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VERNON, TEXAS 76385-2128

REDACTED- FOR PUBLIC INSPECTION

October 10, 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:

Santa Rosa Telephone Cooperative, Inc. 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.

Sincerely,

Jason Tole, Assistant GM/CFO
Santa Rosa Telephone Cooperative, Inc.

Enclosures

.cc Mr. Charles Tyler, FCC Telecommunications Access Policy Division
Ms. Naomi Hudgins, Public Utility Commission

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	442143
<015> Study Area Name	SANTA ROSA TEL COOP
<020> Program Year	2014
<030> Contact Name: Person USAC should contact with questions about this data	JASON TOLE
<035> Contact Telephone Number: Number of the person identified in data line <030>	940-886 2014
<039> Contact Email Address: Email of the person identified in data line <030>	jason.tole@arvco.net

ANNUAL REPORTING FOR ALL CARRIERS			54.313 Completion Required	54.422 Completion Required
<100> Service Quality Improvement Reporting	<i>(complete attached worksheet)</i>	<i>(check box when complete)</i>	<input checked="" type="checkbox"/>	<input 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)	0		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<310> Detail on Attempts (voice)	442141TX310	<i>(attach descriptive document)</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<320> Unfulfilled Service Requests (broadband)			<input type="checkbox"/>	<input type="checkbox"/>
<330> Detail on Attempts (broadband)		<i>(attach descriptive document)</i>	<input type="checkbox"/>	<input type="checkbox"/>
<400> Number of Complaints per 1,000 customers (voice)			<input checked="" type="checkbox"/>	<input type="checkbox"/>
<410> Fixed	0.0			
<420> Mobile				
<430> Number of Complaints per 1,000 customers (broadband)			<input type="checkbox"/>	<input 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> 442141TX510	<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> 442141TX610	<i>(attach descriptive document)</i>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<700> Company Price Offerings (voice)	<i>(complete attached worksheet)</i>		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<710> Company Price Offerings (broadband)	<i>(complete attached worksheet)</i>		<input type="checkbox"/>	<input type="checkbox"/>
<800> Operating Companies and Affiliates	<i>(complete attached worksheet)</i>		<input checked="" type="checkbox"/>	<input 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 type="checkbox"/>
<1000> Voice Services Rate Comparability	<i>(check to indicate certification)</i>		<input type="checkbox"/>	<input type="checkbox"/>
<1010> []	<i>(attach descriptive document)</i>		<input type="checkbox"/>	<input 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 type="checkbox"/>
<1110>	<i>(complete attached worksheet)</i>		<input type="checkbox"/>	<input type="checkbox"/>
<1200> Terms and Condition for Lifeline Customers	<i>(complete attached worksheet)</i>		<input type="checkbox"/>	<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>	<input type="checkbox"/>
<2005>	<i>(complete attached worksheet)</i>	<input type="checkbox"/>
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	442141
<015>	Study Area Name	SANTA ROSA TEL COOP
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Jason Tole
<035>	Contact Telephone Number - Number of person identified in data line <030>	940-886-2014
<039>	Contact Email Address - Email Address of person identified in data line <030>	jason.tole@arcaccess.net
<110>	Has your company received its ETC certification from the FCC?	(yes / no) <input type="radio"/> <input checked="" type="radio"/>
<111>	If your answer to Line <110> is yes, do you have an existing §54.202(a) "5 year plan" filed with the FCC?	(yes / no) <input type="radio"/> <input checked="" type="radio"/>

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.

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.

Name of Attached Document (.pdf)

- <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.

(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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<010> Study Area Code	442111
<015> Study Area Name	SANTA ROSA TEL COOP
<020> Program Year	2014
<030> Contact Name - Person USAC should contact regarding this data	Jason Toie
<035> Contact Telephone Number - Number of person identified in data line <030>	940-886-2014
<039> Contact Email Address - Email Address of person identified in data line <030>	jason.toie@arcaccess.net

<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	442141
<015>	Study Area Name	SANTA ROSA TEL COOP
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Jason Tole
<035>	Contact Telephone Number - Number of person identified in data line <030>	940-866-2014
<039>	Contact Email Address - Email Address of person identified in data line <030>	jason.tole@arcaccess.net

