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LINCOLN, NEBRASKA 68508-2578
TELEPHONE 402-437-8500
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WOODS & AITKEN

L - L - P

DENVER OFFICE
SUITE 525
8055 EAST TUFTS AVENUE
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TELEPHONE 303-606-6700
FAX 303-606-6701

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SUITE 525
10250 REGENCY CIRCLE
OMAHA, NEBRASKA 68114-3754
TELEPHONE 402-898-7400
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THOMAS J. MOORMAN
DIRECT: (202) 944-9502
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ADMITTED TO PRACTICE ONLY IN THE DISTRICT OF COLUMBIA

WASHINGTON OFFICE
SUITE 310
5151 WISCONSIN AVENUE, N.W.
WASHINGTON, D.C. 20016-4124
TELEPHONE 202-944-9500
FAX 202-944-9501

PLEASE RESPOND TO WASHINGTON ADDRESS

June 25, 2015

ACCEPTED/FILED

JUN 25 2015

REDACTED - FOR PUBLIC INSPECTION

HAND DELIVERED

Ms. Marlene H. Dortch
Secretary

Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Federal Communications Commission
Office of the Secretary

ORIGINAL

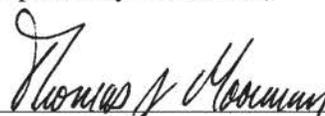
**Re: WC Docket No. 14-58
WC Docket No. 11-42
Submission of Redacted Version of FCC Form 481 and Updated Five Year
Plan for Consolidated Telephone Company (Study Area Code 371532)**

Dear Ms. Dortch:

Attached for filing are two copies of the redacted public version of (1) the FCC Form 481 of Consolidated Telephone Company (the "Company") which contains the Company's financial information of required by Section 54.313(f)(2) of the Commission's rules (which is filed in compliance with the Protective Order referenced below) and (2) the Company's updated five-year plan required by Section 54.313 of the Commission's rules.

The Company's FCC Form 481 has been electronically filed with the Universal Service Administrative Company. Consistent with the Commission's Protective Order, WC Docket No. 10-90 *et al.*, DA 15-712, released June 17, 2015 and 47 C.F.R. § 0.459 of the Commission's Rules, the Company, under separate letter, has submitted the confidential version of the Company's FCC Form 481 which contains the Company's financial information required by Section 54.313(f)(2) of the Commission's Rules and the Company's updated five-year plan.

Respectfully submitted,



Thomas J. Moorman
James A. Overcash
Counsel to Consolidated Telephone Company

Attachment

No. of Copies rec'd 0+2
List ABCDE

| | |
|--|-----------------------|
| <010> Study Area Code | 371532 |
| <015> Study Area Name | CONSOLIDATED TEL CO |
| <020> Program Year | 2016 |
| <030> Contact Name: Person USAC should contact with questions about this data | Julie Steinhoff |
| <035> Contact Telephone Number: Number of the person identified in data line <030> | 4024892728 ext. |
| <039> Contact Email Address: Email of the person identified in data line <030> | jsteinhoff@nebnet.net |

