

DOCKET NO. UM 1726

**Cover Sheet for Submission of
2015 Annual ETC Certification Reports**

Name of Eligible Telecommunications Carrier: Helix Telephone Company

Filing date: 05/27/15

Is this: Original submission? X SUPPLEMENT TO FORM 481
OR
Revised submission? _____

Person to contact for questions:

Name James A. Smith

Phone number 541-457-2385

E-mail address htc@helixtel.com

Documents included in this filing (please check applicable items):

CAF/ICC Support (47 CFR § 54.304)

Rate Floor Data (47 CFR § 54.313(h))

Form 481 (High-cost per 47 CFR § 54.313, Low-income per 54.422)¹

Form 690 (Mobility Fund per 47 CFR § 54.1009)

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 July 1, 2015. The CAF/ICC support data are due the same day as the ETC's interstate access tariff filing.

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.

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Consumer Protection

Helix Telephone Company complies with the requirements 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

Helix Telephone Company 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. Helix Telephone Company is committed to providing the highest quality of services to its subscribers.

Broadband

Helix Telephone Company follows the service standards noted in NECA Tariff #5 and is committed to provide the highest quality service to its broadband customers.

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Helix Telephone Company
Functionality in Emergency Situations

Helix Telephone Company has the following back-up power capabilities

Switch A is a stand alone it has a 10kw generator fueled by 120 gal. Of propane will run for 5+ days. It also has 6 100 amp. Hrs. batteries that can run the switch for 2 or more days.

Switch B is a stand alone it has a 10kw generator fueled by 120 gal. Of propane and will run for 5+ days. It also has 12 100amp. Hrs. batteries that can run the switch for 2 or more days.

Helix telephone Company uses all Tellabs subscriber carrier that has battery backup that will operate for 12 to 15 hrs. we also have a portable generator that can be moved to the site within one hour. Powered by 2 gallons of gas that will run for 2 hrs.

Helix Telephone Company has the ability to reroute its local facilities around damaged plant in the form of a fiber ring. We have the ability to repair damaged facilities between Helix Telephone and Century Link our connecting company within 4 hrs.

Helix Telephone Company has 146 customers and the switching capacity to handle all 146 simultaneously and a transport capacity for 44 simultaneous calls. Helix Telephone takes no responsibility for the capabilities of the interconnected networks to manage traffic spikes resulting from emergency situations, but will continue its best efforts for its networks during such events.

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**Helix Telephone Company
2015
PROGRESS REPORT ON SERVICE QUALITY IMPROVEMENT PLAN**

PREAMBLE

This document is an integral part of the Company's 2015 Annual Report, as attached to Form 481. It is in compliance with §54.313(a)(1) adopted in the FCC's USF/ICC Transformation Order (11-161) and incorporates all further clarifications identified in subsequent Reconsideration Orders, as applicable, that were in effect at the time the Annual Report was due by Rule to the requisite regulatory authorities.

Helix Telephone Company ("HTC") advises that the environment in which the Company operates is dynamic, not static. As a result, certain network targets identified in its initial 5 Year Network Improvement Plan, filed in 2014, may be modified in response to regulatory decisions that have been subsequently adopted, and as their implication upon the Company's financial viability in providing the required services and service level quality became known.

Modifications to the network plan may also have been taken due to changes in market conditions, technology, vendor-driven support, weather, or emergency related contingencies.

Targets not met or changed since the initial 5 Year Plan filing are identified and reasons provided for those changes.

UNIVERSAL SERVICE SUPPORT RECEIVED IN 2015

Per the Universal Service Administrative Company (USAC), as available for the period up to this filing, Helix Telephone Company received a total of \$138505 (as of 06/09/15) in USF support funds. The breakdown of the funding to the point of filing is:

- \$65,545 High Cost Loop Support
- \$43,140 Connect America Fund-Inter carrier Compensation Support
- \$29,820 Interstate Common Line Support

Universal Service Support funds are used to: 1) maintain, upgrade, and improve the Company's network and, 2) cover operating expenses and debt commitments as necessary to permit it to offer a high level of service for both voice and broadband within the authorized serving area.

