4004

ANNUAL REPORT

OF

Name:	NIAGARA TELEPHONE COMPANY
Principal Office:	1133 MAIN ST P.O. BOX 3 NIAGARA, WI 54151-0003
For the Year Ended:	DECEMBER 31, 2000

TELECOMMUNICATIONS UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854
Madison, WI 53707-7854
(608) 267-9504

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than $25 nor more than $5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

GENERAL RULES FOR REPORTING

1. Unless otherwise indicated, the information requested in this report should be taken from the accounts and other records in conformity with the Uniform System of Accounts prescribed by the Public Service Commission of Wisconsin in docket 05-US-102. 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.

2. Please follow all instructions and answer each question fully and accurately. Provide additional information as necessary to avoid misunderstandings or misleading responses. Abbreviations listed on page 6 may be used. However, please show the exact name of the respondent in full on the Identification and Ownership page.

3. Wherever information is requested in a "note", please show that information in the space provided, or make reference to the adjacent page or insert where the note may be found. Please also identify each note. Footnote capability is included in the annual report software program. Please use it where necessary to fully explain particulars in the annual report.

4. Numeric items are limited to digits (0-9). A minus sign "-" should be entered in the software program to indicate negative values. Do not use parentheses for numeric values. The program will convert the minus sign to parentheses when 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.

5. Please report all dollar amounts to the nearest whole dollar.

6. This annual report should be complete in all respects. Unless otherwise authorized, avoid references to returns of former years or to other reports.

7. Wherever schedules call for data from the previous year and such data were reported in the previous annual report, that 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.

8. 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.

9. Please print a hard copy of the annual report on 20 pound or heavier paper, sign it and compare with the electronic copy before officially filing it with the Public Service Commission of Wisconsin.

SIGNATURE PAGE

I SYDNEY R PETERSON of
(Person responsible for accounts)

NIAGARA TELEPHONE COMPANY , 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.

SYDNEY R PETERSON 03/31/2001
(Person responsible for accounts) (Date)

PRESIDENT
(Title)

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ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Access Line Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency transmission, and/or time slot transmission. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice channel or a 64 kilobits per second digital channel.

Analog Signal A signal that varies in a continuous manner such as voice or music. An analog signal must be contrasted with a digital signal which can assume only discrete values.

Cellular System A high capacity land mobile radio system in which an assigned frequency spectrum is divided into discrete channels that are assigned to a cellular geographic serving area.

Central Office A switching unit in a telephone system providing service to the general public, having the necessary equipment and operating arrangements for terminating and interconnecting lines and trunks.

Centrex A service for customers with many stations that permits station-to-station dialing, one listed directory number for the customer, direct inward dialing to a particular station and station identification on outgoing calls. The switching functions are performed in a central office (stand alone, host or remote).

Channel An electrical communications path between two or more points. A single pair of wires may provide more than one channel. A channel may also be provided by microwave.

Customer A person who uses a telephone as a subscriber.

Digital Signal A signal that has a limited number of discrete states. This may be contrasted with an analog signal that varies in a continuous manner and may have an infinite number of states.

Equal Access The ability of the subscriber to use any long distance service by dialing the same number of digits.

Exchange A defined area served by one or more central offices regardless of technical serving arrangements within which the company furnishes service at rates and rules prescribed for that area in the company's filed tariffs. The area is not necessarily marked by political boundaries or the location of host or remote switching units.

Extended Area Service (EAS) The ability of a customer to call customers in other exchanges at no additional charge or at an additional charge per tariff.

Extended Community Calling (ECC) The ability of a customer to call customers in other exchanges at rates usually above EAS rates but below toll rates for comparable distances. Rates generally include a duration element.

Feature Group A Line-side originating and terminating LATA access for which an originating subscriber dials an assigned telephone number that connects to a specific interexchange carrier (IC). The IC returns a tone to signal the caller to input additional generated digits of the called number.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Feature Group B Trunk-side originating and terminating LATA access for which an originating subscriber dials a 950-WXXX number (where W=0, 1 and XXX is the carrier access code (CAC)), which is translated to a specific XXX carrier trunk group. Optional rotary dial service and ANI may be available.

Feature Group C Trunk-side LATA access for AT&T-Communications generally on a direct basis between each end office (EO) and an AT&T-C switching system.

Feature Group D Also referred to as equal access. It is trunk-side LATA access affording call supervision of an interexchange carrier, a uniform access code (10XXXXX), optional calling party identification, recording of access-charge billing details and presubscription to a customer specified interexchange carrier.

FX-IN A nonswitched service where the customer of the company is connected to and receives switching service through central office equipment located in another exchange area.

FX-OUT A switched service where facilities are provided from the central office out to the exchange boundary where it meets the line from a foreign exchange subscriber.

Host Switching System A switching system that provides centralized control over most of the switching functions of one or more remote switching units. The host switching system usually provides trunk access to the operating company intraLATA networks.

Local Access Transport Area (LATA) A geographic area within which an operating company may offer its telecommunications services.

Mobile Telephone A service which provides radio telephone communication from a mobile vehicle to another vehicle or to a regular telephone.

Paging A service which provides one-way signal or voice communication over a radio channel to a miniature receiver carried by the customer.

Pair Two wires of a single circuit.

Pay Station A telephone which normally requires all users to deposit one or more coins or use a credit card to complete a call.

Private Line Service Channel or circuit rented for private use and not intended to be connected to the general distribution system.

Private Branch Exchange (PBX) A manually, or operator controlled switching system, usually on the customer’s premises, which serves that customer's telephones over a common group of lines from the central office.

Radio Common Carrier (RCC) A company which furnishes public telecommunications service using one or more radio channels.

Remote Switching Unit (RSU) An electronic switching system that is remote from its host or control office. All of the central control equipment for the RSU is located in the host switching system.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Route Miles Total number of route miles (to the nearest mile) of operating plant facilities including drop wire in the exchange. One route mile may consist of:

1. One mile of roadway with any combination of outside plant facilities on any number of rights-of-way.
2. One mile of a cross country route with any combination of outside plant facilities.
3. One mile of point-to-point microwave or radio link.
4. One mile of plant on either side of a limited access highway or natural barrier, such as a navigable waterway.
5. One mile of joint use line where the utility either owns the facility or leases space.

Stand Alone Switch A central office switch which has no remote switching units (RSUs) subtending it.

Trunk A communications path connecting two switching systems in the establishment of an end-to-end connection.

Wide Area Telephone Service (WATS) Customer leased access line or lines connected to the nationwide network over which an unlimited number of calls can be made for a fixed monthly charge.

Wire Center The location of one or more local switching systems. A point at which customers' loops converge.

