GVNW CONSULTING, INC.
3220 Pleasant Run
Springfield, IL 62707
(217) 698-2700 (Tel.)
(217) 698-2715 (Fax)
www.gvnw.com

Via ECFS

October 22, 2013

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 Twelfth Street S.W.
Room 5-A225
Washington, D.C. 20554

Re: FCC Form 481 being filed in accordance with the annual reporting requirements of 47 C.F.R. §54.313 and 54.422, WC Docket Nos. 10-90 and 11-42 before the Federal Communications Commission.

Dear Ms. Dortch,

In accordance with the annual reporting requirements of 47 C.F.R. §54.313 and 54.422, Rico Telephone Company is submitting FCC Form 481 via the FCC's Electronic Comment Filing System (ECFS).

This information was filed online with USAC and was filed with the Colorado Public Utilities Commission on or prior to October 15, 2013.

Please contact me with any questions you have on these filings.

Sincerely,

/s/ Andy Schein

Andy Schein
Senior Consultant
GVNW Consulting, Inc.
(719) 594-5800
aschein@gvnw.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

<010>	Study Area Code	462201
<015>	Study Area Name	RICO TEL CO
<020>	Program Year	2014
<030>	Contact Name: Person USAC should contact with questions about this data	DOUGLAS G. PACE
<035>	Contact Telephone Number: Number of the person identified in data line <030>	970-967-2491
<039>	Contact Email Address: Email of the person identified in data line <030>	DPACE@FTITEL.NET

ANNUAL REPORTING FOR ALL CARRIERS			54.313 Completion Required	54.422 Completion Required
			(check box when complete)	
<100>	Service Quality Improvement Reporting	(complete attached worksheet)	✓	
<200>	Outage Reporting (voice)	(complete attached worksheet)	✓	✓
<210>	✓ <-- check box if no outages to report			
<300>	Unfulfilled Service Requests (voice)	0	✓	
<310>	Detail on Attempts (voice)	(attach descriptive document)		
<320>	Unfulfilled Service Requests (broadband)			
<330>	Detail on Attempts (broadband)	(attach descriptive document)		
<400>	Number of Complaints per 1,000 customers (voice)		✓	✓
<410>	Fixed	0.0		
<420>	Mobile			
<430>	Number of Complaints per 1,000 customers (broadband)			
<440>	Fixed			
<450>	Mobile			
<500>	Service Quality Standards & Consumer Protection Rules Compliance	(check to indicate certification)	✓	✓
<510>	462201CO510	(attached descriptive document)	✓	✓
<600>	Functionality in Emergency Situations	(check to indicate certification)	✓	✓
<610>	462201CO610	(attached descriptive document)	✓	✓
<700>	Company Price Offerings (voice)	(complete attached worksheet)		
<710>	Company Price Offerings (broadband)	(complete attached worksheet)		
<800>	Operating Companies and Affiliates	(complete attached worksheet)	✓	✓
<900>	Tribal Land Offerings (Y/N)? ○ ◉	(if yes, complete attached worksheet)	✓	
<1000>	Voice Services Rate Comparability	(check to indicate certification)		
<1010>		(attach descriptive document)		
<1100>	Terrestrial Backhaul (Y/N)? ◉ ○	(if not, check to indicate certification)	✓	
<1110>		(complete attached worksheet)		
<1200>	Terms and Condition for Lifeline Customers	(complete attached worksheet)		✓

Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet
Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

<2000>		(check to indicate certification)		
<2005>		(complete attached worksheet)		

Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet

<3000>		(check to indicate certification)	✓	
<3005>		(complete attached worksheet)	✓	

(100) Service Quality Improvement Reporting
Data Collection Form

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

<010>	Study Area Code	462201
<015>	Study Area Name	RICO TEL CO
<020>	Program Year	2014
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<039>	Contact Email Address - Email Address of person identified in data line <030>	DPACE@FTITEL.NET

<110>	Has your company received its ETC certification from the FCC?	(yes / no) ○ ●
<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) ○ ○

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.	☐

(200) Service Outage Reporting (Voice)
Data Collection Form

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

<010>	Study Area Code	462201
<015>	Study Area Name	RICO TEL CO
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	DOUGLAS G. PACE
<035>	Contact Telephone Number - Number of person identified in data line <030>	970-967-2491
<039>	Contact Email Address - Email Address of person identified in data line <030>	DPACE@FTITEL.NET

