

ACM, INC

Access Billing

ILEC's / CLEC's
Meet Point Billing
Switched Access
Special Access
Other Billings Arrangements

Cost Consulting

Separations
Allocations
Accounting
Depreciation
Special Studies

Management Consulting

Regulatory Issues
Earnings Analysis
Tax Planning
Other Customized Solutions

October 11, 2013

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

**Re: WC Docket Nos. 10-90 and 11-42
2013 FCC Form 481 Annual Report
Study Area Code: 150108**

Dear Secretary Dortch:

On behalf of Nicholville Telephone Company, Inc., ACM, Inc., as the company's authorized representative, files the enclosed FCC Form 481 Carrier Annual Reporting Data Collection Form, as required by 47 C.F.R. § 54.313 and 54.422.

The FCC Form 481 has been submitted to USAC via its e-file system and copies of that submission are being provided to the FCC and state commission.

Please contact David Waters at (518) 374-2552 if you have any questions regarding this filing.

Respectfully Submitted,



David Waters
ACM, Inc.

120 Erie Boulevard, Schenectady, NY 12305

Access Billing: Phone (518) 374-5720 / Facsimile (518) 374-7511 / www.acm-accessbilling.com

Consulting: Phone (518) 374-2552 / Facsimile (518) 374-8983 / www.acm-costconsulting.com

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	150108
<015> Study Area Name	NICHOLVILLE TEL CO
<020> Program Year	2014
<030> Contact Name: Person USAC should contact with questions about this data	Dave Waters
<035> Contact Telephone Number: Number of the person identified in data line <030>	518-374-2552
<039> Contact Email Address: Email of the person identified in data line <030>	davew@acm-costconsulting.com

ANNUAL REPORTING FOR ALL CARRIERS	54.313 Completion Required	54.422 Completion Required
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<i>(check box when complete)</i>		
<100> Service Quality Improvement Reporting <i>(complete attached worksheet)</i>	<input checked="" type="checkbox"/>	
<200> Outage Reporting (voice) <i>(complete attached worksheet)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<210> <input checked="" type="checkbox"/> <-- check box if no outages to report		
<300> Unfulfilled Service Requests (voice) <i>(attach descriptive document)</i>	<input checked="" type="checkbox"/>	
<310> Detail on Attempts (voice)	<input type="text" value="0"/>	
<320> Unfulfilled Service Requests (broadband) <i>(attach descriptive document)</i>	<input type="text"/>	
<330> Detail on Attempts (broadband)	<input type="text"/>	
<400> Number of Complaints per 1,000 customers (voice)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<410> Fixed	<input type="text" value="0.0"/>	
<420> Mobile	<input type="text" value="0.0"/>	
<430> Number of Complaints per 1,000 customers (broadband)	<input type="text"/>	
<440> Fixed	<input type="text"/>	
<450> Mobile	<input type="text"/>	
<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="150108ny510"/> <i>(attached 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="150108ny610"/> <i>(attached descriptive document)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<700> Company Price Offerings (voice) <i>(complete attached worksheet)</i>	<input type="text"/>	
<710> Company Price Offerings (broadband) <i>(complete attached worksheet)</i>	<input type="text"/>	
<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>		
<1000> Voice Services Rate Comparability <i>(check to indicate certification)</i>	<input type="text"/>	
<1010> <input type="text"/>	<input type="text"/>	
<1100> Terrestrial Backhaul (Y/N)? <input checked="" type="radio"/> <input type="radio"/> <i>(if not, check to indicate certification)</i>		
<1110> <i>(complete attached worksheet)</i>	<input type="text"/>	
<1200> Terms and Condition for Lifeline Customers <i>(complete attached worksheet)</i>	<input type="text"/>	<input checked="" type="checkbox"/>

Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet		
<i>Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers</i>		
<2000> <i>(check to indicate certification)</i>		
<2005> <i>(complete attached worksheet)</i>		
Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet		
<3000> <i>(check to indicate certification)</i>	<input checked="" type="checkbox"/>	
<3005> <i>(complete attached worksheet)</i>	<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	150108
<015> Study Area Name	NICHOLVILLE TEL CO
<020> Program Year	2014
<030> Contact Name - Person USAC should contact regarding this data	Dave Waters
<035> Contact Telephone Number - Number of person identified in data line <030>	518-374-2552
<039> Contact Email Address - Email Address of person identified in data line <030>	davew@acm-costconsulting.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				
<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 (.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
- <114> Report how much universal service (USF) support was received
- <115> How (USF) was used to improve service quality
- <116> How (USF) was used to improve service coverage
- <117> How (USF) was used to improve service capacity
- <118> Provide an explanation of network improvement targets not met in the prior calendar year.

(900) Tribal Lands 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	150108
<015>	Study Area Name	NICHOLVILLE TEL CO
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Dave Waters
<035>	Contact Telephone Number - Number of person identified in data line <030>	518-374-2552
<039>	Contact Email Address - Email Address of person identified in data line <030>	davew@acm-costconsulting.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

<010>	Study Area Code	150108
<015>	Study Area Name	NICHOLVILLE TEL CO
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Dave Waters
<035>	Contact Telephone Number - Number of person identified in data line <030>	518-374-2552
<039>	Contact Email Address - Email Address of person identified in data line <030>	davew@acm-costconsulting.com

<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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<010>	Study Area Code	150108
<015>	Study Area Name	NICHOLVILLE TEL CO
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Dave Waters
<035>	Contact Telephone Number - Number of person identified in data line <030>	518-374-2552
<039>	Contact Email Address - Email Address of person identified in data line <030>	davew@acm-costconsulting.com

<1210> Terms & Conditions of Voice Telephony Lifeline Plans 150108ny1210

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

FCC Form 481

Data Collection Form

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

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

July 2013

<010>	Study Area Code	150108
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<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Dave Waters
<035>	Contact Telephone Number - Number of person identified in data line <030>	518-374-2552
<039>	Contact Email Address - Email Address of person identified in data line <030>	davew@acm-costconsulting.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)}

<2011> 3rd Year Certification {47 CFR § 54.313(b)(2)}

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

<2012> 2013 Frozen Support Certification

<2013> 2014 Frozen Support Certification

<2014> 2015 Frozen Support Certification

<2015> 2016 and future Frozen Support Certification

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 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.

<2021> Interim Progress Community Anchor Institutions Name of Attached Document Listing Required Information _____

(3000) Rate Of Return Carrier Additional Documentation	FCC Form 481
Data Collection Form	OMB Control No. 3060-0986/OMB Control No. 3060-0819
	July 2013

<010> Study Area Code	150108
<015> Study Area Name	NICHOLVILLE TEL CO
<020> Program Year	2014
<030> Contact Name - Person USAC should contact regarding this data	Dave Waters
<035> Contact Telephone Number - Number of person identified in data line <030>	518-374-2552
<039> Contact Email Address - Email Address of person identified in data line <030>	davew@acm-costconsulting.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

