



4008

ANNUAL REPORT

of

Name: CHEQTEL COMMUNICATIONS INC

Principal Office: 43705 US HWY 63
 P.O. BOX 67
 CABLE, WI 54821
 PO Box Zip: 54821

For the Year Ended: DECEMBER 31, 2003

Alternative Telecommunications Utility -- Other Telecommunications Provider

To

Public Service Commission of Wisconsin

Mailing Address:	P.O. Box 7854 Madison, WI 53707-7854
Courier Address:	610 N. Whitney Way Madison, WI 53705-2729
E-mail:	pscrecs@psc.state.wi.us
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Facsimile:	(608) 266-3957
Home Page:	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.

RULES FOR REPORTING

1. The annual report due date is April 1 of the following year. (Example: The 2002 report is due April 1, 2003.) If that date falls on a weekend or holiday, the annual report is due the following business day.
2. **Electronic filing via e-mail is required unless additional provisional confidential treatment is desired.** Go to the Public Service Commission of Wisconsin's Web Page at <http://psc.wi.gov>, click on Telecommunications, click on Annual Report Programs and Worksheets, and click on Annual Report Program for Alternative Telecommunications Utility - Other Telecommunications Providers (OTH).
3. Alternative Telecommunications Utility-Other Telecommunications Provider (ATU-Other) entities with no revenues for the report year are required to file an OTH annual report.
4. Unless otherwise indicated, the information requested in this report should be taken from the accounts and other records of the utility. A query or response concerning information contained in this report regarding any practice or transaction should not be construed as indicating conformity to pertinent regulations.
5. Please follow all instructions and answer each question fully and accurately. Provide additional information as necessary to avoid misunderstandings or misleading responses.
6. Wherever information is requested in a "note," please show that information in the space provided, or make reference to the adjacent page or insert where the note may be found. Please also identify each note. Limited footnote capability is included in the annual report software program. Please use it where necessary to fully explain particulars in the annual report.
7. Numeric items are limited to digits (0-9). Do not type commas when entering numbers. A minus sign "-" should be entered in the software program to indicate negative values. The program will convert the minus sign to parentheses if a hard copy of the annual report is printed. Negative values may not be allowed for certain entries in the annual report due to restrictions contained in the software program.
8. Please report all dollar amounts to the nearest thousand dollars.
9. This annual report should be complete in all respects. Unless otherwise authorized, avoid references to returns of former years or to other reports.
10. Wherever schedules call for data from the previous year and such data were reported in the previous annual report, the previous year's data should be reported without modification. If modified, an appropriate footnote and explanation should be included in the current year's annual report.
11. Where part or all of the report is prepared by other than utility personnel, a disclosure is required in the "Individual or firm, if other than utility employee, preparing this report" portion of the Identification and Ownership schedule, which describes the nature and extent of work performed.
12. The OTH annual report program incorporates provisional confidentiality capability for the following item, based on the Commission's Information Regarding Confidential Filings decision dated February 24, 2003, as supplemented for the new Nonregulated Revenues category on the Operating Revenues schedule:
 - a. Operating Revenues (Particulars, Wisconsin-Based Intrastate, Wisconsin-Based Interstate, Wisconsin-Based Total, and Total Company columns) (pp. 14-15) (Miscellaneous Revenues and Nonregulated Revenues descriptions, other than Video Distance Learning and Directory appearing in the report form, contained in the Particulars column (column a) and respective dollar amounts reported for the Miscellaneous Revenues and Nonregulated Revenues categories in the columns labeled Wisconsin-

RULES FOR REPORTING

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

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

If additional provisional confidential treatment is desired, please contact the Commission concerning required manual filing procedures. In this situation, do not file the annual report electronically using the program's e-mail filing capabilities.

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

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

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

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

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

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

- 15. **Name Changes:**

If a name change (e.g., the new name, the date of the change, and the affected entities with their respective four-digit Commission identification numbers) is identified in the report, documents from the State of Wisconsin Department of Financial Institutions (DFI) also must be submitted to the Commission:

RULES FOR REPORTING

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

These documents can be obtained by:

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

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

16. Changes to the Annual Report Subsequent to Filing:

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

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

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

SIGNATURE PAGE

I JANICE CHRISTENSON of
(Person responsible for accounts)

CHEQTEL COMMUNICATIONS 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.

