

REDACTED- FOR PUBLIC INSPECTION

October 7, 2013

VIA OVERNIGHT DELIVERY

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

RE: **Confidential Financial Information Subject to Protective Order in WC Docket Nos. 10-90, 07-135, 05-337, 03-109, CC Docket Nos. 01-92, 96-45, GN Docket No. 09-51, WT Docket No. 10-208, Before the Federal Communications Commission**

Dear Ms. Dortch:

Central Texas Cooperative, Inc. ("Central Texas"), a privately-held rate of return carrier receiving high cost support, has electronically submitted FCC Form 481 to the Commission with redacted financial data, in compliance with 47 C.F.R. §§ 54.313 and 54.422

As specified in the Protective Order issued on November 16, 2012 by the Commission, two copies of the redacted confidential information are being filed simultaneously with the non-redacted confidential information. The redacted information for this filing and each page of the file where confidential information has been omitted is marked "REDACTED - FOR PUBLIC INSPECTION"

Please feel free to contact me with any questions regarding this particular matter at 209-955-6116 or email me at Eric.Votaw@mossadams.com.

Sincerely,



Eric N. Votaw, Senior Manager
For Moss Adams LLP

Enclosures

.cc Mr. Charles Tyler, FCC Telecommunications Access Policy Division
Public Utilities Commission of Texas
Mr. Jamey Wigley, General Manager – Central Texas Cooperative, Inc.

FCC Form 481 - Carrier Annual Reporting Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	442052
<015> Study Area Name	CENTRAL TEXAS CO-OP
<020> Program Year	2014
<030> Contact Name: Person USAC should contact with questions about this data	Eric Votaw
<035> Contact Telephone Number: Number of the person identified in data line <030>	209-955-6116
<039> Contact Email Address: Email of the person identified in data line <030>	eric.votaw@mossadams.com

ANNUAL REPORTING FOR ALL CARRIERS	54.313	54.422
	Completion	Completion
	Required	Required

			(check box when complete)	
<100> Service Quality Improvement Reporting	<i>(complete attached worksheet)</i>		<input type="checkbox"/>	<input checked="" type="checkbox"/>
<200> Outage Reporting (voice)	<i>(complete attached worksheet)</i>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<210> <input type="checkbox"/> <-- check box if no outages to report				
<300> Unfulfilled Service Requests (voice)	<input type="text" value="0"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<310> Detail on Attempts (voice)	<i>(attach descriptive document)</i>		<input type="checkbox"/>	<input checked="" type="checkbox"/>
<320> Unfulfilled Service Requests (broadband)			<input type="checkbox"/>	<input checked="" type="checkbox"/>
<330> Detail on Attempts (broadband)	<i>(attach descriptive document)</i>		<input type="checkbox"/>	<input checked="" type="checkbox"/>
<400> Number of Complaints per 1,000 customers (voice)			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<410> Fixed	<input type="text" value="3.2552E-4"/>			
<420> Mobile				
<430> Number of Complaints per 1,000 customers (broadband)			<input type="checkbox"/>	<input checked="" type="checkbox"/>
<440> Fixed				
<450> Mobile				
<500> Service Quality Standards & Consumer Protection Rules Compliance	<i>(check to indicate certification)</i>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<510> <input type="text" value="442052TX510"/>	<i>(attach descriptive document)</i>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<600> Functionality in Emergency Situations	<i>(check to indicate certification)</i>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<610> <input type="text" value="442052TX610"/>	<i>(attach descriptive document)</i>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<700> Company Price Offerings (voice)	<i>(complete attached worksheet)</i>		<input type="checkbox"/>	<input checked="" type="checkbox"/>
<710> Company Price Offerings (broadband)	<i>(complete attached worksheet)</i>		<input type="checkbox"/>	<input checked="" type="checkbox"/>
<800> Operating Companies and Affiliates	<i>(complete attached worksheet)</i>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<900> Tribal Land Offerings (Y/N)?	<input type="radio"/> <input checked="" type="radio"/>	<i>(if yes, complete attached worksheet)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1000> Voice Services Rate Comparability	<input type="text"/>	<i>(check to indicate certification)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<1010> <input type="text"/>	<i>(attach descriptive document)</i>		<input type="checkbox"/>	<input checked="" type="checkbox"/>
<1100> Terrestrial Backhaul (Y/N)?	<input checked="" type="radio"/> <input type="radio"/>	<i>(if not, check to indicate certification)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1110>	<i>(complete attached worksheet)</i>		<input type="checkbox"/>	<input checked="" type="checkbox"/>
<1200> Terms and Condition for Lifeline Customers	<i>(complete attached worksheet)</i>		<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>	<i>(check to indicate certification)</i>		<input type="checkbox"/>	<input checked="" type="checkbox"/>
<2005>	<i>(complete attached worksheet)</i>		<input type="checkbox"/>	<input checked="" type="checkbox"/>

Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet

<3000>	<i>(check to indicate certification)</i>		<input type="checkbox"/>	<input checked="" type="checkbox"/>
<3005>	<i>(complete attached worksheet)</i>		<input 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
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<010> Study Area Code	442052
<015> Study Area Name	CENTRAL TEXAS CO-OP
<020> Program Year	2014
<030> Contact Name - Person USAC should contact regarding this data	Eric Votaw
<035> Contact Telephone Number - Number of person identified in data line <030>	209-955-6116
<039> Contact Email Address - Email Address of person identified in data line <030>	eric.votaw@mossadams.com

<110> Has your company received its ETC certification from the FCC?	(yes / no) <input type="radio"/> <input checked="" type="radio"/>
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 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 (.pdf)

Please check these boxes below to confirm that the attached PDF, 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	<input type="checkbox"/>
<114> Report how much universal service (USF) support was received	<input type="checkbox"/>
<115> How (USF) was used to improve service quality	<input type="checkbox"/>
<116> How (USF) was used to improve service coverage	<input type="checkbox"/>
<117> How (USF) was used to improve service capacity	<input type="checkbox"/>
<118> Provide an explanation of network improvement targets not met in the prior calendar year.	<input type="checkbox"/>

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

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

<010>	Study Area Code	442052
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<039>	Contact Email Address - Email Address of person identified in data line <030>	eric.votaw@mossadams.com

<910> Tribal Land(s) on which ETC Serves

<920> Tribal Government Engagement Obligation

Name of Attached Document (.pdf)

If your company serves Tribal lands, please select (Yes,No, NA) for each these boxes to confirm the status described on the attached PDF, 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,No, NA)

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

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

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

<1130> Please check this box to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(G)

(1200) Terms and Condition for Lifeline Customers Lifeline Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<015>	Study Area Name	CENTRAL TEXAS CO-OP
<020>	Program Year	2014
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<039>	Contact Email Address - Email Address of person identified in data line <030>	eric.votaw@mossadams.com

<1210> Terms & Conditions of Voice Telephony Lifeline Plans 442052TX1210

Name of attached document (.pdf)

<1220> Link to Public Website HTTP _____

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

- <1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers,
- <1222> Details on the number of minutes provided as part of the plan,
- <1223> Additional charges for toll calls, and rates for each such plan.

(2000) Price Cap Carrier Additional Documentation Data Collection Form <i>Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers</i>	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<039>	Contact Email Address - Email Address of person identified in data line <030>	eric.votaw@mossadams.com

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

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

(3000) Rate Of Return Carrier Additional Documentation Data Collection Form	FCC Form 481 OMB Control No. 3060-0985/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	442052
<015>	Study Area Name	CENTRAL TEXAS CO-OP
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<039>	Contact Email Address - Email Address of person identified in data line <030>	eric.votaw@mossadams.com

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

Progress Report on 5 Year Plan

(3010) Milestone Certification (47 CFR § 54.313(f)(1)(i)) Please check this box to confirm that the attached PDF, on line 3012,	Name of Attached Document Listing Required Information	<input type="checkbox"/>
(3011) contains the required information pursuant to § 54.313 (f)(1)(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.		
(3012) Community Anchor Institutions (47 CFR § 54.313(f)(1)(ii))	Name of Attached Document Listing Required Information	<input checked="" type="checkbox"/> (Yes/No)
(3013) Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2))		<input checked="" type="checkbox"/> (Yes/No)
(3014) If yes, does your company file the RUS annual report Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:		<input checked="" type="checkbox"/>
(3015) Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)		<input type="checkbox"/>
(3016) PDF of Balance Sheet, Income Statement and Statement of Cash Flows		<input type="checkbox"/>
(3017) If the response is yes on line 3014, attach your company's RUS annual report and all required documentation	Name of Attached Document Listing Required Information	442052TX3017
(3018) If the response is no on line 3014, is your company audited? If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:		<input type="checkbox"/> (Yes/No)
(3019) Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications		<input type="checkbox"/>
(3020) PDF of Balance Sheet, Income Statement and Statement of Cash Flows		<input type="checkbox"/>
(3021) Management letter issued by the independent certified public accountant that performed the company's financial audit.		<input type="checkbox"/>
(3022) 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: 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,		<input type="checkbox"/>
(3023) Underlying information subjected to a review by an independent certified public accountant		<input type="checkbox"/>
(3024) Underlying information subjected to an officer certification.		<input type="checkbox"/>
(3025) PDF of Balance Sheet, Income Statement and Statement of Cash Flows		<input type="checkbox"/>
(3026) Attach the worksheet listing required information	Name of Attached Document Listing Required Information	_____

