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STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

August 2, 2006

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, Asotin Telephone Company, Lewis River Telephone Company and McDaniel Telephone Company, Inc. all 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.

Sincerely,

Kristine M. Haskin
Manager – Federal Affairs

Enclosures

525 JUNCTION RD.
MADISON, WI 53717

WWW.TDSTELECOM.COM

**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 480-123-080.¹

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 2005, 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 2005, refer to “Report #1 Column Actual”.

Report 2: 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.

In addition, during 2005, the Company was engaged in a major investment project within its designated ETC service area as described below:

The Company installed a new switch at approximately \$700,000. The new switch provides a platform on which additional telecommunications services, including, but not limited to, advanced services and local number portability, can be provided to customers. This project improves service to all of the Company’s customers in its designated ETC service area.

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).

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

The Company reports that it is aware of 1 complaint made during calendar year 2005 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.³ The complaint concerned the one dollar a month per charge for touch tone service. Asotin charged this customer in accordance with its filed tariff in Washington that had been reviewed and approved by the WUTC.

Report 4: 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 2006 and 2007 for the provision, maintenance and upgrading of facilities and services supported by federal universal service.

Report 5: 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 2005, 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 2005.

In addition to the foregoing, the Company is planning on several large projects for 2006. The large projects are as follows:

1. Fiber project to replace 50 pair cable between Asotin and Anatone. Fiber is being put in for transport and will improve the level of service, increase bandwidth and provide for future growth of advance services estimated at \$1,107,800.
2. Snake River Road project which included cable moves and the addition of all new underground cable which will result in less damage in the future estimated at \$68,500
3. Digital loop carrier change-out and replacement projects estimated at \$ 99,000.

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 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.

NATIONAL EXCHANGE CARRIER ASSOCIATION
 UNIVERSAL SERVICE FUND
 2006 DATA COLLECTION FORM (06-1)

RUN DATE: 27-Jul-06
 Based on Financials Ending: 12/31/05
 Submitted to NECA: 7/31/2006
 Compensation Commences: 01/01/07

SAC NAME ASOTIN (WA) TELEPHONE COMPANY

SAC: 522404

Comp # 64

I. EXCHANGE CARRIER/DATA IDENTIFICATION

- (010) Study Area Code Name
- (020) Contact Name
- (030) Contact Telephone Number
- (040) USF Data Collection Period

