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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, Farmers Telephone Company – CO (Farmers) 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
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<010> Study Area Code	462188
<015> Study Area Name	FARMERS TEL CO - 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>	9705624211
<039> Contact Email Address: Email of the person identified in data line <030>	dpace@ftitel.net

ANNUAL REPORTING FOR ALL CARRIERS	54.313	54.422
	Completion Required	Completion Required

			(check box when complete)	
<100> Service Quality Improvement Reporting	(complete attached worksheet)		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<200> Outage Reporting (voice)	(complete attached worksheet)		<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)	(attach descriptive document)		<input type="checkbox"/>	<input type="checkbox"/>
<320> Unfulfilled Service Requests (broadband)			<input type="checkbox"/>	<input type="checkbox"/>
<330> Detail on Attempts (broadband)	(attach descriptive document)		<input type="checkbox"/>	<input type="checkbox"/>
<400> Number of Complaints per 1,000 customers (voice)			<input checked="" type="checkbox"/>	<input checked="" 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	(check to indicate certification)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<510> 462188CO510	(attached descriptive document)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<600> Functionality in Emergency Situations	(check to indicate certification)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<610> 462188CO610	(attached descriptive document)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<700> Company Price Offerings (voice)	(complete attached worksheet)		<input type="checkbox"/>	<input type="checkbox"/>
<710> Company Price Offerings (broadband)	(complete attached worksheet)		<input type="checkbox"/>	<input type="checkbox"/>
<800> Operating Companies and Affiliates	(complete attached worksheet)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<900> Tribal Land Offerings (Y/N)? <input type="radio"/> <input checked="" type="radio"/>	(if yes, complete attached worksheet)		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1000> Voice Services Rate Comparability	(check to indicate certification)		<input type="checkbox"/>	<input type="checkbox"/>
<1010>	(attach descriptive document)		<input type="checkbox"/>	<input type="checkbox"/>
<1100> Terrestrial Backhaul (Y/N)? <input checked="" type="radio"/> <input type="radio"/>	(if not, check to indicate certification)		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1110>	(complete attached worksheet)		<input type="checkbox"/>	<input type="checkbox"/>
<1200> Terms and Condition for Lifeline Customers	(complete attached worksheet)		<input type="checkbox"/>	<input checked="" type="checkbox"/>

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

<2000>	(check to indicate certification)		<input type="checkbox"/>	<input type="checkbox"/>
<2005>	(complete attached worksheet)		<input type="checkbox"/>	<input type="checkbox"/>

Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet

<3000>	(check to indicate certification)		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<3005>	(complete attached worksheet)		<input checked="" type="checkbox"/>	<input 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

<010> Study Area Code 462188

<015> Study Area Name FARMERS TEL CO - 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> 9705624211

<039> Contact Email Address - Email Address of person identified in data line <030> dpace@ffitel.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.

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.

<input type="checkbox"/>							
<input type="checkbox"/>							
<input type="checkbox"/>							
<input type="checkbox"/>							
<input type="checkbox"/>							
<input type="checkbox"/>							
<input type="checkbox"/>							
<input type="checkbox"/>							

- <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.

Name of Attached Document (.pdf)

**(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	462188
<015>	Study Area Name	FARMERS TEL CO - 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>	9705624211
<039>	Contact Email Address - Email Address of person identified in data line <030>	dpace@fritel.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 of 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	462188
<015>	Study Area Name	FARMERS TEL CO - CO
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Douglas G. Pace
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<039>	Contact Email Address - Email Address of person identified in data line <030>	dpace@fttel.net

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

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 462188
 <015> Study Area Name FARMERS TEL CO - 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> 9705624211
 <039> Contact Email Address - Email Address of person identified in data line <030> dpace@ftitel.net

<1210> Terms & Conditions of Voice Telephony Lifeline Plans 462188CO1210
 Name of attached document (.pdf)
 <1220> Link to Public Website HTTP WWW.FARMERSTELCOM.COM

"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	462188
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<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>	9705624211
<039>	Contact Email Address - Email Address of person identified in data line <030>	dpace@fritel.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.

