



4004

ANNUAL REPORT

OF

Name: SPRING VALLEY TELEPHONE COMPANY, INC.

Principal Office: 131 SOUTH MCKAY AVE
P.O. BOX 220
SPRING VALLEY, WI 54767-0220
PO Box Zip Code: 54767-0220

For the Year Ended: DECEMBER 31, 2003

**TELECOMMUNICATIONS UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN**

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

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

GENERAL RULES FOR REPORTING

1. The annual report due date is April 1 of the following year. (Example: The 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 the Annual Reports icon, click on Annual Report Programs - Telecommunications, and click the appropriate program for Incumbent Local Exchange Carriers (LECs).
3. LEC entities with no revenues for the report year are required to file a LEC annual report.
4. Unless otherwise indicated, the information requested in this report should be taken from the accounts and other records of the utility in conformity with the Uniform System of Accounts prescribed by the Public Service Commission in docket 05-US-113. 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. 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 indicator and explanation should be included in the current year's annual report.
11. Where part or all of the report is prepared by other than utility personnel, a disclosure is required in the "Individual or firm, if other than utility employee, preparing this report" portion of the Identification and Ownership schedule, which describes the nature and extent of work performed.
12. The LEC annual report program incorporates provisional confidentiality capability for selected items, based on the Commission's confidentiality determination dated January 29, 2003, as supplemented for the new nonregulated schedules and a request for additional confidential treatment dated April 15, 2004.
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.

GENERAL RULES FOR REPORTING

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 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:

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.

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.

GENERAL RULES FOR REPORTING

SIGNATURE PAGE

I MAXWELL O. DOWNS of
(Person responsible for accounts)

SPRING VALLEY TELEPHONE COMPANY, INC. , 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.

MAXWELL O. DOWNS 06/23/2004
(Person responsible for accounts) (Date)

GENERAL MANAGER
(Title)

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ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Access Line	Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency transmission, and/or time slot transmission. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice channel or a 64 kilobits per second digital channel.
Analog Signal	A signal that varies in a continuous manner such as voice or music. An analog signal must be contrasted with a digital signal which can assume only discrete values.
Cellular System	A high capacity land mobile radio system in which an assigned frequency spectrum is divided into discrete channels that are assigned to a cellular geographic serving area.
Central Office	A switching unit in a telephone system providing service to the general public, having the necessary equipment and operating arrangements for terminating and interconnecting lines and trunks.
Centrex	A service for customers with many stations that permits station-to-station dialing, one listed directory number for the customer, direct inward dialing to a particular station and station identification on outgoing calls. The switching functions are performed in a central office (stand alone, host or remote).
Channel	An electrical communications path between two or more points. A single pair of wires may provide more than one channel. A channel may also be provided by microwave.
Customer	A person who uses a telephone as a subscriber.
Digital Signal	A signal that has a limited number of discrete states. This may be contrasted with an analog signal that varies in a continuous manner and may have an infinite number of states.
Equal Access	The ability of the subscriber to use any long distance service by dialing the same number of digits.
Exchange	A defined area served by one or more central offices regardless of technical serving arrangements within which the company furnishes service at rates and rules prescribed for that area in the company's filed tariffs. The area is not necessarily marked by political boundaries or the location of host or remote switching units.
Extended Area Service (EAS)	The ability of a customer to call customers in other exchanges at no additional charge or at an additional charge per tariff.
Extended Community Calling (ECC)	The ability of a customer to call customers in other exchanges at rates usually above EAS rates but below toll rates for comparable distances. Rates generally include a duration element.
Feature Group A	Line-side originating and terminating LATA access for which an originating subscriber dials an assigned telephone number that connects to a specific interexchange carrier (IC). The IC returns a tone to signal the caller to input additional generated digits of the called number.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Feature Group B	Trunk-side originating and terminating LATA access for which an originating subscriber dials a 950-WXXX number (where W=0, 1 and XXX is the carrier access code (CAC)), which is translated to a specific XXX carrier trunk group. Optional rotary dial service and ANI may be available.
Feature Group C	Trunk-side LATA access for AT&T-Communications generally on a direct basis between each end office (EO) and an AT&T-C switching system.
Feature Group D	Also referred to as equal access. It is trunk-side LATA access affording call supervision of an interexchange carrier, a uniform access code (10XXXXX), optional calling party identification, recording of access-charge billing details and presubscription to a customer specified interexchange carrier.
FX-IN	A nonswitched service where the customer of the company is connected to and receives switching service through central office equipment located in another exchange area.
FX-OUT	A switched service where facilities are provided from the central office out to the exchange boundary where it meets the line from a foreign exchange subscriber.
Host Switching System	A switching system that provides centralized control over most of the switching functions of one or more remote switching units. The host switching system usually provides trunk access to the operating company intraLATA networks.
Local Access Transport Area (LATA)	A geographic area within which an operating company may offer its telecommunications services.
Mobile Telephone	A service which provides radio telephone communication from a mobile vehicle to another vehicle or to a regular telephone.
Paging	A service which provides one-way signal or voice communication over a radio channel to a miniature receiver carried by the customer.
Pair	Two wires of a single circuit.
Pay Station	A telephone which normally requires all users to deposit one or more coins or use a credit card to complete a call.
Private Line Service	Channel or circuit rented for private use and not intended to be connected to the general distribution system.
Private Branch Exchange (PBX)	A manually, or operator controlled switching system, usually on the customer's premises, which serves that customer's telephones over a common group of lines from the central office.
Radio Common Carrier (RCC)	A company which furnishes public telecommunications service using one or more radio channels.
Remote Switching Unit (RSU)	An electronic switching system that is remote from its host or control office. All of the central control equipment for the RSU is located in the host switching system.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

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

ABBREVIATIONS USED IN ANNUAL REPORTS

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

IDENTIFICATION AND OWNERSHIP

Exact Utility Name: SPRING VALLEY TELEPHONE COMPANY, INC.
Utility Location: 131 SOUTH MCKAY AVE
P.O. BOX 220
SPRING VALLEY, WI 54767-0220
P.O. BOX ZIP 54767-0220

Utility Web Site Address: www.svtel.net//

When was utility organized?: 07/07/1958

Report any change in name and the effective date:

Telephone numbers for potential customers to contact company:

