



# Custer Telephone Cooperative Inc.

PO Box 324 • 1101 E. Main Ave. Challis, ID. 83226 • Telephone: (208) 879-2281 • Fax: (208) 879-5211

June 29, 2012

Office of the FCC Secretary  
Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street SW  
Washington DC 20554

Received & Inspected  
JUL 02 2012  
FCC Mail Room

RE: Filings as per WC Docket No. 10-90

Dear Ms. Dortch:

As referenced above, enclosed is the signed Annual Report Requirements Pursuant to § 54-313(a)(2)-(6) and the State Certification of Custer Telephone Cooperative Inc. in Idaho for Federal Universal Service Support.

If you have any questions, please do not hesitate to contact the undersigned at 208.879.2281.

Sincerely,

Dennis L. Thornock  
General Manager

DLT/gjw  
Enclosures

cc: USAC

10/10/12 Capital rec'd  
LSP ASODE

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Received & Inspected  
JUL 02 2012  
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**Annual Reporting Requirements pursuant to § 54.313(a)(2)-(6)**

**WC Docket No. 10-90**

§ 54.313(a)(2) – Outage reporting

My company was not required to collect this information in 2011.

My company collected this information pursuant to state utility commission requirement.  
A copy of the report is attached.

§ 54.313(a)(3) – Unfulfilled service requests

My company was not required to collect this information in 2011.

My company collected this information pursuant to state utility commission requirement.  
A copy of the report is attached.

§ 54.313(a)(4) – Customer complaints per 1000 connections

My company was not required to collect this information in 2011.

My company collected this information pursuant to state utility commission requirement.  
A copy of the report is attached.

§ 54.313(a)(5) – Service quality standards and consumer protection rules

I certify that the reporting carrier is in compliance with applicable service quality standards and consumer protection rules.

§ 54.313(a)(6) – Ability to function in emergency situations

I certify that the reporting carrier can function in emergency situations as set forth in 47 CFR §54.202(a)(2). Specifically, the reporting carrier has a reasonable amount of back-up power to ensure functionality without an external power source, is able to reroute traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations.

I am authorized to make this certification on behalf of the company named above and, to the best of my knowledge the information reported on this form is accurate. This certification is for the study area(s) listed below. **(Please enter your Company Name, State and Study Area Code)**

Company Name	State	Study Area Code
Custer Telephone Cooperative, Inc.	Idaho	472218

(If necessary, attach a separate list of additional study areas and check this box.)

Signed,



[Signature of Corporate Officer]

Date: June 2, 2012

**W C Ebberts**

[Printed Name of Corporate Officer]

**Secretary**

[Title of Corporate Officer]

Carrier's Name Custer Telephone Cooperative, Inc.

Carrier's Address P.O. Box 324 1101 East Main Ave. Challis, Idaho 83226

Carrier's Telephone Number (208) 879-2281

June 29, 2012

Ms. Jean Jewell  
Commission Secretary  
Idaho Public Utilities Commission  
472 West Washington Street  
Boise, ID 83720

**RE: State Certification of Custer Telephone Cooperative, Inc. in Idaho for Federal Universal Service Support including Federal Rule 54.313(a)(2)---(a)(6), (h) reporting requirements**

Dear Ms. Jewell,

Custer Telephone Cooperative, Inc. ("the Company" or "Custer") hereby requests certification by Idaho Public Utilities Commission ("Commission") to the Federal Communications Commission ("FCC") and the Universal Service Administrative Corporation ("USAC") for universal service support, in accordance with 47 U.S.C. 254(e). Custer, Study Area Code 472218, is a rural incumbent local exchange carrier (ILEC) as designated by the FCC, and is eligible to receive federal universal service high-cost support pursuant to the Code of Federal Regulations ("CFR"), Title 47, Sections 54.301, 54.305, and Part 36, subpart F.

In accordance with the PUC's order No. 29841 in case No. WST-T-05-1 and case No. GNR-T-12-06 Custer submits the following information in support of this request.

## **Section 1: Eligible Telecommunication Carrier Information**

Company Name: Custer Telephone Cooperative, Inc.

Address: 1101 East Main Ave.  
Challis, ID 83226

Contact Person: Dennis Thornock, General Manager  
Telephone Number: 208.879.2281  
Email Address: [gm@custertel.net](mailto:gm@custertel.net)

Service Area code (SAC): 472218

Number of Idaho Telephone Service Assistance Program (ITSAP) recipients: 105

## **Section 2: Description of Carrier's Local Usage Plan—**

### **Description of the Applicants Local Usage Plan and That of the ILEC**

A carrier seeking ETC re-certification must demonstrate that it offers a local usage plan comparable to the one offered by the incumbent LEC in the service areas for which the carrier seeks designation. Since Custer is the incumbent LEC in its service territory, this requirement is inapplicable.

## **Section 3: Detailed Outage Information**

**Number of outages: 1**

**Outage Detail Information:** Custer's Central switching equipment developed a short on the chassis backplane causing nightly redundant switching issues. On June 8<sup>th</sup>, a planned outage was scheduled to replace the chassis. On June 8<sup>th</sup>, at 12:10 pm the Meta-Switch 2510 was powered down for a complete chassis change-out. At 12:46 pm, 36 minutes later dial tone and all switching functionality were restored. 1622 customers with service to 2355 access lines were affected. Cause of fault in backplane is not known therefore no preventive measures taken. Service to Custer's entire certificated service area was affected.

