DOCKET NO. UM 1688

Cover Sheet for Submission of 2014 Annual ETC Certification Reports

| Name of Eligible Telecommunications Carrier: <u>Pine Telephone System, Inc.</u> |
|---|
| Filing date: June 24, 2014 |
| Is this: Original submission? X OR Revised submission? |
| Person to contact for questions: |
| Name <u>Teena Thomas</u> |
| Phone number <u>541-742-2201</u> |
| E-mail address <u>teenase@pinetel.com</u> |
| Documents included in this filing (please check applicable items): |
| CAF/ICC Support (47 CFR § 54.304) |
| X_ Rate Floor Data (47 CFR § 54.313(h)) |
| <u>X</u> Form 481 (High-cost per 47 CFR § 54.313, Low-income per 54.422) ¹ |
| Form 690 (Mobility Fund per 47 CFR § 54.1009) |
| X Affidavit for High-Cost Support |
| |

Filing deadlines: The deadlines for filing items required by 47 CFR § 54 are the same as the deadlines for filing with the FCC. The notarized affidavit for high-cost support must be filed no later than the due date for the FCC Form 481. Based on current information, it appears that all items other than CAF/ICC support data are due by <u>July 1, 2014</u>. The CAF/ICC support data are due the same day as the ETC's <u>interstate access tariff filing</u>.

If revisions to an original submission are filed with the FCC or USAC, a copy of the revisions must be filed with the Oregon Commission no later than five business days following submission to the FCC or USAC.

¹ Lifeline-only ETCs must provide all information specified in 47 CFR § 54.422(b) even if the ETC does not submit this information to the FCC.

AFFIDAVIT CERTIFYING USE OF UNIVERSAL SERVICE FUNDS

| I, Ron L. Milford | [name of company officer], being of lawf | ul age and |
|---|---|-------------|
| duly sworn, on my oath, state that I am the | <u>President</u> | [title] of |
| Pine Telephone System, Inc. | [Company name] and that I am authorized | to execute |
| this Affidavit on behalf of the Company, an | d the facts set forth in this Affidavit are true | to the |
| best of my knowledge, information and beli | ef. | |
| | | |
| Pursuant to the requirements of the Federal | Communications Commission, 47 C.F.R. § | 54.314, |
| Pine Telephone System, Inc. | [Company name] hereby certifies to the Pub | lic Utility |
| Commission of Oregon that it is eligible to | receive federal high-cost support for the pro | gram |
| years cited. | | |
| | | |
| I attest that all federal high-cost support pro | vided to Pine Telephone System, Inc. [| Company |
| name] in Oregon was used in the preceding | calendar year (2013) and will be used in the | e coming |
| calendar year (2015) only for the provision, | maintenance and upgrading of facilities and | d services |
| for which the support is intended. | | |
| | | |
| DATED this 24th day of June | , 2014. | |
| 1 - | | |
| By: L. L. Mught | (Officer's Name) | |
| Its: <u>President</u> | (Officer's Title) | |
| | | |
| | 31/ T | |
| SUBSCRIBED AND SWORN to before me | e this \underline{ZY} day of \underline{June} , 2014. | |
| And 2111 | 1.0/ 1 | ESCAS |
| JUNES / WOSCO | NOTARY PUE | XAS |
| Notary public in and for the State of 1 | ×45 My Comm. Expires 1 | 2-04-2016 |
| My Commission Expires: 12-04- 2016 | <u>'e</u> | |

Data Entry History

| Email; | Phone: | Name: | Data Collection Period: 201406 V |
|---------------------|------------------------------------|----------------|--|
| teenase@pinetel.com | Phone: 541-742-2201 [999-999-9999] | Teena M Thomas | Instructions Agent HC RF Cert Form Agent HC RF Cert Form (No Rates Less Than \$20.46) Carrier HC RF Cert Form (With Rates Less Than \$20.46) Print Submitted Data in PDF formal Print Submitted Data in Excel formal |

Enter all exchange/rate zone level rates and their corresponding lines below, where the sum of columns C-F is less than \$20.46.
This data will be used to calculate the impact of the local rate floor on your company's High Cost Support.

| | | | | | 2. | | | | | | | | | - |
|--|---------------|-------------|-----------|---------------|-------------|---------------|---------------|---------------|------|-------------------|---------|------------|--------------------|---|
| If the data form is left blank, select one of the hoxes helow- | Inree Rivers | THE RIVERS | The Blank | Sinere | Granite | Halfway/Oxbow | Halfway/Oxbox | Halfway/Oxbow | | | Name | Name/Zone | (A) Exchange | |
| left blank, select o | Vacation Rate | Kesidentiai | Lireline | Vacation Rate | Residential | Lifeline | Vacation Rate | Residential | | | | Service | (B) Class Of | |
| one of the hoxes t | 7.00 | 14.00 | 14.00 | 7.00 | 14.00 | 14.00 | 7.00 | 14.00 | | cnarge | Service | Local | (C) Residential | |
| helow. | | | | | | | | | | Charge | Line | Subscriber | (D) State | |
| | .60 | 1.19 | 1.19 | .60 | 1.19 | 1.19 | .60 | 1.19 | | Fee | Service | Universal | (E) State | |
| [To enter add | | Ch. | | | | | | | | Service Charge | Area | Extended | (F) | |
| itional rows of dat | 7.6 | 15.19 | 15.19 | 7.6 | 15.19 | 15.19 | 7.6 | 15.19 | C-F) | to Floor | Subject | Total | (G) | |
| [To enter additional rows of data, click on the + button.] | 1 | 50 | (J) | 7 | 76 | 22 | 9 | 510 | | | | Lines | (H) Residential | |
| ton.] | | | 圓 | | a | 4 | a) | | | | | | | |

If the data form is left blank, select one of the boxes below:

Check here if your company receives or is projected to receive High Cost Loop Support or High Cost Model Support in 2014,

Certification of Officer as to the Accuracy of the Data Reported for the Rate Floor Data

I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the actual rate floor data reported; and, to the best of my knowledge, the information reported on this form is accurate.

| Name of Reporting Carrier Pine Tele | phone System, In | C. | | |
|---|--------------------|--|------------|----------------|
| Signature of authorized officer | | silled | | Date 6/18/2014 |
| Printed name of authorized officer Ron | L. Milford | | | |
| Title or position of authorized officer Pro | esident | | | |
| Telephone number of authorized officer: | (541) 742-2201 ext | | | |
| Study Area Code of Reporting Carrier | 532392 | Filing Due Date for this form (mm/dd/yyyy) | 07/01/2014 | |

Pine Telephone System, Inc.

P. O. BOX 706

104 CENTER STREET

HALFWAY, OREGON: 97834

(541) 742-2201

FAX (541).742-4321

June 24 2014

Electronic Filing

Ms. Marlene H. Dortch Office of Secretary Federal Communications Commission 445 12th Street, SW Washington, DC 20554

Re: WC Docket No. 10-90 & 11-42 Annual § 54.313/54.422 Report of High-Cost and Low Income Recipient, Form 481

Dear Ms. Dortch:

Enclosed herein is the annual report for Pine Telephone System, Inc., Study Area Code **532392** pursuant to § 54.313/54.422 of the Commission's rules.

Please contact me with any questions at:

541.742.2201 'patrick@pinetel.com

Patrick L. Lattin General Manager

Copies to:

Universal Service Administrative Company Electronic Filing Washington, DC 20036

Public Utility Commission Electronic Filing

| FCC Fo | rm 481 - Carrier Annual Reporting Data Collection Form | | | FCC Form 481 OMB Control No. 3060 July 2013 | 0-0986/OMB Control No. 3060-0819 |
|------------------|--|----------------------|---|---|----------------------------------|
| <010> | Study Area Code | 532392 | | | |
| <015> | Study Area Name | PINE TEL SYSTEM IN | c. | | |
| <020> | Program Year | 2015 | | | |
| <030> | Contact Name: Person USAC should contact with questions about this data | Teena Thomas | | | |
| <035> | Contact Telephone Number: Number of the person identified in data line <030> | 5417422201 ext. | | | |
| <039> | Contact Email Address: Email of the person identified in data line <030> | teenasc@pinetel.com | m | | |
| | | 7 7 1 1 1 1 | | | 54.313 54.422 |
| ANNUA | AL REPORTING FOR ALL CARRIERS | | | | Completion Completion Required |
| <100> | Service Quality Improvement Reporting | | (complete attached world | ksheet) | (check box when complete) |
| <200> | Outage Reporting (voice) | | (complete attached world | ksheet) | |
| <210> | | outages to report | | | 1 301330 |
| <300> | Unfulfilled Service Requests (voice) | | | _ | (23/23/ |
| <310> | Detail on Attempts (voice) | | | | |
| | | | | (attach descriptive de | ocument) |
| <320> | Unfulfilled Service Requests (broadband) | | | | |
| | | | | 7 | |
| <330> | Detail on Attempts (broadband) | | | (attach descriptive d | document) |
| <400> | Number of Complaints per 1,000 customers (voice) | | | | |
| <410> | Fixed 0.0 | \neg | | | |
| <420> | Mobile | | | | |
| <430> <440> | Number of Complaints per 1,000 customers (broadb | and) | | | 1 13.50 |
| <450> | Mobile 0.0 | | | | |
| <500> | Service Quality Standards & Consumer Protection Ru 5323920R510.pdf | lles Compliance | (check to indicate certifi | cation) | / |
| <510> | | | (attached descriptive | document) | |
| | | | (assassas acsaspave | autumenty | |
| 4COO+ | Superior di la constanti di Con | | J | | |
| <6000> | Functionality in Emergency Situations 5323920R610 .pdf | | (check to indicate certifi | cation) | 1 |
| | 1 | | | | |
| <610> | | | (attached descriptive doc | ument) | |
| | | | J | | |
| | Company Price Offerings (voice) | | (complete attached world | sheet) | |
| | Company Price Offerings (broadband) Operating Companies and Affiliates | | (complete attached work | • | |
| | Tribal Land Offerings (Y/N)? | (if v | complete attached work) res, complete attached work | | <u> </u> |
| | Voice Services Rate Comparability | 197 | (check to indicate certific | - | |
| | | | | | |
| <1010> | | | (attach descriptive docu | ment) | |
| | | | | | Note the second second |
| <1100> | Terrestrial Backhaul (Y/N)? | (If | not, check to indicate certifi | ication) | |
| <1110> | | | (complete attached worl | (sheet) | |
| | Terms and Condition for Lifeline Customers | | (complete attached work | | |
| ١ | Price Cap Carriers, Proceed to Price Cap Additional D | | | | |
| <2000> | Including Rate-of-Return Carriers affiliated with Pric | e Cap Local Exchange | | ction) | CARLES. |
| <2005> | | | (check to indicate certific (complete attached work | • | |
| | Rate of Return Carriers, Proceed to <u>ROR Additional D</u> | Ocumentation Works | iheet | | |
| <3000> <3005> | | | (check to indicate certific (complete attached works | | |
| | | | I TO THE PROPERTY WORKS | meey | |

| (100) Se | ervice Quality improvement Reporting | | | FCC Form 481 |
|----------|--|-------------|-------------------|---|
| Data Co | Hection Ferm | | | OMB Control No. 3060-0986/CMB Control No. 3060-0819 July 2013 |
| <010> | Study Area Code | 532392 | | |
| <015> | Study Area Name | PINE TEL SY | STEM INC. | |
| <020> | Program Year | 2015 | | |
| <030> | Contact Name - Person USAC should contact regarding this data | Teena Thoma | AS . | |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 5417422201 | ert. | |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | teensse@pir | netel.com | |
| <110> | Has your company received its ETC certification from the FCC? If your answer to Line <1.10> is yes, do you have an existing \$54.202(a) "5 | (уе | es/no) O O | |
| <111> | year plan" filed with the FCC? | fue | es / no) O O | |
| <112> | If your answer to Line <111> is yes, then you are required to file a progress report, on line <1.12> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service. Attach Five-Year Service Quality improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your or CETC which only receives frozen support, your progress report is only required to address voice telephony service. | ompany is a | 5323920R112.pdf | |
| | Please check these boxes below to confirm that the attached documents(s), on lin 112, contains a progress report on its five-year service quality improvement plan pursuant to \S 54.202(a). The information shall be submitted at the wire center level or census block as appropriate. | e | | Name of Attached Document |
| <113> | Maps detailing progress towards meeting plan targets | | | |
| <114> | Report how much universal service (USF) support was received | | i | |
| <115> | How (USF) was used to Improve service quality | | | |
| <116> | How (USF)was used to improve service coverage | | | |
| <117> | How (USF) was used to improve service capacity | | | |
| <118> | Provide an explanation of network improvement targets not met in the prior calendar year. | | | |

