



4004

ANNUAL REPORT

OF

Name: STATE LONG DISTANCE TELEPHONE CO

Principal Office: 216 W. WALWORTH ST.
P.O. BOX 230
ELKHORN, WI 53121
PO Box Zip Code: 53121-0230

For the Year Ended: DECEMBER 31, 2006

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.
6. Wherever information is requested in a "note," please show that information in the space provided. 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. 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.

If additional provisional confidential treatment is desired, do not file the annual report electronically using the program's e-mail filing capabilities.
12. It is not necessary to manually or electronically "sign" the signature page. DO NOT file a hardcopy of the annual report with the Commission.
13. **Edit Check. Confidential Listing. Exported Annual Report. and Export Status Files:**

GENERAL RULES FOR REPORTING

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.

14. 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.

15. 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 13. New edit check, confidential listing, exported annual report, and export status files should be created as a result of the revisions.

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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.
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.
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.
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

GLOSSARY OF TERMS

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.
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.
Pair	Two wires of a single circuit.
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.
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.
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.

IDENTIFICATION AND OWNERSHIP - UTILITY INFORMATION

Exact Utility Name: STATE LONG DISTANCE TELEPHONE CO
Utility Location: 216 W. WALWORTH ST.
P.O. BOX 230
ELKHORN, WI 53121
P.O. BOX ZIP 53121-0230

Utility (or Parent/Holding Company) Web Site Address:
www.statelongdistance.com

When was utility organized?: 01/01/1900

Report any change in name and the effective date:

Telephone numbers for potential customers to contact company:
Business Customers: (262) 723 - 5300 Ext:
Residential Customers: (262) 723 - 5300 Ext:

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

Name: JERRY GUETSCHOW
Title: SECRETARY & TREASURER
Firm: STATE LONG DISTANCE TELEPHONE COMPANY
Office Address: 216 W. WALWORTH ST.
P.O. BOX 230
ELKHORN, WI 53121
Fax Number: (262) 723 - 8387
Telephone Number: (262) 741 - 1129
Email Address: j.guetschow@sldtc.com

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

Same as Primary Address

Name:
Title:
Firm:
Office Address:
,
Fax Number: () - EXT
Telephone Number: () - EXT
Email Address:

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: STATE LONG DISTANCE TELCOM, LTD
Address: 216 W. WALWORTH ST
PO BOX 230
ELKHORN, WI 53121
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

If the company is an LLC partnership, please provide names of partners.

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

Name: CHARLES W. COLEMAN Title/Occupation: DIRECTOR Business Address (1): PO BOX 97 Business Address (2): Business Address (3): City State, Zip: HAWK SPRINGS, WY 82217	1
<hr/>	
Name: ELLEN B. WISWELL Title/Occupation: VICE PRESIDENT & DIRECTOR Business Address (1): STATE LONG DISTANCE TELEPHONE COMPANY Business Address (2): PO BOX 230 Business Address (3): City State, Zip: ELKHORN, WI 53121	2
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Name: GRANT W. WISWELL Title/Occupation: DIRECTOR Business Address (1): STATE LONG DISTANCE TELEPHONE COMPANY Business Address (2): PO BOX 230 Business Address (3): City State, Zip: ELKHORN, WI 53121	3
<hr/>	
Name: JERRY L. GUETSCHOW Title/Occupation: SECRETARY, TREASURER & DIRECTOR Business Address (1): STATE LONG DISTANCE TELEPHONE COMPANY Business Address (2): PO BOX 230 Business Address (3): City State, Zip: ELKHORN, WI 53121	4
<hr/>	
Name: WILLIAM C. WISWELL Title/Occupation: PRESIDENT & DIRECTOR Business Address (1): STATE LONG DISTANCE TELEPHONE COMPANY Business Address (2): PO BOX 230 Business Address (3): City State, Zip: ELKHORN, WI 53121	5
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Name: WILLIAM J. MORRISSEY Title/Occupation: DIRECTOR Business Address (1): 221 W. JEFFERSON ST Business Address (2): Business Address (3): City State, Zip: ELKHORN, WI 53121	6

OFFICERS AND DIRECTORS

If the company is an LLC partnership, please provide names of partners.

