES MESSAGE REV.</b>	<b>0</b>	<b>0</b>	
<b>MISCELLANEOUS &amp; NONREGULATED REVENUES</b>			
Miscellaneous Revenue (5200)*	390	386	12
Directory Revenue (5230)	181	158	13
Nonregulated Operating Revenue (5280)*	399	0	14 D
<b>TOTAL MISCELLANEOUS &amp; NONREGULATED REVENUES</b>	<b>970</b>	<b>544</b>	
<b>GROSS OPERATING REVENUES</b>	<b>5,594</b>	<b>5,164</b>	
<b>UNCOLLECTIBLE REVENUES</b>			
Uncollectible Revenue (5300)*	(8)	93	15 E
<b>TOTAL UNCOLLECTIBLE REVENUES</b>	<b>(8)</b>	<b>93</b>	
<b>TOTAL OPERATING REVENUES</b>	<b>5,602</b>	<b>5,071</b>	

**EXPENSES - CLASS A & B**

Particulars (a)	Total This Year (000's) (b)	Total Last Year (000's) (c)	
<b>PLANT SPECIFIC OPERATIONS EXPENSE</b>			
Net Reg Network Support Expense (6110)	3	3	1
Net Reg General Support Expense (6120)	96	121	2 H
Net Reg Central Office Switching Expense (6210)	69	68	3
Net Reg Operator Systems Expense (6220)	0	0	4 G
Net Reg Central Office Transmission Expenses (6230)	59	53	5
Net Reg Information Orig. / Term. Expense (6310)	0	0	6
Net Reg Cable and Wire Facilities Expense (6410)	199	157	7 I
<b>NET REGULATED</b>	<b>426</b>	<b>402</b>	
<b>PLUS: NONREGULATED</b>	<b>83</b>	<b>0</b>	<b>8</b>
<b>TOTAL PLANT SPECIFIC OPERATIONS EXPENSE</b>	<b>509</b>	<b>402</b>	
<b>PLANT NONSPECIFIC OPERATIONS EXPENSE</b>			
Net Reg Other Property, Plant and Equip. Exp. (6510)	0	0	9
Net Reg Network Operations Expense (6530)	39	30	10
Net Reg Access Expense (6540)	73	73	11
Net Reg Depreciation and Amortization Expense (6560)	1,405	1,273	12
<b>NET REGULATED</b>	<b>1,517</b>	<b>1,376</b>	
<b>PLUS: NONREGULATED</b>	<b>18</b>	<b>0</b>	<b>13</b>
<b>TOTAL PLANT NONSPECIFIC OPERATIONS EXPENSE</b>	<b>1,535</b>	<b>1,376</b>	
<b>CUSTOMER OPERATIONS EXPENSE</b>			
Net Reg Marketing (6610)	10	10	14
Net Reg Services (6620)	867	711	15 J
<b>NET REGULATED</b>	<b>877</b>	<b>721</b>	
<b>PLUS: NONREGULATED</b>	<b>245</b>	<b>0</b>	<b>16</b>
<b>TOTAL CUSTOMER OPERATIONS EXPENSE</b>	<b>1,122</b>	<b>721</b>	
<b>CORPORATE OPERATIONS EXPENSE</b>			
Net Reg General and Administrative (6720)	631	539	17
Net Reg Provision for Uncollectible Notes Receiv. (6790)	0	0	18
<b>NET REGULATED</b>	<b>631</b>	<b>539</b>	
<b>PLUS: NONREGULATED</b>	<b>9</b>	<b>0</b>	<b>19</b>
<b>TOTAL CORPORATE OPERATIONS EXPENSE</b>	<b>640</b>	<b>539</b>	
<b>NET REGULATED</b>	<b>3,451</b>	<b>3,038</b>	
<b>PLUS: NONREGULATED</b>	<b>355</b>	<b>0</b>	
<b>TOTAL EXPENSES</b>	<b>3,806</b>	<b>3,038</b>	

