

July 29, 2014

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

Re:

2014 ETC Certification

Request for Certification Pursuant to WAC 480-123-060, 070 and 080

Dear Mr. King:

Pursuant to WAC 480-123-060, 070 and 080 **Asotin 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.

These reports have been redacted and are available for public inspection.

Please contact Gail Long at (541) 516-8210 or me at the number listed below if you have any questions regarding this filing.

Sincerely,

Bruce Schiefelbein

Manager - Regulatory Compliance

Bruce Schiefellien/Ko

TDS Telecom (608) 664-5455

Enclosures

cc: Gail Long

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

Asotin Telephone Company d/b/a TDS Telecom (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): 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 2013, 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 2013, refer to "Report #1 Column Actual".

<u>Report 2</u>: 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

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).

In addition, during 2013, the Company was engaged in major investment projects within its designated ETC service area as described below:

- 1. Complete Asotin Replace the Rectifier at DSA 13204 –
- 2. Install Adtran TA5000 Asotin this project carried over to 2014.
- 3. Complete Anatone Augment exhausted cable on Dreamz Rd -
- 4. Augment Asotin Creek exhausted cable Asotin — this project carried over to 2014.
- 5. Replace Anymedia and cut service over to the new TA5000 chassis Asotin this project carried over to 2014.
- 6. Install GigE transport to IP Cloud Core site in Los Angeles Asotin this project carried over to 2014.

Report 3: WAC 480-123-070(4): Report on Complaints per One Thousand Lines.

The Company reports that it is aware of zero complaints made during calendar year 2013 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.

<u>Report 4</u>: 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 2014 and 2015 for the provision, maintenance and upgrading of facilities and services supported by federal universal service.

<u>Report 5:</u> 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 Asotin 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 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 relatively the same level of investment related to maintenance, replacement and minor upgrades of equipment and plant as occurred in calendar year 2013.

In addition to the foregoing, the Company is planning projects for 2014 as follows:

- Install Adtran TA5000 Asotin -
- Augment Asotin Creek exhausted cable Asotin -
- Replace Anymedia and cut service over to the new TA5000 chassis Asotin -
- Install GigE transport to IP Cloud Core site in Los Angeles Asotin -



- Minor routine additions Asotin and Anatone estimated
- Buried drop addittions Asotin and Anatone estimated
- DSL card additions Asotin and Anatone estimated

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 projects 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.

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 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.

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 Executive Vice President of TDS Telecommunications Corporation, parent company of Asotin Telephone Company 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 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 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 29th day of July, 2014 at Madison, WI.

Company: Asotin Telephone Company, d/b/a TDS Telecom

Kevin G Hess

Its: Executive Vice President

USF Certification for 2014 Attachment to Affidavit

Additions TOTAL

Total Year Supported Expenditures, Before Return On Investment

	522404	ASOTIN TI	ELI	EPHONE C	OMPANY V	VA, d/b/a/ TDS T	elecom
	64 WA		E	xchange		CLLI Code	Access Lines
		A	SC	TIN		ASOTWA	
		A	NA	ATONE		ANATWA	
							-
							-
							-
							-
							-
							-
							-
							-
Year 201	3 Federal Universal	Service Rec	eip	ts Subject	To Certifica	tion.	
	High Cost Loop Sup	port S	\$	125,735			
	ICLS Support	9	\$	138,216			
	Safety Net Additive	9	\$	-			
	Safety Value Additiv	ve					
	CAF	9	\$	124,794			
	TOTAL	9	\$	388,745			
_	tures For Provision, Supported By Feder				Report #1 Actual	Report #4 Estimated	Report #4 Estimated
	DI (C '6' O	. T			2013	2014	2015
	Plant Specific Oper	_	ens	es I			
	Network support (Ac General support (Ac						
	Central office switch		621	Ω_{c}			
	Central office transn	-					
	Cable and wire facil						
	Network operations			103)			
	Depreciation and an			ts 6560s)			
	Depreciation and an	iortization (F	100	13. 03003)			
	Customer operation	nc evnencec					
	Customer services (A	-	200)			
	Customer services (10013. 0010	203	,			
	Corporate operation	ns exnenses	!				
	Executive, general a			ccts 6710-			
	a	zorporate	(* 1				
	Total Year Suppor	ted Expense	s.				
	Before Return On 1		9				

RUN DATE:

24-Jul-14

Based on Financials Ending:

Submitted to NECA: Compensation Commences:

12/31/13 7/31/2014 01/01/15

UNIVERSAL SERVICE FUND 2014 DATA COLLECTION FORM (14-1)

NATIONAL EXCHANGE CARRIER ASSOCIATION

SAC NAME ASOTIN (WA) TELEPHONE COMPANY	SAC NAME	ASOTIN ((WA) TEI	LEPHONE	COMPANY
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SAC: 522404 64

Comp#

I. EXCHANGE CARRIER/DATA IDENTIFICATION

(010)Study Area Code Name Contact Name

(020)Contact Telephone Number

(030) (040)

ACOTIN	MALAN	TELEBUIONE	COMPANY
ASCHIN	$(VV \cap)$	TELEPHONE	COMEANI

Jeffrey M. Johnson (608) 664-4197

(040)	USF Data Collection Period	2014-1			
Data LN	Description	Data Source	Data Line		2014-1 Amount
	KING LOOPS				
(060)	Total Loops - (Cat 1.1, 1.2 and 1.3)	OSP Records	(060)		1,016
(070)	Category 1.3 Loops - (Excluding Cat 1.3 TWX Loops)	OSP Records	(070)		1,011
(080)	Reserved - NO ENTRY REQUIRED	OOI Modordo	(080)		1,011
	ESTMENT, EXPENSES, AND TAXES		(000)		
	it Investment				
(160)	Acct 2001 - Telephone Plant in Service		(160)		8,060,668
. ,	Acct 1220 - Material and Supplies	General Ledger W. Adj			12,497
(170)	11	General Ledger W. Adj	(170)		·
(190)	Acct 3100 - Accumulated Depreciation	General Ledger W. Adj	(190)		6,583,275
(195)	Acct 3400 - Accumulated Amortization Tangible	General Ledger W. Adj	(195)		0
(200)	Reserved - NO ENTRY REQUIRED		(200)		
(205)	Reserved - NO ENTRY REQUIRED		(205)		100 100
(210)	Acct 4340 - Net Noncurrent Deferred Operating Income Taxes	General Ledger W. Adj	(210)	(000)	129,422
	20) Net Plant Investment (Sum of Lines 160+170 minus Lines 190 through 210)		77.	(220)	1,360,468
	I Plant Accounts				
(230)	Acct 2210 - Central Office Switching Equipment	General Ledger W. Adj	(230)		579,258
(235)	Acct 2220 - Operator System Equipment	General Ledger W. Adj	(235)		0
(240)	Acct 2230 - Central Office Transmission Equipment	General Ledger W. Adj	(240)		2,083,400
(24	15) Total Central Office Equipment (Sum of Lines 230 through 240)	General Ledger W. Adj		(245)	2,662,658
(250)	Circuit Equipment Category 4.13	Prorate per CS	(250)		1,475,877
(255)	Acct 2410 - Cable & Wire Facilities Total	General Ledger W. Adj	(255)		4,777,798
(260)	Acct 3100 (2210) - Accumulated Depreciation Central Office Switching	General Ledger W. Adj	(260)		386,073
(265)	Acct 3100 (2220) - Accumulated Depreciation Operators System	General Ledger W. Adj	(265)		0
(270)	Acct 3100 (2230) - Accumulated Depreciation Central Office Transmission	General Ledger W. Adj	(270)		1,499,991
, ,	Acct 3100 (2210-2230) - Total Accumulated Depreciation Central Office	Contrar Ecogor W. Maj	(2,0)		1, 100,001
(27	75) Equipment (Sum of Lines 260 thru 270)	General Ledger W_ Adj		(275)	1,886,064
(280)	Acct 3100 (2410) - Accumulated Depreciation C&WF	General Ledger W. Adj	(280)	(=: 0)	4,188,279
(285)	Reserved - NO ENTRY REQUIRED	General Ledger W. Adj	(285)		4,100,210
(290)	Reserved - NO ENTRY REQUIRED		(290)		
, ,			(295)		
(295)	Reserved - NO ENTRY REQUIRED		` '		
(300)	Reserved - NO ENTRY REQUIRED		(300)		
(305)	Reserved - NO ENTRY REQUIRED		(305)		
(040)	Acct 4340 (2210) - Net Noncurrent Deferred Operating Income Taxes - Central Office		(040)		0.000
(310)	Switching	General Ledger W. Adj	(310)		9,068
(0.45)	Acct 4340 (2220) - Net Noncurrent Deferred Operating Income Taxes - Operator		(0.4.5)		•
(315)	System	General Ledger W. Adj	(315)		0
(Acct 4340 (2230) - Net Noncurrent Deferred Operating Income Taxes - Central Office		(0.00)		00.040
(320)	Transmission	General Ledger W. Adj	(320)		32,616
(32	Acct 4340 (2210-2230) - Net Noncurrent Deferred Operating Income Taxes -				
(0-	Central Cince Equipment (Cum of Entes 516 through 526)	General Ledger W. Adj		(325)	41,684
(330)	Acct 4340 (2410) - Net Noncurrent Deferred Operating Income Taxes - C&WF	General Ledger W. Adj	(330)		74,666
Plant Sp	ecific Operation Expense				
(335)	Acct 6110 - Network Support Expense Total	General Ledger W. Adj	(335)		694
(340)	Acct 6110 - Benefits Portion of Network Support Expense	General Ledger W. Adj	(340)		0
(345)	Acct 6110 - Rents Portion of Network Support Expense	General Ledger W. Adj	(345)		0
(350)	Acct 6120 - General Support Expense Total	General Ledger W. Adj	(350)		67,947
(355)	Acct 6120 - Benefits Portion of General Support Expense	General Ledger W. Adj	(355)		6,312
(360)	Acct 6120 - Rents Portion of General Support Expense	General Ledger W. Adj	(360)		22,807
(365)	Acct 6210 - Central Office Switching Expense - Total Switching Expense - Total	General Ledger W. Adj	(365)		40,913
(370)	Acct 6210 - Benefits Portion of COE Switching Expense	General Ledger W. Adj	(370)		3,460
(375)	Acct 6210 - Rents Portion of Central Office Switching Expense	General Ledger W. Adj	(375)		0
(380)	Acct 6220 - Operator System Expense - Total	General Ledger W. Adj	(380)		Ö
(385)	Acct 6220 - Benefits Portion of Operator System Expense	General Ledger W. Adj	(385)		Ö
(390)	Acct 6220 - Rents Portion of Operator System Expense	General Ledger W. Adj	(390)		Ö
(395)	Acct 6230 - Central Office Expense - Transmission Equipment - Total		(395)		87,881
, ,	Acct 6230 - Gential Office Expense - Transmission Equipment - Total Acct 6230 - Benefits Portion of Central Office Expense - Transmission	General Ledger W. Adj	(400)		2,891
(400)	Most 9590 - Deliging Fortion of Central Office Exherise - Haristinission	General Ledger W. Adj	(400)		2,091

