



4004

ANNUAL REPORT

OF

Name: NELSON TELEPHONE COOPERATIVE

Principal Office: 318 THIRD AVENUE WEST
DURAND, WI 54736

For the Year Ended: DECEMBER 31, 2006

TELECOMMUNICATIONS UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN

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

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

GENERAL RULES FOR REPORTING

1. The annual report due date is April 1 of the following year. If that date falls on a weekend or holiday, the annual report is due the following business day.
2. **Electronic filing via e-mail is required, unless additional provisional confidential treatment is desired.** Go to the Public Service Commission of Wisconsin's Web Page at <http://psc.wi.gov>, and select the appropriate program for Incumbent Local Exchange Carriers (LECs). If additional confidential treatment is desired, contact Christopher Larson at (608) 267-9508 or christopher.larson@psc.state.wi.us for instructions.
3. LEC entities with no revenues for the report year are required to file a LEC annual report.
4. Unless otherwise indicated, the information requested in this report should be taken from the accounts and other records of the utility in conformity with the Uniform System of Accounts prescribed by the Public Service Commission in docket 05-US-116. The definitions and instructions contained therein should also apply to the report wherever applicable. A query or response concerning information contained in this report regarding any practice or transaction should not be construed as indicating conformity to accounting or other pertinent regulations.
5. Please follow all instructions and answer each question fully and accurately. Provide additional information as necessary to avoid misunderstandings or misleading responses.
6. Wherever information is requested in a "note," please show that information in the space provided. Footnote capability is included in the annual report software program. Please use it where necessary to fully explain particulars in the annual report.
7. Numeric items are limited to digits (0-9). Do not type commas when entering numbers. A minus sign "-" should be entered in the software program to indicate negative values. The program will convert the minus sign to parentheses if a hard copy of the annual report is printed. Negative values may not be allowed for certain entries in the annual report due to restrictions contained in the software program.
8. Report all dollar amounts to the nearest thousand dollars. (Example: \$130,000 should be reported as \$130.)
9. This annual report should be complete in all respects. Unless otherwise authorized, avoid references to returns of former years or to other reports.
10. Wherever schedules call for data from the previous year and such data were reported in the previous annual report, the previous year's data should be reported without modification. If modified, an appropriate footnote indicator and explanation should be included in the current year's annual report.
11. The LEC annual report program incorporates provisional confidentiality capability for selected items. These items vary from year to year and are based on the Commission's decision regarding confidential items in the annual report.

If additional provisional confidential treatment is desired, do not file the annual report electronically using the program's e-mail filing capabilities.
12. It is not necessary to manually or electronically "sign" the signature page. DO NOT file a hardcopy of the annual report with the Commission.
13. **Edit Check. Confidential Listing. Exported Annual Report. and Export Status Files:**

GENERAL RULES FOR REPORTING

Filing the Completed Report:

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

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

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

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

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

14. 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.

15. Changes to the Annual Report Subsequent to Filing:

If making revisions to the report subsequent to an electronic filing (i.e., using the program's e-mail capabilities) with the Commission, resubmit the report via e-mail following the procedures set forth above in item number 13. New edit check, confidential listing, exported annual report, and export status files should be created as a result of the revisions.

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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.
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.
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.
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

GLOSSARY OF TERMS

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.
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.
Pair	Two wires of a single circuit.
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.
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.
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.

IDENTIFICATION AND OWNERSHIP - UTILITY INFORMATION

Exact Utility Name: NELSON TELEPHONE COOPERATIVE
Utility Location: 318 THIRD AVENUE WEST
DURAND, WI 54736

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

www.nelson-tel.net

When was utility organized?: 11/01/1948**Report any change in name and the effective date:****Telephone numbers for potential customers to contact company:**

Business Customers: (715) 672 - 4204 Ext:

Residential Customers: (715) 672 - 4204 Ext:

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

Name: CHRISTY A. BERGER
Title: GENERAL MANAGER/EXECUTIVE VICE PRESIDENT

Office Address: 318 THIRD AVENUE WEST
P.O. BOX 228
DURAND, WI 54736

Fax Number: (715) 672 - 4344
Telephone Number: (715) 672 - 4204
Email Address: christyb@nelson-tel.net

