

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	A. Signature <i>Tresh Lundell</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
	B. Received by (Printed Name) <i>Tresh Lundell</i>	C. Date of Delivery <i>11-15-14</i>
1. Article Addressed to: <i>Michael Jandreau            PO Box 187            Lower Brule, SD            57548</i>	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
2. Article Number (Transfer from service label)	7011 0470 0002 3952 9266	
PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540		

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	A. Signature <i>Tresh Lundell</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
	B. Received by (Printed Name) <i>Tresh Lundell</i>	C. Date of Delivery <i>12-4-14</i>
1. Article Addressed to: <i>Michael Jandreau            P.O. Box 187            Lower Brule, SD            57548-0187</i>	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
2. Article Number (Transfer from service label)	7011 0470 0002 3952 9273	
PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540		

**Kennebec Telephone Company**

**Lifeline Terms and Conditions**

Kennebec Telephone Company ("Kennebec") offers Lifeline program-supported service to qualified low-income residential consumers for one telephone line per eligible household. The Lifeline program provides discounts to eligible low-income consumers to help them establish and maintain telephone service. Lifeline assistance lowers the cost of basic, monthly local telephone service. Eligible consumers can receive \$9.25 per month in discounts. In addition, the Federal Universal Service Charge is not assessed to consumers participating in Lifeline. Toll Blocking prevents the placement of all long distance calls for which a subscriber would be charged. Toll blocking is available to eligible consumers at no cost. Also, by choosing this option, consumers are usually not charged a deposit.

**Lifeline Program Eligibility Information**

**Program Based Eligibility**

Consumers are eligible for Lifeline if they, one of their dependents or their household participate in one of the following qualifying assistance programs:

- Low-Income Home Energy Assistance Program (LIHEAP)
- Federal Public Housing Assistance (Section 8)
- Supplemental Nutrition Assistance Program (SNAP)
- Medicaid
- National School Lunch Program's Free Lunch Program
- Supplemental Security Income (SSI)
- Temporary Assistance for Needy Families (TANF)

Lifeline applicants must present documentation demonstrating eligibility either through participation in one of the qualifying federal assistance programs or through income-based means.

Acceptable documentation of program-based eligibility includes: current or prior year's statement of benefits from a qualifying state, federal or Tribal program; notice letter of participation in a qualifying state, federal or Tribal program; program participation documents; or another official document evidencing the consumer's participation in a qualifying state, federal or Tribal program.

**Income Based Eligibility**

In addition, consumers are eligible for Lifeline if their household income is at or below 135% of the federal poverty guidelines.

2015 Federal Poverty Guidelines – 135%

Household Size	48 Contiguous States and D.C.	Alaska	Hawaii
1	\$15,889	\$19,872	\$18,292
2	\$21,505	\$26,892	\$24,745
3	\$27,121	\$33,912	\$31,198
4	\$32,737	\$40,932	\$37,651
5	\$38,353	\$47,952	\$44,104
6	\$43,969	\$54,972	\$50,557
7	\$49,585	\$61,992	\$57,010
8	\$55,201	\$69,012	\$63,463
For each additional person, add	\$5,616	\$7,020	\$6,453

Acceptable documentation of income eligibility includes: prior year's state, federal or Tribal tax return; current income statement from an employer or paycheck stub; social security statement of benefits; Veterans Administration statement of benefits; retirement/pension statement of benefits; unemployment/workmen's compensation statement of benefits; federal or Tribal notice of letter participating in General Assistance; or a divorce decree or child support award or other official document containing income information.

**Tribal Eligibility**

A subscriber who lives on Tribal lands and is an eligible resident of Tribal lands is eligible for Tribal Lifeline service or Tribal Link Up if the subscriber, one or more of the subscriber's dependents, or the subscriber's household participates in any of the above-listed qualifying assistance programs or one of the following Tribal-specific federal assistance programs: Bureau of Indian Affairs General Assistance; Tribally Administered Temporary Assistance for Needy Families; Head Start (if income eligibility criteria are met); or the Food Distribution Program on Indian Reservations (FDPIR). Tribal subscribers may also qualify if the household income is at or below 135% of the Federal Poverty Guidelines.

**Numbers of Minutes-of-Use Provided as Part of Lifeline Program Service**

Kennebec's Voice Lifeline service includes unlimited local minutes-of-use within the toll-free calling area. Kennebec's Voice Lifeline Plan does not include any free minutes-of-use for toll. Toll is billed at the standard toll rate depending on which interexchange carrier the consumer subscribes to for toll service. As part of the Lifeline service, Toll blocking is available to eligible consumers at no cost.

**Rates**

Subscribers may receive the Lifeline credit on any type or grade of local service, including bundled services that are normally offered by Kennebec Telephone Company. Advertised rates do not include any applicable taxes or surcharges.

**Recertification of Lifeline Eligibility**

Lifeline recipients are required to recertify their eligibility annually. Failure to properly recertify a recipient's continued eligibility for the Lifeline program will result in termination of the Lifeline recipient's monthly Lifeline discount and de-enrollment from the Lifeline Program.

