



4004

ANNUAL REPORT

OF

Name: NORTHEAST TELEPHONE COMPANY LLC

Principal Office: 122 S ST AUGUSTINE ST
P.O. BOX 860
PULASKI, WI 54162-0860
PO Box Zip Code: 54162-0860

For the Year Ended: DECEMBER 31, 2004

TELECOMMUNICATIONS UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854
Madison, WI 53707-7854
<http://psc.wi.gov>

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

GENERAL RULES FOR REPORTING

1. The annual report due date is April 1 of the following year. If that date falls on a weekend or holiday, the annual report is due the following business day.
2. **Electronic filing via e-mail is required, unless additional provisional confidential treatment is desired.** Go to the Public Service Commission of Wisconsin's Web Page at <http://psc.wi.gov>, and select the appropriate program for Incumbent Local Exchange Carriers (LECs). If additional confidential treatment is desired, contact Christopher Larson at (608) 267-9508 or christopher.larson@psc.state.wi.us for instructions.
3. LEC entities with no revenues for the report year are required to file a LEC annual report.
4. Unless otherwise indicated, the information requested in this report should be taken from the accounts and other records of the utility in conformity with the Uniform System of Accounts prescribed by the Public Service Commission in docket 05-US-116. The definitions and instructions contained therein should also apply to the report wherever applicable. A query or response concerning information contained in this report regarding any practice or transaction should not be construed as indicating conformity to accounting or other pertinent regulations.
5. Please follow all instructions and answer each question fully and accurately. Provide additional information as necessary to avoid misunderstandings or misleading responses. 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). Do not type commas when entering numbers. A minus sign "-" should be entered in the software program to indicate negative values. The program will convert the minus sign to parentheses if a hard copy of the annual report is printed. Negative values may not be allowed for certain entries in the annual report due to restrictions contained in the software program.
8. Report all dollar amounts to the nearest thousand dollars. (Example: \$130,000 should be reported as \$130.)
9. This annual report should be complete in all respects. Unless otherwise authorized, avoid references to returns of former years or to other reports.
10. Wherever schedules call for data from the previous year and such data were reported in the previous annual report, the previous year's data should be reported without modification. If modified, an appropriate footnote indicator and explanation should be included in the current year's annual report.
11. 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. These items vary from year to year and are based on the Commission's decision regarding confidential items in the annual report.

GENERAL RULES FOR REPORTING

If additional provisional confidential treatment is desired, do not file the annual report electronically using the program's e-mail filing capabilities.

13. It is not necessary to manually or electronically "sign" the signature page. It is not necessary to file a hardcopy of the annual report with the Commission.
14. **Edit Check, Confidential Listing, Exported Annual Report, and Export Status Files; Filing the Completed Report:**

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

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

Select the annual report to export from the Main-Report Selection window. Click Admin, Export Data to PSC to start the export process. This will create an .mdb file, which will subsequently be encrypted to a file with an .sen extension. An export status file is also created (with a .txt extension). The export status 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 (e.g., the new name, the date of the change, and the affected entities with their respective four-digit Commission identification numbers) is identified in the report, documents from the State of Wisconsin Department of Financial Institutions (DFI) also must be submitted to the Commission:

A domestic corporation should send a copy of the stamped page from its Articles of Amendment as filed with DFI. A foreign corporation should send a copy of their Amended Certificate of Authority as issued by DFI.

These documents can be obtained by:

1. Calling DFI at (608) 261-7577;
2. Contacting DFI on the web at <http://www.wdfi.org>; or
3. By writing to DFI at P.O. Box 7846, Madison, WI 53707-7846.

A name change is not effective in the Commission's records until a separate notification letter is sent to the Commission including documentation to confirm registration of that change with the State of Wisconsin Department of Financial Institutions.

GENERAL RULES FOR REPORTING

16. Changes to the Annual Report Subsequent to Filing:

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

TABLE OF CONTENTS

Schedule Name	Page
Cover Page	1
General Rules for Reporting	2
Signature Page	3
Table of Contents	4
Annual Telecommunications Report Glossary of Terms	5
Abbreviations Used in Annual Reports	6
Identification and Ownership	7
Officers and Directors	7
Income Statement - Total Company	8
Notes to Financial Statements	9
Balance Sheet - Assets (Class B Use Accounts Designated By *)	10
Balance Sheet - Liabilities (Class B Use Accounts Designated By *)	11
Important Changes During the Year	13
Affiliate Abbreviations	14
Affiliated Interest Transactions	15
Affiliated Assets and Liabilities	16
Telecommunications Plant in Service Class A & B	22
Telecommunications Plant in Service Class A & B (Sub-Class Accounts)	24
Accumulated Depreciation Class A & B	26
Accumulated Depreciation Class A & B (Sub-Class Accounts)	28
Retained Earnings (Acct. 4550)	37
Revenues - Class A & B (Class B Use Accounts Designated By *)	40
Expenses - Class A & B	41
Calculation of Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	43
Calculation of Assessable Revenues for Universal Service Fund Assessment Purposes	43
Other Income Accounts	44
Nonregulated Activities	45
Telephone Calls and Minutes of Use Per Month	47
Access Usage	48
Outside Plant Statistics at End of Year	49
Special Access Circuits in Use at End of Year	49
Service Data	50
Service Data - End of Year	52
Equipment Abbreviations	54
Manufacturer Abbreviations	54
Central Office Data - End of Year	55
General, Schedule Level and Schedule Line Footnotes	56
Communities Served with Basic Local Service	58

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	<p>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:</p> <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	<p>A central office switch which has no remote switching units (RSUs) subtending it.</p>
Trunk	<p>A communications path connecting two switching systems in the establishment of an end-to-end connection.</p>
Wide Area Telephone Service (WATS)	<p>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.</p>
Wire Center	<p>The location of one or more local switching systems. A point at which customers' loops converge.</p>

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: NORTHEAST TELEPHONE COMPANY LLC
Utility Location: 122 S ST AUGUSTINE ST
P.O. BOX 860
PULASKI, WI 54162-0860
P.O. BOX ZIP 54162-0860

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

When was utility organized?: 03/10/1910

Report any change in name and the effective date:

Telephone numbers for potential customers to contact company:
Business Customers: (920) 822 - 3201 Ext:
Residential Customers: (920) 822 - 3201 Ext:

Primary Utility Contact (located at utility address)

Name: ARLEN THAYSE
Title: CUSTOMER SERVICE & OSS MANAGER
Firm: NORTHEAST TELEPHONE COMPANY
Office Address: 122 S ST AUGUSTINE ST
P.O. BOX 860
PULASKI, WI 54162
Fax Number: (920) 822 - 8665
Telephone Number: (920) 822 - 8858
Email Address: arlen.thayse@netelco.com

