



4004

ANNUAL REPORT

OF

Name: THE MOSINEE TELEPHONE COMPANY

Principal Office: 410 4TH ST
MOSINEE, WI 54455-1199

For the Year Ended: DECEMBER 31, 2002

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. The annual report due date is April 1 of the following year. (Example: The 2001 report is due April 1, 2002.) 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.** Go to the Public Service Commission of Wisconsin's web page at <http://psc.wi.gov>, click on Telecommunications and click on Annual Report for Incumbent Local Exchange Carriers (LECs).
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-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.
5. Please follow all instructions and answer each question fully and accurately. Provide additional information as necessary to avoid misunderstandings or misleading responses. Abbreviations listed on page 6 may be used. However, please show the exact name of the respondent in full on the Identification and Ownership page.
6. Wherever information is requested in a "note," please show that information in the space provided, or make reference to the adjacent page or insert where the note may be found. Please also identify each note. Footnote capability is included in the annual report software program. Please use it where necessary to fully explain particulars in the annual report.
7. Numeric items are limited to digits (0-9). 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. Please report all dollar amounts to the nearest whole dollar.
9. This annual report should be complete in all respects. Unless otherwise authorized, avoid references to returns of former years or to other reports.
10. Wherever schedules call for data from the previous year and such data were reported in the previous annual report, the previous year's data should be reported without modification. If modified, an appropriate footnote indicator and explanation should be included in the current year's annual report.
11. Where part or all of the report is prepared by other than utility personnel, a disclosure is required in the "Individual or firm, if other than utility employee, preparing this report" portion of the Identification and Ownership schedule, which describes the nature and extent of work performed.
12. The LEC annual report program incorporates provisional confidentiality capability for selected items, based on the Commission's confidentiality determination dated February 5, 2002.
13. It is not necessary to sign the signature page.
14. **Edit Check, Confidential Listing, Exported Annual Report, and Export Status Files;
Filing the Completed Report:**

GENERAL RULES FOR REPORTING

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

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

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

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

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

15. Name Changes:

If a name change 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 www.wdfi.org; or
3. By writing to DFI at P.O. Box 7846, Madison, WI 53707-7846.

While the electronic annual report filing may detail the name change (i.e., date of the change and the affected entities with their respective four-digit Commission utility identification numbers), 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.

16. Changes to the Annual Report Subsequent to Filing:

If making revisions to the report subsequent to filing with the Commission, resubmit the report via e-mail following the procedures set forth above in item number 14. New edit check, confidential listing, exported annual report, and export status files should be created as a result of the revisions.

SIGNATURE PAGE

I MARY KNOEDLER of
(Person responsible for accounts)

THE MOSINEE 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.

MARY KNOEDLER 03/31/2003
(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: <ol style="list-style-type: none">1. One mile of roadway with any combination of outside plant facilities on any number of rights-of-way.2. One mile of a cross country route with any combination of outside plant facilities.3. One mile of point-to-point microwave or radio link.4. One mile of plant on either side of a limited access highway or natural barrier, such as a navigable waterway.5. One mile of joint use line where the utility either owns the facility or leases space.
Stand Alone Switch	A central office switch which has no remote switching units (RSUs) subtending it.
Trunk	A communications path connecting two switching systems in the establishment of an end-to-end connection.
Wide Area Telephone Service (WATS)	Customer leased access line or lines connected to the nationwide network over which an unlimited number of calls can be made for a fixed monthly charge.
Wire Center	The location of one or more local switching systems. A point at which customers' loops converge.

ABBREVIATIONS USED IN ANNUAL REPORTS

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

IDENTIFICATION AND OWNERSHIP

Exact Utility Name: THE MOSINEE TELEPHONE COMPANY
Utility Location: 410 4TH ST
MOSINEE, WI 54455-1199

Utility Web Site Address: www.mtc.net
When was utility organized?: 01/01/1908
Report any change in name and the effective date:

Telephone numbers for potential customers to contact company:
Business Customers: (715) 693 - 2622 Ext:
Residential Customers: (715) 693 - 2622 Ext:

Officer in charge of correspondence concerning this report

Name: MS MARY KNOEDLER
Title: PRESIDENT
Office Address: 410 4TH STREET
MOSINEE , WI 54455

Fax Number: (715) 693 - 5130
Telephone Number: (715) 693 - 2622
Email Address: None

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

Name: MR ROBERT D . WORTINGER , CPA
Title: PARTNER-IN-CHARGE
Firm: KIESLING ASSOCIATES LLP
Office Address: 8517 EXCELSIOR DR, SUITE 301
MADISON , WI 53717

Fax Number: (608) 664 - 9112
Telephone Number: (608) 664 - 9110
Email Address: rwortinger@kiesling.com

Person responsible for financial information contained in report

Name: MS MARY KNOEDLER
Title: PRESIDENT
Office Address: 410 4TH STREET
MOSINEE , WI 54455

