



PO BOX 609
MOUNT VERNON, OR 97865-0609
1-888-782-4680

July 21, 2010

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

Re: Request for 2010 ETC Certification Pursuant to WAC 480-123-060 and
47 C.F.R §54.314

Dear Ms. Washburn:

Pursuant to WAC 480-123-060, Skyline Telecom Inc, ("Company") herby 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,

Delinda Kluser

Enclosures



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

Skyline Telecom Inc. (the "Company") hereby submits the following reports in accordance with WAC 480-123-070 and WAC 480-123-080¹.

Report 1: WAC 480-123-070 (1)(a): Attached is a copy of the NECA-1 for the calendar year 2009 that 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 of providing quality telecommunications services to customers in the service area for which the Company is designated as an ETC². The Company has made substantial investments over the past few years which allow it to provide quality telecommunications services to all of its customers. These expenditures and investments benefit all customers within the designated ETC service area. The Company offers services comparable to services offered in urban areas at rates comparable to such urban areas.

Throughout 2010 the Company has also continued to provide maintenance to the buried cable and other plant as needed to maintain a high level of service quality.

Report 3: WAC 480-123-070(4): The Company reports that during calendar year 2009, the Company did not receive from the Federal Communications Commission or the Consumer Protection Division of the Office of the Attorney General of the State of Washington any complaints against the Company made by the Company's customers.

Report 4: WAC 480-123-070(7): The Company reports that newspaper advertisements detailing basic supported services as well as the Lifeline and Link-Up programs were run in The Okanogan Valley Gazette Tribune throughout 2009. The Company expects to continue to advertise these services throughout 2010.

Report 5: WAC 480-123-080(1)(b): The Company expects investments and expenditures to remain fairly consistent with prior years in relation to maintenance, replacement and upgrades to our plant. The Company does not anticipate major adjustments in staffing levels for the relevant period. Customers will continue to receive the high level of telecommunications service that they have experienced over the past few years with the possibility of increased services.

Report 6: WAC 480-123-080(2): The Company expects investments and expenditures to remain fairly consistent with prior years in relation to maintenance, replacement and upgrades to our plant. The Company has not yet started the budgeting process for 2011 and therefore does not have final numbers prepared for investments and expense levels for 2011. The Company does not anticipate major adjustments to staffing levels in 2011. Customers will continue to receive the high level of telecommunications service that they have experienced over the past few years with the possibility of increased services. The Company expects that the continued receipt of federal high-cost support will allow the Company to continue to provide the supported services at rates comparable to the rates for such services in urban areas to all customers in the designated ETC service area.

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

I, Delinda Kluser, being of lawful age, state that I am Vice-Pres, Manager of Skyline Telecom Inc ("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 2009 calendar year, the Company met substantially the applicable service quality standard found in WAC 480-123-030(1)(h);

(3) That during the 2009 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 2009 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 21st day of July, 2010, at MT Vernon, OR.

Company: Skyline Telecom Inc

By: [Signature]

Its: Vice-Pres. Manager

Universal Service Fund
Data Collection Form

7/14/2010

SAC: 521402

SA Name: Skyline Telephone Company

Region: Western

I. EXCHANGE CARRIER/DATA IDENTIFICATION

(010)	Study Area Code	(010)	<u>521402</u>
(020)	Contact Name	(020)	<u>DeeDee Kluser</u>
(030)	Contact Telephone Number	(030)	<u></u>
(040)	USF Data Collection Period	(040)	<u>2010-1</u>

