

Pioneer Telephone Co.

Local and Long Distance Service

~~~~~ Serving LaCrosse, Endicott, Winona, Hooper, Dusty and Hay ~~~~~



August 8, 2006

Telephone 509/549-3511  
P.O. Box 207  
LaCrosse, Washington 99143-0207

Ms. Carole J. Washburn, Executive Secretary  
Washington Utilities and Transportation Commission  
1300 South Evergreen Park Drive SW  
Olympia, WA 98504-7250

Re: Request for Certification Pursuant to WAC 480-123-060 and  
47 C.F.R. §54.314

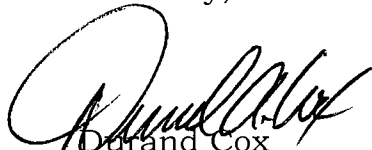
Dear Ms. Washburn:

Pursuant to WAC 480-123-060, Pioneer Telephone Company ("Company") hereby requests that the Washington Utilities and Transportation Commission certify that the Company has met the requirements of 47 C.F.R. §54.314 for eligibility for continued receipt of federal high-cost funds.

The certifications and reports that are specified in WAC 480-123-060, WAC 480-123-070 and WAC 480-123-080 are enclosed.

For the Commission's information, in addition to the Lifeline advertisement covered in the enclosed certification, Pioneer Telephone Company posts the Lifeline/WTAP information in the LaCrosse business office, has pamphlets available for such services in the business office, lists the Lifeline/WTAP services available in the Company's phone book and provides the Lifeline/WTAP information to all new customers at the time the customer subscribes for telephone service.

Sincerely,

  
Duane Cox  
Vice President

Enclosures

RECEIVED  
06 AUG 10 11 09:15  
COMMUNICATIONS SECTION

**AFFIDAVIT CONTAINING CERTIFICATIONS  
PURSUANT TO WAC 480-123-060 AND WAC 480-123-070**

I, Durand Cox, being of lawful age, state that I am Vice President of Pioneer Telephone Company ("Company"), that I am authorized to execute this Affidavit on behalf of the Company, and that the facts set forth in this Affidavit are true to the best of my knowledge, information and belief. On this basis, I hereby certify to the Washington Utilities and Transportation Commission ("Commission") for use by the Commission in providing the certification to the Federal Communications Commission and Universal Service Administrative Company required by 47 C.F.R. §54.314, as follows:

(1) That the Company will use federal high-cost universal service fund support only for the provision, maintenance and upgrading of the facilities and services for which the support is intended;

(2) That during the 2005 calendar year, the Company met substantially the applicable service quality standard found in WAC 480-123-030(1)(h);

(3) That during the 2005 calendar year, the Company maintained the ability to function in emergency situations under the standard found in WAC 480-123-030(1)(g), as such standard relates to functionality of wireline carriers in emergency situations; and

(4) That during the 2005 calendar year, the Company publicized the availability of its applicable telephone assistance programs in a manner reasonably designed to reach those likely to qualify for service and in a manner which, in the Company's judgment, included advertisements likely to reach those who are not current customers of the Company within the Company's designated service area.

I certify under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

Dated this 8th day of August, 2006 at LaCrosse, Washington.

Company: Pioneer Telephone Company

By:  \_\_\_\_\_

Its: Vice President

**REPORTS AS REFERENCED IN WAC 480-123-070  
AND WAC 480-123-080**

Pioneer Telephone Company (the "Company") hereby submits the following reports in accordance with WAC 480-123-070 and WAC 480-123-080.<sup>1</sup>

Report 1: WAC 480-123-070(1)(a): Attached is a copy of the Company's NECA-1 Reports for the calendar years 2004 and 2005, that, as of the date of the reports, the Company has reported as the basis for support from the federal high-cost fund.