| FCC Form 481 |
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| OMB Control No. 3060-0986/CMB Control No. 3060-0935 |
| July 2013 |
| |

| <010> | Study Area Code | 532392 |
|-------|---|----------------------|
| <015> | Study Area Name | PINZ TEL SYSTEM INC. |
| <020> | Program Year | 2015 |
| <030> | Contact Name - Person USAC should contact regarding this data | Teena Thomas |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 5417422201 ext. |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | teenase*binetel.com |

| <220> | <a> | <b1></b1> | <b2></b2> | <b3></b3> | <b4></b4> | <c1></c1> | ≪2> | <d>></d> | <e></e> | ♦ | ≪⊳ | <h>></h> |
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| | Reference Number | Outage Start | Outage Start Time | | Outage End | | | 911 Facilities | Service Outage | Affect Multiple | | |
| | Number | Date | lime | Date | Time | Customers Affected | Total Number of Customers | Affected | Description (Check | Study Areas | Service Outage | Preventative |
| | | | | | | | Customers | (Yes / No) | all that apply) | (Yes / No) | Resolution | Procedures |
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| 7. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7 | ne Offering: Including Voice Rate Data | | FCC Form 481 OMB Control No. 3060-0985/CMB Control No. 3000-1819 July 2013 |
|--|---|---------------------|--|
| _<010> | Study Area Code | 532392 | |
| <015> | Study Area Name | PINE TEL SY TE INC. | |
| <020> | Program Year | 2015 | |
| <030> | Contact Name - Person USAC should contact regarding this data | Teena Thomas | |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 5417422201 m.t. | |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | teenase@pinstal.com | |
| <701> <702> | Residential Local Service Charge Effective Date 1/1/2014 Single State-wide Residential Local Service Charge | | |

| | rely | 415 | CI 30 | داف | @ 2> | 43 | 440 | della | |
|---|-------|-----------------|------------|-----------|-----------------------------------|------------------------------|-----------------------------|---|-----------------------------|
| - | State | Exchange (ILEC) | SAC (CETC) | Rate Type | Residential Local Service Rate | State Subscriber Line Charge | State Universal Service Fee | Mandatory Extended Area Service Charge | Total per line Rates and Fr |
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| | adband Price Offerings lection Form | | FX. Form 481 OMB Control No. 3060-0986 (OMB Control No. 3060-0519 3(d) 7013 |
|-------|---|----------------------|---|
| <010> | Study Area Code | 532392 | |
| <015> | Study Area Name | PINE TEL SYSTER INC. | |
| <020> | Program Year | 2015 | |
| <030> | Contact Name - Person USAC should contact regarding this data | Teena Thomas | |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 5417422201 ext. | |
| <039> | Contact Email Address - Email Address of person Identified in data line <030> | teenase@pinetal.com | |

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| _ | State | Exchange (ILEC) | Residential Rate | State Regulated Fees | Total Rate and Fees | Broadband Service - Download Speed (Mbps) | Broadband Service - Upload Speed (Mbps) | Usage Allowance (GB) | Usage Allowance Action Taken Who Limit Resched (selec |
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| | lection Form | | FCF. Ferro 481 OMB Control No. 3050-0986 /OMB Control No. 3050-0819 July 2013 |
|-------|---|------------------------|---|
| <010> | Study Area Code | 532392 | |
| <015> | Study Area Name | PINE TEL SYSTEM INC. | |
| <020> | Program Year | 2015 | |
| <030> | Contact Name - Person USAC should contact regarding this data | Teena Thomas | |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 5417422201 ext. | |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | teenase@pinatel.com | |
| <810> | Reporting Carrier Fine Tele System Inc | | |
| <811> | Holding Company Pine Communications LLC | | |
| <812> | Operating Company N/A | - | |
| | | | |
| <813> | دنه دنه | 42 | <13> |
| | Affiliates | SAC | Doing Business As Company or Brand Designation |
| | | | |
| - | | See attached worksheet | |
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| | bal Lands Reporting llection Form | | | FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013 |
|----------------------------------|--|-----------|----------------------|--|
| <010> | Study Area Code | | 532392 | |
| <015> | Study Area Name | | PINE TEL SISTEM INC. | |
| <020> | Program Year | | 2015 | |
| <030> | Contact Name - Person USAC should contact regarding this data | | Teena Thomas | |
| <035> | Contact Telephone Number - Number of person identified in data line <0 | | 5417422201 ext. | |
| <039> | Contact Email Address - Email Address of person identified in data line <0 | 30> | teenase@pinetel.com | |
| <910> | Tribal Land(s) on which ETC Serves | | | |
| <920> | Tribal Government Engagement Obligation | | Name (| of Attached Document |
| If your | company serves Tribal lands, please select (Yes,No, NA) for each these boxes | | | |
| | rm the status described on the attached document(s), on line 920. | | | |
| demons | strates coordination with the Tribal government pursuant to | Sele | ect | |
| | 3(a)(9) includes: | (Yes, | · 1 | |
| <921> <922> <923> <924> | Feasibility and sustainability planning; Marketing services in a culturally sensitive manner; | NA VVI | | |
| | Compliance with Rights of way processes | | _ | |
| <925> | Compliance with Land Use permitting requirements | | | |
| <926> | Compliance with Facilities Siting rules | | | |
| <927> | Compliance with Environmental Review processes | | | |
| <928> | Compliance with Cultural Preservation review processes | | | |
| <929> | Compliance with Tribal Business and Licensing requirements. | | | |

| <010> Study Area Code <015> Study Area Name <020> Program Year <030> Contact Name - Person USAC should contact regarding this data <035> Contact Telephone Number of person identified in data line <030> 341/422201 evt. <039> Contact Email Address - Email Address of person identified in data line <030> teenas@pinatal.com Please check this box to confirm no terrestrial backhaul options exist within the supported area pursuant to § 54.313(G) Please check this box to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(G) | | o Terrestrial Backhaul Reporting lection Form | | FCC Form 481 OMS Centrol No. 3060-0983/OMB Control No. 3069-0819 July 2013 |
|---|--------|---|----------------------|--|
| <020> Program Year <030> Contact Name - Person USAC should contact regarding this data | | Study Area Code | 532392 | |
| <030> Contact Name - Person USAC should contact regarding this data Teena Thomae <035> Contact Telephone Number - Number of person identified in data line <030> \$417422201 evit. <039> Contact Email Address - Email Address of person identified in data line <030> teenasteprinatesl.com Please check this box to confirm no terrestrial backhaul options exist within the supported area pursuant to § 54.313(G) Please check this box to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps | | Study Area Name | PINE TEL SYSTEM INC. | |
| Contact Telephone Number - Number of person identified in data line <030> 5417422201 evt. Contact Email Address - Email Address of person identified in data line <030> teenase@pinate1.com Please check this box to confirm no terrestrial backhaul options exist within the supported area pursuant to § 54.313(G) Please check this box to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps | <020> | | 2015 | |
| Contact Email Address - Email Address of person identified in data line <030> teenase@pinatel.com Please check this box to confirm no terrestrial backhaul options exist within the supported area pursuant to § 54.313(G) Please check this box to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps | <030> | | Teena Thomas | |
| Please check this box to confirm no terrestrial backhaul <1120> Please check this box to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps | <035> | Contact Telephone Number - Number of person identified in data line <030> | 5417422201 ext. | |
| Please check this box to confirm no terrestrial backhaul <1120> Please check this box to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps | <039> | Contact Email Address - Email Address of person identified in data line <030> | teenase@pinatal.com | |
| broadband service of at least 1 Mbps downstream and 256 kbps | <1120> | | | |
| | <1130> | broadband service of at least 1 Mbps downstream and 256 kbps | | |
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| Lifeline | erms and Condition for Lifeline Customers | | Name and | FCC Form 481 OMB Control No. 3060-0986/CMB Control No. 3060-0819 July 2019 |
|-----------|--|------------|----------------------|--|
| <010> | Study Area Code | | 532392 | |
| <015> | Study Area Name | | PINE TEL SYSTEM INC. | |
| <020> | Program Year | | 2015 | |
| <030> | Contact Name - Person USAC should contact regarding this data | | Teena Thomas | |
| <035> | Contact Telephone Number - Number of person identified in data | line <030> | 5417422201 ext. | |
| <039> | Contact Email Address - Email Address of person identified in data | line <030 | taknase@pinetel.com | |
| | | | 532392071200.pdf | |
| <1210> | Terms & Conditions of Voice Telephony Lifeline Plans | | | |
| <1220> | Link to Public Website | нттр | | Name of Attached Document |
| or the we | neck these boxes below to confirm that the attached document(s), on line bsite listed, on line 1220, contains the required information pursuant to (a)(2) annual reporting for ETCs receiving low-income support, carriers multiple report: | • | | |
| <1221> | Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, | 7 | | |
| <1222> | Details on the number of minutes provided as part of the plan, | / | | |
| <1223> | Additional charges for toll calls, and rates for each such plan. | / | | |
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| and thinking to be | | | | | | |
|--------------------|---|---------------------------------------|-----------------|---------------------------|---------------------------|----------------------------------|
| | rice Cap Carrier Additional Documentation | | | | HCC Form 483 | |
| Dota Col | lection Form | | | | ON/8 Control No. 3060 | -0986/CMB Control No. 3060-0819 |
| including | Rate of-Return Corners aff lated with Price Cap Local Exchange Carriers | | | | July 2013 | assay Circle Compe, No. Saag-co. |
| <010> | Study Area Code | | | | | |
| <015> | Study Area Name | 532392 | | | | |
| <020> | Program Year | PING TEL SYSTEM INC. | | | | |
| <030> | Contact Name - Person USAC should contact regarding this data | 2015 | | | | |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | Teena Thomas | | | | |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | 5417422201 e.t. | | | | |
| | Comment of the state of parson definited in data file Coo | teenaseypinatel.com | | | | |
| | | | | | | |
| CHECK to | ne boxes below to note compliance as a recipient of incremental Connect Amer | ica Phase I support, frozen High Cost | t support. High | Cost support to offset ac | ress charge reductions on | d Connect America Bhase II |
| | support as set forth in 47 CFR § 54.313(b),(c),(d),(| e) the information reported on this f | form and in the | documents attached be | low is accurate. | Connect Anienca Pilase (|
| | | | | | | |
| | Incremental Connect America Phase I reporting | | | | | |
| <2010> | 2nd Year Certification (47 CFR § 54.313(b)(1)) | | | | | |
| <2011> | 3rd Year Certification (47 CFR § 54.313(b)(2)) | | ļ | | | |
| | 218 198 50 Ellering [47 51 (\$ 24.072 [D][Z]] | | Ł | | | |
| | Price Cap Carrier Receiving Frozen Support Certification (47 CFR § 54.312(a)) | | | | | |
| <2012> | 2013 Frozen Support Certification | | T . | = | | |
| <2013> | 2014 Frozen Support Certification | | - | = | | |
| <2014> | 2015 Frozen Support Certification | | | | | |
| <2015> | 2016 and future Frozen Support Certification | | 1 | - | | |
| | , | | | | | |
| | Price Cap Carrier Connect America ICC Support (47 CFR § 54.313(d)) | | | | | |
| <2016> | Certification Support Used to Build Broadband | | Ī | _ | | |
| | | | | | | |
| 42017s | Connect America Phase II Reporting (47 CFR § 54.313(e)) | | 1 | _ | | |
| <2017> | 3rd year Broadband Service Certification | | | - | | |
| <2018> | 5th year Broadband Service Certification | | - | <u></u> | | |
| <2019> | Interim Progress Certification | | i | | | |
| <2020> | Please check the box to confirm that the attached document(s), on I pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support | ine 2021, contains the regulred in | nformation | | | |
| | addresses of community anchor institutions to which began providing | shall provide the number, names | s, and I | | | |
| | preceding calendar year, | ig access to proadband service in | tne | | | |
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| -0004 | | | | | | |
| <2021> | Interim Progress Community Anchor Institutions | | | | | |
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| | | <u> </u> | Name of Atta | food Dominion Links - D | | |
| | | | Name of Atta | ched Document Listing R | equired information | |