**EXPENSES - CLASS A & B (DETAIL)**

Particulars (a)	Total This Year (000's) (b)	Total Last Year (000's) (c)	
Property Held for Future Tele. Use Exp. ( 6511 )		0	1
Provisioning Expense ( 6512 )	0	0	2
<b>NET REG: Reported in Account 6510</b>	<b>0</b>	<b>0</b>	
Depreciat. Exp.--Tele. Plant in Service ( 6561 )	1,405	1,273	3
Depreciat. Exp.--Prop. Held for Future Tele. Use ( 6562 )			4
Amortization Expense--Tangible ( 6563 )			5
Amortization Expense--Intangible ( 6564 )			6
Amortization Expense--Other ( 6565 )			7
<b>NET REG: Reported in Account 6560</b>	<b>1,405</b>	<b>1,273</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 (000's) (b)	
Gross Operating Revenues	5,594	1
Plus: Collection of amounts previously written off	33	2
Less: Uncollectibles written off during the year	25	3
Plus: Total Net Reg. Other Operating Income and (Expense) (7100)	0	4
Less: Nonregulated Operating Revenue (included in Gross Oper. Rev. on Line 1)	399	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):	0	8
<hr/>		
<b>Assessable Revenues for Remainder and Telephone Relay Assessment Purposes</b>	<u><u>5,203</u></u>	

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

Description (a)	This Year (000's) (b)	
Total Basic Local Service Revenue (5000)	1,967	1
Plus: Total Intrastate Access Revenues (5081-5083)	996	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus: Intrastate Payphone Revenues	4	5
Plus (or Less) Other (please specify):	0	6
<hr/>		
<b>Assessable Revenues for Universal Service Fund Assessment Purposes</b>	<u><u>2,967</u></u>	

**OTHER INCOME ACCOUNTS**

Particulars (a)	This Year (000's) (b)	Last Year (000's) (c)	
<b>OTHER OPERATING INCOME AND EXPENSE</b>			
Net Reg Other Operating Income and (Expense) (7100)			1
<b>NET REGULATED</b>	0	0	
<b>PLUS: NONREGULATED</b>	0	0	2
<b>TOTAL OTHER OPERATING INCOME AND EXPENSE (7100)</b>	0	0	
<b>OPERATING TAXES</b>			
Net Reg Operating Investment Tax Credits--Net (7210)			3
Net Reg Operating Federal Income Taxes (7220)	324	329	4
Net Reg Operating State and Local Income Taxes (7230)	12	95	5
Net Reg Operating Other Taxes (7240)	150	162	6
Net Reg Provision for Deferred Operating Income Taxes--Net (7250)	47	207	7
<b>NET REGULATED</b>	533	793	
<b>PLUS: NONREGULATED</b>	18	0	8
<b>TOTAL OPERATING TAXES (7200)</b>	551	793	
<b>NONOPERATING INCOME AND EXPENSE</b>			
Net Reg Dividend Income (7310)			9
Net Reg Interest Income (7320)	80	93	10
Net Reg Income from Sinking and Other Funds (7330)			11
Net Reg Allowance for Funds Used During Construction (7340)	17	4	12
Net Reg Gains or (Losses) from the Disposition of Certain Property (7350)			13
Net Reg Other Nonoperating Income (7360)	127	77	14
Net Reg Special Charges (7370)	4	6	15
<b>NET REGULATED</b>	220	168	
<b>PLUS: NONREGULATED</b>	0	0	16
<b>TOTAL NONOPERATING INCOME AND EXPENSE (7300)</b>	220	168	
<b>NONOPERATING TAXES</b>			
Net Reg Nonoperating Taxes (7400)	193	(19)	17
<b>NET REGULATED</b>	193	(19)	
<b>PLUS: NONREGULATED</b>	0	0	18
<b>TOTAL NONOPERATING TAXES (7400)</b>	193	(19)	
<b>INTEREST AND RELATED ITEMS</b>			
Net Reg Interest and Related Items (7500)	437	440	19
<b>NET REGULATED</b>	437	440	
<b>PLUS: NONREGULATED</b>	0	0	20
<b>TOTAL INTEREST AND RELATED ITEMS (7500)</b>	437	440	
<b>EXTRAORDINARY ITEMS</b>			
Net Reg Extraordinary Items (7600)			21
<b>NET REGULATED</b>	0	0	
<b>PLUS: NONREGULATED</b>	0	0	22
<b>TOTAL EXTRAORDINARY ITEMS (7600)</b>	0	0	
<b>NONREGULATED NET INCOME</b>			
Nonregulated Net Income (7990)		59	23
<b>TOTAL NONREGULATED NET INCOME (7990)</b>	0	59	
<b>TOTAL NET REGULATED</b>	1,383	1,441	
<b>TOTAL NONREGULATED</b>	18	0	
<b>TOTAL OTHER INCOME ACCOUNTS</b>	1,401	1,441	

