4008

ANNUAL REPORT

of

Name: TCG MILWAUKEE, INC.

Principal Office: 227 W. MONROE, SUITE 400
CHICAGO, IL 60606

For the Year Ended: DECEMBER 31, 2005

Alternative Telecommunications Utility -- Other Telecommunications Provider

To

Public Service Commission of Wisconsin

Mailing Address:	P.O. Box 7854 Madison, WI 53707-7854
Home Page:	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.

RULES FOR REPORTING

1. The annual report due date is April 1 of the following year. (Example: The 2009 report is due April 1, 2010.) 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 click on the appropriate program for Alternative Telecommunications Utility - Other Telecommunications Providers (OTH). If additional confidential treatment is desired, see the Commission's Web Page for filing instructions using the Electronic Regulatory Filing (ERF) system.

3. Alternative Telecommunications Utility-Other Telecommunications Provider (ATU-Other) entities with no revenues for the report year are required to file an OTH annual report; however, such entities may instead qualify for the Web No Activity in Wisconsin OTH annual report.

4. Unless otherwise indicated, the information requested in this report should be taken from the accounts and other records of the utility. A query or response concerning information contained in this report regarding any practice or transaction should not be construed as indicating conformity to 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, or make reference to the adjacent page or insert where the note may be found. Please also identify each note. Limited 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. Where part or all of the report is prepared by other than utility personnel, a disclosure is required in the "Individual or firm, if other than utility employee, preparing this report" portion of the Identification and Ownership schedule, which describes the nature and extent of work performed.

11. The OTH 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 annual report printout with the Commission.

RULES FOR REPORTING

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

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

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

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

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

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

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://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.

RULES FOR REPORTING

Revisions to an annual report previously filed on a manual basis (i.e., using the Commission's ERF system) also require a new complete manual filing.

16. Municipalities authorized by the Commission as competitive local exchange carriers (CLECs) should report only the CLEC-related amounts in the OTH annual report.

SIGNATURE PAGE

I JAMES F. DIONNE of
(Person responsible for accounts)

TCG MILWAUKEE, INC. , certify that I
(Utility Name)

am the person responsible for accounts; that I 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.

JAMES F. DIONNE 03/28/2006
(Person responsible for accounts) (Date)

REGULATORY CONTROLLER
(Title)

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IDENTIFICATION AND OWNERSHIP

Exact Utility Name: TCG MILWAUKEE, INC.
Utility Location: 227 W. MONROE, SUITE 400
CHICAGO, IL 60606

Utility (or Parent/Holding Company) Web Site Address: www.att.com
Date utility authorized to provide service in Wisconsin: 08/25/1994
State in which utility was organized: Delaware
Organization type: Corporation
New Utility Name: **Effective Date:**
Telephone numbers for potential customers to contact company:
Business Customers: (800) 222 - 0400
Residential Customers: (800) 222 - 0400

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

Name: SALLY A. BRIAR
Title: MANAGER
Firm/Company: AT&T, INC.
Office Address: 227 W. MONROE, SUITE 400
CHICAGO, IL 60606

Fax Number: (281) 664 - 9709
Telephone Number: (312) 230 - 2047
Email Address: sbriar@lga.att.com

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

☐ **Same as Primary Address**

Name: CYNTHIA L. HARDY
Title: MANAGER
Firm/Company: AT&T, INC.
Office Address: ROOM 2B115E, ONE AT&T WAY
BEDMINSTER, NJ 07921

Fax Number: (908) 532 - 1809
Telephone Number: (908) 234 - 7386
Email Address: cyhardy@ems.att.com

IDENTIFICATION AND OWNERSHIP

Regulatory Contact - Contact person for Regulatory Inquiries and Complaints

☐ **Same as Primary Address**

Name: SALLY A. BRIAR
Title: MANAGER
Firm/Company: AT&T, INC.
Office Address: 227 W. MONROE, SUITE 400
CHICAGO, IL 60606

Fax Number: (281) 664 - 9709
Telephone Number: (312) 230 - 2047
Email Address: sbriar@lga.att.com

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: TELEPORT COMMUNICATIONS GROUP INC.
Address: ONE AT&T WAY
BEDMINSTER , NJ 07921

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: ENTER COMPANY NAME HERE
Form of Interest: X
Extent of Interest: X

INCOME STATEMENT - WISCONSIN TOTAL OPERATIONS

Particulars (a)	Wisconsin Total % This Year (b)	This Year (000's) (c)	
Operating Revenues	54.00 %	**12,658**	**1**
OPERATING EXPENSES			
Access and Billing Expenses	54.00 %	3,828	**2**
Local Interconnection	54.00 %	0	**3**
Other Charges Imposed by Another Carrier	54.00 %	0	**4**
Communication System Operations	54.00 %	4,207	**5**
Depreciation and Amortization	54.00 %	2,694	**6**
Other	54.00 %	3,821	**7**
Total Operating Expenses	54.00 **%**	**14,550**	**8**
Net Operating Income	54.00 **%**	**(1,892)**	**9**
Total Nonoperating Income	54.00 **%**	**43**	**10**
Net Income	54.00 **%**	**(1,849)**	**11**

Income Statement - Wisconsin Total Operations Note:

Please state the bases upon which the Wisconsin total factors were developed and provide supporting calculations.