Business Customers: (715) 778 - 4433 Ext:

Residential Customers: (715) 778 - 4433 Ext:

Primary Utility Contact (located at utility address)

Name: MR MAXWELL O. DOWNS
Title: GENERAL MANAGER
Firm: SPRING VALLEY TELEPHONE COMPANY, INC.
Office Address: 131 SOUTH MCKAY AVE
P.O. BOX 220
SPRING VALLEY, WI 54767-0220
Fax Number: (715) 778 - 4798
Telephone Number: (715) 778 - 4433
Email Address: padowns@svtel.com

Officer in charge of correspondence concerning this report

Name: MR MAXWELL O. DOWNS
Title: GENERAL MANAGER
Office Address: 131 SOUTH MCKAY AVE
P.O. BOX 220
SPRING VALLEY, WI 54767
Fax Number: (715) 778 - 4798
Telephone Number: (715) 778 - 4433
Email Address: padowns@svtel.com

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

Name: MR MATTHEW P. MACDONALD, CPA
Title: PARTNER
Firm: KIESLING ASSOCIATES LLP
Office Address: 8517 EXCELSIOR DRIVE, SUITE 301
MADISON, WI 53717
Fax Number: (608) 664 - 9112
Telephone Number: (608) 664 - 9110
Email Address: mmacdonald@kiesling.com

IDENTIFICATION AND OWNERSHIP

Person responsible for financial information contained in report

Name: MR MAXWELL O. DOWNS
Title: GENERAL MANAGER

Office Address: 131 SOUTH MCKAY AVE
P.O. BOX 220
SPRING VALLEY, WI 54767-0220

Fax Number: (715) 778 - 4798
Telephone Number: (715) 778 - 4433
Email Address: padowns@svtel.com

Person responsible for statistical information contained in report

Name: MR MAXWELL O. DOWNS
Title: GENERAL MANAGER

Office Address: 131 SOUTH MCKAY AVE
P.O. BOX 220
SPRING VALLEY, WI 54767-0220

Fax Number: (715) 778 - 4798
Telephone Number: (715) 778 - 4433
Email Address: padowns@svtel.com

Contact person for regulatory inquiries and complaints

Name: MR MAXWELL O. DOWNS
Title: GENERAL MANAGER
Firm: SPRING VALLEY TELEPHONE COMPANY, INC.

Office Address: 131 SOUTH MCKAY AVE
P.O. BOX 220
SPRING VALLEY, WI 54767-0220

Fax Number: (715) 778 - 4798 EXT
Telephone Number: (715) 778 - 4433
Email Address: padowns@svtel.com

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: CHARLES D. RINGROSE
Address: 31321 MILTON LANE
EVERGREEN, CO 80437

Number of Shares Held: 300
Beneficial Owner: NONE

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: SUE R. KROHN
Address: PO BOX 881755
STEAMBOAT SPRINGS, CO 80488

Number of Shares Held: 300
Beneficial Owner: NONE

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

Company Name: SPRING VALLEY CELLULAR, INC.
Form of Interest: OWNED
Extent Of Interest: 100%

Company Name: SPRING VALLEY LONG DISTANCE, INC.
Form of Interest: OWNED
Extent Of Interest: 100%

OFFICERS AND DIRECTORS

Name, Title/Occupation and Business Address

Name: CAROL J. ANDERSON Title/Occupation: ASSISTANT SECRETARY Business Address (1): 131 SOUTH MCKAY AVENUE Business Address (2): P.O. BOX 220 Business Address (3): City State, Zip: SPRING VALLEY, WI 54767-0220	1
Name: CHARLES RINGROSE Title/Occupation: PRESIDENT Business Address (1): 131 SOUTH MCKAY AVENUE Business Address (2): P.O. BOX 220 Business Address (3): City State, Zip: SPRING VALLEY, WI 54767-0220	2
Name: MAXWELL O. DOWNS Title/Occupation: VICE PRESIDENT Business Address (1): 131 SOUTH MCKAY AVENUE Business Address (2): P.O. BOX 220 Business Address (3): City State, Zip: SPRING VALLEY, WI 54767-0220	3
Name: SUE R. KROHN Title/Occupation: SECRETARY-TREASURER Business Address (1): 131 SOUTH MCKAY AVENUE Business Address (2): P.O. BOX 220 Business Address (3): City State, Zip: SPRING VALLEY, WI 54767-0220	4

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (000's) (b)	Last Year (000's) (c)	
Operating Revenues			
Operating Revenues (5000-5300)	1,727	1,317	1
Total Operating Revenues	1,727	1,317	
Operating Expenses			
Plant Specific Operations Expenses (6110-6410)	303	174	2
Other Plant Nonspecific Operations Expenses	349	304	3
Customer Operations Expense (6610-6620)	163	150	4
Corporate Operations Expense (6720-6790)	364	306	5
Other Operating Income and Expense (7100)	0	0	6
Operating Taxes (7200)	222	162	7
Total Operating Expenses	1,401	1,096	
Net Operating Income	326	221	
Other Income			
Nonoperating Income and Expense (7300)	112	83	8
Nonoperating Taxes (7400)	(20)	(20)	9
Interest and Related Items (7500)	105	101	10
Extraordinary Items (7600)	0	0	11
Nonregulated Net Income (7990)	0	81	12
Total Nonoperating Income	27	83	
Net Income	353	304	

NOTES TO INCOME STATEMENT OR BALANCE SHEET

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

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

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

A. Property and Equipment

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

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

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

B. Income Taxes

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

NOTES TO INCOME STATEMENT OR BALANCE SHEET

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

C. Revenue Recognition

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

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

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

D. Cash Equivalents

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

E. Investments

Non-marketable equity investments and temporary investments are stated at cost.

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

None

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

The mortgage to the United States of America, underlying the RUS and RTB notes, contains certain restrictions on the declaration of payment of cash dividend, redemption of capital stock, or investments in affiliated companies.