## **Section 4: Unfulfilled Service Requests**

The number of unfulfilled service requests from potential customers in the previous year (2011 through June 30, 2012) within the ETC's service area: **0**

## **Section 5: Customer Complaints**

The number of customer complaints per 1,000 handset or working access lines: **2**

## **Section 6: Service Quality and Consumer Protection Certification**

Custer certifies that it is in compliance with the applicable service quality standards and consumer protection rules of the FCC and the Idaho Public Utilities Commission. Please see the attached Affidavit of Corporate Officer. Custer is devoted to providing high-quality service to our customers, including prompt, responsive, and thorough customer service.

## **Section 7: Ability to Remain Functional in Emergencies Certification**

Custer is well suited to remain functional during emergencies, or in response to damaged facilities, or spikes in network traffic. Custer has taken significant steps to ensure that its network will remain functional without an external power source. Custer has a backup power generator at each of its central offices.

## **Section 8: Federal USF High-Cost Support Certification**

State of Idaho \_\_\_\_\_ )  
County of Custer )ss

CERTIFICATION BY ELIGIBLE TELECOMMUNICATIONS CARRIER  
OF COMPLIANCE WITH SERVICE QUALITY AND CUSTOMER  
PROTECTION, ABILITY TO REMAIN FUNCTIONAL IN  
EMERGENCIES

AFFIDAVIT OF BUSINESS OR CORPORATE OFFICER

THE IDAHO PUBLIC UTILITIES COMMISSION ORDER NO. 29841 REQUIRES THAT ELIGIBLE TELECOMMUNICATIONS CARRIER CERTIFY THAT IT IS COMPLIANT WITH APPLICABLE SERVICE QUALITY STANDARDS AND CONSUMER PROTECTION RULES; AND ETCS MUST DEMONSTRATE THE ABILITY TO REMAIN FUNCTIONAL IN EMERGENCIES. IN ADDITION, THE COMMISSION MUST FILE AN ANNUAL CERTIFICATION WITH THE USAC AND THE FCC THAT ALL FEDERAL HIGH-COST SUPPORT PROVIDED TO ETCS WITHIN THE STATE OF IDAHO WILL BE USED ONLY FOR THE PROVISION, MAINTENANCE, AND UPGRADING OF FACILITIES AND SERVICES FOR WHICH THE SUPPORT IS INTENDED. ACCORDINGLY, THE UNDERSIGNED STATES AND VERIFIES UNDER OATH THE FOLLOWING:

1. I AM AN OFFICER OF CUSTER TELEPHONE COOPERATIVE, INC. AN ELIGIBLE TELECOMMUNICATIONS CARRIER FOR RECEIVING FEDERAL UNIVERSAL SERVICE SUPPORT UNDER SECTION 214(E) OF THE TELECOMMUNICATIONS ACT OF 1996 IN THE STATE OF IDAHO.
2. I AM FAMILIAR WITH THE COMPANY'S DAY-TO-DAY OPERATIONS IN THE STATE OF IDAHO WITH THE STATE'S SERVICE QUALITY STANDARDS AND CONSUMER PROTECTION RULES AS SET FORTH IN COMMISSION ORDER NO. 29841.
3. I CERTIFY THAT CUSTER TELEPHONE COOPERATIVE, INC. IS COMPLYING WITH APPLICABLE SERVICE QUALITY STANDARDS AND CONSUMER PROTECTION RULES OF THE FEDERAL COMMUNICATIONS COMMISSION AND THE IDAHO PUBLIC UTILITIES COMMISSION.
4. I CERTIFY TO THE COMMISSION THAT THE COMPANY IS ABLE TO REMAIN FUNCTIONAL IN EMERGENCIES AS SET FORTH IN COMMISSION ORDER NO. 29841 AND IN 47 C.F.R. § 54.202(A) (2).
5. I ALSO CERTIFY THAT ALL FEDERAL UNIVERSAL SERVICE SUPPORT FUNDS RECEIVED BY CUSTER TELEPHONE COOPERATIVE, INC. DURING THE CURRENT CALENDAR YEAR WILL BE USED IN A MANNER CONSISTENT WITH SECTION 254(E); THAT IS, FOR THE PROVISION, MAINTENANCE, AND UPGRADING OF FACILITIES AND SERVICES FOR WHICH THE SUPPORT IS INTENDED. THE COMPANY WILL CONTINUE TO COMPLY FOR THE PERIOD OF JANUARY 1, 2013 THROUGH DECEMBER 31, 2013, TO BE ELIGIBLE FOR FEDERAL UNIVERSAL SERVICE FUND SUPPORT.
6. THIS VERIFICATION AND AFFIDAVIT IS PROVIDED TO THE IDAHO PUBLIC UTILITIES COMMISSION TO ENABLE THE IPUC TO CERTIFY TO THE FCC THAT FEDERAL UNIVERSAL SERVICE SUPPORT RECEIVED BY THE ELIGIBLE CARRIERS IN THE STATE WILL BE USED IN A MANNER CONSISTENT WITH SECTION 254(E) OF THE TELECOMMUNICATIONS ACT.