ASOTIN (WA) TELEPHONE COMPANY
 Jeffrey M. Johnson
 (608) 664-4197
 2006-1

Data LN	Description	Data Source	Data Line	2006-1	Amount
II. WORKING LOOPS					
(060)	Total Loops - (Cat 1.1, 1.2 and 1.3)	OSP Records	(060)		1,400
(070)	Category 1.3 Loops - (Excluding Cat 1.3 TWX Loops)	OSP Records	(070)		1,386
(080)	Reserved - NO ENTRY REQUIRED		(080)		
III. INVESTMENT, EXPENSES, AND TAXES					
Net Plant Investment					
(160)	Acct 2001 - Telephone Plant in Service	General Ledger W. Adj	(160)		5,627,476
(170)	Acct 1220 - Material and Supplies	General Ledger W. Adj	(170)		6,080
(190)	Acct 3100 - Accumulated Depreciation	General Ledger W. Adj	(190)		3,731,592
(195)	Acct 3400 - Accumulated Amortization Tangible	General Ledger W. Adj	(195)		2,055
(200)	Reserved - NO ENTRY REQUIRED		(200)		
(205)	Reserved - NO ENTRY REQUIRED		(205)		
(210)	Acct 4340 - Net Noncurrent Deferred Operating Income Taxes	General Ledger W. Adj	(210)		46,033
(220)	Net Plant Investment (Sum of Lines 160+170 minus Lines 190 through 210)	General Ledger W. Adj	(220)		1,853,876
Selected Plant Accounts					
(230)	Acct 2210 - Central Office Switching Equipment	General Ledger W. Adj	(230)		839,621
(235)	Acct 2220 - Operator System Equipment	General Ledger W. Adj	(235)		0
(240)	Acct 2230 - Central Office Transmission Equipment	General Ledger W. Adj	(240)		892,823
(245)	Total Central Office Equipment (Sum of Lines 230 through 240)	General Ledger W. Adj	(245)		1,732,444
(250)	Circuit Equipment Category 4.13	Prorate per CS	(250)		614,486
(255)	Acct 2410 - Cable & Wire Facilities Total	General Ledger W. Adj	(255)		3,131,804
(260)	Acct 3100 (2210) - Accumulated Depreciation Central Office Switching	General Ledger W. Adj	(260)		67,522
(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)		687,686
(275)	Acct 3100 (2210-2230) - Total Accumulated Depreciation Central Office Equipment (Sum of Lines 260 thru 270)	General Ledger W. Adj	(275)		755,208
(280)	Acct 3100 (2410) - Accumulated Depreciation C&WF	General Ledger W. Adj	(280)		2,441,400
(285)	Reserved - NO ENTRY REQUIRED		(285)		
(290)	Reserved - NO ENTRY REQUIRED		(290)		
(295)	Reserved - NO ENTRY REQUIRED		(295)		
(300)	Reserved - NO ENTRY REQUIRED		(300)		
(305)	Reserved - NO ENTRY REQUIRED		(305)		
(310)	Acct 4340 (2210) - Net Noncurrent Deferred Operating Income Taxes - Central Office Switching	General Ledger W. Adj	(310)		6,548
(315)	Acct 4340 (2220) - Net Noncurrent Deferred Operating Income Taxes - Operator System	General Ledger W. Adj	(315)		0
(320)	Acct 4340 (2230) - Net Noncurrent Deferred Operating Income Taxes - Central Office Transmission	General Ledger W. Adj	(320)		6,962
(325)	Acct 4340 (2210-2230) - Net Noncurrent Deferred Operating Income Taxes - Central Office Equipment (Sum of Lines 310 through 320)	General Ledger W. Adj	(325)		13,510
(330)	Acct 4340 (2410) - Net Noncurrent Deferred Operating Income Taxes - C&WF	General Ledger W. Adj	(330)		24,296
Plant Specific Operation Expense					
(335)	Acct 6110 - Network Support Expense Total	General Ledger W. Adj	(335)		2,061
(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)		7,831
(355)	Acct 6120 - Benefits Portion of General Support Expense	General Ledger W. Adj	(355)		708
(360)	Acct 6120 - Rents Portion of General Support Expense	General Ledger W. Adj	(360)		2,389
(365)	Acct 6210 - Central Office Switching Expense - Total Switching Expense - Total	General Ledger W. Adj	(365)		39,202
(370)	Acct 6210 - Benefits Portion of COE Switching Expense	General Ledger W. Adj	(370)		1,743
(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)		0
(385)	Acct 6220 - Benefits Portion of Operator System Expense	General Ledger W. Adj	(385)		0
(390)	Acct 6220 - Rents Portion of Operator System Expense	General Ledger W. Adj	(390)		0
(395)	Acct 6230 - Central Office Expense - Transmission Equipment - Total	General Ledger W. Adj	(395)		17,857
(400)	Acct 6230 - Benefits Portion of Central Office Expense - Transmission	General Ledger W. Adj	(400)		4,913

NATIONAL EXCHANGE CARRIER ASSOCIATION
 UNIVERSAL SERVICE FUND
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SAC NAME ASOTIN (WA) TELEPHONE COMPANY

SAC: 522404

Comp # 64

I. EXCHANGE CARRIER/DATA IDENTIFICATION

- (010) Study Area Code Name
- (020) Contact Name
- (030) Contact Telephone Number
- (040) USF Data Collection Period