Fax Number: (715) 693 - 5130
Telephone Number: (715) 693 - 2622
Email Address: None

IDENTIFICATION AND OWNERSHIP

Person responsible for statistical information contained in report

Name: MS LOIS KEGEL
Title: ACCOUNTANT

Office Address: 410 4TH STREET
MOSINEE , WI 54455

Fax Number: (715) 693 - 5130
Telephone Number: (715) 693 - 2622
Email Address: lkegel@mtc.net

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: MARY KNOEDLER
Address: 410 4TH STREET
MOSINEE , WI 54455

Number of Shares Held: 138
Beneficial Owner: NONE

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

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

OFFICERS AND DIRECTORS**Name, Title/Occupation
and Business Address**

Name: ALICE GREINER Title/Occupation: DIRECTOR Business Address (1): 410 4TH STREET Business Address (2): Business Address (3): City State, Zip: MOSINEE, WI 54455	1
Name: MARY KNOEDLER Title/Occupation: PRESIDENT & TREASURER Business Address (1): 410 4TH STREET Business Address (2): Business Address (3): City State, Zip: MOSINEE, WI 54455	2
Name: NANCY KNOEDLER HILLEN Title/Occupation: VICE PRESIDENT & SECRETARY Business Address (1): 410 4TH STREET Business Address (2): Business Address (3): City State, Zip: MOSINEE, WI 54455	3

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	3,867,358	3,763,433	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	800,124	601,368	2
Plant Nonspecific Operations Expense	999,541	962,186	3
Customer Operations Expense (6610-6620)	595,053	540,742	4
Corporate Operations Expense (6710-6790)	581,978	528,577	5
Other Operating Income and Expense (7100)	0	0	6
Operating Taxes (7200)	353,414	458,296	7
Total Operating Expenses	3,330,110	3,091,169	8
Net Operating Income	537,248	672,264	9
Other Income			
Nonoperating Income and Expense (7300)	47,375	93,488	10
Nonoperating Taxes (7400)	46,013	50,776	11
Interest and Related Items (7500)	184,227	190,304	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	(22,851)	(6,970)	14
Total Nonoperating Income	(205,716)	(154,562)	15
Net Income	331,532	517,702	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 financials 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. 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.

C. Revenue Recognition

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

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:

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 nationwide average cost schedules.

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.

-
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. 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.

The mortgage to the United States of America, underlying the RUS and RTB notes, contains certain restrictions on the declaration or 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)*	1,909,616	2,129,239	1
Cash (1130)			2
Special Cash Deposits (1140)			3
Working Cash Advances (1150)			4
Temporary Investments (1160)			5
TOTAL CASH AND EQUIVALENTS	1,909,616	2,129,239	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	180,916	205,856	6
Accounts Receivable Allowance-Telecom (1181)*			7
Net: Telecommunications Accounts Receivable	180,916	205,856	
Other Accounts Receivable (1190)*	253,420	266,161	8
Accounts Receivable Allowance--Other (1191)*			9
Net: Other Accounts Receivable	253,420	266,161	
Notes Receivable (1200)*			10
Notes Receivable Allowance (1201)*			11
Net: Notes Receivable	0	0	
Interest and Dividends Receivable (1210)*	4,683	8,280	12
TOTAL REC AND ALLOW FOR DOUBTFUL ACCOUNTS	439,019	480,297	
SUPPLIES			
Inventories (1220)*	11,284	3,690	13
TOTAL SUPPLIES	11,284	3,690	
PREPAYMENTS			
Total Prepayments (1280)*	27,774	20,303	14
Prepaid Rents (1290)			15
Prepaid Taxes (1300)			16
Prepaid Insurance (1310)			17
Prepaid Directory Expenses (1320)			18
Other Prepayments (1330)			19
TOTAL PREPAYMENTS	27,774	20,303	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	29,646	19,235	20
TOTAL OTHER CURRENT ASSETS	29,646	19,235	
TOTAL CURRENT ASSETS	2,417,339	2,652,764	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	0	0	21
RTB Class B Stock (1402)*	9,750	9,750	22
Other Investments in Nonaffiliated Companies (1402)*	1,000	1,000	23
Nonregulated Investments (1406)*	109,830	74,121	24
Unamortized Debt Issuance Expense (1407)*	10,620	11,312	25