W.C. Ebberts

W.C. Ebberts / Secretary

06/29/2012

Date

SUBSCRIBED AND SWORN to before me this 29th day of June



[Signature]

Notary Public for Idaho, residing at Challis

My Commission expires 2-27-2015

## **Section 9: Network Improvement Plan and Progress Report**

### **Two Year Network Improvement plan and Progress Report**

The receipt of USF funding helps ensure that Custer's customers will continue to receive reliable, high-quality, state-of-the-art service. From July 1, 2012 to June 30, 2014, Custer will continue to utilize USF funds to maintain, upgrade, and improve its network and cover its operating expenses as necessary to permit it to offer a high level of service to its customers. The following is a description of how USF funds have been and will be employed for each of Custer's four wire centers:

#### **1. Challis**

For the period of 2011 through June 2012, Custer's operating expenses were \$4,889,900. During that same period, Custer's investments and capital expenditures were \$265,856. These amounts include investments in the following projects that were intended to improve the signal quality, coverage and capacity in the Challis exchange: (1) replaced ATM and SONET equipment; (2) add capacity and expand DSL availability; (3) line extension to new homes. The projects mentioned above cannot be specifically linked to particular funding sources. However, high-cost support from the universal service fund of \$2,351,075 in 2011 provided critical funding that, when combined with other funding sources, allowed Custer to pursue these investments in the Challis exchange.

In order to continue providing high-quality, reliable, state-of-the-art telecommunications services to customers in the Challis exchange, Custer will incur ongoing operating expenses, maintenance expenses, and expenses related to system upgrades and improvements. Custer's total operating expenses from July 1, 2012 through June 30, 2014 are projected to be approximately \$6,492,763. These expenses include the amounts necessary to maintain the facilities in the Challis exchange, as well as the administrative and other operating expenses required to provide service to customers in the Challis exchange. Custer's operating expenses cannot be specifically linked to particular funding sources. However, high-cost support from the USF will provide critical funding that, when combined with other funding sources, will cover Custer's operating expenses incurred in providing service to the Challis exchange.

In addition to these operating expenses, Custer expects to invest approximately \$644,000 from July 1, 2012 through June 30, 2014 to improve and expand its network. These amounts include investments in the following projects in the Challis exchange: (1) replace old copper facilities with FTTH (fiber to the home) using PON (passive optical network) broadband loop carrier electronic equipment; (2) add capacity and expand DSL availability; (3) line extensions to new homes; (4) replace two microwave radio systems with Ethernet capable radios. The projects mentioned above cannot be specifically linked to particular funding sources. However, high-cost support from the USF will provide critical funding that, when combined with other funding sources, will allow Custer to pursue these investments in the Challis exchange.

Each of the aforementioned expenses and investments will be incurred to maintain and provide telecommunications services to any customer or prospective customer making a reasonable request for service within Custer's Challis exchange. These expenses and investments are designed to bring high-quality, reliable voice services to customers. However, given the nature of modern telecommunications facilities, the operating expenses and investment in Custer's network also facilitate customers' access to broadband. Custer's anticipated operating expenses and investments from July 1, 2012 through June 30, 2014 will allow Custer's customers to continue to benefit from high-quality, reliable, state-of-the-art services to customers, including those in the Challis exchange.

#### **2. Clayton**

For the period of 2011 through June 2012, Custer's operating expenses were \$1,640,028. During that same period, Custer's investments and capital expenditures were \$34,984. These amounts include

investments in the following projects that were intended to improve the signal quality, coverage and capacity in the Clayton exchange: (1) add capacity and expand DSL availability; (2) line extensions utilizing FTTH (fiber to the home) using PON (passive optical network); (3) consolidated switching to one central switch in the Challis CO. The projects mentioned above cannot be specifically linked to particular funding sources. However, high-cost support from the universal service fund of \$788,529 in 2011 provided critical funding that, when combined with other funding sources, allowed Custer to pursue these investments in the Clayton exchange.

In order to continue providing high-quality, reliable, state-of-the-art telecommunications services to customers in the Clayton exchange, Custer will incur ongoing operating expenses, maintenance expenses, and expenses related to system upgrades and improvements. Custer's total operating expenses from July 1, 2012 through June 30, 2014 are projected to be approximately \$2,177,614. These expenses include the amounts necessary to maintain the facilities in the Clayton exchange, as well as the administrative and other operating expenses required to provide service to customers in the Clayton exchange. Custer's operating expenses cannot be specifically linked to particular funding sources. However, high-cost support from the USF will provide critical funding that, when combined with other funding sources, will cover Custer's operating expenses incurred in providing service to the Clayton exchange.

In addition to these operating expenses, Custer expects to invest approximately \$233,750 from July 1, 2012 through June 30, 2014 to improve and expand its network. These amounts include investments in the following projects in the Clayton exchange: (1) add capacity and expand DSL availability by replacing old carrier equipment with new Broadband loop carrier; (2) replace old copper facilities with FTTH (fiber to the home) using PON (passive optical network); (3) install sensitive electronic fire suppression system to central switching areas; (4) line extensions utilizing FTTH (fiber to the home) using PON (passive optical network). The projects mentioned above cannot be specifically linked to particular funding sources. However, high-cost support from the USF will provide critical funding that, when combined with other funding sources, will allow Custer to pursue these investments in the Clayton exchange.