JANICE CHRISTENSON 04/30/2004
(Person responsible for accounts) (Date)

LEAD BOOKKEEPER
(Title)

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IDENTIFICATION AND OWNERSHIP

Exact Utility Name: CHEQTEL COMMUNICATIONS INC**Utility Location:** 43705 US HWY 63
P.O. BOX 67
CABLE, WI 54821
PO Box Zip: 54821**Utility Web Site Address:** www.cheqtel.com**Date utility authorized to provide service in Wisconsin:** 05/08/1997**State in which utility was organized:** Wisconsin**Organization type (e.g., corporation, partnership):** Corporation**New Utility Name:****Effective Date:****Telephone numbers for potential customers to contact company:**

Business Customers: (715) 798 - 3303 Ext:

Residential Customers: (715) 798 - 3303 Ext:

Primary Utility Contact (located at utility address)

Name: JANICE CHRISTENSON**Title:** LEAD BOOKKEEPER**Firm/Company:** CHEQTEL COMMUNICATIONS INC**Office Address:** 43705 US HWY 63
P.O. BOX 67
CABLE, WI 54821-0067**Fax Number:** (715) 798 - 4369**Telephone Number:** (715) 798 - 3303 extn. 128**Email Address:** jchristenson@cheqtel.com

Officer in charge of correspondence concerning this report

Name: JANICE CHRISTENSON**Title:** LEAD BOOKKEEPER**Firm/Company:** CHEQTEL COMMUNICATIONS INC**Office Address:** 43705 US HWY 63
P.O. BOX 67
CABLE, WI 54821**Fax Number:** (715) 798 - 4369**Telephone Number:** (715) 798 - 3303 extn. 128**Email Address:** jchristenson@cheqtel.com

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

Name:**Title:****Firm/Company:****Office Address:****Fax Number:****Telephone Number:****Email Address:**

IDENTIFICATION AND OWNERSHIP**Name and address of the office where the utility's books are kept**

Name: DAVID J CARTER
Title: CEO
Firm/Company: CHEQTEL COMMUNICATIONS INC
Office Address: 43705 US HWY 63
P.O. BOX 67
CABLE, WI 54821
Fax Number: (715) 798 - 4369
Telephone Number: (715) 798 - 3303 extn. 147
Email Address: dcarter@cheqtel.com

Contact person for Regulatory Inquiries and Complaints

Name: DAVID J CARTER
Title: CEO
Firm/Company: CHEQTEL COMMUNICATIONS INC
Office Address: 43705 US HWY 63
P.O. BOX 67
CABLE, WI 54821
Fax Number: (715) 798 - 4369
Telephone Number: (715) 798 - 3303 extn. 147
Email Address: dcarter@cheqtel.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: CHEQUAMEGON COMMUNICATIONS COOPERATIVE INC
Address: 43705 US HWY 63
PO BOX 67
CABLE , WI 54821
Number of Shares Held: 45,000
Beneficial Owner: NONE

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

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

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (000's)(b)	Last Year (000's)(c)	
Operating Revenues	4,826	4,283	1
OPERATING EXPENSES			
Access and Billing Expenses	0	0	2
Local Interconnection	1,018	1,000	3
Other Charges Imposed by Another Carrier	17	6	4
Communication System Operations	1,810	1,586	5
Sales and Marketing	760	835	6
Administrative and General	119	115	7
Depreciation and Amortization	936	807	8
Other	11	(76)	9
Total Operating Expenses	4,671	4,273	10
Net Operating Income	155	10	11
OTHER INCOME			
Nonoperating Income and Expense	0	22	12
Nonoperating Taxes	0	0	13
Interest and Related Items	300	347	14
Extraordinary Items	0	0	15
Nonregulated Net Income	0	0	16
Total Nonoperating Income	(300)	(325)	17
Net Income	(145)	(315)	18

Income Statement - Total Company Note:

