



July 26, 2007

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

Re: Docket No. UT-073015
Request for Certification Pursuant to WAC 480-123-060, 070 and 080

Dear Ms. Washburn:

Pursuant to WAC 480-123-060, 070 and 080 Asotin Telephone Company, Lewis River Telephone Company and McDaniel Telephone Company, Inc. all d/b/a TDS Telecom ("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.

Sincerely,

Kristine M. Haskin
Manager – Federal Affairs

Enclosures

RECEIVED
RECORDS MANAGEMENT
07 JUL 27 AM 9:24
STATE OF WASH.
UTIL. AND TRANSP.
COMM. DIVISION

**REPORTS AS REQUIRED BY WAC 480-123-070
AND WAC 480-123-080**

Asotin Telephone Company d/b/a TDS Telecom (the “Company”) hereby submits the following reports in accordance with WAC 480-123-070 and WAC 480-123-080.¹

Report 1: WAC 480-123-070(1)(a): Report On Use Of Federal Funds And Benefits To Customers

Attached is a copy of the Company’s NECA-1 Report for the calendar year 2006, that as of the date of the report, the Company has reported as the basis for support from the federal high-cost fund. The amounts on the NECA-1 report include any cost study adjustments that have been made to the financial data.

Also attached is a report titled “Attachment to Affidavit” which includes the financial data before any cost study adjustments and is used to show the use of federal funds. For the year 2006, refer to “Report #1 Column Actual”.

Report 2: WAC 480-123-070(1)(b): Substantive Description of Benefits to Consumers Resulting from Report Number 1

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.²

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.³

In addition, during 2006, the Company was engaged in a major investment project within its designated ETC service area as described below:

1. Fiber project to replace 50 pair cable between Asotin and Anatone. Fiber was installed for transport and improvement to the level of service, increased

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

² The term “ETC” is used in the same sense as the term is used in Chapter 480-123 WAC.

³ The references to the services supported by the federal high-cost fund is to the services designated for support as set forth in 47 C.F.R. §54.101(a).

- bandwidth and provides for future growth of access to advanced services estimated at \$1,107,800.
2. Snake River Road project which included cable moves and the addition of all new underground cable which will result in fewer troubles in the future estimated at \$68,500.

Report 3: WAC 480-123-070(4): Report on Complaints per One Thousand Lines.

The Company reports that it is aware of zero complaints made during calendar year 2006 to the Federal Communications Commission and no complaints to the Consumer Protection Division of the Office of the Attorney General of the State of Washington concerning the services provided to its customers by the Company that are either subject to the regulatory jurisdiction of the Washington Utilities and Transportation Commission or among the services supported by the federal high-cost fund.

Report 4: WAC 480-123-080(1)(b): Annual Plan for Universal Service Support Expenditures.

As part of its participation in the pooling processes of the National Exchange Carrier Association, Inc. (“NECA”), the Company does prepare annual forecasts of anticipated investment and expense levels on a calendar year basis.

Attachment to Affidavit, Report #4 Column includes estimates of expenditures for the years 2007 and 2008 for the provision, maintenance and upgrading of facilities and services supported by federal universal service.

Report 5: WAC480-123-080 (2): Substantive Plan and Description of Investments & Expenditures and Benefits to Customers.

The expected benefit to customers from the anticipated investment and expenditures is that customers will continue to receive a high level of telecommunications service, rates for its local exchange services will be maintained so that they are affordable and reasonably comparable to rates being charged for the same services in urban areas and Asotin will continue to upgrade its telecommunications facilities and equipment as necessary to meet evolving service requirements and maintain high quality service. The use of federal universal service support for these purposes is clearly consistent with the federal universal service principals

The Company expects that levels of expenses will remain relatively the same as those it experienced in calendar year 2006, 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 relatively the same level of investment related to maintenance, replacement and minor upgrades of equipment and plant as occurred in calendar year 2006.

In addition to the foregoing, the Company is planning on several large projects for 2007. The large projects are as follows:

1. East Mountain Road DLC replacement – estimated at \$36,700.
2. Heller Bar DLC change-out- estimated at \$78,000.
3. River Bend DSA – estimated at \$75,000.
4. 10 mile DLC change-out – estimated at \$40,600.

All of the aforementioned projects will allow the company to continue to maintain and improve the level of service provided as well as increase bandwidth for future growth and advance services.

Customers will benefit from these investment and expenditures through their continued ability to maintain their high quality level of telecommunications service. As to the specific investment project identified above, it is expected that customers will benefit by increased reliability of service and the increased availability of a broader range of telecommunications services, including, but not limited to, advanced services.

NATIONAL EXCHANGE CARRIER ASSOCIATION
 UNIVERSAL SERVICE FUND
 2007 DATA COLLECTION FORM (07-1)

RUN DATE: 19-Jul-07
 Based on Financials Ending: 12/31/06
 Submitted to NECA: 7/31/2007
 Compensation Commences: 01/01/08

SAC NAME ASOTIN (WA) TELEPHONE COMPANY

SAC: 522404

Comp # 64

I. EXCHANGE CARRIER/DATA IDENTIFICATION

- (010) Study Area Code Name
- (020) Contact Name
- (030) Contact Telephone Number
- (040) USF Data Collection Period