Each of the aforementioned expenses and investments will be incurred to maintain and provide telecommunications services to any customer or prospective customer making a reasonable request for service within Custer's Clayton exchange. These expenses and investments are designed to bring high-quality, reliable voice services to customers. However, given the nature of modern telecommunications facilities, the operating expenses and investment in Custer's network also facilitate customers' access to broadband. Custer's anticipated operating expenses and investments from July 1, 2012 through June 30, 2014 will allow Custer's customers to continue to benefit from high-quality, reliable, state-of-the-art services to customers, including those in the Clayton exchange.

## **1. May**

For the period of 2011 through June 2012, Custer's operating expenses were \$449,415. During that same period, Custer's investments and capital expenditures were \$594,927. These amounts include investments in the following projects that were intended to improve the signal quality, coverage and capacity in the May exchange: (1) consolidated switching to one central switch in the Challis CO; (2) replace old copper facilities with FTTH (fiber to the home) using PON (passive optical network). The projects mentioned above cannot be specifically linked to particular funding sources. However, high-cost support from the universal service fund of \$216,080 in 2011 provided critical funding that, when combined with other funding sources, allowed Custer to pursue these investments in the May exchange.

In order to continue providing high-quality, reliable, state-of-the-art telecommunications services to customers in the May exchange, Custer will incur ongoing operating expenses, maintenance expenses, and expenses related to system upgrades and improvements. Custer's total operating expenses from July 1, 2012 through June 30, 2014 are projected to be approximately \$596,729. These expenses include the amounts necessary to maintain the facilities in the May exchange, as well as the administrative and other operating expenses required to provide service to customers in the May exchange. Custer's operating expenses cannot be specifically linked to particular funding sources. However, high-cost support from the

USF will provide critical funding that, when combined with other funding sources, will cover Custer's operating expenses incurred in providing service to the May exchange.

In addition to these operating expenses, Custer expects to invest approximately \$28,750 from July 1, 2012 through June 30, 2014 to improve and expand its network. These amounts include investments in the following projects in the May exchange: (1) install sensitive electronic fire suppression system to central switching areas; (2) line extensions utilizing FTTH (fiber to the home) using PON (passive optical network). The projects mentioned above cannot be specifically linked to particular funding sources. However, high-cost support from the USF will provide critical funding that, when combined with other funding sources, will allow Custer to pursue these investments in the May exchange.

Each of the aforementioned expenses and investments will be incurred to maintain and provide telecommunications services to any customer or prospective customer making a reasonable request for service within Custer's May exchange. These expenses and investments are designed to bring high-quality, reliable voice services to customers. However, given the nature of modern telecommunications facilities, the operating expenses and investment in Custer's network also facilitate customers' access to broadband. Custer's anticipated operating expenses and investments from July 1, 2012 through June 30, 2014 will allow Custer's customers to continue to benefit from high-quality, reliable, state-of-the-art services to customers, including those in the May exchange.

### **1. Elk Bend**

For the period of 2011 through June 2012, Custer's operating expenses were \$687,537. During that same period, Custer's investments and capital expenditures were \$392,367. These amounts include investments in the following projects that were intended to improve the signal quality, coverage and capacity in the Elk Bend exchange: (1) replace old copper facilities with FTTH (fiber to the home) using PON (passive optical network) and broadband loop carrier electronic equipment; (2) line extensions to new homes (3) add capacity and expand DSL availability; (4) consolidated switching to one central switch in the Challis CO. The projects mentioned above cannot be specifically linked to particular funding sources. However, high-cost support from the universal service fund of \$330,569 in 2011 provided critical funding that, when combined with other funding sources, allowed Custer to pursue these investments in the Elk Bend exchange.

In order to continue providing high-quality, reliable, state-of-the-art telecommunications services to customers in the Elk Bend exchange, Custer will incur ongoing operating expenses, maintenance expenses, and expenses related to system upgrades and improvements. Custer's total operating expenses from July 1, 2012 through June 30, 2014 are projected to be approximately \$912,905. These expenses include the amounts necessary to maintain the facilities in the Elk Bend exchange, as well as the administrative and other operating expenses required to provide service to customers in the Elk Bend exchange. Custer's operating expenses cannot be specifically linked to particular funding sources. However, high-cost support from the USF will provide critical funding that, when combined with other funding sources, will cover Custer's operating expenses incurred in providing service to the Elk Bend exchange.

In addition to these operating expenses, Custer expects to invest approximately \$53,750 from July 1, 2012 through June 30, 2014 to improve and expand its network. These amounts include investments in the following projects in the Elk Bend exchange: (1) line extensions utilizing FTTH (fiber to the home) using PON (passive optical network); (2) install sensitive electronic fire suppression system to central switching areas. The projects mentioned above cannot be specifically linked to particular funding sources. However, high-cost support from the USF will provide critical funding that, when combined with other funding sources, will allow Custer to pursue these investments in the Elk Bend exchange.