Certification - Reporting Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<039> Contact Email Address - Email Address of person identified in data line <030>	eric.votaw@mobadams.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier:	
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.	

Certification - Agent / Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	442052
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<039> Contact Email Address - Email Address of person identified in data line <030>	eric.votaw@mossadams.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) <u>Moss Adams, LLP</u> 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:	Moss Adams, LLP
Name of Reporting Carrier:	CENTRAL TEXAS CO-OP
Signature of Authorized Officer:	CERTIFIED ONLINE Date: 10/01/2013
Printed name of Authorized Officer:	Jamey Wigley
Title or position of Authorized Officer:	General Manager/Officer
Telephone number of Authorized Officer:	325-938-5611
Study Area Code of Reporting Carrier:	442052 Filing Due Date for this form: 10/15/2013
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:	CENTRAL TEXAS CO-OP
Name of Authorized Agent or Employee of Agent:	Moss Adams, LLP
Signature of Authorized Agent or Employee of Agent:	CERTIFIED ONLINE Date: 10/01/2013
Printed name of Authorized Agent or Employee of Agent:	Eric Votaw
Title or position of Authorized Agent or Employee of Agent:	Senior Manager
Telephone number of Authorized Agent or Employee of Agent:	209-955-6116
Study Area Code of Reporting Carrier:	442052 Filing Due Date for this form: 10/15/2013
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

Response Line 510
Central Texas Telephone Cooperative
Study Area 442052

Pursuant to 47 C.F.R. § 54.313(a)(5) and or 47 C.F.R. § 54.422(b)(3) Central Texas Telephone Cooperative, Inc. ("CTTC") is in compliance with appropriate Texas CTP Quarterly Filings, FCC Service Quality Standards and Consumer Protection Rules. CTTC provides CPNI training to all of its new employees and in addition trains all of its existing employees on an annual basis. CTTC also conducts subscriber outreach regarding CPNI by periodically placing CPNI explanation messages into subscriber's bills. In addition CTTC trains staff on Red Flag issues on an annual basis. All company employees are required to sign and acknowledge that they have completed CPNI and Red Flag training and understand obligations to adherence of applicable rules.

Response Line 610
Central Texas Telephone Cooperative
Study Area 442052

Functionality in Emergency Situations:

Pursuant to 47 C.F.R. § 54.313(a)(6) and 47 C.F.R § 54.22(b)(4) as set forth in 47 C.F.R. § 54.202(a)(2) Central Texas Telephone Cooperative, Inc. ("CTTC") meets the requirements to remain functional in emergency situations and has the following capabilities; Back-up power is provided to CTTC central by use of fixed generators and batteries that provide it with 8 hours of emergency power. In addition, CTTC field electronics have 8 hours of back-up power by use of generators and batteries. CTTC also has SONET, DWDM, and MPLS technology deployed in its core fiber optic network that is self-healing and will automatically reroute traffic should a fiber cut occur. Lastly, CTTC is prepared and capable of managing traffic spikes resulting from emergency situations.

General Exchange Tariff

LOCAL EXCHANGE ACCESS SERVICE TARIFFS

IV. LIFELINE SERVICE

A. General

1. Lifeline Service is a retail local service offering sponsored by the FCC and available to qualifying low-income consumers.
2. Consumers qualifying for Lifeline Service are offered the services or functionalities enumerated in 47 Code of Federal Regulations §54.101(a)(1)-(8) (relating to Supported Services for Rural, Insular and High Cost Areas).
3. The Cooperative shall offer toll restriction at no charge to all qualifying low-income consumers at the time such consumers subscribe to Lifeline Service. If the consumer elects to receive toll restriction, that service shall become part of the consumer's Lifeline Service.
4. A customer otherwise eligible to receive the Lifeline Service shall not be prohibited from obtaining and using telecommunication equipment and services designed to aid such customer in utilizing qualifying telecommunication services.
5. Lifeline Service rate reductions apply only to basic network service and do not apply to non-basic services, such as long distance service, which may or may not be tariffed. Customers may obtain such services, including bundled services where available, at their discretion, although the Lifeline Service reduction will apply only to the basic service charge of the bundled service.
6. The Lifeline Service rate reductions do not apply to service connection charges. D
I
D
7. Lifeline Service will not be available on a retroactive basis unless directed by the Low Income Discount Administrator (LIDA) or the Commission. D
I
D
8. The Cooperative shall waive monthly number portability charges, subject to its tariff, for Lifeline customers. T

