



4004

ANNUAL REPORT

OF

Name: HAGER TELECOM, INC.

Principal Office: W8108 165TH AVE
P.O. BOX 125
HAGER CITY, WI 54014-0125
PO Box Zip Code: 54014-0125

For the Year Ended: DECEMBER 31, 2005

**TELECOMMUNICATIONS UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN**P.O. Box 7854
Madison, WI 53707-7854
<http://psc.wi.gov>

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. 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>, and select the appropriate program for Incumbent Local Exchange Carriers (LECs). If additional confidential treatment is desired, contact Christopher Larson at (608) 267-9508 or christopher.larson@psc.state.wi.us for instructions.
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-116. 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. Report all dollar amounts to the nearest thousand dollars. (Example: \$130,000 should be reported as \$130.)
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. These items vary from year to year and are based on the Commission's decision regarding confidential items in the annual report.

GENERAL RULES FOR REPORTING

If additional provisional confidential treatment is desired, do not file the annual report electronically using the program's e-mail filing capabilities.

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.
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 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 (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.

GENERAL RULES FOR REPORTING

16. Changes to the Annual Report Subsequent to Filing:

If making revisions to the report subsequent to an electronic filing (i.e., using the program's e-mail capabilities) 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.

SIGNATURE PAGE

I PAUL N. HANSON of
(Officer Verifying Annual Report Information)

HAGER TELECOM, INC. , certify that I
(Utility Name)

have examined the following report and, to the best of my knowledge, information and belief, it is a correct statement of the business and affairs of said utility for the period covered by the report in respect to each and every matter set forth therein.

PAUL N. HANSON 03/28/2006
(Officer Verifying Annual Report Information) (Date)

SECRETARY
(Title)

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ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Access Line	Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency transmission, and/or time slot transmission. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice channel or a 64 kilobits per second digital channel.
Analog Signal	A signal that varies in a continuous manner such as voice or music. An analog signal must be contrasted with a digital signal which can assume only discrete values.
Cellular System	A high capacity land mobile radio system in which an assigned frequency spectrum is divided into discrete channels that are assigned to a cellular geographic serving area.
Central Office	A switching unit in a telephone system providing service to the general public, having the necessary equipment and operating arrangements for terminating and interconnecting lines and trunks.
Centrex	A service for customers with many stations that permits station-to-station dialing, one listed directory number for the customer, direct inward dialing to a particular station and station identification on outgoing calls. The switching functions are performed in a central office (stand alone, host or remote).
Channel	An electrical communications path between two or more points. A single pair of wires may provide more than one channel. A channel may also be provided by microwave.
Customer	A person who uses a telephone as a subscriber.
Digital Signal	A signal that has a limited number of discrete states. This may be contrasted with an analog signal that varies in a continuous manner and may have an infinite number of states.
Equal Access	The ability of the subscriber to use any long distance service by dialing the same number of digits.
Exchange	A defined area served by one or more central offices regardless of technical serving arrangements within which the company furnishes service at rates and rules prescribed for that area in the company's filed tariffs. The area is not necessarily marked by political boundaries or the location of host or remote switching units.
Extended Area Service (EAS)	The ability of a customer to call customers in other exchanges at no additional charge or at an additional charge per tariff.
Extended Community Calling (ECC)	The ability of a customer to call customers in other exchanges at rates usually above EAS rates but below toll rates for comparable distances. Rates generally include a duration element.
Feature Group A	Line-side originating and terminating LATA access for which an originating subscriber dials an assigned telephone number that connects to a specific interexchange carrier (IC). The IC returns a tone to signal the caller to input additional generated digits of the called number.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Feature Group B	Trunk-side originating and terminating LATA access for which an originating subscriber dials a 950-WXXX number (where W=0, 1 and XXX is the carrier access code (CAC)), which is translated to a specific XXX carrier trunk group. Optional rotary dial service and ANI may be available.
Feature Group C	Trunk-side LATA access for AT&T-Communications generally on a direct basis between each end office (EO) and an AT&T-C switching system.
Feature Group D	Also referred to as equal access. It is trunk-side LATA access affording call supervision of an interexchange carrier, a uniform access code (10XXXXX), optional calling party identification, recording of access-charge billing details and presubscription to a customer specified interexchange carrier.
FX-IN	A nonswitched service where the customer of the company is connected to and receives switching service through central office equipment located in another exchange area.
FX-OUT	A switched service where facilities are provided from the central office out to the exchange boundary where it meets the line from a foreign exchange subscriber.
Host Switching System	A switching system that provides centralized control over most of the switching functions of one or more remote switching units. The host switching system usually provides trunk access to the operating company intraLATA networks.
Local Access Transport Area (LATA)	A geographic area within which an operating company may offer its telecommunications services.
Mobile Telephone	A service which provides radio telephone communication from a mobile vehicle to another vehicle or to a regular telephone.
Paging	A service which provides one-way signal or voice communication over a radio channel to a miniature receiver carried by the customer.
Pair	Two wires of a single circuit.
Pay Station	A telephone which normally requires all users to deposit one or more coins or use a credit card to complete a call.
Private Line Service	Channel or circuit rented for private use and not intended to be connected to the general distribution system.
Private Branch Exchange (PBX)	A manually, or operator controlled switching system, usually on the customer's premises, which serves that customer's telephones over a common group of lines from the central office.
Radio Common Carrier (RCC)	A company which furnishes public telecommunications service using one or more radio channels.
Remote Switching Unit (RSU)	An electronic switching system that is remote from its host or control office. All of the central control equipment for the RSU is located in the host switching system.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Route Miles	Total number of route miles (to the nearest mile) of operating plant facilities including drop wire in the exchange. One route mile may consist of: <ol style="list-style-type: none">1. One mile of roadway with any combination of outside plant facilities on any number of rights-of-way.2. One mile of a cross country route with any combination of outside plant facilities.3. One mile of point-to-point microwave or radio link.4. One mile of plant on either side of a limited access highway or natural barrier, such as a navigable waterway.5. One mile of joint use line where the utility either owns the facility or leases space.
Stand Alone Switch	A central office switch which has no remote switching units (RSUs) subtending it.
Trunk	A communications path connecting two switching systems in the establishment of an end-to-end connection.
Wide Area Telephone Service (WATS)	Customer leased access line or lines connected to the nationwide network over which an unlimited number of calls can be made for a fixed monthly charge.
Wire Center	The location of one or more local switching systems. A point at which customers' loops converge.

