



4004

**ANNUAL REPORT**

OF

Name: LEMONWEIR VALLEY TELEPHONE COMPANY

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Principal Office: 127 U.S. HWY 12  
P.O. BOX 267  
CAMP DOUGLAS, WI 54618-0267  
PO Box Zip Code: 54618-0267

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For the Year Ended: DECEMBER 31, 2005

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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](mailto: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.

## SIGNATURE PAGE

I MR. JAMES M. COSTELLO of  
(Officer Verifying Annual Report Information)

LEMONWEIR VALLEY TELEPHONE COMPANY, certify that I  
(Utility Name)

have examined the following report and, to the best of my knowledge, information and belief, it is a correct statement of the business and affairs of said utility for the period covered by the report in respect to each and every matter set forth therein.

MR. JAMES M. COSTELLO 03/30/2006  
(Officer Verifying Annual Report Information) (Date)

GENERAL MANAGER  
(Title)

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## ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

<b>Access Line</b>	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.
<b>Analog Signal</b>	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.
<b>Cellular System</b>	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.
<b>Central Office</b>	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.
<b>Centrex</b>	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).
<b>Channel</b>	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.
<b>Customer</b>	A person who uses a telephone as a subscriber.
<b>Digital Signal</b>	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.
<b>Equal Access</b>	The ability of the subscriber to use any long distance service by dialing the same number of digits.
<b>Exchange</b>	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.
<b>Extended Area Service (EAS)</b>	The ability of a customer to call customers in other exchanges at no additional charge or at an additional charge per tariff.
<b>Extended Community Calling (ECC)</b>	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.
<b>Feature Group A</b>	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

<b>Feature Group B</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.
<b>Feature Group C</b>	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.
<b>Feature Group D</b>	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.
<b>FX-IN</b>	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.
<b>FX-OUT</b>	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.
<b>Host Switching System</b>	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.
<b>Local Access Transport Area (LATA)</b>	A geographic area within which an operating company may offer its telecommunications services.
<b>Mobile Telephone</b>	A service which provides radio telephone communication from a mobile vehicle to another vehicle or to a regular telephone.
<b>Paging</b>	A service which provides one-way signal or voice communication over a radio channel to a miniature receiver carried by the customer.
<b>Pair</b>	Two wires of a single circuit.
<b>Pay Station</b>	A telephone which normally requires all users to deposit one or more coins or use a credit card to complete a call.
<b>Private Line Service</b>	Channel or circuit rented for private use and not intended to be connected to the general distribution system.
<b>Private Branch Exchange (PBX)</b>	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.
<b>Radio Common Carrier (RCC)</b>	A company which furnishes public telecommunications service using one or more radio channels.
<b>Remote Switching Unit (RSU)</b>	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

<b>Route Miles</b>	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"><li>1. One mile of roadway with any combination of outside plant facilities on any number of rights-of-way.</li><li>2. One mile of a cross country route with any combination of outside plant facilities.</li><li>3. One mile of point-to-point microwave or radio link.</li><li>4. One mile of plant on either side of a limited access highway or natural barrier, such as a navigable waterway.</li><li>5. One mile of joint use line where the utility either owns the facility or leases space.</li></ol>
<b>Stand Alone Switch</b>	A central office switch which has no remote switching units (RSUs) subtending it.
<b>Trunk</b>	A communications path connecting two switching systems in the establishment of an end-to-end connection.
<b>Wide Area Telephone Service (WATS)</b>	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.
<b>Wire Center</b>	The location of one or more local switching systems. A point at which customers' loops converge.

## ABBREVIATIONS USED IN ANNUAL REPORTS

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

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**IDENTIFICATION AND OWNERSHIP - UTILITY INFORMATION**

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**Exact Utility Name:** LEMONWEIR VALLEY TELEPHONE COMPANY H  
**Utility Location:** 127 U.S. HWY 12  
P.O. BOX 267  
CAMP DOUGLAS, WI 54618-0267  
P.O. BOX ZIP 54618-0267

**Utility (or Parent/Holding Company) Web Site Address:**

**When was utility organized?:** 01/01/1907

**Report any change in name and the effective date:**

**Telephone numbers for potential customers to contact company:**

Business Customers: (608) 427 - 6515 Ext:

Residential Customers: (608) 427 - 6515 Ext:

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

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**Name:** MR. JAMES M. COSTELLO  
**Title:** SECRETARY/GENERAL MANAGER

**Office Address:** 127 U.S. HWY 12  
P.O. BOX 267  
CAMP DOUGLAS, WI 54618-0267

**Fax Number:** (608) 427 - 3438

**Telephone Number:** (608) 427 - 6515

**Email Address:** jimc@mwt.net

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

---

**Same as Primary Address**

**Name:**

**Title:**

**Firm:**

**Office Address:**

**Fax Number:** ( ) - EXT

**Telephone Number:** ( ) - EXT

**Email Address:**

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## IDENTIFICATION AND OWNERSHIP - UTILITY INFORMATION

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### Regulatory Contact - Contact person for regulatory inquiries and complaints

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Same as Primary Address

Name:

Title:

Firm:

Office Address:

Fax Number: ( ) - EXT

Telephone Number: ( ) - EXT

Email Address:

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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).

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Name: NONE  
Address: NONE  
NONE, WI 00000

Percent Interest Held:  
Beneficial Owner: NONE

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

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Company Name: LVT CORP.  
Form of Interest: EQUITY  
Extent Of Interest: 100 % OWNERSHIP

## OFFICERS AND DIRECTORS

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

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<b>Name:</b> DONNA REZIN <b>Title/Occupation:</b> TREASURER <b>Business Address (1):</b> 127 U.S. HWY 12 <b>Business Address (2):</b> P.O. BOX 267 <b>Business Address (3):</b> <b>City State, Zip:</b> CAMP DOUGLAS, WI 54618-0267	<b>1</b>
<hr/>	
<b>Name:</b> GARY ROBISON <b>Title/Occupation:</b> PRESIDENT <b>Business Address (1):</b> 127 U.S. HWY 12 <b>Business Address (2):</b> P.O. BOX 267 <b>Business Address (3):</b> <b>City State, Zip:</b> CAMP DOUGLAS, WI 54618-0267	<b>2</b>
<hr/>	
<b>Name:</b> JAMES COSTELLO <b>Title/Occupation:</b> SECRETARY / MANAGER <b>Business Address (1):</b> 127 U.S. HWY 12 <b>Business Address (2):</b> P.O. BOX 267 <b>Business Address (3):</b> <b>City State, Zip:</b> CAMP DOUGLAS, WI 54618-0267	<b>3</b>
<hr/>	
<b>Name:</b> MARLAN NESS <b>Title/Occupation:</b> DIRECTOR <b>Business Address (1):</b> 127 U.S. HWY 12 <b>Business Address (2):</b> P.O. BOX 267 <b>Business Address (3):</b> <b>City State, Zip:</b> CAMP DOUGLAS, WI 54618-0267	<b>4</b>
<hr/>	
<b>Name:</b> PAUL BERG <b>Title/Occupation:</b> VICE PRESIDENT <b>Business Address (1):</b> 127 U.S. HWY 12 <b>Business Address (2):</b> P.O. BOX 267 <b>Business Address (3):</b> <b>City State, Zip:</b> CAMP DOUGLAS, WI 54618-0267	<b>5</b>
<hr/>	
<b>Name:</b> RICHARD BARRETT <b>Title/Occupation:</b> DIRECTOR <b>Business Address (1):</b> 127 U.S. HWY 12 <b>Business Address (2):</b> P.O. BOX 267 <b>Business Address (3):</b> <b>City State, Zip:</b> CAMP DOUGLAS, WI 54618-0267	<b>6</b>