ACCEPTED/FILED

JUN 28 2016

**Federal Communications Commission
Office of the Secretary**

ANNUAL REPORTING FOR PRICE CAP CARRIERS

| | | | |
|--|---|-------------------------------------|-------------------------------------|
| <100> Service Quality Improvement Reporting | (complete attached worksheet) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <200> Outage Reporting (voice) | (complete attached worksheet) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <210> <input checked="" type="checkbox"/> ← check box if no outages to report | | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <300> Unfulfilled Service Requests (voice) | 0 | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <310> Detail on Attempts (voice) | <input type="text"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| | (attach descriptive document) | | |
| <320> Unfulfilled Service Requests (broadband) | 0 | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <330> Detail on Attempts (broadband) | <input type="text"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| | (attach descriptive document) | | |
| <400> Number of Complaints per 1,000 customers (voice) | | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <410> Fixed | 0.0 | | |
| <420> Mobile | 0.0 | | |
| <430> Number of Complaints per 1,000 customers (broadband) | | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <440> Fixed | 0.0 | | |
| <450> Mobile | 0.0 | | |
| <500> Service Quality Standards & Consumer Protection Rules Compliance | (check to indicate certification) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <510> 371532ne510.pdf | (attached descriptive document) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <600> Functionality In Emergency Situations | (check to indicate certification) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <610> 371532ne610.pdf | (attached descriptive document) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <700> Company Price Offerings (voice) | (complete attached worksheet) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <710> Company Price Offerings (broadband) | (complete attached worksheet) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <800> Operating Companies and Affiliates | (complete attached worksheet) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <900> Tribal Land Offerings (Y/N)? <input type="radio"/> <input checked="" type="radio"/> | (if yes, complete attached worksheet) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <1000> Voice Services Rate Comparability Certification | Yes <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <1010> <input type="text"/> | (attach descriptive document) | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <1100> Certify whether terrestrial backhaul options exist (Yes or No) <input checked="" type="radio"/> <input type="radio"/> | (if not, check to indicate certification) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <1110> | (complete attached worksheet) | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <1200> Terms and Condition for Lifeline Customers | (complete attached worksheet) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |

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) | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <2005> | (complete attached worksheet) | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet | | | |
| <3000> | (check to indicate certification) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <3005> | (complete attached worksheet) | <input checked="" type="checkbox"/> | <input checked="" 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 | 371532 |
| <015> Study Area Name | CONSOLIDATED TEL CO |
| <020> Program Year | 2016 |
| <030> Contact Name - Person USAC should contact regarding this data | Julia Steinhoff |
| <035> Contact Telephone Number - Number of person identified in data line <030> | 4024892728 ext. |
| <039> Contact Email Address - Email Address of person identified in data line <030> | jsteinhoff@nebnet.net |

| | | |
|--|------------|--|
| <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) | <input type="radio"/> <input checked="" type="radio"/> |
| <111> year plan" filed with the FCC? | (yes / no) | <input type="radio"/> <input type="radio"/> |

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.

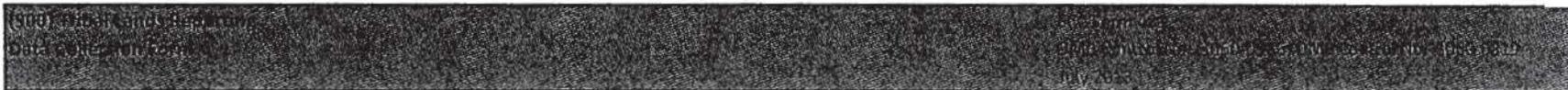


Name of Attached Document

Please 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
- <114> Report how much universal service (USF) support was received
- <115> How much (USF) was used to improve service quality and how support was used to improve service quality
- <116> How much (USF) was used to improve service coverage and how support was used to improve service coverage
- <117> How much (USF) was used to improve service capacity and how support was used to improve service capacity
- <118> Provide an explanation of network improvement targets not met in the prior calendar year.

| |
|----------------|
| Yes |
| Not Applicable |



| | |
|---|-----------------------|
| <010> Study Area Code | 371532 |
| <015> Study Area Name | CONSOLIDATED TEL CO |
| <020> Program Year | 2016 |
| <030> Contact Name - Person USAC should contact regarding this data | Julie Steinhoff |
| <035> Contact Telephone Number - Number of person identified in data line <030> | 4024892728 ext. |
| <039> Contact Email Address - Email Address of person identified in data line <030> | jsteinhoff@nebnet.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:

- <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.

| Select Yes or No or Not Applicable |
|--|
| |
| |
| |
| |
| |
| |
| |
| |
| |



| | | |
|-------|---|-----------------------|
| <010> | Study Area Code | 371532 |
| <015> | Study Area Name | CONSOLIDATED TEL CO |
| <020> | Program Year | 2016 |
| <030> | Contact Name - Person USAC should contact regarding this data | Julie Steinhoff |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 4024892728 ext. |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | jsteinhoff@nebnet.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).