ABBREVIATIONS USED IN ANNUAL REPORTS

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

IDENTIFICATION AND OWNERSHIP - UTILITY INFORMATION

Exact Utility Name: HAGER TELECOM, INC.
Utility Location: W8108 165TH AVE
P.O. BOX 125
HAGER CITY, WI 54014-0125
P.O. BOX ZIP 54014-0125

Utility (or Parent/Holding Company) Web Site Address:
www.hager.net

When was utility organized?: 05/12/1913

Report any change in name and the effective date:

Telephone numbers for potential customers to contact company:

Business Customers: (715) 792 - 2103 Ext:

Residential Customers: (715) 792 - 2010 Ext:

Primary Address - Primary Utility Contact (located at utility address)

Name: MR. MICHAEL J. WALSH
Title: GENERAL MANAGER
Firm: HAGER TELECOM
Office Address: W 8108 165TH AVE
P.O. BOX 125
HAGER CITY , WI 54014
Fax Number: (715) 792 - 5385
Telephone Number: (715) 792 - 2103
Email Address: mjw@hager.net

Annual Report Address - Contact person for information contained in this annual report

Same as Primary Address

Name: MR. PAUL N. HANSON
Title: SECRETARY
Office Address: 211 MAIN STREET SOUTH
P.O. BOX 428
HECTOR, MN 55432
Fax Number: (320) 848 - 2323
Telephone Number: (320) 848 - 6611 EXT 3021
Email Address: PaulH@commsysinc.com

IDENTIFICATION AND OWNERSHIP - UTILITY INFORMATION**Regulatory Contact - Contact person for regulatory inquiries and complaints** **Same as Primary Address****Name:****Title:****Firm:****Office Address:****Fax Number:** () - EXT**Telephone Number:** () - EXT**Email Address:**

List names, addresses, and percent ownership interest held by persons owning 5 percent or more of outstanding voting securities or membership interests. If any stock (or interest) is held by a nominee, give known particulars as to the beneficial owner (See Wis. Stat. § 196.795(1)(c), for definition of beneficial owner).

Name: HECTOR COMMUNICATIONS CORPORATION
Address: 211 S. MAIN STREET
PO BOX 428
HECTOR, MN 55342
Percent Interest Held: 100
Beneficial Owner: NONE

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

Company Name: NONE
Form of Interest: NONE
Extent Of Interest: NONE

OFFICERS AND DIRECTORS

**Name, Title/Occupation
and Business Address**

Name: MR. CURTIS A. SAMPSON Title/Occupation: CHAIRMAN AND CHIEF EXECUTIVE OFFICER Business Address (1): 211 MAIN STREET SOUTH Business Address (2): PO BOX 428 Business Address (3): City State, Zip: HECTOR, MN 55342	1
<hr/>	
Name: MR. DENNIS M. SPEISER Title/Occupation: TREASURER AND ASST. SECRETARY Business Address (1): 211 MAIN STREET SOUTH Business Address (2): PO BOX 428 Business Address (3): City State, Zip: HECTOR, MN 55342	2
<hr/>	
Name: MR. MICHAEL J. WALSH Title/Occupation: VICE PRESIDENT - OPERATIONS & GEN MGR. Business Address (1): W8108 165TH AVE Business Address (2): PO BOX 125 Business Address (3): City State, Zip: HAGER CITY, WI 54014	3
<hr/>	
Name: MR. STEVEN H. SJOGREN Title/Occupation: PRESIDENT Business Address (1): 211 MAIN STREET SOUTH Business Address (2): PO BOX 428 Business Address (3): City State, Zip: HECTOR, MN 55342	4
<hr/>	
Name: MR.PAUL N. HANSON Title/Occupation: SECRETARY Business Address (1): 211 MAIN STREET SOUTH Business Address (2): PO BOX 428 Business Address (3): City State, Zip: HECTOR, MN 55342	5

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (000's) (b)	Last Year (000's) (c)	
Operating Revenues			
Operating Revenues (5000-5300)	1,782	1,768	1
Total Operating Revenues	1,782	1,768	
Operating Expenses			
Plant Specific Operations Expenses (6110-6410)	377	320	2
Other Plant Nonspecific Operations Expenses	502	481	3
Customer Operations Expense (6610-6620)	87	76	4
Corporate Operations Expense (6720-6790)	312	329	5
Other Operating Income and Expense (7100)	0	0	6
Operating Taxes (7200)	168	178	7
Total Operating Expenses	1,446	1,384	
Net Operating Income	336	384	
Other Income			
Nonoperating Income and Expense (7300)	513	309	8
Nonoperating Taxes (7400)	233	140	9
Interest and Related Items (7500)	155	165	10
Extraordinary Items (7600)	0	0	11
Nonregulated Net Income (7990)	84	49	12
Total Nonoperating Income	209	53	
Net Income	545	437	

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.)