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

Particulars (a)	Balance--EOY	Balance--FOY (000's) (c)	
CURRENT ASSETS			
CASH AND EQUIVALENTS			
Cash and Equivalents (1120)*	804	680	1
TOTAL CASH AND EQUIVALENTS	804	680	
RECEIVABLES AND ALLOWANCE FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	31	42	2
Other Accounts Receivable (1190)*	137	179	3
Receivables (1170)*	0		4
Accounts Receivable Allowance-Telecom (1181)*			5
Accounts Receivable Allowance-Other (1191)*			6
Allowance for Doubtful Accounts (1171)*			7
TOTAL RECEIVABLES AND ALLOWANCE FOR DOUBTFUL ACCOUNTS	168	221	
SUPPLIES			
Inventories (1220)*	10	11	8
TOTAL SUPPLIES	10	11	
PREPAYMENTS			
Prepayments (1280)*	12	25	9
TOTAL PREPAYMENTS	12	25	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	24	11	10
TOTAL OTHER CURRENT ASSETS	24	11	
TOTAL CURRENT ASSETS	1,018	948	
NONCURRENT ASSETS			
INVESTMENTS			
Nonregulated Investments (1406)*		14	11
RTB Class B Stock (1402)*	23	23	12
Other Noncurrent Assets (1410)*	1,967	2,006	13
TOTAL INVESTMENTS	1,990	2,043	
DEFERRED CHARGES			
Deferred Maint., Retirements and Other Deferred Charges (1438)*			14
TOTAL DEFERRED CHARGES	0	0	
OTHER JURISDICTIONAL ASSETS-NET			
Other Jurisdictional Assets-Net (1500)*			15
TOTAL OTHER JURISDICTIONAL ASSETS-NET	0	0	
TOTAL NONCURRENT ASSETS	1,990	2,043	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	4,399	3,989	16
Less: Accumulated Depreciation (3100)*	2,186	1,767	17
Less: Accumulated Amortization-Tangible (3400)*			18
Less: Accumulated Amortization-Capitalized Leases (3410)			19
Less: Accumulated Amortization-Leasehold Improvements (3420)			20
NET TELECOMMUNICATIONS PLANT IN SERVICE	2,213	2,222	

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

Particulars (a)	Balance--EOY	Balance--FOY (000's) (c)
PLANT		
PROPERTY HELD FOR FUTURE USE		
Property Held for Future Telecommunications Use (2002)*		21
Less: Accumulated Depr.-Held for Future Telecom. Use (3200)*		22
NET PROPERTY HELD FOR FUTURE USE	0	0
NONOPERATING PLANT		
Nonoperating Plant (2006)*		23
Less: Accumulated Depreciation-Nonoperating (3300)*		24
NET NONOPERATING PLANT	0	0
TPUC		
Telecommunications Plant Under Construction (2003)*		25
TOTAL TPUC	0	0
TELECOMMUNICATIONS PLANT ADJUSTMENT		
Telecommunications Plant Adjustment (2005)*		26
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	0	0
GOODWILL		
Goodwill (2007)*		27
TOTAL GOODWILL	0	0
TOTAL PLANT	2,213	2,222
TOTAL ASSETS AND OTHER DEBITS	5,221	5,213

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

Particulars (a)	Balance--EOY (000's) (b)	Balance--FOY (000's) (c)	
CURRENT LIABILITIES			
Notes Payable (4020)*			1
Other Current Accounts and Notes Payable (4000)*	104	150	2
Customers' Deposits (4040)*			3
Income Taxes-Accrued (4070)*	(100)	(59)	4
Other Taxes-Accrued (4080)*		3	5
Net Current Deferred Operating Income Taxes (4100)*			6
Net Current Deferred Nonoperating Income Taxes (4110)*			7
Current Maturities-Long-Term Debt (4050)*	87	65	8
Current Maturities-Capital Leases (4060)*			9
Other Current Liabilities (4130)*	56	24	10
TOTAL CURRENT LIABILITIES	147	183	
LONG-TERM DEBT			
Funded Debt (4210)*	1,596	1,704	11
Obligations Under Capital Leases (4250)*			12
Advances from Affiliated Companies (4260)*	0		13
Other Long-Term Debt (4270)*			14
Long-Term Debt and Funded Debt (4200)*			15
TOTAL LONG-TERM DEBT	1,596	1,704	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Liabilities and Deferred Credits (4300)*	10	21	16
Unamortized Operating Investment Tax Credits-Net (4320)*			17
Unamortized Nonoperating Investment Tax Credits-Net (4330)*			18
Net Noncurrent Deferred Operating Income Taxes (4340)*	197	194	19
Net Deferred Tax Liability Adjustments (4341)*			20
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*		(7)	21
Deferred Tax Regulatory Adjustments-Net (4361)*			22
Other Jurisdictional Liabilities and Deferred Credits-Net (4370)*			23
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS	207	208	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	60	60	24
Additional Paid-in Capital (4520)*			25
Treasury Stock (4530)*			26
Other Capital (4540)*			27
Retained Earnings (4550)*	3,560	3,058	28
TOTAL STOCKHOLDERS' EQUITY	3,620	3,118	
TOTAL LIABILITIES AND OTHER CREDITS	5,570	5,213	

IMPORTANT CHANGES DURING THE YEAR

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

None

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

None

AFFILIATE ABBREVIATIONS

In column (b) provide the abbreviation for the name of the affiliate shown in column (a). Limit abbreviations to 10 characters or less. Use these abbreviations when completing the affiliated interest schedules. Insert "Other" in the Abbreviations column if the activity to be reported for a particular record in the Affiliated Interest Transactions or Affiliated Assets and Liabilities schedule represents an aggregation of activity not exceeding the dollar or percentage limits set forth in the header of that schedule.