| (3000) A | rate Of Return Corrier Additional Documentation | | Peter Samuel | |
|---|--|---|--|--|
| i . | column form | | FCC Form | |
| | | | July 2018 | No. 3060-0116/CM9 Control No. 2060-6319 |
| | | | 70N 2015 | |
| <010> | Study Area Code | | | |
| <015> | Study Area Name | 532392 | | |
| <020> | Program Year | PINE TEL SYSTEM INC. 2015 | | |
| <030> | Contact Name - Person USAC should contact regarding this date | Teena Thomas | | |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 5417422201 ext. | | |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | teenase@pinetel.com | | |
| CHECK | the boxes below to note compliance on its five year service quality plan (pursuan | to 47 CEP 6 54 2021-17 and for advertible to 14 | | |
| | CFR # 54.313(f)(2). I further certify that the | information reported on this form and in the d | irriers, ensuring computance with ocuments attached below is accu | the Mancial reporting requirements set forth in 47 rate. |
| | | | | |
| | | 1 | | 1 |
| (3010) | Progress Report on 5 Year Plan | | | 1 |
| | Milestone Certification (47 CFR § 54.313(f)(1)(i)) | | | 1 |
| | | Name of Attached Document Listing | Required Information | _ |
| (2044) | Please check this box to confirm that the attached document(s), on line 3 | 012 contains the required information pursus | int to | |
| (3011) | 9 04.313 (I)(I)(II), the camer shall provide the number, names, and address | sses of community anchor institutions to whi | ch began | |
| | providing access to broadband service in the preceding calendar year. | | | |
| | | | | _1 |
| | | 1 | | 1 |
| (3012) | Community Anchor Institutions (47 CFR § 54.313(f)(1)(ii)) | | | |
| | | | | |
| | | Name of Attached Document Usting Required In | formation 4Th 4Th | |
| (3013) | is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2)) | | (Yes/No) | |
| (3014) | | | (Yes/No) | |
| Ploneo | chack there haves to confirm that the attracted decreased to the first and the same of the | | 4-7- | |
| 1 10000 | check these boxes to confirm that the attached document(s), on line 3017, | contains the required information pursuant | to § 54.313(f)(2) compliance re | equires; |
| (3015) | Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers) | | (Z | |
| (3016) | Document(s) for Balance Sheet, Income Statement and Statement of Cas | _ | | |
| (5010) | booking for balance cheet, income statement and scalemant of Cas | | | _ |
| | | 5323920R3017.pdf | | 1 |
| (3017) | If the response is yes on line 3014, attach your company's RUS annual | 1 | | 1 |
| | report and all required documentation | 1 | | 1 |
| | | | | |
| (2040) | Material III In annual III III | Name of Attached Document Listing Required I | | |
| (ante) | If the response is no on line 3014, is your company audited? | | (Yes/No) | |
| | If the response is yes on line 3018, please check the boxes below to | | | |
| | confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains | | | |
| (3019) | Either a copy of their audited financial statement; or (2) a financial report (n a for | met comparable to RUS Operating Report for Tel- | ecommunications | |
| (3020) | Document(s) for Balance Sheet, Income Statement and Statement of Car | -t | | |
| | | | | |
| (3021) | Management letter issued by the independent cartifled public accountant that p | erformed the company's financial audit. | | |
| | If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), | | _ | |
| | to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains: | | | |
| | contains: | | | |
| (3022) | Copy of their financial statement which has been subject to review by an | | F | |
| | independent certified public accountant; or 2) a financial report in a | | | |
| | format comparable to RUS Operating Report for Telecommunications | | | |
| | Borrowers, | | | |
| (3023) | Underlying information subjected to a review by an independent certified | | | |
| | public accountant | | | |
| (3024) | Underlying information subjected to an officer certification. | _ | <u> </u> | |
| (noen) | Document(s) for Balance Sheet, Income Statement and Statement of Cas | n Hows | | |
| | | | | |
| (3026) | Attach the worksheet listing required information | | | |
| ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | | | | I |
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| | _ | No. of the balls | | ı |
| | | Name of Attuched Document Listing Required Inf | ormation | |

| Certification - Reporting Carrier Data Collection Form | FCC Form 481 OMB Control No. 3050-0985/OMB Control No. 3050-0819 |
|--|---|
| | July 2013 |

| <010> | Study Area Code | 532392 |
|-------|---|----------------------|
| <015> | Study Area Name | PINE TEL SYSTEM INC. |
| <020> | Program Year | 2015 |
| <030> | Contact Name - Person USAC should contact regarding this data | Teena Thomas |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 5417422201 ext. |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | teenase@pinetel.com |

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients

I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.

Name of Reporting Carrier: PINE TEL SYSTEM INC.

Signature of Authorized Officer: CERTIFIED ONLINE

Date 06/24/2014

Printed name of Authorized Officer: Ron Milford

Title or position of Authorized Officer: President

Study Area Code of Reporting Carrier:

Telephone number of Authorized Officer: 5417422201 ext.

532392

Filing Due Date for this form: 07/01/2014

Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.

| | ion - Agent / Carrier ection Form | | FCC Form 481 CAMB Control No. 5060-0986/OMB Control No. 8060-0919 July 2013 |
|-------|---|----------------------|---|
| <010> | Study Area Code | 532392 | |
| <015> | Study Area Name | PINE TEL SYSTEM INC. | |
| <020> | Program Year | 2015 | |
| <030> | Contact Name - Person USAC should contact regarding this data | Teena Thomas | |
| <035> | Contact Telephone Number - Number of person Identified in data line <030> | 5417422201 ext. | |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | teenase@pinetel.com | |

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

| Certification of Officer to Authorize an Agen | it to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier |
|--|--|
| I certify that (Name of Agent) also certify that I am an officer of the reporting carrier; my responsibilities agent; and, to the best of my knowledge, the reports and data provided to | is authorized to submit the information reported on behalf of the reporting carrier. It is include ensuring the accuracy of the annual data reporting requirements provided to the authorized of the authorized agent is accurate. |
| Name of Authorized Agent: | |
| Name of Reporting Carrier: | |
| Signature of Authorized Officer: | Date: |
| Printed name of Authorized Officer: | |
| Title or position of Authorized Officer: | |
| Telephone number of Authorized Officer: | |
| Study Area Code of Reporting Carrier: | Filing Due Date for this form: |
| Persons wi llfull y making false statements on this form can be punished by fir under Title 18 | ne or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment of the United States Code, 18 U.S.C. § 1001. |

TO BE COMPLETED BY THE AUTHORIZED AGENT:

| Certification of Agent Auth | orized to File Annual Reports for CAF or LI Reci | pients on Behalf of Reporting Carrier |
|--|--|---|
| l, as agent for the reporting carrier, certify that I am authorized the data reported herein based on data provided by the report | i to submit the annual reports for universal service supp ing carrier; and, to the best of my knowledge, the inform | nort reciplents on behalf of the reporting carrier; I have provided mation reported herein is accurate. |
| Name of Reporting Carrier: | | |
| Name of Authorized Agent or Employee of Agent: | | |
| Signature of Authorized Agent or Employee of Agent: | | Date: |
| Printed name of Authorized Agent or Employee of Agent: | | |
| Title or position of Authorized Agent or Employee of Agent | | |
| Telephone number of Authorized Agent or Employee of Agent: | | |
| Study Area Code of Reporting Carrier: | Filing Due Date for this form: | |
| Persons willfully making false statements on this form can be | | of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title |



| The second second | or Offerings including Velce Rata Data Rection Form | FXC Form 431 OM3 Control No. 3060-0985/CM/B Control No. 3050-0819 July 2013 | |
|-------------------|---|---|--|
| <010> | Study Area Code | 532392 | |
| <015> | Study Area Name | PINE TEL SYSTEM INC. | |
| <020> | Program Year | 2015 | |
| <030> | Contact Name - Person USAC should contact regarding this data | Teena Thomas | |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 5417422201 ext. | |
| _<039> | Contact Email Address - Email Address of person identified in data line <030> | teenase@pinetel.com | |
| <701> <702> | Residential Local Service Charge Effective Date 1/1/2014 Single State-wide Residential Local Service Charge | | |

<703>

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|--------------------------|--------------------------------------|------------|---------------|-----------------------------------|------------------------------|-----------------------------|---|-----------------------------|
| State | Exchange (ILEC) Pine Tele System Inc | SAC (CETC) | Rate Type | Residential Local Service Rate | State Subscriber Line Charge | State Universal Service Fee | Mandatory Extended Area Service Charge | Total per line Rates and Fe |
| OR | Pin: Tele System Inc | | FR | 14.0 | 0.0 | 1.19 | 0.0 | 15.19 |
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| (710) Broadward Price Offerings | |
|---------------------------------|---|
| Data Collection Form | FCC Ferm 481 |
| Conta Principles LOISI | OMB Control No. 3060-0986/OMB Control No. 3065-0828 |
| | huy 2013 |
| | |

| <010> | Study Area Code | 532392 |
|-------|---|----------------------|
| <015> | Study Area Name | PINE TEL SYSTEM INC. |
| <020> | Program Year | 2015 |
| <030> | Contact Name - Person USAC should contact regarding this data | Teena Thomas |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 5417422201 ext. |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | teenase@pinetel.com |

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|-------|-------------------------|---------------------|-------------------------|-------------------------|-------------|---|-------------------------|--|
| State | Exchange (HEC) | Residential Rate | State Regulated Fees | Total Rates and Fees | | Broadband Service -Upload Speed (Mbps) | Usage Allowance (GB) | Usage Allowance Action Taken When Limit Reached (select) |
| OR | Fine Tele System Inc | 14.0 | 1.19 | 15.19 | 6.0 | 1.0 | 500.0 | Rate Limiting |
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| | erating Companies | | | FCC Form 481 OMB Control No. 3060-0986/OM5 Control No. 3060-0829 July 2013 |
|-------|----------------------------|---|----------------------|--|
| <010> | Study Area Code | | 532392 | |
| <015> | Study Area Name | | PINE TEL SYSTEM INC. | |
| <020> | Program Year | | 2015 | |
| <030> | Contact Name - Person USAC | should contact regarding this data | Teena Thomas | |
| <035> | Contact Telephone Number - | Number of person identified in data line <030> | 5417422201 ext. | |
| <039> | | Address of person identified in data line <030> | teenase@pinetel.com | |
| <810> | Reporting Carrier | Pine Tele System Inc | | |
| <811> | Holding Company | Pine Communications LLC | | |
| <812> | Operating Company | N/A | - | |
| <813> | | al) | 30 | |

| Affiliates | SAC | Doing Business As Company or Brand Designation |
|-------------|--------|--|
| PT Services | 532392 | DBA |
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Pine Telephone Company

Five Year Service Quality Improvement Plan

This Five Year Improvement Plan (the "Plan") is a section of the Company's 2014 Annual Report. It is filed in Compliance with 47 CFR § 54.313(a) (1) as adopted in the FCC's USF/ICC Transformation Order (11-161). This document also incorporates further clarifications identified in subsequent Reconsideration Orders, as applicable, in effect prior to the filing of the Annual Report.

Pine Telephone has developed its Improvement Plan thoughtfully, concentrating on the delivery and continuation of a robust network which provides, at a minimum, the federally required voice and broadband connectivity as stated in FCC rules. In certain situations (and as noted herein), the plan may also incorporate specific state requirements.