USF support will continue to be included in the Company's current revenue accounts and forward-looking projections. Revenues, in the aggregate, are used for both capital expenditures as well as to cover operating expenses and fixed costs incurred to obtain capital from lenders. The Company does not segregate USF separately for purposes of capital and operating expenditures; USF is expended in the same proportion as all other revenues.

The proportionate share of USF expenditures in 2015 to date for CAPEX is estimated to be \$57,112 (92%) for OPEX \$416096 (8%).

In the accompanying 2015 project detail, expenditures for network improvements sometimes involve service quality, coverage and capacity as an integrated improvement project and are not mutually exclusive from one another. In terms of cost, projects involving multiple qualifiers are of equal dollar equivalence. Where a project involves a single qualifier, it is so noted.

PROGRESS REPORT

2015

Meacham backhaul: This project has been delayed until further notice as a result of the Umatilla Confederated Tribe. In order to complete this project we need permission from the Tribe to bury fiber across tribal ground. So far our request has not been granted. The project is Service Quality related.

2015 Alternative Progress Report Helix Exchange:

Repair of fiber optic cable to Butler Grade: In 2015 HTC replaced fiber optic cable to Butler Grade and placed a new 120 AFC cabinet at this location. The cabinet will provide better service quality for four existing customers and eventually provide WiFi to potentially 100 new customers.

Project is still in construction stage. Cost to replace fiber and install cabinet as of 06/09/15 is \$44,722

This project provides service quality, coverage and capacity upgrades

Build hut replacing fiber cabinet: Build hut at Century Link meet point in Adams Oregon. This fiber cabinet has limited space and no room for additional equipment. Building the hut will be better for the equipment and allow space for new equipment we plan to add at a later date. Replacing the fiber cabinet will affects all customers in the Helix Exchange. Estimated cost at completion \$25,000. Initial cost as of 6/9/15 \$840

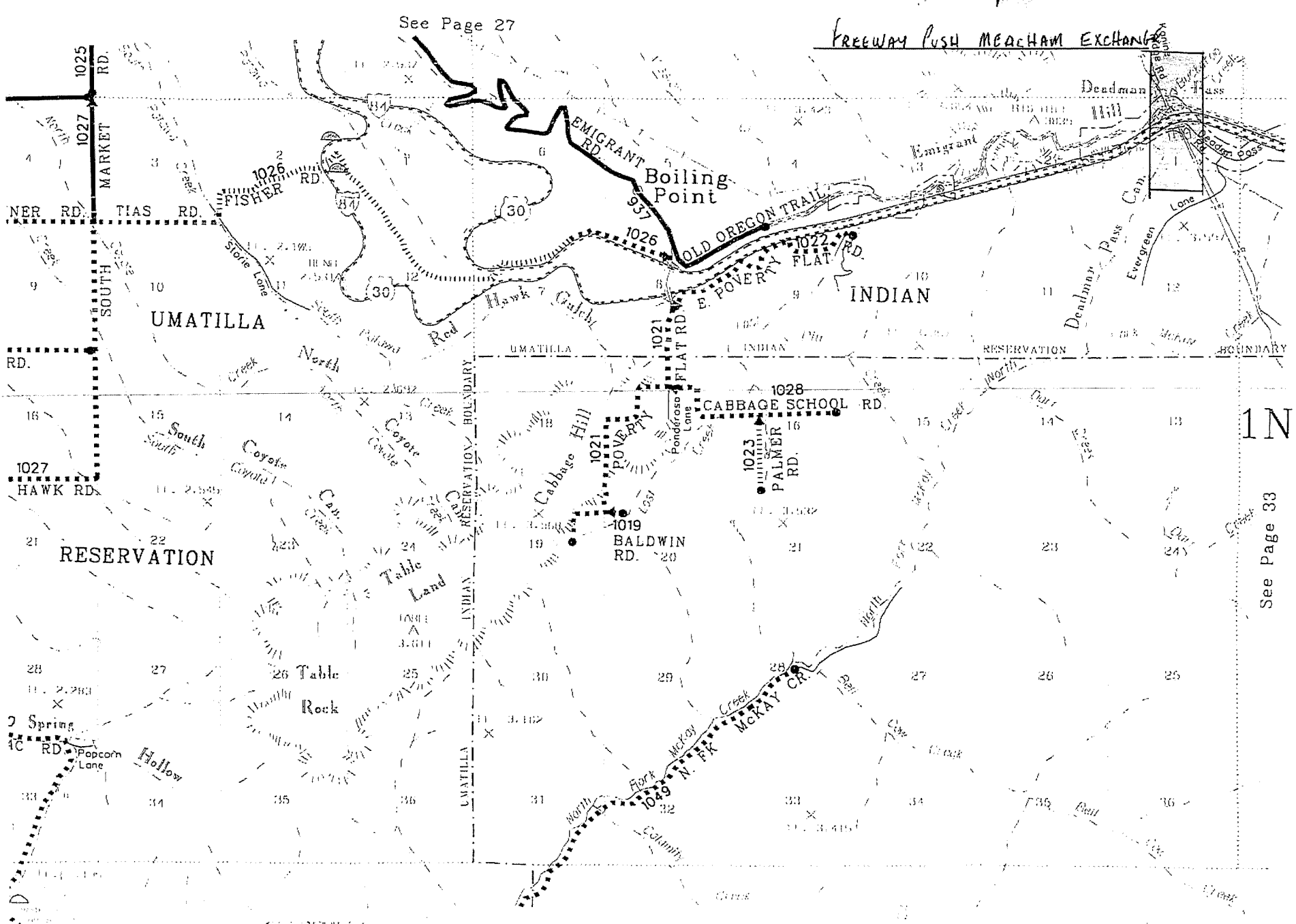
This project provides service quality, coverage and capacity upgrade