**NONREGULATED ACCUMULATED DEPRECIATION**

<b>Plant Account (a)</b>	<b>Acct (b)</b>	<b>Annual Accrual (000's) (c)</b>	<b>Additonal Accrual (000's) (d)</b>	<b>Balance EOY (000's) (e)</b>	
Office Equipment	2123			0	<b>1</b>
Station Apparatus	2311	13	0	38	<b>2</b>
Public Telephone Terminal Equipment	2351	0	0	2	<b>3</b>
<b>Total Nonregulated Accumulated Depreciation</b>		<b>13</b>	<b>0</b>	<b>40</b>	

**NONREGULATED INCOME STATEMENT**

Particulars (a)	This Year (000's) (b)	Last Year (000's) (c)
<b>NONREGULATED REVENUES</b>		
Nonregulated Operating Revenue (5280)	399	1
<b>NONREGULATED EXPENSES</b>		
<b>Plant Specific Operations Expense</b>		
Nonregulated Network Support Expense (6110)		2
Nonregulated General Support Expense (6120)		3
Nonregulated Central Office Switching Expense (6210)		4
Nonregulated Operator Systems Expense (6220)	83	5
Nonregulated Central Office Transmission Expense (6230)		6
Nonregulated Information Orig./Term. Expense (6310)		7
Nonregulated Cable and Wire Facilities Expense (6410)		8
<b>Total Nonregulated Plant Specific Operations Expense</b>	<b>83</b>	<b>0</b>
<b>Plant Nonspecific Operations Expense</b>		
Nonregulated Other Property, Plant and Equip. Exp (6510)		9
Nonregulated Network Operations Expense (6530)		10
Nonregulated Access Expense (6540)		11
Nonregulated Depreciation and Amortization Expense (6560)	18	12
<b>Total Nonregulated Plant Nonspecific Operations Expense</b>	<b>18</b>	<b>0</b>
<b>Customer Operations Expense</b>		
Nonregulated Marketing (6610)	1	13
Nonregulated Services (6620)	244	14
<b>Total Nonregulated Customer Operations Expense</b>	<b>245</b>	<b>0</b>
<b>Corporate Operations Expense</b>		
Nonregulated General and Administrative (6720)	9	15
Nonregulated Provision for Uncollectible Notes Receivable (6790)		16
<b>Total Nonregulated Corporate Operations Expense</b>	<b>9</b>	<b>0</b>
<b>TOTAL NONREGULATED EXPENSES (Excluding Other Income Accts.)</b>	<b>355</b>	<b>0</b>
<b>OTHER NONREGULATED INCOME ACCOUNTS</b>		
Nonregulated Other Operating Income and Expense (7100)		17
Nonregulated Operating Taxes (7200)	18	18
Nonregulated Nonoperating Income and Expense (7300)		19
Nonregulated Nonoperating Taxes (7400)		20
Nonregulated Interest and Related Items (7500)		21
Nonregulated Extraordinary Items (7600)		22
<b>NONREGULATED NET INCOME</b>	<b>26</b>	<b>0</b>

## NONREGULATED ACTIVITIES

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

<b>Nonregulated Activity (a)</b>	
CUSTOMER PREMISES EQUIPMENT	1
INSIDE WIRING	2
PAYPHONES	3
SATELLITE TELEVISION PROGRAMMING	4