ABBREVIATIONS USED IN ANNUAL REPORTS

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

IDENTIFICATION AND OWNERSHIP

Exact Utility Name: NIAGARA TELEPHONE COMPANY
Utility Location: 1133 MAIN ST
P.O. BOX 3
NIAGARA, WI 54151-0003
Utility Web Site Address:
When was utility organized?: 05/01/1941
Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: SYDNEY R . PETERSON
Title: PRESIDENT & MANAGER

Office Address: 1133 MAIN STREET
NIAGARA , WI 54151

Fax Number: (715) 251 - 1119
Telephone Number: (715) 251 - 3116
Email Address:

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

Name: KIESLING ASSOCIATES LLP
Title: ACCOUNTING FIRM
Firm: KIESLING ASSOCIATES LLP
Office Address: 6401 ODANA ROAD
MADISON , WI 53719

Fax Number: (608) 273 - 2383
Telephone Number: (608) 273 - 2315
Email Address: www.kiesling.com

Person responsible for financial information contained in report

Name: M. O. WILKINS
Title: TREASURER

Office Address: 104 WEST WALKER STREET
P.O. BOX 160
WITTENBERG , WI 54499

Fax Number: (715) 253 - 3497
Telephone Number: (715) 253 - 2111
Email Address:

Person responsible for statistical information contained in report

Name: SYDNEY R . PETERSON
Title: PRESIDENT & MANAGER

Office Address: 1133 MAIN STREET
NIAGARA , WI 54151

Fax Number: (715) 251 - 1119
Telephone Number: (715) 251 - 3116
Email Address:

IDENTIFICATION AND OWNERSHIP

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

Name: BEATE M. REUBER
Address: PO BOX 668
HECTOR , MN 55342

Number of Shares Held: 522
Beneficial Owner: NONE

Name: BRUCE C. REUBER
Address: PO BOX 668
HECTOR , MN 55342

Number of Shares Held: 522
Beneficial Owner: NONE

Name: NANCY L. PETERSON
Address: 1100 BRUNING STREET
NIAGARA , WI 54151

Number of Shares Held: 262
Beneficial Owner: NONE

Name: SYDNEY R. PETERSON
Address: 1100 BRUNING STREET
NIAGARA , WI 54151

Number of Shares Held: 1,500
Beneficial Owner: NONE

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

Company Name: BORDERLAND COMMUNICATIONS, LLC
Form of Interest: OWNED
Extent Of Interest: 100%

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	3,449,009	3,407,657	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	539,898	401,920	2
Plant Nonspecific Operations Expense	998,353	951,640	3
Customer Operations Expense (6610-6620)	373,290	350,947	4
Corporate Operations Expense (6710-6790)	475,868	560,493	5
Other Operating Income and Expense (7100)	8,840	11,740	6
Operating Taxes (7200)	415,133	492,748	7
Total Operating Expenses	**2,793,702**	**2,746,008**	8
Net Operating Income	**655,307**	**661,649**	9
Other Income			
Nonoperating Income and Expense (7300)	135,634	478,210	10
Nonoperating Taxes (7400)	56,262	173,677	11
Interest and Related Items (7500)	160,306	174,424	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	33,213	35,999	14
Total Nonoperating Income	**(47,721)**	**166,108**	15
Net Income	**607,586**	**827,757**	16

NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

1. A summary of significant accounting policies. (The summaries should disclose, but not be limited to, the utility's accounting policies with regard to pension cost, unbilled revenues, depreciation, and income taxes.)

The accounting policies of the Company conform to generally accepted accounting principles. Management uses estimates and assumptions in preparing its financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Telephone operations reflect practices appropriate to the telephone industry. The accounting records of the company are maintained in accordance with Uniform System of Accounts for Class A and B Telephone Companies prescribed by the Federal Communications Commission as modified by the Public Service Commission of Wisconsin (PSCW).

A. Property and Equipment

Telephone plant is capitalized at original cost, including the capitalized cost of salaries and wages, materials, certain payroll taxes, and employee benefits.

The Company provides for depreciation for financial reporting purposes on the straight-line method by the application of rates, based on the estimated service lives of the various classes of depreciable property.

Renewals and betterments of units of property are charged to telephone plant in service. When telephone plant is retired, its cost is removed from the asset account and charged against accumulated depreciation, together with removal cost less any salvage realized. No gains or losses are recognized in connection with routine retirements of depreciable property. Repairs and renewals of minor items of property are included in plant specific operations expense.

B. Income taxes

Income taxes are accounted for using a liability method and provide for the tax effects of transactions reported in the financial statements including both taxes currently due and deferred. Deferred taxes are adjusted to reflect deferred tax consequences at current enacted tax rates. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities include the difference between carrying amounts of depreciable assets and partnership investment basis. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled.

Investment tax credits (ITC) which were deferred prior to the Tax Reform Act of 1986 are being amortized over the regulatory life of the plant which produced the ITC.

NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

C. Revenue Recognition

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

Revenues relating to the provision of access services to customers are derived, in part, from tariffed access charges to toll service providers (interexchange carriers), and in part from sharing in interstate and intrastate pools. Interstate revenues are determined in accordance with cost seperation procedures.

The Company is compensated for intrastate access under access charge procedures based on expense and plant investment levels, as determined by the Company and approved by the PSCW.

D. Cash Equivalents

All highly liquid investments purchased with a maturity of one year or less are considered cash equivalents.

E. Investments

Non-marketable equity investments and temporary investments are stated at cost. Non-marketable investments over which the Company has significant influence or a 20% investment are reflected on the equity method. The Company has interests in the Wisconsin RSA #3 and #4 cellular partnerships. These partnerships were formed to provide mobile cellular radio telecommunications services.

2. A summary of significant contingent assets and liabilities existing at year end, including a brief explanation of any action initiated by the Internal Revenue Service, Wisconsin Department of Revenue, or the utility involving a possible assessment or refund of taxes.

None

3. The notes should include an explicit and precise explanation of any retained earnings restrictions and should state the amount of retained earnings affected by such restrictions.

The mortgage to the United States of America, underlying the RUS note, contains certain restrictions on the declaration of payment of cash dividends, redemption of capital stock, or investment in affiliated companies.

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT ASSETS			
CASH AND EQUIVALENTS			
Cash and Equivalents (1120)*	285,515	307,993	**1**
Cash (1130)			**2**
Special Cash Deposits (1140)			**3**
Working Cash Advances (1150)			**4**
Temporary Investments (1160)			**5**
TOTAL CASH AND EQUIVALENTS	**285,515**	**307,993**	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	164,750	180,372	**6**
Accounts Receivable Allowance-Telecom (1181)*		0	**7**
Net: Telecommunications Accounts Receivable	**164,750**	**180,372**	
Other Accounts Receivable (1190)*	689,436	691,661	**8**
Accounts Receivable Allowance--Other (1191)*		0	**9**
Net: Other Accounts Receivable	**689,436**	**691,661**	
Notes Receivable (1200)*		0	**10**
Notes Receivable Allowance (1201)*		0	**11**
Net: Notes Receivable	**0**	**0**	
Interest and Dividends Receivable (1210)*		0	**12**
TOTAL REC AND ALLOW FOR DOUBTFUL ACCOUNTS	**854,186**	**872,033**	
SUPPLIES			
Inventories (1220)*	189,729	103,044	**13**
TOTAL SUPPLIES	**189,729**	**103,044**	
PREPAYMENTS			
Total Prepayments (1280)*	8,718	717	**14**
Prepaid Rents (1290)			**15**
Prepaid Taxes (1300)			**16**
Prepaid Insurance (1310)			**17**
Prepaid Directory Expenses (1320)			**18**
Other Prepayments (1330)			**19**
TOTAL PREPAYMENTS	**8,718**	**717**	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	24,635	22,439	**20**
TOTAL OTHER CURRENT ASSETS	**24,635**	**22,439**	
TOTAL CURRENT ASSETS	**1,362,783**	**1,306,226**	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	717,918	138,793	**21**
RTB Class B Stock (1402)*			**22**
Other Investments in Nonaffiliated Companies (1402)*	2,333,120	2,390,170	**23**
Nonregulated Investments (1406)*	16,771	36,664	**24**
Unamortized Debt Issuance Expense (1407)*	1,597	2,189	**25**

