

PO Box 609 Mount Vernon, OR 97865-0609 1-888-383-4132

July 13, 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 WA 480-123-060 and 47 C.F.R §54.314

Dear Ms. Washburn:

Pursuant to WAC 480-123-060, Skyline 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,

Delinda Kluser

**Enclosures** 



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

Skyline Telecom (the "Company") hereby submits the following reports in accordance with WAC 480-123-070 and WAC 480-123-080.

<u>Report 1</u>: WAC 480-123-070(1)(a): Attached is a copy of the Company's NECA-1 Report for the calendar year 2011, that, as of the date of the report, 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 ETC.<sup>2</sup> The Company has made substantial investments over the past several years which allow it to provide quality telecommunications services to all of its customers even before the Company began to receive federal high-cost funds. 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 2011 the Company has also continued to provide maintenance to buried cable as needed due to winter weather damage and state road issues. The Company also continued to provide and maintain DSL to the exchange in 2011

Report 3: WAC 480-123-070(4): The Company reports that the Company is not aware of any complaints during calendar year 2011 to the Federal Communications

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

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

Commission or the Consumer Protection Division of the Office of the Attorney General of the State of Washington concerning the services provided to its customers.

<u>Report 4</u>: WAC 480-123-080(1)(b): The Company reports that newspaper advertisements detailing basic supported services as well as the Lifeline and Link-Up programs were run in The Daily Herald and Okanogan Valley Gazette-Tribune throughout 2011. The Company expects to continue to advertise these services throughout 2012.

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 levels for the relevant period. Customers will continue to receive the high level of telecommunications services 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 2013 and therefore does not have the final numbers prepared for investments and expense levels for 2013. The Company does not anticipate major adjustments to staffing levels in 2013. 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.



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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 of Finance and General Manager of Skyline 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 all federal high-cost support provided to the Company within the State of Washington has been used in the preceding calendar year and will be used in the coming calendar year only for the provision, maintenance and upgrading of 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.

the foregoing is true and correct.	
Dated this 19th day of July 2012 at MT Veiner, OR.	
Company: Skyline Telecom	
By: JUlda DV	
Its: Vice President Manager	

I certify under penalty of perjury under the laws of the State of Washington that

STUDY AREA:

520581

NAME: Skyline Telecom

CONTACT:

Carsten Koldsbaek

250 Circuit Equipment Category 4.13

0

158,521

REGION: 6 WESTERN

CONTACT.	Carster Roluspack	KEGION.	OWLSTEIN
PHONE:	503-612-4430		0040
W:\CARSTEN\2011 CS\	SKYLINE 7-12\[033 USF12r1 w Corp Limit & Tot Loop.xl\$\textbf{Q}O	LLECTION PERIOD:	2012 - 1
========			
	Description	Latest View	Pending View
		2011 - 1 Amount	2012 - 1 Amount
	=======================================		
II.	WORKING LOOPS		
co	T-t-11 (O-t 4 4 4 0 4 4 2)	0	171
00	Total Loops (Cat 1.1, 1.2 and 1.3)	U	17.1
70	Octobro 101 con (Freduction Oct		
70	Category 1.3 Loops (Excluding Cat	0	474
	1.3 TWX Loops)	0	171
	INDICATION EVENIOR AND T		
III.	INVESTMENT, EXPENSE AND T	AXES	
	NET DI ANITINI (COTACNIT		
	NET PLANT INVESTMENT		
160	Acet 2004 Telephone Dient in		
100	Acct 2001 - Telephone Plant in	^	2.064.052
	Service	0	3,061,952
470	A - t 4000 M-t-d-l - d Over-line	0	0
170	Acct 1220 - Material and Supplies	0	0
400	A set 0400 A secondated		
190	Acct 3100 - Accumulated	•	4 000 000
	Depreciation	0	1,329,383
405	. A+ 2400		,
190	Acct 3400 - Accumulated	•	
	Amortizable Depreciation	0	0
040	NA + 4040 Not Non-comment		
210	Acct 4340 - Net Noncurrent	•	75.047
	Deferred Operating Income Taxes	0	75,817
200	Not Dient Investment	0	4 656 750
220	Net Plant Investment	U	1,656,752
	SELECTED PLANT ACCOUNTS		
	SELECTED FLANT ACCOUNTS		
220	Acct 2210 - Central Office		
200	Switching Equipment—————————	٥	697 319
		· · · - · - · - · - · · · · · · · ·	
235	Acct 2220 - Operator System		
200	Equipment	0	0
	Equipment	U	· ·
240	Acct 2230 - Central Office		
240	Transmission Equipment	0	197,694
	Transmission Equipment	U	101,004
2/15	Total Central Office Equipment	0	885,012
240	, rota, contrat office Equipment	J	000,012