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**NONREGULATED INVESTMENTS**

<b>Particulars (a)</b>	<b>Balance EOY (000's) (b)</b>	
Telecommunications Plant in Service - Allocation to Nonregulated Activity	48	<b>1</b>
Accumulated Depreciation - Allocation to Nonregulated Activity	40	<b>2</b>
Telecommunications Plant Under Construction - Allocation to Nonregulated Activity	0	<b>3</b>
Inventories - Allocation to Nonregulated Activity	42	<b>4</b>
Net Deferred Operating Income Taxes - Allocation to Nonregulated Activity	0	<b>5</b>
<b>Net Nonregulated Investments</b>	<b>50</b>	

**NONREGULATED TELECOMMUNICATIONS PLANT IN SERVICE**

Plant Account (a)	Account (b)	Balance EOY (000's) (c)	
Office Equipment	2123	1	1
Station Apparatus	2311	42	2
Public Telephone Terminal Equipment	2351	2	3
Other Intangibles	2690	3	4
<b>TOTAL NONREGULATED TELECOMMUNICATIONS PLANT IN SERVICE</b>		<b>48</b>	

## EMPLOYEE DATA - END OF YEAR

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

Particulars (a)	Employees (b)	Employees (b)
<b>Plant Operations</b>		
Supervisory & Management		1
Central Office	1	2
Outside Plant	4	3
Building & Service	2	4
Other	1	5
<b>Customer Operations</b>		
Supervisory & Management	1	6
Operators		7
Business Office	8	8
Other		9
<b>Corporate Operations</b>		
Executive & General Management	3	10
Accounting & Finance	2	11
External Relations		12
Human Resources		13
Information Management		14
Legal		15
Procurement		16
Research & Development		17
Other		18
<b>Other</b>		
All Other Employees, Not Listed Above	14	19
<b>Total Employees</b>	<b>36</b>	
Part-Time Employees	9	20
Full-Time Employees	27	21
<b>Total Part-Time and Full-Time Employees</b>	<b>36</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	190	1,518	1
Extended Area Service	201	1,745	2
Extended Community Calling	37	142	3
Other Local-Undefined	0	0	4
<b>Total Local</b>	<b>428</b>	<b>3,405</b>	
<b>TOLL</b>			
Toll	223	1,515	5
<b>Total Toll</b>	<b>223</b>	<b>1,515</b>	
<b>Total Local &amp; Toll</b>	<b>651</b>	<b>4,920</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 -- Originating					1
Feature Group A -- Terminating					2
Feature Group B -- Originating					3
Feature Group B -- Terminating					4
Feature Group C -- Originating				438	5
Feature Group C -- Terminating				365	6
Feature Group D -- Originating	3,140	1,191	1,527	2	7
Feature Group D -- Terminating	7,592	2,981	938		8

**OUTSIDE PLANT STATISTICS AT END OF YEAR**

Description of Item (a)	Amount (b)	
Sheath miles of plant - fiber optics	67	1
Strand miles of plant - fiber optics	1,763	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	0	5	1 A
56 kbps	5	10	2
64 kbps (DS0)	0	0	3 A
1.54 Mbps (DS-1)	5	5	4
45 Mbps (DS-3)	2	1	5
SONET OC-1	0	0	6 A
SONET OC-3	0	0	7 A
SONET OC-12	0	1	8 A
SONET OC-48	0	0	9 A
SONET OC-192	0	0	10 A