Name of Affiliate (a)	Abbreviations (b)	
CELECT COMMUNICATIONS LLC	OTHER	1
SPRING VALLEY CELLULAR	SPVY CELL	2
SPRING VALLEY TELEPHONE LONG DISTANCE	SPVY LD	3

AFFILIATED INTEREST TRANSACTIONS

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

Particulars (a)	(b)	(c)	(d)	(e)
Docket	7072T1100			
Name of Affiliate	SPVY LD			1
Designate whether billed to or from:	TO			2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	P			3
Total Dollar Activity (000's)	25			4
Percent of affiliate's business billed to all affiliated regulated utilities				5
If cost based, rate of return on equity or markup incorporated in billings				6
Footnotes				

AFFILIATED ASSETS AND LIABILITIES

This schedule should be used to report affiliated activity concerning balances at the end of the year for the following accounts: 1160, Temporary Investments; 1120, Cash and Equivalents (for other than former account 1160); 1180, Telecommunications Accounts Receivable; 1190, Other Accounts Receivable; 1200, Notes Receivable; 1210, Interest and Dividends Receivable; 1170, Receivables (for other than former accounts 1180, 1190, 1200, and 1210); 1401, Investment in Affiliated Companies; 1408, Sinking Funds; 1410, Other Noncurrent Assets (for other than former accounts 1401 and 1408); 4010, Accounts Payable; 4020, Notes Payable; 4000, Current Accounts and Notes Payable (for other than former accounts 4010 and 4020); 4260, Advances from Affiliated Companies; and 4200, Long Term Debt and Funded Debt (for other than former account 4260). 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)	
SPRING VALLEY TELEPHONE LONG DISTANCE	1190	2	1
SPRING VALLEY CELLULAR	1410	1,711	2
SPRING VALLEY TELEPHONE LONG DISTANCE	1410	244	3
SPRING VALLEY CELLULAR	4000	41	4
SPRING VALLEY TELEPHONE LONG DISTANCE	4000	17	5

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (000's) (c)	Additions (000's) (d)	
GENERAL SUPPORT ASSETS				
Land	2111	40		1
Motor Vehicles	2112	130		2
Aircraft	2113	0		3
Tools and Other Work Equipment	2114	135		4
Buildings	2121	276	16	5
Furniture	2122	2		6
Office Equipment	2123	13	3	7
General Purpose Computers	2124	36	6	8
NET REG--GENERAL SUPPORT ASSETS:		632	25	
CENTRAL OFFICE ASSETS				
Non-Digital Switching	2211	0		9
Digital Electronic Switching	2212	552	6	10
Operator Systems	2220	0		11
Radio Systems	2231	0		12
Circuit Equipment	2232	566	182	13
NET REG--CENTRAL OFFICE ASSETS:		1,118	188	
INFORMATION ORIGATION/TERMINATION ASSETS				
Station Apparatus	2311	0		14
Customer Premises Wiring	2321	0		15
Large Private Branch Exchanges	2341	0		16
Public Telephone Terminal Equipment	2351	0		17
Other Terminal Equipment	2362	18		18
NET REG--INFORMATION ORIG/TERM ASSETS:		18	0	
CABLE & WIRE FACILITIES ASSETS				
Poles	2411	0		19
Aerial Cable	2421	0	0	20
Underground Cable	2422	0	0	21
Buried Cable	2423	2,221	85	22
Submarine and Deep Sea Cable	2424	0	0	23
Intrabuilding Network Cable	2426	0	0	24
Aerial Wire	2431	0		25
Conduit Systems	2441	0		26
NET REG--CABLE & WIRE FACILITIES ASSETS:		2,221	85	
AMORTIZABLE ASSETS				
Capital Leases	2681	0		27
Leasehold Improvements	2682	0		28
Intangibles	2690	0		29
Accumulated Amortization - Intangible	3500			30
NET REG--AMORTIZABLE ASSETS:		0	0	

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

Account (e)	Retirements (000's) (f)	Transfers / Adjustments (000's) (g)	Balance EOY (000's) (h)	
2111			40	1
2112			130	2
2113			0	3
2114			135	4
2121			292	5
2122			2	6
2123	0	0	16	7
2124	1		41	8
	1	0	656	
2211			0	9
2212	0	0	558	10
2220			0	11
2231			0	12
2232	0	0	748	13
	0	0	1,306	
2311			0	14
2321			0	15
2341			0	16
2351			0	17
2362			18	18
	0	0	18	
2411			0	19
2421	0	0	0	20
2422	0	0	0	21
2423	0	0	2,306	22
2424	0	0	0	23
2426	0	0	0	24
2431			0	25
2441			0	26
	0	0	2,306	
2681			0	27
2682			0	28
2690			0	29
3500			0	30
	0	0	0	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (000's) (c)	Additions (000's) (d)	
NET REG TELECOM. PLANT IN SERVICE		3,989	298	
Plus: Allocation to Nonregulated Activity - EOY	2001			31
TOTAL TELECOM. PLANT IN SERVICE - EOY				
Explain all amounts shown in column (g).				

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

Account (e)	Retirements (000's) (f)	Transfers / Adjustments (000's) (g)	Balance EOY (000's) (h)	
	1	0	4,286	
2001			113	31
			4,399	

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

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

Plant Subaccount (a)	Subaccount (b)	Balance FOY (000's) (c)	Additions (000's) (d)	
Office Support Equipment	2123.1	9		1
Company Communications Equipment	2123.2	4	3	2
Digital Electronic Switching - Circuit	2212.1	0		3
Digital Electronic Switching - Packet	2212.2	552	6	4
Circuit Equipment - Electronic	2232.1	566	182	5
Circuit Equipment- Optical	2232.2	0		6
Aerial Cable - Nonmetallic	2421.1	0		7
Aerial Cable - Metallic	2421.2	0		8
Underground Cable - Nonmetallic	2422.1	0		9
Underground Cable - Metallic	2422.2	0		10
Buried Cable - Nonmetallic	2423.1	611		11
Buried Cable - Metallic	2423.2	1,610	85	12
Submarine and Deep Sea Cable - Nonmetallic	2424.1	0		13
Submarine and Deep Sea Cable - Metallic	2424.2	0		14
Intrabuilding Cable - Nonmetallic	2426.1	0		15
Intrabuilding Cable - Metallic	2426.2	0		16

Explain all amounts shown in column (g).