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## OFFICERS AND DIRECTORS

### Name, Title/Occupation and Business Address

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**Name:** STEPHEN DAY

**Title/Occupation:** DIRECTOR

**Business Address (1):** 127 U.S. HWY 12

**Business Address (2):** P.O. BOX 267

**Business Address (3):**

**City State, Zip:** CAMP DOUGLAS, WI 54618-0267

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**INCOME STATEMENT - TOTAL COMPANY**

Particulars (a)	This Year (000's) (b)	Last Year (000's) (c)	
<b>Operating Revenues</b>			
Operating Revenues (5000-5300)	4,028	4,073	1
<b>Total Operating Revenues</b>	<b>4,028</b>	<b>4,073</b>	
<b>Operating Expenses</b>			
Plant Specific Operations Expenses (6110-6410)	626	567	2
Other Plant Nonspecific Operations Expenses	1,337	1,228	3
Customer Operations Expense (6610-6620)	454	442	4
Corporate Operations Expense (6720-6790)	491	433	5
Other Operating Income and Expense (7100)	0	0	6
Operating Taxes (7200)	510	618	7
<b>Total Operating Expenses</b>	<b>3,418</b>	<b>3,288</b>	
<b>Net Operating Income</b>	<b>610</b>	<b>785</b>	
<b>Other Income</b>			
Nonoperating Income and Expense (7300)	121	309	8
Nonoperating Taxes (7400)	29	11	9
Interest and Related Items (7500)	157	163	10
Extraordinary Items (7600)	0	0	11
Nonregulated Net Income (7990)	(3)	1	12
<b>Total Nonoperating Income</b>	<b>(68)</b>	<b>136</b>	
<b>Net Income</b>	<b>542</b>	<b>921</b>	

## 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.)

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

A. TELEPHONE PLANT IN SERVICE IS RECORDED AT ORIGINAL COST AND DEPRECIATION IS COMPUTED ON THE STRAIGHT-LINE BASIS FOR STATEMENT PURPOSES. THE PROVISION RATES ARE APPLIED TO THE GROUP ACCOUNT ASSETS FOR COMPUTATION OF ANNUAL DEPRECIATION. RETIREMENTS ARE RECORDED USING AVERAGE UNIT COSTS. MAINTENANCE COSTS ARE EXPENSED AS INCURRED.

B. REDUCTION OF INCOME TAXES DUE TO INVESTMENT TAX CREDIT IS DEFERRED AND IS BEING AMORTIZED OVER THE SERVICE LIFE OF THE PLANT WHICH CREATED THE CREDIT. THE COMPANY AMORTIZED \$421 AND \$481 OF INVESTMENT CREDIT FOR THE YEARS 2005 AND 2004, RESPECTIVELY.

C. INTEREST IS CAPITALIZED ON ALL MAJOR CONSTRUCTION PROJECTS. INTEREST TOTALLING \$4,016 FOR 2005 AND \$8,088 FOR 2004 WAS CAPITALIZED AT THE COMPANY'S COST OF DEBT FUNDS. PAYROLL TAXES AND EMPLOYEES' INSURANCE COSTS ARE CAPITALIZED ON ALL PLANT ADDITIONS. THIS CAPITALIZATION IS BEING TREATED AS ADDITIONS TO TELEPHONE PLANT FOR BOTH STATEMENT AND TAX PURPOSES.

D. EXPENSES INCURRED IN CONNECTION WITH THE ISSUANCE OF LONG-TERM DEBT ARE DEFERRED AND WILL BE AMORTIZED OVER THE LIFE OF THE RESPECTIVE DEBT ISSUES ON A STRAIGHT-LINE BASIS.

E. THE COMPANY HAS A DEFINED CONTRIBUTION PROFIT-SHARING PLAN FOR THE COMPANY EMPLOYEES WHICH IS ADMINISTERED BY A TRUSTEE. CONTRIBUTIONS ARE MADE EACH YEAR BASED ON A PERCENTAGE OF EMPLOYEES WQAGES. PROFIT-SHARING EXPENSE AMOUNTED TO \$97,481 FOR 2005 AND \$93,285 FOR 2004.

F. REVENUES ARE RECOGNIZED AS EARNED REGARDLESS OF THE PERIOD IN WHICH THEY ARE BILLED.

REVENUE FOR INTRASTATE SERVICES IS RECEIVED THROUGH TARIFFED ACCESS CHARGES AS FILED WITH THE PUBLIC SERVICE COMMISSION OF WISCONSIN. THESE ACCESS CHARGES ARE BILLED TO THE LONG DISTANCE CARRIERS AND RETAINED BY THE COMPANY.

REVENUE FOR INTERSTATE ACCESS SERVICES IS RECEIVED THROUGH TARIFFED ACCESS CHARGES FILED BY THE NATIONAL EXCHANGE CARRIER ASSOCIATION (NECA) WITH THE FEDERAL COMMUNICATIONS COMMISSION (FCC) ON BEHALF OF THE MEMBER COMPANIES. THESE ACCESS CHARGES ARE BILLED BY THE COMPANY TO THE INTERSTATE LONG DISTANCE CARRIERS, AND POOLED ACCESS CHARGE REVENUE RECEIVED BY THE COMPANY IS DETERMINED BASED ON NATIONWIDE AVERAGE COST SCHEDULES. EFFECTIVE IN 1994, THE COMPANY IMPLEMENTED EXTENDED COMMUNITY CALLING (ECC) WHICH WAS MANDATED BY THE WISCONSIN PUBLIC SERVICE COMMISSION FOR ALL LOCAL TELEPHONE COMPANIES IN WISCONSIN. ECC EXTENDED THE CALLING AREAS FOR LOCAL EXCHANGE SUBSCRIBERS ARE REDUCED THE ACCESS BILLING AND COLLECTION CHARGES TO INTEREXCHANGE TELEPHONE CARRIERS. THE REDUCED REVENUE BEING CHARGED TO INTEREXCHANGE CARRIERS WAS PARTIALLY OFFSET BY LOCAL SERVICE REVENUE FROM EXTENDED COMMUNITY CALLING.