<220>

<a> NORS Reference Number	<b1> Outage Start Date	<b2> Outage Start Time	<b3> Outage End Date	<b4> Outage End Time	<c1> Number of Customers Affected	<c2> Total Number of Customers	<d> 911 Facilities Affected (Yes / No)	<e> Service Outage Description (Check all that apply)	<f> Did This Outage Affect Multiple Study Areas (Yes / No)	<g> Service Outage Resolution	<h> Preventative Procedures

-- See attached worksheet --

(700) Price Offerings Including Voice Rate Data
Data Collection Form

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

<010>	Study Area Code	462201
<015>	Study Area Name	RICO TEL CO
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	DOUGLAS G. PACE
<035>	Contact Telephone Number - Number of person identified in data line <030>	970-967-2491
<039>	Contact Email Address - Email Address of person identified in data line <030>	DPACE@FTITEL.NET

<701>	Residential Local Service Charge Effective Date	1/1/2013
<702>	Single State-wide Residential Local Service Charge	

<703>

<a1> State	<a2> Exchange (ILEC)	<a3> SAC (CETC)	<b1> Rate Type	<b2> Residential Local Service Rate	<b3> State Subscriber Line Charge	<b4> State Universal Service Fee	<b5> Mandatory Extended Area Service Charge	<c> Total per line Rates and Fees
				-- See attached worksheet				
				--				

(710) Broadband Price Offerings
Data Collection Form

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

<010>	Study Area Code	462201
<015>	Study Area Name	RICO TEL CO
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	DOUGLAS G. PACE
<035>	Contact Telephone Number - Number of person identified in data line <030>	970-967-2491
<039>	Contact Email Address - Email Address of person identified in data line <030>	DPACE@FTITEL.NET

<711>

<a1>	<a2>	<b1>	<b2>	<c>	<d1>	<d2>	<d3>	<d4>
State	Exchange (ILEC)	Residential Rate	State Regulated Fees	Total Rate and Fees	Broadband Service - Download Speed (Mbps)	Broadband Service - Upload Speed (Mbps)	Usage Allowance (GB)	Usage Allowance Action Taken When Limit Reached (*select*)

-- See attached worksheet --

(800) Operating Companies
Data Collection Form

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

<010>	Study Area Code	462201
<015>	Study Area Name	RICO TEL CO
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	DOUGLAS G. PACE
<035>	Contact Telephone Number - Number of person identified in data line <030>	970-967-2491
<039>	Contact Email Address - Email Address of person identified in data line <030>	DPACE@FTITEL.NET

<810>	Reporting Carrier	RICO TELEPHONE COMPANY, INC.
<811>	Holding Company	
<812>	Operating Company	RICO TELEPHONE COMPANY, INC.

<813>

<a1> Affiliates	<a2> SAC	<a3> Doing Business As Company or Brand Designation
-- See attached worksheet --		

(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	462201
<015>	Study Area Name	RICO TEL CO
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	DOUGLAS G. PACE
<035>	Contact Telephone Number - Number of person identified in data line <030>	970-967-2491
<039>	Contact Email Address - Email Address of person identified in data line <030>	DPACE@FTITEL.NET

<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:

		Select (Yes,No, NA)
<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.	

(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	462201
<015>	Study Area Name	RICO TEL CO
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	DOUGLAS G. PACE
<035>	Contact Telephone Number - Number of person identified in data line <030>	970-967-2491
<039>	Contact Email Address - Email Address of person identified in data line <030>	DPACE@FTITEL.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

<010>	Study Area Code	462201
<015>	Study Area Name	RICO TEL CO
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	DOUGLAS G. PACE
<035>	Contact Telephone Number - Number of person identified in data line <030>	970-967-2491
<039>	Contact Email Address - Email Address of person identified in data line <030>	DPACE@FTITEL.NET