**Additional Lifeline Program Information**

The Lifeline program is limited to one benefit per household, consisting of either wireline or wireless service. A household is defined, for purposes of the Lifeline program, as an individual or group of individuals who live together at the same address and share income and expenses. Lifeline is a government benefit program, and consumers who willfully make false statements in order to obtain the benefit can be punished by fine or imprisonment or can be barred from the program.

## **Kennebec Telephone Company**

### **Progress Report of 5 Year Plan – Milestone Certification**

To be in compliance with the Milestone Certification of providing upon a reasonable request broadband service at actual speeds of 4 Mbps downstream/1 Mbps upstream:

- Kennebec Telephone Company certifies that it has taken reasonable steps to provide upon a reasonable request broadband service at actual speeds of 4 Mbps downstream/1 Mbps upstream with latency suitable for real-time applications, including Voice over Internet Protocol.
- The Company provides usage capacity that is reasonably comparable to comparable offerings in urban areas.
- The Company certifies that requests for such service are met within a reasonable amount of time.

**Kennebec Telephone Company**

**Progress Report on 5 Year Plan – Community Anchor Institutions**

Kennebec Telephone Company does not have any newly served community anchor institutions because all anchor institutions had broadband service available to them prior to 2014.

**REDACTED - FOR PUBLIC INSPECTION**

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0031. The time required to complete this information collection is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

USDA-RUS  <b>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b>	This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential. BORROWER NAME Kennebec Telephone Company, Inc.
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INSTRUCTIONS-Submit report to RUS within 30 days after close of the period. For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.	PERIOD ENDING December, 2014	BORROWER DESIGNATION SD0536
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**CERTIFICATION**

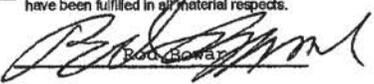
We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

**ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.**

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

All of the obligations under the RUS loan documents have been fulfilled in all material respects.

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report

 Bob Bowser      3/26/2015  
 DATE

PART A. BALANCE SHEET					
	BALANCE	BALANCE		BALANCE	BALANCE
ASSETS	PRIOR YEAR	END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	PRIOR YEAR	END OF PERIOD
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>		
1. Cash and Equivalents			25. Accounts Payable		
2. Cash-RUS Construction Fund			26. Notes Payable		
3. Affiliates:			27. Advance Billings and Payments		
a. Telecom, Accounts Receivable			28. Customer Deposits		
b. Other Accounts Receivable			29. Current Mat. L/T Debt		
c. Notes Receivable			30. Current Mat. L/T Debt-Rur. Dev.		
4. Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable			32. Income Taxes Accrued		
b. Other Accounts Receivable			33. Other Taxes Accrued		
c. Notes Receivable			34. Other Current Liabilities		
5. Interest and Dividends Receivable			35. <b>Total Current Liabilities (25 thru 34)</b>		
6. Material-Regulated			<b>LONG-TERM DEBT</b>		
7. Material-Nonregulated			36. Funded Debt-RUS Notes		
8. Prepayments			37. Funded Debt-RTB Notes		
9. Other Current Assets			38. Funded Debt-FFB Notes		
10. <b>Total Current Assets (1 Thru 9)</b>			39. Funded Debt-Other		
<b>NONCURRENT ASSETS</b>			40. Funded Debt-Rural Develop. Loan		
11. Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt		
a. Rural Development			42. Reacquired Debt		
b. Nonrural Development			43. Obligations Under Capital Lease		
12. Other Investments			44. Adv. From Affiliated Companies		
a. Rural Development			45. Other Long-Term Debt		
b. Nonrural Development			46. <b>Total Long-Term Debt (36 thru 45)</b>		
13. Nonregulated Investments			<b>OTHER LIAB. &amp; DEF. CREDITS</b>		
14. Other Noncurrent Assets			47. Other Long-Term Liabilities		
15. Deferred Charges			48. Other Deferred Credits		
16. Jurisdictional Differences			49. Other Jurisdictional Differences		
17. <b>Total Noncurrent Assets (11 thru 16)</b>			50. <b>Total Other Liabilities and Deferred Credits (47 thru 49)</b>		
<b>PLANT, PROPERTY, AND EQUIPMENT</b>			<b>EQUITY</b>		
18. Telecom, Plant-in-Service			51. Cap. Stock Outstand. & Subscribed		
19. Property Held for Future Use			52. Additional Paid-In-Capital		
20. Plant Under Construction			53. Treasury Stock		
21. Plant Adj., Nonop. Plant & Goodwill			54. Membership and Cap. Certificates		
22. Less Accumulated Depreciation			55. Other Capital		
23. <b>Net Plant (18 thru 21 less 22)</b>			56. Patronage Capital Credits		
24. <b>TOTAL ASSETS (10+17+23)</b>			57. Retained Earnings or Margins		
			58. <b>Total Equity (51 thru 57)</b>		
			59. <b>TOTAL LIABILITIES AND EQUITY (35+46+50+58)</b>		

