



4004

ANNUAL REPORT

OF

Name: BRUCE TELEPHONE COMPANY INC

Principal Office: 620 NORTH ALVEY
BRUCE, WI 54819

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.

SIGNATURE PAGE

I David J. Manosky Jr. of
(Officer Verifying Annual Report Information)

BRUCE TELEPHONE COMPANY 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.

David J. Manosky Jr. 03/30/2007
(Officer Verifying Annual Report Information) (Date)

President
(Title)

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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: BRUCE TELEPHONE COMPANY INC
Utility Location: 620 NORTH ALVEY
BRUCE, WI 54819

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

When was utility organized?: 01/01/1940

Report any change in name and the effective date:

Telephone numbers for potential customers to contact company:

Business Customers: (715) 868 - 5111 Ext:

Residential Customers: (715) 868 - 5111 Ext:

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

E

Name: DAVID J. MANOSKY, JR
Title: PRESIDENT AND GENERAL MANAGER

Office Address: 620 NORTH ALVEY
P.O. BOX 100
BRUCE, WI 54819

Fax Number: (715) 868 - 3299

Telephone Number: (715) 868 - 5111

Email Address: dmanosky@brucetel.net

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

Same as Primary Address

Name: DAVID J. MANOSKY, JR
Title: PRESIDENT AND GENERAL MANAGER

Office Address: 620 NORTH ALVEY
P.O. BOX 100
BRUCE, WI 54819

Fax Number: (715) 868 - 3299

Telephone Number: (715) 868 - 5111

Email Address: dmanosky@brucetel.net

IDENTIFICATION AND OWNERSHIP - UTILITY INFORMATION**Regulatory Contact - Contact person for regulatory inquiries and complaints** **Same as Primary Address**

Name: DAVID J. MANOSKY, JR
Title: PRESIDENT AND GENERAL MANAGER

Office Address: 620 NORTH ALVEY
P.O. BOX 100
BRUCE, WI 54819

Fax Number: (715) 868 - 3299
Telephone Number: (715) 868 - 5111
Email Address: dmanosky@brucetel.net

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: DAVID J. MANOSKY, JR.
Address: 620 NORTH ALVEY
PO BOX 100
BRUCE, WI 54819
Percent Interest Held: 10
Beneficial Owner: NONE

Name: DAVID J. MANOSKY, SR. ESTATE
Address: 620 NORTH ALVEY
PO BOX 100
BRUCE, WI 54819
Percent Interest Held: 50
Beneficial Owner: NONE

Name: DAVIDEEN J. DEMSKE
Address: 509 HUNTERS RIDGE
COPPELL, TX 75019
Percent Interest Held: 8
Beneficial Owner: NONE

Name: DOROTHY J. BEISER
Address: ROUTE #2
NEW LONDON, WI 54961
Percent Interest Held: 8
Beneficial Owner: NONE

IDENTIFICATION AND OWNERSHIP - UTILITY INFORMATION

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: JULIANNE A. KOS
Address: 124 ARCHER AVENUE
LE MONT, IL 60439

Percent Interest Held: 8
Beneficial Owner: NONE

Name: MARY M. WRIGHT
Address: 5009 PEMBERTON LANE
THE COLONY, TX 75056

Percent Interest Held: 8
Beneficial Owner: NONE

Name: SUSAN E. SKAR
Address: 620 NORTH ALVEY
PO BOX 100
BRUCE, WI 54819

Percent Interest Held: 8
Beneficial Owner: NONE

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

Company Name: BRUCE TELECOMMUNICATIONS, LLC
Form of Interest: STOCK
Extent Of Interest: WHOLLY OWNED

OFFICERS AND DIRECTORS

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

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

Name: DAVID J. MANOSKY, JR
Title/Occupation: PRESIDENT AND GENERAL MANAGER
Business Address (1): 126 NORTH ALVEY
Business Address (2): P.O. BOX 100
Business Address (3):
City State, Zip: BRUCE, WI 54819

