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Regular Agenda

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STATE OF WASHINGTON
UTIL. AND TRANSPORTATION
COMMISSION

July 25, 2011

Dave Danner, Executive Director/Secretary
Washington Utilities and Transportation Commission
1300 South Evergreen Park Drive SW
Olympia, WA 98504-7250

Re: 2011 ETC Certification
Request for Certification Pursuant to WAC 480-123-060, 070 and 080

Dear Mr. Danner:

Pursuant to WAC 480-123-060, 070 and 080 **Lewis River Telephone Company**, 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,

Bruce Schiefelbein
Manager – Regulatory Compliance
TDS Telecom

Enclosures

cc: Gail Long

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

Lewis River 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 2010, 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 2010, 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 2010, the Company was engaged in major investment projects within its designated ETC service area as described below;

1. Complete the Replacement of Central Office clock in LaCenter – \$25,100
2. Install Additional AC Unit – LaCenter - \$39,800
3. Install additional Batteries at LaCenter - \$52,300
4. Upgrade transport facilities for Fargher Lake in LaCenter - \$213,600
5. Phase 3 Soft Switch at LaCenter - \$169,700
6. Upgrade transport facilities at Lyons DSA in LaCenter - \$28,600

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 only aware of one complaint made during calendar year 2010 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. Below is a list of the complaint and the resolution.

FCC Complaint:

- One customer contacted the FCC regarding an EAS billing problem. Lewis River provided a credit for the disputed charges.

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 2011 and 2012 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 2010, 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 2010.

In addition to the foregoing, the Company is planning on several large projects for 2011.

The large projects are as follows:

- Install New Generator and ATS – LaCenter - \$87,700
- Replace Generator – Yale - \$52,800
- Upgrade Transport Facility at DLC 41601 – LaCenter - \$85,500
- Upgrade Transport Facility at DLC 41604 – LaCenter - \$66,600

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.

**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 2010 calendar year, the Company met substantially the applicable service quality standard found in WAC 480-123-030(1)(h);

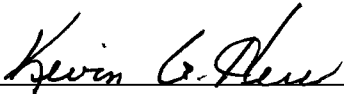
(3) That during the 2010 calendar year, the Company maintained the ability to function in emergency situations under the standard found in WAC 480-123-030(1)(g), as such standard relates to functionality of wireline carriers in emergency situations; and

(4) That during the 2010 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 25th day of July, 2011 at Madison, WI.

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

By: 
Kevin G. Hess

Its: Senior Vice President, Government & Regulatory Affairs

USF Certification for 2011

Attachment to Affidavit

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

Access Lines	Exchange	CLLI Code	OCN	SAC
1,018	AMBOY	AMBYWAXARS0	2427	522427
115	COUGAR	COGRWAXXRS0		
3,872	LA CENTER	LACTWAXADS1		
227	YALE	YALEWAXXRS0		
-				
-				
-				
-				
-				
5,232				

Year 2010 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	\$	159,348	
TOTAL	\$	159,348	

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

	Report #1 Actual 2010	Report #4 Estimated 2011	Report #4 Estimated 2012
Plant Specific Operations Expenses			
Network support (Accts. 6100s)	\$ 12,245	\$ 12,000	\$ 12,000
General support (Accts. 6120s)	\$ 305,837	\$ 297,000	\$ 305,000
Central office switching (Accts. 6210s)	\$ 103,759	\$ 101,000	\$ 104,000
Central office transmission (Accts. 6230s)	\$ 72,296	\$ 70,000	\$ 72,000
Cable and wire facilities (Accts. 6410s)	\$ 211,036	\$ 205,000	\$ 211,000
Network operations (Accts. 6530s)	\$ 399,921	\$ 388,000	\$ 399,000
Depreciation and amortization (Accts. 6560s)	\$ 956,883	\$ 962,000	\$ 1,000,000
Customer operations expenses			
Customer services (Accts. 6610-20s)	\$ 498,903	\$ 484,000	\$ 498,000
Corporate operations expenses			
Executive, general and corporate (Accts. 6710-20s)	\$ 716,986	\$ 696,000	\$ 715,000
Total Year Supported Expenses, Before Return On Investment	\$ 3,277,867	\$ 3,215,000	\$ 3,316,000
Additions			
Central Office Equipment (Acct. 2200s)	\$ 939,985	\$ 567,100	\$ -
Cable and wire (Acct. 2400s)	\$ 6,329	\$ 82,500	\$ 41,300
TOTAL	\$ 946,314	\$ 649,600	\$ 41,300
Total Year Supported Expenditures, Before Return On Investment	\$ 4,224,181	\$ 3,864,600	\$ 3,357,300

NATIONAL EXCHANGE CARRIER ASSOCIATION
 UNIVERSAL SERVICE FUND
 2011 DATA COLLECTION FORM (11-1)