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

Name: WILLIAM L. SEYMOUR

Title/Occupation: DIRECTOR

Business Address (1): 862 N SANDY LANE

Business Address (2):

Business Address (3):

City State, Zip: ELKHORN, WI 53121

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INCOME STATEMENT - TOTAL COMPANY

Report all dollar amounts to the nearest thousand dollars. For operating expenses, Wisconsin Bell (utility 6720) and Verizon North-WI (utility 2180) should report total company expense dollars; other LECs should report net regulated expense dollars.

Particulars (a)	This Year (000's) (b)	Last Year (000's) (c)	
Operating Revenues			
Operating Revenues (5000-5300)	8,033	8,335	1
Total Operating Revenues	8,033	8,335	
Operating Expenses			
Plant Specific Operations Expenses (6110-6410)	990	971	2
Other Plant Nonspecific Operations Expenses (6510-6540)	851	828	3
Depreciation and Amortization Expense (6560)	1,588	1,545	4
Customer Operations Expense (6610-6620)	832	897	5
Corporate Operations Expense (6720-6790)	1,842	1,710	6
Other Operating Income and Expense (7100)	0	0	7
Operating Taxes (7200)	784	1,029	8
Total Operating Expenses	6,887	6,980	
Net Operating Income	1,146	1,355	
Other Income			
Nonoperating Income and Expense (7300)	335	213	9
Nonoperating Taxes (7400)	138	99	10
Interest and Related Items (7500)	0	0	11
Extraordinary Items (7600)	0	0	12
Nonregulated Net Income (7990)	(139)	(63)	13
Total Nonoperating Income	58	51	
Net Income	1,204	1,406	

ANNUAL REPORT NOTES AND CHANGES

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.

None

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

None

ANNUAL REPORT NOTES AND CHANGES

3. 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.)

State Long Distance Telephone Company (Company) is a wholly owned subsidiary of State Long Distance Telcom, Ltd. whose only other subsidiary is SLD Services, Ltd. These financial statements and schedules include only the accounts of State Long Distance Telephone Company. Intercompany transactions and balances between the affiliates have not been eliminated.

The Company's principal business is to provide local telephone service and telephone access for all customers within specific boundaries, in southeastern Wisconsin, in a noncompetitive market.

The accounting policies of the Company conform to accounting principles generally accepted in the United States and reflect practices appropriate to the telephone industry.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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

Telecommunications plant in service is recorded at original cost and depreciation is computed on the straight-line basis for statement purposes. The provision rate is applied to group account assets for computation of annual depreciation. Retirements are recorded using average unit costs. Maintenance and repair costs are expensed as incurred.

Reduction of income taxes due to investment tax credit is deferred and is being amortized over the service life of the plant which created the credit. The Company amortized \$872 and \$1,968 of investment credit for the years 2006 and 2005 respectively.

Payroll taxes, pension costs and employee's insurance costs are capitalized on all plant additions. This capitalization is being treated as additions to telephone plant for both statement and tax purposes. Allowance for funds used during construction (AFUDC) is capitalized on major projects for statement purposes only. There was \$0 of AFUDC capitalized during 2006 and 2005.

The Company has established a deferred compensation plan for its president. Under terms of the agreement, he is to receive an additional annual retirement benefit of \$250,000 per year for a period of four years beginning in 2004. The cost of this benefit is being funded by the accumulated cash value of life insurance policies. The Company has also established deferred compensation agreements for certain key employees. Under the terms of these agreements if the Company is sold prior to their retirement, their compensation will continue at current levels for a period of two years. The Company is accruing a liability for the deferred compensation agreements over the period of the employee's employment.

ANNUAL REPORT NOTES AND CHANGES

beginning when the agreements were adopted.

The Company and its affiliates operate under agreements whereby the Company provides general administrative, management, accounting, purchasing, data processing and other services for its affiliates. These services were billed to the affiliates at the Company's costs and amounted to \$449,179 for 2006 and \$524,929 for 2005.

Telephone Plant Under Construction as of December 31, 2006 includes costs incurred to upgrade circuit equipment and construct buried and fiber optic cable facilities. The total cost of the projects will approximate \$200,000 and are being funded by general operating funds.