Pine Telephone is a recipient of state support from the Oregon Universal Service Fund ("OUSF"). The Fund is currently under review in a formal state commission staff proceeding (docket UM 1481), to assure the Fund contribution and support mechanisms, and those qualifying for support, are in concert with current regulatory and market conditions. The outcome of the OUSF docket, the timing of a decision, and its impact upon Pine Telephone are unknown at the time of this Plan.

Pine Telephone advises that the Plan has been carefully crafted, matching measured network deployment, improvement and quality service levels with known financial implications of the Transformation Order upon the company's support and consequent cash flows. The uncertainty of such cash flows being received in the outer years as a result of current and potential regulatory action on rural rate-of-return carriers has resulted in the Company taking a balanced yet realistic approach.

The environment in which the Company operates remains dynamic, not static. As a result, Pine Telephone reserves the opportunity to modify the Plan in response to further regulatory decisions as they are adopted, and their implication upon the Company's financial viability in providing the required services and service level quality becomes known.

Pine Telephone will re-evaluate this Plan on an annual basis. Action, however, may also be taken abruptly changing the Plan for both current and outer years in the event of evolving regulatory conditions and/or changes in technology (vendor)-driven support. All adjustments to the Plan will be reflected and explained in subsequent annual reports.

SUPPORT FUNDING FOR 2013

Pine Telephone, as an Eligible Telecommunications Carrier (ETC) provides Universal Service Fund supported services to approximately 900 customers in 3 exchanges covering approximately 911 square miles.

Consistent with FCC requirements, this Plan addresses only Pine Telephone's regulated Eligible Telecommunications Carrier operations. A detailed description of Pine Telephone's plans for the provision of the supported services the five-year period starting with January 2015 is provided herein.

Per the Universal Service Administrative Company (USAC), during the calendar year 2013, Pine Telephone received a total of \$5,081,714.00 in USF support funds. The breakdown of that funding for the year was:

- \$2,193,307.00 High Cost Loop Support
- \$865,018.00 Local Switching Support
- \$653,418.00 Connect America Fund-Intercarrier Compensation Support
- \$1,295,906.00 Interstate Common Line Support
- \$ 74,065.00 Safety Net Additive

All funds were used in 2013 to both 1) maintain, upgrade, and improve the Company's network and, 2) cover its operating expenses and debt commitments as necessary to permit it to offer a high level of service for both voice and broadband throughout its service area.

IMPROVEMENTS PLANS BY YEAR (2015-2019 inclusive)

Summary descriptions of network improvements planned for the next five years in accordance with Part 54.202(a) (1)(ii) and Part 54.313(a)(1) by year and by exchange are presented below. Where available, the area and subscribers impacted by improvements are identified in the accompanying worksheet. Costs are broken out by voice and broadband service.

- Network improvement expenditures identify the cost to provide those services supported by the universal funding mechanisms. When a project involves expenditures for both regulated and non-regulated services, the non-regulated investment costs have been removed. The Company estimates non-regulated costs using the appropriate allocation rules. Details of those costs are retained by the Company and available for inspection.
- Costs are reported only for those service areas in which the Company is authorized to receive USF funding.

Due to the current uncertainty of the amounts of support funds the company may receive in future years, Pine Telephone advises the FCC that the deployment of specific network improvement projects may be modified, and the meeting of projected service goals muted, accommodate if the actual amount of support received constrains Pine Telephone's ability to do so.

OVERVIEW

Pine Telephone is an independent local exchange carrier providing telecommunications services for Halfway, Granite, and Three Rivers (West of Culver, Oregon) exchange areas in Oregon with some properties also located in Idaho. With three exchanges, Pine Telephone's service areas have a current population of approximately 1,320, over a geographic area of approximately 911 square miles. In general, the service territory is a mixture of high desert, mountains, and rivers. Its main office in Halfway is located 1½ hours to the East from Baker City, Oregon. Generally the Halfway Exchange is high desert with mountains, the Granite Exchange is high mountains, and the Three Rivers Exchange is high desert bounded by rivers and a large lake.

There are a limited number of homes passed by within the three exchange areas. According to the U.S. Census the median household income for the Halfway exchange is \$34,968, per capita income.

Pine Telephone's network consists of approximately 291.35 miles of fiber serving 578 subscribers and 336.89 miles of copper plant serving the remaining 258 subscribers. At the end of 2013 there were two routes in and out for toll and a fiber ring transporting internet-bound traffic while also serving three impoundment and hydroelectric dams on the Snake River.

Pine Telephone estimates that as of the end of 2013 approximately 98% of the homes passed have broadband download speeds of greater than 6/1 using fiber transport and a mix of Adtran VDSL technologies.

In 2013, Pine Telephone provides high speed broadband to the following "anchor" institutions:

- Halfway Clinic
- Pine Eagle Charter School (K-12)
- Forest Service
- Halfway Library
- Richland Library
- City of Halfway
- Halfway Fire Dept.
- Halfway Chamber of Commerce

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In addition Pine Telephone provides a Video System for Halfway Charter School for live online classes. College and language courses are provided from other school districts.

SUMMARY DISCUSSION OF PLANS BY YEAR

2015/2016/2017

Upgrading FTTH ONT:

Pine Telephone intends to upgrade the TelStrat CPE FTTH ONT to an Adtran Platform. The Adtran Platform is in place and is extremely reliable. TelStrat was Pine Telephone's original platform with many inherent problems, including limited reliable spares for replacement purposes. This will be a three year project with the intent of replacing approximately 175 CPE ONT's. Also the TelStrat housing is reusable with a small adjustment, meaning that there is no extra cost. This project will be performed by employees and managed internally.

Approximate costs are calculated with labor at \$350 per unit @ 58 customers per year = \$20,417 per year, and \$61,251 over the three year period.

D.C. Rectifier and Battery Upgrades:

For 2015 Pine Telephone will upgrade the power and batteries at the Granite Exchange. The batteries and rectifier are 15 years old with very limited spare equipment available to use for replacement of broken and nonfunctional parts. This particular area is approximately 5000ft in altitude and located in an extremely remote location. The Granite Exchange office also powers numerous remotes via express

power. When winter storms roll through that service area, with its mountains and heavy snowfall, power problems are continuous. Also this area is a Forest Service staging area for Fire Camps. As an example the 2014 Crane Flat Fire and the remote that feeds that area is served by express power only. Also, the Forest Service needed broadband service at that location to assist them in fighting the fire. The exchange serves approximately 125 customers. This project will be contracted out with an employee assisting to ensure that it is completed on time.

Approximate costs with labor are \$31,141

2015/2016

Adtran Upgrade:

For 2015 Pine Telephone will upgrade the AFC platform which is 20 years old to the newer Adtran VDSL platform. Currently the AFC platform in the Granite Exchange is serving 125 customers and is broadband capable with some changes which Pine Telephone was able to make in order to increase the AFC to broadband speeds of 4Mb/1Mb. The AFC equipment is hard to maintain with very limited good spares available. Upgrading to Adtran will enable Pine to use the spares that are already available combined with the same equipment Pine currently has in other locations to double broadband speeds to that other location. Also Pine Telephone anticipates future cost savings on employee training as Adtran VDSL platforms are already in use in Pine Telephone's other exchanges. The project would be performed by employees and managed internally.

Costs approximately with labor are:

Granite 2015 \$46,783.10 - Adtran Upgrade

Granite 2015 \$18,590.00 - Sonet Terminal

Upgrade in 2016 to Ethernet Capable Sonet, Greenhorn, Stices Gulch, Black Mountain \$38,265.50 This upgrade will provide broadband capability to the approximate 2% of customers still utilizing the older systems.

The total estimated Adtran Upgrade costs are \$61,638.60

2015/2016/2017/2018/2019

General Expenditures:

For years 2015 through 2019 Pine Telephone expects to spend \$11,000.00 per year in miscellaneous additions for a total of \$55,000.00.

2016

Backhaul Upgrade for Radio:

For 2016 Pine Telephone will upgrade backhaul radio to our Oregon Public Broadcasting ("OPB") site in the Halfway Exchange. The radio is currently unlicensed 5GHZ and Pine Telephone would like to upgrade to 10GHZ licensed radio. Pine Telephone currently has no fiber to that area and instead relies on radio for back haul.

The tower serves OPB and Pine Telephone would like to expand this service to be able to offer Ethernet connections to Verizon Cellular and the State Highway Department. Additionally, ATT Cellular plans on building a site in this area. There will be cost savings in that Pine Telephone will not have to build fiber to serve this area. The project will be performed by employees and managed internally.

Approximate costs approximate with labor are \$13,186.50

Bucket Truck:

For 2016 Pine Telephone will purchase a bucket truck. Pine currently has 1 older vehicle (2001/118,000 miles). The bucket truck will be both a service truck and used to work on towers Pine Telephone uses.

Approximate cost is \$55,000.00

Because Pine Telephone has been using much more wireless technology with towers to serve its customers, for the cost savings that Pine is realizing from not laying buried fiber cable, Pine has much more need for a bucket truck than in the past. As an example, Pine Telephone installed a tower providing wireless capability to upgrade a BETRS radio to the Dump Transfer Station. The alternative would have been to lay buried fiber as well as copper cable for approximately five miles as there is also no power available on site. Pine Telephone upgraded to wireless local loop and used the current solar system at the Premise for power. The customer has 6/1Meg broadband and POTS.

2017

Green Horn Fiber Upgrade:

For 2017 Pine Telephone will expand its network by laying additional buried fiber cable a distance of approximately 5 miles, from the Greenhorn area in the Granite Exchange to a meet point with Oregon Telephone Corporation. The necessary permits have already been obtained. This upgrade will give the 125 customers in the Green Horn area additional bandwidth via Ethernet from Oregon Telephone Corporation and eventually allow Pine Telephone to remove the existing 17 year old switch. Currently all that is available is TDM and it is extremely expensive. This will cut costs and upgrade Pine Telephone's ability to serve the area. The project would be contracted out and an employee would be assigned to ensure quality and completion of the project.

Approximate costs with labor are \$262,430.00

2018

Generator Upgrade:

For 2018 Pine Telephone plans to replace two generators in our service area, an old generator in Eagle Bar which serves the Hells Canyon Dam and another that serves Granite. Both areas are extremely remote and need strong and reliable Generator Backup. Because the current generators are very old, they are due for replacement. The project would be contracted out and an employee assigned to ensure quality and completion of the project.

Approximate costs with labor are:

\$24,585.00 Granite \$24,585.00 Eagle Bar (Hells Canyon) \$49,179.00 TOTAL

2019

10 Gig Backhaul Upgrade:

For 2019 Pine Telephone plans to upgrade equipment for regulated internet backhaul to 10 Gigabit, which will require changing out Pine Telephone's Sonet Terminal. This is necessary due to the increasing needs for more broadband capability of the schools, libraries, and local health clinic. This upgrade would not require continuing expenditures but be a one- time capital expenditure. This project would be contracted out and an employee assigned to ensure quality and completion of the project.