G. THE COMPANY ACCOUNTS FOR INCOME TAXES UNDER THE PROVISIONS OF STATEMENT OF FINANCIAL ACCOUNTING STANDARDS NO. 109, "ACCOUNTING OF INCOME TAXES",

ISSUED BY THE FINANCIAL ACCOUNTING STANDARDS BOARD. DUE TO THE REGULATED NATURE OF THE COMPANY'S UTILITY BUSINESS, THE COMPANY RECORDED ANY CHANGE OR ADDITION TO DEFERRED TAXES UNDER THE PROVISIONS OF THE STANDARD AS A REGULATED LIABILITY ACCOUNT. THE REGULATORY ACCOUNT WILL BE CONSIDERED

## 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:

AND AMORTIZED TO INCOME IN THE FUTURE AS DIRECTED BY THE PUBLIC SERVICE COMMISSION OF WISCONSIN. THE COMPANY HAS RECOGNIZED THE FOLLOWING DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES:  
DEFERRED INCOME TAXES HAVE BEEN RECORDED ON THE NET UNDISTRIBUTED INCOME FROM THE COMPANY'S INVESTMENT IN COMPUTER SYSTEMS, LLC AND COMMUNICATIONS MANAGEMENT GROUP, LLC. DEFERRED INCOME TAX ASSETS HAVE BEEN RECORDED DUE TO UTILIZING THE DEFERRAL METHOD FOR INVESTMENT TAX CREDIT.  
FOR INCOME TAX PURPOSES, THE DEPRECIATION PROVISION IS BASED UPON THE MODIFIED AND ACCELERATED COST RECOVERY SYSTEMS (MACRS AND ACRS) FOR ALL FIXED ASSETS ADDITIONS SUBSEQUENT TO 1980, AND ON THE STRAIGHT-LINE BASIS FOR ALL YEARS PRIOR TO 1981. THIS RESULTED IN INCOME TAX EXPENSE OF \$98,881 FOR 2005 AND INCOME TAX SAVINGS OF \$209,663 FOR 2004. THIS TIMING DIFFERENCE HAS BEEN NORMALIZED FOR BOOK PURPOSES THROUGH INCOME TAX EXPENSE AND DEFERRED INCOME TAX.

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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.

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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.

I. UNDER THE MOST RESTRICTIVE PROVISION OF THE LONG-TERM DEBT AGREEMENT, \$10,073,236 OF RETAINED EARNINGS IS RESTRICTED AGAINST THE PAYMENT OF DIVIDENDS AS OF DECEMBER 31, 2005.

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

Particulars (a)	Balance--EOY	Balance--FOY (000's) (c)	
<b>CURRENT ASSETS</b>			
<b>CASH AND EQUIVALENTS</b>			
Cash and Equivalents (1120)*	2,618	2,279	1
<b>TOTAL CASH AND EQUIVALENTS</b>	<b>2,618</b>	<b>2,279</b>	
<b>RECEIVABLES AND ALLOWANCE FOR DOUBTFUL ACCOUNTS</b>			
Receivables (1170)*	849	730	2
Allowance for Doubtful Accounts (1171)*			3
<b>TOTAL RECEIVABLES AND ALLOWANCE FOR DOUBTFUL ACCOUNTS</b>	<b>849</b>	<b>730</b>	
<b>SUPPLIES</b>			
Inventories (1220)*	45	35	4
<b>TOTAL SUPPLIES</b>	<b>45</b>	<b>35</b>	
<b>PREPAYMENTS</b>			
Prepayments (1280)*	55	257	5
<b>TOTAL PREPAYMENTS</b>	<b>55</b>	<b>257</b>	
<b>OTHER CURRENT ASSETS</b>			
Other Current Assets (1350)*	0	0	6
<b>TOTAL OTHER CURRENT ASSETS</b>	<b>0</b>	<b>0</b>	
<b>TOTAL CURRENT ASSETS</b>	<b>3,567</b>	<b>3,301</b>	
<b>NONCURRENT ASSETS</b>			
<b>INVESTMENTS</b>			
Nonregulated Investments (1406)*	185	210	7
RTB Class B Stock (1402)*			8
Other Noncurrent Assets (1410)*	5,689	5,562	9
<b>TOTAL INVESTMENTS</b>	<b>5,874</b>	<b>5,772</b>	
<b>DEFERRED CHARGES</b>			
Deferred Maint., Retirements and Other Deferred Charges (1438)*			10
<b>TOTAL DEFERRED CHARGES</b>	<b>0</b>	<b>0</b>	
<b>OTHER JURISDICTIONAL ASSETS-NET</b>			
Other Jurisdictional Assets-Net (1500)*			11
<b>TOTAL OTHER JURISDICTIONAL ASSETS-NET</b>	<b>0</b>	<b>0</b>	
<b>TOTAL NONCURRENT ASSETS</b>	<b>5,874</b>	<b>5,772</b>	
<b>PLANT</b>			
<b>TELECOMMUNICATIONS PLANT IN SERVICE</b>			
Telecommunications Plant in Service (2001)*	17,480	16,635	12
Less: Accumulated Depreciation (3100)*	8,394	7,388	13
Less: Accumulated Amortization-Tangible (3400)*			14
Less: Accumulated Amortization-Capitalized Leases (3410)			15
<b>NET TELECOMMUNICATIONS PLANT IN SERVICE</b>	<b>9,086</b>	<b>9,247</b>	
<b>PROPERTY HELD FOR FUTURE USE</b>			
Property Held for Future Telecommunications Use (2002)*			16
Less: Accumulated Depr.-Held for Future Telecom. Use (3200)*			17
<b>NET PROPERTY HELD FOR FUTURE USE</b>	<b>0</b>	<b>0</b>	

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

Particulars (a)	Balance--EOY	Balance--FOY (000's) (c)
<b>PLANT</b>		
<b>NONOPERATING PLANT</b>		
Nonoperating Plant (2006)*		18
Less: Accumulated Depreciation-Nonoperating (3300)*		19
<b>NET NONOPERATING PLANT</b>	<b>0</b>	<b>0</b>
<b>TPUC</b>		
Telecommunications Plant Under Construction (2003)*		20
<b>TOTAL TPUC</b>	<b>0</b>	<b>0</b>
<b>TELECOMMUNICATIONS PLANT ADJUSTMENT</b>		
Telecommunications Plant Adjustment (2005)*		21
<b>NET TELECOMMUNICATIONS PLANT ADJUSTMENT</b>	<b>0</b>	<b>0</b>
<b>GOODWILL</b>		
Goodwill (2007)*		22
<b>TOTAL GOODWILL</b>	<b>0</b>	<b>0</b>
<b>TOTAL PLANT</b>	<b>9,086</b>	<b>9,247</b>
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>18,527</b>	<b>18,320</b>