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

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

INCOME STATEMENT - WISCONSIN INTRASTATE OPERATIONS

Particulars (a)	Wisconsin Intrastate % This Year (b)	This Year (000's) (c)	Last Year (000's) (d)	
Operating Revenues	96.00%	3,741	3,504	1
OPERATING EXPENSES				
Access and Billing Expenses	0%	0	0	2
Local Interconnection	62.00%	1,018	1,000	3
Other Charges Imposed by Another Carrier	62.00%	17	6	4
Communication System Operations	100.00%	1,810	1,298	5
Sales and Marketing	100.00%	760	683	6
Administrative and General	100.00%	119	115	7
Depreciation and Amortization	100.00%	936	807	8
Other	100.00%	11	(76)	9
Total Operating Expenses	89.00%	4,671	3,833	10
Net Operating Income	93.00%	(930)	(329)	11
OTHER INCOME				
Nonoperating Income and Expense	100.00%	0	22	12
Nonoperating Taxes	0%	0	0	13
Interest and Related Items	100.00%	300	347	14
Extraordinary Items	0%	0	0	15
Nonregulated Net Income	0%	0	0	16
Total Nonoperating Income	100.00%	(300)	(325)	17
Net Income	96.00%	(1,230)	(654)	18

Income Statement - Wisconsin Intrastate Operations Note:

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

Revenue basis factors

TOTAL COMPANY BALANCE SHEET - ASSETS

Particulars (a)	Balance--EOY (000's)(b)	Balance--FOY (000's)(c)	
CURRENT ASSETS			
Cash and Cash Equivalents	53	55	1
Net Telecommunications Accounts Receivable	146	166	2
Net Other Accounts Receivable	144	116	3
Net Notes Receivable	0	0	4
Interest and Dividends Receivable	0	0	5
Materials and Supplies	78	18	6
Prepayments	80	38	7
Other Current Assets	0	0	8
TOTAL CURRENT ASSETS	501	393	
NONCURRENT ASSETS			
Investments in Affiliated Companies	540	553	9
Investments in Nonaffiliated Companies	0	0	10
Other Noncurrent Assets	77	56	11
Deferred Charges	0	0	12
TOTAL NONCURRENT ASSETS	617	609	
PLANT			
Telecommunications Plant in Service	9,893	9,544	13
Less: Accumulated Depreciation and Amortization	2,248	1,414	14
Net Property Held for Future Telecommunications Use	0	0	15
Net Nonoperating Plant	0	0	16
Telecommunications Plant Under Construction	(15)	355	17
Net Telecommunications Plant Adjustment	0	0	18
TOTAL PLANT	7,630	8,485	
TOTAL ASSETS AND OTHER DEBITS	8,748	9,487	

TOTAL COMPANY BALANCE SHEET - LIABILITIES AND CAPITAL

Particulars (a)	Balance--EOY (000's)(b)	Balance--FOY (000's)(c)	
CURRENT LIABILITIES			
Accounts and Notes Payable to Affiliated Companies	1,325	1,431	1
Other Accounts and Notes Payable	0	0	2
Advance Billing and Payments	0	0	3
Customer Deposits	0	0	4
Current Maturities - Long-Term Obligations	443	406	5
Taxes Accrued	0	0	6
Other Current and Accrued Liabilities	32	43	7
TOTAL CURRENT LIABILITIES	1,800	1,880	
LONG-TERM DEBT			
Net Funded Debt	3,265	3,708	8
Obligations Under Capital Leases	0	0	9
Advances from Affiliated Companies	0	0	10
Other Long-Term Debt	0	0	11
TOTAL LONG-TERM DEBT	3,265	3,708	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities	(115)	(17)	12
Unamortized Investment Tax Credits	0	0	13
Net Noncurrent Deferred Income Taxes	51	24	14
Other Deferred Credits	0	0	15
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS	(64)	7	
STOCKHOLDERS' EQUITY			
Capital Stock and Paid-In Capital	4,500	4,500	16
Other Capital	0	0	17
Retained Earnings	(753)	(608)	18
TOTAL STOCKHOLDERS' EQUITY	3,747	3,892	
TOTAL LIABILITIES AND OTHER CREDITS	8,748	9,487	

TOTAL COMPANY BALANCE SHEET - NOTES

Other information concerning the total company balance sheet.