### 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	1,053	1,054	3
2 Party			4
4 Party			5
PBX Trunks/System Trunks			6
Centrex Trunks			7
Centrex Lines			8
Key System Trunks			9
Mobile (Utility Provided Service)			10
Paging (Utility Provided Service)			11
FX-Out (Switched)	3	3	12
Pay Telephone	1	1	13
Coin-Operated Pay Telephone			14
Independent Pay Telephone Provider	13	13	15
Other			16
<b>Total Business Lines</b>	<b>1,070</b>	<b>1,071</b>	<b>17</b>
<b>Residential (Incl. Emp. Concess.)</b>			
1 Party	3,913	3,852	19
2 Party			20
4 Party			21
FX-Out (Switched)	6	6	22
Other			23
<b>Total Residential Lines</b>	<b>3,919</b>	<b>3,858</b>	<b>24</b>
<b>Total Bus &amp; Res Lines</b>	<b>4,989</b>	<b>4,929</b>	<b>25</b>
Company Used Lines	79	34	26
<b>Total Lines Used</b>	<b>5,068</b>	<b>4,963</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	6	6	<b>5</b>
Special Access-intraLATA			<b>6</b>
(expressed in equiv. access lines)	16,933	8,871	<b>7</b>
Special Access-interLATA			<b>8</b>
(expressed in equiv. access lines)	1,469	1,469	<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	432	456	<b>13</b>
TSPS - Trunks	14	14	<b>14</b>
EAS and ECC - Trunks	384	384	<b>15</b>
Cellular Trunks (Pub. Sw. Net.)			<b>16</b>
Video Distance Learning			<b>17</b>
- discounted (special tariff)			<b>18</b>
<b>Customers</b>			<b>19</b>
Number of Lifeline customers at FOY (January 1, 2003)			<b>20</b>
and EOY (December 31, 2003):	53	60	<b>21</b>
Number of Linkup customers connected during			<b>22</b>
FOY (Calendar year 2002) and EOY (Calendar year 2003):	11	19	<b>23</b>
<b>Other</b>			<b>24</b>
Total Company Square Miles	101	101	<b>25</b>
Total Company Route Miles	431	440	<b>26</b>
Footnotes			

### 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	3570				1
<b>Business</b>					
1 Party	1,054				2
2 Party					3
4 Party					4
PBX Trunks/System Trunks					5
Centrex Trunks					6
Centrex Lines					7
Key System Trunks					8
Mobile (utility provided service)					9
Paging (utility provided service)					10
FX-Out (Switched)	3				11
Pay Telephone	1				12
Coin-Operated Pay Telephone					13
Independent Pay Telephone Provider	13				14
Other					15
<b>Total Business Lines</b>	<b>1,071</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>16</b>
<b>Residential (Incl. Emp. Concess.)</b>					
1 Party	3,852				17
2 Party					18
4 Party					19
FX-Out (Switched)	6				20
Other					21
<b>Total Residential Lines</b>	<b>3,858</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>22</b>
<b>Total Bus &amp; Res Lines</b>	<b>4,929</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>23</b>
Company Used Lines	34				24
<b>Total Lines Used</b>	<b>4,963</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>25</b>
					26
					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	3570				1
<b>Miscellaneous</b>					<b>2</b>
WATS Lines - OutWATS					3
WATS Lines - 800 Service					4
FX-In-intraLATA	6				5
Special Access-intraLATA (equiv. access lines)	8,871				6 7
Special Access-interLATA (equiv. access lines)	1,469				8 9
Feature Group A Lines					10
Feature Group B Trunks					11
Feature Group C Trunks					12
Feature Group D Trunks	456				13
TSPS - Trunks	14				14
EAS and ECC - Trunks	384				15
Cellular Trunks (Pub. Sw. Net.)					16
Video Distance Learning - discounted (special tariff)					17 18
<b>Other</b>					<b>19</b>
Exchange Square Miles	101				20
Exchange Route Miles	440				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