<1210> Terms & Conditions of Voice Telephony Lifeline Plans — 462201CO1210

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

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

<010>	Study Area Code	462201
<015>	Study Area Name	RICO TEL CO
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<030>	Contact Name - Person USAC should contact regarding this data	DOUGLAS G. PACE
<035>	Contact Telephone Number - Number of person identified in data line <030>	970-967-2491
<039>	Contact Email Address - Email Address of person identified in data line <030>	DPACE@FTITEL.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)) ☐

<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

Data Collection Form

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

<010>	Study Area Code	462201
<015>	Study Area Name	RICO TEL CO
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	DOUGLAS G. PACE
<035>	Contact Telephone Number - Number of person identified in data line <030>	970-967-2491
<039>	Contact Email Address - Email Address of person identified in data line <030>	DPACE@FTITEL.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,	Name of Attached Document Listing Required Information	☐
(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	
(3013)	Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2))		☑ (Yes/No)
(3014)	If yes, does your company file the RUS annual report		☑ (Yes/No)
	Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:		
(3015)	Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)		☑
(3016)	PDF of Balance Sheet, Income Statement and Statement of Cash Flows		☑
(3017)	If the response is yes on line 3014, attach your company's RUS annual report and all required documentation	Name of Attached Document Listing Required Information	462201CO3017
(3018)	If the response is no on line 3014, Is your company audited?		☐ (Yes/No)
	If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains :		
(3019)	Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications		☐
(3020)	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.		☐
	If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:		
(3022)	Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers,		☐
(3023)	Underlying information subjected to a review by an independent certified public accountant		☐
(3024)	Underlying information subjected to an officer certification.		☐
(3025)	PDF of Balance Sheet, Income Statement and Statement of Cash Flows		☐
(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

<010>	Study Area Code	462201
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<039>	Contact Email Address - Email Address of person identified in data line <030>	DPACE@FTITEL.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: RICO TEL CO

Signature of Authorized Officer: CERTIFIED ONLINE Date

Printed name of Authorized Officer:

Title or position of Authorized Officer:

Telephone number of Authorized Officer:

Study Area Code of Reporting Carrier: 462201 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.

Certification - Agent / Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013

<010>	Study Area Code	462201
<015>	Study Area Name	RICO TEL CO
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	DOUGLAS G. PACE
<035>	Contact Telephone Number - Number of person identified in data line <030>	970-967-2491
<039>	Contact Email Address - Email Address of person identified in data line <030>	DPACE@FTITEL.NET

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

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier

I certify that (Name of Agent)_____ is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.

Name of Authorized Agent:

Name of Reporting Carrier: RICO TEL CO

Signature of Authorized Officer: CERTIFIED ONLINE Date:

Printed name of Authorized Officer:

Title or position of Authorized Officer:

Telephone number of Authorized Officer:

Study Area Code of Reporting Carrier: 462201 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: RICO TEL CO

Name of Authorized Agent or Employee of Agent:

Signature of Authorized Agent or Employee of Agent: CERTIFIED ONLINE Date:

Printed name of Authorized Agent or Employee of Agent:

Title or position of Authorized Agent or Employee of Agent

Telephone number of Authorized Agent or Employee of Agent:

Study Area Code of Reporting Carrier: 462201 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

Line 510 - Service Quality Standards & Consumer Protection Rules Compliance:

Rico Telephone complies with the applicable Service Quality Standards and Consumer Protection Rules as required by the state regulatory commission and the Federal Communications Commission. Rico Telephone is committed to providing the highest quality service to its customers.

Rico Telephone also complies with the requirements of 47CFR Part 64 Subpart U, Customer Proprietary Network Information and the Federal Trade Commission Red Flag Rules to prevent identity threat. A manual for each of those programs is in place and is part of the employees' handbook. Employee training is conducted annually and new hires are instructed on the programs as required by their job functions.

Line 610 – Description of Functionality in Emergency Situations

Rico Telephone prides itself on updating and maintaining all its plant and equipment to prevent outages before they happen. If outages do happen, the Company has 24-hour on call staff and alarm reporting systems in place that send notifications to the 24 hour personnel monitoring these systems. The Company certifies that it follows best practices that are designed to allow them to remain functional in an emergency situation through the use of back-up power to ensure functionality in the event of a limited commercial power failure.

Rico Telephone utilizes battery back-up systems and standby generators in its central office. This enables Rico to maintain power during an outage of at least 48 hours with battery back-up and several days with a propane gas back-up generator.