None

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. 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.

None

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

Particulars (a)	Balance--EOY	Balance--FOY (000's) (c)	
CURRENT ASSETS			
CASH AND EQUIVALENTS			
Cash and Equivalents (1120)*	2,529	2,385	1
TOTAL CASH AND EQUIVALENTS	2,529	2,385	
RECEIVABLES AND ALLOWANCE FOR DOUBTFUL ACCOUNTS			
Receivables (1170)*	131	146	2
Allowance for Doubtful Accounts (1171)*	8	9	3
TOTAL RECEIVABLES AND ALLOWANCE FOR DOUBTFUL ACCOUNTS	123	137	
SUPPLIES			
Inventories (1220)*	5	4	4
TOTAL SUPPLIES	5	4	
PREPAYMENTS			
Prepayments (1280)*	5	5	5
TOTAL PREPAYMENTS	5	5	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	0	0	6
TOTAL OTHER CURRENT ASSETS	0	0	
TOTAL CURRENT ASSETS	2,662	2,531	
NONCURRENT ASSETS			
INVESTMENTS			
Nonregulated Investments (1406)*	37	31	7
RTB Class B Stock (1402)*	73	51	8
Other Noncurrent Assets (1410)*	1,234	961	9
TOTAL INVESTMENTS	1,344	1,043	
DEFERRED CHARGES			
Deferred Maint., Retirements and Other Deferred Charges (1438)*	0	0	10
TOTAL DEFERRED CHARGES	0	0	
OTHER JURISDICTIONAL ASSETS-NET			
Other Jurisdictional Assets-Net (1500)*	0		11
TOTAL OTHER JURISDICTIONAL ASSETS-NET	0	0	
TOTAL NONCURRENT ASSETS	1,344	1,043	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	6,638	6,499	12
Less: Accumulated Depreciation (3100)*	4,448	4,074	13
Less: Accumulated Amortization-Tangible (3400)*	0	0	14
Less: Accumulated Amortization-Capitalized Leases (3410)			15
NET TELECOMMUNICATIONS PLANT IN SERVICE	2,190	2,425	
PROPERTY HELD FOR FUTURE USE			
Property Held for Future Telecommunications Use (2002)*	0	0	16
Less: Accumulated Depr.-Held for Future Telecom. Use (3200)*	0	0	17
NET PROPERTY HELD FOR FUTURE USE	0	0	

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

Particulars (a)	Balance--EOY	Balance--FOY (000's) (c)
PLANT		
NONOPERATING PLANT		
Nonoperating Plant (2006)*	0	0 18
Less: Accumulated Depreciation-Nonoperating (3300)*	0	0 19
NET NONOPERATING PLANT	0	0
TPUC		
Telecommunications Plant Under Construction (2003)*	0	0 20
TOTAL TPUC	0	0
TELECOMMUNICATIONS PLANT ADJUSTMENT		
Telecommunications Plant Adjustment (2005)*	0	0 21
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	0	0
GOODWILL		
Goodwill (2007)*	0	0 22
TOTAL GOODWILL	0	0
TOTAL PLANT	2,190	2,425
TOTAL ASSETS AND OTHER DEBITS	6,196	5,999

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

Particulars (a)	Balance--EOY (000's) (b)	Balance--FOY (000's) (c)	
CURRENT LIABILITIES			
Notes Payable (4020)*	0	0	1
Other Current Accounts and Notes Payable (4000)*	274	286	2
Customers' Deposits (4040)*	0	0	3
Income Taxes-Accrued (4070)*	(11)	(12)	4
Other Taxes-Accrued (4080)*	3	4	5
Net Current Deferred Operating Income Taxes (4100)*	0	0	6
Net Current Deferred Nonoperating Income Taxes (4110)*	0	0	7
Current Maturities-Long-Term Debt (4050)*	271	281	8
Current Maturities-Capital Leases (4060)*	0	0	9
Other Current Liabilities (4130)*	18	19	10
TOTAL CURRENT LIABILITIES	555	578	
LONG-TERM DEBT			
Long-Term Debt and Funded Debt (4200)*	2,628	2,875	11
TOTAL LONG-TERM DEBT	2,628	2,875	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Liabilities and Deferred Credits (4300)*	0	0	12
Unamortized Operating Investment Tax Credits-Net (4320)*	0	0	13
Unamortized Nonoperating Investment Tax Credits-Net (4330)*	0	0	14
Net Noncurrent Deferred Operating Income Taxes (4340)*	405	483	15
Net Deferred Tax Liability Adjustments (4341)*	0	0	16
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	0	0	17
Deferred Tax Regulatory Adjustments-Net (4361)*	0	0	18
Other Jurisdictional Liabilities and Deferred Credits-Net (4370)*	0	0	19
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS	405	483	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	7	7	20
Additional Paid-in Capital (4520)*	4	4	21
Treasury Stock (4530)*	0	0	22
Other Capital (4540)*	0	0	23
Retained Earnings (4550)*	2,597	2,052	24
TOTAL STOCKHOLDERS' EQUITY	2,608	2,063	
TOTAL LIABILITIES AND OTHER CREDITS	6,196	5,999	

IMPORTANT CHANGES DURING THE YEAR

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.