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
NONCURRENT ASSETS			
INVESTMENTS			
Sinking Funds (1408)*			26
Other Noncurrent Assets (1410)*	24,520		27
TOTAL INVESTMENTS	155,720	96,183	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*			28
Deferred Maintenance and Retirements (1438)*			29
Deferred Charges (1439)*			30
TOTAL DEFERRED CHARGES	0	0	
TOTAL NONCURRENT ASSETS	155,720	96,183	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	14,522,839	13,617,914	31
Less: Accumulated Depreciation (3100)*	8,636,874	7,786,587	32
Less: Accumulated Amortization--Capitalized Leases (3410)*			33
Less: Accumulated Amortization--Leasehold Improvements (3420)*			34
Less: Accumulated Amortization--Intangible (3500)*			35
NET TELECOMMUNICATIONS PLANT IN SERVICE	5,885,965	5,831,327	
PROPERTY HELD FOR FUTURE USE			
Prop. Held for Future Telecommun. Use (2002)*			36
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200)*			37
NET PROPERTY HELD FOR FUTURE USE	0	0	
NONOPERATING PLANT			
Nonoperating Plant (2006)*			38
Less: Accumulated Depreciation--Nonoperating (3300)*			39
NET NONOPERATING PLANT	0	0	
TPUC			
TPUC (2003)*			40
TOTAL TPUC	0	0	
TELECOMMUNICATIONS PLANT ADJUSTMENT			
Telecommunications Plant Adjustment (2005)*			41
Less: Accumulated Amortization--Other (3600)*			42
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	0	0	
TOTAL PLANT	5,885,965	5,831,327	
TOTAL ASSETS AND OTHER DEBITS	8,459,024	8,580,274	

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

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	184,729	211,331	1
Notes Payable (4020)*			2
Advance Billing and Payments (4030)*	3,755	3,420	3
Customer Deposits (4040)*	2,175	3,375	4
Current Maturities--Long-Term Debt (4050)*	186,500	179,400	5
Current Maturities--Capital Leases (4060)*			6
Income Taxes--Accrued (4070)*	(100,324)	(22,691)	7
Other Taxes--Accrued (4080)*	(5,361)	(5,401)	8
Net Current Deferred Operating Income Taxes (4100)*			9
Net Current Deferred Nonoperating Income Taxes (4110)*			10
Other Accrued Liabilities (4120)*	6,000	6,440	11
Other Current Liabilities (4130)*			12
TOTAL CURRENT LIABILITIES	277,474	375,874	
LONG-TERM DEBT			
Funded Debt (4210)*	3,371,855	3,558,516	13
Premium on Long-Term Debt (4220)*			14
Discount on Long-Term Debt (4230)*			15
Reacquired Debt (4240)*			16
Obligations Under Capital Leases (4250)*			17
Advances from Affiliated Companies (4260)*	0	0	18
Other Long-Term Debt (4270)*			19
TOTAL LONG-TERM DEBT	3,371,855	3,558,516	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*	632,664	516,978	20
Unamortized Operating ITC--Net (4320)*			21
Unamortized Nonoperating ITC--Net (4330)*			22
Net Noncurrent Deferred Operating Income Taxes (4340)*	220,050	225,653	23
Net Deferred Tax Liability Adjustments (4341)*			24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	2,862	22,606	25
Other Deferred Credits (4360)*			26
Deferred Tax Regulatory Liability (4361)*			27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS	855,576	765,237	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	25,000	25,000	28
Additional Paid-in Capital (4520)*			29
Treasury Stock (4530)*	1,436,540	1,436,540	30
Other Capital (4540)*			31
Retained Earnings (4550)*	5,365,659	5,292,187	32
TOTAL STOCKHOLDERS' EQUITY	3,954,119	3,880,647	
TOTAL LIABILITIES AND OTHER CREDITS	8,459,024	8,580,274	

IMPORTANT CHANGES DURING THE YEAR

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

A local service rate increase, Docket 3900-TR-102, was implemented September 1, 2002. The estimated increase in annual revenues is \$139,000.

Estimated revenue increase for 2002 of \$164,000 related to end-user increases for multi-line and single-line customers.

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)