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

Particulars (a)	Balance--EOY (000's) (b)	Balance--FOY (000's) (c)	
<b>CURRENT LIABILITIES</b>			
Notes Payable (4020)*			1
Other Current Accounts and Notes Payable (4000)*	1,675	1,590	2
Customers' Deposits (4040)*	6	10	3
Income Taxes-Accrued (4070)*	165		4
Other Taxes-Accrued (4080)*	3	3	5
Net Current Deferred Operating Income Taxes (4100)*			6
Net Current Deferred Nonoperating Income Taxes (4110)*			7
Current Maturities-Long-Term Debt (4050)*	137	131	8
Current Maturities-Capital Leases (4060)*			9
Other Current Liabilities (4130)*	68	180	10
<b>TOTAL CURRENT LIABILITIES</b>	<b>2,054</b>	<b>1,914</b>	
<b>LONG-TERM DEBT</b>			
Long-Term Debt and Funded Debt (4200)*	1,365	1,505	11
<b>TOTAL LONG-TERM DEBT</b>	<b>1,365</b>	<b>1,505</b>	
<b>OTHER LIABILITIES AND DEFERRED CREDITS</b>			
Other Liabilities and Deferred Credits (4300)*	135	130	12
Unamortized Operating Investment Tax Credits-Net (4320)*	1	1	13
Unamortized Nonoperating Investment Tax Credits-Net (4330)*			14
Net Noncurrent Deferred Operating Income Taxes (4340)*	824	925	15
Net Deferred Tax Liability Adjustments (4341)*			16
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*			17
Deferred Tax Regulatory Adjustments-Net (4361)*	54	54	18
Other Jurisdictional Liabilities and Deferred Credits-Net (4370)*			19
<b>TOTAL OTHER LIABILITIES AND DEFERRED CREDITS</b>	<b>1,014</b>	<b>1,110</b>	
<b>STOCKHOLDERS' EQUITY</b>			
Capital Stock (4510)*	437	437	20
Additional Paid-in Capital (4520)*	24	22	21
Treasury Stock (4530)*	38	14	22
Other Capital (4540)*			23
Retained Earnings (4550)*	13,671	13,346	24
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>14,094</b>	<b>13,791</b>	
<b>TOTAL LIABILITIES AND OTHER CREDITS</b>	<b>18,527</b>	<b>18,320</b>	

### **IMPORTANT CHANGES DURING THE YEAR**

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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.

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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.

<b>Name of Affiliate (a)</b>	<b>Abbreviations (b)</b>	
COMPUTER SYSTEMS, LLC	CS, LLC	<b>1</b>
LVT CORP.	LVT	<b>2</b>

### 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	3110AT000100	3110AT000100		
Name of Affiliate	CS, LLC	LVT		1
Designate whether billed to or from:	FROM	TO		2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	M	C		3
Total Dollar Activity (000's)	153	222		4
Percent of affiliate's business billed to all affiliated regulated utilities	36.98			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)	
LVT CORP.	1170	638	<b>1</b>
COMPUTER SYSTEMS, LLC	1410	224	<b>2</b>
LVT CORP.	1410	5,141	<b>3</b>

**TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B**

<b>Plant Account (a)</b>	<b>Account (b)</b>	<b>Balance FOY (000's) (c)</b>	<b>Additions (000's) (d)</b>	
<b>GENERAL SUPPORT ASSETS</b>				
Land	2111	125	0	<b>1</b>
Motor Vehicles	2112	244	44	<b>2</b>
Aircraft	2113	0	0	<b>3</b>
Tools and Other Work Equipment	2114	176	61	<b>4</b>
Buildings	2121	2,115	443	<b>5</b>
Furniture	2122	141	3	<b>6</b>
Office Equipment	2123	66	3	<b>7</b>
General Purpose Computers	2124	246	7	<b>8</b>
<b>TOTAL GENERAL SUPPORT ASSETS</b>		<b>3,113</b>	<b>561</b>	
<b>CENTRAL OFFICE ASSETS</b>				
Non-Digital Switching	2211	0	0	<b>9</b>
Digital Electronic Switching	2212	3,761	73	<b>10 A</b>
Operator Systems	2220	0	0	<b>11</b>
Radio Systems	2231	0	0	<b>12</b>
Circuit Equipment	2232	1,997	58	<b>13 A</b>
<b>TOTAL CENTRAL OFFICE ASSETS</b>		<b>5,758</b>	<b>131</b>	
<b>INFORMATION ORIGATION/TERMINATION ASSETS</b>				
Station Apparatus	2311	0	0	<b>14</b>
Customer Premises Wiring	2321	0	0	<b>15</b>
Large Private Branch Exchanges	2341	0	0	<b>16</b>
Public Telephone Terminal Equipment	2351	0	0	<b>17</b>
Other Terminal Equipment	2362	0	0	<b>18</b>
<b>TOTAL INFORMATION ORIG/TERM ASSETS</b>		<b>0</b>	<b>0</b>	
<b>CABLE &amp; WIRE FACILITIES ASSETS</b>				
Poles	2411	18	0	<b>19</b>
Aerial Cable	2421	65	0	<b>20</b>
Underground Cable	2422	0	0	<b>21</b>
Buried Cable	2423	7,681	332	<b>22</b>
Submarine and Deep Sea Cable	2424	0	0	<b>23</b>
Intrabuilding Network Cable	2426	0	0	<b>24</b>
Aerial Wire	2431	0	0	<b>25</b>
Conduit Systems	2441	0	0	<b>26</b>
<b>TOTAL CABLE &amp; WIRE FACILITIES ASSETS</b>		<b>7,764</b>	<b>332</b>	
<b>AMORTIZABLE ASSETS</b>				
Capital Leases	2681	0	0	<b>27</b>
Leasehold Improvements	2682	0	0	<b>28</b>
Intangibles	2690	0	0	<b>29</b>
<b>TOTAL AMORTIZABLE ASSETS</b>		<b>0</b>	<b>0</b>	

