

THE TOLEDO TELEPHONE CO., INC.
P.O. BOX 669, TOLEDO, WASHINGTON 98591
TELEPHONE 360-864-4552

June 18, 2012

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:

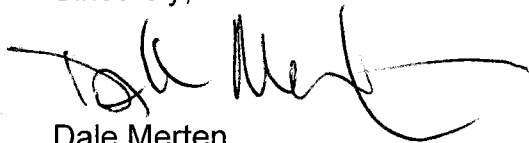
Pursuant to WAC 480-123-060, The Toledo Telephone Co., Inc. ("Company") hereby requests that the Washington State Utilities and Transportation Commission certify that the Company has met the requirements of 47 C.F.R. 54.314 for eligibility for continued receipt of federal high-cost funds.

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

The Company would also like to make particular note of our outreach efforts for Lifeline and WTAP to our subscribers. For the Commissions information, in additions to basic Lifeline advertisement covered in the enclosed certification, the Company distributes Lifeline/WTAP information to schools and social services in our serving area.

Also enclosed is a copy of our filing with the FCC per rules initiated in 47 C.F.R. 54.3139(a)(2) through (a)(6) and (h).

Sincerely,



Dale Merten
Chief Operating Officer

STATE OF WASHINGTON
UTILITIES AND TRANSPORTATION
COMMISSION

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REGULATORY MANAGEMENT

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

I, Dale Merten, being of lawful age, state that I am C.O.O of The Toledo Telephone Company, 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 2011 calendar year, the Company met substantially the applicable service quality standard found in WAC 480-123-030(1)(h);

(3) That during the 2011 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 2011 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 18th day of June, 2012

Company: The Toledo Telephone Company, Inc.

By: 

Its: Chief Operating Officer

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RECORDS MANAGEMENT
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STATE OF WASH.
UTIL. AND TRASN.
COMMISSION

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

The Toledo Telephone Co., Inc. (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): Attached is a copy of the Company's NECA Report for the calendar year 2011, that, as of the date of the report, the Company has reported as the expected 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.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. In addition, during 2011, the Company was engaged in several critical investment projects within its designated ETC service area as described below:

The company replaced aging copper facilities within the City of Toledo with Fiber Optic Cable which will serve residential, business, governmental, K-12 and recreational customers.

Report 3: WAC 480-123-070(4): The Company reports that the Company is aware of one complaint, regarding call completion issues and was contacted during calendar year 2011 by the Federal Communications Commission or the Consumer Protection Division. We responded to the FCC and they understand the problem was not under our control.

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

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.

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, 2012, through December 31, 2012, that the Company expects to use as a basis to request federal high-cost support are expected to have relatively similar expenses the Company has set forth in its information filed under Report 1. The Company expects that levels of expenses will see a similar increase as those it experienced in calendar year 2011, 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's investment plans directly affecting federal high-cost supported services offered by it in its designated ETC service area include several major construction projects at the present time: Phase one, currently underway consists of overbuilding the downtown Toledo area with fiber optic cable to replace aging and failing copper plant. Over the next five years, the Company plans to built-out fiber to those areas currently served by copper facilities that have reached full depreciation and/or are known to be degrading service due to the age of the facilities. Funding for these projects will be provided through the UDSA RUS Loan Program and is expected to total \$18 million upon the completion target date of December 31, 2016. However, recent FCC changes to USF and ICC have placed this project in peril, as the company has no reliable means to determine if USF will provide adequate support to continue or complete the effort.

With the exception of the construction projects described, above, 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 2011. The Company has completed its budgeting process and provides final numbers prepared for investment and construction expense levels for 2012 as attachment "2012 ETC Budget"

The expected benefit to customers from the anticipated investment and expenditures is that customers will continue to receive a high level of telecommunications service and have access to advanced services delivered via fiber optics.

