# REDACTED - FOR PUBLIC INSPECTION

July 1, 2015

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

ATTENTION: WIRELINE COMPETION BUREAU

RE: Form 481 ETC filing pursuant to Sections 54.313 and 54.422
SAC 361476, MN, Sacred Heart Telephone Company
*Connect America Fund* WC Dockets 10-90, *11-42 and 14-58*

Dear Ms. Dortch:

Pursuant to Sections 54.313 and 54.422 of Commission's Rules, Sacred Heart Telephone Company, MN, SAC 361476 is filing its Form 481 High Cost and Low-Income Annual Report.

Sacred Heart Telephone Company seeks confidential treatment under the Protective Order in this proceeding for Section 54.313(f)(2) financial information in the 481 filing [1] and for Section 54.202(a) 5 Year Service Quality Improvement Plan annual progress report and service area progress mapping information required as part of the 481 filing pursuant to the Request for Confidential Treatment attached to this filing. Pursuant to the Protective Order, one copy of the confidential document and two copies of the redacted version are provided. The Redacted version is also being filed on the Electronic Comment Filing System.

Please address any correspondence regarding this transmittal to the attention of Tom Campbell at the following address, e-mail or telephone number.

Sincerely,

Tom Campbell
Telecommunications Consultant
tcampbell@otcpas.com
651-621-8511 (v)
651-483-2467 (f)

Enclosures

CC: Mr. Charles Tyler, FCC Telecommunications Access Policy Division (two copies confidential)

[1] See Protective Order 27, WC Docket Nos. 10-90 et al, Rec 14231 rel. November 16 ("Order")

# REDACTED – FOR PUBLIC INSPECTION

**FCC Form 481 - Carrier Annual Reporting Data Collection Form**

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

| | | |
|---|---|---|
| <010> | Study Area Code | 361476 |
| <015> | Study Area Name | SACRED HEART TEL CO |
| <020> | Program Year | 2016 |
| <030> | Contact Name: Person USAC should contact with questions about this data | Mark Aaberg |
| <035> | Contact Telephone Number: Number of the person identified in data line <030> | 3208477103 ext. |
| <039> | Contact Email Address: Email of the person identified in data line <030> | maaberg@hcinet.net |

| ANNUAL REPORTING FOR ALL CARRIERS | | 54.313 Completion Required | 54.422 Completion Required |
|---|---|---|---|
| | | (check box when complete) | |
| <100> Service Quality Improvement Reporting | (complete attached worksheet) | ✓ | |
| <200> Outage Reporting (voice) | (complete attached worksheet) | ✓ | ✓ |
| <210> ✓ <-- check box if no outages to report | | ✓ | |
| <300> Unfulfilled Service Requests (voice) | 0 | | |
| <310> Detail on Attempts (voice) | (attach descriptive document) | | |
| <320> Unfulfilled Service Requests (broadband) | 0 | ✓ | |
| <330> Detail on Attempts (broadband) | (attach descriptive document) | | |
| <400> Number of Complaints per 1,000 customers (voice) | | | |
| <410> Fixed | 0.0 | ✓ | ✓ |
| <420> Mobile | 0.0 | | |
| <430> Number of Complaints per 1,000 customers (broadband) | | ✓ | |
| <440> Fixed | 0.0 | | |
| <450> Mobile | 0.0 | | |
| <500> Service Quality Standards & Consumer Protection Rules Compliance | (check to indicate certification) | ✓ | ✓ |
| <510> 361476MN510.pdf | (attached descriptive document) | ✓ | ✓ |
| <600> Functionality in Emergency Situations | (check to indicate certification) | ✓ | ✓ |
| <610> 361476MN610.pdf | (attached descriptive document) | ✓ | ✓ |
| <700> Company Price Offerings (voice) | (complete attached worksheet) | ✓ | |
| <710> Company Price Offerings (broadband) | (complete attached worksheet) | ✓ | |
| <800> Operating Companies and Affiliates | (complete attached worksheet) | ✓ | ✓ |
| <900> Tribal Land Offerings (Y/N)? ○ ● | (if yes, complete attached worksheet) | | |
| <1000> Voice Services Rate Comparability Certification | Yes | ✓ | |
| <1010> 361476MN1010.pdf | (attach descriptive document) | ✓ | |
| <1100> Certify whether terrestrial backhaul options exist (Yes or No) ● ○ | (if not, check to indicate certification) | ✓ | |
| <1110> | (complete attached worksheet) | | |
| <1200> Terms and Condition for Lifeline Customers | (complete attached worksheet) | | ✓ |

**Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet**

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

| | | | |
|---|---|---|---|
| <2000> | (check to indicate certification) | | |
| <2005> | (complete attached worksheet) | | |

**Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet**

| | | | |
|---|---|---|---|
| <3000> | (check to indicate certification) | ✓ | |
| <3005> | (complete attached worksheet) | ✓ | |

**(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 | 361476 |
| <015> | Study Area Name | SACRED HEART TEL CO |
| <020> | Program Year | 2016 |
| <030> | Contact Name - Person USAC should contact regarding this data | Mark Aaberg |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 3208477103 ext. |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | maaberg@hcinet.net |

| | | |
|---|---|---|
| <110> | Has your company received its ETC certification from the FCC? | (yes / no ) ○ ● |
| <111> | 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 ) ○ ○ |

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.