1200) Terms and Conditions of Lifeline Subscriber
 Lifeline
 Data Collection Form

| | |
|---|-----------------------|
| <010> Study Area Code | 371532 |
| <015> Study Area Name | CONSOLIDATED TEL CO |
| <020> Program Year | 2016 |
| <030> Contact Name - Person USAC should contact regarding this data | Julie Steinhoff |
| <035> Contact Telephone Number - Number of person identified in data line <030> | 4024892728 ext. |
| <039> Contact Email Address - Email Address of person identified in data line <030> | jsteinhoff@nebnet.net |

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

371532nel210.pdf

Name of Attached Document

<1220> Link to Public Website

HTTP www.nebnet.net

"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.



| | | |
|-------|---|-----------------------|
| <010> | Study Area Code | 371532 |
| <015> | Study Area Name | CONSOLIDATED TEL CO |
| <020> | Program Year | 2016 |
| <030> | Contact Name - Person USAC should contact regarding this data | JULIE STEINHOFF |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 402432726 ext. |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | jsteinhoff@nebnet.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)iii)

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



| | |
|---|-----------------------|
| <010> Study Area Code | 371532 |
| <015> Study Area Name | CONSOLIDATED TEL CO |
| <020> Program Year | 2016 |
| <030> Contact Name - Person USAC should contact regarding this data | Julie Steinhoff |
| <035> Contact Telephone Number - Number of person identified in data line <030> | 4024892728 ext. |
| <039> Contact Email Address - Email Address of person identified in data line <030> | lsteinhoff@nebnet.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))

371532ne3010.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))

371532ne3012.pdf

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

[Redacted]

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

371532ne3026.pdf, 371532ne3026.xlsx

(3026) Attach the worksheet listing required information

Name of Attached Document Listing Required Information



| | | |
|-------|---|----------------------|
| <010> | Study Area Code | 371922 |
| <015> | Study Area Name | CONSOLIDATED TEL CO |
| <020> | Program Year | 2016 |
| <030> | Contact Name - Person USAC should contact regarding this data | Julie Stainhoff |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 402492728 ext. |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | jstainhoff@pebnk.net |

Financial Data Summary

| | |
|---|------------|
| (3027) Revenue | [REDACTED] |
| (3028) Operating Expenses | [REDACTED] |
| (3029) Net Income | [REDACTED] |
| (3030) Telephone Plant In Service(TPIS) | [REDACTED] |
| (3031) Total Assets | [REDACTED] |
| (3032) Total Debt | [REDACTED] |
| (3033) Total Equity | [REDACTED] |
| (3034) Dividends | [REDACTED] |

Redacted for Public Inspection

| | |
|---|--|
| Certification Reporting Carrier Data Collection Form | OMB Control No. 3060-0996/OMB Control No. 3060-0814 July 2015 |
|---|--|

| | |
|---|-----------------------|
| <010> Study Area Code | 371532 |
| <015> Study Area Name | CONSOLIDATED TEL CO |
| <020> Program Year | 2016 |
| <030> Contact Name - Person USAC should contact regarding this data | Julie Steinhoff |
| <035> Contact Telephone Number - Number of person identified in data line <030> | 4024892728 ext. |
| <039> Contact Email Address - Email Address of person identified in data line <030> | jsteinhoff@nebnet.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: CONSOLIDATED TEL CO | |
| Signature of Authorized Officer: CERTIFIED ONLINE | Date 06/23/2015 |
| Printed name of Authorized Officer: Wendy Fast | |
| Title or position of Authorized Officer: President | |
| Telephone number of Authorized Officer: 4024892728 ext. | |
| Study Area Code of Reporting Carrier: 371532 | 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 Data Collection Form | OMB Form No. 3024-0043 ONLINE Form No. 3024-0043 (OMB Control No. 3024-0043) |
|---|---|

| | |
|---|-----------------------|
| <010> Study Area Code | 371532 |
| <015> Study Area Name | CONSOLIDATED TEL CO |
| <020> Program Year | 2016 |
| <030> Contact Name - Person USAC should contact regarding this data | Julie Steinhoff |
| <035> Contact Telephone Number - Number of person identified in data line <030> | 4024892728 ext. |
| <039> Contact Email Address - Email Address of person identified in data line <030> | jsteinhoff@nebnet.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

Overview

The Company provides this Annual Progress Report pursuant to 47 C.F.R. 54.313 to report on its five-year service quality improvement plan prepared pursuant to 54.202(a), including maps detailing its progress towards meeting its plan targets, an explanation of how much universal service support was received and how it was used to improve service quality, coverage, or capacity, and an explanation (if applicable) regarding any network improvement targets that have not been fulfilled in the prior calendar year.