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
NONCURRENT ASSETS			
INVESTMENTS			
Sinking Funds (1408)*		0	**26**
Other Noncurrent Assets (1410)*		0	**27**
TOTAL INVESTMENTS	**3,069,406**	**2,567,816**	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*	0	(13,131)	**28**
Deferred Maintenance and Retirements (1438)*		0	**29**
Deferred Charges (1439)*		0	**30**
TOTAL DEFERRED CHARGES	**0**	**(13,131)**	
TOTAL NONCURRENT ASSETS	**3,069,406**	**2,554,685**	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	11,285,664	10,905,756	**31**
Less: Accumulated Depreciation (3100)*	6,707,173	5,899,601	**32**
Less: Accumulated Amortization--Capitalized Leases (3410)*		0	**33**
Less: Accumulated Amortization--Leasehold Improvements (3420)*		0	**34**
Less: Accumulated Amortization--Intangible (3500)*		0	**35**
NET TELECOMMUNICATIONS PLANT IN SERVICE	**4,578,491**	**5,006,155**	
PROPERTY HELD FOR FUTURE USE			
Prop. Held for Future Telecommun. Use (2002)*		0	**36**
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200)*		0	**37**
NET PROPERTY HELD FOR FUTURE USE	**0**	**0**	
NONOPERATING PLANT			
Nonoperating Plant (2006)*	21,457	21,457	**38**
Less: Accumulated Depreciation--Nonoperating (3300)*	9,419	8,591	**39**
NET NONOPERATING PLANT	**12,038**	**12,866**	
TPUC			
TPUC (2003)*		0	**40**
TOTAL TPUC	**0**	**0**	
TELECOMMUNICATIONS PLANT ADJUSTMENT			
Telecommunications Plant Adjustment (2005)*		0	**41**
Less: Accumulated Amortization--Other (3600)*		0	**42**
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	**0**	**0**	
TOTAL PLANT	**4,590,529**	**5,019,021**	
TOTAL ASSETS AND OTHER DEBITS	**9,022,718**	**8,879,932**	

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	284,914	306,990	**1**
Notes Payable (4020)*	100,000	0	**2**
Advance Billing and Payments (4030)*	26,200	29,600	**3**
Customer Deposits (4040)*	12,436	7,020	**4**
Current Maturities--Long-Term Debt (4050)*	458,000	429,700	**5**
Current Maturities--Capital Leases (4060)*		0	**6**
Income Taxes--Accrued (4070)*	73,824	135,782	**7**
Other Taxes--Accrued (4080)*		387	**8**
Net Current Deferred Operating Income Taxes (4100)*	0	0	**9**
Net Current Deferred Nonoperating Income Taxes (4110)*		0	**10**
Other Accrued Liabilities (4120)*	91,575	96,565	**11**
Other Current Liabilities (4130)*			**12**
TOTAL CURRENT LIABILITIES	**1,046,949**	**1,006,044**	
LONG-TERM DEBT			
Funded Debt (4210)*	2,090,035	2,548,070	**13**
Premium on Long-Term Debt (4220)*		0	**14**
Discount on Long-Term Debt (4230)*		0	**15**
Reacquired Debt (4240)*		0	**16**
Obligations Under Capital Leases (4250)*		0	**17**
Advances from Affiliated Companies (4260)*	0	0	**18**
Other Long-Term Debt (4270)*		0	**19**
TOTAL LONG-TERM DEBT	**2,090,035**	**2,548,070**	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*	120,990	95,703	**20**
Unamortized Operating ITC--Net (4320)*		26,802	**21**
Unamortized Nonoperating ITC--Net (4330)*		0	**22**
Net Noncurrent Deferred Operating Income Taxes (4340)*	175,060	226,582	**23**
Net Deferred Tax Liability Adjustments (4341)*	(1,430)	(24,277)	**24**
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	(69,891)	(83,034)	**25**
Other Deferred Credits (4360)*	95,594	38,286	**26**
Deferred Tax Regulatory Liability (4361)*	3,646	21,977	**27**
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS	**323,969**	**302,039**	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	348,000	348,000	**28**
Additional Paid-in Capital (4520)*		0	**29**
Treasury Stock (4530)*		0	**30**
Other Capital (4540)*		0	**31**
Retained Earnings (4550)*	5,213,765	4,675,779	**32**
TOTAL STOCKHOLDERS' EQUITY	**5,561,765**	**5,023,779**	
TOTAL LIABILITIES AND OTHER CREDITS	**9,022,718**	**8,879,932**	

IMPORTANT CHANGES DURING THE YEAR

1. Estimated increase or decrease in annual revenues due to important rate changes, giving bases of estimates.

   None

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

   None

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)	
Borderland Communications, LLC	BDLD	**1**
Computer Systems Limited Liability Corporation	CSLLC	**2**
Interstate Telcom Consulting Inc.	ITCI	**3**

AFFILIATED INTEREST TRANSACTIONS

Provide a summary of transactions under established affiliated interest contracts and arrangements (see Wis. Stat. § 196.52, for "affiliated interest" definitions). Use the space below to report transactions with individual affiliates and multiple affiliated interest agreements or, at the utility's option, with individual affiliates and a single agreement. Activity associated with affiliated contracts or arrangements not in excess of $25,000 or 5 percent of the equity of the utility, whichever is smaller, may be aggregated in a single record. For utilities whose intrastate gross operating revenues of the previous year exceeded $100,000,000, individual contracts or arrangements not exceeding $100,000 may be aggregated in a single record. Where an affiliate is both providing and receiving service use one record to show billings to and a second record for billings from. When billings to or from an affiliate are recorded on the books of the utility, the records underlying such billings shall be sufficient to show all the detail maintained to identify the associated accounts related to the billing.

Particulars (a)	(b)	(c)	(d)	(e)	
Docket	4160AT000100	4160AT000101			
Name of Affiliate	CSLLC	ITCI			1
Designate whether billed to or from:	FROM	FROM			2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	M	M			3
Total Dollar Activity	110,205	59,725			4
Percent of affiliate's business billed to all affiliated regulated utilities	56.44	3.80			5
If cost based, rate of return on equity or markup incorporated in billings					6

Footnotes

AFFILIATED ASSETS AND LIABILITIES

This schedule should be used to report affiliated activity concerning balances at the end of the year for the following accounts: 1120, Cash and Equivalents; 1160, Temporary Investments; 1180, Telecommunications Accounts Receivable; 1190, Other Accounts Receivable; 1200, Notes Receivable; 1210, Interest and Dividends Receivable; 1401, Investment in Affiliated Companies; 1408, Sinking Funds; 4010, Accounts Payable; 4020, Notes Payable; and 4260, Advances from Affiliated Companies. 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 (c)	
Borderland Communications, LLC	1190	302,284	**1**
Borderland Communications, LLC	1401	575,918	**2**
Computer Systems Limited Liability Corporation	1401	142,000	**3**