<1210> Terms & Conditions of Voice Telephony Lifeline Plans 442141TX1210

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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<010>	Study Area Code	442141
<015>	Study Area Name	SANTA ROSA TEL COOP
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Jason Toie
<035>	Contact Telephone Number - Number of person identified in data line <030>	940-886-2014
<039>	Contact Email Address - Email Address of person identified in data line <030>	jason.toie@rcacce.net

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. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	442141
<015>	Study Area Name	SANITA ROSA TEL COOP
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Jason Tole
<035>	Contact Telephone Number - Number of person identified in data line <030>	940-886-2014
<039>	Contact Email Address - Email Address of person identified in data line <030>	jason.tole@carca.com.net

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

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, contains the required information pursuant to § 54.313 (f)(1)(i) 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.	Name of Attached Document Listing Required Information <input type="checkbox"/>
(3011) Community Anchor Institutions (47 CFR § 54.313(f)(1)(ii)) Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2)) 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	Name of Attached Document Listing Required Information <input checked="" type="checkbox"/> (Yes/No) <input checked="" type="checkbox"/> (Yes/No)
(3015) Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers) (3016) PDF of Balance Sheet, Income Statement and Statement of Cash Flows If the response is yes on line 3014, attach your company's RUS annual report and all required documentation	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
(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:	Name of Attached Document Listing Required Information 442141TX3017 <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 (3020) PDF of Balance Sheet, Income Statement and Statement of Cash Flows (3021) Management letter issued by the independent certified public accountant that performed the company's financial audit.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
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:	<input type="checkbox"/>
(3022) Copy of their financial statement which has been subject to review by an independent certified public accountant; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers. (3023) Underlying information subjected to a review by an independent certified public accountant (3024) Underlying information subjected to an officer certification.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
(3025) PDF of Balance Sheet, Income Statement and Statement of Cash Flows (3026) Attach the worksheet listing required information	<input type="checkbox"/> 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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<010> Study Area Code	442141
<015> Study Area Name	SANTA ROSA TEL COOP
<020> Program Year	2014
<030> Contact Name - Person USAC should contact regarding this data	Jason Tole
<035> Contact Telephone Number - Number of person identified in data line <030>	940-866-2014
<039> Contact Email Address - Email Address of person identified in data line <030>	jason.tole@rcaccess.net

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

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier:	SANTA ROSA TEL COOP
Signature of Authorized Officer:	CERTIFIED ONLINE Date 10/08/2013
Printed name of Authorized Officer:	Jason Tole
Title or position of Authorized Officer:	Assistant GM / CFO
Telephone number of Authorized Officer:	940-866-2014
Study Area Code of Reporting Carrier:	442141 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

Santa Rosa Telephone Cooperative, Inc. (Study Area – 442141)

OUTAGE REPORTING – §54.313 (a)(2)

Detailed information on any outage in the prior calendar year, as that term is defined in 47 C.F.R. 4.5, of at least 30 minutes in duration for each service area in which an eligible telecommunications carrier is designated for any facilities it owns, operates, leases, or otherwise utilizes that potentially affect (i) At least ten percent of the end users served in a designated service area; or (ii) A 911 special facility, as defined in 47 C.F.R. 4.5(e). 47 C.F.R. §54.313(a)(2).

Detailed Outage Information for 2012						
Date of Outage	Time of Outage	Description of Outage and Resolution	Particular Services Affected	Geographic Areas Affected	Steps Taken to Prevent Future Recurrences	Number of Customers Affected
		<i>No Outages Occurred</i>				

Santa Rosa Telephone Cooperative was not required to file this information with the Texas Public Utilities Commission for the year 2012, so the information is not available for this filing. We will report the required data related to 2013 in next year's filing.

Response Line 510
Santa Rosa Telephone Cooperative, Inc.
Study Area 442141

Pursuant to 47 C.F.R. § 54.313(a)(5) and or 47 C.F.R. § 54.422(b)(3) Santa Rosa Telephone Cooperative, Inc. is in compliance with appropriate FCC Service Quality Standards and Consumer Protection Rules. Santa Rosa Telephone Cooperative, Inc. provides CPNI training to all of its new employees and in addition trains all of its existing employees on an annual basis. Santa Rosa Telephone Cooperative, Inc. also conducts subscriber outreach regarding CPNI by periodically placing CPNI explanation messages into subscriber's bills and also has signage in its business office regarding CPNI rules and regulations. In addition Santa Rosa Telephone Cooperative, Inc. 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
Santa Rosa Telephone Cooperative, Inc
Study Area 442141