1

Name: DAVIDEEN J. DEMSKE
Title/Occupation: SECRETARY/TREASURER
Business Address (1): 126 NORTH ALVEY
Business Address (2): P.O. BOX 100
Business Address (3):
City State, Zip: BRUCE, WI 54819

2

Name: DOROTHY J. BEISER
Title/Occupation: VICE PRESIDENT
Business Address (1): 126 NORTH ALVEY
Business Address (2): P.O. BOX 100
Business Address (3):
City State, Zip: BRUCE, WI 54819

3

Name: JULIANNE A. KOS
Title/Occupation: VICE PRESIDENT
Business Address (1): 126 NORTH ALVEY
Business Address (2): P.O. BOX 100
Business Address (3):
City State, Zip: BRUCE, WI 54819

4

Name: MARY M. WRIGHT
Title/Occupation: VICE PRESIDENT
Business Address (1): 126 NORTH ALVEY
Business Address (2): P.O. BOX 100
Business Address (3):
City State, Zip: BRUCE, WI 54819

5

Name: SUSAN E. SKAR
Title/Occupation: VICE PRESIDENT
Business Address (1): 126 NORTH ALVEY
Business Address (2): P.O. BOX 100
Business Address (3):
City State, Zip: BRUCE, WI 54819

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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)	1,332	1,484	1
Total Operating Revenues	1,332	1,484	
Operating Expenses			
Plant Specific Operations Expenses (6110-6410)	192	193	2
Other Plant Nonspecific Operations Expenses (6510-6540)	78	76	3
Depreciation and Amortization Expense (6560)	393	430	4
Customer Operations Expense (6610-6620)	184	194	5
Corporate Operations Expense (6720-6790)	319	329	6
Other Operating Income and Expense (7100)	0	0	7
Operating Taxes (7200)	36	77	8
Total Operating Expenses	1,202	1,299	
Net Operating Income	130	185	
Other Income			
Nonoperating Income and Expense (7300)	1,249	65	9
Nonoperating Taxes (7400)	472	33	10
Interest and Related Items (7500)	102	110	11
Extraordinary Items (7600)	0	0	12
Nonregulated Net Income (7990)	13	5	13
Total Nonoperating Income	688	(73)	
Net Income	818	112	

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.

During 2006 the Rural Telephone stock purchased by the company as part of its original mortgage agreement was redeemed. This resulted in a gain of \$1,091,054 being reported in nonoperating income.

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.)

A. Significant Accounting Policies:

1. Telephone plant in service is recorded at original cost. Retirements are recorded on average unit costs. For statement purposes, the provision for depreciation is computed on a straight-line basis by applying certified rates to group account assets as authorized by the state regulatory body.
2. Payroll taxes, pension and employees' insurance costs are capitalized on all plant additions. Interest during construction is being recorded on major projects. These capitalizations are being treated as additions to telephone plant for both statement and tax purposes. No interest was capitalized for 2006 and 2005.
3. The company has elected to defer income tax savings earned by investment tax credit and is amortizing these savings over the service life of the assets on which the investment tax credit was taken. Amortization of investment credit amounted to \$5,592 for 2006 and \$5,619 for 2005.
4. Other accounts receivable includes estimated unbilled revenues from various interexchange carriers which amounted to \$39,300 and \$39,300 as of December 31, 2006 and 2005 respectively.
5. The company has a defined contribution pension program covering all eligible employees. Contributions are based upon a percentage of qualifying wages. The plan is fully funded by insurance annuities and contracts. The cost of this plan was \$45,210 for 2006 and \$55,800 for 2005.

B. Income Tax:

The company implemented FASB No. 109 "Accounting for Income Taxes" effective January 1, 1993. The company has recognized the following deferred tax assets and deferred tax (liabilities).
Deferred income tax on unamortized investment tax credit of \$1,901 for 2006 and \$4,264 for 2005.
Deferred income tax due to the tax depreciation provision being based on MACRS for all fixed asset additions subsequent to 1991 and on the straight-line basis for all years prior to 1992 amounted to (\$46,314) for 2006 and (\$13,692) for 2005.
Deferred income tax on the distance learning contract amounted to \$0 for 2006 and \$0 for 2005.
Deferred income tax due to undistributed income from marketable equity security - limited partnership amounting to \$0 for 2006 and \$(22,494) for 2005. Deferred income tax on unrealized holding loss on marketable securities and other related income timing differences amounting to \$462 for 2006 and \$708 for 2005.
Total net deferred tax assets (liability) - \$33,815 as of December 31, 2006 and (\$31,214) as of December 31, 2005.