RUN DATE:

(430)

(505)

General Ledger W. Adj

24-Jul-14

NATIONAL EXCHANGE CARRIER ASSOCIATION

Acct 6410 - Cable and Wire Facilities Expense - Total

Reserved - NO ENTRY REQUIRED

Depreciation and Amortization Expenses

UNIVERSAL SERVICE FUND

(430)

(505)

(610)

12/31/13

2014 DATA COLLECTION FORM (14-1)

Based on Financials Ending: Submitted to NECA: Compensation Commences:

7/31/2014 01/01/15

> > 69,752

0

0 0

SAC NAMI	E ASOTIN (WA) TELEPHONE COMPANY				
SAC:	522404				
Comp #	64				
I. EXCHAI	NGE CARRIER/DATA IDENTIFICATION				
(010)	Study Area Code Name	ASOTIN (WA) TEL	EPHONE CO	OMPANY	
(020)	Contact Name	Jeffrey M. Johnson	ì		
(030)	Contact Telephone Number	(608) 664-4197			
(040)	USF Data Collection Period	2014-1			
Data LN	Description	Data Source	Data Line	2014-1	Amount
(405)	Acct 6230 - Rents Portion of Central Office Expense - Transmission	General Ledger W. Adj	(405)	2014-1	290
` '	Accts 6210 - 6230 - Cental Office Expense Total (Sum of Lines 365+380+395)	General Ledger W. Adj	(400)	(410)	128.794
(415)	Reserved - NO ENTRY REQUIRED	General Ledger VV. Adj	(415)	(410)	120,734
(420)	Reserved - NO ENTRY REQUIRED		(420)		
(425)	Reserved - NO ENTRY REQUIRED		(425)		
()	10001100 TO ENTITY NEGOTIED		(423)		