**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	125	1
2112	0	0	288	2
2113	0	0	0	3
2114	0	0	237	4
2121	0	0	2,558	5
2122	0	0	144	6
2123	0	0	69	7
2124	0	0	253	8
	<b>0</b>	<b>0</b>	<b>3,674</b>	
2211	0	0	0	9
2212	(26)	(573)	3,287	10 A
2220	0	0	0	11
2231	0	0	0	12
2232	201	573	2,427	13 A
	<b>175</b>	<b>0</b>	<b>5,714</b>	
2311	0	0	0	14
2321	0	0	0	15
2341	0	0	0	16
2351	0	0	0	17
2362	0	0	0	18
	<b>0</b>	<b>0</b>	<b>0</b>	
2411	0	0	18	19
2421	0	0	65	20
2422	0	0	0	21
2423	4	0	8,009	22
2424	0	0	0	23
2426	0	0	0	24
2431	0	0	0	25
2441	0	0	0	26
	<b>4</b>	<b>0</b>	<b>8,092</b>	
2681	0	0	0	27
2682	0	0	0	28
2690	0	0	0	29
	<b>0</b>	<b>0</b>	<b>0</b>	

**TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B**

Plant Account (a)	Account (b)	Balance FOY (000's) (c)	Additions (000's) (d)	
<b>TOTAL TELECOM. PLANT IN SERVICE</b>	<b>2001</b>	<b>16,635</b>	<b>1,024</b>	
Less: Allocation to Nonregulated Activity - EOY	2001			<b>30</b>
<b>NET REG TOTAL TELECOM. PLANT IN SERVICE - EOY 2001</b>				

Explain all amounts shown in column (g).

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

<b>Account (e)</b>	<b>Retirements (000's) (f)</b>	<b>Transfers / Adjustments (000's) (g)</b>	<b>Balance EOY (000's) (h)</b>	
2001	179	0	17,480	
2001				30
<b>2001</b>			<b>17,480</b>	

**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.

<b>Plant Subaccount (a)</b>	<b>Subaccount (b)</b>	<b>Balance FOY (000's) (c)</b>	<b>Additions (000's) (d)</b>	
Digital Electronic Switching - Circuit	2212.1	3,761	73	<b>1 A</b>
Digital Electronic Switching - Packet	2212.2	0		<b>2</b>
Circuit Equipment - Electronic	2232.1	1,611	19	<b>3 A</b>
Circuit Equipment- Optical	2232.2	386	39	<b>4 A</b>
Aerial Cable - Nonmetallic	2421.1	0		<b>5</b>
Aerial Cable - Metallic	2421.2	65		<b>6</b>
Underground Cable - Nonmetallic	2422.1	0		<b>7</b>
Underground Cable - Metallic	2422.2	0		<b>8</b>
Buried Cable - Nonmetallic	2423.1	2,071	9	<b>9</b>
Buried Cable - Metallic	2423.2	5,610	323	<b>10</b>
Submarine and Deep Sea Cable - Nonmetallic	2424.1	0		<b>11</b>
Submarine and Deep Sea Cable - Metallic	2424.2	0		<b>12</b>
Intrabuilding Cable - Nonmetallic	2426.1	0		<b>13</b>
Intrabuilding Cable - Metallic	2426.2	0		<b>14</b>

Explain all amounts shown in column (g).

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

<b>Subaccount (e)</b>	<b>Retirements (000's) (f)</b>	<b>Transfers / Adjustments (000's) (g)</b>	<b>Balance EOY (000's) (h)</b>	
2212.1	(26)	(573)	3,287	1A
2212.2			0	2
2232.1	41	353	1,942	3A
2232.2	160	220	485	4A
2421.1			0	5
2421.2			65	6
2422.1			0	7
2422.2			0	8
2423.1			2,080	9
2423.2	4		5,929	10
2424.1			0	11
2424.2			0	12
2426.1			0	13
2426.2			0	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)	
<b>GENERAL SUPPORT ASSETS</b>						
Motor Vehicles	2112	144	20.0000	32		1
Aircraft	2113	0	.0000	0		2
Tools and Other Work Equipment	2114	147	10.0000	22		3
Buildings	2121	494	3.3000	69		4
Furniture	2122	40	13.3600	14		5
Office Equipment	2123	51	13.3600	10		6
General Purpose Computers	2124	236	25.0000	16		7
<b>TOTAL GENERAL SUPPORT ASSETS</b>		<b>1,112</b>		<b>163</b>	<b>0</b>	
<b>CENTRAL OFFICE ASSETS</b>						
Non-Digital Switching	2211	0	.0000	0		8
Digital Electronic Switching	2212	1,162	10.0000	325	0	9
Operator Systems	2220	0	.0000	0		10
Radio Systems	2231	0	.0000	0		11
Circuit Equipment	2232	1,171	11.6000	279	0	12
<b>TOTAL CENTRAL OFFICE ASSETS</b>		<b>2,333</b>		<b>604</b>	<b>0</b>	
<b>INFORMATION ORIGINATION/TERMINATION ASSETS</b>						
Station Apparatus	2311	0	.0000	0		13
Customer Premises Wiring	2321	0	.0000	0		14
Large Private Branch Exchanges	2341	0	.0000	0		15
Public Telephone Terminal Equipment	2351	0	.0000	0		16
Other Terminal Equipment	2362	0	.0000	0		17
<b>TOTAL INFORMATION ORIG/TERM ASSETS</b>		<b>0</b>		<b>0</b>	<b>0</b>	
<b>CABLE &amp; WIRE FACILITIES ASSETS</b>						
Poles	2411	18	11.7000	0		18
Aerial Cable	2421	59	6.3000	4	0	19
Underground Cable	2422	0	.0000	0	0	20
Buried Cable	2423	3,866	5.3000	415	0	21
Submarine and Deep Sea Cable	2424	0	.0000	0	0	22
Intrabuilding Network Cable	2426	0	.0000	0	0	23
Aerial Wire	2431	0	.0000	0		24
Conduit Systems	2441	0	.0000	0		25
<b>TOTAL CABLE &amp; WIRE FACILITIES ASSETS</b>		<b>3,943</b>		<b>419</b>	<b>0</b>	
<b>Total Accumulated Depreciation</b>	<b>3100</b>	<b>7,388</b>		<b>1,186</b>	<b>0</b>	
Less: Nonreg Accumulated Depreciation	3100					26
<b>Net Reg Total Accumulated Depreciation</b>	<b>3100</b>			<b>1,186</b>	<b>0</b>	

