4008

ANNUAL REPORT

of

Name: US XCHANGE OF WISCONSIN, L.L.C.

Principal Office: 56 GRANDVILLE AVE. SW
GRAND RAPIDS, MI 49503

For the Year Ended: DECEMBER 31, 2002

Alternative Telecommunications Utility -- Other Telecommunications Provider

To

Public Service Commission of Wisconsin

Mailing Address:	P.O. Box 7854 Madison, WI 53707-7854
Courier Address:	610 N. Whitney Way Madison, WI 53705-2729
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This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than $25 nor more than $5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

RULES FOR REPORTING

1. The annual report due date is April 1 of the following year. (Example: The 2002 report is due April 1, 2003.) 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, click on Telecommunications, click on Annual Report Programs and Worksheets, and click on Annual Report Program for Alternative Telecommunications Utility - Other Telecommunications Providers (OTH).

3. Alternative Telecommunications Utility-Other Telecommunications Provider (ATU-Other) entities with no revenues for the report year are required to file an OTH annual report.

4. Unless otherwise indicated, the information requested in this report should be taken from the accounts and other records of the utility. A query or response concerning information contained in this report regarding any practice or transaction should not be construed as indicating conformity to pertinent regulations.

5. Please follow all instructions and answer each question fully and accurately. Provide additional information as necessary to avoid misunderstandings or misleading responses.

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

7. Numeric items are limited to digits (0-9). Do not type commas when entering numbers. A minus sign "-" should be entered in the software program to indicate negative values. The program will convert the minus sign to parentheses if a hard copy of the annual report is printed. Negative values may not be allowed for certain entries in the annual report due to restrictions contained in the software program.

8. Please report all dollar amounts to the nearest thousand dollars.

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 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 OTH annual report program incorporates provisional confidentiality capability for the following item, based on the Commission's Information Regarding Confidential Filings decision dated February 24, 2003, as supplemented for the new Nonregulated Revenues category on the Operating Revenues schedule:

    a. Operating Revenues (Particulars, Wisconsin-Based Intrastate, Wisconsin-Based Interstate, Wisconsin-Based Total, and Total Company columns) (pp. 14-15) (Miscellaneous Revenues and Nonregulated Revenues descriptions, other than Video Distance Learning and Directory appearing in the report form, contained in the Particulars column (column a) and respective dollar amounts reported for the Miscellaneous Revenues and Nonregulated Revenues categories in the columns labeled Wisconsin-

RULES FOR REPORTING

Based Intrastate, Wisconsin-Based Interstate, Wisconsin-Based Total, and Total Company);

b. Central Office Data-End of Year (p. 19)
   i. Integrated Service Digital Network (ISDN) Lines-In Use (BRI);
   ii. ISDN Lines-In Use (PRI);
   iii. xDSL Lines-In Use;
   iv. Switched 56 lines in use;
   v. Digital Transmission Facilities: DS-1-In use;
   vi. Digital Transmission Facilities: DS-3-In use;
   vii. Video Information Service-In use (# lines); and
   viii. Fiber Transmission Facilities: No. of fiber strands working (LIT) in C.O.

If additional provisional confidential treatment is desired, please contact the Commission concerning required manual filing procedures. In this situation, 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 annual report printout 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 file may also be viewed in a word processing package such as WordPad. If you encounter any export errors, please contact the Commission for assistance.

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

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

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:

RULES FOR REPORTING

A domestic corporation should send a copy of the stamped page from its Articles of Amendment as filed with DFI. A foreign corporation should send a copy of their Amended Certificate of Authority as issued by DFI. *These documents can be obtained by:*

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

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

16. **Changes to the Annual Report Subsequent to Filing:**

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

Revisions to an annual report previously filed on a manual basis also require a new complete manual filing.