RETAINED EARNINGS - TOTAL COMPANY

Particulars (a)	This Year (000's)(b)	Last Year (000's)(c)	
Balance - First of Year	(608)	(293)	1
Changes:			
Balance Transferred from Income	(145)	(315)	2
Dividends Declared	0	0	3
Miscellaneous Debits to Retained Earnings	0	0	4
Miscellaneous Credits to Retained Earnings	0	0	5
Balance - End of Year	(753)	(608)	6

**TELECOMMUNICATIONS PLANT IN SERVICE & ACCUMULATED DEPRECIATION &
AMORTIZATION - WISCONSIN**

Plant Function (a)	Plant in Service FOY (000's)(b)	Additions (000's)(c)	Retirements (000's)(d)	
GENERAL SUPPORT				
Land	131	0	0	1
Buildings	555	0	0	2
Furniture	18			3
CENTRAL OFFICE				
Digital COE	2,478	113	0	4
Digital COE Software	16	2	0	5
Headend Equipment	50	0	0	6
Circuit Equipment-Subscriber	0	0	0	7
Circuit Equipment-Fiber	0	0	0	8
Next Level Equipment	161	0	0	9
INFORMATION ORIG./TERM.				
Customer Installation-CATV	449	55	0	10
CATV Gateway Equipment	332	99	0	11
CABLE WIRE FACILITIES				
Underground Wire	0	0	0	12
Coax Cable	150	0	0	13
Buried Cable-Filled	5,204	271	56	14
Buried Cable-Fiber	0	0	0	15
Conduit	0	0	0	16
AMORTIZABLE				
none	0	0	0	17
TOTAL PLANT IN SERVICE	9,544	540	56	

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

Plant Function (e)	Transfers / Adjustments (000's)(f)	Plant in Service EOY (000's)(g)	Acc. Depr. & Amortization EOY (000's)(h)	Net Plant in Service EOY (000's)(i)	
GENERAL SUPPORT					
Land	0	131	0	131	1
Buildings	0	555	75	480	2
Furniture		18	7	11	3
CENTRAL OFFICE					
Digital COE	(1,899)	692	678	14	4
Digital COE Software	380	398	97	301	5
Headend Equipment	61	111	73	38	6
Circuit Equipment-Subscriber	186	186	12	174	7
Circuit Equipment-Fiber	107	107	(22)	129	8
Next Level Equipment	1,136	1,297	102	1,195	9
INFORMATION ORIG./TERM.					
Customer Installation-CATV	0	504	193	311	10
CATV Gateway Equipment	0	431	134	297	11
CABLE WIRE FACILITIES					
Underground Wire	49	49	2	47	12
Coax Cable	0	150	150	0	13
Buried Cable-Filled	(1,271)	4,148	704	3,444	14
Buried Cable-Fiber	914	914	36	878	15
Conduit	202	202	8	194	16
AMORTIZABLE					
none	0	0	0	0	17
TOTAL PLANT IN SERVICE	(135)	9,893	2,249	7,644	

OPERATING REVENUES

Particulars (a)	Wisconsin- Based Intrastate (000's)(b)	Wisconsin- Based Interstate (000's)(c)	
LOCAL NETWORK SERVICES REVENUES			
End User Retail	665		1
Reciprocal Comp. & Interconnection			2
Private Line, Special Access & UNEs			3
Enter Other Description Here			4
NETWORK INTERSTATE ACCESS SERVICE REVENUES			
End User Line Charge		170	5
Switched		227	6
Special		13	7
NETWORK INTRASTATE ACCESS SERVICE REVENUES			
Switched	210		8
Special			9
Enter Other Description Here			10
LONG DISTANCE NETWORK SERVICES MESSAGE REVENUES			
Enter Description Here	674	538	11
LONG DISTANCE PRIVATE NETWORK REVENUES			
Enter Description Here			0 12
MISCELLANEOUS REVENUES			
Video Distance Learning	0		13
Directory	0		14
Rent Revenue	4		15
Miscellaneous Revenue	31		16
Homisco Calling Card Revenue	3		17
NONREGULATED REVENUES			
Internet Access Revenues	1,214	137	18
Phone Revenue	231		19
Cellular	152		20
Alarm Equipment	97		21
Paging Equipment	26		22
Internet Equipment	92		23
Computer Networking	(28)		24
Video Equipment	5		25
Video Access	379		26
GROSS OPERATING REVENUES	3,755	1,085	
UNCOLLECTIBLE REVENUES			
Enter Description Here	14		27
TOTAL UNCOLLECTIBLE REVENUES	14		0
TOTAL OPERATING REVENUES	3,741	1,085	

OPERATING REVENUES (cont.)