361476MN112.pdf

Name of Attached Document

Please select the appropriate responses below (Yes, No, Not Applicable) 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 | Yes |
| <114> | Report how much universal service (USF) support was received | Yes |
| <115> | How much (USF) was used to improve service quality and how support was used to improve service quality | Yes |
| <116> | How much (USF) was used to improve service coverage and how support was used to improve service coverage | Yes |
| <117> | How much (USF) was used to improve service capacity and how support was used to improve service capacity | Yes |
| <118> | Provide an explanation of network improvement targets not met in the prior calendar year. | Yes |

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**(200) Service Outage Reporting (Voice)**
**Data Collection Form**

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

| | | |
|---|---|---|
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| <015> | Study Area Name | SACRED HEART TEL CO |
| <020> | Program Year | 2016 |
| <030> | Contact Name - Person USAC should contact regarding this data | Mark Aaberg |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 3208477103 ext. |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | maaberg@hcinet.net |

<220>

| <a> NORS Reference Number | <b1> Outage Start Date | <b2> Outage Start Time | <b3> Outage End Date | <b4> Outage End Time | <c1> Number of Customers Affected | <c2> Total Number of Customers | <d> 911 Facilities Affected (Yes / No) | <e> Service Outage Description (Check all that apply) | <f> Did This Outage Affect Multiple Study Areas (Yes / No) | <g> Service Outage Resolution | <h> Preventative Procedures |
|---|---|---|---|---|---|---|---|---|---|---|---|
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**(700) Price Offerings including Voice Rate Data**
**Data Collection Form**

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

| | | |
|---|---|---|
| <010> | Study Area Code | 361476 |
| <015> | Study Area Name | SACRED HEART TEL CO |
| <020> | Program Year | 2016 |
| <030> | Contact Name - Person USAC should contact regarding this data | Mark Aaberg |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 3208477103 ext. |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | maaberg@hcinet.net |

| | | |
|---|---|---|
| <701> | Residential Local Service Charge Effective Date | 1/1/2015 |
| <702> | Single State-wide Residential Local Service Charge | |

<703>

| <a1> | <a2> | <a3> | <b1> | <b2> | <b3> | <b4> | <b5> | <c> |
|---|---|---|---|---|---|---|---|---|
| **State** | **Exchange (ILEC)** | **SAC (CETC)** | **Rate Type** | **Residential Local Service Rate** | **State Subscriber Line Charge** | **State Universal Service Fee** | **Mandatory Extended Area Service Charge** | **Total per line Rates and Fees** |
| | | | | | | | | |

-- See attached worksheet --

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**(710) Broadband Price Offerings**
**Data Collection Form**

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

| | | |
|---|---|---|
| <010> | Study Area Code | 361476 |
| <015> | Study Area Name | SACRED HEART TEL CO |
| <020> | Program Year | 2016 |
| <030> | Contact Name - Person USAC should contact regarding this data | Mark Aaberg |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 3208477103 ext. |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | maaberg@hcinet.net |

<711>

| <a1> | <a2> | <b1> | <b2> | <c> | <d1> | <d2> | <d3> | <d4> |
|---|---|---|---|---|---|---|---|---|
| **State** | **Exchange (ILEC)** | **Residential Rate** | **State Regulated Fees** | **Total Rate and Fees** | **Broadband Service - Download Speed (Mbps)** | **Broadband Service - Upload Speed (Mbps)** | **Usage Allowance (GB)** | **Usage Allowance Action Taken When Limit Reached {*select*}** |
| | | | | | | | | |
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-- See attached worksheet --

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**(800) Operating Companies**
**Data Collection Form**

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

| | | |
|---|---|---|
| <010> | Study Area Code | 361476 |
| <015> | Study Area Name | SACRED HEART TEL CO |
| <020> | Program Year | 2016 |
| <030> | Contact Name - Person USAC should contact regarding this data | Mark Aaberg |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 3208477103 ext. |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | maaberg@hcinet.net |

| | | |
|---|---|---|
| <810> | Reporting Carrier | Sacred Heart Telephone |
| <811> | Holding Company | Hanson Communications, Inc. |
| <812> | Operating Company | Sacred Heart Telephone |

**<813>**

| <a1> | <a2> | <a3> |
|---|---|---|
| **Affiliates** | **SAC** | **Doing Business As Company or Brand Designation** |

