

June 17, 2014

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

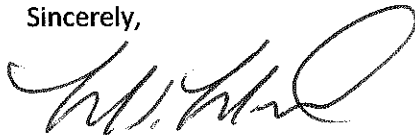
RE: Pend Oreille Telephone Company  
ETC Certification and Report

Dear Ms. Washburn:

Pend Oreille Telephone Company hereby requests certification by Washington Utilities and Transportation Commission to the Federal Communications Commission ("FCC") and the Universal Service Administrative Corporation ("USAC") for universal service support, in accordance with 47 U.S.C. 354(e). Pend Oreille Telephone Company, Study Area Code 522418, is a rural incumbent local exchange carrier (ILEC) as designated by the FCC and is eligible to receive federal universal service high-cost support pursuant to the Code of Federal Regulations ("CFR"), Title 47, Sections 54.301, 54.305, and Part 36, sub-part F.

Attached are Pend Oreille Telephone Company's reports as required by WAC 480-123-070 and WAC 480-123-080. Also enclosed is the Affidavit containing certifications and NECA-1 report for 2013.

Sincerely,



Mark R. Martell  
Administrative Manager

MRM/sec

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

Pend Oreille Telephone Company (the "Company")  
hereby submits the following reports in accordance with WAC 480-123-070 and WAC 480-123-080.<sup>1</sup>

**Report 1:** WAC 480-123-070(1)(a): Attached is a copy of the Company's NECA-1 Report for the calendar year 2013, 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 set forth in 47 U.S.C. §254 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 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 ETC service area.

**Report 3:** WAC 480-123-070(4): The Company reports that during the calendar year 2013, the Company did not receive from either 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 480-123-080(1)(b): The Company reports as follows:

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 October 1, 2014, through September 30, 2015, that the Company expects to use as a basis to request federal high-cost support are expected to be relatively similar to those investments and expenses the Company has set forth in its information filed under Report 1, above, taking into account normal fluctuations in investment and expense levels. The Company expects that levels of expenses will remain relatively the same as those it experienced in

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

calendar year 2013, 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 do not include a major construction project at the present time. 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 2013. The Company has not completed its budgeting process and does not have final numbers prepared for investment and expense levels for 2015.

The expected benefit to customers from the anticipated investment and expenditures is that customers will continue to receive a high level of telecommunications service.

**480-123-070 (2) Local service outage report.**

To help WUTC staff understand the details of your company's compliance with the state regulation in this regard, please submit your detailed record of major outages for the calendar year of 2013. The response should include description of each major outage and a statement about the interruption that includes the time, the cause, the location and number of affected access lines, and the duration of the interruption or impairment. When applicable, the response must also include a description of preventative actions to be taken to avoid future outages.

No major outages for 2013

**480-123-070 (3) Report on failure to provide service.**

Your company is subject to WAC 480-120-439. To help the staff understand the details of your company's compliance to the state regulation in this regard, please provide the number of requests for service from applicants within your designated service areas that were unfulfilled for the calendar year 2013. The response must also describe in detail how your company attempted to provide service to those applicants.

No unfulfilled service requests for 2013

**480-123-070 (4) Report on complaints per one thousand handsets or lines.**

The number of customer complaints against your company during the calendar year 2012. WAC 480-123-070 requires each ETC to report on activity related to Washington state in the previous calendar year.

.002 complaint per 1,000 lines

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

I, Mark R. Martell, being of lawful age, state that I am the Administrative Manager of Pend Oreille Telephone Company ("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 2013 calendar year, the Company met substantially the applicable service quality standard found in WAC 480-123-030(1)(h);
- (3) That during the 2013 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 2013 calendar year, the Company publicized the availability of its applicable telephone assistance programs, such as Lifeline, in a manner reasonably designed to reach those likely to qualify for service, including residents of federally-recognized Indian reservations 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 20th day of June, 2014, at Glens Ferry, Idaho.