ASOTIN (WA) TELEPHONE COMPANY
 Jeffrey M. Johnson
 (608) 664-4197
 2006-1

Data LN	Description	Data Source	Data Line	2006-1	Amount
(405)	Acct 6230 - Rents Portion of Central Office Expense - Transmission	General Ledger W. Adj	(405)		0
(410)	365+380+395)	General Ledger W. Adj	(410)		57,059
(415)	Reserved - NO ENTRY REQUIRED		(415)		
(420)	Reserved - NO ENTRY REQUIRED		(420)		
(425)	Reserved - NO ENTRY REQUIRED		(425)		
(430)	Acct 6410 - Cable and Wire Facilities Expense - Total	General Ledger W. Adj	(430)		68,698
(435)	Acct 6410 - Benefits Portion Cable and Wire Facilities Expense	General Ledger W. Adj	(435)		26,545
(440)	Acct 6410 - Rents Portion Cable and Wire Facilities Expense	General Ledger W. Adj	(440)		4,664
(445)	Total Plant Specific Expense (Sum of Lines 335+350+365+380+395+430)	General Ledger W. Adj	(445)		135,649
Plant Non Specific Expense					
(450)	Acct 6530 - Network Operations Expense - Total	General Ledger W. Adj	(450)		87,528
(455)	Acct 6530 - Benefits Portion Network Operations Expense	General Ledger W. Adj	(455)		13,470
(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)		
(505)	Reserved - NO ENTRY REQUIRED		(505)		
Depreciation and Amortization Expenses					
(510)	Acct 6560 (2210) - Depreciation And Amortization Expense - CO Switching	General Ledger W. Adj	(510)		98,839
(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)		52,679
(525)	Acct 6560 (2210-2230) - Depreciation and Amortization Central Office Equipment (Sum of Lines 510 thru 520)	General Ledger W. Adj	(525)		151,518
(530)	Acct 6560 (2410) - Depreciation and Amortization Expense - C&W Facilities	General Ledger W. Adj	(530)		170,408
Corporate Operating Expenses					
(535)	Acct 6710 Executive and Planning Expense - Total	General Ledger W. Adj	(535)		15,882
(540)	Acct 6710 Benefits Portion Executive and Planning Expense	General Ledger W. Adj	(540)		276
(550)	Acct 6720 - General Administrative Expense - Total	General Ledger W. Adj	(550)		157,963
(555)	Acct 6720 - Benefits Portion - General Administrative Expense	General Ledger W. Adj	(555)		332
(565)	Total Corporate Operations Expense (Sum of Lines 535 + 550)	General Ledger W. Adj	(565)		173,845
Other Expenses and Revenues					
(600)	Benefits Portion of All Operating Expenses - Total Operating Expenses - Total	General Ledger W. Adj	(600)		68,814
(610)	Rents Portion of All Operating Expenses - Total	General Ledger W. Adj	(610)		7,053
(620)	Reserved - NO ENTRY REQUIRED		(620)		
(630)	Reserved - NO ENTRY REQUIRED		(630)		
Taxes					
(650)	Acct 7200 - Operating Taxes	General Ledger W. Adj	(650)		162,657
(655)	Reserved - NO ENTRY REQUIRED		(655)		
IV. PART 36 - COST STUDY DATA					
(700)	Cost Study Average Cable and Wire Facilities Acct 2410	Cost Study	(700)		3,091,871
	Cost Study Average Cable and Wire Facilities Cat. 1 - Total Exchange Line				
(710)	C&WF Excluding Wide Band	Cost Study	(710)		2,819,096
V. AMORTIZABLE TANGIBLE ASSETS (Refer to instructions prior to completing this section)					
(800)	Acct 2680 - Amortizable Tangible Assets	General Ledger W. Adj	(800)		38,607
(805)	Acct 2680 (2230) - Amortizable Tangible Assets - CO Transmission	General Ledger W. Adj	(805)		38,607
(810)	Acct 2680 (2230) - Amortizable Tangible Assets - CO Transmission Allocated to Category 4.13	General Ledger W. Adj	(810)		0
(815)	Acct 2680 (2410) - Amortizable Tangible Assets - Cable and Wire Facilities	General Ledger W. Adj	(815)		0
(820)	Acct 2680 (2410) - Amortizable Tangible Assets - Cable and Wire Facilities Allocated to Category 1	General Ledger W. Adj	(820)		0
(830)	Acct 6560 (2680) - Depreciation & Amortization Expense - Amortizable Tangible	General Ledger W. Adj	(830)		2,055

VI. COMMENTS / SIGNIFICANT CHANGE EXPLANATION

Reconciled with 2005 study.

USF Certification for 2006

Attachment to Affidavit

Asotin Telephone Company d/b/a TDS Telecom

Access Lines	Exchange	CLLI Code	OCN	SAC
1,184	ASOTIN	ASOTWAXADS1	2404	522404
202	ANATONE	ANATWAXXRS1		
-				
-				
1,386				

Year 2005 Federal Universal Service Receipts Subject To Certification.

High Cost Loop Support	\$	92,243	
ICLS Support		Not Applicable	See FCC Part 54.314
Safety Net Additive	\$	-	
Safety Value Additive	\$	-	
Local Switching Support	\$	82,908	
TOTAL	\$	<u>175,151</u>	

Expenditures For Provision, Maintenance, and Upgrading Of Facilities and Services Supported By Federal Universal Service Funding