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

 Same as Primary Address

Name: LAURA GULLICKSON
Title: OFFICE MANAGER/ ACCOUNTANT
Firm:

Office Address: 318 THIRD AVENUE WEST
P.O. BOX 228
DURAND, WI 54736

Fax Number: (715) 672 - 4344 EXT
Telephone Number: (715) 672 - 4204 EXT
Email Address: laura@nelson-tel.net

IDENTIFICATION AND OWNERSHIP - UTILITY INFORMATION**Regulatory Contact - Contact person for regulatory inquiries and complaints** **Same as Primary Address****Name:****Title:****Firm:****Office Address:**

,

Fax Number: () - EXT**Telephone Number:** () - EXT**Email Address:**

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

Name: NONE**Address:** NONE
PO BOX 0
NONE, WI 54736**Percent Interest Held:****Beneficial Owner:** NONE**List companies owned, controlled, or operated and form and extent of such ownership, control or operation.****Company Name:** CHIPPEWA VALLEY COMMUNICATIONS**Form of Interest:** OWNED**Extent Of Interest:** 100%

OFFICERS AND DIRECTORS

If the company is an LLC partnership, please provide names of partners.

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

Name: GARY LINDSTROM	
Title/Occupation: SECRETARY/TREASURER	
Business Address (1): 318 THIRD AVENUE WEST	
Business Address (2): P.O. BOX 228	
Business Address (3):	
City State, Zip: DURAND, WI 54736	1

Name: JAMES TULIP	
Title/Occupation: PRESIDENT	
Business Address (1): 318 THIRD AVENUE WEST	
Business Address (2): P.O. BOX 228	
Business Address (3):	
City State, Zip: DURAND, WI 54736	2

Name: STANLEY N. WINSAND	
Title/Occupation: VICE PRESIDENT	
Business Address (1): 318 THIRD AVENUE WEST	
Business Address (2): P.O. BOX 228	
Business Address (3):	
City State, Zip: DURAND, WI 54736	3

INCOME STATEMENT - TOTAL COMPANY

Report all dollar amounts to the nearest thousand dollars. For operating expenses, Wisconsin Bell (utility 6720) and Verizon North-WI (utility 2180) should report total company expense dollars; other LECs should report net regulated expense dollars.

Particulars (a)	This Year (000's) (b)	Last Year (000's) (c)	
Operating Revenues			
Operating Revenues (5000-5300)	4,387	4,685	1
Total Operating Revenues	4,387	4,685	
Operating Expenses			
Plant Specific Operations Expenses (6110-6410)	633	593	2
Other Plant Nonspecific Operations Expenses (6510-6540)	254	233	3
Depreciation and Amortization Expense (6560)	1,322	1,527	4
Customer Operations Expense (6610-6620)	431	398	5
Corporate Operations Expense (6720-6790)	734	656	6
Other Operating Income and Expense (7100)	0	0	7
Operating Taxes (7200)	364	213	8
Total Operating Expenses	3,738	3,620	
Net Operating Income	649	1,065	
Other Income			
Nonoperating Income and Expense (7300)	5,012	368	9
Nonoperating Taxes (7400)	0	0	10
Interest and Related Items (7500)	447	536	11
Extraordinary Items (7600)	0	0	12
Nonregulated Net Income (7990)	536	414	13
Total Nonoperating Income	5,101	246	
Net Income	5,750	1,311	