The Company maintains a defined contribution 401(k) Profit Sharing Plan for its eligible employees. Contributions to the plan are based upon compensation paid during the plan year. During the years 2006 and 2005 pension expense amounted to \$402,494 and \$447,733 respectively.

In 2005 the Company started a defined benefit Cash Balance Pension Plan for its eligible employees. Contributions to the plan are actuarially determined based upon compensation of the plan's participants. During the years 2006 and 2005 pension expense amounted to \$152,965 and \$162,000 respectively.

The Company has adopted SFAS 106 which requires the Company to accrue post retirement benefits (other than pensions) during the years in which the employees are actively employed. Costs accrued for the years 2006 and 2005 were \$190,436 and \$443,700 respectively.

The Company maintains a self-funded health care plan for substantially all of its full time employees, and certain retirees. For 2006 and 2005 the Company was liable for employee and/or dependent health care claims up to \$35,000 and \$30,000, respectively, in aggregate per person after which claims were covered by a stop loss insurance carrier. Costs under the plan amounted to \$744,243 for 2006 and \$511,075 for 2005.

During 2004, the Company initiated a long-term care plan for certain employees. The annual premiums for the coverage approximate \$105,100 per year.

The Company accounts for income taxes under the provisions of the Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes", issued by the Financial Accounting Standards Board. Due to the regulated nature of the Company's utility business, the Company recorded any change or additions to deferred taxes under the provisions of the standard, as a regulatory liability account. The regulatory account will be considered and amortized to income in the future as directed by the Public Service Commission of Wisconsin.

The Company has entered into a financing agreement with a local bank to provide a line of credit as needed for equipment additions and operations in the amount of \$500,000 with interest payable at the LIBOR rate of interest plus 1.75%. As of December 31, 2006 the Company does not have any debt outstanding under this agreement which is due to expire on July 1, 2008.

ANNUAL REPORT NOTES AND CHANGES

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4. 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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5. 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

Particulars (a)	Balance--EOY	Balance--FOY (000's) (c)	
CURRENT ASSETS			
Inventories (1220)	90	73	1
Other Current Assets (1120-1350, except 1220)	5,380	5,624	2
TOTAL CURRENT ASSETS	5,470	5,697	
NONCURRENT ASSETS			
Nonregulated Investments (1406)	26	21	3
RTB Class B Stock (1410)	0	0	4
Other Noncurrent Assets (1410)	2,726	2,503	5
Deferred Maint., Retirements and Other Deferred Charges (1438)	0	0	6
Other Jurisdictional Assets-Net (1500)	0	0	7
TOTAL NONCURRENT ASSETS	2,752	2,524	
PLANT			
Telecommunications Plant in Service (2001)	23,664	22,161	8
Less: Accumulated Depreciation (3100)	13,281	11,816	9
Less: Accumulated Amortization-Tangible (3400)	0	0	10
Less: Accumulated Amortization-Capitalized Leases (3410)			11
Net Telecommunications Plant in Service	10,383	10,345	
Property Held for Future Telecommunications Use (2002)	0	0	12
Less: Accumulated Depr.-Held for Future Telecom. Use (3200)	0	0	13
Nonoperating Plant (2006)	0	0	14
Less: Accumulated Depreciation-Nonoperating (3300)	0	0	15
Telecommunications Plant Under Construction (2003)	154	549	16
Telecommunications Plant Adjustment (2005)	0	0	17
Goodwill (2007)	0	0	18
TOTAL PLANT	10,537	10,894	
TOTAL ASSETS AND OTHER DEBITS	18,759	19,115	

BALANCE SHEET - LIABILITIES

Former accounts 4020, 4050, and 4060 should be reported, as required by the Commission's order in docket 05-US-113.