USDA-RUS  <b>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b>	BORROWER DESIGNATION  SD0536
	PERIOD ENDING  December, 2014

INSTRUCTIONS- See RUS Bulletin 1744-2

**PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS**

ITEM	PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues		
2. Network Access Services Revenues		
3. Long Distance Network Services Revenues		
4. Carrier Billing and Collection Revenues		
5. Miscellaneous Revenues		
6. Uncollectible Revenues		
7. Net Operating Revenues (1 thru 5 less 6)		
8. Plant Specific Operations Expense		
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)		
10. Depreciation Expense		
11. Amortization Expense		
12. Customer Operations Expense		
13. Corporate Operations Expense		
14. Total Operating Expenses (8 thru 13)		
15. Operating Income or Margins (7 less 14)		
16. Other Operating Income and Expenses		
17. State and Local Taxes		
18. Federal Income Taxes		
19. Other Taxes		
20. Total Operating Taxes (17+18+19)		
21. Net Operating Income or Margins (15+16-20)		
22. Interest on Funded Debt		
23. Interest Expense - Capital Leases		
24. Other Interest Expense		
25. Allowance for Funds Used During Construction		
26. Total Fixed Charges (22+23+24-25)		
27. Nonoperating Net Income		
28. Extraordinary Items		
29. Jurisdictional Differences		
30. Nonregulated Net Income		
31. Total Net Income or Margins (21+27+28+29+30-26)		
32. Total Taxes Based on Income		
33. Retained Earnings or Margins Beginning-of-Year		
34. Miscellaneous Credits Year-to-Date		
35. Dividends Declared (Common)		
36. Dividends Declared (Preferred)		
37. Other Debits Year-to-Date		
38. Transfers to Patronage Capital		
39. Retained Earnings or Margins End-of-Period $[(31+33+34) - (35+36+37+38)]$		
40. Patronage Capital Beginning-of-Year		
41. Transfers to Patronage Capital		
42. Patronage Capital Credits Retired		
43. Patronage Capital End-of-Year (40+41-42)		
44. Annual Debt Service Payments		
45. Cash Ratio $[(14+20-10-11) / 7]$		
46. Operating Accrual Ratio $[(14+20+26) / 7]$		
47. TIER $[(31+26) / 26]$		
48. DSCR $[(31+26+10+11) / 44]$		

REDACTED - FOR PUBLIC INSPECTION

<p>USDA-RUS</p> <p><b>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b></p> <p>INSTRUCTIONS - See RUS Bulletin 1744-2</p>	<p>BORROWER DESIGNATION SD0536</p> <p>PERIOD ENDED December, 2014</p>
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Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION							
EXCHANGE	1. RATES		2. SUBSCRIBERS (ACCESS LINES)			3. ROUTE MILES	
	B-1 (a)	R-1 (b)	BUSINESS (a)	RESIDENTIAL (b)	TOTAL (c)	TOTAL (including fiber) (a)	FIBER (b)
Kennebec							
Prsho							
MobileWireless							
Route Mileage Outside Exchange Area							
Total							
No. Exchanges							



USDA-RUS <b>OPERATING REPORT FOR                  TELECOMMUNICATIONS BORROWERS</b>	BORROWER DESIGNATION SD0536 <hr/> PERIOD ENDING December, 2014
INSTRUCTIONS- See RUS Bulletin 1744-2	

**PART D. SYSTEM DATA**

1. No. Plant Employees	2. No. Other Employees	3. Square Miles Served	4. Access Lines per Square Mile	5. Subscribers per Route Mile
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**PART E. TOLL DATA**

1. Study Area ID Code(s) a. [REDACTED] b. _____ c. _____ d. _____ e. _____ f. _____ g. _____ h. _____ i. _____ j. _____	2. Types of Toll Settlements (Check one) Interstate: <input type="checkbox"/> Average Schedule <input checked="" type="checkbox"/> Cost Basis Intrastate: <input type="checkbox"/> Average Schedule <input checked="" type="checkbox"/> Cost Basis
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**PART F. FUNDS INVESTED IN PLANT DURING YEAR**

1. RUS, RTB, & FFB Loan Funds Expended		
2. Other Long-Term Loan Funds Expended		
3. Funds Expended Under RUS Interim Approval		
4. Other Short-Term Loan Funds Expended		
5. General Funds Expended (Other than Interim)		
6. Salvaged Materials		
7. Contribution in Aid to Construction		
8. Gross Additions to Telecom. Plant (1 thru 7)		

**PART G. INVESTMENTS IN AFFILIATED COMPANIES**

INVESTMENTS  (a)	CURRENT YEAR DATA		CUMULATIVE DATA		
	Investment This Year	Income/Loss This Year	Cumulative Investment To Date	Cumulative Income/Loss To Date	Current Balance
	(b)	(c)	(d)	(e)	(f)
1. Investment in Affiliated Companies - Rural Development					
2. Investment in Affiliated Companies - Nonrural Development					

USDA-RUS <b>OPERATING REPORT FOR                  TELECOMMUNICATIONS BORROWERS</b>	BORROWER DESIGNATION SD0536
	PERIOD ENDING December, 2014