	<u>Report #1 Actual</u>	<u>Report #4 Estimated</u>	<u>Report #4 Estimated</u>
	2005	2006	2007
Plant Specific Operations Expenses			
Network support (Accts. 6110-16)	\$ 2,061	\$ 1,900	\$ 2,000
General support (Accts. 6120-24)	\$ 7,831	\$ 7,400	\$ 7,600
Central office switching (Accts. 6210-6212.2)	\$ 40,088	\$ 35,400	\$ 36,100
Central office transmission (Accts. 6230s)	\$ 17,857	\$ 15,700	\$ 16,000
Cable and wire facilities (Accts. 6410-6441)	\$ 68,698	\$ 66,300	\$ 67,600
Network operations (Accts. 6530-35)	\$ 87,528	\$ 84,200	\$ 85,900
Depreciation and amortization (Accts. 6560-65)	\$ 389,267	\$ 460,800	\$ 470,100
Customer operations expenses			
Customer services (Accts. 6620-23)	\$ 154,922	\$ 149,700	\$ 152,700
Corporate operations expenses			
Executive and planning (Accts. 6710)	\$ 15,882	\$ 34,000	\$ 34,700
General and administrative (Accts. 6720)	\$ 157,652	\$ 156,700	\$ 159,800
Other corporate (not included elsewhere)	\$ -	\$ -	\$ -
Total Year Supported Expenses, Before Return On Investment	\$ 941,786	\$ 1,012,100	\$ 1,032,500
Additions			
Switching (Acct. 2210)	\$ 826,505	\$ 23,200	\$ -
Cable and wire (Acct. 2410)	\$ 50,113	\$ 1,433,500	\$ 691,400
TOTAL	\$ 876,618	\$ 1,456,700	\$ 691,400
Total Year Supported Expenditures, Before Return On Investment	\$ 1,818,404	\$ 2,468,800	\$ 1,723,900

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

Lewis River d/b/a TDS Telecom (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): 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 2005, 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 2005, refer to "Report #1 Column Actual".

Report 2: 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.

During 2005, the Company did not engage in any major investment projects, however, the company did have several large outside buried plant projects estimated at \$51,000 which when completed improved the overall stability of the plant.

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).

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 2005 to the Federal Communications Commission or 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.

Report 4: 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 2006 and 2007 for the provision, maintenance and upgrading of facilities and services supported by federal universal service.

Report 5: 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 Lewis River 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 2005, 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 2005.

In addition to the foregoing, the Company is planning on several large projects for 2006. The large projects are as follows:

1. Yale to Cougar fiber project . Fiber is being put in for transport and will improve the level of service, increase bandwidth and provide for future growth of advance services estimated at \$326,000
2. Subdivision and housing growth projects estimated at \$ 74,000

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 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.

NATIONAL EXCHANGE CARRIER ASSOCIATION
 UNIVERSAL SERVICE FUND
 2006 DATA COLLECTION FORM (06-1)

RUN DATE: 27-Jul-06
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 Submitted to NECA: 7/31/2006
 Compensation Commences: 01/01/07

SAC NAME LEWIS RIVER TELEPHONE CO

SAC: 522427

Comp # 669

I. EXCHANGE CARRIER/DATA IDENTIFICATION

- (010) Study Area Code Name
- (020) Contact Name
- (030) Contact Telephone Number
- (040) USF Data Collection Period