The Company provided its 5-year plan based upon then-current and reasonably anticipated circumstances. These circumstances, by way of example, included the level of recovery and revenue that the Company believed, in good faith, it had projected in each of the plan years. These projections were based on the Company's understanding of the regulatory regimes, Universal Service programs and intercarrier compensation requirements applicable to its operations. As the Company noted, should these anticipated circumstances change or the results of such programs and requirements differ from the Company's projections, the Company's plans may change. This same analytical construct was used by the Company in developing this Annual Progress Report and the same caveats are applicable to the good faith estimates provided.

The projected planned capital improvement (CapEx) over 5 years for the Company is approximately [REDACTED]. For calendar year 2014, and in addition to the capital improvements planned in the wire centers to provide access to facilities that allow subscribers to have service meeting the 4/1 Mbps standard, the Company incurred approximately [REDACTED] in depreciation expense and approximately [REDACTED] in on-going maintenance and operating expenses (OpEx). These types of expenses will be incurred by the Company during the 2015 to 2019 calendar years.

Annual Progress Report: For areas with Planned Capital Improvements in Year 2015

Initial 5-Year Plan filed and submitted in June, 2014 by the Company in response to July 1, 2014 deadline

In its initial 5-year plan, the Company described its overall proposed improvements throughout the entirety of its service area to provide subscribers broadband service meeting the broadband standards based on proposed improvements and/or upgrades to the network by the end of calendar year 2019. In this Annual Progress Report, the Company updates that information related to the [REDACTED] Wire Center (exchange) which are the target areas for current and planned upgrades for 2015. The Company recognizes that the Commission has raised the broadband standard to 10 Mbps downstream/1 Mbps upstream and the Company is currently evaluating how best to achieve this standard. However, the Company believes that the improvements outlined herein for calendar year 2015 will help achieve the revised standard for broadband. For those locations currently not 10/1 capable, the Company will attempt to meet a request for such service based on the "reasonable request" standard established by the Commission.

For the [REDACTED] exchange

- Construction started [REDACTED]

- [REDACTED]
- Approximately [REDACTED] of fiber route ([REDACTED] miles out of [REDACTED] miles) has been constructed
- Approximately [REDACTED] of outside plant materials has been ordered and received.
- Approximately [REDACTED] of central office equipment has been ordered.
- [REDACTED] estimated completion timeframe.

For the [REDACTED] exchange

- Construction is anticipated to start [REDACTED]
- [REDACTED]
- Approximately [REDACTED] of outside plant materials has been ordered and received.
- Approximately [REDACTED] of central office equipment has been ordered.

FCC Form 481 Line 113: Maps detailing progress towards meeting plan targets

The maps contained in Appendix A-1 show census blocks in the exchange (or exchange area) with locations capable of 4/1 broadband service as of June 1, 2015, with locations capable of 10/1 broadband service as of June 1, 2015, and census blocks where planned capital improvements are scheduled in year 2015.

The maps contained in Appendix A-2 show census blocks in the exchange (or exchange area) with locations capable of 4/1 broadband service as of June 1, 2015 and with locations capable of 10/1 broadband service as of June 1, 2015. The exchanges noted in Appendix A-2 do not have planned capital improvements in 2015.

FCC Form 481 Line 114: Report how much universal service (USF) support was received.

Table 1 below contains the amount of universal service dollars booked by the Company for (A) Year 2014, (B) January through April (most recent month available prior to preparing filing) 2015, and (C) estimated portion of USF dollars attributable to capital expense/operating expense.

The methodology used to develop Table 1 is a function of the Company's investment levels and maintenance and operations expense levels for 2014 as further explained in Table 2. The Company has used these categories based on the applicable account balances to which federal USF dollars are intended to be used, *i.e.*, those accounts that reflect the Company's costs for provisioning, maintaining and upgrading of facilities and services associated with the Company's provision of universal service. In doing so, and in the absence of Commission direction to the contrary, the Company has developed what it believes to be a reasonable, good faith methodology regarding how it should allocated federal USF disbursements.