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

Subaccount (e)	Retirements (000's) (f)	Transfers / Adjustments (000's) (g)	Balance EOY (000's) (h)	
2123.1			9	1
2123.2			7	2
2212.1			0	3
2212.2			558	4
2232.1			748	5
2232.2			0	6
2421.1			0	7
2421.2			0	8
2422.1			0	9
2422.2			0	10
2423.1			611	11
2423.2			1,695	12
2424.1			0	13
2424.2			0	14
2426.1			0	15
2426.2			0	16

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (000's) (c)	Depr Rate (d)	Annual Accrual (000's) (e)	Additional Accrual (000's) (f)	
GENERAL SUPPORT ASSETS						
Motor Vehicles	2112	89	15.0000	20		1
Aircraft	2113	0				2
Tools and Other Work Equipment	2114	78	8.2200	11		3
Buildings	2121	57	2.5000	7		4
Furniture	2122	2	7.0000			5
Office Equipment	2123	7	10.0000	2	0	6
General Purpose Computers	2124	29	20.0000	8		7
NET REG--GENERAL SUPPORT ASSETS		262		48	0	
CENTRAL OFFICE ASSETS						
Non-Digital Switching	2211	0				8
Digital Electronic Switching	2212	262	12.5000	69	0	9
Operator Systems	2220	0				10
Radio Systems	2231	0				11
Circuit Equipment	2232	211	10.0000	65	0	12
NET REG--CENTRAL OFFICE ASSETS		473		134	0	
INFORMATION ORIGATION/TERMINATION ASSETS						
Station Apparatus	2311	0				13
Customer Premises Wiring	2321	0				14
Large Private Branch Exchanges	2341	0				15
Public Telephone Terminal Equipment	2351	0				16
Other Terminal Equipment	2362	13	10.0000	2		17
NET REG--INFORMATION ORIG/TERM ASSETS		13		2	0	
CABLE & WIRE FACILITIES ASSETS						
Poles	2411	0				18
Aerial Cable	2421	0		0	0	19
Underground Cable	2422	0		0	0	20
Buried Cable	2423	1,019	5.8800	133	0	21
Submarine and Deep Sea Cable	2424	0		0	0	22
Intrabuilding Network Cable	2426	0		0	0	23
Aerial Wire	2431	0				24
Conduit Systems	2441	0				25
NET REG--CABLE & WIRE FACILITIES ASSETS		1,019		133	0	
Net Reg Accumulated Depreciation		1,767		317	0	
Plus: Nonreg Accumulated Depreciation	3100			12	0	26
Total Accumulated Depreciation				329	0	
Columns e, f and I						

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				109	1
2113	0				0	2
2114	0				89	3
2121	0				64	4
2122	0				2	5
2123	0	0	0	0	9	6
2124	1				36	7
	1	0	0	0	309	
2211	0				0	8
2212	0	0	0	0	331	9
2220	0				0	10
2231	0				0	11
2232	0	0	0	0	276	12
	0	0	0	0	607	
2311	0				0	13
2321	0				0	14
2341	0				0	15
2351	0				0	16
2362	0				15	17
	0	0	0	0	15	
2411	0				0	18
2421	0	0	0	0	0	19
2422	0	0	0	0	0	20
2423	0	0	0	0	1,152	21
2424	0	0	0	0	0	22
2426	0	0	0	0	0	23
2431	0				0	24
2441	0				0	25
	0	0	0	0	1,152	
	1	0	0	0	2,083	
3100					103	26
					2,186	

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

Where subclassifications of primary plant accounts are used, report below the accumulated depreciation details for each subaccount or subsidiary record. Any other separate accounting for telephone accumulated depreciation at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subacct (b)	Balance FOY (000's) (c)	Depr Rate (d)	Annual Accrual (000's) (e)	Additional Accrual (000's) (f)	
Office Support Equipment	2123.1	6	10.0	1		1
Company Communications Equipment	2123.2	1	10.0	1		2
Digital Electronic Switching - Circuit	2212.1	0				3
Digital Electronic Switching - Packet	2212.2	262	12.5	69		4
Circuit Equipment - Electronic	2232.1	211	10.0	65		5
Circuit Equipment- Optical	2232.2	0				6
Aerial Cable - Nonmetallic	2421.1	0				7
Aerial Cable - Metallic	2421.2	0				8
Underground Cable - Nonmetallic	2422.1	0				9
Underground Cable - Metallic	2422.2	0				10
Buried Cable - Nonmetallic	2423.1	56	5.88	36		11 B
Buried Cable - Metallic	2423.2	963	5.88	97		12 B
Submarine and Deep Sea Cable - Nonmetall	2424.1	0				13
Submarine and Deep Sea Cable - Metallic	2424.2	0				14
Intrabuilding Cable - Nonmetallic	2426.1	0				15
Intrabuilding Cable - Metallic	2426.2	0				16

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

Subacct (g)	Retired (000's) (h)	Cost of Removal (000's) (i)	Salvage (000's) (j)	Other (000's) (k)	Balance EOY (000's) (l)	
2123.1	0				7	1
2123.2	0				2	2
2212.1	0				0	3
2212.2	0				331	4
2232.1	0				276	5
2232.2	0				0	6
2421.1	0				0	7
2421.2	0				0	8
2422.1	0				0	9
2422.2	0				0	10
2423.1	0			126	218	11 B
2423.2	0			(126)	934	12 B
2424.1	0				0	13
2424.2	0				0	14
2426.1	0				0	15
2426.2	0				0	16

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (000's) (b)	Last Year (000's) (c)	
Balance-First of Year	3,058	3,004	1
Changes:			
Balance Transferred from Income	702	608	2
Dividends Declared:			
Common	200	250	3
Preferred		0	4
Total Dividends Declared	200	250	
Miscellaneous Debits to Retained Earnings		0	5
Miscellaneous Credits to Retained Earnings		0	6
Balance--End of Year	<u>3,560</u>	<u>3,362</u>	

REVENUES (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (000's) (b)	Last Year (000's) (c)	
LOCAL NETWORK SERVICES REVENUES			
Basic Local Service Revenue (5000)*	323	579	1 M
Basic Area Revenue (5001)			2
Private Line Revenue (5040)			3
Other Basic Area Revenue (5060)			4
TOTAL LOCAL NETWORK SERVICES REVENUES	323	579	
INTERSTATE NETWORK ACCESS SERVICES REV.			
End User Revenue (5081)*	98	90	5 D
Switched Access Revenue (5082)*	677	339	6 F
Special Access Revenue (5083)*	31	25	7 E
TOTAL INTERSTATE NETWORK ACCESS SERVICES REV.	806	454	
INTRASTATE NETWORK ACCESS SERVICES REV.			
End User Revenue (5081)*			8
Switched Access Revenue (5082)*	185	172	9 F
Special Access Revenue (5083)*	56	40	10 F
TOTAL INTRASTATE NETWORK ACCESS SERVICES REV.	241	212	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*	11	11	11
TOTAL LONG DISTANCE NETWORK SERVICES MESSAGE REV.	11	11	
MISCELLANEOUS & NONREGULATED REVENUES			
Miscellaneous Revenue (5200)*	57	58	12 G
Directory Revenue (5230)	37	34	13 G
Nonregulated Operating Revenue (5280)*	242	0	14 J
TOTAL MISCELLANEOUS & NONREGULATED REVENUES	336	92	
GROSS OPERATING REVENUES	1,717	1,348	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*	(10)	31	15 H
TOTAL UNCOLLECTIBLE REVENUES	(10)	31	
TOTAL OPERATING REVENUES	1,727	1,317	