Company: Pend Oreille Telephone Company

By:   
Mark R. Martell

Its: Administrative Manager

Report 5: WAC 480-123-080(1)(a) and WAC 480-123-080(2): The Company reports as follows:

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, 2015, through December 31, 2016, that the Company expects to use as a basis to request federal high-cost support are expected to be relatively similar to those investments and expenses the Company has set forth in its information filed under Report 1, above, taking into account normal fluctuations in investments and expense levels. The Company expects that levels of expenses will remain relatively the same as those experienced in calendar year 2013, 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 do not include a major construction project at the present time. The Company expects that it will have a similar level of investment related to maintenance, replacement and minor upgrades of equipment and plant as occurred in calendar year 2013. The Company has not completed its budgeting process and does not have final numbers prepared for investment and expense levels for 2015. The Company expects that the continued receipt of federal high-cost support will aid the Company's efforts to continue to provide the supported services at rates that are comparable to the rates for such services in urban areas. However, the Company projects that with reductions in intercarrier compensation and associated federal support, those efforts will need to be supplemented by support from the state universal service fund for the Company to be able to continue to maintain reasonably comparable rates. All customers in the Company's designated ETC service area will benefit from the expected level of support and other factors, such as support from the state fund, continuing to aide efforts to have available to the customers services that are comparable to the telecommunications services offered in urban areas at rates that are comparable to the rates for such services in urban areas.

The expected benefit to customers from the anticipated investment and expenditures is that customers will continue to receive a high 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.

**Initial Five-Year Service Quality Improvement Plan – 47 C.F.R. §54.202(a)**  
 Pend Oreille Telephone Company ("Pend Oreille") submits initial five-year build-out Service Quality Improvement plan pursuant to C.F.R §54.202(a)(1)(ii) that specifies proposed improvements or upgrades to the Pend Oreille's network throughout its service area. In addition, Pend Oreille is providing information that includes an estimate of the population that will be serviced as a result of these improvements.

The receipt of USF support, combined with other funding sources will allow Pend Oreille to continue to meet its broadband obligations within its service area, complete service request within a reasonable amount of time, provide reliable, state-of-the-art, high-quality voice and broadband service, to its 2300 rural customers in 3 wirecenters. The projects listed within this plan will be used to improve or upgrade the network over the next five years and will simultaneously support upgrades of the voice & broadband networks. Pend Oreille will continue to upgrade its DSL network to support faster speeds and make replacements of manufacture discontinued DSL equipment to allow for faster speeds. Where necessary, Pend Oreille will shorten copper loop lengths to enable newer DSL technologies to be deployed and install broadband loop carriers in growth demand exchanges.

**Voice & Broadband Network Upgrades : 2015**

Project Description	Wirecenter	Estimated		Estimated Population Served
		Start Date	Completion Date	
Network upgrade project to support IP enabled telecommunications - including upgrading of circuit equipment including upgrade and/or replacement of line cards and necessary broadband placed to support IP technology.	IONEWAXXRSO	1/1/2015	12/31/2015	784
Core Fiber Network Upgrade & remediation of buried fiber to support higher broadband bandwidth requirements.	IONEWAXXRSO	1/1/2015	12/31/2015	784
Network upgrade project to support IP enabled telecommunications - including upgrading of circuit equipment including upgrade and/or replacement of line cards and necessary broadband placed to support IP technology.	CUSKWAXXDS1	1/1/2015	12/31/2015	1056

Core Fiber Network Upgrade & remediation of buried fiber to support higher broadband bandwidth requirements.

CUSKWAXXDS1 1/1/2015 12/31/2015 1056

Network upgrade project to support IP enabled telecommunications - including upgrading of circuit equipment including upgrade and/or replacement of line cards and necessary broadband placed to support IP technology.

MTFLWAXXRS2 1/1/2015 12/31/2015 521

Core Fiber Network Upgrade & remediation of buried fiber to support higher broadband bandwidth requirements.

MTFLWAXXRS2 1/1/2015 12/31/2015 521

**Voice & Broadband Network Upgrades : 2016**

Project Description	Wirecenter	Estimated		Estimated Population Served
		Start Date	Completion Date	
Network upgrade project to support IP enabled telecommunications - including upgrading of circuit equipment including upgrade and/or replacement of line cards and necessary broadband placed to support IP technology.	IONEWAXXRSO	1/1/2016	12/31/2016	784
Core Fiber Network Upgrade & remediation of buried fiber to support higher broadband bandwidth requirements.	IONEWAXXRSO	1/1/2016	12/31/2016	784
Network upgrade project to support IP enabled telecommunications - including upgrading of circuit equipment including upgrade and/or replacement of line cards and necessary broadband placed to support IP technology	CUSKWAXXDS1	1/1/2016	12/31/2016	1056