Replace batteries existing AFC cabinets: Replace batteries in existing cabinet to maintain back up power generation, affecting approximately 80 customers. All are related to service quality. Replacement battery cost and installation as of 6/9/15 is \$5,588.

2015 Alternative Progress Report Meacham Exchange:

Push freeway I 84 Meacham Exchange: This project was projected for 2016 and was move ahead due to scheduling contractors. Helix Telephone is in the process of boring I 84 freeway to replace 30 year old 25 pair aerial with new 25 pair underground. Projected cost for this project is \$52000. Cost as of 6/9/15 is \$5962. This Project affects 6 customers at this time with the potential of more customers in the future.

This project provides service quality, coverage and capacity upgrades.



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J.A. SMITH, President
T.J. SMITH, Sec/Treas.

HELIX TELEPHONE COMPANY

Phone 541-457-2385
Fax 541-457-2111

Serving the Public
Box 326
Helix Oregon, 97835

April 1, 2015

Mr. Alan Crawford
General Council Chairman CTUIR
Nixyaawii Governance Center
46411 Timine Way
Pendleton, OR 97801

Dear Mr. Crawford:

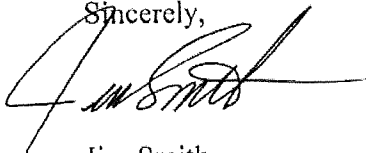
I send greetings to you from your neighbors at the Helix Telephone Company.

We operate under regulatory oversight from the State Public Utility Commission in Salem and the Federal Communications Commission (FCC) in Washington, D.C. The FCC recently adopted rules that encourage local operating telephone companies to engage in productive dialogue with tribal entities in their operating territory.

The FCC anticipates these discussions will include, but might not be limited to: a needs assessment related to tribal anchor institutions, planning issues, and environmental factors including rights of way processes and cultural preservation review processes.


We seek to have an initial meeting with you at a mutually convenient time prior to the end of the calendar year. We look forward to visiting with you soon.

Sincerely,



Jim Smith
President

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| SENDER: COMPLETE THIS SECTION | COMPLETE THIS SECTION ON DELIVERY | |
|--|---|--|
| <ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. | A. Signature <input checked="" type="checkbox"/> X  | <input type="checkbox"/> Agent <input type="checkbox"/> Addressee |
| 1. Article Addressed to: Mr. Alan Crawford General Council Chairman CTUIR Nixyaawii Gov. Center 46411 Timine Way Pendleton, OR 97801 | B. Received by (Printed Name) Lydie M... | C. Date of Delivery 4/31/15 |
| 2. Article Number (Transfer from service label) | D. Is delivery address different from Item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No | |
| 3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D. | | |
| 4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes | | |
| 7004 2510 0000 1010 5635 | | |

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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 Helix subscriber, are free to choose their own toll usage plans through IXCs that serve Helix.