EXPENSES - CLASS A & B

Particulars (a)	Total This Year (000's) (b)	Total Last Year (000's) (c)	
PLANT SPECIFIC OPERATIONS EXPENSE			
Net Reg Network Support Expense (6110)	2	4	1
Net Reg General Support Expense (6120)	50	16	2 K
Net Reg Central Office Switching Expense (6210)	66	66	3
Net Reg Operator Systems Expense (6220)		0	4
Net Reg Central Office Transmission Expenses (6230)	13	5	5 J
Net Reg Information Orig. / Term. Expense (6310)		0	6 J
Net Reg Cable and Wire Facilities Expense (6410)	108	83	7 L
NET REGULATED	239	174	
PLUS: NONREGULATED	64	0	8
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	303	174	
PLANT NONSPECIFIC OPERATIONS EXPENSE			
Net Reg Other Property, Plant and Equip. Exp. (6510)	2	1	9
Net Reg Network Operations Expense (6530)	10	7	10
Net Reg Access Expense (6540)	8	6	11
Net Reg Depreciation and Amortization Expense (6560)	317	290	12
NET REGULATED	337	304	
PLUS: NONREGULATED	12	0	13
TOTAL PLANT NONSPECIFIC OPERATIONS EXPENSE	349	304	
CUSTOMER OPERATIONS EXPENSE			
Net Reg Marketing (6610)	0	0	14
Net Reg Services (6620)	152	150	15
NET REGULATED	152	150	
PLUS: NONREGULATED	11	0	16
TOTAL CUSTOMER OPERATIONS EXPENSE	163	150	
CORPORATE OPERATIONS EXPENSE			
Net Reg General and Administrative (6720)	357	306	17
Net Reg Provision for Uncollectible Notes Receiv. (6790)	0	0	18
NET REGULATED	357	306	
PLUS: NONREGULATED	7	0	19
TOTAL CORPORATE OPERATIONS EXPENSE	364	306	
NET REGULATED	1,085	934	
PLUS: NONREGULATED	94	0	
TOTAL EXPENSES	1,179	934	

EXPENSES - CLASS A & B (DETAIL)

Particulars (a)	Total This Year (000's) (b)	Total Last Year (000's) (c)	
Property Held for Future Tele. Use Exp. (6511)	0	0	1
Provisioning Expense (6512)	2	1	2
NET REG: Reported in Account 6510	2	1	
Depreciat. Exp.--Tele. Plant in Service (6561)	317	290	3
Depreciat. Exp.--Prop. Held for Future Tele. Use (6562)			4
Amortization Expense--Tangible (6563)			5
Amortization Expense--Intangible (6564)			6
Amortization Expense--Other (6565)			7
NET REG: Reported in Account 6560	317	290	

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	1,717	1
Plus: Collection of amounts previously written off		2
Less: Uncollectibles written off during the year	10	3
Plus: Total Net Reg. Other Operating Income and (Expense) (7100)	0	4
Less: Nonregulated Operating Revenue (included in Gross Oper. Rev. on Line 1)	242	5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify): None	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	1,465	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (000's) (b)	
Total Basic Local Service Revenue (5000)	323	1
Plus: Total Intrastate Access Revenues (5081-5083)	241	2
Plus: Total Long Distance Network Services Revenue	11	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus: Intrastate Payphone Revenues		5
Plus (or Less) Other (please specify): None	0	6
Assessable Revenues for Universal Service Fund Assessment Purposes	575	

OTHER INCOME ACCOUNTS

Particulars (a)	This Year (000's) (b)	Last Year (000's) (c)	
OTHER OPERATING INCOME AND EXPENSE			
Net Reg Other Operating Income and (Expense) (7100)	0	0	1
NET REGULATED	0	0	
PLUS: NONREGULATED	0	0	2
TOTAL OTHER OPERATING INCOME AND EXPENSE (7100)	0	0	
OPERATING TAXES			
Net Reg Operating Investment Tax Credits--Net (7210)	0	0	3
Net Reg Operating Federal Income Taxes (7220)	101	67	4
Net Reg Operating State and Local Income Taxes (7230)	27	24	5
Net Reg Operating Other Taxes (7240)	40	37	6
Net Reg Provision for Deferred Operating Income Taxes--Net (7250)	(7)	34	7
NET REGULATED	161	162	
PLUS: NONREGULATED	61	0	8
TOTAL OPERATING TAXES (7200)	222	162	
NONOPERATING INCOME AND EXPENSE			
Net Reg Dividend Income (7310)	0	0	9
Net Reg Interest Income (7320)	11	6	10
Net Reg Income from Sinking and Other Funds (7330)	0	0	11
Net Reg Allowance for Funds Used During Construction (7340)	0	0	12
Net Reg Gains or (Losses) from the Disposition of Certain Property (7350)	0	0	13
Net Reg Other Nonoperating Income (7360)	101	78	14
Net Reg Special Charges (7370)	0	1	15
NET REGULATED	112	83	
PLUS: NONREGULATED	0	0	16
TOTAL NONOPERATING INCOME AND EXPENSE (7300)	112	83	
NONOPERATING TAXES			
Net Reg Nonoperating Taxes (7400)	(20)	(20)	17
NET REGULATED	(20)	(20)	
PLUS: NONREGULATED	0	0	18
TOTAL NONOPERATING TAXES (7400)	(20)	(20)	
INTEREST AND RELATED ITEMS			
Net Reg Interest and Related Items (7500)	105	101	19
NET REGULATED	105	101	
PLUS: NONREGULATED	0	0	20
TOTAL INTEREST AND RELATED ITEMS (7500)	105	101	
EXTRAORDINARY ITEMS			
Net Reg Extraordinary Items (7600)	0	0	21
NET REGULATED	0	0	
PLUS: NONREGULATED	0	0	22
TOTAL EXTRAORDINARY ITEMS (7600)	0	0	
NONREGULATED NET INCOME			
Nonregulated Net Income (7990)	0	81	23
TOTAL NONREGULATED NET INCOME (7990)	0	81	
TOTAL NET REGULATED	358	407	
TOTAL NONREGULATED	61	0	
TOTAL OTHER INCOME ACCOUNTS	419	407	