-- See attached worksheet --

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**(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 | 361476 |
| <015> | Study Area Name | SACRED HEART TEL CO |
| <020> | Program Year | 2016 |
| <030> | Contact Name - Person USAC should contact regarding this data | Mark Aaberg |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 3208477103 ext. |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | maaberg@hcinet.net |

<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 or No or Not Applicable |
|---|---|---|
| <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. | |

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**(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 | 361476 |
| <015> | Study Area Name | SACRED HEART TEL CO |
| <020> | Program Year | 2016 |
| <030> | Contact Name - Person USAC should contact regarding this data | Mark Aaberg |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 3208477103 ext. |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | maaberg@hcinet.net |

<1120> Please confirm whether terrestrial backhaul options exist within the supported area pursuant to § 54.313(g) (Yes, No).

<1130> Please select the appropriate response (Yes, No, Not Applicable) 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).

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**(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 | 361476 |
| <015> | Study Area Name | SACRED HEART TEL CO |
| <020> | Program Year | 2016 |
| <030> | Contact Name - Person USAC should contact regarding this data | Mark Aaberg |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 3208477103 ext. |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | maaberg@hcinet.net |

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

361476MN1210.pdf

Name of Attached Document

<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. ✓

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**(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 | 361476 |
| <015> | Study Area Name | SACRED HEART TEL CO |
| <020> | Program Year | 2016 |
| <030> | Contact Name - Person USAC should contact regarding this data | Mark Aaberg |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 3208477103 ext. |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | maaberg@hcinet.net |

**Select the appropriate responses below (Yes, No, Not Applicable) 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.**

**Incremental Connect America Phase I reporting**

<2010> 2nd Year Certification {47 CFR § 54.313(b)(1)i}

<2011a> 3rd Year Certification {47 CFR § 54.313(b)(1)ii}

<2011b> Attachment {47 CFR § 54.313(b)(1)ii}

Name of Attached Document(s) Listing Required Information

**Price Cap Carrier Receiving Frozen Support Certification {47 CFR § 54.312(a)}**

<2012> 2013 Frozen Support Calculation {47 CFR § 54.313(c)(1)}

<2013> 2014 Frozen Support Calculation {47 CFR § 54.313(c)(2)}

<2014> 2015 Frozen Support Calculation {47 CFR § 54.313(c)(3)}

<2015> 2016 and future Frozen Support Calculation {47 CFR § 54.313(c)(4)}

**Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}**

<2016> Certification Support Used to Build Broadband

**Connect America Phase II Reporting {47 CFR § 54.313(e)}**

<2017> 3rd year Broadband Service Certification

<2018> 5th year Broadband Service Certification

<2019> Interim Progress Certification

<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.

<2021> Interim Progress Community Anchor Institutions

Name of Attached Document(s) Listing Required Information

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**(3000) Rate Of Return Carrier Additional Documentation**

**Data Collection Form**

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July 2013

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|---|---|---|
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| <015> | Study Area Name | SACRED HEART TEL CO |
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| <035> | Contact Telephone Number - Number of person identified in data line <030> | 3208477103 ext. |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | maaberg@hcinet.net |

**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)}

361476MN3010.pdf

Name of Attached Document Listing Required Information

(3011) Please check this box to confirm that the attached document(s), on line 3012 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)(ii)}

Name of Attached Document Listing Required Information

(3013) Is your company a Privately Held ROR Carrier {47 CFR § 54.313(f)(2)} (Yes/No) ◉ ○

(3014) If yes, does your company file the RUS annual report (Yes/No) ○ ◉

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

Name of Attached Document Listing Required Information

(3018) If the response is no on line 3014, Is your company audited? (Yes/No) ◉ ○

If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains

(3019) Either a copy of their audited financial statement; or (2) a financial report 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 and audit opinion 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

361476MN3026.pdf

Name of Attached Document Listing Required Information

**(3000) Rate Of Return Carrier Additional Documentation (Continued)**

**Data Collection Form**

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

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| <035> | Contact Telephone Number - Number of person identified in data line <030> | 3208477103 ext. |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | maaberg@hcinet.net |

**Financial Data Summary**

| | |
|---|---|
| (3027) Revenue | 27961608 |
| (3028) Operating Expenses | 27713013 |
| (3029) Net Income | 892568 |
| (3030) Telephone Plant In Service(TPIS) | 96755822 |
| (3031) Total Assets | 49155346 |
| (3032) Total Debt | 20785714 |
| (3033) Total Equity | 26383006 |
| (3034) Dividends | 3105251 |

Name of Attached Document Listing Required Information



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| **Certification - Reporting Carrier Data Collection Form** | FCC Form 481<br>OMB Control No. 3060-0986/OMB Control No. 3060-0819<br>July 2013 |
|---|---|

| | | |
|---|---|---|
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| <039> | Contact Email Address - Email Address of person identified in data line <030> | maaberg@hcinet.net |

**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: SACRED HEART TEL CO

Signature of Authorized Officer: CERTIFIED ONLINE Date 06/25/2015

Printed name of Authorized Officer: Bruce Hanson

Title or position of Authorized Officer: Treasurer

Telephone number of Authorized Officer: 3208477103 ext.