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

SIGNATURE PAGE

I ELIZABETH MCDONALD of
(Person responsible for accounts)

US XCHANGE OF WISCONSIN, L.L.C. , certify that I
(Utility Name)

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

ELIZABETH MCDONALD 04/01/2003
(Person responsible for accounts) (Date)

VICE PRESIDENT, LEGAL & REGULATORY AFFAIRS
(Title)

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IDENTIFICATION AND OWNERSHIP

Exact Utility Name: US XCHANGE OF WISCONSIN, L.L.C.
Utility Location: 56 GRANDVILLE AVE. SW
GRAND RAPIDS, MI 49503

Utility Web Site Address: www.choiceonecom.com
Date utility authorized to provide service in Wisconsin: 05/22/1997
State in which utility was organized: Delaware
Organization type (e.g., corporation, partnership): Limited Liability Co
New Utility Name: **Effective Date:**
Telephone numbers for potential customers to contact company:
Business Customers: (800) 353 - 6000 Ext:
Residential Customers: (800) 353 - 6000 Ext:

Officer in charge of correspondence concerning this report

Name: ELIZABETH MCDONALD
Title: VICE PRESIDENT, LEGAL & REGULATORY AFFAIRS
Firm/Company: US XCHANGE OF WISCONSIN, L.L.C.
Office Address: 100 CHESTNUT ST., SUITE 700
ROCHESTER, NY 14604

Fax Number: (585) 530 - 2672
Telephone Number: (585) 697 - 7972
Email Address: emcdonald@choiceonecom.com

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

Name:
Title:
Firm/Company:
Office Address:

Fax Number:
Telephone Number:
Email Address:

Name and address of the office where the utility`s books are kept

Name: ELIZABETH MCDONALD
Title: VICE PRESIDENT, LEGAL & REGULATORY AFFAIRS
Firm/Company: US XCHANGE OF WISCONSIN, L.L.C.
Office Address: 100 CHESTNUT ST., SUITE 700
ROCHESTER, NY 14604

Fax Number: (585) 530 - 2672
Telephone Number: (585) 697 - 7972
Email Address: emcdonald@choiceonecom.com

IDENTIFICATION AND OWNERSHIP

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

Name: ENTER STOCKHOLDER NAME HERE
Address:

Number of Shares Held:
Beneficial Owner: NONE

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

Company Name: ENTER COMPANY NAME HERE
Form of Interest:
Extent of Interest:

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues	36,041,673	30,816,573	1
OPERATING EXPENSES			
Access and Billing Expenses	4,179,406	5,616,713	2
Local Interconnection	4,172,330	4,198,002	3
Other Charges Imposed by Another Carrier	11,191,524	9,204,580	4
Communication System Operations	1,423,190	1,498,166	5
Sales and Marketing	4,204,522	3,197,364	6
Administrative and General	1,512,915	2,235,928	7
Depreciation and Amortization	6,869,782	9,788,658	8
Other	0	0	9
Total Operating Expenses	**33,553,669**	**35,739,411**	10
Net Operating Income	**2,488,004**	**(4,922,838)**	11
OTHER INCOME			
Nonoperating Income and Expense	(54,494,753)	0	12
Nonoperating Taxes	0	0	13
Interest and Related Items	4,975,926	1,903	14
Extraordinary Items	0	0	15
Nonregulated Net Income	0	0	16
Total Nonoperating Income	**(59,470,679)**	**(1,903)**	17
Net Income	**(56,982,675)**	**(4,924,741)**	18

Income Statement - Total Company Note:

Disclose additional material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable, including:

1. A summary of significant accounting policies, including, but not limited to, accounting policies related to pension cost, unbilled revenues, and income taxes.
2. The method of computing depreciation expense.

Nonoperating expense consists of write off of goodwill on balance sheet of $39,616,274 and corporate allocation of $14,878,478.