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)		
GENERAL SUPPORT ASSETS					
Land	2111	88,167		1	
Motor Vehicles	2112	271,971	22,456	2	
Aircraft	2113	0		3	
Special Purpose Vehicles	2114	0		4	
Garage Work Equipment	2115	0		5	
Other Work Equipment	2116	157,148	19,247	6	
Buildings	2121	852,265	941	7	A
Furniture	2122	13,484		8	
Office Equipment	2123	7,457	0	9	
General Purpose Computers	2124	68,383	9,909	10	
TOTAL--GENERAL SUPPORT ASSETS:		**1,458,875**	**52,553**		
CENTRAL OFFICE ASSETS					
Analog Electronic Switching	2211	0		11	
Digital Electronic Switching	2212	2,341,746	73,696	12	A
Electro-Mechanical Switching	2215	0	0	13	
Operator Systems	2220	0		14	
Radio Systems	2231	0	0	15	
Circuit Equipment	2232	1,289,386	71,361	16	A
TOTAL--CENTRAL OFFICE ASSETS:		**3,631,132**	**145,057**		
INFORMATION ORIGINATION/TERMINATION ASSETS					
Station Apparatus	2311	0		17	
Customer Premises Wiring	2321	0		18	
Large Private Branch Exchanges	2341	0		19	
Public Telephone Terminal Equipment	2351	0		20	
Other Terminal Equipment	2362	0		21	
TOTAL--INFORMATION ORIG/TERM ASSETS:		**0**	**0**		
CABLE WIRE FACILITIES ASSETS					
Poles	2411	90,370	1,771	22	A
Aerial Cable	2421	372,140	553	23	A
Underground Cable	2422	421,426	2,515	24	A
Buried Cable	2423	4,167,267	204,873	25	A
Submarine Cable	2424	0	0	26	
Deep Sea Cable	2425	0		27	
Intrabuilding Network Cable	2426	0	0	28	
Aerial Wire	2431	5,685		29	
Conduit Systems	2441	758,861	14,437	30	A
TOTAL--CABLE WIRE FACILITIES ASSETS:		**5,815,749**	**224,149**		
AMORTIZABLE ASSETS					
Capital Leases	2681	0		31	

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

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)		
2111			**88,167**	**1**	
2112	13,577		**280,850**	**2**	
2113			**0**	**3**	
2114			**0**	**4**	
2115			**0**	**5**	
2116	5,460		**170,935**	**6**	
2121	2,401	(1,784)	**849,021**	**7**	A
2122			**13,484**	**8**	
2123	0	0	**7,457**	**9**	
2124			**78,292**	**10**	
	21,438	**(1,784)**	**1,488,206**		
2211			**0**	**11**	
2212	0	18,960	**2,434,402**	**12**	A
2215	0	0	**0**	**13**	
2220			**0**	**14**	
2231	0	0	**0**	**15**	
2232	0	1,784	**1,362,531**	**16**	A
	0	**20,744**	**3,796,933**		
2311			**0**	**17**	
2321			**0**	**18**	
2341			**0**	**19**	
2351			**0**	**20**	
2362			**0**	**21**	
	0	**0**	**0**		
2411	3,143	(818)	**88,180**	**22**	A
2421	36,410	13,986	**350,269**	**23**	A
2422	0	(9,965)	**413,976**	**24**	A
2423	974	1,711	**4,372,877**	**25**	A
2424	0	0	**0**	**26**	
2425			**0**	**27**	
2426	0	0	**0**	**28**	
2431			**5,685**	**29**	
2441		(3,760)	**769,538**	**30**	A
	40,527	**1,154**	**6,000,525**		
2681			**0**	**31**	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
AMORTIZABLE ASSETS				
Leasehold Improvements	2682	0		**32**
Intangibles	2690	0		**33**
TOTAL--AMORTIZABLE ASSETS:		**0**	**0**	
TOTAL TELECOM. PLANT IN SERVICE	**2001**	**10,905,756**	**421,759**	
Less: Allocation to Nonregulated Activity - EOY	2001			**34**
NET REG. TOTAL TELE. PLANT IN SERV. - EOY	**2001**			

Explain all amounts shown in column (g).

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

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2682			**0**	**32**
2690			**0**	**33**
	0	**0**	**0**	
	61,965	**20,114**	**11,285,664**	
2001			0	**34**
			11,285,664	

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

Report telecommunications plant data for each subaccount where primary plant accounts have subclassifications. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. 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 (c)	Additions (d)		
Office Support Equipment	2123.1	1,884		1	
Company Communications Equipment	2123.2	5,573		2	
Software	2212.1	153,239	19,378	3	
Digital Switching - Central Office	2212.2	2,188,507	54,318	4	A
Digital Switching - Remote	2212.3	0		5	
Step by Step Switching	2215.1	0		6	
Crossbar Switching	2215.2	0		7	
Satellite and Earth Station Facilities	2231.1	0		8	
Other Radio Facilities	2231.2	0		9	
Digital Circuit Equipment	2232.1	1,289,386	71,361	10	A
Analog Circuit Equipment	2232.2	0		11	
Light Wave Circuit Equipment	2232.3	0		12	
Aerial Cable - Nonmetallic	2421.1	10,263		13	
Aerial Cable - Metallic	2421.2	361,877	553	14	A
Underground Cable - Nonmetallic	2422.1	117,398	282	15	A
Underground Cable - Metallic	2422.2	304,028	2,233	16	A
Buried Cable - Nonmetallic	2423.1	866,573	2,089	17	
Buried Cable - Metallic	2423.2	3,300,694	202,784	18	A
Submarine Cable - Nonmetallic	2424.1	0		19	
Submarine Cable - Metallic	2424.2	0		20	
Intrabuilding Cable - Nonmetallic	2426.1	0		21	
Intrabuilding Cable - Metallic	2426.2	0		22	

Explain all amounts shown in column (g).

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

Subaccount (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)		
2123.1			**1,884**	**1**	
2123.2			**5,573**	**2**	
2212.1			**172,617**	**3**	
2212.2		18,960	**2,261,785**	**4**	**A**
2212.3			**0**	**5**	
2215.1			**0**	**6**	
2215.2			**0**	**7**	
2231.1			**0**	**8**	
2231.2			**0**	**9**	
2232.1		1,784	**1,362,531**	**10**	**A**
2232.2			**0**	**11**	
2232.3			**0**	**12**	
2421.1			**10,263**	**13**	
2421.2	36,410	13,986	**340,006**	**14**	**A**
2422.1		(2,307)	**115,373**	**15**	**A**
2422.2		(7,658)	**298,603**	**16**	**A**
2423.1			**868,662**	**17**	
2423.2	974	1,711	**3,504,215**	**18**	**A**
2424.1			**0**	**19**	
2424.2			**0**	**20**	
2426.1			**0**	**21**	
2426.2			**0**	**22**	

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)	
GENERAL SUPPORT ASSETS						
Motor Vehicles	2112	184,439	4.74	13,099		**1** D,E
Aircraft	2113	0				**2**
Special Purpose Vehicles	2114	0				**3**
Garage Work Equipment	2115	0				**4**
Other Work Equipment	2116	67,907	10.0	16,238		**5**
Buildings	2121	366,209	3.03	25,850		**6**
Furniture	2122	7,528	10.0	1,348		**7**
Office Equipment	2123	7,434	10.0	22		**8**
General Purpose Computers	2124	68,382	25.0	510		**9**
Total-- GENERAL SUPPORT ASSETS		**701,899**		**57,067**	**0**	
CENTRAL OFFICE ASSETS						
Analog Electronic Switching	2211	0				**10**
Digital Electronic Switching	2212	1,715,798	13.42	320,454		**11** C,E
Electro-Mechanical Switching	2215	0				**12**
Operator Systems	2220	0				**13**
Radio Systems	2231	0				**14**
Circuit Equipment	2232	692,487	12.5	161,775		**15**
Total-- CENTRAL OFFICE ASSETS		**2,408,285**		**482,229**	**0**	
INFORMATION ORIG/TERM ASSETS						
Station Apparatus	2311	0				**16**
Customer Premises Wiring	2321	0				**17**
Large Private Branch Exchanges	2341	0				**18**
Public Telephone Terminal Equipment	2351	0				**19**
Other Terminal Equipment	2362	0				**20**
Total-- INFORMATION ORIG/TERM ASSETS		**0**		**0**	**0**	
CABLE WIRE FACILITIES ASSETS						
Poles	2411	63,607	6.39	5,746		**21** C
Aerial Cable	2421	325,608	1.25	4,528		**22** E
Underground Cable	2422	177,731	4.87	20,350		**23** E
Buried Cable	2423	1,973,297	5.94	253,679		**24** E
Submarine Cable	2424	0				**25**
Deep Sea Cable	2425	0				**26**
Intrabuilding Network Cable	2426	0				**27**
Aerial Wire	2431	5,685				**28**