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
GENERAL SUPPORT ASSETS				
Land	2111	179,331	8,735	1
Motor Vehicles	2112	144,035	21,568	2
Aircraft	2113	0		3
Special Purpose Vehicles	2114	0		4
Garage Work Equipment	2115	0		5
Other Work Equipment	2116	109,860		6
Buildings	2121	544,339		7
Furniture	2122	85,497		8
Office Equipment	2123	23,412	0	9
General Purpose Computers	2124	46,440	4,930	10
TOTAL--GENERAL SUPPORT ASSETS:		1,132,914	35,233	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0		11
Digital Electronic Switching	2212	3,295,422	124,804	12
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220	0		14
Radio Systems	2231	0	0	15
Circuit Equipment	2232	699,854	40,164	16
TOTAL--CENTRAL OFFICE ASSETS:		3,995,276	164,968	
INFORMATION ORIGATION/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	24,455		21
TOTAL--INFORMATION ORIG/TERM ASSETS:		24,455	0	
CABLE WIRE FACILITIES ASSETS				
Poles	2411	39,382		22
Aerial Cable	2421	115,823	163	23
Underground Cable	2422	706,722	17,904	24
Buried Cable	2423	6,839,100	700,298	25
Submarine Cable	2424	0	0	26
Deep Sea Cable	2425	0		27
Intrabuilding Network Cable	2426	0	0	28
Aerial Wire	2431	5,241	398	29
Conduit Systems	2441	759,001	4,046	30
TOTAL--CABLE WIRE FACILITIES ASSETS:		8,465,269	722,809	
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			188,066	1
2112	16,241		149,362	2
2113			0	3
2114			0	4
2115			0	5
2116			109,860	6
2121			544,339	7
2122			85,497	8
2123	0	0	23,412	9
2124			51,370	10
	16,241	0	1,151,906	
2211			0	11
2212	0	0	3,420,226	12
2215	0	0	0	13
2220			0	14
2231	0	0	0	15
2232	0	0	740,018	16
	0	0	4,160,244	
2311			0	17
2321			0	18
2341			0	19
2351			0	20
2362			24,455	21
	0	0	24,455	
2411			39,382	22
2421	1,844	0	114,142	23
2422	0	0	724,626	24
2423	0	0	7,539,398	25
2424	0	0	0	26
2425			0	27
2426	0	0	0	28
2431			5,639	29
2441			763,047	30
	1,844	0	9,186,234	
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	13,617,914	923,010
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	
	18,085	0	14,522,839	
2001			0	34
			14,522,839	

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	17,083		1
Company Communications Equipment	2123.2	6,329		2
Software	2212.1	0		3
Digital Switching - Central Office	2212.2	3,295,422	124,804	4
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	699,854	40,164	10
Analog Circuit Equipment	2232.2	0		11
Light Wave Circuit Equipment	2232.3	0		12
Aerial Cable - Nonmetallic	2421.1	0		13
Aerial Cable - Metallic	2421.2	115,823	163	14
Underground Cable - Nonmetallic	2422.1	191,792	17,246	15
Underground Cable - Metallic	2422.2	514,930	658	16
Buried Cable - Nonmetallic	2423.1	703,822	338,559	17
Buried Cable - Metallic	2423.2	6,135,278	361,739	18
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			17,083	1
2123.2			6,329	2
2212.1			0	3
2212.2			3,420,226	4
2212.3			0	5
2215.1			0	6
2215.2			0	7
2231.1			0	8
2231.2			0	9
2232.1			740,018	10
2232.2			0	11
2232.3			0	12
2421.1			0	13
2421.2	1,844		114,142	14
2422.1			209,038	15
2422.2			515,588	16
2423.1			1,042,381	17
2423.2			6,497,017	18
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	88,983	.0	15,618	0	1A
Aircraft	2113	0	.0	0	0	2
Special Purpose Vehicles	2114	0	.0	0	0	3
Garage Work Equipment	2115	0	.0	0	0	4
Other Work Equipment	2116	109,860		0	0	5
Buildings	2121	279,304	3.5	18,845	0	6
Furniture	2122	77,906	7.14	6,104	0	7
Office Equipment	2123	23,157	20.0	254		8
General Purpose Computers	2124	46,439	25.0	4,930	0	9
Total-- GENERAL SUPPORT ASSETS		625,649		45,751	0	
CENTRAL OFFICE ASSETS						
Analog Electronic Switching	2211	0	.0	0	0	10
Digital Electronic Switching	2212	2,115,936	8.1000	252,700		11
Electro-Mechanical Switching	2215	0	.0	0		12
Operator Systems	2220	0	.0	0	0	13
Radio Systems	2231	0	.0	0		14
Circuit Equipment	2232	213,168	11.0	79,193		15
Total-- CENTRAL OFFICE ASSETS		2,329,104		331,893	0	
INFORMATION ORIG/TERM ASSETS						
Station Apparatus	2311	0	.0	0	0	16
Customer Premises Wiring	2321	0	.0	0	0	17
Large Private Branch Exchanges	2341	0	.0	0	0	18
Public Telephone Terminal Equipment	2351	0	.0	0	0	19
Other Terminal Equipment	2362	7,036	10.0	2,446	0	20
Total-- INFORMATION ORIG/TERM ASSETS		7,036		2,446	0	
CABLE WIRE FACILITIES ASSETS						
Poles	2411	39,382	5.56	0	0	21
Aerial Cable	2421	115,823	5.56	3,164		22
Underground Cable	2422	363,171	5.0	35,650		23
Buried Cable	2423	3,980,393	6.3	422,653		24
Submarine Cable	2424	0	.0	0		25
Deep Sea Cable	2425	0	.0	0	0	26
Intrabuilding Network Cable	2426	0	.0	0		27
Aerial Wire	2431	2,770	12.5	680	0	28