LOW-INCOME TELEPHONE ASSISTANCE PROGRAMS

LOW-INCOME TELEPHONE ASSISTANCE PROGRAM (C)

CONDITIONS

The Low-Income Telephone Assistance Program provides for a discount of the recurring monthly rate for the provision of local residential service for certain low-income customers. (C)

The Low-Income Telephone Assistance Program discount is only available to low-income customers who meet eligibility requirements established by the Federal Communications Commission. (C) (C)

(D)

The Federal Communications Commission national eligibility criteria include subscribers with a household income of 135 percent of the federal poverty level or participation in one of the following programs: Supplemental Nutrition Assistance Program, Medicaid, Temporary Aid to Need Families, Supplemental Security Income, Low Income Home Energy Assistance Program, National Free Lunch or Federal Public Housing Assistance. (C) (C)

The monthly discount to eligible subscribers will be $9.25 for residential service. (D)

The Low-Income Telephone Assistance Program discount will begin with the date the company receives a valid application from the customer or when new service is established for a qualifying customer subject to the eligibility requirements set forth above. The discount will be prorated on the basis of a 30-day month from the effective date of the customer's application. (C)

The Service Charges to change to or from this program due to eligibility status will be waived.

The discount is applicable only to the customer's principal residence line.

A low-income customer may not be disconnected from local service solely for non-payment of toll charges, but the low-income customer must continue to pay the local service rates and charges.

LOW-INCOME TELEPHONE ASSISTANCE PROGRAMS (Cont'd)

LOW-INCOME TELEPHONE ASSISTANCE PROGRAM (Continued) (C)

CONDITIONS (Continued)

Toll blocking, as described elsewhere in this tariff, is available at no charge to a qualifying low-income customer. Toll blocking becomes a part of a low-income customer's service, when subscribed.

Toll control, as described elsewhere in this tariff, is available at no charge to a qualifying low-income customer. Toll control becomes a part of a low-income customer's service, when subscribed.

Toll limitation, which denotes both toll blocking and toll control, is available to a qualifying low-income customer.

If a qualifying low-income customer voluntarily elects toll blocking service from the Company, where that service is available, the customer will not be required to pay a deposit, if otherwise applicable, to initiate service. If toll blocking service is not available, a deposit will be charged, if applicable.

The Company will file information with the Lifeline Administrator demonstrating that the Lifeline plan meets the criteria set forth in Title 47, C.F.R, Subpart E of Part 54, and stating the number of low-income consumers and the amount of state assistance, pursuant to Section 54.401(d) of those rules.

RATES

Rates for qualifying low-income ("Lifeline") customers are specified on Sheet No. 22 preceding.

Kiesling
foresight for your future

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To The Board of Directors
Rico Telephone Company
Pleasant View, CO 81331

We have compiled the balance sheets of Rico Telephone Company, (a Colorado Corporation) as of December 31, 2012 and 2011, and the statements of income and retained earnings or margins for the years ended December 31, 2012 and 2011, and cash flows for the year ended December 31, 2012, included in the accompanying prescribed form. We have also compiled the supplementary information in Parts "E", "F", "G" and "H" of the accompanying prescribed form. We have not audited or reviewed the financial statements and the supplementary information in Parts "E", "F", "G" and "H" and, accordingly, do not express an opinion or provide any assurance about whether the financial statements and the supplementary information in Parts "E", "F", "G", and "H" is in accordance with the form prescribed by the Rural Development Utilities Program.

Management is responsible for the preparation and fair presentation of the financial statements and the supplementary information in Parts "E", "F", "G" and "H" in accordance with requirements prescribed by Rural Development Utilities Program and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statement and the supplementary information in Parts "E", "F", "G" and "H".

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist the management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statement and the supplementary information in Parts "E", "F", "G" and "H".

These financial statements and the supplementary information in Parts "E", "F", "G" and "H" are presented in accordance with the requirements of the Rural Development Utilities Program, which differ from accounting principles generally accepted in the United States of America. This report is intended solely for the information and use of the Rural Development Utilities Program, Federal Communications Commission, Universal Service Administrative Company and the Colorado Public Utilities Commission and is not intended to be and should not be used by anyone other than this specified party.