AN IMPORTANT MESSAGE FROM YOUR
COMMUNITY BASED TELECOM PROVIDER

Residents of Indian reservations or tribal lands qualify if they participate in any of the programs listed inside, have a household income that is at or below 135% of the federal poverty guidelines, or participate in one of these programs:

- Bureau of Indian Affairs (BIA) general assistance
- Head Start (income eligible)
- Tribal TANF

How do I apply to receive Lifeline, Link Up and TLS support discounts?

Contact your local telephone company. Consumers must apply for Lifeline, Link Up and TLS discounts through their local telephone company. The Universal Service Administrative Company's (USAC) web site contains state-specific Lifeline contact information for many companies at www.lifelinesupport.org. You also may call USAC toll free at 1-888-641-8722 with any questions about Lifeline, Link Up and TLS discounts.

you can afford

AN IMPORTANT MESSAGE FROM YOUR
COMMUNITY BASED TELECOM PROVIDER



Every person in America should have access to quality, affordable telecommunications service. This principle of "Universal Service" has been the goal of the telecommunications industry for decades. In 1934, the federal government codified the goal and reaffirmed it in 1996 by establishing policies for the "preservation and advancement of Universal Service."

To achieve the Universal Service goal, carriers have access to a fund that is generated by contributions from the telecommunications providers in the United States. Telecommunications companies draw from the fund to provide four programs that support telecommunications services nationwide. Link-Up America (Link-Up) and the Lifeline Assistance Program (Lifeline) are part of the Fund's Low-Income Program and are described in detail below. Toll Limitation Service is another program available to low income subscribers to help them control what they spend on telephone service.

Lifeline, Link Up, and Toll Limitation Service support provide discounts to eligible low-income consumers to help them establish and maintain telephone service.

What type of discount is available?

Lifeline assistance lowers the cost of basic monthly local telephone service. Eligible consumers can receive up to \$10 per month in discounts. Additional state support also may be available.

Eligible residents of Indian reservations or tribal lands can receive up to an additional \$25 in Lifeline support, but must pay at least \$1 for basic monthly service.

Link Up reduces the cost of initiating new telephone service. Eligible consumers can receive a 50% discount off of the one-time costs associated with initiating telephone service, up to a maximum of \$30. Eligible consumers also qualify for a deferred payment schedule for remaining costs of up to \$200.

Eligible low-income consumers living on tribal lands are eligible for an additional discount of up to \$70 to cover 100% of the charges between \$60 and \$130.

Toll Limitation Service (TLS) support allows eligible consumers who wish to avoid incurring large long distance fees to choose toll blocking or toll control at no cost.

How do I know whether I am eligible?

Eligibility for Lifeline, Link Up and TLS support varies by state. Individuals who reside in states that have their own discount programs qualify for federal Lifeline, Link Up and TLS support if they meet the eligibility criteria established by their state. In states that do not provide state support, an individual is eligible if he or she participates in one of the following programs:

- Low-Income Home Energy Assistance Program (LIHEAP)
- Federal Public Housing Assistance or Section 8
- Medicaid
- Food Stamps
- Supplemental Security Income (SSI)
- Temporary Assistance for Needy Families (TANF)
- National School Lunch free lunch program

In addition, a consumer may be eligible if his or her household income is at or below 135% of the federal poverty guidelines:

2007 Estimated Income Requirements for a Household at or Below 135% of the Federal Poverty Guidelines

| Persons in Family Unit | 48 Contiguous States and D.C. | Alaska | Hawaii |
|---------------------------------|-------------------------------|----------|----------|
| 1 | \$13,784 | \$17,240 | \$15,863 |
| 2 | 18,482 | 23,112 | 21,263 |
| 3 | 23,180 | 28,985 | 26,663 |
| 4 | 27,878 | 34,857 | 32,063 |
| 5 | 32,576 | 40,730 | 37,463 |
| 6 | 37,274 | 46,602 | 42,863 |
| 7 | 41,972 | 52,475 | 48,263 |
| 8 | 46,670 | 58,347 | 53,663 |
| For each additional person, add | 4,698 | 5,873 | 5,400 |