Report 5: WAC 480-123-080(1)(a) and WAC 480-123-080(2): Existing copper facilities for the Company have been in use beyond reasonable life expectancy. In most cases, the copper has been in use over 25 years and is beyond usefulness. Thus, the Company has begun overbuilding our entire exchange with fiber optic facilities. Phase 1 is currently underway and is located within the City of Toledo. Phase 2 will include the area immediately surrounding the City of Toledo. Subsequent phases will be identified around the existing CSA's the Company has currently established. The overall project will consist of 100% buried fiber facilities to all our subscribers. This will require a significant investment in fiber, electronics, optical terminals and labor. Without access to federal high-cost support funds The Company would not be able to undertake even a small portion of a project with this scope. Without these upgrades to The Company's

facilities, our customers would likely never have access to the opportunities that fiber to the home has to offer.

The Company expects that it will continue use federal high-cost support funds in 2011 in a manner that will enable the Company to continue to provide the supported services at rates that are comparable to the rates for such services in urban areas.

Major Outage Report

On June 28th, 2011 Toledo Telephone customers experienced a major outage that eliminated our ability to access 911 and Operator Services due to a Qwest fiber cut. 911 calls were re-routed to the local Toledo Fire department. The City of Toledo and the Mayor for the City of Toledo were notified. WUTC was notified via email (see text below).

The outage was caused by damage to Qwest fiber facilities in the Castle Rock area.

Dear Mr. Weidman,

Yesterday, June 28th at approximately 10:00 Qwest suffered a fiber cut near Castle Rock WA that affected 100% of our customers. All of our Tandem Trunks, 911 and SS7 circuits are routed via this fiber. Qwest has no redundant facilities for this route. We have experienced similar issues along the route several times in the six years I have been with the company. An interruption such as this would have prohibited our customers from making any calls outside of our exchange including 911. However, we have been testing VoIP trunking and SS7 over IP for several months, which enabled us to maintain an IP SS7 link and re-route 911 calls directly to the PSAP in Olympia. Although 100% of long distance termination was affected, our customers were able to maintain limited communications.

Due to the volatility of this route, I have on several occasions engaged Qwest in discussions on moving our meet point to PTLDOR69 and utilize our own fiber between Toledo and the Qwest Tandem. Our fiber route was not affected.

Qwest has so far, been reluctant to discuss the issue.

Service was fully restored at 18:56 last night.

Respectfully,

Dale Merten

C.O.O.

The Toledo Telephone Co., Inc

360-864-2044

| 2012 ETC Budget | 2012 |
|--|---------------------|
| Central Office Additions Summary | |
| Central Office Equipment - (Additions) | 12,500.00 |
| FTTH Subscriber Premise Summary | |
| Gigabit Ethernet Optical Network Terminals | 86,250.00 |
| Outside Plant Summary | |
| Fiber Optic Cable | 117,500.00 |
| Ductwork | 147,500.00 |
| Conduit | 185,000.00 |
| Fiber Optic Subscriber Drops | 75,000.00 |
| Building Requirement Summary | |
| Land Acquisition | |
| Vehicle Storage Building | |
| Engineering Summary | |
| Pre-Fiber Construction Engineering | 150,000.00 |
| Post-Fiber Construction Engineering | 67,525.00 |
| Vehicle and Test Equipment Summary | |
| (1) Line Maintenance Truck | 85,000.00 |
| (6) FTTH Test Sets @ \$15,000 each | 90,000.00 |
| Misc. Test & Maintenance Equipment | 33,000.00 |
| Office Equipment Summary | |
| Billing Software | 75,000.00 |
| PC's Printers Etc. | 5,000.00 |
| PC Software | 4,000.00 |
| Computer Aided Drafting Software | 18,000.00 |
| Total | 1,151,275.00 |

The Toledo Telephone Co., Inc. has been the local Telephone Company serving the Toledo area since 1906. We began business when no one else would provide telecommunication services because of the higher costs in serving rural areas of Washington.

We have served and intend to continue to serve both residential and commercial customers in our rural communities with quality telecommunications services at competitive rates.

The Toledo Telephone Co., Inc is an "Eligible Telecommunications Carrier" for its service area, for universal service purposes. The goal of universal service is to provide all citizens access to essential telecommunications services.