The intrastate expense amounts were allocated based on the revenue method of calculation.

TOTAL COMPANY BALANCE SHEET

Particulars (a)	Balance--EOY (000's)(b)	
ASSETS		
TOTAL CURRENT ASSETS	1,537	**1**
TOTAL NONCURRENT ASSETS	(76,393)	**2**
TOTAL PLANT	21,491	**3**
TOTAL ASSETS AND OTHER DEBITS	**(53,365)**	
LIABILITIES AND CAPITAL		
TOTAL CURRENT LIABILITIES	250	**4**
TOTAL LONG-TERM DEBT	0	**5**
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS	3	**6**
STOCKHOLDERS' EQUITY		
Retained Earnings	(53,618)	**7**
Other Stockholders' Equity	0	**8**
TOTAL STOCKHOLDERS' EQUITY	**(53,618)**	
TOTAL LIABILITIES AND OTHER CREDITS	**(53,365)**	

TOTAL COMPANY BALANCE SHEET - NOTES

Other information concerning the total company balance sheet.

TELECOMMUNICATIONS PLANT IN SERVICE & ACCUMULATED DEPRECIATION & AMORTIZATION - WISCONSIN

Plant Function (a)	Additions This Year (000's)(b)	Plant In Service EOY (000's)(c)	Acc. Depr. & Amortization EOY (000's)(d)	Net Plant In Service EOY (000's)(e)	
TOTAL GENERAL SUPPORT	0	140	29	**111**	**1**
TOTAL CENTRAL OFFICE	73	12,238	2,624	**9,614**	**2**
TOTAL INFORMATION ORIG./TERM.	0	3	3	**0**	**3**
TOTAL CABLE WIRE FACILITIES	497	11,792	1,115	**10,677**	**4**
TOTAL AMORTIZABLE	9	262	54	**208**	**5**
TOTAL PLANT IN SERVICE	**579**	**24,435**	**3,825**	**20,610**	

OPERATING REVENUES

Particulars (a)	Wisconsin-Based Intrastate (000's)(b)	Wisconsin-Based Interstate (000's)(c)	
LOCAL NETWORK SERVICES REVENUES			
End User Retail	3,564		1
Private Line & Special Access	0		2
Resale of Local Service	1,763		3
Local Access	64		4
NETWORK INTERSTATE ACCESS SERVICE REVENUES			
End User Line Charge		2	5
Switched		279	6
Special		0	7
NETWORK INTRASTATE ACCESS SERVICE REVENUES			
Switched	524		8
Special	0		9
Enter Other Description Here	0		10
LONG DISTANCE NETWORK SERVICES MESSAGE REVENUES			
End User - MTS	0	0	11
Wholesale - MTS	0	0	12
End User - Private Line	395	3,687	13
Wholesale - Private Line	244	902	14
MISCELLANEOUS REVENUES			
Reciprocal Compensation	235	0	15
Other Interconnection	0	0	16
Unbundled Network Elements (UNEs) and UNE Platform (UNE-P)	0	0	17
Video Distance Learning	0	26	18
Directory	0	1	19
Miscellaneous	10	779	20
NONREGULATED REVENUES			
Non-Regulated MIscellaneous	0	183	21
GROSS OPERATING REVENUES	**6,799**	**5,859**	
UNCOLLECTIBLE REVENUES			
Enter Description Here	0	0	22
TOTAL UNCOLLECTIBLE REVENUES	**0**	**0**	
TOTAL OPERATING REVENUES	**6,799**	**5,859**	

OPERATING REVENUES (cont.)