Officer in charge of correspondence concerning this report

Name: MARK NAZE
Title: TREASURER
Office Address: 450 SECURITY BLVD
P.O. BOX 19079
GREEN BAY, WI 54307-9079
Fax Number: (920) 617 - 7329
Telephone Number: (920) 617 - 7103
Email Address: mark.naze@nsighttel.com

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

Name:
Title:
Office Address:
Fax Number:
Telephone Number:
Email Address:

IDENTIFICATION AND OWNERSHIP

Person responsible for financial information contained in report

Name: SHERYL MIELKE
Title: ACCOUNTING MANAGER

Office Address: 450 SECURITY BLVD
 P.O. BOX 19079
 GREEN BAY, WI 54307-9079

Fax Number: (920) 617 - 7039
Telephone Number: (920) 617 - 7030
Email Address: sheryl.mielke@nsighttel.com

Person responsible for statistical information contained in report

Name: SHERYL MIELKE
Title: ACCOUNTING MANAGER

Office Address: 450 SECURITY BLVD
 P.O. BOX 19079
 GREEN BAY, WI 54307-9079

Fax Number: (920) 617 - 7039
Telephone Number: (920) 617 - 7030
Email Address: sheryl.mielke@nsighttel.com

Contact person for regulatory inquiries and complaints

Name: JAMES PAULOS
Title: DIRECTOR OF FIXED BUSINESS OPERATIONS
Firm: NORTHEAST TELEPHONE COMPANY

Office Address: 450 SECURITY BLVD
 P.O. BOX 19079
 GREEN BAY, WI 54307-9079

Fax Number: (920) 617 - 7039
Telephone Number: (920) 617 - 7085
Email Address: jim.paulos@nsighttel.com

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

Name: NORTHEAST COMMUNICATIONS OF WI, INC.
Address: 450 SECURITY BLVD.
 PO BOX 19079
 GREEN BAY, WI 54307-9079

Percent Interest Held: 100
Beneficial Owner: NONE

IDENTIFICATION AND OWNERSHIP

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

Company Name:	NSIGHTTEL WIRELESS
Form of Interest:	OWNED
Extent Of Interest:	6.8%

OFFICERS AND DIRECTORS

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

<p>Name: BRADFORD A. HANSEN Title/Occupation: VICE PRESIDENT & COO OF FIXED OPERATIONS Business Address (1): 450 SECURITY BLVD Business Address (2): PO BOX 19079 Business Address (3): City State, Zip: GREEN BAY, WI 54307-9079</p>	1
<hr/>	
<p>Name: DAN S. FABRY Title/Occupation: VICE PRESIDENT & COO OF MOBILE SERVICES Business Address (1): 450 SECURITY BLVD Business Address (2): PO BOX 19079 Business Address (3): City State, Zip: GREEN BAY, WI 54307-9079</p>	2
<hr/>	
<p>Name: EILEEN HARPER Title/Occupation: SECRETARY & DIRECTOR Business Address (1): 450 SECURITY BLVD Business Address (2): PO BOX 19079 Business Address (3): City State, Zip: GREEN BAY, WI 54307-9079</p>	3
<hr/>	
<p>Name: JAMES A. DWYER Title/Occupation: DIRECTOR Business Address (1): 450 SECURITY BLVD Business Address (2): PO BOX 19079 Business Address (3): City State, Zip: GREEN BAY, WI 54307-9079</p>	4
<hr/>	
<p>Name: JAMES W. LIENAU Title/Occupation: VICE PRESIDENT OF CORP. TECH. SERVICES Business Address (1): 450 SECURITY BLVD Business Address (2): PO BOX 19079 Business Address (3): City State, Zip: GREEN BAY, WI 54307-9079</p>	5
<hr/>	
<p>Name: LLOYD WIELGUS Title/Occupation: DIRECTOR Business Address (1): 450 SECURITY BLVD Business Address (2): PO BOX 19079 Business Address (3): City State, Zip: GREEN BAY, WI 54307-9079</p>	6

OFFICERS AND DIRECTORS

Name, Title/Occupation and Business Address

Name: MARK NAZE Title/Occupation: CFO & TREASURER Business Address (1): 450 SECURITY BLVD Business Address (2): PO BOX 19079 Business Address (3): City State, Zip: GREEN BAY, WI 54307-9079	7
<hr/>	
Name: PATRICK D. RIORDAN Title/Occupation: PRESIDENT & CEO & DIRECTOR Business Address (1): 450 SECURITY BLVD Business Address (2): PO BOX 19079 Business Address (3): City State, Zip: GREEN BAY, WI 54307-9079	8
<hr/>	
Name: RAY J RIORDAN, JR. Title/Occupation: DIRECTOR Business Address (1): 450 SECURITY BLVD Business Address (2): PO BOX 19079 Business Address (3): City State, Zip: GREEN BAYGREEN BAY, WI 54307-9079	9
<hr/>	
Name: ROBERT H. RIORDAN Title/Occupation: EXEC. VICE PRESIDENT & DIRECTOR Business Address (1): 450 SECURITY BLVD Business Address (2): PO BOX 19079 Business Address (3): City State, Zip: GREEN BAY, WI 54307-9079	10

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (000's) (b)	Last Year (000's) (c)	
Operating Revenues			
Operating Revenues (5000-5300)	6,138	6,086	1
Total Operating Revenues	6,138	6,086	
Operating Expenses			
Plant Specific Operations Expenses (6110-6410)	647	591	2
Other Plant Nonspecific Operations Expenses	1,475	1,663	3
Customer Operations Expense (6610-6620)	851	859	4
Corporate Operations Expense (6720-6790)	636	512	5
Other Operating Income and Expense (7100)	0	0	6
Operating Taxes (7200)	996	986	7
Total Operating Expenses	4,605	4,611	
Net Operating Income	1,533	1,475	
Other Income			
Nonoperating Income and Expense (7300)	30	(17)	8
Nonoperating Taxes (7400)	13	(8)	9
Interest and Related Items (7500)	200	223	10
Extraordinary Items (7600)	0	0	11
Nonregulated Net Income (7990)	26	34	12
Total Nonoperating Income	(157)	(198)	
Net Income	1,376	1,277	

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.)

Northeast Telephone Company, LLC (Company) is a single member subsidiary of Northeast Communications of Wisconsin, Inc. (Northeast Communications). The Company converted to a limited liability company (LLC) on December 31, 2003.