Table 1 – Universal Service Support \$

| Consolidated Telephone (371532) | Total USF | Est. USF \$'s attributable to: | |
|---------------------------------|--------------|--------------------------------|----------------|
| | | Capital Exp* | Operating Exp* |
| 2014 Jan-Dec Booked Amt | ██████████ | ● ██████████ | ● ██████████ |
| Jan 2015 Booked Amt. | ● ██████████ | | |
| Feb | ● ██████████ | | |
| Mar | ● ██████████ | | |
| Apr | ● ██████████ | | |
| May | \$ - | | |
| Total Jan-May 2015 | ● ██████████ | ● ██████████ | ● ██████████ |

*- derived using Table 2 percentages on lines 22 and 23.

Table 2, below contains expenditures for provision maintenance and upgrading of facilities and services supported by federal universal service funding. The estimated percentages contained in Table 2 were used in response to Lines 115, 116, and 117 of the FCC Form 481.

Table 2

| | | SAC 371532 2014 Amt. |
|----|--|-------------------------|
| 1 | Total Network Support Expense | \$ [REDACTED] |
| 2 | Total General Support Expenses | \$ [REDACTED] |
| 3 | Total Central Office Switching Expense | \$ [REDACTED] |
| 4 | Total Central Office Transmission Expense | \$ [REDACTED] |
| 5 | Total Cable and Wire Facilities Expenses | \$ [REDACTED] |
| 6 | Total Depreciation & Amortization Expenses | \$ [REDACTED] |
| 7 | Total Expenses Attributable to Capital | \$ [REDACTED] |
| 8 | Total Network Operations Expenses | \$ [REDACTED] |
| 9 | Total Customer Operations Expense | \$ [REDACTED] |
| 10 | Total Corporate Operations Expenses | \$ [REDACTED] |
| 11 | Total Expenses Attributable to Operating | \$ [REDACTED] |
| 12 | Total Capital and Operating Expenses | \$ [REDACTED] |
| 13 | Additions CapEx | |
| 14 | Total Central Office - Switching | \$ [REDACTED] |
| 15 | Total Central Office - Transmission | \$ [REDACTED] |
| 16 | Total Cable and Wire Facilities Assets | \$ [REDACTED] |
| 17 | Total Additions | \$ [REDACTED] |
| 18 | On-going Maint/Oper Exp | \$ [REDACTED] |
| 19 | Capex Additions + Depr | \$ [REDACTED] |
| 20 | All Expenses excl Depr | \$ [REDACTED] |
| 21 | Total | \$ [REDACTED] |
| 22 | % attributable to Capital expenditures | [REDACTED] |
| 23 | % attributable to Operating Exp | [REDACTED] |
| 24 | 2014 \$ used for Service <i>Quality</i> | \$ [REDACTED] |
| 25 | 2014 \$ used for Service <i>Coverage</i> | \$ [REDACTED] |
| 26 | 2014 \$ used for Service <i>Capacity</i> | \$ [REDACTED] |
| 27 | Est. % of USF used for Service <i>Quality</i> | [REDACTED] |
| 28 | Est. % of USF used for Service <i>Coverage</i> | [REDACTED] |
| 29 | Est. % of USF used for Service <i>Capacity</i> | [REDACTED] |
| 30 | Est. 2014 \$ of USF used for Service <i>Quality</i> | \$ [REDACTED] |
| 31 | Est. 2014 \$ of USF used for Service <i>Coverage</i> | \$ [REDACTED] |
| 32 | Est. 2014 \$ of USF used for Service <i>Capacity</i> | \$ [REDACTED] |

FCC Form 481 Line 115: How much (USF) was used to improve service quality and how support was used to improve service quality.