Report 2: WAC 480-123-070(1)(b): The Company reports that the investments and expenses reported under Report 1, above, benefited customers as follows:

Through the expenditure of these funds, the Company was able to continue to provide services at a level that the Company believes meets the intent set forth in 47 U.S.C. §254 of providing high quality telecommunications services to customers in the service area for which the Company is designated as an ETC.<sup>2</sup> The Company has made substantial investments over the past several years which allow it to provide quality telecommunications services to its customers in its designated ETC service area. Those expenditures and investments, including those reflected in Report 1, above, generally benefit all customers receiving the federal high-cost fund supported services from the Company within its designated service area. In addition, during 2005, the Company was engaged in a major investment project within its designated ETC service area as described below:

The Company installed a new 61 mile fiber optic toll route from LaCrosse to Cheney at a cost \$3,509,800 for cable wire facilities and for central office transmission equipment benefiting all subscribers of the Company.

The Company upgraded their subscriber plant by installing fiber optic cable facilities to three concentrators costing \$1,247,700 and central office transmission equipment at a cost of \$647,100. Use of fiber optic cable provides additional telecommunications services, including, but not limited to, advanced services, can be provided to customers. The upgrade will provide broadband services to the subscribers in these three areas. This project improves service to approximately 273 of the Company's customers in its designated ETC service area.

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<sup>1</sup> It is the Company's understanding that it is not required to submit the reports described in WAC 480-123-070(2) and (3).

<sup>2</sup> The term "ETC" is used in the same sense as the term is used in Chapter 480-123 WAC.

Report 3: WAC 480-123-070(4): The Company reports that the Company is not aware of any complaints during calendar year 2005 to the Federal Communications Commission or the Consumer Protection Division of the Office of the Attorney General of the State of Washington.

Report 4: WAC 480-123-080(1)(b): The Company reports as follows:

As they are known to the Company at the date of this Report, the planned investment and expenses related to Washington state for the period January 1, 2006, through December 31, 2006, that the Company expects to use as a basis to request federal high-cost support are expected to be relatively similar to those investments and expenses the Company has set forth in its information filed under Report 1, above, taking into account normal fluctuations in investment and expense levels. The Company expects that levels of expenses will remain relatively the same as those it experienced in calendar year 2005, subject to the effects of inflation and other commonly experienced changes in cost of labor and materials. The Company does not anticipate major adjustments in staffing levels for the relevant period. The Company expects that it will have a lower level of investment related to maintenance, replacement and minor upgrades of equipment and plant as occurred in calendar year 2005, since the installation of the 61 miles of fiber optic cable was an exceptionally large project.

Report 5: WAC 480-123-080(2): The Company reports as follows:

The Company expects that levels of expenses will remain relatively the same as those it experienced in calendar year 2005, subject to the effects of inflation and other commonly experienced changes in cost of labor and materials. The Company expects that it will have a lower level of investment related to maintenance, replacement and minor upgrades of equipment and plant as occurred in calendar year 2005. In addition to the foregoing, the Company is planning on constructing and completing major projects in 2007. The planned major projects are to upgrade subscriber plant by adding fiber optic cable and central office transmission equipment at an expected cost of \$1,793,000 that will allow the Company to offer an increased array of services, including, but not limited to, broadband capabilities to the Company's subscribers.

This project is dependent, in part, upon RUS financing and is subject to RUS approval. The fiber optic cable and central office transmission installation project will benefit approximately 138 customers.

APPLIES TO PERIOD: YEAR END 12/2004      REG: 5      PACIFIC  
 CONTACT NAME: Terri Baker      SST: 3      SUBSET 3  
 CONTACT PHONE: (509)-549-3511 EXT:      OO: \*\*\*\*\*  
 CASE STATUS: RELEASED      CO: 000002437 Pioneer Tel. Co.  