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) Santa Rosa Telephone Cooperative, Inc meets the requirements to remain functional in emergency situations and has the following capabilities: Back-up power is provided to Santa Rosa Telephone Cooperative, Inc. central by use of a fixed generator and batteries that provide it with 6 hours of emergency power. In addition, Santa Rosa Telephone Cooperative, Inc. field electronics have 6 hours of back-up power by use of mobile generators and batteries. Santa Rosa Telephone Cooperative, Inc. also has SONET/DWDM/ATM technology deployed in its core fiber optic network that is a self-healing and will automatically reroute traffic should a fiber cut occur. In addition Santa Rosa Telephone Cooperative, Inc. has connectivity to the neighboring exchanges of 432141 and 449006 to exchange traffic and also 442141 is the LATA Tandem which further provides capabilities of handling traffic. Lastly, Santa Rosa Telephone Cooperative, Inc. is prepared and capable of managing traffic spikes resulting from emergency situations and has developed procedures for employees to follow during emergency situations.

Santa Rosa Telephone Cooperative Inc.
LIFELINE SERVICE AND UNIVERSAL SERVICES
Texas

The Federal Communications Commission and the Public Utility Commission of Texas have established two programs to make basic telephone service more affordable to eligible customers. Lifeline Service is a program designed to make basic telephone service available at reduced rates to eligible residential customers. Customer's eligibility to receive the discount must be renewed periodically.

Who Qualifies? You are eligible for Lifeline Service if your annual household income is at or below 150% of the federal poverty guidelines, or in your household resides a person who receives or has a child who receives benefits from at least one of the following programs:

- Medical Assistance (Medicaid)
- Supplemental Nutrition Assistance Program (SNAP)
- Supplemental Security Income (SSI)
- Federal Public Housing Assistance (FPHA)
- Food Distribution Program on Indian Reservations (FDPIR)
- Low Income Home Energy Assistance Program (LIHEAP)
- Health benefits coverage under the state Children's Health Insurance Program (CHIP)
- An eligible customer residing in tribal lands
- Temporary Assistance for Needy Families (TANF)
- National School Lunch Program (only applicant or customer who satisfy the income standard of the program for free meals)
- Children under 17 years of age with no health insurance
- Other eligible programs may apply

Information about customers who qualify for Lifeline Service may be shared between state agencies and Santa Rosa Telephone Cooperative Inc. Lifeline customers can also subscribe to optional services at the same rate offered to other customers.

What Universal Services are available to all customers? Universal services are offered to all customers of Santa Rosa Telephone Cooperative. Universal Services available include the following services:

- Voice grade access to the public switched network
- Local usage
- Dual tone multi-frequency signaling or its functional equivalent
- Single-party service or its functional equivalent
- Access to emergency services
- Access to operator services
- Access to interexchange services
- Access to directory assistance and annual local directory
- Telecommunications relay service
- Toll limitation for qualifying low-income consumers
- Local Calling for Residential Service is \$10.55 - \$14.00 and Business Service is \$15.90 - \$23.30
- Ability to report service problems seven days a week

In addition to the above services, Santa Rosa Telephone Cooperative offers optional calling features, along with Santa Rosa Communications Long Distance, SRCaccess.net - internet/DSL, and SRTV (where available). Customers who are eligible for the Lifeline Program are also eligible for toll blocking at no charge.

How do Telephone Customers and Applicants for Telephone Service Apply for Lifeline Program? Please call the LIDA at 1 866-454-8387 or go to www.liteuptexas.org if you wish to apply for or have any questions regarding the Lifeline Service. LIDA provides self-enrollment forms by direct mail upon customer request.

How to Apply for Telephone Service? If you do not have telephone service and wish to obtain telephone service or if you have telephone service and you move and you are in the Santa Rosa Telephone Cooperative serving areas please call our business office number 1 888-886-2217 for services and rates and we will be glad to assist you.

SRC Long Distance Residential Rates

Flat Rate

- 24/7 \$.10/min

Peak/Off Peak

- 7:00am to 6:59pm (M-F) \$.11/min
- All other time \$.09/min

Volume Discount

- \$0-\$24.99/month \$.11/min
- \$25-\$49.99/month \$.10/min
- \$50-\$99.99/month \$.08/min
- Over \$100/month \$.07/min

SRC LD One Rate

- \$4.95/month \$.07/min

SRC 48 States Unlimited

- Long Distance \$30

** Does not include Alaska and Hawaii*

SANTA ROSA COMMUNICATIONS, LTD.