Foundation for Rural Service



This brochure was produced by the Foundation for Rural Service, the philanthropic arm of the National Telecommunications Cooperative Association. Its mission is to promote, educate and advocate rural telecommunications in order to sustain and enhance the quality of life within communities throughout rural America. For additional information on the Foundation, visit www.frs.org. This advocacy campaign also is supported by the Rural Telephone Finance Cooperative, based in Herndon, VA.

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Date: June 9, 2015

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
9300 East Hampton Drive
Capitol Heights, MD 20743

Dear Ms Dortch:

In compliance with the filing requirements associated with, and attached to form 481, we wish to advise the Commission that Helix Telephone Company:

Has taken reasonable steps to provide upon reasonable request broadband service
At actual speeds of 4 Mbps downstream/1 Mbps upstream.

Provides latency suitable for real-time applications including VoIP and usage
Capacity which is reasonably comparable to those in urban areas and;

That reasonable requests for service are met within a reasonable timeframe.

If there are questions, I may be contacted at 541-457-2385

Sincerely
James A Smith
President Helix Telephone Company

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Anchor institutions within Helix Telephone's Territory

In 2014 Helix Telephone Company established delivery of high-speed broadband to the following "anchor" institution.

1. USPS 209 Concord St. Helix Oregon



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CPAs AND BUSINESS CONSULTANTS

INDEPENDENT AUDITORS' REPORT

Board of Directors
Helix Telephone Company
Helix, Oregon

We have audited the accompanying financial statements of Helix Telephone Company (the Company), which comprise the balance sheets as of December 31, 2014 and 2013, and the related statements of operations and comprehensive income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Helix Telephone Company at December 31, 2014 and 2013, and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued a report dated February 24, 2015, on our consideration of Helix Telephone Company's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Helix Telephone Company's internal control over financial reporting and compliance.

AKT LLP

Salem, Oregon
February 24, 2015

HELIX TELEPHONE COMPANY

Balance Sheets

December 31, 2014 and 2013

| ASSETS | 2014 | 2013 |
|--|---------------------|---------------------|
| Current Assets: | | |
| Cash | \$ 139,174 | \$ 308,588 |
| Marketable securities | 133,642 | 133,733 |
| Accounts receivable, less allowance for doubtful accounts of zero | 144,607 | 157,011 |
| Prepaid expenses | 6,423 | 6,005 |
| Total Current Assets | <u>423,846</u> | <u>605,337</u> |
| Other Investments | <u>100,000</u> | <u>100,000</u> |
| Property, Plant, and Equipment: | | |
| In service | 4,164,883 | 4,043,436 |
| Less accumulated depreciation | <u>3,404,964</u> | <u>3,222,200</u> |
| Property, Plant, and Equipment, net | <u>759,919</u> | <u>821,236</u> |
| | <u>\$ 1,283,765</u> | <u>\$ 1,526,573</u> |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current Liabilities: | | |
| Current portion of long-term debt | \$ 44,048 | \$ 95,532 |
| Accounts payable | 7,475 | 10,100 |
| Accrued expenses | 90,462 | 90,032 |
| Total Current Liabilities | <u>141,985</u> | <u>195,664</u> |
| Long-Term Debt | <u>213,676</u> | <u>308,141</u> |
| Other Liabilities - Deferred Compensation | <u>60,000</u> | <u>120,000</u> |
| Stockholders' Equity: | | |
| Common stock, \$1 par value, 800 shares authorized, issued and outstanding | 800 | 800 |
| Paid-in capital | 13,043 | 13,043 |
| Retained earnings | 840,853 | 870,414 |
| Accumulated other comprehensive income - unrealized holding gain on marketable securities | <u>13,408</u> | <u>18,511</u> |
| Total Stockholders' Equity | <u>868,104</u> | <u>902,768</u> |
| | <u>\$ 1,283,765</u> | <u>\$ 1,526,573</u> |

See accompanying notes to financial statements.

