

DOCKET NO. UM 1688

**Cover Sheet for Submission of
2014 Annual ETC Certification Reports**

Name of Eligible Telecommunications Carrier: Beaver Creek Cooperative Telephone Company

Filing date: June 25, 2014

Is this: Original submission? X
OR

Revised submission?

Person to contact for questions:

Name: Aimee Dietrich

Phone number: 503-845-4439

E-mail address: adietrich@cbsoregon.com

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))

X 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 July 1, 2014. 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.

DOCKET NO. UM 1688

FILING INSTRUCTIONS

Please file submissions in Docket No. UM 1688. You do not need to include a cover letter if you use the cover sheet from the previous page. Please fill in all relevant information.

Filings must be electronically submitted to the PUC Filing Center. You may e-mail documents to PUC.FilingCenter@state.or.us or see the PUC website for further instructions if you need to upload rather than send via email. If selected portions of documents, e.g., network plans, are to receive confidential treatment, those portions should not be filed electronically. You may electronically file redacted versions of documents containing confidential information, but then follow-up by sending full versions including confidential information printed on yellow paper.

After filing electronically, send one original and one copy of the filing package (cover sheet and filed information) to the PUC Filing Center. Be sure to include one original affidavit with the raised seal or notary's mark evident, and one copy of the original. Hard copies of confidential material should be filed in accordance with confidential designation requirements described in OAR 860-011-0080.

Regular delivery methods may be used to send all hard copy documents; overnight or express delivery is not necessary.

If sending documents to the Filing Center via US mail, use the following address:

Public Utility Commission of Oregon
Attn: Filing Center
PO Box 1088
Salem, OR 97308-1088

If sending documents to the Filing Center by means other than US mail, use the following address:

Public Utility Commission of Oregon
Attn: Filing Center
3930 Fairview Industrial Drive SE
Salem, OR 97302-1166

If you have any questions regarding the reporting requirements, please contact Kay Marinos at 503-378-6730 or send an e-mail to Kay.Marinos@state.or.us.

RATE FLOOR DATA COLLECTION - OMB Control Number 3060-0986

Block 1 - Contact Information

ROW #	DATA ELEMENT	FORMAT OF REQUESTED DATA	RESPONSE
1	Carrier Study Area Code	6 numeric digits	532359
2	Carrier Study Area Name	alpha characters	BEAVER CREEK COOPERATIVE TEL. CO.
3	Service Provider Identification Number	9 numeric digits	143002612
4	Residential Local Service Charge Effective Date	mm/dd/yy	07/01/14
5	Contact Name	alpha characters	Dietrich, Aimee S
6	Contact Telephone Number (include area code)	9 numeric digits	503-845-4439
7	Sheet Number	numeric digit(s)	
8	Total Number of Sheets	numeric digit(s)	

Block 2 - Residential Local Service Rates, Fees, and Line Counts

Column 1 Residential Local Service Charge	Column 2 State Subscriber Line Charge	Column 3 State Universal Service Fee	Column 4 Mandatory Extended Area Service Charge	Column 5 Loops	Column 6 Exchange Name/ Zone Name	Column 7 Class Of Service
4.80	0.00	0.40	0.00	11	Beavercreek	SafeT Line

<010> Study Area Code	532359
<015> Study Area Name	BEAVER CREEK COOP
<020> Program Year	2015
<030> Contact Name: Person USAC should contact with questions about this data	Aimee Dietrich
<035> Contact Telephone Number: Number of the person identified in data line <030>	5038454439 ext.
<039> Contact Email Address: Email of the person identified in data line <030>	adietrich@cbsoregon.com

ANNUAL REPORTING FOR ALL CARRIERS	54.313	54.422
	Completion Required	Completion Required

			<i>(check box when complete)</i>	
<100> Service Quality Improvement Reporting	<i>(complete attached worksheet)</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<200> Outage Reporting (voice)	<i>(complete attached worksheet)</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<210> <input checked="" type="checkbox"/> <-- check box if no outages to report		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<300> Unfulfilled Service Requests (voice)	<input type="text" value="0"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<310> Detail on Attempts (voice)	<div style="border: 1px solid black; height: 40px; width: 100%;"></div> <i>(attach descriptive document)</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<320> Unfulfilled Service Requests (broadband)	<input type="text" value="0"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<330> Detail on Attempts (broadband)	<div style="border: 1px solid black; height: 40px; width: 100%;"></div> <i>(attach descriptive document)</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<400> Number of Complaints per 1,000 customers (voice)		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<410> Fixed	<input type="text" value="1.0"/>			
<420> Mobile	<input type="text" value="0.0"/>			
<430> Number of Complaints per 1,000 customers (broadband)		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<440> Fixed	<input type="text" value="1.0"/>			
<450> Mobile	<input type="text" value="0.0"/>			
<500> Service Quality Standards & Consumer Protection Rules Compliance	<i>(check to indicate certification)</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<510> <input type="text" value="532359or510.pdf"/>	<i>(attached descriptive document)</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<600> Functionality in Emergency Situations	<i>(check to indicate certification)</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<610> <input type="text" value="532359or610.pdf"/>	<i>(attached descriptive document)</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<700> Company Price Offerings (voice)	<i>(complete attached worksheet)</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<710> Company Price Offerings (broadband)	<i>(complete attached worksheet)</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<800> Operating Companies and Affiliates	<i>(complete attached worksheet)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<900> Tribal Land Offerings (Y/N)?	<input type="radio"/> <input checked="" type="radio"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<1000> Voice Services Rate Comparability	<i>(check to indicate certification)</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<1010> <div style="border: 1px solid black; height: 40px; width: 100%;"></div>	<i>(attach descriptive document)</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<1100> Terrestrial Backhaul (Y/N)?	<input checked="" type="radio"/> <input type="radio"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<1110>	<i>(complete attached worksheet)</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<1200> Terms and Condition for Lifeline Customers	<i>(complete attached worksheet)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet

<2000> Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers	<i>(check to indicate certification)</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<2005>	<i>(complete attached worksheet)</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet

<3000>	<i>(check to indicate certification)</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<3005>	<i>(complete attached worksheet)</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**(100) Service Quality Improvement Reporting
Data Collection Form**

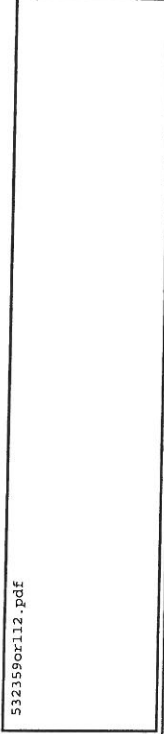
FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010> Study Area Code 532359
 <015> Study Area Name BEAVER CREEK COOP
 <020> Program Year 2015
 <030> Contact Name - Person USAC should contact regarding this data Aimee Dietrich
 <035> Contact Telephone Number - Number of person identified in data line <030> 5038454439 ext.
 <039> Contact Email Address - Email Address of person identified in data line <030> adietrich@cbsoregon.com

<110> Has your company received its ETC certification from the FCC?
 If your answer to Line <110> is yes, do you have an existing §54.202(a) "5
 year plan" filed with the FCC? (yes / no) (yes / no)

If your answer to Line <111> is yes, then you are required to file a progress report, on line <112> 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.

<112> 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 company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.