**Texas Rates and Services
1st Revised Page 2
Replacing Original Page 2**

Substantive Rule § 26.89(a) (Continued)

(3) A tariff, schedule or list showing all recurring and nonrecurring rates for each service provided:

a. Direct Distance Dialed Calls:

	<u>Rate Per Minute</u>
Residential	\$.10
Business	\$.12

b. Operator Assisted & Other Surcharges:

	<u>0 + Rate</u>	<u>0 - Rate</u>
Operator-Assisted		
Billed to Third Party	\$ 4.95	\$ 3.95
Collect	\$ 3.95	\$ 3.00
Person-Person	\$ 8.95	\$ 8.95
Sent Paid - Non Coin	\$ 3.95	\$ 3.95
Automated Card	\$ 2.50	
Automated Collect	\$ 3.00	

c. Directory Assistance Service:

	<u>Rate Per Minute</u>	
Residential	\$ 1.50	I
Business	\$ 1.50	I

d. Toll Free Service:

	<u>Rate Per Minute</u>	
Residential	\$.15	R
Business	\$.15	

e. Travelers Card:

	<u>Rate/Surcharge</u>	
Per Call Surcharge	\$.20	
Per minute of Use	\$.19	
Pay Phone Surcharge	\$.40	

f. Pre - Paid Calling Card:

	<u>Rate/Minutes</u>	
Thirty (30) minute card	\$ 3.00	
Sixty (60) minute card	\$ 6.00	
One hundred twenty (120) minute card	\$12.00	R

g. Promotional period: for a period of 90 days from the effective date of this tariff offering, SRC will waive all non-recurring charges for new and existing customers subscribing to this long distance plan.

Sept. 1, 2008 5

Substantive Rule §26.89(a) (Continued)

(3) A tariff, schedule or list showing all recurring and nonrecurring rates for each service provided: (Continued)

g. Volume Discount Plans:

1) Residential

Peak/Off-Peak Flat Rate

<u>Monday - Friday</u>	<u>Rate Per Minute</u>
7:00 AM - 6:59 PM (Day)	\$.11
7:00 PM - 6:59 AM (Night)	\$.09
Weekends & Holidays	\$.09

Flat Rate with Volume Discount

<u>Monthly Usage:</u>	<u>Rate Per Minute</u>
\$0 - \$24.99 per month	\$.11 per minute
\$25 - \$49.99 per month	\$.10 per minute
\$50 - \$99.99 per month	\$.08 per minute
over \$100 per month	\$.07 per minute

2) Business

Peak/Off-Peak Flat Rate

<u>Monday - Friday</u>	<u>Rate Per Minute</u>
7:00 AM - 6:59 PM (Day)	\$.13
7:00 PM - 6:59 AM (Night)	\$.11
Weekends & Holidays	\$.11

Flat Rate with Volume Discount

<u>Monthly Usage:</u>	<u>Rate Per Minute</u>
\$0 - \$24.99 per month	\$.13 per minute
\$ 25.00 - \$49.99 per month	\$.12 per minute
\$ 50.00 - \$99.99 per month	\$.10 per minute
\$100.00 - \$149.99 per month	\$.09 per minute
\$150.00 - \$299.99 per month	\$.08 per minute
over \$300.00 per month	\$.07 per minute

All per minute charges are billed in one minute increments.

Substantive Rule §26.89(a) (Continued)

(3) A tariff, schedule or list showing all recurring and nonrecurring rates for each service provided: (Continued)

h. Optional Calling Plans:

1) SRC One Rate Plan

	<u>Monthly Surcharge</u>	<u>Rate Per Minute</u>
Residential	\$4.95	\$.07
Business	\$4.95	\$.09

2) SRC Unlimited Long Distance Plan

	<u>Rate Per Month</u>
Residential	20.00
Business	N/A

Restrictions for the SRC Unlimited Calling Plan:

- a) SRC's Unlimited Long Distance Plan is available to those residential customers who subscribe to Santa Rosa Telephone Cooperative's residential local service. SCR's calling scope includes only the 48 contiguous United States.
- b) Not included in the Unlimited Long Distance Plan is Calling Card calls, Collect calls, Operator Assisted calls, Third Number Calls, Directory Assistance and International Long Distance. The rates and terms for these services are located elsewhere in this tariff.
- c) The SRC Unlimited Long Distance Calling Plan, cannot be used for long distance access to autodialing, chat room calls, data devices, fax machines, Internet, mass communication, telemarketing, incoming toll-free calls, and pay per-call numbers (e.g., 976 calls). SRC reserves the right, upon notice, to discontinue service to customers on the Calling plan that are determined to have long distance calling patterns that are atypical of normal residential customer usage. Should a customer be removed from the Unlimited Plan due to a violation of this tariff, an alternative plan may be offered to the customer.
- d) This plan is not to be combined with any other discount plans for the same customer with multiple lines.
- e) The company reserves the right to advertise and implement promotional rates as they see fit. Plan rates do not include, and are in addition to, applicable local, state and federal taxes, surcharges, fees, and Universal service charges.
- f) Services may not be available in all service areas or on all calls.

According to the Paperwork Reduction Act of 1997, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0712-0031. The time required to complete this information collection is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		This form will be used by RUS to review your financial situation. Your response is required by 7 ELMC 901 et seq. and subject to Federal laws and regulations regarding confidential information, will be treated as confidential. BORROWER NAME Santa Rosa Telephone Cooperativa, Inc.	
INSTRUCTIONS -Submit report to RUS within 30 days after close of the period. For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.		PERIOD ENDING December, 2012	BORROWER DESIGNATION TK0559
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 1785, 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)			
<input checked="" type="checkbox"/> All of the obligations under the RUS loan documents have been fulfilled in all material respects.		<input type="checkbox"/> There has been a default in the payment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report	
Kirk Petty		6/17/2013	
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				25. Accounts Payable	
2. Cash-RUS Construction Fund				26. Notes Payable	
3. Accounts:				27. Advance Billings and Payments	
a. Telecom Accounts Receivable				28. Customer Deposits	
b. Other Accounts Receivable				29. Current Mat. LT Debt	
c. Notes Receivable				30. Current Mat. LT Debt-Rur. Dev.	
4. Non-Affiliates:				31. Current Mat.-Capital Leases	
a. Telecom Accounts Receivable				32. Income Taxes Accrued	
b. Other Accounts Receivable				33. Other Taxes Accrued	
c. Notes Receivable				34. Other Current Liabilities	
5. Interest and Dividends Receivable				35. Total Current Liabilities (25 thru 34)	
6. Material-Regulated				LONG-TERM DEBT	
7. Material-Nonregulated				36. Funded Debt-RUS Notes	
8. Prepayments				37. Funded Debt-RTB Notes	
9. Other Current Assets				38. Funded Debt-FFB Notes	
10. Total Current Assets (1 thru 9)				39. Funded Debt-Other	
NONCURRENT ASSETS				40. Funded Debt-Rural Develop. Loan	
11. Investment in Affiliated Companies				41. Premium (Discount) on LT Debt	
a. Rural Development				42. Recquired Debt	
b. Nonrural Development				43. Obligations Under Capital Leases	
12. Other Investments				44. Adv. From Affiliated Companies	
a. Rural Development				45. Other Long-Term Debt	
b. Nonrural Development				46. Total Long-Term Debt (36 thru 45)	
13. Nonregulated Investments				OTHER LIAB. & DEF. CREDITS	
14. Other Noncurrent Assets				47. Other Long-Term Liabilities	
15. Deferred Charges				48. Other Deferred Credits	
16. Jurisdictional Differences				49. Other Jurisdictional Differences	
17. Total Noncurrent Assets (11 thru 16)				50. Total Other Liabilities and Deferred Credits (47 thru 49)	
PLANT, PROPERTY, AND EQUIPMENT				EQUITY	
18. Telecom Plant-In-Service				51. Cap. Stock Outstanding & Subscribed	
19. Property Held for Future Use				52. Additional Paid-In-Capital	
20. Plant Under Construction				53. Treasury Stock	
21. Plant Adj., Nonap. Plant & Goodwill				54. Membership and Cap. Certificates	
22. Less Accumulated Depreciation				55. Other Capital	
23. Net Plant (18 thru 21 less 22)				56. Patronage Capital Credits	
24. TOTAL ASSETS (10+17+23)				57. Retained Earnings or Margins	
				58. Total Equity (51 thru 57)	
				59. TOTAL LIABILITIES AND EQUITY (35+45+50+58)	