Each of the aforementioned expenses and investment will be incurred to maintain and provide telecommunications services to any customer or prospective customer making a reasonable request for service within Custer's Elk Bend exchange. These expenses and investments are designed to bring high-quality, reliable voice services to customers. However, given the nature of modern telecommunications

facilities, the operating expenses and investment in Custer's network also facilitate customers' access to broadband. Custer's anticipated operating expenses and investments from July 1, 2012 through June 30, 2014 will allow Custer's customers to continue to benefit from high-quality, reliable, state-of-the-art services to customers, including those in the Elk Bend exchange.

## **Commitment to Provide Service**

As shown in the past, Custer remains committed to providing high-quality service in the years to come. Custer certifies that it will:

1. Provide service on a timely basis to requesting customers within Custer's service area where Custer's network already passes the potential customer's premises.
2. Provide service within a reasonable period of time, if the potential customer is within Custer's licensed service area but outside its existing network coverage, if service can be provided at reasonable cost, and in accordance with Custer's policies. Service will be extended to these potential customers using the technological mechanisms that are most appropriate given the type of service that Custer is providing, and in light of the features of Custer's existing network.
3. Advertise the availability of its service offerings using media of general distribution. [See enclosure.]

## **Public Interest Determination**

For over 57 years, Custer has provided high-quality telecommunications service that promotes the public interest, convenience, and necessity. Custer is dedicated to meeting its customers' needs for reliable, state-of-the-art telecommunications services. Custer will continue to direct resources to maintaining the high quality of service provided by its existing network, and by its existing processes. In light of Custer's longstanding record of outstanding past service, and its plans to continue upgrading, improving, and maintaining its network for the benefit of its customers, there is no doubt that Custer's status as an ETC is consistent with the public interest, convenience, and necessity.

## **Tribal Notification**

Custer service territory does not include tribal lands, as such, this requirement is inapplicable.

## **Equal Access**

Custer is one of 3 ETCs in its service territory, and provides equal access to 100% of its customers so they have access to several long distance service providers.

The federal high-cost support Custer will received in 2012 through 2014 will continue to be used "only for the provision, maintenance and upgrading of facilities and services for which such support is intended" as outlined in 47 USC 254(e). Enclosed is an affidavit regarding Custer's use of universal service support funds.

## **2012 Local Rate Floor**

Custer's local flat rate for residential local service, as well as state fees as defined pursuant to §54.318(e) and rates below the local urban rate floor as well as the number of lines below the rate floor as defined in §54.318. [See enclosure.]

Any questions or notifications of action taken on this matter should be directed to Dennis Thornock at (208) 879-2281, P.O Box 324, Challis, Idaho 83226.

Sincerely,

A handwritten signature in blue ink that reads "Dennis L. Thornock". The signature is written in a cursive style with a large initial "D" and a long, sweeping underline.

Dennis L. Thornock, General Manager

Enclosures

cc: Aaron M. Sedler, Moss Adams LLP

**USF Certification for 2012  
Attachment to Affidavit**

Custer Telephone Cooperative, Inc.

<b>Access Lines</b>	<b>Exchange</b>	<b>CLLI Code</b>	<b>OCN</b>	<b>SAC</b>
1,458	Challis	CHLSIDXCDS0	2218	472218
489	Clayton	CYTNDXCRS1		
205	Elk Bend	BNIDXCRS1		
134	May	MAYIDXCRS1		
<hr/>				
2,286				

**Year 2011 Federal Universal Service Receipts Subject To Certification.**

High Cost Loop Support	2,256,549
ICLS Support	1,024,488
Safety Net Additive	-
Safety Value Additive	-
Local Switching Support	405,216
<b>TOTAL</b>	<b>3,686,253</b>

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

	For eighteen months ending June 30, 2012	For twelve months ending June 30, 2013	For twelve months ending June 30, 2014
<b>Plant Specific Operations Expenses</b>			
Network support (Accts. 6110-16)	17,662	12,188	12,554
General support (Accts. 6120-24)	143,988	99,361	102,342
Central office switching (Accts. 6210-6212.2)	562,067	387,864	399,500
Central office transmission (Accts. 6230s)	267,655	184,699	190,240
Cable and wire facilities (Accts. 6410-6441)	1,131,755	780,985	804,415
Network operations (Accts. 6530-35)	22,194	15,316	15,775
Depreciation and amortization (Accts. 6560-65)	3,754,370	2,314,718	2,384,517
<b>Customer operations expenses</b>			
Customer services (Accts. 6620-23)	433,588	299,204	308,180
<b>Corporate operations expenses</b>			
Executive and planning (Accts. 6710)	578,693	399,337	411,317
General and administrative (Accts. 6720)	754,909	520,937	536,565
Other corporate (not included elsewhere)	-	-	-
<b>Total Supported Expenditures, Before Return On Investment</b>	<b>7,666,880</b>	<b>5,014,608</b>	<b>5,165,404</b>
<b>Additions</b>			
Switching (Acct. 2210, Column C)	84,058	86,250	-
Transmission (Acct. 2230, Column C)	327,043	436,500	327,500
Cable and wire (Acct. 2410, Column C)	877,034	60,000	50,000
<b>TOTAL</b>	<b>1,288,135</b>	<b>582,750</b>	<b>377,500</b>
<b>Total Supported Expenditures, Before Return On Investment</b>	<b>8,955,015</b>	<b>5,597,358</b>	<b>5,542,904</b>

USF Certification for 2012  
Attachment to Affidavit

Custer Telephone Cooperative, Inc.