(435)	Acct 6410 - Benefits Portion Cable and Wire Facilities Expense	General Ledger W. Adj	(435)	20,027
(440)	Acct 6410 - Rents Portion Cable and Wire Facilities Expense	General Ledger W. Adj	(440)	13,204
(445) Total Plant Specific Expense (Sum of Lines 335+350+365+380+395+430)	General Ledger W. Adj	(445)	267,187
Plant I	Non Specific Expense			
(450)	Acct 6530 - Network Operations Expense - Total	General Ledger W. Adj	(450)	107,040
(455)	Acct 6530 - Benefits Portion Network Operations Expense	General Ledger W. Adj	(455)	11,315
(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)	

(510)	Acct 6560 (2210) - Depreciation And Amortization Expense - CO Switching	General Ledger W. Adj	(510)	50,588
(515)	Acct 6560 (2220) - Depreciation And Amortization Expense - Operator System	General Ledger W. Adj	(515)	0
(520)	Acct 6560 (2230) - Depreciation and Amortization Expense - CO Transmission	General Ledger W. Adj	(520)	175,162
(50	Acct 6560 (2210-2230) - Depreciation and Amortization Central Office Equipment			
(52	(Sum of Lines 510 thru 520)	General Ledger W. Adj	(525	225,750

(530)	Acct 6560 (2410) - Depreciation and Amortization Expense - C&W Facilities	General Ledger W. Adj	(530)	108,968
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)	156,651
/EEE\	A 4 0700 D Et- D the D		(40.707

` '	and the second of the second o	Contorus Lougos VI / Naj	(0.0)		•
(550)	Acct 6720 - General Administrative Expense - Total	General Ledger W. Adj	(550)		156,651
(555)	Acct 6720 - Benefits Portion - General Administrative Expense	General Ledger W. Adj	(555)		12,787
(565)	Total Corporate Operations Expense (Sum of Lines 535 + 550)	General Ledger W. Adj		(565)	156,651
Other Expenses and Revenues					
(600)	Benefits Portion of All Operating Expenses - Total Operating Expenses - Total	General Ledger W. Adj	(600)		70,000

(610)	Rents Portion of All Operating Expenses - Total	General Ledger W. Adj	(610)	36,301
(620)	Reserved - NO ENTRY REQUIRED		(620)	
(630)	Reserved - NO ENTRY REQUIRED		(630)	
Taxes				
(650)	Acct 7200 - Operating Taxes	General Ledger W. Adj	(650)	113,311

(655)	Reserved - NO ENTRY REQUIRED		(655)	,
IV PAR	T 36 - COST STUDY DATA		(/	
(700)	Cost Study Average Cable and Wire Facilities Acct 2410	Cost Study	(700)	4,774,468
	Cost Study Average Cable and Wire Facilities Cat 1 - Total Exchange Line C&WF		` ,	

	Cost Study Average Cable and Wire Facilities Cat. 1 - Total Exchange Line C&WF			
(710)	Excluding Wide Band	Cost Study	(710)	3,818,418
V. AMOR	TIZABLE TANGIBLE ASSETS (Refer to instructions prior to completing this section)		. ,	
(800)	Acct 2680 - Amortizable Tangible Assets	General Ledger W. Adj	(800)	0

(000)	Floor 2000 Fill of the about 1 and bloc Floor to	General Leuger VV Auj	(000)	
(805)	Acct 2680 (2230) - Amortizable Tangible Assets - CO Transmission	General Ledger W. Adj	(805)	C
(910)	Acct 2680 (2230) - Amortizable Tangible Assets - CO Transmission Allocated to		,	
(810)	Category 4.13	General Ledger W. Adj	(810)	C
(815)	Acct 2680 (2410) - Amortizable Tangible Assets - Cable and Wire Facilities	General Ledger W. Adj	(815)	C

Acct 2680 (2410) - Amortizable Tangible Assets - Cable and Wire Facilities Allocated (820)to Category 1 0 (820)General Ledger W. Adj Acct 6560 (2680) - Depreciation & Amortization Expense - Amortizable Tangible Asse General Ledger W. Adj (830)(830)0 VI. COMMENTS / SIGNIFICANT CHANGE EXPLANATION 46,395,358 Hash Total

Reconciled with 2013 study.