ANNUAL REPORT NOTES AND CHANGES

NONE

BALANCE SHEET - ASSETS

Particulars (a)	Balance--EOY	Balance--FOY (000's) (c)	
CURRENT ASSETS			
Inventories (1220)	58	54	1
Other Current Assets (1120-1350, except 1220)	7,309	5,051	2
TOTAL CURRENT ASSETS	7,367	5,105	
NONCURRENT ASSETS			
Nonregulated Investments (1406)			3
RTB Class B Stock (1410)	0	351	4
Other Noncurrent Assets (1410)	5,273	3,303	5
Deferred Maint., Retirements and Other Deferred Charges (1438)	380	405	6
Other Jurisdictional Assets-Net (1500)			7
TOTAL NONCURRENT ASSETS	5,653	4,059	
PLANT			
Telecommunications Plant in Service (2001)	22,950	20,819	8
Less: Accumulated Depreciation (3100)	13,739	12,518	9
Less: Accumulated Amortization-Tangible (3400)			10
Less: Accumulated Amortization-Capitalized Leases (3410)			11
Net Telecommunications Plant in Service	9,211	8,301	
Property Held for Future Telecommunications Use (2002)			12
Less: Accumulated Depr.-Held for Future Telecom. Use (3200)			13
Nonoperating Plant (2006)			14
Less: Accumulated Depreciation-Nonoperating (3300)			15
Telecommunications Plant Under Construction (2003)			16
Telecommunications Plant Adjustment (2005)			17
Goodwill (2007)			18
TOTAL PLANT	9,211	8,301	
TOTAL ASSETS AND OTHER DEBITS	22,231	17,465	

BALANCE SHEET - LIABILITIES

Former accounts 4020, 4050, and 4060 should be reported, as required by the Commission's order in docket 05-US-113.

Particulars (a)	Balance--EOY (000's) (b)	Balance--FOY (000's) (c)	
CURRENT LIABILITIES			
Notes Payable (former account 4020)	0		1
Current Maturities-Long-Term Debt (former account 4050)	1,023	955	2
Current Maturities-Capital Leases (former account 4060)	0		3
Other Current Liabilities (4000-4130, except 4020, 4050 and 4060)	881	716	4
TOTAL CURRENT LIABILITIES	1,904	1,671	
LONG-TERM DEBT			
Long-Term Debt and Funded Debt (4200)	8,740	9,540	5
TOTAL LONG-TERM DEBT	8,740	9,540	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Liabilities and Deferred Credits (4300-4370)	91	48	6
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS	91	48	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)	1	1	7
Additional Paid-in Capital (4520)	0		8
Treasury Stock (4530)	0		9
Other Capital (4540)	5,626	3,643	10
Retained Earnings (4550)	5,869	2,562	11
TOTAL STOCKHOLDERS' EQUITY	11,496	6,206	
TOTAL LIABILITIES AND OTHER CREDITS	22,231	17,465	

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)	
Chippewa Valley Communications	CVC	1

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.

Docket	Affiliate	Billed To or From	Cost Based (C)	Activity (000's)	% Billed to Regulated Utilities
			Market Price (M) OR Prevailing Price (P) Tariff (T) Other (O)	(Earn Reg) OR Activity exceeds reporting threshold (Price Reg)	
4070ATF100	CVC	From	C	Yes	1

AFFILIATED ASSETS AND LIABILITIES

This schedule should be used to report affiliated activity concerning balances at the end of the year. Amounts at the end of the year for each affiliate should be identified by respective affiliate and account number. Report information below consecutively by respective account number; affiliated amounts of less than \$5,000 may be reported in aggregate as "Other" for a particular account.

Name of Affiliate (a)	Account Number (b)	Balance EOY (000's) (c)	
Chippewa Valley Communications	1410	4,761	1

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	262		1
Motor Vehicles	2112	340	28	2
Aircraft	2113	0		3
Tools and Other Work Equipment	2114	279		4
Buildings	2121	1,145		5
Furniture	2122	161		6
Office Equipment	2123	76	2	7
General Purpose Computers	2124	77	14	8
TOTAL GENERAL SUPPORT ASSETS		2,340	44	
CENTRAL OFFICE ASSETS				
Non-Digital Switching	2211	0		9
Digital Electronic Switching	2212	2,888	566	10 1
Operator Systems	2220	0		11
Radio Systems	2231	0		12
Circuit Equipment	2232	2,921	311	13 1
TOTAL CENTRAL OFFICE ASSETS		5,809	877	
INFORMATION ORIGATION/TERMINATION ASSETS				
Station Apparatus	2311	12		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	0		18
TOTAL INFORMATION ORIG/TERM ASSETS		12	0	
CABLE & WIRE FACILITIES ASSETS				
Poles	2411	3		19
Aerial Cable	2421	12	0	20
Underground Cable	2422	225	0	21
Buried Cable	2423	11,553	1,323	22
Submarine and Deep Sea Cable	2424	0	0	23
Intrabuilding Network Cable	2426	382	0	24
Aerial Wire	2431	0		25
Conduit Systems	2441	483		26
TOTAL CABLE & WIRE FACILITIES ASSETS		12,658	1,323	
AMORTIZABLE ASSETS				
Capital Leases	2681	0		27
Leasehold Improvements	2682	0		28
Intangibles	2690	0		29
TOTAL AMORTIZABLE ASSETS		0	0	