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Carsten Koldsbaek 503-612-4430

REGION: 6 WESTERN

	Description	Latest View 2011 - 1 Amount	Pending View 2012 - 1 Amount
255	Acct 2410 - Cable and Wire Facilities Total	0	2,002,190
260	Acct 3100 (2210) - Accumulated Depreciation Central Office Switching Equipment	0	410,787
265	Acct 3100 (2220) - Accumulated Depreciation Operator System Equipment	0	(
270	Acct 3100 (2230) - Accumulated Depreciation Central Office Transmission Equipment	0	136,273
275	Acct 3100 (2210-2230) - Total Accumulated Depreciation Central Office Equipment	0	547,060
280	Acct 3100 (2410) - Accumulated Depreciation Cable and Wire Facilities	0	730,894
310	Acct 4340 (2210) - Net Noncurrent Deferred Operating Income Taxes - Central Office Switching Equipment	0	17,01
315	Acct 4340 (2220) - Net Noncurrent Deferred Operating Income Taxes - Operator System Equipment	0	(
320	Acct 4340 (2230) - Net Noncurrent Deferred Operating Income Taxes -		
	Central Office Transmission Equipment	0	4,89
325	Acct 4340 (2210-2230) Net Noncurrent Deferred Operating Income Taxes - Central Office Equipment (Sum of 4340 (2210) through (2230))	0	21,91
330	Acct 4340 (2410) - Net Noncurrent Deferred Operating Income Taxes - Cable and Wire Facilities	0	49,57

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PHONE: 503-612-4430

7HOINE: 503-612-4430 A:CARSTENI2011 CSISKYLINE 7-12(1033 USF12r1 w Corp Limit & Tot Loop, xl&OLLECTION PERIOD: 2012 - 1

W:ICARSTEN/2011 CS/SKYLINE 7-121(033 USF12r1 w Corp Limit & Tot Loop.xl録OLLECTION PERIOD: 2012 - 1			
	Description	Latest View 2011 - 1 Amount	Pending View 2012 - 1 Amount
========	PLANT SPECIFIC OPERATION EXP		= =====================================
335	Acct 6110 - Network Support Expense Total	0	6,800
340	Acct 6110 - Benefits Portion of Network Support Expense	0	. 0
345	Acct 6110 - Rents Portion of Network Support Expense	0	6,800
350	Acct 6120 - General Support Expense Total	0	11,988
355	Acct 6120 - Benefits Portion of General Support Expense	0	2,522
360	Acct 6120 - Rents Portion of General Support Expense	0	0
365	Acct 6210 - Central Office Switching Expense - Total	0	54,377
370	Acct 6210 - Benefits Portion of Central Office Switching Expense	0	1,263
375	Acct 6210 - Rents Portion of Central Office Switching Expense	0	0
380	Acct 6220 - Operator System Expense - Total	0	0
385	Acct 6220 - Benefits Portion of Operator System Expense	0	0
390	Acct 6220 - Rents Portion of Operator System Expense	0	0
395	Acct 6230 - Central Office Expense - Transmission Equipment - Total	0	3,094
400	Acct 6230 - Benefits Portion of Central Office Expense - Transmission Equipment	0	0
405	Acct 6230 - Rents Portion of Central Office Expense - Transmission Equipment	0	0