Study Area Code of Reporting Carrier: 361476 Filing Due Date for this form: 07/01/2015

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<br>Data Collection Form | FCC Form 481<br>OMB Control No. 3060-0986/OMB Control No. 3060-0819<br>July 2013 |
|---|---|

| | | |
|---|---|---|
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| <039> | Contact Email Address - Email Address of person identified in data line <030> | maaberg@hcinet.net |

**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

REDACTED – FOR PUBLIC INSPECTION

**(700) Price Offerings including Voice Rate Data**
**Data Collection Form**

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

| | | |
|---|---|---|
| <010> | Study Area Code | 361476 |
| <015> | Study Area Name | SACRED HEART TEL CO |
| <020> | Program Year | 2016 |
| <030> | Contact Name - Person USAC should contact regarding this data | Mark Aaberg |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 3208477103 ext. |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | maaberg@hcinet.net |

| | | |
|---|---|---|
| <701> | Residential Local Service Charge Effective Date | 1/1/2015 |
| <702> | Single State-wide Residential Local Service Charge | |

<703>

| <a1> | <a2> | <a3> | <b1> | <b2> | <b3> | <b4> | <b5> | <c> |
|---|---|---|---|---|---|---|---|---|
| **State** | **Exchange (ILEC)** | **SAC (CETC)** | **Rate Type** | **Residential Local Service Rate** | **State Subscriber Line Charge** | **State Universal Service Fee** | **Mandatory Extended Area Service Charge** | **Total per line Rates and Fees** |
| MN | Sacred Heart | | FR | 16.0 | 0.0 | 0.0 | 0.0 | 16.0 |

**(710) Broadband Price Offerings**
**Data Collection Form**

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

| | | |
|---|---|---|
| <010> | Study Area Code | 361476 |
| <015> | Study Area Name | SACRED HEART TEL CO |
| <020> | Program Year | 2016 |
| <030> | Contact Name - Person USAC should contact regarding this data | Mark Aaberg |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 3208477103 ext. |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | maaberg@hcinet.net |

<711>

| <a1> State | <a2> Exchange (ILEC) | <b1> Residential Rate | <b2> State Regulated Fees | <c> Total Rates and Fees | <d1> Broadband Service - Download Speed (Mbps) | <d2> Broadband Service -Upload Speed (Mbps) | <d3> Usage Allowance (GB) | <d4> Usage Allowance Action Taken When Limit Reached {select} |
|---|---|---|---|---|---|---|---|---|
| MN | Sacred Heart | 40.95 | 0.0 | 40.95 | 15.0 | 1.0 | 0.0 | Other, no usage on limit allowance |
| MN | Sacred Heart | 40.95 | 0.0 | 40.95 | 8.0 | 1.0 | 0.0 | Other, no usage on limit allowance |

REDACTED – FOR PUBLIC INSPECTION

**(800) Operating Companies**
**Data Collection Form**

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

| | | |
|---|---|---|
| <010> | Study Area Code | 361476 |
| <015> | Study Area Name | SACRED HEART TEL CO |
| <020> | Program Year | 2016 |
| <030> | Contact Name - Person USAC should contact regarding this data | Mark Aaberg |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 3208477103 ext. |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | maaberg@hcinet.net |

| | | |
|---|---|---|
| <810> | Reporting Carrier | Sacred Heart Telephone |
| <811> | Holding Company | Hanson Communications, Inc. |
| <812> | Operating Company | Sacred Heart Telephone |

<813>

| <a1> Affiliates | <a2> SAC | <a3> Doing Business As Company or Brand Designation |
|---|---|---|
| Clara City Telephone | 361370 | Clara City Telephone |
| Sacred Heart Telephone | 361476 | Sacred Heart Telephone |
| Starbuck Telephone | 361487 | Starbuck Telephone |
| Ft Randall Telephone | 391660 | Ft Randall Telephone & Mount Rushmore Telephone |
| Zumbrota Telephone | 361515 | Zumbrota Telephone |
| Telephone Service Company | 300659 | Telephone Service Company |
| Middle Point Telephone | 300633 | Middle Point Telephone |

REDACTED – FOR PUBLIC INSPECTION

SAC: 361476
State: MN
Sacred Heart Telephone
Form 481 Line No. 112 Five Year Service Quality Improvement Plan