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

Account (e)	Retirements (000's) (f)	Transfers / Adjustments (000's) (g)	Balance EOY (000's) (h)	
2111			262	1
2112	25		343	2
2113			0	3
2114			279	4
2121			1,145	5
2122			161	6
2123			78	7
2124	14		77	8
	39	0	2,345	
2211			0	9
2212	0	32	3,486	10 1
2220			0	11
2231			0	12
2232	56	(32)	3,144	13 1
	56	0	6,630	
2311			12	14
2321			0	15
2341			0	16
2351			0	17
2362			0	18
	0	0	12	
2411			3	19
2421	0	0	12	20
2422	0	0	225	21
2423	18	0	12,858	22
2424	0	0	0	23
2426	0	0	382	24
2431			0	25
2441			483	26
	18	0	13,963	
2681			0	27
2682			0	28
2690			0	29
	0	0	0	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (000's) (c)	Additions (000's) (d)	
TOTAL TELECOM. PLANT IN SERVICE	2001	20,819	2,244	
Less: Allocation to Nonregulated Activity - EOY	2001			30
NET REG TOTAL TELECOM. PLANT IN SERVICE - EOY	2001			

Explain all amounts shown in column (g).

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

Account (e)	Retirements (000's) (f)	Transfers / Adjustments (000's) (g)	Balance EOY (000's) (h)	
2001	113	0	22,950	
2001			797	30
2001			22,153	

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

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

Plant Subaccount (a)	Subaccount (b)	Balance FOY (000's) (c)	Additions (000's) (d)	
Digital Electronic Switching - Circuit	2212.1	0		1
Digital Electronic Switching - Packet	2212.2	2,888	566	2 1
Circuit Equipment - Electronic	2232.1	2,921	311	3 1
Circuit Equipment- Optical	2232.2	0		4
Aerial Cable - Nonmetallic	2421.1	0		5
Aerial Cable - Metallic	2421.2	12		6
Underground Cable - Nonmetallic	2422.1	66		7
Underground Cable - Metallic	2422.2	159		8
Buried Cable - Nonmetallic	2423.1	4,176	782	9
Buried Cable - Metallic	2423.2	7,377	541	10
Submarine and Deep Sea Cable - Nonmetallic	2424.1	0		11
Submarine and Deep Sea Cable - Metallic	2424.2	0		12
Intrabuilding Cable - Nonmetallic	2426.1	0		13
Intrabuilding Cable - Metallic	2426.2	382		14

Explain all amounts shown in column (g).

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

Subaccount (e)	Retirements (000's) (f)	Transfers / Adjustments (000's) (g)	Balance EOY (000's) (h)	
2212.1			0	1
2212.2		32	3,486	21
2232.1	56	(32)	3,144	31
2232.2			0	4
2421.1			0	5
2421.2			12	6
2422.1			66	7
2422.2			159	8
2423.1	1		4,957	9
2423.2	17		7,901	10
2424.1			0	11
2424.2			0	12
2426.1			0	13
2426.2			382	14