 EDIT STATUS: FAILED EDIT      SAR: 522437      PIONEER TEL CO

| DESCRIPTION                  | PENDING VIEW   | MESSAGE                |
|------------------------------|----------------|------------------------|
| 060 TOTAL LOOPS              | <del>985</del> | 931                    |
| 070 CAT. 1.3 LOOPS           | <del>955</del> | 900                    |
| 160 ACCOUNT 2001             | 4,993,128      |                        |
| 170 ACCOUNT 1220             | 86,294         |                        |
| 190 ACCOUNT 3100             | 4,092,844      |                        |
| 195 ACCOUNT 3400             | 0              |                        |
| 210 ACCOUNT 4340             | 111,782        |                        |
| 220 NET PLANT ADJUSTMENT     | 874,796        |                        |
| 230 ACCOUNT 2210             | 1,116,555      |                        |
| 235 ACCOUNT 2220             | 0              |                        |
| 240 ACCOUNT 2230             | 888,683        |                        |
| 245 TOTAL CENTRAL OFFICE     | 2,005,238      |                        |
| 250 CKT EQUIP CAT 4.13       | 459,289        |                        |
| 255 ACCOUNT 2410             | 2,070,787      |                        |
| 260 ACCOUNT 3100 (2210)      | 925,468        |                        |
| 265 ACCOUNT 3100 (2220)      | 0              |                        |
| 270 ACCOUNT 3100 (2230)      | 888,970        |                        |
| 275 ACCOUNT 3100 (2210-2230) | 1,814,438      |                        |
| 280 ACCOUNT 3100 (2410)      | 1,582,128      |                        |
| 290 ACCOUNT 4340 (2210)      | 66,756         |                        |
| 300 ACCOUNT 4340 (2220)      | 0              |                        |
| 310 ACCOUNT 4340 (2230)      | -67,660        | Should not be negative |
| 325 NET NONCURRENT           | -904           |                        |
| 330 ACCOUNT 4340 (2410)      | 87,809         |                        |
| 335 ACCOUNT 6110 TOTAL       | 4,437          |                        |
| 340 ACCOUNT 6110 BENEFITS    | 453            |                        |
| 345 ACCOUNT 6110 RENTS       | 0              |                        |
| 350 ACCOUNT 6120 TOTAL       | 15,405         |                        |
| 355 ACCOUNT 6120 BENEFITS    | 105            |                        |
| 360 ACCOUNT 6120 RENTS       | 0              |                        |
| 365 ACCOUNT 6210 TOTAL       | 25,687         |                        |
| 370 ACCOUNT 6210 BENEFITS    | 2,189          |                        |
| 375 ACCOUNT 6210 RENTS       | 0              |                        |
| 380 ACCOUNT 6220 TOTAL       | 0              |                        |
| 385 ACCOUNT 6220 BENEFITS    | 0              |                        |
| 390 ACCOUNT 6220 RENTS       | 0              |                        |
| 395 ACCOUNT 6230 TOTAL       | 9,665          |                        |
| 400 ACCOUNT 6230 BENEFITS    | 2,141          |                        |
| 405 ACCOUNT 6230 RENTS       | 0              |                        |
| 410 ACCOUNT 6210-6230        | 35,352         |                        |
| 430 ACCOUNT 6410 TOTAL       | 214,718        |                        |
| 435 ACCOUNT 6410 BENEFITS    | 69,838         |                        |
| 440 ACCOUNT 6410 RENTS       | 0              |                        |
| 445 TOTAL PLANT SPECIFIC     | 269,912        |                        |
| 450 ACCOUNT 6530 TOTAL       | 40,009         |                        |
| 455 ACCOUNT 6530 BENEFITS    | 8,308          |                        |
| 510 ACCOUNT 6560 (2210)      | 122,002        |                        |
| ACCOUNT 6560 (2220)          | 0              |                        |
| ACCOUNT 6560 (2230)          | 0              |                        |
| 525 ACCOUNT 6560 (2210-2230) | 122,002        |                        |
| 530 ACCOUNT 6560 (2410)      | 119,445        |                        |

Revised per Focus Review

APPLIES TO PERIOD: YEAR END 12/2004      REG: 5      PACIFIC  
CONTACT NAME: Terri Baker      SST: 3      SUBSET 3  
CONTACT PHONE: (509)-549-3511 EXT:      OO: \*\*\*\*\*  
CASE STATUS: RELEASED      CO: 000002437 Pioneer Tel. Co.  