Name of Attached Document

Please check these boxes below to confirm that the attached document(s), on line 112, contains a progress report on its five-year service quality improvement plan pursuant to § 54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

- <113> Maps detailing progress towards meeting plan targets
- <114> Report how much universal service (USF) support was received
- <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.

**(900) Tribal Lands Reporting
Data Collection Form**

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010> Study Area Code 532359
 <015> Study Area Name BEAVER CREEK COOP
 <020> Program Year 2015
 <030> Contact Name - Person USAC should contact regarding this data Aimee Dietrich
 <035> Contact Telephone Number - Number of person identified in data line <030> 503845439 ext.
 <039> Contact Email Address - Email Address of person identified in data line <030> adietrich@cbsoregon.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 to confirm the status described on the attached document(s), on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

Select (Yes, No, NA)

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions.
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> 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.

**(1100) No Terrestrial Backhaul Reporting
Data Collection Form**

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	532359
<015>	Study Area Name	BEAVER CREEK COOP
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Aimee Dietrich
<035>	Contact Telephone Number - Number of person identified in data line <030>	5038454439 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	adietrich@cbeaoregon.com

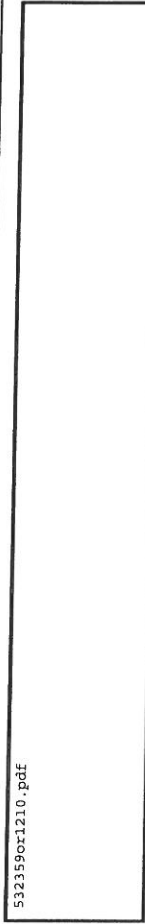
<1120> Please check this box to confirm no terrestrial backhaul options exist within the supported area pursuant to § 54.313(G)

<1130> 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)

(1200) Terms and Condition for Lifeline Customers
Lifeline Data Collection Form

FCC Form 481
 OMB Control No. 3060-0986/OMB Control No. 3060-0819
 July 2013

<010> Study Area Code 532359
 <015> Study Area Name BEAVER CREEK COOP
 <020> Program Year 2015
 <030> Contact Name - Person USAC should contact regarding this data Aimee Dietrich
 <035> Contact Telephone Number - Number of person identified in data line <030> 5038454439 ext.
 <039> Contact Email Address - Email Address of person identified in data line <030> adietrich@cbarsregon.com



Name of Attached Document

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

<1220> Link to Public Website

HTTP

"Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

- <1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers,
- <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.

(2000) Price Cap Carrier Additional Documentation

Data Collection Form

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	532359
<015>	Study Area Name	BEAVER CREEK COOP
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Aimee Dietrich
<035>	Contact Telephone Number - Number of person identified in data line <030>	5038454439 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	adietrich@cbsoregon.com

CHECK the boxes below to note compliance as a recipient of Incremental Connect America Phase I support, frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e) the information reported on this form and in the documents attached below is accurate.

<2010>	Incremental Connect America Phase I reporting	<input type="checkbox"/>
<2011>	2nd Year Certification (47 CFR § 54.313(b)(1))	<input type="checkbox"/>
<2011>	3rd Year Certification (47 CFR § 54.313(b)(2))	<input type="checkbox"/>
<2012>	Price Cap Carrier Receiving Frozen Support Certification (47 CFR § 54.312(a))	<input type="checkbox"/>
<2013>	2013 Frozen Support Certification	<input type="checkbox"/>
<2014>	2014 Frozen Support Certification	<input type="checkbox"/>
<2015>	2015 Frozen Support Certification	<input type="checkbox"/>
<2015>	2016 and future Frozen Support Certification	<input type="checkbox"/>
<2016>	Price Cap Carrier Connect America ICC Support (47 CFR § 54.313(d))	<input type="checkbox"/>
<2016>	Certification Support Used to Build Broadband	<input type="checkbox"/>
<2017>	Connect America Phase II Reporting (47 CFR § 54.313(e))	<input type="checkbox"/>
<2018>	3rd year Broadband Service Certification	<input type="checkbox"/>
<2018>	5th year Broadband Service Certification	<input type="checkbox"/>
<2019>	Interim Progress Certification	<input type="checkbox"/>
<2020>	Please check the box to confirm that the attached document(s), on line 2021, contains the required information pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.	<input type="checkbox"/>
<2021>	Interim Progress Community Anchor Institutions	<input type="checkbox"/>

Name of Attached Document Listing Required Information

**(3000) Rate Of Return Carrier Additional Documentation
Data Collection Form**

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010> Study Area Code 532359
 <015> Study Area Name BEAVER CREEK COOP
 <020> Program Year 2015
 <030> Contact Name - Person USAC should contact regarding this data Annee DiErich
 <035> Contact Telephone Number - Number of person identified in data line <030> 5038454439 ext.
 <039> Contact Email Address - Email Address of person identified in data line <030> adierich@cbsocon.com

CHECK the boxes below to note compliance on its five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

(3010) Progress Report on 5 Year Plan Milestone Certification (47 CFR § 54.313(f)(1)(i))

(3011) Please check this box to confirm that the attached document(s), on line 3017 contains the required information pursuant to § 54.313(f)(1)(ii), the carrier shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.

(3012) Community Anchor Institutions (47 CFR § 54.313(f)(1)(iii))

(3013) Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2))

(3014) If yes, does your company file the RUS annual report.

Please check these boxes to confirm that the attached document(s), on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:

(3015) Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)

(3016) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

(3017) If the response is yes on line 3014, attach your company's RUS annual report and all required documentation

(3018) If the response is no on line 3014, is your company audited?

If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3025 pursuant to § 54.313(f)(2), contains

(3019) Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications

(3020) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

(3021) Management letter issued by the independent certified public accountant that performed 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), contains:

(3022) Copy of their financial statement which has been subject to review by an 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,

(3025) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

(3026) Attach the worksheet listing required information

Certification - Reporting Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	532359
<015>	Study Area Name	BEAVER CREEK COOP
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Aimee Dietrich
<035>	Contact Telephone Number - Number of person identified in data line <030>	5038454439 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	adietrich@cbsoregon.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: BEAVER CREEK COOP	
Signature of Authorized Officer: CERTIFIED ONLINE	Date
Printed name of Authorized Officer: Paul Hauer	
Title or position of Authorized Officer: President	
Telephone number of Authorized Officer: 5036326314 ext.	
Study Area Code of Reporting Carrier: 532359	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.	

Certification - Agent / Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	532359
<015>	Study Area Name	BEAVER CRBEK COOP
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Aimee Dietrich
<035>	Contact Telephone Number - Number of person identified in data line <030>	5038454439 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	adietrich@cbsoregon.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 Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) _____ is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to 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 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.	

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information 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 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.	

Attachments



15223 S. Henrici Road
Oregon City, OR 97045
503.632.3113

Study Area Code: 532359

Study Area Name: Beaver Creek Cooperative Telephone Company

Program Year: 2015

Service Quality Standards

Beaver Creek Cooperative Telephone Company complies with the service standards set forth by the State of Oregon in the Oregon Administrative Rules 860-034-0390, Retail Telecommunication Service Standards for Small Telecommunications Utilities for its voice customers.

Beaver Creek Cooperative Telephone Company follows the service standards noted in the NECA Tariff #5 and is committed to providing the highest quality service to its broadband customers.