<u>Data Line</u>	<u>Description</u>	<u>Latest View 2009-1 Amount</u>	<u>Data Line</u>	<u>Pending View 2010-1 Amount</u>	<u>Data Source</u>
II. WORKING LOOPS					
(060)	Total Loops (Cat. 1.1, 1.2 and 1.3)	<u>141</u>	(060)	<u>129</u>	
(070)	Category 1.3 Loops (Excluding Cat. 1.3 TWX Loops)	<u>141</u>	(070)	<u>129</u>	
(080)	Reserved				
III. INVESTMENT, EXPENSE AND TAXES					
Net Plant Investment					
(160)	Acct. 2001 - Telephone Plant in Service	<u>870,913</u>	(160)	<u>856,269</u>	
(170)	Acct. 1220 - Materials and Supplies	<u>5,985</u>	(170)	<u>5,985</u>	
(190)	Acct. 3100 - Accumulated Depreciation	<u>398,115</u>	(190)	<u>442,302</u>	
(195)	Acct. 3400 - Accumulated Amortization Tangible	<u>0</u>	(195)	<u>0</u>	
(200)	Reserved				N O E N T R Y R E Q U I R E D
(205)	Reserved				N O E N T R Y R E Q U I R E D
(210)	Acct. 4340 - Net Noncurrent Deferred Operating Income Taxes	<u>98,571</u>	(210)	<u>75,735</u>	
(220)	Net Plant Investment (Sum of Lines 160 + 170 Minus Lines 190 Through 210)	<u>380,212</u>	(220)	<u>344,217</u>	Calculation

Universal Service Fund
Data Collection Form

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Data Line	Description	Latest View 2009-1 Amount	Data Line	Pending View 2010-1 Amount	Data Source
Selected Plant Accounts					
(230)	Acct. 2210 - Central Office Switching Equipment	181,027	(230)	181,027	
(235)	Acct. 2220 - Operator System Equipment	0	(235)	0	
(240)	Acct. 2230 - Central Office Transmission Equipment	127,086	(240)	127,086	
(245)	Total Central Office Equipment (Sum of Lines 230 Through 240)	308,113	(245)	308,113	Calculation
(250)	Circuit Equipment Category 4.13	97,095	(250)	97,095	
(255)	Acct. 2410 - Cable and Wire Facilities Total	497,745	(255)	497,745	
(260)	Acct. 3100 (2210) - Accumulated Depreciation Central Office Switching Equipment	147,343	(260)	167,000	
(265)	Acct. 3100 (2220) - Accumulated Depreciation Operator System Equipment	0	(265)	0	
(270)	Acct. 3100 (2230) - Accumulated Depreciation Central Office Transmission Equipment	54,478	(270)	64,516	
(275)	Acct. 3100 (2210-2230) - Total Accumulated Depreciation Central Office Equipment (Sum of Lines 260 Through 270)	201,821	(275)	231,516	Calculation
(280)	Acct. 3100 (2410) - Accumulated Depreciation Cable and Wire Facilities	159,067	(280)	188,932	

Universal Service Fund
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7/14/2010

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<u>Data Line</u>	<u>Description</u>	<u>Latest View 2009-1 Amount</u>	<u>Data Line</u>	<u>Pending View 2010-1 Amount</u>	<u>Data Source</u>
(285)	Reserved		N O E N T R Y	R E Q U I R E D	
(290)	Reserved		N O E N T R Y	R E Q U I R E D	
(295)	Reserved		N O E N T R Y	R E Q U I R E D	
(300)	Reserved		N O E N T R Y	R E Q U I R E D	
(305)	Reserved		N O E N T R Y	R E Q U I R E D	
(310)	Acct. 4340 (2210) - Net Noncurrent Deferred Operating Income Taxes - Central Office Switching Equipment	<u>20,489</u>	(310)	<u>16,011</u>	
(315)	Acct. 4340 (2220) - Net Noncurrent Deferred Operating Income Taxes - Operator System Equipment	<u>0</u>	(315)	<u>0</u>	
(320)	Acct. 4340 (2230) - Net Noncurrent Deferred Operating Income Taxes - Central Office Transmission Equipment	<u>14,384</u>	(320)	<u>11,240</u>	
(325)	Acct. 4340 (2210-2230) - Net Noncurrent Deferred Operating Income Taxes - Central Office Equipment (Sum of Lines 310 Through 320)	<u>34,873</u>	(325)	<u>27,251</u>	Calculation
(330)	Acct. 4340 (2410) - Net Noncurrent Deferred Operating Income Taxes - Cable and Wire Facilities	<u>56,335</u>	(330)	<u>44,024</u>	