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

Tariff was filed effective 1/1/2005 to reduce residential and business basic local and touch tone rates.

AFFILIATE ABBREVIATIONS

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

Name of Affiliate (a)	Abbreviations (b)	
Receivable from Cannon Communications Corporaton	A/R CANNON	1
Alliance Telecommunications	ALLIANCE	2
Hector Communications Corporation	HCC	3
Other	OTH	4

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	2420ATF101			
Name of Affiliate	HCC			1
Designate whether billed to or from:	FROM			2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C			3
Total Dollar Activity (000's)	191			4
Percent of affiliate's business billed to all affiliated regulated utilities				5
If cost based, rate of return on equity or markup incorporated in billings	0.00			6
Footnotes	G			

AFFILIATED ASSETS AND LIABILITIES

This schedule should be used to report affiliated activity concerning balances at the end of the year. 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)	
Alliance Telecommunications	4000	46	1
Hector Communications Corporation	4000	177	2
Other	4000	2	3

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (000's) (c)	Additions (000's) (d)	
GENERAL SUPPORT ASSETS				
Land	2111	24	0	1
Motor Vehicles	2112	146	21	2
Aircraft	2113	0	0	3
Tools and Other Work Equipment	2114	70	0	4
Buildings	2121	532	0	5
Furniture	2122	32	0	6
Office Equipment	2123	49	0	7
General Purpose Computers	2124	341	2	8
TOTAL GENERAL SUPPORT ASSETS		1,194	23	
CENTRAL OFFICE ASSETS				
Non-Digital Switching	2211	0	0	9
Digital Electronic Switching	2212	662	0	10
Operator Systems	2220	0	0	11
Radio Systems	2231	66	0	12
Circuit Equipment	2232	953	46	13
TOTAL CENTRAL OFFICE ASSETS		1,681	46	
INFORMATION ORIGATION/TERMINATION ASSETS				
Station Apparatus	2311	0	0	14
Customer Premises Wiring	2321	0	0	15
Large Private Branch Exchanges	2341	0	0	16
Public Telephone Terminal Equipment	2351	0	0	17
Other Terminal Equipment	2362	0	0	18
TOTAL INFORMATION ORIG/TERM ASSETS		0	0	
CABLE & WIRE FACILITIES ASSETS				
Poles	2411	0	0	19
Aerial Cable	2421	0	0	20
Underground Cable	2422	0	0	21
Buried Cable	2423	3,624	108	22
Submarine and Deep Sea Cable	2424	0	0	23
Intrabuilding Network Cable	2426	0	0	24
Aerial Wire	2431	0	0	25
Conduit Systems	2441	0	0	26
TOTAL CABLE & WIRE FACILITIES ASSETS		3,624	108	
AMORTIZABLE ASSETS				
Capital Leases	2681	0	0	27
Leasehold Improvements	2682	0	0	28
Intangibles	2690	0	0	29
TOTAL AMORTIZABLE ASSETS		0	0	

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			24	1
2112	29		138	2
2113			0	3
2114			70	4
2121			532	5
2122			32	6
2123			49	7
2124			343	8
	29	0	1,188	
2211			0	9
2212	0	0	662	10
2220			0	11
2231			66	12
2232	0	0	999	13
	0	0	1,727	
2311			0	14
2321			0	15
2341			0	16
2351			0	17
2362			0	18
	0	0	0	
2411			0	19
2421	0	0	0	20
2422	0	0	0	21
2423	9	0	3,723	22
2424	0	0	0	23
2426	0	0	0	24
2431			0	25
2441			0	26
	9	0	3,723	
2681			0	27
2682			0	28
2690			0	29
	0	0	0	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (000's) (c)	Additions (000's) (d)	
TOTAL TELECOM. PLANT IN SERVICE	2001	6,499	177	
Less: Allocation to Nonregulated Activity - EOY	2001			30
NET REG TOTAL TELECOM. PLANT IN SERVICE - EOY 2001				

Explain all amounts shown in column (g).

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

Account (e)	Retirements (000's) (f)	Transfers / Adjustments (000's) (g)	Balance EOY (000's) (h)	
2001	38	0	6,638	
2001			0	30
2001			6,638	

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.

Plant Subaccount (a)	Subaccount (b)	Balance FOY (000's) (c)	Additions (000's) (d)	
Digital Electronic Switching - Circuit	2212.1	662	0	1
Digital Electronic Switching - Packet	2212.2	0	0	2
Circuit Equipment - Electronic	2232.1	895	46	3
Circuit Equipment- Optical	2232.2	58	0	4
Aerial Cable - Nonmetallic	2421.1	0	0	5
Aerial Cable - Metallic	2421.2	0	0	6
Underground Cable - Nonmetallic	2422.1	0	0	7
Underground Cable - Metallic	2422.2	0	0	8
Buried Cable - Nonmetallic	2423.1	1,070	0	9
Buried Cable - Metallic	2423.2	2,554	108	10
Submarine and Deep Sea Cable - Nonmetallic	2424.1	0	0	11
Submarine and Deep Sea Cable - Metallic	2424.2	0	0	12
Intrabuilding Cable - Nonmetallic	2426.1	0	0	13
Intrabuilding Cable - Metallic	2426.2	0	0	14

Explain all amounts shown in column (g).