ASOTIN (WA) TELEPHONE COMPANY
 Jeffrey M. Johnson
 (608) 664-4197
 2007-1

Data LN	Description	Data Source	Data Line	2007-1	Amount
II. WORKING LOOPS					
(060)	Total Loops - (Cat 1.1, 1.2 and 1.3)	OSP Records	(060)		1,372
(070)	Category 1.3 Loops - (Excluding Cat 1.3 TWX Loops)	OSP Records	(070)		1,362
(080)	Reserved - NO ENTRY REQUIRED		(080)		
III. INVESTMENT, EXPENSES, AND TAXES					
Net Plant Investment					
(160)	Acct 2001 - Telephone Plant in Service	General Ledger W. Adj	(160)		7,438,525
(170)	Acct 1220 - Material and Supplies	General Ledger W. Adj	(170)		7,882
(190)	Acct 3100 - Accumulated Depreciation	General Ledger W. Adj	(190)		4,149,735
(195)	Acct 3400 - Accumulated Amortization Tangible	General Ledger W. Adj	(195)		14,893
(200)	Reserved - NO ENTRY REQUIRED		(200)		
(205)	Reserved - NO ENTRY REQUIRED		(205)		
(210)	Acct 4340 - Net Noncurrent Deferred Operating Income Taxes	General Ledger W. Adj	(210)		141,198
(220)	Net Plant Investment (Sum of Lines 160+170 minus Lines 190 through 210)	General Ledger W. Adj	(220)		3,140,581
Selected Plant Accounts					
(230)	Acct 2210 - Central Office Switching Equipment	General Ledger W. Adj	(230)		870,299
(235)	Acct 2220 - Operator System Equipment	General Ledger W. Adj	(235)		0
(240)	Acct 2230 - Central Office Transmission Equipment	General Ledger W. Adj	(240)		1,460,566
(245)	Total Central Office Equipment (Sum of Lines 230 through 240)	General Ledger W. Adj	(245)		2,330,865
(250)	Circuit Equipment Category 4.13	Prorate per CS	(250)		654,802
(255)	Acct 2410 - Cable & Wire Facilities Total	General Ledger W. Adj	(255)		4,330,790
(260)	Acct 3100 (2210) - Accumulated Depreciation Central Office Switching	General Ledger W. Adj	(260)		144,953
(265)	Acct 3100 (2220) - Accumulated Depreciation Operators System	General Ledger W. Adj	(265)		0
(270)	Acct 3100 (2230) - Accumulated Depreciation Central Office Transmission	General Ledger W. Adj	(270)		742,473
(275)	Acct 3100 (2210-2230) - Total Accumulated Depreciation Central Office Equipment (Sum of Lines 260 thru 270)	General Ledger W. Adj	(275)		887,426
(280)	Acct 3100 (2410) - Accumulated Depreciation C&WF	General Ledger W. Adj	(280)		2,711,882
(285)	Reserved - NO ENTRY REQUIRED		(285)		
(290)	Reserved - NO ENTRY REQUIRED		(290)		
(295)	Reserved - NO ENTRY REQUIRED		(295)		
(300)	Reserved - NO ENTRY REQUIRED		(300)		
(305)	Reserved - NO ENTRY REQUIRED		(305)		-
(310)	Acct 4340 (2210) - Net Noncurrent Deferred Operating Income Taxes - Central Office Switching	General Ledger W. Adj	(310)		16,203
(315)	Acct 4340 (2220) - Net Noncurrent Deferred Operating Income Taxes - Operator System	General Ledger W. Adj	(315)		0
(320)	Acct 4340 (2230) - Net Noncurrent Deferred Operating Income Taxes - Central Office Transmission	General Ledger W. Adj	(320)		27,192
(325)	Acct 4340 (2210-2230) - Net Noncurrent Deferred Operating Income Taxes - Central Office Equipment (Sum of Lines 310 through 320)	General Ledger W. Adj	(325)		43,395
(330)	Acct 4340 (2410) - Net Noncurrent Deferred Operating Income Taxes - C&WF	General Ledger W. Adj	(330)		83,476
Plant Specific Operation Expense					
(335)	Acct 6110 - Network Support Expense Total	General Ledger W. Adj	(335)		8,195
(340)	Acct 6110 - Benefits Portion of Network Support Expense	General Ledger W. Adj	(340)		0
(345)	Acct 6110 - Rents Portion of Network Support Expense	General Ledger W. Adj	(345)		0
(350)	Acct 6120 - General Support Expense Total	General Ledger W. Adj	(350)		12,419
(355)	Acct 6120 - Benefits Portion of General Support Expense	General Ledger W. Adj	(355)		1,008
(360)	Acct 6120 - Rents Portion of General Support Expense	General Ledger W. Adj	(360)		2,711
(365)	Acct 6210 - Central Office Switching Expense - Total Switching Expense - Total	General Ledger W. Adj	(365)		38,909
(370)	Acct 6210 - Benefits Portion of COE Switching Expense	General Ledger W. Adj	(370)		3,561
(375)	Acct 6210 - Rents Portion of Central Office Switching Expense	General Ledger W. Adj	(375)		0
(380)	Acct 6220 - Operator System Expense - Total	General Ledger W. Adj	(380)		0
(385)	Acct 6220 - Benefits Portion of Operator System Expense	General Ledger W. Adj	(385)		0
(390)	Acct 6220 - Rents Portion of Operator System Expense	General Ledger W. Adj	(390)		0
(395)	Acct 6230 - Central Office Expense - Transmission Equipment - Total	General Ledger W. Adj	(395)		59,970
(400)	Acct 6230 - Benefits Portion of Central Office Expense - Transmission	General Ledger W. Adj	(400)		12,936

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- (040) USF Data Collection Period