INCOME STATEMENT - WISCONSIN INTRASTATE OPERATIONS

Particulars (a)	Wisconsin Intrastate % This Year (b)	This Year (c)	Last Year (d)	
Operating Revenues	76.00%	27,407,933	23,818,573	1
OPERATING EXPENSES				
Access and Billing Expenses	100.00%	4,179,406	5,616,713	2
Local Interconnection	100.00%	4,172,330	4,198,002	3
Other Charges Imposed by Another Carrier	100.00%	11,191,524	9,204,580	4
Communication System Operations	100.00%	1,423,190	1,498,166	5
Sales and Marketing	100.00%	4,204,522	3,197,364	6
Administrative and General	100.00%	1,512,915	2,235,928	7
Depreciation and Amortization	100.00%	6,869,782	9,788,658	8
Other	100.00%	0	0	9
Total Operating Expenses	**100.00%**	**33,553,669**	**35,739,411**	10
Net Operating Income	**100.00%**	**(6,145,736)**	**(11,920,838)**	11
OTHER INCOME				
Nonoperating Income and Expense	100.00%	(39,616,274)	0	12
Nonoperating Taxes	100.00%	0	0	13
Interest and Related Items	100.00%	0	1,903	14
Extraordinary Items	100.00%	0	0	15
Nonregulated Net Income	100.00%	0	0	16
Total Nonoperating Income	**100.00%**	**(39,616,274)**	**(1,903)**	17
Net Income	**100.00%**	**(45,762,010)**	**(11,922,741)**	18

Income Statement - Wisconsin Intrastate Operations Note:

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

TOTAL COMPANY BALANCE SHEET - ASSETS

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT ASSETS			
Cash and Cash Equivalents	250	625	**1**
Net Telecommunications Accounts Receivable	5,948,789	2,171,476	**2**
Net Other Accounts Receivable	0	0	**3**
Net Notes Receivable	0	0	**4**
Interest and Dividends Receivable	0	0	**5**
Materials and Supplies	0	0	**6**
Prepayments	16,350	22,438	**7**
Other Current Assets	0	0	**8**
TOTAL CURRENT ASSETS	**5,965,389**	**2,194,539**	
NONCURRENT ASSETS			
Investments in Affiliated Companies	0	0	**9**
Investments in Nonaffiliated Companies	0	0	**10**
Other Noncurrent Assets	0	39,632,620	**11**
Deferred Charges	0	0	**12**
TOTAL NONCURRENT ASSETS	**0**	**39,632,620**	
PLANT			
Telecommunications Plant in Service	44,550,088	43,767,440	**13**
Less: Accumulated Depreciation and Amortization	13,528,250	7,012,628	**14**
Net Property Held for Future Telecommunications Use	0	0	**15**
Net Nonoperating Plant	0	0	**16**
Telecommunications Plant Under Construction	0	0	**17**
Net Telecommunications Plant Adjustment	0	0	**18**
TOTAL PLANT	**31,021,838**	**36,754,812**	
TOTAL ASSETS AND OTHER DEBITS	**36,987,227**	**78,581,971**	

TOTAL COMPANY BALANCE SHEET - LIABILITIES AND CAPITAL

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts and Notes Payable to Affiliated Companies	86,389,296	88,908,016	**1**
Other Accounts and Notes Payable	0	0	**2**
Advance Billing and Payments	0	0	**3**
Customer Deposits	0	0	**4**
Current Maturities - Long-Term Obligations	0	0	**5**
Taxes Accrued	0	95,917	**6**
Other Current and Accrued Liabilities	0	3,574,205	**7**
TOTAL CURRENT LIABILITIES	**86,389,296**	**92,578,138**	
LONG-TERM DEBT			
Net Funded Debt	0	0	**8**
Obligations Under Capital Leases	0	0	**9**
Advances from Affiliated Companies	21,576,756	0	**10**
Other Long-Term Debt	0	0	**11**
TOTAL LONG-TERM DEBT	**21,576,756**	**0**	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities	0	0	**12**
Unamortized Investment Tax Credits	0	0	**13**
Net Noncurrent Deferred Income Taxes	0	0	**14**
Other Deferred Credits	0	0	**15**
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS	**0**	**0**	
STOCKHOLDERS' EQUITY			
Capital Stock and Paid-In Capital	0	0	**16**
Other Capital	0	0	**17**
Retained Earnings	(70,978,832)	(13,996,151)	**18**
TOTAL STOCKHOLDERS' EQUITY	**(70,978,832)**	**(13,996,151)**	
TOTAL LIABILITIES AND OTHER CREDITS	**36,987,220**	**78,581,987**	

TOTAL COMPANY BALANCE SHEET - NOTES

Other information concerning the total company balance sheet.