<2010>	Incremental Connect America Phase I reporting	<input type="checkbox"/>
<2011>	2nd Year Certification (47 CFR § 54.313(b)(1)) 3rd Year Certification (47 CFR § 54.313(b)(2))	<input type="checkbox"/>
<2012>	Price Cap Carrier Receiving Frozen Support Certification (47 CFR § 54.312(a))	<input type="checkbox"/>
<2013>	2013 Frozen Support Certification	<input type="checkbox"/>
<2014>	2014 Frozen Support Certification	<input type="checkbox"/>
<2015>	2015 Frozen Support Certification 2016 and future Frozen Support Certification	<input type="checkbox"/>
<2016>	Price Cap Carrier Connect America ICC Support (47 CFR § 54.313(d)) Certification Support Used to Build Broadband	<input type="checkbox"/>
<2017>	Connect America Phase II Reporting (47 CFR § 54.313(e))	<input type="checkbox"/>
<2018>	3rd year Broadband Service Certification	<input type="checkbox"/>
<2019>	5th year Broadband Service Certification	<input type="checkbox"/>
<2020>	Interim Progress Certification Please check the box to confirm that the attached PDF, on line 2021, contains the required information pursuant to § 54.313 (e)(3)(iii), 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	<input type="checkbox"/>

**(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

462188
 <010> Study Area Code
 <015> Study Area Name FARMERS TEL CO - 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> 9705624211
 <039> Contact Email Address - Email Address of person identified in data line <030> dpace@ftele.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

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

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	462188
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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>	9705624211
<039> Contact Email Address - Email Address of person identified in data line <030>	dpac@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:	FARMERS TEL CO - CO
Signature of Authorized Officer:	CERTIFIED ONLINE Date 10/14/2013
Printed name of Authorized Officer:	Douglas Pace
Title or position of Authorized Officer:	General Manager
Telephone number of Authorized Officer:	9705624211
Study Area Code of Reporting Carrier:	462188 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
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<010> Study Area Code	462188
<015> Study Area Name	FARMERS TEL CO - 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>	9705624211
<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: _____	
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.	

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: _____	
Name of Authorized Agent or Employee of Agent: _____	
Signature of Authorized Agent or Employee of Agent: _____	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: _____	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.	

Attachments

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

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

Farmers 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

Farmers 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.

Farmers Telephone utilizes battery back-up systems and standby generators in its central office and remote hut. This enables Farmers to maintain power during an outage of at least 48 hours with battery back-up and several days with propane gas. Farmers also recently purchased a new 6800 watt portable gas powered generator to support the remote cabinets in our network in the event of an extended power outage.

FARMERS TELEPHONE COMPANY, INC.
Name of Utility
State of Colorado

COLO PUC NO. 4
7th Revised Sheet No. 64
Cancels 6th Revised Sheet No. 64

Rules, Regulations or Extension Policy

4. Low-Income Telephone Assistance Program

4.1 Low-Income Telephone Assistance Program

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.

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

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.

The monthly discount to eligible subscribers will be \$9.25 for residential service.

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.

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.

(C)
(C)
(C)
|
(C)
(C)
|
(D)
|
(D)
(C)

FARMERS TELEPHONE COMPANY, INC.

Name of Utility

State of Colorado

COLO PUC NO. 4

3rd Revised Sheet No. 65

Cancels 2nd Revised Sheet No. 65

Rules, Regulations or Extension Policy

4. Low-Income Telephone Assistance Program (Cont'd)

4.1 Low-Income Telephone Assistance Program (Cont'd)

(C)

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 a qualifying low-income customer does not voluntarily elect toll blocking service, the Company will waive the deposit requirement for the customer unless the customer has a history of late payments to the Company. A history of late payment means failure to make payment by the due date three times in any twelve-month period.

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.

4.2 Rates

Rates for qualifying low-income ("Lifeline") customers are specified in Section 20.4(A) following.