In addition to our basic telephone services, we bring advanced telecommunications services to our rural communities, including Internet access, high-speed data services, special calling features and voice mail. Our basic services are comprised of several components, which at minimum, include:

| Service Provided | Monthly Charge | |
|---|----------------|-----------|
| | Residence | Business |
| Single party voice grade access To the public network, including Unlimited local calls. | \$10.94 | \$11.00 |
| Touch calling | No charge | No charge |
| Access to emergency 911 services State/County mandated surcharges | .20 / .50 | |

Access to operator services - There is no charge from The Toledo Telephone Co., Inc for the ability to call the operator. However, the call may involve a charge depending on the service requested and the rates of the company whose operator handled the call.

Access to directory assistance - There is no charge from The Toledo Telephone Co., Inc. for the ability to call Directory Assistance; however, the call will involve a Directory Assistance charge, the amount of which depends on the area called and the

rates of the company whose operator provided the information.

Access to long distance carriers - There is no charge from The Toledo Telephone Co., Inc. for the ability to place and receive calls through long distance carriers that offer service through our network. However, the call may involve a charge from the long distance carrier depending on the type of call.

These services are available to all consumers of The Toledo Telephone Co., Inc. The costs associated with each are reflected each month on the regular telephone bill along with other charges for services provided by The Toledo Telephone Co., Inc. The services listed above are the basic services offered by our company. Other services including Telecommunications Relay Service, TRS, and services for the disabled, are available by contacting The Toledo Telephone Co., Inc's business office at (360) 864 4552.

The Toledo Telephone Co., participates in the Federal Lifeline and Link-Up Programs, as well as the Washington Telephone Assistance Program ("WTAP"). Under these programs, The Toledo Telephone Co., offers to qualifying low-income customers a discount off the monthly rate for basic residential exchange service. The Toledo Telephone Co., current discounted monthly rate for Lifeline residential service is \$8.00, while the installation charge for such service may be discounted under the Link-Up Program and WTAP by up to \$ 25.00.

Toll limitation services - Currently there is no charge from The Toledo Telephone Co., for toll blocking service to low-income customers participating in the Lifeline program.

Publish: June 2011

**Annual Reporting for High-Cost Recipients
47 C.F.R. §54.313(a)(2) through (a)(6) and (h)
The Toledo Telephone Co., Inc.**

June 18, 2012

Ms. Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
445 12th Street SW
Washington, D.C. 20554

Ms. Karen Majcher
Vice President – High Cost Low Income Division
Universal Service Administrative Company
2000 L Street NW, Suite 200
Washington, D.C. 20036

RE: WC Docket No. 10-90: Annual Reporting Requirements for High-Cost Recipients §54.313 (a)(2) through (a)(6) and (h)

Pursuant to Section 54.313(a)(2) through (a)(6) and (h) of the Federal Communications Commission's rules, enclosed are the 2012 annual reporting requirements and certifications for The Toledo Telephone Co., Inc., Study Area Code 522447. The Toledo Telephone Co., Inc. is a state-designated ETC, and as such, is submitting to the Commission relevant information from reports it files with its state commission for §54.313 (a)(2) through (a)(4).

Should you have any questions, please contact me via email at dale@toledotel.com or by phone at 360-864-2044.

Sincerely,



Dale Merten
C.O.O.

Enclosures

Cc: Washington Utilities and Transportation Commission

**Annual Reporting for High-Cost Recipients
47 C.F.R. §54.313(a)(2) through (a)(6) and (h)
The Toledo Telephone Co., Inc.**

OUTAGE REPORTING – §54.313 (a)(2)

Detailed information on any outage in the prior calendar year, as that term is defined in 47 C.F.R. 4.5, of at least 30 minutes in duration for each service area in which an eligible telecommunications carrier is designated for any facilities it owns, operates, leases, or otherwise utilizes that potentially affect (i) At least ten percent of the end users served in a designated service area; or (ii) A 911 special facility, as defined in 47 C.F.R. 4.5(e). 47 C.F.R. §54.313(a)(2).