The accounting policies of the Company and its subsidiary conform to generally accepted accounting principles in the United States of America. Management uses estimates and assumptions in preparing its consolidated financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Telephone operations reflect practices appropriate to the telephone industry. The accounting records of the telephone company are maintained in accordance with the Uniform System of Accounts for Class A and B Telephone Companies prescribed by the Federal Communications Commission (FCC) 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, employee benefits, and interest incurred during the construction period.

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 as approved by the Board of Directors. These estimates are subject to change in the near term.

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

The Company and its subsidiary are included in the consolidated tax return with its parent for federal income tax purposes. Effective with the conversion to a LLC, for state income taxes, the Company is included as a division in the parent's income tax return. For financial reporting purposes, income taxes are presented by apportioning the consolidated tax provision in the ratio of the income taxes to be paid as if each were filing a separate return.

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:

Income taxes are accounted for using a liability method and provide for the tax effects of transactions reported in the consolidated 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 taxes include telephone plant in service. 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

The Company recognizes revenues when earned regardless of the period in which they are billed. The Company is required to provide service to subscribers within its defined service territory.

Local network service revenues are recognized over the period a subscriber is connected to the network. Telephone calls within an extended community calling area are recognized when made based on a rate per minute of usage as approved by the state regulatory authority.

Network access service revenues are derived from charges for access to the Company's local exchange network. The interstate portion of access revenues is based on average schedule settlements administered by the National Exchange Carrier Association (NECA) which is regulated by the FCC. The intrastate portion of access revenues is billed on individual company tariff access charge structure based on expense and plant investment of the Company as approved by the state regulatory authority. The tariffs developed from these formulas are used to charge the connecting carrier and recognize revenues in the period the traffic is transported based on the minutes of traffic carried.

D. Cash Equivalents

All highly liquid investments with a maturity of three months or less at the time of purchase are considered cash equivalents.

E. Investments

Nonmarketable equity investments, over which the Company has significant influence or a 20% ownership, are reflected on the equity method. Other nonmarketable equity investments are stated at cost.

In August of 2003, the Company and Northeast Communications signed an agreement allowing for a buyout of the minority partners 50% interest in Metro Southwest PCS, LLP (Metro Southwest). The agreement gives the Company and Northeast Communications an immediate ownership of the minority partners 50% interest in all related profits and losses of Metro Southwest while allowing for a 12.5% per year ownership acquisition,

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:

through 2006. During 2004, the Company and Northeast Communications fulfilled the total commitment under the agreement with the Company paying an additional \$825,000.

On December 31, 2004, Metro Southwest sold all its assets and liabilities to Nsighttel Wireless, LLC (an affiliate of Northeast Communications) for 120 units in Nsighttel Wireless, LLC. At the time of the sale, Metro Southwest was liquidated with the Company receiving 15 of the units for a 6.25% ownership interest in Nsighttel Wireless, LLC.

This investment is accounted for by the equity method. For the investment (\$1,629,508 at December 31, 2004) accounted for under the equity method, the Company recognizes its proportionate share of the income and losses accruing to it under the terms of its partnership agreement as determined by Northeast Communications. Included in the investment at December 31, 2004, was goodwill of \$1,845,856, which represents the carrying price net of accumulated amortization over the underlying equity.

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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 and RTB notes, contains certain restrictions on the declaration or payment of cash dividends, redemption of captial stock, or investment in affiliated companies except as might be specifically authorized in writing in advance by the RUS and RTB noteholders.

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

Particulars (a)	Balance--EOY	Balance--FOY (000's) (c)	
CURRENT ASSETS			
CASH AND EQUIVALENTS			
Cash and Equivalents (1120)*	470	335	1
TOTAL CASH AND EQUIVALENTS	470	335	
RECEIVABLES AND ALLOWANCE FOR DOUBTFUL ACCOUNTS			
Receivables (1170)*	2,521	1,715	2
Allowance for Doubtful Accounts (1171)*	40	0	3
TOTAL RECEIVABLES AND ALLOWANCE FOR DOUBTFUL ACCOUNTS	2,481	1,715	
SUPPLIES			
Inventories (1220)*	126	139	4
TOTAL SUPPLIES	126	139	
PREPAYMENTS			
Prepayments (1280)*	35	43	5
TOTAL PREPAYMENTS	35	43	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	70	35	6
TOTAL OTHER CURRENT ASSETS	70	35	
TOTAL CURRENT ASSETS	3,182	2,267	
NONCURRENT ASSETS			
INVESTMENTS			
Nonregulated Investments (1406)*	35	40	7
RTB Class B Stock (1402)*	118	118	8
Other Noncurrent Assets (1410)*	1,593	839	9
TOTAL INVESTMENTS	1,746	997	
DEFERRED CHARGES			
Deferred Maint., Retirements and Other Deferred Charges (1438)*	6	7	10
TOTAL DEFERRED CHARGES	6	7	
OTHER JURISDICTIONAL ASSETS-NET			
Other Jurisdictional Assets-Net (1500)*	0	0	11
TOTAL OTHER JURISDICTIONAL ASSETS-NET	0	0	
TOTAL NONCURRENT ASSETS	1,752	1,004	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	20,335	19,953	12
Less: Accumulated Depreciation (3100)*	13,752	12,761	13
Less: Accumulated Amortization-Tangible (3400)*	0	0	14
Less: Accumulated Amortization-Capitalized Leases (3410)			15
NET TELECOMMUNICATIONS PLANT IN SERVICE	6,583	7,192	
PROPERTY HELD FOR FUTURE USE			
Property Held for Future Telecommunications Use (2002)*	0	0	16
Less: Accumulated Depr.-Held for Future Telecom. Use (3200)*	0	0	17
NET PROPERTY HELD FOR FUTURE USE	0	0	

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

Particulars (a)	Balance--EOY	Balance--FOY (000's) (c)	
PLANT			
NONOPERATING PLANT			
Nonoperating Plant (2006)*	0	0	18
Less: Accumulated Depreciation-Nonoperating (3300)*	0	0	19
NET NONOPERATING PLANT	0	0	
TPUC			
Telecommunications Plant Under Construction (2003)*	81	20	20
TOTAL TPUC	81	20	
TELECOMMUNICATIONS PLANT ADJUSTMENT			
Telecommunications Plant Adjustment (2005)*	0	0	21
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	0	0	
GOODWILL			
Goodwill (2007)*	0	0	22
TOTAL GOODWILL	0	0	
TOTAL PLANT	6,664	7,212	
TOTAL ASSETS AND OTHER DEBITS	11,598	10,483	