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112	16,241	0	2,500	0	90,860	1 A
2113		0	0	0	0	2
2114		0	0	0	0	3
2115		0	0	0	0	4
2116		0	0	0	109,860	5
2121		0	0	0	298,149	6
2122		0	0	0	84,010	7
2123	0				23,411	8
2124		0	0	0	51,369	9
	16,241	0	2,500	0	657,659	
2211		0	0	0	0	10
2212	0				2,368,636	11
2215	0				0	12
2220		0	0	0	0	13
2231	0				0	14
2232	0				292,361	15
	0	0	0	0	2,660,997	
2311		0	0	0	0	16
2321		0	0	0	0	17
2341		0	0	0	0	18
2351		0	0	0	0	19
2362		0	0	0	9,482	20
	0	0	0	0	9,482	
2411		0	0	0	39,382	21
2421	1,844	3,001			114,142	22
2422	0				398,821	23
2423	0				4,403,046	24
2424	0				0	25
2425		0	0	0	0	26
2426	0				0	27
2431		0	0	0	3,450	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	323,259	3.5	26,636	0 29
Total-- CABLE WIRE FACILITIES ASSETS		4,824,798		488,783	0
Total Accumulated Depreciation	3100	7,786,587		868,873	0
Less: Allocation to Nonregulated Activity - Columns e, f and I	3100			0	0 30
Net Regulated Total Accum Depreciation - 3100 Columns e, f and I				868,873	0

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441		0	0	0	349,895	29
	1,844	3,001	0	0	5,308,736	
3100	18,085	3,001	2,500	0	8,636,874	
3100					0	30
3100					8,636,874	

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	17,082	20.0	0		1
Company Communications Equipment	2123.2	6,075	20.0	254		2
Software	2212.1	0		0		3
Digital Switching - Central Office	2212.2	2,115,936	8.1000	252,700		4
Digital Switching - Remote	2212.3	0		0		5
Step by Step Switching	2215.1	0		0		6
Crossbar Switching	2215.2	0		0		7
Satellite and Earth Station Facilities	2231.1	0		0		8
Other Radio Facilities	2231.2	0		0		9
Digital Circuit Equipment	2232.1	213,168	11.0	79,193		10
Analog Circuit Equipment	2232.2	0		0		11
Light Wave Circuit Equipment	2232.3	0		0		12
Aerial Cable - Nonmetallic	2421.1	0		0		13
Aerial Cable - Metallic	2421.2	115,823	5.56	3,164		14
Underground Cable - Nonmetallic	2422.1	45,066	5.0	10,021		15
Underground Cable - Metallic	2422.2	318,105	5.0	25,629		16
Buried Cable - Nonmetallic	2423.1	192,408	7.0	61,117		17
Buried Cable - Metallic	2423.2	3,787,985	6.3	361,536		18
Submarine Cable - Nonmetallic	2424.1	0		0		19
Submarine Cable - Metallic	2424.2	0		0		20
Intrabuilding Cable - Nonmetallic	2426.1	0		0		21
Intrabuilding Cable - Metallic	2426.2	0		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					17,082	1
2123.2					6,329	2
2212.1					0	3
2212.2					2,368,636	4
2212.3					0	5
2215.1					0	6
2215.2					0	7
2231.1					0	8
2231.2					0	9
2232.1					292,361	10
2232.2					0	11
2232.3					0	12
2421.1					0	13
2421.2	1,844	3,001			114,142	14
2422.1					55,087	15
2422.2					343,734	16
2423.1					253,525	17
2423.2					4,149,521	18
2424.1					0	19
2424.2					0	20
2426.1					0	21
2426.2					0	22

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	5,292,187	5,053,245	1
Changes:			
Balance Transferred from Income	331,532	517,702	2
Dividends Declared:			
Common	258,060	278,760	3
Preferred		0	4
Total Dividends Declared	258,060	278,760	
Miscellaneous Debits to Retained Earnings		0	5
Miscellaneous Credits to Retained Earnings		0	6
Balance--End of Year	<u>5,365,659</u>	<u>5,292,187</u>	

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)*	1,448,016	1,351,353	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)	1,448,016	1,351,353	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	431,001	266,850	11 F
Switched Access Revenue (5082)*	678,854	769,852	12
Special Access Revenue (5083)*	189,495	141,070	13 G
TOTAL INTERSTATE ACCESS REVENUES (5080)	1,299,350	1,177,772	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*		0	14
Switched Access Revenue (5084.2)*	644,055	693,133	15
Special Access Revenue (5084.3)*	134,673	139,626	16
TOTAL INTRASTATE ACCESS REVENUES (5084)	778,728	832,759	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*	17,862	17,862	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.	17,862	17,862	