ASOTIN (WA) TELEPHONE COMPANY
 Jeffrey M. Johnson
 (608) 664-4197
 2007-1

Data LN	Description	Data Source	Data Line	2007-1	Amount
(405)	Acct 6230 - Rents Portion of Central Office Expense - Transmission	General Ledger W. Adj	(405)		0
(410)	365+380+395)	General Ledger W. Adj	(410)		98,879
(415)	Reserved - NO ENTRY REQUIRED		(415)		
(420)	Reserved - NO ENTRY REQUIRED		(420)		
(425)	Reserved - NO ENTRY REQUIRED		(425)		
(430)	Acct 6410 - Cable and Wire Facilities Expense - Total	General Ledger W. Adj	(430)		80,044
(435)	Acct 6410 - Benefits Portion Cable and Wire Facilities Expense	General Ledger W. Adj	(435)		36,418
(440)	Acct 6410 - Rents Portion Cable and Wire Facilities Expense	General Ledger W. Adj	(440)		4,884
(445)	Total Plant Specific Expense (Sum of Lines 335+350+365+380+395+430)	General Ledger W. Adj	(445)		199,537
Plant Non Specific Expense					
(450)	Acct 6530 - Network Operations Expense - Total	General Ledger W. Adj	(450)		93,489
(455)	Acct 6530 - Benefits Portion Network Operations Expense	General Ledger W. Adj	(455)		10,640
(465)	Reserved - NO ENTRY REQUIRED		(465)		
(470)	Reserved - NO ENTRY REQUIRED		(470)		
(480)	Reserved - NO ENTRY REQUIRED		(480)		
(485)	Reserved - NO ENTRY REQUIRED		(485)		
(500)	Reserved - NO ENTRY REQUIRED		(500)		
(505)	Reserved - NO ENTRY REQUIRED		(505)		
Depreciation and Amortization Expenses					
(510)	Acct 6560 (2210) - Depreciation And Amortization Expense - CO Switching	General Ledger W. Adj	(510)		75,723
(515)	Acct 6560 (2220) - Depreciation And Amortization Expense - Operator System	General Ledger W. Adj	(515)		0
(520)	Acct 6560 (2230) - Depreciation and Amortization Expense - CO Transmission	General Ledger W. Adj	(520)		53,612
(525)	Acct 6560 (2210-2230) - Depreciation and Amortization Central Office Equipment (Sum of Lines 510 thru 520)	General Ledger W. Adj	(525)		129,335
(530)	Acct 6560 (2410) - Depreciation and Amortization Expense - C&W Facilities	General Ledger W. Adj	(530)		176,358
Corporate Operating Expenses					
(535)	Acct 6710 Executive and Planning Expense - Total	General Ledger W. Adj	(535)		23,577
(540)	Acct 6710 Benefits Portion Executive and Planning Expense	General Ledger W. Adj	(540)		0
(550)	Acct 6720 - General Administrative Expense - Total	General Ledger W. Adj	(550)		159,784
(555)	Acct 6720 - Benefits Portion - General Administrative Expense	General Ledger W. Adj	(555)		1,009
(565)	Total Corporate Operations Expense (Sum of Lines 535 + 550)	General Ledger W. Adj	(565)		183,361
Other Expenses and Revenues					
(600)	Benefits Portion of All Operating Expenses - Total Operating Expenses - Total	General Ledger W. Adj	(600)		81,021
(610)	Rents Portion of All Operating Expenses - Total	General Ledger W. Adj	(610)		7,595
(620)	Reserved - NO ENTRY REQUIRED		(620)		
(630)	Reserved - NO ENTRY REQUIRED		(630)		
Taxes					
(650)	Acct 7200 - Operating Taxes	General Ledger W. Adj	(650)		183,471
(655)	Reserved - NO ENTRY REQUIRED		(655)		
IV. PART 36 - COST STUDY DATA					
(700)	Cost Study Average Cable and Wire Facilities Acct 2410	Cost Study	(700)		3,731,299
	Cost Study Average Cable and Wire Facilities Cat. 1 - Total Exchange Line				
(710)	C&WF Excluding Wide Band	Cost Study	(710)		3,432,635
V. AMORTIZABLE TANGIBLE ASSETS (Refer to instructions prior to completing this section)					
(800)	Acct 2680 - Amortizable Tangible Assets	General Ledger W. Adj	(800)		44,527
(805)	Acct 2680 (2230) - Amortizable Tangible Assets - CO Transmission	General Ledger W. Adj	(805)		44,527
(810)	Acct 2680 (2230) - Amortizable Tangible Assets - CO Transmission Allocated to Category 4.13	General Ledger W. Adj	(810)		0
(815)	Acct 2680 (2410) - Amortizable Tangible Assets - Cable and Wire Facilities	General Ledger W. Adj	(815)		0
(820)	Acct 2680 (2410) - Amortizable Tangible Assets - Cable and Wire Facilities Allocated to Category 1	General Ledger W. Adj	(820)		0
(830)	Acct 6560 (2680) - Depreciation & Amortization Expense - Amortizable Tangible	General Ledger W. Adj	(830)		12,838

VI. COMMENTS / SIGNIFICANT CHANGE EXPLANATION

Reconciled with 2006 study.

USF Certification for 2007

Attachment to Affidavit - Confidential & Proprietary

ASOTIN TELEPHONE CO.