Particulars (a)	Balance--EOY (000's) (b)	Balance--FOY (000's) (c)	
CURRENT LIABILITIES			
Notes Payable (former account 4020)	0	0	1
Current Maturities-Long-Term Debt (former account 4050)	0	0	2
Current Maturities-Capital Leases (former account 4060)	0	0	3
Other Current Liabilities (4000-4130, except 4020, 4050 and 4060)	443	466	4
TOTAL CURRENT LIABILITIES	443	466	
LONG-TERM DEBT			
Long-Term Debt and Funded Debt (4200)	0	0	5
TOTAL LONG-TERM DEBT	0	0	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Liabilities and Deferred Credits (4300-4370)	1,745	2,005	6
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS	1,745	2,005	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)	1,200	1,200	7
Additional Paid-in Capital (4520)	115	115	8
Treasury Stock (4530)	0	0	9
Other Capital (4540)	0	0	10
Retained Earnings (4550)	15,256	15,329	11
TOTAL STOCKHOLDERS' EQUITY	16,571	16,644	
TOTAL LIABILITIES AND OTHER CREDITS	18,759	19,115	

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)	
SLD Services, Ltd	SERVICES	1
State Long Distance Telcom, Ltd	TELCOM	2

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.

Docket	Affiliate	Billed To or From	Cost Based (C)	Activity (000's)	% Billed to Regulated Utilities	
			Market Price (M)	(Earn Reg)		
			OR	Activity exceeds reporting threshold		
			Prevailing Price (P)	(Price Reg)		
			Tariff (T)			
			Other (O)			
	SERVICES	From	M	No	less than 75%	1
5680ATF100	SERVICES	To	CT	No		2
5680AFT103	TELCOM	To	C	No		3

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)	
SLD Services, Ltd	1170	27	1
State Long Distance Telcom, Ltd	1170	2	2

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	154		1
Motor Vehicles	2112	376	60	2
Aircraft	2113	0		3
Tools and Other Work Equipment	2114	190	9	4
Buildings	2121	1,199	6	5
Furniture	2122	128		6
Office Equipment	2123	71		7
General Purpose Computers	2124	136	15	8
TOTAL GENERAL SUPPORT ASSETS		2,254	90	
CENTRAL OFFICE ASSETS				
Non-Digital Switching	2211	0		9
Digital Electronic Switching	2212	3,666	62	10
Operator Systems	2220	0		11
Radio Systems	2231	0		12
Circuit Equipment	2232	4,080	803	13
TOTAL CENTRAL OFFICE ASSETS		7,746	865	
INFORMATION ORIGATION/TERMINATION ASSETS				
Station Apparatus	2311	0		14
Customer Premises Wiring	2321	0		15
Large Private Branch Exchanges	2341	0		16
Public Telephone Terminal Equipment	2351	0		17
Other Terminal Equipment	2362	0		18
TOTAL INFORMATION ORIG/TERM ASSETS		0	0	
CABLE & WIRE FACILITIES ASSETS				
Poles	2411	17		19
Aerial Cable	2421	446	19	20
Underground Cable	2422	703	1	21
Buried Cable	2423	10,160	671	22
Submarine and Deep Sea Cable	2424	0	0	23
Intrabuilding Network Cable	2426	0	0	24
Aerial Wire	2431	4		25
Conduit Systems	2441	817		26
TOTAL CABLE & WIRE FACILITIES ASSETS		12,147	691	
AMORTIZABLE ASSETS				
Capital Leases	2681	0		27
Leasehold Improvements	2682	0		28
Intangibles	2690	14		29 A
TOTAL AMORTIZABLE ASSETS		14	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			154	1
2112	51		385	2
2113			0	3
2114	2		197	4
2121			1,205	5
2122			128	6
2123			71	7
2124	4		147	8
	57	0	2,287	
2211			0	9
2212	0	0	3,728	10
2220			0	11
2231			0	12
2232	3	0	4,880	13
	3	0	8,608	
2311			0	14
2321			0	15
2341			0	16
2351			0	17
2362			0	18
	0	0	0	
2411			17	19
2421	7	0	458	20
2422	0	0	704	21
2423	64	0	10,767	22
2424	0	0	0	23
2426	0	0	0	24
2431			4	25
2441			817	26
	71	0	12,767	
2681			0	27
2682			0	28
2690		(12)	2	29 A
	0	(12)	2	

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	22,161	1,646	
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	131	(12)	23,664	
2001			0	30
2001			23,664	