Access Lines	Exchange	CLLI Code	2011 USF Support
1,458	Challis	CHLSIDXCDS0	2,351,075

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

	For eighteen months ending June 30, 2012	For twelve months ending June 30, 2013	For twelve months ending June 30, 2014
<b>Plant Specific Operations Expenses</b>			
Network support (Accts. 6110-16)	11,265	7,774	8,007
General support (Accts. 6120-24)	91,835	63,372	65,273
Central office switching (Accts. 6210-6212.2)	358,484	247,378	254,799
Central office transmission (Accts. 6230s)	170,709	117,800	121,334
Cable and wire facilities (Accts. 6410-6441)	721,828	498,109	513,052
Network operations (Accts. 6530-35)	14,155	9,768	10,061
Depreciation and amortization (Accts. 6560-65)	2,394,519	1,476,316	1,520,833
<b>Customer operations expenses</b>			
Customer services (Accts. 6620-23)	276,540	190,831	196,556
<b>Corporate operations expenses</b>			
Executive and planning (Accts. 6710)	369,088	254,695	262,336
General and administrative (Accts. 6720)	481,477	332,251	342,219
Other corporate (not included elsewhere)	-	-	-
<b>Total Supported Expenditures, Before Return On Investment</b>	<b>4,889,900</b>	<b>3,198,293</b>	<b>3,294,470</b>
<b>Additions</b>			
Switching (Acct. 2210, Column C)	953	-	-
Transmission (Acct. 2230, Column C)	239,185	424,000	170,000
Cable and wire (Acct. 2410, Column C)	25,719	30,000	20,000
<b>TOTAL</b>	<b>265,856</b>	<b>454,000</b>	<b>190,000</b>
<b>Total Supported Expenditures, Before Return On Investment</b>	<b>5,155,756</b>	<b>3,652,293</b>	<b>3,484,470</b>

**USF Certification for 2012  
Attachment to Affidavit**

Custer Telephone Cooperative, Inc.

Access Lines	Exchange	CLLI Code	2011 USF Support
489	Clayton	CYTNIDXCRS1	788,529

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

	For eighteen months ending June 30, 2012	For twelve months ending June 30, 2013	For twelve months ending June 30, 2014
<b>Plant Specific Operations Expenses</b>			
Network support (Accts. 6110-16)	3,778	2,607	2,685
General support (Accts. 6120-24)	30,801	21,254	21,892
Central office switching (Accts. 6210-6212.2)	120,232	82,968	85,457
Central office transmission (Accts. 6230s)	57,254	39,509	40,694
Cable and wire facilities (Accts. 6410-6441)	242,095	167,061	172,073
Network operations (Accts. 6530-35)	4,748	3,276	3,374
Depreciation and amortization (Accts. 6560-65)	803,100	495,143	510,074
<b>Customer operations expenses</b>			
Customer services (Accts. 6620-23)	92,749	64,003	65,923
<b>Corporate operations expenses</b>			
Executive and planning (Accts. 6710)	123,789	85,422	87,985
General and administrative (Accts. 6720)	161,483	111,434	114,777
Other corporate (not included elsewhere)	-	-	-
<b>Total Supported Expenditures, Before Return On Investment</b>	<b>1,640,028</b>	<b>1,072,679</b>	<b>1,104,935</b>
<b>Additions</b>			
Switching (Acct. 2210, Column C)	27,702	28,750	-
Transmission (Acct. 2230, Column C)	3,774	10,000	155,000
Cable and wire (Acct. 2410, Column C)	3,508	20,000	20,000
<b>TOTAL</b>	<b>34,984</b>	<b>58,750</b>	<b>175,000</b>
<b>Total Supported Expenditures, Before Return On Investment</b>	<b>1,675,013</b>	<b>1,131,429</b>	<b>1,279,935</b>

USF Certification for 2012  
Attachment to Affidavit

Custer Telephone Cooperative, Inc.

Access Lines	Exchange	CLLI Code	2011 USF Support
205	Elk Bend	BNIDXCRS1	330,569

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

	For eighteen months ending	For twelve months ending	For twelve months ending
	June 30, 2012	June 30, 2013	June 30, 2014
<b>Plant Specific Operations Expenses</b>			
Network support (Accts. 6110-16)	1,584	1,093	1,126
General support (Accts. 6120-24)	12,912	8,910	9,178
Central office switching (Accts. 6210-6212.2)	50,404	34,782	35,826
Central office transmission (Accts. 6230s)	24,002	16,563	17,060
Cable and wire facilities (Accts. 6410-6441)	101,492	70,036	72,137
Network operations (Accts. 6530-35)	1,990	1,373	1,415
Depreciation and amortization (Accts. 6560-65)	336,678	207,575	213,835
<b>Customer operations expenses</b>			
Customer services (Accts. 6620-23)	38,883	26,832	27,636
<b>Corporate operations expenses</b>			
Executive and planning (Accts. 6710)	51,895	35,811	36,885
General and administrative (Accts. 6720)	67,697	46,716	48,117
Other corporate (not included elsewhere)	-	-	-
<b>Total Supported Expenditures, Before Return On Investment</b>	<b>687,537</b>	<b>449,691</b>	<b>463,214</b>
<b>Additions</b>			
Switching (Acct. 2210, Column C)	27,702	28,750	-
Transmission (Acct. 2230, Column C)	25,652	2,500	2,500
Cable and wire (Acct. 2410, Column C)	339,014	10,000	10,000
<b>TOTAL</b>	<b>392,367</b>	<b>41,250</b>	<b>12,500</b>
<b>Total Supported Expenditures, Before Return On Investment</b>	<b>1,079,905</b>	<b>490,941</b>	<b>475,714</b>