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)		
2112	13,577		1,983		**185,944**	**1**	**D,E**
2113					**0**	**2**	
2114					**0**	**3**	
2115					**0**	**4**	
2116	5,460		300		**78,985**	**5**	
2121	2,401				**389,658**	**6**	
2122					**8,876**	**7**	
2123	0				**7,456**	**8**	
2124					**68,892**	**9**	
	21,438	**0**	**2,283**	**0**	**739,811**		
2211					**0**	**10**	
2212	0			2,493	**2,038,745**	**11**	**C,E**
2215	0				**0**	**12**	
2220					**0**	**13**	
2231	0				**0**	**14**	
2232	0				**854,262**	**15**	
	0	**0**	**0**	**2,493**	**2,893,007**		
2311					**0**	**16**	
2321					**0**	**17**	
2341					**0**	**18**	
2351					**0**	**19**	
2362					**0**	**20**	
	0	**0**	**0**	**0**	**0**		
2411	3,143	7,380	2,087	(733)	**60,184**	**21**	**C**
2421	36,410	2,079	14,866		**306,513**	**22**	**E**
2422	0				**198,081**	**23**	**E**
2423	974	98	206	0	**2,226,110**	**24**	**E**
2424	0				**0**	**25**	
2425					**0**	**26**	
2426	0				**0**	**27**	
2431					**5,685**	**28**	

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)	
CABLE WIRE FACILITIES ASSETS						
Conduit Systems	2441	243,489	3.5	34,310		**29**
Total-- CABLE WIRE FACILITIES ASSETS		**2,789,417**		**318,613**	**0**	
Total Accumulated Depreciation	**3100**	**5,899,601**		**857,909**	**0**	
Less: Allocation to Nonregulated Activity - Columns e, f and l	3100			0	0	**30**
Net Regulated Total Accum Depreciation - Columns e, f and l	**3100**			**857,909**	**0**	

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441		17			**277,782**	**29**
	40,527	**9,574**	**17,159**	**(733)**	**3,074,355**	
3100	**61,965**	**9,574**	**19,442**	**1,760**	**6,707,173**	
3100					0	**30**
3100					**6,707,173**	

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

Where subclassifications of primary plant accounts are used, report below the accumulated depreciation details for each subaccount. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators,should be reported in 2232.1, Digital Circuit Equipment. 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 (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)	
Office Support Equipment	2123.1	1,861	10.0	22		1
Company Communications Equipment	2123.2	5,573				2
Software	2212.1	127,419	25.0	38,800		3
Digital Switching - Central Office	2212.2	1,588,379	12.65	281,654		4 A,C,E
Digital Switching - Remote	2212.3	0				5
Step by Step Switching	2215.1	0				6
Crossbar Switching	2215.2	0				7
Satellite and Earth Station Facilities	2231.1	0				8
Other Radio Facilities	2231.2	0				9
Digital Circuit Equipment	2232.1	692,487	12.5	161,775		10
Analog Circuit Equipment	2232.2	0				11
Light Wave Circuit Equipment	2232.3	0				12
Aerial Cable - Nonmetallic	2421.1	3,425	5.0	516		13
Aerial Cable - Metallic	2421.2	322,183	5.26	4,012		14
Underground Cable - Nonmetallic	2422.1	21,229	4.1	6,546		15
Underground Cable - Metallic	2422.2	156,502	4.5	13,804		16
Buried Cable - Nonmetallic	2423.1	61,346	4.6	47,705		17 C
Buried Cable - Metallic	2423.2	1,911,951	5.13	205,974		18 C
Submarine Cable - Nonmetallic	2424.1	0				19
Submarine Cable - Metallic	2424.2	0				20
Intrabuilding Cable - Nonmetallic	2426.1	0				21
Intrabuilding Cable - Metallic	2426.2	0				22

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

Subacct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2123.1					**1,883**	**1**
2123.2					**5,573**	**2**
2212.1					**166,219**	**3**
2212.2				2,493	**1,872,526**	**4 A,C,E**
2212.3					**0**	**5**
2215.1					**0**	**6**
2215.2					**0**	**7**
2231.1					**0**	**8**
2231.2					**0**	**9**
2232.1					**854,262**	**10**
2232.2					**0**	**11**
2232.3					**0**	**12**
2421.1					**3,941**	**13**
2421.2	36,410	2,079	14,866		**302,572**	**14**
2422.1					**27,775**	**15**
2422.2					**170,306**	**16**
2423.1				14,801	**123,852**	**17 C**
2423.2	974	98	206	(14,801)	**2,102,258**	**18 C**
2424.1					**0**	**19**
2424.2					**0**	**20**
2426.1					**0**	**21**
2426.2					**0**	**22**

NET DEFERRED OPERATING INCOME TAXES (ACCT. 1350, 1410, 1437, 4100, 4340, 4341 & 4361)

This schedule should be used to report the deferred operating income tax portion of the stated accounts. Credit amounts should be shown in ( ).

Particulars (a)	Balance EOY (b)	
PROPERTY RELATED		
Other Current Assets (1350)		1
Other Noncurrent Assets (1410)		2
Deferred Tax Regulatory Asset (1437)		3
Net Current Deferred Operating Income Taxes (4100)		4
Net Noncurrent Deferred Operating Income Taxes (4340)	(222,505)	5
Net Deferred Tax Liability Adjustments (4341)	1,430	6
Deferred Tax Regulatory Liability (4361)	(3,646)	7
Net Property Related Deferred Operating Income Taxes	**(224,721)**	
Less: Allocation to Nonregulated Activity	0	8
Net Regulated Total Property Related Deferred Operating Income Taxes	**(224,721)**	
NONPROPERTY RELATED		
Other Current Assets (1350)	24,635	9
Other Noncurrent Assets (1410)		10
Deferred Tax Regulatory Asset (1437)		11
Net Current Deferred Operating Income Taxes (4100)		12
Net Noncurrent Deferred Operating Income Taxes (4340)	47,445	13
Net Deferred Tax Liability Adjustments (4341)		14
Deferred Tax Regulatory Liability (4361)		15
Total Nonproperty Related Deferred Operating Income Taxes	**72,080**	

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	4,675,779	4,022,022	**1**
Changes:			
Balance Transferred from Income	607,586	827,757	**2**
Dividends Declared:			
Common	69,600	174,000	**3**
Preferred		0	**4**
Total Dividends Declared	**69,600**	**174,000**	
Miscellaneous Debits to Retained Earnings		0	**5**
Miscellaneous Credits to Retained Earnings		0	**6**
Balance--End of Year	**5,213,765**	**4,675,779**	

REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
LOCAL NETWORK SERVICES REVENUES			
Basic Local Service Revenue (5000)*	890,541	883,013	1
Basic Area Revenue (5001)			2
Optional Extended Area Revenue (5002)			3
Cellular Mobile Revenue (5003)			4
Other Mobile Services Revenue (5004)			5
Public Telephone Revenue (5010)			6
Local Private Line Revenue (5040)			7
Customer Premises Revenue (5050)			8
Other Local Exchange Revenue (5060)			9
Other Local Exchange Revenue Settlements (5069)			10
TOTAL BASIC LOCAL SERVICE REVENUE (5000)	**890,541**	**883,013**	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	199,995	193,903	11
Switched Access Revenue (5082)*	1,393,450	1,425,571	12
Special Access Revenue (5083)*	32,587	46,323	13 I
TOTAL INTERSTATE ACCESS REVENUES (5080)	**1,626,032**	**1,665,797**	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*	3,304		14
Switched Access Revenue (5084.2)*	569,040	508,629	15
Special Access Revenue (5084.3)*	20,976	36,437	16 I
TOTAL INTRASTATE ACCESS REVENUES (5084)	**593,320**	**545,066**	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*	13,091	9,571	17
Long Distance Inward-Only Revenue (5111)			18
Long Distance Outward-Only Revenue (5112)			19
Unidirectional Long Distance Revenue (5110)	**0**	**0**	
Long Distance Private Network Revenues			
Subvoice Grade Revenue (5121)			20
Voice Grade Revenue (5122)			21
Audio Program Grade Revenue (5123)			22
Video Program Grade Revenue (5124)			23
Digital Transmission Revenue (5125)			24
Switching Revenue (5126)			25
Other Revenue (5128)			26
Other Revenue Settlements (5129)			27
Total Long Distance Private Network Revenue	**0**	**0**	
Other Long Distance Revenue (5160)			28
Other Long Distance Revenue Settlements (5169)			29
TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV.	**13,091**	**9,571**	

REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)		
MISCELLANEOUS REVENUES				
Directory Revenue (5230)*	130,996	116,323	30	
Rent Revenue (5240)*	78,954	48,648	31	J
Corporate Operations Revenue (5250)*		0	32	
Miscellaneous:				
Miscellaneous Revenue (5260)*	2,724	4,199	33	
Special Billing Arrangements Revenue (5261)			34	
Customer Operations Revenue (5262)			35	
Plant Operations Revenue (5263)			36	
Other Incidental Regulated Revenue (5264)			37	
Other Revenue Settlements (5269)			38	
Total Miscellaneous Revenue (5260)	**2,724**	**4,199**		
Interstate Billing and Collection Revenue*	82,930	102,211	39	K
Intrastate Billing and Collection Revenue*	26,797	36,995	40	K
Total Carrier Billing and Collection Revenue (5270)*	**109,727**	**139,206**		
Nonregulated Operating Revenue (5280)**			41	
TOTAL MISCELLANEOUS REVENUES	**322,401**	**308,376**		
GROSS OPERATING REVENUES	**3,445,385**	**3,411,823**		
UNCOLLECTIBLE REVENUES				
Uncollectible Revenue (5300)*	(3,624)	4,166	42	
Uncollectible Revenue--Telecommunications (5301)			43	
Uncollectible Revenue--Other (5302)			44	
TOTAL UNCOLLECTIBLE REVENUE (5300)	**(3,624)**	**4,166**		
TOTAL OPERATING REVENUES	**3,449,009**	**3,407,657**		

** Account 5280 is to be used only by those companies subject to dual jurisdiction.

EXPENSES - CLASS A & B

Particulars (a)	Total This Year (b)	Total Last Year (c)		
PLANT SPECIFIC OPERATIONS EXPENSE				
Total Network Support Expense (6110)		0	1	
Less: Nonregulated		0	2	
Net Regulated	**0**	**0**	3	
Total General Support Expense (6120)	56,304	50,322	4	
Less: Nonregulated		0	5	
Net Regulated	**56,304**	**50,322**	6	
Total Central Office Switching Expense (6210)	108,399	79,583	7	
Less: Nonregulated		0	8	B
Net Regulated	**108,399**	**79,583**	9	
Total Operator Systems Expense (6220)		0	10	
Less: Nonregulated		0	11	
Net Regulated	**0**	**0**	12	
Total Central Office Transmission Expenses (6230)	11,303	19,354	13	
Less: Nonregulated		0	14	
Net Regulated	**11,303**	**19,354**	15	
Total Information Orig. / Term. Expense (6310)		0	16	
Less: Nonregulated		0	17	
Net Regulated	**0**	**0**	18	
Total Cable and Wire Fac. Expense (6410)	363,892	252,661	19	
Less: Nonregulated		0	20	F
Net Regulated	**363,892**	**252,661**	21	
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	**539,898**	**401,920**		
Less: Nonregulated	**0**	**0**		
Net Regulated	**539,898**	**401,920**		
PLANT NONSPECIFIC OPERATIONS EXPENSE				
Total Other Property, Plant and Equip. Exp. (6510)		0	22	
Less: Nonregulated		0	23	
Net Regulated	**0**	**0**	24	
Total Network Operations Expense (6530)	130,743	120,299	25	
Less: Nonregulated		0	26	
Net Regulated	**130,743**	**120,299**	27	
Access Expense (6540)	12,329	24,739	28	
Less: Nonregulated		0	29	L
Net Regulated	**12,329**	**24,739**	30	
Total Depreciation and Amortization Expense (6560)	857,909	806,602	31	
Less: Nonregulated	2,628	0	32	
Net Regulated	**855,281**	**806,602**	33	
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	**1,000,981**	**951,640**		
Less: Nonregulated	**2,628**	**0**		
Net Regulated	**998,353**	**951,640**		

EXPENSES - CLASS A & B

Particulars (a)	Total This Year (b)	Total Last Year (c)	
CUSTOMER OPERATIONS EXPENSE			
Total Marketing (6610)	6,430	4,219	**34**
Less: Nonregulated		0	**35**
Net Regulated	**6,430**	**4,219**	**36**
Total Services (6620)	366,860	346,728	**37**
Less: Nonregulated		0	**38**
Net Regulated	**366,860**	**346,728**	**39**
TOTAL CUSTOMER OPERATIONS EXPENSE	**373,290**	**350,947**	
Less: Nonregulated	**0**	**0**	
Net Regulated	**373,290**	**350,947**	
CORPORATE OPERATIONS EXPENSE			
Total Exec. and Planning (6710)	214,756	238,484	**40**
Less: Nonregulated		0	**41**
Net Regulated	**214,756**	**238,484**	**42**
Total General and Administrative (6720)	261,112	322,009	**43**
Less: Nonregulated		0	**44**
Net Regulated	**261,112**	**322,009**	**45**
Provision for Uncollectible Notes Receiv. (6790)		0	**46**
Less: Nonregulated		0	**47**
Net Regulated	**0**	**0**	**48**
TOTAL CORPORATE OPERATIONS EXPENSE	**475,868**	**560,493**	
Less: Nonregulated	**0**	**0**	
Net Regulated	**475,868**	**560,493**	
TOTAL EXPENSES	**2,390,037**	**2,265,000**	
Less: Nonregulated	**2,628**	**0**	
Net Regulated	**2,387,409**	**2,265,000**	

EXPENSES - CLASS A & B (DETAIL)

Particulars (a)	Total This Year (b)	Total Last Year (c)	
Property Held for Future Tele. Use Exp. (6511)		0	1
Provisioning Expense (6512)		0	2
Total: Reported in Account 6510	**0**	**0**	
Depreciat. Exp.--Tele. Plant in Service (6561)	857,909	806,602	3
Depreciat. Exp.--Prop. Held for Future Tele. Use (6562		0	4
Amortization Expense--Tangible (6563)		0	5
Amortization Expense--Intangible (6564)		0	6
Amortization Expense--Other (6565)		0	7
Total: Reported in Account 6560	**857,909**	**806,602**	

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 (b)	
Gross Operating Revenues	3,445,385	1
Plus: Collection of amounts previously written off		2
Less: Uncollectibles written off during the year	3,624	3
Plus: Total Other Operating Income and (Expense) (7100)	8,840	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)		7
Plus (or Less) Other (please specify): NONE	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	**3,450,601**	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	890,541	1
Plus: Total Intrastate Access Revenues (5084)	593,320	2
Plus: Total Long Distance Network Services Revenue	13,091	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus: Intrastate Payphone Revenues		5
Plus (or Less) Other (please specify): None	0	6
Assessable Revenues for Universal Service Fund Assessment Purposes	**1,496,952**	