LEWIS RIVER TELEPHONE CO
 Jeffrey M. Johnson
 (608) 664-4197
 2006-1

Data LN	Description	Data Source	Data Line	2006-1	Amount
II. WORKING LOOPS					
(060)	Total Loops - (Cat 1.1, 1.2 and 1.3)	OSP Records	(060)		6,211
(070)	Category 1.3 Loops - (Excluding Cat 1.3 TWX Loops)	OSP Records	(070)		6,172
(080)	Reserved - NO ENTRY REQUIRED		(080)		
III. INVESTMENT, EXPENSES, AND TAXES					
Net Plant Investment					
(160)	Acct 2001 - Telephone Plant in Service	General Ledger W. Adj	(160)		15,896,809
(170)	Acct 1220 - Material and Supplies	General Ledger W. Adj	(170)		22,296
(190)	Acct 3100 - Accumulated Depreciation	General Ledger W. Adj	(190)		9,031,706
(195)	Acct 3400 - Accumulated Amortization Tangible	General Ledger W. Adj	(195)		114,626
(200)	Reserved - NO ENTRY REQUIRED		(200)		
(205)	Reserved - NO ENTRY REQUIRED		(205)		
(210)	Acct 4340 - Net Noncurrent Deferred Operating Income Taxes	General Ledger W. Adj	(210)		843,105
(220)	Net Plant Investment (Sum of Lines 160+170 minus Lines 190 through 210)	General Ledger W. Adj	(220)		5,929,668
Selected Plant Accounts					
(230)	Acct 2210 - Central Office Switching Equipment	General Ledger W. Adj	(230)		1,499,073
(235)	Acct 2220 - Operator System Equipment	General Ledger W. Adj	(235)		0
(240)	Acct 2230 - Central Office Transmission Equipment	General Ledger W. Adj	(240)		2,160,570
(245)	Total Central Office Equipment (Sum of Lines 230 through 240)	General Ledger W. Adj	(245)		3,659,643
(250)	Circuit Equipment Category 4.13	Prorate per CS	(250)		1,360,948
(255)	Acct 2410 - Cable & Wire Facilities Total	General Ledger W. Adj	(255)		9,871,021
(260)	Acct 3100 (2210) - Accumulated Depreciation Central Office Switching	General Ledger W. Adj	(260)		468,391
(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)		651,240
(275)	Acct 3100 (2210-2230) - Total Accumulated Depreciation Central Office Equipment (Sum of Lines 260 thru 270)	General Ledger W. Adj	(275)		1,119,631
(280)	Acct 3100 (2410) - Accumulated Depreciation C&WF	General Ledger W. Adj	(280)		6,651,024
(285)	Reserved - NO ENTRY REQUIRED		(285)		
(290)	Reserved - NO ENTRY REQUIRED		(290)		
(295)	Reserved - NO ENTRY REQUIRED		(295)		
(300)	Reserved - NO ENTRY REQUIRED		(300)		
(305)	Reserved - NO ENTRY REQUIRED		(305)		
(310)	Acct 4340 (2210) - Net Noncurrent Deferred Operating Income Taxes - Central Office Switching	General Ledger W. Adj	(310)		76,514
(315)	Acct 4340 (2220) - Net Noncurrent Deferred Operating Income Taxes - Operator System	General Ledger W. Adj	(315)		0
(320)	Acct 4340 (2230) - Net Noncurrent Deferred Operating Income Taxes - Central Office Transmission	General Ledger W. Adj	(320)		110,277
(325)	Acct 4340 (2210-2230) - Net Noncurrent Deferred Operating Income Taxes - Central Office Equipment (Sum of Lines 310 through 320)	General Ledger W. Adj	(325)		186,791
(330)	Acct 4340 (2410) - Net Noncurrent Deferred Operating Income Taxes - C&WF	General Ledger W. Adj	(330)		505,952
Plant Specific Operation Expense					
(335)	Acct 6110 - Network Support Expense Total	General Ledger W. Adj	(335)		19,210
(340)	Acct 6110 - Benefits Portion of Network Support Expense	General Ledger W. Adj	(340)		533
(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)		52,394
(355)	Acct 6120 - Benefits Portion of General Support Expense	General Ledger W. Adj	(355)		2,499
(360)	Acct 6120 - Rents Portion of General Support Expense	General Ledger W. Adj	(360)		0
(365)	Acct 6210 - Central Office Switching Expense - Total Switching Expense - Total	General Ledger W. Adj	(365)		127,966
(370)	Acct 6210 - Benefits Portion of COE Switching Expense	General Ledger W. Adj	(370)		20,739
(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)		0
(385)	Acct 6220 - Benefits Portion of Operator System Expense	General Ledger W. Adj	(385)		0
(390)	Acct 6220 - Rents Portion of Operator System Expense	General Ledger W. Adj	(390)		0
(395)	Acct 6230 - Central Office Expense - Transmission Equipment - Total	General Ledger W. Adj	(395)		19,165
(400)	Acct 6230 - Benefits Portion of Central Office Expense - Transmission	General Ledger W. Adj	(400)		1,516

NATIONAL EXCHANGE CARRIER ASSOCIATION
 UNIVERSAL SERVICE FUND
 2006 DATA COLLECTION FORM (06-1)

RUN DATE: 27-Jul-06
 Based on Financials Ending: 12/31/05
 Submitted to NECA: 7/31/2006
 Compensation Commences: 01/01/07

SAC NAME LEWIS RIVER TELEPHONE CO

SAC: 522427

Comp # 669

I. EXCHANGE CARRIER/DATA IDENTIFICATION

- (010) Study Area Code Name
- (020) Contact Name
- (030) Contact Telephone Number
- (040) USF Data Collection Period