RUN DATE: 15-Jul-11
 Based on Financials Ending: 12/31/10
 Submitted to NECA: 7/30/2011
 Compensation Commences: 01/01/12

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
 (808) 864-4197
 2011-1

Data LN Description

II. WORKING LOOPS

(060) Total Loops - (Cat 1.1, 1.2 and 1.3)
 (070) Category 1.3 Loops - (Excluding Cat 1.3 TWX Loops)
 (080) Reserved - NO ENTRY REQUIRED

Data Source	Data Line	2011-1	Amount
OSP Records	(060)		5,244
OSP Records	(070)		5,232
	(080)		

III. INVESTMENT, EXPENSES, AND TAXES

Net Plant Investment

(160) Acct 2001 - Telephone Plant in Service
 (170) Acct 1220 - Material and Supplies
 (190) Acct 3100 - Accumulated Depreciation
 (195) Acct 3400 - Accumulated Amortization Tangible
 (200) Reserved - NO ENTRY REQUIRED
 (205) Reserved - NO ENTRY REQUIRED
 (210) Acct 4340 - Net Noncurrent Deferred Operating Income Taxes
(220) Net Plant Investment (Sum of Lines 160+170 minus Lines 190 through 210)

General Ledger W. Adj	(160)		17,678,872
General Ledger W. Adj	(170)		93,998
General Ledger W. Adj	(190)		13,408,913
General Ledger W. Adj	(195)		0
	(200)		
	(205)		
General Ledger W. Adj	(210)		216,328
General Ledger W. Adj		(220)	4,147,629

Selected Plant Accounts

(230) Acct 2210 - Central Office Switching Equipment
 (235) Acct 2220 - Operator System Equipment
 (240) Acct 2230 - Central Office Transmission Equipment
(245) Total Central Office Equipment (Sum of Lines 230 through 240)
 (250) Circuit Equipment Category 4.13
 (255) Acct 2410 - Cable & Wire Facilities Total
 (260) Acct 3100 (2210) - Accumulated Depreciation Central Office Switching
 (265) Acct 3100 (2220) - Accumulated Depreciation Operators System
 (270) Acct 3100 (2230) - Accumulated Depreciation Central Office Transmission
(275) Acct 3100 (2210-2230) - Total Accumulated Depreciation Central Office Equipment (Sum of Lines 260 thru 270)

General Ledger W. Adj	(230)		1,425,457
General Ledger W. Adj	(235)		0
General Ledger W. Adj	(240)		4,073,319
General Ledger W. Adj		(245)	5,498,776
Prorate per CS	(250)		2,625,738
General Ledger W. Adj	(255)		11,027,464
General Ledger W. Adj	(260)		807,977
General Ledger W. Adj	(265)		0
General Ledger W. Adj	(270)		2,375,496
General Ledger W. Adj		(275)	3,183,473

(280) Acct 3100 (2410) - Accumulated Depreciation C&WF
 (285) Reserved - NO ENTRY REQUIRED
 (290) Reserved - NO ENTRY REQUIRED
 (295) Reserved - NO ENTRY REQUIRED
 (300) Reserved - NO ENTRY REQUIRED
 (305) Reserved - NO ENTRY REQUIRED
 Acct 4340 (2210) - Net Noncurrent Deferred Operating Income Taxes - Central Office Switching
 Acct 4340 (2220) - Net Noncurrent Deferred Operating Income Taxes - Operator System
 Acct 4340 (2230) - Net Noncurrent Deferred Operating Income Taxes - Central Office Transmission
(325) Acct 4340 (2210-2230) - Net Noncurrent Deferred Operating Income Taxes - Central Office Equipment (Sum of Lines 310 through 320)
 (330) Acct 4340 (2410) - Net Noncurrent Deferred Operating Income Taxes - C&WF

General Ledger W. Adj	(280)		9,564,451
	(285)		
	(290)		
	(295)		
	(300)		
	(305)		
General Ledger W. Adj	(310)		16,972
General Ledger W. Adj	(315)		0
General Ledger W. Adj	(320)		48,498
General Ledger W. Adj		(325)	65,470
General Ledger W. Adj	(330)		129,542

Plant Specific Operation Expense

(335) Acct 6110 - Network Support Expense Total
 (340) Acct 6110 - Benefits Portion of Network Support Expense
 (345) Acct 6110 - Rents Portion of Network Support Expense
 (350) Acct 6120 - General Support Expense Total
 (355) Acct 6120 - Benefits Portion of General Support Expense
 (360) Acct 6120 - Rents Portion of General Support Expense
 (365) Acct 6210 - Central Office Switching Expense - Total Switching Expense - Total
 (370) Acct 6210 - Benefits Portion of COE Switching Expense
 (375) Acct 6210 - Rents Portion of Central Office Switching Expense
 (380) Acct 6220 - Operator System Expense - Total
 (385) Acct 6220 - Benefits Portion of Operator System Expense
 (390) Acct 6220 - Rents Portion of Operator System Expense
 (395) Acct 6230 - Central Office Expense - Transmission Equipment - Total
 (400) Acct 6230 - Benefits Portion of Central Office Expense - Transmission