**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	MOUNT HOREB				1
PSCW Exchange ID	3570				2
Central Office Name	MOUNT HOREB				3
PSCW Central Office ID	1				4
Central Office CLLI Code	MTHBWIXA437				5
Manufacturer of COE (Page 54)	SI				6
Year COE Installed	2001				7
Type of Equipment (Page 54)	D				8
(S)tandalone, (H)ost, (R)emote, (A)dv Fiber Comm	H				9
Remote Host PSCW Exchange ID					10
Remote Host PSCW Central Office ID					11
COE Generic Software Release No.	20				12
SS7?	Yes				13
9-1-1?	Yes				14
Access Lines - In Use	5,068				15
- Equipped	5,500				16
- Wired	10,000				17
Trunks - In Use	1,099				18
- Equipped	1,704				19
- Wired	2,304				20
ISDN Available?	No				21
ISDN Lines - In Use (BRI)					22
- In Use (PRI)					23
XDSL Available?	No				24
- In Use (# lines)					25
Switched 56 Service?	No				26
Switched 56 lines in use					27
Digital Transmission Facilities: DS-1 - In Use	16				28
DS-3 - In Use	3				29
Advanced Data Service Available:					
Packet Switching?	No				30
SMDS?	No				31
Frame Relay?	No				32
ATM (Asynchronous Trans. Mode)?	Yes				33
Video Information - Service Available?	No				34
- In Use (# lines) <sup>1</sup>					35
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	576				36
No. of fiber strands working (LIT) in C.O.	97				37
No. of fiber strands for interoffice use	30				38
Miles of fiber sheath in wire center	67				39
Access Tandem Serving this C.O.:					
- C.O. Name	MADISON				40
- PSCW C.O. ID	3080-01				41
Does this C.O. do access tandem switching?	No				42
Footnotes	<b>F</b>				43

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

## GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

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### General Footnote

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### Schedule Footnotes

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### Schedule Line Footnotes

- A) Zero value indicates zero circuits at year end.
- B) Long term support and local switching support from NECA increased by \$170,000 from 2002.
- C) Interstate special access rates were adjusted to levels specified in the companys interstate access tariff dated 7-1-03. Estimated increase in additional revenue is approximately \$31,000 annually. Interstate special access rates were also adjusted in 2002 to increase revenue by approximately \$32,000 annually. These estimates were based on historic cost and demand from the previous two years. So it is estimated that \$47,500 increase in revenue is due to new interstate access rates.
- Also, it was determined that special access customers who had been receiving services for 2002 had not been billed. The 2002 services were then billed in addition to 2003 services. The total dollar amount of new circuits/customers billed in 2003 that had not been billed in 2002 was approximately \$61,000. Also a customer that added a circuit in late 2002 had a full year of revenue in 2003 which accounted for \$8,500.
- D) In the 2002 PSC report, nonregulated net income is included on copy 1 of page 8. In the current year, nonregulated net income is included with the operation revenue section of the income statement on copy 1 of page 40.
- E) In 2002, carrier access bills written off as uncollectibles due to bankruptcy settlements totaled approximately \$92,500. In 2003, recovered approximately \$29,000 of carrier access bills that had been written off from bankruptcy. In 2003, wrote off \$20,000 of carrier access bills due to collectibility problems and billing disputes.
- F) Interpretation of Line 22 and Line 23 on the Central Office Data Schedule was that the xDSL capability is not in the switch itself. Rather, DSL is available through other equipment that the company has purchased that is separate from the switch.
- G) The 2002 and 2003 PSC report for expense account 6220 are listed as 0. Not sure why edit check is saying the difference between last years value exceeds \$10,000 and 20% of last years value when both values are 0.
- H) In 2002, company made a server upgrade and paid for additional consulting services of about \$15,000. Company also purchased cubicles and filing cabinets in 2002 that accounted for more expense of approximately \$7,600 in account 6122. Company purchased a fax machine, two palm pilots, and a labelmaker which accounted for about \$4,000 more of expense in account 6123 in 2002. The salaries in this account also decreased due to the employee time needed to help out with a billing provider conversion (See account 6620).
- I) In 2003, a physical inventory adjustment of \$15,000 was made to this account. A mapping upgrade ocured which increased salaries approximately \$8,000. Also the training and cost of the upgraded mapping software accounted for about \$18,000 in increased costs.

## GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

- J) The Company converted billing systems which accounted for many additional costs in 2003. The carrier access billing system was brought in-house and many training expenses and additional employee time spent on cabs billing increased by \$7,500. Customer services revenue accounting increased by \$75,000 due to training costs and additional employee time spent on this conversion. Customer service time increased due to overtime and training costs from the billing conversion by approximately \$27,000. Our directory costs also went up by about \$39,000.