**PART H. CURRENT DEPRECIATION RATES**

Are corporation's depreciation rates approved by the regulatory authority with jurisdiction over the provision of telephone services? (Check one)  YES  NO

EQUIPMENT CATEGORY	DEPRECIATION RATE
1. Land and support assets - Motor Vehicles	
2. Land and support assets - Aircraft	
3. Land and support assets - Special purpose vehicles	
4. Land and support assets - Garage and other work equipment	
5. Land and support assets - Buildings	
6. Land and support assets - Furniture and Office equipment	
7. Land and support assets - General purpose computers	
8. Central Office Switching - Digital	
9. Central Office Switching - Analog & Electro-mechanical	
10. Central Office Switching - Operator Systems	
11. Central Office Transmission - Radio Systems	
12. Central Office Transmission - Circuit equipment	
13. Information origination/termination - Station apparatus	
14. Information origination/termination - Customer premises wiring	
15. Information origination/termination - Large private branch exchanges	
16. Information origination/termination - Public telephone terminal equipment	
17. Information origination/termination - Other terminal equipment	
18. Cable and wire facilities - Poles	
19. Cable and wire facilities - Aerial cable - Metal	
20. Cable and wire facilities - Aerial cable - Fiber	
21. Cable and wire facilities - Underground cable - Metal	
22. Cable and wire facilities - Underground cable - Fiber	
23. Cable and wire facilities - Buried cable - Metal	
24. Cable and wire facilities - Buried cable - Fiber	
25. Cable and wire facilities - Conduit systems	
26. Cable and wire facilities - Other	

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USDA-RUS		BORROWER DESIGNATION
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		SD0536
INSTRUCTIONS – See help in the online application.		PERIOD ENDED December, 2014
<b>PART I – STATEMENT OF CASH FLOWS</b>		
1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
2. Net Income		
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>		
3. Add: Depreciation		
4. Add: Amortization		
5. Other (Explain)		
<i>Changes in Operating Assets and Liabilities</i>		
6. Decrease/(Increase) in Accounts Receivable		
7. Decrease/(Increase) in Materials and Inventory		
8. Decrease/(Increase) in Prepayments and Deferred Charges		
9. Decrease/(Increase) in Other Current Assets		
10. Increase/(Decrease) in Accounts Payable		
11. Increase/(Decrease) in Advance Billings & Payments		
12. Increase/(Decrease) in Other Current Liabilities		
13. Net Cash Provided/(Used) by Operations		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
14. Decrease/(Increase) in Notes Receivable		
15. Increase/(Decrease) in Notes Payable		
16. Increase/(Decrease) in Customer Deposits		
17. Net Increase/(Decrease) in Long Term Debt (including Current Maturities)		
18. Increase/(Decrease) in Other Liabilities & Deferred Credits		
19. Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital		
20. Less: Payment of Dividends		
21. Less: Patronage Capital Credits Retired		
22. Other (Explain)		
23. Net Cash Provided/(Used) by Financing Activities		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
24. Net Capital Expenditures (Property, Plant & Equipment)		
25. Other Long-Term Investments		
26. Other Noncurrent Assets & Jurisdictional Differences		
27. Other (Explain)		
28. Net Cash Provided/(Used) by Investing Activities		
29. Net Increase/(Decrease) in Cash		
30. Ending Cash		

Revision Date 2010

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<p>USDA-RUS</p> <p><b>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b></p>	<p>BORROWER DESIGNATION</p> <p>SD0536</p>
<p>INSTRUCTIONS - See RUS Bulletin 1744-2</p>	<p>PERIOD ENDED</p> <p>December, 2014</p>
<p><b>NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b></p>	

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USDA-RUS  <b>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b>	BORROWER DESIGNATION  SD0536
INSTRUCTIONS - See RUS Bulletin 1744-2	PERIOD ENDED December, 2014
<b>CERTIFICATION LOAN DEFAULT NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b>	

**REDACTED – FOR PUBLIC INSPECTION**

Five-Year Plan Progress Report

Kennebec Telephone Company

SAC: 391668

**Year 2014 Federal Universal Service Receipts:**

Interstate Access Support	\$	█
Interstate Common Line Support	\$	██████
Connect America Fund Support	\$	██████
High Cost Loop Support	\$	██████
Safety Net Additive Support	\$	█
Safety Valve Loop Cost Adjustment	\$	█
CAF-ICC	\$	█
<b>TOTAL</b>	\$	██████