<p>(3010) Milestone Certification {47 CFR § 54.313(f)(1)(i)} Please check this box to confirm that the attached PDF , on line 3012,</p>	<p>Name of Attached Document Listing Required Information</p>	<p><input type="checkbox"/></p>
<p>(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.</p>		
<p>(3012) Community Anchor Institutions {47 CFR § 54.313(f)(1)(ii)}</p>	<p>Name of Attached Document Listing Required Information</p>	<p><input checked="" type="checkbox"/> (Yes/No)</p>
<p>(3013) Is your company a Privately Held ROR Carrier {47 CFR § 54.313(f)(2)}</p>		<p><input checked="" type="checkbox"/> (Yes/No)</p>
<p>(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:</p>		<p><input checked="" type="checkbox"/></p>
<p>(3015) Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)</p>		<p><input checked="" type="checkbox"/></p>
<p>(3016) PDF of Balance Sheet, Income Statement and Statement of Cash Flows</p>		<p><input checked="" type="checkbox"/></p>
<p>(3017) If the response is yes on line 3014, attach your company's RUS annual report and all required documentation</p>	<p>Name of Attached Document Listing Required Information</p>	<p>150108ny3017</p>
<p>(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 :</p>		<p><input type="checkbox"/> (Yes/No)</p>
<p>(3019) Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications</p>		<p><input type="checkbox"/></p>
<p>(3020) PDF of Balance Sheet, Income Statement and Statement of Cash Flows</p>		<p><input type="checkbox"/></p>
<p>(3021) Management letter 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:</p>		<p><input type="checkbox"/></p>
<p>(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,</p>		<p><input type="checkbox"/></p>
<p>(3023) Underlying information subjected to a review by an independent certified public accountant</p>		<p><input type="checkbox"/></p>
<p>(3024) Underlying information subjected to an officer certification.</p>		<p><input type="checkbox"/></p>
<p>(3025) PDF of Balance Sheet, Income Statement and Statement of Cash Flows</p>		<p><input type="checkbox"/></p>
<p>(3026) Attach the worksheet listing required information</p>	<p>Name of Attached Document Listing Required Information</p>	<p><input type="checkbox"/></p>

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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<010> Study Area Code	150108
<015> Study Area Name	NICHOLVILLE TEL CO
<020> Program Year	2014
<030> Contact Name - Person USAC should contact regarding this data	Dave Waters
<035> Contact Telephone Number - Number of person identified in data line <030>	518-374-2552
<039> Contact Email Address - Email Address of person identified in data line <030>	davew@acm-costconsulting.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	150108
<015>	Study Area Name	NICHOLVILLE TEL CO
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Dave Waters
<035>	Contact Telephone Number - Number of person identified in data line <030>	518-374-2552
<039>	Contact Email Address - Email Address of person identified in data line <030>	davew@acm-costconsulting.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	
<p>I certify that (Name of Agent) <u>Jeffrey McGrath</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.</p>	
Name of Authorized Agent:	Jeffrey McGrath
Name of Reporting Carrier:	NICHOLVILLE TEL CO
Signature of Authorized Officer:	CERTIFIED ONLINE Date: 10/10/2013
Printed name of Authorized Officer:	Jeffrey McGrath
Title or position of Authorized Officer:	Vice President
Telephone number of Authorized Officer:	315-328-5333
Study Area Code of Reporting Carrier:	150108 Filing Due Date for this form: 10/15/2013
<small>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.</small>	

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	
<p>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.</p>	
Name of Reporting Carrier:	NICHOLVILLE TEL CO
Name of Authorized Agent or Employee of Agent:	Dave Waters
Signature of Authorized Agent or Employee of Agent:	CERTIFIED ONLINE Date: 10/10/2013
Printed name of Authorized Agent or Employee of Agent:	Dave Waters
Title or position of Authorized Agent or Employee of Agent:	Cost & Regulatory Consultant
Telephone number of Authorized Agent or Employee of Agent:	518-374-2552
Study Area Code of Reporting Carrier:	150108 Filing Due Date for this form: 10/15/2013
<small>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.</small>	

Attachments

Service Quality Standards & Consumer Protection Rules Compliance
FCC Form 481, Line 510

The company complies with applicable service quality standards and consumer protections by (1) maintaining and submitting monthly trouble report data to the New York State Public Service Commission (“NYPSC”); (2) reporting major service interruptions to the NYPSC in a manner consistent with its guidelines; (3) filing local service tariffs with the NYPSC and making rate and service information available to the public upon request; (4) clearly listing all charges and credits on customers’ bills; (5) providing full and prompt investigation of, and response to, customer complaints; (6) providing access to enhanced 911 emergency report centers; (7) participating in statewide system for the hearing impaired; (8) complying with federal CPNI rules and other applicable consumer privacy protection requirements, including training of employees that have access to CPNI on the rules and procedures for protecting account information and authenticating callers; and (9) implementing procedures that are consistent with the FTC’s guidance on measures to detect/prevent identity theft (Red Flag).

The company received a commendation from the NYPSC in recognition of its high quality of telephone service in 2012.