Consumer Protection Rules Compliance

Beaver Creek Cooperative Telephone Company complies with the requirements of 47 CFR Part 64 Subpart U, Customer Proprietary Network Information, and the Federal Trade Commission Red Flags Rules to detect the warning signs — or "red flags" — of identity theft in their day-to-day operations. A manual for each of these programs is in place and employee training is conducted annually. New hires are instructed on these programs as required by their job functions.

Study Area Code: 532359

Study Area Name: Beaver Creek Cooperative Telephone Company

Program Year: 2015

Functionality in Emergency Situations

Beaver Creek Cooperative Telephone Company provides the following information to support its abilities to remain functional in an emergency situation:

Back-up Power

Switches – stand alone and/or host

Central Office: 400KW diesel generator with 400 gallon belly tank. Run time is approximately 72 hours. Battery plant capacity is 1200-Ah at eight hours. Present load on battery plant is 340-Ah.

Subscriber Carrier (DLC, DSLAM)

Beaver Creek Cooperative Telephone Company has the following site/node locations: Windy City, Clarkes, Timber Grove, Highland, Leisure Woods, Hogback, Fallsview, Steiner, Beaver creek, Eldorado, Carus, Leland, Hoffman, Henrici, and Fairway. Site equipment is commercially fed, with eight hours of backup battery capacity that can be supplemented with portable generators at each site as needed.

Network Interface Device (NID)

Customers with metallic (copper) connections are provisioned with NIDs powered from the central office.

Customers with non-metallic (fiber optic) connections are provisioned with NIDs that are battery-powered in case of emergency. Battery backup is supplied at each location with eight hours of reserve under no use and approximately six hours of constant use.

Study Area Code: 532359

Study Area Name: Beaver Creek Cooperative Telephone Company

Program Year: 2015

Functionality in Emergency Situations (continued)

Ability to reroute traffic around damaged facilities

Beaver Creek Cooperative Telephone Company (BCT) has redundant facilities between its exchanges and/or its connecting company. Redundancy is in the form of a SONET fiber ring between BCT, CenturyLink, Inc. and Reliance Connects. CenturyLink, Inc. provides interconnection to the Public Switched Telephone Network.

Capability to manage traffic spikes resulting from emergency situations

Beaver Creek Cooperative Telephone Company's current configuration of DLCs with a 4:1 customer to GR-303 trunk ratio, coupled with customers directly fed from the central office main distribution frame puts BCT at an estimated 3:1 customer to switch interface ratio.

Trunk capacity for EAS and toll services are estimated to be between 16 to 24 customers to one trunk. Approximately 584 calls could be transported simultaneously.

Beaver Creek Cooperative Telephone Company takes no responsibility for the capabilities of interconnected networks to manage traffic spikes resulting from emergency situations and will continue its best efforts for its own networks during such events.

Beaver Creek Cooperative Telephone Company

FIVE YEAR SERVICE QUALITY IMPROVEMENT PLAN

OVERVIEW

Beaver Creek Cooperative Telephone Company ("Beaver Creek"), as an Eligible Telecommunications Carrier (ETC), currently provides Universal Service supported services to one exchange, for which there is one (1) wire center.

Consistent with Commission requirements, this Service Quality Improvement Plan addresses only Beaver Creek's regulated eligible telecommunications carrier operations.¹ A detailed description of the Company's plans for the provision of the supported services in the five-year period starting with January 2015 is provided herein. In addition to the five-year period, Beaver Creek is also providing a brief description and cost estimate for 2014 projects that are currently underway.

As reported on the USAC website (as of June 17, 2014) for calendar year 2013 Beaver Creek received a total of \$1,080,192 in USF support funds. The breakdown of the funding for 2013 is as follows:

- \$175,962 High Cost Loop Support,
- \$ 28,836 Local Switching Support
- \$253,302 Connect America Fund-Intercarrier Compensation Support
- \$622,092 Interstate Common Line Support

During calendar year 2014, Beaver Creek has received a total of \$274,136 (as of June 17, 2014) in USF support funds. The breakdown of the funding for 2014 is as follows:

- \$ 10,188 High Cost Loop Support
- \$130,972 Connect America Fund-Intercarrier Compensation Support
- \$132,976 Interstate Common Line Support

All funds are used to: 1) maintain, upgrade and improve the Company's network, and 2) to cover its operating expenses and debt commitments as necessary to permit Beaver Creek to offer a high level of service for both voice and broadband throughout its service area. The federal support payments above represent approximately 12% of the Company's 2013 revenues and operating cash flow.

IMPROVEMENT PLANS BY YEAR (2015-2019 inclusive)

Summary descriptions in accordance Part 54.202(a)(1)(ii) and Part 54.313(a)(1) by year and by wire center and present network improvements planned for the next five years are explained in the paragraphs below. Detailed expenditures on a wire center basis are contained in the attached Excel workbook. Area and population estimates impacted by the improvements are identified in the workbook. Cost estimates are broken out between voice and broadband services.

¹Per 47 C.F.R. § 54.314, federal USF support, "will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended." If investments or expenses are for service areas larger than the supported service areas, then allocations of the expenditures are required.

- Network improvement expenditures identify the cost to provide those services supported by the universal service 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. Costs incurred outside the authorized area, if any, are excluded.

Due to the current uncertainty of the amounts of support funds the Company may receive in future years, Beaver Creek advises the Commission that the deployment of specific network improvement projects may be modified, and the meeting of projected service goals muted, to accommodate the actual amount of support that is received.

COMPANY OVERVIEW

Beaver Creek is an independent local exchange carrier providing telecommunication services in a portion of Clackamas County in Northwestern Oregon. Established in 1904, it serves a current estimated population of 10,627, over a geographic area of 64 square miles. The service territory is primarily rural with two major road arterials (Beavercreek Road and State Highway 213) passing through it from north to south. The terrain can be described as a mix of hills with the highest point being Highland Butte at 1,542 feet AMSL and the lowest point being 80 feet AMSL at Windy City Road where it crosses over Milk Creek. There are numerous creeks in the territory including Abernethy Creek, Beaver Creek, Buckner Creek, Cedar Creek, Little Clear Creek, Mosier Creek, and Root Creek.

Anchor institutions include three active grade schools, three fire stations, and one post office in the service area, each (with the exception of one unmanned fire substation) being provided with requested 100-Mbps Ethernet or 1.5-Mbps DS1 services. There are two historical business districts, Beavercreek and Clarkes, with each having a small general store. Beavercreek has several businesses including a fuel station, café/tavern, and an automotive repair and sales shop. There are several churches scattered about the territory.

There are approximately 3,936 households with an estimated total population of 10,627 in the Beaver Creek service territory. The median household income level is approximately \$68,989. At year-end 2013 Beaver Creek had 40 Lifeline subscribers; Lifeline subscriber counts vary from month to month.

Beaver Creek serves its subscribers using a Lucent 5ESS Class-5 switch that was turned up in December 1998. In 2000, DSL service was offered to 100% of its service area with a minimum speed of 256-Kbps downstream by 256-Kbps upstream. As of year-end 2013, Beaver Creek had 2,660 voice subscribers with a subscriber density of 41.56 per square mile. As of year-end 2013 the Company served 2,642 DSL subscribers. There are 403 route miles of facilities.