Approximate costs with labor are \$58,035.50

Switch Upgrade:

In 2019 Pine Telephone plans to upgrade the Halfway Exchange Switch to a Meta Softwitch. The current Taqua switch will be 20 years old at that time. To transition to VOIP technology a modernized switch will be needed. Also the Metaswitch will switch the Granite Exchange which currently has a 20 year old switch. This project would be contracted out and an employee assigned to ensure quality and completion of the project

Approximate costs are with labor are \$387,500.00

Conclusion

5 Year Estimated Costs Summary

| \$127,931.10 |
|--------------|
| \$137,869.00 |
| \$293,847.00 |
| \$ 60,170.00 |
| \$456,535.50 |
| |

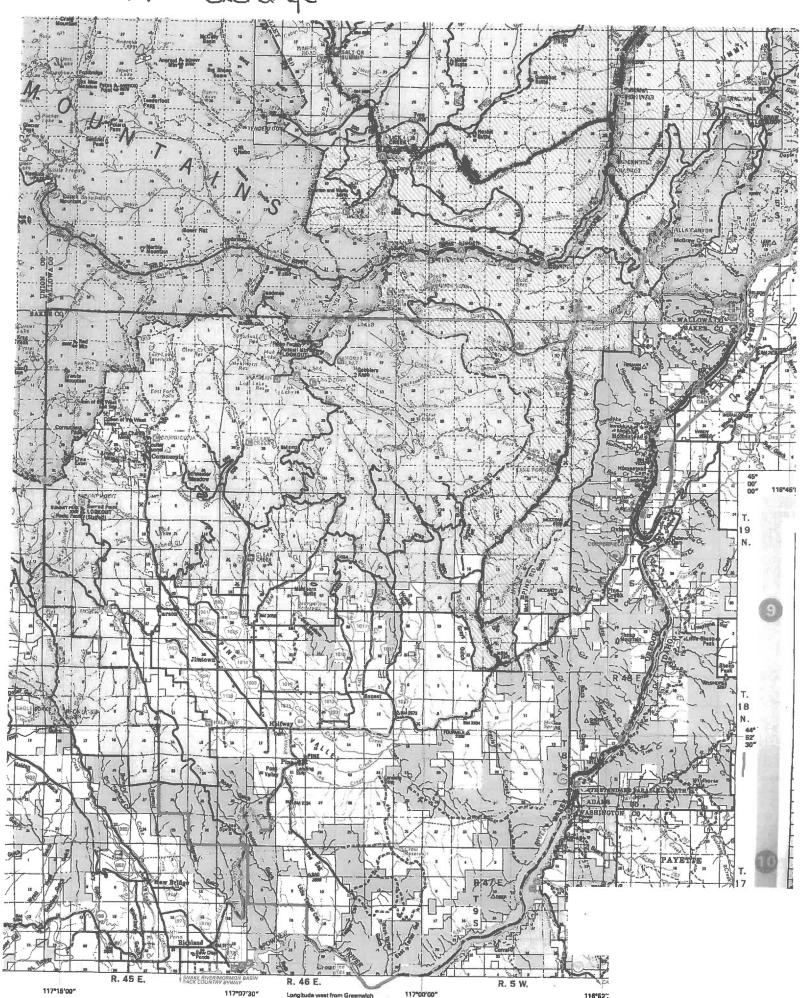
Total Estimate \$1,076,352.60

Pine Talephone Systems Inc. Neca Study Area Code 532392

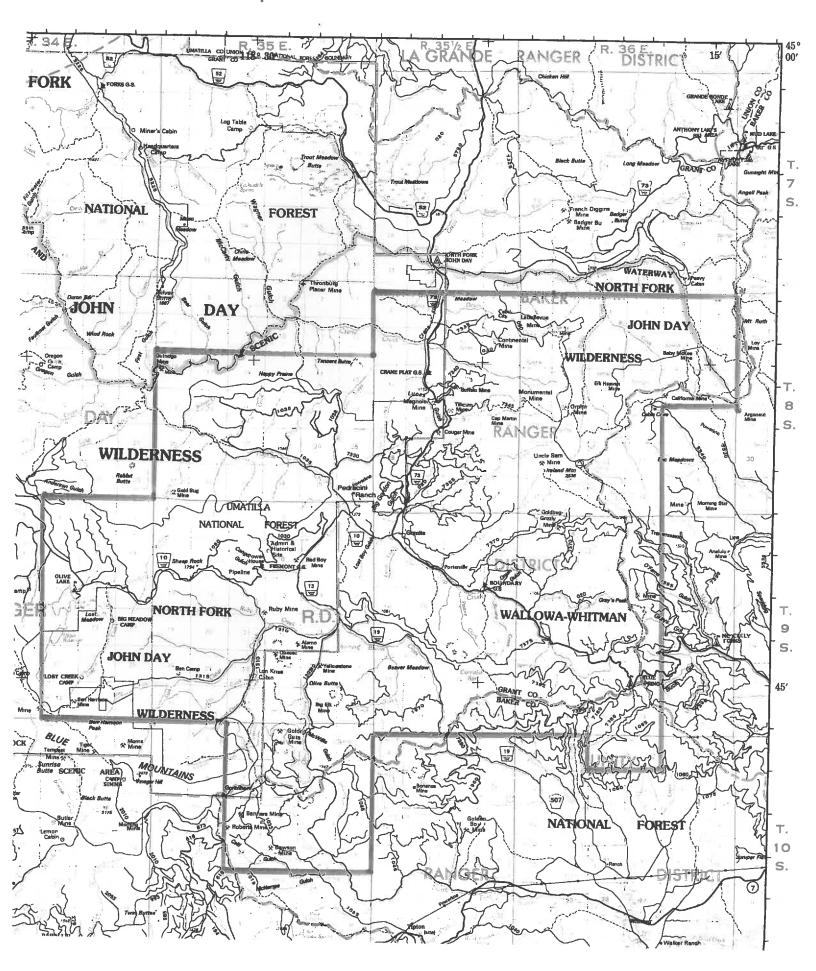
NETWORK IMPROVEMENTS PROJECTS As of 2014 ANNUAL REPORT SUBMISSION - JULY 1, 2014

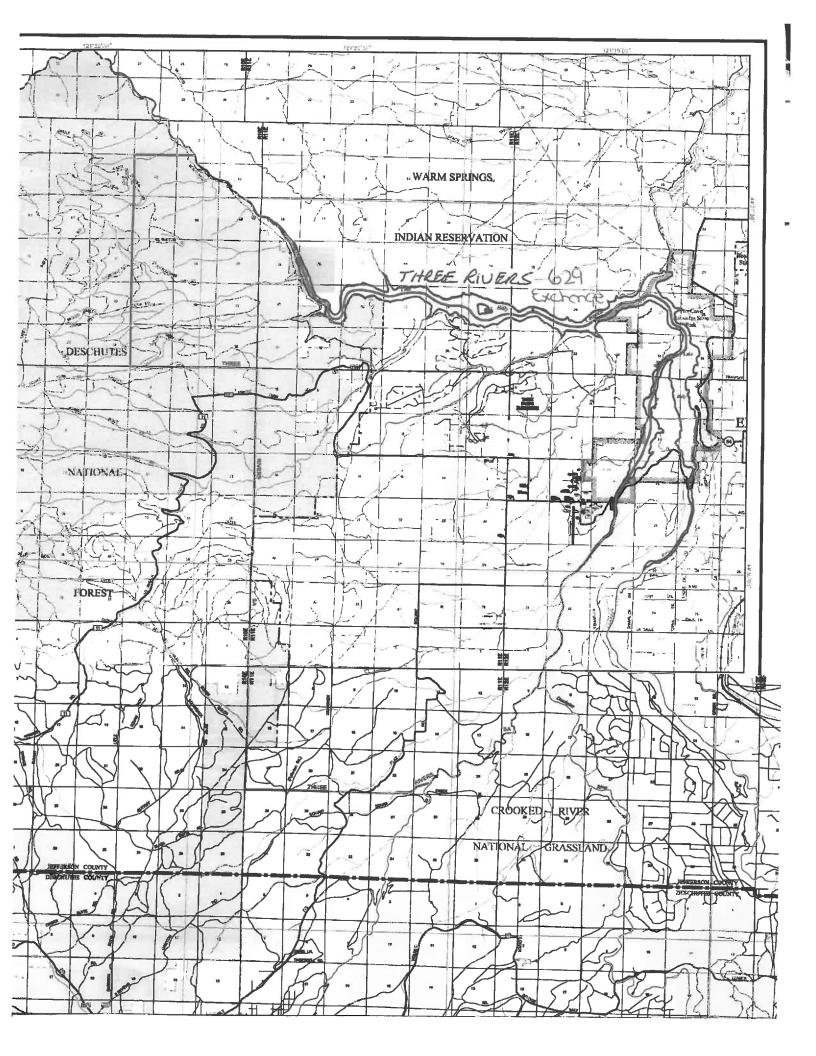
| ACTUAL COMPLETION DATE | | | | | | | | | | |
|---|---|----------------|---|----------------|--|----------------|-------------------|----------------|---|----------------|
| TARGET COMPLETION ACTUAL COMPLETION DATE DATE | 9/30/2015 9/30/2015 9/30/2015 12/31/2015 | | 9/30/2016 9/30/2016 9/30/2016 9/30/2016 12/31/2016 | | 9/30/2017 12/31/2017 | | 9/30/2018 | | 9/30/2019 12/31/2019 | |
| POPULATION IMPACTED | 58 77 800 | | 58 75 n/a 800 800 | | 100 | | 20 | | 800 | |
| % AREA BROADBAND IMPACTED | %0s %0s %0s | | 50% 50% 50% 50% | | \$0% \$0% | | %05 | | 50% 50% | |
| VOICE | 50% 50% 50% 50% | | \$05 \$06 \$05 \$05 | | 50% | | 90% | | 50% | |
| AMOUNT IN USF SUPPORT AREA. | \$20,417.00 \$31,141.00 \$46,783 \$11,000.00 | \$109,341.00 | \$20,417.00 \$18,590.00 \$13,186.00 \$55,000.00 \$11,000.00 | \$118,199.00 | \$262,430 \$11,000,00 | \$273,430 | \$49,179.00 | \$49,179.00 | \$28,035,00 \$387,500.00 | \$445,535.00 |
| REGULATED % ALLOCATION | 100% 100% 100% 100% | | 100% 100% 100% 100% | | 100% | | 100% | | 100% 100% | |
| ACTUAL | | | | | | | | | | |
| COST | \$20,417.00 \$31,141.00 \$46,783.00 \$11,000.00 | \$109,341.00 | \$20,417.00 \$18,590.00 \$13,186.00 \$55,000.00 \$11,000.00 | \$118,193.00 | \$262,430.00 \$11,000.00 | \$273,430.00 | \$49,179.00 | \$49,179.00 | \$58,035.00 | \$445,535.00 |
| DESCRIPTION of IMPROVEMENT | Replace ONT to Adtran D.C Rectifier and Battery Upgrades Adtran Upgrade General Expenditures | | Replace ONT to Adtran Adtran Ungrade BackHaul Upgrade for Radio Bucket Truck General Expenditures | | Green Horn Fiber Upgrade General Expenditures | | Generator Upgrade | | 10 Gigabit Backhaul Upgrade Switch Upgrade | |
| WIRE CENTER & CLLI | 2015 | Total Projects | 2016 | Total Projects | 2017 | Total Projects | 2018 | Total Projects | 2019 | Total Projects |

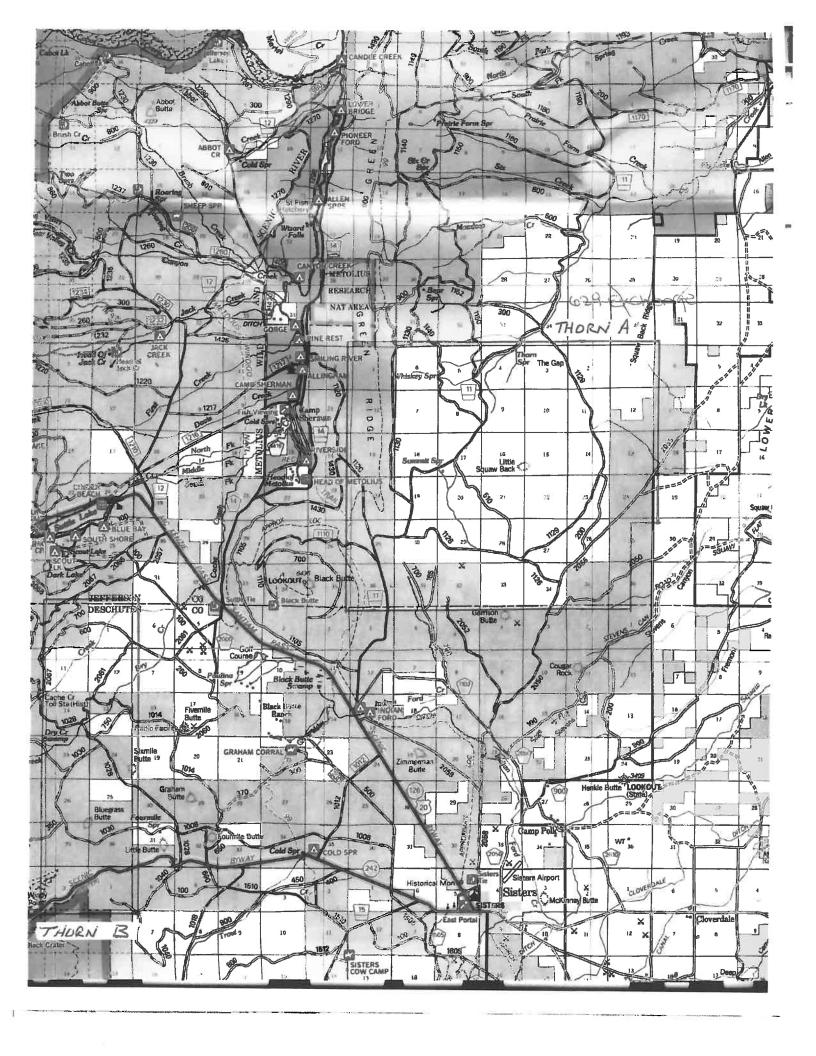
Propose Route From CAlifornia Gulch to Meet Point with Oregon Tel 4-75 mile



FORNO HOUR JULY







PINE TELEPHONE SYSTEM, INC.