Nicholville Telephone Company, Inc.

**Functionality in Emergency Situations
FCC Form 481, Line 610**

Nicholville Telephone's switches and remote locations all have battery back-up. The remote locations are capable of being backed-up with portable generators. The switch locations are equipped with stand alone generators.

Nicholville Telephone's network has been constructed using fiber optic rings in the back bone to ensure redundancy and rerouting capabilities in the event of damage to the network.

Nicholville Telephone's network has been designed with excess capacity to handle increased traffic during emergency situations.

P.S.C. No. 2 - Telephone

New York State Telecommunications Association, Inc.

Section 9
Second Revised Page 3
Superseding First Revised Page 3

SPECIAL EQUIPMENT, SERVICES, AND PROGRAMS

A. LIFELINE TELEPHONE SERVICE

1. Lifeline Telephone Service Options

a. Description

1. Lifeline Discounted Service

This service provides a flat rate federal discount of \$9.25, consisting of a \$6.50 reduction of the Federal Subscriber Line Charge and a \$2.75 reduction in the monthly rate for local exchange telephone service for residential customers. Qualified customers may choose any type or grade of local telephone service, including bundled services that are normally offered by the Company.

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(C)

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1 A. Additional Lifeline Discount

This service provides the discount as outlined in A.1.a.1 above and may provide an additional discount equal to the serving company's increase in residential basic local exchange service, as authorized by the NYS Department of Public Service in Case No. 07-C-0349, released March 4, 2008, whereby the NY Commission authorized certain companies to increase basic local service rates up to \$2.00 per year for 2 years. The discount can be found on Addendum 1 of the individual Company tariff for those companies offering the Additional Lifeline Discount.

Date Issued: May 30, 2012

Date Effective: July 1, 2012

Issued by: Caroline Hill, Director Tariffs

NYSTA, Inc., 20 Corporate Woods Boulevard, Albany, NY 12210

P.S.C. No. 2 - Telephone

New York State Telecommunications Association, Inc.

Section 9
First Revised Page 3.1
Superseding Original Page 3.1

SPECIAL EQUIPMENT, SERVICES, AND PROGRAMS

A. LIFELINE TELEPHONE SERVICE

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(D)

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Date Issued: May 30, 2012

Date Effective: July 1, 2012

Issued by: Caroline Hill, Director Tariffs

NYSTA, Inc., 20 Corporate Woods Boulevard, Albany, NY 12210

P.S.C. No. 2 - Telephone

New York State Telecommunications Association, Inc.

Section 9
First Revised Page 4
Superseding Original Page 4

SPECIAL EQUIPMENT, SERVICES, AND PROGRAMS

A. LIFELINE TELEPHONE SERVICE (cont'd)

1. Lifeline Telephone Service Options (cont'd)

b. General

Qualified customers may choose to apply the federal Lifeline credit to any of the company's local service offerings, including any local bundled service offering, basic local service, or message rate service. Message rate Lifeline service is available only where central office facilities permit.

For connection of new service, service connection charges apply unless the customer qualifies for connection assistance under the Tribal Lands Link Up program.

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Service connection charges do not apply to change existing service from:

(C)

- 1. Message or flat rate services to Lifeline service.
- 2. Lifeline service to non-Lifeline services.

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Issued in Compliance with FCC Order in Dockets: WC Docket No. 11-42, WC Docket No. 03-109, CC Docket No. 96-45, WC Docket No. 12-23

Date Issued: March 29, 2012

Date Effective: April 29, 2012

Issued by: Robert R. Puckett, President

NYSTA, Inc., 20 Corporate Woods Boulevard, Albany, NY 12211

P.S.C. No. 2 - Telephone

New York State Telecommunications Association, Inc.