LEWIS RIVER TELEPHONE CO
 Jeffrey M. Johnson
 (608) 664-4197
 2006-1

Data LN	Description	Data Source	Data Line	2006-1 Amount
(405)	Acct 6230 - Rents Portion of Central Office Expense - Transmission	General Ledger W. Adj	(405)	0
(410)	365+380+395	General Ledger W. Adj	(410)	147,131
(415)	Reserved - NO ENTRY REQUIRED		(415)	
(420)	Reserved - NO ENTRY REQUIRED		(420)	
(425)	Reserved - NO ENTRY REQUIRED		(425)	
(430)	Acct 6410 - Cable and Wire Facilities Expense - Total	General Ledger W. Adj	(430)	123,276
(435)	Acct 6410 - Benefits Portion Cable and Wire Facilities Expense	General Ledger W. Adj	(435)	53,636
(440)	Acct 6410 - Rents Portion Cable and Wire Facilities Expense	General Ledger W. Adj	(440)	1,235
(445)	Total Plant Specific Expense (Sum of Lines 335+350+365+380+395+430)	General Ledger W. Adj	(445)	342,011
Plant Non Specific Expense				
(450)	Acct 6530 - Network Operations Expense - Total	General Ledger W. Adj	(450)	371,358
(455)	Acct 6530 - Benefits Portion Network Operations Expense	General Ledger W. Adj	(455)	60,308
(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)	
(505)	Reserved - NO ENTRY REQUIRED		(505)	
Depreciation and Amortization Expenses				
(510)	Acct 6560 (2210) - Depreciation And Amortization Expense - CO Switching	General Ledger W. Adj	(510)	140,248
(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)	204,776
(525)	Acct 6560 (2210-2230) - Depreciation and Amortization Central Office Equipment (Sum of Lines 510 thru 520)	General Ledger W. Adj	(525)	345,024
(530)	Acct 6560 (2410) - Depreciation and Amortization Expense - C&W Facilities	General Ledger W. Adj	(530)	548,347
Corporate Operating Expenses				
(535)	Acct 6710 Executive and Planning Expense - Total	General Ledger W. Adj	(535)	118,240
(540)	Acct 6710 Benefits Portion Executive and Planning Expense	General Ledger W. Adj	(540)	17,121
(550)	Acct 6720 - General Administrative Expense - Total	General Ledger W. Adj	(550)	637,950
(555)	Acct 6720 - Benefits Portion - General Administrative Expense	General Ledger W. Adj	(555)	2,521
(565)	Total Corporate Operations Expense (Sum of Lines 535 + 550)	General Ledger W. Adj	(565)	756,190
Other Expenses and Revenues				
(600)	Benefits Portion of All Operating Expenses - Total Operating Expenses - Total	General Ledger W. Adj	(600)	238,657
(610)	Rents Portion of All Operating Expenses - Total	General Ledger W. Adj	(610)	1,235
(620)	Reserved - NO ENTRY REQUIRED		(620)	
(630)	Reserved - NO ENTRY REQUIRED		(630)	
Taxes				
(650)	Acct 7200 - Operating Taxes	General Ledger W. Adj	(650)	711,061
(655)	Reserved - NO ENTRY REQUIRED		(655)	
IV. PART 36 - COST STUDY DATA				
(700)	Cost Study Average Cable and Wire Facilities Acct 2410	Cost Study	(700)	9,787,181
	Cost Study Average Cable and Wire Facilities Cat. 1 - Total Exchange Line			
(710)	C&WF Excluding Wide Band	Cost Study	(710)	7,848,188
V. AMORTIZABLE TANGIBLE ASSETS (Refer to instructions prior to completing this section)				
(800)	Acct 2680 - Amortizable Tangible Assets	General Ledger W. Adj	(800)	137,445
(805)	Acct 2680 (2230) - Amortizable Tangible Assets - CO Transmission	General Ledger W. Adj	(805)	137,445
(810)	Acct 2680 (2230) - Amortizable Tangible Assets - CO Transmission Allocated to Category 4.13	General Ledger W. Adj	(810)	0
(815)	Acct 2680 (2410) - Amortizable Tangible Assets - Cable and Wire Facilities	General Ledger W. Adj	(815)	0
(820)	Acct 2680 (2410) - Amortizable Tangible Assets - Cable and Wire Facilities Allocated to Category 1	General Ledger W. Adj	(820)	0
(830)	Acct 6560 (2680) - Depreciation & Amortization Expense - Amortizable Tangible	General Ledger W. Adj	(830)	16,118

VI. COMMENTS / SIGNIFICANT CHANGE EXPLANATION

Reconciled with 2005 study.

USF Certification for 2006

Attachment to Affidavit

Lewis River Telephone Company, Inc. d/b/a TDS Telecom

Access Lines	Exchange	CLLI Code	OCN	SAC
1,127	AMBOY	AMBYWAXARS0	2427	522427
133	COUGAR	COGRWAXXRS0		
4,635	LA CENTER	LACTWAXADS1		
277	YALE	YALEWAXXRS0		
-				
6,172				

Year 2005 Federal Universal Service Receipts Subject To Certification.