P. O. BOX 706 104 CENTER STREET HALFWAY, OREGON 97834 (541) 742-2201 FAX (541) 742-4321

54.313(a)(5) Satisfactions of Consumer Protection and Service Quality Standards

Consumer Protection

Voice and Broadband

Pine Telephone System, Inc. complies with the requirement of 47 CFR Part 64 Subpart U, Customer Proprietary Network Information and the Federal Trade Commission Red Flag rules to prevent identity theft. A manual for each of those programs is in place and is part of the employees' handbook. Employee training is conducted annually and new hires are instructed on the programs as required by their job functions.

Service Quality Standards

Voice

Pine Telephone System, Inc. complies with the service standards of the State of Oregon as promulgated in the Oregon Administrative Rules 860-034-0390, Retail Telecommunications Service Standards for Small Telecommunications Utilities.

Broadband

Pine Telephone System, Inc. follows the service standards noted in NECA Tariff #5 and is committed to provide the highest quality service to its broadband customers.

Pine Telephone System, Inc.

54.313(a)(6) Ability to Remain Functional in Emergency Situations

Back-up Power

Pine Telephone System, Inc. has the following back-up power capabilities:

Switches – stand alone and/or host

Switch A-Halfway CO

80KW, Diesel Generac Generator with 250 gallon tank capacity.

Expected run time on full tank: 96 hours. Battery Capacity, String A, 1 rack, GNB ABSOLYTE, 1200 Ampere Hours, 8 hrs. to 1.75 VPC, String B, 1 rack, GNB ABSOLYTE, 1200 Ampere Hours, 8 hrs. to 1.75 VPC, String C, 1 rack, GNB ABSOLYTE, 1200 Ampere Hours, 8 hrs. to 1.75 VPC

Switch B-Granite CO

Kohler 8.5 RMY, 8.5 KW Generator with 500 gallon propane tank capacity. Expected run time on full tank: 250 hours. Battery Capacity, String A, 1 rack, GNB ABSOLYTE, 1200 Ampere Hours, 8 hrs. to 1.75 VPC

Switch C-Three Rivers CO

80KW, 80KVA, 120/240 Volts, 333.3 Amps, Phase 1 PHA, 60 Hertz, Propane, Generac Generator, 10 cylinder with a 500 gallon tank capacity. Expected run time on full tank: 200 hours, 24 EXIDE batteries, 2000 Ah At 8 hrs. to 1.75 VPC

Subscriber carrier (DLC, AFC, OPM, etc.)

Remote AFC Cabinets associated with Switch A

RST 1, West Dry Creek, 2 Battery strings, SBS 40, 12V-37 Ah. Expected run time: 24 hrs.

RST 2, East Dry Creek, 2 Battery strings, SBS 40, 12V-37 Ah. Expected run time: 24 hrs.

RST 3, Gulick, 2 Battery strings, SBS 40, 12V-37 Ah. Expected run time: 24 hrs.

RST 4, East Pine, 2 Battery strings, SBS 40, 12V-37 Ah. Expected run time: 24 hrs.

RST 5, Carson, 2 Battery strings, SBS 40, 12V-37 Ah.
Expected run time: 24 hrs.
Halfway Hill, 1 Battery strings, SBS 40, 12V-37 Ah.
Expected run time: 24 hrs.

Jimtown Hut

Telstrat & Adtran

45KW, 4.2L, Propane, TWE Enterprises Generator with 500 gallon tank. Expected run time on full tank; 250 hours. Battery Capacity, String A, 1 rack, TYCO, 2000 AH @ 8 hour rate to 1.75 VPC.

Oxbow Hut

AFC, Telstrat, Adtran & Fujitsu

18KW, 2.3L, Propane, 18RY 62 Kohler Generator with 500 gallon tank. Expected run time on full tank; 250 hours. Battery Capacity, String A, 1 rack, GNB ABSOLYTE, 1200 Ampere Hours, 8 hrs. to 1.75 VPC.

Brownlee Hut

AFC, Adtran & Fujitsu

Battery Capacity, String A, 1 rack, GNB ABSOLYTE, 1200 Ampere Hours Rated 8 hrs. to 1.75 VPC.

Eagle Bar Hut

AFC, Adtran

5000W, TWE50 GAK generator with a 125 gallon propane tank.

Expected run time on full tank: 100 hours.

Battery Capacity, String A, LS12-100, 100 Ah to 10.5 Volts.

Rated 8 hrs. to 1.75 VPC.

AFC remote Hells Canyon Park

2 Battery Strings, SBS 15, 12V 12.8 Ah

Remote AFC Cabinets associated with Switch B

RST 1, Deems Loop, 2 Battery strings, GNB. Expected run time: 24 hours

RST 2, Black Mountain, line powered from RST 3.

RST 3, Denny Creek, 2 Battery strings, GNB. Expected run time: 24 hours

RST 6, Olive Creek, line powered from the Granite CO.

RST 7, Lower Stices Gulch, 2 Battery strings, SBS 40, 12V-37 Ah Expected run time: 24 hours.

RST 8, Upper Stices Gulch, 2 Battery strings, SBS 40, 12V-37 Ah Expected run time: 24 hours.

Greenhorn Hut, RST 9

8000W, TWE80 GAK generator with two 250 gallon propane tanks. Expected run time on full tank: 200 hours. Battery Capacity, String A, 1 rack, E31 SLD G, 97.6 Ah, String B, E31 SLD G, 97.6 Ah, Solar Assist, 2 PV Modules, IF 150

North Hut – Three Rivers

60KW, 60 KVA, 120/240 Volt, Phase 1 PHA, Generac Generator, 500 gallon Propane tank. Expected run time on full tank:48 hrs. Battery capacity, 2180Ah@ 600V, 39 panels equal 9.36kW+/-.

Ability to reroute traffic around damaged facilities:
Pine Telephone System, Inc. has the following per Exchange:

Halfway Exchange

The Halfway Exchange has 72 DS1s (3 T1s) connected to Syringa for the purpose of inter lata voice calls with CIC codes. Halfway also has a 110Mbps circuit to Syringa for Internet access services. A SONET ring protects the voice and Internet circuits between Halfway and the point of connection to Cambridge Telephone/Syringa at Brownlee. Syringa, over the Cambridge Telephone facilities, transports to Cambridge at which point the circuits are once more inserted into a SONET ring that carries the circuits to the Syringa tandem in Boise for connection to the world.

The Halfway Exchange also has 3 T1s connected to the Pendleton Tandem via CenturyLink for Intralata voice calls. At this point in time there is no protection for those circuits; however, Pine Telephone has been planning with Syringa and other local telephone companies about the possibility of creating a SONET ring in Eastern Oregon that would have provide full protection. The required investment in plant is not now available, so has delayed this project.

Granite Exchange

The Granite Exchange has 2 T1s connected to the Pendleton Tandem via CenturyLink that provide inter and intra lata voice circuits for its customers. Granite also has 5 T1s directly connected to the Halfway central office that provides for Internet access bandwidth and special access. There is no protection at this point in time for those circuits; however, should the Eastern Oregon SONET ring be deployed in the future, then Granite will be in the ring.

Three Rivers Exchange

The Three Rivers Exchange has 3 T1s dedicated to inter and intra lata voice calls with CIC codes. These circuits terminate on the Syringa Tandem in Boise. The exchange also has 2 T1s dedicated to intra lata voice calls without CIC codes that terminate on the CenturyLink tandem in Redmond. Internet access circuits are shared with 10Mbps to Syringa and 40Mbps to Zayo Bandwidth.

At some point in the future a partial SONET ring is planned within the Three Rivers service area that will protect a cable cut.

Capability to manage traffic spikes resulting from emergency situations

The Halfway Exchange has 735 customers, switching capacity of 1000 simultaneous calls, and transport capacity for 120 simultaneous calls.

The Granite Exchange has 93 customers, switching capacity of 1000 simultaneous calls, and transport capacity for 48 simultaneous calls.

The Three Rivers Exchange has 56 customers, switching capacity of 1000 simultaneous calls, and transport capacity for 120 simultaneous calls.

Pine Telephone System, Inc.

LOCAL SERVICES*

LOCAL ACCESS LINE RATES

RATES

Trunks and one-party apply within the base rate area and supplementary base rate areas. Trunks and one-party can be provided in suburban areas for an additional charge (mileage). Following are the monthly rates for local access lines including certain CLASS features listed on sheet 302 and 302.1 and marked by an asterisk(*):

BUSINESS SERVICE

Touchtone

| Exchange <u>Names</u> | PBX Trunks | One- Party | Semi- Public |
|--------------------------|---------------|---------------|-----------------|
| Halfway/Oxbow | N/A | \$19.00 | \$19.00 |
| Granite | N/A | \$19.00 | \$19.00 |
| Three Rivers | N/A | \$19.00 | \$19.00 |

RESIDENCE SERVICE

Touchtone

| Exchange Names | PBX Trunk s | One- Party | |
|-------------------|-----------------------|---------------|--|
| Halfway/Oxbow | N/A | \$14.00 | |
| Granite | N/A | \$14.00 | |
| Three Rivers | N/A | \$14.00 | |

The above rates do not include the Service Assistance Program Surcharge.

* Subject to Oregon Telephone Assistance Program (OTAP) Credit

Description

- a. Pursuant to Chapter 290, Oregon Laws 1987, and Oregon Administrative Rule (OAR) Chapter 860, Division 33, the Oregon Telephone Assistance Program (OTAP) is the state counterpart to the federal Lifeline program and is governed by Federal Communication Commission 47 Code of Federal Regulations Subpart E, 54. This state and federal government assistance program provides qualifying low-income consumers with reduced monthly charges for any local residential service plan that includes voice telephony service. Eligible voice telephony services must provide voice grade access to the public switched network or its functional equivalent, access to emergency services and toll limitation services.
- b. Customers must meet the eligibility requirements for OTAP/Lifeline defined in OAR 860-033-0030.

| Advice No. | 1 | | | | |
|------------|---------|------|-----------|---------|------|
| Issued | May 15, | 2013 | Effective | July 1, | 2013 |

| Pine | Telephone | System. | Inc. |
|------|-------------|-----------|--------|
| | TOTODITOTIO | Dybletii, | T11C . |

LOCAL SERVICES

LOCAL ACCESS LINE RATES - Cont'd

OTAP (cont.)

Terms and Conditions

Basic federal Lifeline support amount: \$9.25 OTAP support amount: \$3.50 TOTAL support amount: \$12.75

- a. The basic federal Lifeline support amount is applied to the End User Common Line charges or equivalent. The remaining basic federal and OTAP support amount is applied to the qualifying low-income customer's intrastate rate.
- b. Billing will reflect that the OTAP/Lifeline credit became effective on the date specified by the Public Utility Commission of Oregon for each approved customer.
- C. Partial payments from OTAP/Lifeline customers are first applied to the allocated price of the voice telephony service component and then to toll charges or the cost of other services.
- d. OTAP/Lifeline customers may voluntarily elect toll limitation service at no charge. OTAP/Lifeline customers who subscribe to toll limitation service will not be required to pay a service deposit in order to initiate OTAP/Lifeline service.
- e. OTAP/Lifeline customers may <u>not</u> be charged the federal universal service fund fee or the monthly number-portability charge as part of their local residential service plan that includes voice telephony service.
- f. The Residential Service Protection Fund surcharge must be charged to OTAP/Lifeline customers.