## ATTACHMENT REDACTED IN ENTIRETY

SAC: 361476
State: MN
Sacred Heart Telephone
Form 481 Line No. 510 Compliance with Service Quality Standards and Consumer Protection

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As required by MN. Rule "7812.0700 Minnesota General Service Quality Requirements. Subpart 1" the local services provided by Sacred Heart Telephone are provided under internal company operating procedures and publically available tariffs which are in compliance with applicable Minnesota Public Utility Commission orders and rules including:

7810.0100 DEFINITIONS.
7810.0200 SCOPE.
7810.0300 STATUTORY AUTHORITY.

**RECORDS AND REPORTS**
7810.0400 RETENTION OF RECORDS.
7810.0500 DATA TO BE FILED WITH THE COMMISSION.
7810.0600 REPORT TO COMMISSION ON SERVICE DISRUPTION.
7810.0900 LOCATION OF RECORDS.

**CUSTOMER RELATIONS**
7810.1000 INFORMATION AVAILABLE TO CUSTOMER AND PUBLIC.
7810.1100 COMPLAINT PROCEDURES.
7810.1200 RECORD OF COMPLAINT.

**CUSTOMER BILLING; DEPOSIT AND GUARANTEE REQUIREMENTS**
7810.1400 CUSTOMER BILLING.
7810.1500 DEPOSIT AND GUARANTEE REQUIREMENTS.
7810.1600 DEPOSIT.
7810.1700 GUARANTEE OF PAYMENT.

**DISCONNECTION OF SERVICE; SERVICE DELAY**
7810.1800 PERMISSIBLE SERVICE DISCONNECTIONS WITH NOTICE.
7810.1900 PERMISSIBLE SERVICE DISCONNECTIONS WITHOUT NOTICE.
7810.2000 NONPERMISSIBLE REASONS TO DISCONNECT SERVICE.
7810.2100 MANNER OF DISCONNECTION.
7810.2200 RECONNECTION OF SERVICE.
7810.2300 NOTICE REQUIREMENTS.
7810.2400 BILL DISPUTES.
7810.2500 ESCROW PAYMENTS.
7810.2600 WAIVING RIGHT TO DISCONNECT; EMERGENCY STATUS.
7810.2800 DELAY IN INITIAL SERVICE OR UPGRADE.

**DIRECTORIES**
7810.2900 CONTENT OF DIRECTORIES.
7810.3000 DIRECTORY ASSISTANCE.
7810.3100 CHANGES OR ERROR OF LISTED NUMBER.

**ENGINEERING**
7810.3200 CONSTRUCTION OF TELEPHONE PLANT.
7810.3300 MAINTENANCE OF PLANT AND EQUIPMENT.
7810.3900 EMERGENCY OPERATIONS.

SAC: 361476
State: MN
Sacred Heart Telephone
Form 481 Line No. 510 Compliance with Service Quality Standards and Consumer Protection

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**INSPECTIONS, TESTS, SERVICE REQUIREMENTS**
7810.4100 ACCESS TO TEST FACILITIES.
7810.4300 ACCURACY REQUIREMENTS.
7810.4900 ADEQUACY OF SERVICE.
7810.5000 UTILITY OBLIGATIONS.
7810.5100 TELEPHONE OPERATORS.
7810.5200 ANSWERING TIME.
7810.5300 DIAL SERVICE REQUIREMENTS.
7810.5400 INTEROFFICE TRUNKS.
7810.5500 TRANSMISSION REQUIREMENTS.
7810.5800 INTERRUPTIONS OF SERVICE.
7810.5900 CUSTOMER TROUBLE REPORTS.
7810.6000 PROTECTIVE MEASURES.
7810.6100 SAFETY PROGRAM.

Sacred Heart Telephone is in compliance with Federal CPNI rules, Red Flag Rules and other Federal and State requirements governing the protection of Customer's privacy.

SAC: 361476
State: MN
Sacred Heart Telephone
Form 481 Line No. 610 Description of Functionality in Emergency Situations

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Sacred Heart Telephone pursuant to MN Rule "7810.390 Emergency Operations" has:

- Established reasonable provisions' to meet emergencies resulting from failures of lighting or power service, sudden and prolonged increases in traffic, illness of operators or from fire, storm, or acts of God including provisions for emergency power that meet or exceed the rule requirement to provide:
    - A minimum of four hours of battery service in each central office.
    - A permanently installed power unit in exchanges exceeding 5000 lines.
    - Mobile power units that can be delivered on short notice and which can be readily. connected in offices without installed emergency power facilities.

- Has informed employees as to the procedures to be followed, including reasonable rerouting of traffic around damaged facilities and the deployment of emergency power, in the event of emergency in order to prevent or mitigate interruption or impairment of telecommunications service.