Particulars (d)	Wisconsin- Based Total (000's)(e)	Total Company (000's)(f)	
LOCAL NETWORK SERVICES REVENUES			
End User Retail	665	665	1
Reciprocal Comp. & Interconnection	0	0	2
Private Line, Special Access & UNEs	0	0	3
Enter Other Description Here	0	0	4
NETWORK INTERSTATE ACCESS SERVICE REVENUES			
End User Line Charge	170	170	5
Switched	227	227	6
Special	13	13	7
NETWORK INTRASTATE ACCESS SERVICE REVENUES			
Switched	210	210	8
Special	0	0	9
Enter Other Description Here	0	0	10
LONG DISTANCE NETWORK SERVICES MESSAGE REVENUES			
Enter Description Here	1,212	1,212	11
LONG DISTANCE PRIVATE NETWORK REVENUES			
Enter Description Here	0	0	12
MISCELLANEOUS REVENUES			
Video Distance Learning	0	0	13
Directory	0	0	14
Rent Revenue	4	4	15
Miscellaneous Revenue	31	31	16
Homisco Calling Card Revenue	3	3	17
NONREGULATED REVENUES			
Internet Access Revenues	1,351	1,351	18
Phone Revenue	231	231	19
Cellular	152	152	20
Alarm Equipment	97	97	21
Paging Equipment	26	26	22
Internet Equipment	92	92	23
Computer Networking	(28)	(28)	24
Video Equipment	5	5	25
Video Access	379	379	26
GROSS OPERATING REVENUES	4,840	4,840	
UNCOLLECTIBLE REVENUES			
Enter Description Here	14	14	27
TOTAL UNCOLLECTIBLE REVENUES	14	14	
TOTAL OPERATING REVENUES	4,826	4,826	

AVERAGE NUMBER OF SUBSCRIBERS

Average Number of Subscribers (a)	Wisconsin-Based Total (Actual No.) (b)	Total Company (Actual No.) (c)	
Residential	764	764	1
Business	1,086	1,086	2
Total	1,850	1,850	3

NUMBER OF LIFELINE AND LINKUP CUSTOMERS

Number of Lifeline and Linkup Customers (a)	Wisconsin (Actual No.)(b)	
Number of Lifeline Customers in Wisconsin at December 31, 2003	27	1
Number of Linkup Customers in Wisconsin Connected During 2003	3	2

ACCESS EXPENSES, BILLING EXPENSES & CHARGES IMPOSED BY ANOTHER CARRIER

Particulars (a)	Wisconsin- Based Intrastate (000's)(b)	Wisconsin- Based Interstate (000's)(c)	
ACCESS AND BILLING EXPENSES			
Carrier Common Line (Intrastate IntraLATA)			1
Carrier Common Line (Intrastate InterLATA)			2
Carrier Common Line (Interstate)			3
Switched Access			4
Special Access			5
Billing and Collection Expenses			6
TOTAL ACCESS AND BILLING EXPENSES	0	0	
CHARGES IMPOSED BY ANOTHER CARRIER			
Expenses Related to Interconnection with Another Local Exchange Carrier's Facilities	1,018		7
Expenses Related to the Wholesale Use of Another Carrier's Network (Resale & Unbundled Network Elements) and Tariffed General Service Offerings	17		8
TOTAL CHARGES IMPOSED BY ANOTHER CARRIER	1,035	0	
TOTAL ACCESS EXPENSES, BILLING EXPENSES & CHARGES IMPOSED BY ANOTHER CARRIER	1,035	0	