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

Subaccount (e)	Retirements (000's) (f)	Transfers / Adjustments (000's) (g)	Balance EOY (000's) (h)	
2212.1			662	1
2212.2			0	2
2232.1			941	3
2232.2			58	4
2421.1			0	5
2421.2			0	6
2422.1			0	7
2422.2			0	8
2423.1			1,070	9
2423.2	9		2,653	10
2424.1			0	11
2424.2			0	12
2426.1			0	13
2426.2			0	14

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (000's) (c)	Depr Rate (d)	Annual Accrual (000's) (e)	Additional Accrual (000's) (f)	
GENERAL SUPPORT ASSETS						
Motor Vehicles	2112	106	20.0000	28		1
Aircraft	2113	0				2
Tools and Other Work Equipment	2114	70	10.0000	0		3
Buildings	2121	323	3.3300	18		4
Furniture	2122	32	10.0000	0		5
Office Equipment	2123	49	20.0000	0		6
General Purpose Computers	2124	341	20.0000	1		7
TOTAL GENERAL SUPPORT ASSETS		921		47	0	
CENTRAL OFFICE ASSETS						
Non-Digital Switching	2211	0				8
Digital Electronic Switching	2212	404	11.1100	72	0	9
Operator Systems	2220	0				10
Radio Systems	2231	62	11.1100	4		11
Circuit Equipment	2232	811	14.2900	105	0	12
TOTAL CENTRAL OFFICE ASSETS		1,277		181	0	
INFORMATION ORIGINATION/TERMINATION ASSETS						
Station Apparatus	2311	0				13
Customer Premises Wiring	2321	0				14
Large Private Branch Exchanges	2341	0				15
Public Telephone Terminal Equipment	2351	0				16
Other Terminal Equipment	2362	0				17
TOTAL INFORMATION ORIG/TERM ASSETS		0		0	0	
CABLE & WIRE FACILITIES ASSETS						
Poles	2411	0				18
Aerial Cable	2421	0		0	0	19
Underground Cable	2422	0		0	0	20
Buried Cable	2423	1,876	5.0000	184	0	21
Submarine and Deep Sea Cable	2424	0		0	0	22
Intrabuilding Network Cable	2426	0		0	0	23
Aerial Wire	2431	0				24
Conduit Systems	2441	0				25
TOTAL CABLE & WIRE FACILITIES ASSETS		1,876		184	0	
Total Accumulated Depreciation	3100	4,074		412	0	
Less: Nonreg Accumulated Depreciation	3100			0	0	26
Net Reg Total Accumulated Depreciation	3100			412	0	

Columns e, f and I

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	29				105	1
2113	0				0	2
2114	0				70	3
2121	0				341	4
2122	0				32	5
2123	0				49	6
2124	0				342	7
	29	0	0	0	939	
2211	0				0	8
2212	0	0	0	0	476	9
2220	0				0	10
2231	0				66	11
2232	0	0	0	0	916	12
	0	0	0	0	1,458	
2311	0				0	13
2321	0				0	14
2341	0				0	15
2351	0				0	16
2362	0				0	17
	0	0	0	0	0	
2411	0				0	18
2421	0	0	0	0	0	19
2422	0	0	0	0	0	20
2423	9	0	0	0	2,051	21
2424	0	0	0	0	0	22
2426	0	0	0	0	0	23
2431	0				0	24
2441	0				0	25
	9	0	0	0	2,051	
3100	38	0	0	0	4,448	
3100						26
3100					4,448	

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)	
Digital Electronic Switching - Circuit	2212.1	404	11.11	72		1
Digital Electronic Switching - Packet	2212.2	0				2
Circuit Equipment - Electronic	2232.1	773	14.29	97		3
Circuit Equipment- Optical	2232.2	38	14.29	8		4
Aerial Cable - Nonmetallic	2421.1	0				5
Aerial Cable - Metallic	2421.2	0				6
Underground Cable - Nonmetallic	2422.1	0				7
Underground Cable - Metallic	2422.2	0				8
Buried Cable - Nonmetallic	2423.1	353	5.0	54		9
Buried Cable - Metallic	2423.2	1,523	5.0	130		10
Submarine and Deep Sea Cable - Nonmetall	2424.1	0				11
Submarine and Deep Sea Cable - Metallic	2424.2	0				12
Intrabuilding Cable - Nonmetallic	2426.1	0				13
Intrabuilding Cable - Metallic	2426.2	0				14

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

Subacct (g)	Retired (000's) (h)	Cost of Removal (000's) (i)	Salvage (000's) (j)	Other (000's) (k)	Balance EOY (000's) (l)	
2212.1	0				476	1
2212.2	0				0	2
2232.1	0				870	3
2232.2	0				46	4
2421.1	0				0	5
2421.2	0				0	6
2422.1	0				0	7
2422.2	0				0	8
2423.1	0				407	9
2423.2	9				1,644	10
2424.1	0				0	11
2424.2	0				0	12
2426.1	0				0	13
2426.2	0				0	14