SAC: 361476
State: MN
Sacred Heart Telephone
Form 481 Line No. 1010 Descriptive document for Voice Services Rate Comparability

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Line 1010 – Description of Voice Services Rate Comparability: Provide a detailed description of how your pricing of fixed voice services is no more than two standard deviations above the applicable national average urban rate for voice service, as published annually by the Wireline Competition Bureau, as required in 47 C.F.R. § 54.313(a)(10).

On April 16, 2015 the Wireline Competition Bureau announced results of the Urban Rate Survey for Voice Services; as part the FCC Public Notice DA 14-384. Referenced in this public notice are the results required to meet the rate comparability as noted:

"Based on the survey responses, the Bureau also calculated the reasonable comparability benchmark for voice services to be $47.48

9. Id. at 17694, para. 84."

As required Sacred Heart Telephone hereby certifies that its current fixed voice services for residential subscribers as defined in the USF/ICC Transformation Order is below $47.48.

SAC: 361476
State: MN
Sacred Heart Telephone
Form 481 Line No. 1210 Lifeline Plans Terms and Conditions

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Sacred Heart Telephone does adhere to all Federal Lifeline eligibility rules and regulations as well as Minnesota Administrative Rule "7817.0400 - Eligibility for Telephone Assistance Credits" which states:

**Minnesota Administrative Rule 237 Chapter 7817.0400**

**Subpart 1. Information provided.** Each local service provider shall annually mail a notice of the availability of the telephone assistance plan to each residential subscriber in a regular billing. If a subscriber has chosen to receive the regular billing other than through U.S. mail, the local service provider shall send the notice in a regular billing using the delivery method chosen by the subscriber for delivery of the regular billing. The notice must state the following: YOU MAY BE ELIGIBLE FOR ASSISTANCE IN PAYING YOUR TELEPHONE BILL IF YOU RECEIVE BENEFITS FROM CERTAIN LOW-INCOME ASSISTANCE PROGRAMS OR MEET CERTAIN INCOME LIMITS. FOR MORE INFORMATION OR AN APPLICATION FORM PLEASE CONTACT
_____*(local service provider)*_____. On request, the local service provider shall mail to a person an application form developed by the commission and the Department of Commerce, and a brochure that describes the telephone assistance plan's eligibility requirements and application process.

**Subpart 2. Application process.** On completing and signing the application certifying under penalty of perjury that the information provided by the applicant is true and that the statutory criteria for eligibility are satisfied, the applicant must return it to the local service provider for enrollment in the telephone assistance plan. An application may be made by the subscriber, the subscriber's spouse, or a person authorized by the subscriber to act on the subscriber's behalf.

**Subpart 4. Eligibility criteria.** To be eligible for a telephone assistance credit the applicant must:

A. be a subscriber who resides in Minnesota or has moved to Minnesota and intends to remain; and
B. be eligible for the federal Lifeline telephone service discount.

**Subpart 7. Applicant and recipient responsibilities.** Each applicant and each recipient shall provide current information to the local service provider about permanent changes that affect the applicant's or recipient's eligibility.

**Subpart 8. Local service provider responsibilities.**

A. A local service provider shall begin providing telephone assistance credits to an applicant in the earliest possible billing cycle but not later than the second billing cycle following submission of a completed application demonstrating eligibility. If certified, the local service provider shall notify the applicant by, for example, placing telephone assistance credits on the bill.
B. If an applicant is denied eligibility, the local service provider shall notify the applicant in writing of the reasons for the denial, of the right to appeal, and of the right to reapply.

SAC: 361476
State: MN
Sacred Heart Telephone
Form 481 Line No. 1210 Lifeline Plans Terms and Conditions

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Rates

Sacred Heart Telephone Local service rates that serve as its Lifeline Plans are filed in Compliance with the regulatory requirements of Minn. Rules Ch. 7810 and Minn. Rules pt. 7812.0600 as follows:

A. The tariffs or price lists of local exchange carriers must offer the following services to all customers pursuant to Minn. Rules pt. 7812.0600 (basic service requirements):

____ single party voice-grade service and touch-tone capability;

____ 911 or enhanced 911 access;

____ 1 + intraLATA and interLATA presubscription and code-specific equal access to interexchange carriers subscribing to its switched access service;

____ access to directory assistance, directory listings, and operator services;

____ toll and information service-blocking capability without recurring monthly charges

____ one white pages directory per year for each local calling area, which may include more than one local calling area, except where an offer is made and explicitly refused by the customer;

____ a white pages and directory assistance listing, or, upon customer request, a private listing that allows the customer to have an unlisted or unpublished telephone number;

____ call-tracing capability according to chapter 7813;

___ (i) call Trace provisions in tariff mirror Commission's tariff templates.

____ blocking capability according to the Commission's ORDER ESTABLISHING CONDITIONS FOR THE PROVISION OF CUSTOMER LOCAL AREA SIGNALING SERVICES, Docket No. P999/CI-92-992 (June 17, 1993) and its ORDER AFTER RECONSIDERATION, Docket No. P999/CI-92-992 (December 3, 1993).