The Company estimates that approximately [REDACTED] or [REDACTED] of 2014 USF dollars it received was used to improve service *quality*. The Company submits that, for its operations, service quality is reasonably considered to be related to the Company's maintenance and operations

expenses associated with its network. The Company submits that these expense categories reasonably reflect what the Company undertakes to meet its network quality objectives and capacity requirements necessary to serve and meet the needs of its customers. In the absence of Commission direction to the contrary, the Company has allocated [REDACTED] of its maintenance and operations expenses to this “service quality” category and [REDACTED] to the service capacity category (FCC Form 481 Line 117, below). Based on the Company’s objective of meeting its customer’s telecommunication services and advanced telecommunication service needs, the Company believes that the estimated percent of universal service funding received in 2014 that was spent on maintenance and operations represent a reasonable and good faith estimate of the percent of universal service funding that has and will be used to improve service quality in 2015.

FCC Form 481 Line 116: How much (USF) was used to improve service coverage and how support was used to improve service coverage.

The Company estimates that approximately [REDACTED] or [REDACTED] of 2014 USF dollars it received was used to improve service *coverage* in those wire centers/exchanges where the Company provides telecommunication services and advanced telecommunications services. The Company submits that, for its operations, service coverage is reasonably related to the Company’s capital expenditures (*i.e.*, new network upgrades and deployments, and the overall depreciation expense) as those investments are related to the Company’s ability to extend (and thus improve) service coverage from that which the Company’s network was previously able to provide. As a result of the expansion and network deployments that the Company had undertaken and continued to undertake as a result of its 2014 expenditures, as of June 1, 2015, [REDACTED] of households have access to 4/1 or higher broadband service. The Company believes that the estimated percent of universal service funding received in 2014 used for network upgrades (including depreciation) 2104 represent a reasonable and good faith estimate of the percent of universal service funding that has and will be used to improve service coverage in 2015.

FCC Form 481 Line 117: How much (USF) was used to improve service capacity and how support was used to improve service capacity.

The Company estimates that approximately [REDACTED] or [REDACTED] of 2014 USF dollars it received was used to improve service *capacity* in wire centers/exchanges where the company provides telecommunication services and advanced telecommunications services. For the reasons stated in response to its explanation regarding FCC Form 481 Line 115, above, the Company believes that the estimated percent of universal service funding received in 2014 that was that was spent on maintenance and operations represent a reasonable and good faith estimate of the percent of universal service funding that has and will be used to improve service capacity in 2015.

REDACTED -- FOR PUBLIC INSPECTION

Appendix A-1 and Appendix A-2

Consolidated Telephone Company, Inc.

Certification of Compliance with Applicable Service Quality Standards and Consumer Protection Rules

Service Quality Standards

The Company:

- Provides voice grade access to the public switched network.
- Provides flat rated local exchange service with no additional charge to end users.
- Provides access to the emergency services provided by local government or other public safety organizations, such as 911 and enhanced 911.
- Provides toll blocking and toll limitation services.
- Advertises the availability of its services and the charges using media of general distribution and on its website.
- Maintains a business office providing customers with access to a customer service representative either in person or via a local telephone call or toll-free telephone number during normal business hours.
- Directs after hour calls to the Company's help desk.
- Directs trouble reports to the on-call technician.
- Tracks all service orders to ensure they are completed in a timely manner.
- Measures its service connection and service interruption performance on a regular basis.
- Trains employees to:
 - Answer all incoming calls promptly.
 - Respond to all inquiries for information promptly and courteously.
 - Investigate thoroughly all customer complaints and handle appropriately according to the Company's guidelines for resolution of customer complaints.
 - Be knowledgeable about products and service offerings so they can assist the customer with selecting the best service option.
- Has a process for periodic inspection, testing and preventive maintenance of its equipment to permit the rendering of safe, adequate and continuous service at all times.

Consumer Protection Rules

The Company has established operating procedures designed to facilitate compliance with applicable consumer protection rules which include compliance with the Customer Proprietary Network Information (CPNI) rules. The operating procedures include:

- Appointment of a compliance officer.
- A manual detailing the specific procedures for protecting consumer information.
- Employee training on an annual basis.
- A disciplinary process for improper use of consumer information.

Consolidated Telephone, Inc.

Functionality in Emergency Situations

Back-Up Power

All central offices / exchanges in the company are equipped with either propane generators or gas powered generators which are capable of providing a minimum of 7 days' of emergency back-up power. Additionally, all company central offices / exchanges are equipped with 12 hours of emergency DC battery backup. The initiation of the Company's battery back-up capability is triggered when the network identifies the existence of a loss of power. Finally, 100% of Digital Loop Carriers (DLCs) deployed in the field are equipped to provide 12 hours of emergency back-up power. The company also has access to approximately 36 portable standby generators that could be used throughout its network to provide emergency power.