Beaver Creek lost 246 voice subscribers and 16 broadband subscribers in 2013. The Company attributes this to competition, changing subscriber communication methods, and subscriber budget constraints. No terrestrial competitor offers voice and data services throughout the Company's service area.

SUMMARY DISCUSSION OF BEAVER CREEK COOPERATIVE TELEPHONE COMPANY PLANS FOR YEARS 2014-2019

Beaver Creek is providing the following information on budgeted projects for the calendar year 2014; although this is not required as part of the Five Year Service Quality Improvement Plan, the Company feels this information provides a baseline for its commitment to network improvements and concentration on the delivery and continuation of a robust network, providing its customers with quality voice and broadband connectivity to meet, at a minimum, the federal regulatory requirements.

YEAR 2014

PROJECT-2014.01 Spangler Central Office Building Seismic Upgrades \$10,000.00

Upgrades will address non-structural key findings that were identified in the commissioned seismic vulnerability assessment completed in August 2012. The Spangler Central Office hosts 14 Digital Loop Concentrator (DLC)/Digital Subscriber Line Access Multiplexer (DSLAM) sites serving approximately 2,642 ADSL broadband users (year-end 2013 DSL subscriber count).

PROJECT-2014.02 Hoffman Business Office Generator Connection \$25,000.00

Presently only the Keller Building is on standby generator. Beaver Creek has conduit in place up to the exterior wall of the Hoffman Building, placed in 2009. This project will complete the electrical work necessary to connect the Hoffman Building to the site generator via a transfer switch. The Hoffman Building houses the Hoffman DLC/DSLAM which services approximately 230 ADSL broadband users with current broadband speeds up to 15-Mbps downstream by 1-Mbps upstream.

PROJECT-2014.04 Monthly New Installs/Plant Additions \$122,000.00

Monthly work order activity in the Beavercreek exchange includes incidental minor construction and/or replacement work of main line facilities, service drop installations, and electronic line support equipment such as replacement power supplies for Digital Loop Concentrator/Digital Subscriber Line Access Multiplexers.

PROJECT-2014.05 DLC Battery Replacements \$15,300.00

Four DLC/DSLAM sites (Clarkes, Fairway Downs, Highland, and Hogback) require battery replacements. Existing strings will be 10 to 11 years old this year and are well past due for replacement. Sites service a total of approximately 565 ADSL broadband users with current speeds up to 15-Mbps downstream by 1-Mbps upstream.

PROJECT-2014.06 Broadband Upgrades & Additions \$11,725.00

Broadband upgrade work will consist of the replacement of up to eight ADSL service cards due to failure and age, and the addition of Gigabit Ethernet uplink hardware to one or two of the DSLAM's having traffic loads that are reaching the 150-Mbps limit of current uplink facilities. A maximum of 400 broadband customers would be affected by the additions or replacements.

PROJECT-2014.07 Beavercreek DLC/DSLAM \$10,000.00

The existing 90-line Beavercreek DLC/DSLAM was a temporary solution deployed in the first quarter of 2008 with the intent that it be replaced with a long-term solution the following year. The DSLAM has been running at capacity since 2009. A 200 to 360 line system using a refurbished cabinet from the

surplus market was installed in 2013. This project amount represents the remaining work to do that was not completed in 2013. The site currently serves 90 ADSL broadband users with current speeds up to 15-Mbps downstream by 1-Mbps upstream. When completed, the site will support up to 300 circuits consisting of DS1, DS0, POTS, ADSL, and VDSL services.

PROJECT-2014.08 Redback SE400 Spare Module \$10,000.00

Spare system cross-connect module to complement new redundant modules procured in the fourth quarter of 2011. The Redback SE400 is a broadband edge router located in the Spangler Central Office and provides Internet access to approximately 2,642 broadband users in the Beaver Creek exchange.

PROJECT-2014.09 Replacement Border Router \$30,000.00

The existing border router was purchased in 1999. It is rated for 1-Gbps throughput. At the present time peak traffic is pushing 750-Mbps through the router. Additionally the existing router has 32-bit counters and the traffic flow is causing the counters to roll over to zero very quickly which results in false traffic flow data. The replacement router is rated for 10-Gbps throughput and has 64-bit counters. The project will benefit approximately 2,642 broadband users in the Beaver Creek exchange.

TOTAL COST ESTIMATE OF ALL YEAR 2014 PROJECTS:	<u>\$234,025.00</u>
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YEAR 2015

PROJECT-2015.01 Monthly New Installs/Plant Additions \$110,000.00

Monthly work order activity in the Beaver Creek exchange includes incidental minor construction and/or replacement work of main line facilities, service drop installations, and electronic line support equipment such as replacement power supplies for Digital Loop Concentrator/Digital Subscriber Line Access Multiplexers.

PROJECT-2015.02 DLC Battery Replacements \$38,400.00

Seven DLC/DSLAM sites (Timber Grove, Windy City, Steiner, Eldorado, Carus, Hoffman, and Henrici) require battery replacements. Existing strings will be six to seven years old this year and are either due or past due for replacement according to our five year replacement schedule. Sites service a total of approximately 990 ADSL broadband users with current speeds up to 15-Mbps downstream by 1-Mbps upstream.

PROJECT-2015.03 Broadband Upgrades & Additions \$15,600.00

Broadband upgrade and addition work would consist of adding 96 ADSL2+ ports to the Occam BLC6012 chassis to offset the retirement of 96 ADSL ports in the AFC Telliant (vintage 2001) in the Central Office and the addition of up to 48 ADSL2+/VDSL2+ capable ports to the various Tellabs DLC/DSLAM systems as needed. A maximum of 144 broadband customers would be affected by the upgrades and additions.

PROJECT-2015.05 Norry Court (Norry) DLC/DSLAM \$30,000.00

This project will place a 120 circuit DLC/DSLAM system on Norry Court adjacent to an existing fiber backbone route on Beaver Creek Road. The new CSA (Carrier Serving Area) created by the installation will encompass 85 existing single family dwellings, some of which are currently restricted to a maximum of 1.5-Mbps ADSL2+ service. The installation will provide for POTS service and ADSL2+/VDSL2+ speeds up to 15-Mbps downstream by 1-Mbps or greater upstream.

PROJECT-2015.06 Eldorado Road Fiber Addition \$118,000.00

The project will place approximately 5,900 feet of buried fiber cable contained inside a 1.25-inch conduit along with a spare 1.25-inch conduit from the existing Eldorado DLC/DSLAM system north on Eldorado Road to State Highway 213 and stop immediately south of the Highway's intersection with Spangler Road. The project is the first of three phases that when completed will put the Eldorado and Carus DLC/DSLAM sites on a fiber ring with the Central Office and support fiber branch extension west on Spangler to the proposed future "Davis Farm" DLC/DSLAM site.

TOTAL COST ESTIMATE OF ALL YEAR 2015 PROJECTS:	\$312,000.00
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YEAR 2016

PROJECT-2016.01 Monthly New Installs/Plant Additions \$120,000.00

Monthly work order activity in the Beaver Creek exchange includes incidental minor construction and/or replacement work of main line facilities, service drop installations, and electronic line support equipment such as replacement power supplies for Digital Loop Concentrator/Digital Subscriber Line Access Multiplexers.