, d/b/a/ TDS Telecom

Access Lines	Exchange	CLLI Code	OCN	SAC
1,158 ASOTIN		ASOTWAXADS1	2404	522404
204 ANATONE		ANATWAXRS1		
-				
-				
-				
-				
-				
1,362				

Year 2006 Federal Universal Service Receipts Subject To Certification.

High Cost Loop Support	\$	90,216	
ICLS Support		Not Applicable	See FCC Part 54.904
Safety Net Additive	\$	-	
Safety Value Additive	\$	-	
Local Switching Support	\$	108,132	
TOTAL	\$	198,348	

Expenditures For Provision, Maintenance, and Upgrading Of Facilities and Services Supported By Federal Universal Service Funding

	Report #1 Actual 2006	Report #4 Estimated 2007	Report #4 Estimated 2008
Plant Specific Operations Expenses			
Network support (Accts. 6100s)	\$ 8,195	\$ 7,700	\$ 7,900
General support (Accts. 6120s)	\$ 12,419	\$ 12,100	\$ 12,500
Central office switching (Accts. 6210s)	\$ 39,490	\$ 34,500	\$ 35,500
Central office transmission (Accts. 6230s)	\$ 59,970	\$ 53,100	\$ 54,700
Cable and wire facilities (Accts. 6410s)	\$ 80,044	\$ 74,400	\$ 76,600
Network operations (Accts. 6530s)	\$ 93,489	\$ 88,300	\$ 91,000
Depreciation and amortization (Accts. 6560s)	\$ 380,092	\$ 464,500	\$ 469,700
Customer operations expenses			
Customer services (Accts. 6610-20s)	\$ 121,804	\$ 131,300	\$ 135,300
Corporate operations expenses			
Executive, general and corporate (Accts. 6710-20s)	\$ 183,342	\$ 181,900	\$ 187,400
Total Year Supported Expenses, Before Return On Investment	\$ 978,845	\$ 1,047,800	\$ 1,070,600
Additions			
Central Office Equipment (Acct. 2200s)	\$ 118,716	\$ 244,700	\$ -
Cable and wire (Acct. 2400s)	\$ 1,641,119	\$ 216,400	\$ 15,400
TOTAL	\$ 1,759,835	\$ 461,100	\$ 15,400
Total Year Supported Expenditures, Before Return On Investment	\$ 2,738,680	\$ 1,509,587	\$ 1,086,482

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

I, Kevin G. Hess, being of lawful age, state that I am Senior Vice President, Government & Regulatory Affairs of TDS Telecommunications Corporation, parent company of Asotin Telephone Company d/b/a TDS Telecom ("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 2006 calendar year, the Company met substantially the applicable service quality standard found in WAC 480-123-030(1)(h);

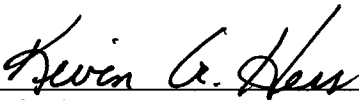
(3) That during the 2006 calendar year, the Company maintained the ability to function in emergency situations under the standard found in WAC 480-123-030(1)(g), as such standard relates to functionality of wireline carriers in emergency situations; and

(4) That during the 2006 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 19th day of July, 2007 at Madison, WI.

Company: Asotin Telephone Company, d/b/a TDS Telecom

By: 
Kevin G. Hess

Its: Senior Vice President, Government & Regulatory Affairs

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AND WAC 480-123-080**

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Report 2: WAC 480-123-070(1)(b): Substantive Description of Benefits to Consumers Resulting from Report Number 1

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.²

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.³

During 2006, the company undertook a fiber project from Yale to Couger. Fiber was installed for transport and improvement to the level of service, increased bandwidth and provides for future growth of access to advanced services at \$324,000. The company also completed several subdivision and housing growth projects totaling around \$224,000.

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

² The term “ETC” is used in the same sense as the term is used in Chapter 480-123 WAC.

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Report 4: WAC 480-123-080(1)(b): Annual Plan for Universal Service Support Expenditures.

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Attachment to Affidavit, Report #4 Column includes estimates of expenditures for the years 2007 and 2008 for the provision, maintenance and upgrading of facilities and services supported by federal universal service.

Report 5: WAC480-123-080 (2): Substantive Plan and Description of Investments & Expenditures and Benefits to Customers.

The expected benefit to customers from the anticipated investment and expenditures is that customers will continue to receive a high level of telecommunications service, rates for its local exchange services will be maintained so that they are affordable and reasonably comparable to rates being charged for the same services in urban areas and Lewis River will continue to upgrade its telecommunications facilities and equipment as necessary to meet evolving service requirements and maintain high quality service. The use of federal universal service support for these purposes is clearly consistent with the federal universal service principals

The Company expects that levels of expenses will remain relatively the same as those it experienced in calendar year 2006, 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 relatively the same level of investment related to maintenance, replacement and minor upgrades of equipment and plant as occurred in calendar year 2006.

In addition to the foregoing, the Company is planning on several large projects for 2007. The large projects are as follows:

1. Yale central office power project estimated at \$34,400.
2. Complete fiber project from Yale central office to Cougar Central office estimated at \$65,500.

3. Brothers Rd country road project estimated at \$89,400.

All of the aforementioned projects will allow the company to continue to maintain and improve the level of service provided as well as increase bandwidth for future growth and advance services.

Customers will benefit from these investment and expenditures through their continued ability to maintain their high quality level of telecommunications service. As to the specific investment project identified above, it is expected that customers will benefit by increased reliability of service and the increased availability of a broader range of telecommunications services, including, but not limited to, advanced services.