ACCUMULATED DEPRECIATION

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	228	20.0	46		1
Aircraft	2113	0				2
Tools and Other Work Equipment	2114	265	9.09	3		3
Buildings	2121	491	2.63	37		4
Furniture	2122	161	10.0			5
Office Equipment	2123	76	20.0	2		6
General Purpose Computers	2124	77	20.0	14		7
TOTAL GENERAL SUPPORT ASSETS		1,298		102	0	
CENTRAL OFFICE ASSETS						
Non-Digital Switching	2211	0				8
Digital Electronic Switching	2212	2,242		380	0	9
Operator Systems	2220	0				10
Radio Systems	2231	0				11
Circuit Equipment	2232	2,745		151	0	12
TOTAL CENTRAL OFFICE ASSETS		4,987		531	0	
INFORMATION ORIGINATION/TERMINATION ASSETS						
Station Apparatus	2311	12	20.0			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	0				17
TOTAL INFORMATION ORIG/TERM ASSETS		12		0	0	
CABLE & WIRE FACILITIES ASSETS						
Poles	2411	3	11.7	0		18
Aerial Cable	2421	12		0	0	19
Underground Cable	2422	181		3	0	20
Buried Cable	2423	5,481		681	0	21
Submarine and Deep Sea Cable	2424	0		0	0	22
Intrabuilding Network Cable	2426	382		0	0	23
Aerial Wire	2431	0				24
Conduit Systems	2441	162	2.5	17		25
TOTAL CABLE & WIRE FACILITIES ASSETS		6,221		701	0	
Total Accumulated Depreciation	3100	12,518		1,334	0	
Less: Nonreg Accumulated Depreciation	3100			7	0	26
Net Reg Total Accumulated Depreciation	3100			1,327	0	
Columns e, f and I						

ACCUMULATED DEPRECIATION (cont.)

Acct (g)	Retired (000's) (h)	Net Salvage (000's) (i)	Other (000's) (j)	Balance EOY (000's) (k)	
2112	25			249	1
2113	0			0	2
2114	0			268	3
2121	0			528	4
2122	0			161	5
2123	0			78	6
2124	14			77	7
	39	0	0	1,361	
2211	0			0	8
2212	0	0	0	2,622	9
2220	0			0	10
2231	0			0	11
2232	56	0	0	2,840	12
	56	0	0	5,462	
2311	0			12	13
2321	0			0	14
2341	0			0	15
2351	0			0	16
2362	0			0	17
	0	0	0	12	
2411	0			3	18
2421	0	0	0	12	19
2422	0	0	0	184	20
2423	18	0	0	6,144	21
2424	0	0	0	0	22
2426	0	0	0	382	23
2431	0			0	24
2441	0			179	25
	18	0	0	6,904	
3100	113	0	0	13,739	
3100				721	26
3100				13,018	

ACCUMULATED DEPRECIATION (SUB-CLASS ACCOUNTS)

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

Plant Subaccount (a)	Subacct (b)	Balance FOY (000's) (c)	Depr Rate (d)	Annual Accrual (000's) (e)	Additional Accrual (000's) (f)	
Digital Electronic Switching - Circuit	2212.1	0				1
Digital Electronic Switching - Packet	2212.2	2,242	33.3	380		2
Circuit Equipment - Electronic	2232.1	2,745	13.3	151		3
Circuit Equipment- Optical	2232.2	0				4
Aerial Cable - Nonmetallic	2421.1	0				5
Aerial Cable - Metallic	2421.2	12	7.4			6
Underground Cable - Nonmetallic	2422.1	24	6.8	2		7
Underground Cable - Metallic	2422.2	157	3.3	1		8
Buried Cable - Nonmetallic	2423.1	1,752	6.8	209		9
Buried Cable - Metallic	2423.2	3,729	5.0	472		10
Submarine and Deep Sea Cable - Nonmetall	2424.1	0				11
Submarine and Deep Sea Cable - Metallic	2424.2	0				12
Intrabuilding Cable - Nonmetallic	2426.1	0				13
Intrabuilding Cable - Metallic	2426.2	382	6.5			14

ACCUMULATED DEPRECIATION (SUB-CLASS ACCOUNTS) (cont.)

Subacct (g)	Retired (000's) (h)	Net Salvage (000's) (i)	Other (000's) (j)	Balance EOY (000's) (k)	
2212.1	0			0	1
2212.2	0			2,622	2
2232.1	56			2,840	3
2232.2	0			0	4
2421.1	0			0	5
2421.2	0			12	6
2422.1	0			26	7
2422.2	0			158	8
2423.1	1		(428)	1,532	9 1
2423.2	17		428	4,612	10 1
2424.1	0			0	11
2424.2	0			0	12
2426.1	0			0	13
2426.2	0			382	14