____ telecommunications relay service capability or access necessary to comply with state and federal regulations.

B. A Separate flat rate service offering is required pursuant to Minn. Rules pt. 7812.0600, subpt. 2. At a minimum, each local service provider (LSP) shall offer the services identified in Minn. Rules pt. 7812.0600, subpt. 1 as a separate tariff or price list offering on a flat rate basis. An LSP may also offer basic local service on a measured rate basis or in combination with other services. An LSP may impose separate charges for the services set forth in subpart 1 only to the extent permitted by applicable laws, rules, and commission orders.

SAC: 361476
State: MN
Sacred Heart Telephone
Form 481 Line No. 1210 Lifeline Plans Terms and Conditions

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C. Service area obligations under Minn. Rules pt. 7812.0600, subpt. 3: An LSP shall provide its local services on a nondiscriminatory basis, consistent with its certificate under part 7812.0300 or 7812.0350, to all customers who request service and whose premises fall within the carrier's service area boundaries or, for an interim period, to all requesting customers whose premises fall within the operational areas of the local service provider's service area under part 7812.0300, subpart 4, or 7812.0350, subpart 4. The obligation to provide resale services does not extend beyond the facilities-based services does not require an LSP that is not an eligible telecommunications carrier (ETC) to build out its facilities to customers not abutting its facilities or to serve a customer if the local service provider cannot reasonably obtain access to the point of demarcation on the customer's premises. service capability of the underlying carrier whose service is being resold. The obligation to provide

The flat rate services, offered pursuant to Minn. Rules pt. 7812.0600, subpt. 2., include unlimited local service minutes of use. The local services offerings do not include any toll minutes of use. The rates for any toll usage are determined by the rate plans of the Toll Provider(s) that end users are selected by lifeline by end users.

The specific Company terms and conditions for the Companies Lifeline Plans are set forth in the tariff pages included in Exhibit 1, attached.

Exhibit 1

SAC: 361476
State: MN
Sacred Heart Telephone
Form 481 Line No. 1210 Lifeline Plans Terms and Conditions

LIFELINE AND MINNESOTA TELEPHONE ASSISTANCE PLAN (TAP)

The Lifeline Assistance (Lifeline) program, established by the Federal Communications Commission under 47CFR54, is a means of maintaining and preserving universal service by providing a reduction in the recurring price of basic local residential exchange access service to qualifying low-income residential subscribers.

TAP is a state sponsored assistance program under Minnesota Statutes Chapter 237 and is designed to make telephone service accessible to qualifying low-income residential households. Through this program, eligible households will receive a monthly discount on their telephone service.

1. General

   a. Lifeline is a federally-funded reduction of the Federal End User Common Line Charge and a reduction of local service charges. The Federal Lifeline Credit shall be applied first to reduce the Federal End User Common Line Charge, with any remaining federal credit to be applied to reduce rates for residential service. The state TAP credit shall be applied to further reduce the rates charged for residential services. (T) (N) (N) (D) (D)

   b. Federal Universal Service Charge (FUSC) will not be billed to Lifeline customers. (T)

   c. Local service for Lifeline subscribers may not be disconnected for non-payment of toll charges.

      1). Toll Restriction Service will be provided to Lifeline subscribers at no charge.

      2). Lifeline subscribers are not required to accept Toll Restriction Service as a condition to avoid disconnection of local service for non-payment of toll.

      3). Lifeline subscribers are not required to pay a service deposit in order to initiate service if the subscriber voluntarily elects to receive Toll Restriction Service.

   d. Partial payments from Lifeline subscribers will be applied first to local service charges and then to toll charges.

2. Eligibility Requirements

   a. Lifeline will be provided for one (1) telephone line per household, at the subscriber's principal place of residence, to those individuals who meet the eligibility requirements.

   b. The applicant has income at or below 135 percent of the Federal Poverty Guidelines or participates in one of the following programs:

      - Medicaid/Medical Assistance
      - Food Support/Food Stamps
      - Minnesota Family Investment Program (MFIP)
      - Supplemental Security Income
      - Federal Public Housing Assistance or Section 8
      - Low Income Home Energy Assistance Program (LIHEAP)
      - National School Lunch Program's Free Lunch Program
      - Temporary Assistance for Needy Families (TANF)

LIFELINE AND MINNESOTA TELEPHONE ASSISTANCE PLAN (TAP) (Continued)

5. Regulations

   a. The Federal Lifeline and state TAP credit will begin at the customer's earliest possible billing cycle but no later than the second billing cycle after the date the application for the Federal Lifeline and state TAP credit is received by the telephone company.

   b. A service charge shall not be billed to establish qualification for either the Federal Lifeline or state TAP credit.

   c. When a customer enrolls for the state TAP credit, the Company is reimbursed for the cost of the service order activity.