Particulars (d)	Wisconsin-Based Total (000's)(e)	Total Company (000's)(f)	
LOCAL NETWORK SERVICES REVENUES			
End User Retail	**3,564**	3,564	**1**
Private Line & Special Access	**0**	0	**2**
Resale of Local Service	**1,763**	1,763	**3**
Local Access	**64**	64	**4**
NETWORK INTERSTATE ACCESS SERVICE REVENUES			
End User Line Charge	**2**	2	**5**
Switched	**279**	279	**6**
Special	**0**	0	**7**
NETWORK INTRASTATE ACCESS SERVICE REVENUES			
Switched	**524**	524	**8**
Special	**0**	0	**9**
Enter Other Description Here	**0**	0	**10**
LONG DISTANCE NETWORK SERVICES MESSAGE REVENUES			
End User - MTS	**0**	0	**11**
Wholesale - MTS	**0**	0	**12**
End User - Private Line	**4,082**	4,082	**13**
Wholesale - Private Line	**1,146**	1,146	**14**
MISCELLANEOUS REVENUES			
Reciprocal Compensation	**235**	235	**15**
Other Interconnection	**0**	0	**16**
Unbundled Network Elements (UNEs) and UNE Platform (UNE-P)	**0**	0	**17**
Video Distance Learning	**26**	26	**18**
Directory	**1**	1	**19**
Miscellaneous	**789**	789	**20**
NONREGULATED REVENUES			
Non-Regulated MIscellaneous	**183**	183	**21**
GROSS OPERATING REVENUES	**12,658**	**12,658**	
UNCOLLECTIBLE REVENUES			
Enter Description Here	**0**	0	**22**
TOTAL UNCOLLECTIBLE REVENUES	**0**	**0**	
TOTAL OPERATING REVENUES	**12,658**	**12,658**	

YEAR-END NUMBER OF LINES

Report voice grade and/or DS0 equivalent lines serving end users.

Local Telecommunications Line Type (a)	Wisconsin-Based Total (Actual No.) (b)	
Residential	**0**	**1**
Business	**15,581**	**2**
		3

NUMBER OF LIFELINE AND LINKUP CUSTOMERS

Number of Lifeline and Linkup Customers (a)	Wisconsin (Actual No.)(b)	
Number of Lifeline Customers in Wisconsin at December 31, 2005	0	**1**
Number of Linkup Customers in Wisconsin Connected During 2005	0	**2**

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)	
Rate Center Name	MULTIPLE				1
Central Office (Switch) CLLI Code	WALLWIFIDS0				2
Switch Location	VEST ALLIS, WI				3
Manufacturer of COE	LUCENT				4
Type of Equipment	5E				5
(S)tandalone, (H)ost, (R)emote, (D)igital Loop Carrier	S				6
Remote Host Rate Center Name					7
Remote Host Switch CLLI Code					8
COE Generic Software Release No.	5E14				9
SS7?	Yes				10
9-1-1?	Yes				11
Access Lines - In Use	15,581				12
Trunks - In Use	301				13
ISDN Available?	Yes				14
ISDN Lines - In Use (BRI)	0				15
- In Use (PRI)	7,896				16
DSL Service Available?	No				17
- In Use (# lines)					18
End User VoIP Available?	N				19
Digital Service Available: DS-1 - In Use	650				20
DS-3 - In Use	0				21
OC-3 - In Use	0				22
Advanced Data Service Available:					23
Packet Switching?	Yes				24
Frame Relay?	Yes				25
ATM (Asynchronous Trans. Mode)?	Yes				26
Fiber Transmission Facilities:					27
No. of fiber strands entering C.O.	0				28
No. of fiber strands working (LIT) in C.O.	0				29
No. of fiber strands for interoffice use	0				30
Miles of fiber sheath in wire center	446				31
Access Tandem Serving this C.O.:					32
- Central Office Name	BLUEMOUND				33
- Central Office CLLI Code	MILWWI1261T				34
Does this C.O. do access tandem switching?	No				35

ASSESSABLE REVENUES

Description (a)	This Year (000's)(b)	
Calculation of Assessable Revenues for Remainder and Telephone Relay Assessment Purposes		
Gross Operating Revenues--Wisconsin (including interstate revenues)	12,658	1
Less: Inbound Interstate 800 and Collect Revenues billed to customers outside of Wisconsin and included on line 1 (exclusive of uncollectible and nonregulated revenue)	0	2
Less : Current Year Write-offs of Uncollectible Revenues	0	3
Plus: Current Year Collection of Operating Revenues Previously Written Off	0	4
Less : Nonregulated Operating Revenue (included in Gross Oper. Rev. on Line 1)	183	5
Plus: Nonregulated Net Write Off Amount (included on Lines 3 and 4)	0	6
Total Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	**12,475**	7
Assessable Revenues for Universal Service Fund Assessment Purposes		
Wisconsin Gross Intrastate Operating Telecommunications Service Revenue	**6,799**	8
Less: Reciprocal Compensation	235	9
Less: Other Interconnection Revenues	0	10
Less: Unbundled Network Elements (UNEs) and UNE Platform (UNE-P) Revenues	0	11
Less: Directory Revenues	0	12
Less: Nonregulated Revenues	0	13
Less: Other revenues not assessable for USF purposes (list)		
Enter description here	0	14
Enter description here	0	15
Enter description here	0	16
Total assessable revenues for USF purposes	**6,564**	17

Explanation of significant variances in assessable revenues.