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (000's) (b)	Last Year (000's) (c)	
Balance-First of Year	2,052	1,615	1
Changes:			
Balance Transferred from Income	545	437	2
Dividends Declared:			
Common	0	0	3
Preferred	0	0	4
Total Dividends Declared	0	0	
Miscellaneous Debits to Retained Earnings	0	0	5
Miscellaneous Credits to Retained Earnings	0	0	6
Balance--End of Year	<u>2,597</u>	<u>2,052</u>	

REVENUES (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (000's) (b)	Last Year (000's) (c)	
LOCAL NETWORK SERVICES REVENUES			
Basic Local Service Revenue (5000)*	558	596	1
Basic Area Revenue (5001)			2
Private Line Revenue (5040)			3
Other Basic Area Revenue (5060)			4
TOTAL LOCAL NETWORK SERVICES REVENUES	558	596	
INTERSTATE NETWORK ACCESS SERVICES REV.			
End User Revenue (5081)*	176	177	5
Switched Access Revenue (5082)*	618	529	6
Special Access Revenue (5083)*	69	115	7 B
TOTAL INTERSTATE NETWORK ACCESS SERVICES REV.	863	821	
INTRASTATE NETWORK ACCESS SERVICES REV.			
End User Revenue (5081)*	0	0	8
Switched Access Revenue (5082)*	164	178	9
Special Access Revenue (5083)*	36	19	10 C
TOTAL INTRASTATE NETWORK ACCESS SERVICES REV.	200	197	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*	2	2	11
TOTAL LONG DISTANCE NETWORK SERVICES MESSAGE REV.	2	2	
MISCELLANEOUS & NONREGULATED REVENUES			
Miscellaneous Revenue (5200)*	161	158	12
Directory Revenue (5230)			13
Nonregulated Operating Revenue (5280)*			14
TOTAL MISCELLANEOUS & NONREGULATED REVENUES	161	158	
GROSS OPERATING REVENUES	1,784	1,774	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*	2	6	15
TOTAL UNCOLLECTIBLE REVENUES	2	6	
TOTAL OPERATING REVENUES	1,782	1,768	

EXPENSES - CLASS A & B

Particulars (a)	Total This Year (000's) (b)	Total Last Year (000's) (c)	
PLANT SPECIFIC OPERATIONS EXPENSE			
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	377	320	1
LESS: NONREGULATED	0	0	2
NET REGULATED PLANT SPECIFIC OPERATIONS EXPENSE	377	320	
PLANT NONSPECIFIC OPERATIONS EXPENSE			
Other Property, Plant and Equip. Exp. (6510)	0	14	3 D
Network Operations Expense (6530)	56	51	4
Access Expense (6540)	34	19	5 E
Depreciat. Exp.--Tele. Plant in Service (6561)	412	397	6
Depreciat. Exp.--Prop. Held for Future Tele. Use (6562)	0	0	7
Amortization Expense--Tangible (6563)	0	0	8
Amortization Expense--Intangible (6564)	0	0	9
Amortization Expense--Other (6565)	0	0	10
Depreciation and Amortization Expense (6560)	412	397	11
TOTAL PLANT NONSPECIFIC OPERATIONS EXPENSE	502	481	12
LESS: NONREGULATED	0	0	13
NET REGULATED PLANT NONSPECIFIC OPERATIONS EXPENSE	502	481	
CUSTOMER OPERATIONS EXPENSE			
Marketing (6610)	7	5	14
Services (6620)	80	71	15
TOTAL CUSTOMER OPERATIONS EXPENSE	87	76	16
LESS: NONREGULATED	0	0	17
NET REGULATED CUSTOMER OPERATIONS EXPENSE	87	76	
CORPORATE OPERATIONS EXPENSE			
TOTAL CORPORATE OPERATIONS EXPENSE	312	329	18
LESS: NONREGULATED	0	0	19
NET REGULATED CORPORATE OPERATIONS EXPENSE	312	329	
TOTAL EXPENSES	1,278	1,206	
LESS: NONREGULATED	0	0	
NET REGULATED EXPENSES	1,278	1,206	

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	1,784	1
Plus: Collection of amounts previously written off	1	2
Less: Uncollectibles written off during the year	4	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)	0	7
Plus (or Less) Other (please specify): None	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	1,781	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (000's) (b)	
Total Basic Local Service Revenue (5000)	558	1
Plus: Total Intrastate Access Revenues (5081-5083)	200	2
Plus: Total Long Distance Network Services Revenue	2	3
Less: Out-of-State Operating Revenues (included in the above lines)	0	4
Plus: Intrastate Payphone Revenues	2	5
Plus (or Less) Other (please specify): NONE	0	6
Assessable Revenues for Universal Service Fund Assessment Purposes	762	