FOR PUBLIC UTILITY COMMISSION USE ONLY

Effective: April 2, 2012
Issued By: Jamey Wigley
Title: General Manager

PENDING

MGR: JL AA: pjf
Date Filed: 04/05/2012
Tariff Control#: 40225

General Exchange Tariff

LOCAL EXCHANGE ACCESS SERVICE TARIFFS

IV. LIFELINE SERVICE (Continued)

B. Eligibility Requirements

1. The discounted service will be provided for one (1) residential telephone line per household, at the subscriber's principal place of residence.

2. The applicant establishes eligibility by certifying that their annual household income is at or below 150% of the federal poverty guideline, by being an eligible resident of Tribal lands, or being a participant or having a person or child residing in the customer household who participates in one of the following programs:

- Medicaid
- Food Stamps (Supplemental Nutrition Assistance Program)
- Low-income Home Energy Assistance Programs (HEAP)
- Supplemental Security Income (SSI)
- Federal public housing assistance
- State Child Health Plan
- National School Lunch Program's Free Lunch Program
- Temporary Assistance for Needy Families

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N
N

3. Procedures for Establishing Lifeline Discounts

(a) Consumers within the Cooperative's service area identified as eligible for Lifeline Service by LIDA through the automatic enrollment process under Commission Substantive Rule 26.412, shall be provided Lifeline Service discounts unless the Cooperative receives a customer request to be excluded from such discounts. Consumers who are eligible for Lifeline Service but do not have telephone service at the time the LIDA provides its eligibility list to the Cooperative are responsible for contacting the Cooperative and initiating a request for service from the Cooperative.

(b) The LIDA shall provide the Cooperative with a monthly list of consumers eligible for Lifeline Service.

FOR PUBLIC UTILITY COMMISSION USE ONLY

Effective: June 1, 2012
Issued By: Jamey Wigley
Title: General Manager

PENDING

MGR: JL AA: pjf
Date Filed: 04/05/2012
Tariff Control#: 40225

General Exchange Tariff

LOCAL EXCHANGE ACCESS SERVICE TARIFFS

IV. LIFELINE SERVICE (Continued)

B. Eligibility Requirements (Continued)

3. Procedures for Establishing Lifeline Discounts (Continued)

- (c) Consumers who do not participate in one of the designated programs but who meet income qualifications by having an annual household income at or below 150% of the federal poverty guidelines, may establish eligibility for Lifeline Service by contacting the LIDA.
- (d) The discontinuance of the Tel-Assistance program effective September 1, 2001 allows the Cooperative to move Tel-Assistance customers to Lifeline Service. The Cooperative has no exchanges where a customer's local service rate under Tel-Assistance is a greater benefit, therefore, customers will be grandfathered at Lifeline rates. Rates will apply until the customer's service is discontinued or the customer is determined ineligible under this Section.

4. Provision of Service

- (a) The Cooperative shall provide Lifeline Service to all eligible consumers identified by the LIDA within its service area if the consumer is a customer of the Cooperative. The Cooperative shall begin reduced billing for those eligible low-income consumers subscribing to qualifying services.
- (b) If the eligible consumer changes the telephone service to qualifying services or initiates new qualifying service, the Cooperative shall begin reduced billing at the time the change of service becomes effective or at the time the new service is established.

PUBLIC UTILITY COMMISSION OF TEXAS
APPROVED

NOV - 2 '07 DOCKET 34867

CONTROL # _____

FOR PUBLIC UTILITY COMMISSION USE ONLY

Effective: Upon Approval
Issued By: Jamey Wigley
Title: General Manager

General Exchange Tariff

LOCAL EXCHANGE ACCESS SERVICE TARIFFS

IV. LIFELINE SERVICE (Continued)

B. Eligibility Requirements (Continued)

4. Provision of Service (Continued)

- (c) The Cooperative will discontinue Lifeline Service discounts upon notice by the LIDA that a customer is no longer eligible.
- (d) The Cooperative has provided a confidentiality agreement to the LIDA specifying the use of confidential client information is solely for providing Lifeline Service.