Advice Letter No. 85

Decision or

Authority No. C13-0357, C13-0395

Effective Date May 1, 2013

(No) 188 CO 3017



INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To The Board of Directors
Farmers Telephone Company, Inc.
Pleasant View, CO 81331

We have compiled the balance sheets of Farmers Telephone Company, Inc. (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" and "D" of the accompanying prescribed form has not been audited, reviewed, or compiled by us, and, accordingly, we assume no responsibility for that information.

A handwritten signature in cursive script that reads 'Kiesling Accountants LLP'.

Colorado Springs, CO
March 29, 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 0312-0031. 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. 991 et seq and, subject to Federal laws and regulations regarding confidential information, will be treated as confidential.	
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		BORROWER NAME The Farmers Telephone Company, Inc. (Prepared with Audited Data)	
		PERIOD ENDING December, 2012	BORROWER DESIGNATION C06539
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.			

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 1786, 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 1786 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) refers specifically described in the Telecom Operating Report.

[Signature]

04-01-2013
DATE

PART A. BALANCE SHEET

ASSETS	BALANCE	BALANCE	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE	BALANCE
	PRIOR YEAR	END OF PERIOD		PRIOR YEAR	END OF PERIOD
CURRENT ASSETS			CURRENT LIABILITIES		
1. Cash and Equivalents	443,245	318,375	25. Accounts Payable	108,423	52,416
2. Cash RUS Construction Fund	5	5	26. Notes Payable		
3. Accounts:			27. Advance Billings and Payments	15,328	15,796
a. Telecom, Accounts Receivable			28. Customer Deposits	1,195	1,720
b. Other Accounts Receivable	124,143	18,911	29. Current Mat. L/T Debt	123,500	119,908
c. Notes Receivable			30. Current Mat. L/T Debt Rur. Dev.		
4. Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable	41,759	43,028	32. Income Taxes Accrued	(13,083)	(1,251)
b. Other Accounts Receivable	110,862	144,910	33. Other Taxes Accrued	22,000	23,178
c. Notes Receivable			34. Other Current Liabilities	54,395	59,233
5. Interest and Dividends Receivable	142	142	35. Total Current Liabilities (25 thru 34)	312,758	270,978
6. Material Regulated	66,557	105,516	LONG-TERM DEBT		
7. Material Nonregulated			36. Funded Debt RUS Notes	615,803	534,995
8. Prepayments	15,179	17,257	37. Funded Debt-RTB Notes	387,775	348,822
9. Other Current Assets			38. Funded Debt FFB Notes		
10. Total Current Assets (1 Thru 9)	801,931	668,144	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. Recquired Debt		
b. Nonrural Development	636,015	629,594	43. Obligations Under Capital Loan		
12. Other Investments			44. Adv. From Affiliated Companies		
a. Rural Development			45. Other Long-Term Debt		
b. Nonrural Development	34,422	34,257	46. Total Long-Term Debt (36 thru 45)	1,003,578	883,617
13. Nonregulated Investments			OTHER LIAB. & DEF. CREDITS		
14. Other Noncurrent Assets			47. Other Long-Term Liabilities	1,015,700	1,041,627
15. Deferred Charges	50,930	46,436	48. Other Deferred Credits	23,096	24,995
16. Jurisdictional Differences			49. Other Jurisdictional Differences		
17. Total Noncurrent Assets (11 thru 16)	721,367	710,287	50. Total Other Liabilities and Deferred Credits (47 thru 49)	1,038,796	1,066,622
PLANT, PROPERTY, AND EQUIPMENT			EQUITY		
18. Telecom, Plant In Service	6,469,293	6,891,203	51. Cap. Stock Outstanding & Subscribed	6,556	6,556
19. Property Held for Future Use			52. Additional Paid-in Capital	199,567	199,567
20. Plant Under Construction			53. Treasury Stock		
21. Plant Adj., Minus, Plant & Goodwill			54. Membership and Cap. Certificates		
22. Less Accumulated Depreciation	3,569,122	3,899,009	55. Other Capital		
23. Net Plant (18 thru 21 less 22)	2,929,171	2,992,194	56. Patronage Capital Credits		
24. TOTAL ASSETS (10+17+23)	4,452,469	4,370,625	57. Retained Earnings or Margins	1,893,214	1,943,085
			58. Total Equity (51 thru 57)	2,099,337	2,149,208
			59. TOTAL LIABILITIES AND EQUITY (35+40+50+59)	4,452,469	4,370,625