EDIT STATUS: FAILED EDIT      SAR: 522437      PIONEER TEL CO

| DESCRIPTION                   | PENDING VIEW | MESSAGE |
|-------------------------------|--------------|---------|
| 535 ACCOUNT 6710 TOTAL        | 17,417       |         |
| 540 ACCOUNT 6710 BENEFITS     | 1,962        |         |
| 550 ACCOUNT 6720 TOTAL        | 230,194      |         |
| 555 ACCOUNT 6720 BENEFITS     | 31,628       |         |
| 565 SUM OF LINES 535 + 550    | 247,611      |         |
| 600 BEN. POR.OF ALL OP. EXP.  | 131,511      |         |
| 610 RENT POR. OF ALL OP. EXP  | 0            |         |
| 650 ACCOUNT 7200 OTHER TAXES  | 102,826      |         |
| 700 2410 (C S TOTAL CWF - AV) | 2,066,400    |         |
| 710 2410 (C S CWF - CAT.1)    | 1,596,486    |         |
| 800 ACCOUNT 2680 TOTAL        | 0            |         |
| 805 ACCOUNT 2680 (2230)       | 0            |         |
| 810 ACCOUNT 2680 (CAT. 4.13)  | 0            |         |
| 815 ACC 2680 (2410) TOTAL CWF | 0            |         |
| 820 ACC 2680 (2410)CWF-CAT1   | 0            |         |
| 830 ACCOUNT 6560 (2680)       | 0            |         |

COMMENTS:

APPLIES TO PERIOD: YEAR END 12/2005      REG: 5      PACIFIC  
 CONTACT NAME: Terri Baker      SST: 3      SUBSET 3  
 CONTACT PHONE: (509)-549-3511 EXT:      OO: \*\*\*\*\*  
 RELEASE STATUS: SPECIAL RELEASED      CO: 000002437 Pioneer Tel. Co.  
 SOFT EDIT STATUS: FAILED EDIT      SAR: 522437      PIONEER TEL CO

| DESCRIPTION                  | PENDING VIEW | SOURCE |
|------------------------------|--------------|--------|
| 060 TOTAL LOOPS              | 908          | EC     |
| 070 CAT. 1.3 LOOPS           | 883          | EC     |
| 160 ACCOUNT 2001             | 10,420,169   | EC     |
| 170 ACCOUNT 1220             | 187,644      | EC     |
| 190 ACCOUNT 3100             | 4,598,209    | EC     |
| 195 ACCOUNT 3400             | 0            | EC     |
| 210 ACCOUNT 4340             | 117,187      | EC     |
| 220 NET PLANT INVESTMENT     | 5,892,417    | EC     |
| 230 ACCOUNT 2210             | 1,385,639    | EC     |
| 235 ACCOUNT 2220             | 0            | EC     |
| 240 ACCOUNT 2230             | 1,572,096    | EC     |
| 245 TOTAL CENTRAL OFFICE     | 2,957,735    | EC     |
| 250 CKT EQUIP CAT 4.13       | 730,928      | EC     |
| 255 ACCOUNT 2410             | 6,459,247    | EC     |
| 260 ACCOUNT 3100 (2210)      | 836,088      | EC     |
| 265 ACCOUNT 3100 (2220)      | 0            | EC     |
| 270 ACCOUNT 3100 (2230)      | 1,173,645    | EC     |
| 275 ACCOUNT 3100 (2210-2230) | 2,009,733    | EC     |
| 280 ACCOUNT 3100 (2410)      | 1,846,706    | EC     |
| 310 ACCOUNT 4340 (2210)      | 52,586       | EC     |
| 315 ACCOUNT 4340 (2220)      | 0            | EC     |
| 320 ACCOUNT 4340 (2230)      | -36,969      | EC     |
| 325 NET NONOCURRENT          | 15,617       | EC     |
| 330 ACCOUNT 4340 (2410)      | 90,755       | EC     |
| 335 ACCOUNT 6110 TOTAL       | 9,613        | EC     |
| 340 ACCOUNT 6110 BENEFITS    | 715          | EC     |