OTHER INCOME ACCOUNTS

Particulars (a)	This Year (000's) (b)	Last Year (000's) (c)	
TOTAL OTHER OPERATING INCOME AND EXPENSE (7100)	0	0	1
LESS: NONREGULATED	0	0	2
NET REGULATED OTHER OPERATING INCOME AND EXPENSE (7100)	0	0	
TOTAL OPERATING TAXES (7200)	168	178	3
LESS: NONREGULATED	0	0	4
NET REGULATED OPERATING TAXES (7200)	168	178	
TOTAL NONOPERATING INCOME AND EXPENSE (7300)	513	309	5
LESS: NONREGULATED	0	0	6
NET REGULATED NONOPERATING INCOME AND EXPENSE (7300)	513	309	
TOTAL NONOPERATING TAXES (7400)	233	140	7
LESS: NONREGULATED	0	0	8
NET REGULATED NONOPERATING TAXES (7400)	233	140	
TOTAL INTEREST AND RELATED ITEMS (7500)	155	165	9
LESS: NONREGULATED	0	0	10
NET REGULATED INTEREST AND RELATED ITEMS (7500)	155	165	
TOTAL EXTRAORDINARY ITEMS (7600)	0	0	11
LESS: NONREGULATED	0	0	12
NET REGULATED EXTRAORDINARY ITEMS (7600)	0	0	
TOTAL NONREGULATED NET INCOME (7990)	84	49	13
TOTAL OTHER INCOME ACCOUNTS	41	(125)	
TOTAL NONREGULATED	84	49	
TOTAL NET REGULATED OTHER INCOME ACCOUNTS	(43)	(174)	

NONREGULATED ACTIVITIES

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

Nonregulated Activity	
(a)	
Installations, lease, sale & repair of CPE,CPW, station apparatus	1
Internet circuit equipment	2
Payphones	3

TELEPHONE CALLS AND MINUTES OF USE PER MONTH

Enter average number, in thousands, of calls and minutes of use per month. The averages may be based on actual counts taken periodically during the year. Please provide level of detail available.

Item (a)	Telephone Calls (000's) (b)	Minutes of Use (000's) (c)	
LOCAL			
Extended Community Calling	4	23	1
Other Local-Undefined	0	0	2 F
Total Local	4	23	
TOLL			
Toll	126	412	3
Total Toll	126	412	
Total Local & Toll	130	435	

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 & B -- Originating	0	0	0	0	1
Feature Group A & B -- Terminating	9	0	1	0	2
Feature Group C -- Originating	0	0	0	0	3
Feature Group C -- Terminating	0	0	0	0	4
Feature Group D -- Originating	3,499	668	775	0	5
Feature Group D -- Terminating	3,606	415	810	0	6

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - fiber optics	52	1
Route miles of plant - microwave	0	2

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	2	0	1 A
56/64 kbps (DS0)	2	1	2
1.54 Mbps (DS-1)	14	4	3
45 Mbps (DS-3)	0	0	4 A
SONET OC-1 (51.84 Mbps)	0	0	5 A
SONET OC-3 (155.52 Mbps)	0	0	6 A
SONET OC-12 (622.08 Mbps)	0	0	7 A
SONET OC-48 (2.488 Gbps)	0	0	8 A
SONET OC-192 (9.953 Gbps)	0	0	9 A
SONET OC-768 (39.812 Gbps)	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)	
Business			
1 Party	266	274	3
PBX Trunks/Centrex & Key System Trunks	11	11	4
Centrex Lines	0	0	5
FX-Out (Switched)	0	0	6
Pay Telephone	5	5	7
Other	1	1	8
Total Business Lines	283	291	9
Residential (Incl. Emp. Concess.)			10
1 Party	1,717	1,685	11
FX-Out (Switched)	0	0	12
Other	0	0	13
Total Residential Lines	1,717	1,685	14
Total Bus & Res Lines	2,000	1,976	15
Company Total Lines Used	33	33	16
Total Lines Used	2,033	2,009	17
Miscellaneous			18
WATS Lines - OutWATS	0	0	19
WATS Lines - 800 Service	0	0	20
FX-In-intraLATA	3	3	21
Special Access-intraLATA (expressed in equiv. access lines)	49	97	22 23
Special Access-interLATA (expressed in equiv. access lines)	197	340	24 25
Feature Group C Trunks	65	65	26
Feature Group D Trunks	24	24	27
TSPS - Trunks	6	6	28
EAS and ECC - Trunks	360	360	29
Cellular Trunks (Pub. Sw. Net.)	0	0	30
Customers			31
Number of Lifeline customers at FOY (January 1, 2005) and EOY (December 31, 2005):	17	23	32 33
Number of Linkup customers connected during FOY (Calendar year 2004) and EOY (Calendar year 2005):	4	5	34 35
Other			36
Total Company Square Miles	108	108	37
Total Company Route Miles	321	324	38
Footnotes			39

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	0350	2210			1
Business					2
1 Party	78	196			3
PBX Trunks/Centrex & Key System Trunks	0	11			4
Centrex Lines	0	0			5
FX-Out (Switched)	0	0			6
Pay Telephone	2	3			7
Other	0	1			8
Total Business Lines	80	211	0	0	9
Residential (Incl. Emp. Concess.)					10
1 Party	621	1,064			11
FX-Out (Switched)	0	0			12
Other	0	0			13
Total Residential Lines	621	1,064	0	0	14
Total Bus & Res Lines	701	1,275	0	0	15
Company Total Lines Used	2	31			16
Total Lines Used	703	1,306	0	0	17
Miscellaneous					18
WATS Lines - OutWATS	0	0			19
WATS Lines - 800 Service	0	0			20
FX-In-intraLATA	0	3			21
Special Access-intraLATA (equiv. access lines)	24	73			22
Special Access-interLATA (equiv. access lines)	0	340			23
Feature Group C Trunks	0	65			24
Feature Group D Trunks	0	24			25
TSPS - Trunks	0	6			26
EAS and ECC - Trunks	0	360			27
Cellular Trunks (Pub. Sw. Net.)	0	0			28
Other					29
Exchange Square Miles	45	63			30
Exchange Route Miles	115	209			31
Footnotes					32
					33
					34