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 Compensation Commences: 01/01/08

SAC NAME LEWIS RIVER TELEPHONE CO

SAC: 522427

Comp # 669

I. EXCHANGE CARRIER/DATA IDENTIFICATION

- (010) Study Area Code Name
- (020) Contact Name
- (030) Contact Telephone Number
- (040) USF Data Collection Period

LEWIS RIVER TELEPHONE CO
 Jeffrey M. Johnson
 (608) 664-4197
 2007-1

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(060)	Total Loops - (Cat 1.1, 1.2 and 1.3)	OSP Records	(060)		6,083
(070)	Category 1.3 Loops - (Excluding Cat 1.3 TWX Loops)	OSP Records	(070)		6,068
(080)	Reserved - NO ENTRY REQUIRED		(080)		
III. INVESTMENT, EXPENSES, AND TAXES					
Net Plant Investment					
(160)	Acct 2001 - Telephone Plant in Service	General Ledger W. Adj	(160)		17,002,587
(170)	Acct 1220 - Material and Supplies	General Ledger W. Adj	(170)		77,242
(190)	Acct 3100 - Accumulated Depreciation	General Ledger W. Adj	(190)		10,276,200
(195)	Acct 3400 - Accumulated Amortization Tangible	General Ledger W. Adj	(195)		126,917
(200)	Reserved - NO ENTRY REQUIRED		(200)		
(205)	Reserved - NO ENTRY REQUIRED		(205)		
(210)	Acct 4340 - Net Noncurrent Deferred Operating Income Taxes	General Ledger W. Adj	(210)		587,832
(220)	Net Plant Investment (Sum of Lines 160+170 minus Lines 190 through 210)	General Ledger W. Adj	(220)		6,088,880
Selected Plant Accounts					
(230)	Acct 2210 - Central Office Switching Equipment	General Ledger W. Adj	(230)		1,530,351
(235)	Acct 2220 - Operator System Equipment	General Ledger W. Adj	(235)		0
(240)	Acct 2230 - Central Office Transmission Equipment	General Ledger W. Adj	(240)		2,483,207
(245)	Total Central Office Equipment (Sum of Lines 230 through 240)	General Ledger W. Adj	(245)		4,013,558
(250)	Circuit Equipment Category 4.13	Prorate per CS	(250)		1,435,459
(255)	Acct 2410 - Cable & Wire Facilities Total	General Ledger W. Adj	(255)		10,557,257
(260)	Acct 3100 (2210) - Accumulated Depreciation Central Office Switching	General Ledger W. Adj	(260)		609,255
(265)	Acct 3100 (2220) - Accumulated Depreciation Operators System	General Ledger W. Adj	(265)		0
(270)	Acct 3100 (2230) - Accumulated Depreciation Central Office Transmission	General Ledger W. Adj	(270)		882,209
(275)	Acct 3100 (2210-2230) - Total Accumulated Depreciation Central Office Equipment (Sum of Lines 260 thru 270)	General Ledger W. Adj	(275)		1,491,464
(280)	Acct 3100 (2410) - Accumulated Depreciation C&WF	General Ledger W. Adj	(280)		7,344,093
(285)	Reserved - NO ENTRY REQUIRED		(285)		
(290)	Reserved - NO ENTRY REQUIRED		(290)		
(295)	Reserved - NO ENTRY REQUIRED		(295)		
(300)	Reserved - NO ENTRY REQUIRED		(300)		
(305)	Reserved - NO ENTRY REQUIRED		(305)		-
(310)	Acct 4340 (2210) - Net Noncurrent Deferred Operating Income Taxes - Central Office Switching	General Ledger W. Adj	(310)		51,271
(315)	Acct 4340 (2220) - Net Noncurrent Deferred Operating Income Taxes - Operator System	General Ledger W. Adj	(315)		0
(320)	Acct 4340 (2230) - Net Noncurrent Deferred Operating Income Taxes - Central Office Transmission	General Ledger W. Adj	(320)		83,194
(325)	Acct 4340 (2210-2230) - Net Noncurrent Deferred Operating Income Taxes - Central Office Equipment (Sum of Lines 310 through 320)	General Ledger W. Adj	(325)		134,465
(330)	Acct 4340 (2410) - Net Noncurrent Deferred Operating Income Taxes - C&WF	General Ledger W. Adj	(330)		350,681
Plant Specific Operation Expense					
(335)	Acct 6110 - Network Support Expense Total	General Ledger W. Adj	(335)		13,626
(340)	Acct 6110 - Benefits Portion of Network Support Expense	General Ledger W. Adj	(340)		579
(345)	Acct 6110 - Rents Portion of Network Support Expense	General Ledger W. Adj	(345)		0
(350)	Acct 6120 - General Support Expense Total	General Ledger W. Adj	(350)		87,310
(355)	Acct 6120 - Benefits Portion of General Support Expense	General Ledger W. Adj	(355)		3,255
(360)	Acct 6120 - Rents Portion of General Support Expense	General Ledger W. Adj	(360)		232
(365)	Acct 6210 - Central Office Switching Expense - Total Switching Expense - Total	General Ledger W. Adj	(365)		124,432
(370)	Acct 6210 - Benefits Portion of COE Switching Expense	General Ledger W. Adj	(370)		29,986
(375)	Acct 6210 - Rents Portion of Central Office Switching Expense	General Ledger W. Adj	(375)		0
(380)	Acct 6220 - Operator System Expense - Total	General Ledger W. Adj	(380)		0
(385)	Acct 6220 - Benefits Portion of Operator System Expense	General Ledger W. Adj	(385)		0
(390)	Acct 6220 - Rents Portion of Operator System Expense	General Ledger W. Adj	(390)		0
(395)	Acct 6230 - Central Office Expense - Transmission Equipment - Total	General Ledger W. Adj	(395)		55,554
(400)	Acct 6230 - Benefits Portion of Central Office Expense - Transmission	General Ledger W. Adj	(400)		5,004