| 345 ACCOUNT 6110 RENTS       | 0            | EC     |
| 350 ACCOUNT 6120 TOTAL       | 13,511       | EC     |
| 355 ACCOUNT 6120 BENEFITS    | 197          | EC     |
| 360 ACCOUNT 6120 RENTS       | 0            | EC     |
| 365 ACCOUNT 6210 TOTAL       | 21,125       | EC     |
| 370 ACCOUNT 6210 BENEFITS    | 3,808        | EC     |
| 375 ACCOUNT 6210 RENTS       | 0            | EC     |
| 380 ACCOUNT 6220 TOTAL       | 0            | EC     |
| 385 ACCOUNT 6220 BENEFITS    | 0            | EC     |
| 390 ACCOUNT 6220 RENTS       | 0            | EC     |
| 395 ACCOUNT 6230 TOTAL       | 8,567        | EC     |
| 400 ACCOUNT 6230 BENEFITS    | 1,280        | EC     |
| 405 ACCOUNT 6230 RENTS       | 0            | EC     |
| 410 ACCOUNT 6210-6230        | 29,692       | EC     |
| 430 ACCOUNT 6410 TOTAL       | 233,595      | EC     |
| 435 ACCOUNT 6410 BENEFITS    | 71,361       | EC     |
| 440 ACCOUNT 6410 RENTS       | 0            | EC     |
| 445 TOTAL PLANT SPECIFIC     | 286,411      | EC     |
| 450 ACCOUNT 6530 TOTAL       | 63,161       | EC     |
| 455 ACCOUNT 6530 BENEFITS    | 10,579       | EC     |
| 510 ACCOUNT 6560 (2210)      | 152,747      | EC     |
| 515 ACCOUNT 6560 (2220)      | 0            | EC     |
| 520 ACCOUNT 6560 (2230)      | 42,547       | EC     |
| 525 ACCOUNT 6560 (2210-2230) | 195,294      | EC     |
| 530 ACCOUNT 6560 (2410)      | 264,578      | EC     |

APPLIES TO PERIOD: YEAR END 12/2005      REG: 5      PACIFIC  
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RELEASE STATUS: SPECIAL RELEASED      CO: 000002437 Pioneer Tel. Co.  
SOFT EDIT STATUS: FAILED EDIT      SAR: 522437      PIONRER TEL CO

| DESCRIPTION                   | PENDING VIEW | SOURCE |
|-------------------------------|--------------|--------|
| 535 ACCOUNT 6710 TOTAL        | 14,844       | EC     |
| 540 ACCOUNT 6710 BENEFITS     | 2,912        | EC     |
| 550 ACCOUNT 6720 TOTAL        | 263,403      | EC     |
| 555 ACCOUNT 6720 BENEFITS     | 29,527       | EC     |
| 565 SUM OF LINES 535 + 550    | 278,247      | EC     |
| 600 BEN. POR.OF ALL OP. EXP.  | 135,888      | EC     |
| 610 RENT POR. OF ALL OP. EXP  | 0            | EC     |
| 650 ACCOUNT 7200 OTHER TAXES  | 66,695       | EC     |
| 700 2410 (C S TOTAL CWF - AV) | 4,265,017    | EC     |
| 710 2410 (C S CWF - CAT.1)    | 2,755,798    | EC     |
| 800 ACCOUNT 2680 TOTAL        | 0            | EC     |
| 805 ACCOUNT 2680 (2230)       | 0            | EC     |
| 810 ACCOUNT 2680 (CAT. 4.13)  | 0            | EC     |
| 815 ACC 2680 (2410) TOTAL CWF | 0            | EC     |
| 820 ACC 2680 (2410)CWF-CAT1   | 0            | EC     |
| 830 ACCOUNT 6560 (2680)       | 0            | EC     |

COMMENTS:

1. Line 320 is negative but not significant. Net deferred income taxes is a positive figure.
2. Pioneer had significant Cental Office and Cable Wire Facilitlies investment added in 2005, causing depreciation cost to rise as well. Pioneer put in a new toll route and subscriber plant for 2005.