Total Equity = 49.17% % of Total Assets

See Accountant's Compilation Report

USDA-RUS		BORROWER DESIGNATION	
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		C00530	
INSTRUCTIONS- See RUS Bulletin 1744-2		PERIOD ENDING December, 2012	
PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS			
ITEM	PRIOR YEAR	THIS YEAR	
1. Local Network Services Revenues	144,982	134,239	
2. Network Access Services Revenues	1,130,835	1,124,990	
3. Long Distance Network Services Revenues			
4. Carrier Billing and Collection Revenues	9,068	8,522	
5. Miscellaneous Revenues	31,202	41,994	
6. Uncollectible Revenues	48	275	
7. Net Operating Revenues (1 thru 5 less 6)	1,316,039	1,309,470	
8. Plant Specific Operations Expense	323,160	395,699	
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)	18,631	20,453	
10. Depreciation Expense	331,942	338,887	
11. Amortization Expense			
12. Customer Operations Expense	59,242	66,862	
13. Corporate Operations Expense	374,738	443,988	
14. Total Operating Expenses (8 thru 13)	1,107,713	1,265,889	
15. Operating Income or Margins (7 less 14)	208,326	43,581	
16. Other Operating Income and Expenses			
17. State and Local Taxes	(6,312)	(9,892)	
18. Federal Income Taxes	(10,706)	(24,600)	
19. Other Taxes	93,051	54,026	
20. Total Operating Taxes (17+18+19)	76,033	19,534	
21. Net Operating Income or Margins (15+16-20)	132,293	24,047	
22. Interest on Funded Debt	56,390	50,810	
23. Interest Expense - Capital Leases			
24. Other Interest Expense	4	5	
25. Allowance for Funds Used During Construction	4,925	1,759	
26. Total Fixed Charges (22+23+24-25)	51,469	49,056	
27. Nonoperating Net Income	104,825	144,894	
28. Extraordinary Items			
29. Jurisdictional Differences			
30. Nonregulated Net Income	32,090	34,886	
31. Total Net Income or Margins (21+27+28+29+30-26)	217,739	154,771	
32. Total Taxes Based on Income	53,523	(5,213)	
33. Retained Earnings or Margins Beginning-of-Year	1,780,375	1,893,214	
34. Miscellaneous Credits Year-to-Date			
35. Dividends Declared (Common)	104,900	104,900	
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)]	1,893,214	1,943,085	
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	183,126	174,173	
45. Cash Ratio [(14+20-10-11) / 7]	0.6472	0.7228	
46. Operating Accrual Ratio [(14+20+26) / 7]	0.9386	1.0191	
47. TIER [(31+28) / 26]	5.2305	4.1550	
48. DSCR [(31+28+10+11) / 44]	3.2827	3.1159	

See Accountant's Compilation Report

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS <i>INSTRUCTIONS - See RUS Bulletin 1744-2</i>						BORROWER DESIGNATION CO0530 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)
Pleasant View	28.42	17.21	115	353	468	347.57	67.12
Mobile/Wireless					0		
Route Mileage Outside Exchange Area						0.00	0.00
Total			115	353	468	347.57	67.12
No. Exchanges	1						

See Accountant's Compilation Report

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS <i>INSTRUCTIONS - See RUS Bulletin 1744-2</i>						BORROWER DESIGNATION CO0530 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 (g)	Type Of Technology (h)
Pleasant View	488	274	107	512	512	34.95	Package	DSL
Total	488	274						