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

ANNUAL REPORT NOTES AND CHANGES

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)	50	49	1
Other Current Assets (1120-1350, except 1220)	3,600	2,243	2
TOTAL CURRENT ASSETS	3,650	2,292	
NONCURRENT ASSETS			
Nonregulated Investments (1406)	5	3	3
RTB Class B Stock (1410)	0	43	4
Other Noncurrent Assets (1410)	442	892	5
Deferred Maint., Retirements and Other Deferred Charges (1438)	0	1	6
Other Jurisdictional Assets-Net (1500)	0	0	7
TOTAL NONCURRENT ASSETS	447	939	
PLANT			
Telecommunications Plant in Service (2001)	6,876	6,689	8
Less: Accumulated Depreciation (3100)	5,134	4,771	9
Less: Accumulated Amortization-Tangible (3400)	0	0	10
Less: Accumulated Amortization-Capitalized Leases (3410)		0	11
Net Telecommunications Plant in Service	1,742	1,918	
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)	65	0	16
Telecommunications Plant Adjustment (2005)	0	0	17
Goodwill (2007)	0	0	18
TOTAL PLANT	1,807	1,918	
TOTAL ASSETS AND OTHER DEBITS	5,904	5,149	

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)	130	123	2
Current Maturities-Capital Leases (former account 4060)	0	0	3
Other Current Liabilities (4000-4130, except 4020, 4050 and 4060)	602	366	4
TOTAL CURRENT LIABILITIES	732	489	
LONG-TERM DEBT			
Long-Term Debt and Funded Debt (4200)	1,418	1,551	5
TOTAL LONG-TERM DEBT	1,418	1,551	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Liabilities and Deferred Credits (4300-4370)	15	64	6
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS	15	64	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)	126	126	7
Additional Paid-in Capital (4520)	0	0	8
Treasury Stock (4530)	0	0	9
Other Capital (4540)	(1)	(1)	10
Retained Earnings (4550)	3,614	2,920	11
TOTAL STOCKHOLDERS' EQUITY	3,739	3,045	
TOTAL LIABILITIES AND OTHER CREDITS	5,904	5,149	

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)	
BRUCE TELECOMMUNICATIONS, LLC	BTC	1

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)		
	BTC	To	C	No	1

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)	
BRUCE TELECOMMUNICATIONS, LLC	1410	176	1
BRUCE TELECOMMUNICATIONS, LLC	4010	22	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	55	0	1
Motor Vehicles	2112	197	6	2
Aircraft	2113	0	0	3
Tools and Other Work Equipment	2114	170	0	4
Buildings	2121	677	3	5
Furniture	2122	12	0	6
Office Equipment	2123	16	0	7
General Purpose Computers	2124	154	4	8
TOTAL GENERAL SUPPORT ASSETS		1,281	13	
CENTRAL OFFICE ASSETS				
Non-Digital Switching	2211	0	0	9
Digital Electronic Switching	2212	621	83	10
Operator Systems	2220	0	0	11
Radio Systems	2231	0	0	12
Circuit Equipment	2232	1,035	39	13
TOTAL CENTRAL OFFICE ASSETS		1,656	122	
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	71	0	21
Buried Cable	2423	3,530	87	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	151	0	26
TOTAL CABLE & WIRE FACILITIES ASSETS		3,752	87	
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	0	0	55	1
2112	30	0	173	2
2113	0	0	0	3
2114	0	0	170	4
2121	0	0	680	5
2122	0	0	12	6
2123	0	0	16	7
2124	0	0	158	8
	30	0	1,264	
2211	0	0	0	9
2212	0	0	704	10
2220	0	0	0	11
2231	0	0	0	12
2232	0	0	1,074	13
	0	0	1,778	
2311	0	0	0	14
2321	0	0	0	15
2341	0	0	0	16
2351	0	0	0	17
2362	0	0	0	18
	0	0	0	
2411	0	0	0	19
2421	0	0	0	20
2422	0	0	71	21
2423	5	0	3,612	22
2424	0	0	0	23
2426	0	0	0	24
2431	0	0	0	25
2441	0	0	151	26
	5	0	3,834	
2681	0	0	0	27
2682	0	0	0	28
2690	0	0	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	6,689	222	
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	35	0	6,876	
2001			0	30
2001			6,876	