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

Particulars (a)	Balance--EOY (000's) (b)	Balance--FOY (000's) (c)	
CURRENT LIABILITIES			
Notes Payable (4020)*	0	0	1
Other Current Accounts and Notes Payable (4000)*	447	749	2
Customers' Deposits (4040)*			3
Income Taxes-Accrued (4070)*	452	361	4
Other Taxes-Accrued (4080)*	(8)	(7)	5
Net Current Deferred Operating Income Taxes (4100)*			6
Net Current Deferred Nonoperating Income Taxes (4110)*			7
Current Maturities-Long-Term Debt (4050)*	475	450	8
Current Maturities-Capital Leases (4060)*			9
Other Current Liabilities (4130)*	9	33	10
TOTAL CURRENT LIABILITIES	1,375	1,586	
LONG-TERM DEBT			
Long-Term Debt and Funded Debt (4200)*	3,102	3,576	11
TOTAL LONG-TERM DEBT	3,102	3,576	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Liabilities and Deferred Credits (4300)*			12
Unamortized Operating Investment Tax Credits-Net (4320)*			13
Unamortized Nonoperating Investment Tax Credits-Net (4330)*			14
Net Noncurrent Deferred Operating Income Taxes (4340)*	720	296	15
Net Deferred Tax Liability Adjustments (4341)*			16
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*			17
Deferred Tax Regulatory Adjustments-Net (4361)*			18
Other Jurisdictional Liabilities and Deferred Credits-Net (4370)*			19
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS	720	296	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	488	488	20
Additional Paid-in Capital (4520)*	(2)	(2)	21
Treasury Stock (4530)*		0	22
Other Capital (4540)*	2	2	23
Retained Earnings (4550)*	5,913	4,537	24
TOTAL STOCKHOLDERS' EQUITY	6,401	5,025	
TOTAL LIABILITIES AND OTHER CREDITS	11,598	10,483	

IMPORTANT CHANGES DURING THE YEAR

1. Estimated increase or decrease in annual revenues due to important rate changes, giving bases of estimates. Provide details and dollar amounts for increases and decreases, respectively, by revenue category noted on Operating Revenues schedule.

Rate increase 9/1/2004 for residential local lines (5001). Local lines increased \$0.60 per line. Expected to generate approximately a \$48,000 increased in revenues.

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

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)	
BROWN COUNTY MSA CELLULAR LIMITED PARTNERSHIP	BCMSA	1
NEW-CELL, INC	NCI	2
NORTHEAST COMMUNICATIONS OF WI, INC.	NECW	3
NET LEC, LLC	NLEC	4
Other	OTH	5

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	5ATF180	4210ATF100	4210ATF100	4210ATF105	
Name of Affiliate	BCMSA	NCI	NCI	NECW	1
Designate whether billed to or from:	FROM	FROM	TO	FROM	2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	M	M	C	M	3
Total Dollar Activity (000's)	80	1,454	3	454	4
Percent of affiliate's business billed to all affiliated regulated utilities	0.01	5.00		9.00	5
If cost based, rate of return on equity or markup incorporated in billings					6
Footnotes					

Particulars (a)	(b)	(c)	(d)	(e)	
Docket	4210ATF105	4210ATF104	4210ATF104	None	
Name of Affiliate	NECW	NLEC	NLEC	OTH	1
Designate whether billed to or from:	TO	FROM	TO	FROM	2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C	M	C	M	3
Total Dollar Activity (000's)	12	41	95	19	4
Percent of affiliate's business billed to all affiliated regulated utilities		5.00		1.00	5
If cost based, rate of return on equity or markup incorporated in billings					6
Footnotes					

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	None			
Name of Affiliate	OTH			1
Designate whether billed to or from:	TO			2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C			3
Total Dollar Activity (000's)	22			4
Percent of affiliate's business billed to all affiliated regulated utilities				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. Amounts at the end of the year for each affiliate should be identified by respective affiliate and account number. Report information below consecutively by respective account number; affiliated amounts of less than \$5,000 may be reported in aggregate as "Other" for a particular account.

Name of Affiliate (a)	Account Number (b)	Balance EOY (000's) (c)	
BROWN COUNTY MSA CELLULAR LIMITED PARTNERSHIP	1170	10	1
NET LEC, LLC	1170	160	2
NORTHEAST COMMUNICATIONS OF WI, INC.	1170	1,746	3
Other	1170	2	4
Other	1410	1,630	5
NET LEC, LLC	4010	60	6
NEW-CELL, INC	4010	45	7
NORTHEAST COMMUNICATIONS OF WI, INC.	4010	452	8

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (000's) (c)	Additions (000's) (d)	
GENERAL SUPPORT ASSETS				
Land	2111	158	0	1
Motor Vehicles	2112	352	0	2
Aircraft	2113	0	0	3
Tools and Other Work Equipment	2114	253	14	4
Buildings	2121	826	10	5
Furniture	2122	38	0	6
Office Equipment	2123	66	0	7
General Purpose Computers	2124	1,069	25	8
TOTAL GENERAL SUPPORT ASSETS		2,762	49	
CENTRAL OFFICE ASSETS				
Non-Digital Switching	2211	0	0	9
Digital Electronic Switching	2212	3,760	43	10
Operator Systems	2220	0	0	11
Radio Systems	2231	0	0	12
Circuit Equipment	2232	3,815	111	13
TOTAL CENTRAL OFFICE ASSETS		7,575	154	
INFORMATION ORIGATION/TERMINATION ASSETS				
Station Apparatus	2311	0	0	14
Customer Premises Wiring	2321	0	0	15
Large Private Branch Exchanges	2341	0	0	16
Public Telephone Terminal Equipment	2351	0	0	17
Other Terminal Equipment	2362	1	0	18
TOTAL INFORMATION ORIG/TERM ASSETS		1	0	
CABLE & WIRE FACILITIES ASSETS				
Poles	2411	5	0	19
Aerial Cable	2421	153	3	20
Underground Cable	2422	166	0	21
Buried Cable	2423	9,031	271	22
Submarine and Deep Sea Cable	2424	0	0	23
Intrabuilding Network Cable	2426	5	0	24
Aerial Wire	2431	16	0	25
Conduit Systems	2441	149	20	26
TOTAL CABLE & WIRE FACILITIES ASSETS		9,525	294	
AMORTIZABLE ASSETS				
Capital Leases	2681	0	0	27
Leasehold Improvements	2682	0	0	28
Intangibles	2690	0	0	29
TOTAL AMORTIZABLE ASSETS		0	0	