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

Particulars (d)	Wisconsin- Based Total (000's)(e)	Total Company (000's)(f)
ACCESS AND BILLING EXPENSES		
Carrier Common Line (Intrastate IntraLATA)	0	1
Carrier Common Line (Intrastate InterLATA)	0	2
Carrier Common Line (Interstate)	0	3
Switched Access	0	4
Special Access	0	5
Billing and Collection Expenses	0	6
TOTAL ACCESS AND BILLING EXPENSES	0	0
CHARGES IMPOSED BY ANOTHER CARRIER		
Expenses Related to Interconnection with Another Local Exchange Carrier`s Facilities	1,018	1,018 7
Expenses Related to the Wholesale Use of Another Carrier`s Network (Resale & Unbundled Network Elements) and Tariffed General Service Offerings	17	17 8
TOTAL CHARGES IMPOSED BY ANOTHER CARRIER	1,035	1,035
TOTAL ACCESS EXPENSES, BILLING EXPENSES & CHARGES IMPOSED BY ANOTHER CARRIER	1,035	1,035

CENTRAL OFFICE DATA - END OF YEAR

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

Description (a)	Central Off. (b)	Central Off. (c)	Central Off. (d)	Central Off. (e)	
Rate Center Name	HYWRWI01				1
Central Office (Switch) CLLI Code	HYWRWI101DSO				2
Switch Location	HAYWARD, WI				3
Manufacturer of COE	NTI				4
Year COE Installed	2000				5
Type of Equipment	DMS-10				6
(S)tandalone, (H)ost, (R)emote, (A)dv. Fiber Comm.	S				7
Remote Host Rate Center Name					8
Remote Host Switch CLLI Code					9
COE Generic Software Release No.	503.10				10
SS7?	Yes				11
9-1-1?	Yes				12
Access Lines - In Use	1,850				13
- Equipped	2,768				14
- Wired	3,940				15
Trunks - In Use	448				16
- Equipped	672				17
- Wired	960				18
ISDN Available?	Yes				19
ISDN Lines - In Use (BRI)	11				20
- In Use (PRI)	10				21
xDSL Available?	Yes				22
- In Use (# lines)	382				23
Switched 56 Service?	No				24
Switched 56 lines in use					25
Digital Transmission Facilities: DS-1 - In Use	28				26
DS-3 - In Use	0				27
Advanced Data Service Available:					
Packet Switching?	No				28
SMDS?	No				29
Frame Relay?	No				30
ATM (Asynchronous Trans. Mode)?	No				31
Video Information - Service Available?	Yes				32
- In Use (# lines) ¹	442				33
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	672				34
No. of fiber strands working (LIT) in C.O.	67				35
No. of fiber strands for interoffice use	16				36
Miles of fiber sheath in wire center	16				37
Access Tandem Serving this C.O.:					
- Central Office Name	IRON RIVER				38
- Central Office CLLI Code	IRRVWIXA62T				39
Does this C.O. do access tandem switching?	No				40

¹ Teleco provided end-to-end facility.

ASSESSABLE REVENUES

Description (a)	This Year (000's)(b)
Calculation of Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	
Gross Operating Revenues--Wisconsin (including outbound interstate revenues)	4,840 1
Less: Inbound Interstate Revenues (exclusive of uncollectible service revenues) Included in Line 1 (if any)	0 2
Less : Current Year Write-offs of Uncollectible Revenues	14 3
Plus: Current Year Collection of Operating Revenues Previously Written Off	0 4
Less : Nonregulated Operating Revenue (included in Gross Oper. Rev. on Line 1)	2,305 5
Plus: Nonregulated Net Write Off Amount (included on Lines 3 and 4)	6 6
Total Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	2,521 7

Assessable Revenues for Universal Service Fund Assessment Purposes

Wisconsin Gross Intrastate Operating Telecommunications Service Revenue	1,583 8
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Notes

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

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

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

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

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

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

"Operating" means provision of telecommunications services.

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

OTHER INFORMATION

Additional or other information concerning this annual report.

SCHEDULE AND REPORT NOTES

General Footnote

Schedule Footnotes

Telecommunications Plant in Service & Accumulated Depreciation & Amortization - Wisconsin Footnote. Page 12

A. TRANSFERRED \$8125 TO INVENTORY ACCOUNT

B. TRANSFERRED \$126,643 OF HOMISCO EQUIPMENT TO PARENT COMPANY