NONREGULATED ACCUMULATED DEPRECIATION

Plant Account (a)	Acct (b)	Annual Accrual (000's) (c)	Additonal Accrual (000's) (d)	Balance EOY (000's) (e)	
Circuit Equipment	2232	5		18	1
Station Apparatus	2311	6		75	2
Public Telephone Terminal Equipment	2351	1		10	3
Total Nonregulated Accumulated Depreciation		12	0	103	

NONREGULATED INCOME STATEMENT

Particulars (a)	This Year (000's) (b)	Last Year (000's) (c)
NONREGULATED REVENUES		
Nonregulated Operating Revenue (5280)	242	1
NONREGULATED EXPENSES		
Plant Specific Operations Expense		
Nonregulated Network Support Expense (6110)		2
Nonregulated General Support Expense (6120)		3
Nonregulated Central Office Switching Expense (6210)		4
Nonregulated Operator Systems Expense (6220)		5
Nonregulated Central Office Transmission Expense (6230)	48	6
Nonregulated Information Orig./Term. Expense (6310)	16	7
Nonregulated Cable and Wire Facilities Expense (6410)		8
Total Nonregulated Plant Specific Operations Expense	64	0
Plant Nonspecific Operations Expense		
Nonregulated Other Property, Plant and Equip. Exp (6510)		9
Nonregulated Network Operations Expense (6530)		10
Nonregulated Access Expense (6540)		11
Nonregulated Depreciation and Amortization Expense (6560)	12	12
Total Nonregulated Plant Nonspecific Operations Expense	12	0
Customer Operations Expense		
Nonregulated Marketing (6610)		13
Nonregulated Services (6620)	11	14
Total Nonregulated Customer Operations Expense	11	0
Corporate Operations Expense		
Nonregulated General and Administrative (6720)	7	15
Nonregulated Provision for Uncollectible Notes Receivable (6790)		16
Total Nonregulated Corporate Operations Expense	7	0
TOTAL NONREGULATED EXPENSES (Excluding Other Income Accts.)	94	0
OTHER NONREGULATED INCOME ACCOUNTS		
Nonregulated Other Operating Income and Expense (7100)		17
Nonregulated Operating Taxes (7200)	61	18
Nonregulated Nonoperating Income and Expense (7300)		19
Nonregulated Nonoperating Taxes (7400)		20
Nonregulated Interest and Related Items (7500)		21
Nonregulated Extraordinary Items (7600)		22
NONREGULATED NET INCOME	87	0

NONREGULATED ACTIVITIES

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

Nonregulated Activity	
(a)	
Leasing and sales of customer premise equipment	1
Provider of internet access	2

NONREGULATED INVESTMENTS

Particulars (a)	Balance EOY (000's) (b)	
Telecommunications Plant in Service - Allocation to Nonregulated Activity	113	1
Accumulated Depreciation - Allocation to Nonregulated Activity	103	2
Telecommunications Plant Under Construction - Allocation to Nonregulated Activity	0	3
Inventories - Allocation to Nonregulated Activity	0	4
Net Deferred Operating Income Taxes - Allocation to Nonregulated Activity	4	5
Net Nonregulated Investments	6	

NONREGULATED TELECOMMUNICATIONS PLANT IN SERVICE

Plant Account (a)	Account (b)	Balance EOY (000's) (c)	
Circuit Equipment	2232	23	1
Station Apparatus	2311	78	2
Public Telephone Terminal Equipment	2351	12	3
TOTAL NONREGULATED TELECOMMUNICATIONS PLANT IN SERVICE		113	

EMPLOYEE DATA - END OF YEAR

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

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

TELEPHONE CALLS AND MINUTES OF USE PER MONTH

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

Item (a)	Telephone Calls (000's) (b)	Minutes of Use (000's) (c)	
LOCAL			
Intra-Exchange	0	0	1 A
Extended Area Service	0	0	2 A
Extended Community Calling	0	0	3 A
Other Local-Undefined	0	0	4 A
Total Local	0	0	
TOLL			
Toll	77	573	5
Total Toll	77	573	
Total Local & Toll	<u><u>77</u></u>	<u><u>573</u></u>	

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 -- Originating					1
Feature Group A -- Terminating	8				2
Feature Group B -- Originating					3
Feature Group B -- Terminating					4
Feature Group C -- Originating					5
Feature Group C -- Terminating					6
Feature Group D -- Originating	1,068	237	985		7
Feature Group D -- Terminating	3,036	946	595		8

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - fiber optics	30	1
Strand miles of plant - fiber optics	345	2
Route miles of plant - microwave		3

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	0	1	1 c
56 kbps	0	3	2 c
64 kbps (DS0)			3 c
1.54 Mbps (DS-1)	2	2	4 c
45 Mbps (DS-3)			5 c
SONET OC-1			6 c
SONET OC-3			7 c
SONET OC-12			8 c
SONET OC-48			9 c
SONET OC-192			10 c

SERVICE DATA

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

Item (a)	FOY (b)	EOY (c)	
Business			
1 Party	231	229	3
2 Party			4
4 Party			5
PBX Trunks/System Trunks			6
Centrex Trunks			7
Centrex Lines			8
Key System Trunks	97	99	9
Mobile (Utility Provided Service)			10
Paging (Utility Provided Service)			11
FX-Out (Switched)			12
Pay Telephone	0	0	13
Coin-Operated Pay Telephone			14
Independent Pay Telephone Provider	0	0	15
Other			16
Total Business Lines	328	328	17
Residential (Incl. Emp. Concess.)			
1 Party	871	865	18
2 Party			19
4 Party			20
FX-Out (Switched)			21
Other			22
Total Residential Lines	871	865	23
Total Bus & Res Lines	1,199	1,193	24
Company Used Lines	15	18	25
Total Lines Used	1,214	1,211	26
			27

SERVICE DATA (cont.)