High Cost Loop Support	\$	11,818	
ICLS Support		Not Applicable	See FCC Part 54.314
Safety Net Additive	\$	-	
Safety Value Additive	\$	-	
Local Switching Support	\$	499,008	
TOTAL	\$	<u>510,826</u>	

Expenditures For Provision, Maintenance, and Upgrading Of Facilities and Services Supported By Federal Universal Service Funding

	Report #1 Actual	Report #4 Estimated	Report #4 Estimated
	2005	2006	2007
Plant Specific Operations Expenses			
Network support (Accts. 6110-16)	\$ 19,210	\$ 19,600	\$ 20,000
General support (Accts. 6120-24)	\$ 80,331	\$ 72,800	\$ 70,800
Central office switching (Accts. 6210-6212.2)	\$ 132,788	\$ 135,900	\$ 138,600
Central office transmission (Accts. 6230s)	\$ 19,165	\$ 19,600	\$ 20,000
Cable and wire facilities (Accts. 6410-6441)	\$ 123,276	\$ 126,200	\$ 128,700
Network operations (Accts. 6530-35)	\$ 371,358	\$ 380,200	\$ 387,800
Depreciation and amortization (Accts. 6560-65)	\$ 1,083,744	\$ 1,109,754	\$ 1,131,949
Customer operations expenses			
Customer services (Accts. 6620-23)	\$ 455,454	\$ 465,700	\$ 475,100
Corporate operations expenses			
Executive and planning (Accts. 6710)	\$ 118,240	\$ 202,500	\$ 206,600
General and administrative (Accts. 6720)	\$ 637,751	\$ 653,000	\$ 666,100
Other corporate (not included elsewhere)	\$ -	\$ -	\$ -
Total Year Supported Expenses, Before Return On Investment	\$ 3,041,317	\$ 3,185,254	\$ 3,245,649
Additions			
Switching (Acct. 2210)	\$ 62,420	\$ 121,300	\$ -
Cable and wire (Acct. 2410)	\$ 116,801	\$ 554,600	\$ 264,800
TOTAL	\$ 179,221	\$ 675,900	\$ 264,800
Total Year Supported Expenditures, Before Return On Investment	\$ 3,220,538	\$ 3,861,154	\$ 3,510,449

**AFFIDAVIT CONTAINING CERTIFICATIONS
AS REQUIRED BY WAC 480-123-060 AND WAC 480-123-070**

I, Kevin G. Hess, being of lawful age and duly sworn, on my oath state that I am Senior Vice President, Government and Regulatory Affairs of TDS Telecommunications Corporation, parent company of Lewis River Telephone Company, Inc. 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 the funds from the sources described in 47 C.F.R. §54.314 received by the Company will be used only for the provision, maintenance and upgrading of the facilities and services for which the support is intended;

(2) That during the 2005 calendar year, the Company met substantially the applicable service quality standard found in WAC 480-123-030(1)(h);

(3) That during the 2005 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 2005 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.

Dated this 19th day of July, 2006.

Company: Lewis River Telephone Company, Inc. d/b/a TDS Telecom

By: Kevin G. Hess
Kevin G. Hess

Its: Senior Vice President, Government and Regulatory Affairs

STATE OF WISCONSIN)

: ss.

County of Dane)

SUBSCRIBED AND SWORN to before me this 19th day of July, 2006.

Irmgard F. Metz
Irmgard F. Metz – Notary Public in and
for the State of Wisconsin, residing in Madison WI
My commission expires June 10, 2007.

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

McDaniel d/b/a TDS Telecom (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): Report On Use Of Federal Funds And Benefits To Customers

McDaniel is an average schedule company versus a cost company and financial data is not provided to NECA for USF purposes. Instead, McDaniel receives its funds based on Average Schedule Formulas which have been developed by NECA and approved by the FCC.

In order to demonstrate the use of funds refer to the attached 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.

Report 2: 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.

In addition, during 2005, the Company was engaged in a major investment project within its designated ETC service area as described below:

In preparation for the Company's 2006 switch change-out, the Company incurred \$163,000 in switch engineering and improvements in preparation for the change-out. In addition, the Company had several large buried outside plant projects estimated at \$49,000 which improved the overall

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).

stability of the plant. The Company also had several large OSP projects estimated at \$76,200 to improve stability and provide better technology. Two new DLC carriers were installed estimated at \$86,600 and \$96,000 respectively allowing for stability and growth. In addition batteries were replaced at approximately \$70,600 providing for functionality in emergency situations.

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

The Company reports that it is aware of 0 complaint made during calendar year 2005 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.³

Report 4: WAC 480-123-080(1)(b): Annual Plan for Universal Service Support Expenditures.