General Ledger W. Adj	(335)		13,378
General Ledger W. Adj	(340)		885
General Ledger W. Adj	(345)		0
General Ledger W. Adj	(350)		165,242
General Ledger W. Adj	(355)		6,316
General Ledger W. Adj	(360)		66,258
General Ledger W. Adj	(365)		98,972
General Ledger W. Adj	(370)		10,432
General Ledger W. Adj	(375)		0
General Ledger W. Adj	(380)		0
General Ledger W. Adj	(385)		0
General Ledger W. Adj	(390)		0
General Ledger W. Adj	(395)		84,787
General Ledger W. Adj	(400)		6,302

NATIONAL EXCHANGE CARRIER ASSOCIATION
 UNIVERSAL SERVICE FUND
 2011 DATA COLLECTION FORM (11-1)

RUN DATE: 15-Jul-11
 Based on Financials Ending: 12/31/10
 Submitted to NECA: 7/30/2011
 Compensation Commences: 01/01/12

SAC NAME LEWIS RIVER TELEPHONE CO

SAC: 522427

Comp # 668

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
 2011-1

Data LN	Description	Data Source	Data Line	2011-1	Amount
(405)	Acct 6230 - Rents Portion of Central Office Expense - Transmission	General Ledger W. Adj	(405)		10
(410)	Accts 6210 - 6230 - Central Office Expense Total (Sum of Lines 365+380+395)	General Ledger W. Adj	(410)		183,759
(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)		221,043
(435)	Acct 6410 - Benefits Portion Cable and Wire Facilities Expense	General Ledger W. Adj	(435)		44,778
(440)	Acct 6410 - Rents Portion Cable and Wire Facilities Expense	General Ledger W. Adj	(440)		7,717
(445)	Total Plant Specific Expense (Sum of Lines 335+350+365+380+395+430)	General Ledger W. Adj	(445)		583,422
Plant Non Specific Expense					
(450)	Acct 6530 - Network Operations Expense - Total	General Ledger W. Adj	(450)		432,058
(455)	Acct 6530 - Benefits Portion Network Operations Expense	General Ledger W. Adj	(455)		78,793
(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 6580 (2210) - Depreciation And Amortization Expense - CO Switching	General Ledger W. Adj	(510)		146,971
(515)	Acct 6580 (2220) - Depreciation And Amortization Expense - Operator System	General Ledger W. Adj	(515)		0
(520)	Acct 6580 (2230) - Depreciation and Amortization Expense - CO Transmission	General Ledger W. Adj	(520)		362,121
(525)	Acct 6580 (2210-2230) - Depreciation and Amortization Central Office Equipment (Sum of Lines 510 thru 520)	General Ledger W. Adj	(525)		509,092
(530)	Acct 6580 (2410) - Depreciation and Amortization Expense - C&W Facilities	General Ledger W. Adj	(530)		373,631
Corporate Operating Expenses					
(535)	Acct 6710 Executive and Planning Expense - Total	General Ledger W. Adj	(535)		0
(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)		734,559
(555)	Acct 6720 - Benefits Portion - General Administrative Expense	General Ledger W. Adj	(555)		64,865
(565)	Total Corporate Operations Expense (Sum of Lines 535 + 550)	General Ledger W. Adj	(565)		734,559
Other Expenses and Revenues					
(600)	Benefits Portion of All Operating Expenses - Total Operating Expenses - Total	General Ledger W. Adj	(600)		288,068
(610)	Rents Portion of All Operating Expenses - Total	General Ledger W. Adj	(610)		73,985
(620)	Reserved - NO ENTRY REQUIRED		(620)		
(630)	Reserved - NO ENTRY REQUIRED		(630)		
Taxes					
(650)	Acct 7200 - Operating Taxes	General Ledger W. Adj	(650)		472,295
(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)		11,005,195
(710)	Cost Study Average Cable and Wire Facilities Cat. 1 - Total Exchange Line C&WF Excluding Wide Band	Cost Study	(710)		10,280,366
V. AMORTIZABLE TANGIBLE ASSETS (Refer to Instructions prior to completing this section)					
(800)	Acct 2680 - Amortizable Tangible Assets	General Ledger W. Adj	(800)		0
(805)	Acct 2680 (2230) - Amortizable Tangible Assets - CO Transmission	General Ledger W. Adj	(805)		0
(810)	Acct 2680 (2230) - Amortizable Tangible Assets - CO Transmission Allocated to Category 4.13				
(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 Assets	General Ledger W. Adj	(830)		1,697
VI. COMMENTS / SIGNIFICANT CHANGE EXPLANATION				Hash Total	103,450,405
Reconciled with 2010 study.					