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

Account (e)	Retirements (000's) (f)	Transfers / Adjustments (000's) (g)	Balance EOY (000's) (h)	
2111	0	0	158	1
2112	0	0	352	2
2113	0	0	0	3
2114	0	0	267	4
2121	5	0	831	5
2122	0	0	38	6
2123	0	0	66	7
2124	2	0	1,092	8
	7	0	2,804	
2211	0	0	0	9
2212	2	0	3,801	10
2220	0	0	0	11
2231	0	0	0	12
2232	0	0	3,926	13
	2	0	7,727	
2311	0	0	0	14
2321	0	0	0	15
2341	0	0	0	16
2351	0	0	0	17
2362	0	0	1	18
	0	0	1	
2411	0	0	5	19
2421	2	0	154	20
2422	0	0	166	21
2423	14	0	9,288	22
2424	0	0	0	23
2426	0	0	5	24
2431	0	0	16	25
2441	0	0	169	26
	16	0	9,803	
2681	0	0	0	27
2682	0	0	0	28
2690	0	0	0	29
	0	0	0	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (000's) (c)	Additions (000's) (d)	
TOTAL TELECOM. PLANT IN SERVICE	2001	19,863	497	
Less: Allocation to Nonregulated Activity - EOY	2001			30
NET REG TOTAL TELECOM. PLANT IN SERVICE - EOY	2001			

Explain all amounts shown in column (g).

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

Account (e)	Retirements (000's) (f)	Transfers / Adjustments (000's) (g)	Balance EOY (000's) (h)
2001	25	0	20,335
2001			
2001			20,335
			30

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

Report telecommunications plant data for each subaccount where primary plant accounts have subclassifications. Any other separate accounting for telephone plant at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subaccount (b)	Balance FOY (000's) (c)	Additions (000's) (d)	
Digital Electronic Switching - Circuit	2212.1	0	0	1
Digital Electronic Switching - Packet	2212.2	3,760	43	2
Circuit Equipment - Electronic	2232.1	3,712	111	3
Circuit Equipment- Optical	2232.2	103	0	4
Aerial Cable - Nonmetallic	2421.1	0	0	5
Aerial Cable - Metallic	2421.2	153	3	6
Underground Cable - Nonmetallic	2422.1	89	0	7
Underground Cable - Metallic	2422.2	77	0	8
Buried Cable - Nonmetallic	2423.1	1,916	63	9
Buried Cable - Metallic	2423.2	7,115	208	10
Submarine and Deep Sea Cable - Nonmetallic	2424.1	0	0	11
Submarine and Deep Sea Cable - Metallic	2424.2	0	0	12
Intrabuilding Cable - Nonmetallic	2426.1	0	0	13
Intrabuilding Cable - Metallic	2426.2	5	0	14

Explain all amounts shown in column (g).

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

Subaccount (e)	Retirements (000's) (f)	Transfers / Adjustments (000's) (g)	Balance EOY (000's) (h)	
2212.1	0	0	0	1
2212.2	2	0	3,801	2
2232.1	0	0	3,823	3
2232.2	0	0	103	4
2421.1	0	0	0	5
2421.2	2	0	154	6
2422.1	0	0	89	7
2422.2	0	0	77	8
2423.1	0	0	1,979	9
2423.2	14	0	7,309	10
2424.1	0	0	0	11
2424.2	0	0	0	12
2426.1	0	0	0	13
2426.2	0	0	5	14

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (000's) (c)	Depr Rate (d)	Annual Accrual (000's) (e)	Additional Accrual (000's) (f)	
GENERAL SUPPORT ASSETS						
Motor Vehicles	2112	206	9.6899	34	0	1
Aircraft	2113	0	.0000	0	0	2
Tools and Other Work Equipment	2114	177	7.8967	20	0	3
Buildings	2121	399	2.8571	23	0	4
Furniture	2122	38	10.0000	0	0	5
Office Equipment	2123	62	20.0000	2	0	6
General Purpose Computers	2124	1,001	29.8197	86	0	7
TOTAL GENERAL SUPPORT ASSETS		1,883		165	0	
CENTRAL OFFICE ASSETS						
Non-Digital Switching	2211	0	.0000	0	0	8
Digital Electronic Switching	2212	3,656	14.2857	146	0	9
Operator Systems	2220	0	.0000	0	0	10
Radio Systems	2231	0	.0000	0	0	11
Circuit Equipment	2232	2,107	10.0000	284	0	12
TOTAL CENTRAL OFFICE ASSETS		5,763		430	0	
INFORMATION ORIGINATION/TERMINATION ASSETS						
Station Apparatus	2311	0	.0000	0	0	13
Customer Premises Wiring	2321	0	.0000	0	0	14
Large Private Branch Exchanges	2341	0	.0000	0	0	15
Public Telephone Terminal Equipment	2351	0	.0000	0	0	16
Other Terminal Equipment	2362	1	10.0000	0	0	17
TOTAL INFORMATION ORIG/TERM ASSETS		1		0	0	
CABLE & WIRE FACILITIES ASSETS						
Poles	2411	(6)	10.0000	0	0	18
Aerial Cable	2421	140	5.8824	5	0	19
Underground Cable	2422	98	5.7971	9	0	20
Buried Cable	2423	4,726	6.1063	498	0	21
Submarine and Deep Sea Cable	2424	0	.0000	0	0	22
Intrabuilding Network Cable	2426	5	12.5000	0	0	23
Aerial Wire	2431	16	50.0000	0	0	24
Conduit Systems	2441	45	2.5000	4	0	25
TOTAL CABLE & WIRE FACILITIES ASSETS		5,024		516	0	
Total Accumulated Depreciation	3100	12,671		1,111	0	
Less: Nonreg Accumulated Depreciation	3100				0	26
Net Reg Total Accumulated Depreciation	3100			1,111	0	

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (000's) (h)	Cost of Removal (000's) (i)	Salvage (000's) (j)	Other (000's) (k)	Balance EOY (000's) (l)	
2112	0	0	0	0	240	1
2113	0	0	0	0	0	2
2114	0	0	0	0	197	3
2121	5	2	0	0	415	4
2122	0	0	0	0	38	5
2123	0	0	0	0	64	6
2124	2	0	0	0	1,085	7
	7	2	0	0	2,039	
2211	0	0	0	0	0	8
2212	2	0	0	0	3,800	9
2220	0	0	0	0	0	10
2231	0	0	0	0	0	11
2232	0	1	0	0	2,390	12
	2	1	0	0	6,190	
2311	0	0	0	0	0	13
2321	0	0	0	0	0	14
2341	0	0	0	0	0	15
2351	0	0	0	0	0	16
2362	0	0	0	0	1	17
	0	0	0	0	1	
2411	0	0	0	0	(6)	18
2421	2	2	0	0	141	19
2422	0	0	0	0	107	20
2423	14	0	0	0	5,210	21
2424	0	0	0	0	0	22
2426	0	0	0	0	5	23
2431	0	0	0	0	16	24
2441	0	0	0	0	49	25
	16	2	0	0	5,522	
3100	25	5	0	0	13,752	
3100						26
3100					13,752	