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	3,666	62	1
Digital Electronic Switching - Packet	2212.2	0		2
Circuit Equipment - Electronic	2232.1	1,538	68	3
Circuit Equipment- Optical	2232.2	2,542	735	4
Aerial Cable - Nonmetallic	2421.1	0		5
Aerial Cable - Metallic	2421.2	446	19	6
Underground Cable - Nonmetallic	2422.1	216		7
Underground Cable - Metallic	2422.2	487	1	8
Buried Cable - Nonmetallic	2423.1	947	11	9
Buried Cable - Metallic	2423.2	9,213	660	10
Submarine and Deep Sea Cable - Nonmetallic	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

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			3,728	1
2212.2			0	2
2232.1	3		1,603	3
2232.2			3,277	4
2421.1			0	5
2421.2	7		458	6
2422.1			216	7
2422.2			488	8
2423.1	6		952	9
2423.2	58		9,815	10
2424.1			0	11
2424.2			0	12
2426.1			0	13
2426.2			0	14

ACCUMULATED DEPRECIATION

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	221	20.0	50		1
Aircraft	2113	0				2
Tools and Other Work Equipment	2114	138	8.33	9		3
Buildings	2121	529	3.0	34		4
Furniture	2122	65	9.0	8		5
Office Equipment	2123	51	12.5	6		6
General Purpose Computers	2124	76	20.0	21		7
TOTAL GENERAL SUPPORT ASSETS		1,080		128	0	
CENTRAL OFFICE ASSETS						
Non-Digital Switching	2211	0				8
Digital Electronic Switching	2212	2,168		457	0	9
Operator Systems	2220	0				10
Radio Systems	2231	0				11
Circuit Equipment	2232	2,631		404	0	12
TOTAL CENTRAL OFFICE ASSETS		4,799		861	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	17	7.5			18
Aerial Cable	2421	219		31	0	19 B
Underground Cable	2422	557		33	0	20
Buried Cable	2423	4,724		510	0	21
Submarine and Deep Sea Cable	2424	0		0	0	22
Intrabuilding Network Cable	2426	0		0	0	23
Aerial Wire	2431	4	11.0			24
Conduit Systems	2441	416	3.5	28		25
TOTAL CABLE & WIRE FACILITIES ASSETS		5,937		602	0	
Total Accumulated Depreciation	3100	11,816		1,591	0	
Less: Nonreg Accumulated Depreciation	3100			0	0	26
Net Reg Total Accumulated Depreciation	3100			1,591	0	
Columns e, f and I						

ACCUMULATED DEPRECIATION (cont.)

Acct (g)	Retired (000's) (h)	Net Salvage (000's) (i)	Other (000's) (j)	Balance EOY (000's) (k)	
2112	51	10		230	1
2113	0			0	2
2114	2			145	3
2121	0			563	4
2122	0			73	5
2123	0			57	6
2124	4	1		94	7
	57	11	0	1,162	
2211	0			0	8
2212	0	0	0	2,625	9
2220	0			0	10
2231	0			0	11
2232	3	0	0	3,032	12
	3	0	0	5,657	
2311	0			0	13
2321	0			0	14
2341	0			0	15
2351	0			0	16
2362	0			0	17
	0	0	0	0	
2411	0			17	18
2421	7	0	(6)	237	19 B
2422	0	0	0	590	20
2423	64	0	0	5,170	21
2424	0	0	0	0	22
2426	0	0	0	0	23
2431	0			4	24
2441	0			444	25
	71	0	(6)	6,462	
3100	131	11	(6)	13,281	
3100				0	26
3100				13,281	

ACCUMULATED DEPRECIATION (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	2,168	12.5	457	1
Digital Electronic Switching - Packet	2212.2	0			2
Circuit Equipment - Electronic	2232.1	1,201	12.5	107	3
Circuit Equipment- Optical	2232.2	1,430	12.5	297	4
Aerial Cable - Nonmetallic	2421.1	0			5
Aerial Cable - Metallic	2421.2	219	6.0	31	6 B
Underground Cable - Nonmetallic	2422.1	112	5.0	10	7
Underground Cable - Metallic	2422.2	445	5.0	23	8
Buried Cable - Nonmetallic	2423.1	324	5.0	47	9
Buried Cable - Metallic	2423.2	4,400	5.0	463	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 (SUB-CLASS ACCOUNTS) (cont.)