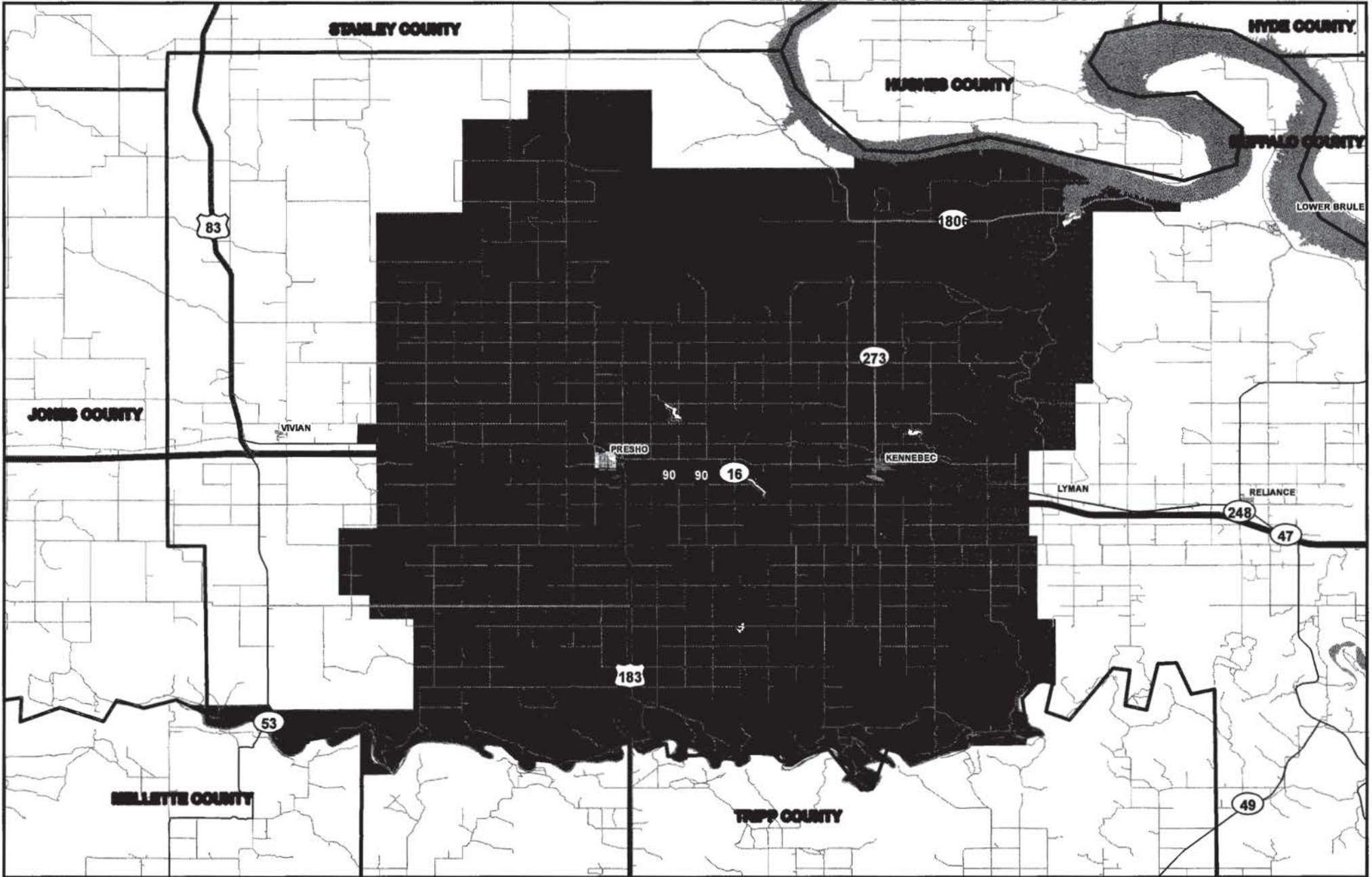
**Expenditures For Provision, Maintenance, and Upgrading Of Facilities and Services Supported By Federal Universal Service Funding:**

	2014
<b>Plant Specific Operations Expenses</b>	
Network support (Accts 6110-16)	\$ █
General support (Accts 6120-24)	\$ ██████
Central office (Accts 6210-6232)	\$ ██████
Cable and wire facilities (Accts 6410-41)	\$ ██████
Network operations (Accts 6530-35)	\$ ██████
Depreciation and amortization (Accts 6560-65)	\$ ██████
<b>Customer Operations Expenses</b>	
Customer services (Accts 6611-23)	\$ ██████
<b>Corporate Operations Expenses</b>	
Executive and planning (Accts 6710-12)	\$ ██████
General and administrative (Accts 6720-28)	\$ ██████
<b>Total Years Supported Expenses, Before Return on Investment</b>	\$ ██████
<b>Additions/Capx</b>	
Switching (Acct 2210)	\$ ██████
Transmission (Acct 2230)	\$ ██████
Cable and wire (Acct 2410)	\$ ██████
<b>Total</b>	\$ ██████
<b>Total Supported Expenditures, Before Return on Investment</b>	\$ ██████

It is estimated that [REDACTED] of universal service funding received in 2014 was used to ensure and improve *service quality*. This ensures that the network is maintained and operated to provide telecommunications and information services as well as interexchange services and advanced telecommunications that are reasonably comparable to those services offered in urban areas and are available at rates that are reasonably comparable to rates charged for similar services in urban areas. Expenditures are not tracked at the wire center or census block level and are reported here on a total service area basis. We believe it is reasonable to conclude the same [REDACTED] of universal service funding received in 2014 will be used to ensure and improve service quality in 2015.