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	621	83	1
Digital Electronic Switching - Packet	2212.2	0		2
Circuit Equipment - Electronic	2232.1	869	18	3 A
Circuit Equipment- Optical	2232.2	166	21	4 A
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	71		8
Buried Cable - Nonmetallic	2423.1	687	21	9
Buried Cable - Metallic	2423.2	2,843	66	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			704	1
2212.2			0	2
2232.1		(2)	885	3A
2232.2		2	189	4A
2421.1			0	5
2421.2			0	6
2422.1			0	7
2422.2			71	8
2423.1			708	9
2423.2	5		2,904	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	152	15.82	8	0	1
Aircraft	2113	0	.0	0	0	2
Tools and Other Work Equipment	2114	170	10.0	0	0	3
Buildings	2121	339	3.3	23	0	4
Furniture	2122	12	10.0	0	0	5
Office Equipment	2123	16	20.0	0	0	6
General Purpose Computers	2124	154	25.0	3	0	7
TOTAL GENERAL SUPPORT ASSETS		843		34	0	
CENTRAL OFFICE ASSETS						
Non-Digital Switching	2211	0		0	0	8
Digital Electronic Switching	2212	428		74	0	9
Operator Systems	2220	0		0	0	10
Radio Systems	2231	0		0	0	11
Circuit Equipment	2232	945		39	0	12
TOTAL CENTRAL OFFICE ASSETS		1,373		113	0	
INFORMATION ORIGINATION/TERMINATION ASSETS						
Station Apparatus	2311	0		0	0	13
Customer Premises Wiring	2321	0		0	0	14
Large Private Branch Exchanges	2341	0		0	0	15
Public Telephone Terminal Equipment	2351	0		0	0	16
Other Terminal Equipment	2362	0		0	0	17
TOTAL INFORMATION ORIG/TERM ASSETS		0		0	0	
CABLE & WIRE FACILITIES ASSETS						
Poles	2411	0		0	0	18
Aerial Cable	2421	0		0	0	19
Underground Cable	2422	48		4	0	20
Buried Cable	2423	2,422		237	0	21
Submarine and Deep Sea Cable	2424	0		0	0	22
Intrabuilding Network Cable	2426	0		0	0	23
Aerial Wire	2431	0		0	0	24
Conduit Systems	2441	85	3.5	5	0	25
TOTAL CABLE & WIRE FACILITIES ASSETS		2,555		246	0	
Total Accumulated Depreciation	3100	4,771		393	0	
Less: Nonreg Accumulated Depreciation	3100			0	0	26
Net Reg Total Accumulated Depreciation	3100			393	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	30	5	0	135	1
2113	0	0	0	0	2
2114	0	0	0	170	3
2121	0	0	0	362	4
2122	0	0	0	12	5
2123	0	0	0	16	6
2124	0	0	0	157	7
	30	5	0	852	
2211	0	0	0	0	8
2212	0	0	0	502	9
2220	0	0	0	0	10
2231	0	0	0	0	11
2232	0	0	0	984	12
	0	0	0	1,486	
2311	0	0	0	0	13
2321	0	0	0	0	14
2341	0	0	0	0	15
2351	0	0	0	0	16
2362	0	0	0	0	17
	0	0	0	0	
2411	0	0	0	0	18
2421	0	0	0	0	19
2422	0	0	0	52	20
2423	5	0	0	2,654	21
2424	0	0	0	0	22
2426	0	0	0	0	23
2431	0	0	0	0	24
2441	0	0	0	90	25
	5	0	0	2,796	
3100	35	5	0	5,134	
3100				0	26
3100				5,134	