Total Equity = [redacted] % of Total Assets

USDA-RUS		BORROWER DESIGNATION	
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		TX0559	
		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 6 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 $\{(31+28) / 28\}$			
48. DSCR $\{(31+26+10+11) / 44\}$			

USDA-RUS		BORROWER DESIGNATION	
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		TX0559	
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)			
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) CLEC Depreciation & Amortization			
<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) Taxes Accrued - 203,922, P/C Credits - (680,845)			
23. Net Cash Provided/(Used) by Financing Activities			
CASH FLOWS FROM INVESTING ACTIVITIES			
24. Net Capital Expenditures (Property, Plant & Equipment)			
25. Other Long-Term Investments			
26. Other Noncurrent Assets & Jurisdictional Differences			
27. Other (Explain)			
28. Net Cash Provided/(Used) by Investing Activities			
29. Net Increase/(Decrease) in Cash			
30. Ending Cash			

Revision Date 2010



The Board of Directors
Santa Rosa Telephone Cooperative, Inc.
Vernon, Texas

We have audited the financial statements of Santa Rosa Telephone Cooperative, Inc. (a Texas corporation) for the year ended September 30, 2012 and have issued our report thereon dated December 26, 2012. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under U.S. Generally Accepted Auditing Standards and Generally Accepted Governmental Auditing Standards

As stated in our perpetual engagement letter, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

We are responsible for performing the audit in accordance with generally accepted auditing standards and generally accepted governmental auditing standards to obtain reasonable, but not absolute, assurance about whether the financial statements are free of material misstatement.

As part of our audit, we considered the internal controls over financial reporting of Santa Rosa Telephone Cooperative, Inc. as a basis for designing audit procedures, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of Santa Rosa Telephone Cooperative, Inc.'s compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

Planned Scope and Timing of the Audit

The planned scope and timing of the audit is determined by our risk assessment. We obtain an understanding of the entity's operations, internal controls, and business environment to enable us to assess the risk of material misstatement whether due to error or fraud. We plan and perform our audit procedures based on this risk assessment.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Santa Rosa Telephone Cooperative, Inc. are described in Note 1 to the financial statements. No new accounting policies having a significant impact on the Cooperative's financial statements were adopted and the application of existing policies was not changed during 2012.

We noted no transactions entered into by the Cooperative during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transactions occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based upon management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimates of access revenue for the Cooperative are based on, among other things, expected rate of return on investment and separation factors which allocate investment and expenses between local service, intrastate service, and interstate service. Management has recorded access revenues or refund liabilities that can be reasonably estimated to be received or paid. We evaluated the key factors and assumptions used in recording the related access revenue in determining that the access revenue recorded is reasonable in relation to the financial statements of the Cooperative taken as a whole.

Management has made estimates of useful lives and salvage value of plant used for depreciation calculations. We evaluated the key factors and assumptions used in recording the related depreciation in determining that the depreciation recorded is reasonable in relation to the financial statements of the Cooperative taken as a whole.

Management has made estimates of its postretirement benefit liability using several assumptions. We evaluated the key factors and assumptions used in recording the postretirement benefit accrual in determining that the accrual recorded is reasonable in relation to the financial statements of the Cooperative taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to the financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure about the Cooperative's postretirement benefit plan. Much of the information provided in this footnote is derived from actuarial assumptions and the amounts can change significantly with changes in assumptions.

Difficulties in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Misstatements are proposed corrections that may not have been detected except through auditing procedures. While we proposed adjustments, none of these adjustments are considered to be misstatements. Management has made all proposed adjustments. In our judgment, none of the proposed adjustments were material, either individually or in the aggregate, to the financial statements taken as a whole. The adjustments proposed and accepted by management included adjusting access revenue estimates and adjusting income tax accounts. The net effect of these adjustments was a \$71,777 increase in consolidated net income.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 26, 2012.

Consultation with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Cooperative's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Cooperative's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This report is intended solely for the information of the Board of Directors and is not intended to be and should not be used by anyone other than the specified party. Please feel free to contact our office if you wish to further discuss any of the above comments.

Curtis Blahely & Co., P.C.

Longview, Texas

December 26, 2012