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 or subsidiary record. Any other separate accounting for telephone accumulated depreciation at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subacct (b)	Balance FOY (000's) (c)	Depr Rate (d)	Annual Accrual (000's) (e)	Additional Accrual (000's) (f)	
Digital Electronic Switching - Circuit	2212.1	0	.0	0	0	1
Digital Electronic Switching - Packet	2212.2	3,656	14.2857	146	0	2
Circuit Equipment - Electronic	2232.1	2,008	10.0	283	0	3
Circuit Equipment- Optical	2232.2	99	10.0	1	0	4
Aerial Cable - Nonmetallic	2421.1	0	.0	0	0	5
Aerial Cable - Metallic	2421.2	140	5.8824	5	0	6
Underground Cable - Nonmetallic	2422.1	34	5.7971	5	0	7
Underground Cable - Metallic	2422.2	64	5.7971	4	0	8
Buried Cable - Nonmetallic	2423.1	702	5.7971	113	0	9
Buried Cable - Metallic	2423.2	4,024	6.1153	385	0	10
Submarine and Deep Sea Cable - Nonmetall	2424.1	0	.0	0	0	11
Submarine and Deep Sea Cable - Metallic	2424.2	0	.0	0	0	12
Intrabuilding Cable - Nonmetallic	2426.1	0	.0	0	0	13
Intrabuilding Cable - Metallic	2426.2	5	12.5	0	0	14

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

Subacct (g)	Retired (000's) (h)	Cost of Removal (000's) (i)	Salvage (000's) (j)	Other (000's) (k)	Balance EOY (000's) (l)	
2212.1	0	0	0	0	0	1
2212.2	2	0	0	0	3,800	2
2232.1	0	1	0	0	2,290	3
2232.2	0	0	0	0	100	4
2421.1	0	0	0	0	0	5
2421.2	2	2	0	0	141	6
2422.1	0	0	0	0	39	7
2422.2	0	0	0	0	68	8
2423.1	0	0	0	0	815	9
2423.2	14	0	0	0	4,395	10
2424.1	0	0	0	0	0	11
2424.2	0	0	0	0	0	12
2426.1	0	0	0	0	0	13
2426.2	0	0	0	0	5	14

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (000's) (b)	Last Year (000's) (c)	
Balance-First of Year	4,537	4,060	1
Changes:			
Balance Transferred from Income	1,376	1,277	2
Dividends Declared:			
Common	0	800	3
Preferred	0	0	4
Total Dividends Declared	0	800	
Miscellaneous Debits to Retained Earnings	0	0	5
Miscellaneous Credits to Retained Earnings	0	0	6
Balance--End of Year	<u>5,913</u>	<u>4,537</u>	

REVENUES (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (000's) (b)	Last Year (000's) (c)	
LOCAL NETWORK SERVICES REVENUES			
Basic Local Service Revenue (5000)*	2,550	2,450	1
Basic Area Revenue (5001)			2
Private Line Revenue (5040)			3
Other Basic Area Revenue (5060)			4
TOTAL LOCAL NETWORK SERVICES REVENUES	2,550	2,450	
INTERSTATE NETWORK ACCESS SERVICES REV.			
End User Revenue (5081)*	832	807	5
Switched Access Revenue (5082)*	1,059	1,121	6
Special Access Revenue (5083)*	203	192	7
TOTAL INTERSTATE NETWORK ACCESS SERVICES REV.	2,094	2,120	
INTRASTATE NETWORK ACCESS SERVICES REV.			
End User Revenue (5081)*	0	0	8
Switched Access Revenue (5082)*	796	737	9
Special Access Revenue (5083)*	139	151	10
TOTAL INTRASTATE NETWORK ACCESS SERVICES REV.	935	888	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*	216	206	11
TOTAL LONG DISTANCE NETWORK SERVICES MESSAGE REV.	216	206	
MISCELLANEOUS & NONREGULATED REVENUES			
Miscellaneous Revenue (5200)*	377	407	12
Directory Revenue (5230)		0	13
Nonregulated Operating Revenue (5280)*		0	14
TOTAL MISCELLANEOUS & NONREGULATED REVENUES	377	407	
GROSS OPERATING REVENUES	6,172	6,071	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*	34	(15)	15 c
TOTAL UNCOLLECTIBLE REVENUES	34	(15)	
TOTAL OPERATING REVENUES	6,138	6,086	

EXPENSES - CLASS A & B

Particulars (a)	Total This Year (000's) (b)	Total Last Year (000's) (c)	
PLANT SPECIFIC OPERATIONS EXPENSE			
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	647	591	1
LESS: NONREGULATED	0	0	2
NET REGULATED PLANT SPECIFIC OPERATIONS EXPENSE	647	591	
PLANT NONSPECIFIC OPERATIONS EXPENSE			
Other Property, Plant and Equip. Exp. (6510)	0	0	3
Network Operations Expense (6530)	104	115	4
Access Expense (6540)	258	231	5
Depreciat. Exp.--Tele. Plant in Service (6561)	1,113	1,317	6
Depreciat. Exp.--Prop. Held for Future Tele. Use (6562)			7
Amortization Expense--Tangible (6563)			8
Amortization Expense--Intangible (6564)			9
Amortization Expense--Other (6565)			10
Depreciation and Amortization Expense (6560)	1,113	1,317	11
TOTAL PLANT NONSPECIFIC OPERATIONS EXPENSE	1,475	1,663	12
LESS: NONREGULATED		0	13
NET REGULATED PLANT NONSPECIFIC OPERATIONS EXPENSE	2,950	3,326	
CUSTOMER OPERATIONS EXPENSE			
Marketing (6610)	21	9	14 d
Services (6620)	830	850	15
TOTAL CUSTOMER OPERATIONS EXPENSE	851	859	16
LESS: NONREGULATED	0	0	17
NET REGULATED CUSTOMER OPERATIONS EXPENSE	1,702	1,718	
CORPORATE OPERATIONS EXPENSE			
TOTAL CORPORATE OPERATIONS EXPENSE	636	512	18 e
LESS: NONREGULATED	0	0	19
NET REGULATED CORPORATE OPERATIONS EXPENSE	636	512	
TOTAL EXPENSES	3,609	3,625	
LESS: NONREGULATED	0	0	
NET REGULATED EXPENSES	5,935	6,147	

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

Currently, cooperatives are not billed for remainder assessment, but are subject to the telephone relay assessment.