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

Item (a)	FOY (b)	EOY (c)	
Miscellaneous			
WATS Lines - OutWATS	0	0	3
WATS Lines - 800 Service	0	0	4
FX-In-intraLATA	0	0	5
Special Access-intraLATA			6
(expressed in equiv. access lines)	30	52	7
Special Access-interLATA			8
(expressed in equiv. access lines)	48	48	9
Feature Group A Lines			10
Feature Group B Trunks			11
Feature Group C Trunks			12
Feature Group D Trunks			13
TSPS - Trunks			14
EAS and ECC - Trunks			15
Cellular Trunks (Pub. Sw. Net.)			16
Video Distance Learning			17
- discounted (special tariff)			18
Customers			19
Number of Lifeline customers at FOY (January 1, 2003)			20
and EOY (December 31, 2003):	28	31	21
Number of Linkup customers connected during			22
FOY (Calendar year 2002) and EOY (Calendar year 2003):	1	0	23
Other			24
Total Company Square Miles	39	39	25
Total Company Route Miles	96	124	26
Footnotes			

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	5090				1
Business					
1 Party	229				2
2 Party					3
4 Party					4
PBX Trunks/System Trunks					5
Centrex Trunks					6
Centrex Lines					7
Key System Trunks	99				8
Mobile (utility provided service)					9
Paging (utility provided service)					10
FX-Out (Switched)					11
Pay Telephone	0				12
Coin-Operated Pay Telephone					13
Independent Pay Telephone Provider	0				14
Other					15
Total Business Lines	328	0	0	0	16
Residential (Incl. Emp. Concess.)					
1 Party	865				17
2 Party					18
4 Party					19
FX-Out (Switched)					20
Other					21
Total Residential Lines	865	0	0	0	22
Total Bus & Res Lines	1,193	0	0	0	23
Company Used Lines	18				24
Total Lines Used	1,211	0	0	0	25
					26
					27

SERVICE DATA - END OF YEAR (cont.)

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

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	5090				1
Miscellaneous					2
WATS Lines - OutWATS	0				3
WATS Lines - 800 Service	0				4
FX-In-intraLATA	0				5
Special Access-intraLATA					6
(equiv. access lines)	52				7
Special Access-interLATA					8
(equiv. access lines)	48				9
Feature Group A Lines					10
Feature Group B Trunks					11
Feature Group C Trunks					12
Feature Group D Trunks					13
TSPS - Trunks					14
EAS and ECC - Trunks					15
Cellular Trunks (Pub. Sw. Net.)					16
Video Distance Learning					17
- discounted (special tariff)					18
Other					19
Exchange Square Miles	39				20
Exchange Route Miles	124				21
Footnotes					22

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

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

EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

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

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	SPRING VALLEY				1
PSCW Exchange ID	5090				2
Central Office Name	SPRING VALLEY				3
PSCW Central Office ID	1				4
Central Office CLLI Code	SPVYWOXARSP				5
Manufacturer of COE (Page 54)	NTI				6
Year COE Installed	1996				7
Type of Equipment (Page 54)	D				8
(S)tandalone, (H)ost, (R)emote, (A)dv Fiber Comm	R				9
Remote Host PSCW Exchange ID	1740				10
Remote Host PSCW Central Office ID	1				11
COE Generic Software Release No.	NA007				12
SS7?	Yes				13
9-1-1?	Yes				14
Access Lines - In Use	1,211				15
- Equipped	1,270				16
- Wired	1,400				17
Trunks - In Use	8				18
- Equipped	8				19
- Wired	8				20
ISDN Available?	No				21
ISDN Lines - In Use (BRI)	0				22
- In Use (PRI)	0				23
XDSL Available?	No				24
- In Use (# lines)					25
Switched 56 Service?	No				26
Switched 56 lines in use	0				27
Digital Transmission Facilities: DS-1 - In Use	4				28
DS-3 - In Use	1				29
Advanced Data Service Available:					
Packet Switching?	No				30
SMDS?	No				31
Frame Relay?	No				32
ATM (Asynchronous Trans. Mode)?	No				33
Video Information - Service Available?	No				34
- In Use (# lines) ¹	0				35
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	68				36
No. of fiber strands working (LIT) in C.O.	22				37
No. of fiber strands for interoffice use	0				38
Miles of fiber sheath in wire center	30				39
Access Tandem Serving this C.O.:					
- C.O. Name	ELK LAKE				40
- PSCW C.O. ID	1740-01				41
Does this C.O. do access tandem switching?	No				42
Footnotes					43

¹ Telco provided end-to-end facility.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

General Footnote

Accountants Compilation Report

To the Board of Directors
Spring Valley Telephone Company, Inc.
Spring Valley, Wisconsin

We have compiled the balance sheets of the Spring Valley Telephone Company, Inc. as of December 31, 2003 and 2002, and the related statements of income and retained earnings for the years then ended included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary information presented in the prescribed form, except for pages 46 through 55.

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

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

The supplementary information contained on pages 46 through 55 of the accompanying prescribed form has not been audited, reviewed, or compiled by us, and, accordingly, we assume no responsibility for that information.

Kiesling Associates LLP
Madison, Wisconsin
June 23, 2004

Schedule Footnotes

Income Statement - Total Company Footnote. Page 8

Notes to Income Statement or Balance Sheet Footnote. Page 9

None

Schedule Line Footnotes

- A) Information not available
- B) Entry made to true-up balance to actual amount per continuing property records.
- C) Reported amount of -0- for these special access circuits is correct

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

- D) Increase in interstate cost revenues
- E) Increase in special access circuits
- F) Some of the large differences relate to the system of account changes in the middle of the physical year.
- G) For 2003, directory revenue is including in miscellaneous revenues
- H) Prior year there was a considerable increase in uncollectible due to Worldcom access write-offs, and this year there was recover of those uncollectible revenues.
- J) Because of the account changes and format changes in this report, non-regulated income for this year was broken out on the Non-Regulated Income Statement on pg. 45, but for the prior year, non-regulated income is reported in account 7990 on pg. 44 Other Income Accounts.
- K) The Company experienced significant repairs and maintenance on the buildings in 2003.
- L) Increase in labor and related benefits in 2003 related to outside plant repairs.
- M) Reclassed universal service revenue.