The supplementary information contained in Parts "C", "D" of the accompanying prescribed form has not been audited, reviewed, or compiled by us, and, accordingly, we assume no responsibility for that information.

Kiesling Associates LLP

Colorado Springs, CO
March 28, 2013

According to the Paperwork Reduction Act of 1995, 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 0572-0031. 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	*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.*
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER NAME Rico Telephone Company (Prepared with Audited Data)
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 CO0535

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	45,073	18,971	25. Accounts Payable	28,119	71,990
2. Cash-RUS Construction Fund	10,991	10,991	26. Notes Payable		
3. Affiliates:			27. Advance Billings and Payments		
a. Telecom, Accounts Receivable			28. Customer Deposits	600	600
b. Other Accounts Receivable	1,835	2,057	29. Current Mat. L/T Debt	141,900	125,800
c. Notes Receivable			30. Current Mat. L/T Debt-Rur. Dev.		
4. Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable	13,132	12,247	32. Income Taxes Accrued		
b. Other Accounts Receivable	34,661	25,581	33. Other Taxes Accrued	14,528	9,449
c. Notes Receivable			34. Other Current Liabilities		
5. Interest and Dividends Receivable	84		35. Total Current Liabilities (25 thru 34)	185,147	207,839
6. Material-Regulated			LONG-TERM DEBT		
7. Material-Nonregulated			36. Funded Debt-RUS Notes	425,402	326,449
8. Prepayments	4,269	1,799	37. Funded Debt-RTB Notes	84,853	70,126
9. Other Current Assets			38. Funded Debt-FFB Notes		
10. Total Current Assets (1 Thru 9)	110,045	71,646	39. Funded Debt-Other		
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			43. Obligations Under Capital Lease		
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)	510,255	396,575
13. Nonregulated Investments			OTHER LIAB. & DEF. CREDITS		
14. Other Noncurrent Assets			47. Other Long-Term Liabilities	95,999	81,068
15. Deferred Charges			48. Other Deferred Credits		
16. Jurisdictional Differences			49. Other Jurisdictional Differences		
17. Total Noncurrent Assets (11 thru 16)	0	0	50. Total Other Liabilities and Deferred Credits (47 thru 49)	95,999	81,068
PLANT, PROPERTY, AND EQUIPMENT			EQUITY		
18. Telecom, Plant-In-Service	2,082,255	2,074,397	51. Cap. Stock Outstand. & Subscribed	29,014	29,014
19. Property Held for Future Use			52. Additional Paid-In-Capital		
20. Plant Under Construction			53. Treasury Stock		
21. Plant Adj., Nonop. Plant & Goodwill			54. Membership and Cap. Certificates		
22. Less Accumulated Depreciation	1,021,337	1,117,951	55. Other Capital		
23. Net Plant (18 thru 21 less 22)	1,060,918	956,446	56. Patronage Capital Credits		
24. TOTAL ASSETS (10+17+23)			57. Retained Earnings or Margins	350,548	313,596
			58. Total Equity (51 thru 57)	379,562	342,610
	1,170,963	1,028,092	59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	1,170,963	1,028,092

Total Equity = 33.32% % of Total Assets

See Accountant's Compilation Report

USDA-RUS **OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS** *INSTRUCTIONS- See RUS Bulletin 1744-2*	BORROWER DESIGNATION C00535 PERIOD ENDING December, 2012

PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS

ITEM	PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues	39,995	50,958
2. Network Access Services Revenues	347,881	287,034
3. Long Distance Network Services Revenues		
4. Carrier Billing and Collection Revenues	1,986	2,182
5. Miscellaneous Revenues	3,152	4,429
6. Uncollectible Revenues	238	201
7. Net Operating Revenues (1 thru 5 less 6)	392,776	344,402
8. Plant Specific Operations Expense	56,387	73,841
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)	3,359	3,625
10. Depreciation Expense	109,676	104,472
11. Amortization Expense		
12. Customer Operations Expense	21,741	28,637
13. Corporate Operations Expense	181,294	142,134
14. Total Operating Expenses (8 thru 13)	372,457	352,709
15. Operating Income or Margins (7 less 14)	20,319	(8,307)
16. Other Operating Income and Expenses		
17. State and Local Taxes	(776)	(776)
18. Federal Income Taxes		
19. Other Taxes	3,323	(4,574)
20. Total Operating Taxes (17+18+19)	2,547	(5,350)
21. Net Operating Income or Margins (15+16-20)	17,772	(2,957)
22. Interest on Funded Debt	45,534	34,506
23. Interest Expense - Capital Leases		
24. Other Interest Expense	7	5
25. Allowance for Funds Used During Construction		
26. Total Fixed Charges (22+23+24-25)	45,541	34,511
27. Nonoperating Net Income	(221)	(265)
28. Extraordinary Items		
29. Jurisdictional Differences		
30. Nonregulated Net Income		781
31. Total Net Income or Margins (21+27+28+29+30-26)	(27,990)	(36,952)
32. Total Taxes Based on Income	(12,125)	(14,931)
33. Retained Earnings or Margins Beginning-of-Year	378,538	350,548
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)]	350,548	313,596
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	179,099	164,286
45. Cash Ratio [(14+20-10-11) / 7]	0.6755	0.7052
46. Operating Accrual Ratio [(14+20+26) / 7]	1.0707	1.1088
47. TIER [(31+26) / 26]	0.3854	-0.0707
48. DSCR [(31+26+10+11) / 44]	0.7104	0.6211

See Accountant's Compilation Report

USDA-RUS

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

INSTRUCTIONS - See RUS Bulletin 1744-2

BORROWER DESIGNATION
CO0535

PERIOD ENDED
December, 2012

Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION

	1. RATES		2. SUBSCRIBERS (ACCESS LINES)			3. ROUTE MILES	
EXCHANGE	B-1 (a)	R-1 (b)	BUSINESS (a)	RESIDENTIAL (b)	TOTAL (c)	TOTAL (including fiber) (a)	FIBER (b)
Rico - 967	25.95	20.65	30	105	135	31.18	15.00
MobileWireless					0		
Route Mileage Outside Exchange Area						0.00	0.00
Total			30	105	135	31.18	15.00
No. Exchanges	1						

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USDA-RUS

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

INSTRUCTIONS - See RUS Bulletin 1744-2

BORROWER DESIGNATION

CO0535

PERIOD ENDED

December, 2012

Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION

4. BROADBAND SERVICE

			Details on Least Expensive Broadband Service					
EXCHANGE	No. Access Lines with BB available (a)	No Of Broadband Subscribers (b)	Number Of Subscribers (c)	Advertised Download Rate (Kbps) (d)	Advertised Upload Rate (Kbps) (e)	Price Per Month (f)	Standalone/Pckg (f)	Type Of Technology (g)
Rico - 967	135	106	34	512	512	34.95	Package	DSL
Total	135	106						

See Accountant's Compilation Report

USDA-RUS **OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS**	BORROWER DESIGNATION C00535 PERIOD ENDING December, 2012
INSTRUCTIONS- See RUS Bulletin 1744-2	

PART D. SYSTEM DATA

1. No. Plant Employees	2. No. Other Employees	3. Square Miles Served	4. Access Lines per Square Mile	5. Subscribers per Route Mile
0	0	9	15.00	4.33

PART E. TOLL DATA

1. Study Area ID Code(s)	2. Types of Toll Settlements (Check one)		
a. 462201	Interstate:	☐ Average Schedule	☒ Cost Basis
b.	Intrastate:	☐ Average Schedule	☒ Cost Basis
c.			
d.			
e.			
f.			
g.			
h.			
i.			
j.			

PART F. FUNDS INVESTED IN PLANT DURING YEAR

1. RUS, RTB, & FFB Loan Funds Expended	
2. Other Long-Term Loan Funds Expended	
3. Funds Expended Under RUS Interim Approval	
4. Other Short-Term Loan Funds Expended	
5. General Funds Expended (Other than Interim)	
6. Salvaged Materials	
7. Contribution in Aid to Construction	
8. Gross Additions to Telecom. Plant (1 thru 7)	

PART G. INVESTMENTS IN AFFILIATED COMPANIES

INVESTMENTS	CURRENT YEAR DATA		CUMULATIVE DATA		
	Investment This Year	Income/Loss This Year	Cumulative Investment To Date	Cumulative Income/Loss To Date	Current Balance
(a)	(b)	(c)	(d)	(e)	(f)
1. Investment in Affiliated Companies - Rural Development					
2. Investment in Affiliated Companies - Nonrural Development					