It is estimated that [REDACTED] of universal service funding received in 2014 was used to improve *service coverage* at wire centers served by our company for telecommunications and information services as well as interexchange services and advanced telecommunications (broadband). Due to these expenditures, [REDACTED] of households in our service area will have access to our broadband capable network as of July 1, 2015. Expenditures are not tracked at the wire center or census block level and are reported here on a total service area basis. We believe it is reasonable to conclude the same [REDACTED] of universal service funding received in 2014 will be used to improve service coverage in 2015.

It is estimated that [REDACTED] of universal service funding received in 2014 was used to improve *service capacity* at wire centers served by our company for telecommunications and information services as well as interexchange services and advanced telecommunications (broadband). Due to these expenditures, approximately [REDACTED] of households in our service area will have access to our broadband capable network at speeds that meet or exceed 10Mbps/1Mbps as of July 1, 2015, and [REDACTED] of households have access to broadband speeds that meet or exceed 4Mbps/1Mbps. Expenditures are not tracked at the wire center or census block level and are reported here on a total service area basis. We believe it is reasonable to conclude the same [REDACTED] of universal service funding received in 2014 will be used to improve service capacity in 2015.



# Kennebec Telephone Company Inc

**Service area and Speeds Available as on 1/1/2015**

**Maximum Advertised Speeds**



**REDACTED – FOR PUBLIC INSPECTION**

Five-Year Plan Progress Report

Kennebec Telephone Company

SAC: 391668

**Year 2014 Federal Universal Service Receipts:**

Interstate Access Support	\$	█
Interstate Common Line Support	\$	██████
Connect America Fund Support	\$	██████
High Cost Loop Support	\$	██████
Safety Net Additive Support	\$	█
Safety Valve Loop Cost Adjustment	\$	█
CAF-ICC	\$	█
<b>TOTAL</b>	\$	██████

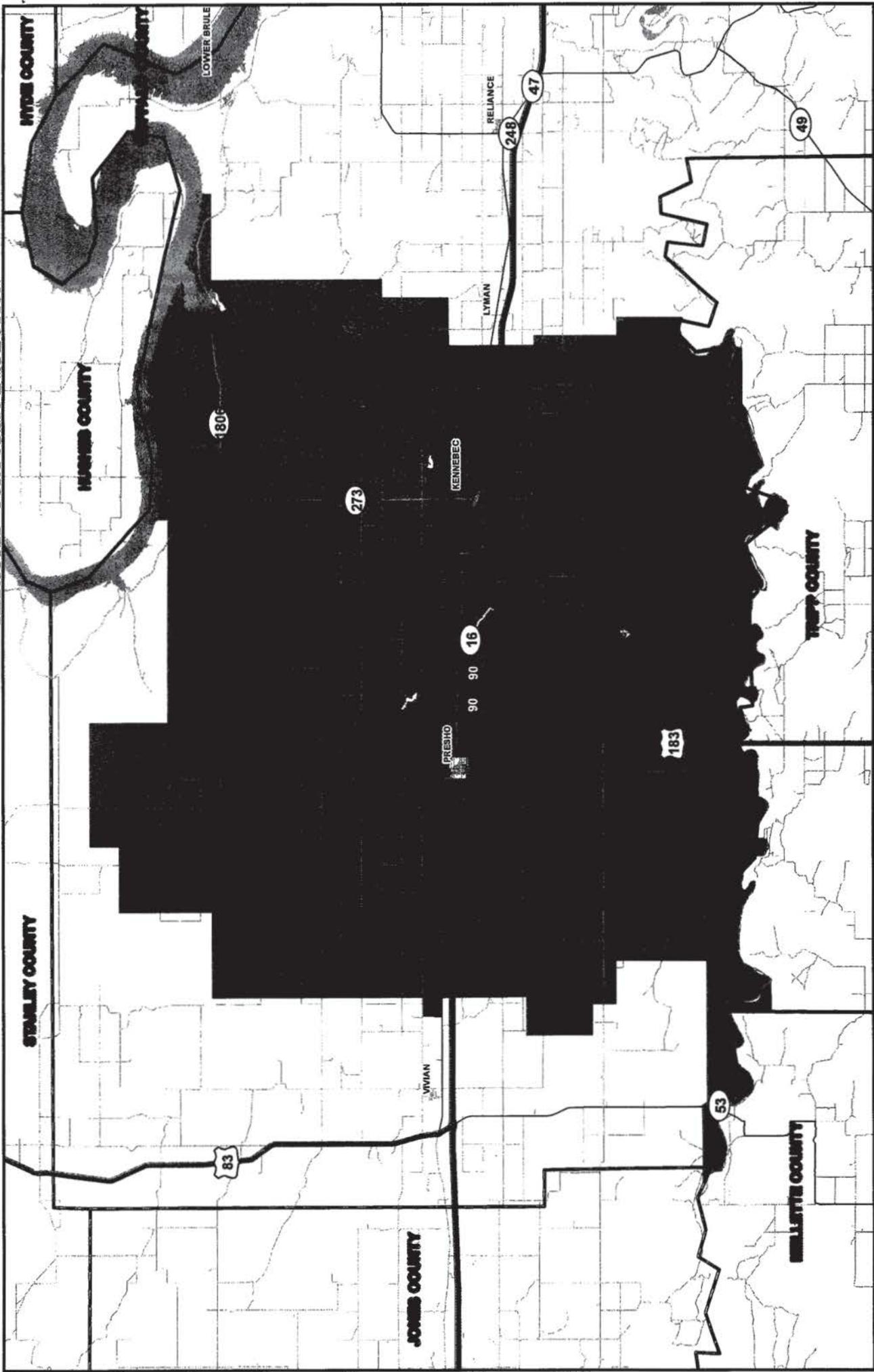
**Expenditures For Provision, Maintenance, and Upgrading Of Facilities and Services Supported By Federal Universal Service Funding:**