| Detailed Outage Information for 2011 | | | | | | |
|--------------------------------------|----------------|--|------------------------------|---------------------------|---|------------------------------|
| Date of Outage | Time of Outage | Description of Outage and Resolution | Particular Services Affected | Geographic Areas Affected | Steps Taken to Prevent Future Recurrences | Number of Customers Affected |
| 6/28 | 10:00 | Qwest fiber cut between TOLDWAXA and CSRKWA01 completely isolating our office. Service restored at 18:56 | 911, Operator, SS7 | Entire exchange | Installed dual meet point to PTLDOR69 via our own fiber bypassing Qwest | 100% |
| | | | | | | |
| | | | | | | |
| | | | | | | |

UNFULFILLED SERVICE REQUESTS – §54.313(a)(3)

The number of requests for service from potential customers within the recipient’s service areas that were unfulfilled during the prior calendar year. The carrier shall also detail how it attempted to provide service to those customers.

There were no unfilled requests for service during calendar year 2011.

**Annual Reporting for High-Cost Recipients
47 C.F.R. §54.313(a)(2) through (a)(6) and (h)
The Toledo Telephone Co., Inc.**

NUMBER OF COMPLAINTS PER 1,000 CONNECTIONS – §54.313(a)(4)

The number of complaints per 1,000 connections (fixed or mobile) in the prior calendar year.

During calendar year 2011, The Toledo Telephone Co., Inc. received 0.0005 complaints per 1,000 working access lines.

**Annual Reporting for High-Cost Recipients
47 C.F.R. §54.313(a)(2) through (a)(6) and (h)
The Toledo Telephone Co., Inc.**

§54.313(a)(5) – COMPLIANCE WITH SERVICE QUALITY STANDARDS AND CONSUMER PROTECTION RULES

Service Quality Standards and Consumer Protection Rules Annual Certification

| | | |
|-------------------------|-------------------------|---------------------------------------|
| Dale Merten | Chief Operating Officer | The Toledo Telephone Company, Inc. |
| Printed Name of Officer | Title of Officer | Company Name |

I am authorized to provide this certification on behalf of the Company. I hereby certify that the Company is in compliance with applicable service quality standards and consumer protection rules.

Executed on 06/18/12
Date

Signature 

Printed/Typed Name Dale Merten

**Annual Reporting for High-Cost Recipients
47 C.F.R. §54.313(a)(2) through (a)(6) and (h)
The Toledo Telephone Co., Inc.**

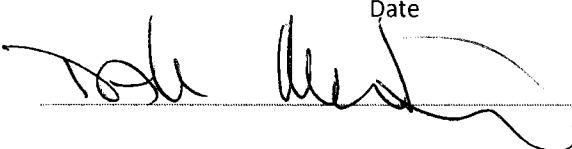
§54.313(a)(6) – ABILITY TO FUNCTION IN EMERGENCY SITUATIONS

Ability to Function in Emergency Situations Annual Certification

| | | |
|-------------------------|-------------------------|---------------------------------------|
| Dale Merten | Chief Operating Officer | The Toledo Telephone Company, Inc. |
| _____ | _____ | _____ |
| Printed Name of Officer | Title of Officer | Company Name |

I am authorized to provide this certification on behalf of the Company. I hereby certify that the Company is capable of functioning in emergency situations. The Company has a reasonable amount of back-up power to ensure functionality without an external power source, is able to reroute traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations.

Executed on 06/18/12 _____
Date

Signature  _____
Date Merten

Printed/Typed Name _____

Annual Reporting for High-Cost Recipients
47 C.F.R. §54.313(a)(2) through (a)(6) and (h)
The Toledo Telephone Co., Inc.

ADDITIONAL VOICE RATE DATA – §54.313(h)

All incumbent local exchange carrier recipients of high-cost support must report all rates for residential local service, as well as state fees as defined pursuant to §54.318(e) of this subpart, that are below the local urban rate floor as defined in §54.318 of this subpart, and the number of lines for each rate specified. Carriers shall report lines and rates in effect as of June 1.

As of June 1, 2012, The Toledo Telephone Co., Inc. did not have any rates for residential local service, as well as state fees as defined pursuant to §54.318(e), that are below the local urban rate floor as defined in §54.318.