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	428	10.0	74	0	1
Digital Electronic Switching - Packet	2212.2	0	10.0	0	0	2
Circuit Equipment - Electronic	2232.1	869	12.5	15	0	3
Circuit Equipment- Optical	2232.2	76	11.6	24	0	4
Aerial Cable - Nonmetallic	2421.1	0		0	0	5
Aerial Cable - Metallic	2421.2	0		0	0	6
Underground Cable - Nonmetallic	2422.1	0		0	0	7
Underground Cable - Metallic	2422.2	48	6.0	4	0	8
Buried Cable - Nonmetallic	2423.1	129	6.0	42	0	9
Buried Cable - Metallic	2423.2	2,293	6.8	195	0	10
Submarine and Deep Sea Cable - Nonmetall	2424.1	0		0	0	11
Submarine and Deep Sea Cable - Metallic	2424.2	0		0	0	12
Intrabuilding Cable - Nonmetallic	2426.1	0		0	0	13
Intrabuilding Cable - Metallic	2426.2	0		0	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	0	0	502	1
2212.2	0	0	0	0	2
2232.1	0	0	0	884	3
2232.2	0	0	0	100	4
2421.1	0	0	0	0	5
2421.2	0	0	0	0	6
2422.1	0	0	0	0	7
2422.2	0	0	0	52	8
2423.1	0	0	0	171	9
2423.2	5	0	0	2,483	10
2424.1	0	0	0	0	11
2424.2	0	0	0	0	12
2426.1	0	0	0	0	13
2426.2	0	0	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)*	369	376	1
Basic Area Revenue (5001)			2
Private Line Revenue (5040)			3
Other Basic Area Revenue (5060)			4
TOTAL LOCAL NETWORK SERVICES REVENUES	369	376	
INTERSTATE NETWORK ACCESS SERVICES REV.			
End User Revenue (5081)*	137	159	5
Switched Access Revenue (5082)*	447	588	6 B
Special Access Revenue (5083)*	69	39	7 C
Receipts of Federal USF*	0	0	8
TOTAL INTERSTATE NETWORK ACCESS SERVICES REV.	653	786	
INTRASTATE NETWORK ACCESS SERVICES REV.			
End User Revenue (5081)*	0	0	9
Switched Access Revenue (5082)*	250	260	10
Special Access Revenue (5083)*	14	24	11
TOTAL INTRASTATE NETWORK ACCESS SERVICES REV.	264	284	
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)*	49	37	13 D
Reciprocal Compensation Revenues (5200)			14
Unbundled Network Element Revenues (5200)			15
Directory Revenue (5230)			16
Nonregulated Operating Revenue (5280)*			17
TOTAL MISCELLANEOUS & NONREGULATED REVENUES	49	37	
GROSS OPERATING REVENUES	1,335	1,483	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*	3	(1)	18
TOTAL UNCOLLECTIBLE REVENUES	3	(1)	
TOTAL OPERATING REVENUES	1,332	1,484	

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	1,335	1
Plus: Collection of amounts previously written off	0	2
Less: Uncollectibles written off during the year	3	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	1,332	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (000's) (b)	
Total Basic Local Service Revenue (5000)	369	1
Plus: Total Intrastate Access Revenues (5081-5083)	264	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): NONE	0	6
Assessable Revenues for Universal Service Fund Assessment Purposes	633	

