Pioneer Telephone Co.

Local and Long Distance Service

Serving LaCrosse, Endicott, Winona, Hooper, Dusty and Hay

Telephone 509/549-3511 P.O. Box 207 LaCrosse, Washington 99143-0207

July 16, 2014

Mr. Steven King, Executive Director and Secretary Washington Utilities and Transportation Commission 1300 South Evergreen Park Drive SW Olympia, WA 98504-7250

Re: Eligible Telecommunications Carriers' Annual Certification on High Cost Fund Pursuant to WAC 480-123-060, 070, 080 and 47 C.F.R. §54.314

Dear Mr. King:

Pursuant to WAC 480-123-060, Pioneer Telephone Company ("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 attached and will be filed electronically.

For the Commission's information, in addition to the Lifeline advertisement covered in the enclosed certification, Pioneer Telephone Company posts the Lifeline/WTAP information in the LaCrosse business office, has pamphlets available for such services in the business office, lists the Lifeline/WTAP services available in the Company's phone book and provides the Lifeline/WTAP information to all new customers at the time the customer subscribes for telephone service. Also, the Company experienced no major outages for 2013 and had no request for service from applicants within the Company's designated service area that were unfilled for the calendar year 2013.

Sincerely

Durand Cox

President

Enclosures

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

- I, Durand Cox, being of lawful age, state that I am the President of Pioneer 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 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 16 day of July 2014, at LaCrosse, Washington.

Company: Pioneer Telephone Company

Durand Cox

Its: President

By:

REPORTS AS REFERENCED IN WAC 480-123-070 AND WAC 480-123-080

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

Report 1: WAC 480-123-070(1)(a): Attached is a copy of the Company's NECA-1 Reports for the calendar years 2012 and 2013, that, as of the date of the reports, the Company has reported as the basis for support from the federal high-cost fund.

<u>Report 2</u>: 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. 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. The Company has expanded its network over the past several years so that it is capable of providing access to broadband services throughout the majority of the Company's designated ETC service area. The Company offers services that are comparable to services offered in urban areas at rates that are comparable to rates for such services in urban areas.

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.

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.

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 January 1, 2014, through December 31, 2014, 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 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 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.

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, 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 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's budgeted 2015 investment and expenses are expected to be relatively the same as 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 the continued receipt of federal high-cost support will aide 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 customer 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.

3

Subset

USF1010 PENDING VIEW REPORT



Applies to Period: Year End 12/2013 Reg: WESTERN Contact Name: Dallas Filan MSM: 020007494 Melody Crane Contact Phone: (509)-549-3511 Ext: 00: 000002437 Pioneer Tel. Co. Release Status: Released Co: SAR: PIONEER TEL CO Soft Edit Status: 522437 Failed Edit Source Pending View Description 701 EC 060 Total Loops EC 691 070 Cat. 1.3 Loops EC 12,208,645 160 Account 2001 65,521 EC 170 Account 1220 7,446,799 EC 190 Account 3100 EC 195 Account 3400 443,447 EC 210 Account 4340 EC 4,383,920 Net Plant Investment 220 508,473 EC 230 Account 2210 EC 235 Account 2220 1.699,964 EC 240 Account 2230 EC 2,208,437 245 **Total Central Office** EC 250 895,090 Ckt Equip Cat 4.13 8,755,141 EC 255 Account 2410 EC 100,766 260 Account 3100 (2210) EC 265 0 Account 3100 (2220) 1,678,690 EC 270 Account 3100 (2230) 1,779,456 EC 275 Account 3100 (2210-2230) 4,713,093 EC 280 Account 3100 (2410) 18,485 EC 310 Account 4340 (2210) 0 EC 315 Account 4340 (2220) 61,220 EC 320 Account 4340 (2230) EC 79,705 Account 4340 (2210-2230) 325 EC 318,866 330 Account 4340 (2410) EC 1,127 335 Account 6110 Total 792 EC 340 Account 6110 Benefits EC 0 345 Account 6110 Rents 11,150 EC 350 Account 6120 Total EC 759 355 Account 6120 Benefits 360 429 EC Account 6120 Rents 12,842 EC 365 Account 6210 Total EC 1,204 370 Account 6210 Benefits EC 905 375 Account 6210 Rents EC 380 Account 6220 Total 0 0 EC 385 Account 6220 Benefits 0 EC 390 Account 6220 Rents 62,224 EÇ 395 Account 6230 Total EC 400 Account 6230 Benefits 4,150 1,380 EC 405 Account 6230 Rents 75,066 EC 410 Account 6210-6230 EC 430 Account 6410 Total 240,529 435 Account 6410 Benefits 61,119 EC EC 440 Account 6410 Rents 327,872 EC 445 Total Plant Specific 22,221 EC 450 Account 6530 Total 0 EC 455 Account 6530 Benefits 45,764 EC 510 Account 6560 (2210) 0 EC 515 Account 6560 (2220) 99,254 EC 520 Account 6560 (2230)