**USF Certification for 2012  
Attachment to Affidavit**

Custer Telephone Cooperative, Inc			
Access Lines	Exchange	CLLI Code	2011 USF Support
134	May	MAYIDXCRS1	216,080

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

	For eighteen months ending June 30, 2012	For twelve months ending June 30, 2013	For twelve months ending June 30, 2014
<b>Plant Specific Operations Expenses</b>			
Network support (Accts. 6110-16)	1,035	714	736
General support (Accts. 6120-24)	8,440	5,824	5,999
Central office switching (Accts. 6210-6212.2)	32,947	22,736	23,418
Central office transmission (Accts. 6230s)	15,689	10,827	11,151
Cable and wire facilities (Accts. 6410-6441)	66,341	45,780	47,153
Network operations (Accts. 6530-35)	1,301	898	925
Depreciation and amortization (Accts. 6560-65)	220,072	135,683	139,775
<b>Customer operations expenses</b>			
Customer services (Accts. 6620-23)	25,416	17,539	18,065
<b>Corporate operations expenses</b>			
Executive and planning (Accts. 6710)	33,922	23,408	24,110
General and administrative (Accts. 6720)	44,251	30,536	31,452
Other corporate (not included elsewhere)	-	-	-
<b>Total Supported Expenditures, Before Return On Investment</b>	<b>449,415</b>	<b>293,945</b>	<b>302,784</b>
<b>Additions</b>			
Switching (Acct. 2210, Column C)	27,702	28,750	-
Transmission (Acct. 2230, Column C)	58,432	-	-
Cable and wire (Acct. 2410, Column C)	508,793	-	-
<b>TOTAL</b>	<b>594,927</b>	<b>28,750</b>	<b>-</b>
<b>Total Supported Expenditures, Before Return On Investment</b>	<b>1,044,342</b>	<b>322,695</b>	<b>302,784</b>

AFFIDAVIT OF PUBLICATION

State of Idaho, County of Custer, ss:

I, Anna Means, representing the Challis Messenger, a weekly newspaper, published at Challis, Idaho, do solemnly swear that the notice hereto attached and made a part hereof, was published in the regular and entire issue of the Challis Messenger for 1 consecutive weeks, commencing with the issue dated 4/19 2012 and ending with the issue dated 4/19 2012.

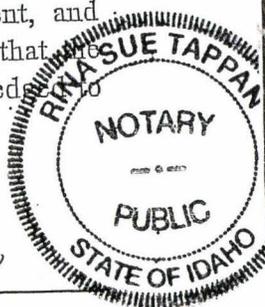
Anna Means

STATE OF IDAHO )

COUNTY OF CUSTER )

On this 30<sup>th</sup> day of April in the year of 2012, before me, a Notary Public,

personally appeared Anna Means, known or identified to me to be the person whose name subscribed to the within instrument, and being by me first duly sworn, declared that the statements therein are true, and acknowledged to me that he executed the same.



Rina Sue Tappan  
Notary Public for Idaho  
Residing at Challis, ID

**NOTICE**

Custer Telephone Cooperative, Inc. is a quality telecommunications service provider who provides basic and enhanced services at reasonable rates within its service territory. Basic services are offered at the following rates:

	Monthly Rates	One-Time Non-Recurring Charges
Single Party Residence Service .....	\$ 9.83	\$ 18.00
Single Party Business Service .....	\$ 13.87	\$ 25.00
Single Party Universal Life Line Service* .....	\$ 2.91	Per Case Basis

In addition to the above monthly rates, a \$6.50 Federal Subscriber Line Charge applies to business and residential single party lines and \$9.20 for a business with more than one line. This charge is paid entirely by the Federal Life Line Program for Universal Life Line Service for customers who qualify.

\* sLow income individuals may be eligible for the Life Line Telephone Assistance Program. This is a State and Federally funded program, which provides discounted service to low-income residential customers who meet the eligibility rules established by the Idaho Public Utilities Commission. Discounted basic services rates, discounted one-time installation charge or changes and free Toll-Blocking are made available for those that qualify for Universal Life Line Service.

The above rates include the following:

- Local Calling
- Touch Tone Capability
- Access to Operator Services
- Directory Assistance and Inter-Change Service Providers
- Voice Grade Access to the Public Switched Network
- Free Access to 800 and 800-like Toll Free Services
- One Free Directory Listing
- Free Access to a Business Office and Free Access to the Idaho Relay Service by Dialing 711

**Emergency 911 Service** ..... Surcharge for 911 services are assessed according to Government assessments

Custer Telephone Cooperative, Inc offers basic services to all customers in the following exchanges:

838-Clayton / 879-Challis / 876-May / 894-Elk Bend

For additional detail on any of these services, please contact our business office at 208.879.2281, or toll-free at 866.879.2281.