NATIONAL EXCHANGE CARRIER ASSOCIATION
 UNIVERSAL SERVICE FUND
 2007 DATA COLLECTION FORM (07-1)

RUN DATE: 19-Jul-07
 Based on Financials Ending: 12/31/06
 Submitted to NECA: 7/31/2007
 Compensation Commences: 01/01/08

SAC NAME LEWIS RIVER TELEPHONE CO

SAC: 522427

Comp # 669

I. EXCHANGE CARRIER/DATA IDENTIFICATION

- (010) Study Area Code Name
- (020) Contact Name
- (030) Contact Telephone Number
- (040) USF Data Collection Period

LEWIS RIVER TELEPHONE CO
 Jeffrey M. Johnson
 (608) 664-4197
 2007-1

Data LN	Description	Data Source	Data Line	2007-1	Amount
(405)	Acct 6230 - Rents Portion of Central Office Expense - Transmission	General Ledger W. Adj	(405)		0
(410)	365+380+395)	General Ledger W. Adj	(410)		179,986
(415)	Reserved - NO ENTRY REQUIRED		(415)		
(420)	Reserved - NO ENTRY REQUIRED		(420)		
(425)	Reserved - NO ENTRY REQUIRED		(425)		
(430)	Acct 6410 - Cable and Wire Facilities Expense - Total	General Ledger W. Adj	(430)		146,190
(435)	Acct 6410 - Benefits Portion Cable and Wire Facilities Expense	General Ledger W. Adj	(435)		58,537
(440)	Acct 6410 - Rents Portion Cable and Wire Facilities Expense	General Ledger W. Adj	(440)		5,182
(445)	Total Plant Specific Expense (Sum of Lines 335+350+365+380+395+430)	General Ledger W. Adj	(445)		427,112
Plant Non Specific Expense					
(450)	Acct 6530 - Network Operations Expense - Total	General Ledger W. Adj	(450)		351,964
(455)	Acct 6530 - Benefits Portion Network Operations Expense	General Ledger W. Adj	(455)		40,387
(465)	Reserved - NO ENTRY REQUIRED		(465)		
(470)	Reserved - NO ENTRY REQUIRED		(470)		
(480)	Reserved - NO ENTRY REQUIRED		(480)		
(485)	Reserved - NO ENTRY REQUIRED		(485)		
(500)	Reserved - NO ENTRY REQUIRED		(500)		
(505)	Reserved - NO ENTRY REQUIRED		(505)		
Depreciation and Amortization Expenses					
(510)	Acct 6560 (2210) - Depreciation And Amortization Expense - CO Switching	General Ledger W. Adj	(510)		140,863
(515)	Acct 6560 (2220) - Depreciation And Amortization Expense - Operator System	General Ledger W. Adj	(515)		0
(520)	Acct 6560 (2230) - Depreciation and Amortization Expense - CO Transmission	General Ledger W. Adj	(520)		211,415
(525)	Acct 6560 (2210-2230) - Depreciation and Amortization Central Office Equipment (Sum of Lines 510 thru 520)	General Ledger W. Adj	(525)		352,278
(530)	Acct 6560 (2410) - Depreciation and Amortization Expense - C&W Facilities	General Ledger W. Adj	(530)		561,451
Corporate Operating Expenses					
(535)	Acct 6710 Executive and Planning Expense - Total	General Ledger W. Adj	(535)		124,660
(540)	Acct 6710 Benefits Portion Executive and Planning Expense	General Ledger W. Adj	(540)		3,740
(550)	Acct 6720 - General Administrative Expense - Total	General Ledger W. Adj	(550)		692,864
(555)	Acct 6720 - Benefits Portion - General Administrative Expense	General Ledger W. Adj	(555)		8,330
(565)	Total Corporate Operations Expense (Sum of Lines 535 + 550)	General Ledger W. Adj	(565)		817,524
Other Expenses and Revenues					
(600)	Benefits Portion of All Operating Expenses - Total Operating Expenses - Total	General Ledger W. Adj	(600)		246,831
(610)	Rents Portion of All Operating Expenses - Total	General Ledger W. Adj	(610)		5,414
(620)	Reserved - NO ENTRY REQUIRED		(620)		
(630)	Reserved - NO ENTRY REQUIRED		(630)		
Taxes					
(650)	Acct 7200 - Operating Taxes	General Ledger W. Adj	(650)		499,226
(655)	Reserved - NO ENTRY REQUIRED		(655)		
IV. PART 36 - COST STUDY DATA					
(700)	Cost Study Average Cable and Wire Facilities Acct 2410	Cost Study	(700)		10,214,139
	Cost Study Average Cable and Wire Facilities Cat. 1 - Total Exchange Line				
(710)	C&WF Excluding Wide Band	Cost Study	(710)		8,254,502
V. AMORTIZABLE TANGIBLE ASSETS (Refer to instructions prior to completing this section)					
(800)	Acct 2680 - Amortizable Tangible Assets	General Ledger W. Adj	(800)		137,445
(805)	Acct 2680 (2230) - Amortizable Tangible Assets - CO Transmission	General Ledger W. Adj	(805)		137,445
(810)	Acct 2680 (2230) - Amortizable Tangible Assets - CO Transmission Allocated to Category 4.13	General Ledger W. Adj	(810)		0
(815)	Acct 2680 (2410) - Amortizable Tangible Assets - Cable and Wire Facilities	General Ledger W. Adj	(815)		0
(820)	Acct 2680 (2410) - Amortizable Tangible Assets - Cable and Wire Facilities Allocated to Category 1	General Ledger W. Adj	(820)		0
(830)	Acct 6560 (2680) - Depreciation & Amortization Expense - Amortizable Tangible	General Ledger W. Adj	(830)		12,291

VI. COMMENTS / SIGNIFICANT CHANGE EXPLANATION

Reconciled with 2006 study.