6. Funding

   The Federal Lifeline Credit is funded through the FCC universal service program. The state TAP credit shall be funded through the state Telephone Assistance Plan Surcharge on residence and business access lines which pay the 911 surcharge.

7. Rates

   The surcharge rate is the effective rate ordered by the Minnesota Public Utilities Commission. The company is responsible for billing, collecting and remitting the surcharge to appropriate government agency.

| | Monthly Rate | |
|---|---|---|
| State TAP Credit | $2.50 | |
| Federal Lifeline Credit | $9.25 | (C) |

(D)

(D)

## Rates

Exchange - Sacred Heart

| Class of Service | Monthly Rates | |
|---|---|---|
| BUSINESS: | | |
| One Party | $ 22.50 | |
| Key System Line | 22.50 | |
| Basic Coin Telephone Service | 22.50 | |
| RESIDENCE: | | |
| One Party | 16.00 | (I) |

All rates are billed in advance. Payment for service is due when the statement is rendered.

Vacation rate service is available for customers requiring less than 12 months of service per year. The rate for vacation service is determined in accordance with section 5, page 51 of this tariff book.

LONG DISTANCE SERVICE (N)

**TERMS AND CONDITIONS**

**I. Services Provided**

The Company provides access to facilities, services and equipment over which customers may transmit voice, data and other communications of their own choosing to intrastate and interstate destinations.

**II. Charges, Bills and Payment for Service**

a. Service is provided and billed on a monthly basis pursuant to the general terms and conditions of this tariff, and will continue to be provided and billed until canceled by the customer or terminated by the Company.

b. The Company will pass through to its customers all applicable federal, state and local taxes or surcharges.

**III. RATES**:

1. Standard Toll Service – Per Minute Plan

a. Application of Rates

Standard Toll Service – Per Minute Plan is available to business and residential customers for outbound calling, 24 hours each day. Calls are billed in an initial thirty (30) second increment, thereafter in 6-second increments, and originate and terminate on customer-provided switched access lines. Rates are not mileage sensitive. This service is offered on a month-to-month basis. No minimum commitment is required.

b. Rates:

| | |
|---|---|
| IntraLATA per minute rate (8:00 AM to 6:00 PM Monday to Friday) | $ .23 |
| IntraLATA per minute rate (all other periods) | .11 |
| InterLATA per minute rate (all hours) | .15 |

(N)

LONG DISTANCE SERVICE (Continued)

**III. RATES**: (Continued)

2. Long Distance Toll Plans

a. Application of Rates

Long Distance Toll Plans are available to business and residential customers for outbound calling 24 hours each day. Calls are billed in an initial thirty (30) second increment, thereafter in 6-second increments, and originate and terminate on customer-provided switched access lines. Rates are not mileage or time-of-day sensitive. This service is offered on a month-to-month basis. No minimum commitment is required.

b. Residence Rates:

| | |
|---|---|
| 1) Monthly Flat Rate Plan: | |
| Installation charge | $ .00 |
| Monthly Recurring Charge | 4.95 |
| Per minute rate (all hours) | .07 |
| 2) Unlimited Toll Plan | |
| Monthly recurring charge | $ 14.95 # |

c. Business Rates:

| | |
|---|---|
| 1) Monthly Flat Rate Plan: | |
| Installation charge | $ .00 |
| Monthly Recurring Charge | 4.95 |
| Per minute rate (all hours) | .07 |
| 2) Unlimited Toll Plan | |
| Monthly recurring charge | $ 25.00 ## |

# Unlimited is restricted to non-business activities and not for dial-up internet service. Any usage in excess of 5,000 minutes per month would be subject to review and termination.

## Unlimited is a per-line charge restricted to non-call center activities and not for dial-up internet service. Any usage in excess of 5,000 minutes per month would be subject to review and termination.

SAC: 361476
State: MN
Sacred Heart Telephone
Response to Line 3010 – Milestone Certification (47 CFR §54.313(f)(1)(i))

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Sacred Heart Telephone hereby certifies that throughout 2014, it took reasonable steps to provide upon reasonable request broadband service at actual speeds of at least 4 Mbps downstream/1 Mbps upstream, and currently, it is taking reasonable steps to provide upon reasonable request actual speeds of at least 10 Mbps downstream/1 Mbps upstream broadband service at with latency suitable for real-time applications, including Voice over Internet Protocol, and usage capacity that is reasonably comparable to comparable offerings in urban areas as determined in an annual survey, and that requests for such service are met within a reasonable amount of time.

SAC: 361476
State: MN
Sacred Heart Telephone
Form 481 Line No. 3026

## ATTACHMENT REDACTED IN ENTIRETY