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	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	2,414	659	1,098	0	1
Feature Groups A - D -- Terminating	2,464	861	1,056	0	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)	No	4
SONET OC-1 (51.84 Mbps)	No	5
SONET OC-3 (155.52 Mbps)	No	6
SONET OC-12 (622.08 Mbps)	No	7
SONET OC-48 (2.488 Gbps)	No	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	315	289	3
PBX Trunks/Centrex & Key System Trunks	0	0	4
Centrex Lines	0	0	5
Other	7	7	6
Total Business Lines	322	296	7
Residential (Incl. Emp. Concess.)			8
Total Residential Lines	1,456	1,388	9
Total Bus & Res Lines	1,778	1,684	10
Company Total Lines Used	57	57	11
Total Lines Used	1,835	1,741	12
Miscellaneous			13
Special Access-intraLATA (expressed in equivalent access lines)	51	27	14
Special Access-interLATA (expressed in equivalent access lines)	242	242	15
Feature Group C and D Trunks	96	98	16
EAS and ECC - Trunks	0	48	17
Cellular Trunks (Public Switched Network)	0	0	18
Other*	8	1	19
Customers			20
Number of Lifeline customers at FOY (January 1, 2006) and EOY (December 31, 2006):	101	111	21
Number of Linkup customers connected during FOY (Calendar year 2005) and EOY (Calendar year 2006):	35	45	22
Other			23
Total Company Square Miles	230	230	24
Total Company Route Miles	473	475	25
			26
			27
			28
			29
			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)	
0780	296	1,388	1,684	57	1,741	230	475	1
	296	1,388	1,684	57	1,741	230	475	

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	BRUCE	BRUCE			1
PSCW Exchange ID	0780	0780			2
Central Office Name	BRUCE	BRUCE			3
PSCW Central Office ID	1	2			4
Central Office CLLI Code	BRUCWIXADSO	BRUCWIXADSO			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	H	R			8
Remote Host PSCW Exchange ID		0780			9
Remote Host Central Office CLLI Code	1				10
COE Generic Software Release No.	602.20	602.20			11
SS7?	Yes	Yes			12
					13
Access Lines - In Use	1,040	1,010			14
Trunks - In Use	154	0			15
ISDN Available?	Yes	Yes			16
DSL Service Available?	Yes	Yes			17
- In Use (# lines)	125	100			18
End User VoIP Available?					19
Digital Service Available: DS-1 - In Use	14	0			20
DS-3 - In Use	0	0			21
OC-3 - In Use					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	34	21			28
Access Tandem Serving this C.O.:					29
- C.O. Name					30
- PSCW C.O. CLLI Code	BRUCWIXADSO	BRUCWIXADSO			31
Does this C.O. do access tandem switching?	No	No			32
Footnotes					33

Communities where Basic Local Service is offered to New Customers

County Name (a)	Municipality Name (b)	Municipality Type (c)	
Rusk	ATLANTA	Town	1
Rusk	BIG BEND	Town	2
Rusk	BRUCE	Village	3
Rusk	MURRY	Town	4
Rusk	STUBBS	Town	5
Rusk	THORNAPPLE	Town	6
Rusk	WASHINGTON	Town	7
Rusk	WILKINSON	Town	8
Rusk	WILSON	Town	9

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

General Footnote

Schedule Footnotes

Schedule Line Footnotes

- A) PAGE 16 - CIRCUIT EQUIPMENT - A RECLASSIFICATION WAS MADE FROM ELECTRONIC TO OPTICAL CIRCUIT EQUIPMENT.**
- B) PAGE 22 - SWITCHED ACCESS INTERSTATE - DECREASE IN INTERSTATE ACCESS RATES.**
- C) PAGE 22 - REVENUES - ADDITIONAL ACCESS REVENUES RECEIVED FROM BRUCE TELECOM FOR DSL.**
- D) PAGE 22 - MISCELLANEOUS REVENUES - DUE TO REFUND BY PSC OF WATF ASSESSMENT**

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES**E) Board of Directors
BRUCE TELEPHONE CO., INC.
Bruce, Wisconsin**

The Balance Sheets of Bruce Telephone Co., Inc. as of December 31, 2006 and 2005 and the related statements of income for the years then ended included in the accompanying prescribed forms have been compiled by us. We have also compiled the financial and non-financial data included on page 8 and on pages 11 through 32 of the prescribed forms.

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

These financial statements are presented in accordance with the requirements of the Public Service Commission of Wisconsin and do not include the statements of retained earnings and cash flows and all of the disclosures required by generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such matters.

SIEPERT & CO. LLP
Certified Public Accountants

Beloit, Wisconsin

March 30, 2007