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Manufacturer Name (a)	Abbreviation (b)	
Advanced Fiber Communication	AFC	1
Alcatel	AL	2
ATTC	ATT	3
Digital Loop Carrier	DLC	4
GTE	GTE	5
ITT	ITT	6
Lucent	ATT/LUC	7
Northern Telecom	NTI	8
Siemens	SI	9
Stromberg-Carlson	SC	10

EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Equipment Type (a)	Abbreviation (b)	
Electronic--Digital	D	1
Electronic--Video	V	2
IP-Packet	P	3

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	BAY CITY	HAGER CITY			1
PSCW Exchange ID	0350	2210			2
Central Office Name	BAY CITY	HAGER CITY			3
PSCW Central Office ID	1	1			4
Central Office CLLI Code	BYCYWIXAR	HGCYWIXAR			5
Manufacturer of COE (Page 54)	NTI	NTI			6
Type of Equipment (Page 54)	D	D			7
(S)tandalone, (H)ost, (R)emote, (D)igital Loop Carrier	R	R			8
Remote Host PSCW Exchange ID	2210	2210			9
Remote Host Central Office CLLI Code	HGCYWIXAR	HGCYWIXAR			10
COE Generic Software Release No.	SN07	SN07			11
SS7?	Yes	Yes			12
9-1-1?	Yes	Yes			13
Access Lines - In Use	703	1,306			14
Trunks - In Use	0	0			15
ISDN Available?	Yes	Yes			16
ISDN Lines - In Use (BRI)	0	0			17
- In Use (PRI)	0	5			18
DSL Service Available?	Yes	Yes			19
- In Use (# lines)	155	321			20
End User VoIP Available?	No	No			21
Digital Service Available: DS-1 - In Use	0	32			22
DS-3 - In Use	0	0			23
OC-3 - In Use	0	0			24
Advanced Data Service Available:					25
Packet Switching?	No	No			26
Frame Relay?	No	No			27
ATM (Asynchronous Trans. Mode)?	No	No			28
Fiber Transmission Facilities:					29
No. of fiber strands entering C.O.	0	144			30
No. of fiber strands working (LIT) in C.O.	0	22			31
No. of fiber strands for interoffice use	0	0			32
Miles of fiber sheath in wire center	6	46			33
Access Tandem Serving this C.O.:					34
- C.O. Name	ELK LAKE	ELK LAKE			35
- PSCW C.O. CLLI Code	EKCLKWIXC61T	EKCLKWIXC61T			36
Does this C.O. do access tandem switching?	Yes	Yes			37
Footnotes					38

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

General Footnote

Schedule Footnotes

Schedule Line Footnotes

- a) 45 Mbps (DS-3) and all levels of SONET - we have not received an order for these types of service.

Hager has no intralata voice grade circuits.

- B) Interstate special access revenue acct 5083 decreased in 2005. In 2005 Hager was not using NECA tariff for DSL. We are using local tariff for DSL billing.
- c) Intrastate special access revenue (5083) increased during 2005. There are two new High Cap circuits which were installed in June 2005.
- d) Other property, plant, and equipment expense has decreased in 2005. This is the result of a change in the payroll expense coded to this account.
- E) Access expense acct 6540 increased \$15,000 in 2005. This is due to increased assessment for State USF.
- f) Number of local calls are not tracked. Hager is a remote off of West Wisconsin, Elk Lake tandem, so has no information for EAS and local.
- G) Hager Telecom (Hager) is a wholly owned subsidiary of Hector Communications Corporation (HCC). HCC has a wholly-owned or majority-owned interest in nine local exchange telephone companies, including Hager. HCC, acting through its general offices and employees, provided services to its subsidiary companies to aid in their operations.

Charges for services provided by HCC to its subsidiaries are calculated based on a management service agreement. this agreement has been approved by the Rural Utilities Service and submitted to the Wisconsin Public Service Commission (Notice 2420-ATF-101). Under the agreement, charges from HCC to the subsidiaries are at cost. HCC does not earn any profit for providing these services.

Services provided by HCC to Hager include:

Local service and CABS billing. HCC is a service bureau for its subsidiaries with respect to billing and CABS. HCC provides the personnel, computer hardware and software necessary to maintain Hagers customer base, toll and CABS data management and processing, and rating. HCC generates bills for all of Hagers customers (end-users or IXCs). HCC also provides management information service support for other Hager data processing requirements.

Plant administration support. HCC uses its greater size to negotiate better prices for materials and services required by Hager and its other subsidiaries. HCC also provides technical, consulting and forecasting support on construction projects.

Human Resources. HCC provides, or negotiates with other suppliers to provide, human resource management for its subsidiaries. HCC provides payroll functions and employee benefits management, including group health and life insurance, 401(K) savings and ESOP.

Communities where Basic Local Service is offered to New Customers

County Name (a)	Municipality Name (b)	Municipality Type (c)	
Pierce	BAY CITY	Village	1
Pierce	DIAMOND BLUFF	Town	2
Pierce	ELLSWORTH	Town	3
Pierce	HARTLAND	Town	4
Pierce	ISABELLE	Town	5
Pierce	MAIDEN ROCK	Town	6
Pierce	OAK GROVE	Town	7
Pierce	SALEM	Town	8
Pierce	TRENTON	Town	9
Pierce	TRIMBELLE	Town	10