PROJECT-2016.02 Broadband Upgrades & Additions \$15,600.00

Broadband upgrade and addition work would consist of adding 96 ADSL2+ ports to the Occam BLC6012 chassis to offset the retirement of 96 ADSL ports in the AFC Telliant (vintage 2001) in the Central Office and the addition of up to 48 ADSL2+/VDSL2+ capable ports to the various Tellabs DLC/DSLAM systems as needed. A maximum of 144 broadband customers would be affected by the upgrades and additions.

PROJECT-2016.03 Buckner Creek Road (Buckner Creek) DLC/DSLAM \$30,000.00

This project will place a 120 circuit DLC/DSLAM system on Buckner Creek Road near the intersection with New Kirchner Road and adjacent to an existing fiber backbone route on Buckner Creek Road. The new CSA (Carrier Serving Area) created by the installation will encompass 71 existing single family dwellings, some of which are currently restricted to a maximum of 1.5-Mbps ADSL2+ service. The installation will provide for POTS service and ADSL2+/VDSL2+ speeds up to 15-Mbps downstream by 1-Mbps or greater upstream.

PROJECT-2016.04 State Highway 213 Fiber Addition \$124,800.00

The project will place approximately 5,200 feet of buried fiber cable contained inside a 1.25-inch conduit along with a spare 1.25-inch conduit from the existing Carus DLC/DSLAM system south on State Highway 213 and stop immediately south of the Highway's intersection with Spangler Road, connecting with Project-2015.06. The project is the second of three phases that when completed will put the Eldorado and Carus DLC/DSLAM sites on a fiber ring with the Central Office and support fiber branch extension west on Spangler to the proposed future "Davis Farm" DLC/DSLAM site.

TOTAL COST ESTIMATE OF ALL YEAR 2016 PROJECTS:	\$290,400.00
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YEAR 2017

PROJECT-2017.01 Monthly New Installs/Plant Additions \$120,000.00

Monthly work order activity in the Beavercreek exchange includes incidental minor construction and/or replacement work of main line facilities, service drop installations, and electronic line support equipment such as replacement power supplies for Digital Loop Concentrator/Digital Subscriber Line Access Multiplexers.

PROJECT-2017.02 Broadband Upgrades & Additions \$15,600.00

Broadband upgrade and addition work would consist of adding 96 ADSL2+ ports to the Occam BLC6012 chassis to offset the retirement of the last 96 ADSL ports in the AFC Telliant (vintage 2001) which shall be retired and removed from the Central Office and the addition of up to 48 ADSL2+/VDSL2+ capable ports to the various Tellabs DLC/DSLAM systems as needed. A maximum of 144 broadband customers would be affected by the upgrades and additions.

PROJECT-2017.03 Spangler Road Fiber Addition \$104,000.00

The project will place approximately 5,200 feet of buried fiber cable contained inside a 1.25-inch conduit along with a spare 1.25-inch conduit west on Spangler Road from its intersection with State Highway 213 and the junction of Projects 2016.04 and 2015.06 to the proposed future "Davis Farm" DLC/DSLAM site.

PROJECT-2017.04 Spangler Road (Davis Farm) DLC/DSLAM \$30,000.00

This project will place a 120 circuit DLC/DSLAM system on Spangler Road near the address of 13678 South Spangler Road at the west end of Project-2016.03. The new CSA (Carrier Serving Area) created by the installation will encompass 42 existing single family dwellings, some of which are currently restricted to a maximum of 1.5-Mbps ADSL2+ service. The installation will provide for POTS service and ADSL2+/VDSL2+ speeds up to 15-Mbps downstream by 1-Mbps or greater upstream.

TOTAL COST ESTIMATE OF ALL YEAR 2017 PROJECTS:	\$269,600.00
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YEAR 2018

PROJECT-2018.01 Monthly New Installs/Plant Additions \$130,000.00

Monthly work order activity in the Beavercreek exchange includes incidental minor construction and/or replacement work of main line facilities, service drop installations, and electronic line support equipment such as replacement power supplies for Digital Loop Concentrator/Digital Subscriber Line Access Multiplexers.

PROJECT-2018.02 Broadband Upgrades & Additions \$21,600.00

Broadband upgrade and addition work would consist of replacing obsolete ADSL 6+6H line cards with ADSL2+ or VDSL2+ capable line cards as needed. A maximum of 144 broadband customers would be affected by the upgrades and additions.

PROJECT-2018.03 Conversion of Central Office POTS to GR.303 \$80,000.00

Convert approximately 770 POTS circuits in the Central Office that are served from the Lucent 5ESS switch analog interfaces to GR-303 with up to four DS1 trunk circuits to the 5ESS switch. This would be a necessary step for the future upgrade to a softswitch in 2019.

PROJECT-2018.04 Central Office Battery Distribution System Upgrade \$90,000.00

Replace the existing battery distribution bay that is vintage 1985 with a new system. Re-cable all distribution circuits to individual equipment bay fuse panels. Install new rectifier system to replace current system installed in 1998.

TOTAL COST ESTIMATE OF ALL YEAR 2018 PROJECTS:	\$321,600.00
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YEAR 2019

PROJECT-2019.01 Monthly New Installs/Plant Additions \$140,000.00

Monthly work order activity in the Beavercreek exchange includes incidental minor construction and/or replacement work of main line facilities, service drop installations, and electronic line support equipment such as replacement power supplies for Digital Loop Concentrator/Digital Subscriber Line Access Multiplexers.

PROJECT-2019.02 Broadband Upgrades & Additions \$21,600.00

Broadband upgrade and addition work would consist of replacing failed line cards with ADSL2+ or VDSL2+ capable line cards as needed. A maximum of 144 broadband customers would be affected by the upgrades and additions.

PROJECT-2019.03 Replacement Broadband Remote Access Server (B-RAS) \$72,000.00

Replace existing Ericsson SmartEdge 400/600 B-RAS with an Ericsson Smart Services Router (SSR). The SSR will provide greater processing capacity and support the latest IP/MPLS routing protocols. Approximately 3,000 broadband customers would be affected by the replacement.

PROJECT-2019.04 Integrated Class-5 Softswitch \$450,000.00

Install Integrated Class-5 softswitch to replace Lucent 5ESS Class-5 switch that was turned up in December 1998. Approximately 2,500 customers would be affected by the replacement.