See Accountant's Compilation Report

USDA-RUS			BORROWER DESIGNATION						
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS			CO0530						
			PERIOD ENDING December, 2012						
INSTRUCTIONS- See RUS Bulletin 1744-2									
PART D. SYSTEM DATA									
1. No. Plant Employees	3	2. No. Other Employees	7	3. Square Miles Served	245	4. Access Lines per Square Mile	1.91	5. Subscribers per Route Mile	1.35
PART E. TOLL DATA									
1. Study Area ID Code(s)		2. Types of Toll Settlements (Check one)							
a. 462188		interstate:		<input type="checkbox"/> Average Schedule	<input checked="" type="checkbox"/> Cost Basis				
b. _____		intra-state:		<input type="checkbox"/> Average Schedule	<input checked="" type="checkbox"/> 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)								401,910	
6. Salvaged Materials									
7. Contribution in Aid to Construction									
8. Gross Additions to Telecom. Plant (1 thru 7)								401,910	
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			143,579	286,842	342,752	629,594			

USDA-RUS		BORROWER DESIGNATION	
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		CO0530	
		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)			
		<input checked="" type="checkbox"/>	YES
		<input type="checkbox"/>	NO
EQUIPMENT CATEGORY		DEPRECIATION RATE	
1. Land and support assets - Motor Vehicles		10.00%	
2. Land and support assets - Aircraft			
3. Land and support assets - Special purpose vehicles		5.00%	
4. Land and support assets - Garage and other work equipment		4.00%	
5. Land and support assets - Buildings		12.50%	
6. Land and support assets - Furniture and Office equipment		20.00%	
7. Land and support assets - General purpose computers		10.00%	
8. Central Office Switching - Digital			
9. Central Office Switching - Analog & Electro-mechanical			
10. Central Office Switching - Operator Systems			
11. Central Office Transmission - Radio Systems		5.00%	
12. Central Office Transmission - Circuit equipment			
13. Information origination/termination - Station apparatus			
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			
18. Cable and wire facilities - Poles			
19. Cable and wire facilities - Aerial cable - Metal			
20. Cable and wire facilities - Aerial cable - Fiber			
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		BORROWER DESIGNATION
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		CO0530
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)	443,250
CASH FLOWS FROM OPERATING ACTIVITIES		
2.	Net Income	154,771
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>		
3.	Add: Depreciation	338,887
4.	Add: Amortization	0
5.	Other (Explain) Accrued taxes, other accrued taxes	13,002
<i>Changes in Operating Assets and Liabilities</i>		
6.	Decrease/(Increase) in Accounts Receivable	69,954
7.	Decrease/(Increase) in Materials and Inventory	(38,959)
8.	Decrease/(Increase) in Prepayments and Deferred Charges	(17,584)
9.	Decrease/(Increase) in Other Current Assets	0
10.	Increase/(Decrease) in Accounts Payable	(56,007)
11.	Increase/(Decrease) in Advance Billings & Payments	462
12.	Increase/(Decrease) in Other Current Liabilities	3,838
13.	Net Cash Provided/(Used) by Operations	468,364
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	525
17.	Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)	(123,361)
18.	Increase/(Decrease) in Other Liabilities & Deferred Credits	29,826
19.	Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital	0
20.	Less: Payment of Dividends	(104,900)
21.	Less: Patronage Capital Credits Retired	0
22.	Other (Explain)	
23.	Net Cash Provided/(Used) by Financing Activities	(197,910)
CASH FLOWS FROM INVESTING ACTIVITIES		
24.	Net Capital Expenditures (Property, Plant & Equipment)	(401,910)
25.	Other Long-Term Investments	6,586
26.	Other Noncurrent Assets & Jurisdictional Differences	0
27.	Other (Explain)	
28.	Net Cash Provided/(Used) by Investing Activities	(395,324)
29.	Net Increase/(Decrease) in Cash	(124,870)
30.	Ending Cash	318,380

Revision Date 2010

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CONFIRMATION

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SAC : 462188

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Program Year : 2014

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