RETAINED EARNINGS - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Balance - First of Year	(13,996,151)	(9,071,410)	**1**
Changes:			
Balance Transferred from Income	(56,982,676)	(4,924,741)	**2**
Dividends Declared	0	0	**3**
Miscellaneous Debits to Retained Earnings	0	0	**4**
Miscellaneous Credits to Retained Earnings	0	0	**5**
Balance - End of Year	**(70,978,827)**	**(13,996,151)**	**6**

TELECOMMUNICATIONS PLANT IN SERVICE & ACCUMULATED DEPRECIATION & AMORTIZATION - WISCONSIN

Plant Function (a)	Plant in Service FOY (b)	Additions (c)	Retirements (d)	
GENERAL SUPPORT				
Enter Description Here	1,998,976	26,751	0	**1**
CENTRAL OFFICE				
Enter Description Here	39,857,322	809,683	0	**2**
INFORMATION ORIG./TERM.				
Enter Description Here	0	0	0	**3**
CABLE WIRE FACILITIES				
Enter Description Here	0	0	0	**4**
AMORTIZABLE				
Enter Description Here	1,911,143	0	0	**5**
TOTAL PLANT IN SERVICE	**43,767,441**	**836,434**	**0**	

TELECOMMUNICATIONS PLANT IN SERVICE & ACCUMULATED DEPRECIATION & AMORTIZATION - WISCONSIN (cont.)

Plant Function (e)	Transfers / Adjustments (f)	Plant in Service EOY (g)	Acc. Depr. & Amortization EOY (h)	Net Plant in Service EOY (i)	
GENERAL SUPPORT					
Enter Description Here	0	**2,025,727**	1,095,404	**930,323**	**1**
CENTRAL OFFICE					
Enter Description Here	0	**40,667,005**	11,153,328	**29,513,677**	**2**
INFORMATION ORIG./TERM.					
Enter Description Here	0	**0**	0	**0**	**3**
CABLE WIRE FACILITIES					
Enter Description Here	0	**0**	0	**0**	**4**
AMORTIZABLE					
Enter Description Here	(53,785)	**1,857,358**	1,279,518	**577,840**	**5**
TOTAL PLANT IN SERVICE	**(53,785)**	**44,550,090**	**13,528,250**	**31,021,840**	

OPERATING REVENUES

Particulars (a)	Wisconsin-Based Intrastate (b)	Wisconsin-Based Interstate (c)	
LOCAL NETWORK SERVICES REVENUES			
End User Retail	22,328,982		1
Reciprocal Compensation & Interconnection	1,789,764		2
Private Line, Special Access & Unbundled Network Elements			3
Enter Other Description Here			4
NETWORK INTERSTATE ACCESS SERVICE REVENUES			
End User Line Charge			5
Switched		2,365,872	6
Special			7
NETWORK INTRASTATE ACCESS SERVICE REVENUES			
Switched	1,273,931		8
Special			9
Enter Other Description Here			10
LONG DISTANCE NETWORK SERVICES MESSAGE REVENUES			
Enter Description Here	2,015,256	3,742,619	11
LONG DISTANCE PRIVATE NETWORK REVENUES			
Enter Description Here			12
MISCELLANEOUS REVENUES			
Video Distance Learning			13
Directory			14
Data		2,525,249	15
GROSS OPERATING REVENUES	**27,407,933**	**8,633,740**	
UNCOLLECTIBLE REVENUES			
Enter Description Here			16
TOTAL UNCOLLECTIBLE REVENUES	**0**	**0**	
TOTAL OPERATING REVENUES	**27,407,933**	**8,633,740**	

OPERATING REVENUES (cont.)