See Accountant's Compilation Report

USDA-RUS **OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS**	BORROWER DESIGNATION CO0535 PERIOD ENDING December, 2012

PART H. CURRENT DEPRECIATION RATES

Are corporation's depreciation rates approved by the regulatory authority with jurisdiction over the provision of telephone services? (Check one) [X] YES [ ] NO

EQUIPMENT CATEGORY	DEPRECIATION RATE
1. Land and support assets - Motor Vehicles	
2. Land and support assets - Aircraft	
3. Land and support assets - Special purpose vehicles	
4. Land and support assets - Garage and other work equipment	10.00%
5. Land and support assets - Buildings	5.00%
6. Land and support assets - Furniture and Office equipment	16.00%
7. Land and support assets - General purpose computers	16.00%
8. Central Office Switching - Digital	6.00%
9. Central Office Switching - Analog & Electro-mechanical	
10. Central Office Switching - Operator Systems	
11. Central Office Transmission - Radio Systems	
12. Central Office Transmission - Circuit equipment	9.00%
13. Information origination/termination - Station apparatus	20.00%
14. Information origination/termination - Customer premises wiring	
15. Information origination/termination - Large private branch exchanges	
16. Information origination/termination - Public telephone terminal equipment	
17. Information origination/termination - Other terminal equipment	10.00%
18. Cable and wire facilities - Poles	
19. Cable and wire facilities - Aerial cable - Metal	4.00%
20. Cable and wire facilities - Aerial cable - Fiber	4.00%
21. Cable and wire facilities - Underground cable - Metal	
22. Cable and wire facilities - Underground cable - Fiber	
23. Cable and wire facilities - Buried cable - Metal	4.00%
24. Cable and wire facilities - Buried cable - Fiber	4.00%
25. Cable and wire facilities - Conduit systems	
26. Cable and wire facilities - Other	

See Accountant's Compilation Report

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION CO0535
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)**	56,064
	CASH FLOWS FROM OPERATING ACTIVITIES	
2.	**Net Income**	(36,952)
	Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities	
3.	Add: Depreciation	104,472
4.	Add: Amortization	0
5.	Other (Explain) Interest receivable, other accrued taxes	(4,995)
	Changes in Operating Assets and Liabilities	
6.	Decrease/(Increase) in Accounts Receivable	9,743
7.	Decrease/(Increase) in Materials and Inventory	0
8.	Decrease/(Increase) in Prepayments and Deferred Charges	2,470
9.	Decrease/(Increase) in Other Current Assets	0
10.	Increase/(Decrease) in Accounts Payable	43,871
11.	Increase/(Decrease) in Advance Billings & Payments	0
12.	Increase/(Decrease) in Other Current Liabilities	0
13.	**Net Cash Provided/(Used) by Operations**	118,609
	CASH FLOWS FROM FINANCING ACTIVITIES	
14.	Decrease/(Increase) in Notes Receivable	0
15.	Increase/(Decrease) in Notes Payable	0
16.	Increase/(Decrease) in Customer Deposits	0
17.	Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)	(129,780)
18.	Increase/(Decrease) in Other Liabilities & Deferred Credits	(14,931)
19.	Increase/(Decrease) in Capital Stock, Paid-In Capital, Membership and Capital Certificates & Other Capital	0
20.	Less: Payment of Dividends	0
21.	Less: Patronage Capital Credits Retired	0
22.	Other (Explain)	
23.	**Net Cash Provided/(Used) by Financing Activities**	(144,711)
	CASH FLOWS FROM INVESTING ACTIVITIES	
24.	Net Capital Expenditures (Property, Plant & Equipment)	7,858
25.	Other Long-Term Investments	0
26.	Other Noncurrent Assets & Jurisdictional Differences	0
27.	Other (Explain) Retirements	(7,858)
28.	**Net Cash Provided/(Used) by Investing Activities**	0
29.	**Net Increase/(Decrease) in Cash**	(26,102)
30.	**Ending Cash**	29,962

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Program Year : 2014

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