HELIX TELEPHONE COMPANY
 Statements of Operations and Comprehensive Income
 Years Ended December 31, 2014 and 2013

| | 2014 | 2013 |
|---|------------------|-------------------|
| Operating Revenues: | | |
| Local network service | \$ 50,964 | \$ 45,244 |
| Network access service | 955,838 | 1,084,780 |
| Miscellaneous | 41,809 | 41,661 |
| Total Operating Revenues | <u>1,048,611</u> | <u>1,171,685</u> |
| Operating Expenses: | | |
| Plant specific operations | 349,082 | 352,678 |
| Plant nonspecific operations | 30,557 | 27,866 |
| Depreciation | 182,767 | 152,577 |
| Customer operations | 72,269 | 69,988 |
| Corporate operations | 377,023 | 380,269 |
| Other operating taxes | 22,151 | 22,329 |
| Total Operating Expenses | <u>1,033,849</u> | <u>1,005,707</u> |
| Operating Income | <u>14,762</u> | <u>165,978</u> |
| Other Income: | | |
| Realized gains on marketable securities | 2,414 | 1,746 |
| Other | 7,183 | 12,654 |
| Total Other Income | <u>9,597</u> | <u>14,400</u> |
| Income Available for Fixed Charges | 24,359 | 180,378 |
| Fixed Charges - Interest on Long-Term Debt | <u>6,720</u> | <u>8,878</u> |
| Net Income | <u>17,639</u> | <u>171,500</u> |
| Other Comprehensive Income (Loss) | | |
| Unrealized holding gains (losses) on marketable securities | (2,689) | 6,568 |
| Reclassifications for realized gains included in net income | (2,414) | (1,746) |
| Total Other Comprehensive Income (Loss) | <u>(5,103)</u> | <u>4,822</u> |
| Total Comprehensive Income | <u>\$ 12,536</u> | <u>\$ 176,322</u> |

See accompanying notes to financial statements.

HELIX TELEPHONE COMPANY

Statements of Cash Flows

Years Ended December 31, 2014 and 2013

| | <u>2014</u> | <u>2013</u> |
|---|--------------------------|--------------------------|
| Cash Flows from Operating Activities: | | |
| Net income | \$ 17,639 | \$ 171,500 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation | 182,767 | 152,577 |
| Realized gain on sales of marketable securities | (2,414) | (1,746) |
| Change in deferred compensation | (60,000) | - |
| RUS cushion of credit interest | (394) | - |
| Changes in assets and liabilities: | | |
| Accounts receivable | 12,404 | (26,240) |
| Prepaid expenses | (418) | (125) |
| Accounts payable | (2,625) | 2,932 |
| Accrued expenses | 430 | 36,795 |
| | <u>147,389</u> | <u>335,693</u> |
| Net Cash Provided by Operating Activities | | |
| Cash Flows from Investing Activities: | | |
| Capital expenditures | (121,450) | (130,191) |
| Proceeds from sale of marketable securities | 19,392 | 12,655 |
| Purchase of marketable securities | (21,990) | (13,057) |
| Change in other investments | - | 49,658 |
| | <u>(124,048)</u> | <u>(80,935)</u> |
| Net Cash Used by Investing Activities | | |
| Cash Flows from Financing Activities: | | |
| Additions to RUS cushion of credit | (50,000) | - |
| Payments on long-term debt | (95,555) | (92,733) |
| Distributions to stockholders | (47,200) | - |
| | <u>(192,755)</u> | <u>(92,733)</u> |
| Net Cash Used by Financing Activities | | |
| | (169,414) | 162,025 |
| Net Increase (Decrease) in Cash | | |
| Cash, beginning | <u>308,588</u> | <u>146,563</u> |
| Cash, ending | \$ <u><u>139,174</u></u> | \$ <u><u>308,588</u></u> |
| Cash Paid During the Year for Interest | \$ <u><u>6,720</u></u> | \$ <u><u>8,878</u></u> |

See accompanying notes to financial statements.