CONDITIONS

Local service is provided through facilities owned and maintained according to the standards of the Company. The territory served is shown on maps filed with the Commission by the Company. This territory is referred to as an exchange.

The application of business or residence rates is determined by the actual or obvious use made of the service by the customer. Where only one access line is provided at a location which is both business and residence, the business rate will apply. Flat rate service will not be installed on premises of a public or semi-public character in a location where the telephone would be accessible for use by the patrons of the customer or by the public in general.

Local service rates include the line which provides access to the central office switching equipment. Customer premises equipment (CPE) is excluded, except that one telephone is included with semi-public service. Customer premises inside wire is excluded.

| Advice No1 | | |
|---------------------|-----------|--------------|
| Issued May 15, 2013 | Effective | July 1, 2013 |

| TEXT SIZE: | A+ A- A | • TEXT ONLY | TRANSLATE . | | Find |
|------------|---------|-------------|----------------------------------|---|----------|
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Public Utility Commission (Home)

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Oregon Lifeline (Oregon Telephone Assistance

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Electricity/Natural Gas

Hearings Division Oregon Telephone

Assistance Programs

Safety

Telecommunications

Water

Board of Maritime Pllots

Home

Jobs at PUC

Program)



The Oregon Public Utility Commission (PUC) manages the Oregon Lifeline program. If you qualify, this federal and state government assistance program reduces your monthly residential/landline or wireless phone bill by \$12.75.

List of residential/landline and wireless companies that provide the Oregon Lifeline benefit

How to Apply for Lifeline:

Using Online Application:

Submit your application online if you or a member of your household participates in one of the following programs:

Complete and send a printed application to our office with the current documentation if you or a member of your household participates in one of the following programs or meets the income requirements:

Using Printed Application:

- Supplemental Nutrition Assistance

- Supplemental Nutron Assistance Program; Food Stamps (SNAP) Temporary Assistance for Needy Families (TANF) Supplemental Security Income (SSI) State Medical Programs (at or below 138% of federal poverty guidelines)
- Medicaid

- National School Lunch Program; Free Lunch Program Only (NSLP)
- Low-Income Home Energy Assistance Program
- (LIHEAP)
 Federal Public Housing Assistance (Section
- Total household income is at or below 135% of federal poverty guidelines
- **Click Here to**

Click Here to Print Application

Apply Online

Подать заявление на русском языке

Nộp đơn bằng tiếng Việt

Aplicar en Español

Contact Oregon Lifeline (RSPF)

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PINE TELEPHONE SYSTEM, INC.

P. O. BOX 706 104 CENTER STREET HALFWAY, OREGON 97834 (541) 742-2201 FAX (541) 742-4321

54.313 Lifeline customers MOU and additional toll charges

Lifeline subscribers receive the same residential service as a regular subscriber, but at a reduced monthly recurring rate. Thus, lifeline subscribers have an unlimited number of local calling minutes. As for toll, lifeline subscribers, similar to every Pine Telephone System, Inc. subscriber, are free to choose their own toll usage plans through IXCs that serve Pine Telephone System, Inc.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is object to a seize a hours per response, including the time for reviewing instructions, and reviewing the collection of information.

| USDA-RUS | This data will be used by RUS to review your financial situation. and, subject to federal laws and regulations regarding confidentic | Your response is required by 7 U.S.C. 901 et seq. al information, will be treated as confidential, |
|--|---|---|
| OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS | BORROWER NAME Pine Telephone System, Inc. | |
| | (Prepared with Audited Data) | |
| INSTRUCTIONS-Submit report to RUS within 30 days after close of the period. For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only. | PERIOD ENDING December, 2013 | BORROWER DESIGNATION OR 0 5 4 5 |
| We hereby certify that the entries in this report are in accordance with the ac | CERTIFICATION counts and other records of the system and reflect the s | tatus of the system |

to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND

RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII (Check one of the following)

| X All of the obligations under the RUS loan documents have been fulfilled in all material respects. | | There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) Is/are specifically described in the Telecom Operating Report |
|---|-----------|--|
| RONNIE MILFORD | 3/28/2014 | |
| | DATE | |

| | | DATE | | | |
|--|-----------------------|---|---|--|---|
| | | PART | A. BALANCE SHEET | | |
| ASSETS | BALANCE PRIOR YEAR | BALANCE END OF PERIOD | LIABILITIES AND STOCKHOLDERS' EQUITY | BALANCE PRIOR YEAR | BALANCE END OF PERIOD |
| CURRENT ASSETS | | | CURRENT LIABILITIES | | |
| Cash and Equivalents | 1,867,604 | 2,617,259 | 25. Accounts Payable | 151,950 | 74,913 |
| 2. Cash-RUS Construction Fund | 2,080 | 2,080 | 26. Notes Payable | | |
| 3. Affiliates: | | | 27. Advance Billings and Payments | | |
| a. Telecom, Accounts Receivable | | | 28. Customer Deposits | 1,523 | |
| b. Other Accounts Receivable | | | 29. Current Mat. L/T Debt | 1,678,000 | 1,665,000 |
| c. Notes Receivable | | | 30. Current Mat. L/T Debt-Rur. Dev. | | 170037000 |
| 4. Non-Affiliates: | | | 31. Current MatCapital Leases | | |
| a. Telecom, Accounts Receivable | 712,693 | 689,172 | | 806 | 7,540 |
| b. Other Accounts Receivable | | | 33. Other Taxes Accrued | | - 1,515 |
| c. Notes Receivable | | | 34. Other Current Liabilities | 40,677 | 51,539 |
| 5. Interest and Dividends Receivable | | | 35. Total Current Liabilities (25 thru 34) | 1,872,956 | 1,798,992 |
| 6. Material-Regulated | 147,650 | 211,041 | | 1,072,550 | 1,730,332 |
| 7. Material-Nonregulated | | | 36. Funded Debt-RUS Notes | 19,568,633 | 18,551,598 |
| 8. Prepayments | 60,769 | 42,299 | 37. Funded Debt-RTB Notes | 1,141,062 | 925,643 |
| 9. Other Current Assets | 8,420 | 11,089 | 38. Funded Debt-FFB Notes | | |
| 10. Total Current Assets (1 Thru 9) | 2,799,216 | 3,572,940 | 39. Funded Debt-Other | | |
| NONCURRENT ASSETS | | | 40. Funded Debt-Rural Develop, Loan | | |
| 11. Investment in Affiliated Companies | | | 41. Premium (Discount) on L/T Debt | | |
| a. Rural Development | | | 42. Reacquired Debt | | |
| b. Nonrural Development | | | 43. Obligations Under Capital Lease | | |
| 12. Other Investments | | The TV CONTRACT | 44. Adv. From Affiliated Companies | | |
| a. Rural Development | | | 45. Other Long-Term Debt | | |
| b. Nonrural Development | 27,980 | 28,241 | 46. Total Long-Term Debt (36 thru 45) | 20,709,695 | 19,477,241 |
| 13. Nonregulated investments | 32,059 | | OTHER LIAB. & DEF. CREDITS | | THE RESERVE OF THE PERSON NAMED IN COLUMN TWO |
| 14. Other Noncurrent Assets | | | 47. Other Long-Term Liabilities | | |
| 15. Deferred Charges | | | 48. Other Deferred Credits | 1,518,420 | 1,563,573 |
| 16. Jurisdictional Differences | | | 49. Other Jurisdictional Differences | | 1,303,373 |
| 17. Total Noncurrent Assets (11 thru 16) | 60,039 | 70,974 | 50. Total Other Liabilities and Deferred Credits (47 thru 49) | 1,518,420 | 1 562 572 |
| PLANT, PROPERTY, AND EQUIPMENT | | | EQUITY | 1,510,420 | 1,563,573 |
| 18. Telecom, Plant-in-Service | 39,732,462 | 39,958,601 | 51. Cap. Stock Outstand. & Subscribed | 21,240 | 21,240 |
| 19. Property Held for Future Use | | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | 52. Additional Paid-in-Capital | 21,240 | 21,240 |
| 20. Plant Under Construction | 386,917 | 48,517 | 53. Treasury Stock | | |
| 21. Plant Adj., Nonop. Plant & Goodwill | | | 54. Membership and Cap. Certificates | | |
| 22. Less Accumulated Depreciation | 15,257,891 | 17,088,638 | | | |
| 23. Net Plant (18 thru 21 less 22) | 24,861,488 | | 58. Patronage Capital Credits | - | |
| 24. TOTAL ASSETS (10+17+23) | | | 57. Retained Earnings or Margins | 3 500 400 | 7 801 215 |
| - | | | 58. Total Equity (51 thru 57) | 3,598,432 | 3,701,348 |
| | 1 1 | | 59. TOTAL LIABILITIES AND EQUITY (35+46+50+58) | 3,619,672 | 3,722,588 |
| | 27,720,743 | | | 27,720,743 | 26 562 304 |
| | | ,,554 | | 2.1.201.43 | ~0,004,094 |

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

BORROWER DESIGNATION

OR0545

PERIOD ENDING

INSTRUCTIONS- See RUS Bulletin 1744-2

December, 2013

PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS

| | PRIOR YEAR | THIS YEAR |
|--|------------|-----------|
| Local Network Services Revenues | 148,878 | 165,79 |
| 2. Network Access Services Revenues | 7,019,854 | 6,575,02 |
| Long Distance Network Services Revenues | | |
| 4. Carrier Billing and Collection Revenues | 60,707 | 25,54 |
| 5. Miscellaneous Revenues | 61,216 | 97,05 |
| 6. Uncollectible Revenues | 709 | 32 |
| 7. Net Operating Revenues (1 thru 5 less 6) | 7,289,946 | 6,863,10 |
| 8. Plant Specific Operations Expense | 1,202,191 | 1,358,06 |
| Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization) | 72,585 | 74,84 |
| Depreciation Expense | 2,226,985 | 2,362,04 |
| Amortization Expense | | |
| 2. Customer Operations Expense | 221,534 | 211,85 |
| 3. Corporate Operations Expense | 1,251,639 | 1,302,39 |
| 4. Total Operating Expenses (8 thru 13) | 4,974,934 | 5,309,21 |
| 5. Operating Income or Margins (7 less 14) | 2,315,012 | 1,553,89 |
| Other Operating Income and Expenses | | |
| 7. State and Local Taxes | 84,400 | 30,53 |
| 8. Federal income Taxes | 331,449 | 52,29 |
| 9. Other Taxes | 301,800 | 323,28 |
| D. Total Operating Taxes (17+18+19) | 717,649 | 406,11 |
| 1. Net Operating Income or Margins (15+16-20) | 1,597,363 | 1,147,77 |
| 2. Interest on Funded Debt | 994,723 | 963,36 |
| 3. Interest Expense - Capital Leases | | |
| 4. Other Interest Expense | 35 | (30 |
| 5. Allowance for Funds Used During Construction | 39,765 | 9,17 |
| 3. Total Fixed Charges (22+23+24-25) | 954,993 | 954,15 |
| 7. Nonoperating Net Income | (73,506) | (30,880 |
| 3. Extraordinary Items | (1373007 | 130,000 |
|). Jurisdictional Differences | | |
|). Nonregulated Net Income | 29,358 | /50.000 |
| . Total Net Income or Margins (21+27+28+29+30-26) | | (59,820 |
| . Total Taxes Based on Income | 598,222 | 102,91 |
| Retained Earnings or Margins Beginning-of-Year | 2 000 010 | |
| Miscellaneous Credits Year-to-Date | 3,000,210 | 3,598,43 |
| Dividends Declared (Common) | | |
| Dividends Declared (Preferred) | | |
| . Other Debits Year-to-Date | | |
| . Transfers to Patronage Capital | | |
| Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)] | 2 500 420 | |
| Patronage Capital Beginning-of-Year | 3,598,432 | 3,701,348 |
| . Transfers to Patronage Capital | | |
| Patronage Capital Credits Retired | | |
| Patronage Capital End-of-Year (40+41-42) | | |
| . Annual Debt Service Payments | 0 | |
| . Cash Ratio [(14+20-10-11) / 7] | 2,394,099 | 2,547,009 |
| Operating Accrual Ratio [(14+20+26) / 7] | 0.4754 | 0.4886 |
| TIER [(31+26) / 26] | 0.9119 | 0.9718 |
| DSCR [(31+26+10+11) / 44] | 1.6264 | 1.1079 |