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7/14/2010

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<u>Data Line</u>	<u>Description</u>	<u>Latest View 2009-1 Amount</u>	<u>Data Line</u>	<u>Pending View 2010-1 Amount</u>	<u>Data Source</u>
Plant-Specific Operation Expense					
(335)	Acct. 6110 - Network Support Expense Total	0	(335)	0	
(340)	Acct. 6110 - Benefits Portion of Network Support Expense	0	(340)	0	
(345)	Acct. 6110 - Rents Portion of Network Support Expense	0	(345)	0	
(350)	Acct. 6120 - General Support Expense Total	3,512	(350)	4,935	
(355)	Acct. 6120 - Benefits Portion of General Support Expense	447	(355)	1,210	
(360)	Acct. 6120 - Rents Portion of General Support Expense	722	(360)	60	
(365)	Acct. 6210 - Central Office Switching Expense - Total	33,976	(365)	35,718	
(370)	Acct. 6210 - Benefits Portion of Central Office Switching Expense	7,928	(370)	13,970	
(375)	Acct. 6210 - Rents Portion of Central Office Switching Expense	0	(375)	1,200	
(380)	Acct. 6220 - Operator System Expense - Total	0	(380)	0	
(385)	Acct. 6220 - Benefits Portion of Operator System Expense	0	(385)	0	
(390)	Acct. 6220 - Rents Portion of Operator System Expense	0	(390)	0	
(395)	Acct. 6230 - Central Office Expense - Transmission Equipment - Total	4,653	(395)	7,965	

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<u>Data Line</u>	<u>Description</u>	<u>Latest View 2009-1 Amount</u>	<u>Data Line</u>	<u>Pending View 2010-1 Amount</u>	<u>Data Source</u>
(400)	Acct. 6230 - Benefits Portion of Central Office Expense - Transmission Equipment	842	(400)	2,579	
(405)	Acct. 6230 - Rents Portion of Central Office Expense - Transmission Equipment	0	(405)	0	
(410)	Accts. 6210-6230 - Central Office Expense Total (Sum of Lines 365 + 380 + 395)	38,629	(410)	43,683	Calculation
(415)	Reserved	N O	E N T R Y	R E Q U I R E D	
(420)	Reserved	N O	E N T R Y	R E Q U I R E D	
(425)	Reserved	N O	E N T R Y	R E Q U I R E D	
(430)	Acct. 6410 - Cable and Wire Facilities Expense - Total	56,804	(430)	37,592	
(435)	Acct. 6410 - Benefits Portion Cable and Wire Facilities Expense	12,876	(435)	13,817	
(440)	Acct. 6410 - Rents Portion Cable and Wire Facilities Expense	0	(440)	0	
(445)	Total Plant-Specific Expense (Sum of Lines 335 + 350 + 365 + 380 + 395 + 415 + 430)	98,945	(445)	86,210	Calculation
Plant-Nonspecific Expense					
(450)	Acct. 6530 - Network Operations Expense - Total	5,488	(450)	12,373	
(455)	Acct. 6530 - Benefits Portion Network Operations Expense	2,693	(455)	5,581	

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Data Line	Description	Latest View 2009-1 Amount	Data Line	Pending View 2010-1 Amount	Data Source
(465)	Reserved	NO	ENTRY	REQUIRED	
(470)	Reserved	NO	ENTRY	REQUIRED	
(480)	Reserved	NO	ENTRY	REQUIRED	
(485)	Reserved	NO	ENTRY	REQUIRED	
(500)	Reserved	NO	ENTRY	REQUIRED	
(505)	Reserved	NO	ENTRY	REQUIRED	