TOTAL COST ESTIMATE OF ALL YEAR 2019 PROJECTS:	\$683,600.00
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NETWORK IMPROVEMENT PROJECTS
AS OF 2014 ANNUAL REPORT SUBMISSION - JULY 1, 2014

MAP REF.	WIRE CENTER NAME & CLLI A	DESCRIPTION OF IMPROVEMENT B	COST ESTIMATE C	ACTUAL COST D	REGULATED % ALLOCATION E	AMOUNT IN USE SUPPORT AREA F=CXE	% VOICE ***	% BROADBAND ***	AREA IMPACTED ***	SUBSCRIBERS IMPACTED ***	TARGET COMPLETION DATE ***	ACTUAL COMPLETION DATE ***	Notes
	2015 Beavercreek BVCORXADS1	Monthly New Installs/Plant Additions/Maintenance DLC/DSLAM Battery Replacements Broadband Upgrades & Additions Norry Court (Norry) DLC/DSLAM Eldorado Road Fiber Addition (Phase 1 of 3)	\$110,000 \$38,400 \$15,600 \$30,000 \$118,000		100% 100% 100% 100% 100%	\$110,000 \$38,400 \$15,600 \$30,000 \$118,000	50% 50% 0% 50% 50%	50% 50% 100% 50% 50%	64 sq miles 24 sq miles 3 sq miles 2 sq miles 2 sq miles	2,660 990 144 85 300 (when Phase 3 is completed)	12/31/2015 12/31/2015 12/31/2015 12/31/2015 12/31/2015		

2015 TOTAL PROJECTS \$312,000

2015 TOTAL PROJECTS

NOTES

**NETWORK IMPROVEMENT PROJECTS
AS OF 2014 ANNUAL REPORT SUBMISSION - JULY 1, 2014**

MAP REF.	WIRE CENTER NAME & CLLI A	DESCRIPTION OF IMPROVEMENT B	COST ESTIMATE C	ACTUAL COST D	REGULATED % ALLOCATION E	AMOUNT IN USF SUPPORT AREA F=CXE	% VOICE ***	% BROADBAND ***	AREA IMPACTED ***	SUBSCRIBERS IMPACTED ***	TARGET COMPLETION DATE ***	ACTUAL COMPLETION DATE ***	NOTES
	2016 Beavercreek BYCCKORXADS1	Monthly New Installs/Plant Additions/Maintenance Broadband Upgrades & Additions Buckner Creek Road (Buckner Creek) DLC/DSLAM State Highway 213 Fiber Addition (Phase 2 of 3)	\$120,000 \$15,600 \$30,000 \$124,800		100% 100% 100% 100%	\$120,000 \$15,600 \$30,000 \$124,800	50% 0% 50% 50%	50% 100% 50% 50%	64 sq miles 3 sq miles 2 sq miles 1 sq mile	2,660 144 71 300 (when Phase 3 is completed)	12/31/2016 12/31/2016 12/31/2016 12/31/2016		

\$290,400

2016 TOTAL PROJECTS

NOTES

NETWORK IMPROVEMENT PROJECTS
AS OF 2014 ANNUAL REPORT SUBMISSION - JULY 1, 2014

MAP REF.	WIRE CENTER NAME & CLLI A	DESCRIPTION OF IMPROVEMENT B	COST ESTIMATE C	ACTUAL COST D	REGULATED % ALLOCATION E	AMOUNT IN USF SUPPORT AREA F=CXE	% VOICE ***	% BROADBAND ***	AREA IMPACTED ***	SUBSCRIBERS IMPACTED ***	TARGET COMPLETION	ACTUAL COMPLETION	Notes
											DATE ***	DATE ***	
	2017 Beavercreek BVCKORXADS1	Monthly New Installs/Plant Additions/Maintenance Broadband Upgrades & Additions Spangler Road Fiber Addition (Phase 3 of 3) Spangler Road (Davis Farm) DLC/DSLAM	\$120,000 \$15,600 \$104,000 \$30,000		100% 100% 100% 100%	\$120,000 \$15,600 \$104,000 \$30,000	50% 0% 50% 50%	50% 100% 50% 50%	64 sq miles 3 sq miles 1 sq mile 1 sq mile	2,660 144 300 (Phase 3 is completed) 42	12/31/2017 12/31/2017 12/31/2017 12/31/2017		

\$269,600

2017 TOTAL PROJECTS

NOTES

NETWORK IMPROVEMENT PROJECTS
AS OF 2014 ANNUAL REPORT SUBMISSION - JULY 1, 2014

MAP REF.	WIRE CENTER NAME & CLLI A	DESCRIPTION OF IMPROVEMENT B	COST ESTIMATE C	ACTUAL COST D	REGULATED % ALLOCATION E	AMOUNT IN USF SUPPORT AREA F=CXE	% VOICE ***	% BROADBAND ***	AREA IMPACTED ***	SUBSCRIBERS IMPACTED ***	TARGET COMPLETION DATE ***	ACTUAL COMPLETION DATE ***	Notes
	2018 Beavercreek BVCKORXADS1	Monthly New Installs/Plant Additions/Maintenance Broadband Upgrades & Additions Conversion of Central Office POTS to GR-303 Central Office Battery Distribution System Upgrade	\$130,000 \$21,600 \$80,000 \$90,000		100% 100% 100% 100%	\$130,000 \$21,600 \$80,000 \$90,000	50% 0% 100% 50%	50% 100% 0% 50%	64 sq miles 3 sq miles 19 sq miles 64 sq miles	2,660 144 770 2,660	12/31/2018 12/31/2018 12/31/2018 12/31/2018		

2018 TOTAL PROJECTS
\$321,600

NOTES

NETWORK IMPROVEMENT PROJECTS
AS OF 2014 ANNUAL REPORT SUBMISSION - JULY 1, 2014

MAP REF.	WIRE CENTER NAME & CLLI A	DESCRIPTION of IMPROVEMENT B	COST ESTIMATE C	ACTUAL COST D	REGULATED % ALLOCATION E	AMOUNT IN USF SUPPORT AREA F=CXE	% VOICE ***	% BROADBAND ***	AREA IMPACTED ***	SUBSCRIBERS IMPACTED ***	TARGET COMPLETION DATE	ACTUAL COMPLETION DATE	Notes
											***	***	
	2019												
	Beavercreek BVCKORXAD\$1	Monthly New Installs/Plant Additions/Maintenance Broadband Upgrades & Additions Replacement Broadband Remote Access Server (B-RAS) Integrated Class-5 Softswitch	\$140,000 \$21,600 \$72,000 \$450,000		100% 100% 100% 100%	\$140,000 \$21,600 \$72,000 \$450,000	50% 0% 0% 100%	50% 100% 100% 0%	64 sq miles 3 sq miles 64 sq miles 64 sq miles	2,660 144 3,000 2,500	12/31/2019 12/31/2019 12/31/2019 12/31/2019		

\$683,600

2019 TOTAL PROJECTS

NOTES



15223 S Henrici Road
Oregon City, OR 97045
503.632.3113

Study Area Code: 532359

Study Area Name: Beaver Creek Cooperative Telephone Company

Program Year: 2015

Terms and Conditions for Lifeline Customers

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. Lifeline subscribers, similar to every Beaver Creek Cooperative Telephone Company subscriber, are free to choose their own toll usage plans by selecting an interexchange carrier that serves Beaver Creek Cooperative Telephone Company.

Beaver Creek Cooperative Telephone Company

Study Area Code: 532359
Study Area Name: Beaver Creek
Cooperative Telephone Company
Program Year: 2015

2nd Revised Sheet No. 301

Local Service

LOCAL ACCESS LINE RATES - Cont'd

Local service is provided through facilities owned and maintained according to the standards of the Company. The territory is referred to as an exchange. Trunks and one-party service are provided.

BCT provides local service in three exchanges, Beavercreek, Oregon City and Redland.

BCT's application of rates is by exchange as determined by the geographical boundary established by the Oregon Public Utility Commission. The Beavercreek Exchange is the assigned serving area for Beaver Creek Cooperative Telephone Company (OPUC UA-51, Order 85-1167). BCT is also authorized to offer local access for the Oregon City Exchange (OPUC Ref: CP277, Order 99-763) and the Redland Exchange (OPUC Ref. CP1242, CP 131, CP 277, Order 06-155). See Exchange maps in section 6.