As explained in Report 1; McDaniel is an average schedule company and does not provide financial data to NECA, instead its funds are based on average schedule formulas developed by NECA and approved by the FCC.

Attachment to Affidavit, Report #4 Column includes estimates of expenditures for the years 2006 and 2007 for the provision, maintenance and upgrading of facilities and services supported by federal universal service.

Report 5: 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 McDaniel 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 2005, 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 2005.

In addition to the foregoing, the Company is planning on several large projects for 2006. The large projects are as follows:

1. Switch change-out to DRM which will allow additional upgrades. Project estimated as \$560,000.
2. Fiber Ring Project to increase bandwidth and provide stability. Projects estimated at \$630,000
3. Digital loop carrier change and upgrade. Project estimated at \$ 238,000.
4. OC 48 Transport Project to provide stability. Projects estimated at \$34,000.

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 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.

USF Certification for 2006

Attachment to Affidavit

McDaniel Telephone Company d/b/a TDS Telecom

Access Lines	Exchange	CLLI Code	OCN	SAC
1,125	MOSSYROCK	MSRKWAXXRS2	2430	522430
1,695	ONALASKA	ONLSWAXARS2		
1,627	SALKUM	SLKMWAXBDS1		
-				
-				
4,447				

Year 2005 Federal Universal Service Receipts Subject To Certification.

High Cost Loop Support	\$	66,887	
ICLS Support		Not Applicable	See FCC Part 54.314
Safety Net Additive	\$	-	
Safety Value Additive	\$	-	
Local Switching Support	\$	298,764	
TOTAL	\$	<u>365,651</u>	

Expenditures For Provision, Maintenance, and Upgrading Of Facilities and Services Supported By Federal Universal Service Funding

	Report #1 Actual	Report #4 Estimated	Report #4 Estimated
	2005	2006	2007
Plant Specific Operations Expenses			
Network support (Accts. 6110-16)	\$ 7,242	\$ 7,300	\$ 7,500
General support (Accts. 6120-24)	\$ 37,965	\$ 38,700	\$ 39,400
Central office switching (Accts. 6210-6212.2)	\$ 61,103	\$ 62,300	\$ 63,500
Central office transmission (Accts. 6230s)	\$ 75,178	\$ 76,600	\$ 78,200
Cable and wire facilities (Accts. 6410-6441)	\$ 142,158	\$ 145,000	\$ 147,900
Network operations (Accts. 6530-35)	\$ 263,668	\$ 269,400	\$ 275,300
Depreciation and amortization (Accts. 6560-65)	\$ 806,154	\$ 806,100	\$ 806,100
Customer operations expenses			
Customer services (Accts. 6620-23)	\$ 350,867	\$ 357,800	\$ 365,000
Corporate operations expenses			
Executive and planning (Accts. 6710)	\$ 109,906	\$ 112,100	\$ 114,300
General and administrative (Accts. 6720)	\$ 497,112	\$ 507,000	\$ 517,100
Other corporate (not included elsewhere)	\$ -	\$ -	\$ -
Total Year Supported Expenses, Before Return On Investment	\$ 2,351,353	\$ 2,382,300	\$ 2,414,300
Additions			
Switching (Acct. 2210)	\$ 453,346	\$ 611,800	\$ -
Cable and wire (Acct. 2410)	\$ 757,375	\$ 1,592,800	\$ 450,900
TOTAL	\$ 1,210,721	\$ 2,204,600	\$ 450,900
Total Year Supported Expenditures, Before Return On Investment	\$ 3,562,074	\$ 4,586,900	\$ 2,865,200

**AFFIDAVIT CONTAINING CERTIFICATIONS
AS REQUIRED BY WAC 480-123-060 AND WAC 480-123-070**

I, Kevin G. Hess, being of lawful age and duly sworn, on my oath state that I am Senior Vice President, Government and Regulatory Affairs of TDS Telecommunications Corporation, parent company of McDaniel 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:

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- (2) That during the 2005 calendar year, the Company met substantially the applicable service quality standard found in WAC 480-123-030(1)(h);
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- (4) That during the 2005 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.

Dated this 19th day of July, 2006.

Company: McDaniel Telephone Company d/b/a TDS Telecom

By: Kevin G. Hess
Kevin G. Hess

Its: Senior Vice President, Government and Regulatory Affairs

STATE OF WISCONSIN)

: ss.

County of Dane)

SUBSCRIBED AND SWORN to before me this 19th day of July, 2006.

Irmgard F. Metz
Irmgard F. Metz - Notary Public in and
for the State of Wisconsin, residing in Madison WI
My commission expires June 10, 2007.