Particulars (d)	Wisconsin-Based Total (e)	Total Company (f)	
LOCAL NETWORK SERVICES REVENUES			
End User Retail	**22,328,982**	22,328,982	**1**
Reciprocal Compensation & Interconnection	**1,789,764**	1,789,764	**2**
Private Line, Special Access & Unbundled Network Elements	**0**		**3**
Enter Other Description Here	**0**		**4**
NETWORK INTERSTATE ACCESS SERVICE REVENUES			
End User Line Charge	**0**		**5**
Switched	**2,365,872**	2,365,872	**6**
Special	**0**		**7**
NETWORK INTRASTATE ACCESS SERVICE REVENUES			
Switched	**1,273,931**	1,273,931	**8**
Special	**0**		**9**
Enter Other Description Here	**0**		**10**
LONG DISTANCE NETWORK SERVICES MESSAGE REVENUES			
Enter Description Here	**5,757,875**	5,757,875	**11**
LONG DISTANCE PRIVATE NETWORK REVENUES			
Enter Description Here	**0**		**12**
MISCELLANEOUS REVENUES			
Video Distance Learning	**0**		**13**
Directory	**0**		**14**
Data	**2,525,249**	2,525,249	**15**
GROSS OPERATING REVENUES	**36,041,673**	**36,041,673**	
UNCOLLECTIBLE REVENUES			
Enter Description Here	**0**		**16**
TOTAL UNCOLLECTIBLE REVENUES	**0**	**0**	
TOTAL OPERATING REVENUES	**36,041,673**	**36,041,673**	

AVERAGE NUMBER OF SUBSCRIBERS

Average Number of Subscribers (a)	Wisconsin-Based Total (b)	Total Companyl (c)	
Residential	2,532	2,532	1
Business	14,511	14,511	2
Total	**17,043**	**17,043**	3

NUMBER OF LIFELINE AND LINKUP CUSTOMERS

Number of Lifeline and Linkup Customers (a)	Wisconsin (Actual No.)(b)	
Number of Lifeline Customers in Wisconsin at December 31, 2002		1
Number of Linkup Customers in Wisconsin Connected During 2002		2

ACCESS EXPENSES, BILLING EXPENSES & CHARGES IMPOSED BY ANOTHER CARRIER

Particulars (a)	Wisconsin-Based Intrastate (b)	Wisconsin-Based Interstate (c)	
ACCESS AND BILLING EXPENSES			
Carrier Common Line (Intrastate IntraLATA)	1,689,030		1
Carrier Common Line (Intrastate InterLATA)	2,052,294		2
Carrier Common Line (Interstate)			3
Switched Access			4
Special Access			5
Billing and Collection Expenses	438,082		6
TOTAL ACCESS AND BILLING EXPENSES	**4,179,406**	**0**	
CHARGES IMPOSED BY ANOTHER CARRIER			
Expenses Related to Interconnection with Another Local Exchange Carrier`s Facilities	4,172,330		7
Expenses Related to the Wholesale Use of Another Carrier`s Network (Resale & Unbundled Network Elements) and Tariffed General Service Offerings	11,191,524		8
TOTAL CHARGES IMPOSED BY ANOTHER CARRIER	**15,363,854**	**0**	
TOTAL ACCESS EXPENSES, BILLING EXPENSES & CHARGES IMPOSED BY ANOTHER CARRIER	**19,543,260**	**0**	

ACCESS EXPENSES, BILLING EXPENSES & CHARGES IMPOSED BY ANOTHER CARRIER (cont.)