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 primary station is provided at a location which is both business and residence, the business rate will apply.

Local Service rates provide the means for the Company to recover the cost associated with central office switching not assigned to toll and Extended Area Service (EAS). The accounting for the separation of cost is determined by the Federal Communications Commission.

Customer premises equipment (CPE) is excluded. A customer premise inside wire is excluded.

Issued: April 20, 2006

Effective: June 1, 2006

Issued By: Arthur R. Keller

Title: Chairman of the Board

OREGON TELEPHONE ASSISTANCE PROGRAM (LIFELINE OR and OTAP)

Lifeline provides for a discount against the recurring monthly rate for the provision of local residential service for certain low-income customers. Lifeline, and OTAP are joint State and Federal Programs pursuant to 47 C.F.R. Subpart E. 54. In order to be eligible for Lifeline/OTAP subscribers must meet the requirements for the Oregon Telephone Assistance Program as defined in OAR 860-033-0030.

Lifeline subscribers may subscribe to toll-blocking at no extra charge. Toll blocking is described as "Toll Restriction". Lifeline subscribers who subscribe to toll blocking will not be required to pay service deposits in order to initiate service.

Lifeline/OTAP subscribers will not be disconnected for non-payment of toll charges, regardless of whether toll blocking is activated on their service. Non-Payment of toll charges will result in restriction of toll services. Payment of past due toll charges will be required to reconnect toll services. Partial payments received from Lifeline/OTAP subscribers will be first applied to local service and then to toll charges.

The following services are included in Lifeline:

- Voice grade access to the Public Switched Network
- Access to emergency services
- Access to interexchange services, unless toll blocking is in effect
- Toll Blocking

The discount will begin on the approval date after the Oregon Public Utility Commission notifies BCT that the customer is eligible for Lifeline/OTAP. The discount will be prorated from the effective date of the customer's application. The discount is applicable only to one access line at a residential customer's principal residence.

Issued: May 15, 2012

Effective: June 1, 2012

Issued By: Robert C. George

Title: Chairman of the Board

Beaver Creek Cooperative Telephone Company

Study Area Code: 532359
Study Area Name: Beaver Creek Cooperative Telephone Company
Program Year: 2015

5th Revised Sheet No. 310

OREGON TELEPHONE ASSISTANCE PROGRAM (LIFELINE OR OTAP) cont'd

The reductions to be applied to the residential one-party rate are as follows:

Federal Lifeline Reductions	\$9.25
State Supported Reduction (OTAP)	<u>\$3.50</u>
TOTAL	\$12.75

These reductions are from the normal residential one-party service subscribed to by the subscriber.

Issued: May 15, 2012

Effective: June 1, 2012

Issued By: Robert C. George

Title: Chairman of the Board

**BEAVER CREEK COOPERATIVE TELEPHONE COMPANY
CONSOLIDATED BALANCE SHEETS**

ASSETS

	DECEMBER 31,	
	2013	2012
CURRENT ASSETS		
Cash	\$ 207,504	\$ 192,765
Subscriber accounts receivable, less bad debt allowance of \$32,885 for 2013 and \$44,196 for 2012	696,023	835,918
Settlement and access accounts receivable	292,110	510,887
Other accounts receivable	3,789	11,742
Materials and supplies	185,096	179,145
Prepaid expenses	119,187	144,133
Total current assets	1,503,709	1,874,590
NONCURRENT ASSETS		
Marketable securities	112	94
Investments	1,834,673	1,975,760
Intangible assets	2,000	13,975
Other noncurrent assets	7,255	7,668
Deferred income taxes	129,817	130,189
Total noncurrent assets	1,973,857	2,127,686
PROPERTY, PLANT, AND EQUIPMENT		
Regulated plant in service	31,722,906	31,788,856
Regulated plant under construction	-	112,717
Nonregulated plant in service	11,445,446	11,204,529
Nonoperating plant	157,125	157,125
	43,325,477	43,263,227
Less accumulated depreciation	27,640,136	26,430,105
Net property, plant, and equipment	15,685,341	16,833,122
	\$ 19,162,907	\$ 20,835,398

**BEAVER CREEK COOPERATIVE TELEPHONE COMPANY
 CONSOLIDATED BALANCE SHEETS**

LIABILITIES AND MEMBERS' EQUITY

	<u>DECEMBER 31,</u>	
	<u>2013</u>	<u>2012</u>
CURRENT LIABILITIES		
Current portion of long-term debt	\$ 1,469,596	\$ 1,417,973
Current portion of capital lease obligations	-	32,438
Accounts payable	889,170	1,111,300
Advance billing and customer deposits	270,669	281,193
Income taxes payable	562	106
Accrued expenses	1,929,404	1,521,009
Deferred revenue	53,999	46,933
Line of credit payable	200,000	200,000
	<u>4,813,400</u>	<u>4,610,952</u>
LONG-TERM LIABILITIES		
Long-term debt, less current portion	7,818,798	9,288,608
Capital lease obligations, less current portion	-	79,094
Deferred credits	3,368	11,649
	<u>7,822,166</u>	<u>9,379,351</u>
MEMBERS' EQUITY		
Controlling interest		
Memberships and other capital	99,072	109,371
Patronage capital	6,516,704	6,824,874
Accumulated other comprehensive loss	(25,441)	(25,459)
	<u>6,590,335</u>	<u>6,908,786</u>
Noncontrolling interest		
	<u>(62,994)</u>	<u>(63,691)</u>
	<u>6,527,341</u>	<u>6,845,095</u>
	<u>\$ 19,162,907</u>	<u>\$ 20,835,398</u>

BEAVER CREEK COOPERATIVE TELEPHONE COMPANY
CONSOLIDATED STATEMENTS OF OPERATIONS

Study Area Code: 532359
Study Area Name: Beaver Creek
Cooperative Telephone Company
Program Year: 2015

	YEARS ENDED DECEMBER 31,	
	2013	2012
OPERATING REVENUES		
Local network	\$ 1,748,735	\$ 1,818,609
Interstate access	1,424,290	1,200,515
Intrastate access	359,448	284,574
Federal universal service and state high cost support	1,276,608	1,626,259
Miscellaneous	399,768	350,227
Internet, long distance, and wireless revenue	2,038,294	2,004,817
Cable television	1,461,466	1,550,456
Ad insertion and related revenues	88,598	370,114
Total operating revenues	<u>8,797,207</u>	<u>9,205,571</u>
OPERATING EXPENSES		
Plant specific	1,573,159	1,714,050
Plant nonspecific	410,078	358,880
Customer	884,608	844,294
Corporate	998,800	1,012,453
Depreciation	1,644,658	1,785,071
Amortization	11,975	14,291
Other taxes	225,817	260,410
Internet, long distance, and wireless costs	1,247,800	1,084,018
Cable television costs	1,224,188	1,187,456
Ad insertion and related costs	44,562	265,963
Other nonregulated expenses	228,302	237,585
Total operating expenses	<u>8,493,947</u>	<u>8,764,471</u>
OPERATING MARGINS	<u>303,260</u>	<u>441,100</u>
OTHER INCOME (EXPENSE)		
Interest and dividend income	149,861	83,769
Other income	25,163	185,124
Equity income (loss) in investment	812	(812)
Interest expense	(780,444)	(835,296)
Total other income and (expense)	<u>(604,608)</u>	<u>(567,215)</u>
LOSS BEFORE INCOME TAXES	<u>(301,348)</u>	<u>(126,115)</u>
Income taxes	839	17,379
LOSS BEFORE NONCONTROLLING INTEREST	<u>(302,187)</u>	<u>(143,494)</u>
NONCONTROLLING INTEREST	<u>(697)</u>	<u>(2,354)</u>
NET LOSS	<u>\$ (302,884)</u>	<u>\$ (145,848)</u>