Subset 3

USF1010 PENDING VIEW REPORT



Applies to Period: Contact Name: Contact Phone:		Year End Dallas Filan (509)-549-35	12/2013 11 Ext:	Reg: MSM: OO:	6 020007494	WESTERN Melody Crane	\$
Release Status: Released			Co:	000002437	Pioneer Tel, Co.		
Soft Edit Status: Failed Edit				SAR:	522437	PIONEER TEL CO	
Description				Р	ending View	Source	
525	Account 6560 (2210-2230)				145,018	EC .	
530	Account 6560 (2410)				354,360	EC	
535	Account 6710 Tota	Account 6710 Total			85,019	EC	
540	Account 6710 Benefits				21,712	EC	
550	Account 6720 Total				277,747	EC	
555	Account 6720 Benefits				22,330	EC	
565	Sum of Lines 535 + 550				362,766	EC ~	
600	Ben. Por. of all Op. Exp.				120,073	EC	1
610	Rent Por, of all Op. Exp.				2,714	EC	
650	Account 7200 Other Taxes				180,007	EC	
700	2410 (C S Total CWF - AV)				8,755,141	EC	
710	2410 (C S CWF - Cat.1)				5,710,694	EC	
800	Account 2680 Total				0	EC	
805	Account 2680 (2230)				0	EC	
810	Account 2680 (Cat	. 4.13)			0	EC	
815	Acc 2680 (2410) To	Acc 2680 (2410) Total CWF			0	EC	
820	Acc 2680 (2410)CV	NF-Cat1			0	EC	
830	Account 6560 (268	0)			0	EC	

Comments:

Date: 6/4/2014

Line 700 Average Cable & Wire Facilities amount of \$8,755,141 is the same as Line
 255 the Yearend Cable & Wire Facilities because no additions were made in the current year.



USF1010 LATEST VIEW REPORT

5/30/2014 5:23:51 pm Page 1 of 2

Subset 3

Applies to Period: Contact Name: Contact Phone:		Year End 12/2012 Dallas Filan (509)-549-3511 Ext:	!	Reg: MSM: OO:	6 020007494	WESTERN Melody Crane			
Release Status: Rele		Released Passed Edit		Co: SAR:	000002437 522437	Pioneer Tel. Co. PIONEER TEL CO			
Descr	Description			Latest View					
060	Total Loops				712 702	•			
070	Cat. 1.3 Loops			12,036,340					
160	Account 2001			59,104					
170 190	Account 1220			6,972,269					
195	Account 3100				0,572,200				
	Account 3400				418,803	~			
210 220	Net Plant Investmen	Account 4340			4,704,372				
230		H.			474,734				
235	Account 2210	Account 2210			0				
240	Account 2230				1,675,734				
245	Total Central Office				2,150,468				
250	Ckt Equip Cat 4.13				903,215				
255	Account 2410				8,755,141				
260	Account 3100 (2210	1)			51,353				
265	•	•			0				
270	Account 3100 (2220) Account 3100 (2230)				1,583,086				
275	Account 3100 (2210				1,634,439				
280	Account 3100 (2210-2230)			4,358,733					
310	Account 4340 (2410)			16,530					
315	Account 4340 (2210) Account 4340 (2220)			0					
320	Account 4340 (2230)			58,349					
325	Account 4340 (2210-2230)			74,879					
330	Account 4340 (2410)			304,854					
335	Account 6110 Total			1,623					
340	Account 6110 Benefits			250					
345	Account 6110 Rents			0					
350	Account 6120 Total			33,565					
355	Account 6120 Benefits			3,422					
360	0 Account 6120 Rents			1,180					
365	Account 6210 Total			£ 59,145					
370	Account 6210 Benefits			5,112 -					
375	Account 6210 Rents			0					
380	Account 6220 Total			0					
385	Account 6220 Benefits			0					
390	Account 6220 Rents			0					
395	Account 6230 Total			29,830					
400	Account 6230 Benefits			648 0					
405	Account 6230 Rents			88,975					
410	Account 6210-6230			211,581					
430	Account 6410 Total			48,668					
435	Account 6410 Benefits			46,000					
440	Account 6410 Rents			335,744					
445 450	Total Plant Specific			20,342					
455	Account 6530 Total Account 6530 Benefits			0					
510	Account 6560 (2210)			54,312					
515	Account 6560 (2220)			0					
520	Account 6560 (2230				75,374				
	(,			•				



USF1010 LATEST VIEW REPORT

5/30/2014 5:23:51 pm Page 2 of 2

Subset 3

Applies to Period: Contact Name: Contact Phone: Release Status; Soft Edit Status:	Year End 12/2012 Dallas Filan (509)-549-3511 Ext: Released Passed Edit	Reg: MSM: OO: Co: SAR:	6 020007494 ********* 000002437 522437	WESTERN Melody Crane Pioneer Tel. Co. PIONEER TEL CO
Description	Latest View			
525 Account 6560 (22 530 Account 6560 (24 535 Account 6710 To 540 Account 6710 Be 550 Account 6720 To 555 Account 6720 Be 565 Sum of Lines 535 600 Ben. Por. of all O 610 Rent Por. of all O 650 Account 7200 Ott 700 2410 (C S Total C 710 2410 (C S CWF - 800 Account 2680 Tot 805 Account 2680 (22 810 Account 2680 (2410) 820 Acc 2680 (2410) 830 Account 6560 (26	al nefits nefits al nefits + 550 p. Exp. p. Exp. ner Taxes cWF - AV) Cat.1) al 30) at. 4.13) Total CWF		129,686 354,285 71,602 12,524 257,011 20,020 328,613 102,479 1,180 51,906 8,739,261 5,700,603 0 0	

Comments:

Date: 6/19/2013

1. The old switch was retired in 2012, replaced by a soft switch.