Description (a)	This Year (000's) (b)	
Gross Operating Revenues	6,172	1
Plus: Collection of amounts previously written off	2	2
Less: Uncollectibles written off during the year	36	3
Plus: Total Other Operating Income and (Expense) (7100)	0	4
Less: Nonregulated Operating Revenue (included in Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)	0	7
Plus (or Less) Other (please specify): None	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	6,138	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (000's) (b)	
Total Basic Local Service Revenue (5000)	2,550	1
Plus: Total Intrastate Access Revenues (5081-5083)	935	2
Plus: Total Long Distance Network Services Revenue	216	3
Less: Out-of-State Operating Revenues (included in the above lines)	0	4
Plus: Intrastate Payphone Revenues	9	5
Plus (or Less) Other (please specify):		
Assessable Revenues for Universal Service Fund Assessment Purposes	3,710	

OTHER INCOME ACCOUNTS

Particulars (a)	This Year (000's) (b)	Last Year (000's) (c)	
TOTAL OTHER OPERATING INCOME AND EXPENSE (7100)	0	0	1
LESS: NONREGULATED	0	0	2
NET REGULATED OTHER OPERATING INCOME AND EXPENSE (7100)	0	0	
TOTAL OPERATING TAXES (7200)	996	986	3
LESS: NONREGULATED	0	0	4
NET REGULATED OPERATING TAXES (7200)	996	986	
TOTAL NONOPERATING INCOME AND EXPENSE (7300)	30	(17)	5
LESS: NONREGULATED	0	0	6
NET REGULATED NONOPERATING INCOME AND EXPENSE (7300)	30	(17)	
TOTAL NONOPERATING TAXES (7400)	13	(8)	7
LESS: NONREGULATED	0	0	8
NET REGULATED NONOPERATING TAXES (7400)	13	(8)	
TOTAL INTEREST AND RELATED ITEMS (7500)	200	223	9
LESS: NONREGULATED	0	0	10
NET REGULATED INTEREST AND RELATED ITEMS (7500)	200	223	
TOTAL EXTRAORDINARY ITEMS (7600)	0	0	11
LESS: NONREGULATED	0	0	12
NET REGULATED EXTRAORDINARY ITEMS (7600)	0	0	
TOTAL NONREGULATED NET INCOME (7990)	26	34	13
TOTAL OTHER INCOME ACCOUNTS	(1,153)	(1,184)	
TOTAL NONREGULATED	26	34	
TOTAL NET REGULATED OTHER INCOME ACCOUNTS	(1,179)	(1,218)	

NONREGULATED ACTIVITIES

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

Nonregulated Activity	
(a)	
Authorized cellular service distribution for Cellcom	1
Authorized paging service distribution for Cellcom	2
Customer Premises Equipment (CPE) Leasing, Sales, and Servicing	3
Inside Wiring	4
Payphones	5

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			
Extended Community Calling	0		1 A
Other Local-Undefined	0		2 A
Total Local	0	0	
TOLL			
Toll	246	2,790	3
Total Toll	246	2,790	
Total Local & Toll	246	2,790	

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 & B -- Originating	0	0	0	0	1
Feature Group A & B -- Terminating	0	0	0	0	2
Feature Group C -- Originating	0	0	0	0	3
Feature Group C -- Terminating	0	0	0	0	4
Feature Group D -- Originating	8,824	2,722	3,445	0	5
Feature Group D -- Terminating	11,769	2,871	3,853	0	6

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - fiber optics	101	1
Route miles of plant - microwave	0	2

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	3	5	1
56/64 kbps (DS0)	8	3	2
1.54 Mbps (DS-1)	39	5	3
45 Mbps (DS-3)	0	0	4 b
SONET OC-1 (51.84 Mbps)	0	0	5 b
SONET OC-3 (155.52 Mbps)	0	0	6 b
SONET OC-12 (622.08 Mbps)	0	0	7 b
SONET OC-48 (2.488 Gbps)	0	0	8 b
SONET OC-192 (9.953 Gbps)	0	0	9 b
SONET OC-768 (39.812 Gbps)	0	0	10 b

SERVICE DATA

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

Item (a)	FOY (b)	EOY (c)	
Business			
1 Party	1,028	916	3
PBX Trunks/Centrex & Key System Trunks	172	135	4
Centrex Lines	1,373	1,418	5
FX-Out (Switched)	0	0	6
Pay Telephone	51	37	7
Other	260	213	8
Total Business Lines	2,884	2,719	9
Residential (Incl. Emp. Concess.)			10
1 Party	6,844	6,679	11
FX-Out (Switched)	0	0	12
Other	0	0	13
Total Residential Lines	6,844	6,679	14
Total Bus & Res Lines	9,728	9,398	15
Company Total Lines Used	161	173	16
Total Lines Used	9,889	9,571	17
Miscellaneous			18
WATS Lines - OutWATS	0	0	19
WATS Lines - 800 Service	0	0	20
FX-In-intraLATA	5	5	21
Special Access-intraLATA (expressed in equiv. access lines)	178	128	22
Special Access-interLATA (expressed in equiv. access lines)	899	947	24
Feature Group C Trunks	0	0	26
Feature Group D Trunks	506	544	27
TSPS - Trunks	26	26	28
EAS and ECC - Trunks	1,441	1,441	29
Cellular Trunks (Pub. Sw. Net.)	0	0	30
Customers			31
Number of Lifeline customers at FOY (January 1, 2004) and EOY (December 31, 2004):	107	119	32
Number of Linkup customers connected during FOY (Calendar year 2003) and EOY (Calendar year 2004):	9	29	33
Other			34
Total Company Square Miles	182	182	35
Total Company Route Miles	554	568	36
Footnotes			37