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)*	854	842	1
Basic Area Revenue (5001)			2
Private Line Revenue (5040)			3
Other Basic Area Revenue (5060)			4
TOTAL LOCAL NETWORK SERVICES REVENUES	854	842	
INTERSTATE NETWORK ACCESS SERVICES REV.			
End User Revenue (5081)*	344	349	5
Switched Access Revenue (5082)*	1,898	2,175	6
Special Access Revenue (5083)*	316	317	7
Receipts of Federal USF*	32	35	8
TOTAL INTERSTATE NETWORK ACCESS SERVICES REV.	2,590	2,876	
INTRASTATE NETWORK ACCESS SERVICES REV.			
End User Revenue (5081)*	48	49	9
Switched Access Revenue (5082)*	522	529	10
Special Access Revenue (5083)*	101	136	11 2
TOTAL INTRASTATE NETWORK ACCESS SERVICES REV.	671	714	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*	0	0	12
TOTAL LONG DISTANCE NETWORK SERVICES MESSAGE REV.	0	0	
MISCELLANEOUS & NONREGULATED REVENUES			
Miscellaneous Revenue (5200)*	276	262	13
Reciprocal Compensation Revenues (5200)			14
Unbundled Network Element Revenues (5200)			15
Directory Revenue (5230)			16
Nonregulated Operating Revenue (5280)*			17
TOTAL MISCELLANEOUS & NONREGULATED REVENUES	276	262	
GROSS OPERATING REVENUES	4,391	4,694	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*	4	9	18
TOTAL UNCOLLECTIBLE REVENUES	4	9	
TOTAL OPERATING REVENUES	4,387	4,685	

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

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

Description (a)	This Year (000's) (b)	
Gross Operating Revenues	4,391	1
Plus: Collection of amounts previously written off	0	2
Less: Uncollectibles written off during the year	4	3
Plus: Total Other Operating Income and (Expense) (7100)	0	4
Less: Nonregulated Operating Revenue (included in Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)	0	7
Plus (or Less) Other (please specify): NONE	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	4,387	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (000's) (b)	
Total Basic Local Service Revenue (5000)	854	1
Plus: Total Intrastate Access Revenues (5081-5083)	671	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus: Intrastate Payphone Revenues		5
Plus (or Less) Other (please specify):		6
Assessable Revenues for Universal Service Fund Assessment Purposes	1,525	

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 Groups A - D -- Originating	4,945	1,041	2,788	0	1
Feature Groups A - D -- Terminating	5,189	1,500	2,668	0	2
Reciprocal Compensation	0	0	1,309	0	3

TYPE OF SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA & IntraLATA Channel Terminations (b)	
Voice grade	Yes	1
56/64 kbps (DS0)	Yes	2
1.54 Mbps (DS-1)	Yes	3
45 Mbps (DS-3)	No	4
SONET OC-1 (51.84 Mbps)	No	5
SONET OC-3 (155.52 Mbps)	No	6
SONET OC-12 (622.08 Mbps)	No	7
SONET OC-48 (2.488 Gbps)	No	8
SONET OC-192 (9.953 Gbps)	No	9
SONET OC-768 (39.812 Gbps)	No	10

SERVICE DATA

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

Item (a)	FOY (b)	EOY (c)	
Business			
1 Party	670	678	3
PBX Trunks/Centrex & Key System Trunks	244	240	4
Centrex Lines	0	0	5
Other	21	21	6
Total Business Lines	935	939	7
Residential (Incl. Emp. Concess.)			8
Total Residential Lines	3,126	3,083	9
Total Bus & Res Lines	4,061	4,022	10
Company Total Lines Used	114	115	11
Total Lines Used	4,175	4,137	12
Miscellaneous			13
Special Access-intraLATA (expressed in equivalent access lines)	152	55	14
Special Access-interLATA (expressed in equivalent access lines)	387	506	15
Feature Group C and D Trunks	288	288	16
EAS and ECC - Trunks	203	203	17
Cellular Trunks (Public Switched Network)	0	0	18
Other*	8	8	19
Customers			20
Number of Lifeline customers at FOY (January 1, 2006) and EOY (December 31, 2006):	161	187	21
Number of Linkup customers connected during FOY (Calendar year 2005) and EOY (Calendar year 2006):	36	54	22
Other			23
Total Company Square Miles	368	368	24
Total Company Route Miles	862	904	25
			26
			27
			28
			29
			30

*Other includes WATS Lines (OutWATS and 800 Service), FX-In-intraLATA, and TSPS Trunks

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.