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	KYLINE 7-121(033 USF12r1 w Corp Limit & Tol Loop.xl\$\text{\$\text{Q}}C		
	Description	======================================	Pending View 2012 - 1 Amount
410	Accts 6210 - 6230 - Central Office Expense Total	0	57,471
430	Acct 6410 - Cable and Wire Facilities Expense - Total	0	69,989
435	Acct 6410 - Benefits Portion of Cable and Wire Facilities Expense	0	3,659
440	Acct 6410 - Rents Portion of Cable and Wire Facilities Expense	0	0
445	Total Plant Specific Expense	0	146,248
	PLANT NON SPECIFIC EXPENSE		
450	Acct 6530 - Network Operations Expense - Total	0	3,521
455	Acct 6530 - Benefits Portion of Network Operations Expense	0	0
	DEPRECIATION & AMORTIZATION EXPENSES		
510	Acct 6560 (2210)-Depreciation and Amortization Expense - Central Office Switching Equipment	0	58,285
515	Acct 6560 (2220)-Depreciation and Amortization Expense - Operator System Equipment	0	0
520	Acct 6560 (2230)-Depreciation and Amortization Expense - Central Office Transmission Equipment	0	21,847
525	Acct 6560 (2210-2230) - Depreciation and Amortization Central Office Equipment	0	80,132
530	Acct 6560 (2410)-Depreciation and Amortization Expense - Cable and Wire Facilities	0	120,605

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CONTACT: Carsten Koldsbaek REGION: 6 WESTERN PHONE: 503-612-4430 W:\CARSTEN\2011 CS\SKYLINE 7-12\[033 USF12r1 w Corp Limit & Tot Loop.xi\POLLECTION PERIOD: 2012 - 1 Description Latest View Pending View 2012 - 1 Amount 2011 - 1 Amount CORPORATE OPERATIONS EXPENSE 535 Acct 6710 - Executive and Planning Expense - Total 540 Acct 6710 - Benefits Portion Executive and Planning Expense 0 0 550 Acct 6720 - General Administrative Expense - Total 237,889 n 555 Acct 6720 - Benefits Portion of General Administrative Expense 0 20,645 565 Total Corporate Operations Expense 237,889 0 OTHER EXPENSE 600 Benefits Portion of All Operating Expenses - Total 28,166 610 Rents Portion of All Operating Expenses - Total 0 6,800 **TAXES** 650 Acct 7200 - Operating Taxes 0 43,187 IV. PART 36 - COST STUDY DATA 700 Cost Study Average Cable and Wire Facilities Acct 2410 0 2,002,190 710 Cost Study Average Cable and Wire Facilities Cat 1 - Total Exchange Line C&WF Excluding Wide Band 1,655,926 0 AMORTIZABLE TANGIBLE ASSETS (REFER ٧. TO INSTRUCTIONS PRIOR TO COMPLETING THIS SECTION)

800 Acct 2680 - Amortizable Tangible

Assets

0

n

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W:\CARSTEN2011 CS\SKYLINE 7-12\[033 USF12r1 w Corp Limit & Tot Loop.xi\\$\OLLECTION PERIOD: 2012 - 1

	Description	Latest View 2011 - 1 Amount	Pending View 2012 - 1 Amount
•	Acct 2680 (2230) - Amortizable Tangible Assets - Central Office Transmission Equipment	0	0
	Acct 2680 (2230) - Amortizable Tangible Assets - Central Office Transmission Equipment Allocated to Category 4.13	0	0
•	Acct 2680 (2410) - Amortizable Tangible Assets - Cable and Wire Facilitles	0	0
•	Acct 2680 (2410) - Amortizable Tangible Assets - Cable and Wire Facilities Allocated to Category 1	0	0
i	Acct 6560 (2680)-Depreciation and Amortization Expense - Amortizable Tangible Assets		0