Rerouting of Traffic around Damaged Facilities

The company operates a transport system where the main routes consist of a self-healing protected fiber optic ring with redundant facilities between all exchanges and alternate routing capability to meet point locations.

Traffic Spikes

The company's switching system and fiber based transport network is capable of managing traffic spikes within their network in emergency situations. Under normal operating conditions, switching system capacity is available to handle significant traffic spikes that may occur during emergency situations. The company's fiber optic transport network utilizes Ethernet technology with scalable intra-network trunking to handle traffic spikes during emergency situations.

Consolidated Telephone Company, Inc.

Nebraska Telephone Assistance Program Terms and Conditions

Nebraska Telephone Assistance Program

The Nebraska Telephone Assistance Program (NTAP) is available for qualifying customers of Consolidated Telephone Company, Inc. NTAP assistance reduces the cost of basic, monthly local telephone service. Eligible consumers can receive up to \$12.75 per month in discounts. In addition, the Federal Universal Service Charge is not assessed to consumers participating in NTAP. 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.

NTAP is administered by the Nebraska Public Service Commission.

NTAP Eligibility Information

Program Based Eligibility

To qualify for NTAP, subscribers must either have an income that is at or below 135% of the Federal Poverty Guidelines, or the subscriber, one or more of the subscriber's dependents, or the subscriber's household must receive benefits from one of the following assistance programs:

- Low-Income Home Energy Assistance Program (LIHEAP)
- Federal Public Housing Assistance (Section 8)
- Medicaid
- Children's Health Insurance Program/Kids Connection (SAM, MAC or EMAC)
- Supplemental Nutrition Assistance Program (SNAP); (formerly the Food Stamps Program)
- Supplemental Security Income (SSI)
- Temporary Assistance for Needy Families (TANF)
- National School Lunch Program Free Lunch program
- State assistance programs (if applicable)

To receive an NTAP application, contact your local *Health and Human Services* agency caseworker or the *Nebraska Public Service Commission*, 1200 N Street, Suite 300, PO Box 94927, Lincoln, NE 68508-4927, Phone: 402-471-3101, Toll Free: 1-800-526-0017 or <https://ntap.gisworkshop.com/>

NTAP 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 NTAP 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. |
|---------------------------------|-------------------------------|
| 1 | \$15,890 |
| 2 | \$21,506 |
| 3 | \$27,122 |
| 4 | \$32,738 |
| 5 | \$38,354 |
| 6 | \$43,970 |
| 7 | \$49,586 |
| 8 | \$55,202 |
| For each additional person, add | \$5,616 |

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.

Tribal subscribers should contact Consolidated Telephone Company, Inc. for additional information on Tribal Lifeline and Tribal Link Up.

Numbers of Minutes-of-Use Provided as Part of NTAP Program Service

Consolidated Telephone Company, Inc. Voice NTAP service includes unlimited local minutes-of-use within the toll-free calling area. Consolidated Telephone Company, Inc. Voice NTAP 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 NTAP service, Toll blocking is available to eligible consumers at no cost.

Rates

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

Recertification of NTAP Eligibility

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

Additional NTAP Program Information

NTAP is limited to one benefit per household, consisting of either wireline or wireless service. A household is defined as an individual or group of individuals who live together at the same address and share income and expenses. NTAP 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.

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:

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

Community Anchor Institutions {47 CFR §54.313(f)(1)(ii)}

FCC Form 481 Line #3012

Study Area Code: 371532

Study Area Name: Consolidated Telephone Company, Inc.