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 (b)	
Gross Operating Revenues	3,445,385	1
Plus: Collection of amounts previously written off		2
Less: Uncollectibles written off during the year	3,624	3
Plus: Total Other Operating Income and (Expense) (7100)	8,840	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)		7
Plus (or Less) Other (please specify): NONE	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	**3,450,601**	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	890,541	1
Plus: Total Intrastate Access Revenues (5084)	593,320	2
Plus: Total Long Distance Network Services Revenue	13,091	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus: Intrastate Payphone Revenues		5
Plus (or Less) Other (please specify): None	0	6
Assessable Revenues for Universal Service Fund Assessment Purposes	**1,496,952**	

OTHER INCOME ACCOUNTS

Particulars (a)	This Year (b)	Last Year (c)	
OTHER OPERATING INCOME AND EXPENSE			
Total Other Oper. Income and (Expense) (7100)	8,840	11,740	**1**
OPERATING TAXES			
Operating Investment Tax Credits--Net (7210)	(26,802)	(26,802)	**2**
Operating Federal Income Taxes (7220)	304,631	241,968	**3**
Operating State and Local Income Taxes (7230)	72,125	57,840	**4**
Operating Other Taxes (7240)	127,512	199,870	**5**
Provision for Deferred Operating Income Taxes--Net (7250)	(62,333)	19,872	**6**
TOTAL OPERATING TAXES (7200)	**415,133**	**492,748**	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)	9,901	7,391	**7**
Interest Income (7320)	12,882	1,762	**8**
Income from Sinking and Other Funds (7330)		0	**9**
Allowance for Funds Used During Construction (7340)		0	**10**
Gains or (Losses) from the Disposition of Certain Property (7350)		0	**11**
Other Nonoperating Income (7360)	115,726	471,441	**12**
Special Charges (7370)	2,875	2,384	**13**
TOTAL NONOPERATING INCOME AND EXPENSE (7300)	**135,634**	**478,210**	
NONOPERATING TAXES			
Total Nonoperating Taxes (7400)	56,262	173,677	**14**
INTEREST AND RELATED ITEMS			
Total Interest and Related Items (7500)	160,306	174,424	**15**
EXTRAORDINARY ITEMS			
Extraordinary Items (7600)		0	**16**
NONREGULATED NET INCOME			
Nonregulated Net Income (7990)	33,213	35,999	**17**

NONREGULATED ACTIVITIES

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

Nonregulated Activity (a)	
Provision of Internet services.	1
Selling and leasing of customer premise equipment.	2

DISTRIBUTION OF SALARIES AND WAGES

Description (a)	Amount (b)	
Regulated Expense	642,440	1
All Other Accounts	113,800	2
Total Salaries and Wages	**756,240**	3

TELEPHONE CALLS AND MINUTES OF USE PER MONTH

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

Item (a)	Telephone Calls (000's) (b)	Minutes of Use (000's) (c)	
LOCAL			
Intra-Exchange	545	928	**1**
Extended Area Service	105	1,051	**2**
Extended Community Calling	19	258	**3**
Other Local-Undefined			**4**
Total Local	**669**	**2,237**	
TOLL			
Toll	215	1,815	**5**
Total Toll	**215**	**1,815**	
Total Local & Toll	**884**	**4,052**	

ACCESS USAGE

Enter number, in thousands, of Billed Minutes.

Description (a)	Billed Minutes (000's) Interstate InterLATA (b)	Intrastate InterLATA (c)	Intrastate IntraLATA (d)	Interstate IntraLATA (e)	
Feature Group A -- Orig.					1
Feature Group A -- Term.	1				2
Feature Group B -- Orig.					3
Feature Group B -- Term.					4
Feature Group C -- Orig.					5
Feature Group C -- Term.					6
Feature Group D -- Orig.	2,790	3,210	226	2,814	7
Feature Group D -- Term.	6,911	4,555	2	1,267	8

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - fiber optics	62	1
Strand miles of plant - fiber optics	1,711	2
Route miles of plant - microwave		3

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)		
Voice grade	8	8	1	
56 kbps	11		2	G
64 kbps (DS0)	1		3	G
1.54 Mbps (DS-1)	18		4	G
45 Mbps (DS-3)	3		5	G
SONET OC-1			6	G
SONET OC-3	2		7	G
SONET OC-12			8	G
SONET OC-48			9	G
SONET OC-192			10	G

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - fiber optics	62	1
Strand miles of plant - fiber optics	1,711	2
Route miles of plant - microwave		3

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)		
Voice grade	8	8	1	
56 kbps	11		2	G
64 kbps (DS0)	1		3	G
1.54 Mbps (DS-1)	18		4	G
45 Mbps (DS-3)	3		5	G
SONET OC-1			6	G
SONET OC-3	2		7	G
SONET OC-12			8	G
SONET OC-48			9	G
SONET OC-192			10	G

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	665	682	3
2 Party			4
4 Party			5
PBX Trunks/System Trunks		0	6
Centrex Trunks	26	26	7
Centrex Lines			8
Key System Trunks	188	195	9
Mobile (Utility Provided Service)			10
Paging (Utility Provided Service)			11
FX-Out (Switched)			12
Pay Telephone	38	38	13
Coin-Operated Pay Telephone		0	14
Independent Pay Telephone Provider		0	15
Pay Stations - Public			16
- Semi-Public			17
- Cust. Owned			18
Other			19
Total Business Lines	**917**	**941**	20
Residential (Incl. Emp. Concess.)			21
1 Party	3,426	3,483	22
2 Party			23
4 Party			24
FX-Out (Switched)			25
Other	20	19	26
Total Residential Lines	**3,446**	**3,502**	27
Total Bus & Res Lines	**4,363**	**4,443**	28
Company Used Lines	21	21	29
Total Lines Used	**4,384**	**4,464**	30

SERVICE DATA (cont.)

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

Item (a)	FOY (b)	EOY (c)	
Miscellaneous			
WATS Lines - OutWATS	0		3
WATS Lines - 800 Service	4	4	4
FX-In-intraLATA	0		5
Special Access-intraLATA			6
(expressed in equiv. access lines)	8	52	7
Special Access-interLATA			8
(expressed in equiv. access lines)	238	232	9
Feature Group A Lines			10
Feature Group B Trunks			11
Feature Group C Trunks			12
Feature Group D Trunks		1,570	13
TSPS - Trunks	0	16	14
EAS - Trunks		114	15
Cellular Trunks (Pub. Sw. Net.)		24	16
Video Distance Learning			17
- discounted (special tariff)			18
Customers			19
Business - 2 Party Customers			20
Business - 4 Party Customers			21
Residential - 2 Party Customers			22
Residential - 4 Party Customers			23
Other			24
Total Central Office, Info. Orig./Term., & Cable			25
Wire Fac. Assets (based on physical			26
location of plant)	9,446,881	9,797,458	27
Total Company Square Miles	389	389	28
Total Company Route Miles	553	575	29
Footnotes			30

SERVICE DATA - END OF YEAR

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

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	0250	1880	3830	5040	1
Business					2
1 Party	88	237	270	87	3
2 Party					4
4 Party					5
PBX Trunks/System Trunks		0			6
Centrex Trunks		0	26		7
Centrex Lines					8
Key System Trunks	15	70	96	14	9
Mobile (utility provided service)					10
Paging (utility provided service)					11
FX-Out (Switched)					12
Pay Telephone	4	9	17	8	13
Coin-Operated Pay Telephone		0			14
Independent Pay Telephone Provider		0			15
Pay Stations - Public					16
- Semi-Public					17
- Cust. Owned					18
Other					19
Total Business Lines	**107**	**316**	**409**	**109**	20
Residential (Incl. Emp. Concess.)					21
1 Party	712	968	1,156	647	22
2 Party					23
4 Party					24
FX-Out (Switched)					25
Other	2	1	16		26
Total Residential Lines	**714**	**969**	**1,172**	**647**	27
Total Bus & Res Lines	**821**	**1,285**	**1,581**	**756**	28
Company Used Lines	7	3	7	4	29
Total Lines Used	**828**	**1,288**	**1,588**	**760**	30

SERVICE DATA - END OF YEAR (cont.)