# Notice

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Single Party Business Service .....	13.87	\$25.00
Single Party Universal Life Line Service* .	2.91	Per Case Basis

In addition to the above monthly rates, a \$6.50 Federal Subscriber Line Charge applies to business and residential single party lines and \$9.20 for a business with more than one line. This charge is paid entirely by the Federal Life Line Program for Universal Life Line Service for residential customers who qualify.

Low income individuals may be eligible for Life Line Telephone Assistance Program. This is a State and Federally funded program, which provides discounted service to low-income residential customers who meet the eligibility rules established by the Idaho Public Utilities Commission. Discounted basic services rates, and free Toll-Blocking are made available for those that qualify for Universal Life Line Service. The above rates include the following:

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For additional details on any of these services, please contact our business office at (208) 879-2281, or toll-free at (866) 879-2281.

## Affidavit of Publication

STATE OF IDAHO }  
 County of Lemhi } ss.

RICKY G. HODGES being first duly sworn, deposes and says he is one of the publishers (printers) of The Recorder Herald, a newspaper published weekly at Salmon, Lemhi County, Idaho, and of general circulation therein. That the **NOTICE OF RATES**, a true printed copy of which is attached to the margin hereof, has been and was correctly printed and published in the regular and entire issue of every number of said newspaper and not in any supplement thereof or thereto for **ONE (1)** consecutive issue(s), commencing with the issue dated **4-19-2012** and ending with the issue dated **4-19-2012**.

STATE OF IDAHO }  
 County of Lemhi } ss.

On this **20th day of April** in this year of 2012 before me, A Notary Public, personally appeared RICKY G. HODGES, known or identified to me to be the person whose name subscribed to the within instrument, and being by me first duly sworn, declared that the statements therein are true, and acknowledged to me that he executed the same.

*Shiela Johnson*  
 \_\_\_\_\_  
 Notary Public for Idaho

Residing At Salmon, Idaho

My Commission expires: 01-16-2013



Publication Fee \$69.30

# Affidavit of Publication

## STATEMENT OF NON-DISCRIMINATION

Custer Telephone Cooperative, Inc. is the recipient of Federal Financial Assistance from the US Department of Agriculture (USDA). The USDA prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable sex (including gender identity and expression), marital status, familial status, parental status, religion, sexual orientation, political beliefs, genetic information, reprisal or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs). Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). Custer Telephone Cooperative, Inc. is an equal opportunity provider and employer.

STATE OF IDAHO }  
County of Lemhi } ss.

RICKY G. HODGES being first duly sworn, deposes and says he is one of the publishers (printers) of The Recorder Herald, a newspaper published weekly at Salmon, Lemhi County, Idaho, and of general circulation therein. That the **STATEMENT OF NONDISCRIMINATION**, a true printed copy of which is attached to the margin hereof, has been and was correctly printed and published in the regular and entire issue of every number of said newspaper and not in any supplement thereof or thereto for **ONE (1)** consecutive issue(s), commencing with the issue dated **4-19-2012** and ending with the issue dated **4-19-2012**.

STATE OF IDAHO }  
County of Lemhi } ss.

On this **20th day of April** in this year of 2012 before me, A Notary Public, personally appeared RICKY G. HODGES, known or identified to me to be the person whose name subscribed to the within instrument, and being by me first duly sworn, declared that the statements therein are true, and acknowledged to me that he executed the same.

  
Notary Public for Idaho

Residing At Salmon, Idaho

My Commission expires: 01-16-2013

Publication Fee \$41.28



**RATE FLOOR DATA COLLECTION - OMB Control Number 3060-0986**

**Block 1 - Contact Information**

ROW #	DATA ELEMENT	FORMAT OF REQUESTED DATA	RESPONSE
1	Carrier Study Area Code	6 numeric digits	472218
2	Carrier Study Area Name	alpha characters	CUSTER TEL. COOPERATIVE INC.
3	Service Provider Identification Number	9 numeric digits	143002512
4	Residential Local Service Charge Effective Date	mm/dd/yy	06/01/2012
5	Contact Name	alpha characters	Thornock, Dennis L
6	Contact Telephone Number (include area code)	9 numeric digits	208-879-2281
7	Sheet Number	numeric digit(s)	
8	Total Number of Sheets	numeric digit(s)	

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

	Column 1 Residential Local Service Charge	Column 2 State Subscriber Line Charge	Column 3 State Universal Service Fee	Column 4 Mandatory Extended Area Service Charge	Column 5 Loops
9	3.28	0.00	0.00	0.00	39
10	8.33	0.00	0.12	0.00	3
11	9.83	0.00	0.12	0.00	1,351

Rate Floor Template

**Certification of Officer as to the Accuracy of the Data Reported for the Rate Floor Data**

I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the actual rate floor data reported ; and, to the best of my knowledge, the information reported on this form is accurate.

Name of Reporting Carrier Custer Telephone Cooperative, Inc.

Signature of authorized officer 

Date 06/15/2012

Printed name of authorized officer Clayton R. Severe

Title or position of authorized officer President

Telephone number of authorized officer: (208) 879-2281, ext.

Study Area Code of Reporting Carrier 472218

Filing Due Date for this form (mm/dd/yyyy)

7/1/2012