If line 7 or line 8 represents and increase of decrease of more than 20 percent and $200,000 from last year, please provide a brief explanation here. If variance is less than these thresholds, enter NONE. **18**

Notes

"Gross Operating Revenues--Wisconsin" are revenues before consideration of uncollectible revenues. These revenues include revenues from inbound interstate 800 and collect calls billed to customers in Wisconsin.

"Outbound interstate revenues" are service operations revenues received from communications originating at points within Wisconsin and terminating at points outside the state.

"Inbound interstate 800 and collect revenues" are revenues from interstate 800 and collect calls originating outside of Wisconsin and terminating within Wisconsin, but billed to customers outside of Wisconsin.

"Gross" means revenue before consideration of uncollectible amounts. Access expenses may not be netted against assessable revenues.

"Intrastate" means telecommunications service originating and terminating within the State of Wisconsin. Intrastate revenue does not include interstate access revenue.

ASSESSABLE REVENUES

Description (a)	This Year (000's)(b)
"Operating" means provision of telecommunications services.	
"Telecommunications service revenue" for the purpose of this assessment does not include cable television service, broadcast service, rents, directory revenue, carrier billing and collection revenue, nonregulated customer premises equipment revenue, or other miscellaneous or nonregulated revenue. However, it does include video distance learning revenue and payphone revenue (the latter which was deregulated in 1997).	

OTHER INFORMATION

Additional or other information concerning this annual report.

SBC closed its acquisition of AT&T on Friday, November 18, 2005, and the joined telecommunications companies adopted the name AT&T, Inc.

SCHEDULE AND REPORT NOTES

General Footnote

Schedule Footnotes

Identification and Ownership Footnote. Page 5

TCG Milwaukee, Inc. is a wholly-owned subsidiary of Teleport Communications Group Inc. which owns 100 shares of TCG Milwaukee, Inc.

Operating Revenues Footnote. Page 14

1. Intrastate Tennant Services, Non-Jurisdictional Collocation, Dark Fiber and Trouble Callouts were reclassed to Miscellaneous Interstate. Miscellaneous Interstate also includes: Flow-Through Surcharges (Gross Receipts Taxes), USF Recovery, Property Tax Allotment, Federal Regulatory Fees and Administrative Expense Fees.
2. TCG AllocSW Primemail and Installation Charges were reclassed to Miscellaneous Intrastate. Miscellaneous Intrastate also includes Flow-Through Surcharges (Gross Receipts Taxes) and USF Recovery.
3. SW Moves, Adds & Changes (non-jurisdictional), Late Payment Fees, Lanlink-Ethernet Service (non-jurisdictional) were reclassed to Non-Reg Interstate.
4. At the direction of the Public Service Commission of Wisconsin, these revenues have been reclassified from one category to another.

Central Office Data - End of Year Footnote. Page 19

Tab Name: Year End Number of Lines, Item#: 2, Number of local telephony line count is expressed in Voice Grade Equivalents (VGEs).
Tab Name: Central Office Data, Item#: 1, TCGs local circuit switch serves multiple rate centers in the state of Wisconsin. Item#: 20-23, In use "digital services" expressed as Equivalent DS1s in use based upon the number of local VGEs served on the switch. Item#: 28-30, Data is not available. Item#: 33-34, There are multiple "Access Tandems" serving this switch as follows: WALLWIFIDS0 is served by MILWWI1261T and MILWW1455Y1T.

SERVICES OFFERED

1	Does the company currently offer basic local telecommunications service (voice grade) to new customers in one or more Wisconsin locations to Residential customers?	No
2	Does the company currently offer basic local telecommunications service (voice grade) to new customers in one or more Wisconsin locations to Business customers?	Yes
3	Does the company currently offer basic local telecommunications service (voice grade) to new residential and/or business customers in all of AT&T Wisconsin (formerly SBC) service territory?	Yes
4	Does the company currently offer basic local telecommunications service (voice grade) to new residential and/or business customers in all of Verizon North's Wisconsin service territory?	Yes

Does the company currently offer the following services in one or more Wisconsin locations:

5	Company calling cards	Yes
6	Long distance service	Yes
7	Operator services	Yes
8	Dial-up Internet services	Yes
9	DSL	No
10	Cable modem Internet access	No
11	Wireless Internet	No
12	Voice over Internet protocol (VoIP)	No
13	Dark fiber	No
14	Fiber to the Premise	Yes
15	Digital TV	No
16	Wholesale	No
17	Other	No

Communities where Basic Local Service is offered to New Customers as of April 1, 2006

County Name (a)	Municipality Name (b)	Municipality Type (c)	
Milwaukee	MILWAUKEE	City	1
Milwaukee	WEST ALLIS	City	2