USF Certification for 2007

Attachment to Affidavit - Confidential & Proprietary

LEWIS RIVER TELEPHONE CO , d/b/a/ TDS Telecom

Access Lines	Exchange	CLLI Code	OCN	SAC
1,094	AMBOY	AMBYWAXRS0	2427	522427
117	COUGAR	COGRWAXXRS0		
4,594	LA CENTER	LACTWAXADS1		
263	YALE	YALEWAXXRS0		
-				
-				
-				
-				
-				
6,068				

Year 2006 Federal Universal Service Receipts Subject To Certification.

High Cost Loop Support	\$	-	
ICLS Support		Not Applicable	See FCC Part 54.904
Safety Net Additive	\$	-	
Safety Value Additive	\$	-	
Local Switching Support	\$	455,976	
TOTAL	\$	455,976	

Expenditures For Provision, Maintenance, and Upgrading Of Facilities and Services Supported By Federal Universal Service Funding

	Report #1 Actual	Report #4 Estimated	Report #4 Estimated
	2006	2007	2008
Plant Specific Operations Expenses			
Network support (Accts. 6100s)	\$ 13,626	\$ 14,000	\$ 14,400
General support (Accts. 6120s)	\$ 115,247	\$ 116,100	\$ 119,600
Central office switching (Accts. 6210s)	\$ 135,585	\$ 130,400	\$ 134,300
Central office transmission (Accts. 6230s)	\$ 55,554	\$ 57,100	\$ 58,800
Cable and wire facilities (Accts. 6410s)	\$ 152,956	\$ 157,200	\$ 157,500
Network operations (Accts. 6530s)	\$ 351,964	\$ 361,800	\$ 372,600
Depreciation and amortization (Accts. 6560s)	\$ 1,205,479	\$ 1,393,500	\$ 1,408,900
Customer operations expenses			
Customer services (Accts. 6610-20s)	\$ 611,733	\$ 626,100	\$ 644,900
Corporate operations expenses			
Executive, general and corporate (Accts. 6710-20s)	\$ 818,429	\$ 841,300	\$ 866,500
Total Year Supported Expenses, Before Return On Investment	\$ 3,460,573	\$ 3,697,500	\$ 3,777,500
Additions			
Central Office Equipment (Acct. 2200s)	\$ 253,521	\$ 117,000	\$ -
Cable and wire (Acct. 2400s)	\$ 561,858	\$ 401,900	\$ 189,900
TOTAL	\$ 815,379	\$ 518,900	\$ 189,900
Total Year Supported Expenditures, Before Return On Investment	\$ 4,275,952	\$ 4,216,783	\$ 3,967,822

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

I, Kevin G. Hess, being of lawful age, state that I am Senior Vice President, Government & Regulatory Affairs of TDS Telecommunications Corporation, parent company of Lewis River Telephone Company, Inc. d/b/a TDS Telecom ("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 2006 calendar year, the Company met substantially the applicable service quality standard found in WAC 480-123-030(1)(h);

(3) That during the 2006 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 2006 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 19th day of July, 2007 at Madison, WI.

Company: Lewis River Telephone Company, Inc. d/b/a TDS Telecom

By: Kevin G. Hess
Kevin G. Hess

Its: Senior Vice President, Government & Regulatory Affairs

**REPORTS AS REQUIRED BY WAC 480-123-070
AND WAC 480-123-080**

McDaniel d/b/a TDS Telecom (the “Company”) hereby submits the following reports in accordance with WAC 480-123-070 and WAC 480-123-080.¹

Report 1: WAC 480-123-070(1)(a): Report On Use Of Federal Funds And Benefits To Customers

McDaniel is an average schedule company versus a cost company and financial data is not provided to NECA for USF purposes. Instead, McDaniel receives its funds based on Average Schedule Formulas which have been developed by NECA and approved by the FCC.

In order to demonstrate the use of funds refer to the attached report titled “Attachment to Affidavit” which includes the financial data before any cost study adjustments and is used to show the use of federal funds.

Report 2: WAC 480-123-070(1)(b): Substantive Description of Benefits to Consumers Resulting from Report Number 1

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.²

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.³

In addition, during 2006, the Company was engaged in a major investment project within its designated ETC service area as described below:

1. Switch change-out to DRM which will allow additional upgrades - \$693,400.
2. Fiber Ring Project to increase bandwidth and provide stability - \$461,000.
3. Digital loop carrier change and upgrade - \$79,000.
4. OC 48 Transport Project to provide stability - \$45,000.

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

² The term “ETC” is used in the same sense as the term is used in Chapter 480-123 WAC.

³ The references to the services supported by the federal high-cost fund is to the services designated for support as set forth in 47 C.F.R. §54.101(a).

Report 3: WAC 480-123-070(4): Report on Complaints per One Thousand Lines.