Particulars (d)	Wisconsin-Based Total (e)	Total Compnay (f)	
ACCESS AND BILLING EXPENSES			
Carrier Common Line (Intrastate IntraLATA)	**1,689,030**	1,689,030	**1**
Carrier Common Line (Intrastate InterLATA)	**2,052,294**	2,052,294	**2**
Carrier Common Line (Interstate)	**0**		**3**
Switched Access	**0**		**4**
Special Access	**0**		**5**
Billing and Collection Expenses	**438,082**	438,082	**6**
TOTAL ACCESS AND BILLING EXPENSES	**4,179,406**	**4,179,406**	
CHARGES IMPOSED BY ANOTHER CARRIER			
Expenses Related to Interconnection with Another Local Exchange Carrier`s Facilities	**4,172,330**	4,172,330	**7**
Expenses Related to the Wholesale Use of Another Carrier`s Network (Resale & Unbundled Network Elements) and Tariffed General Service Offerings	**11,191,524**	11,191,524	**8**
TOTAL CHARGES IMPOSED BY ANOTHER CARRIER	**15,363,854**	**15,363,854**	
TOTAL ACCESS EXPENSES, BILLING EXPENSES & CHARGES IMPOSED BY ANOTHER CARRIER	**19,543,260**	**19,543,260**	

CENTRAL OFFICE DATA - END OF YEAR

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

Description (a)	Central Off. (b)	Central Off. (c)	Central Off. (d)	Central Off. (e)	
Rate Center Name	APPLETON, WI	GREEN BAY, WI	MADISON, WI	MILWAUKEE, WI	1
Central Office (Switch) CLLI Code	APPLWIFBDSO	GNBYWI02RSO	MDSNWIADDSO	MILWWISTTDSO	2
Switch Location					3
Manufacturer of COE	LUCENT	LUCENT	LUCENT	LUCENT	4
Year COE Installed	1997	1998	1998	1998	5
Type of Equipment	5ESS	5ESS	5ESS	5ESS	6
(S)tandalone, (H)ost, (R)emote, (A)dv. Fiber Comm.	H	R	H	H	7
Remote Host Rate Center Name		APPLETON, WI			8
Remote Host Switch CLLI Code		APPLWIFBDSO			9
COE Generic Software Release No.	5.00E+14	5.00E+14	5.00E+14	5.00E+14	10
SS7?	Yes	Yes	Yes	Yes	11
9-1-1?	Yes	Yes	Yes	Yes	12
Access Lines - In Use	8,976	8,976	10,364	28580	13
- Equipped	12,834	12,834	16,185	33,316	14
- Wired	14,255	14,255	27,709	38,900	15
Trunks - In Use	4,936	4,936	5,045	12,391	16
- Equipped	6,852	6,852	8,231	13,861	17
- Wired	7,558	7,558	14,540	15,594	18
ISDN Available?	Yes	Yes	Yes	Yes	19
ISDN Lines - In Use (BRI)	44	44	9	2	20
- In Use (PRI)	1,104	1,104	1,656	2,472	21
xDSL Available?	Yes	Yes	Yes	Yes	22
- In Use (# lines)					23
Switched 56 Service?	No	No	No	No	24
Switched 56 lines in use					25
Digital Transmission Facilities: DS-1 - In Use				278	26
DS-3 - In Use				47	27
Advanced Data Service Available:					
Packet Switching?	Yes	Yes	Yes	Yes	28
SMDS?	No	No	No	No	29
Frame Relay?	Yes	Yes	Yes	Yes	30
ATM (Asynchronous Trans. Mode)?	No	No	No	Yes	31
Video Information - Service Available?	No	No	No	No	32
- In Use (# lines) [1]					33
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	20	14	16	16	34
No. of fiber strands working (LIT) in C.O.	8	10	8	4	35
No. of fiber strands for interoffice use	20	14	16	16	36
Miles of fiber sheath in wire center	1	20	32	1	37
Access Tandem Serving this C.O.:					
- Central Office Name	APPLETON, WI	STEVENS POINT	MADISON, WI	MILWAUKEE, WI	38
- Central Office CLLI Code	STPTWI0161T	STPTWI0161T	MDSNWII1161T	MILWWI1261T	39
Does this C.O. do access tandem switching?	Yes	Yes	Yes	Yes	40