Section 9
First Revised Page 4.1
Superseding Original Page 4.1

SPECIAL EQUIPMENT, SERVICES, AND PROGRAMS

A. LIFELINE TELEPHONE SERVICE (cont'd)

2. Regulations

- a. These services are restricted to low income residential customers. To qualify for Lifeline service a customer must certify and provide documentation as income eligible. For a consumer to be eligible under the income requirements, the consumer's household income as defined in § 54.400(f) of the FCC Rules must be at or below 135% of the Federal Poverty Guidelines for a household of that size or a recipient of benefits from any one of the following Entitlement Programs: (C)
1. Medicaid; (C)
 2. Supplemental Nutrition Assistance Program (SNAP) F/K/A Food stamps;
 3. Supplemental Security Income;
 4. Federal Public Housing Assistance (Section 8);
 5. Low-Income Home Energy Assistance Program (LIHEAP);
 6. National School Lunch Program's free lunch program;
 7. Temporary Assistance for Needy Families/SafetyNet; (C)
 8. Veterans Disability Pension
 9. Veterans Surviving Spouse Pension

Issued in Compliance with FCC Order in Dockets: WC Docket No. 11-42, WC Docket No. 03-109, CC Docket No. 96-45, WC Docket No. 12-23

Date Issued: May 30, 2012
 Issued by: Robert R. Puckett, President
 NYSTA, Inc., 20 Corporate Woods Boulevard, Albany 12211

Date Effective: July 1, 2012

P.S.C. No. 2 - Telephone

New York State Telecommunications Association, Inc.

Section 9
First Revised Page 5
Superseding Original Page 5

SPECIAL EQUIPMENT, SERVICES, AND PROGRAMS

A. LIFELINE TELEPHONE SERVICE (cont'd)

2. Regulations (cont'd)

b. The Lifeline discount is effective upon receipt of a completed form of eligibility. If the form is not returned, no further action is taken by the Company to establish eligibility.

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c. The Company, in coordination with appropriate agencies and the Lifeline Customer, will require Lifeline customers to be re-certified, on an annual basis. Lifeline customers will need to certify that they continue to be eligible to receive these Lifeline benefits and that they are not receiving benefits from another company. If, a customer is identified as being ineligible, the customer will be notified that unless the information is shown to be in error, the Lifeline discount will be discontinued. The customer will be billed for discounts received for the time that they were proven to be ineligible for the service.

(C)

3. Locality Charge Waiver

Customers receiving Lifeline Telephone Service will have applicable locality charges waived each month while they are receiving the Lifeline Assistance.

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4. Voluntary Toll Blocking (Restriction)

Customers receiving Lifeline service can voluntarily request and receive toll blocking (call restriction), third number billing/collect call restriction without a monthly charge. There will be no record order charge to add these types of restrictions (blocking).

Issued in Compliance with FCC Order in Dockets: WC Docket No. 11-42, WC Docket No. 03-109, CC Docket No. 96-45, WC Docket No. 12-23

Date Issued: March 29, 2012

Date Effective: April 29, 2012

Issued by: Robert R. Puckett, President

NYSTA, Inc., 20 Corporate Woods Boulevard, Albany, NY 12211

Company Name: Nicholville Telephone Company, Inc.
Calendar Year: 2012

Lifeline Services Offered by Telephone Company

Service Name	Non-Discounted Rate	Total Minutes Provided	Description of Additional Toll Charges (if any)	Lifeline Rate
Private Line 328 Exchange	\$22.67	flat rate local	not included	\$9.92
Private Line 389 Exchange	\$23.00	flat rate local	not included	\$11.06

Any bundled service that includes local telephone service is also made available to lifeline customers. The associated price would include the same lifeline discount(s) identified above.