Depreciation and Amortization Expenses

(510)	Acct. 6560 (2210) - Depreciation and Amortization Expense - Central Office Switching Equipment	<u>29,188</u>	(510)	<u>19,657</u>	
(515)	Acct. 6560 (2220) - Depreciation and Amortization Expense - Operator System Equipment	<u>0</u>	(515)	<u>0</u>	
(520)	Acct. 6560 (2230) - Depreciation and Amortization Expense - Central Office Transmission Equipment	<u>7,476</u>	(520)	<u>10,038</u>	
(525)	Acct. 6560 (2210-2230) Depreciation and Amortization Central Office Equipment (Sum of Lines 510 Through 520)	<u>36,664</u>	(525)	<u>29,695</u>	Calculation
(530)	Acct. 6560 (2410) - Depreciation and Amortization Expense - Cable and Wire Facilities	<u>20,740</u>	(530)	<u>29,865</u>	

Corporate Operating Expenses

(535)	Acct. 6710 - Executive and Planning Expense - Total	<u>16,570</u>	(535)	<u>15,888</u>	
(540)	Acct. 6710 - Benefits Portion Executive and Planning Expense	<u>4,285</u>	(540)	<u>6,981</u>	

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Data Line	Description	Latest View 2009-1 Amount	Data Line	Pending View 2010-1 Amount	Data Source
(550)	Acct. 6720 - General Administrative Expense - Total	42,518	(550)	38,906	
(555)	Acct. 6720 - Benefits Portion - General Administrative Expense	4,562	(555)	8,128	
(565)	Total Corporate Operations Expense (Sum of Lines 535 + 550)	59,088	(565)	54,794	Calculation
Other Expenses and Revenues					
(600)	Benefits Portion of All Operating Expenses - Total	34,628	(600)	56,267	
(610)	Rents Portion of All Operating Expenses - Total	736	(610)	1,391	
(620)	Reserved	NO ENTRY REQUIRED			
(630)	Reserved	NO ENTRY REQUIRED			
Taxes					
(650)	Acct. 7200 - Operating Taxes	47,990	(650)	(23,044)	
(655)	Reserved	NO ENTRY REQUIRED			
IV. PART 36 - COST STUDY DATA					
(700)	Acct. 2410 - Cost Study Average Cable and Wire Facilities	497,745	(700)	497,745	
(710)	Cost Study Average Cable and Wire Facilities Cat. 1 - Total Exchange Line C&WF Excluding Wide Band	336,579	(710)	336,579	

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Data Line	Description	Latest View 2009-1 Amount	Data Line	Pending View 2010-1 Amount	Data Source
V. AMORTIZABLE TANGIBLE ASSETS (Refer to instructions prior to completing this section)					
(800)	Acct. 2680 - Amortizable Tangible Assets	0	(800)	0	
(805)	Acct. 2680 (2230) - Amortizable Tangible Assets - Central Office Transmission Equipment	0	(805)	0	
(810)	Acct. 2680 (2230) - Amortizable Tangible Assets - Central Office Transmission Equipment Allocated to Category 4.13	0	(810)	0	
(815)	Acct. 2680 (2410) - Amortizable Tangible Assets - Cable and Wire Facilities	0	(815)	0	
(820)	Acct. 2680 (2410) - Amortizable Tangible Assets - Cable and Wire Facilities Allocated to Category 1	0	(820)	0	
(830)	Acct. 6560 (2680) - Depreciation and Amortization Expense - Amortizable Tangible Assets	0	(830)	0	
	Sum of Data Collection Inputs	5,060,221		5,036,107	Sum of Line 060 - 830

VI. COMMENTS/SIGNIFICANT CHANGE EXPLANATION

VI. RENT REVENUE: OFFSET TO EXPENSE

(1)	Account 6120 - General Support Expense	0	0	Correct Year Input form
(2)	Account 6210 - Central Office Switching Expense	0	0	Correct Year Input form
(3)	Account 6220 - Central Office Operator Expense	0	0	Correct Year Input form
(4)	Account 6230 - Central Office Transmission Expense	0	0	Correct Year Input form
(5)	Account 6310 - Information Orig/Term Expense	0	0	Correct Year Input form
(6)	Account 6410 - Cable & Wire Facilities Expense	0	0	Correct Year Input form
	TOTAL	0	0	Ln 1-6