The Company reports that it is aware of zero complaints made during calendar year 2006 to the Federal Communications Commission and no complaints to the Consumer Protection Division of the Office of the Attorney General of the State of Washington concerning the services provided to its customers by the Company that are either subject to the regulatory jurisdiction of the Washington Utilities and Transportation Commission or among the services supported by the federal high-cost fund.

Report 4: WAC 480-123-080(1)(b): Annual Plan for Universal Service Support Expenditures.

As explained in Report 1; McDaniel is an average schedule company and does not provide financial data to NECA, instead its funds are based on average schedule formulas developed by NECA and approved by the FCC.

Attachment to Affidavit, Report #4 Column includes estimates of expenditures for the years 2007 and 2008 for the provision, maintenance and upgrading of facilities and services supported by federal universal service.

Report 5: WAC480-123-080 (2): Substantive Plan and Description of Investments & Expenditures and Benefits to Customers.

The expected benefit to customers from the anticipated investment and expenditures is that customers will continue to receive a high level of telecommunications service, rates for its local exchange services will be maintained so that they are affordable and reasonably comparable to rates being charged for the same services in urban areas and McDaniel will continue to upgrade its telecommunications facilities and equipment as necessary to meet evolving service requirements and maintain high quality service. The use of federal universal service support for these purposes is clearly consistent with the federal universal service principals

The Company expects that levels of expenses will remain relatively the same as those it experienced in calendar year 2006, 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 relatively the same level of investment related to maintenance, replacement and minor upgrades of equipment and plant as occurred in calendar year 2006.

In addition to the foregoing, the Company is planning on several large projects for 2007. The large projects are as follows:

1. Mossyrock power project estimated at \$17,700.
2. Shoen Road cable addition estimated at \$15,400.
3. Cisco router project estimated at \$17,000.

4. Onalaska and Salkum fiber project estimated at \$41,400.

All of the aforementioned projects will allow the company to continue to maintain and improve the level of service provided as well as increase bandwidth for future growth and advance services.

Customers will benefit from these investment and expenditures through their continued ability to maintain their high quality level of telecommunications service. As to the specific investment project identified above, it is expected that customers will benefit by increased reliability of service and the increased availability of a broader range of telecommunications services, including, but not limited to, advanced services.

USF Certification for 2007

Attachment to Affidavit - Confidential & Proprietary

McDANIEL TELEPHONE CO

, d/b/a/ TDS Telecom

Access Lines	Exchange	CLLI Code	OCN	SAC
1,127	MOSSYROCK	MSRKWAXXRS2	2430	522430
1,710	ONALASKA	ONLSWAXARS2		
1,610	SALKUM	SLKMWAXBDS1		
-				
-				
-				
-				
-				
4,447				

Year 2006 Federal Universal Service Receipts Subject To Certification.

High Cost Loop Support	\$	131,109	
ICLS Support		Not Applicable	See FCC Part 54.904
Safety Net Additive	\$	-	
Safety Value Additive	\$	-	
Local Switching Support	\$	566,301	
TOTAL	\$	697,410	

Expenditures For Provision, Maintenance, and Upgrading Of Facilities and Services Supported By Federal Universal Service Funding

	<u>Actual</u>	<u>Estimated</u>	<u>Estimated</u>
	2006	2007	2008
Plant Specific Operations Expenses			
Network support (Accts. 6100s)	\$ 4,572	\$ 8,200	\$ 8,300
General support (Accts. 6120s)	\$ 46,006	\$ 37,300	\$ 38,100
Central office switching (Accts. 6210s)	\$ 56,963	\$ 69,500	\$ 70,800
Central office transmission (Accts. 6230s)	\$ 102,327	\$ 85,500	\$ 87,100
Cable and wire facilities (Accts. 6410s)	\$ 195,870	\$ 161,700	\$ 164,700
Network operations (Accts. 6530s)	\$ 252,920	\$ 299,900	\$ 305,600
Depreciation and amortization (Accts. 6560s)	\$ 863,500	\$ 811,000	\$ 843,000
Customer operations expenses			
Customer services (Accts. 6610-20s)	\$ 488,624	\$ 642,300	\$ 654,500
Corporate operations expenses			
Executive, general and corporate (Accts. 6710-20s)	\$ 609,673	\$ 690,400	\$ 703,600
Total Year Supported Expenses, Before Return On Investment	\$ 2,620,455	\$ 2,805,800	\$ 2,875,700
Additions			
Central Office Equipment (Acct. 2200s)	\$ 879,320	\$ 124,200	\$ -
Cable and wire (Acct. 2400s)	\$ 583,717	\$ 443,900	\$ 69,400
TOTAL	\$ 1,463,037	\$ 568,100	\$ 69,400
Total Year Supported Expenditures, Before Return On Investment	\$ 4,083,492	\$ 3,374,375	\$ 2,945,472

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

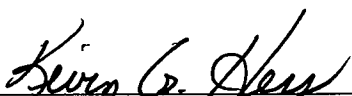
I, Kevin G. Hess, being of lawful age, state that I am Senior Vice President, Government & Regulatory Affairs of TDS Telecommunications Corporation, parent company of McDaniel Telephone Company d/b/a TDS Telecom ("Company"), that I am authorized to execute this Affidavit on behalf of the Company, and 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:

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- (4) That during the 2006 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 19th day of July, 2007 at Madison, WI.

Company: McDaniel Telephone Company, Inc. d/b/a TDS Telecom

By: 
Kevin G. Hess

Its: Senior Vice President, Government & Regulatory Affairs