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

BORROWER DESIGNATION OR0545

PERIOD ENDED

December, 2013

INSTRUCTIONS - See RUS Bulletin 1744-2

| | | | | | | I | | |
|---|------------|---------------|-------------------|---------------------|---------------|--------------------------|----------------|--|
| | Part C. St | JBSCRIBER (AC | CESS LINE), ROUTE | MILE, & HIGH SPEE | D DATA INFORM | (ATION | | |
| | 1. RAT | | | CRIBERS (ACCESS LIN | | | 3. ROUTE MILES | |
| EXCHANGE | B-1 | R-1 | BUSINESS | RESIDENTIAL | TOTAL | TOTAL | FIBER | |
| | (a) | (b) | (a) | (b) | (c) | (including fiber) (a) | (b) | |
| Three Rivers (Culver) | 19.00 | 14.00 | 4 | 41 | 45 | 28.45 | 3.10 | |
| Granite | 19.00 | 14.00 | 9 | 73 | 82 | 127,74 | 43.21 | |
| Halfway / Oxbow | 19.00 | 14.00 | 183 | 521 | 704 | 289.40 | 78.47 | |
| MobileWireless | | | | | 0 | 200.40 | 70.47 | |
| Route Mileage Outside Exchange Area | | | | | | 40.91 | 38.65 | |
| Total | | | 196 | 635 | 831 | 486.50 | 163.43 | |
| No. Exchanges | 3 | | | | 901 | 100.00 | 100.40 | |

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

BORROWER DESIGNATION

OR0545

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INSTRUCTIONS - See RUS Bulletin 1744-2

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480

| | Part C | SUBSCRIBER (| (ACCESS LINE), | ROUTE MILE, | & HIGH SPEED | DATA INFORM | ATION | |
|--|---|---------------------------------------|---------------------------------|---------------------------------------|-------------------------------------|-----------------|-----------------|-----------------------|
| | | | | ROADBAND SER | | | | |
| Details on Least Expensive Broadband Service | | | | | | | | |
| EXCHANGE | No. Access Lines with BB available (a) | No Of Broadband Subscribers (b) | Number Of Subscribers (c) | Advertised Download Rate (Kbps) | Advertised Upload Rate (Kbps) | Price Per Month | Standalone/Pckg | Type Of Technology |
| Three Rivers (Culver) | 45 | | | 6,000 | 1,500 | (1) | (f) Package | DSL (g) |
| Granite | 82 | 28 | 82 | 6,000 | 1,500 | 25.95 | Package | DSL |
| Halfway / Oxbow | 704 | 423 | 704 | 6,000 | 1,500 | | Package | DSL |
| Total | 924 | 400 | | | | | | DOL |

| USDA-RUS | | | | BORROWER DI | ESIGNATION | | |
|--|------------------------|------------------------|-----------------|------------------------------|---------------|------------------------------------|--|
| OPERATING REPORT FOR | | | | OR0545 | OR0545 | | |
| т | OWERS | | | PERIOD ENDING December, 2013 | | | |
| INSTRUCTIONS- See RUS Bulletin | 1744-2 | | | | | | |
| | | PART D. SYSTE | M DATA | | | | |
| 1. No. Plant Employees | 2. No. Other Employees | 3. Square Miles Served | 911 | 4. Access Lines per Squa | are Mile | 5. Subscribers per Route Mile 1.71 | |
| | | PART E. TOLL | DATA | | | | |
| Study Area ID Code(s) | 2. Types of Toil S | ettlements (Check on | ne) | | | | |
| | 532392 | (0110011011 | Interstate: | Average Schedu | le | X Cost Basis | |
| b. | | | | | | COST Dasis | |
| C, | | | Intrastate: | Average Schedu | le | X Cost Basis | |
| d. | | | | _ | | _ | |
| ₽. | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| h. | | | | | | | |
| i. | | | | | | | |
| 1. | | | | | | | |
| | PART F. FU | INDS INVESTED IN | PLANT DURING YE | AR | | | |
| 1. RUS, RTB, & FFB Loan Funds Ex | pended | | | | | 337,780 | |
| 2. Other Long-Term Loan Funds Exp | ended | | | | | | |
| Funds Expended Under RUS Inter | im Approval | | | | | | |
| Other Short-Term Loan Funds Exp | | | | | | | |
| . General Funds Expended (Other than Interim) 398, 4 | | | | | 398,432 | | |
| 6. Salvaged Materials | | | | | | | |
| 7. Contribution in Aid to Construction | | | | | | | |
| 8. Gross Additions to Telecom. Plant | (1 thru 7) | | | | | 736,212 | |
| | PART G. IN | VESTMENTS IN AFF | ILIATED COMPANI | ES | | | |
| | | CURRENT Y | EAR DATA | | CUMULATIVE DA | ATA | |
| | | | Cumulative | Cumulative | | | |
| INVESTMENTS | | Investment | Iлсоme/Loss | Investment | Income/Loss | Current | |
| | | This Year | This Year | To Date | To Date | Balance | |
| 1. Investment in Assistant Connection | (b) | (c) | (d) | (e) | Ø | | |
| Investment in Affiliated Companies - Rural Development Investment in Affiliated Companies - Nongrial Development | | 0 | (38,778) | 30,135 | (30,135) | | |
| | | | | | | | |

| BORROWER DESIGNATION | | | |
|----------------------|--|------|--|
| OR0545 | | | |
| PERIOD ENDING | | | |

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS December, 2013 PART H. CURRENT DEPRECIATION RATES Are corporation's depreciation rates approved by the regulatory authority with jurisdiction over the provision of telephone services? (Check one) Х YES NO **EQUIPMENT CATEGORY DEPRECIATION RATE** Land and support assets - Motor Vehicles 14.90% Land and support assets - Aircraft Land and support assets - Special purpose vehicles Land and support assets - Garage and other work equipment 7.50% Land and support assets - Buildings 6.10% Land and support assets - Furniture and Office equipment 6.40% Land and support assets - General purpose computers 15.00% Central Office Switching - Digital 6.30% Central Office Switching - Analog & Electro-mechanical Central Office Switching - Operator Systems Central Office Transmission - Radio Systems 10.60% 12. Central Office Transmission - Circuit equipment 10.60% Information origination/termination - Station apparatus 14. Information origination/termination - Customer premises wiring 15. Information origination/termination - Large private branch exchanges 16. Information origination/termination - Public telephone terminal equipment 17. Information origination/termination - Other terminal equipment 18. Cable and wire facilities - Poles 19. Cable and wire facilities - Aerial cable - Metal 20. Cable and wire facilities - Aerial cable - Fiber 21. Cable and wire facilities - Underground cable - Metal 22. Cable and wire facilities - Underground cable - Fiber 23. Cable and wire facilities - Buried cable - Metal 6.30% 24. Cable and wire facilities - Buried cable - Fiber 4.80% 25. Cable and wire facilities - Conduit systems 2.00% 26. Cable and wire facilities - Other

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

BORROWER DESIGNATION

OR0545

PERIOD ENDED

INSTRUCTIONS - See help in the online application.

December, 2013

| INST | RUCTIONS – See help in the online application. | ., 2013 |
|------|--|-------------|
| | PART I - STATEMENT OF CASH FLOWS | |
| 1. | Beginning Cash (Cash and Equivalents plus RUS Construction Fund) | 1,869,68 |
| | CASH FLOWS FROM OPERATING ACTIVITIES | |
| 2. | Net Income | 102,91 |
| | Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities | |
| 3. | Add: Depreciation | 2,362,04 |
| 4. | Add: Amortization | |
| 5. | Other (Explain) Allowance for Funds Used During Construction | (9,178) |
| | Changes in Operating Assets and Liabilities | |
| 6. | Decrease/(Increase) in Accounts Receivable | 23,52 |
| 7. | Decrease/(Increase) in Materials and Inventory | (63,391) |
| 8. | Decrease/(Increase) in Prepayments and Deferred Charges | 18,470 |
| 9. | Decrease/(Increase) in Other Current Assets | (2,669) |
| 10. | Increase/(Decrease) in Accounts Payable | (77,037) |
| 11. | Increase/(Decrease) in Advance Billings & Payments | (0,000) |
| 12. | Increase/(Decrease) in Other Current Liabilities | 17,596 |
| 13. | Net Cash Provided/(Used) by Operations | 2,372,277 |
| | CASH FLOWS FROM FINANCING ACTIVITIES | 2,3,2,2, |
| 14. | Decrease/(Increase) in Notes Receivable | 0 |
| 15. | Increase/(Decrease) in Notes Payable | 0 |
| 16. | Increase/(Decrease) in Customer Deposits | (1,523) |
| 17. | Net Increase/(Decrease) in Long Term Debt (Including Current Maturities) | (1,245,454) |
| 18. | Increase/(Decrease) in Other Liabilities & Deferred Credits | 45,153 |
| 19. | Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital | 0 |
| 20. | Less: Payment of Dividends | 0 |
| 21. | Less: Patronage Capital Credits Retired | 0 |
| 22. | Other (Explain) | |
| 23. | Net Cash Provided/(Used) by Financing Activities | (1,201,824) |
| | CASH FLOWS FROM INVESTING ACTIVITIES | (1,201,024) |
| 24. | Net Capital Expenditures (Property, Plant & Equipment) | 112,261 |
| 25. | Other Long-Term Investments | (10,935) |
| 26. | Other Noncurrent Assets & Jurisdictional Differences | 0 |
| 27. | Other (Explain) Asset Retires, Retirement Work Orders, & Overhead Allocation | (522,124) |
| 28. | Net Cash Provided/(Used) by Investing Activities | (420,798) |
| 29. | Net Increase/(Decrease) in Cash | 749,655 |
| 30. | Ending Cash | 2,619,339 |

Revision Date 2010

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|---|-----------------------------|
| OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS | OR0545 |
| INSTRUCTIONS - See RUS Bulletin 1744-2 | PERIOD ENDED December, 2013 |

NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

NOTE: This submission was prepared from Pine Telephone System, Inc.'s December 31, 2013 audited financial statements.

On July 1, 2012, the company formed PT Services, Inc. a wholly-owned subsidiary, to accumulate nonregulated activity. Parts A, B, and I include the consolidated activity of Pine Telephone System, Inc. and its wholly-owned subsidiary. All material intercompany transactions and balances have been eliminated in the consolidation.

Specifically, Part A includes \$42,733 of net plant, \$9,361 of cash, and \$27,539 in current assets that net to Pine Telephone's investment in PT Services, Inc. Part B includes \$6,671 of depreciation expense, \$27,713 of income tax benefit, and \$59,820 of nonregulated loss from PT Services, Inc. Part I includes the associated changes in cash flows of both companies.

Please direct questions to Bruce S. Goslovich at (208) 550 - 7943 or bruce@goslovichfc.com.

| USDA-RUS | BORROWER DESIGNATION |
|---|--|
| OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS | OR0545 |
| INSTRUCTIONS - See RUS Bulletin 1744-2 | PERIOD ENDED December, 2013 |
| CERTIFICATION LOAN DEFAULT NOTES TO THE OPER | RATING REPORT FOR TELECOMMUNICATIONS BORROWERS |
| CERTIFICATION LOAN DEFAULT NOTES TO THE OPER | ATING REPORT FOR TELECOMMUNICATIONS BORROWERS |

Teena Thomas

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| From: Form481@usac.org | |
| To: ronl@pinetel.com | |
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Your submission has been accepted