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	<i>This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential.</i> BORROWER NAME Nicholville Telephone Company, Inc.
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<i>INSTRUCTIONS-Submit report to RUS within 30 days after close of the period. For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.</i>	PERIOD ENDING December, 2012	BORROWER DESIGNATION NY0538
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CERTIFICATION

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

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

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

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

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

DATE

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	42,053	3,934	25. Accounts Payable	616,131	562,337
2. Cash-RUS Construction Fund			26. Notes Payable	31,387	934,207
3. Affiliates:			27. Advance Billings and Payments		
a. Telecom, Accounts Receivable			28. Customer Deposits		
b. Other Accounts Receivable	511,786	519,120	29. Current Mat. L/T Debt	168,395	177,830
c. Notes Receivable			30. Current Mat. L/T Debt-Rur. Dev.		
4. Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable	31,449	19,966	32. Income Taxes Accrued	(1)	(1)
b. Other Accounts Receivable	54,850	137,333	33. Other Taxes Accrued	(2,522)	(2,777)
c. Notes Receivable			34. Other Current Liabilities	187,965	191,273
5. Interest and Dividends Receivable			35. Total Current Liabilities (25 thru 34)	1,001,355	1,862,869
6. Material-Regulated	103,377	113,761	LONG-TERM DEBT		
7. Material-Nonregulated	16,319	16,319	36. Funded Debt-RUS Notes	983,968	897,480
8. Prepayments	68,460	38,946	37. Funded Debt-RTB Notes	164,375	73,019
9. Other Current Assets			38. Funded Debt-FFB Notes		
10. Total Current Assets (1 Thru 9)	828,294	849,379	39. Funded Debt-Other		149,214
NONCURRENT ASSETS			40. Funded Debt-Rural Develop. Loan		
11. Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt		
a. Rural Development			42. Reacquired Debt		
b. Nonrural Development	568,937	896,136	43. Obligations Under Capital Lease		
12. Other Investments			44. Adv. From Affiliated Companies		
a. Rural Development			45. Other Long-Term Debt		
b. Nonrural Development	5,903	5,081	46. Total Long-Term Debt (36 thru 45)	1,148,343	1,119,713
13. Nonregulated Investments			OTHER LIAB. & DEF. CREDITS		
14. Other Noncurrent Assets			47. Other Long-Term Liabilities		
15. Deferred Charges	778,359	872,363	48. Other Deferred Credits	920,887	771,187
16. Jurisdictional Differences			49. Other Jurisdictional Differences		
17. Total Noncurrent Assets (11 thru 16)	1,353,199	1,773,580	50. Total Other Liabilities and Deferred Credits (47 thru 49)	920,887	771,187
PLANT, PROPERTY, AND EQUIPMENT			EQUITY		
18. Telecom, Plant-in-Service	9,859,699	9,918,793	51. Cap. Stock Outstand. & Subscribed	141,000	141,000
19. Property Held for Future Use			52. Additional Paid-in-Capital		
20. Plant Under Construction	587	2,241	53. Treasury Stock	0	(186,518)
21. Plant Adj., Nonop. Plant & Goodwill			54. Membership and Cap. Certificates		
22. Less Accumulated Depreciation	7,844,470	8,135,383	55. Other Capital	(552,070)	(580,580)
23. Net Plant (18 thru 21 less 22)	2,015,816	1,785,651	56. Patronage Capital Credits		
24. TOTAL ASSETS (10+17+23)			57. Retained Earnings or Margins	1,537,794	1,280,939
			58. Total Equity (51 thru 57)	1,126,724	654,841
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	4,197,309	4,408,610
	4,197,309	4,408,610			