Study Area Code: 532359
Study Area Name: Beaver Creek
Cooperative Telephone Company
Program Year: 2015

BEAVER CREEK COOPERATIVE TELEPHONE COMPANY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

	YEARS ENDED DECEMBER 31,	
	<u>2013</u>	<u>2012</u>
NET LOSS	<u>\$ (302,884)</u>	<u>\$ (145,848)</u>
Other comprehensive income (loss):		
Unrealized gain (loss) on securities available for sale	18	(112)
Reclassification adjustment	<u>-</u>	<u>-</u>
Other comprehensive loss	<u>18</u>	<u>(112)</u>
COMPREHENSIVE LOSS	<u>\$ (302,866)</u>	<u>\$ (145,960)</u>

BEAVER CREEK COOPERATIVE TELEPHONE COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS

	YEARS ENDED DECEMBER 31,	
	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (302,884)	\$ (145,848)
Adjustments to reconcile net loss to net cash from operating activities:		
Depreciation and amortization	1,656,633	1,799,362
Deferred income taxes	372	17,271
Loss attributable to noncontrolling interest	697	2,354
Equity (income) loss in affiliate investment	(812)	812
Patronage capital credits, noncash	(114,154)	(40,804)
Allowance for funds used during construction	-	(454)
Loss on disposition of assets	124,712	11,215
Effect of changes in operating assets and liabilities:		
Accounts receivable	366,625	(218,389)
Materials and supplies	(5,951)	9,181
Prepaid expenses	24,946	21,058
Other assets	413	(1,026)
Accounts payable	(222,130)	477,801
Advance billing and customer deposits	(10,524)	(17,719)
Income taxes refundable/payable	456	(194)
Accrued expenses	408,395	295,418
Deferred revenue	7,066	251
Deferred credits	(8,281)	(6,973)
Net cash from operating activities	<u>1,925,579</u>	<u>2,203,316</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant, and equipment, net	(496,877)	(576,988)
Proceeds from RTFC subordinated capital credits	159,818	75,636
Proceeds from sale of investment	17,313	-
Purchase of investments	<u>(45,790)</u>	<u>(43,215)</u>
Net cash from investing activities	<u>(365,536)</u>	<u>(544,567)</u>

BEAVER CREEK COOPERATIVE TELEPHONE COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS

	YEARS ENDED DECEMBER 31,	
	2013	2012
CASH FLOWS FROM FINANCING ACTIVITIES		
Net payments on line of credit	-	10,000
Principal payments on long-term debt	(1,418,187)	(1,557,428)
Principal payments on capital lease obligations	(111,532)	(62,554)
Patronage capital paid	(5,286)	-
Memberships received and retired, net	(10,299)	(18,413)
Net cash from financing activities	(1,545,304)	(1,628,395)
NET CHANGE IN CASH	14,739	30,354
CASH AND CASH EQUIVALENTS, beginning of year	192,765	162,411
CASH AND CASH EQUIVALENTS, end of year	\$ 207,504	\$ 192,765
SUPPLEMENTAL DISCLOSURES:		
Cash paid during the year for:		
Interest	\$ 788,859	\$ 843,711
Income taxes	\$ 11	\$ 302

To the Board of Directors
Beaver Creek Cooperative Telephone Company

We have audited the consolidated financial statements of Beaver Creek Cooperative Telephone Company (the Company) and its subsidiary for the year ended December 31, 2013, and have issued our report thereon dated April 10, 2014. Professional standards require that we provide you with the following information related to our audit.

**OUR RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY
ACCEPTED IN THE UNITED STATES OF AMERICA**

As stated in our engagement letter dated November 11, 2013, our responsibility, as described by professional standards, is to form and express an opinion about whether the consolidated financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the consolidated financial statements does not relieve you or management of your responsibilities.

Our responsibility is to plan and perform the audit in accordance with generally accepted auditing standards and to design the audit to obtain reasonable, rather than absolute, assurance about whether the consolidated financial statements are free of material misstatement. An audit of consolidated financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Beaver Creek Cooperative Telephone Company's internal control over financial reporting. Accordingly, we considered Beaver Creek Cooperative Telephone Company's internal control solely for the purposes of determining our audit procedures and not to provide assurance concerning such internal control.

We are also responsible for communicating significant matters related to the consolidated financial statement audit that, in our professional judgment, are relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

PLANNED SCOPE AND TIMING OF THE AUDIT

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters.

SIGNIFICANT AUDIT FINDINGS

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Beaver Creek Cooperative Telephone Company are described in Note 1 to the consolidated financial statements. No new accounting policies were adopted and there were no changes in the application of existing policies during 2013. We noted no transactions entered into by the Company during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the consolidated financial statements in a different period than when the transaction occurred.

Significant Accounting Estimates

Accounting estimates are an integral part of the consolidated financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the consolidated financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the 2013 interstate revenue requirement is based on: an average of regulated rate base assets, regulated operating expenses less adjustments, interstate traffic factors, and an authorized NECA rate of return. We evaluated the key factors and assumptions used to develop the interstate revenue requirement in determining that it is reasonable in relation to the consolidated financial statements taken as a whole.

Significant Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the consolidated financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the consolidated financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 10, 2014.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Company's consolidated financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Significant Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Company's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of Beaver Creek Cooperative Telephone Company and is not intended to be, and should not be, used by anyone other than these specified parties.

Mass Adams LLP

Stockton, California
April 10, 2014

AFFIDAVIT CERTIFYING USE OF UNIVERSAL SERVICE FUNDS

I, Paul E. Hauer, being of lawful age and duly sworn, on my oath, state that I am the President of Beaver Creek Cooperative Telephone Company and that I am authorized to execute this Affidavit on behalf of the Company, and the facts set forth in this Affidavit are true to the best of my knowledge, information and belief.

Pursuant to the requirements of the Federal Communications Commission, 47 C.F.R. § 54.314, Beaver Creek Cooperative Telephone Company hereby certifies to the Public Utility Commission of Oregon that it is eligible to receive federal high-cost support for the program years cited.

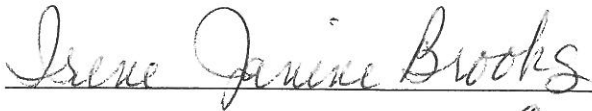
I attest that all federal high-cost support provided to Beaver Creek Cooperative Telephone Company in Oregon was used in the preceding calendar year (2013) and will be used in the coming calendar year (2015) only for the provision, maintenance and upgrading of facilities and services for which the support is intended.

DATED this 12 day of June, 2014.

By:  (Paul E. Hauer)

Its: President (President)

SUBSCRIBED AND SWORN to before me this 12th day of June, 2014.



Notary public in and for the State of Oregon

My Commission Expires: August 19, 2016