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

Particulars (a)	This Year (b)	Last Year (c)	
MISCELLANEOUS REVENUES			
Directory Revenue (5230)*	218,019	215,176	30
Rent Revenue (5240)*	79,510	78,887	31
Corporate Operations Revenue (5250)*			32
Miscellaneous:			
Miscellaneous Revenue (5260)*	14,370	13,516	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)	14,370	13,516	
Interstate Billing and Collection Revenue*	15,784	34,072	39 H
Intrastate Billing and Collection Revenue*	45,164	57,450	40 H
Total Carrier Billing and Collection Revenue (5270)*	60,948	91,522	
Nonregulated Operating Revenue (5280)**			41
TOTAL MISCELLANEOUS REVENUES	372,847	399,101	
GROSS OPERATING REVENUES	3,916,803	3,778,847	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*	49,445	15,414	42 I
Uncollectible Revenue--Telecommunications (5301)			43
Uncollectible Revenue--Other (5302)			44
TOTAL UNCOLLECTIBLE REVENUE (5300)	49,445	15,414	
TOTAL OPERATING REVENUES	<u>3,867,358</u>	<u>3,763,433</u>	

** 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)	86,860	63,180	4
Less: Nonregulated		0	5 B
Net Regulated	86,860	63,180	6
Total Central Office Switching Expense (6210)	295,767	238,119	7
Less: Nonregulated		0	8 C
Net Regulated	295,767	238,119	9
Total Operator Systems Expense (6220)		0	10
Less: Nonregulated		0	11
Net Regulated	0	0	12
Total Central Office Transmission Expenses (6230)	62,353	10,104	13
Less: Nonregulated		0	14 J
Net Regulated	62,353	10,104	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)	355,144	289,965	19
Less: Nonregulated		0	20 E
Net Regulated	355,144	289,965	21
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	800,124	601,368	
Less: Nonregulated	0	0	
Net Regulated	800,124	601,368	
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)	83,642	80,144	25
Less: Nonregulated		0	26
Net Regulated	83,642	80,144	27
Access Expense (6540)	48,281	39,352	28
Less: Nonregulated		0	29
Net Regulated	48,281	39,352	30
Total Depreciation and Amortization Expense (6560)	867,618	842,690	31
Less: Nonregulated		0	32
Net Regulated	867,618	842,690	33
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	999,541	962,186	
Less: Nonregulated	0	0	
Net Regulated	999,541	962,186	

EXPENSES - CLASS A & B

Particulars (a)	Total This Year (b)	Total Last Year (c)	
CUSTOMER OPERATIONS EXPENSE			
Total Marketing (6610)		0	34
Less: Nonregulated		0	35
Net Regulated	0	0	36
Total Services (6620)	595,053	540,742	37
Less: Nonregulated		0	38
Net Regulated	595,053	540,742	39
TOTAL CUSTOMER OPERATIONS EXPENSE	595,053	540,742	
Less: Nonregulated	0	0	
Net Regulated	595,053	540,742	
CORPORATE OPERATIONS EXPENSE			
Total Exec. and Planning (6710)	313,689	306,603	40
Less: Nonregulated		0	41
Net Regulated	313,689	306,603	42
Total General and Administrative (6720)	268,289	221,974	43
Less: Nonregulated		0	44 D
Net Regulated	268,289	221,974	45
Provision for Uncollectible Notes Receiv. (6790)		0	46
Less: Nonregulated		0	47
Net Regulated	0	0	48
TOTAL CORPORATE OPERATIONS EXPENSE	581,978	528,577	
Less: Nonregulated	0	0	
Net Regulated	581,978	528,577	
TOTAL EXPENSES	2,976,696	2,632,873	
Less: Nonregulated	0	0	
Net Regulated	2,976,696	2,632,873	

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)	867,618	842,690	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	867,618	842,690	

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	3,916,803	1
Plus: Collection of amounts previously written off		2
Less: Uncollectibles written off during the year	49,445	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)		7
Plus (or Less) Other (please specify): NONE	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	<u>3,867,358</u>	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	1,448,016	1
Plus: Total Intrastate Access Revenues (5084)	778,728	2
Plus: Total Long Distance Network Services Revenue	17,862	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	<u>2,244,606</u>	

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	3,916,803	1
Plus: Collection of amounts previously written off		2
Less: Uncollectibles written off during the year	49,445	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)		7
Plus (or Less) Other (please specify): NONE	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	<u>3,867,358</u>	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	1,448,016	1
Plus: Total Intrastate Access Revenues (5084)	778,728	2
Plus: Total Long Distance Network Services Revenue	17,862	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	<u>2,244,606</u>	