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

CENTRAL OFFICE DATA - END OF YEAR

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

Description (a)	Central Off. (b)	Central Off. (c)	Central Off. (d)	Central Off. (e)	
Rate Center Name	OSHKOSH, WI				1
Central Office (Switch) CLLI Code	OSHKWIEURSO				2
Switch Location					3
Manufacturer of COE	LUCENT				4
Year COE Installed	1998				5
Type of Equipment	5ESS				6
(S)tandalone, (H)ost, (R)emote, (A)dv. Fiber Comm.	R				7
Remote Host Rate Center Name	APPLETON, WI				8
Remote Host Switch CLLI Code	APPLWIFRDSO				9
COE Generic Software Release No.	5.00E+14				10
SS7?	Yes				11
9-1-1?	Yes				12
Access Lines - In Use	0				13
- Equipped	0				14
- Wired	0				15
Trunks - In Use	0				16
- Equipped	0				17
- Wired	0				18
ISDN Available?	Yes				19
ISDN Lines - In Use (BRI)					20
- In Use (PRI)					21
xDSL Available?	Yes				22
- In Use (# lines)					23
Switched 56 Service?	No				24
Switched 56 lines in use					25
Digital Transmission Facilities: DS-1 - In Use					26
DS-3 - In Use					27
Advanced Data Service Available:					
Packet Switching?	Yes				28
SMDS?	No				29
Frame Relay?	Yes				30
ATM (Asynchronous Trans. Mode)?	No				31
Video Information - Service Available?	No				32
- In Use (# lines) [1]					33
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	0				34
No. of fiber strands working (LIT) in C.O.	0				35
No. of fiber strands for interoffice use	0				36
Miles of fiber sheath in wire center	0				37
Access Tandem Serving this C.O.:					
- Central Office Name	STEVENS POINT				38
- Central Office CLLI Code	STPTWI0161T				39
Does this C.O. do access tandem switching?	Yes				40

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

ASSESSABLE REVENUES

Description (a)	This Year (b)	
Calculation of Assessable Revenues for Remainder and Telephone Relay Assessment Purposes		
Gross Operating Revenues--Wisconsin (including outbound interstate revenues)	36,041,673	1
Less: Inbound Interstate Revenues (exclusive of uncollectible service revenues) Included in Line 1 (if any)	0	2
Less : Current Year Write-offs of Uncollectible Revenues	0	3
Plus: Current Year Collection of Operating Revenues Previously Written Off	0	4
Less : Nonregulated Operating Revenue (included in Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on Lines 3 and 4)		6
Total Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	**36,041,673**	7
Assessable Revenues for Universal Service Fund Assessment Purposes		
Wisconsin Gross Intrastate Operating Telecommunications Service Revenue	**27,407,933**	8

Notes

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

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

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

(NOT TO BE EXCLUDED HERE ARE INBOUND INTERSTATE 800 AND COLLECT REVENUES BILLED TO CUSTOMERS IN WISCONSIN).

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

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

"Operating" means provision of telecommunications services.

"Telecommunications service revenue" for the purpose of this assessment does not include cable television service, broadcast service, rents, directory revenue, carrier billing and collection revenue, nonregulated customer premises equipment revenue, or other miscellaneous or nonregulated revenue. However, it does include video distance learning revenue and payphone revenue (the latter which was deregulated in 1997).

OTHER INFORMATION

Additional or other information concerning this annual report.

This first URL will take you to the public filings:
http://10kwizard.ccbn.com/fil_list.asp?TK=CWON&CK=1091953&FG=0&alld=ON&BP=http%3A%2F%2F

Since the above URL is so long, we are also including a second URL which will take you to our investor page. Once on the investor page, select SEC filings (on the right hand side), then follow the instructions to get to the 10-k:
http://choiceonecom.com/investors/

SCHEDULE AND REPORT NOTES

General Footnote

Schedule Footnotes