List the name and address of community anchor institutions to which the ETC newly deployed broadband service in the preceding (2014) calendar year.

| Name | Address |
|---------------------|--|
| UNL Research Center | 25091 Gudmundsen Rd. Whitman, NE 69366 |

LABENZ & ASSOCIATES LLC

Certified Public Accountants
4536 Normal Boulevard, Suite 195
Lincoln, Nebraska 68506

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To Management
The Combined Telephone Operations of Consolidated Companies, Inc.
Lincoln, Nebraska

We have reviewed the accompanying combined balance sheets of The Combined Telephone Operations of Consolidated Companies, Inc. as of December 31, 2014 and 2013, and the related combined statements of income and comprehensive income, changes in stockholder's equity and cash flows for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the reviews in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Our reviews were made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. The supplementary information included in the accompanying Schedules 1 - 4 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and we did not become aware of any material modifications that should be made to such information.

Labenz & Associates LLC

April 27, 2015

<010> Study Area Code
 <015> Study Area Name
 <020> Program Year
 <030> Contact Name - Person USAC should contact regarding this data
 <035> Contact Telephone Number - Number of person identified in data line <030>
 <039> Contact Telephone Email Address - Email Address of person identified in data line <030>

Files as reviewed single company
 Filed as reviewed consolidated company
 Filed as subsidiary of reviewed consolidated company

<010> [Redacted]
 <015> Consolidated Telephone Company, Inc. 371532
 <020> [Redacted]
 <030> Julie Steinhoff 2016
 <035> 402-489-2728
 <039> steinhoff@mcnet.net
 Filed as audited single company
 Filed as audited consolidated company
 Filed as subsidiary of audited consolidated company

Wendy Thompson
 Signature
 Date: 6/10/15

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.

PART A. BALANCE SHEET

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

Redacted for Public Inspection

<010> Study Area Code
 <015> Study Area Name
 <020> Program Year
 <030> Contact Name - Person USAC should contact regarding this data
 <035> Contact Telephone Number - Number of person identified in data line <030>
 <039> Contact Telephone Email Address - Email Address of person identified in data line <030>

<010> 871532
 <015> Consolidated Telephone Company, Inc.
 <020> 2016
 <030> Julia Steinhoff
 <035> 402-489-2728
 <039> jsteinhoff@nebnet.net

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 Fund 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. OSCR ((31+26+30+11)/44) | | |

Redacted for Public Inspection

<010> Study Area Code
 <015> Study Area Name
 <020> Program Year
 <030> Contact Name - Person USAC should contact regarding this data
 <035> Contact Telephone Number - Number of person identified in data line <030>
 <039> Contact Telephone Email Address - Email Address of person identified in data line <030>

<010> 371532
 <015> Consolidated Telephone Company, Inc.
 <020> 2016
 <030> Julie Steinhoff
 <035> 402-489-2728
 <039> jsteinhoff@nebnet.net

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| PART C. STATEMENTS OF CASH FLOWS | |
|--|--|
| 1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund) | |
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| 2. Net Income | |
| Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities | |
| 3. Add: Depreciation | |
| 4. Add: Amortization | |
| 5. Other (Explain) | |
| Changes in Operating Assets and Liabilities | |
| 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 | |
| CASH FLOWS FROM FINANCING ACTIVITIES | |
| 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 | |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| 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 | |

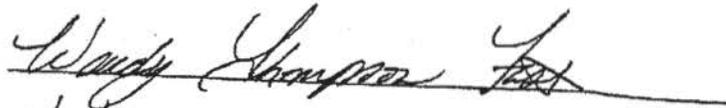
Officer Certification

The President of Consolidated Communications, Inc. states that:

1. Consolidated Telephone, Inc. was not audited in the ordinary course of business for the preceding fiscal year.
2. To the best of my knowledge, the Balance Sheet (Form 3005a), Statements of Income and Retained Earnings or Margins (Form 3005b), and Statements of Cash Flows (Form 3005c) contained herein are complete, accurate, free from any misstatements and are not misleading in any respect.
3. The 2013 and 2014 fiscal year information contained in the above referenced schedules was reviewed at the Combined Telephone Operations of Consolidated Companies, Inc. by the Certified Public Accounting firm of Labenz & Associates LLC and the accompanying Independent Account's Review Report was presented to the Board of Directors by representatives of the CPA firm noted.

Nothing has come to my attention that would indicate any material change to the statements above.

Signature:



Date:

6/10/15

Name:

Wendy Thompson Fast

Title:

President

Address:

Consolidated Communications, Inc.
6900 Van Dorn St. Suite 21, Lincoln, NE 68506