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	2750	3390	3970	4440	1
Business					2
1 Party	39	180	156	541	3
PBX Trunks/Centrex & Key System Trunks	0	31	28	76	4
Centrex Lines	26	100	306	986	5
FX-Out (Switched)	0	0	0	0	6
Pay Telephone	0	2	8	27	7
Other	0	0	75	138	8
Total Business Lines	65	313	573	1,768	9
Residential (Incl. Emp. Concess.)					10
1 Party	414	1,253	1,268	3,744	11
FX-Out (Switched)	0	0	0	0	12
Other	0	0	0	0	13
Total Residential Lines	414	1,253	1,268	3,744	14
Total Bus & Res Lines	479	1,566	1,841	5,512	15
Company Total Lines Used	2	18	28	125	16
Total Lines Used	481	1,584	1,869	5,637	17
Miscellaneous					18
WATS Lines - OutWATS	0	0	0	0	19
WATS Lines - 800 Service	0	0	0	0	20
FX-In-intraLATA	0	1	4	0	21
Special Access-intraLATA (equiv. access lines)	0	1	74	53	22
Special Access-interLATA (equiv. access lines)	0	217	484	246	23
Feature Group C Trunks	0	0	0	0	24
Feature Group D Trunks	0	133	146	265	25
TSPS - Trunks	0	6	10	10	26
EAS and ECC - Trunks	0	288	291	862	27
Cellular Trunks (Pub. Sw. Net.)	0	0	0	0	28
Other					29
Exchange Square Miles	24	28	31	99	30
Exchange Route Miles	60	100	108	300	31
Footnotes					32
					33
					34

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Manufacturer Name (a)	Abbreviation (b)	
Advanced Fiber Communication	AFC	1
Alcatel	AL	2
ATTC	ATT	3
Digital Loop Carrier	DLC	4
GTE	GTE	5
ITT	ITT	6
Lucent	ATT/LUC	7
Northern Telecom	NTI	8
Siemens	SI	9
Stromberg-Carlson	SC	10

EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Equipment Type (a)	Abbreviation (b)	
Electronic--Digital	D	1
Electronic--Video	V	2
IP-Packet	P	3

CENTRAL OFFICE DATA - END OF YEAR

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

Description (a)	Central Off. (b)	Central Off. (c)	Central Off. (d)	Central Off. (e)	
Exchange Name	KRAKOW	MILL CENTER	ONEIDA	PULASKI	1
PSCW Exchange ID	2750	3390	3970	4440	2
Central Office Name	KRAKOW	MILL CENTER	ONEIDA	PULASKI	3
PSCW Central Office ID	1	1	1	1	4
Central Office CLLI Code	KRAKWIXADSO	MLCWIXADSO	ONEDWIXADSO	PLSKWIXADSO	5
Manufacturer of COE (Page 54)	NTI	NTI	NTI	NTI	6
Type of Equipment (Page 54)	D	D	D	D	7
(S)tandalone, (H)ost, (R)emote, (D)igital Loop Carrier	R	S	S	H	8
Remote Host PSCW Exchange ID	4440				9
Remote Host Central Office CLLI Code	1				10
COE Generic Software Release No.	505.10	505.10	505.10	505.10	11
SS7?	Yes	Yes	Yes	Yes	12
9-1-1?	Yes	Yes	Yes	Yes	13
Access Lines - In Use	480	1,641	1,910	5,697	14
Trunks - In Use	0	432	459	1,170	15
ISDN Available?	Yes	Yes	Yes	Yes	16
ISDN Lines - In Use (BRI)	0	0	0	0	17
- In Use (PRI)	0	0	0	0	18
DSL Service Available?	Yes	Yes	Yes	Yes	19
- In Use (# lines)	54	127	74	585	20
End User VoIP Available?					21
Digital Service Available: DS-1 - In Use	0	25	25	48	22
DS-3 - In Use	0	4	2	2	23
OC-3 - In Use					24
Advanced Data Service Available:					25
Packet Switching?	No	No	No	No	26
Frame Relay?	No	No	No	No	27
ATM (Asynchronous Trans. Mode)?	No	No	No	No	28
Fiber Transmission Facilities:					29
No. of fiber strands entering C.O.	72	74	106	146	30
No. of fiber strands working (LIT) in C.O.	16	48	26	70	31
No. of fiber strands for interoffice use	10	12	18	18	32
Miles of fiber sheath in wire center	12	21	19	49	33
Access Tandem Serving this C.O.:					34
- C.O. Name	GREEN BAY	GREEN BAY	GREEN BAY	GREEN BAY	35
- PSCW C.O. CLLI Code	GNBYWI01	GNBYWI01	GNBYWI01	GNBYWI01	36
Does this C.O. do access tandem switching?	No	No	No	No	37
Footnotes					38

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

General Footnote

Schedule Footnotes

Balance Sheet - Assets (Class B Use Accounts Designated By *) Footnote. Page 10

Program Edit Check for the Balance Sheet - Assets and Balance Sheet - Liabilities Schedules. This edit check is due to an error in the program incorrectly adding the EOY amount for account 1171, Allowance for Doubtful Accounts, instead of subtracting it in calculating the Balance Sheet-Assets: Balance EOY Value.

Schedule Line Footnotes

- A)** Detailed local calling information is not available at this time. The call recording devices for our central offices do not have the capacity to record the detail for local calls. The Company is considering an upgrade that would allow this type of local call detail to be recorded.
- b)** The reported amount of -0- for the special access circuits is correct.
- c)** In 2004 an Allowance account was set-up for uncollectibles and Northeast Telephone is being more aggressive with writing off accounts.
- d)** In March 2004 Northeast Telephone created and hired for a new position in Marketing - Marketing Planner and Coordinator.
- e)** In 2004 the corporate expenses increased due to executives spending more time on emerging technologies such as Voice Over Internet Protocol (VOIP) and Voice Over Twisted Pair (VOTP). Along with this increase, the corporate building costs have also increased. CPA fees have also increased due to Sarbanes Oxley. In August 2004 Northeast Telephone switched to a new health insurance plan and incurred start-up costs. Executive bonuses were paid in 2004 that had not been paid in the past. Annual wage increases went into effect in March 2004.

Communities where Basic Local Service is offered to New Customers

County Name (a)	Municipality Name (b)	Municipality Type (c)	
Shawano	ANGELICA	Town	1
Oconto	CHASE	Town	2
Shawano	GREEN VALLEY	Town	3
Brown	HOBART	Village	4
Brown	HOWARD	Village	5
Oconto	LITTLE SUAMICO	Town	6
Shawano	MAPLE GROVE	Town	7
Brown	MILL CENTER	Unincorporated	8
Oconto	MORGAN	Town	9
Outagamie	ONEIDA	Town	10
Brown	PITTSFIELD	Town	11
Brown	PULASKI	Village	12
Oconto	PULASKI	Village	13
Shawano	PULASKI	Village	14
Outagamie	SEYMOUR	Town	15