Core Fiber Network Upgrade & remediation of buried fiber to support higher broadband bandwidth requirements

CUSKWAXXDS1

1/1/2016

12/31/2016

1056

Network upgrade project to support IP enabled telecommunications - including upgrading of circuit equipment including upgrade and/or replacement of line cards and necessary broadband placed to support IP technology

MTFLWAXXRS2

1/1/2016

12/31/2016

521

Core Fiber Network Upgrade & remediation of buried fiber to support higher broadband bandwidth requirements

MTFLWAXXRS2

1/1/2016

12/31/2016

521

**Voice & Broadband Network Upgrades: 2017**

Project Description	Wirecenter	Estimated		Estimated Population Served
		Estimated Start Date	Completion Date	
Network upgrade project to support IP enabled telecommunications - including upgrading of circuit equipment including upgrade and/or replacement of line cards and necessary broadband placed to support IP technology	IONEWAXXRSO	1/1/2017	12/31/2017	784
Core Fiber Network Upgrade & remediation of buried fiber to support higher broadband bandwidth requirements	IONEWAXXRSO	1/1/2017	12/31/2017	784
Network upgrade project to support IP enabled telecommunications - including upgrading of circuit equipment including upgrade and/or replacement of line cards and necessary broadband placed to support IP technology	CUSKWAXXDS1	1/1/2017	12/31/2017	1056
Core Fiber Network Upgrade & remediation of buried fiber to support higher broadband bandwidth requirements	CUSKWAXXDS1	1/1/2017	12/31/2017	1056



Network upgrade project to support IP enabled telecommunications - including upgrading of circuit equipment including upgrade and/or replacement of line cards and necessary broadband placed to support IP technology

MTFLWAXXRS2 1/1/2017 12/31/2017 521

Core Fiber Network Upgrade & remediation of buried fiber to support higher broadband bandwidth requirements

MTFLWAXXRS2 1/1/2017 12/31/2017 521

**Voice & Broadband Network Upgrades : 2018**

Project Description	Wirecenter	Estimated		Estimated Population Served
		Start Date	Completion Date	
Network upgrade project to support IP enabled telecommunications - including upgrading of circuit equipment including upgrade and/or replacement of line cards and necessary broadband placed to support IP technology	IONEWAXXRSO	1/1/2018	12/31/2018	784
Core Fiber Network Upgrade & remediation of buried fiber to support higher broadband bandwidth requirements	IONEWAXXRSO	1/1/2018	12/31/2018	784
Network upgrade project to support IP enabled telecommunications - including upgrading of circuit equipment including upgrade and/or replacement of line cards and necessary broadband placed to support IP technology	CUSKWAXXDS1	1/1/2018	12/31/2018	1056
Core Fiber Network Upgrade & remediation of buried fiber to support higher broadband bandwidth requirements	CUSKWAXXDS1	1/1/2018	12/31/2018	1056

Network upgrade project to support IP enabled telecommunications - including upgrading of circuit equipment including upgrade and/or replacement of line cards and necessary broadband placed to support IP technology

MTFLWAXXRS2 1/1/2018 12/31/2018 521

Core Fiber Network Upgrade & remediation of buried fiber to support higher broadband bandwidth requirements

MTFLWAXXRS2 1/1/2018 12/31/2018 521

**Voice & Broadband Network Upgrades : 2019**

**Project Description**

**Wirecenter**

**Estimated Start Date**

**Estimated Completion Date**

**Estimated Population Served**

Network upgrade project to support IP enabled telecommunications - including upgrading of circuit equipment including upgrade and/or replacement of line cards and necessary broadband placed to support IP technology

IONEWAXXRSO 1/1/2019 12/31/2019 784

Core Fiber Network Upgrade & remediation of buried fiber to support higher broadband bandwidth requirements

IONEWAXXRSO 1/1/2019 12/31/2019 784

Network upgrade project to support IP enabled telecommunications - including upgrading of circuit equipment including upgrade and/or replacement of line cards and necessary broadband placed to support IP technology

CUSKWAXXDS1 1/1/2019 12/31/2019 1056

Core Fiber Network Upgrade & remediation of buried fiber to support higher broadband bandwidth requirements

CUSKWAXXDS1 1/1/2019 12/31/2019 1056