C. Deposits

- 1. The deposit requirements will be waived for Lifeline Service applicants who voluntarily elect to subscribe to Toll Restriction Service.

D. Lifeline Service Discounts

- 1. Eligible consumers who subscribe to Lifeline Service will receive the following discounts:
 - (a) Federal Reduction in accordance with 47 C.F.R. Section 54.403 applied to the monthly Federal Subscriber Line Charge (SLC) and Residential Local Exchange Access Line Rate.
 - (b) Maximum State Reduction of \$3.50 applied to the monthly Residential Local Exchange Access Line Rate.

FOR PUBLIC UTILITY COMMISSION USE ONLY

Effective: April 2, 2012
Issued By: Jamey Wigley
Title: General Manager

PENDING

MGR: JL AA: pjf
Date Filed: 04/05/2012
Tariff Control#: 40225

General Exchange Tariff

LOCAL EXCHANGE ACCESS SERVICE TARIFFS

D
D

E. Service Charges

1. Service charges do not apply when eligible customers with existing residential service convert to Lifeline Service.
2. Service charges apply when:
 - (a) At the time Lifeline Service billing is initiated, where existing eligible residential local exchange access service customers request additional features, such as special or custom calling features.
 - (b) A customer receiving Lifeline Service voluntarily elects to convert to telephone service arrangements, which preclude Lifeline Service eligibility.

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General Exchange Tariff

LOCAL EXCHANGE ACCESS SERVICE TARIFFS

IV. LIFELINE SERVICE (Continued)

E. Service Charges (Continued)

2. Service Charges Apply When: (Continued)

(c) New residential applicants (those without existing local exchange access service) eligible for the Lifeline Program will be subject to applicable service charges.

D
D

3. Any subsequent moves or changes after the initial connection to Lifeline Service will be subject to applicable service charges.

D
D

F. Payments and Disconnection of Service

1. The Cooperative may not disconnect Lifeline Service for nonpayment of toll charges.

2. A Lifeline customer is required to adhere to the same bill payment policies applicable to all of the Cooperative's customers.

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USDA-RUS

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

BORROWER DESIGNATION

TX0549

PERIOD ENDING

December, 2012

INSTRUCTIONS- See RUS Bulletin 1744-2

PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS

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

REDACTED - FOR PUBLIC INSPECTION

USDA-RUS	BORROWER DESIGNATION TX0549
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	PERIOD ENDED December, 2012
INSTRUCTIONS – See help in the online application.	
PART I – STATEMENT OF CASH FLOWS	
1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)	
CASH FLOWS FROM OPERATING ACTIVITIES	
2. Net Income	
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>	
3. Add: Depreciation	
4. Add: Amortization	
5. Other (Explain) Change in Other Taxes Accrued and Interest Receivable	
<i>Changes in Operating Assets and Liabilities</i>	
6. Decrease/(Increase) in Accounts Receivable	
7. Decrease/(Increase) in Materials and Inventory	
8. Decrease/(Increase) in Prepayments and Deferred Charges	
9. Decrease/(Increase) in Other Current Assets	
10. Increase/(Decrease) in Accounts Payable	
11. Increase/(Decrease) in Advance Billings & Payments	
12. Increase/(Decrease) in Other Current Liabilities	
13. Net Cash Provided/(Used) by Operations	
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) Other Changes in Equity	
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) Capital Expenditures Not Calculated on Line 24	
28. Net Cash Provided/(Used) by Investing Activities	
29. Net Increase/(Decrease) in Cash	
30. Ending Cash	

Revision Date 2010

REDACTED - FOR PUBLIC INSPECTION

Independent Auditor's Report

The Board of Directors
Central Texas Telephone Cooperative, Inc.
Goldthwaite, Texas

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Central Texas Telephone Cooperative, Inc., which comprise the balance sheets as of December 31, 2012 and 2011, and the related consolidated statements of operations, comprehensive income, changes in members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Governmental Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Central Texas Telephone Cooperative, Inc. as of December 31, 2012 and 2011, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Other Legal and Regulatory Requirements

In accordance with Government Auditing Standards, we have also issued a report dated April 25, 2013, on our consideration of Central Texas Telephone Cooperative, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing and internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The comparative balance sheets, statements of operations, and cash flows and the business segment statements of operations for Central Texas Communications, Inc. and corporate structure on pages 28 through 42, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Curtis Blahely & Co., P.C.
Longview, Texas

April 25, 2013