Total Equity = 14.85% % of Total Assets

USDA-RUS

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

BORROWER DESIGNATION

NY0538

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	585,320	537,768
2. Network Access Services Revenues	686,712	658,793
3. Long Distance Network Services Revenues	390,405	194,271
4. Carrier Billing and Collection Revenues	41,542	35,659
5. Miscellaneous Revenues	24,895	18,296
6. Uncollectible Revenues	5,815	(16)
7. Net Operating Revenues (1 thru 5 less 6)	1,723,059	1,444,803
8. Plant Specific Operations Expense	535,893	495,806
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)	138,817	99,597
10. Depreciation Expense	284,007	288,164
11. Amortization Expense	(26,496)	(26,496)
12. Customer Operations Expense	219,560	220,438
13. Corporate Operations Expense	644,697	505,530
14. Total Operating Expenses (8 thru 13)	1,796,478	1,583,039
15. Operating Income or Margins (7 less 14)	(73,419)	(138,236)
16. Other Operating Income and Expenses	(15,569)	(14,672)
17. State and Local Taxes		
18. Federal Income Taxes	17,621	0
19. Other Taxes	16,569	(1,161)
20. Total Operating Taxes (17+18+19)	34,190	(1,161)
21. Net Operating Income or Margins (15+16-20)	(123,178)	(151,747)
22. Interest on Funded Debt	83,332	71,517
23. Interest Expense - Capital Leases		
24. Other Interest Expense	13,743	42,444
25. Allowance for Funds Used During Construction		
26. Total Fixed Charges (22+23+24-25)	97,075	113,961
27. Nonoperating Net Income		
28. Extraordinary Items		
29. Jurisdictional Differences		
30. Nonregulated Net Income	23,201	14,853
31. Total Net Income or Margins (21+27+28+29+30-26)	(197,052)	(250,855)
32. Total Taxes Based on Income	(99,598)	(126,831)
33. Retained Earnings or Margins Beginning-of-Year	2,030,867	1,537,794
34. Miscellaneous Credits Year-to-Date		
35. Dividends Declared (Common)	1,034	0
36. Dividends Declared (Preferred)	6,000	6,000
37. Other Debits Year-to-Date	288,987	0
38. Transfers to Patronage Capital		
39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]	1,537,794	1,280,939
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)	0	0
44. Annual Debt Service Payments	263,478	277,229
45. Cash Ratio [(14+20-10-11) / 7]	0.9130	0.9138
46. Operating Accrual Ratio [(14+20+26) / 7]	1.1188	1.1738
47. TIER [(31+26) / 26]	-1.0299	-1.2012
48. DSCR [(31+26+10+11) / 44]	0.5979	0.4501

USDA-RUS		BORROWER DESIGNATION	
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		NY0538	
INSTRUCTIONS – See help in the online application.		PERIOD ENDED	
		December, 2012	
PART I – STATEMENT OF CASH FLOWS			
1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)			42,053
CASH FLOWS FROM OPERATING ACTIVITIES			
2. Net Income			(250,855)
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>			
3. Add: Depreciation			288,164
4. Add: Amortization			(26,496)
5. Other (Explain) Depr -4157, Amortz 27318, Round -1, Inc Tx -255			22,905
<i>Changes in Operating Assets and Liabilities</i>			
6. Decrease/(Increase) in Accounts Receivable			(78,334)
7. Decrease/(Increase) in Materials and Inventory			(10,384)
8. Decrease/(Increase) in Prepayments and Deferred Charges			(64,490)
9. Decrease/(Increase) in Other Current Assets			0
10. Increase/(Decrease) in Accounts Payable			(53,794)
11. Increase/(Decrease) in Advance Billings & Payments			0
12. Increase/(Decrease) in Other Current Liabilities			3,308
13. Net Cash Provided/(Used) by Operations			(169,976)
CASH FLOWS FROM FINANCING ACTIVITIES			
14. Decrease/(Increase) in Notes Receivable			0
15. Increase/(Decrease) in Notes Payable			902,820
16. Increase/(Decrease) in Customer Deposits			0
17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)			(19,195)
18. Increase/(Decrease) in Other Liabilities & Deferred Credits			(149,700)
19. Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital			(215,028)
20. Less: Payment of Dividends			(6,000)
21. Less: Patronage Capital Credits Retired			0
22. Other (Explain) Losses from affiliates 28510			28,510
23. Net Cash Provided/(Used) by Financing Activities			541,407
CASH FLOWS FROM INVESTING ACTIVITIES			
24. Net Capital Expenditures (Property, Plant & Equipment)			(60,748)
25. Other Long-Term Investments			(326,377)
26. Other Noncurrent Assets & Jurisdictional Differences			0
27. Other (Explain) Fixed asset adjs -22425			(22,425)
28. Net Cash Provided/(Used) by Investing Activities			(409,550)
29. Net Increase/(Decrease) in Cash			(38,119)
30. Ending Cash			3,934

Revision Date 2010