**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				176	1
2113	0				0	2
2114	0				169	3
2121	0				563	4
2122	0				54	5
2123	0				61	6
2124	0				252	7
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,275</b>	
2211	0				0	8
2212	(26)	0	0	0	1,513	9
2220	0				0	10
2231	0				0	11
2232	201	0	0	0	1,249	12
	<b>175</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,762</b>	
2311	0				0	13
2321	0				0	14
2341	0				0	15
2351	0				0	16
2362	0				0	17
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
2411	0				18	18
2421	0	0	0	0	63	19
2422	0	0	0	0	0	20
2423	4	1	0	0	4,276	21
2424	0	0	0	0	0	22
2426	0	0	0	0	0	23
2431	0				0	24
2441	0				0	25
	<b>4</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>4,357</b>	
<b>3100</b>	<b>179</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>8,394</b>	
3100						26
<b>3100</b>					<b>8,394</b>	

**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.

<b>Plant Subaccount (a)</b>	<b>Subacct (b)</b>	<b>Balance FOY (000's) (c)</b>	<b>Depr Rate (d)</b>	<b>Annual Accrual (000's) (e)</b>	<b>Additional Accrual (000's) (f)</b>	
Digital Electronic Switching - Circuit	2212.1	1,162	10.0	325	0	<b>1</b>
Digital Electronic Switching - Packet	2212.2	0	.0			<b>2</b>
Circuit Equipment - Electronic	2232.1	797	11.6	225		<b>3</b>
Circuit Equipment- Optical	2232.2	374	11.6	54		<b>4</b>
Aerial Cable - Nonmetallic	2421.1	0	.0			<b>5</b>
Aerial Cable - Metallic	2421.2	59	6.3	4		<b>6</b>
Underground Cable - Nonmetallic	2422.1	0	.0			<b>7</b>
Underground Cable - Metallic	2422.2	0	.0			<b>8</b>
Buried Cable - Nonmetallic	2423.1	477	5.3	110		<b>9F</b>
Buried Cable - Metallic	2423.2	3,389	5.3	305		<b>10F</b>
Submarine and Deep Sea Cable - Nonmetall	2424.1	0	.0			<b>11</b>
Submarine and Deep Sea Cable - Metallic	2424.2	0	.0			<b>12</b>
Intrabuilding Cable - Nonmetallic	2426.1	0	.0			<b>13</b>
Intrabuilding Cable - Metallic	2426.2	0	.0			<b>14</b>

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

<b>Subacct (g)</b>	<b>Retired (000's) (h)</b>	<b>Cost of Removal (000's) (i)</b>	<b>Salvage (000's) (j)</b>	<b>Other (000's) (k)</b>	<b>Balance EOY (000's) (l)</b>	
2212.1	(26)				1,513	1
2212.2	0				0	2
2232.1	41				981	3
2232.2	160				268	4
2421.1	0				0	5
2421.2	0				63	6
2422.1	0				0	7
2422.2	0				0	8
2423.1	0			67	654	9 F
2423.2	4	1		(67)	3,622	10 F
2424.1	0				0	11
2424.2	0				0	12
2426.1	0				0	13
2426.2	0				0	14

**RETAINED EARNINGS (ACCT. 4550)**

Particulars (a)	This Year (000's) (b)	Last Year (000's) (c)	
Balance-First of Year	13,346	12,636	1
<b>Changes:</b>			
Balance Transferred from Income	542	921	2
<b>Dividends Declared:</b>			
Common	217	211	3
Preferred		0	4
<b>Total Dividends Declared</b>	<b>217</b>	<b>211</b>	
Miscellaneous Debits to Retained Earnings		0	5
Miscellaneous Credits to Retained Earnings		0	6
<b>Balance--End of Year</b>	<b><u>13,671</u></b>	<b><u>13,346</u></b>	

**REVENUES (CLASS B USE ACCOUNTS DESIGNATED BY \*)**

Particulars (a)	This Year (000's) (b)	Last Year (000's) (c)	
<b>LOCAL NETWORK SERVICES REVENUES</b>			
Basic Local Service Revenue (5000)*	820	835	1
Basic Area Revenue (5001)			2
Private Line Revenue (5040)			3
Other Basic Area Revenue (5060)			4
<b>TOTAL LOCAL NETWORK SERVICES REVENUES</b>	<b>820</b>	<b>835</b>	
<b>INTERSTATE NETWORK ACCESS SERVICES REV.</b>			
End User Revenue (5081)*	309	330	5
Switched Access Revenue (5082)*	600	613	6
Special Access Revenue (5083)*	774	844	7
<b>TOTAL INTERSTATE NETWORK ACCESS SERVICES REV.</b>	<b>1,683</b>	<b>1,787</b>	
<b>INTRASTATE NETWORK ACCESS SERVICES REV.</b>			
End User Revenue (5081)*			8
Switched Access Revenue (5082)*	372	346	9
Special Access Revenue (5083)*	662	801	10
<b>TOTAL INTRASTATE NETWORK ACCESS SERVICES REV.</b>	<b>1,034</b>	<b>1,147</b>	
<b>LONG DISTANCE NETWORK SERVICES MESSAGE REV.</b>			
Long Distance Message Revenue (5100)*			11
<b>TOTAL LONG DISTANCE NETWORK SERVICES MESSAGE REV.</b>	<b>0</b>	<b>0</b>	
<b>MISCELLANEOUS &amp; NONREGULATED REVENUES</b>			
Miscellaneous Revenue (5200)*	489	337	12 D
Directory Revenue (5230)			13
Nonregulated Operating Revenue (5280)*			14
<b>TOTAL MISCELLANEOUS &amp; NONREGULATED REVENUES</b>	<b>489</b>	<b>337</b>	
<b>GROSS OPERATING REVENUES</b>	<b>4,026</b>	<b>4,106</b>	
<b>UNCOLLECTIBLE REVENUES</b>			
Uncollectible Revenue (5300)*	(2)	33	15 E
<b>TOTAL UNCOLLECTIBLE REVENUES</b>	<b>(2)</b>	<b>33</b>	
<b>TOTAL OPERATING REVENUES</b>	<b>4,028</b>	<b>4,073</b>	