	2014
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Network support (Accts 6110-16)	\$ █
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Cable and wire facilities (Accts 6410-41)	\$ ██████
Network operations (Accts 6530-35)	\$ ██████
Depreciation and amortization (Accts 6560-65)	\$ ██████
<b>Customer Operations Expenses</b>	
Customer services (Accts 6611-23)	\$ ██████
<b>Corporate Operations Expenses</b>	
Executive and planning (Accts 6710-12)	\$ ██████
General and administrative (Accts 6720-28)	\$ ██████
<b>Total Years Supported Expenses, Before Return on Investment</b>	\$ ██████
<b>Additions/Capx</b>	
Switching (Acct 2210)	\$ ██████
Transmission (Acct 2230)	\$ ██████
Cable and wire (Acct 2410)	\$ ██████
<b>Total</b>	\$ ██████
<b>Total Supported Expenditures, Before Return on Investment</b>	\$ ██████

It is estimated that [REDACTED] of universal service funding received in 2014 was used to ensure and improve *service quality*. This ensures that the network is maintained and operated to provide telecommunications and information services as well as interexchange services and advanced telecommunications that are reasonably comparable to those services offered in urban areas and are available at rates that are reasonably comparable to rates charged for similar services in urban areas. Expenditures are not tracked at the wire center or census block level and are reported here on a total service area basis. We believe it is reasonable to conclude the same [REDACTED] of universal service funding received in 2014 will be used to ensure and improve service quality in 2015.

It is estimated that [REDACTED] of universal service funding received in 2014 was used to improve *service coverage* at wire centers served by our company for telecommunications and information services as well as interexchange services and advanced telecommunications (broadband). Due to these expenditures, [REDACTED] of households in our service area will have access to our broadband capable network as of July 1, 2015. Expenditures are not tracked at the wire center or census block level and are reported here on a total service area basis. We believe it is reasonable to conclude the same [REDACTED] of universal service funding received in 2014 will be used to improve service coverage in 2015.

It is estimated that [REDACTED] of universal service funding received in 2014 was used to improve *service capacity* at wire centers served by our company for telecommunications and information services as well as interexchange services and advanced telecommunications (broadband). Due to these expenditures, approximately [REDACTED] of households in our service area will have access to our broadband capable network at speeds that meet or exceed 10Mbps/1Mbps as of July 1, 2015, and [REDACTED] of households have access to broadband speeds that meet or exceed 4Mbps/1Mbps. Expenditures are not tracked at the wire center or census block level and are reported here on a total service area basis. We believe it is reasonable to conclude the same [REDACTED] of universal service funding received in 2014 will be used to improve service capacity in 2015.



# Kennebec Telephone Company Inc

Service area and Speeds Available as on 1/1/2015

Maximum Advertised Speeds

**REDACTED – FOR PUBLIC INSPECTION**

Five-Year Plan Progress Report

Kennebec Telephone Company

SAC: 391668

Year 2014 Federal Universal Service Receipts:

Interstate Access Support	\$	█
Interstate Common Line Support	\$	██████
Connect America Fund Support	\$	██████
High Cost Loop Support	\$	██████
Safety Net Additive Support	\$	█
Safety Valve Loop Cost Adjustment	\$	█
CAF-ICC	\$	█
<b>TOTAL</b>	\$	██████