Subacct (g)	Retired (000's) (h)	Net Salvage (000's) (i)	Other (000's) (j)	Balance EOY (000's) (k)	
2212.1	0			2,625	1
2212.2	0			0	2
2232.1	3			1,305	3
2232.2	0			1,727	4
2421.1	0			0	5
2421.2	7		(6)	237	6 B
2422.1	0			122	7
2422.2	0			468	8
2423.1	6			365	9
2423.2	58			4,805	10
2424.1	0			0	11
2424.2	0			0	12
2426.1	0			0	13
2426.2	0			0	14

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)*	2,631	2,514	1
Basic Area Revenue (5001)			2
Private Line Revenue (5040)			3
Other Basic Area Revenue (5060)			4
TOTAL LOCAL NETWORK SERVICES REVENUES	2,631	2,514	
INTERSTATE NETWORK ACCESS SERVICES REV.			
End User Revenue (5081)*	905	949	5
Switched Access Revenue (5082)*	1,142	1,272	6
Special Access Revenue (5083)*	387	369	7
Receipts of Federal USF*	0	0	8
TOTAL INTERSTATE NETWORK ACCESS SERVICES REV.	2,434	2,590	
INTRASTATE NETWORK ACCESS SERVICES REV.			
End User Revenue (5081)*	0	0	9
Switched Access Revenue (5082)*	1,641	1,891	10
Special Access Revenue (5083)*	684	736	11
TOTAL INTRASTATE NETWORK ACCESS SERVICES REV.	2,325	2,627	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*	0	0	12
TOTAL LONG DISTANCE NETWORK SERVICES MESSAGE REV.	0	0	
MISCELLANEOUS & NONREGULATED REVENUES			
Miscellaneous Revenue (5200)*	651	611	13
Reciprocal Compensation Revenues (5200)			14
Unbundled Network Element Revenues (5200)			15
Directory Revenue (5230)			16
Nonregulated Operating Revenue (5280)*			17
TOTAL MISCELLANEOUS & NONREGULATED REVENUES	651	611	
GROSS OPERATING REVENUES	8,041	8,342	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*	8	7	18
TOTAL UNCOLLECTIBLE REVENUES	8	7	
TOTAL OPERATING REVENUES	8,033	8,335	

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	8,041	1
Plus: Collection of amounts previously written off	4	2
Less: Uncollectibles written off during the year	12	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	8,033	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (000's) (b)	
Total Basic Local Service Revenue (5000)	2,631	1
Plus: Total Intrastate Access Revenues (5081-5083)	2,325	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)	0	4
Plus: Intrastate Payphone Revenues	0	5
Plus (or Less) Other (please specify): Non	0	6
Assessable Revenues for Universal Service Fund Assessment Purposes	4,956	

NONREGULATED ACTIVITIES

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

Nonregulated Activity	
(a)	
Customer Premises Equipment (CPE)	1
Inside Wiring	2
Internet Service Provider	3
Payphones	4

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 Groups A - D -- Originating	6,250	2,303	4,771	39	1
Feature Groups A - D -- Terminating	18,157	4,278	11,906	1	2
Reciprocal Compensation	0	0	0	0	3

TYPE OF SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA & IntraLATA Channel Terminations (b)	
Voice grade	Yes	1
56/64 kbps (DS0)	Yes	2
1.54 Mbps (DS-1)	Yes	3
45 Mbps (DS-3)	Yes	4
SONET OC-1 (51.84 Mbps)	No	5
SONET OC-3 (155.52 Mbps)	Yes	6
SONET OC-12 (622.08 Mbps)	No	7
SONET OC-48 (2.488 Gbps)	Yes	8
SONET OC-192 (9.953 Gbps)	No	9
SONET OC-768 (39.812 Gbps)	No	10