**EXPENSES - CLASS A & B**

Particulars (a)	Total This Year (000's) (b)	Total Last Year (000's) (c)	
<b>PLANT SPECIFIC OPERATIONS EXPENSE</b>			
<b>TOTAL PLANT SPECIFIC OPERATIONS EXPENSE</b>	<b>641</b>	<b>600</b>	<b>1</b>
<b>LESS: NONREGULATED</b>	<b>15</b>	<b>33</b>	<b>2</b>
<b>NET REGULATED PLANT SPECIFIC OPERATIONS EXPENSE</b>	<b>626</b>	<b>567</b>	
<b>PLANT NONSPECIFIC OPERATIONS EXPENSE</b>			
Other Property, Plant and Equip. Exp. (6510)	3	1	3
Network Operations Expense (6530)	146	70	4 B
Access Expense (6540)	0	0	5
Depreciat. Exp.--Tele. Plant in Service (6561)	1,208	1,177	6
Depreciat. Exp.--Prop. Held for Future Tele. Use (6562)	0	0	7
Amortization Expense--Tangible (6563)	0	0	8
Amortization Expense--Intangible (6564)	0	0	9
Amortization Expense--Other (6565)	0	0	10
<b>Depreciation and Amortization Expense (6560)</b>	<b>1,208</b>	<b>1,177</b>	<b>11</b>
<b>TOTAL PLANT NONSPECIFIC OPERATIONS EXPENSE</b>	<b>1,357</b>	<b>1,248</b>	<b>12</b>
<b>LESS: NONREGULATED</b>	<b>20</b>	<b>20</b>	<b>13</b>
<b>NET REGULATED PLANT NONSPECIFIC OPERATIONS EXPENSE</b>	<b>1,337</b>	<b>1,228</b>	
<b>CUSTOMER OPERATIONS EXPENSE</b>			
Marketing (6610)	24	17	14
Services (6620)	484	489	15
<b>TOTAL CUSTOMER OPERATIONS EXPENSE</b>	<b>508</b>	<b>506</b>	<b>16</b>
<b>LESS: NONREGULATED</b>	<b>54</b>	<b>64</b>	<b>17</b>
<b>NET REGULATED CUSTOMER OPERATIONS EXPENSE</b>	<b>454</b>	<b>442</b>	
<b>CORPORATE OPERATIONS EXPENSE</b>			
<b>TOTAL CORPORATE OPERATIONS EXPENSE</b>	<b>514</b>	<b>464</b>	<b>18</b>
<b>LESS: NONREGULATED</b>	<b>23</b>	<b>31</b>	<b>19</b>
<b>NET REGULATED CORPORATE OPERATIONS EXPENSE</b>	<b>491</b>	<b>433</b>	
<b>TOTAL EXPENSES</b>	<b>3,020</b>	<b>2,818</b>	
<b>LESS: NONREGULATED</b>	<b>112</b>	<b>148</b>	
<b>NET REGULATED EXPENSES</b>	<b>2,908</b>	<b>2,670</b>	

**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	4,026	1
Plus: Collection of amounts previously written off	2	2
Less: Uncollectibles written off during the year		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
<b>Assessable Revenues for Remainder and Telephone Relay Assessment Purposes</b>	<b>4,028</b>	

**CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES**

Description (a)	This Year (000's) (b)	
Total Basic Local Service Revenue (5000)	820	1
Plus: Total Intrastate Access Revenues (5081-5083)	1,034	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus: Intrastate Payphone Revenues		5
Plus (or Less) Other (please specify):		6
<b>Assessable Revenues for Universal Service Fund Assessment Purposes</b>	<b>1,854</b>	

**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
<b>NET REGULATED OTHER OPERATING INCOME AND EXPENSE (7100)</b>	<b>0</b>	<b>0</b>	
TOTAL OPERATING TAXES (7200)	510	618	3
LESS: NONREGULATED		0	4
<b>NET REGULATED OPERATING TAXES (7200)</b>	<b>510</b>	<b>618</b>	
TOTAL NONOPERATING INCOME AND EXPENSE (7300)	121	309	5
LESS: NONREGULATED		0	6
<b>NET REGULATED NONOPERATING INCOME AND EXPENSE (7300)</b>	<b>121</b>	<b>309</b>	
TOTAL NONOPERATING TAXES (7400)	29	11	7
LESS: NONREGULATED		0	8
<b>NET REGULATED NONOPERATING TAXES (7400)</b>	<b>29</b>	<b>11</b>	
TOTAL INTEREST AND RELATED ITEMS (7500)	157	163	9
LESS: NONREGULATED		0	10
<b>NET REGULATED INTEREST AND RELATED ITEMS (7500)</b>	<b>157</b>	<b>163</b>	
TOTAL EXTRAORDINARY ITEMS (7600)	0	0	11
LESS: NONREGULATED	0	0	12
<b>NET REGULATED EXTRAORDINARY ITEMS (7600)</b>	<b>0</b>	<b>0</b>	
TOTAL NONREGULATED NET INCOME (7990)	(3)	1	13
<b>TOTAL OTHER INCOME ACCOUNTS</b>	<b>(578)</b>	<b>(482)</b>	
<b>TOTAL NONREGULATED</b>	<b>(3)</b>	<b>1</b>	
<b>TOTAL NET REGULATED OTHER INCOME ACCOUNTS</b>	<b>(575)</b>	<b>(483)</b>	

## NONREGULATED ACTIVITIES

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

<b>Nonregulated Activity</b>	
<b>(a)</b>	
Distance Learning	<b>1</b>
Public Telephone Pay Service	<b>2</b>
Sales & Installation of Telephone Equipment	<b>3</b>

### 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)	
<b>LOCAL</b>			
Extended Community Calling	45	184	<b>1</b>
Other Local-Undefined	156	771	<b>2</b>
<b>Total Local</b>	<b>201</b>	<b>955</b>	
<b>TOLL</b>			
Toll	240	868	<b>3</b>
<b>Total Toll</b>	<b>240</b>	<b>868</b>	
<b>Total Local &amp; Toll</b>	<b>441</b>	<b>1,823</b>	

### 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	1				1
Feature Group A & B -- Terminating	0				2
Feature Group C -- Originating			130		3
Feature Group C -- Terminating			134		4
Feature Group D -- Originating	3,456	1,555	1,478	2	5
Feature Group D -- Terminating	4,171	1,342	1,387	0	6

**OUTSIDE PLANT STATISTICS AT END OF YEAR**

Description of Item (a)	Amount (b)	
Sheath miles of plant - fiber optics	119	1
Route miles of plant - microwave		2

**SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR**

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

**SERVICE DATA**

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

Item (a)	FOY (b)	EOY (c)	
<b>Business</b>			
1 Party	512	497	3
PBX Trunks/Centrex & Key System Trunks	354	421	4
Centrex Lines			5
FX-Out (Switched)			6
Pay Telephone	36	36	7
Other			8
<b>Total Business Lines</b>	<b>902</b>	<b>954</b>	<b>9</b>
<b>Residential (Incl. Emp. Concess.)</b>			<b>10</b>
1 Party	2,655	2,559	11
FX-Out (Switched)			12
Other			13
<b>Total Residential Lines</b>	<b>2,655</b>	<b>2,559</b>	<b>14</b>
<b>Total Bus &amp; Res Lines</b>	<b>3,557</b>	<b>3,513</b>	<b>15</b>
Company Total Lines Used	58	95	16
<b>Total Lines Used</b>	<b>3,615</b>	<b>3,608</b>	<b>17</b>
<b>Miscellaneous</b>			<b>18</b>
WATS Lines - OutWATS			19
WATS Lines - 800 Service			20
FX-In-intraLATA			21
Special Access-intraLATA (expressed in equiv. access lines)	128	147	22 23
Special Access-interLATA (expressed in equiv. access lines)	151	123	24 25
Feature Group C Trunks			26
Feature Group D Trunks	192	282	27
TSPS - Trunks	24	22	28
EAS and ECC - Trunks	192	192	29
Cellular Trunks (Pub. Sw. Net.)			30
<b>Customers</b>			<b>31</b>
Number of Lifeline customers at FOY (January 1, 2005) and EOY (December 31, 2005):	101	105	32 33
Number of Linkup customers connected during FOY (Calendar year 2004) and EOY (Calendar year 2005):	66	76	34 35
<b>Other</b>			<b>36</b>
Total Company Square Miles	200	200	37
Total Company Route Miles	642	647	38
Footnotes			39