OTHER INCOME ACCOUNTS

Particulars (a)	This Year (b)	Last Year (c)	
OTHER OPERATING INCOME AND EXPENSE			
Total Other Oper. Income and (Expense) (7100)			1
OPERATING TAXES			
Operating Investment Tax Credits--Net (7210)			2
Operating Federal Income Taxes (7220)	184,169	308,571	3
Operating State and Local Income Taxes (7230)	64,518	74,433	4
Operating Other Taxes (7240)	120,741	146,248	5
Provision for Deferred Operating Income Taxes--Net (7250)	(16,014)	(70,956)	6
TOTAL OPERATING TAXES (7200)	353,414	458,296	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)	145	221	7
Interest Income (7320)	49,681	97,555	8
Income from Sinking and Other Funds (7330)			9
Allowance for Funds Used During Construction (7340)			10
Gains or (Losses) from the Disposition of Certain Property (7350)			11
Other Nonoperating Income (7360)			12
Special Charges (7370)	2,451	4,288	13
TOTAL NONOPERATING INCOME AND EXPENSE (7300)	47,375	93,488	
NONOPERATING TAXES			
Total Nonoperating Taxes (7400)	46,013	50,776	14
INTEREST AND RELATED ITEMS			
Total Interest and Related Items (7500)	184,227	190,304	15
EXTRAORDINARY ITEMS			
Extraordinary Items (7600)			16
NONREGULATED NET INCOME			
Nonregulated Net Income (7990)	(22,851)	(6,970)	17

NONREGULATED ACTIVITIES

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

Nonregulated Activity	
(a)	
Internet Access	1
Leased Equipment	2
Pay Phone Maintenance	3

EMPLOYEE DATA - END OF YEAR

Report employee data based on primary allocation of respective wages and salaries.

Particulars (a)	Employees (b)	
Plant Operations		
Supervisory & Management	1	1
Central Office	3	2
Outside Plant	6	3
Building & Service		4
Other		5
Customer Operations		
Supervisory & Management	1	6
Operators		7
Business Office	3	8
Other		9
Corporate Operations		
Executive & General Management	2	10
Accounting & Finance	1	11
External Relations		12
Human Resources		13
Information Management		14
Legal		15
Procurement		16
Research & Development		17
Other		18
Other		
All Other Employees, Not Listed Above	2	19
Total Employees	19	
Part-Time Employees	4	20
Full-Time Employees	15	21
Total Part-Time and Full-Time Employees	19	

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	362	1,143	1
Extended Area Service	756	6,501	2
Extended Community Calling	62	259	3
Other Local-Undefined	137	164	4
Total Local	1,317	8,067	
TOLL			
Toll	597	1,936	5
Total Toll	597	1,936	
Total Local & Toll	1,914	10,003	

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.					2
Feature Group B -- Orig.	736	574			3
Feature Group B -- Term.	1,791	1,309			4
Feature Group C -- Orig.					5
Feature Group C -- Term.					6
Feature Group D -- Orig.	6,016	2,015	2,453		7
Feature Group D -- Term.	5,011	1,465	1,863		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	1,732	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	12	1
56 kbps	16	12	2
64 kbps (DS0)	0	0	3 K
1.54 Mbps (DS-1)	32	10	4
45 Mbps (DS-3)	0	6	5 K
SONET OC-1	0	0	6 K
SONET OC-3	0	1	7 K
SONET OC-12	0	0	8 K
SONET OC-48	0	1	9 K
SONET OC-192	0	0	10 K

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	1,732	2
Route miles of plant - microwave		3

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

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SONET OC-3	0	1	7 K
SONET OC-12	0	0	8 K
SONET OC-48	0	1	9 K
SONET OC-192	0	0	10 K

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	704	699	3
2 Party	0	0	4
4 Party			5
PBX Trunks/System Trunks	50	50	6
Centrex Trunks			7
Centrex Lines			8
Key System Trunks	343	335	9
Mobile (Utility Provided Service)			10
Paging (Utility Provided Service)			11
FX-Out (Switched)			12
Pay Telephone	12	12	13
Coin-Operated Pay Telephone			14
Independent Pay Telephone Provider	33	31	15
Other			16
Total Business Lines	1,142	1,127	17
Residential (Incl. Emp. Concess.)			
1 Party	4,426	4,332	19
2 Party			20
4 Party			21
FX-Out (Switched)			22
Other			23
Total Residential Lines	4,426	4,332	24
Total Bus & Res Lines	5,568	5,459	25
Company Used Lines	115	115	26
Total Lines Used	5,683	5,574	27

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	0	3
WATS Lines - 800 Service			4
FX-In-intraLATA	7	7	5
Special Access-intraLATA			6
(expressed in equiv. access lines)	36,553	38,568	7
Special Access-interLATA			8
(expressed in equiv. access lines)	769	792	9
Feature Group A Lines			10
Feature Group B Trunks			11
Feature Group C Trunks			12
Feature Group D Trunks	216	216	13
TSPS - Trunks	12	12	14
EAS - Trunks	336	336	15
Cellular Trunks (Pub. Sw. Net.)			16
Video Distance Learning	1	1	17
- discounted (special tariff)			18
Customers			
Lifeline Customers	39	51	20
Linkup Customers	0	0	21
Other			
Total Company Square Miles	214	214	23
Total Company Route Miles	540	540	24
Footnotes			25