SERVICE DATA

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
Business			
1 Party	1,579	1,551	3
PBX Trunks/Centrex & Key System Trunks	2,109	1,774	4
Centrex Lines	0	0	5
Other	0	29	6
Total Business Lines	3,688	3,354	7
Residential (Incl. Emp. Concess.)			8
Total Residential Lines	7,163	6,776	9
Total Bus & Res Lines	10,851	10,130	10
Company Total Lines Used	69	70	11
Total Lines Used	10,920	10,200	12
Miscellaneous			13
Special Access-intraLATA (expressed in equivalent access lines)	4,049	3,679	14 15
Special Access-interLATA (expressed in equivalent access lines)	2,410	2,625	16 17
Feature Group C and D Trunks	948	1,140	18
EAS and ECC - Trunks	1,044	1,044	19
Cellular Trunks (Public Switched Network)	0	0	20
Other*	48	48	21
Customers			22
Number of Lifeline customers at FOY (January 1, 2006) and EOY (December 31, 2006):	262	293	23 24
Number of Linkup customers connected during FOY (Calendar year 2005) and EOY (Calendar year 2006):	0	0	25 26
Other			27
Total Company Square Miles	75	75	28
Total Company Route Miles	0	0	29
		C,D	30

*Other includes WATS Lines (OutWATS and 800 Service), FX-In-intraLATA, and TSPS Trunks

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.

PSCW Exchange ID (a)	Total Business Lines (b)	Total Residential Lines (c)	Total Business & Residential Lines (d)	Company Total Lines Used (e)	Total Lines Used (f)	Exchange Square Miles (g)	Exchange Route Miles (h)	
1730	3,354	6,776	10,130	70	10,200	75	0	1 c
	3,354	6,776	10,130	70	10,200	75	0	

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	ELKHORN	ELKHORN			1
PSCW Exchange ID	1730	1730			2
Central Office Name	ELKHORN	LAUDERDALE			3
PSCW Central Office ID	1	2			4
Central Office CLLI Code	ELKHWIXBDS1	ELKHWIXCDS0			5
Manufacturer of COE (Page 54)	ATT/LUC	ATT/LUC			6
Type of Equipment (Page 54)	D	D			7
(S)tandalone, (H)ost, (R)emote, (D)igital Loop Carrier	S	S			8
Remote Host PSCW Exchange ID					9
Remote Host Central Office CLLI Code					10
COE Generic Software Release No.	5E16..2	5E16..2			11
SS7?	Yes	Yes			12
					13
Access Lines - In Use	7,468	2,721			14
Trunks - In Use	2,749	479			15
ISDN Available?	Yes	Yes			16
DSL Service Available?	Yes	Yes			17
- In Use (# lines)	483	565			18
End User VoIP Available?	No	No			19
Digital Service Available: DS-1 - In Use	217	44			20
DS-3 - In Use	9	0			21
OC-3 - In Use	0	0			22
Advanced Data Service Available:					23
Packet Switching?	No	No			24
Frame Relay?	No	No			25
ATM (Asynchronous Trans. Mode)?	No	No			26
Fiber Transmission Facilities:					27
Miles of fiber sheath in wire center	41	14			28
Access Tandem Serving this C.O.:					29
- C.O. Name	ELKHORN	ELKHORN			30
- PSCW C.O. CLLI Code	ELKHWIXB61T	ELKHWIXB61T			31
Does this C.O. do access tandem switching?	Yes	No			32
Footnotes					33

Communities where Basic Local Service is offered to New Customers

County Name (a)	Municipality Name (b)	Municipality Type (c)	
Walworth	DELAVAN	Town	1
Walworth	ELKHORN	City	2
Walworth	GENEVA	Town	3
Walworth	LA FAYETTE	Town	4
Walworth	LA GRANGE	Town	5
Walworth	LYONS	Town	6
Walworth	SPRING PRAIRIE	Town	7
Walworth	SUGAR CREEK	Town	8
Walworth	TROY	Town	9

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

General Footnote

Schedule Footnotes

Schedule Line Footnotes

- A) Intangibles** - The amount entered as an adjustment is the current year amortization for this account.
- B) Other** - Cost of Removal
- C) Route Miles** - The Company does not maintain records that would provide the company/exchange route miles information that is requested.
- D) Linkup Customers** - The Company does not have the data that would provide the number of Linkup customers that were connected during the year.