### 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	0910	3780			1
<b>Business</b>					2
1 Party	195	302			3
PBX Trunks/Centrex & Key System Trunks	70	351			4
Centrex Lines					5
FX-Out (Switched)					6
Pay Telephone	9	27			7
Other					8
<b>Total Business Lines</b>	<b>274</b>	<b>680</b>	<b>0</b>	<b>0</b>	<b>9</b>
<b>Residential (Incl. Emp. Concess.)</b>					<b>10</b>
1 Party	1,118	1,441			11
FX-Out (Switched)					12
Other					13
<b>Total Residential Lines</b>	<b>1,118</b>	<b>1,441</b>	<b>0</b>	<b>0</b>	<b>14</b>
<b>Total Bus &amp; Res Lines</b>	<b>1,392</b>	<b>2,121</b>	<b>0</b>	<b>0</b>	<b>15</b>
Company Total Lines Used	78	17			16
<b>Total Lines Used</b>	<b>1,470</b>	<b>2,138</b>	<b>0</b>	<b>0</b>	<b>17</b>
<b>Miscellaneous</b>					<b>18</b>
WATS Lines - OutWATS					19
WATS Lines - 800 Service					20
FX-In-intraLATA					21
Special Access-intraLATA (equiv. access lines)	123	24			22 23
Special Access-interLATA (equiv. access lines)	49	74			24 25
Feature Group C Trunks					26
Feature Group D Trunks	141	141			27
TSPS - Trunks	11	11			28
EAS and ECC - Trunks	24	168			29
Cellular Trunks (Pub. Sw. Net.)					30
<b>Other</b>					<b>31</b>
Exchange Square Miles	140	60			32
Exchange Route Miles	342	305			33
Footnotes					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	CAMP DOUGLAS	NEW LISBON			1
PSCW Exchange ID	0910	3780			2
Central Office Name	CAMP DOUGLAS	NEW LISBON			3
PSCW Central Office ID	1	1			4
Central Office CLLI Code	CPDGWIXACGO	NWLSWIXA562			5
Manufacturer of COE (Page 54)	SI	SI			6
Type of Equipment (Page 54)	A	D			7
(S)tandalone, (H)ost, (R)emote, (D)igital Loop Carrier	H	R			8
Remote Host PSCW Exchange ID		0910			9
Remote Host Central Office CLLI Code		CPDGWIXACGO			10
COE Generic Software Release No.	20	1			11
SS7?	Yes	Yes			12
9-1-1?	Yes	Yes			13
Access Lines - In Use	1,392	2,121			14
Trunks - In Use	444	444			15
ISDN Available?	Yes	Yes			16
ISDN Lines - In Use (BRI)	0	0			17
- In Use (PRI)	48	24			18
DSL Service Available?	Yes	Yes			19
- In Use (# lines)	995	0			20
End User VoIP Available?	No	No			21
Digital Service Available: DS-1 - In Use	67	55			22
DS-3 - In Use	7	6			23
OC-3 - In Use					24
Advanced Data Service Available:					25
Packet Switching?	No	No			26
Frame Relay?	No	No			27
ATM (Asynchronous Trans. Mode)?	No	No			28
Fiber Transmission Facilities:					29
No. of fiber strands entering C.O.	328	280			30
No. of fiber strands working (LIT) in C.O.	83	68			31
No. of fiber strands for interoffice use	13	13			32
Miles of fiber sheath in wire center	73	46			33
Access Tandem Serving this C.O.:					34
- C.O. Name	MADISON	MADISON			35
- PSCW C.O. CLLI Code					36
Does this C.O. do access tandem switching?	No	No			37
Footnotes					38

## GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

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### General Footnote

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### Schedule Footnotes

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### Schedule Line Footnotes

- A) Reclassification to match Continuing Property Records that were updated.
- B) Page 41 - Network Operations Expense - There was additional engineering services performed in 2005. The company also hire a network engineer in 2005.
- C) Page 41 - Nonregulated Plant Operations Expense - There was a change in accounts being used to record regular nonregulated maintenance activities.
- D) Page 40 - Miscellaneous Revenues - The video line charges were not being billed to LVT Corp during 2004.
- E) Page 40 - Uncollectible Revenues - In 2004, there were some larger carrier amounts that were determined to be uncollectible. This did not reoccur in 2005.
- F) Page 28 - Accumulated Depreciation - Reclassified to reconcile to general ledger activity.
- G) Page 49 - Special Access Circuits - Telephone company does not have any, 56/64 kbps and 45 Mbps Interlata or Intralata circuits in service at the end of 2005.

## GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

**H) Board of Directors**  
Lemonweir Valley Telephone Company  
Camp Douglas, Wisconsin

The Balance Sheets of Lemonweir Valley Telephone Company as of December 31, 2005 and 2004 and the related statements of income and retained earnings for the years then ended included in the accompanying prescribed forms have been compiled by us. We have also compiled the financial and non-financial data included on page 9 and pages 13 through 56 of the prescribed forms.

Our compilations were 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 or accompanying data referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

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

SIEPERT & CO. LLP  
Certified Public Accountants

Beloit, Wisconsin

March 29, 2006

### Communities where Basic Local Service is offered to New Customers

County Name (a)	Municipality Name (b)	Municipality Type (c)	
Monroe	BYRON	Town	1
Juneau	CAMP DOUGLAS	Village	2
Juneau	CLEARFIELD	Town	3
Monroe	CLIFTON	Town	4
Juneau	CUTLER	Town	5
Juneau	FOUNTAIN	Town	6
Juneau	GERMANTOWN	Town	7
Juneau	HUSTLER	Village	8
Juneau	LINDINA	Town	9
Juneau	LISBON	Town	10
Juneau	NEW LISBON	City	11
Monroe	OAKDALE	Town	12
Juneau	ORANGE	Town	13
Juneau	PLYMOUTH	Town	14