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	3540				1
Business					
1 Party	699				2
2 Party	0				3
4 Party					4
PBX Trunks/System Trunks	50				5
Centrex Trunks					6
Centrex Lines					7
Key System Trunks	335				8
Mobile (utility provided service)					9
Paging (utility provided service)					10
FX-Out (Switched)					11
Pay Telephone	12				12
Coin-Operated Pay Telephone					13
Independent Pay Telephone Provider	31				14
Other					15
Total Business Lines	1,127	0	0	0	16
Residential (Incl. Emp. Concess.)					
1 Party	4,332				17
2 Party					18
4 Party					19
FX-Out (Switched)					20
Other					21
Total Residential Lines	4,332	0	0	0	22
Total Bus & Res Lines	5,459	0	0	0	23
Company Used Lines	115				24
Total Lines Used	5,574	0	0	0	25
					26
					27

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	3540				1
Miscellaneous					2
WATS Lines - OutWATS	0				3
WATS Lines - 800 Service					4
FX-In-intraLATA	7				5
Special Access-intraLATA (equiv. access lines)	38,568				6 7
Special Access-interLATA (equiv. access lines)	792				8 9
Feature Group A Lines					10
Feature Group B Trunks					11
Feature Group C Trunks					12
Feature Group D Trunks	216				13
TSPS - Trunks	12				14
EAS - Trunks	336				15
Cellular Trunks (Pub. Sw. Net.)					16
Video Distance Learning - discounted (special tariff)	1				17 18
Other					19
Exchange Square Miles	214				20
Exchange Route Miles	540				21
Footnotes					22

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
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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	MOSINEE				1
PSCW Exchange ID	3540				2
Central Office Name	MOSINEE				3
PSCW Central Office ID	1				4
Central Office CLLI Code	MPSMWOXADSO				5
Manufacturer of COE (Page 54)	NTI				6
Year COE Installed	1988				7
Type of Equipment (Page 54)	D				8
(S)tandalone, (H)ost, (R)emote, (A)dv Fiber Comm	H				9
Remote Host PSCW Exchange ID					10
Remote Host PSCW Central Office ID	0				11
COE Generic Software Release No.	503.1				12
SS7?	Yes				13
9-1-1?	Yes				14
Access Lines - In Use	5,574				15
- Equipped	6,900				16
- Wired	7,400				17
Trunks - In Use	682				18
- Equipped	720				19
- Wired	768				20
ISDN Available?	Yes				21
ISDN Lines - In Use (BRI)	9				22
- In Use (PRI)	0				23
XDSL Available?	No				24
- In Use (# lines)					25
Switched 56 Service?	Yes				26
Switched 56 lines in use	2				27
Digital Transmission Facilities: DS-1 - In Use	81				28
DS-3 - In Use	6				29
Advanced Data Service Available:					
Packet Switching?	No				30
SMDS?	No				31
Frame Relay?	No				32
ATM (Asynchronous Trans. Mode)?	No				33
Video Information - Service Available?	No				34
- In Use (# lines) ¹	0				35
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	232				36
No. of fiber strands working (LIT) in C.O.	34				37
No. of fiber strands for interoffice use	0				38
Miles of fiber sheath in wire center	62				39
Access Tandem Serving this C.O.:					
- C.O. Name	STEVENS POINT				40
- PSCW C.O. ID	5140-01				41
Does this C.O. do access tandem switching?	No				42
Footnotes					43

¹ Teleco provided end-to-end facility.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES**General Footnote****Accountants Compilation Report**

To the Board of Directors
The Mosinee Telephone Company
Mosinee, Wisconsin

We have compiled the balance sheets of The Mosinee Telephone Company as of December 31, 2002 and 2001, 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 46 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 46 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, 2003

Schedule Footnotes

Accumulated Depreciation Class A & B Footnote. Page 26

General, Schedule Level and Schedule Line Footnotes Footnote. Page 56

Schedule Line Footnotes

- A)** Account is depreciated on a per unit basis.
- B)** 2001 included a \$19,000 receipt from PECFA for clean-up costs incurred in prior years.
- C)** 2002 included extensive repairs and maintenance related to lightning strikes. Also added a new employee, most of whose time is related to COE and carrier operations.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

- D)** Company accountant retired in May, 2002. The new accountant was hired in late 2001, thus higher labor and overhead costs for first five months of 2002.
- E)** Increased labor and cable/fiber repair expenses, along with plant map updating in 2002.
- F)** End user rate for multi-line business increased to 9.20 and single line increased to 5.00 in January and 6.00 in July
- G)** More special access circuits in 2002.
- H)** Reduced billing and collection rates in 2002.
 - I)** WorldCom and Global Crossing write-offs.
- J)** 2002 included extensive repairs and maintenance related to lightning strikes. Also, added a new employee, most of whose time is related to COE and carrier operations.
- K)** Reported amount of zero for these special access circuits is correct.