PSCW Exchange ID (a)	Total Business Lines (b)	Total Residential Lines (c)	Total Business & Residential Lines (d)	Company Total Lines Used (e)	Total Lines Used (f)	Exchange Square Miles (g)	Exchange Route Miles (h)	
0200	46	451	497	11	508	64	140	1
1560	780	1,728	2,508	81	2,589	135	382	2
2050	40	494	534	14	548	105	265	3
3680	73	410	483	9	492	64	117	4
	939	3,083	4,022	115	4,137	368	904	

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

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

EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

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

CENTRAL OFFICE DATA - END OF YEAR

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

Description (a)	Central Off. (b)	Central Off. (c)	Central Off. (d)	Central Off. (e)	
Exchange Name	ARKANSAW	DURAND	GILMANTON	NELSON	1
PSCW Exchange ID	0200	1560	2050	3680	2
Central Office Name	ARKANSAW	DURAND	GILMANTON	NELSON	3
PSCW Central Office ID	1	1	1	1	4
Central Office CLLI Code	ARKNWIXARSO	DRNDWIXADSA	GLTNWIXARSO	NLSNWIXARSO	5
Manufacturer of COE (Page 54)	NTI	NTI	NTI	NTI	6
Type of Equipment (Page 54)	D	D	D	D	7
(S)tandalone, (H)ost, (R)emote, (D)igital Loop Carrier	S	H	S	S	8
Remote Host PSCW Exchange ID					9
Remote Host Central Office CLLI Code					10
COE Generic Software Release No.	601.10	601.10	601.10	601.10	11
SS7?	Yes	Yes	Yes	Yes	12
					13
Access Lines - In Use	512	2,610	550	499	14
Trunks - In Use	0	773	0	0	15
ISDN Available?	No	No	No	No	16
DSL Service Available?	Yes	Yes	Yes	Yes	17
- In Use (# lines)	58	305	60	44	18
End User VoIP Available?	No	No	No	No	19
Digital Service Available: DS-1 - In Use	1	17	1	2	20
DS-3 - In Use		2	1	0	21
OC-3 - In Use					22
Advanced Data Service Available:					23
Packet Switching?	No	No	No	No	24
Frame Relay?	No	No	No	No	25
ATM (Asynchronous Trans. Mode)?	No	No	No	No	26
Fiber Transmission Facilities:					27
Miles of fiber sheath in wire center	52	112	76	42	28
Access Tandem Serving this C.O.:					29
- C.O. Name	ELK LAKE	ELK LAKE	ELK LAKE	ELK LAKE	30
- PSCW C.O. CLLI Code	1740-01	1740-01	1740-01	1740-01	31
Does this C.O. do access tandem switching?	No	No	No	No	32
Footnotes					33

Communities where Basic Local Service is offered to New Customers

County Name (a)	Municipality Name (b)	Municipality Type (c)	
Pepin	ALBANY	Town	1
Buffalo	ALMA	Town	2
Buffalo	CANTON	Town	3
Buffalo	DOVER	Town	4
Pepin	DURAND	City	5
Pepin	DURAND	Town	6
Dunn	EAU GALLE	Town	7
Pepin	FRANKFORT	Town	8
Buffalo	GILMANTON	Town	9
Pepin	LIMA	Town	10
Buffalo	LINCOLN	Town	11
Buffalo	MAXVILLE	Town	12
Buffalo	MODENA	Town	13
Buffalo	MONTANA	Town	14
Buffalo	NAPLES	Town	15
Buffalo	NELSON	Town	16
Buffalo	NELSON	Village	17
Dunn	PERU	Town	18
Dunn	ROCK CREEK	Town	19
Pierce	ROCK ELM	Town	20
Pierce	UNION	Town	21
Pepin	WATERVILLE	Town	22
Pepin	WAUBEEK	Town	23

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

General Footnote

Schedule Footnotes

Schedule Line Footnotes

- 1) Reclassification of prior year balances
- 2) Changes in revenue reflec disconnects of special access circuits with AT&T and Ameritech.