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

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	0250	1880	3830	5040	1
Miscellaneous					2
WATS Lines - OutWATS					3
WATS Lines - 800 Service			4		4
FX-In-intraLATA					5
Special Access-intraLATA					6
(equiv. access lines)	25	24	2	1	7
Special Access-interLATA					8
(equiv. access lines)	1	152	78	1	9
Feature Group A Lines					10
Feature Group B Trunks					11
Feature Group C Trunks					12
Feature Group D Trunks	96	120	1,234	120	13
TSPS - Trunks			12	4	14
EAS - Trunks	72		0	42	15
Cellular Trunks (Pub. Sw. Net.)			24		16
Video Distance Learning					17
- discounted (special tariff)					18
Customers					19
Business - 2 Party Customers					20
Business - 4 Party Customers					21
Residential - 2 Party Customers					22
Residential - 4 Party Customers					23
Other					24
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical					26
location of plant)	1,810,424	2,833,611	3,486,334	1,667,089	27
Exchange Square Miles	93	208	61	27	28
Exchange Route Miles	135	203	137	100	29
Footnotes					30

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Manufacturer Name (a)	Abbreviation (b)	
Alcatel	AL	**1**
ATTC	ATT	**2**
GTE	GTE	**3**
ITT	ITT	**4**
Lucent	ATT/LUC	**5**
Nippon Electric	NEC	**6**
Northern Telecom	NTI	**7**
Siemens	SI	**8**
Stromberg-Carlson	SC	**9**
VIDAR	VI	**10**

EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Equipment Type (a)	Abbreviation (b)	
Electromechanical	EM	**1**
Electronic--Analog	A	**2**
Electronic--Digital	D	**3**
Electronic--Video	V	**4**

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Manufacturer Name (a)	Abbreviation (b)	
Alcatel	AL	**1**
ATTC	ATT	**2**
GTE	GTE	**3**
ITT	ITT	**4**
Lucent	ATT/LUC	**5**
Nippon Electric	NEC	**6**
Northern Telecom	NTI	**7**
Siemens	SI	**8**
Stromberg-Carlson	SC	**9**
VIDAR	VI	**10**

EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Equipment Type (a)	Abbreviation (b)	
Electromechanical	EM	**1**
Electronic--Analog	A	**2**
Electronic--Digital	D	**3**
Electronic--Video	V	**4**

CENTRAL OFFICE DATA - END OF YEAR

When an exchange has more than one central office, data must be reported for each central office.

Description (a)	Central Off. (b)	Central Off. (c)	Central Off. (d)	Central Off. (e)	
Exchange Name	AURORA	FLORENCE	NIAGARA	SPREAD EAGLE	1
PSCW Exchange ID	0250	1880	3830	5040	2
Central Office Name	AURORA	FLORENCE	NIAGARA	SPREAD EAGLE	3
PSCW Central Office ID	1	1	1	1	4
Manufacturer of COE (Page 54)	SC	SC	SC	SC	5
Year COE Installed	1998	1998	1983	1991	6
Type of Equipment (Page 54)	D	D	D	D	7
(S)tandalone, (H)ost, (R)emote	R	R	H	S	8
Remote Host PSCW Exchange ID	3830	3830			9
Remote Host PSCW Central Office ID	1	1			10
COE Generic Software Release No.	22	22	22	22	11
SS7?	No	No	No	No	12
9-1-1?	No	No	Yes	No	13
Access Lines - In Use	822	1,346	1,545	907	14
- Equipped	1,260	1,785	2,316	1,224	15
- Wired	1,260	1,800	2,640	1,350	16
Trunks - In Use	96	96	1,234	168	17
- Equipped	144	144	1,768	232	18
- Wired	144	144	2,232	504	19
ISDN Available?	No	No	No	No	20
ISDN Lines - In Use (BRI)	0	0	0	0	21
- In Use (PRI)	0	0	0	0	22
Switched 56 Service?	No	No	No	No	23
Switched 56 lines in use	0	0	0	0	24
Digital Transmission Facilities: DS-1 - In Use	20	20	57	10	25
DS-3 - In Use	1	2	7	0	26
Advanced Data Service Available:					
Packet Switching?	No	No	No	No	27
SMDS?	No	No	No	No	28
Frame Relay?	No	No	No	No	29
ATM (Asynchronous Trans. Mode)?	No	No	No	No	30
Video Information - Service Available?	No	No	No	No	31
- In Use (# lines) [1]	0	0	0	0	32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	32	28	96		33
No. of fiber strands working (LIT) in C.O.	10	8	41		34
No. of fiber strands for interoffice use	6	2	10		35
Miles of fiber sheath in wire center	14	8	40		36
Access Tandem Serving this C.O.:					
- C.O. Name	NIAGARA	NIAGARA	NIAGARA	NIAGARA	37
- PSCW C.O. ID	3830-01	3830-01	3830-01	3830-01	38
Does this C.O. do access tandem switching?	No	No	Yes	No	39
Equal Access: InterLATA (1+)?	Yes	Yes	Yes	Yes	40
Equal Access: IntraLATA (1+)?	Yes	Yes	Yes	Yes	41
Footnotes					42

[1] Teleco provided end-to-end facility.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

General Footnote

Accountants Compilation Report

To the Board of Directors
Niagra Telephone Company
Niagra, Wisconsin

We have compiled the balance sheets of Niagra Telephone Company as of December 31, 2000 and 1999, and the related statements of income and retained earnings for the years then ended included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary information presented in the prescribed form, except for pages 47 through 55.

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

These financial statements (including related disclosures) and the supplementary information are presented in accordance with the requirements of the Public Service Commission of Wisconsin, which differ from generally accepted accounting principles. Accordingly, these financial statements and supplementary information are not designed for those who are not informed about such differences.

The supplementary information contained on pages 47 through 55 of the accompanying prescribed form has not been audited, reviewed, or compiled by us, and, accordingly, we assume no responsibility for that information.

Kiesling Associates LLP
Madison, Wisconsin
March 31, 2001

Schedule Footnotes

Service Data Footnote. Page 50

Page 51 - EOY column, lines 7 and 9 were completed to the best of the Companys resources.

Page 51 - FOY column, lines 13 through 16 should be 1,416, 16, 114, and 24 respectively.

Schedule Line Footnotes

A) **Transfer from nonregulated to regulated.**

B) **1999 expenses were low, 2000 is similiar to 1998**

C) **Reclass beginning reserve balances between metallic and non-metallic.**

D) **Account is depreciated on a per unit basis.**

E) **Composite depreciation rate provided.**

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

F) There was a highway road move during 2000.

G) Reported amount of -0- for these special access circuits is correct.

I) Decrease in special circuits.

J) Increase in rental activities for usage of Niagra Telephone Companys fiber route.

K) Customers shifting to interexchange carriers that perform their own billing and collecting.

L) Decrease in payments to USAC.