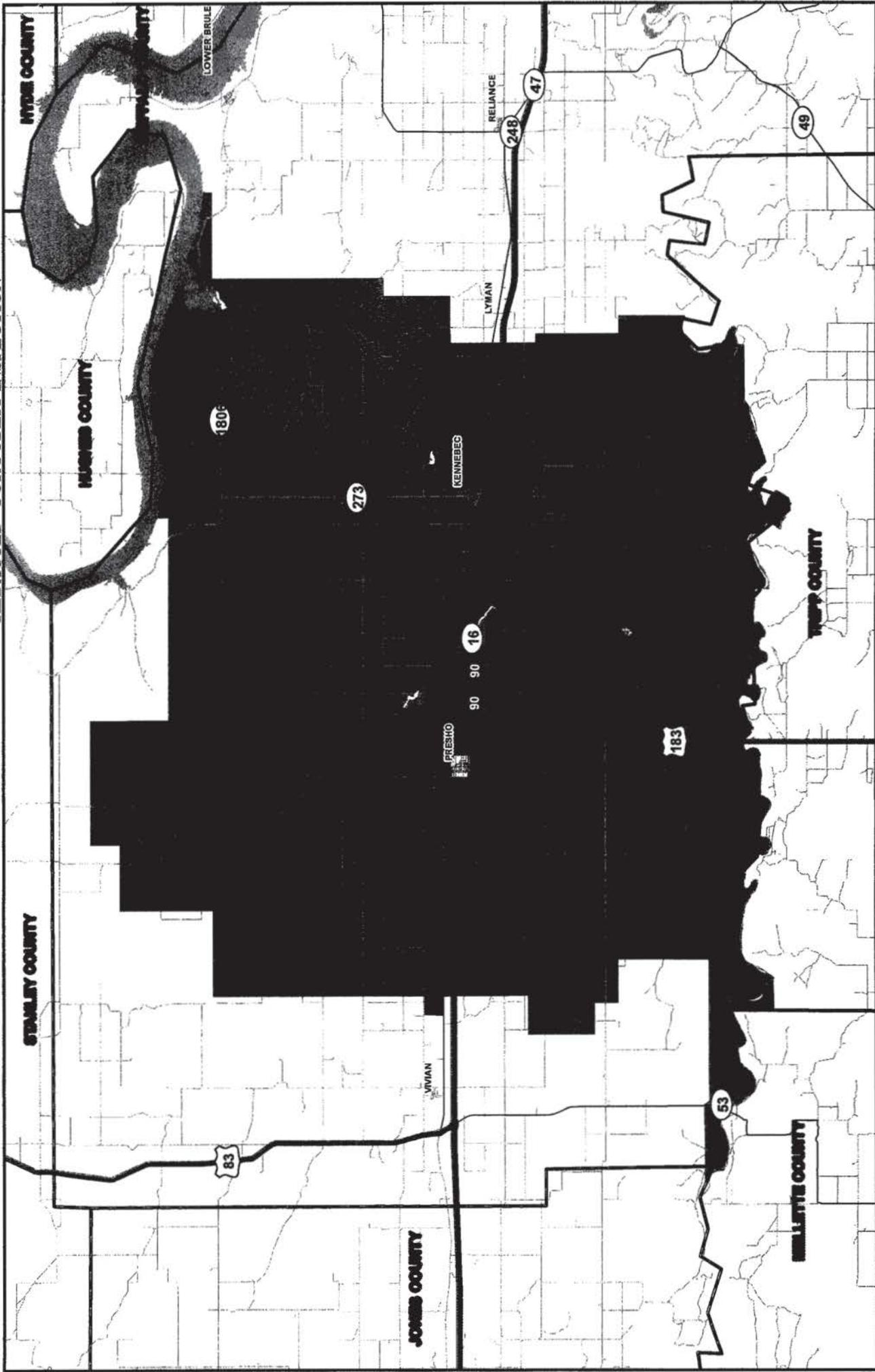
Expenditures For Provision, Maintenance, and Upgrading Of Facilities and Services Supported By Federal Universal Service Funding:

	2014
<b>Plant Specific Operations Expenses</b>	
Network support (Accts 6110-16)	\$ █
General support (Accts 6120-24)	\$ ██████
Central office (Accts 6210-6232)	\$ ██████
Cable and wire facilities (Accts 6410-41)	\$ ██████
Network operations (Accts 6530-35)	\$ ██████
Depreciation and amortization (Accts 6560-65)	\$ ██████
<b>Customer Operations Expenses</b>	
Customer services (Accts 6611-23)	\$ ██████
<b>Corporate Operations Expenses</b>	
Executive and planning (Accts 6710-12)	\$ ██████
General and administrative (Accts 6720-28)	\$ ██████
<b>Total Years Supported Expenses, Before Return on Investment</b>	\$ ██████
<b>Additions/Capx</b>	
Switching (Acct 2210)	\$ ██████
Transmission (Acct 2230)	\$ ██████
Cable and wire (Acct 2410)	\$ ██████
<b>Total</b>	\$ ██████
<b>Total Supported Expenditures, Before Return on Investment</b>	\$ ██████

It is estimated that [REDACTED] of universal service funding received in 2014 was used to ensure and improve *service quality*. This ensures that the network is maintained and operated to provide telecommunications and information services as well as interexchange services and advanced telecommunications that are reasonably comparable to those services offered in urban areas and are available at rates that are reasonably comparable to rates charged for similar services in urban areas. Expenditures are not tracked at the wire center or census block level and are reported here on a total service area basis. We believe it is reasonable to conclude the same [REDACTED] of universal service funding received in 2014 will be used to ensure and improve service quality in 2015.

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Service area and Speeds Available as on 1/1/2015

Maximum Advertised Speeds

